

Current Market Outlook

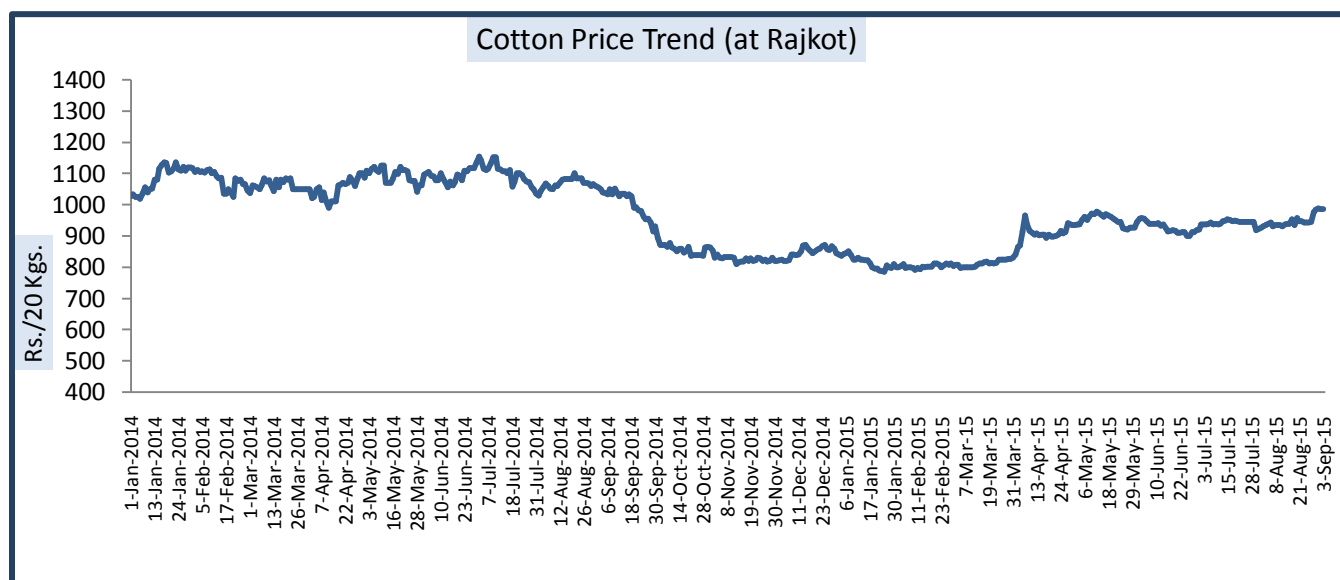
Domestic Weekly Price Scenario: Cotton prices in domestic markets remained firm during the week following the lower production estimates released by USDA and revival in exports demand. Average price of Kapas at Rajkot during the week was Rs. 4915 per quintal, which stood at Rs 4725 previous week.

Price Outlook (For Coming Week): In the coming week we expect price to remain in range of Rs. 4800-4980 per quintal in the bench mark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.870-910 per maund (of 20 kg each).

Market Highlight: Around 114.17 lakh hectares of cotton has been sown so far throughout the country, as on 04 September this year. This is around 7.7% lower than the corresponding sowing progress of last season which was 123.7 lakh hectares, according to Ministry of Agriculture.

In Fazilika district of Punjab, around 40% of the standing crop of cotton has been damaged by the white fly attack. According to the officials, 99,000 acres out of total 2.5 lakh hectares of cotton crop has been damaged either fully or partially due to the attack in the district.

Cotton Association of India (CAI) has released its first estimates for season 2015-16. According to CAI cotton production in the country would be around 380 lakh bales, and would be majorly contributed by the central zone of the country including the states Gujarat, Maharashtra and Madhya Pradesh. Better rainfall has boosted the yield, and cotton production would stand similar to the current season in 2015-16, despite the fall in acreage. Total supply would be around 470.65 lakh bales where as domestic consumption would be around 325 lakh bales.



Domestic Balance Sheet

Supply	2014-15*	2015-16**
Opening Stocks	58.90	73.65
Production	382.75	379.00
Imports	12.00	12.17
Total Availability	453.65	464.82
Demand		
Mill consumption	274.00	289.34
Small Mill consumption	26.00	27.46
Non-Mill consumption	10.00	10.56
Total consumption	310.00	327.36
Export	70.00	82.21
Total Demand	380.00	409.57
Ending Stock	73.65	55.25

Source:, *CAI Estimates. **Agriwatch Estimates

Export Import 2015-16 Figures sourced from USDA.

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% 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 379 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 of cotton from RMG industry.

