

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 5058 per quintal, which stood at Rs 5078 previous week. Average price of Lint at Sirsa during the week was Rs. 3688 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 3703. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 34783 per candy (of 355.6 kg each) during the week, which was Rs 34767 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 875.50 per maund (of 20 kg each) which was Rs 899.50 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 3650-3750 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 850-900 per maund (of 20 kg each).

Major Market Highlights: According to industry sources, India cotton exports are expected to decline by 10 per cent to 6 million bales in the current year ending September amid increase in domestic prices, which has made the fibre uncompetitive in the global market. India had exported 6.7 million bales (Of 150 kg each) in the 2014 -15 marketing year. Till date in the current marketing year 2015 -16, India has exported around 5 million bales. Currently not much export is taking place as global prices are declining and domestic cotton prices are increasing.

Desi cotton is gaining importance in the country and is likely to make a comeback this year. Last year cotton production was affected in several states following Bt Cotton and this year farmers are preferring prefer to plant the native varieties in the upcoming kharif season. Total acreage under cotton is likely to remain unchanged this year at 118.18 lakh hectares compared to previous year according to industry sources.

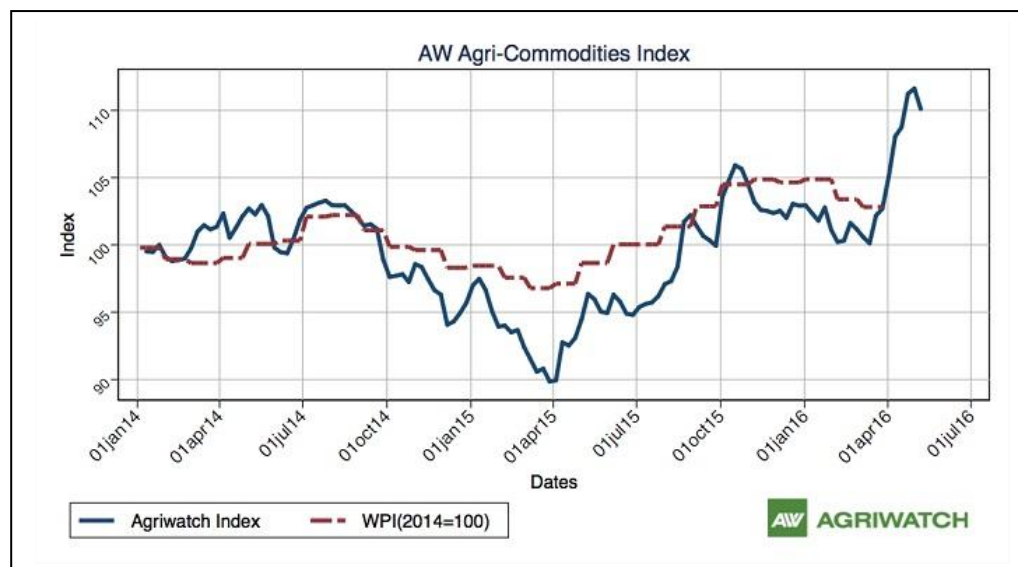
According to Cotton Association of India (CAI), output of cotton in India for 2015 -16 season is estimated to be around 341 lakh bales compared to 382.75 lakh bales in 2014 -15. The projected balance sheet drawn by the CAI estimated total cotton supply for the season 2015-16 at 428.60 lakh bales while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

India exported 0.561 lakh bales of cotton last week (02 -08 May 2016), which was 0.658 lakh bales previous to last week (25 Apr -01 May 2016), according to the data released by IBIS and compiled by Agriwatch.

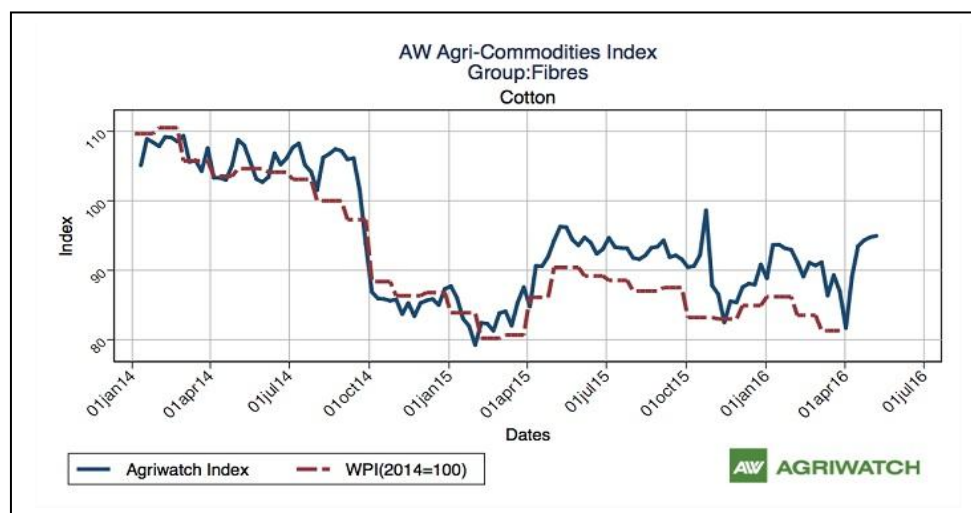
Major importer of Indian cotton during the week (02 -08 May, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.193 lakh bales of cotton from India in the past week (02 -08, May 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.154 lakh bales, 0.108 lakh bales, 0.064 lakh bales and 0.011 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. The daily indices are available on subscription. Please contact for more details."

