



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. 4226 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4200 Cotton fiber (Shankar-6) prices noticed firm this week. Average price was Rs 41100 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.985 per maund (of 20 kg each) which was Rs 974 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

The Cotton Association of India (CAI) has, in its latest estimate, lowered the crop size by 8 lakh bales to 367 lakh bales against the earlier estimate of 375 lakh bales. For the 2017-18 season, beginning from October 1, 2017, the CAI reduced the crop estimate to 367 lakh bales citing severe infestation of cotton with pink bollworm.

The projected Balance Sheet drawn by the CAI estimated total cotton supply for the season at 417 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 estimated 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. The carry over stock at the end of this season on 30th September 2018 is estimated to be 42 lakh bales.

Since the introduction of Bt cotton in 2002, there has been a near doubling of cotton production in the country from 158 lakh bales in 2001-02 to 351 lakh bales in 2016-17, and increase in productivity from 308kg/ha in 2001-02 to 568kg/ha in 2016 17.

The 2017/18 U.S. cotton supply and demand forecasts show slightly lower exports and higher ending stocks relative to last month. Production and domestic mill use are unchanged. The export forecast is lowered 300,000 bales to 14.5 million, based on a lagging pace of shipments to date. Ending stocks are now estimated at 6.0 million bales, equivalent to 34% of total disappearance.

The 2017/18 world cotton forecasts include slightly higher production, lower consumption and higher ending stocks. World production is 400,000 bales higher than last month, as higher estimates for China, Brazil and South



Africa offset lower expectations for India and Australia. Global consumption is forecast 325,000 bales lower, as decreases for India and Thailand offset an increase for Vietnam. World ending stocks are projected 760,000 bales higher, as a 1.1-million-bale increase in China's projected ending stocks – and higher U.S. stocks – offsets declines for India, Australia, Turkmenistan, Tajikistan and Vietnam.

Agriculture ministry is expected to fix the maximum sale price for BT cotton seed packets for the coming kharif planting season by early next month. The MSP for a 450-gram packet of BT cotton seeds is now Rs 800, of which Rs 49 is the royalty on Bollgard-II, which is produced by Monsanto. Now the National Seed Association of India (NSAI) and All India Kisan Sabha (AIKS) a communist party of India- affiliated farmers union have demanded removal of 49 trait value. The reason is BT cotton's failure to control pink bollworm pest it has caused heavy damage to the crop during the last season, especially in Maharashtra.

Higher demand for better grades of cotton kept market sentiments firm. Better grades of cotton also commanded premium prices at leading markets across the country.

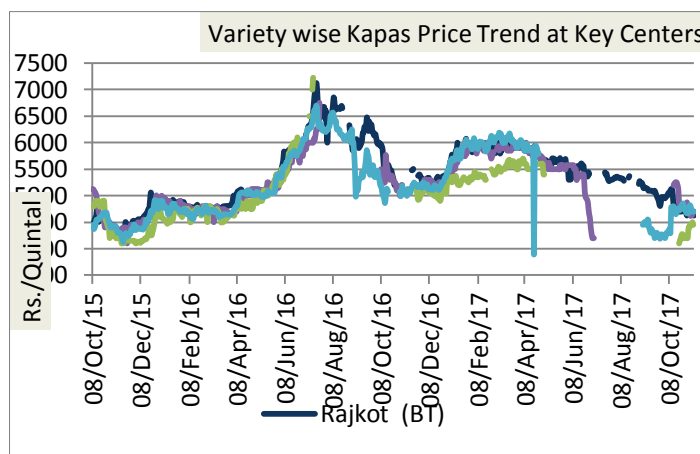
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5141 /quintal this week.

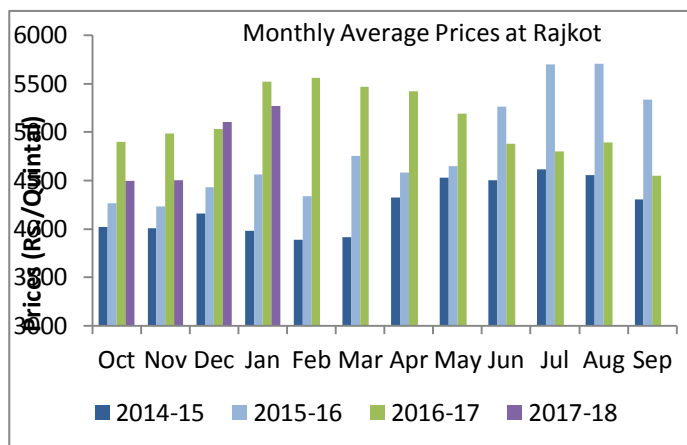
According to latest report of USDA attaché, India's 2017/18 cotton production forecast is 30.00 million 480 lb. bales on higher acreage of 12.20 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 4900-5400per quintal for the coming week.





