

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. 3862 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3865. Cotton fiber (Shankar-6) prices noticed firm tone this week. Average price was Rs 38840 per candy (of 355.6 kg each) during the week, which was Rs 38633 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed lower this week at Rs. 865 per maund (of 20 kg each) which was Rs 874 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. 4700-5100 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: According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 13, 2017 across the country compared to 103.69 lakh hectares during the same period previous year.

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.

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.



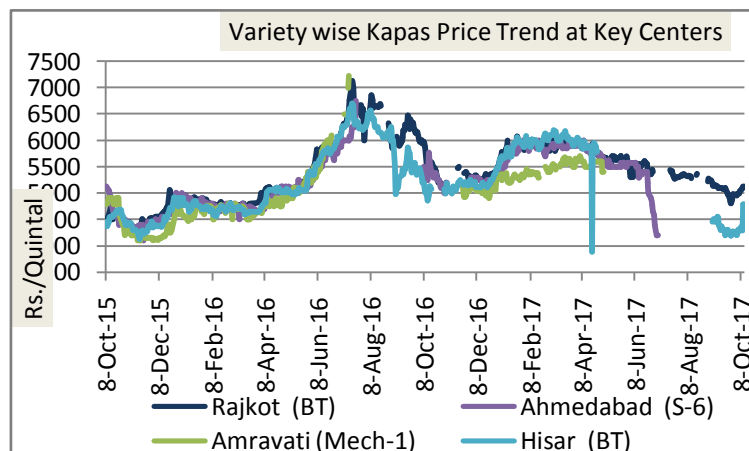
*Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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 fell from Rs 5077/quintal to Rs 4846/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

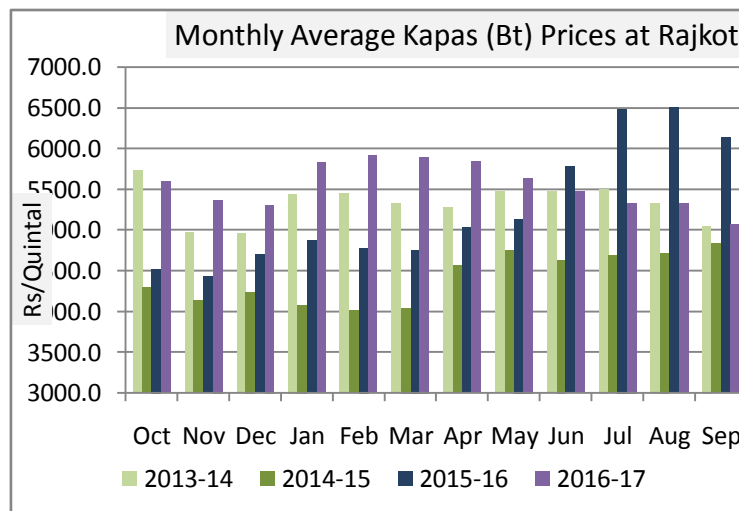


Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4700-5100per quintal for the coming week.

Kapas Monthly Y-o-Y Price Scenario

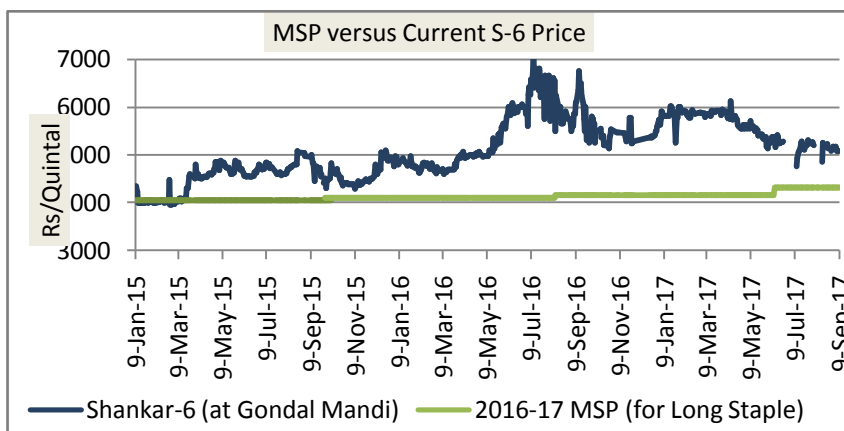
Kapas(seed cotton) prices in country noticed weak tone during the September month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

