

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 5056 per quintal, which stood at Rs 5031 previous week. Average price of Lint at Sirsa during the week was Rs. 3671 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 3611. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 34550 per candy (of 355.6 kg each) during the week, which was Rs 34180 per candy previous week. Future price of cotton (at NCDEX, April'16 contract) closed higher this week at Rs. 788.00 per maund (of 20 kg each) which was Rs 752.50 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound to firm with the price band of Rs. 5000-5200 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3600-3700 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 880-930 per maund (of 20 kg each).

Major Market Highlights: The Telangana government has asked the farmers in the sState to plant alternative crops for cotton in the coming kharif season and reduce the area under cotton amid likely decline in cotton prices this year. Farmers have been under tremendous financial pressure in the last three to four years, with monsoon and cottonseed having failed them. Farmers have been investing and they are not getting without good returns.

According to the government, the decision taken at the World Trade Organisation's 2015 Nairobi Ministerial to eliminate export subsidies on cotton will benefit Indian shipments. This will provide a level playing field for the farmers in India.

The Andhra Pradesh government has decided to reduce the Bt Cotton area in the sState from 6.7 lakh hectares to 4.5 lakh hectares after the crop developed pink bollworm pest. The sState agriculture department will take up a massive campaign to create awareness among farmers against sowing Bt cotton in red and light soil regions.

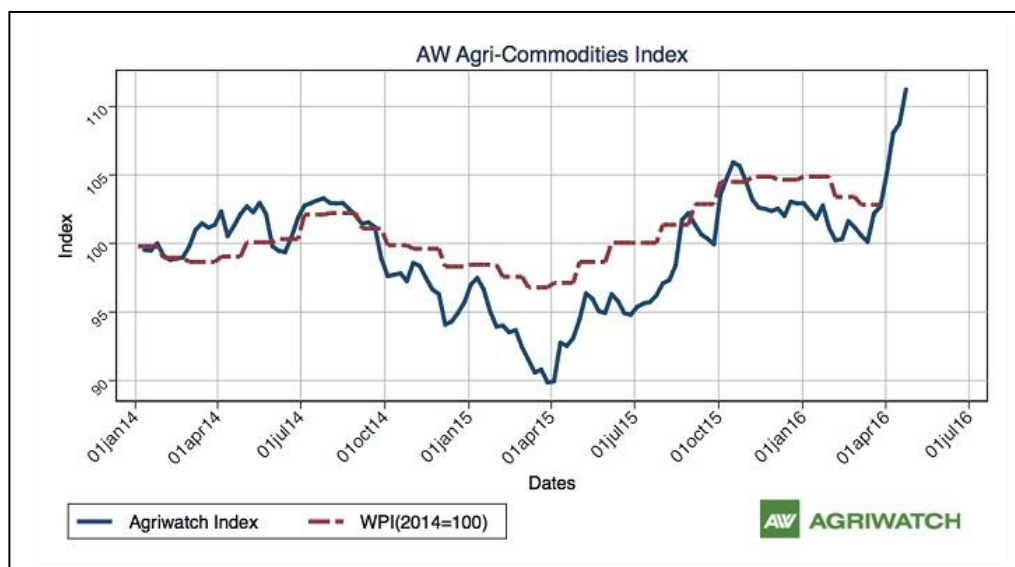
According to Cotton Association of India (CAI), output of cotton in India for 2015 -16 season is estimated to be around 341 lakh bales compared to 382.75 lakh bales in 2014 -15. The projected balance sheet drawn by the CAI estimated total cotton supply for the season 2015-16 at 428.60 lakh bales while the domestic consumption is estimated at 305 lakh bales.

India exported 0.468 lakh bales of cotton last week (11 -17 Apr 2016), which was 0.760 lakh bales previous to last week (04 -10 Apr 2016), according to the data released by IBIS and compiled by Agriwatch.

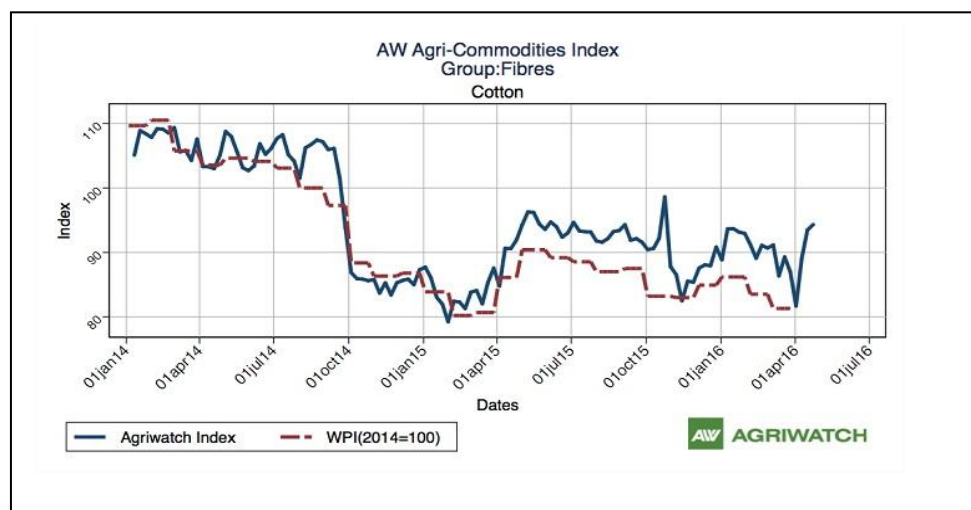
Major importer of Indian cotton during the week (11 -17 Apr 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.20 lakh bales of cotton from India in the past week (11 -17 Apr 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.12 lakh bales, 0.06 lakh bales, 0.03 lakh bales and 0.003 lakh bales respectively.

