



Current Market Outlook

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

Average price of Lint at Sirsa during the week was Rs.4388 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4405 Cotton fiber (Shankar-6) prices noticed weak this week. Average price was Rs 41000 per candy (of 355.6 kg each) during the week, which was Rs 42000 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed lower this week at Rs. 974 per maund (of 20 kg each) which was Rs 996 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

Cotton prices are seen ruling firm as State-run Cotton Corporation of India (CCI) and multinationals such as Louis Dreyfus and Glencore have stepped up purchases of the fibre crop across key growing regions in the country. So far, about half of the crop, nearly 165 lakh bales, has already arrived in the market. The exports have crossed over 22 lakh bales. Going forward, the quality issues may crop up and prices may firm-up further. However, all eyes are on the upcoming Budget anticipating some boost for the textiles sector, which can push up the cotton demand.

With steady arrivals, kapas prices at Gujarat markets hovered around Rs 1,030 -1,050 per 20 kg or Rs 5,150-5,250 per quintal. The prices corrected marginally from the peak of Rs 5,500 on increased arrivals. In other markets of Telangana, Karnataka and Maharashtra, the prices are hovering between Rs 4,800 and Rs 5,200. Ginned cotton prices hovered at Rs 41,800 per candy of 356 kg, which is about Rs 700 lower than what was seen a month ago.

India's state of Maharashtra, the country's second-biggest cotton producing state, has cut its forecast for output of the fibre by 37 percent from its September outlook as a pest infestation has reduced yields, a senior government official told Reuters. Maharashtra's output is now forecast to drop to 6 million bales of 170 kg each for the 2017-18 marketing year that started on Oct. 1. That is down from 10.7 million bales produced in the 2016-17 marketing year. The forecast is down because of an infestation of the pink bollworm that has cut yields.

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.

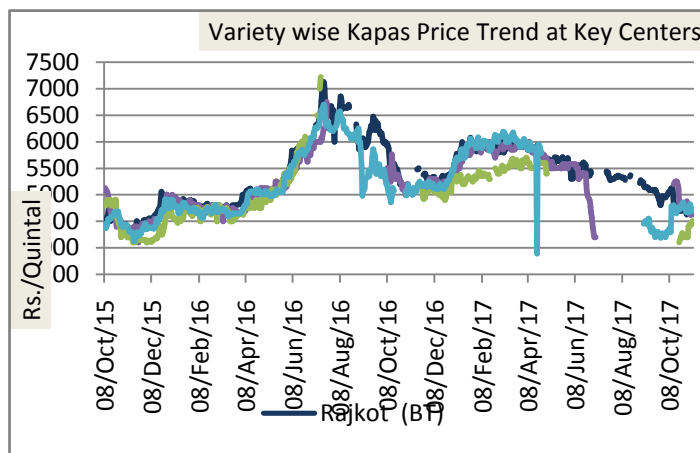
Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5275 /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

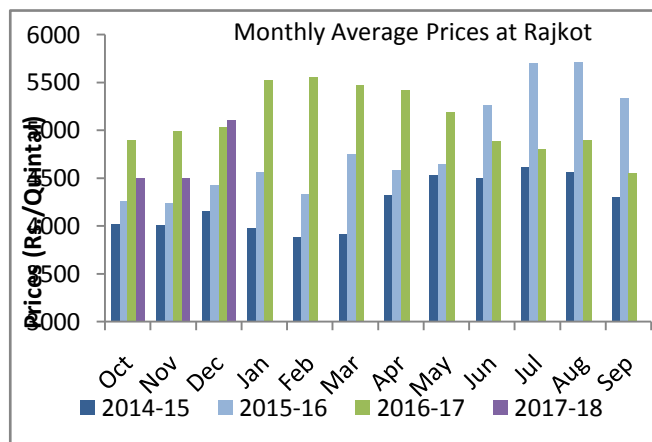
Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4900-5500per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

