

Current Market Outlook

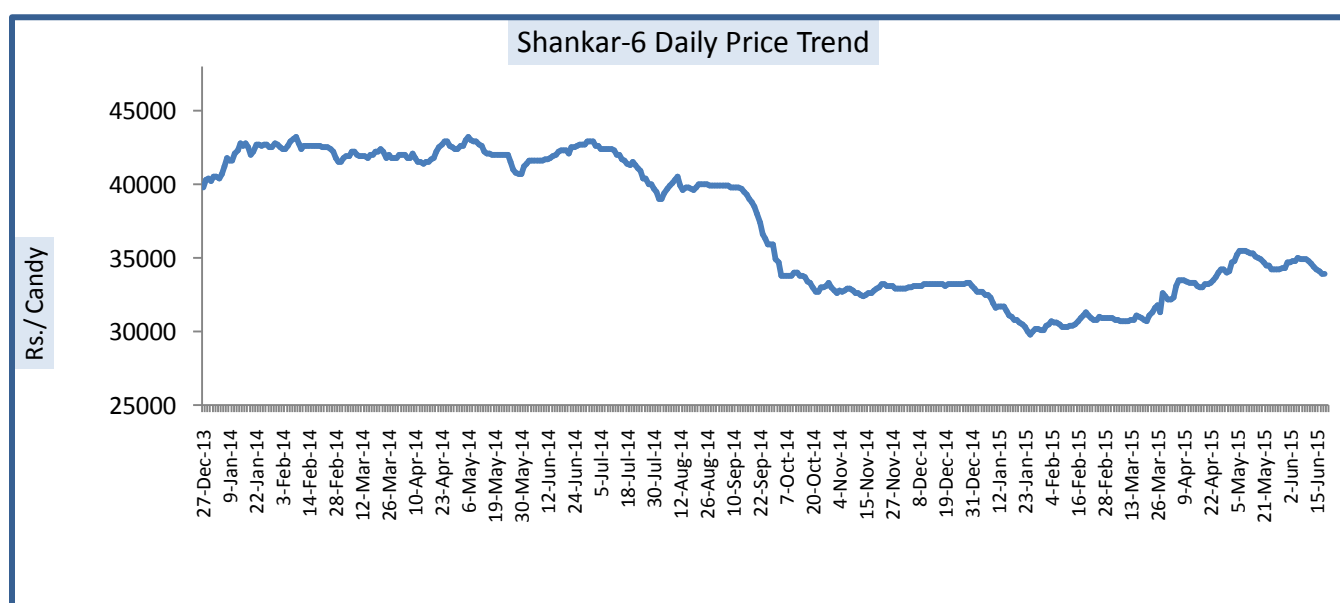
Cotton spot prices remained downtrend this week as compared to previous week. Average price of Kapas at Rajkot during the week was Rs. 4620 per quintal, which stood Rs 4700 previous week.

Minimum Support Price (MSP) of cotton has been revised upwardly for the year 2015-16 by Cabinet Committee on Economic Affairs (CACP) by Rs 50 for each of Medium and Long staple. The MSP of Medium staple cotton has been revised to Rs 3800 per quintal for 2015-16 which was Rs. 3750 in 2014-15. Similarly, the MSP for Long staple has been revised to Rs. 4100 for the upcoming season 2015-16, which was Rs 4050 in the current season.

India exported 0.449 lakh bales of cotton last week (08-14 June 2015), which was 0.453 lakh bales previous to last week (31 May-07 June 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.259 lakh bales last week, which was 0.254 lakh bales previous to last 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 down 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).



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 is 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.

