



Current Market Outlook markets

Domestic Weekly Price Scenario: Cotton spot prices at the various market witnessed firmness in the week under consideration.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain firm to range bound over persistent firmness in international market.

Major Market Highlights:

According to the latest data from the department of Agriculture and Cooperation cotton sowing has so far come down by 30 per cent to 7.82 lha from 11.24 lakh hectare in 2017. The precariously low water storage levels in reservoirs used for irrigation could be one of the main reasons for tepid improvement in sowing. According to data released by the Central Water Commission, on Thursday the average water storage in 91 reservoirs monitored by it was 18 per cent as compared to around 20 per cent during the corresponding period last year.

Haryana has sown 4.5 lakh hectares against 5.078 lakh hectares of 5 year average as on date and 5.83 lakh hectares last year. Punjab has sown 2.48 lakh hectares against 3.648 of last 5 years and 3.44 in 2017. Both these states may result in net fall in acreages by nearly 1.5 lakh hectares against last year.

The weakening rupees is expected to propel the exports of cotton to 4 years as per estimate by CAI. India is expected to exports 7.5 million bales of cotton a 30% y-o-y rise. Bullishness in international prices has made Indian cotton more competitive. Till now from Oct 1st 2017 India has exported 6.3 billion bales. Last year India exported 5.82 million bales. Indian cotton is cheaper by 6-8 cents per pound in Vietnam and Bangladesh on CIF basis. Traders are estimating record low stocks of cotton at the end of the season and estimating to be at 2 million bales.

With Indian shipping industry relaxing the cabotage law the industry is expecting the cost of transportation to fall. The major benefit will be the textile industry in Coimbatore and they will be able to enjoy price discount of at least INR 200 per bale against road transport. It is going to help in increase the textile production as well as the exports of yarn, textiles and garments.

In bid to circumvent the pink bollworm cycle Maharashtra state government is allowing seeds to be marketed which are of shorter duration. Further the state official is touring the main cotton area to look into sanitation for the fields before the sowing commence.

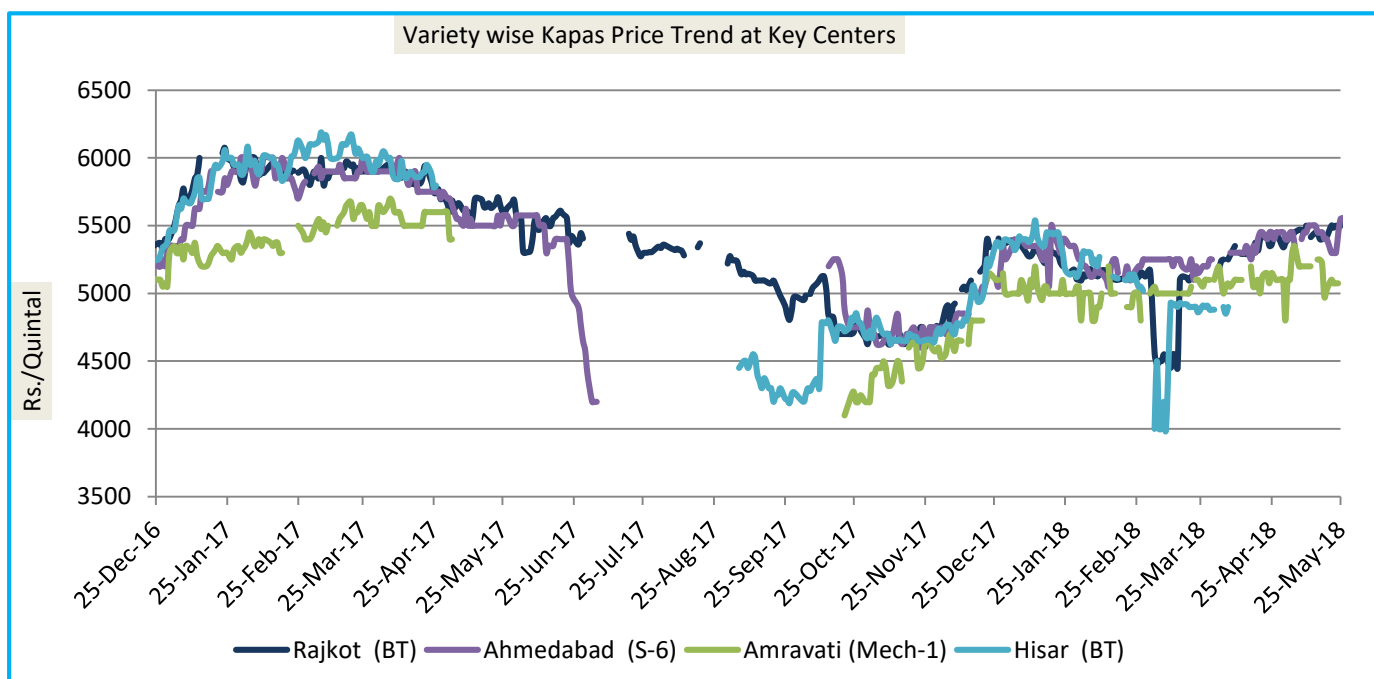
At the demand prospects with Pakistan mulling over importing 20000 tons of cotton from Afghanistan, Indian exporters may face a setback. However aggressive imports demand from Bangladesh is expected to overshadow any fall in demand. Overall we can still expect year on year higher exports at the end of cotton season.



