

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. 5907 per quintal, which stood at Rs 5874 previous week. Average price of Lint at Sirsa during the week was Rs. 4381 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 4273. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 41350 per candy (of 355.6 kg each) during the week, which was Rs 40233 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 924.00 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. 5900-6300 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4300-4600 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 910-960 per maund (of 20 kg each).

Major Market Highlights: In the current crop year, the acreage under desi cotton has increased in North India. In the previous year, crop in Punjab, Haryana and Rajasthan was affected by whitefly. In Punjab, Haryana and Rajasthan. The acreage under desi cotton is at a decade high. Desi cotton has been planted in about 72,280 hectares this season compared to 2000 hectares in the previous year. Desi cotton accounts for less than 2 per cent of the total cotton acreage in India.

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.

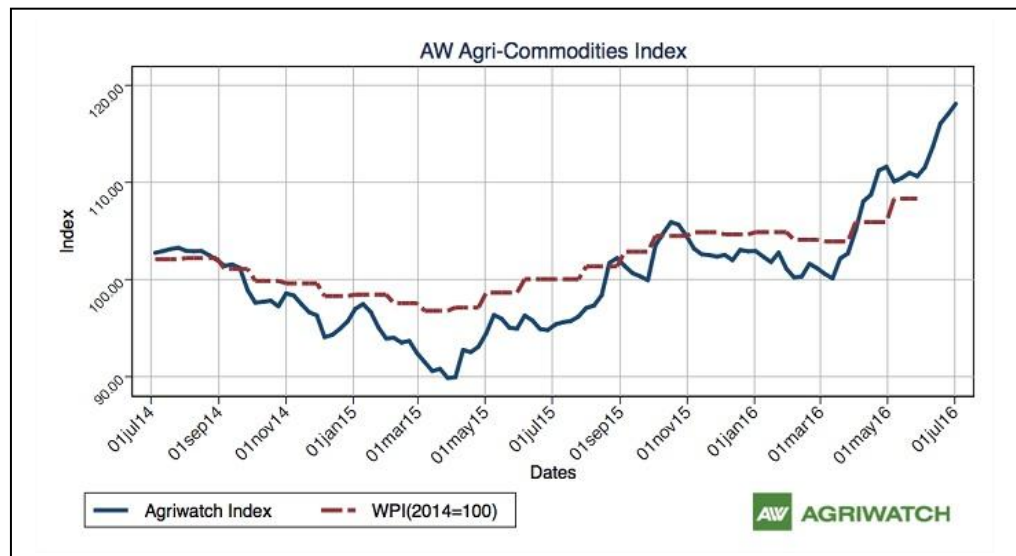
Cotton acreage has declined in north Indian states in the current season 2016-17 especially in Punjab, Haryana and Uttar Pradesh. Sowing is almost complete in these states according to sources. In Haryana, cotton acreage has declined 14 per cent to 5 lakh hectares in 2016-17 crop year compared to 5.8 lakh hectares previous year and in Punjab, area planted under cotton is lower by 43.11 per cent at 2.56 lakh hectares this year compared to 4.5 lakh hectare in 2015-16. In Uttar Pradesh, area under cotton cultivation has declined 19 per cent to 0.17 lakh hectares compared to 0.21 hectares in the corresponding period of previous year.

India exported 0.237 lakh bales of cotton last week (20 -26 June 2016), which was 0.379 lakh bales previous to last week (13 -19 June 2016), according to the data released by IBIS and compiled by Agriwatch.

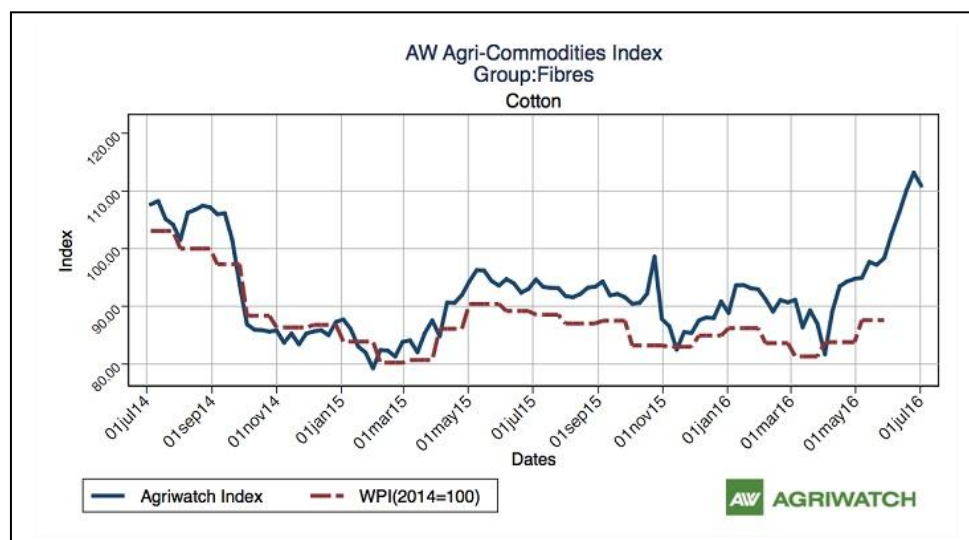
Major importer of Indian cotton during the week (20 -26 June, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.166 lakh bales of cotton from India in the past week (20 -26 June, 2016). Other major importers were Vietnam, Pakistan, China and Taiwan and their imported volumes were 0.036 lakh bales, 0.012 lakh bales, 0.011 lakh bales and 0.007 lakh bales respectively.

