

Current Market Outlook

Domestic Weekly Price Scenario: Cotton domestic market remained range-bound to firm during the week. Higher export during the week and expectation of higher export demand in near future has made the cotton prices to surge up. Further the ending stock estimates are revised down by USDA, which has made the cotton prices to go northwards.

Average price of Kapas at Rajkot during the week was Rs. 4540 per quintal, which stood at Rs 4510 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 3405 previous week. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 32815 per candy (of 355.6 kg each) during the week, which was Rs 32450 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 firm with the price band of Rs. 4500-4650 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3410-3470 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs.870-910 per maund (of 20 kg each).

Major Market Highlights: India is likely to export 1.15 million tons (around 67.6 lakh bales of 170 kg each) of cotton in season 2015-16, around 26.3% higher as compared to 0.91 million tons, the volume it exported in the previous season, according to USDA.

Cotton ending stocks in India is likely to go down by around 8% this year as compared to the previous year. According to USDA, cotton stocks would stand around 2.69 million tons by the end of season 2015-16 as compared to 2.93 million tons previous season.

Cotton consumption in India is likely to be around 5.50 million tons in season 2015-16, which was estimated to be around 5.55 million tons a month earlier. Although the consumption figures has been revised downward this month by USDA, the same would stand around 3% higher compared to the previous year's consumption of 5.33 million tons.

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.

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. 4540 per quintal, slightly higher when compared to previous week price of Rs. 4510 per quintal.

Major Market Highlights: Cotton ending stocks in India is likely to go down by around 8% this year as compared to the previous year. According to USDA, cotton stocks would stand around 2.69 million tons by the end of season 2015-16 as compared to 2.93 million tons previous season.

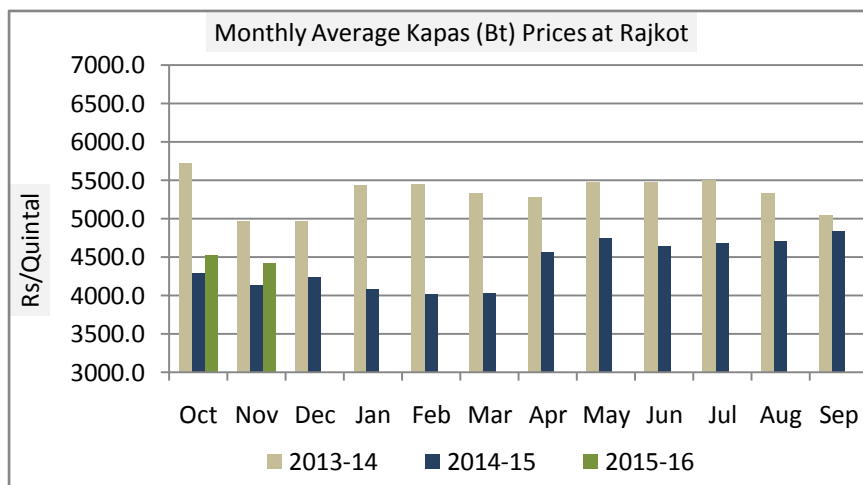
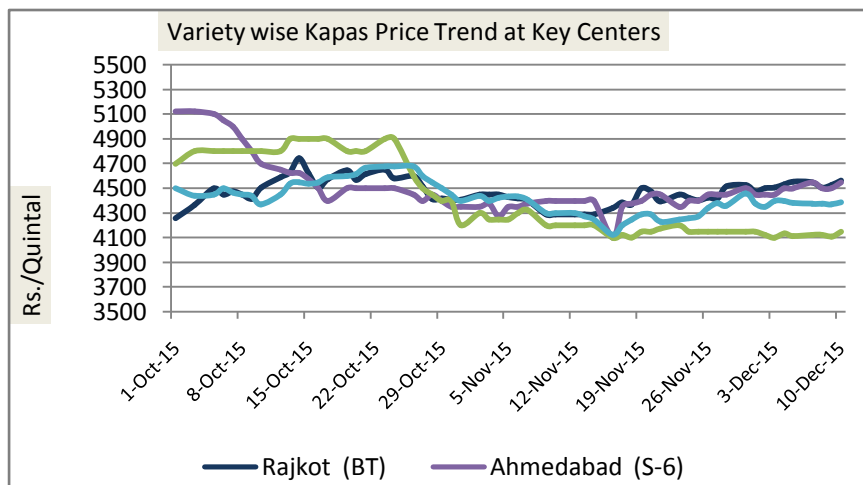
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Weekly Price Outlook: Kapas prices are expected to remain steady to firm in coming days. The expected range for Kapas at Rajkot is Rs 4500-4650 per quintal.