Pakistan is India's one of the major importers of cotton. The Pakistan govt lifted ban on Indian cotton last year after brief period of ban on political tensions. Pakistan is expected to import 460 thd bales in July and August. In 2017-18 Pakistan has imported 3.2 million bales. The annual requirement is around 15 million bales whereas production is around 10 million bales.

Domestic Cotton Prices Scenari

Kapas (Raw Cotton) Weekly Price Scenario



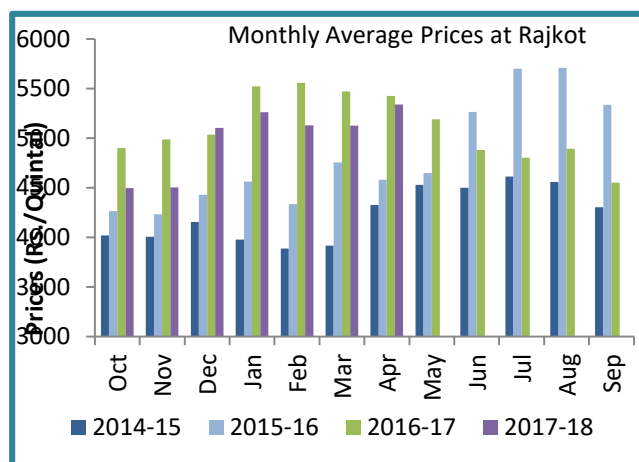
Weekly Price Review: Weekly kapas average price at Rajkot rose from Rs 5420 /quintal this week.

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 firm in coming days. The expected range for Kapas at Rajkot is Rs 4800-5500 per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario

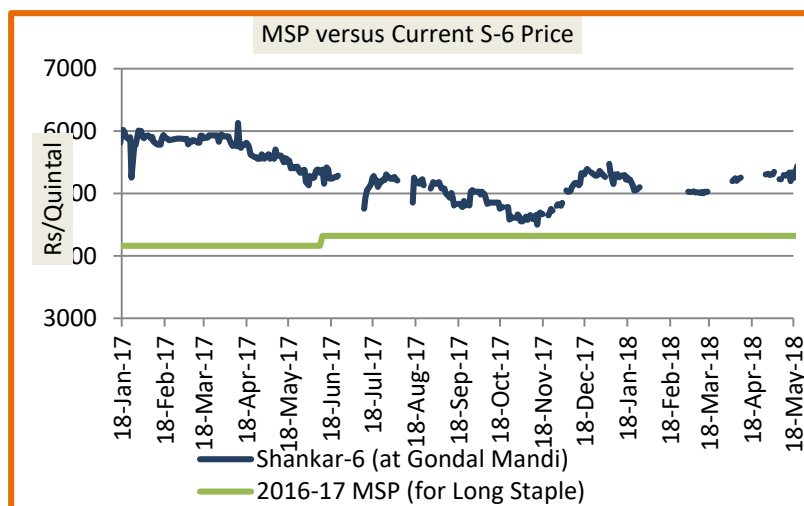


Kapas(seed cotton) prices in country noticed firm tone during the April month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.5331 per quintal during March, which was Rs. 5128 during previous month and Rs. 5450 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 gap between the two prices has increased this week. The average gap between the prices was Rs 963 compared to Rs 940 a week earlier.

