

## Current Market Outlook

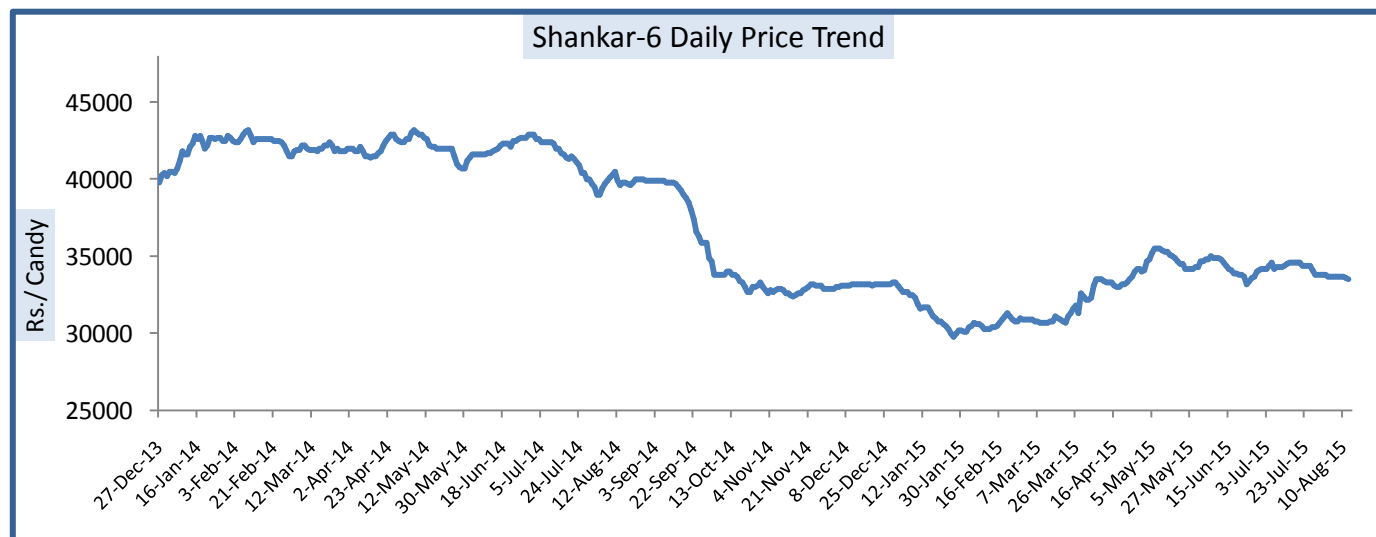
**Market Highlight:** India's cotton production estimates for season 2015-16 by USDA have been revised downwardly at 6.314 million tons (371.4 Lakh bales, of 170 kg each), around 4.5% lower when compared to the estimates of previous month i.e. 6.423 million tons (377.8 Lakh bales, of 170 kg each).

**Domestic Weekly Price Outlook:** Cotton prices in domestic markets remained slightly firm during the week following the lower production estimates released by USDA. Average price of Kapas at Rajkot during the week was Rs. 4665 per quintal, which stood at Rs 4660 previous week. In the coming week we expect price to remain in range of Rs. 4650-4685 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.845-885 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 ending in September, 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.

Around 95.78% of the cotton sowing has been completed in Gujarat against the normal area under cotton in state, according to State Agriculture Department. Area sown for cotton as on 10 August 2015 stood 26.11 lakh hectares in Gujarat against the total normal area of 27.26 lakh hectares and previous year as on date area of 29.30 lakh hectares. In Andhra Pradesh, around 69% of the cotton planting against the normal area under cotton in the state has been completed so far. Around 4.032 lakh hectares of cotton has been planted as on 12 August 2015 which is around 26.4% lower when compared to the area sown for cotton during the same period last year.



