

Current Market Outlook

Domestic Weekly Price Scenario: Cotton prices in domestic markets remained mostly firm during the week due to the northward movement in fiber demand following the festive season.

Average price of Kapas at Rajkot during the week was Rs. 4600 per quintal, which stood at Rs 4445 previous week. Average price of Lint at Sri-Ganganagar during the week was Rs. 3300 per maund (of 37.32 Kg each), which stood at Rs 3215 previous week. Cotton fiber (Shankar-6) prices too remained firm this week. Average price was Rs 32740 per candy (of 355.6 kg each) during the week, which was Rs 32350 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) too surged this week and closed at Rs 889 per maund (of 20 kg each) which was Rs 871 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound to firm with the range of Rs. 4450-4700 per quintal in the bench mark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.870-925 per maund (of 20 kg each).

Major Market Highlights: India has a great export potential in Vietnam for cotton, said the Vice Chairman, Vietnam Chamber of Commerce and Industry (VCCI) during Vietnam-India co-operation conference held in Ha Noi recently. He said the country needs more than 500000 tons of cotton per year, and only 1 per cent of producers' demand is fulfilled by the country's output. India, on the other hand is the world's major producer of cotton and second largest manufacturer of the fibers, which opens the doors of India to Vietnam for trade.

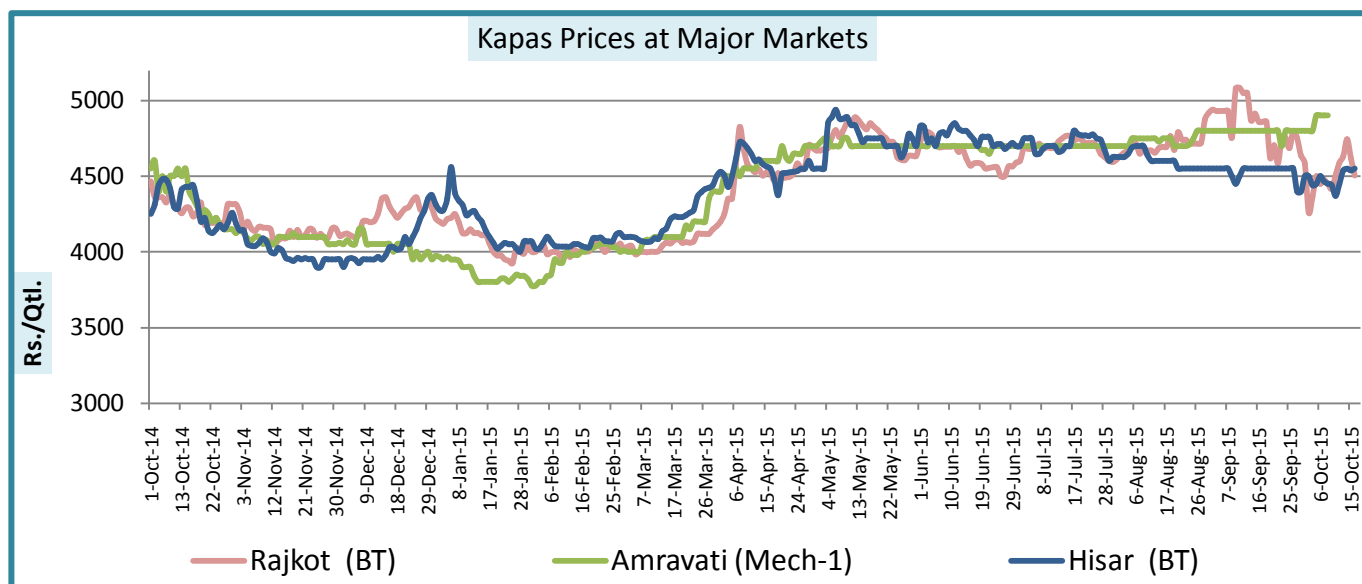
Due to the white fly attack, cotton crop in Punjab and Haryana is likely to fall by around 40% collectively this season, according to the market participants. Cotton output in Punjab would stand around 7 Lakh bales in the current season, against the output of 14 Lakh bales in previous season. Similarly in Haryana cotton production would be around 15 lakh bales in the current season as compared to the 25 Lakh Bales in previous season.

Cotton Corporation of India (CCI) has started its procurement under MSP operation in Telangana. CCI procured around 20 bales of cotton in Warangal on Monday and it has begun buying in Adilabad too from Wednesday onwards. According to an agency official, CCI could open 10-12 more procurement centers in the States besides the existing ones.

