

# Textile



## Near-term challenges persist; global retailers eye healthy inventory levels

Commentaries by global retailers on inventory position and demand show mixed sentiments – for instance, Walmart / Target / TJX hinted at higher inventory levels to the tune of 3.8% / 2% / 14% YoY respectively while Nike reported flat to slightly down inventory levels, reflecting focused efforts to bring down previously elevated stock levels. Global retailers continue to monitor customer demand and maintain a cautious approach in this tariff-impacted period. This is in line with a recent conversation we had with a global sourcing textile expert. Some of the takeaways from that call were: a) global retailers believe 50% tariffs is transitory – it is expected to come down to 20-25%; b) customers remain highly sensitive on pricing, which makes it difficult to pass on the tariff impact to end-consumers; end-game could be - global retailers expect retail prices to go up by 10% in a high-tariff scenario c) transshipping products through other low-tariff countries also remains a challenge as shifting production and managing logistics continue to be a hassle – the US is wary of such cases and has levied 40% tariffs on Vietnam on products that come through transshipment d) India remains better placed in home textiles compared to apparels given its strong hold in this sector and e) Indian exporters having manufacturing facilities in multiple countries like Pearl Global, Gokaldas Exports (Kenya), etc. remain relatively insulated. In Jul'25, India's market share in US imports of cotton sheets and terry towels declined to 58% (64% in Jun'25) and 41% (49% in Jun'25) respectively while China's market share increased to 8% and 17% in the two segments. We await August data to assess the impact of tariffs. Even though near-term challenges persist, any positive outcome on a) ongoing FTA negotiations with EU-27 b) bilateral discussions with the US and c) increasing addressable market with UK FTA in place might abate the near-term impact and turn out to be a growth driver for the sector. Given the highly fluid situation, we will revisit our numbers aided by a clear management commentary along with the preview numbers. Gokaldas Exports and Welspun Living remain our preferred picks in the space.

- **Global retailers adopt a prudent inventory approach:** In their recent earnings calls, major global retailers highlighted their strategies for coping with ongoing market volatility. Walmart, Target, and TJX witnessed higher inventory levels to the tune of 3.8% / 2% / 14% YoY respectively given higher cost of imported goods, driven by tariffs and other pressures. By contrast, Nike witnessed flat to slightly down inventory levels, reflecting continued focus on reducing excess stock. Companies such as Walmart and TJX remain optimistic, with Walmart raising its full-year sales growth guidance to 3.75%-4.75% and TJX raising its full-year sales growth guidance to 3% for the year. Target has guided for a modest single-digit sales decline, and Nike expects a mid-single-digit drop in revenue for the next quarter due to the tariff headwinds. Overall, persistent tariff uncertainties have encouraged retailers globally to maintain disciplined inventory positions, have a cautious approach towards demand and adapt quickly, a trend also echoed by Indian textile sector players during their recent calls.
- **Indian textile players' margins to remain under pressure:** During their recent earnings calls, Indian textile companies underscored the ongoing impact of tariffs and demand variability. Welspun Living and Gokaldas Exports pointed towards a sustained cautious approach by retailers and anticipates continued margin and top-line pressures in the near term, while closely monitoring tariff uncertainties. Geographically diversified companies like Pearl Global maintained their volume growth guidance of 12-14% CAGR, acknowledging that US-imposed tariffs remain a key challenge but not enough to derail momentum. Arvind reported that order books for 2Q are robust, expecting demand stability and projecting FY26 garment volume growth between 14% and 17%. Overall, the sector awaits a certain tariff situation for stable margins and expects pressure to sustain till then. Even though near-term challenges persist, any positive outcome on a) ongoing FTA negotiations with EU-27 b) bilateral discussions with the US and c) increasing addressable market with UK FTA in place might abate the near-term impact and turn out to be a growth driver for the sector. Also, the internal turmoil in Bangladesh / high factor costs in Vietnam / China+1 might play well for Indian exporters.

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### Commentary by global retailers on Inventory

**Walmart:** "inventory is at a healthy level, up about 3.8%...primarily attributable to higher cost of imported goods and timing of receipts...raising our full-year sales growth guidance to a range of 3.75% to 4.75%".

**Target:** "Q2 ending inventory, which was about 2% higher than a year ago...still facing a highly volatile and uncertain environment and believe it's prudent to maintain a cautious approach"

**TJX:** "Balance sheet inventory was up 14%, and inventory on a per-store basis was up 10% versus last year...comp sales expected to rise 2%-3% for Q3 FY2026".

**Nike:** "Inventory was flat versus the prior year and down 1% versus the prior quarter...expect Q1 revenues to be down mid-single digits"

### Commentary by Indian textile players on demand

**Welspun Living:** "we expect quarter 2 to remain challenging with sustained pressure on both top line and bottom line"

**Pearl Global:** "yearly volume growth is something which we still stick to our guidance...12% to 14% CAGR is something which we are confident... tariff imposed by U.S. do pose challenge to this trend".

**Arvind:** "expect Q2 to be more stable operationally... We are optimistic about achieving garment volume growth of 14% to 17% in the full year of FY'26".





**Gokaldas exports:** "recently revised reciprocal tariffs imposed by the U.S. on India is expected to pose a challenge in the second half of this financial year... Brands are cautious and want to know the tariff impact on various geographies for committing their orders".