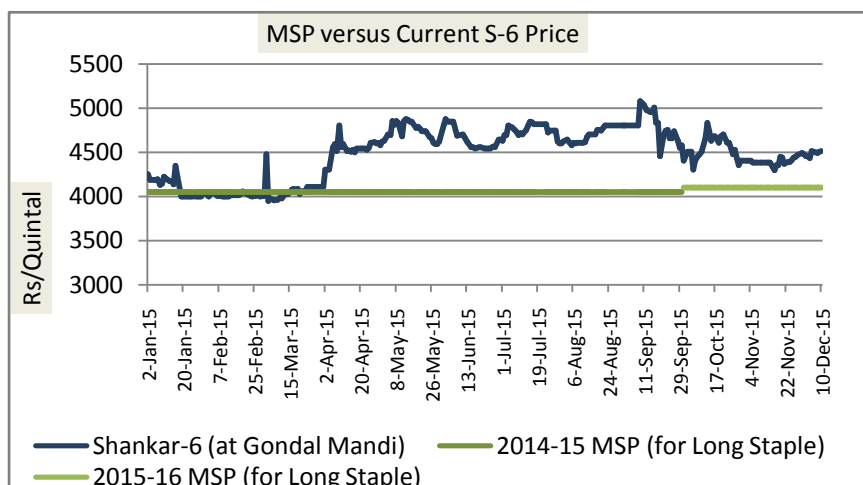
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices noticed weak momentum during the November month following the peak arrivals time, which created the supply lead in the market. Though cotton price remained weak during November compared to the previous month, the same is ruling higher compared to the prices during the corresponding month previous season. Monthly average price of Kapas at Rajkot remained Rs.4425 per quintal during November, which was Rs 4520 during previous month and Rs 4135 per quintal during the corresponding month last year.



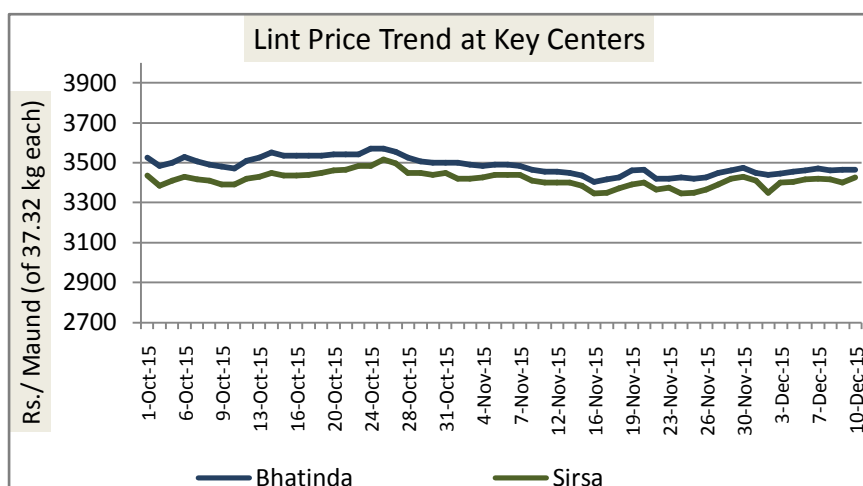
Spot Price versus MSP

Kapas prices are ruling above the MSP so far. The gap between the two prices has been widened. The average gap between the prices was Rs 395 this week as compared to Rs 365 a week earlier. This indicates prices are in the uptrend momentum.



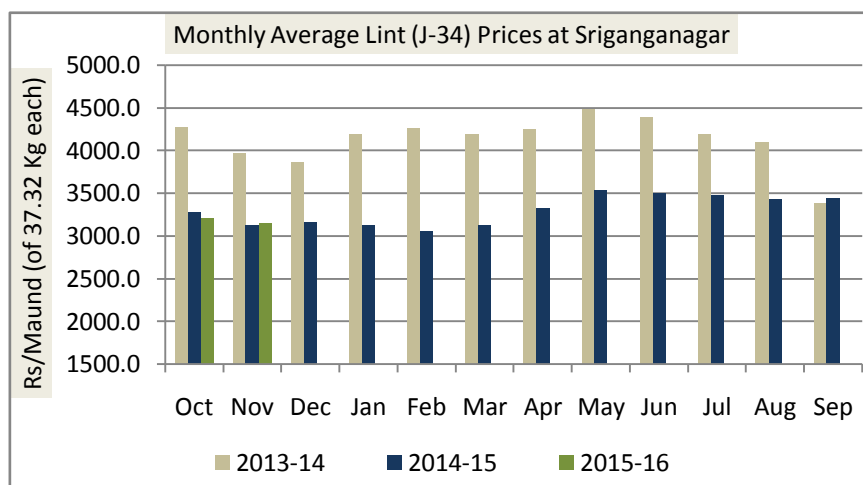
Lint (De-Seeded Weekly Price Scenario

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. 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.



