

Domestic market summary

Domestic market Scenario: Cotton spot markets noticed slightly weak during the week. Average price of Lint at Sirsa during the week was Rs. 4826 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4855. Cotton fiber (Shankar-6) prices noticed slightly weak this week Average price was Rs 47850 per candy (of 355.6 kg each) during the week, which was Rs 48150 per candy previous week.

Weekly Price Outlook : In the coming week we expect Kapas price to remain to firm with the price band of Rs 5800-6400 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4000-5000 per maund.

Major Market Highlights:

- All Over India there is good rain in major cotton growing areas and sowing figures have improved w-o-w.
- Pakistan New cotton season starting and few Indian mills have booked import cotton from Pakistan.
- Cotton acreage till last week was down by 8% on year to 10 2.51 lakh hac compared to 111.4 lakh ha last year, according to the farm ministry data.
- The pink bollworm has again attacked cotton plants in Maharashtra this year, causing concern among farmers and the state government. The pest had caused large-scale damage to the cotton crop last year in central and eastern Maharashtra, the state's main regions producing the commodity. The pink bollworm attack on cotton has been reported this year from Akola and Washim districts in Vidarbha and Nanded and Parbhani in Marathawada, a senior official in the agriculture department said.
- North India cotton season starting early one month than all other region in India. In Punjab, Haryana and Rajasthan harvesting will begin in end of August or September month and other cotton growing states like Gujarat, Maharashtra, MP, Telangana, Karnataka and Andhra Pradesh will start in October month. Till now there is no pest attack on cotton crop and crop is at healthy stage.
- In forward trade the multinational companies and leading cotton traders offering new cotton crop at 48300-48500 Rs/Candy in November, 47800-48000 Rs/Candy in December and 47300-47500 Rs/ candy in January 2019. Indian Cotton S6 29 mm Offering at 95.5 - 96 USC/LBS to Chittagong, Bangladesh Market while for China Market 92.50 -93 USC / LBS in direct export.
- The Cotton Advisory Board (CAB) has estimated that during the current cotton season of October, 2017 to September, 2018, the export of cotton from India is likely to increase by 20% over last year and is expected to touch 70 lakh bales by September, 2018, a release from the Press Information Bureau said.
- In Adoni cotton spot market, prices are trading near Rs 6300/quintal compared to Rs 6069/quintal previous week. And Rs.5389 per quintal during the corresponding week last year. We expect Kapas prices to remain to firm in the coming month.



Domestic Cotton Balance sheet

Supply	2016-17	2017-18	2018-19
Opening Stock	36.5	30	20
Production	337.25	365	353
Imports	27	15	27
Total Supply	400.75	410	400
Demand			
Mill	265	275	280
Small mill	27	30	35
Non Mill	15.75	15	20
Total Consumption	307.75	320	335
Exports	63	70	60
Total Consumption	370.75	390	390
Ending Stocks	30	20	10

Source:Agriwatch &CAI

Balance Sheet Highlight (2017-18):

As per the latest estimates by Agriwatch, cotton output in country during the season 2018-19 would be around 353 lakh bales (of 170 kg each) which is lower compared to production of last season.

Following lower production, imports will rise marginally to 27 lakh bales compared to 15 lakh bales in previous season.

Due to lower opening stock imports, and lower production of cotton availability would be standing lower this season at 400lakh bales compared to 410 lakh bales during the previous season.

Total domestic consumption (Including mill, small mill and non-mill consumption) would be around 335 lakh bales compared to 320 lakh bales during the previous season.

Cotton exports are expected to remain lower as that of previous year. It is expected that country would export around 60 lakh bales of cotton in the season 2017-18.

Ending stocks are expected to be around 10 lakh bales, it is lower compared to the ending stocks of previous season.