### 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.

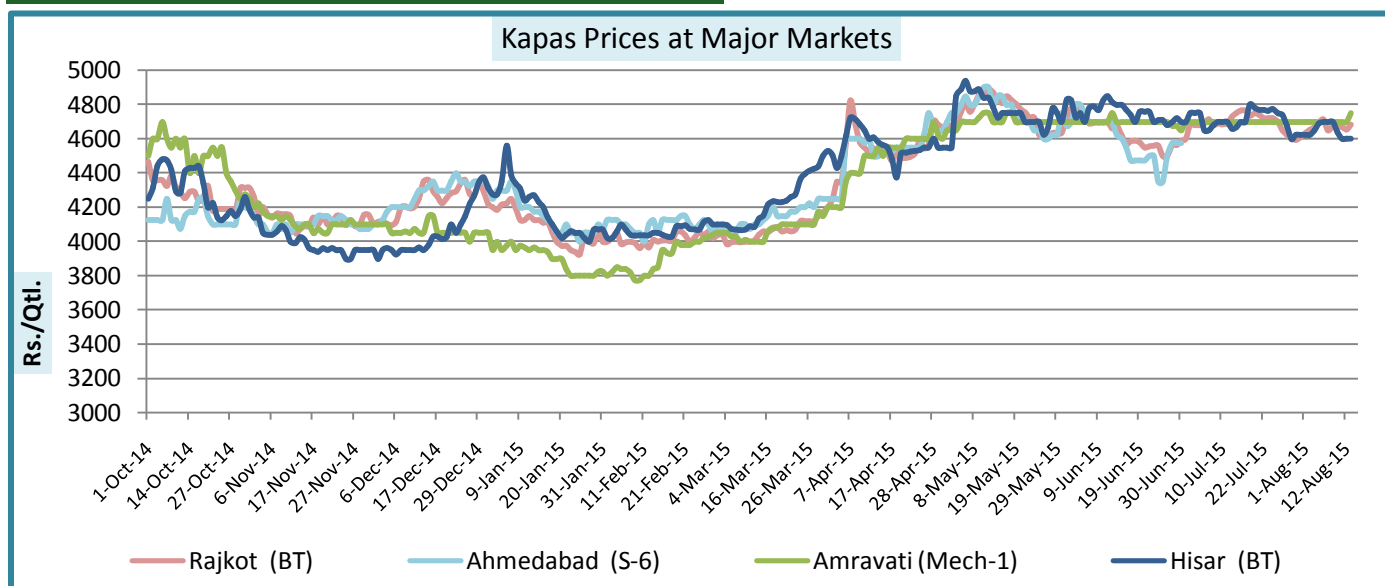
### Domestic Cotton Prices

#### Cotton Prices at Key Spot Centers:

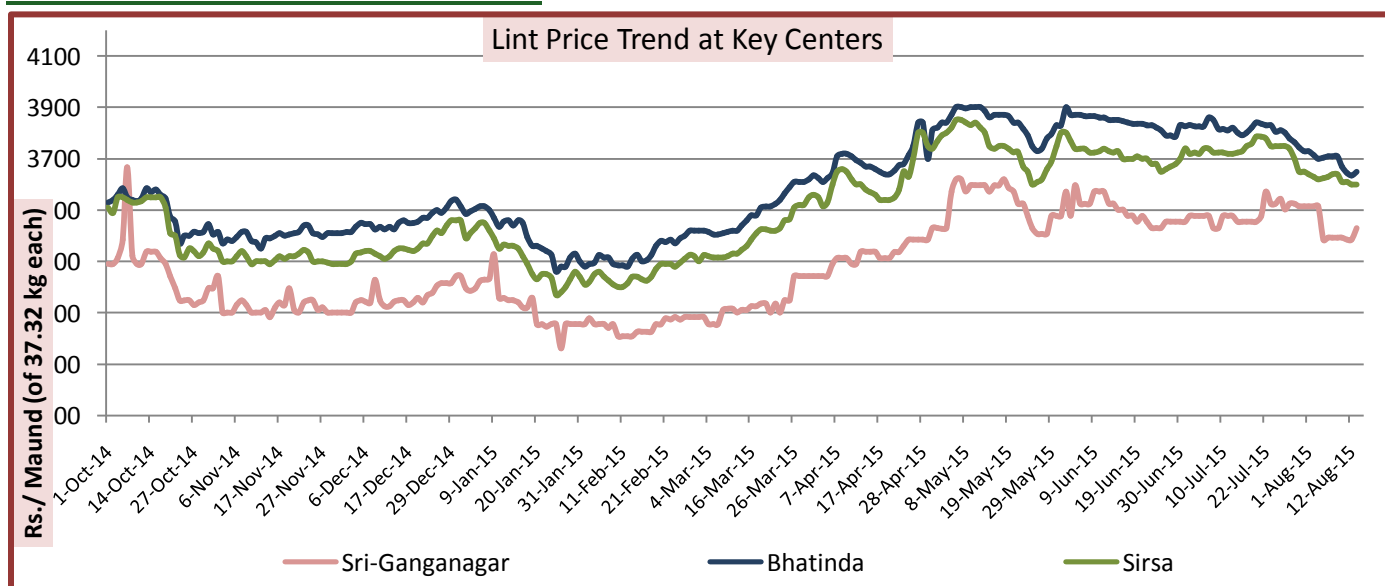
Centre	Variety	Weekly Average Prices		Change
		13th Aug 2015	5th Aug 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4710	4700	10
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4665	4660	5
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. 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	4530	4500	30
Adampur	B.T. Cotton	4640	4655	-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	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	NA	NA	-
Gondal	Shankar-6	4620	4615	5
	<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	4370	4245	125
Guntur	Un-Ginned	3980	4050	-70
Kurnool	Un-Ginned	4010	4050	-40
Krishna	Un-Ginned	3955	4120	-165
East Godavari	Un-Ginned	3975	4050	-75
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	3680	3690	-10
Muktsar	J-34	NA	NA	-

Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3670	3715	-45
Sirsa	J-34	3615	3630	-15
Sri-Ganganagar	J-34	3400	3390	10

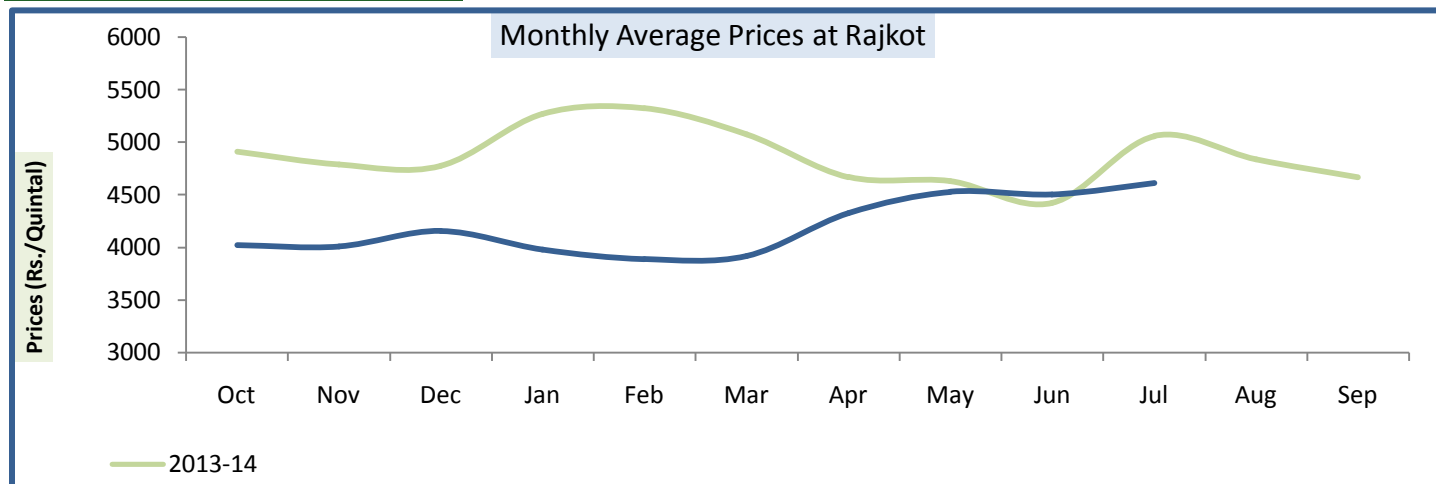
### Price Trend of Kapas (Seed Cotton) at Key Centers:



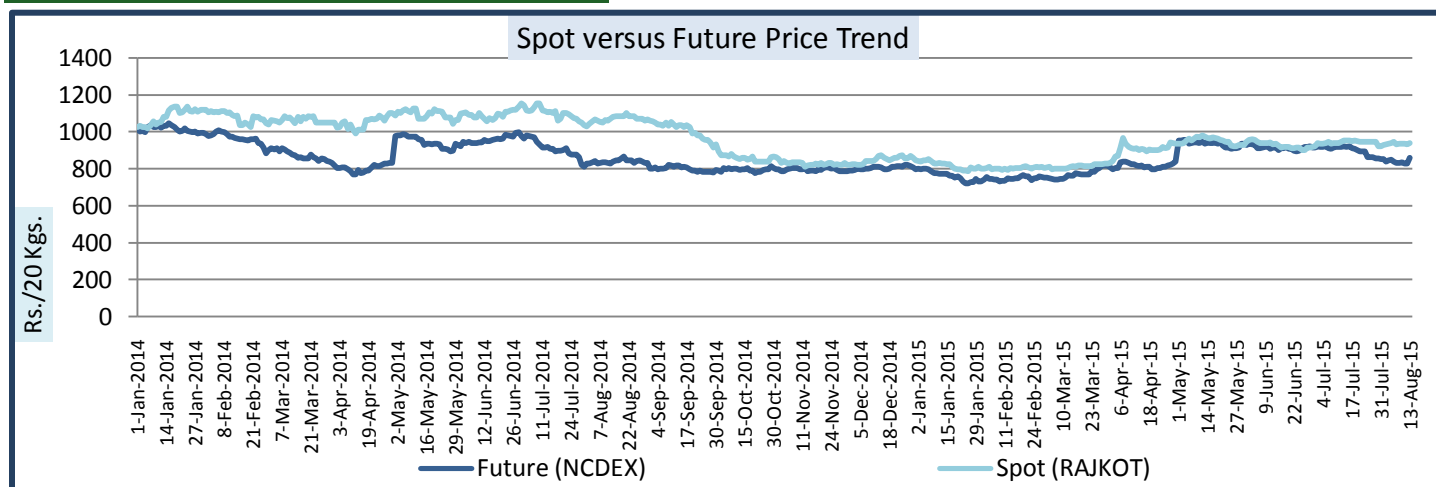
### Price Trend of Lint at Various Centers:



### 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 Prices as on		Change
				13th Aug 2015	5th Aug 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33080	33200	-120
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	33580	33700	-120
J-34(202)	26mm	3.5 - 4.9	23	33020	32980	40
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31640	31740	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33640	33740	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34180	34240	-60
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35180	35240	-60
DCH-32(107)	34mm	3.0 - 3.8	33	42680	42700	-20

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

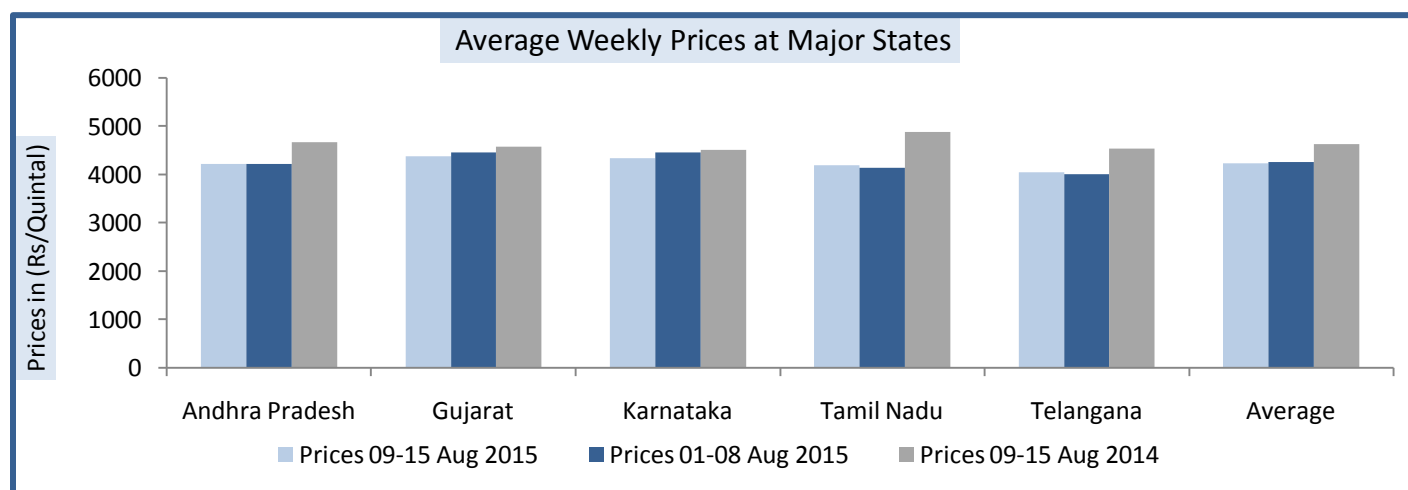
### Cotton Arrivals at Key Centers:

Centre	Variety	Weekly Cumulative Arrivals (In Qtl.)		Change
		13th Aug 2015	5th Aug 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	1780	2120	-340
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	648	547	101
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	163	133	30
Guntur	Un-Ginned	4	5	-1
Kurnool	Un-Ginned	6	4	2
Krishna	Un-Ginned	2	1	1
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 09-15 Aug 2015	Prices 01-08 Aug 2015	Prices 09-15 Aug 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4212.05	4216.75	4663.47	-0.11	-9.68
Gujarat	4368.11	4451.34	4572.48	-1.87	-4.47
Karnataka	4333.45	4459.52	4504.19	-2.83	-3.79
Tamil Nadu	4191.22	4140.38	4883.08	1.23	-14.17
Telangana	4041.5	4004.78	4536.63	0.92	-10.91
Average	4229.27	4254.55	4631.97		



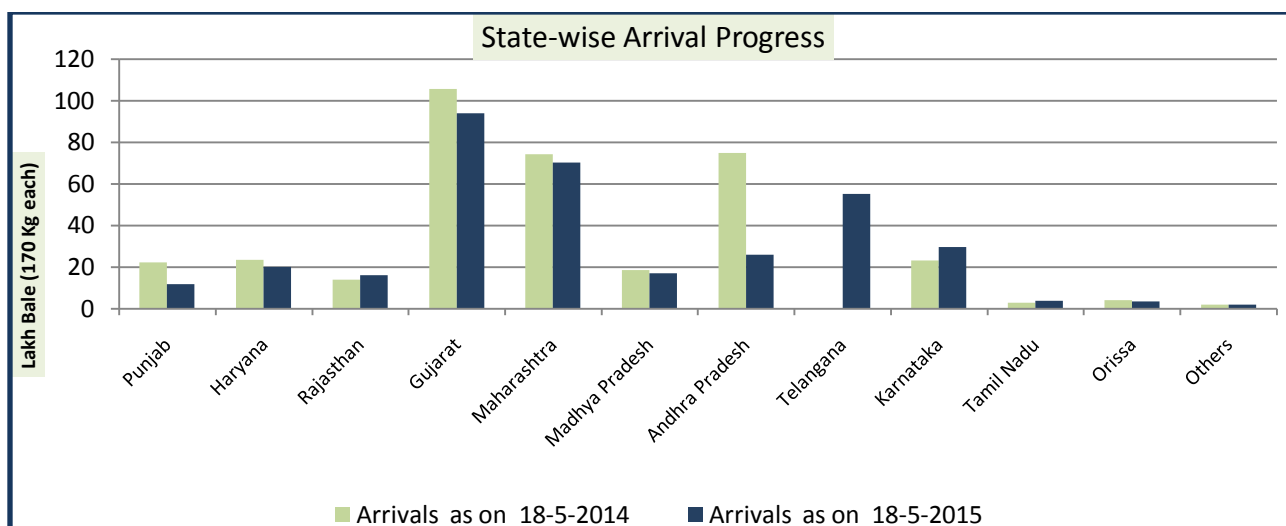
All India cotton weekly average prices have declined this week as compared to the previous one. In all of the major states, prices have declined on week on week basis except in Tamil Nadu and Telangana, however on year on year basis, all of the major states are reflecting weakness in the prices.

