Current Market Outlook

Domestic Weekly Price Scenario: Cotton prices witnessed weak sentiments during the week following the dull overseas and domestic demand.

Average price of Kapas at Rajkot during the week was Rs. 4760 per quintal, which stood at Rs 4815 previous week. Average price of Lint at Sirsa during the week was Rs. 3480 per maund (of 37.32 Kg each), which stood at Rs 3530 previous week. Cotton fiber (Shankar-6) prices too remained weak this week. Average price was Rs 33335 per candy (of 355.6 kg each) during the week, which was Rs 33750 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) remained dull this week and closed at Rs. 774 per maund (of 20 kg each) which was Rs 784.5 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. 4650-4800 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3400-3550 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 750-790 per maund (of 20 kg each).

Major Market Highlights: Total cotton arrival till January 27 this season remained 144.07 lakh bales (of 170 Kg each), around 30% lower as compared to 206.76 lakh bales previous season during the same period, according to Cotton Corporation of India.

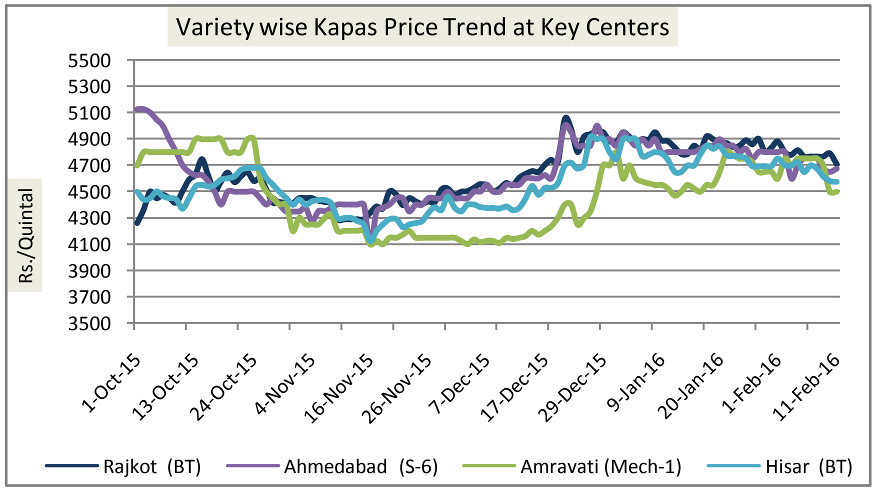
According to the industry sources, Cotton Corporation of India (CCI) has auctioned most of its stocks it procured under MSP operation in 2015-14 and currently it is holding 25000 bales (of 170 Kg each) of cotton.

India exported around 988 lakh Kg of cotton yarn in December 2015 which was distributed in 76 countries. The value of the volume was USD 26.60 crores (approx Rs. 1760 crores). During December, China stood as major cotton yarn export destination of India.

Cotton exports from India are likely to stand around 21.27% higher at 70 lakh bales this season that is 2015-16 compared to 57.72 lakh bales previous season, according to the Textile Commissioner. The rise in exports is basically due to the drastic rise in cotton imports by Pakistan following the crop damage in the Punjab region of the country. Around 16.60 lakh bales of cotton has been imported by Pakistan so far in the current season as compared to the 3.79 lakh bales in the entire season of 2014-15.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario



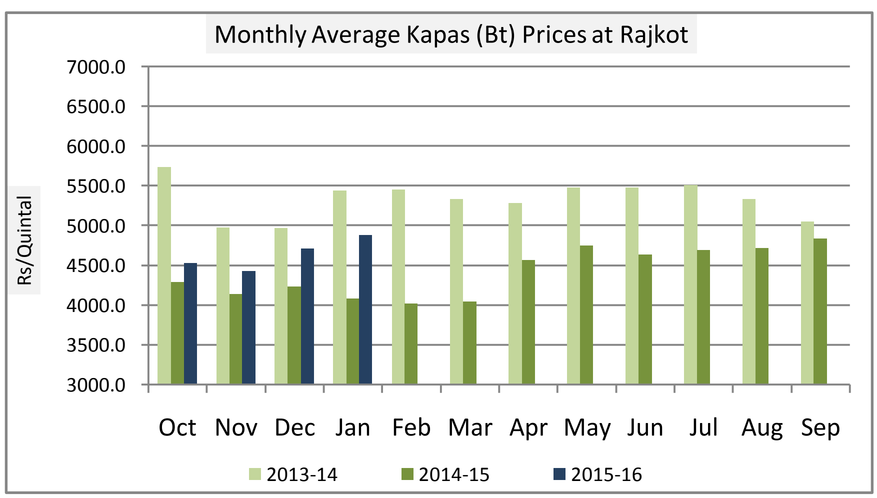
Weekly Price Review: Kapas price remained dull during the week due to the weak domestic and overseas demand. Weekly average price of Kapas at Rajkot remained Rs. 4760 per quintal, fairly lower as compared to previous week price of Rs. 4815 per quintal.

Cotton Association of India has further slashed the cotton production estimates for the season 2015-16 to 357 lakh bales. In its October estimates the Association kept the production figures at 370 lakh bales and later it revised the same to 362 lakh bales in November. According to the latest estimates the output would be around 357 lakh bales, 25.5 lakh bales or 6% lower compared to the production figures of previous year which was 382.5 lakh bales.

Cotton production in Gujarat is likely to be around 99.5 lakh bales in 2015-16, around 8% lower compared to production of 108 lakh bales in previous season, according to Cotton Association of India (CAI).

