

Current Market Outlook

Cotton spot prices remained firm this week as compared to previous week. Average price of Kapas at Rajkot during the week was Rs. 4750 per quintal, which stood Rs 4640 previous week.

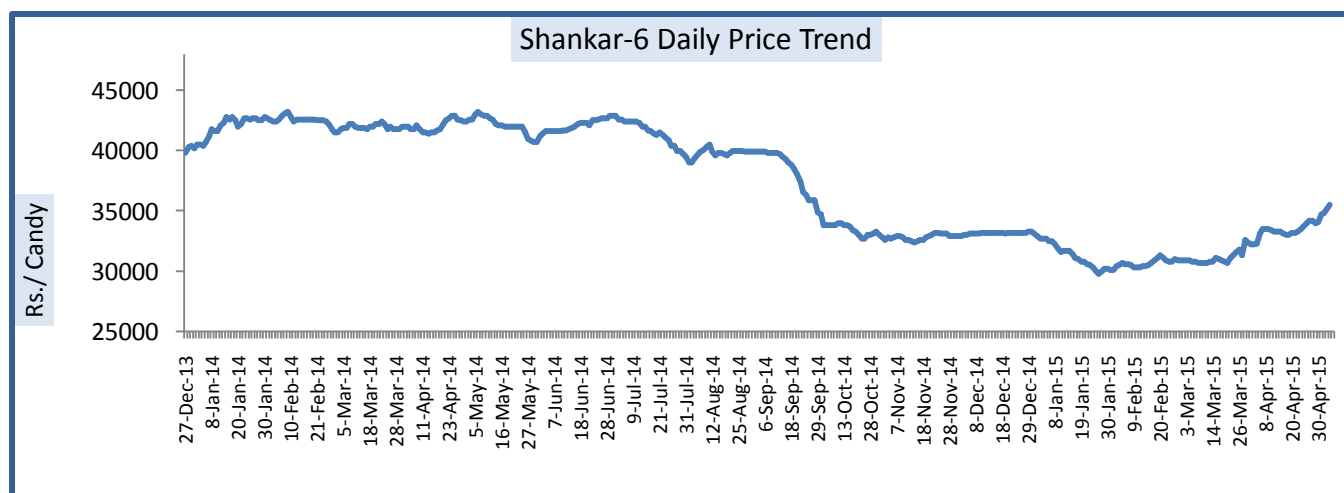
Despite the lower production world cotton expected to rise in the coming season i.e. 2015-16 following the higher demand from South Asian countries. According to ICAC, Cotton exports from India would be around 1.34 million tones (78.8 lakh bales) in the next season around 27.62% higher when compared to the export of current season.

Cotton Corporation of India (CCI) has invited the bids to sell 90,700 fully pressed (F.P.) bales of cotton through e-auction on 06 May 2015 at various centers including Akola, Aurangabad, Indore, Ahmedabad, Rajkot, Bathinda, Sirsa, Bhilwara, Adilabad, Warangal, Guntur, Hubli and Rayagada. Major varieties offered were BB, H-4, S-6 and J-34.

Cotton Corporation of India (CCI) has decided not to release the entire cotton stocks immediately in the market, rather it will release in the phases. Textile industry is constantly demanding CCI to release the stocks so avoid artificial shortage of cotton. CCI has procured around 86 lakh bales of cotton at MSP this season, highest procurement since 208-09, which has lifted the cotton prices in the domestic market which is putting the textile industry in the trouble by making raw cotton costlier.

The Government is intended to procure 11 million bales of cotton in the current season ending in September. An ex-post facto approval by Cabinet Committee on Economic Affairs has been granted to engage Maharashtra State Co-operative Cotton Growers Marketing Federation (MSCCGMFL) as a sub agent of CCI to undertake procurement operations. CCI is likely to procure 10 million bales in 2014-15 whereas MSCCGMFL would procure one million bales. MSCCGMFL will procure cotton in Maharashtra. Till date CCI has procured 8.7 million bales of cotton highest since 2008-09 when it was 89.35 million bales.

Cotton association of India (CAI) has revised the estimates for the cotton output in country at 391 lakh bales for the current season. CAI had estimated cotton output at 396 lakh bales earlier in March, and revised the same this month due to unusual rain occurred previous month.



Domestic Balance Sheet

All figures in Lakh Bales (of 170 Kgs. Each)			
Item	2013-14	2014-15	% Change
Supply			
Opening stock	52.58	58.90	12.02
Crop size	407.25	397	-2.52
Imports	11.75	13	10.64
Availability	471.58	468.9	-0.57
Demand			
Mill consumption	266.68	270	1.24
Small Mill consumption	24	26	8.33
Non-Mill consumption	10	10	0.00
Total consumption	300.68	306	1.77
Export	112	90*	-19.64
Total Demand	418.6	396	-5.40
Ending Stock	58.9	72.9	23.77

Source: Cotton Association of India (CAI) *As estimated by CCI

Balance Sheet Highlight (2014-15):

As per the latest revision in the cotton balance sheet by CAI, cotton availability would be on lower side this season due to lower opening stocks and production, although imports would stand higher. Total consumption will be higher but lower export in the season would make the total demand to be weaker and hence ending stock will bulge up.

