

Current Market Outlook

Domestic Weekly Price Scenario: Cotton prices in domestic markets remained sideways to weak during the week due to the ample arrivals of new crop in the markets

Average price of Kapas at Rajkot during the week was Rs. 4490 per quintal, which stood at Rs 4610 previous week. Average price of Lint at Sirsa during the week was Rs. 3470 per maund (of 37.32 Kg each), which stood at Rs 3460 previous week. Cotton fiber (Shankar-6) prices remained downtrend this week. Average price was Rs 32400 per candy (of 355.6 kg each) during the week, which was Rs 32640 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) too surged up this week and closed at Rs 868 per maund (of 20 kg each) which was Rs 890 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound to weak with the price band of Rs. 4385-4485 per quintal in the benchmark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 850-885 per maund (of 20 kg each).

Major Market Highlights: Cotton Corporation of India (CCI) is currently holding 12 Lakh bales of cotton produced during the previous season. CCI procured around 87 lakh bales of cotton during the season 2014-15 under the MSP operation. According to the market participant CCI could receive good demand after the festival season as the produce it is holding is moisture free fiber, for which the spinner and textile mills could bid well.

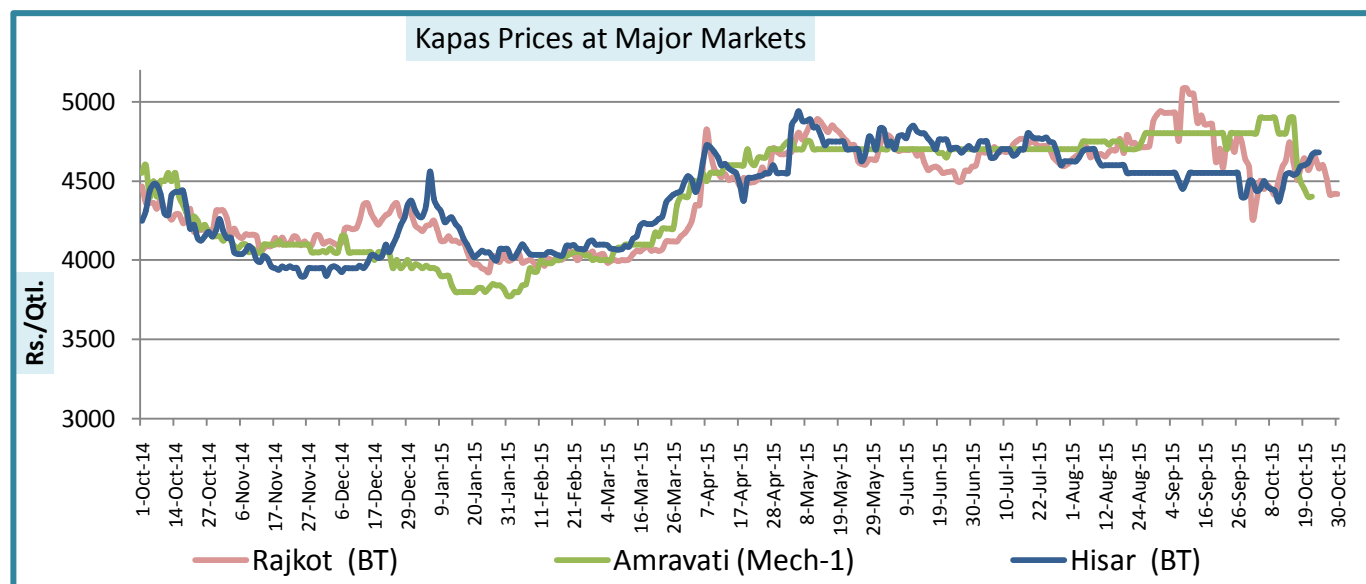
Junagadh Agriculture University (JAU) has predicted raw cotton prices to remain firm during November to January period in the current season due to the scarcity of quality crop and anticipation of growth in export demand. JAU believes that the cotton price during the period would be around Rs 840-920 per 20 kg in spot market, which are currently hovering in the range of Rs 825-880.

Although Punjab and Haryana are expected to bear the loss in cotton production due to whitefly attack, the maximum fall in the production would be noticed in Karnataka. According to CAI, cotton production in Karnataka is expected to decrease by around 35% to 20 lakh bales due to drought in the state.

