

## Current Market Outlook

**Domestic Weekly Price Scenario:** Cotton spot market remained range-bound to firm during the week. Higher export during the week and expectation of demand from Pakistan in near future has made the cotton prices to surge up.

Average price of Kapas at Rajkot during the week was Rs. 4510 per quintal, which stood at Rs 4415 previous week. Average price of Lint at Sirsa during the week was Rs. 3405 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 32450 per candy (of 355.6 kg each) during the week, which was Rs 32235 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) remained sideways this week and closed at Rs.872 per maund (of 20 kg each) which was Rs 860.5a 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. 4480-4580 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3380-3475 per maund. 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:** India is likely to export around 10 lakh bales of cotton to Pakistan as the country has faced the severe crop loss due to rain and flood, said cotton association of India. According to market participants, the situation will lend support to the cotton prices in domestic market.

Due to the weaker rains this year, animal feed and fodder acreage stood lower, simultaneously cotton production too is expected to remain weaker this year, which has made the cotton seed oil cake (Kapas Khali) prices to rule higher. At NCDEX the Kapas Khali price has reached around a two month high. September contract was closed above the Rs 2000 per quintal and December contract is currently hovering near Rs 1720 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. Cotton production in country is likely to fall by around 3.7% compared to previous year. It was 6.51 million tons previous season.

## Domestic Cotton Prices Scenario

### Kapas (Raw Cotton) Weekly Price Scenario

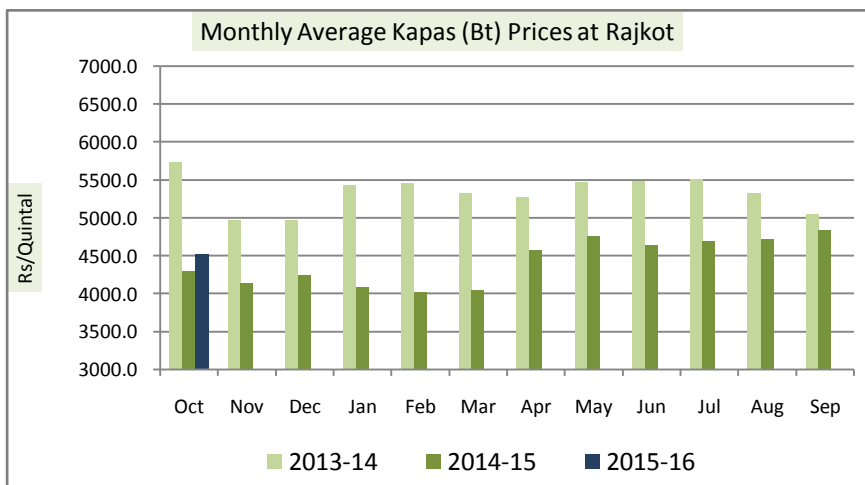
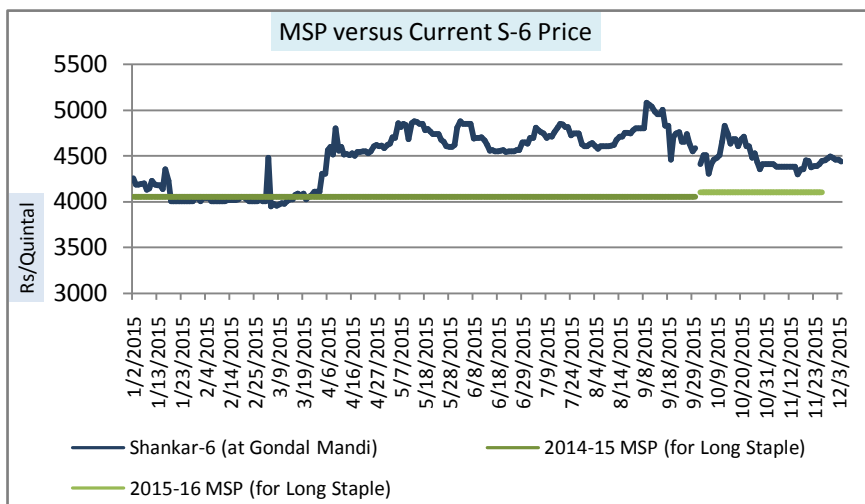
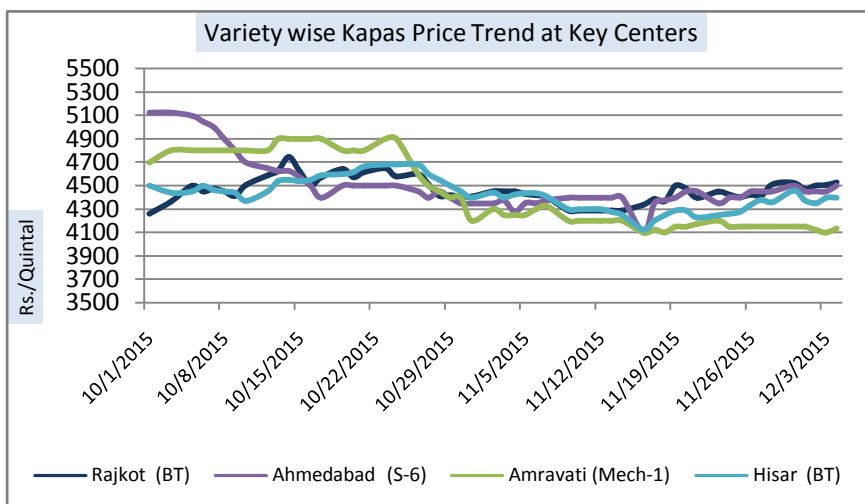
**Weekly Price Review:** Kapas price remained firm during the week due to the higher demand from overseas and domestic mills. Weekly average price of Kapas at Rajkot remained Rs. 4510 per quintal, slightly higher when compared to previous week price of Rs. 4415 per quintal.

