

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot market remained range-bound to firm during the week. The downward revision in the production by ICAC and uptrend in the cotton seed oil demand has 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. 3365 per maund (of 37.32 Kg each), which stood at Rs 3375 previous week. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 32235 per candy (of 355.6 kg each) during the week, which was Rs 32080 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) remained sideways this week and closed at Rs.885 per maund (of 20 kg each) which was Rs 900 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. 4400-4550 per quintal in the benchmark market. Lint price at Sirsa is likely to be in range of Rs 3550-3400 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.850-870 per maund (of 20 kg each).

Major Market Highlights: Cotton production estimates of India are revised down by ICAC at 6.27 million tons, around 0.5% lower when compared to the estimates of previous week, which was 6.30 million tons. As compared to previous year, cotton production in the country is likely to fall by around 3.7%, as it was 6.51 million tons previous season.

Government agencies have started the cotton procurement in Maharashtra. The Maharashtra State Co-Operative Cotton Growers Marketing Federation (MSCCGMF), a sub agency of CCI has procured around 39641 quintals of cotton from farmers at MSP in state so far. The agency at the commencement of the season said that it may procure upto 100 lakh quintals of cotton in 2015-16 against 27 lakh quintals it procured during previous season.

Interest Equalization Scheme, formerly known as the Interest Rate Subvention Scheme, on pre-shipment and post-shipment of garments is expected to enhance cotton textile exports from India, said R.K. Dalmia, Chairman, Cotton Textiles Export Promotion Council (Texprocil). Following the rise in cotton textile exports, demand of raw cotton too is expected to surge in domestic market.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

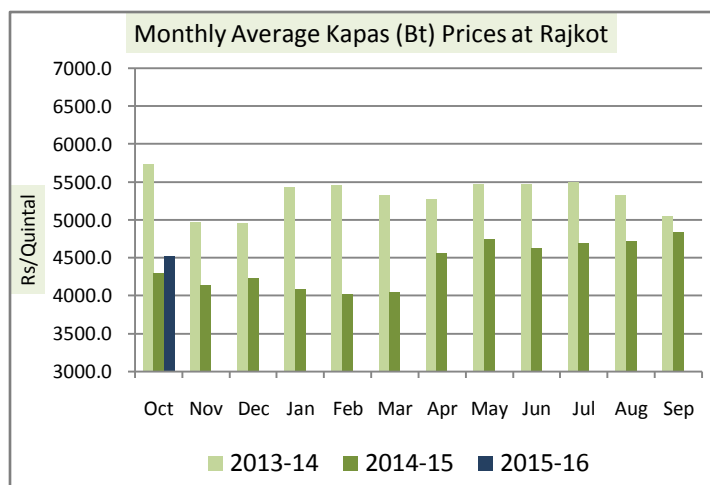
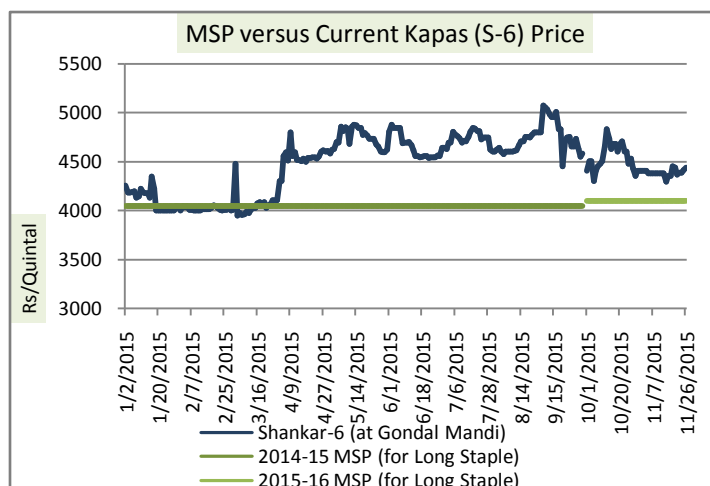
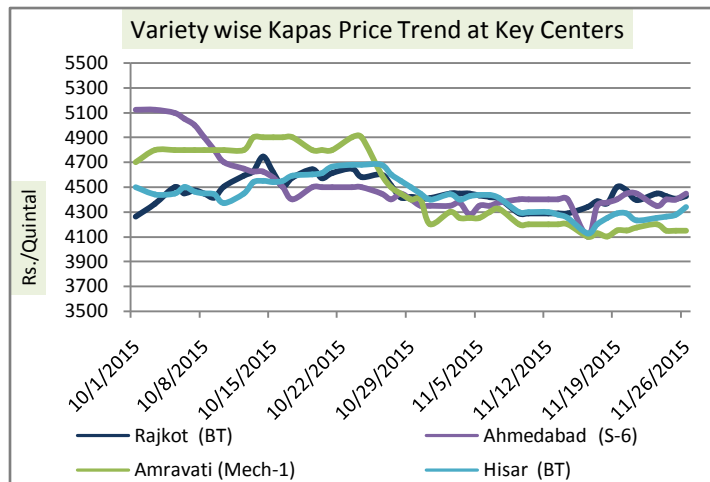
Kapas price remained slightly firm during the week due to the downward revision in the production estimates by ICAC and firmness in cotton seed oil prices. Weekly average price of Kapas at Rajkot remained Rs. 4420 per quintal, slightly higher when compared to previous week price of Rs. 4415 per quintal.

