



Current Market Outlook

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

Average price of Lint at Sirsa during the week was Rs. 4247 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4250. Cotton fiber (Shankar-6) prices noticed firm this week. Average price was Rs 41000 per candy (of 355.6 kg each) during the week, which was Rs 39220 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed lower this week at Rs. 977 per maund (of 20 kg each) which was Rs 1000.9 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. 4900-5200 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 3800-4500 per maund. Kapas prices at NCDEX (Continuous contract), is expected to hover in the range of Rs.900-1010 per maund (of 20 kg each).

Major Market Highlights Maharashtra state government will seek financial assistance of Rs 2,430 crores from central government under the National Disaster Response Fund (NDRF) to compensate farmers who are hit by the pest attack cotton and paddy crops and loss of horticulture due to Ockhi Cyclone. Experts estimate the losses to be more than Rs 15,000 crore across the state, with the majority of losses being incurred in Marathwada and Vidarbha regions.

An unexpected rise in the domestic prices coupled with strong rupee poses a major threat to Indian exports, with deals worth at least 500,000 bales under threat of being cancelled over the next couple of months. According to section of traders, renegotiation of pricing is underway for deals of around 1 mln bales and half of it may get cancelled unless settled mutually. On MCX of India, cotton prices have risen over 12 % in the last six-seven weeks, bringing exports to virtual halt this month.

Major importers of cotton Indian cotton are Bangladesh, Vietnam, China and Turkey. Of the 2.2 mln bales of export deals signed so far, Pakistan accounts for around 400,000 bales and it will be shipped to the neighboring country upon opening permits from this week.

The projected balance sheet drawn by the Cotton Association of India(CAI) estimated total cotton supply for the season at 425 lakh bales of 170 kgs each, including the opening stock of 30 lakh bales at the beginning of the season and the imports which the CAI estimates at 20 lakh bales for 2017-18 crop year. The domestic consumption is estimated to be 320 lakh bales while CAI estimates exports for the season to be 55 lakh bales.



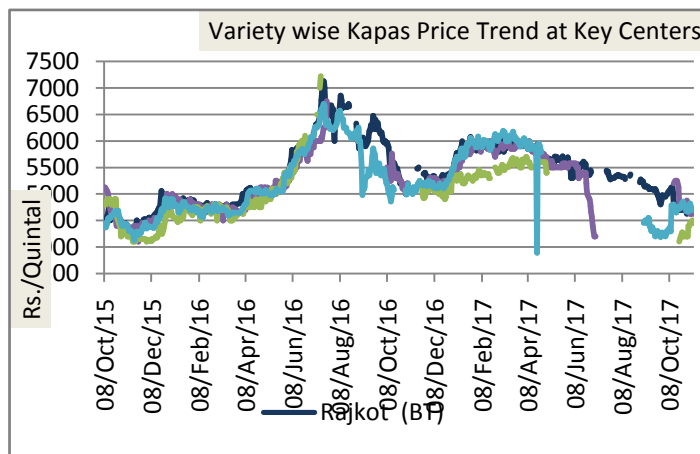
Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5359 /quintal to Rs 5060/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

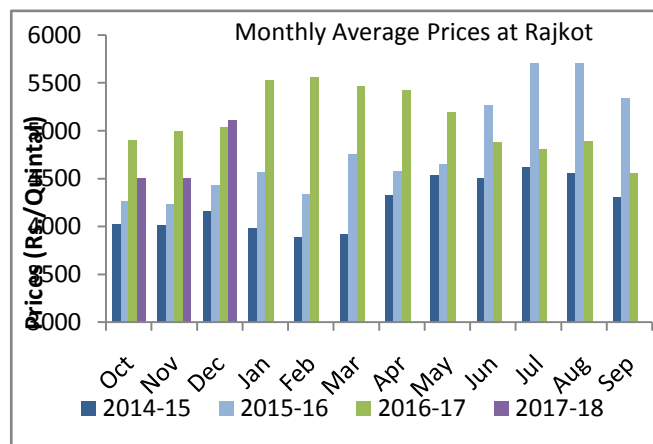
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4800-5200per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

