

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. 3855 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3848. Cotton fiber (Shankar-6) prices noticed pale tone this week. Average price was Rs 38050 per candy (of 355.6 kg each) during the week, which was Rs 38450 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed lower this week at Rs. 871 per maund (of 20 kg each) which was Rs 873 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound to weak with the price band of Rs. 4600-5000 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: With a view to protect domestic manufacturing industry from foreign competition (especially from China), the Indian government, has raised basic customs duty (BCD) on polyester/man-made fabric from 10 per cent to 20 per cent. This will be supportive of cotton prices too.

With a view to control domestic cotton prices, the Indian Cotton Federation (ICF) had asked the government to procure 100 lakh bales of cotton from the farmers this season.

In line with the bonus payment announced to the cotton farmers in Gujarat; the cotton grower in Maharashtra too demanded a bonus payment of at least Rs 500 per quintal for their product from the government.

In a move to ensure better remunerative prices to the farmers, the Gujarat govt. had declared a bonus of Rs 200 per 20 kg of the cotton sold directly to the Cotton Corporation of India (CCI) which is in addition to the MSP (Minimum Support Price) paid for the crop. Notably, at present Gujarat offers a MSP ranging from Rs 804 to Rs 864 per 20 kg of cotton depending on the variety of cotton sold to the govt.; however, the bonus value for each variety of cotton is kept as same as Rs 200 per 20 kg.

To mitigate for the loss incurred due to the untimely rain in Telangana, the Communist Party of India(Marxist) Telangana State committee had demanded the state govt. to procure cotton crop from the farmers at a support price of Rs 7,000/quintal.

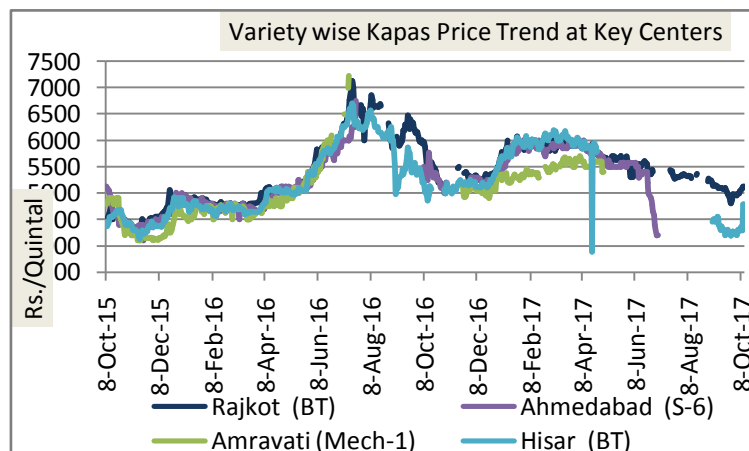
According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 13, 2017 across the country compared to 103.69 lakh hectares during the same period previous year.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot fell from Rs 4723/quintal to Rs 4703/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

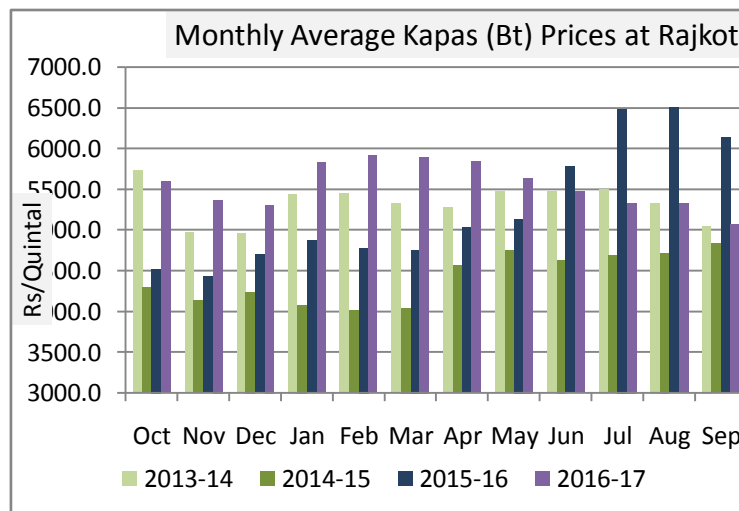


Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4600-5000per quintal for the coming week.

Kapas Monthly Y-o-Y Price Scenario

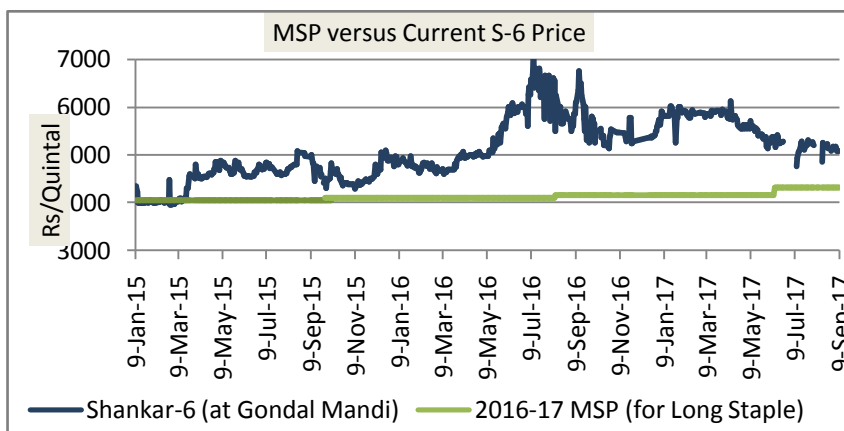
Kapas(seed cotton) prices in country noticed weak tone during the September month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