Kapas Monthly Y-o-Y Price Scenario



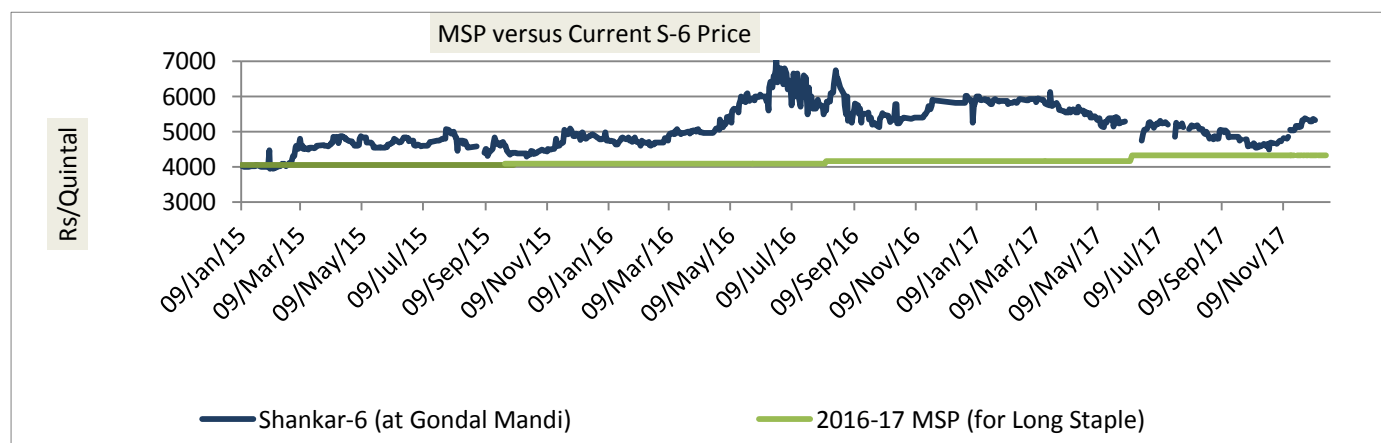
Kapas(seed cotton) prices in country noticed firm tone during the January month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.4126 per quintal during January, which was Rs. 4504 during previous month and Rs. 5024 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.

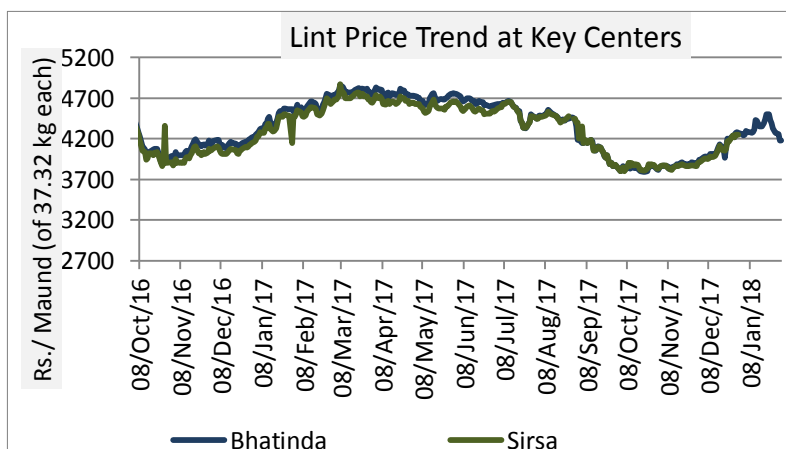
Spot Price versus MSP

The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week.



Lint (De-Seeded Cotton) Weekly Price Scenario

Weekly Price Review: Lint prices remained firm during the week owing to firm tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4226 per maund of 37.32 kg each, higher compared to the previous week price of Rs 4200 per maund.



