



Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot markets mostly noticed mixed tone 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. 4900-5300 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. 900-1020 per maund (of 20 kg each).

Major Market Highlights Indian cotton traders have cancelled contracts to export some 400,000 bales of the fibre after a rally in domestic prices and the rising rupee made overseas sales unattractive, the president of the Cotton Association of India told Reuters.

The switch, triggering penalty payments by traders, has left cotton buyers in leading markets like Bangladesh, Vietnam and China seeking to make up shortfalls by tapping suppliers in the United States, Australia and Brazil, said association head Atul Ganatra.

The cancellations and higher local prices could cut India's exports to 5 million bales, each of 170 kg, in the 2017/18 marketing year started on Oct. 1 - nearly a quarter below an initial estimate. Prices surged more than 15 percent in the past six weeks after pest infestations squeezed supplies in the world's biggest producer of the fibre.

Indian traders have so far shipped 1.5 million bales of the 2.5 million bales contracted since Oct. 1, when the current year began, dealers said. Last year India exported 5.8 million bales of cotton.

Sources said that, lack of irrigation facilities in the region have acted as a blessing in disguise to curb the losses on account of bollworm attack. Certain botanical conditions created due to irrigation and use of fertilizers led to a higher bollworm attacks on irrigated fields as compared to dry land areas.

The harvest of cotton in Pakistan and northwest India is reported complete at this time. Mostly favorable conditions for the harvest of cotton elsewhere in India at this time.

Twelve lakh farmers have filed complaints with the Agriculture Department against 216 private seed companies for providing sub-standard cotton seeds. The farmers said that the seeds failed to counter the pink bollworm pest and led to drop in cotton production. They have sought compensation of Rs. 6,500 crore.



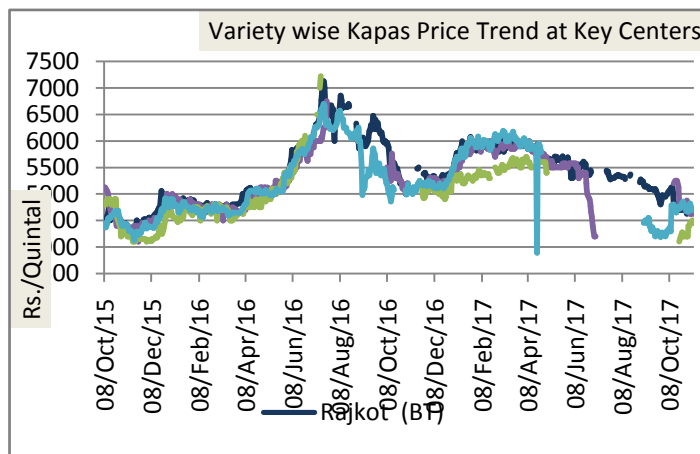
Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5325 /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

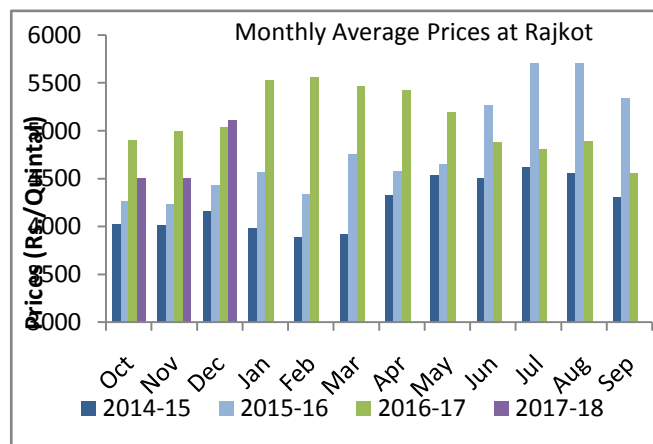
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4800-5400per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

