Current Market Outlook

Domestic Weekly Price Scenario: Cotton prices in domestic marketsnoticed mostly weak tone during the weekdue to the ample arrivals of new crop in the markets

Average price of Kapas at Rajkot during the week was Rs. 4440 per quintal, which stood at Rs 4490 previous week. Average price of Lint at Sirsa during the week was Rs. 3430 per maund (of 37.32 Kg each), which stood at Rs 3470previous week. Cotton fiber (Shankar-6) prices remained downtrend this week. Average price was Rs 32100per candy (of 355.6 kg each) during the week, which was Rs 32400 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) too surged up this week and closed at Rs 881.5 per maund (of 20 kg each) which was Rs 868 a week earlier.

Cotton Price Outlook (For Coming Week):In the coming week we expect Kapasprice to remain range boundto weak with theprice bandof Rs. 4200-4350 per quintal in the bench mark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.850-890 per maund (of 20 kg each).

Major Market Highlights: Maharashtra government has started the cotton procurement in state under MSP scheme via Maharashtra State Cooperative Cotton-Growers Marketing Federation. So far only three centers are operating in state but the numbers are likely to reach 17 shortly and it may reach to 96 if CCI outsources its duty to the federation. The chairperson said that during the previous season they procured only 27 Lakh quintal of cotton, but this year they may buy up to 100 lakh quintal.

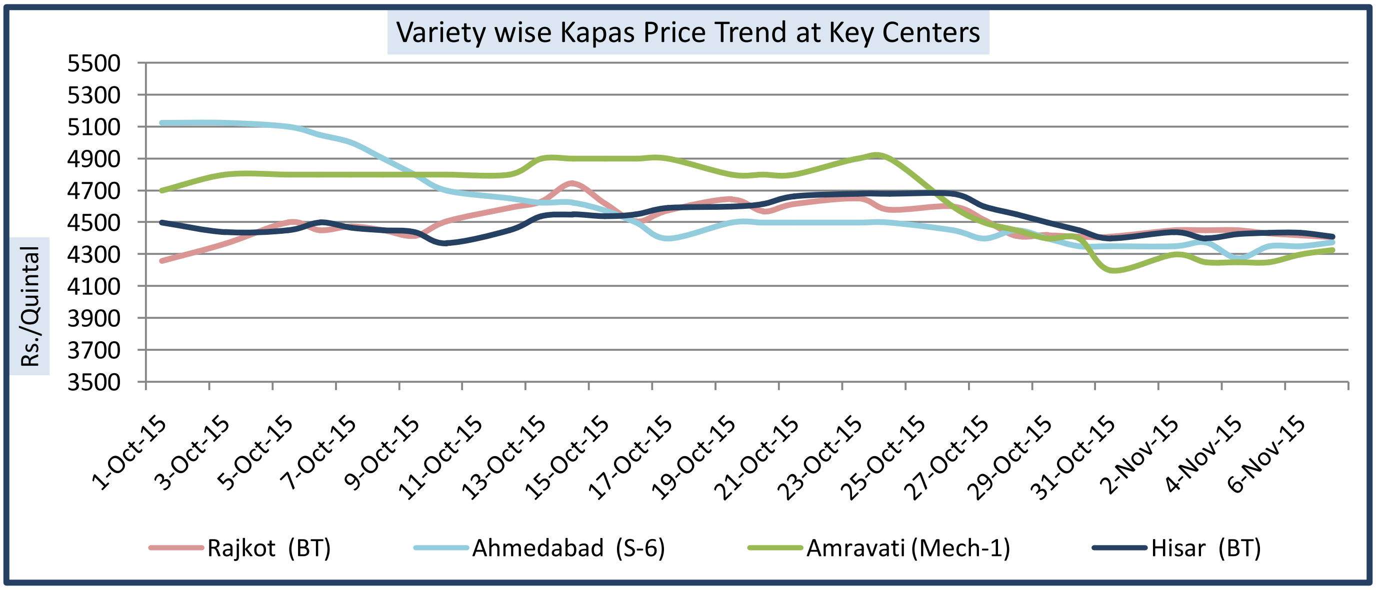
According to Textile Commissioner, Kavita Gupta, cotton production in the country would be around 365 lakh bales in the season 2015-16, around 4% lower when compared to the production of previous year. She believes that the cotton exports would be around 68 lakh bales, around 18% higher when compared to the previous season. Due to the lower production and higher export the ending stocks in the current season would be standing around 38 lakh bales, around 27% lower when compared to the ending stock of previous season.

Despite the drastic fall in import expectation from China, India is likely to export more cotton this year as compared to the previous. According to the government official, India is likely to export 68 lakh bales of cotton this year, around 18% higher when compared to the previous season as Asian countries Bangladesh, Pakistan and Vietnam are expected to import more cotton.

