

Current Market Outlook

Domestic Weekly Price Scenario: Cotton prices in domestic markets remained mostly dull during the week following the new crop arrivals in most of the major markets.

Average price of Kapas at Rajkot during the week was Rs. 4605 per quintal, which stood at Rs 4685 previous week. Average price of Lint at Sri-Ganganagar during the week was Rs. 3325 per maund (of 37.32 Kg each), which stood at Rs 3425 previous week. Cotton fiber (Shankar-6) prices too remained dull this week. Average price was Rs 33680 per candy (of 355.6 kg each) during the week, which was Rs 34245 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) however surged this week and closed at Rs 841 per maund (of 20 kg each) which was Rs 831 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect spot price to remain weak with the range of Rs. 4350-4550 per quintal in the bench mark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.820-850 per maund (of 20 kg each).

Major Market Highlights: Cotton sowing area as on 01 October recorded at 116.4 lakh hectares throughout the country, according to the data released by the Ministry of Agriculture. The current acreage under cotton is around 8% lower when compared to the acreage at the corresponding period last year and around 1.2% higher when compared to the normal area during the season. According to the first advance estimates by Ministry of Agriculture, the final acreage of cotton during 2015-16 would stand around 116.9 lakh hectares.

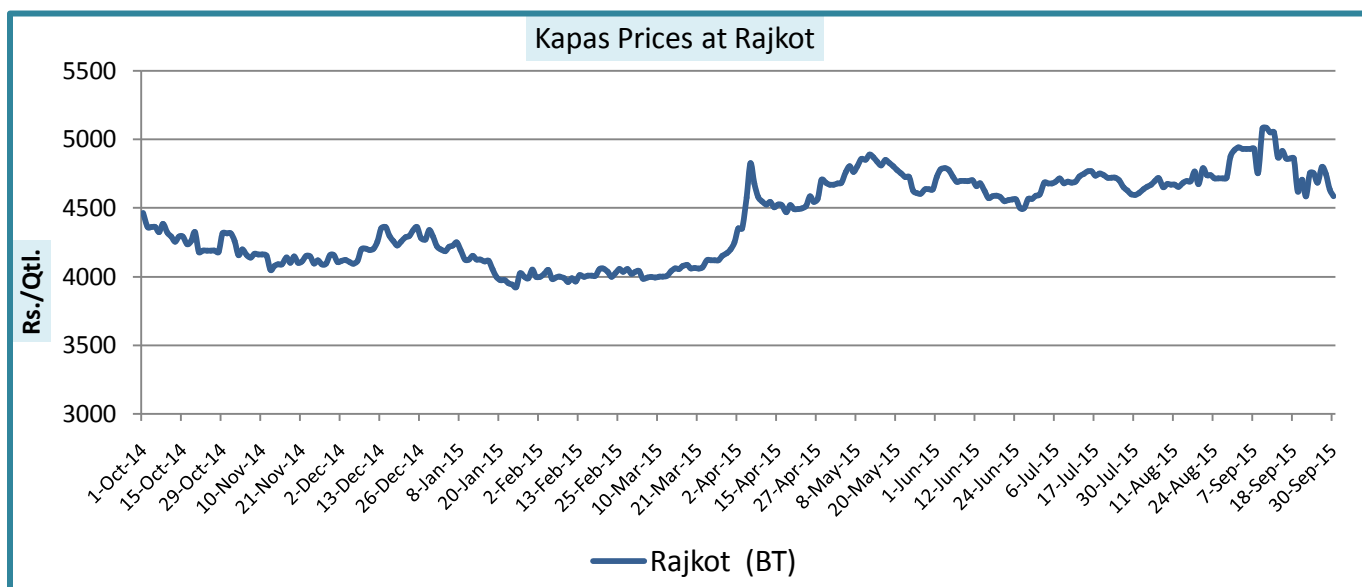
According to the first advance estimates for Kharif 2015-16 released by Department of Agriculture and Co-operation (DAC), Ministry of Agriculture, cotton production in country would be around 33.51 million bales, fairly lower when compared to the final estimates for 2014-15 which was 35.47 million bales.

As cotton exports has witnessed steep fall in exports, the cotton textile exporters want the government to accelerate free trade agreement with major overseas buyers including European Union, Australia and Canada in order to widen the export opportunity channel. Although the Indian cotton and cotton textile has been proved price-competitive, the preference has been given to countries like Bangladesh, Cambodia, Pakistan, South-Korea, Turkey and Vietnam.

