



COTTON USA™

THE COTTON THE WORLD TRUSTS

COTTON USA Global Economic Update - August 2017

U.S. COTTON SUPPLY & OFFTAKE

(000) 480-Pound Bales

| | 2016-17e | 2017-18p |
|----------------------|---------------|---------------|
| Beginning Stocks | 3,800 | 2,800 |
| Production | 17,170 | 20,550 |
| Imports | 10 | 10 |
| Total Supply | 20,980 | 23,360 |
| Mill Use | 3,250 | 3,350 |
| Exports | 14,920 | 14,200 |
| Total Offtake | 18,170 | 17,550 |
| Ending Stocks | 2,800 | 5,800 |
| Stocks-to-Use Ratio | 15.4% | 33.0% |

Source: USDA-WAOB August WASDE Report.

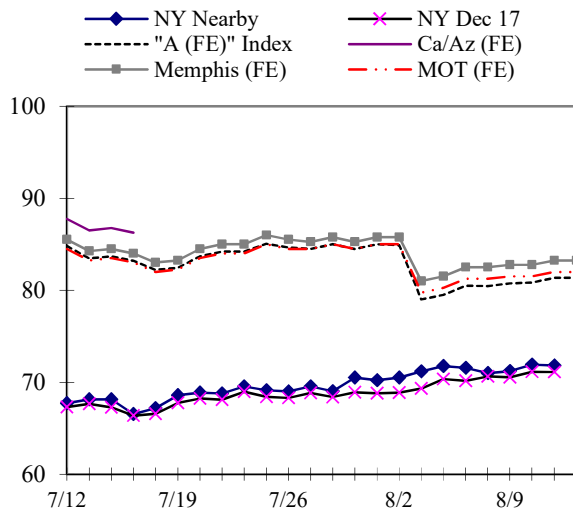
e=USDA estimate, p= USDA projection.

HIGHLIGHTS

- '17-18 World production estimated at 117.3 million bales, 2.0 million bales higher than the July estimate.
- '17-18 World ending stocks estimated at 90.1 million bales, 1.4 million bales higher than the July estimate.
- '17-18 U.S. production estimated at 20.6 million bales, 1.6 million bales higher than the July estimate.
- '17-18 U.S. ending stocks estimated at 5.8 million bales, 500,000 bales higher than the July estimate.
- '17-18 China production estimated at 24.5 million bales, 500,000 bales higher than the July estimate.
- '17-18 India mill use estimated at 24.5 million bales, 250,000 bales lower than the July estimate.
- '17-18 Vietnam imports estimated at 6.2 million bales, 100,000 bales higher than the July estimate.

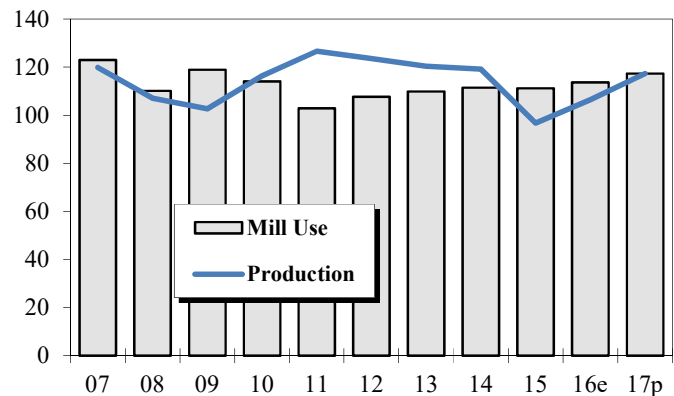
DAILY PRICES

Cents/Pound



WORLD COTTON PRODUCTION AND USE

Million Bales



2017-18 WORLD COTTON SUPPLY & OFFTAKE

Million 480-Pound Bales

| | Beginning Stocks | Production | Imports | Supply | Mill Use | Exports | Ending Stocks | Stocks-to- Use Ratio |
|--------------|---------------------|------------|---------|--------|----------|---------|------------------|-------------------------|
| World | 90.0 | 117.3 | 37.2 | 207.3 | 117.4 | 37.2 | 90.1 | 76.7% |
| U.S. | 2.8 | 20.6 | 0.0 | 23.4 | 3.4 | 14.2 | 5.8 | 33.0% |
| China | 48.4 | 24.5 | 5.0 | 77.9 | 38.5 | 0.1 | 39.4 | 102.1% |
| Pakistan | 2.3 | 9.2 | 2.2 | 13.6 | 10.6 | 0.4 | 2.6 | 24.1% |
| India | 12.6 | 29.0 | 1.3 | 42.9 | 24.5 | 4.3 | 14.1 | 48.9% |
| Central Asia | 2.5 | 6.2 | 0.0 | 8.7 | 2.7 | 3.0 | 3.0 | 53.2% |
| Australia | 2.7 | 4.8 | 0.0 | 7.5 | 0.0 | 3.9 | 3.7 | 92.9% |
| Brazil | 7.4 | 7.0 | 0.1 | 14.5 | 3.3 | 3.2 | 8.2 | 125.5% |
| Indonesia | 0.6 | 0.0 | 3.4 | 4.0 | 3.3 | 0.0 | 0.7 | 20.5% |
| Mexico | 0.4 | 1.2 | 1.0 | 2.6 | 1.8 | 0.2 | 0.6 | 32.8% |
| Turkey | 1.7 | 3.6 | 3.5 | 8.7 | 6.6 | 0.3 | 1.8 | 25.5% |
| Vietnam | 0.9 | 0.0 | 6.2 | 7.1 | 5.9 | 0.0 | 1.2 | 20.2% |

Source: USDA-WAOB August WASDE Report.

U.S. AND WORLD FIBER PRICES

Cents/Pound

| MONTH | December Futures | | US Spot 1-1/16 | Mill | | "A (FE)" Index | AWP | China Polyester |
|--------|------------------|-------|-------------------|----------------------|----------------------|-------------------|-------|--------------------|
| | Near | Far | | Delivered Memphis | Far East Low U.S. | | | |
| Mar-17 | 75.06 | 72.73 | 74.33 | NA | 86.72 | 86.79 | 67.72 | 52.58 |
| Apr-17 | 73.97 | 71.90 | 74.13 | NA | 86.96 | 87.04 | 68.24 | 50.04 |
| May-17 | 73.59 | 71.47 | 75.75 | NA | 88.87 | 88.64 | 70.03 | 48.85 |
| Jun-17 | 70.11 | 68.93 | 69.88 | NA | 84.51 | 84.76 | 66.18 | 50.21 |
| Jul-17 | 68.04 | 67.66 | 66.24 | NA | 83.88 | 84.09 | 65.50 | 54.41 |

CF FAR EAST QUOTATIONS
FOR AMERICAN GROWTHS

Weekly Average in Cents/Pound

Type A (FE)

| | Memphis | | MOT (FE) |
|-----------|------------------------|-----------------|----------|
| | Cal/Az (FE) 1 3/32" | (FE) 1 3/32" | |
| 06-Jul-17 | 86.50 | 84.25 | 83.25 |
| 13-Jul-17 | 86.95 | 84.70 | 83.70 |
| 20-Jul-17 | NA | 84.15 | 83.15 |
| 27-Jul-17 | NA | 85.55 | 84.70 |
| 03-Aug-17 | NA | 83.30 | 82.25 |
| 10-Aug-17 | NA | 82.90 | 81.65 |

Source: Cotlook, Ltd. NA = Not Available