

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices noticed mostly weak tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 4767 per quintal, which stood at Rs 4757 previous week. Average price of Lint at Sirsa during the week was Rs. 3466 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 3493. Cotton fiber (Shankar-6) prices remained weak this week. Average price was Rs 32733 per candy (of 355.6 kg each) during the week, which was Rs 32920 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed lower this week at Rs. 749.50 per maund (of 20 kg each) which was Rs 773.50 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 3400-3500 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 710-760 per maund (of 20 kg each).

Major Market Highlights: The Cotton Association of India (CAI) has estimated cotton production at 345 lakh bales (of 170 kg each) in the 2015/16 season that started on October 01, 2015 lower by 37.75 lakh bales from earlier estimate. With carryover stock of about 73.60 lakh bales and imports of about 14 lakh bales, the total availability is estimated at around 432.60 lakh bales. However, CAI has pegged the total consumption at around 304 lakh bales, of which 270 lakh bales is estimated to be consumed by mills, 24 lakh bales by small scale units, while 10 lakh bales is likely to be non-mill consumption.

Cotton crop in Gujarat is estimated to be around 94.5 lakh bales (108 lakh bales), in Haryana at 16 lakh bales (23.50 lakh bales). However, the crop estimate for Maharashtra, Telangana and Andhra Pradesh is almost in line with the last year's crop.

The Punjab government has reduced the value added tax (VAT) on cotton yarn and cloth from 6.05 per cent to 3.63 per cent.

According to Cotton Association of India (CAI), the arrivals during 2015-16 season up to the end of February 2016 are estimated at 245 lakh bales compared to 276.25 lakh bales arrived up to the same period last year.

India exported 1.20 lakh bales of cotton last week (07 Mar-13 Mar 2016), which was 1.42 lakh bales previous to last week (29 Feb-06 Mar 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (07-13 Mar 2016) was USA. According to the data released by IBIS and compiled by Agriwatch, USA imported 0.055 lakh bales of cotton from India in the past week (07-13 Mar 2016). Other major importers were Mali, Brazil, Israel and Argentina and their imported volumes were 0.029 lakh bales, 0.011 lakh bales, 0.009 lakh bales and 0.007 lakh bales respectively.

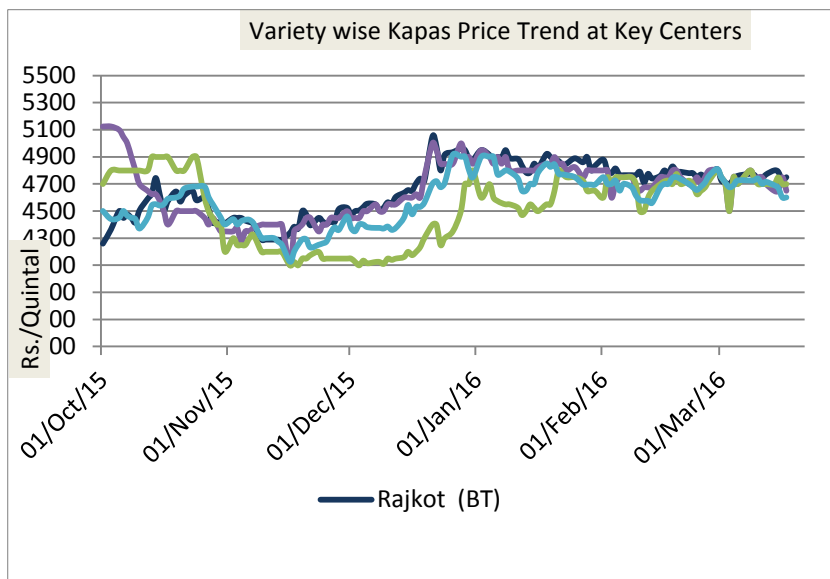
Domestic Cotton Prices Scenario

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. 4767 per quintal, fairly higher as compared to previous week price of Rs. 4757 per quintal.

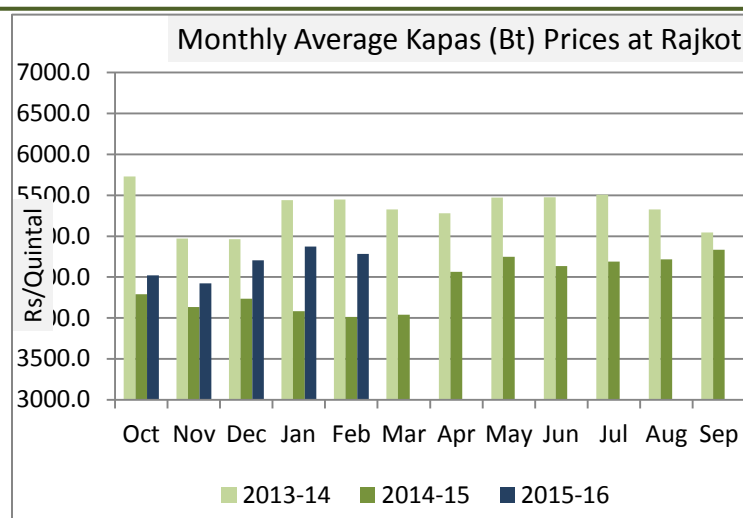
The Foreign Agriculture Services (FAS), division of USDA has lowered the production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the downward revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm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

Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4700-4750 per quintal for the coming week.