Domestic Cotton Prices Scenario

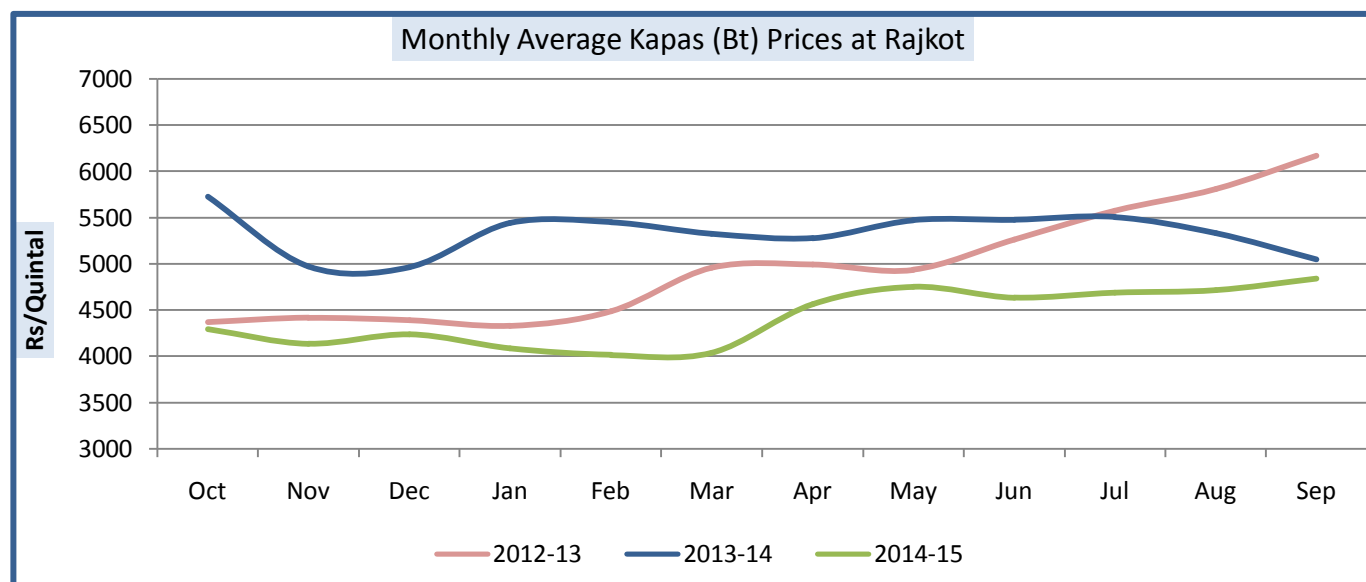
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained steady to weak due to the new crop arrivals in most of the markets. Weekly average price at Rajkot remained Rs. 4490 per quintal slightly higher when compared to previous week price of Rs. 4610 per quintal.



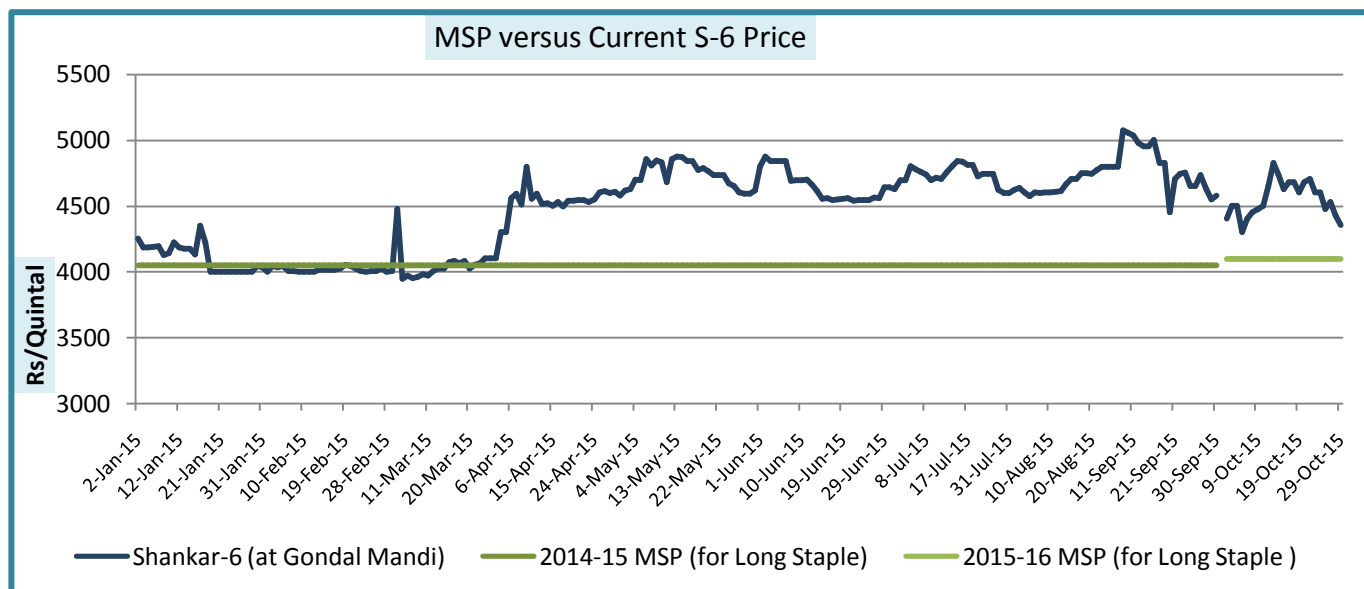
Kapas Y-o-Y Price Comparison:

Although Kapas price recovered this month, it is 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.



