

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot market remained range-bound during the week. Increasing supply of fresh crop is keeping market on the bear track. However the factors like downward revision in the ICAC cotton production figures and Gujarat Kharif production estimates have lent support to the prices.

Average price of Kapas at Rajkot during the week was Rs. 4415 per quintal, which stood at Rs 4350 previous week. Average price of Lint at Sirsa during the week was Rs. 3375 per maund (of 37.32 Kg each), which stood at Rs 3415 previous week. Cotton fiber (Shankar-6) prices remained downtrend this week. Average price was Rs 32080 per candy (of 355.6 kg each) during the week, which was Rs 32135 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) remained unchanged this week and closed at Rs.857 per maund (of 20 kg each) which was same 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 price band of Rs. 4300-4500 per quintal in the benchmark market. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.840-865 per maund (of 20 kg each).

Major Market Highlights: International Cotton Advisory Committee (ICAC) has further slashed the cotton production estimates for India for the season 2015-16. ICAC believes that the country will produce around 6.3 million tons (approx 370.5 lakh bales), which was approx. 382.9 lakh bales during the previous season.

Gujarat agriculture department has revised its first advance estimates for area, production and yield of major Kharif crop in the State for the season 2015-16. Cotton production figures has been revised down in the latest estimates at 92.57 lakh bales which was forecasted to be at 95.29 lakh bales in the previous estimates.

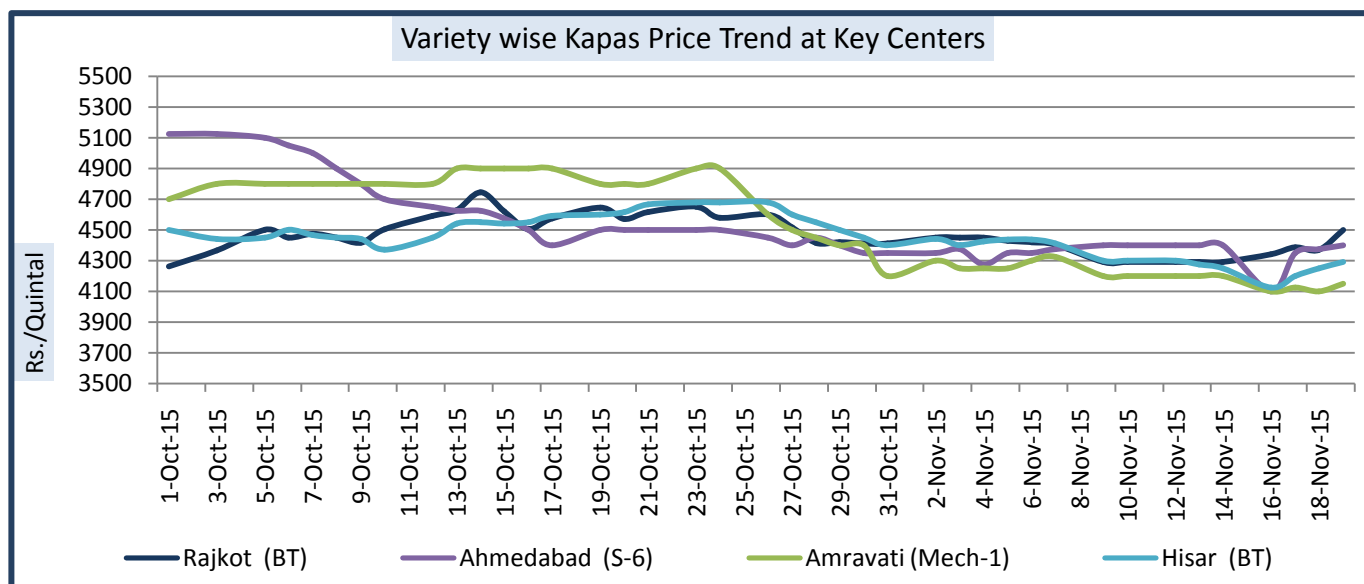
Cotton procurement by Government would be around 20 to 25 Lakh bales this year against the 87 lakh bales during the last year, said Cotton Corporation of India (CCI). As cotton prices are ruling above the MSP of Rs 4100 per quintal in most of the cotton trading states of country, CCI would be buying cotton at higher prices. Also the intervention of CCI is not necessary if farmers are getting the genuine price i.e. prices over and above of MSP.

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).

Domestic Cotton Prices Scenario

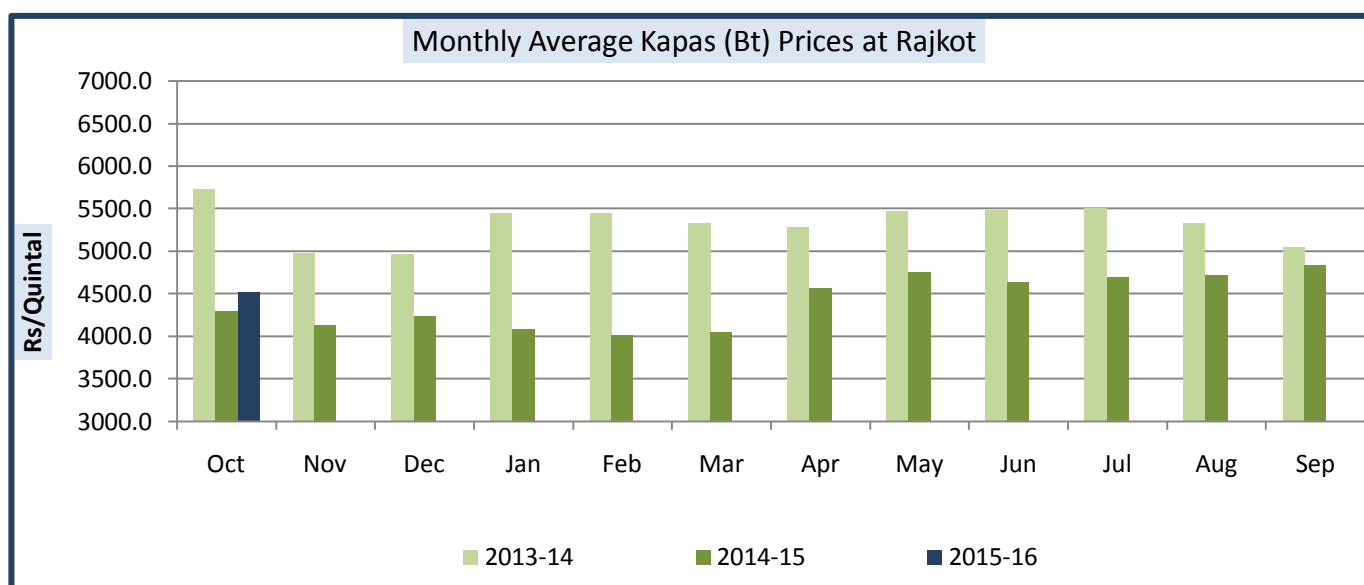
Kapas (Raw Cotton) Weekly Price Scenario:

Kapas price remained firm during the week due to the downward revision in the production estimates by ICAC. Weekly average price at Rajkot remained Rs. 4415 per quintal, lower when compared to previous week price of Rs. 4350 per quintal.



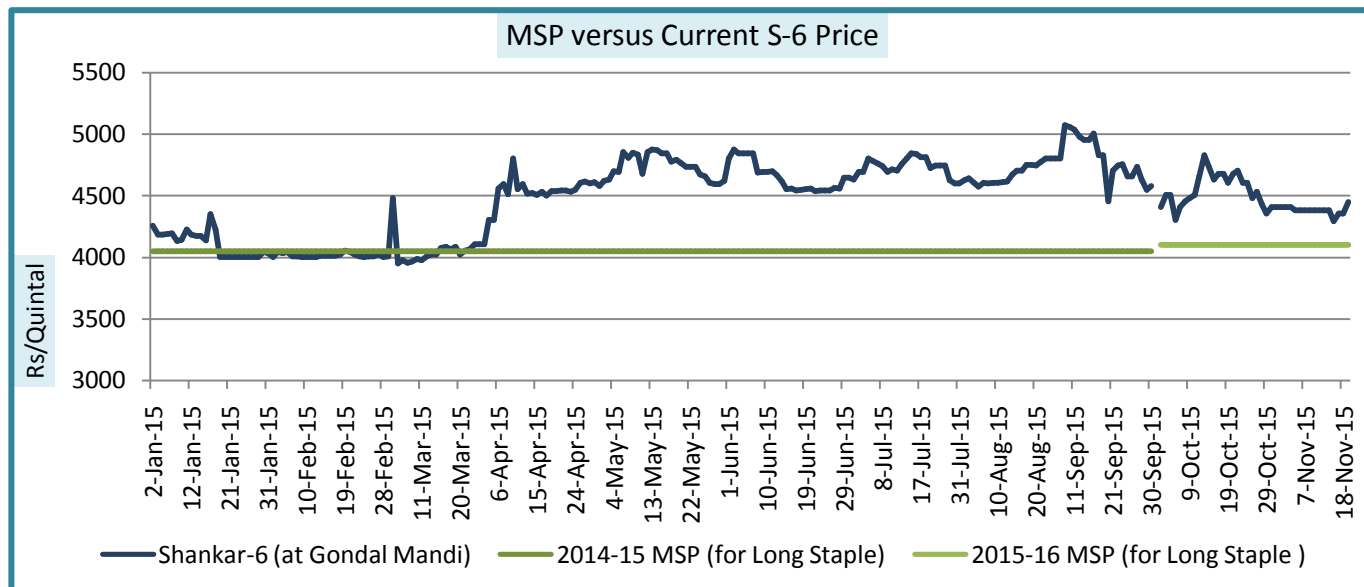
Kapas Y-o-Y Price Comparison:

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 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.



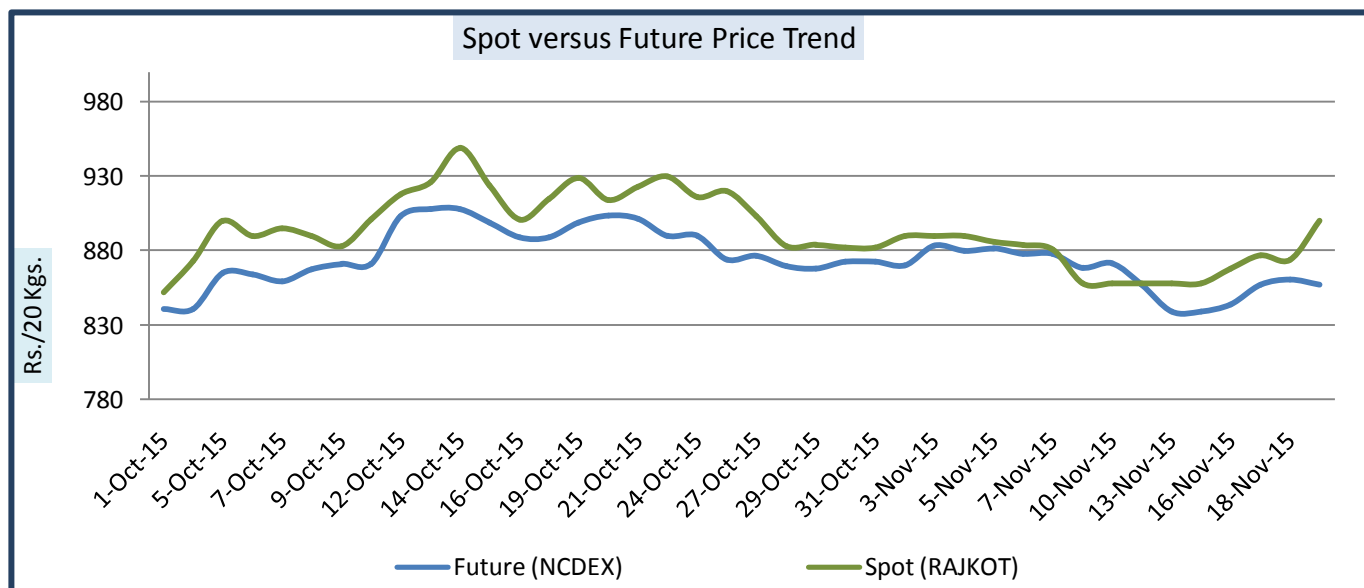
MSP versus Current Price Comparison:

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



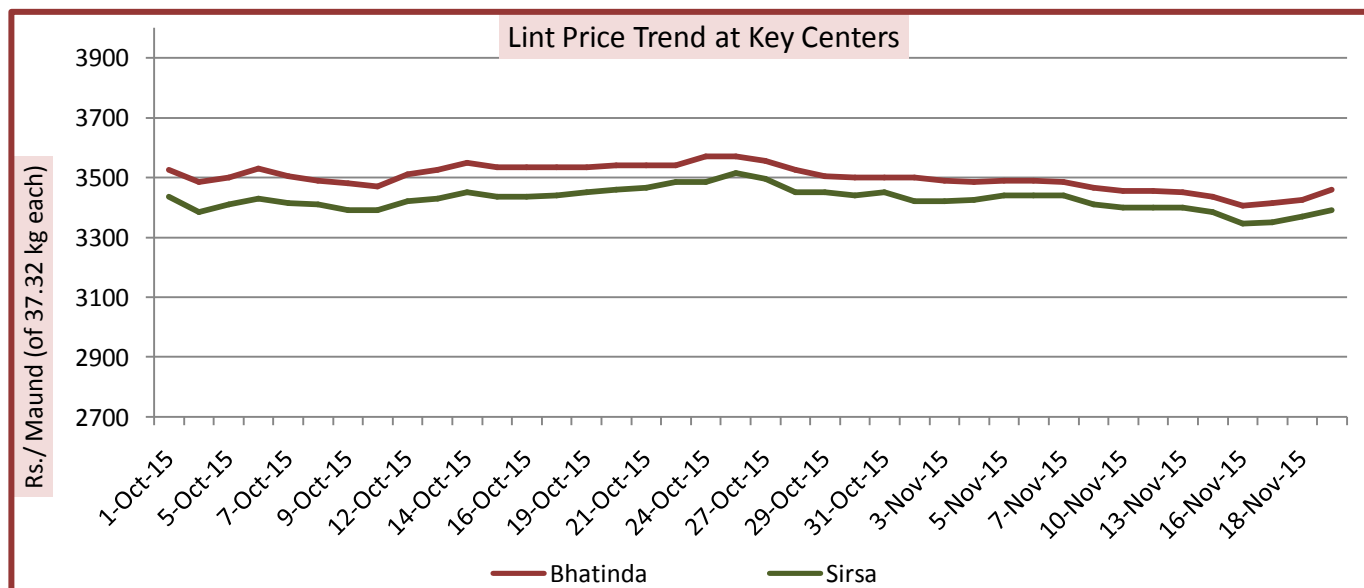
Spot and Future Price Comparison:

The future price closed unchanged this week. However spread between the two prices has been widened during the week. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 857 per maund (of 20 kg each), as on 19 November which was Rs 857 a week earlier. Spot price closed at Rs 900 per maund (of 20 kg each) which was Rs 858 a week earlier. The average difference between the two was Rs24 which was Rs0.2 a week earlier.



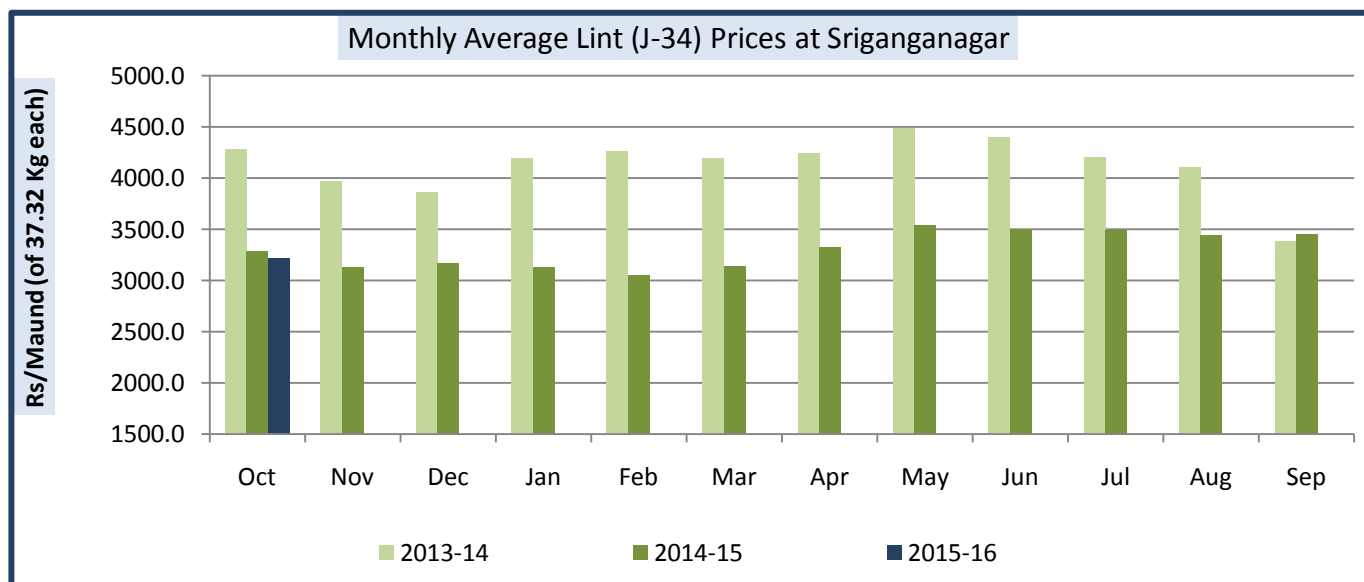
Lint (De-seeded Cotton) Weekly Price Scenario:

Despite the stronger Kapas prices, lint prices remained overall weak in the spot market. Weekly average price of Lint at Sirsa remained Rs. 3375 per maund of 37.32 kg each compared to previous week price of Rs. 3415 per maund.