Domestic Cotton Prices Scenario

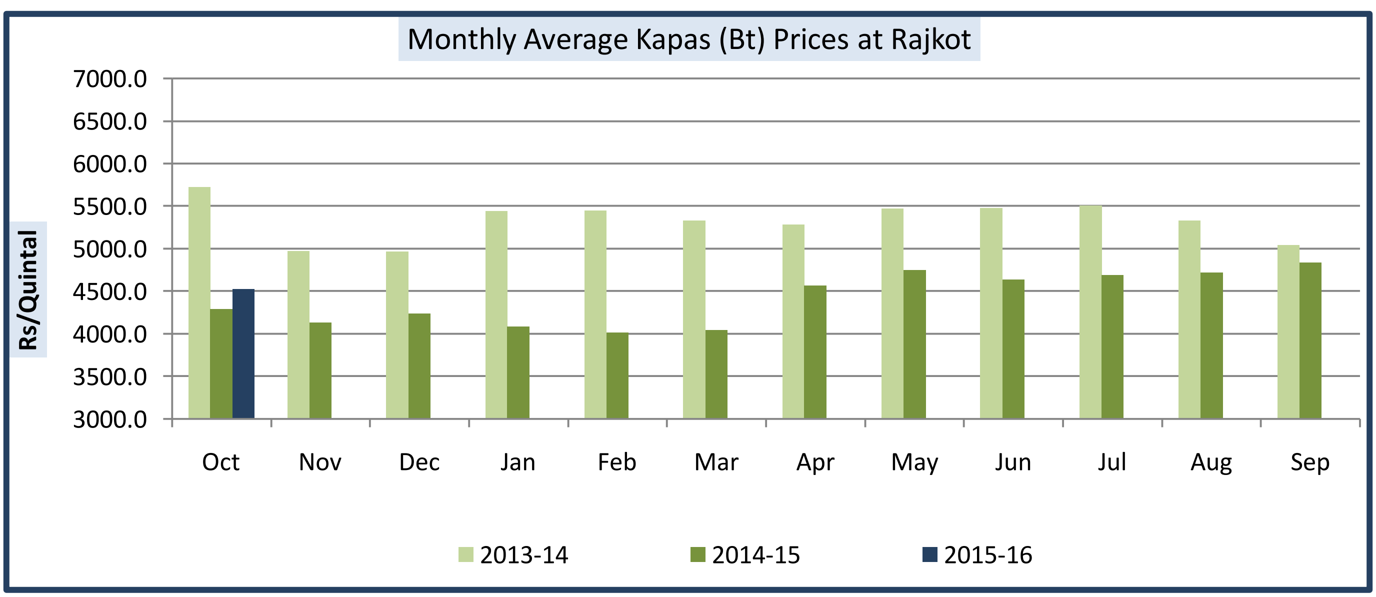
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained steady to weak due to the new crop arrivals in markets and weaker buying activities due to Diwali. Weekly average price at Rajkot remained Rs. 4440per quintal, lower when compared to previous week price of Rs. 4490per quintal.



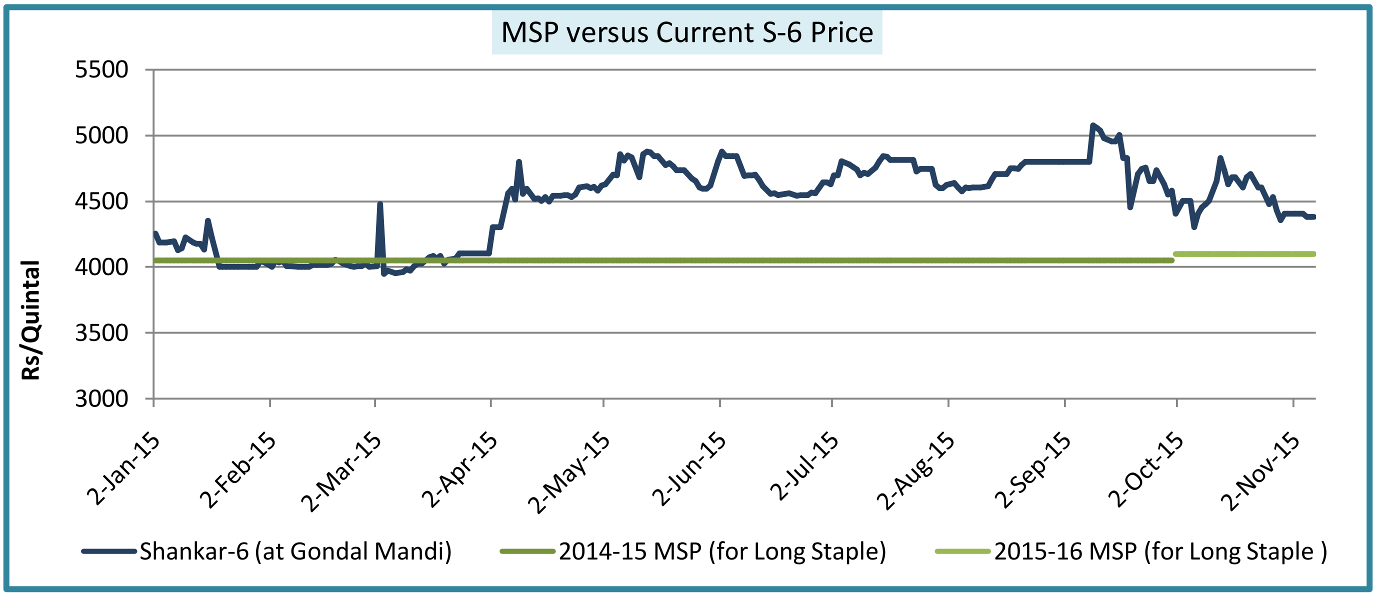
Kapas Y-o-Y Price Comparison:

Though cotton price remained weak during October as compared to the previous month, the same is ruling higher as compared to the prices during the corresponding month of previous season. Monthly average price of Kapas at Rajkot remained Rs.4520 per quintal during October, which was Rs 4835 during previous month and Rs 4290 per quintal during the corresponding month last year.