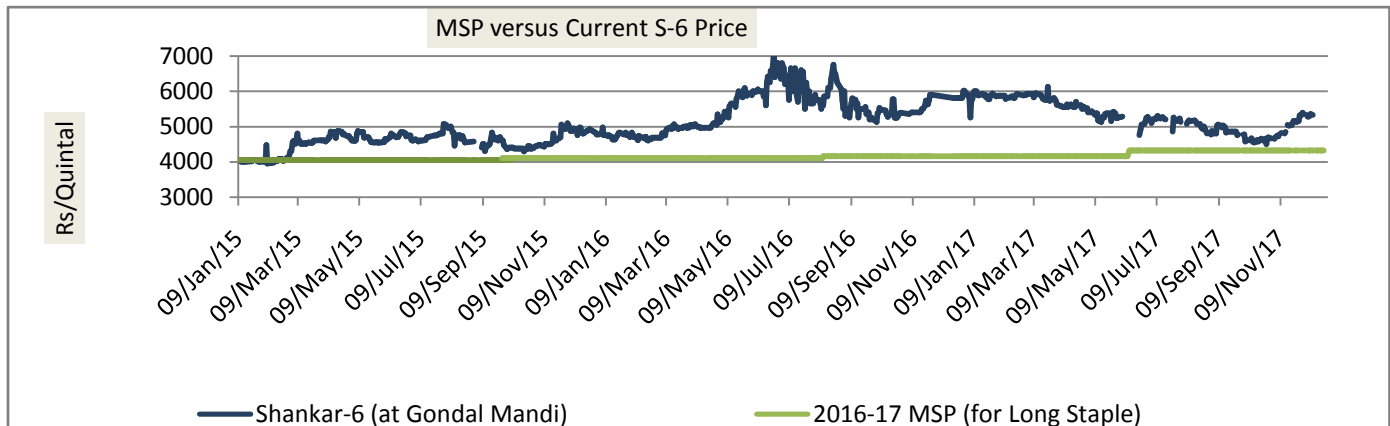
Kapas(seed cotton) prices in country noticed firm tone during the November month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

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.



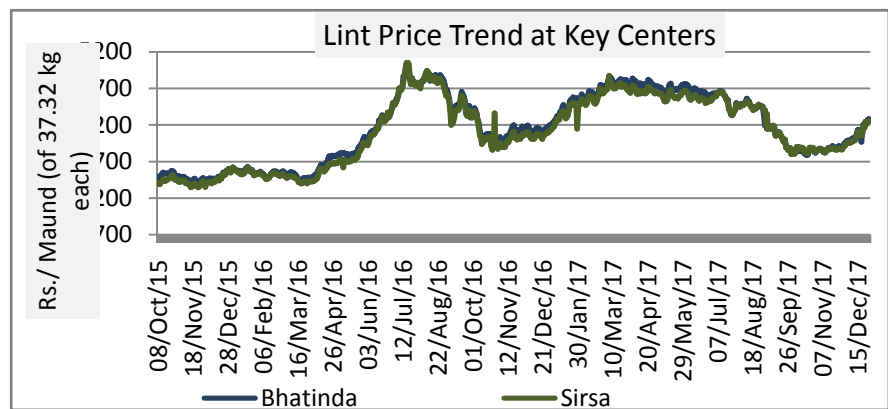
Spot Price versus MSP

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.05 this week compared to Rs.20 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. 4247-4250 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4250 per maund.

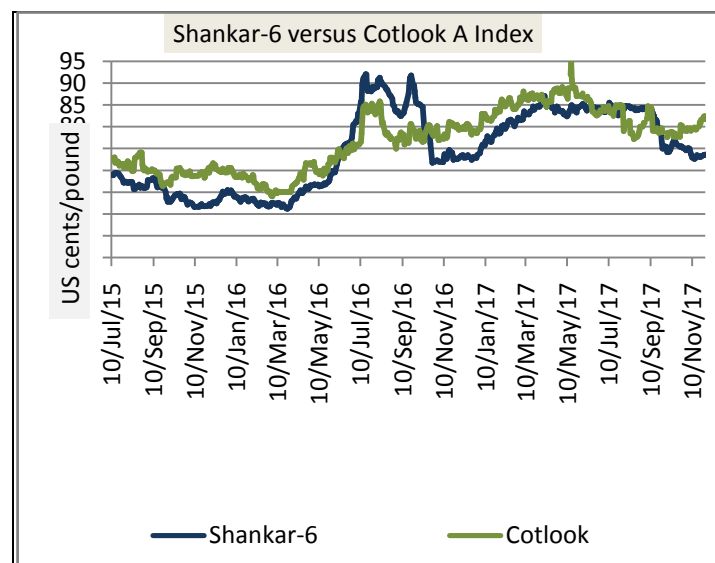
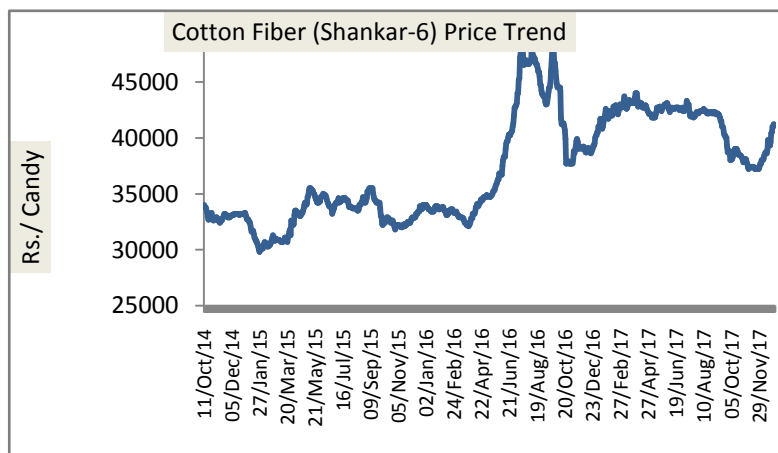


Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.