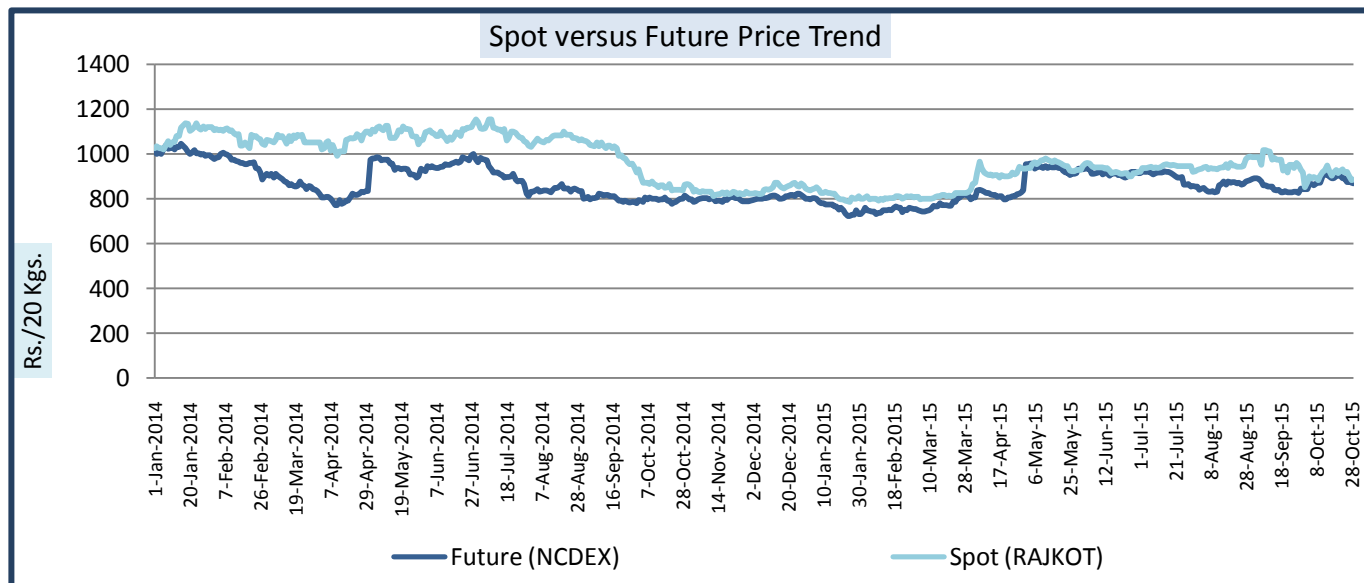
MSP versus Current Price Comparison:

Kapas prices(Shankar-6) are currently ruling above the MSP of Rs 4100 per quintal (for long staple). The average difference between the spot price and MSP remained Rs 400 during the week which was Rs 570 a week earlier.



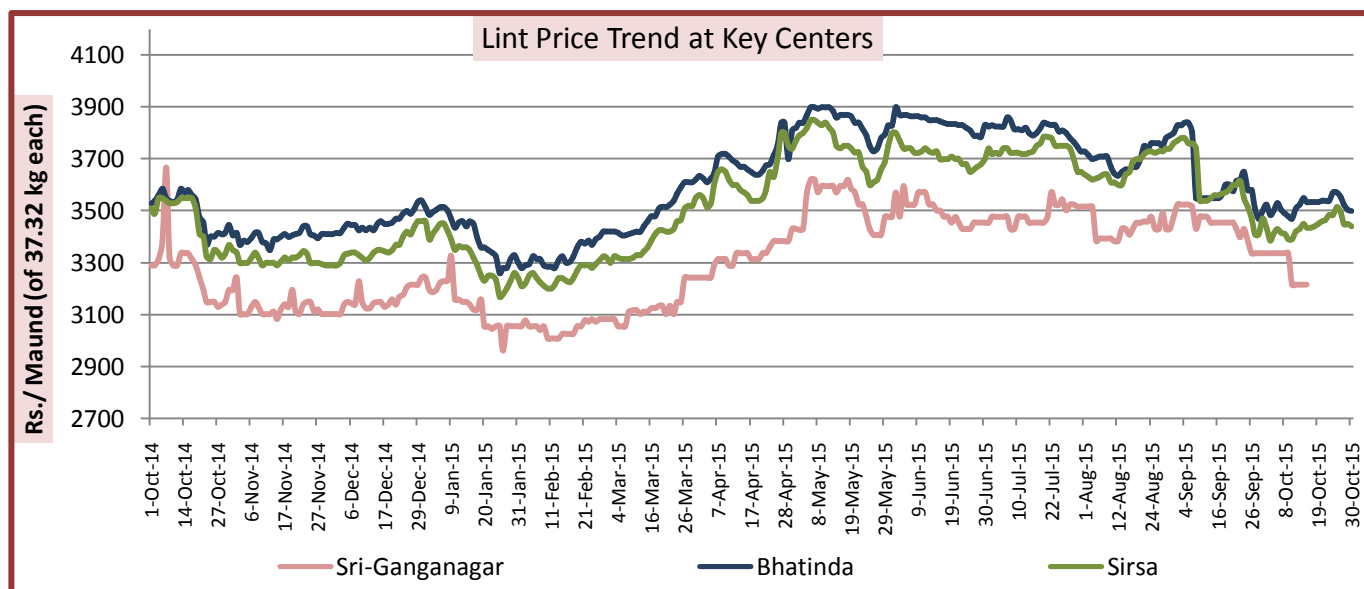
Spot and Future Price Comparison:

The future price remained downtrend this week. The spread between the two prices has been narrowed enough. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 868per maund (of 20 kg each), as on 29 October which was Rs 890 a week earlier. Spot price closed at Rs 884 per maund (of 20 kg each) which was Rs 930 a week earlier. The average difference between the two was Rs28 which was Rs23.3 a week earlier.



