

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices noticed mostly steady to firm tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 4830 per quintal, which stood at Rs 4773 previous week. Average price of Lint at Sirsa during the week was Rs. 3418 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 3466. Cotton fiber (Shankar-6) prices remained weak this week. Average price was Rs 32500 per candy (of 355.6 kg each) during the week, which was Rs 32267 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed lower this week at Rs. 754.00 per maund (of 20 kg each) which was Rs 765.70 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. 4700-4800 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3400-3450 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: Union Agriculture and Farmers Welfare Ministry has issued directives to the States producing cotton to check the adverse effect of white fly on the crop. In 2015, white fly had caused extensive damage to cotton crop in Punjab and Haryana. To save the crop from the fly, the Government has taken various preventive measures.

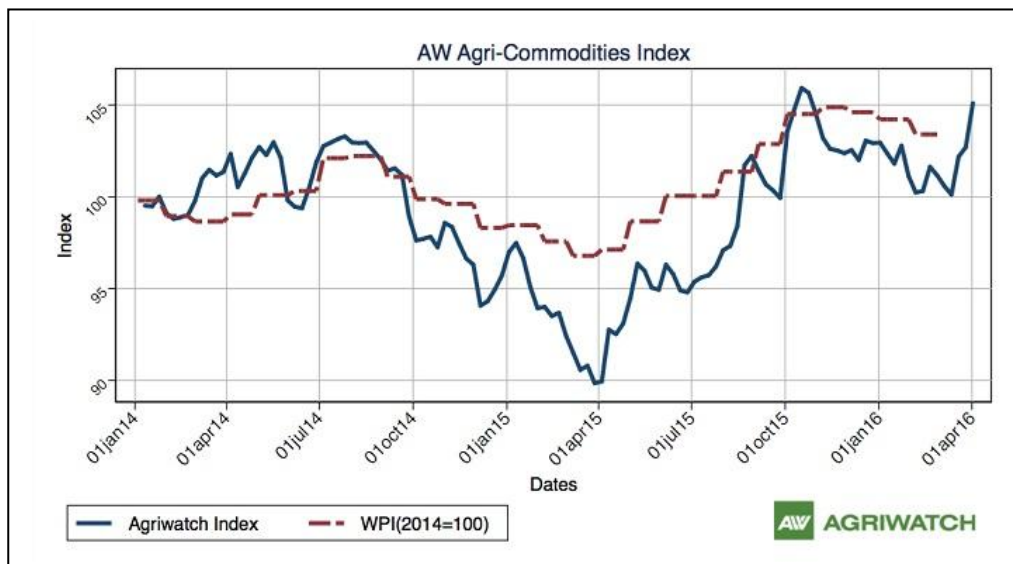
NCDEX has helped raise the bar on quality of cotton bales traded in futures. The stringent warehousing standards and surveillance system of the exchange has helped address quality challenges faced by the industry. This has translated into increased participation on the Exchange.

Declining cotton prices during the last few weeks have raised concerns among the farmers. Currently the prices are Rs.3300 to Rs. 4000 per quintal compared to around Rs.5500 to Rs.6000 per quintal two years ago. To support the livelihood of cotton farmers, they have asked for a minimum price of Rs.5000 per quintal.

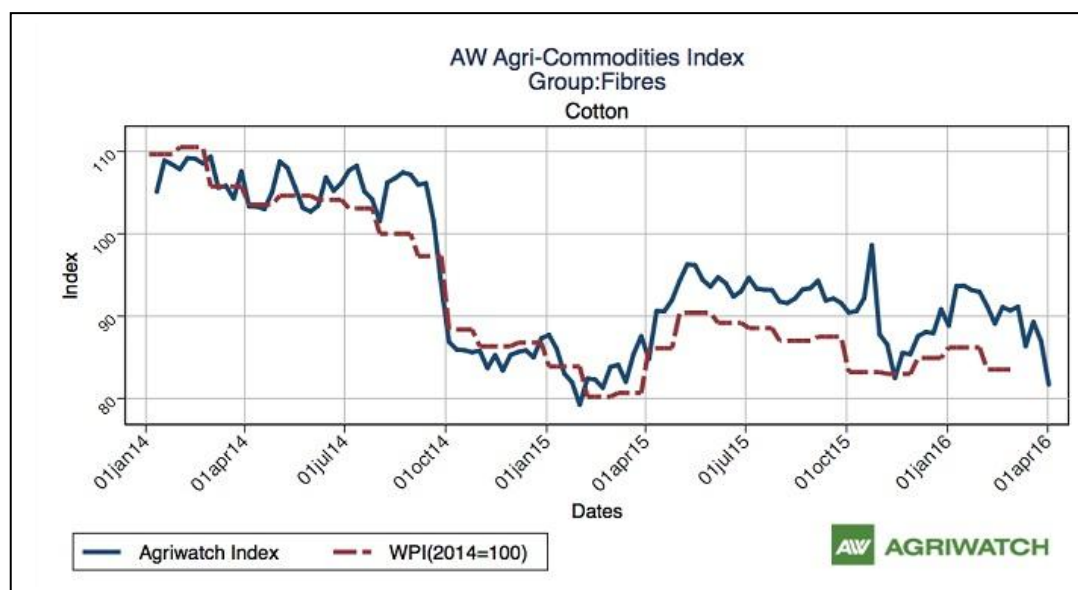
The Cotton Association of India (CAI) has estimated cotton production at 345 lakh bales (of 170 kg each) in the 2015/16 season that started on October 01, 2015 lower by 37.75 lakh bales from earlier estimate. With carryover stock of about 73.60 lakh bales and imports of about 14 lakh bales, the total 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.

