

Domestic Fundamentals:

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

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 Cont. (C1)	+/- 11.5	Open 953.5	High 962.5	Low 952	Close 959	Volume 3688	Change 2430	01 7388	Change 275
Cont. (C1)									
Spread		Cont (C1)							
Spot		-67	.5						
Updated at 05:00 pm as on 06–Mar-2018									
			Spaare						



MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	310	21240	21280	21060	21170	2410	1202	7485	28
Apr-18	310	21400	21460	21320	21430	531	156	1403	383
	1								
Spread	M	ar 18							
Spot									-
Mar-18	-:	180							-
(NB: Spread Basis = Spot- Near Month Future)									
* Updated at 05:00 pm as on 06–Mar 2018									

Cotton Prices at Key Spot Markets:

Commodity		Kapas		Prices (Rs./Quintal)		
State	Centre	Variety	6-Mar-18	5-Mar-18	Change	
	Ahmedabad	Shankar-6	5250	5250	Unch	
	Gondal	Shankar-6	NR	NR	-	
	Rajkot	B.T. Cotton	5155	5150	5	
Gujarat	Patan	B.T. Cotton	NR	5135	-	
	Kadi	B.T. Cotton	5250	5200	50	
	Deesa	B.T. Cotton	Closed	Closed	-	
	Dhrol	B.T. Cotton	5215	5065	150	
Punjab	Fazilika	B.T. Cotton	NR	NR	-	
runjab	Muktsar	B.T. Cotton	NR	NR	-	
	Bhiwani	B.T. Cotton	5240	5200	40	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	5170	5100	70	
Haryana	Fatehabad	B.T. Cotton	5200	5160	40	
	Jind	B.T. Cotton	5340	5340	Unch	
	Uchana	B.T. Cotton	NR	NR	-	
	Dabwali	B.T. Cotton	5040	4995	45	
Rajasthan	Hanumangarh	B.T. Cotton	5250	5200	50	
Najastiiaii	Rawatsar	B.T. Cotton	NR	5050	-	
Madhya Pradesh	Khandwa	Mech-1	NR	4900	-	
Mauriya Frauesii	Khargaon	Mech-1	NR	NR	-	
Maharashtra	Amravati	Mech-1	5050	5000	50	
wana asiina	Jamner	Medium Staple	NR	NR	-	
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-	
Ottai Flauesii	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	4600	4580	20	
Andhra Pradesh	Guntur	Un-Ginned	3300	NA	-	
Aliulia Flaucell	Kurnool	Un-Ginned	4800	NA	-	



	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	5219	-
Varnataka	Hubli	D.C.H.	4630	NA	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5050	-
Commodity		Lint		Prices (Rs./Maund)	
State	Centre	Variety	6-Mar-18	5-Mar-18	Change
	Bhatinda	J-34	4320	4250	70
	Bhatinda Abohar	•	4320 4340	4250 4260	70 80
Punjab		J-34			
Punjab	Abohar	J-34 J-34	4340	4260	80
Punjab	Abohar Mansa	J-34 J-34 J-34	4340 4300	4260 4240	80 60
Punjab Haryana	Abohar Mansa Muktsar	J-34 J-34 J-34 J-34	4340 4300 NR	4260 4240 NR	80 60 -

Cotton Arrivals in Key Centers:

Commodity		Kapas		(Quintal)	Change
State	Centre	Variety	6-Mar-18	5-Mar-18	Change
	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2000	2200	-200
Gujarat	Patan	B.T. Cotton	NR	1731	-
	Kadi	B.T. Cotton	55000	60000	-5000
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	258	236	22
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	600	1200	-600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7650	6800	850
Haryana	Fatehabad	B.T. Cotton	800	600	200
	Jind	B.T. Cotton	110	75	35
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	425	300	125
Deisethen	Hanumangarh	B.T. Cotton	1500	1600	-100
Rajasthan	Rawatsar	B.T. Cotton	NR	400	-
Madhua Duadaah	Khandwa	Mech-1	NR	200	-
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	2400	4000	-1600
ivialialasiitia	Jamner	Medium Staple	NR	NR	-
Litter Dradoch	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-



Telangana	Adilabad	Un-Ginned	7225	NA	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	208	NA	-
Andria Fradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	3763	-
Karnataka	Hubli	D.C.H.	64	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1230	-
Commodity	Li	nt	Arrivals (Quintal)		Chango
State	Centre	Variety	6-Mar-18	5-Mar-18	Change
	Bhatinda	J-34	5100	5100	Unch
Punjab	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	850	1020	-170
Haryana	Sirsa	J-34	1530	850	680
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:							
Trade Name	Stanla	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change	
Trade Name	Staple	Wilcronaire	GPT	5-Mar-18	3-Mar-18	Change	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42300	42100	200	
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42600	200	
J-34(202)	26mm	3.5 - 4.9	23	39900	39800	100	
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38600	39100	-500	
Shankar-6(105)	29mm	3.5 – 4.9	28	40900	40900	Unch	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42600	-500	
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	Chango	
Centre	Onit	6-Mar-18	5-Mar-18	Change
Rajkot	Rs. /10 Kg.	705	705	Unch
New Delhi	Rs. /10 Kg.	740	735	5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	765	5





Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
Centre	Onit	6-Mar-18	5-Mar-18	Change
Mahesana (Kadi)	Rs./Qtl	1507	1523	-16
Akola	Rs./Qtl	1525	1549	-24

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 06-March-2018					
Index	RMB/Ton	Change			
CCIndex(328)	15702	3			
CCIndex(527)	14686	3			
CCIndex(229)	16251	2			
RMB -Renminbi, 1RMB =0.16 \$U.S.					

China Foreign Cotton (FCE) Index : As on 05-March-2018					
Index	Cents/lb	Change			
FC Index (S)	96.42	0.81			
FC Index (M)	92.80	0.84			
FC Index (L)	91.13	0.97			

Cotlook Index: As on 05-March-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	91.45	0.25

USDA Cotton Spot Rates: As on 05-March-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cent	Bales				
Southeast	85.73	87.98	NIL			
North Delta	84.23	85.98	NIL			
South Delta	84.23	85.98	NIL			
East TX-OK	80.00	81.75	7865			
West Texas	79.50	81.50	3626			
Desert SW	80.48	84.48	NIL			
SJ Valley	80.98	89.88	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.): Ason05-March-2018							
Contract	Open	High	Low	Close	Change		
18-Mar	83.81	85.41	82.60	85.41	2.69		
18-May	82.5	85.30	82.24	85.23	3.14		
18-Jul	82.63	85.05	82.48	84.98	2.63		
18-Oct	78.79	79.79	78.79	79.79	1.32		
18-Dec	77	77.95	77.00	77.95	0.90		
19-Mar	77.29	78.00	77.27	78.00	0.85		

Pakistan Cotton S	(in Pakistan Rupees)			
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7100	145	7245
Equivalent	40 Kgs	7609	155	7764

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Ltd.