Domestic Cotton Prices Scenario

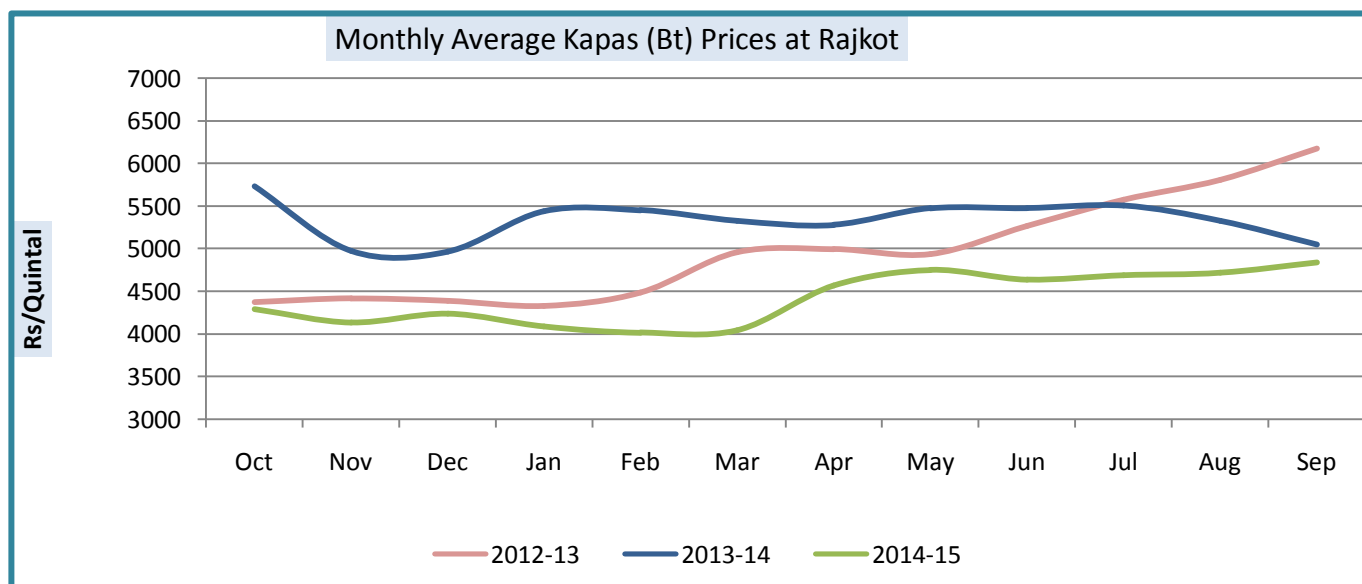
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained dull during the week due to the commencement of the new crop arrival in most of the major mandis. Weekly average price at Rajkot remained Rs. 4605 per quintal around 1.7% lower when compared to previous week price of Rs. 4685 per quintal.



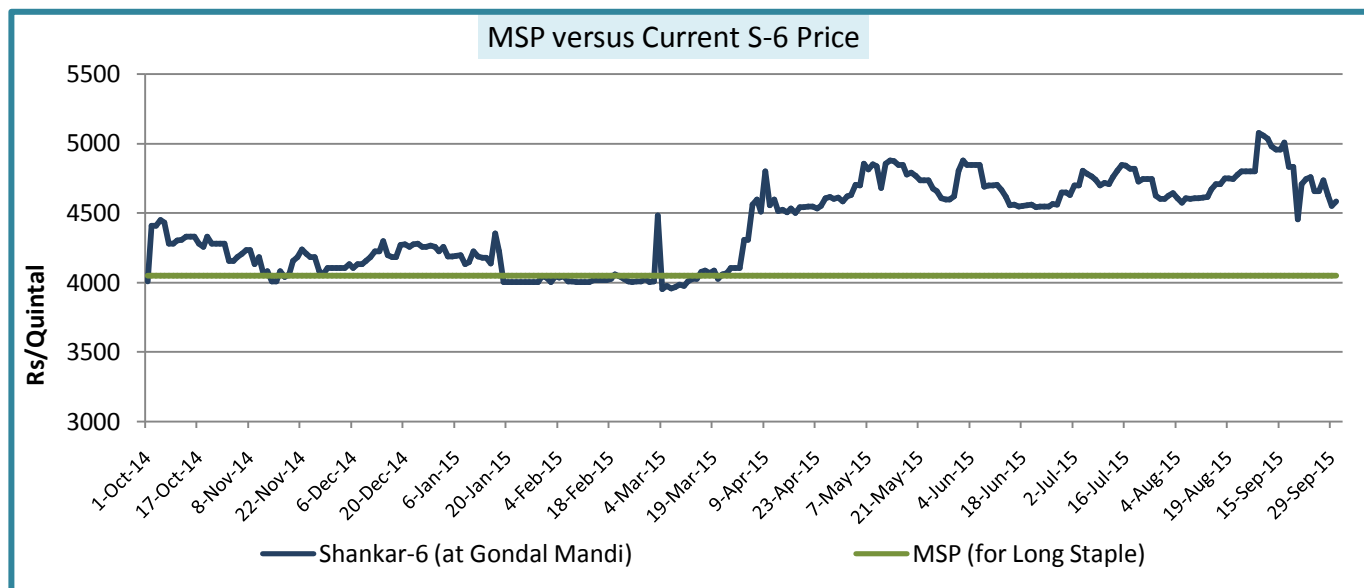
Kapas Y-o-Y Price Comparison:

Although recovered this month, Kapas prices are ruling downside year on year basis due to the weak international demand and surplus stocks in country. In September this year, monthly average price of Kapas at Rajkot remained Rs 4837 per quintal, around 3% higher when compared to the prices during the previous month but around 4% lower as compared to prices during the corresponding month of the previous year.



