

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. 3900 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3871. 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. 4500-4800 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 3700-4050 per maund. Kapas prices at NCDEX (April contract), is expected to trade in the range of Rs. 945 to 995 per maund (of 20 kg each).

Major Market Highlights: Cotton Association of India (CAI) has called for the government to roll back the Reverse Charge Mechanism (RCM) of GST collection on kapas as it blocks their working capital and adds to costs. The Association has also asked the government for speedy resolution of pending RCM refunds. The Association has indicated that the industry would go on one day token protest against RCM on 15th December 2017 and if the issue of RCM was not resolved in the next meeting of the GST Council to be held on 21st December 2017, they would go on an indefinite strike 22nd December 2017 onwards.

Pakistan government has allowed cotton imports from India, though with a set of rules which are being seen as "tough" by local importers there. A permit from the Department of Plant Protection of Pakistan's food ministry would be mandatory for any trader to import unprocessed cotton, including raw or seed cotton, cotton lint, linters, cotton waste and cotton stuffing from India. Cotton crops in Maharashtra and Telangana are said to have sustained large losses on account of pink bollworm attack. As much as 1.4 million hectare or about 30% of Maharashtra's acreage is likely to have been affected. This will likely result into final crop estimates settling lower than the previous estimates. Cotton Association of India (CAI) in its first estimate for the cotton crop season 2017-18 beginning October 1, 2017 had put the country's cotton crop at 375 lakh bales of 170 kg each compared to last year's crop of 337.25 lakh bales.

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.

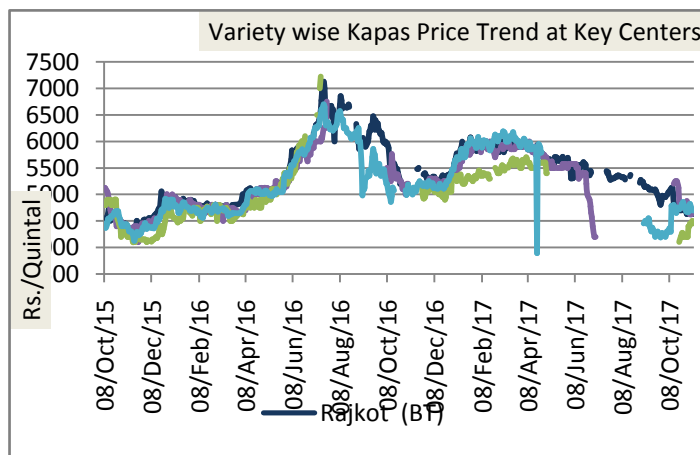
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 4760/quintal to Rs 4650/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

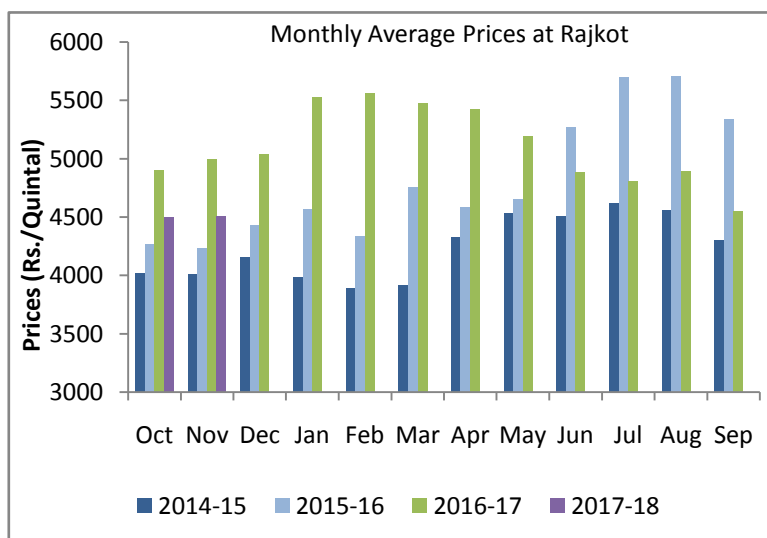
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4400-4800per quintal for the coming week.