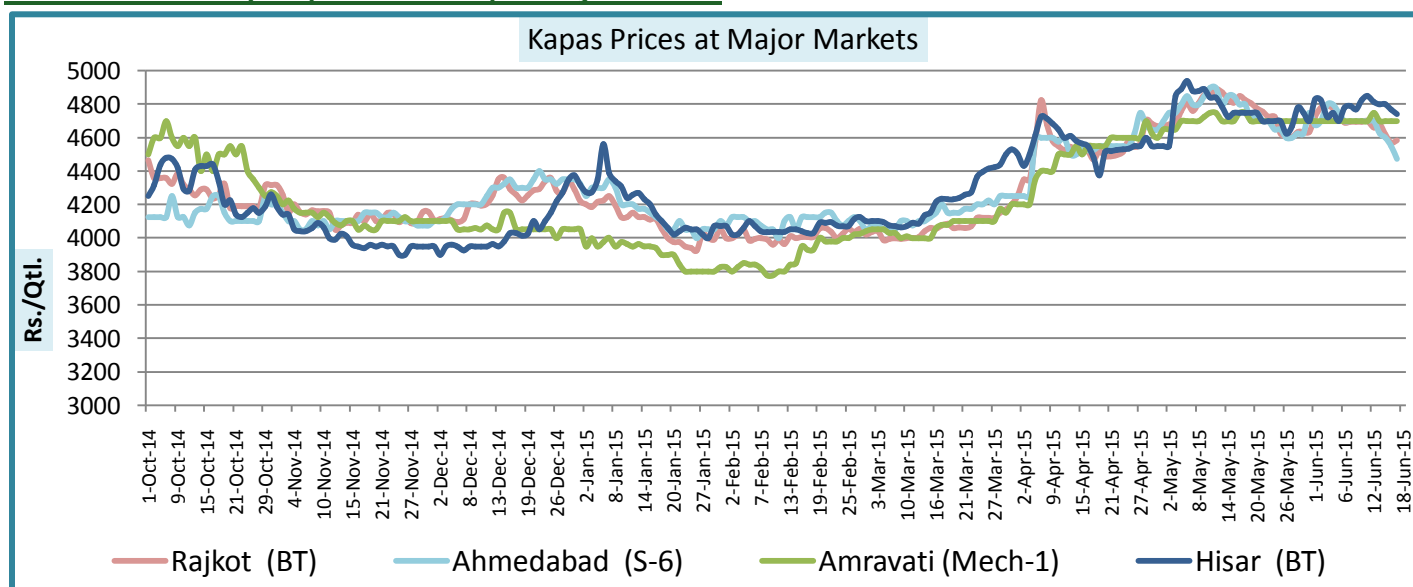
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

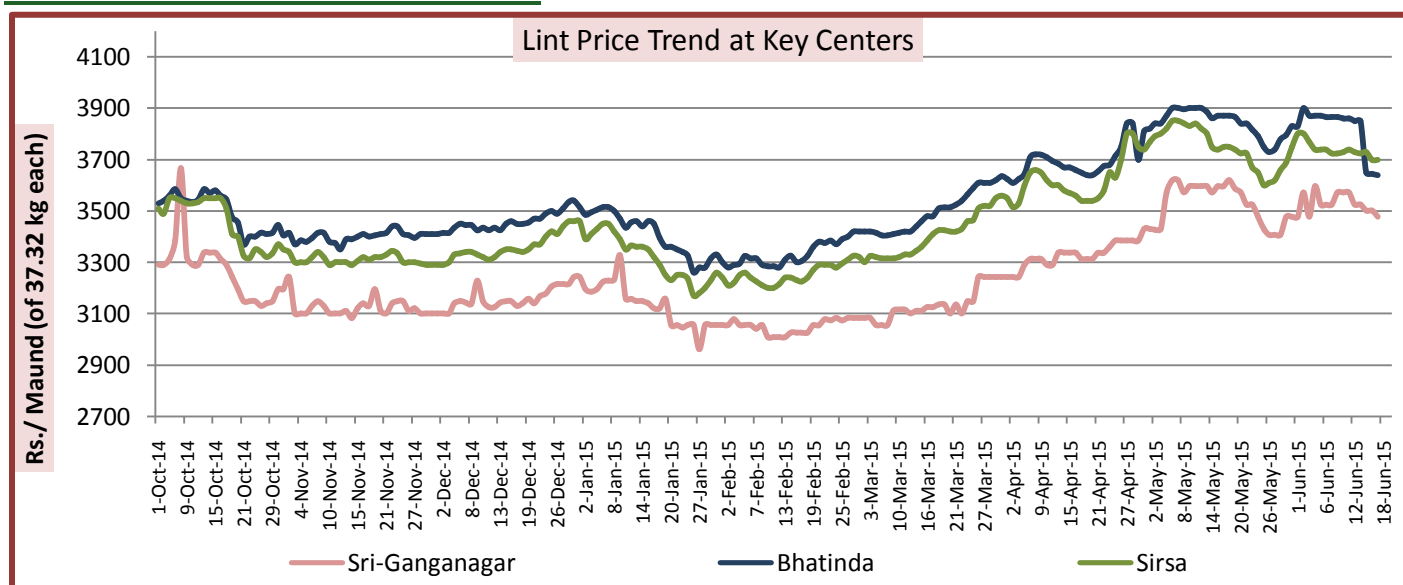
Centre	Variety	Weekly Average Prices		Change
		12th June to 18th June 2015	5th June to 11th June 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4710	4700	10
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4620	4700	-80
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	4602	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4698	4750	Unch
Adampur	B.T. Cotton	4771	4786	-15
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	4750	4817	-67
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4590	4708	-118
Gondal	Shankar-6	4582	4745	-163
	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	4647	4675	-28
Guntur	Un-Ginned	4060	4050	10
Kurnool	Un-Ginned	4070	4025	45
Krishna	Un-Ginned	4138	4050	88
East Godavari	Un-Ginned	4050	3975	75
	Lint	(Rs./Maunder of 37.32kg each)		
Abohar	J-34	3839	3864	-25

Muktsar	J-34	NA	3850	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3712	3864	-152
Sirsa	J-34	3714	3733	-19
Sri-Ganganagar	J-34	3502	3560	-58