Domestic Cotton Prices Scenario

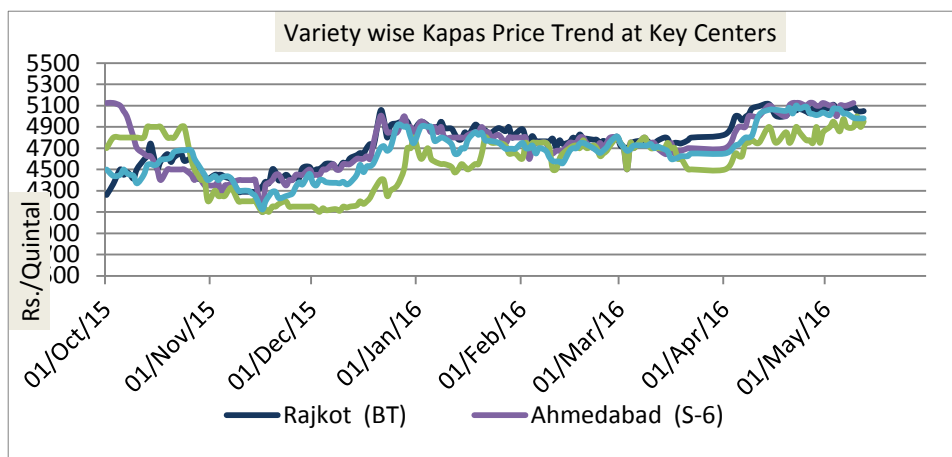
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained weak during the week amid lack of good demand. Weekly average price of Kapas at Rajkot remained Rs. 5058 per quintal, fairly higher as compared to previous week price of Rs. 5078 per quintal.

According to attached latest report USDA attaché report, India's 2016/17 cotton production forecast is 28.00

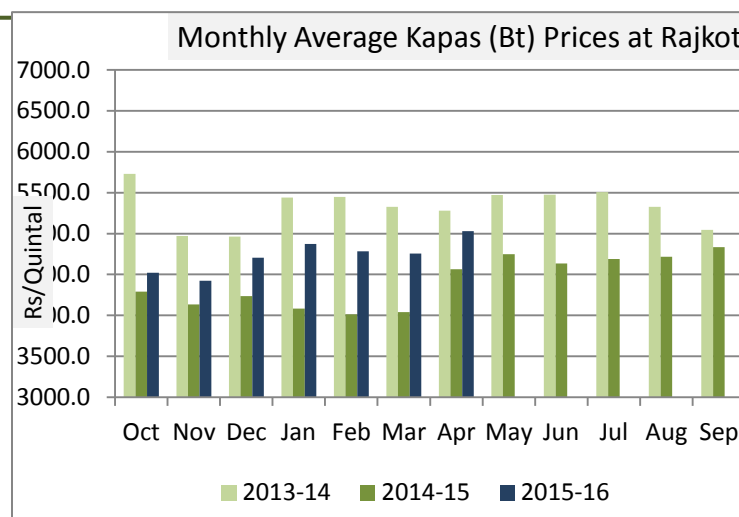
million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon.

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.



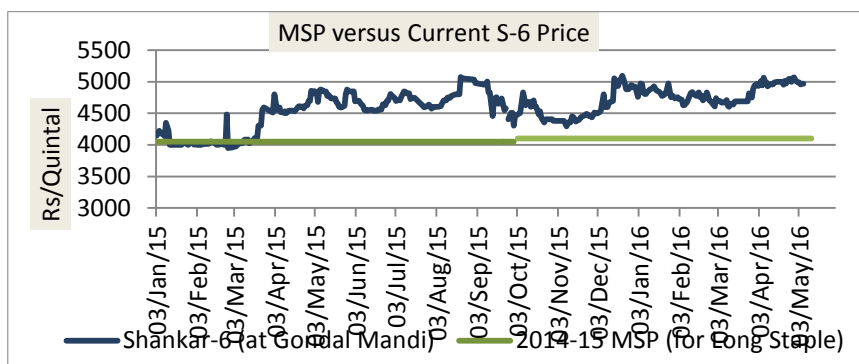
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the month of April 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

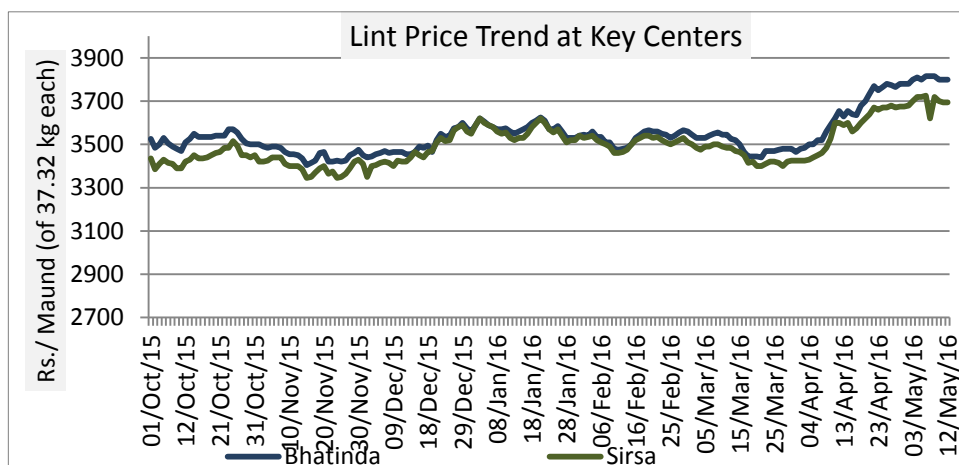
The Kapas prices are ruling above the MSP so far. The gap between the two prices has been narrowed this week due to weak tone in prices. The average gap between the prices was Rs 883.33 this week compared to Rs 932.50 a week earlier. This indicates prices are declining.