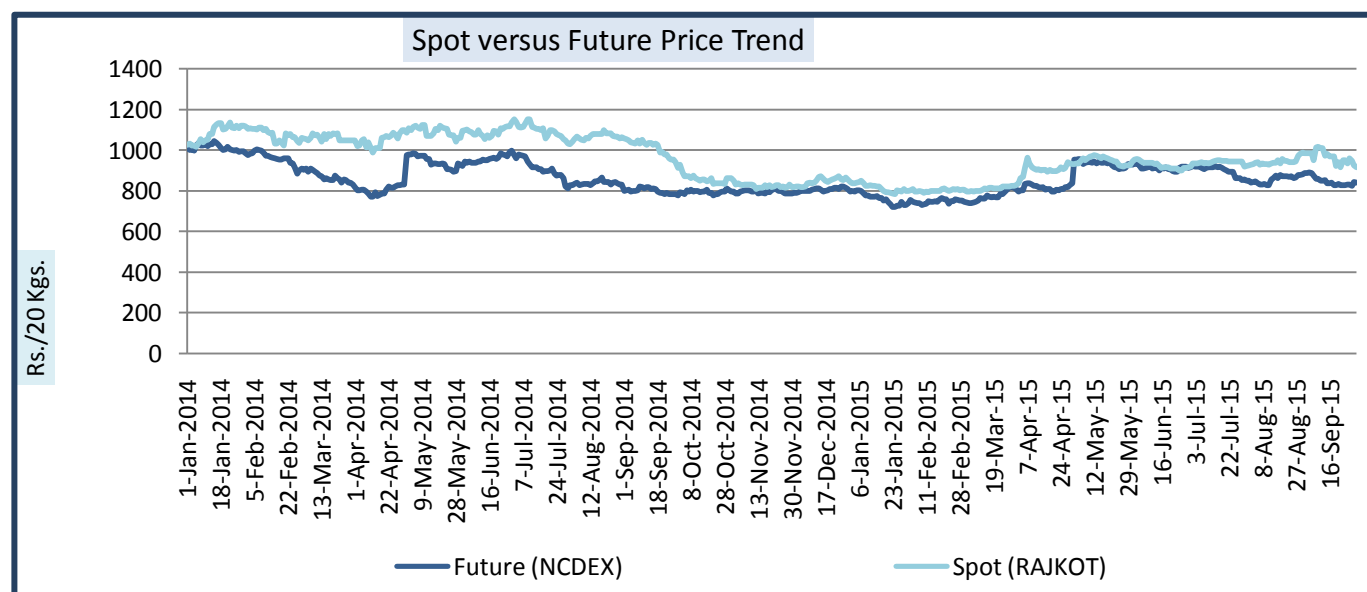
MSP versus Current Price Comparison:

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 580 during the week.



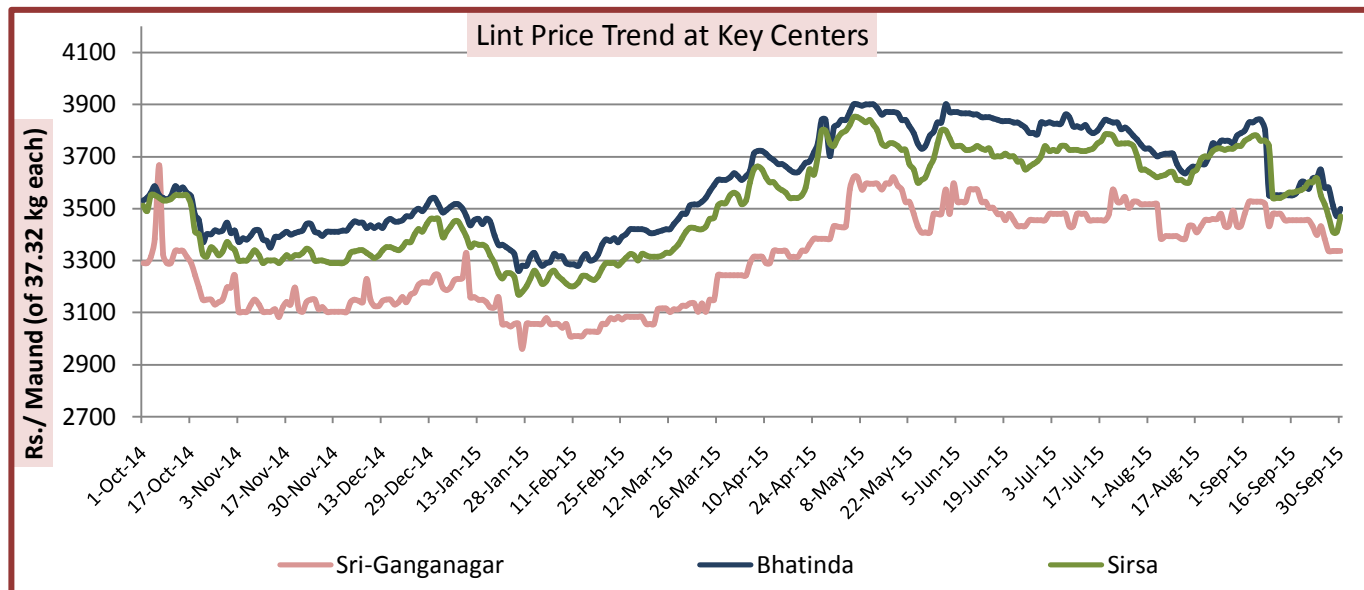
Spot and Future Price Comparison:

To the contrary of the spot prices, future prices closed higher this week. The spread between the two prices has been narrowed down slightly. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 831 per maund (of 20 kg each) which was Rs 841 a week earlier. Spot price closed at Rs 917 per maund (of 20 kg each) which was Rs 951 a week earlier. The average difference between the two was Rs 104 which was Rs113 a week earlier.



