

## 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. 5078 per quintal, which stood at Rs 5056 previous week. Average price of Lint at Sirsa during the week was Rs. 3703 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 3671. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 34767 per candy (of 355.6 kg each) during the week, which was Rs 34550 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 899.50 per maund (of 20 kg each) which was Rs 907.50 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 3700-3800 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:** Around two-third of the cotton crop had been damaged last year in Punjab amid whitefly attack. Farmers in Malwa are looking for different alternatives to cotton to grow this season. The government is trying to convince the farmers to give another try for cotton.

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.

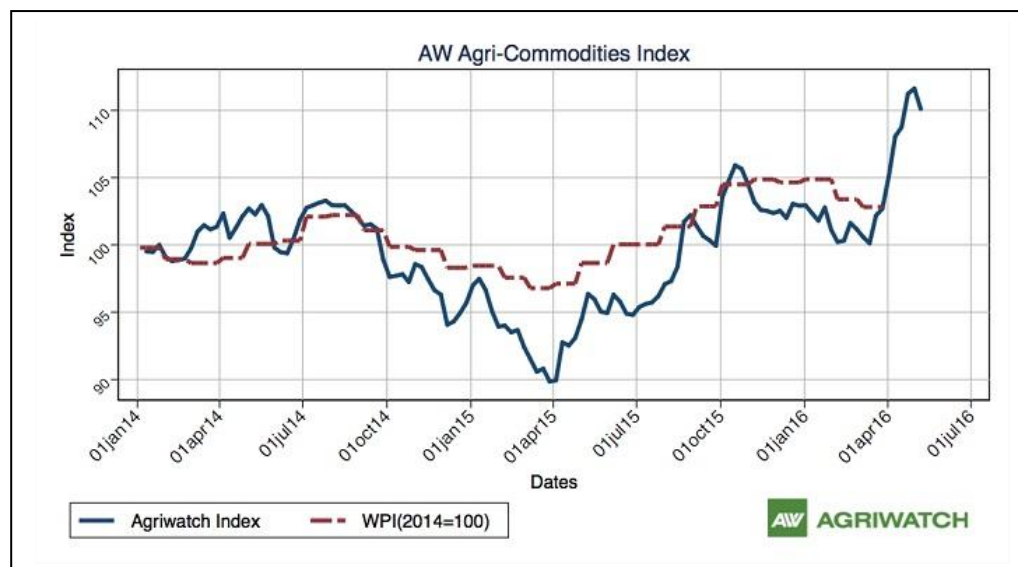
According to Cotton Association of India (CAI), output of cotton in India for 2015 -16 season is estimated to be around 341 lakh bales compared to 382.75 lakh bales in 2014 -15. The projected balance sheet drawn by the CAI estimated total cotton supply for the season 2015-16 at 428.60 lakh bales while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

India exported 0.658 lakh bales of cotton last week (25 Apr -01 May 2016), which was 0.739 lakh bales previous to last week (18 -24 Apr 2016), according to the data released by IBIS and compiled by Agriwatch.

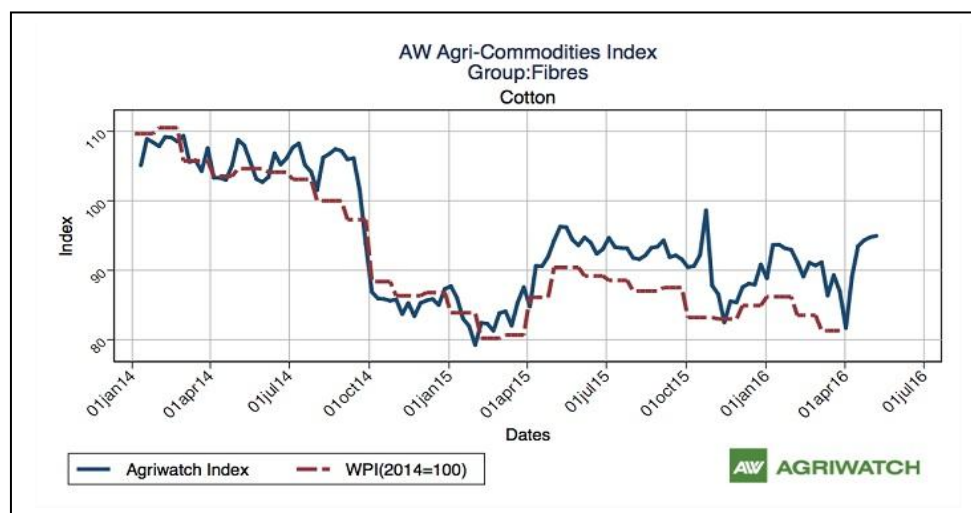
Major importer of Indian cotton during the week (25 Apr -01 May, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.358 lakh bales of cotton from India in the past week (25 Apr -01 May 2016). Other major importers were Pakistan, China, Vietnam and Indonesia and their imported volumes were 0.097 lakh bales, 0.084 lakh bales, 0.078 lakh bales and 0.007 lakh bales respectively.

# AW Cotton Index - 08 May. 2016

The Agriwatch Agri Commodities Index fell 1.36% to 110.10 during the week ended May 7, 2016 from 111.62 the previous week. This was the Index's first decline in eight weeks during which it soared to 111.62 from 100.12 during the week ended March 12. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +0.20% 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](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

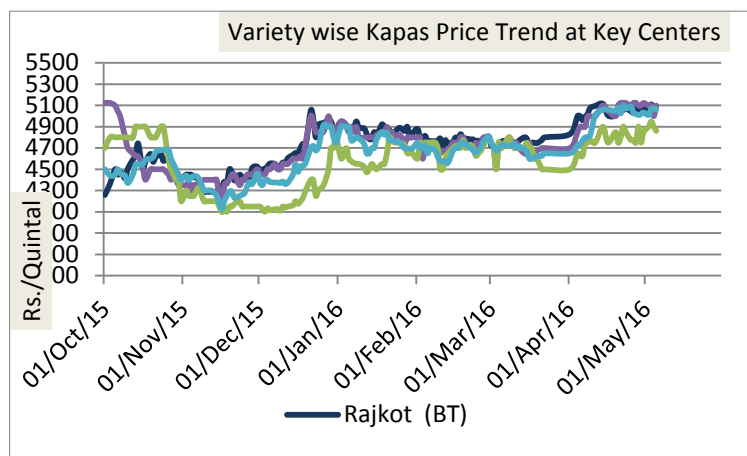
## Domestic Cotton Prices Scenario

### 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. 5078 per quintal, fairly higher as compared to previous week price of Rs. 5056 per quintal.

