

## Cotton Domestic Fundamental

**Current Market Scenario:** Cotton spot prices during July remained slightly firm as compared to the previous month. Monthly average price at benchmark market, Rajkot stood at Rs 4690 per quintal in July, which is around 0.64% higher when compared to the prices in June which were Rs 4660 per quintal. Future prices however remained downtrend.

**The inability of Cotton Corporation of India (CCI) to sell the cotton,** it procured under MSP operation is likely to lead to the bulged cotton stock in the country. According to Cotton Association of India (CAI) cotton inventory is likely to increase by around 25% to 7.39 million bales in 2014-15 as compared to 5.89 million bales a year ago. Owing to the situation cotton prices are likely to go southwards further.

**Cotton export to China from India has declined by 56.72 per cent in 2014-15,** which has caused cotton prices in domestic market to fall drastically. In year 2014-15 India exported only 26 lakh bales of cotton to China in 2014-15 as against 61 lakh bales in 2013-14. Citing the situation, Commerce and Industry Minister Nirmala Sitharaman said in the written reply to Rajya Sabha that due to this reason cotton domestic prices are ruling weaker as compared to the previous year and cotton policy adopted by China is the major cause for less imports.

**Cotton output in India is likely to be around 6.423 million tones (377.8 lakh bales of 170 kg each.)** in the season 2015-16, same as the output of season 2014-15, according to USDA. The country is likely to export 1.023 million tones (60.17 lakh bales of 170 kg each.) of cotton in 2015-16, around 17.45% higher when compared to export in season 2014-15 which was 0.871 million tones (51.23 lakh bales of 170 kg each), said USDA.

**Around 101.91 lakh hectares of cotton has been sown so far throughout the country, as on 31 July this year.** This is around 2.79% lower when compared to the corresponding sowing progress of last season which was 104.84 lakh hectares, according to Ministry of Agriculture.

**In Andhra Pradesh, around 47.72% of the cotton planting has been completed so far.** Around 2.78 lakh hectares of cotton has been planted as on 29 July 2015 which is around 53.3% lower when compared to the area sown for cotton during the same period last year which was 5.98 lakh hectares.

**Around 88.86% of the cotton sowing has been completed in Gujarat,** according to State Agriculture Department. Area sown under cotton as on 27 July 2015 stood 24.23 lakh hectares in Gujarat against the total normal area of 27.26 lakh hectares and previous year as on date area of 25.84 lakh hectares.

**Domestic Monthly Price Outlook:** We expect prices to remain weak in the coming month. Cotton spot prices would remain in the band of Rs.4550-4725 per quintal at the benchmark market. Kapas prices at NCDEX (April'15 contract) is likely to be in range of Rs. 800-865 per maund(of 37.32 kg each).

## State-wise Cotton Production Advance Estimates 2015-16

Agriwatch releases its first cotton production advance estimates for the season 2015-16. Acreage under cotton in season 2015-16 is expected to decline by around 7.5% following the severe price crash, caused in 2014-15 due to leading supplies on global and domestic front and the revision in the China's cotton imports policy. Following the good rainfall so far, cotton yield is expected to boost as compared to the yield of previous year and normal yield (Five year average yield), however production would be on weaker side.

States	Normal Production (Lakh Bales)	Normal Yield (Kg/Hectares)	Rainfall Situation (as on July 29 2015)	Expected Yield 2015-16 (Kg/Hectares)	Normal Area (million Hectares)	Previous Year Area (million Hectares)	Expected Area 2015-16 (million Hectares)	Expected Production under normal Rainfall (Lakh Bales)	Expected Production under current Rainfall (Lakh Bales)
Punjab	18.9	636.0	-18%	616.9	5.0	4.5	4.3	16.0	15.5
Haryana	23.2	667.2	-15%	667.2	5.9	6.4	6.1	23.8	23.8
Rajasthan	15.2	657.2	57%	755.8	3.9	4.2	4.0	15.3	17.6
Gujarat	112.4	691.8	27%	747.1	27.6	30.1	28.0	113.8	122.9
Maharashtra	81.8	343.4	-26%	315.9	40.5	41.9	35.6	71.9	66.2
Madhya Pradesh	18.3	495.0	22%	534.6	6.3	5.8	5.5	16.0	17.3
Andhra Pradesh	19.7	569.1	2%	569.1	5.8	6.4	5.4	18.2	18.2
Telangana	55.0	569.1	-17%	552.0	15.2	16.5	14.9	49.7	48.2
Karnataka	17.4	497.4	-22%	472.5	5.8	7.6	7.2	21.1	20.1
Odisha	3.5	535.2	1%	535.2	1.1	1.3	1.2	3.6	3.6
Country as whole	369.2	527.2	-3%	535.0	11.9	12.7	11.7	363.2	368.6

Under the normal rainfall, cotton production for the season 2015-16, was expected to be around 363.2 million tones but seeing the current rainfall situation, we expect cotton production to stand around 368.6 lakh bales as yield is expected to increase in the most of cotton growing regions including Rajasthan, Gujarat, Madhya Pradesh and Telangana.

### Domestic Cotton Balance Sheet 2015-16

Supply	2014-15*	2015-16**
Opening Stocks	58.9	73.65
Production	382.75	368.62
Imports	12	12.17
Total Availability	453.65	454.44
Demand		
Mill consumption	274	289.344
Small Mill consumption	26	27.456
Non-Mill consumption	10	10.56
Total consumption	310	327.36
Export	70	82.21
Total Demand	380	409.57
Ending Stock	73.65	44.87

Source: \*\*Agriwatch Estimates, \*CAI Estimates.  
Export Import 2015-16 Figures sourced from USDA.

### Balance Sheet Highlight (2015-16):

Opening stock during the season 2015-16 is likely to be record high at 73.65 lakh bales due to the weaker export in 2014-15.

Cotton acreage is likely to decline by around 7.5% to 117 lakh hectares due to the dull prices cotton fetched during the season 2014-15.

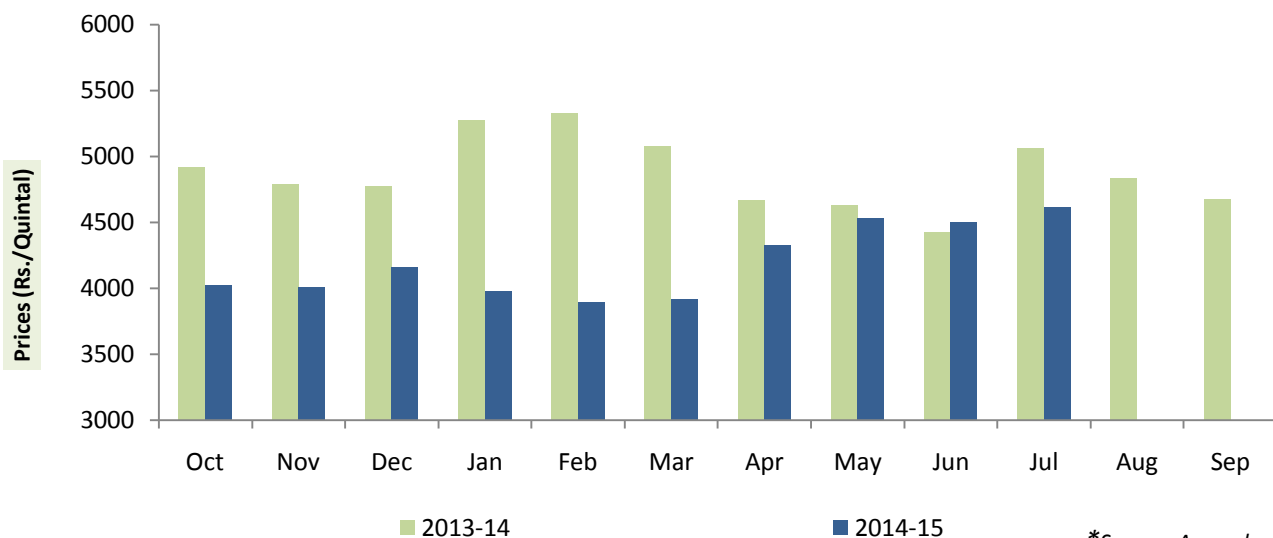
Cotton production is likely to be weaker at around 368.62 lakh bales due to the fall in acreage. Imports, as expected by USDA are likely to increase to 12.17 lakh bales. Consumption is expected to increase this season following the increased demand from RMG industry.

Cotton export, despite the lower production would be on higher side as the major exporter producer China and major importer USA would be producing lesser, which would provide India, an opportunity to export more.