AW Cotton Index - 3 Apr. 2016

The Agriwatch Agri Commodities Index rose 2.33% to 105.08 during the week ended Apr 2, 2016 from 102.69 during the previous week. The base for the Index is 2014 (= 100).



The Fiber Index declined by -6.04% week-on-week.



Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

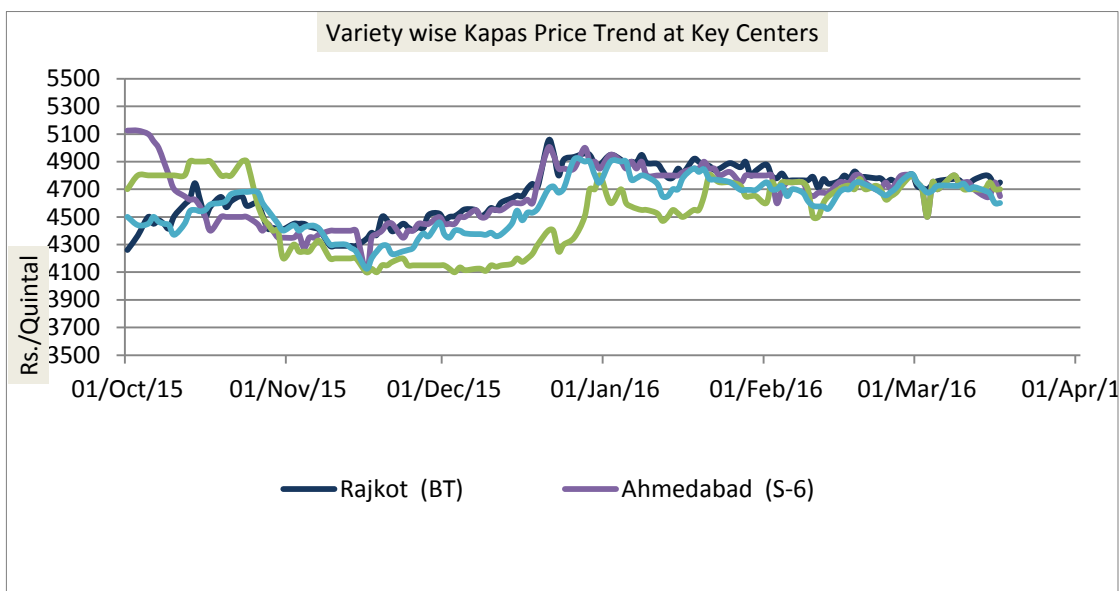
Weekly Price Review:

Kapas price remained firm during the week amid good domestic demand. Weekly average price of Kapas at Rajkot remained Rs. 4773 per quintal, fairly higher as compared to previous week price of Rs. 4773 per quintal.

The Foreign Agriculture Services (FAS), division of USDA has lowered the

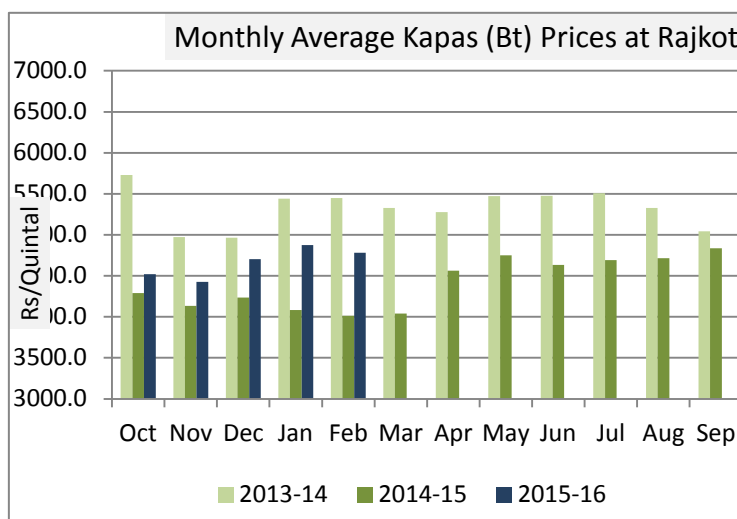
production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the downward revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm in Gujarat.

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 4700-4800 per quintal for the coming week.



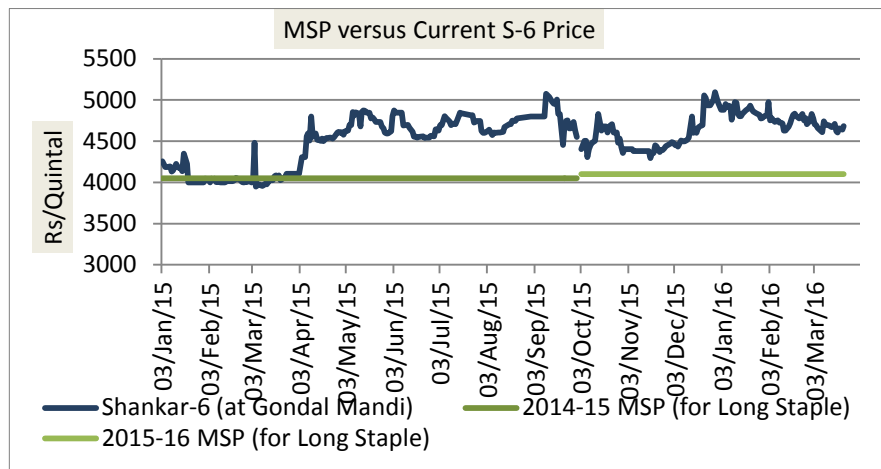
Kapas Monthly Y-o-Y Price Scenario

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.