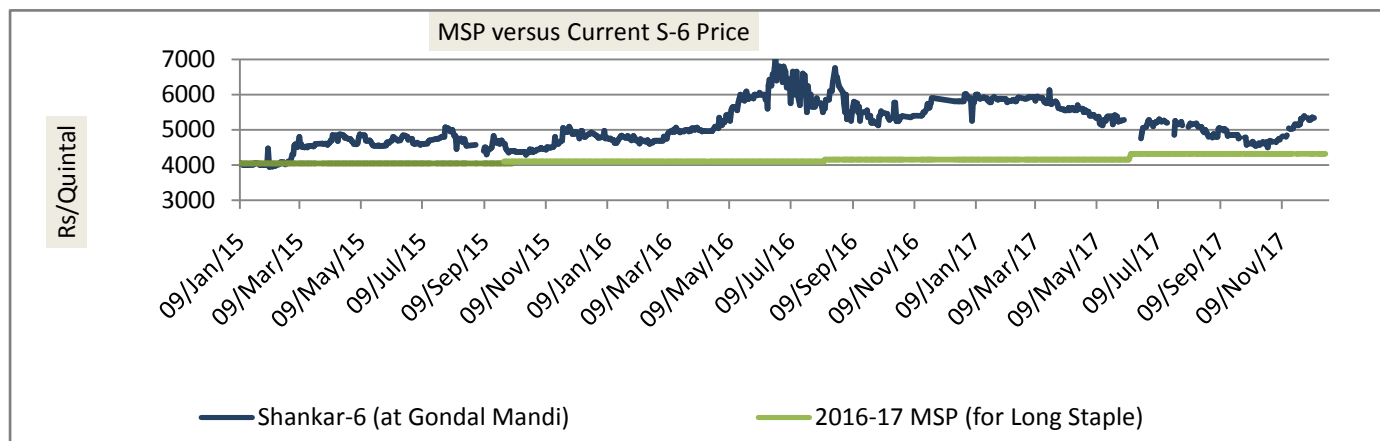
Kapas(seed cotton) prices in country noticed firm tone during the November month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

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.



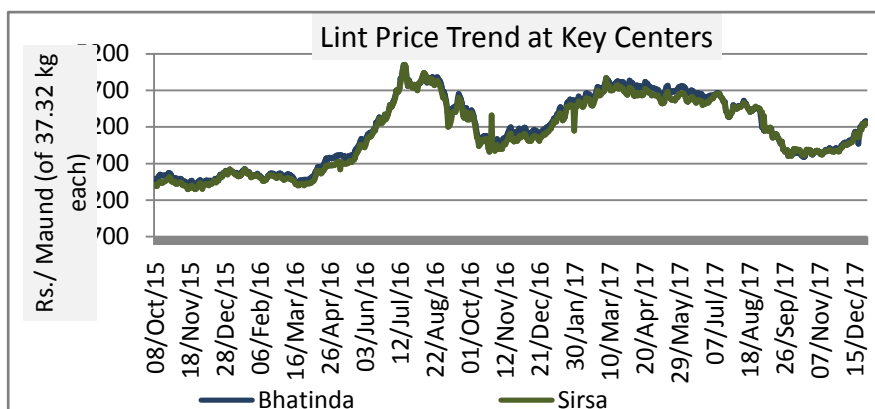
Spot Price versus MSP

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.10 this week compared to Rs.05 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. 4310 per maund of 37.32 kg each, higher compared to the previous week price of Rs 4247 per maund.

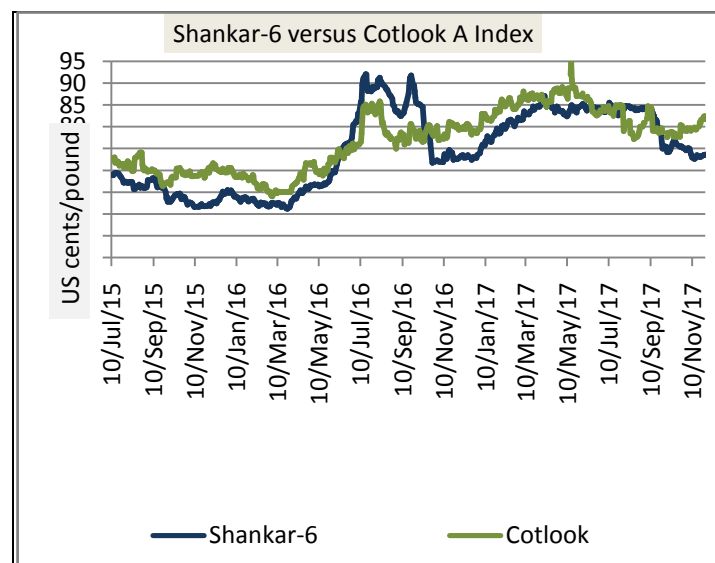
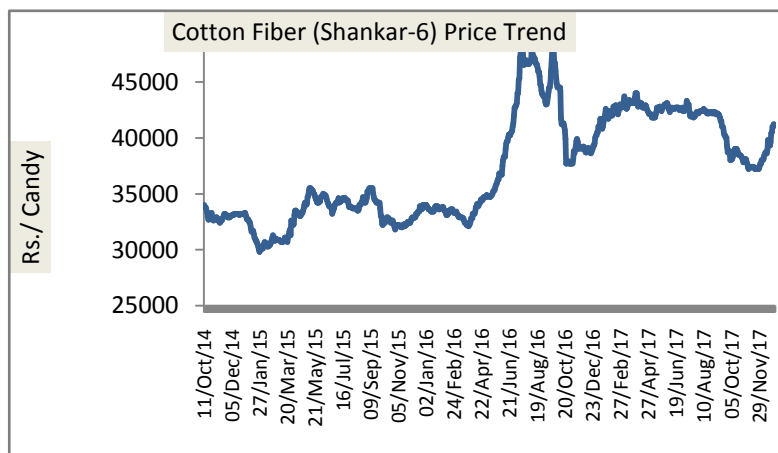


Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.

Cotton Fiber Weekly Price Scenario

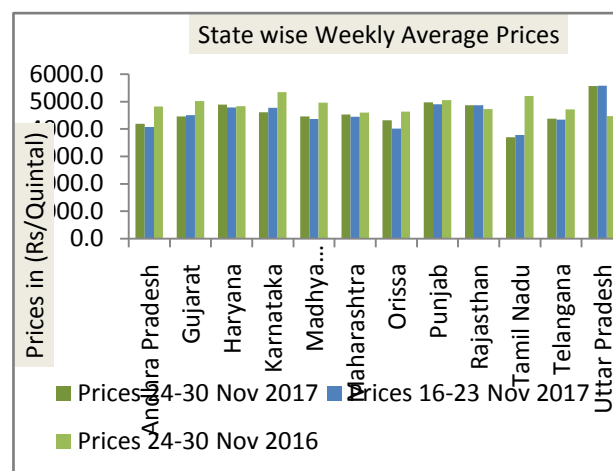
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 88.80 89.09 cents/pound, Indian weekly average price stood at 82.45 cents/pound, making Indian fiber more competitive in international market.

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

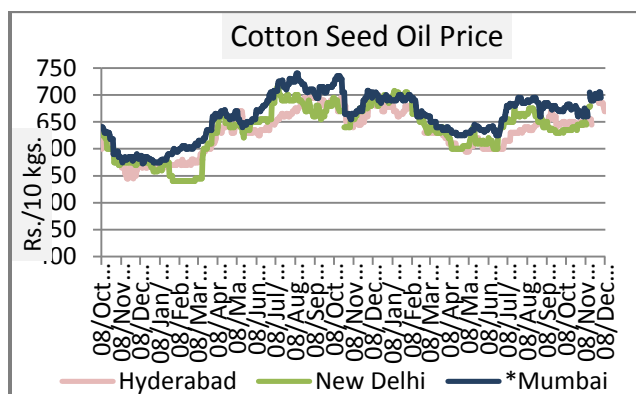
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this week and lowest was in Tamil Nadu followed by Andhra Pradesh



Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed steady during the week. Weekly average price in New Delhi is Rs 680 per 10 Kg, no change compared to the weekly average price of Rs 680 per 10 Kg in previous week.



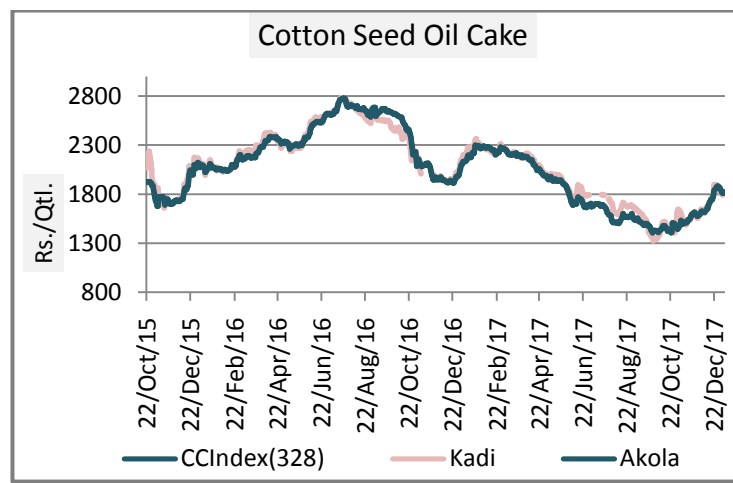
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	11-Jan -18	04-Jan -18	
New Delhi	680	680	0.00
Rajkot	674	675	-0.15
Hyderabad	0	0	0.00
Mumbai*	698	695	0.43

Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed weak tone during this week. Weekly average price in Akola is Rs per quintal, 1796 lower compared to the weekly average price of Rs 1821 per quintal in the previous week.