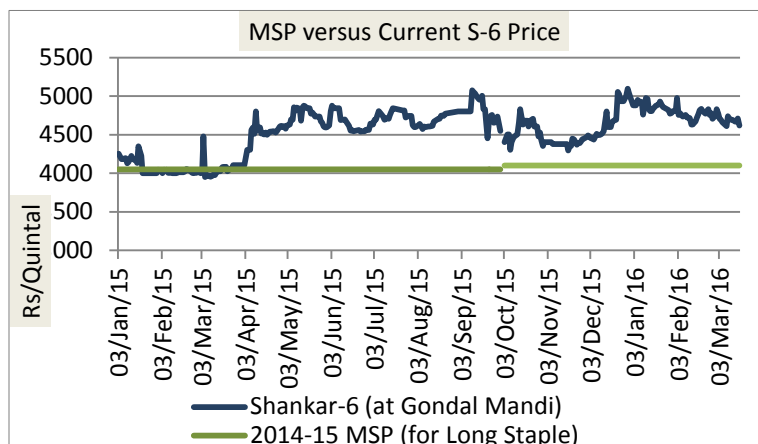
Kapas Monthly Y-o-Y Price Scenario

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

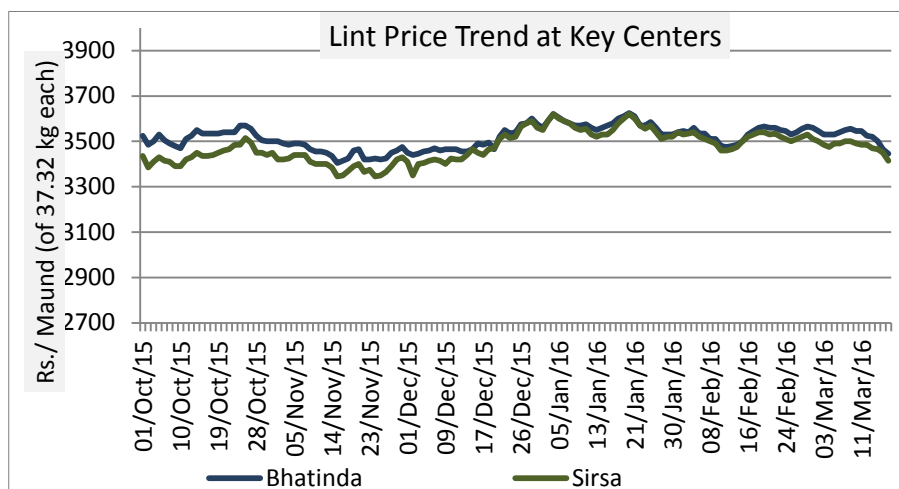
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been lowered this week due to slightly lower prices. The average gap between the prices was Rs 588 this week compared to Rs 589 a week earlier. This indicates prices are in the range -bound movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

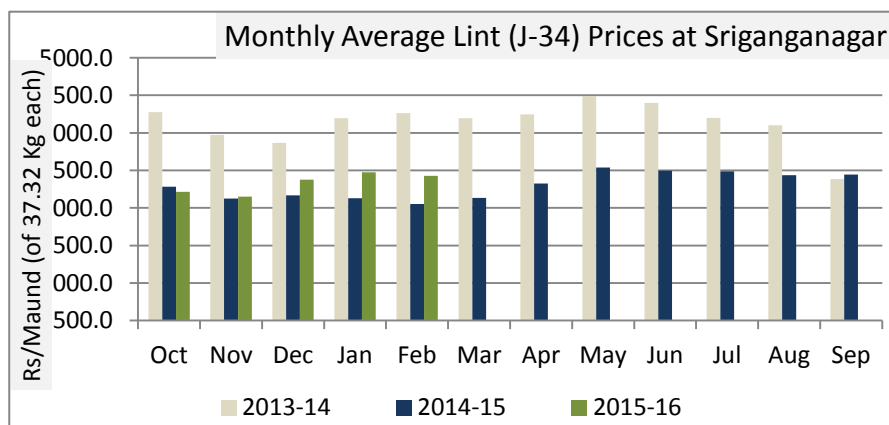
Weekly Price Review: As mixed sentiments are prevailing in market, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 3466 per maund of 37.32 kg each same as the previous week price of Rs. 3544 per maund.

