

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 5725 per quintal, which stood at Rs 5385 previous week. Average price of Lint at Sirsa during the week was Rs. 4032 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 3932. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 37633 per candy (of 355.6 kg each) during the week, which was Rs 36600 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 912.00 per maund (of 20 kg each) which was Rs 901.50 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. 5500-5900 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4000-4300 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 890-940 per maund (of 20 kg each).

Major Market Highlights: According to government and trade sources, Indian cotton acreage is likely to decline by 5 -7 per cent this season compared to 118 lakh hectares during the previous year. According to early estimates acreage is likely to decline by around 10 lakh hectares. Delay in monsoon, fear of pest attack which crop production previous year and advise by State Governments to decline acreage under cotton are the factors behind likely decline in acreage.

Government has increased MSP of kapas by Rs 60. After this increase, support price of medium staple kapas and long staple kapas has reached Rs 3860 per quintal and Rs 4160 per quintal respectively. Farmers may get better returns this year as yield may increase due to better monsoon

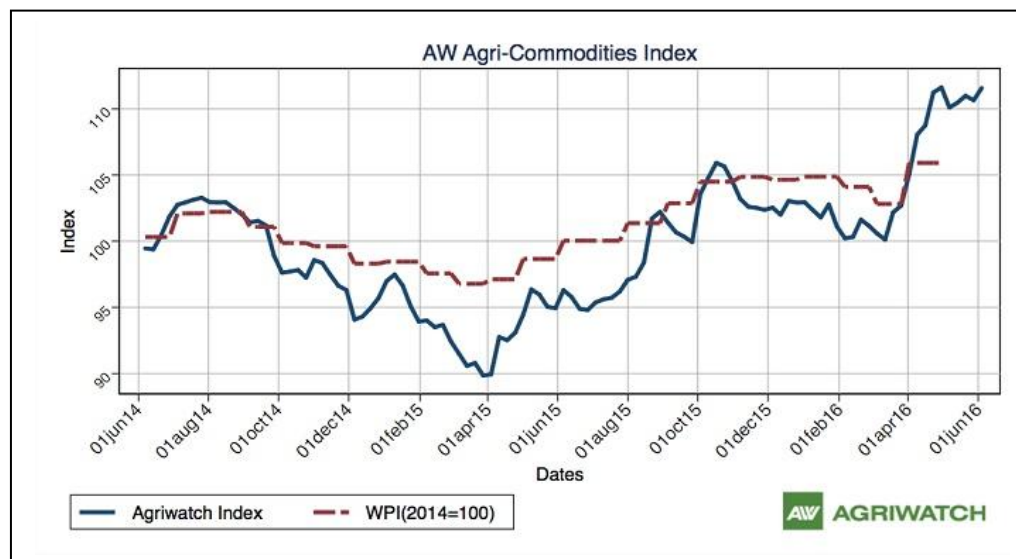
The Union Government is planning to develop alternatives to Bt Cotton. The project will be led by the Council of Scientific and Industrial Research (CSIR) and the department of Biotechnology (DBT).

India exported 0.618 lakh bales of cotton last week (30 May -05 June 2016), which was 0.523 lakh bales previous to last week (23 -29 May 2016), according to the data released by IBIS and compiled by Agriwatch.

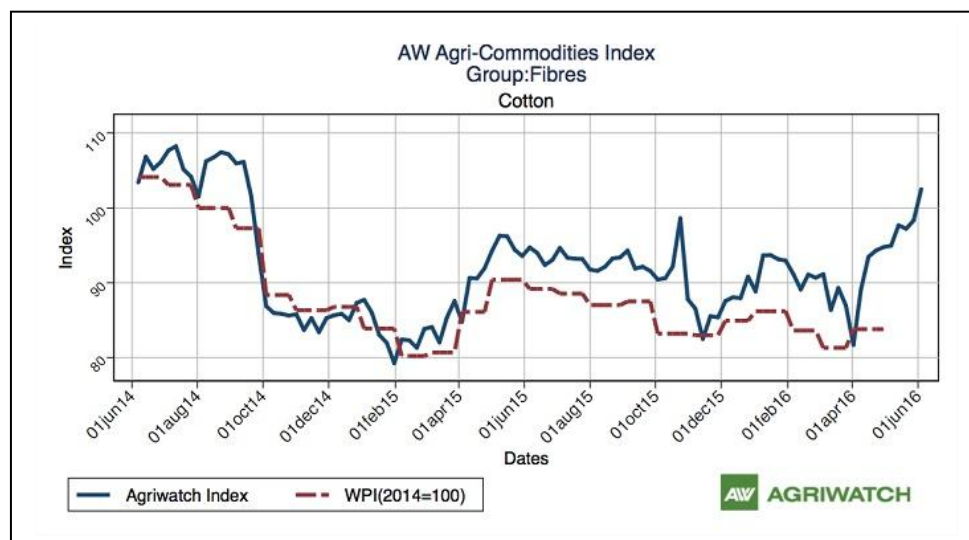
Major importer of Indian cotton during the week (30 May -05 June, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.257 lakh bales of cotton from India in the past week (30 May -05 June, 2016). Other major importers were Pakistan, Vietnam, China and Taiwan and their imported volumes were 0.112 lakh bales, 0.097 lakh bales, 0.072 lakh bales and 0.023 lakh bales respectively.

