

Current Market Outlook

Cotton spot prices remained downtrend this week as compared to previous week. Average price of Kapas at Rajkot during the week was Rs. 4700 per quintal, which stood Rs 4850 previous week.

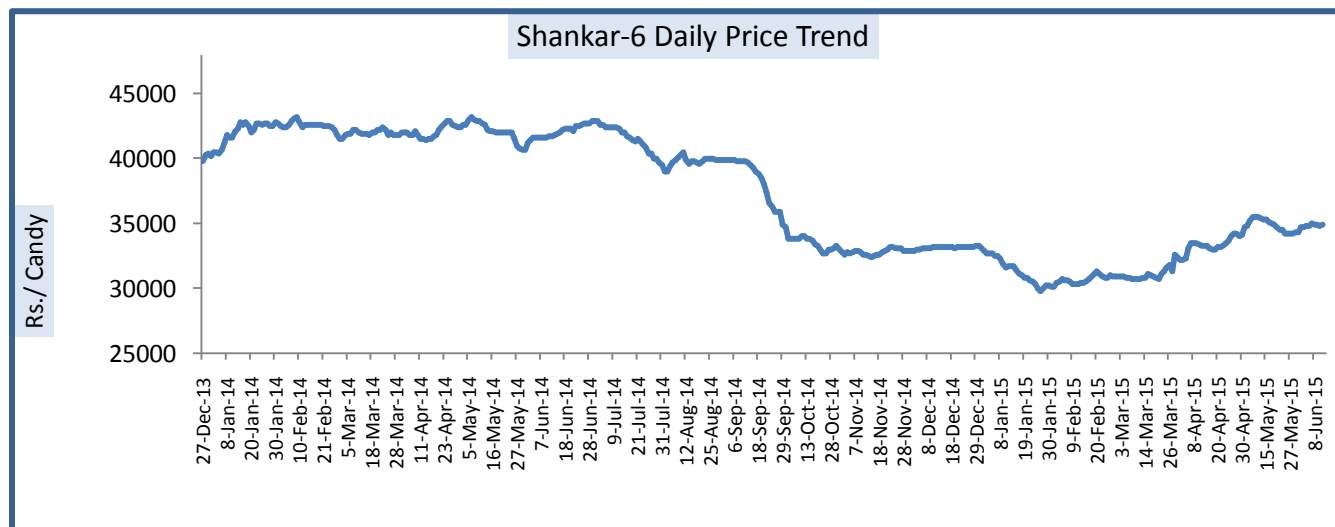
Cotton acreage is expected to fall by around 7% this year, said Cotton association of India (CAI) following the drastic fall in the prices in the current season and expectation of better return from other crops including soybean and Pulses. It should be noted that it is the steepest fall in acreage since 2002/03.

All India cotton arrivals, as on May 30, 2015 has reached 27.5 million 480 lb. bales (35.3 million 170 kg bales/5.9 mmt), as reported by the Cotton Corporation of India (CCI). The pace of arrivals has slowed by around 5 percent when compared to last year. CCI procurement under MSP stood at 6.8 million 480 lb. bales (8.7 million 170 kg bales/1.5 mmt) during the current season. CCI sales reported as of May 30 have recorded 1 million 480 lb. bales (1.3 million 170 kg bales/221,000 mt).

Cotton Corporation of India (CCI) has started floating the global tender for cotton export to Bangladesh. The tender earlier did not attract the much attention as the prices quoted by CCI was 76-77 cents whereas the working price of the exporters is 68-70 cents since the Rupee has appreciated to 62.15 from 62.70 against the dollar. CCI is now working on the better and revised pricing strategy to drag down the price to 70 cents for the overseas buyers.

Farmers in Vidarbha are advised by the divisional level officer agriculture, to delay the sowing of Kharif crop including cotton and soybean, to July first week as the monsoon is likely to get delayed. In general, farmers start Kharif sowing in the region by June 15. Delayed sowing in the region could save farmers from re sowing which usually occurs due to late or scanty rains.

The two key cotton growing regions of Punjab i.e. Bathinda and Mukhtsar are expected to switch to other crop from cotton due to lower returns and crop loss. Farmers are likely to opt for paddy over fiber crop this year despite the expectation of lower rainfall. It should be noted that Punjab received only 50% of the normal rainfall during the last monsoon season i.e. June-September 2014.



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 a lower side this season due to lower 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 would be on lower side in 2015-16, said USDA. Cotton output in the country would be around 6.423 million ton in the coming season, slightly lower compared to the current season which would be around 6.523 million tones.

Acreage of cotton in India would shrink in the coming season to 12 million hectares from 12.7 million hectares in the current season. Yield of cotton would be higher at 535 kg per hectare in the coming season as compared to 514 kg per hectare in the current season.

Cotton consumption in India is likely to surge up to 5.606 million tons in the coming season compared to 5.334 million tons in the current season.

Cotton exports in the coming season that is 2015-16 is likely to be around at 1.089 million tones (64.05 lakh bales approx.) around 28.6% lower when compared to 849 million tones (49.9 lakh bales approx.) in the current season.

