

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed firm on Saturday.

In The News: With domestic cotton prices falling to 40,000 rupees per candy (1 candy = 356 kg) and the rupee weakening by over 2.5%, have made Indian cotton competitive in the global market.

Since Oct 1, cotton export orders for over 3.0 mln bales (1 bale = 170 kg) have been signed, of which 2.8 mln have been shipped out so far. Recent revival in export orders is likely to take overall export orders comfortably above 3.5 mln bales and actual shipments above 3.0 mln bales by the end of February month.

The export price of cotton has remained at high level. 30S pure cotton yarn prices remained at 3.35USD/kg, compared with same time in 2016 was 3.40 USD/kg. in the Chinese market, Indian cotton import prices remained unchanged, with Indonesia and Vietnam rising 4-5 cents respectively.

Domestic cotton prices were reported slightly higher but adequate supplies and slow demand from mills have limited the upside price potential. All India cotton arrivals stood at an average of 130,000 to 135,000 bales/day. It includes 40,000 in Maharashtra, 35,000 in Gujarat, 44,000 in Andhra Pradesh/Telangana state and 16,000 bales in other states.

India's market share in home textile imports by the US remaining flat at 33% during 2017, its share (in US dollar terms) in cotton sheets increased 1% to 50% during the year. India has been consistently gaining the 1% market share in cotton sheets every year since 2012.

India's export of cotton sheets to the US (in US dollar terms) increased 1.9% year-on-year \$717million in 2017. Indecently cotton sheet exports from the rest of the world. The world to the US declined 0.3% during the year.

Infestation of pink bollworm in major cotton producing regions of the country has led to an increase in cotton prices since mid-December 2017. This coupled with a 2% reduction in cotton crop estimate for 2017-18 season (October-September) and the 6.4% y-o-y appreciation of the rupee continues to remain an overhang for the textiles sector.

The Cotton Association of India (CAI) has, in its latest estimate, lowered the crop size by 8 lakh bales (of 170 kg each) to 367 lakh bales against the earlier estimate of 375 lakh bales. For the 2017-18 season, beginning from October 1, 2017, the CAI reduced the crop estimate to 367 lakh bales citing severe infestation of cotton with pink bollworm.

The projected Balance Sheet drawn by the CAI estimated total cotton supply for the season at 417 lakh bales of 170 kgs. each including the opening stock of 30 lakh bales at the beginning of the season and the imports which the CAI estimated at 20 lakh bales for 2017-18 crop year. The domestic consumption is estimated to be 320 lakh bales while CAI estimates exports for the season to be 55 lakh bales. The carry over stock at the end of this season on 30th September 2018 is estimated to be 42 lakh bales.



International Fundamentals:

China, the leading export customer of U.S. cotton thus far this season, imported 133,747 metric tons of cotton (614,289 480-pound bales) in January, up 33.7% from the prior month and 16.4% from a year ago, according to custom figures released earlier this week.

The US Department of Agriculture, unveiling its first full estimates for world cotton supply and demand in 2018-19, forecast that the Cotlook A index of physical prices will "decline about 10 cents to 73 cents a pound" on a year-average basis.

Cotton Outlook forecast world demand next season at 26.71m tonnes (122.7m bales) in line with the USDA estimate.

The USDA forecast India's production at 27.5m bales, a drop of 1m bales year on year, seeing a fall in sowings.

Dull trading continued at the Karachi Cotton Exchange on Saturday, while spot rates remained firm. The spot rates remained unchanged at Rs 6,900/maund (37.324kg) and Rs7,395/40kg.

In January 2018, Brazil exported 79,100 tons of cotton, earning \$130.3 million with average price of \$1,646.50 per ton.

The 2017/18 U.S. cotton supply and demand forecasts show slightly lower exports and higher ending stocks relative to last month. Production and domestic mill use are unchanged. The export forecast is lowered 300,000 bales to 14.5 million, based on a lagging pace of shipments to date. Ending stocks are now estimated at 6.0 million bales, equivalent to 34% of total disappearance.

The 2017/18 world cotton forecasts include slightly higher production, lower consumption and higher ending stocks. World production is 400,000 bales higher than last month, as higher estimates for China, Brazil and South Africa offset lower expectations for India and Australia. Global consumption is forecast 325,000 bales lower, as decreases for India and Thailand offset an increase for Vietnam.