Cotton production estimates of India are revised down by ICAC at 6.27 million tons, around 0.5% lower when compared to the estimates of previous week, which was 6.30 million tons. As compared to previous year, cotton production in the country is likely to fall by around 3.7%, as it was 6.51 million tons previous season.

Kapas price are currently ruling above the MSP. This week, following the firmness in spot cotton prices the difference between the MSP and spot prices has widened further. The average gap between the two prices during the week was Rs 305 per quintal which was Rs 270 a week earlier.

Y-o-Y Price situation: 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.

Weekly Price Outlook: Kapas prices are expected to remain steady to firm in coming days. The expected range for Kapas at Rajkot is Rs 4400-4550 per quintal.



Lint (De-seeded Cotton) Weekly Scenario:

Despite the stronger Kapas prices, lint prices remained weak in the spot market. Actually it was cotton seed demand that pulled the Kapas prices up and hence Lint remained slightly weaker. Weekly average price of Lint at Sirsa remained Rs. 3365 per maund of 37.32 kg each compared to previous week price of Rs. 3375 per maund.

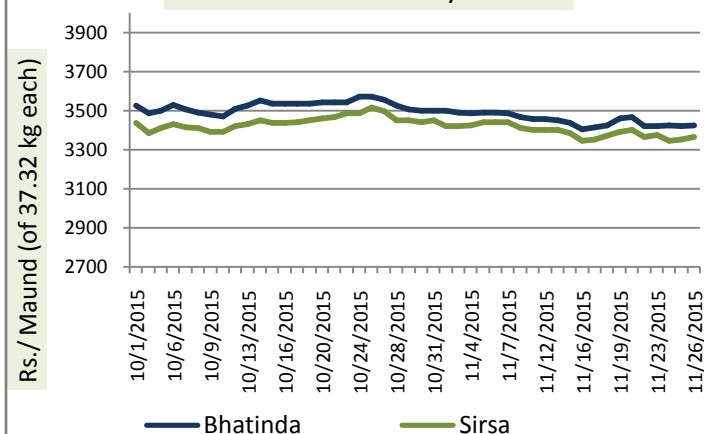
Y-o-Y Price situation: Following the weakness in Kapas prices, lint prices too remained weak during October as compared to previous month and corresponding month last year. In October this year, monthly average price of lint at Sri-Ganganagar remained Rs. 3215 per quintal, which was Rs 3445 last month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

Weekly Price Outlook: Lint prices are expected to remain sideways to firm as demand of fiber is expected in the upcoming month. We expect Lint at Sirsa to remain in range of Rs. 3350-3400 per maund.

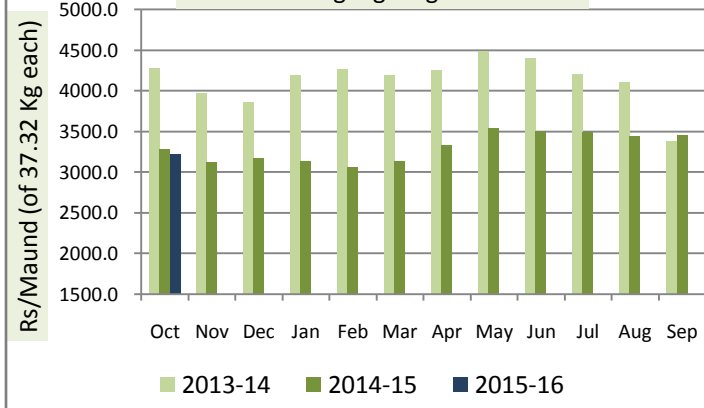
The future price closed unchanged this week. However spread between the two prices has been widened during the week. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 857per maund (of 20 kg each), as on 19Novemberwhich was Rs 857 a week earlier. Spot price closed at Rs 900 per maund (of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

Weekly Price Outlook: Future prices are likely to remain range bound to firm. The expected range for NCDEX (April'16 Contract) is Rs 850-870 per 20 kg.

