Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices remained firm during the week following the lagging supplies and recovery in overseas demand.

Average price of Kapas at Rajkot during the week was Rs. 4785 per quintal, which stood at Rs 4760 previous week. Average price of Lint at Sirsa during the week was Rs. 3520 per maund (of 37.32 Kg each), which stood at Rs 3480 previous week. Cotton fiber (Shankar-6) prices too remained firm this week. Average price was Rs 33415 per candy (of 355.6 kg each) during the week, which was Rs 33335 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) remained range bound this week and closed at Rs. 782 per maund (of 20 kg each) which was Rs 774 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound with the price band of Rs. 4725-4825 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3450-3550 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 760-800 per maund (of 20 kg each).

Major Market Highlights: The Foreign Agriculture Services (FAS), division of USDA has lowered the production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm in Gujarat.

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.

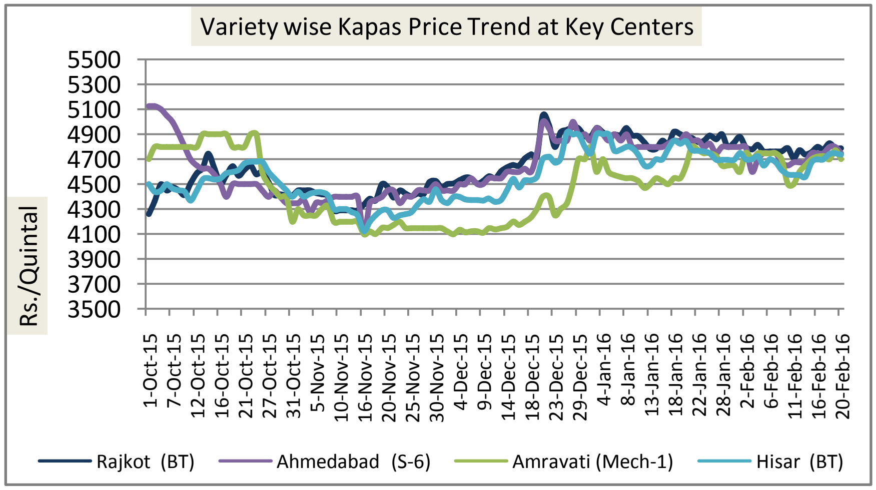
India exported around 988 lakh Kg of cotton yarn in December 2015 which was distributed in 76 countries. The value of the volume was USD 26.60 crores (approx Rs. 1760 crores). During December, China stood as major cotton yarn export destination of India.

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 firm during the week due to the strong domestic and overseas demand. Weekly average price of Kapas at Rajkot remained Rs. 4785 per quintal, fairly lower as compared to previous week price of Rs. 4760 per quintal.



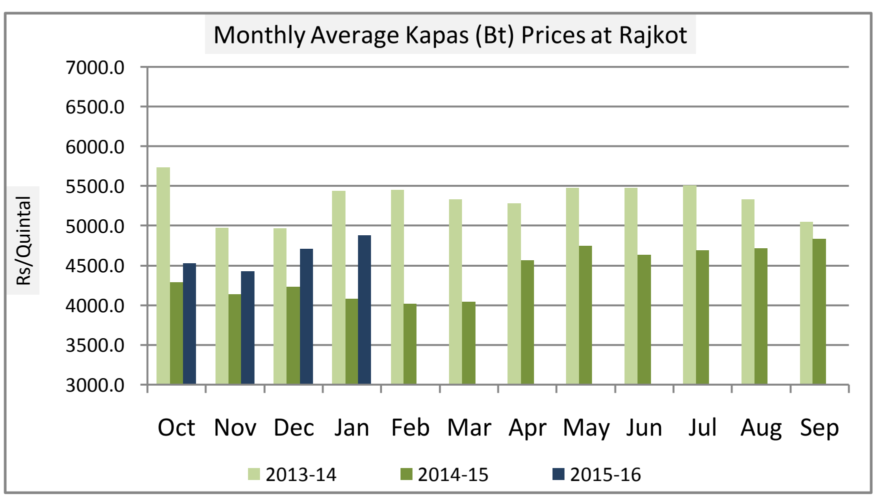
Cotton Association of India has further slashed the cotton production estimates for the season 2015-16 to 357 lakh bales. In its October estimates the Association kept the production figures at 370 lakh bales and later it revised the same to 362 lakh bales in November. According to the latest estimates 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 4725-4825 per quintal.

