

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 37717 per candy (of 355.6 kg each) during the week, which was Rs 38050 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed higher this week at Rs. 904.5 per maund (of 20 kg each) which was Rs 871 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. 4400-4800 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.

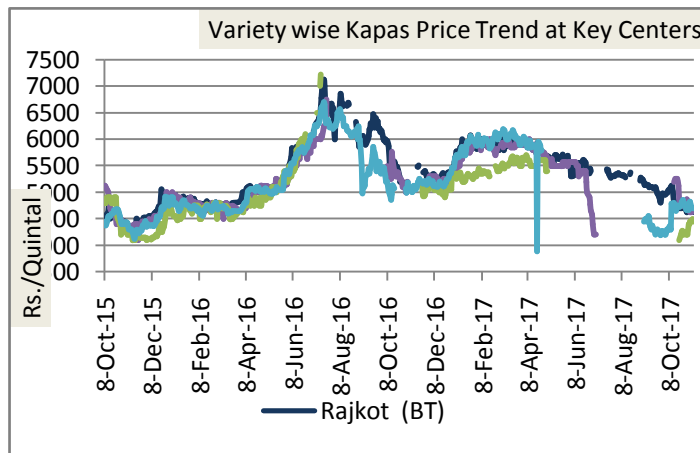
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot fell from Rs 4703/quintal to Rs 4675/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

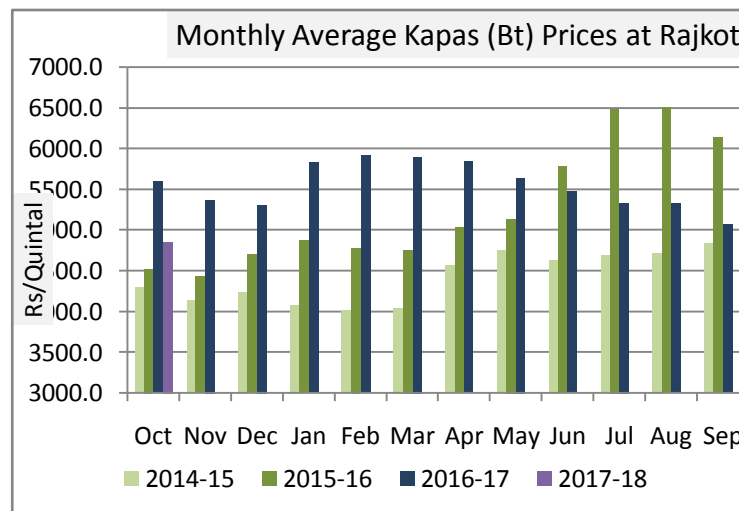
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4400-4800 per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

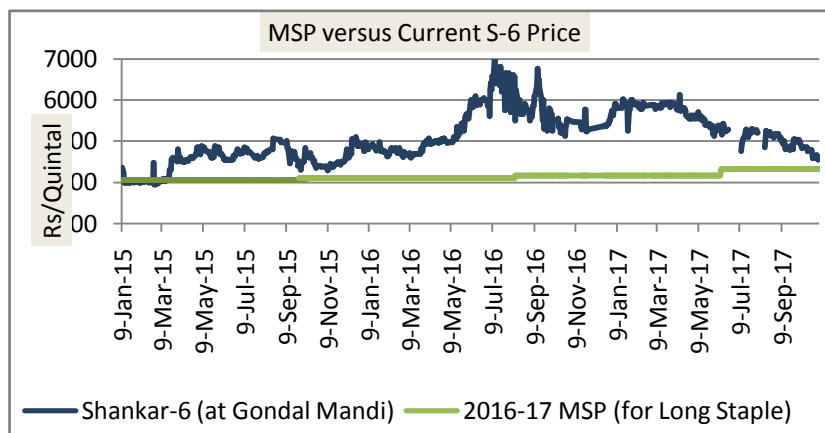
Kapas(seed cotton) prices in country noticed weak tone during the October month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.4853 per quintal during October, which was Rs.5074 during previous month and Rs.5600 per quintal during the corresponding month last year. We expect Kapas prices to remain range-bound to weak in the coming month. The expected price range for November month is likely to be Rs 4500-5100 per quintal.



Spot Price versus MSP

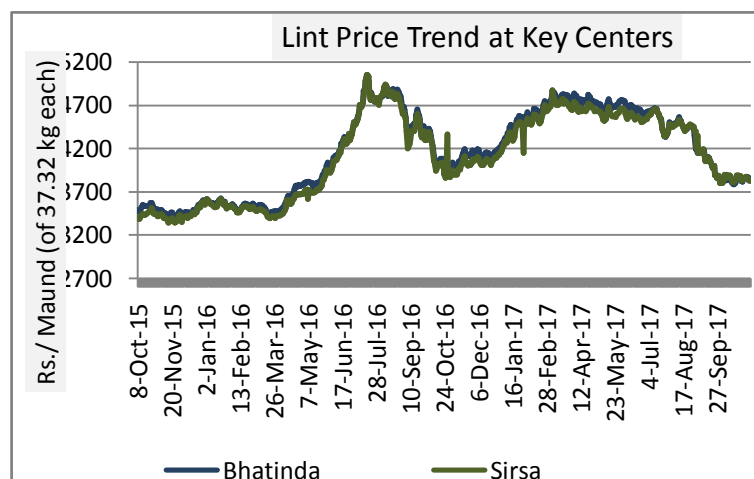
The Kapas prices are ruling above the MSP so far. The gap between the two prices has decreased this week. The average gap between the prices was Rs.281 this week compared to Rs.354 a week earlier. This indicates prices are decreasing



