

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. 6488 per quintal, which stood at Rs 6144 previous week. Average price of Lint at Sirsa during the week was Rs. 4788 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 4550. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 45633 per candy (of 355.6 kg each) during the week, which was Rs 43050 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 1013.50 per maund (of 20 kg each) which was Rs 947.00 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. 6500-7000 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4800-5200 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 1000-1075 per maund (of 20 kg each).

Major Market Highlights: In the current season, cotton acreage is likely to decline by 35% as farmers are shifting to other crops like paddy, sugarcane and pulses. The price of good quality extra-long staple cotton expected to be over around Rs 6,000 to Rs 6,200 per quintal in December and January next year and farmers have been asked to go for cotton sowing. In Tamil Nadu, cotton was grown in an area of 0.1 million ha with production of 0.53 million bales (170 kg a bale) during 2014-15.

According to preliminary report by the government, cotton sowing as on 8th July, 2016 has been covered under 67.89 lakh hectares compared to 87.83 lakh hectares during the same period previous year.

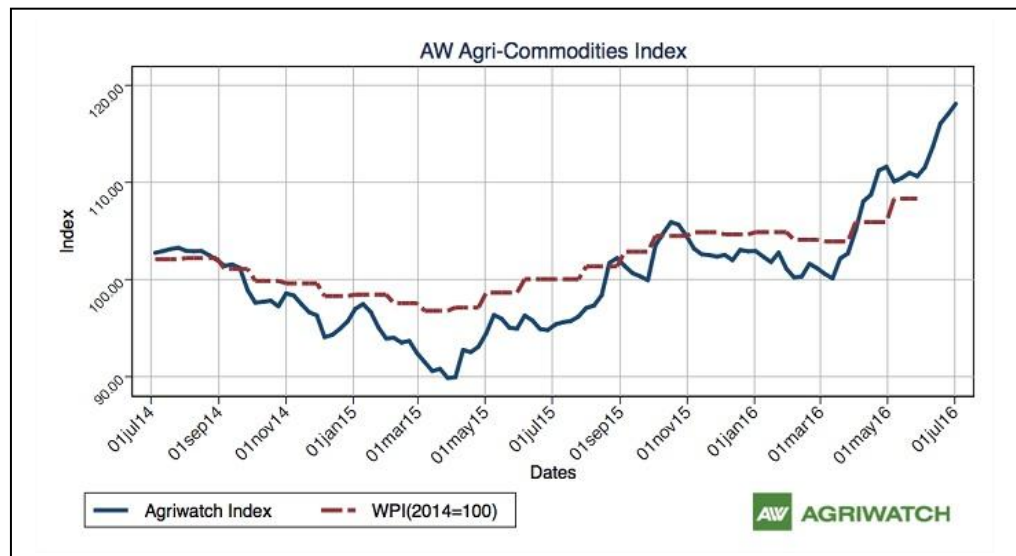
According to the data from Union agriculture ministry's department of economics and statistics (DES) shows that the area under cotton crop this season has declined to 2.56 lakh hectares in the sState, the lowest since 1955-56. In 2015-16, cotton acreage in Punjab was at 4.50 lakh hectares. Acreage has declined mainly due to fear of Whitefly pest attack.

India exported 0.184 lakh bales of cotton last week (04 -10 July 2016), which was 0.196 lakh bales previous to last week (27 June -03 July 2016), according to the data released by IBIS and compiled by Agriwatch.

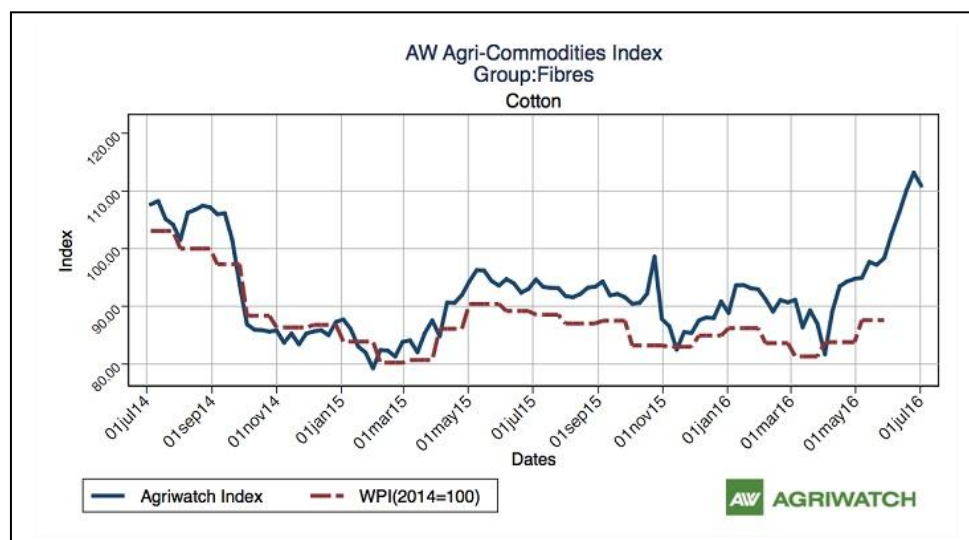
Major importer of Indian cotton during the week (04 -10 July, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.111 lakh bales of cotton from India in the past week (04 -10 July, 2016). Other major importers were Vietnam, Indonesia, Pakistan and Japan and their imported volumes were 0.047 lakh bales, 0.011 lakh bales, 0.011 lakh bales and 0.002 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

