

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 4974 per quintal, which stood at Rs 4830 previous week. Average price of Lint at Sirsa during the week was Rs. 3448 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 3418. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 33100 per candy (of 355.6 kg each) during the week, which was Rs 32500 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed higher this week at Rs. 778.50 per maund (of 20 kg each) which was Rs 754.00 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. 4900-5100 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3450-3500 per maund. Kapas prices at NCDEX (April'16 contract), is expected to hover in the range of Rs. 780-830 per maund (of 20 kg each).

Major Market Highlights: The government has decided to promote the cultivation of indigenous varieties of cotton this year as in the crop year 2015 -16 (July-June), cotton crop was affected in Haryana, Punjab, Rajasthan, Gujarat and Andhra Pradesh amid whitefly and pink bollworm pest attack. Bt Cotton was introduced in 2002 and around 90 per cent of the crop area is under Bt Cotton. The productivity of native varieties is lower by 10-15 per cent as compared to Bt Cotton, but expenditure on pesticides and sprays would be less and farmers can reuse the seeds for next sowing.

According to a recent forecast by the weather office, summer planting of cotton is likely to be delayed as above normal heat wave conditions is likely to prevail over central and northwest India from April to June this year.

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.

India exported 0.712 lakh bales of cotton last week (28 Mar-04 Apr 2016), which was 1.19 lakh bales previous to last week (14 Mar-20 Mar 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (28 Mar -04 Apr 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.40 lakh bales of cotton from India in the past week (28 Mar -04 Apr 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.15 lakh bales, 0.09 lakh bales, 0.03 lakh bales and 0.03 lakh bales respectively.

Domestic Cotton Prices Scenario

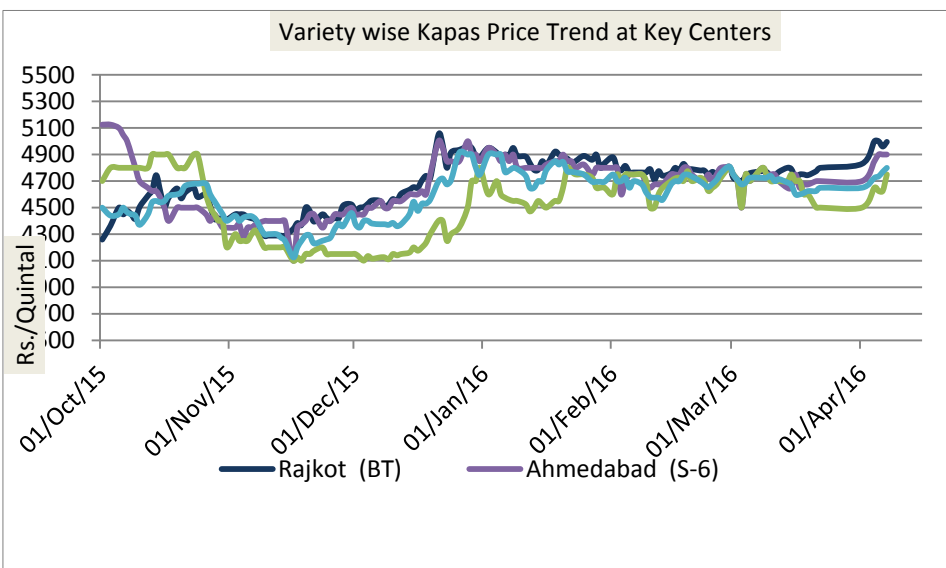
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week amid good domestic demand. Weekly average price of Kapas at Rajkot remained Rs. 4974 per quintal, fairly higher as compared to previous week price of Rs. 4830 per quintal.

According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.5 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher

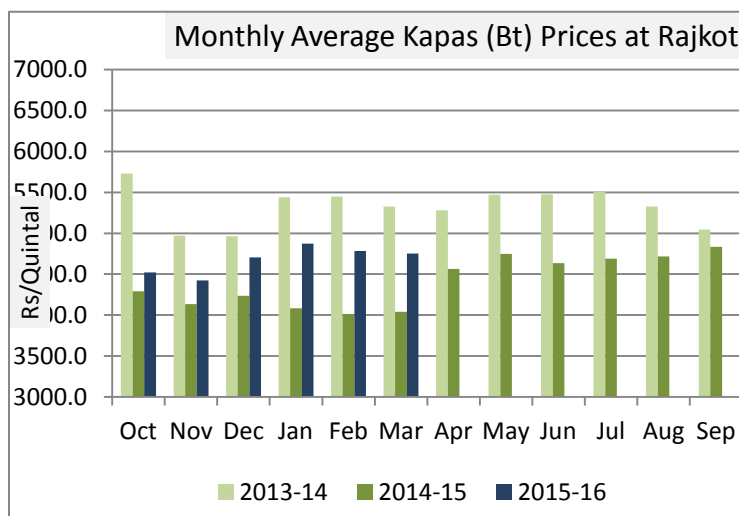
through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 4700-4800 per quintal for the coming week.