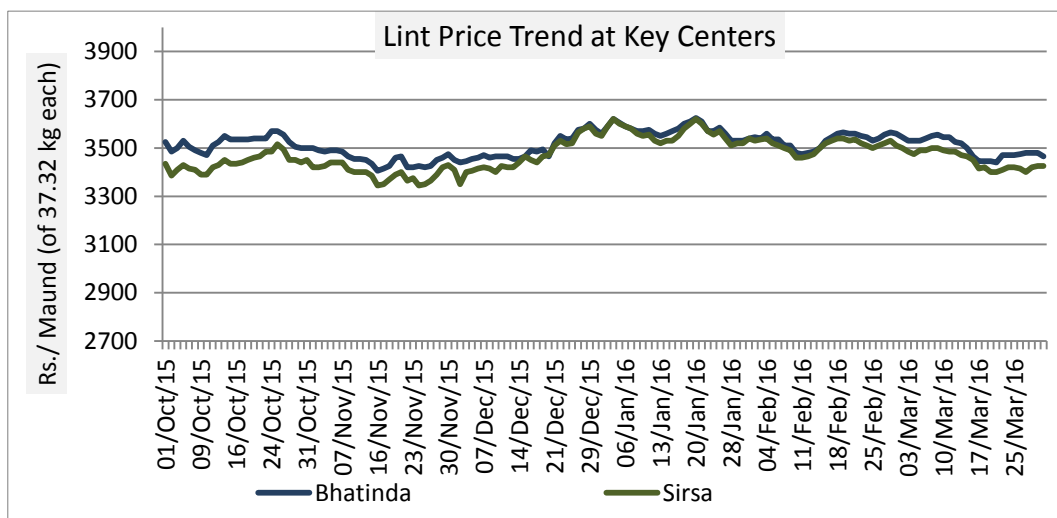
Spot Price versus MSP

The Kapas prices are ruling above the MSP so far. The gap between the two prices has been widened this week due to slightly lower prices. The average gap between the prices was Rs 598 this week compared to Rs 588 a week earlier. This indicates prices are in the range -bound movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

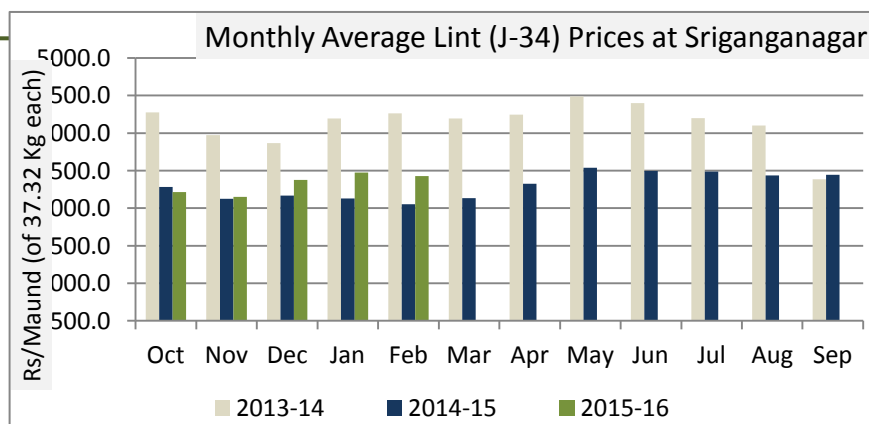
Weekly Price Review: Lint prices remained weak during the week. As owing to the prevailing mixed sentiments are prevailing in market., lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 3418 per maund of 37.32 kg each same as the previous week price of Rs. 3410 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. 3400-3450 per maund.

