

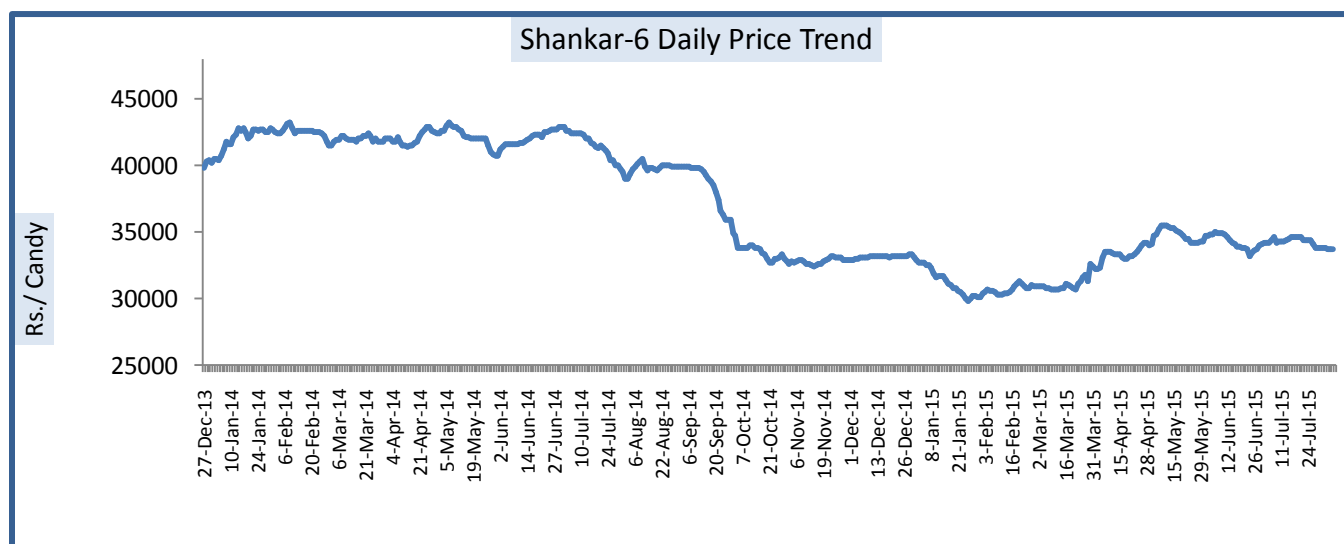
Current Market Outlook

Market Highlight: According to International Cotton Advisory Committee (ICAC), India is likely to produce 6.4 million tons of cotton in 2015-16, 2% lower as compared to the previous year. Cotton stock in the country by the end of current season (Oct'14-Sept'15) is likely to be around 2.2 million tons. By the end of July, CCI has sold around 650,000 tonnes of cotton from the total procured amount of 1.5mt. ICAC believes that the cotton export during the season 2014-15 would stand 51% lower year on year basis at 980,000 tonnes.

Domestic Weekly Price Outlook: Cotton prices in domestic markets are ruling weak following the lackluster demand in domestic and International market. Average price of Kapas at Rajkot during the week was Rs. 4660 per quintal, which stood at Rs 4690 previous week. In the coming week we expect price to touch the level of Rs. 4600 per quintal in the bench mark market. For the other spot market we expect the range of Rs. 4500-4650 per quintal. Kapas prices at NCDEX, is expected to hover in the range of Rs.825-855 per maund (of 20 kg each).

Agriwatch Production Estimates 2015-16: Despite the moderate rise in the MSP of cotton and lower cotton seed prices, cotton acreage is expected to fall by around 7.5% this season. Under the reduced acreage and current rainfall situation cotton production in 2015-16 is likely to be around 368.6 lakh bales, lower as compared to current season. Cotton production in current season would stand around 382.75 lakh bales, according to Cotton Association of India (CAI).

Cotton Sowing Progress: Around 105.68 lakh hectares of cotton has been sown so far throughout the country, as on 07 August this year. This is around 5.84% lower than the corresponding sowing progress of last season which was 112.24 lakh hectares, according to Ministry of Agriculture.



Domestic Balance Sheet

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, *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 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.