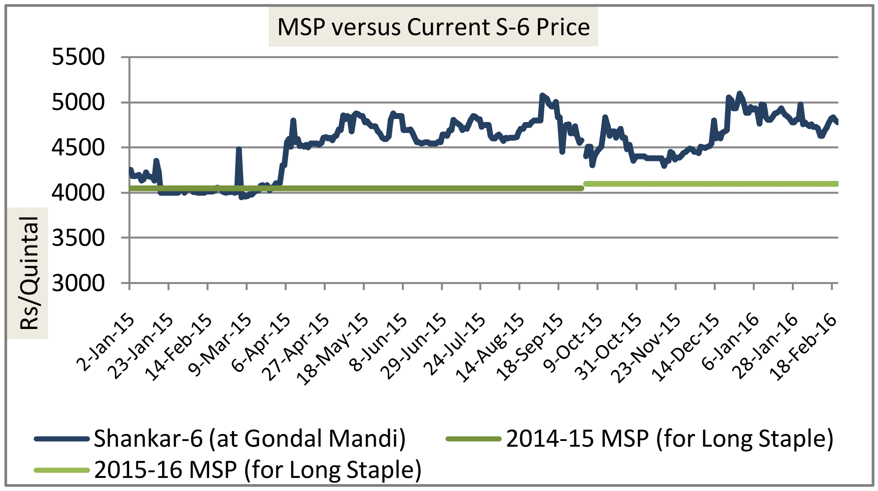
Kapas Monthly Y-o-Y Price Scenario

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

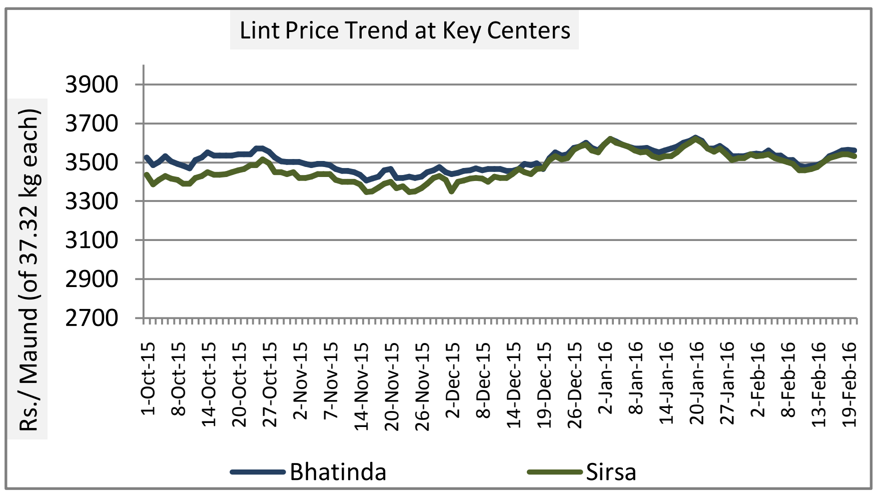
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been widened this week due to the stronger prices. The average gap between the prices was Rs 642 this week compared to Rs 615 a week earlier. This indicates prices are in the uptrend movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

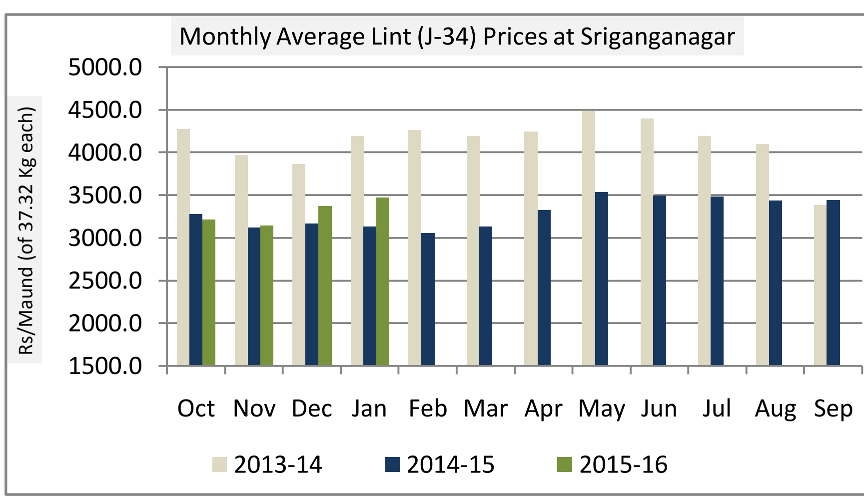
Weekly Price Review: Due to the firmness in the raw cotton prices, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3520 per maund of 37.32 kg each compared to previous week price of Rs. 3480 per maund.

Weekly Price Outlook: Lint prices are expected to remain range bound during the week. We expect Lint at Sirsa to remain in range of Rs. 3450-3550 per maund.



