

## Current Market Outlook

**Domestic Market Scenario:** Spot market prices in domestic markets remained sideways to weak 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. 4450 per quintal, which stood at Rs 4605 previous week. Average price of Lint at Sri-Ganganagar during the week was Rs. 3337 per maund (of 37.32 Kg each), which stood at Rs 3345 previous week. Cotton fiber (Shankar-6) prices too remained dull this week. Average price was Rs 32350 per candy (of 355.6 kg each) during the week, which was Rs 33400 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) however surged up this week and closed at Rs 867.5 per maund (of 20 kg each) which was Rs 841 a week earlier.

**Cotton Price Outlook (For Coming Week):** In the coming week we expect spot price to remain sideways to firm. Kapas prices are likely to remain in 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.860-890 per maund (of 20 kg each).

**Major Market Highlights:** According to the October estimates of ICAC (International cotton advisory committee), cotton production in India is likely to be around 6.37 million ton (375 lakh bales of 170 kg each) in 2015-16, around 2.15% lower when compared to the estimates production of 6.51 million tons (383 lakh bales) in 2014-15.

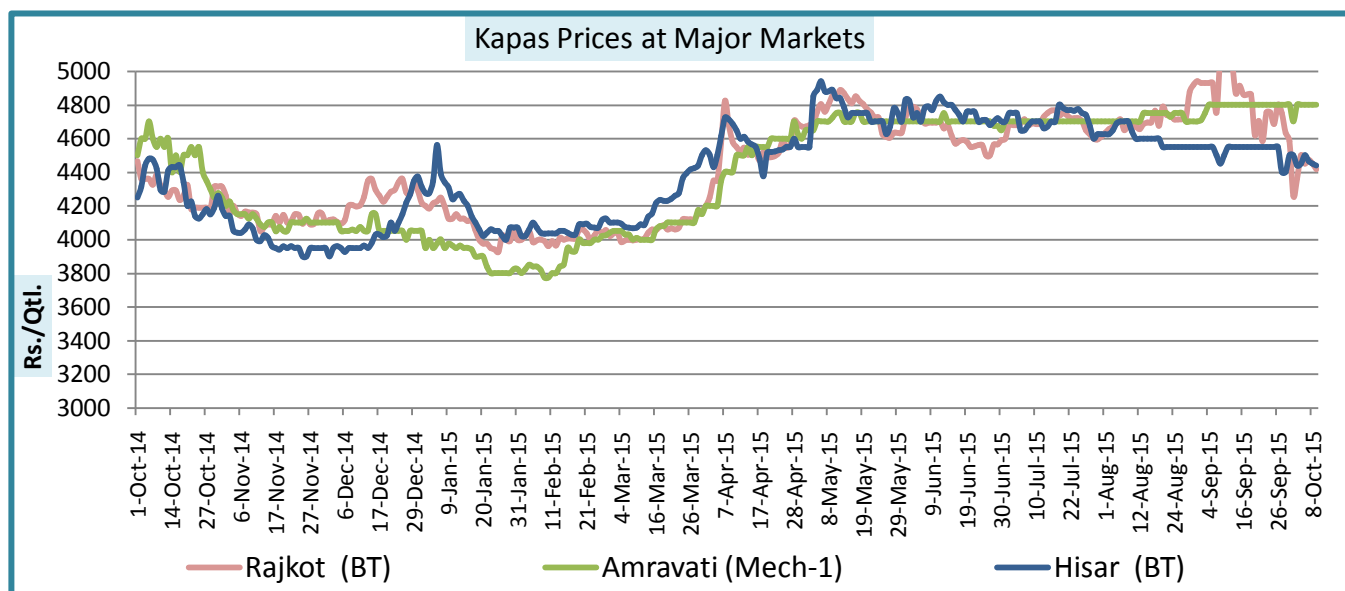
Cotton sowing area as on 01 October recorded at 116.4 lakh hectares throughout the country, according to the data released by the Ministry of Agriculture. The current acreage under cotton is around 8% lower when compared to the acreage at the same time last year and around 1.2% higher when compared to 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.

## Domestic Cotton Prices Scenario

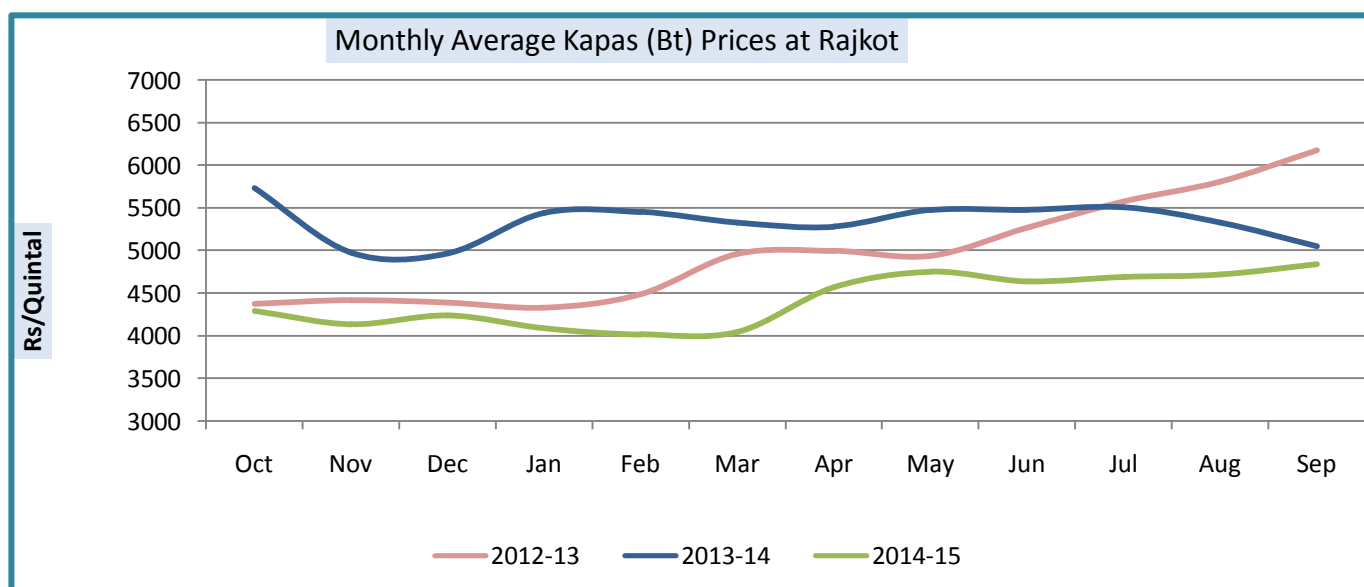
### Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained firm 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. 4450 per quintal around 3.36% lower when compared to previous week price of Rs. 4605 per quintal.