Weekly Price Outlook: Kapas prices are expected to remain range-bound in coming days. The expected range for Kapas at Rajkot is Rs 4650-4800 per quintal.

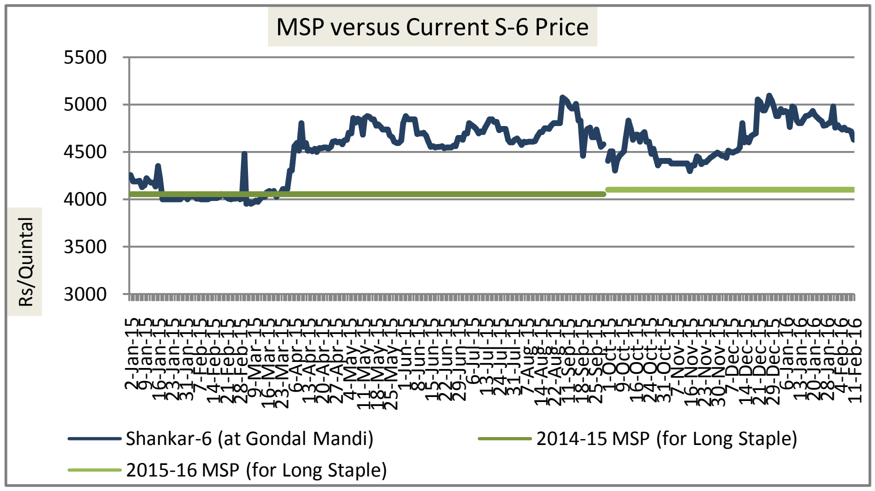
Kapas Monthly Y-o-Y Price Scenario



Kapas (seed cotton) prices in country noticed firm momentum during the January month following the strong overseas demand and diminishing arrivals, which has created the supply lag in the market. The cotton price remained strong during January compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Spot Price versus MSP

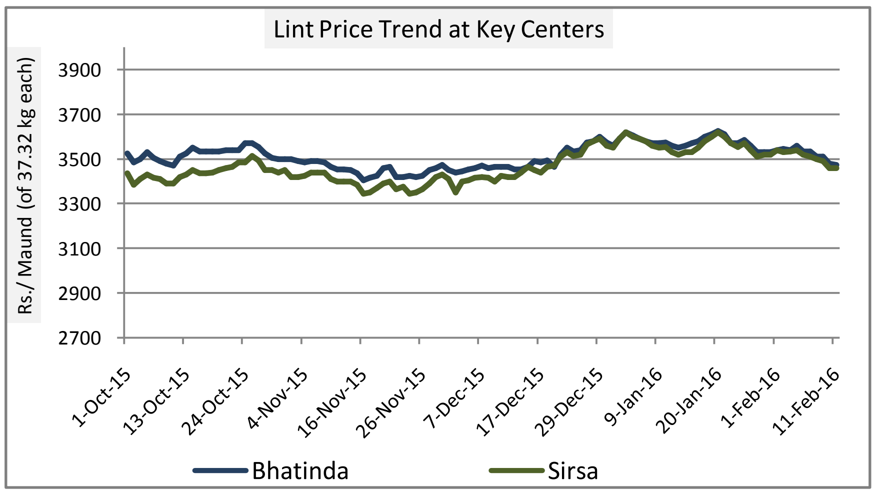
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been narrowed this week due to the weaker prices. The average gap between the prices was Rs 615 this week compared to Rs 700 a week earlier. This indicates prices are in the downtrend movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

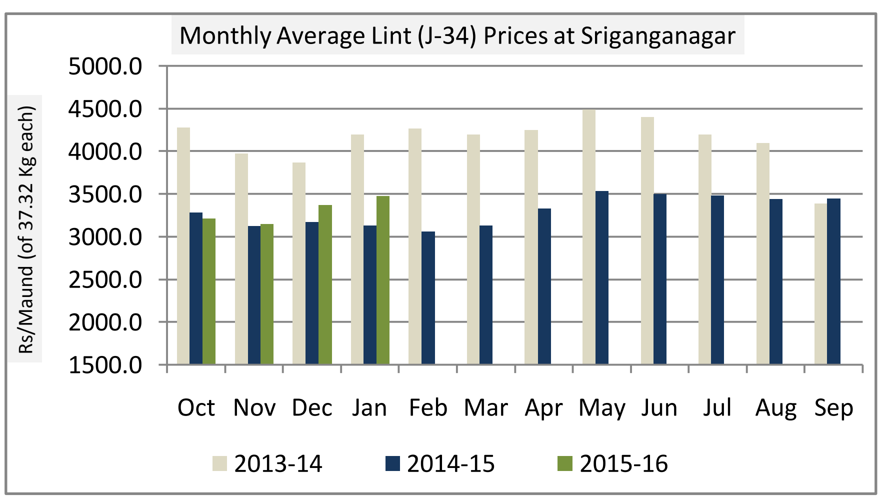
Weekly Price Review: Due to the weakness in the raw cotton prices, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 3480 per maund of 37.32 kg each compared to previous week price of Rs. 3530 per maund.

Weekly Price Outlook: Lint prices are expected to remain sideways to weak as demand of fiber is expected to remain weak in the coming days. We expect Lint at Sirsa to remain in range of Rs. 3400-3550 per maund.