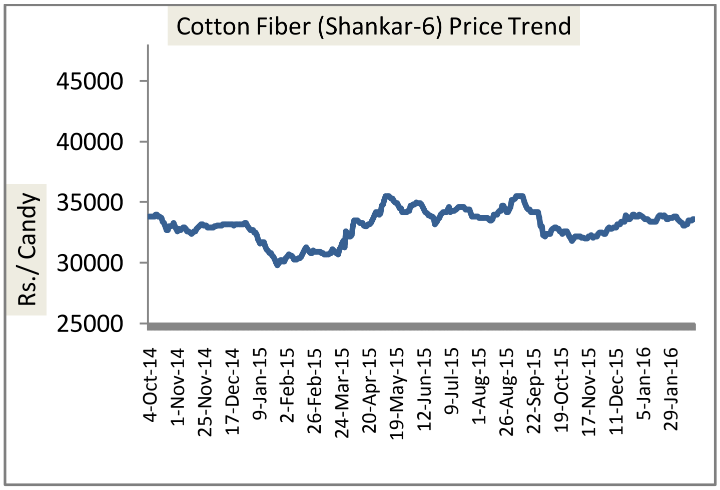
Lint Monthly Y-o-Y Price Scenario

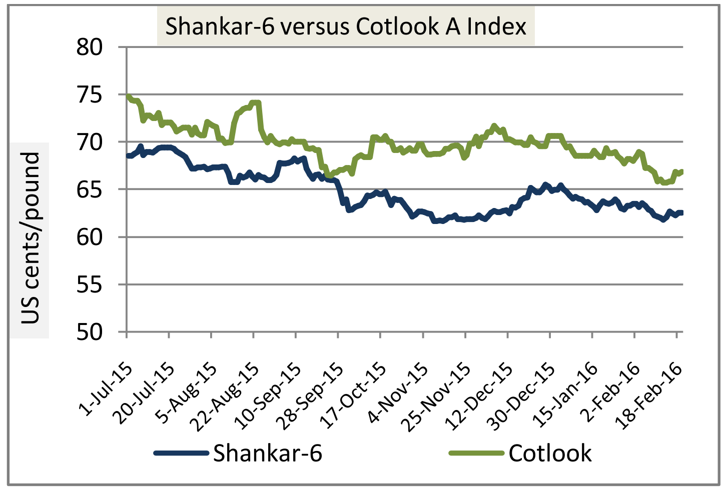
Following the firmness in Kapas prices, lint prices too remained strong during January compared to previous month and it remained firm compared to corresponding month last year also. In January this year, monthly average price of lint at Sri-Ganganagar remained Rs. 3475 per maund (of 37.32 Kg each),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



Cotton Fiber Weekly Price Scenario

Due to the firmness in Kapas prices following the strong demand and weaker supplies, cotton fiber too moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 33415 per candy (of 355.6 kg each) as compared to the prices of previous week which was Rs. 33335 per candy.



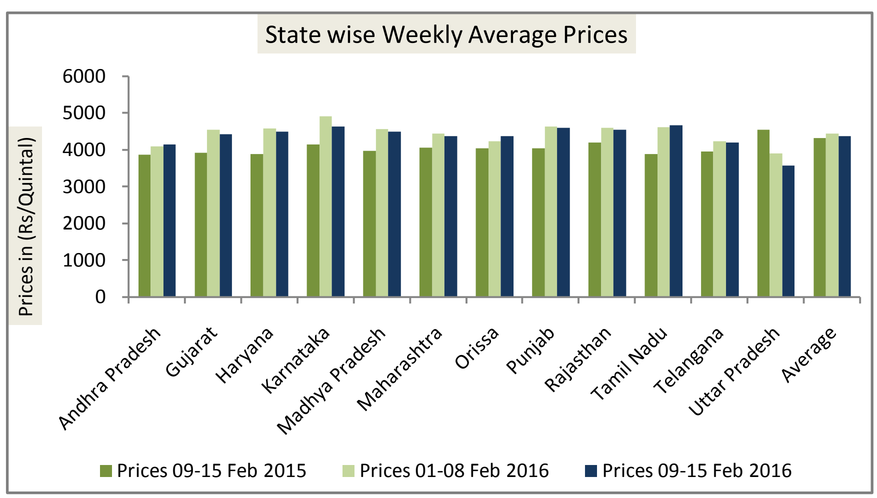


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 66.14 cents/pound, Indian weekly average price stood 62.28 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 33300-33500 per candy.

State wise Weekly Price Scenario

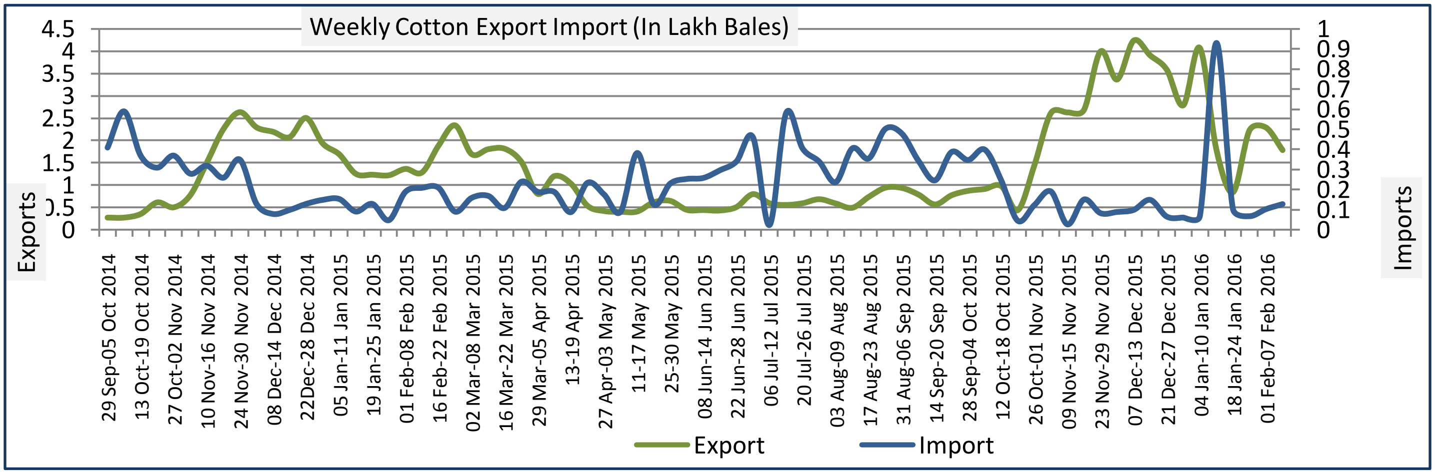
On week on week basis, prices are showing mostly weak trend in most of the States, highest price was recorded in Tamil Nadu followed by Karnataka this week and lowest was in Uttar Pradesh followed by Andhra Pradesh. On year on year basis, cotton prices are reflecting uptrend in all of the States, except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