Lint Monthly Y-o-Y Price Scenario

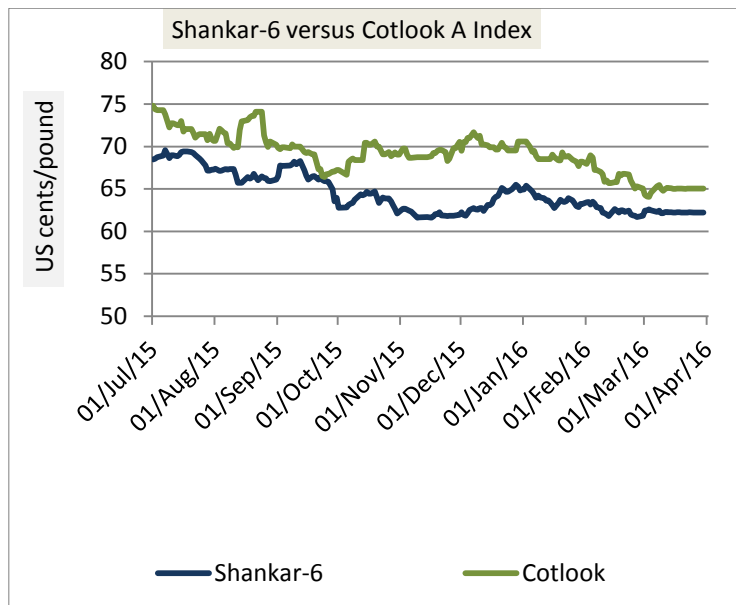
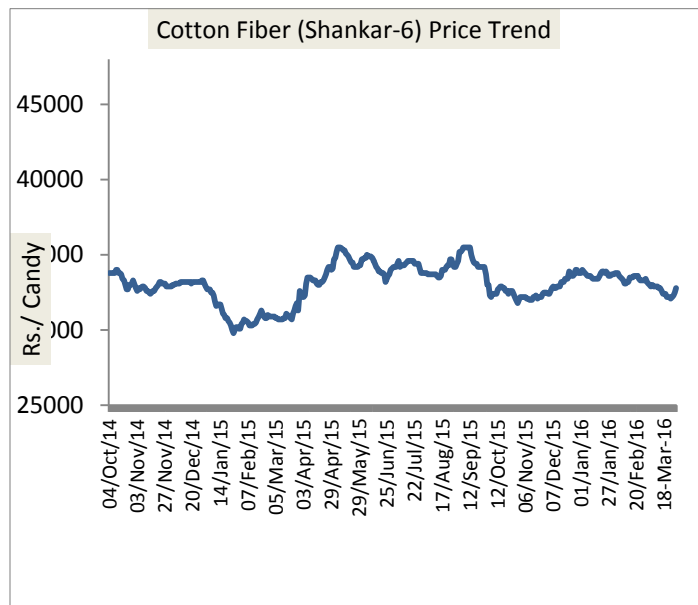
Following the weakness in Kapas prices, lint prices too remained weak during February compared to previous month and it remained firm compared to corresponding month last year also. In February this year, monthly average price of lint at Sri-Ganganagar remained Rs. 4418 per maund (of 37.32 Kg each) and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



month previous year.

Cotton Fiber Weekly Price Scenario

Due to the range-bound to firm tone in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained at Rs 32500 per candy (of 355.6 kg each) compared to the prices of previous week which was of Rs. 32267 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 65.03 cents/pound, Indian weekly average price stood 62.24 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 Tamil Nadu followed by Haryana 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

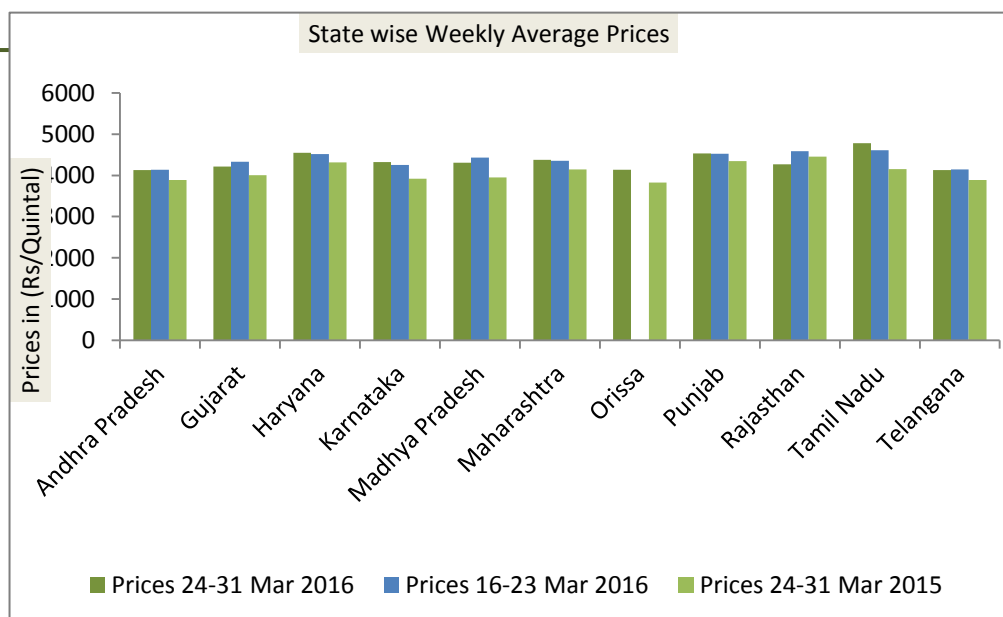
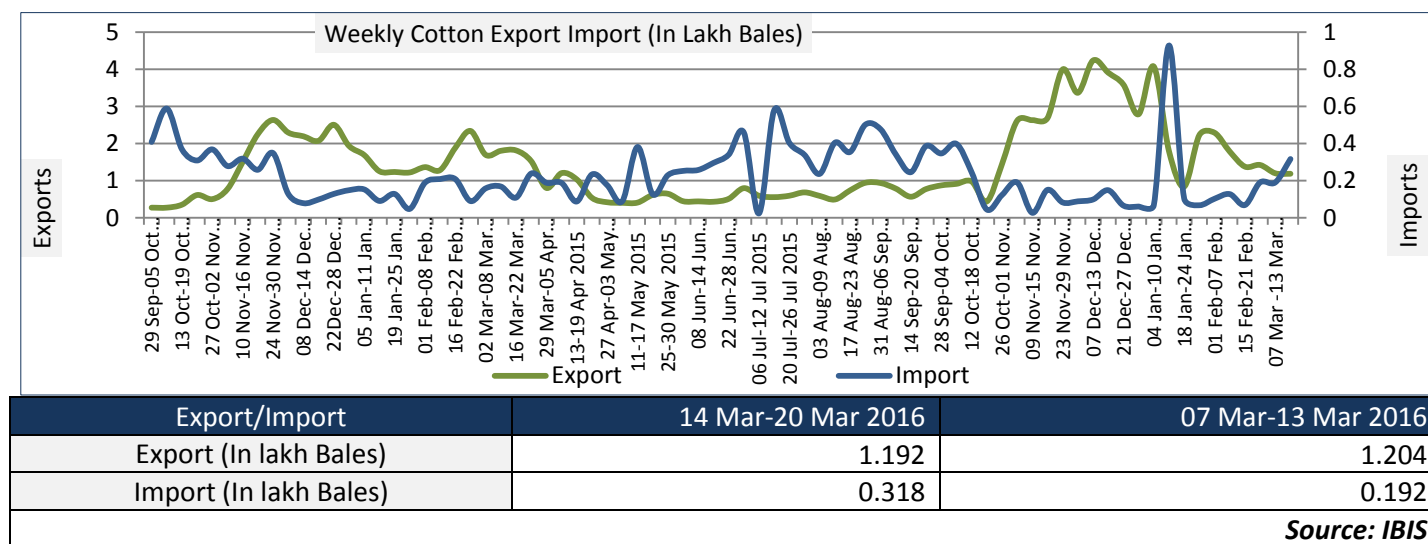