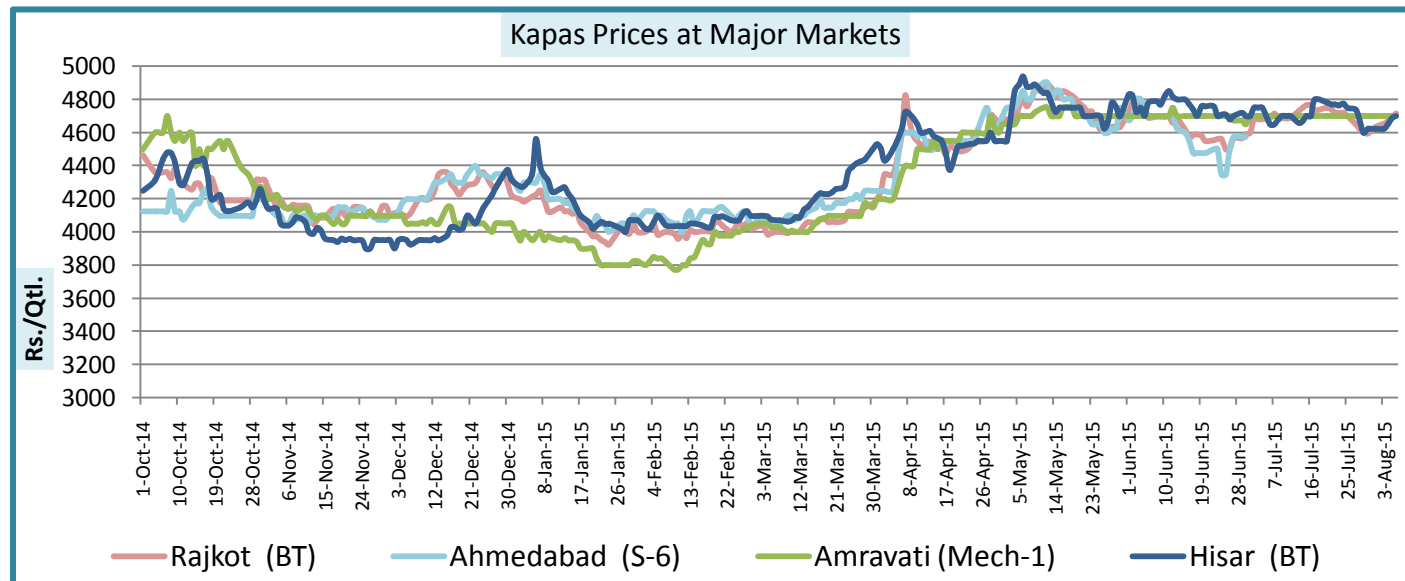
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

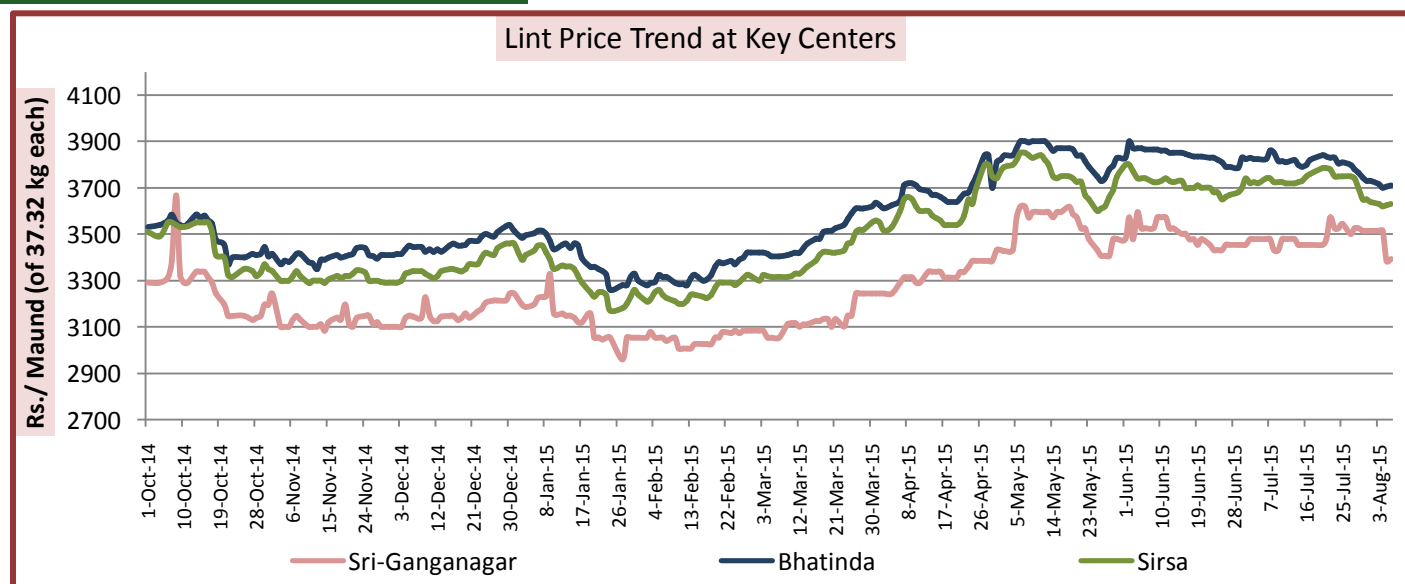
Centre	Variety	Weekly Average Prices as on		Change
		6th Aug 2015	30th July 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4700	4700	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4660	4690	-30
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4500	4525	-25
Adampur	B.T. Cotton	4655	4670	-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	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	NA	NA	-
Gondal	Shankar-6	4615	4655	-40
	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	4245	4605	-360
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4050	3945	105
Krishna	Un-Ginned	4120	4085	35
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	(Rs./Maunder of 37.32kg each)		
Abohar	J-34	3690	3760	-70

Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3715	3770	-55
Sirsa	J-34	3635	3705	-70
Sri-Ganganagar	J-34	3390	3520	-130

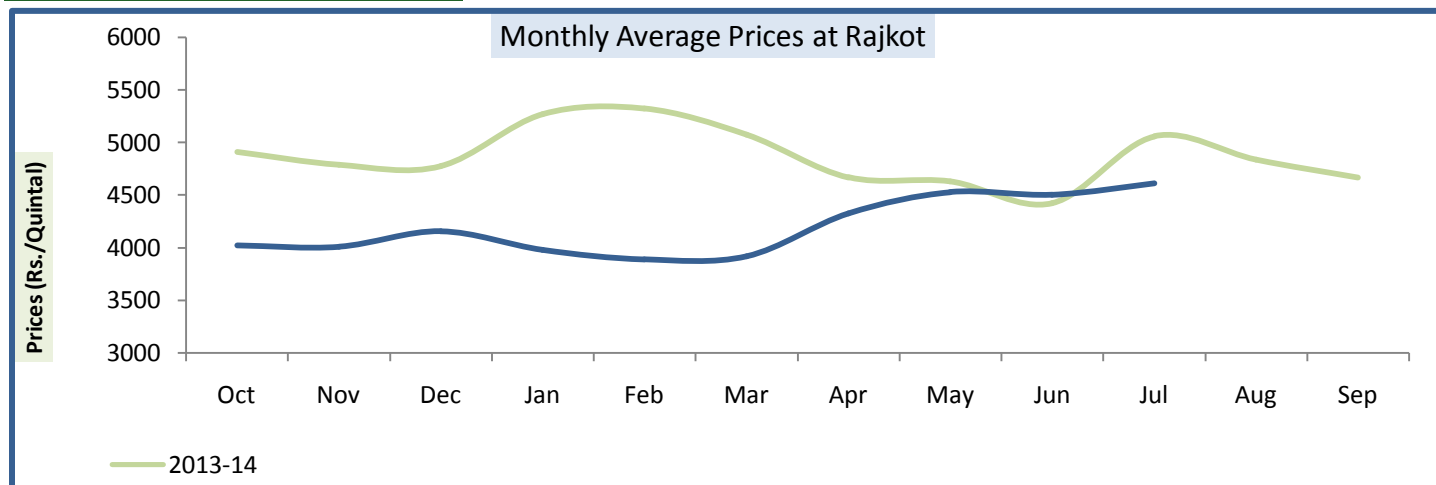
Price Trend of Kapas (Seed Cotton) at Key Centers:



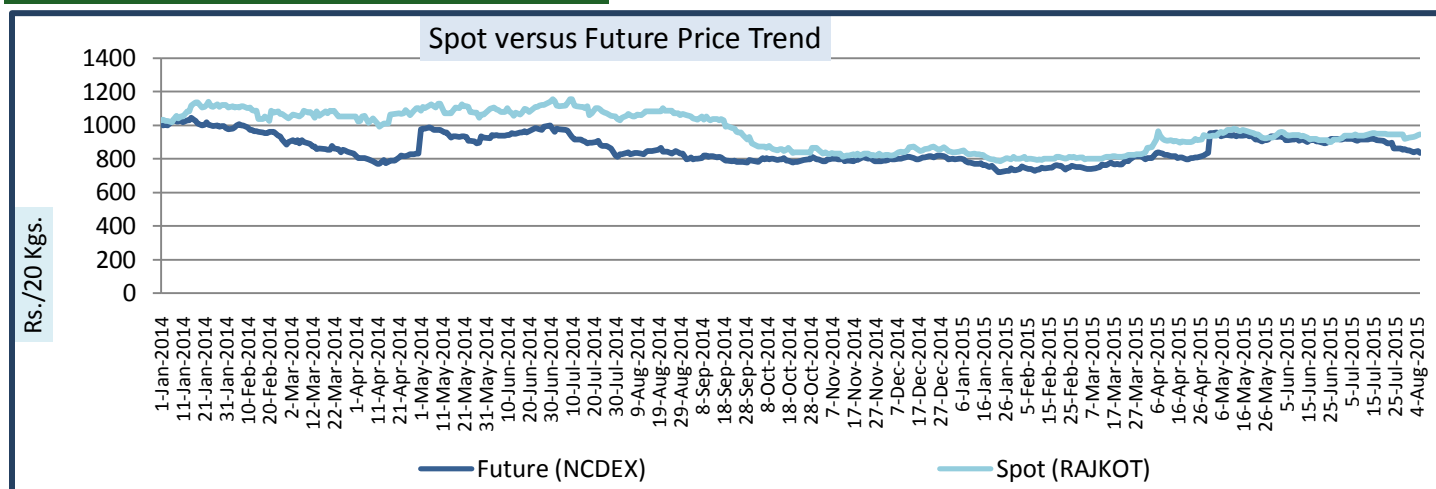
Price Trend of Lint at Various Centers:



