

## Current Market Outlook

**Domestic Weekly Price Scenario:** Cotton spot prices noticed range –bound to weak tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 4757 per quintal, which stood at Rs 4741 previous week. Average price of Lint at Sirsa during the week was Rs. 3493 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 3498. Cotton fiber (Shankar-6) prices remained weak this week. Average price was Rs 32925 per candy (of 355.6 kg each) during the week, which was Rs 33200 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed lower this week at Rs. 773 per maund (of 20 kg each) which was Rs 787 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. 4650-4750 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3470-3550 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 730-780 per maund (of 20 kg each).

**Major Market Highlights:** The government has notified maximum sale price of Bt cotton seed in order to bring uniformity across sStates. The maximum sale price of Bt Cotton seed BG-I version has been fixed at Rs.635 while for the BG-II version it is Rs.800. The seed packets would be of 450 grams, including 120 grams refugia. The price is valid for the financial year 2016-17.

The Indian government has reduced the royalty fees for genetically modified cotton by about 70%. India's Ministry of Agriculture and Farmers Welfare regulates cotton price and will also oversee the fees that biotech crop developers charge seed companies to license genes that allow plants to resist destructive pests.

The government has decided to fix Bt cotton seed price at Rs.800 for 450 grams which also includes trait fees and service tax of Rs.49 in order to bring uniformity across sStates. The current market rate varies from Rs.830 to Rs.1000. Implementation of the notification is subject to the Delhi High Court Order. All the sStates are likely to implement the same on or before March 31, 2016.

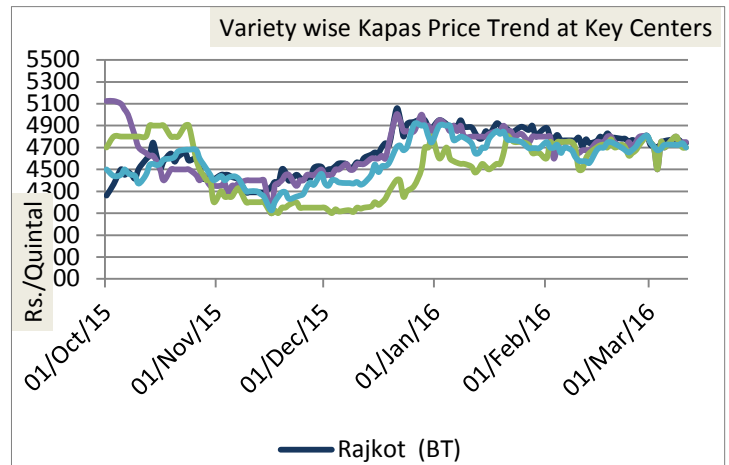
Prices of branded garments are set to go up by 2 to 5 per cent with the Union government levying excise duty on ready-made products of Rs 1,000 or more in the Budget 2016-17. The garment industry in India is largest in Punjab and the increase in cost is likely to be felt in the coming months.

## Domestic Cotton Prices Scenario

### Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week due to the strong overseas demand. Weekly average price of Kapas at Rajkot remained Rs. 4757 per quintal, fairly higher as compared to previous week price of Rs. 4741 per quintal.

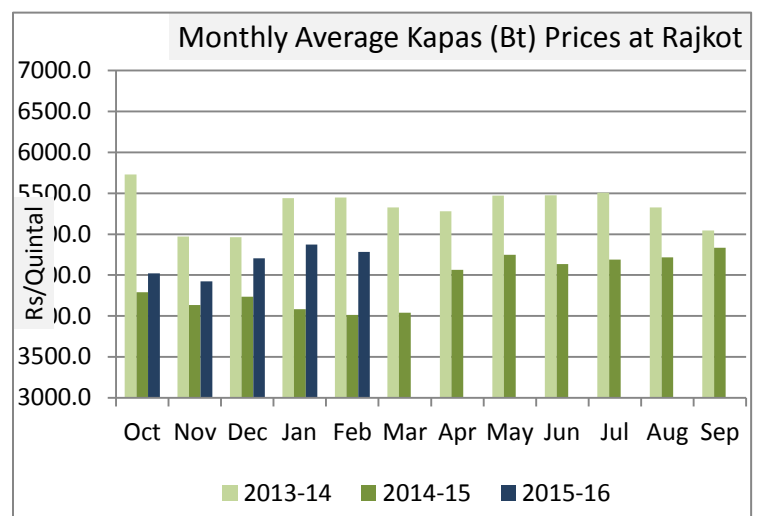
The Foreign Agriculture Services (FAS), division of USDA has lowered the production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm in Gujarat.



Weekly Price Outlook: Kapas prices are expected to remain range-bound in coming days. The expected range for Kapas at Rajkot is Rs 4730-4770 per quintal for the coming week.