The lower production and higher export would make ending stock to go lower in 2015-16 as compared to the current year.

### Domestic Prices and Arrival Trend

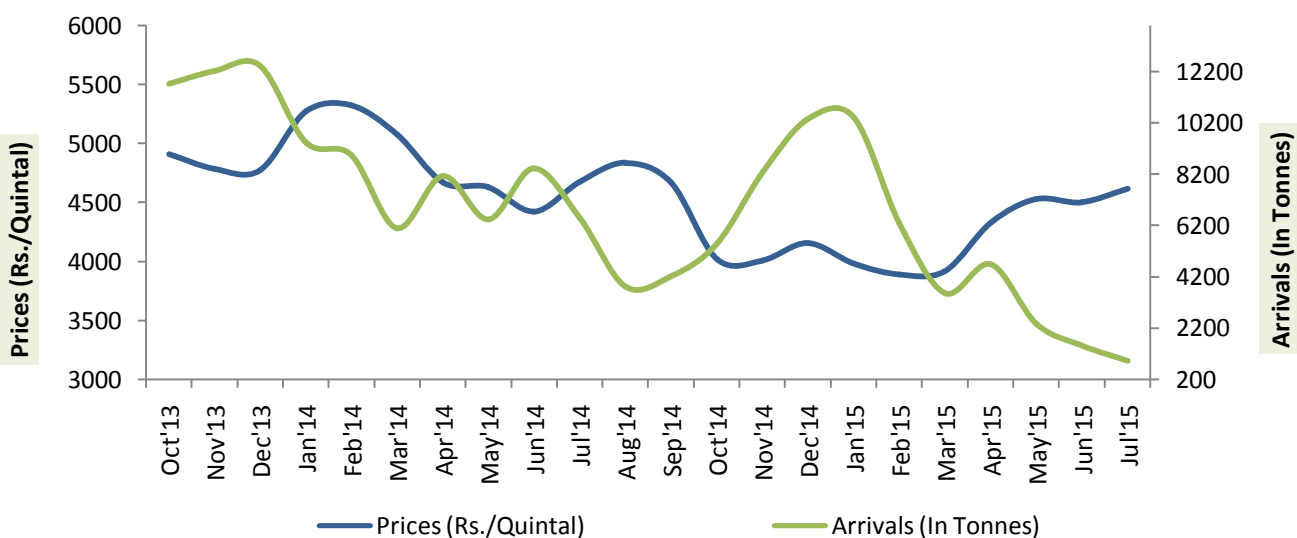
#### Monthly Average Prices at Rajkot



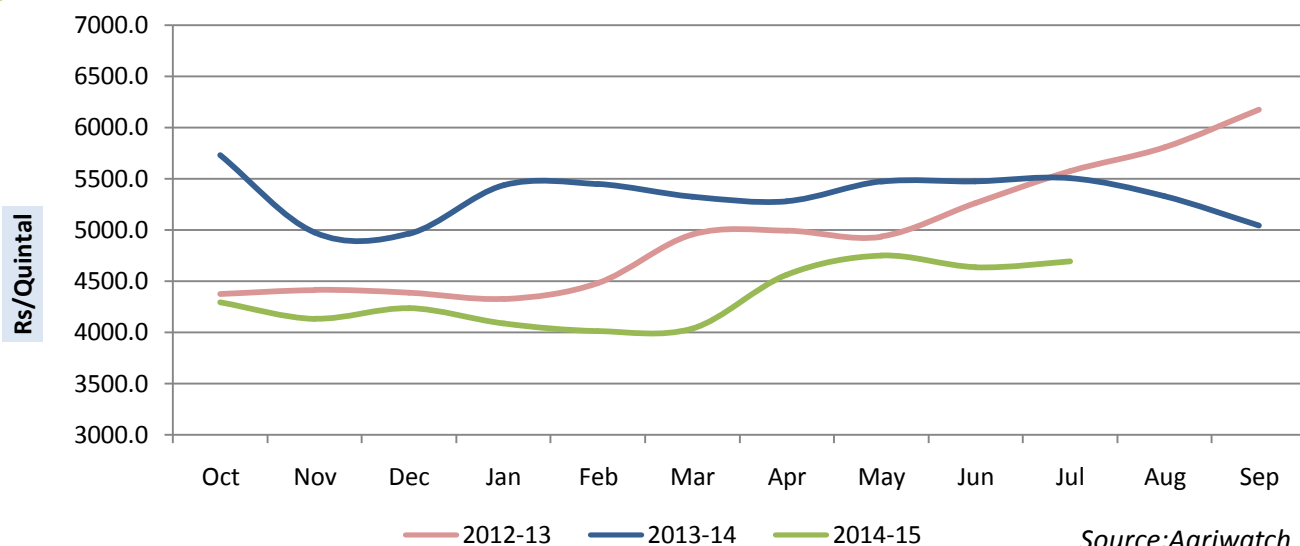
\*Source: Agmarknet

Cotton spot price on monthly basis has slightly increased in July, however it is still ruling lower as compared to the previous year. Monthly average price at Rajkot in July was recorded Rs. 4614 per quintal around 2.5% higher when compared to price of last month and around 8.7% lower when compared to the price of corresponding month during the previous year.