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
				05 August 2015	29 July 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33200	NA	-
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	33700	NA	-
J-34(202)	26mm	3.5 - 4.9	23	32980	NA	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31740	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	33740	NA	-
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34240	NA	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35240	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	42700	NA	-

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

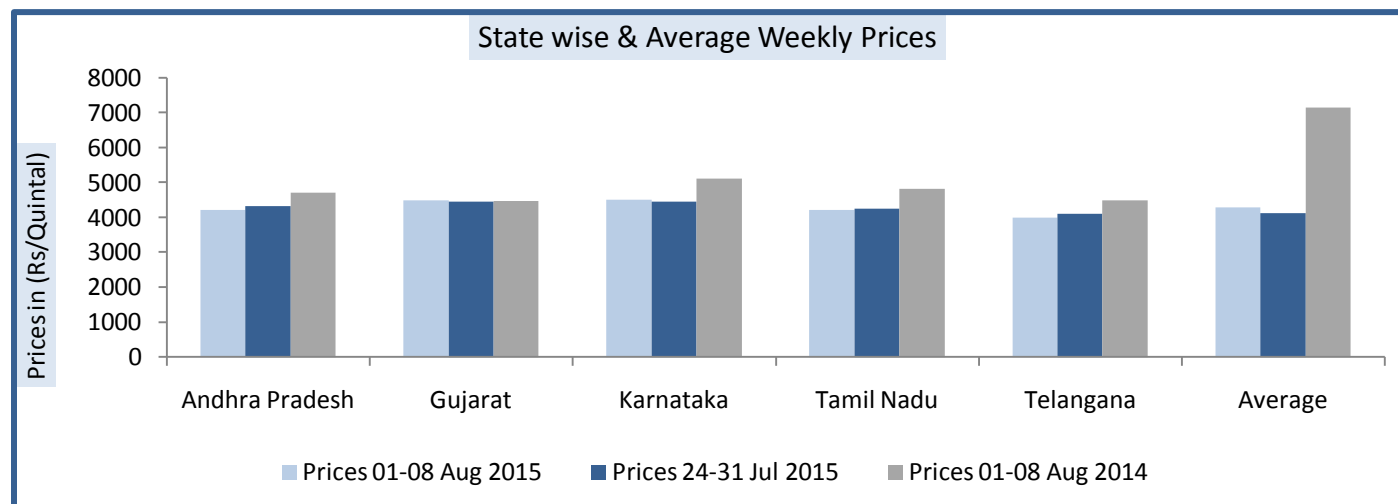
Cotton Arrivals at Key Centers:

Centre	Variety	Weekly Cumulative Arrivals (Qtl)		Change
		6th Aug 2015	30th July 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	2120	200	1920
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	NA	NA	-
Gondal	Shankar-6	547	408	139
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	133	466	-333
Guntur	Un-Ginned	5	5	Unch
Kurnool	Un-Ginned	4	4	Unch
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	NA	-
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (at MajorStates):

State	Prices 01-08 Aug 2015	Prices 24-31 Jul 2015	Prices 01-08 Aug 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4218.9	4312.91	4698.27	-2.18	-10.2
Gujarat	4476.76	4448.36	4469.44	0.64	0.16
Karnataka	4500.86	4456.96	5116.05	0.98	-12.02
Tamil Nadu	4205.67	4250.16	4808.44	-1.05	-12.54
Telangana	3998.92	4099.97	4492.8	-2.46	-10.99
Average	4280.22	4109.93	7140.71		