Lint (De-Seeded Cotton) Weekly Price Scenario

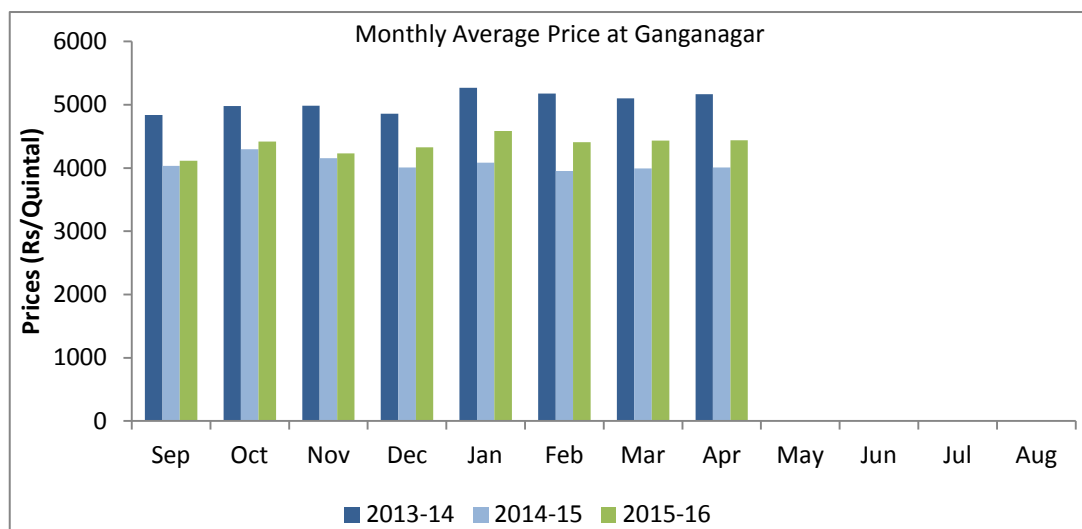
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3688 per maund of 37.32 kg each same as the previous week price of Rs. 3704 per maund.

Weekly Price Outlook: Lint prices are expected to remain range bound to weak during the week. We expect Lint at Sirsa to remain in range of Rs. 3650-3750 per maund.



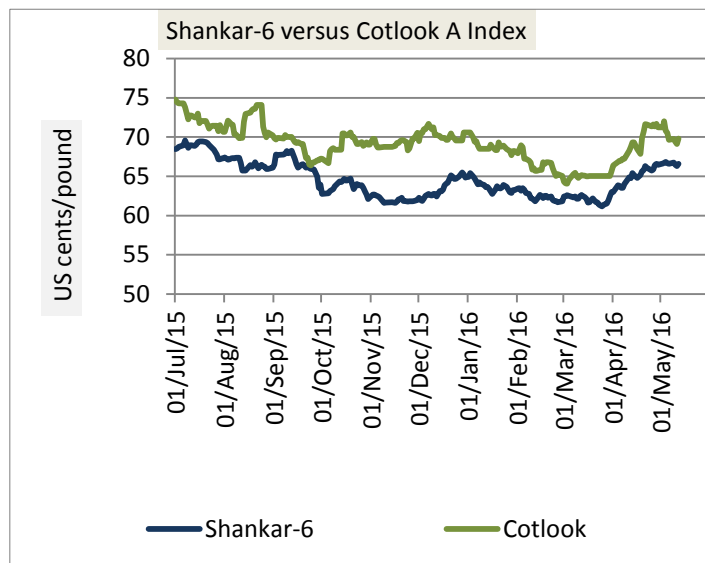
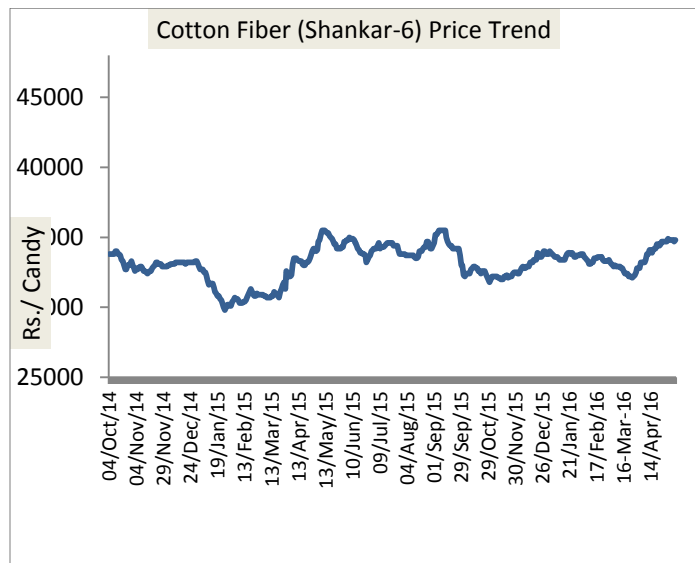
Lint Monthly Y-o-Y Price Scenario

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 movement in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 34783 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 34767 per candy.