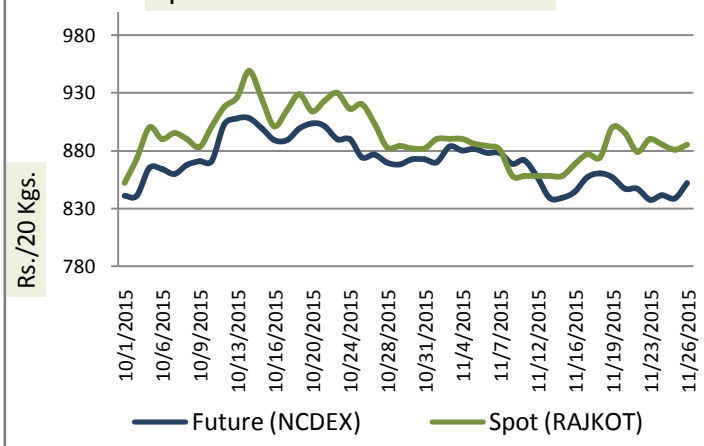
Lint Price Trend at Key Centers



Monthly Average Lint (J-34) Prices at Sriganganagar



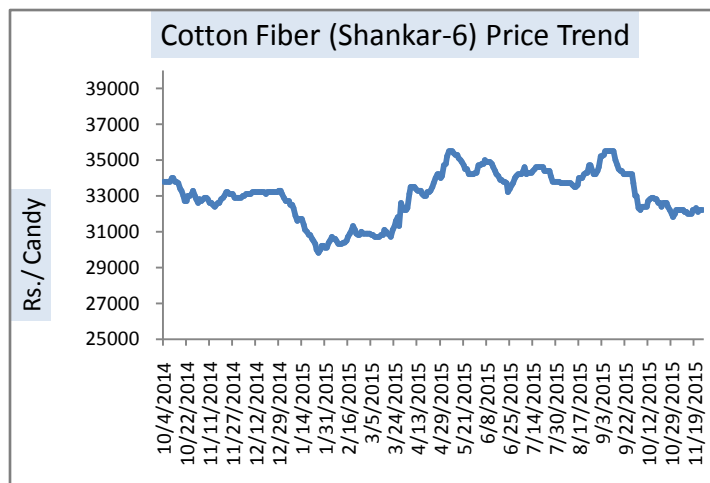
Spot versus Future Price Trend



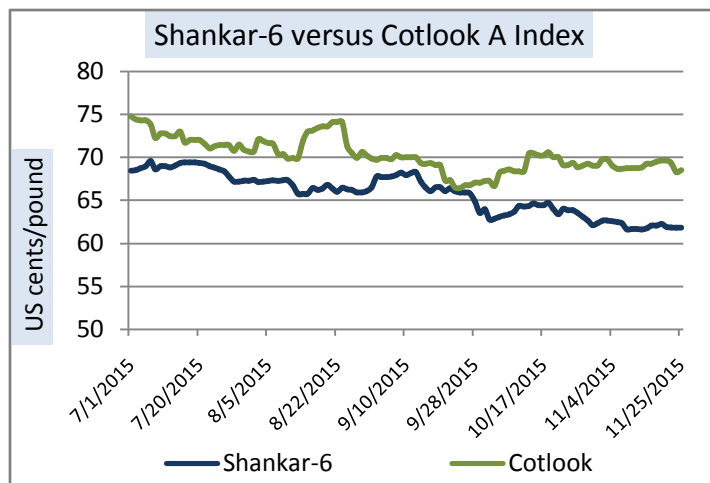
Cotton Fiber Weekly Price Scenario:

Following the firmness in the Kapas prices, cotton fiber moved Northwards this week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 32235 per candy (of 355.6 kg each) around 0.5% higher when compared to the prices of previous week which was Rs. 32080 per candy.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 32200-32400 per candy.



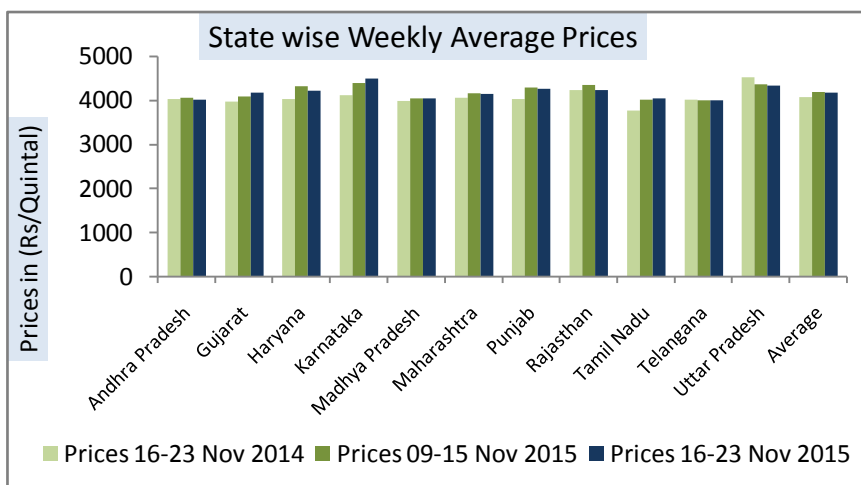
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 69.12 cents/pound, Indian weekly average price stood 62 cents/pound, making Indian fiber competitive in international market.



State wise Scenario

State wise Weekly Prices (at MajorStates):

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.