Cotton Fiber Weekly Price Scenario

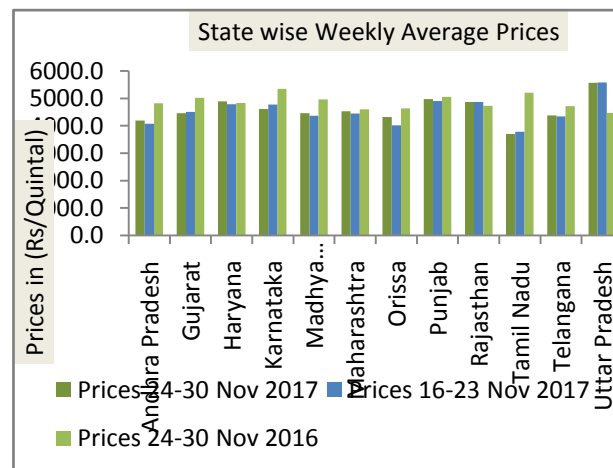
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 89.09 cents/pound, Indian weekly average price stood at 82.45 cents/pound, making Indian fiber more competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs. 38000-42000 per candy.



State wise Weekly Price Scenario

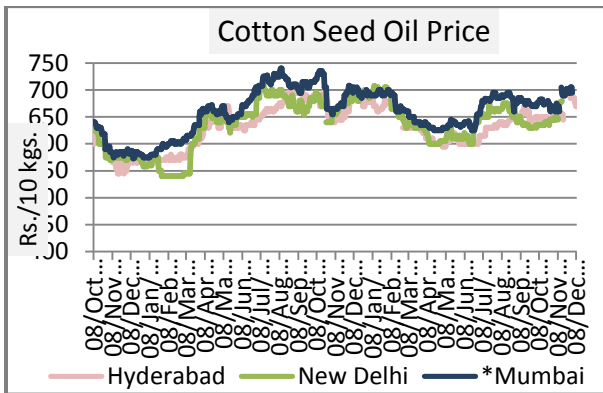
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this week and lowest was in Tamil Nadu followed by Andhra Pradesh



Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm during the week. Weekly average price in New Delhi is Rs 680 per 10 Kg, lower compared to the weekly average price of Rs 665 per 10 Kg in previous week.



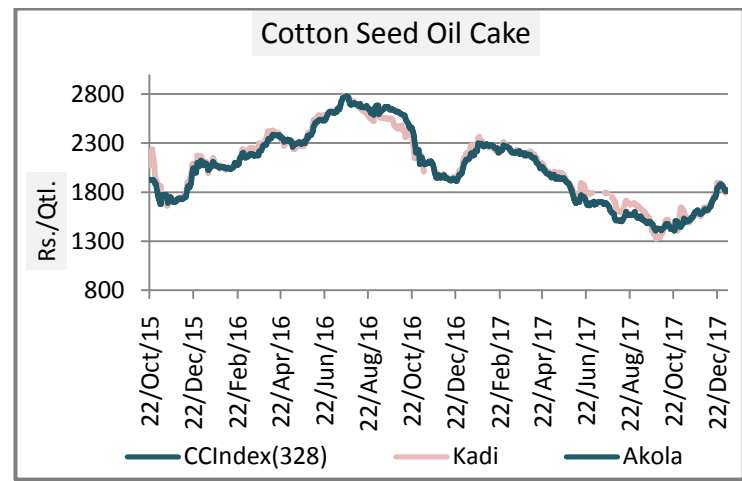
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	04-Jan -18	28-Dec-17	
New Delhi	680	665	2.26
Rajkot	675	675	0.00
Hyderabad	NA	NA	-
Mumbai*	695	695	0.00

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 1821 per quintal, higher compared to the weekly average price of Rs 1786 per quintal in the previous week.