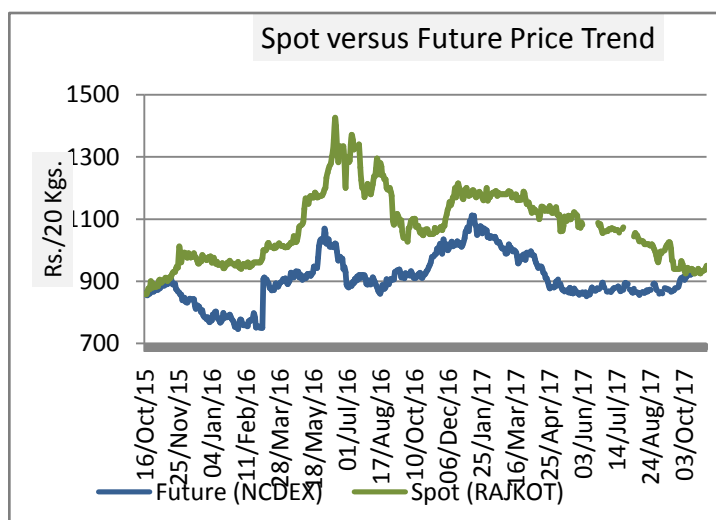
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	11-Jan-18	04-Jan-18	
Kadi	1773	1823	-2.74
Akola	1796	1821	-1.37

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (Continuous chart) closed at Rs 1022 as on 12 January 2018, compared to 976.5 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.15.00 which was Rs 14.00 a week earlier.





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



Weekly Technical Outlook:

- Kapas prices and volume decreased while O.I increased.
- 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 90.19 cents/pound this week, which was 89.60 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.