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. 3400-3500 per maund.



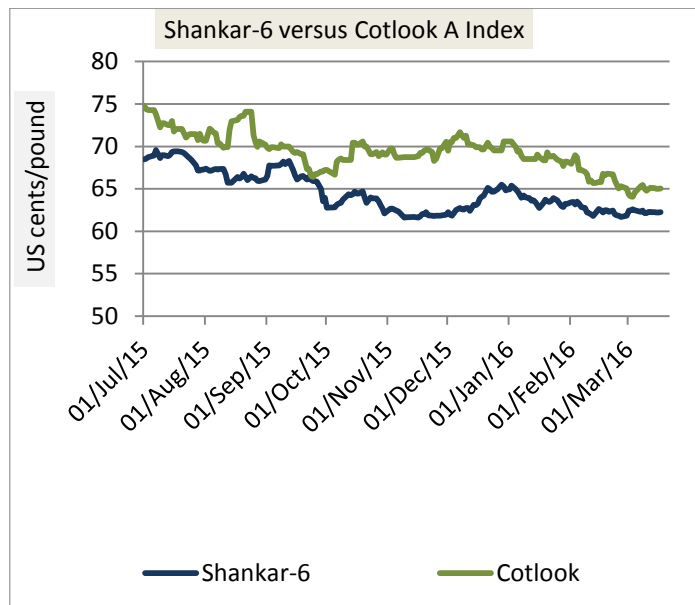
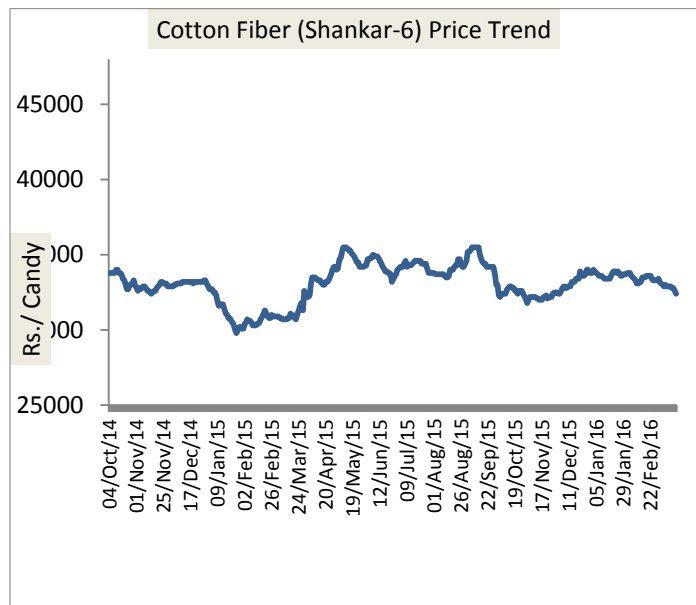
Lint Monthly Y-o-Y Price Scenario

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 32733 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 32920 per candy.

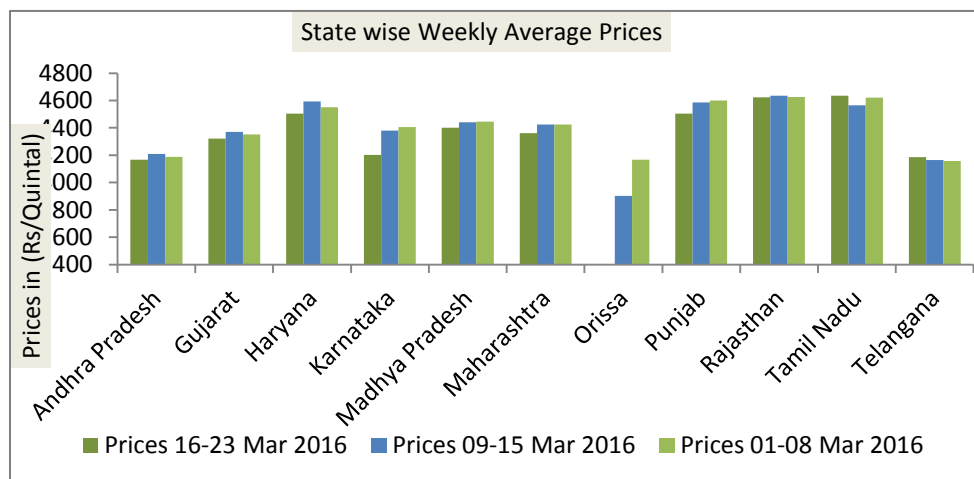


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 65.96 cents/pound, Indian weekly average price stood 62.25 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 32000-32500 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.