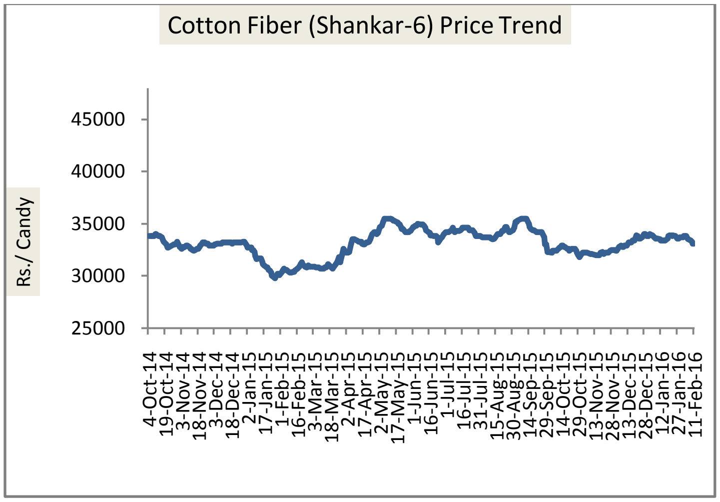
Lint Monthly Y-o-Y Price Scenario

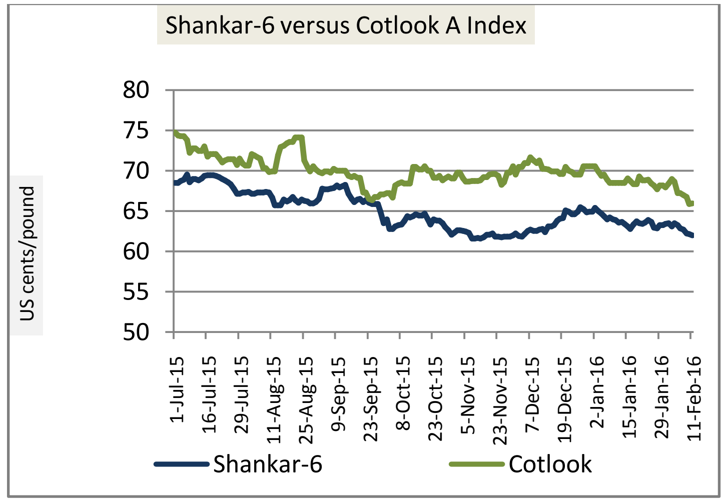
Following the firmness in Kapas prices, lint prices too remained strong during January compared to previous month and it remained firm compared to corresponding month last year also. In January this year, monthly average price of lint at Sri-Ganganagar remained Rs. 3475 per maund (of 37.32 Kg each), which was Rs 3375 last month and Rs 3128 during corresponding month previous year.



Cotton Fiber Weekly Price Scenario

Due to the weakness in Kapas prices due to the weaker demand, cotton fiber too moved southwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 33335 per candy (of 355.6 kg each) lower as compared to the prices of previous week which was Rs. 33750 per candy.



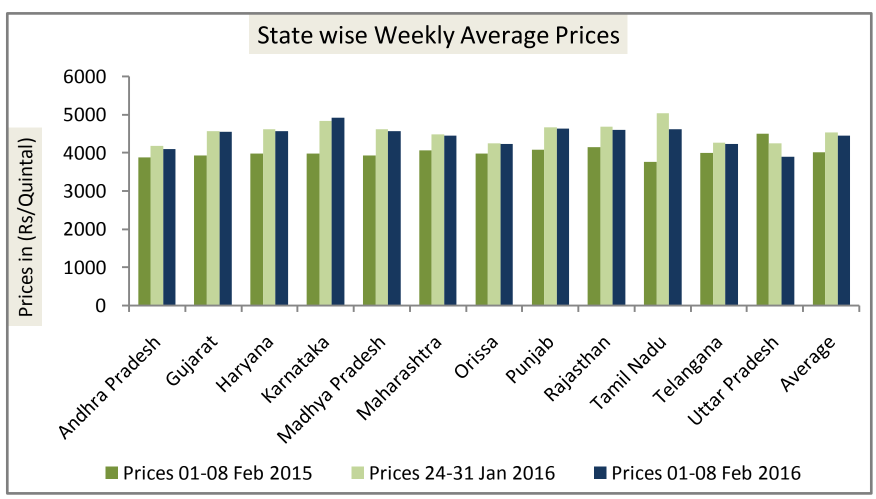


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 66.57 cents/pound, Indian weekly average price stood 62.55 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 33200-33700 per candy.