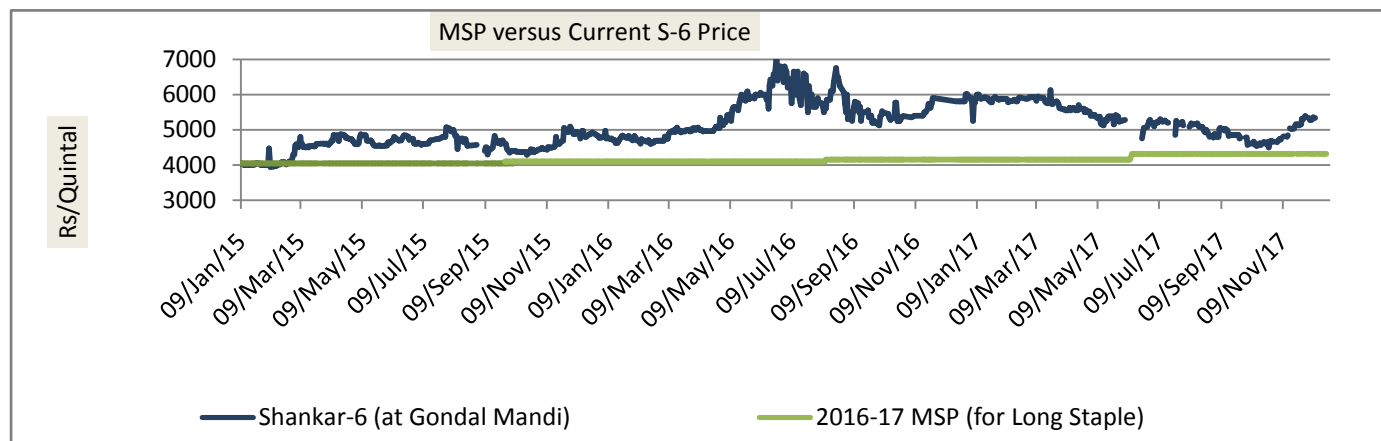
Kapas(seed cotton) prices in country noticed firm tone during the November month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

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.



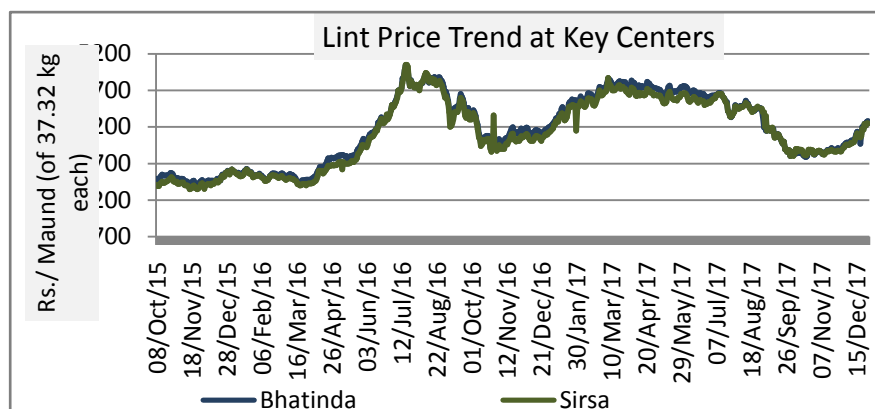
Spot Price versus MSP

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 weak during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs.4388 4405 per maund of 37.32 kg each, higher compared to the previous week price of Rs 4405 per maund.

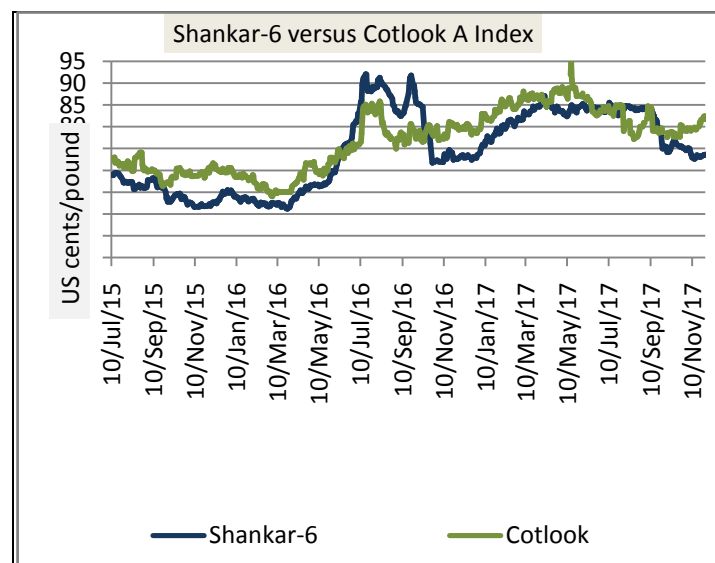
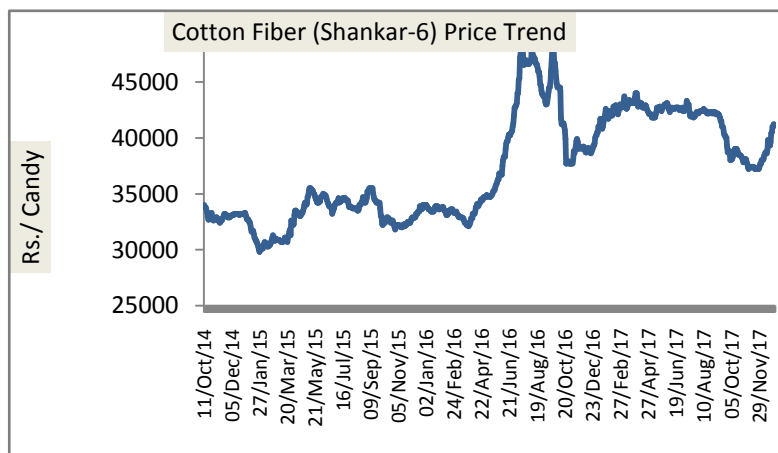


Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.

Cotton Fiber Weekly Price Scenario

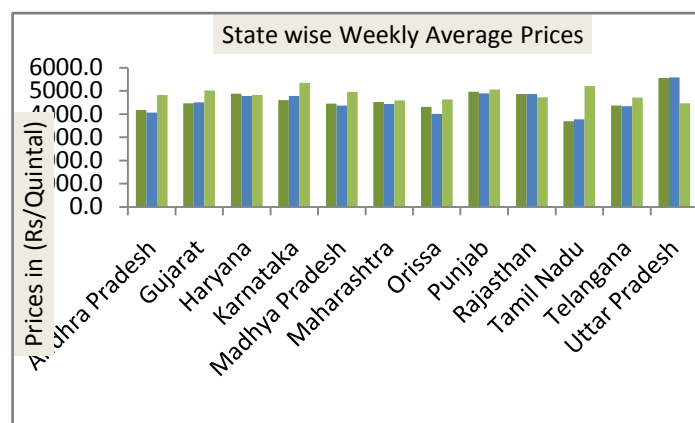
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 93.60 cents/pound, Indian weekly average price stood at 83.42 cents/pound, making Indian fiber more competitive in international market.

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

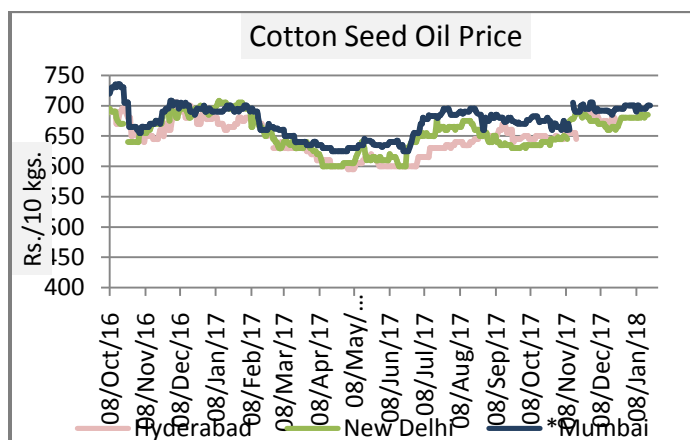
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this week and lowest was in Tamil Nadu followed by Andhra Pradesh



Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm during the week. Weekly average price in New Delhi is Rs 683 per 10 Kg, no change compared to the weekly average price of Rs 680 per 10 Kg in previous week.



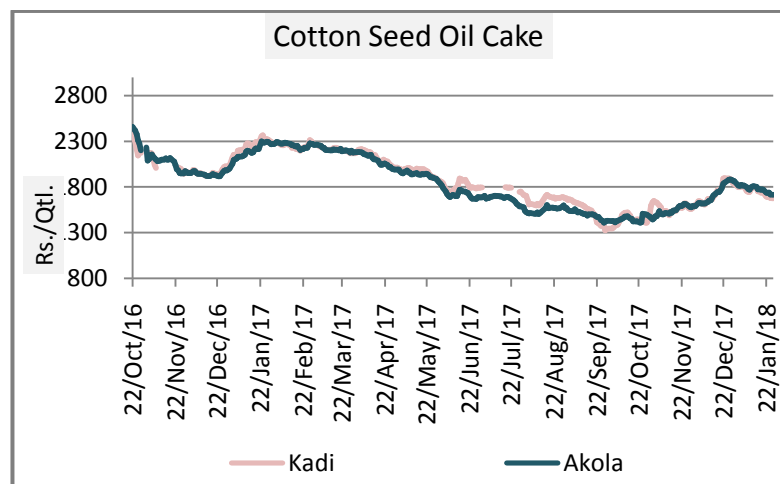
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	25-Jan -18	18-Jan -18	
New Delhi	683	680	0.44
Rajkot	675	671	0.60
Hyderabad	675	0	0
Mumbai*	697	696	0.14

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, 1707 lower compared to the weekly average price of Rs 1773 per quintal in the previous week.