Lint (De-Seeded Cotton) Weekly Price Scenario

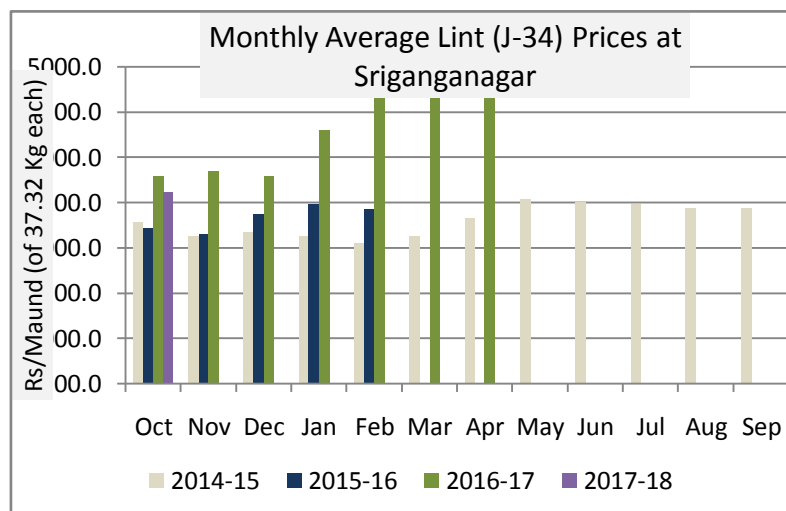
Weekly Price Review: Lint prices remained firm during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 3855 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 3848 per maund.

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.



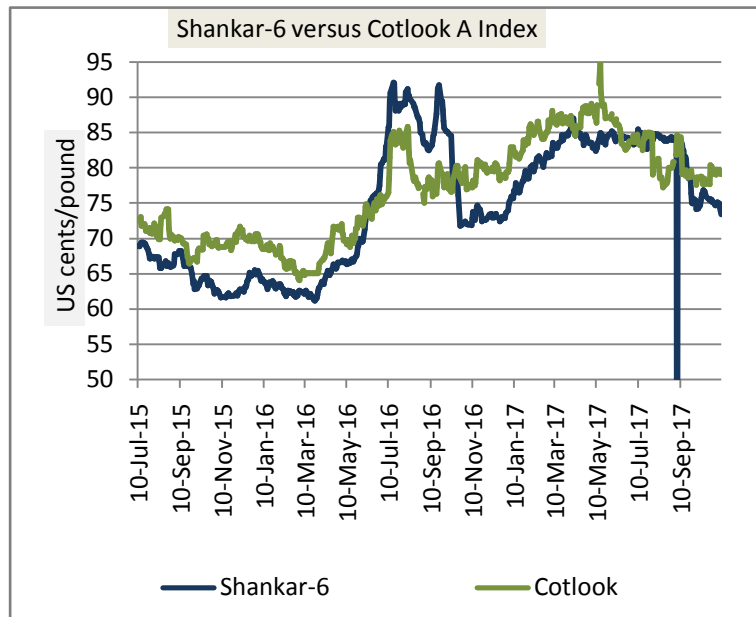
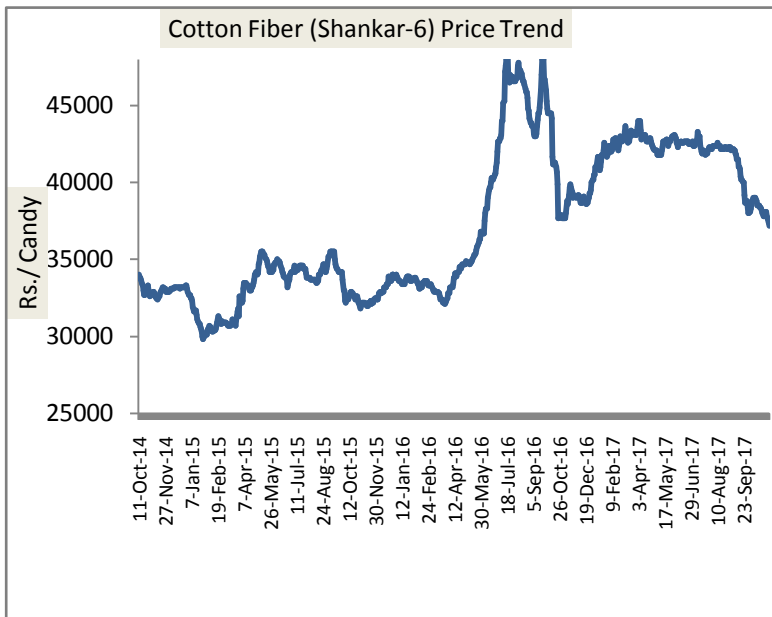
Lint Monthly Y-o-Y Price Scenario

Monthly average price at Sri Ganganagar in October was Rs.3612/Qtl compared to Rs.3790/Qtl last year.



