

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. 5105 per quintal, which stood at Rs 5058 previous week. Average price of Lint at Sirsa during the week was Rs. 3713 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 3688. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 35000 per candy (of 355.6 kg each) during the week, which was Rs 34783 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 882.50 per maund (of 20 kg each) which was Rs 875.50 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. 850-900 per maund (of 20 kg each).

Major Market Highlights: Last year, production of cotton had been affected in various sStates following whitefly and pink bollworm attack from Bt. Cotton. The Agriculture Department has begun sanitising cotton fields. Bt Cotton residue is being burnt on the field to ensure that eggs and larvae of the pest are destroyed before the planting of the next kharif season.

In Punjab, cotton sowing till date has been done in 2.08 lakh hectares as against the target of 5 lakh hectares. In Haryana, sowing is 65 per cent of the total targeted area of 6.20 lakh hectares. According to officials, farmers have shifted to other crops like paddy and pulses following crop loss last year due to white fly attack and non-availability of canal water. According to farmers, acreage under cotton in Punjab is likely to reach 3.30 lakh hectares and in Haryana, it is likely to touch 5.50 lakh hectares.

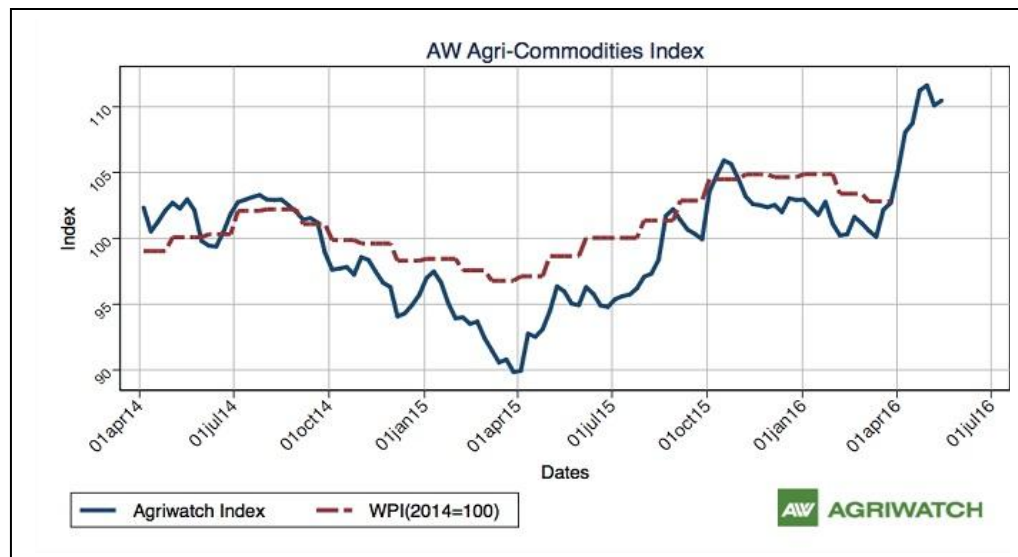
Desi cotton is gaining importance in the country and is likely to make a comeback this year. Last year cotton production was affected in several sStates following Bt Cotton and this year farmers are preferringintend to plant the native varieties in the upcoming kharif season. Total acreage under cotton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

India exported 0.718 lakh bales of cotton last week (09 -15 May 2016), which was 0.561 lakh bales previous to last week (02 -08 May 2016), according to the data released by IBIS and compiled by Agriwatch.

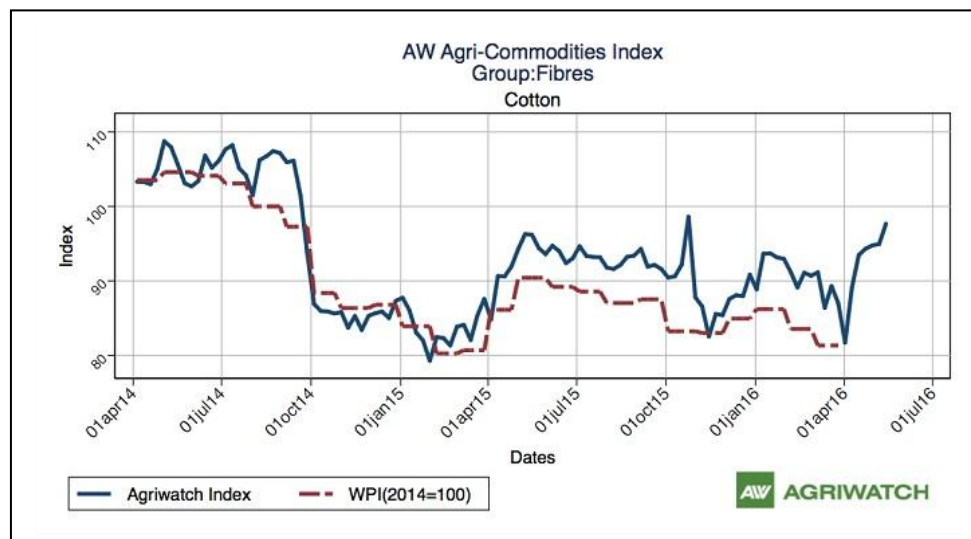
Major importer of Indian cotton during the week (09 -15 May, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.370 lakh bales of cotton from India in the past week (09 -15, May 2016). Other major importers were Pakistan, China, Vietnam and Indonesia and their imported volumes were 0.115 lakh bales, 0.084 lakh bales, 0.041 lakh bales and 0.003 lakh bales respectively.