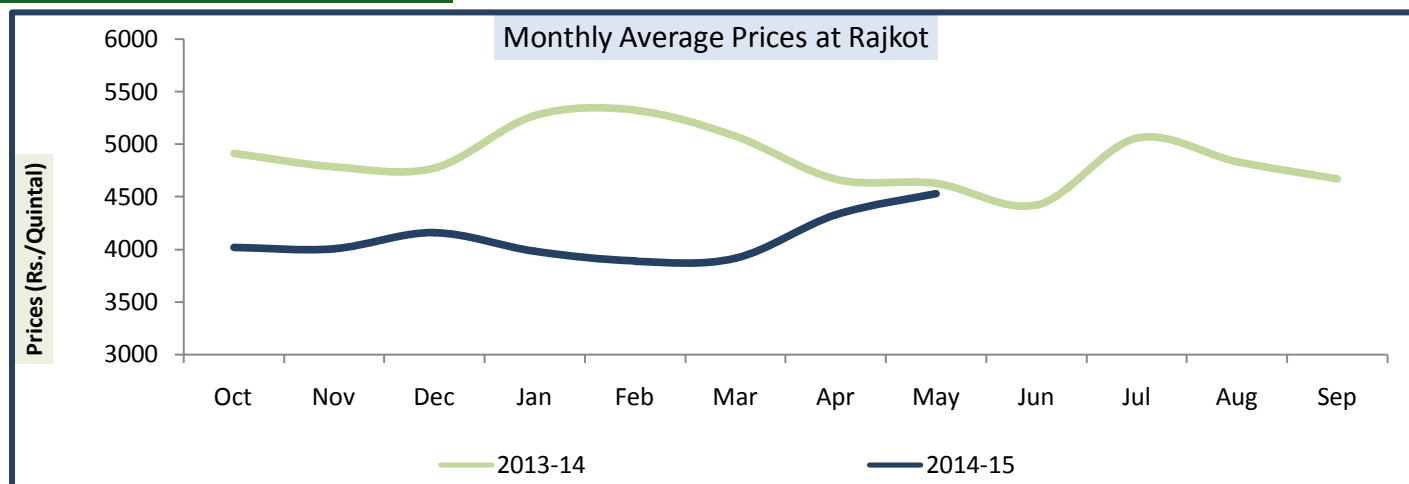
Price Trend of Kapas (Seed Cotton) at Key Centers:



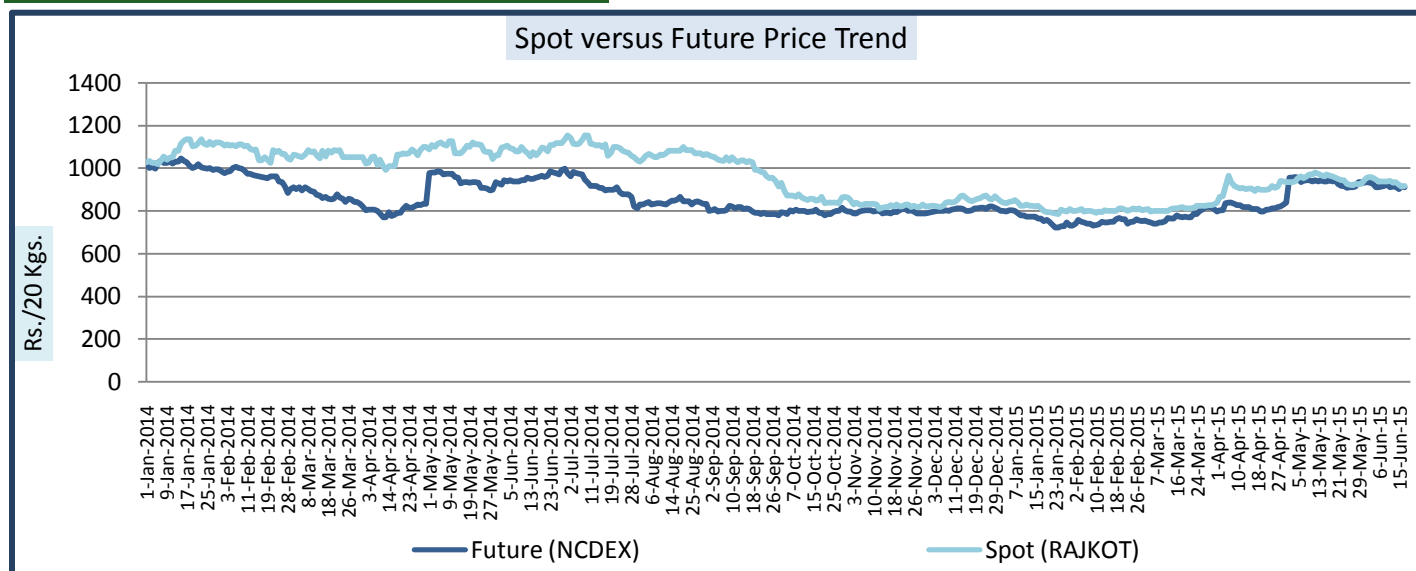
Price Trend of Lint at Various Centers:



