

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 4610 per quintal, which stood at Rs 4600 previous week. Average price of Lint at Sirsa during the week was Rs. 3460 per maund (of 37.32 Kg each), which stood at Rs 3425 previous week. Cotton fiber (Shankar-6) prices remained downtrend this week. Average price was Rs 32640 per candy (of 355.6 kg each) during the week, which was Rs 32740 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) too surged up this week and closed at Rs 890 per maund (of 20 kg each) which was Rs 889 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound with the price band of Rs. 4550-4680 per quintal in the benchmark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 860-915 per maund (of 20 kg each).

Major Market Highlights: According to the industry officials, the Government will have to procure more cotton this year from farmers under MSP operation as compared to the previous year as China, the leading importer of cotton has cut down its cotton import drastically. During the previous season too, government procured the record volume of around 87 lakh bales valuing rupee 160 billion as compared to the 4 lakh bales previous to previous year. The swelling stocks of cotton would affect the prices negatively in domestic market.

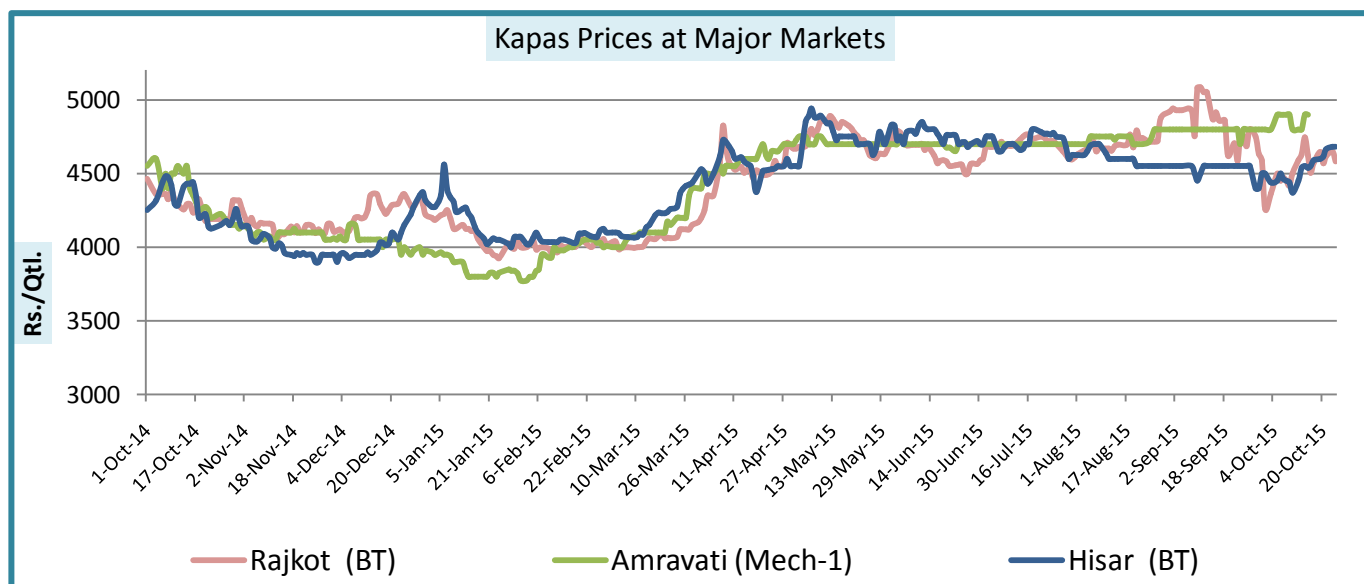
According to India Ratings and Research (Ind-Ra), the duty free trade agreement between 12 nations i.e. Trans-Pacific-Partnership (TPP) could affect the Indian textile exports negatively as these twelve member nations make the 40 percent of the world trade and the partnership gives them the free access between countries and making imports from other countries unviable.

Cotton consumption in India is likely to be around 5.6 million ton (approx. 330 lakh bales) in 2015-16. According to International Cotton Advisory Committee (ICAC), around 3.13% higher when compared to the previous year's consumption of 5.43 million tons.

