



Domestic market summary

Domestic market Scenario: Cotton spot markets mostly noticed weak during the month. Average price of Lint at Sirsa during the month was Rs.4195 per maund (of 37.32 Kg each), compared to the previous month price of Rs 4211.25. Cotton fiber (Shankar-6) prices noticed firm tone this month. Average price was Rs 40846 per candy (of 355.6 kg each) during the month, which was Rs 40058 per candy previous month. Future price of cotton (at NCDEX, Continuous contract) closed lower this month at Rs.925 per maund (of 20 kg each) which was Rs 944.5 a month earlier.

Monthly Price Outlook : In the coming month we expect Kapas price to remain range bound to firm with the price band of Rs 4800-5400 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4000-5000 per maund. Kapas prices at NCDEX (Continuous contract), is expected to hover in the range of Rs.900-1200 per maund (of 20 kg each).

Major Market Highlights:

As per Agriwatch estimates, cotton acreage in the southern states might decline by 8-10% in 2018-19, because of losses this year, but a part of it will be made up by the northern states. Overall we expect the national acreage to decline by about 3%. Current year's yields in southern states were affected by pink bollworm attacks.

India, the world's second-biggest cotton exporter, is hoping to treble shipments of the fibre to China next year as Beijing seeks to replenish stockpiles and imposes a 25 percent import tax on cargoes from the United States.

According to trade sources, India is looking to sell 2.5 million to 3 million bales, each of 170 kg, to China in the next season beginning in October, up from around 800,000 bales of expected exports in the 2017/18 marketing year.

Cotton prices which are currently ruling in the range of Rs 40,000-40,800 per candy (each of 356 kg) may cross Rs 45,000 by the end of May.

Cotton sowing commenced officially from April 1 in Punjab, the state agriculture department is yet to release the list of varieties recommended by the Punjab Agricultural University (PAU), Ludhiana. PAU-recommended varieties of hybrid BT cotton seed are also approved by the genetic engineering appraisal committee (GEAC).

During the cotton production and marketing season 2017-18 (October-March), India has sold 55 lakh bales of cotton, of which 17 lakh bales have been shipped to Bangladesh followed by 11 lakh bales to Pakistan, 10 lakh to Vietnam, 7 lakh to China, 7 lakh to Indonesia and Taiwan, and 3 lakh to other countries including Sri Lanka, Turkey and Thailand, among others- as per a CAI statement.

Foreign buyers are interested in sourcing cotton from India as they find it cost effective and less expensive in comparison to other countries.



Cotton planting in India- the world's top producer of fiber, could fall 12 per cent in the 2018-19 crop year as infestation by the pink bollworm has slashed farmers' incomes and prompted them to choose other crops, industry officials said. The reduction in planting area could cut into export supply from India and further bolster global cotton prices, which earlier this month hit their highest since June 2014.

According to trade sources, Saurashtra farmers are retaining 40% of their Kapas crop. Some farmers have mixed lower grade material with good quality kapas, which may create quality related disputes.

Maharashtra has made it mandatory for Bt cotton seed companies in the state to submit samples of seeds which they wish to sell in market, to government-approved laboratories for getting them tested in order to obtain sale licenses. The step has been taken to prevent the sale of illegal varieties, according to Director of agriculture, inspection and quality control.

There is continuous export demand at the current price level; India could export more than 7 million bales in the current season ending on Sept. 30, up a fifth from previous estimates, of CAI.

Indian cotton is being offered around 82 to 85 cents per lb on a cost and freight basis (C&F) to buyers in Bangladesh and Vietnam, compared to over 90 cents from the United States and Brazil.

Agriculture ministry last month has slashed the price of genetically modified Bt cotton seeds to Rs.740 per packet from Rs.800 per packet earlier. The ministry also reduced the trait or royalty fees payable by domestic firms to technology developer Mahyco Monsanto Biotech (India) Pvt. Ltd to Rs.39 per packet from Rs.49 earlier. A packet of Bollgard II Bt cotton seeds weighs 450g.

The Cotton Association of India (CAI) has lowered its estimate for Cotton production for the 2017-18 crop year to 362 lakh bales of 170 kg each from 367 lakh bales estimated in February, mainly due to the crop damage triggered by severe pink bollworm infestation and the scarcity of water in some states.

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 the country so far and another 15-20 lakh bales are expected to be exported by the end of this season, top officials of the Khandesh Ginning & Pressing Factory Owners & Traders Association said.