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
				17 June 2015	10 June 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34900	35600	-700
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	35400	36100	-700
J-34(202)	26mm	3.5 - 4.9	23	35360	35600	-240
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33380	34200	-820
Shankar-6(105)	29mm	3.5 - 4.9	28	34240	34900	-660
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35820	36300	-480
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36800	37100	-300
DCH-32(107)	34mm	3.0 - 3.8	33	44100	45200	-1100

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

Cotton Arrivals at Key Centers:

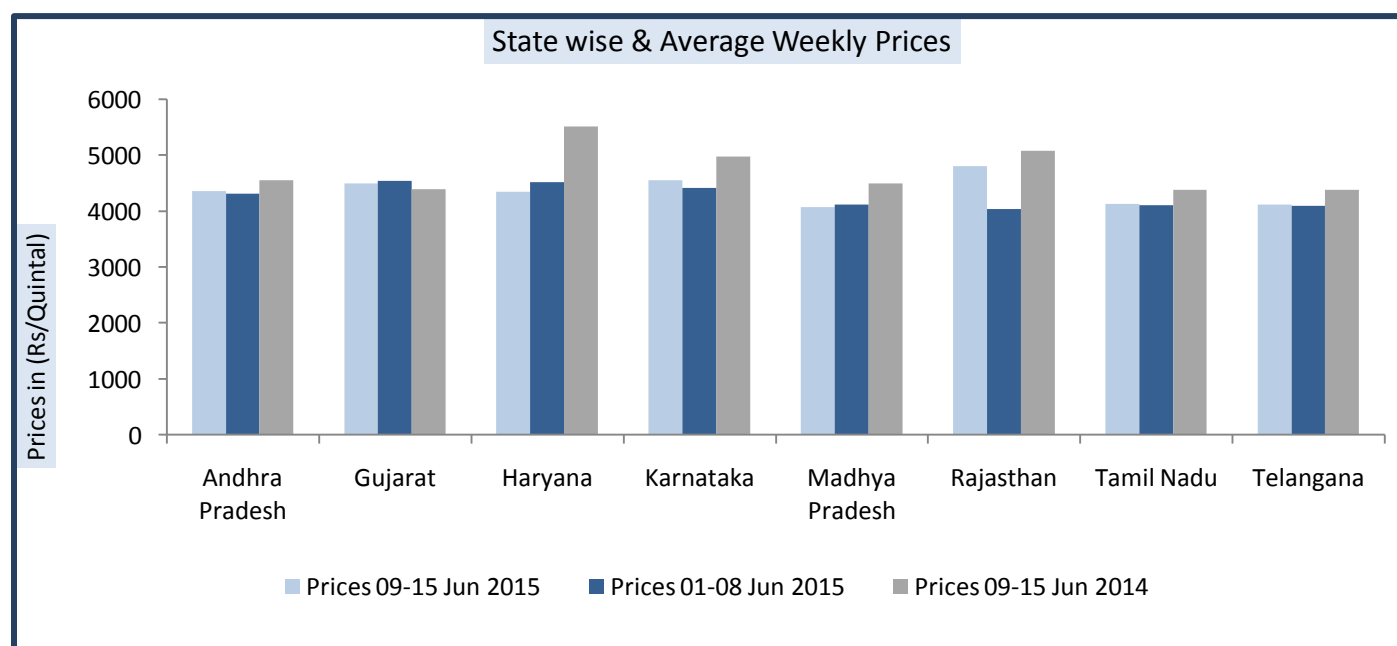
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		12th June to 18th June 2015	5th June to 11th June 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	2277	3575	-1298
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	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	20060	37400	-17340
Gondal	Shankar-6	951	2083	-1132
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1386	1424	-38
Guntur	Un-Ginned	5	NA	-
Kurnool	Un-Ginned	5	NA	-
Krishna	Un-Ginned	3	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	213	280	-67
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 09-15 Jun 2015	Prices 01-08 Jun 2015	Prices 09-15 Jun 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4357.54	4303.1	4550.92	1.27	-4.25
Gujarat	4496.87	4540.84	4391.76	-0.97	2.39
Haryana	4346.9	4514.94	5503.53	-3.72	-21.02
Karnataka	4549.05	4413.8	4971.73	3.06	-8.5
Madhya Pradesh	4074.23	4118.02	4493.49	-1.06	-9.33
Rajasthan	4802.69	4030.56	5074.54	19.16	-5.36
Tamil Nadu	4125.39	4099.16	4372.49	0.64	-5.65
Telangana	4111.28	4091.45	4377.01	0.48	-6.07
Average	4052.55	4273.54	4759.09		