Domestic Cotton Prices Scenario

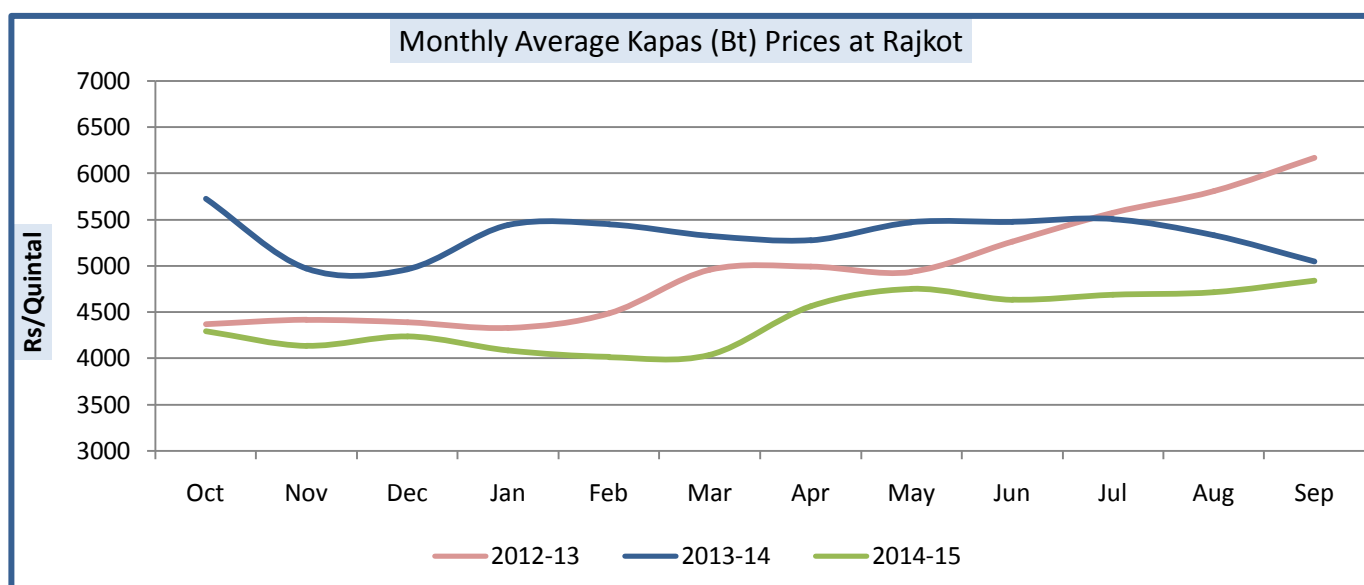
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained steady to firm due to the uptrend in the fiber demand in domestic markets following the festivities. Weekly average price at Rajkot remained Rs. 4610 per quintal slightly higher compared to previous week price of Rs. 4600 per quintal.



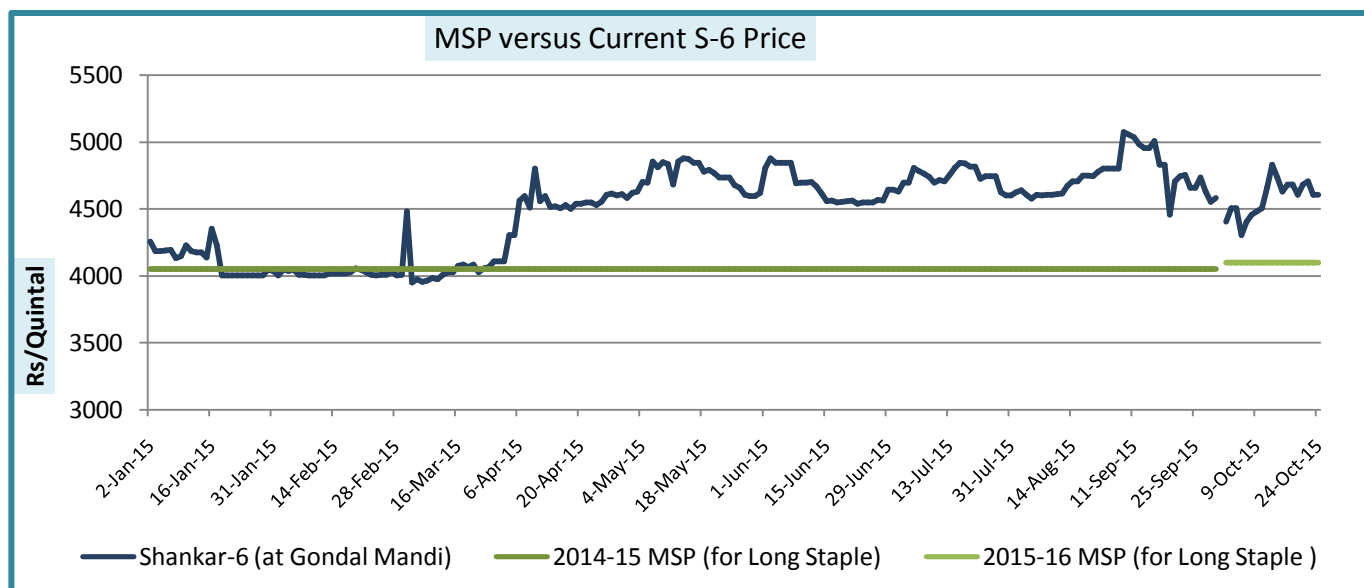
Kapas Y-o-Y Price Comparison:

Although Kapas price recovered this month, it is ruling down side 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 compared to the prices during the previous month but around 4% lower compared to prices during the corresponding month previous year.