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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- **Key takeaways from textile expert call:** Some of the key takeaways from a recent conversation we had with a global sourcing expert are: a) global retailers believe 50% tariffs is transitory – expected to come down to 20-25% b) replacing production from a country mainly depends on the nicheness of the product and cost-efficiency of sourcing from that particular country and c) customers remain highly sensitive on pricing, which makes it difficult to pass on the tariff impact to end-consumers - most global retailers looking to absorb the hit for at least the next 6 months. Indian exporters having manufacturing facilities in multiple countries remain relatively insulated compared to companies with manufacturing only in India. Companies like Gokaldas Exports (Kenya facility), Pearl Global, Shahi Exports, etc. remain better placed in such a scenario. Home textiles also remain better placed as compared to apparels given India has a strong hold in this sector – not easy to replace. Pakistan remains the only strong competitor in this segment with lower tariffs as compared to higher competition in apparels.
- **India's apparel exports witness mixed trends post 50% tariff announcement:** Indian textile exports witnessed mixed trends in Aug'25 post the 50% tariff announcement by the US. Indian home textile players witnessed lower overall exports in Aug'25 with Indo Count being impacted the most (down ~31% YoY). On the other hand, exports of apparel and garment exporters were up by 7 / 15% / 22% YoY for Gokaldas Exports / KPR Mills / Arvind respectively in Aug'25. This increase is expected to be driven by orders being placed in advance for 2Q. However, exports in the coming months would be a key monitorable given the uncertain tariff situation.
- **India's share in US imports of cotton sheets declines to 58% in Jul'25:** India's cotton sheet export volume to the US increased ~8% YoY during CY24 but increased by ~2% YoY in Jul'25. In value terms, India's cotton sheet export to the US declined by ~13% YoY in Jul'25 on the back of lower realisation. Market share of Indian exports of cotton sheets fell in Jul'25 to 58% from 61% in CY24. China's market share came in at ~8% in Aug'25.
- **India's share in US imports of terry towels at 41% in Jul'25:** India's terry towel export volume to the US increased by a marginal ~1% YoY during CY24 and went up by ~2% YoY in Jul'25 while exports in value terms declined by ~8% YoY to USD 49mn in Jul'25. India's market share of terry towels in the US stood at 43% in CY24 while it came in at 41% during Jul'25. China's market share increased to ~17% in Aug'25 compared to ~13% in Jul'25.

#### Exhibit 1. Global retailers' commentary on inventory / demand

Company	Commentary
	<p><b>Inventory:</b> "...as we began Q3, momentum has persisted and our inventory is at a healthy level, up about 3.8%. The year-over-year increase in inventory is primarily attributable to higher cost of imported goods and timing of receipts. In this tariff impacted period, we're closely monitoring customer demand and managing quantity decisions as we measure the price elasticity of impacted items."</p> <p><b>Outlook:</b> "We're raising our full-year sales growth guidance in constant currency by 75 basis points to a range of 3.75% to 4.75% growth. This reflects our year-to-date performance and confidence in our team's ability to continue driving share gains in the back half of the year...in this tariff impacted period, we're closely monitoring customer demand and managing quantity decisions as we measure the price elasticity of impacted items"</p>
	<p><b>Inventory:</b> "...our Q2 ending inventory, which was about 2% higher than a year ago..., this year's inventory reflects higher product costs than a year ago, driven by tariffs and other pressures. As such, our Q2 ending inventory units saw a low single-digit decline versus last year...having completed the necessary inventory adjustments we had planned for the first two quarters of the year, we feel good about our inventory position as we enter Q3".</p> <p><b>Outlook:</b> "...we're maintaining our full year guidance, which anticipates a low single-digit decline in our comparable sales...While our Q2 performance reinforced our confidence that we can deliver on that guidance, we're still facing a highly volatile and uncertain environment and believe it's prudent to maintain a cautious approach in the back half of the year".</p>
	<p><b>Inventory:</b> "Balance sheet inventory was up 14%, and inventory on a per-store basis was up 10% versus last year, as we've been buying into the excellent opportunities for quality, branded merchandise we've been seeing in the marketplace."</p> <p><b>Outlook:</b> "Consolidated sales now expected at \$59.3 billion to \$59.6 billion for FY2026, comp sales growth of 3% for FY2026...comp sales expected to rise 2%-3% for Q3 FY2026...comp sales anticipated up 2%-3% for Q4 FY2026".</p>
	<p><b>Inventory:</b> "Inventory was flat versus the prior year and down 1% versus the prior quarter. Inventory remains elevated but we are making progress. We closed the year in line with our plans and remain on track to exit the first half of fiscal '26 in a healthy and clean position..."</p> <p><b>Outlook:</b> "We expect Q1 revenues to be down mid-single digits. We expect Q1 gross margins to be down approximately 350 to 425 basis points. This includes approximately 100 basis points negative impact due to the new tariffs based on the rates that are in place today."</p>