Source:Agmarknet

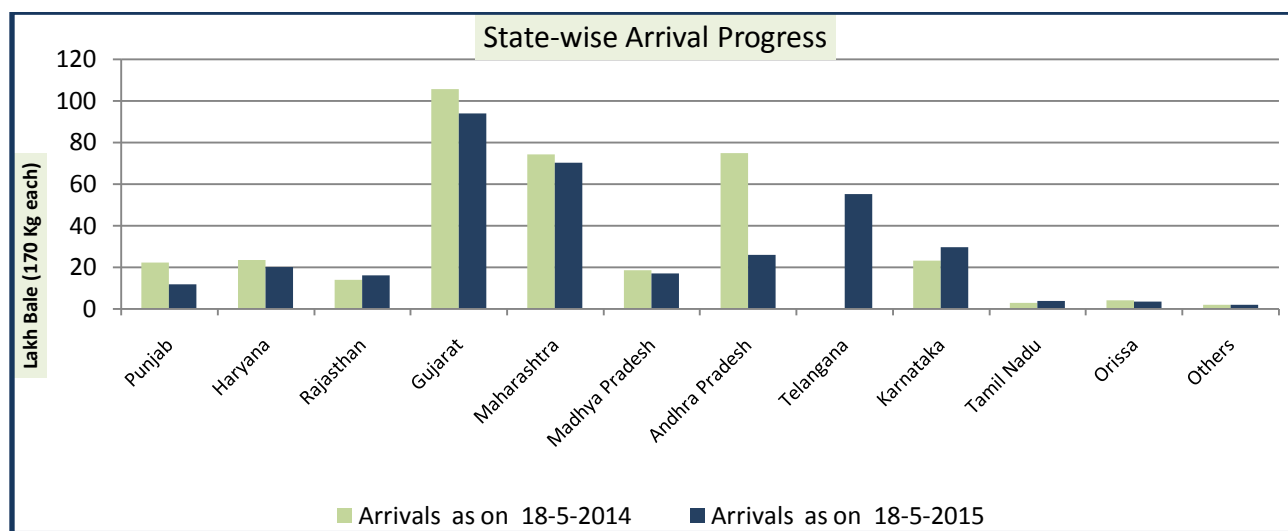


State wise Arrivals (in lakh bales of 170 kgs each):

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

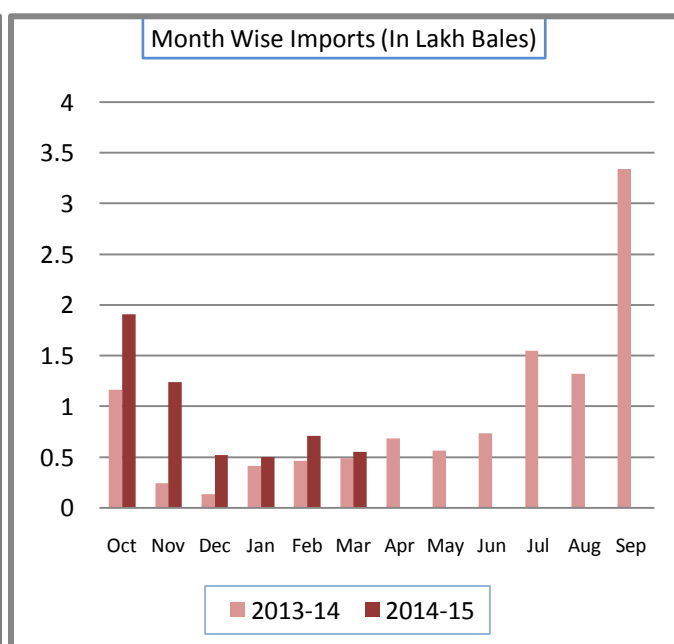
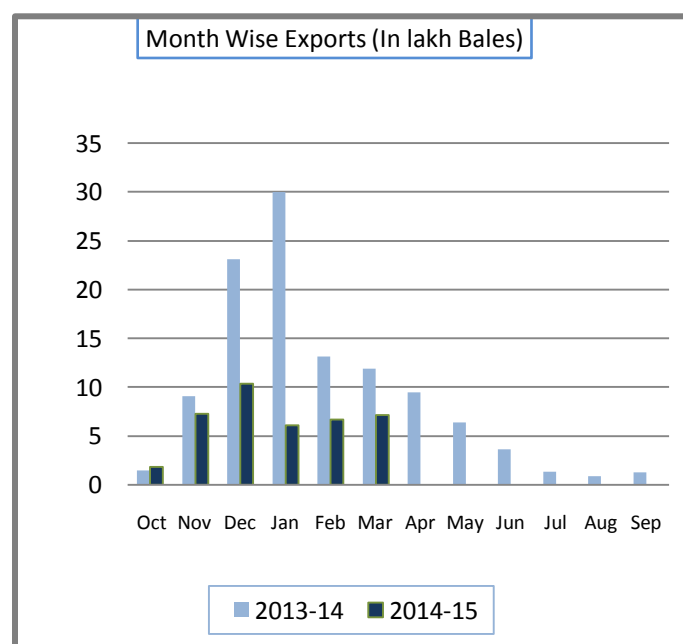
* Inclusive of new crop arrivals in September 2014
** Quantity in lakh bales (of 170 kgs. each)