Cotton Weekly Export and Import

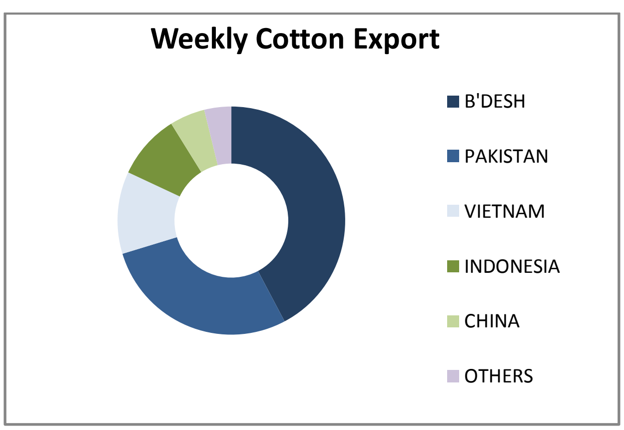
India exported 1.794 lakh bales of cotton last week (08 Feb-14 Feb 2016), which was 2.29 lakh bales previous to last week (01 Feb-07 Feb 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.129 lakh bales last week, which was 0.104 lakh bales previous to last week.

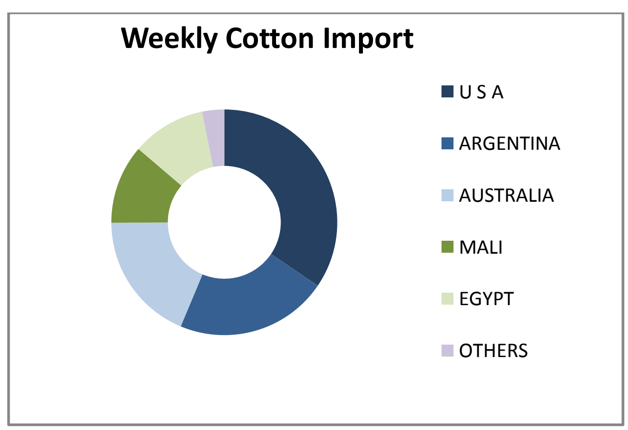
Export/Import	08 Feb-14 Feb 2016	01 Feb-07 Feb 2016
Export (In lakh Bales)	1.79	2.295
Import (In lakh Bales)	0.129	0.104
		Source: IBIS



Major importer of Indian cotton during the week was Bangladesh. According to the data released by IBIS, Bangladesh imported 0.76 lakh bales of cotton from India in the past week (08 Feb-14 Feb 2016). Other major importers were Pakistan, Vietnam, Indonesia and China and their imported volumes were 0.50 lakh bales, 0.21 lakh bales, 0.17 lakh bales and 0.09 lakh bales respectively.

India imported cotton from USA, Argentina, Australia followed by Mali and Egypt. The respective volumes these countries exported to India during the week are 0.045 lakh bales, 0.028 lakh bales, 0.024 lakh bales, 0.015 lakh bales, 0.014 Lakh Bales.





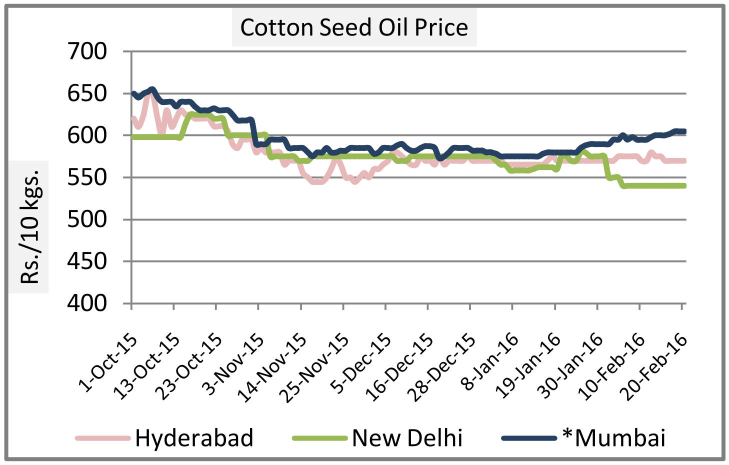
Cotton Seed Oil and Cotton Seed Oil Cake

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
	18-Feb-16	11-Feb-16	
New Delhi	540	540	0.00
Rajkot	575	572	0.52
Hyderabad	573	573	0.00
Mumbai*	601	596	0.84

*Vat Included

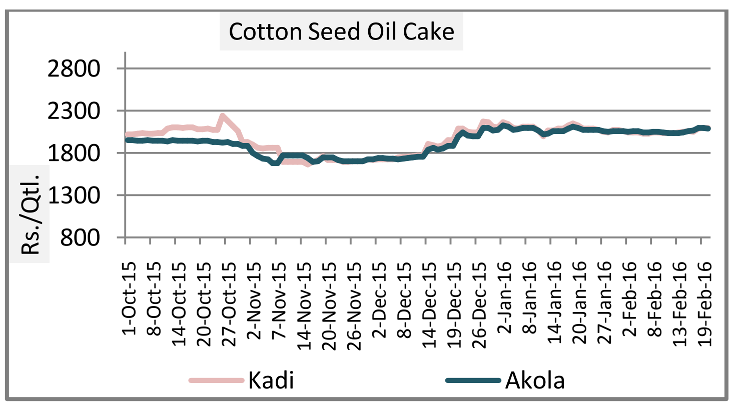


Cotton Seed Oil Cake Weekly Price Scenario

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.

