

Current Market Outlook

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

Average price of Lint at Sirsa during the week was Rs. 3871 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3854. Cotton fiber (Shankar-6) prices noticed pale tone this week. Average price was Rs 37283 per candy (of 355.6 kg each) during the week, which was Rs 37367 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed higher this week at Rs. 936.5 per maund (of 20 kg each) which was Rs 915 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: According to the Cotton Association of India (CAI), in its first estimate for the cotton crop season 2017-18 beginning October 1, 2017, cotton crop has been estimated at 375 lakh bales of 170 kg each which is higher by 37.75 lakh bales compared to the previous year's crop of 337.25 lakh bales.

Cotton crop in Vidarbha and Marathwada region of Maharashtra are reported to get affected by the widespread boll worm attack and could destroy approximately 50 per cent of the standing crop.

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.

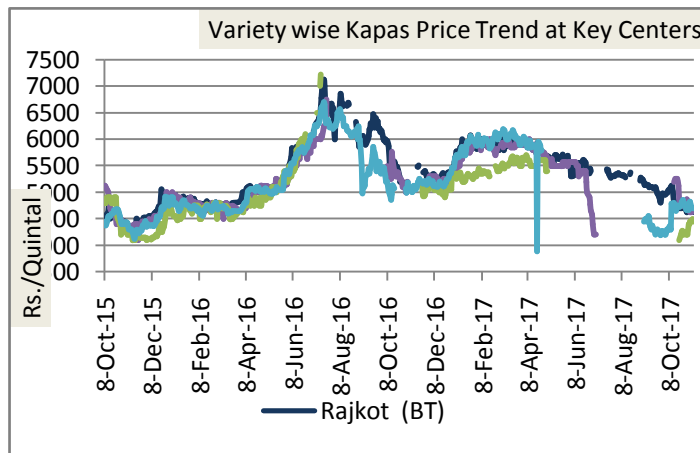
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 4650/quintal to Rs 4689/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

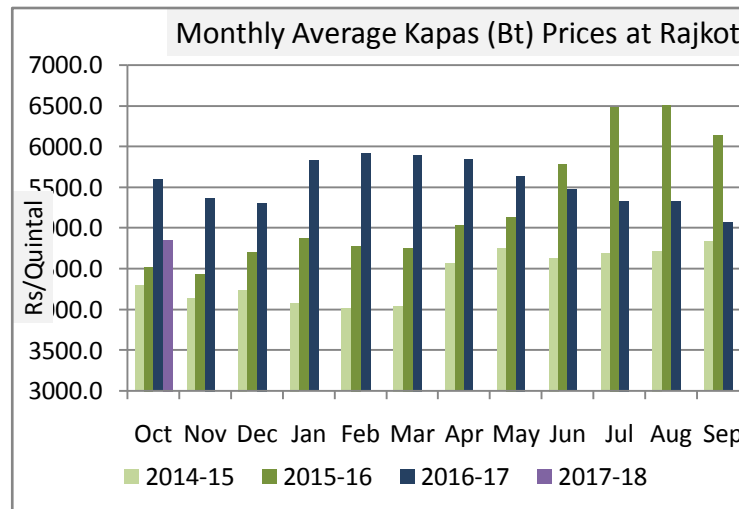
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4400-4800per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

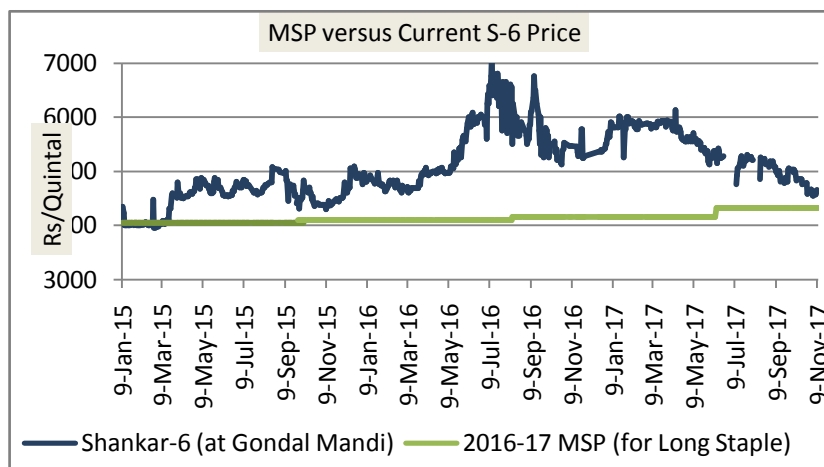
Kapas(seed cotton) prices in country noticed weak tone during the October month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