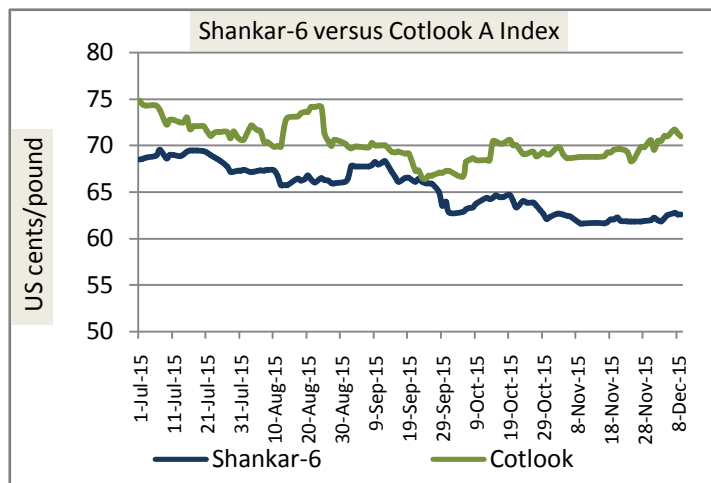
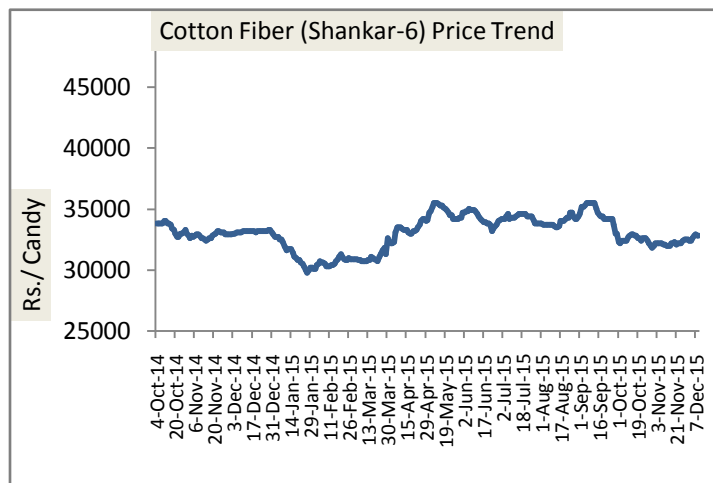
Lint Monthly Y-o-Y Price Scenario

Due to the weakness in Kapas prices, lint prices too remained weaker during November as compared to previous month. However, it remained firm compared to corresponding month last year. In November this year, monthly average price of lint at Sri-Ganganagar remained Rs. 3150 per maund (of 37.32 Kg each), which was Rs 3215 last month and Rs 3125 during corresponding month previous year.



Cotton Fiber Weekly Price Scenario

Due to the higher export demand and firmness in raw cotton prices, cotton fiber too remained firm this week. Weekly average price of cotton price (Shankar-6) at Mumbai remained Rs 32815per candy (of 355.6 kg each) fairly highercompared to the prices of previous week which was Rs. 32450per candy.

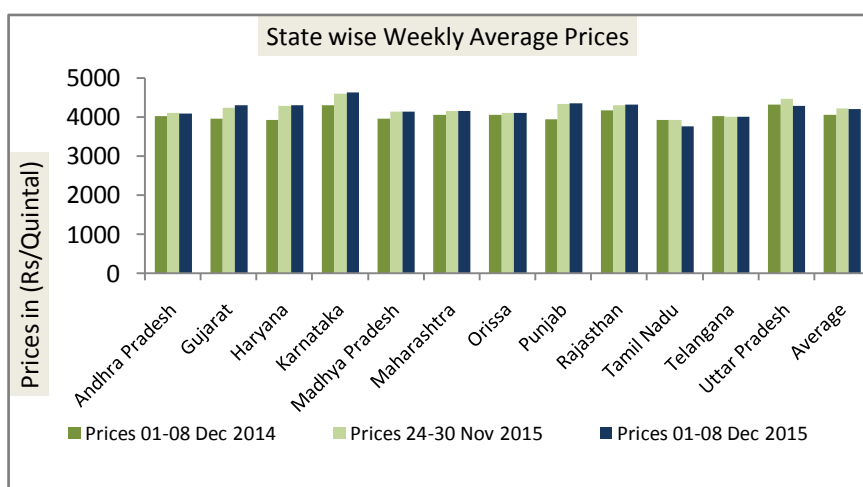


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 70 cents/pound, Indian weekly average price stood 62 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 32600-33000 per candy.

State wise Weekly Price Scenario

On week on week basis, prices are showing up 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 Uttar Pradesh and Telangana which noticed downtrend in Y-o-Y price comparison. Prices have been summarized in the table given in annexure.