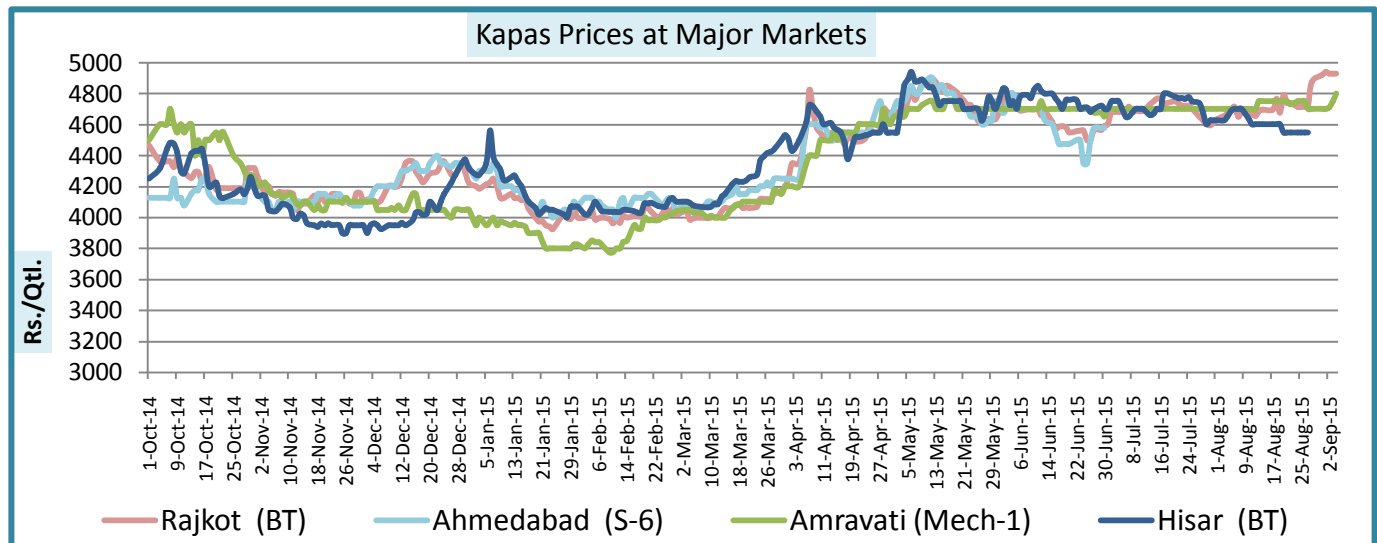
Cotton export, despite the lower production would be on higher side as the major exporter, USA and major consumer, China would be producing lesser. This would provide India, an opportunity to export more.

The lower production and higher export would result in lower ending stock in 2015-16 as compared to the current year. Ending stocks is likely to be around 55.25 lakh bales in 2015-16 as compared to 73.65 lakh bales in current season.

Domestic Cotton Prices Scenario

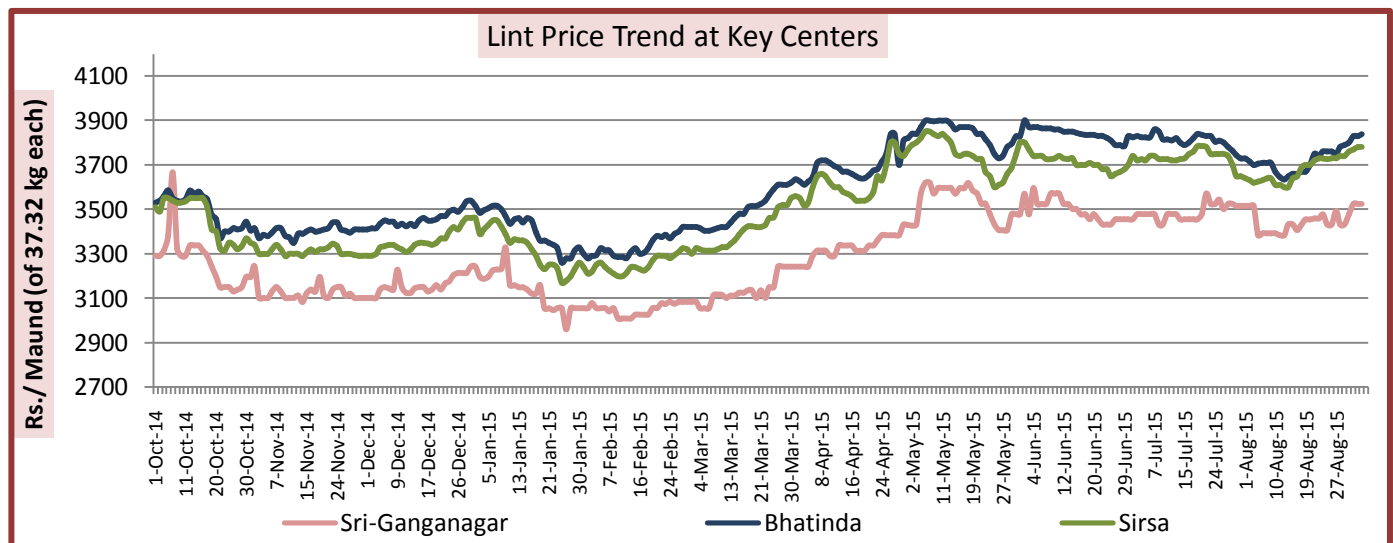
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained firm during the week due to the lower production prospects for the season 2015-16 and higher exports demand in the market. Weekly average price at Rajkot remained Rs. 4915 per quintal around 4.02% higher when compared to previous week price of Rs. 4725 per quintal.