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.4504 per quintal during November, which was Rs. 4853 during previous month and Rs. 5074 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 December month is likely to be Rs 4600-5200 per quintal.



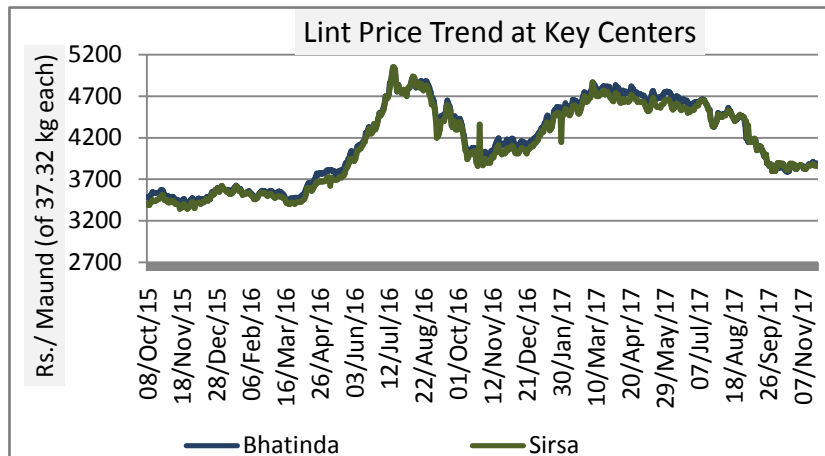
Spot Price versus MSP

Kapas prices are ruling above the MSP so far. The gap between spot price and MSP has increased this week as spot market moved higher. The average gap between the prices was Rs.184 this week compared to Rs.308 a week earlier.

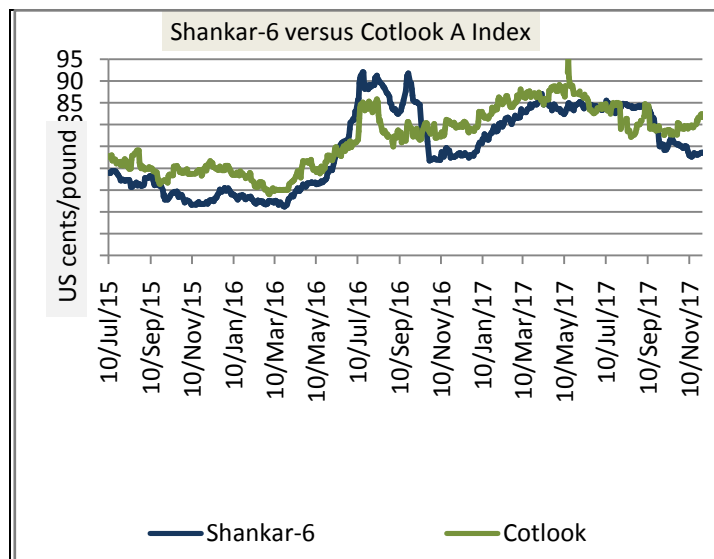
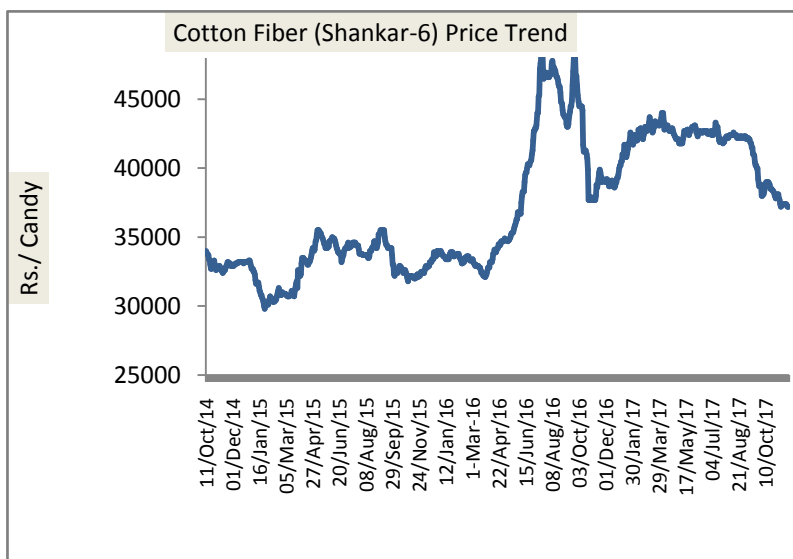
Lint (De-Seeded Cotton) Weekly Price Scenario