Cotton Crop Prospects for Season 2015-16:

Cotton production in India could fall by 3.31 percent in the next season i.e. 2015-16 to 6.41 million tons (377 lakh Bales) compared to 6.63 million tons in the current season, said International Cotton Advisory Committee (ICAC) in its estimates releases on April 28, 2015. The fall in the production would be caused by acreage, which would shrink in the upcoming season according to ICAC. Acreage of cotton in India in season 2015-16 is likely to drop by 5% to 11.6 million hectares due to the drastically falling cotton prices in the country.

Consumption of cotton would be slightly higher at 5.3 million tons in 2015-16 as compared to 5.27 million tons in 2014-15. Cotton export from India is expected to rise in 2015-16. According to ICAC, cotton exports from India in 2015-16 would be around 1.34 million tons around 27.604% higher when compared to the export of current season which would be around 1.05 million tons.

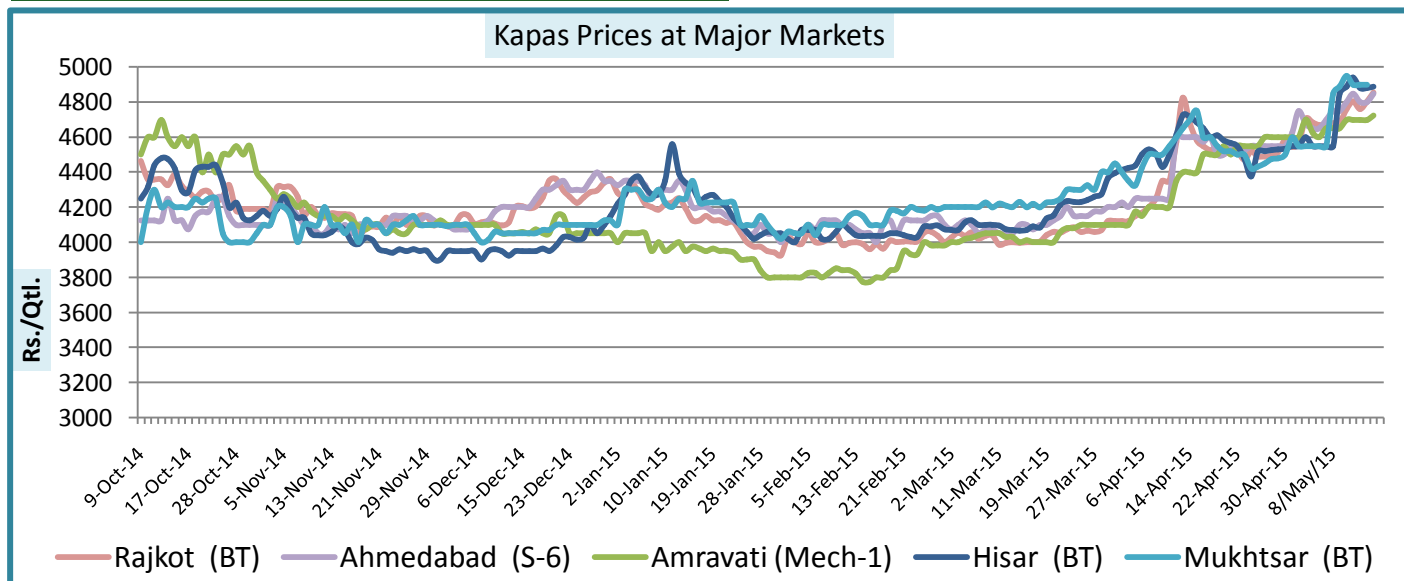
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

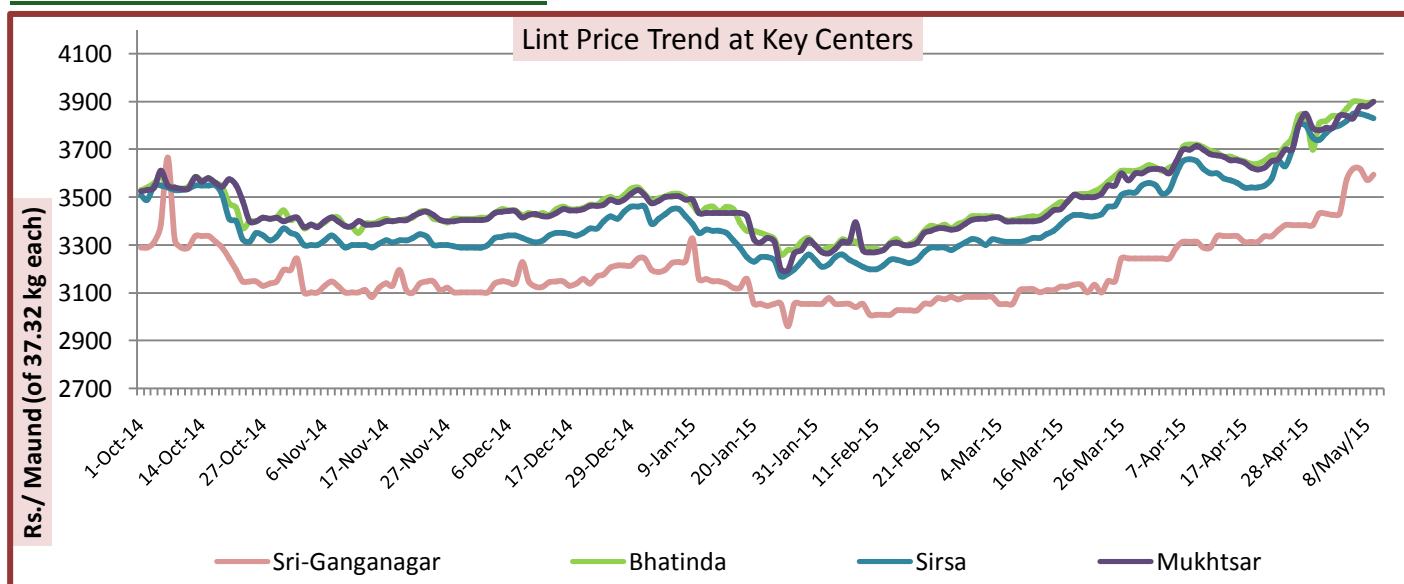
Centre	Variety	Weekly Average Prices as on		Change
		8th May 2015	01st May 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4685	4630	55
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4750	4640	110
Patan	B.T. Cotton	4800	4625	175
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4785	4565	220
Muktsar	B.T. Cotton	3845	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4785	4550	235
Adampur	B.T. Cotton	4830	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana	B.T. Cotton	NA	NA	-
Rawatsar	B.T. Cotton	4765	4505	260
Hubli	B.T. Cotton	4565	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4790	4675	115
Gondal	Shankar-6	4755	4605	150
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	3455	-
Raichur	H-44 Cotton	4770	4620	150
Guntur	Un-Ginned	NA	3950	-
Kurnool	Un-Ginned	3955	3980	-25
Krishna	Un-Ginned	3925	4015	-90
East Godavari	Un-Ginned	3955	3990	-35
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3880	3815	65
Muktsar	J-34	3845	3785	60
Fazilika	J-34	NA	NA	-