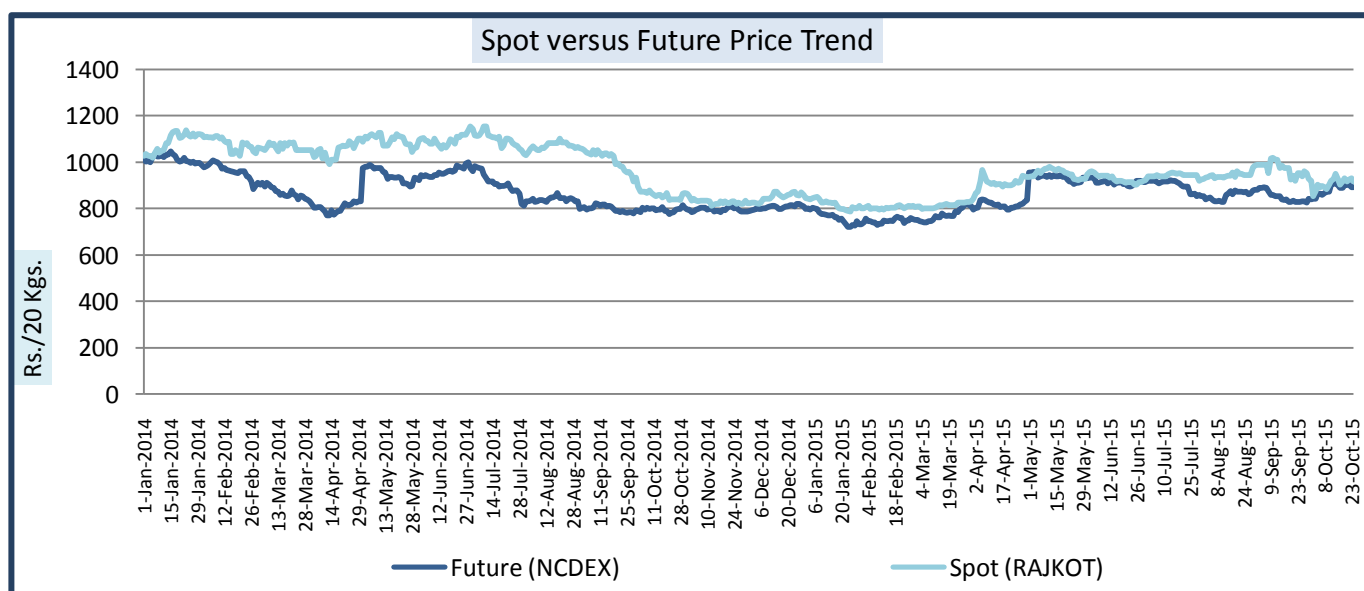
MSP versus Current Price Comparison:

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 570 during the week which was Rs 539 a week earlier.



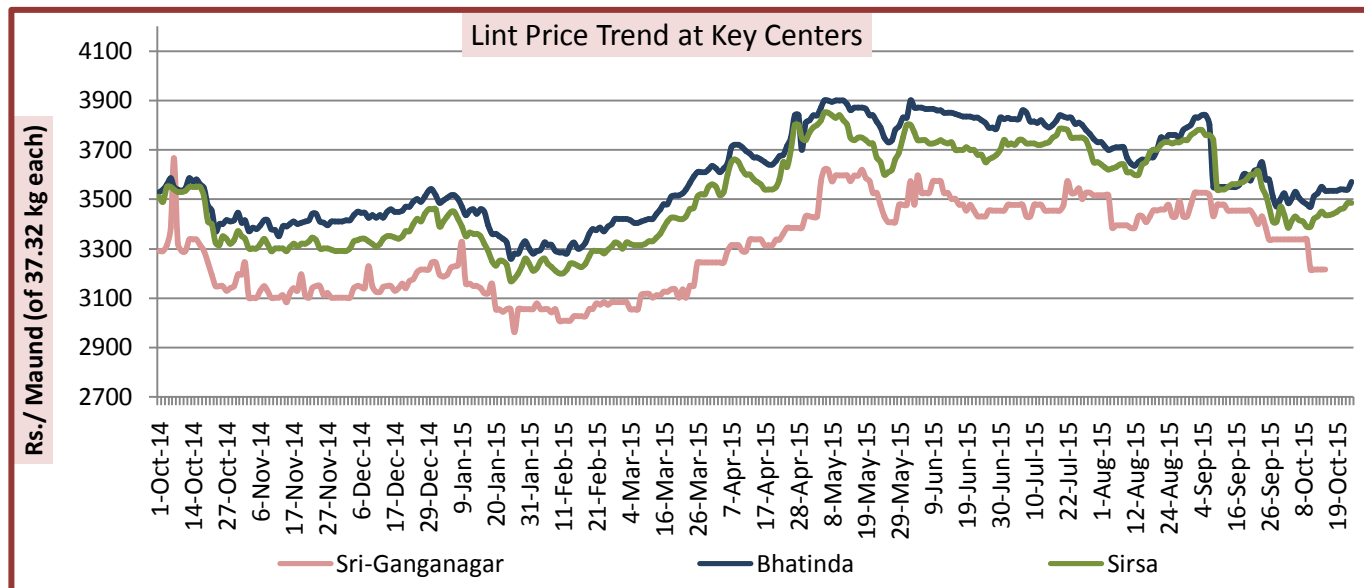
Spot and Future Price Comparison:

The future price remained range-bound to 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 890 per maund (of 20 kg each) which was Rs 889 a week earlier. Spot price closed at Rs 930 per maund (of 20 kg each) which was Rs 924 a week earlier. The average difference between the two was Rs23.3 which was Rs23.5 a week earlier.