Source: Company, JM Financial

## Exhibit 2. Indian textile players' commentary on inventory / demand

Company	Commentary
	<b>Demand / Tariff:</b> "...there has been a decline in the volume and the retailers this time are correcting the inventories as well. So that is one thing that they're doing. Secondly, everybody has been very cautious...we expect quarter 2 to remain challenging with sustained pressure on both top line and bottom line. Given the continued uncertainty around tariffs and trade policies, we are closely monitoring the evolving landscape."
	<b>Demand / Tariff:</b> "I think the yearly volume growth is something which we still stick to our guidance which we have given. We said 12% to 14% CAGR is something which we are confident as we started this financial year...Historically, our performance in the second half has consistently outpaced the first. However, tariff imposed by U.S. do pose challenge to this trend."
	<b>Demand / Tariff:</b> "While the order book for the quarter 2 is logged in and looks strong, future quarters are also looking equally promising...we expect Q2 to be more stable operationally. We are witnessing a healthy order pipeline across Fabric, Garmenting and Advanced Materials segment. We are optimistic about achieving garment volume growth of 14% to 17% in the full year of FY'26"
 gokaldas exports ltd.	<b>Demand / Tariff:</b> "...a higher tariff from August across all regions would impact business volumes in the short run. The recently revised reciprocal tariffs imposed by the U.S. on India is expected to pose a challenge in the second half of this financial year as most of our order bookings for the second quarter are already closed. Brands are cautious and want to know the tariff impact on various geographies for committing their orders."

Source: Company, JM Financial

## Exhibit 3. US imports of cotton sheets

	CY22	YoY (%)	CY23	YoY (%)	CY24	YoY (%)	Jul'25	YoY (%)
<b>Value (USD mn)</b>								
World	1,420	-15.6%	1,194	-15.9%	1,262	6%	90	-15%
India	703	-26.7%	701	-0.3%	774	10%	52	-13%
China	205	2.7%	129	-37.0%	104	-20%	7	-36%
Pakistan	339	-0.1%	244	-28.0%	270	10%	19	-18%
ROW	173	-6.3%	119	-31.0%	114	-4%	11	7%
<b>Volume (mn sq. mts.)</b>								
World	877	-17.2%	765	-12.7%	819	7%	63	-7%
India	301	-35.0%	349	16.1%	378	8%	28	2%
China	149	-12.6%	93	-37.2%	78	-16%	7	-21%
Pakistan	353	2.1%	276	-21.9%	316	14%	24	-17%
ROW	75	-7.6%	47	-36.9%	48	1%	5	25%
<b>Realisation (USD/mt)</b>								
World	3.2	2.0%	3.1	-3.7%	3.1	-1%	2.8	-8%
India	4.7	12.9%	4.0	-14.1%	4.1	2%	3.7	-15%
China	2.8	17.5%	2.8	0.3%	2.7	-4%	2.3	-19%
Pakistan	1.9	-2.1%	1.8	-7.8%	1.7	-4%	1.6	-1%
ROW	4.6	1.4%	5.1	9.4%	4.8	-5%	4.4	-14%

Source: OTEXA, JM Financial

## Exhibit 4. US imports of terry towels

	CY22	YoY (%)	CY23	YoY (%)	CY24	YoY (%)	Jul'25	YoY(%)
<b>Value (USD mn)</b>								
World	1,847	-9.2%	1,652	-10.6%	1,647	-0.3%	118	-7%
India	756	-14.6%	724	-4.2%	708	-2.2%	49	-8%
China	349	-10.7%	309	-11.5%	324	4.7%	21	-22%
Pakistan	412	-5.5%	367	-11.0%	350	-4.6%	26	-8%
ROW	330	2.6%	252	-23.5%	265	5.2%	23	15%
<b>Volume (mn sq. mts)</b>								
World	306	-14.8%	280	-8.6%	290	3.8%	24	9%
India	109	-17.5%	106	-3.0%	107	0.9%	8	2%
China	47	-15.7%	40	-13.3%	42	3.5%	4	3%
Pakistan	109	-13.2%	100	-8.2%	102	1.9%	8	4%
ROW	42	-10.5%	34	-19.3%	40	18.5%	4	54%
<b>Realisation (USD/mt)</b>								
World	6.0	6.6%	5.9	-2.1%	5.7	-3.9%	4.8	-15%
India	6.9	3.5%	6.9	-1.2%	6.6	-3.1%	5.8	-10%
China	7.5	5.9%	7.7	2.1%	7.7	1.1%	5.8	-25%
Pakistan	3.8	8.9%	3.7	-3.1%	3.4	-6.4%	3.1	-12%
ROW	7.9	14.6%	7.5	-5.3%	6.7	-11.2%	5.4	-26%