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

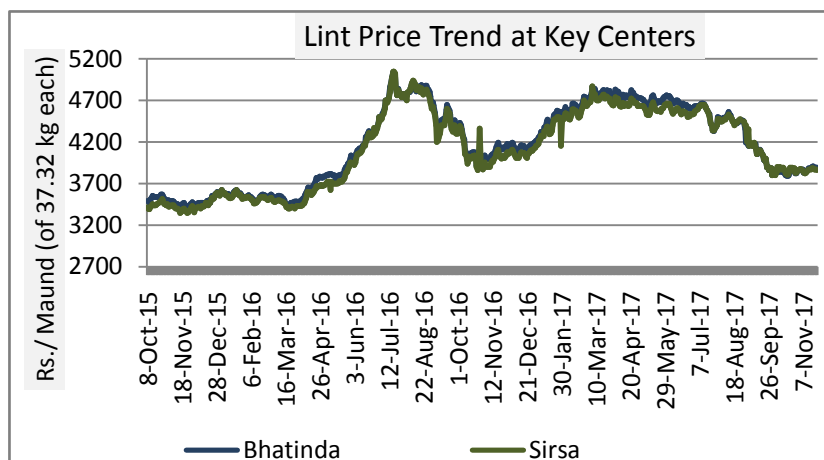
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs.308 this week compared to Rs.292 a week earlier. This indicates prices are increasing



Lint (De-Seeded Cotton) Weekly Price Scenario

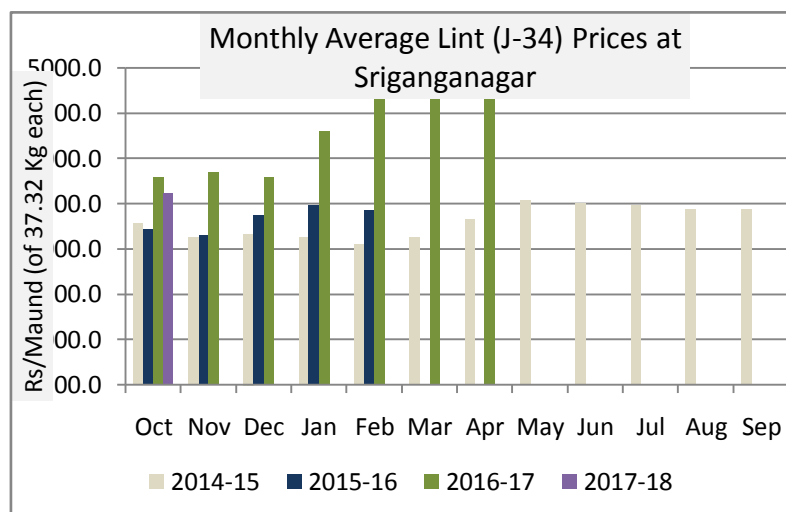
Weekly Price Review: Lint prices remained firm during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 3871 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 3854 per maund.

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.



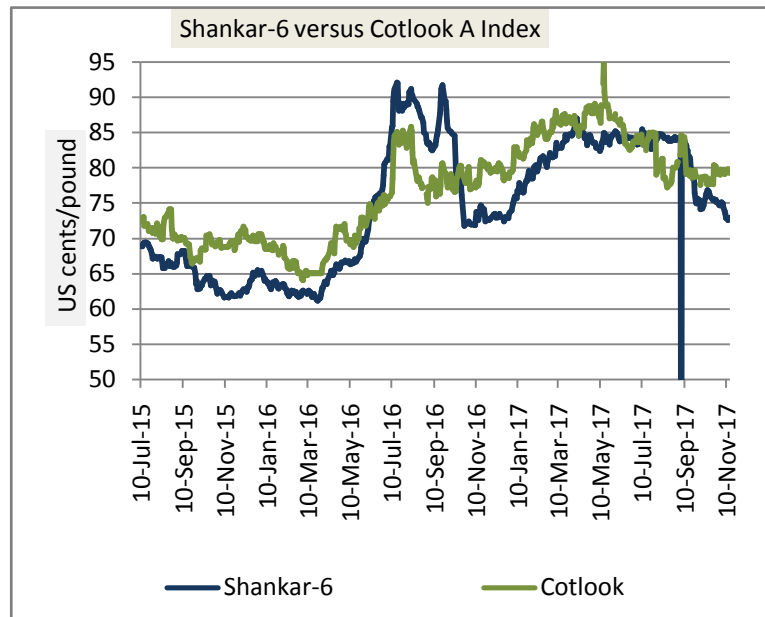
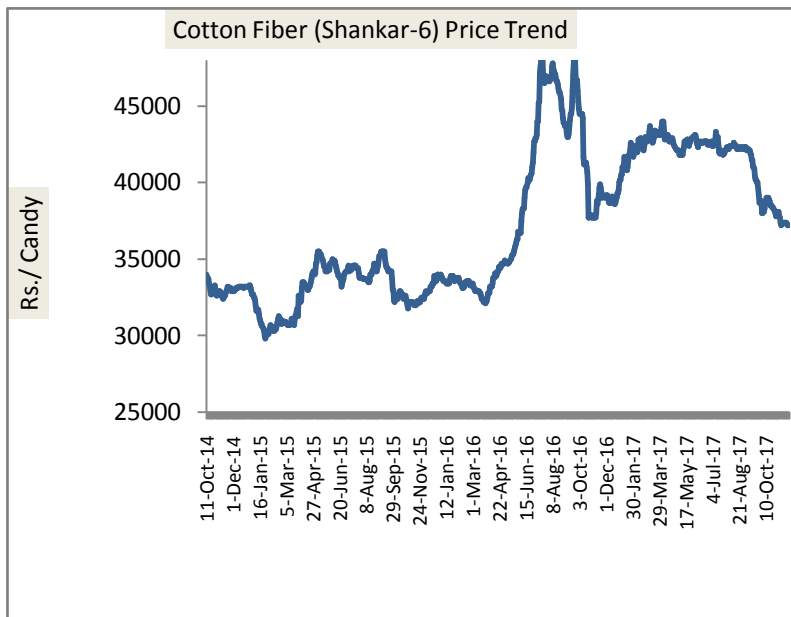
Lint Monthly Y-o-Y Price Scenario

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 37283 per candy (of 355.6 kg each) compared to Rs. 37367 per candy in the previous week.

