



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. 4405 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4247. Cotton fiber (Shankar-6) prices noticed firm this week. Average price was Rs 42000 per candy (of 355.6 kg each) during the week, which was Rs 41000 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed higher this week at Rs. 996 per maund (of 20 kg each) which was Rs 977 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. 4900-5400 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 The Maharashtra state has sought the Centre's help for Rs 2,430 crore under the National Disaster Relief Fund (NDRF) but the Centre never approves 100 per cent of the demand. In that case, the state would not be able to compensate the farmers the contribution announced under the fund. It has also said it will give Rs 8,000 per hectare under insurance cover but most farmers may not be eligible for compensation as their first two pickings have registered excessive produce. Farmers are eligible for insurance only if the loss is for over 30 per cent of the total yield and there were many cases where farmers had produced over 70 per cent yield. Also, the recovery from seed companies under the Maharashtra Cotton Seeds Act, 2009, due to failure of seeds is difficult.

The Maharashtra government has decided to withdraw the facility of co-marketing of brands for BT cotton seed companies, top officials of the state agriculture department said.

The Cotton Corporation of India (CCI) purchased nearly 485,000 bales cotton at minimum support price (MSP) fixed by government as prices are ruling firm.

Bangladesh imports 46 percent of natural fibre from India spending about \$3 billion a year for local consumption. With the sudden cancellation of shipment of 400,000 bales of cotton by Indian traders, after a rally in domestic prices and the rising rupee, the Bangladeshi yarn makers will be negatively affected which could deal a blow to apparel exports.

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 cancellations and higher local prices could cut India's exports to 5 million bales in the 2017-18 marketing year-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 domestic market.



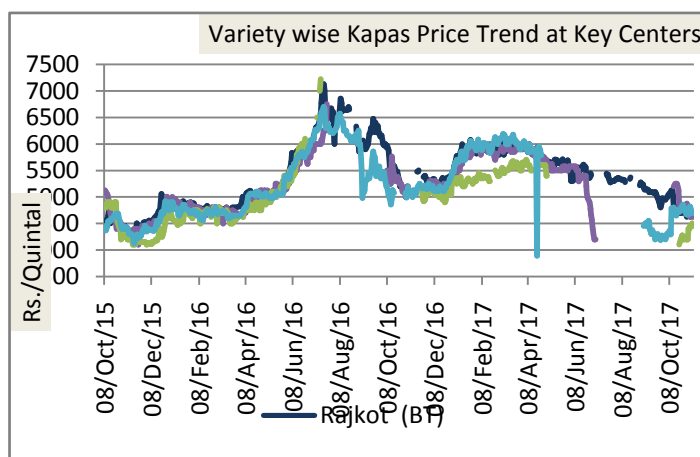
Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5287 /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

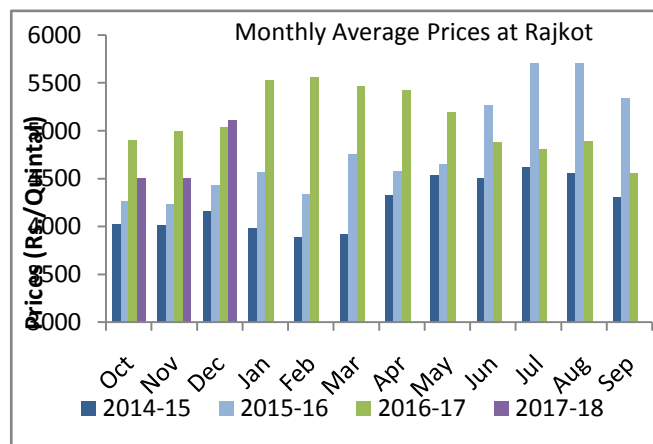
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4900-5500per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