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. 3800-4050 per maund.



Cotton Fiber Weekly Price Scenario

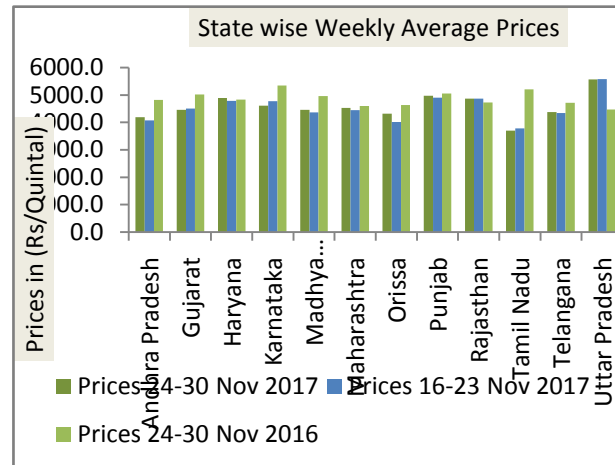


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 82.45cents/pound, Indian weekly average price stood at 73.86 cents/pound, making Indian fiber more competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 38000-40000 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.



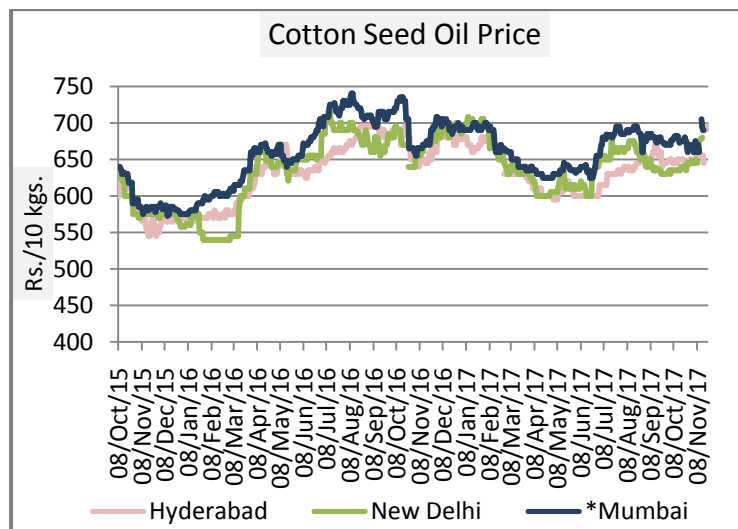
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi is Rs 680 per 10 Kg, higher compared to the weekly average price of Rs 671 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	30-Nov-17	23-Nov-17	
New Delhi	680	671	1.31
Rajkot	678	665	1.95
Hyderabad	685	684	0.15
Mumbai*	695	688	1.02