AW Cotton Index - 05 June. 2016

Higher cereals, vegetables and cotton prices led the Agriwatch Agri Commodities Index higher by 0.83% to 111.57 during the week ended June 4, 2016 from 110.64 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +4.21% 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

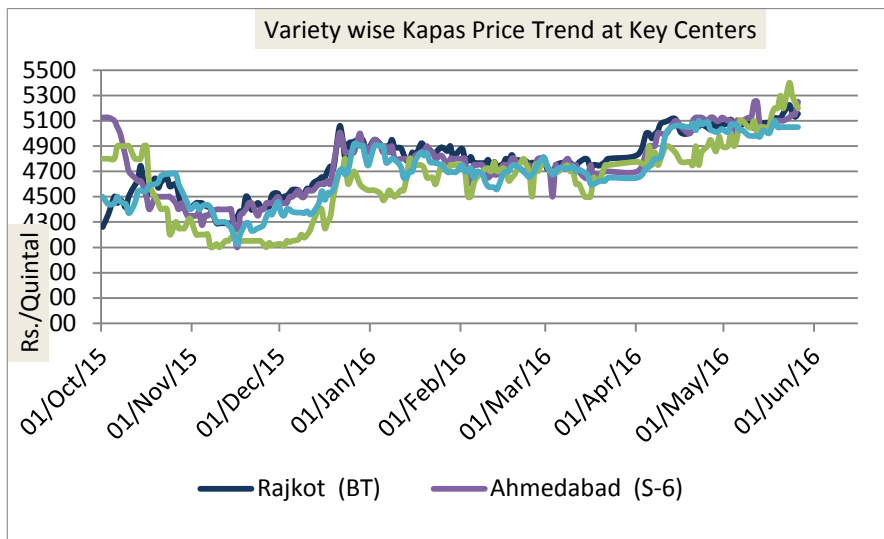
Kapas (Raw Cotton) Weekly Price Scenario

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. 5725 per quintal, fairly higher as compared to previous week price of Rs. 5385 per quintal.

According to attached latest USDA 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 higherHigher yields are expected through a

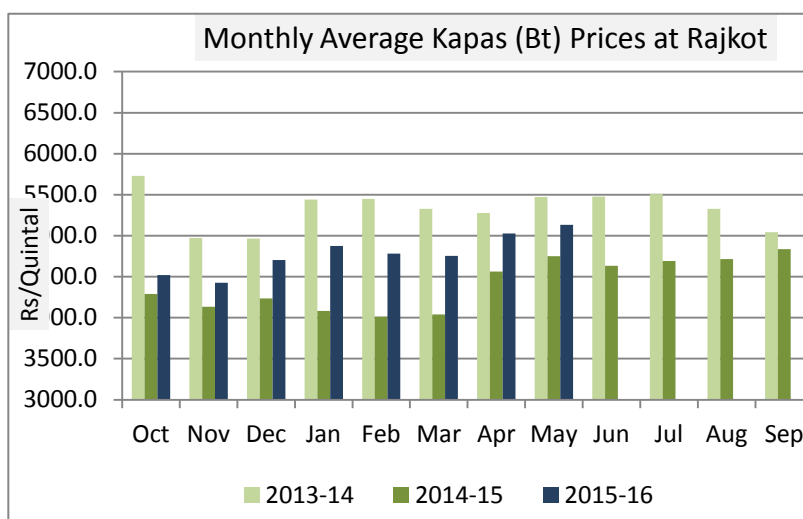
combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 5700-6000 per quintal for the coming week.