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 37717 per candy (of 355.6 kg each) compared to Rs. 38050 per candy in the previous week.

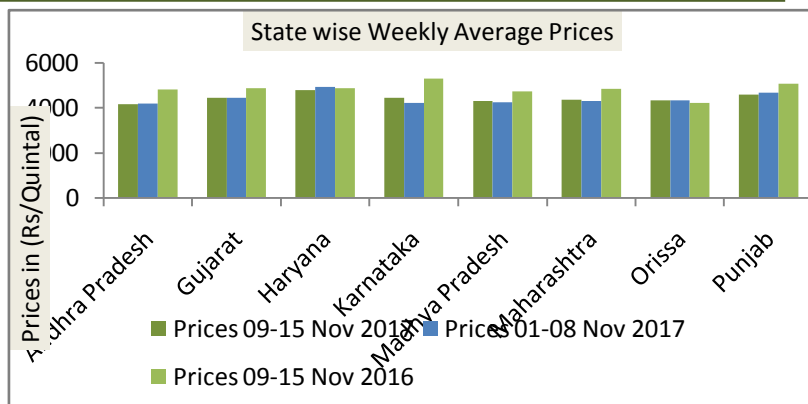


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 79.53 cents/pound, Indian weekly average price stood at 74.45 cents/pound, making Indian fiber more competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 36000-41000 per candy.

State wise Weekly Price Scenario

On week on week basis, prices are by and large showing mixed trend in most of the States, highest price was recorded in Uttar Pradesh followed by this week 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. Prices have been summarized in the table given in annexure.



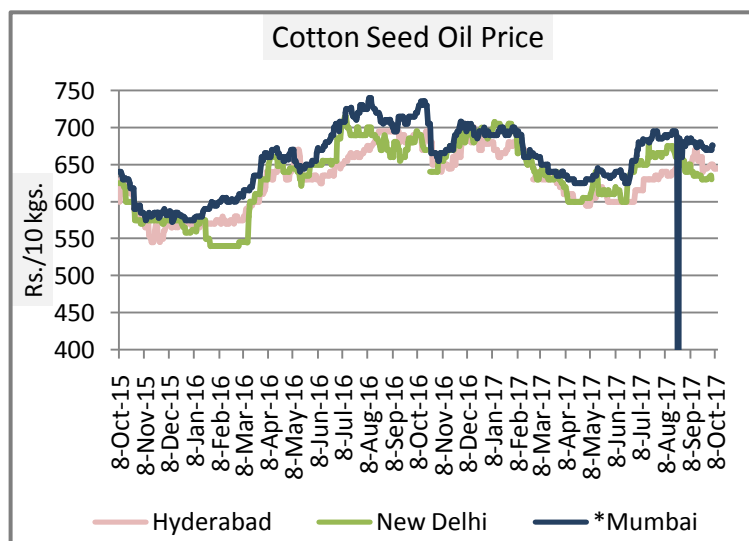
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 645 per 10 Kg, higher compared to the weekly average price of Rs 639 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	09-Nov-17	02-Nov-17	
New Delhi	645	639	0.94
Rajkot	644	643	0.29
Hyderabad	653	647	0.90
Mumbai*	667	672	-0.74

*Vat Included

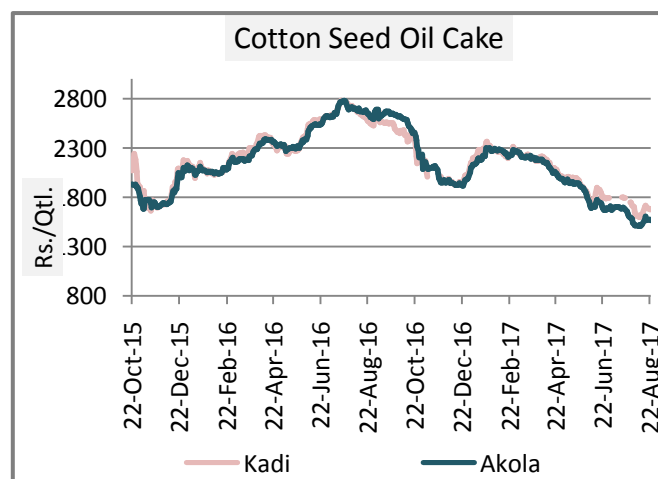


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1500 per quintal, higher compared to the weekly average price of Rs 1472 per quintal in the previous week.