**Vat Included*

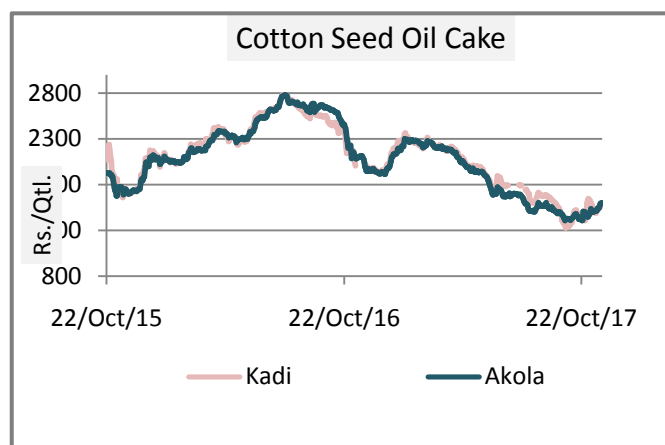


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1571 per quintal, higher compared to the weekly average price of Rs 1564 per quintal in the previous week.

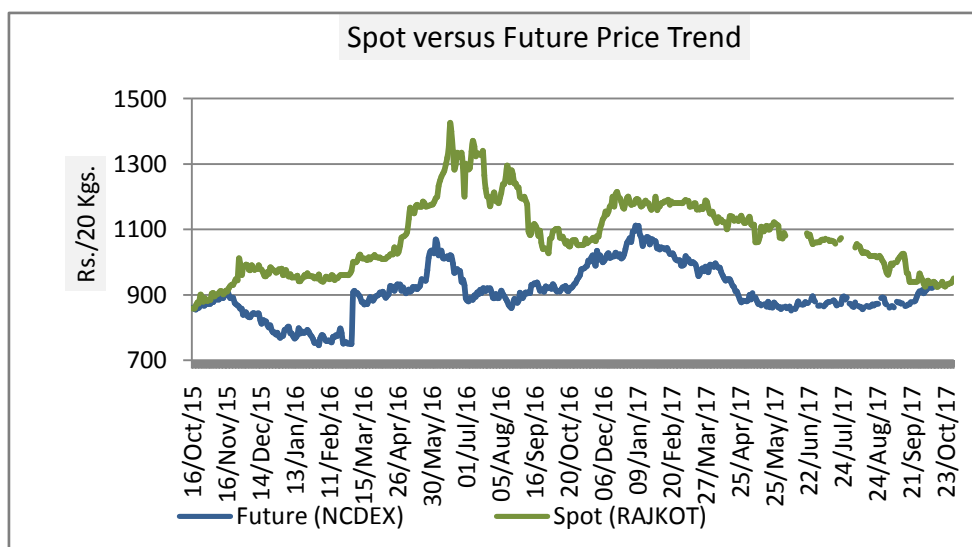
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	30-Nov-17	23-Nov-17	
Kadi	1571	1564	0.44
Akola	1590	1577	0.81

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April contract) closed at Rs 936.5 as on 30 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	1000-1020

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
890	900	1030	1050

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.

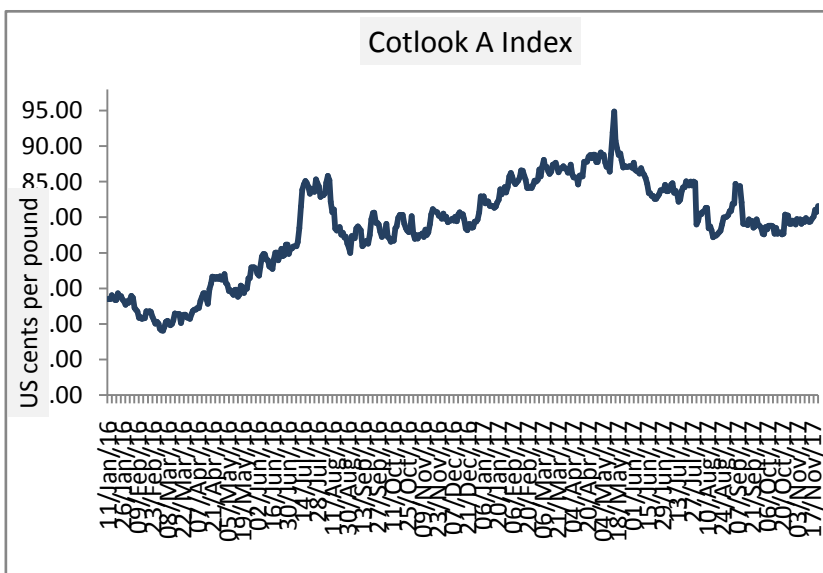
On the back of a favorable weather condition , increased acreage and yield; the Chinese govt. forecasted the country to produce 5.28 MT of cotton in 2017-18. Alongwith it, cotton consumption by the country is also projected to lie at 7.9 MT during 2017-18.