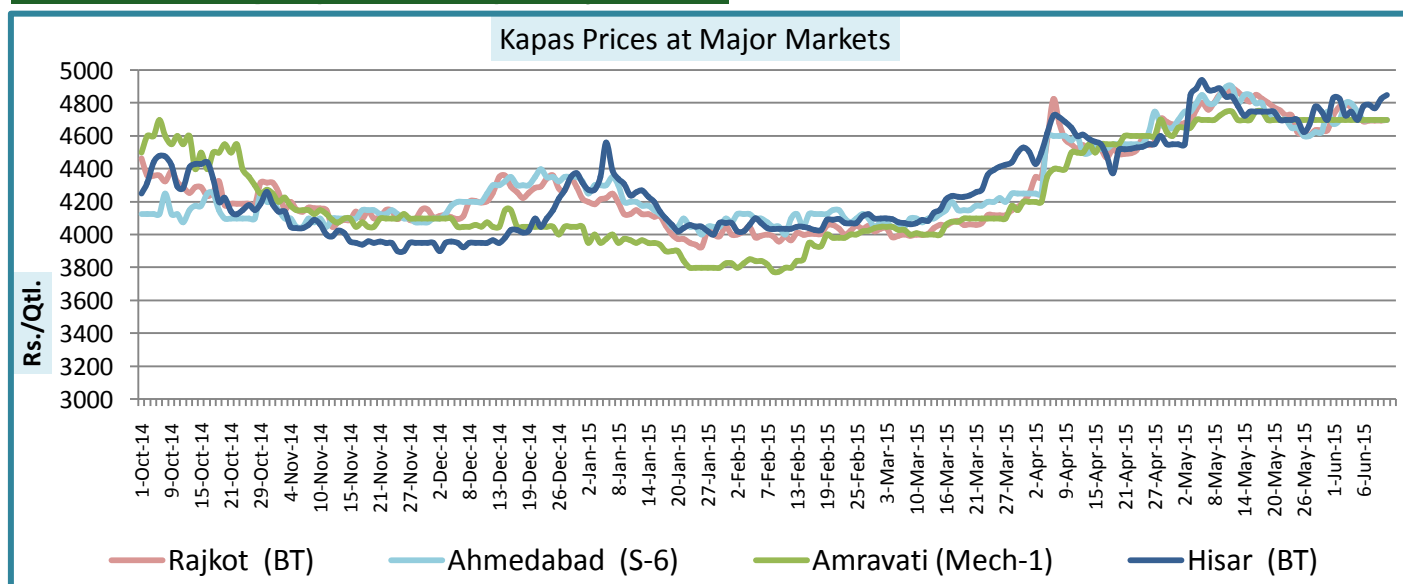
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

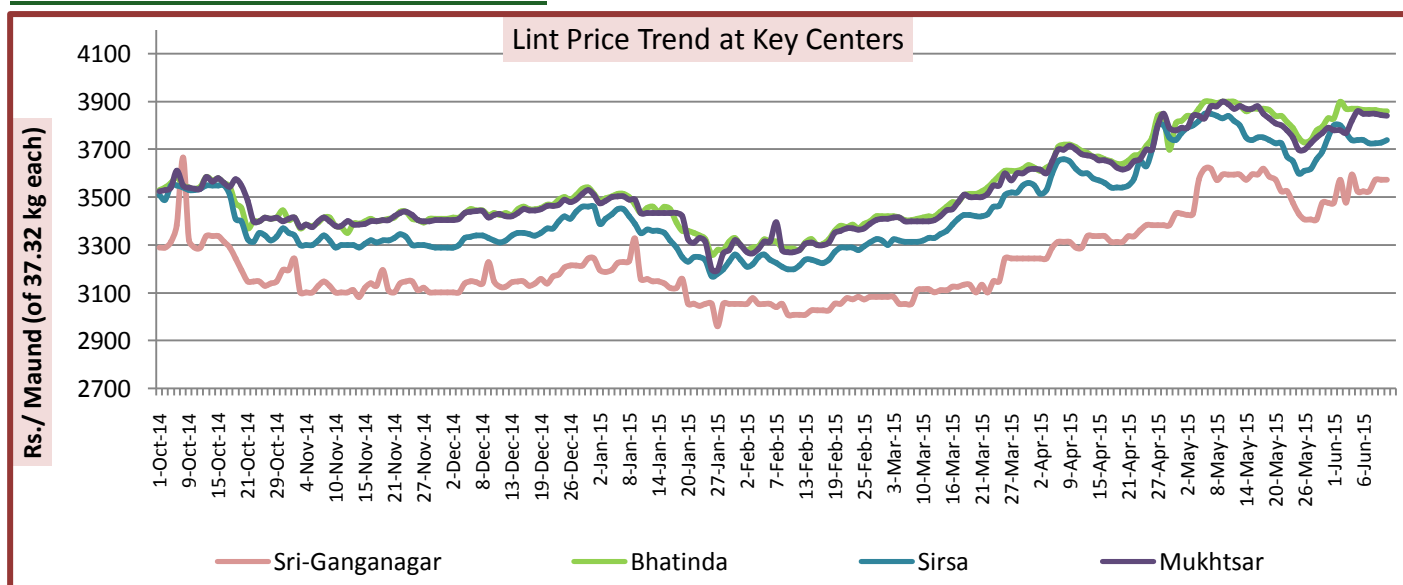
Centre	Variety	Weekly Average Prices		Change
		5th June to 11th June 2015	30th May to 4th June 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4700	4700	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4700	4850	-150
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4600	4545	55
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4750	4790	-40
Adampur	B.T. Cotton	4785	4790	-5
Fatehabad	B.T. Cotton	4750	4820	-70
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana	B.T. Cotton	NA	NA	-
Rawatsar	B.T. Cotton	4815	4830	-15
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4710	4745	-35
Gondal	Shankar-6	4745	4800	-55
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4675	4600	75
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4025	4185	-160
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	3975	4050	-75
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3865	3875	-10