Domestic Cotton Prices Scenario

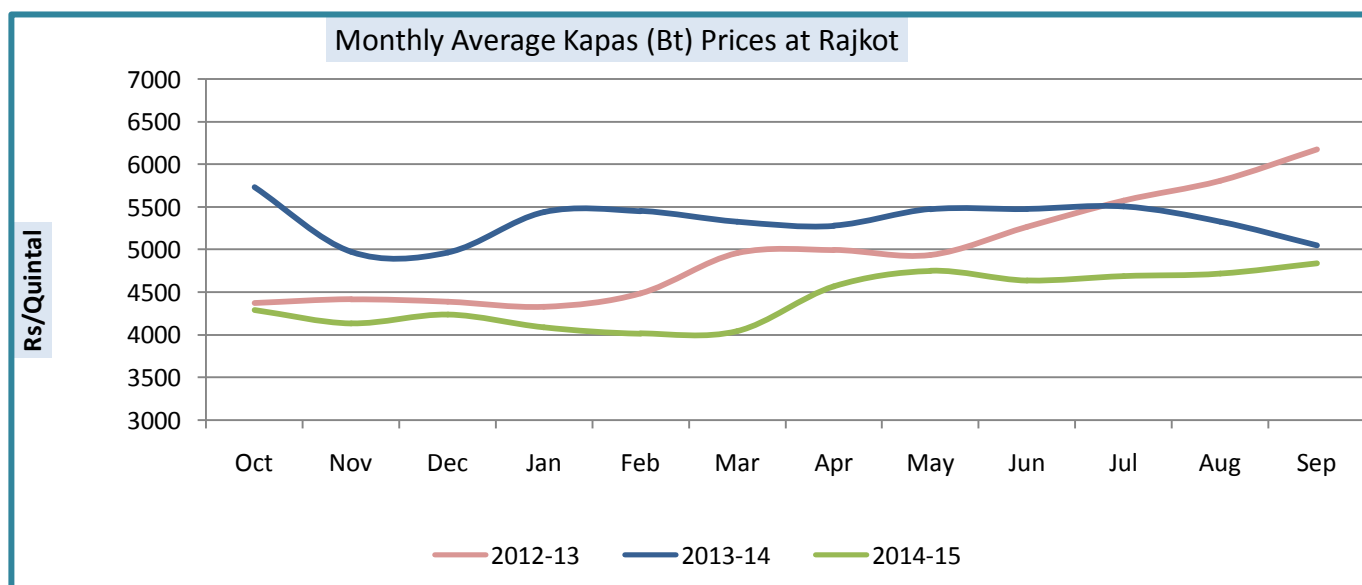
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price surged up in domestic market during the week following uptrend in the demand of fiber due to the festivities. Weekly average price at Rajkot remained Rs. 4600 per quintal around 3.5% higher when compared to previous week price of Rs. 4445 per quintal.



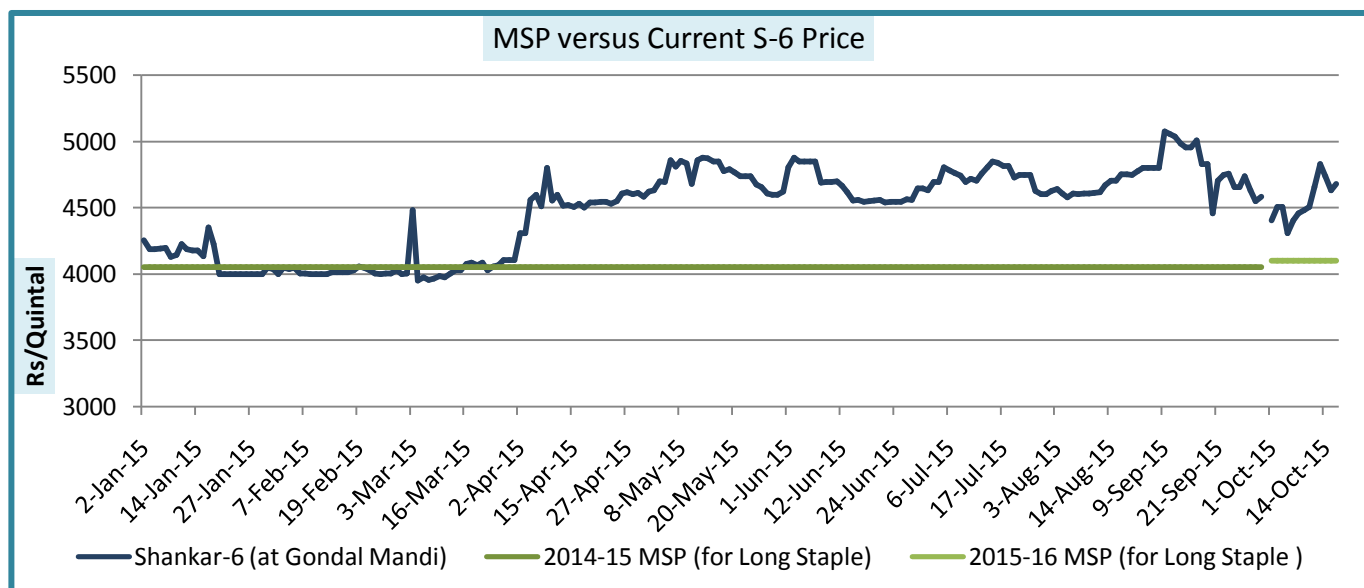
Kapas Y-o-Y Price Comparison:

Although recovered this month, Kapas price 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 compared to prices during the corresponding month of previous year.