AW Cotton Index - 15 May. 2016

The Agriwatch Agri Commodities Index edged up 0.33% to 110.46 during the week ended May 14, 2016 from 110.10 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +2.87% 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."

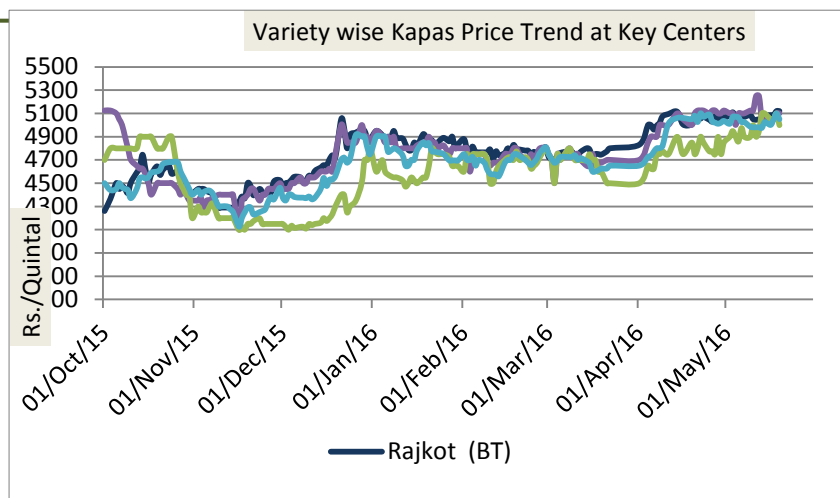
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week amid lack of availability in the domestic market. Weekly average price of Kapas at Rajkot remained Rs. 5105 per quintal, fairly higher as compared to previous week price of Rs. 5058 per quintal.

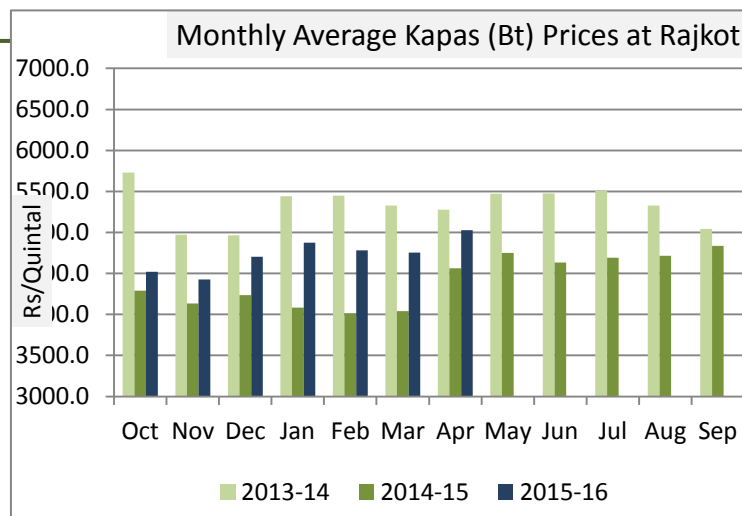
According to attached latest report USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management 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.



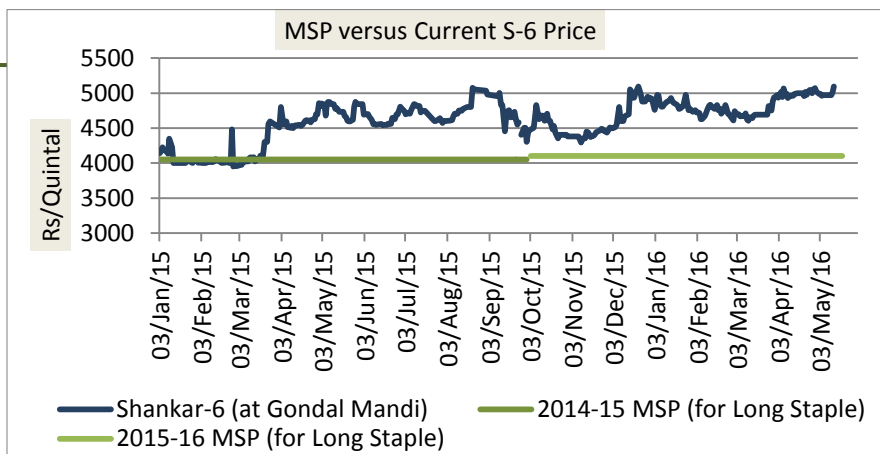
Kapas Monthly Y-o-Y Price Scenario

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.



