

## Current Market Outlook

**Domestic Weekly Price Scenario:** Cotton prices in domestic markets noticed mostly weak tone during the week due to the dull trading activities due to Diwali.

Average price of Kapas at Rajkot during the week was Rs. 4350 per quintal, which stood at Rs 4440 previous week. Average price of Lint at Sirsa during the week was Rs. 3415 per maund (of 37.32 Kg each), which stood at Rs 3430 previous week. Cotton fiber (Shankar-6) prices remained downtrend this week. Average price was Rs 32135 per candy (of 355.6 kg each) during the week, which was Rs 32200 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) too surged up this week and closed at Rs 839 per maund (of 20 kg each) which was Rs 878 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. 4100-4350 per quintal in the benchmark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 825-860 per maund (of 20 kg each).

**Major Market Highlights:** Cotton production in India during the season 2015-16 according to USDA would be around 6.205 million tons (approx. 365 lakh bales), around 3.5% lower when compared to the production of previous season which was 6.423 million tons (approx. 377.8 Lakh bales).

Despite the expectation of higher production this year, Cotton prices in Maharashtra are ruling above the MSP of Rs 4100 per quintal. According to the market participants, private traders have bought around 1.5 Lakh quintal of cotton from the farmers at the prices of Rs 4150-4450 per quintal.

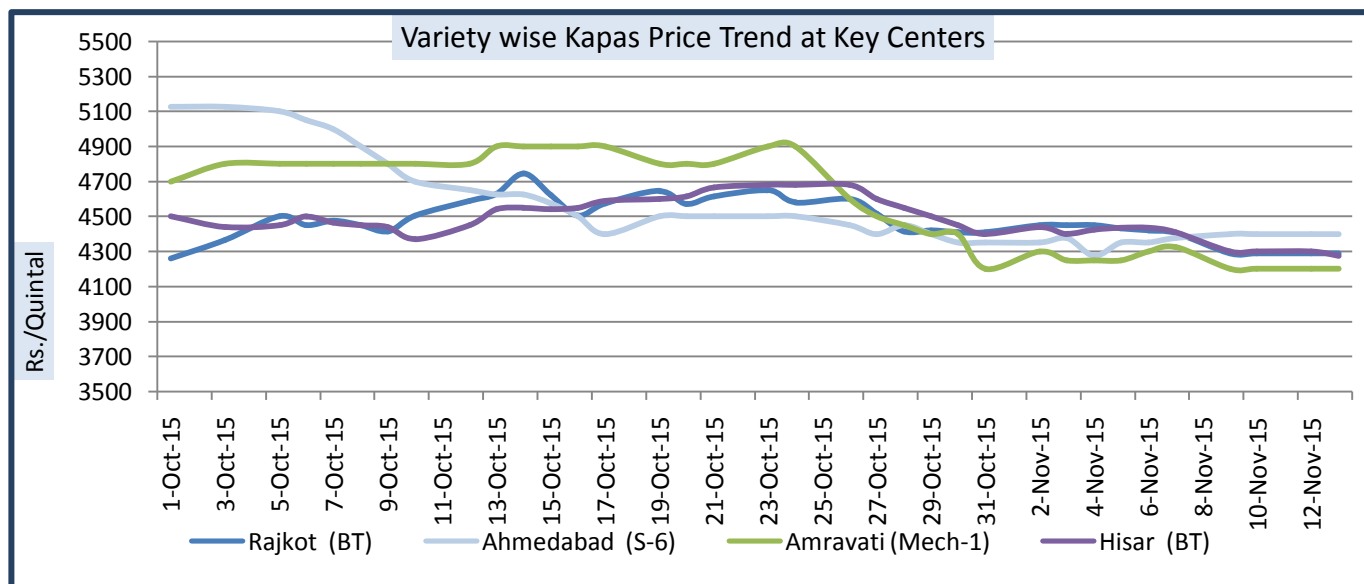
According to Textile Commissioner, Kavita Gupta, cotton production in the country would be around 365 lakh bales in the season 2015-16, around 4% lower when compared to the production of previous year. She believes that the cotton exports would be around 68 lakh bales, around 18% higher when compared 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

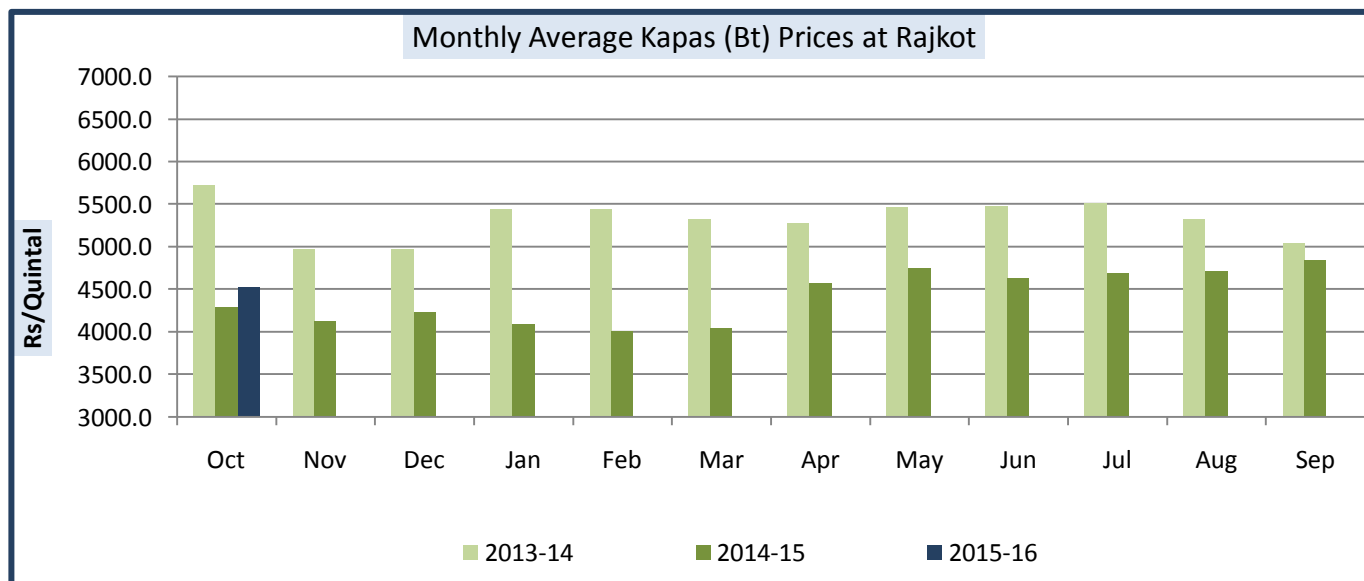
### Kapas (Raw Cotton) Weekly Price Scenario:

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. 4350 per quintal, lower when compared to previous week price of Rs. 4440 per quintal.



