



Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot markets prices mostly noticed firm tone during the week compared to previous week.

Average price of Lint at Sirsa during the week was Rs.4213 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4185 Cotton fiber (Shankar-6) prices noticed firm this week. Average price was Rs 40800 per candy (of 355.6 kg each) during the week, which was Rs 40000 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed slightly lower this week at Rs.936 per maund (of 20 kg each) which was Rs 937 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound to firm 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

In Adoni market, cotton prices are trading near Rs.5200/ quintal compared to Rs.4620/ quintal in previous week. Last year prices were trading near Rs.5600/ quintal.

With domestic cotton prices falling to 40,000 rupees per candy (1 candy = 356 kg) and the rupee weakening by over 2.5%, have made Indian cotton competitive in the global market.

Since Oct 1, cotton export orders for over 3.0 mln bales (1 bale = 170 kg) have been signed, of which 2.8 mln have been shipped out so far. Recent revival in export orders is likely to take overall export orders comfortably above 3.5 mln bales and actual shipments above 3.0 mln bales by the end of February month.

The export price of cotton has remained at high level. 30S pure cotton yarn prices remained at 3.35USD/kg, compared with same time in 2016 was 3.40 USD/kg. in the Chinese market, Indian cotton import prices remained unchanged, with Indonesia and Vietnam rising 4-5 cents respectively.

Domestic cotton prices were reported slightly higher but adequate supplies and slow demand from mills have limited the upside price potential. All India cotton arrivals stood at an average of 130,000 to 135,000 bales/day. It includes 40,000 in Maharashtra, 35,000 in Gujarat, 44,000 in Andhra Pradesh/Telangana state and 16,000 bales in other states.

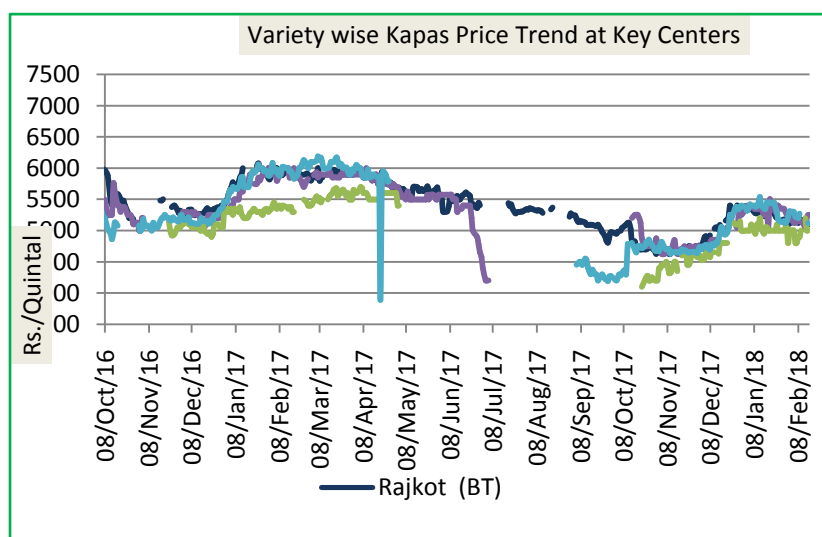
Cotton Corporation of India has procuring cotton lint from different mills across the country at Rs 41000(29 mm) per candy.



All India cotton daily arrivals reported from 110-120k bales against an average of roughly 140k bales last week. Arrivals are mainly slowing down in the northern states. As per trade sources, 24.50 million domestic bales arrived until 20th February and export business continues in the Vietnam, Bangladesh and the Pakistani mainly for March shipment.

Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario

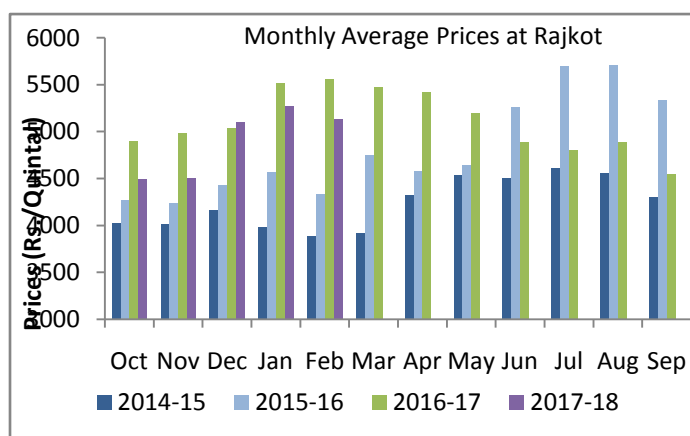


Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5130 /quintal this week.

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 4900-5400 per quintal for the coming week.

Kapas Monthly Y-o-Y Price Scenario



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

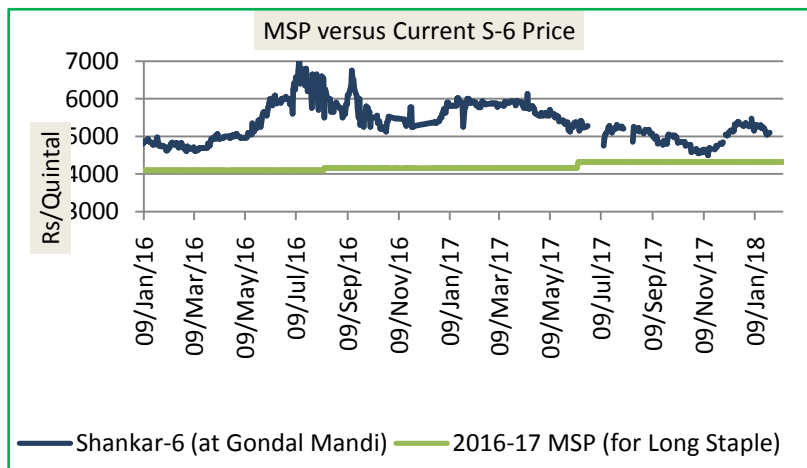
Monthly average price of Kapas at Rajkot remained Rs.5128 per quintal during February, which was Rs. 5270 during previous month and Rs. 5559 per quintal during the corresponding month last year. We expect

Kapas prices to remain range-bound to firm in the coming month. The expected price range for March month is likely to be Rs 4600-5200 per quintal.



Spot Price versus MSP

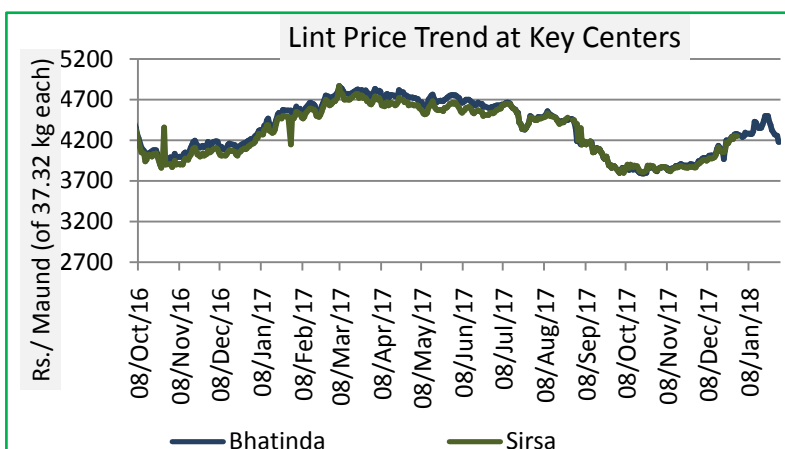
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs 620 compared to Rs 690 a week earlier. This indicates prices are decreasing