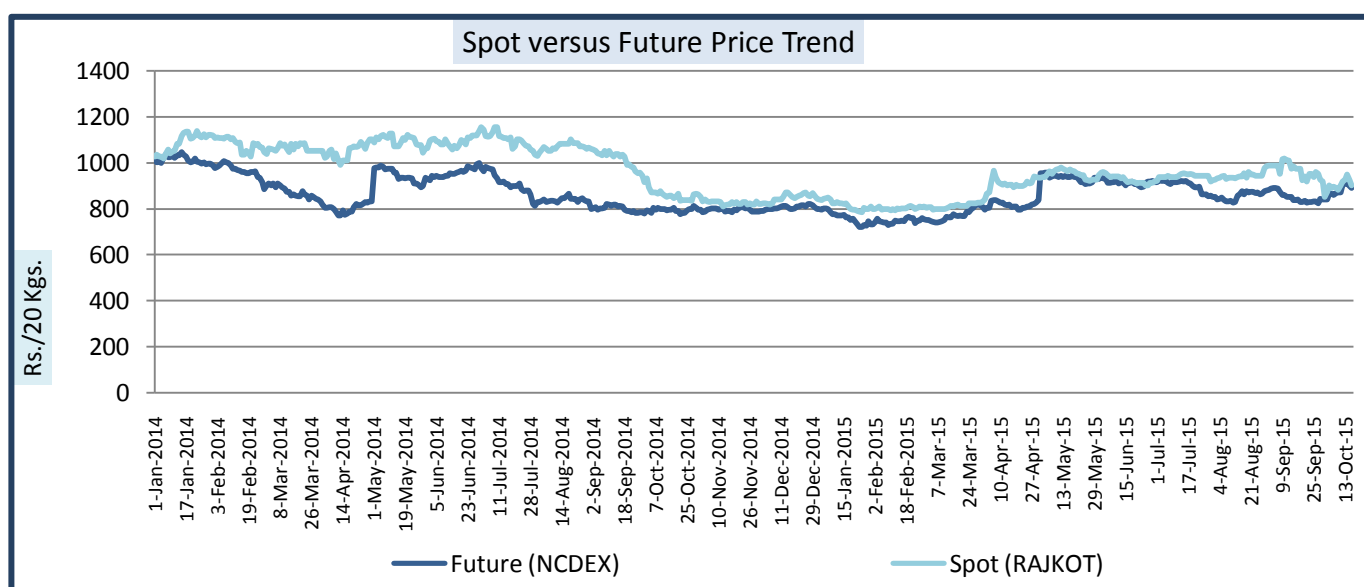
MSP versus Current Price Comparison:

Kapas prices(Shankar-6) are currently ruling fairly above the MSP of Rs 4100 per quintal (for long staple). The average difference between the spot price and MSP remained Rs 540 during the week which was Rs 335 a week earlier.



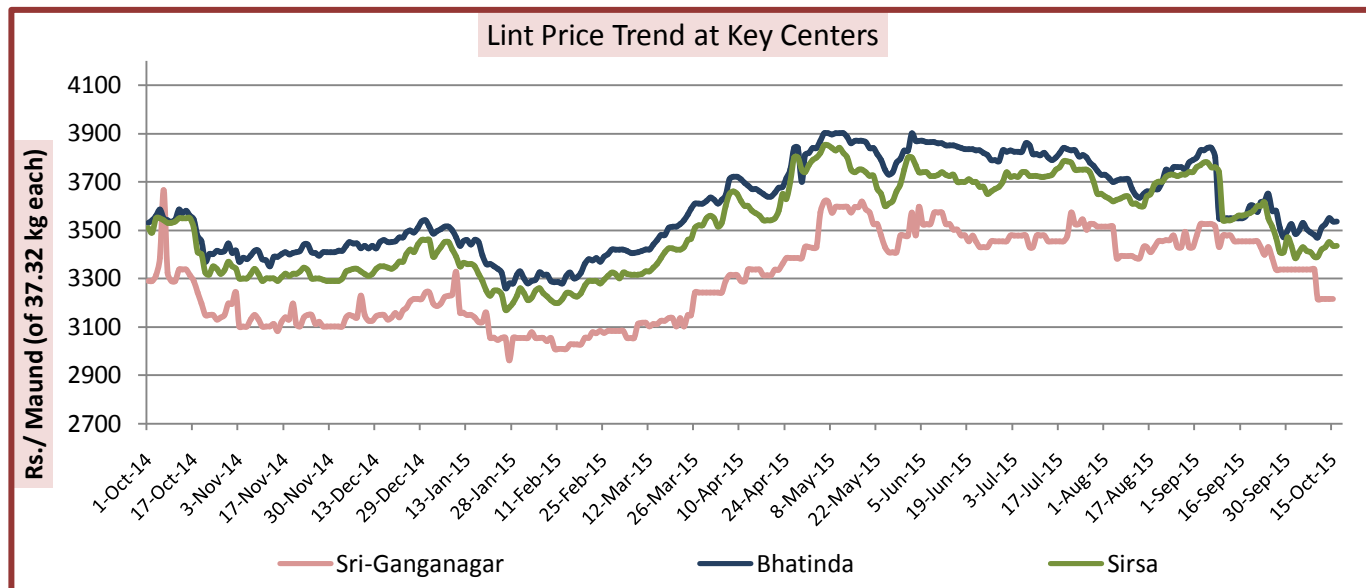
Spot and Future Price Comparison:

The future price too remained firm this week. The spread between the two prices has been narrowed slightly. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 889 per maund (of 20 kg each) which was Rs 871 a week earlier. Spot price closed at Rs 901 per maund (of 20 kg each) which was Rs 883 a week earlier. The average difference between the two was Rs23.5 which was Rs 27 a week earlier.