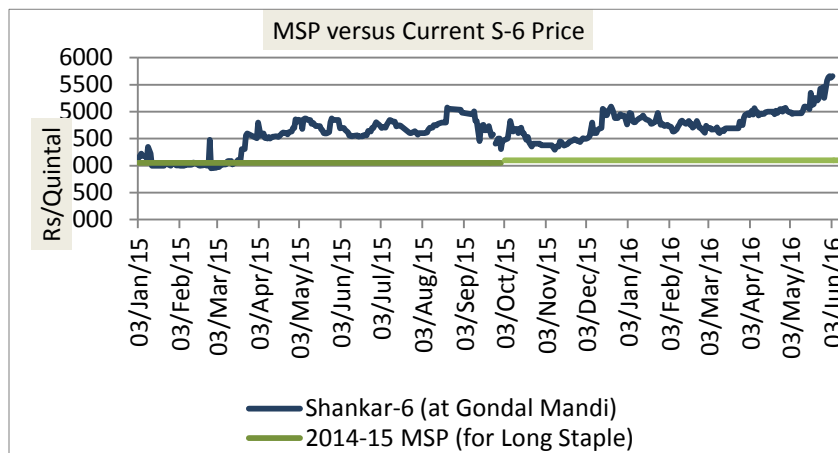
Kapas Monthly Y-o-Y Price Scenario

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

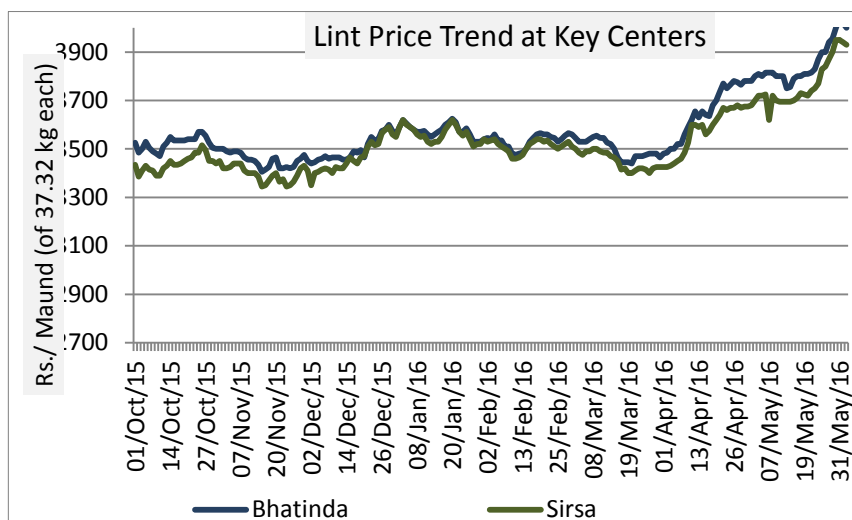
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week due to firm tone in prices. The average gap between the prices was Rs 1468.33 this week compared to Rs 1229.17 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

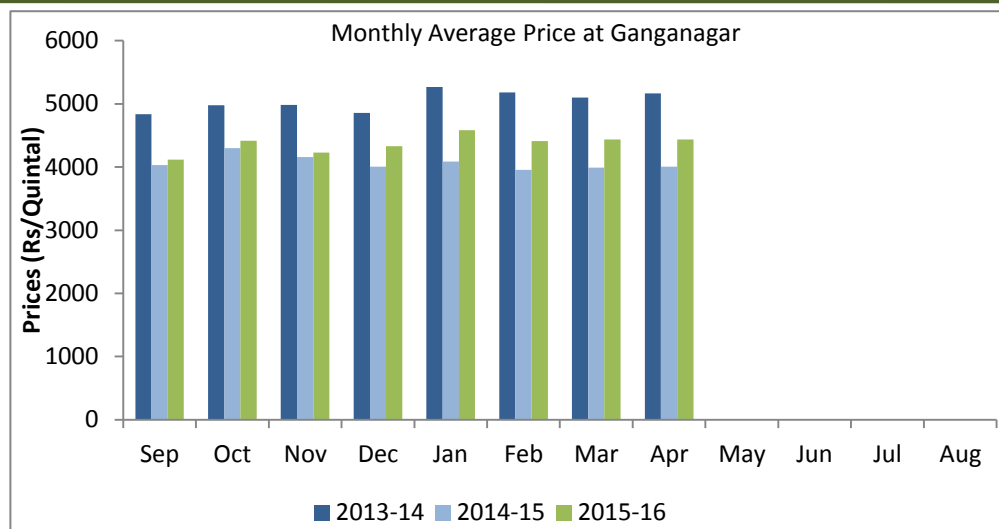
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4032 per maund of 37.32 kg each higher compared to the previous week price of Rs. 3932 per maund.

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. 4000-4300 per maund.



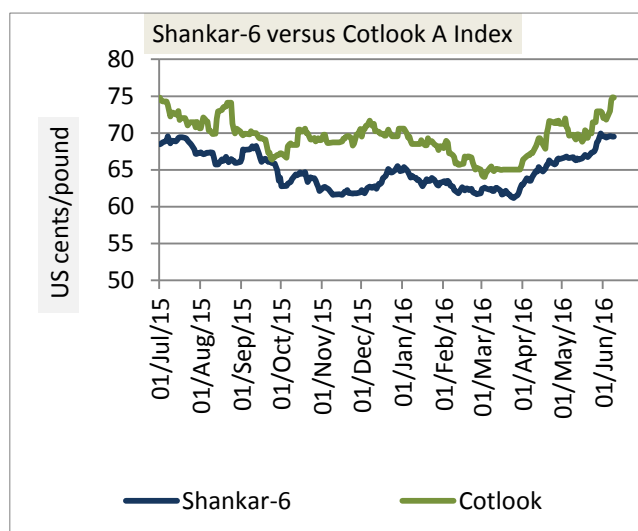
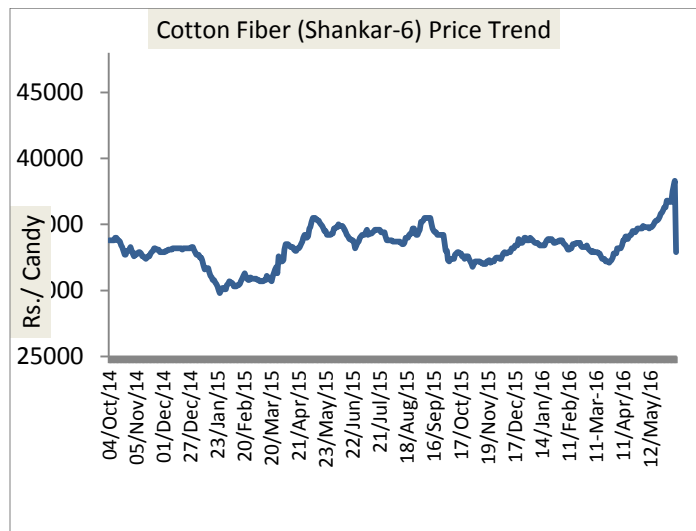
Lint Monthly Y-o-Y Price Scenario

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 37633 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 36600 per candy.