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
	30-Nov-17	23-Nov-17	
Prices	82.35	80.65	0.75
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.

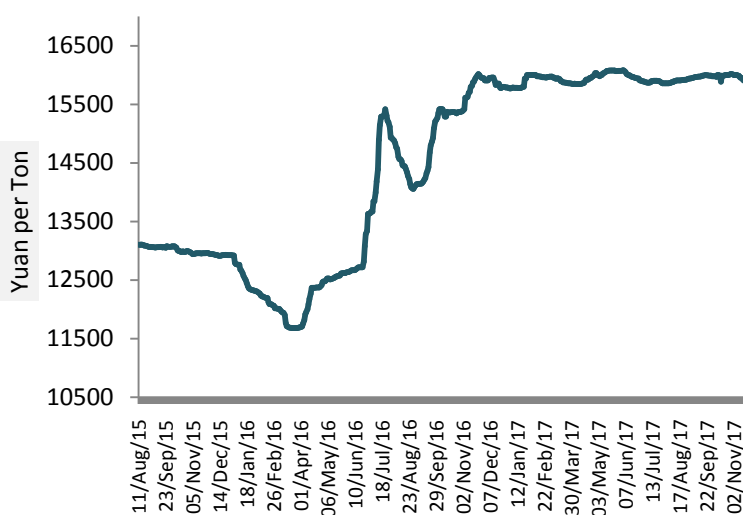
In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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

Cotton Index	Weekly Average Price as on		% Change
	30-Nov-17	23-Nov-17	
FC (S)	87.69	84.87	3.32
FC (M)	83.38	80.55	3.51
FC (L)	82.21	79.31	3.65
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.

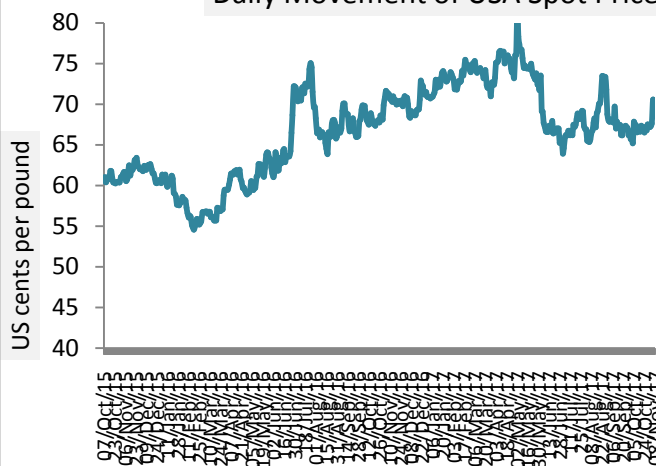
Cotton Index	Weekly Average Price as on		% Change
	30-Nov-17	23-Nov-17	
CCIndex(328)	15860	15995	-0.43
CCIndex(527)	14822	14919	-0.42
CCIndex(229)	16369	16505	-0.49
Prices in Yuan per ton			

FC Index (M)

China Cotton Index(328)