The government is proposing to cut the price of the BT cotton seeds (Bollgard II) from Rs 800 to Rs 740 per packet (450gm packets). And royalty fee included in the sale price (which domestic seed companies pay to the technology developers) is likely to be reduced from Rs 49 per packet to Rs 39 per packet. The current cut stands to reduce



input costs for farmers, help retain cotton acreages and ensure deeper penetration of high quality seeds thereby reducing worm attacks.

Domestic Cotton Balance sheet

Supply	2016-17*	2017-18*	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Opening Stock	36.50	30.00	30.00	97.06	163.23	109.84
Production	337.25	362.00	163.80	152.88	34.76	15.56
Imports	27.00	22.00	3.00	9.00	4.00	6.00
Total Supply	400.75	414.00	196.80	258.94	201.99	131.40
Demand						
Mill	265.00	275.00	65.53	69.77	70.45	69.63
Small mill	27.00	30.00	6.86	7.50	7.85	7.70
Non Mill	15.75	15.00	3.75	3.75	3.75	3.75
Total Consumption	307.75	320.00	76.14	81.02	82.05	81.08
Exports	63.00	70.00	23.60	14.70	10.10	6.60
Total Consumption	370.75	390.00	99.74	95.72	92.15	87.68
Ending Stocks	30.00	24.00	97.06	163.23	109.84	43.71

Annual Production, consumption and Export figures are sourced from Cotton Association of India (CAI).

**Quarterly Balance Sheet figures estimated by Agriwatch.

Balance Sheet Highlight (2017-18):

As per the latest estimates by CAI, cotton output in country during the season 2017-18 would be around 362 lakh bales (of 170 kg each) which is higher compared to production of last season.

Following higher production, cotton imports will rise marginally to 22 lakh bales compared to 27 lakh bales in previous season.

Due to lower opening stock, imports, and higher production of cotton availability would be standing higher this season at 414 lakh bales compared to 400 lakh bales during the previous season.

Total domestic consumption (Including mill, small mill and non-mill consumption) would be around 320 lakh bales compared to 307 lakh bales during the previous season.

Cotton exports are expected to remain higher as that of previous year. It is expected that country would export around 70 lakh bales of cotton in the season 2017-18.

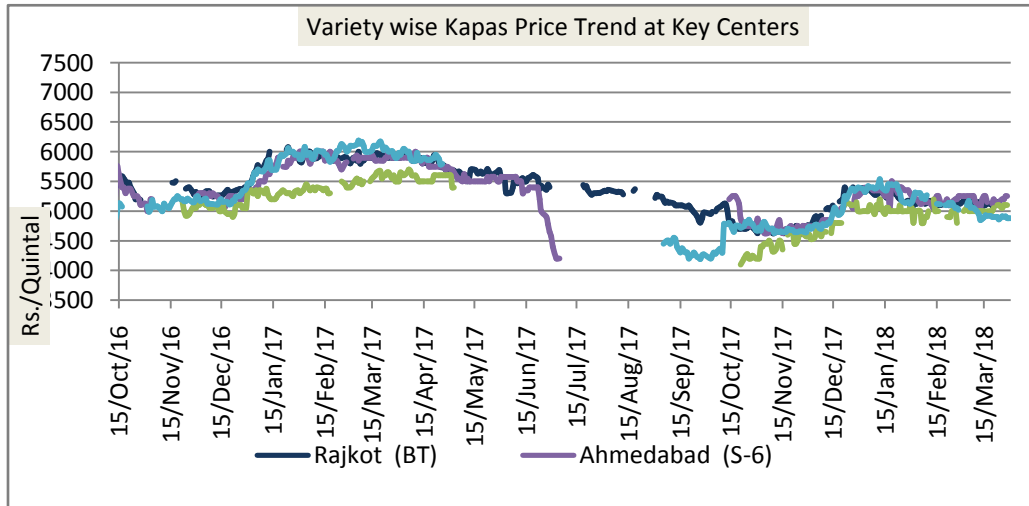
Ending stocks are expected to be around 24 lakh bales, it is lower compared to the ending stocks of previous season.