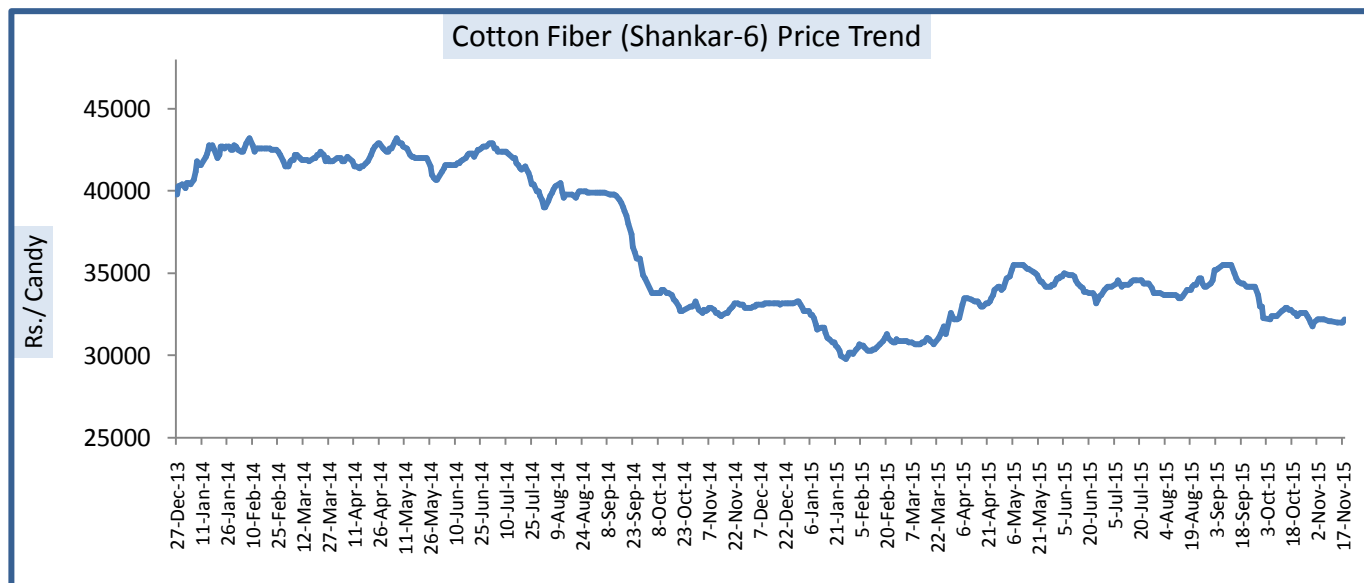
Lint Y-o-Y Price Comparison:

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.

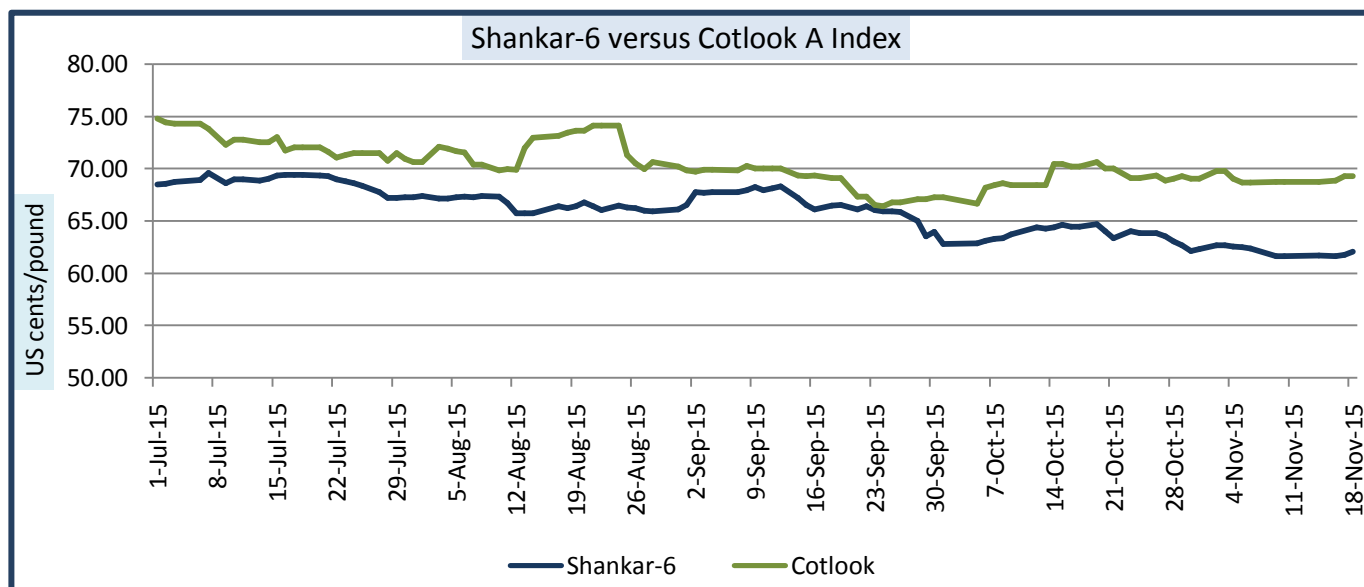


Cotton Fiber Weekly Price Scenario:

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 32080 per candy (of 355.6 kg each) around 0.17% lower when compared to the prices of previous week which was Rs. 32135per 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
		20 th Nov 2015	13 th Nov 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4125	4240	-115
Khandwa	Mech-1	4135	NA	-
Khargaon	Mech-1	4135	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4395	4390	5
Rajkot	B.T. Cotton	4415	4350	65
Patan	B.T. Cotton	4320	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4405	4505	-100
Muktsar	B.T. Cotton	4310	4500	-190
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4510	4730	-220
Bhiwani	B.T. Cotton	4390	4435	-45
Adampur	B.T. Cotton	4225	4320	-95
Fatehabad	B.T. Cotton	4290	4350	-60
Dabwali	B.T. Cotton	4280	4425	-145
Jind	B.T. Cotton	4400	4400	Unch
Uchana (Jind)	B.T. Cotton	4360	4430	-70
Rawatsar (Hanumangarh)	B.T. Cotton	4235	4270	-35
Hubli	B.T. Cotton	4420	4325	95
Hathras	B.T. Cotton(US)	4115	4000	115
Hanumangarh	B.T. Cotton	4360	4440	-80
	Kapas			
Ahmedabad	Shankar-6	4335	4390	-55
Gondal	Shankar-6	4385	NA	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	4100	NA	-
Hathras	Desi	4200	4185	15
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5440	5360	80
Raichur	H-44 Cotton	4230	4140	90
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4020	3950	70
East Godavari	Un-Ginned	4110	4005	105
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3435	3475	-40