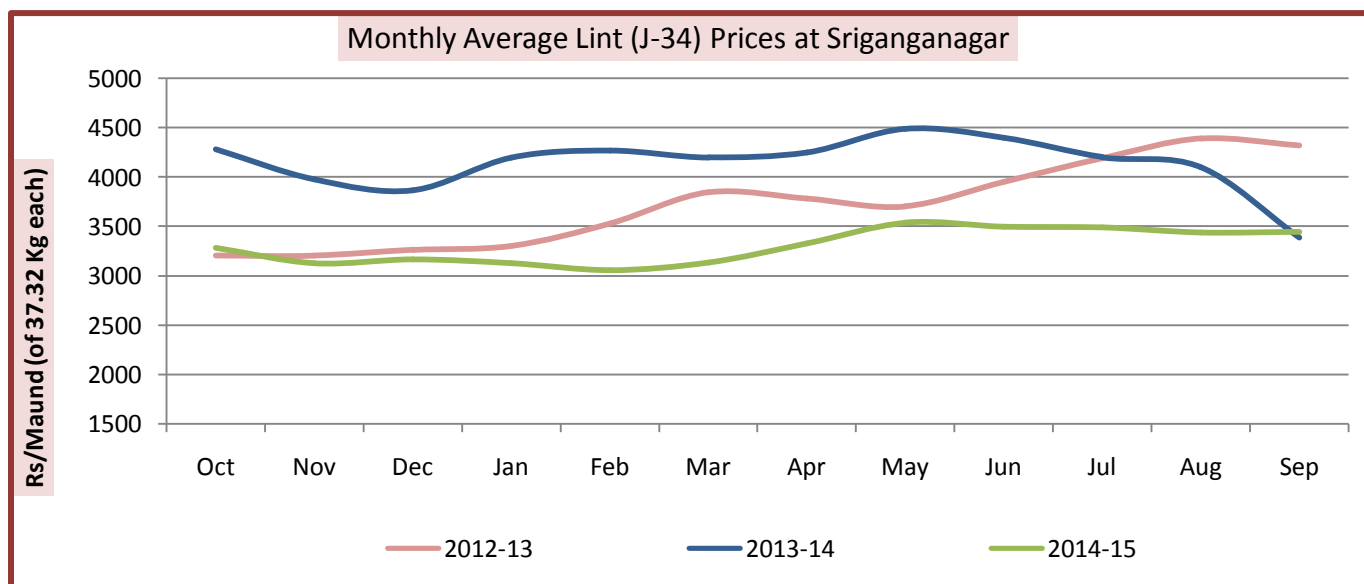
Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sri-Ganganagar remained Rs. 3325 per maund (of 37.32 kg each) around 3% lower when compared to previous week price of Rs. 3425 per maund.



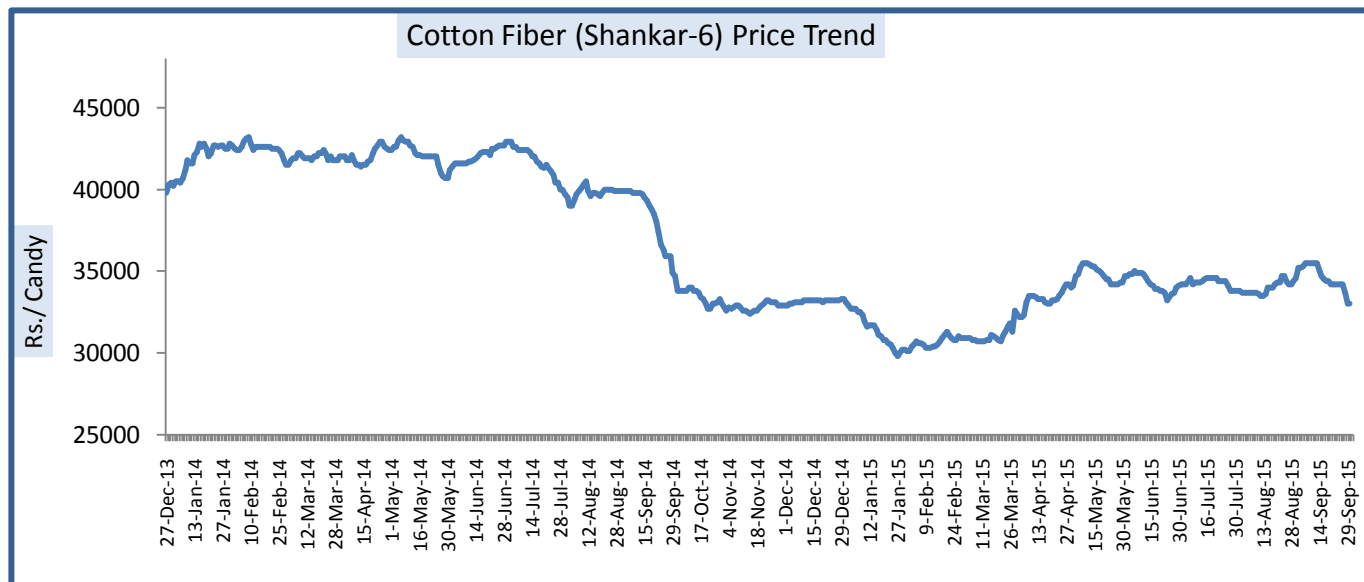
Lint Y-o-Y Price Comparison:

Lint prices so far are ruling firm this year as compared to the previous year due to correction in the demand of fiber in the domestic market. In September this year monthly average price of Lint at Sri-Ganganagar remained Rs. 3445 per quintal, around 2% higher when compared to the prices during the corresponding month of previous year.