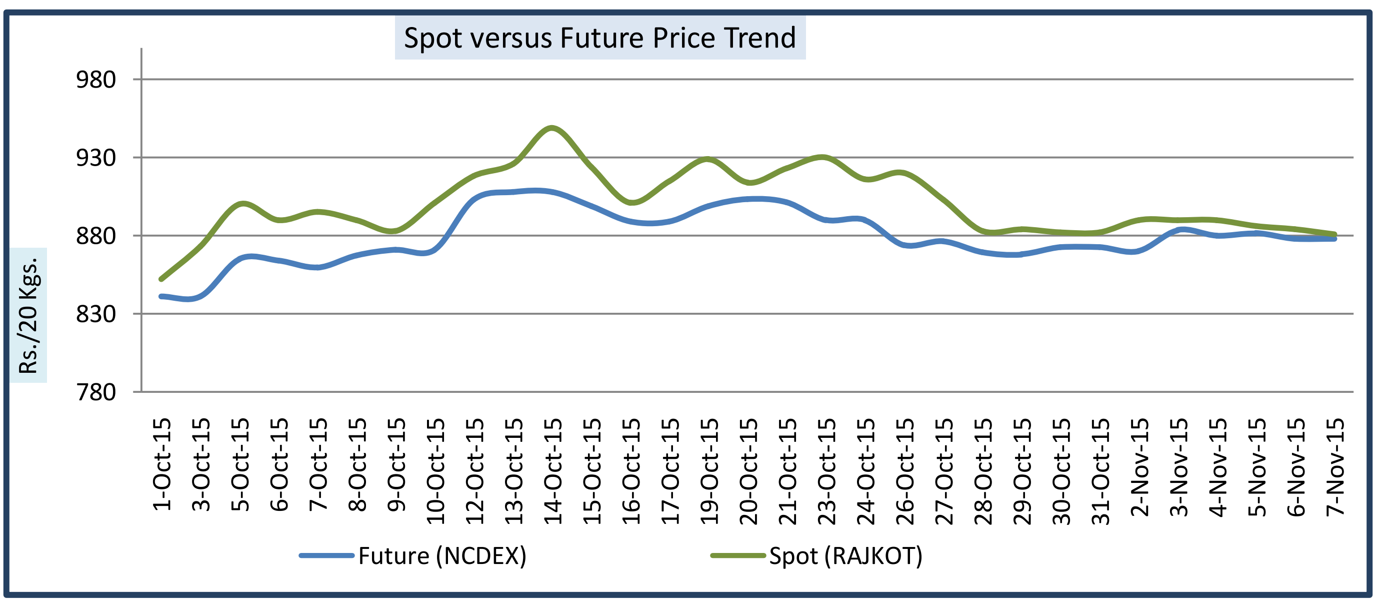
MSP versus Current Price Comparison:

Kapas prices(Shankar-6) are currently ruling above the MSP of Rs 4100 per quintal (for long staple), but the gap between the two is narrowing week on week basis. The average difference between the spot price and MSP remained Rs 295 during the week which was Rs 400 a week earlier.



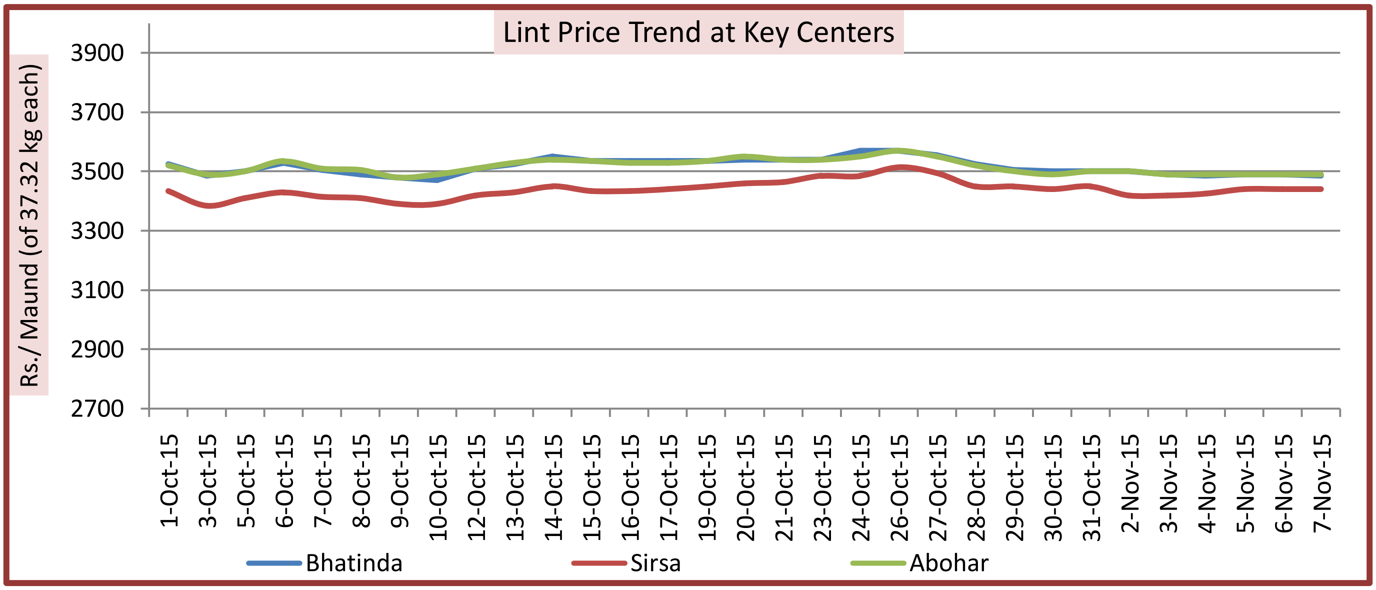
Spot and Future Price Comparison:

The future priceclosed higher this week. Howeverspread between the two prices has been narrowed enough. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 881.5per maund (of 20 kg each), as on 05Novemberwhich was Rs 868 a week earlier. Spot price closed at Rs 886 per maund (of 20 kg each) which was Rs 884 a week earlier. The average difference between the two was Rs10 which was Rs25 a week earlier.