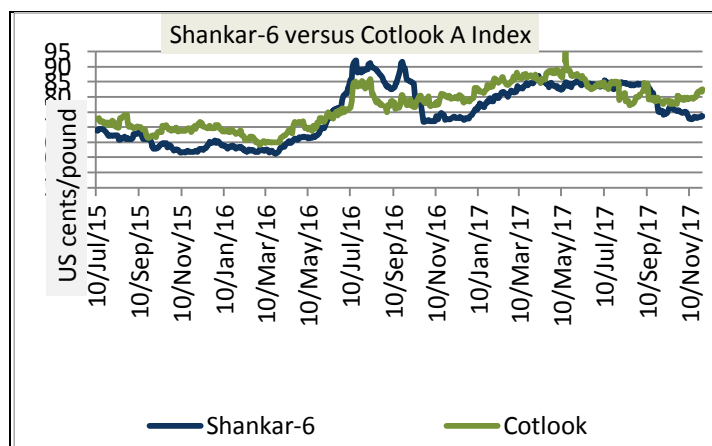
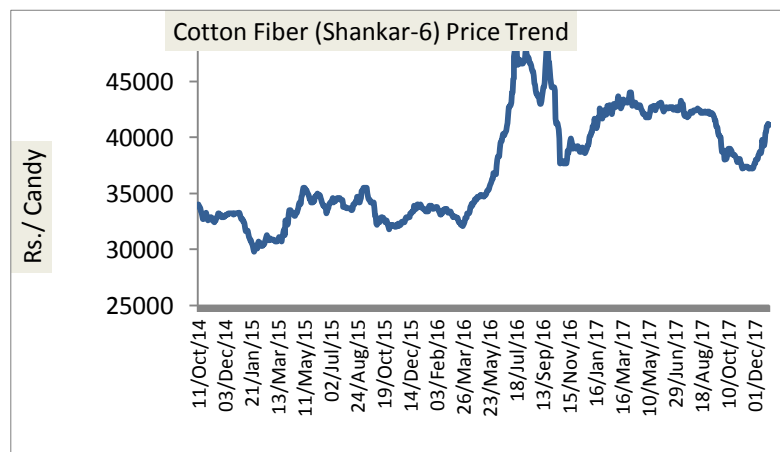


Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.

Cotton Fiber Weekly Price Scenario

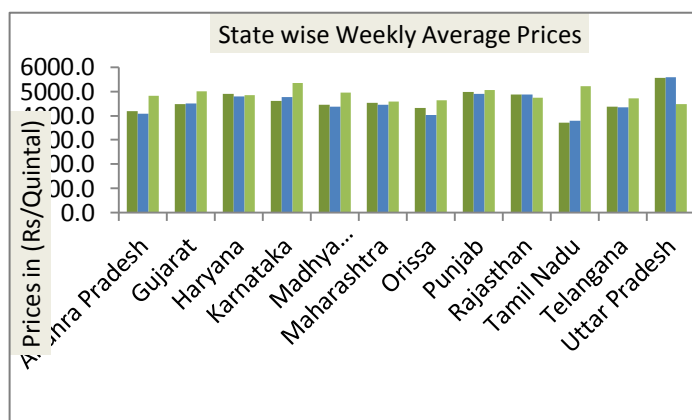
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 87.83 cents/pound, Indian weekly average price stood at 79.00 cents/pound, making Indian fiber more competitive in international market.

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

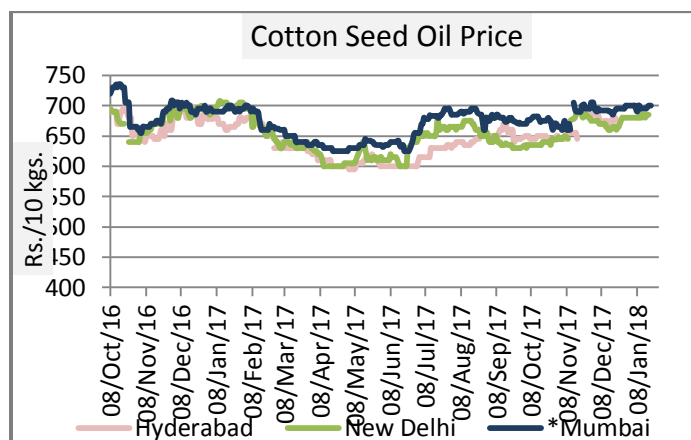
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this week and lowest was in Tamil Nadu followed by Andhra Pradesh



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 694.5 per 10 Kg, no change compared to the weekly average price of Rs 687 per 10 Kg in previous week.