Muktsar	J-34	3850	3790	60
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3865	3860	5
Sirsa	J-34	3735	3770	-35
Sri-Ganganagar	J-34	3560	3520	40

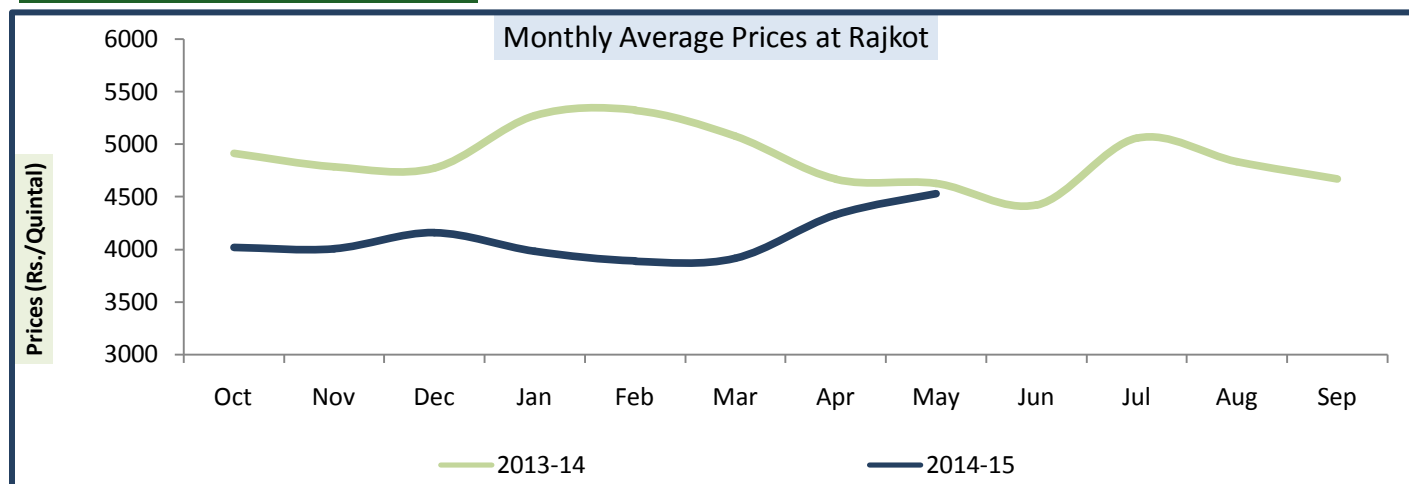
Price Trend of Kapas (Seed Cotton) at Key Centers:



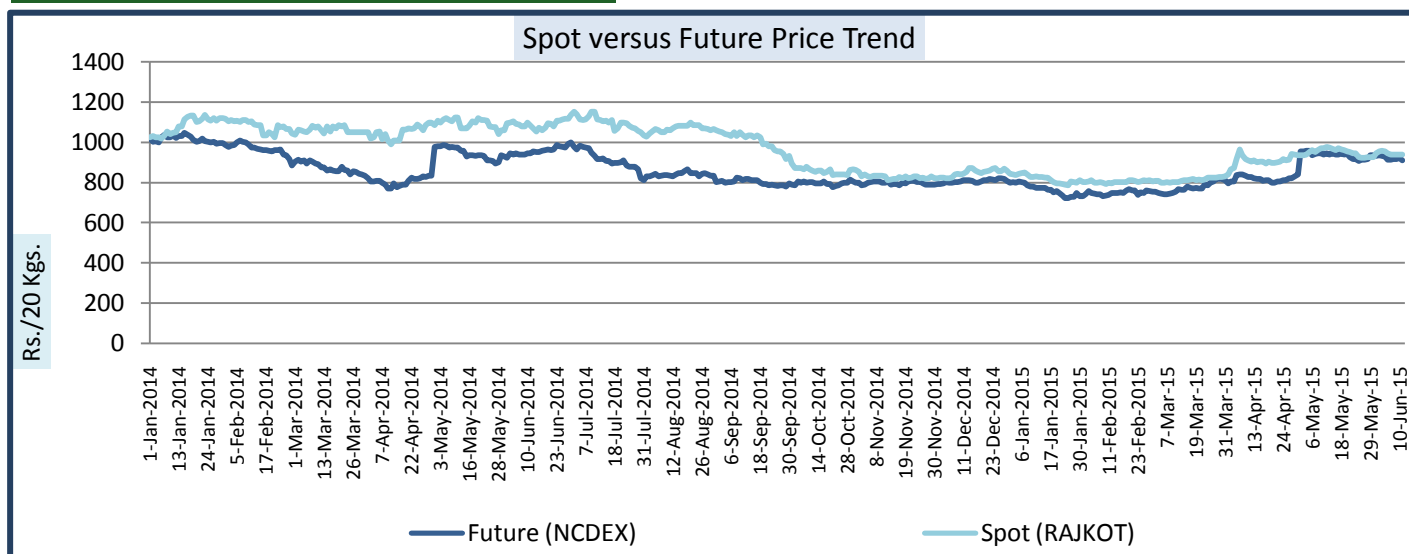
Price Trend of Lint at Various Centers:



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
				10 June 2015	03 June 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	35600	35375	225
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	36100	35875	225
J-34(202)	26mm	3.5 - 4.9	23	35600	35675	-75
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34200	33925	275
Shankar-6(105)	29mm	3.5 - 4.9	28	34900	34625	275
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36300	36150	150
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37100	36950	150
DCH-32(107)	34mm	3.0 - 3.8	33	45200	45150	50

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

Cotton Arrivals at Key Centers:

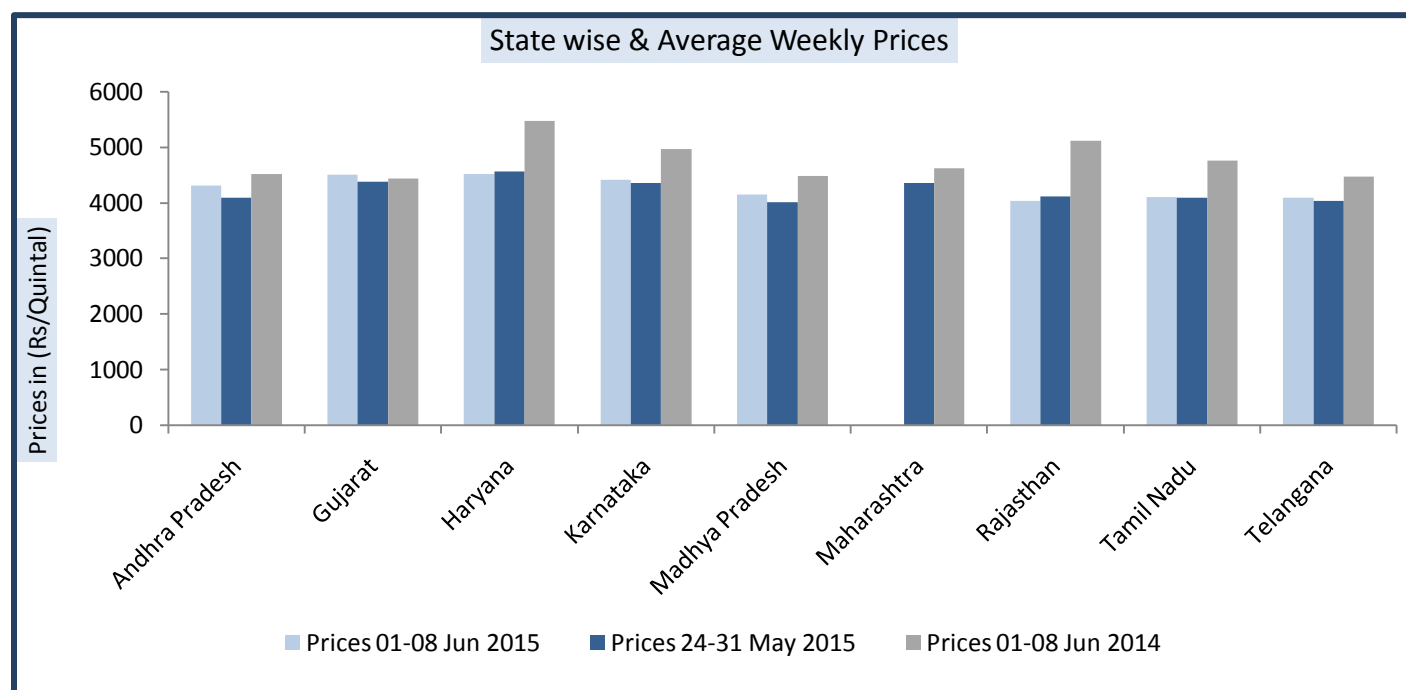
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		5th June to 11th June 2015	30th May to 4th June 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	3575	4587	-1012
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
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	B.T. Cotton	NA	NA	-
Rawatsar	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	37400	47600	-10200
Gondal	Shankar-6	2083	1293	790
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1424	240	1184
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	280	213	67
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 01-08 Jun 2015	Prices 24-31 May 2015	Prices 01-08 Jun 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4303.1	4086	4513.47	5.31	-4.66
Gujarat	4508.09	4378.41	4434.62	2.96	1.66
Haryana	4514.94	4558.34	5471.67	-0.95	-17.49
Karnataka	4413.8	4358.34	4969.2	1.27	-11.18
Madhya Pradesh	4145.77	4010	4479.05	3.39	-7.44
Maharashtra		4349.82	4615.31	—	—
Rajasthan	4030.56	4105.8	5118.46	-1.83	-21.25
Tamil Nadu	4099.16	4084.9	4761.42	0.35	-13.91
Telangana	4091.45	4034.97	4466.54	1.4	-8.4
Average	4263.36	4117.56	4840.08		