Lint (De-Seeded Cotton) Weekly Price Scenario

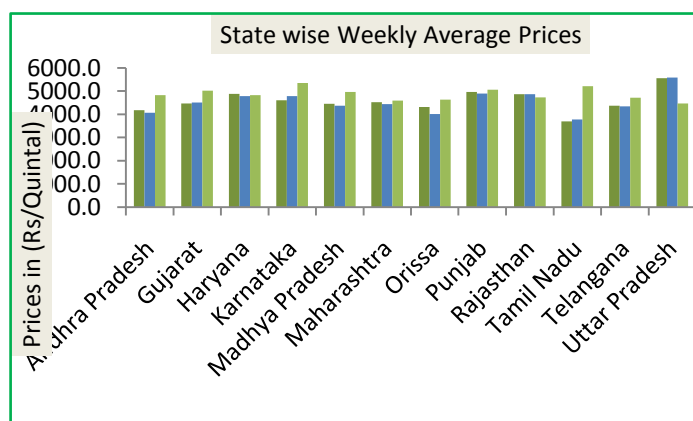
Weekly Price Review: Lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs.4212 per maund of 37.32 kg each, lower compared to the previous week price of Rs 4185 per maund.

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



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



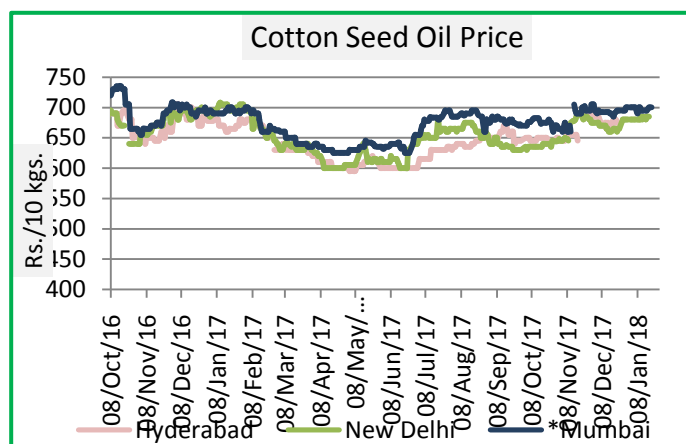


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

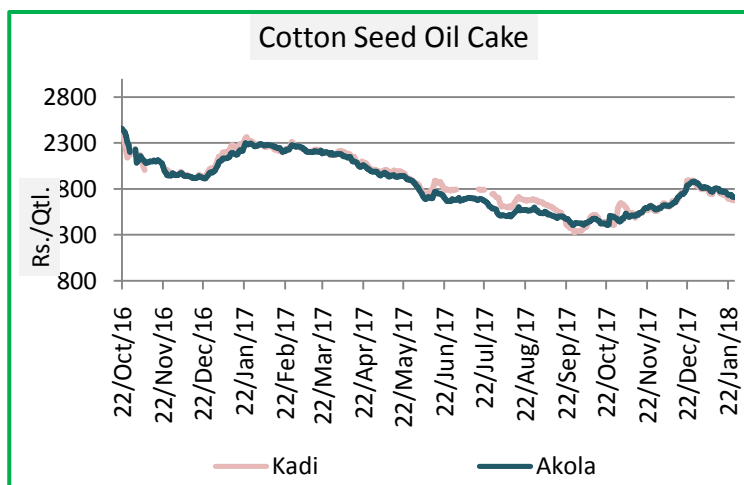
Cotton seed oil price noticed firm during the week. Weekly average price in New Delhi is Rs 709 per 10 Kg, compared to the weekly average price of Rs 704 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	01-Mar -18	23-Feb -18	
New Delhi	709	704	0.78
Rajkot	709	708	0.21
Hyderabad	684	684	
Mumbai*	738	727	1.58



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, 1566 higher compared to the weekly average price of Rs 1704 per quintal in the previous week.



Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	01-Mar-18	23-Feb-18	
Kadi	1530	1676	-8.70
Akola	1566	1704	-8.09

*Source: NCDEX



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	900-1100

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
920	900	990	1020

Figures in Rs/20 Kg

International Market Scenario

International cotton prices remained to firm during the week. Cotlook A index weekly average stood at 91.53 cents/pound this week, which was 88.74 cents/pound during last week.

**Major Market Highlights:**

Cotton Outlook forecasts world production in 2018/19 at 26,126,000 tonnes, marginally lower than in the current season. The area devoted to cotton next season is expected to increase modestly. However, a return to yields closer to the recent average, rather than a repeat of the excellent outcomes seen in 2017/18, is anticipated and has resulted in the lower figure. Global consumption is expected to increase by around 2.6 percent, to 26,709,000 tonnes. Growth is anticipated in some major consuming countries, including China, India, Bangladesh and Vietnam.

According to the National Cotton Council's 37th Annual Early Season Planting Intentions Survey, U.S. cotton producers intend to plant 13.1 million cotton acres this spring, up 3.7 percent from 2017.

The US department of agriculture (USDA) has lowered the country's cotton export target for 2017-18 to 14.5 million bales of 480 lb each, down 300,000 bales from the previous forecast. To meet the revised forecast, however, exports will still have to average over 350,000 bales per week.

U.S. cotton exports expected to reach 15 million bales this season, says NCC, up 500,000 bales from USDA's latest estimate. Exports next season projected to slow to 14.3 million bales.

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.

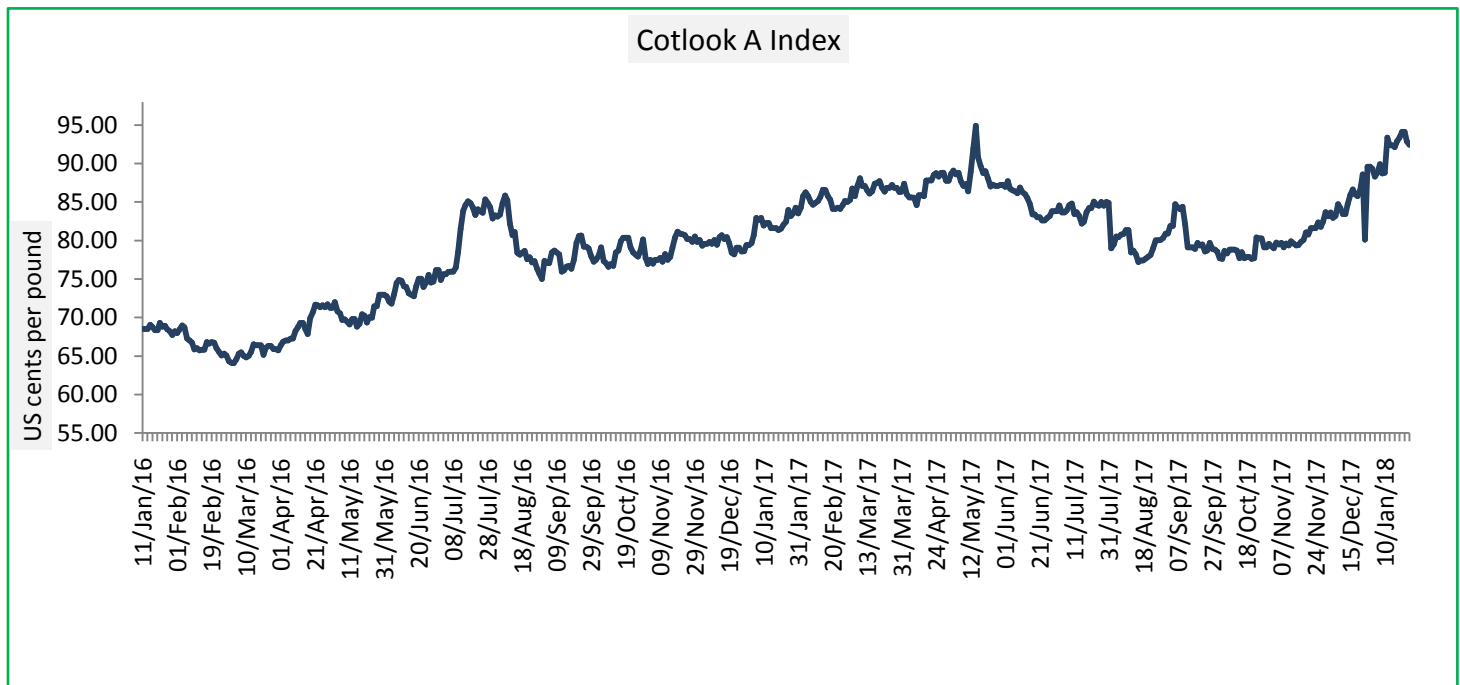
In 2017-18, world ending stocks are estimated at 18.9 million tons, slightly higher than the 18.7 million tons for the previous season. The Cotlook A index during January 2018 averaged 91 cents per pound with a 2017/18 season to date average of 82.4 cents per pound. Price of competing polyester has risen 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 tonnes. Average price of exported cotton at \$1681.25/tonnes. 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.