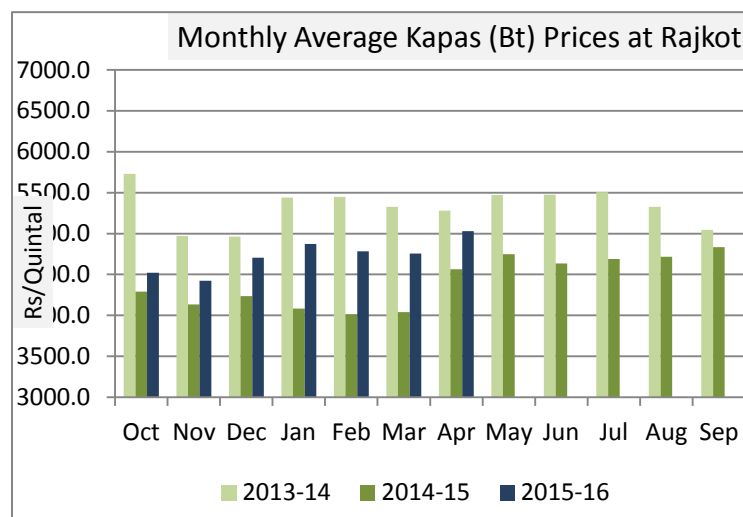
According to latest USDA attaché attached report, India's 2016/17 cotton production forecast is 28.5 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices 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.



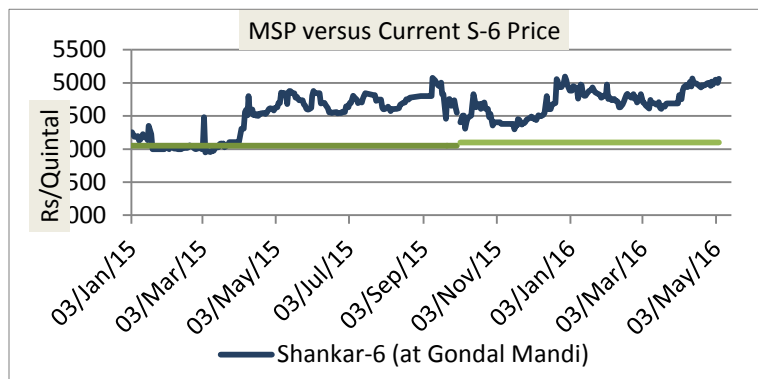
### Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the month of April month following the lack of availability and good export demand. The cotton price remained firm during April 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

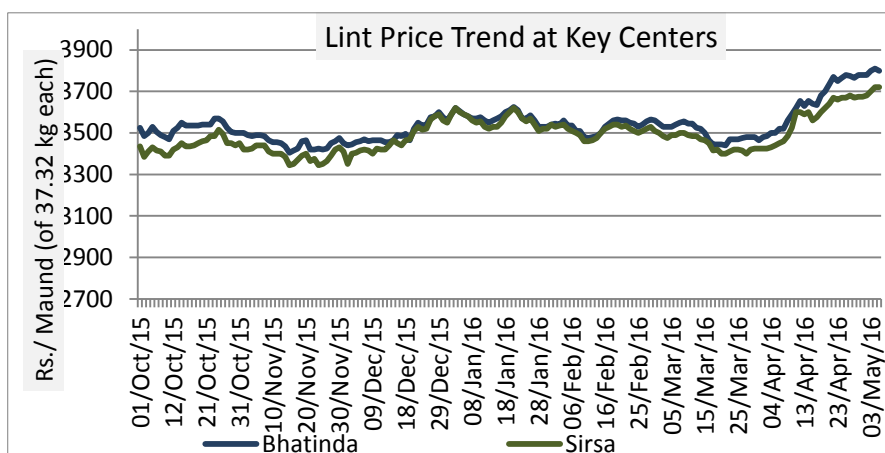
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been widened this week due to firm tone in prices. The average gap between the prices was Rs 932.50 this week compared to Rs 887 a week earlier. This indicates prices are in the range -bound movement.



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

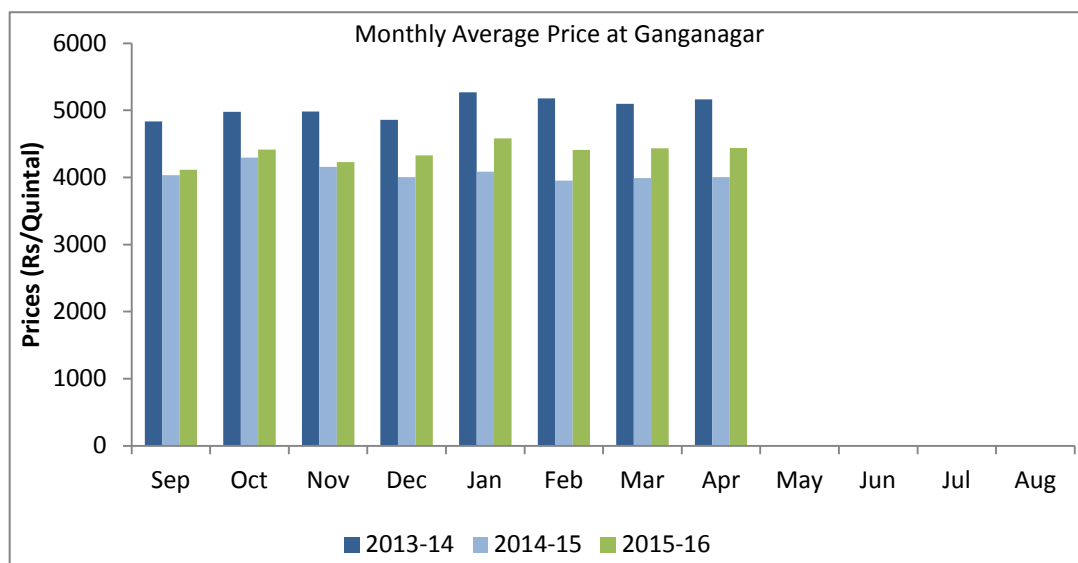
**Weekly Price Review:** As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3704 per maund of 37.32 kg each same as the previous week price of Rs. 3671 per maund.

