Current Market Outlook

Domestic Weekly Price Scenario: Cotton prices in domestic markets remained weak during the week due to the commencement of new crop arrival predominantly in the markets of Punjab and Haryana. Export demand too remained weaker this week. Average price of Kapas at Rajkot during the week was Rs. 4640 per quintal, which stood at Rs 4550 previous week. Average price of Lint at Sri-Ganganagar during the week was Rs. 3465 per maund (of 37.32 Kg each), which stood at Rs 3495 previous week. Cotton fiber (Shankar-6) prices too remained dull this week. Average price was Rs 35040 per candy (of 355.6 kg each) during the week, which was Rs 35460 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 839 per maund (of 20 kg each) which was Rs 851.5 a week earlier.

Cotton Price Outlook (For Coming Week):In the coming week we expect spot price to remain in range of Rs. 4600-4680 per quintal in the bench mark market. Kapas prices at NCDEX (April'16 contract) , is expected to hover in the range of Rs. 825-850 per maund (of 20 kg each).

Major Market Highlights: According to the first advance estimates for Kharif 2015-16 released by Department of Agriculture and Co-operation (DAC), Ministry of Agriculture, cotton production in country would be around 33.51 million bales, fairly lower when compared to the final estimates for 2014-15 which was 35.47 million bales.

Immediate compensation of Rs 10 crore has been announced by the Punjab Chief Minister, Parkash Singh Badal for the farmers who have uprooted their cotton crop due to the attack of white fly.

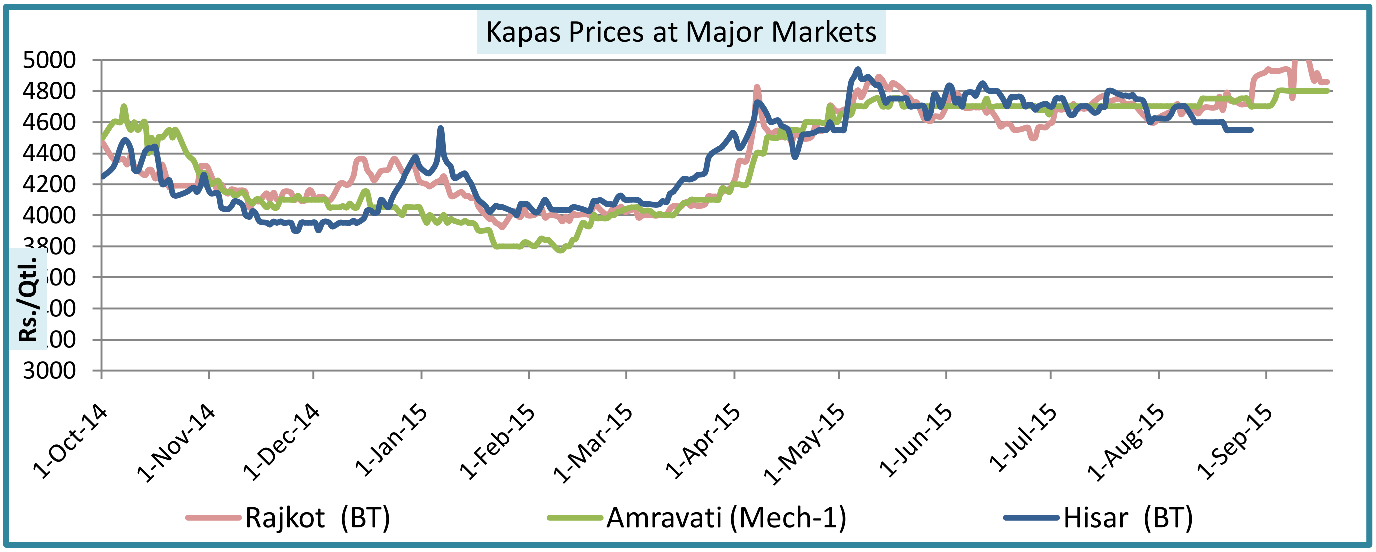
To purchase cotton directly from farmers, 90 outlets of Cotton Corporation (CCI) of India would start working from Oct 10 in Telangana, said Marketing minister T Harish Rao. He also said that government would issue the identity cards shortly to cotton farmers in state.

Around 114.75 lakh hectares of cotton has been sown so far throughout the country, as on 11 September this year. This is around 8.5% lower than the corresponding sowing progress of last season which was 125.29 lakh hectares, according to Ministry of Agriculture.

Domestic Cotton Prices Scenario

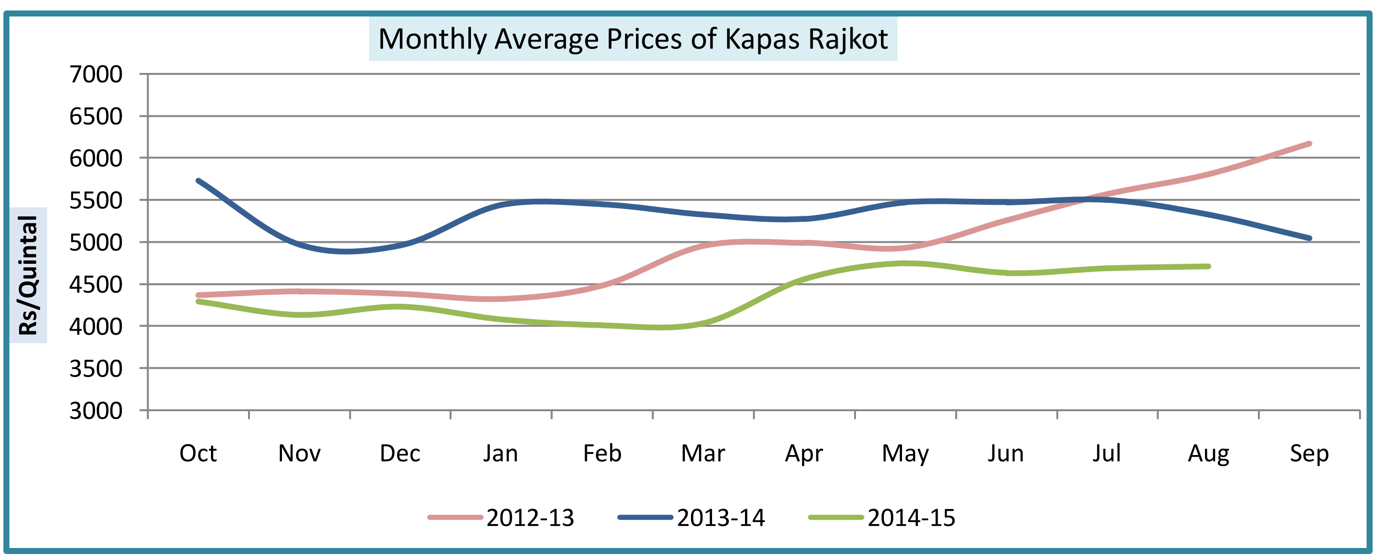
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained dull during the week due to the commencement of the cotton arrival in Northern States including Punjab and Haryana. Weekly average price at Rajkot remained Rs. 4640 per quintal around 2% lower when compared to previous week price of Rs. 4550 per quintal.