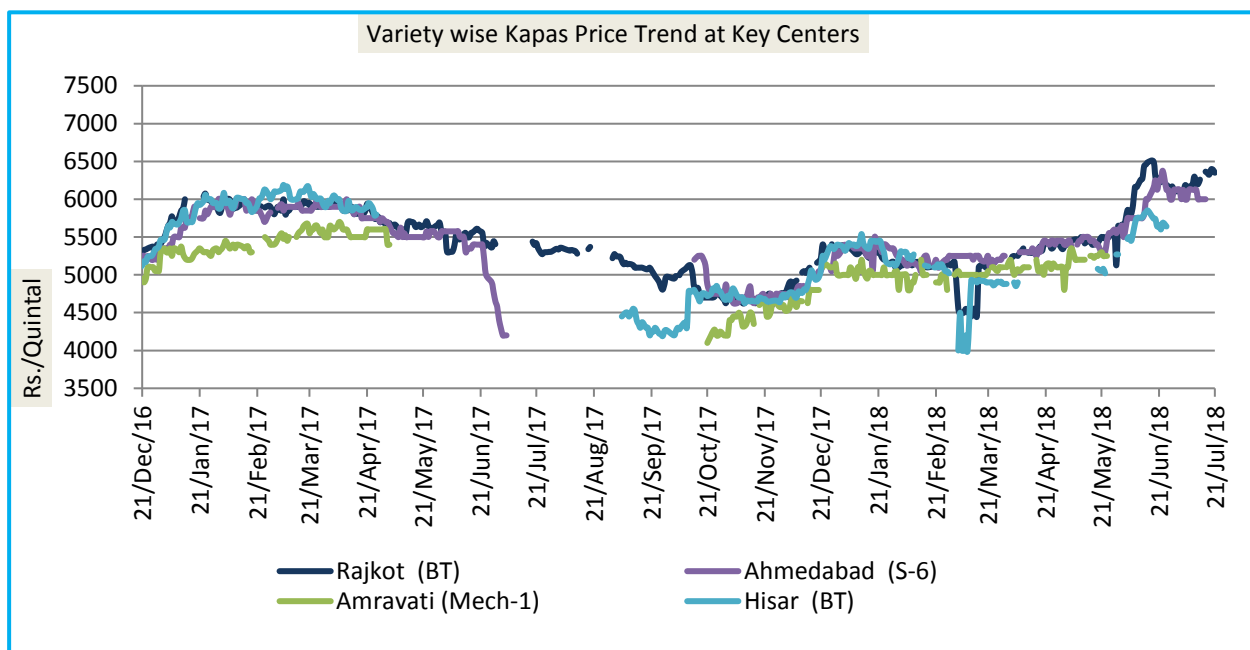
Domestic Cotton Prices Scenario

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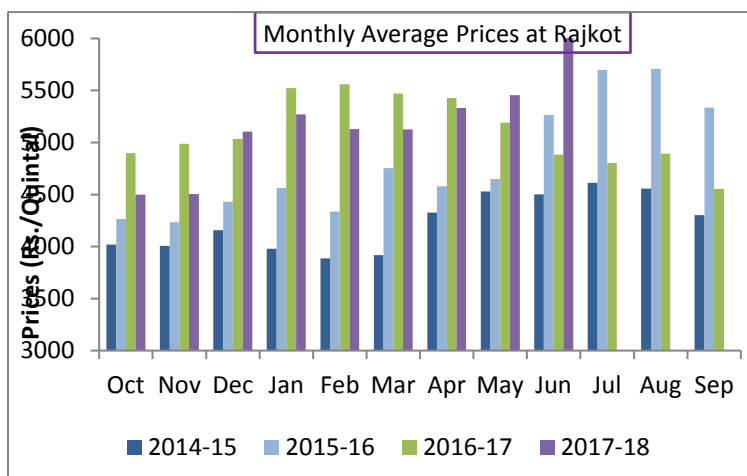
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose is Rs 6338/quintal this week.

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 5500-6500 per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario



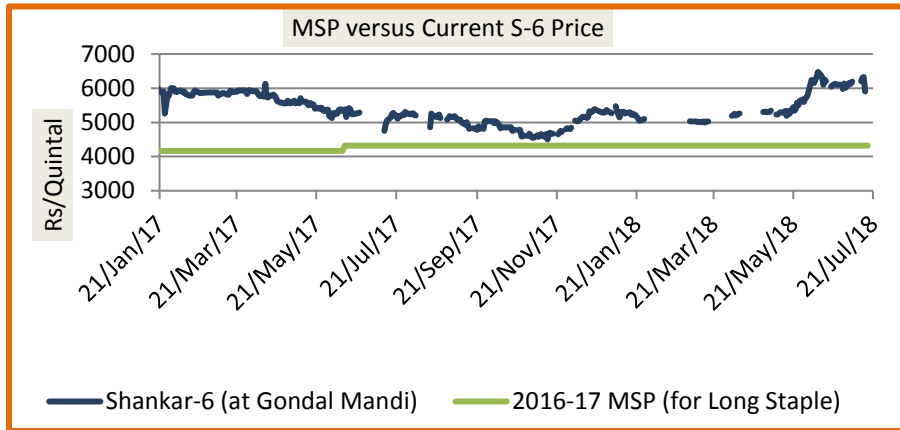
Kapas(seed cotton) prices in country noticed firm tone during the June month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.6136 per quintal during May, which was Rs. 5445 during previous month and Rs. 4882 per quintal during the corresponding month last year. We expect Kapas prices to remain to

firm in the coming month. The expected price range for July month is likely to be Rs 5500-6500 per quintal.



