



Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot markets mostly noticed range bound during the week.

Average price of Lint at Sirsa during the week was Rs. 3988 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3955. Cotton fiber (Shankar-6) prices noticed pale tone this week. Average price was Rs 38240 per candy (of 355.6 kg each) during the week, which was Rs 38220 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. 4800-5200 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 3800-4200 per maund. Kapas prices at NCDEX (Continuous contract), is expected to hover in the range of Rs.900-1020 per maund (of 20 kg each).

Major Market Highlights: Chief Minister of Maharashtra, Mr Fadnavis said the government would ensure that all the cotton farmers, affected from Pink bollworm would get compensation from crop insurance, compensation from seed companies concerned and moreover from the state government.

Election in India's largest cotton producing state Gujarat has hit arrivals this month. According to traders and brokers, arrival of new crop has declined 35 per cent compared to last year.

Experts of Punjab Agricultural University advised the farmers that picking should be completed as early as possible and trashes of cotton and unopened bolls should be removed from field, after last picking allow goats, sheep and other animals to graze on unopened bolls and plant debris in the cotton fields. These steps will help prevent continuation of pink bollworm infestation next year.

The Cotton Corporation of India (CCI) has procured 1.29 lakh tonnes of cotton in Telangana so far, this season. The CCI made these purchase from 202 ginning mills and 41 public market yards.

In a major action against faulty Bt cotton seeds in Maharashtra, the agriculture department has seized failed seeds worth 24 crore from an unnotified godown in Aurangabad. After department officials got a tip-off, the quality control cell of the agriculture commissionerate seized 1,279 quintals of Bt cotton seeds produced by Green Gold seeds, which had either expired or were mixed with non-Bt seeds but were to be sold as Bt seeds.

Times of India has reported that herbicide tolerant (HT) cotton seed produced by Monsanto have been cultivated across the state of Telangana. These seeds allegedly contain carcinogenic material and are therefore not approved for sale. The report says that the government has asked relevant authorities to destroy the "produce". As a result whether any cotton will be destroyed or only cotton seeds will be destroyed is not yet clear. There is also



no clarity on the quantities going to be affected. If any significant amount of cotton fiber stands to be destroyed, it may support the prices in the state.

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.

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.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

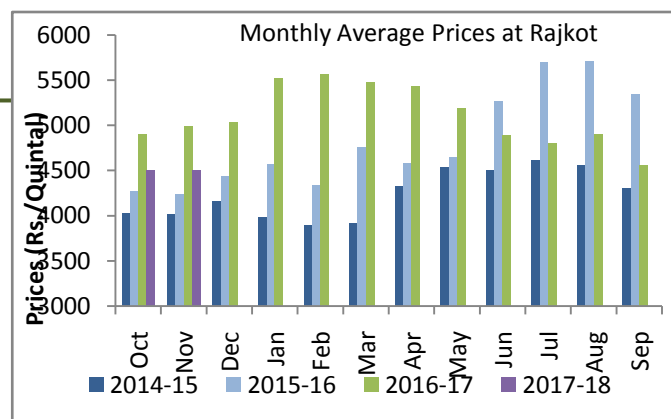
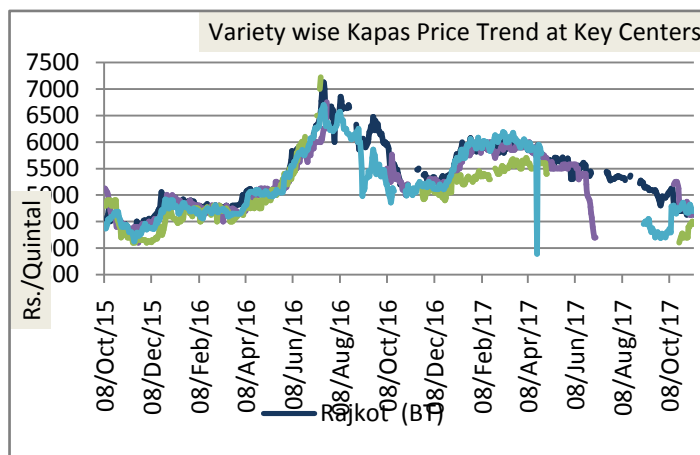
Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5060/quintal to Rs 4760/quintal this week.

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 4800-5200per quintal for the coming week.