Muktsar	J-34	3405	3495	-90
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3435	3465	-30
Sirsa	J-34	3375	3415	-40
Mansa	J-34	3430	3465	-35

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
				19 th Nov'15	12 th Nov'15	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	30320	30600	-280
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30820	31100	-280
J-34(202)	26mm	3.5 - 4.9	23	31380	31835	-455
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31360	31300	60
Shankar-6(105)	29mm	3.5 – 4.9	28	32080	32135	-55
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32440	32300	140
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33320	33200	120
DCH-32(107)	34mm	3.0 - 3.8	33	45240	45000	240

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
		20 th Nov 2015	13 th Nov 2015	
Amravati	Mech-1	64000	33500	30500
Khandwa	Mech-1	4200	NA	-
Khargaone	Mech-1	16500	NA	-
Mahesana(Kadi)	B.T. Cotton	190000	145000	45000
Rajkot	B.T. Cotton	16465	10100	6365
Patan	B.T. Cotton	57725	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	2748	NA	-
Dhrol	B.T. Cotton	NA	1071	-
Muktsar	B.T. Cotton	1785	1870	-85
Bhiwani	Desi	1150	600	550
Bhiwani	B.T. Cotton	17000	13200	3800
Adampur	B.T. Cotton	4420	3400	1020

Fatehabad	B.T. Cotton	4300	1775	2525
Dabwali	B.T. Cotton	7120	925	6195
Jind	B.T. Cotton	3103	833	2270
Uchana (Jind)	B.T. Cotton	7910	5800	2110
Rawatsar (Hanumangarh)	B.T. Cotton	1900	2000	-100
Hubli	B.T. Cotton	202	204	-2
Hathras	B.T. Cotton(US)	120	160	-40
Hanumangarh	B.T. Cotton	8000	3000	5000
Ahmedabad	Shankar-6	221000	119000	102000
Gondal	Shankar-6	12525	NA	-
Jamner (Jalgaon)	Medium Staple	125	NA	-
Hathras	Desi	1100	1300	-200
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	66	18	48
Raichur	H-44 Cotton	2286	1072	1214
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	4165	2380	1785
Bhatinda	J-34	18190	16490	1700
Sirsa	J-34	7140	3570	3570
Mansa	J-34	2380	1785	595

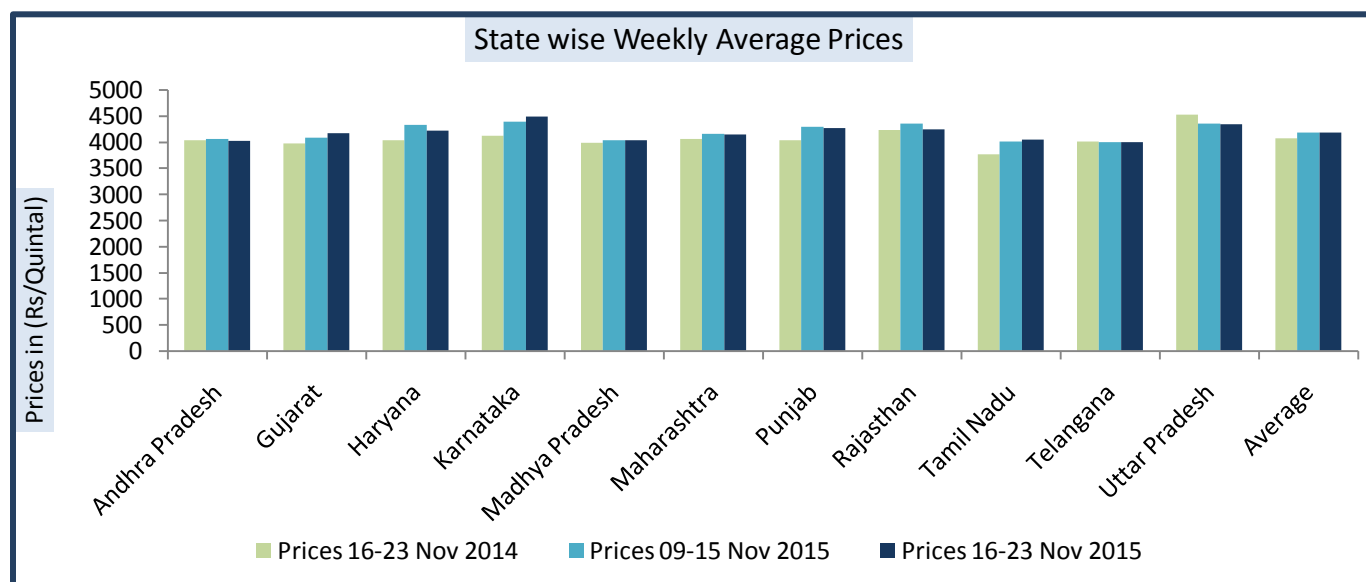
State wise Scenario

State wise Weekly Prices (at Major States):

State	Prices 16-23 Nov 2015	Prices 09-15 Nov 2015	Prices 16-23 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4016.18	4054.99	4033.37	-0.96	-0.43
Gujarat	4167.19	4083.42	3966.49	2.05	5.06
Haryana	4218.39	4321.55	4026.37	-2.39	4.77
Karnataka	4489.96	4382.95	4115.4	2.44	9.1
Madhya Pradesh	4035.65	4034.26	3982.24	0.03	1.34
Maharashtra	4143.38	4155.24	4054.4	-0.29	2.19
Punjab	4265.43	4295.02	4028.23	-0.69	5.89
Rajasthan	4234.54	4348.26	4224.55	-2.62	0.24
Tamil Nadu	4038.7	4006.67	3760.52	0.8	7.4
Telangana	3991.1	3990.34	4012.46	0.02	-0.53
Uttar Pradesh	4338.42	4354.44	4524.24	-0.37	-4.11
Average	4178.24	4181.89	4066.21		

Prices in Rs per quintal, Source: Agmarknet

On week on week basis, prices are showing mixed trend in most of the states, highest price was 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 and Andhra Pradesh which noticed downtrend in Y-o-Y price comparison.