Cotlook A Index



Cotlook A index remained weak during the week.

Cotlook A Index	Weekly Average Price as on		% Change
	01-Mar-18	23-Feb-18	
Prices	91.53	88.74	3.1
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.

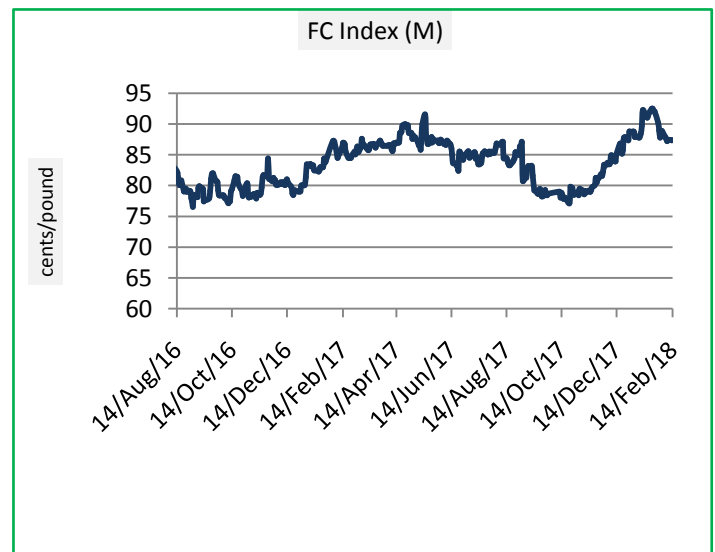
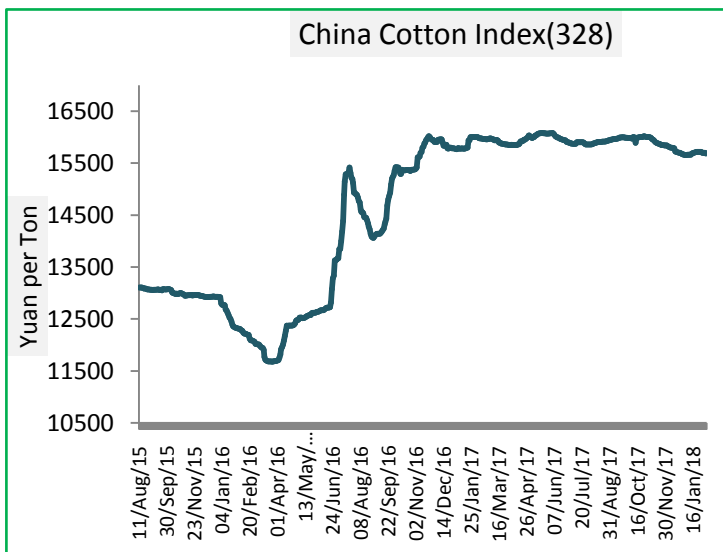
In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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



Cotton Index	Weekly Average Price as on		% Change
	01-Mar-18	23-Feb-18	
FC (S)	94.86	92.02	3.09
FC (M)	91.27	87.98	3.74
FC (L)	89.47	85.88	4.18
Prices in US cents per Pound			

China Index remained weak during the week. CC Index (328) remained 15688 Yuan per ton during the week. it was 15689 in the previous week.