Kapas Monthly Y-o-Y Price Scenario

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

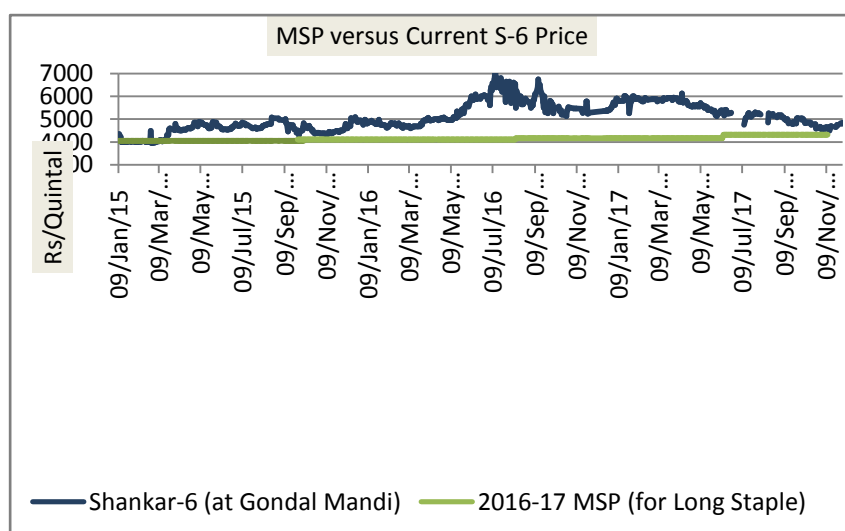




Monthly average price of Kapas at Rajkot remained Rs.4504 per quintal during November, which was Rs. 4853 during previous month and Rs. 5074 per quintal during the corresponding month last year. We expect Kapas prices to remain range –bound to firm in the coming month. The expected price range for December month is likely to be Rs 4600-5200 per quintal.

Spot Price versus MSP

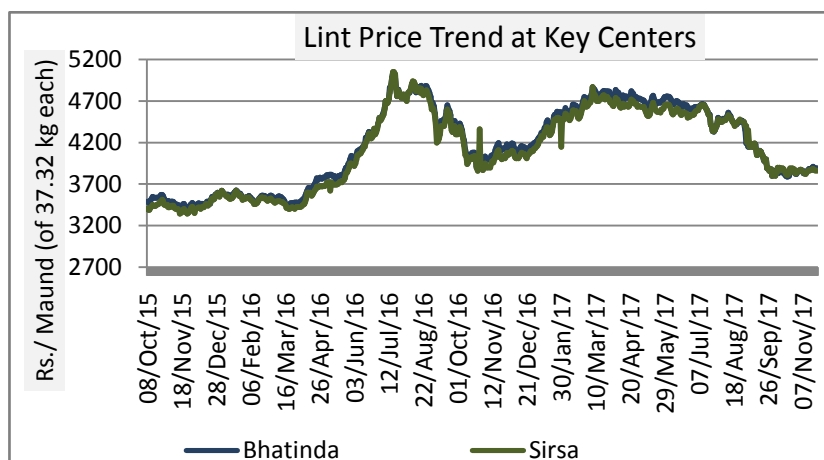
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs.250 this week compared to Rs.50 a week earlier.



Lint (De-Seeded Cotton) Weekly Price Scenario

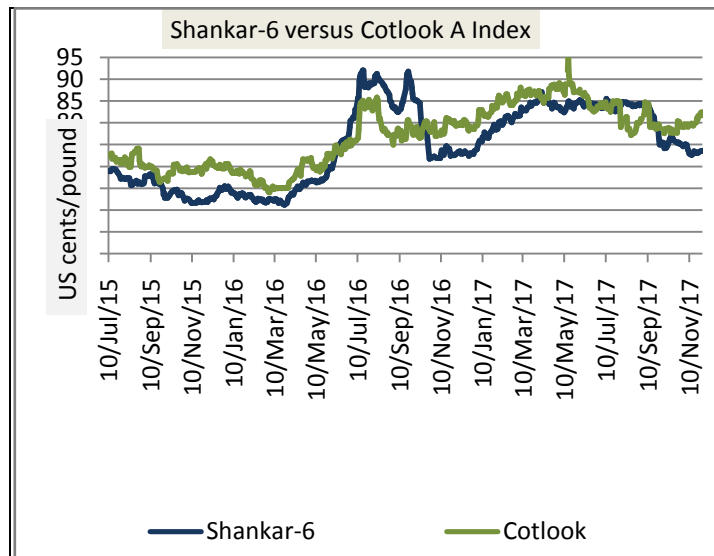
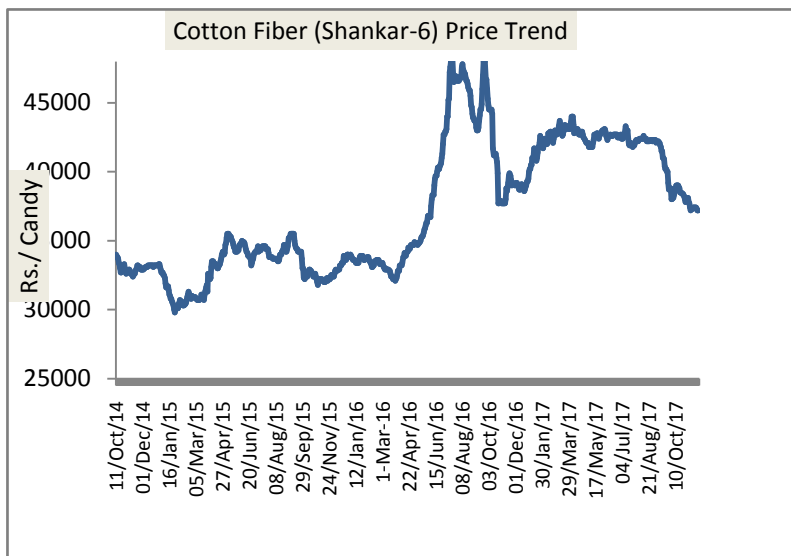
Weekly Price Review: Lint prices remained firm during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 3920 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 3871 per maund.

