

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. 5874 per quintal, which stood at Rs 5844 previous week. Average price of Lint at Sirsa during the week was Rs. 4273 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 4158. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 40233 per candy (of 355.6 kg each) during the week, which was Rs 39117 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 912.50 per maund (of 20 kg each) which was Rs 912.50 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. 5800-6200 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4200-4500 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: Cotton sowing has slowed down in Gujarat amid delayed monsoon. According to the State Agriculture Department, cotton sowing has reached 274,300 hectares as on June 20, 2016 compared to 1.34 million hectares during the same period previous year.

According to preliminary report by the government, cotton sowing as on 24th June, 2016 has been covered under 19.07 lakh hectares compared to 34.87 lakh hectares during the same period previous year.

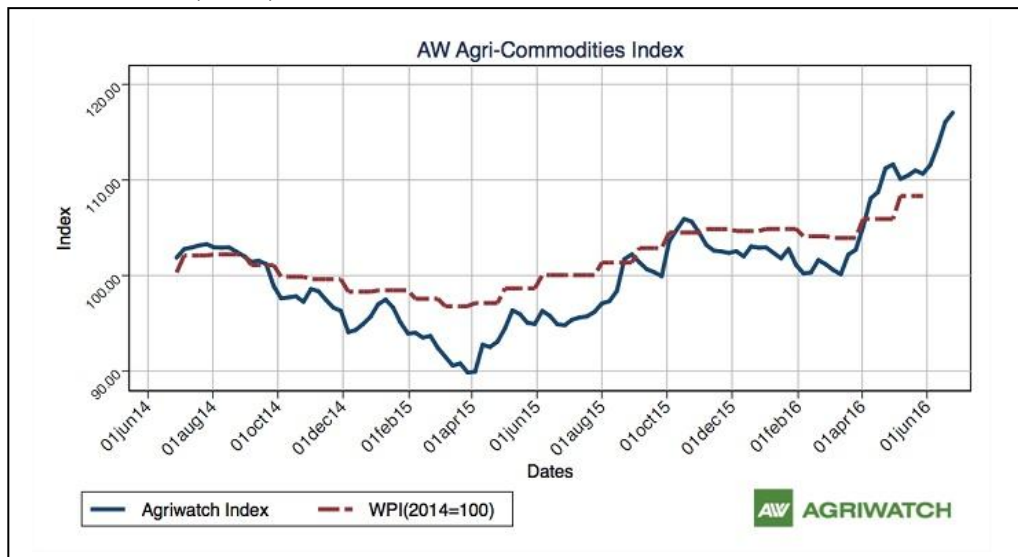
The Whitefly pest has affected the cotton crop in the villages of Dangar Khera, Nihal Khera and Ghallu in Fazilka district of Punjab. After the report of pest attack, a special team from central integrated pest management, Jalandhar, visited affected fields and interacted with farmers so as to control the attack at early stages. The farmers have been asked to remain vigilant and inform the agricultural department if the pest multiplies after the pesticide spray.

India exported 0.379 lakh bales of cotton last week (13 -19 June 2016), which was 0.526 lakh bales previous to last week (06 -12 June 2016), according to the data released by IBIS and compiled by Agriwatch.

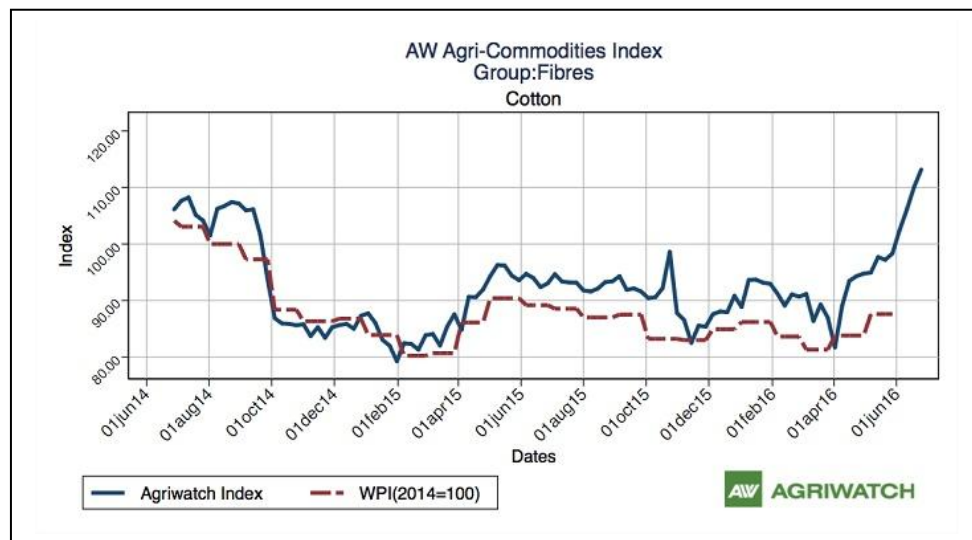
Major importer of Indian cotton during the week (13 -19 June, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.257 lakh bales of cotton from India in the past week (13 -19 June, 2016). Other major importers were Vietnam, China, Indonesia and Pakistan and their imported volumes were 0.052 lakh bales, 0.031 lakh bales, 0.013 lakh bales and 0.013 lakh bales respectively.