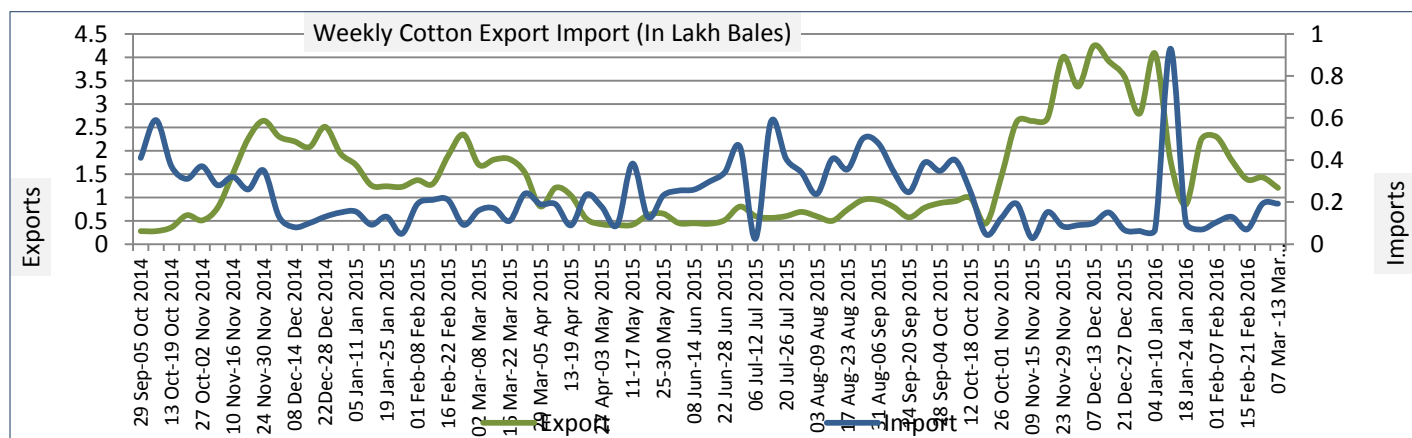


Cotton Weekly Export and Import

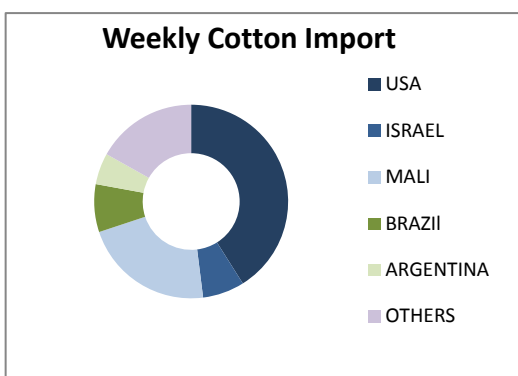
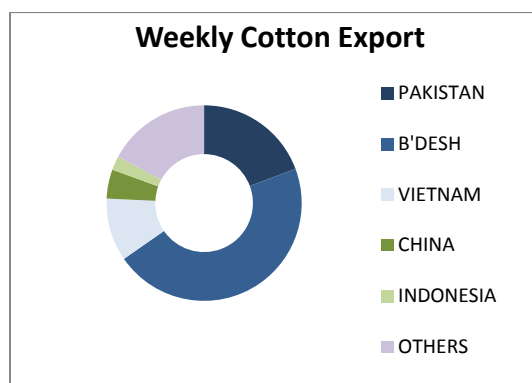
India exported 1.204 lakh bales of cotton last week (07 Mar-13 Mar 2016), which was 1.428 lakh bales during the week before previous to last week (29 Feb-06 Mar 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.192 lakh bales last week, which was 0.192 lakh bales previous to last week.

Export/Import	07 Mar-13 Mar 2016	29 Feb-06 Mar 2016
Export (In lakh Bales)	1.204	1.428
Import (In lakh Bales)	0.192	0.192

Source: IBIS



India exported 1.20 lakh bales of cotton last week (07 Mar-13 Mar 2016), which was 1.42 lakh bales previous to last week (29 Feb-06 Mar 2016), according to the data released by IBIS and compiled by Agriwatch. Major importer of Indian cotton during the week (07-13 Mar 2016) was USA. According to the data released by IBIS and compiled by Agriwatch, USA imported 0.055 lakh bales of cotton from India in the past week (07-13 Mar 2016). Other major importers were Mali, Brazil, Israel and Argentina and their imported volumes were 0.029 lakh bales, 0.011 lakh bales, 0.009 lakh bales and 0.007 lakh bales respectively.