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

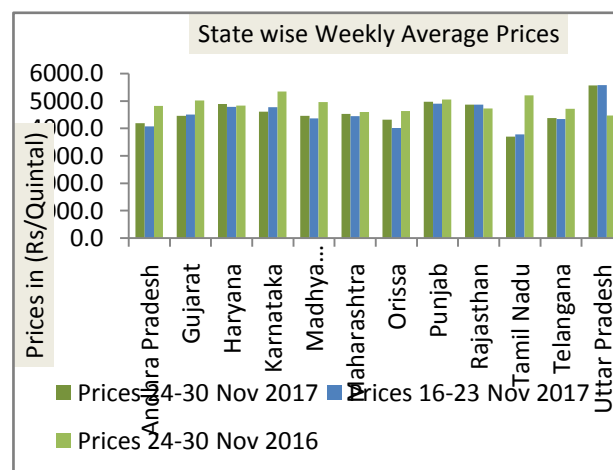


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 82.45cents/pound, Indian weekly average price stood at 73.86 cents/pound, making Indian fiber more competitive in international market.

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.





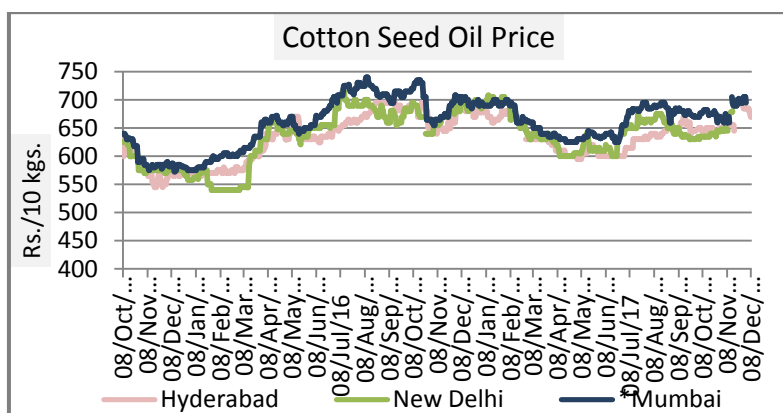
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	13-Dec-17	06-Dec-17	
New Delhi	675	680	-0.74
Rajkot	675	675	0.00
Hyderabad	675	675	0.00
Mumbai*	692	705	-1.84

*Vat Included

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi is Rs 675 per 10 Kg, lower compared to the weekly average price of Rs 680 per 10 Kg in previous week.

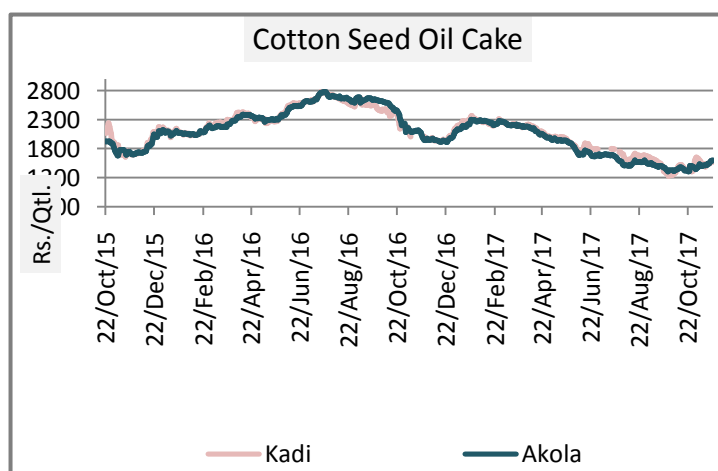


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola is Rs 1665 per quintal, higher compared to the weekly average price of Rs 1635 per quintal in the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	13-Dec-17	06-Dec-17	
Kadi	1665	1635	1.83
Akola	1654	1619	2.16