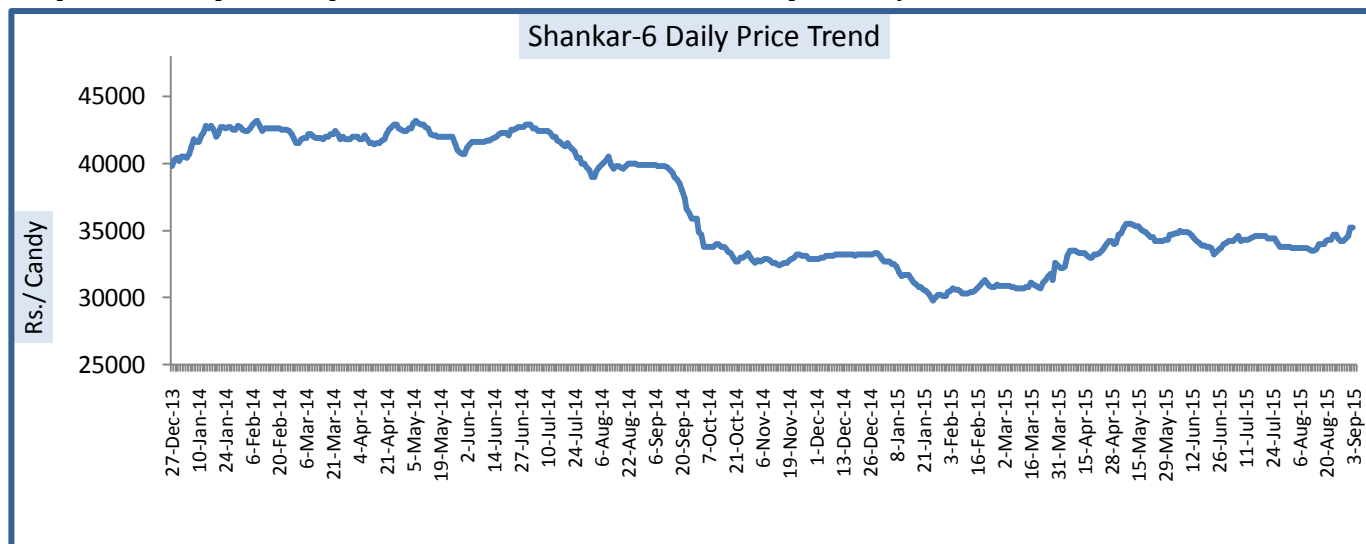
Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sri-Ganganagar remained at Rs. 3460 per maund (of 37.32 kg each) around 0.5% higher when compared to previous week price of Rs. 3480 per maund.

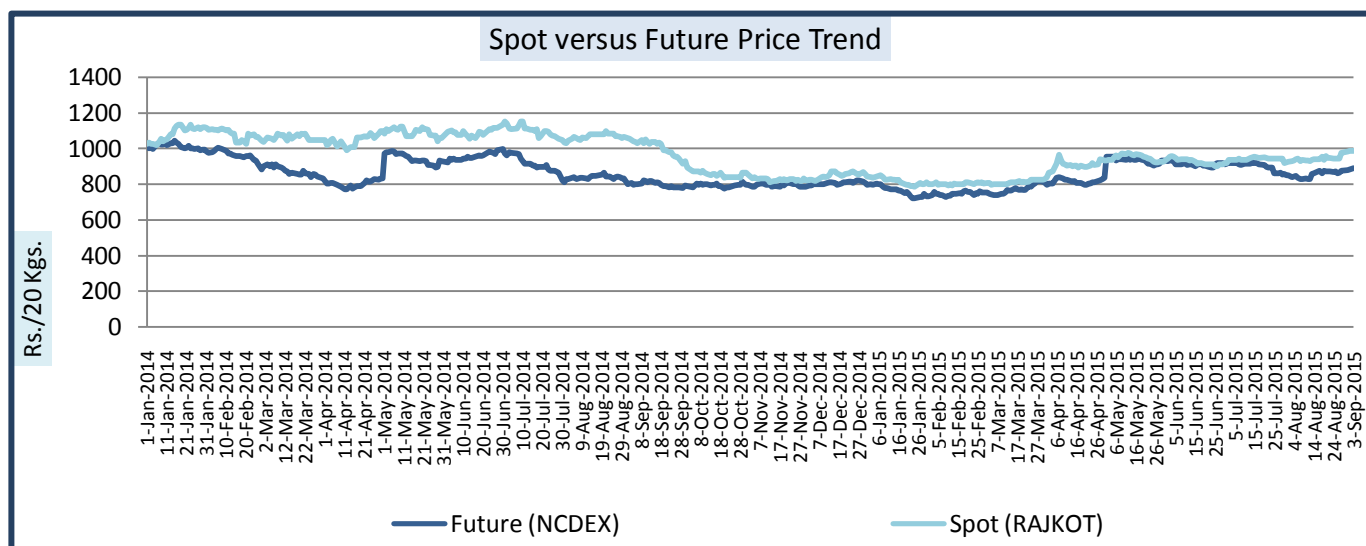


Cotton Fiber Weekly Price Scenario:

Cotton fibre remained in uptrend during the week asKapas prices are ruling firm Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 34720 per candy (of 355.6 kg each) around 0.8% higher when compared to the prices of previous week which was Rs. 34435 per candy.