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

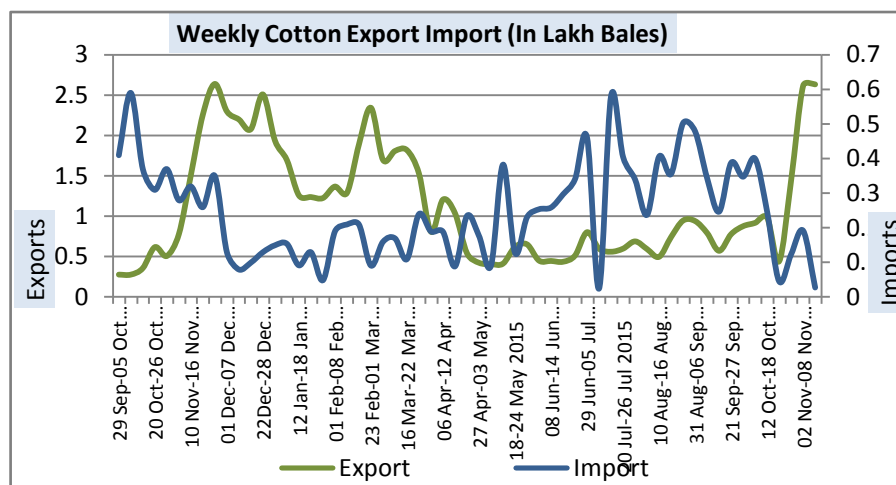
Cotton Export and Import

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

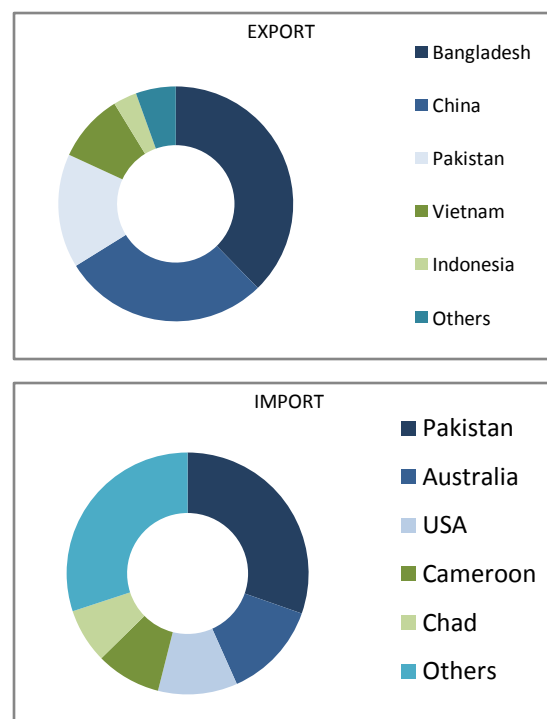
India exported 2.634 lakh bales of cotton last week (09 Nov-15 Nov 2015), which was 2.618lakh bales in the previous week (01 Nov-08 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.028 lakh bales last week, which was 0.192 lakh bales in the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



Major Exporter & Importer at a Glance (Monthly Scenario):

Cotton exports during the very first month of the season, i.e. October stood 4.63 lakh bales, around 33.5% higher as compared to the export during the previous month and around 2.5 times higher as compared to the exports during the same month previous season, according to IBIS data, compiled by Agriwatch. Imports in October was 0.92 lakh bales around 48.5% lower when compared to the imports in previous month and around 54% lower compared to the imports during the same period last season.

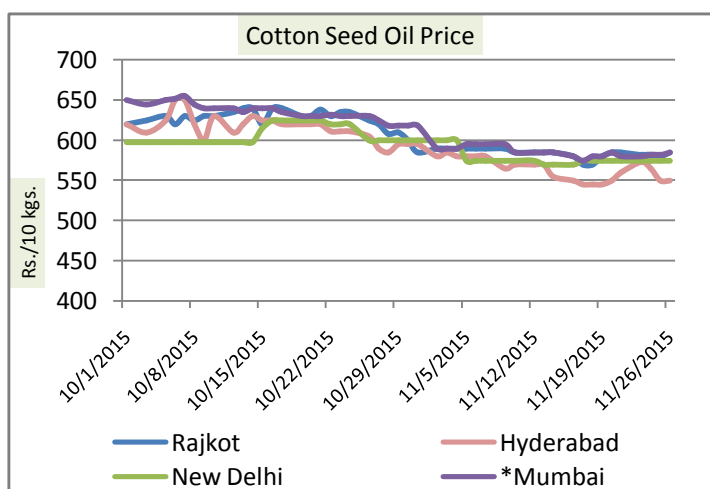
Major export destinations during the October were Bangladesh, China, Pakistan followed by Vietnam and Indonesia, whereas the country sourced cotton majorly from Pakistan, Australia and USA followed by Cameroon and Chad.



Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Price Scenario: Cotton seed oil price remained firm during the week. Weekly average price in New Delhi remained Rs 575 per 10 kg around 0.3% higher when compared to the weekly average price of previous week which was Rs 573 per 10 Kg.

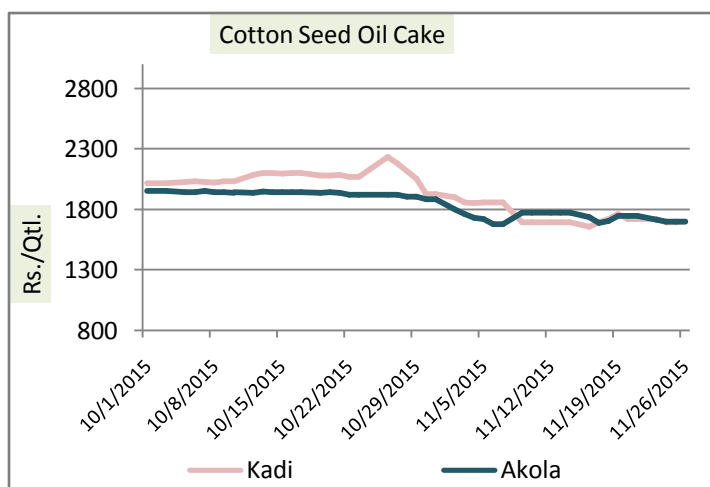
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	26-Nov -15	19-Nov -15	
New Delhi	575	573	0.349
Rajkot	583	578	0.865
Hyderabad	558	552	1.087
Mumbai*	582	581	0.172
*Vat Included			



Cotton Seed Oil Cake Price Scenario:

Cotton seed oil cake price remained mainly dull during the week. Weekly average price in Akola remained Rs 1720 per quintal around 1.09% lower when compared to the weekly average price of previous week which was Rs 1739 per quintal.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	26-Nov -15	19-Nov -15	
New Delhi	Kadi	1710	1706
Rajkot	Akola	1720	1739



*Source: NCDEX

International Market Scenario

International cotton prices remained range bound to weak during the week. Cotlook A index weekly average stood at 69.12 cents/pound this week, which was 69.18cents/pound during last week.