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



Weekly Export Import Data

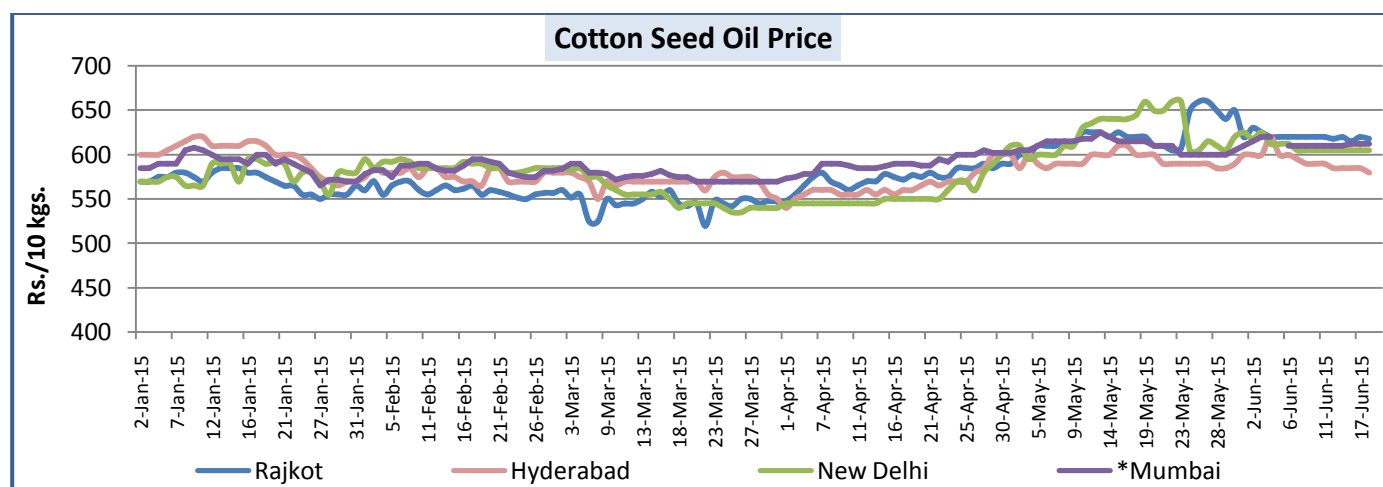
Export/Import	08-14 June 2015	31 May to 07 June 2015
Export (In lakh Bales)	0.449	0.453
Import (In lakh Bales)	0.259	0.254

Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

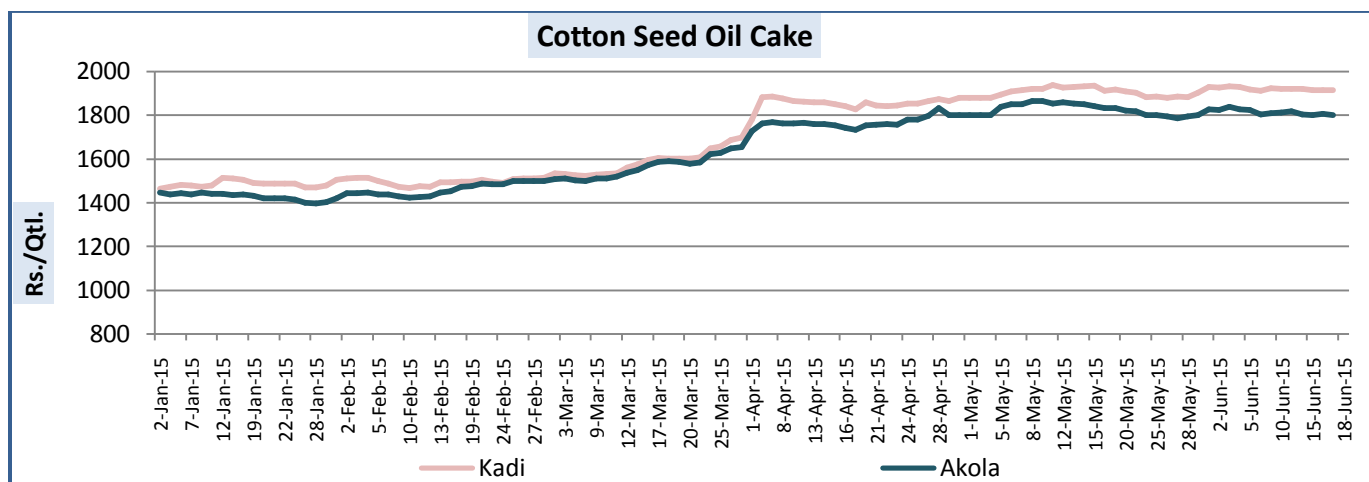
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	18-June-15	11-June-15	
New Delhi	605	607.3	-0.38
Rajkot	618.2	620	-0.29
Hyderabad	584	594.14	-1.71
Mumbai*	611.2	610	0.20
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	18-June-15	11-June-15	
Kadi	1915.25	1917.8	-0.13
Akola	1802.25	1812.8	-0.58



*Source: NCDEX

International Market Scenario

International cotton prices remained dull during the week. Cotlook A index weekly average stood 72.62 cents/pound this week, which was 72.62cents/pound during last week.