Source: OTEXA, JM Financial

## Exhibit 5. Monthly exports by major Indian textile players

Exports (USD mn)	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Ma'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	YoY (%)
<b>Garments</b>														
KPR Mill	22.2	21.4	23.9	27.7	31.1	36.4	25.1	32.9	36.9	42.5	32.7	33.0	25.5	15%
KPR Mill	13.9	11.2	14.5	16.5	17.7	18.5	14.3	15.4	20.5	25.1	15.4	16.5	13.7	-1%
KPR Sugar Mill	1.7	0.8	1.1	1.6	1.3	2.2	2.0	1.6	1.7	1.7	1.4	1.7	1.5	-14%
KPR Sugar & Apparels	6.6	9.5	8.3	9.6	12.1	15.7	8.8	15.9	14.7	15.7	15.9	14.8	10.3	57%
GEXP Standalone	24.9	22.3	11.1	24.9	32.8	22.5	19.7	28.0	27.0	28.1	27.1	28.6	26.8	7%
Arvind Standalone	33.7	36.0	30.7	28.4	33.9	32.4	30.2	38.5	31.3	36.3	37.4	31.5	41.3	22%
SP Apparels	9.3	9.6	8.0	8.4	9.0	8.4	9.9	11.5	8.7	10.8	11.8	13.6	10.3	10%
Pearl Global India	11.8	11.1	5.7	9.7	17.1	16.6	19.0	15.6	11.6	11.5	8.7	14.4	11.1	-5%
Kitex Garment	12.4	11.1	12.3	15.9	13.0	9.3	9.1	15.1	10.4	10.9	16.8	6.3	6.3	-49%
Kitex Garments	6.0	10.9	8.5	13.0	10.5	7.4	7.5	13.3	4.4	5.9	10.9	2.3	5.9	-2%
Kitex Limited	0.3	0.0	0.5	0.7	0.4	0.3	0.2	0.0	0.7	0.5	0.3	0.5	0.2	-35%
Kitex Children Wear Ltd	6.1	0.2	3.3	2.2	2.1	1.6	1.4	1.8	5.3	4.6	5.6	3.4	0.2	-97%
<b>Spinners</b>														
Vardhman Textiles	37.4	39.4	36.7	41.9	46.5	42.7	38.0	45.8	45.9	36.3	39.9	38.7	37.7	1%
Nitin Spinners	22.5	20.9	21.1	22.9	21.5	19.5	17.5	18.9	24.3	19.0	16.5	16.3	18.6	-17%
<b>Home Textiles</b>														
Himatsingka Seide	18.5	19.9	18.6	15.4	14.8	20.5	15.2	18.5	19.7	16.6	16.9	17.6	18.0	-3%
IndoCount Industries	53.2	55.0	39.9	37.6	33.5	33.3	31.9	37.1	25.2	44.0	38.6	33.4	36.8	-31%
Trident	39.4	40.9	36.3	33.1	40.7	42.0	37.8	46.2	34.1	37.1	35.3	41.2	38.8	-2%

Source: EXIM, JM Financial

## Exhibit 6. Cotton prices

(USD/kg)

	FY25	FYTD26	YoY (%)	CMP
Cotlook A	1.80	1.72	-5%	1.73
US	1.53	1.48	-3%	1.53
India	1.84	1.75	-4%	1.73
China	2.11	2.05	-3%	2.12
China India spread	0.28	0.29	5%	0.39

Source: Bloomberg, JM Financial

## Exhibit 7. Exchange rate: Local currency/USD

Country	Currency	FY25	YoY dep. %	FYTD26	YoY dep. %	CMP
India	INR	84.54	2%	86.10	2%	88.11
China	CNY	7.2	1%	7.20	0.3%	7.11
Pakistan	PKR	278.5	-2%	282.4	1.4%	283.1

Source: Bloomberg, JM Financial

## Exhibit 8. India yarn/cotton prices

(INR/kg)

	FY25	FYTD26	YoY (%)	CMP
Cotton - Shankar 6	155	153	-2%	153
Cotton yarn	233	230	-1%	228
Yarn Cotton Spread	78	78	0%	75

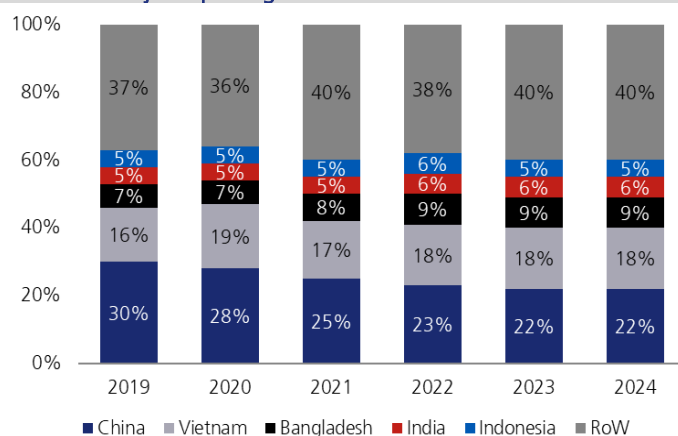
Source: Bloomberg, Tecoya, JM Financial

## Exhibit 9. US imports value: Country-wise market share

Category	CY23			CY24			Jul'25		
	India	China	Pakistan	India	China	Pakistan	India	China	Pakistan
Category 360: Pillow cases	58%	13%	18%	57%	13%	18%	58%	10%	18%
Category 361: Cotton sheets	59%	11%	20%	61%	8%	21%	58%	8%	22%
Category 362: Bedspreads & quilts	21%	40%	23%	24%	38%	26%	28%	34%	25%
Category 363: Terry & other towels	44%	19%	22%	43%	20%	21%	41%	17%	22%
Category 369: Bedding & pillow covers	29%	29%	16%	30%	31%	16%	31%	27%	17%
Category 360, 361, 362, 363, 369	38%	24%	19%	39%	24%	19%	38%	22%	20%