#### Arrival versus Prices at Rajkot

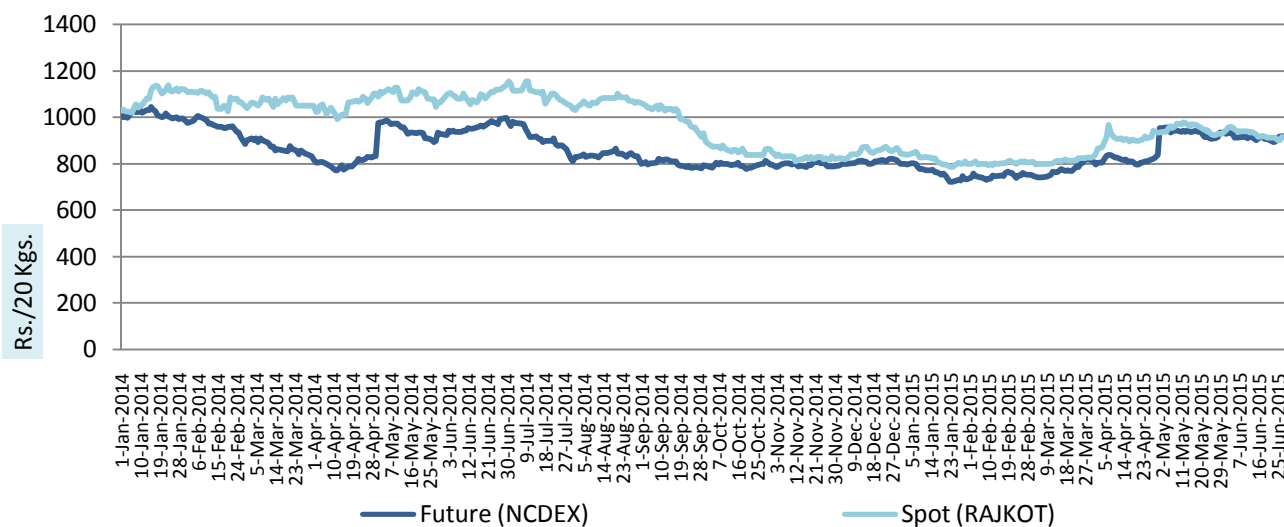


### Year wise Monthly Average Kapas Price Trend (at Rajkot)



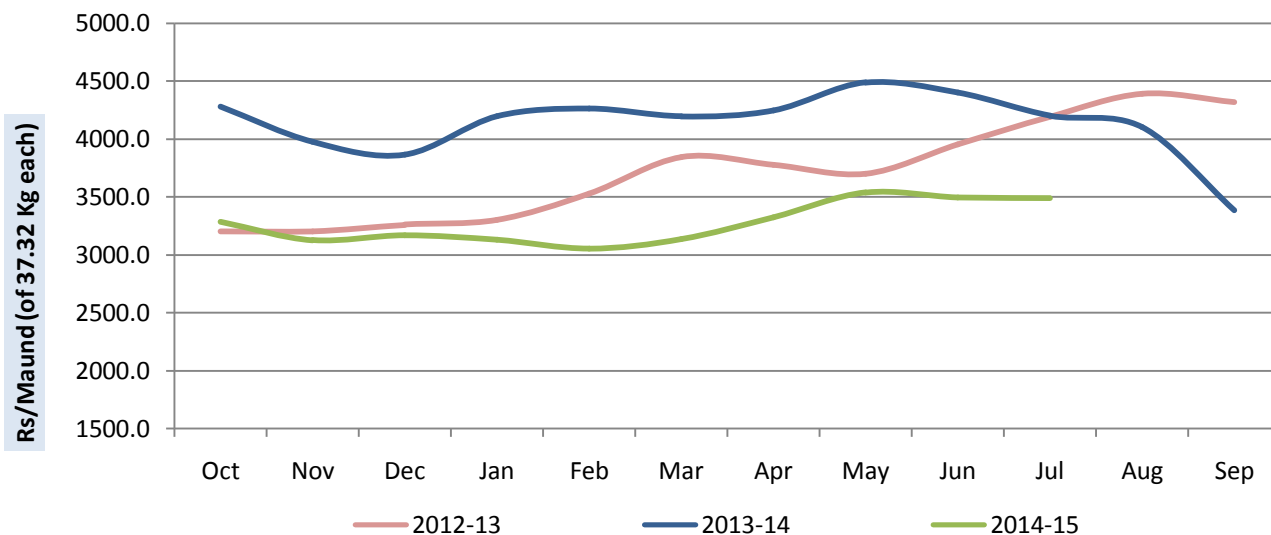
Kapas (seed cotton) price in benchmark spot market (Rajkot, Gujarat) is moving lower this season as compared to the previous season. In July, monthly average price remained at Rs. 4690 per quintal, around 14.8% lower when compared to the price during the same month last year i.e. 2013-14 and around 15.8% lower when compared to the price during the July in 2012-13.

### Spot (Rajkot) versus Future (NCDEX) Price Trend



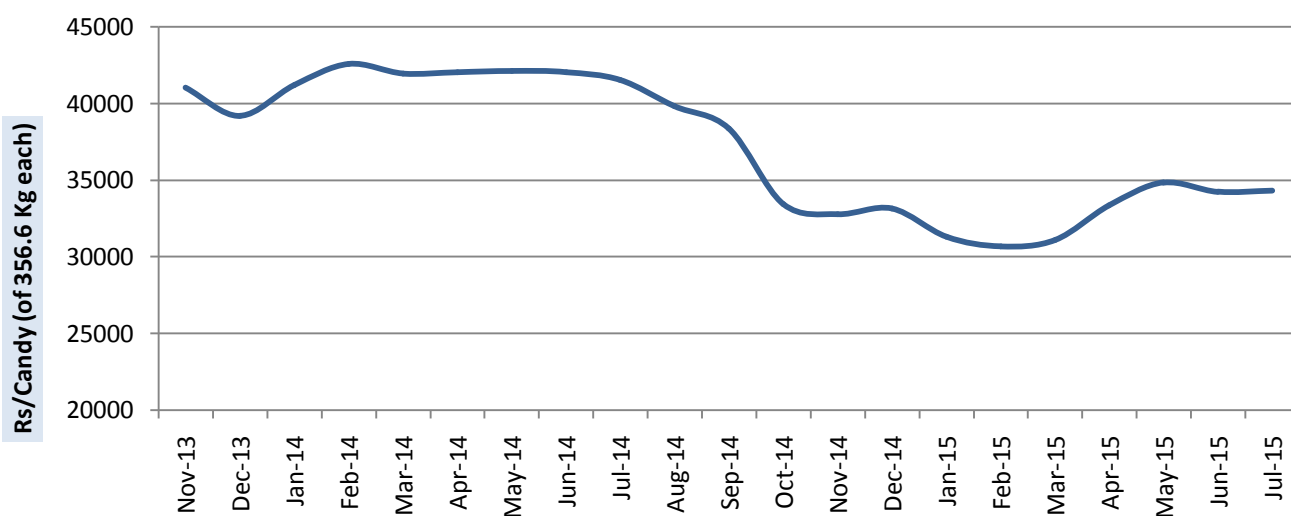
Future price of Kapas at NCDEX closed at Rs. 851.1 per maund (of 20 kg each) on July 31, 2015, around 6.83% lower when compared to the closing price of previous month and 4.94% higher when compared to the closing price of same date during last year.

### Year wise Monthly Average Cotton Lint Price Trend (at Sri-Ganganagar)



Lint prices remained weaker this month following the overall downtrend in raw cotton prices. In July, monthly average price remained at Rs. 3486 per quintal, around 17% lower when compared to the price during the same month last year i.e. 2013-14 and around 16.85% lower when compared to the price during the July in 2012-13.

### Cotton Fibre (Shankar-6) Monthly Price Trend



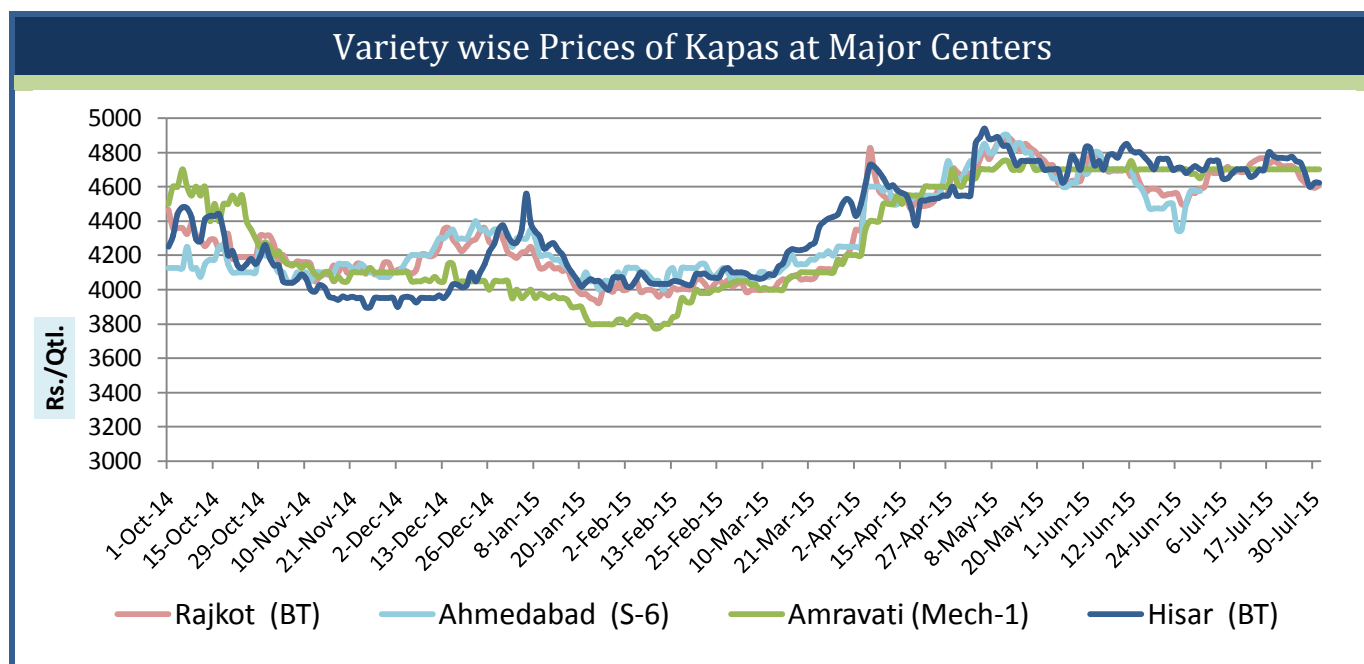
Cotton fibre remained slightly firm this month as compared to the previous month, but on the Y-o-Y basis, it is ruling weaker. Monthly average prices of Shankar-6 during July was Rs 34300 per candy, which was Rs 34245 previous month and around 17.43 lower when compared to the prices during the same month previous season.