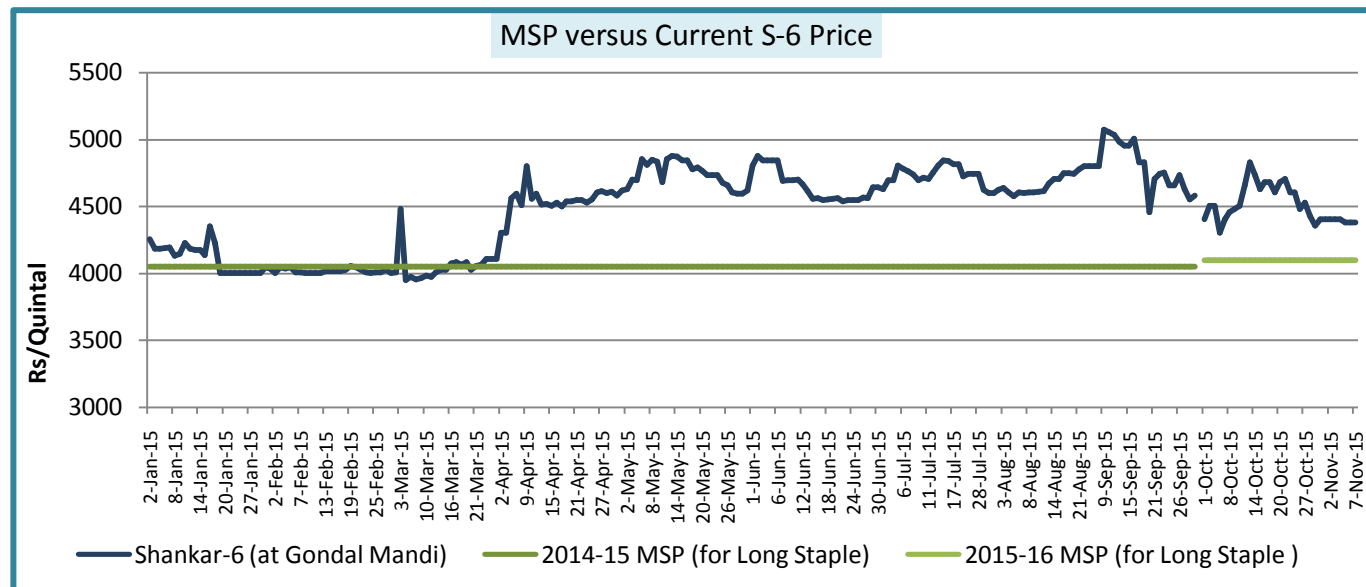
### Kapas Y-o-Y Price Comparison:

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



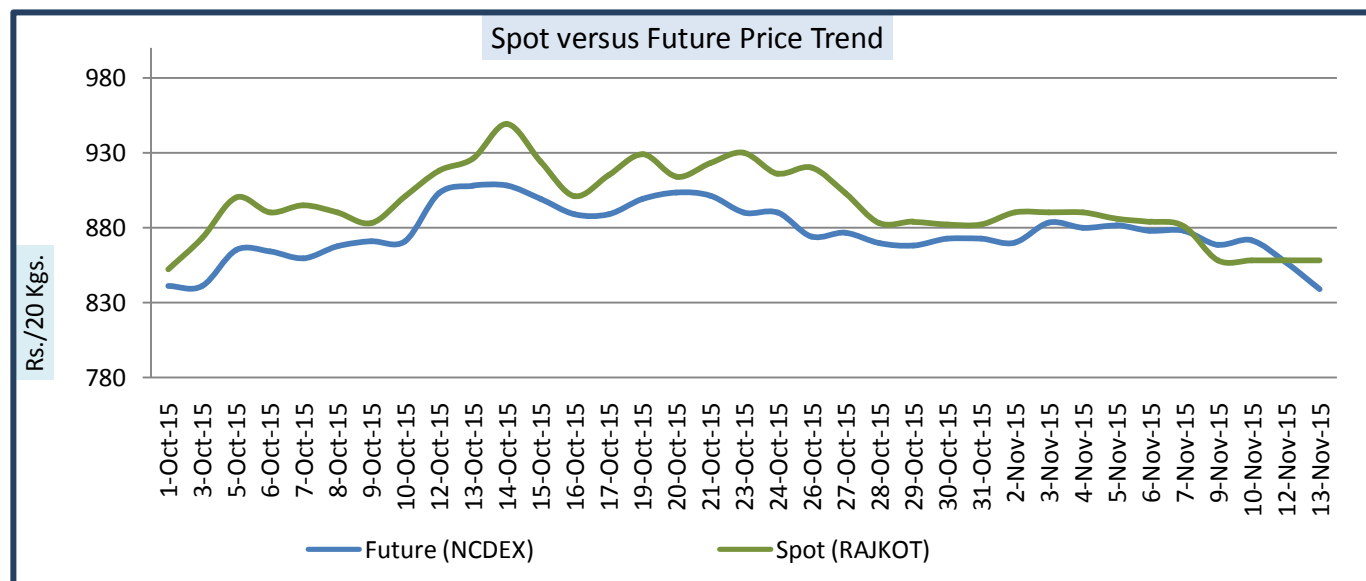
### MSP versus Current Price Comparison:

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 280 during the week which was Rs 295 a week earlier.



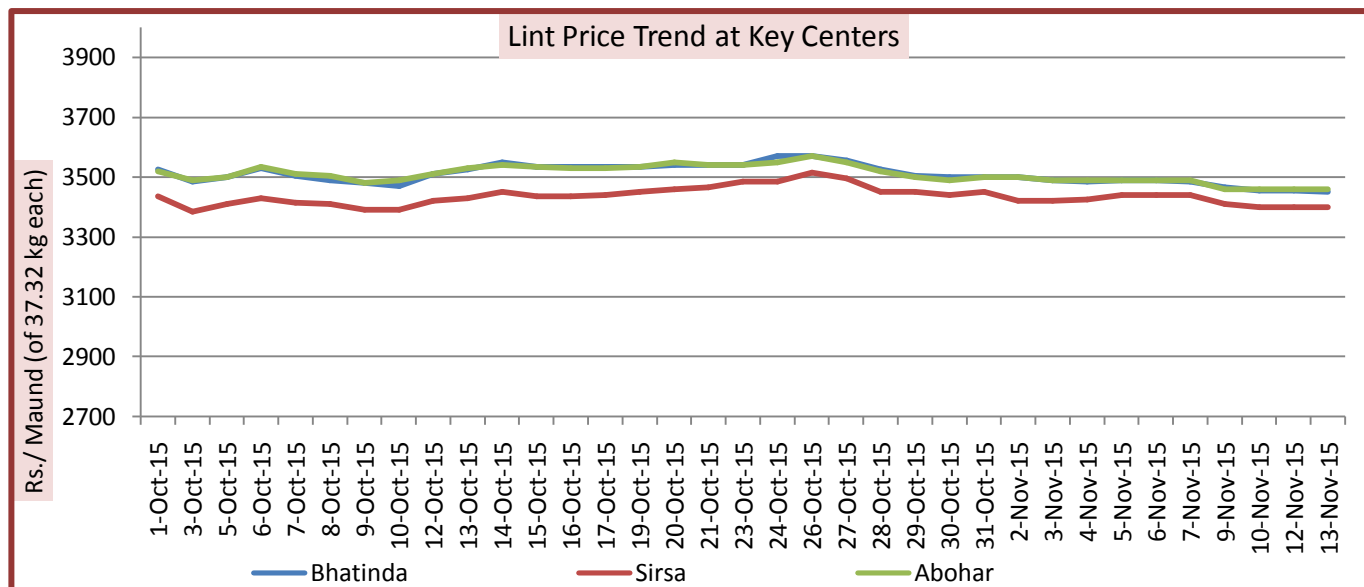
### Spot and Future Price Comparison:

The future price closed lower this week. However spread between the two prices has been narrowed enough. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 839 per maund (of 20 kg each), as on 13 November which was Rs 878 a week earlier. Spot price closed at Rs 858 per maund (of 20 kg each) which was Rs 884 a week earlier. The average difference between the two was Rs0.2 which was Rs10 a week earlier.



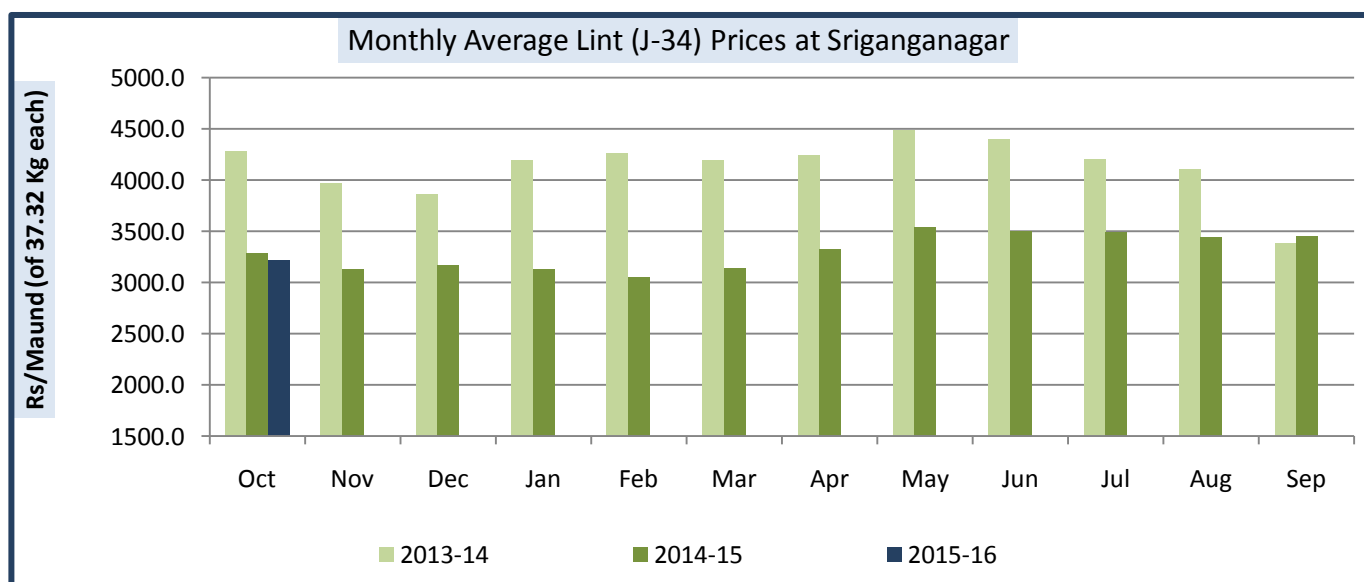
### Lint (De-seeded Cotton) Weekly Price Scenario:

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. 3415 per maund of 37.32 kg each as compared to previous week price of Rs. 3430 per maund.



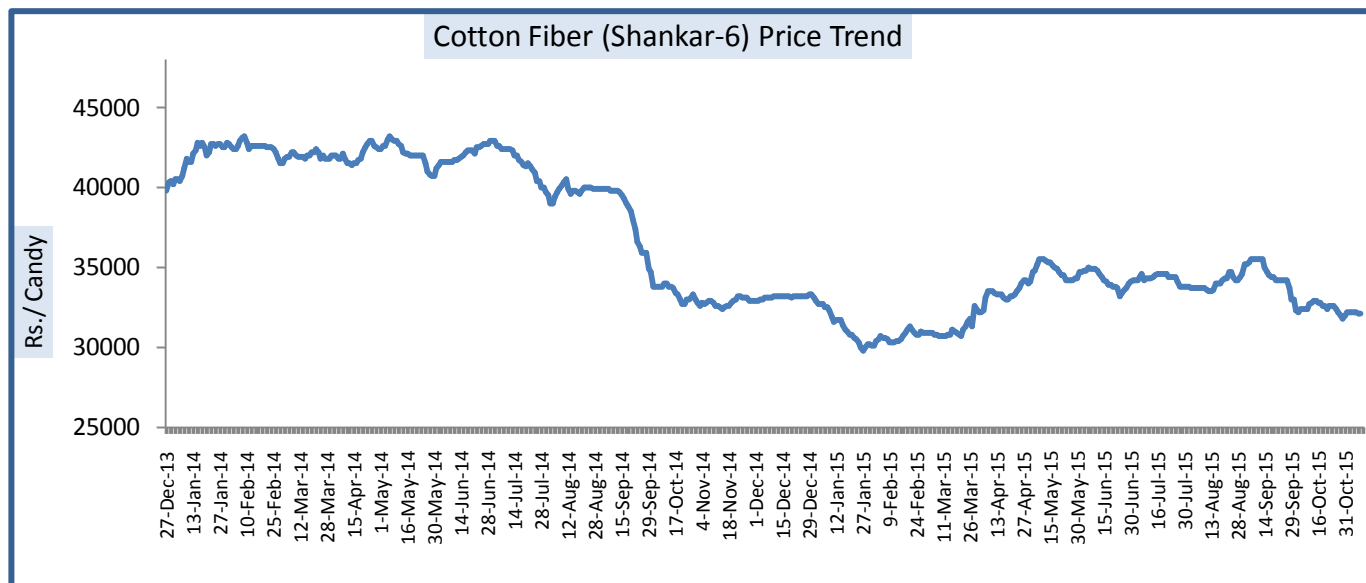
### Lint Y-o-Y Price Comparison:

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.