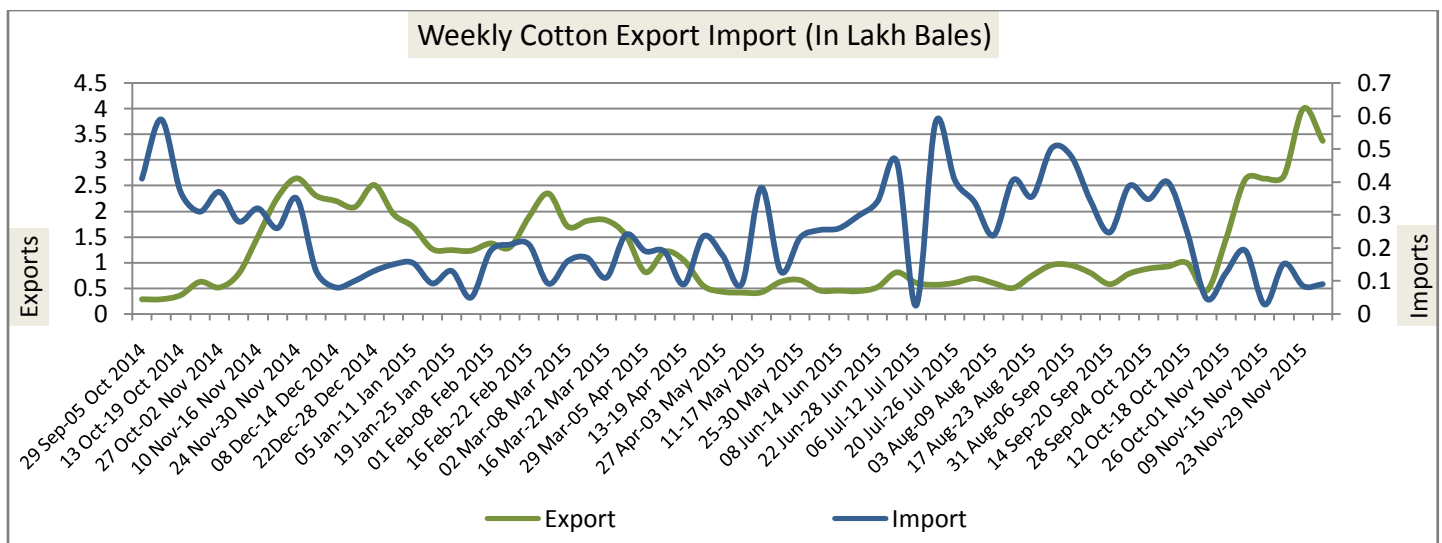


Cotton Weekly Export and Import

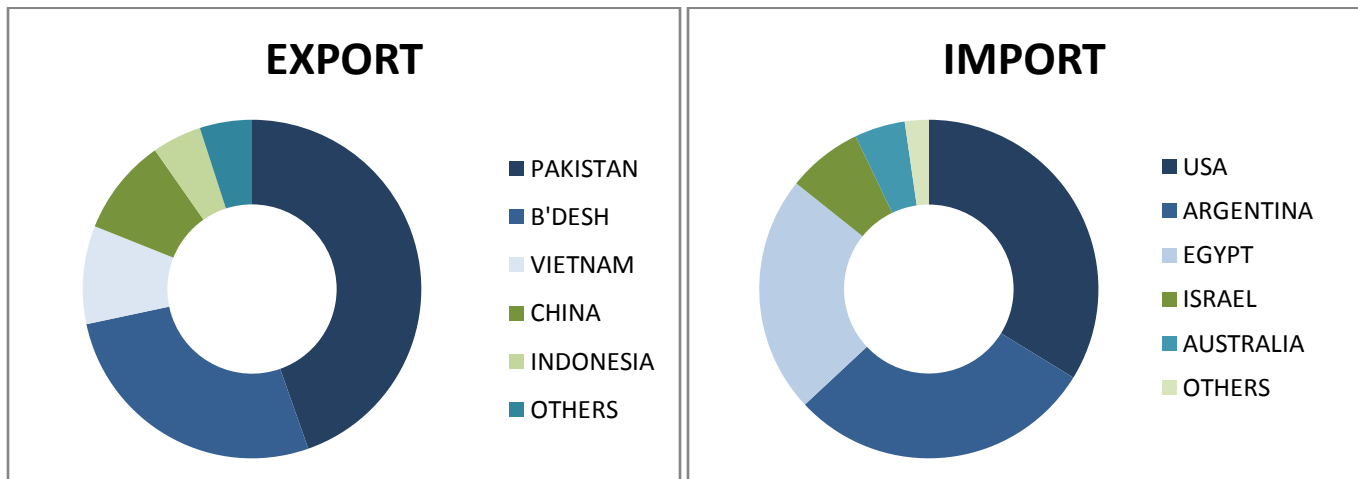
India exported 3.37 lakh bales of cotton last week (30 Nov-06 Dec 2015), which was 4.00 lakh bales previous to last week (23 Nov-29 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.09 lakh bales last week, which was 0.084 lakh bales previous to last week.

Export/Import	30 Nov-06 Dec 2015	23 Nov-29 Nov 2015
Export (In lakh Bales)	3.37	4.0
Import (In lakh Bales)	0.09	0.08

Source: IBIS



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

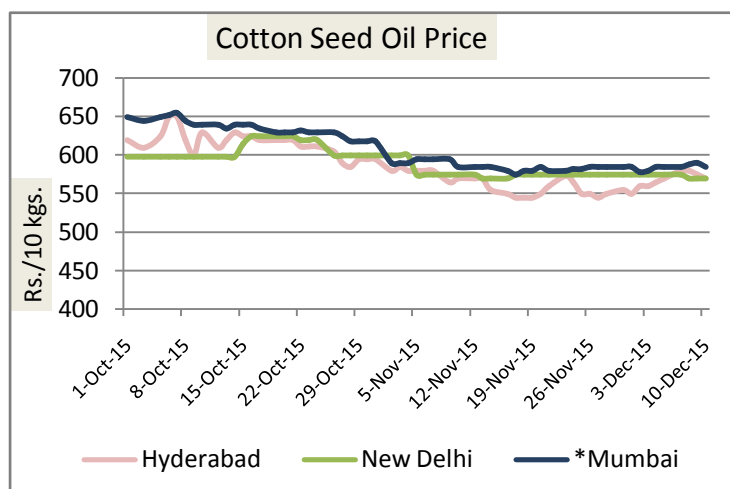


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price remained mostly steady to firm during the week. Weekly average price in New Delhi remained Rs 572 per 10 slightly lower 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
	10-Dec -15	03-Dec -15	
New Delhi	572	575	-0.52
Rajkot	588	583	0.86
Hyderabad	575	553	3.98
Mumbai*	587	583	0.69
<i>*Vat Included</i>			