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

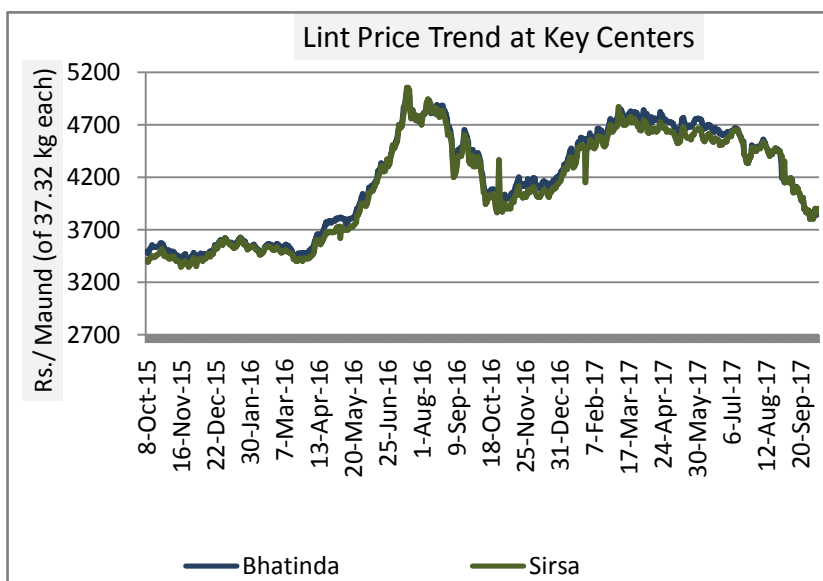
The Kapas prices are ruling above the MSP so far. The gap between the two prices has decreased this week. The average gap between the prices was Rs.560 this week compared to Rs.702 a week earlier. This indicates prices are increasing



Lint (De-Seeded Cotton) Weekly Price Scenario

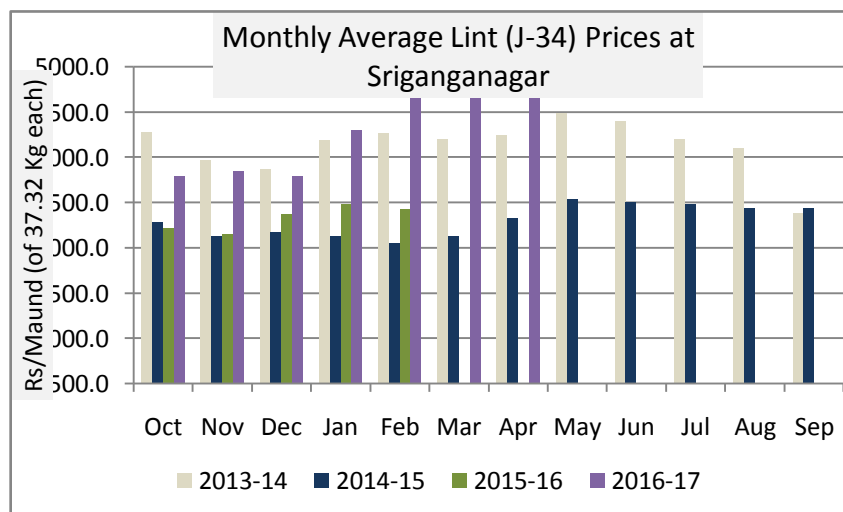
Weekly Price Review: Lint prices remained pale during the week owing to light tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 3862 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 3865 per maund.

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. 3650-4050 per maund.



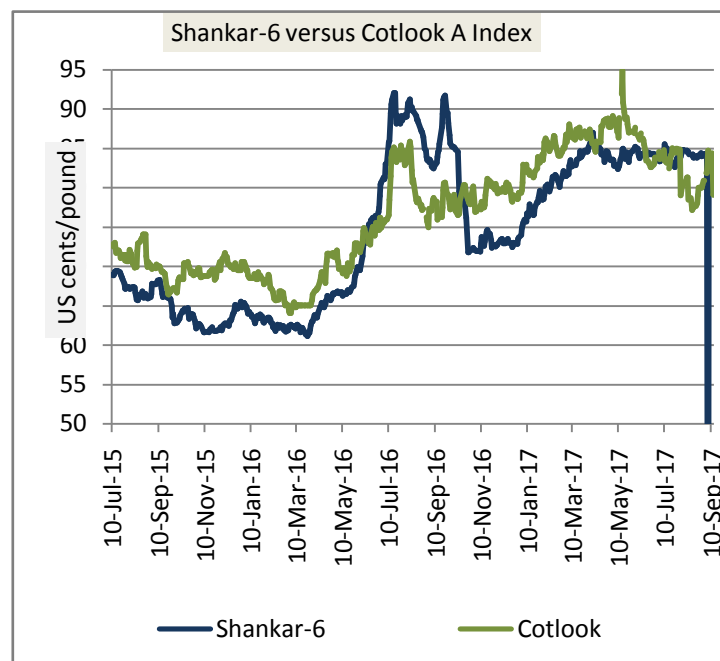
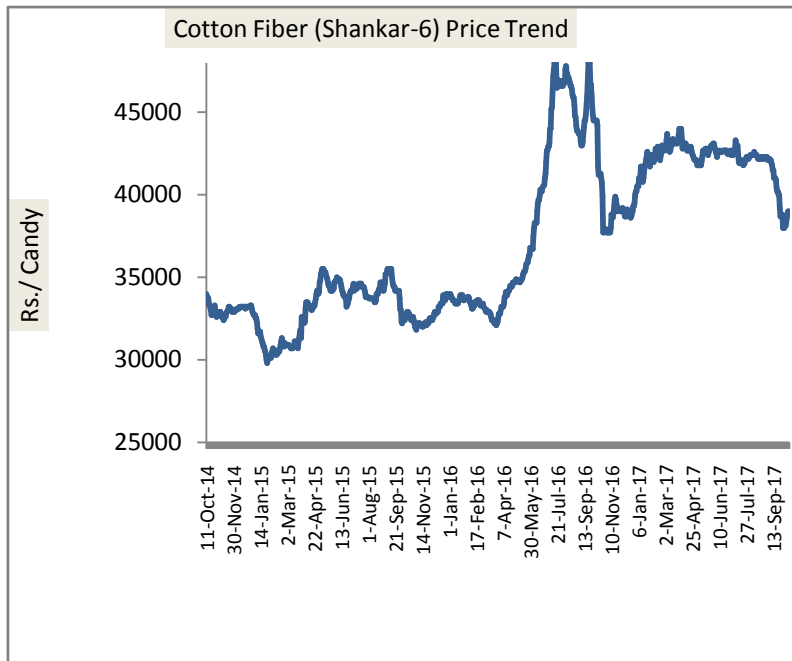
Lint Monthly Y-o-Y Price Scenario