**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. 3700-3800 per maund.



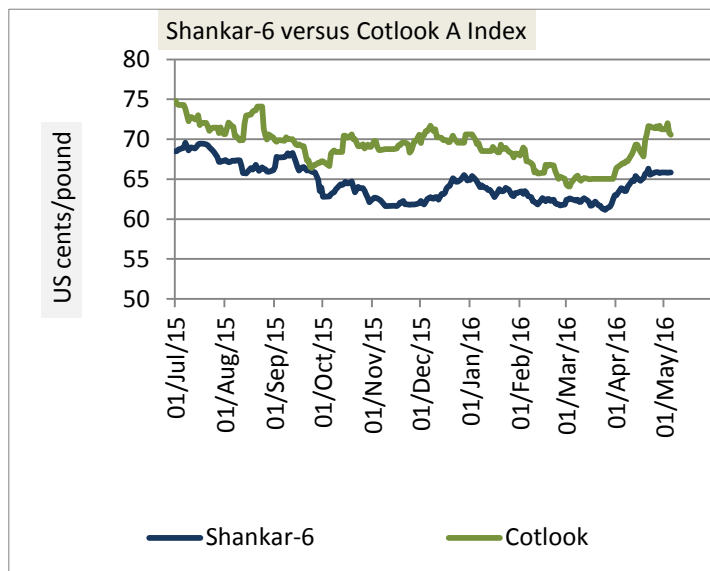
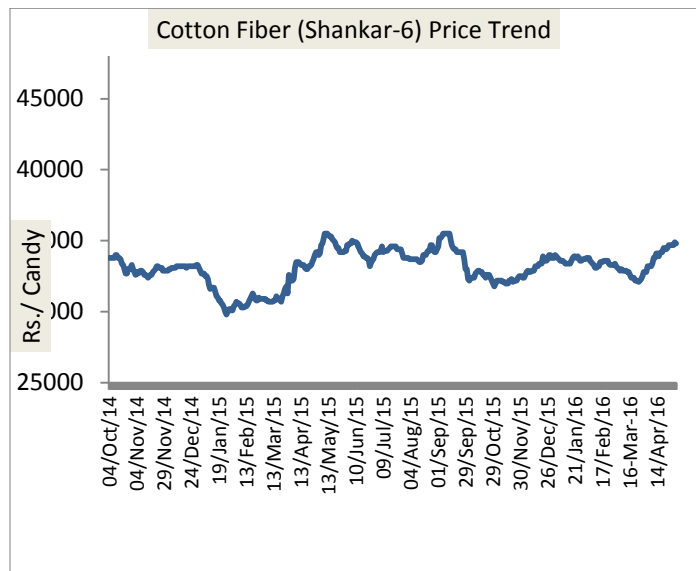
## Lint Monthly Y-o-Y Price Scenario

Following the firmness in Kapas prices, lint prices too remained firm during March compared to previous month and it remained firm compared to corresponding month last year. also. In April this year, monthly average price of lint at Sri-Ganganagar remained Rs. 4437 per maund (of 37.32 Kg each) and Rs 4006 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 34767 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 34550 per candy.

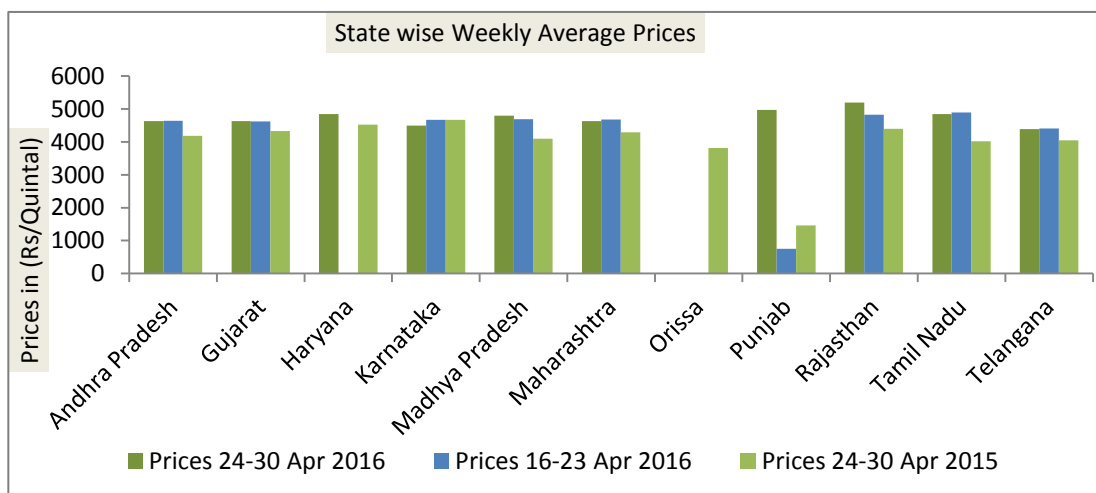


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 71.17 cents/pound, Indian weekly average price stood at 65.82 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 34500-35500 per candy.