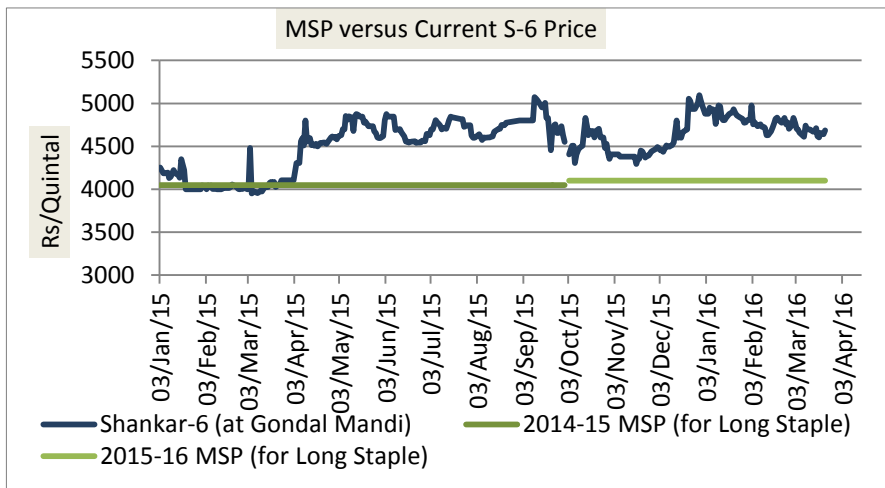
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed weak momentum during the March month following the lack of strong overseas demand. The cotton price remained weak during March compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.



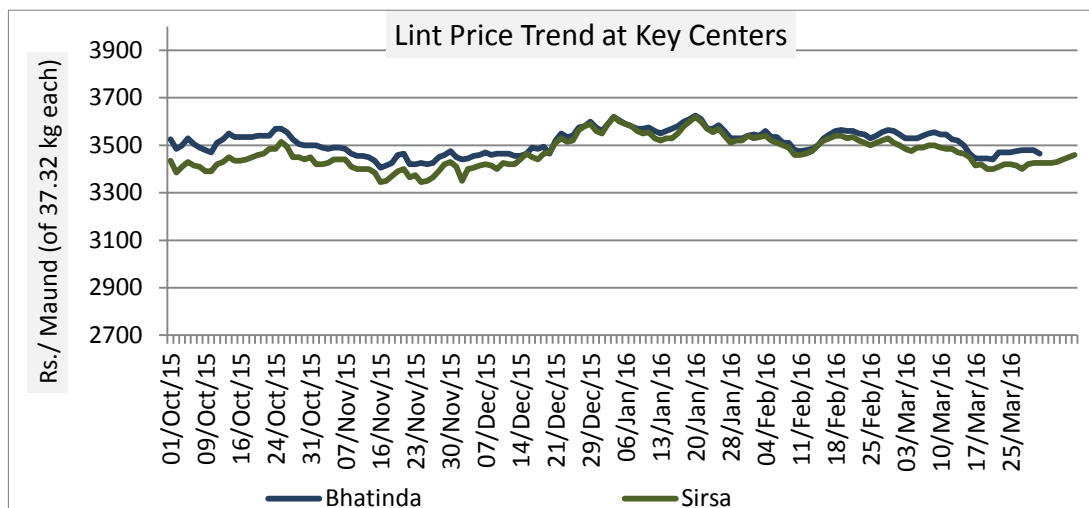
Spot Price versus MSP

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 594 this week compared to Rs 598 a week earlier. This indicates prices are in the range -bound movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

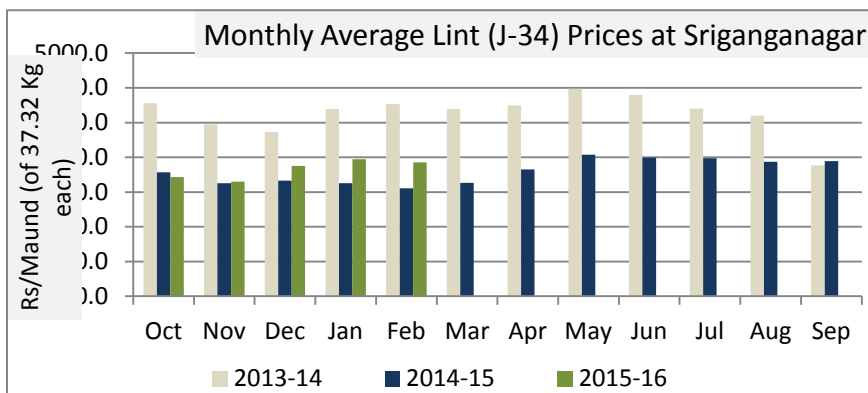
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3448 per maund of 37.32 kg each same as the previous week price of Rs. 3410 per maund.



Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in range of Rs. 3450-3500 per maund.

