

Domestic market summary

Domestic market Scenario: Cotton spot markets noticed Range bound during the week. Average price of Lint at Sirsa during the week was Rs. 4696 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 4766 Cotton fiber (Shankar-6) prices noticed slightly weak this week Average price was Rs 47500per candy (of 355.6 kg each) during the week, which was Rs 47540 per candy previous week.

Weekly Price Outlook : In the coming week we expect Kapas price to remain to Range bound with the price band of Rs 5700-6500 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4500-5000 per maund.

Major Market Highlights:

- According to first advance estimate shared by Telangana State Farm Department, The Cotton output in Telangana is seen falling 7% on year to 4.7 mln bales in 2018-19 due to lower acreage and below-normal rains in the key growing regions So far, in the Jun-Sep monsoon season, Telangana has received 666.1 mm of rainfall, only 2% above normal, according to India Meteorological Department.
- Gujarat Cotton prices of 29 mm remained between 47,950 to 48,350 Rs./Candy. All India Daily Arrivals remained 4,000 to 5,000 bales. With limited arrivals, arrival started mainly in north india. Gujarat Daily Pressing was approximately 500 bales.
- Punjab cotton farmers are all set for bumper yield this season with a significant jump in price realization, which is expected to be much higher than the government-fixed minimum support price (MSP) of Rs 5,150 per quintal. They have already started getting a price of Rs 5,830 per quintal as was seen in the Abohar subdivision of Fazilka district last week. The gain is almost 30 per cent more than the Rs 4,510 per quintal price they fetched for the same crop last year. The arrival of cotton has started picking up in Fazilka district, one of the largest cotton-producing belts. After the commencement of the kapas arrival season on September 1, the district saw arrival of more than 2,400 quintals of kapas last week,
- The CAI has retained its cotton crop estimate for the ongoing crop year 2017-18 at 365 lakh bales of 170 kgs. each i.e. at the same level as in its estimate made in the previous month. Statements containing the state-wise estimate of the cotton crop and the Balance Sheet for the crop year 2017-18 with the corresponding data for the previous year are enclosed.

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.

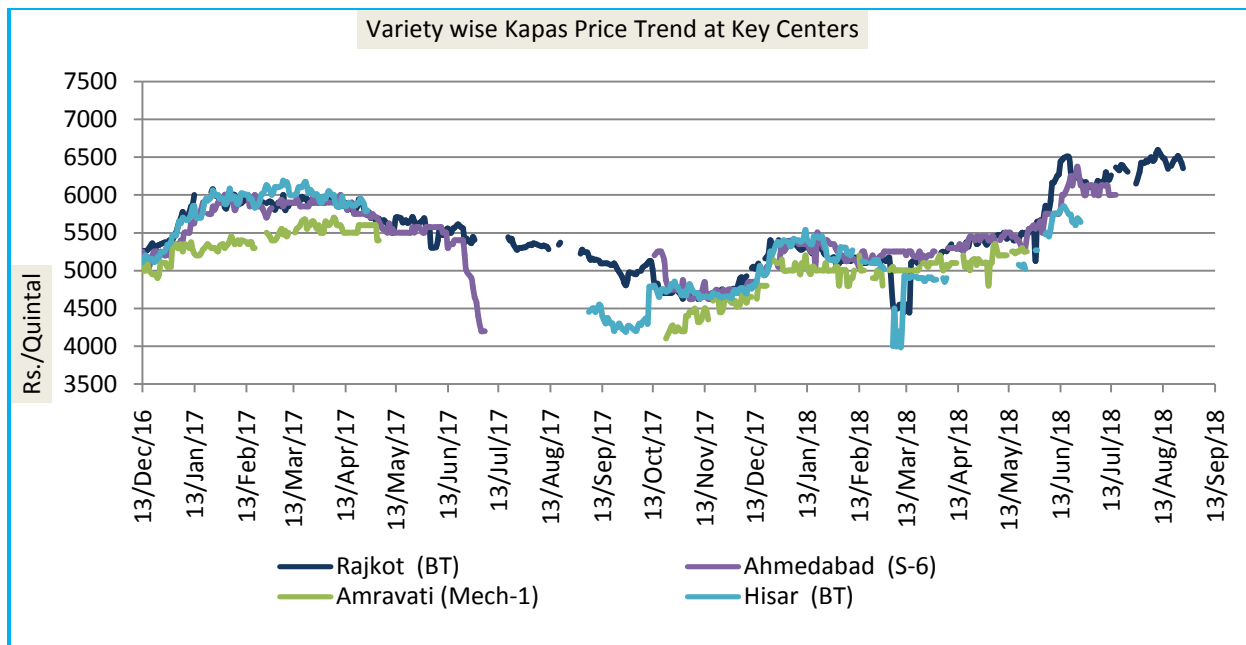
Ending stocks are expected to be around 10 lakh bales, it is lower compared to the ending stocks of previous season