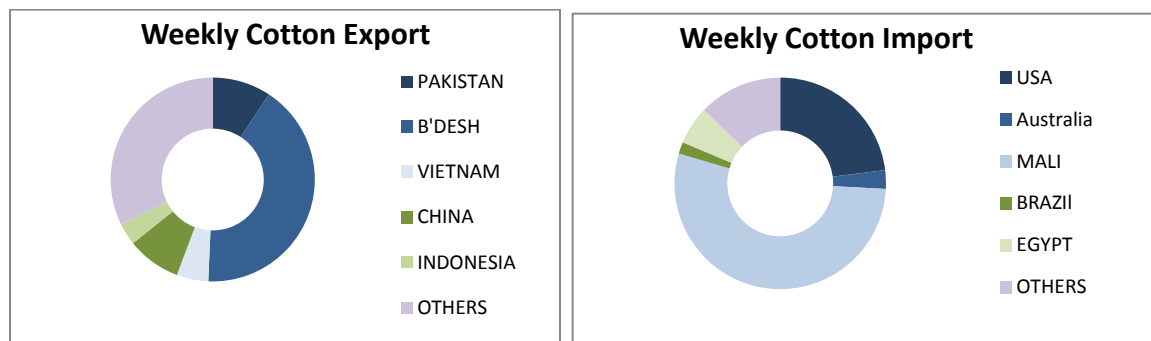
table given in annexure.

Cotton Weekly Export and Import

India exported 1.192 lakh bales of cotton last week (14 Mar-20 Mar 2016), which was 1.204 lakh bales during the week before previous to last week (07 Mar-13 Mar 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.318 lakh bales last week, which was 0.192 lakh bales previous to last week.



Major importer of Indian cotton during the week (14-20 Mar 2016) was Mali. According to the data released by IBIS and compiled by Agriwatch, Mali imported 0.17 lakh bales of cotton from India in the past week (14-20 Mar 2016). Other major importers were USA, Egypt, Australia and Brazil and their imported volumes were 0.07 lakh bales, 0.02 lakh bales, 0.01 lakh bales and 0.01 lakh bales respectively. India exported 1.19 lakh bales of cotton last week (14 Mar-20 Mar 2016), which was 1.20 lakh bales previous to last week (07 Mar-13 Mar 2016), according to the data released by IBIS and compiled by Agriwatch.



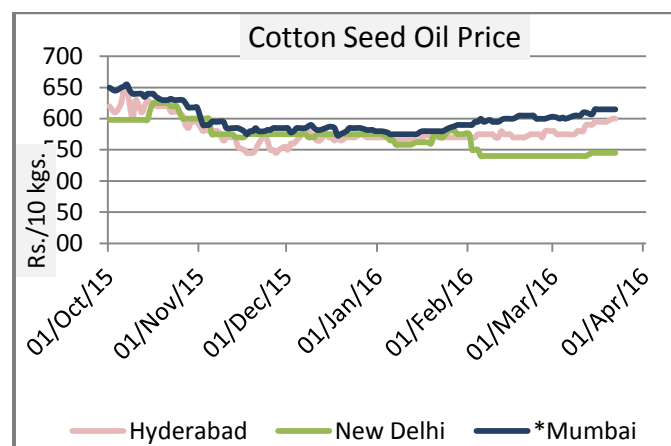
Cotton Seed Oil and Cotton Seed Oil Cake

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	31-Mar-16	22-Mar-16	
New Delhi	600	545	10.09
Rajkot	Closed	615	-
Hyderabad	610	600	1.67
Mumbai*	635	615	3.25

*Vat Included

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 600 per 10 Kg, higher as compared to the weekly average price of Rs 545 per 10 Kg in previous week.