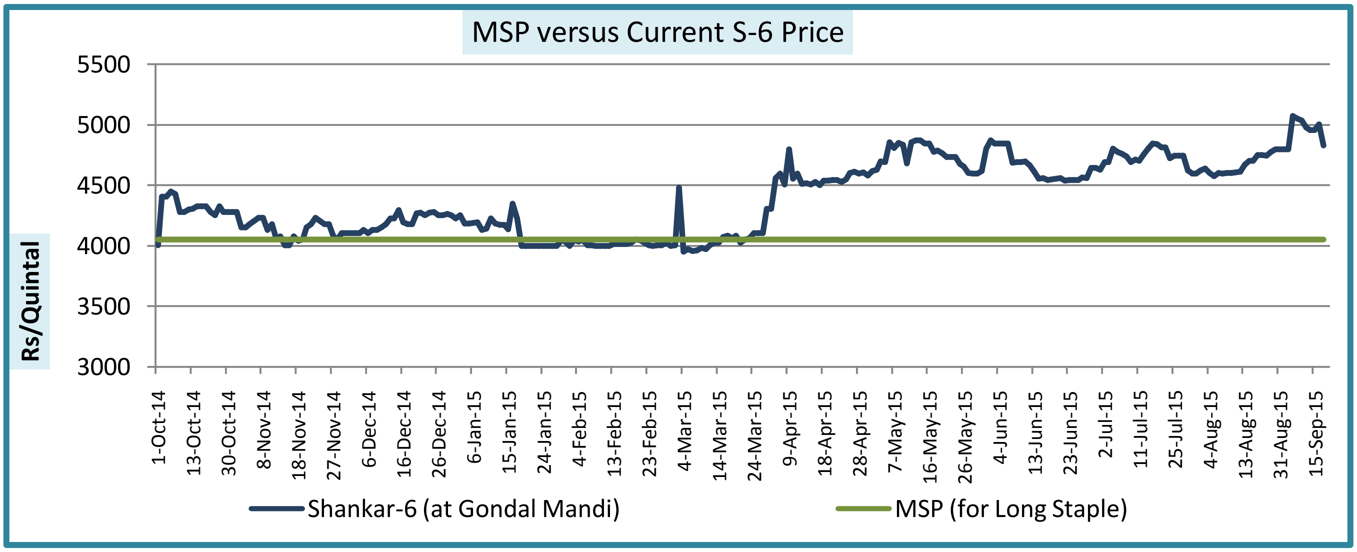
Kapas Y-o-Y Price Comparison:

Kapas price are ruling weak this year due to the weak international demand and surplus stocks in country. In August this year monthly average price of Kapas at Rajkot remained Rs. 4715 per quintal, around 12% lower when compared to the prices during the same month previous year and 19% lower when compared to the year before the previous year.



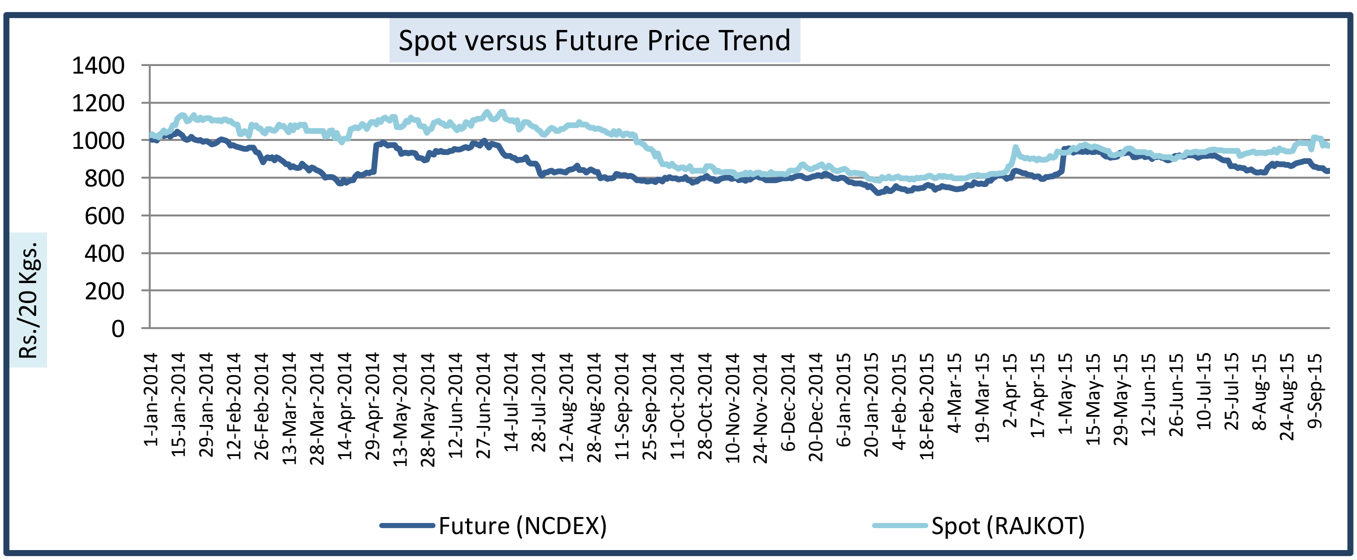
MSP versus Current Price Comparison:

Kapas prices(Shankar-6) are currently ruling fairly above the MSP of Rs 4050 per quintal (for long staple). The average difference between the actual price and MSP remained Rs 910 during the week.