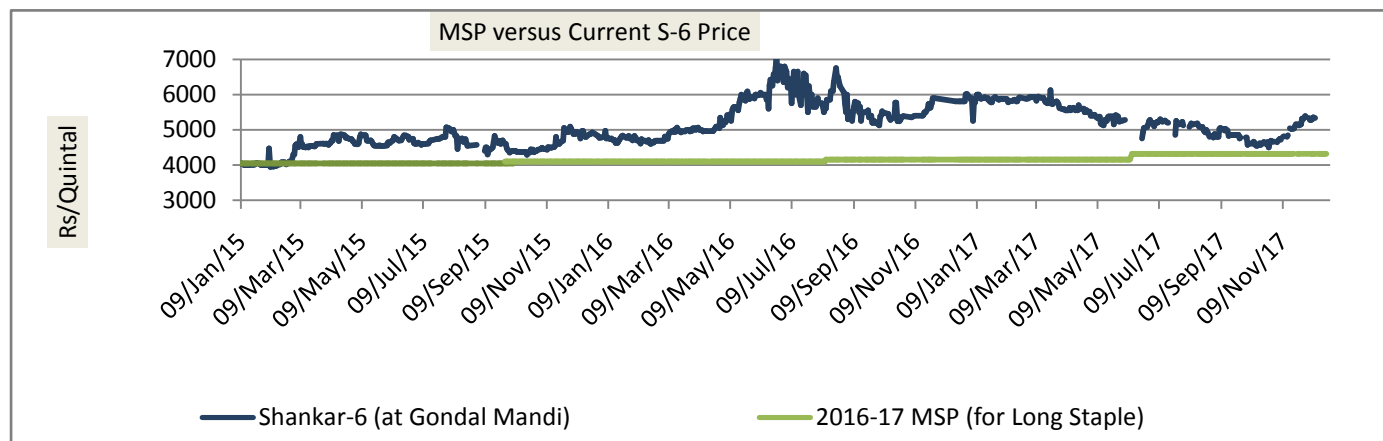
Kapas(seed cotton) prices in country noticed firm tone during the November month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

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.



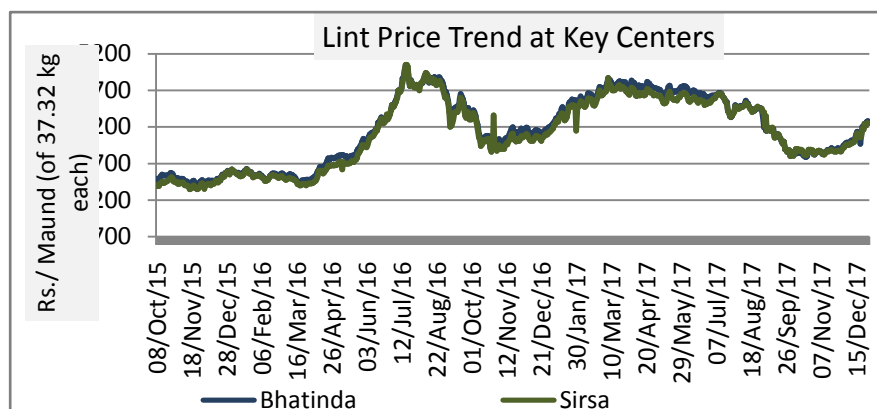
Spot Price versus MSP

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.20 this week compared to Rs.10 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. 4405 per maund of 37.32 kg each, higher compared to the previous week price of Rs 4310 per maund.

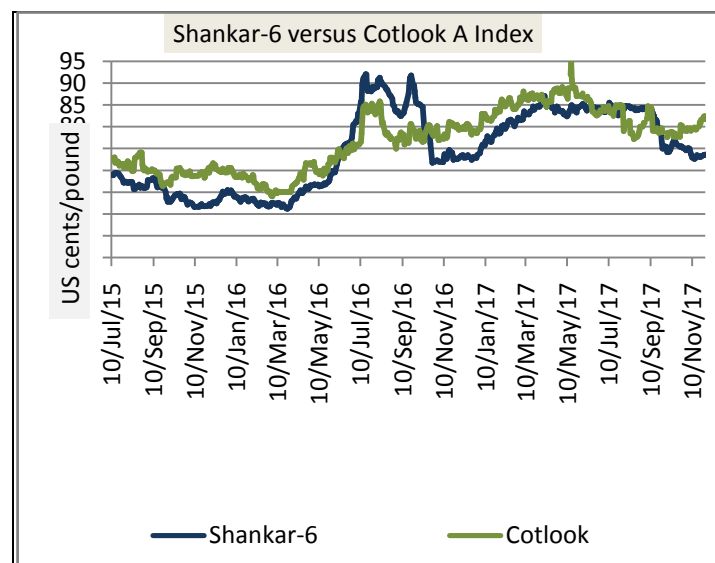
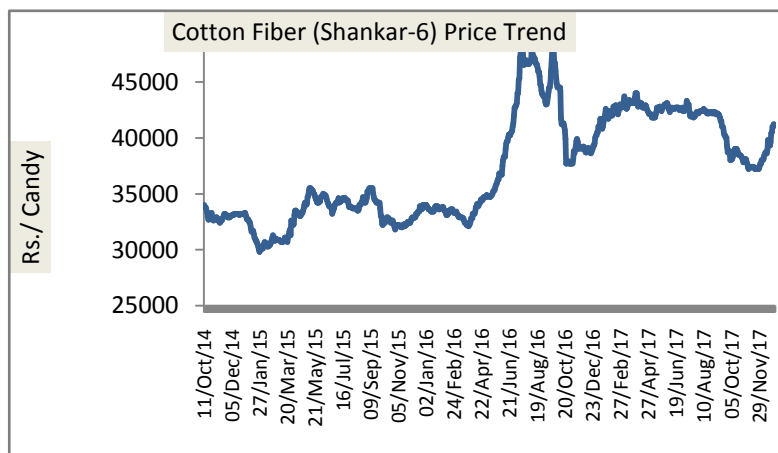


Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.

Cotton Fiber Weekly Price Scenario

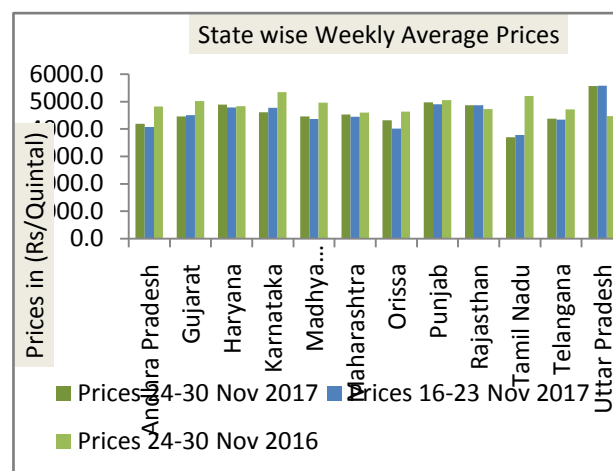
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 92.60 cents/pound, Indian weekly average price stood at 83.42 cents/pound, making Indian fiber more competitive in international market.

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

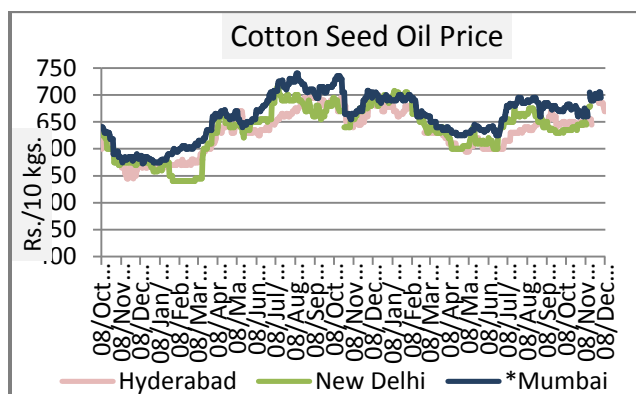
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this week and lowest was in Tamil Nadu followed by Andhra Pradesh



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.



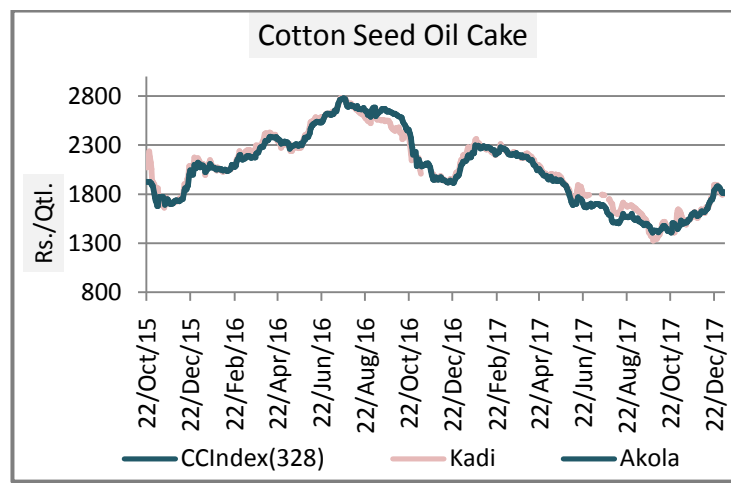
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	18-Jan-18	11-Jan-18	
New Delhi	680	680	0.00
Rajkot	671	674	-0.45
Hyderabad	0	0	0.00
Mumbai*	696	698	-0.29

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, 1711 lower compared to the weekly average price of Rs 1773 per quintal in the previous week.