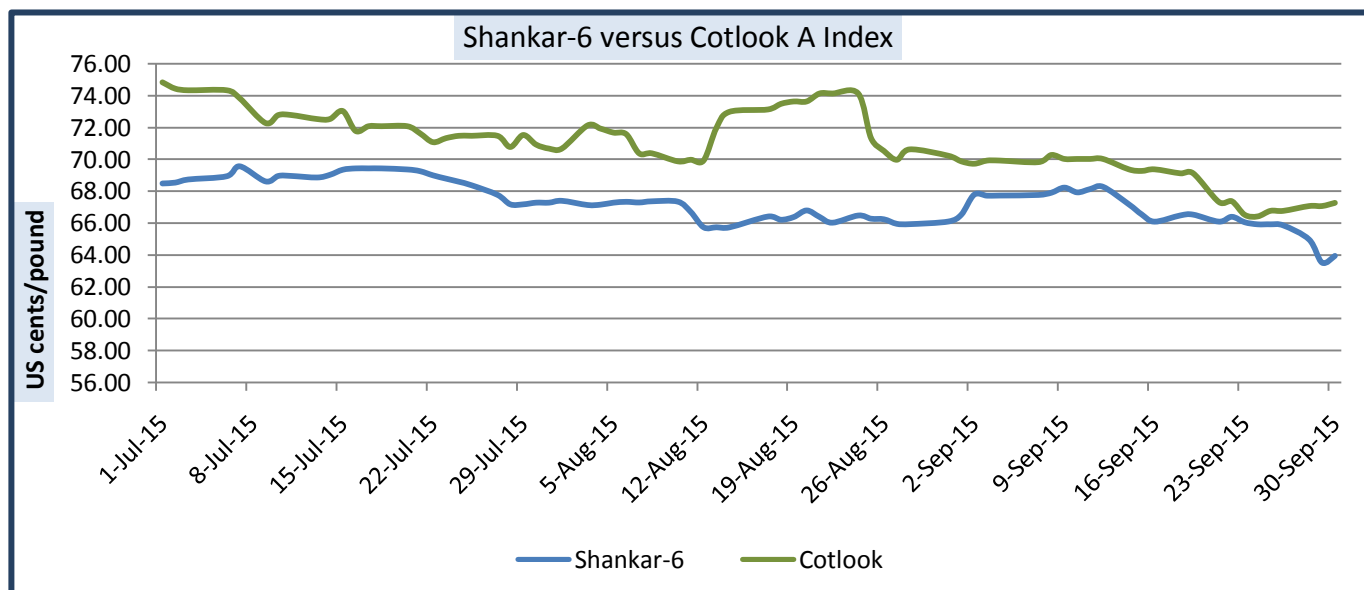


Cotton Fiber Weekly Price Scenario:

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 33680 per candy (of 355.6 kg each) around 1.6% lower when compared to the prices of previous week which was Rs. 34245 per candy.



Domestic versus International Price (Cotlook A Index):



Domestic Cotton Prices and Arrivals at Various Markets

Weekly Cotton Prices at Key Spot Centers:

Following are the weekly average prices at various centers this week along with the price prevailing previous week in the same markets.

Centre	Variety	Weekly Average Prices as on		Change
		01 st Oct 2015	25 th Sept 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4780	4800	-20
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4180	NA	-
Rajkot	B.T. Cotton	4605	4685	-80
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4470	4505	-35
Muktsar	B.T. Cotton	NA	4440	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	NA	NA	-
Bhiwani	B.T. Cotton	4580	4715	-135
Adampur	B.T. Cotton	4450	NA	-
Fatehabad	B.T. Cotton	4540	NA	-
Dabwali	B.T. Cotton	4370	4445	-75
Jind	B.T. Cotton	4525	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4350	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	4105	4075	30
Hanumangarh	B.T. Cotton	4520	4470	50
	Kapas			
Ahmedabad	Shankar-6	5125	NA	-
Gondal	Shankar-6	4580	4665	-85
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4005	4165	-160
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4200	4125	75
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	3510	3615	-105
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3510	3600	-90
Sirsa	J-34	3440	3575	-135
Mansa	J-34	3540	3610	-70
Sri-Ganganagar	J-34	3335	3425	-90

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
				30 Sept 2015	25 Sept 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30600	32085	-1485
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31100	32585	-1485
J-34(202)	26mm	3.5 - 4.9	23	32480	33000	-520
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31520	32050	-530
Shankar-6(105)	29mm	3.5 – 4.9	28	33680	34265	-585
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33260	33465	-205
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34360	34565	-205
DCH-32(107)	34mm	3.0 - 3.8	33	44400	42665	1735
*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 during the current week incomparison toprevious week.

Centre	Variety	Weekly Total Arrivals (In Qtl.)		Change
		01 st Oct 2015	25 th Sept 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	4000	NA	-
Rajkot	B.T. Cotton	3180	3850	-670
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-

Fazilika	B.T. Cotton	107	NA	-
Dhrol	B.T. Cotton	NA	67	-
Muktsar	B.T. Cotton	NA	1275	-
Bhiwani	Desi	NA	NA	-
Bhiwani	B.T. Cotton	32000	36500	-4500
Adampur	B.T. Cotton	1530	NA	-
Fatehabad	B.T. Cotton	1100	NA	-
Dabwali	B.T. Cotton	1850	1150	700
Jind	B.T. Cotton	255	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	102	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	2075	1300	775
Hanumangarh	B.T. Cotton	280	100	180
Ahmedabad	Shankar-6	850	NA	-
Gondal	Shankar-6	2622	1364	1258
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	6750	5300	1450
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	171	127	44
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	1360	1533	-173
Bhatinda	J-34	11050	6545	4505
Sirsa	J-34	2210	1275	935
Mansa	J-34	425	738	-313
Sri-Ganganagar	J-34	NA	NA	-