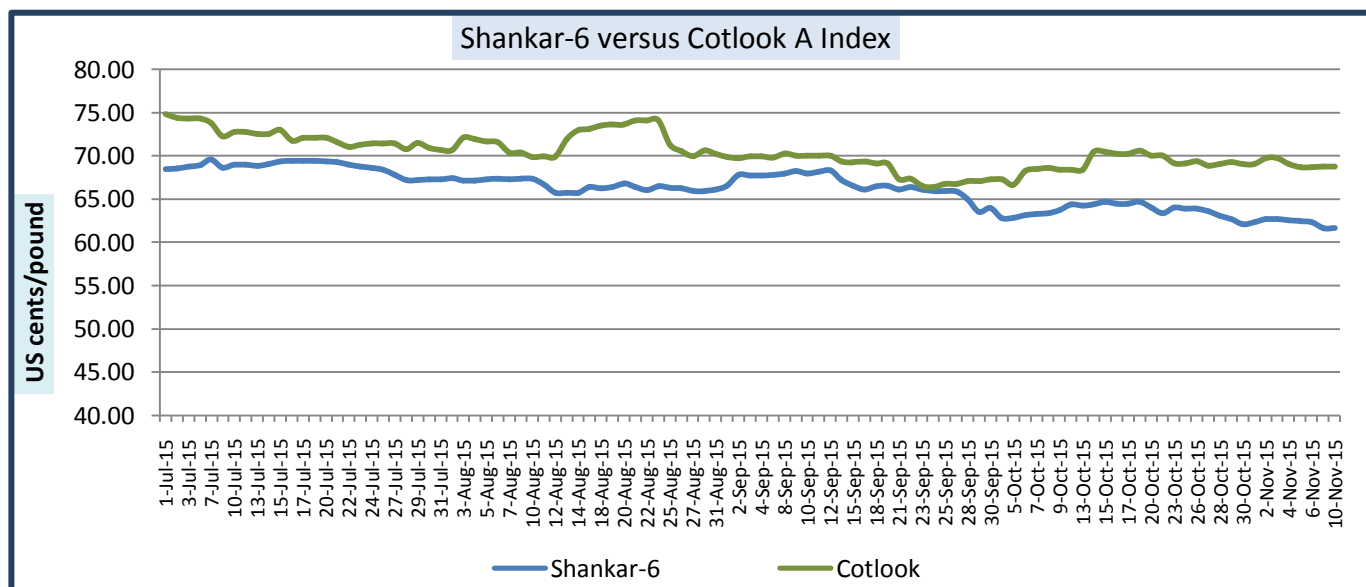


### Cotton Fiber Weekly Price Scenario:

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 32135 per candy (of 355.6 kg each) around 0.8% lower when compared to the prices of previous week which was Rs. 32400 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
		13th Nov 2015	6th Nov 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4240	4260	<b>-20</b>
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4390	4445	<b>-55</b>
Rajkot	B.T. Cotton	4350	4440	<b>-90</b>
Patan	B.T. Cotton	NA	4385	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4505	4380	<b>125</b>
Muktsar	B.T. Cotton	4500	4515	<b>-15</b>
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4730	4750	<b>-20</b>
Bhiwani	B.T. Cotton	4435	4555	<b>-120</b>
Adampur	B.T. Cotton	4320	4425	<b>-105</b>
Fatehabad	B.T. Cotton	4350	4500	<b>-150</b>
Dabwali	B.T. Cotton	4425	4430	<b>-5</b>
Jind	B.T. Cotton	4400	4510	<b>-110</b>
Uchana (Jind)	B.T. Cotton	4430	4550	<b>-120</b>
Rawatsar (Hanumangarh)	B.T. Cotton	4275	4330	<b>-55</b>
Hubli	B.T. Cotton	4325	4390	<b>-65</b>
Hathras	B.T. Cotton	4000	4180	<b>-180</b>
Hanumangarh	B.T. Cotton	4440	4420	<b>20</b>
Sri-Ganganagar	Kapas	4350	4280	<b>70</b>
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4390	4340	<b>50</b>
Gondal	Shankar-6	NA	4395	-
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4185	4350	<b>-165</b>
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5360	5140	<b>220</b>
Raichur	H-44 Cotton	4140	4265	<b>-125</b>
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	3950	4050	<b>-100</b>
East Godavari	Un-Ginned	4005	4050	<b>-45</b>
	<b>Lint</b>	<b>Rs/Maund(of 37.32 Kg each)</b>		

Abohar	J-34	3475	3495	-20
Muktsar	J-34	3495	3490	5
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3465	3490	-25
Sirsa	J-34	3415	3430	-15
Mansa	J-34	3465	3490	-25

### 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
				12 <sup>th</sup> Nov'15	05 <sup>th</sup> Nov'15	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	30600	30635	-35
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31100	31135	-35
J-34(202)	26mm	3.5 - 4.9	23	31835	31950	-115
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31300	31500	-200
Shankar-6(105)	29mm	3.5 – 4.9	28	32135	32400	-265
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32300	32285	15
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33200	33185	15
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
		13th Nov 2015	6th Nov 2015	
Amravati	Mech-1	33500	31700	1800
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	145000	285000	-140000
Rajkot	B.T. Cotton	10100	37300	-27200
Patan	B.T. Cotton	NA	110678	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	1071	17515	-16444
Muktsar	B.T. Cotton	1870	1700	170
Bhiwani	Desi	600	1300	-700
Bhiwani	B.T. Cotton	13200	24000	-10800
Adampur	B.T. Cotton	3400	2848	552

Fatehabad	B.T. Cotton	1775	1525	250
Dabwali	B.T. Cotton	925	2000	-1075
Jind	B.T. Cotton	833	791	42
Uchana (Jind)	B.T. Cotton	5800	5460	340
Rawatsar (Hanumangarh)	B.T. Cotton	2000	2400	-400
Hubli	B.T. Cotton	204	230	-26
Hathras	B.T. Cotton	160	1600	-1440
Hanumangarh	B.T. Cotton	3000	6500	-3500
Sri-Ganganagar	Kapas	700	3150	-2450
Ahmadabad	Shankar-6	119000	297500	-178500
Gondal	Shankar-6	NA	23136	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	1300	4900	-3600
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	18	3	15
Raichur	H-44 Cotton	1072	5274	-4202
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	2380	85	2295
Bhatinda	J-34	16490	28050	-11560
Sirsa	J-34	3570	2975	595
Mansa	J-34	1785	2720	-935