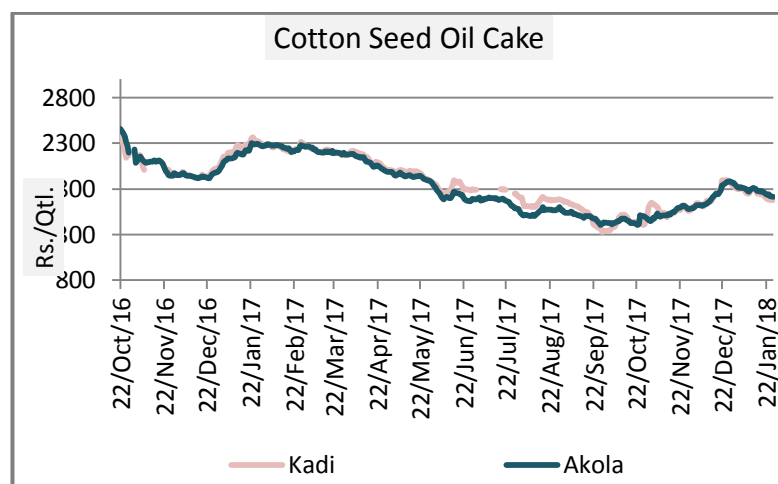
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	08-Feb-18	01-Feb-18	
New Delhi	694.5	687	1.09
Rajkot	693.33	693	0.05
Hyderabad	-	-	
Mumbai*	714	708	0.85

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, 1673 lower compared to the weekly average price of Rs 1714 per quintal in the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	08-Feb-18	01-Feb-18	
Kadi	1675.33	1682	-0.40
Akola	1673	1714	-2.39

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (Continuous chart) closed at Rs 985 974 as on 11 Feb 2018, compared to 974 a week earlier. The gap between the spot and future prices has decreased.



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



Weekly Technical Outlook:

- Kapas prices on downtrend but short term bullishness is in market..
- RSI is hovering in oversold region
- EMA signal line and center line denotes bearish market.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	980-1100

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
950	940	1050	1060

Figures in Rs/20 Kg



International Market Scenario

International cotton prices remained to weak during the week. Cotlook A index weekly average stood at 89.52 cents/pound this week, which was 93.60 cents/pound during last week.

Major Market Highlights:

The 2017/18 U.S. cotton supply and demand forecasts show slightly lower exports and higher ending stocks relative to last month. Production and domestic mill use are unchanged. The export forecast is lowered 300,000 bales to 14.5 million, based on a lagging pace of shipments to date. Ending stocks are now estimated at 6.0 million bales, equivalent to 34% of total disappearance.

The 2017/18 world cotton forecasts include slightly higher production, lower consumption and higher ending stocks. World production is 400,000 bales higher than last month, as higher estimates for China, Brazil and South Africa offset lower expectations for India and Australia. Global consumption is forecast 325,000 bales lower, as decreases for India and Thailand offset an increase for Vietnam. World ending stocks are projected 760,000 bales higher, as a 1.1-million-bale increase in China's projected ending stocks – and higher U.S. stocks – offsets declines for India, Australia, Turkmenistan, Tajikistan and Vietnam.

The Pakistan Ministry of National Food Security and Research has stopped cotton import from Wagah, Torkham and Chaman borders. However, the neighboring country continues to import cotton from the sea route.

Vietnam imported 140,000 tons of cotton worth 244 million U.S. dollars in January, up 49.7 percent in volume and 51.1 percent in value against January 2017. Vietnam, whose yarn industry heavily depends on imported cotton, has imported increasingly bigger volumes of the material in recent years to feed its growing textile and garment production and export; its biggest cotton import markets being the United States, India, Australia, Brazil and Cote d'Ivoire in that order.

Global cotton production is increasing at a faster rate. Current estimates for the season put production at 25.5 million tons and consumption at 25.4 million tons. Production increases are coming off the gains in planted area rather than yields this season. Global average yield for 2017-18 is currently being estimated at 773 kilograms per hectare, a 1% decrease from the previous season with a 12% growth in planted area. India and Pakistan, with estimated area increases of 16% and 24% respectively, encountered production losses from pink bollworm this season.



Global trade is projected at 8.2 million tons this season. Leading importers include Bangladesh and China with an estimated 19% and 16% of global share respectively. East Asia's volume of imports continues to increase and could represent approximately 36% of global share or 2.95 million tons. The USA will continue to lead all exporters in 2017/18 with 39% of the global share and 3.2 million tons. Australian exports in 2017-18 are projected to continue growing reaching 944,000 tons and accounting for 11.4% of global share. India, despite lower than expected production is projected to export 935,000 tons.