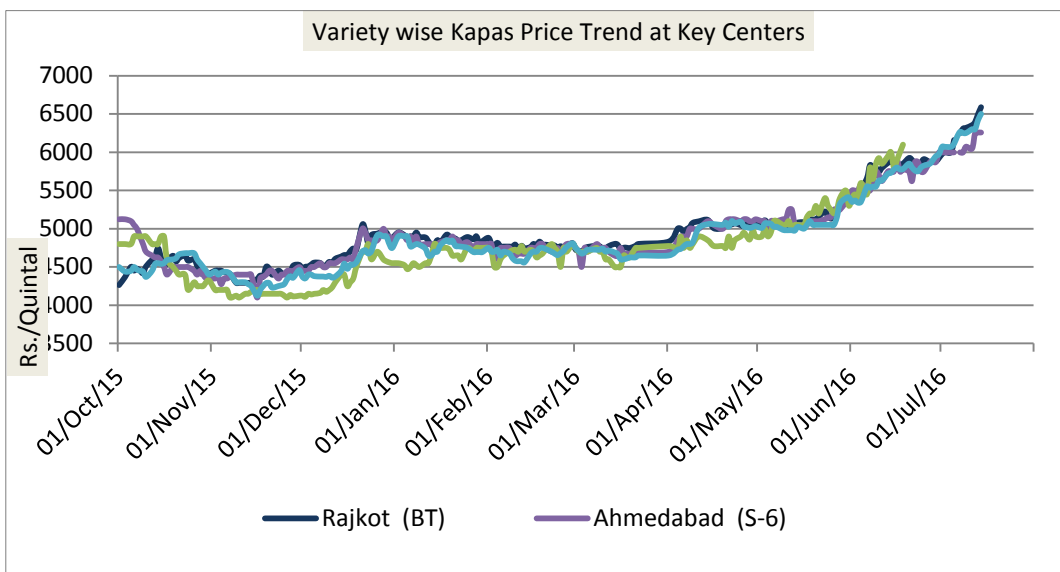
Kapas (Raw Cotton) Weekly Price Scenario

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. 6488 per quintal, fairly higher as compared to previous week price of Rs. 6144 per quintal.

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

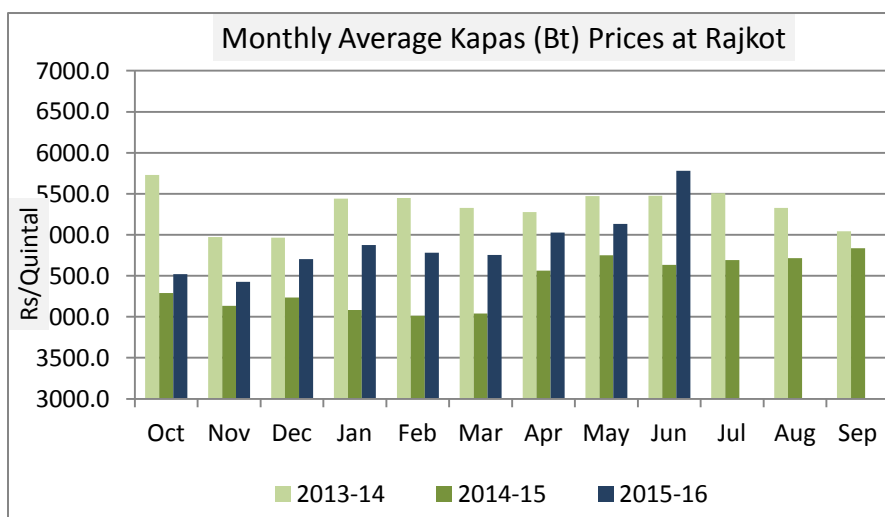
28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon.

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 6500-7000 per quintal for the coming week.