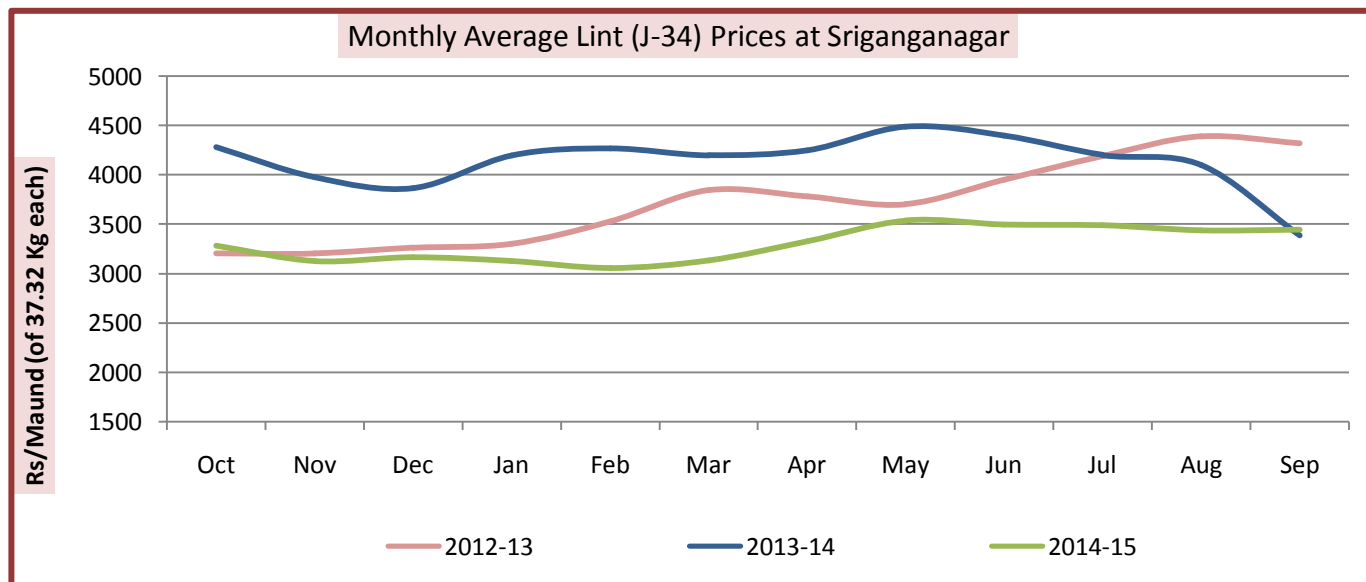
Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sri-Ganganagar remained Rs. 3300 per maund (of 37.32 kg each) around 2.5% higher when compared to previous week price of Rs. 3215 per maund.



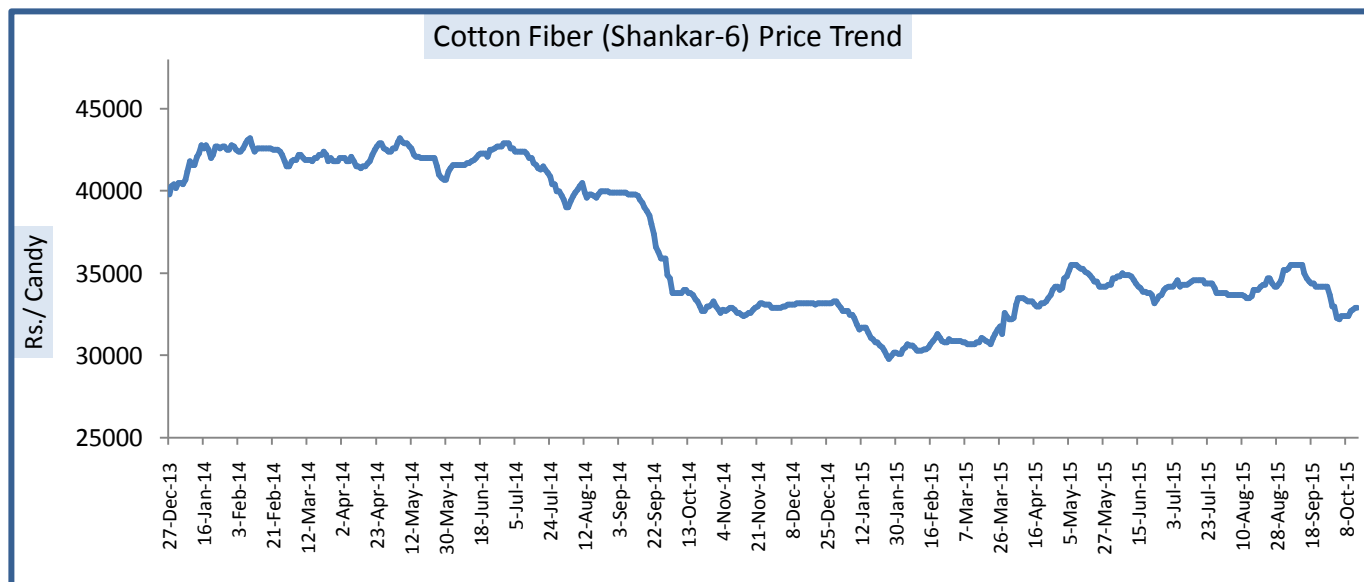
Lint Y-o-Y Price Comparison:

Lint price are ruling firm so far 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.