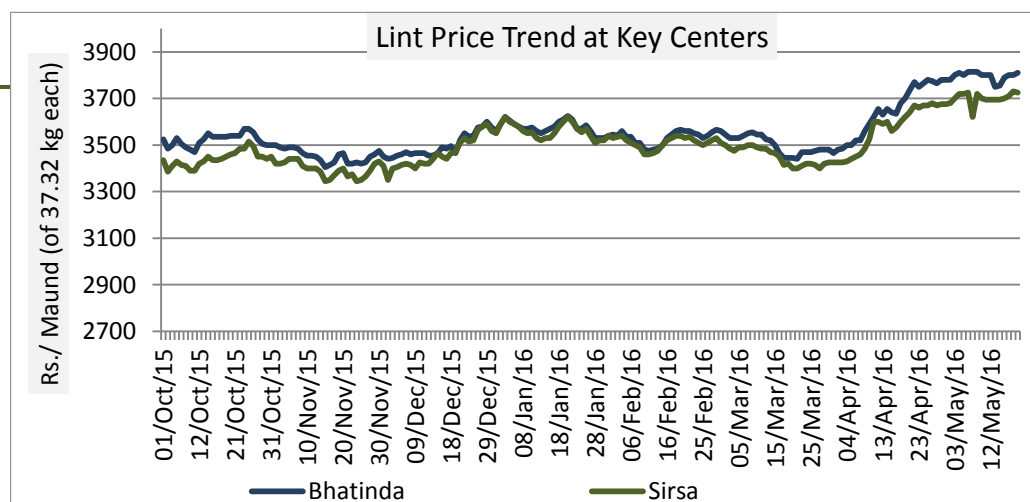
Spot Price versus MSP

The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week due to firm tone in prices. The average gap between the prices was Rs 897.50 this week compared to Rs 883.33 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

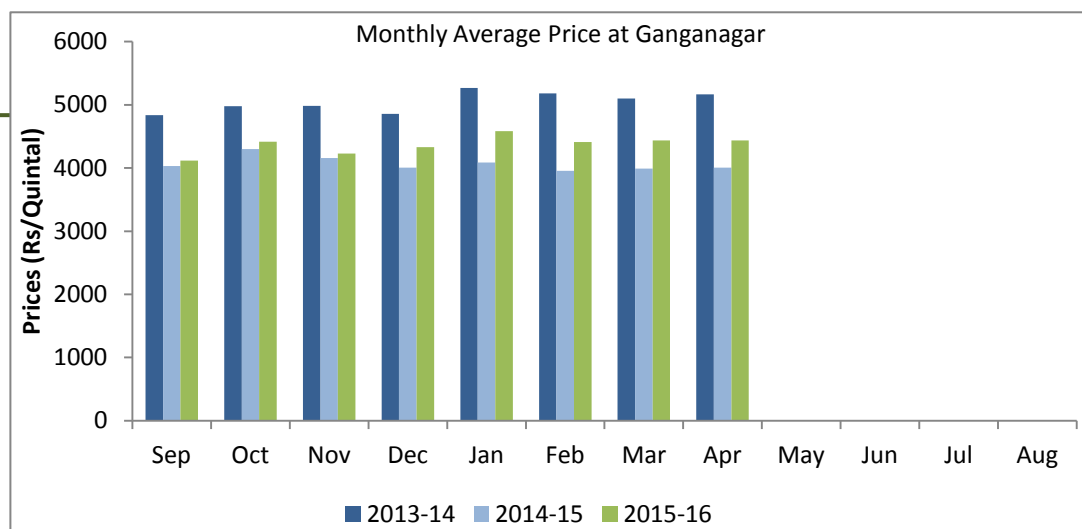
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3713 per maund of 37.32 kg each higher compared to the previous week price of Rs. 3688 per maund.



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

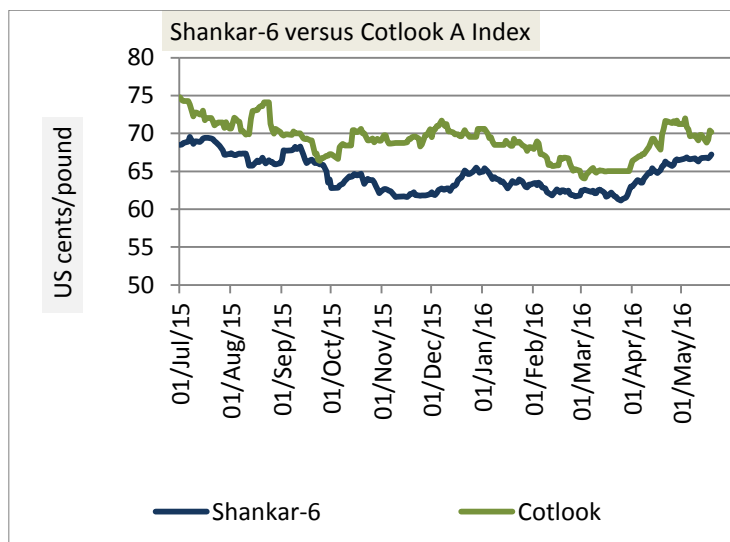
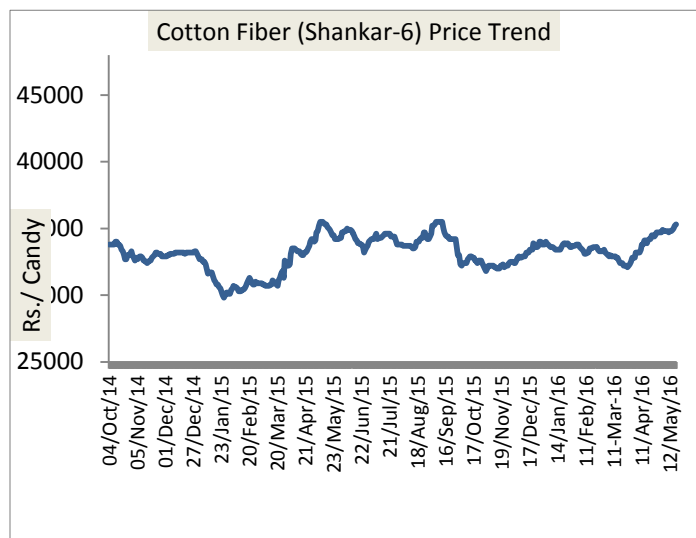
Following the firmness in Kapas prices, lint prices too remained firm during March compared to previous month and it remained firm compared to corresponding month last year. also. In April this year, monthly



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 movement in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 35000 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 34783 per candy.