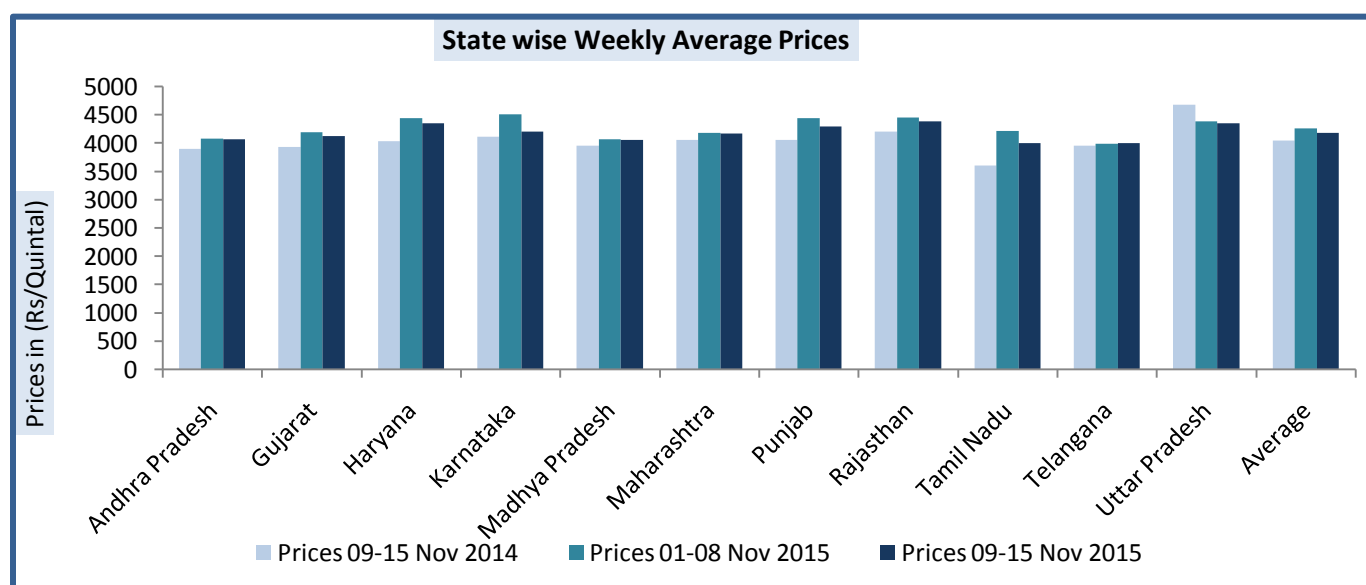
## State wise Scenario

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

State	Prices 09-15 Nov 2015	Prices 01-08 Nov 2015	Prices 09-15 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4070.09	4081.95	3898.94	-0.29	4.39
Gujarat	4129.48	4197.03	3938.59	-1.61	4.85
Haryana	4352.57	4439.6	4033.72	-1.96	7.9
Karnataka	4211.4	4510.55	4121.07	-6.63	2.19
Madhya Pradesh	4060.71	4065.62	3954.39	-0.12	2.69
Maharashtra	4173.57	4182.62	4061.81	-0.22	2.75
Punjab	4297.66	4449.39	4064.5	-3.41	5.74
Rajasthan	4382.91	4461.21	4201.71	-1.76	4.31
Tamil Nadu	4006.67	4222.24	3601.09	-5.11	11.26
Telangana	4002.74	3988.84	3961.4	0.35	1.04
Uttar Pradesh	4354.44	4382.61	4685.41	-0.64	-7.06
Average	4182.69	4265.14	4047.51		

*Prices in Rs per quintal, Source: Agmarknet*

On week on week basis, prices are showing downtrend in most of the States, highest price is recorded in Rajasthan 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 has notice downtrend in Y-o-Y price comparison.



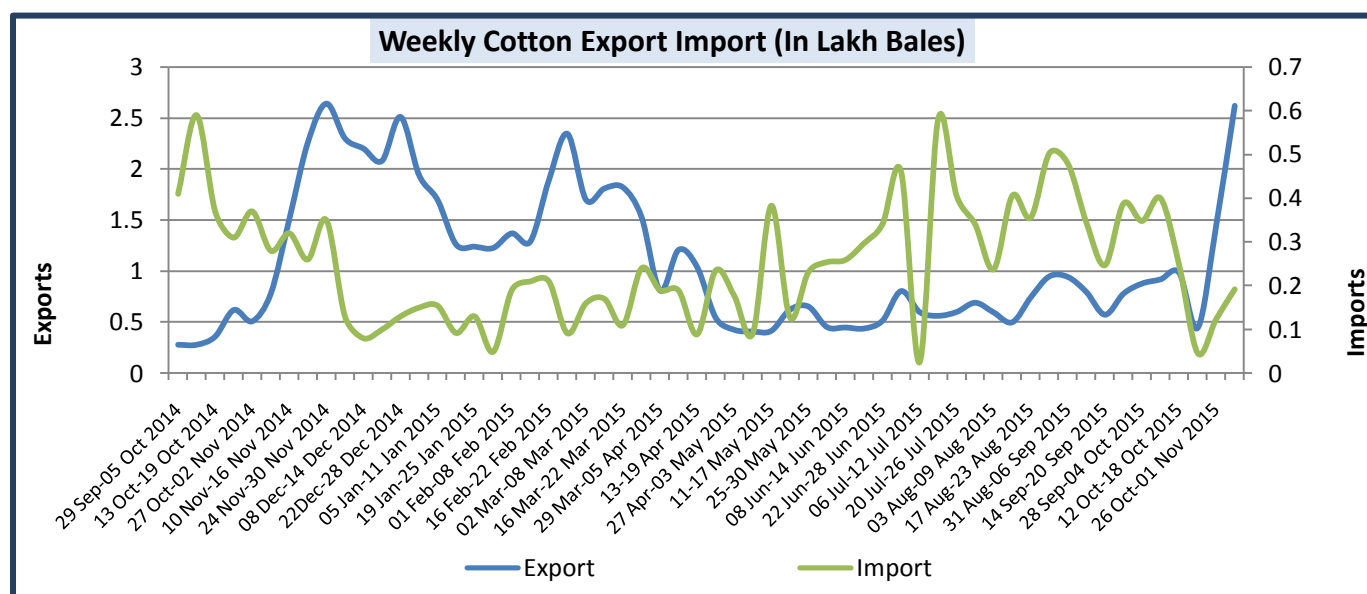
## Cotton Export and Import

### Weekly Export Import Data:

Export/Import	01 Nov-08 Nov 2015	26 Oct-01 Nov 2015
Export (In lakh Bales)	2.618	1.449
Import (In lakh Bales)	0.192	0.124