AW Cotton Index - 26 June. 2016

The Agriwatch Agri Commodities Index gained 0.84% during the week ended June 25, 2016, lower than weekly gains of 2.15% and 1.84% in the preceding two weeks, but still closed at a new high of 117.04. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +2.83% 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

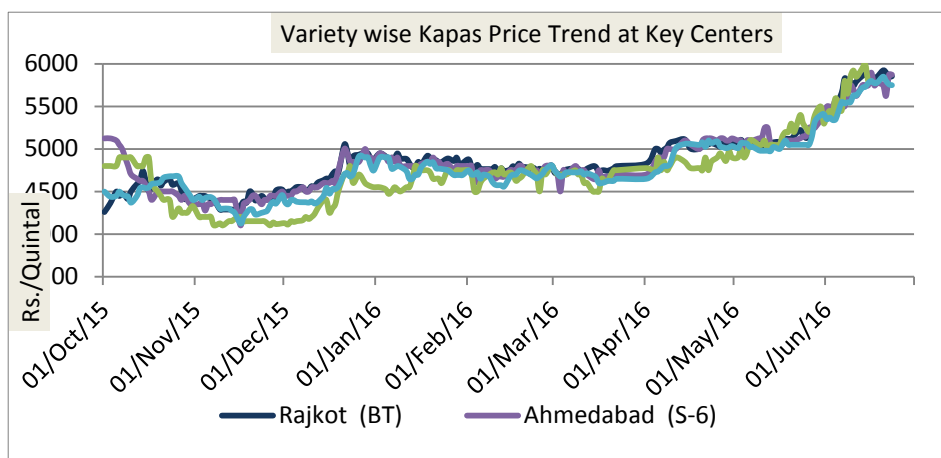
Kapas (Raw Cotton) Weekly Price Scenario

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. 5874 per quintal, fairly higher as compared to previous week price of Rs. 5844 per quintal.

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

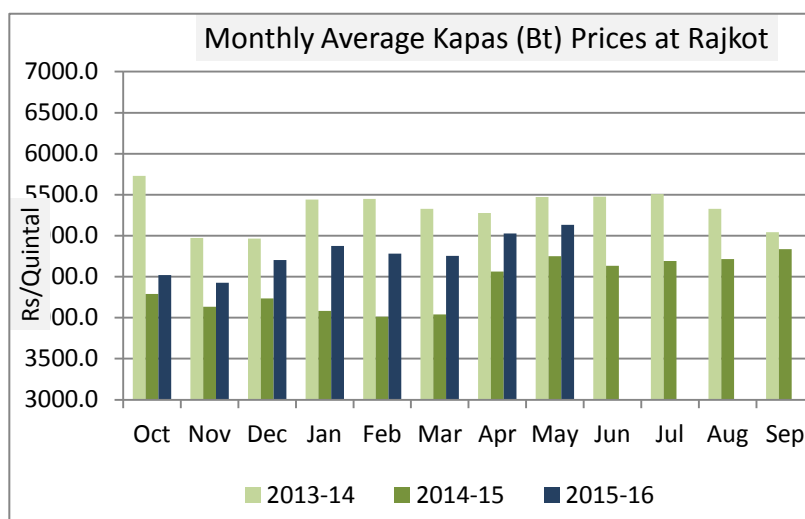
480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon.

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 5800-6200 per quintal for the coming week.