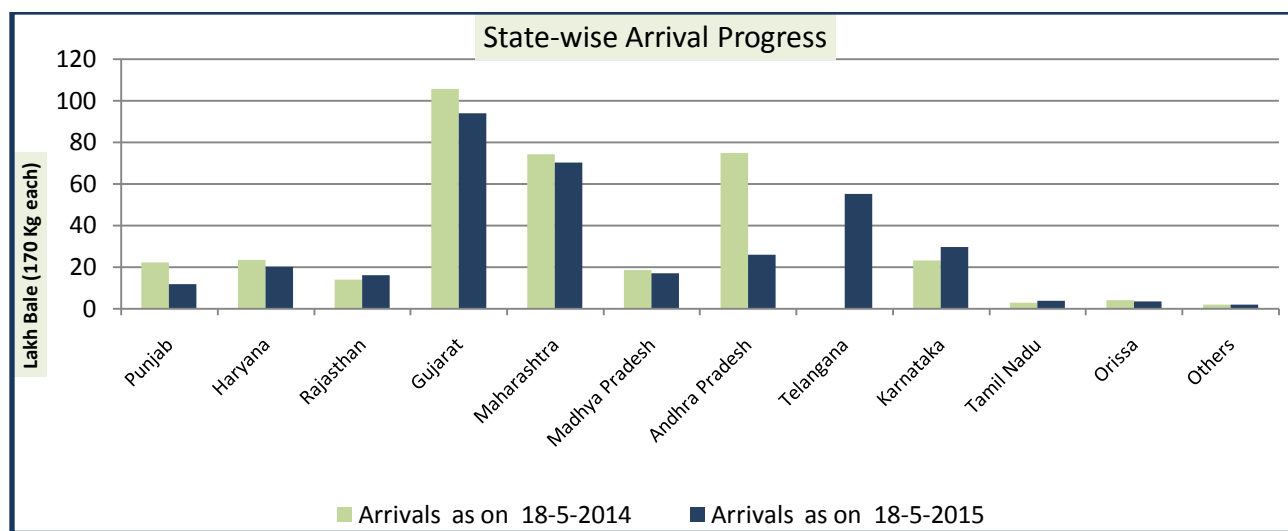
Source:Agmarknet



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

Table given below shows 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	56	47.52	59	59.5
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	228	181.18	227	198.32
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	119	114.23	106	100.77
11. Orissa	4	3.45	4	4.05
12. Others	2	2	2	1.85
Total	6	5.45	6	5.9
Grand Total	390	348.37	398	364.48
* Inclusive of new crop arrivals in September 2014				
** Quantity in lakh bales (of 170 kgs. each)				

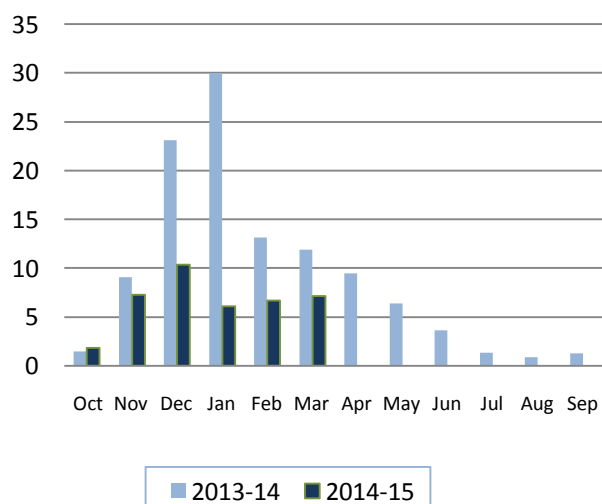


Cotton Export and Import

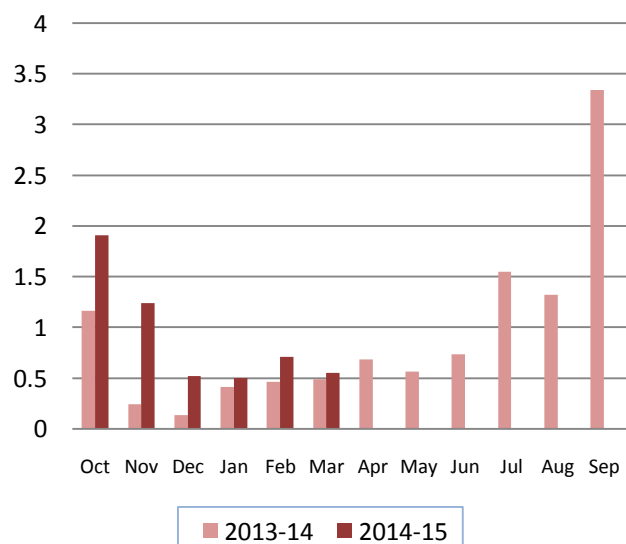
Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	10.34
Jan	30	6.11
Feb	13.15	6.68
Mar	11.9	7.3
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
Total	111.5	39.5

