

Domestic market summary

Domestic market Scenario: Cotton spot markets mostly noticed slightly firm during the week. Average price of Lint at Sirsa during the week was Rs. 4855 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4805. Cotton fiber (Shankar-6) prices noticed slightly weak this week. Average price was Rs 48150 per candy (of 355.6 kg each) during the week, which was Rs 48316 per candy previous week.

Weekly Price Outlook : In the coming week we expect Kapas price to remain firm with the price band of Rs 5800-6400 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4000-5000 per maund.

Major Market Highlights:

- All India cotton Sowing reached 92.712 Lakh hectares against 104.266 Lakh hectares last year as on 20 July 2018
- As per Cotton Corporation Of India all India total arrivals Till 16 July 2018 reached 3,50,75,060 Bales
- The average rainfall received in Andhra Pradesh from 1-6-2018 to 18-7-2018 is recorded as 190.2 mm as against the Normal as on date of 179.5mm showing deviation from Normal 6 percent. Sowings of rain fed crops are under progress in all the districts of Andhra Pradesh early sown crops like Cotton sugarcane and Pulses at vegetative stage. The sucking pests were noticed in the cotton in the districts of Kurnool Ananthpuram and Krishna.
- All India Daily Arrivals remained 8,000 to 10,000 bales. With limited arrivals, most of the ginning factories are closed. Domestic Mills having short supply due to strong holding from Ginners and MNC Companies and maybe there will be shortage for One Month Period in India.
- Gujarat Cotton 29 mm Quoted at 48500-49000 Rs. per candy during the week, while Buyer were Interested at 47500-48000 Rs. Per candy Price Level.
- Revival of rains after a two-week lull has not rekindled any hopes for cotton farmers in Telangana. Though cotton sowing has been carried on about 12.1 lakh hectares (lh), the farmers are not much elated as they fear the rains are not enough for the crop to grow. The as-on-date numbers for sowing surpassed that of average as-on-date figure of 11.70 lh. This, however, was way lower than last year's as-on-date sown area of 14 lh.
- According to the data shared by the Directorate General of Foreign Trade (DGFT), in 2017-18, India exported 3.92 lakh tonnes (lt) of cotton (with length of 28.5 mm and above but not exceeding 34.5 mm) worth \$715 million to Bangladesh, up 12 per cent from 3.50 lt worth \$600 million in 2016-17. Exports to China, however, fell by 55 per cent between 2016-17 and 2017-18 from 1.54 lt to 69,219 tonnes. Exports to Pakistan remained almost flat at 1.46 lt in 2016-17 and 1.47 lakh tonnes in 2017-18.



Domestic Cotton Balance sheet

Supply	2016-17*	2017-18*	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Opening Stock	36.50	30.00	30.00	97.06	163.23	109.84
Production	337.25	362.00	163.80	152.88	34.76	15.56
Imports	27.00	22.00	3.00	9.00	4.00	6.00
Total Supply	400.75	414.00	196.80	258.94	201.99	131.40
Demand						
Mill	265.00	275.00	65.53	69.77	70.45	69.63
Small mill	27.00	30.00	6.86	7.50	7.85	7.70
Non Mill	15.75	15.00	3.75	3.75	3.75	3.75
Total Consumption	307.75	320.00	76.14	81.02	82.05	81.08
Exports	63.00	70.00	23.60	14.70	10.10	6.60
Total Consumption	370.75	390.00	99.74	95.72	92.15	87.68
Ending Stocks	30.00	24.00	97.06	163.23	109.84	43.71

Annual Production, consumption and Export figures are sourced from Cotton Association of India (CAI).

**Quarterly Balance Sheet figures estimated by Agriwatch.

Balance Sheet Highlight (2017-18):

As per the latest estimates by CAI, cotton output in country during the season 2017-18 would be around 362 lakh bales (of 170 kg each) which is higher compared to production of last season.

Following higher production, cotton imports will rise marginally to 22 lakh bales compared to 27 lakh bales in previous season.

Due to lower opening stock, imports, and higher production of cotton availability would be standing higher this season at 414 lakh bales compared to 400 lakh bales during the previous season.

Total domestic consumption (Including mill, small mill and non-mill consumption) would be around 320 lakh bales compared to 307 lakh bales during the previous season.

Cotton exports are expected to remain higher as that of previous year. It is expected that country would export around 70 lakh bales of cotton in the season 2017-18.

Ending stocks are expected to be around 24 lakh bales, it is lower compared to the ending stocks of previous season