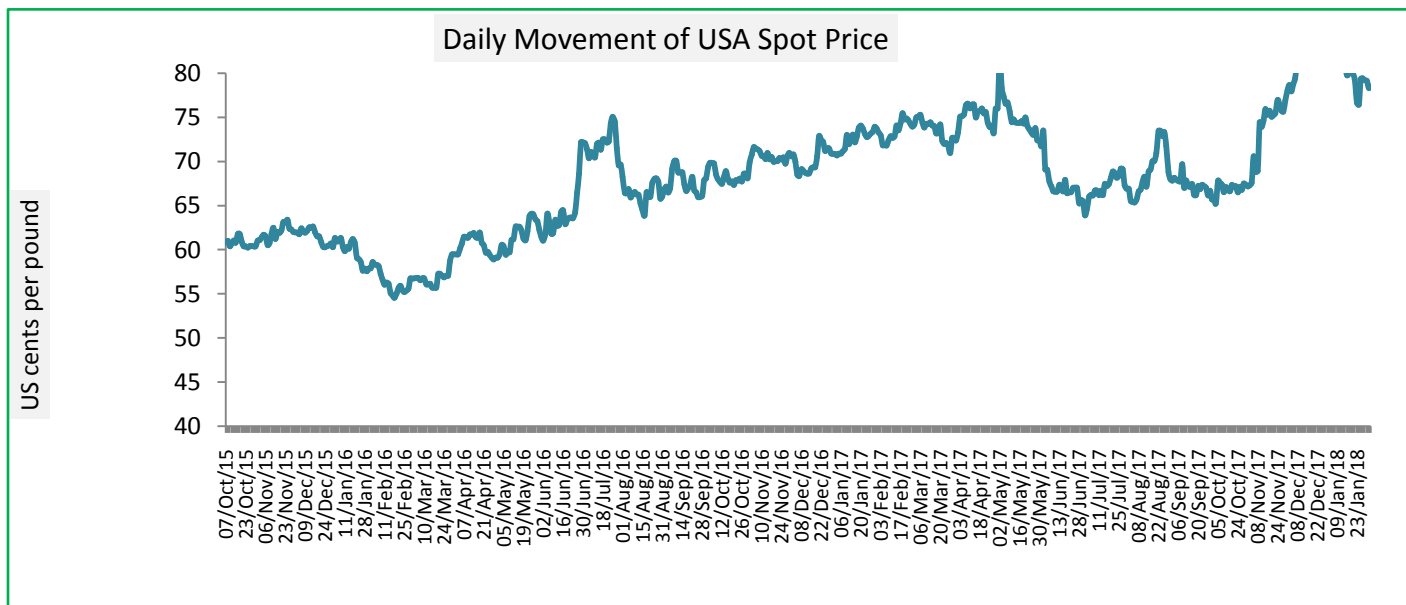
Cotton Index	Weekly Average Price as on		% Change
	01-Mar-18	23-Feb-18	
CCIndex(328)	15688	15689	-0.01
CCIndex(527)	14683	14694	-0.07
CCIndex(229)	16242	16250	-0.05
Prices in Yuan per ton			