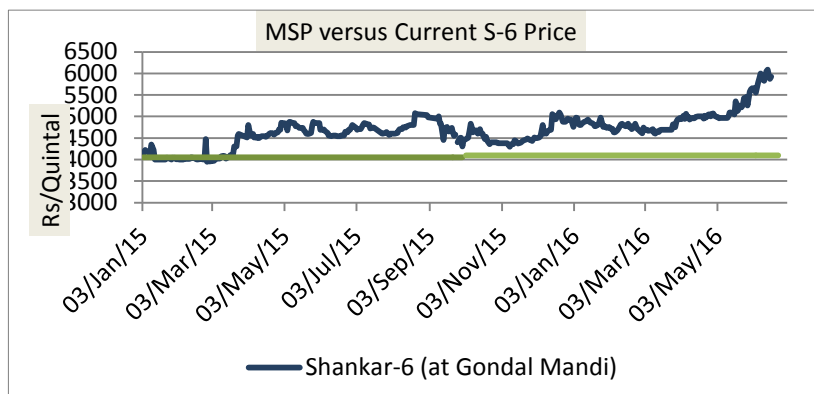
Kapas Monthly Y-o-Y Price Scenario

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

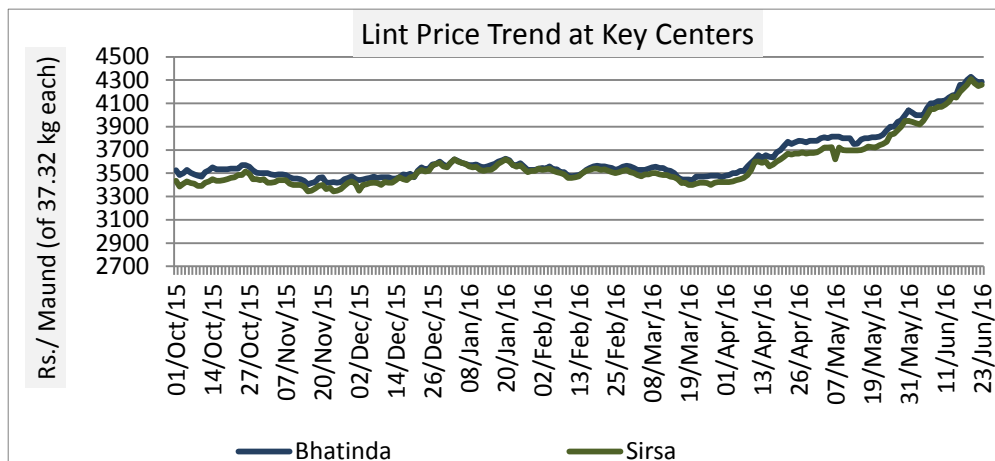
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week due to firm tone in prices. The average gap between the prices was Rs 1859.17 this week compared to Rs 1725.83 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

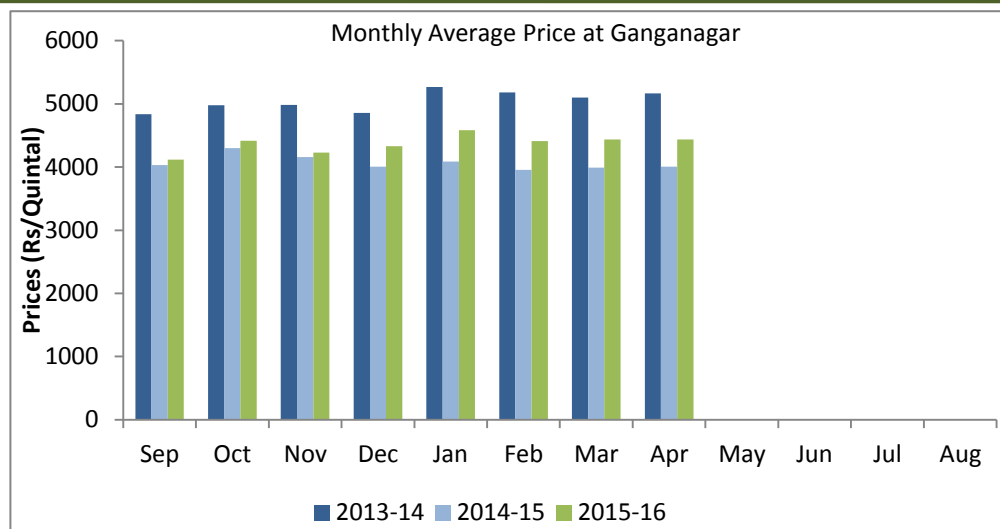
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4273 per maund of 37.32 kg each higher compared to the previous week price of Rs. 4158 per maund.

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. 4200-4500 per maund.



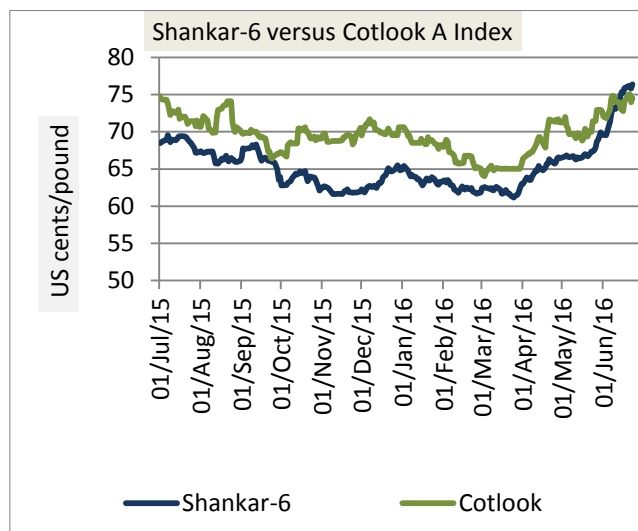
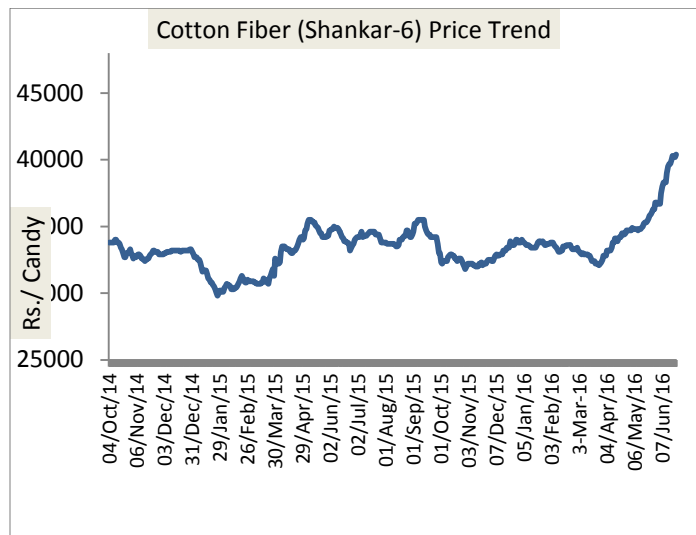
Lint Monthly Y-o-Y Price Scenario

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 40233 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 39117 per candy.