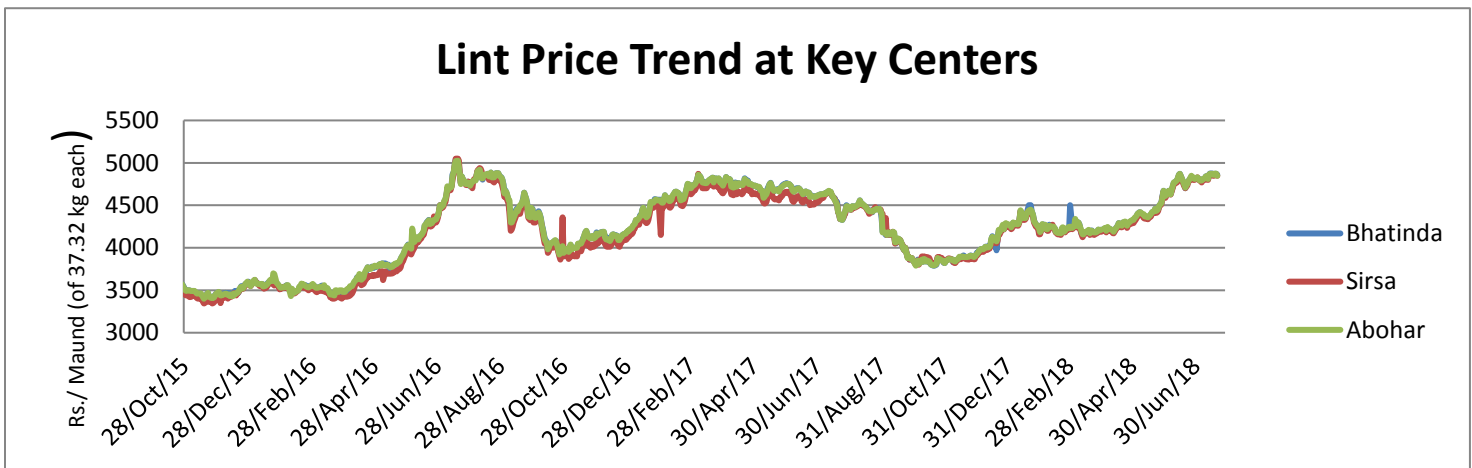
Spot Price versus MSP



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 Rs1960 compared to Rs 1800 a week earlier. This indicates prices are increasing.

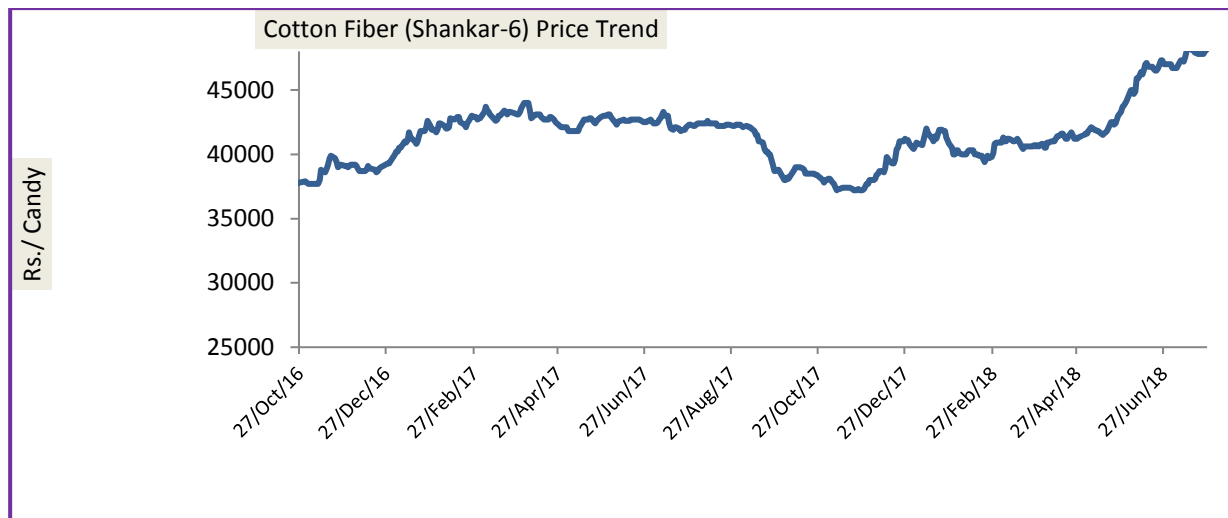
Lint price Outlook

Lint prices remained slightly weak during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4826 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4855 per maund.



Cotton Fiber price Outlook

Cotton fiber noticed down trend in this week compared to the previous week amid good demand in domestic and international market weekly average) prices noticed slightly weak this week Average price was Rs47850 per candy (of 355.6 kg each) during the week, which was Rs 48150 per candy previous week. and around Rs 426410per candy during the corresponding week previous season. We expect cotton fiber to remain in range of Rs 45000 - 48000per candy in the coming week candy.

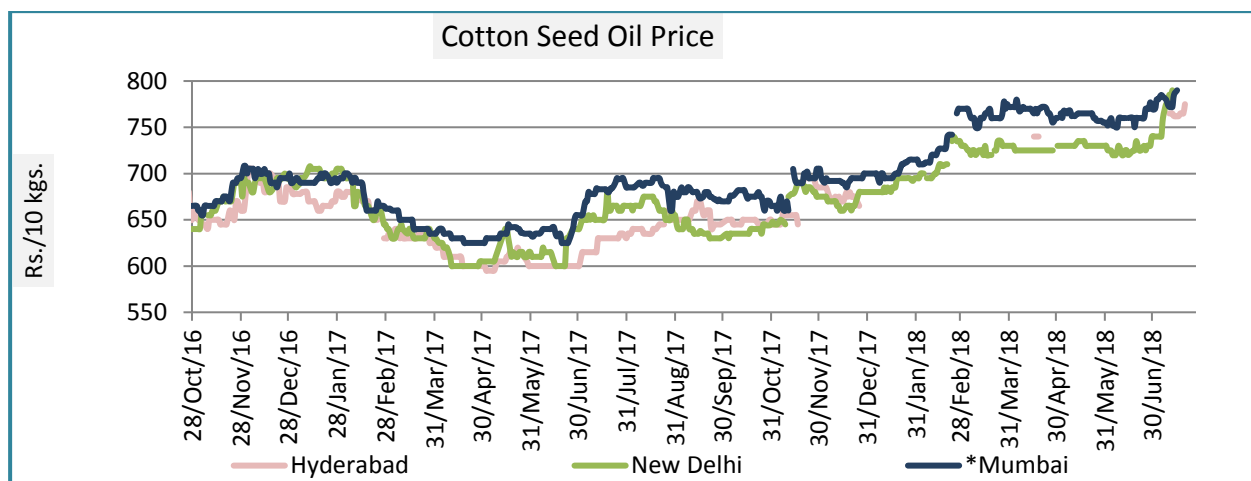


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil monthly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi is Rs 760 per 10 Kg, higher compared to the weekly average price of Rs 746 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	26-Jul-18	19-Jul-18	
New Delhi	760	746	1.88
Rajkot	790	765	3.27
Hyderabad	774	763.5	1.38
Mumbai*	792	775	2.19