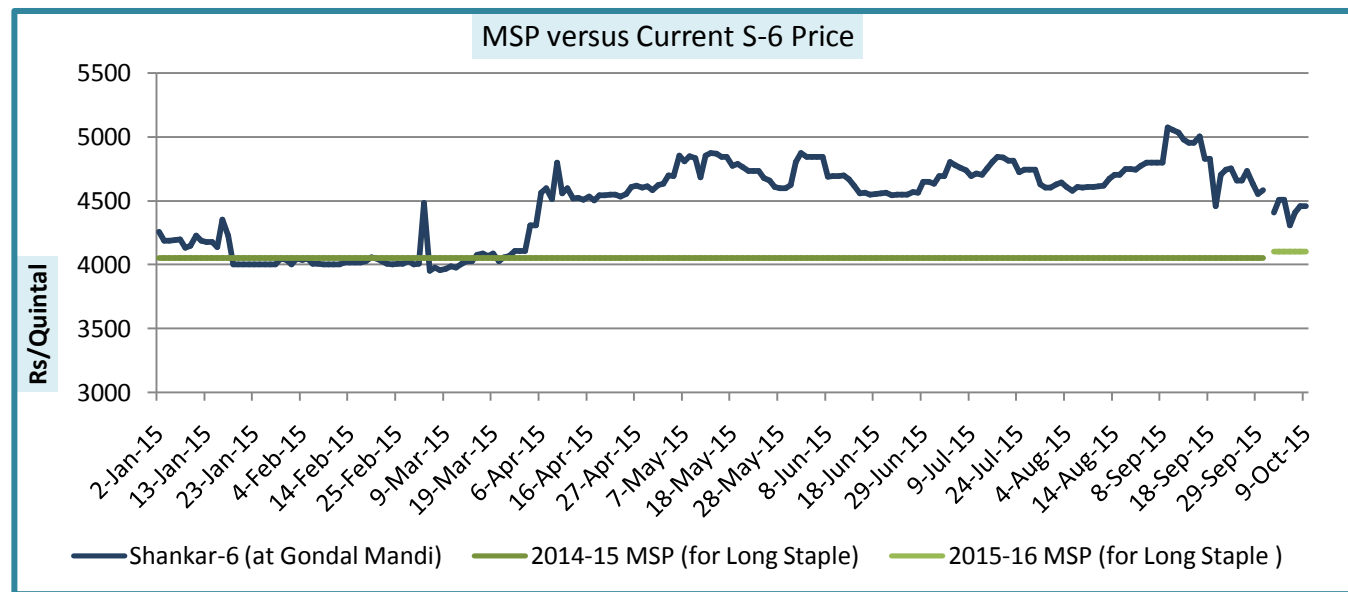
### Kapas Y-o-Y Price Comparison:

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 same month previous year.



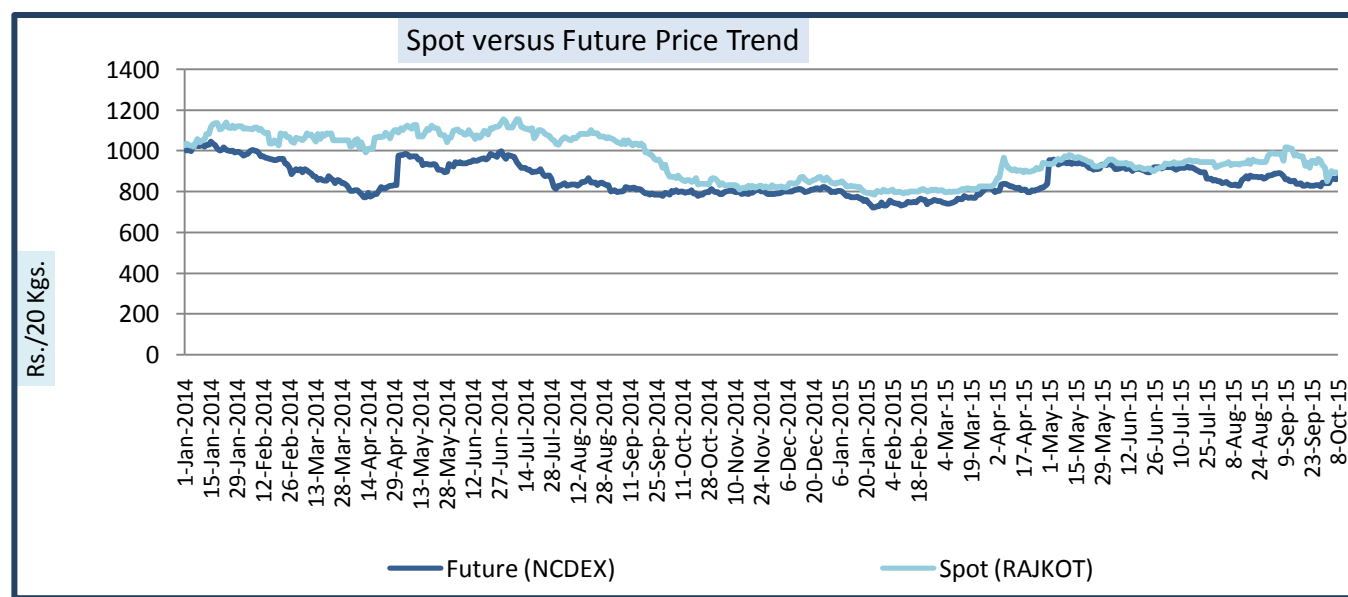
### MSP versus Current Price Comparison:

Kapas prices(Shankar-6) are currently ruling above the MSP of Rs 4100 per quintal (for long staple). The average difference between the actual price and MSP remained Rs 335 during the week which was Rs 580 previous week.



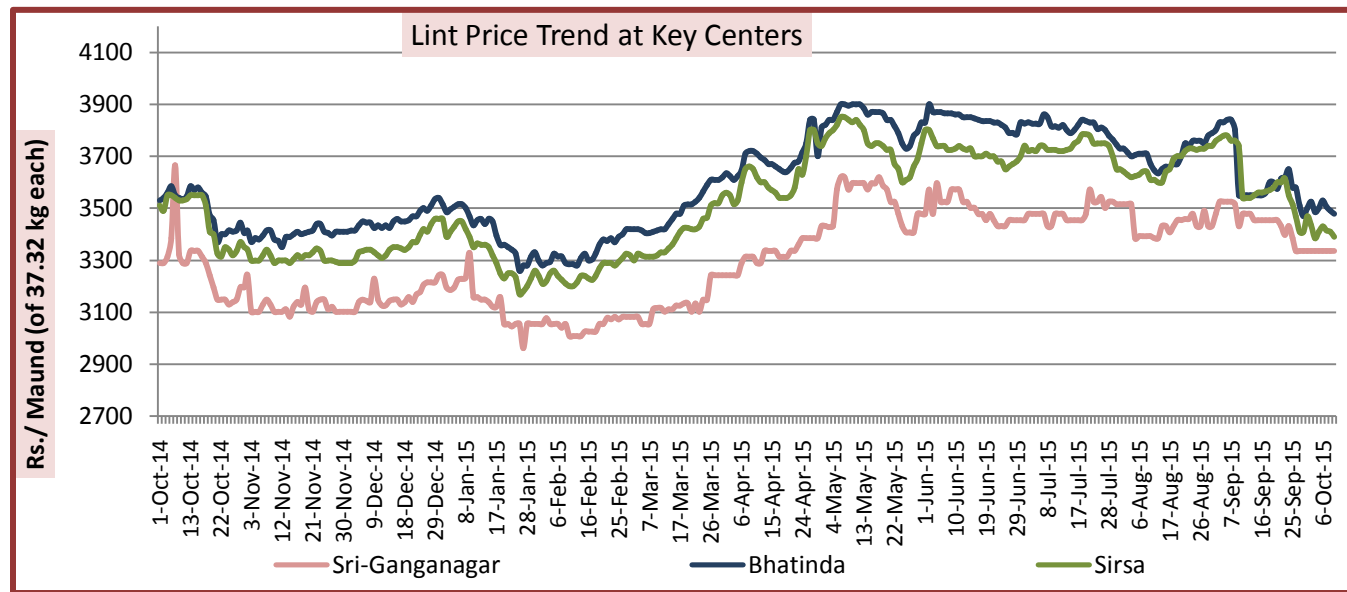
### Spot and Future Price Comparison:

To the contrary of the spot prices, future prices closed higher this week. The spread between the two prices has been narrowed remarkably. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 867.5 per maund (of 20 kg each) which was Rs 841 a week earlier. Spot price closed at Rs 890 per maund (of 20 kg each) which was Rs 917 a week earlier. The average difference between the two was Rs151 which was Rs 532 a week earlier.