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

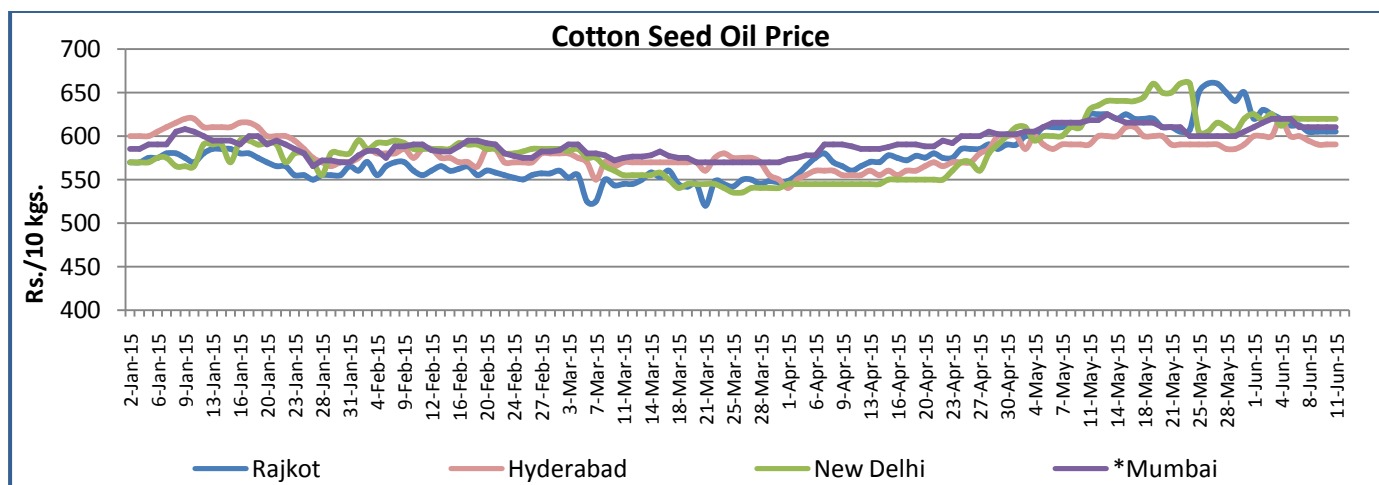
Export/Import	31 May to 07 June 2015	25-30 May 2015
Export (In lakh Bales)	0.453	0.624
Import (In lakh Bales)	0.254	0.231

Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

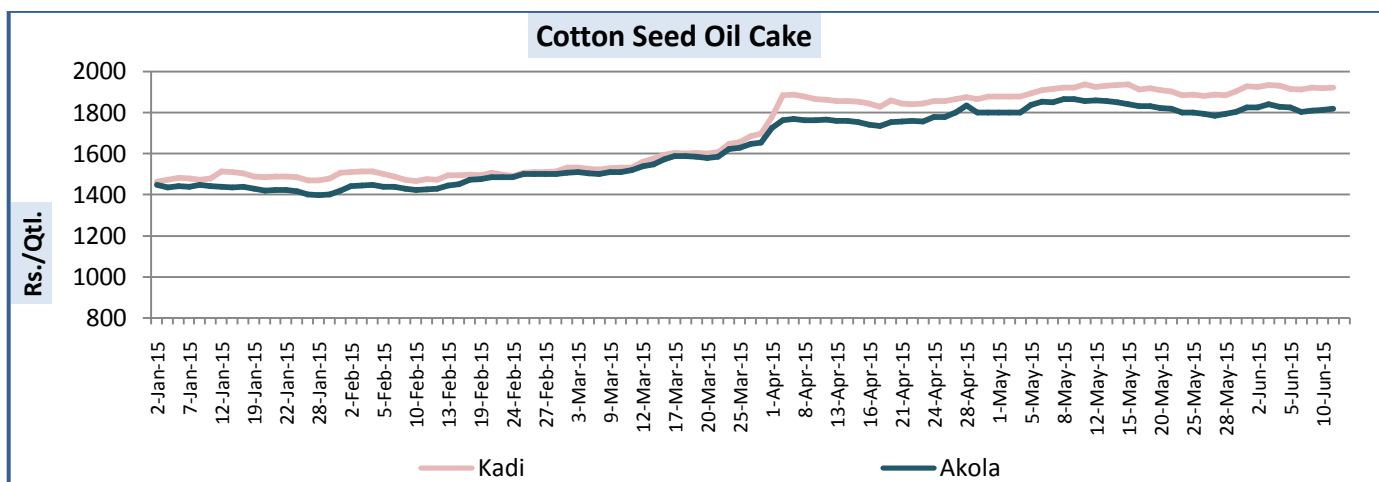
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	11-June-15	04-June-15	
New Delhi	620	618	0.32
Rajkot	607	631	-3.80
Hyderabad	594	599	-0.83
Mumbai*	612	612	0.00
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	11-June-15	04-June-15	
Kadi	1917.8	1923.2	-0.28
Akola	1812.8	1823.2	-0.57



*Source: NCDEX

International Market Scenario

International cotton prices remained steady to firm during the week. Cotlook A index as weekly average stood 72.62 cents/pound this week, which was 72.28 cents/pound during last week.