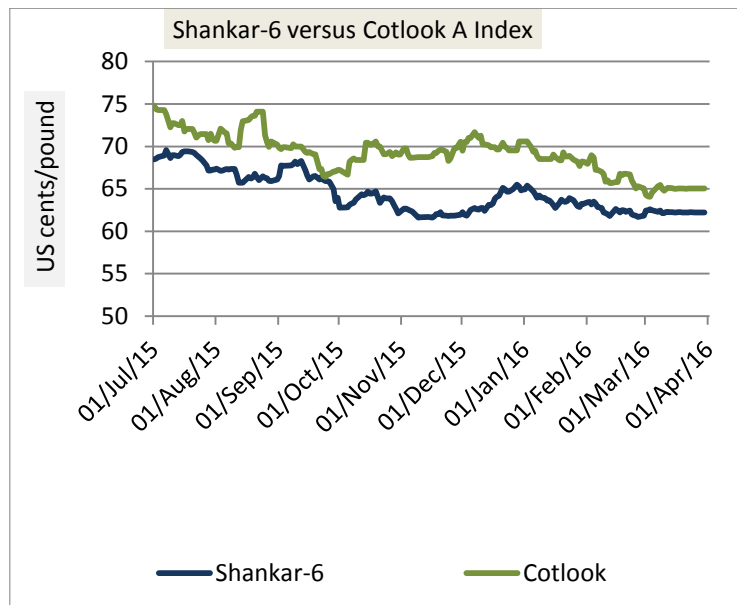
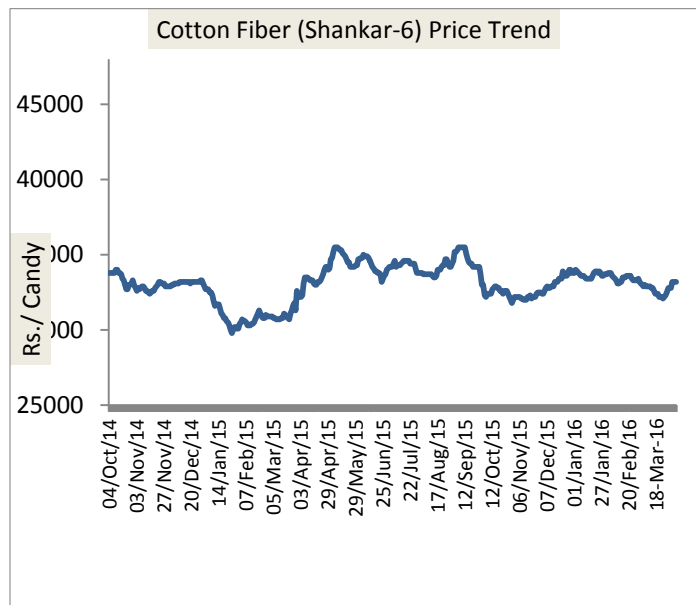
Lint Monthly Y-o-Y Price Scenario

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 range-bound to firm tone in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 33100 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 32500 per candy.

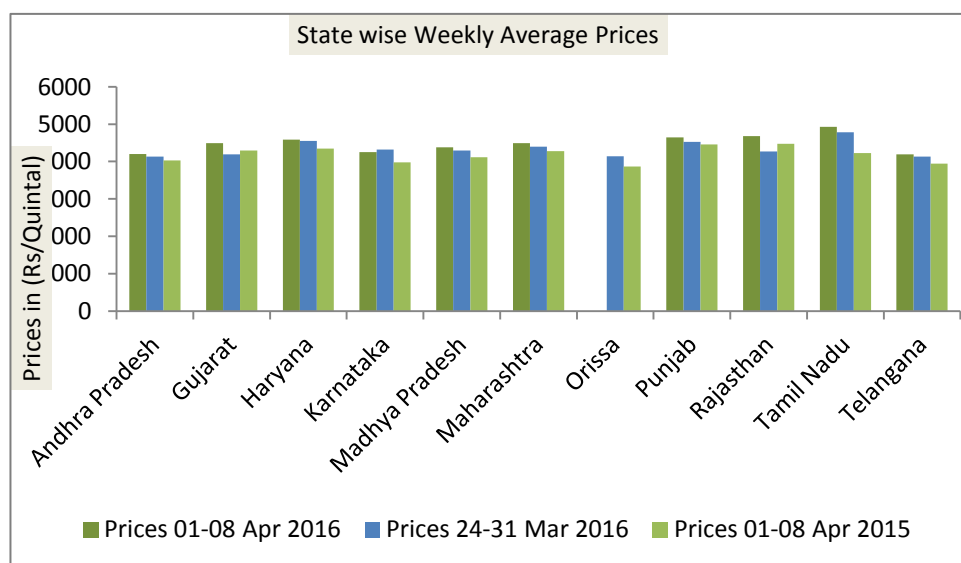


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 65.03 cents/pound, Indian weekly average price stood 62.24 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 33000-34000 per candy.