*Source: NCDEX



- 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	990-1360

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
1000	1020	1050	1360
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).

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.

According to the Brazilian Institute of Geography and Statistics (IBGE), the industrial production of spinning in September 2017 dropped 1.23 per cent compared to the previous month, but increased 2.82 per cent compared to September 2016. For the clothes and accessories sector, production increased 0.85 per cent from August to September, and production increased 4.29 percent compared to September last year.

China's cotton stocks are forecast to decrease another 16 per cent to 8.9 million tonnes, which would account for 48 per cent of world stocks in 2017-18. Ending stocks held outside China are expected to increase by 22 per cent to 9.6 million tonnes in 2017-18.

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.

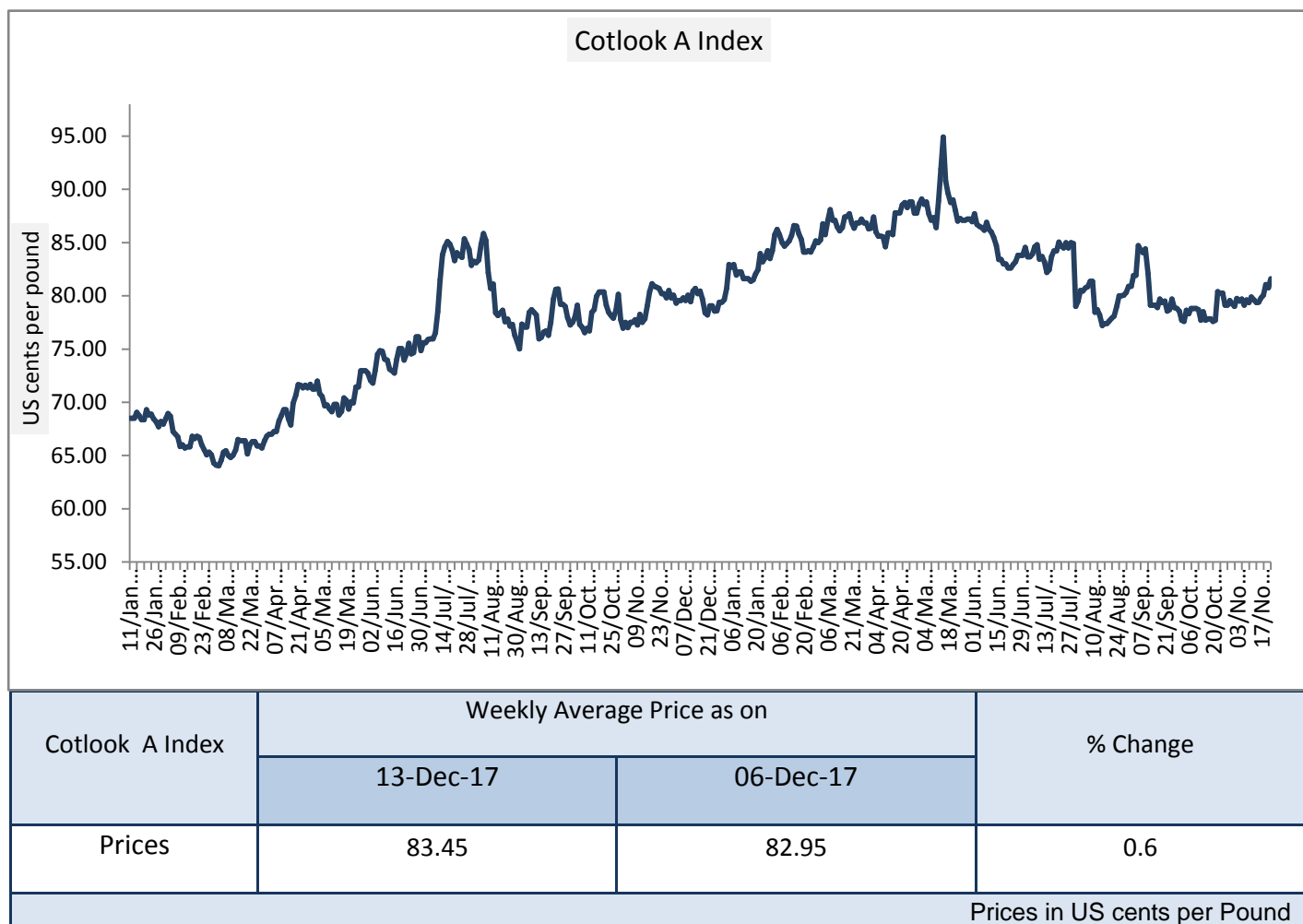
According to the Cotton Board of Zambia, it is likely to produce 117,000 tonnes of cotton this year compared to 116,000 tonnes in the previous year. Though the number of farmers cultivating cotton declined by over 20,000 from 277,560, production increased amid favourable weather in the growing regions.