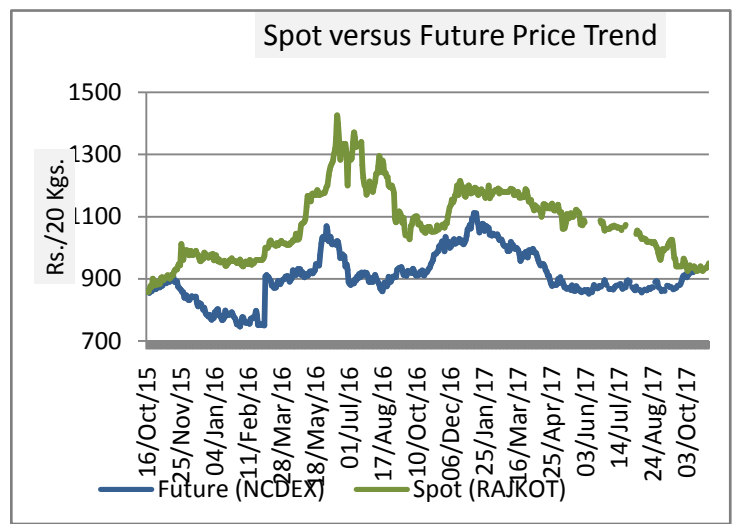
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	04-Jan-18	28-Dec-17	
Kadi	1823	1791	1.79
Akola	1821	1786	1.96

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (Continuous chart) closed at Rs 976.5 as on 08 January 2018, compared to 1011 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.14.00 which was Rs 13.80 a week earlier.





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



Weekly Technical Outlook:

- Cup and Handle pattern may be under formation on the kapas weekly chart. This is a bullish continuation pattern that marks a consolidation period followed by a breakout.
- Prices are currently in the consolidation phase after the formation of "cup". The cup & handle pattern will be confirmed by an upside breach of 1040 level on the weekly chart after another two or three weeks of consolidation.
- In case the pattern is confirmed, the prices may go all the way up to 1200
- Kapas prices and volume decreased while O.I increased.
- RSI is hovering in a neutral zone.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	990-1100

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
960	950	1160	1200

Figures in Rs/20 Kg



International Market Scenario

International cotton prices remained to firm during the week. Cotlook A index weekly average stood at 89.60 cents/pound this week, which was 87.63 cents/pound during last week.

Major Market Highlights: International cotton prices have continued to move upward over the last few months as the season has underway. From the season low of 77 cents per pound at start of season, prices are at a season high at the end of this calendar year up to 88 cents per pound. The current season average of 80 cents per pound is lower than the 2016-17 average of 83 cents per pound.

Cotton yarn export at 85.5 million kg worth US\$255 million (INR 1630 Crore) was up 12 per cent in November as 75 countries imported yarn at an average unit price realization of US \$2.98 kg, US cents 6 less than previous month and US cents 8 higher than last year.

China reduced its import of cotton yarn from India by 4 per cent in value, but still accounted for 40 per cent of total shipment during November followed by Bangladesh and Egypt. 10 countries did not import cotton yarn from India as they did last year, that were replaced by 12 countries which imported yarn worth US\$ 12 million, Singapore, Honduras, Lithuania, Argentina and Jordan were among the fastest growing large markets for cotton yarn.

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).

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.