**Major Market Highlights:** Cotton Association of India (CAI) has kept intact its cotton production estimates in October release as was in previous month. Cotton output according to CAI would be around 370.50 lakh bales of 170 kg each during 2015-16 as compared to 382.75 lakh bales in 2014-15.

**Spot Price versus MSP:** Kapas prices are currently ruling above the MSP. The average gap between the two prices during the week was Rs 365 per quintal which was Rs 305 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 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.

**Weekly Price Outlook:** Kapas prices are expected to remain steady to firm in coming days. The expected range for Kapas at Rajkot is Rs 4480-4580 per quintal.



### Lint (De-Seeded) Weekly Price Scenario

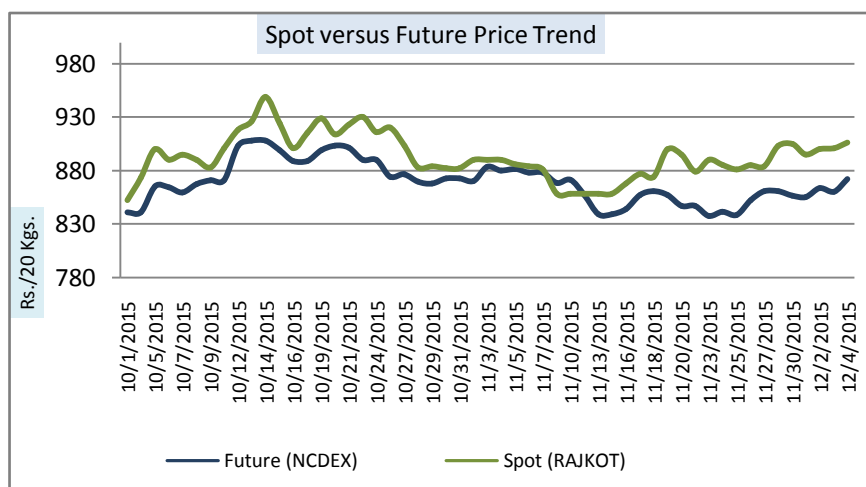
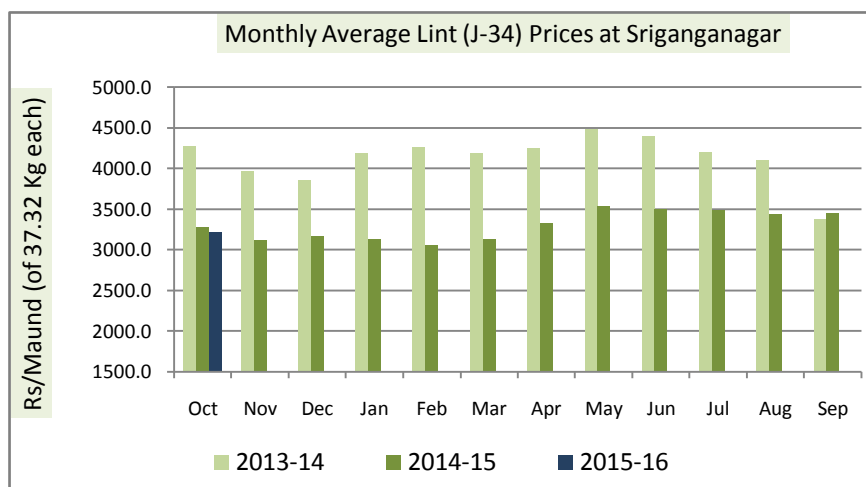
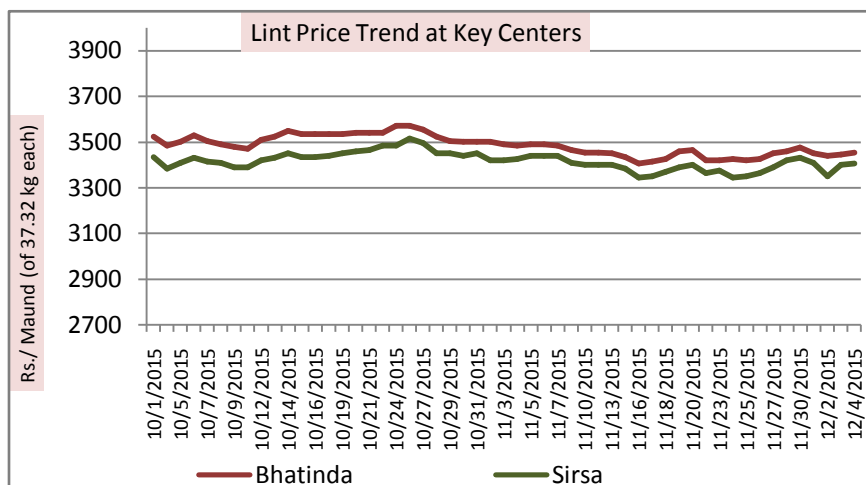
**Weekly Price Review:** Firmness in the raw cotton prices pulled up the lint prices too. Weekly average price of Lint at Sirsa remained Rs. 3405 per maund of 37.32 kg each compared to previous week price of Rs. 3375 per maund.