**Cotton Prices at Key Spot Market:**

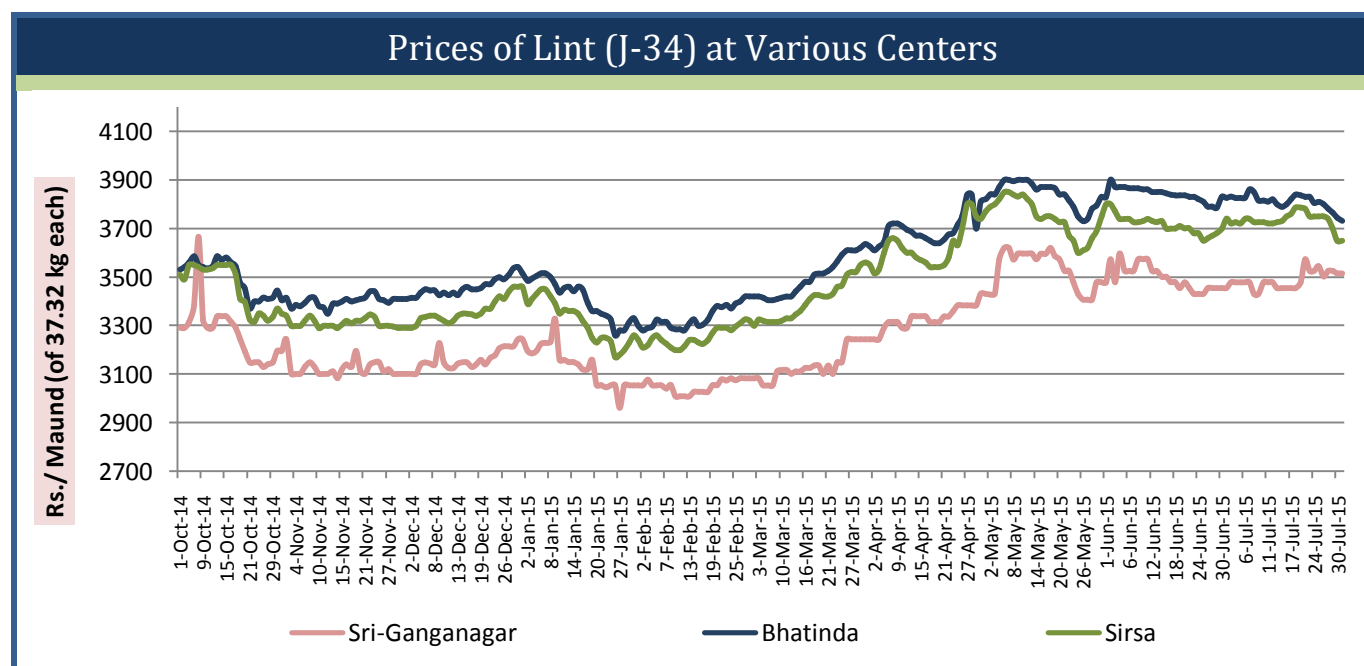
Centre	Variety	Monthly Prices Average		Change
		July'15	June'15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4700	4705	-5
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4690	4660	30
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4570	4570	Unch
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4605	4715	-110
Adampur	B.T. Cotton	4710	4755	-45
Fatehabad	B.T. Cotton	NA	4800	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	4815	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Ahmedabad	Shankar-6	NA	4615	-
Gondal	Shankar-6	4735	4655	80
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4715	4650	65
Guntur	Un-Ginned	4050	4055	-5
Kurnool	Un-Ginned	4040	4060	-20
Krishna	Un-Ginned	4145	4075	70
East Godavari	Un-Ginned	4050	4050	Unch
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	3805	3840	-35
Muktsar	J-34	NA	3800	-

Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3810	3840	-30
Sirsa	J-34	3730	3715	15
Sri-Ganganagar	J-34	3485	3500	-15

### Variety wise Prices of Kapas (Seed Cotton):



### Prices of Lint at various centers:





**Cotton Association of India Cotton Spot Rates:**

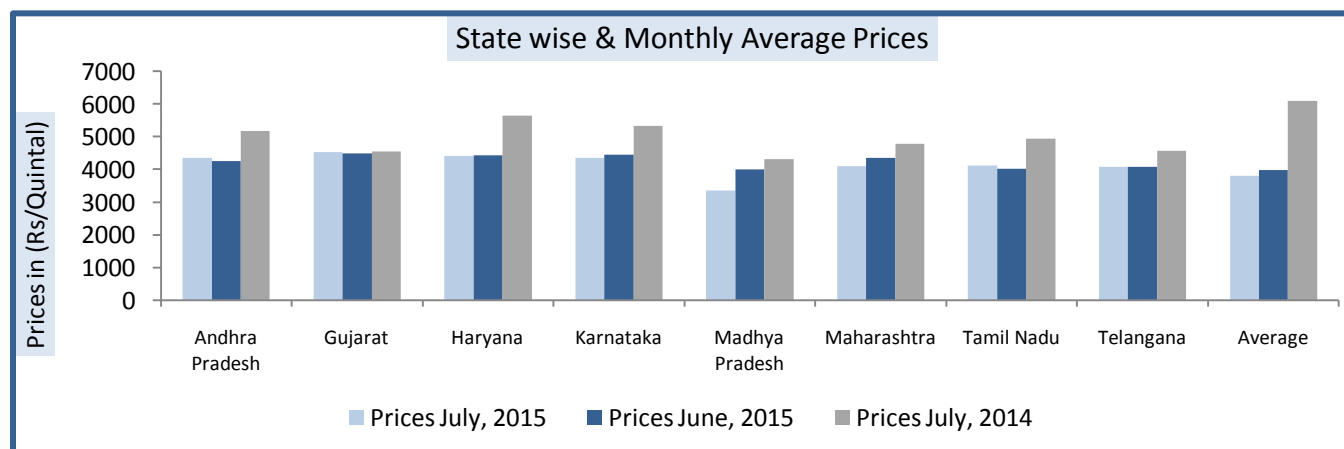
Trade Name	Staple	Micronaire	Strength / GPT	Monthly Average Price*		Change
				July'15	June'15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34070	35010	-940
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34570	35510	-940
J-34(202)	26mm	3.5 - 4.9	23	35270	35380	-110
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32955	33480	-525
Shankar-6(105)	29mm	3.5 - 4.9	28	34325	34250	75
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	35635	-635
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	36555	-555
DCH-32(107)	34mm	3.0 - 3.8	33	43920	44485	-565

\*Rs/candy(of 356 kg each)

**State-wise Monthly Average Prices:**

State	Prices July, 2015	Prices June, 2015	Prices July, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4358.46	4260.89	5169.45	2.29	-15.69
Gujarat	4523.31	4494.99	4548.6	0.63	-0.56
Haryana	4411	4428.42	5652.14	-0.39	-21.96
Karnataka	4356.85	4447.34	5328.55	-2.03	-18.24
Madhya Pradesh	3347.46	3998.57	4303.98	-16.28	-22.22
Maharashtra	4100	4350	4789.63	-5.75	-14.4
Tamil Nadu	4113.29	4013.76	4933.82	2.48	-16.63
Telangana	4078.82	4069.87	4578.1	0.22	-10.91
Average	3805.35	3977.75	6098.72		

\*Source: Agmarknet



**Cotton Arrivals in Key Centers:**

Centre	Variety	Monthly Arrivals Sum (Qtl)		Change
		July'15	June'15	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	8552	13609	<b>-5057</b>
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	34	212	<b>-178</b>
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	NA	107610	-
Gondal	Shankar-6	5521	5723	<b>-202</b>
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4130	6122	<b>-1992</b>
Guntur	Un-Ginned	15	15	<b>Unch</b>
Kurnool	Un-Ginned	13	11	<b>2</b>
Krishna	Un-Ginned	2	9	<b>-7</b>
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	NA	901	-

Sri-Ganganagar

J-34

NA

NA

-

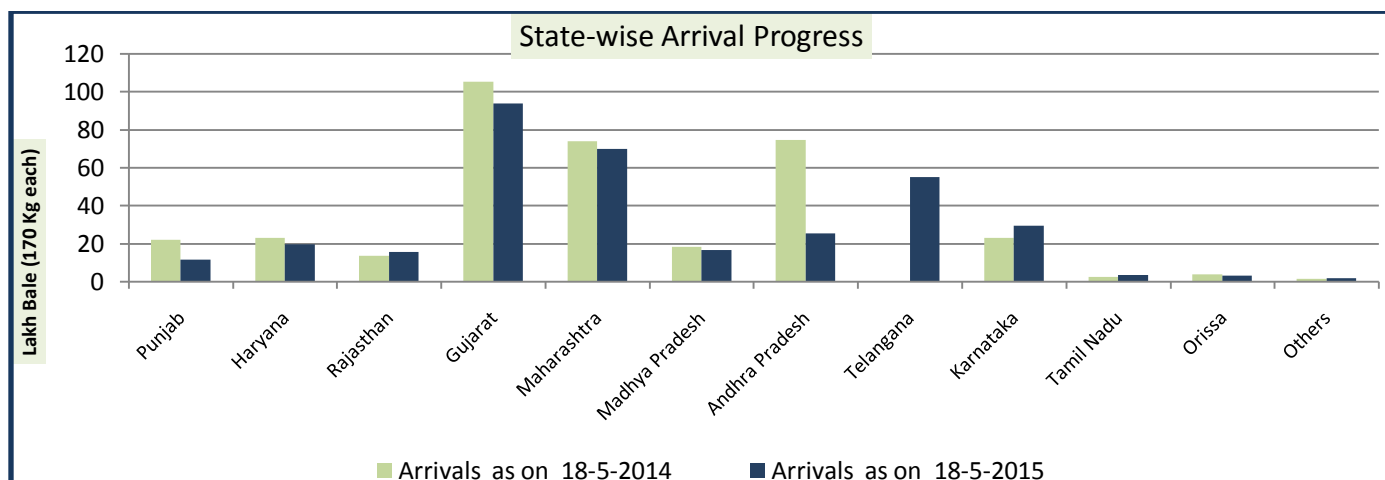
### State wise Arrivals (in lakh bales of 170 kgs each):