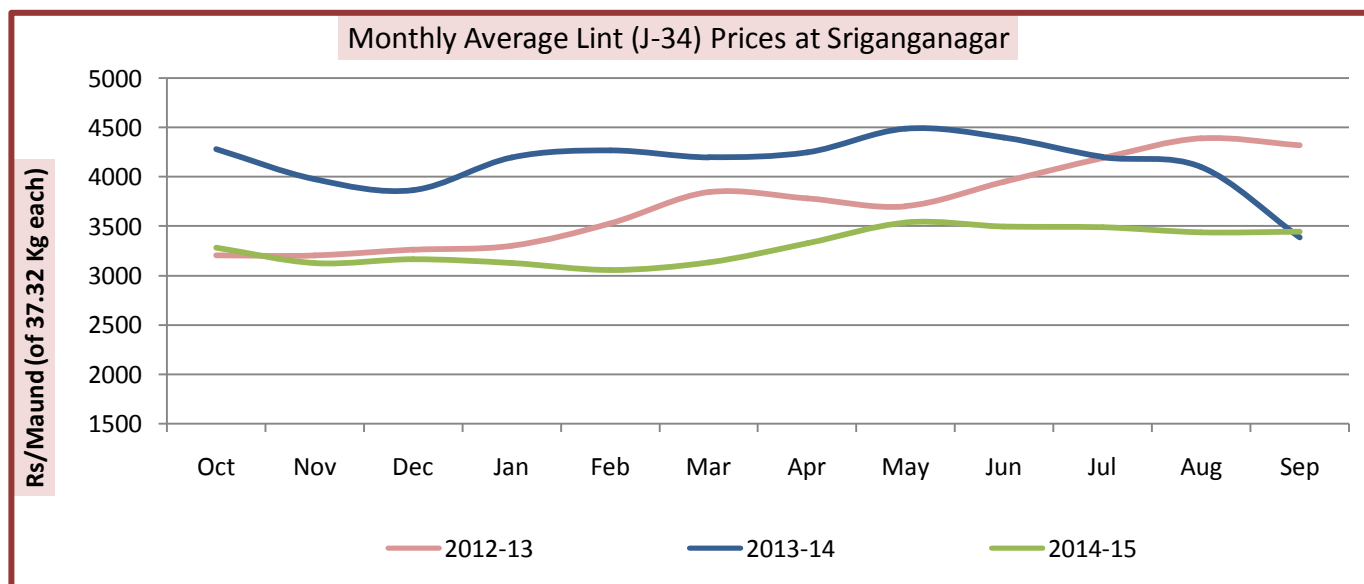
Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sirsa remained Rs. 3460 per maund (of 37.32 kg each) around 1% higher when compared to previous week price of Rs. 3425 per maund.



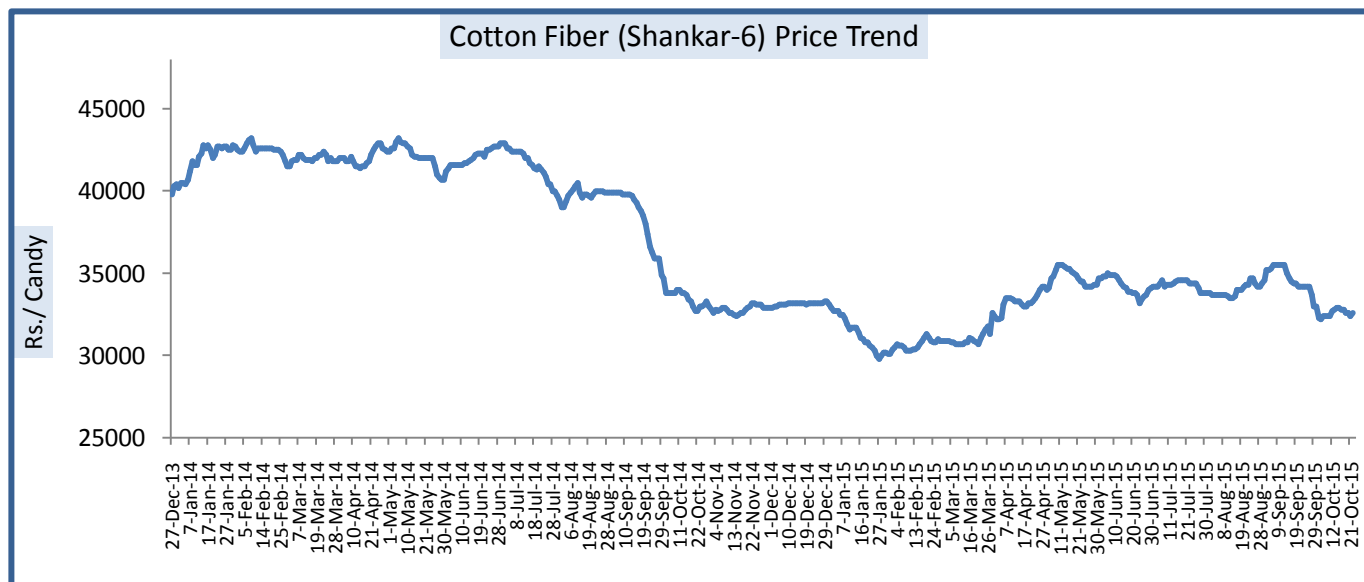
Lint Y-o-Y Price Comparison:

Lint price are ruling firm this year 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.