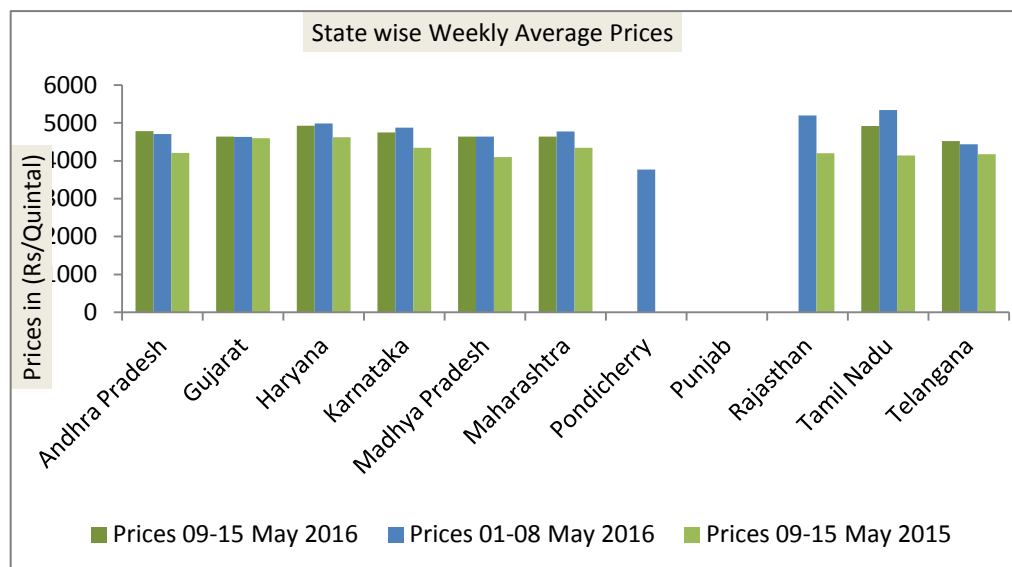


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly below the international price. Against the weekly average Cotlook A Index of 73.79 cents/pound, Indian weekly average price stood at 69.52 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 37000-39000 per candy

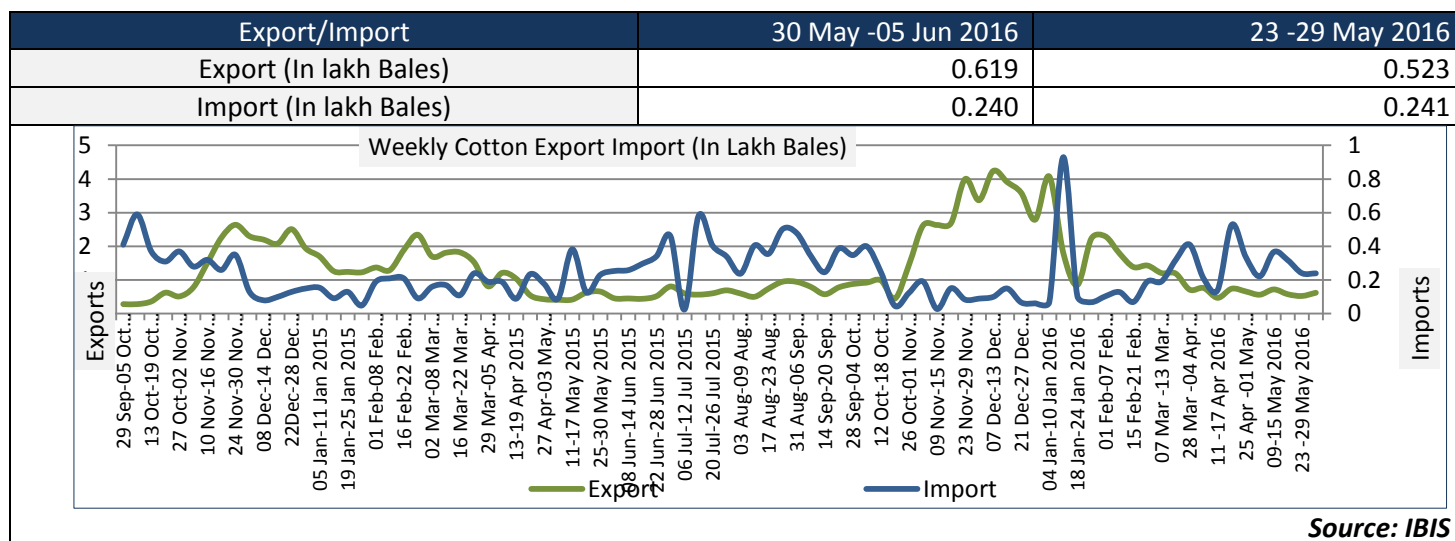
State wise Weekly Price Scenario

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.