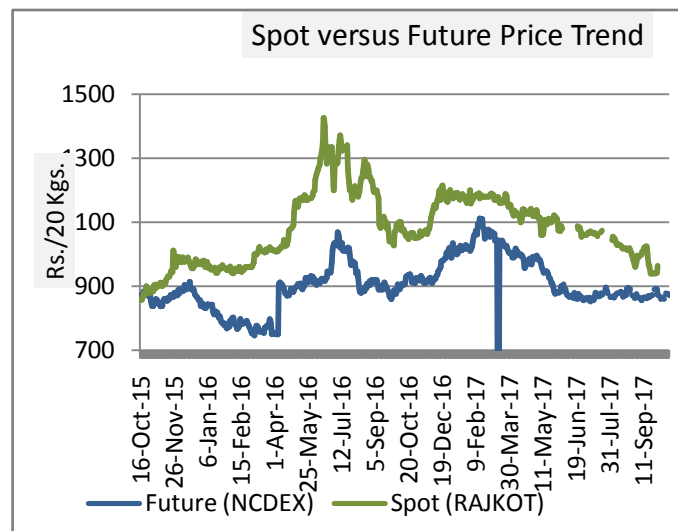
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	09-Nov-17	02-Nov-17	
Kadi	1574	1532	2.75
Akola	1500	1472	1.87

*Source: NCDEX

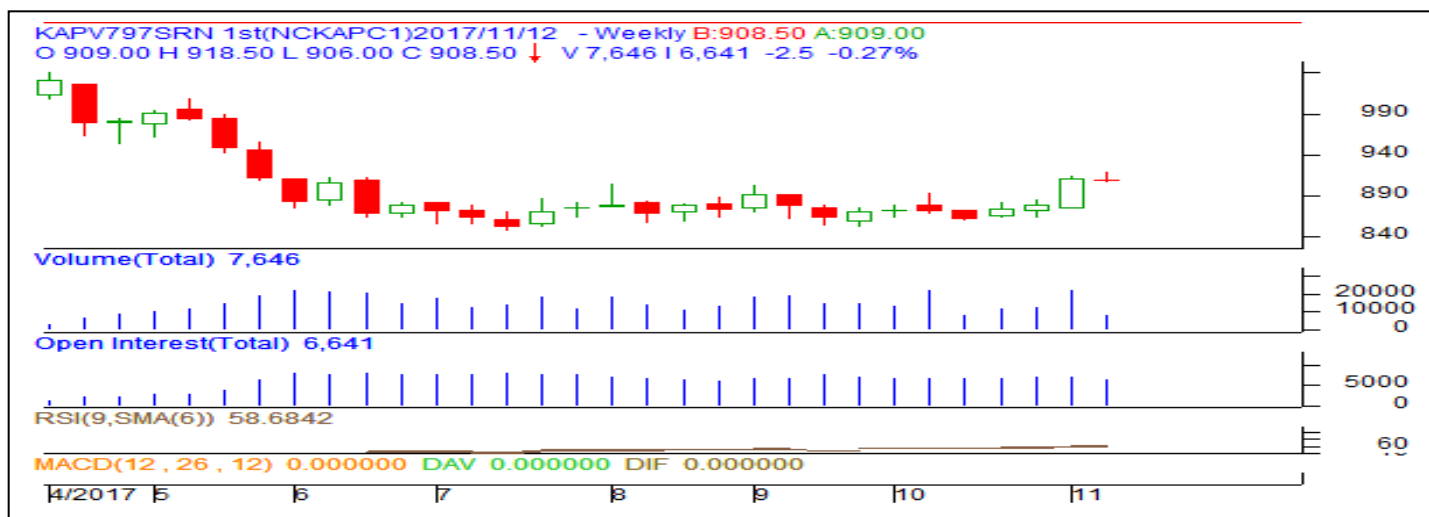


Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (Continuous chart) closed at Rs 904.5 as on 09 November 2017, compared to 871 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.47.5 which was Rs 70 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 79.53 cents/pound this week, which was 79.20 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.

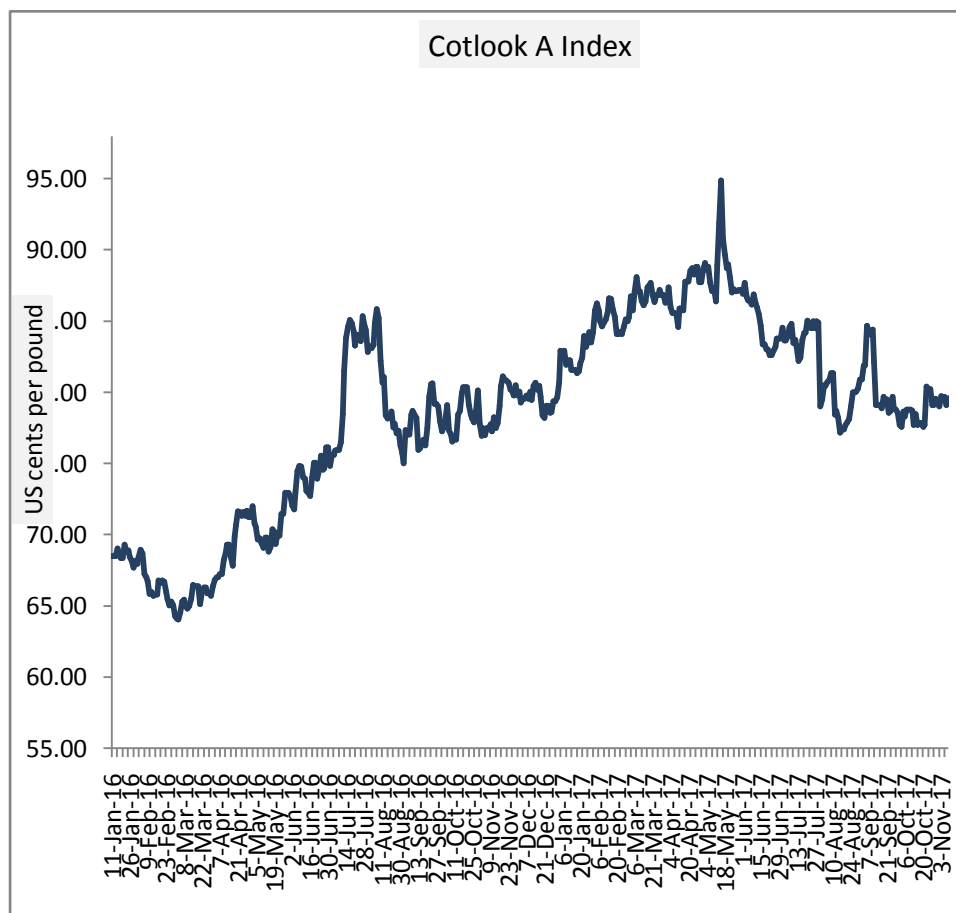
On the back of a favorable weather condition , increased acreage and yield; the Chinese govt. forecasted the country to produce 5.28 MT of cotton in 2017-18. Alongwith it, cotton consumption by the country is also projected to lie at 7.9 MT during 2017-18.