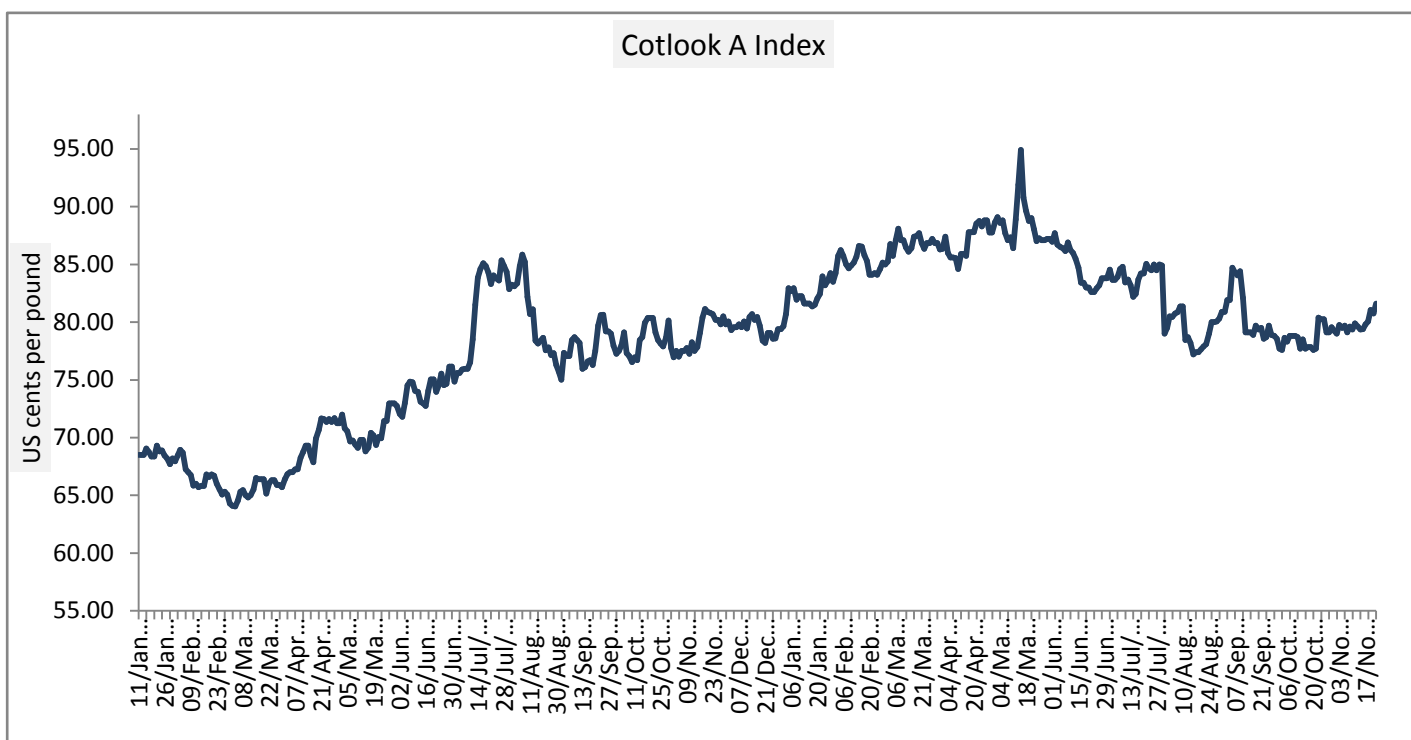


On the other hand, world' cotton consumption is expected to increase by 2.7% from 24.56 MMT in 2016-17 to 25.22 MMT in 2017-18. Wherein, China, the world's largest cotton consumer, is expected to consume 8.1 MMT of cotton during 2017-18 which is 1.5% higher than its cotton consumption last year.

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
	11-Jan-18	04-Jan-18	
Prices	90.18	88.8	1.55
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.

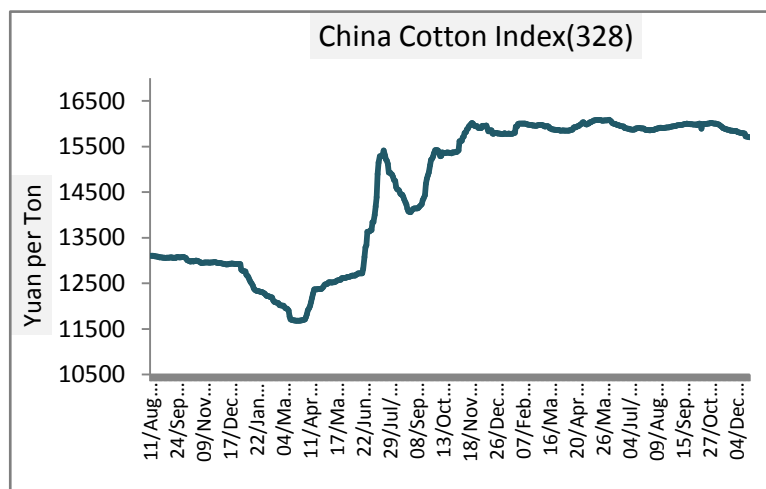
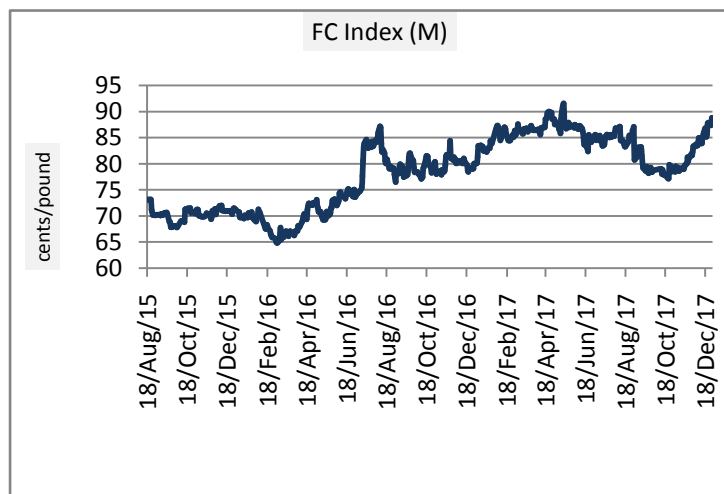


In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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

Cotton Index	Weekly Average Price as on		% Change
	11-Jan-18	04-Jan-18	
FC (S)	93.13	91.74	1.52
FC (M)	89.56	88.09	1.67
FC (L)	87.7	86.5	1.39
Prices in US cents per Pound			

China Index remained week during the week. CC Index (328) remained 15660 Yuan per ton during the week. Average was 15680 Yuan per ton during previous week.