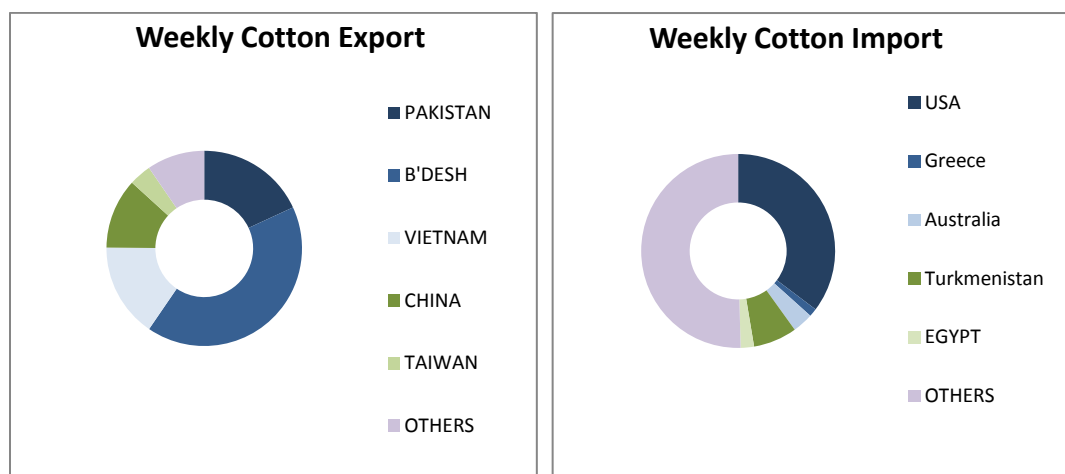


Cotton Weekly Export and Import

India exported 0.619 lakh bales of cotton last week (30 May -05 Jun 2016), which was 0.523 lakh bales during the week before previous to last week (23 -29 May 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.240 lakh bales last week, which was 0.241 lakh bales previous to last week.



Major importer of Indian cotton during the week (30 May -05 June 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.257 lakh bales of cotton from India in the past week (30 May -05 Jun 2016). Other major importers were Pakistan, Vietnam, China and Taiwan and their imported volumes were 0.112 lakh bales, 0.097 lakh bales, 0.072 lakh bales and 0.023 lakh bales respectively. India exported 0.619 lakh bales of cotton last week (30 May -05 June 2016), which was 0.23 lakh bales previous to last week (23 -29 May 2016), according to the data released by IBIS and compiled by Agriwatch.



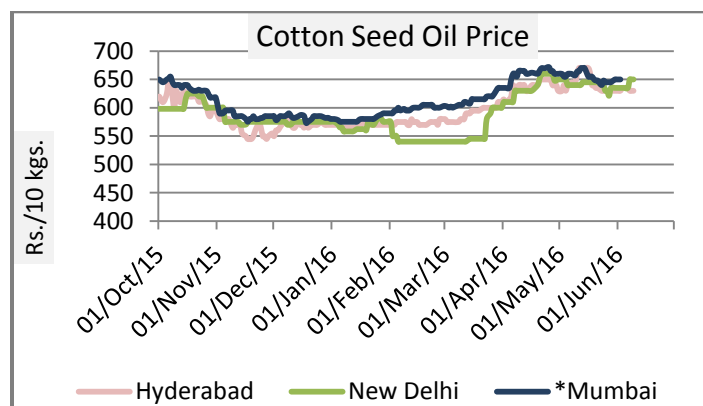
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed positive tone during the week. Weekly average price in New Delhi remained Rs 643 per 10 Kg, steady as compared to the weekly average price of Rs 633 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	09-June-16	02-June-16	
New Delhi	643	633	1.55
Rajkot	666	655	1.73
Hyderabad	633	630	0.40
Mumbai*	653	648	0.64

*Vat Included

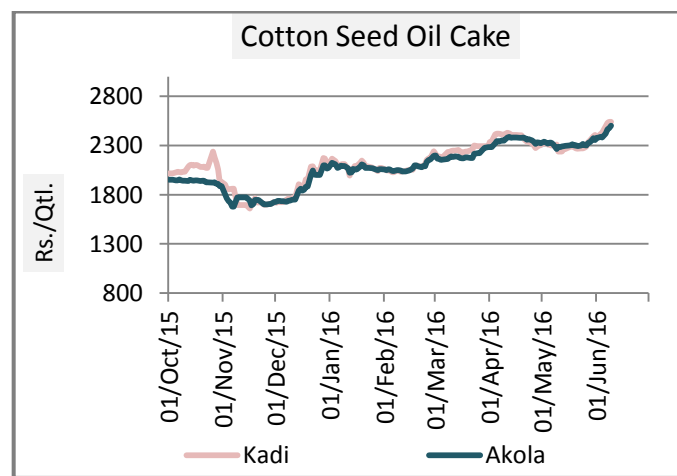


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 2440 per quintal, higher compared to the weekly average price of previous week of Rs 2303 per quintal.