Domestic Cotton Prices Scenario

Domestic Cotton Prices Scenario

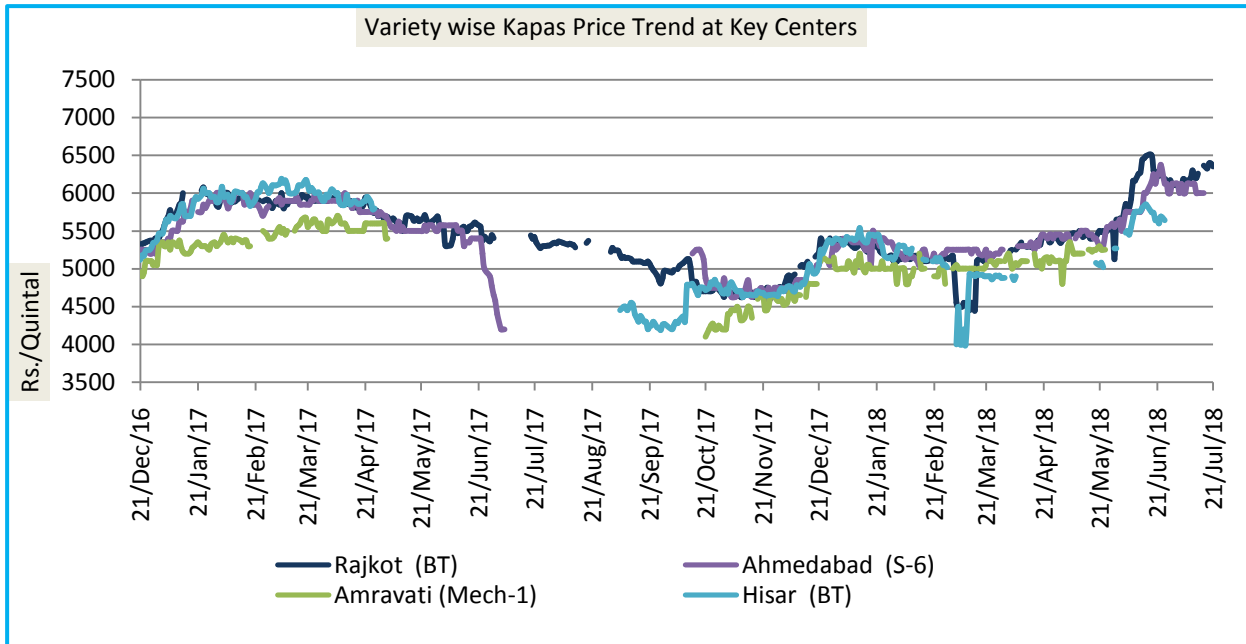
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose is Rs 6338/quintal this week.

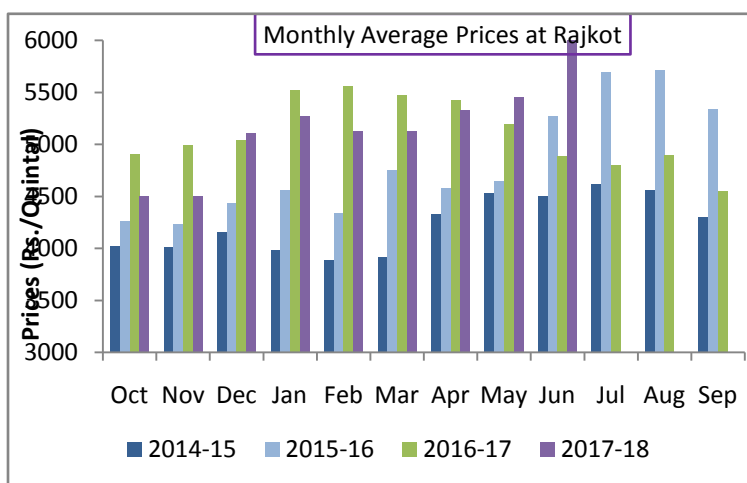


According to latest report of USDA attaché, India's 2017/18 cotton production forecast is 30.00 million 480 lb. bales on higher acreage of 12.20 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 5500-6500 per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario



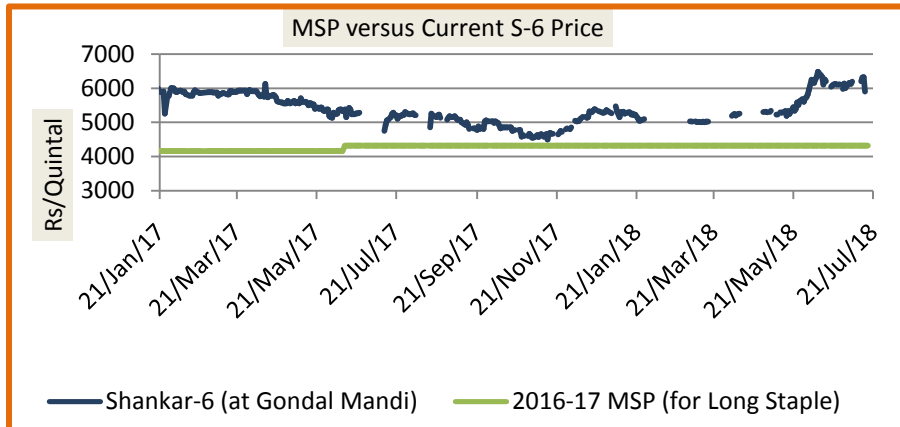
Kapas(seed cotton) prices in country noticed firm tone during the June month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.6136 per quintal during May, which was Rs. 5445 during previous month and Rs. 4882 per quintal during the corresponding month last year. We expect Kapas prices to remain to

firm in the coming month. The expected price range for July month is likely to be Rs 5500-6500 per quintal.