**Source: IBIS**

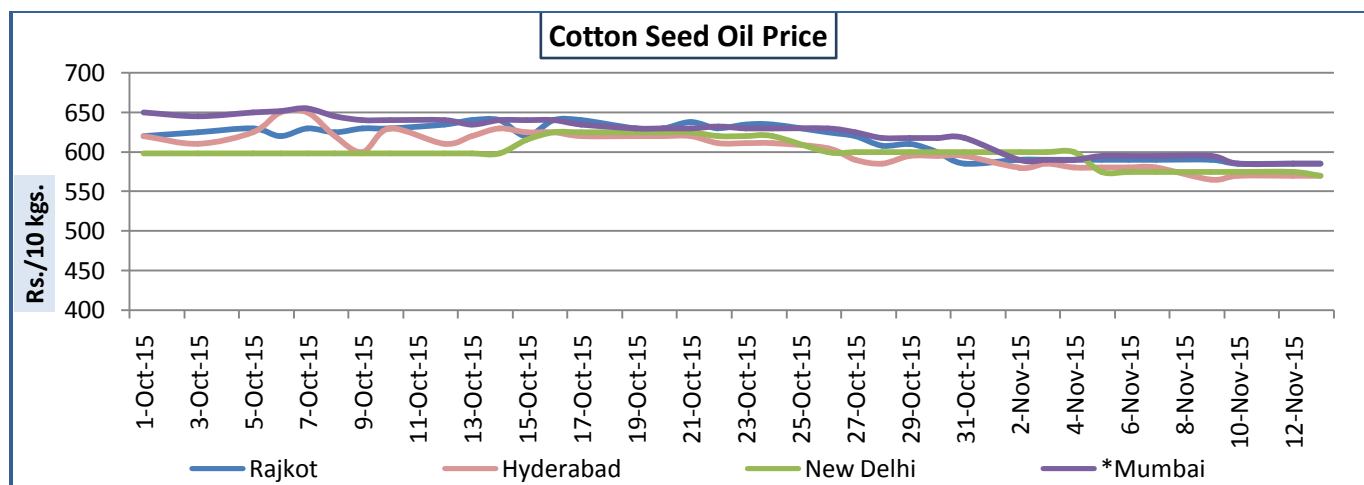
India exported 2.618 lakh bales of cotton last week (01 Nov-08 Nov 2015), which was 1.449 lakh bales in the previous week (26 Oct-01 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.192 lakh bales last week, which was 0.124 lakh bales in the previous week.



## Cotton Seed Oil and Cotton Seed Oil Cake

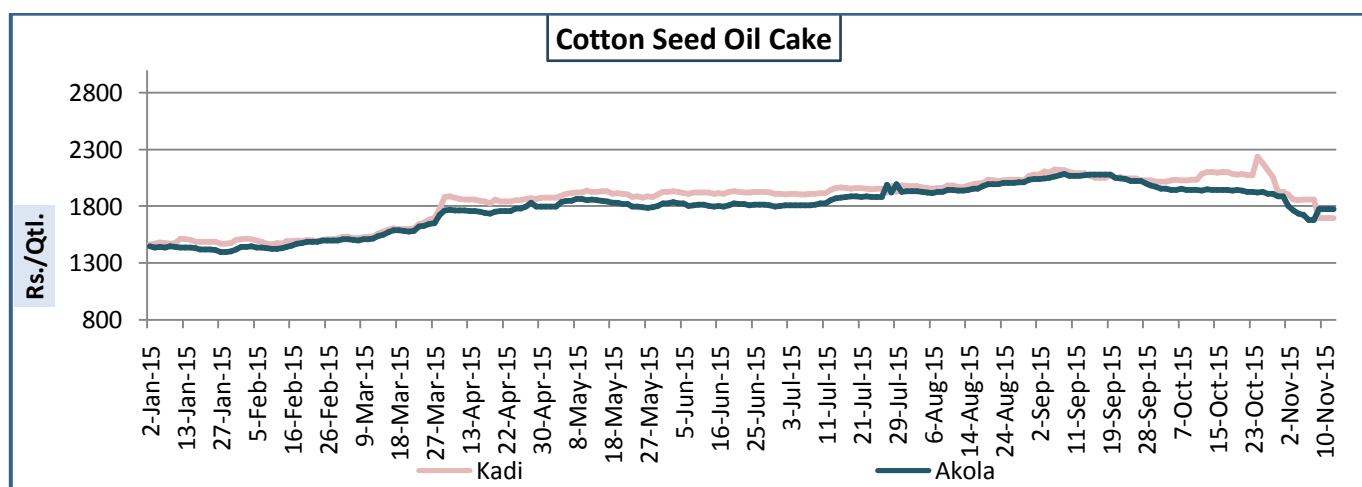
### Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	12-November-15	05-November-15	
New Delhi	575	596	-3.52
Rajkot	588	591	-0.51
Hyderabad	573	586	-2.22
Mumbai*	591	600	-1.50
*Vat Included			



### Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	12-November-15	05-November-15	
Kadi	1762	1890	-6.77
Akola	1735	1800	-3.61



\*Source: NCDEX

## **International Market Scenario**

**International cotton prices remained sideways to weak during the week.** Cotlook A index weekly average stood at 68.90 cents/pound this week, which was 69.25 cents/pound during last week.

**World cotton production estimates for season 2015-16 has been revised downward by USDA to 22.99** million tons from 23.38 million tons a month earlier. According to USDA, global cotton output stood at 25.89 million tons in season 2014-15.

**Global cotton imports estimates for season 2015-16 has been revised upward by USDA to 7.479** million tons as compared to the estimate of 7.445 million tons a month earlier. It should be noted that world cotton imports would be standing around 4% lower as compared to the imports of previous season, which was 7.796 million tons.

**Global cotton ending stocks are expected to fall by more than 5% this season to 23.098 million tons from 24.372** million tons during previous season, according to USDA. Last month USDA was expecting ending stocks to be around 23.290 million tons, which has been further revised down due to the downward revision in world production estimates.

**World cotton consumption estimates are revised slightly downward in the latest estimates by USDA.** According to USDA, world cotton consumption would be around 24.29 million tonnes in the current season i.e. 2015-16, around 0.6% lower when compared to the estimates of previous month and around 1% higher when compared to the estimates of previous season, which stood at 24.021 million tons.