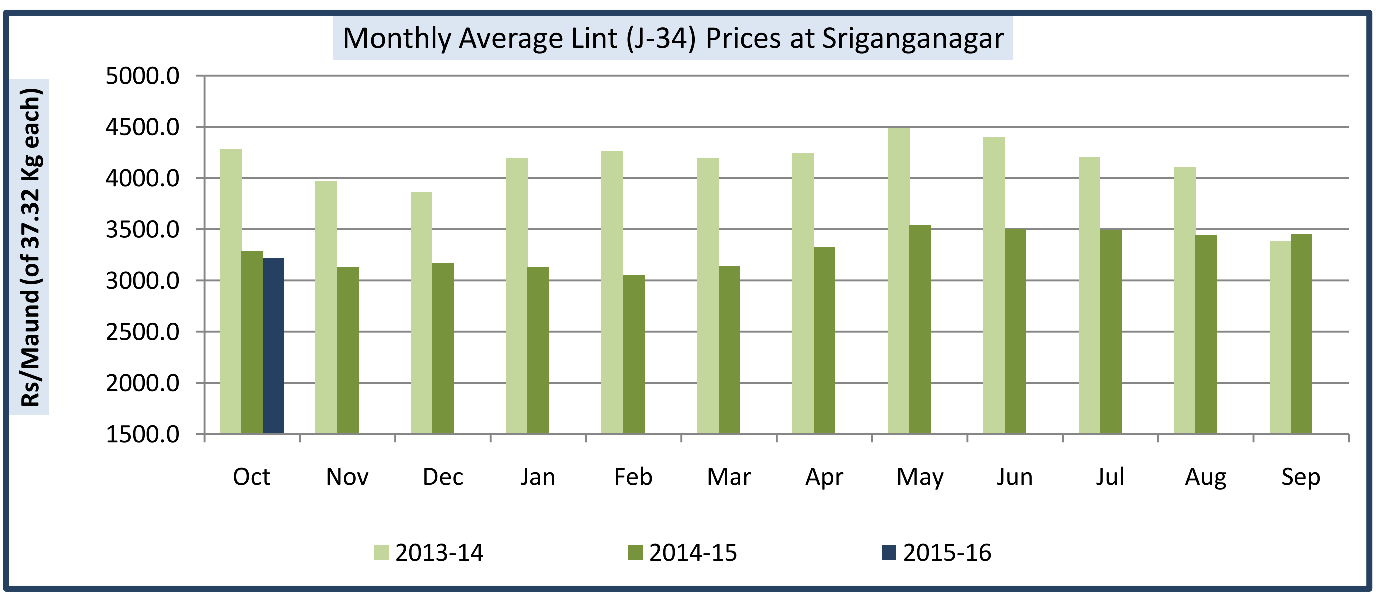
Lint (De-seeded Cotton) Weekly Price Scenario:

As Kapas prices are ruling weaker, lint prices too are noticing the timid sentiment in the spot market. Weekly average price of Lint at Sirsa remained Rs. 3430per maund of 37.32 kg each as compared to previous week price of Rs. 3470per maund.



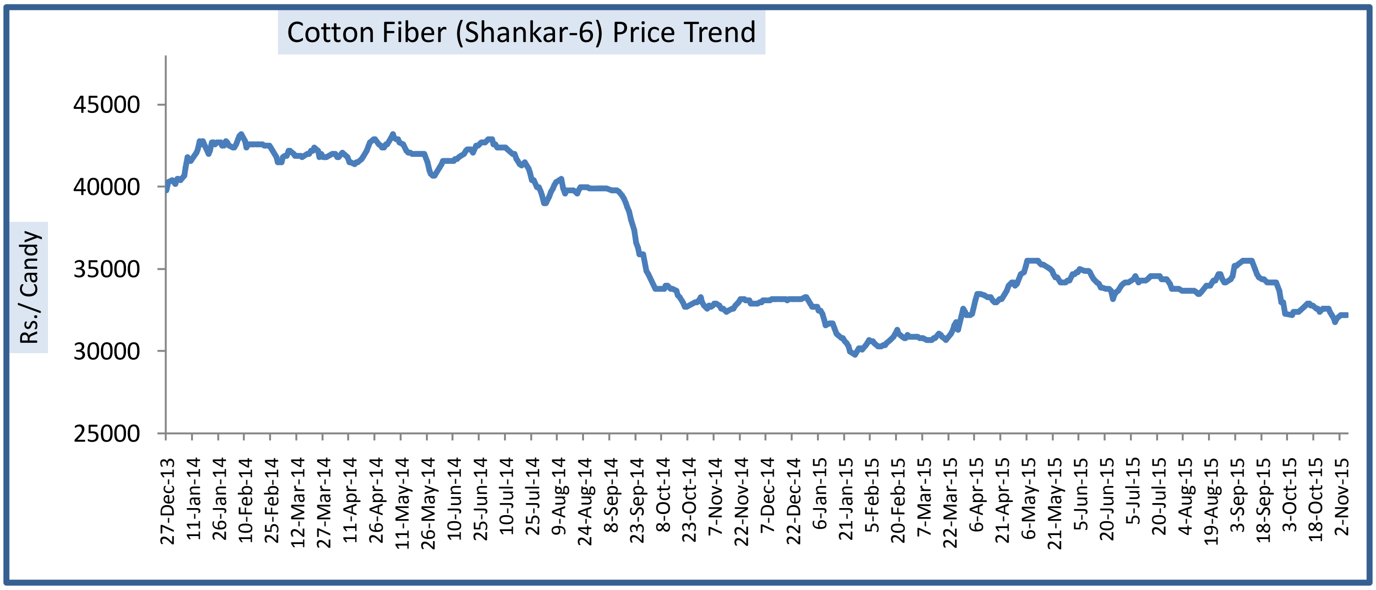
Lint Y-o-Y Price Comparison:

Following the weakness in Kapas prices, lint prices too remained weaker during October as compared to previous month and corresponding month last year. In October this year, monthly average price of lint at Sri-Ganganagar remained Rs. 3215 per quintal, which was Rs 3445 last month and Rs 3283 during corresponding month previous year.