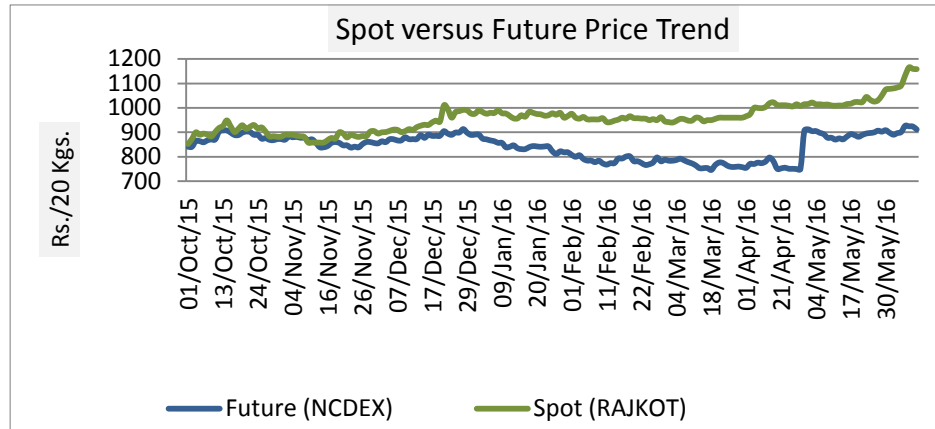
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	09-June-16	02-June-16	
Kadi	2493	2275	9.57
Akola	2440	2303	5.96

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 912.00 as on 09 June 2016, compared to 901.50 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.223.90 which was Rs 174.00 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 above 9 and 18 days EMA.
- We expect cotton prices to remain range bound to firm in the coming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	890-940

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
875	850	950	975

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 73.79 cents/pound this week, which was 70.45 cents/pound during last week.

Major Market Highlights: According to USDA's economic research reserve, world cotton consumption is expected to reach 110.8 million bales for marketing year 2016-17 which is slightly higher as compared to last year. World cotton production is expected to be 104.4 million bales. Humble growth in global economy and comparatively low cotton prices are expected to support mill use in most countries.

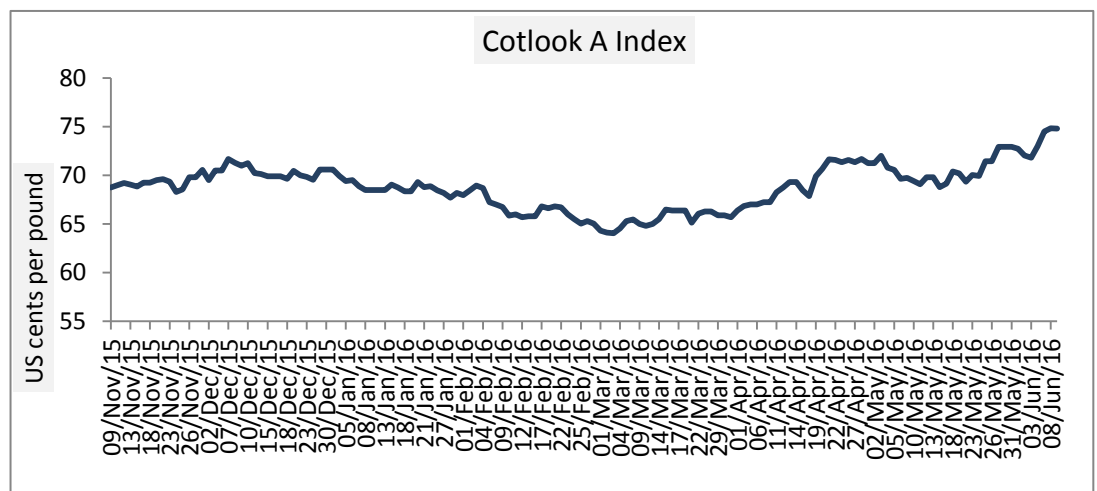
The Chinese government has started the auction of its huge reserves of cotton this month. Stocks of cotton are expected to decline amid decline in Chinese imports and falling domestic production. The US Department of Agriculture has forecast China's cotton stocks to fall by 6% in 2015-16, to 13.9m tons. As expected, prices have started declining recently with the unloading of stocks.

According to 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 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.