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

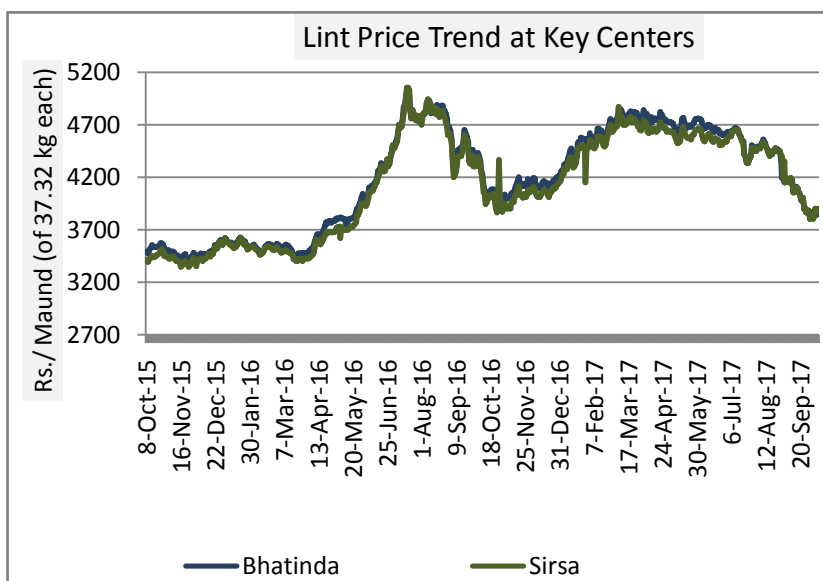
The Kapas prices are ruling above the MSP so far. The gap between the two prices has decreased this week. The average gap between the prices was Rs.354 this week compared to Rs.506 a week earlier. This indicates prices are decreasing



Lint (De-Seeded Cotton) Weekly Price Scenario

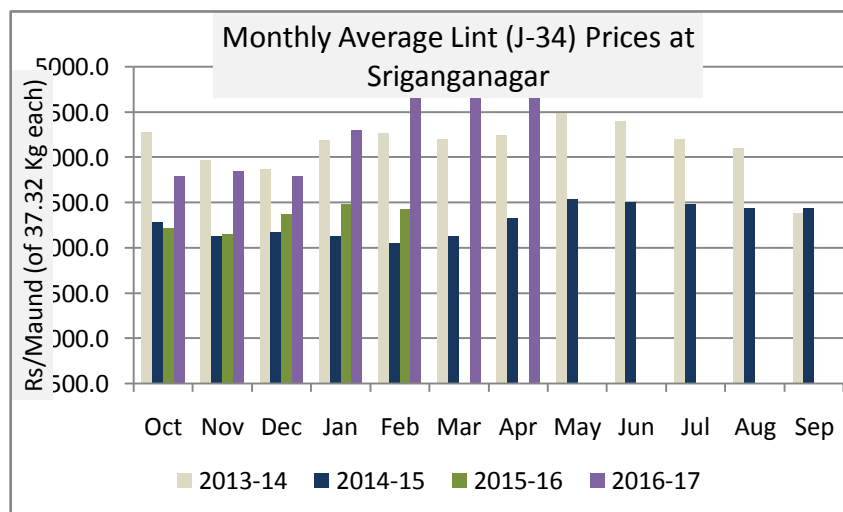
Weekly Price Review: Lint prices remained firm during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 3855 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 3848 per maund.

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



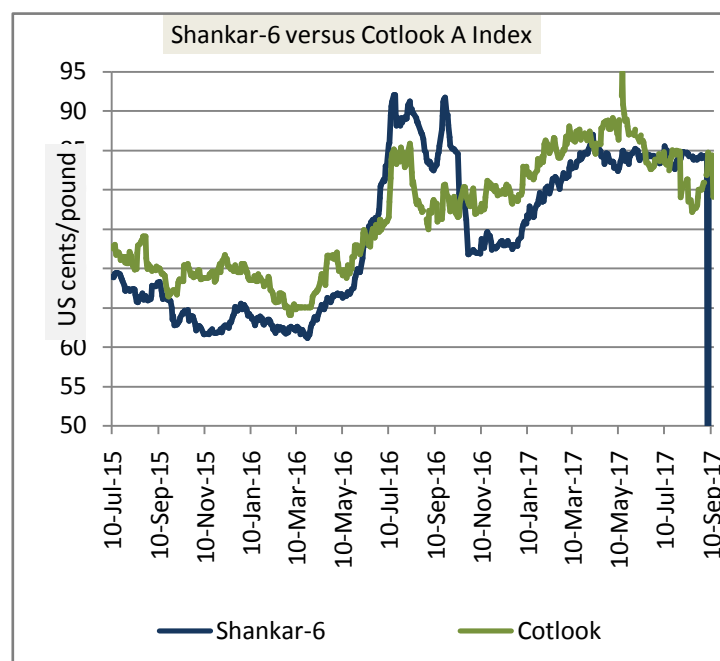
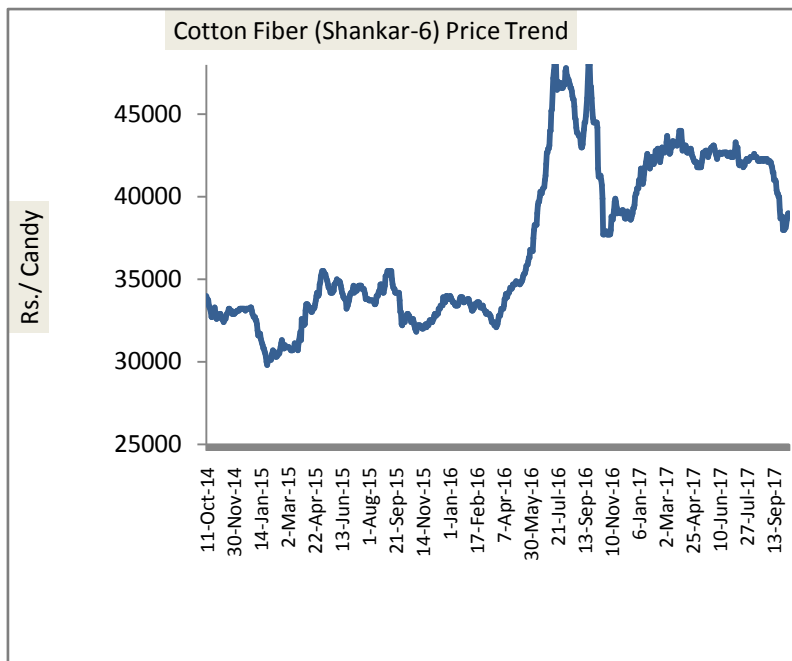
Lint Monthly Y-o-Y Price Scenario