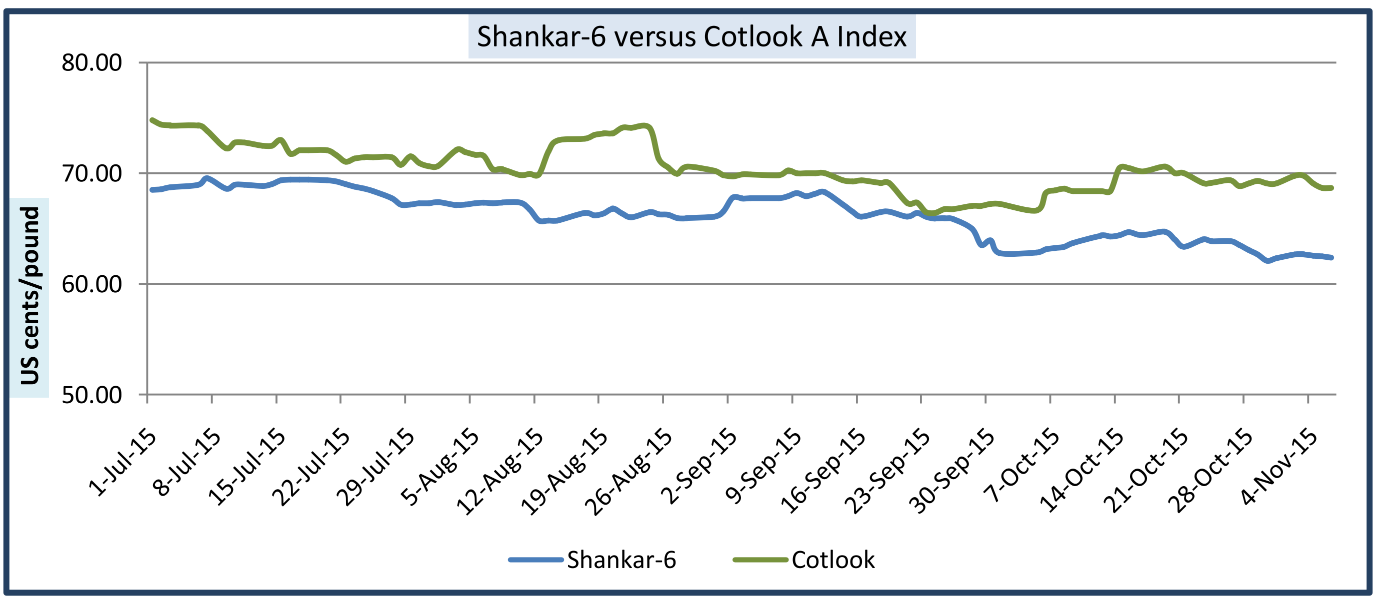


Cotton Fiber Weekly Price Scenario:

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		Change
		06th Nov 2015	30th Oct 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4260	4540	-280
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4445	4510	-65
Rajkot	B.T. Cotton	4440	4490	-50
Patan	B.T. Cotton	4385	4525	-140
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4380	4485	-105
Muktsar	B.T. Cotton	4515	4645	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4750	4745	-
Bhiwani	B.T. Cotton	4555	4685	-130
Adampur	B.T. Cotton	4425	NA	-
Fatehabad	B.T. Cotton	4500	NA	-
Dabwali	B.T. Cotton	4430	NA	-
Jind	B.T. Cotton	4510	NA	-
Uchana (Jind)	B.T. Cotton	4530	NA	-
Rawatsar	B.T. Cotton	4330	4560	-230
Hubli	B.T. Cotton	4390	4470	-80
Hathras	B.T. Cotton(US)	4180	4310	-130
Hanumangarh	B.T. Cotton	4420	4540	-120
	Kapas			
Ahmedabad	Shankar-6	4340	4410	-70
Gondal	Shankar-6	4395	4440	-45
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	
Hathras	Desi	4350	4380	-30
Bijapur	Bunny	NA	NA	
Hubli	D.C.H.	5140	4680	460
Raichur	H-44 Cotton	4265	4350	-85
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		
Abohar	J-34	3495	3530	-35

Muktsar	J-34	3490	3530	-40
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3490	3535	-45
Sirsa	J-34	3430	3470	-40
Mansa	J-34	3490	3525	-35
Sri-Ganganagar	Kapas	4280	4500	-220

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
				05th Nov 2015	29th Oct 2015	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	30635	30785	-150
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31135	31285	-150
J-34(202)	26mm	3.5 - 4.9	23	31950	32650	-700
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31215	31250	-35
Shankar-6(105)	29mm	3.5 – 4.9	28	32100	32400	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32285	32650	-365
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33185	33550	-365
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 (In Quintals)		Change
		06th Nov 2015	30th Oct 2015	
Amravati	Mech-1	31700	18800	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	285000	300000	-15000
Rajkot	B.T. Cotton	37300	31900	5400
Patan	B.T. Cotton	110678	48893	61785
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	17515	3189	14326
Muktsar	B.T. Cotton	1700	3400	-
Bhiwani	Desi	1300	NA	-
Bhiwani	B.T. Cotton	24000	NA	-

Adampur	B.T. Cotton	2848	NA	-
Fatehabad	B.T. Cotton	1525	NA	-
Dabwali	B.T. Cotton	2000	NA	-
Jind	B.T. Cotton	791	NA	-
Uchana (Jind)	B.T. Cotton	5460	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	2400	1300	1100
Hubli	B.T. Cotton	230	70	-
Hathras	B.T. Cotton(US)	1600	2150	-550
Hanumangarh	B.T. Cotton	6500	12000	-5500
Ahmedabad	Shankar-6	297500	238000	59500
Gondal	Shankar-6	23136	25436	-2300
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4900	5000	-100
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	3	48	-
Raichur	H-44 Cotton	5274	2182	3092
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	85	4930	-4845
Bhatinda	J-34	28050	27540	510
Sirsa	J-34	2975	510	2465
Mansa	J-34	2720	2380	340
Sri-Ganganagar	Kapas	3150	1500	1550