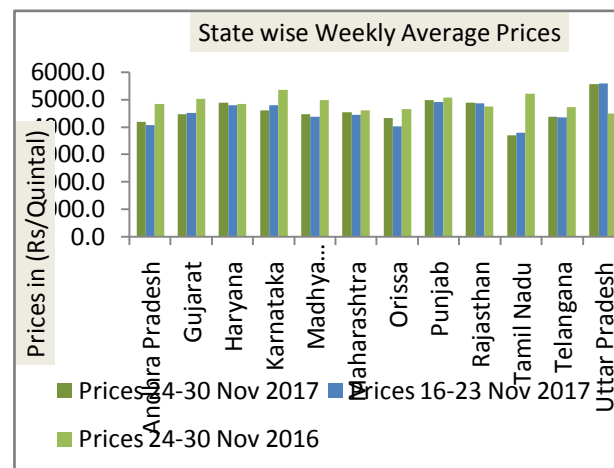


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 80.65 cents/pound, Indian weekly average price stood at 73.25 cents/pound, making Indian fiber more competitive in international market.

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 firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab 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.



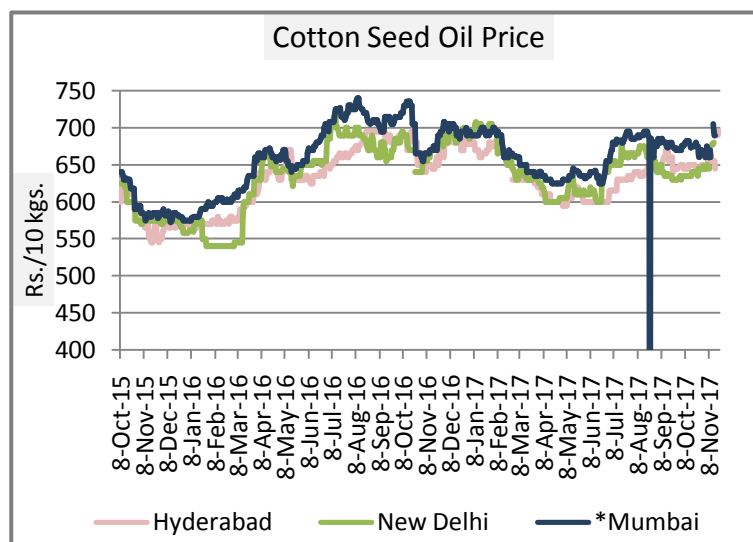
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 671 per 10 Kg, higher compared to the weekly average price of Rs 647 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	23-Nov-17	16-Nov-17	
New Delhi	671	647	3.77
Rajkot	665	649	2.44
Hyderabad	684	655	4.43
Mumbai*	688	665	3.46

*Vat Included

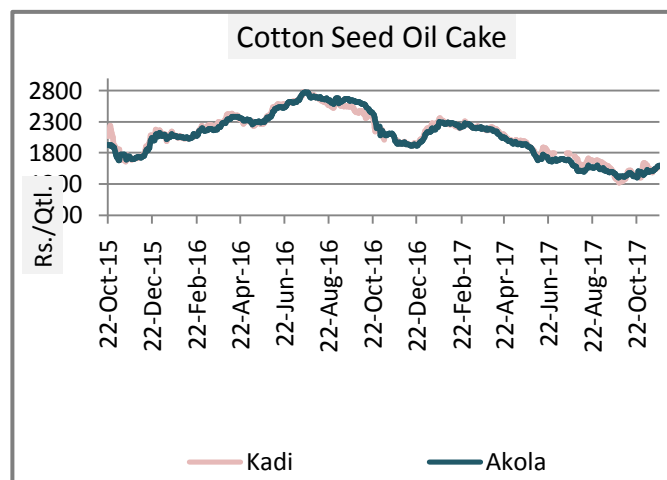


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1577 per quintal, higher compared to the weekly average price of Rs 1519 per quintal in the previous week.

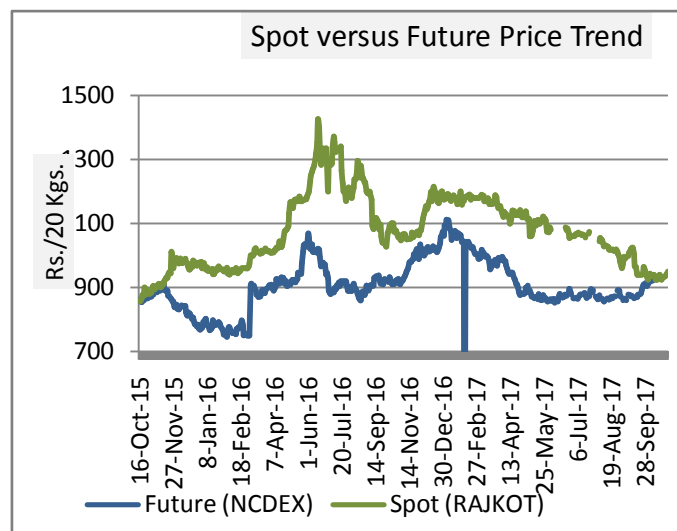
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	23-Nov-17	16-Nov-17	
Kadi	1564	1526	2.50
Akola	1577	1519	3.81