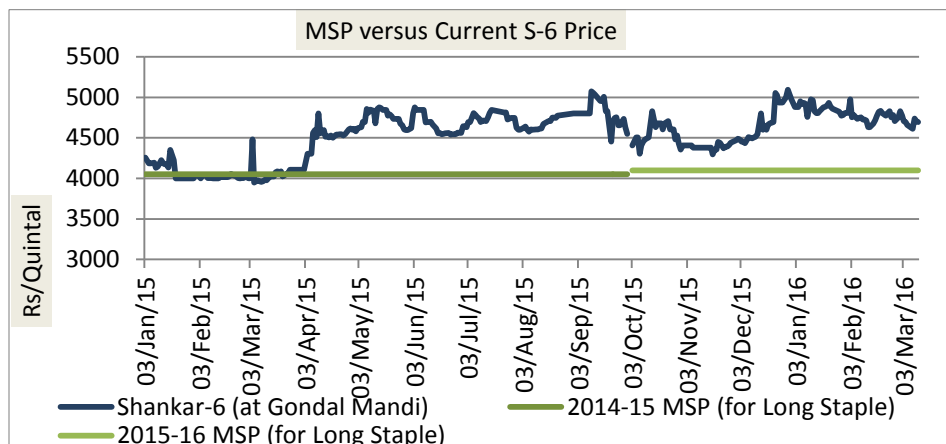
### Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the February month following the strong overseas demand and diminishing arrivals, which has created the supply lag in the market. The cotton price remained weak during February 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

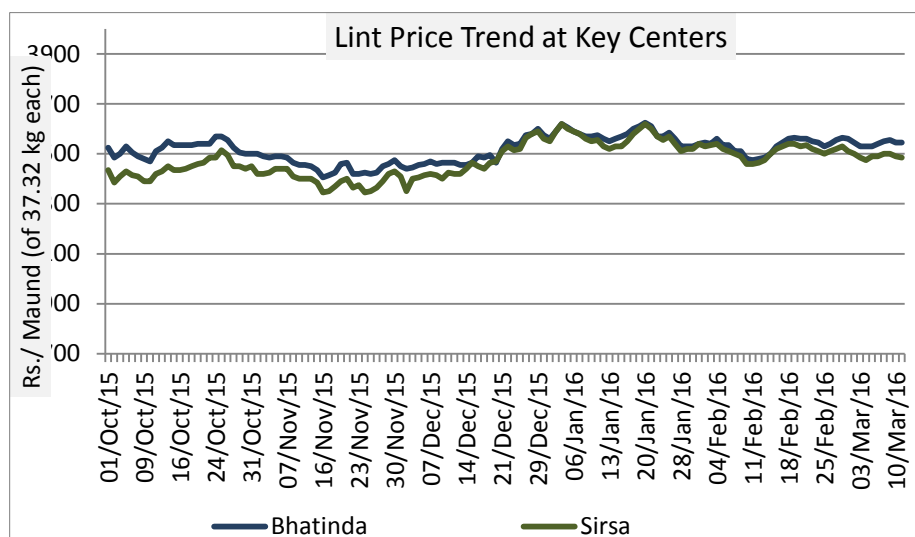
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been lowered this week due to slightly lower prices. The average gap between the prices was Rs 589 this week compared to Rs 612.50 a week earlier. This indicates prices are in the range -bound movement.



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

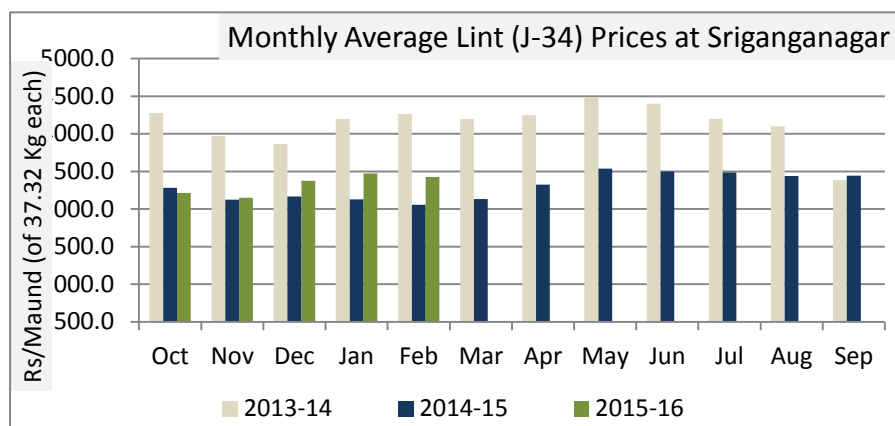
**Weekly Price Review:** As mixed sentiments are prevailing in market, lint prices remained slightly weak during the week. Weekly average price of Lint at Sirsa remained Rs. 3544 per maund of 37.32 kg each same as the previous week price of Rs. 3549 per maund.