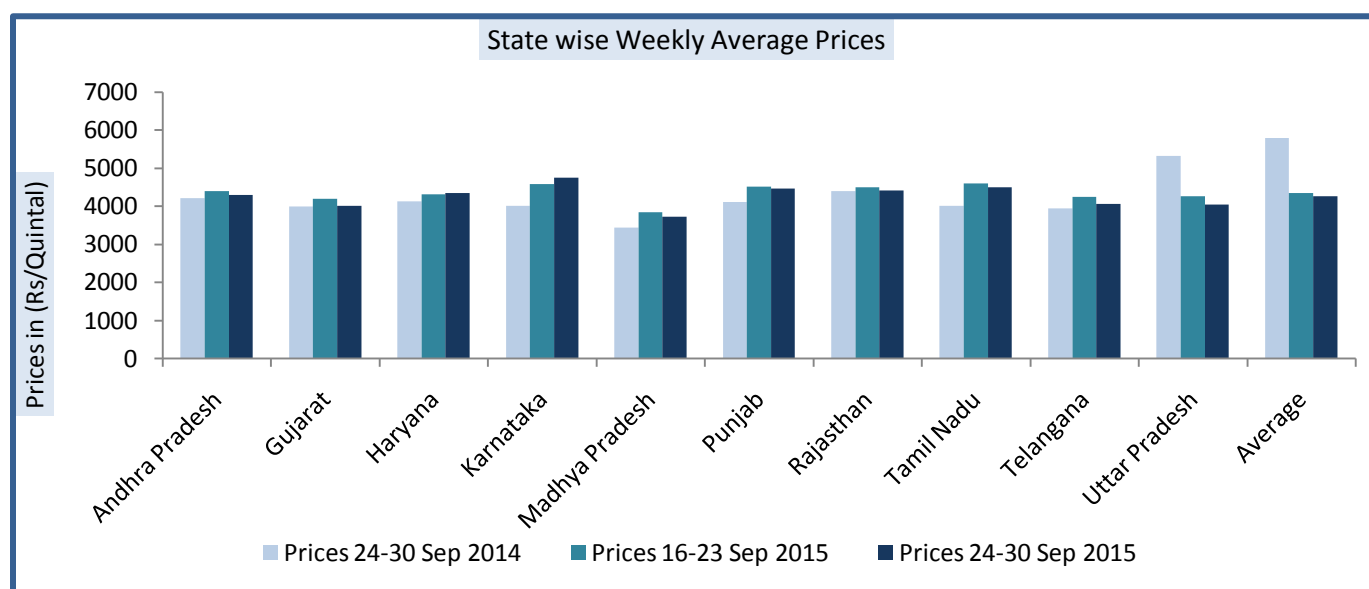
State wise Scenario

State wise Weekly Prices (at Major States):

State	Prices 24-30 Sep 2015	Prices 16-23 Sep 2015	Prices 24-30 Sep 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4287.05	4387.73	4198.42	-2.29	2.11
Gujarat	3999.82	4181.76	3982.02	-4.35	0.45
Haryana	4337.52	4302.45	4129.53	0.82	5.04
Karnataka	4752.03	4583.57	3999.69	3.68	18.81
Madhya Pradesh	3711.42	3840.85	3424.84	-3.37	8.37
Punjab	4455.35	4517.04	4098.9	-1.37	8.7
Rajasthan	4409.29	4493.63	4391.31	-1.88	0.41
Tamil Nadu	4498.07	4590.71	4005.99	-2.02	12.28
Telangana	4054.81	4245.88	3939.41	-4.5	2.93
Uttar Pradesh	4032.12	4253.09	5320	-5.2	-24.21
Average	4253.75	4339.67	5785.46		

Prices in Rs per quintal, Source: Agmarknet

All India weekly average price of cotton moved slightly southwards during the last week of the month, as revealed by data of Agmarknet. Weekly all India average price remained Rs 4258 per quintal this week as compared to Rs. 4340 last week. Except Uttar Pradesh, all states are reflecting higher price this season so far as compared to the previous season during the same time.

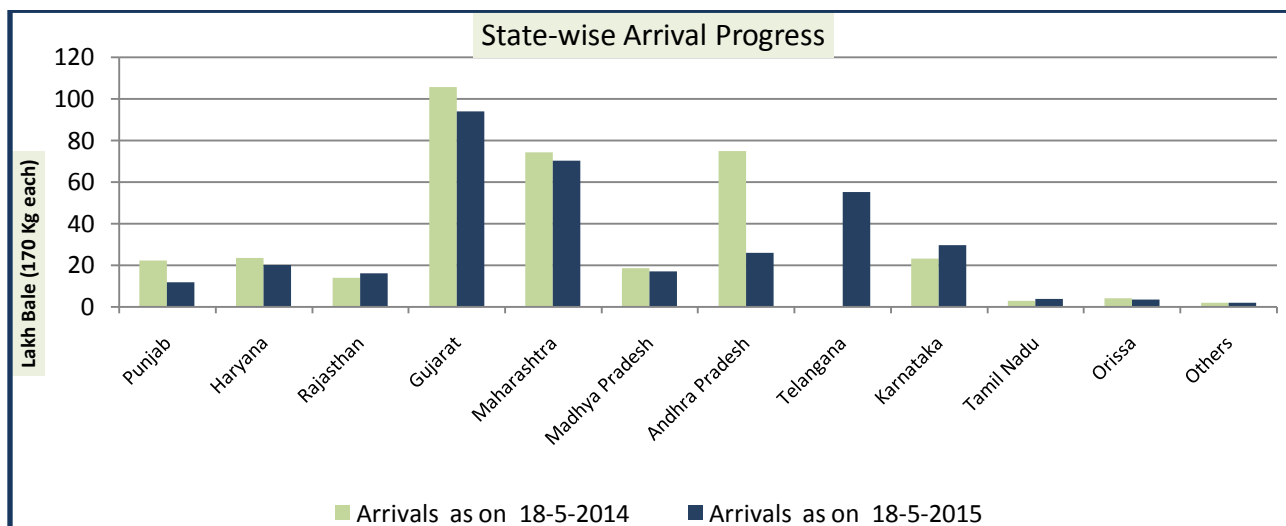


State wise Arrivals (in lakh bales of 170 kgs each):

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)