*Source: NCDEX

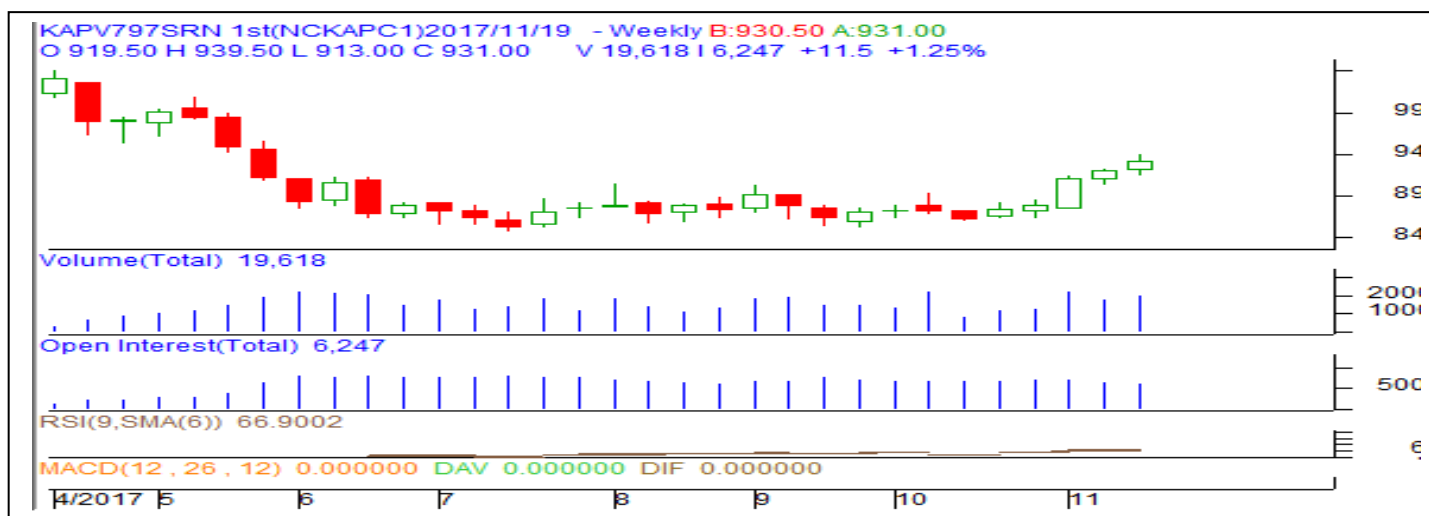


Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (Continuous chart) closed at Rs 936.5 as on 23 November 2017, compared to 915 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.13.8 which was Rs 18.5 a week earlier.



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



Weekly Technical Outlook:

- Kapas prices and volume increased while 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 firm during the week. Cotlook A index weekly average stood at 80.65 cents/pound this week, which was 79.52 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.

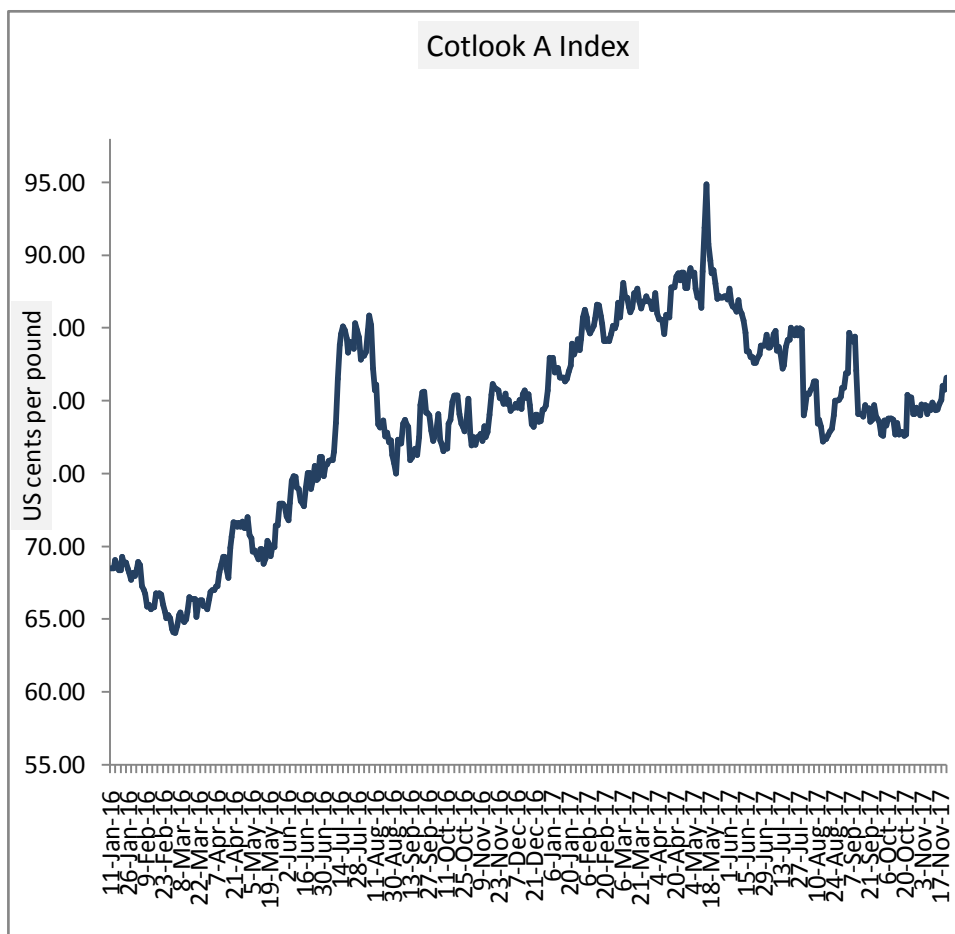
On the back of a favorable weather condition , increased acreage and yield; the Chinese govt. forecasted the country to produce 5.28 MT of cotton in 2017-18. Alongwith it, cotton consumption by the country is also projected to lie at 7.9 MT during 2017-18.