Bhatinda	J-34	3875	3795	80
Sirsa	J-34	3825	3760	65
Sri-Ganganagar	J-34	3540	3400	140

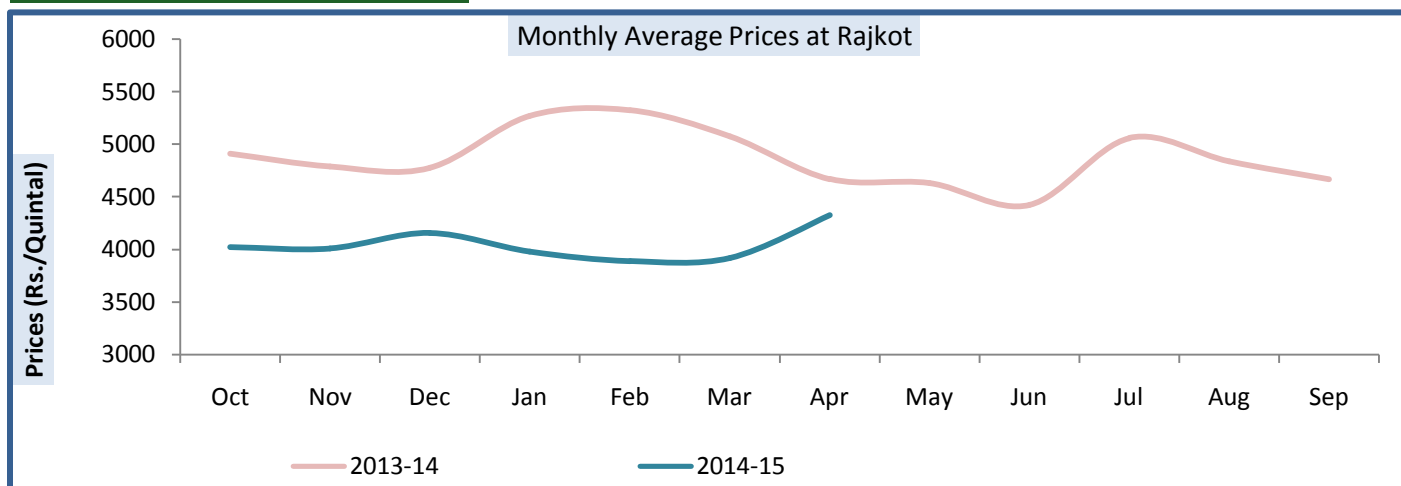
Price Trend of Kapas (Seed Cotton) at Key Centers:



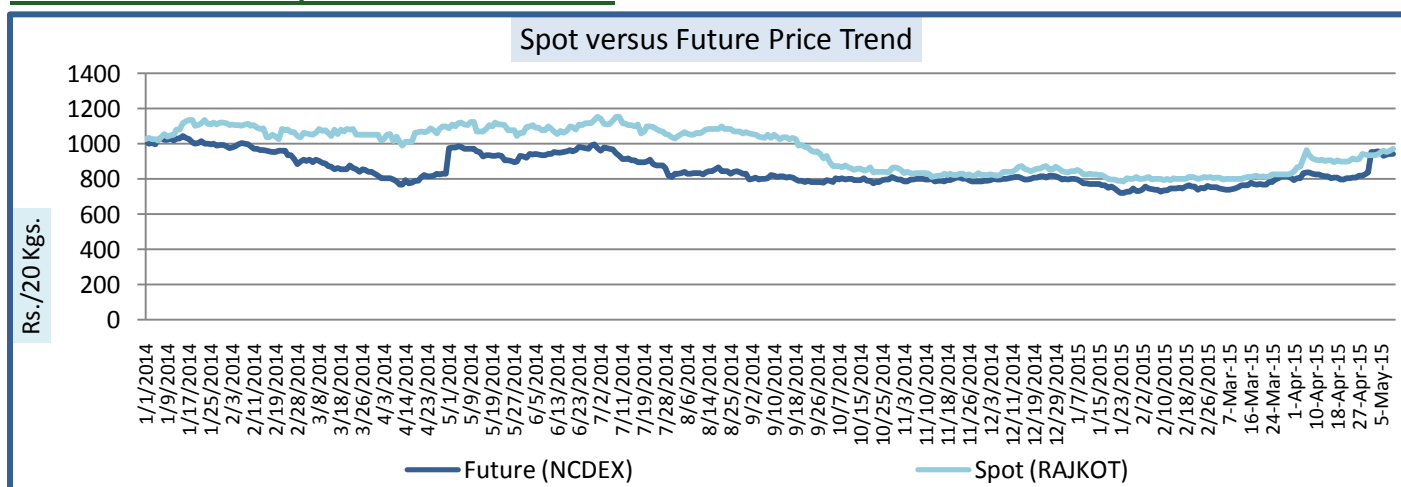
Price Trend of Lint at Various Centers:



Monthly Average Price at Rajkot:



Price Movement at Spot and Future Market:



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Price as on*		Change
				07 May 2015	30 Apr 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34925	34250	675
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	35425	34750	675
J-34(202)	26mm	3.5 - 4.9	23	35800	34985	815
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34350	33350	1000
Shankar-6(105)	29mm	3.5 - 4.9	28	35050	34035	1015
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36775	36050	725
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37475	36850	625
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46350	150

*Prices in Rs/candy (of 356 kg each)

Cotton Arrivals at Key Centers:

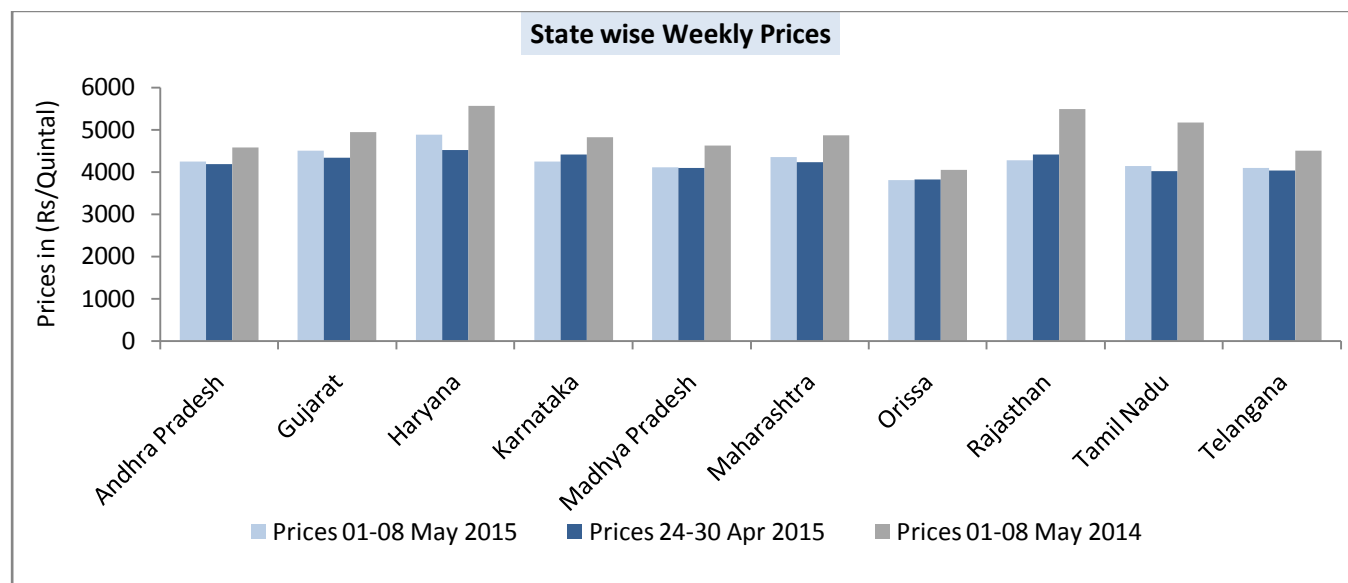
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		2nd May to 8th May 2015	25th Apr to 01st May 2015	
Amravati	Mech-1	2500	1400	1100
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	7725	7500	225
Patan	B.T. Cotton	6475	16425	-9950
Deesa	B.T. Cotton	NA	NA	-
Dhrol		240	39	
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	450	-
Adampur	B.T. Cotton	510	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana	B.T. Cotton	NA	NA	-
Rawatsar	B.T. Cotton	NA	60	-
Hubli	B.T. Cotton	343	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	112200	151300	-39100
Gondal	Shankar-6	2689	3216	-527
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	18	-
Raichur	H-44 Cotton	4694	4499	195
Guntur	Un-Ginned	NA	2	-
Kurnool	Un-Ginned	NA	4	-
Krishna	Un-Ginned	NA	1	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	493	340	153
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	510	510	Unch
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 01-08 May 2015	Prices 24-30 Apr 2015	Prices 01-08 May 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4244.77	4187.89	4575.2	1.36	-7.22
Gujarat	4495.74	4334	4935.74	3.73	-8.91
Haryana	4878.96	4521.06	5565.55	7.92	-12.34
Karnataka	4245.57	4407.25	4822	-3.67	-11.95
Madhya Pradesh	4105.84	4094.78	4618.59	0.27	-11.1
Maharashtra	4354.39	4222.22	4861.34	3.13	-10.43
Orissa	3800	3815.14	4038.46	-0.4	-5.9
Rajasthan	4267.23	4402.06	5479.36	-3.06	-22.12
Tamil Nadu	4130.42	4015.02	5173.65	2.87	-20.16
Telangana	4089.67	4029.89	4493.79	1.48	-8.99
Average	4057.42	3793.95	4926.6		

