

Domestic Fundamentals:

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

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:

Cotton prices have been a prime benefactor of growing world economies and overseas demand. Since a post harvest low back in October, cotton prices have rallied by nearly 12%. This has helped inflate call option premiums in the cotton market nicely.

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 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	+/- 5.5	Open 941	High 946	Low 940.5	Close 942	Volume 1258	Change -1737	0I 7113	Change -49
Spread Cont (C1)									
Spot		-88							
Updated at 05:00 pm as on 05–Mar-2018									



Mar-18 80 2069 pr-18 70 2099		20660	20700	1208 375	476 286	7457 1020	6280 92
pr- 18 70 2098	30 21020	20920	20980	375	286	1020	92
							<u> </u>
Spread Mar 18			-	-			
Spot							
Mar-18 -240							

Cotton Prices at Key Spot Markets:

Commodity	Кара	as	Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Mar-18	3-Mar-18	Change
	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5150	5170	-20
Gujarat	Patan	B.T. Cotton	NR	5040	-
	Kadi	B.T. Cotton	5200	5200	Unch
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	5065	4875	190
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	Closed	-
Haryana	Fatehabad	B.T. Cotton	5160	5125	35
	Jind	B.T. Cotton	5340	5170	170
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	4995	4975	20
Rajasthan	Hanumangarh	B.T. Cotton	5200	Closed	-
Kajastiiaii	Rawatsar	B.T. Cotton	5050	5000	50
Madhya Pradesh	Khandwa	Mech-1	4900	Closed	-
Mauriya Frauesii	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	NA	-
Manarashtra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	Closed	-
Ullai Frauesii	Hathras	Desi	NA	Closed	-
Telangana	Adilabad	Un-Ginned	4580	4575	5
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-



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	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	NA	-
Karnataka	Hubli	D.C.H.	NA	5100	-
Namalaka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (R	s./Maund)	
		-	1 11000 (11		Change
State	Centre	Variety	5-Mar-18	3-Mar-18	Change
•		1			Change 15
•	Centre	Variety	5-Mar-18	3-Mar-18	
•	Centre Bhatinda	Variety J-34	5-Mar-18 4250	3-Mar-18 4235	15
State	Centre Bhatinda Abohar	J-34 J-34	5-Mar-18 4250 4260	3-Mar-18 4235 4235	15 25
State	Centre Bhatinda Abohar Mansa	J-34 J-34 J-34	5-Mar-18 4250 4260 4240	3-Mar-18 4235 4235 Closed	15 25 -
State	Centre Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34	5-Mar-18 4250 4260 4240 NR	3-Mar-18 4235 4235 Closed NR	15 25 -

Cotton Arrivals in Key Centers:

Commodity		Kapas	Arrivals	(Quintal)	Change
State	Centre	Variety	5-Mar-18	3-Mar-18	
	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2200	1225	975
Gujarat	Patan	B.T. Cotton	NR	397	-
	Kadi	B.T. Cotton	60000	70000	-10000
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	236	54	182
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	1200	1500	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	Closed	-
Haryana	Fatehabad	B.T. Cotton	600	450	150
	Jind	B.T. Cotton	75	50	25
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	300	125	175
Daisethan	Hanumangarh	B.T. Cotton	1600	Closed	-
Rajasthan	Rawatsar	B.T. Cotton	400	4000	-3600
Madhua Duadash	Khandwa	Mech-1	200	Closed	-
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Mahayaahtya	Amravati	Mech-1	4000	NA	-
Maharashtra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	Closed	-



	Hathras	Desi	NA	Closed	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
	Guntur	Un-Ginned	NA	NA	-
Andhus Duadach	Kurnool	Un-Ginned	NA	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	NA	-
Karnataka	Hubli	D.C.H.	NA	166	-
ramataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Changa
State	Centre	Variety	5-Mar-18	3-Mar-18	Change
	Bhatinda	J-34	5100	3400	1700
Punjab	Abohar	J-34	1020	680	340
	Mansa	J-34	1020	Closed	-
Haryana	Sirsa	J-34	850	340	510
Rajasthan	Sri-Ganganagar	J-34	500	300	200

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:							
Trade Name	Stanla	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change	
i rade Name	Staple	Wilcronaire	GPT	3-Mar-18	1-Mar-18	Change	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42100	42100	Unch	
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42600	42600	Unch	
J-34(202)	26mm	3.5 - 4.9	23	39800	39800	Unch	
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	39100	39100	Unch	
Shankar-6(105)	29mm	3.5 – 4.9	28	40900	40900	Unch	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42600	42600	Unch	
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43400	43400	Unch	
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	Pri	Change	
Centre	Offic	5-Mar-18	3-Mar-18	Change
Rajkot	Rs. /10 Kg.	705	NA	-
New Delhi	Rs. /10 Kg.	735	NA	-
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	765	NA	-



Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Pri	Change	
Centre	Offic	5-Mar-18	3-Mar-18	Change
Mahesana (Kadi)	Rs./Qtl	1523	NR	-
Akola	Rs./Qtl	1549	1553	-4

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 05-March-2018					
Index	RMB/Ton	Change			
CCIndex(328)	15699	2			
CCIndex(527)	14683	Unch			
CCIndex(229)	16249	1			
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			
	cen	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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