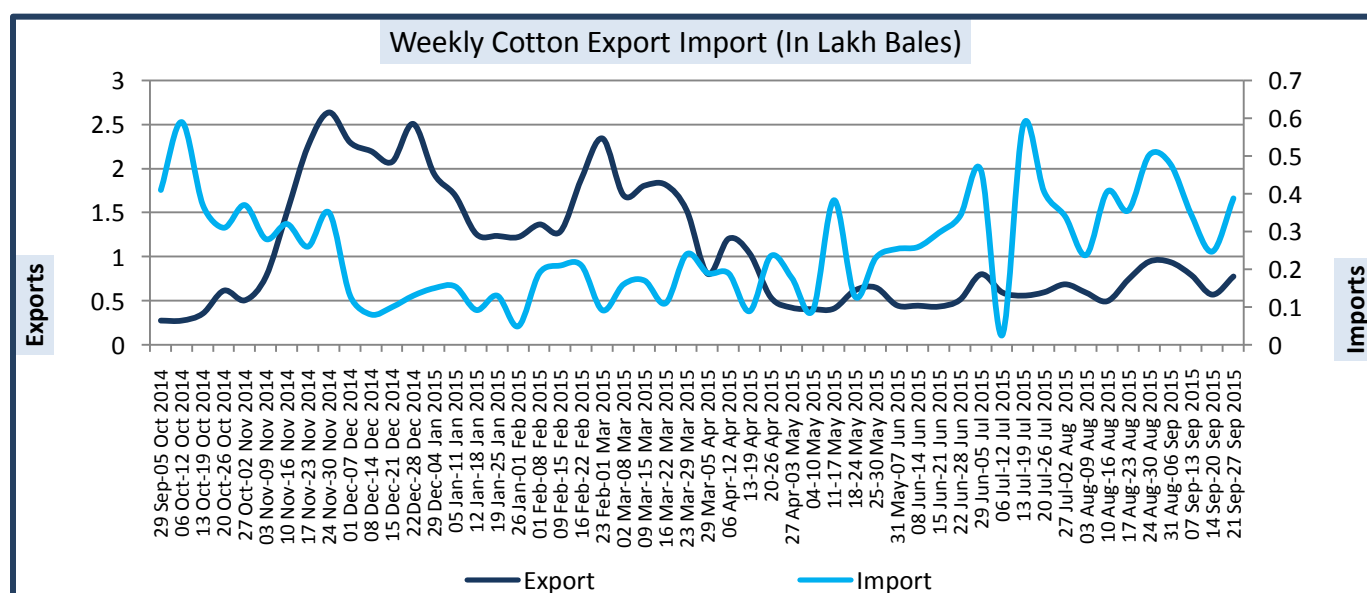
Cotton Export and Import

Weekly Export Import Data:

Export/Import	21 Sep-27 Sep 2015	14 Sep-20 Sep 2015
Export (In lakh Bales)	0.780	0.574
Import (In lakh Bales)	0.388	0.247

Source: IBIS

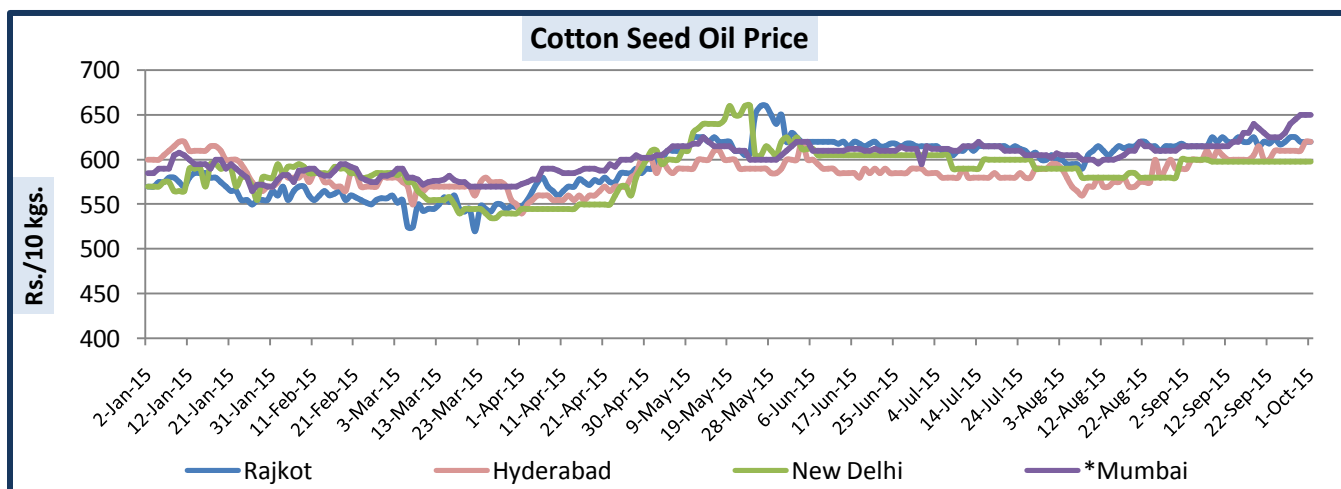
India exported 0.780 lakh bales of cotton last week (21 Sep-27 Sep 2015), which was 0.574 lakh bales in the previous week (14 Sep-20 Sep 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.388 lakh bales last week, which was 0.247 lakh bales in the previous week.