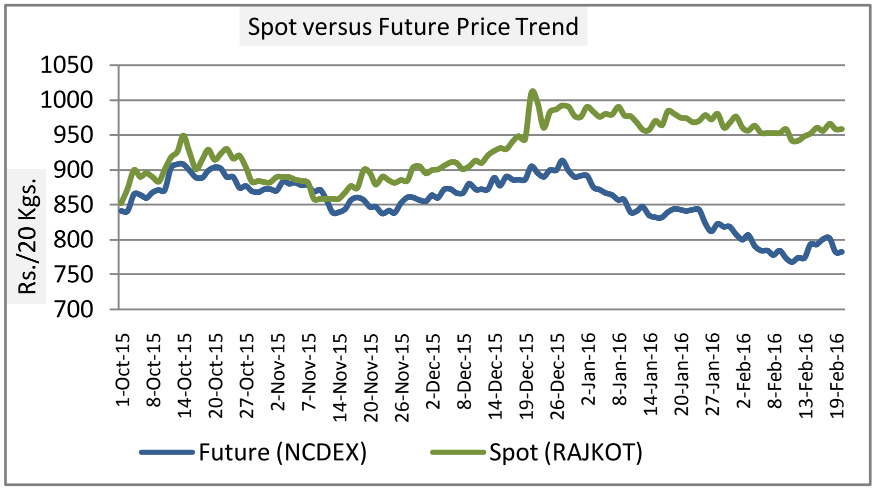
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	18-Feb-16	11-Feb-16	
Kadi	2055	2038	0.83
Akola	2057	2044	0.64

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed weaker this week. Kapas at NCDEX (April'16) closed at Rs 782 as on 18 Feb 2016, compared to 774 a week earlier and Rs 759 a year earlier. The gap between the spot and future prices has narrowed. Average gap between the spot and future price during the week was Rs.165 which was Rs 173 a week earlier.



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

Weekly Technical Outlook:

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

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound Momentum	760-800

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
750	735	815	825
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 66.14 cents/pound this week, which was 66.57 cents/pound during last week.

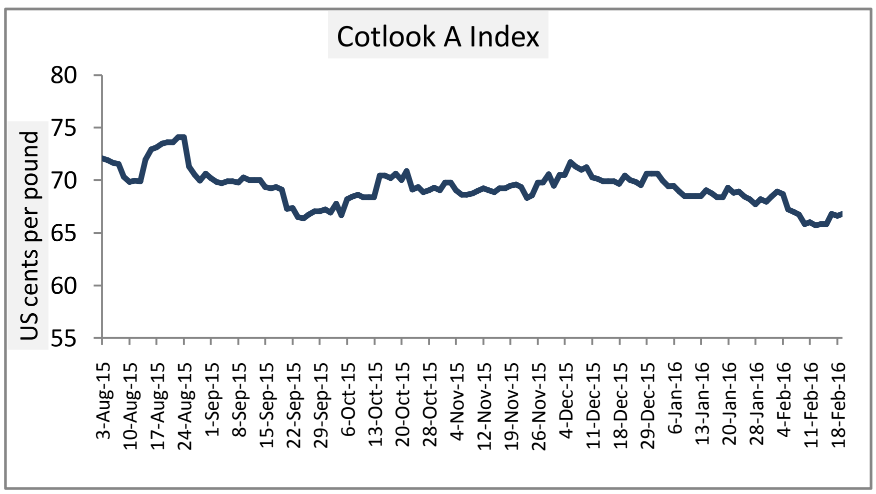
Major Market Highlights: According to the latest estimates by International cotton Advisory Committee (ICAC), cotton production on the global front during the season 2016-17 would be around 23.08 million tons, around 2.8% higher compared to the estimates of 22.46 million tons in the current season.

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
	18-Feb-16	11-Feb-16	
Prices	66.14	66.57	-0.6
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

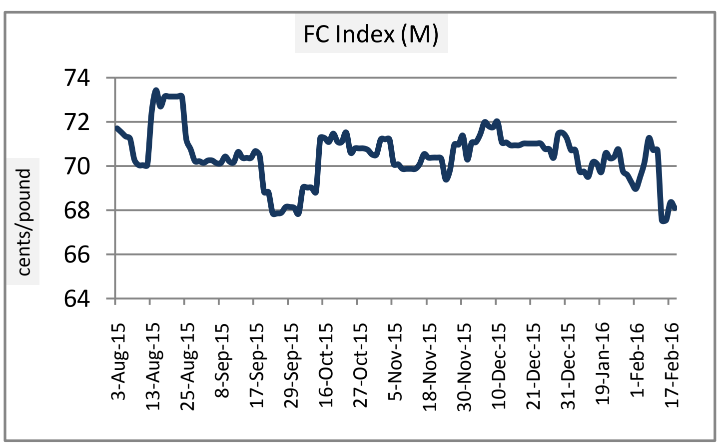
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports during previous season which were 1.80 million tons, according to USDA.