Spot versus Future Price Comparison:



Domestic Cotton Prices and Arrivals

Weekly Cotton Prices at Key Spot Centers:

Following are the weekly average prices at various centers this week with the price prevailing previous week in the same markets. In most of the markets no prices were reported due null arrival on season ending.

Centre	Variety	Weekly Average Prices as on		Change
		04th September 2015	28th August 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4725	4730	-5
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas	(Rs./Qtl)		
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4915	4725	190
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	4340	4500	-160
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	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	4700	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas	(Rs./Qtl)		
Ahmedabad	Shankar-6	NA	NA	-
Gondal	Shankar-6	4800	4800	Unch
	Kapas	(Rs./Qtl)		
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4225	4365	-140
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4415	4500	-85
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	4050	Unch

East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3830	3770	60
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3820	3760	60
Sirsa	J-34	3765	3730	35
Sri-Ganganagar	J-34	3495	3455	40

Cotton Fibre Spot Rates(As released by Cotton Association of India):

Following are the weekly average prices of cotton fiber this week, as released by Cotton Association of India (CAI) with the price prevailing previous week.

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices as on		Change
				03 Sept 2015	28th Aug 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33700	33500	200
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34200	34000	200
J-34(202)	26mm	3.5 - 4.9	23	34520	33850	670
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	32680	32350	330
Shankar-6(105)	29mm	3.5 – 4.9	28	34720	34435	285
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34160	34165	-5
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35160	35165	-5
DCH-32(107)	34mm	3.0 - 3.8	33	42500	42665	-165
<i>*Prices in Rs/candy (of 355.6 kg each)</i>						

Weekly Cotton Arrivals at Key Centers:

Following table is showing weekly total arrival at various centers during the current week with comparison of previous week. No arrival could be seen in most of the centers due to the season ending.

Centre	Variety	Weekly Cumulative Arrivals (In Qtl.)		Change
		04th September 2015	28th August 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	320	700	-380

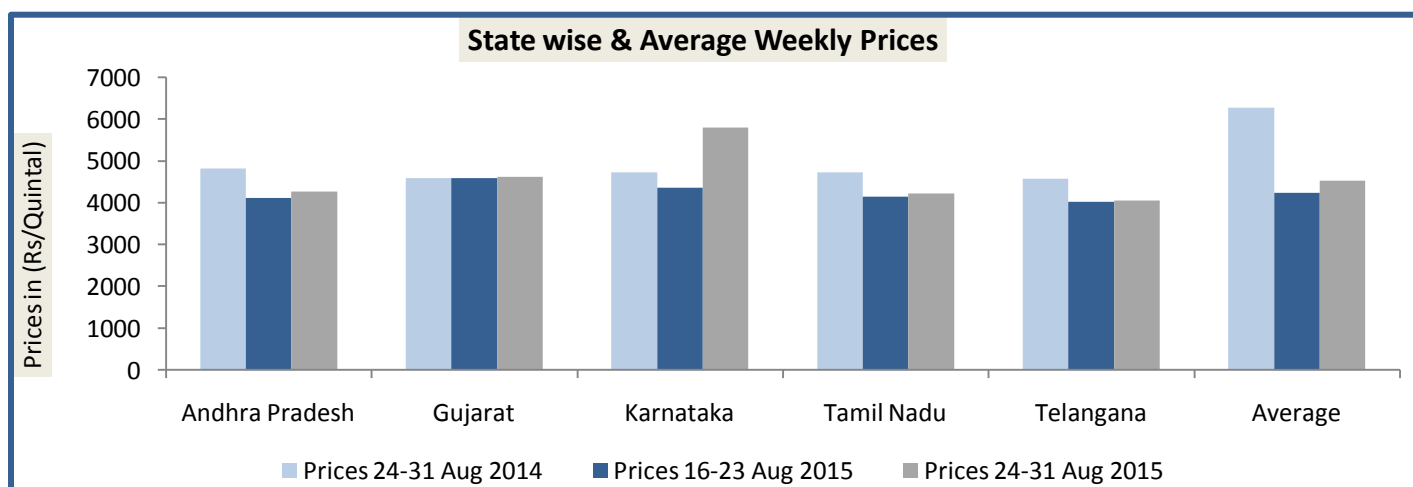
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	575	NA	-
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	150	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	NA	NA	-
Gondal	Shankar-6	191	23	168
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4150	830	3320
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	780	22	758
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	NA	NA	-
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (at Major States):