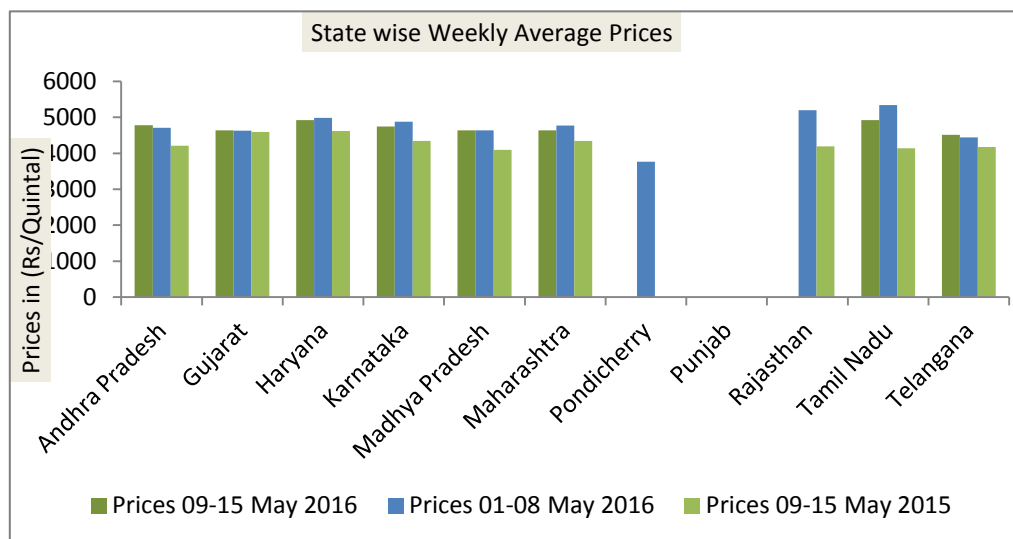


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 69.67 cents/pound, Indian weekly average price stood at 66.89 cents/pound, making Indian fiber competitive in international market.

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

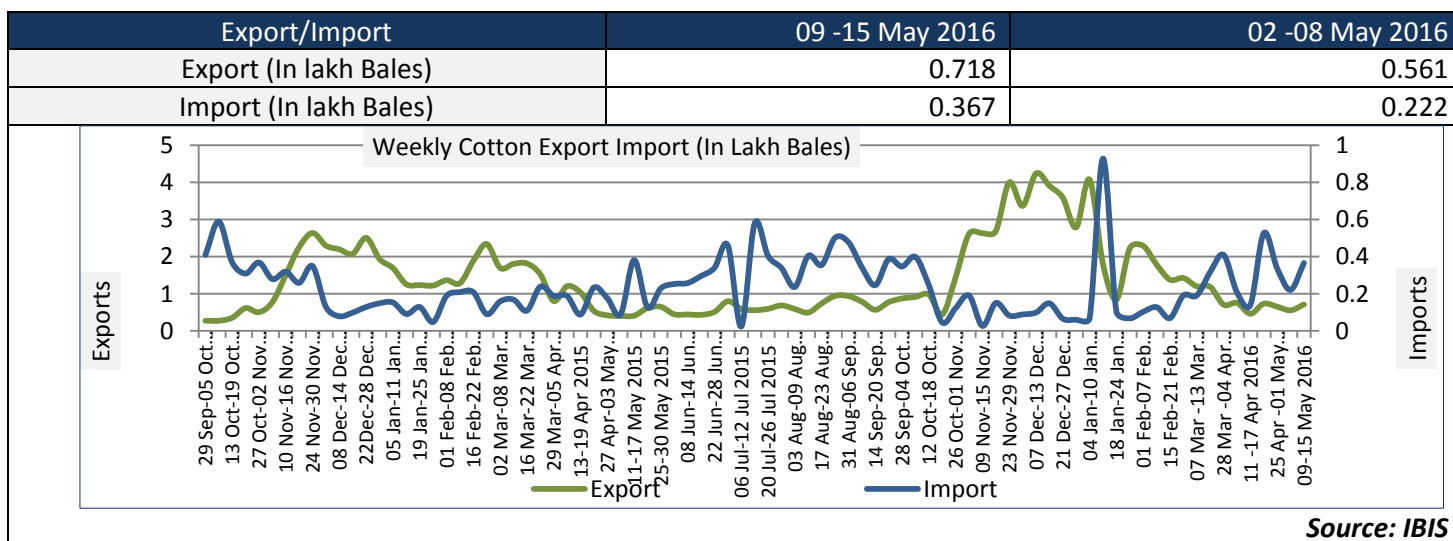
State wise Weekly Price Scenario

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.