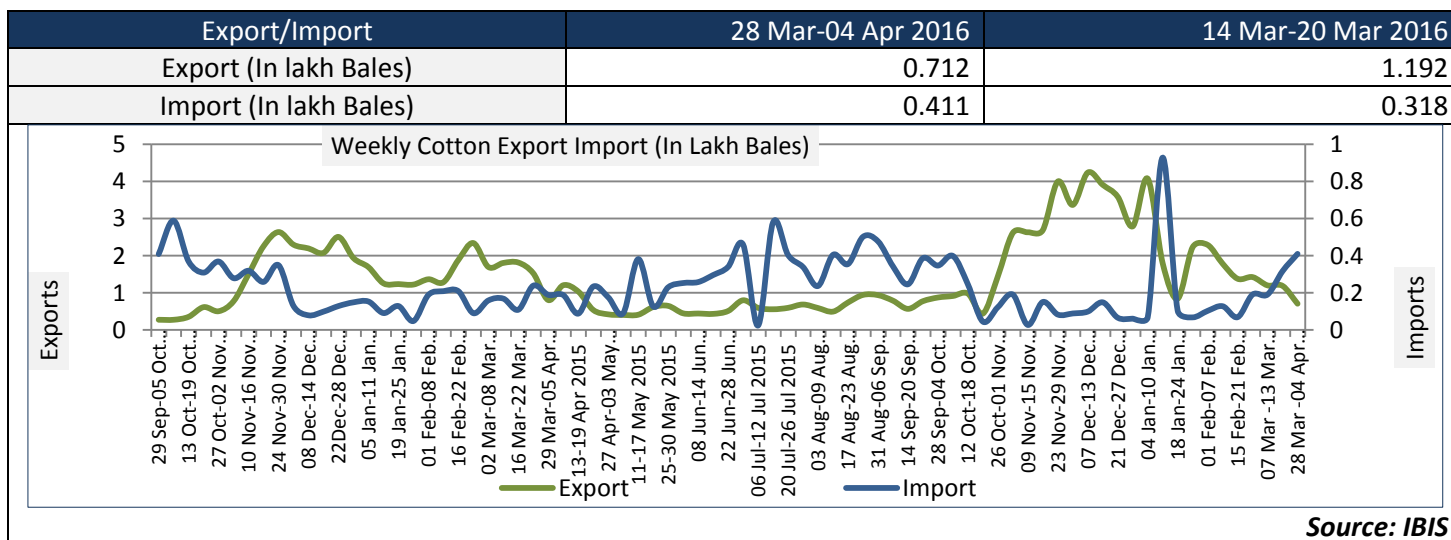
State wise Weekly Price Scenario

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. Prices have been summarized in the table given in annexure.

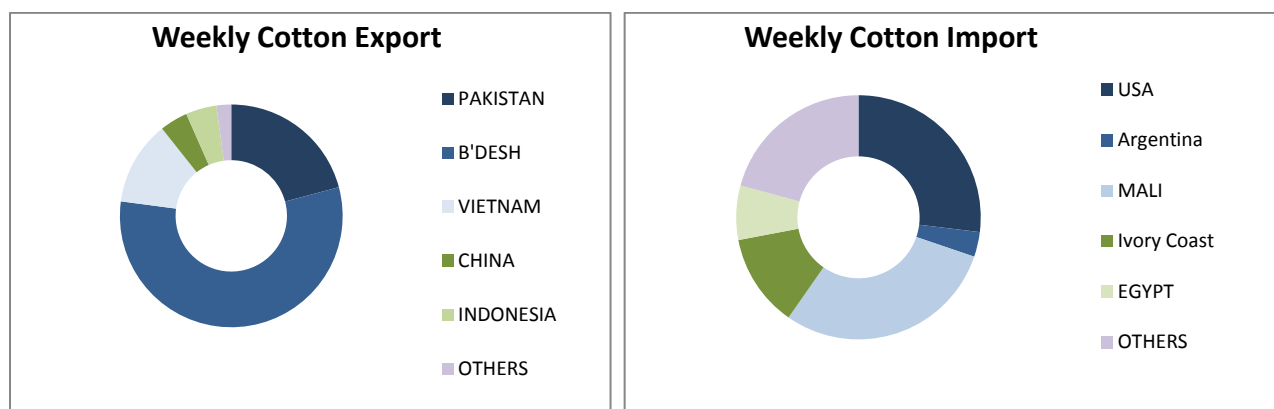


Cotton Weekly Export and Import

India exported 0.712 lakh bales of cotton last week (28 Mar-04 Apr 2016), which was 1.192 lakh bales during the week before previous to last week (14 Mar-20 Mar 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.411 lakh bales last week, which was 0.318 lakh bales previous to last week.



Major importer of Indian cotton during the week (28 Mar-04 Apr 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.40 lakh bales of cotton from India in the past week (28 Mar-04 Apr 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.15 lakh bales, 0.09 lakh bales, 0.03 lakh bales and 0.03 lakh bales respectively. India exported 0.712 lakh bales of cotton last week (28 Mar-04 Apr 2016), which was 1.192 lakh bales previous to last week (14 Mar-20 Mar 2016), according to the data released by IBIS and compiled by Agriwatch.



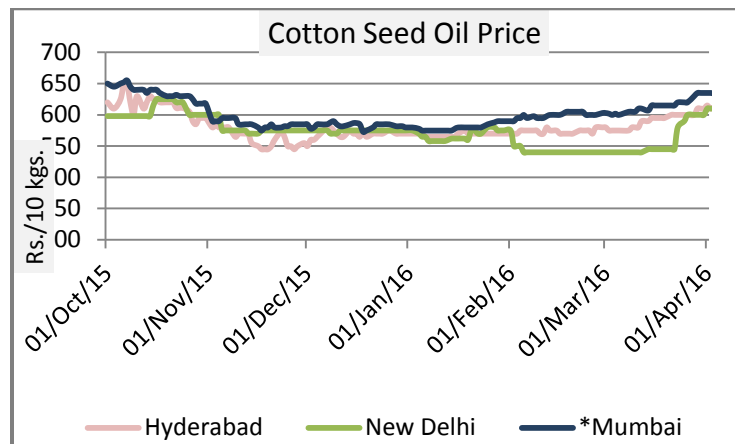
Cotton Seed Oil and Cotton Seed Oil Cake

