

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices remained range bound during the week following the mixed sentiments in the market.

Average price of Kapas at Rajkot during the week was Rs. 4770 per quintal, which stood at Rs 4785 previous week. Average price of Lint at Sirsa during the week was Rs. 3520 per maund (of 37.32 Kg each), same as the previous week price of Rs 3520. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 33465 per candy (of 355.6 kg each) during the week, which was Rs 33415 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed higher this week at Rs. 797.5 per maund (of 20 kg each) which was Rs 782 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. 4750-4820 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3500-3570 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 780-820 per maund (of 20 kg each).

Major Market Highlights: Cotton production in India during the next season that is 2016-17, could reach around 370-380 lakh bales, said the Chairman, Cotton Corporation of India (CCI). He believes that if the weather condition remains normal, the cotton production in the next season would be higher even if the area remains same as current season. The cause of lower production in the country is crop loss due to the unfavorable weather conditions. According to Cotton Advisory Board (CAB), cotton output is likely to be around 352 lakh bales in the current season.

Pakistan Cotton Ginners Association has raised its concern over the cotton imports from India. PGCA has urged the government to suspend the cotton and cotton yarn imports from India. Due to the crop loss, Pakistan fulfilled its demand from India and emerged as the one of the major buyer of Indian cotton.

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.

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.

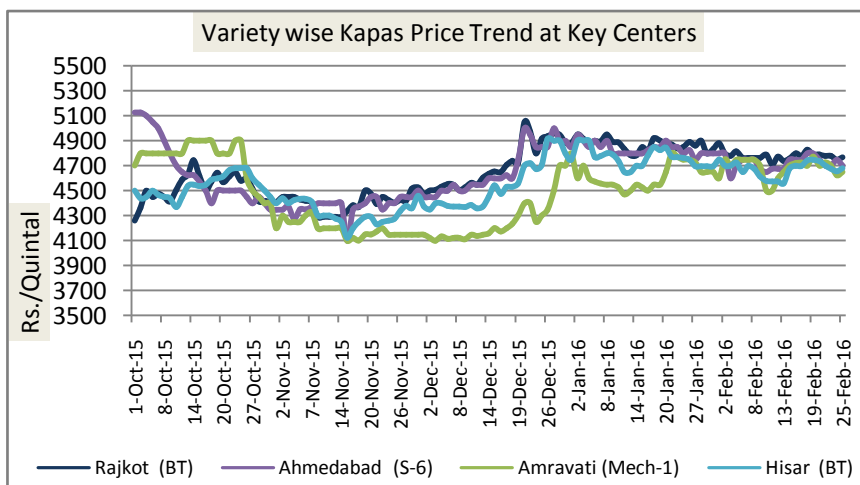
Domestic Cotton Prices Scenario

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.

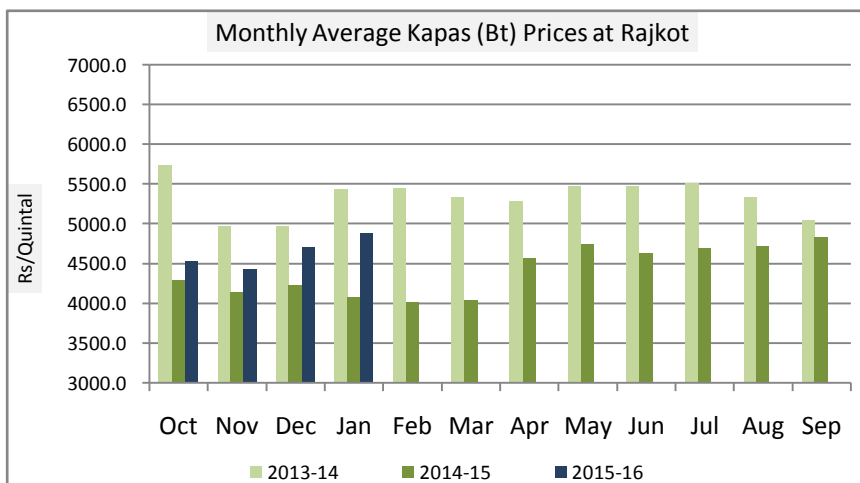
The Foreign Agriculture Services (FAS), division of USDA has lowered the production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm in Gujarat.

Weekly Price Outlook: Kapas prices are expected to remain range-bound in coming days. The expected range for Kapas at Rajkot is Rs 4780-4820 per quintal for the coming week.