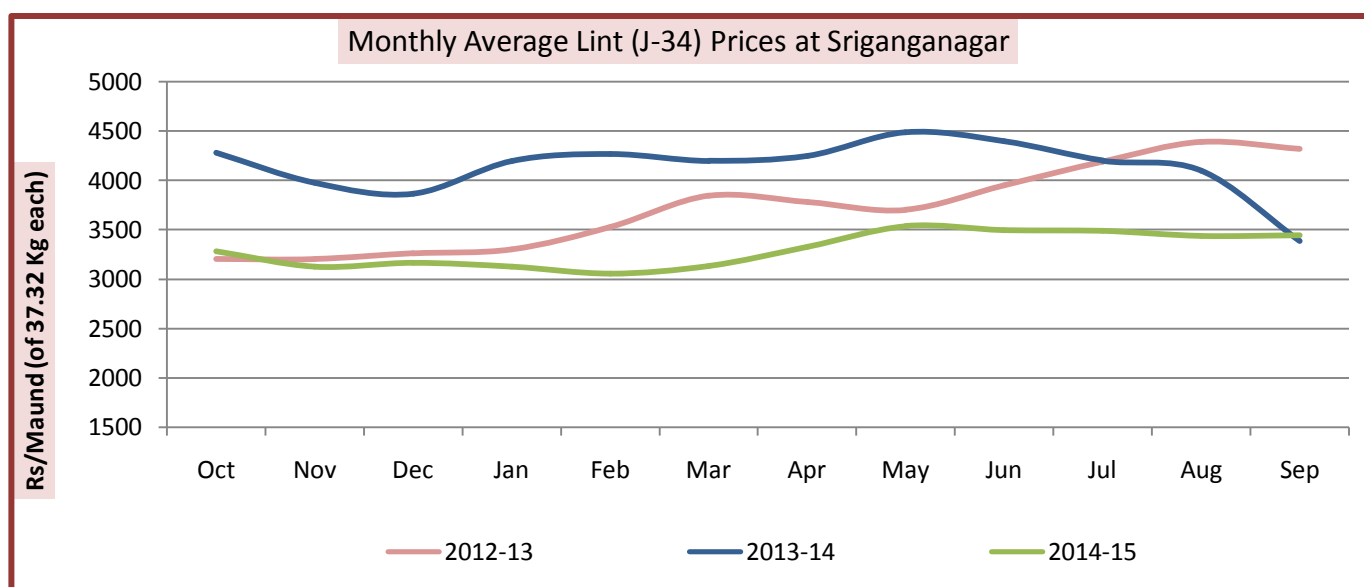
Lint (De-seeded Cotton) Weekly Price Scenario:

Weekly average price of Lint at Sirsa remained Rs. 3470 per maund (of 37.32 kg each) as compared to previous week price of Rs. 3460 per maund.



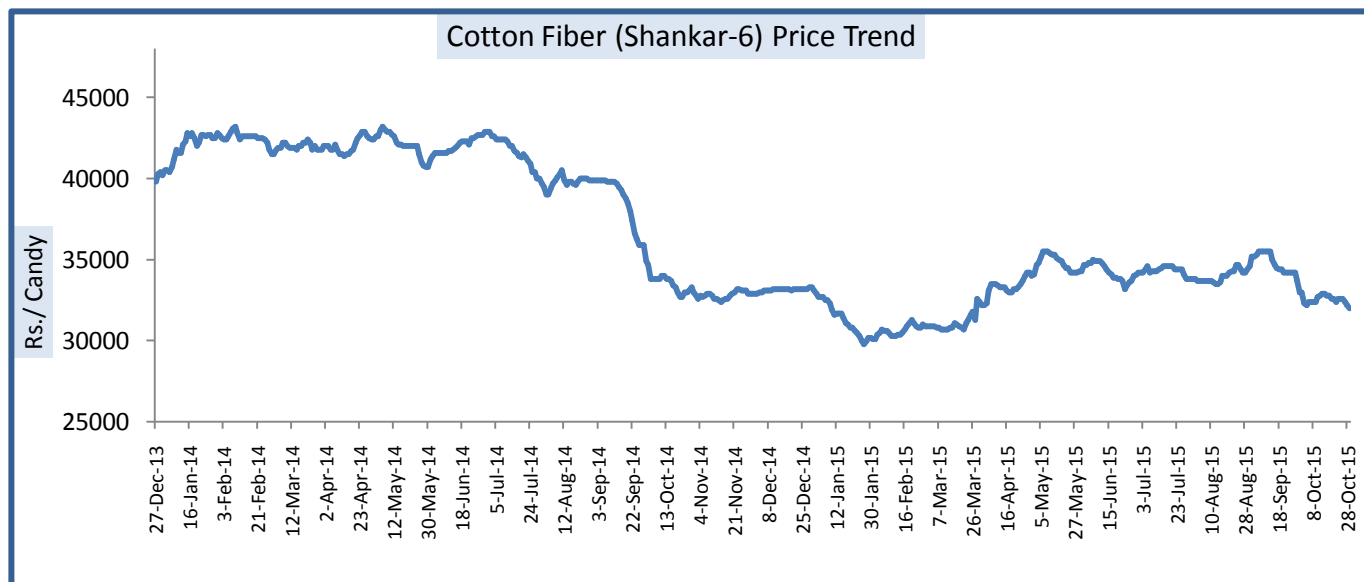
Lint Y-o-Y Price Comparison:

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.