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

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	07-Apr-16	31-Mar-16	
New Delhi	630	600	5.00
Rajkot	655	615	
Hyderabad	630	610	3.28
Mumbai*	660	635	3.94

*Vat Included

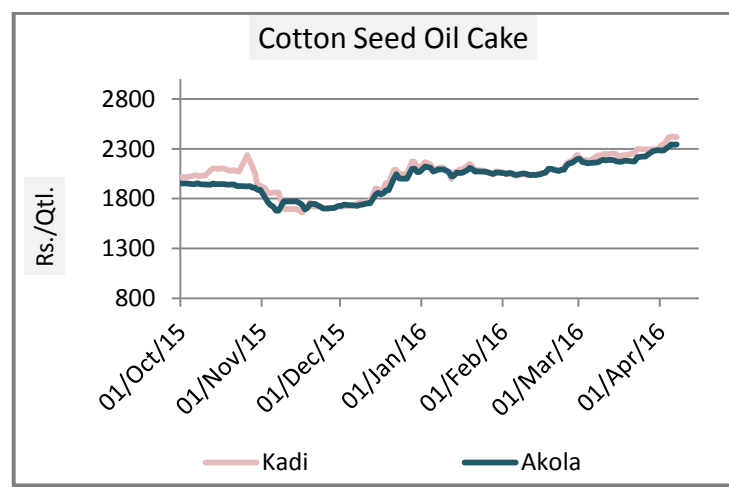


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 2345 per quintal, higher compared to the weekly average price of previous week of Rs 2285 per quintal.

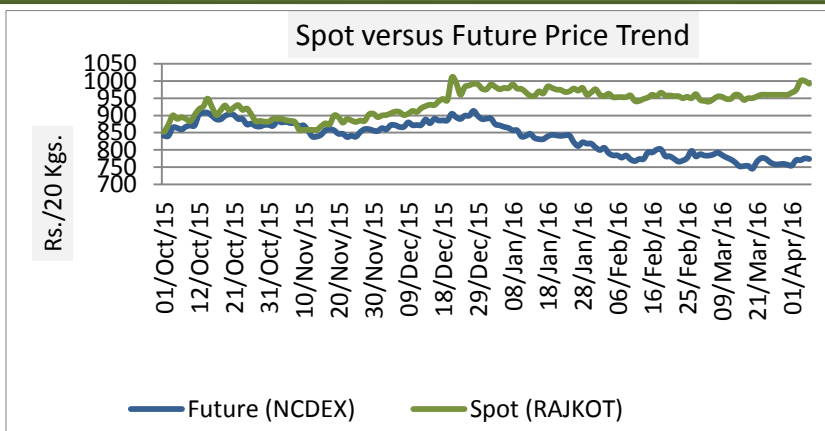
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	07-Apr-16	31-Mar-16	
Kadi	2419	2295	5.40
Akola	2345	2285	2.63

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'16) closed at Rs 774.00 as on 07 April 2016, compared to 757.50 a week earlier and Rs 766.00 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.217.10 which was Rs 192.17 a week earlier.



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



Weekly Technical Outlook:

- Candlestick denotes selling interest in the prices.
- RSI is declining in the neutral region.
- Price closed above 9 and 18 days EMA.
- We expect cotton prices to remain range bound to firm in the coming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Weak Momentum	760-810

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
730	700	800	820
Figures in Rs/20 Kg			

International Market Scenario

International cotton prices remained range bound to firm during the week. Cotlook A index weekly average stood at 66.85 cents/pound this week, which was 65.90 cents/pound during last week.

Major Market Highlights: According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.5 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher Yields are expected higher through a combination of better crop, pest, and weed management practices and assuming a normal monsoon after two consecutive years of deficient rain. Mill consumption is forecast lower than the 2015/16 marketing year as demand remains weak. Exports are forecast at 5.0 million 480 lb. bales while imports are forecast at 900,000 480 lb. bales.

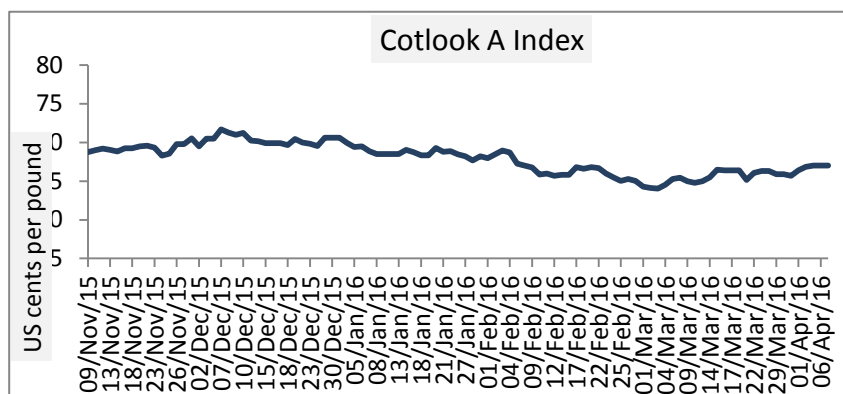
The Nigerian Textile industry has approved the introduction of genetically modified cotton into the country. A timely introduction of GM cotton, especially the Bt cotton variety, which has high resistance to pests, is capable of reviving Nigeria's moribund textile industry according to official sources.

