

### **Current Market Outlook**

Domestic Weekly Price Scenario: Cotton spot markets noticed mixed tone during the week.

Average price of Lint at Sirsa during the week was Rs. 3865 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3840. Cotton fiber (Shankar-6) prices noticed firm tone this week. Average price was Rs 38633 per candy (of 355.6 kg each) during the week, which was Rs 38250 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed higher this week at Rs. 874 per maund (of 20 kg each) which was Rs 872.5 a week earlier.

Cotton Price Outlook (For Coming Week):In the coming week we expect Kapas price to remain range bound to firm with the price band of Rs. 4800-5200 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3650-4050 per maund. Kapas prices at NCDEX (Continuous contract), is expected to hover in the range of Rs.800-1000 per maund (of 20 kg each).

**Major Market Highlights:** Heavy rain in the major growing region of Maharashtra, Gujarat, M.P., Andhra Pradesh, Telangana & Karnataka had adversely affected cotton sowing and arrivals into the country resulting into a rise in prices. Moreover, continuous rain in the regions; especially in Telangana & Karnataka had also deteriorated the quality of the fibre reaching into the market.

According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 06, 2017 across the country compared to 102.99 lakh hectares during the same period previous year.

The Cotton Association of India (CAI) predicted India to produce 375 lakh bales of cotton in 2017-18.

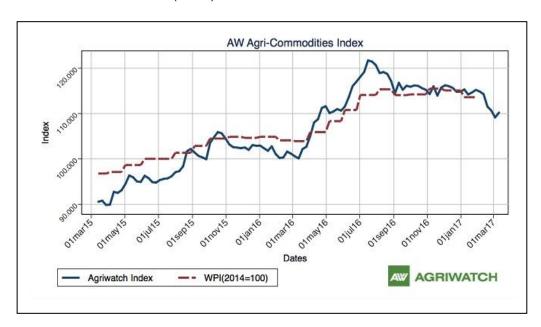
On the back of favorable weather conditions and lucrative expected returns, rating agency, ICRA projected India to produce 36 million bales of cotton in 2018, up by 6 per cent from the previous year.

The Indian govt. had increased cotton MSP (Minimum Support Price) for long staple cotton from Rs 4,160/quintal in 2016-17 to Rs 4,320/quintal in 2017-18.

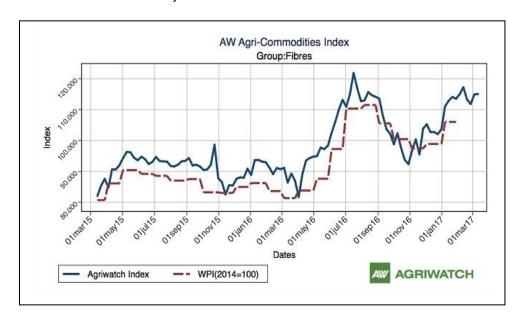


# AW Cotton Index – 12 Mar. 2017

The Agriwatch Agri Commodities Index gained 0.98% to 110.22 during the week ended March 11, 2017 from 109.15 during the previous week, to end a 5-week falling streak. Cereals and pulses led the Index higher. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +0.11% week-on-week.



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www agriwatch.com. The daily indices are available on subscription. Please contact for more details."

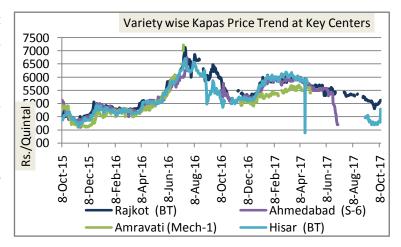


### **Domestic Cotton Prices Scenario**

### Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 4970/quintal to Rs 5077/quintal this week.

According to latest report of USDA attaché, India's 2016/17 cotton production forecast is 27.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

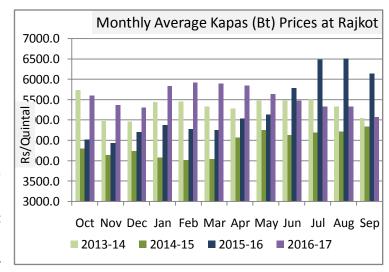


Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 4800-5200per quintal for the coming week.

### Kapas Monthly Y-o-Y Price Scenario

Kapas(seed cotton) prices in country noticed weak tone during the September 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.