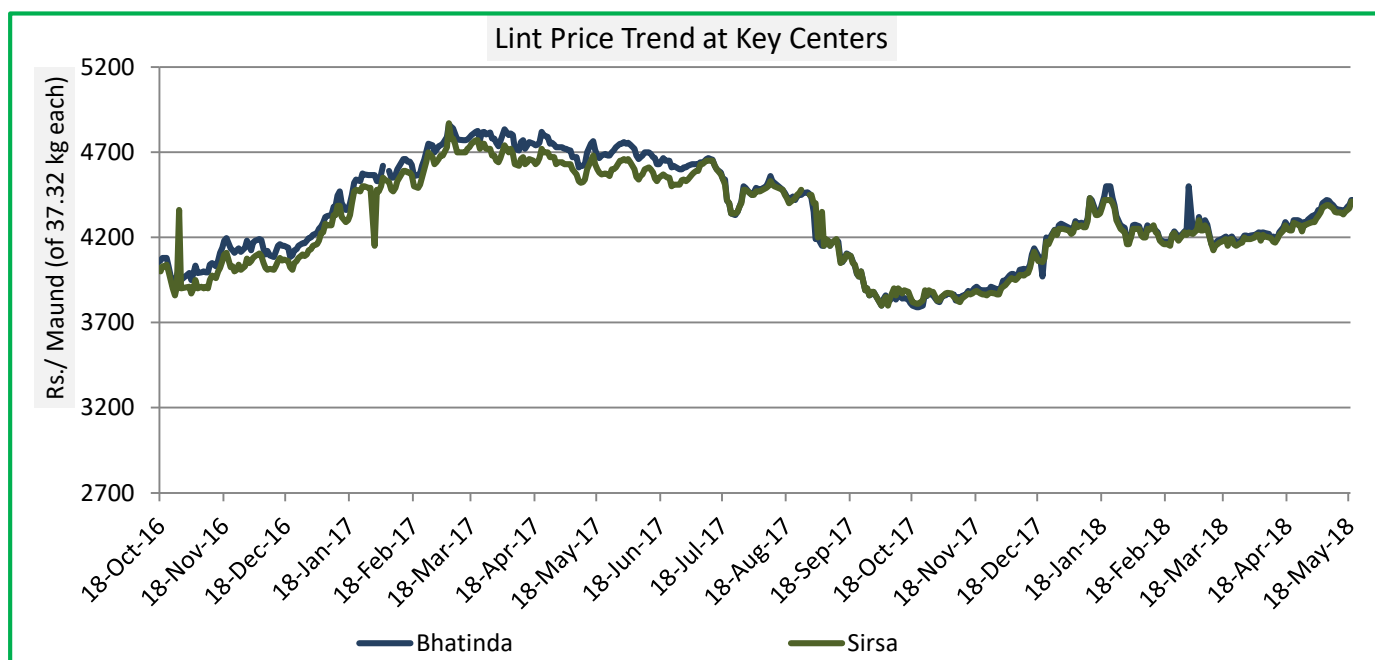


Lint (De-Seeded Cotton) Weekly Price Scenario

Weekly Price Review: Lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs.4350 per maund of 37.32 kg each, lower compared to the previous week price of Rs 4375 per maund

Weekly Price Outlook: Lint prices are expected to remain

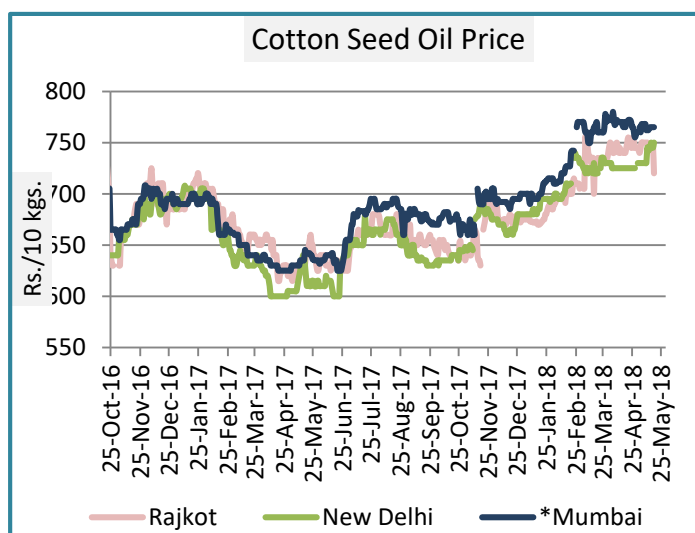
weak during the week. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.



Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed flat during the week. Weekly average price in New Delhi is Rs 730 per 10 Kg, ous week.

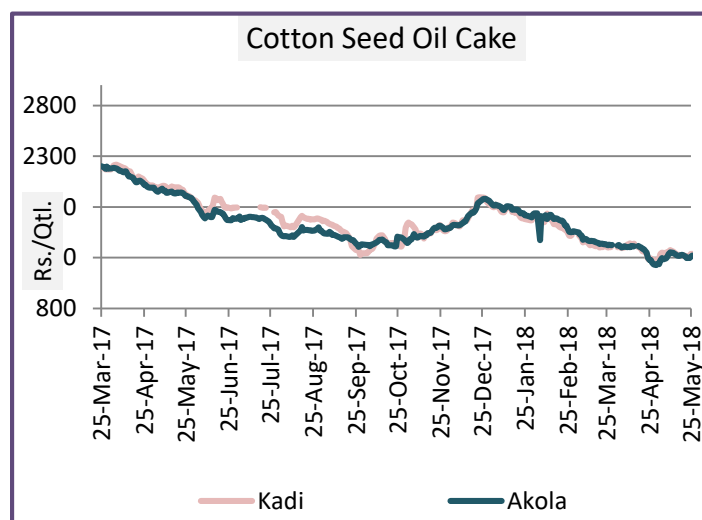


Centers	Weekly Average Price as on (Rs/10 kg.)		% Change (%)
	#####	##### #	
New Delhi	730	730	2.30%
Rajkot	741	741	-0.80%
Hyderabad	NA	NA	
Mumbai*	765	765	0.00%



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 1295 per quintal, 1295 lower compared to the weekly average price of Rs 1331 per quintal in the previous week.



