

## Current Market Outlook

**Cotton spot prices noticed firm sentiments during this week as compared to previous week.** Average price of Kapas at Rajkot during the week was Rs. 4690 per quintal, which stood at Rs 4605 previous week.

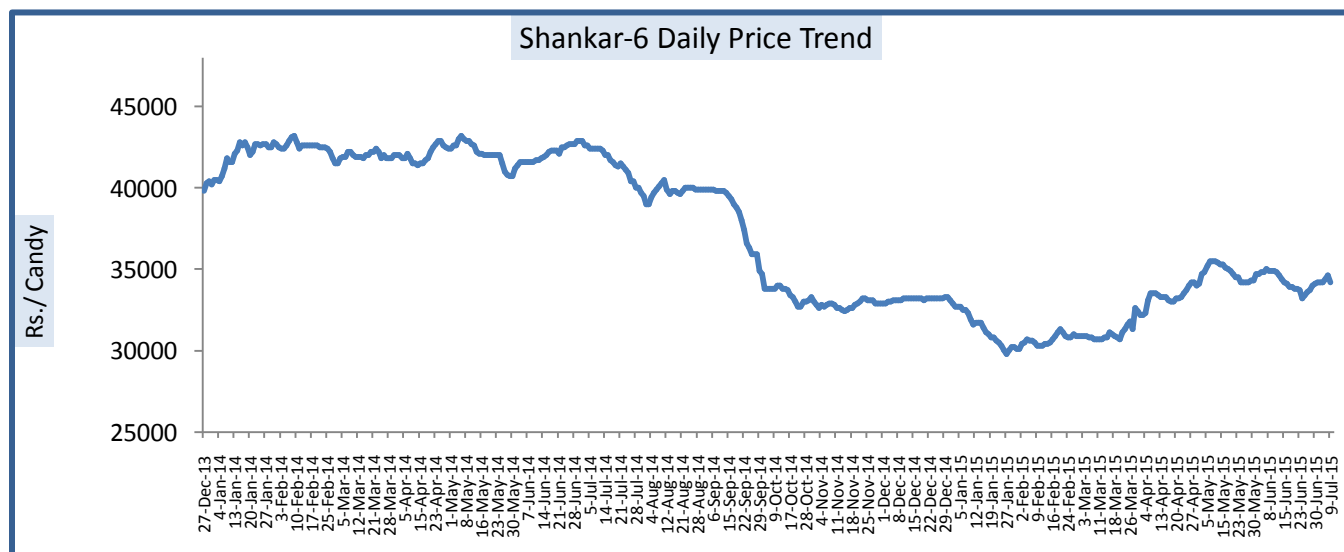
**Around 87.83 lakh hectares of cotton has been sown so far throughout the country, as on 10 July** this year. This is around 94.75% higher when compared to the corresponding sowing progress of last season which was 45.1 lakh hectares, according to Ministry of Agriculture.

**According to the Andhra Pradesh state agriculture department, around 1.064 lakh hectares** of cotton has been sown in the state as on 08 July this year, which is around 14.4% higher when compared to the area sown during the same period last year and about 18.03% lower when compared to normal area as on date.

**The Southern India Mills' Association (SIMA) has urged minister of state for textile** Santosh Kumar Gangwar to look into the e-auction policy of Cotton Corporation of India (CCI) of selling cotton and to instruct CCI to offer at least 50,000 bales - in varied lot sizes and in multiples of 100 bales. It also requested that CCI should offer cotton for sale in each center and each variety in order to help small industry.

**According to Investment Information and Credit Rating Agency of India (ICRA),** cotton prices in year 2016 are likely to remain range bound despite the expectation of fall in production by 10-15%. ICRA in its report said that in the last four years (CY 2011-12 to 2014-15), the global cotton prices and trade were majorly driven by government policies in various producing and consuming countries, despite the increasing supply and negligible growth in demand.

**Cabinet Committee on Economic Affairs (CACP) has revise the Minimum Support Price (MSP) of cotton upwardly for the year 2015-16** 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.



### Domestic Balance Sheet

All figures in Lakh Bales (of 170 Kgs. Each)			
Item	2013-14	2014-15	2015-16**
Opening stock	52.58	58.9	75.4
Crop size	407.25	384.5	384.5
Imports	11.75	12	11.52*
Availability	471.58	455.4	471.42
<b>Demand</b>			
Mill consumption	266.68	274	274
Small Mill consumption	24	26	26
Non-Mill consumption	10	10	10
Total consumption	300.68	310	329.7*
Export	112	70	64.05*
Total Demand	412.68	380	393.75
Ending Stock	58.9	75.4	77.67

Source: \*\*Agriwatch Estimates, \*As Estimated by USDA.

Balance Sheet (2013-14 and 2014-15) as estimated by Cotton Association of India (CAI) April'15 Update

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

Opening stock during the season 2015-16 is likely to be record high at 75.4 lakh bales due to the weaker export in 2014-15.

Cotton acreage is likely to decline by around 5% to 120.65 lakh hectares due to the dull prices cotton fetched during the season 2014-15.

Despite the expectation of fall in cotton acreage, Cotton production in the country is likely to be same as the previous year due to favorable rainfall and weather condition which is expected to boost the yield.

On the higher availability and expectation of weaker export demand, cotton imports are likely to fall slightly in 2015-16.

Cotton consumption is likely to increase this season by around 6% following the higher demand from the spinning mills.

Cotton exports for the consecutive second year is likely to fall due to weaker demand from China, the top cotton importer.