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 firm during the week.



Cotlook A Index	Weekly Average Price as on		% Change
	09-Nov-17	02-Nov-17	
Prices	79.53	79.20	0.4
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

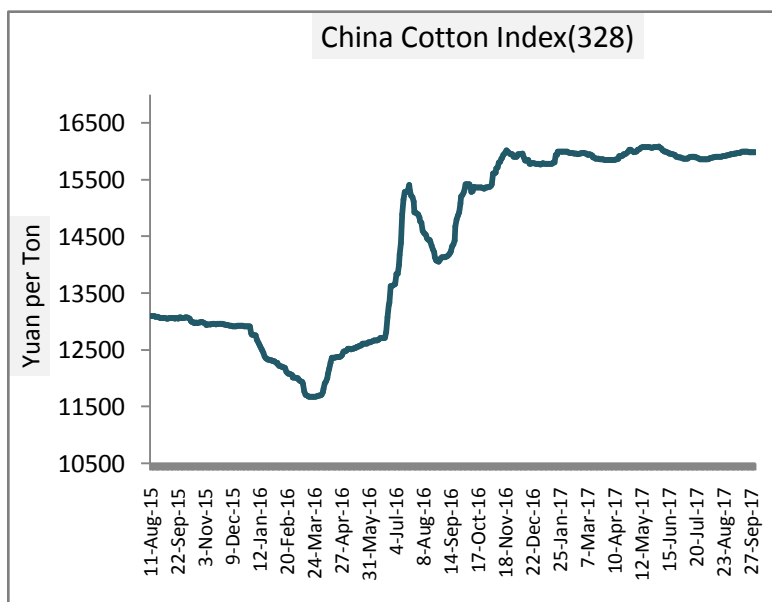
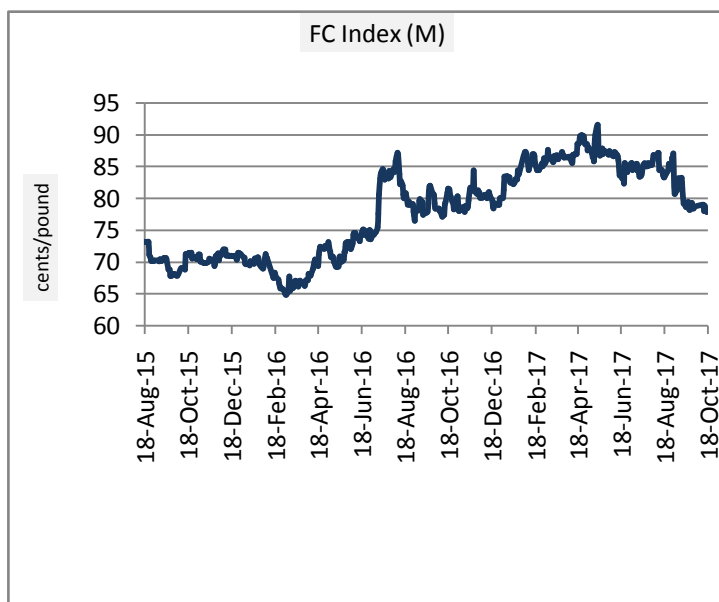
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton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