State	Prices 24-31 Aug 2015	Prices 16-23 Aug 2015	Prices 24-31 Aug 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4266.4	4116.04	4820.08	3.65	-11.49
Gujarat	4614.12	4578.48	4578.48	0.78	0.78
Karnataka	5787.29	4352.82	4722.08	32.95	22.56
Tamil Nadu	4214.38	4140.1	4726.71	1.79	-10.84
Telangana	4053.92	4013.92	4576.42	1	-11.42
Average	4529.92	4240.27	6270.06		

Prices in Rs per quintal, Source: Agmarknet



All India weekly average price of cotton moved northwards during the week following the lower production estimates released by Cotton Association of India (CAI). In all of the major states, cotton remained in uptrend. Weekly price on the domestic front, according to Agmarknet remained at Rs. 4529.9 per quintal around 6.8% higher in comparison to the average price of previous week, which was Rs 4240.2 per quintal.

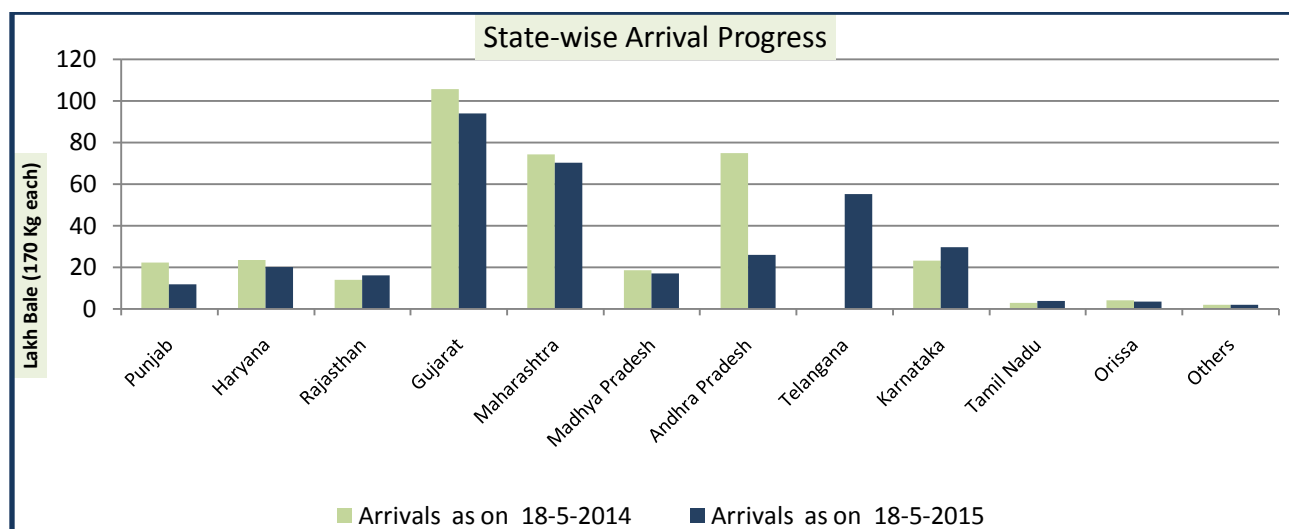
Although the prices have recovered this week as compared to the previous, it is still ruling weaker in comparison to the prices during the corresponding period last year. On current basis, cotton prices are around 27.75% lower when compared to average price of Rs. 6270.06 per quintal during corresponding of period last year.

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

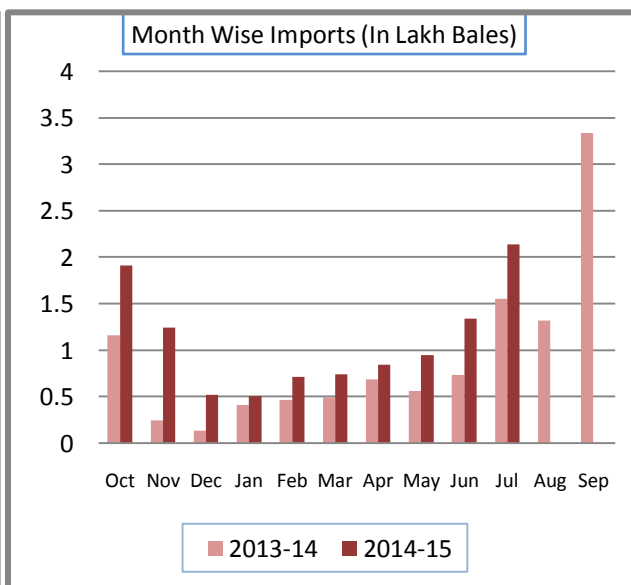
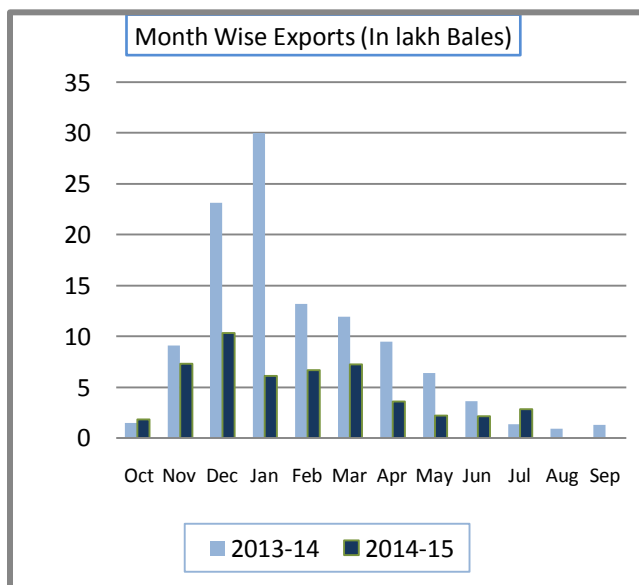
* Inclusive of new crop arrivals in September 2014
** Quantity in lakh bales (of 170 kgs. each)