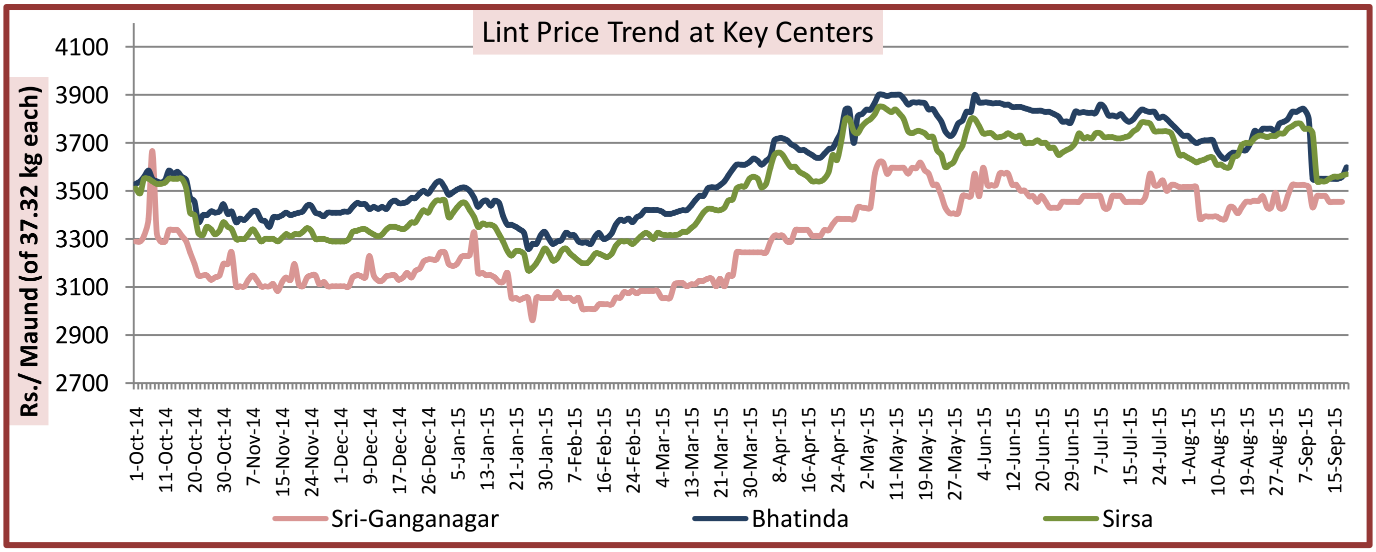
Spot and Future Price Comparison:

Both spot and future market witnessed weakness during the week. The gap between the two prices too has been widened. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 839 per maund (of 20 kg each) which was Rs 851.5 a week earlier. Spot price closed at Rs 972 per maund (of 20 kg each) which was Rs 1010 a week earlier. The average difference between the two was Rs142 which was Rs117 a week earlier.



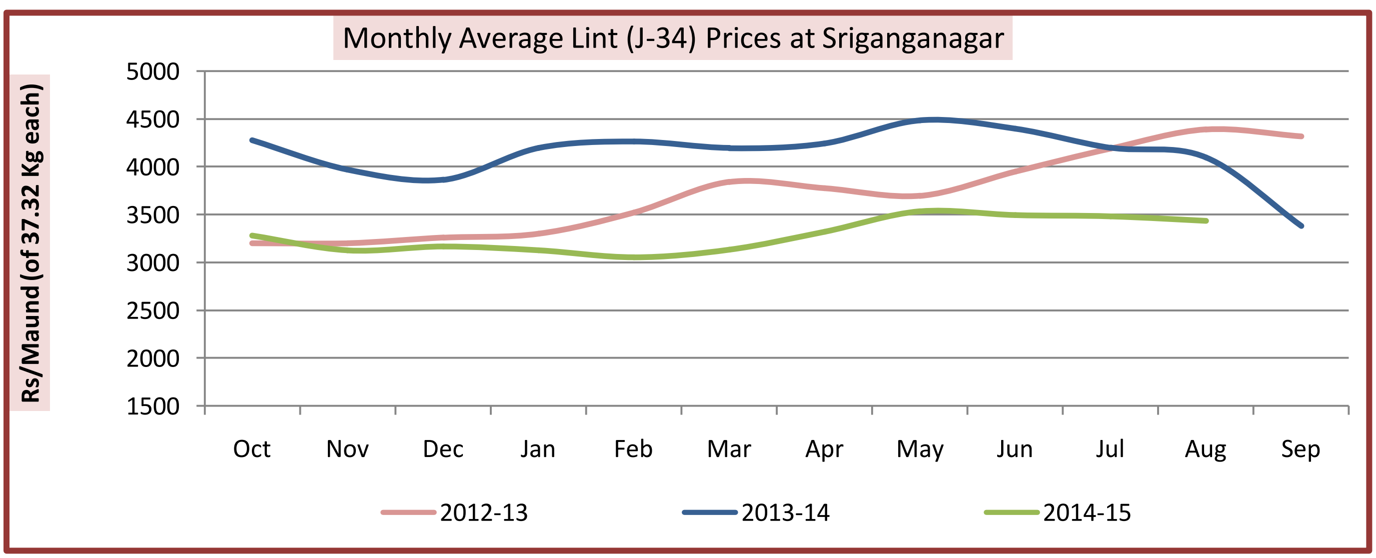
Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sri-Ganganagar remained Rs. 3465 per maund (of 37.32 kg each) around 0.86% lower when compared to previous week price of Rs. 3495 per maund.