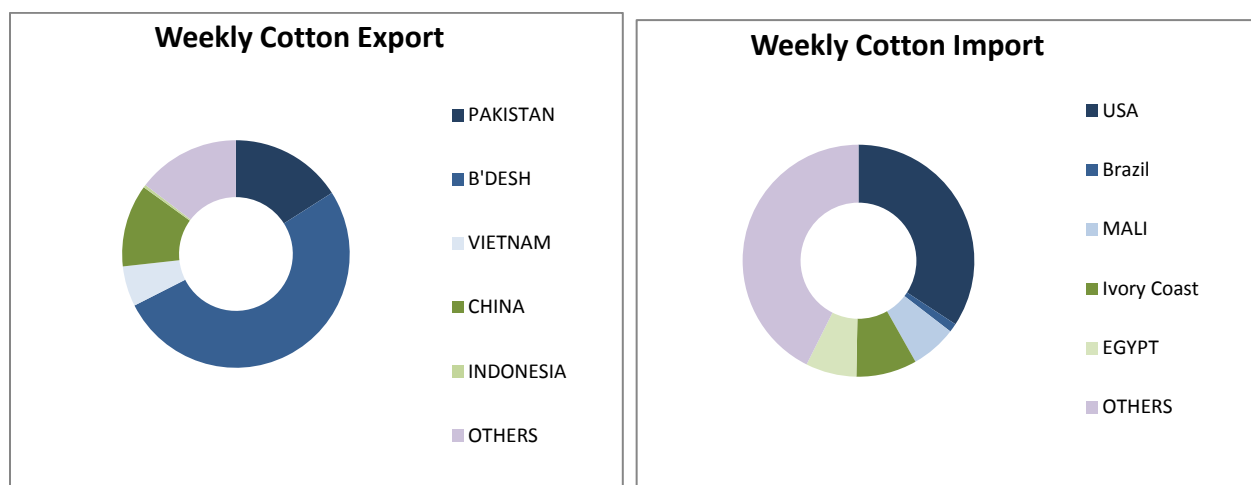


Cotton Weekly Export and Import

India exported 0.718 lakh bales of cotton last week (09 -15 May 2016), which was 0.561 lakh bales during the week before previous to last week (02 -08 May 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.367 lakh bales last week, which was 0.222 lakh bales previous to last week.



Major importer of Indian cotton during the week (09 -15 May 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.370 lakh bales of cotton from India in the past week (09 -15 May 2016). Other major importers were Pakistan, China, Vietnam and Indonesia and their imported volumes were 0.115 lakh bales, 0.084 lakh bales, 0.041 lakh bales and 0.003 lakh bales respectively. India exported 0.718 lakh bales of cotton last week (09 -15 May 2016), which was 0.561 lakh bales previous to last week (02 -08 May 2016), according to the data released by IBIS and compiled by Agriwatch.



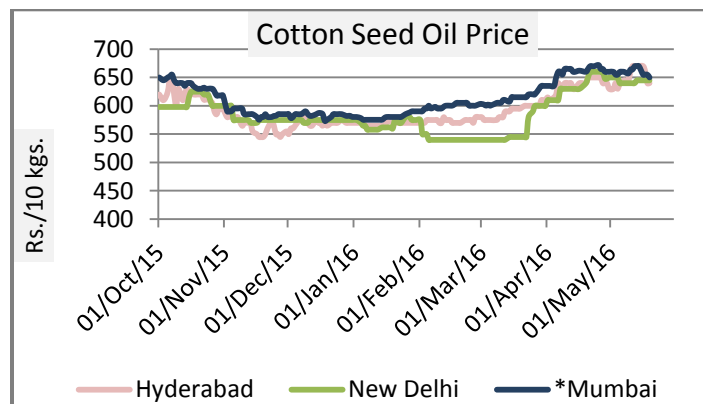
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price ruled range -bound during the week. Weekly average price in New Delhi remained Rs 645 per 10 Kg, steady as compared to the weekly average price of Rs 640 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	19-May-16	12-May-16	
New Delhi	645	640	0.78
Rajkot	658	663	-0.78
Hyderabad	658	655	0.51
Mumbai*	659	663	-0.50

*Vat Included

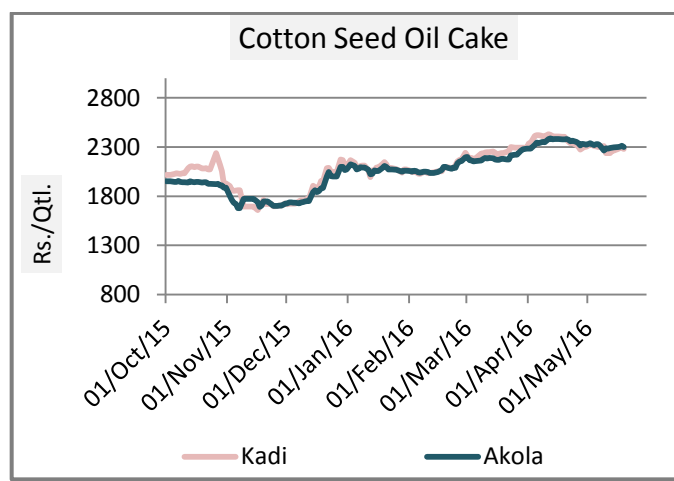


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2301 per quintal, higher compared to the weekly average price of previous week of Rs 2294 per quintal.