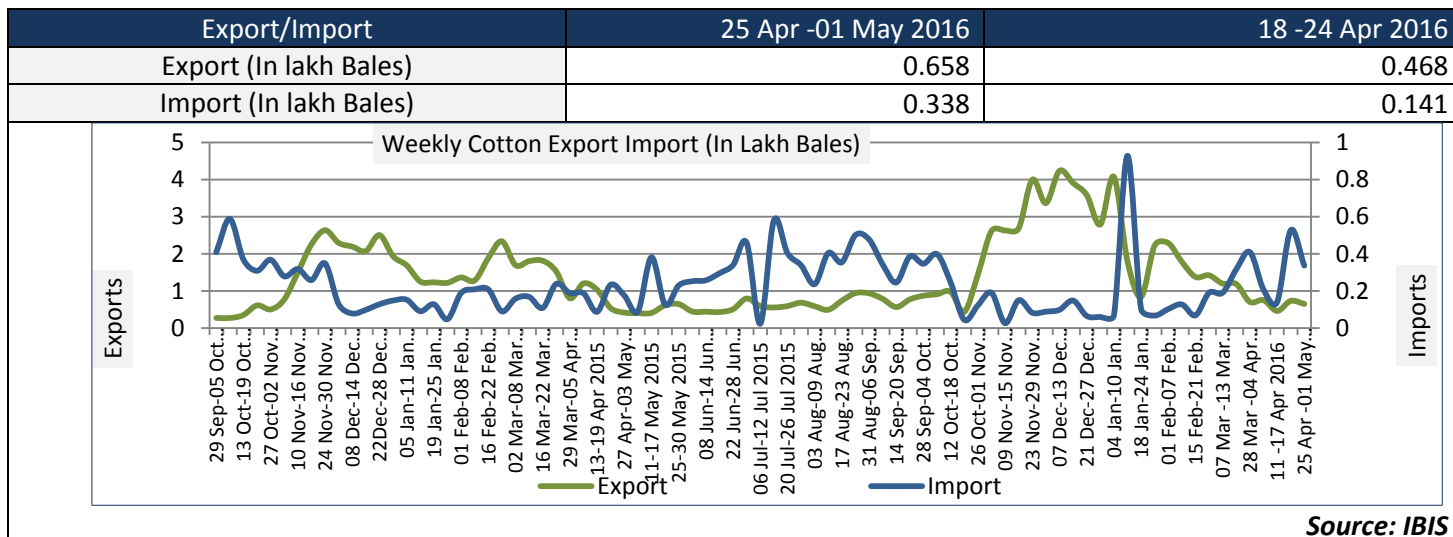
## State wise Weekly Price Scenario

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.

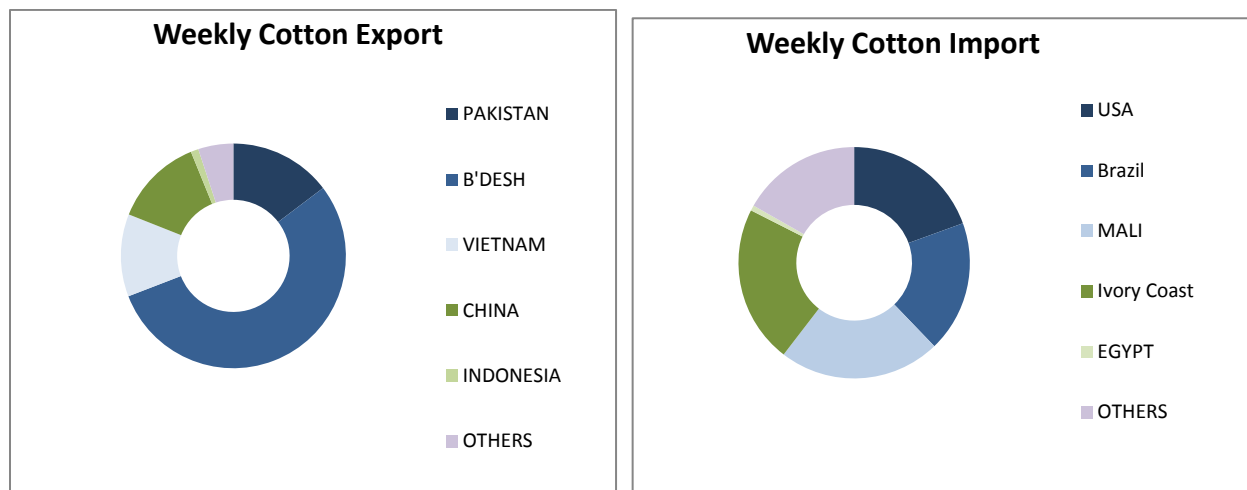


### Cotton Weekly Export and Import

India exported 0.658 lakh bales of cotton last week (25 Apr -01 May 2016), which was 0.739 lakh bales during the week before previous to last week (18 -24 Apr 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.338 lakh bales last week, which was 0.528 lakh bales previous to last week.



Major importer of Indian cotton during the week (25 Apr -01 May 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.358 lakh bales of cotton from India in the past week (25 Apr -01 May 2016). Other major importers were Pakistan, China, Vietnam and Indonesia and their imported volumes were 0.097 lakh bales, 0.084 lakh bales, 0.078 lakh bales and 0.007 lakh bales respectively. India exported 0.658 lakh bales of cotton last week (25 Apr -01 May 2016), which was 0.739 lakh bales previous to last week (18 -24 Apr 2016), according to the data released by IBIS and compiled by Agriwatch.