**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.



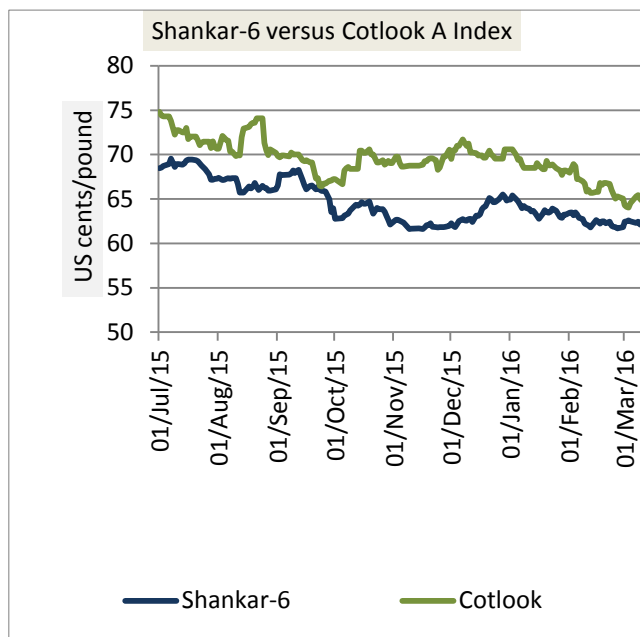
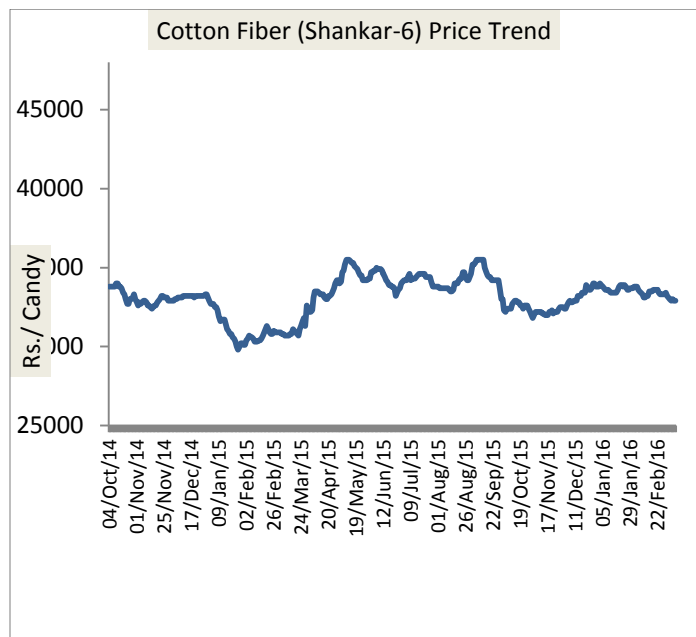
## Lint Monthly Y-o-Y Price Scenario

Following the weakness in Kapas prices, lint prices too remained weak during February compared to previous month and it remained firm compared to corresponding month last year also. In February this year, monthly average price of lint at Sri-Ganganagar remained Rs. 4418 per maund (of 37.32 Kg each) and Rs 4100 during corresponding month previous year.



### Cotton Fiber Weekly Price Scenario

Due to the weakness in Kapas prices following lack of good demand, cotton fiber too moved southwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 32940 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 33260 per candy.

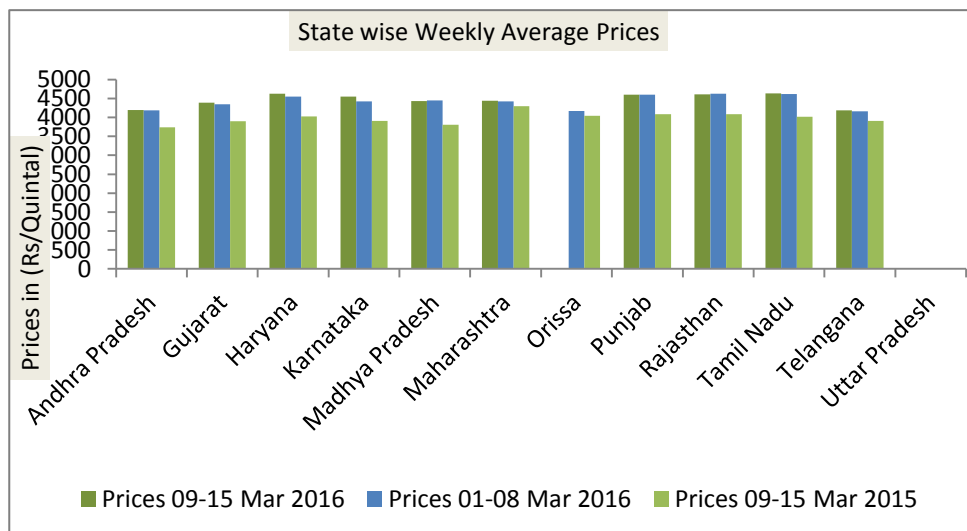


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 65.02 cents/pound, Indian weekly average price stood 62.30 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 32800-33000 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 Haryana followed by Punjab this week and lowest was in Telangana 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.