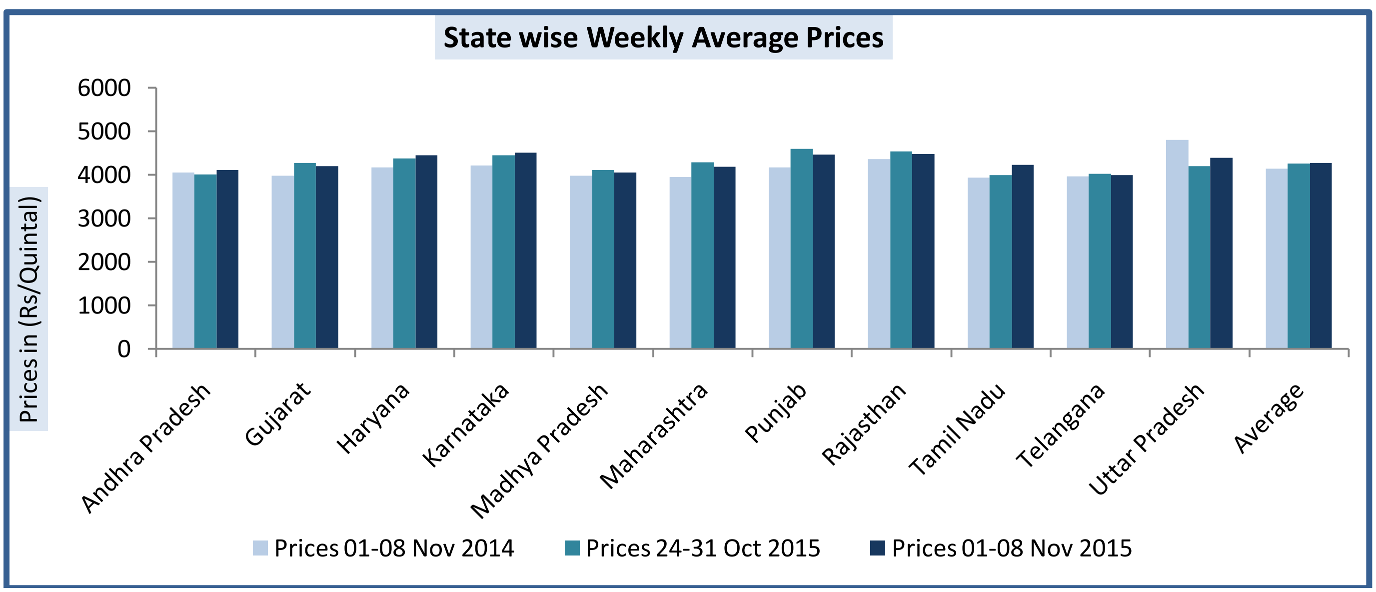
State wise Scenario

State wise Weekly Prices (at MajorStates):

State	Prices 01-08 Nov 2015	Prices 24-31 Oct 2015	Prices 01-08 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4095.77	4003.73	4041.49	2.3	1.34
Gujarat	4197.45	4260.26	3976.09	-1.47	5.57
Haryana	4445.38	4365.04	4155.01	1.84	6.99
Karnataka	4506.72	4446.49	4212.42	1.35	6.99
Madhya Pradesh	4041.48	4104.52	3969.08	-1.54	1.82
Maharashtra	4179.58	4286.27	3948.06	-2.49	5.86
Punjab	4452.1	4582.54	4160.9	-2.85	7
Rajasthan	4465.29	4529.25	4358.61	-1.41	2.45
Tamil Nadu	4222.24	3978.66	3922.82	6.12	7.63
Telangana	3989.04	4021.28	3955.99	-0.8	0.84
Uttar Pradesh	4382.61	4193.7	4800	4.5	-8.7
Average	4270.7	4251.98	4136.41		

Prices in Rs per quintal, Source: Agmarknet

On week on week basis, prices are showing mixed trend, highest price is recorded in Karnataka this week and lowest was in Telangana. On year on year basis, cotton prices are reflecting uptrend in all of the states, except Uttar Pradesh which noticed downtrend in Y-o-Y price comparison.