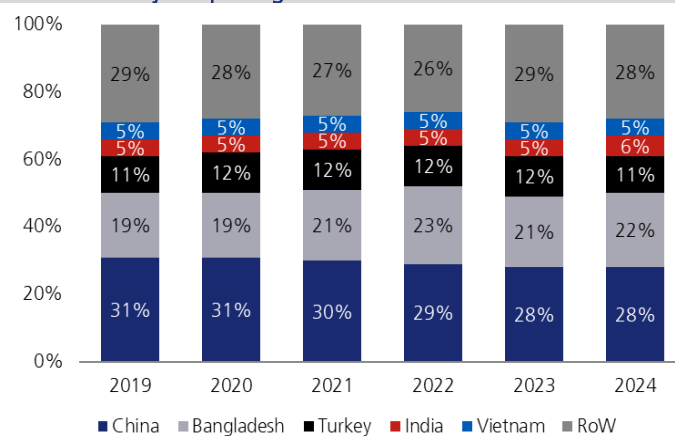
Source: OTEXA, JM Financial

## Exhibit 10. Major exporting countries to US



Source: Industry, JM Financial

## Exhibit 11. Major exporting countries to the EU



Source: Industry, JM Financial

Exhibit 12. EU apparel imports (EUR bn)

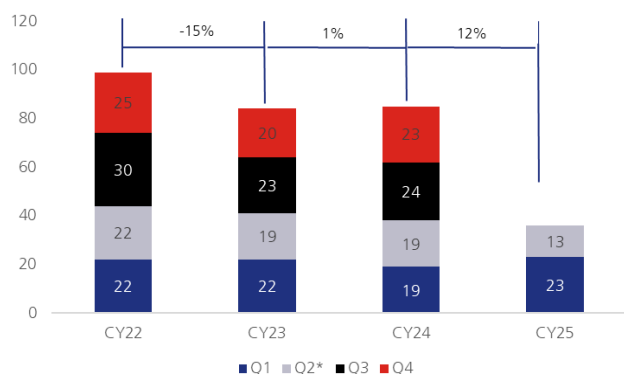


Exhibit 13. US apparel imports (USD bn)