### 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
North Total	<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
Central Total	<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
South Total	<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
Total	<b>6</b>	<b>5.45</b>	<b>6</b>	<b>5.9</b>
Grand Total	<b>390</b>	<b>348.37</b>	<b>398</b>	<b>364.48</b>

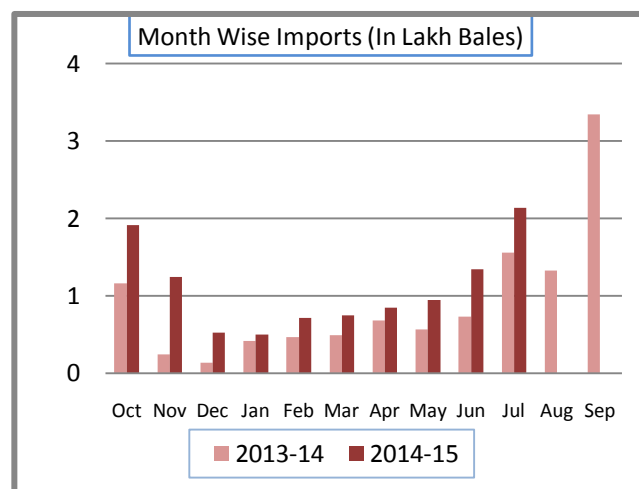
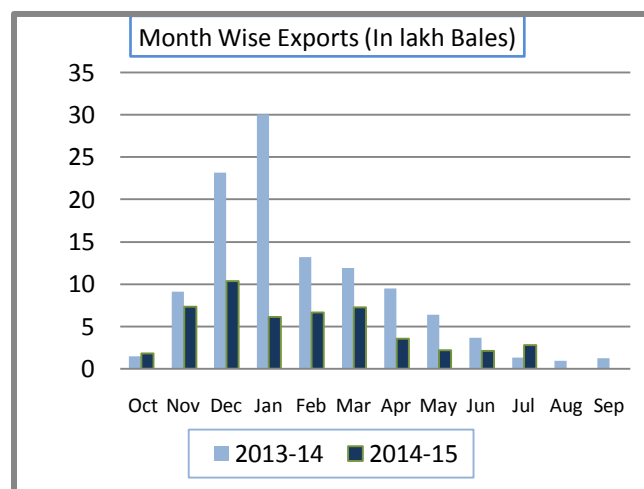
\* Inclusive of new crop arrivals in September 2014  
\*\* Quantity in lakh bales (of 170 kgs. each)



## 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	2.135
Jul	1.32	2.813
Aug	0.87	
Sep	1.24	
<b>Total</b>	<b>111.5</b>	<b>50.2</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	1.337
Jul	1.55	2.136
Aug	1.32	
Sep	3.34	
<b>Total</b>	<b>11.07</b>	<b>10.88</b>



## Weekly Export Import Data

Export/Import	03 Aug to 09 Aug 2015	27 July-02 August 2015
Export (In lakh Bales)	0.60	0.691
Import (In lakh Bales)	0.24	0.34