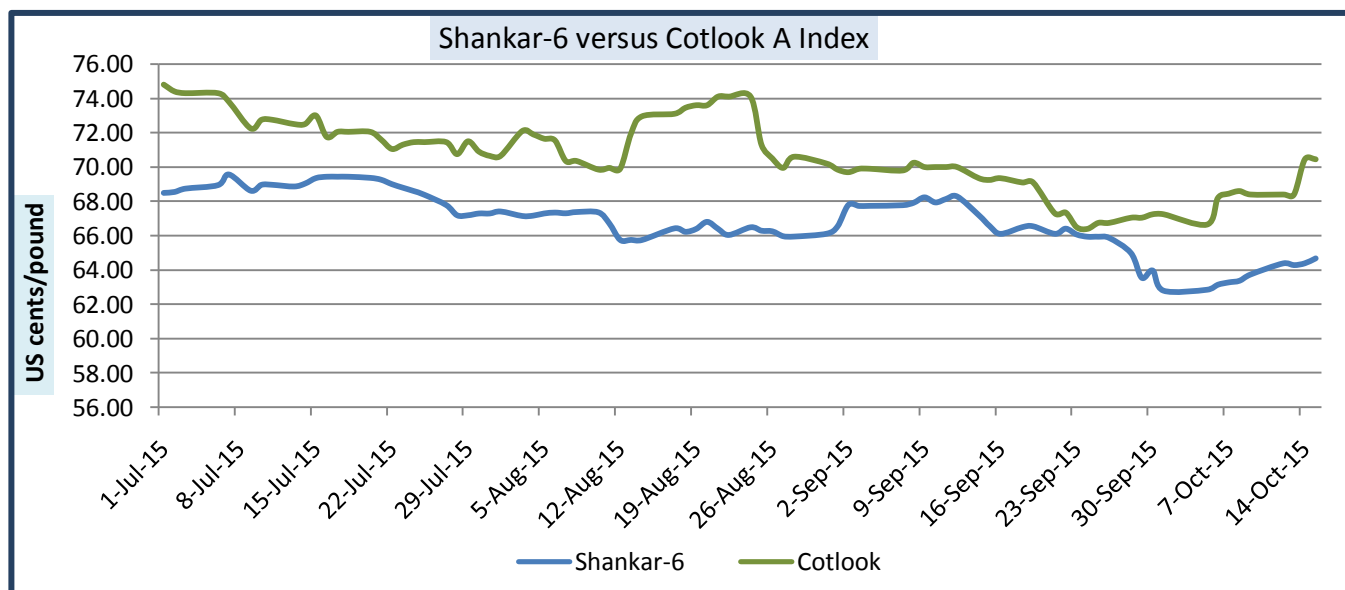


Cotton Fiber Weekly Price Scenario:

As Kapas prices are ruling firm, cotton fiber too remained in uptrend during the week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 32740 per candy (of 355.6 kg each) around 1.2% higher when compared to the prices of previous week which was Rs. 32350 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
		16th Oct 2015	8th Oct 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4865	4800	65
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4520	4310	210
Rajkot	B.T. Cotton	4600	4445	155
Patan	B.T. Cotton	4615	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4620	4235	385
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	NA	NA	-
Bhiwani	B.T. Cotton	4555	4525	30
Adampur	B.T. Cotton	4500	4460	40
Fatehabad	B.T. Cotton	4515	4410	105
Dabwali	B.T. Cotton	4480	4405	75
Jind	B.T. Cotton	4635	4580	55
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4515	4460	55
Hubli	B.T. Cotton	4350	NA	-
Hathras	B.T. Cotton(US)	4150	4130	20
Hanumangarh	B.T. Cotton	4610	4520	90
	Kapas			
Ahmedabad	Shankar-6	4581	NA	-
Gondal	Shankar-6	4675	4430	245
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4221	4110	111
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4231	4186	45
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	NA	-

East Godavari	Un-Ginned	4050	NA	-
	Lint	Rs/Maund(of 37.32 Kg each)		
Abohar	J-34	3525	3505	20
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3520	3500	20
Sirsa	J-34	3425	3405	20
Mansa	J-34	3515	3500	20
Sri-Ganganagar	J-34	3745	NA	-

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
				15 Oct 2015	08 Oct 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30320	30175	145
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30820	30675	145
J-34(202)	26mm	3.5 - 4.9	23	32240	32100	140
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31540	31400	140
Shankar-6(105)	29mm	3.5 – 4.9	28	32740	32350	390
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32840	32550	290
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33760	33550	210
DCH-32(107)	34mm	3.0 - 3.8	33	30320	30175	145
*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 with comparison of previous week.

Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		16th Oct 2015	8th Oct 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	54000	9000	45000
Rajkot	B.T. Cotton	10160	26655	-16495

Patan	B.T. Cotton	546	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	1986	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi	NA	NA	-
Bhiwani	B.T. Cotton	52000	37000	15000
Adampur	B.T. Cotton	7055	3485	3570
Fatehabad	B.T. Cotton	4800	4550	250
Dabwali	B.T. Cotton	5075	4200	875
Jind	B.T. Cotton	1309	842	467
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	600	185	415
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	3650	1400	2250
Hanumangarh	B.T. Cotton	4900	2750	2150
Ahmedabad	Shankar-6	85000	NA	-
Gondal	Shankar-6	14702	3686	11016
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	9900	7500	2400
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1080	763	317
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	4760	3655	1105
Bhatinda	J-34	24310	21590	2720
Sirsa	J-34	5780	5270	510
Mansa	J-34	2465	3060	-595
Sri-Ganganagar	J-34	NA	NA	-