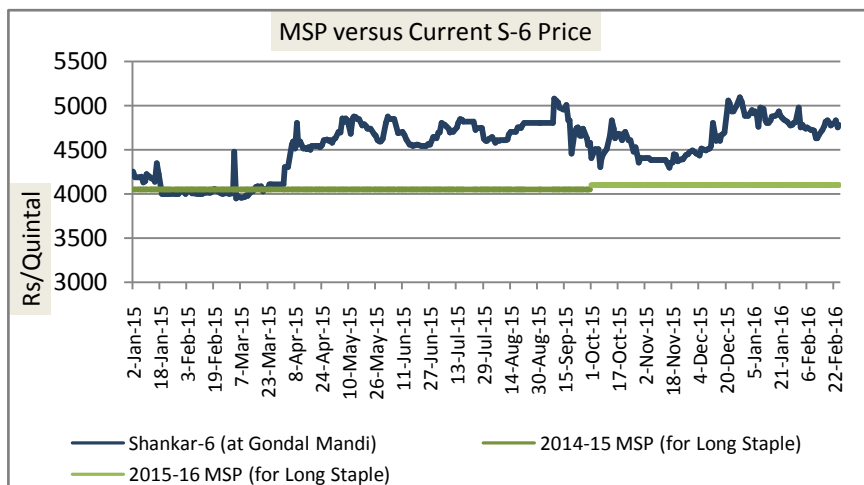
Kapas Monthly Y-o-Y Price Scenario

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

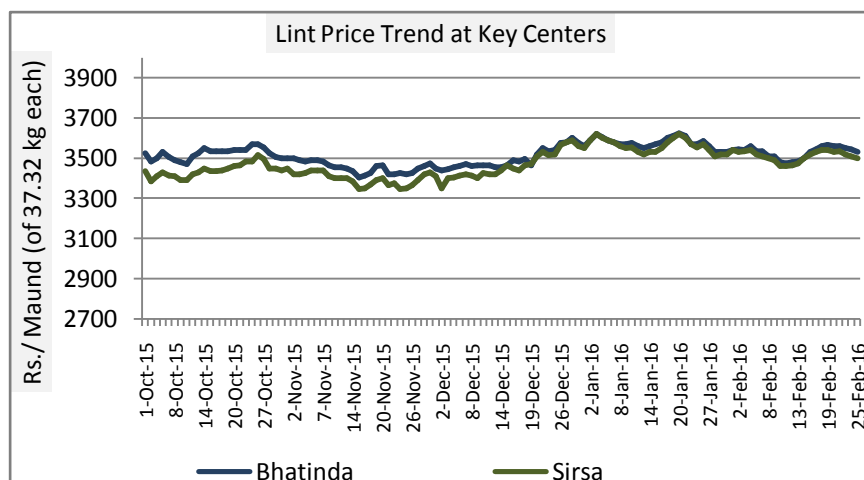
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been widened this week due to the stronger prices. The average gap between the prices was Rs 691 this week compared to Rs 642 a week earlier. This indicates prices are in the uptrend movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

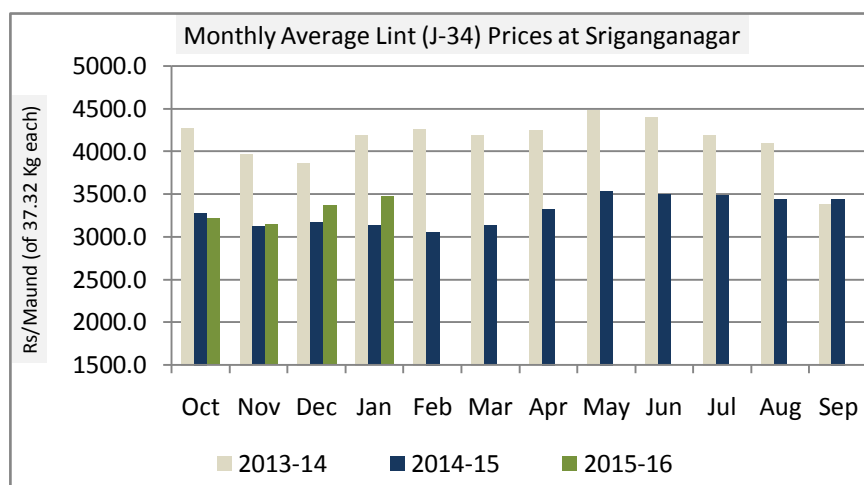
Weekly Price Review: As mixed sentiments are prevailing in market, lint prices remained steady during the week. Weekly average price of Lint at Sirsa remained Rs. 3520 per maund of 37.32 kg each same as the previous week price of Rs. 3520 per maund.

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. 3500-3570 per maund.