USA Spot Prices

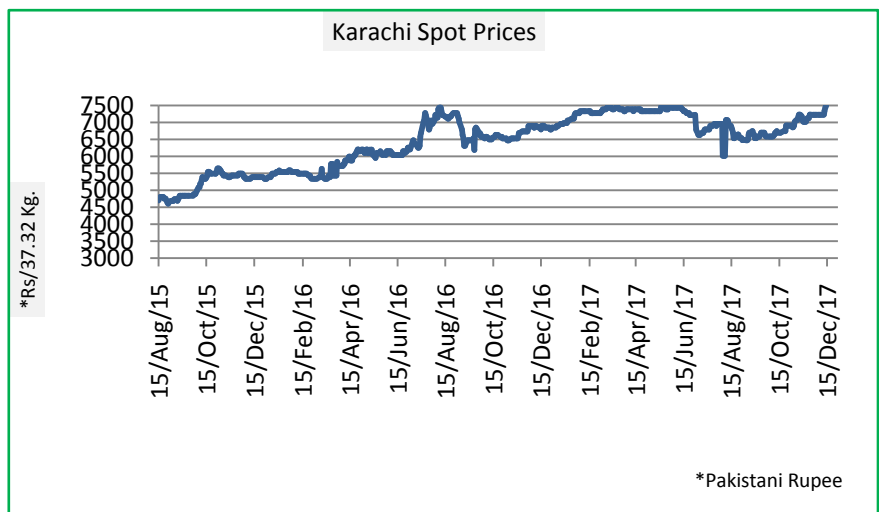
According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales



USA Spot Prices	Weekly Average Price as on		% Change
	01-Mar-18	23-Feb18	
Prices	85.17	82.17	3.65
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

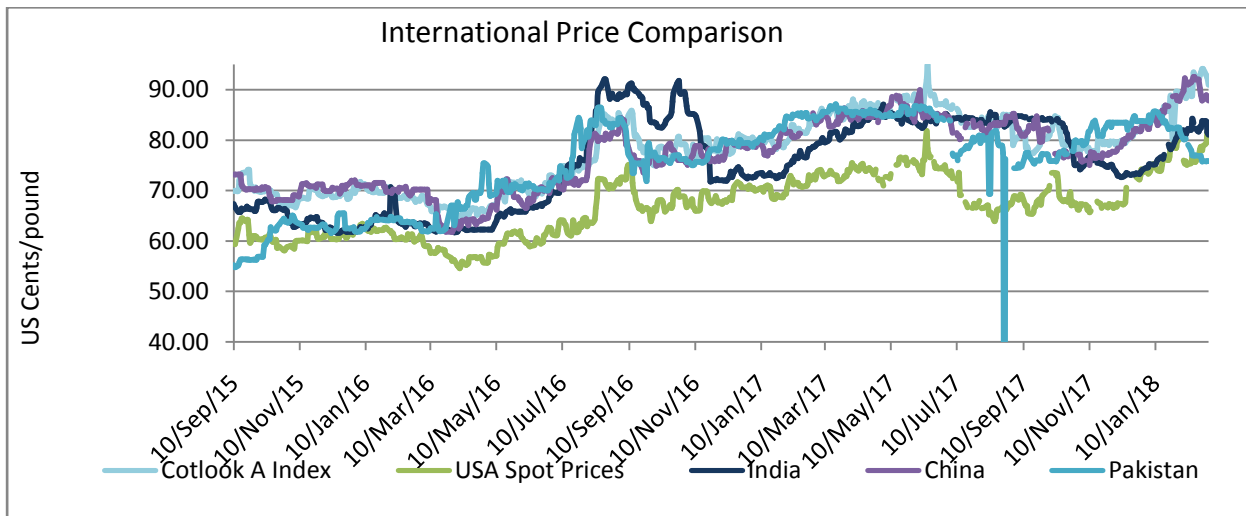




expected to produce 9.15 million bales during the current season.