State wise Weekly Price Scenario

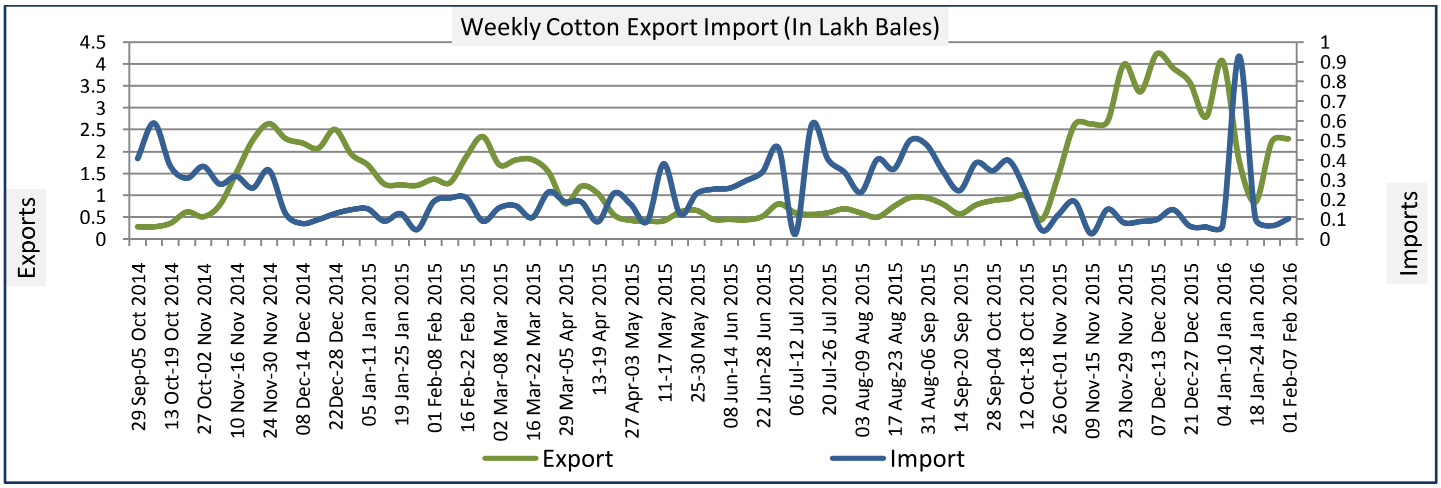
On week on week basis, prices are showing mostly weak trend in most of the States, highest price was recorded in Karnataka followed by Punjab this week and lowest was in Uttar Pradesh followed by Andhra Pradesh. On year on year basis, cotton prices are reflecting uptrend in all of the States, except Uttar Pradesh. Prices have been summarized in the table given in annexure.



Cotton Weekly Export and Import

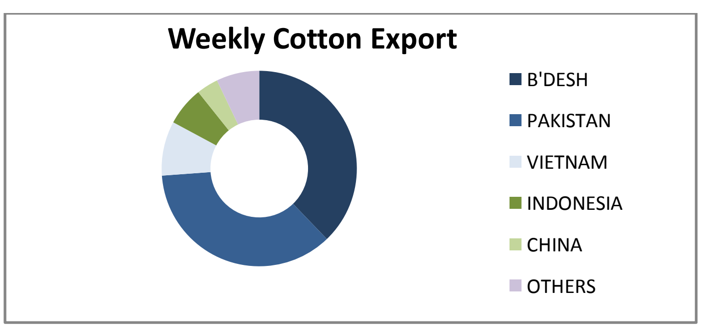
India exported 2.29 lakh bales of cotton last week (01 Feb-07 Feb 2016), which was 2.23 lakh bales previous to last week (25 Jan-31 Jan 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.104 lakh bales last week, which was 0.069 lakh bales previous to last week.

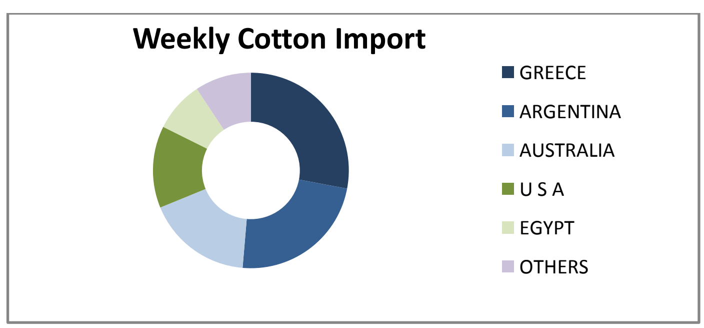
Export/Import	01 Feb-07 Feb 2016	25 Jan-31 Jan 2016
Export (In lakh Bales)	2.295	2.232
Import (In lakh Bales)	0.104	0.069
		Source: IBIS



Major importer of Indian cotton during the week was Bangladesh. According to the data released by IBIS, Bangladesh imported 0.87 lakh bales of cotton in the past week (01 Feb-07 Feb 2016). Other major importers were Pakistan, Vietnam, Indonesia and China and their imported volumes were 0.83 lakh bales, 0.21 lakh bales, 0.15 lakh bales and 0.08 lakh bales respectively.

India imported cotton from Greece, Argentina, Australia followed by USA and Egypt. The respective volumes these countries exported to India during the week are 0.029 lakh bales, 0.024 lakh bales, 0.018 lakh bales, 0.014 lakh bales, 0.009 Lakh Bales.





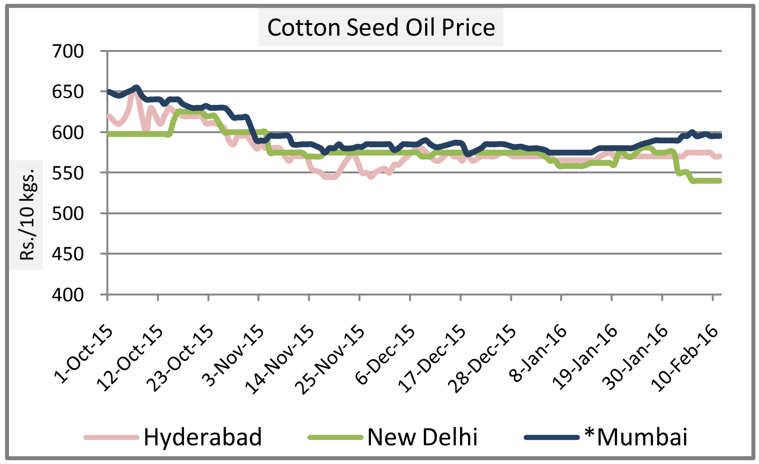
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price ruled with mixed sentiment during the week. Weekly average price in New Delhi remained Rs 540 per 10 Kg, relatively lower as compared to the weekly average price of Rs 563 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	11-Feb-16	04-Feb-16	
New Delhi	540	563	-4.09
Rajkot	572	574	-0.35
Hyderabad	573	571	0.35
Mumbai*	596	592	0.68