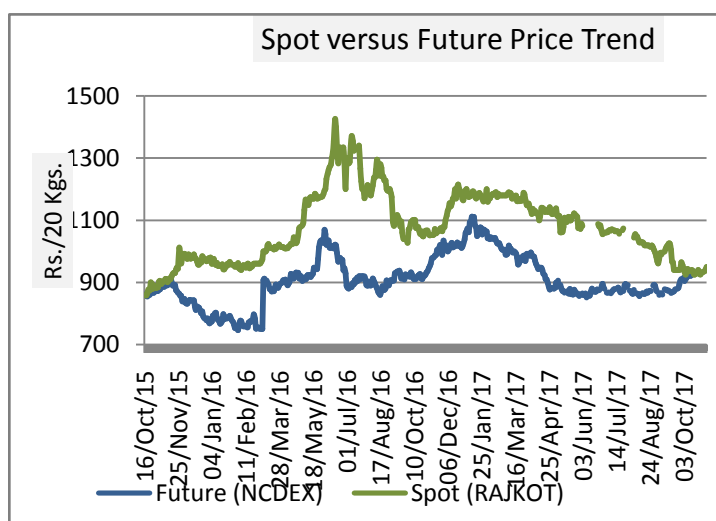
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	25-Jan-18	18-Jan-18	
Kadi	1707	1773	-3.72
Akola	1721	1745	-1.38

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (Continuous chart) closed at Rs 974 as on 21 January 2018, compared to 995 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 93.60 cents/pound this week, which was 92.00 cents/pound during last week.

Major Market Highlights:

According to USDA the total spot transactions for the season were 1,260,255 bales compared to 1,067,357 bales the corresponding week a year ago. The ICE March settlement prices ended the week at 81.88 cents, compared to 82.63 cents last week.

MY 2017-18 raw cotton production of Bangladesh is projected at 135,000 bales based upon favorable weather and expansion of American Upland cotton planted area. Imports are projected to rise by 7 million bales due to strong demand in diversified garment products with non -traditional business partners such as China, Japan, Russia and India

December Month Indian Cotton export to China reached only 17,979 tones. Average price of exported cotton at \$1681.25/tones. India was third largest exporter to China- According to China customs. November 2017 cotton export reached only at 1129 tonnes. India Jan to Dec cumulative report reached 112,037 tonnes, down 5.35 from last year. USA top exporter to china at 35,044 tonnes cotton in Dec 2017, down 23.54 % on year. 2nd Brazil at 27,488 tonnes.

Cotton futures tumbled to steep losses Friday after U.S weekly report sales fell much more than generally expected, with spot marching just above the bearish reversal of Jan 12. March lost the mist, settling down 140 points at 80.48 cents, its lowest close since Jan 10 and near the low of its 166 point session range from up 10 points at 81.98 to down 156 points at 80.32 cents. The low was two ticks above the low that wild 435 point range two weeks ago. May closed down 136 points at 81.22 cents, July finished down 134 points at 81.72 cents and new-crop December closed down 50 points at 75.51 cents. For the week, the market lost 294 points in March, 254 points in May, 251 points in July and 24 points in December.

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.