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	24 Aug to 30 Aug 2015	17 Aug to 23 Aug 2015
Export (In lakh Bales)	0.95	0.75
Import (In lakh Bales)	0.50	0.36

Source: IBIS

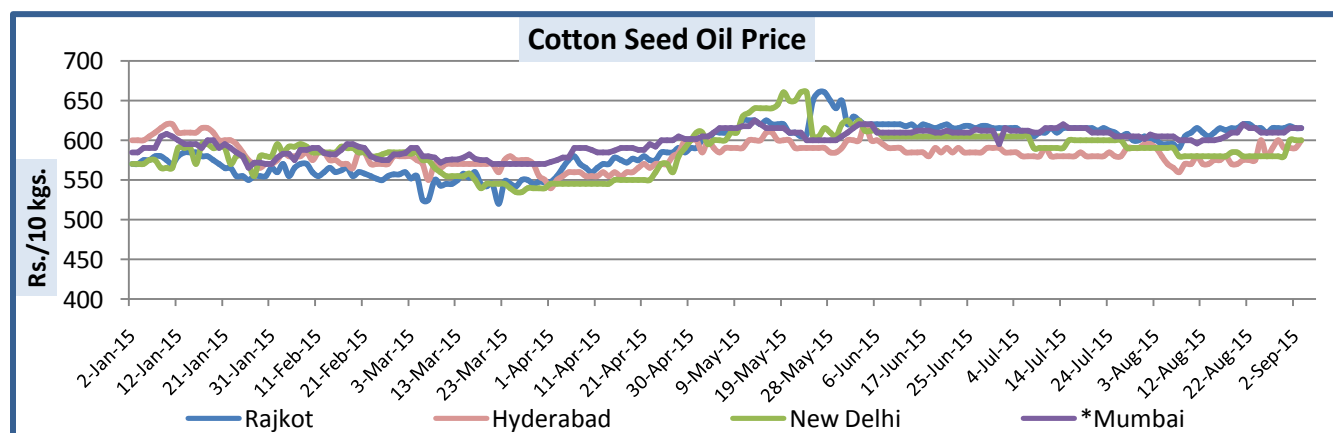
India exported 0.95 lakh bales of cotton last week (24 Aug to 30 Aug 2015), which was 0.75 lakh bales in the previous week (17 Aug to 23 Aug 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.56 lakh bales last week, which was 0.36 lakh bales in the previous week.

Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil at Key Centers:

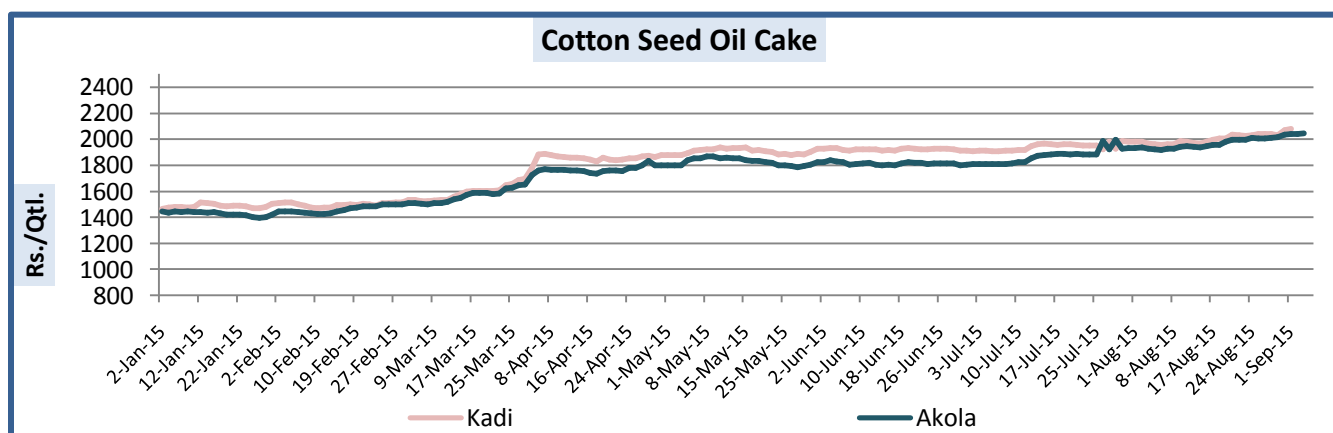
Due to the firmness in the kapas price, cotton seed oil (CSO) and cotton seed oil cake (COC) prices too surged up during the week. Following tables and graphs are summarizing movement in prices of CSO and COC in the market.