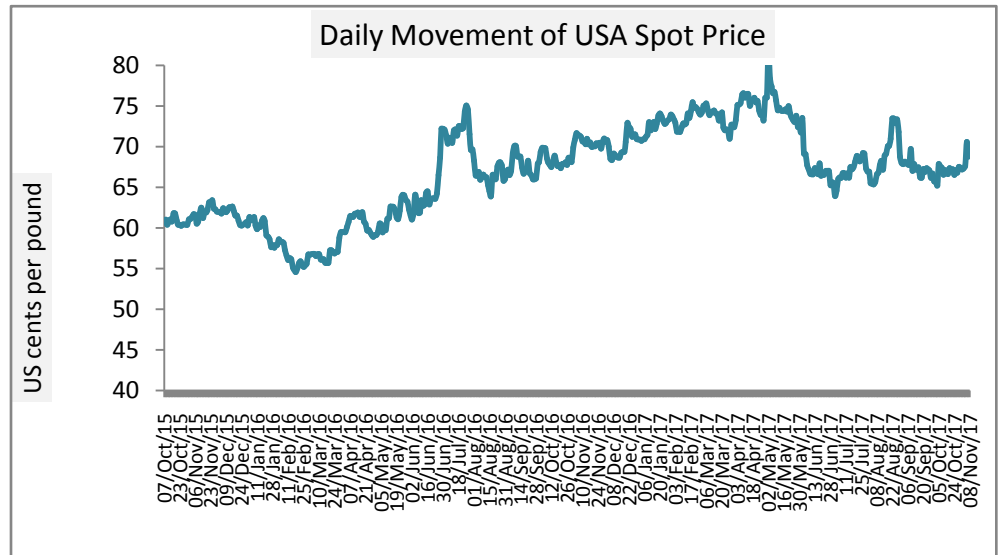
Cotton Index	Weekly Average Price as on		% Change
	11-Jan-18	04-Jan-18	
CCIndex(328)	15660	15680	-0.13
CCIndex(527)	14640	14651	-0.08
CCIndex(229)	16191	16201	-0.06
Prices in Yuan per ton			





USA Spot Prices

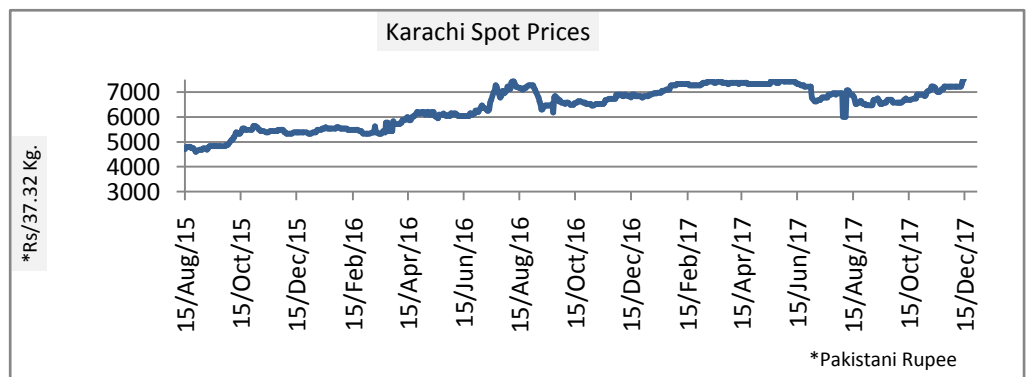
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	11-Jan-18	04-Jan-18	
Prices	79.96	78.86	1.39
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