AW Cotton Index - 24 Apr. 2016

The Agriwatch Agri Commodities Index made another 12-month high, rising 2.28% to 111.23 during the week ended Apr 23, 2016 from 108.74 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +0.9% week-on-week.



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

Domestic Cotton Prices Scenario

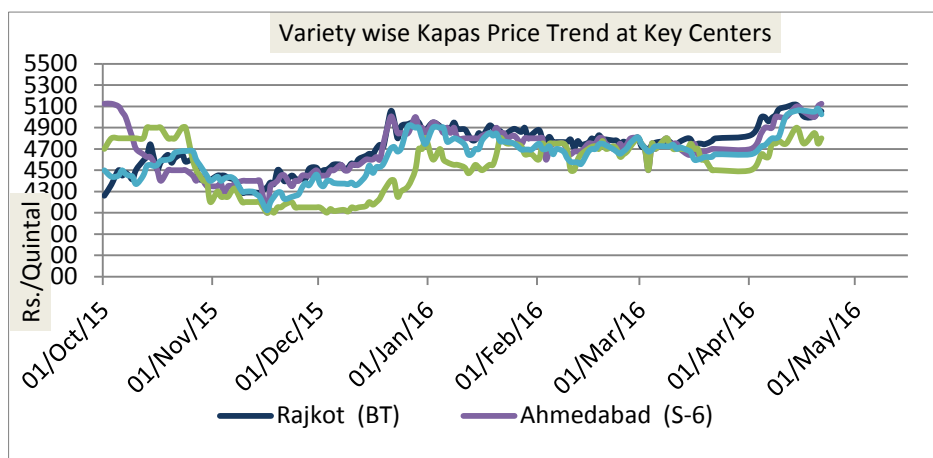
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week amid good domestic demand. Weekly average price of Kapas at Rajkot remained Rs. 5065 per quintal, fairly higher as compared to previous week price of Rs. 5031 per quintal.

According to latest USDA attaché attached report, India's 2016/17 cotton production forecast is 28.5 million 480 lb.

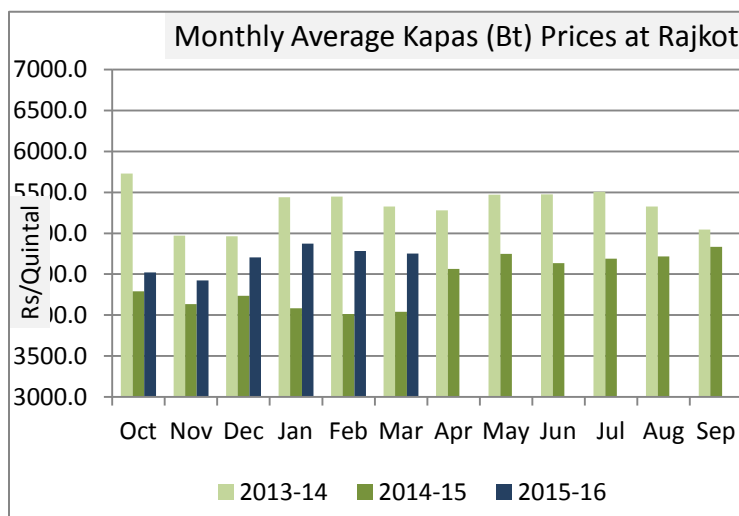
bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon.

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 5000-5200 per quintal for the coming week.



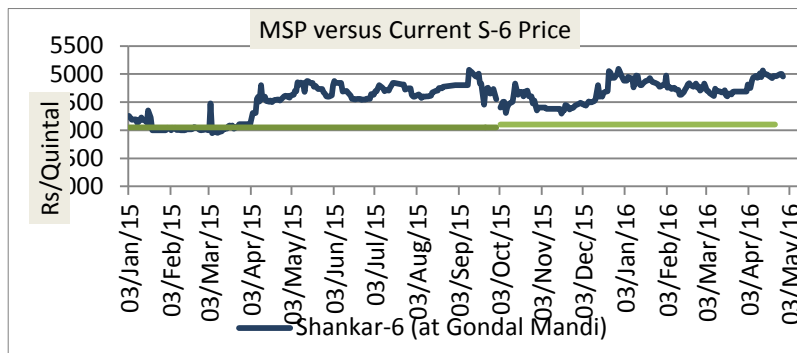
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed weak momentum during the month of March 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