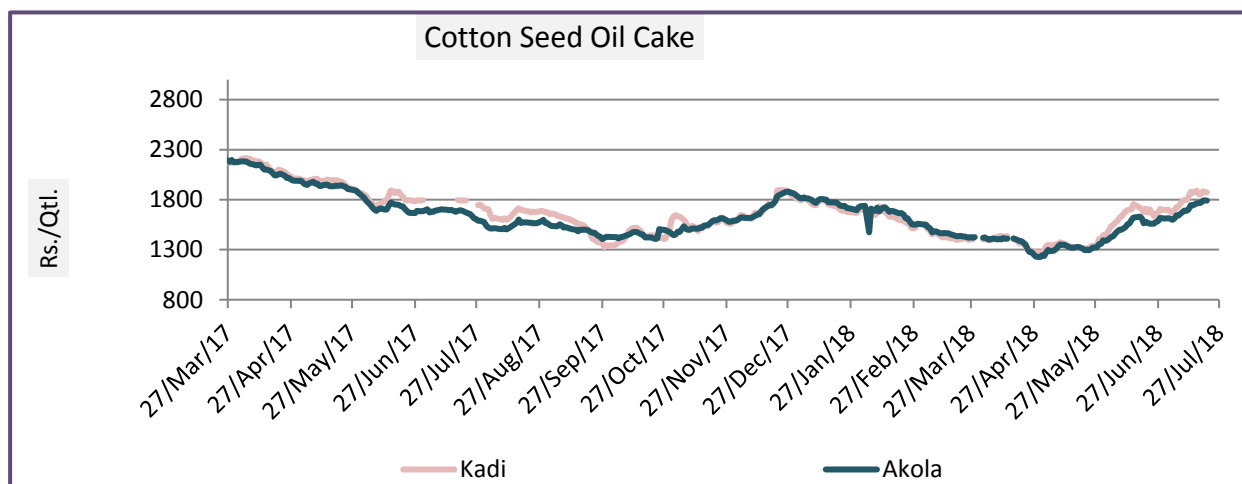


Cotton Seed Oil Cake weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1782 per quintal, higher compared to the weekly average price of Rs 1763 per quintal in the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	26-Jul-18	19-Jul-18	
Kadi	1860	1871	-0.59
Akola	1782	1763	1.08

*Source: NCDEX





International Market Scenario

International cotton prices remained weak during the week. Cotlook A index weekly average stood 97.15 at cents/pound this week, which was 98.00 cents/pound during last week.

Major Market Highlights:

Pakistan New cotton season starting and few Indian mills have booked import cotton from Pakistan.

The trade war between China and US continues to be the main topic of worries. The Chinese customs has already started to collect 25% tax on US imports under the normal trade quota. For processing quota mills still can avoid this high tax. Most mills are not ready to buy imported cotton as they feel ICE is too high.

The most active cotton contract on ICE Futures U.S., the second-month December contract, settled up 1.27 cent, or 1.46 percent, at 87.97 cents per lb. It traded within a range of 86.69 and 88.59 cents a lb, a peak since July 18.

The latest U.S. Department of Agriculture (USDA) cotton projections for 2018/19 (August-July) indicate that world cotton mill use is forecast to reach a new record, in large part reflecting additional expected growth in the world economy. Global cotton consumption is projected at 127.0 million bales in 2018/19, 3.9 percent above 2017/18's 122.2-million-bale estimate. Mill use is forecast to rise in each of the leading raw cotton spinners in 2018/19, with China accounting for more than one-third of the world total.