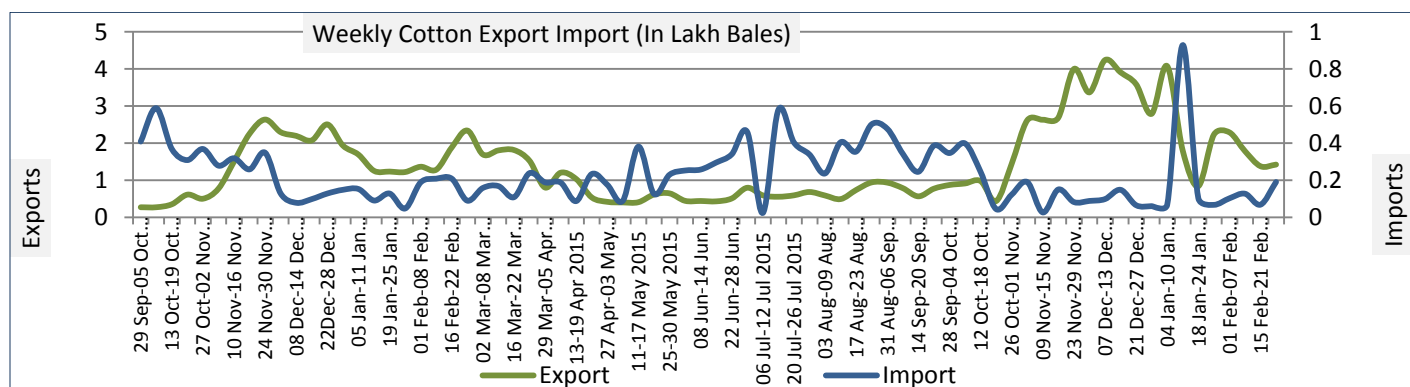


## Cotton Weekly Export and Import

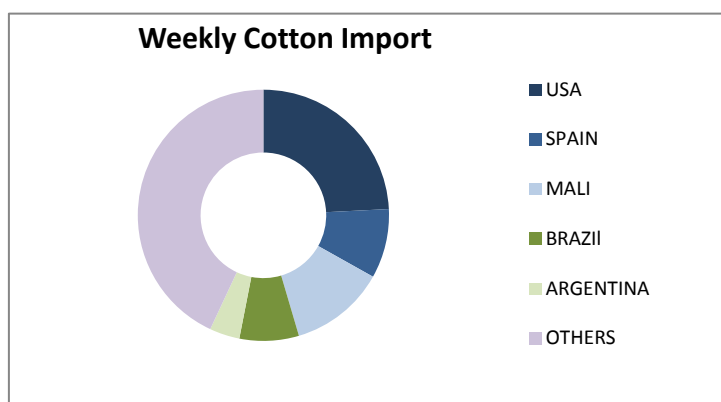
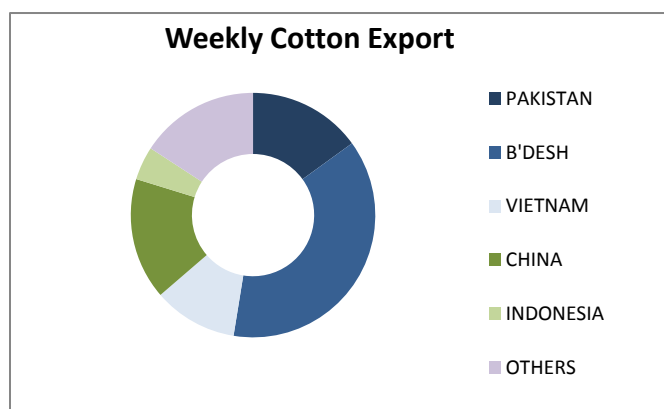
India exported 1.43 lakh bales of cotton last week (29 Feb-06 Mar 2016), which was 1.38 lakh bales during the week before previous to last week (15 Feb-21 Feb 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.192 lakh bales last week, which was 0.070 lakh bales previous to last in the week before last.

Export/Import	29 Feb-06 Mar 2016	15 Feb-21 Feb 2016
Export (In lakh Bales)	1.428	1.79
Import (In lakh Bales)	0.192	0.129

**Source: IBIS**



Major importer of Indian cotton during the week was Bangladesh. According to the data released by IBIS, Bangladesh imported 0.54 lakh bales of cotton from India in the past week (29 Feb-06 Mar 2016). Other major importers were China, Pakistan, Vietnam and Indonesia and their imported volumes were 0.23 lakh bales, 0.21 lakh bales, 0.16 lakh bales and 0.06 lakh bales respectively. India imported cotton from USA, Mali, Spain followed by Brazil and Argentina. The respective volumes these countries exported to India during the week are 0.046 lakh bales, 0.024 lakh bales, 0.017 lakh bales, 0.015 lakh bales, 0.007 Lakh Bales.



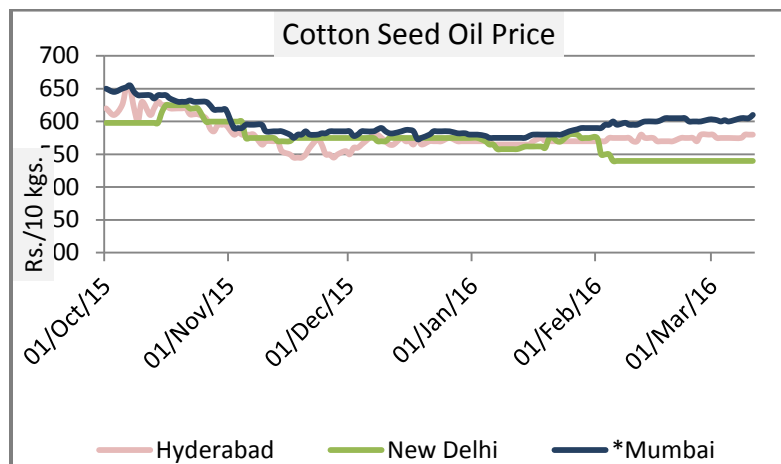
## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price ruled steady to firm 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
	10-Mar-16	03-Mar-16	
New Delhi	540	540	0.00
Rajkot	590	590	0.00
Hyderabad	580	575	0.87
Mumbai*	605	600	0.83

\*Vat Included

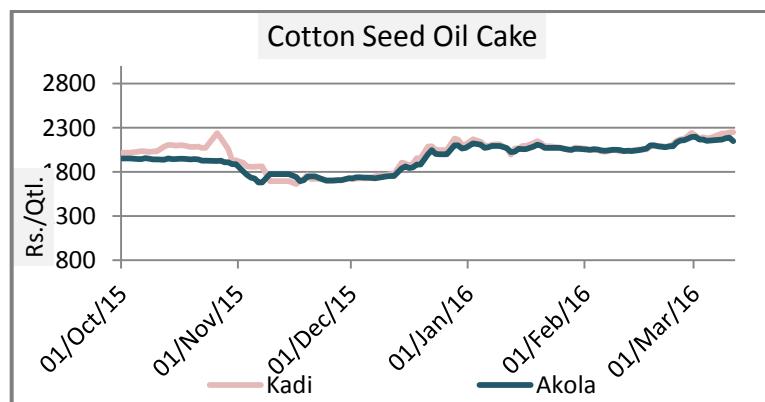


### Cotton Seed Oil Cake Weekly Price Scenario

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.