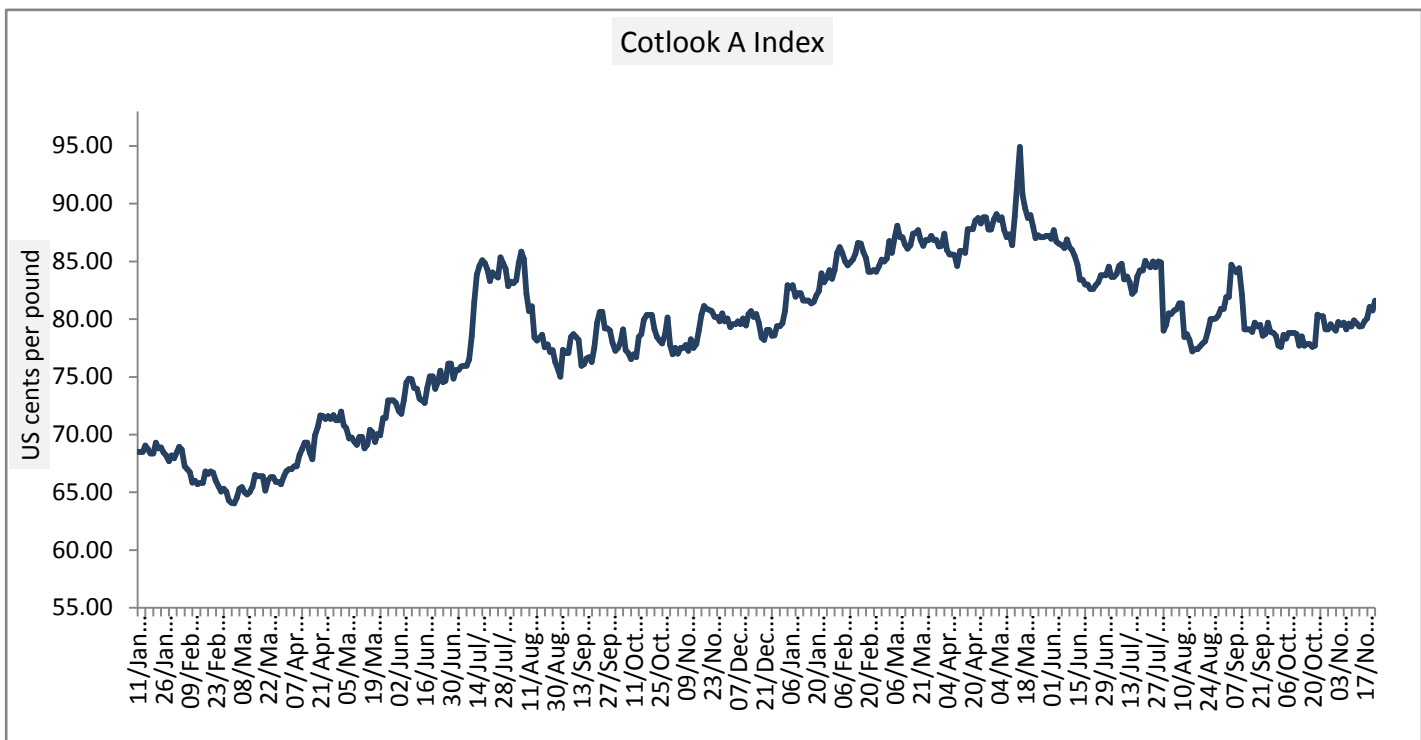


On the other hand, world' cotton consumption is expected to increase by 2.7% from 24.56 MMT in 2016-17 to 25.22 MMT in 2017-18. Wherein, China, the world's largest cotton consumer, is expected to consume 8.1 MMT of cotton during 2017-18 which is 1.5% higher than its cotton consumption last year.

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.

Cotlook A Index

Cotlook A index remained firm during the week.



Cotlook A Index	Weekly Average Price as on		% Change
	04-Jan-18	28-Dec-17	
Prices	88.8	89.6	-0.9
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.

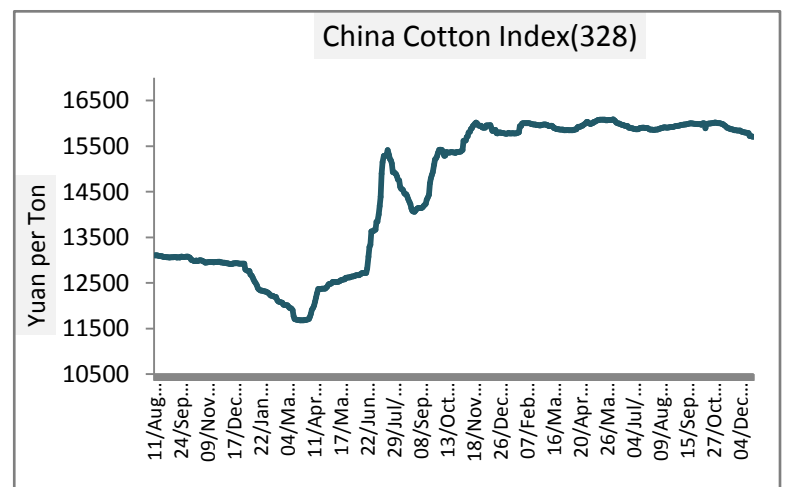
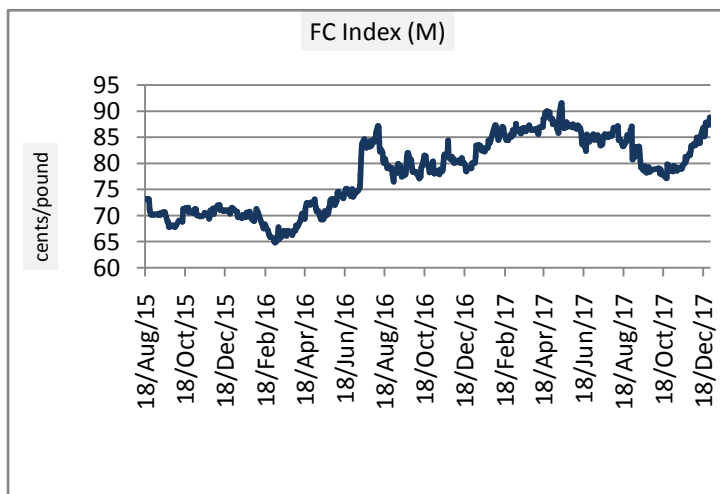


In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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

Cotton Index	Weekly Average Price as on		% Change
	04-Jan-18	28-Dec-17	
FC (S)	91.74	92.47	-0.79
FC (M)	88.09	88.78	-0.78
FC (L)	86.50	86.84	-0.39
Prices in US cents per Pound			

China Index remained week during the week. CC Index (328) remained 15680 Yuan per ton during the week. Average was 15705 Yuan per ton during previous week.