Table given below showing cotton production and estimated arrivals during 2014-15 season vis-a-vis cotton season 2013-14:

States	2014-15*		2013-14	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	31-03-2015	18-05-2015	13-10-2014	18-05-2014
1. Punjab	14	11.67	21	22.2
2. Haryana	25	19.86	24	23.37
3. Rajasthan	17	15.99	14	13.93
North Total	<b>56</b>	<b>47.52</b>	<b>59</b>	<b>59.5</b>
4. Gujarat	108	93.96	124	105.65
5. Maharashtra	83	70.21	84	74.09
6. Madhya Pradesh	18	17.01	19	18.58
Central Total	<b>228</b>	<b>181.18</b>	<b>227</b>	<b>198.32</b>
7. Andhra Pradesh	27	25.71	78	74.88
8. Telangana	57	55.23	--	--
9. Karnataka	30	29.62	23	23.16
10. Tamil Nadu	5	3.66	5	2.72
South Total	<b>119</b>	<b>114.23</b>	<b>106</b>	<b>100.77</b>
11. Orissa	4	3.45	4	4.05
12. Others	2	2	2	1.85
Total	<b>6</b>	<b>5.45</b>	<b>6</b>	<b>5.9</b>
Grand Total	<b>390</b>	<b>348.37</b>	<b>398</b>	<b>364.48</b>

\* Inclusive of new crop arrivals in September 2014

\*\* Quantity in lakh bales (of 170 kgs. each)



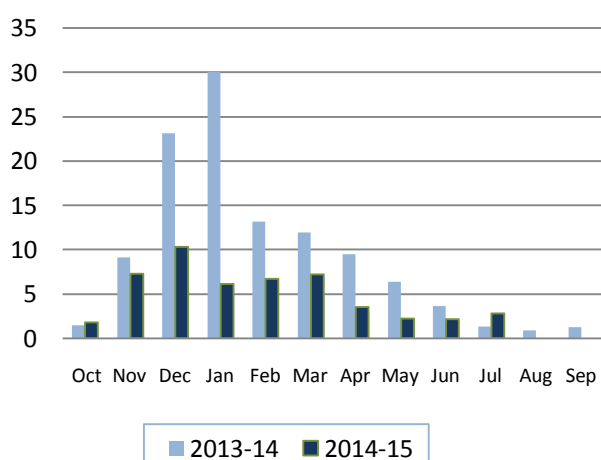
## Cotton Export and Import Scenario

Exports			Imports	
Month	2013-14	2014-15	2013-14	2014-15
Oct	1.43	1.81	1.16	1.91
Nov	9.06	7.3	0.24	1.24
Dec	23.12	10.34	0.133	0.52
Jan	30	6.11	0.41	0.5
Feb	13.15	6.68	0.46	0.71
Mar	11.9	7.25	0.488	0.740
Apr	9.46	3.56	0.68	0.84
May	6.37	2.23	0.56	0.95
Jun	3.62	2.135	0.73	1.337
Jul	1.32	2.813	1.55	2.136
Aug	0.87		1.32	
Sep	1.24		3.34	
<b>Total</b>	<b>111.5</b>	<b>50.2</b>	<b>11.07</b>	<b>10.88</b>

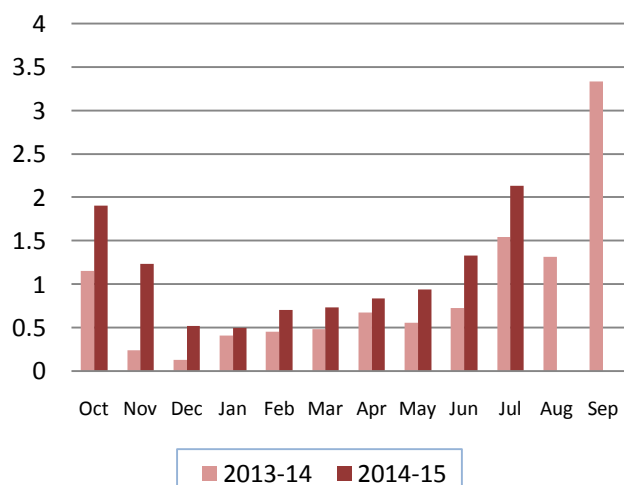
*Figures in Lakh Bales, Source: IBIS*

Major Export/Import Destinations (July'15)	
Major Exporters	
Bangladesh	1.490
China	0.371
Vietnam	0.203
Others	0.749
<b>Total</b>	<b>2.813</b>
Major Importers	
Mali	0.820
USA	0.37
Egypt	0.071
Others	0.875
<b>Total</b>	<b>2.136</b>

Month Wise Exports (In lakh Bales)



Month Wise Imports (In Lakh Bales)



Cotton exports so far (i.e. Oct'14-Jul'15) stood around 54.12% lower Y-o-Y at 50.2 lakh bales which was 109.42 lakh bales during the same period last year. Imports during the current season stood 10.88 lakh bales which was 6.41 lakh bales last year during the corresponding period.

## Cotton Consumption and Cotton Yarn Dynamics

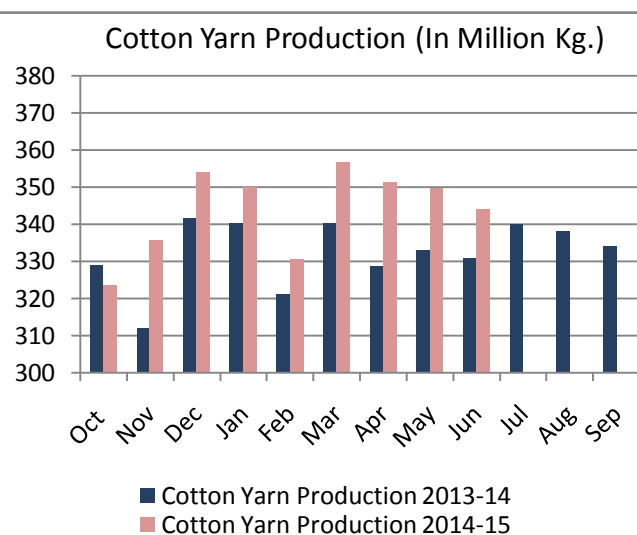
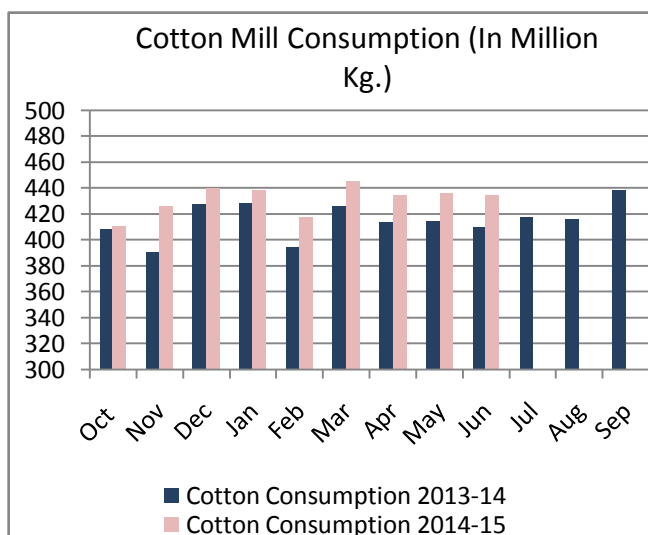
### Cotton Consumption and Cotton Yarn Production:

In the initial nine months of season, cotton consumption in country recorded at 3,883 million kgs which is 4.58% higher than the consumption during corresponding period last year. Similarly cotton yarn production too remained higher in this year. Cumulative cotton yarn production during the initial nine month of the season stood 3,095 million kgs around 3.98% higher when compared to corresponding period last year.