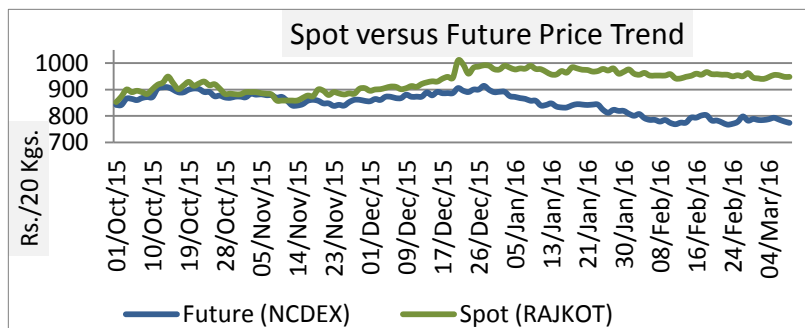
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	10-Mar-16	03-Mar-16	
Kadi	2246	2191	2.51
Akola	2189	2165	1.11

\*Source: NCDEX



### Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'16) closed at Rs 778.50 as on 10 March 2016, compared to 784 a week earlier and Rs 746.00 a year earlier. The gap between the spot and future prices has widened. Average gap between the spot and future price during the week was Rs.165 which was Rs 160 a week earlier.



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



#### Weekly Technical Outlook:

- Candlesticks denote range weak momentum in the market.
- RSI is moving down in the neutral region.
- MACD centerline and signal line are showing positive movements.
- We expect cotton prices to remain range bound to weak in the coming week.

#### Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Weak Momentum	750-790

#### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
750	730	800	830

Figures in Rs/20 Kg

## International Market Scenario

International cotton prices remained range bound during the week. Cotlook A index weekly average stood at 65.02 cents/pound this week, which was 64.56 cents/pound during last week.

**Major Market Highlights:** The Cotton Advisory Board has estimated 7% dip in cotton production this year and it may touch 35.2million bales (170kg per bale) this season ending Sept-2016.India had produced 38 million bales last year. There is a growing fear that China, a net importer may start selling cotton from its reserve soon. It would further distort global price.

According to the latest data from Bangladesh Textile Mills Association (BTMA), Bangladesh imports 49% cotton from India to meet its demand. Last year, it imported 6.10 million bale cotton, of which 2.99 million bales, around 49%, came from India.

Pakistan, the fourth largest producer of cotton in the world is likely to perform poorly in cotton trade. The consumption of cotton is expected to decline by 12 per cent this year.

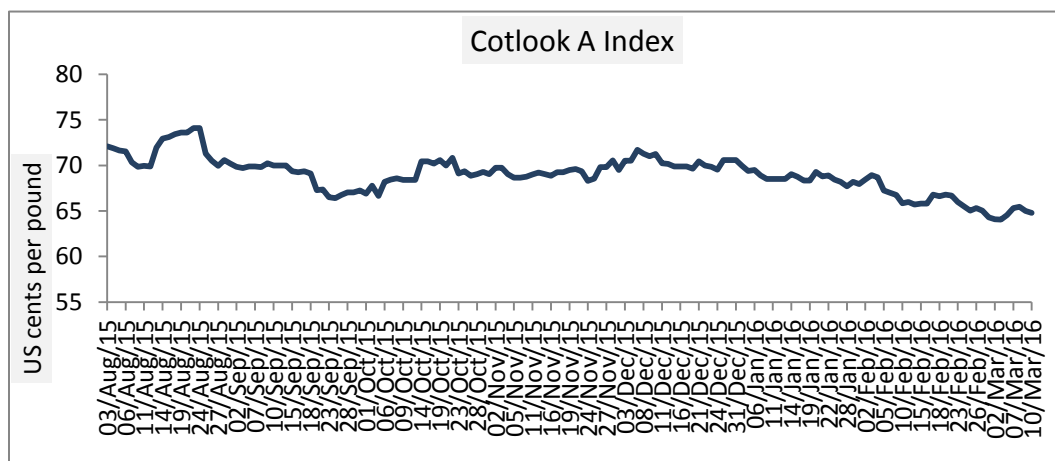
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production is estimated lower in India and Pakistan, based on arrivals at gins, but higher in Australia. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon rainfall combined with pest damage in the northern sStates. World ending stocks are now projected at 103.3 million bales.