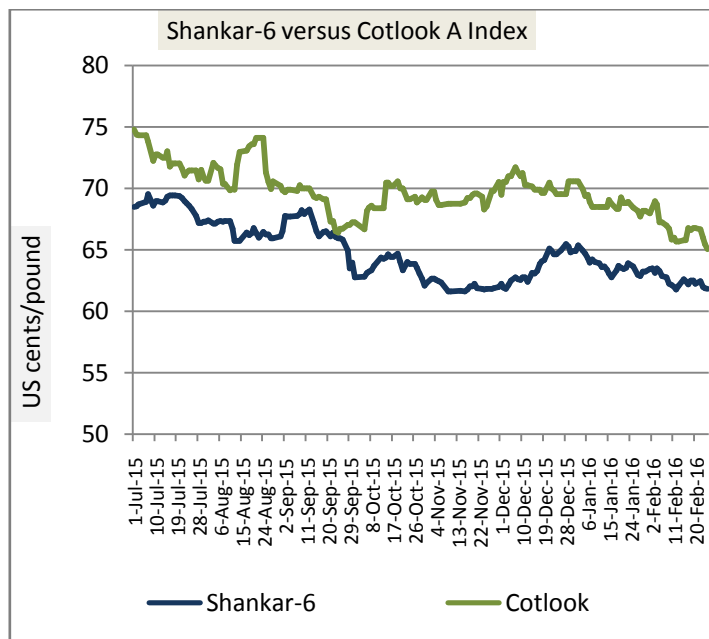
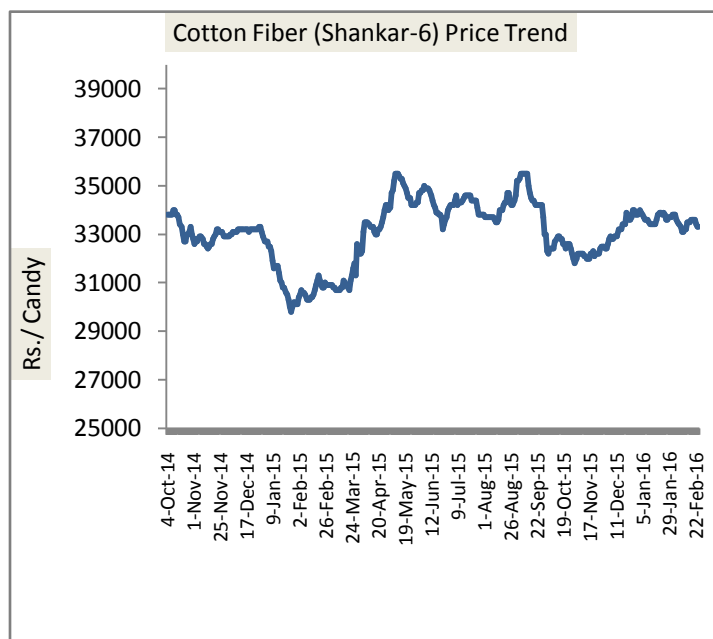
Lint Monthly Y-o-Y Price Scenario

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) compared to the prices of previous week which was Rs. 33335 per candy.

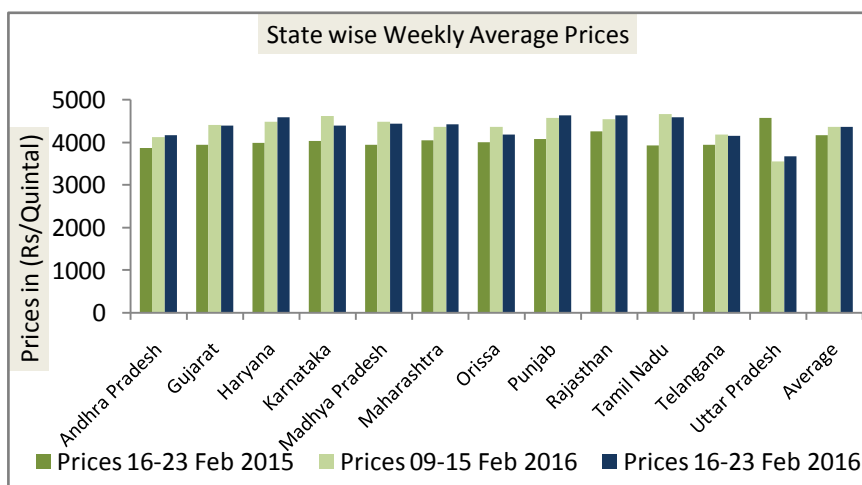


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 66.14 cents/pound, Indian weekly average price stood 62.28 cents/pound, making Indian fiber competitive in international market.

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

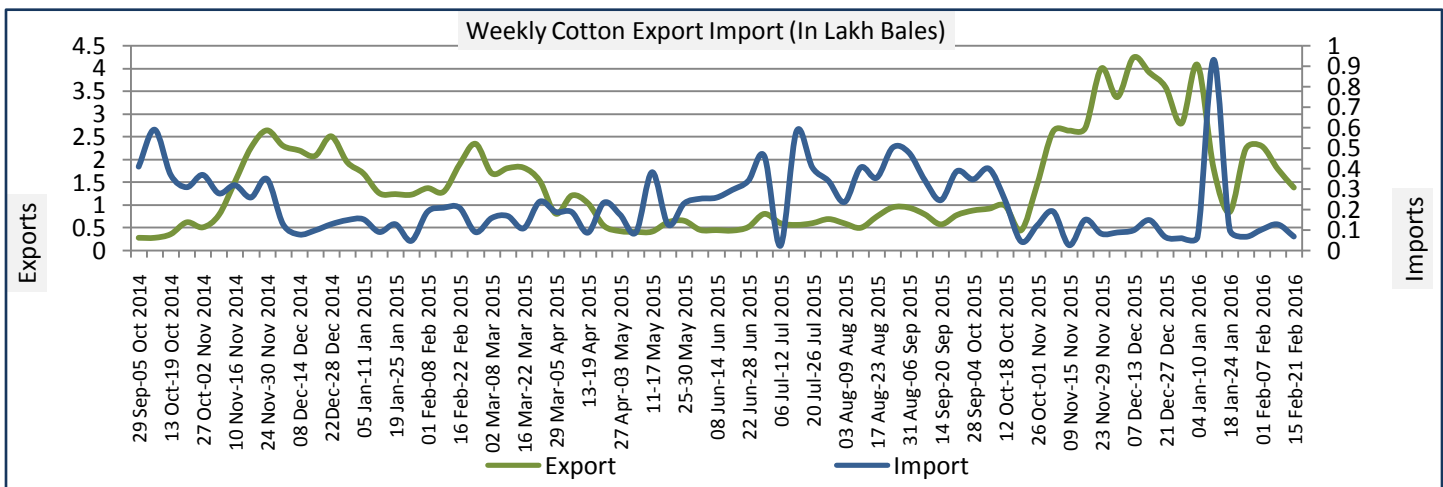
On week on week basis, prices are by and large showing weak trend in most of the States, highest price was recorded in Pujab followed by Rajasthan this week and lowest was in Uttar Pradesh followed by Telangana. On year on year basis, cotton prices are reflecting uptrend in all of the States, except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