Domestic Cotton Prices Scenario

Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario



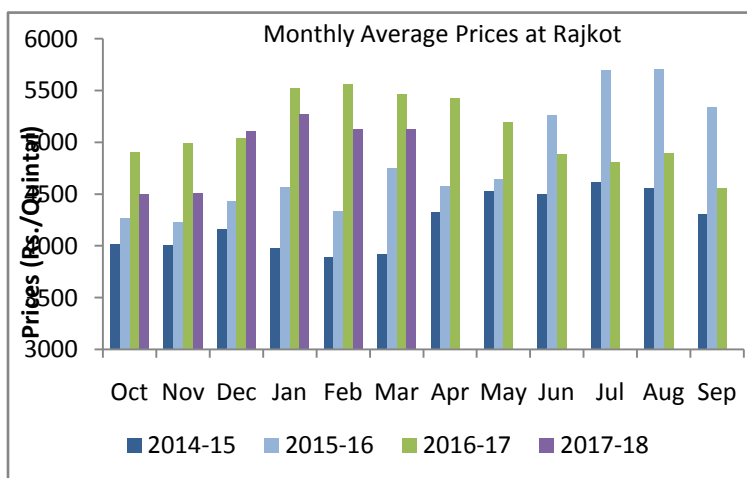
Monthly Price Review: monthly kapas average price at Rajkot rose from Rs 5127/quintal this week.

According to latest report of USDA attaché, India's 2017/18 cotton production forecast is 30.00 million 480 lb. bales on higher acreage of 12.20 million

hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Monthly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4400-5400 per quintal for the coming month.

Kapas Monthly Y-o-Y Price Scenario



Kapas(seed cotton) prices in country noticed slightly weak tone during the March month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

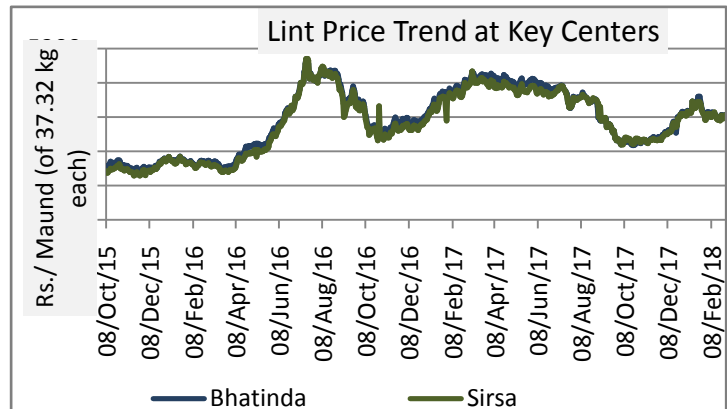
Monthly average price of Kapas at Rajkot remained Rs.5127 per quintal during March, which was Rs. 5128 during previous month and Rs. 5470 per quintal during the corresponding month last year. We expect Kapas prices to remain range

—bound to firm in the coming month. The expected price range for March month is likely to be Rs 4600-5200 per quintal.

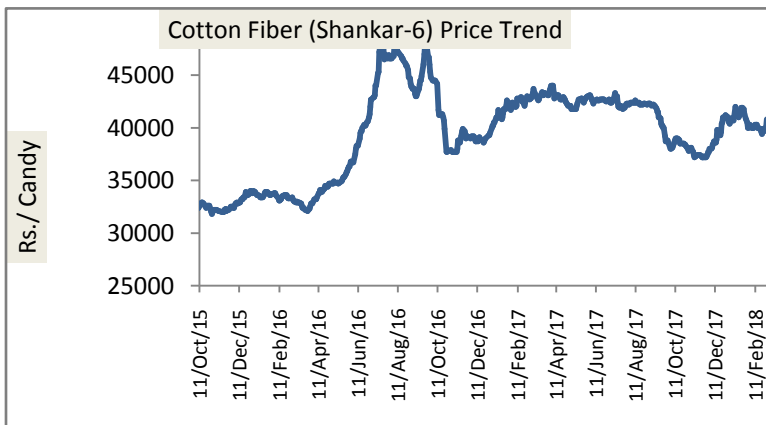


Lint price Outlook

Lint prices remained weak during the month owing to tight tone prevailing in market. Monthly average price of Lint at Sirsa remained Rs.4195 per maund of 37.32 kg each, lower compared to the previous month price of Rs. 4211 per maund.