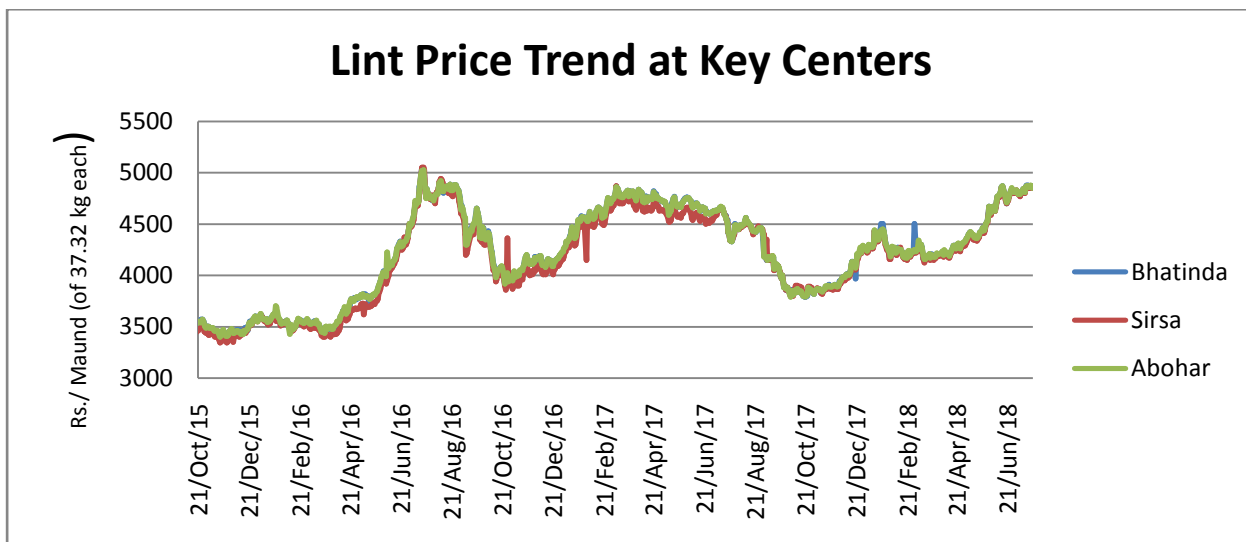
Spot Price versus MSP



The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs1960 compared to Rs 1800 a week earlier. This indicates prices are increasing.

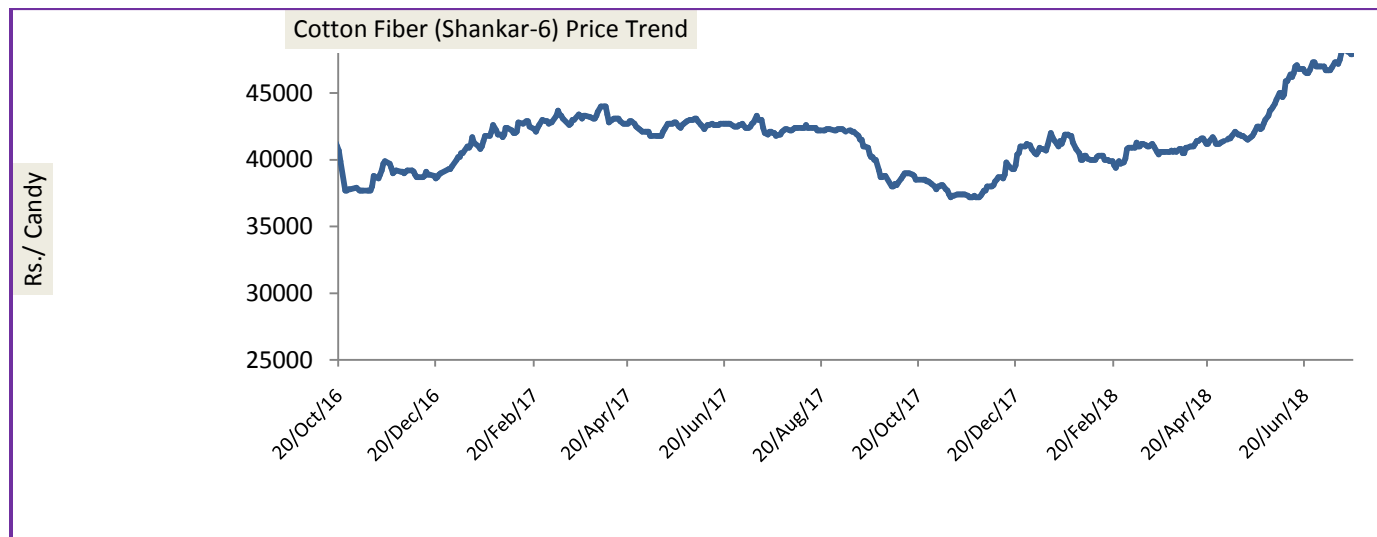
Lint price Outlook

Lint prices remained slightly firm during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs.4855 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4802 per maund.



Cotton Fiber price Outlook

Cotton fiber noticed down trend in this week compared to the previous week amid good demand in domestic and international market weekly average) prices noticed slightly weak this week Average price was Rs 48150 per candy (of 355.6 kg each) during the week, which was Rs 48316 per candy previous week. and around Rs 42721 per candy during the corresponding week previous season. We expect cotton fiber to remain in range of Rs 45000 - 49000 per candy in the coming week candy.