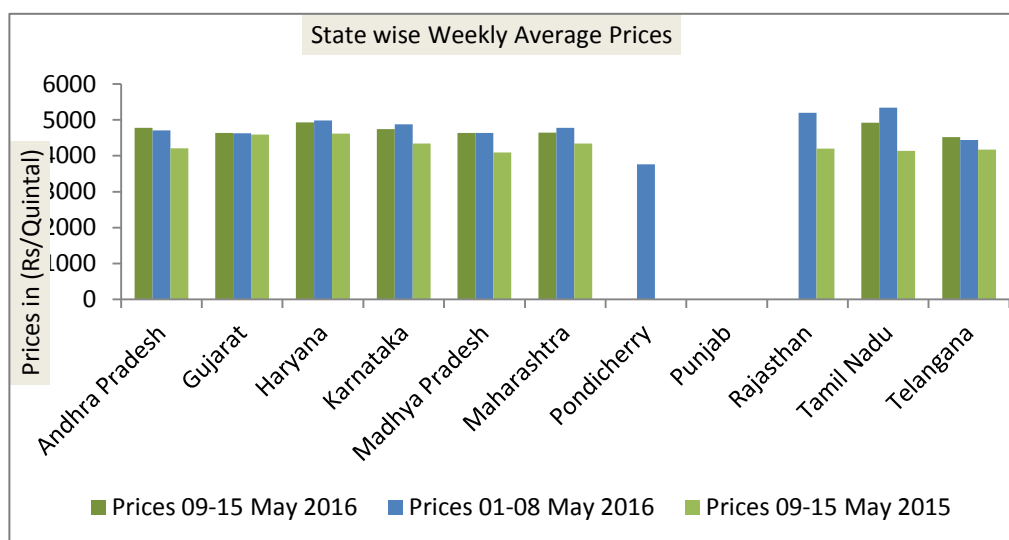


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 69.54 cents/pound, Indian weekly average price stood at 66.52 cents/pound, making Indian fiber competitive in international market.

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

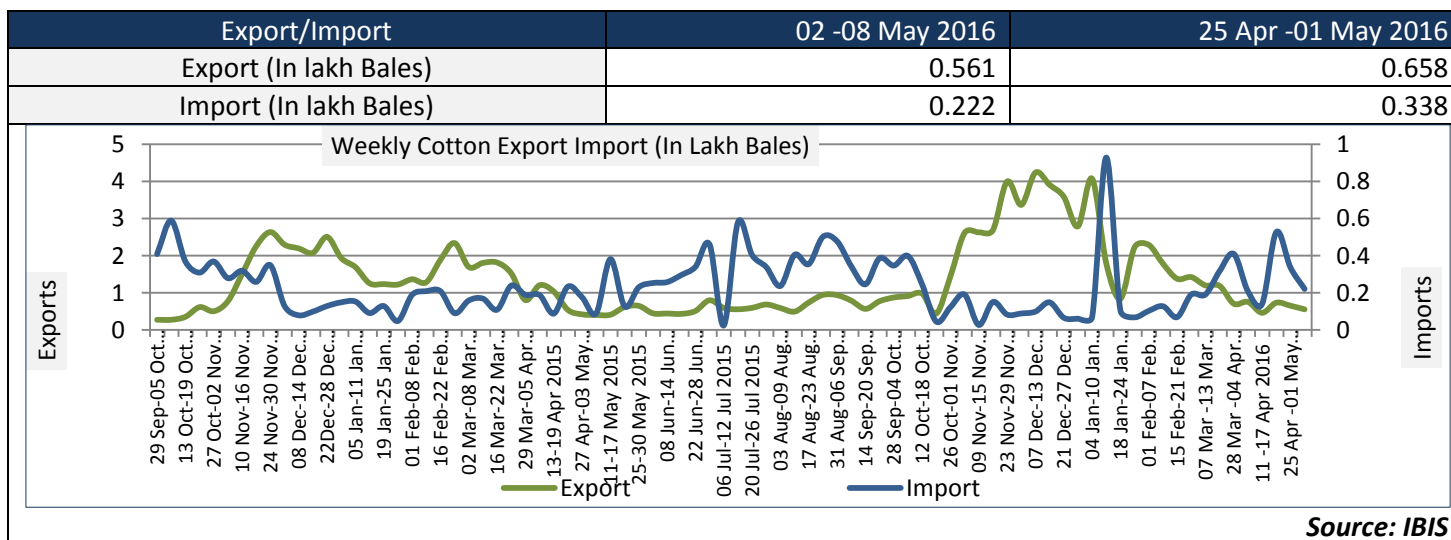
State wise Weekly Price Scenario

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.

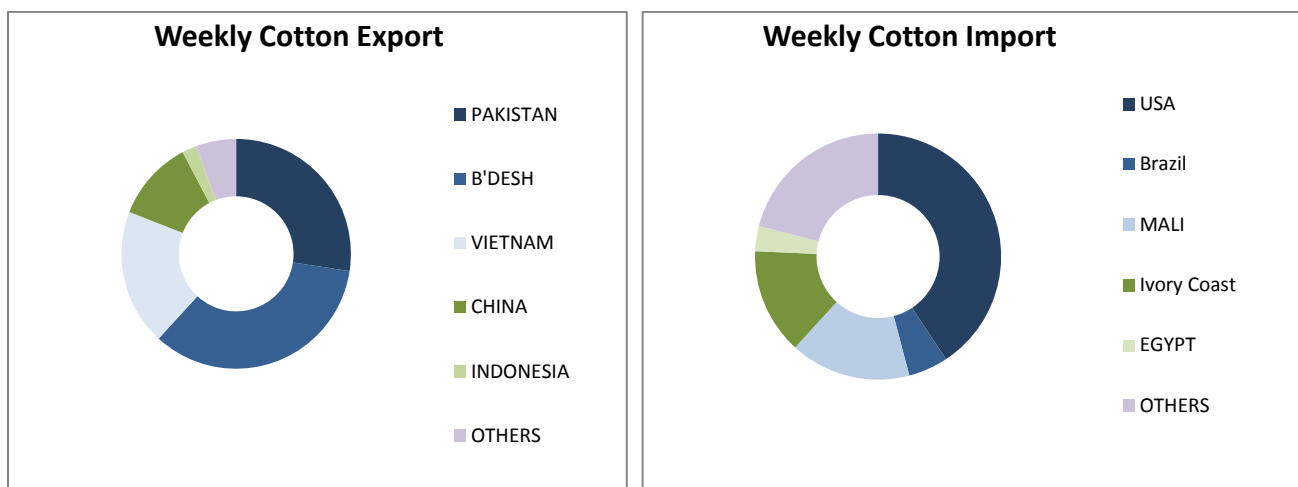


Cotton Weekly Export and Import

India exported 0.561 lakh bales of cotton last week (02 -08 May 2016), which was 0.658 lakh bales during the week before previous to last week (25 Apr -01 May 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.222 lakh bales last week, which was 0.338 lakh bales previous to last week.