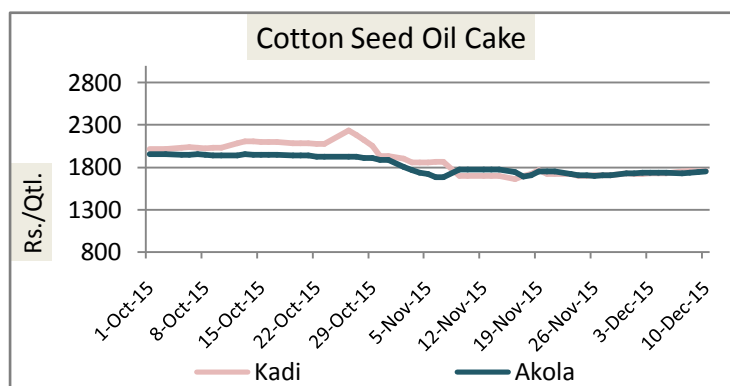


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained mainly firm during the week. Weekly average price in Akola remained Rs 1750 per quintal slightly firm when compared to the weekly average price of previous week which was Rs 1717 per quintal.

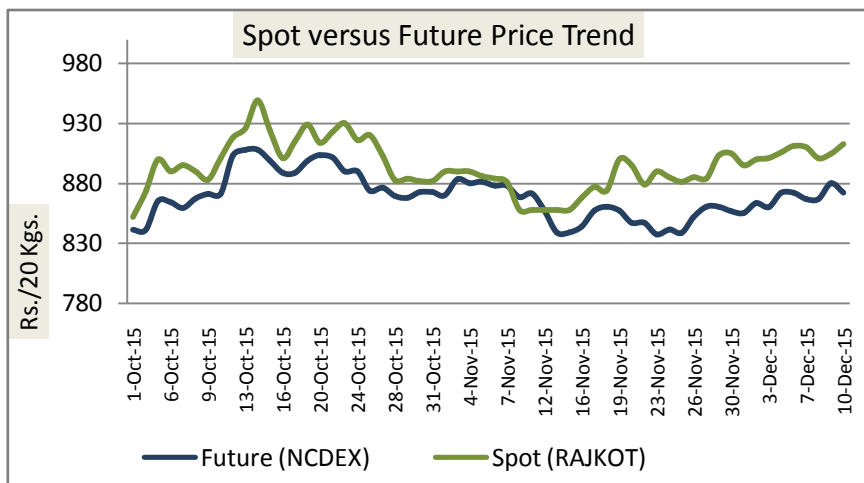
Centers	Weekly Average Price as on (Rs/quintal.)		% Change
	10-Dec -15	03-Dec -15	
New Delhi	1750	1717	1.92
Rajkot	1737	1723	0.81

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'16) closed at Rs872.5 as on 10 Dec 2015, as compared to 860 a week earlier and Rs 805 a year earlier. Average gap between the spot and future price during the week was Rs 36.



Technical Analysis of Kapas Future Prices at NCDEX(April'16 Contract)



Weekly Technical Outlook:

- Candlesticks denote overall bullish momentum in the market.
- RSI is moving towards over bought region.
- 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
Bullish Momentum	870-910

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
860	850	925	950

Figures in Rs/20 Kg

International Market Scenario

International cotton prices remained range bound to firm during the week. Cotlook A index weekly average stood at 71.15 cents/pound this week, which was 70.08 cents/pound during last week.

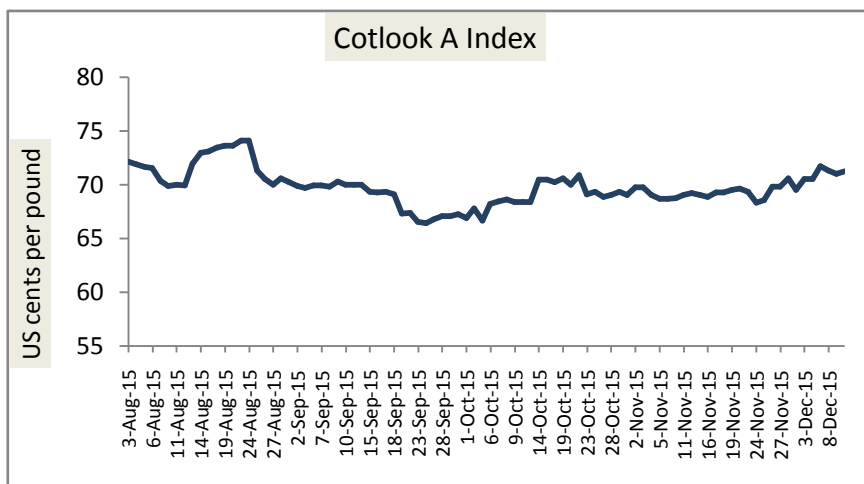
Major Market Highlights: Cotton prices are expected to surge in international market as the USDA has revised the export figures for the season 2015-16 upwards. According to USDA, cotton exports in the current season would be around 7.69 million tons, around 3% higher compared to the estimates of previous season. However the export would be on the lower side compared to the previous season, when it was 7.70 million tons, said USDA.