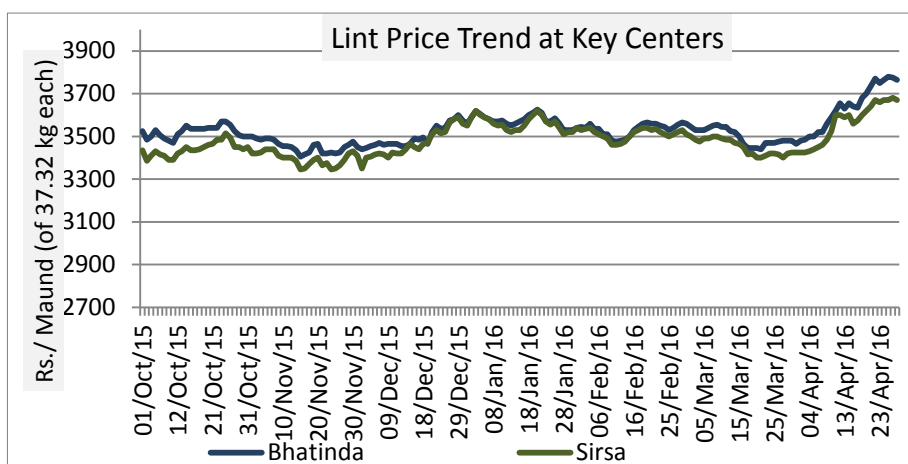
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been widened this week due to firm tone in prices. The average gap between the prices was Rs 887 this week compared to Rs 863 a week earlier. This indicates prices are in the range -bound movement.



Lint (De-Seeded Cotton) Weekly Price Scenario

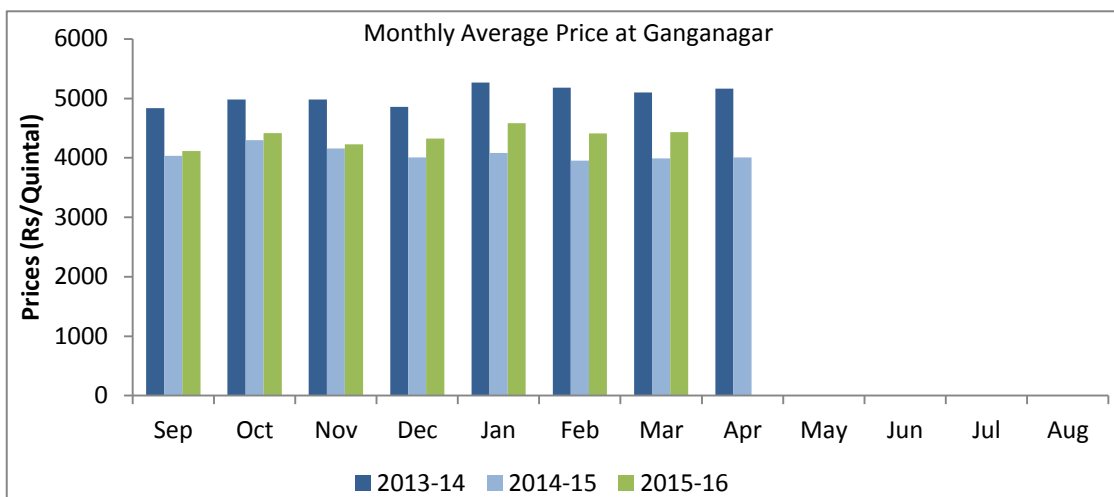
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3611 per maund of 37.32 kg each same as the previous week price of Rs. 3611 per maund.

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. 3600-3700 per maund.



Lint Monthly Y-o-Y Price Scenario

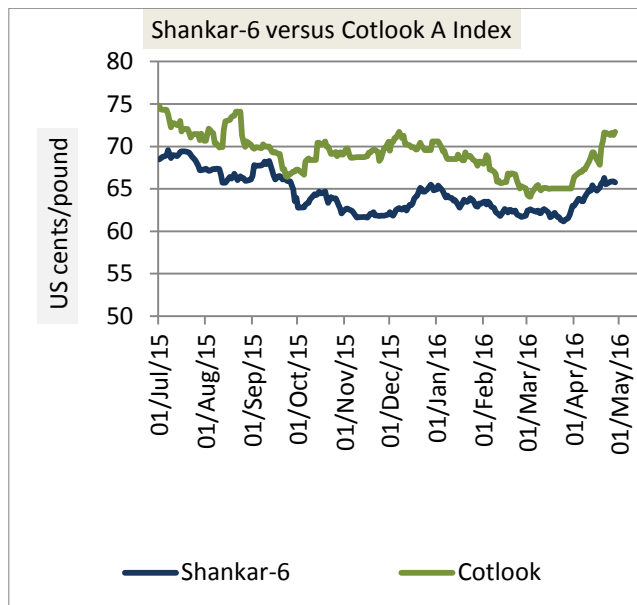
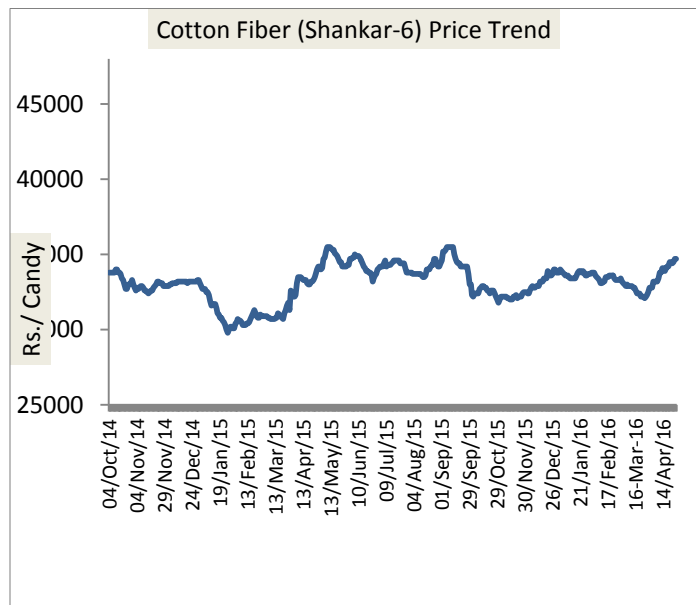
Following the firmness in Kapas prices, lint prices too remained firm during March compared to previous month and it remained weak compared to corresponding month last year. also. In March this year, monthly average price of lint at Sri-Ganganagar remained Rs.