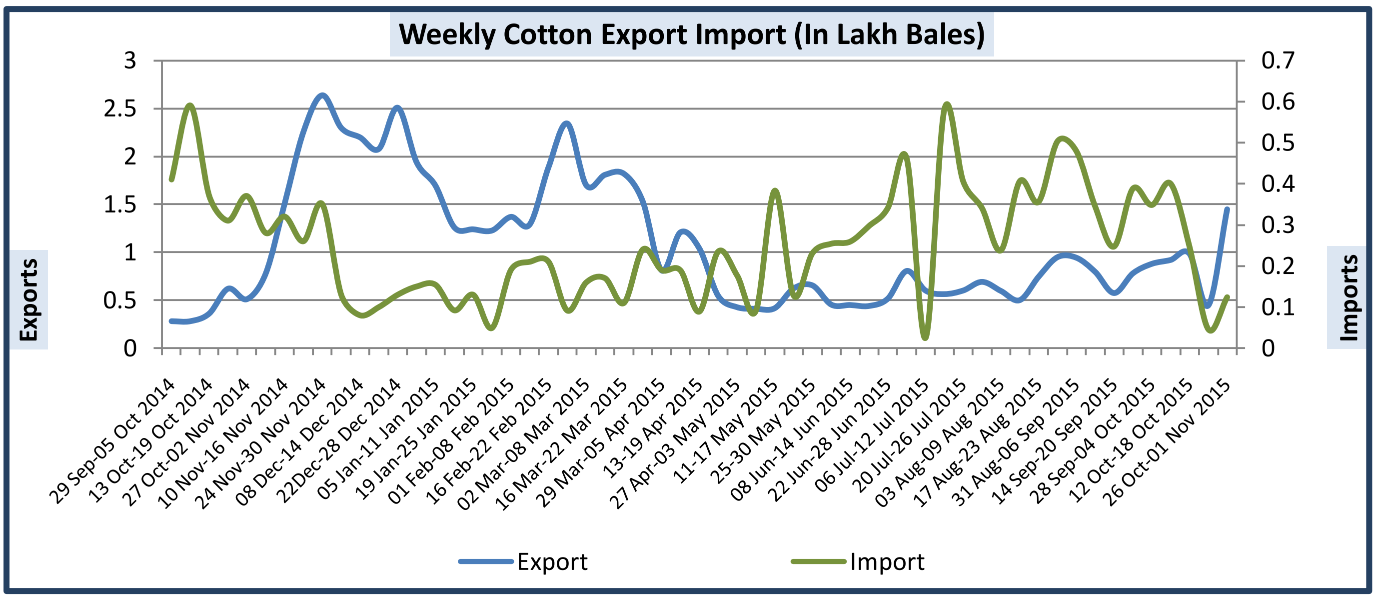


Cotton Export and Import

Weekly Export Import Data:

Export/Import	26 Oct-01 Nov 2015	19 Oct-25 Oct 2015
Export (In lakh Bales)	1.449	0.445
Import (In lakh Bales)	0.124	0.046
		Source: IBIS

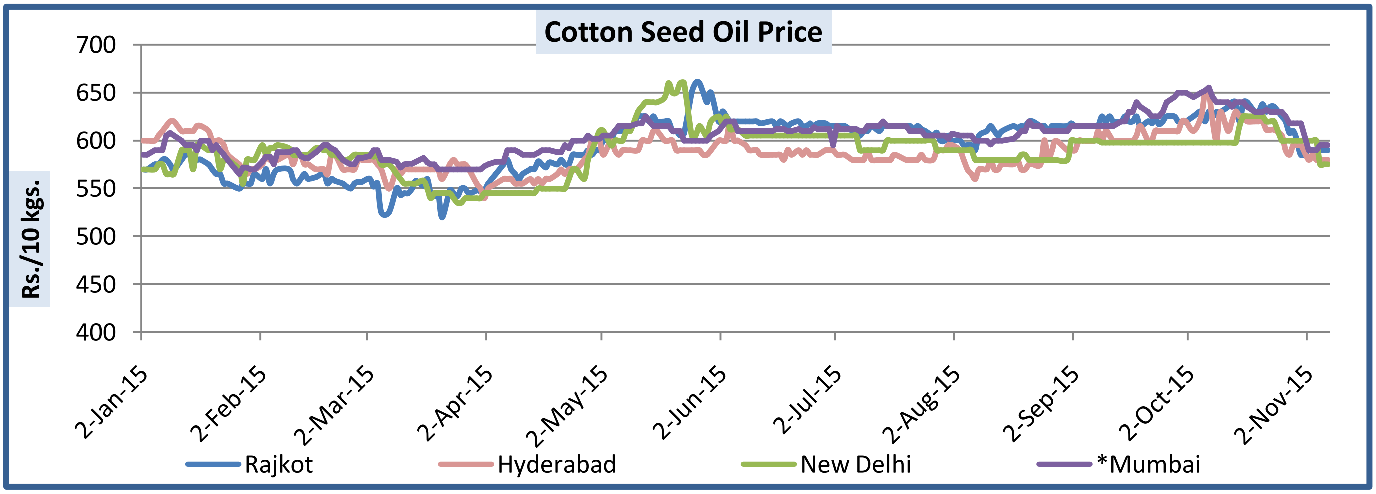
India exported 1.449 lakh bales of cotton last week (26 Oct-01 Nov 2015), which was 0.0445 lakh bales in the previous week (19 Oct-25 Oct 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.124 lakh bales last week, which was 0.046 lakh bales in the previous week.



Cotton Seed Oil and Cotton Seed Oil Cake

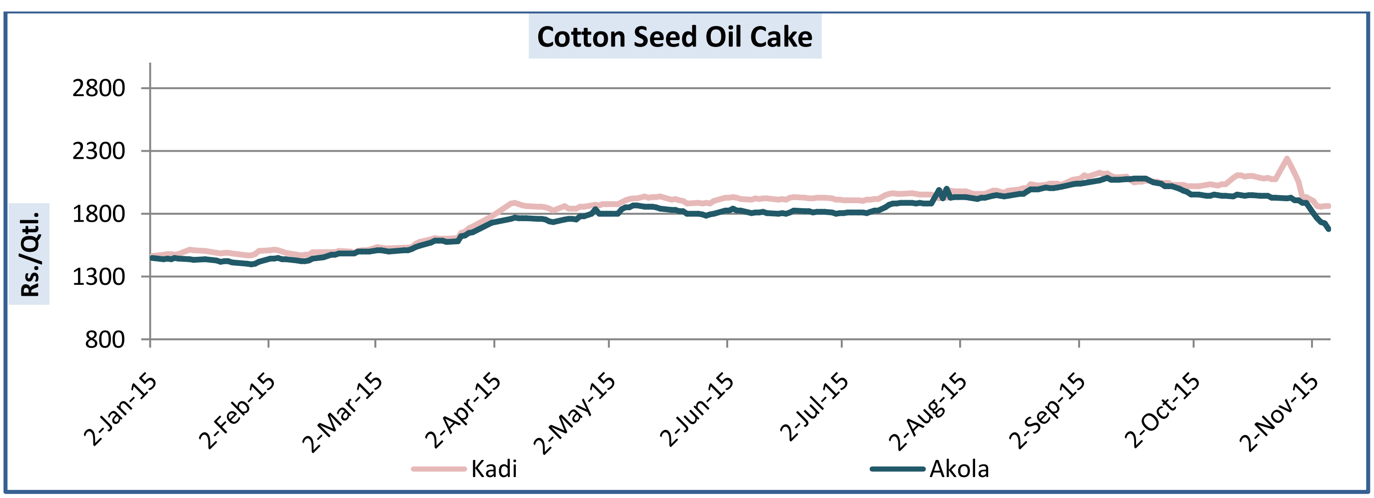
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	05-November-15	29-October-15	
New Delhi	596	607	-1.81
Rajkot	591	622	-4.98
Hyderabad	586	600	-2.33
Mumbai*	600	625	-4.00
			*Vat Included