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 pale tone this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 38050. per candy (of 355.6 kg each) compared to Rs. 38450 per candy in the previous week.

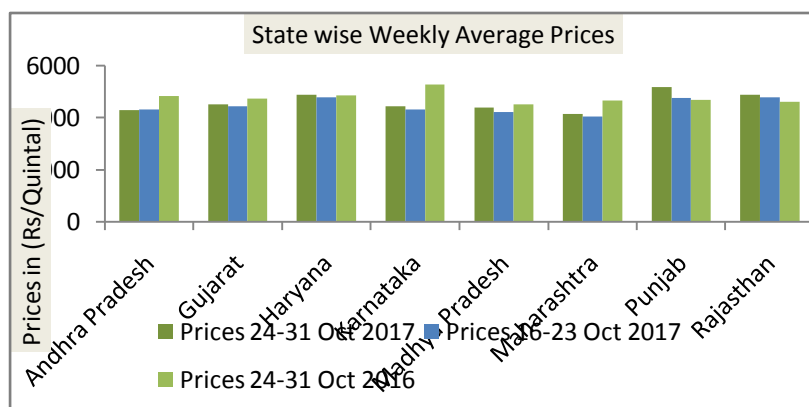


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 79.20 cents/pound, Indian weekly average price stood at 754.94 cents/pound, making Indian fiber more competitive in international market.

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 Uttar Pradesh followed by this week and lowest was in Maharashtra followed by Punjab. 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.



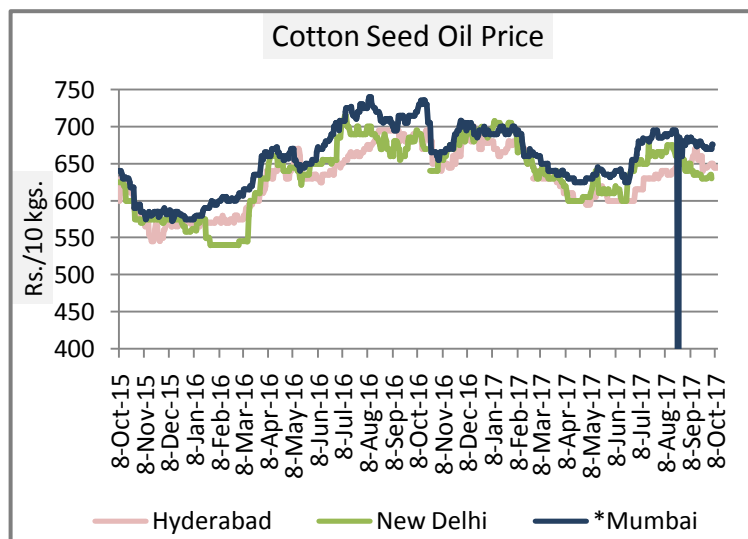
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 639 per 10 Kg, higher compared to the weekly average price of Rs 635 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	02-Nov-17	26-Oct-17	
New Delhi	639	635	0.66
Rajkot	643	641	0.21
Hyderabad	647	647	0.00
Mumbai*	672	677	-0.79

*Vat Included

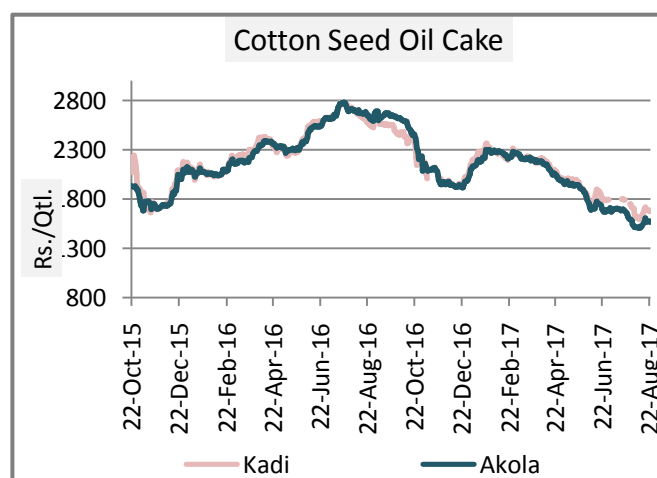


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1472 per quintal, higher compared to the weekly average price of Rs 1446 per quintal in the previous week.