4434 per maund (of 37.32 Kg each) and Rs 3992 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 34180 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 34180 per candy.

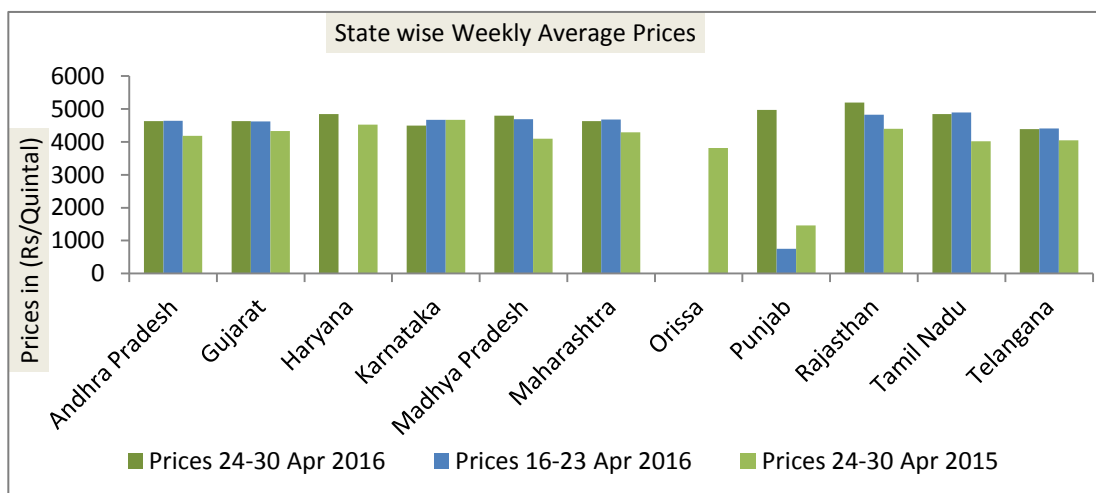


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 71.52 cents/pound, Indian weekly average price stood 65.77 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 34000-35000 per candy.

State wise Weekly Price Scenario

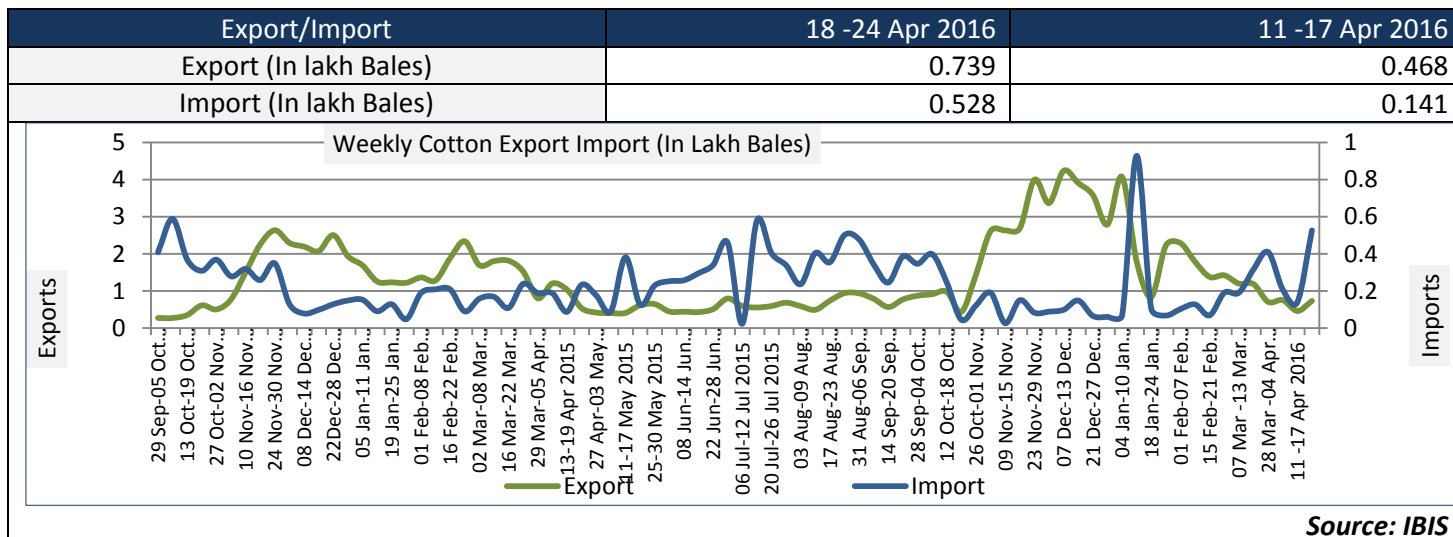
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Rajasthan followed by Punjab this week and lowest was in Telangana followed by Karnataka. On year on year basis, cotton prices are reflecting uptrend in all