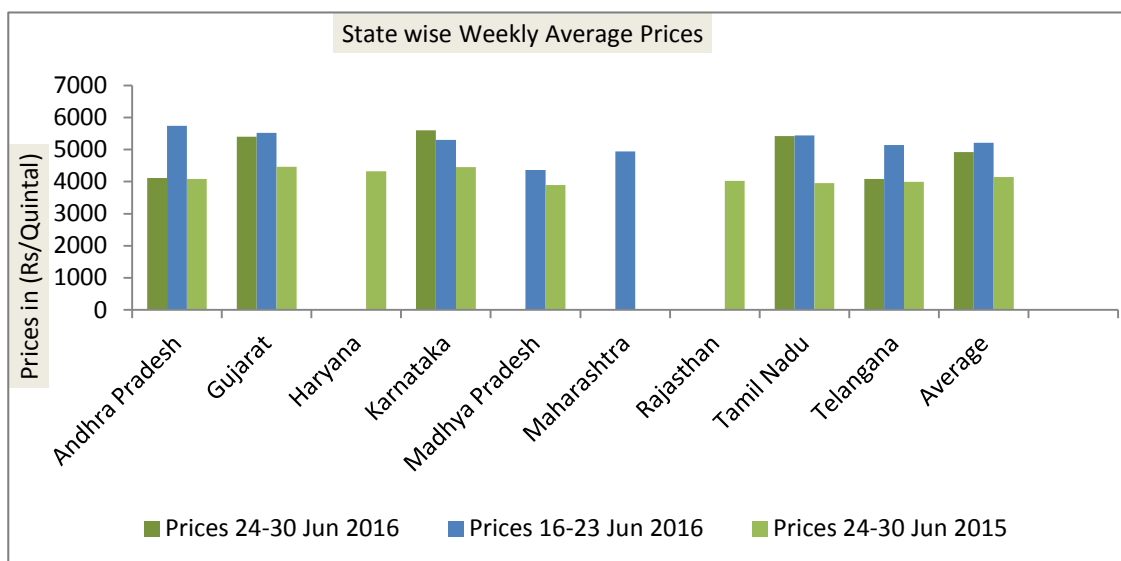


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 74.53 cents/pound, Indian weekly average price stood at 76.03 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 40000-43000 per candy

State wise Weekly Price Scenario

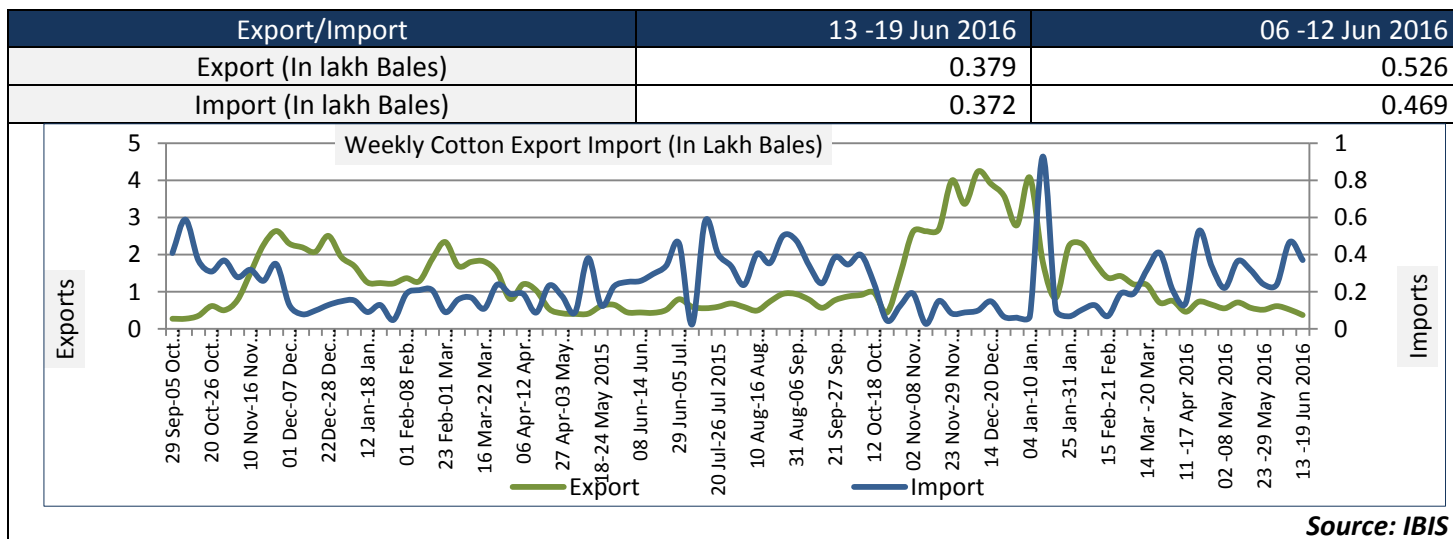
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Karnataka followed by Tamil Nadu this week and lowest was in Telangana followed by Andhra Pradesh. On year on year basis, cotton prices are