*Vat Included

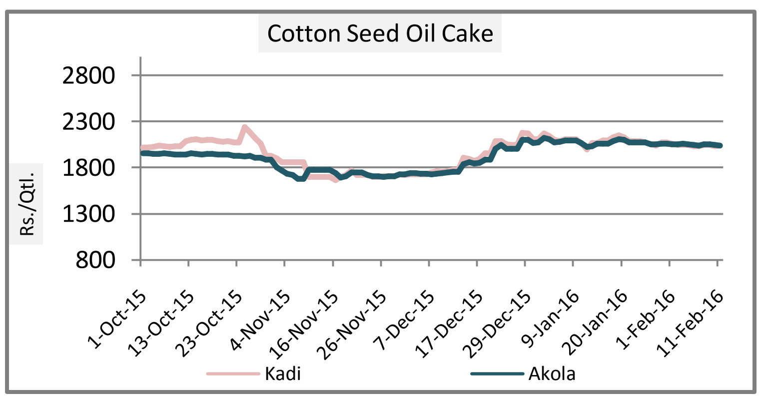


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained lackluster during the week. Weekly average price in Akola remained Rs 2044 per quintal, weaker compared to the weekly average price of previous week of Rs 2056 per quintal.

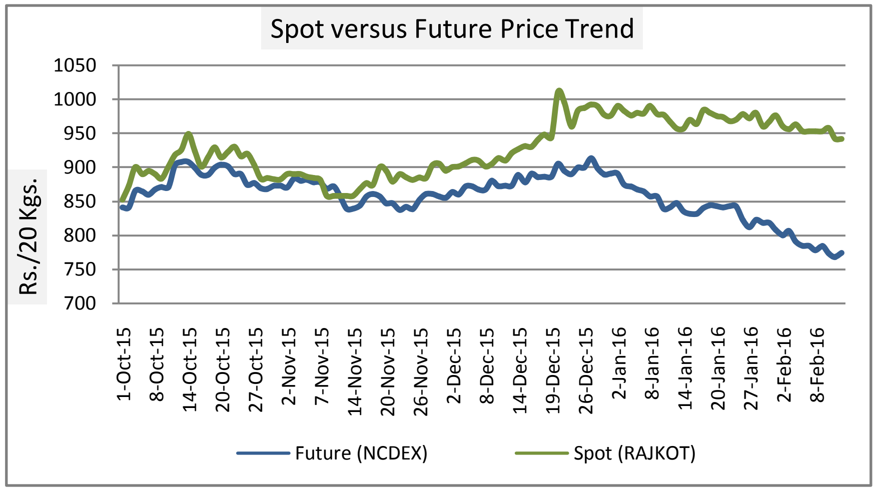
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	11-Feb-16	04-Feb-16	
Kadi	2038	2058	-0.97
Akola	2044	2056	-0.58

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed weaker this week. Kapas at NCDEX (April'16) closed at Rs 774 as on 12 Feb 2016, compared to 784.5 a week earlier and Rs 744.5 a year earlier. The gap between the spot and future prices is widening. Average gap between the spot and future price during the week was Rs.173 which was Rs 160 a week earlier.



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

Weekly Technical Outlook:

- Candlesticks denote bearish momentum in the market.
- RSI is moving towards over sold region.
- MACD centerline and signal line are showing negative movements.
- We expect cotton prices to remain range bound to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	750-790

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
735	725	800	815
Figures in Rs/20 Kg			

International Market Scenario

International cotton prices remained range bound to weak during the week. Cotlook A index weekly average stood at 66.57 cents/pound this week, which was 68.45 cents/pound during last week.

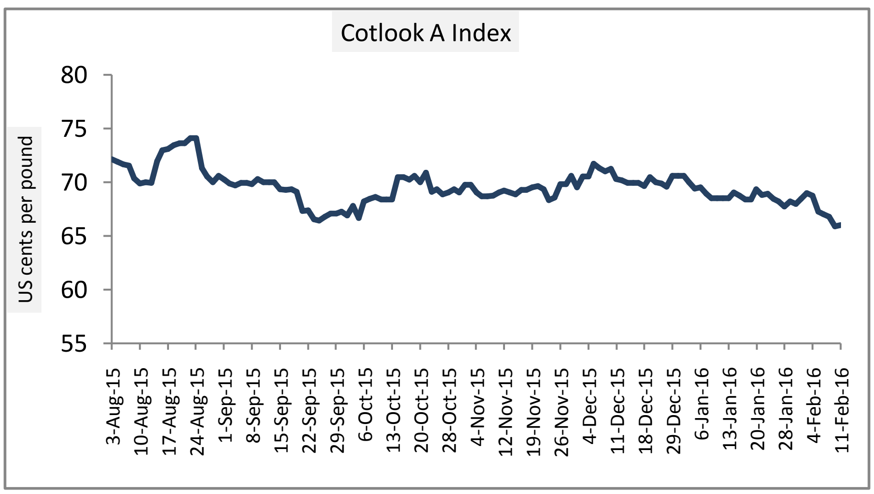
Major Market Highlights: According to the latest estimates by International cotton Advisory Committee (ICAC), cotton production on the global front during the season 2016-17 would be around 23.08 million tons, around 2.8% higher compared to the estimates of 22.46 million tons in the current season.

According to USDA latest report, World cotton production would be around 22.07 million tons in 2015-16, around 0.2% lower as compared to the estimates of previous month i.e. 22.11 million tons and around 15% lower than the production of previous year i.e. 25.94 million tons.

