

Domestic Fundamentals:

Market Outlook: Cotton spot market prices traded slightly weak on Thursday. Ginning mills are facing tight supplies of raw material, resulting into higher prices. The prices may stay elevated till end of August. Acreage drop in the coming season as well as adverse weather conditions in other key cotton growing countries and good global demand is likely to keep cotton prices firm.

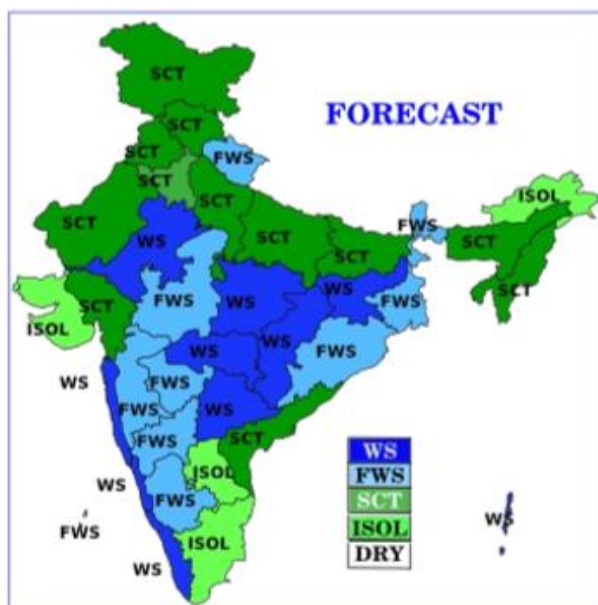
In the News: The rupee dropped to a record low of 70.32 in early trade with investor sentiment affected by a widening trade deficit on the domestic front and the broad rise in the US dollar versus other Asian peers. The dollar held near a 13-month peak on Thursday as political turmoil in Turkey and concerns about China's economic health continued to support safe-haven assets and weighed on emerging market currencies.

The Cotton Corporation of India will procure the fibre directly from farmers in Rajasthan at the minimum support price (MSP) and make the payment to their accounts in the upcoming cotton season. Rajasthan is the first cotton-growing state in the northern region to make direct transaction compulsory for procurement at MSP. Over 12,000 farmers have been registered in district Shree Ganganagar so far and the process is on in the other cotton-growing districts of Hanumangar and Bhilwara

Looking at shortfall in rains in Gujarat, Maharashtra and some southern states, there is scope to believe cotton output should fall at least 5-10%. As per the preliminary estimates by Agriwatch, cotton output in country during the season 2018-19 would be around 353 lakh bales (of 170 kg each) which is lower compared to last year production of 365 lakh bales. For the current cotton year that ends in September, the Cotton Advisory Board has pegged the number at 37.0 mln bales.

India doubled the import tax on more than 300 textile products to 20 percent on Tuesday as the world's biggest producer of cotton tries to curb rising imports from China. It was the second tax hike on textiles in as many months after an increase on other products including fiber and apparels last month. The moves are expected to provide relief to the domestic textile industry, which has been hit by cheaper imports. India's total textile imports jumped by 16 percent to a record \$7 billion in the fiscal year to March 2018.

Weather Update:



17th Aug: Heavy to very heavy rain at a few places with extremely heavy falls at isolated places very likely over Gujarat Region; Heavy to very heavy rain with extremely heavy falls at isolated places over north Madhya Maharashtra, north Konkan and Saurashtra; heavy to very heavy rain at isolated places very likely over Coastal Karnataka and Kerala.

The India Meteorological Department (IMD)'s weather models hinted at weak monsoon rain over the central India and the country in general from August 10 to 16. But the models of the National Centre for Medium Range Weather Forecasting (NCMRWF), under the ministry of earth sciences, are showing active monsoon conditions from August 13. IMD weather models are indicating that most of the central India, including Maharashtra, will see an increase in rainfall activity after

August 17. But northeast India, extreme north and south peninsula regions

SPATIAL DISTRIBUTION (% of Stations reporting)			
% Stations	Category	% Stations	Category
76-100	Widespread (WS/Most Places)	26-50	Scattered (SCT/A Few Places)
51-75	Fairly Widespread (FWS/Many Places)	1-25	Isolated (ISOL)
Dry (No station reported Rainfall)			

are expected to get below- normal rainfall.

International Fundamentals

On August 16th, the China reserve cotton sales resources were 30009.2157 tons, the actual turnover was 3309.3001 tons, and the turnover rate was 11.03%. The average transaction price was 14,953 yuan/ton (Down 254 yuan/ton from the previous day), the price of 3128 was 16,642 yuan/ton (Down 7 yuan/ton from the previous day).

December cotton lost another 2% Wednesday as speculators liquidated their long positions, fearful of trade disruptions with Turkey and China. The economic stakes were raised on Tuesday when the Turkish government called for a boycott of U.S. goods. As of this writing, we have not seen cotton on any list, but it is that uncertainty that has the ICE Futures so nervous.