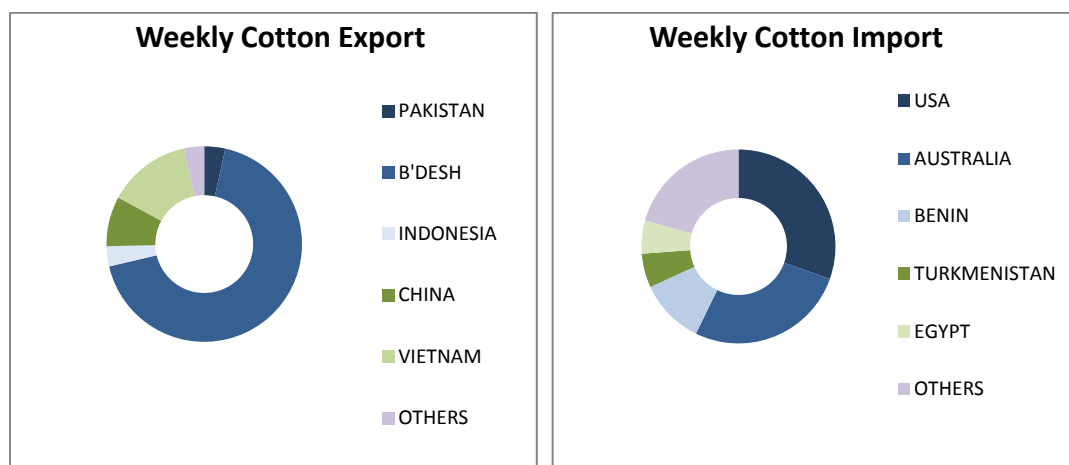
reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.379 lakh bales of cotton last week (13 -19 Jun 2016), which was 0.526 lakh bales during the week before previous to last week (06 -12 Jun 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.372 lakh bales last week, which was 0.469 lakh bales previous to last week.



Major importer of Indian cotton during the week (13 -19 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 (13 -19 June 2016). Other major importers were Vietnam, China, Indonesia and Pakistan and their imported volumes were 0.052 lakh bales, 0.031 lakh bales, 0.013 lakh bales and 0.013 lakh bales respectively. India exported 0.379 lakh bales of cotton last week (13 -19 June 2016), which was 0.526 lakh bales previous to last week (06 -12 June 2016), according to the data released by IBIS and compiled by Agriwatch.



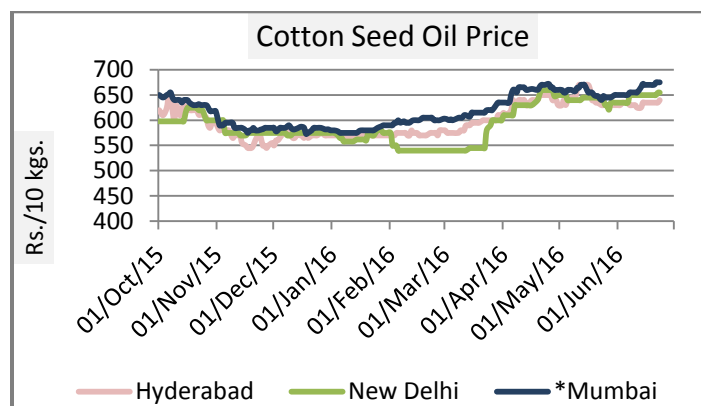
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed positive tone during the week. Weekly average price in New Delhi remained Rs 652 per 10 Kg, steady as compared to the weekly average price of Rs 650 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	23-June-16	16-June-16	
New Delhi	652	650	0.26
Rajkot	676	669	1.00
Hyderabad	636	631	0.79
Mumbai*	673	665	1.20

*Vat Included



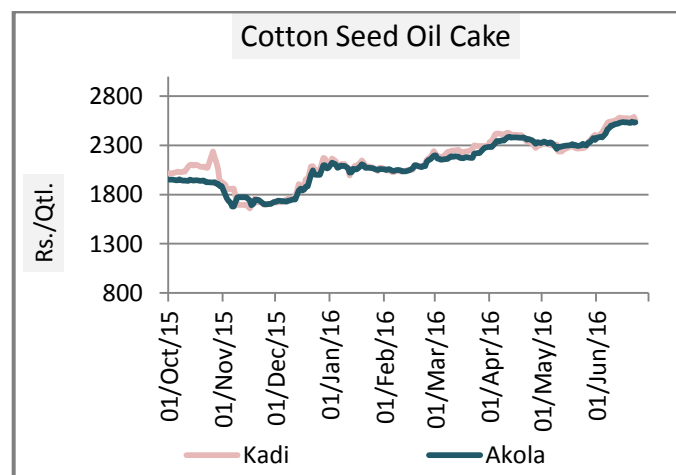
Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week.

Weekly average price in Akola remained Rs 2575 per quintal, higher compared to the weekly average price of previous week of Rs 2525 per quintal.