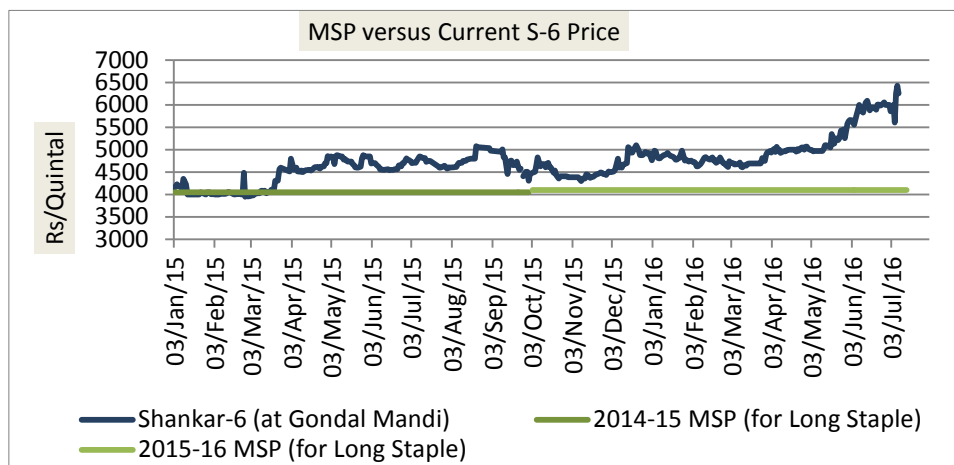
Kapas Monthly Y-o-Y Price Scenario

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

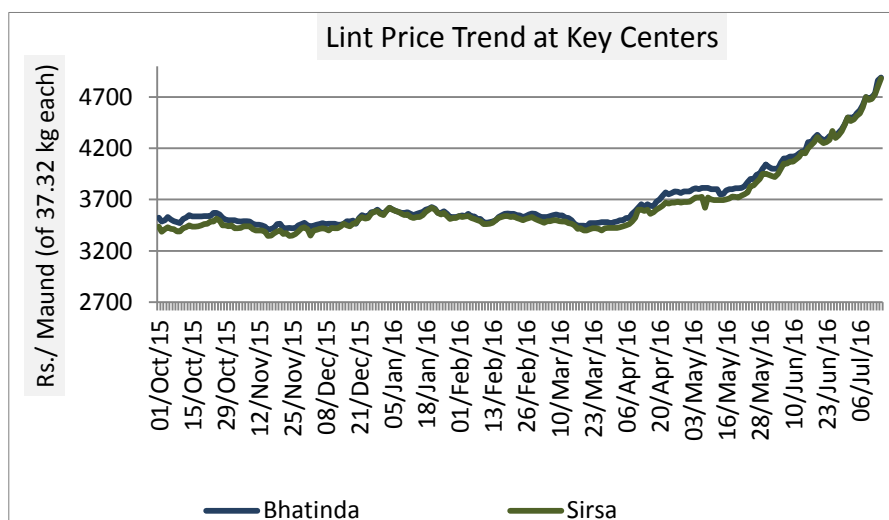
The Kapas prices are ruling above the MSP so far. The gap between the two prices has widened this week. The average gap between the prices was Rs 1965.83 this week compared to Rs 1859.17 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

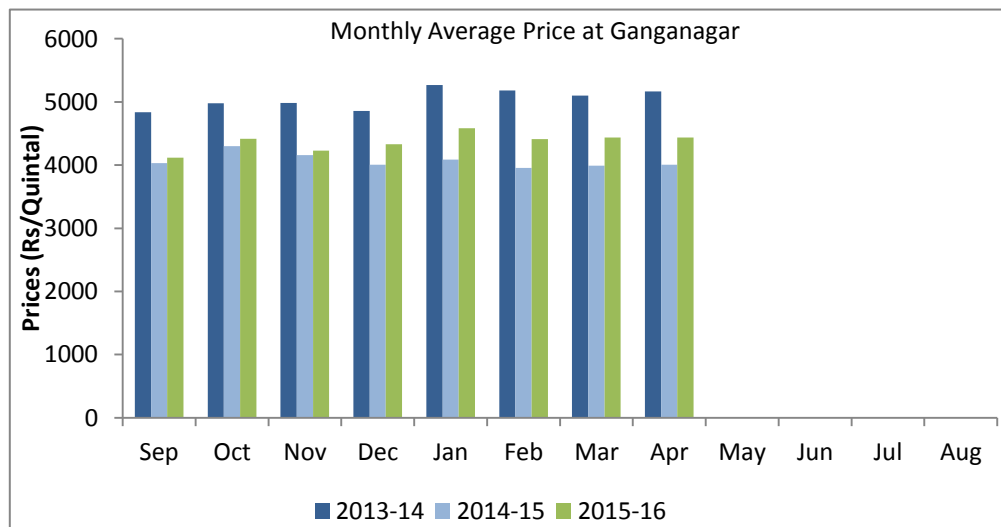
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4788 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4550 per maund.

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. 4800-5200 per maund.