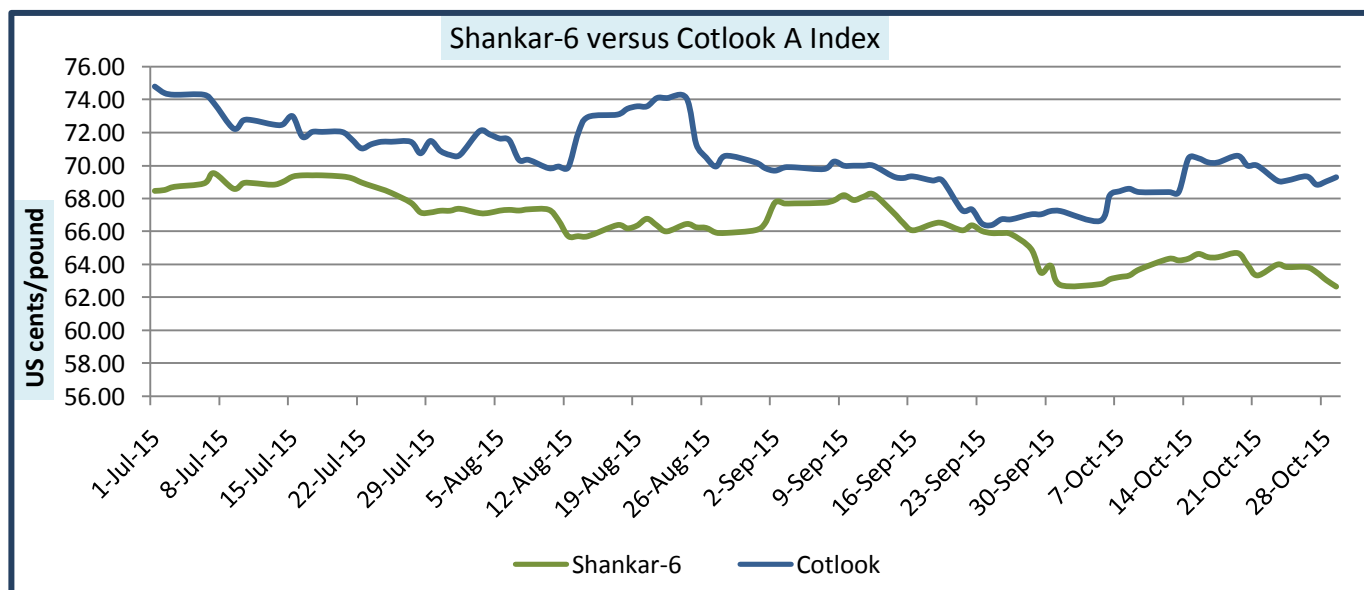


Cotton Fiber Weekly Price Scenario:

With the weakness in the Kapas prices, cotton fiber moved southwards this week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 32400 per candy (of 355.6 kg each) around 0.7% lower when compared to the prices of previous week which was Rs. 32640 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
		30th Oct 2015	23th Oct 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4540	4840	-300
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4510	4580	-70
Rajkot	B.T. Cotton	4490	4610	-120
Patan	B.T. Cotton	4525	4630	-105
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4485	4580	-95
Muktsar	B.T. Cotton	4645	4625	20
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4745	4740	5
Bhiwani	B.T. Cotton	4685	4670	15
Adampur	B.T. Cotton	NA	4630	-
Fatehabad	B.T. Cotton	NA	4670	-
Dabwali	B.T. Cotton	NA	4575	-
Jind	B.T. Cotton	NA	4770	-
Uchana (Jind)	B.T. Cotton	NA	4635	-
Rawatsar	B.T. Cotton	4560	4515	45
Hubli	B.T. Cotton	4475	4430	45
Hathras	B.T. Cotton(US)	4310	4200	110
Hanumangarh	B.T. Cotton	4540	4610	-70
Sri-Ganganagar	Kapas	4500	NA	-
	Kapas			
Ahmedabad	Shankar-6	4410	4480	-70
Gondal	Shankar-6	4440	4650	-210
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4380	4265	115
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	4680	5310	-630
Raichur	H-44 Cotton	4350	4245	105
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	NA	-

East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3530	3540	-10
Muktsar	J-34	3530	3540	-10
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3535	3535	Unch
Sirsa	J-34	3470	3460	10
Mansa	J-34	3525	3525	Unch

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
				29 th Oct 2015	22 nd Oct 2015	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	30785	30660	125
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31285	31160	125
J-34(202)	26mm	3.5 - 4.9	23	32650	32520	130
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31250	31340	-90
Shankar-6(105)	29mm	3.5 – 4.9	28	32400	32640	-240
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32650	32780	-130
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33550	33680	-130
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

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 (Qtl.) as on		Change
		30th Oct 2015	23th Oct 2015	
Amravati	Mech-1	18800	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	300000	95500	204500
Rajkot	B.T. Cotton	31900	24600	7300
Patan	B.T. Cotton	48893	5633	43260
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	3189	4275	-1086