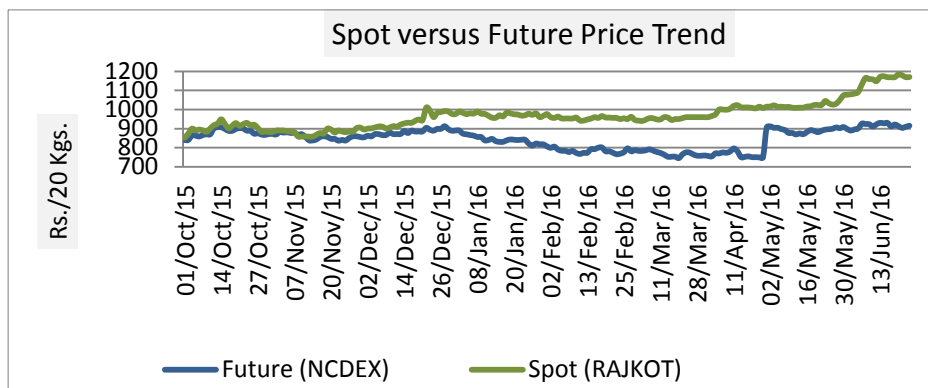
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	23-June-16	16-June-16	
Kadi	2575	2534	1.61
Akola	2534	2525	0.38

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 916.00 as on 23 June 2016, compared to 912.00 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.261.70 which was Rs 241.80 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 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 74.53 cents/pound this week, which was 73.36 cents/pound during last week.

Major Market Highlights: According to the Central Agency for Public Mobilisation and Statistics (CAPMAS), the consumption of locally grown cotton by Egyptian companies declined by around 56% in the second quarter of the agricultural season 2015 -16. During December 2015 – February 2016 period, local companies purchased 76,400 kantar (1 kantar = 45.02 kg) of cotton, compared to consumption of 175,800 kantar in the corresponding period of the previous season. Consumption has declined amid closure of a number of spinning mills.

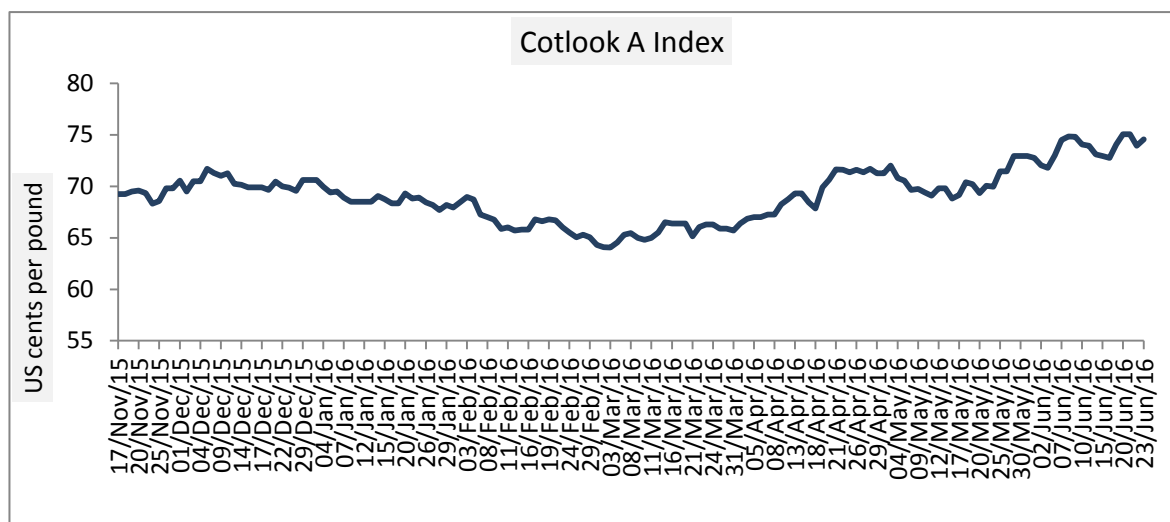
The Chinese government has started the auction of its huge reserves of cotton. Stocks of cotton are expected to decline amid decline in Chinese imports and falling domestic production. The US Department of Agriculture has forecast China's cotton stocks to fall by 6% in 2015-16, to 13.9m tons.

According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. World 2015-16 cotton production is projected at 98.15 million bales, 16 per cent below last season. World ending stocks are now projected at 102.08 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 lack of 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
	23-June-16	16-June-16	
Prices	74.53	73.36	1.6
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