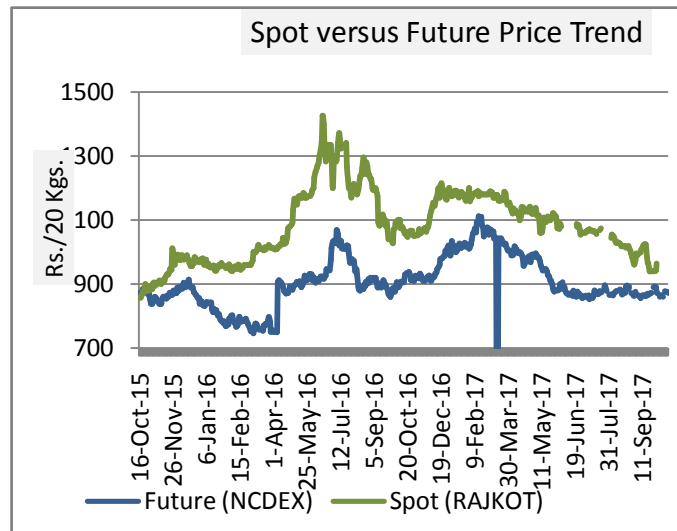
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	02-Nov-17	26-Oct-17	
Kadi	1532	1440	6.36
Akola	1472	1446	1.81

*Source: NCDEX

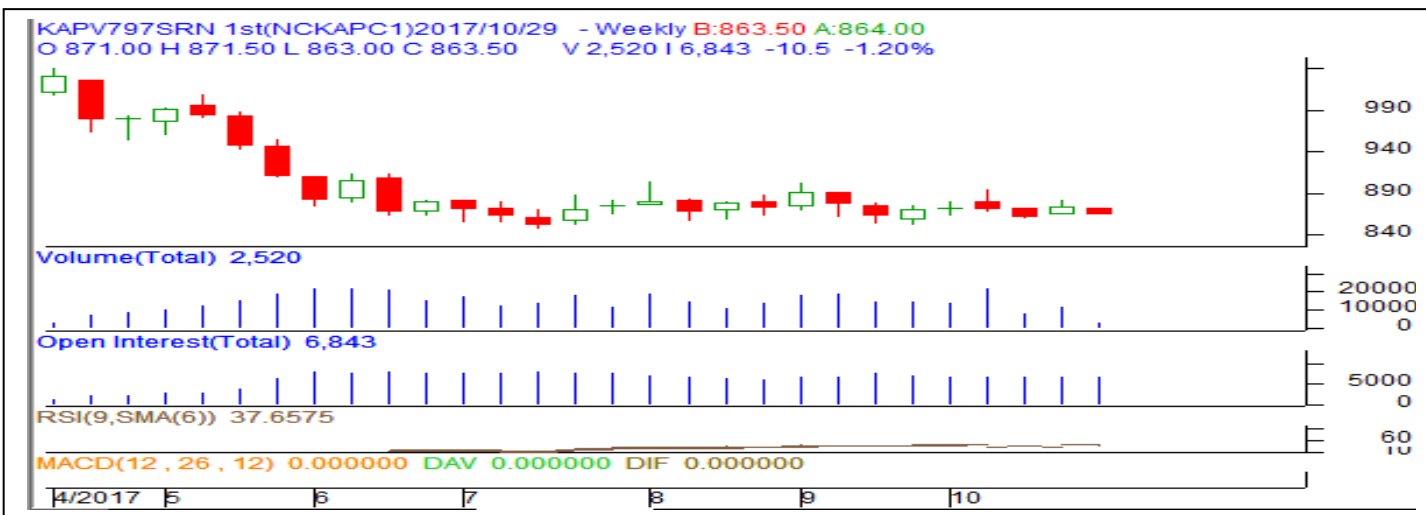


Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (Continuous chart) closed at Rs.871 as on 02 November 2017, compared to 873 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.70 which was Rs 72.5 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 79.24 cents/pound this week, which was 77.92 cents/pound during last week.

Major Market Highlights: The International Cotton Advisory Committee (ICAC) had raised its world's cotton output projection to 25.57 million tonnes in 2017-18 (01st October 2017 -30th September 2018).

Market player, Cotlook predicted global cotton production of 26.03 million tonnes in 2017-18 (01st October 2017 -30th September 2018).

Cotton crop in Texas (largest growing region in U.S.A) is expected to get hurt this year as the weather forecasting agencies of the area are expecting an early freeze this year which will certainly affect yield of the cotton crop.

According to China's General Administration of Customs, China imported 441,571 metric tonnes of cotton from U.S. during the period January –September 2017, an increase of 140.48% compared to the same period previous year. In the month of September 2017, China's imports of cotton from U.S. increased by 89.62% to 33,594 metric tonnes.

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.