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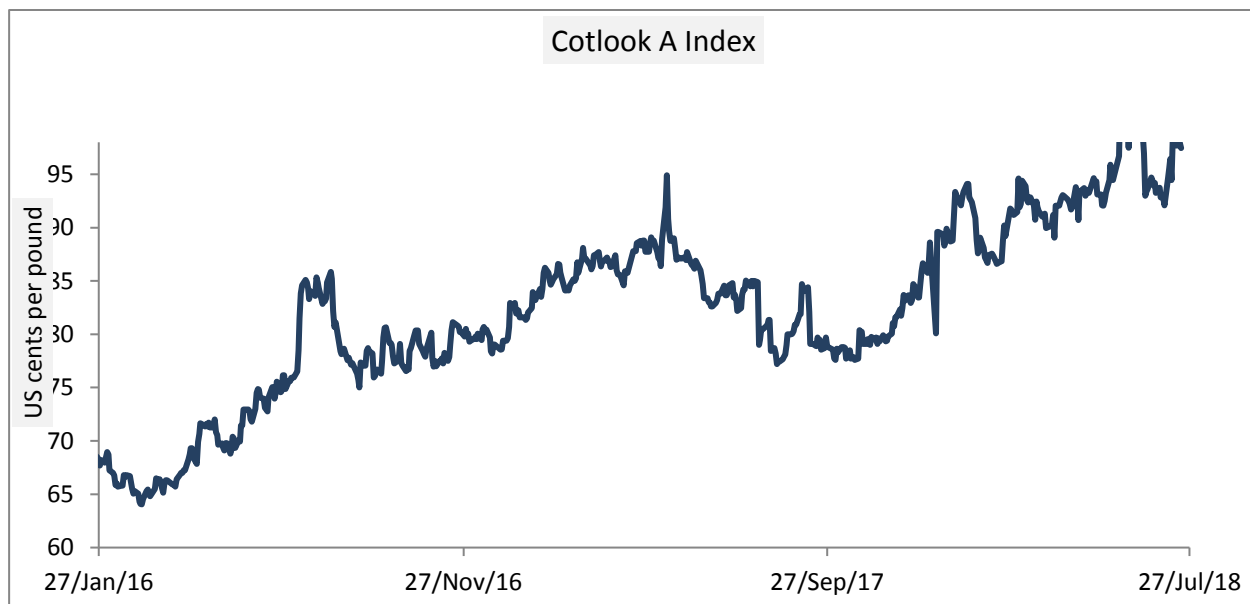
Cotton mill use growth varies by country and year of comparison. Using 2015/16 as the base year, 2018/19 world cotton consumption is projected 12 percent higher. Likewise, relative to 3 years ago, cotton mill use in China in 2018/19 is expected 18 percent higher; in India, 2 percent higher; and in Pakistan, 4 percent higher. In addition, cotton mill use in Bangladesh and Vietnam continues to expand and the growth since 2015/16 has been remarkable. For Bangladesh, 2018/19 mill use is projected 27 percent higher than in 2015/16, while the growth for Vietnam is even more dramatic, with 2018/19 mill use expected to be nearly 67 percent above the 2015/16 level.



Cotlook A Index

Cotlook A index remained weak during the week.

Cotlook A Index	Weekly Average Price as on		% Change
	19-Jul-18	12-Jul-18	
Prices	97.15	98	-0.87
Prices in US cents per Pound			

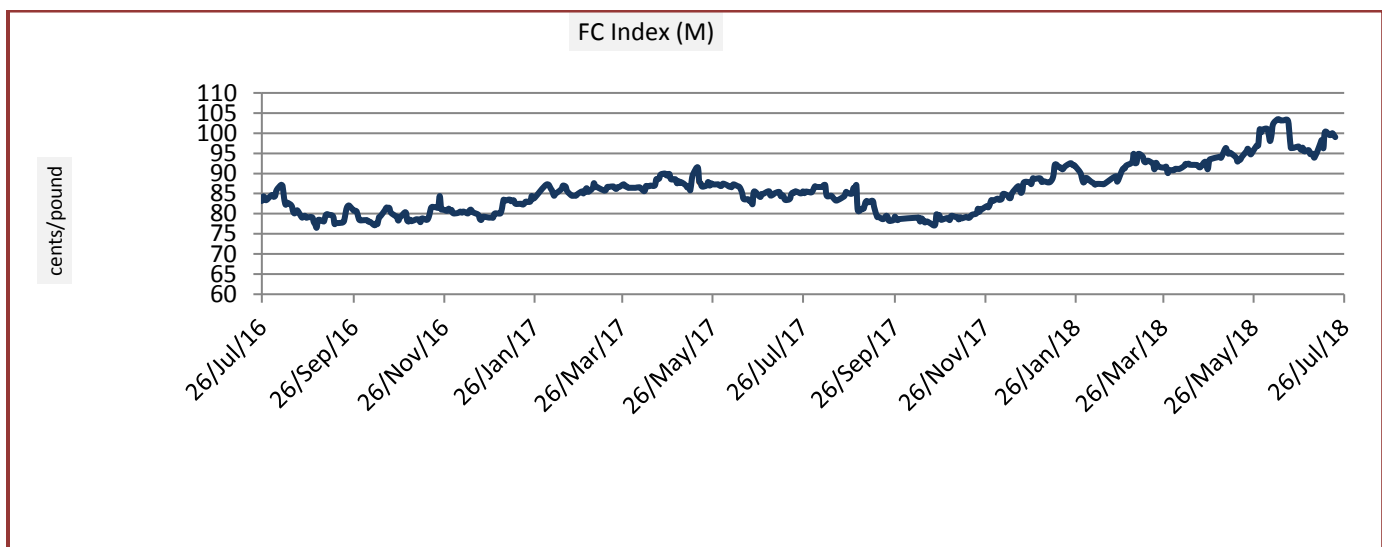


China Cotton Index and Foreign Cotton Index

According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2017 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 2017, 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	Monthly Average Price as on		% Change
	26-Jul-18	19-Jul-18	
FC (S)	101.4	102.51	-1.08
FC (M)	98.56	99.79	-1.23
FC (L)	96.82	98.12	-1.32
Prices in US cents per Pound			