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.



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.

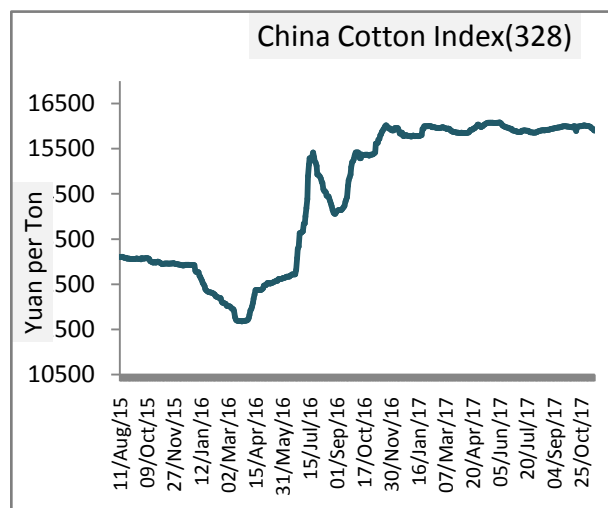
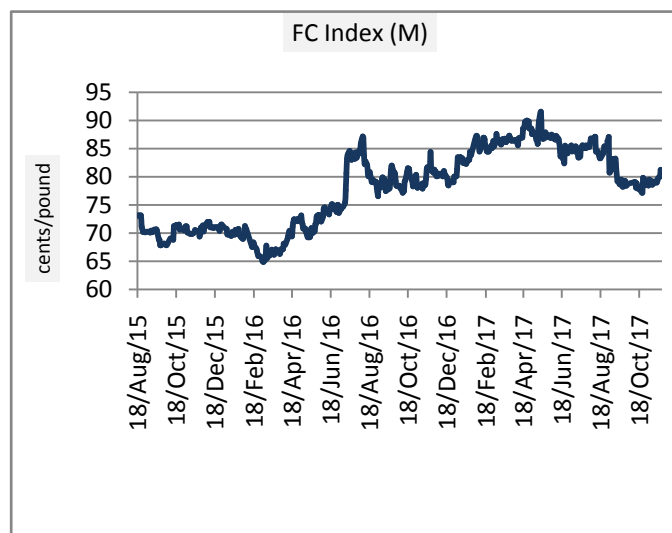
In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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



Cotton Index	Weekly Average Price as on		% Change
	13-Dec-17	06-Dec-17	
FC (S)	86.96	86.40	0.65
FC (M)	83.92	83.67	0.30
FC (L)	82.19	81.97	0.27
Prices in US cents per Pound			

China Index remained pale during the week. CC Index (328) remained 15816 Yuan per ton during the week. Average was 15843 Yuan per ton during previous week.