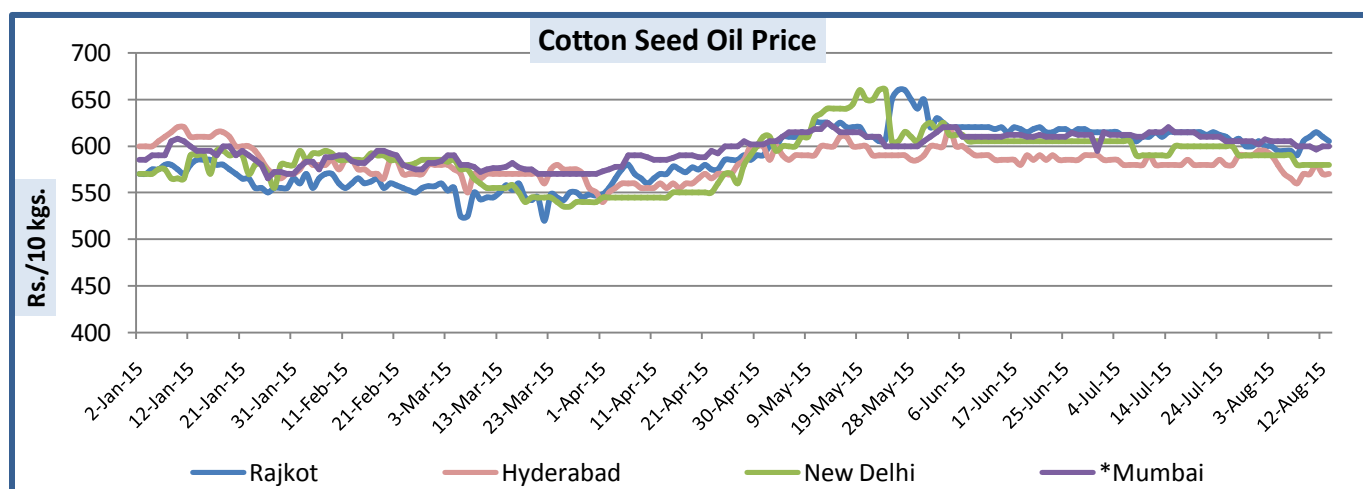
**Source: IBIS**

India exported 0.60 lakh bales of cotton last week (03 Aug to 09 Aug 2015), which was 0.69 lakh bales previous to last week (27 July-02 August 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.24 lakh bales last week, which was 0.34 lakh bales previous to last week.

## Cotton Seed Oil and Cotton Seed Oil Cake

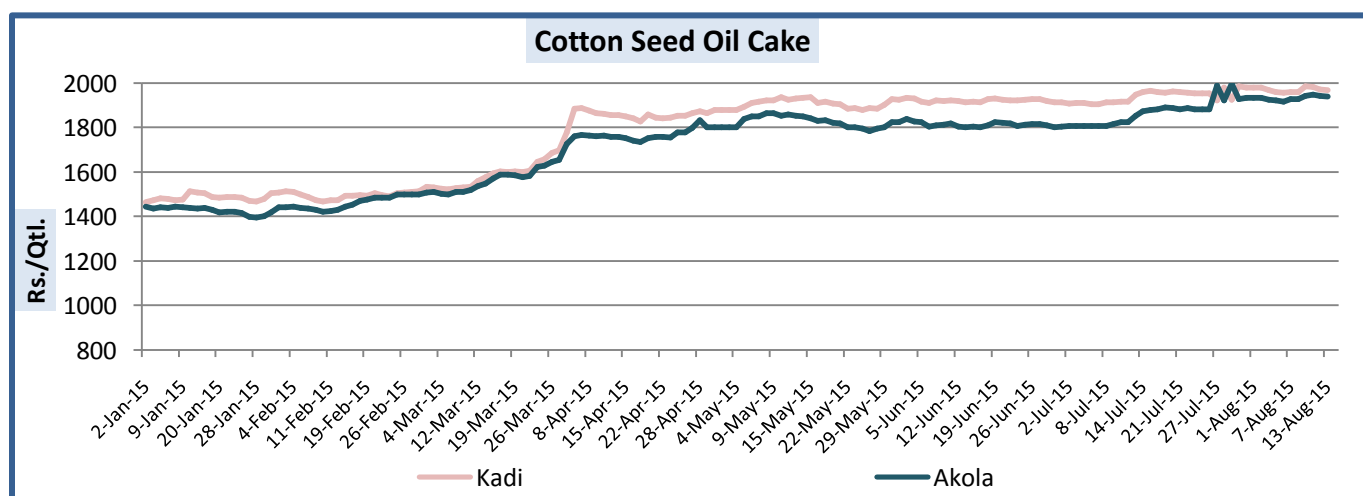
### Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	14-August-15	07-August-15	
New Delhi	580	590	-1.69
Rajkot	606	597	1.51
Hyderabad	570	580	-1.72
Mumbai*	599	605.4	-1.06
*Vat Included			



### Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	14-August-15	07-August-15	
Kadi	1970.5	1968.4	0.11
Akola	1937.3	1925.8	0.60