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
	23-Nov-17	16-Nov-17	
Prices	80.65	79.52	1.4
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

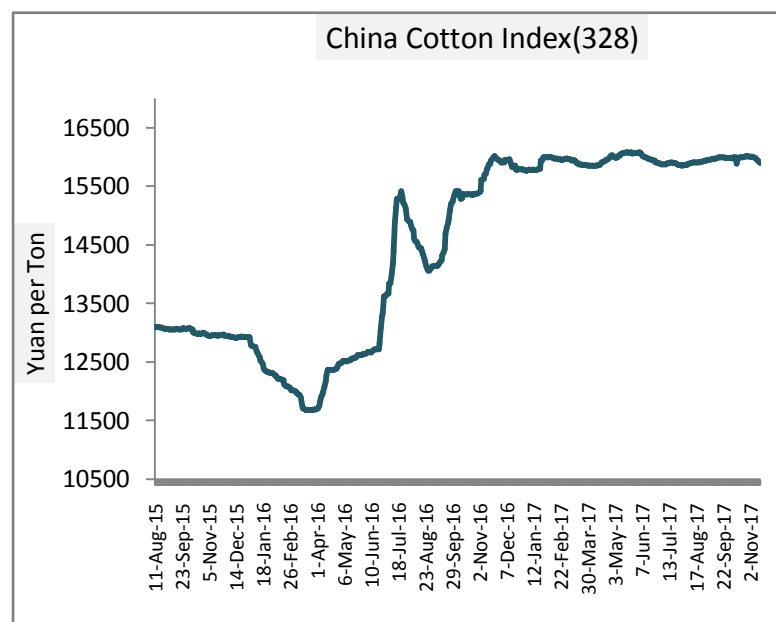
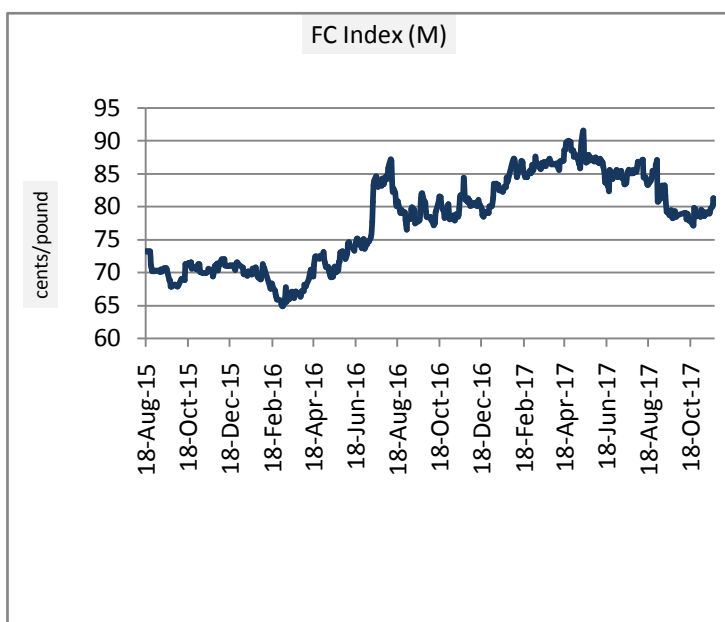
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton 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
	23-Nov-17	16-Nov-17	
FC (S)	84.87	83.49	1.66
FC (M)	80.55	79.07	1.87
FC (L)	79.31	77.63	2.17
Prices in US cents per Pound			