### 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
	10-Mar-16	03-Mar-16	
Prices	64.8	64.55	0.4
Prices in US cents per Pound			



## China Cotton Index and Foreign Cotton Index

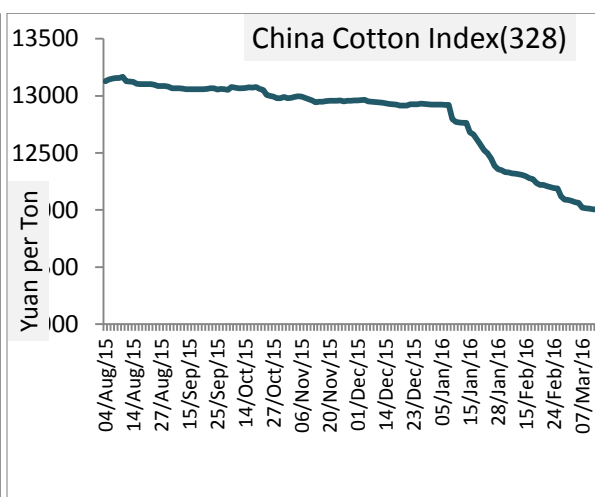
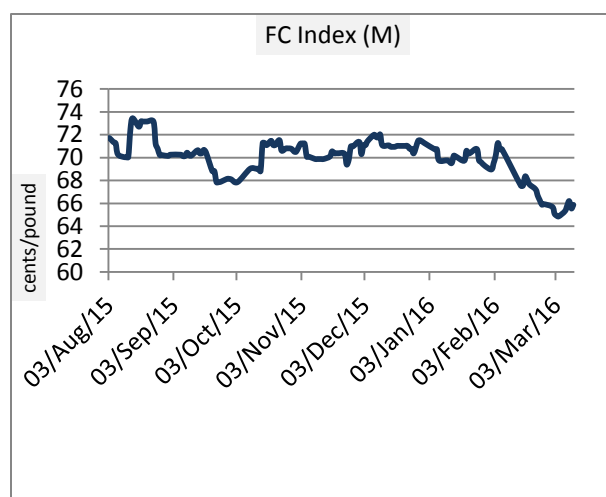
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports during previous season which were 1.80 million tons, according to USDA.

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
	10-Mar-16	03-Mar-16	
FC (S)	68.06	67.81	0.37
FC (M)	65.86	64.85	1.56
FC (L)	62.74	61.73	1.64
Prices in US cents per Pound			

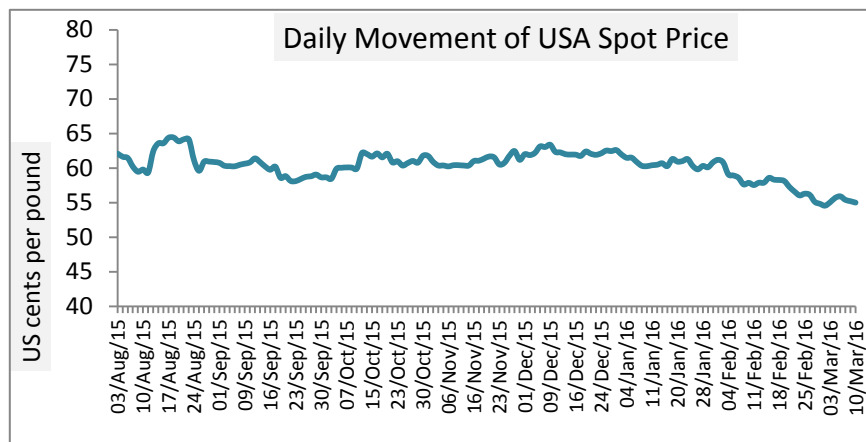
China Index remained slightly weak during the week. CC Index (328) remained 11116 Yuan per ton during the week. Average was 11281 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	10-Mar-16	03-Mar-16	
CCIndex(229)	12005	12063	-0.48
CCIndex(328)	11116	11281	-1.46
CCIndex(527)	12505	12598	-0.74
Prices in Yuan per ton			



## USA Spot Prices

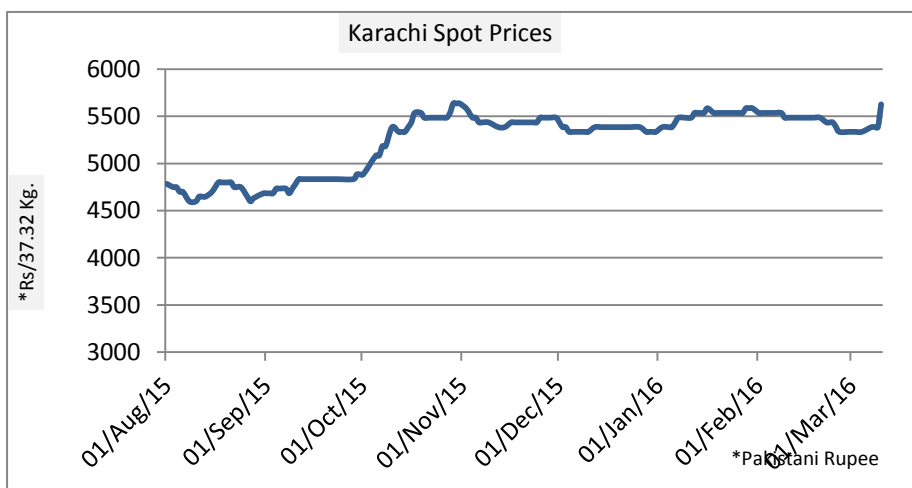
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USA Spot Prices	Weekly Average Price as on		% Change
	10-Mar-16	03-Mar-16	
Prices	55	55.69	-1.24
Prices in US cents per Pound			