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

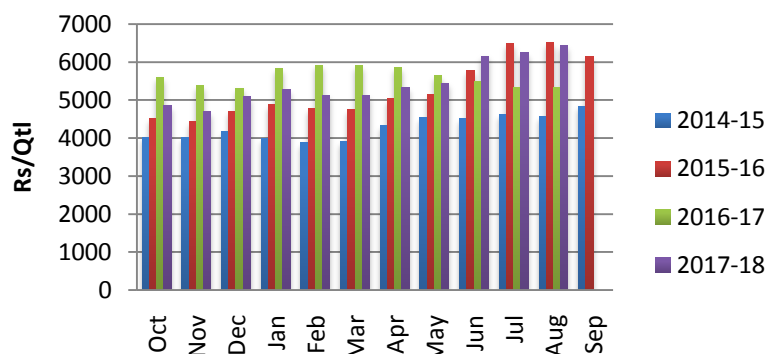
Weekly Price Review: Weekly kapas average price at Rajkot rose is Rs 6360 /quintal this week.

Weekly Price Outlook: Kapas prices are expected to remain range-bound in coming days. The expected range for Kapas at Rajkot is Rs 5700-6600 per quintal for the coming week.



Kapas Monthly M-o-M Price Scenario

Monthly Average Kapas (Bt) Prices at Rajkot

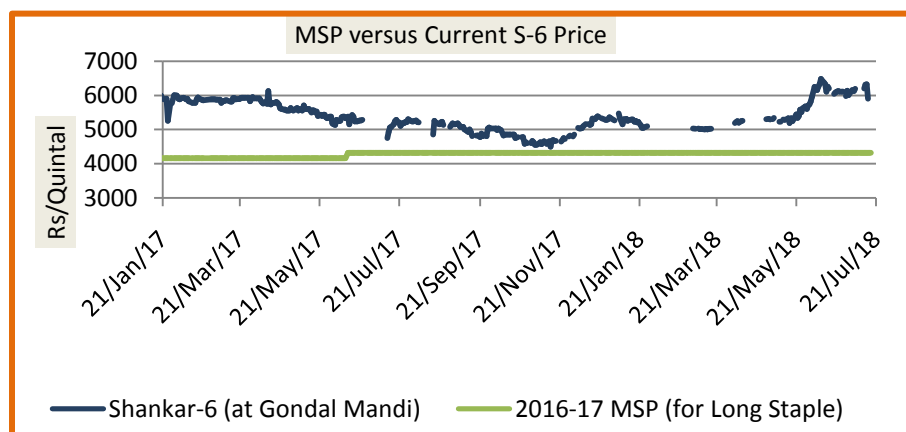


Kapas(seed cotton) prices in country noticed firm tone during the Aug month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.6426 per quintal during Aug, which was Rs.6253 during previous month and Rs. 5323 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 Aug month is likely to be Rs 5500-6500

per quintal.

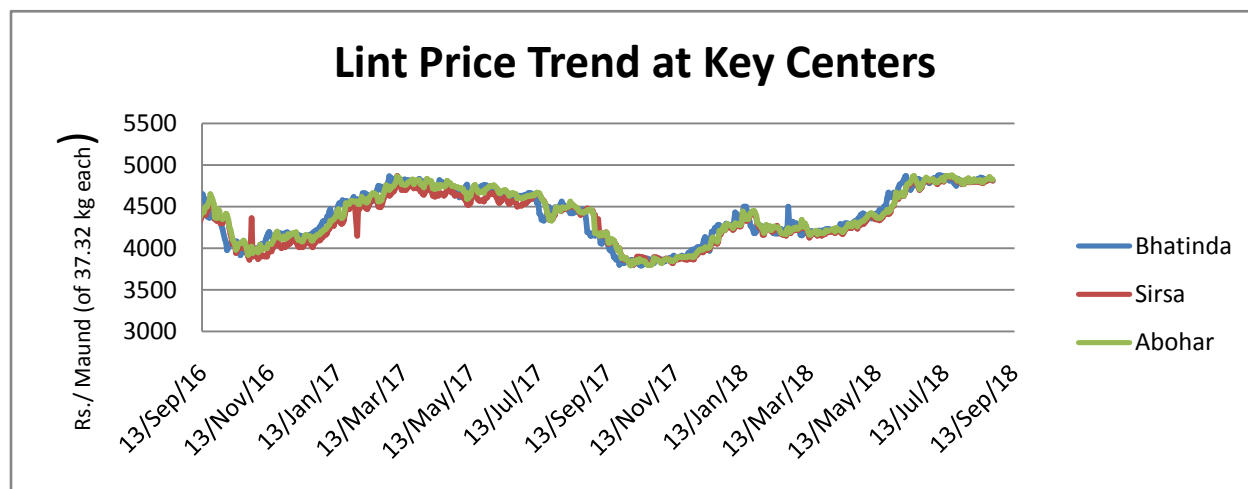
Spot Price versus MSP



The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this 4TH week of July. The average gap between the prices was Rs1960 compared to Rs 1800 a week earlier. This indicates prices are increasing.(With limited arrivals market is closed)