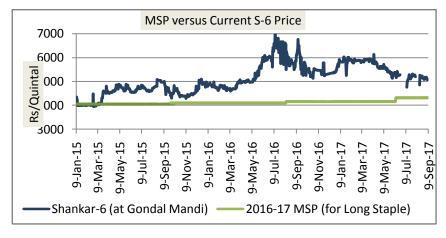
Monthly average price of Kapas at Rajkot remained Rs.5074 per quintal during September, which was Rs.5323 during previous month and Rs.6143 per quintal during the corresponding month last year. We expect Kapas prices to remain range —bound to firm in the coming month. The expected price range for October month is likely to be Rs 4900-5500 per quintal.





### **Spot Price versus MSP**

The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs.702 this week compared to Rs.554 a week earlier. This indicates prices are decreasing



#### Lint (De-Seeded Cotton) Weekly Price Scenario

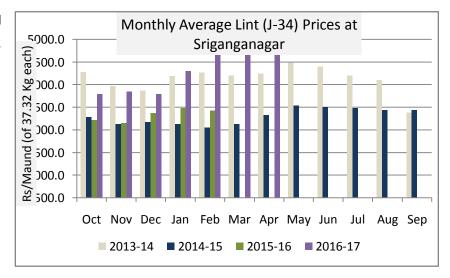
Weekly Price Review: Lint prices remained firm during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 3865 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 3840 per maund.

Weekly Price Outlook: Lint prices are expected to remain range bound to pale during the week. We expect Lint at Sirsa to remain in the range of Rs. 3650-4050per maund.



### **Lint Monthly Y-o-Y Price Scenario**

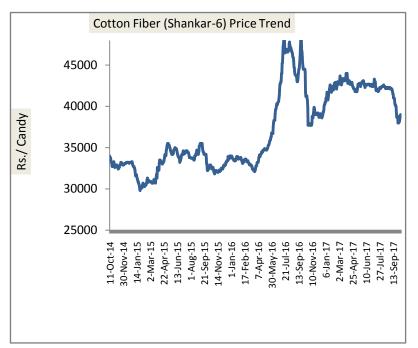
Monthly average price at Sri Ganganagar in April was Rs.4713/Qtl compared to Rs.4903/Qtl in March.

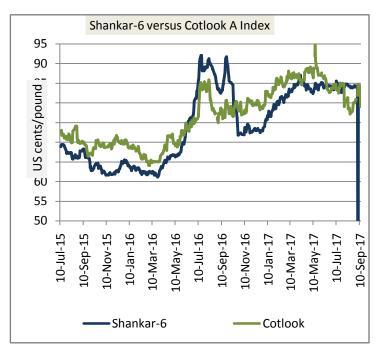




#### **Cotton Fiber Weekly Price Scenario**

Following range -bound movement in Kapas prices, cotton fiber witnessed firm tone this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs.38633 per candy (of 355.6 kg each) compared to Rs. 38250 per candy in the previous week.





Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling above the international price. Against the weekly average Cotlook A Index of 78.68 cents/pound, Indian weekly average price stood at 75.16 cents/pound, making Indian fiber more competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 37000-42000 per candy.

#### State wise Weekly Price Scenario

On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Tamil Nadu followed by Uttar Pradesh this week and lowest was in Maharashtra followed by Madhya Pradesh. On year on year basis, cotton prices are reflecting downtrend in most of the States. Prices have been summarized in the table given in annexure.



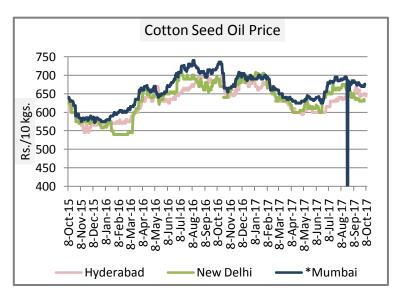


### **Cotton Seed Oil and Cotton Seed Oil Cake**

### **Cotton Seed Oil Weekly Price Scenario**

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 631 per 10 Kg, which is same as the price prevailing previous week.

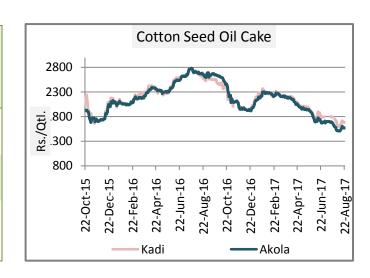
Centers	Weekly Avera (Rs/1	º/ Changa		
Centers	12-Oct-17	5-Oct-17	% Change	
New Delhi	631	631	-0.07	
Rajkot	650	648	0.33	
Hyderabad	646	649	-0.45	
Mumbai*	672	672	0.01	
			*Vat Included	



### **Cotton Seed Oil Cake Weekly Price Scenario**

Cotton seed oil cake price noticed firm tone during thes week. Weekly average price in Akola remained Rs 1448 per quintal, higher compared to the weekly average price of Rs 1423 per quintal in the previous week.