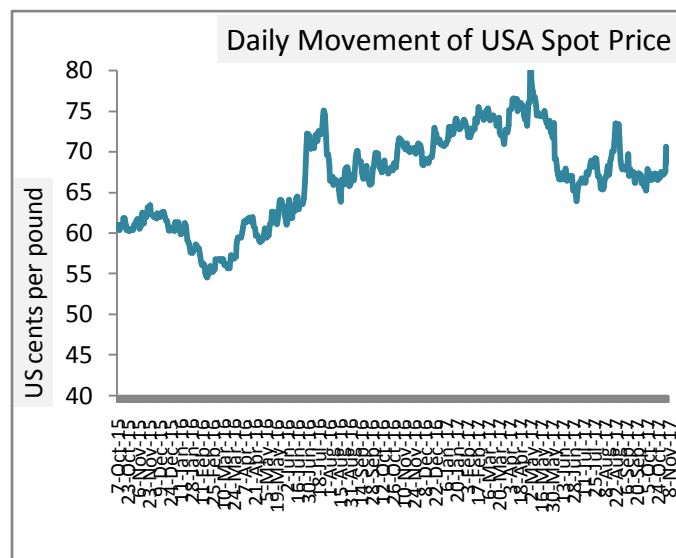
China Index remained pale during the week. CC Index (328) remained 15928 Yuan per ton during the week. Average was 15995 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	23-Nov-17	16-Nov-17	
CCIndex(328)	15928	15995	-0.42
CCIndex(527)	14885	14919	-0.23
CCIndex(229)	16449	16505	-0.33
Prices in Yuan per ton			



USA Spot Prices

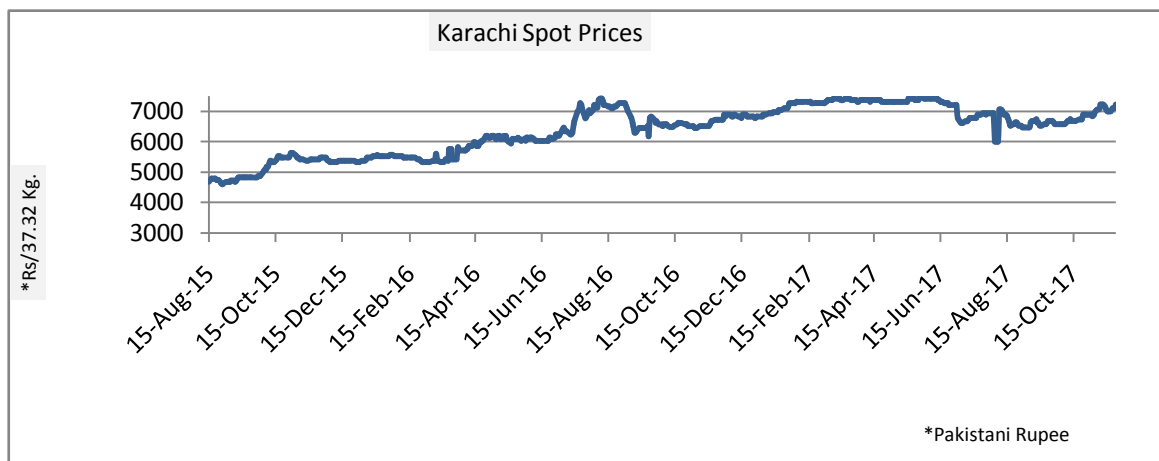
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	23-Nov-17	16-Nov-17	
Prices	69.45	67.40	3.04
Prices in US cents per Pound			

Pakistan Spot Prices

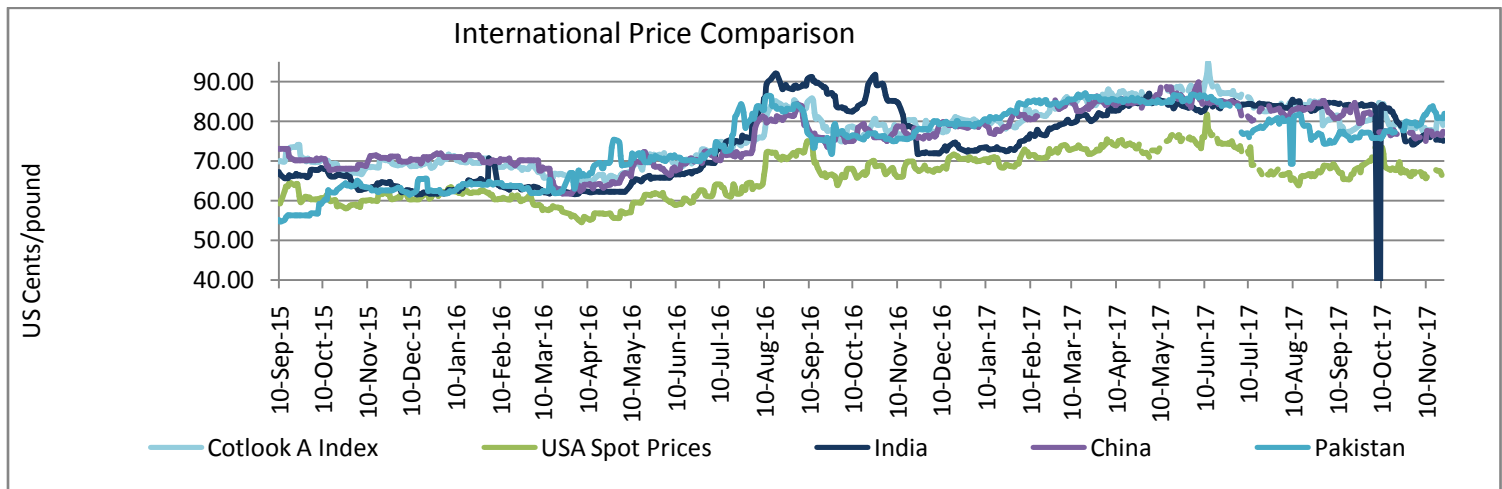
Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017. Pakistan has harvested 8.134 million bales of cotton