Source:Agmarknet

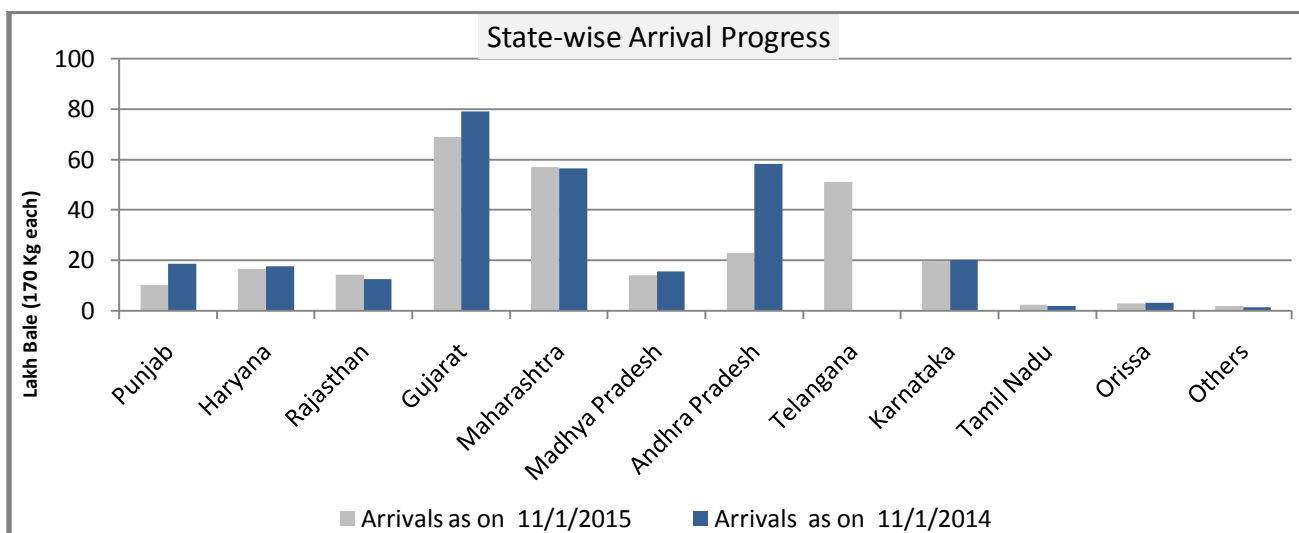


State wise Arrivals (in lakh bales of 170 kgs each):

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
	13-10-2014	08-03-2015	02-07-2014	08-03-2014
1. Punjab	14	10.15	21	18.69
2. Haryana	25	16.47	23	17.61
3. Rajasthan	17	14.25	14	12.35
A. North Total (1+2+3)	56	40.87	58	48.65
4. Gujarat	125	68.98	120	79.1
5. Maharashtra	85	57.12	84	56.56
6. Madhya Pradesh	18	13.93	19	15.63
B. Central Total (4+5+6)	228	140.03	223	151.29
7. Andhra Pradesh	50	22.96	76	58.22
8. Telangana	27	51.15	--	--
9. Karnataka	28	19.69	22	19.98
10. Tamil Nadu	5	2.27	5	1.74
C. South Total (7+8+9)	110	96.07	103	79.94
11. Orissa	4	2.78	4	3.07
12. Others	2	1.75	2	1.36
D. Total (11+12)	6	4.53	6	4.43
Grand Total (A+B+C+D)	400	281.5	390	284.31

* Inclusive of new crop arrivals in September 2014
 ** Quantity in lakh bales (of 170 kgs. each)