Month	Cotton Consumption 2013-14	Cotton Consumption 2014-15	Cotton Yarn Production 2013-14	Cotton Yarn Production 2014-15
Oct	408.49	410.85	328.79	323.53
Nov	390.25	425.77	312.13	335.66
Dec	427.72	440.2	341.67	353.96
Jan	428.16	438.12	340.38	349.82
Feb	394.8	418.07	321.31	330.57
Mar	426.15	445.18	340.2	356.64
Apr	413.36	434.7	328.68	351.3
May	414.51	436.05	332.92	349.67
Jun	409.82	434.29	330.69	344.14
Jul	417.22		340	
Aug	415.86		338.09	
Sep	438.7		334.03	

*Figures in Million Kg.*

## Cotton Consumption versus Cotton Yarn Production



## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil at Key Centers:

Centre	Monthly Average Prices (Rs/10 kg.)		% Change
	July'15	June'15	
Rajkot	597	608	-1.81
New Delhi	610	619	-1.45
Hyderabad	583	591	-1.35
Mumbai*	610	612	-0.33

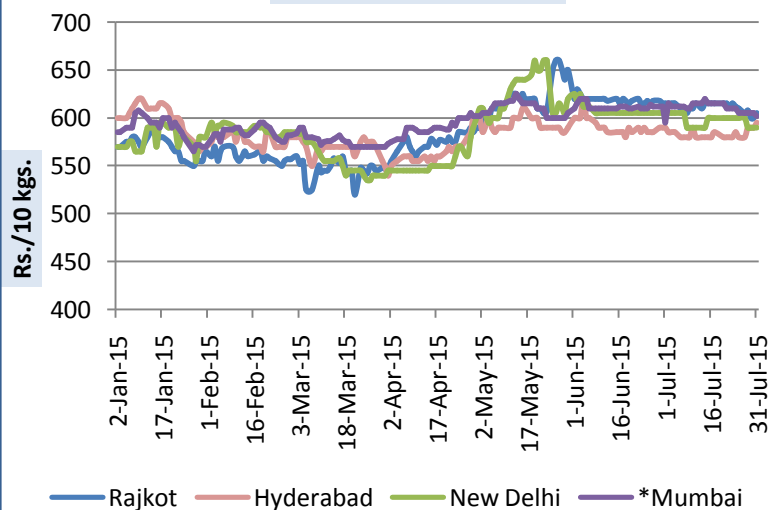
\* VAT Included

### Cotton Seed Oil Cake at Key Centers:

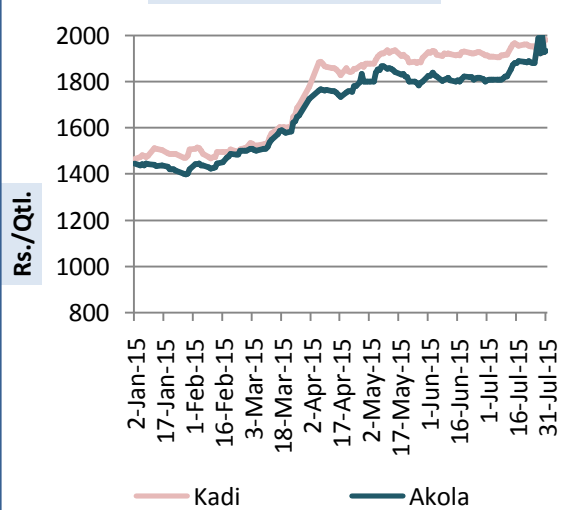
Centre	Monthly Average Prices (Rs/Quintal)		% Change
	July'15	June'15	
Kadi	1940	1905	1.84
Akola	1867	1825	2.30

## Cotton Seed Oil and Cotton Seed Oil Cake

**Cotton Seed Oil Price**



**Cotton Seed Oil Cake**



## Technical Analysis of Cotton Future

<b>Commodity</b>	Kapas
<b>Exchange</b>	NCDEX
<b>Contract Month</b>	Apr'16



### Monthly Technical Outlook:

- Candlesticks denote weak momentum in the market.
- RSI is moving downwards towards oversold region.
- MACD denotes weakness in centerline and signal line movement.
- We expect prices to remain weak in coming days.

### Expected price range during coming month:

Expected Trend	Expected Trading Band
Bearish Momentum	800-865

### Expected Support and Resistance:

Support 1	Support 2	Resistance 1	Resistance 2
785	770	880	900

## International Market Scenario

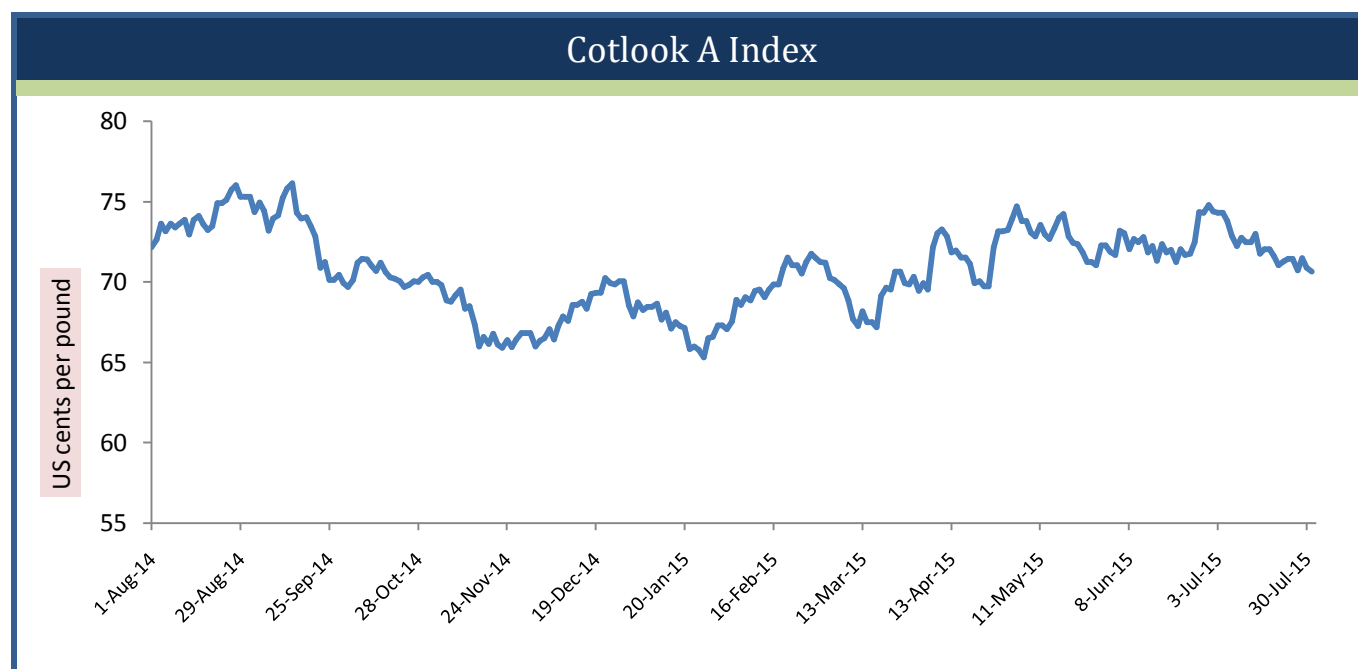
**Current Market Scenario:** International market noticed mostly weak momentum during the month of July. Cotlook A Index remained in the range of 706.5-74.80cents during the month. Monthly average, stood at 72.35 cents, unchanged when compared to previous month and around 13.7% lower when compared to corresponding month of the previous year.

**China cotton imports are likely to decline by around 30% in 2015-16**, according to USDA. China is likely to import 1.25 million tonnes of cotton in 2015-16 as compared to 1.306 million tonnes in 2014-15.

**USA, the major cotton exporter is likely to export lesser this season that is 2015-16** due to lower production. According to USDA, USA is likely to export 2.351 million tonnes of cotton, around 1.8% lower as compared to previous season's export which was 2.39 million tones.

**The International Cotton Advisory Committee (ICAC) has revised the world cotton ending stocks estimates** for season 2015-16 upwardly. According to ICAC July estimates, cotton ending stocks is likely to be around 20.90 million tonnes as compared to 20.79 million tonnes, which was earlier estimated in June.