Karachi Spot Prices	Weekly Average Price as on		% Change
	01-Mar- 18	23-Jan-18	
Prices	6925	7395	-6.36
Prices in Rs per 40. 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 firm 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	74	85.00	90.00

Figures in US cents/pound

Cotton Future Prices at ICE**ICE Futures Cotton**

ICE Futures Cotton							
Contract s	01-Mar	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Mar-18	82.57	81.45	78.35	75.01	1.38	5.39	10.08
May-18	81.81	81.34	79.45		0.58	2.97	#DIV/0!
Jul-18	82.11	82.07	80.24		0.05	2.33	#DIV/0!
Oct-18	78.51	78.04	75.76		0.57	3.63	#DIV/0!
Dec-18	77.18	76.60	75.42		0.74	2.33	
Mar-19	77.46	76.80	75.72		0.86		

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	23rd to 1st March 2018	16th to 22nd February 2018	
Gujarat	Ahmedabad	Shankar-6	5250	5167	83
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5128	5111	17
	Patan	B.T. Cotton	5121	5132	-11
	Kadi	B.T. Cotton	5125	5163	-38
	Deesa	B.T. Cotton	NA	NA	-



	Dhrol	B.T. Cotton	5017	5085	-68
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5225	5235	-10
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5072	5113	-41
	Fatehabad	B.T. Cotton	5128	5150	-23
	Jind	B.T. Cotton	5144	NA	-
	Uchana	B.T. Cotton	5100	5143	-42
	Dabwali	B.T. Cotton	4984	5032	-48
Rajasthan	Hanumangarh	B.T. Cotton	5132	5150	-18
	Rawatsar	B.T. Cotton	4994	4983	10
Madhya Pradesh	Khandwa	Mech-1	4807	4625	182
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4920	4967	-47
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4580	4650	-70
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	3878	4309	-431
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5244	5201	43
	Hubli	D.C.H.	4959	4514	444
	Hubli	B.T. Cotton	5500	NA	-
	Raichur	H-44 Cotton	5055	5051	4
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	23rd to 1st March 2018	16th to 22nd February 2018	
Punjab	Bhatinda	J-34	4267	4190	77
	Abohar	J-34	4223	4195	28
	Mansa	J-34	4209	4163	46
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4211	4180	31
Rajasthan	Sri-Ganganagar	J-34	3925	3905	20


Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23rd to 1st March 2018	16th to 22nd February 2018	
Gujarat	Ahmedabad	Shankar-6	341700	340000	1700
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	20900	17900	3000
	Patan	B.T. Cotton	15361	12787	2574
	Kadi	B.T. Cotton	355000	245000	110000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2243	715	1528
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	6900	3500	3400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	30641	12750	17891
	Fatehabad	B.T. Cotton	4000	4800	-800
	Jind	B.T. Cotton	228	NA	-
	Uchana	B.T. Cotton	3865	5005	-1140
	Dabwali	B.T. Cotton	1925	1960	-35
Rajasthan	Hanumangarh	B.T. Cotton	7400	12300	-4900
	Rawatsar	B.T. Cotton	2500	1100	1400
Madhya Pradesh	Khandwa	Mech-1	1300	1600	-300
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	22000	37000	-15000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	29242	25773	3469
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	2186	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	15516	7890	7626
	Hubli	D.C.H.	248	274	-26
	Hubli	B.T. Cotton	2	NA	-
	Raichur	H-44 Cotton	6306	4582	1724



Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23rd to 1st March 2018	16th to 22nd February 2018	
Punjab	Bhatinda	J-34	31450	34850	-3400
	Abohar	J-34	4930	5780	-850
	Mansa	J-34	4250	4930	-680
Haryana	Sirsa	J-34	5100	6460	-1360
Rajasthan	Sri-Ganganagar	J-34	2200	3500	-1300

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				22nd to 28th February 2018	8th to 14th February 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41967	41450	517
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42467	41950	517
J-34(202)	26mm	3.5 - 4.9	23	39417	38917	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38450	38100	350
Shankar-6(105)	29mm	3.5 - 4.9	28	40183	39750	433
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42167	42050	117
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42900	42750	150
DCH-32(107)	34mm	3.0 - 3.8	33	54967	55733	-767

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