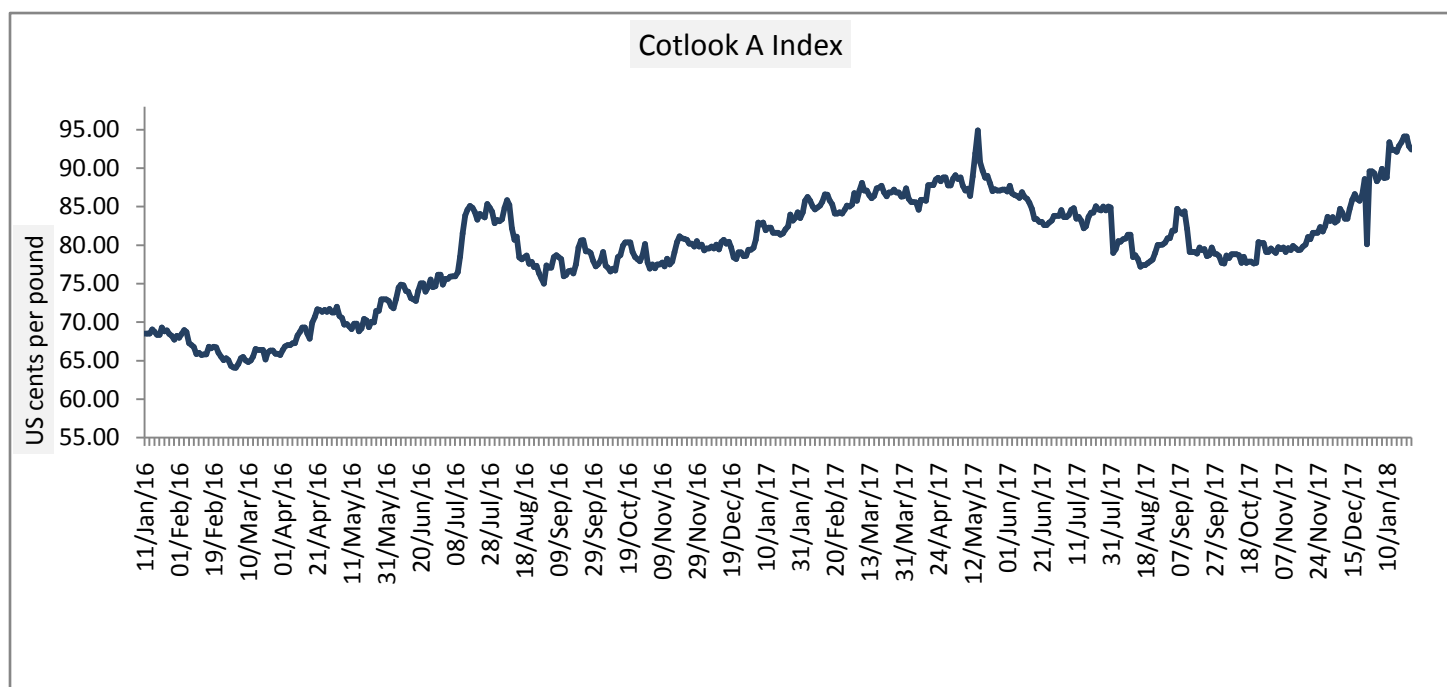
International cotton prices have continued to move upward over the last few months as the season has underway. From the season low of 77 cents per pound at start of season, prices are at a season high at the end of this calendar



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.

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
	25-Jan-18	18-Jan-18	
Prices	93.36	92.6	0.8
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.

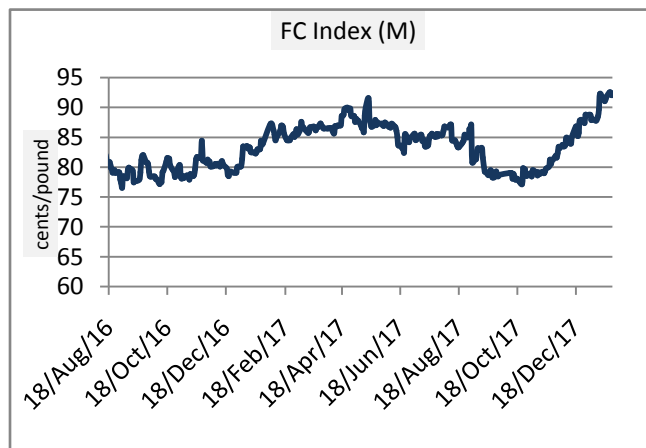


In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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

Cotton Index	Weekly Average Price as on		% Change
	25-Jan-18	18-Jan-18	
FC (S)	95.65	95.07	0.61
FC (M)	92.18	91.52	0.72
FC (L)	90.41	89.59	0.92
Prices in US cents per Pound			

China Index remained firm during the week. CC Index (328) remained 15692 Yuan per ton during the week. it was 15660 in the previous week.