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 38840. per candy (of 355.6 kg each) compared to Rs. 38633per candy in the previous week.

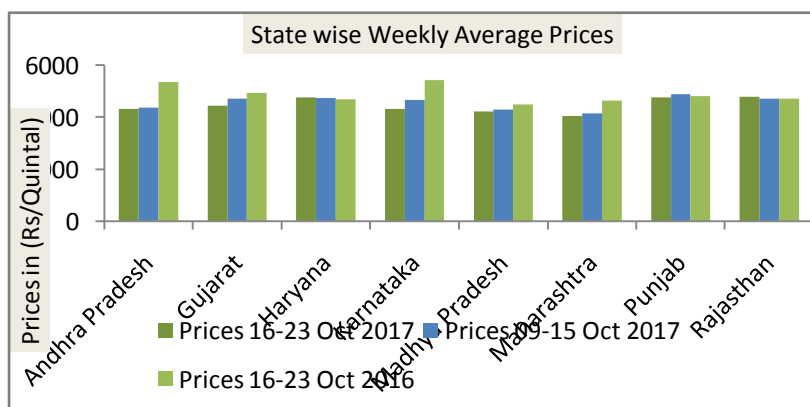


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 77.94 cents/pound, Indian weekly average price stood at 76.47 cents/pound, making Indian fiber more competitive in international market.

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 pale trend in most of the States, highest price was recorded in Uttar Pradesh followed by this week and lowest was in Maharashtra followed by Rajasthan. 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.



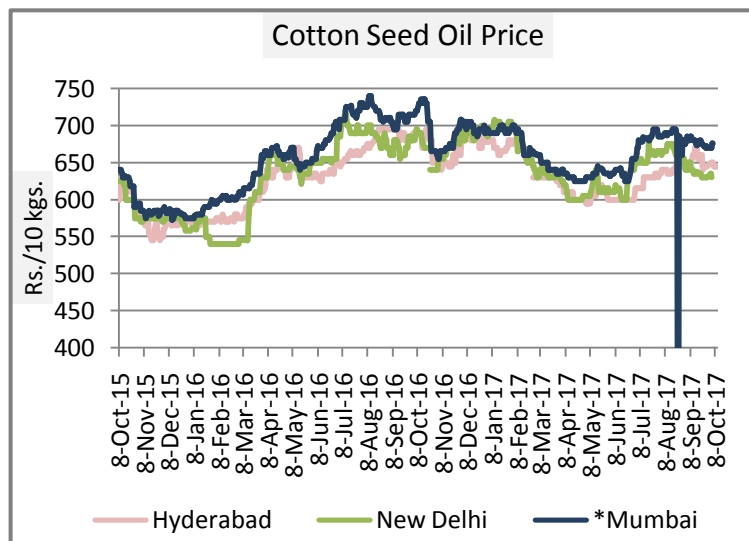
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 635 per 10 Kg, higher compared to the weekly average price of Rs 631 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	18-Oct-17	12-Oct-17	
New Delhi	635	631	0.66
Rajkot	644	650	-0.91
Hyderabad	650	646	0.65
Mumbai*	680	672	1.20

**Vat Included*

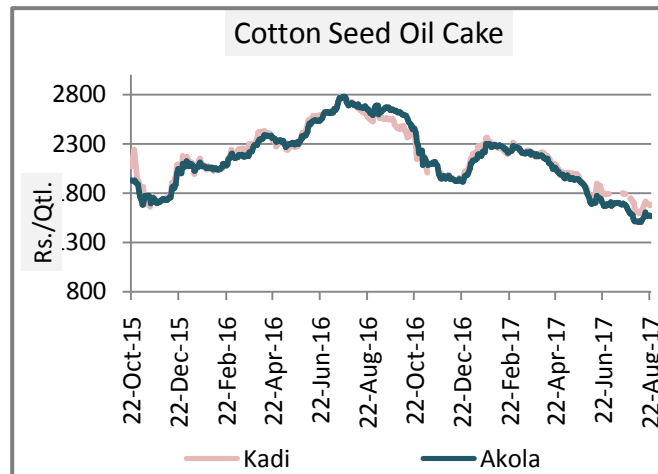


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1456 per quintal, higher compared to the weekly average price of Rs 1448 per quintal in the previous week.