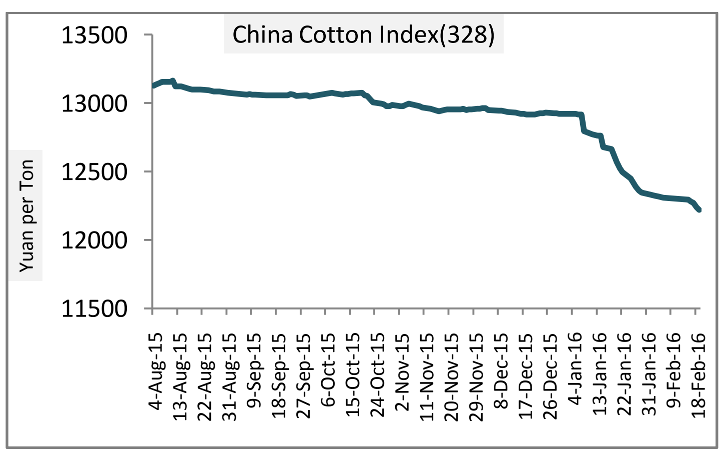
China cotton imports have moved to 9 years low, according the calculation of Reuters. The country imported 188,200 tons of cotton in December, around 28.85 per cent lower compared to the volume in the corresponding month of previous year. However till December the total volume for the calendar year stood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

Cotton Index	Weekly Average Price as on		% Change
	18-Feb-16	11-Feb-16	
FC (S)	70.6	73.6	-4.08
FC (M)	67.87	70.38	-3.57
FC (L)	65.84	68.11	-3.33
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.

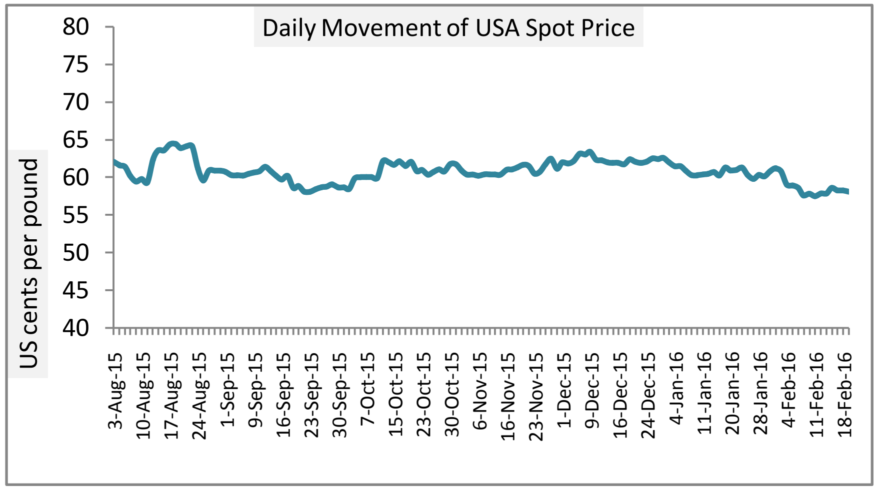
Cotton Index	Weekly Average Price as on		% Change
	18-Feb-16	11-Feb-16	
CCIndex(229)	12863	12905	-0.33
CCIndex(328)	12260	12308	-0.39
CCIndex(527)	11460	11512	-0.45
Prices in Yuan per ton			





USA Spot Prices

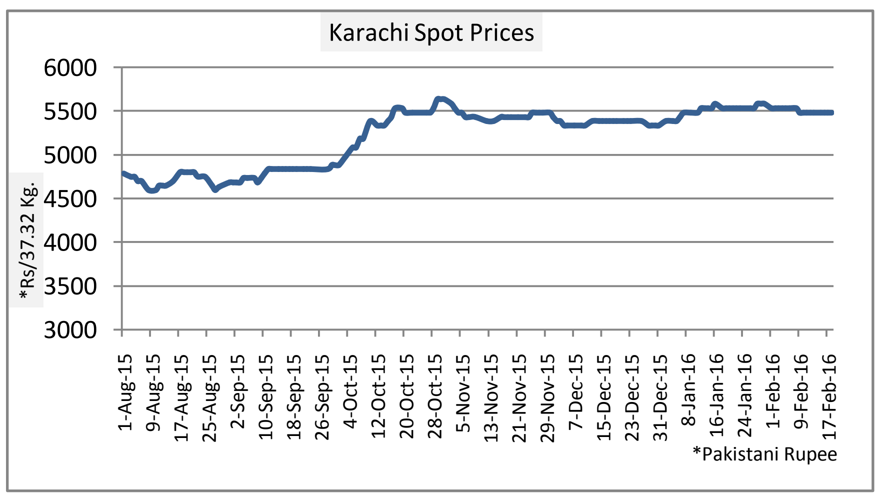
According to USDA latest report, USA cotton exports would stand around 2.07 million tons, around 5% lower compared to the estimates of previous month i.e. 2.18 million tons and around 15.5% lower than the exports of previous year i.e. 2.45 million tons. Following the lower exports expectation, the cotton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



USA Spot Prices	Weekly Average Price as on		% Change
	18-Feb-16	11-Feb-16	
Prices	58.2	58.12	0.14
			Prices in US cents per Pound