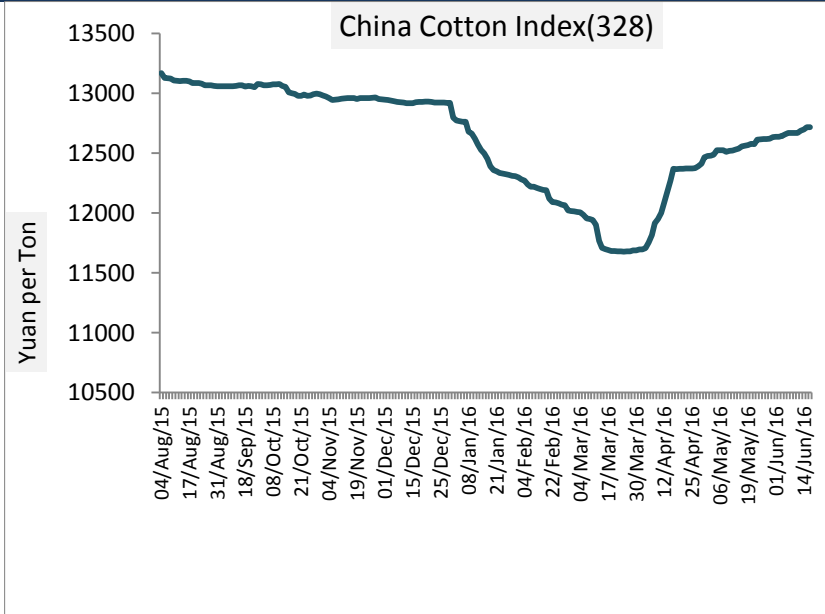
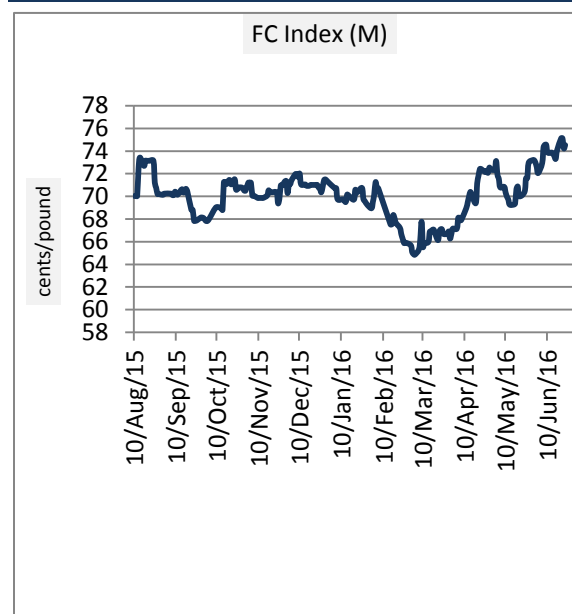
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	23-June-16	16-June-16	
FC (S)	76.99	76.16	1.10
FC (M)	74.61	73.67	1.28
FC (L)	71.93	70.85	1.53
Prices in US cents per Pound			

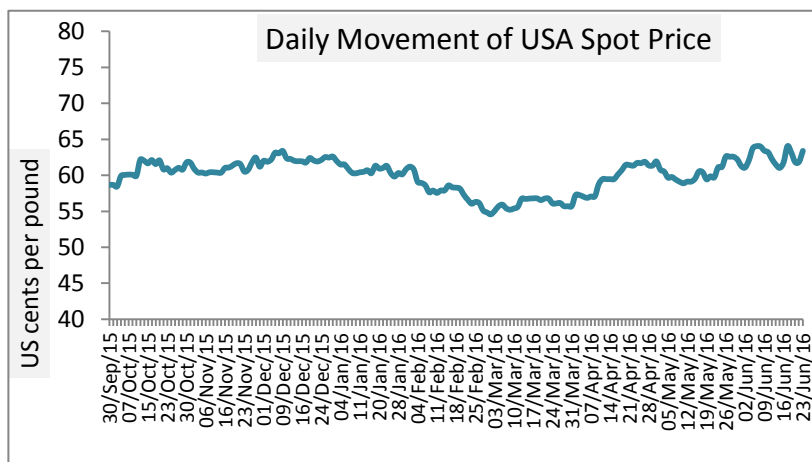
China Index remained firm during the week. CC Index (328) remained 11755 Yuan per ton during the week. Average was 11715 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	23-June-16	16-June-16	
CCIndex(229)	12697	12661	0.28
CCIndex(328)	11755	11715	0.34
CCIndex(527)	13012	12983	0.22
Prices in Yuan per ton			



USA Spot Prices

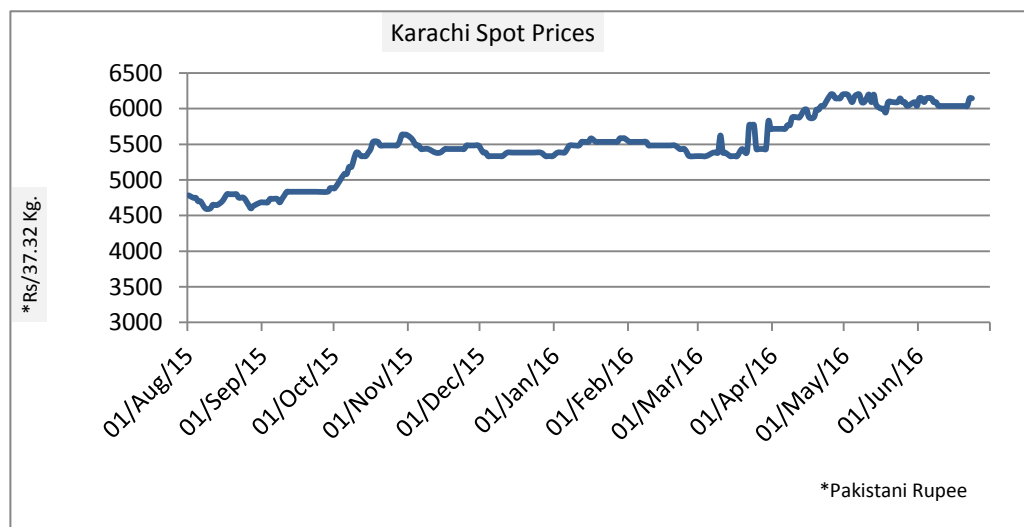
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon rainfall combined with pest damage in the northern States. World ending stocks are now projected at 102.08 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	23-June-16	16-June-16	
Prices	62.87	61.96	1.47
Prices in US cents per Pound			