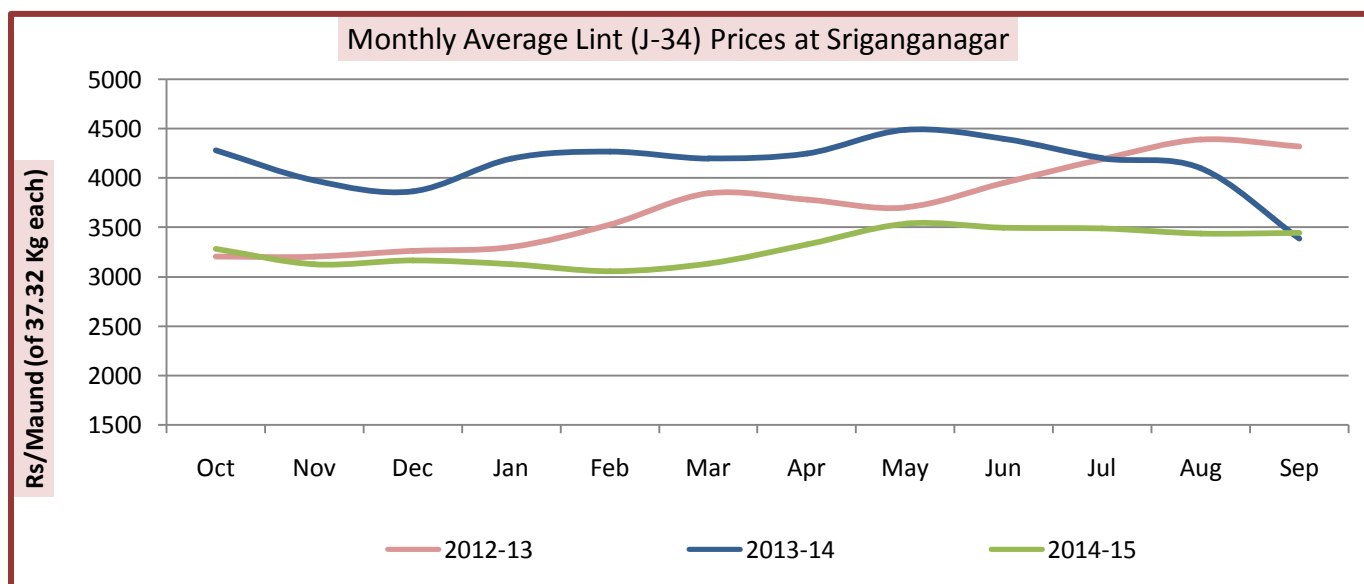
### Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sri-Ganganagar remained Rs 3337 per maund (of 37.32 kg each) around 0.23% lower when compared to previous week price of Rs. 3345 per maund.



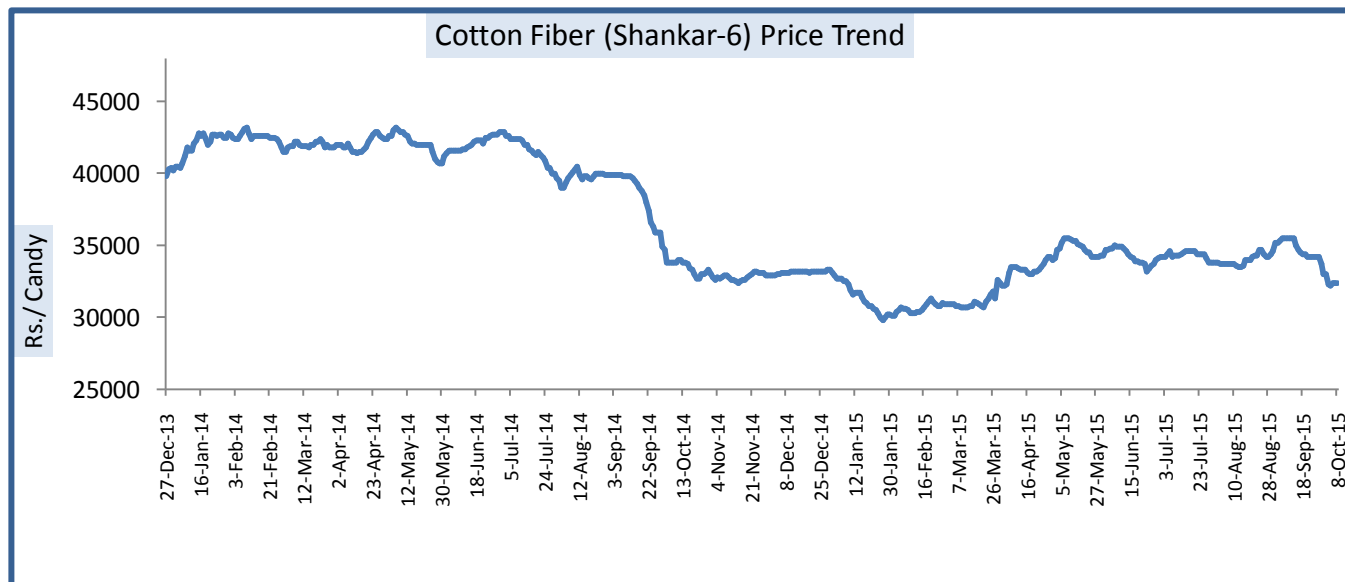
### Lint Y-o-Y Price Comparison:

Lint prices 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.