Cotton ending stocks during the season 2015-16 are expected to be around 22.72 million tons, around 1.6% lower compared to the estimates of previous month and around 7% lower compared to the ending stocks of 24.38 million tons in the season 2014-15, according to USDA.

Pakistan is likely to import around 435 thousand tons of cotton in 2015-16, more than double the amount it imported in 2014-15, which was 182 thousand tons. Reason for the same is fall in the production to 1.7 million tons in current season from 2.3 million tons previous season.

Cotlook A Index

Cotlook A index remained firm during the week following the firmness in the world cotton market. The cotton market is on the bullish note following the various factors including downward revision in the production figures by USDA, recovery in the export demand, delayed harvesting of USA cotton crop etc. Cotlook A Index remained 71.15 cents/pound this week, slightly higher when compared to 70.08 cents/pound a week earlier.



Cotlook A Index	Weekly Average Price as on		% Change
	10-Dec-15	03-Dec-15	
Prices	71.15	70.08	1.5
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

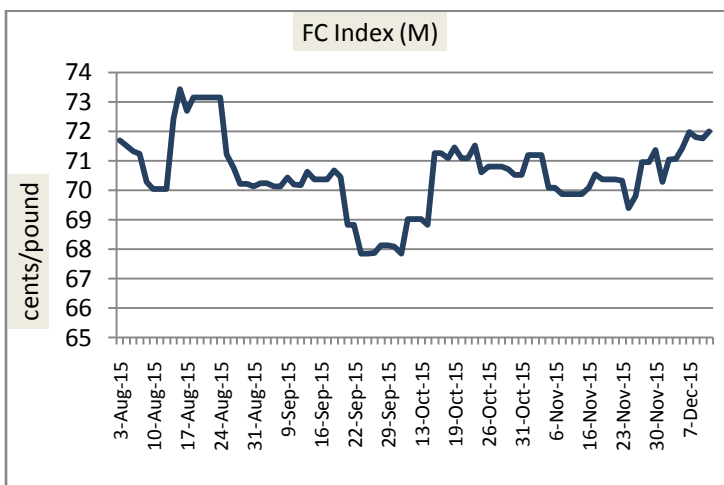
China cotton index remained firm during the week. FC Index (M) remained 71.79 cents/pound, as compared to 70.94 cents/pound a week earlier.

Cotton Index	Weekly Average Price as on		% Change
	10-Dec-15	03-Dec-15	
FC (S)	75.53	74.73	1.07
FC (M)	71.79	70.94	1.20
FC (L)	70.26	69.26	1.44
Prices in US cents per Pound			

USDA has revised the China cotton production estimates for the season 2015-16 at 5.29 million tons, 2.8% lower compared to the estimates of previous month and around 19% lower compared to the estimates of season 2014-15.

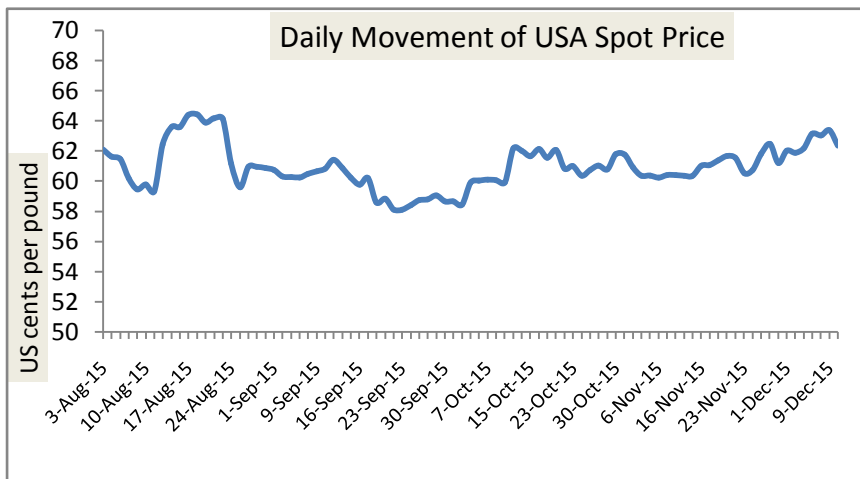
Cotton Index	Weekly Average Price as on		% Change
	10-Dec-15	03-Dec-15	
CCIndex(229)	13587	13598	-0.08
CCIndex(328)	12945	12960	-0.12
CCIndex(527)	11882	11876	0.05
Prices in US cents per Pound			

China is likely to import 1.197 million tons of cotton during 2015-16, around 4.40% lower compared to the estimates of previous season which were 1.25 million tons and around 33.6% lower compared to the imports of previous season which was 1.80 million tons.