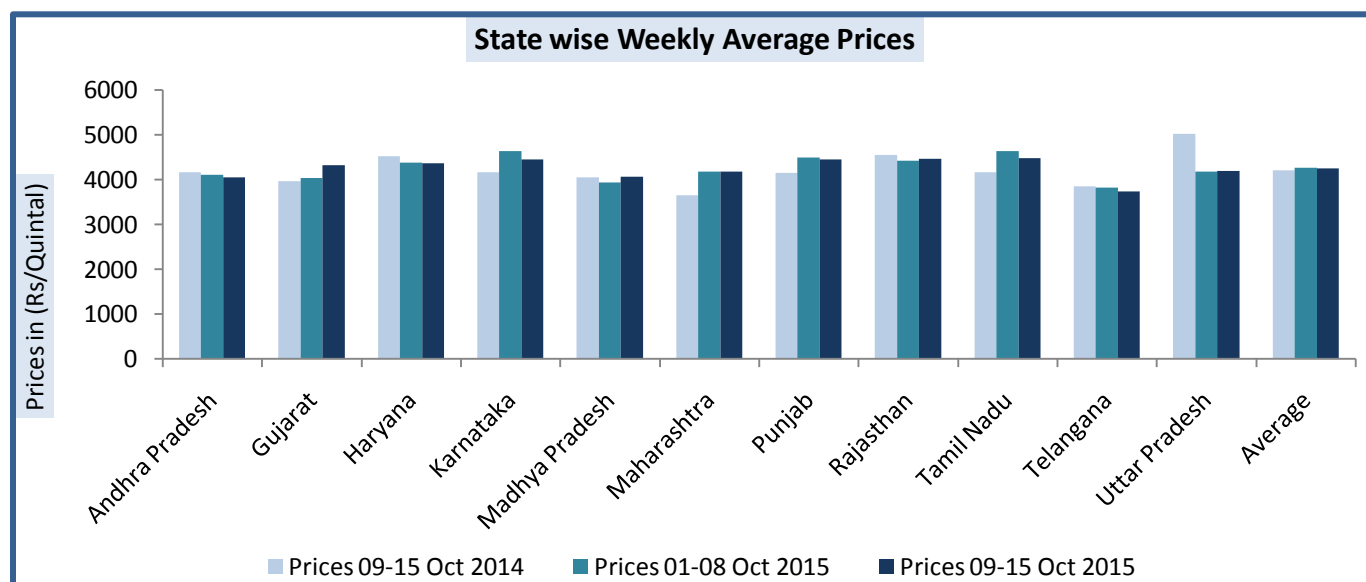
State wise Scenario

State wise Weekly Prices (at Major States):

State	Prices 09-15 Oct 2015	Prices 01-08 Oct 2015	Prices 09-15 Oct 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4042.33	4097.86	4159.44	-1.36	-2.82
Gujarat	4316.14	4030.63	3955.77	7.08	9.11
Haryana	4360.18	4375.05	4522.37	-0.34	-3.59
Karnataka	4449.53	4627.72	4166.09	-3.85	6.8
Madhya Pradesh	4066.8	3936.09	4051.49	3.32	0.38
Maharashtra	4177.31	—	3650.96	0.00	14.42
Punjab	4442.25	4489.16	4152.89	-1.04	6.97
Rajasthan	4467.92	4421.67	4549.57	1.05	-1.79
Tamil Nadu	4475.36	4631.19	4158.13	-3.36	7.63
Telangana	3732.94	3821.06	3851.14	-2.31	-3.07
Uttar Pradesh	4186.45	4181.05	5012.71	0.13	-16.48
Average	4247.02	4261.15	4202.78		

Prices in Rs per quintal, Source: Agmarknet

On week on week basis, States are showing mixed trend in the prices, highest price is recorded in Tamil Nadu this week. The comparative Cotton prices between this year and previous year are showing mixed trend. However there is an uptrend in the all India average prices this year compared to the last year's price.