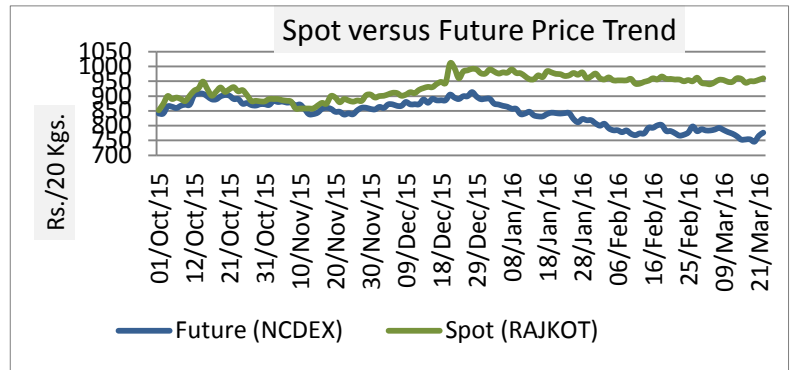
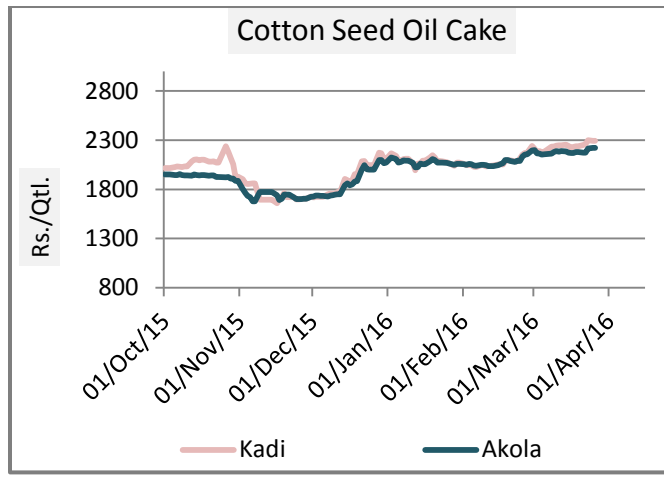


Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	31-Mar-16	22-Mar-16	
Kadi	Closed	2237	NA
Akola	2285	2179	4.86

*Source: NCDEX

Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 2285 per quintal, higher compared to the weekly average price of previous week of Rs 2179 per quintal.



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'16) closed at Rs 757.50 as on 29 March 2016, compared to 766.00 a week earlier and Rs 754.00 a year earlier. The gap between the spot and future prices has narrowed down slightly. Average gap between the spot and future price during the week was Rs.192.17 which was Rs 192.60 a week earlier.

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



Weekly Technical Outlook:

- Candlestick denotes selling interest in the prices.
- Stochastic oscillator is declining in the 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	730-780

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
700	680	800	820

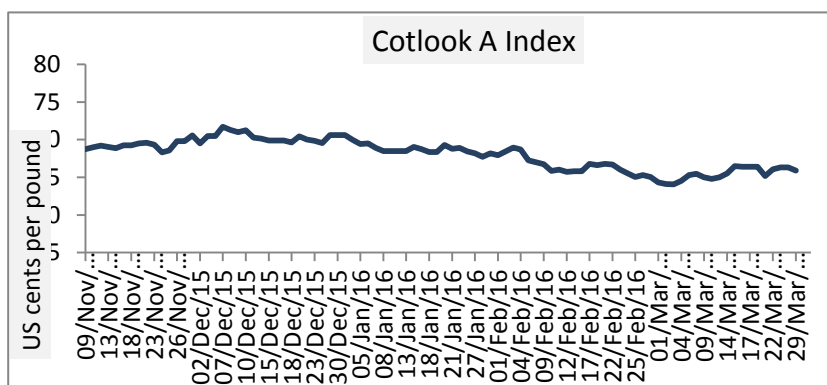
Figures in Rs/20 Kg

International Market Scenario

International cotton prices remained range bound to weak during the week. Cotlook A index weekly average stood at 65.90 cents/pound this week, which was 66.04 cents/pound during last week.

Major Market Highlights: Declining cotton prices in the global market benefit Bangladeshi yarn makers. Due to decline in yarn prices, they have received ample work orders from international retailers. About a year ago, cotton was traded at nearly \$1 a pound in the global market when yarn was sold for \$3.3 to \$3.4 a kg in Bangladesh.

The Post/New MY 2016/17 total Mexican cotton production is forecast to decrease approximately 4 percent due to an expected 9 percent decrease in planted area. Private sources stated that the decrease in planted area is mainly due to the need to rotate cotton with other crops like corn and vegetables in order to maintain more fertile soils.



According to USDA latest report, world cotton production this season at 100.2 million bales, nearly 1.2 million bales below February's projection and 19 million bales below 2014/15. Weather-related issues reduced both area and yield in a number of countries this season. For India, production is forecast at 26.8 million bales, a reduction of 1 million bales this month as gin arrivals indicated a lower crop and India's crop is estimated 9 per cent below 2014/15 and the lowest since 2009/10. 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 likely release of cotton reserves by 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
	29-Mar-16	17-Mar-16	
Prices	65.9	66.4	-0.6
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