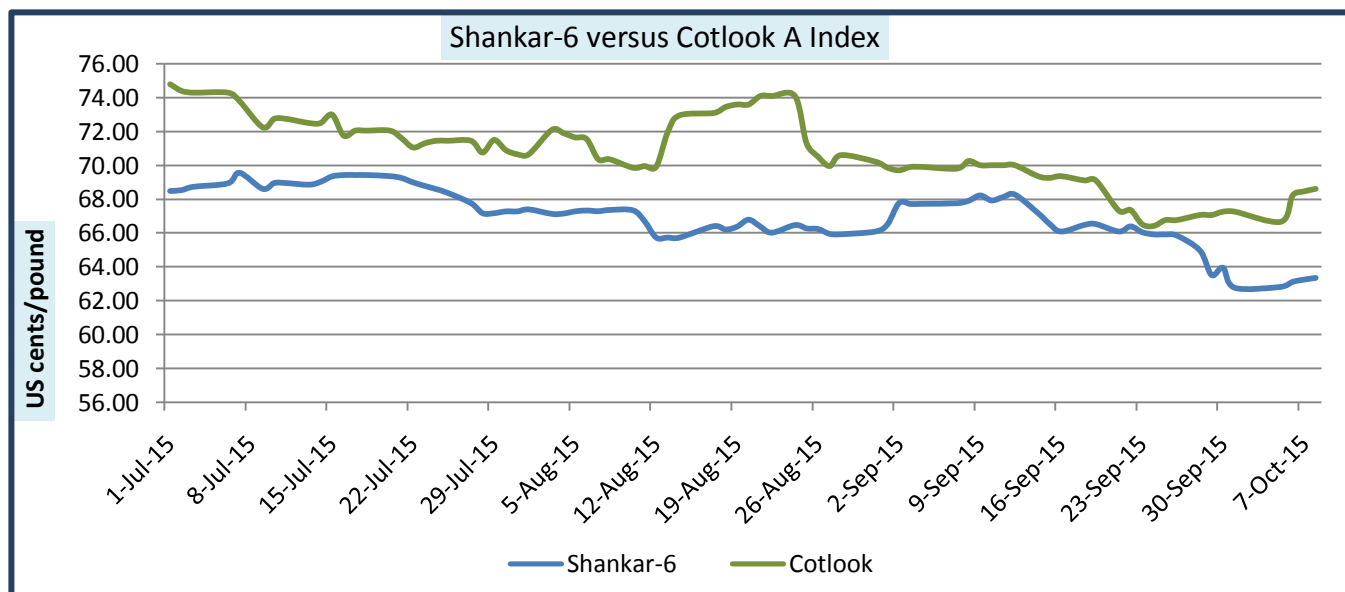


### Cotton Fiber Weekly Price Scenario:

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 32350 per candy (of 355.6 kg each) around 3% lower when compared to the prices of previous week which was Rs. 33400 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
		8th Oct 2015	01st Oct 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4800	4780	20
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4425	4180	245
Rajkot	B.T. Cotton	4450	4605	-155
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4250	4470	-220
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	NA	NA	-
Bhiwani	B.T. Cotton	4450	4580	-130
Adampur	B.T. Cotton	4440	4450	-10
Fatehabad	B.T. Cotton	4425	4540	-115
Dabwali	B.T. Cotton	4345	4370	-25
Jind	B.T. Cotton	4565	4525	40
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4500	4350	150
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	4100	4105	-5
Hanumangarh	B.T. Cotton	4500	4520	-20
	<b>Kapas</b>			
Ahmedabad	Shankar-6	NA	5125	-
Gondal	Shankar-6	4480	4580	-100
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4150	4005	145
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4200	4200	Unch
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-

Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	NA	4050	-
	<b>Lint</b>	<b>Rs/Maund (of 37.32 kg each)</b>		
Abohar	J-34	3480	3510	<b>-30</b>
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3480	3510	<b>-30</b>
Sirsa	J-34	3390	3440	<b>-50</b>
Mansa	J-34	3480	3538	<b>-58</b>
Sri-Ganganagar	J-34	3337	3345	<b>-8</b>

### 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
				08 Oct 2015	30 Sept 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30175	33200	<b>-3025</b>
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30675	33700	<b>-3025</b>
J-34(202)	26mm	3.5 - 4.9	23	32100	32980	<b>-880</b>
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31400	31740	<b>-340</b>
Shankar-6(105)	29mm	3.5 – 4.9	28	32350	33740	<b>-1390</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32550	34240	<b>-1690</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33550	35240	<b>-1690</b>
DCH-32(107)	34mm	3.0 - 3.8	33	44500	42700	<b>1800</b>
<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.

Centre	Variety	Weekly Total Arrivals (In Quintals) as on		Change
		8th Oct 2015	01st Oct 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	3500	4000	<b>-500</b>
Rajkot	B.T. Cotton	1425	3180	<b>-1755</b>

Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	113	107	6
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi	NA	NA	-
Bhiwani	B.T. Cotton	7000	32000	-25000
Adampur	B.T. Cotton	510	1530	-1020
Fatehabad	B.T. Cotton	900	1100	-200
Dabwali	B.T. Cotton	700	1850	-1150
Jind	B.T. Cotton	340	255	85
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	50	102	-52
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	400	2075	-1675
Hanumangarh	B.T. Cotton	900	280	620
Ahmedabad	Shankar-6	NA	850	-
Gondal	Shankar-6	932	2622	-1690
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	1500	6750	-5250
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	157	171	-14
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	680	1360	-680
Bhatinda	J-34	4250	11050	-6800
Sirsa	J-34	850	2210	-1360
Mansa	J-34	425	425	Unch
Sri-Ganganagar	J-34	NA	NA	-