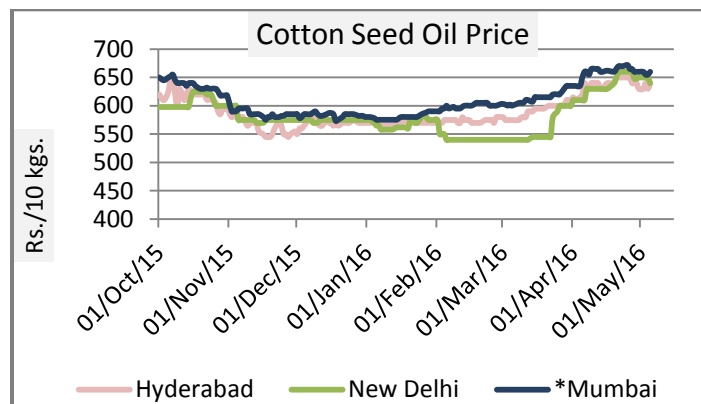
## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price ruled weak during the week. Weekly average price in New Delhi remained Rs 648 per 10 Kg, steady as compared to the weekly average price of Rs 658 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	05-May-16	28-Apr-16	
New Delhi	648	658	-1.52
Rajkot	656	673	-2.48
Hyderabad	635	647	-1.80
Mumbai*	658	667	-1.30

*\*Vat Included*

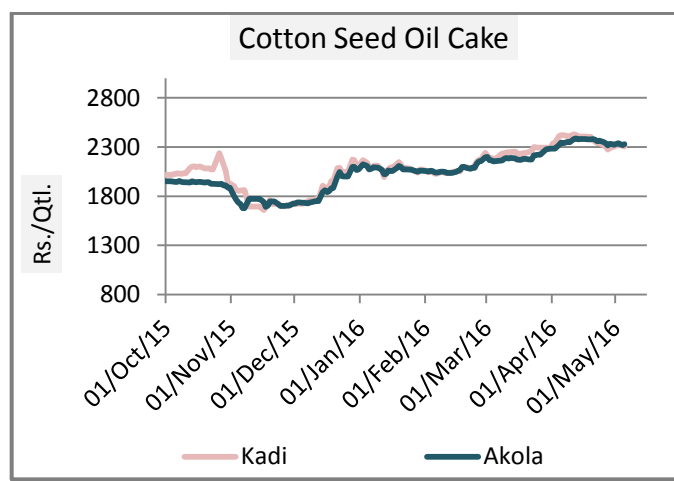


### Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2328 per quintal, higher compared to the weekly average price of previous week of Rs 2344 per quintal.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	05-May-16	28-Apr-16	
Kadi	2312	2311	0.06
Akola	2328	2344	-0.67

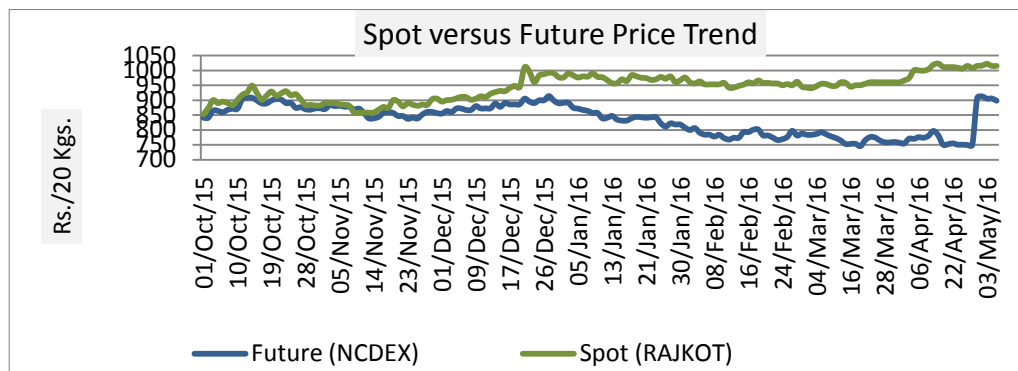
*\*Source: NCDEX*



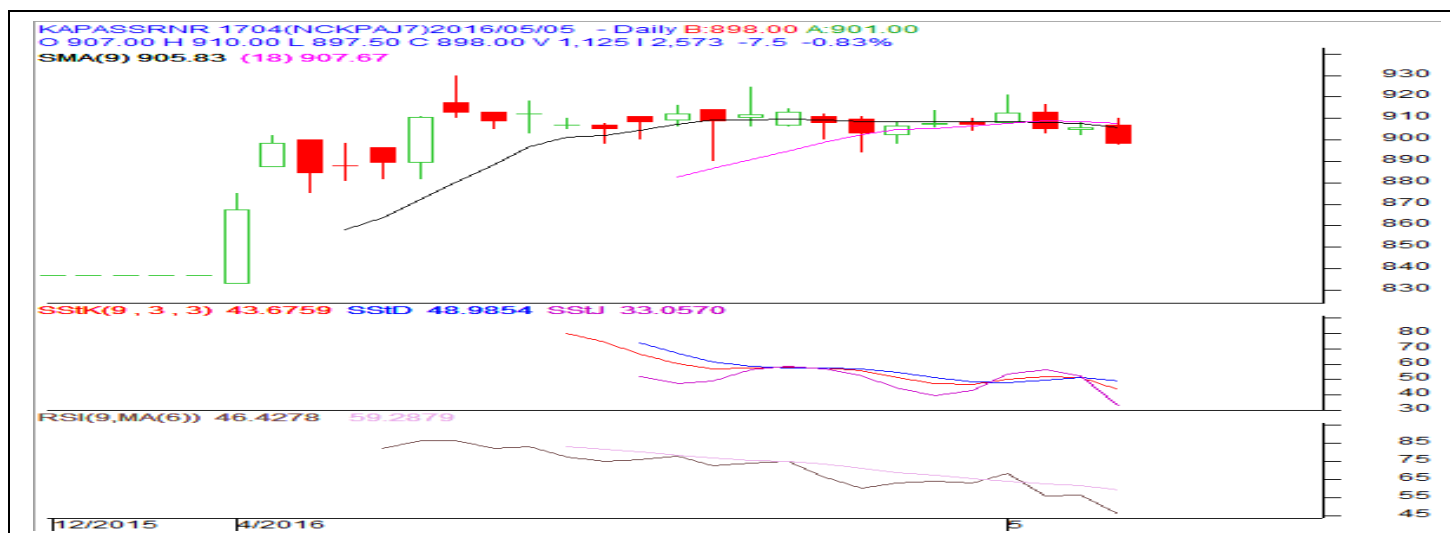


### Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 899.50 as on 05 May 2016, compared to 907.50 a week earlier. The gap between the spot and future prices has narrowed. Average gap between the spot and future price during the week was Rs.111.00 which was Rs 258.30 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 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	860-910

#### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
850	830	930	950

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

**Major Market Highlights:** The Chinese government has started the auction of its huge reserves of cotton this month. Stocks of cotton are expected to decline amid decline fall in Chinese imports and falling domestic production. The ICAC forecast that a policy of government auctions, and import limitations, will lower Chinese cotton stocks by 7% in 2015-16, and a further 10% in 2016-17. The US Department of Agriculture has forecast China's cotton stocks to fall by 6% in 2015-16, to 13.9m tons.