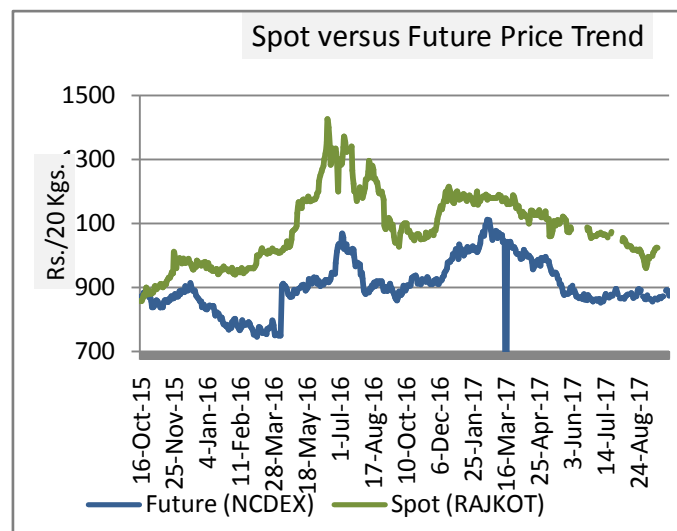
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	18-Oct-17	12-Oct-17	
Kadi	1492	1454	2.63
Akola	1456	1448	0.58

**Source: NCDEX*

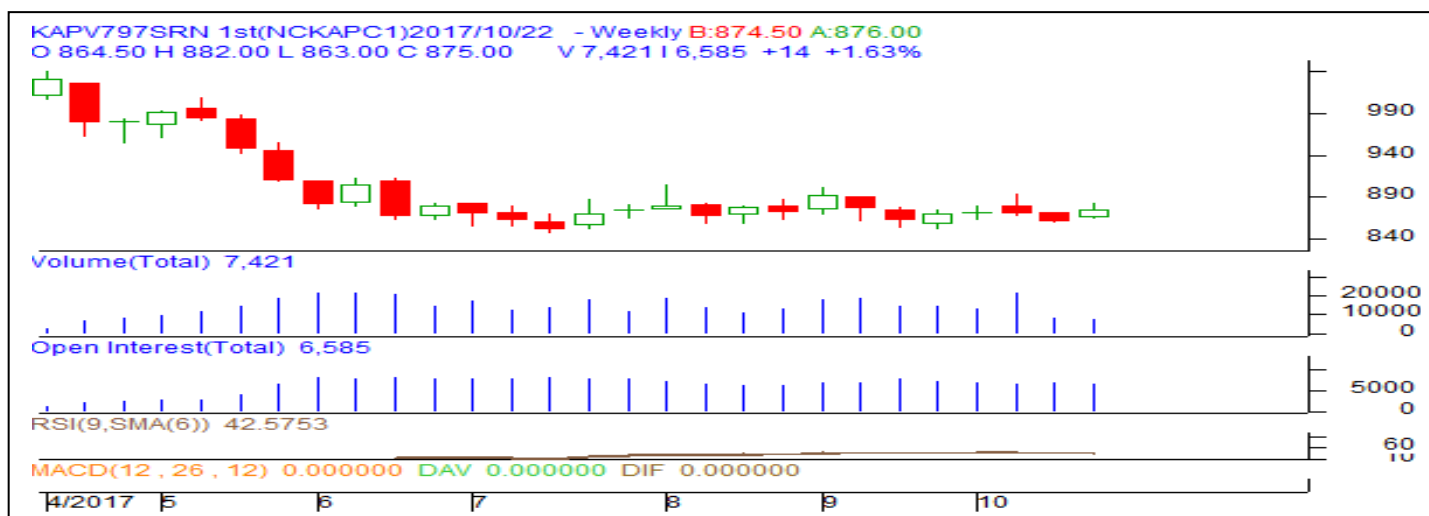


Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (Continuous chart) closed at Rs.865 as on 18 October 2017, compared to 874 a week earlier. The gap between the spot and future prices has decreased. Average gap between the spot and future price during the week was Rs.105.3 which was Rs 133.4 a week earlier.



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



Weekly Technical Outlook:

- Kapas prices increased while volume and O.I decreased 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 pale during the week. Cotlook A index weekly average stood at 77.92 cents/pound this week, which was 78.68 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.