Muktsar	B.T. Cotton	3400	340	-
Bhiwani	Desi	NA	850	-
Bhiwani	B.T. Cotton	NA	32000	-
Adampur	B.T. Cotton	NA	3230	-
Fatehabad	B.T. Cotton	NA	2600	-
Dabwali	B.T. Cotton	NA	3850	-
Jind	B.T. Cotton	NA	2031	-
Uchana (Jind)	B.T. Cotton	NA	4090	-
Rawatsar (Hanumangarh)	B.T. Cotton	1300	1000	300
Hubli	B.T. Cotton	70	112	-
Hathras	B.T. Cotton(US)	2150	750	1400
Hanumangarh	B.T. Cotton	12000	9900	2100
Sri-Ganganagar	Kapas	1500	NA	-
Ahmedabad	Shankar-6	238000	141100	96900
Gondal	Shankar-6	25436	16881	8555
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	5000	2300	2700
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	48	4	-
Raichur	H-44 Cotton	2182	1905	277
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	4930	4250	680
Bhatinda	J-34	27540	28900	-1360
Sirsa	J-34	510	3825	-3315
Mansa	J-34	2380	170	2210

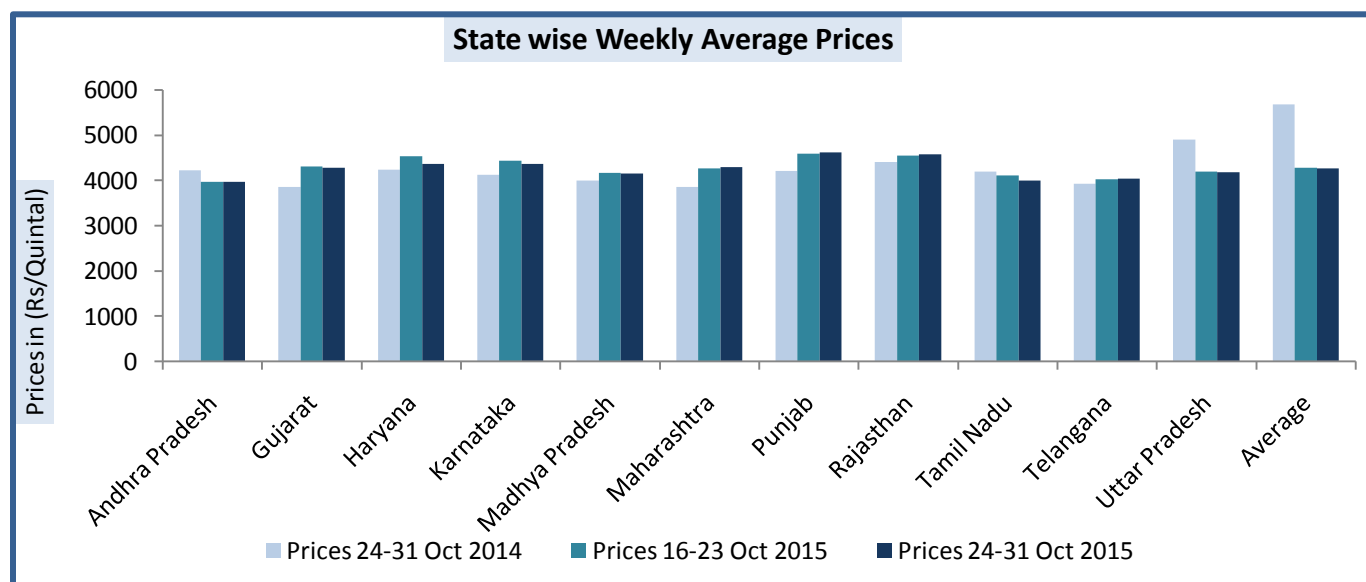
State wise Scenario

State wise Weekly Prices (at Major States):

State	Prices 24-31 Oct 2015	Prices 16-23 Oct 2015	Prices 24-31 Oct 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3973.45	3961.73	4222.04	0.3	-5.89
Gujarat	4280.53	4303.7	3859.16	-0.54	10.92
Haryana	4365.04	4537.15	4233.17	-3.79	3.12
Karnataka	4359.74	4437.4	4126.36	-1.75	5.66
Madhya Pradesh	4147.68	4165.02	3995.36	-0.42	3.81
Maharashtra	4297.83	4266.85	3850	0.73	11.63
Punjab	4622.9	4593.95	4213.94	0.63	9.7
Rajasthan	4570.7	4549.54	4410.69	0.47	3.63
Tamil Nadu	3996.6	4106.94	4191.69	-2.69	-4.65
Telangana	4036.82	4016.63	3926.89	0.5	2.8
Uttar Pradesh	4175.22	4192.44	4905.83	-0.41	-14.89
Average	4256.96	4284.67	5673.76		