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	05-November-15	29-October-15	
Kadi	1890	2100	-10.00
Akola	1800	1914	-5.96



*Source: NCDEX

International Market Scenario

International cotton prices remained sideways to firm this week. Cotlook A index weekly average stood at 69.25 cents/pound this week, which was 69.13cents/pound during last week.

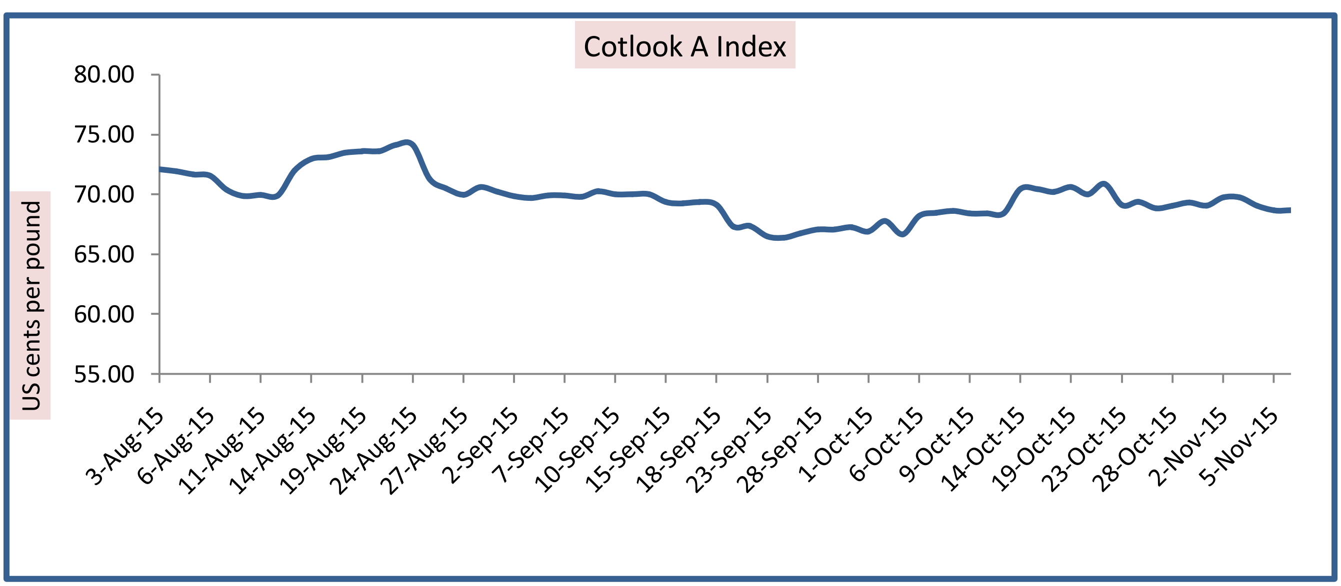
Cotton export in Pakistan has witnessed a growth of 10 per cent during the first quarter of the fiscal year (FY 16) due to the lower domestic prices and higher demand from the overseas. According to the data, country exported raw cotton valued USD 55 million during the first quarter of FY16 as compared to USD 50 million during the same period in FY 15.

The recent rise in the cotton prices in Pakistan has improved the import parity. Spinners have booked the import order from India and other exporting nations. So far around 1.4 million bales of cotton has been booked to be imported to country and the volume is likely to go around 2.5 million bales.

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.

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.



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	05-November-15	29-October-15	
CC Index(229)	13610	13612	-0.01
CC Index(328)	12987	12991	-0.03
CC Index(527)	11890	11891	-0.01
			Prices in Yuan per Ton

Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	05-November-15	29-October-15	
Prices	69.25	69.13	0.17
			Prices in US cents per Pound

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	05-November-15	29-October-15	
Prices	61.05	60.80	0.41
			Prices in US cents per Pound

Cotton Futures (ICE):

Contracts	05-Nov-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-15	61.95	62.32	61.87	65.52	-0.59	0.13	-5.45
Dec-15	62.13	62.21	61.68	--	-0.13	0.73	--
Mar-16	62.89	62.81	62.15	--	0.13	1.19	--
May-16	63.32	63.17	62.47	--	0.24	1.36	--
Jul-16	63.41	64.23	62.19	--	-1.28	1.96	--
Oct-16	63.24	62.81	--	--	0.68	--	--
							Figures in US cents per pound

Cotton Futures Price Outlook

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

Weekly Technical Outlook:

- Candlesticks range bound momentumin the prices.
- RSI is moving lowtowardsoversold region.
- Prices closed below the9 and 18 days EMA.
- MACD denotes weaknessin signal line and centerline movement.
- We expect prices to remain weak.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bearish Momentum	850-890

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
845	830	900	915
Figures in Rs. per 20Kgs.			

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

Weekly Technical Outlook:

- Candlesticks denotebearish momentum in the market.
- RSI is moving flat in overbought region.
- Prices are hovering below the 4 and 9 and 18 days SMA.
- MACD centerline and signal line are showing negative movements.
- We expect cotton pricesto remain weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	60.60-63.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.00	59.40	64.00	64.60
Figures in US cents per pound			