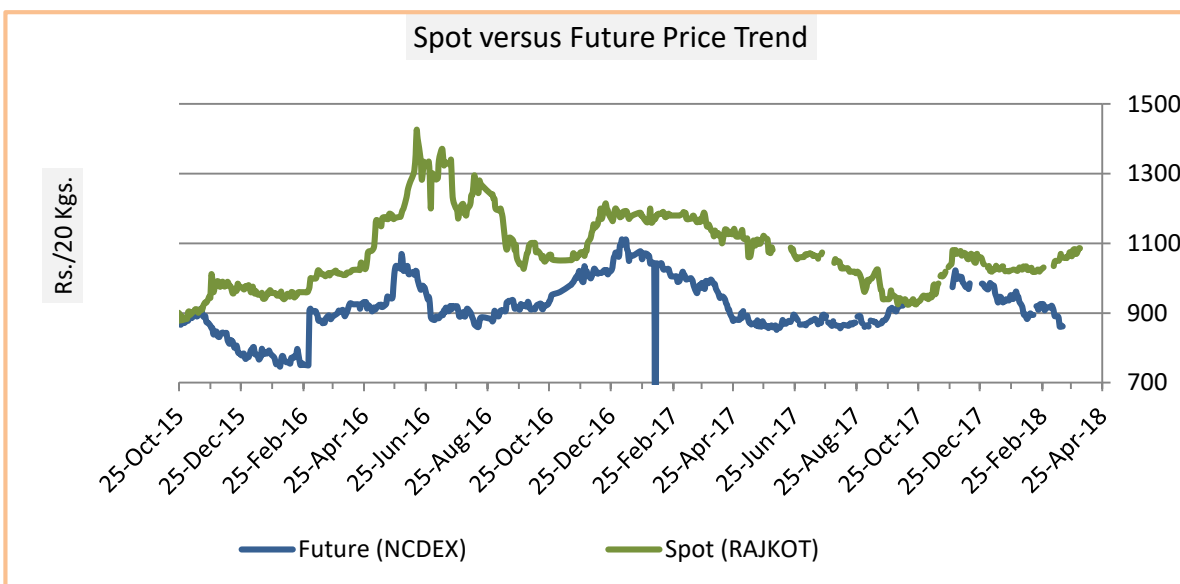
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	24-May -18	17-May -18	
Kadi	1309	1341	-1.4%
Akola	1295	1331	-1.8%

*Source: NCDEX



Cotton spot and future price trend

Cotton future price closed lower this week Kapas at NCDEX (April Contract) Closed 868 as on 29 April 2018, compared to 861 a week earlier. No further kapas contract has been launched.



International Market Scenario

International cotton prices firmed up due to uncertainties in production in India, Pakistan as well as US. during the week. Cotlook A index weekly average stood at 94.45 cents/pound this week, which was 92.57 cents/pound during last week.

Major Market Highlights:

The weekly USDA US Cotton Planted Progress Report out after the close showed the US at 36 percent planted, ahead of the 31 percent 5-year average.

ICE cotton futures rose on Wednesday in their biggest one-day percentage gain in nearly 2 weeks, on worries over crop damage in China's major cotton growing region of Xinjiang following heavy rains.