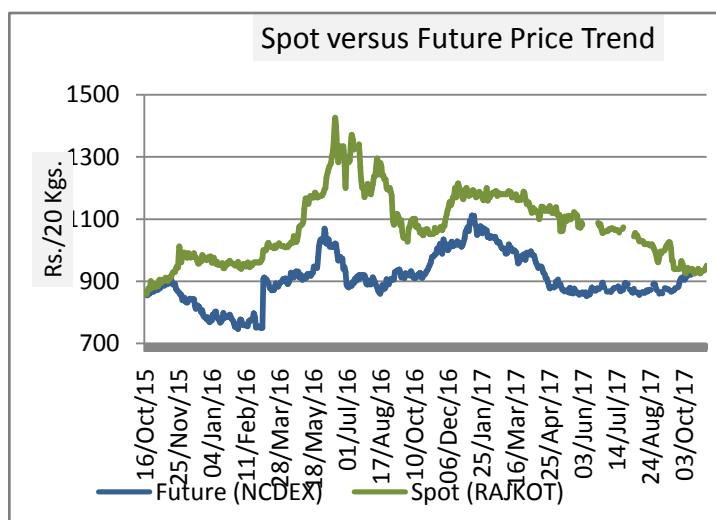
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	18-Jan-18	11-Jan-18	
Kadi	1771	1773	-0.11
Akola	1788	1796	-0.45

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (Continuous chart) closed at Rs 995 1022 as on 22 January 2018, compared to 1022 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.20.00 which was Rs 15.00 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 92.00 cents/pound this week, which was 90.19 cents/pound during last week.

Major Market Highlights: The current cotton season's prices have risen in concert with climbing higher international prices since October last year, with the rates touching \$85 cents a pound recently. Cotton prices in the country have increased sharply - nearly 14% towards levels around 43,000 a candy

ICE cotton futures gained nearly 1 percent on this week, after falling in the two previous sessions, supported by mill buying. The most active ICE cotton contract for March expiry settled up 0.71 cent, or 0.87 percent, at 82.14 cents per lb. It traded within a range of 80.96 and 82.22 cents a lb.

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.