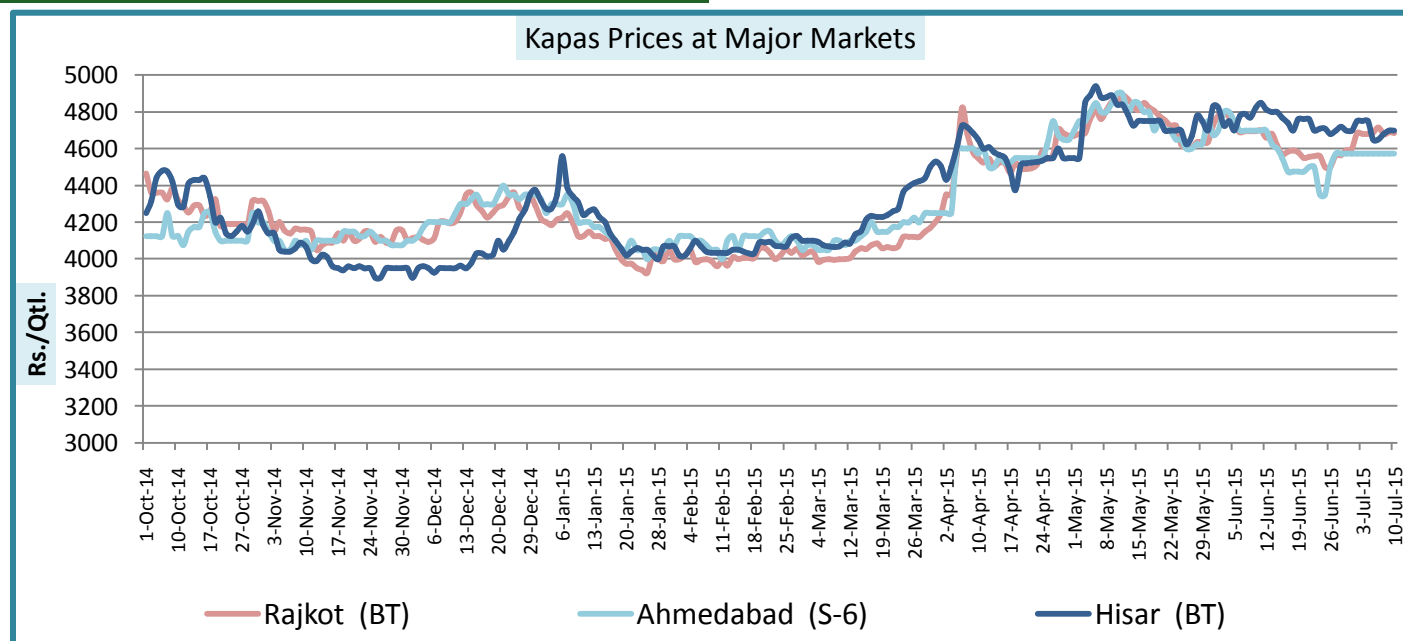
### Domestic Cotton Prices

#### Cotton Prices at Key Spot Centers:

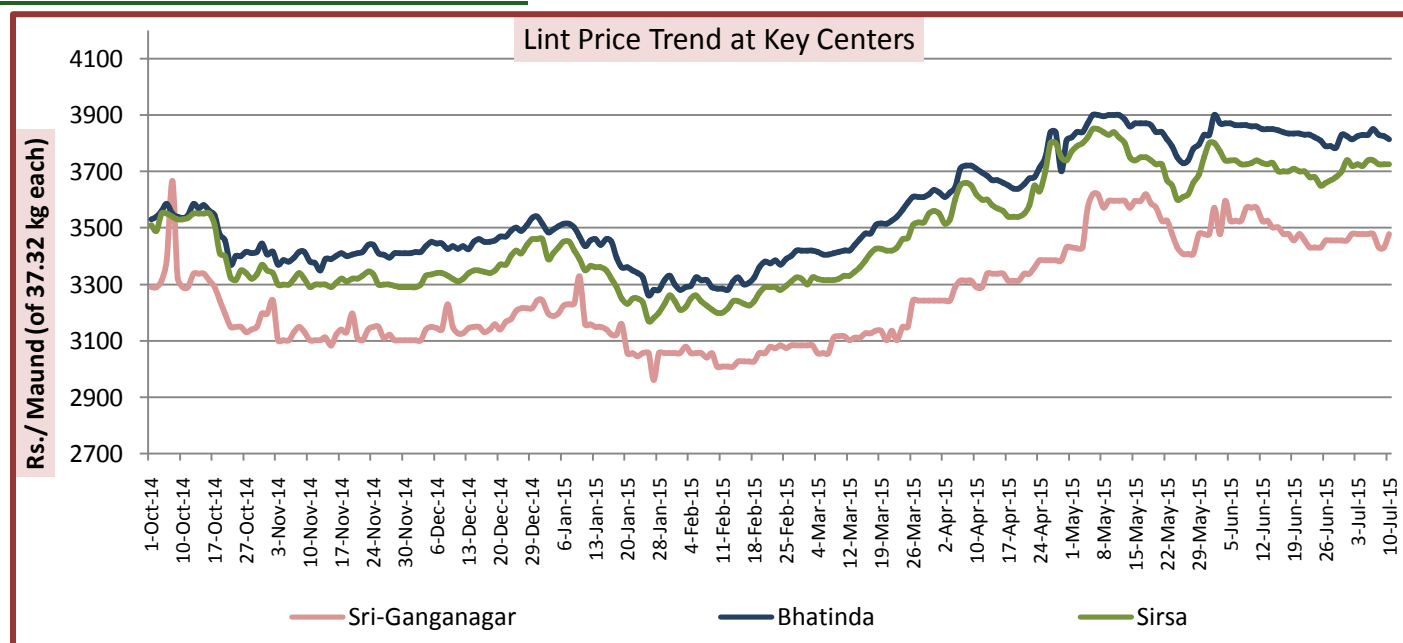
Centre	Variety	Weekly Average Prices as on		Change
		10th July 2015	03rd July 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4700	4700	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4690	4605	85
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4500	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4650	4655	-5
Adampur	B.T. Cotton	4690	4715	-25
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(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	NA	4550	-
Gondal	Shankar-6	4750	4625	125
	<b>Kapas</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	4730	4630	100
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4050	4015	35
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4050	4050	Unch
	<b>Lint</b>	<b>Rs/Maund (of 37.32 kg each)</b>		
Abohar	J-34	3830	3805	25
Muktsar	J-34	NA	NA	-

Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3830	3810	20
Sirsa	J-34	3730	3700	30
Sri-Ganganagar	J-34	3460	3465	-5

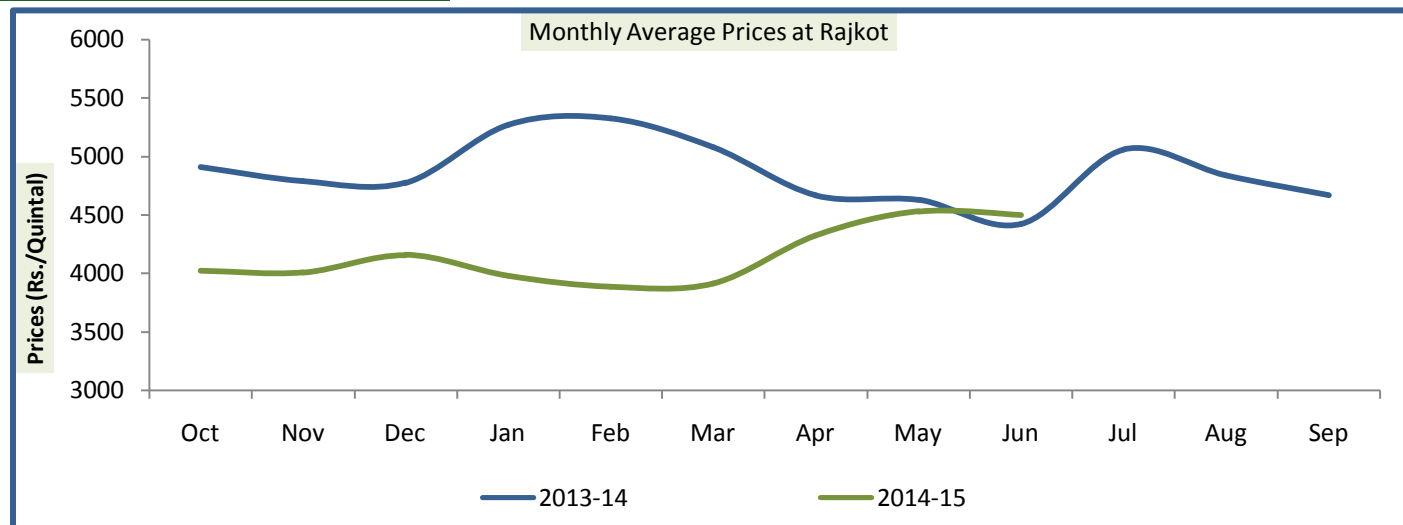
### Price Trend of Kapas (Seed Cotton) at Key Centers:



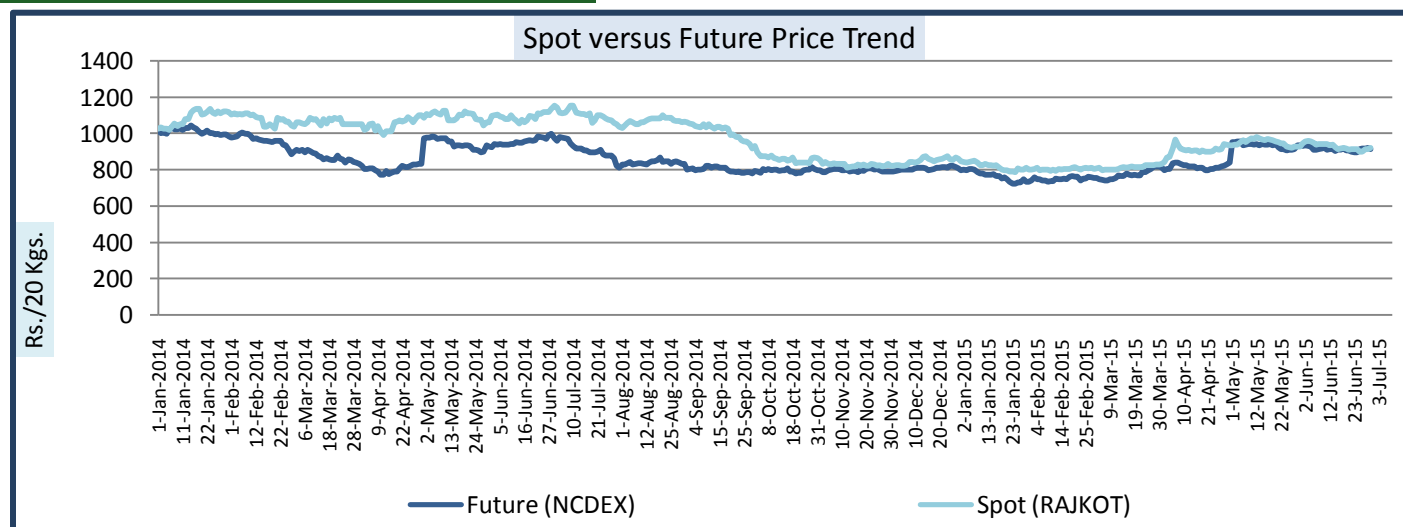
### Price Trend of Lint at Various Centers:



### 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 July 2015	03 July 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34175	34455	-280
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34675	34955	-280
J-34(202)	26mm	3.5 - 4.9	23	35375	35100	275
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32975	32955	20
Shankar-6(105)	29mm	3.5 - 4.9	28	34350	33885	465
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	34845	155
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	35845	155
DCH-32(107)	34mm	3.0 - 3.8	33	44000	44000	Unch

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

### Cotton Arrivals at Key Centers:

Centre	Variety	Weekly Cumulative Arrivals as on (In Qtl.)		Change
		10th July 2015	03rd July 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	2280	2447	-167
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	14	NA	-
Dhrol	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(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	NA	8500	-
Gondal	Shankar-6	2836	2088	748
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1350	2428	-1078
Guntur	Un-Ginned	3	3	Unch
Kurnool	Un-Ginned	3	1	2
Krishna	Un-Ginned	1	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	NA	119	-
Sri-Ganganagar	J-34	NA	NA	-

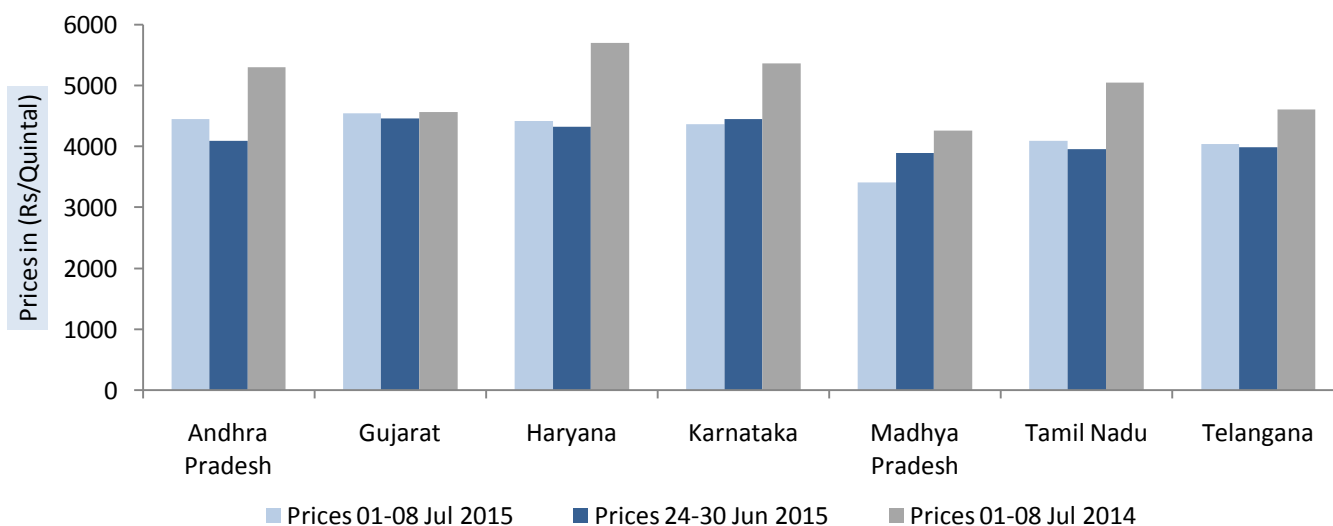
### State wise Scenario

#### State wise Weekly Prices (Rs./Qtl.)

State	Prices 24-30 Jun 2015	Prices 16-23 Jun 2015	Prices 24-30 Jun 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4444.06	4088	5295.53	8.71	-16.08
Gujarat	4537.86	4462.35	4558.72	1.69	-0.46
Haryana	4411	4320	5699.67	2.11	-22.61
Karnataka	4363.08	4450.7	5362.56	-1.97	-18.64
Madhya Pradesh	3407.34	3891.75	4263.38	-12.45	-20.08
Tamil Nadu	4086.38	3950.36	5046.43	3.44	-19.02
Telangana	4038.63	3988.77	4606.02	1.25	-12.32
Average	3780.92	4147.12	4980.33		