Major importer of Indian cotton during the week (02 -08 May 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.193 lakh bales of cotton from India in the past week (02 -08 May 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.154 lakh bales, 0.108 lakh bales, 0.064 lakh bales and 0.011 lakh bales respectively. India exported 0.561 lakh bales of cotton last week (02 -08 May 2016), which was 0.658 lakh bales previous to last week (25 Apr -01 May 2016), according to the data released by IBIS and compiled by Agriwatch.



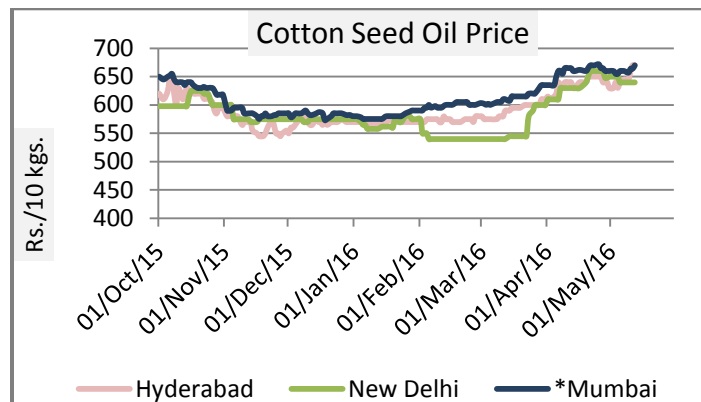
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price ruled range -bound during the week. Weekly average price in New Delhi remained Rs 640 per 10 Kg, steady as compared to the weekly average price of Rs 648 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	12-May-16	05-May-16	
New Delhi	640	648	-1.23
Rajkot	663	656	1.04
Hyderabad	655	635	3.15
Mumbai*	663	658	0.63

*Vat Included

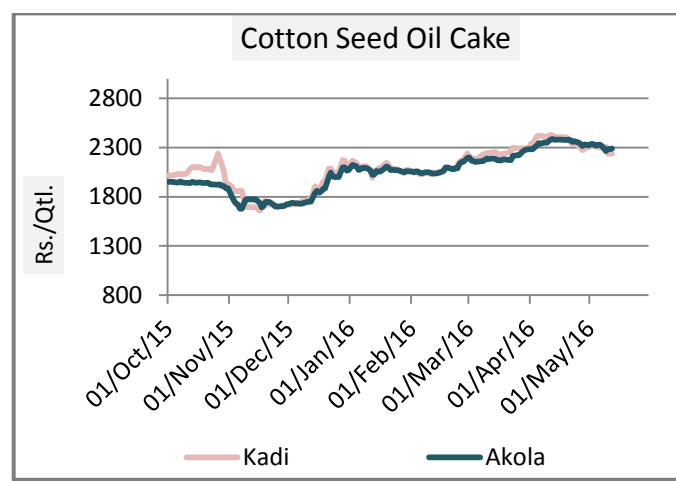


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2294 per quintal, higher compared to the weekly average price of previous week of Rs 2328 per quintal.

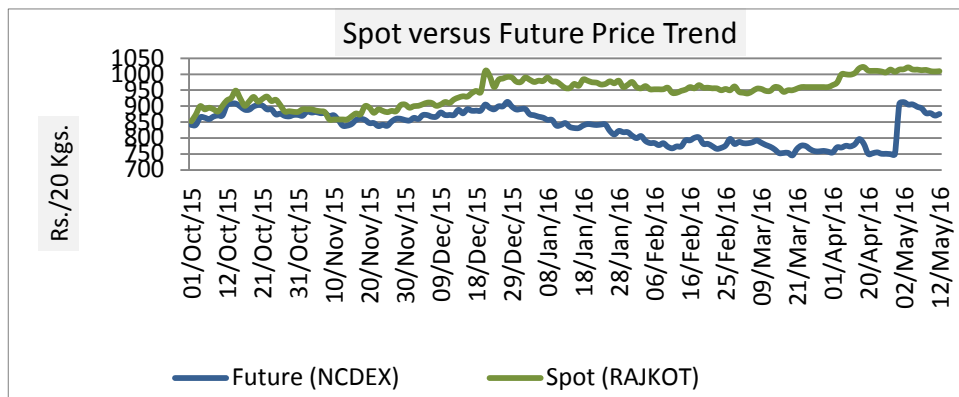
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	12-May-16	05-May-16	
Kadi	2272	2312	-1.75
Akola	2294	2328	-1.45

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 875.50 as on 05 May 2016, compared to 899.50.50 a week earlier. The gap between the spot and future prices has widened. Average gap between the spot and future price during the week was Rs.132.20 which was Rs 111.00 a week earlier.



Technical Analysis of Kapas Future Prices at NCDEX(April'17 Contract)



Weekly Technical Outlook:

- Candlestick denotes buying 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 firm in the coming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	850-900

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
850	830	900	930

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 69.54 cents/pound this week, which was 71.17 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 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. As expected, prices have started declining recently with the unloading of stocks.