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	04-September-15	28-August-15	
New Delhi	592	580	2.07
Rajkot	616	616	0.00
Hyderabad	594	583	1.89
Mumbai*	613	613	0.00
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	04-September-15	28-August-15	
Kadi	2072	2032	1.97
Akola	2034	2003	1.55



*Source: NCDEX

International Market Scenario

International cotton prices moved southwards thisweek. Cotlook A index weekly average stood at 70.09 cents/pound this week, which was 71.99cents/pound during last week.

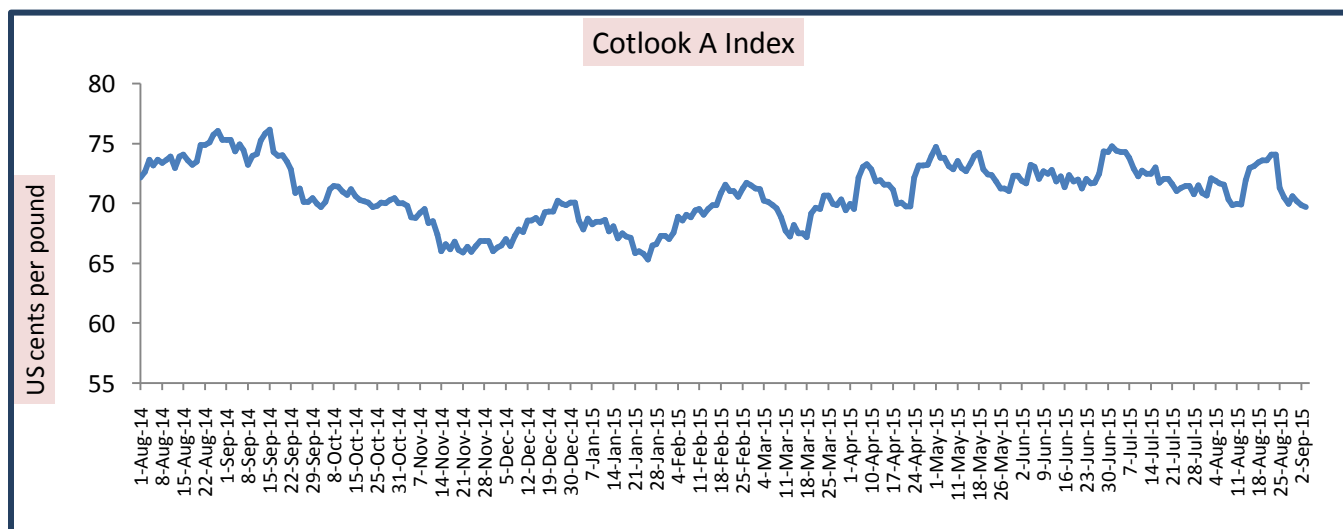
According to China Cotton Association (CCA), the country is likely to produce 5.5 million tonnes of cotton in year 2015-16, slightly lesser than the previous estimates of 5.86 million tons. The production however is likely to stand fairly lower when compared to the production of 6.5 million tons in year 2014-15.

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 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.

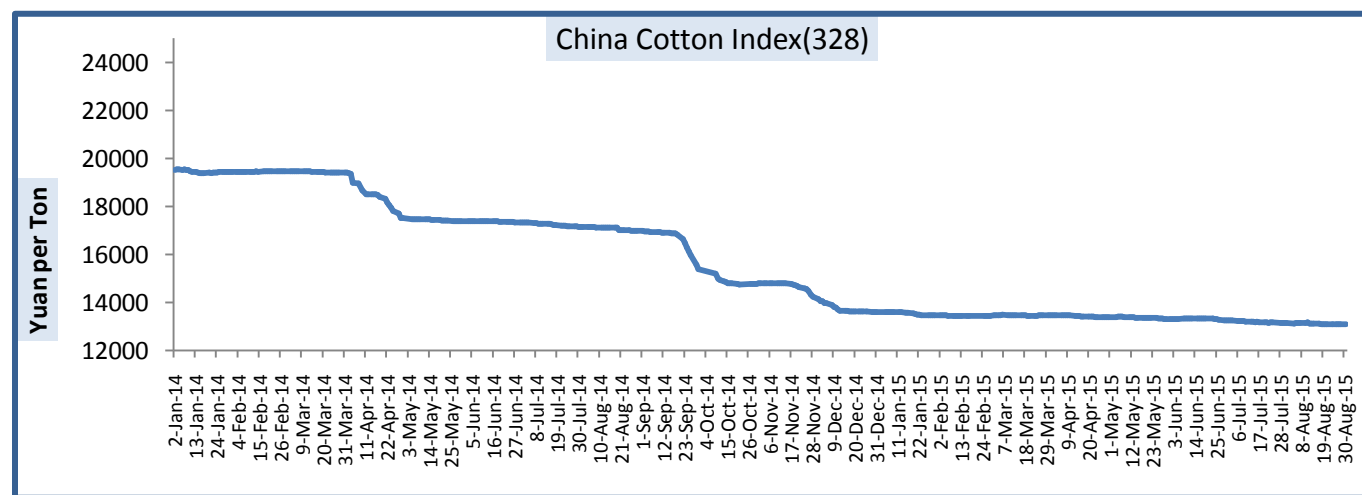
USDA in its August estimates has revised the world cotton imports estimates for season 2015-16 upwardly at 7.52 million tons as compared to the July estimates of 7.413 million tons, due to the expectation of higher consumption anticipated in current season i.e. 2015-16. However the imports would still 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
	04-September-15	28-August-15	
CC Index(229)	13673	13687	-0.10
CC Index(328)	13079	13089	-0.08
CC Index(527)	11967	11971	-0.03
Prices in Yuan per Ton			