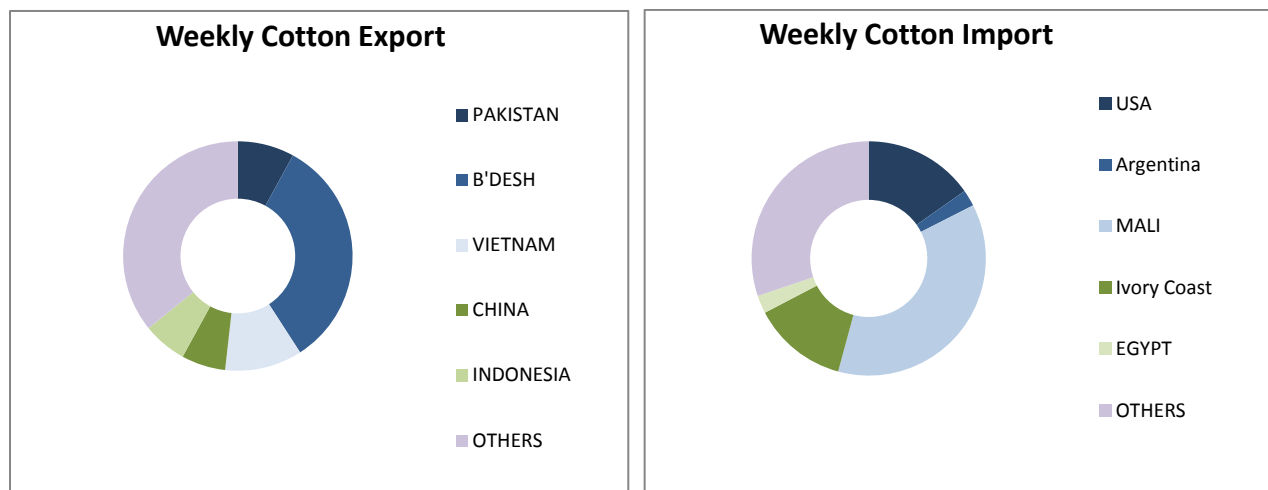
of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.739 lakh bales of cotton last week (18 -24 Apr 2016), which was 0.468 lakh bales during the week before previous to last week (11 -17 Apr 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.528 lakh bales last week, which was 0.141 lakh bales previous to last week.



Major importer of Indian cotton during the week (11 -17 Apr 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.20 lakh bales of cotton from India in the past week (11 -17 Apr 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.12 lakh bales, 0.06 lakh bales, 0.03 lakh bales and 0.003 lakh bales respectively. India exported 0.468 lakh bales of cotton last week (11 -17 Apr 2016), which was 0.760 lakh bales previous to last week (04 -10 Apr 2016), according to the data released by IBIS and compiled by Agriwatch.



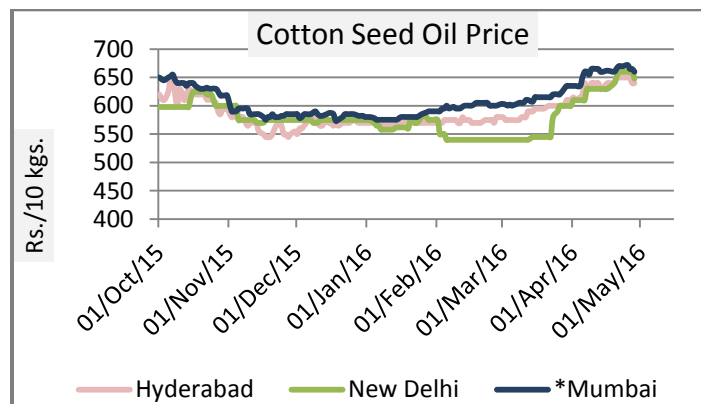
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price ruled firm during the week. Weekly average price in New Delhi remained Rs 658 per 10 Kg, steady as compared to the weekly average price of Rs 630 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	28-Apr-16	21-Apr-16	
New Delhi	658	660	-0.30
Rajkot	673	675	-0.37
Hyderabad	647	650	-0.51
Mumbai*	667	670	-0.45

*Vat Included

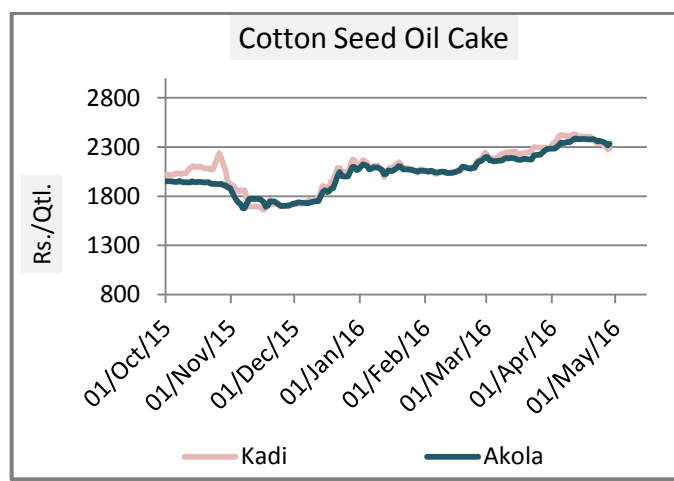


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2344 per quintal, higher compared to the weekly average price of previous week of Rs 2375 per quintal.