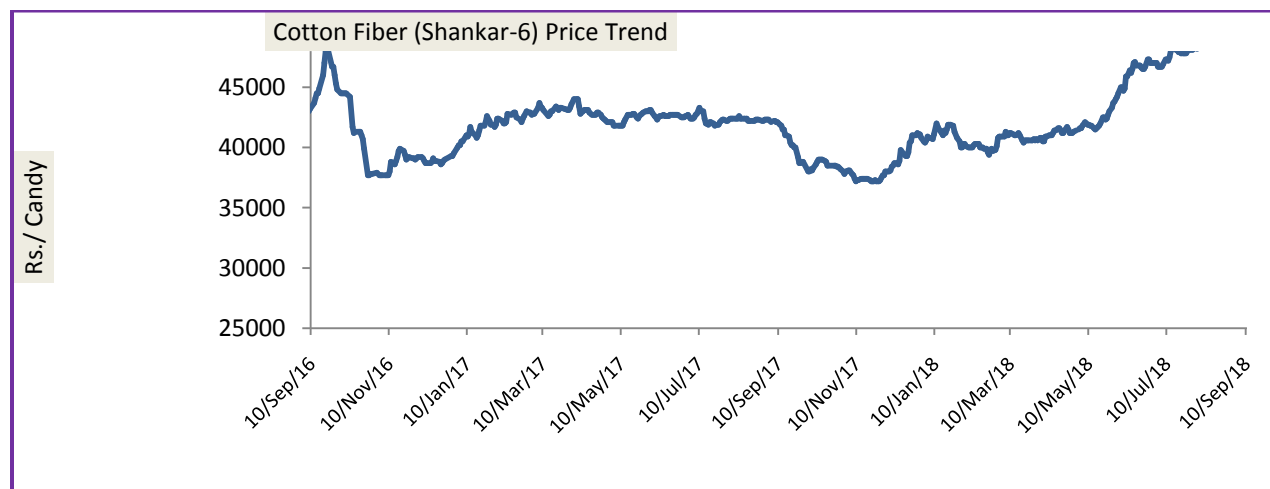
Lint price Outlook

Lint prices remained slightly weak during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs.4696 per maund of 37.32 kg each, slightly lower compared to the previous week price of Rs. 4766 per maund.



Cotton Fiber price Outlook

Cotton fiber noticed slightly 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 Rs 47500 per candy (of 355.6 kg each) during the week, which was Rs475400 per candy previous week. and around Rs 42315 per candy during the corresponding week previous season. We expect cotton fiber to remain in range of Rs 45000 -49000 per candy in the coming week candy.

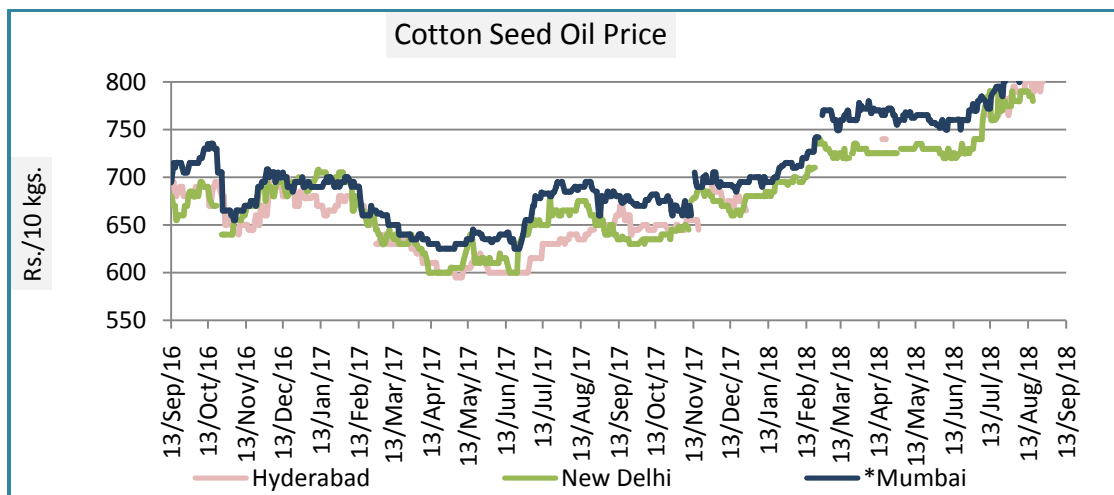


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi is Rs 774 per 10 Kg, lower compared to the weekly average price of Rs 804 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	13-Sep-18	06-Sep-18	
New Delhi	774	804	-3.73
Rajkot	798	779	2.44
Hyderabad	800	794	0.76
Mumbai*	835	821.4	1.66