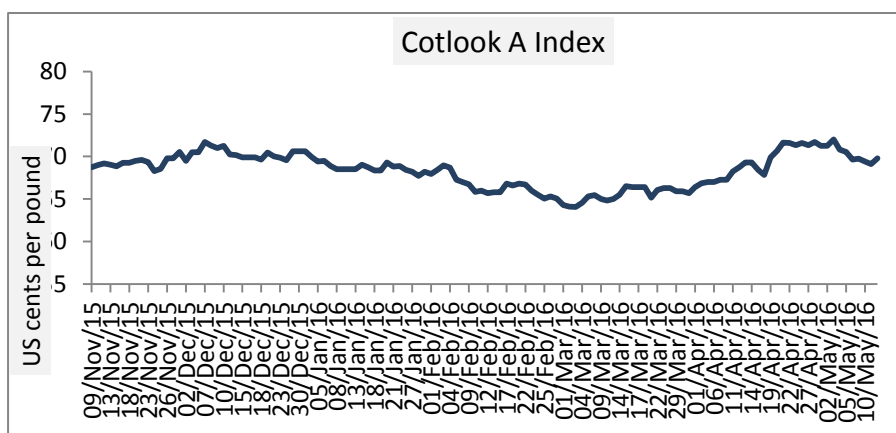
According to ICAC, world cotton production is expected to increase slightly limiting the reduction in world ending stocks in 2016/17. After contracting shrinking by 9% to 31.2 million hectares in 2015/16, world cotton is projected to expand by 1% to 31.4 million hectares as declining prices for competing crops in 2015/16 encourages farmers to return to cotton in 2016/17 despite low prices.

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 102.84 million bales. For India, production is forecast at 26.8 million bales, same as previous month's estimates and India's crop is estimated 9 per cent below 2014/15 and the lowest since 2009/10.

Cotlook A Index

Cotlook A index remained range bound to weak 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
	12-May-16	05-May-16	
Prices	69.54	71.17	-2.3
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

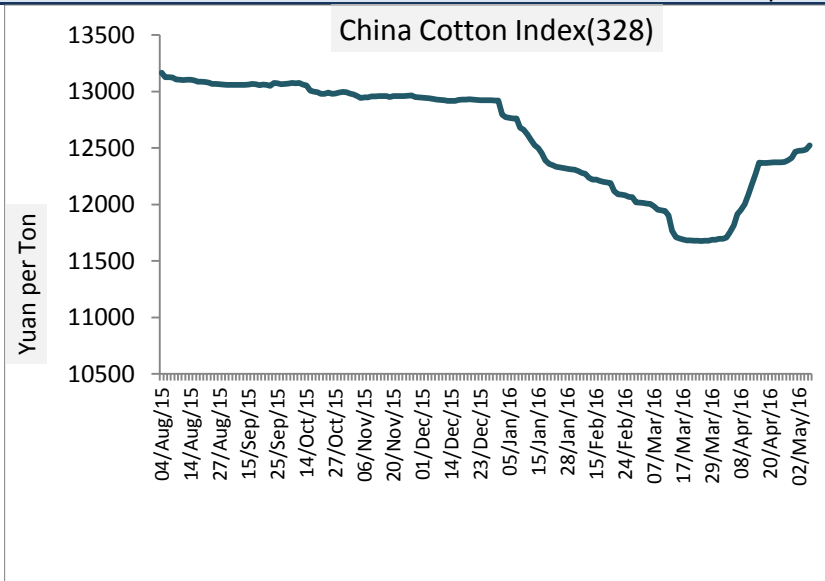
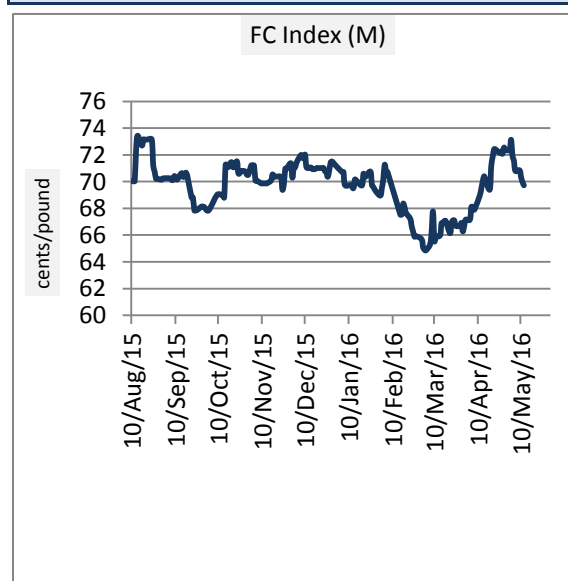
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	12-May-16	05-May-16	
FC (S)	73.23	75.02	-2.38
FC (M)	70.33	72.27	-2.68
FC (L)	67.60	69.44	-2.65
Prices in US cents per Pound			