In 2017-18, world ending stocks are estimated at 18.9 million tons, slightly higher than the 18.7 million tons for the previous season. The Cotlook A index during January 2018 averaged 91 cents per pound with a 2017/18 season to date average of 82.4 cents per pound. Price of competing polyester has risen over the course of the season and continues to increase relative to cotton, even as cotton prices have moved upward.

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

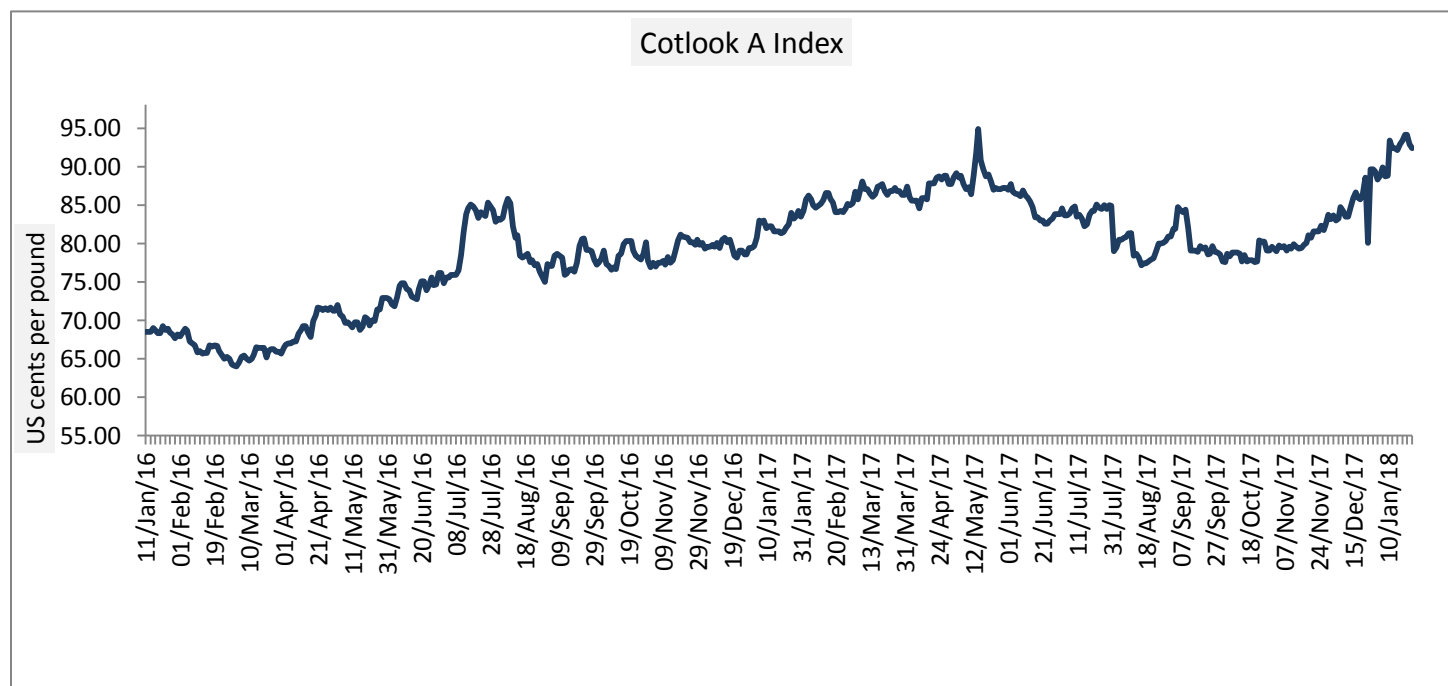
ICE cotton futures gained nearly 1 percent on this week, after falling in the two previous sessions, supported by mill buying. The most active ICE cotton contract for March expiry settled up 0.71 cent, or 0.87 percent, at 82.14 cents per lb. It traded within a range of 80.96 and 82.22 cents a lb.

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 weak during the week.