World ending stocks are projected 760,000 bales higher, as a 1.1-million-bale increase in China's projected ending stocks – and higher U.S. stocks – offsets declines for India, Australia, Turkmenistan, Tajikistan and Vietnam.

Global cotton production is increasing at a faster rate. Current estimates for the season have production at 25.5 million tons and consumption at 25.4 million tons. Production increases are coming off the gains in planted area rather than yields this season. Global average yield for 2017/18 is currently being estimated at 773 kilograms per hectare, a 1% decrease from the previous season with a 12% growth in planted area. India and Pakistan, with estimated area increases of 16% and 24% respectively, encountered production losses from pink bollworm this season.

| NCDEX Kapas Futures*: (Prices in Rs/20kg) | | | | | | | | | |
|---|-----------|-------------|-------------|-------------|--------------------|----------------|----------------|------------|--------------|
| Contract | +/- -3 | Open 940 | High 948 | Low 935 | Close 936.5 | Volume 2995 | Change 1027 | 01 7162 | Change -1 |
| Spread Cont (C1) | | | | | | | | | |
| Spot | | -81 - | | | | | | | |
| | | | Update | ed at 05:00 |) pm as on (| 03–Mar-2018 | | | |



| MCX Cotton Futures*: (Prices in Rs/170 kgs) | | | | | | | | | |
|---|-----|--------------|-------|-------|-------|--------|--------|------|------------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Mar-18 | 190 | 20220 | 20600 | 20180 | 20360 | 732 | 0 | 1177 | 0 |
| Apr-18 | 80 | 20890 | 20960 | 20880 | 20910 | 89 | -117 | 928 | 126 |
| , | | | | , | | | | | |
| Spread | M | ar 18 | | | _ | | | | |
| Spread Spot | M | ar 18 | | | - | - | | | - |
| | | ar 18 | | | - | | | | - - |

Cotton Prices at Key Spot Markets:

| Commodity | Kapas | | Prices (R | s./Quintal) | Change |
|-------------------|-------------|---------------|-----------|-------------|--------|
| State | Centre | Variety | 3-Mar-18 | 1-Mar-18 | Change |
| | Ahmedabad | Shankar-6 | 5250 | 5250 | Unch |
| | Gondal | Shankar-6 | NR | NR | - |
| | Rajkot | B.T. Cotton | 5170 | 5125 | 45 |
| Gujarat | Patan | B.T. Cotton | 5040 | NR | - |
| | Kadi | B.T. Cotton | 5200 | 5100 | 100 |
| | Deesa | B.T. Cotton | Closed | Closed | - |
| | Dhrol | B.T. Cotton | 4875 | 5000 | -125 |
| Punjab | Fazilika | B.T. Cotton | NR | NR | - |
| Fulljab | Muktsar | B.T. Cotton | NR | NR | - |
| | Bhiwani | B.T. Cotton | 5200 | NR | - |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | Closed | Closed | - |
| Haryana | Fatehabad | B.T. Cotton | 5125 | 5110 | 15 |
| | Jind | B.T. Cotton | 5170 | 5120 | 50 |
| | Uchana | B.T. Cotton | NR | NR | - |
| | Dabwali | B.T. Cotton | 4975 | 5015 | -40 |
| Rajasthan | Hanumangarh | B.T. Cotton | Closed | Closed | - |
| Najastiiaii | Rawatsar | B.T. Cotton | 5000 | Closed | - |
| Madhya Pradesh | Khandwa | Mech-1 | Closed | Closed | - |
| Wadiiya i Tadesii | Khargaon | Mech-1 | NR | NR | - |
| Maharashtra | Amravati | Mech-1 | NA | Closed | - |
| inanarasnua | Jamner | Medium Staple | NR | NR | - |
| Uttar Pradesh | Hathras | B.T. Cotton | Closed | NR | - |
| Ottai Fraucsii | Hathras | Desi | Closed | NR | - |