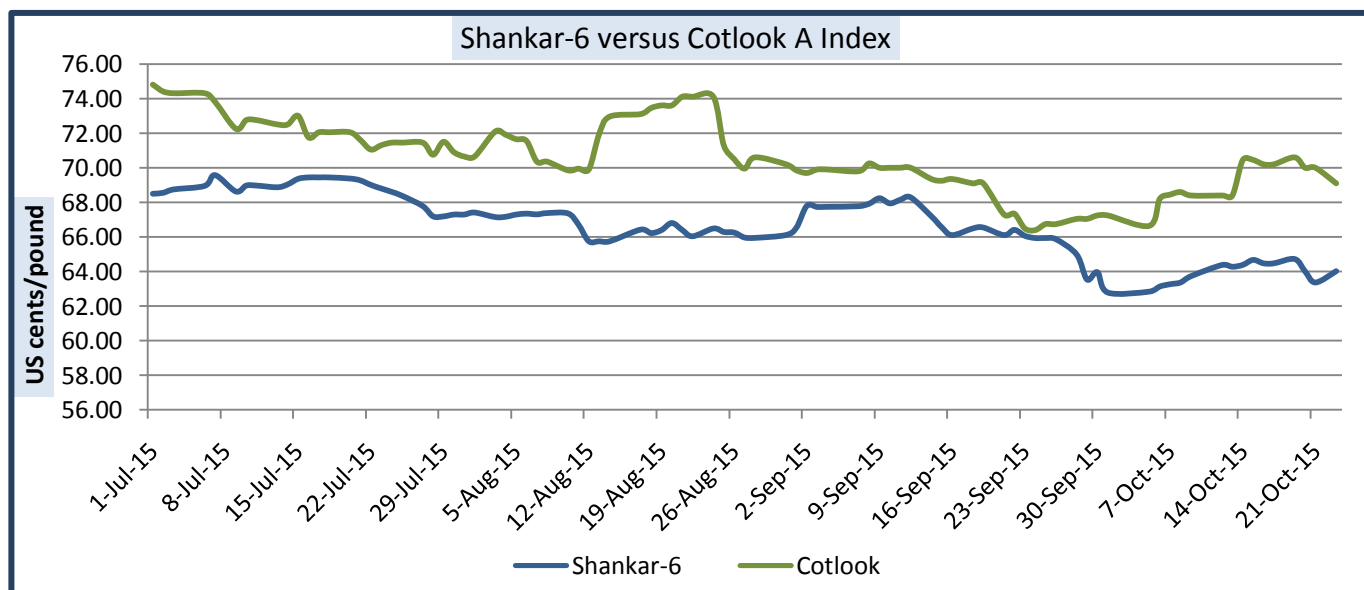


Cotton Fiber Weekly Price Scenario:

Despite the firmness in the Kapas prices, cotton fiber moved southwards this week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 32640 per candy (of 355.6 kg each) around 0.3% lower compared to the prices of previous week which was Rs. 32740 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
		23th Oct 2015	16th Oct 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4840	4865	-25
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4580	4520	60
Rajkot	B.T. Cotton	4610	4600	10
Patan	B.T. Cotton	4630	4615	15
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4580	4620	-40
Muktsar	B.T. Cotton	4625	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4740	NA	-
Bhiwani	B.T. Cotton	4670	4550	120
Adampur	B.T. Cotton	4630	4500	130
Fatehabad	B.T. Cotton	4670	4510	160
Dabwali	B.T. Cotton	4575	4480	95
Jind	B.T. Cotton	4770	4635	135
Uchana (Jind)	B.T. Cotton	4636	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4515	4515	Unch
Hubli	B.T. Cotton	4425	4350	75
Hathras	B.T. Cotton(US)	4200	4150	50
Hanumangarh	B.T. Cotton	4610	4610	Unch
	Kapas			
Ahmedabad	Shankar-6	4480	4580	-100
Gondal	Shankar-6	4650	4675	-25
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4265	4220	45
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5310	NA	-
Raichur	H-44 Cotton	4245	4230	15
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	4050	4050	Unch

	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3540	3525	15
Muktsar	J-34	3540	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3540	3520	20
Sirsa	J-34	3460	3425	35
Mansa	J-34	3525	3515	10
Sri-Ganganagar	J-34	NA	3735	-

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		Change
				22th Oct 2015	15th Oct 2015	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	30660	30320	340
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31160	30820	340
J-34(202)	26mm	3.5 - 4.9	23	32520	32240	280
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31340	31540	-200
Shankar-6(105)	29mm	3.5 – 4.9	28	32640	32740	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32780	32840	-60
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33680	33760	-80
DCH-32(107)	34mm	3.0 - 3.8	33	45000	44900	100

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
		23th Oct 2015	16th Oct 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	95500	54000	41500
Rajkot	B.T. Cotton	24600	10160	14440
Patan	B.T. Cotton	5633	546	5087
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4275	1986	2289
Muktsar	B.T. Cotton	340	NA	-

Bhiwani	Desi	850	NA	-
Bhiwani	B.T. Cotton	32000	52000	-20000
Adampur	B.T. Cotton	3230	7055	-3825
Fatehabad	B.T. Cotton	2600	4800	-2200
Dabwali	B.T. Cotton	3850	5075	-1225
Jind	B.T. Cotton	2031	1309	722
Uchana (Jind)	B.T. Cotton	4090	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	1000	600	400
Hubli	B.T. Cotton	112	NA	-
Hathras	B.T. Cotton(US)	750	3650	-2900
Hanumangarh	B.T. Cotton	9900	4900	5000
Ahmedabad	Shankar-6	141100	85000	56100
Gondal	Shankar-6	16881	14702	2179
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	2300	9900	-7600
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	4	NA	-
Raichur	H-44 Cotton	1905	1080	825
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	4250	4760	-510
Bhatinda	J-34	28900	24310	4590
Sirsa	J-34	3825	5780	-1955
Mansa	J-34	170	2465	-2295
Sri-Ganganagar	J-34	NA	NA	-