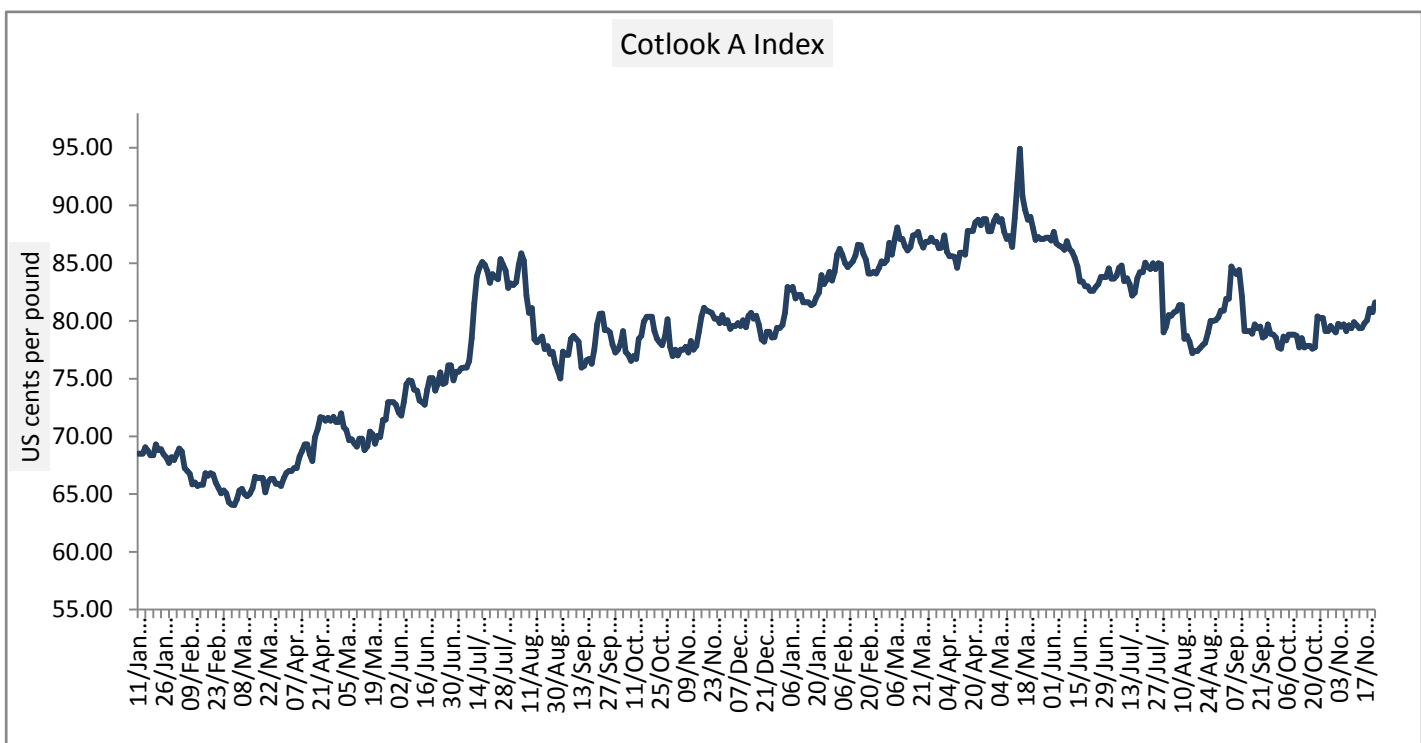


According to China's General Administration of Customs, China imported 441,571 metric tonnes of cotton from U.S. during the period January –September 2017, an increase of 140.48% compared to the same period previous year. In the month of September 2017, China's imports of cotton from U.S. increased by 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.

Cotlook A Index

Cotlook A index remained firm during the week.



Cotlook A Index	Weekly Average Price as on		% Change
	18-Jan-18	11-Jan-18	
Prices	92.6	90.18	2.68
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.

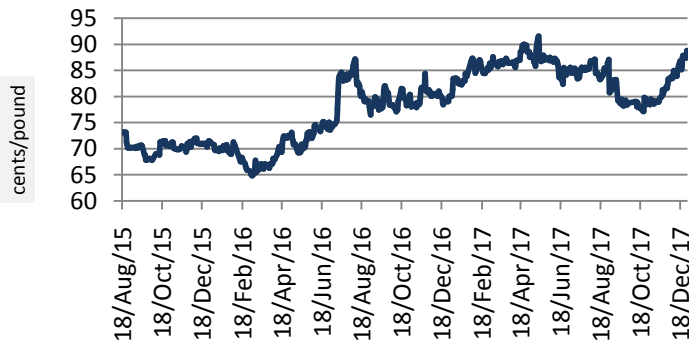
Cotton Index	Weekly Average Price as on		% Change
	18-Jan-18	11-Jan-18	
FC (S)	95.07	93.13	2.08
FC (M)	91.52	89.56	2.19
FC (L)	89.59	87.7	2.16
Prices in US cents per Pound			

China Index remained week during the week. CC Index (328) remained 15660 Yuan per ton during the week.its steady from last week.

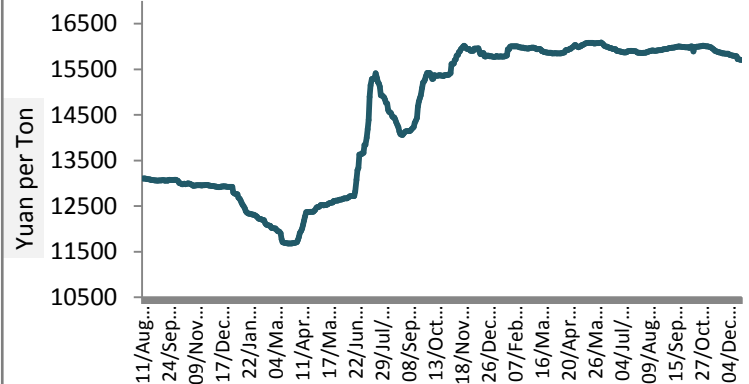
Cotton Index	Weekly Average Price as on		% Change
	18-Jan-18	11-Jan-18	
CCIndex(328)	15660	15660	0.00
CCIndex(527)	14642	14640	0.01
CCIndex(229)	16196	16191	0.03
Prices in Yuan per ton			



FC Index (M)