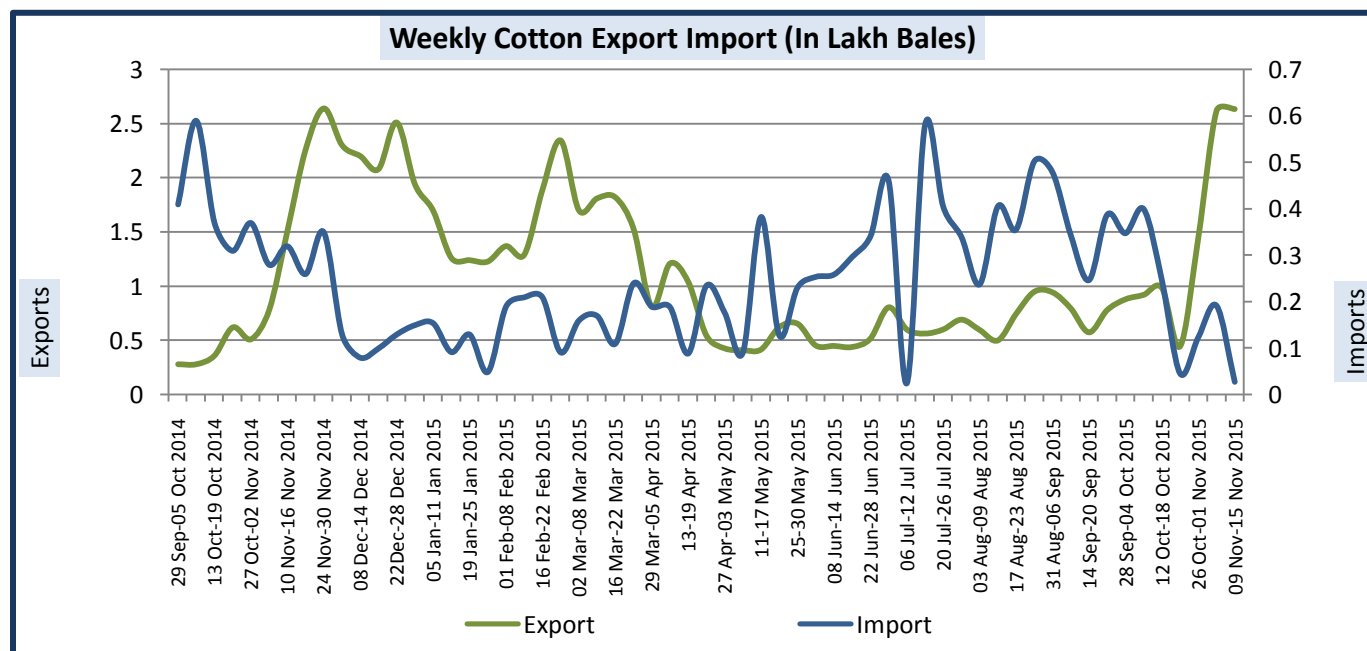
Cotton Export and Import

Weekly Export Import Data:

Export/Import	09 Nov-15 Nov 2015	01 Nov-08 Nov 2015
Export (In lakh Bales)	2.634	2.618
Import (In lakh Bales)	0.028	0.192

Source: IBIS

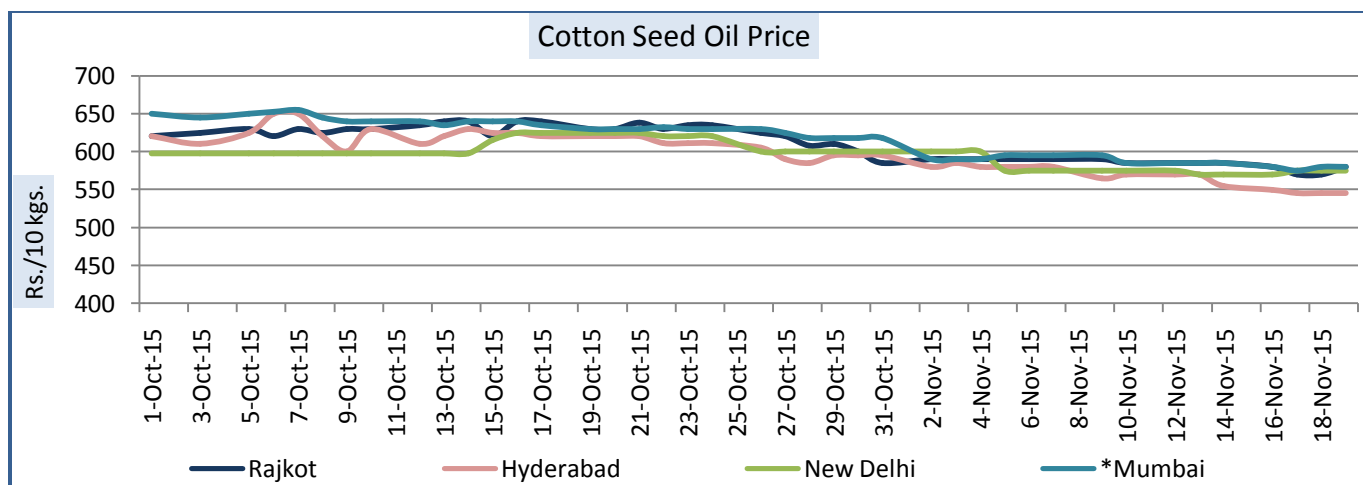
India exported 2.634 lakh bales of cotton last week (09 Nov-15 Nov 2015), which was 2.618lakh bales in the previous week (01 Nov-08 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.028 lakh bales last week, which was 0.192 lakh bales in the previous week.