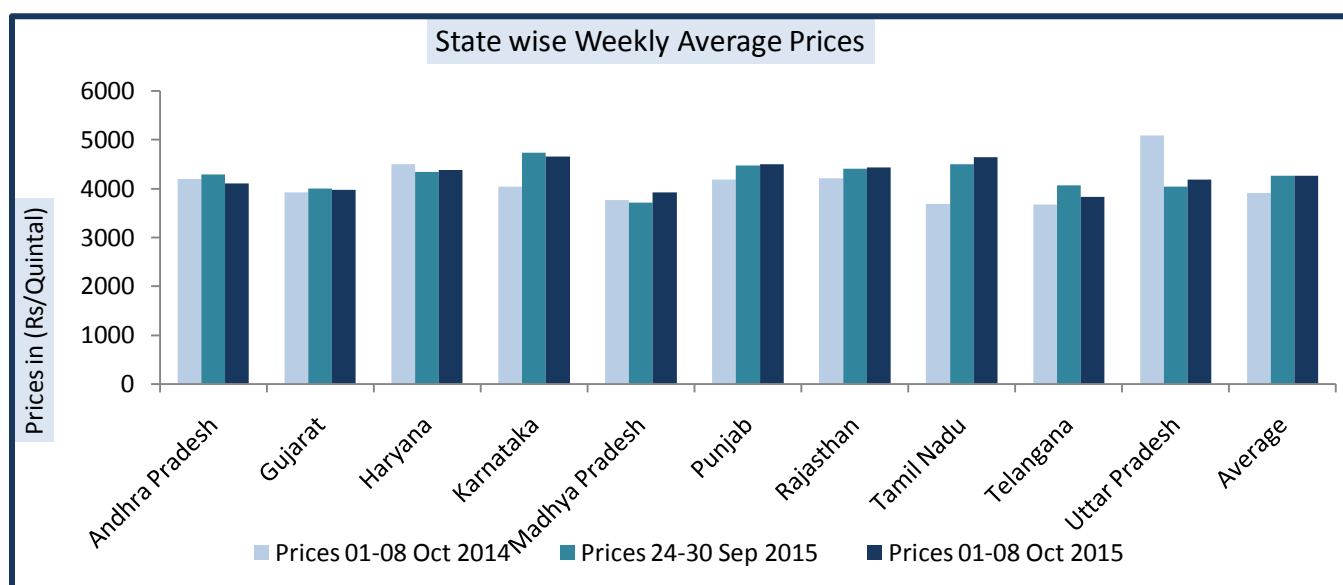
### State wise Scenario

#### State wise Weekly Prices (at Major States):

State	Prices 01-08 Oct 2015	Prices 24-30 Sep 2015	Prices 01-08 Oct 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4097.86	4287.05	4195.78	-4.41	-2.33
Gujarat	3970.26	3999.82	3914.49	-0.74	1.42
Haryana	4373.98	4337.49	4493.19	0.84	-2.65
Karnataka	4649.47	4728.54	4030.77	-1.67	15.35
Madhya Pradesh	3913.39	3709.67	3753.35	5.49	4.26
Punjab	4491.65	4463.82	4181.92	0.62	7.41
Rajasthan	4427.66	4401.33	4203.2	0.6	5.34
Tamil Nadu	4631.19	4498.07	3678.03	2.96	25.91
Telangana	3821.06	4054.81	3665.65	-5.76	4.24
Uttar Pradesh	4181.05	4032.12	5088.89	3.69	-17.84
Average	4255.76	4251.27	3905.02		

Prices in Rs per quintal, Source: Agmarknet

All India weekly average price of cotton moved slightly northwards during the first week of the month, as revealed by data of Agmarknet. Weekly all India average prices remained at Rs 4256 per quintal this week as compared to Rs. 4251 last week. However the prices this year so far are moving upward as compared to the prices during the corresponding period last year.

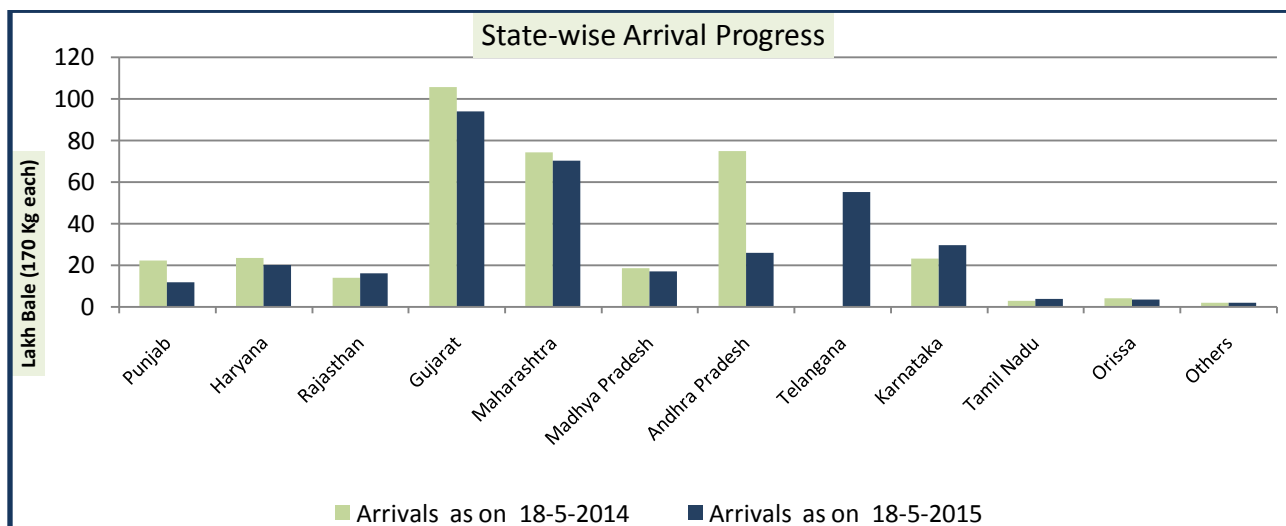


### State wise Arrivals (in lakh bales of 170 kgs each):

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	<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)