AW Cotton Index - 03 July. 2016

The Agriwatch Agri Commodities Index rose 0.91% to 118.11 during the week ended July 2, 2016, its 5th straight weekly gain, led by higher price of pulses. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -2.00% 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

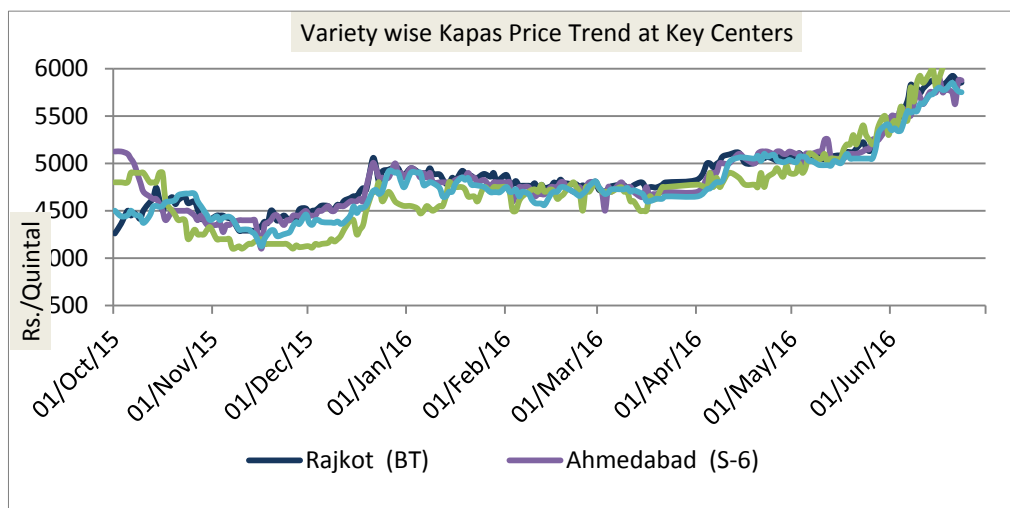
Kapas (Raw Cotton) Weekly Price Scenario

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. 5907 per quintal, fairly higher as compared to previous week price of Rs. 5874 per quintal.

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

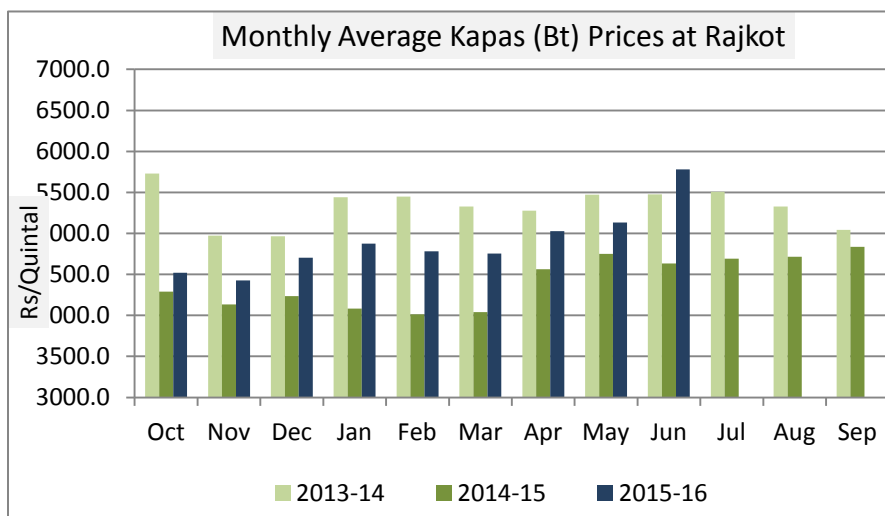
is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon.

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 5900-6300 per quintal for the coming week.