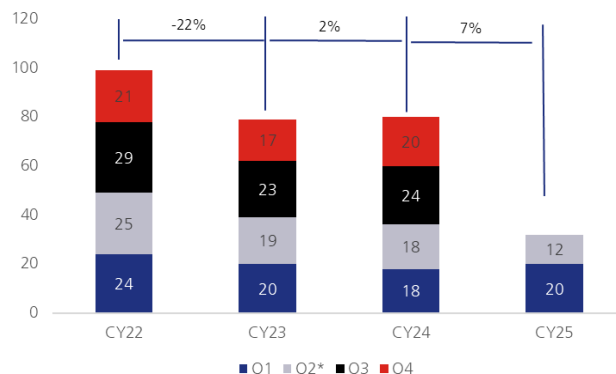


Exhibit 14. Top UK apparel imports

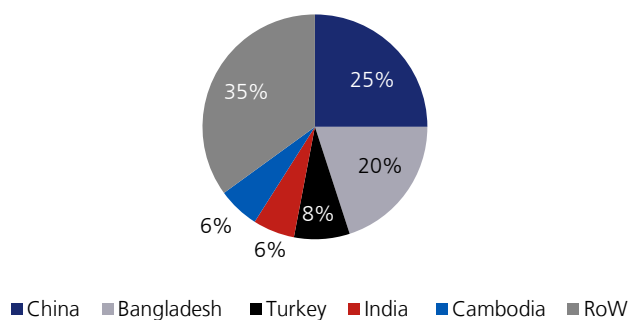


Exhibit 15. Installed capacity of Indian bed sheet players

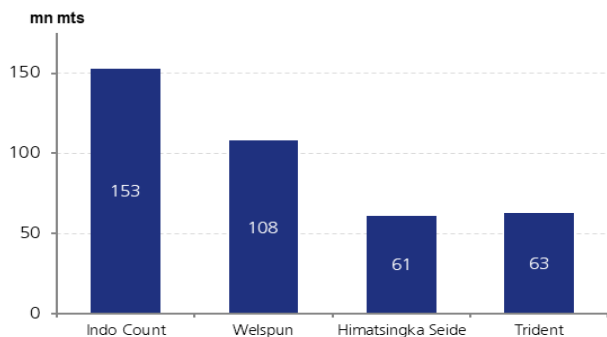


Exhibit 16. Installed capacity of Indian terry towel players

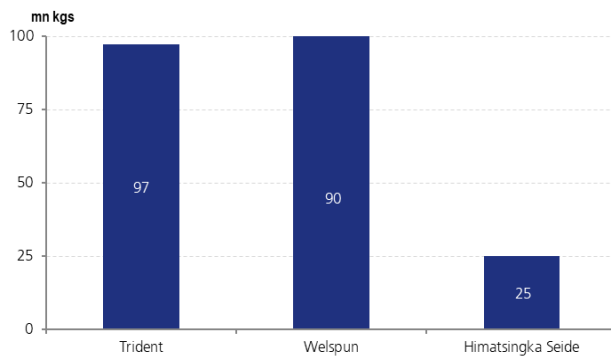


Exhibit 17. Textile value chain

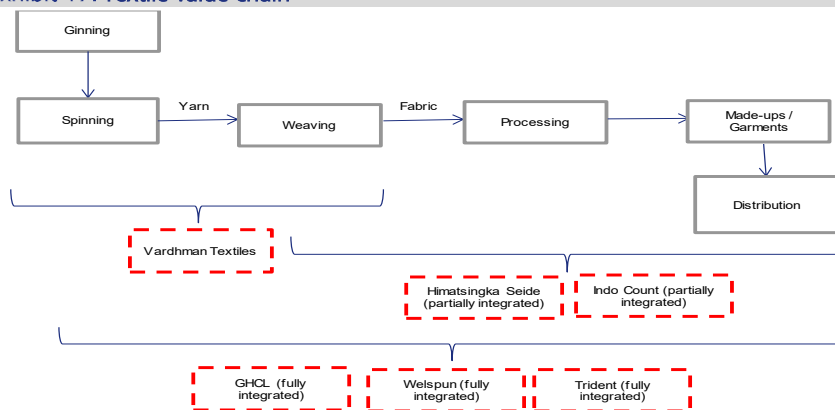
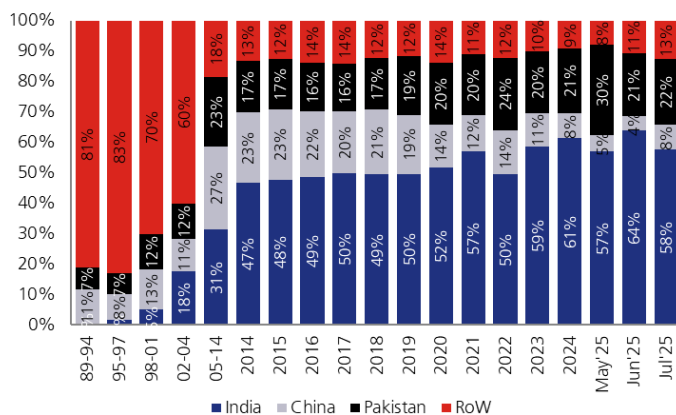


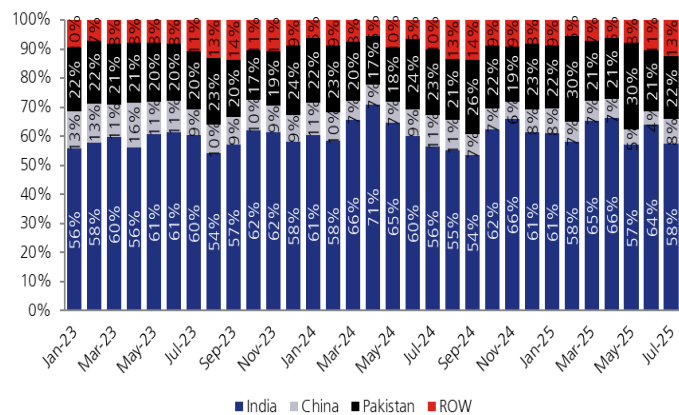


Exhibit 18. Mkt share (value) of US cotton sheet imports - yearly



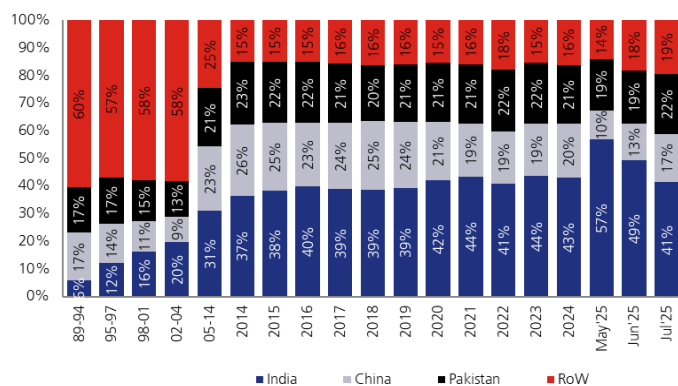
Source: OTEXA, JM Financial; Note: For category 361 as per OTEXA

Exhibit 19. Mkt share (value) of US cotton sheet imports - monthly



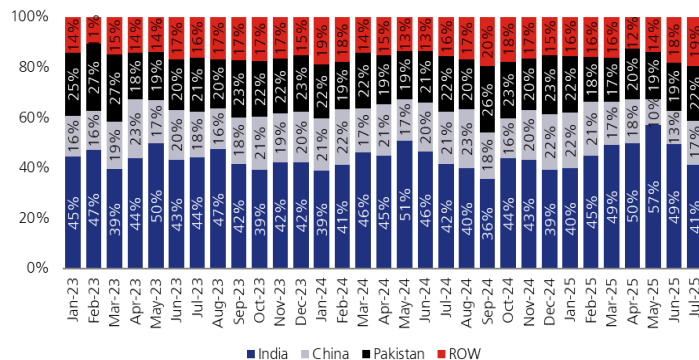
Source: OTEXA, JM Financial; Note: For category 361 as per OTEXA,

Exhibit 20. Mkt share (value) of US imports of terry towels - yearly



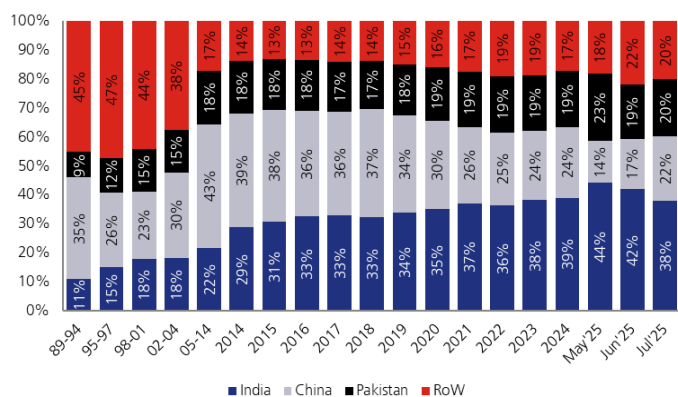
Source: OTEXA, JM Financial; Note: For category 363 as per OTEXA