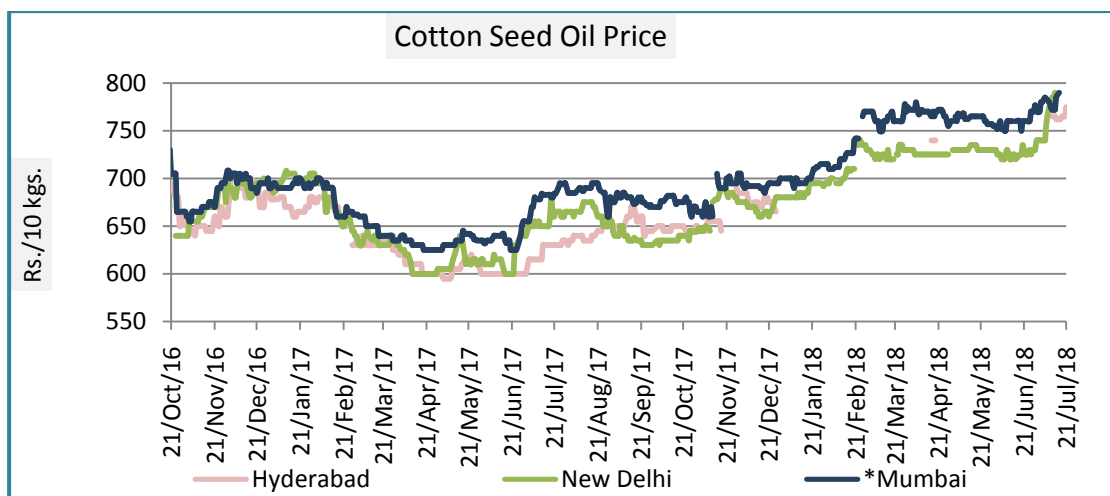


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil monthly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi is Rs 746 per 10 Kg, higher compared to the weekly average price of Rs 735 per 10 Kg in previous week.

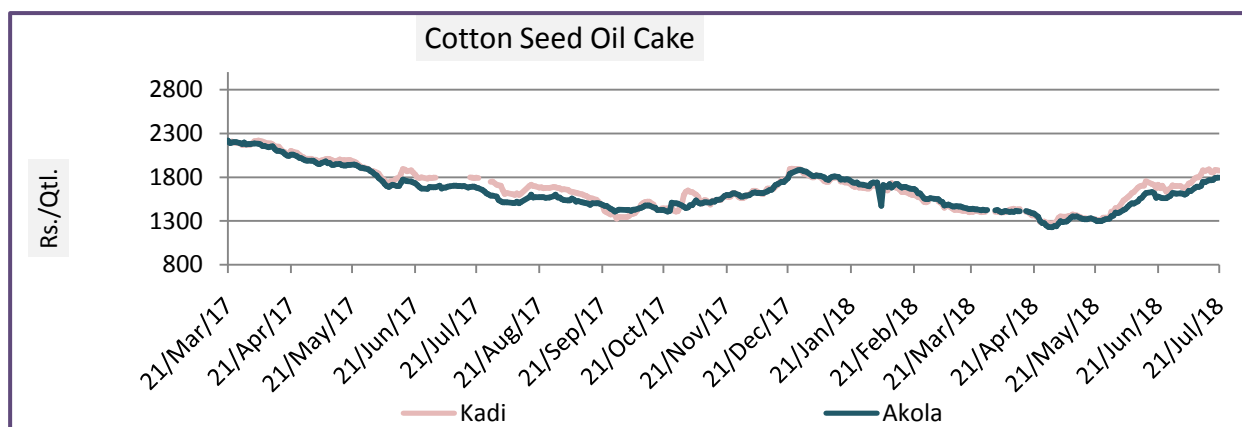
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	19-Jul-18	12-Jul-18	
New Delhi	746	735	1.50
Rajkot	765	770	-0.65
Hyderabad	763.5	764	-0.07
Mumbai*	775	777	-0.26



Cotton Seed Oil Cake weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1763 per quintal, higher compared to the weekly average price of Rs 1664 per quintal in the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	19-Jul-18	12-Jul-18	
Kadi	1871	1765	6.01
Akola	1763	1664	5.95
*Source: NCDEX			





International Market Scenario

International cotton prices remained firm during the week. Cotlook A index weekly average stood 98.00 at cents/pound this week, which was 94.34 cents/pound during last week.

Major Market Highlights:

ICE cotton futures slipped to a week low on Friday in subdued trading as investors remained on the sidelines amid intensifying trade tensions between the United States and China. The most active cotton contract on ICE Futures U.S., the second-month December contract, settled down 0.47 cent, or 0.54 percent, at 87.08 cents per lb. It traded within a range of 86.2, lowest since July 12, and 88.09 cents a lb.

The latest U.S. Department of Agriculture (USDA) cotton projections for 2018/19 (August-July) indicate that world cotton mill use is forecast to reach a new record, in large part reflecting additional expected growth in the world economy. Global cotton consumption is projected at 127.0 million bales in 2018/19, 3.9 percent above 2017/18's 122.2-million-bale estimate. Mill use is forecast to rise in each of the leading raw cotton spinners in 2018/19, with China accounting for more than one-third of the world total.

Cotton mill use growth varies by country and year of comparison. Using 2015/16 as the base year, 2018/19 world cotton consumption is projected 12 percent higher. Likewise, relative to 3 years ago, cotton mill use in China in 2018/19 is expected 18 percent higher; in India, 2 percent higher; and in Pakistan, 4 percent higher. In addition, cotton mill use in Bangladesh and Vietnam continues to expand and the growth since 2015/16 has been remarkable. For Bangladesh, 2018/19 mill use is projected 27 percent higher than in 2015/16, while the growth for Vietnam is even more dramatic, with 2018/19 mill use expected to be nearly 67 percent above the 2015/16 level.