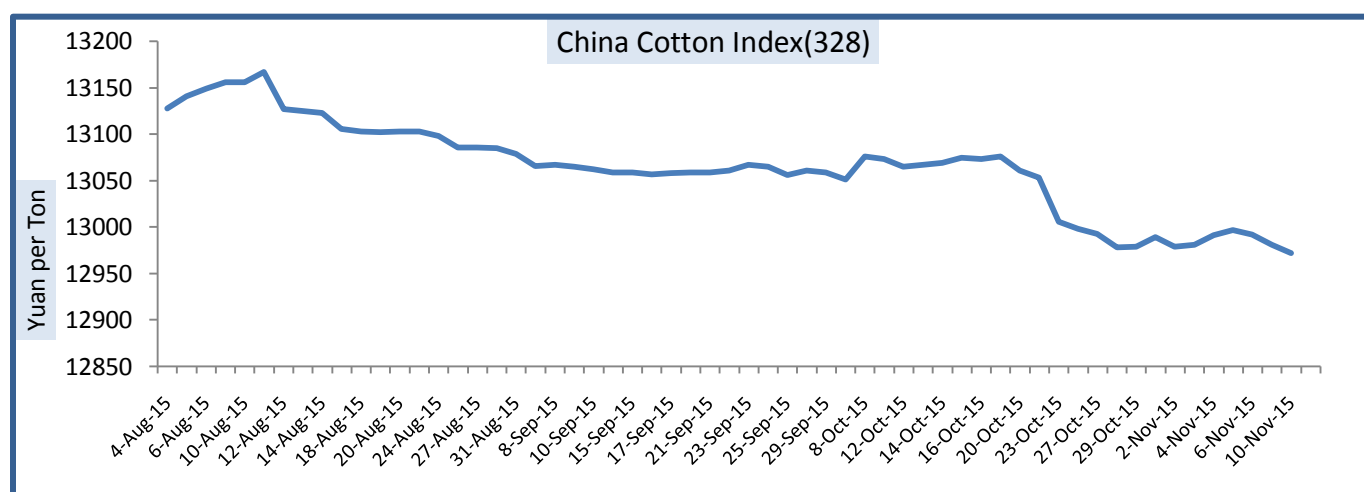
**According to USDA, world cotton export in the season 2015-16 is expected to decline to 7,479** thousand metric, around 3% lower as compared to 7,696 thousand metric tons in 2014-15. Although the overall export would decline, few of the major exporting countries are expected to notice rise in export including India, Brazil, Burkina and Mali. However USA, Australia and Uzbekistan are expected to witness fall in exports.

**The highest growth rate in cotton export among the major cotton exporter is expected to be seen in Mali** during the season 2015-16, according to USDA. The country is likely to export 239 thousand tons of cotton during the current season, around 47% higher when compared to the exports during the previous season which was 163 thousand tons.

### International Prices and Indices Trend

#### China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	12-November-15	05-November-15	
CC Index(229)	13606	13610	-0.03
CC Index(328)	12982	12987	-0.04
CC Index(527)	11890	11890	0.00
Prices in Yuan per Ton			

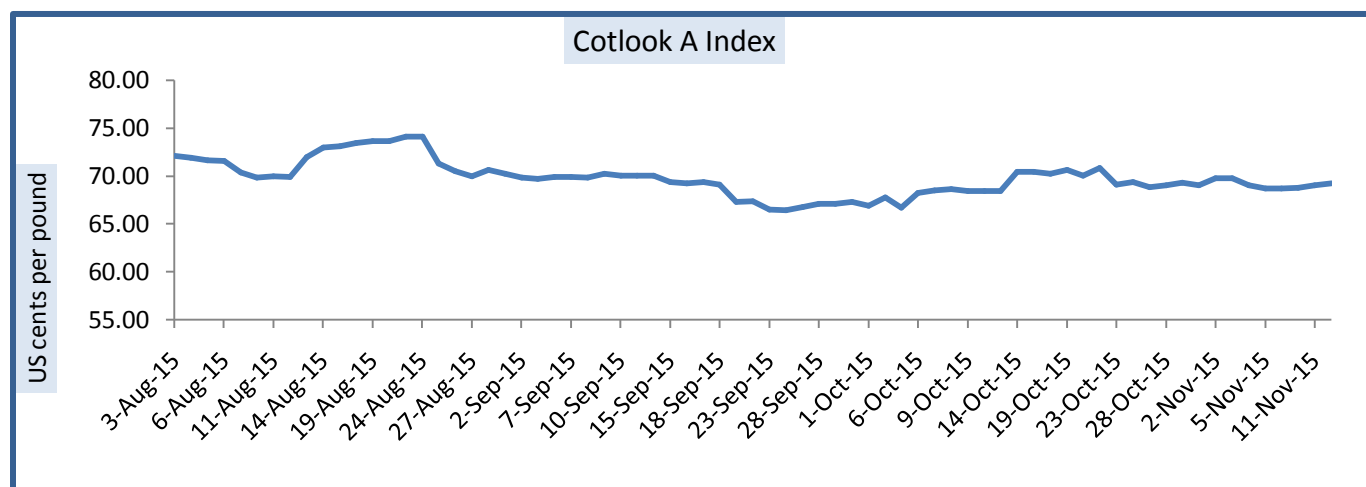


#### China Foreign Cotton (FC) Index:

FC Index	Weekly Average Price as on		% Change
	12-November-15	05-November-15	
Small (S)	74.96	73.97	-1.32
Medium (M)	70.78	69.91	-1.23
Large (L)	68.85	68.05	-1.16
Prices in cents/pound			

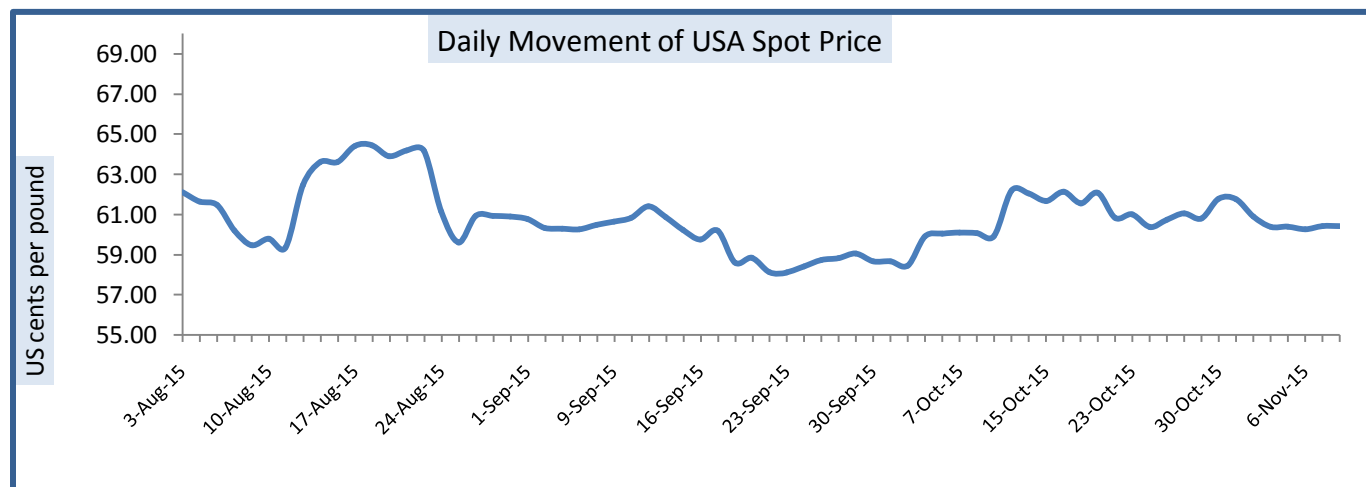
### Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	12-November-15	05-November-15	
Prices	68.90	69.25	-0.51
Prices in US cents per Pound			