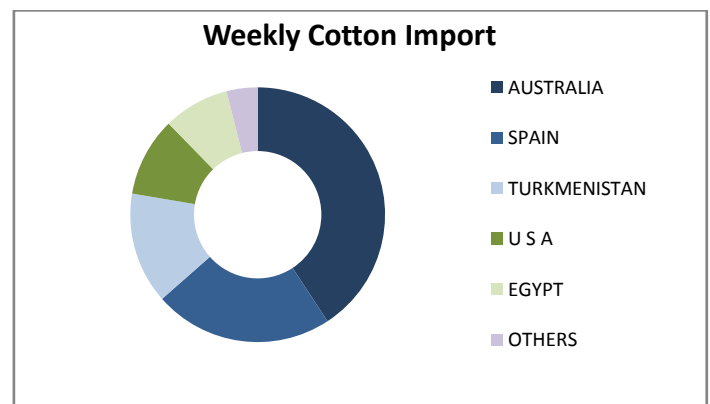
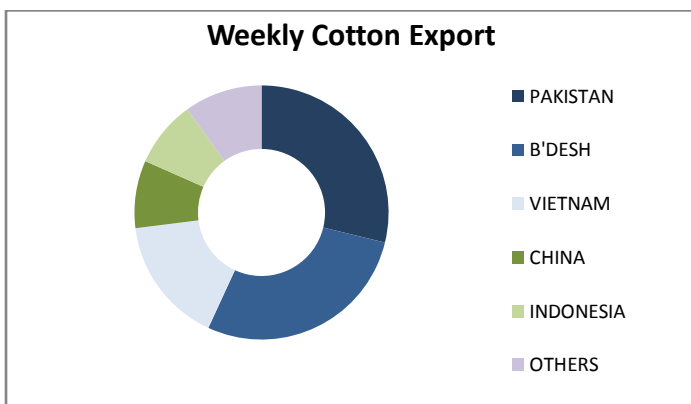
Cotton Weekly Export and Import

India exported 1.38 lakh bales of cotton last week (15 Feb-21 Feb 2016), which was 1.794 lakh bales previous to last week (08 Feb-14 Feb 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.070 lakh bales last week, which was 0.129 lakh bales previous to last week.

Export/Import	15 Feb-21 Feb 2016	08 Feb-14 Feb 2016
Export (In lakh Bales)	1.384	1.79
Import (In lakh Bales)	0.07	0.129
<i>Source: IBIS</i>		



Major importer of Indian cotton during the week was Pakistan. According to the data released by IBIS, Pakistan imported 0.46 lakh bales of cotton from India in the past week (15 Feb-21 Feb 2016). Other major importers were Bangladesh, Vietnam, China and Indonesia and their imported volumes were 0.39 lakh bales, 0.22 lakh bales, 0.12 lakh bales and 0.12 lakh bales respectively. India imported cotton from Australia, Spain, Turkmenistan followed by USA and Egypt. The respective volumes these countries exported to India during the week are 0.029 lakh bales, 0.016 lakh bales, 0.010 lakh bales, 0.007 lakh bales, 0.006 Lakh Bales.