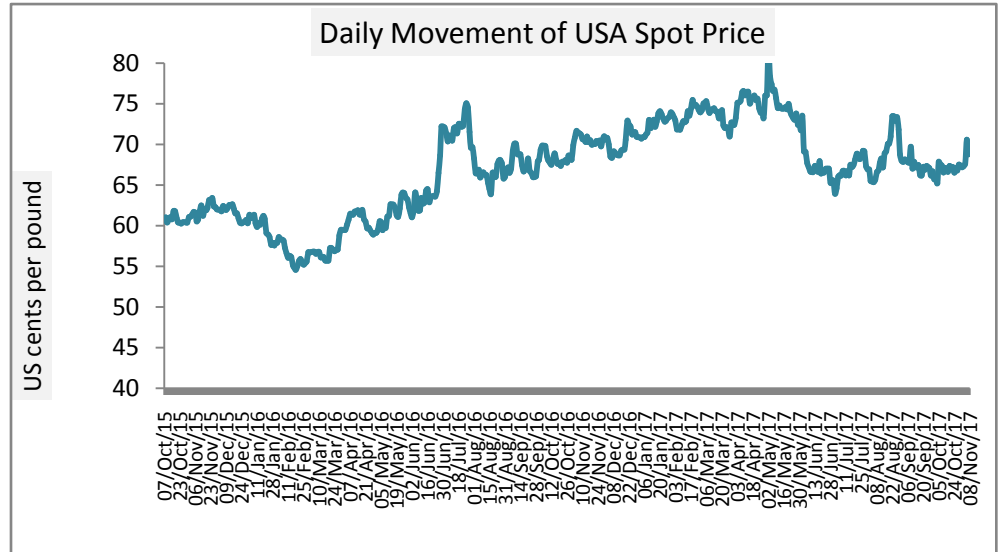
Cotton Index	Weekly Average Price as on		% Change
	04-Jan-18	28-Dec-17	
CCIndex(328)	15680	15705	-0.16
CCIndex(527)	14651	14683	-0.22
CCIndex(229)	16201	16235	-0.21
Prices in Yuan per ton			





USA Spot Prices

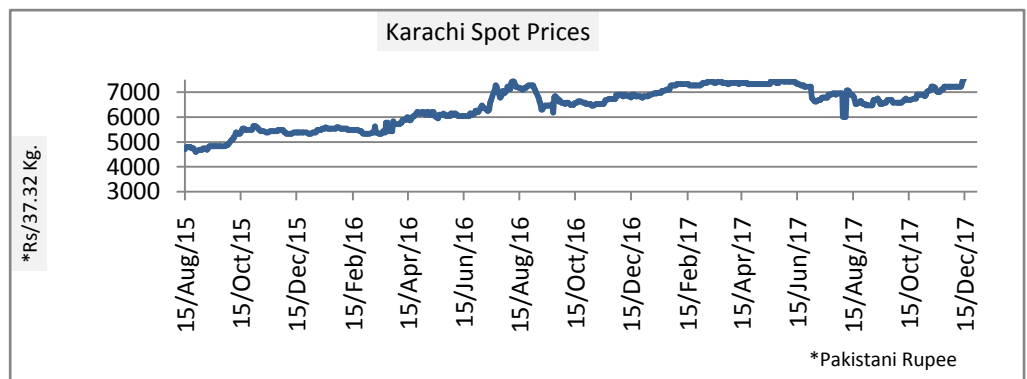
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	04-Jan-18	28-Dec-17	
Prices	78.86	78.94	-0.10
Prices in US cents per Pound			