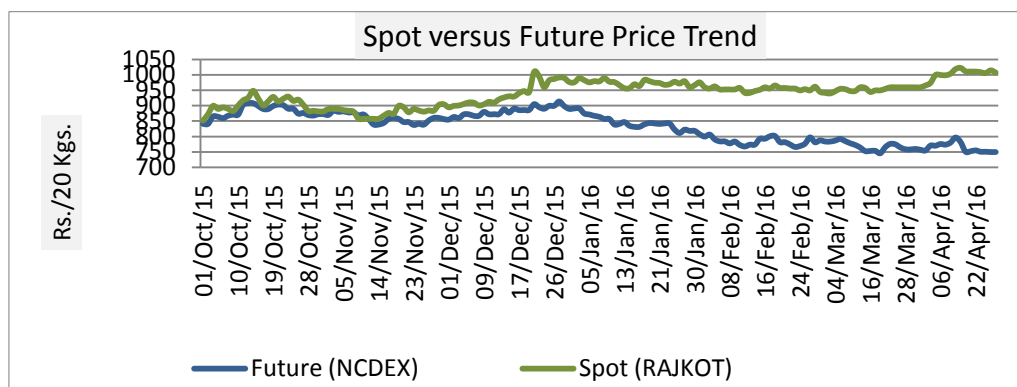
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	28-Apr-16	21-Apr-16	
Kadi	2311	2357	-1.96
Akola	2344	2375	-1.32

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'16) closed at Rs 750.00 as on 28 April 2016, compared to 752.50 a week earlier and Rs 951.00 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.258.30 which was Rs 259.75 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 increasing 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	720-760

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 71.52 cents/pound this week, which was 69.70 cents/pound during last week.

Major Market Highlights: According to a recent attaché report released by the USDA, Australian production in 2015/16 is estimated at 2.4 million bales, or four percent below the official forecast, as a result of adverse weather. The area harvested in 2016/17 is forecast at 280,000 hectares, compared to 263,000 hectares in 2015/16 and slightly below the official estimate.

The Bangladesh government had taken up a project for research and expansion of cotton production. It is looking at increasing local cotton production.

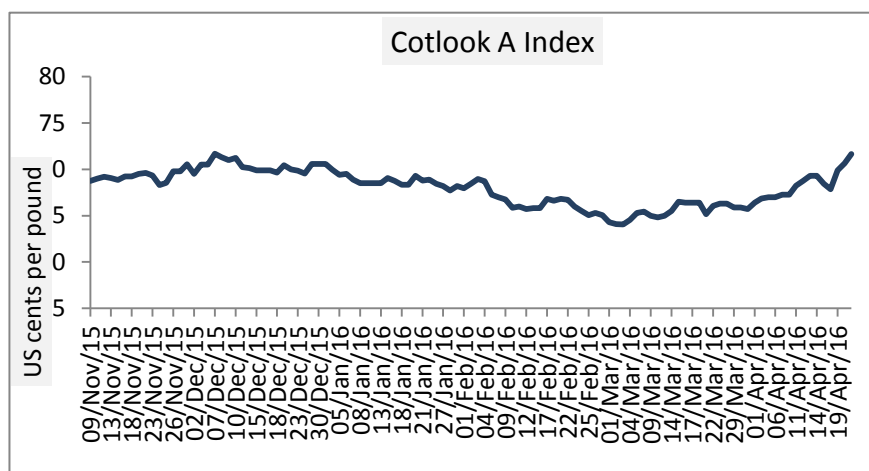
According to the data released by the national cotton association, Burkina Faso produced 581,000 tonnes of raw cotton in the recently ended 2015/16 season, down 18 percent from the previous harvest and well short of its aim of a record crop of 800,000 tonnes.

According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. World 2015-16 cotton production is projected at 99.8 million bales, 16 per cent below last season. World ending stocks are now projected at 102.2 million bales.

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
	28-Apr-16	21-Apr-16	
Prices	71.52	71.65	-0.2
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

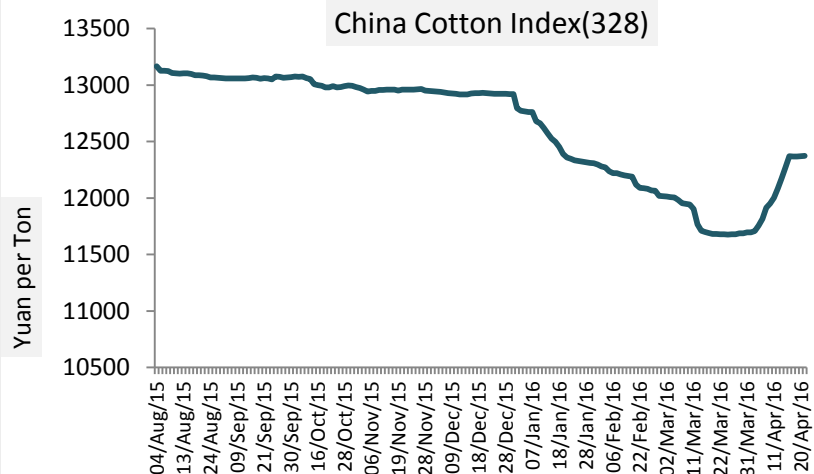
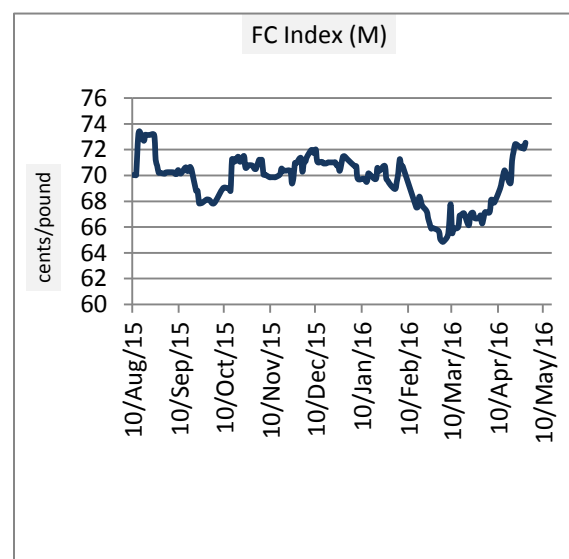
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	28-Apr-16	21-Apr-16	
FC (S)	75.094	75.15	-0.07
FC (M)	72.284	72.41	-0.17
FC (L)	70.334	69.91	0.61
Prices in US cents per Pound			