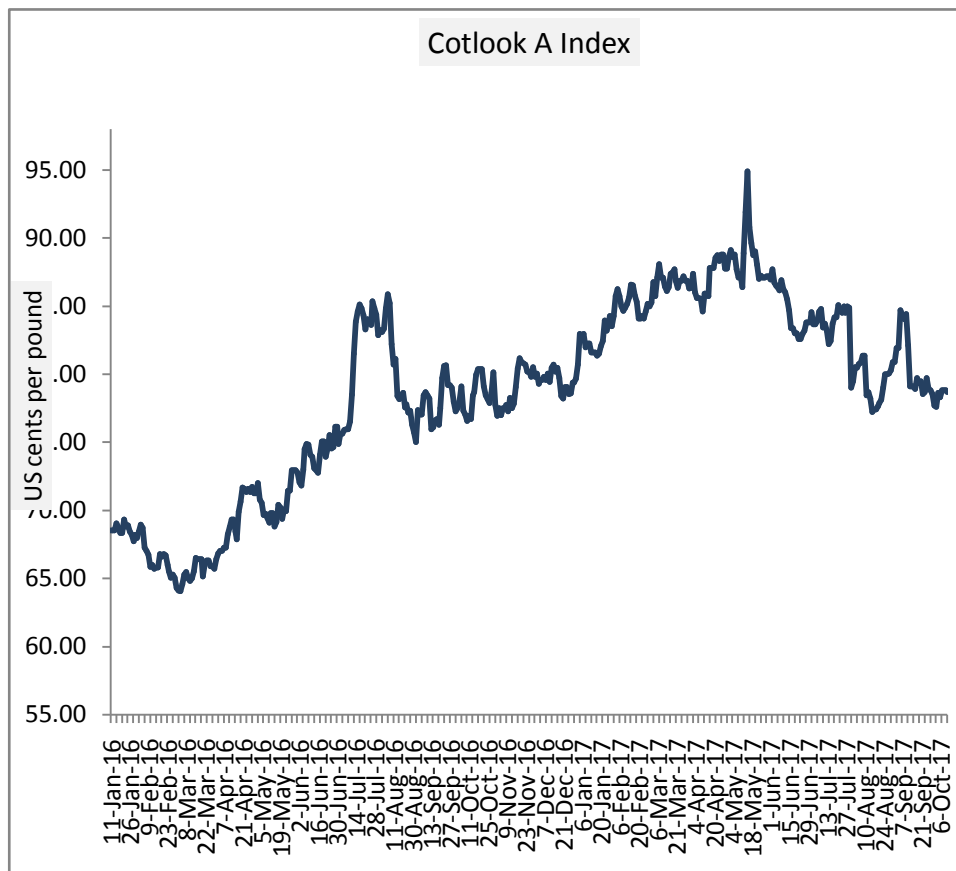
According to the Cotton Board of Zambia, it is likely to produce 117,000 tonnes of cotton this year compared to 116,000 tonnes in the previous year. Though the number of farmers cultivating cotton declined by over 20,000 from 277,560, production increased amid favourable weather in the growing regions.

In a bid to discourage imports and to promote domestic sowing and harvesting of cotton, the Pakistan govt. had re-imposed 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 pale during the week.



Cotlook A Index	Weekly Average Price as on		% Change
	18-Oct-17	12-Oct-17	
Prices	77.92	78.68	-1.0
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

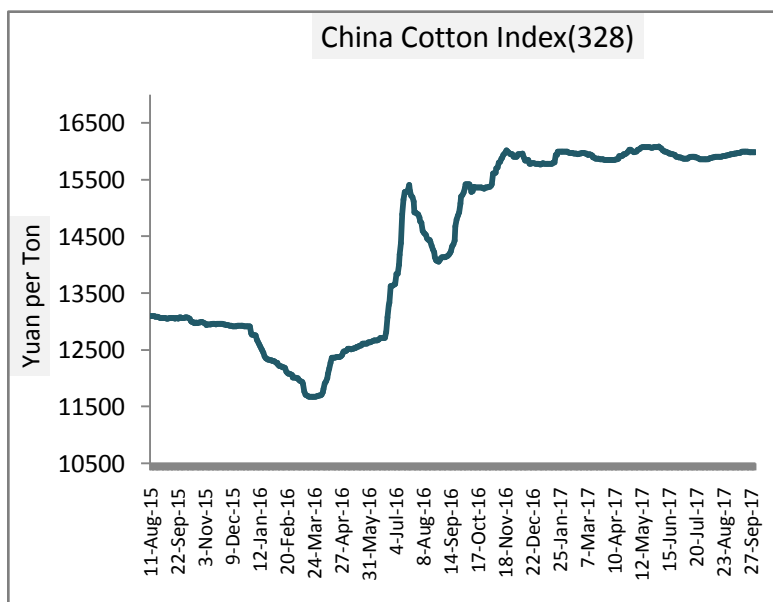
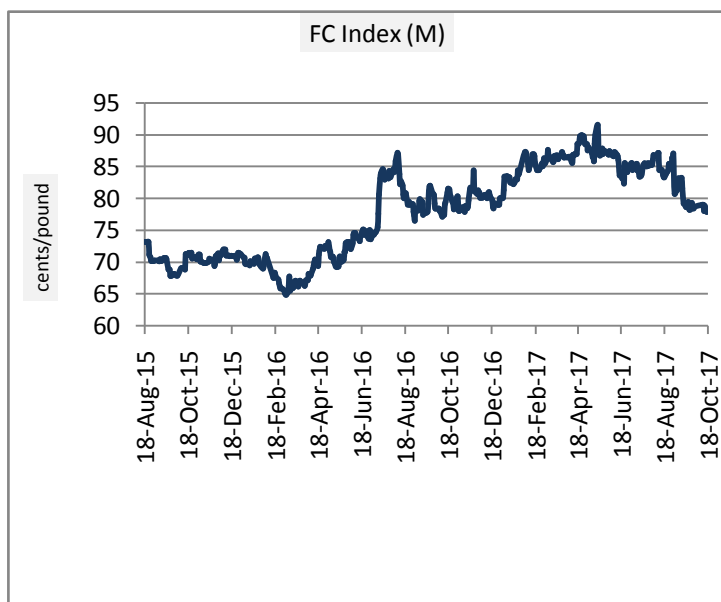
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton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