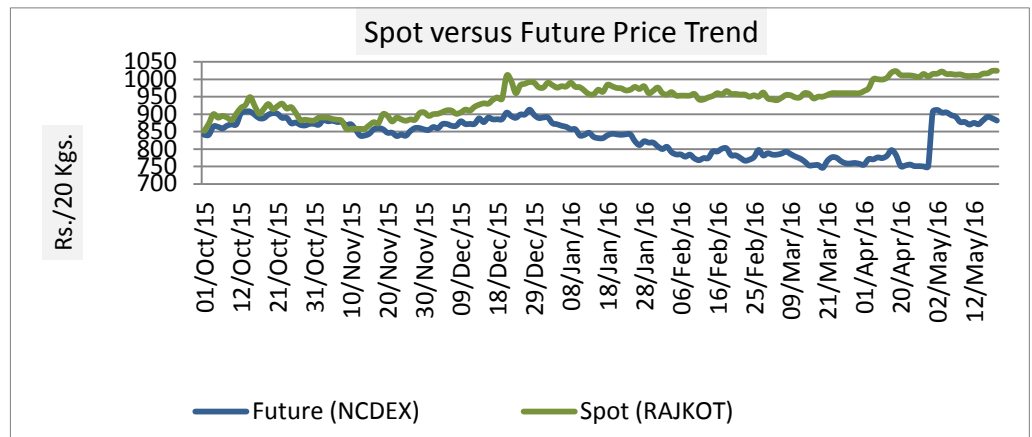
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	19-May-16	12-May-16	
Kadi	2278	2272	0.29
Akola	2301	2294	0.30

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 882.00 as on 19 May 2016, compared to 875.50 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.134.60 which was Rs 132.20 a week earlier.



Technical Analysis of Kapas Future Prices at NCDEX(April'17 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	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 firm during the week. Cotlook A index weekly average stood at 69.67 cents/pound this week, which was 69.54 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.

In US, around 16 per cent of cotton planting is complete till date compared to 10 per cent previous week and 15 per cent during the same period previous year.

The Senate's Standing Committee on National Food Security and Research (NFSR) in Pakistan has asked to immediately stop the import of cotton lint from India via Wagah border as it is detrimental to the interest of the cotton growers in the country.

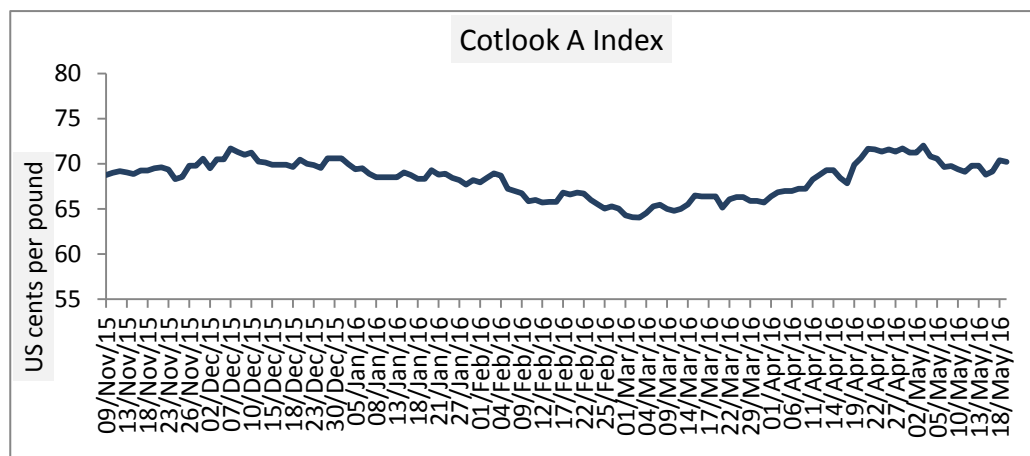
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. World 2015-16 cotton production is projected at 99.8 million bales, 16 per cent below last season. World ending stocks are now projected at 102.84 million bales. For India, production is forecast at 26.8 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.