Around 87% of cotton planting has been completed in USA as on June 07 this year, which was 61% last week and 81% last year on same date, according to USDA. The five year average sowing progress is 89% as on date, slightly higher than the current sowing pace.

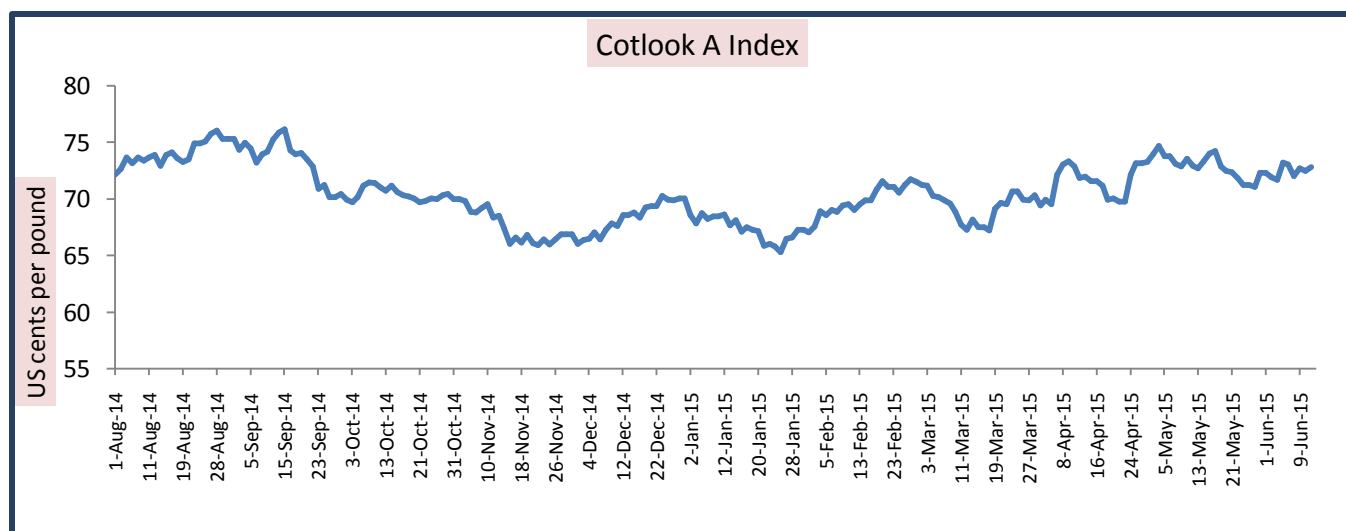
World cotton production estimates for the season 2015-16 has been upwardly revised by USDA. Cotton production on global front is likely to stand around 24.238 million tons in the coming season around 0.07% higher when compared to the estimates of previous month which was 24.222 million tons and around 6.34% lower when compared to the production of current month.

In its June estimates, USDA lowered the world cotton exports estimates for the season 2015-16 by around 0.42% to 7.36 million tons as compared to the estimates of previous month which was 7.329 million tons. The export during the season 2015-16 would be around 1.06% lower when compared to the export of current season and around 15.65% lower when compared to the season 2013-14.

USDA has revised the import estimates of China for the season the 2014-15 at 1.742 million tons in June which was estimated 1.676 million tons earlier in May this season. USDA expects the increase in China cotton imports as the country is carrying the strong demand for high grades of cotton which it will source from other countries.

World cotton imports are likely to increase marginally in the coming season i.e. 2015-16, said ICAC. The cotton imports on the global front would go up by the 2% to 7.7 million tons with the increase of 3% in the imports of countries outside china to 6.1 million tons.

According to Informa Economics, all cotton acreage in USA would stand around 9.334 million acres, lower than the March estimates of USDA which was 9.549 million acres.