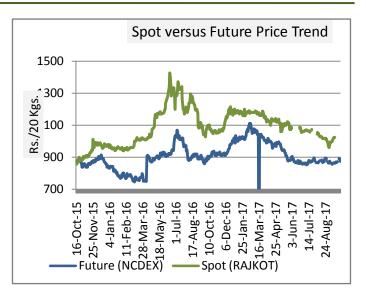
Centers	Weekly Aver (Rs/q	% Change	
	12-Oct-17	6-Oct-17	
Kadi	1454	1354	7.32
Akola	1448	1423	1.73
			*Source: NCDEX



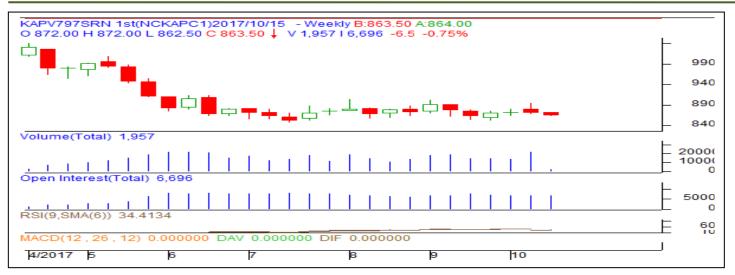


#### **Cotton Spot and Future Price Trend**

Cotton future price closed higher this week.Kapas at NCDEX (Continuous chart) closed at Rs.874 as on 12 October 2017, compared to 872.5 a week earlier.The gap between the spot and future prices has increased. Average gap between the spot and future price during the week was Rs.133.4 which was Rs 124.5 a week earlier.



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



#### **Weekly Technical Outlook:**

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

#### **Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band	
Range-bound To Firm Momentum	800-1000	

#### **Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
750	700	1080	1150
Figures in Rs/20 Kg			



### **International Market Scenario**

International cotton prices remained range bound to firm during the week. Cotlook A index weekly average stood at 78.68 cents/pound this week, which was 78.13 cents/pound during last week.

**Major Market Highlights**: On the back of a higher production estimate in India & U.S, the International Cotton Advisory Committee (ICAC) projected world's cotton output to rise by 10% to 25.5 million tonnes in 2017-18 (01st October, 2017 - 30th September, 2018).

On the other hand, world' cotton consumption is expected to increase by 2.7% from 24.56 MMT in 2016-17 to 25.22 MMT in 2017-18. Wherein, China, the world's largest cotton consumer, is expected to consume 8.1 MMT of cotton during 2017-18 which is 1.5% higher than its cotton consumption last year.

ICAC also projected cotton export of 3.1 MMT from U.S (which is the largest cotton exporter in the world) and an import of 1.4 MMT by Bangladesh in 2017-18.

On the back of a favorable weather condition, increased acreage and yield; the Chinese govt. forecasted the country to produce 5.28 MT of cotton in 2017-18. Alongwith it, cotton consumption by the country is also projected to lie at 7.9 MT during 2017-18.

According to the Cotton Board of Zambia, it is likely to produce 117,000 tonnes of cotton this year compared to 116,000 tonnes in the previous year. Though the number of farmers cultivating cotton declined by over 20,000 from 277,560, production increased amid favourable weather in the growing regions.

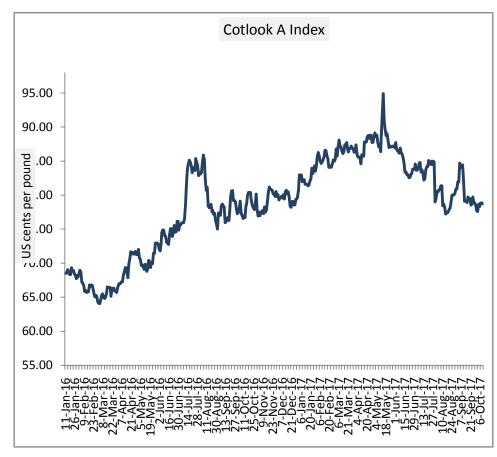
In a bid to discourage imports and to promote domestic sowing and harvesting of cotton, the Pakistan govt. had reimposed import duty of 4% & sales tax of 5% on import of cotton to the country that is going to get effective from 15th July, 2017.