**Y-o-Y Price situation:** Following the weakness in Kapas prices, lint prices too remained 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

**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. 3380-3475 per maund.

**Future Price Situation:** The future price closed higher this week. The spread between the two prices has been narrowed slightly during the week. Future price of cotton (at NCDEX, April'16 contract) closed at Rs 872 per maund (of 20 kg each), as on 04 December which was Rs 860.5 a week earlier. Spot price closed at Rs 906 per maund (of 20 kg each) which was Rs 884 a week earlier. The average difference between the two was Rs 34 which was Rs 39 a week earlier.

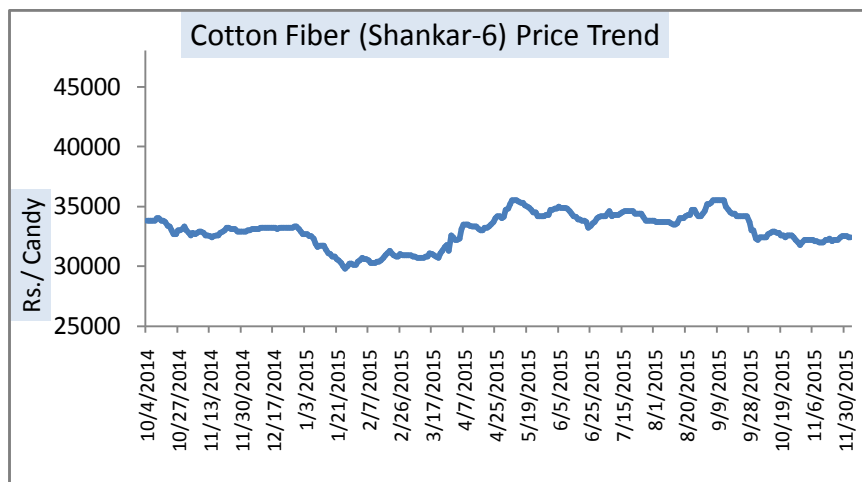
**Weekly Price Outlook:** Future prices are likely to remain range bound to firm. The expected range for NCDEX (April'16 Contract) is 850-890 per maund of 20 Kg.



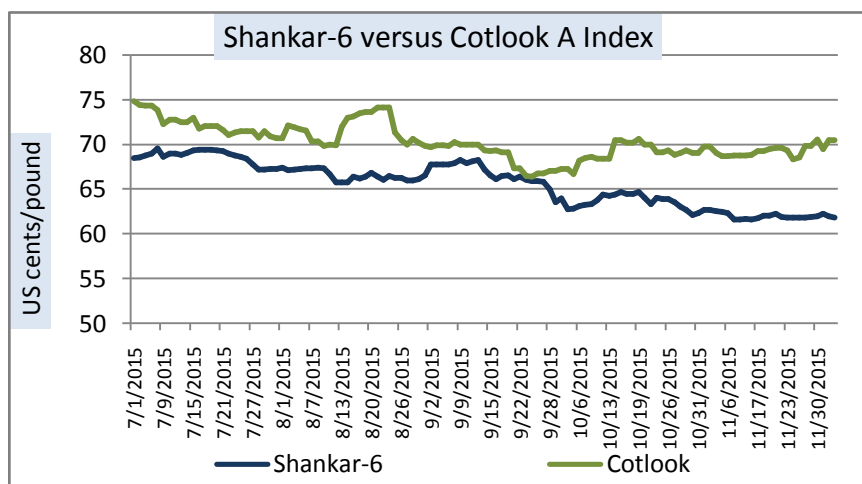
### Cotton Fiber Weekly Price Scenario:

As Kapas price were ruling firm, cotton fiber too remained firm this week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 32450 per candy (of 355.6 kg each) fairly higher compared to the prices of previous week which was Rs. 32235 per candy.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 32300-32550 per candy.

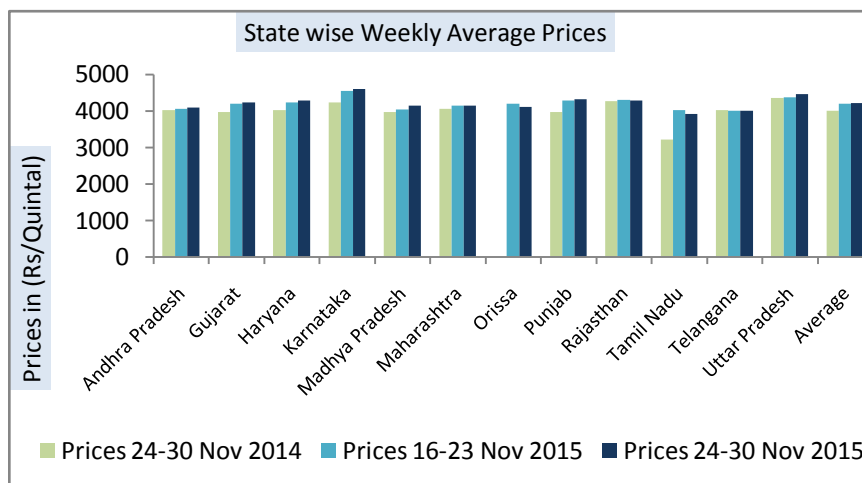


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 70 cents/pound, Indian weekly average price stood 62 cents/pound, making Indian fiber competitive in international market.