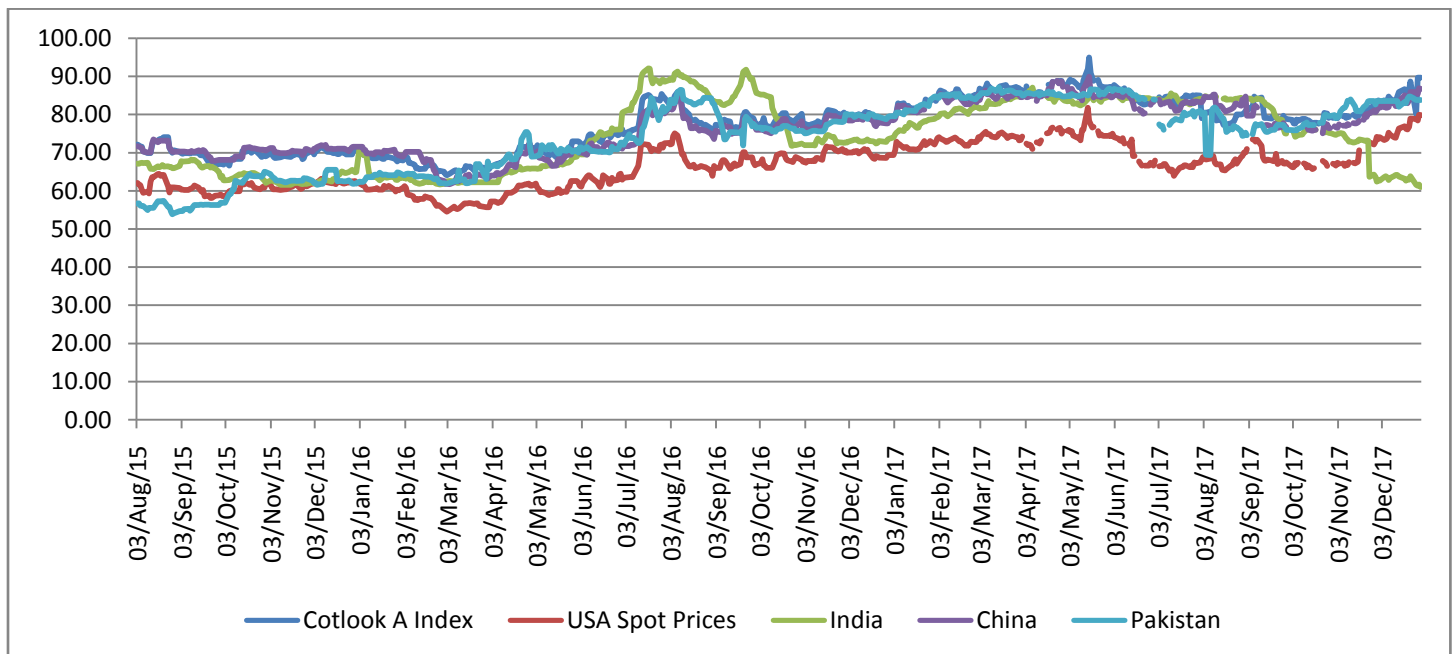


Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.



Karachi Spot Prices	Weekly Average Price as on		% Change
	11-Jan-18	04-Jan-18	
Prices	8300	7800	6.41
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	70.00-85.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
78.50	77.00	82.00	86.00

Figures in US cents/pound

Cotton Future Prices at ICE

ICE Futures Cotton							
Contracts	Jan 10	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
18-Mar	79.65	78.01	73.72	71.48	2.10	8.04	11.43
18-May	79.96	78.25	74.2		2.19	7.76	
18-Jul	80.15	78.68	74.39		1.88	7.74	
18-Oct	76.06	75.14	73.02		1.17	4.16	
18-Dec	74.92	74.36	72.08		0.75	3.94	
19-Mar	75.19	74.52	72.07		0.90	4.33	

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	05th to 11st January 2018	29th December to 04th January 2018	
Gujarat	Ahmedabad	Shankar-6	5317	5370	-53
	Gondal	Shankar-6	5359	5301	58
	Rajkot	B.T. Cotton	5311	5362	-51



	Patan	B.T. Cotton	5333	5313	20
	Kadi	B.T. Cotton	5392	5460	-68
	Deesa	B.T. Cotton	5065	5097	-32
	Dhrol	B.T. Cotton	5276	5285	-9
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5571	5575	-4
	Bhiwani	Desi	6438	6320	118
	Adampur	B.T. Cotton	5405	5362	43
	Fatehabad	B.T. Cotton	5458	5403	55
	Jind	B.T. Cotton	4843	4624	219
	Uchana	B.T. Cotton	5467	5519	-52
	Dabwali	B.T. Cotton	5311	5254	57
Rajasthan	Hanumangarh	B.T. Cotton	5443	5425	18
	Rawatsar	B.T. Cotton	5372	5308	64
Madhya Pradesh	Khandwa	Mech-1	5170	5150	20
	Khargaon	Mech-1	NA	5390	-
Maharashtra	Amravati	Mech-1	5025	5038	-13
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5600	5600	Unch
	Hathras	Desi	4500	4500	Unch
Telangana	Adilabad	Un-Ginned	4919	4940	-21
Andhra Pradesh	Guntur	Un-Ginned	3850	NA	-
	Kurnool	Un-Ginned	5089	5361	-272
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4298	23
Karnataka	Bijapur	Bunny	5668	5816	-148
	Hubli	D.C.H.	5547	5551	-4
	Hubli	B.T. Cotton	6922	7151	-229
	Raichur	H-44 Cotton	5281	5400	-119
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	05th to 11st January 2018	29th December to 04th January 2018	
Punjab	Bhatinda	J-34	4288	4260	28
	Abohar	J-34	4289	4267	22
	Mansa	J-34	4262	4223	39
	Muktsar	J-34	NA	NA	-



	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4271	4238	33
Rajasthan	Sri-Ganganagar	J-34	4063	3991	72