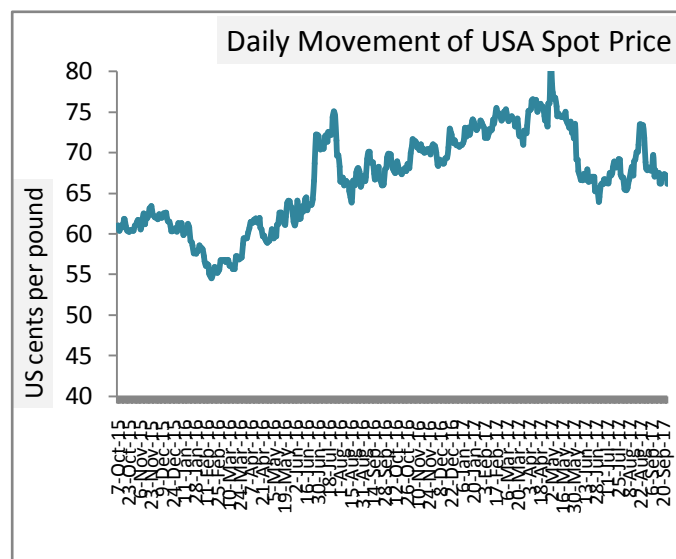
Cotton Index	Weekly Average Price as on		% Change
	18-Oct-17	12-Oct-17	
FC (S)	82.30	83.16	-1.03
FC (M)	78.17	79.00	-1.06
FC (L)	76.04	77.12	-1.41
Prices in US cents per Pound			

China Index remained firm during the week. CC Index (328) remained 15990 Yuan per ton during the week. Average was 15982 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	18-Oct-17	12-Oct-17	
CCIndex(328)	15990	15982	0.05
CCIndex(527)	14926	14931	-0.04
CCIndex(229)	16479	16460	0.11
Prices in Yuan per ton			



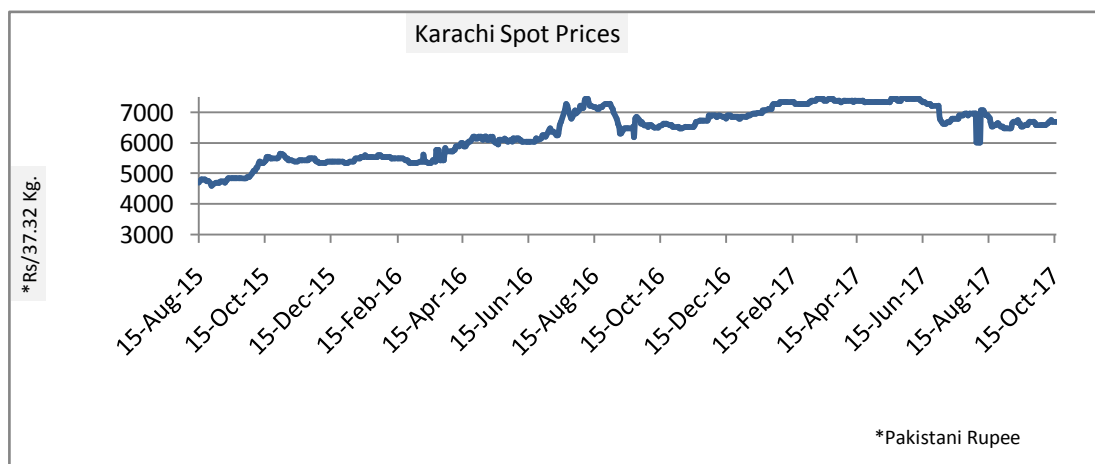
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	17-Oct-17	12-Oct-17	
Prices	66.11	66.94	-1.24
Prices in US cents per Pound			

Pakistan Spot Prices

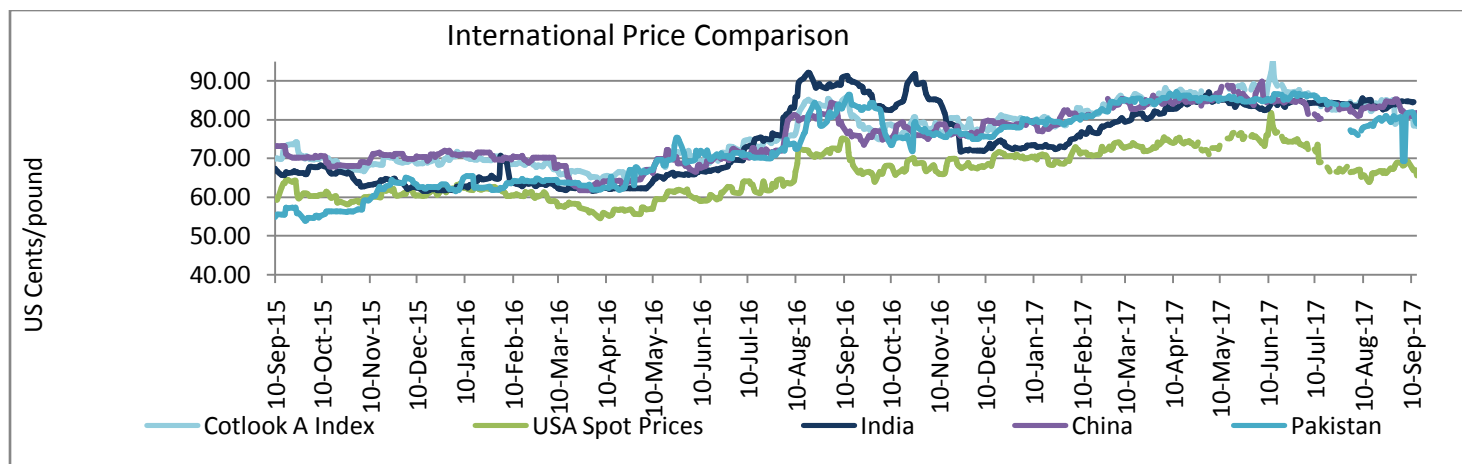
Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017. Pakistan has harvested 5.984 million bales of cotton up to October 15, 2017 according to data released