The China National Development and Reform Commission (NRCD) has announced that they would begin selling a portion of China's estimated 58 million bales of reserve stocks beginning in early May. According to the NRCD, 2 million metric tons (the equivalent of about 9 million 480-pound bales) will be offered for sale in 2016.

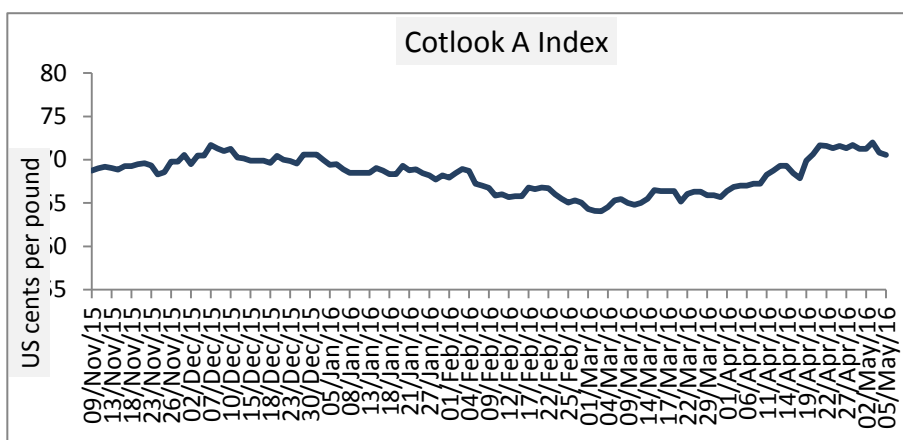
In Q4 2015, global yarn production declined by nearly 26% quarter-on-quarter. Asian yarn output declined by 27% quarter-on-quarter and by 15% in North America. In Europe it rose by 15% and, in South America, output fell by 19%. Global yarn output grew by 11% in Q4 2015, versus Q4 2014. The annual percentage change of yarn output in Asia amounted to 12%.

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 at around 0.6% lower compared to the previous season.



Cotlook A Index	Weekly Average Price as on		% Change
	05-May-16	28-Apr-16	
Prices	71.17	71.52	-0.5
Prices in US cents per Pound			

## China Cotton Index and Foreign Cotton Index

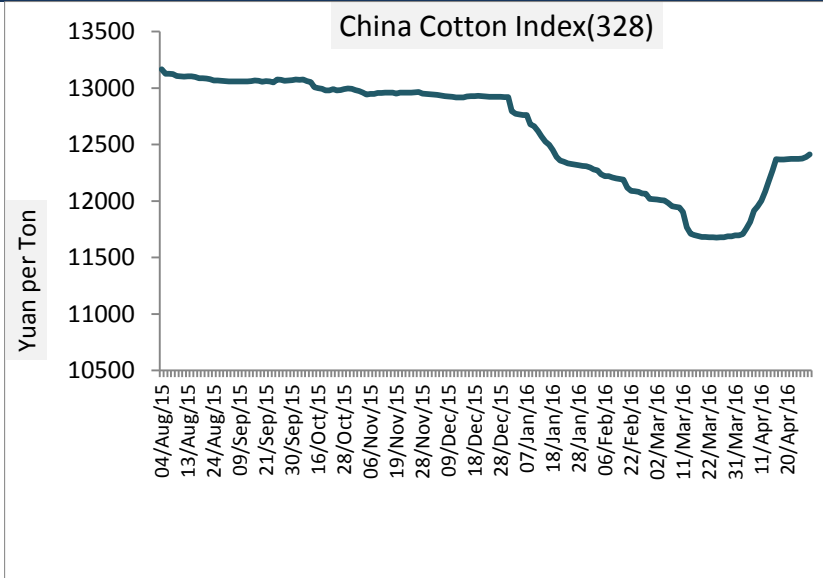
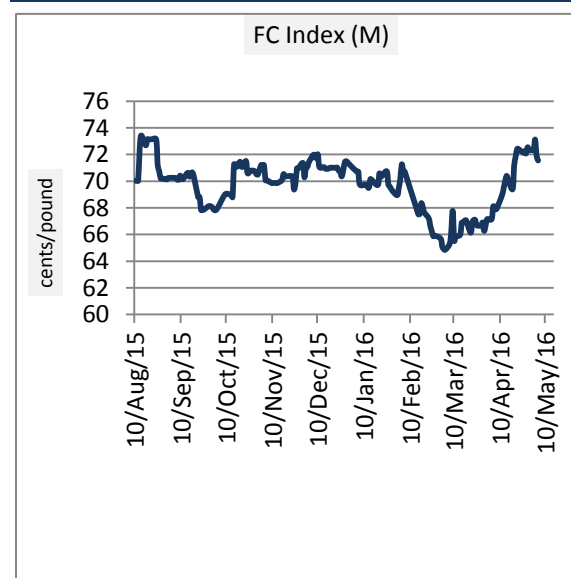
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	05-May-16	28-Apr-16	
FC (S)	75.02	75.09	-0.10
FC (M)	72.27	72.28	-0.02
FC (L)	69.44	70.33	-1.27
Prices in US cents per Pound			