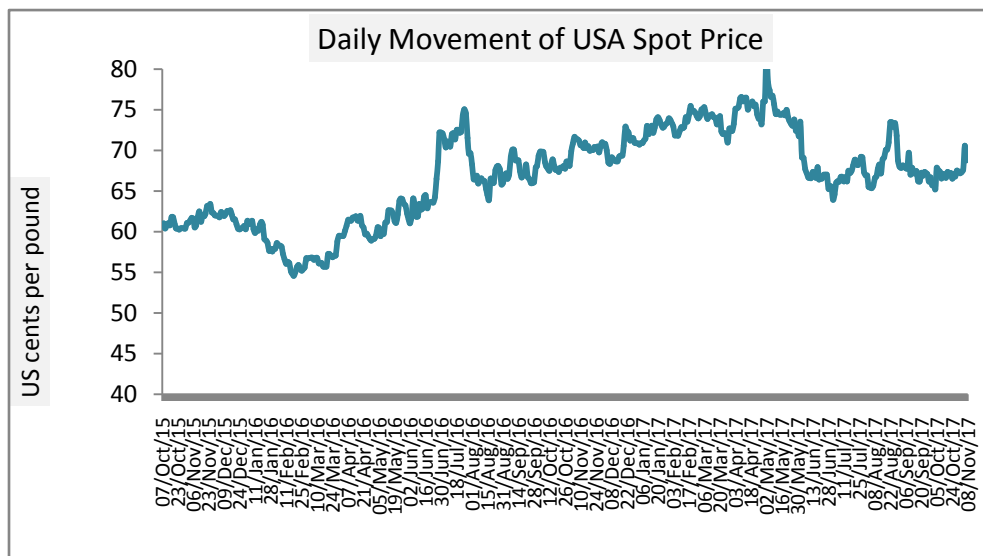
Cotton Index	Weekly Average Price as on		% Change
	13-Dec-17	06-Dec-17	
CCIndex(328)	15816	15843	-0.17
CCIndex(527)	14751	14813	-0.42
CCIndex(229)	16328	16355	-0.17
Prices in Yuan per ton			





USA Spot Prices

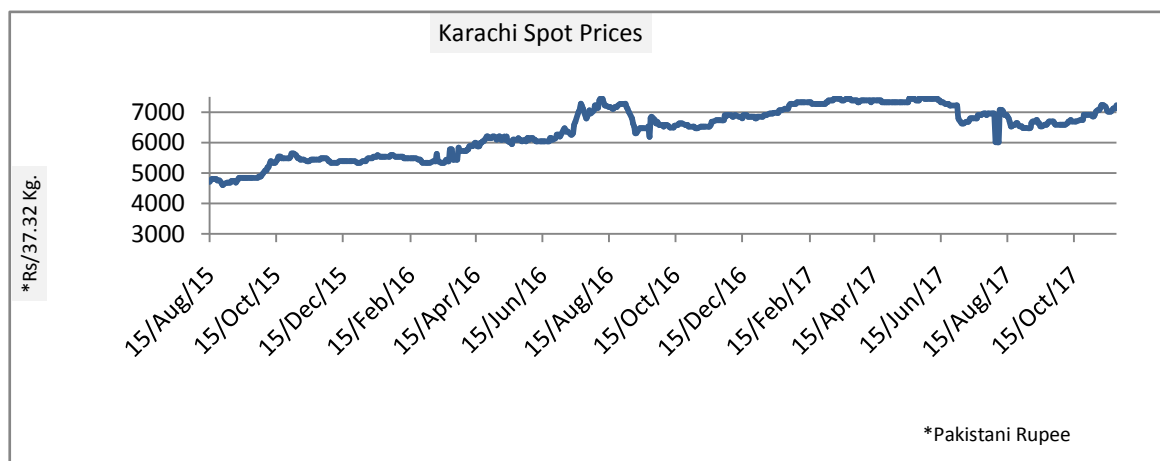
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	13-Dec-17	06-Dec-17	
Prices	73.72	73.72	1.91
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



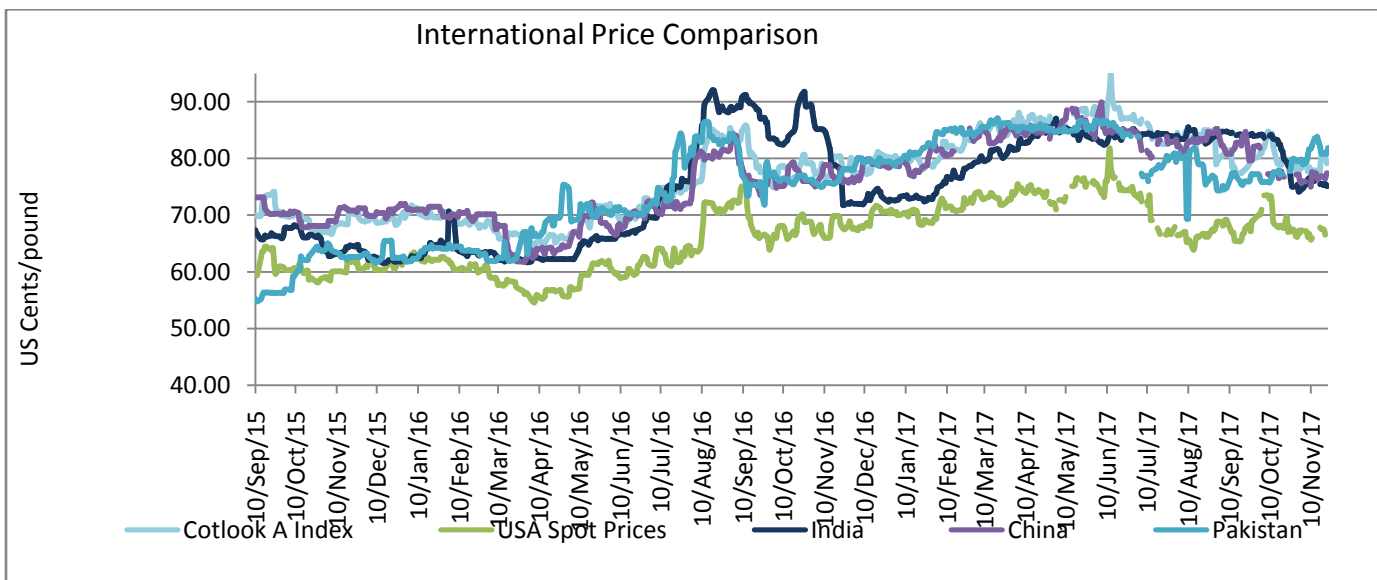
up to October 31, 2017 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals