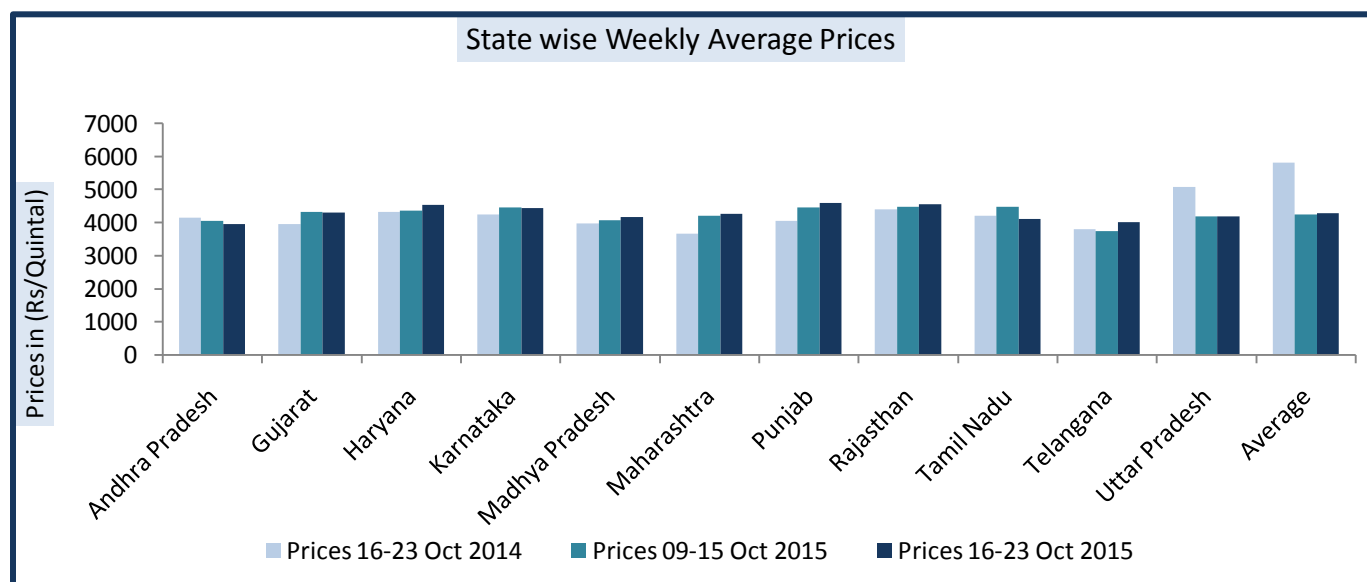
State wise Scenario

State wise Weekly Prices (at Major States):

State	Prices 16-23 Oct 2015	Prices 09-15 Oct 2015	Prices 16-23 Oct 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3961.76	4042.33	4140.8	-1.99	-4.32
Gujarat	4303.56	4319.49	3953.88	-0.37	8.84
Haryana	4537.15	4360.82	4313.87	4.04	5.18
Karnataka	4436.41	4449.55	4246.38	-0.3	4.48
Madhya Pradesh	4162.5	4068.88	3977.05	2.3	4.66
Maharashtra	4259.57	4204.41	3668.04	1.31	16.13
Punjab	4590.27	4448.15	4044.39	3.2	13.5
Rajasthan	4549.45	4467.44	4396.47	1.84	3.48
Tamil Nadu	4106.94	4475.36	4210.77	-8.23	-2.47
Telangana	4018.16	3732.94	3799.87	7.64	5.74
Uttar Pradesh	4192.44	4186.45	5078.57	0.14	-17.45
Average	4283.47	4250.53	5806.16		

Prices in Rs per quintal, Source: Agmarknet

On week on week basis, most of the States are showing uptrend in the prices, highest price is recorded in Punjab this week. On year on year basis too, cotton prices are reflecting uptrend in most of the states, however Andhra Pradesh, Tamil Nadu and Uttar Pradesh have notice downtrend in Y-o-Y price comparison.