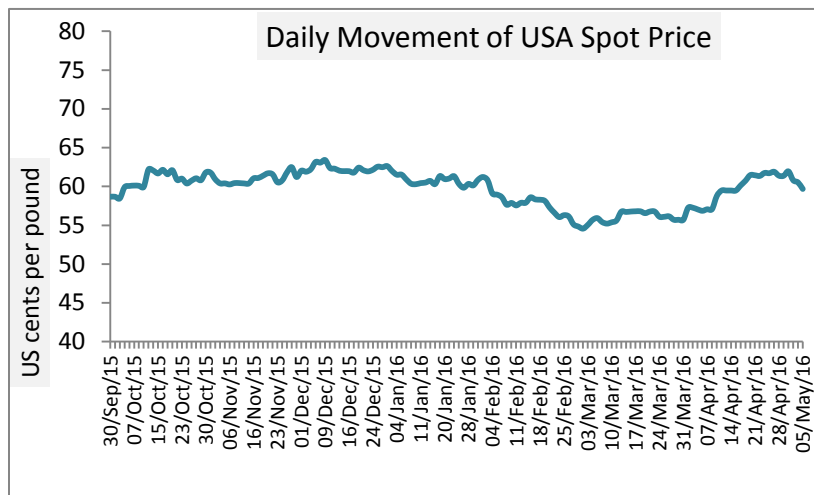
China Index remained firm during the week. CC Index (328) remained 11290 Yuan per ton during the week. Average was 11236 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	05-May-16	28-Apr-16	
CCIndex(229)	12384	12369	0.12
CCIndex(328)	11290	11236	0.48
CCIndex(527)	12714	12688	0.21
Prices in Yuan per ton			



## USA Spot Prices

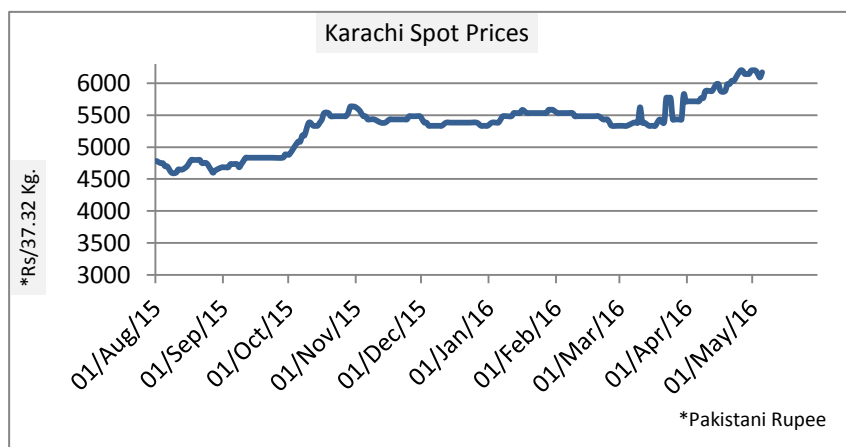
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	05-May-16	28-Apr-16	
Prices	60.86	61.62	-1.23
Prices in US cents per Pound			

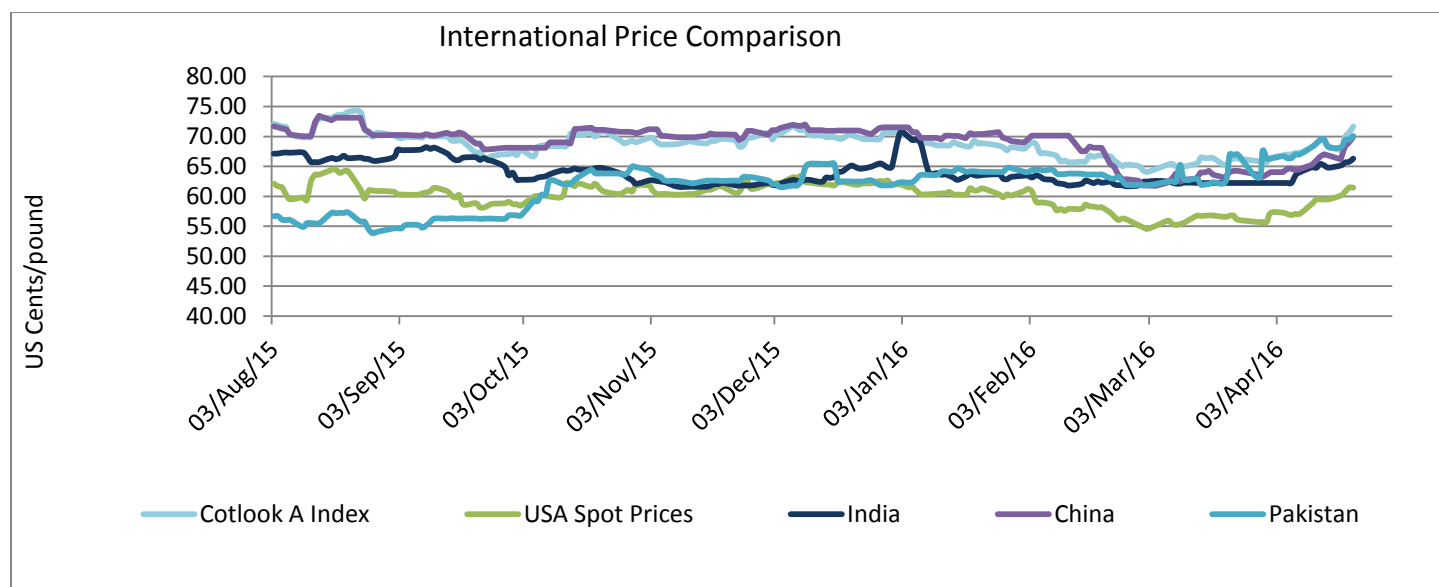
## Pakistan Spot Prices

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.

