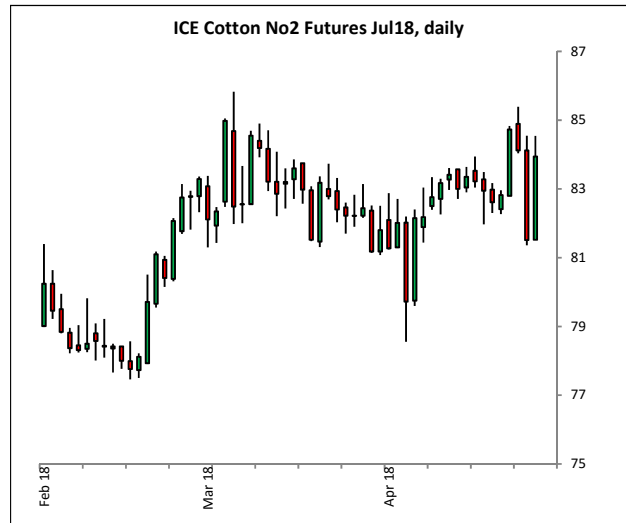


COTTON MARKET REPORT

	Apr 25	Apr 18	change
ICE No2 Jul18	83.94	82.61	1.33
ICE No2 Dec18	78.99	78.32	0.67
ICE No2 Mar19	78.94	78.42	0.52
ICE No2 Jul18-Dec18	4.95	4.29	0.66
ICE No2 futures o.i.	262'114	263'078	-964
ICE No2 certified stocks	67'714	71'797	-4'083
A-Index 17/18	90.70	92.20	-1.50
ZCE Sep18	15'375	15'365	10
MCX Cotton May18	20'900	20'940	-40
USD Index	91.172	89.623	1.549

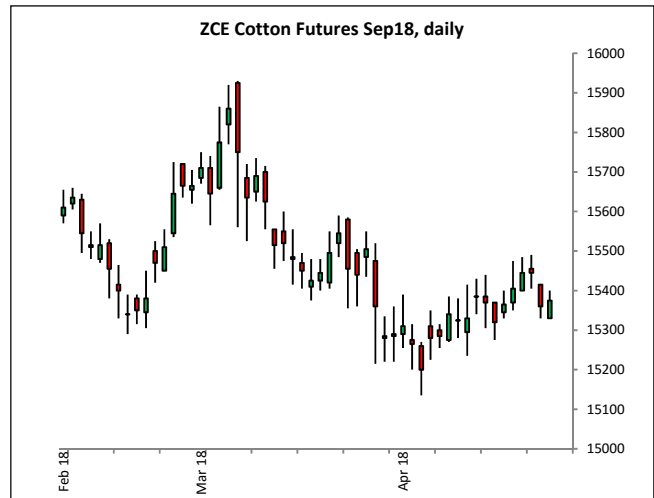
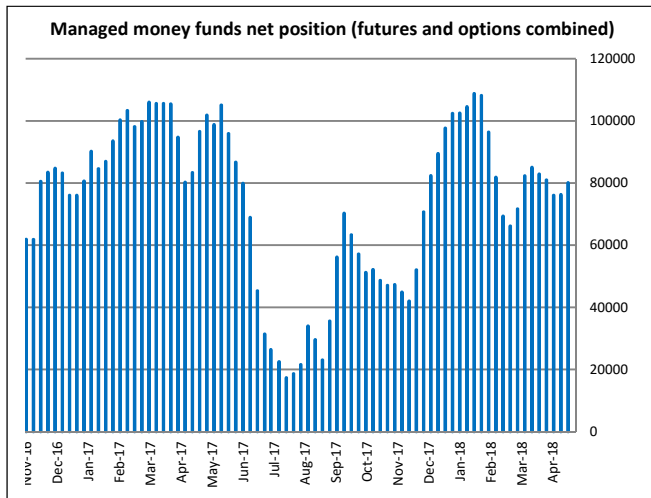


ICE Cotton No.2

Since last Friday the market has been quite volatile with prices testing both short-term key resistance and support areas. The action witnessed on Tuesday and Wednesday resembles the one in early April when a sharp daily dip was essentially entirely recovered the very next day.

Overall, despite short-term gyrations there has not been a clear change in the market's overall trading pattern as prices remain within a firmly established range. Since late Feb the market (based on the most active month) has spent most of the time trading between about 80.50 and 85.50. The few attempts to trigger a definite break above/below this range have been thus far quickly turned down.

The primary trend remains neutral/bullish with important support at 81.50-81.00, followed by (about) 80.00. Critical support is at around 77.50. Key resistance sits between 85.00 and 86.70.



COTTON MARKET REPORT

USA – The May18 contract is now in its notice and delivery period so far uneventful. So far 51 notices have been issued, and no real surprise given that certificated stocks are less than 70'000 bales. The market has taken almost no reaction as open interest in the May contract has dwindled to less than 300 contracts. The July/Dec contracts remains inverted by about 400 pts., which will make for some interesting trading as this trading month moves into the forefront. Anyone who studies the market must be aware of the massive on-call sales position to be reckoned with. As for new crop, in its weekly progress update the USDA reports that 11 % of the U.S. crop has been sown. All producing states except one are reporting at least minimal plantings. The Far West as expected leads the way the Delta state of Louisiana not too far behind. West Texas remains much too dry with some scattered rainfall recently received in selected counties. None of the dryland counties received any rainfall. Short term, some of this scattered rain is predicted to continue generally in the northern districts and Oklahoma. Long term forecasts mostly paint a less than optimistic picture, and the next two months will be critical if the crop has any hope of reaching its full potential.

India – As per CCI, India's cotton crop arrivals for the 2017/18 season (October-September period) reached this week 28.60 million domestic bales, which represents about 79.5 % of the 36 million bales estimated by CAI. Physical prices traded steady on week on week basis, as all Indian daily arrivals continue around 100'000 bales combined with steady domestic mill and export demand. The Indian Rupee depreciated by about 2.5% against USD in last 15 days, registering a high of 67 levels.

China – The ZCE Sep18 contract made another attempt to break above the 15'450 resistance but failed to build value at that new level and pulled back to close virtually unchanged. Thus, the technical picture remains unchanged; short-term is neutral to negative, long-term outlook is neutral.

Reserve sales improved somewhat this week, possibly because of the upcoming May holidays during which tenders will be suspended. There is ample supply, be it from reserve stocks, free market, Xinjiang cotton or even imports. Mills are complaining that business has slowed down but they are still making money. More and more mills and trading companies are starting to focus on new crop import cotton but are somewhat hesitant to book US cotton because of a potential Sino/US trade dispute.