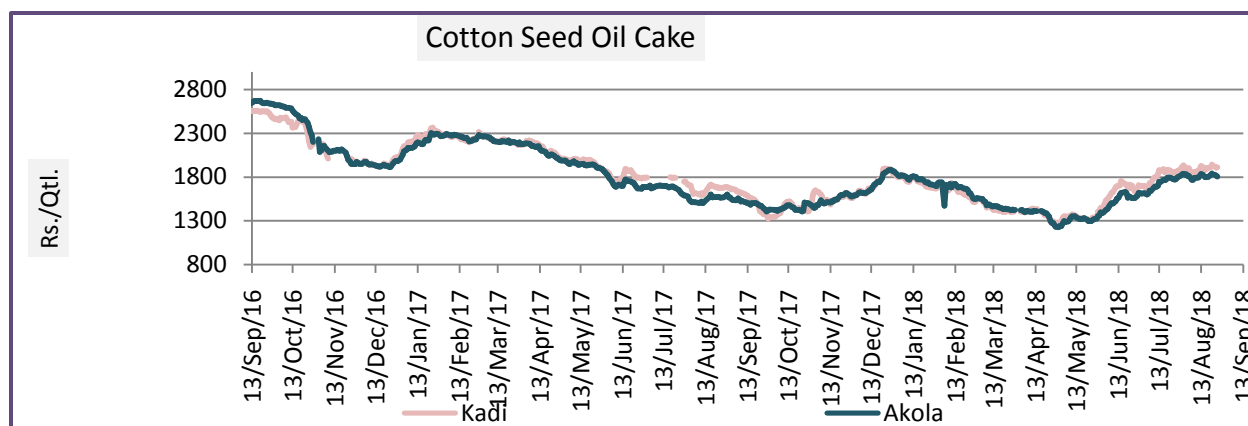


Cotton Seed Oil Cake weekly Price Scenario

Cotton seed oil cake price noticed slightly firm tone during this week. Weekly average price in Akola remained Rs 1781 per quintal, lower compared to the weekly average price of Rs 1770.6 per quintal in the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	13-Sep-18	06-Sep-18	
Kadi	1907	1893	0.74
Akola	1781	1770.6	0.59

*Source: NCDEX



International Market Scenario

International cotton prices remained same during the week. Cotlook A index weekly average stood 92.13 at cents/pound this week, which was 92.11cents/pound during last week

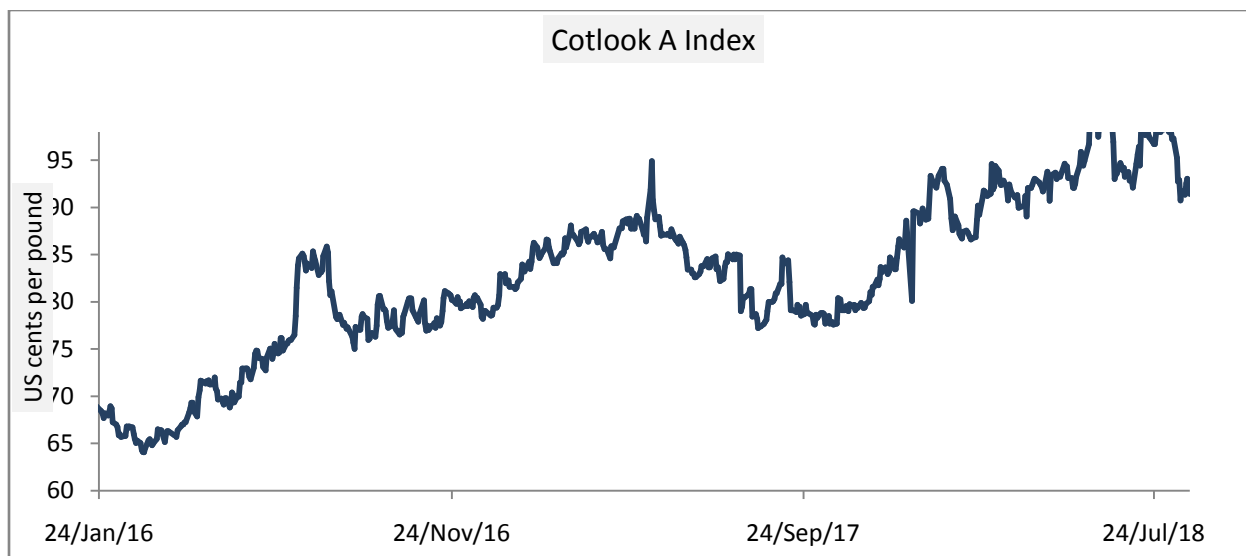
Major Market Highlights:

- ICE cotton futures settled up on Friday as investors bought after prices fell in the previous three sessions, and posted a weekly loss for the second time in a row. The most active cotton contract on ICE Futures U.S., the second-month December contract CTC2 CTZ8, settled up 0.32 cent, or 0.39 percent, at 81.83 cents per lb.
- The latest U.S. Department of Agriculture (USDA) estimates for 2018/19 indicate that world cotton production is projected at 122.0 million bales, 1 percent below the previous season. While relative prices favored cotton plantings this season, the effects of weather on production are expected to be mixed. India, China, and the United States remain the largest cotton-producing countries.
- On September 14th, the reserve sales of reserve cotton was 30434.9784 tons, the actual turnover was 23195.9587 tons, and the transaction rate was 76.21%. The average transaction price was 14,958 yuan/ton (down 46 yuan/ton from the previous day); discount 3128 price 16363 yuan/ton (down 47 yuan/ton from the previous day). From March 12 to September 14, the cumulative turnover of reserve cotton was 2,380,800 tons, with a turnover rate of 58.82%.

Cotlook A Index

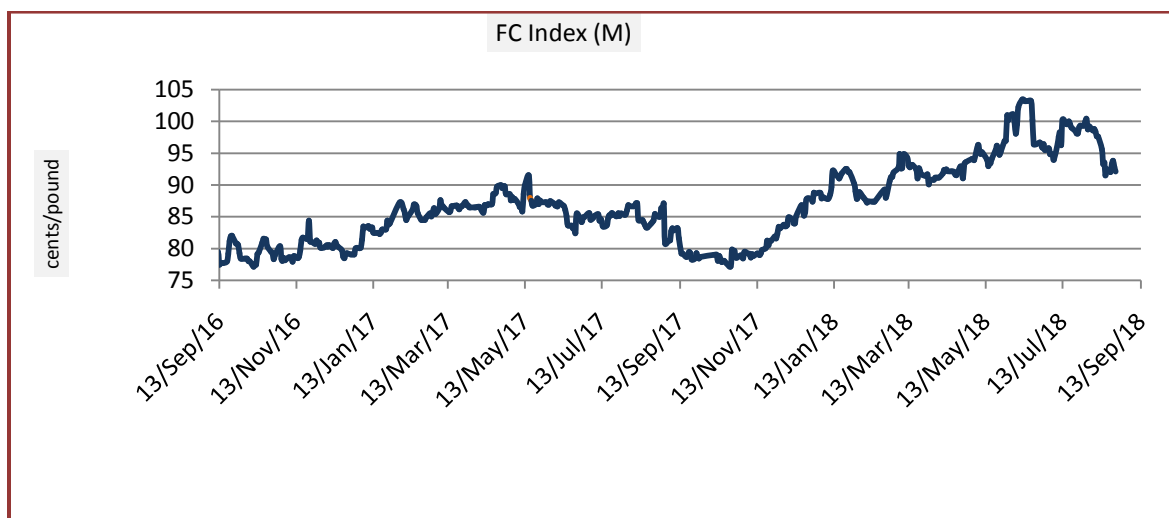
Cotlook A index remained Range bound during the week.

Cotlook A Index	Weekly Average Price as on		% Change
	13-Sep -18	06-Sep -18	
Prices	92.13	92.11	0.10
Prices in US cents per Pound			



China Cotton Index and Foreign Cotton Index

Cotton Index	Monthly Average Price as on		% Change
	13-Sep-18	06-Sep-18	
FC (S)	96.43	96.29	0.15
FC (M)	92.74	92.72	0.02
FC (L)	91	90.73	0.30
Prices in US cents per Pound			



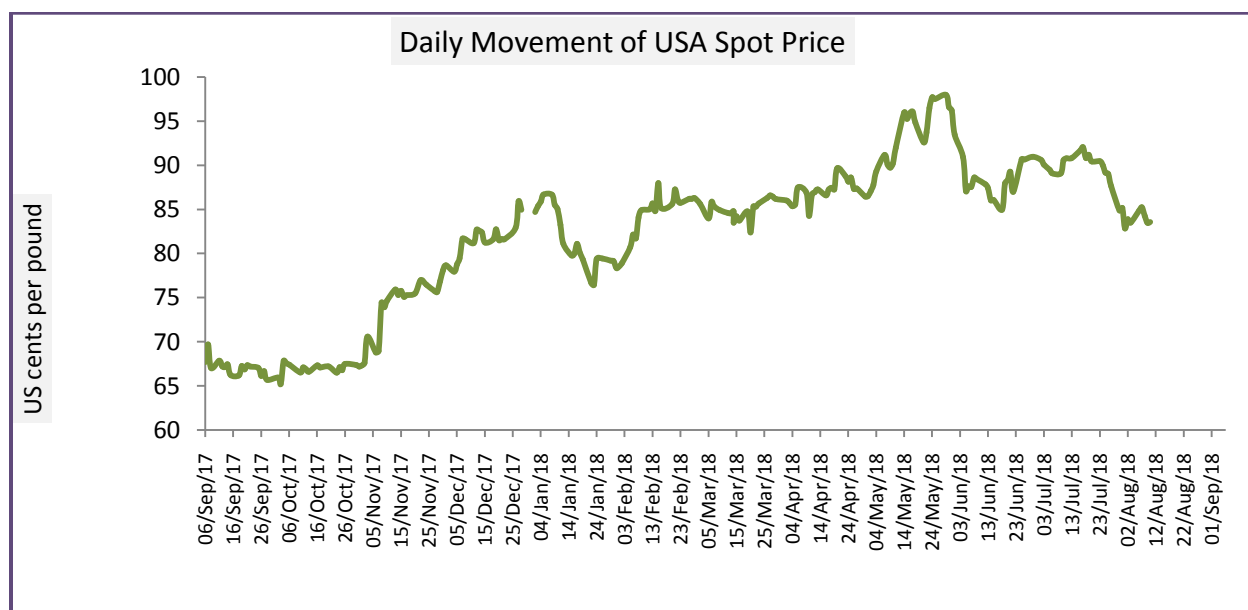
China Index remained slightly firm during the Week. CC Index (328) remained 16335 Yuan per ton during the week. Average was 16320 Yuan per ton during previous week.