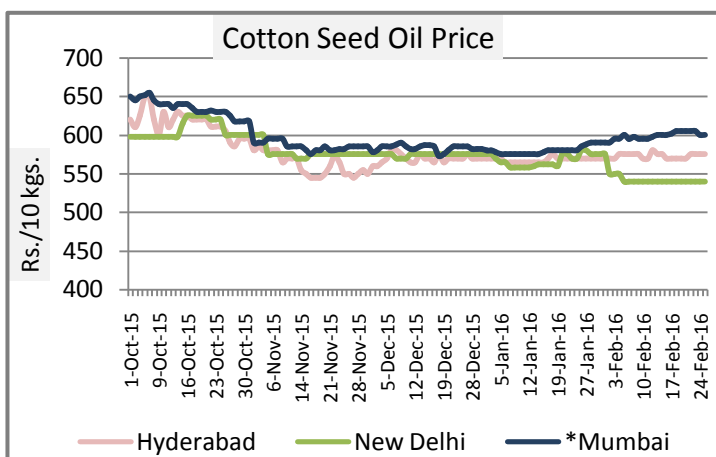
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

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

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	25-Feb-16	18-Feb-16	
New Delhi	540	540	0.00
Rajkot	581	575	1.04
Hyderabad	575	573	0.35
Mumbai*	603	601	0.33

**Vat Included*

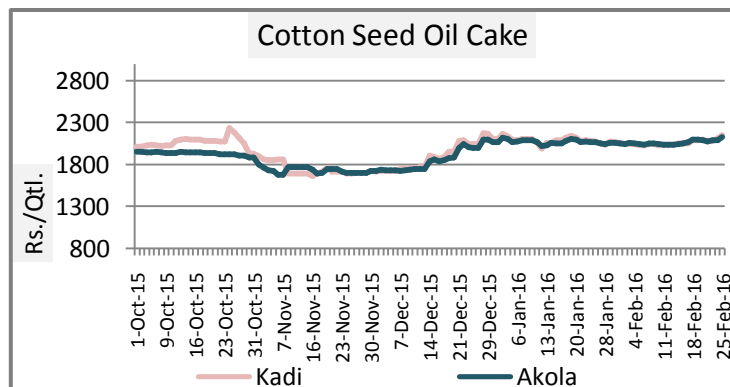


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained uptrend during the week. Weekly average price in Akola remained Rs 2098 per quintal, stronger compared to the weekly average price of previous week of Rs 2057 per quintal.

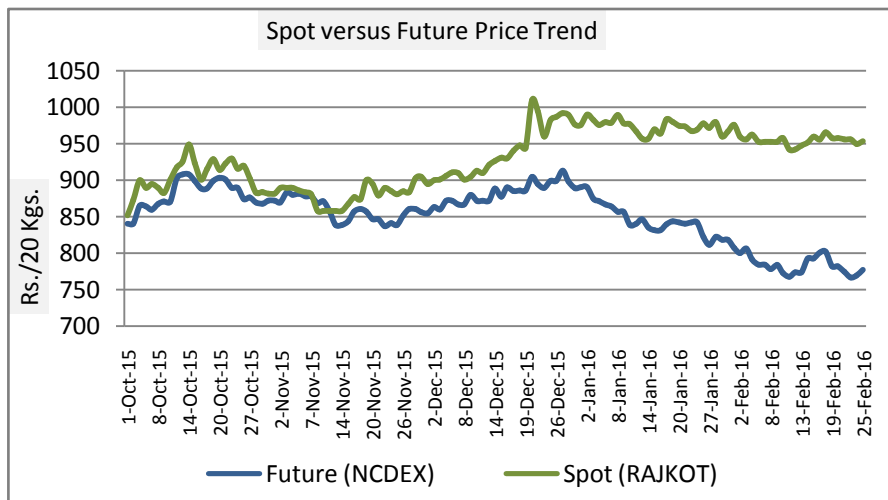
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	25-Feb-16	18-Feb-16	
Kadi	2110	2055	2.68
Akola	2098	2057	1.99

**Source: NCDEX*



Cotton Spot and Future Price Trend

Cotton future price closed stronger this week. Kapas at NCDEX (April'16) closed at Rs 797.5 as on 25 Feb 2016, compared to 782 a week earlier and Rs 759.5 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.180 which was Rs 165 a week earlier.



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



Weekly Technical Outlook:

- Candlesticks denote range bound to firm 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	780-820

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
775	760	830	840

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 65.81 cents/pound this week, which was 66.14 cents/pound during last week.

Major Market Highlights: Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and now it expected to be around 96.87 lakh bales due to the severe crop loss of 34% due to pest attack. The lower production in the country may open channels for more exports from India, as Pakistan would import to fulfill its domestic demands.

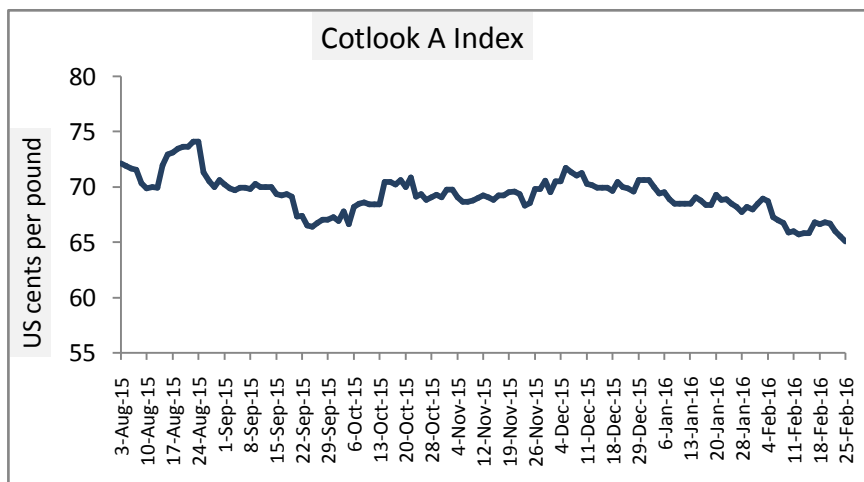
According to the latest estimates by International cotton Advisory Committee (ICAC), cotton production on the global front during the season 2016-17 would be around 23.08 million tons, around 2.8% higher compared to the estimates of 22.46 million tons in the current season.

