

Domestic Fundamentals:

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

In The News: Cotton prices traded firm taking cues from international market. Export continued at good pace and further sales were witnessed in Bangladesh, Pakistan, Vietnam and Indonesia.

Cottonseed oil cake prices bounced by 1.24 per cent to Rs 1,465 per quintal in futures trade today on accumulation of holdings by speculators at lower levels backed by a firm trend at the spot markets.

Guntur cotton ginning mills directly buying kapas from farmers at Rs 4000-4500/Qtl and selling cotton seed and lint at Rs 1400/qtl and Rs 40000/ candy.

The government is proposing to cut the price of BT cotton seeds (Bollgard II) from Rs 800 to Rs 740 per packet (450 gm packets). The current stands to reduce input costs for farmers help retain cotton acreages and ensure deeper penetration of high quality seeds thereby reducing worm attacks.

India appears to be experiencing a cotton quality crisis as seed cotton deliveries continue to be dominated by yellow seed cotton. Yellow colour is a significant problem for spinners because later in processing it affects the performance of the cotton.

There is good demand for Indian cotton from overseas markets this season. Bangladesh, Pakistan, Vietnam, Indonesia and various other countries are buying cotton from India heavily this season. Around 40 lakh bales of cotton have been exported from country so far and another 15-20 lakh bales are expected to export by end of this season.

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.



International Fundamentals:

World consumption is raised slightly, while world trade is forecast 600,000 bales higher, as higher expected imports by Turkey, Bangladesh, China, and Vietnam more than offset a decline for Taiwan. World ending stocks are now projected at 88.8 million bales, nearly 300,000 bales above last month.

U.S. all-cotton production in 2017-18 projected down 140,000 bales from USDA's latest estimate and exports up 390,000 bales ahead of the monthly supply-demand reports.

As of Feb. 15, Turkey ranked as the third largest export customer for U.S. cotton this season on purchases of 1.428 million statistical bales. China was the largest, having bought 2.33 million bales, and Vietnam ranked second on purchases of 2.216 million bales.

Sri Lanka's apparel and textile export segment is likely to experience the highest rate of growth in overseas shipment in 2018 as Sri Lanka focus on achieving \$20 billion in export earnings by 2020, Sri Lanka CEO survey have resoundingly voted for textile and apparel as the growth engine for exports in the year ahead, as per the a recent survey conducted by the Oxford Business Group (OBG).

Exporters of Nepali yarn to Turkey have been facing hassles for the past few weeks after the Turkish government imposed stricter import provision for Nepali yarn, alleging that Nepali traders were exporting foreign yarn to the European nation under Nepali brand names. The Turkish government has also initiated the process of slapping antidumping duty on Nepali yarn based on aforementioned allegations, according to domestic yarn producers. This has created anxiety among Nepali yarn producers.

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.

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.

	NCDEX Kapas Futures*: (Prices in Rs/20kg)								
Contract Cont. (C1)	+/- 5.5	Open 953	High 966	Low 952.5	Close 961.5	Volume 4408	Change 1438	01 7426	Change 227
Spread		Cont (C1)							
Spot		-5	9						
Updated at 05:00 pm as on 10–Mar-2018									



MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	01	Change
Mar-18	-20	20910	21030	20880	20940	2228	880	7480	-95
Apr-18	-10	21150	21270	21120	21190	485	118	1493	-13
		•					<u>.</u>	•	•
Spread	Ma	ar 18							
Spot									
Mar-18	-7	240							
(NB: Spread Basis = Spot- Near Month Future)									
* Updated at 05:00 pm as on 10–Mar 2018									

Cotton Prices at Key Spot Markets:

Commodity		Kapas	Prices (Rs	./Quintal)	Change
State	Centre	Variety	10-Mar-18	9-Mar-18	Change
	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	5020	5030	-10
	Rajkot	B.T. Cotton	5125	5125	Unch
Gujarat	Patan	B.T. Cotton	NR	5125	-
	Kadi	B.T. Cotton	5250	5200	50
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	NR	5095	-
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5150	5200	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5022	5050	-28
Haryana	Fatehabad	B.T. Cotton	5050	5125	-75
	Jind	B.T. Cotton	5050	5434	-384
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	4910	4995	-85
Deisethen	Hanumangarh	B.T. Cotton	5150	5150	Unch
Rajasthan	Rawatsar	B.T. Cotton	NR	NR	-
Madhua Dradaah	Khandwa	Mech-1	4950	5000	-50
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharaahtra	Amravati	Mech-1	5000	5000	Unch
Maharashtra	Jamner	Medium Staple	NR	NR	-
Litter Brodesh	Hathras	B.T. Cotton	NR	NA	-
Uttar Pradesh	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	NR	4750	-
Andhra Dradaak	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	4449	-



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	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	5311	-
Karnataka	Hubli	D.C.H.	NA	3630	-
Ndillalaka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5050	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Mar-18	9-Mar-18	Change
	Bhatinda	J-34	4275	4300	-25
	Abohar	J-34	4270	4300	-30
Punjab	Mansa	J-34	4260	4270	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4250	4270	-20
Rajasthan	Sri-Ganganagar	J-34	3948	4042	-94

Cotton Arrivals in Key Centers:

Commodity		Kapas	Arrivals (Quintal)	Change	
State	Centre	Variety	10-Mar-18	9-Mar-18	Change	
	Ahmedabad	Shankar-6	51000	51000	Unch	
	Gondal	Shankar-6	1000	3000	-2000	
	Rajkot	B.T. Cotton	2400	2600	-200	
Gujarat	Patan	B.T. Cotton	NR	3145	-	
	Kadi	B.T. Cotton	55000	40000	15000	
	Deesa	B.T. Cotton	NA	Closed	-	
	Dhrol	B.T. Cotton	NR	355	-	
Dumiak	Fazilika	B.T. Cotton	NR	NR	-	
Punjab	Muktsar	B.T. Cotton	NR	NR	-	
	Bhiwani	B.T. Cotton	3000	3000	Unch	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	5100	5007	94	
Haryana	Fatehabad	B.T. Cotton	1300	800	500	
	Jind	B.T. Cotton	150	75	75	
	Uchana	B.T. Cotton	NR	NR	-	
	Dabwali	B.T. Cotton	225	475	-250	
Deieethen	Hanumangarh	B.T. Cotton	2500	1300	1200	
Rajasthan	Rawatsar	B.T. Cotton	NR	NR	-	
Madhua Deadaah	Khandwa	Mech-1	300	400	-100	
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-	
Maharaahtra	Amravati	Mech-1	2000	2000	Unch	
Maharashtra	Jamner	Medium Staple	NR	NR	-	
Litter Drodesh	Hathras	B.T. Cotton	NR	NA	-	
Uttar Pradesh	Hathras	Desi	NR	NA	-	



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Telangana	Adilabad	Un-Ginned	NR	7625	-	
	Guntur	Un-Ginned	NA	NA	-	
Andhra Pradesh	Kurnool	Un-Ginned	NA	252	-	
Anunia Flauesh	Krishna	Un-Ginned	NA	NA	-	
	East Godavari	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	NA	2931	-	
Karnataka	Hubli	D.C.H.	NA	4	-	
	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	1260	NA	-	
Commodity	Li	nt	Arrivals (Quintal)		Change	
State	Centre	Variety	10-Mar-18	9-Mar-18	Change	
	Bhatinda	J-34	5950	5950	Unch	
Punjab	Abohar	J-34	1020	1020	Unch	
	Mansa	J-34	680	1020	-340	
Haryana	Sirsa	J-34	2550	2040	510	
Rajasthan	Sri-Ganganagar	J-34	500	400	100	

DOMESTIC PRICES AND ARRIVALS

Cotton Association of Inc	Cotton Association of India Spot Rates:								
Trade Name	Stanla	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change			
Trade Name	Staple	witcronaire	GPT	9-Mar-18	8-Mar-18	Change			
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch			
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43300	43300	Unch			
J-34(202)	26mm	3.5 - 4.9	23	40100	39900	200			
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38300	38100	200			
Shankar-6(105)	29mm	3.5 – 4.9	28	41200	41000	200			
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42100	Unch			
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43600	43600	Unch			
DCH-32(107)	34mm	3.0 - 3.8	33	54300	54300	Unch			

Refined Cotton Seed Oil at Key Centers:

Cotton Seed Oil Prices

Centre	Unit	Pric	Change		
Centre	Unit	10-Mar-18	9-Mar-18	Change	
Rajkot	Rs. /10 Kg.	740	750	-10	
New Delhi	Rs. /10 Kg.	730	735	-5	
Hyderabad	Rs. /10 Kg.	NR	NR	-	
Mumbai	Rs. /10 Kg.	770	770	Unch	



Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Pric	Change	
Centre	Offic	10-Mar-18	9-Mar-18	Change
Mahesana (Kadi)	Rs./Qtl	1467	1471	-4
Akola	Rs./Qtl	1485	1484	1

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 08-March-2018						
Index	RMB/Ton	Change				
CCIndex(328)	15711	6				
CCIndex(527)	14692	3				
CCIndex(229)	16255	3				
RMB -Renminbi, 1RMB =0.16 \$U.S.						

China Foreign Cotton (FCE) Index : As on 08-March-2018						
Index	Cents/lb	Change				
FC Index (S)	95.92	0.18				
FC Index (M)	92.68	0.07				
FC Index (L)	91.60	0.22				

Cotlook Index: As on 09-March-2018						
Cotlook Indices	Cents/Pound	Change				
A-Index	94.40	2.20				

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals	
	cent	Bales		
Southeast	83.36	85.61	NIL	
North Delta	81.86	83.61	NIL	
South Delta	81.86	83.61	NIL	
East TX-OK	77.75	79.50	1594	
West Texas	77.25	79.25	3378	
Desert SW	78.11	82.11	320	
SJ Valley	78.61	87.51	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/Ib.): Ason09-March-2018								
Contract	Open	High	Low	Close	Change			
18-Mar	84.94	85.55	84.23	84.52	-0.6			
18-May	84.40	84.90	83.92	84.19	-0.36			
18-Jul	80.05	80.14	79.88	79.88	0.1			
18-Oct	78.35	78.74	78.35	78.72	0.23			
18-Dec	78.28	78.80	78.28	78.8	0.46			
19-Mar	78.16	78.65	78.16	78.64	0.48			

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

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