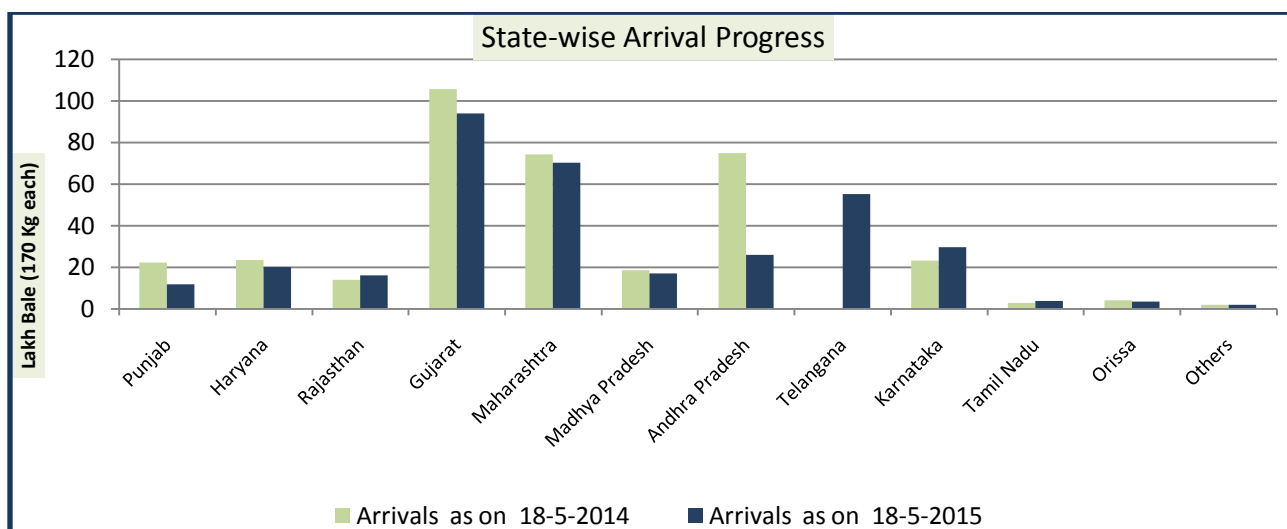


State wise Arrivals (in lakh bales of 170 kgs each):

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

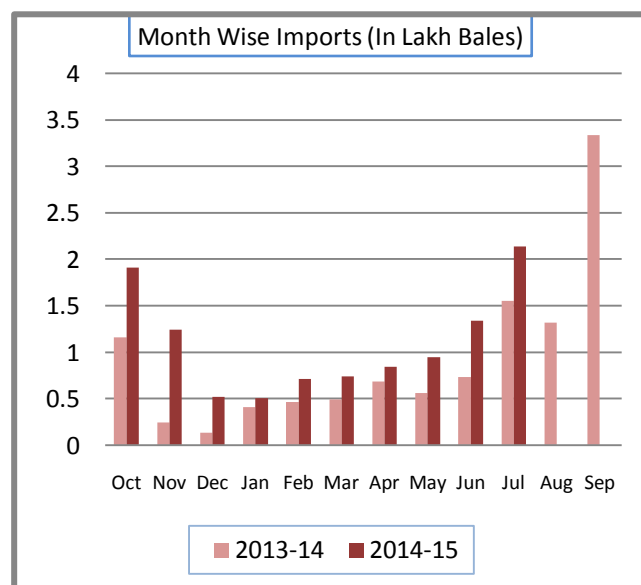
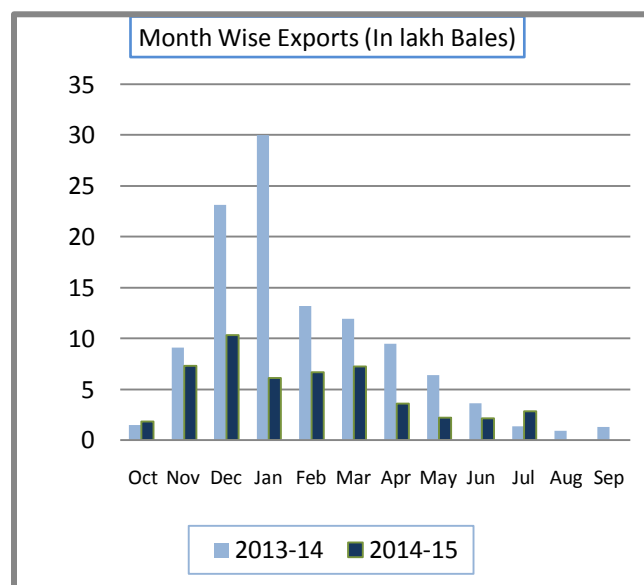
* Inclusive of new crop arrivals in September 2014
** Quantity in lakh bales (of 170 kgs. each)



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	7.25
Apr	9.46	3.56
May	6.37	2.23
Jun	3.62	2.135
Jul	1.32	2.813
Aug	0.87	
Sep	1.24	
Total	111.5	50.2

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	1.337
Jul	1.55	2.136
Aug	1.32	
Sep	3.34	
Total	11.07	10.88