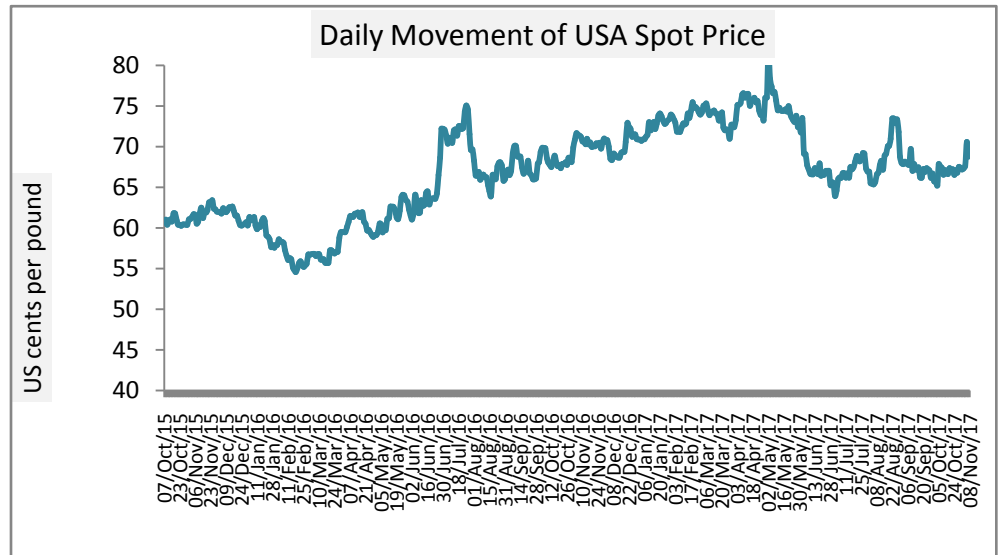
Cotton Index	Weekly Average Price as on		% Change
	25-Jan-18	18-Jan-18	
CCIndex(328)	15692	15660	0.20
CCIndex(527)	14672	14642	0.20
CCIndex(229)	16217	16196	0.13
Prices in Yuan per ton			





USA Spot Prices

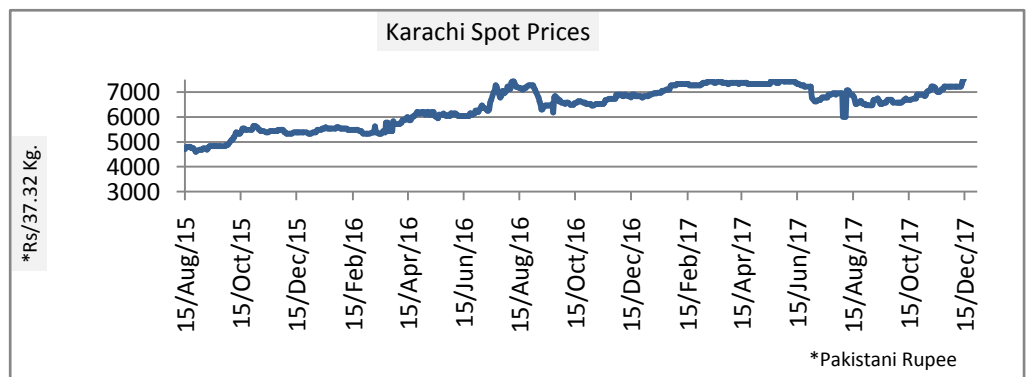
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	25-Jan-18	18-Jan-18	
Prices	82.91	85.00	-2.46
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