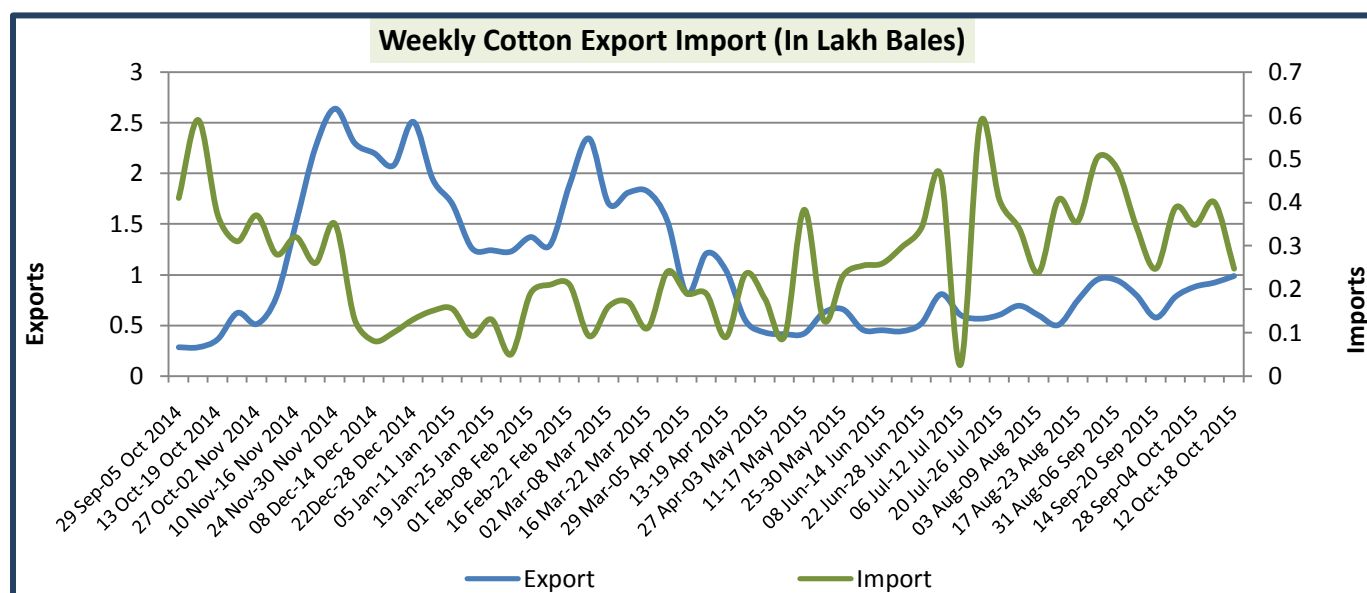


Cotton Export and Import

Weekly Export Import Data:

Export/Import	12 Oct-18 Oct 2015	05 Oct-11 Oct 2015
Export (In lakh Bales)	0.985	0.920
Import (In lakh Bales)	0.247	0.400
Source: IBIS		

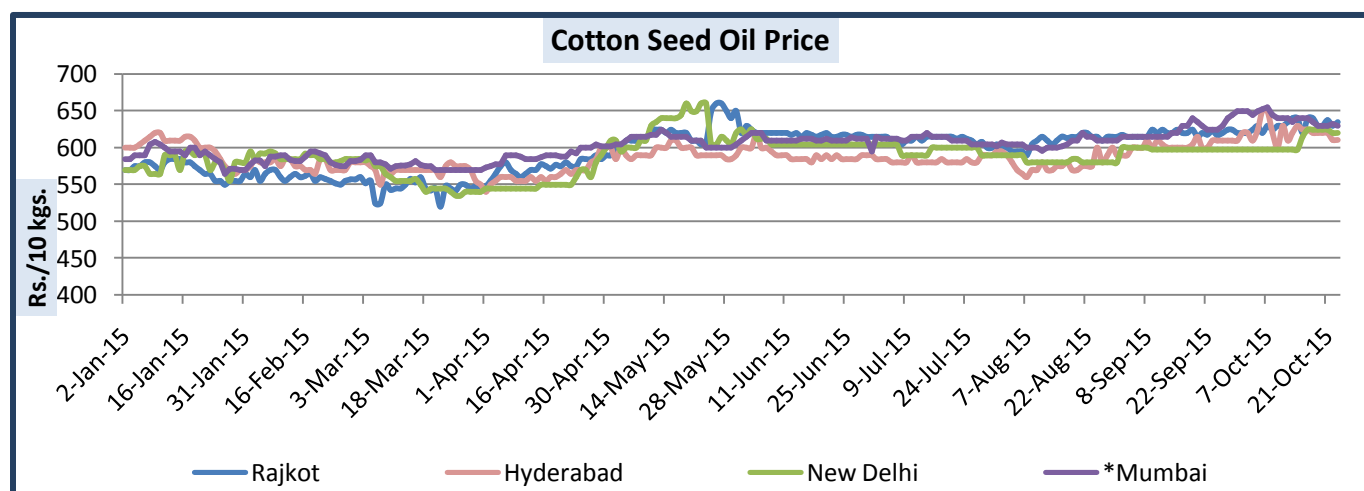
India exported 0.985 lakh bales of cotton last week (12 Oct-18 Oct 2015), which was 0.920lakh bales in the previous week (05 Oct-11 Oct 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.247 lakh bales last week, which was 0.400lakh bales in the previous week.



Cotton Seed Oil and Cotton Seed Oil Cake

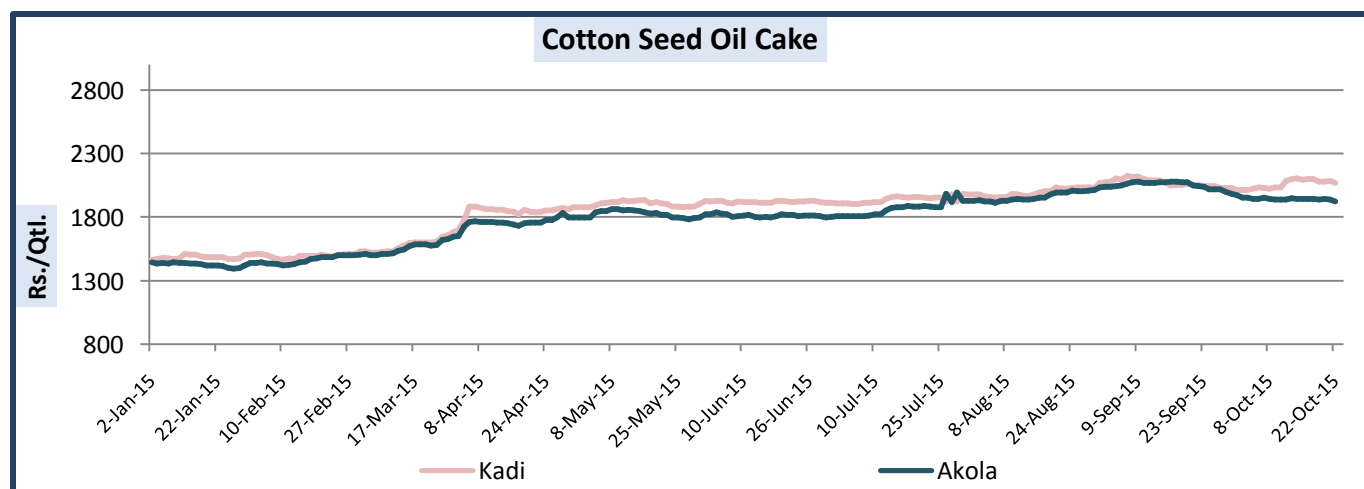
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	22-October-15	15-October-15	
New Delhi	624	601	3.83
Rajkot	635	633	0.32
Hyderabad	619	619	0.00
Mumbai*	633	639	-0.94
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	22-October-15	15-October-15	
Kadi	2088	2076	0.58
Akola	1941	1944	-0.15