According to USDA latest report, World cotton production would be around 22.07 million tons in 2015-16, around 0.2% lower 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.

Cotlook A Index

Cotlook A index remained range bound to weak during the week following weak international demand, especially from the China.

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
	25-Feb-16	18-Feb-16	
Prices	65.81	66.14	-0.5
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

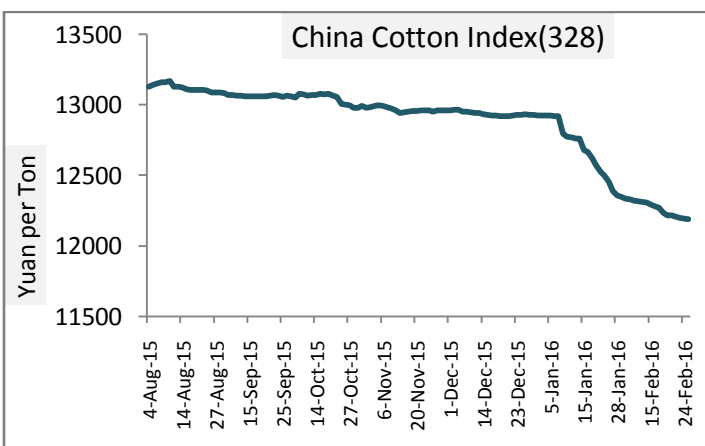
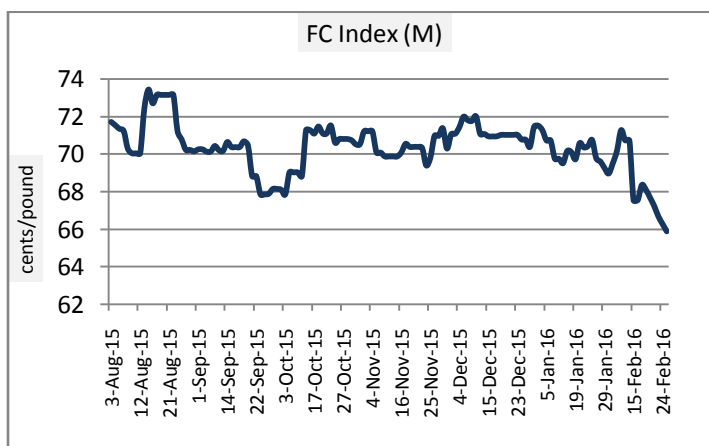
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports during previous season which were 1.80 million tons, according to USDA.

China cotton imports have moved to 9 years low, according to 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
	25-Feb-16	18-Feb-16	
FC (S)	69.99	70.6	-0.86
FC (M)	66.73	67.87	-1.68
FC (L)	64.43	65.84	-2.14
Prices in US cents per Pound			

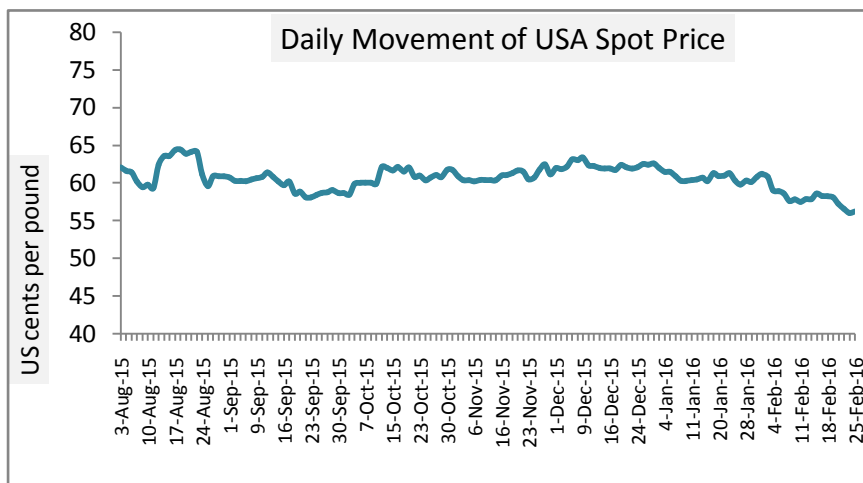
China Index remained slightly weak during the week. CC Index (328) remained 12205 Yuan per ton during the week. Average was 12260 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	25-Feb-16	18-Feb-16	
CCIndex(229)	12800	12863	-0.49
CCIndex(328)	12205	12260	-0.45
CCIndex(527)	11395	11460	-0.57
Prices in Yuan per ton			