ICAC has made a downward revision of the world cotton consumption estimates in its latest weekly report. World cotton consumption is likely to be around 24.35 million ton, around 0.52% lower than the estimates of previous week which were 24.48 million tons, said ICAC. However as compared to the previous year it would stand higher by around 0.45% as last year it was 24.24 million tons.

Cotton imports figures of China have been revised downwards by ICAC in its latest weekly estimates. According to ICAC, China is likely to import 1.21 million tons of cotton in 2015-16, which is around 10% lower when compared to the previous week import estimates of 1.34 million tons, and around 33% lower than the imports figures of season 2014-15.

A remarkable revision has been made in the cotton consumption estimates of China by ICAC in its latest weekly report. According to ICAC cotton consumption in China would be around 7.33 million tons in the season 2015-16 around 5.65 lower when compared to the estimate of previous week which was 7.74 million tons. During the previous season China consumed around 7.52 million tons of cotton. The fall in the cotton consumption figures will impact the cotton market worldwide due to shrinking prospects of imports by dragons.

Pakistan cotton production estimates for season 2015-16 are revised downward by USDA at 1.960 million tons around 8% lower when compared to 2.068 million tons which was estimated a month earlier. The production in country is likely to stand around 18% lower when compared to the output of previous season.

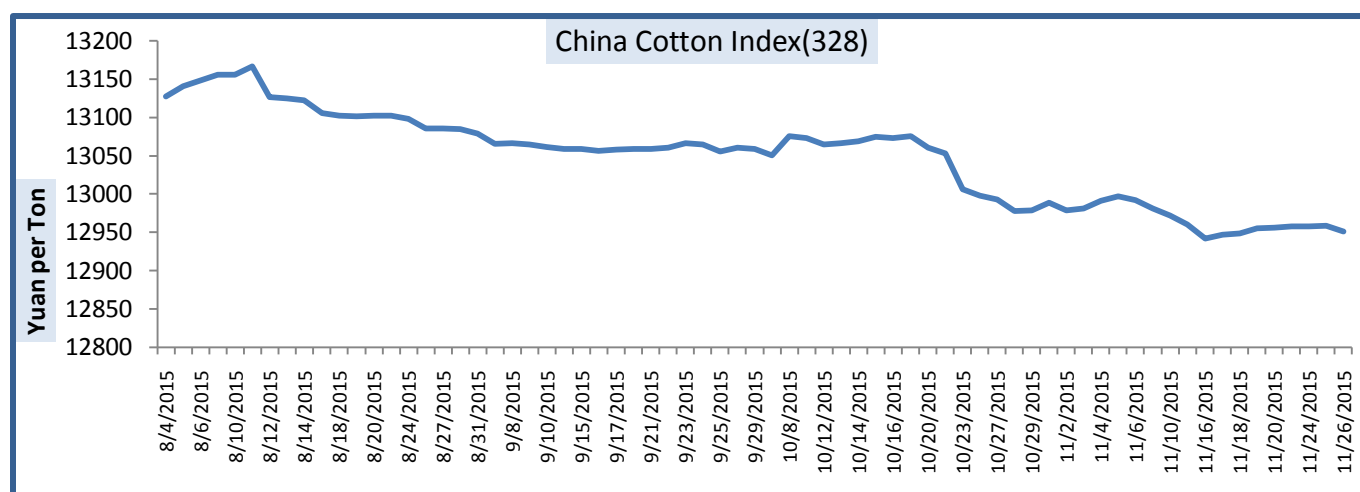
World cotton exports are likely to be around 7.35 million tons in 2015-16, around 1.34% lower than what was estimated a week ago i.e. 7.45 million tons, according to the latest weekly estimates by ICAC.

According to USDA, around 70% of the cotton has been harvested in USA as on 22 November 2015, which was 64% a week earlier and 76% during the corresponding period last year. The five year average of the harvesting during the same period is however 82%, fairly higher than the current harvesting pace.