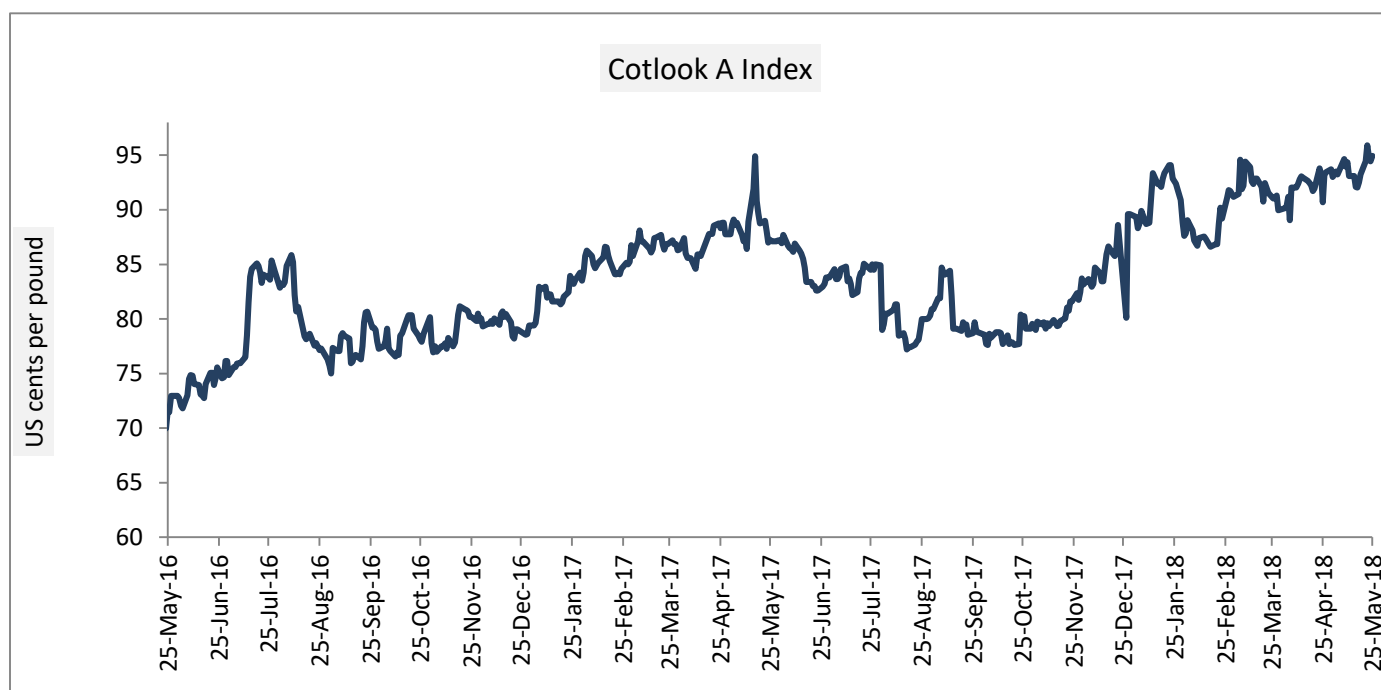
According to USDA's Prospective Planting report indicated acreage is going to be up 7% nationwide at 13.5 million acres. Kansas, Alabama and Oklahoma which are grain belts has seen crop shift towards cotton due to unprofitable wheat. Especially Kansas has witnessed 40% rise in cotton acreages.

In US too there has been severe drought conditions despite of recent rains. However supportive prices is expected to witness acreages reaching to around 13.5 million acres a high by 7% from last year, but the same might not reflect in production due to yield compromise over drought conditions. The latest U.S. Drought Monitor showed nearly 13 percent of Texas is facing extreme drought. 4.6 percent is seeing exceptional drought, and the majority of that is parked in West Texas and the Panhandle.



Cotlook has lowered its forecast for 2018-19 global Cotton production by 69,000 tonnes to 26.23 million tonnes owing to a change for the US which more than offset increases for Uzbekistan and Brazil. It also lowered global Cotton consumption by 103,000 tonnes to 26.77 million tonnes.

Cotlook A Index



Cotlook A index remained weak during the week.

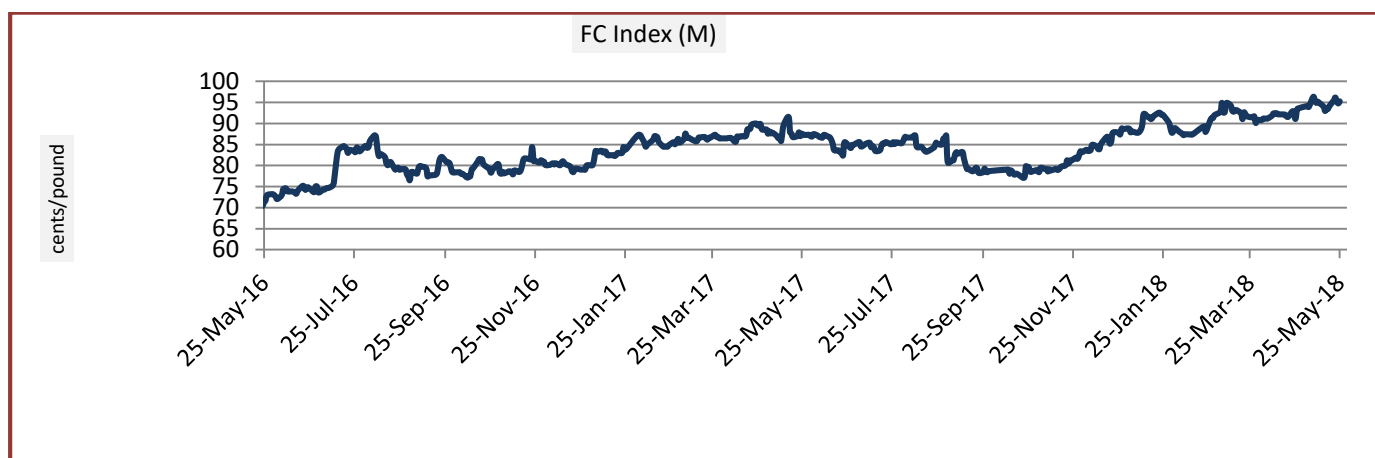
Cotlook A Index	Weekly Average Price as on		% Change
	24 -May-18	17-May-18	
Prices	94.45	92.50	2.11
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	17-May-18	10-May-18	
FC (S)	98.17	96.46	1.8%