USA Spot Prices

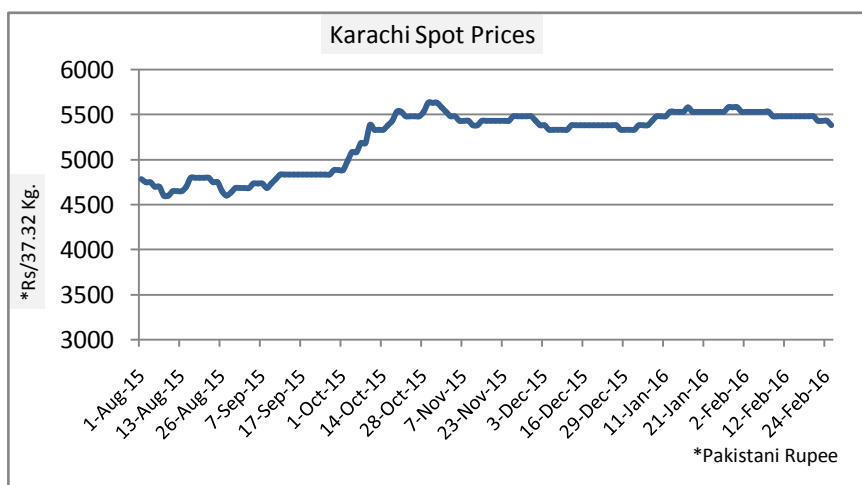
According to USDA latest report, USA cotton exports would stand around 2.07 million tons, around 5% lower compared to the estimates of previous month i.e. 2.18 million tons and around 15.5% lower than the exports of previous year i.e. 2.45 million tons. Following the lower exports expectation, the cotton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



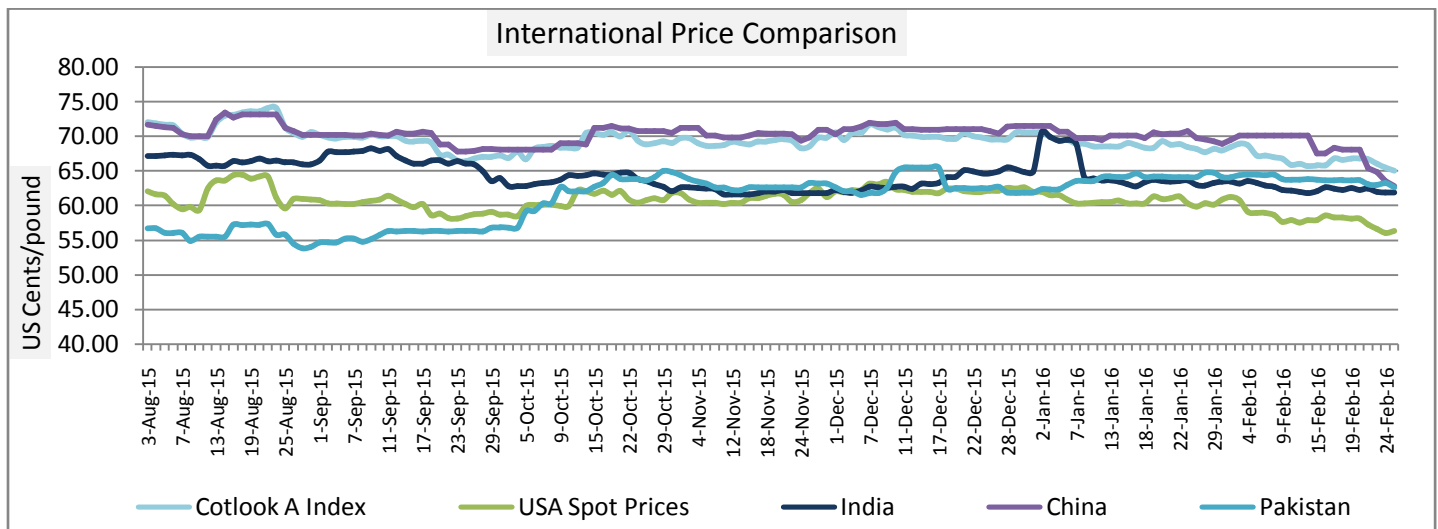
USA Spot Prices	Weekly Average Price as on		% Change
	25-Feb-16	18-Feb-16	
Prices	56.87	58.12	-2.15
Prices in US cents per Pound			

Pakistan Spot Prices

Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and is now expected to be around 96.87 lakh bales due to the severe crop loss of 34% due to pest attack. The lower production in the country may open channels for the more exports from India, as Pakistan would import to fulfill its domestic demands.