Source:Agmarknet

State wise & Average Weekly Prices

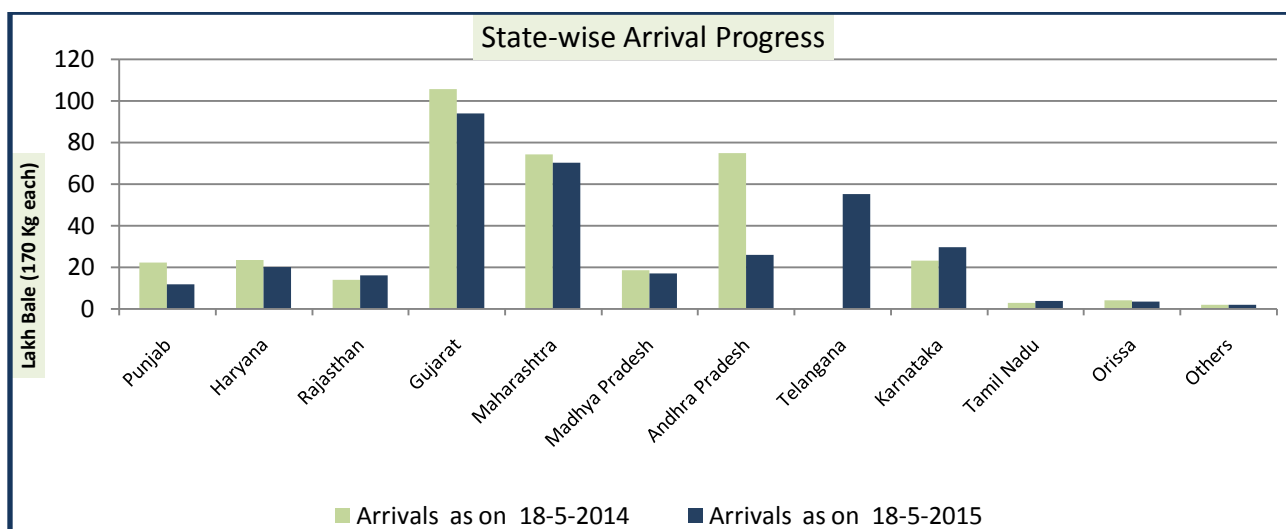


### State wise Arrivals (in lakh bales of 170 kgs each):

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
<b>North Total</b>	<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
<b>Central Total</b>	<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
<b>South Total</b>	<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
<b>Total</b>	<b>6</b>	<b>5.45</b>	<b>6</b>	<b>5.9</b>
<b>Grand Total</b>	<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)



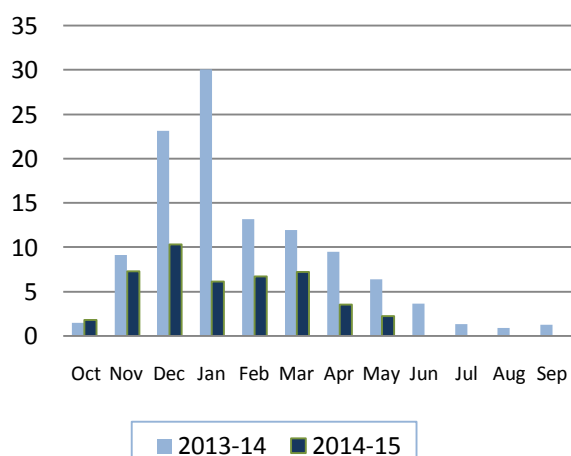


### Cotton Export and Import

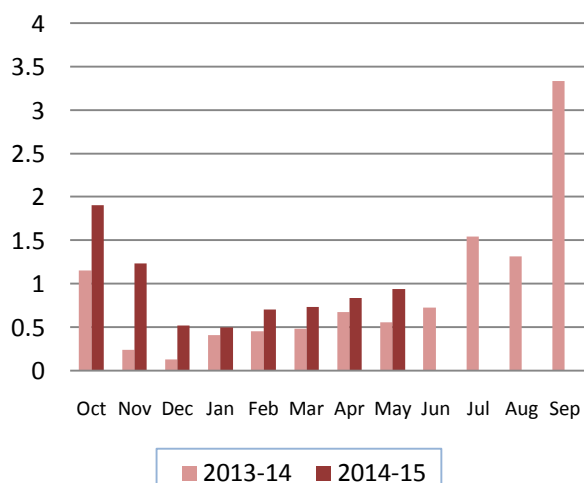
Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	10.34
Jan	30	6.11
Feb	13.15	6.68
Mar	11.9	7.25
Apr	9.46	3.56
May	6.37	2.23
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
<b>Total</b>	<b>111.5</b>	<b>45.3</b>

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	0.740
Apr	0.68	0.84
May	0.56	0.95
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
<b>Total</b>	<b>11.07</b>	<b>7.41</b>

Month Wise Exports (In lakh Bales)



Month Wise Imports (In Lakh Bales)



### Weekly Export Import Data

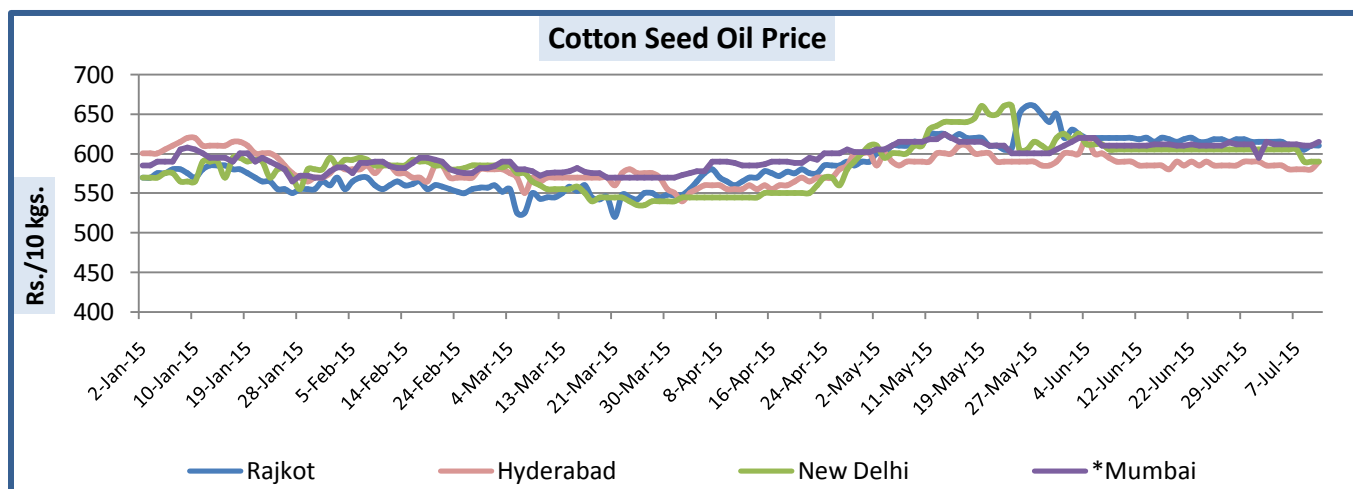
Export/Import	15-21 June 2015	08-14 June 2015
Export (In lakh Bales)	0.439	0.449
Import (In lakh Bales)	0.297	0.259