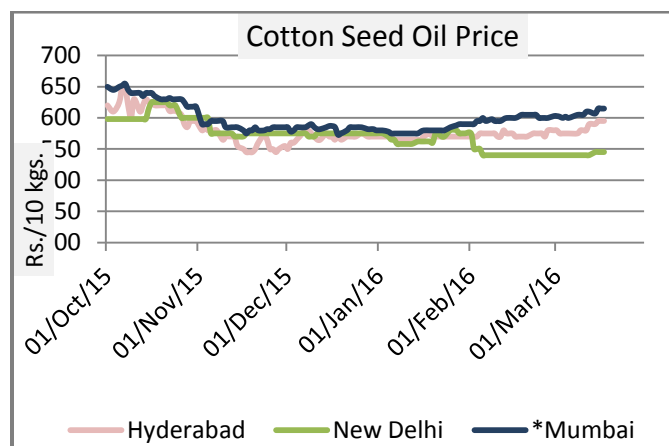
Cotton Seed Oil and Cotton Seed Oil Cake

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 545 per 10 Kg, higher 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
	17-Mar-16	11-Mar-16	
New Delhi	545	540	0.93
Rajkot	595	595	0.00
Hyderabad	595	580	2.59
Mumbai*	615	610	0.82

*Vat Included

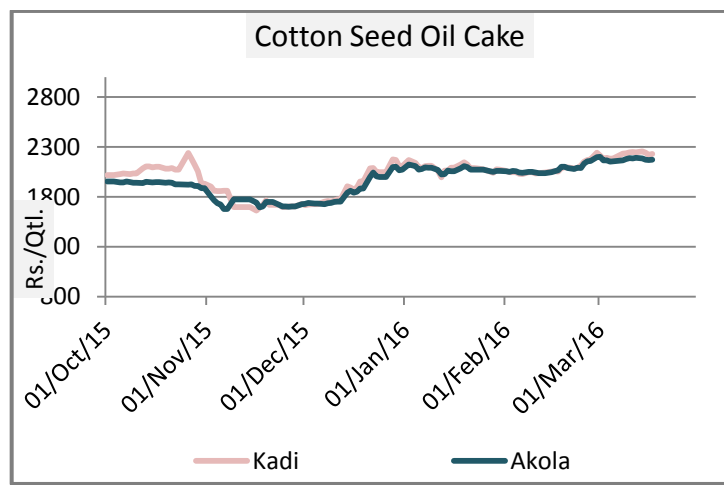


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2171 per quintal, lower compared to the weekly average price of previous week of Rs 2184 per quintal.

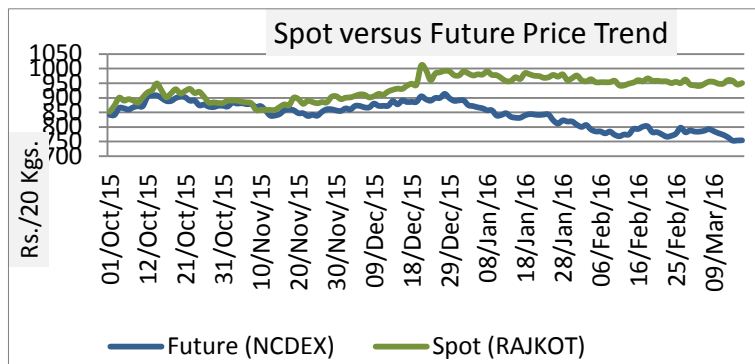
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	17-Mar-16	11-Mar-16	
Kadi	2231	2248	-0.76
Akola	2171	2184	-0.60

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'16) closed at Rs 754.00 as on 17 March 2016, compared to 778.50 a week earlier and Rs 771.00 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.193 which was Rs 165 a week earlier.



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



Weekly Technical Outlook:

- Candlestick denotes buying interest in the prices.
- RSI is moving up in neutral region.
- Price closed below 9 and 18 days EMA.
- 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	710-760

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
700	680	770	800

Figures in Rs/20 Kg

International Market Scenario

International cotton prices remained range bound during the week. Cotlook A index weekly average stood at 66.40 cents/pound this week, which was 64.80 cents/pound during last week.

Major Market Highlights: Bangladeshi Commerce Minister has asked the Indian government to withdraw countervailing duties on Bangladeshi products, particularly garments. Cotton imports rose to 6.1 million bales in 2015 from three million bales in 2006, according to data from BTMA. Cotton imports are increasing amid establishment of new spinning mills and capacity expansion of the old plants. India has the potential to continue being the major supplier of cotton to Bangladesh as it is the largest grower of cotton.

According to trade data released by cncotton.com, China's imports of cotton declined 64.7 per cent in February 2016 compared with to the same corresponding month of previous year. Imports declined to their lowest in last nine years in 2015.