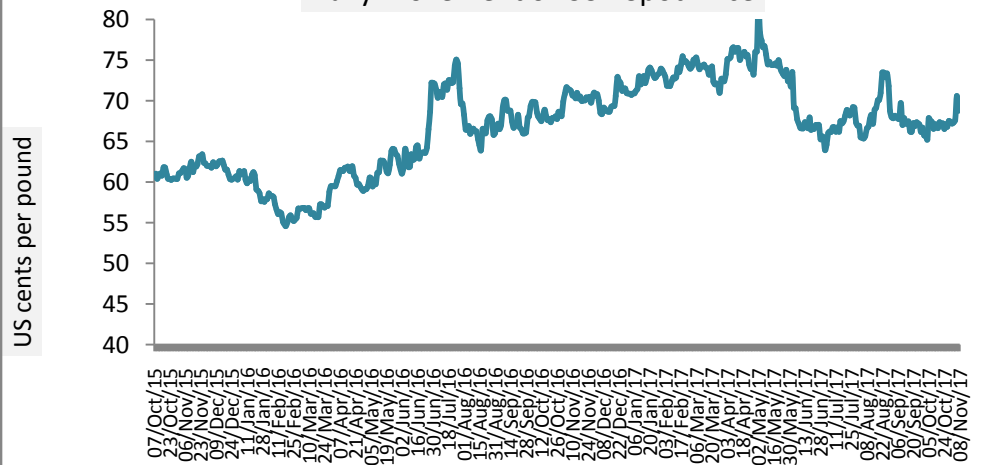
China Cotton Index(328)



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



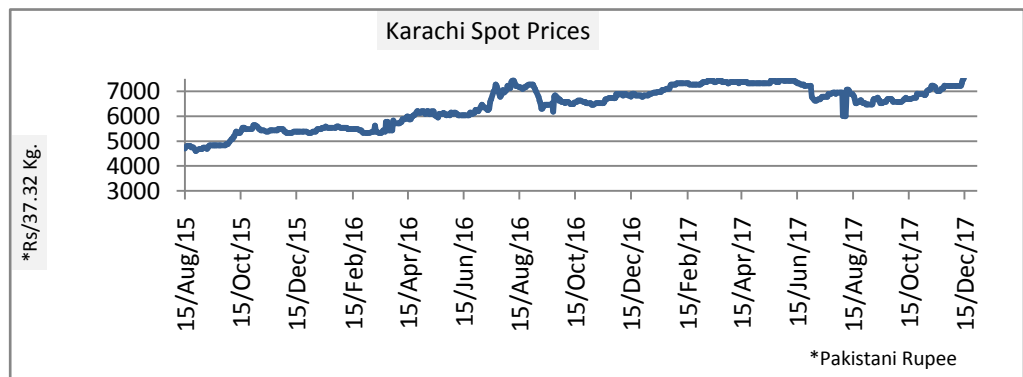
USA Spot Prices	Weekly Average Price as on		% Change
	18-Jan-18	11-Jan-18	
Prices	82.91	79.96	3.69
Prices in US cents per Pound			



Pakistan Spot Price

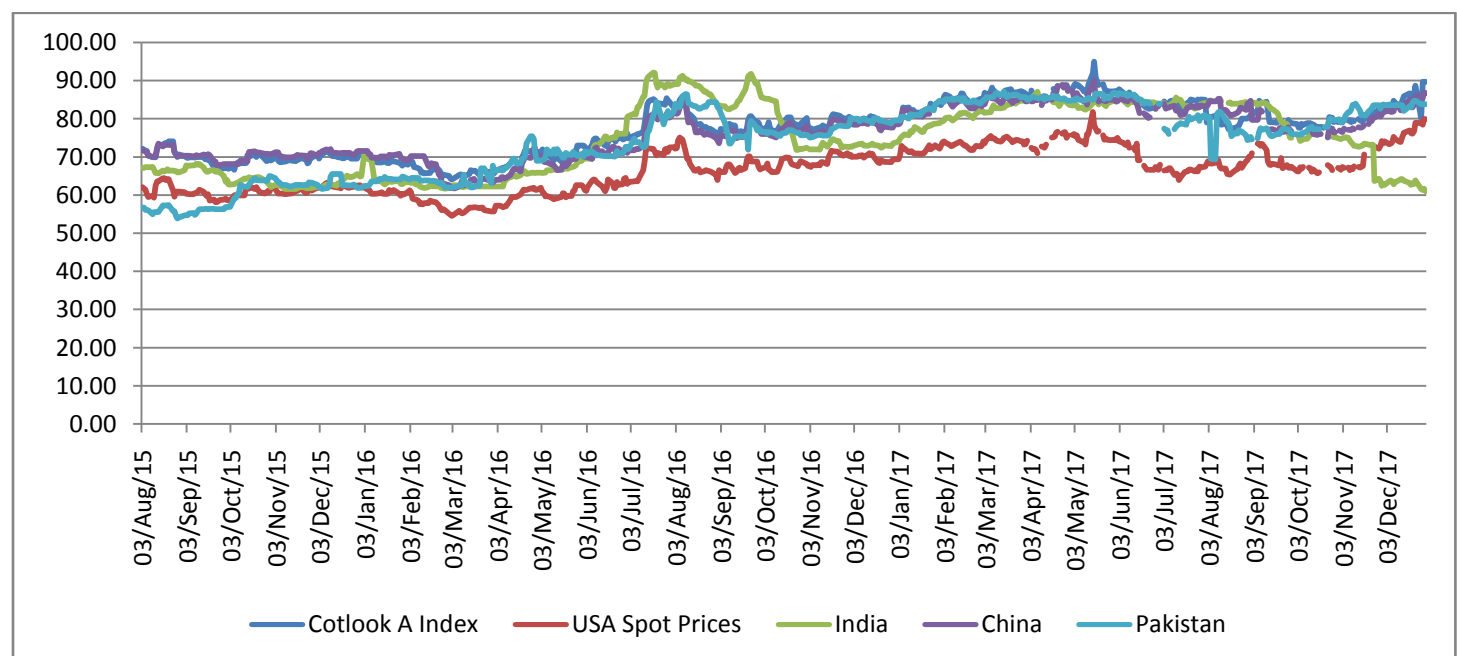
Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017. Pakistan has harvested 8.134 million bales of cotton up to October 31, 2017 according to data released by the Pakistan Cotton Ginners