According to agriculture ministry, Mali's cotton production for the upcoming 2017/18 season is estimated at 725,000 tonnes compared to 645,000 tonnes in the current season. Plantation of more land, renewing subsidies and continuing a two-year-old programme that provides tractors at reduced prices will help in achieving higher production in the coming season.



### **Cotlook A Index**

Cotlook A index remained firm during the week.



Cotlook A Index	Weekly Avera	% Change		
Cotlook A muex	12-Oct-17	5-Oct-17	% Change	
Prices	78.68	78.13	0.7	
Prices in US cents per Pound				



### **China Cotton Index and Foreign Cotton Index**

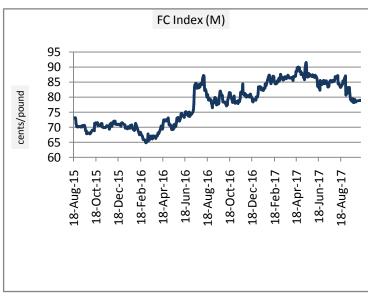
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton declined by 260,000 tons to 5.34 million tons.

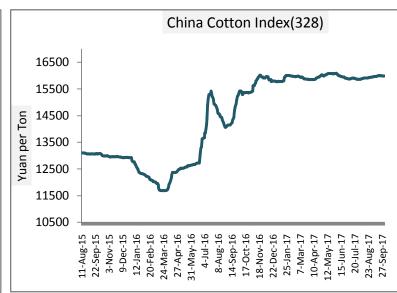
In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.

Cotton Index	Weekly Avera	% Change		
	12-Oct-17	5-Oct-17	% Change	
FC (S)	83.16	83.34	-0.22	
FC (M)	79.00	79.14	-0.18	
FC (L)	77.12	77.26	-0.17	
Prices in US cents per Pound				

China Index remained pale during the week. CC Index (328) remained 15982 Yuan per ton during the week. Average was 15992 Yuan per ton during previous week.

Cotton Index	Weekly Avera	0/ Channa		
	12-Oct-17	5-Oct-17	% Change	
CCIndex(328)	15982	15992	-0.06	
CCIndex(527)	14931	14947	-0.11	
CCIndex(229)	16460	16451	0.05	
Prices in Yuan per ton				

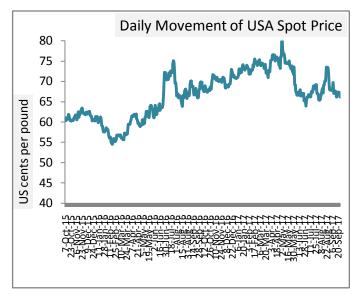






#### **USA Spot Prices**

According to latest report of USDA, global 2016/17 cotton ending stocks are revised down this month. Production in Pakistanis estimated to be lower, based on arrivals at gins, but higher in China. World ending stocks are now projected at 90.48 million bales.



LICA Coat Drices	Weekly Avera	% Change	
USA Spot Prices	12-Oct-17	5-Oct-17	% Change
Prices	66.94	66.64	0.45
			Prices in US cents per Pound

#### **Pakistan Spot Prices**

Annual growth output of Cotton in Pakistan has slowed to 12.3 per cent amid lower arrivals of seed cotton during the period December 01-15, 2016. Pakistan has harvested 10.147 million bales

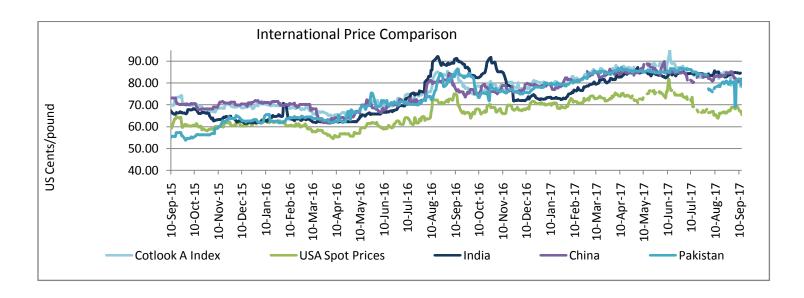


of cotton up to December 15, 2016 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period declined by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 10.542 million bales during the current season.