Cotton Seed Oil and Cotton Seed Oil Cake

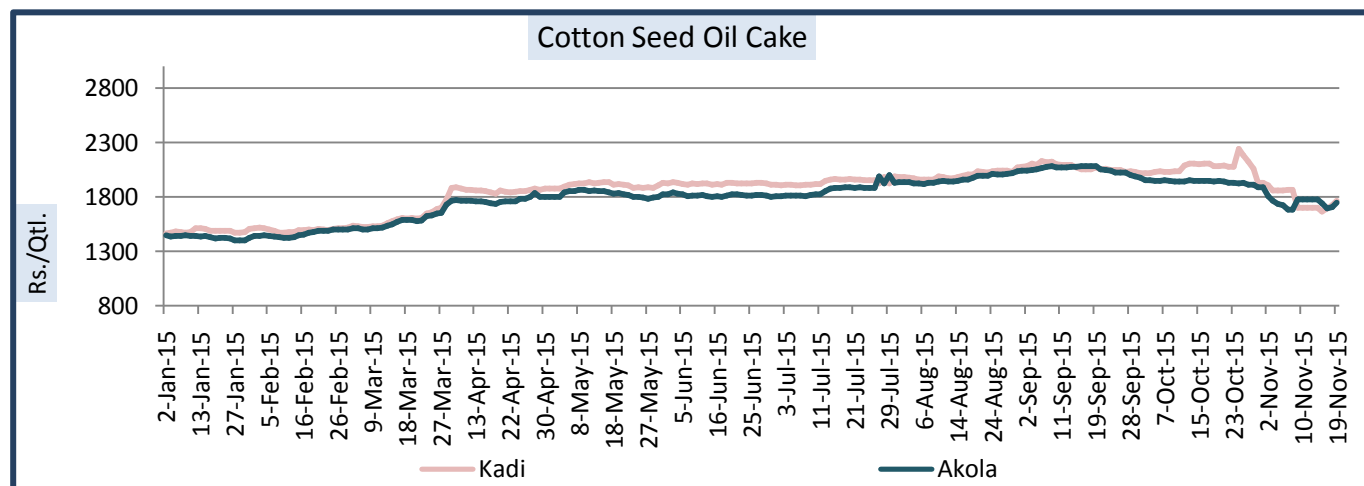
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	19-November-15	12-November-15	
New Delhi	573	575	-0.35
Rajkot	578	588	-1.70
Hyderabad	552	573	-3.66
Mumbai*	581	591	-1.69
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	19-November-15	12-November-15	
Kadi	1706	1762	-3.18
Akola	1739	1735	0.23



*Source: NCDEX

International Market Scenario

International cotton prices remained slightly firm during the week. Cotlook A index weekly average stood at 69.18 cents/pound this week, which was 68.90cents/pound during last week.

According to the latest weekly release of International Cotton Advisory Committee (ICAC), cotton production on world front is likely to be around 23.35 million tons, which was estimated 23.43 million tons a week earlier. As per the estimates of ICAC, cotton production during the season 2014-15 was 26.18 million tons.

Around 42,100 tons of cotton has been imported by China in October, the lowest volume imported in a decade and around 48.6 percent lower when compared to the corresponding month last year, said industry website citing custom data. Cotton during the initial 10 months of the year stood 1.2 million tons, around 64.3 percent lower as compared to the imports during the corresponding period last year.

According to USDA, around 68% of the cotton has been harvested in USA as on 15 November 2015, which was 58% a week earlier and 64% during the same period last year. The five year average of the harvesting during the same period is however 74%, fairly higher than the current harvesting pace.

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 due to the downward revision in world production estimates.

USDA has made a slight downward revision of World cotton consumption estimates in its latest estimates. According to USDA, world cotton consumption would be around 24.29 million tons 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.

International Prices and Indices Trend

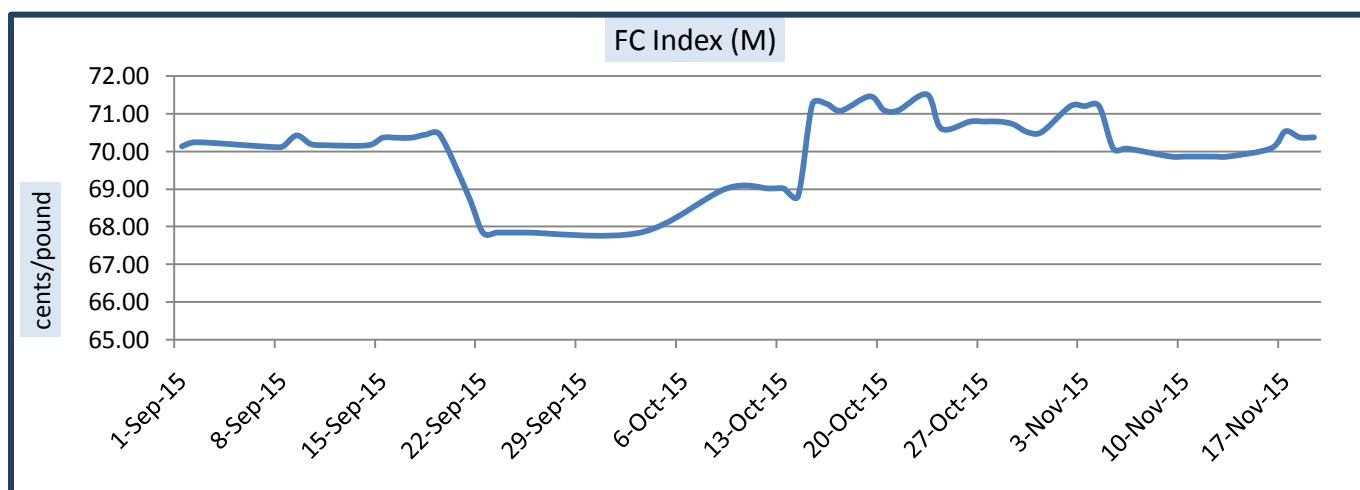
China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	19-November-15	12-November-15	
CC Index(229)	13582	13606	-0.18
CC Index(328)	12951	12982	-0.24
CC Index(527)	11874	11890	-0.13
Prices in Yuan per Ton			