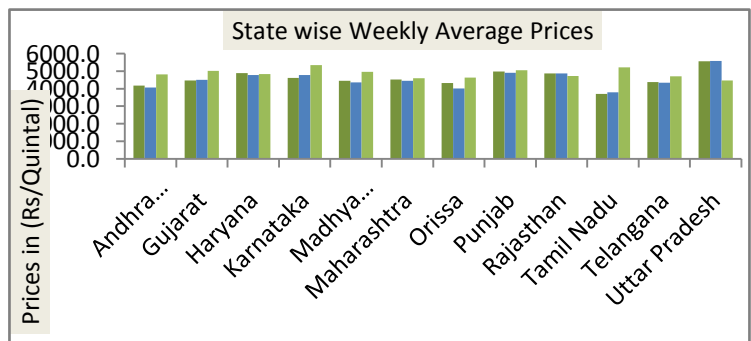
Cotton Fiber price Outlook



Cotton fiber noticed down trend in this month compared to the previous month amid good demand in domestic and international market. Monthly average price of Shankar- 6 during January was Rs. 40846 per candy, which was Rs. 41000 previous month and around Rs 42450 per candy during the corresponding month previous season. We expect cotton fiber to remain in range of Rs 38000 -42000per candy in the coming month candy.

State wise monthly Price Scenario

On month on month basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this month and lowest was in Tamil Nadu followed by Andhra Pradesh. On year on year basis, cotton prices are reflecting downtrend in most of the States

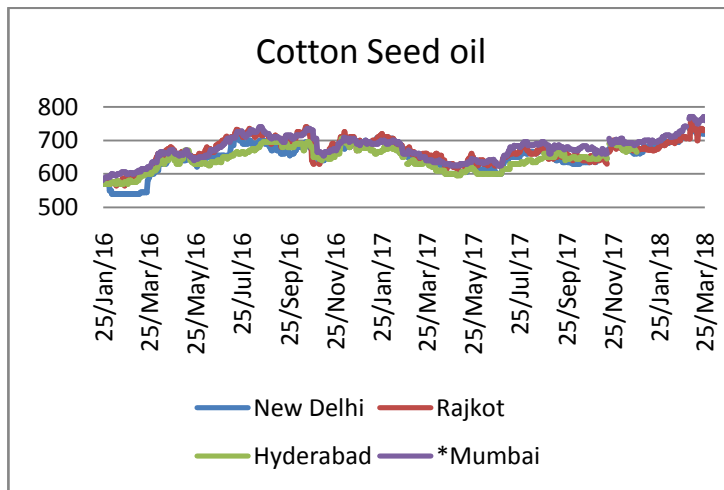




Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil monthly Price Scenario

Cotton seed oil price noticed firm tone during the month. monthly average price in New Delhi is Rs726 per 10 Kg, higher compared to the monthly average price of Rs 699 per 10 Kg in previous month.

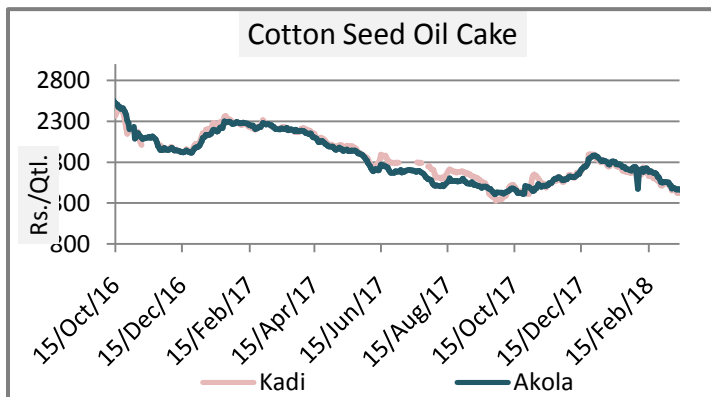


Centers	Monthly Average Price as on (Rs/10 kg.)		% Change
	Mar	Feb	
New Delhi	726	699	3.86
Rajkot	730	700	4.29
Hyderabad			
Mumbai*	761	721	5.55

*GST*Included*

Cotton Seed Oil Cake Monthly Price Scenario

Cotton seed oil cake price noticed weak tone during this month. Monthly average price in Akola remained Rs 1433 per quintal, lower compared to the monthly average price of Rs 1631 per quintal in the previous month



Centers	Monthly Average Price as on (Rs/quintal.)*		% Change
	Mar	Feb	
Kadi	1433	1631	-12.14
Akola	1468	1663	-11.73

**Source: NCDEX*



Technical Analysis of Kapas Future Prices at NCDEX(Continuous Chart C1)



Weekly Technical Outlook:

- Kapas prices and volume increased while O.I decreased .
- RSI is hovering in a neutral zone.
- MACD signal line and center line denotes neutral crossover.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	900-1000

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
920	900	1110	1350

Figures in Rs/20 Kg

International Market Scenario

International cotton prices remained firm during the month. Cotlook A index monthly average stood at 91.87cents/pound this month, which was 90.31 cents/pound during last month.