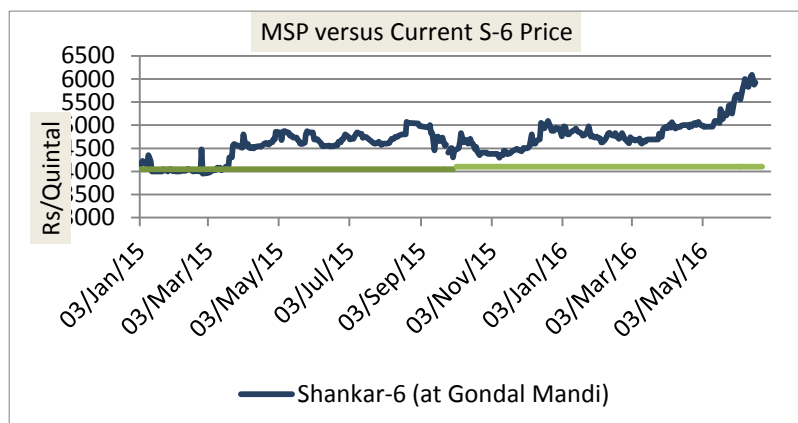
Kapas Monthly Y-o-Y Price Scenario

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

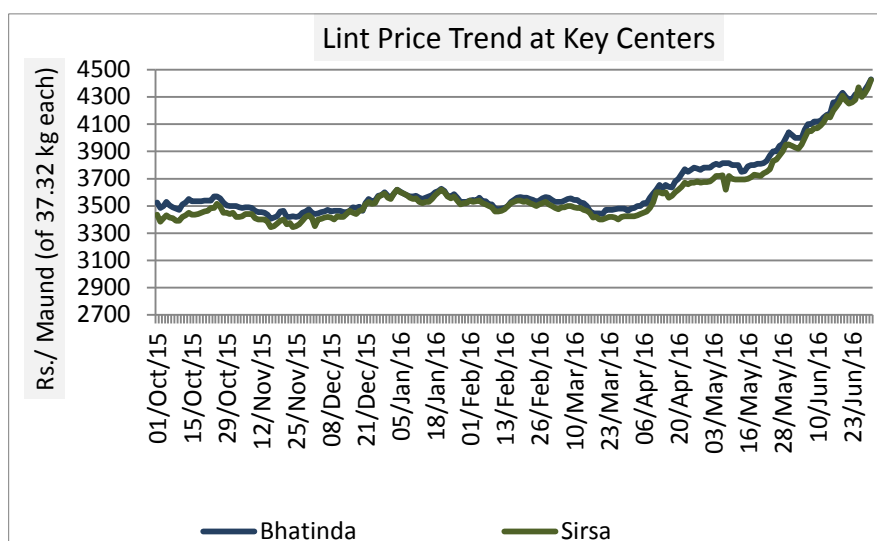
The Kapas prices are ruling above the MSP so far. The gap between the two prices is steady this week. The average gap between the prices was Rs 1859.17 this week compared to Rs 1725.83 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

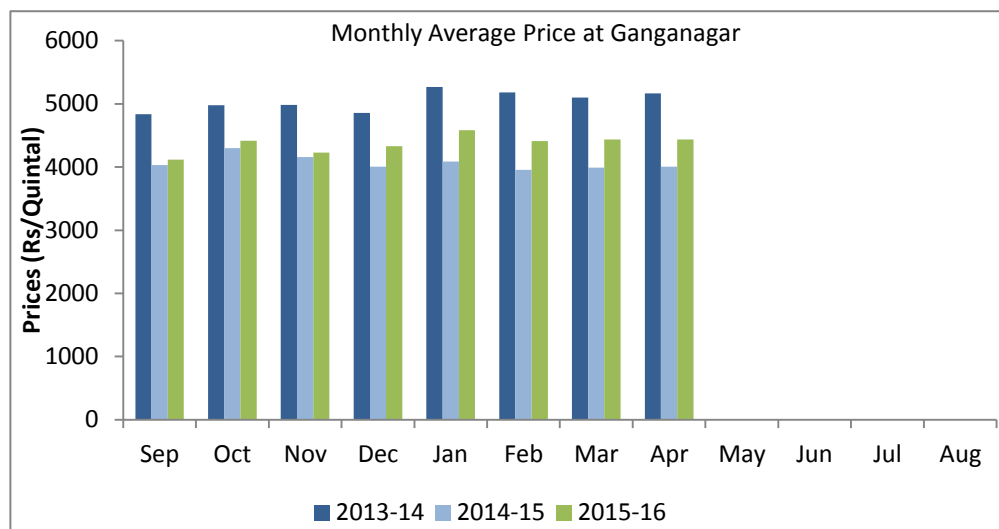
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4273 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4273 per maund.

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.



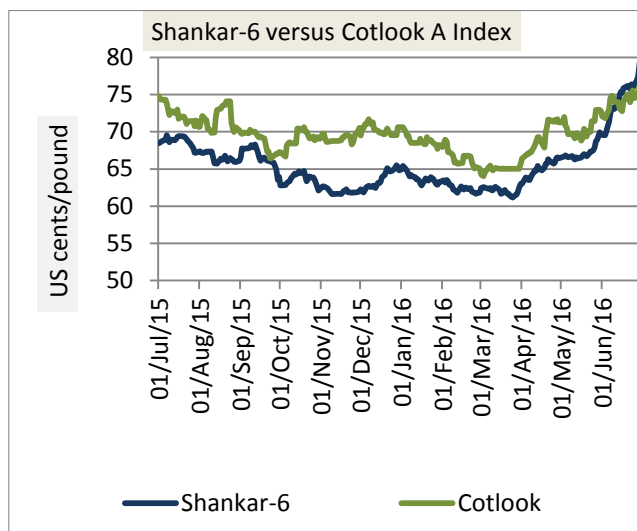
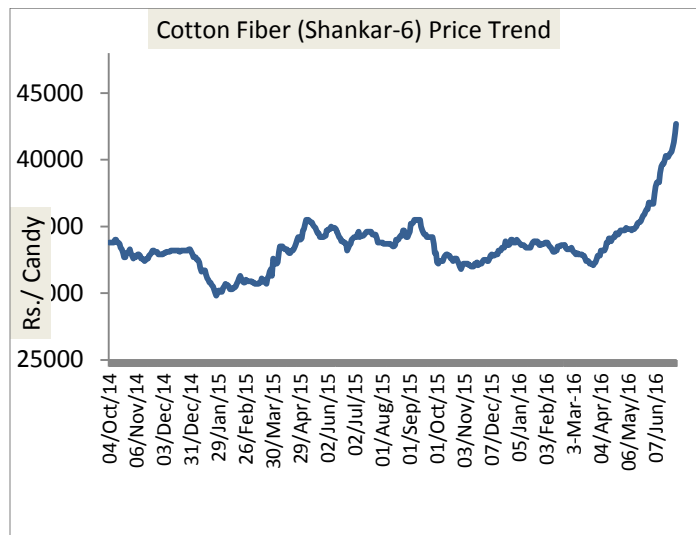
Lint Monthly Y-o-Y Price Scenario