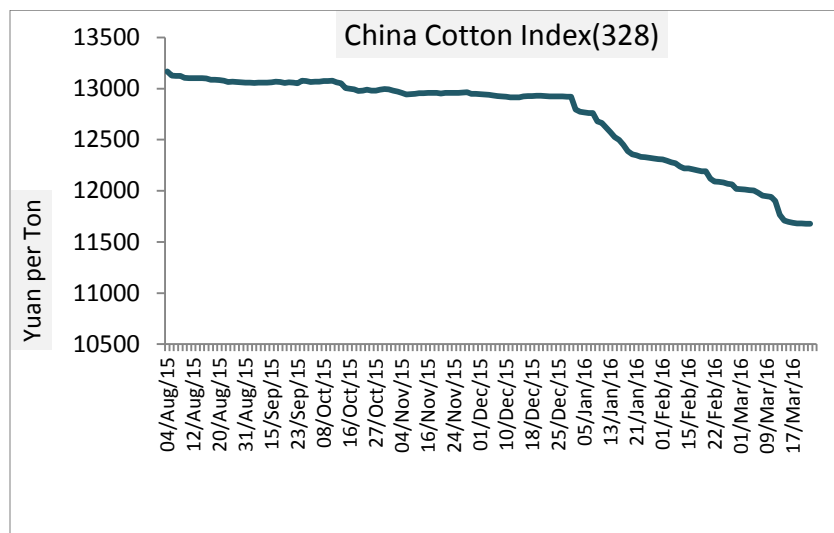
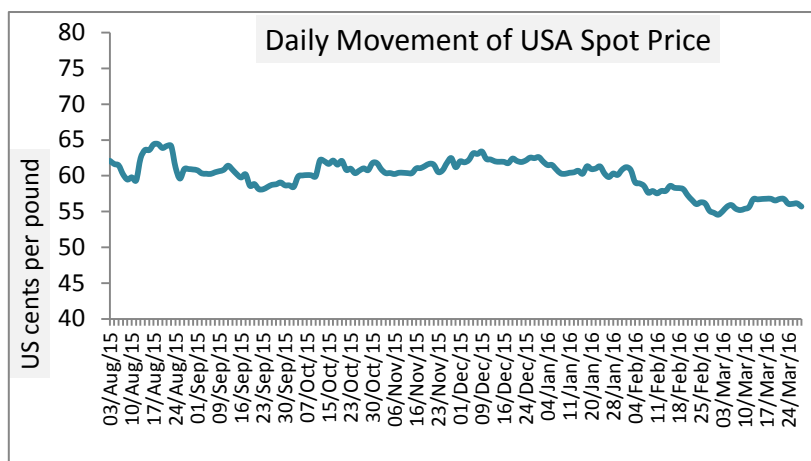
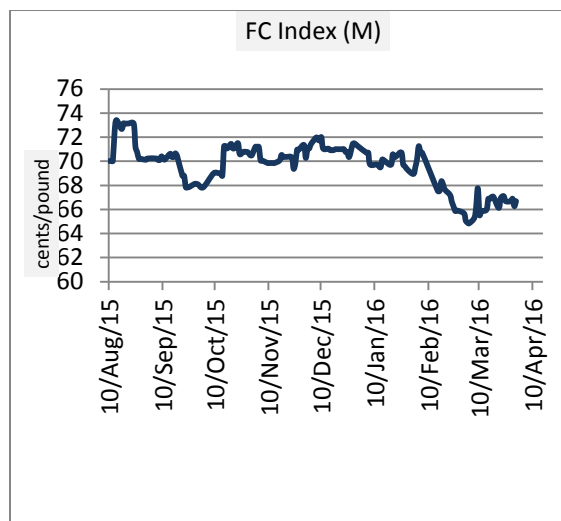
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports during previous season which were 1.80 million tons, according to USDA.

China cotton imports have moved to 9 years low, according 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
	31-Mar-16	24-Mar-16	
FC (S)	69.27	69.7	-0.62
FC (M)	66.69	67.09	-0.60
FC (L)	63.64	64.26	-0.96
Prices in US cents per Pound			

China Index remained slightly weak during the week. CC Index (328) remained 10795 Yuan per ton during the week. Average was 10988 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	31-Mar-16	24-Mar-16	
CCIndex(229)	11679	11682	-0.03
CCIndex(328)	10756	10795	-0.36
CCIndex(527)	12179	12219	-0.33
Prices in Yuan per ton			



USA Spot Prices

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..

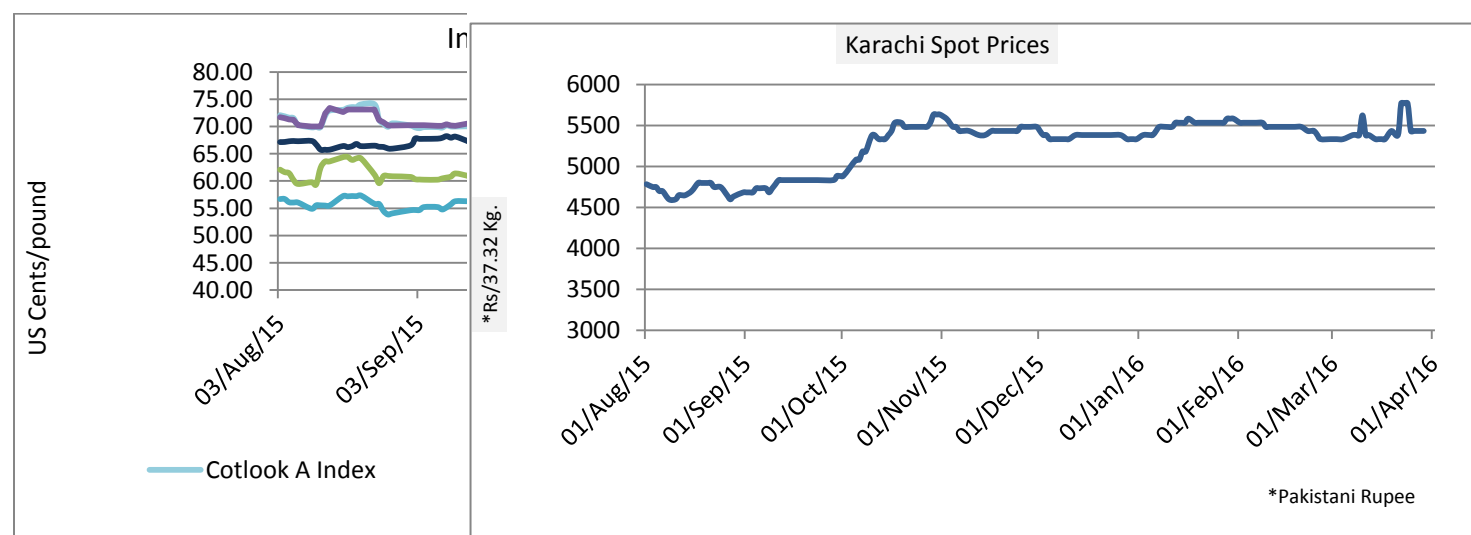
USA Spot Prices	Weekly Average Price as on		% Change
	29-Mar-16	24-Mar-16	
Prices	55.70	56.09	-0.69
Prices in US cents per Pound			