### State-wise Weekly Price Scenario:

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 Tamil Nadu. On year on year basis, cotton prices are reflecting uptrend in all of the states, except Telangana which noticed downtrend in Y-o-Y price comparison. Prices have been summarized in the table given in annexure.

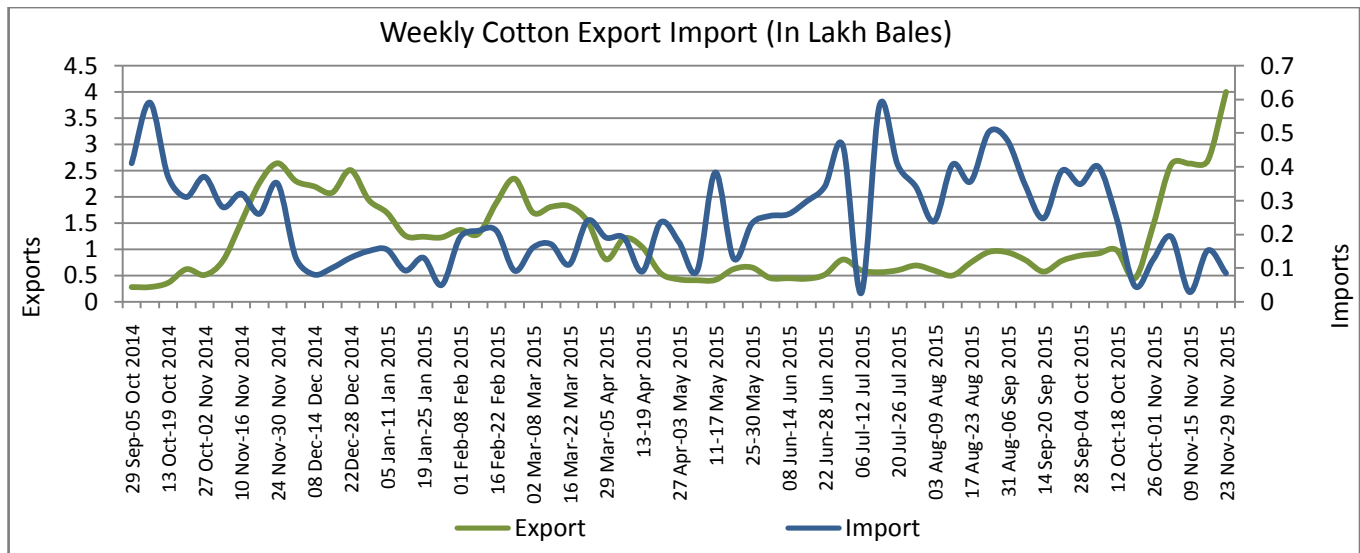


## Cotton Export and Import

### Weekly Export Import Data:

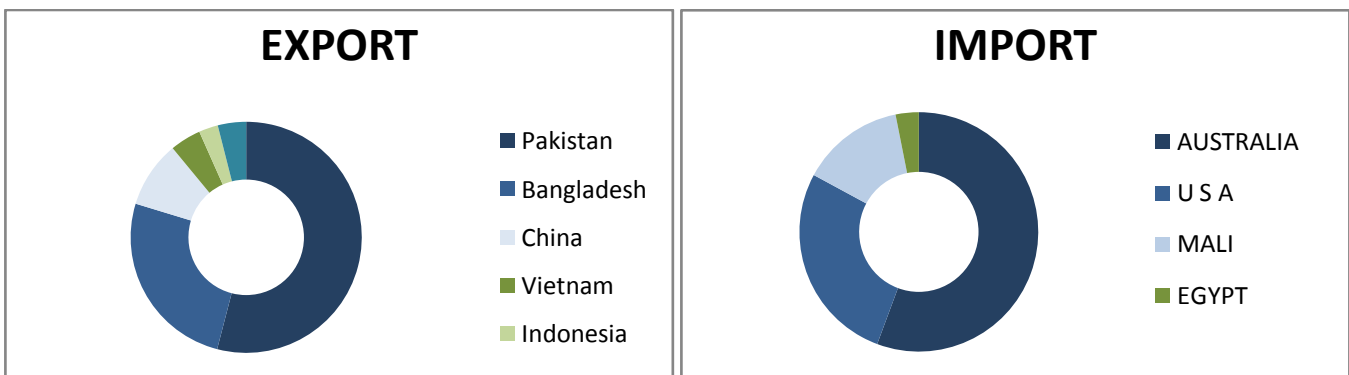
Export/Import	23 Nov-29 Nov 2015	16 Nov-22 Nov 2015
Export (In lakh Bales)	4.00	2.7
Import (In lakh Bales)	0.084	0.15

**Source: IBIS**



India exported 4.00 lakh bales of cotton last week (23 Nov-29 Nov 2015), which was 2.691 lakh bales previous to last week (16 Nov-22 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.084 lakh bales last week, which was 0.152 lakh bales previous to last week.