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
	18-Jan-18	11-Jan-18	
Prices	8246	8300	-0.65
Prices in Rs per 37.32 Kg			

International Price Comparison





Technical Analysis of Cotton Future (Jan'18 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
79.50	78.00	83.00	87.00

Figures in US cents/pound

Cotton Future Prices at ICE

ICE Futures Cotton							
Contracts	17-Jan	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
18-Mar	81.14	79.65	75.20	71.21	1.87	7.90	13.94
18-May	82.39	79.96	75.64		3.05	8.92	
18-Jul	82.60	80.15	76.18		3.06	8.43	
18-Oct	76.90	76.06	73.76		1.05	4.26	
18-Dec	75.09	74.92	72.74		0.22	3.23	
19-Mar	75.24	75.19	72.61		0.07		



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	12th to 18st January 2018	05th to 11st January 2018	
Gujarat	Ahmedabad	Shankar-6	5342	5317	25
	Gondal	Shankar-6	5270	5359	-89
	Rajkot	B.T. Cotton	5288	5311	-23
	Patan	B.T. Cotton	5361	5333	28
	Kadi	B.T. Cotton	5400	5392	8
	Deesa	B.T. Cotton	5139	5065	74
	Dhrol	B.T. Cotton	5278	5276	2
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5595	5571	24
	Bhiwani	Desi	6333	6438	-104
	Adampur	B.T. Cotton	5423	5405	18
	Fatehabad	B.T. Cotton	5493	5458	35
	Jind	B.T. Cotton	5707	4843	863
	Uchana	B.T. Cotton	5500	5467	33
	Dabwali	B.T. Cotton	5393	5311	82
Rajasthan	Hanumangarh	B.T. Cotton	5506	5443	63
	Rawatsar	B.T. Cotton	5483	5372	112
Madhya Pradesh	Khandwa	Mech-1	5210	5170	40
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5058	5025	33
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5238	5600	-363
	Hathras	Desi	NA	4500	-
Telangana	Adilabad	Un-Ginned	4973	4919	54
Andhra Pradesh	Guntur	Un-Ginned	NA	3850	-
	Kurnool	Un-Ginned	NA	5089	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5692	5668	24
	Hubli	D.C.H.	5540	5547	-7
	Hubli	B.T. Cotton	6639	6922	-283
	Raichur	H-44 Cotton	5351	5281	70



Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	12th to 18st January 2018	05th to 11st January 2018	
Punjab	Bhatinda	J-34	4383	4288	96
	Abohar	J-34	4385	4289	96
	Mansa	J-34	4325	4262	63
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4368	4271	97
Rajasthan	Sri-Ganganagar	J-34	4102	4063	39