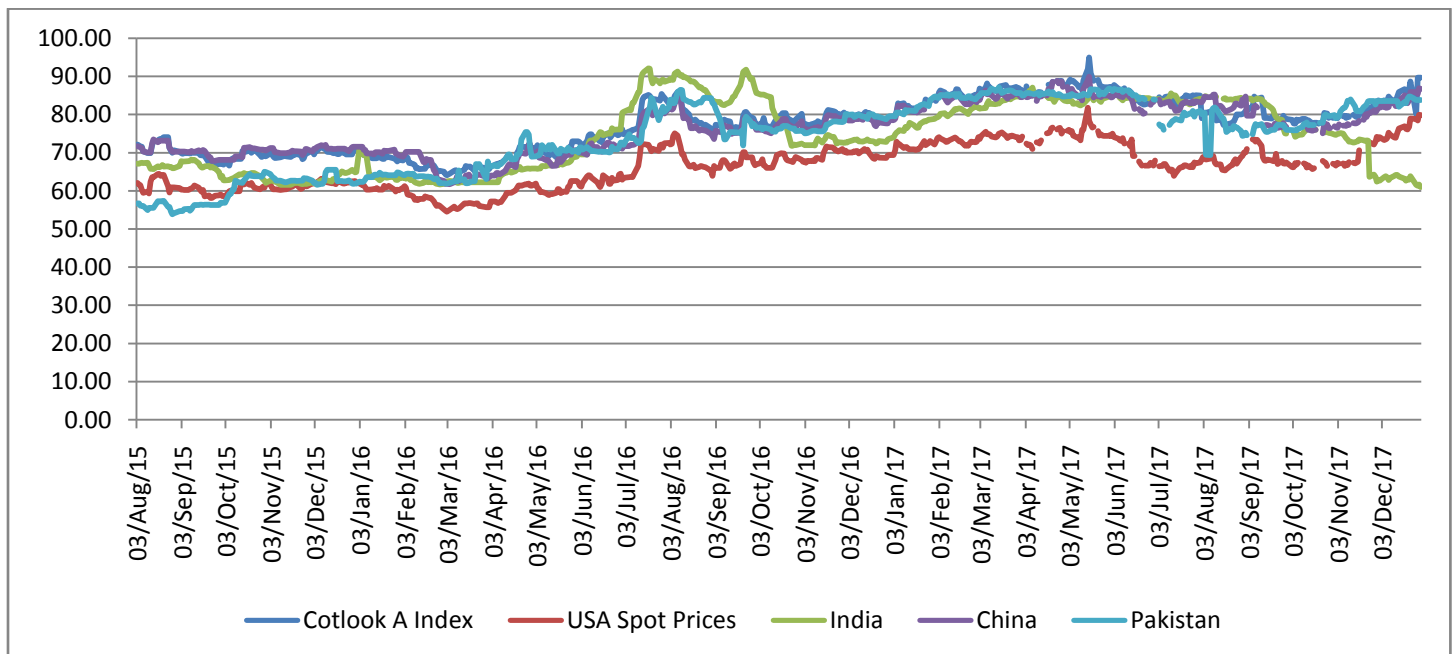


Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.



Karachi Spot Prices	Weekly Average Price as on		% Change
	25-Jan-18	18-Jan-18	
Prices	8193	8246	-0.64
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	Jan 24	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
18-Mar	82.27	81.14	77.43	71.54	1.39	6.25	15.00
18-May	82.91	82.39	77.52		0.64	6.95	
18-Jul	83.36	82.6	77.82		0.92	7.12	
18-Oct	77.63	76.9	74.96		0.88	3.56	
18-Dec	75.86	75.09	73.77		1.00	2.83	
19-Mar	75.67	75.24	73.15		0.57	3.44	

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	19th to 25th January 2018	12th to 18th January 2018	
Gujarat	Ahmedabad	Shankar-6	5317	5342	-25
	Gondal	Shankar-6	5259	5270	-11
	Rajkot	B.T. Cotton	5260	5288	-28
	Patan	B.T. Cotton	5301	5361	-60
	Kadi	B.T. Cotton	5275	5400	-125
	Deesa	B.T. Cotton	5078	5139	-61
	Dhrol	B.T. Cotton	5183	5278	-95
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-



Haryana	Bhiwani	B.T. Cotton	5533	5595	-62
	Bhiwani	Desi	NA	6333	-
	Adampur	B.T. Cotton	5363	5423	-61
	Fatehabad	B.T. Cotton	5386	5493	-108
	Jind	B.T. Cotton	5820	5707	113
	Uchana	B.T. Cotton	5462	5500	-39
	Dabwali	B.T. Cotton	5327	5393	-67
Rajasthan	Hanumangarh	B.T. Cotton	5472	5506	-34
	Rawatsar	B.T. Cotton	5363	5483	-121
Madhya Pradesh	Khandwa	Mech-1	4933	5210	-277
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5017	5058	-42
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	5238	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4899	4973	-74
Andhra Pradesh	Guntur	Un-Ginned	3500	NA	-
	Kurnool	Un-Ginned	5075	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5756	5692	64
	Hubli	D.C.H.	5648	5540	108
	Hubli	B.T. Cotton	5968	6639	-671
	Raichur	H-44 Cotton	5345	5351	-6
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	19th to 25th January 2018	12th to 18th January 2018	
Punjab	Bhatinda	J-34	4431	4383	48
	Abohar	J-34	4408	4385	23
	Mansa	J-34	4377	4325	52
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4388	4368	21
Rajasthan	Sri-Ganganagar	J-34	4132	4102	31

Week on Week Price: Scenario of Cotton:

Commodity	Kapas	Today	Week Ago	Month Ago	Year Ago
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State	Centre	Variety	25-Jan-18	18-Dec-17	23-Dec-17	25-Jan-17
Gujarat	Ahmedabad	Shankar-6	5250	Closed	5250	6000
	Gondal	Shankar-6	5210	Closed	5305	6020
	Rajkot	B.T. Cotton	Closed	NR	5340	6000
	Patan	B.T. Cotton	Closed	5205	5300	5825
	Kadi	B.T. Cotton	5300	5250	5350	5900
	Deesa	B.T. Cotton	5075	NA	NA	NA
	Dhrol	B.T. Cotton	5140	NA	5265	5985
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5450	5050	5400	6100
	Bhiwani	Desi	NA	6000	6000	5100
	Adampur	B.T. Cotton	5180	4940	5200	6000
	Fatehabad	B.T. Cotton	5260	4980	5230	6050
	Jind	B.T. Cotton	NA	5210	5500	6100
	Uchana	B.T. Cotton	NA	5089	5320	5960
	Dabwali	B.T. Cotton	5380	4870	5125	5860
Rajasthan	Hanumangarh	B.T. Cotton	5400	5100	5250	6040
	Rawatsar	B.T. Cotton	5250	4900	5200	5850
Madhya Pradesh	Khandwa	Mech-1	4900	NR	Closed	5650
	Khargaon	Mech-1	NR	5365	5400	5850
Maharashtra	Amravati	Mech-1	5100	4800	5100	5300
	Jamner	Medium Staple	NA	NA	NA	5182
Uttar Pradesh	Hathras	B.T. Cotton	NA	5400	5400	4600
	Hathras	Desi	NA	4400	4400	4850
Telangana	Adilabad	Un-Ginned	NA	NA	NA	6011
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	4200
	Kurnool	Un-Ginned	NA	NA	NA	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	NA	4320	4320	4160
Karnataka	Bijapur	Bunny	5579	5779	NA	6609
	Hubli	D.C.H.	NA	NA	5610	5839
	Hubli	B.T. Cotton	NA	NA	7259	NA
	Raichur	H-44 Cotton	5200	5320	5440	5980
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	25-Jan-18	18-Dec-17	23-Dec-17	25-Jan-17
Punjab	Bhatinda	J-34	4325	4090	4185	4570



	Abohar	J-34	4315	4100	4185	4570
	Mansa	J-34	4300	4065	4150	4550
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4300	4060	4160	4500
Rajasthan	Sri-Ganganagar	J-34	3995	3732	3901	4818

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	19th to 25th January 2018	12th to 18th January 2018	
Gujarat	Ahmedabad	Shankar-6	433500	336600	96900
	Gondal	Shankar-6	21334	18653	2681
	Rajkot	B.T. Cotton	29400	28400	1000
	Patan	B.T. Cotton	51987	44426	7561
	Kadi	B.T. Cotton	350000	235000	115000
	Deesa	B.T. Cotton	1300	2140	-840
	Dhrol	B.T. Cotton	1831	988	843
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	7500	10000	-2500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	32300	18649	13651
	Fatehabad	B.T. Cotton	5500	4600	900
	Jind	B.T. Cotton	1581	3043	-1462
	Uchana	B.T. Cotton	8655	8400	255
	Dabwali	B.T. Cotton	4475	3425	1050
Rajasthan	Hanumangarh	B.T. Cotton	13300	10600	2700
	Rawatsar	B.T. Cotton	6000	5200	800
Madhya Pradesh	Khandwa	Mech-1	1800	2300	-500
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	96500	90000	6500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	230	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	35021	12445	22576
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-



	Kurnool	Un-Ginned	1293	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	18412	5920	12492
	Hubli	D.C.H.	248	76	172
	Hubli	B.T. Cotton	354	4	350
	Raichur	H-44 Cotton	9021	4422	4599
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	19th to 25th January 2018	12th to 18th January 2018	
Punjab	Bhatinda	J-34	34850	29750	5100
	Abohar	J-34	7140	5100	2040
	Mansa	J-34	4335	2975	1360
Haryana	Sirsa	J-34	3230	3570	-340
Rajasthan	Sri-Ganganagar	J-34	2700	2800	-100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				18th to 24th January 2018	11th to 17th January 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42217	42350	-133
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42817	42983	-167
J-34(202)	26mm	3.5 - 4.9	23	40733	40333	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40217	39800	417
Shankar-6(105)	29mm	3.5 - 4.9	28	41617	41417	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42883	42667	217
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43867	44067	-200
DCH-32(107)	34mm	3.0 - 3.8	33	56500	55567	933



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