| Telangana | Adilabad | Un-Ginned | 4575 | 4575 | Unch |
|-----------------|-------------------------------|------------------------------|------------------------------|----------------------------|-------------|
| An Hora Books I | Guntur | Un-Ginned | NA | NA | - |
| | Kurnool | Un-Ginned | NA | 4011 | - |
| Andhra Pradesh | Krishna | Un-Ginned | NA | NA | - |
| | East Godavari | Un-Ginned | NA | NA | - |
| | Bijapur | Bunny | NA | 5159 | - |
| Karnataka | Hubli | D.C.H. | 5100 | 5051 | 49 |
| Karnataka | Hubli | B.T. Cotton | NA | 5500 | - |
| | Raichur | H-44 Cotton | NA | 5020 | - |
| Commodity | | Lint | Prices (R | Prices (Rs./Maund) | |
| | | | | Mar-18 1-Mar-18 | |
| State | Centre | Variety | 3-Mar-18 | 1-Mar-18 | |
| State | Centre Bhatinda | Variety J-34 | 3-Mar-18 4235 | 1-Mar-18 4500 | -265 |
| State | | - | | | _ |
| State Punjab | Bhatinda | J-34 | 4235 | 4500 | -265 |
| | Bhatinda Abohar | J-34 J-34 | 4235 4235 | 4500 4250 | -265 -15 |
| | Bhatinda Abohar Mansa | J-34 J-34 J-34 | 4235 4235 Closed | 4500 4250 4235 | -265 -15 |
| | Bhatinda Abohar Mansa Muktsar | J-34 J-34 J-34 J-34 | 4235 4235 Closed NR | 4500 4250 4235 NR | -265 -15 |

Cotton Arrivals in Key Centers:

| Commodity | | Kapas | Arrivals | (Quintal) | Change |
|----------------|-------------|-------------|----------|-----------|--------|
| State | Centre | Variety | 3-Mar-18 | 1-Mar-18 | Change |
| | Ahmedabad | Shankar-6 | 51000 | 59500 | -8500 |
| | Gondal | Shankar-6 | NR | NR | - |
| | Rajkot | B.T. Cotton | 1225 | 1850 | -625 |
| Gujarat | Patan | B.T. Cotton | 397 | NR | - |
| | Kadi | B.T. Cotton | 70000 | 40000 | 30000 |
| | Deesa | B.T. Cotton | Closed | Closed | - |
| | Dhrol | B.T. Cotton | 54 | 138 | -84 |
| Dunish | Fazilika | B.T. Cotton | NR | NR | - |
| Punjab | Muktsar | B.T. Cotton | NR | NR | - |
| | Bhiwani | B.T. Cotton | 1500 | NR | - |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | Closed | Closed | - |
| Haryana | Fatehabad | B.T. Cotton | 450 | 500 | -50 |
| | Jind | B.T. Cotton | 50 | 78 | -28 |
| | Uchana | B.T. Cotton | NR | NR | - |
| | Dabwali | B.T. Cotton | 125 | 225 | -100 |
| Dojacthan | Hanumangarh | B.T. Cotton | Closed | Closed | - |
| Rajasthan | Rawatsar | B.T. Cotton | 4000 | Closed | - |
| Madhya Pradosh | Khandwa | Mech-1 | Closed | Closed | - |
| Madhya Pradesh | Khargaon | Mech-1 | NR | NR | - |
| Maharashtra | Amravati | Mech-1 | NA | Closed | - |



| Rajasthan | Sri-Ganganagar | J-34 | 300 | 500 | -200 |
|----------------|----------------|---------------|--------------------|----------|--------|
| Haryana | Sirsa | J-34 | 340 | 680 | -340 |
| | Mansa | J-34 | Closed | 680 | - |
| Punjab | Abohar | J-34 | 680 | 850 | -170 |
| | Bhatinda | J-34 | 3400 | 1700 | 1700 |
| State | Centre | Variety | 3-Mar-18 | 1-Mar-18 | Change |
| Commodity | Lir | nt | Arrivals (Quintal) | | Change |
| | Raichur | H-44 Cotton | NA | 367 | - |
| Karnataka | Hubli | B.T. Cotton | NA | 2 | - |
| | Hubli | D.C.H. | 166 | 42 | 124 |
| | Bijapur | Bunny | NA | 1890 | - |
| | East Godavari | Un-Ginned | NA | NA | - |
| Anunia Prauesn | Krishna | Un-Ginned | NA | NA | - |
| Andhra Pradesh | Kurnool | Un-Ginned | NA | 58 | - |
| | Guntur | Un-Ginned | NA | NA | - |
| Telangana | Adilabad | Un-Ginned | NA | 8412 | - |
| Ullai Flauesii | Hathras | Desi | Closed | NR | - |
| Uttar Pradesh | Hathras | B.T. Cotton | Closed | NR | - |
| | Jamner | Medium Staple | NR | NR | - |