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
	13-Dec-17	06-Dec-17	
Prices	6745	7103	-5.04
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	65.00-80.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
72.50	70.00	82.00	85.00
Figures in US cents/pound			

Cotton Future Prices at ICE

Contracts	13-Dec	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Mar-18	74.13	75.17	68.93	69.92	-1.38	7.54	6.02
May-18	74.55	72.72	69.91		2.43	6.64	
Jul-18	74.87	73.39	70.42		2.04	6.32	
Oct-18	73.16	73.8	69.42		-0.87	5.39	
Dec-18	72.30	72.4	69.37		-0.14	4.22	
Mar-19	72.13	71.88			0.35		



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	08th December to 14th December 2017	30th November to 07th December 2017	
Gujarat	Ahmedabad	Shankar-6	4980	4817	163
	Gondal	Shankar-6	5000	4788	213
	Rajkot	B.T. Cotton	5018	4824	194
	Patan	B.T. Cotton	4974	4827	147
	Kadi	B.T. Cotton	5010	4925	85
	Deesa	B.T. Cotton	4525	NA	-
	Dhrol	B.T. Cotton	4897	4772	125
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4958	4898	61
	Bhiwani	Desi	5758	5733	25
	Adampur	B.T. Cotton	4787	4740	47
	Fatehabad	B.T. Cotton	4836	4777	59
	Jind	B.T. Cotton	4873	4953	-80
	Uchana	B.T. Cotton	4788	4784	5
	Dabwali	B.T. Cotton	4654	4637	17
Rajasthan	Hanumangarh	B.T. Cotton	4862	4804	58
	Rawatsar	B.T. Cotton	4715	4678	38
Madhya Pradesh	Khandwa	Mech-1	4846	4690	156
	Khargaon	Mech-1	4999	4797	202
Maharashtra	Amravati	Mech-1	4625	4600	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5842	5867	-25
	Hathras	Desi	4538	4575	-38
Telangana	Adilabad	Un-Ginned	4674	4555	119
Andhra Pradesh	Guntur	Un-Ginned	NA	3850	-
	Kurnool	Un-Ginned	5008	4813	196
	Krishna	Un-Ginned	4320	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5345	5098	247
	Hubli	D.C.H.	5378	5207	171
	Hubli	B.T. Cotton	7036	6993	43



	Raichur	H-44 Cotton	5026	4874	152
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	08th December to 14th December 2017	30th November to 07th December 2017	
Punjab	Bhatinda	J-34	4009	3968	41
	Abohar	J-34	4010	3967	43
	Mansa	J-34	3979	3934	45
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3985	3941	44
Rajasthan	Sri-Ganganagar	J-34	3758	3705	52