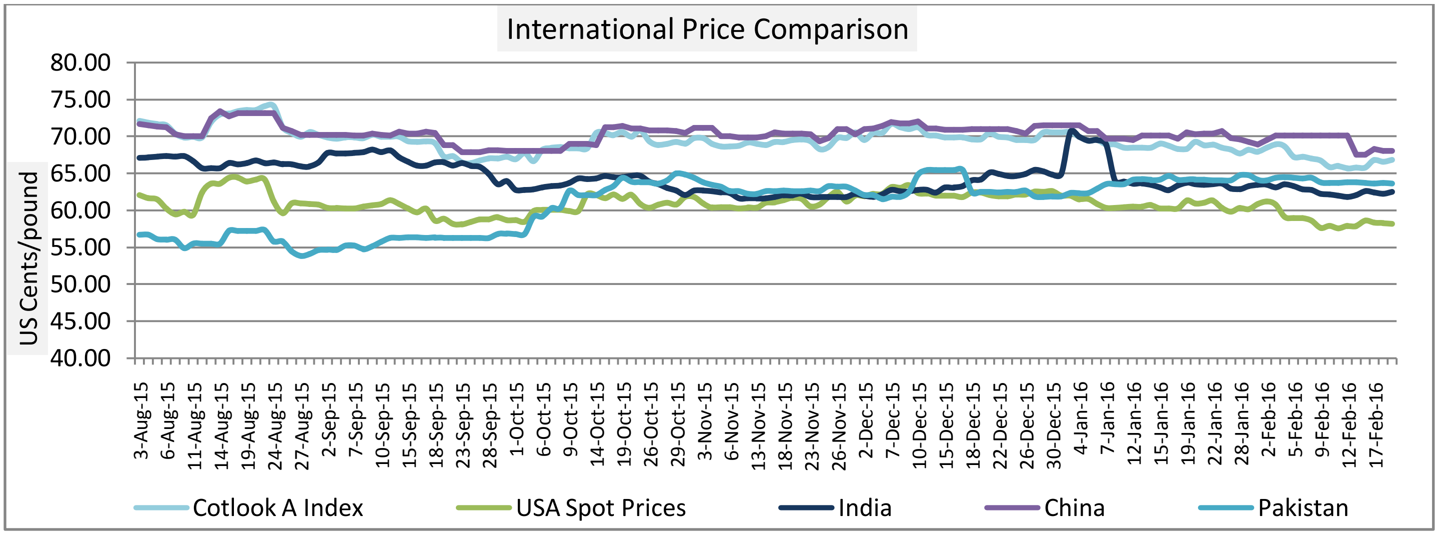
Pakistan Spot Prices

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.

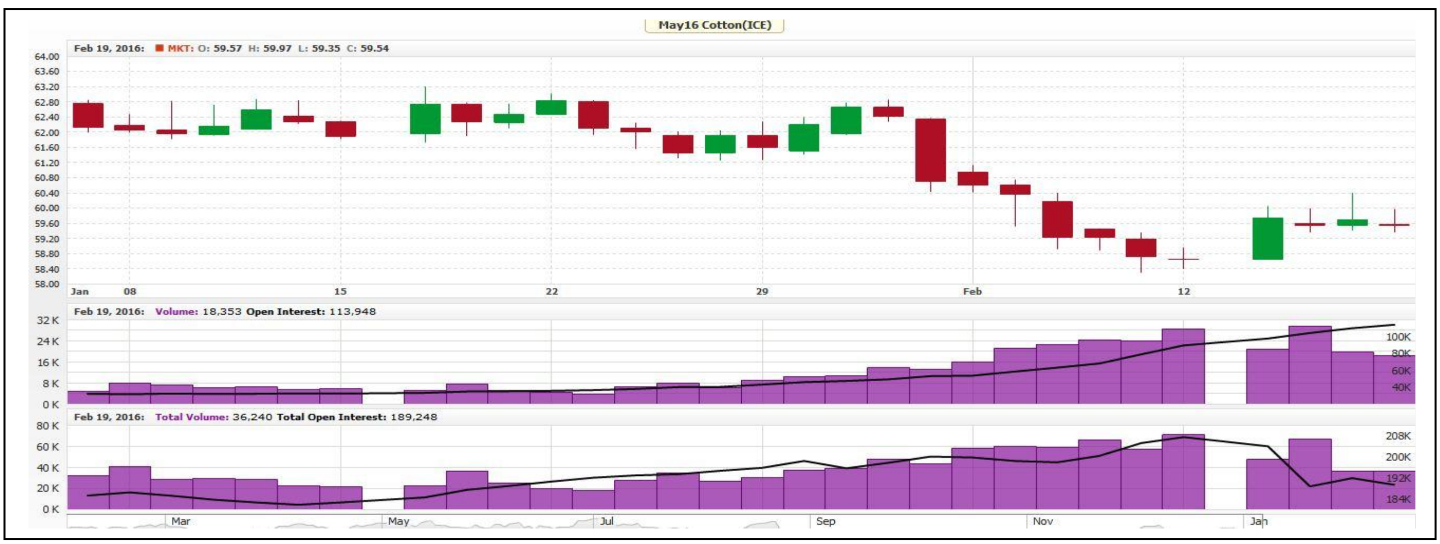


Karachi Spot Prices	Weekly Average Price as on		% Change
	18-Feb-16	11-Feb-16	
Prices	5485	5510	-0.45
			Prices in Rs per 37.32 Kg

International Price Comparison



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



Weekly Technical Outlook:

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

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound Momentum	58.40-60.80

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
58.00	57.20	61.40	62.60
Figures in US cents/pound			

Cotton Future Prices at ICE

Contracts	18-Feb-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Mar-16	60.01	58.9	62.47	64.84	1.88	-3.94	-7.45
May-16	59.54	58.64	62.74	--	1.53	-5.10	--
Jul-16	59.68	59.07	62.99	--	1.03	-5.25	--
Oct-16	59.07	58.82	62.3	--	0.43	-5.18	--
Dec-16	59.56	58.93	62.69	--	1.07	-4.99	--
Mar-17	60.11	59.82	--	--	0.48	--	--

Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	13th to 19th Feb 2016	6th to 12th Feb 2016	
Gujarat	Ahmedabad	Shankar-6	4755	4695	60
	Gondal	Shankar-6	4770	4695	75
	Rajkot	B.T. Cotton	4785	4760	25
	Patan	B.T. Cotton	4770	4705	65
	Kadi	B.T. Cotton	4705	4640	65
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4765	4755	10
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4880	4805	75
	Bhiwani	Desi	4660	4540	120
	Adampur	B.T. Cotton	4688	4620	68
	Fatehabad	B.T. Cotton	4675	4585	90
	Jind	B.T. Cotton	4740	4735	5
	Uchana	B.T. Cotton	4740	4690	50
	Dabwali	B.T. Cotton	4555	4515	40
Rajasthan	Hanumangarh	B.T. Cotton	4650	4615	35
	Rawatsar	B.T. Cotton	4555	4490	65
Madhya Pradesh	Khandwa	Mech-1	4650	NA	-
	Khargaon	Mech-1	4730	NA	-
Maharashtra	Amravati	Mech-1	4710	4610	100
	Jamner	M.Staple	4350	4550	-200
Uttar Pradesh	Hathras	B.T. Cotton	3775	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4300	4300	Unch

Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	NA	4100	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	4605	4700	-95
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4700	4650	50

Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	**Centre**	**Variety**	**13th to 19th Feb 2016**	**6th to 12th Feb 2016**	
Punjab	Bhatinda	J-34	3530	3500	30
	Abohar	J-34	3535	3485	50
	Mansa	J-34	3480	3485	-5
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3520	3480	40
Rajasthan	Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas	Weekly Sum Arrivals (Quintal)			Change
State	**Centre**	**Variety**	**13th to 19th Feb 2016**	**6th to 12th Feb 2016**	
Gujarat	Ahmedabad	Shankar-6	306000	343400	-37400
	Gondal	Shankar-6	15432	20652	-5220
	Rajkot	B.T. Cotton	16100	10400	5700
	Patan	B.T. Cotton	12179	20507	-8328
	Kadi	B.T. Cotton	310000	360000	-50000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4160	3189	971
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	8500	8500	Unch
	Bhiwani	Desi	500	70	430
	Adampur	B.T. Cotton	3655	2338	1318
	Fatehabad	B.T. Cotton	2050	3400	-1350
	Jind	B.T. Cotton	119	672	-553
	Uchana	B.T. Cotton	2404	3192	-788
	Dabwali	B.T. Cotton	595	1390	-795
Rajasthan	Hanumangarh	B.T. Cotton	5500	7800	-2300
	Rawatsar	B.T. Cotton	950	900	50
Madhya Pradesh	Khandwa	Mech-1	1500	NA	-
	Khargaon	Mech-1	7900	NA	-
Maharashtra	Amravati	Mech-1	8900	8800	100

	Jamner	Medium Staple	215	172	43
	Hathras	B.T. Cotton	250	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	22430	32864	-10434
	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.	176	86	90
	Hubli	B.T. Cotton	NA	NA	-
Karnataka	Raichur	H-44 Cotton	3891	5451	-1560

Commodity	**Lint**	**Weekly Sum Arrivals (Quintal)**			**Change**
State	**Centre**	**Variety**	**13th to 19th Feb 2016**	**6th to 12th Feb 2016**	
	Bhatinda	J-34	21250	25840	-4590
	Abohar	J-34	4845	4760	85
Punjab	Mansa	J-34	680	2805	-2125
Haryana	Sirsa	J-34	4420	5780	-1360
Rajasthan	Ganganagar	J-34	NA	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 09-15 Feb 2016	Prices 01-08 Feb 2016	Prices 09-15 Feb 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4131.93	4089.74	3866.08	1.03	6.88
Gujarat	4409.91	4543.73	3908.24	-2.95	12.84
Haryana	4493.52	4565.99	3872.47	-1.59	16.04
Karnataka	4622.91	4906.74	4133.18	-5.78	11.85
Madhya Pradesh	4482.85	4554.35	3968.39	-1.57	12.96
Maharashtra	4366.54	4430.38	4050	-1.44	7.82
Orissa	4371.75	4218.68	4043.28	3.63	8.12
Punjab	4585.76	4622.66	4027.23	-0.8	13.87
Rajasthan	4547.28	4598.82	4195.96	-1.12	8.37
Tamil Nadu	4662.57	4610.05	3880.6	1.14	20.15
Telangana	4189.21	4230.06	3952.78	-0.97	5.98
Uttar Pradesh	3562.5	3893.33	4541.33	-8.5	-21.55
Average	4368.89	4438.71	4314.58		
					Source: Agmarknet