Following the firmness in Kapas prices, lint prices too remained firm. Currently there are no arrivals in Ganganagar.



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 41350 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 40233 per candy.

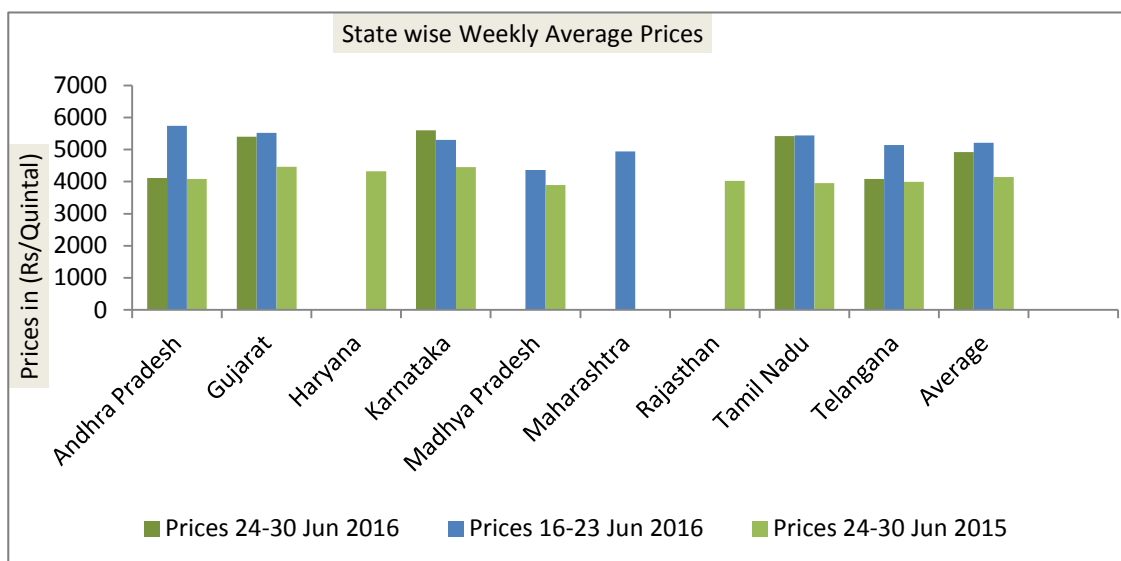


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 75.41 cents/pound, Indian weekly average price stood at 77.65 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 41000-44000 per candy

State wise Weekly Price Scenario

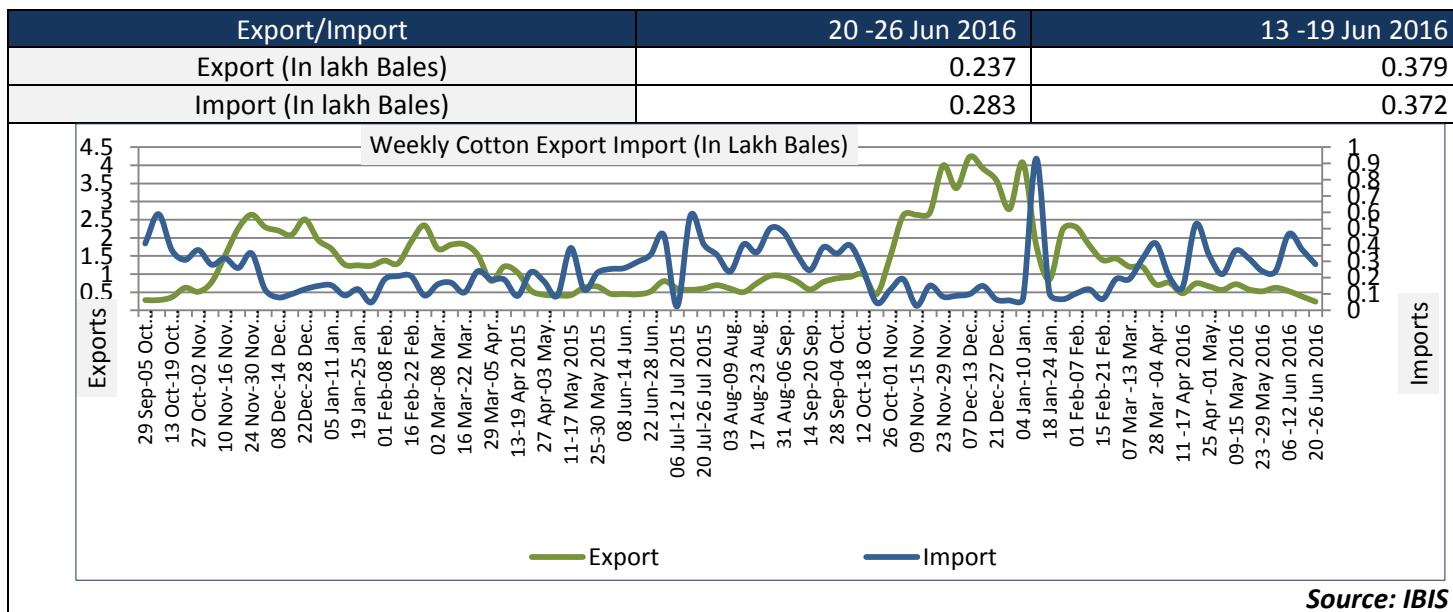
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Karnataka followed by Tamil Nadu this week and lowest was in Telangana followed by Andhra Pradesh. On year on year basis, cotton prices are