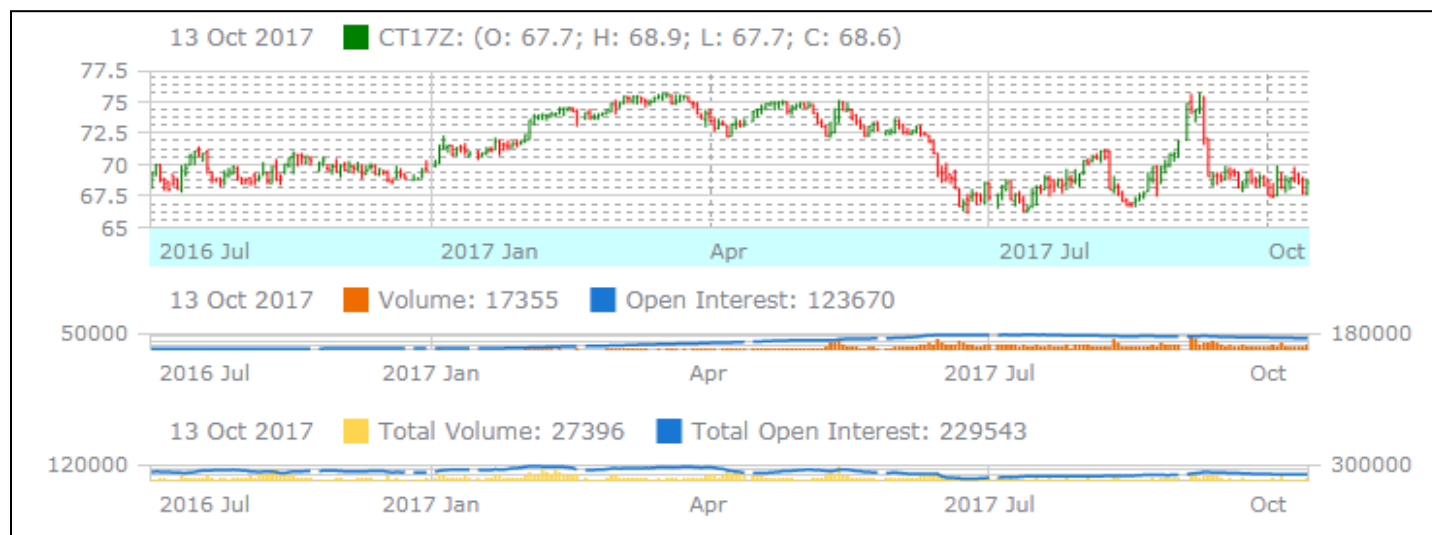
by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.

Karachi Spot Prices	Weekly Average Price as on		% Change
	17-Oct-17	12-Oct-17	
Prices	6692	6657	0.53
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 week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	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	19-Oct	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Dec-17	67.31	68.73	69.27	71.10	-2.07	-2.83	-5.33
Mar-18	67.01	68.30	68.30		-1.88	-1.89	
May-18	68.02	69.00	68.77		-1.43	-1.09	
Jul-18	68.74	69.48	69.23		-1.07	-0.71	
Oct-18	67.60	68.17	67.60		-0.82	0.00	
Dec-18	67.98	68.53			-0.81		

Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	13th October to 18th October 2017	6th October to 12th October 2017	
Gujarat	Ahmedabad	Shankar-6	5000	5238	-238
	Gondal	Shankar-6	4900	5022	-122
	Rajkot	B.T. Cotton	4897	5077	-180
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4790	4888	-98
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4853	4450	403
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4840	4678	163
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4663	4418	246
	Fatehabad	B.T. Cotton	4758	4653	106
	Jind	B.T. Cotton	4866	4934	-69
	Uchana	B.T. Cotton	4742	4723	20
	Dabwali	B.T. Cotton	4608	4623	-16
Rajasthan	Hanumangarh	B.T. Cotton	4699	4636	63
	Rawatsar	B.T. Cotton	4658	4703	-45
Madhya Pradesh	Khandwa	Mech-1	4500	4650	-150