Cotton Index	Monthly Average Price as on		% Change
	13-Sep-18	06-Sep-18	
CCIndex(328)	16335	16320	0.09
CCIndex(527)	15144	15136	0.05
CCIndex(229)	17029	17015	0.08
Prices in Yuan per ton			

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
	13-Sep-18	06-Sep-18	
Prices	84.23	83.87	0.43
Prices in US cents per Pound			



Pakistan Spot Prices

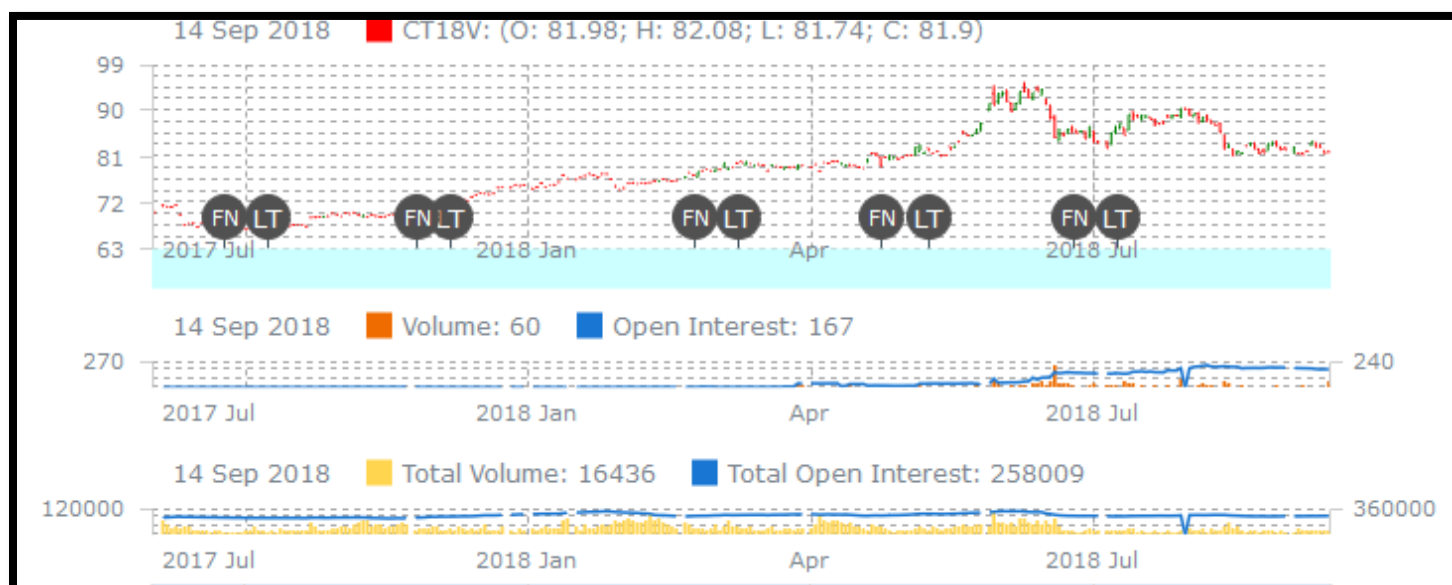
In Pakistan raw cotton exports from the country during 11 months of current financial year grew by 32.66 percent as against the exports of the corresponding period of last year. According the latest data released by the Pakistan Bureau of

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
	06-Sep-18	30-Aug-18	
Prices	8420	8210	2.56
Prices in Rs per 37.32 Kg			

Technical Analysis of Cotton Future (Oct'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	80-85