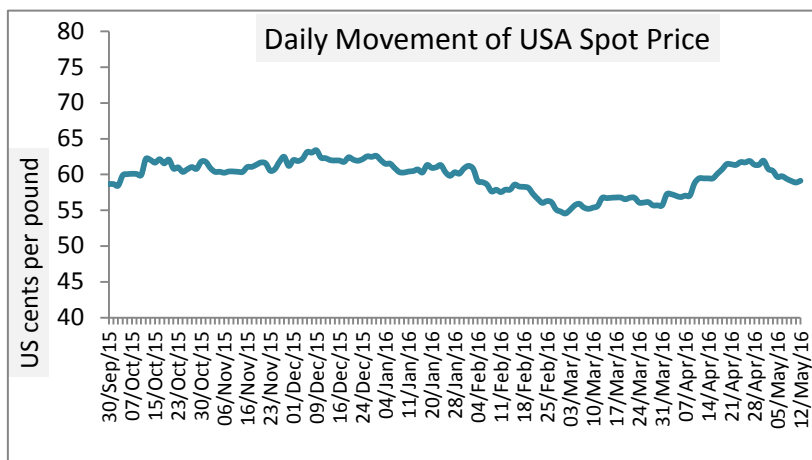
China Index remained firm during the week. CC Index (328) remained 11416 Yuan per ton during the week. Average was 11290 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	12-May-16	05-May-16	
CCIndex(229)	12486	12384	0.82
CCIndex(328)	11416	11290	1.12
CCIndex(527)	12828	12714	0.89
Prices in Yuan per ton			



USA Spot Prices

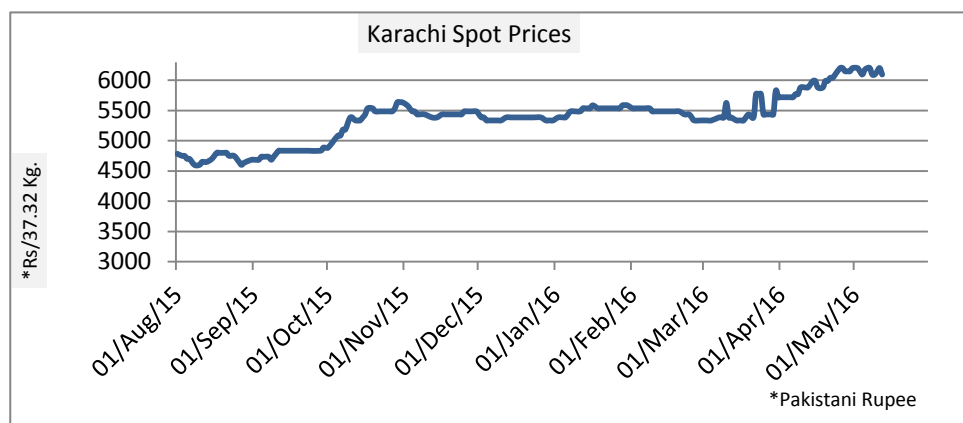
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	12-May-16	05-May-16	
Prices	59.26	60.86	-2.63
Prices in US cents per Pound			

Pakistan Spot Prices

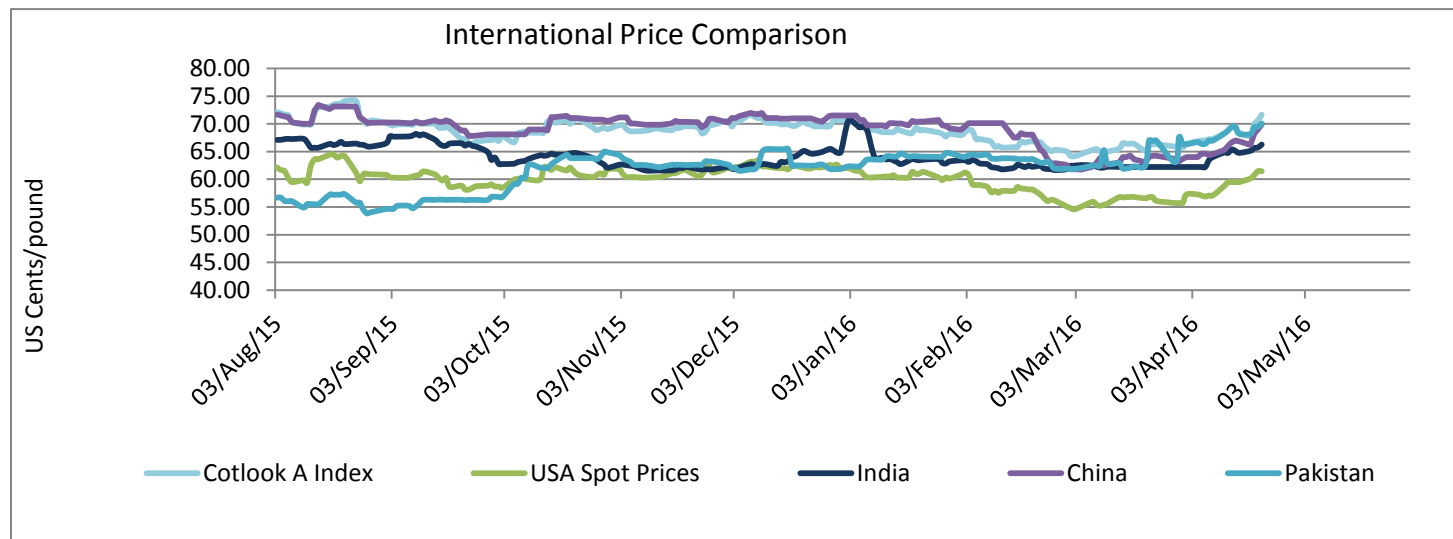
Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has had set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and is now expected to be around 96.87 lakh bales due to the severe crop loss of 34% due to pest attack. The lower production in the country