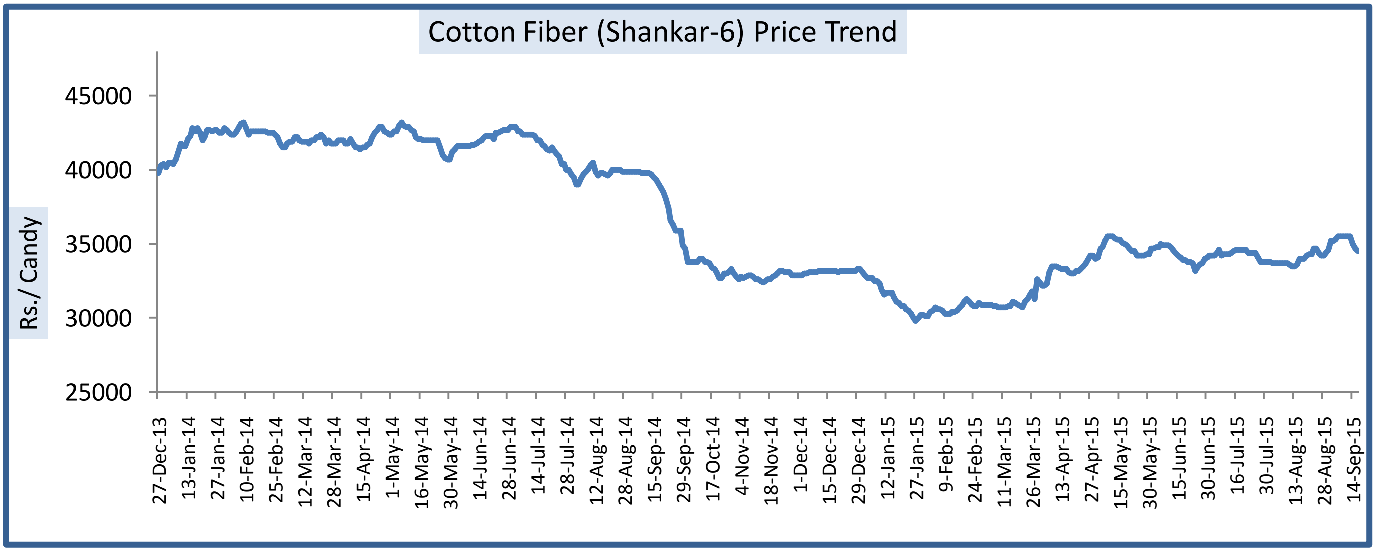
Lint Y-o-Y Price Comparison:

Lint price are ruling weak this year as compared to the previous year due to weakness in fiber market. In August this year monthly average price of Kapas at Rajkot remained Rs.3437 per quintal, around 16% lower when compared to the prices during the corresponding month of previous year and 22% lower when compared to previous to previous year.

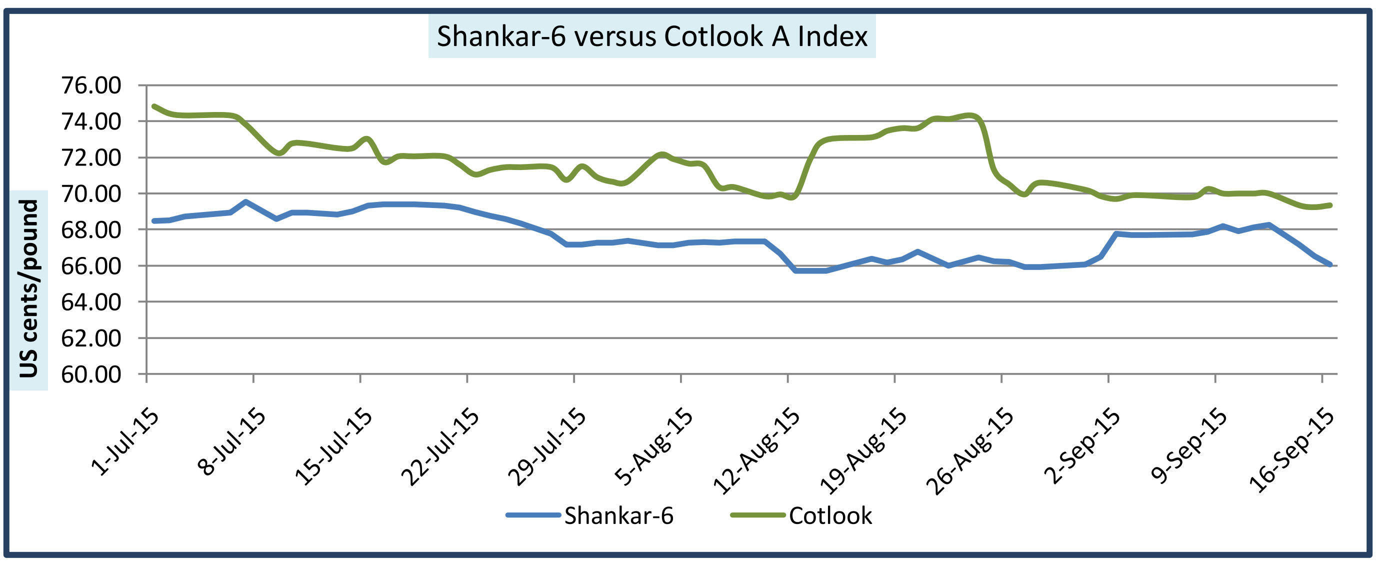


Cotton Fiber Weekly Price Scenario:

As Kapas prices are ruling weak, cotton fiber too remained in downtrend during the week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 35040 per candy (of 355.6 kg each) around 1.18% lower when compared to the prices of previous week which was Rs. 35460 per candy.



Domestic versus International Price (Cotlook A Index):



Domestic Cotton Prices and Arrivals at Various Market

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.

Centre	Variety	Weekly Average Prices as on		Change
		18th September 2015	11th September 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4800	4800	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4880	4995	-115
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4505	NA	-
Muktsar	B.T. Cotton	4280	4200	80
Fazilika	B.T. Cotton	NA	4500	-
Bhiwani	B.T. Cotton	4650	4550	100
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	4285	4205	80
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)	4020	3885	135
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	NA	NA	-
Gondal	Shankar-6	4945	5055	-110
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4200	4280	-80
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	3935	4080	-145
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	3580	3665	-85
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3560	3660	-100
Sirsa	J-34	3560	3670	-110
Mansa	J-34	4285	3525	760
Sri-Ganganagar	J-34	3460	3485	-25

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
				17 Sept 2015	10 Sept 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33200	34140	-940
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	33700	34640	-940
J-34(202)	26mm	3.5 - 4.9	23	33640	34700	-1060
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	33060	33260	-200
Shankar-6(105)	29mm	3.5 – 4.9	28	35040	35460	-420
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33960	34200	-240
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34980	35200	-220
DCH-32(107)	34mm	3.0 - 3.8	33	42600	42500	100
**Prices in Rs/candy (of 355.6 kg each)*						