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	14-Dec-17	7-Nov-17	14-Nov-17	14-Dec-16
Gujarat	Ahmedabad	Shankar-6	5050	4850	4750	5250
	Gondal	Shankar-6	5040	4630	4625	5230
	Rajkot	B.T. Cotton	5060	4700	4700	5260
	Patan	B.T. Cotton	NR	4600	4650	5220
	Kadi	B.T. Cotton	Closed	4750	4800	5300
	Deesa	B.T. Cotton	NA	NA	NA	4775
	Dhrol	B.T. Cotton	NR	4600	4565	5175
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5025	4825	4800	5280
	Bhiwani	Desi	5800	4825	5000	4150
	Adampur	B.T. Cotton	4870	4700	4660	5165
	Fatehabad	B.T. Cotton	4910	4770	4740	5190
	Jind	B.T. Cotton	4850	4920	4820	5365
	Uchana	B.T. Cotton	4865	4811	4774	5250
	Dabwali	B.T. Cotton	NR	4575	4570	5105
Rajasthan	Hanumangarh	B.T. Cotton	4970	4750	4800	5300
	Rawatsar	B.T. Cotton	4825	4625	4700	5070
Madhya Pradesh	Khandwa	Mech-1	4880	4600	4600	5200
	Khargaon	Mech-1	5020	4705	4700	5115



Maharashtra	Amravati	Mech-1	NR	4450	4500	5050
	Jamner	Medium Staple	NA	NA	NA	4835
Uttar Pradesh	Hathras	B.T. Cotton	5800	NR	NR	3850
	Hathras	Desi	4650	NR	NR	4900
Telangana	Adilabad	Un-Ginned	NA	3050	4470	4960
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	3800	4100
	Kurnool	Un-Ginned	NA	NA	NA	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	4320	4320	4320	4160
Karnataka	Bijapur	Bunny	5409	4789	4809	5221
	Hubli	D.C.H.	NA	4873	4881	5519
	Hubli	B.T. Cotton	NA	NA	NA	6630
	Raichur	H-44 Cotton	NA	4311	4370	5170
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	14-Dec-17	7-Nov-17	14-Nov-17	14-Dec-16
Punjab	Bhatinda	J-34	4040	3865	3885	4150
	Abohar	J-34	4040	3865	3895	4150
	Mansa	J-34	4000	3855	3860	4150
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4020	3850	3870	4060
Rajasthan	Sri-Ganganagar	J-34	3760	3572	3610	3821

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	08th December to 14th December 2017	30th November to 07th December 2017	
Gujarat	Ahmedabad	Shankar-6	292400	340000	-47600
	Gondal	Shankar-6	13239	9645	3594
	Rajkot	B.T. Cotton	25450	22120	3330
	Patan	B.T. Cotton	117286	76310	40976
	Kadi	B.T. Cotton	255000	310000	-55000
	Deesa	B.T. Cotton	130	NA	-
	Dhrol	B.T. Cotton	1310	733	577
Punjab	Fazilika	B.T. Cotton	NA	NA	-



	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	18500	15500	3000
	Bhiwani	Desi	85	85	Unch
	Adampur	B.T. Cotton	40055	49999	-9944
	Fatehabad	B.T. Cotton	7600	8800	-1200
	Jind	B.T. Cotton	5170	4505	665
	Uchana	B.T. Cotton	22450	22010	440
	Dabwali	B.T. Cotton	3375	7075	-3700
Rajasthan	Hanumangarh	B.T. Cotton	15520	22500	-6980
	Rawatsar	B.T. Cotton	12100	28000	-15900
Madhya Pradesh	Khandwa	Mech-1	4940	2600	2340
	Khargaon	Mech-1	32390	26930	5460
Maharashtra	Amravati	Mech-1	43000	53000	-10000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	195	12	183
	Hathras	Desi	39	66	-27
Telangana	Adilabad	Un-Ginned	44402	94692	-50290
Andhra Pradesh	Guntur	Un-Ginned	NA	2825	-
	Kurnool	Un-Ginned	694	299	395
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	12750	18348	-5598
	Hubli	D.C.H.	820	292	528
	Hubli	B.T. Cotton	572	762	-190
	Raichur	H-44 Cotton	7939	9319	-1380
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	08th December to 14th December 2017	30th November to 07th December 2017	
Punjab	Bhatinda	J-34	46750	51850	-5100
	Abohar	J-34	6800	7480	-680
	Mansa	J-34	4080	5440	-1360
Haryana	Sirsa	J-34	15470	16150	-680
Rajasthan	Sri-Ganganagar	J-34	25100	21100	4000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices	+/- Change
------------	--------	------------	------------------	-----------------------	---------------



				07th December to 13th December 2017	30th November to 06th December 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40650	40650	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41350	41350	Unch
J-34(202)	26mm	3.5 - 4.9	23	37483	36950	533
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	36800	36750	50
Shankar-6(105)	29mm	3.5 – 4.9	28	38500	37817	683
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39417	39067	350
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42033	41417	617
DCH-32(107)	34mm	3.0 - 3.8	33	52850	51100	1750

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2017 Indian Agribusiness Systems Pvt Ltd.