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Jan-18	11-Dec-17	18-Dec-17	18-Jan-17
Gujarat	Ahmedabad	Shankar-6	5400	5000	Closed	5850
	Gondal	Shankar-6	5260	5050	Closed	5815
	Rajkot	B.T. Cotton	5350	5030	NR	5850
	Patan	B.T. Cotton	NR	5005	5205	5730
	Kadi	B.T. Cotton	5450	5100	5250	5750
	Deesa	B.T. Cotton	NR	4575	NR	5300
	Dhrol	B.T. Cotton	NR	NR	NR	5760
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5625	4950	5050	5900
	Bhiwani	Desi	NA	5750	6000	4850
	Adampur	B.T. Cotton	5440	4760	4940	5790
	Fatehabad	B.T. Cotton	5500	4825	4980	5680
	Jind	B.T. Cotton	5810	4700	5210	5900
	Uchana	B.T. Cotton	5464	4767	5089	5700
	Dabwali	B.T. Cotton	5435	4640	4870	5755
Rajasthan	Hanumangarh	B.T. Cotton	5530	4850	5100	5800
	Rawatsar	B.T. Cotton	5400	4665	4900	5600
Madhya Pradesh	Khandwa	Mech-1	5250	4850	NR	5600
	Khargaon	Mech-1	NR	5020	5365	5600
Maharashtra	Amravati	Mech-1	5050	4650	4800	5225
	Jamner	Medium Staple	NA	NA	NA	5160



Uttar Pradesh	Hathras	B.T. Cotton	NA	5800	5400	4200
	Hathras	Desi	NA	NR	4400	4500
Telangana	Adilabad	Un-Ginned	NA	4700	NA	5330
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	4200
	Kurnool	Un-Ginned	NA	5115	NA	NA
	Krishna	Un-Ginned	NA	4320	NA	NA
	East Godavari	Un-Ginned	4320	4320	4320	4160
Karnataka	Bijapur	Bunny	NA	5339	5779	5949
	Hubli	D.C.H.	NA	5390	NA	5987
	Hubli	B.T. Cotton	NA	7200	NA	6525
	Raichur	H-44 Cotton	5350	5030	5320	5730
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Jan-18	11-Dec-17	18-Dec-17	18-Jan-17
Punjab	Bhatinda	J-34	4395	4015	4090	4400
	Abohar	J-34	4400	4005	4100	4390
	Mansa	J-34	4365	3980	4065	4400
	Muktsar	J-34	NR	NA	NA	NA
	Fazilika	J-34	NR	NA	NA	NA
Haryana	Sirsa	J-34	4375	3975	4060	4330
Rajasthan	Sri-Ganganagar	J-34	4066	3760	3732	4559

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th to 18st January 2018	05th to 11st January 2018	
Gujarat	Ahmedabad	Shankar-6	336600	382500	-45900
	Gondal	Shankar-6	18653	15472	3181
	Rajkot	B.T. Cotton	28400	35200	-6800
	Patan	B.T. Cotton	44426	81910	-37484
	Kadi	B.T. Cotton	235000	325000	-90000
	Deesa	B.T. Cotton	2140	3025	-885
	Dhrol	B.T. Cotton	988	1475	-487
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	10000	8200	1800



	Bhiwani	Desi	NA	20	-
	Adampur	B.T. Cotton	18649	16500	2149
	Fatehabad	B.T. Cotton	4600	4150	450
	Jind	B.T. Cotton	3043	2924	119
	Uchana	B.T. Cotton	8400	7735	665
	Dabwali	B.T. Cotton	3425	2900	525
Rajasthan	Hanumangarh	B.T. Cotton	10600	17550	-6950
	Rawatsar	B.T. Cotton	5200	5700	-500
Madhya Pradesh	Khandwa	Mech-1	2300	3500	-1200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	90000	88000	2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	230	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	12445	46511	-34066
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	262	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5920	4040	1880
	Hubli	D.C.H.	76	190	-114
	Hubli	B.T. Cotton	4	88	-84
	Raichur	H-44 Cotton	4422	5090	-668
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th to 18st January 2018	05th to 11st January 2018	
Punjab	Bhatinda	J-34	29750	32300	-2550
	Abohar	J-34	5100	5610	-510
	Mansa	J-34	2975	3230	-255
Haryana	Sirsa	J-34	3570	4420	-850
Rajasthan	Sri-Ganganagar	J-34	2800	2800	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				11th to 17th January 2018	04th to 10th January 2018	
Bengal Deshi (RG)/Assam Comilla	Below 22mm	5.0 - 7.0	15	42350	41920	430



(101)						
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42983	42700	283
J-34(202)	26mm	3.5 - 4.9	23	40333	39820	513
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39800	39120	680
Shankar-6(105)	29mm	3.5 - 4.9	28	41417	40760	657
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42667	42200	467
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44067	44140	-73
DCH-32(107)	34mm	3.0 - 3.8	33	55567	56660	-1093

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