Karashi Cnat Dricas	Weekly Avera	% Change	
Karachi Spot Prices	12-Oct-17	5-Oct-17	% Change
Prices	6657	6585	1.09
			Prices in Rs per 37.32 Kg



### **International Price Comparison**



### Technical Analysis of Cotton Future (Oct'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 firm in the coming weak.

#### **Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band	
Range bound to BearishMomentum	65.00-75.00	

### **Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2	
60.23	57.84	82.30	85.26	
Figures in US cents/pound				



### **Cotton Future Prices at ICE**

Contracts					%W-o-W	%M-o-M	%Y-o-Y
Contracts	20-Sep	Week Ago	Month ago	Year Ago	change	change	change
Dec-17	68.73	68.80	72.11	67.14	-0.10	-4.69	2.37
Mar-18	68.30	67.91	71.47		0.57	-4.44	
May-18	69.00	68.62	71.76		0.56	-3.85	
Jul-18	69.48	69.16	71.90		0.47	-3.37	
Oct-18	68.17	67.87	69.68		0.43	-2.17	
Dec-18	68.53						

## **Domestic Cotton Prices and Arrivals at Key Centers**

### **Cotton Prices at Key Spot Markets:**

Commodity	Ka	apas	Weekly Average		
State	Centre	Variety	6th October to 12th October 2017	29th September to 5th October 2017	Change
	Ahmedabad	Shankar-6	5238	NA	-
	Gondal	Shankar-6	5022	4874	148
	Rajkot	B.T. Cotton	5077	4970	107
Gujarat	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4888	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4450	4655	-205
	Fazilika	B.T. Cotton	NA	NA	-
Punjab	Muktsar	B.T. Cotton	NA	NA	-
	Bhiwani	B.T. Cotton	4678	4350	328
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4418	4255	163
Haryana	Fatehabad	B.T. Cotton	4653	4403	250
	Jind	B.T. Cotton	4934	NA	-
	Uchana	B.T. Cotton	4723	NA	-
	Dabwali	B.T. Cotton	4623	NA	-



	Bhatinda	J-34	3843	3845	-2
State	Centre	Variety	6th October to 12th October 2017	29th September to 5th October 2017	Change
Commodity		Lint	Prices (Rs./Mau	ınd of 37.32kg each)	
	Raichur	H-44 Cotton	4350	4347	3
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Bijapur	Bunny	5059	4919	140
	East Godavari	Un-Ginned	4320	4320	Unch
Andhra Pradesh	Krishna	Un-Ginned	4500	4850	-350
	Kurnool	Un-Ginned	4623	3901	722
	Guntur	Un-Ginned	3900	4000	-100
Telangana	Adilabad	Un-Ginned	4563	4550	13
Uttar Pradesh	Hathras	Desi	4560	4767	-207
	Hathras	B.T. Cotton	5620	5200	420
Maharashtra	Jamner	Medium Staple	NA NA	NA NA	_
	Amravati	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	4784	4653	132
	Khandwa	Mech-1	4650	NA NA	-
Rajasthan	Hanumangarh Rawatsar	B.T. Cotton B.T. Cotton	4636 4703	4531 NA	105

Week on Week Price: Scenario of Cotton:									
Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago			
State	Centre	Variety	12-Oct-17	5-Oct-17	12-Sep-17	12-Oct-16			
Gujarat	Ahmedabad	Shankar-6	5250	NA	NA	5400			
	Gondal	Shankar-6	5005	5030	5080	5505			
	Rajkot	B.T. Cotton	5125	NA	5095	5470			
	Patan	B.T. Cotton	Closed	NA	NA	5870			
	Kadi	B.T. Cotton	5000	NA	NA	5350			