**Major Exporter and Importer:** The major exporting destinations during the week were Pakistan, Bangladesh, China followed by Vietnam and Indonesia. The country sourced cotton from Australia, USA, Mali and Egypt during the week.

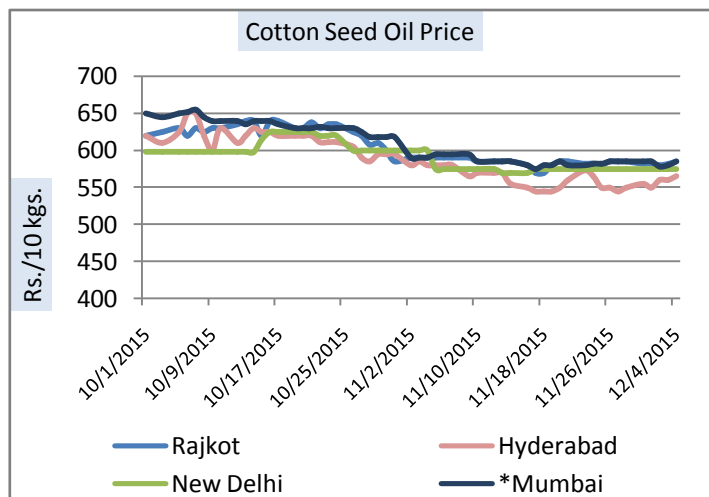


## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Price Scenario:

Cotton seed oil price remained mostly steady to firm during the week. Weekly average price in New Delhi remained Rs 575 per 10 kg unchanged when compared to the weekly average price of previous week which was Rs 575 per 10 Kg.

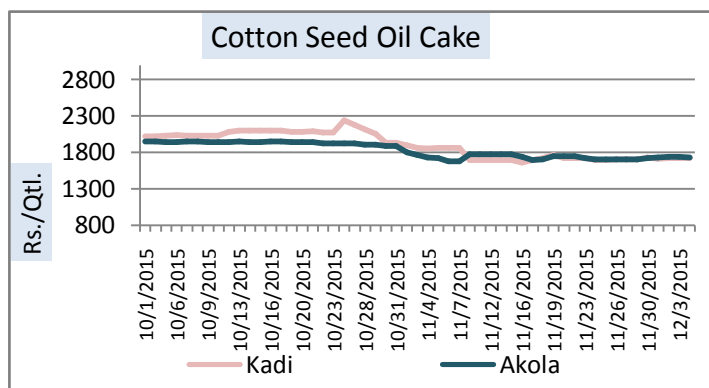
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	03-Dec -15	26-Nov -15	
New Delhi	575	575	0.00
Rajkot	583	583	0.00
Hyderabad	553	558	-0.90
Mumbai*	583	582	0.17
<i>*Vat Included</i>			



### Cotton Seed Oil Cake Price Scenario:

Cotton seed oil cake price remained mainly firm during the week. Weekly average price in Akola remained Rs 1717 per quintal slightly firm when compared to the weekly average price of previous week which was Rs 1710 per quintal.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	03-Dec -15	26-Nov -15	
New Delhi	1717	1710	0.41
Rajkot	1723	1720	0.17



\*Source: NCDEX

## International Market Scenario

International cotton prices remained range bound to firm during the week. Cotlook A index weekly average stood at 70.08 cents/pound this week, which was 69.12 cents/pound during last week.

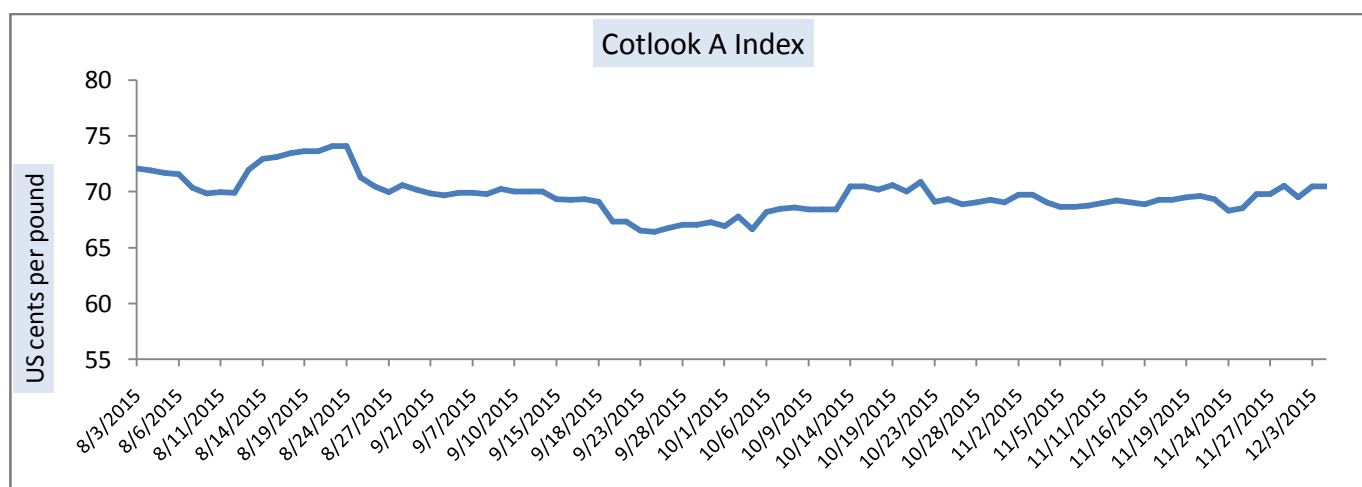
**Major Market Highlight:** In the latest estimates released by ABRES, cotton output figures have been revised upward for Australia. Cotton production in country is expected to be around 5.7 lakh tons according to the October estimates, around 21% higher compared to the estimates of 4.7 lakh tons estimated in September.