**According to the latest estimates by USDA, cotton production on global front** is likely to be around 24.26 million tonnes in 2015-16, around 6.32% lower when compared to the production in 2014-15. Except India and Uzbekistan, where production is likely to remain same as the current year, all the major producing countries will witness fall in production in season 2015-16.

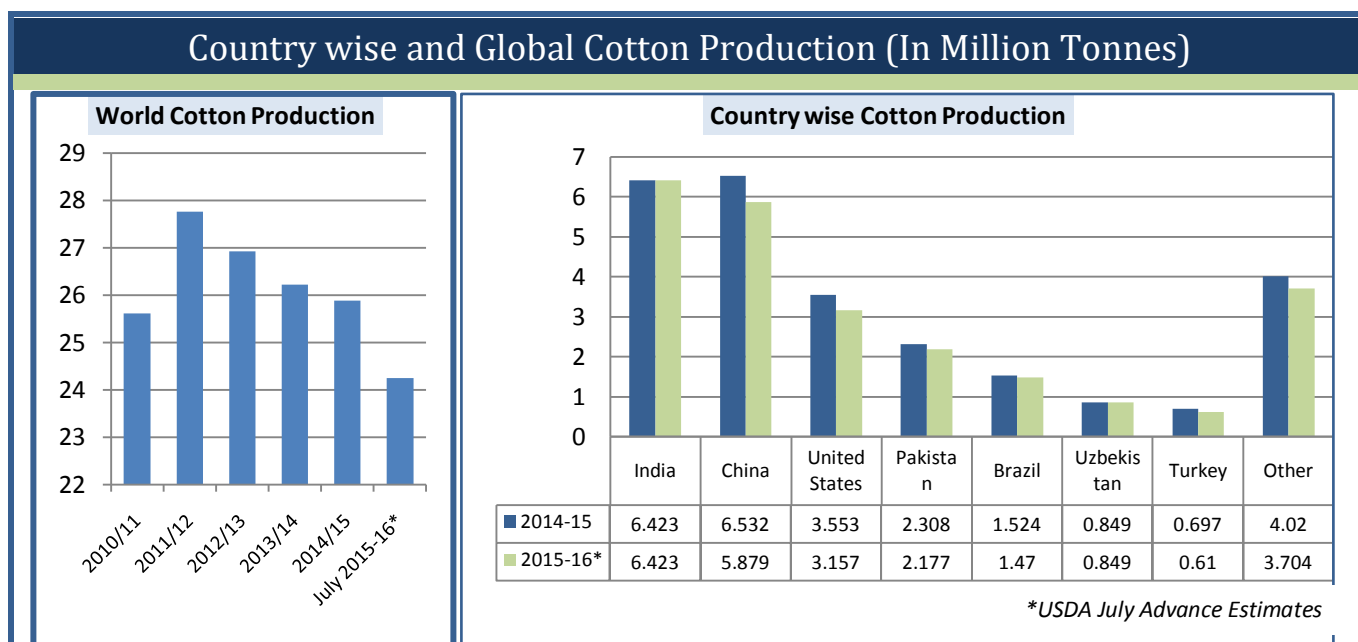




### World Cotton Scenario (2015-16):

#### World Cotton Production Scenario 2015/16:

**World cotton production is expected to fall for the fourth consecutive year:** According to the latest estimates by USDA, cotton production on global front is likely to be around 24.26 million tonnes in 2015-16, around 6.32% lower when compared to the production in 2014-15. Except India and Uzbekistan, where production is likely to remain same as the season 2014-15, all the major producing countries will witness fall in production in season 2015-16.



Cotton output in India is likely to be around 6.423 million tonnes (377.8 lakh bales of 170 kg each.) in the season 2015-16, same as the output of season 2014-15, according to USDA. The country is likely to export 1.023 million tonnes (60.17 lakh bales of 170 kg each.) of cotton in 2015-16, around 17.45% higher when compared to export in season 2014-15 which was 0.871 million tonnes (51.23 lakh bales of 170 kg each), said USDA.

#### World Cotton Consumption 2015-16:

**World consumption is expected to rise for the third consecutive year:** World cotton consumption in 2015-16 is expected to increase by around 3.22% as compared to the season 2014-15. China, which was continuously decreasing the consumption since past three years, is expected to consume more this year i.e. in year 2015-16.

Significant growth in consumption could be seen in countries like Vietnam (17.2%), India (5.6%) and Bangladesh (4.6%) in season 2015-16 as compared to the season 2014-15. All major consuming countries are expected to witness rise in consumption except Brazil.

Cotton Consumption	2014-15	2015-16	% change
China	7.403	7.512	1.47
India	5.411	5.715	5.62
Pakistan	2.341	2.395	2.31
Turkey	1.372	1.393	1.53
Bangladesh	0.882	1.034	17.23
Vietnam	0.947	0.991	4.65
Brazil	0.849	0.816	-3.89
Other	4.934	5.059	2.53
Total	24.138	24.916	3.22

Source: USDA July Estimates

### World Cotton Import and Export:

**China imports are to fall drastically, ROW is expected to import higher:** Although china imports are expected to fall drastically in 2015-16, rest of world (ROW) would import higher. Reason behind the situation is the significant rise in the consumption by the rest of world as compared to China.

Change in consumption: China and Rest of World (ROW)			
	2014-15	2015-16*	% Change
China	7.403	7.512	1.47
ROW	16.736	17.403	3.99

\*Source: USDA July Estimates

As consumption is increasing and production is decreasing, the imports would increase in 2015-16, but as China is holding enough cotton stocks to meet its demands, it would import significantly lesser which would lower the overall imports on global front

Country-Wise Cotton Imports	2014-15	2015-16	% change
China	1.796	1.252	-30.29
Vietnam	0.958	1.089	13.67
Bangladesh	0.936	0.98	4.70
Turkey	0.795	0.806	1.38
Indonesia	0.729	0.762	4.53
Thailand	0.321	0.337	4.98
Pakistan	0.174	0.327	87.93
Other	1.816	1.861	2.48
Total	7.526	7.413	-1.50

Change in Imports: China and Rest of World (ROW)			
	2014-15	2015-16*	%Change
China	1.796	1.252	-30.29
ROW	5.729	6.162	7.56

*\*Source: USDA July Estimates*

**World cotton exports are likely to fall for the third consecutive year:** In its July estimates, USDA estimated world cotton export to be around 7.413 million tonnes in season 2015-16, around 1.6% lower when compared to export in the current season that is 2014-15. Except India, Uzbekistan and Burkina, where exports would be on higher side, all the major exporting countries are likely to face fall in exports.

### World Consumption and Ending Stocks:

**Cotton ending stocks are expected to decline in 2015-16, for the first time in last five years.** Lower production and higher consumption would lead to the fall in ending stocks. In 2015-16 ending stocks according to the July estimates by USDA, would be around 23.544 million tons, around 2.5% lower as compared to stocks of previous season.

World Cotton			
Season	Production	Consumption	Ending Stocks
2010/11	25.61	25.20	11.019
2011/12	27.779	22.636	16.107
2012/13	26.938	23.437	19.762
2013/14	26.231	23.722	22.383
2014/15	25.906	24.138	24.16
2015/16*	24.268	24.916	23.544

*\*Source: USDA July Estimates*

### World Cotton Balance Sheet at a Glance (2015-16):

Particulars	2014-15	2015-16*	% Change
<b>SUPPLY</b>			
Opening stock	22.383	24.16	7.94
Production	25.91	24.268	-6.32
Imports	7.526	7.413	-1.50
Availability	55.815	55.841	0.05
<b>DEMAND</b>			
Consumption	24.138	24.916	3.22
Exports	7.533	7.413	-1.59
Total Disappearance	31.671	32.329	2.08
Ending Stock	24.16	23.544	-2.55

*\*USDA July Advance Estimates, Figures in Million Tonnes*

### International Prices and Indices

#### China Cotton Index

CC Indices	Monthly Average Prices as in		% Change
	July'15	June'15	
CC Index(229)	13835	13998	-1.16
CC Index(328)	13188	13315	-0.95
CC Index(527)	12082	12252	-1.39
Figures in Yuan per Ton			



China cotton index remained weak in the month of July as country has started selling cotton stocks from reserves to domestic as well as the international buyers. CCI (328), as monthly average stood at 13188 Yuan/tons in July, around 0.95% lower when compared to the 13315 Yuan/tons in June.