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	11-Jan-18	4-Dec-17	11-Dec-17	11-Jan-17
Gujarat	Ahmedabad	Shankar-6	5350	4850	5000	5800
	Gondal	Shankar-6	5475	4800	5050	5755
	Rajkot	B.T. Cotton	5300	4890	5030	5850
	Patan	B.T. Cotton	5355	4875	5005	5750
	Kadi	B.T. Cotton	5350	5000	5100	5750
	Deesa	B.T. Cotton	5075	4390	4575	5385
	Dhrol	B.T. Cotton	NR	4785	NR	5700
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5525	4950	4950	5850
	Bhiwani	Desi	6500	5800	5750	4900
	Adampur	B.T. Cotton	5440	4760	4760	5750
	Fatehabad	B.T. Cotton	5480	4800	4825	5700
	Jind	B.T. Cotton	5660	5000	4700	5875
	Uchana	B.T. Cotton	5409	4780	4767	5810
	Dabwali	B.T. Cotton	5355	4690	4640	5670
Rajasthan	Hanumangarh	B.T. Cotton	5470	4800	4850	5820
	Rawatsar	B.T. Cotton	5430	4625	4665	5725
Madhya Pradesh	Khandwa	Mech-1	5200	4750	4850	5600
	Khargaon	Mech-1	NR	NR	5020	5725
Maharashtra	Amravati	Mech-1	5100	4525	4650	5300
	Jamner	Medium Staple	NA	NA	NA	5120
Uttar Pradesh	Hathras	B.T. Cotton	NA	NR	5800	4250
	Hathras	Desi	NA	NR	NR	4500
Telangana	Adilabad	Un-Ginned	4920	4575	4700	5360
Andhra Pradesh	Guntur	Un-Ginned	NA	4000	NA	4100
	Kurnool	Un-Ginned	NA	NA	5115	NA
	Krishna	Un-Ginned	NA	4320	4320	NA
	East Godavari	Un-Ginned	4320	4320	4320	4160



Karnataka	Bijapur	Bunny	5569	5069	5339	5829
	Hubli	D.C.H.	NA	5207	5390	5879
	Hubli	B.T. Cotton	NA	7091	7200	6525
	Raichur	H-44 Cotton	NA	4860	5030	5650
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	11-Jan-18	4-Dec-17	11-Dec-17	11-Jan-17
Punjab	Bhatinda	J-34	4310	3975	4015	4385
	Abohar	J-34	4310	3975	4005	4380
	Mansa	J-34	4270	3945	3980	4385
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4295	3950	3975	4330
Rajasthan	Sri-Ganganagar	J-34	4066	3713	3760	4042

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th to 11st January 2018	29th December to 04th January 2018	
Gujarat	Ahmedabad	Shankar-6	382500	309400	73100
	Gondal	Shankar-6	15472	10276	5196
	Rajkot	B.T. Cotton	35200	26800	8400
	Patan	B.T. Cotton	81910	79686	2224
	Kadi	B.T. Cotton	325000	220000	105000
	Deesa	B.T. Cotton	3025	1325	1700
	Dhrol	B.T. Cotton	1475	1413	62
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	8200	6600	1600
	Bhiwani	Desi	20	55	-35
	Adampur	B.T. Cotton	16500	12000	4500
	Fatehabad	B.T. Cotton	4150	2500	1650
	Jind	B.T. Cotton	2924	2049	876
	Uchana	B.T. Cotton	7735	3380	4355
	Dabwali	B.T. Cotton	2900	2525	375
Rajasthan	Hanumangarh	B.T. Cotton	17550	8500	9050



	Rawatsar	B.T. Cotton	5700	5000	700
Madhya Pradesh	Khandwa	Mech-1	3500	3400	100
	Khargaon	Mech-1	NA	13300	-
Maharashtra	Amravati	Mech-1	88000	41000	47000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	46511	31433	15078
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	262	1403	-1141
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	4040	6730	-2690
	Hubli	D.C.H.	190	20	170
	Hubli	B.T. Cotton	88	16	72
	Raichur	H-44 Cotton	5090	2520	2570
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th to 11st January 2018	29th December to 04th January 2018	
Punjab	Bhatinda	J-34	32300	33150	-850
	Abohar	J-34	5610	4250	1360
	Mansa	J-34	3230	2040	1190
Haryana	Sirsa	J-34	4420	2210	2210
Rajasthan	Sri-Ganganagar	J-34	2800	2500	300

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				04th to 10th January 2018	28th December to 03rd January 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41920	41667	253
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42700	42450	250
J-34(202)	26mm	3.5 - 4.9	23	39820	39850	-30
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39120	39333	-213
Shankar-6(105)	29mm	3.5 - 4.9	28	40760	40850	-90



Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42200	42167	33
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44140	44083	57
DCH-32(107)	34mm	3.0 - 3.8	33	56660	56700	-40

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