World cotton ending stock during the season 2015-16 is expected to be around 22.66 million tons, 1.2% higher compared to the estimates of previous month and around 7.2% lower compared to the ending stocks of 24.42 million tons in the season 2014-15, according to USDA.

Cotlook A Index

Cotlook A index remained range bound to weak during the week following the upward revision in the supply side by USDA.



Global cotton consumption is likely to be around 23.86 million tons in season 2015-16, which was estimated to be around 24.15 million tons a month earlier. In the earlier estimates by USDA, consumption was expected to rise but considering the current figures, cotton consumption would be standing around 0.6% lower compared to the previous season.

Cotlook A Index	Weekly Average Price as on		% Change
	11-Feb-16	04-Feb-16	
Prices	66.57	68.45	-2.7
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

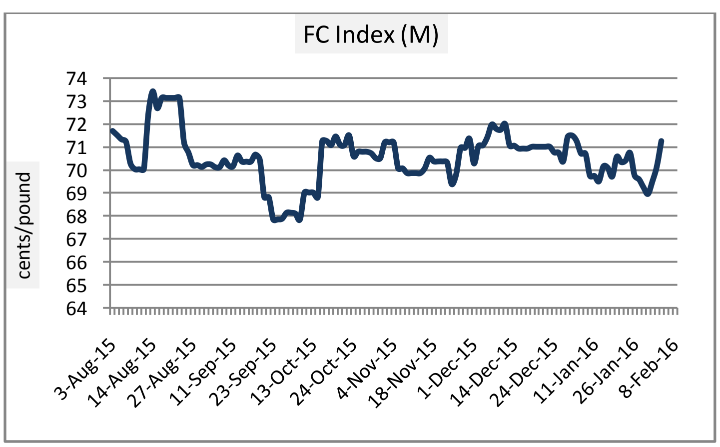
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports during previous season which were 1.80 million tons, according to USDA.

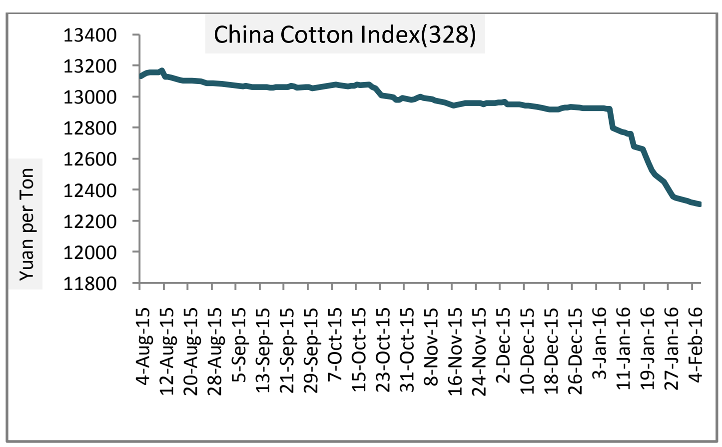
China cotton imports have moved to 9 years low, according the calculation of Reuters. The country imported 188,200 tons of cotton in December, around 28.85 per cent lower compared to the volume in the corresponding month of previous year. However till December the total volume for the calendar year stood at 1.48 million tons, the lowest level in last nine years, according to Reuters.

Cotton Index	Weekly Average Price as on		% Change
	11-Feb-16	04-Feb-16	
FC (S)	73.6	72.86	1.02
FC (M)	70.38	69.46	1.32
FC (L)	68.11	67.46	0.96
			Prices in US cents per Pound

China Index remained slightly weak during the week. CC Index (328) remained 12308 Yuan per ton during the week. Average was 12330 Yuan per ton during previous week.

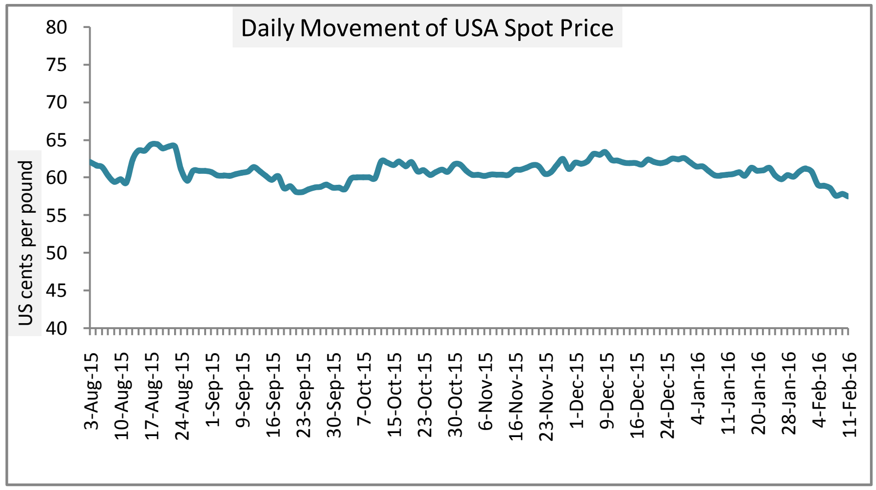
Cotton Index	Weekly Average Price as on		% Change
	11-Feb-16	04-Feb-16	
CCIndex(229)	12905	12927	-0.17
CCIndex(328)	12308	12330	-0.18
CCIndex(527)	11512	11538	-0.23
			Prices in Yuan per ton