As per the latest ICAC monthly estimates, Cotton ending stocks during the season 2015-16 at the global front are likely to be around 20.65 million tons around 0.4% lower compared to the estimates of previous month and around 5.8% lower compared to the estimates of ending stock for previous season i.e. 2014-15.

### Cotlook A Index

Cotlook A Index remained firm during the week due to the recovery in the Chinese cotton demand, which drove the cotton export from other nation to China to surge up, leading cotton price to rise during the week.

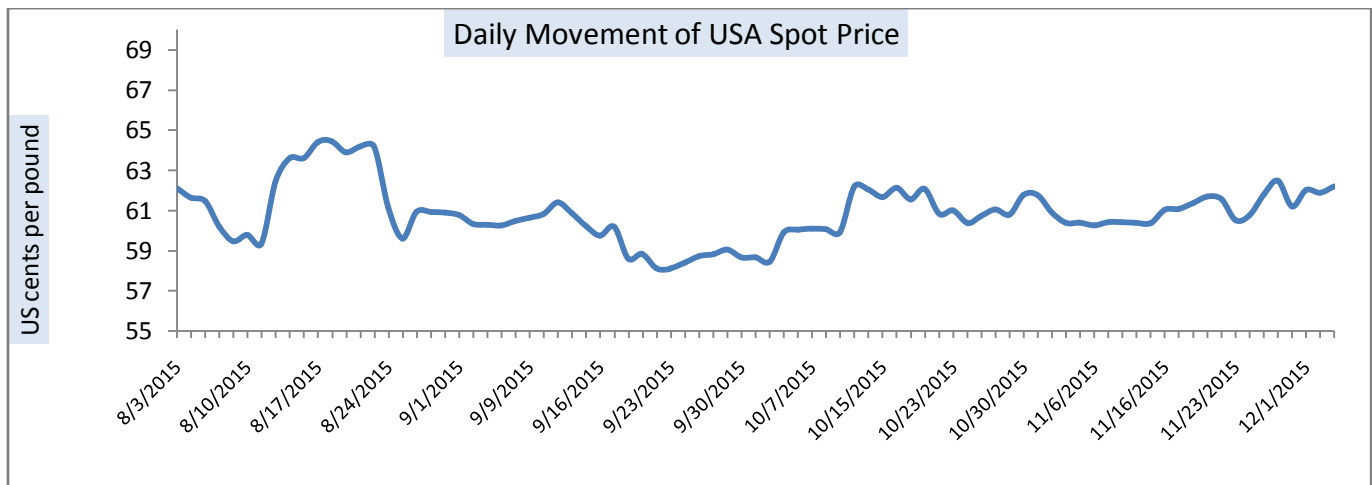
Cotlook A Index	Weekly Average Price as on		% Change
	03-Dec-15	26-Nov-15	
Prices	70.08	69.12	1.4
Prices in US cents per Pound			



### USA Spot Prices

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

Cotton prices on Thursday surged up due to the significant rise in US Cotton export sales. The country has exported around 2.87 lakh bales of upland cotton this week, around 7% higher when compared to the previous week. Cotton future price March delivery at ICE rose to 0.7% to 63.95 cents per pound.



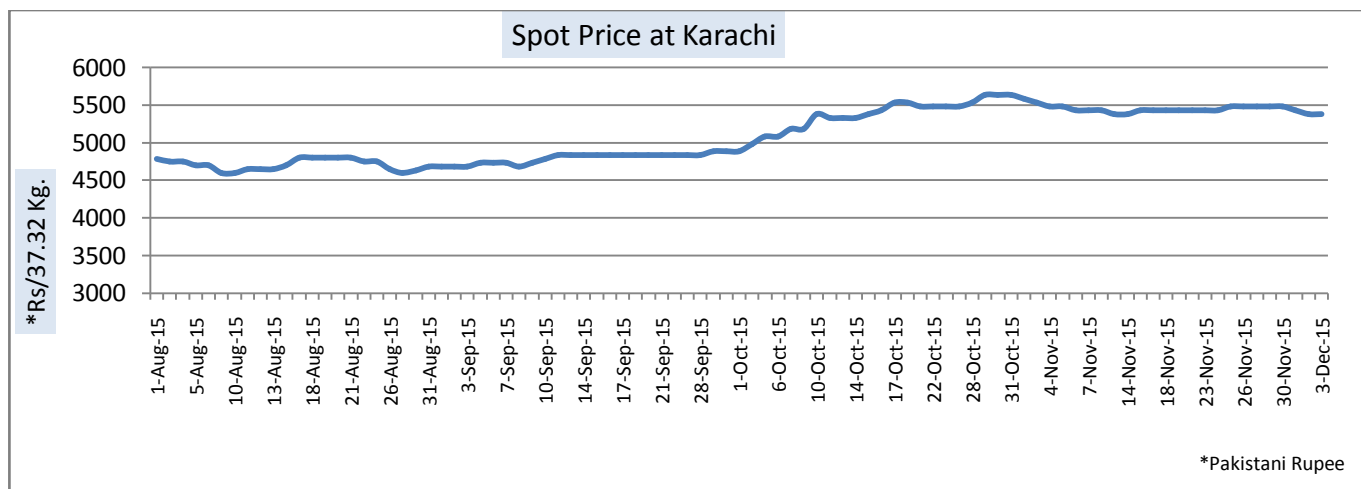
According to USDA, around 80% of the cotton has been harvested in USA as on 29 November 2015, which was 70% a week earlier and 83% during the same period last year. The five year average of the harvesting during the same period is however 88%, fairly higher than the current harvesting pace.