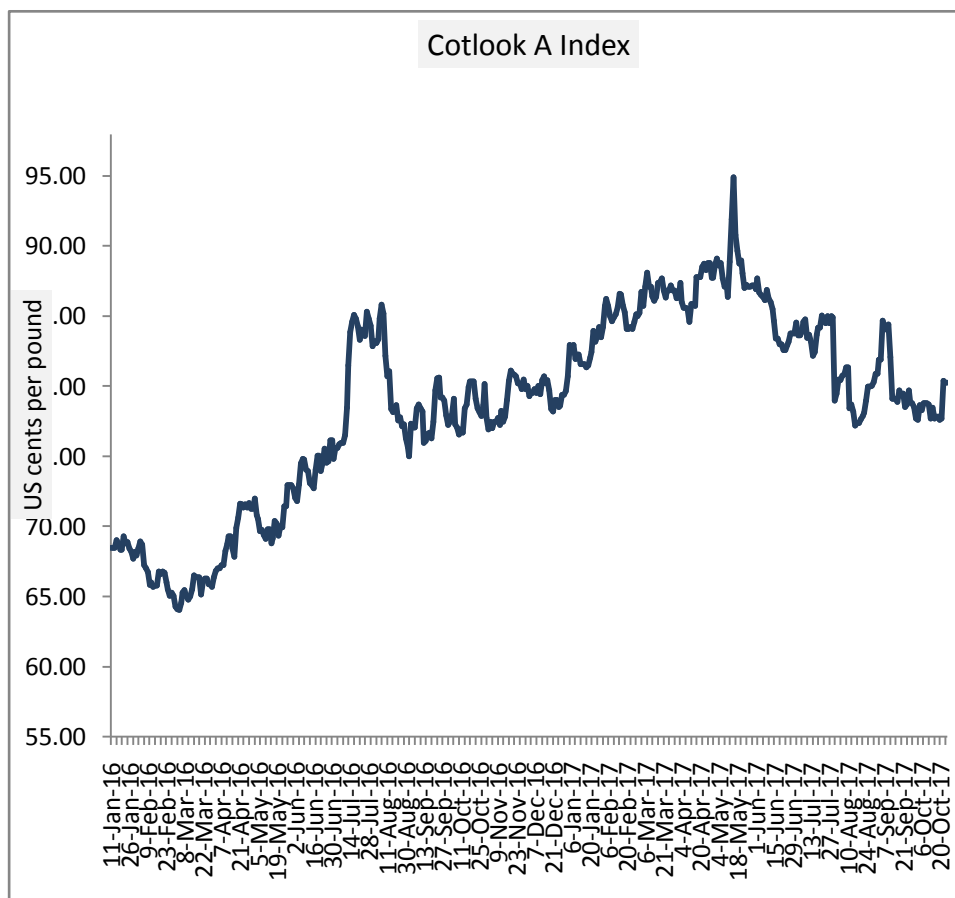
On the back of a favorable weather condition , increased acreage and yield; the Chinese govt. forecasted the country to produce 5.28 MT of cotton in 2017-18. Alongwith it, cotton consumption by the country is also projected to lie at 7.9 MT during 2017-18.

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.

Cotlook A Index

Cotlook A index remained pale during the week.



Cotlook A Index	Weekly Average Price as on		% Change
	02-Nov-17	26-Oct-17	
Prices	79.2	79.24	-0.1
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

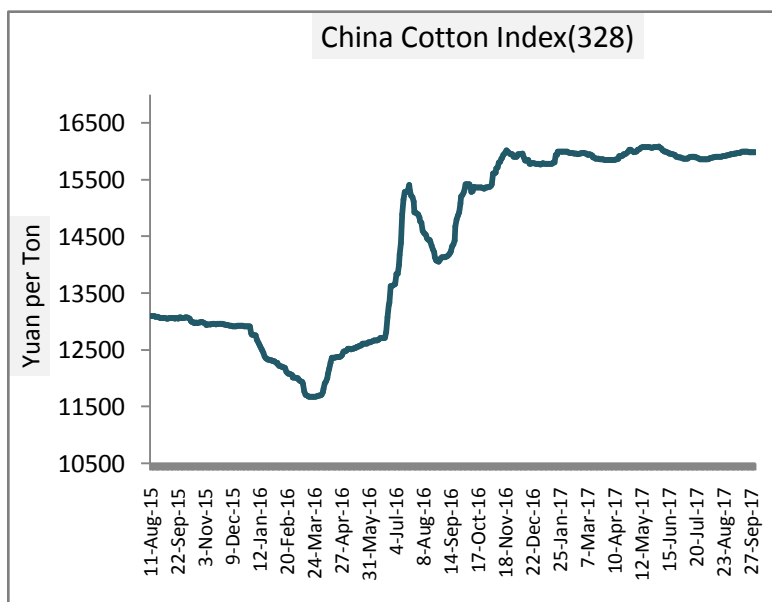
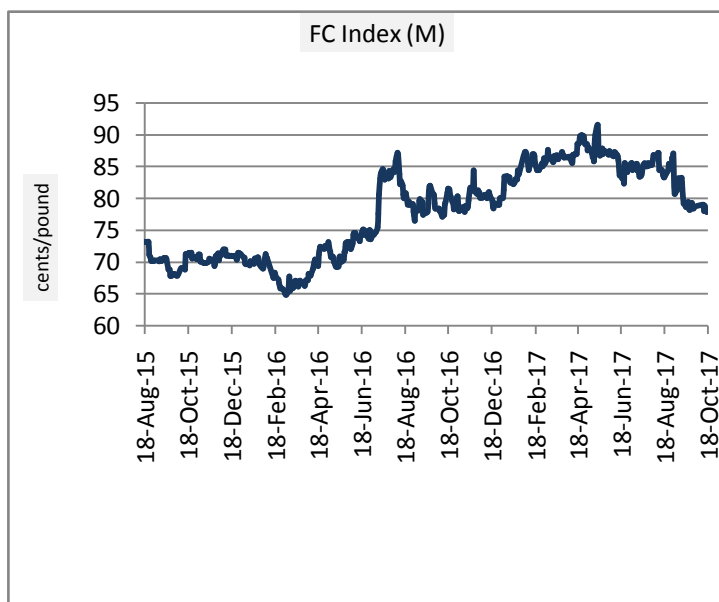
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton 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
	02-Nov-17	26-Oct-17	
FC (S)	82.92	82.97	-0.05
FC (M)	78.63	78.76	-0.17
FC (L)	76.58	76.58	0.01
Prices in US cents per Pound			