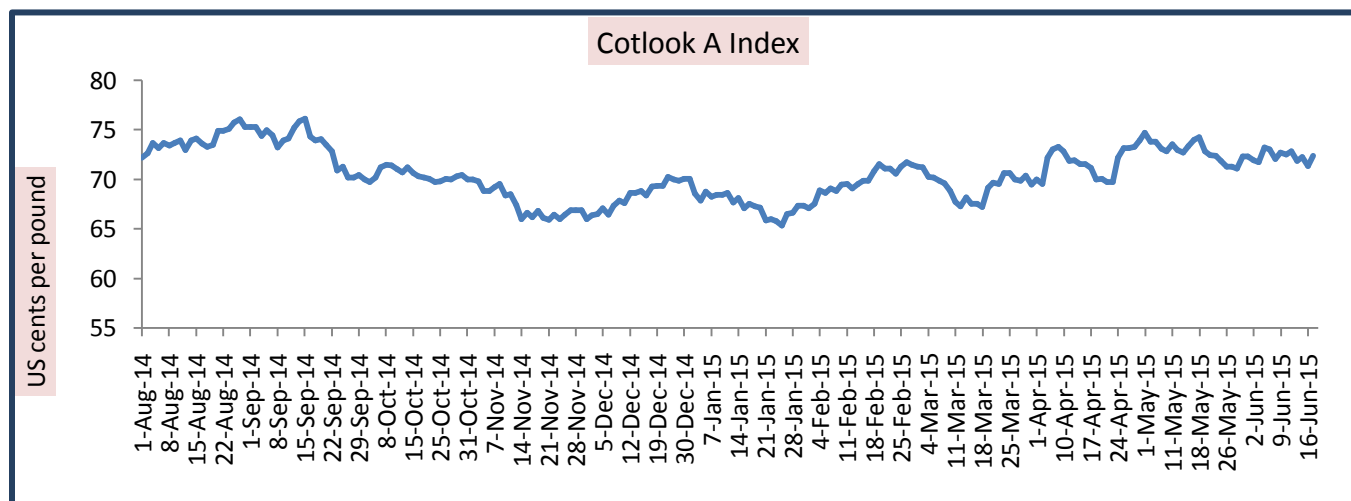
Around 91% of cotton planting has been completed in USA as on June 14 this year, which was 81% last week and 94% last year on same date, according to USDA. The five year average sowing progress is 96% as on date, slightly higher than the current sowing pace.

In the month of May, China imported 163,000 tons of cotton, around 14.8 percent lower when compared to the imports during the same month in 2014. China cotton imports has fallen drastically this year after the country announced that it would restrict low-tariff quotas to 894,000 tons, the amount agreed with World Trade Organization.

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.

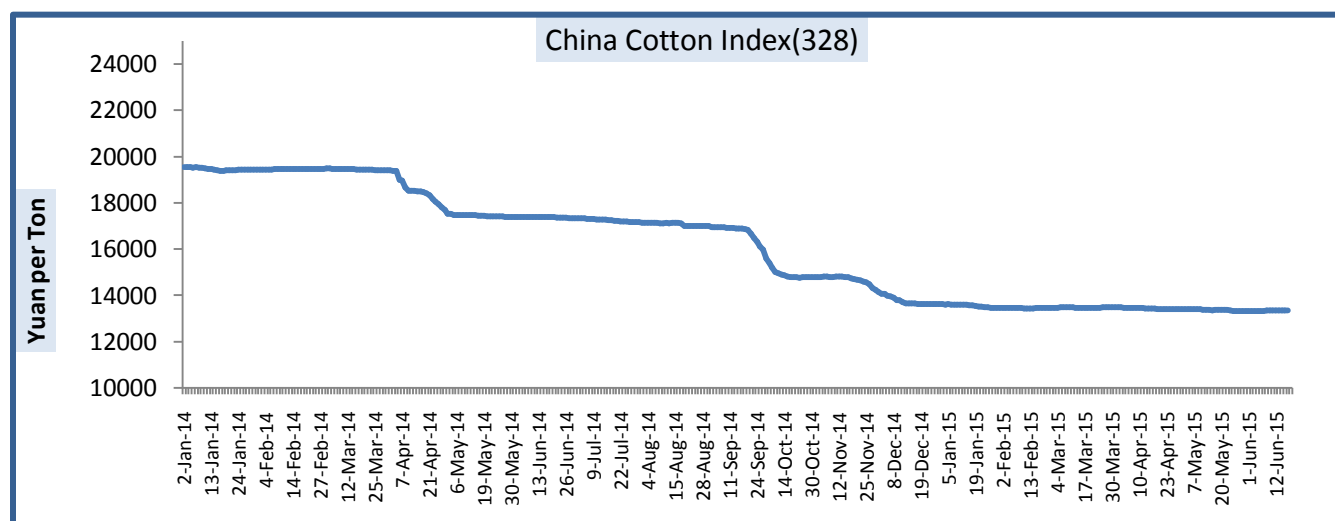
USDA has revised the import estimates of China for the season the 2014-15 at 1.742 million tons in June which was estimated 1.676 million tons earlier in May this season. USDA expects the increase in China cotton imports as the country is carrying the strong demand for high grades of cotton which it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