### Pakistan Spot Price

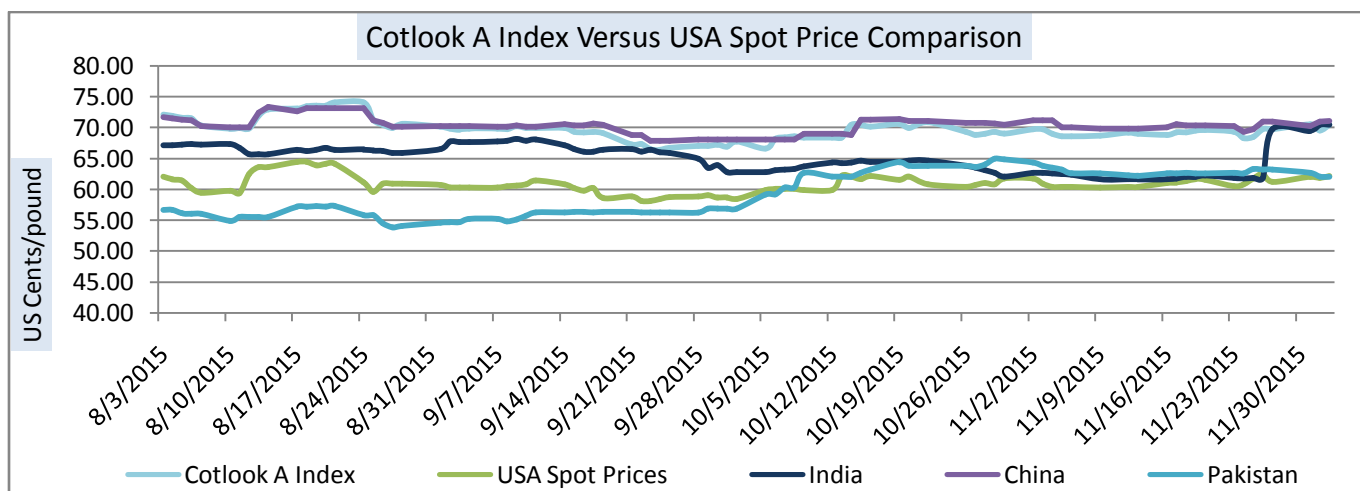
Karachi Spot Prices	Weekly Average Price as on		% Change
	03-Dec-15	26-Nov-15	
Prices	5455	5425	0.55
Prices in Rs per 37.32 Kg			

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.





### International Price Comparison:



### Cotton Futures (ICE):

Contracts	03-Nov-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-15	61.86	61.98	62.57	63.92	-0.19	-1.13	-3.22
Mar-16	63.95	63.28	62.44	--	1.06	2.42	--
May-16	64.62	63.96	63.1	--	1.03	2.41	--
Jul-16	65.04	64.39	63.42	--	1.01	2.55	--
Oct-16	64.32	63.77	63.37	--	0.86	1.50	--
Dec-16	65.2	64.56	63.02	--	0.99	3.46	--

## 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 recovery in signal line and centerline movement.
- We expect prices to remain sideways to firm.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range-bound to Bullish 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 (Mar'16 Contract) at ICE



### Weekly Technical Outlook:

- Candlesticks denote bullish momentum in the market.
- RSI is moving towards over bought 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	63.00-66.00