China Cotton Index and Foreign Cotton Index

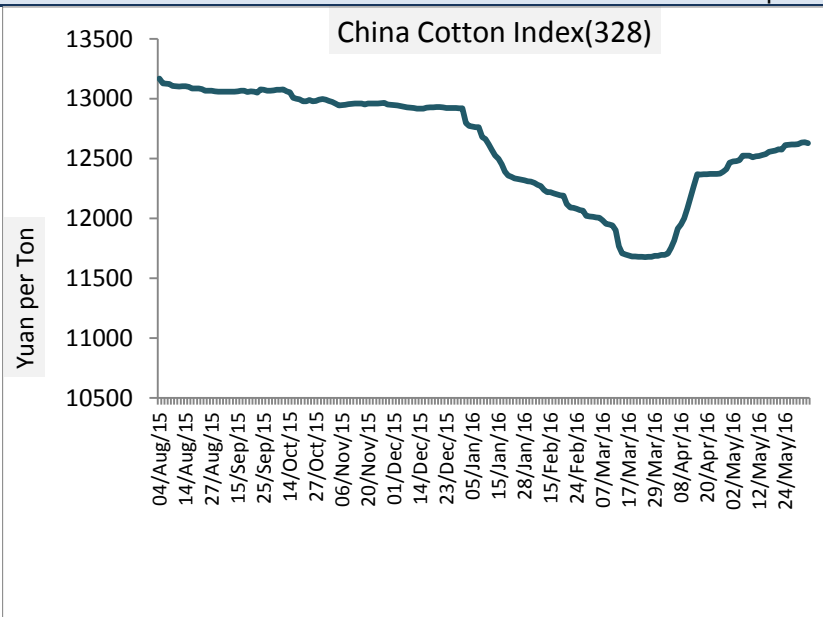
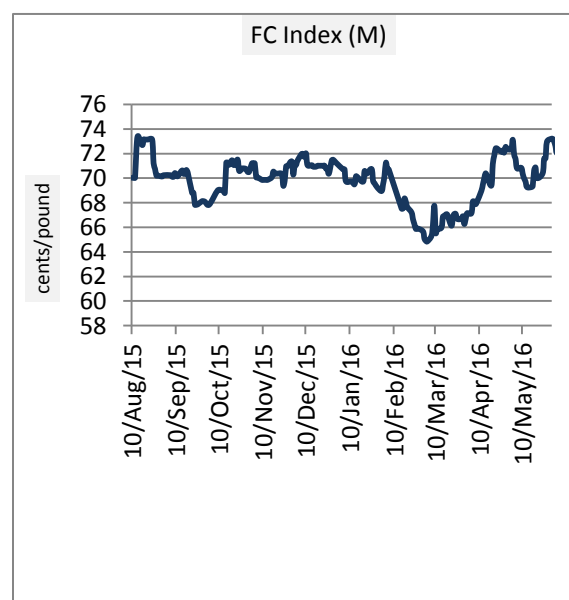
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	09-June-16	02-June-16	
FC (S)	76.14	75.73	0.55
FC (M)	73.47	72.99	0.66
FC (L)	71.16	70.43	1.04
Prices in US cents per Pound			

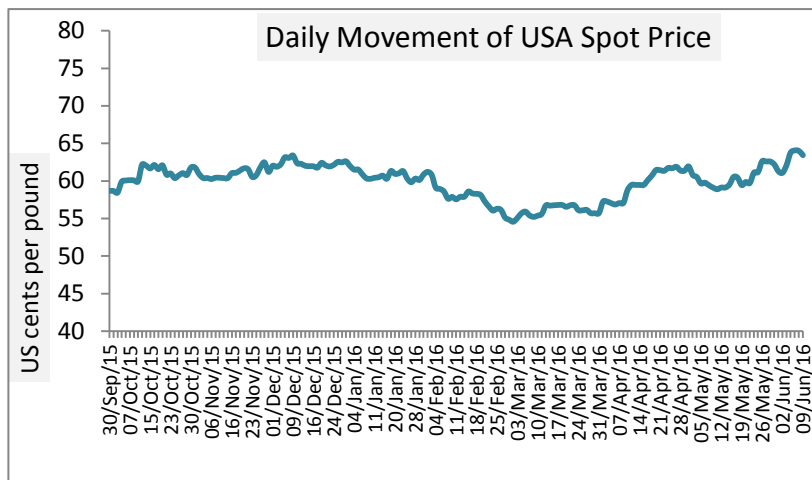
China Index remained firm during the week. CC Index (328) remained 11638 Yuan per ton during the week. Average was 11610 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	09-June-16	02-June-16	
CCIndex(229)	12627	12599	0.22
CCIndex(328)	11638	11610	0.24
CCIndex(527)	12934	12910	0.19
Prices in Yuan per ton			



USA Spot Prices

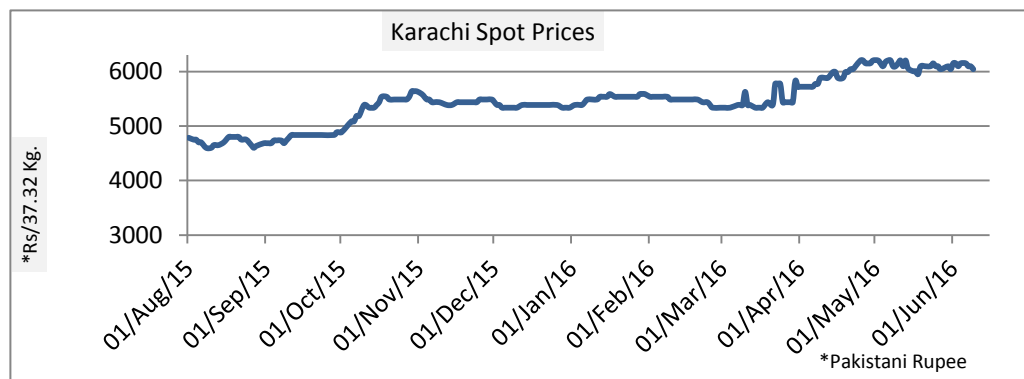
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	09-June-16	02-June-16	
Prices	63.49	61.96	2.47
Prices in US cents per Pound			