Weekly Export Import Data

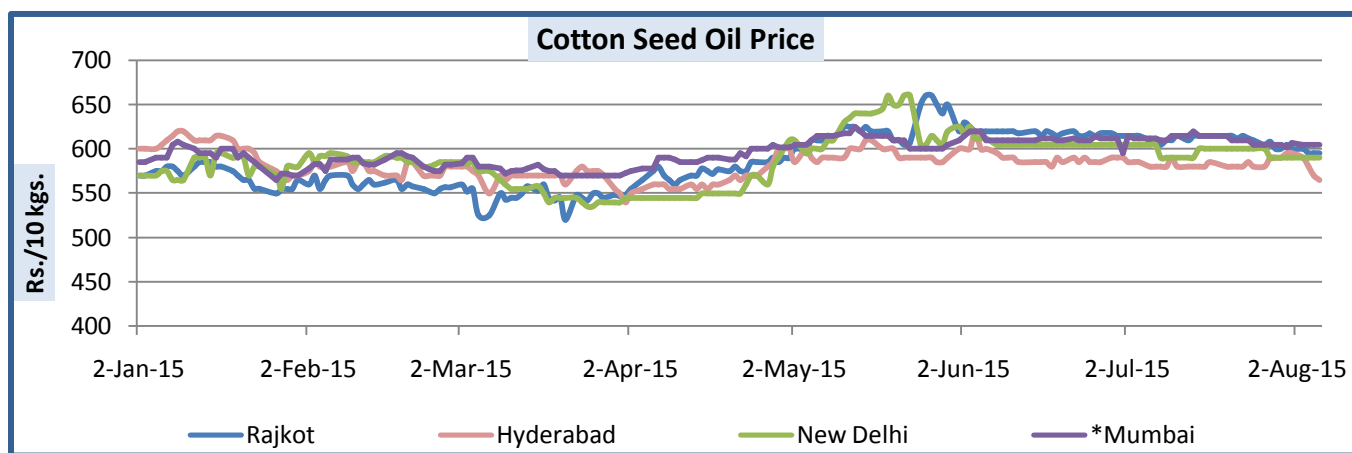
Export/Import	27 July-02 August 2015	20 July-26 July 2015
Export (In lakh Bales)	0.691	0.601
Import (In lakh Bales)	0.34	0.405

Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

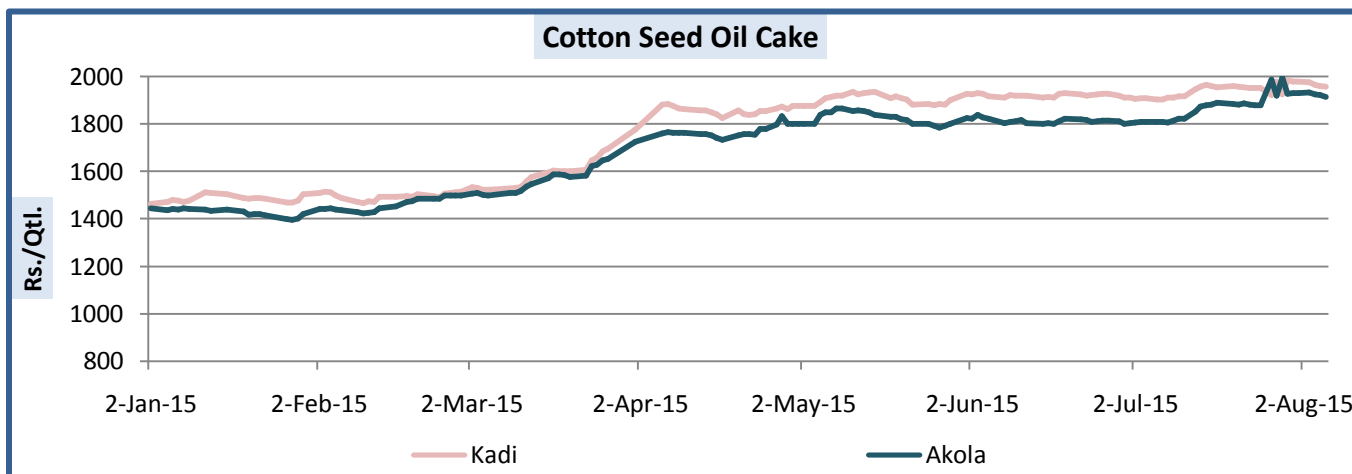
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	07-August-15	31-July-15	
New Delhi	590	594	-0.67
Rajkot	597	605	-1.32
Hyderabad	580	587.5	-1.28
Mumbai*	605.4	604.5	0.15
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	07-August-15	31-July-15	
Kadi	1968.4	1957	0.58
Akola	1925.8	1940.5	-0.76



*Source: NCDEX

International Market Scenario

International cotton prices remained firm during this week. Cotlook A index weekly average stood at 71.8 cents/pound this week, which was 71.12 cents/pound during last week.