\*Source: NCDEX

## International Market Scenario

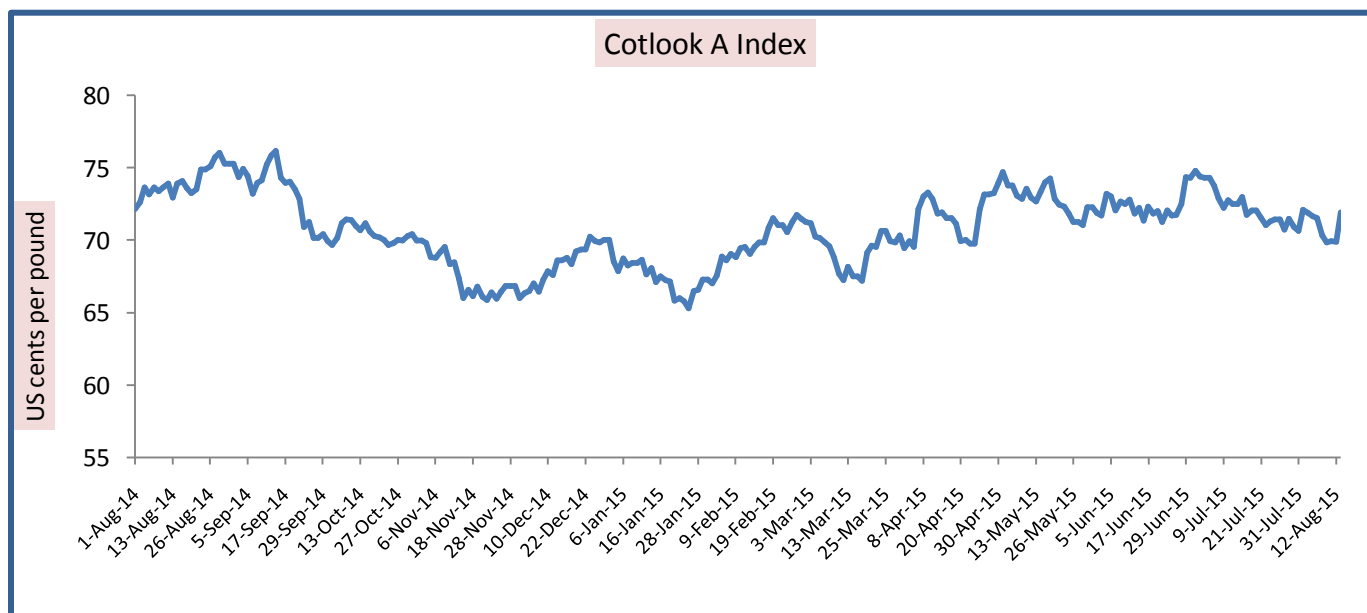
**International cotton prices remained firm during this week.** Cotlook A index weekly average stood at 70.4 cents/pound this week, which was 71.8 cents/pound during last week.

**World cotton production in 2015-16 is likely to stand lowest in last five years, said USDA.** Cotton output on global front is likely to be around 23.73 million tons, as per the latest estimates by USDA, around 2.2% lower as compared to the estimates of previous month for the current season, and around 8.3% lower when compared to production of previous season of 25.906 million tons.

**World cotton export according to the latest USDA estimates would be around 7.51 million tons** in 2015-16, around 1.37% higher when compared to the estimates of previous month for the same season and around 2.8% lower when compared to actual export of previous season which was 7.73 million tons.

**USA cotton export expectation for the season 2015-16 has been further lowered by USDA** at 2.17 million in August, which was earlier estimated to be around 2.35 million tons a month earlier, due to the lower crop expectation. It should be noted that USA cotton exports could fall by around 11% this season as compared to previous season's figures of 2.43 million tons, said USDA.

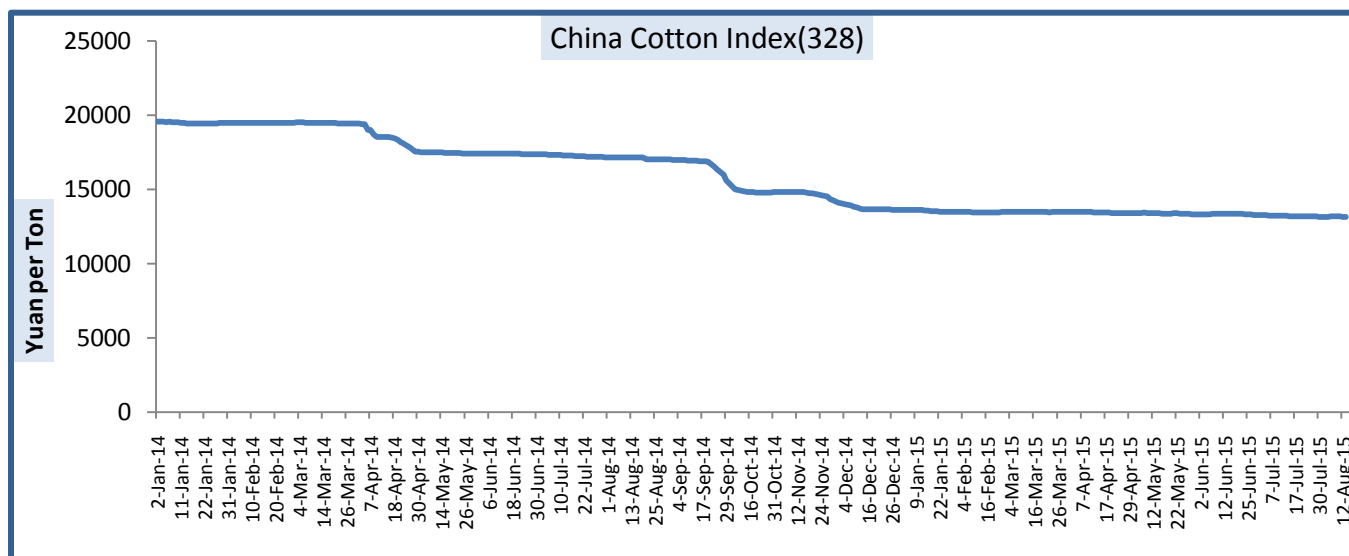
**USDA in its August estimates has revised the world cotton imports estimates for season 2015-16** upwardly at 7.52 million tons as compared to the July estimates of 7.413 million tons, due to the expectation of higher consumption anticipated in current season i.e. 2015-16. However the imports would still be lower by 4.3% when compared to the previous season imports of 7.865 million tons.