World cotton production in 2016/17 is projected to increase by 4%, to just under 23 million tons, as the world average yield is anticipated to improve by 4% to 732 kg/ha. In 2016/17, world cotton area is expected to expand by 1% to 31.3 million hectares. India's area is forecast up 4% to 12.4 million hectares due to improved domestic cotton prices in 2015/16. After production plummeted in 2015/16, cotton production in Pakistan is expected to jump 35% to 2.1 million tons as yields recover. The world cotton consumption is anticipated to remain stable at 23.9 million tons.

Cotlook A Index

Cotlook A index remained range bound to firm during the week following good demand in the market.

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
	07-Apr-16	31-Mar-16	
Prices	67	65.9	1.7
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

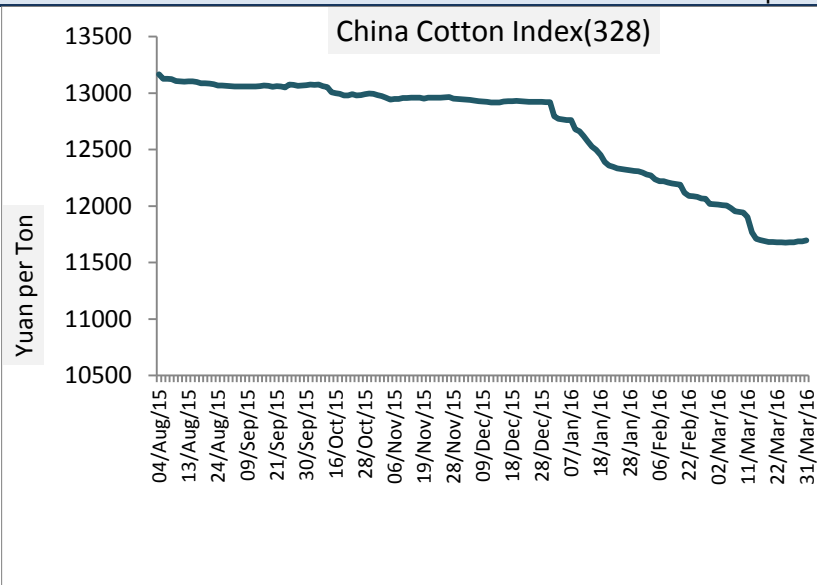
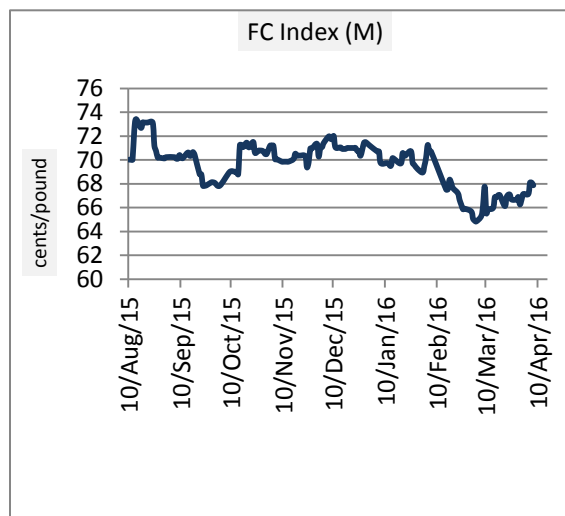
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	07-Apr-16	31-Mar-16	
FC (S)	70.66	69.27	2.01
FC (M)	67.88	66.69	1.78
FC (L)	64.35	63.64	1.12
Prices in US cents per Pound			

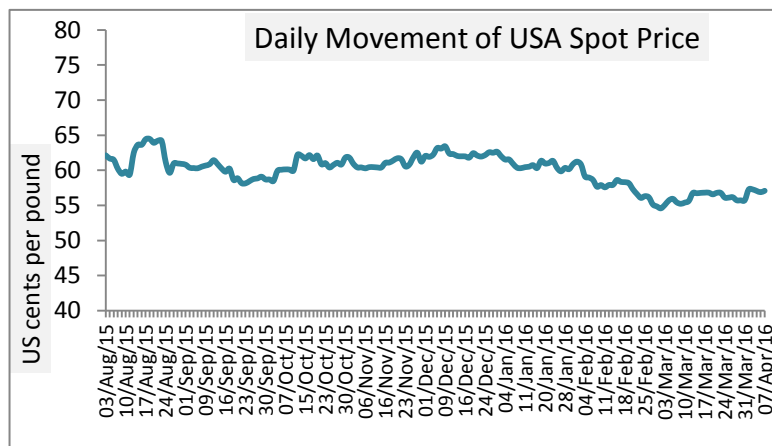
China Index remained slightly weak during the week. CC Index (328) remained 10795 Yuan per ton during the week. Average was 10988 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	07-Apr-16	31-Mar-16	
CCIndex(229)	11695	11677	0.15
CCIndex(328)	10739	10755	-0.15
CCIndex(527)	12199	12181	0.15
Prices in Yuan per ton			