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.

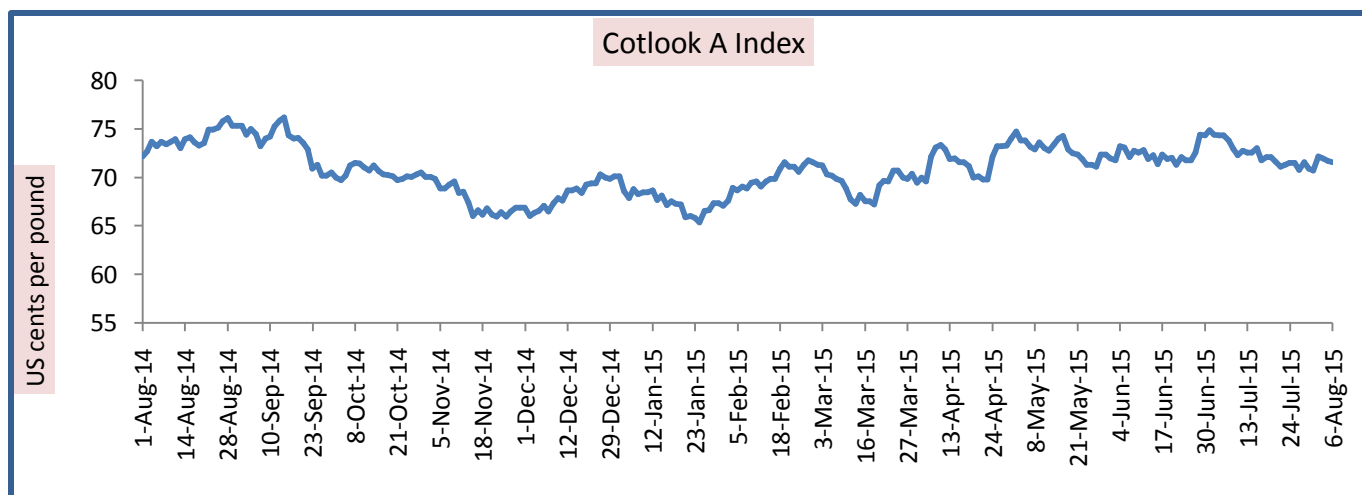
USA, the major cotton exporter is likely to export lesser this season that is 2015-16 due to lower production. According to USDA, USA is likely to export 2.351 million tonnes of cotton, around 1.8% lower as compared to previous season's export which was 2.39 million tones.

World cotton consumption in 2015-16 is expected to increase by around 3.22% as compared to the season 2014-15. China, whose consumption was continuously decreasing over the past three years, is expected to consume more this year i.e. in year 2015-16.

USDA estimated cotton imports to be around 7.41 million tons in 2015-16, around 1.5% lower when compared to the imports in the current season i.e. 2014-15. It should be noted that the net fall in the cotton imports is caused by the lower cotton imports by China, otherwise all the major importing nation are expected to import higher in 2015-16.

In its July estimates, USDA estimated world cotton export to be around 7.413 million tones in season 2015-16, around 1.6% lower when compared to export season 2014-15. Except India and Uzbekistan, where exports would be on higher side and Burkina where export would remain steady, all the major exporting countries are likely to face fall in exports.

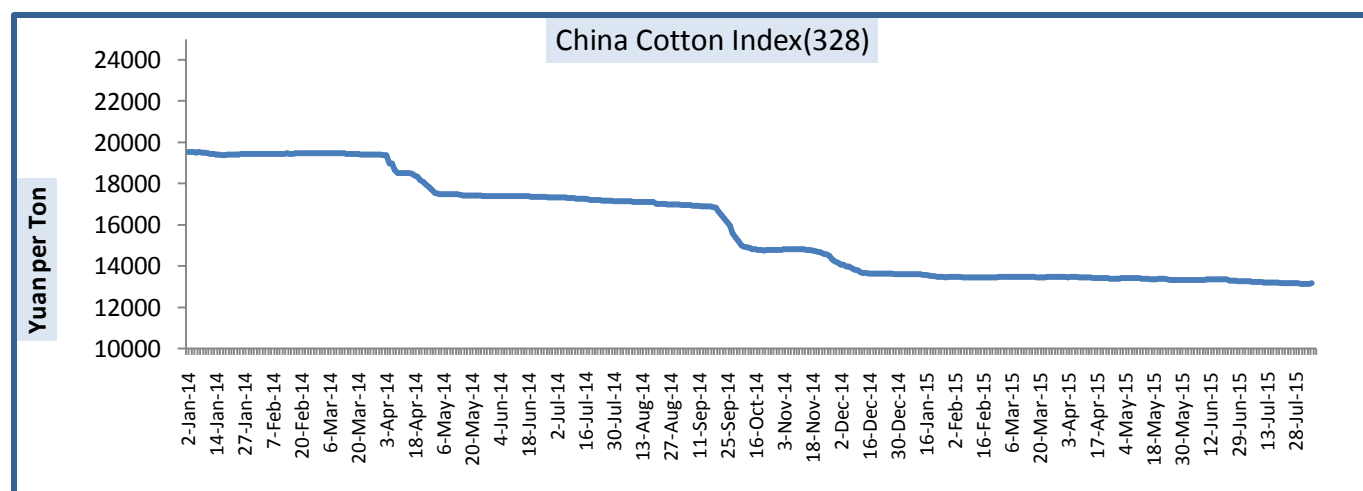
According to the latest estimates by USDA, cotton production on global front is likely to be around 24.26 million tons in 2015-16, around 6.32% lower when compared to the production in 2014-15. Except India and Uzbekistan, where production is likely to remain same as in the current year, all the major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