FC (M)	94.73	93.45	1.4%
FC (L)	93.78	92.39	1.5%
Prices in US cents per Pound			

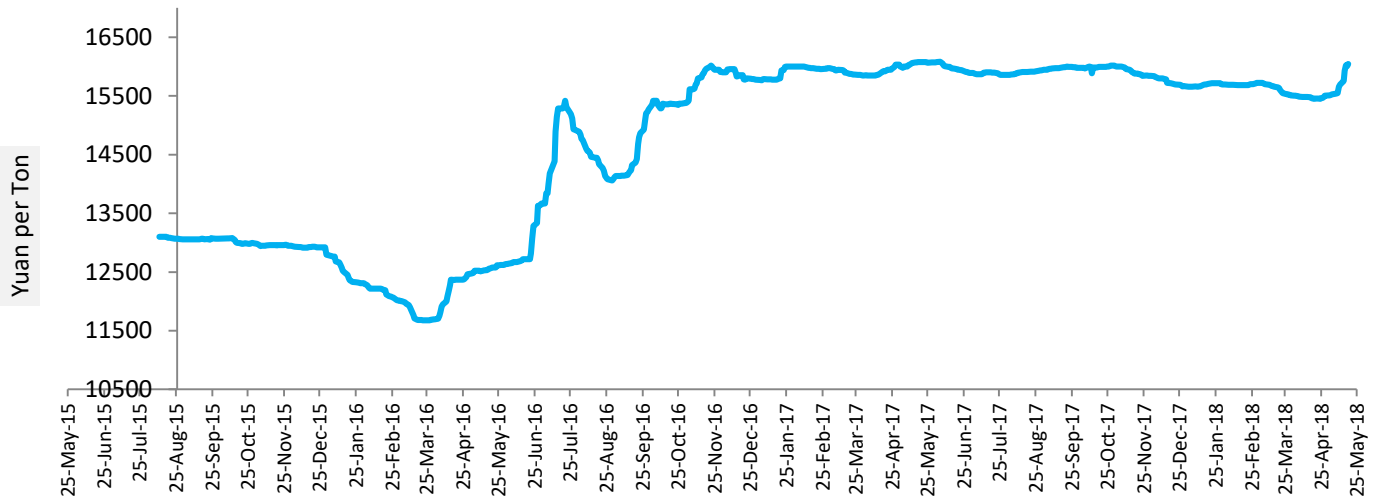


China Index remained firm during the week. CC Index (328) remained 16012 Yuan per ton during the week. it was 15561 in the previous week.

Cotton Index	Weekly Average Price as on		% Change
	24 -May-18	17-May-18	
CCIndex(328)	16012	15561	2.8%
CCIndex(527)	14878	14582	2.0%
CCIndex(229)	16600	16192	2.5%
Prices in Yuan per ton			

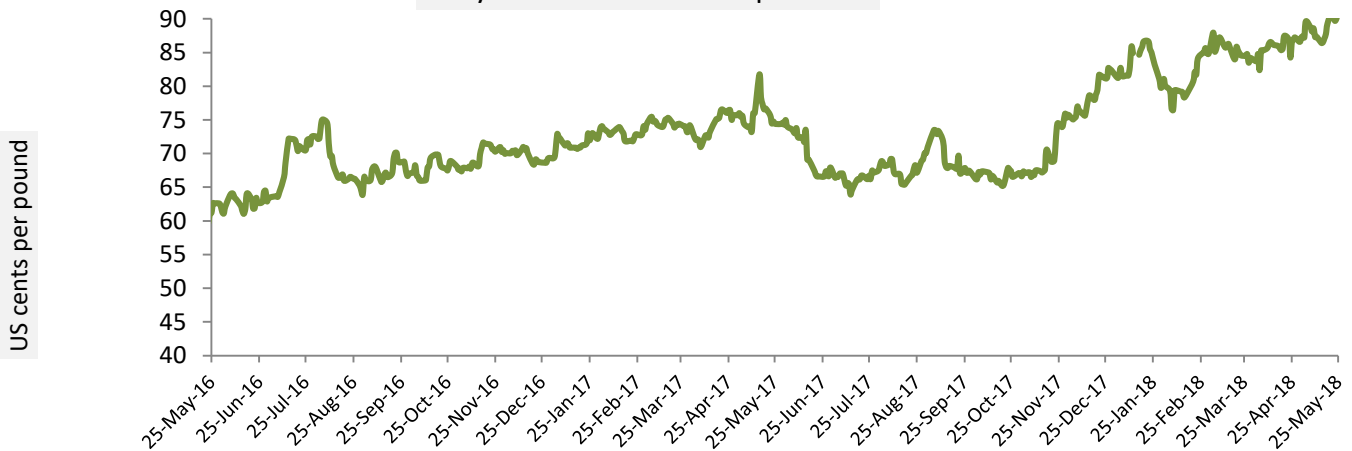


China Cotton Index(328)