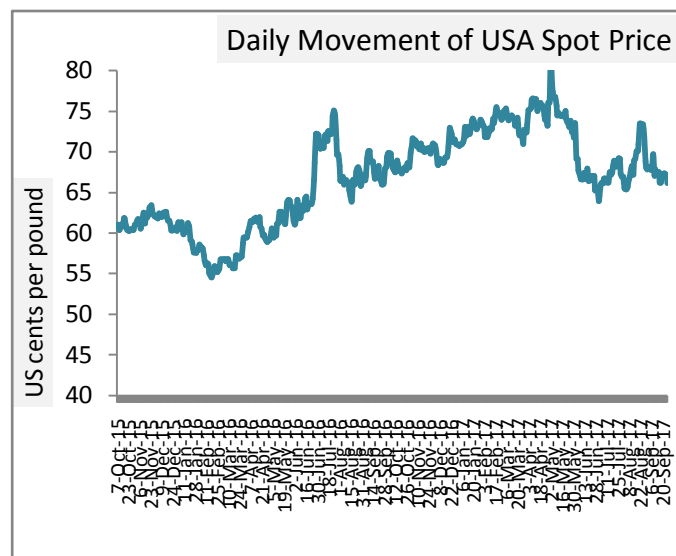
China Index remained pale during the week. CC Index (328) remained 15954 Yuan per ton during the week. Average was 15990 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	02-Nov-17	26-Oct-17	
CCIndex(328)	15998	15954	0.28
CCIndex(527)	14911	14908	0.02
CCIndex(229)	16500	16487	0.08
Prices in Yuan per ton			



USA Spot Prices

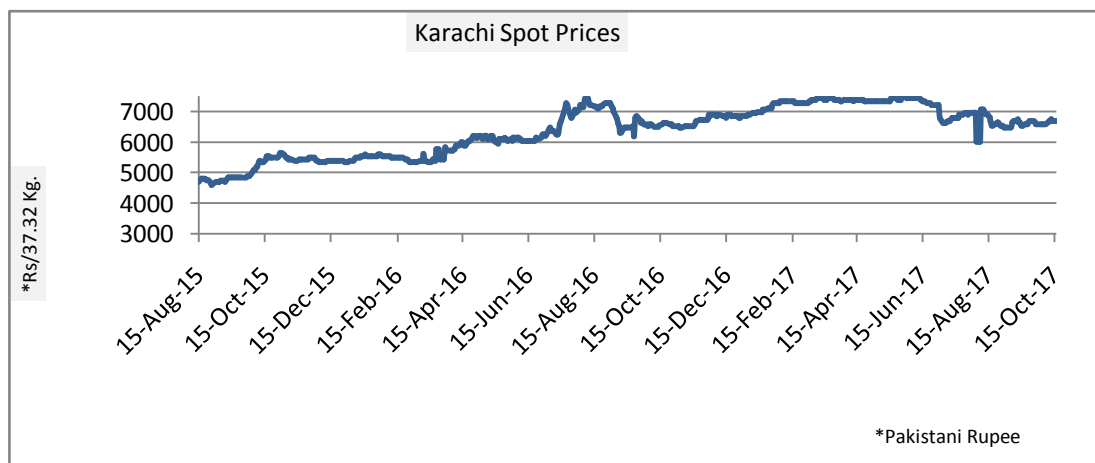
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	02-Nov-17	26-Oct-17	
Prices	66.99	66.91	0.12
Prices in US cents per Pound			

Pakistan Spot Prices

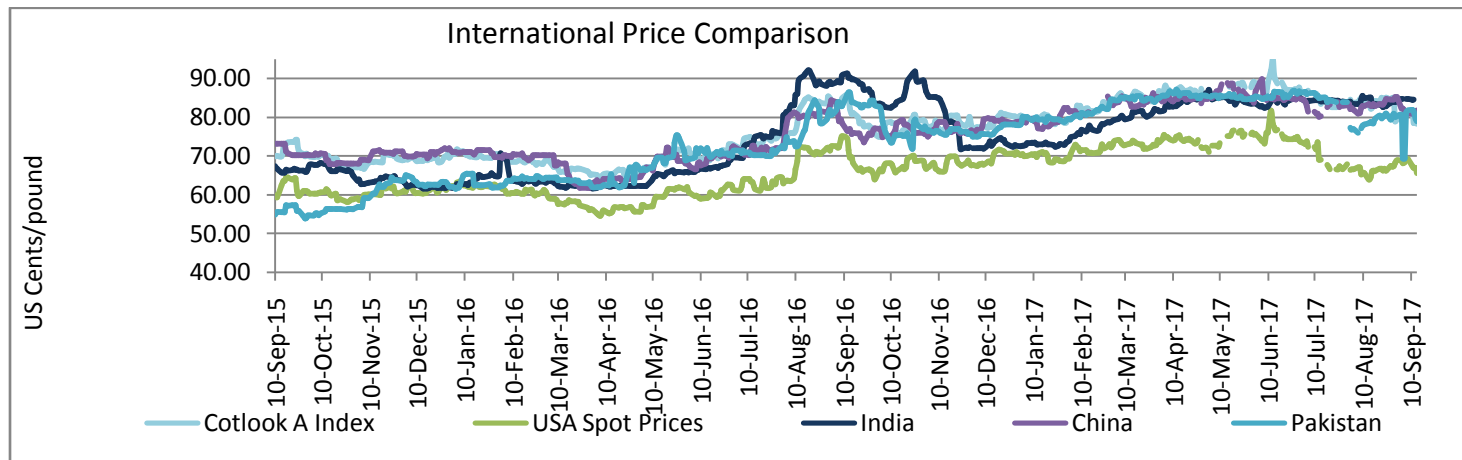
Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017. Pakistan has harvested 5.984 million bales of cotton up to October 15, 2017 according to data released