Major Market Highlights:

- As per the United States Department of Agriculture (USDA) estimates, India has surpassed China's cotton production to become the largest cotton producing country with 365 lakh bales of production. India is followed by China (353 lakh bales), the U.S. (273 lakh bales), Pakistan (105 lakh bales) and Brazil (103 lakh bales).
- ICE cotton contract for May expiry settled up 0.72 cent, or 0.89%, at 81.46 cents per lb. It traded within a range of 80.68 and 82.2 cents a lb the contract was down 0.45 percent for the week.

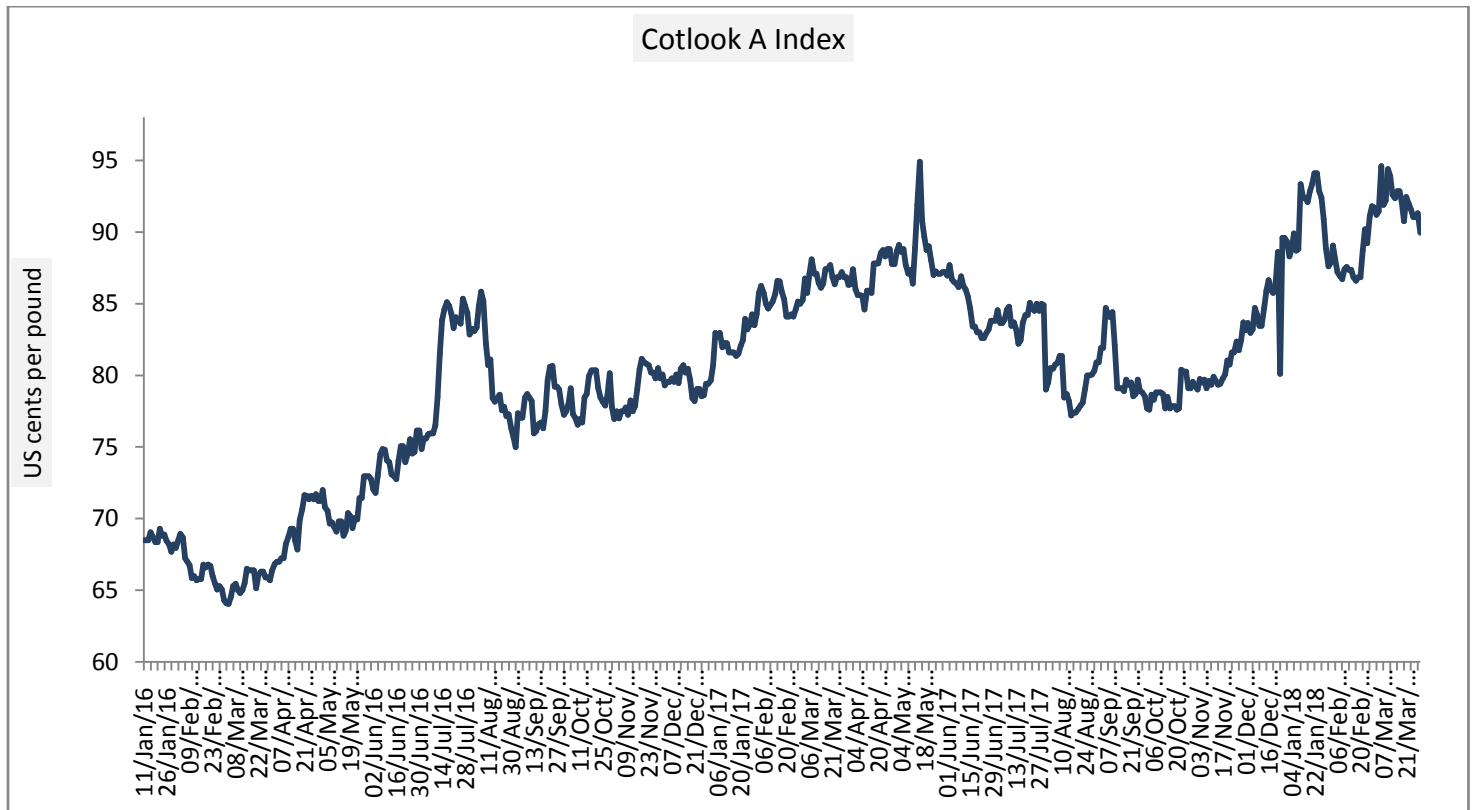


- Cotton in Australia estimates there were 372,000 hectares of irrigated cotton planted this season and 81,000 green hectares of dry land, giving total Australian crop of 453.000 ha.
- Pakistan cotton imports for 2018-19 were forecast at 2.40 m bales, a drop of 200,000 bales from this season, reflecting the increased production hopes. The country imports primarily better grades of cotton, for lifting the quality of domestic textile output to export grade.
- From March 12 to 30 the China cumulative sales of reserve cotton was 279,800 tons, with a turnover rate of 62.15%.
- In February 2018, cotton imports of Vietnam reached 111.4kt, down 5.9% year on year and 22.5%, month on month. Brazilian cotton imports to Vietnam increased significantly by 232% year on year to reach 18.4kt mainly due to improvement on cotton demand in Vietnam.
- China has started auctioning off cotton from its state reserves. Cumulative sales from the reserve stood at 519,134 bales (5.1 million tonnes) at the end of last week. Using the estimated figure of remaining reserves after last year's auctions of 24.14 million bales (5.26 million tonnes), the balance of reserve stocks stand at 23.45 million bales (5.11 million tonnes).
- 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.