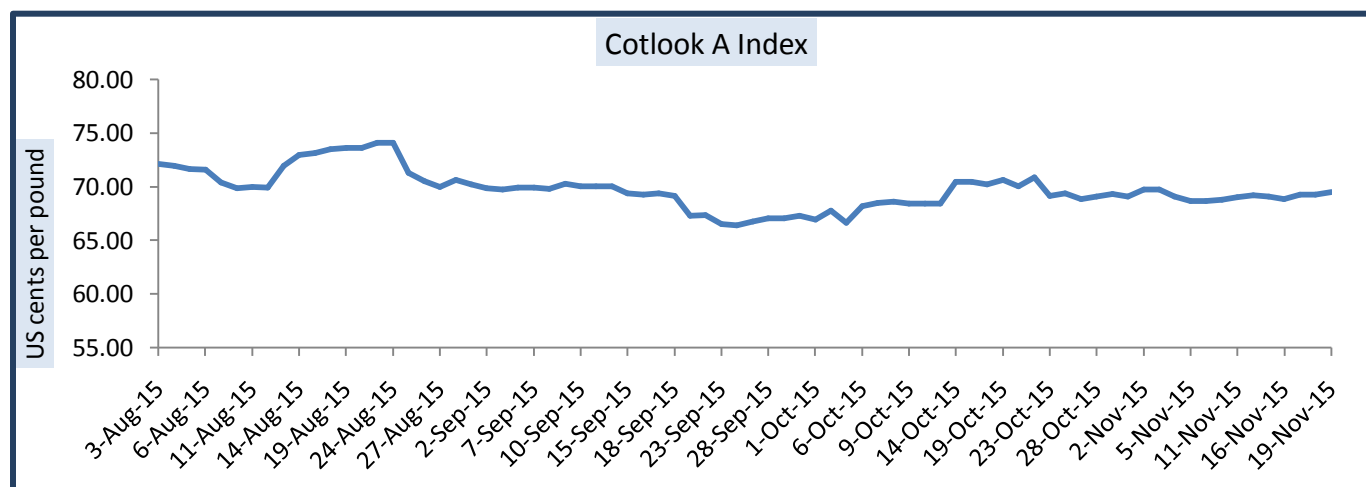
China Foreign Cotton (FC) Index:

FC Index	Weekly Average Price as on		% Change
	19-November-15	12-November-15	
Small (S)	74.19	74.96	-1.03
Medium (M)	70.24	70.78	-0.76
Large (L)	68.31	68.85	-0.78
Prices in cents/pound			

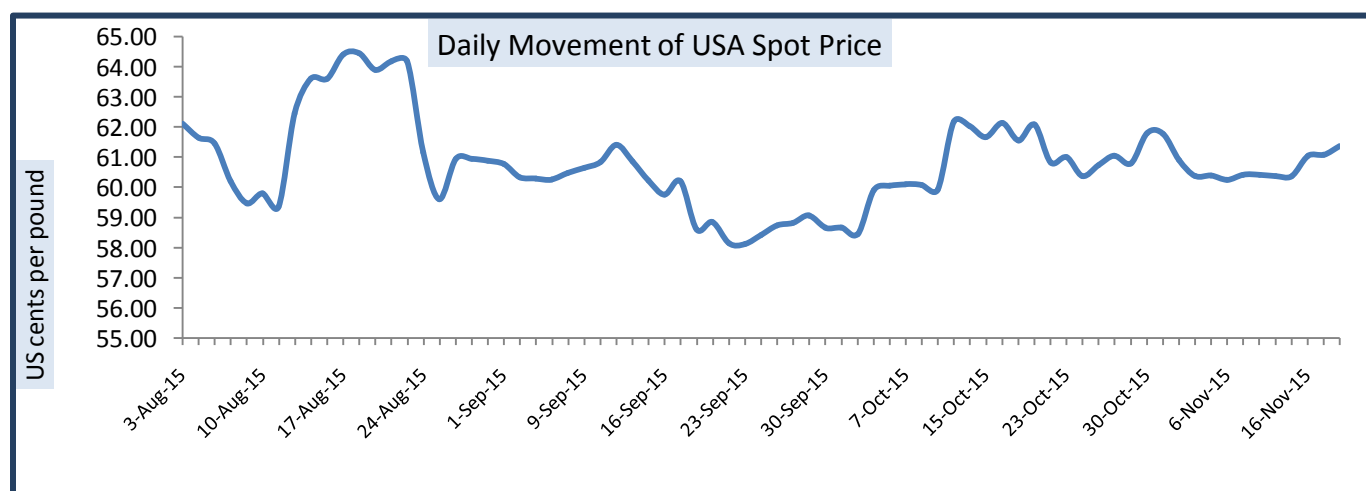


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	19-November-15	12-November-15	
Prices	69.18	68.90	0.41
Prices in US cents per Pound			


USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	19-November-15	12-November-15	
Prices	60.86	60.37	0.81
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 bullish momentum during the week.
- RSI is moving towards neutral region.
- Prices closed below the 9 and 18 days EMA.
- MACD denotes weakness in signal line and centerline movement.
- We expect prices to remain sideways.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range-bound Momentum	840-865

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
835	825	870	880

Figures in Rs. per 20Kgs.

Technical Analysis of Cotton Future (Mar'16 Contract) at ICE



Weekly Technical Outlook:

- Candlesticks denote bullish momentum in the market.
- RSI is moving toward overbought region.
- Prices are hovering above the 4 and 9 and 18 days SMA.
- MACD centerline and signal line are showing positive movements.
- We expect cotton prices to remain sideways.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bullish Momentum	62.60-63.80

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
62.00	61.60	64.00	64.60

Figures in US cents per pound

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