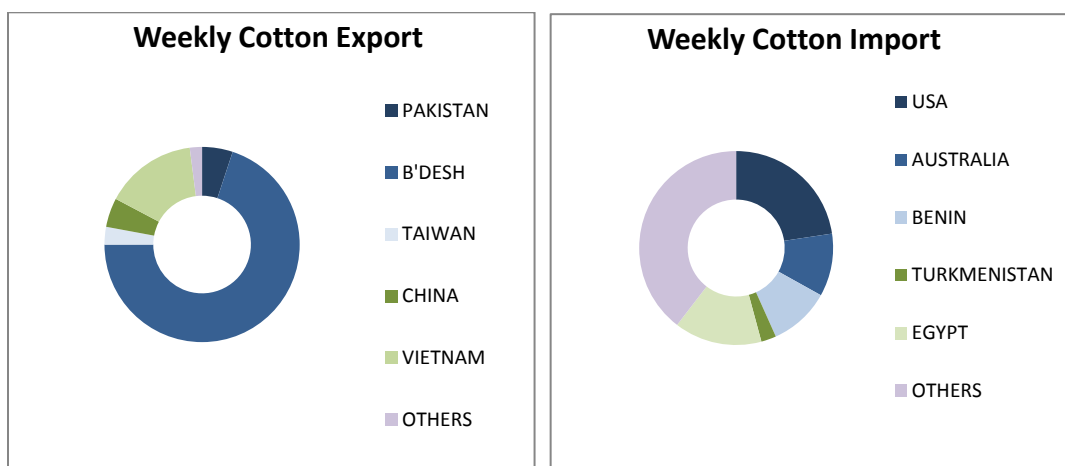
reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.273 lakh bales of cotton last week (20 -26 Jun 2016), which was 0.379 lakh bales during the week before previous to last week (13 -19 Jun 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.283 lakh bales last week, which was 0.372 lakh bales previous to last week.



Major importer of Indian cotton during the week (20 -26 June 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.166 lakh bales of cotton from India in the past week (20 -26 June 2016). Other major importers were Vietnam, Pakistan, China and Taiwan and their imported volumes were 0.036 lakh bales, 0.012 lakh bales, 0.011 lakh bales and 0.007 lakh bales respectively. India exported 0.379 lakh bales of cotton last week (20 -26 June 2016), which was 0.379 lakh bales previous to last week (13 -19 June 2016), according to the data released by IBIS and compiled by Agriwatch.



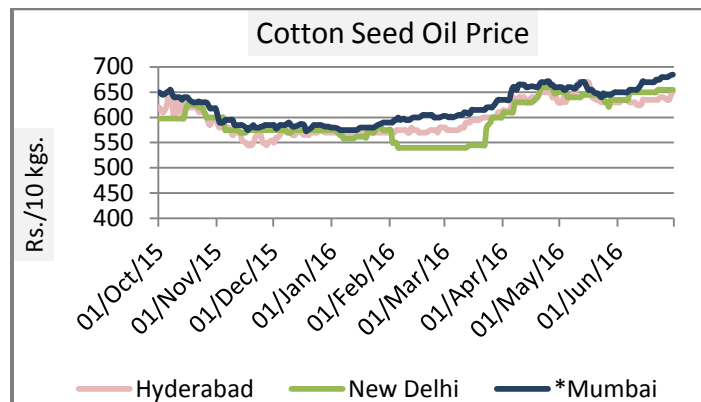
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed positive tone during the week. Weekly average price in New Delhi remained Rs 655 per 10 Kg, steady as compared to the weekly average price of Rs 652 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	30-June-16	23-June-16	
New Delhi	655	652	0.51
Rajkot	694	676	2.71
Hyderabad	641	636	0.79
Mumbai*	682	673	1.39