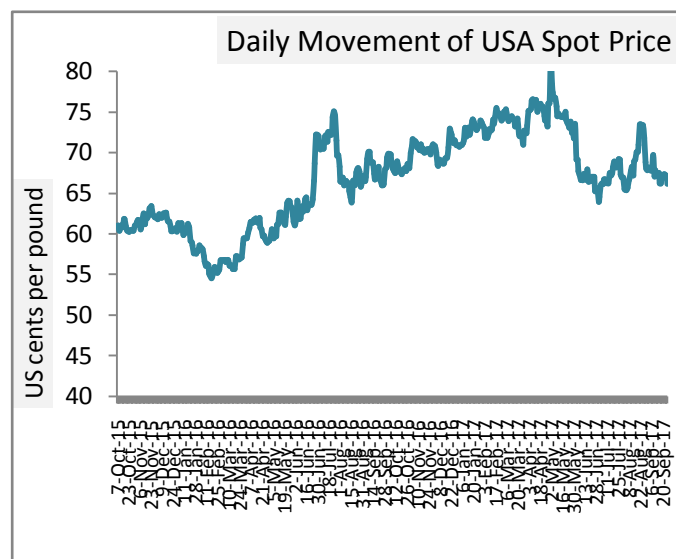
Cotton Index	Weekly Average Price as on		% Change
	09-Nov-17	02-Nov-17	
FC (S)	83.49	82.92	0.68
FC (M)	79.10	78.63	0.60
FC (L)	77.21	76.58	0.82
Prices in US cents per Pound			

China Index remained firm during the week. CC Index (328) remained 16010 Yuan per ton during the week. Average was 15998 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	09-Nov-17	02-Nov-17	
CCIndex(328)	16010	15998	0.08
CCIndex(527)	14925	14911	0.09
CCIndex(229)	16512	16500	0.08
Prices in Yuan per ton			



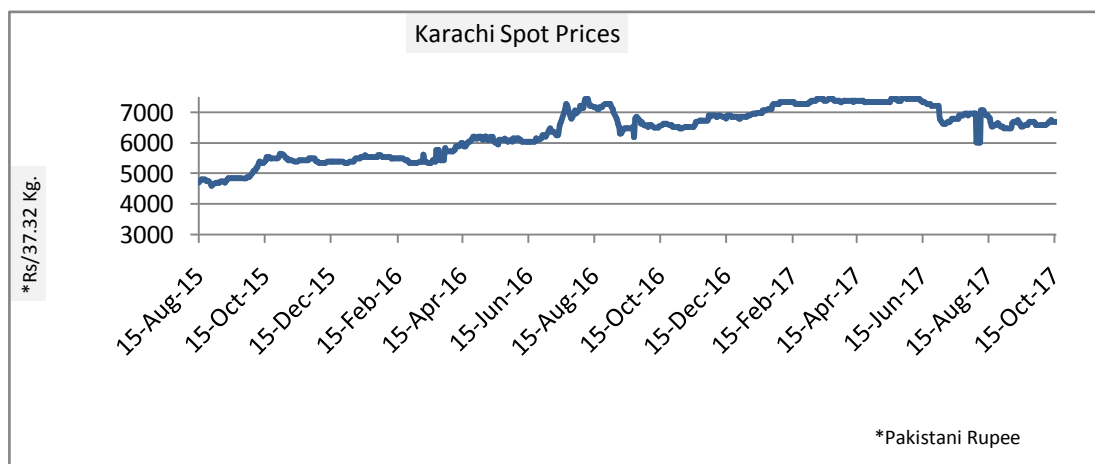
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	09-Nov-17	02-Nov-17	
Prices	66.94	66.99	-0.07
Prices in US cents per Pound			