Pakistan Spot Price

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

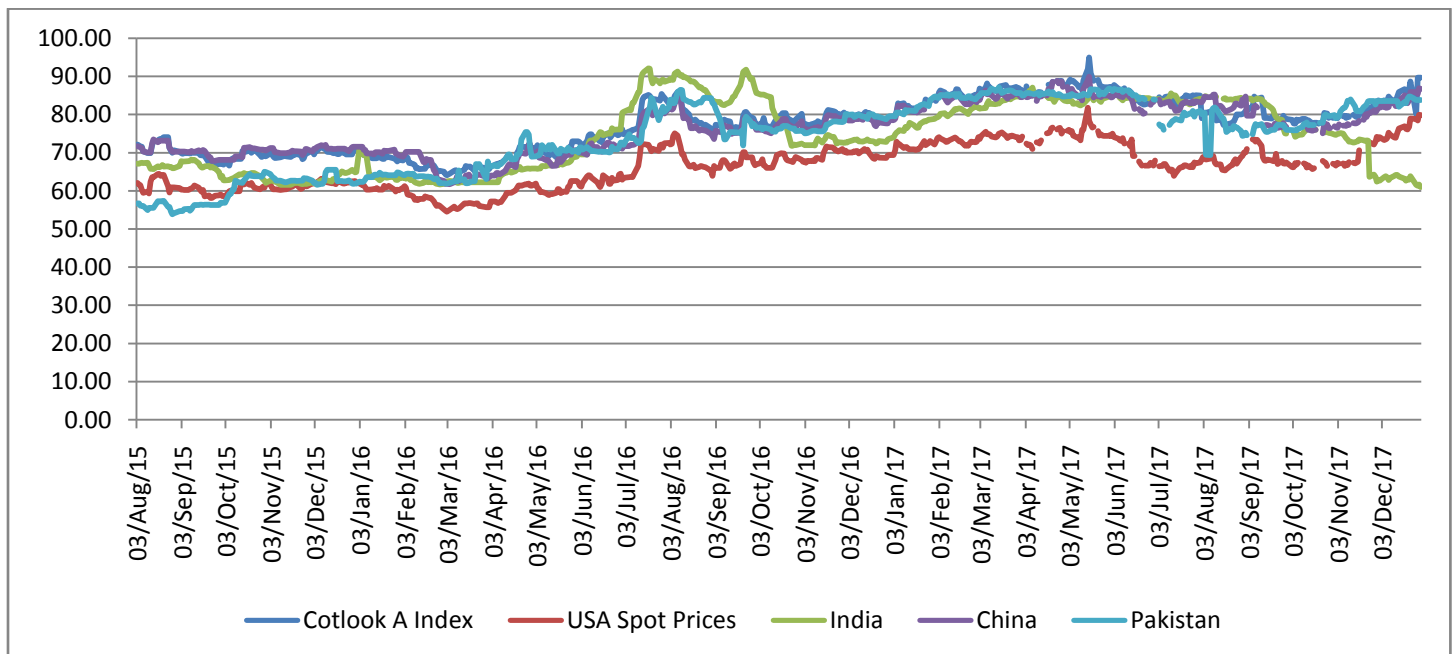


Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.



Karachi Spot Prices	Weekly Average Price as on		% Change
	04-Jan-18	28-Dec-17	
Prices	7800	7145	9.17
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	70.00-80.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
76.50	75.00	81.00	82.00

Figures in US cents/pound

Cotton Future Prices at ICE

ICE Futures Cotton							
Contracts	Jan 04	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
18-Mar	77.50	75.03	68.97	69.47	3.29	12.37	11.56
18-May	77.77	75.33	70.03		3.25	11.05	
18-Jul	78.14	75.85	70.73		3.04	10.48	
18-Oct	74.77	73.68	69.98		1.44	6.84	
18-Dec	74.13	72.61	69.83		2.06	6.16	
19-Mar	74.22	72.43			2.47		

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	29th December to 04th January 2018	22nd December to 28th December 2017	
Gujarat	Ahmedabad	Shankar-6	5370	5338	33
	Gondal	Shankar-6	5301	5348	-47



	Rajkot	B.T. Cotton	5362	5374	-12
	Patan	B.T. Cotton	5313	5338	-25
	Kadi	B.T. Cotton	5460	5440	20
	Deesa	B.T. Cotton	5097	5088	8
	Dhrol	B.T. Cotton	5285	5292	-7
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5575	5495	80
	Bhiwani	Desi	6320	6160	160
	Adampur	B.T. Cotton	5362	5308	54
	Fatehabad	B.T. Cotton	5403	5376	27
	Jind	B.T. Cotton	4624	5542	-918
	Uchana	B.T. Cotton	5519	5352	168
	Dabwali	B.T. Cotton	5254	5228	27
Rajasthan	Hanumangarh	B.T. Cotton	5425	5374	51
	Rawatsar	B.T. Cotton	5308	5334	-26
Madhya Pradesh	Khandwa	Mech-1	5150	5400	-250
	Khargaon	Mech-1	5390	5354	36
Maharashtra	Amravati	Mech-1	5038	5113	-75
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5600	5540	60
	Hathras	Desi	4500	4460	40
Telangana	Adilabad	Un-Ginned	4940	5060	-120
Andhra Pradesh	Guntur	Un-Ginned	NA	4100	-
	Kurnool	Un-Ginned	5361	5500	-138
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4298	4320	-23
Karnataka	Bijapur	Bunny	5816	5859	-43
	Hubli	D.C.H.	5551	5355	196
	Hubli	B.T. Cotton	7151	7166	-15
	Raichur	H-44 Cotton	5400	5415	-15
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	29th December to 04th January 2018	22nd December to 28th December 2017	
Punjab	Bhatinda	J-34	4260	4224	36
	Abohar	J-34	4267	4231	36
	Mansa	J-34	4223	4195	28



	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4238	4208	30
Rajasthan	Sri-Ganganagar	J-34	3991	3917	74