DOMESTIC PRICES AND ARRIVALS

| Cotton Association of In- | dia Spot Rates | : | | | | |
|---|----------------|-------------|-----------|---------------|---------------|--------|
| Trade Name | Stanla | Micronaire | Strength/ | Rs. Per Candy | Rs. Per Candy | Change |
| Trade Name | Staple | Wilcronaire | GPT | 1-Mar-18 | 28-Feb-18 | Change |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 42100 | 42000 | 100 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 42600 | 42500 | 100 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 39800 | 39700 | 100 |
| H-4/ MECH-1(105) | 28mm | 3.5 – 4.9 | 27 | 39100 | 39000 | 100 |
| Shankar-6(105) | 29mm | 3.5 – 4.9 | 28 | 40900 | 40800 | 100 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 42600 | 42500 | 100 |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 43400 | 43300 | 100 |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 54100 | 54100 | Unch |

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

| Centre | Unit | Pr | ice | Change | |
|-----------|-------------|----------|----------|--------|--|
| Centre | Onit | 3-Mar-18 | 1-Mar-18 | Change | |
| Rajkot | Rs. /10 Kg. | NA | 705 | - | |
| New Delhi | Rs. /10 Kg. | NA | Closed | - | |
| Hyderabad | Rs. /10 Kg. | NR | NR | - | |
| Mumbai | Rs. /10 Kg. | NA | 742 | - | |



Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

| Centre | Unit | Pri | ce | Chango |
|-----------------|---------|----------|----------|--------|
| Centre | Offic | 3-Mar-18 | 1-Mar-18 | Change |
| Mahesana (Kadi) | Rs./Qtl | NR | NR | - |
| Akola | Rs./Qtl | 1553 | 1560 | -7 |

INTERNATIONAL PRICES AND INDICES

| China Cotton Index: As on 01-March-2018 | | | | |
|---|---------|--------|--|--|
| Index | RMB/Ton | Change | | |
| CCIndex(328) | 15696 | 11 | | |
| CCIndex(527) | 14683 | 1 | | |
| CCIndex(229) | 16246 | 7 | | |
| RMB -Renminbi, 1RMB =0.16 \$U.S. | | - | | |

| China Foreign Cotton (FCE) Index : As on 01-March-2018 | | | | |
|--|----------|--------|--|--|
| Index | Cents/lb | Change | | |
| FC Index (S) | 95.61 | 0.80 | | |
| FC Index (M) | 91.96 | 0.71 | | |
| FC Index (L) | 90.16 | 0.75 | | |

| Cotlook Index: As on 02-March-2018 | | |
|------------------------------------|-------------|--------|
| Cotlook Indices | Cents/Pound | Change |
| A-Index | 91.20 | -1.20 |

| USDA Cotton Spot Rates: As on 02-March-2018 | | | | | | |
|---|---------------------|---------------------|----------|--|--|--|
| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals | | | |
| | cent | Bales | | | | |
| Southeast | 82.59 | 84.84 | NIL | | | |
| North Delta | 81.09 | 82.84 | NIL | | | |
| South Delta | 81.09 | 82.84 | NIL | | | |
| East TX-OK | 76.50 | 78.25 | 1645 | | | |
| West Texas | 76.00 | 78.00 | 999 | | | |
| Desert SW | 77.34 | 81.34 | 778 | | | |
| SJ Valley | 77.84 | 86.74 | NIL | | | |

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4,



staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

| ICE Cotton Futures (Prices in cents/lb.): Ason02-March-2018 | | | | | | | |
|---|-------|-------|-------|-------|--------|--|--|
| Contract | Open | High | Low | Close | Change | | |
| 18-Mar | 82.70 | 82.72 | 82.50 | 82.72 | 0.15 | | |
| 18-May | 81.53 | 82.22 | 81.10 | 82.09 | 0.28 | | |
| 18-Jul | 81.93 | 82.47 | 81.43 | 82.35 | 0.24 | | |
| 18-Oct | 78.47 | 78.47 | 78.47 | 78.47 | -0.04 | | |
| 18-Dec | 77.00 | 77.28 | 76.81 | 77.05 | -0.13 | | |
| 19-Mar | 77.25 | 77.50 | 77.15 | 77.15 | -0.31 | | |

| Pakistan Cotton S | (in Pakistan Rupees) | | | |
|-------------------|----------------------|--------------|------------------|-------------------|
| Product | Rate for | Ex-Gin Price | Up Country Sales | Spot Rate Karachi |
| Cotton | 37.32 Kgs | 7200 | 145 | 7345 |
| Equivalent | 40 Kgs | 7716 | 155 | 7871 |

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