*Vat Included

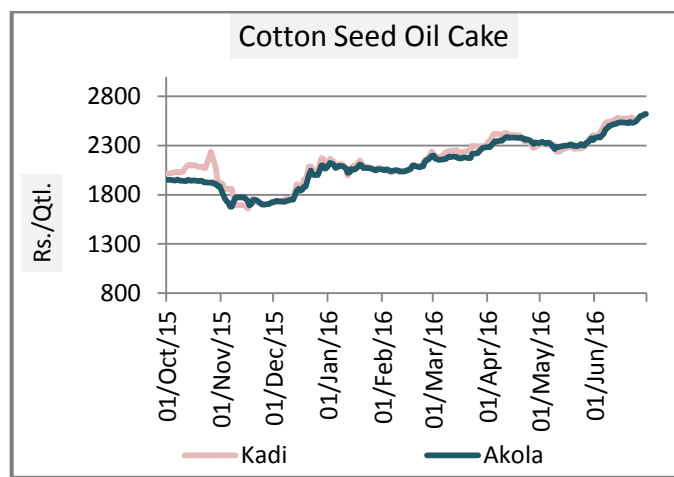


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 2590 per quintal, higher compared to the weekly average price of previous week of Rs 2575 per quintal.

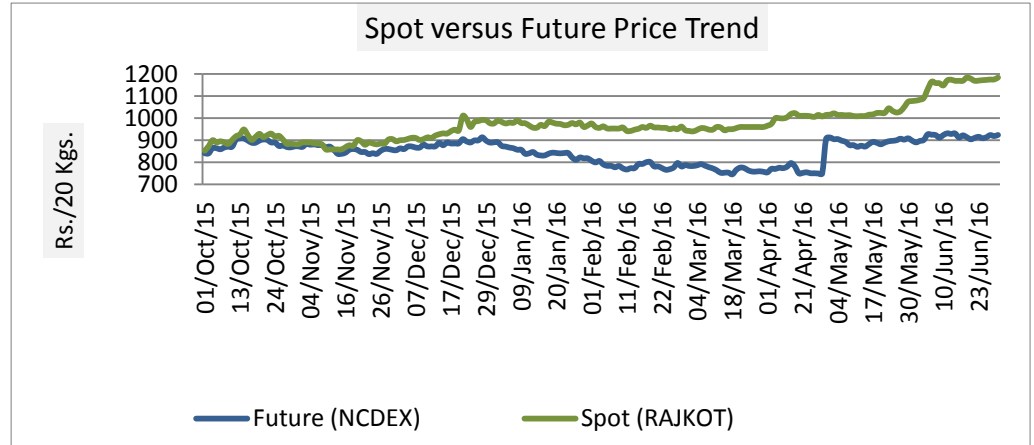
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	30-June-16	23-June-16	
Kadi	2595	2575	0.78
Akola	2590	2534	2.21

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 924.00 as on 30 June 2016, compared to 916.00 a week earlier. The gap between the spot and future prices has narrowed slightly. Average gap between the spot and future price during the week was Rs.258.90 which was Rs 261.70 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	910-960

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 75.41 cents/pound this week, which was 74.53 cents/pound during last week.

Major Market Highlights: The recent auction of cotton reserves by China is likely to support its domestic mill demand and likely to affect India's spun yarn production. According to the latest report by ICRA, the offtake by Chinese mills under ongoing reserve cotton auctions in China has put India's cotton and cotton yarn exports in a cautious mode. As per the report, India's spun yarn production grew at the slowest pace of about 3.2 per cent in the last four years. This slow pace of growth in spun yarn production has been driven by factors like lower domestic consumption and limited growth in exports.

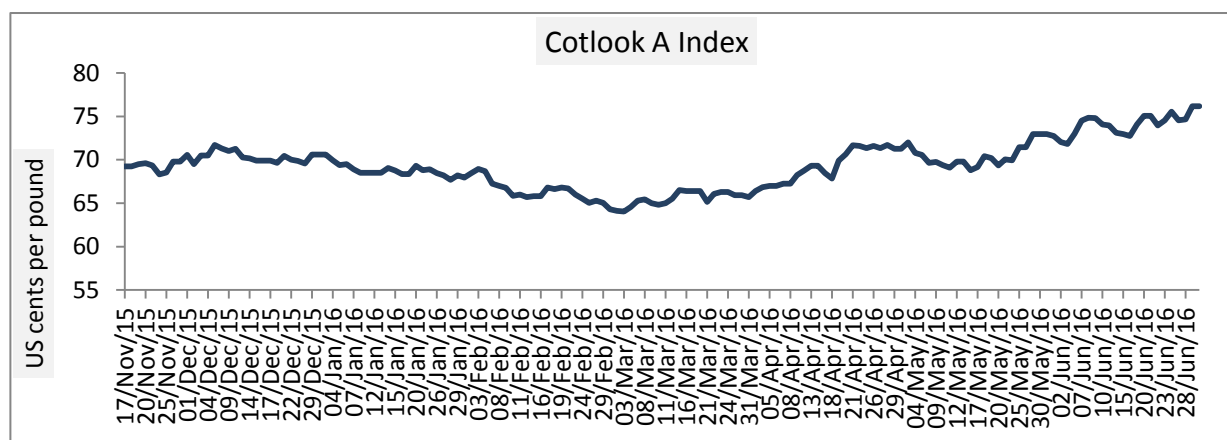
Pakistan's imports of cotton are likely to hold near record highs in the current year to July 2017 following lower domestic output. The country's output of cotton declined by around one-third to 9.7 million bales in 2015 -16 following lack of rainfall in the growing regions. According to All Pakistan Textile Mills Association (APTMA), cotton imports have touched 4 million bales in the current year compared to 1.2 million bales previous year.