International Prices and Indices Trend

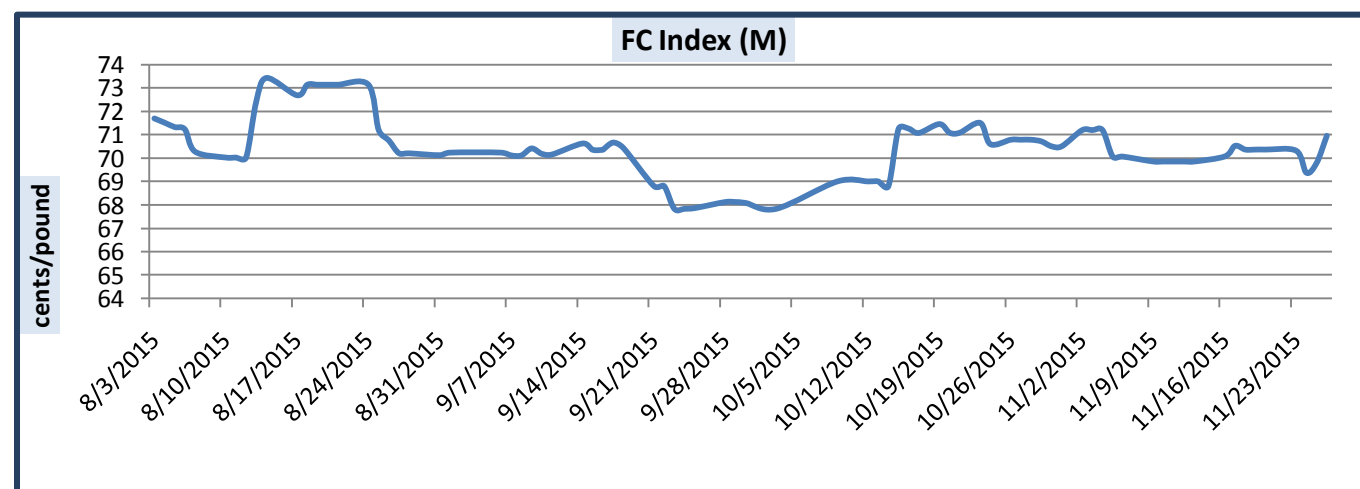
China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	26-November-15	19-November-15	
CC Index(229)	13593	13582	0.08
CC Index(328)	12956	12951	0.04
CC Index(527)	11874	11874	0.00
Prices in Yuan per Ton			



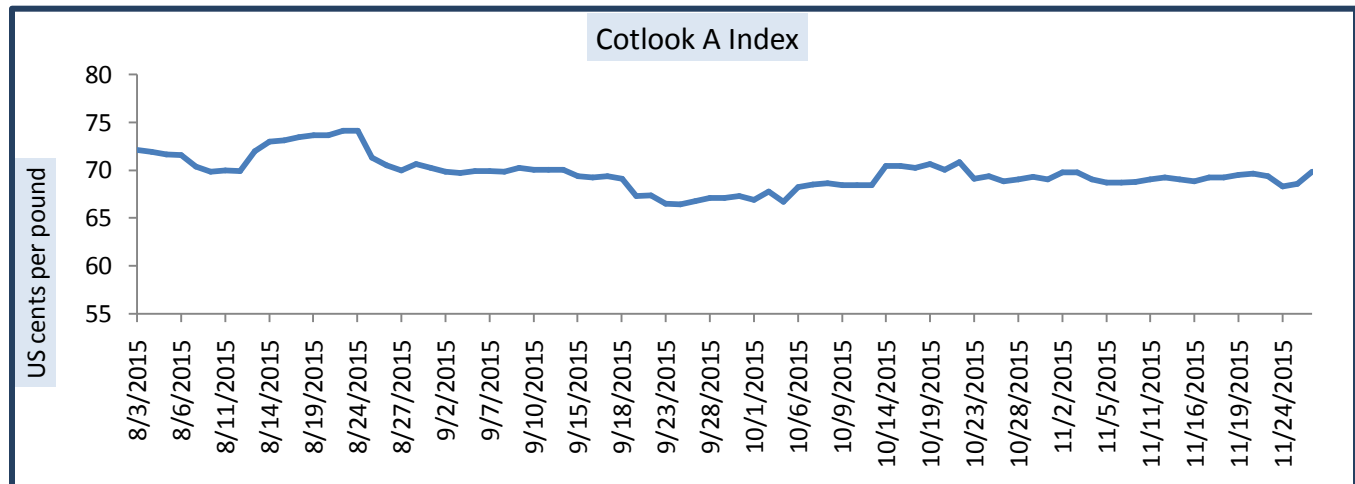
China Foreign Cotton (FC) Index:

FC Index	Weekly Average Price as on		% Change
	26-November-15	19-November-15	
Small (S)	73.89	74.19	-0.40
Medium (M)	70.17	70.24	-0.10
Large (L)	68.2	68.31	-0.16
Prices in cents/pound			