Weekly Cotton Arrivals at Key Centers:

Following table is showing weekly total arrival at various centers in 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
		18th September 2015	11th September 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-

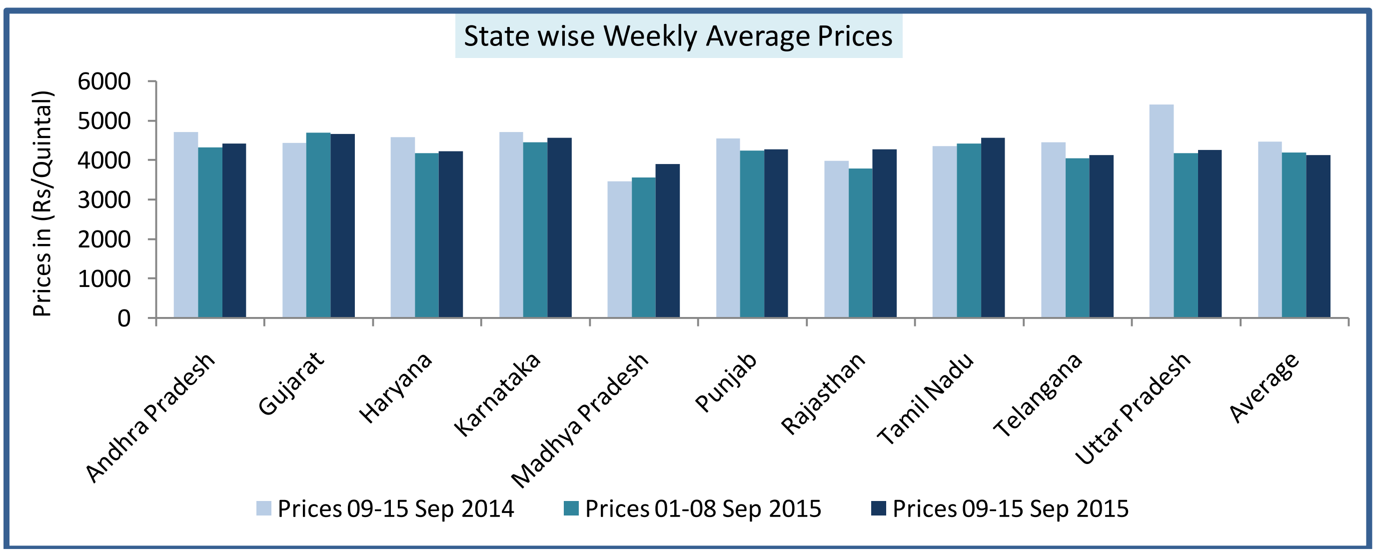
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1670	710	960
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	20	25	-5
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	1955	170	1785
Bhiwani	B.T. Cotton	27000	5100	21900
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	880	10	870
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)	775	180	595
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	NA	NA	-
Gondal	Shankar-6	1025	772	253
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	5300	6400	-1100
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	51	30	21
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	884	468	416
Bhatinda	J-34	2380	1870	510
Sirsa	J-34	390	70	320
Mansa	J-34	660	250	410
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (at MajorStates):

State	Prices 09-15 Sep 2015	Prices 01-08 Sep 2015	Prices 09-15 Sep 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4412.73	4313.98	4711.6	2.29	-6.34
Gujarat	4662.78	4691.19	4424.36	-0.61	5.39
Haryana	4222.86	4169.89	4583.83	1.27	-7.87
Karnataka	4556.84	4445.25	4708.76	2.51	-3.23
Madhya Pradesh	3894.33	3559.72	3462.31	9.4	12.48
Punjab	4264.22	4237.75	4546.96	0.62	-6.22
Rajasthan	4261.67	3779.78	3975.51	12.75	7.2
Tamil Nadu	4565.31	4409.8	4357.86	3.53	4.76
Telangana	4124.4	4044.83	4448.91	1.97	-7.29
Uttar Pradesh	4250.45	4173.68	5405.06	1.84	-21.36
Average	4130.42	4182.59	4462.52		

Prices in Rs per quintal, Source: Agmarknet



All India weekly average price of cotton moved slightly southwards during the second week of the month, as revealed by data of Agmarknet. However in most of the major states, cotton remained in uptrend. Weekly price on the domestic front, according to Agmarknet remained at Rs. 4130.42 per quintal around 1.25% higher in comparison to the average price of previous week, which was Rs 4182.59 per quintal.

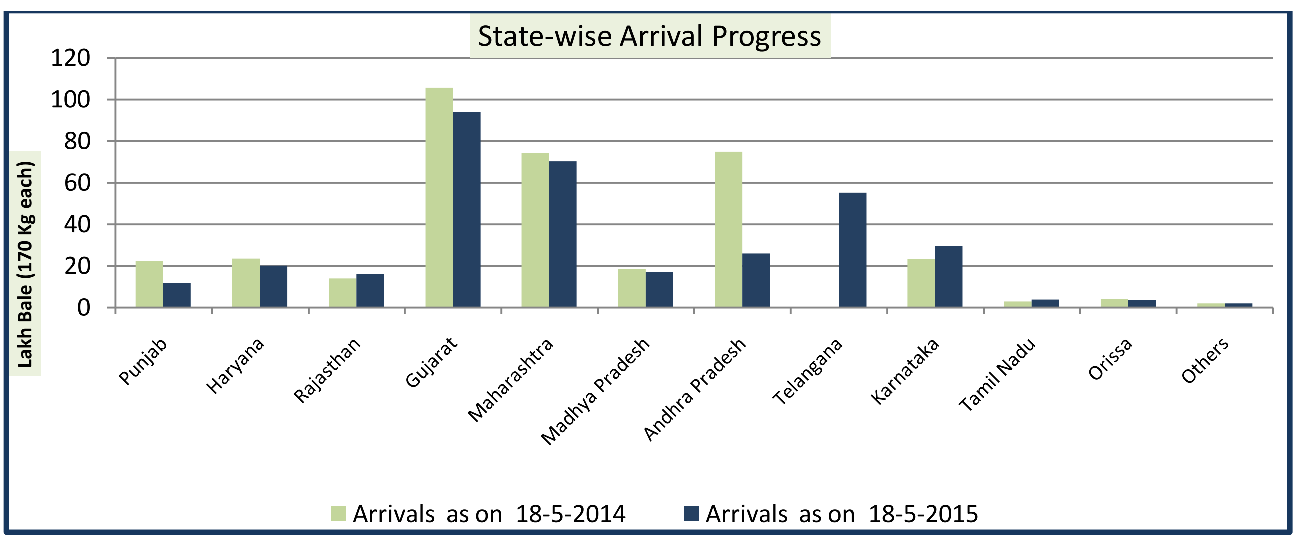
State wise Arrivals (in lakh bales of 170 kgs each):