The All Pakistan Textile Mills Association (APTMA) has termed the re-imposition of 3 per cent customs duty and 2 per cent additional customs duty on the import of cotton 'the last nail in the coffin' for the ailing textile industry. Cotton crop has been below target for three consecutive seasons, contradicting production claims by the cotton commissioner, it said. The duties were effective starting July 15.

Indian Cotton Exporters hoping good Demands from China for upcoming season 2018-19 due to huge demand and sufficient Import from China.

The U.S. 2018/19 cotton projections show lower production, exports, and stocks compared with last month. The 1.0-million-bale decrease in the crop projection is due to higher expected abandonment based on current conditions.

Beginning stocks are 200,000 bales lower due to an increase in 2017/18 exports. 2018/19 exports are reduced 500,000 bales based on lower supplies and increased foreign competition.

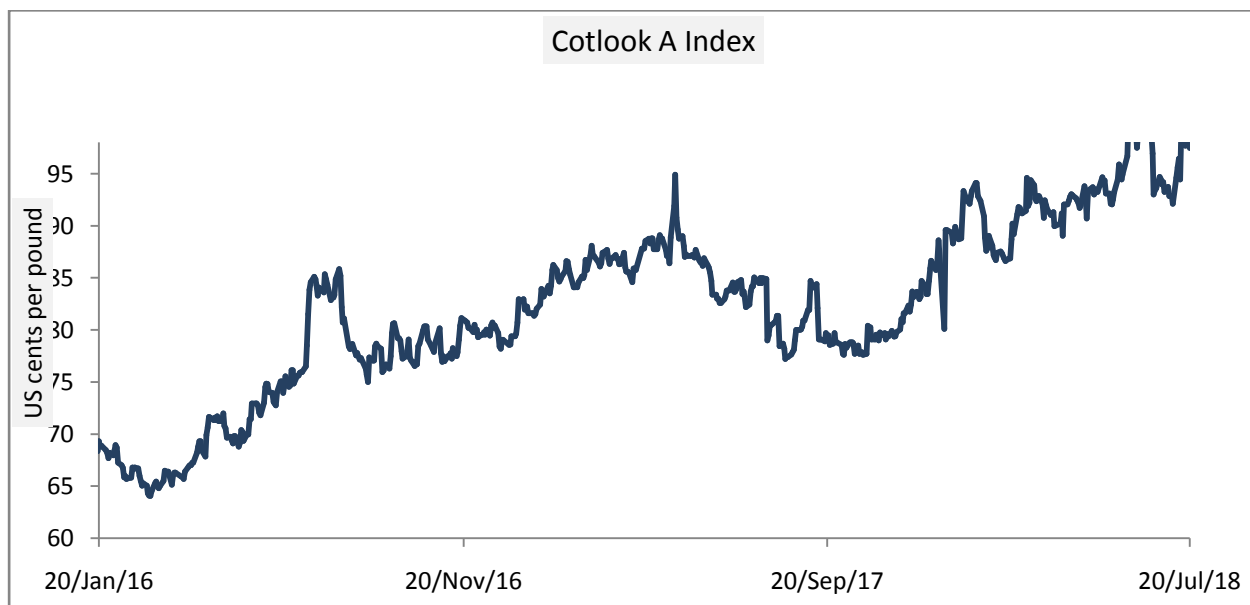


With no change in domestic consumption, 2018/19 ending stocks are projected at 4.0 million bales, down 700,000 bales from the June estimate and unchanged from the revised 2017/18 level. The midpoint of the projected range of the marketing-year-average price is raised 5 cents from last month, to 75 cents per pound.

Cotlook A Index

Cotlook A index remained weak during the week.

Cotlook A Index	Weekly Average Price as on		% Change
	19-Jul-18	12-Jul-18	
Prices	98	94.34	3.88
Prices in US cents per Pound			