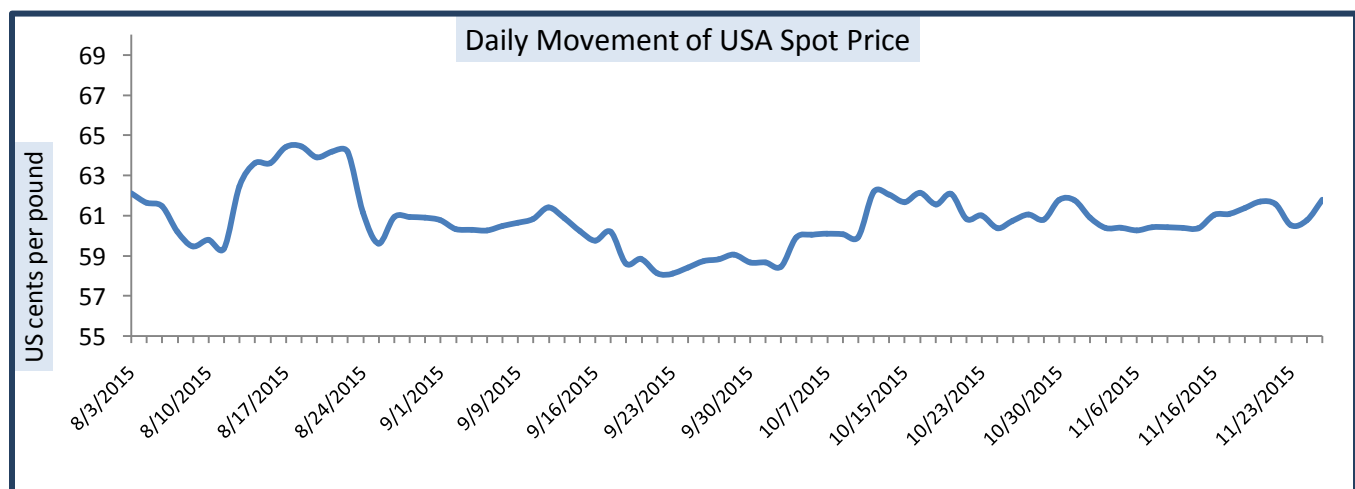


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	26-November-15	19-November-15	
Prices	69.12	69.18	-0.087
Prices in US cents per Pound			

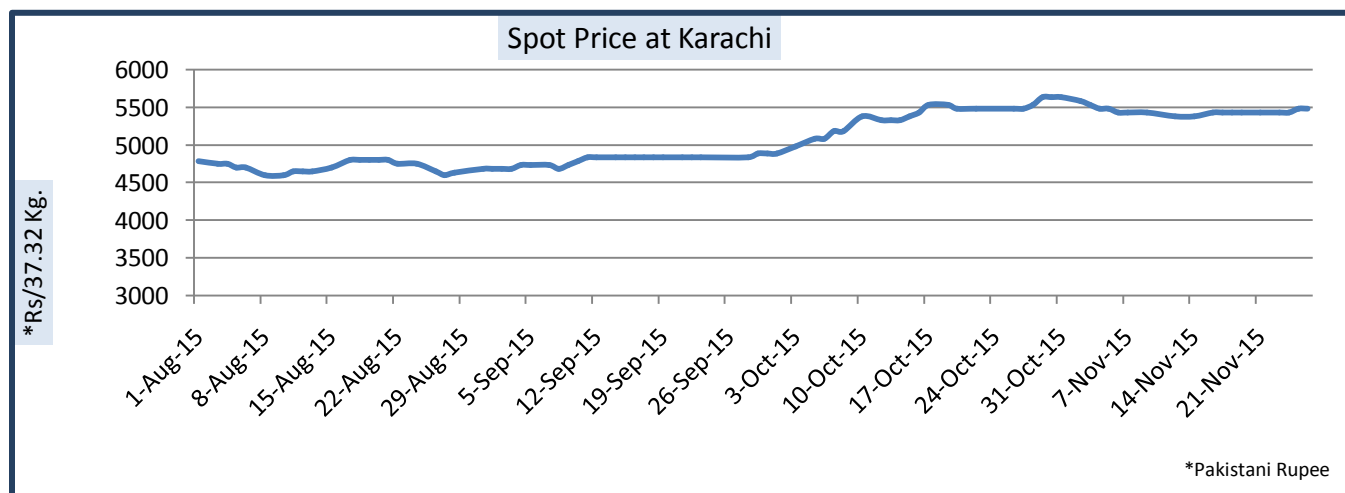

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	26-November-15	19-November-15	
Prices	61.17	61.12	0.08
Prices in US cents per Pound			

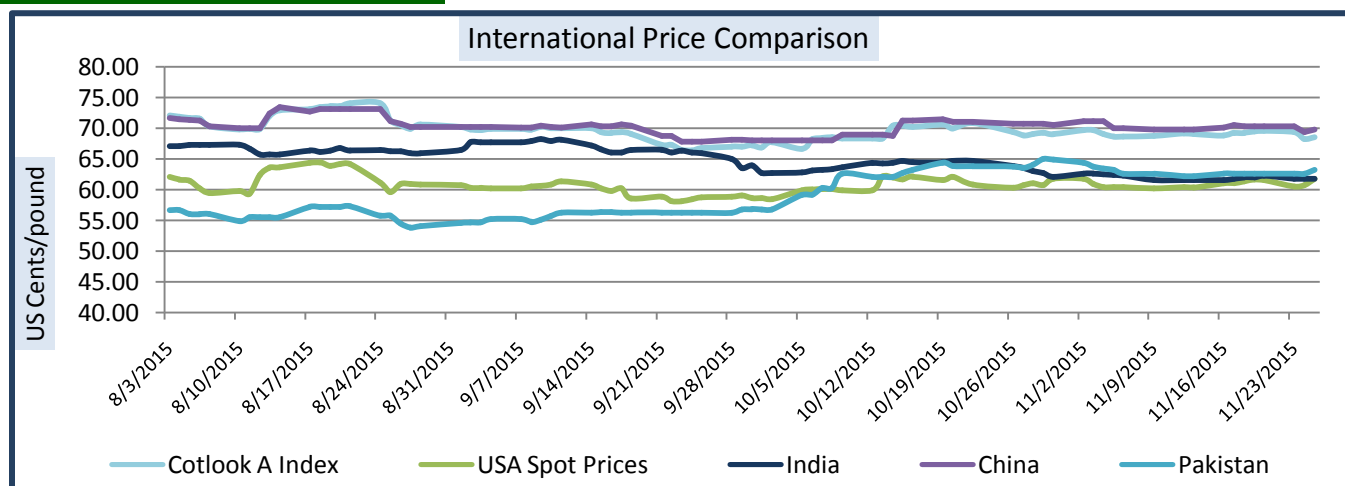


Pakistan Spot Price:

Karachi Spot Prices	Weekly Average Price as on		% Change
	26-November-15	19-November-15	
Prices	5455	5425	0.55
Prices in Rs per 37.32 Kg			



International Price Comparison:



Cotton Futures (ICE):

Contracts	25-Nov-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-15	61.52	62.18	63.24	65.11	-1.06	-2.72	-5.51
Mar-16	62.94	62.31	63.12	--	1.01	-0.29	--
May-16	63.65	62.92	63.49	--	1.16	0.25	--
Jul-16	64.05	63.26	63.85	--	1.25	0.31	--
Oct-16	63.60	63.31	63.40	--	0.46	0.32	--
Dec-16	64.04	63.25	63.37	--	1.25	1.06	--

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	850-870

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
835	825	880	890

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 towards 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 to firm.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bullish Momentum	62.80-65.40

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
62.00	61.20	66.00	66.60

Figures in US cents per pound

Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Market:

Centre	Variety	Weekly Average Prices as on		Change
		27th Nov 2015	19th Nov 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4165	4125	40
Khandwa	Mech-1	4100	4135	-35
Khargaon	Mech-1	4100	4135	-35
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4395	5
Rajkot	B.T. Cotton	4420	4415	5
Patan	B.T. Cotton	4380	4320	60
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4400	4405	-5
Muktsar	B.T. Cotton	NA	4310	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4480	4510	-30
Bhiwani	B.T. Cotton	4415	4390	25
Adampur	B.T. Cotton	4290	4225	65
Fatehabad	B.T. Cotton	4345	4290	55
Dabwali	B.T. Cotton	4255	4280	-25
Jind	B.T. Cotton	4465	4400	65
Uchana (Jind)	B.T. Cotton	4390	4360	30
Rawatsar (Hanumangarh)	B.T. Cotton	4220	4235	-15
Hubli	B.T. Cotton	4485	4420	65
Hathras	B.T. Cotton	4365	4115	250
Hanumangarh	B.T. Cotton	4345	4360	-15
	Kapas			
Ahmedabad	Shankar-6	4415	4335	80
Gondal	Shankar-6	4410	4385	25
	Kapas			
Jamner (Jalgaon)	Medium Staple	4100	4100	Unch
Hathras	Desi	4265	4200	65
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5540	5440	100
Raichur	H-44 Cotton	4265	4230	35
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4100	4020	80
East Godavari	Un-Ginned	4100	4110	-10
	Lint	Rs/Maund(of 37.32 Kg each)		
Abohar	J-34	3420	3435	-15
Muktsar	J-34	NA	3405	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3425	3435	-10

Sirsa	J-34	3365	3375	-10
Mansa	J-34	3430	3430	Unch
Sri-Ganganagar	Kapas	4275	4340	-65

Cotton Arrivals at Key Spot Market:

Trade Name	Staple	Micronaire	Strength / GPT	Weekly Average Prices		+/- Change
				20th Nov to 26th Nov 2015	13th to 19th Nov 2015	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	30065	30320	-255
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	30565	30820	-255
J-34(202)	26mm	3.5 - 4.9	23	31200	31380	-180
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31515	31360	155
Shankar-6(105)	29mm	3.5 - 4.9	28	32235	32080	155
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32550	32440	110
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33150	33320	-170
DCH-32(107)	34mm	3.0 - 3.8	33	44750	45240	-490

Cotton Arrivals at Key Spot Market:

Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		27th Nov 2015	19th Nov 2015	
Amravati	Mech-1	102500	64000	38500
Khandwa	Mech-1	1200	4200	-3000
Khargane	Mech-1	NA	16500	-
Mahesana(Kadi)	B.T. Cotton	330000	190000	140000
Rajkot	B.T. Cotton	25535	16465	9070
Patan	B.T. Cotton	99527	57725	41802
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	2748	-
Dhrol	B.T. Cotton	2579	NA	-
Muktsar	B.T. Cotton	NA	1785	-
Bhiwani	Desi	1900	1150	750
Bhiwani	B.T. Cotton	25000	17000	8000
Adampur	B.T. Cotton	4675	4420	255
Fatehabad	B.T. Cotton	5150	4300	850
Dabwali	B.T. Cotton	7150	7120	30
Jind	B.T. Cotton	1530	3103	-1573
Uchana (Jind)	B.T. Cotton	7400	7910	-510
Rawatsar (Hanumangarh)	B.T. Cotton	2200	1900	300
Hubli	B.T. Cotton	492	202	290
Hathras	B.T. Cotton(US)	850	120	730

Hanumangarh	B.T. Cotton	6700	8000	-1300
Ahmedabad	Shankar-6	331500	221000	110500
Gondal	Shankar-6	24433	12525	11908
Jamner (Jalgaon)	Medium Staple	133	125	8
Hathras	Desi	110	1100	-990
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	216	66	150
Raichur	H-44 Cotton	4078	2286	1792
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	4590	4165	425
Bhatinda	J-34	19040	18190	850
Sirsa	J-34	5950	7140	-1190
Mansa	J-34	2958	2380	578
Sri-Ganganagar	Kapas	3200	3500	-300

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2015 Indian Agribusiness Systems Pvt Ltd.