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 31-03-2015	Arrivals As on 18-05-2015	Production as per CAB 13-10-2014	Arrivals As on 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)

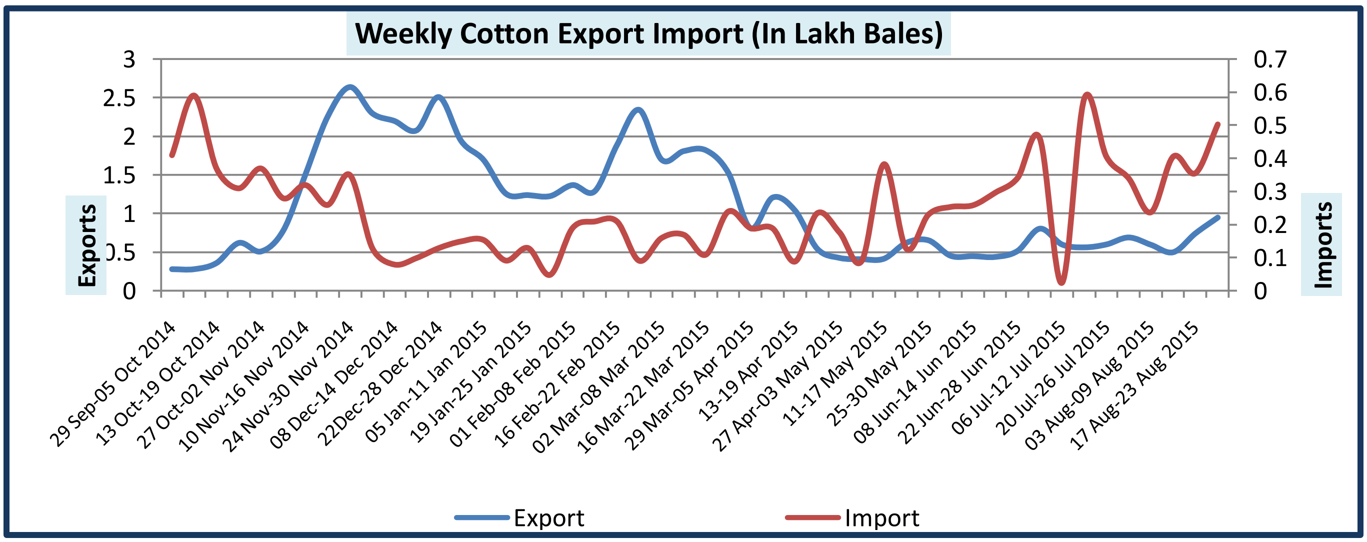


Cotton Export and Import

Weekly Export Import Data:

Export/Import	07 Sep-13 Sep 2015	31 Aug-06 Sep 2015
Export (In lakh Bales)	0.795	0.943
Import (In lakh Bales)	0.344	0.479
		Source: IBIS

India exported 0.795 lakh bales of cotton last week (07 Sep-13 Sep 2015), which was 0.943lakh bales in the previous week (31 Aug-06 Sep 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.344 lakh bales last week, which was 0.479 lakh bales in the previous week.



Progressive Export Import Data

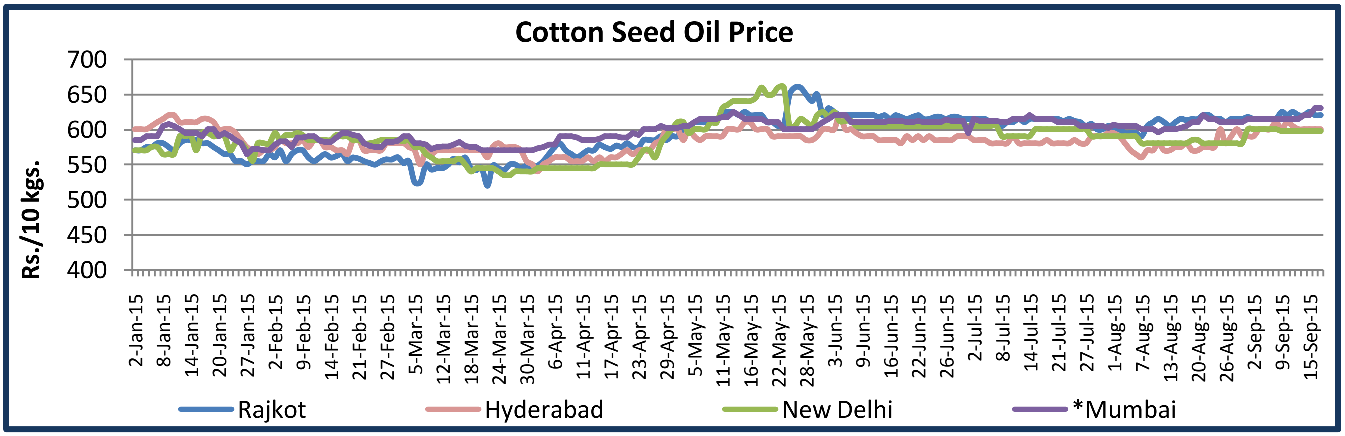
Export/Import (till Oct to July)	2014-15	2013-14
Export	50.2	109.42
Import	10.88	11.07
		Figures in Lakh bales Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil at Key Centers:

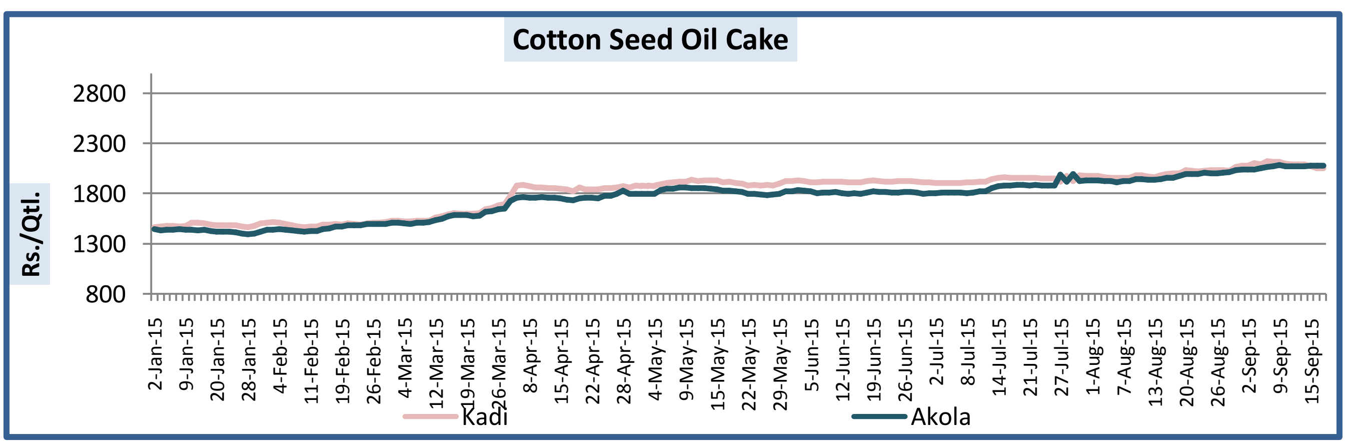
Due to the weakness in the Kapas price, cotton seed oil (CSO) and cotton seed oil cake (COC) prices too moved down during the week. Following tables and graphs summarize movement in prices of CSO and COC in the market.

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	17-September-15	**10-September-15**	
New Delhi	598	600	-0.33
Rajkot	622	618	0.65
Hyderabad	601	604	-0.50
Mumbai*	622	615	1.14
			**Vat Included*



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	17-September-15	**10-September-15**	
Kadi	2075	2112	-1.75
Akola	2076	2070	0.29



*Source: NCDEX

International Market Scenario

International cotton prices remained range bound to weak this week. Cotlook A index weekly average stood at 69.59 cents/pound this week, which was 69.97cents/pound during last week.

USDA has further slashed down the cotton production estimates for the season 2015-16 to 23.67 million tons in September, which was earlier estimated to be around 23.73 million tons a month ago. Cotton production for the season 2014-15, according to USDA would be standing around 25.89 million tons.

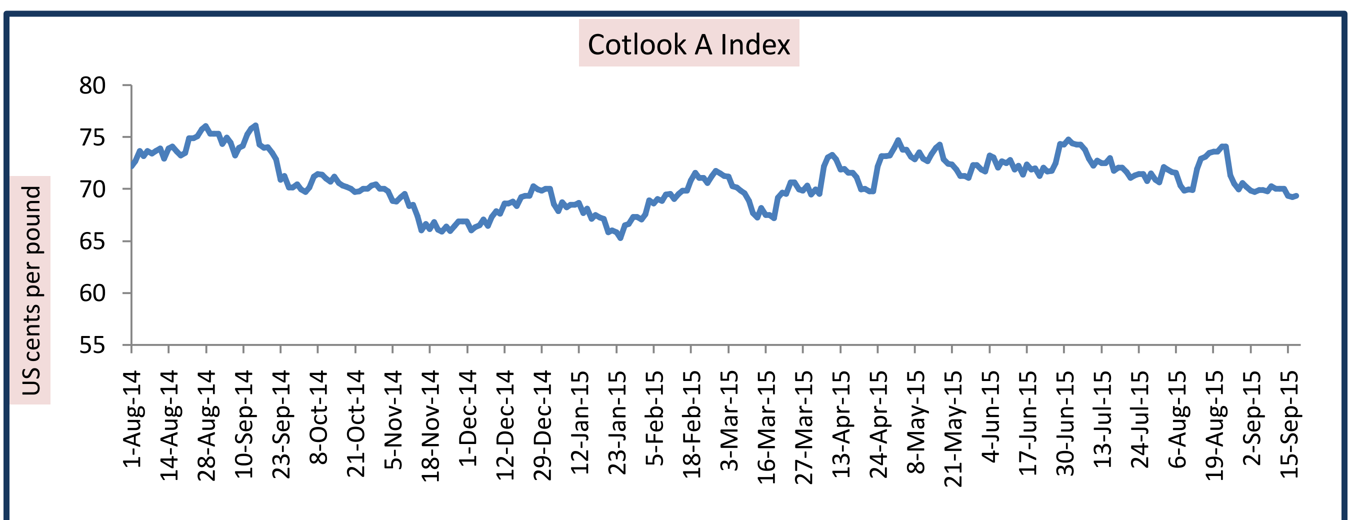
World cotton exports in 2015-16 according to USDA are likely to be around 7.45 million tons as per the latest estimates by USDA, slightly lower than 7.51 million tons, which was estimated a month ago. According to USDA, world cotton export for the season 2014-15 is likely to stand around 7.70 million tons.

USDA has revised the world cotton consumption estimates for 2015-16 downwardly to 24.69 million tons, which was estimated to be around 24.96 million tons in August estimates. The downwards revision in the consumption figures is the result of fall in the consumption estimates of major consumers including India, Pakistan and Turkey. No Change is made by USDA this month, on consumption of China and Bangladesh.. It should be noted that the consumption for the season 2014-15 would be standing around 24.28 million tons.

According to ICAC (International cotton advisory committee) world cotton production is likely to be around 23.70 million tons around 9.5% lower when compared to the estimated production of 26.19 million tons in 2014-15.

World cotton acreage would be standing lower this season by around 7% to 30.96 million hectares from 33.25 million hectares in 2014-15, said ICAC.