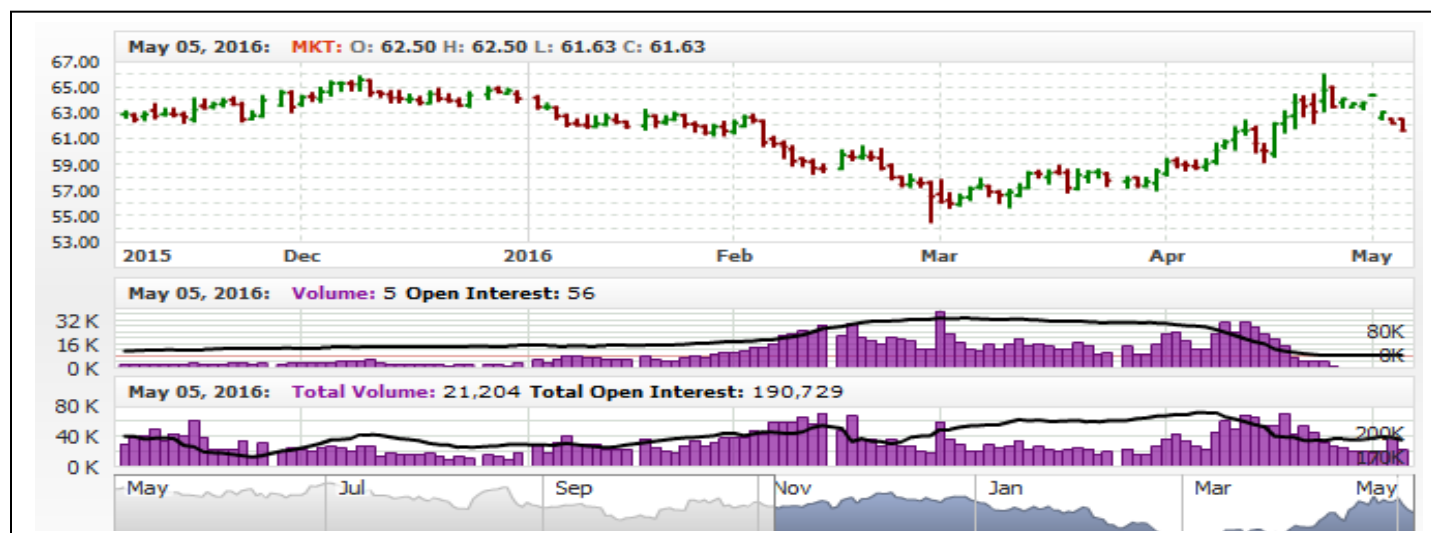


Karachi Spot Prices	Weekly Average Price as on		% Change
	05-May-16	28-Apr-16	
Prices	6138	6039	1.64
Prices in Rs per 37.32 Kg			

## International Price Comparison



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



#### Weekly Technical Outlook:

- Candlesticks denote weak 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	60.00-65.00

#### 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	05-May-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
May-16	61.63	63.69	58.90	66.99	-3.23	4.63	-8.00
Jul-16	61.79	63.69	58.62	66.75	-2.98	5.41	NA
Oct-16	61.83	63.26	58.47	66.52	-2.26	5.75	NA
Dec-16	61.01	62.54	58.33	66.49	-2.45	4.59	NA
Mar-17	61.41	62.69	59.16	NA	-2.04	3.80	NA
May-17	61.8	62.96	59.86	NA	-1.84	3.24	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	30th April.16 to 06th May.16	23rd to 29th April. 2016	
Gujarat	Ahmedabad	Shankar-6	5088	5113	-25
	Gondal	Shankar-6	5040	4989	51
	Rajkot	B.T. Cotton	5078	5056	22
	Patan	B.T. Cotton	5063	5066	-3
	Kadi	B.T. Cotton	5104	5150	-46
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5050	5058	-8
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	4800	4783	17
	Adampur	B.T. Cotton	5046	5040	6
	Fatehabad	B.T. Cotton	5016	5015	1
	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	4983	4875	108
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5084	5110	-26
Maharashtra	Amravati	Mech-1	4906	4800	106
	Jamner	Medium Staple	4837	4920	-83
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	4550	4500	50
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	5298	5267	31
	Hubli	D.C.H.	NA	3509	-
	Hubli	B.T. Cotton	4277	3684	594
	Raichur	H-44 Cotton	5165	5167	-2
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	30th April.16 to 06th May.16	23rd to 29th April. 2016	
Punjab	Bhatinda	J-34	3798	3769	28
	Abohar	J-34	3797	3770	27
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3703	3671	33
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30th April.16 to 06th May.16	23rd to 29th April. 2016	
Gujarat	Ahmedabad	Shankar-6	146200	147900	-1700
	Gondal	Shankar-6	6684	9403	-2719
	Rajkot	B.T. Cotton	8220	13200	-4980
	Patan	B.T. Cotton	11245	21530	-10285
	Kadi	B.T. Cotton	110000	120000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	412	829	-417
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	2800	3600	-800
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1275	1403	-128
	Fatehabad	B.T. Cotton	140	90	50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-

<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4940	8660	<b>-3720</b>
<b>Maharashtra</b>	Amravati	Mech-1	56000	69000	<b>-13000</b>
	Jamner	Medium Staple	219	150	<b>69</b>
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	207	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	5100	6270	<b>-1170</b>
	Hubli	D.C.H.	NA	2	-
	Hubli	B.T. Cotton	2	4	<b>-2</b>
	Raichur	H-44 Cotton	2316	2466	<b>-150</b>
<b>Commodity</b>	<b>Lint</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>30th April.16 to 06th May.16</b>	<b>23rd to 29th April. 2016</b>	
<b>Punjab</b>	Bhatinda	J-34	1488	2210	<b>-723</b>
	Abohar	J-34	391	476	<b>-85</b>
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	714	544	<b>170</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				29th April.16 to 05th May.16	22nd to 28th April 2016	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32000	31800	<b>200</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32500	32300	<b>200</b>
J-34(202)	26mm	3.5 - 4.9	23	34267	34050	<b>217</b>
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	34000	33500	<b>500</b>
Shankar-6(105)	29mm	3.5 – 4.9	28	34767	34550	<b>217</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37067	36783	<b>283</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37967	37750	<b>217</b>
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49667	<b>-167</b>



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