Source: IBIS

## Cotton Seed Oil and Cotton Seed Oil Cake

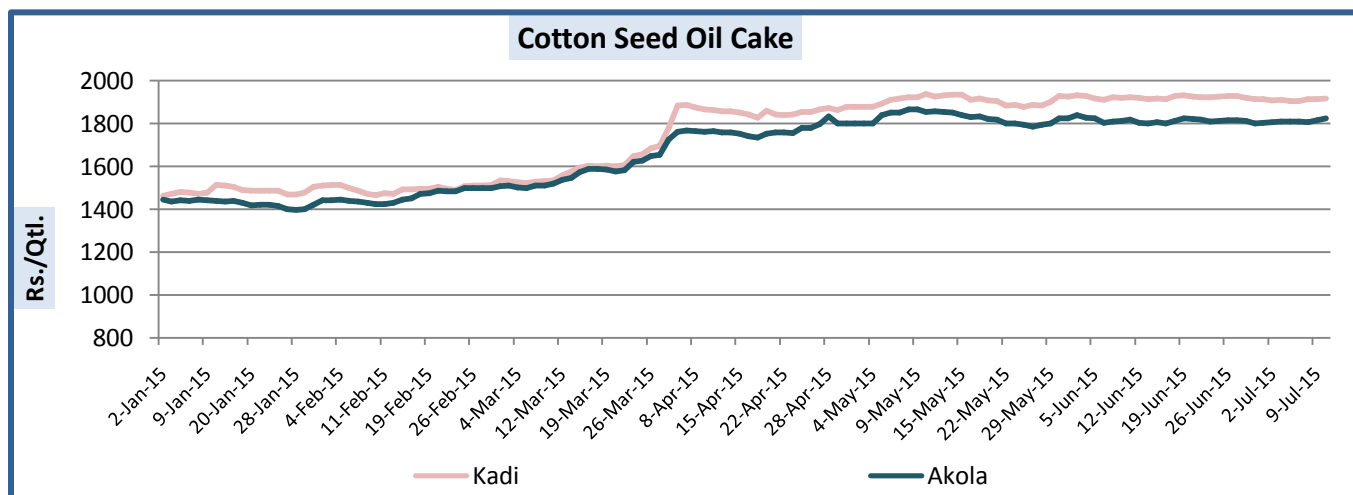
### Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	10-July-15	03-July-15	
New Delhi	596	605	-1.49
Rajkot	608	616	-1.30
Hyderabad	582	588	-1.02
Mumbai*	612	609	0.49
*Vat Included			



### Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	10-July-15	03-July-15	
Kadi	1910	1912	-0.10
Akola	1812	1806	0.33



\*Source: NCDEX

## International Market Scenario

**International cotton prices remained weak during this week.** Cotlook A index weekly average stood at 73.31 cents/pound this week, which was 74.43cents/pound during last week.

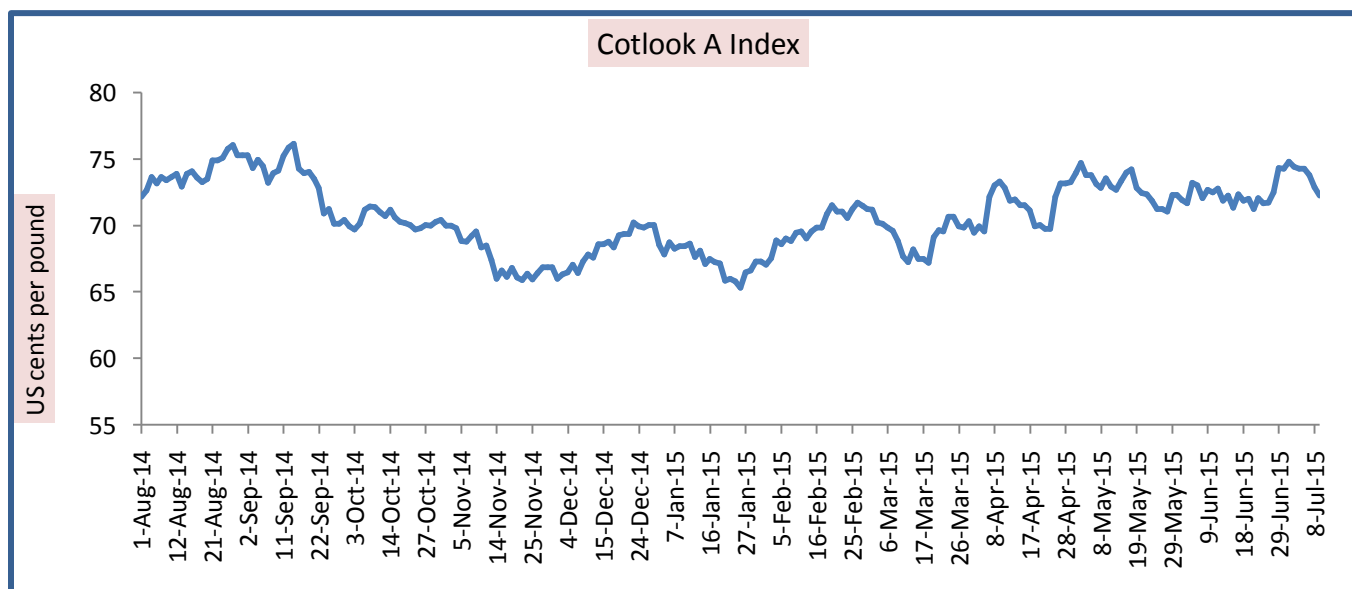
**USDA has slashed down the cotton acreage estimates for the country.** In its June estimates, USDA gave the estimate of 8.998 million acre to be planted cotton, which was projected at 9.549 million acres in March and the trade estimate for the same was 9.429 million acre. It should be noted that the actual area under cotton in 2014-15 was 11.037 million acres.