Prices in Rs per quintal, Source: Agmarknet

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



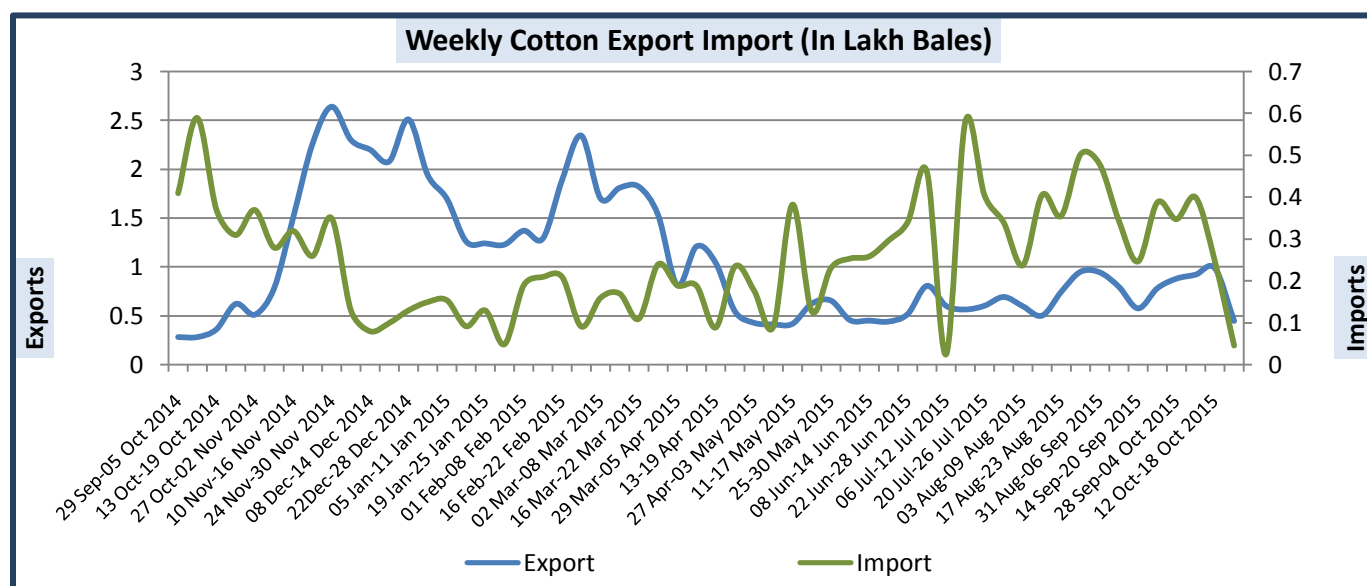
Cotton Export and Import

Weekly Export Import Data:

Export/Import	19 Oct-25 Oct 2015	12 Oct-18 Oct 2015
Export (In lakh Bales)	0.445	0.985
Import (In lakh Bales)	0.046	0.247

Source: IBIS

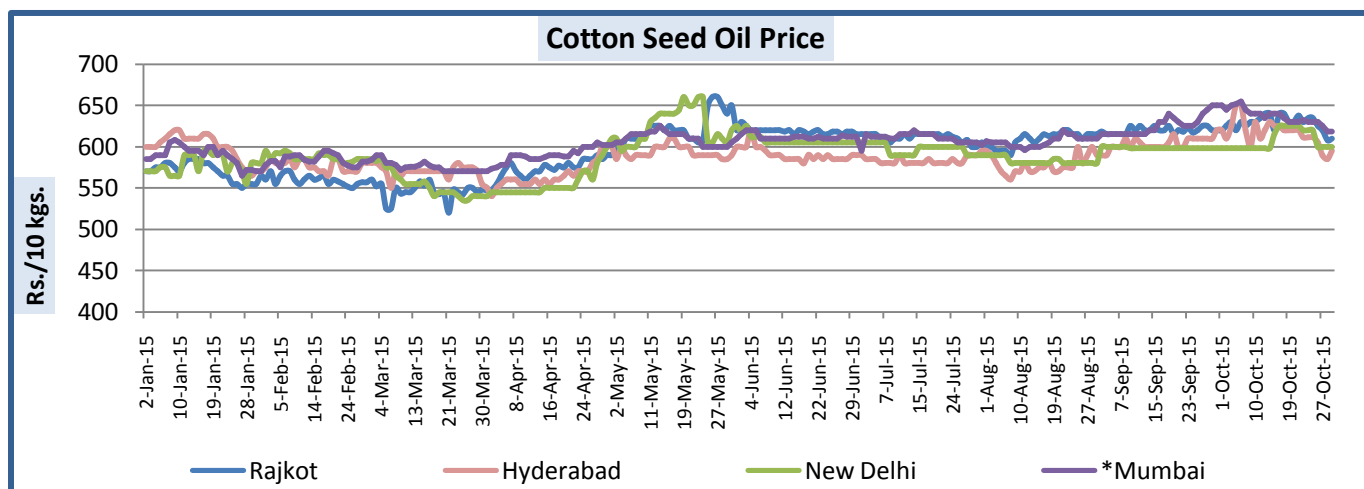
India exported 0.0445 lakh bales of cotton last week (19 Oct-25 Oct 2015), which was 0.985lakh bales in the previous week (12 Oct-18 Oct 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.046 lakh bales last week, which was 0.247lakh bales in the previous week.