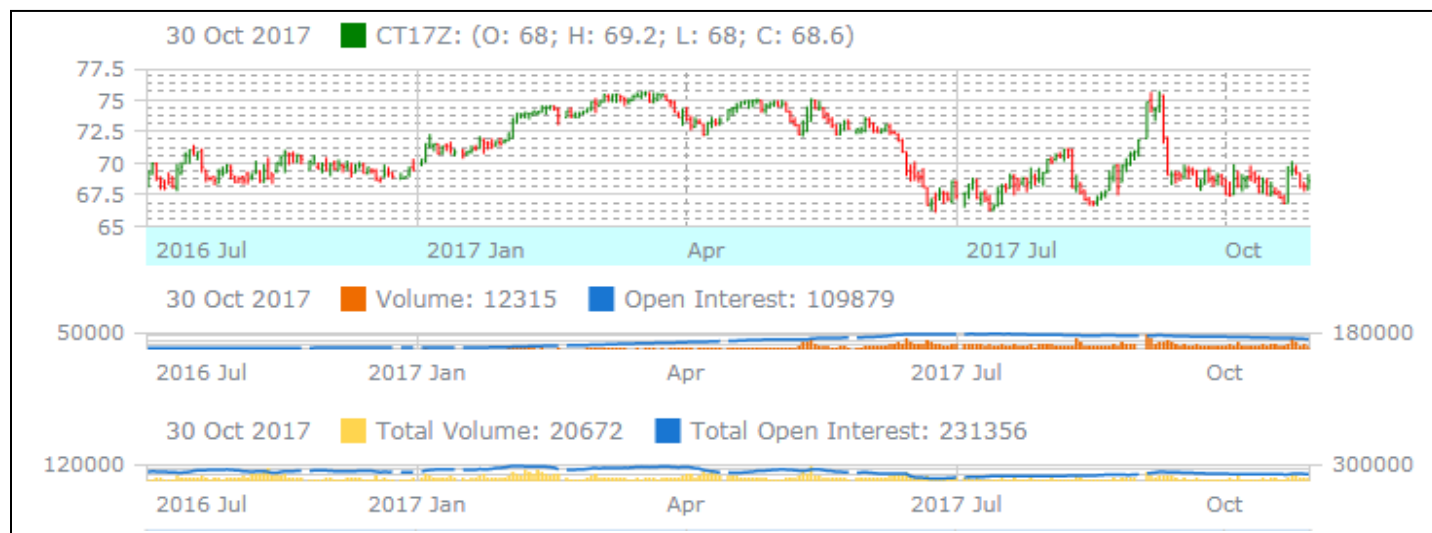
by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.

Karachi Spot Prices	Weekly Average Price as on		% Change
	02-Nov-17	26-Oct-17	
Prices	6889	6843	0.67
Prices in Rs per 37.32 Kg			

International Price Comparison



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 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	01-Nov	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Dec-17	68.17	68.19	67.57	68.20	-0.03	0.89	-0.04
Mar-18	68.15	68.06	67.02		0.13	1.69	#DIV/0!
May-18	69.22	69.10	67.71		0.18	2.23	#DIV/0!
Jul-18	69.96	69.83	68.25		0.19	2.51	#DIV/0!
Oct-18	69.39	69.34	66.79		0.07	3.89	
Dec-18	69.05	68.92			0.19		

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	27th October to 02nd November 2017	20th October to 26th October 2017	
Gujarat	Ahmedabad	Shankar-6	4667	4771	-104
	Gondal	Shankar-6	4674	4826	-152
	Rajkot	B.T. Cotton	4703	4723	-21
	Patan	B.T. Cotton	4823	NA	-
	Kadi	B.T. Cotton	4733	4708	25
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4577	4738	-162
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4888	4925	-37
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4719	4783	-63
	Fatehabad	B.T. Cotton	4800	4808	-8
	Jind	B.T. Cotton	4821	4895	-75
	Uchana	B.T. Cotton	4809	4752	57
	Dabwali	B.T. Cotton	4635	4652	-17

Rajasthan	Hanumangarh	B.T. Cotton	4747	4758	-12
	Rawatsar	B.T. Cotton	4650	4685	-35
Madhya Pradesh	Khandwa	Mech-1	4548	4520	28
	Khargaon	Mech-1	4765	4803	-38
Maharashtra	Amravati	Mech-1	4208	4206	2
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6100	5883	217
	Hathras	Desi	4925	4783	142
Telangana	Adilabad	Un-Ginned	4524	4520	4
Andhra Pradesh	Guntur	Un-Ginned	3550	3550	Unch
	Kurnool	Un-Ginned	4593	4149	444
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	4893	5075	-183
	Hubli	D.C.H.	4821	4739	83
	Hubli	B.T. Cotton	NA	5555	-
	Raichur	H-44 Cotton	4291	4135	156
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	27th October to 02nd November 2017	20th October to 26th October 2017	
Punjab	Bhatinda	J-34	3846	3831	15
	Abohar	J-34	3844	3833	11
	Mansa	J-34	3830	3821	9
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3855	3848	7
Rajasthan	Sri-Ganganagar	J-34	3575	3632	-56