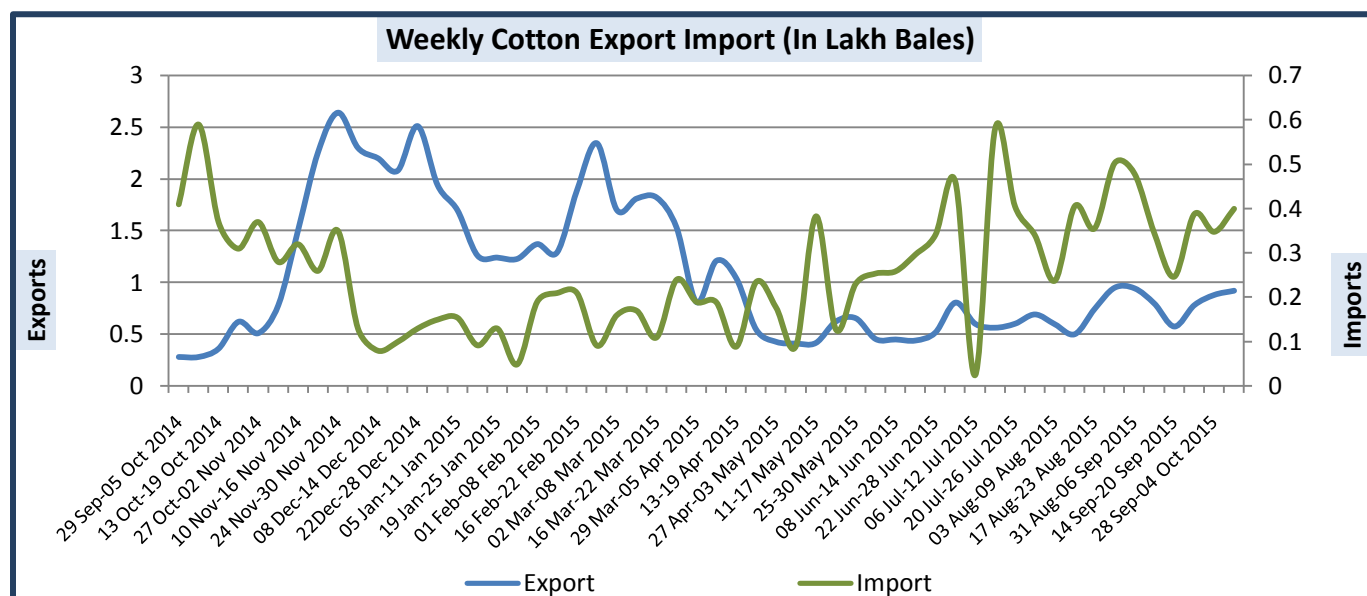
Cotton Export and Import

Weekly Export Import Data:

Export/Import	04 Oct-11 Oct 2015	27 Sep-04 Oct 2015
Export (In lakh Bales)	0.920	0.879
Import (In lakh Bales)	0.400	0.348

Source: IBIS

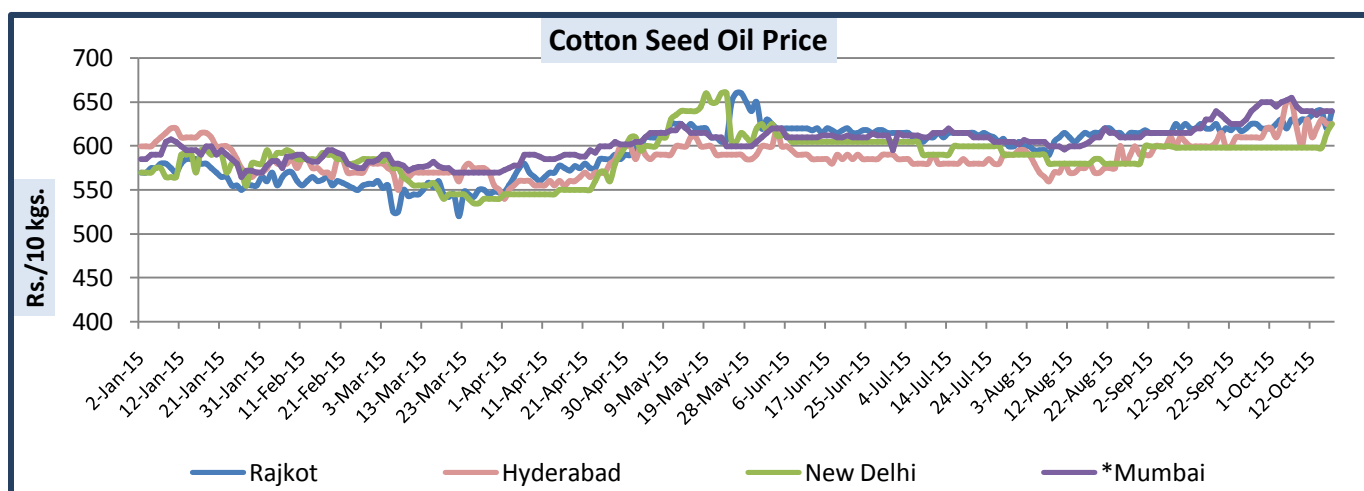
India exported 0.920 lakh bales of cotton last week (04 Oct-11 Oct 2015), which was 0.879lakh bales in the previous week (27 Sep-04 Oct 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.400 lakh bales last week, which was 0.348lakh bales in the previous week.