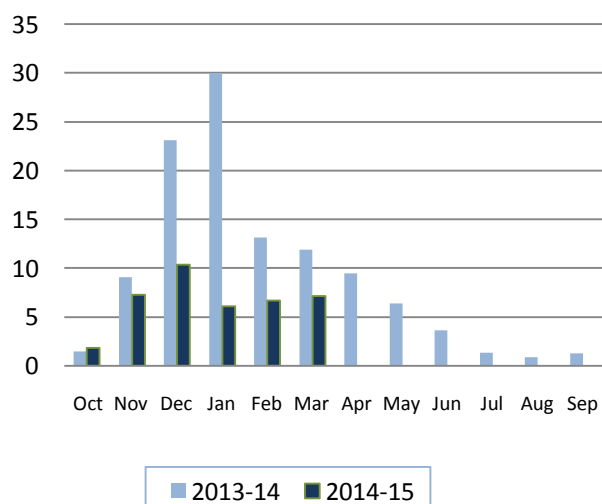


Cotton Export and Import

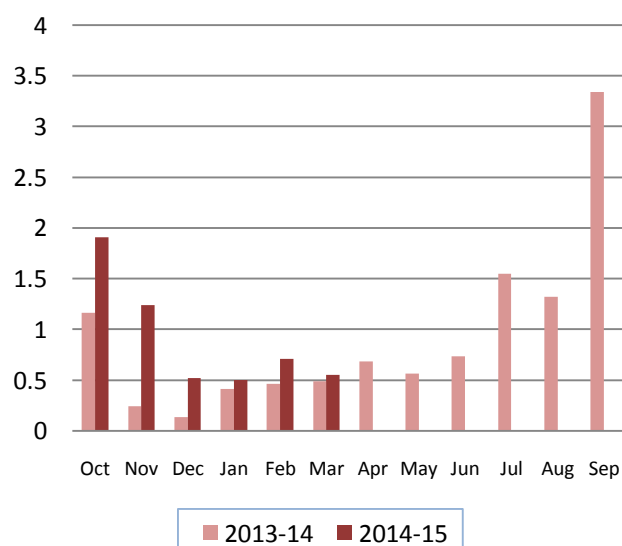
Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	10.34
Jan	30	6.11
Feb	13.15	6.68
Mar	11.9	7.3
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
Total	111.5	39.5

Cotton Imports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.16	1.91
Nov	0.24	1.24
Dec	0.133	0.52
Jan	0.41	0.5
Feb	0.46	0.71
Mar	0.488	0.74
Apr	0.68	
May	0.56	
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
Total	11.07	5.62

Month Wise Exports (In lakh Bales)



Month Wise Imports (In Lakh Bales)



Weekly Export Import Data

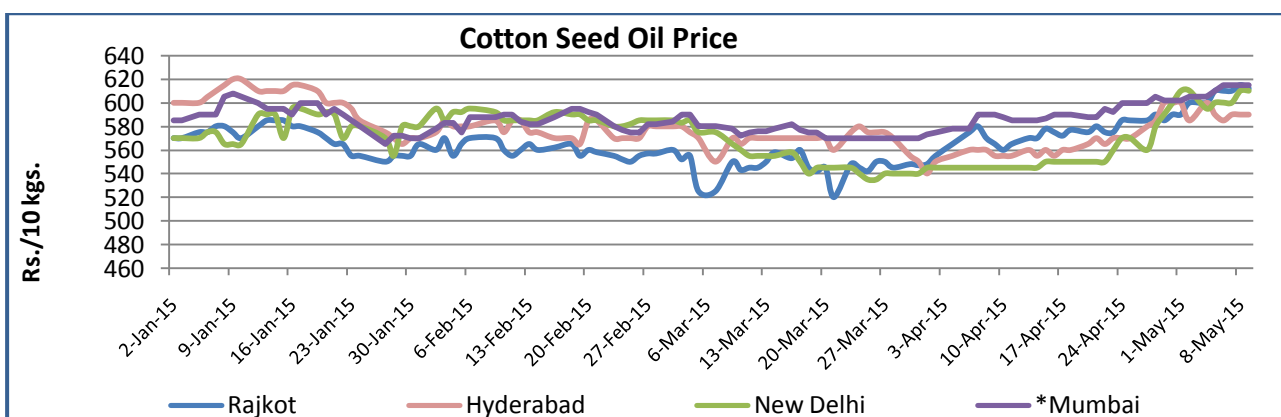
Date	27 Apr-03 May 2015	20-26 Apr 2015
Export (In lakh Bales)	0.43	0.54
Import (In lakh Bales)	0.18	0.23

Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

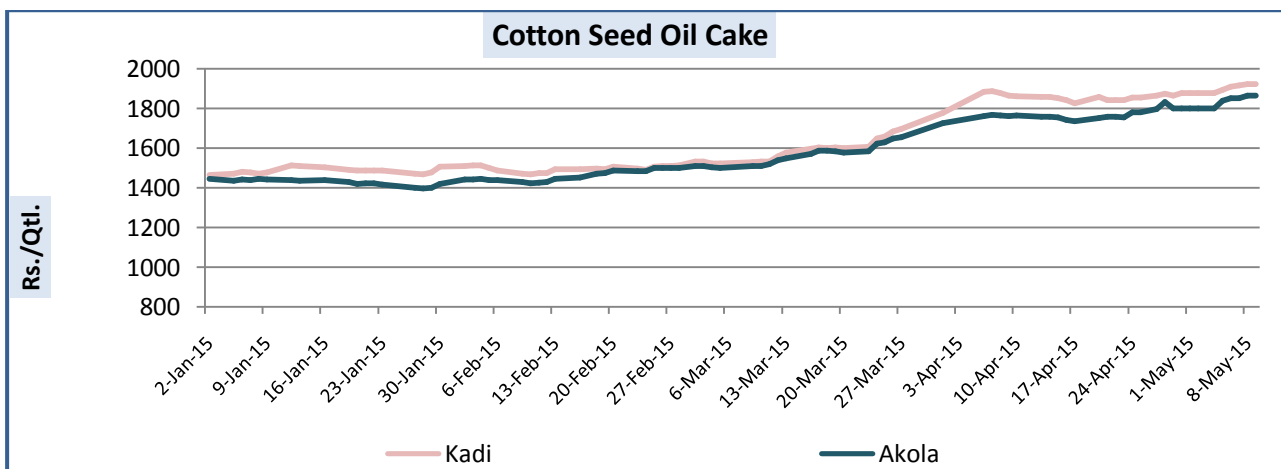
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	08-May-15	01-May-15	
New Delhi	601	588	2.21
Rajkot	609	588	3.57
Hyderabad	591	593	-0.34
Mumbai*	612	602.2	1.63
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	08-May-15	01-May-15	
Kadi	1903.2	1871.6	1.69
Akola	1840.8	1806.2	1.92



*Source: NCDEX

International Market Scenario

International cotton prices remained downtrend during the week. Cotlook A Index stood as weekly average stood 73.39 cents/pound this week compared to 73.64 cents/pound previous week.