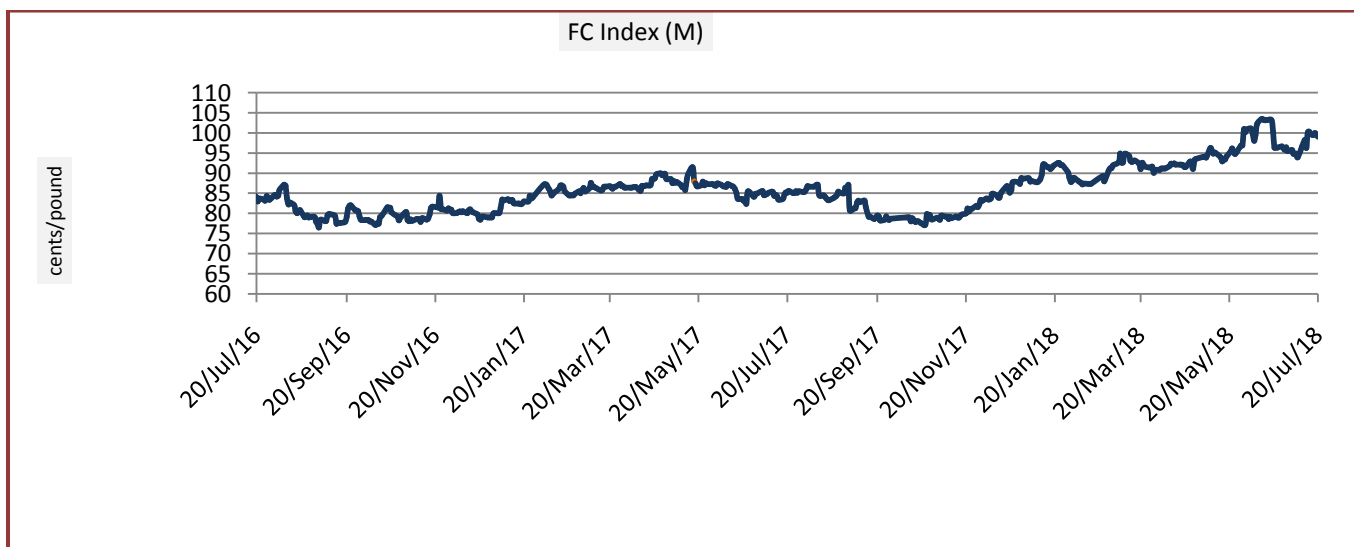


China Cotton Index and Foreign Cotton Index

According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2017 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton declined by 260,000 tons to 5.34 million tons. In 2017, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.

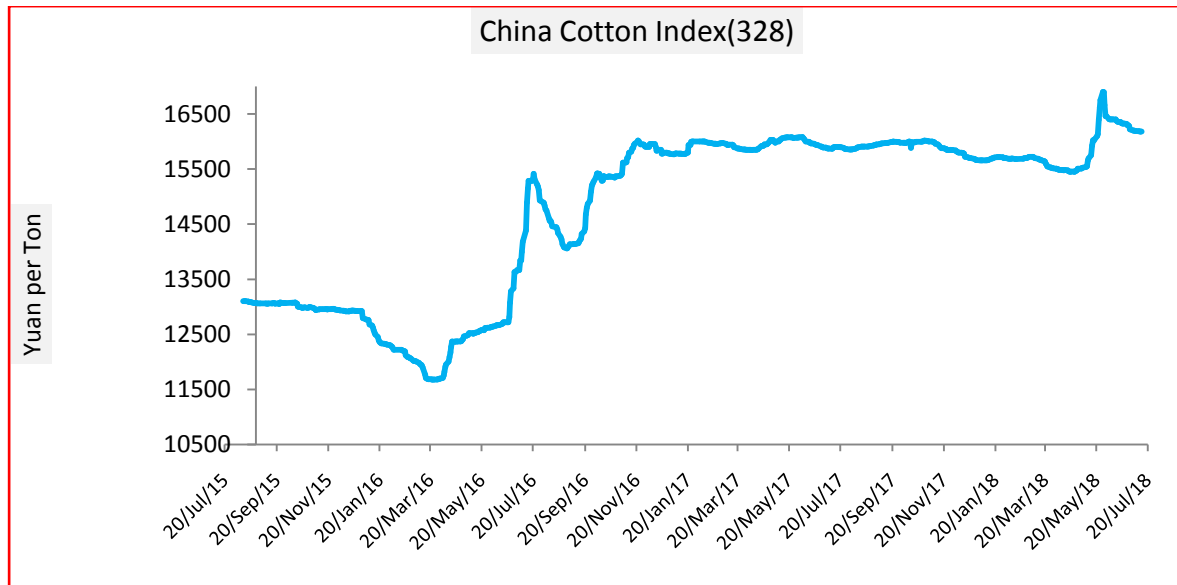


Cotton Index	Monthly Average Price as on		% Change
	19-Jul-18	12-Jul-18	
FC (S)	102.51	98.97	3.58
FC (M)	99.79	96.24	3.69
FC (L)	98.12	94.44	3.90
Prices in US cents per Pound			



China Index remained weak during the Week. CC Index (328) remained 16185 Yuan per ton during the week. Average was 16215 Yuan per ton during previous week.

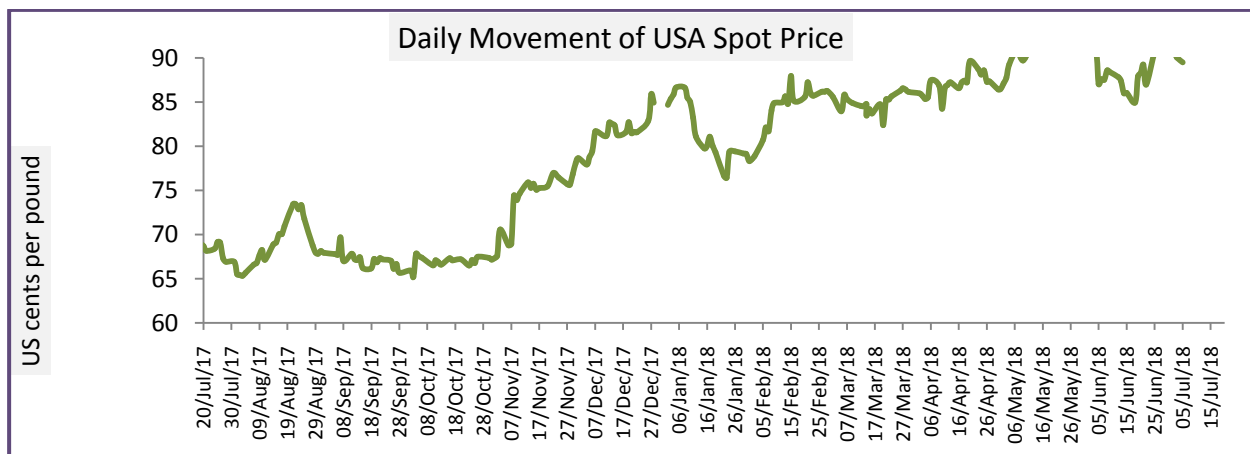
Cotton Index	Monthly Average Price as on		% Change
	19-Jul-18	12-Jul-18	
CCIndex(328)	16185	16215	-0.19
CCIndex(527)	15035	15066	-0.21
CCIndex(229)	16846	16860	-0.08
Prices in Yuan per ton			



USA Spot Prices

As per the United States Department of Agriculture (USDA) estimates, India has surpassed China's cotton production to become the largest cotton producing country with 365 lakh bales of production. India is followed by China (353 lakh bales), the U.S. (273 lakh bales), Pakistan (105 lakh bales) and Brazil (103 lakh bales).