## International Prices and Indices

### China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	14-August-15	07-August-15	
CC Index(229)	13750	13768	-0.13
CC Index(328)	13146	13140	0.05
CC Index(527)	12050	12030	0.17
Prices in Yuan per Ton			

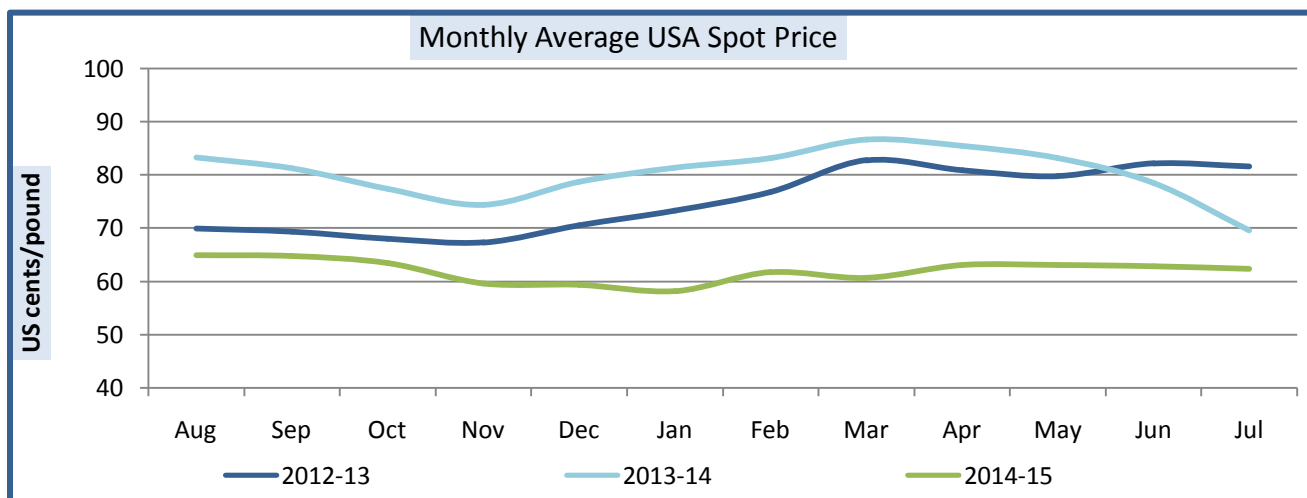


### Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	14-August-15	07-August-15	
Prices	70.4	71.8	-1.95
Prices in US cents per Pound			

### USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	14-August-15	07-August-15	
Prices	60.94	61.67	-1.18
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	13-Aug-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-15	67.15	63.50	65.52	64.02	5.75	2.49	4.89
Dec-15	65.79	62.26	65.56	--	5.67	0.35	--
Mar-16	64.99	62.35	65.62	--	4.23	-0.96	--
May-16	64.97	62.80	65.82	--	3.46	-1.29	--
Jul-16	64.91	63.20	65.42	--	2.71	-0.78	--
Oct-16	64.5	63.40	--	--	1.74	--	--

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 bullish momentum in the future market.
- RSI is moving high in the oversold region.
- Prices are hovering below the 9 and 18 days EMA.
- MACD centerline is moving in positive territory.
- We expect cotton prices to remain sideways to firm.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound to Bullish Momentum	845-885

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
840	825	900	915

Figures in Rs. per 20Kgs.

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

**Weekly Technical Outlook:**

- Candlesticks denote bullish momentum in the future market.
- RSI is moving high in the oversold region.
- Prices are hovering above the 4, 9 and 18 days SMA.
- MACD centerline is moving in positive territory.
- We expect cotton prices to remain sideways to firm.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Range Bound to Bullish Momentum	64.60-67.40

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
64.40	64.00	67.80	68.00

Figures in US cents per pound

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