Cotton Seed Oil and Cotton Seed Oil Cake

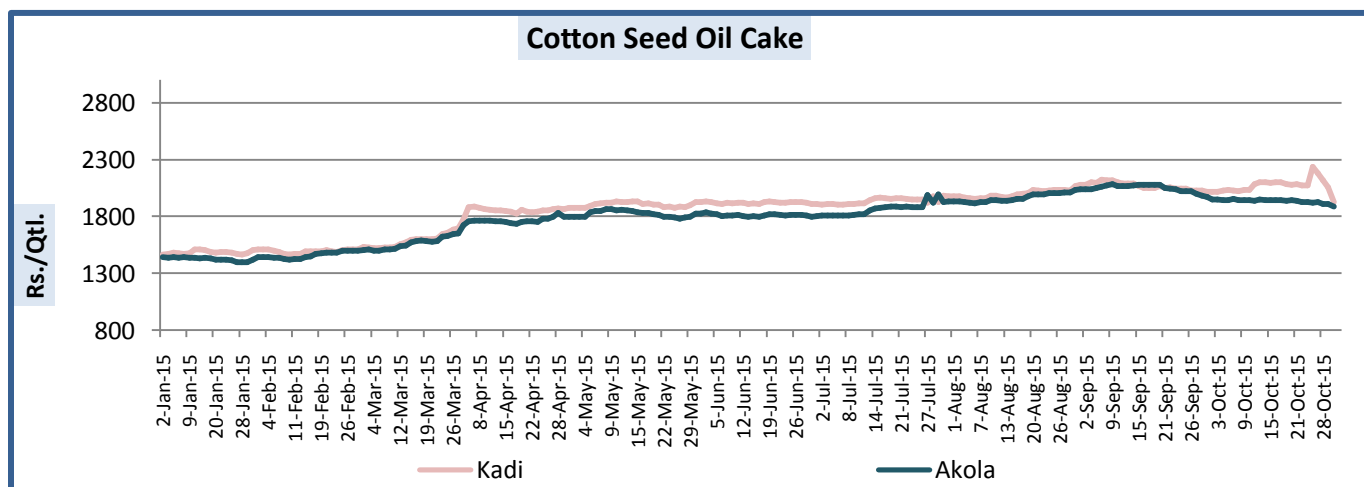
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	29-October-15	22-October-15	
New Delhi	607	624	-2.72
Rajkot	622	635	-2.05
Hyderabad	600	619	-3.07
Mumbai*	625	633	-1.26
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	29-October-15	22-October-15	
Kadi	2100	2088	0.57
Akola	1914	1941	-1.39



*Source: NCDEX

International Market Scenario

International cotton prices remained firm this week. Cotlook A index weekly average stood at 69.13 cents/pound this week, which was 70.41cents/pound during last week.

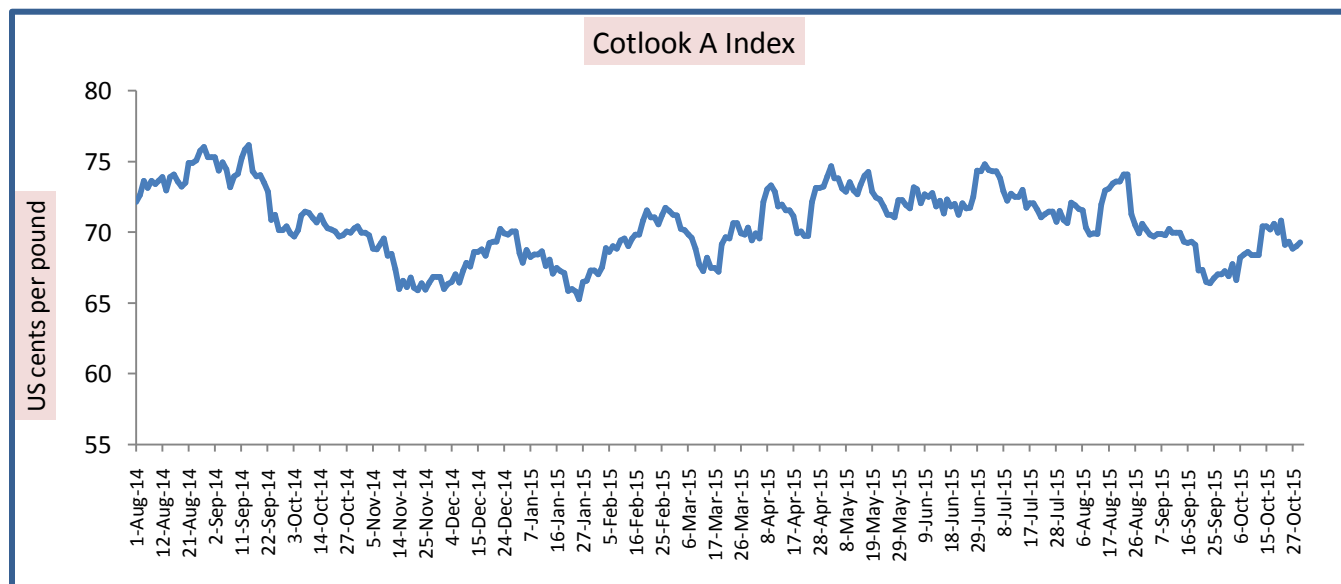
According to latest release of International Cotton Advisory Committee (ICAC), cotton imports to China is likely to be around 1.59 million tons in 2015-16, around 11.6% lower as compared to the imports of 1.8 million tons during 2014-15.

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 with 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 tonnes 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 bearish momentum in the prices.
- RSI is moving high toward oversold region.
- Prices closed below the 9 and 18 days EMA.
- MACD denotes weakness in signal line and centerline movement.
- We expect prices to remain weak.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	850-885

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
835	820	895	900

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	61.80-63.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.00	60.60	64.00	64.40

Figures in US cents per pound

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