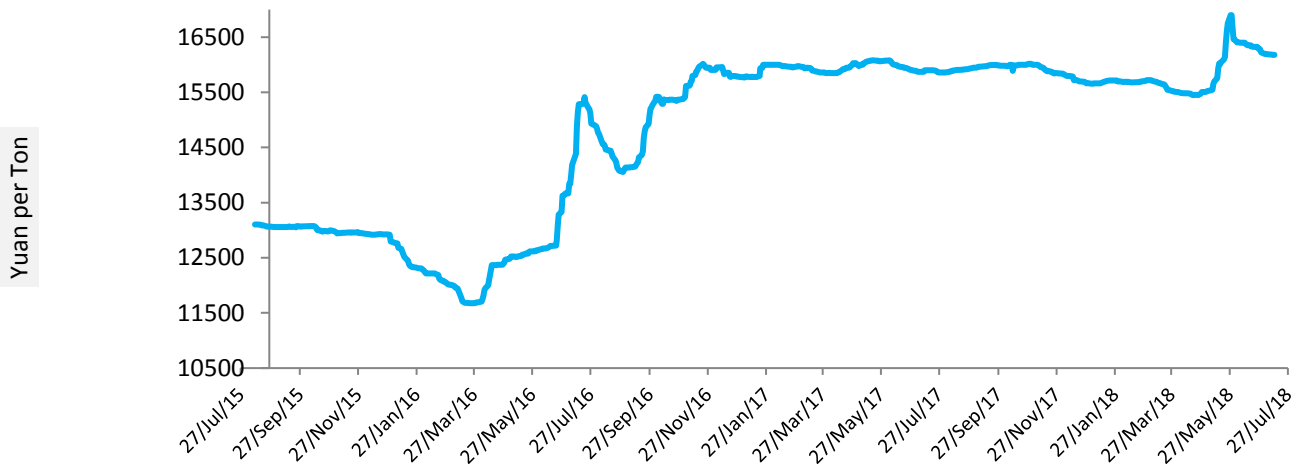


China Index remained weak during the Week. CC Index (328) remained 16178 Yuan per ton during the week. Average was 16185 Yuan per ton during previous week.

Cotton Index	Monthly Average Price as on		% Change
	26-Jul-18	19-Jul-18	
CCIndex(328)	16178	16185	-0.04
CCIndex(527)	15022	15035	-0.09
CCIndex(229)	16836	16846	-0.06
Prices in Yuan per ton			



China Cotton Index(328)

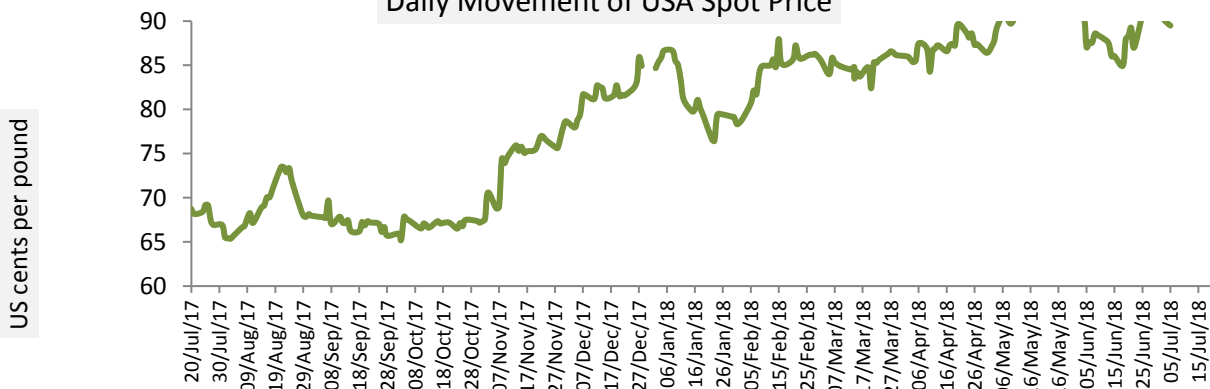


USA Spot Prices

As per the United States Department of Agriculture (USDA) estimates, India has surpassed China's cotton production to become the largest cotton producing country with 365 lakh bales of production. India is followed by China (353 lakh bales), the U.S. (273 lakh bales), Pakistan (105 lakh bales) and Brazil (103 lakh bales).

USA Spot Prices	Monthly Average Price as on		% Change
	26-Jul-18	19-Jun-18	
Prices	90.57	87.49	3.52
Prices in US cents per Pound			