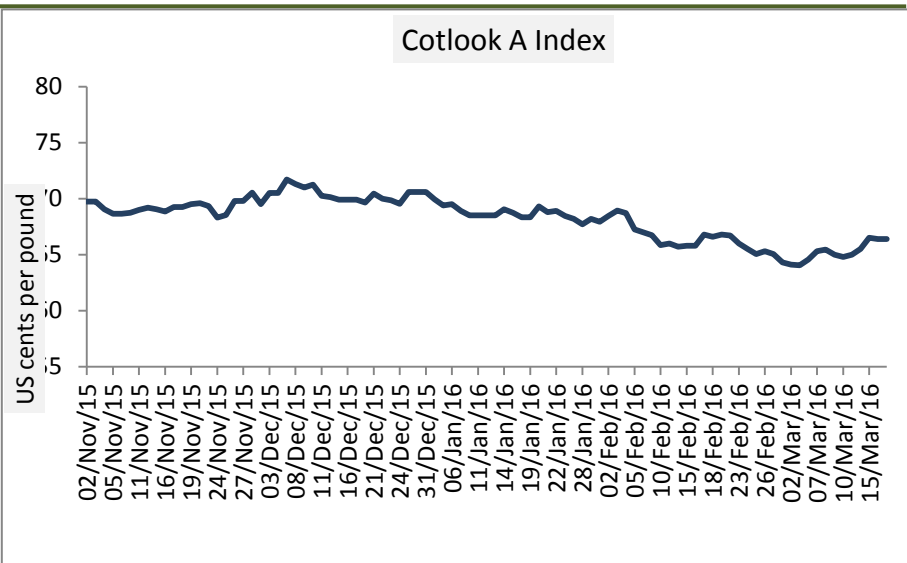
Pakistan, the fourth largest producer of cotton in the world is likely to perform poorly in cotton trade. The consumption of cotton is expected to decline by 12 per cent this year.

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 states. World ending stocks are now projected at 103.3 million bales.

Cotlook A Index

Cotlook A index remained range bound to firm during the week following lower crop estimates this season.

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
	17-Mar-16	10-Mar-16	
Prices	66.4	64.8	2.5
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.

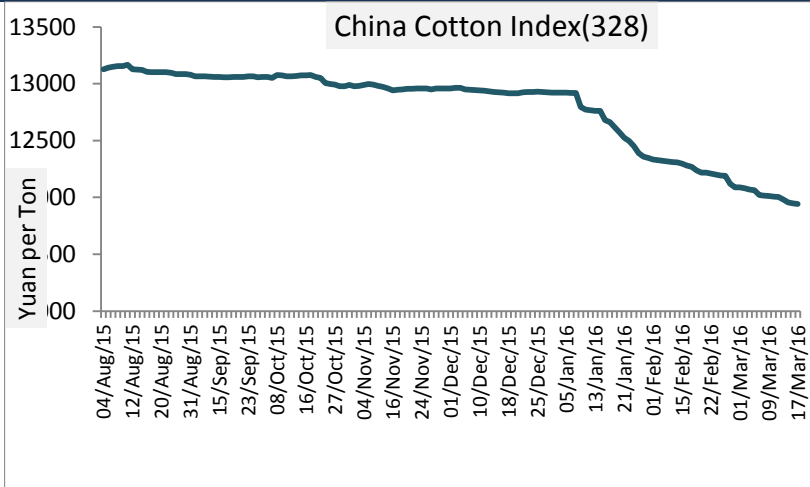
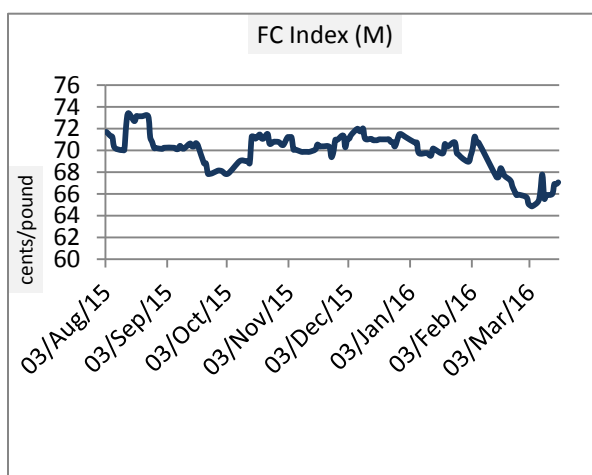
Cotton Index	Weekly Average Price as on		% Change
	17-Mar-16	10-Mar-16	
FC (S)	69.68	68.23	2.13
FC (M)	67.05	65.54	2.30
FC (L)	64.28	62.45	2.93

Prices in US cents per Pound

China Index remained slightly weak during the week. CC Index (328) remained 10988 Yuan per ton during the week. Average was 11169 Yuan per ton during previous week.