Cotlook A Index	Weekly Average Price as on		% Change
	08-Feb-18	01-Feb-18	
Prices	87.83	93.36	-5.92
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

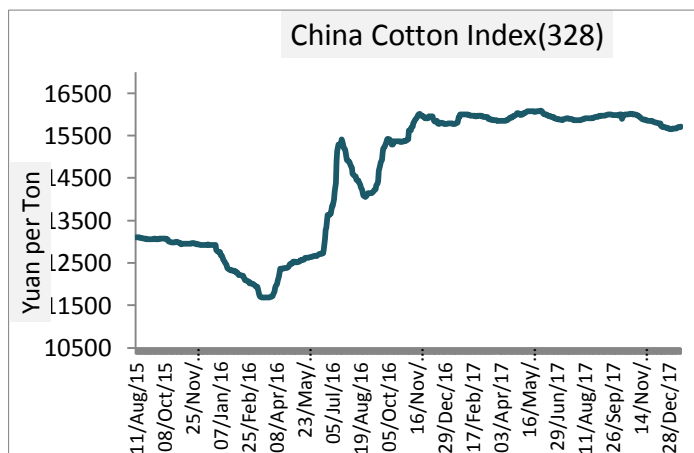
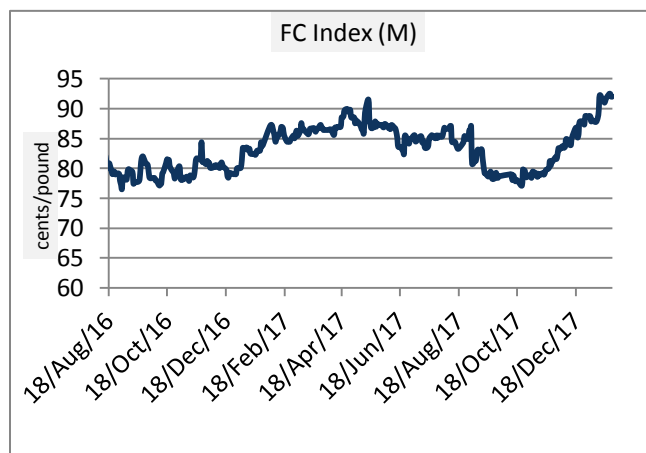


US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.

Cotton Index	Weekly Average Price as on		% Change
	08-Feb-18	01-Feb-18	
FC (S)	91.44	92.28	-0.91
FC (M)	87.91	88.76	-0.96
FC (L)	85.64	86.67	-1.19
Prices in US cents per Pound			

China Index remained weak during the week. CC Index (328) remained 15705 Yuan per ton during the week. it was 15715 in the previous week.

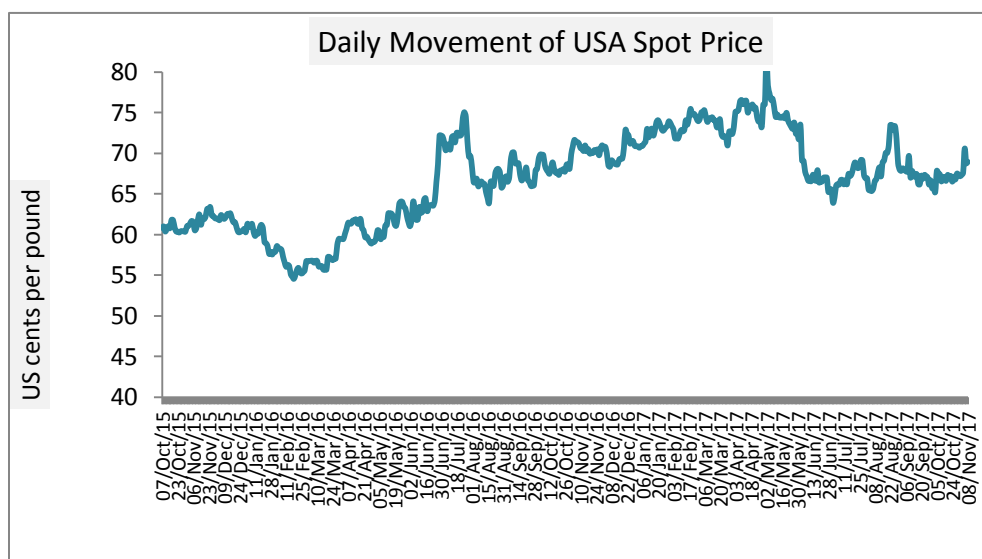
Cotton Index	Weekly Average Price as on		% Change
	08-Feb-18	01-Feb-18	
CCIndex(328)	15705.5	15715	-0.06
CCIndex(527)	14709	14696	0.09
CCIndex(229)	16244.4	16243	0.01
Prices in Yuan per ton			