Cotton Seed Oil and Cotton Seed Oil Cake

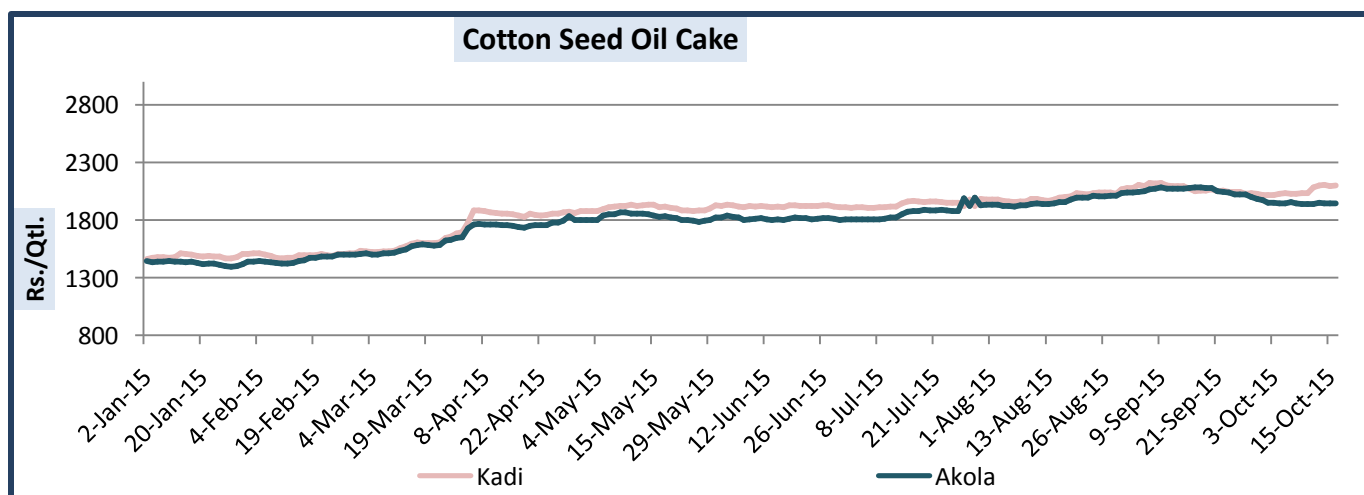
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	15-October-15	08-October-15	
New Delhi	601	598	0.50
Rajkot	633	626	1.12
Hyderabad	619	631	-1.90
Mumbai*	639	649	-1.54
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

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



*Source: NCDEX

International Market Scenario

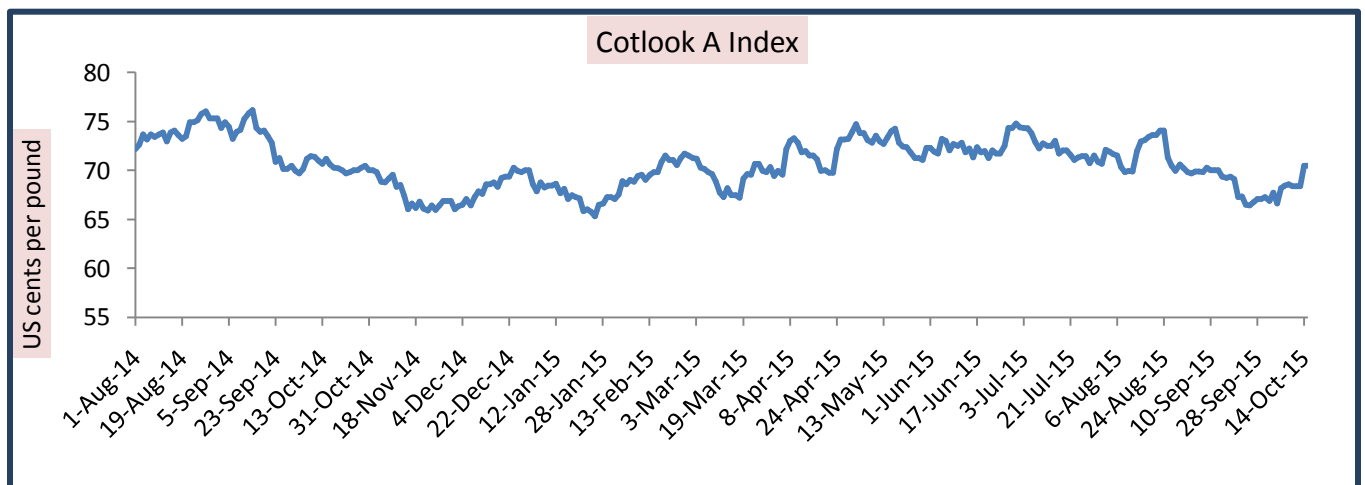
International cotton prices remained firm this week. Cotlook A index weekly average stood at 69.22 cents/pound this week, which was 67.93cents/pound during last week.

USDA has further slashed the world cotton production estimates in its latest release. It believes that the global cotton output would be around 23.38 million tons in 2015-16, around 1.25% lower when compared to the previous estimates for the same season and around 10% lower when compared to the estimates for last year production of 25.89 million tons.

World cotton consumption estimates are revised downward in the latest estimates by USDA. According to USDA, world cotton consumption would be around 24.44 million tons in the current season i.e. 2015-16, around 1% lower when compared to the estimates of previous month and around 1.6% higher when compared to the estimates of previous season, which stood at 24.05 million tons.

According to USDA, world cotton export in the season 2015-16 is expected to decline to 7,444 thousand metric (000'Mt) from 7,720 thousand metric tons in 2014-15. Although the overall export would decline, few of the major exporting countries are expected to notice rise in export. Cotton export from India is expected to surge by around 5% to 958 thousand tons from 914 thousand tons from previous season. Australia cotton export could go up by around 4.4% to 544 thousand tons in the current season as compared to 521 thousand tons in previous season. Mali is expected to see a drastic rise in export. The country is expected to export 283 thousand tons of cotton in season 2015-16, around 74% higher when compared to the 163 thousand tons in 2015-16.

Due to the downward revision in the export and consumption figures, the estimates for ending stocks for the season has been increasedslightly in the latest projections released by USDA. It is believed that the ending stocks by the end of season 2015-16 would be around 23.29 million tons around 0.67% higher when compared to the estimates of previous month i.e. 23.135 million tons and 4.3% lower when compared to estimates of previous season.



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 overbought 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
Sideways to Bullish Momentum	870-925

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
860	850	930	940
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	62.20-65.20

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.60	61.00	66.00	66.60

Figures in US cents per pound

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