	Khargaon	Mech-1	4762	4784	-22
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	5620	180
	Hathras	Desi	4575	4560	15
Telangana	Adilabad	Un-Ginned	4570	4563	7
Andhra Pradesh	Guntur	Un-Ginned	4075	3900	175
	Kurnool	Un-Ginned	NA	4623	-
	Krishna	Un-Ginned	NA	4500	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5125	5059	67
	Hubli	D.C.H.	4600	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4238	4350	-112
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	13th October to 18th October 2017	6th October to 12th October 2017	
Punjab	Bhatinda	J-34	3828	3843	-15
	Abohar	J-34	3830	3844	-14
	Mansa	J-34	3817	3827	-10
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3862	3865	-3
Rajasthan	Sri-Ganganagar	J-34	3607	1810	1798

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Oct-17	11-Oct-17	18-Sep-17	18-Oct-16
Gujarat	Ahmedabad	Shankar-6	Closed	5250	NA	5250
	Gondal	Shankar-6	Closed	5030	4930	5505
	Rajkot	B.T. Cotton	Closed	5125	5075	5550
	Patan	B.T. Cotton	Closed	NA	NA	5650
	Kadi	B.T. Cotton	Closed	4900	NA	5400
	Deesa	B.T. Cotton	Closed	NA	NA	NA
	Dhrol	B.T. Cotton	Closed	NA	NR	5115
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR

	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	4800	5000	4525	5200
	Bhiwani	Desi	NA	NA	NA	4500
	Adampur	B.T. Cotton	4750	4785	4300	5075
	Fatehabad	B.T. Cotton	4710	4850	4350	5125
	Jind	B.T. Cotton	4790	4970	NA	5320
	Uchana	B.T. Cotton	4660	4850	NA	5250
	Dabwali	B.T. Cotton	4600	4685	NA	5020
Rajasthan	Hanumangarh	B.T. Cotton	Closed	4790	4525	5100
	Rawatsar	B.T. Cotton	Closed	4790	NA	5050
Madhya Pradesh	Khandwa	Mech-1	Closed	4600	NA	NA
	Khargaon	Mech-1	4855	4755	NA	5600
Maharashtra	Amravati	Mech-1	NA	NA	NA	NA
	Jamner	Medium Staple	NA	NA	NA	4100
Uttar Pradesh	Hathras	B.T. Cotton	Closed	5850	4700	4150
	Hathras	Desi	Closed	4450	4600	4300
Telangana	Adilabad	Un-Ginned	4510	4580	4550	4450
Andhra Pradesh	Guntur	Un-Ginned	NA	3800	NA	4200
	Kurnool	Un-Ginned	NA	4666	NA	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	4320	4320	4320	4150
Karnataka	Bijapur	Bunny	NA	5091	5120	5620
	Hubli	D.C.H.	NA	4600	NA	NA
	Hubli	B.T. Cotton	NA	NA	NA	NA
	Raichur	H-44 Cotton	NA	4300	5300	5450
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Oct-17	11-Oct-17	18-Sep-17	18-Oct-16
Punjab	Bhatinda	J-34	3800	3860	4090	4065
	Abohar	J-34	3800	3870	4090	4060
	Mansa	J-34	3790	3860	4080	4055
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	3820	3900	4090	4000
Rajasthan	Sri-Ganganagar	J-34	Closed	NA	NA	3760

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13th October to 18th October 2017	6th October to 12th October 2017	
Gujarat	Ahmedabad	Shankar-6	66300	40800	25500
	Gondal	Shankar-6	2694	739	1955
	Rajkot	B.T. Cotton	8601	4135	4466
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	50000	20000	30000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	68	16	52
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	13000	16700	-3700
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7395	4505	2890
	Fatehabad	B.T. Cotton	2850	4000	-1150
	Jind	B.T. Cotton	8755	3910	4845
	Uchana	B.T. Cotton	18055	11680	6375
	Dabwali	B.T. Cotton	8875	4370	4505
Rajasthan	Hanumangarh	B.T. Cotton	14500	18800	-4300
	Rawatsar	B.T. Cotton	6500	5000	1500
Madhya Pradesh	Khandwa	Mech-1	800	1000	-200
	Khargaon	Mech-1	40510	30100	10410
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	350	1150	-800
	Hathras	Desi	165	485	-320
Telangana	Adilabad	Un-Ginned	78537	28331	50206
Andhra Pradesh	Guntur	Un-Ginned	380	400	-20
	Kurnool	Un-Ginned	NA	660	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	2584	1913	671
	Hubli	D.C.H.	8	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5637	5129	508
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change

State	Centre	Variety	13th October to 18th October 2017	6th October to 12th October 2017	
Punjab	Bhatinda	J-34	45900	45900	Unch
	Abohar	J-34	16660	19380	-2720
	Mansa	J-34	2720	3315	-595
Haryana	Sirsa	J-34	5355	9690	-4335
Rajasthan	Sri-Ganganagar	J-34	1000	1000	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				12th October to 18th October 2017	6th October to 11th October 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39950	38200	1750
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40950	38960	1990
J-34(202)	26mm	3.5 - 4.9	23	35650	36080	-430
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38417	38060	357
Shankar-6(105)	29mm	3.5 – 4.9	28	38867	38560	307
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41017	40860	157
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42717	42840	-123
DCH-32(107)	34mm	3.0 - 3.8	33	50167	51500	-1333

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 <http://www.agriwatch.com/Disclaimer.asp> © 2017 Indian Agribusiness Systems Pvt Ltd.