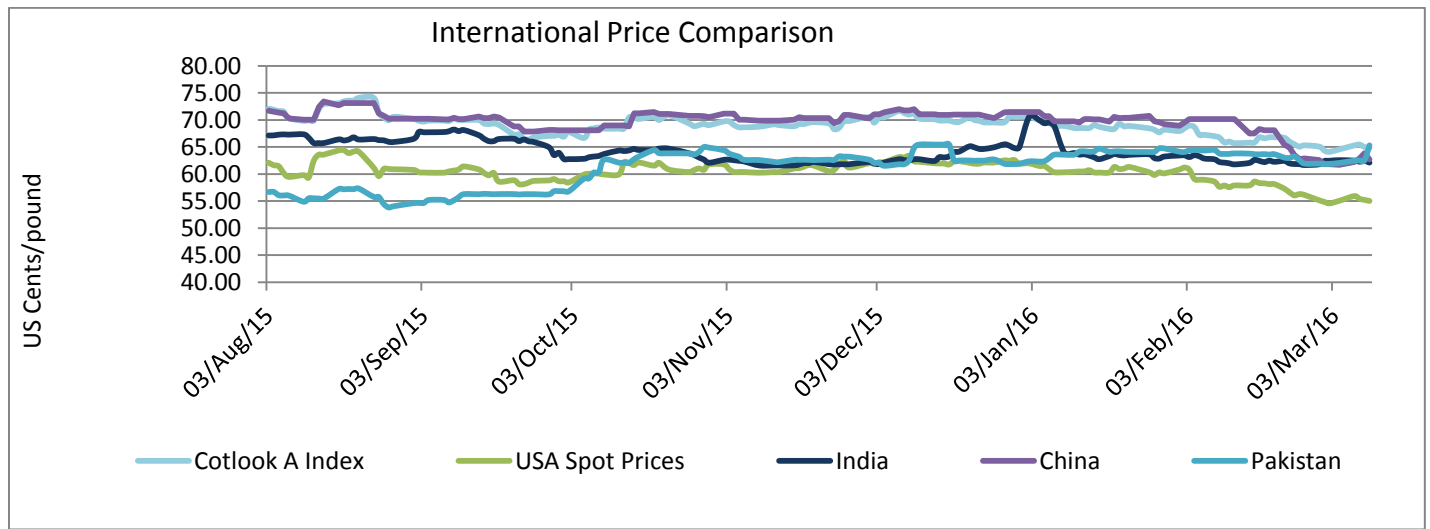
## Pakistan Spot Prices

Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has had 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.

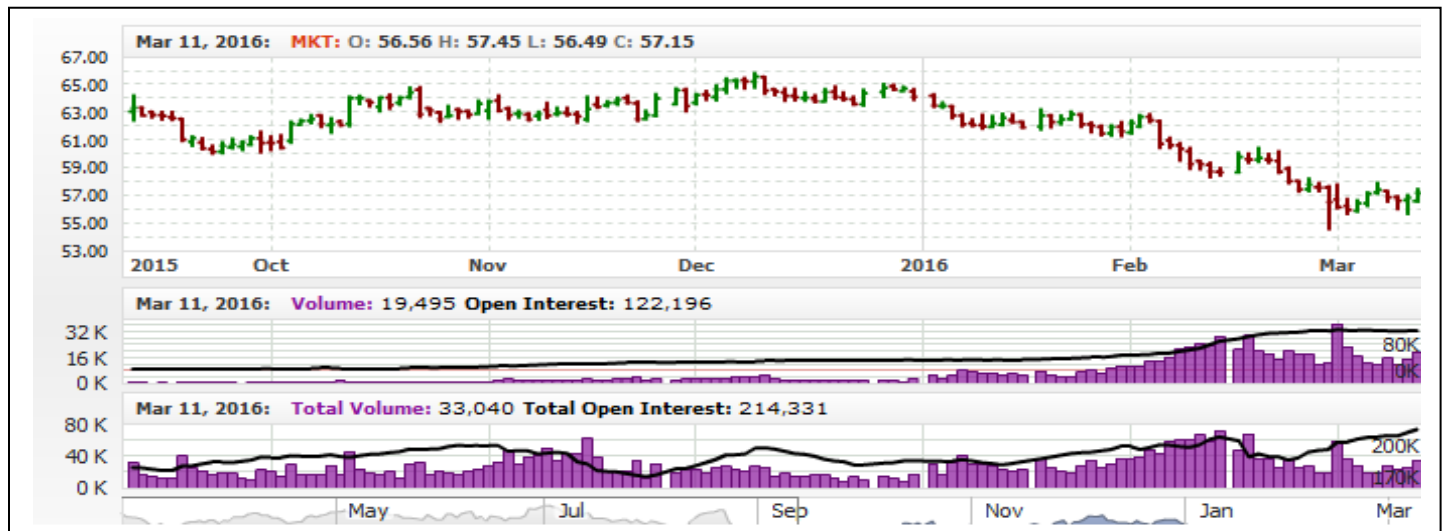


Karachi Spot Prices	Weekly Average Price as on		% Change
	10-Mar-16	03-Mar-16	
Prices	5626	5335	5.45
Prices in Rs per 37.32 Kg			

### International Price Comparison



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



#### Weekly Technical Outlook:

- Candlesticks denote range bound 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	56.00-58.00