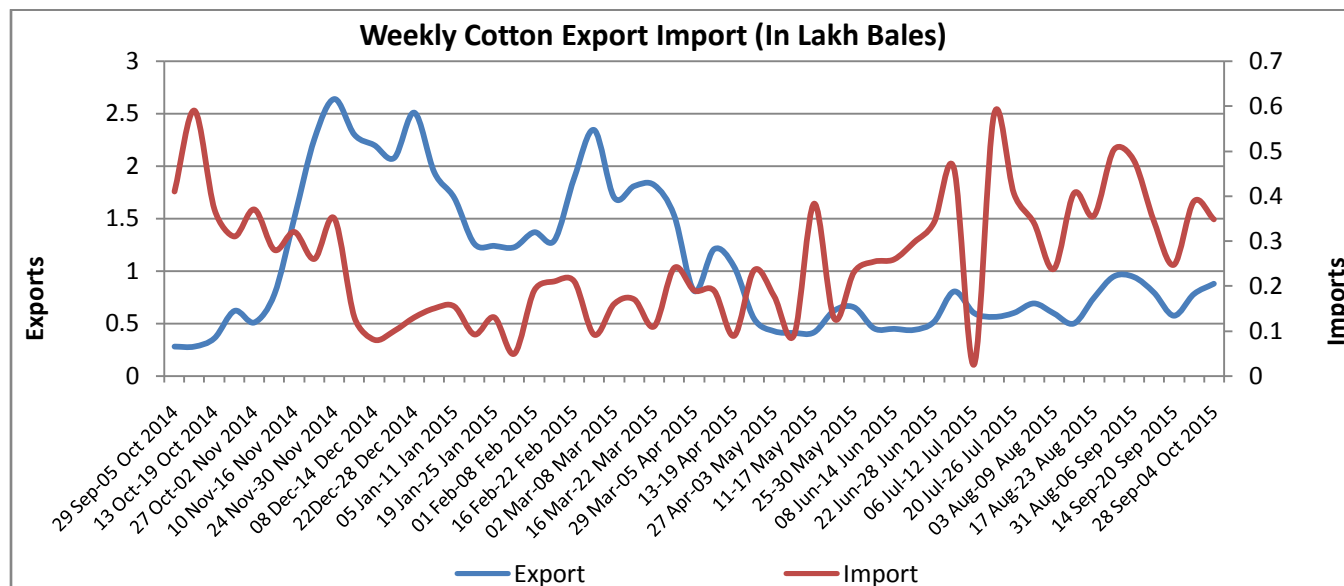


### Cotton Export and Import

### Weekly Export Import Data:

Export/Import	27 Sep-04 Oct 2015	21 Sep-27 Sep 2015
Export (In lakh Bales)	0.879	0.780
Import (In lakh Bales)	0.348	0.388
<b>Source: IBIS</b>		

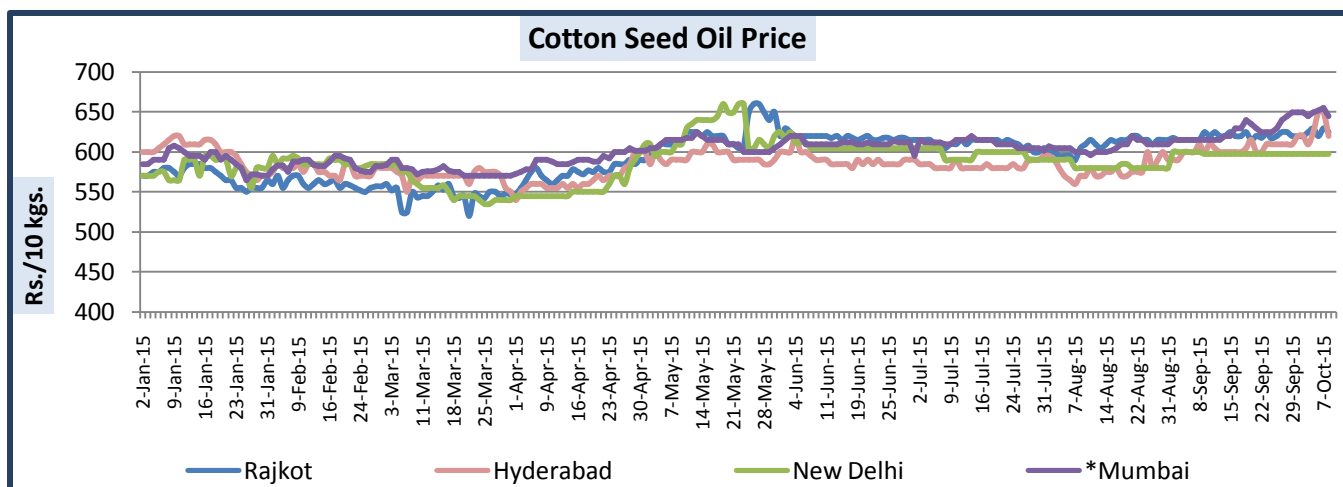
India exported 0.879 lakh bales of cotton last week (27 Sep-04 Oct 2015), which was 0.780lakh bales in the previous week (21 Sep-27 Sep 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.348 lakh bales last week, which were 0.388 lakh bales in the previous week.