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
	29-Mar-16	24-Mar-16	
Prices	5435	5771	-5.82
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	56.00-59.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
57.00	56.60	59.00	59.50

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	58.44	57.15	56.50	63.10	2.26	3.43	-7.39
May-16	58.31	57.03	56.26	63.46	2.24	3.64	
Jul-16	58.01	56.84	55.96	63.98	2.06	3.66	
Oct-16	57.77	56.82	56.19	64.34	1.67	2.81	
Dec-16	58.39	57.71	57.06		1.18	2.33	
Mar-17	59.02	58.42			1.03		

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	26thMar. to 01st Apr. 2016	19th to 25th March 2016	
Gujarat	Ahmedabad	Shankar-6	NA	4694	-
	Gondal	Shankar-6	4815	4672	143
	Rajkot	B.T. Cotton	4830	4773	57
	Patan	B.T. Cotton	4805	4730	75
	Kadi	B.T. Cotton	4892	4875	17
	Deesa	B.T. Cotton	NA	NA	-

	Dhrol	B.T. Cotton	NA	4645	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	4555	-
Haryana	Bhiwani	B.T. Cotton	4883	4859	24
	Bhiwani	Desi	4267	4060	207
	Adampur	B.T. Cotton	4673	4652	21
	Fatehabad	B.T. Cotton	4673	4631	42
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	4680	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4682	4650	32
	Rawatsar	B.T. Cotton	4503	4524	-20
Madhya Pradesh	Khandwa	Mech-1	NA	4590	-
	Khargaon	Mech-1	4785	4666	119
Maharashtra	Amravati	Mech-1	NA	4525	-
	Jamner	Medium Staple	4539	4472	67
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4297	4300	-3
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	NA	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	4800	4760	40
	Hubli	D.C.H.	3500	3890	-390
	Hubli	B.T. Cotton	3500	3890	-390
	Raichur	H-44 Cotton	4756	4720	36
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		
State	Centre	Variety	26thMar. to 01st Apr. 2016	19th to 25th March 2016	Change
Punjab	Bhatinda	J-34	3477	3456	20
	Abohar	J-34	3490	3466	24
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3418	3410	8
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas	Weekly Sum Arrivals (Quintal)	Change
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State	Centre	Variety	26thMar. to 01st Apr. 2016	19th to 25th March 2016	
Gujarat	Ahmedabad	Shankar-6	NA	202300	-
	Gondal	Shankar-6	756	5613	-4857
	Rajkot	B.T. Cotton	625	5200	-4575
	Patan	B.T. Cotton	2502	18550	-16048
	Kadi	B.T. Cotton	95000	50000	45000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	1148	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	41	-
Haryana	Bhiwani	B.T. Cotton	5500	4300	1200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2720	2805	-85
	Fatehabad	B.T. Cotton	1250	800	450
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	38	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	1865	3810	-1945
	Rawatsar	B.T. Cotton	300	325	-25
Madhya Pradesh	Khandwa	Mech-1	NA	970	-
	Khargaon	Mech-1	440	5250	-4810
Maharashtra	Amravati	Mech-1	NA	620	-
	Jamner	Medium Staple	230	167	63
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4107	7204	-3097
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	2880	4210	-1330
	Hubli	D.C.H.	60	30	30
	Hubli	B.T. Cotton	54	34	20
	Raichur	H-44 Cotton	4677	2437	2240
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	26thMar. to 01st Apr. 2016	19th to 25th March 2016	Change
Punjab	Bhatinda	J-34	7990	5610	2380
	Abohar	J-34	2125	1955	170

	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	2380	1700	680
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				25th to 31th March 2016	18th to 24th March 2016	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29100	29040	60
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	29600	29540	60
J-34(202)	26mm	3.5 - 4.9	23	31817	31560	257
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31550	31180	370
Shankar-6(105)	29mm	3.5 - 4.9	28	32550	32260	290
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34083	34060	23
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35750	35820	-70
DCH-32(107)	34mm	3.0 - 3.8	33	48300	48300	Unch

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