USA Spot Prices

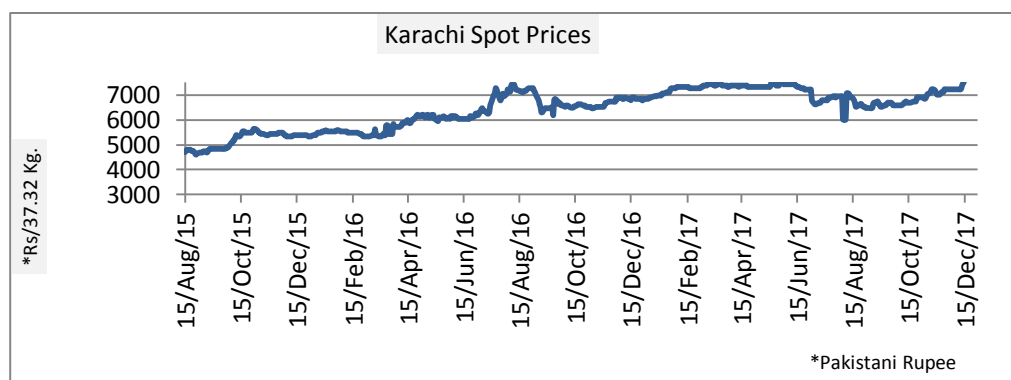
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	08-Feb18	01-Feb18	
Prices	78.13	79.05	-1.16
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

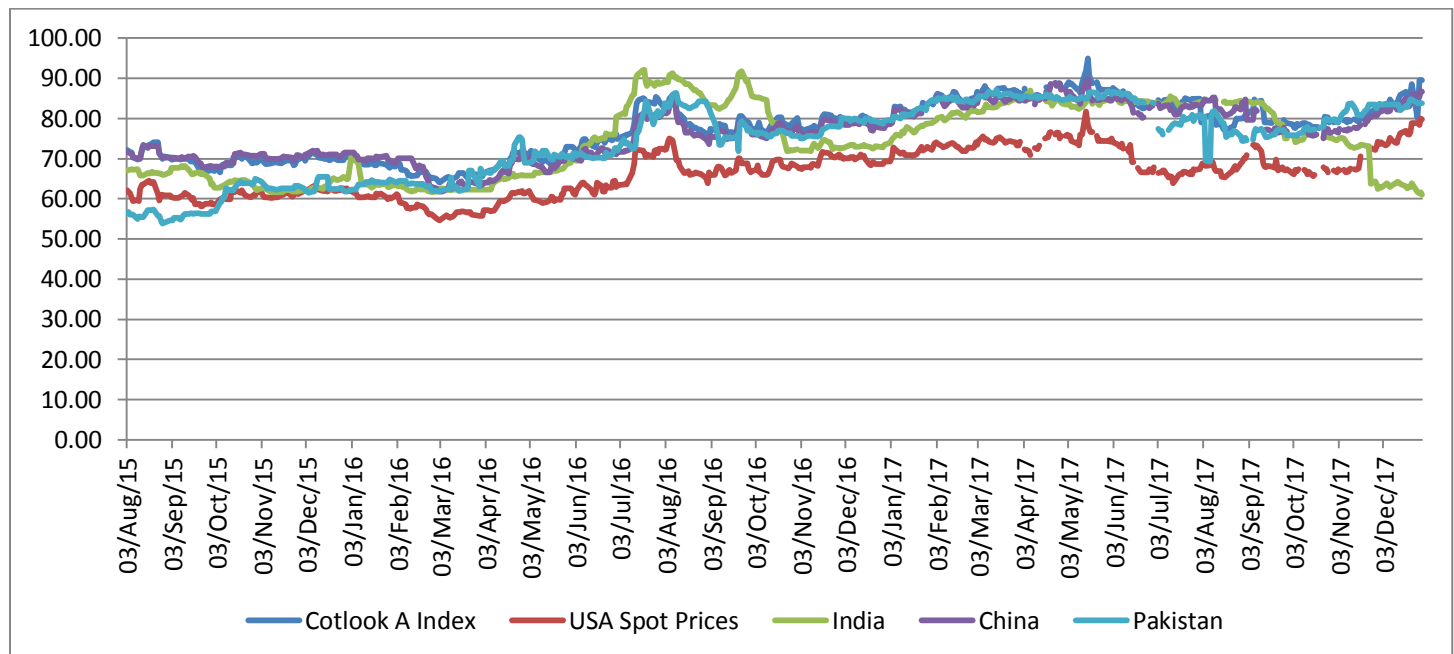


Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.