#### Cotlook A Index

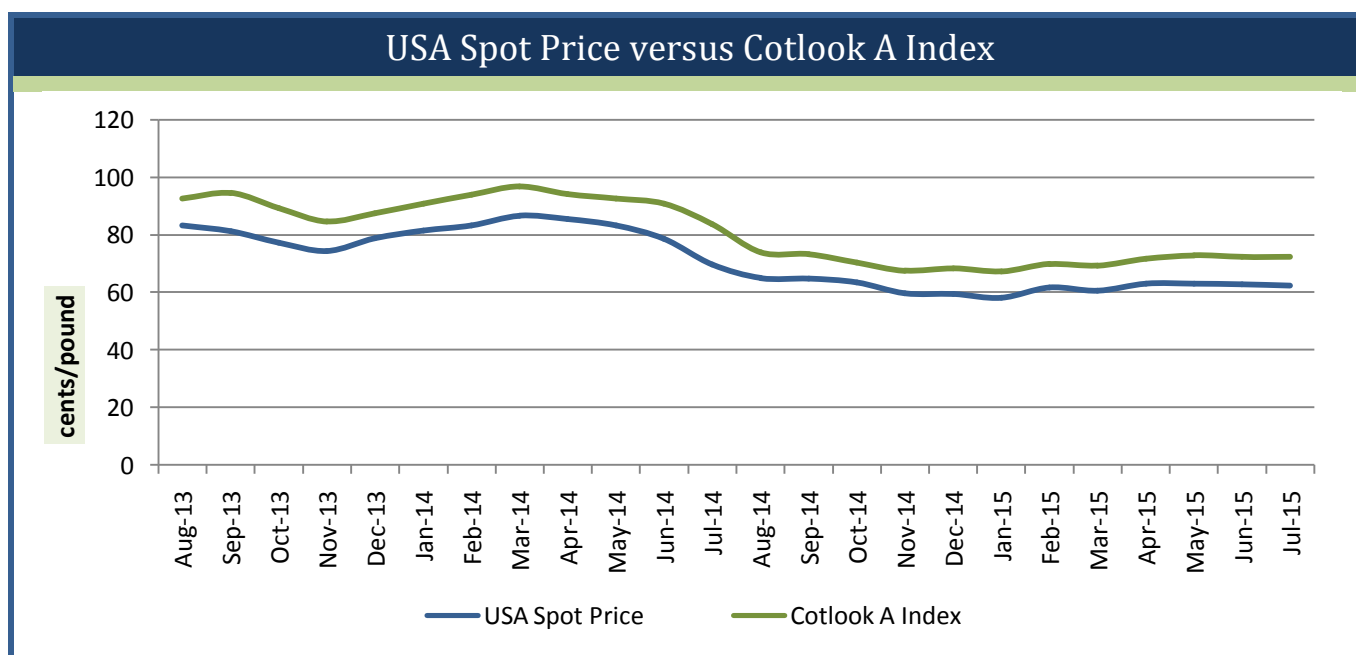
Cotlook A Index	Monthly Average Price		% Change
	July'15	June'15	
Price	72.35	72.35	--
Figures in US Cents per Pound			

### Month wise Cotlook A Index:

Month	2013-14	2014-15	Y-o-Y %Change
August	92.71	73.99	-20.19
September	94.6	73.38	-22.43
October	89.35	70.34	-21.28
November	84.65	67.49	-20.27
December	87.49	67.35	-23.02
January	90.96	67.29	-26.02
February	94.05	69.84	-25.74
March	96.94	69.35	-28.46
April	94.2	71.7	-23.89
May	92.7	72.86	-21.40
June	90.89	72.35	-20.41
July	83.83	72.35	-13.70

Figures in US cents per pound

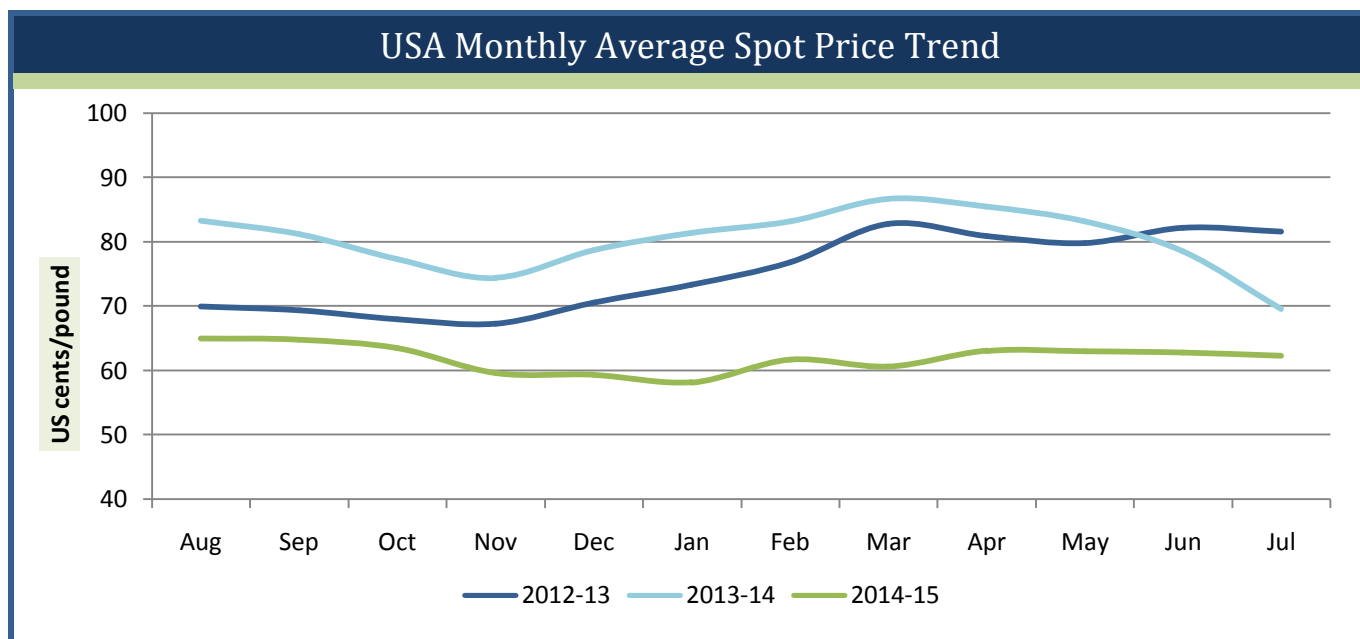
Cotlook A Index remained in the range of 706.5-74.80 cents during the month of July. Monthly average, stood at 72.35 cents, unchanged when compared to previous month and around 13.7% lower when compared to corresponding month of the previous year. Cotlook A Index for the season 2014-15, as an average stood 70.78 cents/pound which was 91.03 cents/pound during the season 2013-14.



### USA Spot Prices

Monthly Average USA Spot Prices			
Date	July'15	June'15	% Change
Prices	62.36*	62.86	-0.80

Figures in US Cents per Pound\*Subject to change marginally



Cotton spot price in USA remained downtrend during July following the announcement by China to sell cotton from stock reserves. Monthly average price remained at 62.36 cents/pound in July, around 0.8% lower when compared to the monthly average price in June this year and around 10.5% lower when compared to price during the same month previous season.

### ICE Cotton Future:

Contracts	31-July-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-15	63.66	65.92	68.91	68.46	-3.43	-7.62	-7.01
Oct-15	63.55	64.74	67.91	--	-1.84	-6.42	--
Dec-15	63.57	64.54	67.29	--	-1.50	-5.53	--
Mar-16	63.86	64.68	66.90	--	-1.27	-4.54	--
May-16	64.18	64.88	66.41	--	-1.08	-3.36	--
Jul-16	64.37	64.93	--	--	-0.86	--	--

Figures in US cents per pound

## Technical Analysis of Cotton Future Price

<b>Commodity</b>	<b>Cotton</b>
<b>Exchange</b>	<b>ICE</b>
<b>Contract Month</b>	<b>Dec'15</b>



### Monthly Technical Outlook:

- Candlesticks denote weak sentiments in the market.
- RSI is moving high in neutral region.
- Volume and Open Interest moving weak.
- MACD denotes bearish centerline and signal line movement.
- We expect price to remain weak in the coming days.

### Expected Price Range During Coming Month

Expected Trend	Expected Trading Band
BearishMomentum	62.00-65.00

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.60	60.00	65.60	67.00

Source : MRCI

All figures in US cents per pound

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