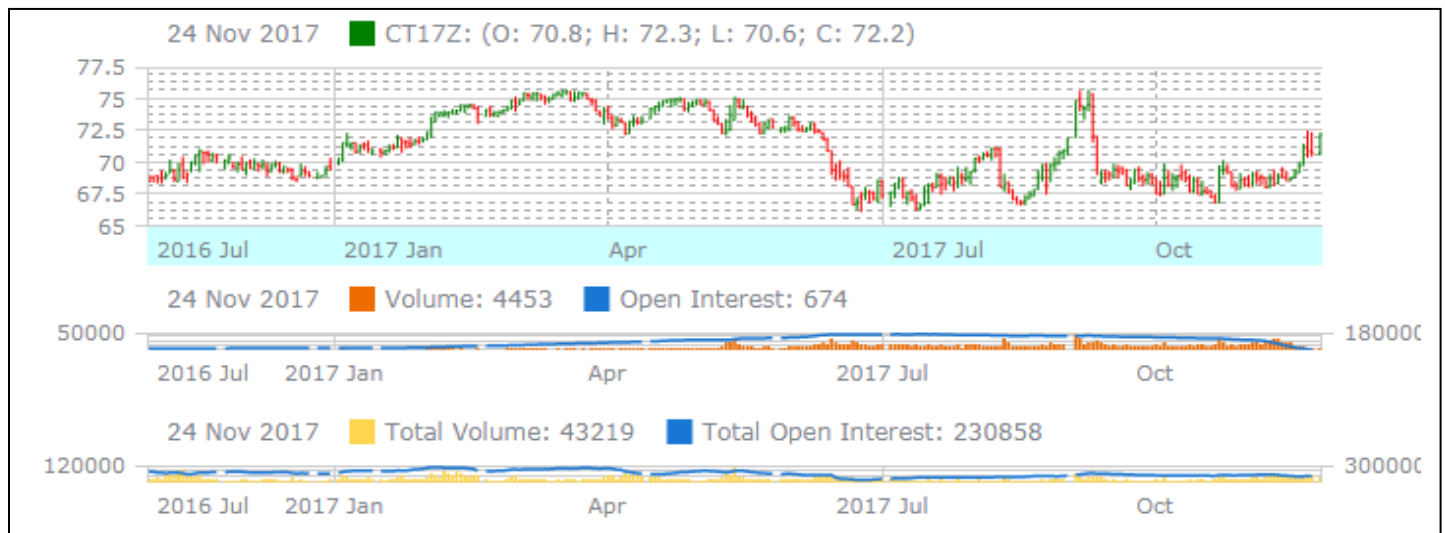
up to October 31, 2017 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.

Karachi Spot Prices	Weekly Average Price as on		% Change
	23-Nov-17	16-Nov-17	
Prices	7103	7100	0.04
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 weak 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
56.24	50.84	82.30	85.26

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	22-Nov	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Dec-17	70.74	68.81	69.72	73.72	2.80	1.46	-4.04
Mar-18	71.14	68.84	69.19		3.34	2.82	
May-18	71.98	69.77	70.05		3.21	2.76	
Jul-18	72.44	70.27	70.59		3.11	2.62	
Oct-18	71.03	69.32	69.09		2.43	2.81	
Dec-18	70.70	69.36	69.18		1.93		

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	17th to 23th November 2017	10th to 16th November 2017	
Gujarat	Ahmedabad	Shankar-6	4692	4700	-8
	Gondal	Shankar-6	4628	4612	17
	Rajkot	B.T. Cotton	4689	4650	39
	Patan	B.T. Cotton	4693	4644	49
	Kadi	B.T. Cotton	4808	4775	33
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4583	4566	17
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4813	4758	54
	Bhiwani	Desi	5425	5100	325
	Adampur	B.T. Cotton	4668	4649	18
	Fatehabad	B.T. Cotton	4768	4741	27
	Jind	B.T. Cotton	4740	4815	-75
	Uchana	B.T. Cotton	4776	4786	-10
	Dabwali	B.T. Cotton	4601	4564	37

Rajasthan	Hanumangarh	B.T. Cotton	4811	4754	57
	Rawatsar	B.T. Cotton	4626	4650	-24
Madhya Pradesh	Khandwa	Mech-1	4650	4530	120
	Khargaon	Mech-1	4777	4629	148
Maharashtra	Amravati	Mech-1	4588	4387	201
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6250	6050	200
	Hathras	Desi	4868	4798	70
Telangana	Adilabad	Un-Ginned	4517	4480	37
Andhra Pradesh	Guntur	Un-Ginned	NA	3775	-
	Kurnool	Un-Ginned	4734	4333	401
	Krishna	Un-Ginned	4320	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	4915	4797	118
	Hubli	D.C.H.	5044	4895	148
	Hubli	B.T. Cotton	6171	5886	285
	Raichur	H-44 Cotton	4625	4360	265
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	17th to 23th November 2017	10th to 16th November 2017	
Punjab	Bhatinda	J-34	3895	3868	28
	Abohar	J-34	3893	3874	19
	Mansa	J-34	3873	3844	29
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3871	3854	17
Rajasthan	Sri-Ganganagar	J-34	3626	3589	38