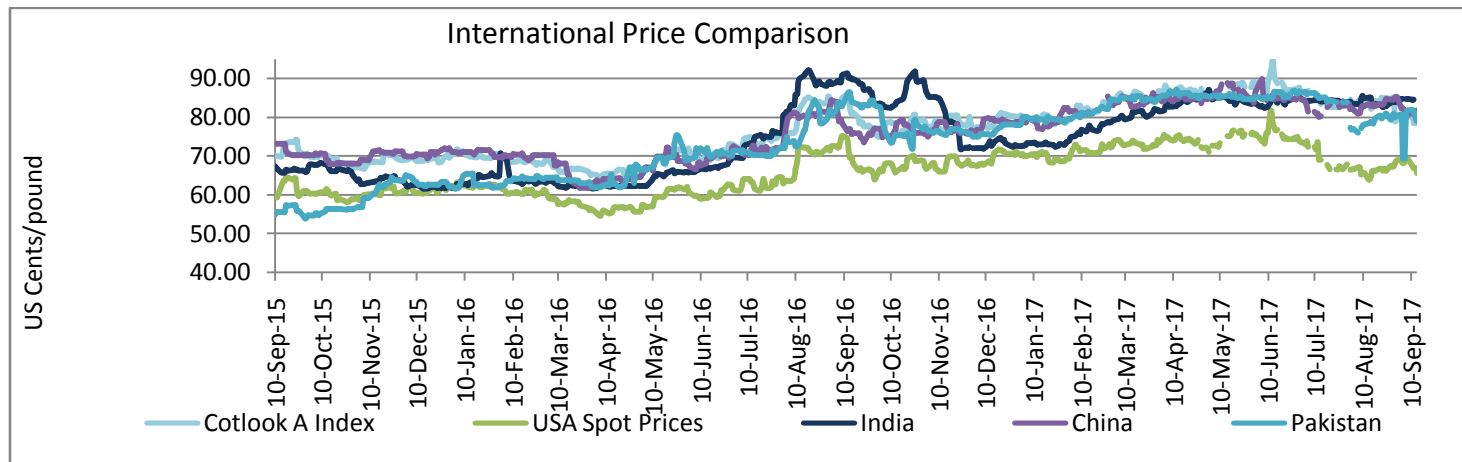
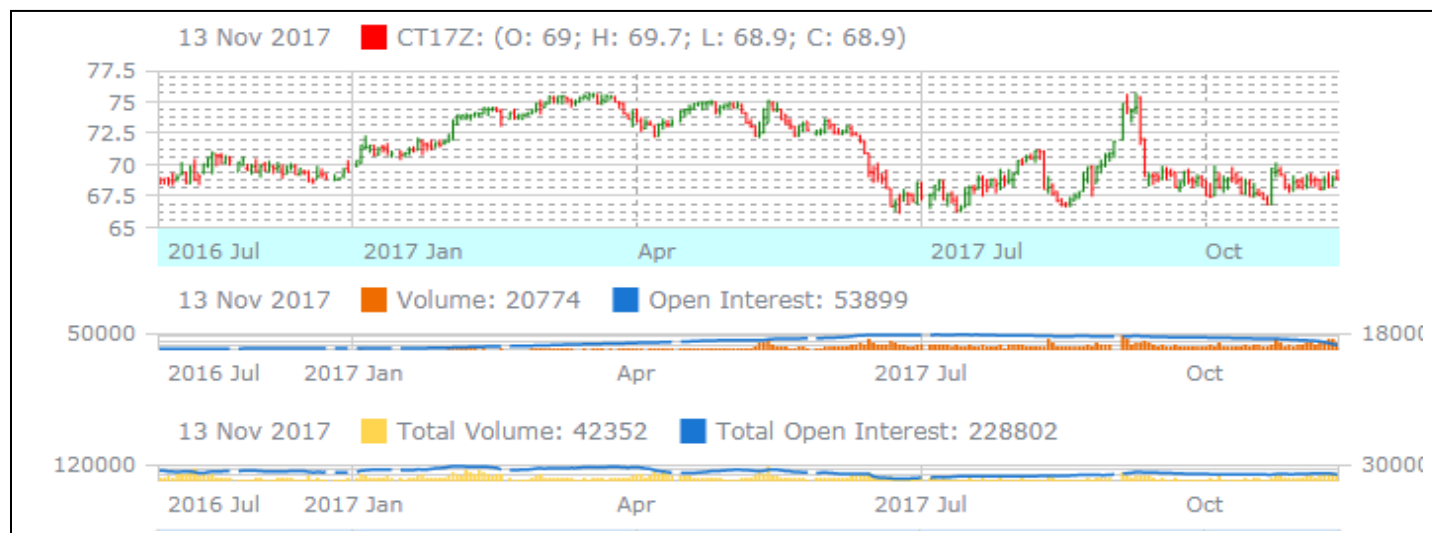
Pakistan Spot Prices

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
	09-Nov-17	02-Nov-17	
Prices	7067	6889	2.58
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 bearish movement in the market.
- Volume decreased while Open Interest increased.
- We expect cotton prices to remain sideways to weak in the coming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	60.00-70.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
56.24	50.84	82.30	85.26

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	08-Nov	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Dec-17	68.63	68.17	68.95	68.29	0.67	-0.46	0.50
Mar-18	68.86	68.15	68.42		1.04	0.64	
May-18	69.88	69.22	69.10		0.97	1.13	
Jul-18	70.54	69.96	69.54		0.84	1.44	
Oct-18	69.55	69.39	68.20		0.23	1.98	
Dec-18	69.69	69.05			0.92		

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	3rd to 9th November 2017	27th October to 02nd November 2017	
Gujarat	Ahmedabad	Shankar-6	4704	4667	38
	Gondal	Shankar-6	4601	4674	-73
	Rajkot	B.T. Cotton	4675	4703	-28
	Patan	B.T. Cotton	4650	4823	-173
	Kadi	B.T. Cotton	4758	4733	25
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4596	4577	20
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4842	4888	-47
	Bhiwani	Desi	4842	NA	-
	Adampur	B.T. Cotton	4738	4719	18
	Fatehabad	B.T. Cotton	4762	4800	-38
	Jind	B.T. Cotton	4853	4821	33
	Uchana	B.T. Cotton	4821	4809	12
	Dabwali	B.T. Cotton	4596	4635	-39

Rajasthan	Hanumangarh	B.T. Cotton	4763	4747	17
	Rawatsar	B.T. Cotton	4650	4650	Unch
Madhya Pradesh	Khandwa	Mech-1	4570	4548	22
	Khargaon	Mech-1	4706	4765	-59
Maharashtra	Amravati	Mech-1	4442	4208	233
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5883	6100	-218
	Hathras	Desi	4838	4925	-88
Telangana	Adilabad	Un-Ginned	3275	4524	-1249
Andhra Pradesh	Guntur	Un-Ginned	NA	3550	-
	Kurnool	Un-Ginned	NA	4593	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	3235	4320	-1085
Karnataka	Bijapur	Bunny	3796	4893	-1097
	Hubli	D.C.H.	3894	4821	-927
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	3173	4291	-1118
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	3rd to 9th November 2017	27th October to 02nd November 2017	
Punjab	Bhatinda	J-34	3857	3846	11
	Abohar	J-34	3859	3844	15
	Mansa	J-34	3853	3830	23
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3855	3855	Unch
Rajasthan	Sri-Ganganagar	J-34	3574	3575	-1