Cotton Seed Oil and Cotton Seed Oil Cake

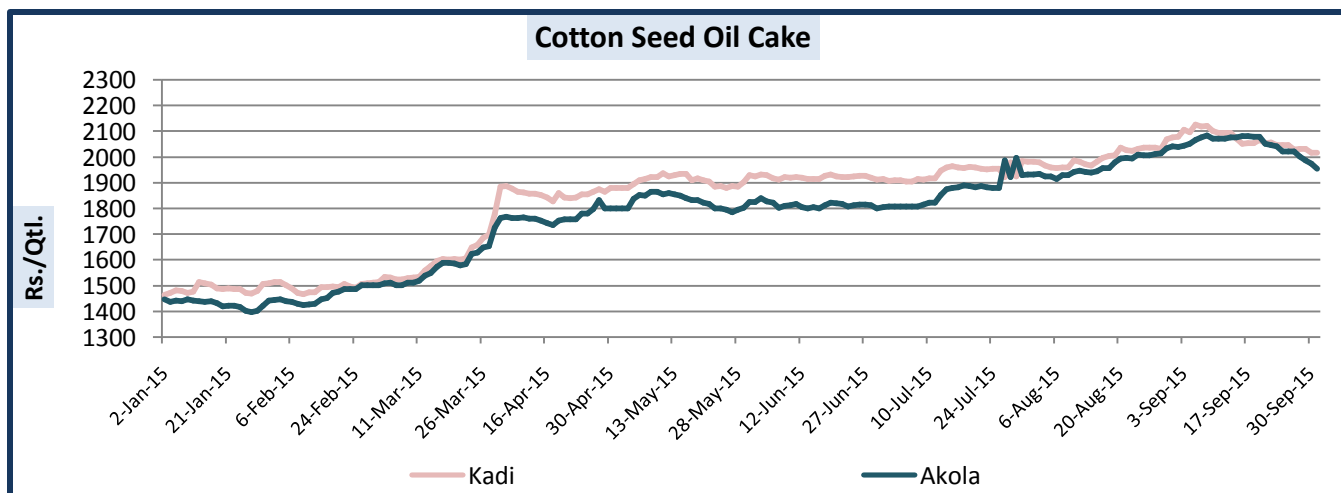
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	01-October-15	24-September-15	
New Delhi	598	598	0.00
Rajkot	622	620	0.32
Hyderabad	613	607	0.99
Mumbai*	644	630	2.22
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	01-October-15	24-September-15	
Kadi	2028	2053	-1.22
Akola	1992	2052	-2.92



*Source: NCDEX

International Market Scenario

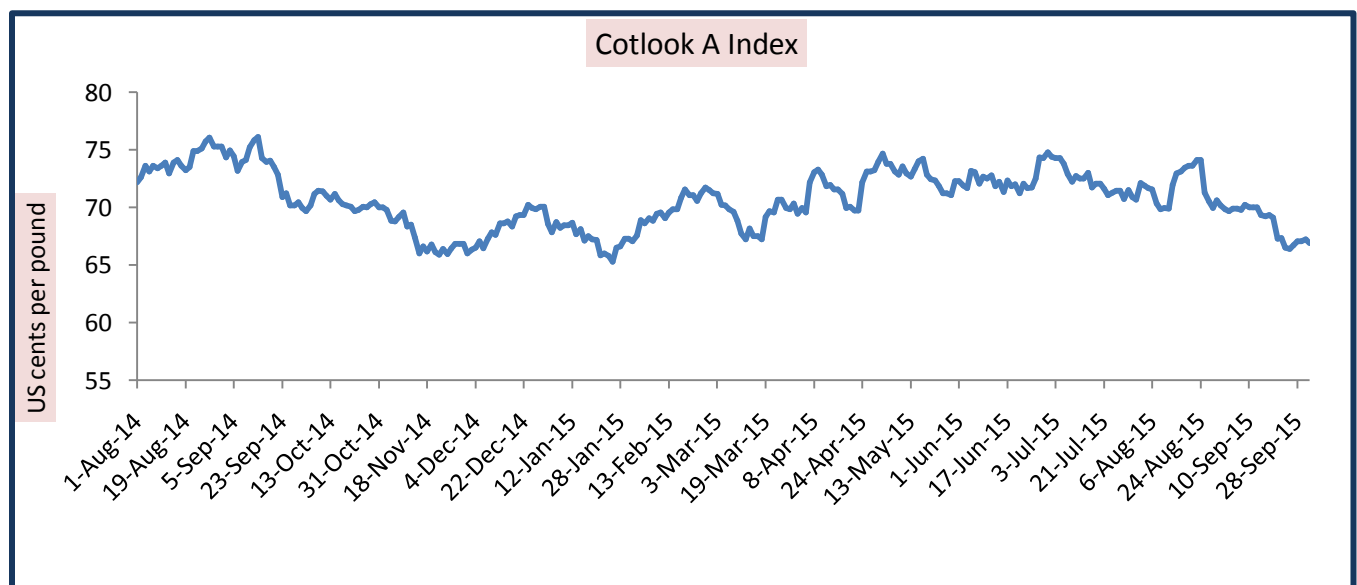
International cotton prices remained range bound to weak this week. Cotlook A index weekly average stood at 67.00 cents/pound this week, which was 67.33 cents/pound during last week.

Cotton imports by China in August stood 70,000 tons, the lowest monthly import since year 2005 and around 65.8 percent lower than the imports during the same month last year, as revealed by custom data. The fall in the import is the result of issuance of lower import quota by Beijing in order to amplify the demand of domestic crop.

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.



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Cotton Futures Price Outlook

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



Weekly Technical Outlook:

- Candlesticks denote rapid uptrend in the prices.
- RSI is moving flat in neutral region.
- Prices closed below the 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	820-850

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
815	800	860	875

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

- Candlesticks denoterange bound momentum in the 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 pricestorange sideways to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Sideways to Bearish Momentum	59.00-61.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
58.40	58.00	62.00	62.60

Figures in US cents per pound

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