**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.

**The world's biggest cotton consumer China, would sell the initial volume of 1 million tonnes of cotton** from its state reserve during July and August in the current year, according to country's top planner. 330000 tonnes of domestic cotton from the 2011 crop with the floor price of 13,200 Yuan per tonne, 470,000 tonnes of domestic cotton from 2012 at 14,200 Yuan per tonne, and 200,000 tonnes of imported cotton from the 2012 crop at 15,500 Yuan per tonne would be offered at Beijing for the sale.

**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.

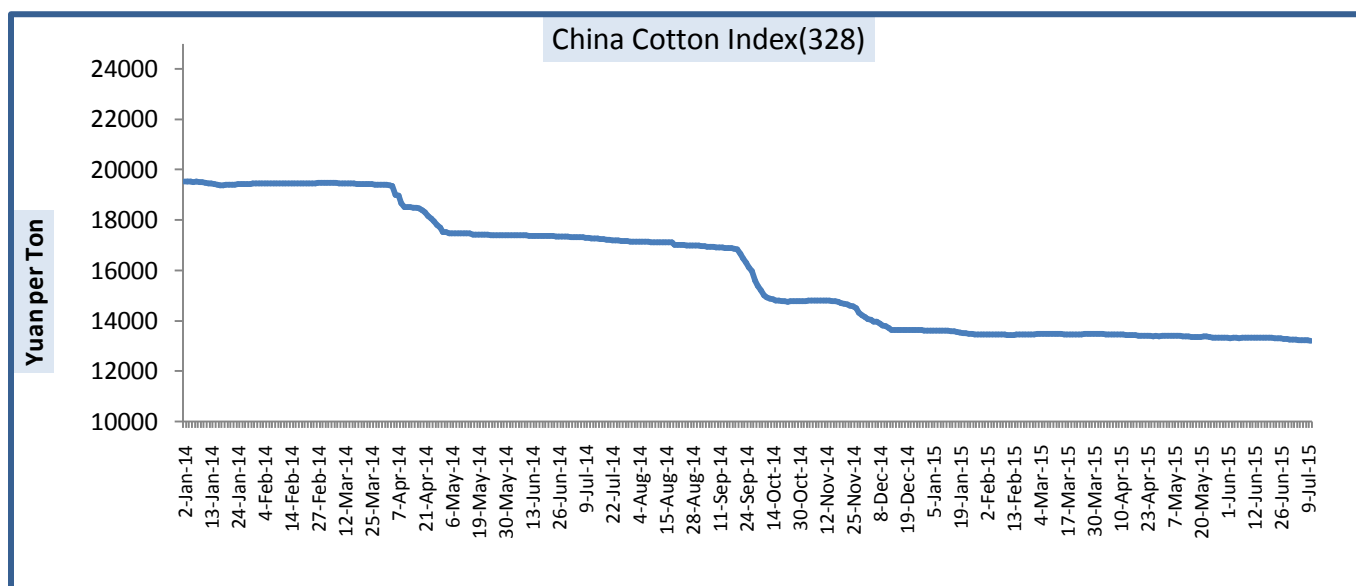
**In its June estimates, USDA lowered the world cotton exports estimates for the season 2015-16** by around 0.42% to 7.36 million tons as compared to the estimates of previous month which was 7.329 million tons. The export during the season 2015-16 would be around 1.06% lower when compared to the export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



### International Prices and Indices

#### China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	10-July-15	03-July-15	
CC Index(229)	13860	13933	-0.52
CC Index(328)	13217	13250	-0.25
CC Index(527)	12101	12120	-0.16
Prices in Yuan per Ton			

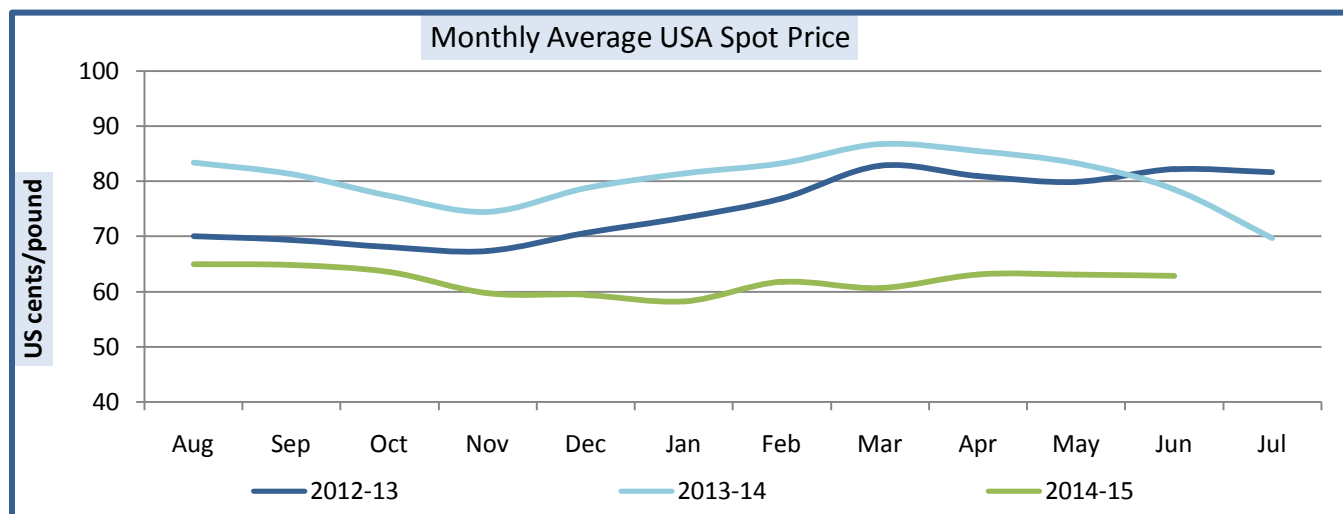


#### Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	10-July-15	03-July-15	
Prices	73.31	74.43	-1.50
Prices in US cents per Pound			

#### USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	10-July-15	03-July-15	
Prices	63.03	64.80	-2.73
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	72.35	-20.41
July	83.83		

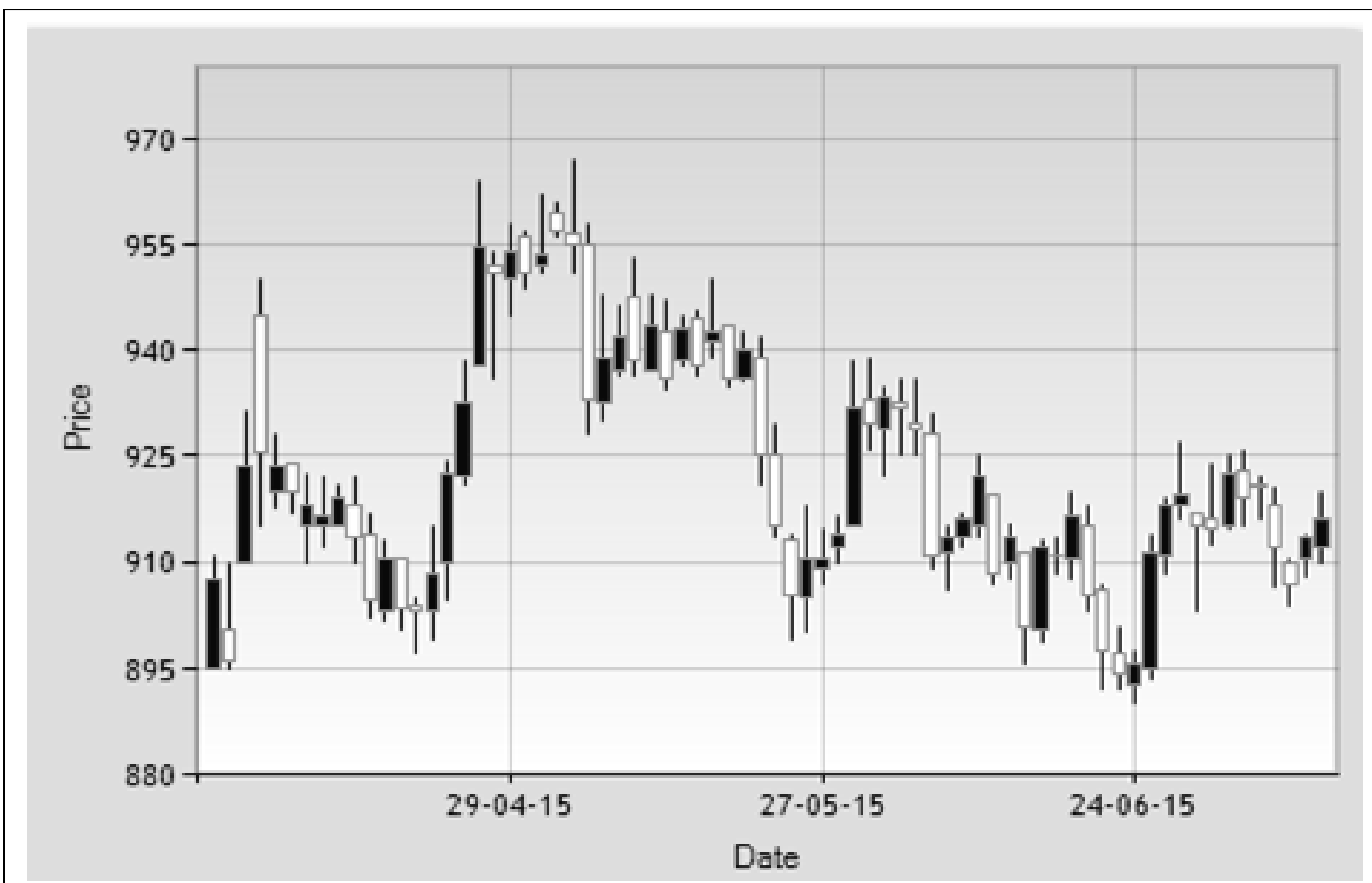
**Cotton Futures (ICE):**

Contracts	09-July-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
<b>Jul-15</b>	64.83	66.36	64.55	84.55	-2.31	0.43	-23.32
<b>Oct-15</b>	65.71	67.57	66.38	--	-2.75	-1.01	--
<b>Dec-15</b>	65.86	67.39	65.37	--	-2.27	0.75	--
<b>Mar-16</b>	65.80	67.42	65.70	--	-2.40	0.15	--
<b>May-16</b>	65.82	67.33	66.02	--	-2.24	-0.30	--
<b>Jul-16</b>	65.99	67.24	66.37	--	-1.86	-0.57	--

Figures in US cents per pound

## Cotton Futures

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



### Weekly Technical Outlook:

- Candlesticks denote overall bearish momentum in the future market.
- On week on week basis too prices have fallen down.
- We expect prices to remain in range in coming days.

### 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
900	890	935	940

Figures in Rs. per 20Kgs.

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

**Weekly Technical Outlook:**

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

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Range Bound to Bearish Momentum	64-67

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
63.60	63.00	68.60	69.00

Figures in US cents per pound

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