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



China Cotton Index and Foreign Cotton Index

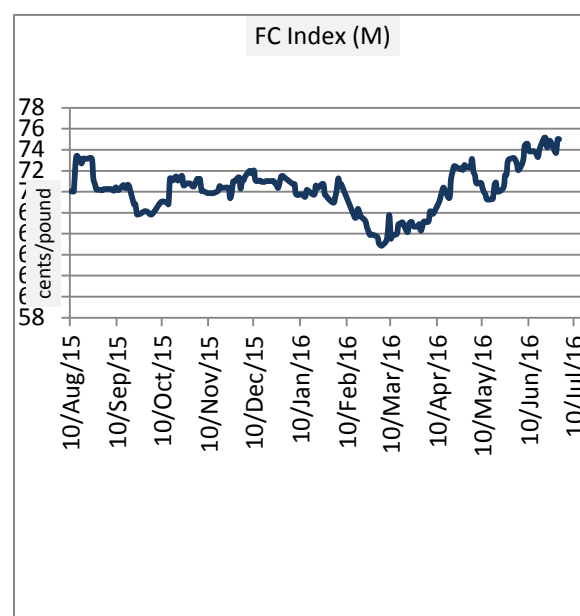
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	30-June-16	23-June-16	
FC (S)	77.28	76.99	0.37
FC (M)	74.49	74.61	-0.17
FC (L)	71.88	71.93	-0.08
Prices in US cents per Pound			

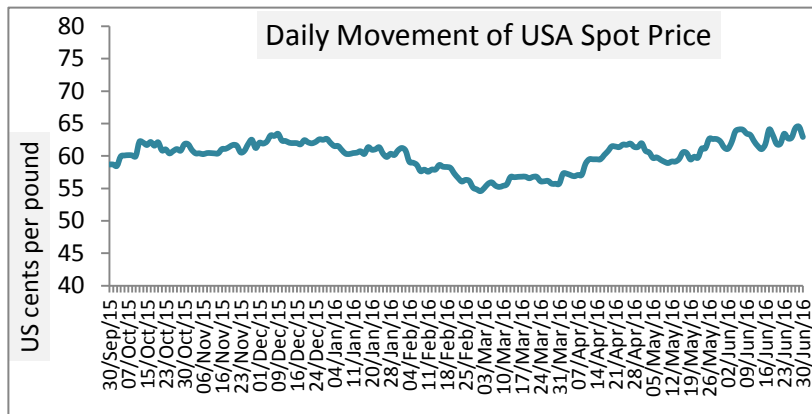
China Index remained firm during the week. CC Index (328) remained 11847 Yuan per ton during the week. Average was 11755 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	30-June-16	23-June-16	
CCIndex(229)	12809	12697	0.88
CCIndex(328)	11847	11755	0.79
CCIndex(527)	13098	13012	0.66
Prices in Yuan per ton			



USA Spot Prices

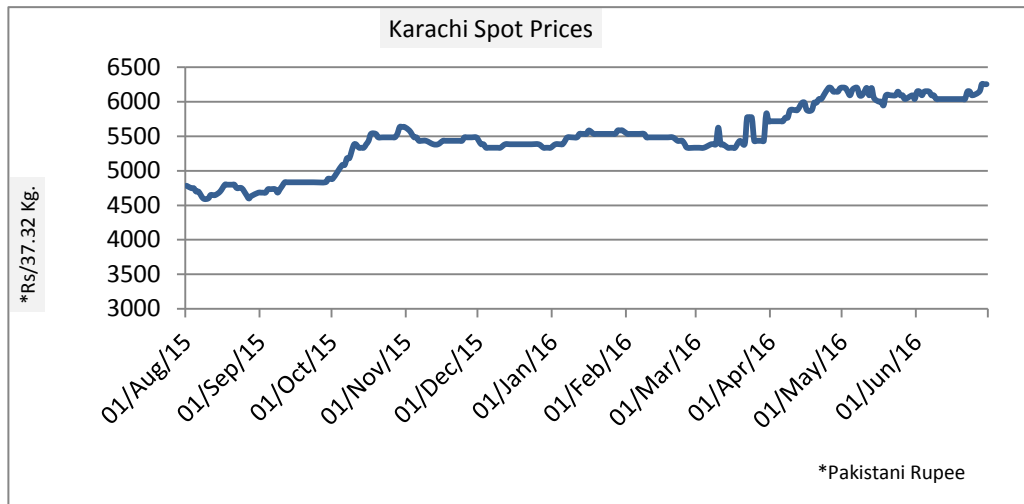
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	30-June-16	23-June-16	
Prices	63.44	62.87	0.91
Prices in US cents per Pound			