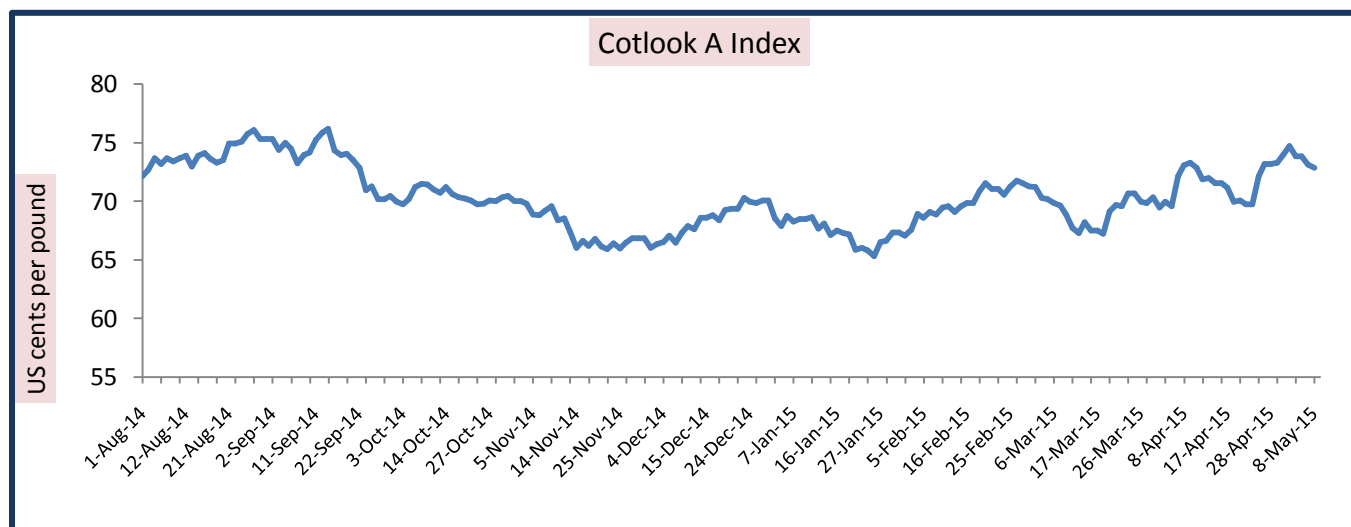
International Cotton Advisory Committee (ICAC) has downwardly revised cotton production estimates for 2015-16 at 23.89 million tones which was estimated 24.41 million tons a month before. Cotton production on the global front would stand around 26.356 million tons in the current season. Output in all of the cotton producing regions is shrinking, which would make the world production to remain lower in the coming season.

Despite the lower production world cotton export is expected to rise in the coming season i.e. 2015-16 following the higher demand from South Asian countries. Cotton export would be around 7.71 million tones in season 2015-16 around 3.21% higher when compared to the export of the current season.

According to International Cotton Advisory committee (ICAC) cotton production would be around 23.89 million tones in 2015-16, whereas consumption would stand around 24.47 million tons, surpassing the production.

Cotton ending stock would fall in the coming season for the first time in five years. World cotton stock would be around 21.23 million tons in 2015-16 compared to 21.81 million tones in the current season. Ending stock in China too would shrink for the first time in five years and would be around 11.81 million tones in 2015-16.

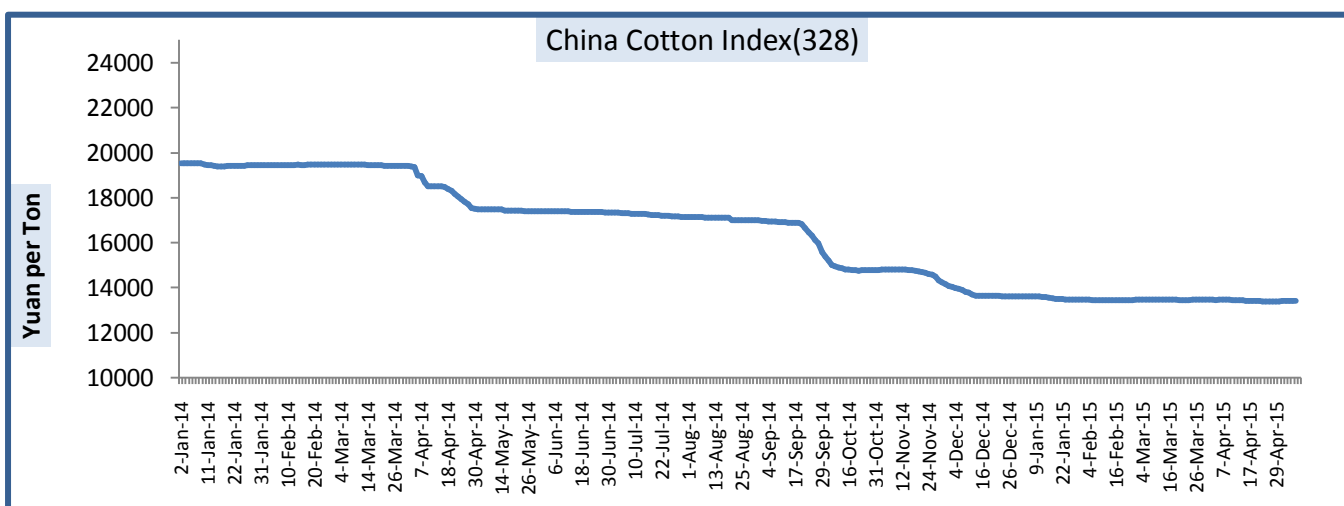
Cotton prices in China have been rebounding marginally since mid April, on better yarn sales of downstream companies. The benchmark cotton contract for September delivery, which rose 0.22 percent by the end of Tuesday, surged to the highest of 13,530 yuan/tonne and hit the lowest of 13,355 yuan/tonne during Tuesday session, recording a fluctuating range of nearly 200 yuan in a day, according to Reuters.