- As per last week's USDA report, world consumption estimate 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. Bangladesh, China and Vietnam are among the largest buyers of Indian cotton.

Cotlook A Index

Cotlook A index remained firm during the month.

Cotlook A Index	Monthly Average Price as on		% Change
	Mar	Feb	
Prices	91.87	88.27	4.08
Prices in US cents per Pound			



China Cotton Index and Foreign Cotton Index

According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2017 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton declined by 260,000 tons to 5.34 million tons. In 2017, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.

Cotton Index	Monthly Average Price as on		% Change
	Mar	Feb	
FC (S)	95.62	92.08	3.84
FC (M)	92.45	88.5	4.46
FC (L)	91.37	86.34	5.83
Prices in US cents per Pound			



China Index remained weak during the month. CC Index (328) remained 15673 Yuan per ton during the week. Average was 15695 Yuan per ton during previous week.

Cotton Index	Monthly Average Price as on		% Change
	Mar	Feb	
CCIndex(328)	15673	15695	-0.14
CCIndex(527)	14658	14698	-0.27
CCIndex(229)	16232	16244	-0.07
Prices in Yuan per ton			

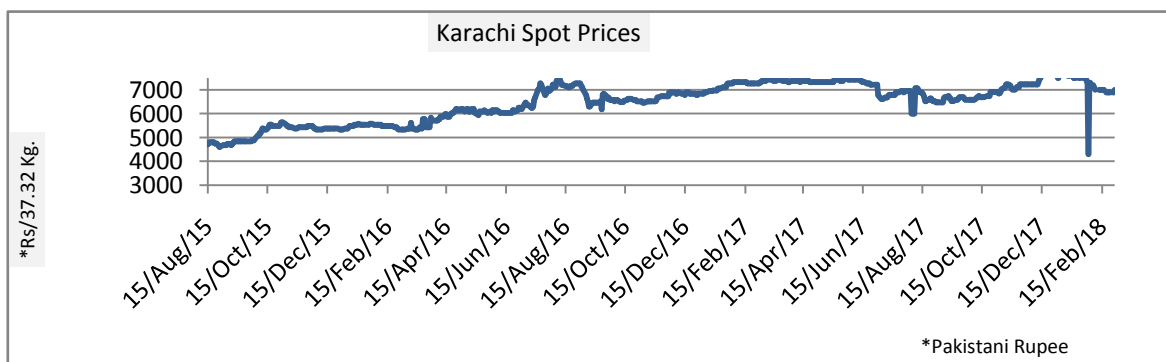
USA Spot Prices

- As per the United States Department of Agriculture (USDA) estimates, India has surpassed China's cotton production to become the largest cotton producing country with 365 lakh bales of production. India is followed by China (353 lakh bales), the U.S. (273 lakh bales), Pakistan (105 lakh bales) and Brazil (103 lakh bales).

USA Spot Prices	Monthly Average Price as on		% Change
	Mar	Feb	
Prices	85.43	80.57	6.03
Prices in US cents per Pound			

Pakistan Spot Prices

Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of



seed cotton during the period October 01-15, 2017. Pakistan has harvested 8.134 million bales of cotton up to October 31, 2017 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals



during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.