Karachi Spot Prices	Weekly Average Price as on		% Change
	08-Feb 18	01-Jan-18	
Prices	7787	7978	-2.39
Prices in Rs per 37.32 Kg			

International Price Comparison



Technical Analysis of Cotton Future (Jan'18 Contract) at ICE



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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
74.50	72.00	79.00	83.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	Jan 24	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Mar-18	76.11	77.03	78.14	74.56	-1.19	-2.60	2.08
May-18	77.47	77.97	78.47		-0.65	-1.27	
Jul-18	78.45	78.67	78.85		-0.28	-0.51	
Oct-18	75.78	74.51	75.34		1.61	0.58	
Dec-18	74.85	74.15	74.64		0.94	0.28	
Mar-19	75.53	74.46	74.84		1.44	0.92	

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	02nd to 08th February 2018	25th to January to 01st February 2018	
Gujarat	Ahmedabad	Shankar-6	5142	5175	-33
	Gondal	Shankar-6	5100	5121	-21
	Rajkot	B.T. Cotton	5144	5126	18
	Patan	B.T. Cotton	5214	5170	44
	Kadi	B.T. Cotton	5146	5192	-46
	Deesa	B.T. Cotton	4950	4985	-35
	Dhrol	B.T. Cotton	5030	5087	-57
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5338	5292	46
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5263	5160	103
	Fatehabad	B.T. Cotton	5332	5238	94



	Jind	B.T. Cotton	5391	5393	-2
	Uchana	B.T. Cotton	5284	5231	54
	Dabwali	B.T. Cotton	5174	5168	6
Rajasthan	Hanumangarh	B.T. Cotton	5274	5292	-18
	Rawatsar	B.T. Cotton	5230	5183	47
Madhya Pradesh	Khandwa	Mech-1	4817	4880	-63
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4900	5033	-133
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4693	4610	83
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	4848	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5323	5403	-80
	Hubli	D.C.H.	5368	5269	99
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5140	5185	-45
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	02nd to 08th February 2018	25th to January to 01st February 2018	
Punjab	Bhatinda	J-34	4246	4235	11
	Abohar	J-34	4248	4243	6
	Mansa	J-34	4215	4183	33
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4227	4217	10
Rajasthan	Sri-Ganganagar	J-34	3975	4057	-82


Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	02nd to 08th February 2018	25th to January to 01st February 2018	
Gujarat	Ahmedabad	Shankar-6	272000	331500	-59500
	Gondal	Shankar-6	2859	20659	-17800
	Rajkot	B.T. Cotton	21250	31500	-10250
	Patan	B.T. Cotton	24298	37255	-12957
	Kadi	B.T. Cotton	155000	190000	-35000
	Deesa	B.T. Cotton	475	2700	-2225
	Dhrol	B.T. Cotton	2234	2489	-255
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	4600	600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	28900	34000	-5100
	Fatehabad	B.T. Cotton	2550	2650	-100
	Jind	B.T. Cotton	927	1258	-332
	Uchana	B.T. Cotton	8240	9215	-975
	Dabwali	B.T. Cotton	2175	4375	-2200
Rajasthan	Hanumangarh	B.T. Cotton	6800	8500	-1700
	Rawatsar	B.T. Cotton	3550	5600	-2050
Madhya Pradesh	Khandwa	Mech-1	1250	2350	-1100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	99000	99000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	19140	21240	-2100
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	754	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	14500	21373	-6873
	Hubli	D.C.H.	218	132	86
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	3209	6134	-2925



Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	02nd to 08th February 2018	25th to January to 01st February 2018	
Punjab	Bhatinda	J-34	32300	35700	-3400
	Abohar	J-34	5185	4760	425
	Mansa	J-34	3740	3825	-85
Haryana	Sirsa	J-34	3400	3230	170
Rajasthan	Sri-Ganganagar	J-34	2900	3350	-450

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				1st to 07th February 2018	25th to 31st January 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40800	40900	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41300	41460	-160
J-34(202)	26mm	3.5 - 4.9	23	39460	39660	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38920	39520	-600
Shankar-6(105)	29mm	3.5 - 4.9	28	40140	40880	-740
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41660	42180	-520
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42480	43080	-600
DCH-32(107)	34mm	3.0 - 3.8	33	56000	56580	-580

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