Prices for the December NY Futures contract were generally contained between 85 and 90 cents/lb between mid-July and early August. The A Index also moved sideways over the past month, with values ranging between 94 and 100 cents/lb since mid-July. Indian cotton prices, represented by the Shankar-6 quality, increased in slightly international and domestic terms, rising from 88 to 90 cents/lb and 47,000 to 48,000 INR/candy.

ICE cotton futures slid to their lowest in more than a month on Monday on concerns about a financial crisis in Turkey, a major importer of the natural fiber from the United States, and on forecasts for higher U.S. cotton output. The most active cotton contract on ICE Futures U.S., the second-month December contract settled down 2.47 cents, or 2.90 percent, at 82.76 cents per lb.

This month's 2018/19 U.S. cotton forecast includes higher beginning stocks, production, exports, and ending stocks relative to last month. Production for the 2018 crop is raised 4 percent to 19.2 million bales, on this season's first survey-based production forecast. Beginning stocks are raised 0.4 million bales due to lower-than-expected 2017/18, exports are 0.5 million bales higher, at 15.5 million bales. Ending stocks are 0.6 million bales higher this month. Projected world 2018/19 ending stocks are down 1 percent this month, due to a combination of lower beginning stocks and higher consumption offsetting higher production. Beginning stocks are reduced 0.45 million bales, reflecting both lower production and higher consumption estimates for 2017/18. Production in 2018/19 is increased 0.4 million bales, with higher expected crops in the United States, Argentina, and Turkey offsetting reduced crops in Uzbekistan, Australia, and Turkmenistan. Consumption is raised 660,000 bales, led by a 300,000-bale increase for Pakistan, with smaller increases in Indonesia, Turkey, and other countries.

NCDEX Kapas Futures*: (Prices in Rs/20 kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18(C1)	-0.72	1176	1178	1172.5	1175	767	-2378	3672	219
Spread	Oct 18(C1)			-	-	--	--		
Spot	103			-	-	-	-		
Oct-18				-	-	-	-		

(NB: Spread Basis = Spot- Near Month Future)

* Updated at as on 16-Aug- 2018 at 5:00 PM

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18	-1.05	23650	23650	23420	23490	798	-537	4004	112
Nov-18	-0.9	23150	23150	22950	23060	154	-140	2354	-21

Spread	Oct 18		-	-	--	--
Spot	500		-	-	-	-
Oct-18			-	-	-	-

(NB: Spread Basis = Spot- Near Month Future)

* Updated at as on 16-Aug- 2018 at 5:00 PM

Cotton Prices at Key Spot Markets:
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Aug-18	14-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6345	6480	-135
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5950	5800	150
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5900	5900	Unch
	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	4320	4320	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	NR	6270	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5950	5950	Unch
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	16-Aug-18	14-Aug-18	
Punjab	Bhatinda	J-34	4810	4810	Unch
	Abohar	J-34	4790	4800	-10
	Mansa	J-34	4750	4800	-50
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4780	4790	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Aug-18	14-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	280	250	30
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	200	100	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	NA	-
	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	NR	99	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	7	15	-8
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Aug-18	14-Aug-18	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				15-Aug-18	15-Aug-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	0	0	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	0	0	Unch
J-34(202)	26mm	3.5 - 4.9	23	0	0	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	0	0	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	0	0	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	0	0	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	0	0	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	0	0	Unch

Centre	Unit	Price		Change
		16-Aug-18	14-Aug-18	
Rajkot	Rs. /10 Kg.	810	830	-20
New Delhi	Rs. /10 Kg.	790	780	10
Hyderabad	Rs. /10 Kg.	795	810	-15
Mumbai	Rs. /10 Kg.	830	830	Unch

Centre	Unit	Price		Change
		16-Aug-18	14-Aug-18	
Mahesana (Kadi)	Rs./Qtl	1881	1914	-33
Akola	Rs./Qtl	1799	1826	-27

DOMESTIC PRICES AND ARRIVAL
Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Aug-18	14-Aug-18	
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	45300	Unch
J-34(202)	26mm	3.5 - 4.9	23	46000	46000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46100	46100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	48400	48400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49400	49400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	51300	51300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	60600	60600	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 15-August-2018		
Index	RMB/Ton	Change
CCIndex(328)	16296	0
CCIndex(527)	15116	-1
CCIndex(229)	16999	-1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 15-August-2018		
Index	Cents/lb	Change
FC Index (S)	89.46	-2.15
FC Index (M)	93.28	-2.04
FC Index (L)	91.46	-2.25

Cotlook Index: As on 10-Aug-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	92.9	0.15

USDA Cotton Spot Rates: As on 15-August-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	80.58	82.83	NIL
North Delta	79.58	81.33	NIL

South Delta	79.58	81.33	NIL
East TX-OK	75.08	77.58	17
West Texas	75.08	77.58	119
Desert SW	75.33	79.33	NIL
SJ Valley	75.83	84.73	NIL

Pakistan Cotton Spot rates: As on 15-August-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8300	160	8460
Equivalent	40 Kgs	8895	171	9066

Disclaimer

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