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	08-May-15	01-May-15	
CC Index(229)	14108	14088	0.14
CC Index(328)	13401	13390	0.09
CC Index(527)	12367	12344	0.18
Prices in Yuan per Ton			

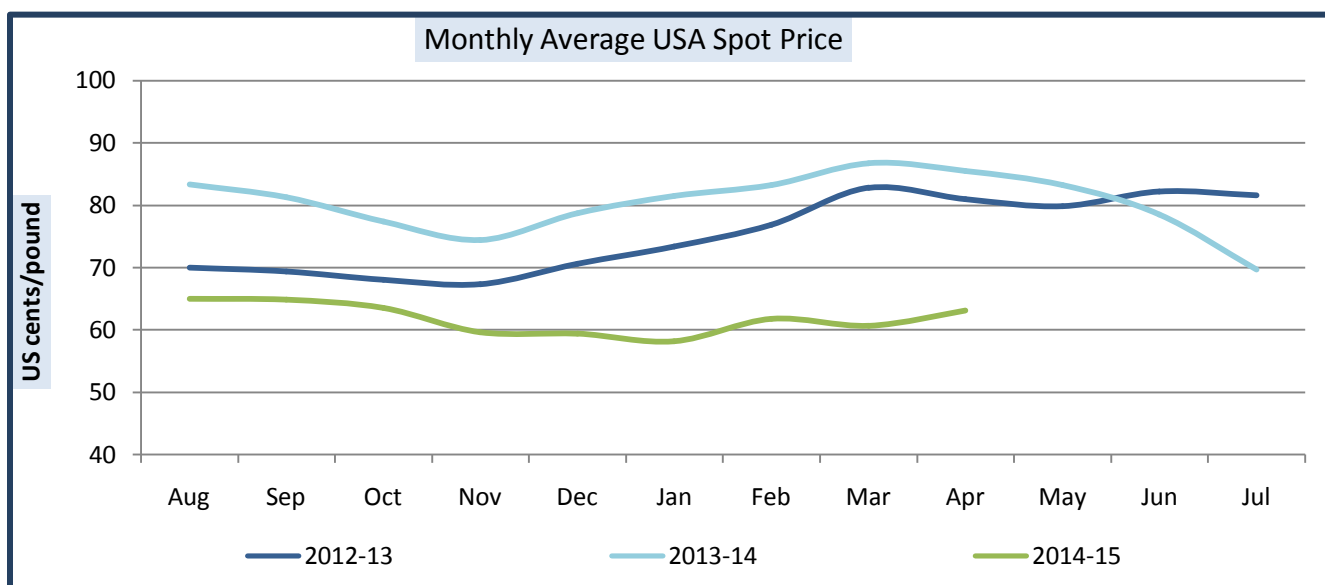


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	08-May-15	01-May-15	
Prices	73.39	73.64	-0.34
Prices in US cents per Pound			

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	08-May-15	01-May-15	
Prices	63.91	64.75	-1.30
Prices in US cents per Pound			


World Monthly Average Cotlook A Index (FE) in US cents per Pound:

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	68.3	-21.93
January	90.96	67.35	-23.02
February	94.05	69.84	-25.74
March	96.94	69.35	-28.46
April	94.2	71.7	-23.89
May	92.7		
June	90.89		
July	83.83		

Cotton Futures (ICE):

Contracts	08-May-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
Jul-15	66.16	66.61	82.71	-0.68	-20.01
Oct-15	66.06	66.30		-0.36	--
Dec-15	65.94	66.45		-0.77	--
Mar-16	65.85	66.00		-0.23	--
May-16	65.95	66.11		-0.24	--
Jul-16	66.16			#DIV/0!	--

Figures in US cents per pound

Cotton Futures

Technical Analysis of Cotton Future (April'16 Contract) at NCDEX:



Weekly Technical Outlook:

- Candlesticks denote volatility in the prices during the week.
- RSI is moving low in neutral region.
- Prices are hovering below the 9 days EMA.
- We expect cotton prices to remain sideways to firm.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Sideways to Firm Momentum	930-960

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
925	930	968	975

Figures in Rs. per 20Kgs.

Technical Analysis of Cotton Future (Jul'15 Contract) at ICE

Weekly Technical Outlook:

- Candlesticks denote downtrend movement in the prices.
- Volume and OI are moving southwards along with the weak prices.
- We expect cotton prices to remain sideways to firm.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Sideways to Firm Momentum	64.40-67.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
64.00	63.40	68.20	68.80

Figures in US cents per pound

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