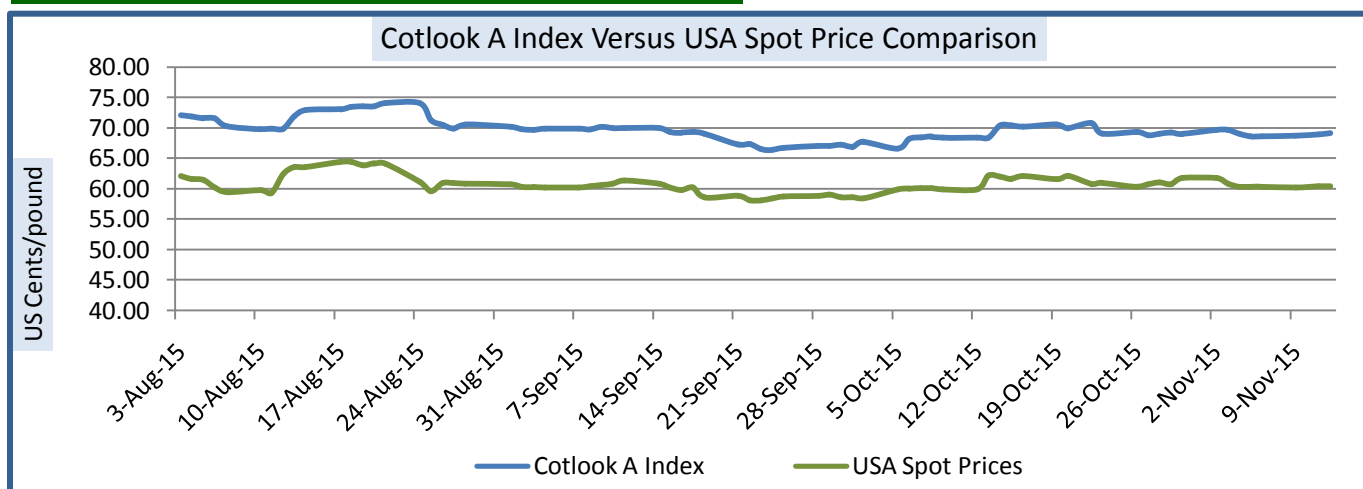


### USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	12-November-15	05-November-15	
Prices	60.37	61.05	-1.11
Prices in US cents per Pound			



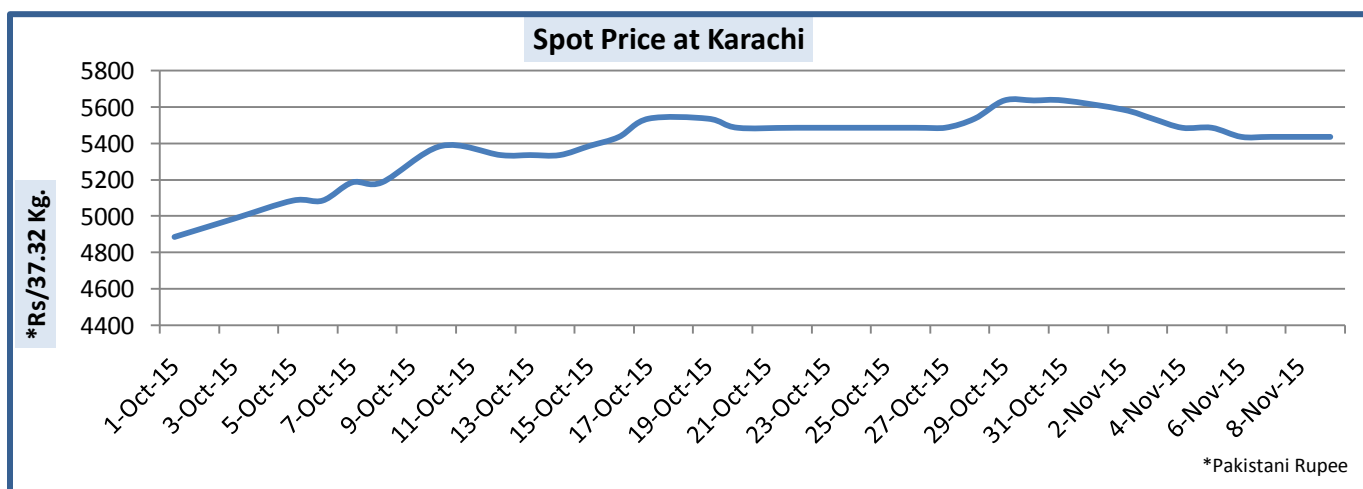
### Comparison of USA Spot Price and Cotlook A Index:



### Pakistan Spot Price:

Karachi Spot Prices	Weekly Average Price as on		% Change
	12-November-15	05-November-15	
Prices	5560.00	5435.00	-2.25

Prices in Rs per 37.32 Kg



### Cotton Futures (ICE):

Contracts	12-Nov-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-15	61.84	61.95	61.69	64.81	-0.18	0.24	-4.58
Mar-16	62.16	62.13	61.67	--	0.05	0.79	--
May-16	62.85	62.89	62.04	--	-0.06	1.31	--
Jul-16	63.27	63.32	62.39	--	-0.08	1.41	--
Oct-16	63.38	63.41	62.14	--	-0.05	2.00	--
Dec-16	63.40	63.24	62.32	--	0.25	1.73	--

Figures in US cents per pound

## Cotton Futures Price Outlook

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



### Weekly Technical Outlook:

- Candlesticks denoted bearish momentum in the prices.
- RSI is moving low 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
<b>Bearish Momentum</b>	<b>825-860</b>

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
810	800	870	885

Figures in Rs. per 20Kgs.



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

**Weekly Technical Outlook:**

- Candlesticks denote bearish momentum in the market.
- RSI is moving flat in oversold 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 prices to remain weak.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
<b>Bearish Momentum</b>	<b>61.00-62.50</b>

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
<b>60.00</b>	<b>59.00</b>	<b>63.50</b>	<b>64.00</b>

Figures in US cents per pound

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