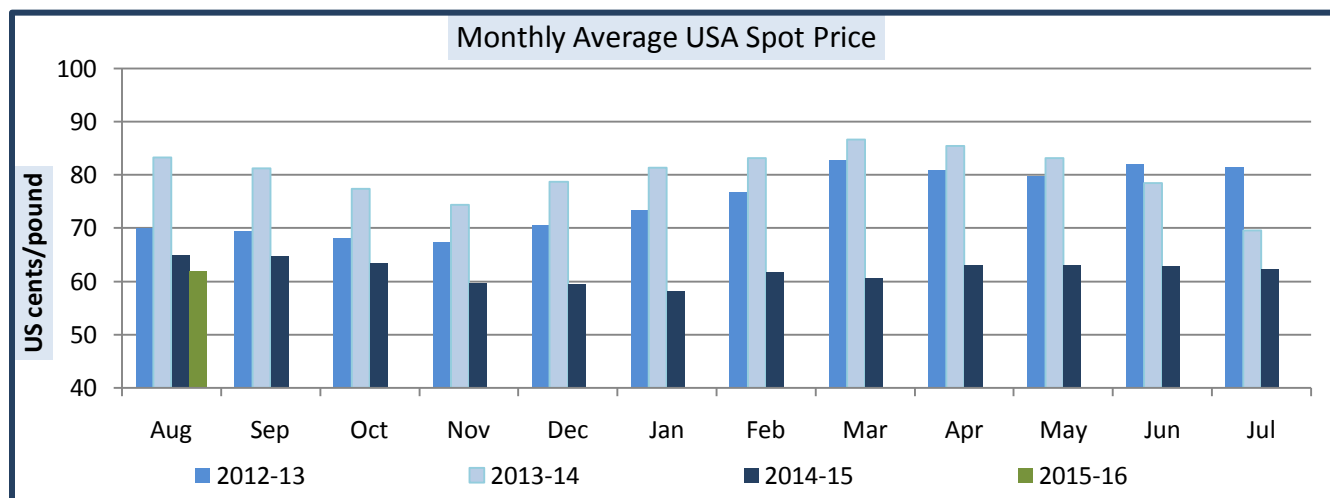


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	04-September-15	28-August-15	
Prices	70.09	71.99	-2.64
Prices in US cents per Pound			

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	28-August-15	21-August-15	
Prices	60.65	61.48	-1.35
Prices in US cents per Pound			


World Monthly Average Cotlook A Index (FE) in US cents per Pound:

Month	2013-14	2014-15	2015-16	M-o-M %Change	Y-o-Y % Change
August	92.71	74	71.82	-0.73	-2.95
September	94.6	73.38			
October	89.35	70.34			
November	84.65	67.56			
December	87.49	68.3			
January	90.96	67.35			
February	94.05	69.84			
March	96.95	69.35			
April	94.2	71.7			
May	92.71	72.86			
June	90.9	72.35			
July	83.84	72.35			

Cotton Futures (ICE):

Contracts	27-Aug-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-15	63.12	63.83	65.36	66.6	-1.11	-3.43	-5.23
Dec-15	62.76	63.35	64.00	--	-0.93	-1.94	--
Mar-16	62.5	63.13	63.98	--	-1.00	-2.31	--
May-16	62.75	63.59	64.23	--	-1.32	-2.30	--
Jul-16	62.93	64.04	64.48	--	-1.73	-2.40	--
Oct-16	62.56	63.75	64.74	--	-1.87	-3.37	--

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 market.
- RSI is moving high in neutral region.
- Prices closed above the 18 days EMA.
- MACD denotes recovery in signal line and centerline movement.
- We expect prices to remain firm.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bullish Momentum	870-910

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
860	850	925	930

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 4, 9 and 18 days SMA.
- MACD centerline and signal line are showing negative movements.
- We expect cotton pricesto remain weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	61.40-63.40

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.00	60.40	64.00	65.40

Figures in US cents per pound

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