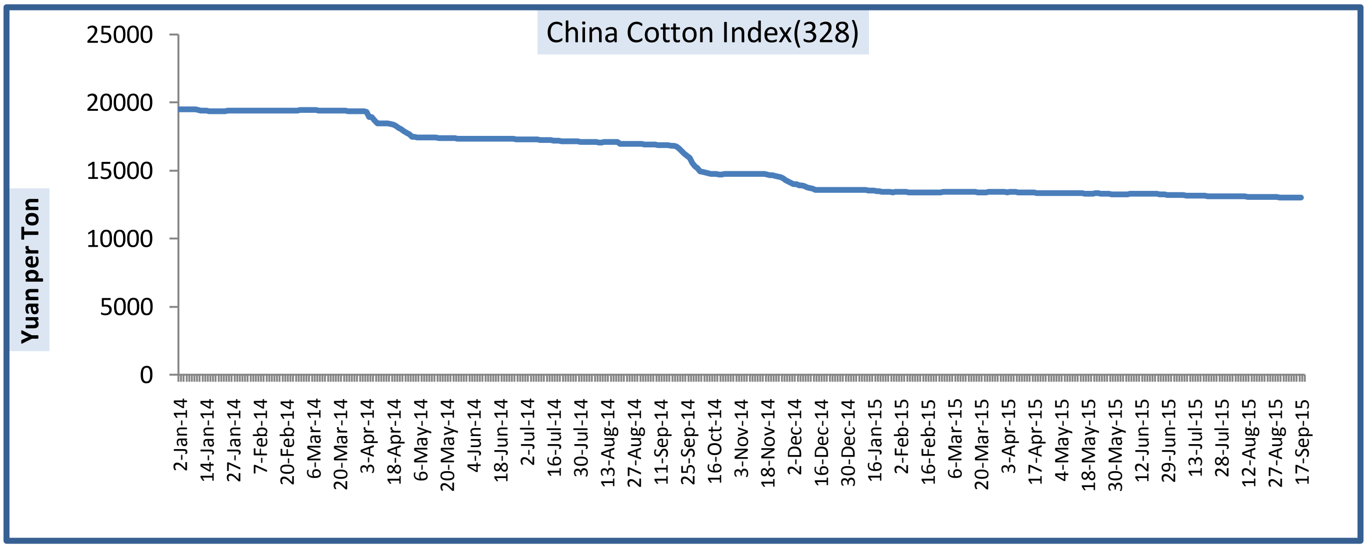
The International benchmark price i.e. Cotlook A Index in 2015-16 is expected to hover in the range of 59-89 US cents per pound with the midpoint of 72 US cents, according to ICAC. It should be noted that Cotlook A Index stood 70.78 US cents as yearly average price of season 2014-15.



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	17-September-15	10-September-15	
CC Index(229)	13640	13660	-0.15
CC Index(328)	13058	13065	-0.05
CC Index(527)	11958	11960	-0.02
			Prices in Yuan per Ton

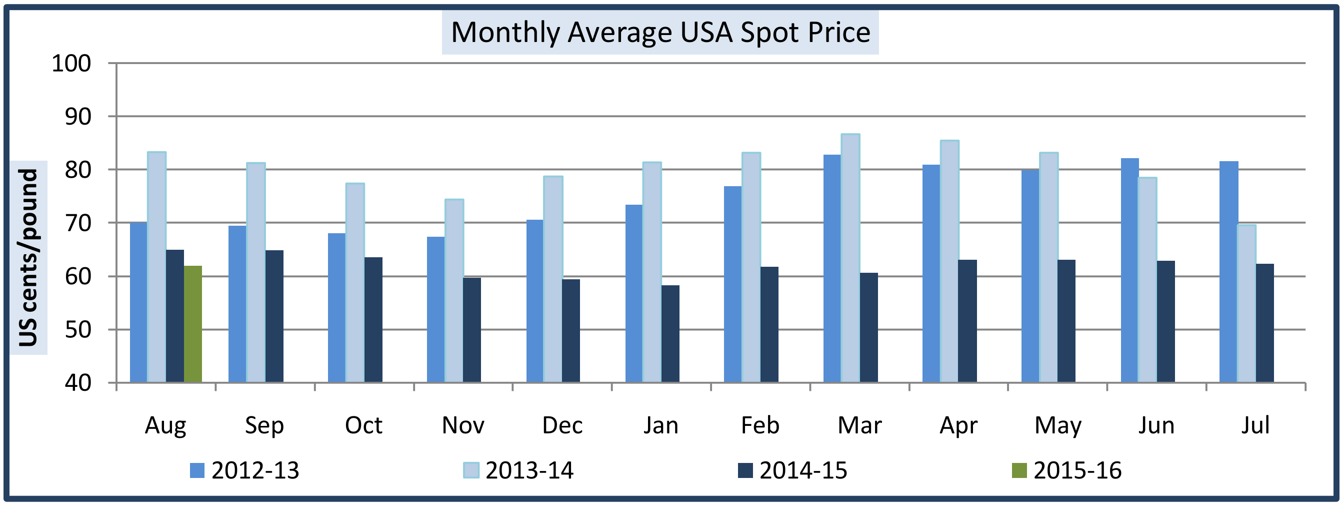


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	17-September-15	10-September-15	
Prices	69.59	69.97	-0.54
			Prices in US cents per Pound

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	17-September-15	10-September-15	
Prices	60.50	60.56	-0.10
			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	17-Sep-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-15	61.83	63.48	67.98	67.49	-2.60	-9.05	-8.39
Dec-15	62.40	63.05	66.52		-1.03	-6.19	
Mar-16	62.22	62.80	65.75		-0.92	-5.37	
May-16	62.56	63.14	65.85		-0.92	-5.00	
Jul-16	62.82	63.34	65.85		-0.82	-4.60	
Oct-16	61.92	61.94	65.24		-0.03	-5.09	

Figures in US cents per pound

Cotton Futures Price Outlook

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

Weekly Technical Outlook:

- Candlestick denotes the steep fall in the prices.
- RSI is moving low in neutral region.
- Prices closed below the9 and 18 days EMA.
- MACD denotes weakness in signal line and centerline movement.
- We expect prices to remain sideways to weak.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Sideways to Bearish Momentum	825-850

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
805	800	865	875
Figures in Rs. per 20Kgs.			

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

Weekly Technical Outlook:

- Candlesticks denote weak momentum in the future market.
- RSI is moving low in the neutral region.
- Prices are hovering below the 4, 9, 18 days SMA.
- MACD centerline and signal line are showing negative movements.
- We expect cotton prices to range sideways to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Sideways to Bearish Momentum	61.60-64.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.60	60.00	65.40	66.40
Figures in US cents per pound			