China Cotton Index and Foreign Cotton Index

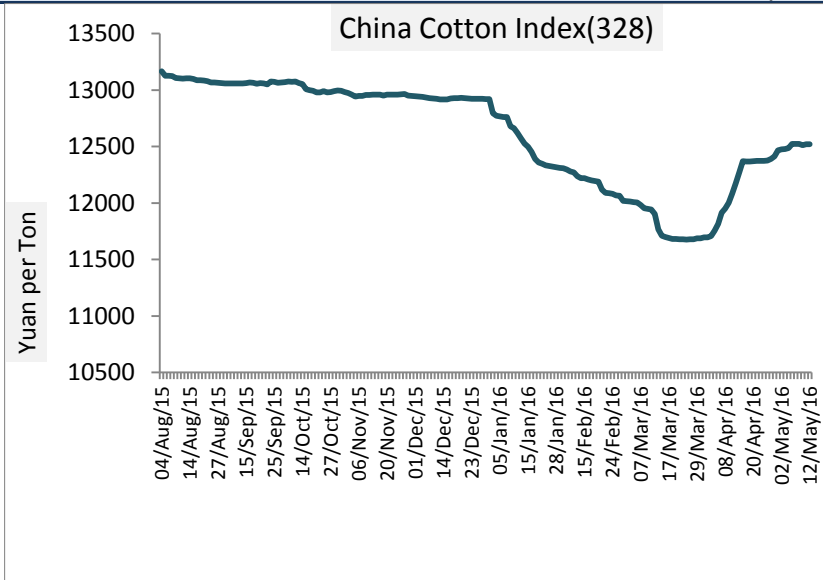
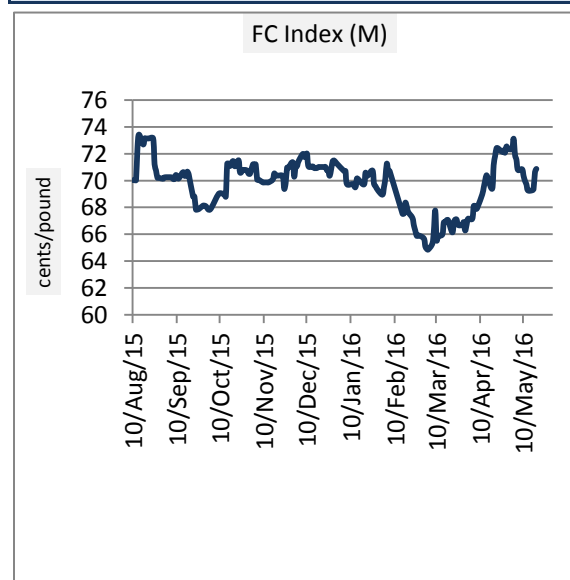
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	19-May-16	12-May-16	
FC (S)	72.70	73.23	-0.72
FC (M)	69.88	70.33	-0.65
FC (L)	67.24	67.60	-0.52
Prices in US cents per Pound			

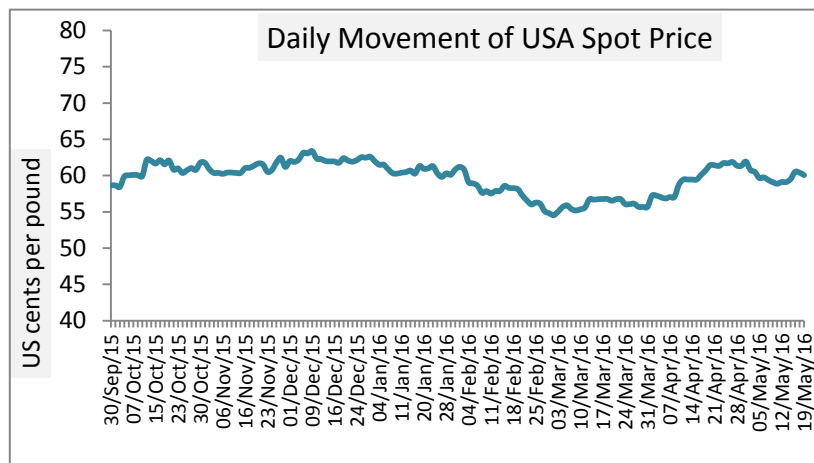
China Index remained firm during the week. CC Index (328) remained 11477 Yuan per ton during the week. Average was 11416 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	19-May-16	12-May-16	
CCIndex(229)	12519	12486	0.27
CCIndex(328)	11477	11416	0.54
CCIndex(527)	12855	12828	0.22
Prices in Yuan per ton			



USA Spot Prices

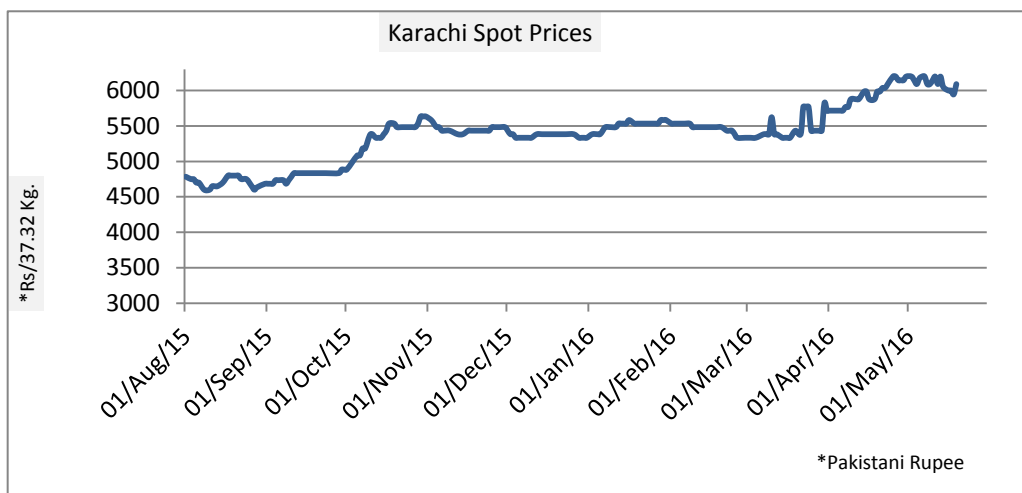
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	19-May-16	12-May-16	
Prices	59.94	59.26	1.15
Prices in US cents per Pound			