USA Spot Prices

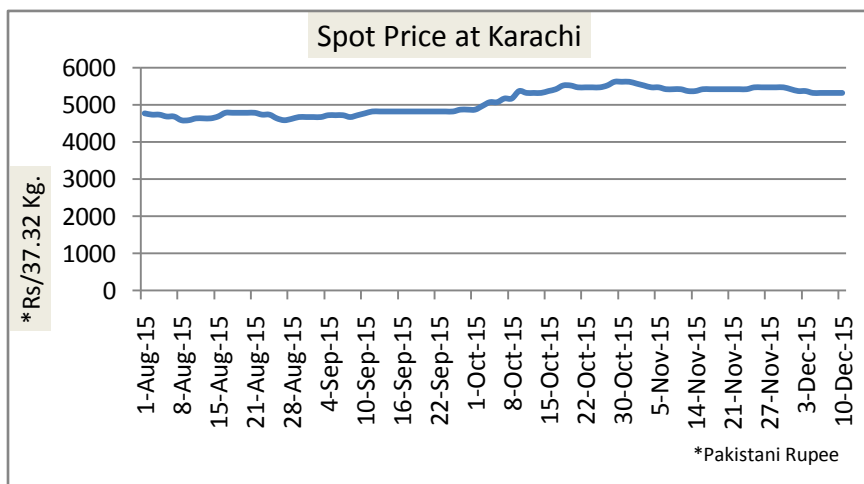
According to USDA latest report, USA cotton production would stand around 2.83 million tons, around 2% lower compared to the estimates of previous month i.e. 2.89 million tons and around 20% lower than the production of previous year i.e. 3.55 million tons. USA spot prices remained firm during the week. Weekly average price was 63 cents/pound slightly higher compared to 62 cents/pound a week earlier.



USA Spot Prices	Weekly Average Price as on		% Change
	10-Dec-15	03-Dec-15	
Prices	63	62	1.61
Prices in US cents per Pound			

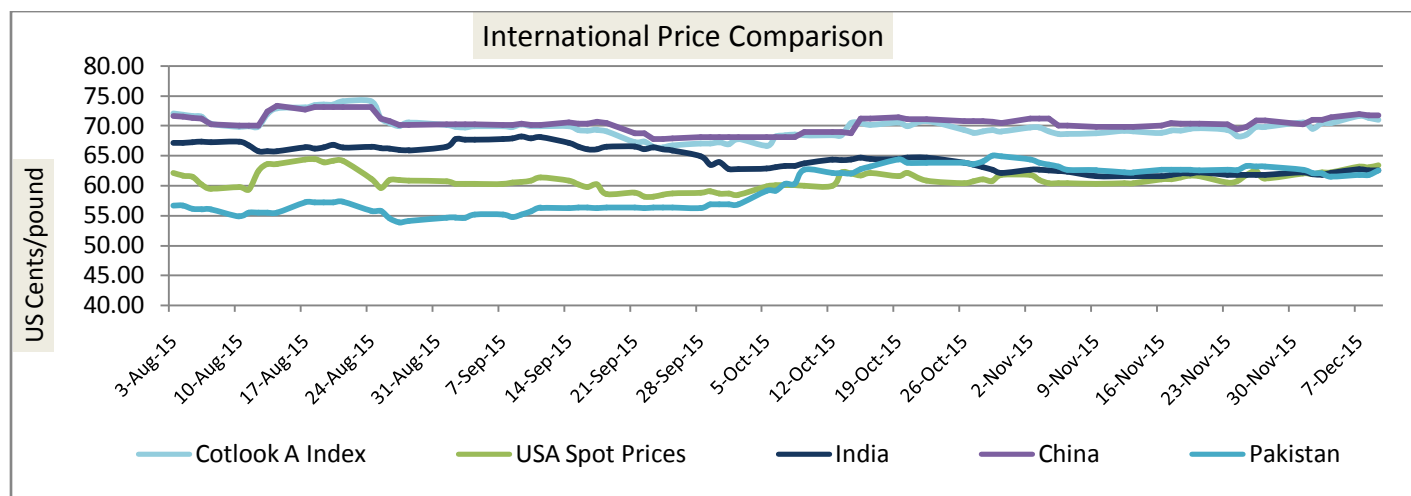
Pakistan Spot Prices

Pakistan cotton prices are falling due to the expectation of higher imports this season. Pakistan is likely to import around 435 thousand tons of cotton in 2015-16, more than double the amount it imported in 2014-15, which was 182 thousand tons. Reason for the same is fall in the production to 1.7 million tons in current season from 2.3 million tons previous season.



Karachi Spot Prices	Weekly Average Price as on		% Change
	10-Dec-15	03-Dec-15	
Prices	5445	5455	-0.18
Prices in US cents per Pound			

International Price Comparison



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



Weekly Technical Outlook:

- Candlesticks denote overall bullish momentum in the market.
- RSI is moving towards over bought region.
- 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	63.00-65.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
62.00	61.00	65.60	66.00

Figures in US cents per pound

Cotton Future Prices at ICE

Contracts	10-Nov-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-15	63.77	61.86	61.93	64.69	3.09	2.97	-1.42
Mar-16	64.55	63.95	61.99	--	0.94	4.13	--
May-16	65.2	64.62	62.75	--	0.90	3.90	--
Jul-16	64.64	65.04	63.19	--	-0.62	2.29	--
Oct-16	65.23	64.32	63.24	--	1.41	3.15	--
Dec-16	65.37	65.2	63.17	--	0.26	3.48	--