Exhibit 21. Mkt share (value) of US imports of terry towels - mthly



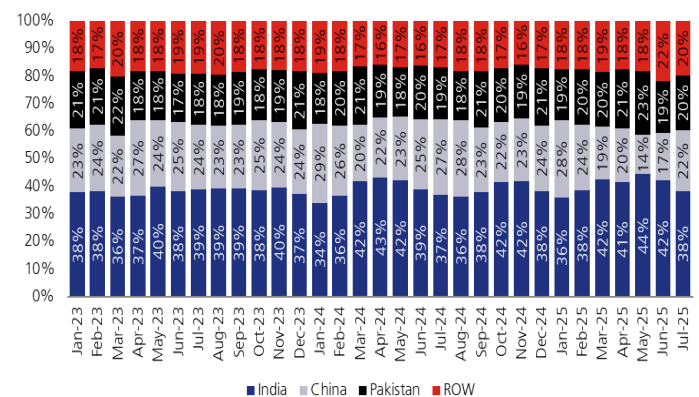
Source: OTEXA, JM Financial; Note: For category 363 as per OTEXA

Exhibit 22. Mkt shr (value) of US imports of cotton made ups - yearly



Source: OTEXA, JM Financial; Note: For sum of category 360,361,362,363 &amp; 369 as per OTEXA

Exhibit 23. Mkt shr (value) of US imports of cotton made ups - mthly



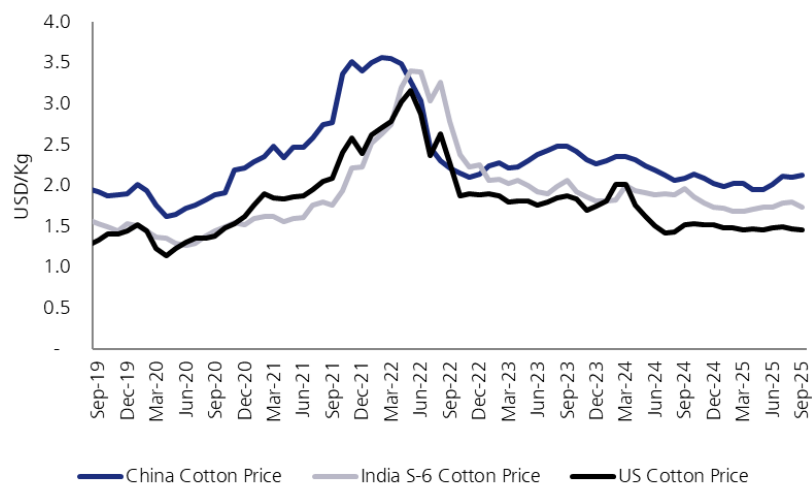
Source: OTEXA, JM Financial; Note: For sum of category 360,361,362,363 &amp; 369 as per OTEXA

Exhibit 24. India's cotton balance sheet

	2022/23	2023/24	2024/25	2025/26E
Production	5.7	5.5	5.2	5.1
Consumption	5.3	5.6	5.4	5.4
Surplus/(Deficit)	0.4	(0.0)	(0.2)	(0.3)
Exports	0.2	0.5	0.3	0.2
Ending stocks	2.4	2.0	2.2	2.2

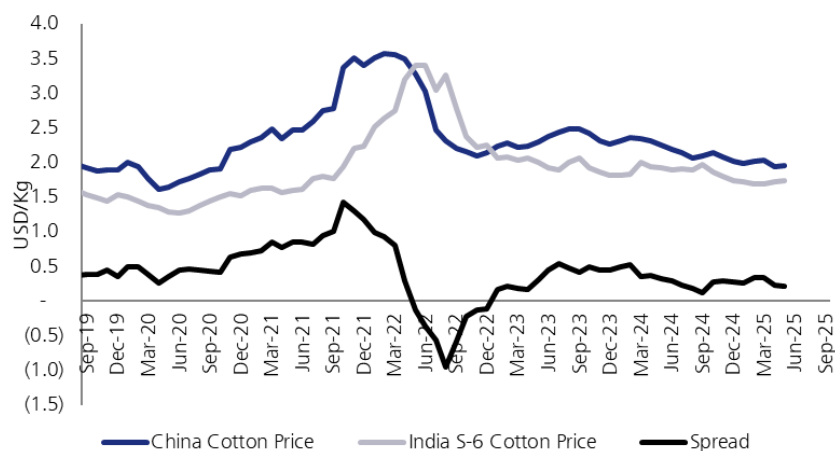
Source: USDA, JM Financial; Note: Season beginning August 1