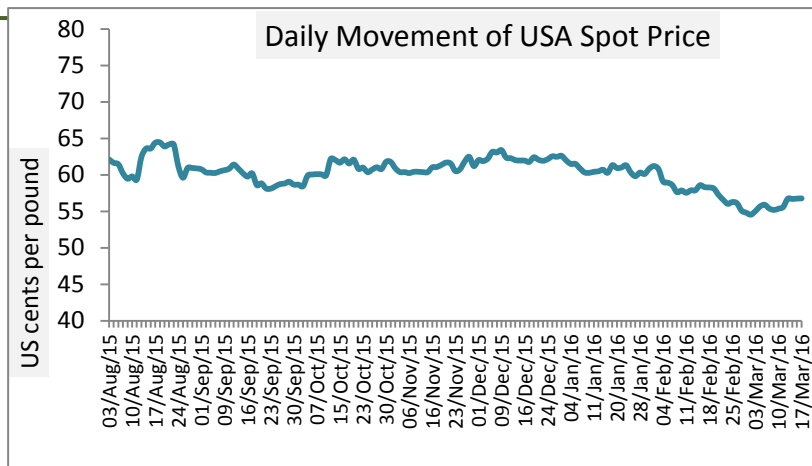
Cotton Index	Weekly Average Price as on		% Change
	17-Mar-16	10-Mar-16	
CCIndex(229)	11941	12007	-0.55
CCIndex(328)	10988	11169	-1.62
CCIndex(527)	12413	12510	-0.78

Prices in Yuan per ton



USA Spot Prices

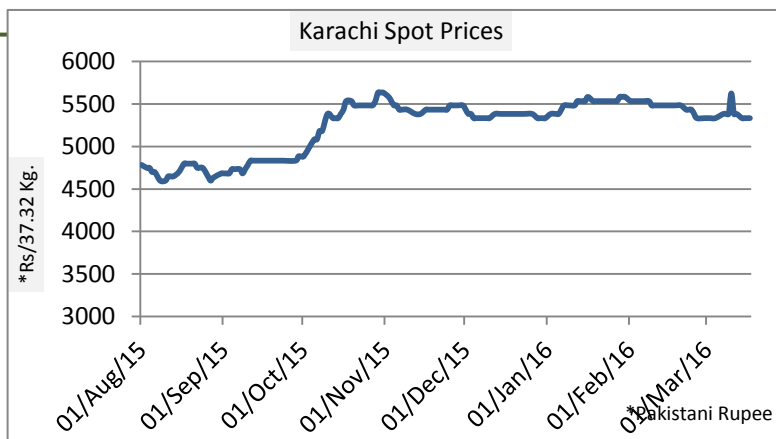
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USA Spot Prices	Weekly Average Price as on		% Change
	17-Mar-16	10-Mar-16	
Prices	55	55.38	-0.69
Prices in US cents per Pound			