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	4-Jan-18	28-Dec-17	4-Dec-17	4-Jan-17
Gujarat	Ahmedabad	Shankar-6	5350	NR	4850	5500
	Gondal	Shankar-6	5300	5370	4800	5500
	Rajkot	B.T. Cotton	5350	5350	4890	5650
	Patan	B.T. Cotton	5350	5365	4875	5560
	Kadi	B.T. Cotton	5500	5500	5000	5550
	Deesa	B.T. Cotton	5060	5140	4390	4950
	Dhrol	B.T. Cotton	NR	5315	4785	5505
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5500	5525	4950	5600
	Bhiwani	Desi	6300	6300	5800	4550
	Adampur	B.T. Cotton	5350	5340	4760	5650
	Fatehabad	B.T. Cotton	5385	5430	4800	5640
	Jind	B.T. Cotton	5500	5640	5000	5670
	Uchana	B.T. Cotton	NR	5476	4780	5620
	Dabwali	B.T. Cotton	5275	5365	4690	5545
Rajasthan	Hanumangarh	B.T. Cotton	5500	5500	4800	5640
	Rawatsar	B.T. Cotton	5320	5370	4625	5600
Madhya Pradesh	Khandwa	Mech-1	5300	NR	4750	5550
	Khargaon	Mech-1	NR	5500	NR	5595
Maharashtra	Amravati	Mech-1	5000	5100	4525	5300
	Jamner	Medium Staple	NA	NA	NA	5010
Uttar Pradesh	Hathras	B.T. Cotton	5600	5600	NR	4000
	Hathras	Desi	4500	4500	NR	4000
Telangana	Adilabad	Un-Ginned	4910	NA	4575	5320
Andhra Pradesh	Guntur	Un-Ginned	NA	4100	4000	4200
	Kurnool	Un-Ginned	NA	NA	NA	NR
	Krishna	Un-Ginned	NA	NA	4320	NR



	East Godavari	Un-Ginned	4320	4320	4320	4160
Karnataka	Bijapur	Bunny	NA	5781	5069	5623
	Hubli	D.C.H.	NA	5751	5207	5607
	Hubli	B.T. Cotton	NA	6969	7091	6509
	Raichur	H-44 Cotton	NA	5350	4860	5575
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	4-Jan-18	28-Dec-17	4-Dec-17	4-Jan-17
Punjab	Bhatinda	J-34	4250	4270	3975	4265
	Abohar	J-34	4260	4270	3975	4270
	Mansa	J-34	4220	4225	3945	4260
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4230	4250	3950	4225
Rajasthan	Sri-Ganganagar	J-34	3995	3995	3713	3948

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	29th December to 04th January 2018	22nd December to 28th December 2017	
Gujarat	Ahmedabad	Shankar-6	309400	272000	37400
	Gondal	Shankar-6	10276	13022	-2746
	Rajkot	B.T. Cotton	26800	20300	6500
	Patan	B.T. Cotton	79686	102916	-23230
	Kadi	B.T. Cotton	220000	210000	10000
	Deesa	B.T. Cotton	1325	1825	-500
	Dhrol	B.T. Cotton	1413	1797	-384
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	6600	14000	-7400
	Bhiwani	Desi	55	40	15
	Adampur	B.T. Cotton	12000	15500	-3500
	Fatehabad	B.T. Cotton	2500	4200	-1700
	Jind	B.T. Cotton	2049	6035	-3987
	Uchana	B.T. Cotton	3380	13480	-10100
	Dabwali	B.T. Cotton	2525	3600	-1075



Rajasthan	Hanumangarh	B.T. Cotton	8500	16500	-8000
	Rawatsar	B.T. Cotton	5000	8000	-3000
Madhya Pradesh	Khandwa	Mech-1	3400	1500	1900
	Khargaon	Mech-1	13300	31470	-18170
Maharashtra	Amravati	Mech-1	41000	51000	-10000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	84	-
	Hathras	Desi	NA	18	-
Telangana	Adilabad	Un-Ginned	31433	15963	15470
Andhra Pradesh	Guntur	Un-Ginned	NA	100	-
	Kurnool	Un-Ginned	1403	816	587
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6730	7430	-700
	Hubli	D.C.H.	20	483	-463
	Hubli	B.T. Cotton	16	222	-206
	Raichur	H-44 Cotton	2520	6906	-4386
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	29th December to 04th January 2018	22nd December to 28th December 2017	
Punjab	Bhatinda	J-34	33150	35700	-2550
	Abohar	J-34	4250	6460	-2210
	Mansa	J-34	2040	2975	-935
Haryana	Sirsa	J-34	2210	3570	-1360
Rajasthan	Sri-Ganganagar	J-34	2500	1800	700



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				28th December to 03rd January 2018	21th December to 27th December 2017	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41667	42220	-553
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42450	42920	-470
J-34(202)	26mm	3.5 - 4.9	23	39850	39540	310
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	39333	39020	313
Shankar-6(105)	29mm	3.5 – 4.9	28	40850	40500	350
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42167	42060	107
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44083	44000	83
DCH-32(107)	34mm	3.0 - 3.8	33	56700	56600	100

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