USA Spot Prices

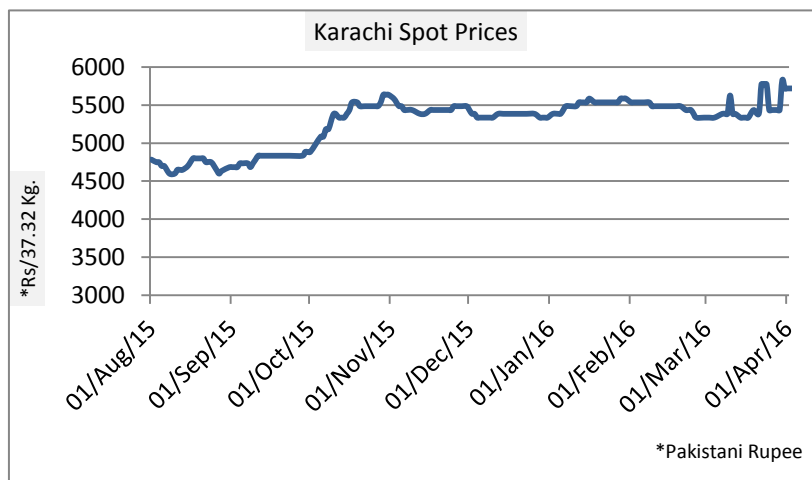
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production is estimated lower in India and Pakistan, based on arrivals at gins, but higher in Australia. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon rainfall combined 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
	07-Apr-16	31-Mar-16	
Prices	57.06	55.70	2.44
Prices in US cents per Pound			

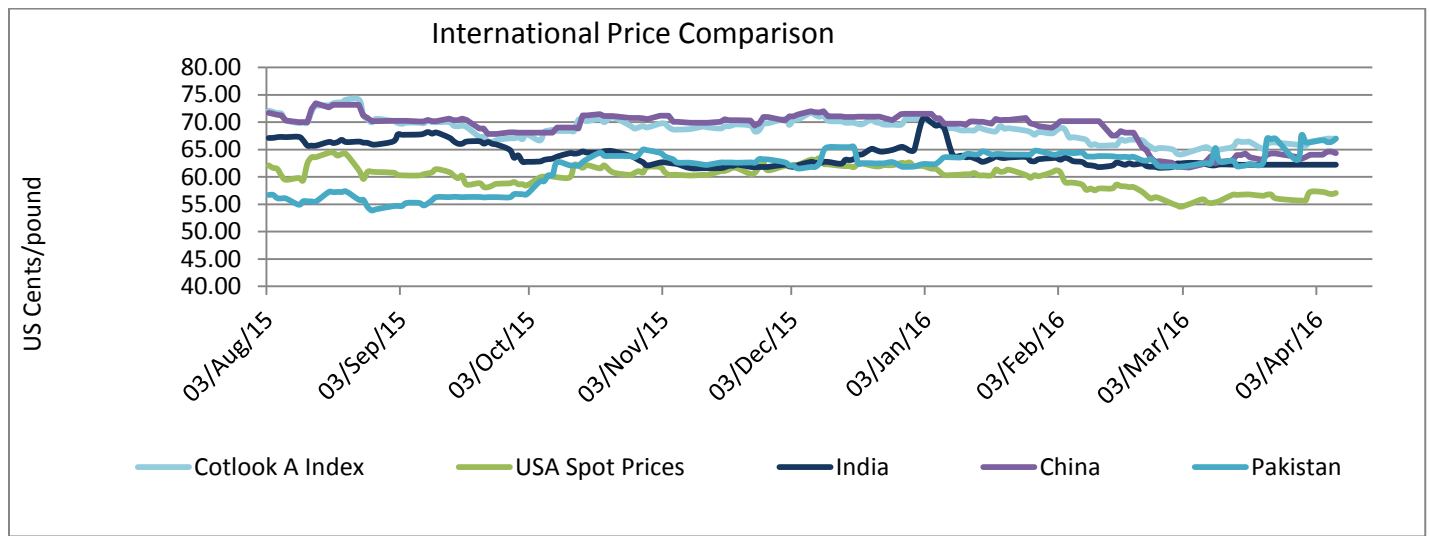
Pakistan Spot Prices

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.