USA Spot Prices

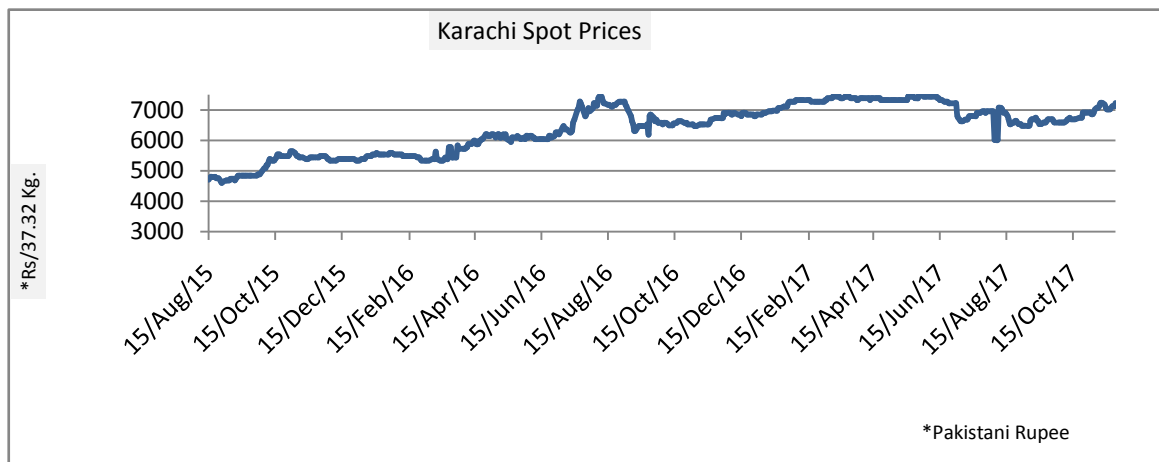
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.

Daily Movement of USA Spot Price


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

Pakistan Spot Prices

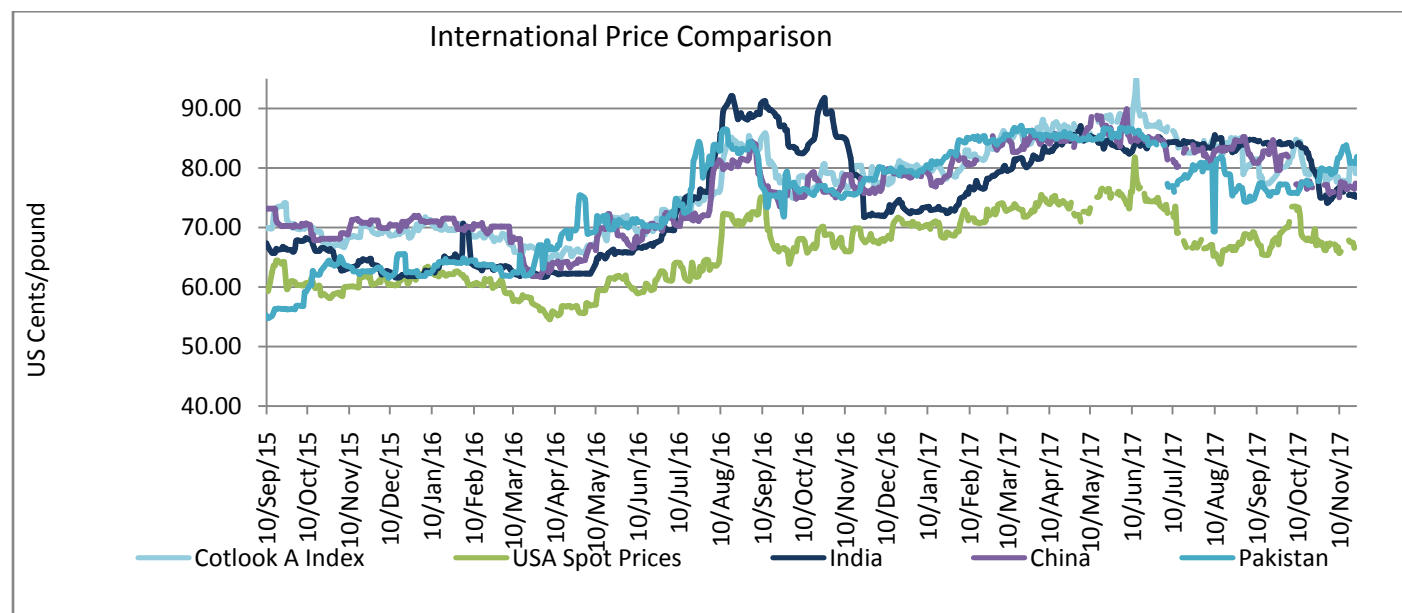
Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017. Pakistan has harvested 8.134 million bales of cotton



