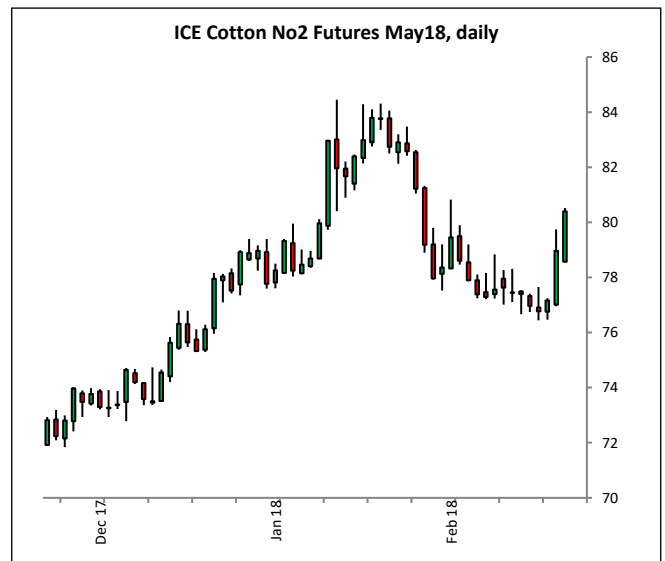


COTTON MARKET REPORT

	Feb 21	Feb 14	change
ICE No2 Mar18	78.91	75.60	3.31
ICE No2 May18	80.39	76.97	3.42
ICE No2 Jul18	81.10	78.00	3.10
ICE No2 Mar18-May18	-1.48	-1.37	-0.11
ICE No2 futures o.i.	251'852	266'641	-14'789
ICE No2 certified stocks	92'923	88'442	4'481
A-Index 17/18	88.70	87.35	1.35
ZCE May18	14'915	14'915	0
MCX Cotton Mar18	20'280	19'970	310
USD Index	90.000	89.121	0.879



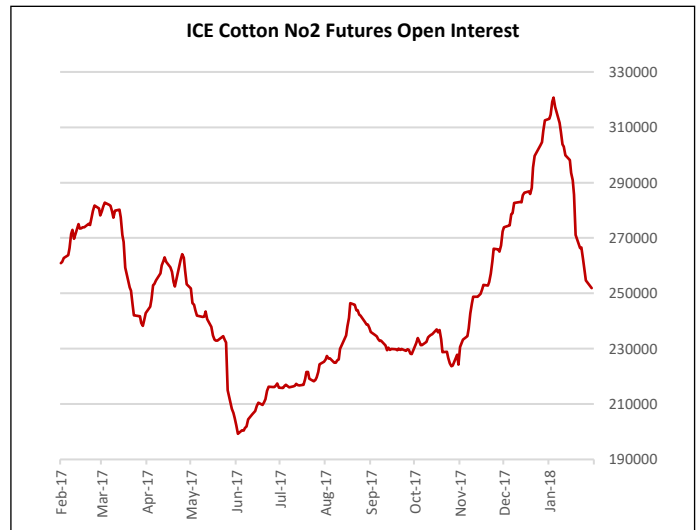
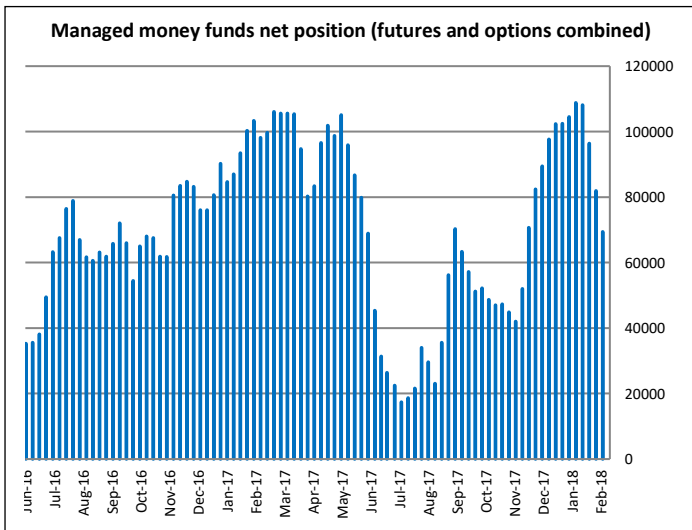
ICE Cotton No.2

Following a period of consolidative trading activity, prices rallied sharply without apparent reasons. After breaking above near-term resistance, sitting between about 78.00 and 78.50, the advance became impulsive as buyers found only soft resistance on the way higher.

The open interest is down by about 70'000 lots from its record level (320'7444 lots) registered in late January.

Between mid-January and mid-February, money managed funds have liquidated about 40'000 lots of longs. Some of them may have returned as buyers this week.

Technical picture: prices have extended the advance following the break above 78.00-78.50 and met the projected resistance area around the 80.50 level. Corrective retracement zone sits between 79.00 and 77.70. Short-term key support is between 78.30 and 77.70. Resistance is at 80.50, then 81.50-82.20.



COTTON MARKET REPORT

USA – A short week considering the U.S. holiday on Monday, however I.C.E. posted impressive gains for the week with May18 now as the lead month and the market still being supported by evidence of improving demand fundamentals. Market participants expect another excellent export sales this week (Friday). This is in keeping with the expected demand response due to lower prices from the previous last week, only adding to the high seasonal pace of total commitments. In-country trading was also quite active this week as many producers who were expressing hope for a higher market were rewarded. As a result, significant volumes of cotton moved into merchants' hands. We also keep an eye on the Dec18 contract which is approaching the 77.00 c/lb level, an area where we believe producers will begin locking in prices for the upcoming crop. This week USDA is hosting a much-anticipated two-day Ag-Forum giving detailed forecasts for 2018.

India – Indian Cotton prices recovered with support from the international market and a weaker Indian Rupee against US Dollar, INR depreciated by about 2% in last 7 days. All India Cotton daily arrivals are 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, about 70% of USDA's latest India production estimate. Export business continues in the Vietnam, Bangladesh and the Pakistani market, mainly for March shipment.

The MCX cotton futures Mar18 contract has slightly bounced off the 19'500-19'600 support. A break and building value above 20'700 would void the short-term negative outlook.

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