USA Spot Prices

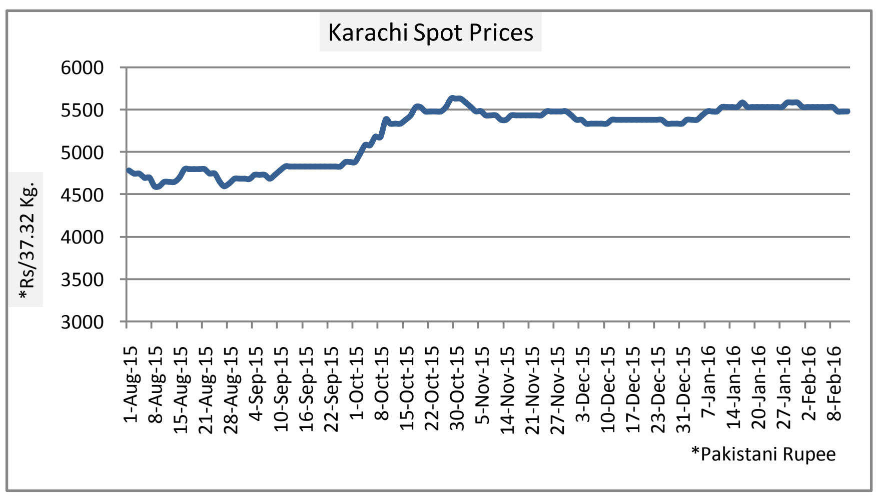
According to USDA latest report, USA cotton exports would stand around 2.07 million tons, around 5% lower compared to the estimates of previous month i.e. 2.18 million tons and around 15.5% lower than the exports of previous year i.e. 2.45 million tons. Following the lower exports expectation, the cotton prices in the region are moving weaker.



USA Spot Prices	Weekly Average Price as on		% Change
	11-Feb-16	04-Feb-16	
Prices	58.12	60.4	-3.77
Prices in US cents per Pound			

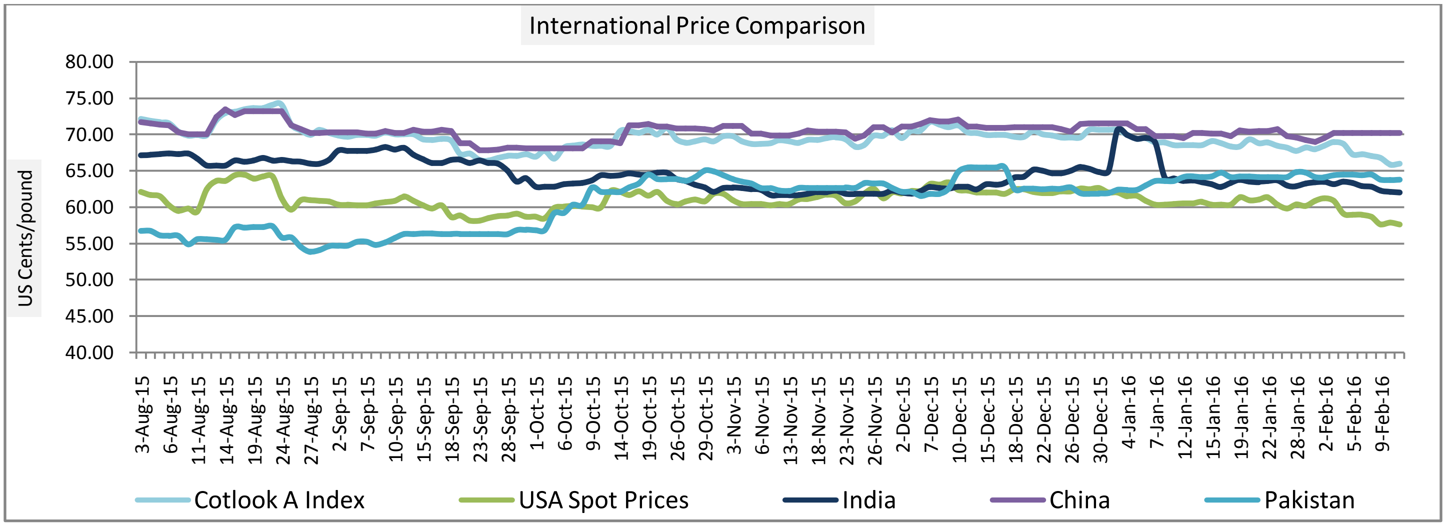
Pakistan Spot Prices

The government should not consider any proposal to relax duty and tax on the import of cotton from India, said the Pakistan Cotton Ginner Association (PGCA) as the same could hurt the domestic market by dumping of cheap raw material. It should be noted that government of Pakistan had imposed 10 per cent duty on imports of cotton yarn, grey and processed fabric specially coming from India which was effective from November 01, 2015.



Karachi Spot Prices	Weekly Average Price as on		% Change
	11-Feb-16	04-Feb-16	
Prices	5510	5550	-0.72
Prices in Rs per 37.32 Kg			

International Price Comparison



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

Weekly Technical Outlook:

- Candlesticks denote sideways to weak momentum in the prices.
- Volume and Open Interest are rising.
- We expect cotton prices to remain range bound to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	57.00-59.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
56.60	56.00	60.00	61.60
Figures in US cents/pound			

Cotton Future Prices at ICE

Contracts	11-Feb-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Mar-16	58.42	60.23	61.50	63.32	-3.01	-5.01	-7.74
May-16	58.71	60.70	61.96	--	-3.28	-5.25	--
Jul-16	59.31	61.27	62.64	--	-3.20	-5.32	--
Oct-16	59.15	60.91	62.29	--	-2.89	-5.04	--
Dec-16	59.58	61.26	62.76	--	-2.74	-5.07	--
Mar-17	60.52	62.17	64.9	--	-2.65	-6.75	--