Daily Movement of USA Spot Price



Pakistan Spot Prices

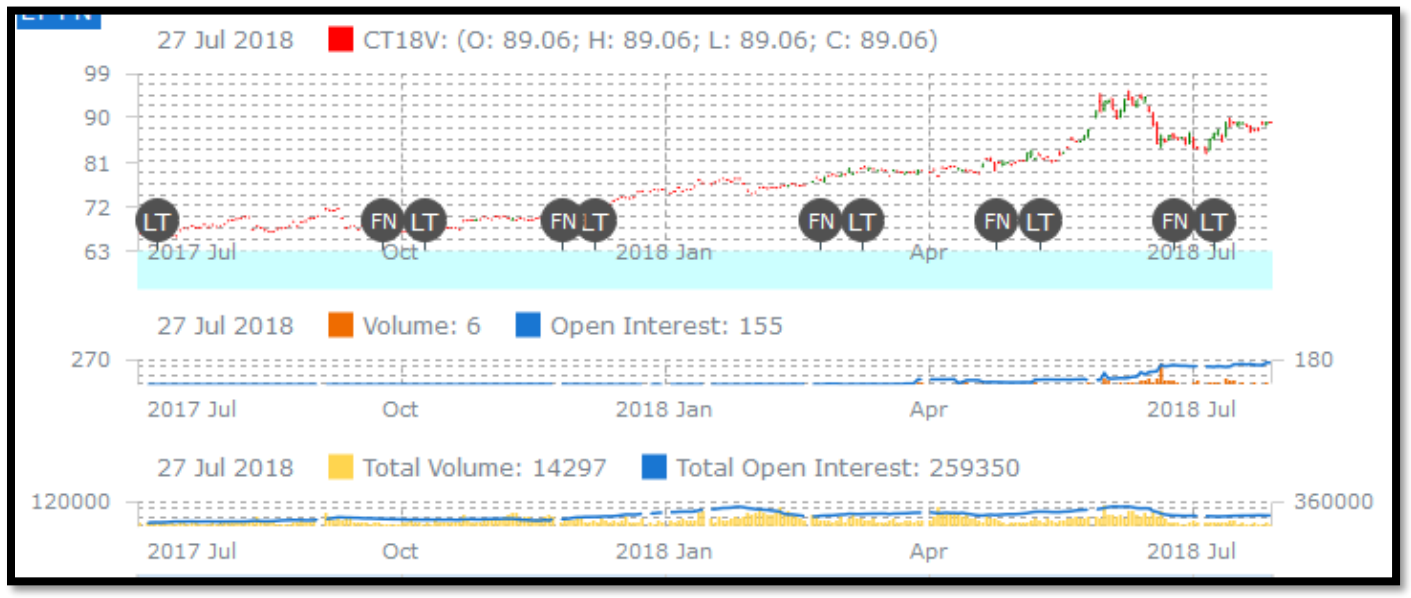


In Pakistan raw cotton exports from the country during 11 months of current financial year grew by 32.66 percent as against the exports of the corresponding period of last year. According the latest data released by the Pakistan Bureau of Statistics, during the period from July-May, 2017-18, country exported about 34,969 metric tons of raw cotton as compared the exports of 25,349 metric tons last y

Karachi Spot Prices	Monthly Average Price as on		% Change
	26-Jul-18	19-Jul-18	
Prices	9405	8787	7.03
Prices in Rs per 37.32 Kg			

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

Weekly Technical Outlook:



- Candlesticks denote bearish movement in the market.
- Volume increased while Open Interest decreased.
- We expect cotton prices to remain sideways to firm in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	85-95



Expected Support and Resistance

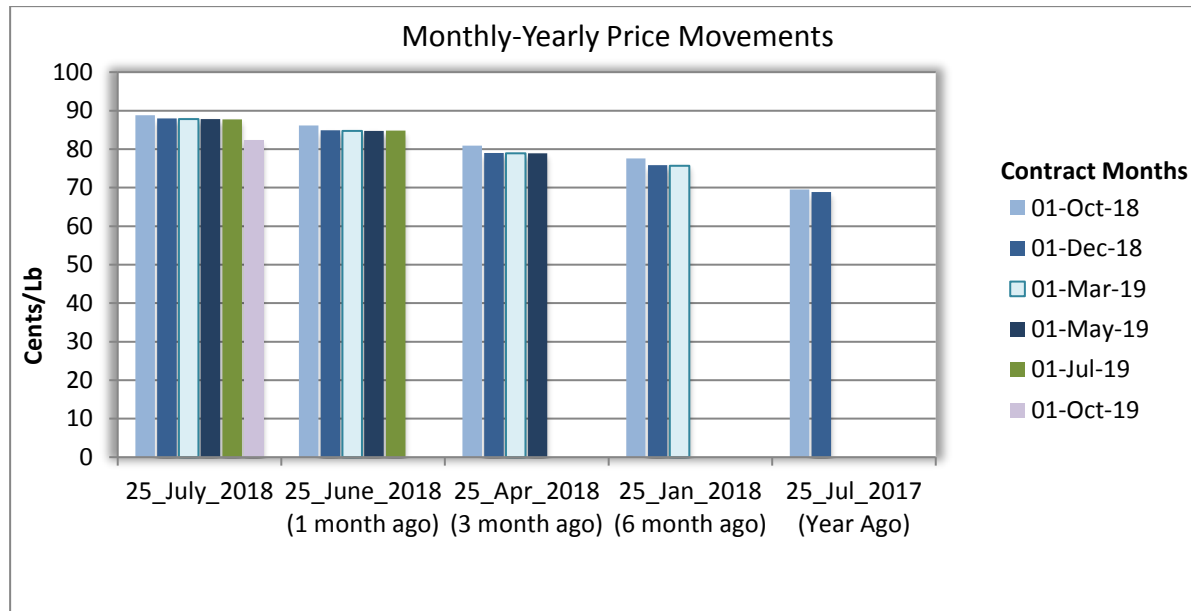
Support 1	Support 2	Resistance 1	Resistance 2
82.00	78.00	110.00	100.00