*Source: NCDEX

International Market Scenario

International cotton prices remained firm this week. Cotlook A index weekly average stood at 70.41 cents/pound this week, which was 69.22cents/pound during last week.

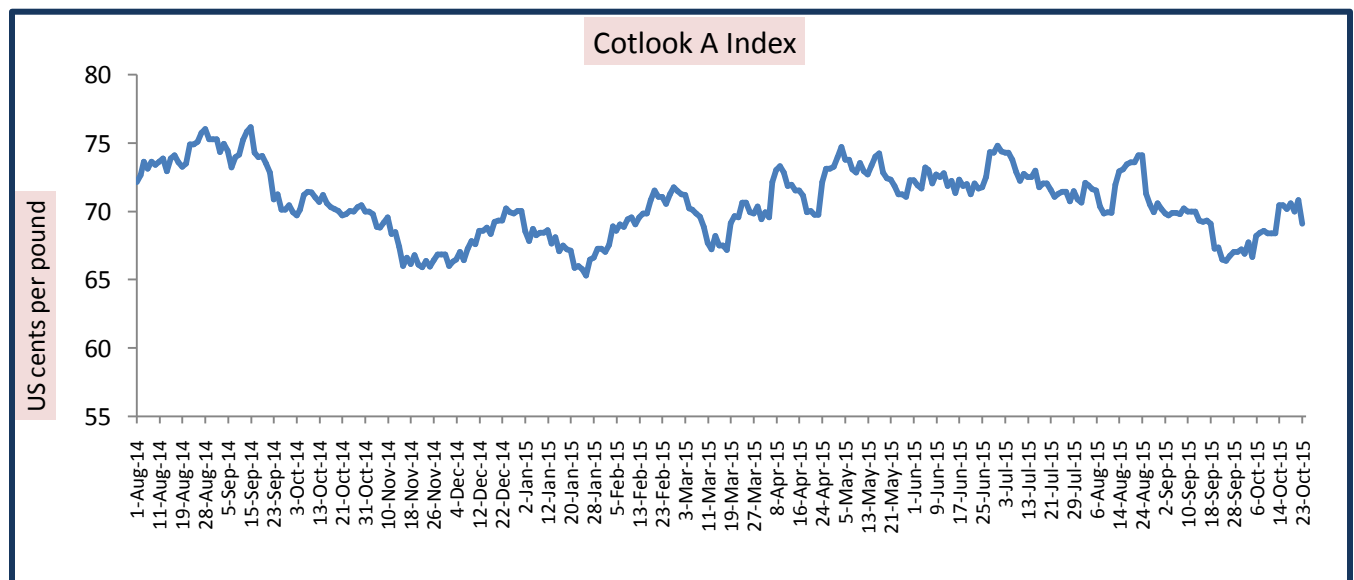
According to latest release of International Cotton Advisory Committee (ICAC), cotton imports to China is likely to be around 1.59 million tons in 2015-16, around 11.6% lower as compared to the imports of 1.8 million tons during 2014-15.

China Cotton Index (3128B) remained 93.3 cents per pound as on 20 October 2015, said ICAC, around 0.60 cents lower when compared to the previous week. Last year the same was 109.1 cents and 145.4 cents two years ago. The season high of CCI is 96.3 cents and season low is 92.7 cents per pound so far.

Pakistan has announced the imposition 10 percent regulatory duty on import of cotton yarn and grey and processed fabric effective from November 01.

According to the customs data reported by industry website, China imported 50,900 tons of cotton in September, around 58.6 percent lower as compared to previous year's import during the same period and lowest monthly import volume since at least 2005.

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.



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Cotton Futures Price Outlook

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



Weekly Technical Outlook:

- Candlesticks range bound momentum in the prices.
- RSI is moving high toward overbought region.
- Prices closed above the 18 days EMA.
- MACD denotes weakness in signal line and centerline movement.
- We expect prices to remain range bound.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range-bound Momentum	860-915

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
850	835	925	935

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

- Candlesticks denotetrange bound to bearish momentum in the market.
- RSI is moving flat in overbought region.
- Prices are hovering above the 4 and 9 days SMA.
- MACD centerline and signal line are showing positive movements.
- We expect cotton pricesto remain range bound.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound Momentum	61.40-64.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.00	60.40	65.00	65.60

Figures in US cents per pound

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