Karachi Spot Prices	Weekly Average Price as on		% Change
	25-Feb-16	18-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 bearish 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	56.20-58.80

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
56.00	55.60	59.00	59.60

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	25-Feb-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Mar-16	58.16	59.91	61.60	64.29	-2.92	-5.58	-9.53
May-16	57.76	59.70	62.10	--	-3.25	-6.99	--
Jul-16	57.61	59.81	62.48	--	-3.68	-7.79	--
Oct-16	57.21	59.27	61.77	--	-3.48	-7.38	--
Dec-16	57.40	59.72	61.97	--	-3.88	-7.37	--
Mar-17	58.27	60.29	62.64	--	-3.35	-6.98	--

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	20th to 26th Feb 2016	13th to 19th Feb 2016	
Gujarat	Ahmedabad	Shankar-6	4725	4755	-30
	Gondal	Shankar-6	4775	4770	5
	Rajkot	B.T. Cotton	4770	4785	-15
	Patan	B.T. Cotton	4765	4770	-5
	Kadi	B.T. Cotton	4880	4705	175
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4795	4765	30
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4890	4880	10
	Bhiwani	Desi	4610	4660	-50
	Adampur	B.T. Cotton	4695	4690	5
	Fatehabad	B.T. Cotton	4675	4675	Unch
	Jind	B.T. Cotton	NA	4735	-
	Uchana	B.T. Cotton	4760	4740	20
	Dabwali	B.T. Cotton	4575	4555	20
Rajasthan	Hanumangarh	B.T. Cotton	4680	4650	30
	Rawatsar	B.T. Cotton	4580	4555	25
Madhya Pradesh	Khandwa	Mech-1	4650	4650	Unch
	Khargaon	Mech-1	4740	4730	10
Maharashtra	Amravati	Mech-1	4680	4710	-30
	Jamner	Medium Staple	4495	4350	145
Uttar Pradesh	Hathras	B.T. Cotton	NA	3775	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4325	4300	25
Andhra	Guntur	Un-Ginned	NA	NA	-

Pradesh	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	3995	4605	-610
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4755	4700	55
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	20th to 26th Feb 2016	13th to 19th Feb 2016	
Punjab	Bhatinda	J-34	3550	3530	20
	Abohar	J-34	3545	3535	10
	Mansa	J-34	NA	3480	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3520	3520	Unch
Rajasthan	Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th to 26th Feb 2016	13th to 19th Feb 2016	
Gujarat	Ahmedabad	Shankar-6	331500	306000	25500
	Gondal	Shankar-6	14653	15432	-779
	Rajkot	B.T. Cotton	14500	16100	-1600
	Patan	B.T. Cotton	11829	12179	-350
	Kadi	B.T. Cotton	270000	310000	-40000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2677	4160	-1483
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	7800	8500	-700
	Bhiwani	Desi	100	500	-400
	Adampur	B.T. Cotton	2720	3655	-935
	Fatehabad	B.T. Cotton	1475	2050	-575
	Jind	B.T. Cotton	NA	119	-
	Uchana	B.T. Cotton	187	2404	-2217
	Dabwali	B.T. Cotton	930	595	335
Rajasthan	Hanumangarh	B.T. Cotton	5600	5500	100
	Rawatsar	B.T. Cotton	2050	950	1100
Madhya Pradesh	Khandwa	Mech-1	5417	1500	3917
	Khargaon	Mech-1	5770	7900	-2130

Maharashtra	Amravati	Mech-1	5800	8900	-3100
	Jamner	Medium Staple	246	215	31
Uttar Pradesh	Hathras	B.T. Cotton	NA	250	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	21840	22430	-590
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	90	176	-86
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4716	3891	825
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th to 26th Feb 2016	13th to 19th Feb 2016	
Punjab	Bhatinda	J-34	17850	21250	-3400
	Abohar	J-34	4760	4845	-85
	Mansa	J-34	NA	680	-
Haryana	Sirsa	J-34	2210	4420	-2210
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
				11 th Feb 2016	04 th Feb 2016	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30000	29550	450
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30500	30050	450
J-34(202)	26mm	3.5 - 4.9	23	32485	32350	135
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32315	32385	-70
Shankar-6(105)	29mm	3.5 - 4.9	28	33465	33415	50
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34515	34633	-118
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36415	36600	-185
DCH-32(107)	34mm	3.0 - 3.8	33	49300	49300	Unch

State wise-summary of Weekly Prices

State	Prices 16-23 Feb 2016	Prices 09-15 Feb 2016	Prices 16-23 Feb 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4168.94	4131.92	3880.31	0.9	7.44
Gujarat	4402.5	4409.91	3953.08	-0.17	11.37
Haryana	4596.31	4493.52	3997.09	2.29	14.99
Karnataka	4392.24	4622.91	4039.48	-4.99	8.73
Madhya Pradesh	4451.46	4482.85	3944.11	-0.7	12.86
Maharashtra	4434.78	4366.34	4050	1.57	—
Orissa	4194.39	4371.75	4004.04	-4.06	4.75
Punjab	4640.22	4585.76	4079.33	1.19	13.75
Rajasthan	4637.04	4547.28	4260.94	1.97	8.83
Tamil Nadu	4594.25	4662.57	3939.14	-1.47	16.63
Telangana	4157.59	4189.21	3946.72	-0.75	5.34
Uttar Pradesh	3685	3562.5	4577.55	3.44	-19.5
Average	4362.89	4368.88	4176.82		

Source:Agmarknet

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