Pakistan Spot Prices

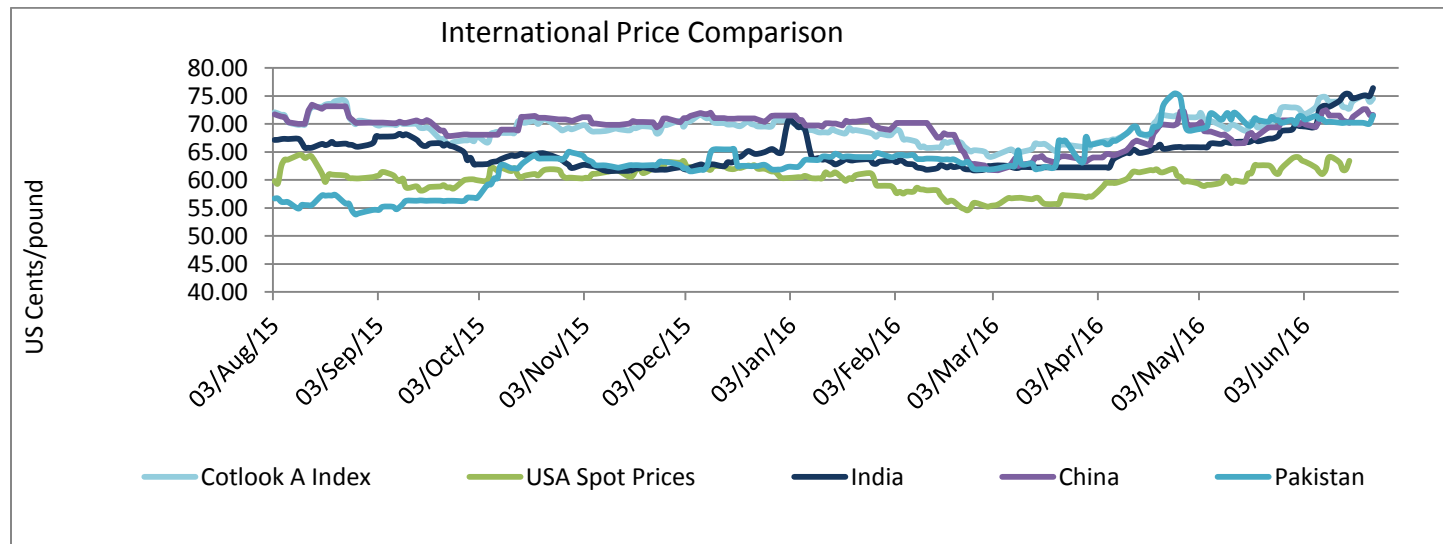
Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has had set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and is now expected to be around 96.87 lakh bales due to the severe crop loss of 34% 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
	23-June-16	16-June-16	
Prices	6082	6039	0.71
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 firm.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bullish Momentum	63.00-68.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
63.50	62.30	67.10	68.30

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	23-June-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-16	64.88	63.30	61.45	63.58	2.50	5.58	2.04
Oct-16	65.62	65.38	62.11	65.48	0.37	5.65	0.21
Dec-16	65.42	64.93	61.34	64.55	0.75	6.65	1.35
Mar-17	66.05	65.55	61.66	NA	0.76	7.12	NA
May-17	66.52	65.93	62.06	NA	0.89	7.19	NA
Jul-17	66.95	66.26	62.45	NA	1.04	7.21	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	11th to 17th June.16	04th to 10th June.16	
Gujarat	Ahmedabad	Shankar-6	5754	5617	137
	Gondal	Shankar-6	5823	5618	205
	Rajkot	B.T. Cotton	5844	5725	119
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	5667	5708	-41
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5538	5295	243
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5566	5483	83
	Bhiwani	Desi	NA	5000	-
	Adampur	B.T. Cotton	5738	5528	211
	Fatehabad	B.T. Cotton	5725	5525	200
	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	NA	-
Maharashtra	Amravati	Mech-1	5783	5408	375
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4366	4317	49
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	5988	5844	144
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4205	4800	-595
	Raichur	H-44 Cotton	5732	5611	121
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	11th to 17th June.16	04th to 10th June.16	
Punjab	Bhatinda	J-34	4190	4083	107
	Abohar	J-34	4198	4123	75
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4158	4032	126
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	11th to 17th June.16	04th to 10th June.16	
Gujarat	Ahmedabad	Shankar-6	39100	57800	-18700
	Gondal	Shankar-6	1269	1580	-311
	Rajkot	B.T. Cotton	4885	6042	-1157
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	6100	14400	-8300
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	89	128	-39
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	1300	1600	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1913	1870	43
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-

	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5700	9850	-4150
	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	2630	2950	-320
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	63	36	27
	Raichur	H-44 Cotton	419	328	91
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	11th to 17th June.16	04th to 10th June.16	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				10th to 16th June.16	03rd to 09th June.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33150	32833	317
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33650	33333	317
J-34(202)	26mm	3.5 - 4.9	23	38333	37183	1150
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38683	37233	1450
Shankar-6(105)	29mm	3.5 – 4.9	28	39117	37633	1483
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41367	39783	1583
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41967	40350	1617
DCH-32(107)	34mm	3.0 - 3.8	33	52783	52450	333

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