Expected Support and Resistance

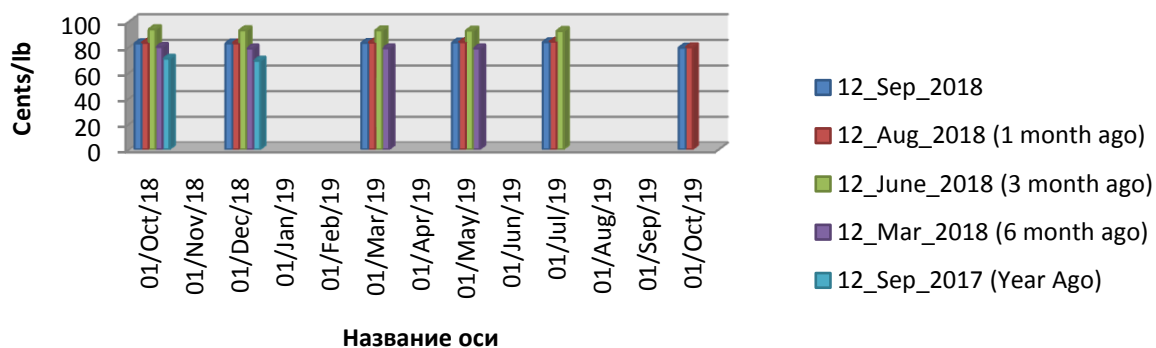
Support 1	Support 2	Resistance 1	Resistance 2
80.00	78.00	110.00	100.00

Figures in US cents/pound

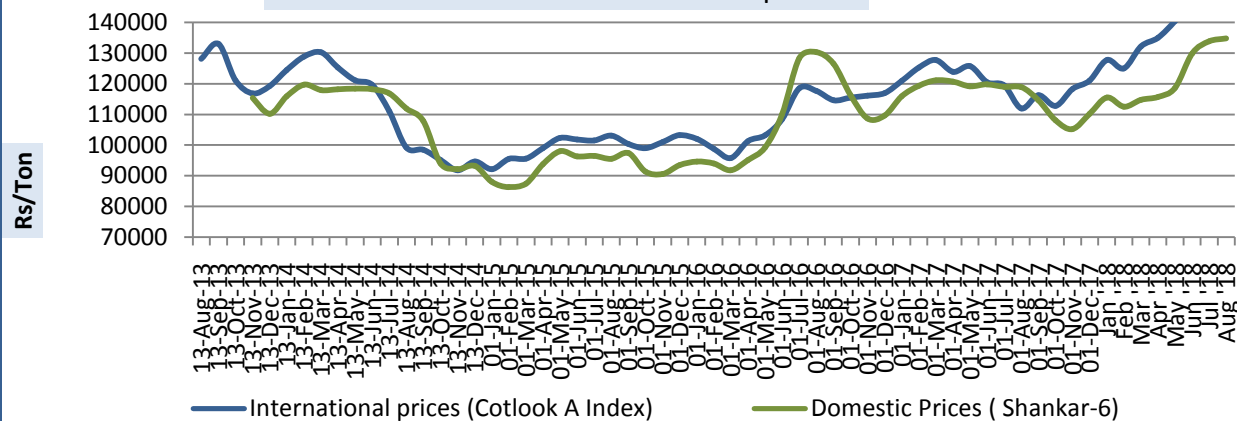
Cotton Future Prices at ICE

Contracts	12_Sep_2018	12_Aug_2018 (1 month ago)	12_June_2018 (3 month ago)	12_Mar_2018 (6 month ago)	12_Sep_2017 (Year Ago)	% Change over a month	% Change over previous year
01-Oct-18	82.76	83.14	93.63	79.88	70.71	-0.457	17.041
01-Dec-18	82.64	82.76	92.9	78.72	69.11	-0.145	19.577
01-Mar-19	83.03	83.2	92.79	78.83		-0.204	
01-May-19	83.36	83.7	92.61	78.7		-0.406	
01-Jul-19	83.59	84.03	92.37			-0.524	
01-Oct-19	79.27	79.62				-0.440	

Monthly-Yearly Price Movements



International and Domestic Price Comparison





State wise Wholesale Prices Monthly Analysis for Cotton August, 2018

State	Prices August, 2018	Prices July, 2018	Prices August, 2017	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh			5079.11	—	—
Gujarat	5738.71	5738.71	5738.71	0	0
Haryana	5488.82	5694.21	5694.21	-3.61	-3.61
Karnataka	5436.04	5436.04	5436.04	0	0
Madhya Pradesh	4500	4750	4750	-5.26	-5.26
Maharashtra	4125	5096.62	5096.62	-19.06	-19.06
Pondicherry			3009	—	—
Punjab			4379.87	—	—
Rajasthan	5793.84	5793.84	5793.84	0	0
Tamil Nadu	5895.74	5895.74	5895.74	0	0
Telangana	5558.48	5558.48	5558.48	0	0
Uttar Pradesh	5275.95	5275.95	5275.95	0	0
Average	5312.51	5471.07	5142.3		