Karachi Spot Prices	Monthly Average Price as on		% Change
	Mar	Feb	
Prices	7500	6881	9.00
Prices in Rs per 37.32 Kg			

Technical Analysis of Cotton Future (Dec'17 Contract) at ICE



Weekly Technical Outlook:

- Candlesticks denote bullish movement in the market.
- Volume decreased while Open Interest increased.
- We expect cotton prices to remain sideways to weak in the coming month.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	65.00-85.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
76.50	74.00	85.00	88.00

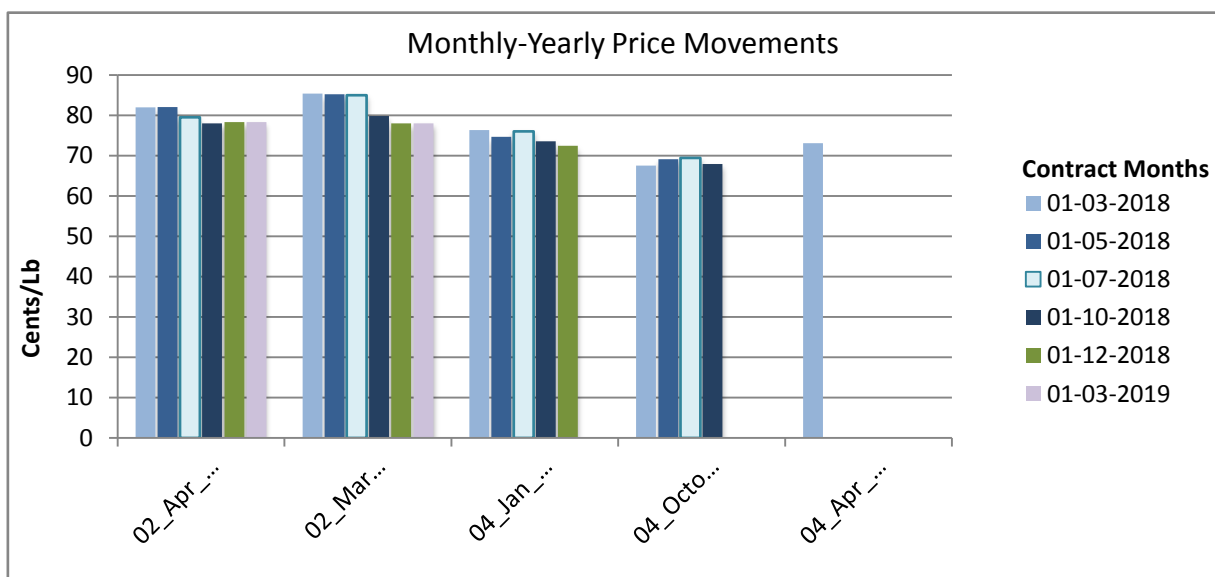
Figures in US cents/pound



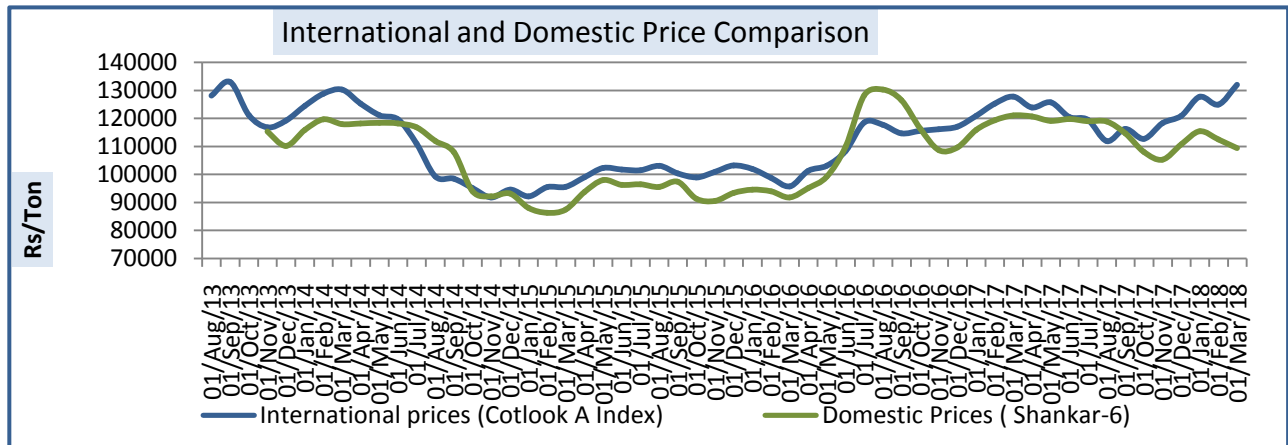
Cotton Future Prices at IC

Cotton Future Prices

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	02_Apr_2018	02_Mar_2018	04_Jan_2017 (3 month ago)	04_Octob e_2017 (6 month ago)	04_Apr_2017(Y ear Ago)	% Change over a month	% Change over previous year
Mar-18	82.02	85.41	76.33	67.53	73.07	-3.96	12.24
May-18	82.01	85.23	74.63	69.09		-3.77	
Jul-18	79.51	84.98	75.97	69.42		1.20	
Oct-18	78.02	79.79	73.57	67.95		-2.21	
Dec-18	78.27	77.95	72.47			0.41	
Mar-19	78.3	78	72.27			0.38	