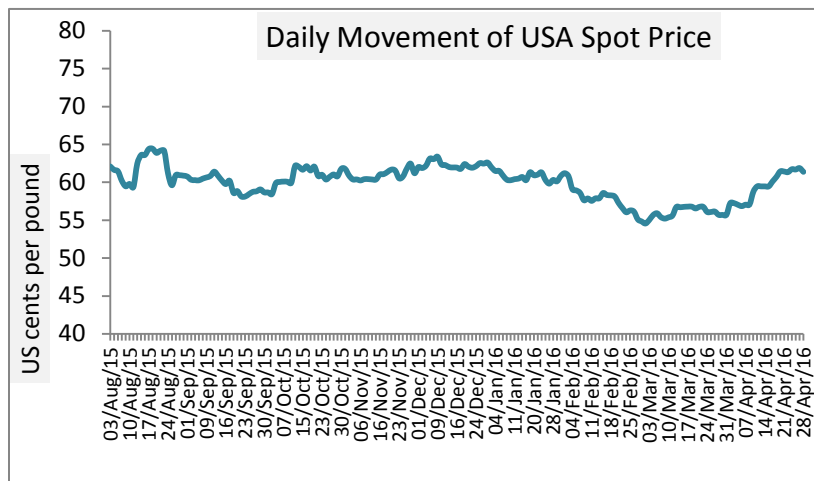
China Index remained firm during the week. CC Index (328) remained 11236 Yuan per ton during the week. Average was 11150 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	28-Apr-16	21-Apr-16	
CCIndex(229)	12369	12271	0.80
CCIndex(328)	11236	11150	0.77
CCIndex(527)	12688	12579	0.86
Prices in Yuan per ton			



USA Spot Prices

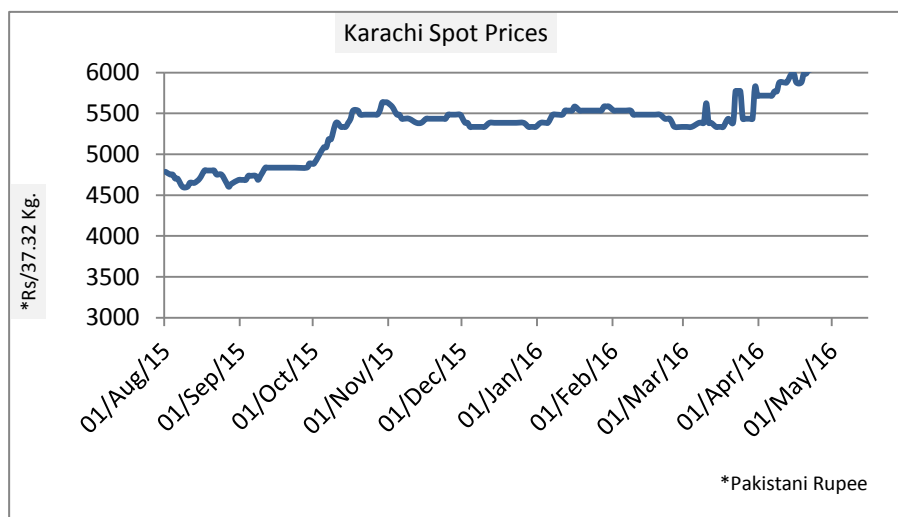
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	28-Apr-16	21-Apr-16	
Prices	61.62	61.44	0.29
Prices in US cents per Pound			