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	23-Nov-17	16-Nov-17	23-Oct-17	23-Nov-16
Gujarat	Ahmedabad	Shankar-6	4750	4700	4750	NA
	Gondal	Shankar-6	4670	4625	4855	5350
	Rajkot	B.T. Cotton	4750	4625	4700	5505
	Patan	B.T. Cotton	4720	4675	Closed	NA
	Kadi	B.T. Cotton	4800	4800	4700	5250
	Deesa	B.T. Cotton	NA	NA	Closed	NA
	Dhrol	B.T. Cotton	NR	4570	4830	NA

Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NA
	Muktsar	B.T. Cotton	NR	NR	NR	NA
Haryana	Bhiwani	B.T. Cotton	4825	4800	5000	5350
	Bhiwani	Desi	5500	5500	NA	4700
	Adampur	B.T. Cotton	4645	4650	4750	5165
	Fatehabad	B.T. Cotton	4710	4770	4750	5225
	Jind	B.T. Cotton	4700	4775	4850	5330
	Uchana	B.T. Cotton	4753	4773	4670	5240
	Dabwali	B.T. Cotton	4610	4580	4655	5225
Rajasthan	Hanumangarh	B.T. Cotton	4800	4800	4750	5300
	Rawatsar	B.T. Cotton	4625	4625	4700	5100
Madhya Pradesh	Khandwa	Mech-1	4500	4650	4500	5000
	Khargaon	Mech-1	4750	4710	4855	5200
Maharashtra	Amravati	Mech-1	4450	4350	4100	5150
	Jamner	Medium Staple	NA	NA	NA	5016
Uttar Pradesh	Hathras	B.T. Cotton	6250	6250	5800	4750
	Hathras	Desi	4800	4890	4750	5150
Telangana	Adilabad	Un-Ginned	4525	4450	4500	4880
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	4100
	Kurnool	Un-Ginned	4659	NA	NA	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	4320	NA	4320	4160
Karnataka	Bijapur	Bunny	NA	4859	5079	5480
	Hubli	D.C.H.	5125	4945	4739	5620
	Hubli	B.T. Cotton	6302	5961	5555	6630
	Raichur	H-44 Cotton	NA	4450	4075	5150
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	23-Nov-17	16-Nov-17	23-Oct-17	23-Nov-16
Punjab	Bhatinda	J-34	3890	3885	3800	4110
	Abohar	J-34	3900	3895	3810	4110
	Mansa	J-34	3855	3860	3790	4110
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	3860	3870	3830	4000
Rajasthan	Sri-Ganganagar	J-34	3629	NA	3638	3770

Cotton Arrivals in Key Centers:

Commodity	Kapas	Weekly Sum Arrivals (Quintal)	Change
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State	Centre	Variety	17th to 23th November 2017	10th to 16th November 2017	
Gujarat	Ahmedabad	Shankar-6	326400	283900	42500
	Gondal	Shankar-6	15271	18929	-3658
	Rajkot	B.T. Cotton	25550	26050	-500
	Patan	B.T. Cotton	90504	89183	1321
	Kadi	B.T. Cotton	265000	210000	55000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	562	1850	-1288
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	18500	19500	-1000
	Bhiwani	Desi	80	55	25
	Adampur	B.T. Cotton	16405	10200	6205
	Fatehabad	B.T. Cotton	6950	3800	3150
	Jind	B.T. Cotton	4590	4947	-357
	Uchana	B.T. Cotton	15745	11090	4655
	Dabwali	B.T. Cotton	5380	3775	1605
Rajasthan	Hanumangarh	B.T. Cotton	16000	9950	6050
	Rawatsar	B.T. Cotton	13500	4100	9400
Madhya Pradesh	Khandwa	Mech-1	3200	3300	-100
	Khargaon	Mech-1	36676	30707	5969
Maharashtra	Amravati	Mech-1	32000	41000	-9000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	255	-105
	Hathras	Desi	49	58	-9
Telangana	Adilabad	Un-Ginned	125097	116041	9056
Andhra Pradesh	Guntur	Un-Ginned	NA	1130	-
	Kurnool	Un-Ginned	332	211	121
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	19200	22084	-2884
	Hubli	D.C.H.	2030	1148	882
	Hubli	B.T. Cotton	200	76	124
	Raichur	H-44 Cotton	7855	10281	-2426
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th to 23th November 2017	10th to 16th November 2017	
Punjab	Bhatinda	J-34	34000	28900	5100
	Abohar	J-34	6460	5610	850

	Mansa	J-34	4080	2295	1785
Haryana	Sirsa	J-34	8330	4420	3910
Rajasthan	Sri-Ganganagar	J-34	10500	3400	7100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				16th November to 22nd November 2017	9th November to 15th November 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40917	40800	117
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41917	41800	117
J-34(202)	26mm	3.5 - 4.9	23	36150	35800	350
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36517	36567	-50
Shankar-6(105)	29mm	3.5 - 4.9	28	37317	37333	-17
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38700	38650	50
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41350	41650	-300
DCH-32(107)	34mm	3.0 - 3.8	33	50600	50467	133

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