International and Domestic Price Comparison



Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Monthly Prices Average (Rs./Quintal)		Change
State	Centre	Variety	March,2018	February,2018	
Gujarat	Ahmedabad	Shankar-6	5216	5184	33
	Gondal	Shankar-6	5019	5083	-64
	Rajkot	B.T. Cotton	5127	5128	-1
	Patan	B.T. Cotton	5159	5182	-22
	Kadi	B.T. Cotton	5174	5165	10
	Deesa	B.T. Cotton	NR	4917	-
	Dhrol	B.T. Cotton	5065	5043	23
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5085	5277	-192
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	4942	5165	-223
	Fatehabad	B.T. Cotton	4996	5224	-228
	Jind	B.T. Cotton	5168	5355	-187
	Uchana	B.T. Cotton	4968	5212	-245
	Dabwali	B.T. Cotton	4883	5090	-206
Rajasthan	Hanumangarh	B.T. Cotton	4992	5206	-214
	Rawatsar	B.T. Cotton	4808	5120	-311



Madhya Pradesh	Khandwa	Mech-1	4943	4755	188
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5031	4948	83
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4506	4640	-133
Andhra Pradesh	Guntur	Un-Ginned	3250	NA	-
	Kurnool	Un-Ginned	4666	4227	439
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5171	5286	-115
	Hubli	D.C.H.	4440	4953	-513
	Hubli	B.T. Cotton	4135	NA	-
	Raichur	H-44 Cotton	5048	5089	-42
Commodity	Lint		Montly Prices Avg. (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	March,2018	February,2018	
Punjab	Bhatinda	J-34	4222	4223	-1
	Abohar	J-34	4215	4224	-9
	Mansa	J-34	4178	4194	-16
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4195	4211	-16
Rajasthan	Sri-Ganganagar	J-34	3922	3948	-26

Cotton Arrivals in Key Centers:

Commodity	Kapas		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	March,2018	February,2018	
Gujarat	Ahmedabad	Shankar-6	1082900	1217200	-134300
	Gondal	Shankar-6	16034	5758	10276
	Rajkot	B.T. Cotton	45825	88750	-42925
	Patan	B.T. Cotton	47311	82699	-35388
	Kadi	B.T. Cotton	1322000	985000	337000
	Deesa	B.T. Cotton	NR	1225	-1225
	Dhrol	B.T. Cotton	4372	6064	-1692
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	45600	21100	24500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	136334	85041	51293



	Fatehabad	B.T. Cotton	21550	15125	6425
	Jind	B.T. Cotton	3430.3	1739.1	1691
	Uchana	B.T. Cotton	30138	23490	6648
	Dabwali	B.T. Cotton	4982	8455	-3473
Rajasthan	Hanumangarh	B.T. Cotton	29400	37700	-8300
	Rawatsar	B.T. Cotton	17400	11350	6050
Madhya Pradesh	Khandwa	Mech-1	5950	5700	250
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	39500	240000	-200500
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	95855	91914	3941
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	1529	2264	-735
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	45195	46707	-1512
	Hubli	D.C.H.	778	5385	-4607
	Hubli	B.T. Cotton	6	NA	-
	Raichur	H-44 Cotton	17150	17674	-524
Commodity	Lint		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	March,2018	February,2018	
Punjab	Bhatinda	J-34	138550	131750	6800
	Abohar	J-34	20400	20485	-85
	Mansa	J-34	13345	15555	-2210
Haryana	Sirsa	J-34	30090	19550	10540
Rajasthan	Sri-Ganganagar	J-34	10350	12250	-1900

Cotton Association of India Cotton Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				March,2018	February,2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42488	41479	1008
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42988	41971	1017
J-34(202)	26mm	3.5 - 4.9	23	39871	39246	625
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37538	38471	-933
Shankar-6(105)	29mm	3.5 - 4.9	28	40854	40025	829



Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41783	41929	-146
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43271	42658	613
DCH-32(107)	34mm	3.0 - 3.8	33	53913	55754	-1842

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