Domestic Cotton Prices and Arrivals at Key Centers

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	6th to 12th Feb 2016	30th Jan to 5th Feb 2016	
Gujarat	Ahmedabad	Shankar-6	4695	4740	-45
	Gondal	Shankar-6	4695	4800	-105
	Rajkot	B.T. Cotton	4760	4815	-55
	Patan	B.T. Cotton	4705	4785	-80
	Kadi	B.T. Cotton	4640	4840	-200
	Deesa	B.T. Cotton	NA	4590	-
	Dhrol	B.T. Cotton	4755	4805	-50
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4805	4845	-40
	Bhiwani	Desi	4540	4655	-115
	Adampur	B.T. Cotton	4620	4705	-85
	Fatehabad	B.T. Cotton	4585	4655	-70
	Jind	B.T. Cotton	4735	4820	-85
	Uchana	B.T. Cotton	4690	4775	-85
	Dabwali	B.T. Cotton	4515	4600	-85
Rajasthan	Hanumangarh	B.T. Cotton	4615	4710	-95
	Rawatsar	B.T. Cotton	4490	4550	-60
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4610	4700	-90
	Jamner	Medium Staple	4550	4605	-55
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4300	4380	-80
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch

State	Centre	Variety	6th to 12th Feb 2016	30th Jan to 5th Feb 2016	Change
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	4700	4810	-110
	Hubli	B.T. Cotton	NA	4805	-
	Raichur	H-44 Cotton	4650	4750	-100

Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		
State	Centre	Variety	6th to 12th Feb 2016	30th Jan to 5th Feb 2016	Change
Punjab	Bhatinda	J-34	3500	3540	-40
	Abohar	J-34	3485	3545	-60
	Mansa	J-34	3485	3520	-35
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3480	3530	-50
Rajasthan	Sri-Ganganagar	J-34	4420	NA	-

Cotton Association of India Spot Rates (Cotton Fiber Prices)

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices as on		+/- Change
				11th Feb 2016	04th Feb 2016	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29415	30265	-850
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	29915	30765	-850
J-34(202)	26mm	3.5 - 4.9	23	32135	32515	-380
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	32485	33000	-515
Shankar-6(105)	29mm	3.5 – 4.9	28	33335	33750	-415
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34550	34900	-350
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36615	36450	165
DCH-32(107)	34mm	3.0 - 3.8	33	49200	49200	Unch

State wise-summary of Weekly Prices

State	Prices 01-08 Feb 2016	Prices 24-31 Jan 2016	Prices 01-08 Feb 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4089.9	4174.72	3879.49	-2.03	5.42
Gujarat	4545.01	4551.4	3925.82	-0.14	15.77
Haryana	4566.59	4613.17	3966.93	-1.01	15.12
Karnataka	4904.41	4832.73	3969.7	1.48	23.55
Madhya Pradesh	4554.77	4616.86	3924.36	-1.34	16.06
Maharashtra	4434.28	4467.7	4050.32	-0.75	9.48
Orissa	4218.68	4243.15	3969.43	-0.58	6.28
Punjab	4622.66	4661.48	4071.75	-0.83	13.53
Rajasthan	4597.87	4678.28	4141.34	-1.72	11.02
Tamil Nadu	4610.05	5029.01	3762.33	-8.33	22.53
Telangana	4230.06	4262.15	3988.3	-0.75	6.06

Uttar Pradesh	3893.33	4238.75	4491.98	-8.15	-13.33
Average	4438.97	4530.78	4011.81		

Source: Agmarknet

Cotton Weekly Cumulative Arrivals:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	**Centre**	**Variety**	**6th to 12th Feb 2016**	**30th Jan to 5th Feb 2016**	**Change**
	Ahmedabad	Shankar-6	343400	368900	-25500
	Gondal	Shankar-6	20652	24838	-4186
	Rajkot	B.T. Cotton	10400	22200	-11800
	Patan	B.T. Cotton	20507	35078	-14571
	Kadi	B.T. Cotton	360000	400000	-40000
	Deesa	B.T. Cotton	NA	1225	-
Gujarat	Dhrol	B.T. Cotton	3189	5024	-1835
	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	8500	11000	-2500
	Bhiwani	Desi	70	400	-330
	Adampur	B.T. Cotton	2338	1148	1190
	Fatehabad	B.T. Cotton	3400	4000	-600
	Jind	B.T. Cotton	672	2091	-1419
	Uchana	B.T. Cotton	3192	3470	-278
Haryana	Dabwali	B.T. Cotton	1390	1255	135
	Hanumangarh	B.T. Cotton	7800	7900	-100
Rajasthan	Rawatsar	B.T. Cotton	900	1060	-160
	Khandwa	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
	Amravati	Mech-1	8800	16000	-7200
Maharashtra	Jamner	M.Staple	172	128	44
	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	32864	47062	-14198
	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
Andhra Pradesh	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	86	98	-12
	Hubli	B.T. Cotton	NA	168	-
Karnataka	Raichur	H-44 Cotton	5451	5991	-540
Commodity	**Lint**		**Weekly Sum Arrivals (Quintal)**		
State	**Centre**	**Variety**	**6th to 12th Feb 2016**	**30th Jan to 5th Feb 2016**	**Change**

	Bhatinda	J-34	25840	26350	**-510**
	Abohar	J-34	4760	6205	**-1445**
Punjab	Mansa	J-34	2805	2805	**Unch**
Haryana	Sirsa	J-34	5780	9010	**-3230**
Rajasthan	Ganganagar	J-34	2000	NA	**-**