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	07-August-15	31-July-15	
CC Index(229)	13768	13790	-0.16
CC Index(328)	13140	13148	-0.06
CC Index(527)	12030	12043	-0.11
Prices in Yuan per Ton			

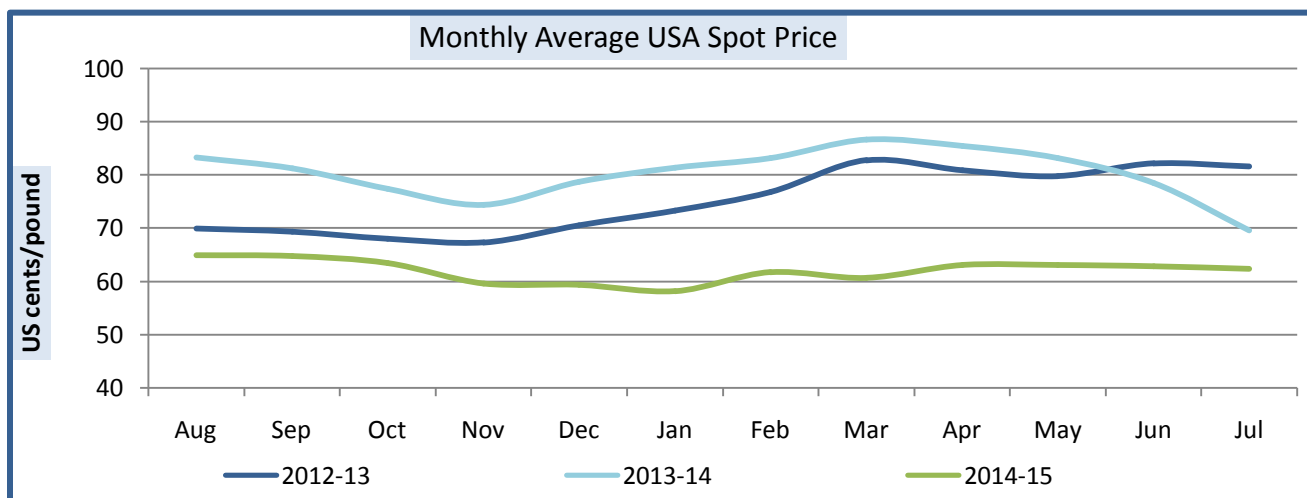


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	07-August-15	31-July-15	
Prices	71.8	71.12	0.96
Prices in US cents per Pound			

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	07-August-15	31-July-15	
Prices	61.67	60.86	1.33
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	72.35	-13.70

Cotton Futures (ICE):

Contracts	06-Aug-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-15	63.5	63.66	67.28	67.52	-0.25	-5.62	-5.95
Dec-15	62.26	63.55	66.95	--	-2.03	-7.01	--
Mar-16	62.35	63.57	66.80	--	-1.92	-6.66	--
May-16	62.8	63.86	66.74	--	-1.66	-5.90	--
Jul-16	63.2	64.18	66.89	--	-1.53	-5.52	--
Oct-16	63.4	64.37	--	--	-1.51	--	--

Figures in US cents per pound

Cotton Futures Price Outlook

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



Weekly Technical Outlook:

- Candlesticks denote overall weak momentum in the future market.
- Prices remained range bound during the week.
- RSI is moving low in oversold region.
- Prices closed below the 9 and 18 days EMA.
- MACD denotes bearish centerline and signal line movement.
- We expect prices to remain sideways to weak.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound to Bearish Momentum	825-855

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
820	815	865	870

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

- Candlesticks denoteweak 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 pricesto remain weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	63.20-61.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.60	60.00	63.60	64.00

Figures in US cents per pound

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