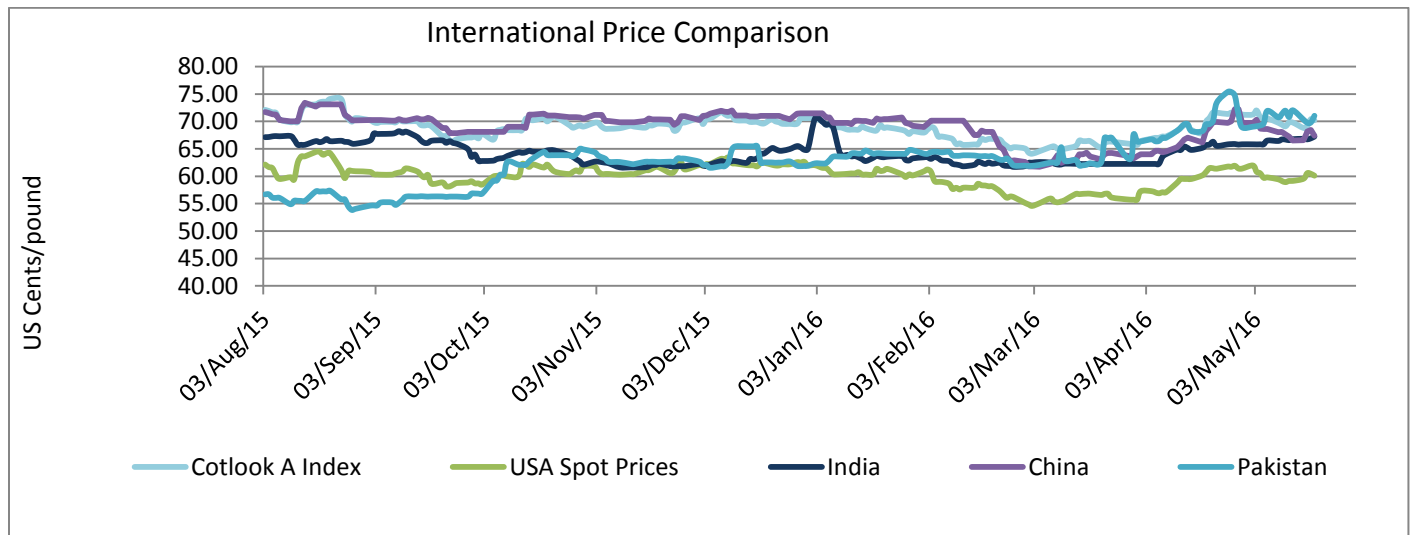
Pakistan Spot Prices

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
	19-May-16	12-May-16	
Prices	6050	6147	-1.58
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 firm tone in the prices.
- Volume and Open Interest are declining.
- We expect cotton prices to remain range bound to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	59.00-64.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.30	58.60	63.50	65.30

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	19-May-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
May-16	61.07	60.73	63.07	64.35	0.56	-3.17	-5.10
Jul-16	61.75	61.07	62.51	65.90	1.11	-1.22	-6.30
Oct-16	60.86	60.57	61.59	64.83	0.48	-1.19	-6.12
Dec-16	61.23	60.93	61.90	NA	0.49	-1.08	NA
Mar-17	61.67	61.36	62.32	NA	0.51	-1.04	NA
May-17	62.07	61.78	NA	NA	0.47	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	14th to 20th May.16	07th to 13th May.16	
Gujarat	Ahmedabad	Shankar-6	5075	5150	-75
	Gondal	Shankar-6	4955	4978	-23
	Rajkot	B.T. Cotton	5105	5058	47
	Patan	B.T. Cotton	5063	5053	10
	Kadi	B.T. Cotton	5158	5133	25
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4994	4975	19
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5118	5175	-57
	Bhiwani	Desi	5000	4900	100
	Adampur	B.T. Cotton	5045	4988	58
	Fatehabad	B.T. Cotton	5021	4983	38
	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	4980	4967	13
Madhya Pradesh	Khandwa	Mech-1	NA	4667	-
	Khargaon	Mech-1	5040	5037	3
Maharashtra	Amravati	Mech-1	5058	4958	100
	Jamner	Medium Staple	4837	4818	18
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4283	4300	-17
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	NA	5291	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5200	5254	-54
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	14th to 20th May.16	07th to 13th May.16	
Punjab	Bhatinda	J-34	3791	3797	-6
	Abohar	J-34	3798	3793	4
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3713	3688	26
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	14th to 20th May.16	07th to 13th May.16	
Gujarat	Ahmedabad	Shankar-6	124100	127500	-3400
	Gondal	Shankar-6	3134	4254	-1120
	Rajkot	B.T. Cotton	4940	8090	-3150
	Patan	B.T. Cotton	5524	6831	-1307
	Kadi	B.T. Cotton	77500	110000	-32500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	311	289	22
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	2900	2200	700
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	1148	43
	Fatehabad	B.T. Cotton	260	140	120
	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	150	-
	Khargaon	Mech-1	530	3650	-3120
Maharashtra	Amravati	Mech-1	14500	30500	-16000
	Jamner	Medium Staple	127	94	33
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	NA	5100	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1657	1717	-60
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	14th to 20th May.16	07th to 13th May.16	
Punjab	Bhatinda	J-34	170	1020	-850
	Abohar	J-34	NA	17	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	510	612	-102
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				13th to 19th May.16	06th to 12th May.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32050	32200	-150
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32550	32700	-150
J-34(202)	26mm	3.5 - 4.9	23	34500	34450	50
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34400	34100	300
Shankar-6(105)	29mm	3.5 - 4.9	28	35000	34783	217
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37250	37100	150
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38000	38000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	49583	49500	83

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