Domestic Cotton Prices and Arrivals at Key Centers

Centre	Variety	Weekly Average Prices as on		Change
		11th Dec 2015	04th Dec 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4130	4135	-5
Khandwa	Mech-1	4200	4115	85
Khargaon	Mech-1	4200	4115	85
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4590	4520	70
Rajkot	B.T. Cotton	4540	4510	30
Patan	B.T. Cotton	4450	4410	40
Deesa	B.T. Cotton	4400	4370	30
Dhrol	B.T. Cotton	4535	4485	50
Muktsar	B.T. Cotton	NA	NA	--
Fazilika	B.T. Cotton	NA	NA	--
Bhiwani	B.T. Cotton	4510	4515	-5
Adampur	B.T. Cotton	4375	4390	-15
Fatehabad	B.T. Cotton	4385	4400	-15
Dabwali	B.T. Cotton	4280	4295	-15
Jind	B.T. Cotton	4360	4455	-95
Uchana (Jind)	B.T. Cotton	4405	4435	-30
Rawatsar	B.T. Cotton	4260	4245	15
Hubli	B.T. Cotton	4565	4510	55
Hathras	B.T. Cotton	NA	NA	--
Hanumangarh	B.T. Cotton	4375	4405	-30
	Kapas			
Ahmedabad	Shankar-6	4525	4465	60
Gondal	Shankar-6	4510	4465	45
	Kapas			
Bhiwani	Desi	4510	4575	-65
Jamner (Jalgaon)	Medium Staple	4110	4175	-65
Hathras	Desi	NA	NA	--

Bijapur	Bunny	NA	NA	--
Hubli	D.C.H.	5645	5415	230
Raichur	H-44 Cotton	4435	4380	55
Guntur	Un-Ginned	NA	NA	--
Kurnool	Un-Ginned	NA	NA	--
Krishna	Un-Ginned	4100	4020	80
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs/Maund(of 37.32 Kg each)		--
Abohar	J-34	3450	3455	-5
Muktsar	J-34	NA	NA	--
Fazilika	J-34	NA	NA	--
Bhatinda	J-34	3465	3455	10
Sirsa	J-34	3415	3405	10
Mansa	J-34	3445	3445	Unch
Sri-Ganganagar	Kapas	4280	4300	-20

Cotton Association of India Spot Rates (Cotton Fiber Prices)

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy		Change
				10th Dec 2015	03rd Dec 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29570	29965	-395
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	30070	30465	-395
J-34(202)	26mm	3.5 - 4.9	23	31645	31515	130
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32015	31750	265
Shankar-6(105)	29mm	3.5 - 4.9	28	32815	32450	365
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32815	32715	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33685	33285	400
DCH-32(107)	34mm	3.0 - 3.8	33	45000	44865	135

State wise-summary of Weekly Prices

State	Prices 01-08 Dec 2015	Prices 24-30 Nov 2015	Prices 01-08 Dec 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4085.69	4095.23	4020.6	-0.23	1.62
Gujarat	4291.91	4232.53	3961.89	1.4	8.33
Haryana	4290.81	4287.12	3925.57	0.09	9.3
Karnataka	4617.57	4586	4303.36	0.69	7.3
Madhya Pradesh	4141.89	4139.26	3956.5	0.06	4.69
Maharashtra	4153.37	4146.35	4050.69	0.17	2.53
Orissa	4095.75	4101.09	4050	-0.13	1.13
Punjab	4343.42	4322.72	3945.74	0.48	10.08
Rajasthan	4320.99	4291.52	4159.17	0.69	3.89
Tamil Nadu	3757.96	3919.29	3920.81	-4.12	-4.15
Telangana	4009.45	4006.55	4012.23	0.07	-0.07
Uttar Pradesh	4275.1	4460.21	4307.45	-4.15	-0.75
Average	4198.66	4215.66	4051.17		

Source: Agmarknet
Cotton Weekly Cumulative Arrivals:

Centre	Variety	Weekly Total Arrivals (Qtl)		Change
		05th Dec to 11th Dec 2015	28th Nov to 04th Dec 2015	
Amravati	Mech-1	13400	120100	-106700
Khandwa	Mech-1	10000	17500	-7500
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	24180	520000	-495820
Rajkot	B.T. Cotton	550000	24310	525690
Patan	B.T. Cotton	108177	124753	-16576
Deesa	B.T. Cotton	10900	20200	-9300
Fazilika	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	3516	3958	-442
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	33000	47000	-14000
Adampur	B.T. Cotton	5270	5610	-340
Fatehabad	B.T. Cotton	8000	8500	-500
Dabwali	B.T. Cotton	6950	9665	-2715
Jind	B.T. Cotton	1369	1902	-533
Uchana (Jind)	B.T. Cotton	12500	11800	700
Rawatsar (Hanumangarh)	B.T. Cotton	9000	6500	2500
Hubli	B.T. Cotton	442	518	-76
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	16000	16000	Unch
Ahmedabad	Shankar-6	438600	385900	52700
Gondal	Shankar-6	28647	26698	1949
Bhiwani	Desi	3100	2500	600
Jamner (Jalgaon)	Medium Staple	220	1046	-826
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	320	188	132
Raichur	H-44 Cotton	6726	3254	3472
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	7310	5950	1360

Bhatinda	J-34	51000	26860	24140
Sirsa	J-34	13940	10710	3230
Mansa	J-34	4590	4590	Unch
Sri-Ganganagar	Kapas	5400	3600	1800

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