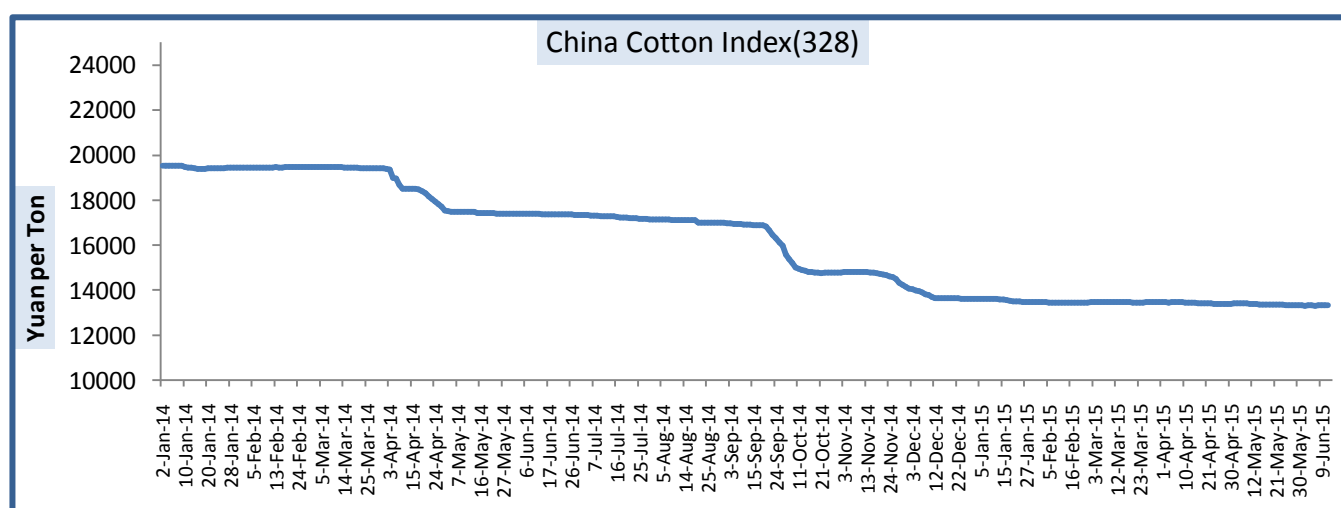


International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	11-June-15	04-May-15	
CC Index(229)	13995	13996	-0.01
CC Index(328)	13324	13312	0.09
CC Index(527)	12224	12228	-0.03

Prices in Yuan per Ton



Cotlook A Index:

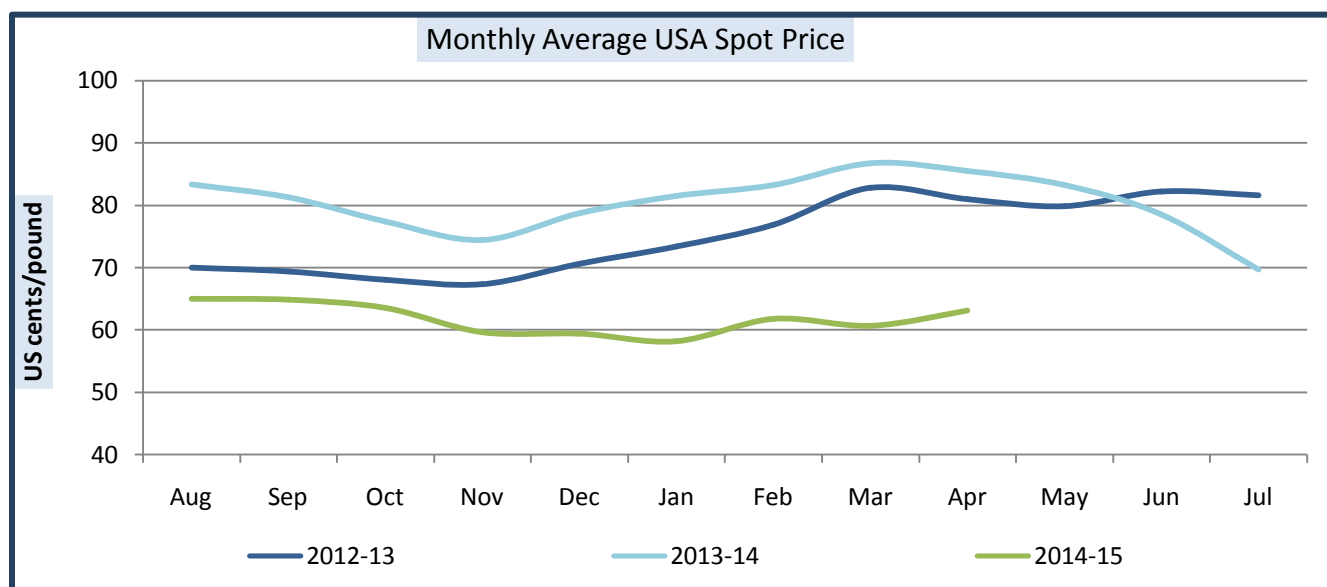
Cotlook A Index	Weekly Average Price as on		% Change
	11-June-15	04-May-15	
Prices	72.62	72.28	0.47

Prices in US cents per Pound

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	11-June-15	04-May-15	
Prices	62.55	62.51	0.06

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	72.86	-21.40
June	90.89		
July	83.83		

Cotton Futures (ICE):

Contracts	11-June-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-15	63.53	65.12	65.39	85.51	-2.44	-2.84	-25.70
Oct-15	65.40	66.84	65.29	--	-2.15	0.17	--
Dec-15	64.38	65.28	65.28	--	-1.38	-1.38	--
Mar-16	64.57	65.39	65.33	--	-1.25	-1.16	--
May-16	64.92	65.70	65.46	--	-1.19	-0.82	--
Jul-16	65.25	66.15	--	--	-1.36	--	--

Figures in US cents per pound

Cotton Futures

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



Weekly Technical Outlook:

- Candlesticks denote bearish momentum in the future market.
- RSI is moving weak in the neutral region.
- Prices are hovering below the 9 and 18 days EMA.
- MACD centerline is moving in negative territory.
- We expect cotton prices to remain weak.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bearish Momentum	895-920

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
890	875	935	950

Figures in Rs. per 20Kgs.

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



Weekly Technical Outlook:

- Candlesticks denote downward movement in prices.
- MACD denotes weak signal line movement.
- RSI is moving low in oversold region.
- We expect prices to remain weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	62.60-65.20

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
62.00	61.40	66.00	66.80

Figures in US cents per pound

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2015 Indian Agribusiness Systems Pvt Ltd.