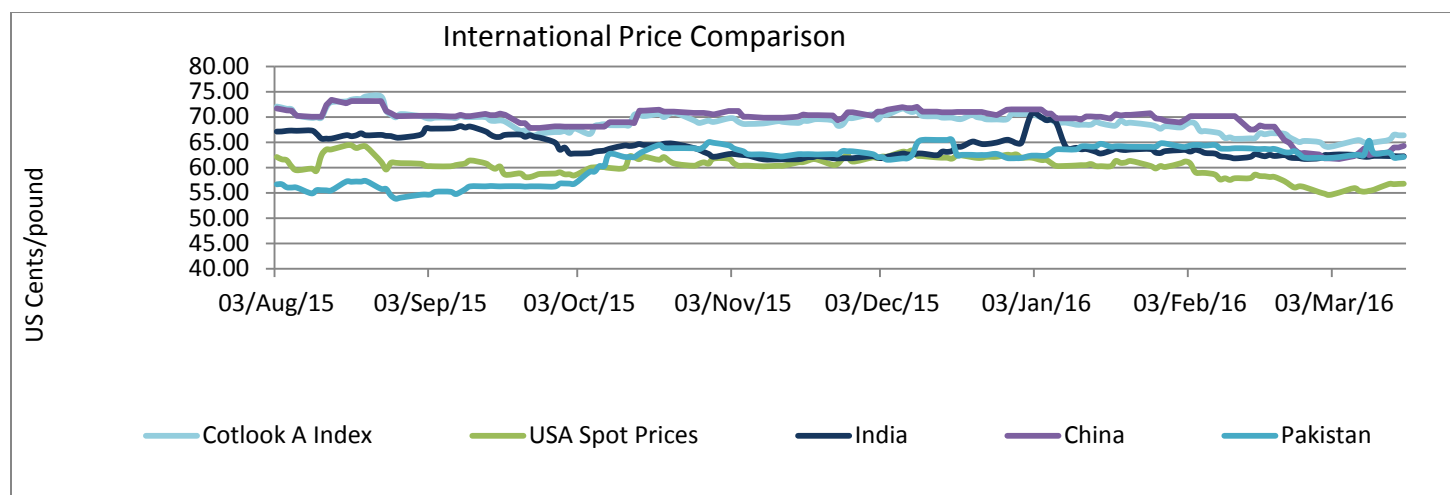
Pakistan Spot Prices

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
	17-Mar-16	10-Mar-16	
Prices	5335	5626	-5.17
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 to firm tone in the prices.
- Volume and Open Interest are declining.
- 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	54.00-57.00

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	58.36	57.15	59.87	63.59	2.12	-2.52	-8.22
May-16	58.29	57.03	59.55	63.29	2.21	-2.12	
Jul-16	58.22	56.84	59.80	63.29	2.43	-2.64	
Oct-16	58.04	56.82	59.38	63.43	2.15	-2.26	
Dec-16	58.79	57.71	59.70	63.64	1.87	-1.52	
Mar-17	59.49	58.42	60.43		1.83	-1.56	

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	12th to 18th March 2016	5th to 11th March 2016	
Gujarat	Ahmedabad	Shankar-6	4679	4750	-71
	Gondal	Shankar-6	4656	4689	-33
	Rajkot	B.T. Cotton	4767	4757	10
	Patan	B.T. Cotton	4779	4795	-16
	Kadi	B.T. Cotton	4825	4895	-70
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4738	4748	-11
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	4615	4685	-70
Haryana	Bhiwani	B.T. Cotton	4878	4930	-52
	Bhiwani	Desi	4142	4400	-258
	Adampur	B.T. Cotton	4648	4722	-74
	Fatehabad	B.T. Cotton	4643	4685	-43
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	4721	4766	-45
	Dabwali	B.T. Cotton	4502	4527	-25
Rajasthan	Hanumangarh	B.T. Cotton	4652	4731	-79
	Rawatsar	B.T. Cotton	4553	4562	-9
Madhya Pradesh	Khandwa	Mech-1	4631	4645	-14
	Khargaon	Mech-1	4701	4726	-25
Maharashtra	Amravati	Mech-1	4692	4675	17
	Jamner	Medium Staple	4477	4491	-14
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4330	4341	-11
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	4830	4771	59
	Hubli	D.C.H.	3803	3803	Unch
	Hubli	B.T. Cotton	3860	3855	5
	Raichur	H-44 Cotton	4800	4763	37
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	12th to 18th March 2016	5th to 11th March 2016	
Punjab	Bhatinda	J-34	3483	3544	-61
	Abohar	J-34	3488	3541	-53
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3451	3493	-42
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th to 18th March 2016	5th to 11th March 2016	
Gujarat	Ahmedabad	Shankar-6	261800	204000	57800
	Gondal	Shankar-6	14881	9194	5687
	Rajkot	B.T. Cotton	11800	10450	1350
	Patan	B.T. Cotton	28099	18731	9368
	Kadi	B.T. Cotton	180000	160000	20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2701	2626	75
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	30	6	24
Haryana	Bhiwani	B.T. Cotton	7000	10500	-3500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3230	5780	-2550
	Fatehabad	B.T. Cotton	1250	2100	-850
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	1471	1575	-104

	Dabwali	B.T. Cotton	680	810	-130
Rajasthan	Hanumangarh	B.T. Cotton	3750	4400	-650
	Rawatsar	B.T. Cotton	1150	1300	-150
Madhya Pradesh	Khandwa	Mech-1	4466	2684	1782
	Khargaon	Mech-1	11640	10290	1350
Maharashtra	Amravati	Mech-1	895	1075	-180
	Jamner	Medium Staple	291	147	144
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	18106	7054	11052
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	5120	5450	-330
	Hubli	D.C.H.	80	70	10
	Hubli	B.T. Cotton	424	76	348
	Raichur	H-44 Cotton	8331	4267	4064
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th to 18th March 2016	5th to 11th March 2016	
Punjab	Bhatinda	J-34	9690	13430	-3740
	Abohar	J-34	2125	3400	-1275
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	2890	4080	-1190
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				11th to 17th March 2016	4th to 10th March 2016	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29150	29180	-30
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	29650	29680	-30
J-34(202)	26mm	3.5 - 4.9	23	31900	32120	-220
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31417	31700	-283
Shankar-6(105)	29mm	3.5 - 4.9	28	32733	32920	-187
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34367	34320	47

MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36067	36100	-33
DCH-32(107)	34mm	3.0 - 3.8	33	48383	48400	-17

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