Pakistan Spot Prices

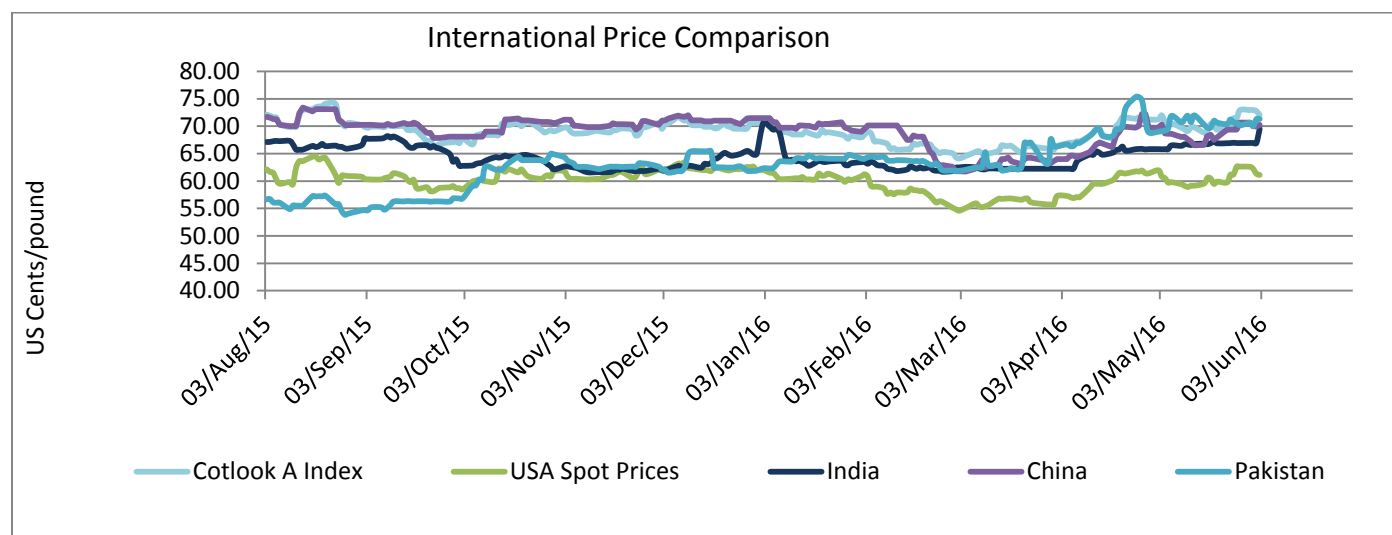
Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has had set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and is now expected to be around 96.87 lakh bales due to



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
	09-June-16	02-June-16	
Prices	6102	6093	0.15
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 range –bound to 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	63.00-67.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
63.10	61.50	65.30	67.10

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	09-June-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-16	64.96	62.87	61.33	64.55	3.32	5.92	0.64
Oct-16	65.93	63.18	61.64	66.38	4.35	6.96	-0.68
Dec-16	65.30	62.67	61.04	65.37	4.20	6.98	-0.11
Mar-17	65.74	63.06	61.42	NA	4.25	7.03	NA
May-17	65.96	63.42	61.88	NA	4.01	6.59	NA
Jul-17	66.34	63.76	NA	NA	4.05	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	04th to 10th June.16	28th May.16 to 03rd June.16	
Gujarat	Ahmedabad	Shankar-6	5617	5417	200
	Gondal	Shankar-6	5618	5329	289
	Rajkot	B.T. Cotton	5725	5385	340
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	5708	5417	292
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5295	5014	281
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5483	5275	208
	Bhiwani	Desi	5000	5000	Unch
	Adampur	B.T. Cotton	5528	5366	162
	Fatehabad	B.T. Cotton	5525	5317	208
	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	4975	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	5150	-
Maharashtra	Amravati	Mech-1	5408	5267	142
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4317	4300	17
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	NA	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	5844	5595	249
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4800	4810	-10
	Raichur	H-44 Cotton	5611	5304	308
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	04th to 10th June.16	28th May.16 to 03rd June.16	
Punjab	Bhatinda	J-34	4083	4003	81
	Abohar	J-34	4123	4006	118
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4032	3932	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	04th to 10th June.16	28th May.16 to 03rd June.16	
Gujarat	Ahmedabad	Shankar-6	57800	66300	-8500
	Gondal	Shankar-6	1580	2119	-539
	Rajkot	B.T. Cotton	6042	5416	626
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	14400	25500	-11100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	128	137	-9
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	1600	1300	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1870	1658	213
	Fatehabad	B.T. Cotton	NA	10	-
	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	NA	90	-
Maharashtra	Amravati	Mech-1	9850	8900	950
	Jamner	Medium Staple	NA	NA	-
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	2950	2800	150
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	36	2	34
	Raichur	H-44 Cotton	328	704	-376
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	04th to 10th June.16	28th May.16 to 03rd June.16	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	170	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				03rd to 09th June.16	27th May.16 to 02nd June.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32833	32767	67
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33333	33267	67
J-34(202)	26mm	3.5 - 4.9	23	37183	36450	733
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37233	36133	1100
Shankar-6(105)	29mm	3.5 – 4.9	28	37633	36600	1033
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39783	38533	1250
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40350	39033	1317
DCH-32(107)	34mm	3.0 - 3.8	33	52450	52200	250

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