USA Spot Prices

Daily Movement of USA Spot Price

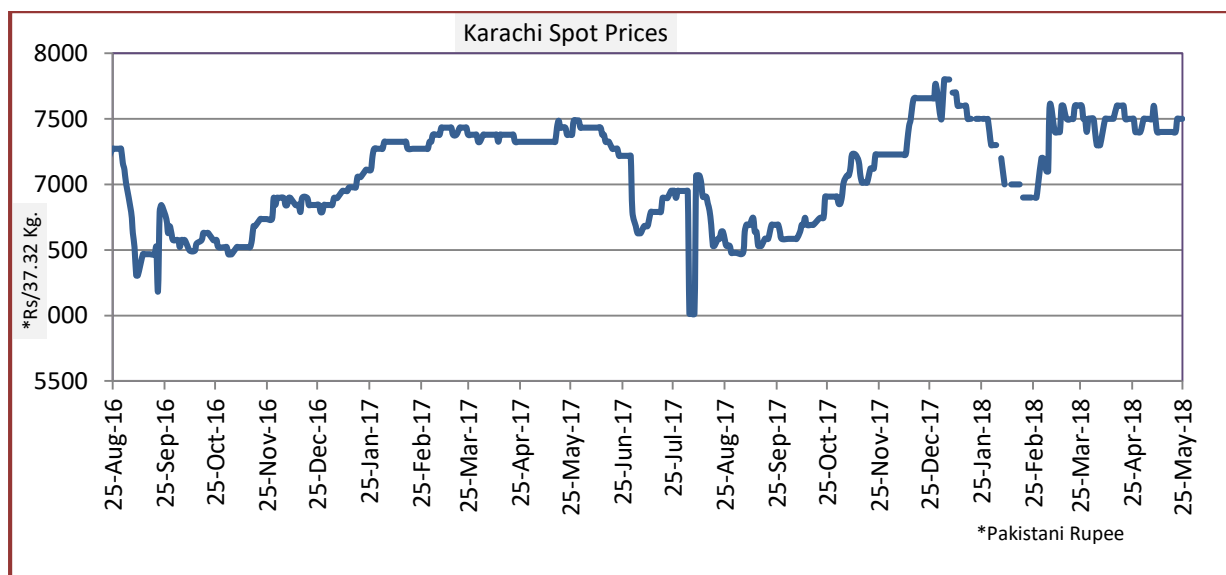




USA Spot Prices	Weekly Average Price as on		% Change
	24 -May-18	17-May-18	
Prices	90.21	87.04	3.6
Prices in US cents per Pound			

Pakistan Spot Price

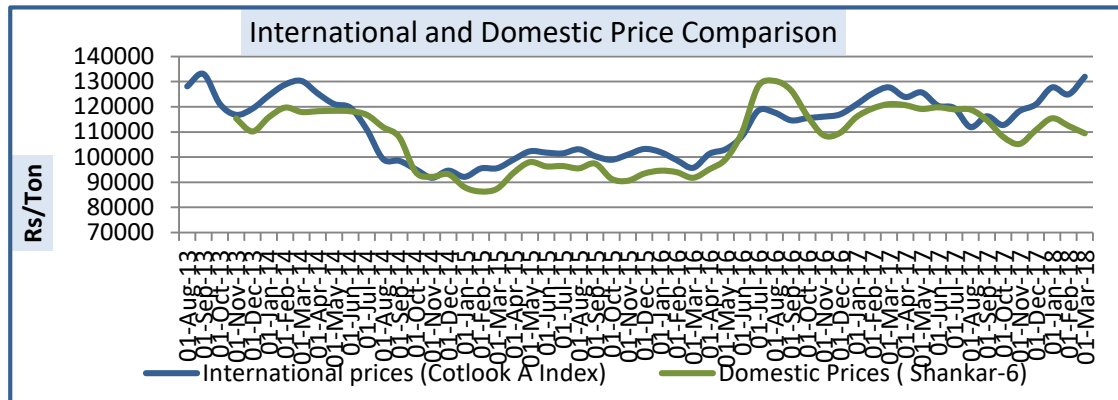
Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017. Pakistan has harvested 8.134 million bales of cotton up to October 31, 2017 according to data released by the Pakistan Cotton Ginners Association. Seed 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
	24 -May-18	17-May-18	
Prices	7500	7400	1.35
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 firm in the coming week.



Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	78.00-87.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
80	76	88.00	96.00

Figures in US cents/pound

Cotton Future Prices at ICE

ICE Futures Cotton

Contracts	09-May-18	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
01-Jul-18	86.96	85.03	84.12	72.63	2.3%	3.4%	20%
01-Oct-18	85.21	83.03	81.16		2.6%	5.0%	
01-Dec-18	84.05	81.45	79.35		3.2%	5.9%	
01-Mar-19	83.63	81.36	79.21		2.8%	5.6%	
01-May-19	83.84	81.68	79.14		2.6%	5.9%	
01-Jul-19	84.04	81.77			2.8%		

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	18th May to 24th May 2018	11th May to 17th May 2018	
Gujarat	Ahmedabad	Shankar-6	5550	5358	192
	Gondal	Shankar-6	5283	5252	32
	Rajkot	B.T. Cotton	5468	5422	46
	Patan	B.T. Cotton	5260	5304	-44



	Kadi	B.T. Cotton	5196	5177	19
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5168	5145	23
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5183	5138	46
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5062	NA	-
	Fatehabad	B.T. Cotton	5090	5064	26
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	5200	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5254	5220	34
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4600	4460	140
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5420	5248	172
	Hubli	D.C.H.	1245	5150	-3905
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5282	5225	57
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	18thMay to 24thMay 2018	11thMay to 17thMay 2018	
Punjab	Bhatinda	J-34	4425	4366	59
	Abohar	J-34	4431	4373	58
	Mansa	J-34	4408	4345	63
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4409	4348	62



Rajasthan	Sri-Ganganagar	J-34	NA	NA	-
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Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	24-May-18	17-May-18	24-Apr-18	24-May-17
Gujarat	Ahmedabad	Shankar-6	5600	5300	5450	5500
	Gondal	Shankar-6	5250	5295	Closed	5500
	Rajkot	B.T. Cotton	5490	5400	5350	5650
	Patan	B.T. Cotton	NA	5205	5300	NA
	Kadi	B.T. Cotton	5125	5100	5250	5625
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NR	4805	5105	4875
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5250	5150	5100	5850
	Bhiwani	Desi	NA	NA	NA	NA
	Adampur	B.T. Cotton	NR	NR	5000	NA
	Fatehabad	B.T. Cotton	5100	5050	5030	NA
	Jind	B.T. Cotton	NA	NA	NA	NA
	Uchana	B.T. Cotton	NA	NA	NA	NA
	Dabwali	B.T. Cotton	NA	NA	NA	NA
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	NA	NA
	Rawatsar	B.T. Cotton	NA	NA	NA	NA
Madhya Pradesh	Khandwa	Mech-1	NA	NR	4900	NA
	Khargaon	Mech-1	NR	NR	NR	NR
Maharashtra	Amravati	Mech-1	5250	5250	5150	NA
	Jamner	Medium Staple	NR	NR	NR	5174
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	NA
	Hathras	Desi	NA	NA	NA	NA
Telangana	Adilabad	Un-Ginned	NR	4500	NA	5100
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	NA
	Kurnool	Un-Ginned	NA	NA	NA	NA
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	NA	NA	NA	4160
Karnataka	Bijapur	Bunny	NR	5405	5361	5815
	Hubli	D.C.H.	NR	NR	3821	5509



	Hubli	B.T. Cotton	NR	NR	NR	NR
	Raichur	H-44 Cotton	NR	5200	5100	5600
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	24-May-18	17-May-18	24-Apr-18	24-May-17
Punjab	Bhatinda	J-34	4430	4380	4295	4680
	Abohar	J-34	4440	4380	4290	4665
	Mansa	J-34	4415	4350	4250	NR
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4415	4360	4270	4560
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	NA

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	18thMay to 24thMay 2018	11thMay to 17thMay 2018	
Gujarat	Ahmedabad	Shankar-6	139400	156400	-17000
	Gondal	Shankar-6	1565	1117	448
	Rajkot	B.T. Cotton	7100	6300	800
	Patan	B.T. Cotton	2152	5419	-3267
	Kadi	B.T. Cotton	85000	130000	-45000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	146	105	41
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1250	1500	-250
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	27200	NR	-
	Fatehabad	B.T. Cotton	2550	2550	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	200	-



	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4600	4600	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	181	346	-165
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	9546	2562	6984
	Hubli	D.C.H.	1	12	-11
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	2368	615	1753
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	18thMay to 24thMay 2018	11thMay to 17thMay 2018	
Punjab	Bhatinda	J-34	4590	4760	-170
	Abohar	J-34	1318	1020	298
	Mansa	J-34	935	1260	-325
Haryana	Sirsa	J-34	1955	2040	-85
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				17thMay to 23thMay 2018	10thMay to 16thMay 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42067	41900	167
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42567	42400	167
J-34(202)	26mm	3.5 - 4.9	23	41850	41383	467
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39100	38733	367
Shankar-6(105)	29mm	3.5 - 4.9	28	42133	41700	433
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43617	43067	550
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44867	44483	383
DCH-32(107)	34mm	3.0 - 3.8	33	55650	56233	-583

28 May 2018



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