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
62.00	61.20	67.00	68.00

Figures in US cents per pound

## Domestic Cotton Prices and Arrivals at Key Centers

### Cotton Prices at Key Spot Markets

Centre	Variety	Weekly Average Prices as on		Change
		04th Dec 2015	27th Nov 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4135	4125	10
Khandwa	Mech-1	4115	4135	-20
Khargaon	Mech-1	4115	4135	-20
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4520	4395	125
Rajkot	B.T. Cotton	4510	4415	95
Patan	B.T. Cotton	4410	4320	90
Deesa	B.T. Cotton	4370	NA	--
Dhrol	B.T. Cotton	4485	4405	80
Muktsar	B.T. Cotton	NA	4310	--
Fazilika	B.T. Cotton	NA	NA	--
Bhiwani	B.T. Cotton	4515	4390	125
Adampur	B.T. Cotton	4391	4225	166
Fatehabad	B.T. Cotton	4400	4290	110
Dabwali	B.T. Cotton	4295	4280	15
Jind	B.T. Cotton	4455	4400	55
Uchana (Jind)	B.T. Cotton	4435	4360	75
Rawatsar	B.T. Cotton	4245	4235	10
Hubli	B.T. Cotton	4510	4420	90
Hathras	B.T. Cotton	NA	4115	--
Hanumangarh	B.T. Cotton	4405	4360	45
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4465	4335	130
Gondal	Shankar-6	4465	4385	80
	<b>Kapas</b>			
Bhiwani	Desi	4575	4510	65
Jamner (Jalgaon)	Medium Staple	4175	4100	75
Hathras	Desi	NA	4200	--
Bijapur	Bunny	NA	NA	--
Hubli	D.C.H.	5415	5440	-25
Raichur	H-44 Cotton	4380	4230	150
Guntur	Un-Ginned	NA	NA	--
Kurnool	Un-Ginned	NA	NA	--
Krishna	Un-Ginned	4020	4020	--
East Godavari	Un-Ginned	4100	4110	-10
	<b>Lint</b>	<b>Rs/Maund(of 37.32 Kg each)</b>		
Abohar	J-34	3455	3435	20
Muktsar	J-34	NA	3405	--
Fazilika	J-34	NA	NA	--
Bhatinda	J-34	3455	3435	20

Sirsa	J-34	3405	3375	<b>30</b>
Mansa	J-34	3445	3430	<b>15</b>
Sri-Ganganagar	Kapas	4300	4340	<b>-40</b>

**Cotton Association of India Spot Rates (Cotton Fiber Prices)**

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy		Change
				03rd Dec 2015	26th Nov 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29965	30065	<b>-100</b>
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	30465	30565	<b>-100</b>
J-34(202)	26mm	3.5 - 4.9	23	31515	31200	<b>315</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31750	31515	<b>235</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	32450	32235	<b>215</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32715	32550	<b>165</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33285	33150	<b>135</b>
DCH-32(107)	34mm	3.0 - 3.8	33	44865	44750	<b>115</b>

**State wise-summary of Weekly Prices**

State	Prices 24-30 Nov 2015	Prices 16-23 Nov 2015	Prices 24-30 Nov 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4095.23	4057.63	4013.41	0.93	2.04
Gujarat	4232.53	4194.9	3960.06	0.9	6.88
Haryana	4287.12	4237.35	4013.11	1.17	6.83
Karnataka	4593.76	4545.34	4227.45	1.07	8.67
Madhya Pradesh	4139.47	4043.28	3972.51	2.38	4.2
Maharashtra	4146.17	4148.3	4051.78	-0.05	2.33
Orissa	4101.09	4200		-2.35	—
Punjab	4322.72	4282.92	3960.41	0.93	9.15
Rajasthan	4291.52	4298.06	4268.82	-0.15	0.53
Tamil Nadu	3919.29	4020.97	3210.58	-2.53	22.07
Telangana	4006.55	4005.71	4019.17	0.02	-0.31
Uttar Pradesh	4460.21	4366.52	4348.3	2.15	2.57
Average	4216.3	4200.08	4004.15		

*Source: Agmarknet*
**Cotton Weekly Cumulative Arrivals:**

Centre	Variety	Weekly Cumulative Arrivals (In Qtl.)		Change
		04th Dec 2015	27th Nov 2015	
Amravati	Mech-1	120100	102500	<b>17600</b>
Khandwa	Mech-1	17500	1200	<b>16300</b>
Khargaone	Mech-1	NA	NA	<b>-</b>

Mahesana(Kadi)	B.T. Cotton	520000	330000	190000
Rajkot	B.T. Cotton	24310	25535	-1225
Patan	B.T. Cotton	124753	99527	25226
Deesa	B.T. Cotton	20200	NA	-
Fazilika	B.T. Cotton	3220	NA	-
Dhrol	B.T. Cotton	NA	2579	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	47000	1900	45100
Adampur	B.T. Cotton	5610	25000	-19390
Fatehabad	B.T. Cotton	8500	4675	3825
Dabwali	B.T. Cotton	9665	5150	4515
Jind	B.T. Cotton	1902	7150	-5248
Uchana (Jind)	B.T. Cotton	11800	1530	10270
Rawatsar	B.T. Cotton	6500	7400	-900
Hubli	B.T. Cotton	518	2200	-1682
Hathras	B.T. Cotton	NA	492	-
Hanumangarh	B.T. Cotton	16000	850	15150
Ahmedabad	Shankar-6	385900	6700	379200
Gondal	Shankar-6	26698	331500	-304802
Bhiwani	Desi	2500	24433	-21933
Jamner (Jalgaon)	Medium Staple	1046	133	913
Hathras	Desi	NA	110	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	188	216	-28
Raichur	H-44 Cotton	3254	4078	-824
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	5950	4590	1360
Bhatinda	J-34	26860	19040	7820
Sirsa	J-34	10710	5950	4760
Mansa	J-34	4590	2958	1632
Sri-Ganganagar	Kapas	3600	3200	400

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