Domestic Cotton Prices and Arrivals at Key Centers

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	13-Sep-18	06-Sep-18	13-Aug-18	13-Sep-17
Gujarat	Ahmedabad	Shankar-6	NA	NA	0	NA
	Gondal	Shankar-6	NA	NA	0	NA
	Rajkot	B.T. Cotton	NA	6300	6380	NA
	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	NA	NA
Punjab	Fazilika	B.T. Cotton	NR	NA	NA	NA
	Muktsar	B.T. Cotton	NR	NA	NA	NA
Haryana	Bhiwani	B.T. Cotton	NA	5500	6000	NA



	Bhiwani	Desi	NA	NA	0	NA
	Adampur	B.T. Cotton	NA	NA	0	NA
	Fatehabad	B.T. Cotton	NA	5570	6000	NA
	Jind	B.T. Cotton	NA	NA	0	NA
	Uchana	B.T. Cotton	NA	NA	0	NA
	Dabwali	B.T. Cotton	NA	NA	0	NA
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	0	NA
	Rawatsar	B.T. Cotton	NA	NA	0	NA
Madhya Pradesh	Khandwa	Mech-1	NA	NA	0	NA
	Khargaon	Mech-1	NA	NA	0	NA
Maharashtra	Amravati	Mech-1	NA	NA	0	NA
	Jamner	Medium Staple	NA	NA	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	NR	5400	NA
	Hathras	Desi	NA	NR	NA	NA
Telangana	Adilabad	Un-Ginned	NA	5450	4320	NA
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	0	NA
	Kurnool	Un-Ginned	NA	NA	0	NA
	Krishna	Un-Ginned	NA	NA	0	NA
	East Godavari	Un-Ginned	NA	NA	0	NA
Karnataka	Bijapur	Bunny	NA	NR	5360	NA
	Hubli	D.C.H.	NA	NR	0	NA
	Hubli	B.T. Cotton	NA	NR	0	NA
	Raichur	H-44 Cotton	NA	NR	5870	NA
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	13-Sep-18	06-Sep-18	13-Aug-18	13-Sep-17
Punjab	Bhatinda	J-34	4670	4760	4820	4060
	Abohar	J-34	4680	4770	4820	4065
	Mansa	J-34	4725	4750	4800	4060
	Muktsar	J-34	NR	0	0	0
	Fazilika	J-34	NR	0	0	0
Haryana	Sirsa	J-34	4670	4740	4790	4050
Rajasthan	Sri-Ganganagar	J-34	NA	0	0	0

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	13-Sep-18	06-Sep-18	13-Aug-18	13-Sep-17
Gujarat	Ahmedabad	Shankar-6	NA	0	0	0
	Gondal	Shankar-6	NA	0	0	342
	Rajkot	B.T. Cotton	NR	0	200	665
	Patan	B.T. Cotton	NA	0	0	0
	Kadi	B.T. Cotton	NA	0	0	0
	Deesa	B.T. Cotton	NA	0	0	0
	Dhrol	B.T. Cotton	NA	0	0	7
Punjab	Fazilika	B.T. Cotton	NR	0	0	0
	Muktsar	B.T. Cotton	NR	0	0	0
Haryana	Bhiwani	B.T. Cotton	#N/A	4000	200	#N/A
	Bhiwani	Desi	#N/A	NA	0	#N/A
	Adampur	B.T. Cotton	#N/A	NA	0	#N/A
	Fatehabad	B.T. Cotton	#N/A	100	0	#N/A
	Jind	B.T. Cotton	#N/A	NA	0	#N/A
	Uchana	B.T. Cotton	#N/A	NA	0	#N/A
	Dabwali	B.T. Cotton	#N/A	NA	0	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	0	35
	Rawatsar	B.T. Cotton	NA	0	0	0
Madhya Pradesh	Khandwa	Mech-1	NA	0	0	0
	Khargaon	Mech-1	NA	0	0	3125
Maharashtra	Amravati	Mech-1	NA	0	0	0
	Jamner	Medium Staple	NA	0	0	0
Uttar Pradesh	Hathras	B.T. Cotton	NR	Closed	NR	250
	Hathras	Desi	NR	Closed	NA	150
Telangana	Adilabad	Un-Ginned	NA	0	0	0
Andhra Pradesh	Guntur	Un-Ginned	NA	0	0	0
	Kurnool	Un-Ginned	NA	0	0	0
	Krishna	Un-Ginned	NA	0	0	0
	East Godavari	Un-Ginned	NA	0	0	0
Karnataka	Bijapur	Bunny	NR	24	87	0



	Hubli	D.C.H.	NR	0	0	0
	Hubli	B.T. Cotton	NR	0	0	0
	Raichur	H-44 Cotton	NR	15	15	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	13-Sep-18	06-Sep-18	13-Aug-18	13-Sep-17
Punjab	Bhatinda	J-34	4250	0	0	2550
	Abohar	J-34	340	0	0	680
	Mansa	J-34	170	0	0	255
Haryana	Sirsa	J-34	510	85	0	NA
Rajasthan	Sri-Ganganagar	J-34	NA	0	0	0

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.