Exhibit 25. Comparison of cotton prices in various regions



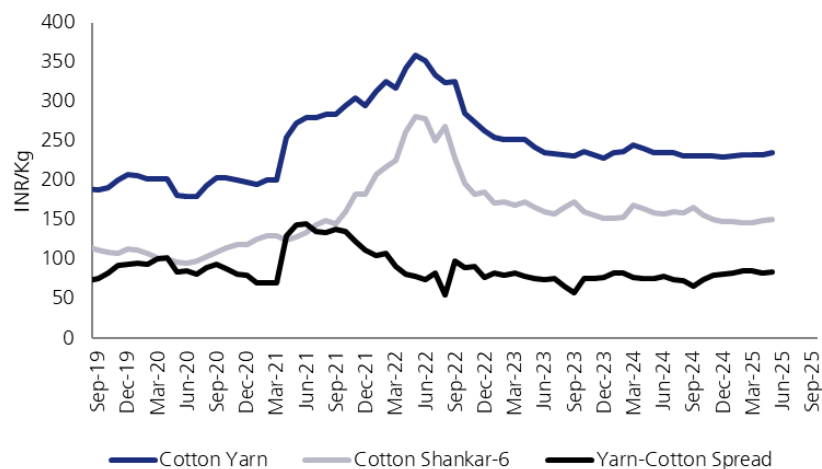
Source: Bloomberg, JM Financial; Note: S-6 = Shankar 6 cotton

Exhibit 26. Cotton price spread between India and China



Source: Bloomberg, JM Financial; S-6 = Shankar 6 cotton

Exhibit 27. Yarn-cotton spread



Source: Bloomberg, JM Financial



## Exhibit 28. Comparative valuation

Companies	P/E			EV/EBITDA			RoE		
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
PDS	30.5	27.0	18.7	11.6	10.4	8.1	10%	10%	13%
<b>Apparel</b>	<b>42.3</b>	<b>39.2</b>	<b>30.6</b>	<b>24.3</b>	<b>22.4</b>	<b>18.8</b>			
Arvind	23.2	21.0	14.4	10.6	10.0	7.9	9%	9%	12%
Page Industries	67.7	59.4	52.3	45.2	40.1	35.4	41%	47%	47%
Gokaldas Exports	36.1	37.1	25.1	17.2	17.2	13.2	8%	7%	9%
<b>Home Textiles</b>	<b>28.3</b>	<b>25.8</b>	<b>21.5</b>	<b>13.4</b>	<b>12.1</b>	<b>10.2</b>			
Trident	40.9	32.0	29.5	17.3	14.2	12.6	8%	9%	9%
Welspun India	18.2	18.4	14.3	10.5	9.0	7.4	13%	12%	14%
Indo Count Industries	17.4	22.3	14.4	10.7	13.7	10.4	14%	9%	13%
Luolai Lifestyle Technolog-A	16.5	13.3	11.8	10.3	7.1	6.3	9%	11%	12%
Shenzhen Fuanna Bedding-A	10.1	11.4	12.7	7.5	7.7	7.7	13%	11%	13%
Vardhman Textiles	57.3	54.4	44.5	9.2	9.6	7.7	9%	8%	10%
KPR Mills	46.5	37.2	31.1	30.3	25.9	21.3	17%	19%	19%
SP Apparel	19.2	17.2	13.5	11.4	9.9	8.3	12%	12%	13%

Source: Bloomberg, JM Financial; Note: Valuation as of 24<sup>th</sup> September 25

## Exhibit 29. USDA world cotton production, supply and trade

(million tons)

	2021/22	2022/23	2023/24	2024/25	2025/26P	YoY (%)
Production						
India	5.3	5.7	5.5	5.2	5.1	(2.1)
China	5.8	6.7	6.0	7.0	6.9	(1.6)
United States	3.8	3.2	2.6	3.1	2.9	(8.3)
Pakistan	1.3	0.8	1.5	1.1	1.1	-
Total	24.9	25.3	24.5	26.0	25.4	(2.2)
USE Dom. Consumption						
China	7.3	8.2	8.5	8.5	8.2	(3.8)
India	5.4	5.3	5.6	5.4	5.4	-
Pakistan	2.3	1.9	2.1	2.4	2.4	0.9
Bangladesh	1.9	1.7	1.7	1.8	1.8	(1.2)
Turkey	1.9	1.6	1.4	1.5	1.5	-
Total	25.2	24.5	25.0	25.9	25.7	(1.0)
Surplus (production - consumption)						
China	(1.5)	(1.5)	(2.5)	(1.5)	(1.3)	(14.2)
India	(0.2)	0.4	(0.0)	(0.2)	(0.3)	49.5
Pakistan	(1.0)	(1.0)	(0.6)	(1.3)	(1.3)	1.7
Total	(0.3)	0.8	(0.5)	0.0	(0.3)	(2,073.3)
Imports						
China	1.7	1.4	3.3	1.1	1.2	2.2
Bangladesh	1.8	1.5	1.6	1.8	1.8	-
Pakistan	1.0	1.0	0.7	1.3	1.3	(3.2)
Total	9.3	8.2	9.6	9.4	9.5	1.0
Exports						
United States	3.1	2.7	2.6	2.6	2.6	0.8
India	0.8	0.2	0.5	0.3	0.2	(27.1)
Total	9.3	8.0	9.7	9.3	9.5	2.0
Ending Stocks						
China	7.4	7.3	8.0	7.6	7.6	0.5
India	1.8	2.4	2.0	2.2	2.2	2.7
United States	1.0	1.0	0.7	0.9	0.8	(10.0)
Total	15.4	16.5	16.0	16.1	16.1	(0.2)
Stock to Use ratio						
China						
India	102%	88%	94%	89%	93%	
United States	34%	44%	36%	40%	41%	
World	54%	62%	48%	56%	51%	

Source: USDA, JM Financial; Note: Season beginning August 1

## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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