#### 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	56.83	58.93	58.88	64.29	-3.56	-3.48	-11.60
May-16	56.83	57.11	59.23	--	-0.49	-4.05	--
Jul-16	56.77	56.71	59.81	--	0.11	-5.08	--
Oct-16	56.66	56.61	59.75	--	0.09	-5.17	--
Dec-16	56.70	56.45	60.12	--	0.44	-5.69	--
Mar-17	57.60	57.34	61.03	--	0.45	-5.62	--

### 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	5th to 11th March 2016	27th Feb to 4th March 2016
Gujarat		Ahmedabad	Shankar-6	4750	4717
		Gondal	Shankar-6	4689	4736
		Rajkot	B.T. Cotton	4757	4741
		Patan	B.T. Cotton	4795	4811
		Kadi	B.T. Cotton	4895	4896
		Deesa	B.T. Cotton	NA	NA
		Dhrol	B.T. Cotton	4748	4805
Punjab		Fazilika	B.T. Cotton	NR	NR
		Muktsar	B.T. Cotton	4685	4712
Haryana		Bhiwani	B.T. Cotton	4930	4921
		Bhiwani	Desi	4400	4229
		Adampur	B.T. Cotton	4722	4733
		Fatehabad	B.T. Cotton	4685	4688
		Jind	B.T. Cotton	NA	4793
		Uchana	B.T. Cotton	4766	4809
		Dabwali	B.T. Cotton	4527	4621
Rajasthan		Hanumangarh	B.T. Cotton	4731	4696
		Rawatsar	B.T. Cotton	4562	4606
Madhya Pradesh		Khandwa	Mech-1	4645	4680
		Khargaon	Mech-1	4726	4705
Maharashtra		Amravati	Mech-1	4675	4708
		Jamner	Medium Staple	4491	4479
Uttar Pradesh		Hathras	B.T. Cotton	NA	3810
		Hathras	Desi	NA	NA

Telangana	Adilabad	Un-Ginned	4341	4297	44
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	4771	4756	15
	Hubli	D.C.H.	3803	3993	-189
	Hubli	B.T. Cotton	3855	4155	-300
	Raichur	H-44 Cotton	4763	4739	24
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	5th to 11th March 2016	27th Feb to 4th March 2016	
Punjab	Bhatinda	J-34	3544	3548	-3
	Abohar	J-34	3541	3548	-7
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3493	3503	-11
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	5th to 11th March 2016	27th Feb to 4th March 2016	
Gujarat	Ahmedabad	Shankar-6	204000	297500	-93500
	Gondal	Shankar-6	9194	15376	-6182
	Rajkot	B.T. Cotton	10450	12925	-2475
	Patan	B.T. Cotton	18731	15659	3072
	Kadi	B.T. Cotton	160000	250000	-90000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2626	3124	-498
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	6	215	-209
Haryana	Bhiwani	B.T. Cotton	10500	10500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5780	5100	680
	Fatehabad	B.T. Cotton	2100	2250	-150
	Jind	B.T. Cotton	NA	185	-
	Uchana	B.T. Cotton	1575	2485	-910
	Dabwali	B.T. Cotton	810	435	375

Rajasthan	Hanumangarh	B.T. Cotton	4400	6500	-2100
	Rawatsar	B.T. Cotton	1300	1650	-350
Madhya Pradesh	Khandwa	Mech-1	2684	8039	-5355
	Khargaon	Mech-1	10290	8010	2280
Maharashtra	Amravati	Mech-1	1075	3700	-2625
	Jamner	Medium Staple	147	233	-86
Uttar Pradesh	Hathras	B.T. Cotton	NA	50	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7054	13381	-6327
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	5450	3050	2400
	Hubli	D.C.H.	70	90	-20
	Hubli	B.T. Cotton	76	126	-50
	Raichur	H-44 Cotton	4267	5399	-1132
Commodity		Lint	Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	5th to 11th March 2016	27th Feb to 4th March 2016	
Punjab	Bhatinda	J-34	13430	16150	-2720
	Abohar	J-34	3400	4250	-850
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	4080	4930	-850
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				4th to 10th March 2016	26th Feb to 3rd March 2016	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29180	29783	-603
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	29680	30283	-603
J-34(202)	26mm	3.5 - 4.9	23	32120	32417	-297
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31700	32017	-317
Shankar-6(105)	29mm	3.5 - 4.9	28	32920	33217	-297
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34320	34517	-197
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36100	36450	-350
DCH-32(107)	34mm	3.0 - 3.8	33	48400	49017	-617

**State wise-summary of Weekly Prices**

State	Prices 09-15 Mar 2016	Prices 01-08 Mar 2016	Prices 09-15 Mar 2015	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4194.76	4187.18	3734.93	0.18	12.31
Gujarat	4388.36	4351.12	3899.59	0.86	12.53
Haryana	4622.84	4553.93	4027.78	1.51	14.77
Karnataka	4550.64	4421.64	3905.61	2.92	16.52
Madhya Pradesh	4429.62	4444.9	3807.11	-0.34	16.35
Maharashtra	4440.75	4424.82	4300	0.36	3.27
Orissa		4166.22	4045.2	—	—
Punjab	4599.87	4599.67	4087.94	—	—
Rajasthan	4613.1	4625.31	4084.81	0	12.52
Tamil Nadu	4638.76	4620.43	4015.74	-0.26	12.93
Telangana	4183.49	4158.24	3911.62	0.4	15.51
Uttar Pradesh				0.61	6.95
Average	4466.22	4413.95	5497.53		—

*Source:Agmarknet*
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