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
	30-Nov-17	23-Nov-17	
Prices	6600	7103	-7.08
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
72.50	70.00	80.00	82.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	30-Nov	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Dec-17	75.04	68.64	69.72	73.72	2.80	1.46	-4.04
Mar-18	72.81	68.58	69.19		3.34	2.82	
May-18	73.48	69.65	70.05		3.21	2.76	
Jul-18	73.83	70.36	70.59		3.11	2.62	
Oct-18	71.69	69.88	69.09		2.43	2.81	
Dec-18	70.71	69.47	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	24th to 30th November 2017	17th to 23th November 2017	
Gujarat	Ahmedabad	Shankar-6	4730	4692	38
	Gondal	Shankar-6	4691	4628	63
	Rajkot	B.T. Cotton	4735	4689	46
	Patan	B.T. Cotton	4733	4693	40
	Kadi	B.T. Cotton	4808	4808	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4623	4583	41
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4792	4813	-21
	Bhiwani	Desi	5558	5425	133
	Adampur	B.T. Cotton	4661	4668	-7
	Fatehabad	B.T. Cotton	4722	4768	-46
	Jind	B.T. Cotton	4800	4740	60
	Uchana	B.T. Cotton	4744	4776	-32
	Dabwali	B.T. Cotton	4593	4601	-8
Rajasthan	Hanumangarh	B.T. Cotton	4824	4811	13
	Rawatsar	B.T. Cotton	4591	4626	-35
Madhya Pradesh	Khandwa	Mech-1	4560	4650	-90
	Khargaon	Mech-1	4788	4777	12
Maharashtra	Amravati	Mech-1	4567	4588	-21
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6025	6250	-225
	Hathras	Desi	4625	4868	-243
Telangana	Adilabad	Un-Ginned	4503	4517	-14
Andhra Pradesh	Guntur	Un-Ginned	3750	NA	-
	Kurnool	Un-Ginned	4592	4734	-142
	Krishna	Un-Ginned	NA	4320	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5043	4915	127
	Hubli	D.C.H.	5135	5044	91

	Hubli	B.T. Cotton	6154	6171	-17
	Raichur	H-44 Cotton	4732	4625	107
Punjab	Bhatinda	J-34	3899	3895	4
	Abohar	J-34	3900	3893	7
	Mansa	J-34	3873	3873	Unch
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3874	3871	3
Rajasthan	Sri-Ganganagar	J-34	3645	3626	19

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	30-Nov-17	23-Nov-17	30-Oct-17	30-Nov-16
Gujarat	Ahmedabad	Shankar-6	4750	4750	4625	5250
	Gondal	Shankar-6	4750	4670	4780	5350
	Rajkot	B.T. Cotton	4760	4750	4670	5320
	Patan	B.T. Cotton	4735	4720	5005	5185
	Kadi	B.T. Cotton	4800	4800	4800	5300
	Deesa	B.T. Cotton	NA	NA	NA	4800
	Dhrol	B.T. Cotton	4640	4665	4535	5290
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	4800	4825	4850	5350
	Bhiwani	Desi	5700	5500	NA	4500
	Adampur	B.T. Cotton	4710	4645	4680	5230
	Fatehabad	B.T. Cotton	4710	4710	4750	5265
	Jind	B.T. Cotton	4900	4700	4700	5285
	Uchana	B.T. Cotton	NR	4753	4782	5320
	Dabwali	B.T. Cotton	4600	4610	4600	5125
Rajasthan	Hanumangarh	B.T. Cotton	4820	4800	4700	5250
	Rawatsar	B.T. Cotton	4630	4625	4600	5230
Madhya Pradesh	Khandwa	Mech-1	4550	4500	4400	5160
	Khargaon	Mech-1	4730	4750	4760	5200
Maharashtra	Amravati	Mech-1	4575	4450	4250	5050
	Jamner	Medium Staple	NA	NA	NA	4605
Uttar Pradesh	Hathras	B.T. Cotton	6000	6250	6100	4750
	Hathras	Desi	4600	4800	4900	5150
Telangana	Adilabad	Un-Ginned	4500	4525	4510	4920