	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	4590	NA	4715	5205
Dominh	Fazilika	B.T. Cotton	NR	NA	NA	NA
Punjab	Muktsar	B.T. Cotton	NR	NA	NA	NA
	Bhiwani	B.T. Cotton	4950	4450	4425	5050
	Bhiwani	Desi	NA	NA	NA	4500
	Adampur	B.T. Cotton	4785	4300	4530	4950
Haryana	Fatehabad	B.T. Cotton	4875	4480	4470	4915
	Jind	B.T. Cotton	4973	NA	NA	5170
	Uchana	B.T. Cotton	4875	NA	NA	4950
	Dabwali	B.T. Cotton	4665	NA	NA	4925
Deisether	Hanumangarh	B.T. Cotton	4750	4550	4660	5000
Rajasthan	Rawatsar	B.T. Cotton	4800	NA	NA	5000
Madhua Desilest	Khandwa	Mech-1	4700	NA	NA	NA
Madhya Pradesh	Khargaon	Mech-1	4855	4560	4070	4995
	Amravati	Mech-1	NA	NA	NA	NA
Maharashtra	Jamner	Medium Staple	NA	NA	NA	NA
	Hathras	B.T. Cotton	NR	5250	4650	4150
Uttar Pradesh	Hathras	Desi	NR	4800	4400	4300
Telangana	Adilabad	Un-Ginned	4650	4550	4550	4410
	Guntur	Un-Ginned	4000	NA	NA	NA
Andhra Pradesh	Kurnool	Un-Ginned	NA	4980	NA	NA
Anunia Pracesn	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	NA	4320	4320	4150
	Bijapur	Bunny	5122	NA	NA	6289
Varnataka	Hubli	D.C.H.	NA	NA	NA	NA
Karnataka	Hubli	B.T. Cotton	NA	NA	NA	NA
	Raichur	H-44 Cotton	4200	NA	5139	5900
Commodity	Li	nt	Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	12-Oct-17	5-Oct-17	12-Sep-17	12-Oct-16
	Bhatinda	J-34	3855	3860	4175	4070
	Abohar	J-34	3860	3850	4180	4050
Punjab	Mansa	J-34	3850	3840	4180	4070
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	3890	3850	4140	4040
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	3760



### **Cotton Arrivals in Key Centers:**

Commodity	1	Kapas	Weekly Sum	Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	6th October to 12th October 2017	29th September to 5th October 2017	Change	
	Ahmedabad	Shankar-6	40800	NA	-	
	Gondal	Shankar-6	739	402	337	
	Rajkot	B.T. Cotton	4135	1525	2610	
Gujarat	Patan	B.T. Cotton	NA	NA	-	
	Kadi	B.T. Cotton	20000	NA	-	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	16	13	3	
Domink	Fazilika	B.T. Cotton	NA	NA	-	
Punjab	Muktsar	B.T. Cotton	NA	NA	-	
	Bhiwani	B.T. Cotton	16700	18000	-1300	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	4505	2975	1530	
Haryana	Fatehabad	B.T. Cotton	4000	3400	600	
	Jind	B.T. Cotton	3910	NA	-	
	Uchana	B.T. Cotton	11680	NA	-	
	Dabwali	B.T. Cotton	4370	NA	-	
	Hanumangarh	B.T. Cotton	18800	9700	9100	
Rajasthan	Rawatsar	B.T. Cotton	5000	NA	-	
	Khandwa	Mech-1	1000	NA	-	
Madhya Pradesh	Khargaon	Mech-1	30100	16390	13710	
	Amravati	Mech-1	NA	NA	-	
Maharashtra	Jamner	Medium Staple	NA	NA	-	
	Hathras	B.T. Cotton	1150	475	675	
Uttar Pradesh	Hathras	Desi	485	110	375	
Telangana	Adilabad	Un-Ginned	28331	NA	-	
	Guntur	Un-Ginned	400	330	70	
<u> </u>	Kurnool	Un-Ginned	660	2	658	
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-	
	East Godavari	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	1913	546	1367	
	Hubli	D.C.H.	NA	NA	-	
Karnataka	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	5129	4637	492	
Commodity		Lint	Weekly Sum	Arrivals (Quintal)	Change	



State	Centre	Variety	6th October to 12th October 2017	29th September to 5th October 2017	
	Bhatinda	J-34	45900	26350	19550
Punjab	Abohar	J-34	19380	22780	-3400
	Mansa	J-34	3315	2805	510
Haryana	Sirsa	J-34	9690	7140	2550
Rajasthan	Sri-Ganganagar	J-34	1000	NA	-

**Cotton Association of India Spot Rates:** 

Trade Name		ple Micronaire	Strength/ GPT	Weekly Av	+/-	
	Staple M			6th October to 11th October 2017	29th September to 4th October 2017	Change
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38200	34400	3800
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38960	35100	3860
J-34(202)	26mm	3.5 - 4.9	23	36080	36425	-345
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38060	37700	360
Shankar-6(105)	29mm	3.5 – 4.9	28	38560	38400	160
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40860	40575	285
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42840	42675	165
DCH-32(107)	34mm	3.0 - 3.8	33	51500	51500	Unch



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