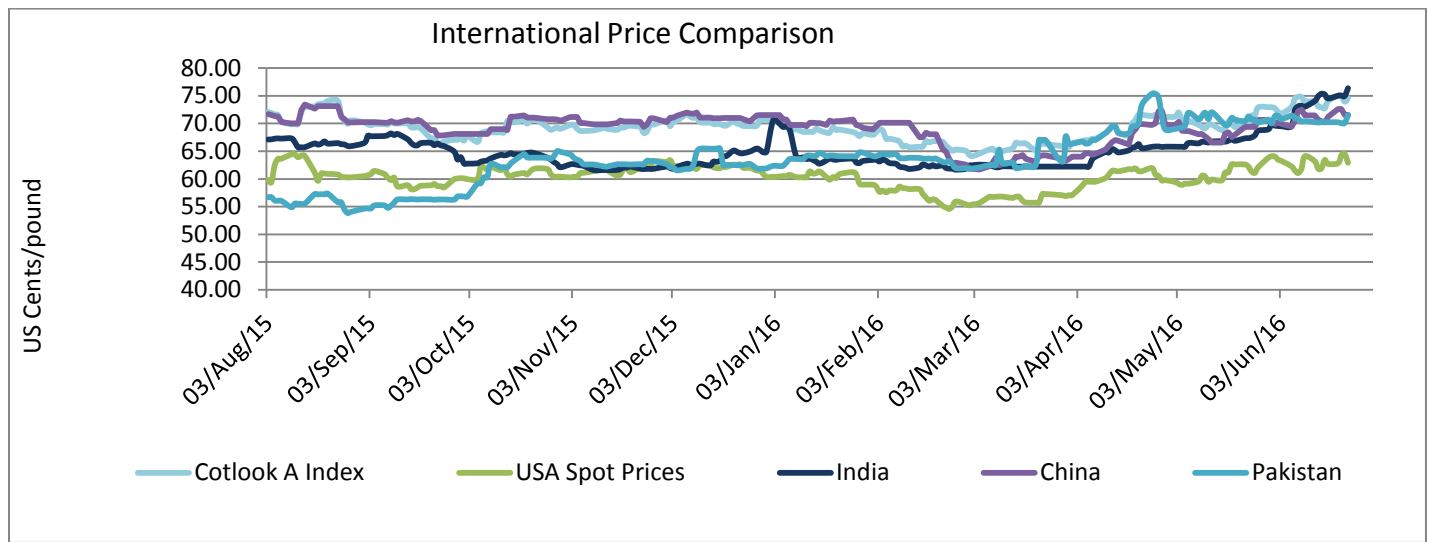
Pakistan Spot Prices

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
	30-June-16	23-June-16	
Prices	6200	6082	1.94
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 movement 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	60.00-65.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.00	57.50	63.10	65.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	30-June-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-16	62.82	64.88	64.28	64.18	-3.18	-2.27	-2.12
Oct-16	64.62	65.62	64.37	63.66	-1.52	0.39	1.51
Dec-16	64.17	65.42	63.85	63.55	-1.91	0.50	0.98
Mar-17	64.57	66.05	64.13	NA	-2.24	0.69	NA
May-17	64.94	66.52	64.38	NA	-2.38	0.87	NA
Jul-17	65.4	66.95	64.57	NA	-2.32	1.29	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	25 th June to 01 st July.16	18 th to 24 th June.16	
Gujarat	Ahmedabad	Shankar-6	5896	5775	121
	Gondal	Shankar-6	5969	5978	-8
	Rajkot	B.T. Cotton	5907	5874	33
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	5692	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5480	5326	154
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5833	5700	133
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5928	5790	138
	Fatehabad	B.T. Cotton	5921	5775	146
	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	6100	6000	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4325	4300	25
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	6205	6119	86
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5844	5724	120
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	25 th June to 01 st July.16	18 th to 24 th June.16	
Punjab	Bhatinda	J-34	4385	4303	83
	Abohar	J-34	4391	4300	91
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4381	4273	108
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	25 th June to 01 st July.16	18 th to 24 th June.16	
Gujarat	Ahmedabad	Shankar-6	17850	22950	-5100
	Gondal	Shankar-6	2342	2941	-599
	Rajkot	B.T. Cotton	2855	5350	-2495
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	2300	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	31	34	-3
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	800	1100	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1403	1785	-383
	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	50	2750	-2700
	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	1450	1410	40
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	194	194	Unch
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	25 th June to 01 st July.16	18 th to 24 th 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
				24th to 30th June.16	17th to 23th June.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33533	33200	333
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34033	33700	333
J-34(202)	26mm	3.5 - 4.9	23	40500	39633	867
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41333	39867	1467
Shankar-6(105)	29mm	3.5 - 4.9	28	41350	40233	1117
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43700	42400	1300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44350	42950	1400
DCH-32(107)	34mm	3.0 - 3.8	33	54017	53667	350

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