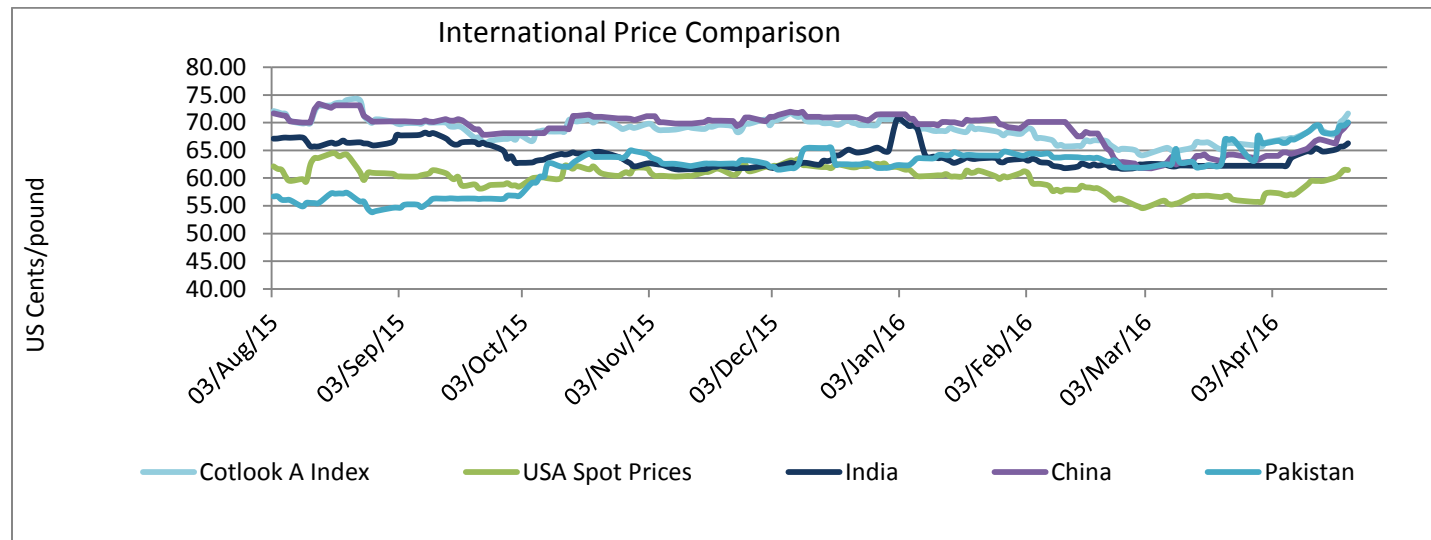
Pakistan Spot Prices

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
	21-Apr-16	14-Apr-16	
Prices	6138	6039	1.64
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 firm tone in the prices.
- Volume and Open Interest are declining.
- 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	62.00-67.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.30	58.60	65.30	67.50

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	28-Apr-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
May-16	63.69	63.49	57.80	66.62	0.32	10.19	-4.40
Jul-16	63.69	64.01	57.71	66.39	-0.50	10.36	
Oct-16	63.26	63.25	57.66	65.77	0.02	9.71	
Dec-16	62.54	62.70	57.47	65.85	-0.26	8.82	
Mar-17	62.69	63.13	58.18		-0.70	7.75	
May-17	62.96	63.55	58.88		-0.93	6.93	

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	23rd to 29th April. 2016	16th to 22nd April. 2016	
Gujarat	Ahmedabad	Shankar-6	5113	5067	46
	Gondal	Shankar-6	4989	4952	38
	Rajkot	B.T. Cotton	5056	5031	25
	Patan	B.T. Cotton	5066	5213	-147
	Kadi	B.T. Cotton	5150	5154	-4
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5058	4865	193
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	5192	8
	Bhiwani	Desi	4783	4557	227
	Adampur	B.T. Cotton	5040	5053	-13
	Fatehabad	B.T. Cotton	5015	5033	-18
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	4875	4822	53
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5110	5204	-94
Maharashtra	Amravati	Mech-1	4800	4796	4
	Jamner	Medium Staple	4920	4962	-42
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4300	4300	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4500	4500	Unch
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	5267	5260	7
	Hubli	D.C.H.	3509	1878	1632
	Hubli	B.T. Cotton	3684	3630	54
	Raichur	H-44 Cotton	5167	5157	9
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	23rd to 29th April. 2016	16th to 22nd April. 2016	
Punjab	Bhatinda	J-34	3769	3693	76
	Abohar	J-34	3770	3703	67
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3671	3611	60
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23rd to 29th April. 2016	16th to 22nd April. 2016	
Gujarat	Ahmedabad	Shankar-6	147900	153000	-5100
	Gondal	Shankar-6	9403	5028	4375
	Rajkot	B.T. Cotton	13200	15600	-2400
	Patan	B.T. Cotton	21530	7540	13990
	Kadi	B.T. Cotton	120000	97500	22500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	829	187	642
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	3600	2400	1200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1403	1564	-162
	Fatehabad	B.T. Cotton	90	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-

Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	8660	8550	110
Maharashtra	Amravati	Mech-1	69000	47500	21500
	Jamner	Medium Staple	150	186	-36
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	207	NA	-
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	6270	6380	-110
	Hubli	D.C.H.	2	2	Unch
	Hubli	B.T. Cotton	4	6	-2
	Raichur	H-44 Cotton	2466	2667	-201
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23rd to 29th April. 2016	16th to 22nd April. 2016	
Punjab	Bhatinda	J-34	2210	3230	-1020
	Abohar	J-34	476	935	-459
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	544	510	34
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				22nd to 28th April 2016	15th to 21st April 2016	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31800	31160	640
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32300	31660	640
J-34(202)	26mm	3.5 - 4.9	23	34050	33560	490
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33500	32820	680
Shankar-6(105)	29mm	3.5 - 4.9	28	34550	34180	370
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36783	36160	623
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37750	37260	490
DCH-32(107)	34mm	3.0 - 3.8	33	49667	49680	-13

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