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	9-Nov-17	2-Nov-17	9-Oct-17	9-Nov-16
Gujarat	Ahmedabad	Shankar-6	4625	4700	5200	NA
	Gondal	Shankar-6	4550	4600	5030	5130
	Rajkot	B.T. Cotton	4625	4715	5075	5110
	Patan	B.T. Cotton	4640	4640	NA	NA
	Kadi	B.T. Cotton	4700	4800	4750	5150
	Deesa	B.T. Cotton	NA	NA	NA	NA

	Dhrol	B.T. Cotton	4575	4630	NA	NA
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	4775	4900	4525	5200
	Bhiwani	Desi	4775	4900	NA	4600
	Adampur	B.T. Cotton	4700	4670	4370	5030
	Fatehabad	B.T. Cotton	4680	4790	4560	5080
	Jind	B.T. Cotton	4900	4700	4900	5210
	Uchana	B.T. Cotton	4800	4821	4475	5140
	Dabwali	B.T. Cotton	4525	4640	NA	4970
Rajasthan	Hanumangarh	B.T. Cotton	4700	4780	4650	5150
	Rawatsar	B.T. Cotton	4650	4700	4600	5000
Madhya Pradesh	Khandwa	Mech-1	4450	4600	NA	4890
	Khargaon	Mech-1	4530	4700	4805	5025
Maharashtra	Amravati	Mech-1	4450	4200	NA	NA
	Jamner	Medium Staple	NA	NA	NA	4760
Uttar Pradesh	Hathras	B.T. Cotton	5800	6100	5600	4000
	Hathras	Desi	4800	NR	4500	4350
Telangana	Adilabad	Un-Ginned	NA	4500	4500	4720
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	4100
	Kurnool	Un-Ginned	NA	NA	4633	NA
	Krishna	Un-Ginned	NA	NA	4500	NA
	East Godavari	Un-Ginned	NA	NA	4320	4160
Karnataka	Bijapur	Bunny	NA	4809	5089	5316
	Hubli	D.C.H.	NA	4855	NA	5409
	Hubli	B.T. Cotton	NA	5500	NA	5989
	Raichur	H-44 Cotton	NA	4250	4400	5150
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	9-Nov-17	2-Nov-17	9-Oct-17	9-Nov-16
Punjab	Bhatinda	J-34	3850	3860	3860	3995
	Abohar	J-34	3850	3855	3860	4000
	Mansa	J-34	NR	3840	3840	3990
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	3825	3860	3900	3910
Rajasthan	Sri-Ganganagar	J-34	3572	3572	3619	3666

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	3rd to 9th November 2017	27th October to 02nd November 2017	
Gujarat	Ahmedabad	Shankar-6	266900	214200	52700
	Gondal	Shankar-6	15493	13100	2393
	Rajkot	B.T. Cotton	23250	20450	2800
	Patan	B.T. Cotton	71055	17085	53970
	Kadi	B.T. Cotton	185000	150000	35000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1225	1573	-348
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	20300	19000	1300
	Bhiwani	Desi	175	NA	-
	Adampur	B.T. Cotton	7140	23800	-16660
	Fatehabad	B.T. Cotton	4450	3650	800
	Jind	B.T. Cotton	3230	4651	-1421
	Uchana	B.T. Cotton	13928	15400	-1472
	Dabwali	B.T. Cotton	4075	6000	-1925
Rajasthan	Hanumangarh	B.T. Cotton	10500	14200	-3700
	Rawatsar	B.T. Cotton	4800	5700	-900
Madhya Pradesh	Khandwa	Mech-1	3900	2400	1500
	Khargaon	Mech-1	43173	43430	-257
Maharashtra	Amravati	Mech-1	41000	35000	6000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	170	815	-645
	Hathras	Desi	64	240	-176
Telangana	Adilabad	Un-Ginned	27503	125721	-98218
Andhra Pradesh	Guntur	Un-Ginned	NA	190	-190
	Kurnool	Un-Ginned	NA	472	-472
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	12236	8685	3551
	Hubli	D.C.H.	704	452	252
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8430	9292	-862
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change

State	Centre	Variety	3rd to 9th November 2017	27th October to 02nd November 2017	
Punjab	Bhatinda	J-34	25330	42500	-17170
	Abohar	J-34	7310	8330	-1020
	Mansa	J-34	1870	2890	-1020
Haryana	Sirsa	J-34	3910	4760	-850
Rajasthan	Sri-Ganganagar	J-34	2500	3350	-850

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				2nd November to 8th November 2017	26th October to 01 November 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39950	39900	50
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40950	40900	50
J-34(202)	26mm	3.5 - 4.9	23	35650	35517	133
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37633	37783	-150
Shankar-6(105)	29mm	3.5 – 4.9	28	37850	38117	-267
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39217	39600	-383
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41583	41617	-33
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

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