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	2-Nov-17	26-Oct-17	3-Oct-17	2-Nov-16
Gujarat	Ahmedabad	Shankar-6	4700	4750	NA	NA
	Gondal	Shankar-6	4600	4780	4855	5205
	Rajkot	B.T. Cotton	4715	4825	4950	5185
	Patan	B.T. Cotton	4640	NA	NA	NA
	Kadi	B.T. Cotton	4800	4700	NA	5000
	Deesa	B.T. Cotton	NA	NA	NA	NA

	Dhrol	B.T. Cotton	4630	4535	NA	NA
Punjab	Fazilika	B.T. Cotton	NR	NR	NA	NA
	Muktsar	B.T. Cotton	NR	NR	NA	NA
Haryana	Bhiwani	B.T. Cotton	4900	5000	4300	5180
	Bhiwani	Desi	NA	NA	NA	4570
	Adampur	B.T. Cotton	4670	4855	4200	4990
	Fatehabad	B.T. Cotton	4790	4870	4350	5000
	Jind	B.T. Cotton	4700	5010	NA	5200
	Uchana	B.T. Cotton	4821	4864	NA	5154
	Dabwali	B.T. Cotton	4640	4720	NA	4975
Rajasthan	Hanumangarh	B.T. Cotton	4780	4800	4500	5030
	Rawatsar	B.T. Cotton	4700	4700	NA	4950
Madhya Pradesh	Khandwa	Mech-1	4600	4650	NA	NA
	Khargaon	Mech-1	4700	4795	4400	5335
Maharashtra	Amravati	Mech-1	4200	4275	NA	NA
	Jamner	Medium Staple	NA	NA	NA	4100
Uttar Pradesh	Hathras	B.T. Cotton	6100	6100	5150	4100
	Hathras	Desi	NR	4900	4800	4600
Telangana	Adilabad	Un-Ginned	4500	4500	4550	4740
Andhra Pradesh	Guntur	Un-Ginned	NA	3300	3800	4100
	Kurnool	Un-Ginned	NA	NA	3901	NA
	Krishna	Un-Ginned	NA	NA	4850	NA
	East Godavari	Un-Ginned	NA	4320	4320	4160
Karnataka	Bijapur	Bunny	NA	5049	4919	5119
	Hubli	D.C.H.	4855	4709	NA	5379
	Hubli	B.T. Cotton	NA	NA	NA	NA
	Raichur	H-44 Cotton	NA	4220	4335	5000
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	2-Nov-17	26-Oct-17	3-Oct-17	2-Nov-16
Punjab	Bhatinda	J-34	3860	3875	3800	3950
	Abohar	J-34	3855	3870	3790	3950
	Mansa	J-34	3840	3865	3785	3950
	Muktsar	J-34	NR	NR	NA	NA
	Fazilika	J-34	NR	NR	NA	NA
Haryana	Sirsa	J-34	3860	3890	3800	3870
Rajasthan	Sri-Ganganagar	J-34	3572	3647	NA	3666

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	27th October to 02nd November 2017	20th October to 26th October 2017	
Gujarat	Ahmedabad	Shankar-6	214200	166600	47600
	Gondal	Shankar-6	13100	7375	5725
	Rajkot	B.T. Cotton	20450	21400	-950
	Patan	B.T. Cotton	17085	NA	-
	Kadi	B.T. Cotton	150000	73900	76100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1573	559	1014
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	19000	17500	1500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	23800	23460	340
	Fatehabad	B.T. Cotton	3650	2250	1400
	Jind	B.T. Cotton	4651	7397	-2746
	Uchana	B.T. Cotton	15400	16915	-1515
	Dabwali	B.T. Cotton	6000	5650	350
Rajasthan	Hanumangarh	B.T. Cotton	14200	18400	-4200
	Rawatsar	B.T. Cotton	5700	7100	-1400
Madhya Pradesh	Khandwa	Mech-1	2400	2000	400
	Khargaon	Mech-1	43430	29960	13470
Maharashtra	Amravati	Mech-1	35000	26000	9000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	815	925	-110
	Hathras	Desi	240	425	-185
Telangana	Adilabad	Un-Ginned	125721	74089	51632
Andhra Pradesh	Guntur	Un-Ginned	190	1445	-1255
	Kurnool	Un-Ginned	472	143	329
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	8685	5637	3048
	Hubli	D.C.H.	452	52	400
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	9292	9727	-435
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change

State	Centre	Variety	27th October to 02nd November 2017	20th October to 26th October 2017	
Punjab	Bhatinda	J-34	42500	24140	18360
	Abohar	J-34	8330	6800	1530
	Mansa	J-34	2890	2890	Unch
Haryana	Sirsa	J-34	4760	3283	1477
Rajasthan	Sri-Ganganagar	J-34	3350	1920	1430

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				26th October to 01 November 2017	20th to 25th October 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
J-34(202)	26mm	3.5 - 4.9	23	35517	35300	217
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37783	38067	-283
Shankar-6(105)	29mm	3.5 – 4.9	28	38117	38467	-350
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39600	40133	-533
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41617	41933	-317
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

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