## Cotton Seed Oil and Cotton Seed Oil Cake

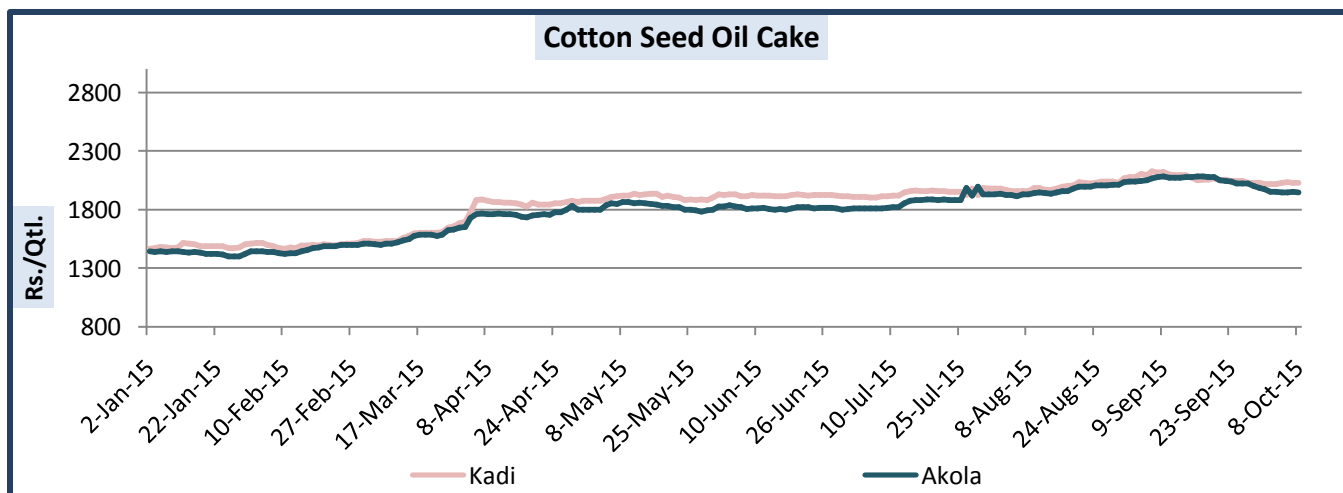
### Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	08-October-15	01-October-15	
New Delhi	598	598	0.00
Rajkot	626	622	0.64
Hyderabad	631	613	2.94
Mumbai*	694	644	7.76
*Vat Included			



### Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	08-October-15	01-October-15	
Kadi	2027	2028	-0.05
Akola	1949	1992	-2.16



\*Source: NCDEX

## International Market Scenario

**International cotton prices remained range bound to weak this week.** Cotlook A index weekly average stood at 67.93 cents/pound this week, which was 67.00cents/pound during last week.

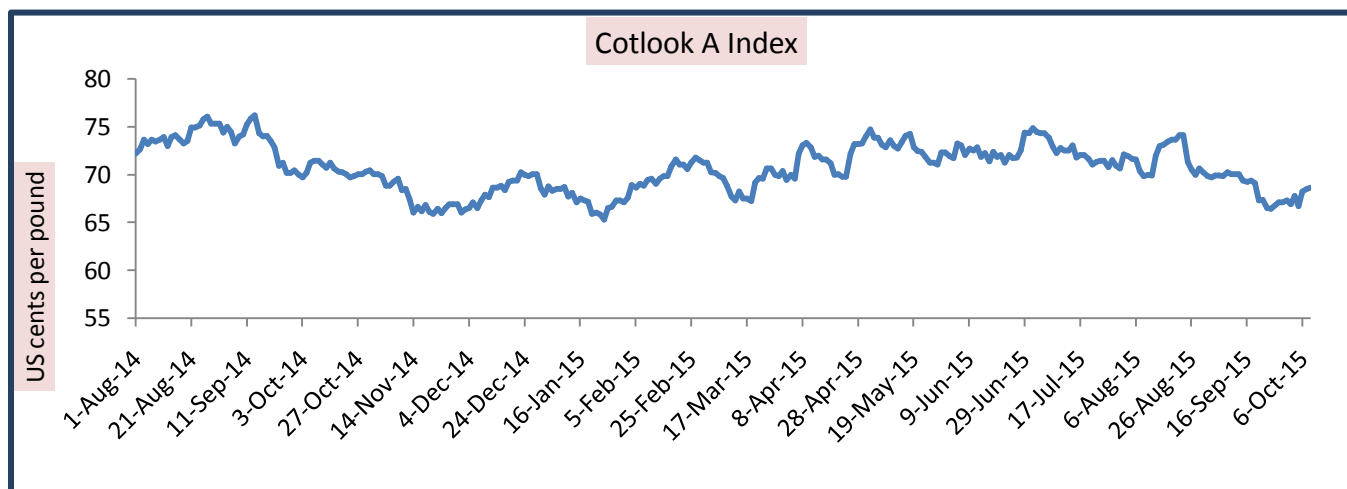
**According to the October estimates of ICAC (International cotton advisory committee),** world cotton production would be around 23.84 million tons during the season 2015-16, which was estimated 26.11 million tones for the season 2014-15.

**According to ICAC, China would remain the largest importer of cotton in 2015-16** but would notice a fall of 12% in its import with the expected volume of 1.6 million tons. During July and August this year, China sold around 60,000 tons of cotton from its reserves but it is still holding 11 million tons in its state reserves, which would definitely reduce the need of imports from other countries.

**Cotton imports by China in August stood 70,000 tons, the lowest monthly import** since 2005 and around 65.8 percent lower than the imports during the corresponding 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, estimated a month ago. According to USDA, world cotton export for the season 2014-15 is likely to stand around 7.70 million tons.



### China Cotton Index:

Prices in Yuan per Ton

## Prices in US cents per Pound

## Prices in US cents per Pound

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 uptrend in the prices.
- RSI is moving high in neutral region.
- Prices closed above the 9 and 18 days EMA.
- MACD denotes firmness in signal line and centerline movement.
- We expect prices to remain sideways to firm.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
<b>Sideways to Bullish Momentum</b>	<b>860-890</b>

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
<b>850</b>	<b>835</b>	<b>900</b>	<b>915</b>

Figures in Rs. per 20Kgs.

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

**Weekly Technical Outlook:**

- Candlesticks denote bullish momentum in the market.
- RSI is moving flat in overbought region.
- Prices are hovering above the 4, 9, 18 days SMA.
- MACD centerline and signal line are showing positive movements.
- We expect cotton price to range sideways to firm.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Sideways to Bullish Momentum	61-63

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
60.40	60.00	63.60	64.00

Figures in US cents per pound

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2015 Indian Agribusiness Systems Pvt Ltd.