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	18-June-15	11-June-15	
CC Index(229)	14009	13995	0.10
CC Index(328)	13335	13324	0.08
CC Index(527)	12199	12224	-0.20
Prices in Yuan per Ton			

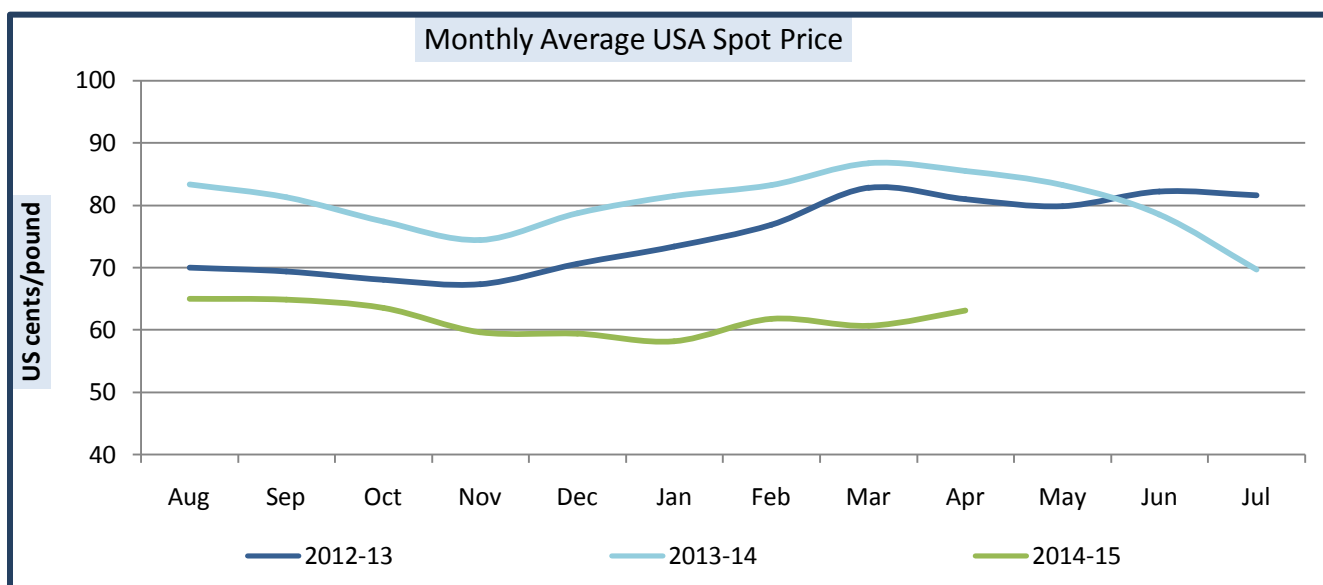


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	18-June-15	11-June-15	
Prices	71.95	72.62	-0.92
Prices in US cents per Pound			

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	18-June-15	11-June-15	
Prices	62.22	62.55	-0.53
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	18-June-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-15	64.08	63.53	64.92	79.91	0.87	-1.29	-19.81
Oct-15	65.88	65.40	66.78	--	0.73	-1.35	--
Dec-15	64.72	64.38	65.18	--	0.53	-0.71	--
Mar-16	64.68	64.57	65.22	--	0.17	-0.83	--
May-16	65.01	64.92	65.48	--	0.14	-0.72	--
Jul-16	65.43	65.25	65.79	--	0.28	-0.55	--

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 18 days EMA.
- MACD centerline is moving in negative territory.
- We expect cotton prices to remain range bound.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound Momentum	905-925

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
895	880	930	940

Figures in Rs. per 20Kgs.

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



Weekly Technical Outlook:

- Candlesticks denote overall downward movement in prices.
- Open Interest is falling along with the prices.
- We expect prices to remain weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	63.00-66.20

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
62.60	61.00	66.60	67.00

Figures in US cents per pound

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