USA Spot Prices	Monthly Average Price as on		% Change
	19-Jul-18	12-Jun-18	
Prices	90.57	87.49	3.52
Prices in US cents per Pound			



Pakistan Spot Prices

In Pakistan raw cotton exports from the country during 11 months of current financial year grew by 32.66 percent as against the exports of the corresponding period of last year. According the latest data released by the Pakistan

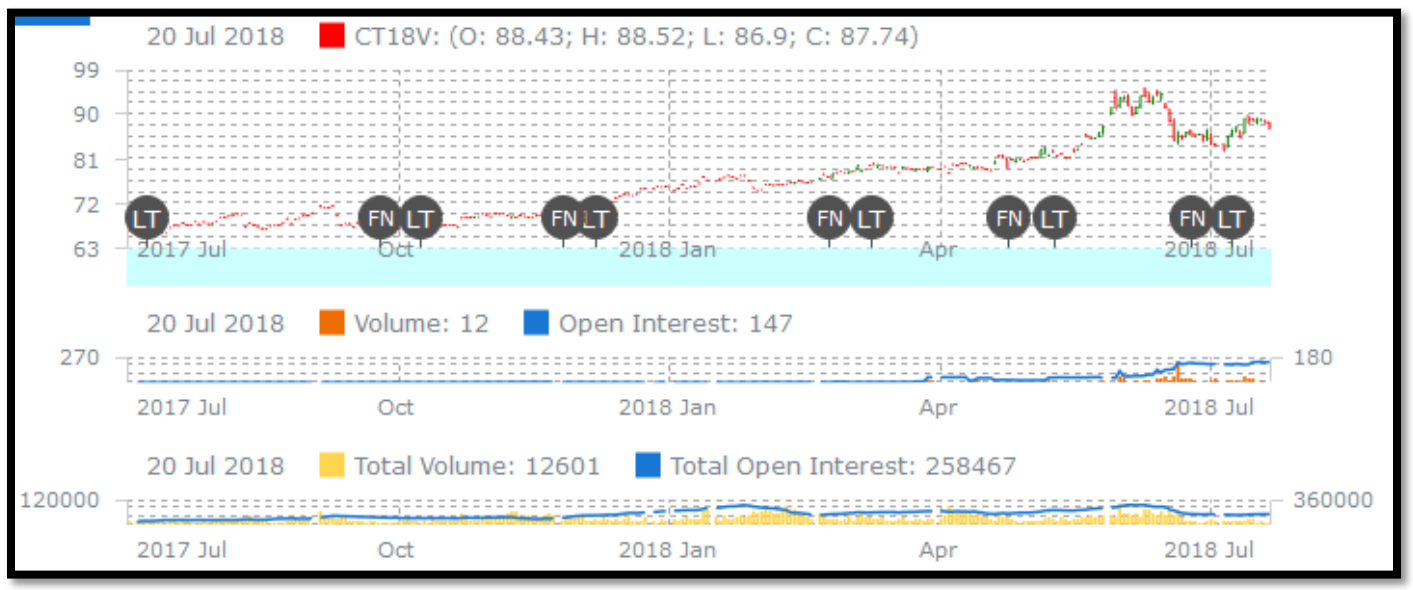


Bureau of Statistics, during the period from July-May, 2017-18, country exported about 34,969 metric tons of raw cotton as compared the exports of 25,349 metric tons last y

Karachi Spot Prices	Monthly Average Price as on		% Change
	19-Jul-18	12-Jul-18	
Prices	8787	8330	5.49
Prices in Rs per 37.32 Kg			

Technical Analysis of Cotton Future (July '18 Contract) at ICE

Weekly Technical Outlook:



- Candlesticks denote bearish movement in the market.
- Volume increased while Open Interest decreased.
- We expect cotton prices to remain sideways to firm in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	85-95



Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
82.00	78.00	110.00	100.00

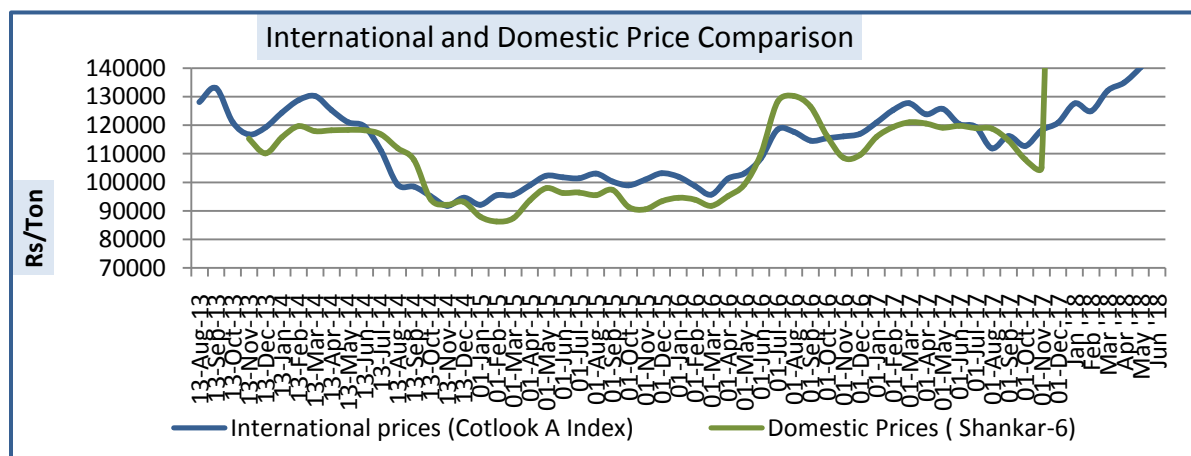
Figures in US cents/pound

Cotton Future Prices at IC

Cotton Future Prices

Contracts	20-Jul-18	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
01-07-2018	87.74	89.24	89.21	69.59	-1.68	-1.65	26.08
01-10-2018	87.08	88.54	87.52	68.09	-1.64	-0.50	27.89
01-12-2018	86.96	88.35	86.65		-1.57	0.36	
01-03-2019	87.03	88.23	86.24		-1.36	0.92	
01-05-2019	87.11	88.15	86.07		-1.18	1.21	
01-07-2019	81.82	82.72	85.97		-1.02	-4.83	

International and Domestic Price Comparison



Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	13thJuly to 19thJuly 2018	6thJuly to 12thJuly 2018	
Gujarat	Ahmedabad	Shankar-6	NA	6000	-
	Gondal	Shankar-6	6258	6118	140
	Rajkot	B.T. Cotton	6324	6207	117
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5520	5785	-265
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5960	5950	10
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5902	5808	95
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4230	4230	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6530	6252	279
	Hubli	D.C.H.	NA	NA	-



	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5613	5650	-38
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	13thJuly to 19thJuly 2018	6thJuly to 12thJuly 2018	
Punjab	Bhatinda	J-34	4868	4817	51
	Abohar	J-34	4864	4820	44
	Mansa	J-34	4855	4793	62
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4854	4806	48
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Jul-18	12-Jul-18	19-Jun-18	19-Jul-17
Gujarat	Ahmedabad	Shankar-6	NA	NA	6125	NA
	Gondal	Shankar-6	6325	NA	6330	4930
	Rajkot	B.T. Cotton	6395	6200	6300	5440
	Patan	B.T. Cotton	NA	NA	NA	NA
	Kadi	B.T. Cotton	NA	NA	NA	NA
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NA	NA	6180	NA
Punjab	Fazilika	B.T. Cotton	NR	NR	NA	NA
	Muktsar	B.T. Cotton	NR	NR	NA	NA
Haryana	Bhiwani	B.T. Cotton	5900	5900	5800	5450
	Bhiwani	Desi	NA	NA	NA	NA
	Adampur	B.T. Cotton	NA	NA	5740	NA
	Fatehabad	B.T. Cotton	5920	5870	5750	NA
	Jind	B.T. Cotton	NA	NA	NA	NA
	Uchana	B.T. Cotton	NA	NA	NA	NA
	Dabwali	B.T. Cotton	NA	NA	NA	NA
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	NA	NA
	Rawatsar	B.T. Cotton	NA	NA	NA	NA
Madhya Pradesh	Khandwa	Mech-1	NA	NA	NA	NA
	Khargaon	Mech-1	NA	NA	NA	NA



Maharashtra	Amravati	Mech-1	NA	NA	NA	NA
	Jamner	Medium Staple	NR	NR	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	NA
	Hathras	Desi	NA	NA	NA	NA
Telangana	Adilabad	Un-Ginned	4230	4230	4320	4800
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	NA
	Kurnool	Un-Ginned	NA	NA	NA	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	NA	NA	NA	4160
Karnataka	Bijapur	Bunny	6550	6373	6159	5660
	Hubli	D.C.H.	NR	NR	NR	NR
	Hubli	B.T. Cotton	NR	NR	NR	NR
	Raichur	H-44 Cotton	5700	5800	5700	5641
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Jul-18	12-Jul-18	19-Jun-18	19-Jul-17
Punjab	Bhatinda	J-34	4870	4810	4745	4540
	Abohar	J-34	4875	4810	4750	4500
	Mansa	J-34	4850	4800	4750	NA
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4860	4800	4730	4510
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	NA

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13thJuly to 19thJuly 2018	6thJuly to 12thJuly 2018	
Gujarat	Ahmedabad	Shankar-6	NA	12750	-
	Gondal	Shankar-6	91	831	-740
	Rajkot	B.T. Cotton	475	1395	-920
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	22	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-



	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1400	950	450
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	350	220	130
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1202	2225	-1023
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	178	255	-77
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13thJuly to 19thJuly 2018	6thJuly to 12thJuly 2018	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	136	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices	+/- Change
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				12th July to 18th July 2018	28th June to 4th July 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	44800	44800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	45300	45303	-3
J-34(202)	26mm	3.5 - 4.9	23	46467	46033	433
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44650	43767	883
Shankar-6(105)	29mm	3.5 - 4.9	28	48083	47017	1067
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48950	48250	700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50650	49817	833
DCH-32(107)	34mm	3.0 - 3.8	33	61917	61583	333

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