Andhra Pradesh	Guntur	Un-Ginned	3700	NA	NA	4100
	Kurnool	Un-Ginned	4395	4659	4777	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	NA	4320	4320	4160
Karnataka	Bijapur	Bunny	4939	5125	4959	6165
	Hubli	D.C.H.	5155	5125	4845	5549
	Hubli	B.T. Cotton	NA	6302	NA	6600
	Raichur	H-44 Cotton	4750	4650	4300	5300
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	30-Nov-17	23-Nov-17	30-Oct-17	30-Nov-16
Punjab	Bhatinda	J-34	3910	3890	3825	4155
	Abohar	J-34	3910	3900	3830	4150
	Mansa	J-34	3885	3855	3800	4100
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	3900	3860	3830	4050
Rajasthan	Sri-Ganganagar	J-34	3676	3629	3544	3798

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	24th to 30th November 2017	17th to 23th November 2017	
Gujarat	Ahmedabad	Shankar-6	292400	326400	-34000
	Gondal	Shankar-6	9186	15271	-6085
	Rajkot	B.T. Cotton	21800	25550	-3750
	Patan	B.T. Cotton	66093	90504	-24411
	Kadi	B.T. Cotton	295000	265000	30000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1287	562	725
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	16000	18500	-2500
	Bhiwani	Desi	80	80	Unch
	Adampur	B.T. Cotton	33701	16405	17296
	Fatehabad	B.T. Cotton	7200	6950	250
	Jind	B.T. Cotton	2965	4590	-1625
	Uchana	B.T. Cotton	15650	15745	-95

	Dabwali	B.T. Cotton	5250	5380	-130
Rajasthan	Hanumangarh	B.T. Cotton	16400	16000	400
	Rawatsar	B.T. Cotton	23000	13500	9500
Madhya Pradesh	Khandwa	Mech-1	2700	3200	-500
	Khargaon	Mech-1	36727	36676	51
Maharashtra	Amravati	Mech-1	59200	32000	27200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	152	150	2
	Hathras	Desi	69	49	20
Telangana	Adilabad	Un-Ginned	101327	125097	-23770
Andhra Pradesh	Guntur	Un-Ginned	1315	NA	-
	Kurnool	Un-Ginned	492	332	160
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	26396	19200	7196
	Hubli	D.C.H.	2032	2030	2
	Hubli	B.T. Cotton	174	200	-26
	Raichur	H-44 Cotton	10407	7855	2552
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	24th to 30th November 2017	17th to 23th November 2017	
Punjab	Bhatinda	J-34	45560	34000	11560
	Abohar	J-34	6800	6460	340
	Mansa	J-34	5270	4080	1190
Haryana	Sirsa	J-34	12580	8330	4250
Rajasthan	Sri-Ganganagar	J-34	23000	10500	12500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				23rd November to 29th November 2017	16th November to 22nd November 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40517	40917	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41483	41917	-433
J-34(202)	26mm	3.5 - 4.9	23	36217	36150	67
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	36350	36517	-167

Shankar-6(105)	29mm	3.5 – 4.9	28	37250	37317	-67
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38517	38700	-183
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40833	41350	-517
DCH-32(107)	34mm	3.0 - 3.8	33	50600	50600	Unch

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