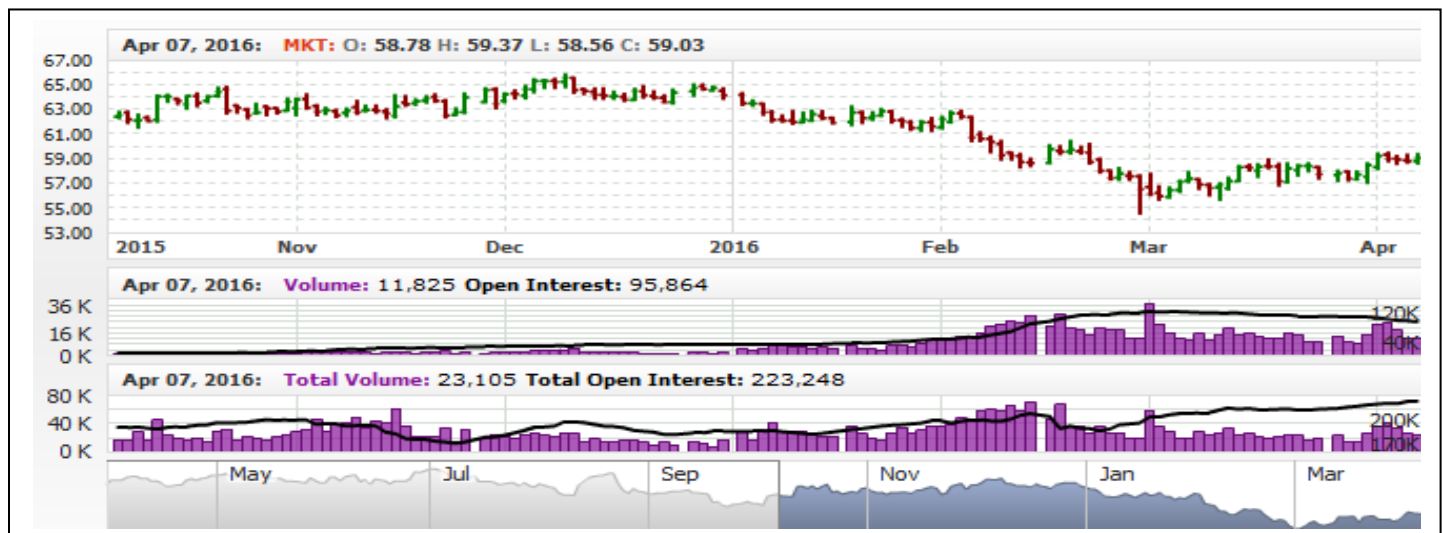


Karachi Spot Prices	Weekly Average Price as on		% Change
	07-Apr-16	31-Mar-16	
Prices	5771	5718	0.93
Prices in Rs per 37.32 Kg			

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 increasing.
- We expect cotton prices to remain range bound to firm.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bullish Momentum	58.00-61.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
58.30	57.60	59.50	60.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	07-Apr-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Mar-16	59.03	58.44	57.38	66.42	1.01	2.88	-11.13
May-16	58.57	58.31	57.35	66.06	0.45	2.13	NA
Jul-16	58.50	58.01	57.26	66.02	0.84	2.17	NA
Oct-16	58.21	57.77	57.26	65.64	0.76	1.66	NA
Dec-16	58.88	58.39	58.13	NA	0.84	1.29	NA
Mar-17	59.57	59.02	NA	NA	0.93	NA	NA

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	02nd to 08th April. 2016	26th Mar. to 01st April. 2016	
Gujarat	Ahmedabad	Shankar-6	4910	NA	-
	Gondal	Shankar-6	4904	4815	89
	Rajkot	B.T. Cotton	4974	4830	144
	Patan	B.T. Cotton	4973	4805	168
	Kadi	B.T. Cotton	4992	4892	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5003	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4946	4883	63
	Bhiwani	Desi	4467	4267	200
	Adampur	B.T. Cotton	4745	4673	73
	Fatehabad	B.T. Cotton	4743	4673	69
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4642	4682	-40
	Rawatsar	B.T. Cotton	4542	4503	38
Madhya Pradesh	Khandwa	Mech-1	4750	NA	-
	Khargaon	Mech-1	5021	4785	236
Maharashtra	Amravati	Mech-1	4675	NA	-
	Jamner	Medium Staple	4556	4539	17
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4300	4297	3
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	4878	4800	78
	Hubli	D.C.H.	NA	3500	-
	Hubli	B.T. Cotton	3917	3500	417
	Raichur	H-44 Cotton	4899	4756	143
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	02nd to 08th April. 2016	26thMar.to 01st April. 2016	
Punjab	Bhatinda	J-34	3514	3477	38
	Abohar	J-34	3543	3490	53
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3448	3418	30
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	02nd to 08th April. 2016	26thMar.to 01st April. 2016	
Gujarat	Ahmedabad	Shankar-6	130900	NA	-
	Gondal	Shankar-6	9501	756	8745
	Rajkot	B.T. Cotton	17936	625	17311
	Patan	B.T. Cotton	27898	2502	25396
	Kadi	B.T. Cotton	120000	95000	25000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1821	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	4300	5500	-1200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2125	2720	-595
	Fatehabad	B.T. Cotton	1350	1250	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-

Rajasthan	Hanumangarh	B.T. Cotton	2130	1865	265
	Rawatsar	B.T. Cotton	250	300	-50
Madhya Pradesh	Khandwa	Mech-1	620	NA	-
	Khargaon	Mech-1	7840	440	7400
Maharashtra	Amravati	Mech-1	1230	NA	-
	Jamner	Medium Staple	165	230	-65
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	864	4107	-3243
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	5420	2880	2540
	Hubli	D.C.H.	NA	60	-
	Hubli	B.T. Cotton	56	54	2
	Raichur	H-44 Cotton	3141	4677	-1536
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	02nd to 08th April. 2016	26thMar.to 01st April. 2016	
Punjab	Bhatinda	J-34	6494	7990	-1496
	Abohar	J-34	2210	2125	85
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	1700	2380	-680
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				01st to 07th April 2016	25th to 31st March 2016	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29100	29100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	29600	29600	Unch
J-34(202)	26mm	3.5 - 4.9	23	32033	31817	217
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32100	31550	550
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	32550	550
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	34083	417
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36100	35750	350
DCH-32(107)	34mm	3.0 - 3.8	33	48583	48300	283

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