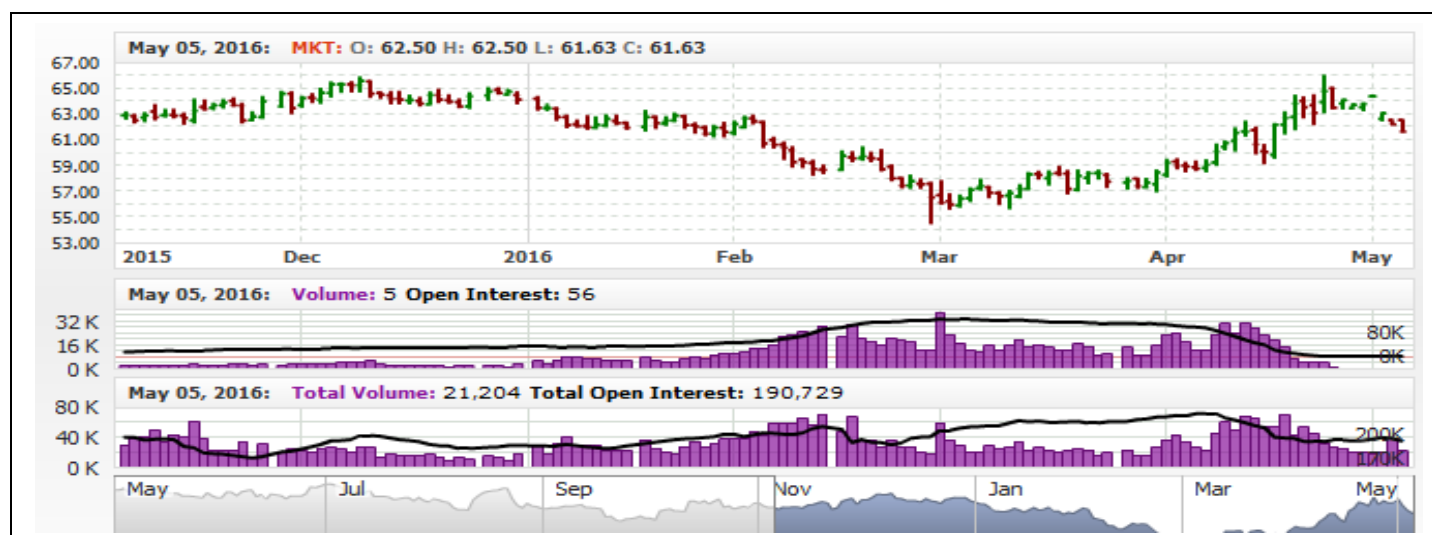
may open channels for the more exports from India, as Pakistan would import to fulfill its domestic demands.

Karachi Spot Prices	Weekly Average Price as on		% Change
	12-May-16	05-May-16	
Prices	6147	6160	-0.21
Prices in Rs per 37.32 Kg			

International Price Comparison



Technical Analysis of Cotton Future (July'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
60.30	58.60	65.30	67.50

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	12-May-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
May-16	NA	61.63	61.51	65.17	NA	NA	NA
Jul-16	60.73	61.79	60.91	65.02	-1.72	-0.30	-6.60
Oct-16	61.07	61.83	60.38	65.01	-1.23	1.14	-6.06
Dec-16	60.57	61.01	59.77	64.83	-0.72	1.34	-6.57
Mar-17	60.93	61.41	60.06	NA	-0.78	1.45	
May-17	61.36	61.8	60.63	NA	-0.71	1.20	

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	07th to 13th May.16	30th April.16 to 06th May.16	
Gujarat	Ahmedabad	Shankar-6	5150	5088	63
	Gondal	Shankar-6	4978	5040	-63
	Rajkot	B.T. Cotton	5058	5078	-20
	Patan	B.T. Cotton	5053	5063	-10
	Kadi	B.T. Cotton	5133	5104	29
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4975	5050	-75
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5175	5200	-25
	Bhiwani	Desi	4900	4800	100
	Adampur	B.T. Cotton	4988	5046	-58
	Fatehabad	B.T. Cotton	4983	5016	-33
	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	4967	4983	-17
Madhya Pradesh	Khandwa	Mech-1	4667	NA	-
	Khargaon	Mech-1	5037	5084	-47
Maharashtra	Amravati	Mech-1	4958	4906	53
	Jamner	Medium Staple	4818	4837	-19
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	4550	-50
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	5291	5298	-7
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	4277	-
	Raichur	H-44 Cotton	5254	5165	89
Commodity	Lint		Prices (Rs./Maunder of 37.32kg each)		Change
State	Centre	Variety	07th to 13th May.16	30th April.16 to 06th May.16	
Punjab	Bhatinda	J-34	3797	3798	-1
	Abohar	J-34	3793	3797	-3
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3688	3703	-16
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	07th to 13th May.16	30th April.16 to 06th May.16	
Gujarat	Ahmedabad	Shankar-6	127500	146200	-18700
	Gondal	Shankar-6	4254	6684	-2430
	Rajkot	B.T. Cotton	8090	8220	-130
	Patan	B.T. Cotton	6831	11245	-4414
	Kadi	B.T. Cotton	110000	110000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	289	412	-123
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	2200	2800	-600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1148	1275	-128
	Fatehabad	B.T. Cotton	140	140	Unch
	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	150	NA	-
	Khargaon	Mech-1	3650	4940	-1290
Maharashtra	Amravati	Mech-1	30500	56000	-25500
	Jamner	Medium Staple	94	219	-125
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	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	5100	5100	Unch
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	1717	2316	-599
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	07th to 13th May.16	30th April.16 to 06th May.16	
Punjab	Bhatinda	J-34	1020	1488	-468
	Abohar	J-34	17	391	-374
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	612	714	-102
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				06th to 12th May.16	29th April.16 to 05th May.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32200	32000	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32700	32500	200
J-34(202)	26mm	3.5 - 4.9	23	34450	34267	183
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34100	34000	100
Shankar-6(105)	29mm	3.5 - 4.9	28	34783	34767	17
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37100	37067	33
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38000	37967	33
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

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