Figures in US cents/pound

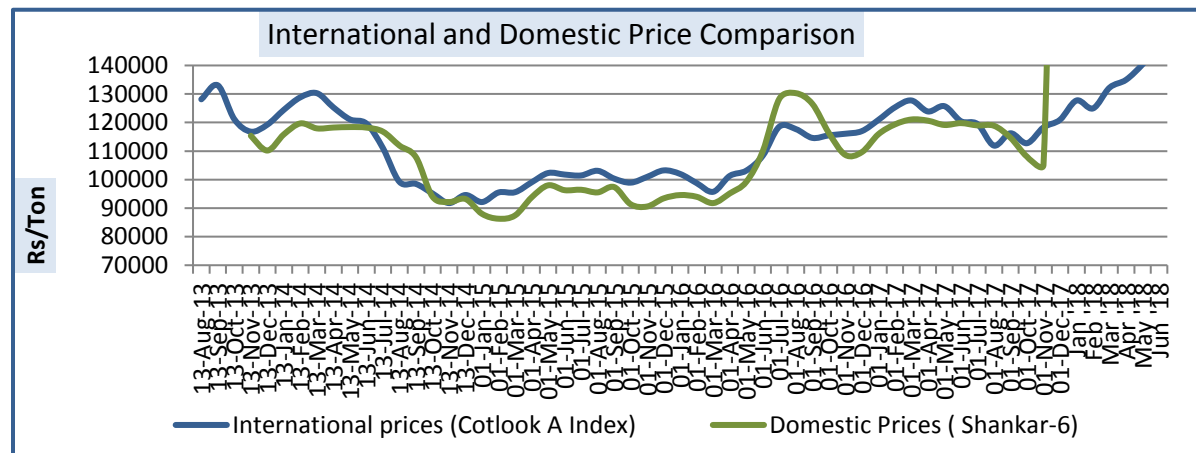
Cotton Future Prices at IC

Cotton Future Prices

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	25_July_2018	25_June_2018 (1 month ago)	25_Apr_2018 (3 month ago)	25_Jan_2017 (6 month ago)	25_Jul_2017 (Year Ago)	% Change over a month	% Change over previous year
01-Oct-18	88.8	86.18	80.89	77.63	69.55	3.04	27.68
01-Dec-18	87.97	84.92	78.99	75.86	68.83	3.59	27.81
01-Mar-19	87.8	84.73	78.94	75.67		3.62	
01-May-19	87.79	84.75	78.88			3.59	
01-Jul-19	87.76	84.85				3.43	
01-Oct-19	82.18						



International and Domestic Price Comparison



Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	20th to 26th July 2018	13th to 19th July 2018	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5953	6258	-305
	Rajkot	B.T. Cotton	6348	6324	25
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5955	5520	435
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5940	5960	-20
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5851	5902	-51
	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	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4320	4230	90
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	6495	6530	-35
	Hubli	D.C.H.	4776	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5952	5613	340
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	20th to 26th July 2018	13th to 19th July 2018	
Punjab	Bhatinda	J-34	4838	4868	-30
	Abohar	J-34	4838	4864	-26
	Mansa	J-34	4826	4855	-29
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4828	4854	-26
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Jul-18	19-Jul-18	26-Jun-18	26-Jul-17
Gujarat	Ahmedabad	Shankar-6	NA	NA	6125	NA
	Gondal	Shankar-6	NA	6325	6080	5205
	Rajkot	B.T. Cotton	NR	6395	6165	5300
	Patan	B.T. Cotton	NA	NA	NA	NA
	Kadi	B.T. Cotton	NA	NA	NA	NA
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NA	NA	5950	NA
Punjab	Fazilika	B.T. Cotton	NR	NR	NR	NR
	Muktsar	B.T. Cotton	NR	NR	NR	NR
Haryana	Bhiwani	B.T. Cotton	5850	5900	NR	5200
	Bhiwani	Desi	NA	NA	NA	NA
	Adampur	B.T. Cotton	NA	NA	NA	NA
	Fatehabad	B.T. Cotton	5900	5920	5900	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	NA	NA	NA
	Khargaon	Mech-1	NA	NA	NA	NA
Maharashtra	Amravati	Mech-1	NA	NA	NA	NA
	Jamner	Medium Staple	NA	NA	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	4000
	Hathras	Desi	NA	NA	NA	NA
Telangana	Adilabad	Un-Ginned	4320	4230	4320	4800
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	NA
Karnataka	Bijapur	Bunny	NR	6550	6260	5735
	Hubli	D.C.H.	NR	NR	5000	NR
	Hubli	B.T. Cotton	NR	NR	NR	NR
	Raichur	H-44 Cotton	6050	5700	5750	5600
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Jul-18	19-Jul-18	26-Jun-18	26-Jul-17
Punjab	Bhatinda	J-34	4830	4870	4835	4380
	Abohar	J-34	4820	4875	4850	4400
	Mansa	J-34	4800	4850	4825	NA
	Muktsar	J-34	NR	NR	NR	NR
	Fazilika	J-34	NR	NR	NR	NR
Haryana	Sirsa	J-34	4820	4860	4830	4380
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	NA

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th to 26th July 2018	13th to 19th July 2018	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	21	91	-70
	Rajkot	B.T. Cotton	620	475	145
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-



	Dhrol	B.T. Cotton	6	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NR	-
	Muktsar	B.T. Cotton	NA	NR	-
Haryana	Bhiwani	B.T. Cotton	800	1400	-600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	360	350	10
	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	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
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	629	1202	-573
	Hubli	D.C.H.	20	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	329	178	151
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th to 26th July 2018	13th to 19th July 2018	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-


Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				19th to 25th July 2018	12th to 28th July 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	44800	44800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	45300	45300	Unch
J-34(202)	26mm	3.5 - 4.9	23	46200	46467	-267
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44800	44650	150
Shankar-6(105)	29mm	3.5 - 4.9	28	47833	48083	-250
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48750	48950	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50617	50650	-33
DCH-32(107)	34mm	3.0 - 3.8	33	61717	61917	-200

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