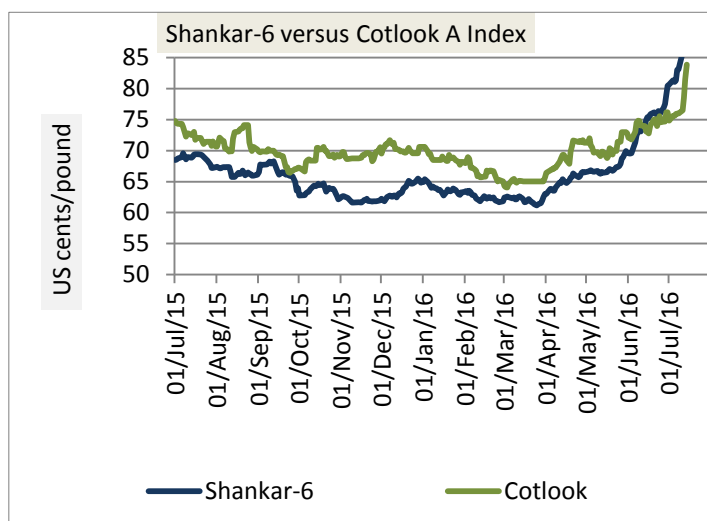
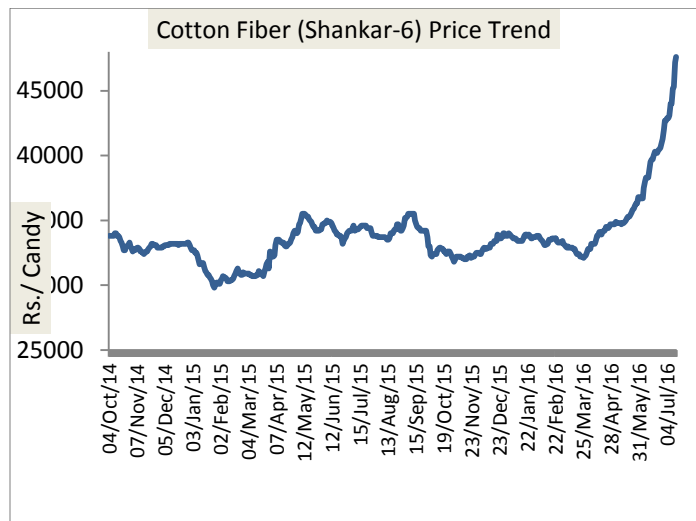
Lint Monthly Y-o-Y Price Scenario

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 45633 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 43050 per candy.

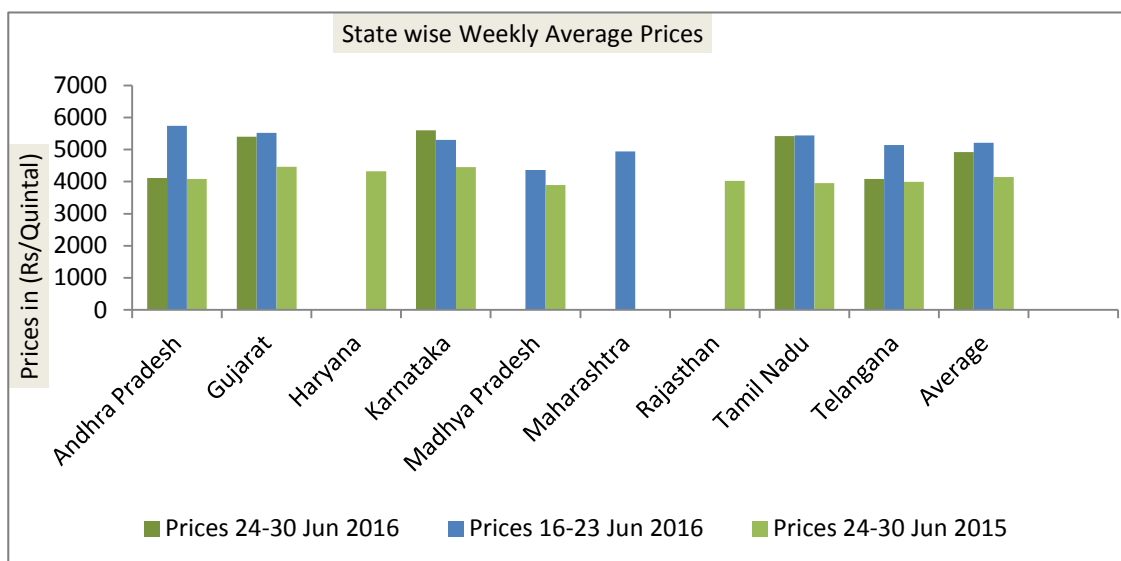


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 79.26 cents/pound, Indian weekly average price stood at 86.99 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 45000-48000 per candy

State wise Weekly Price Scenario

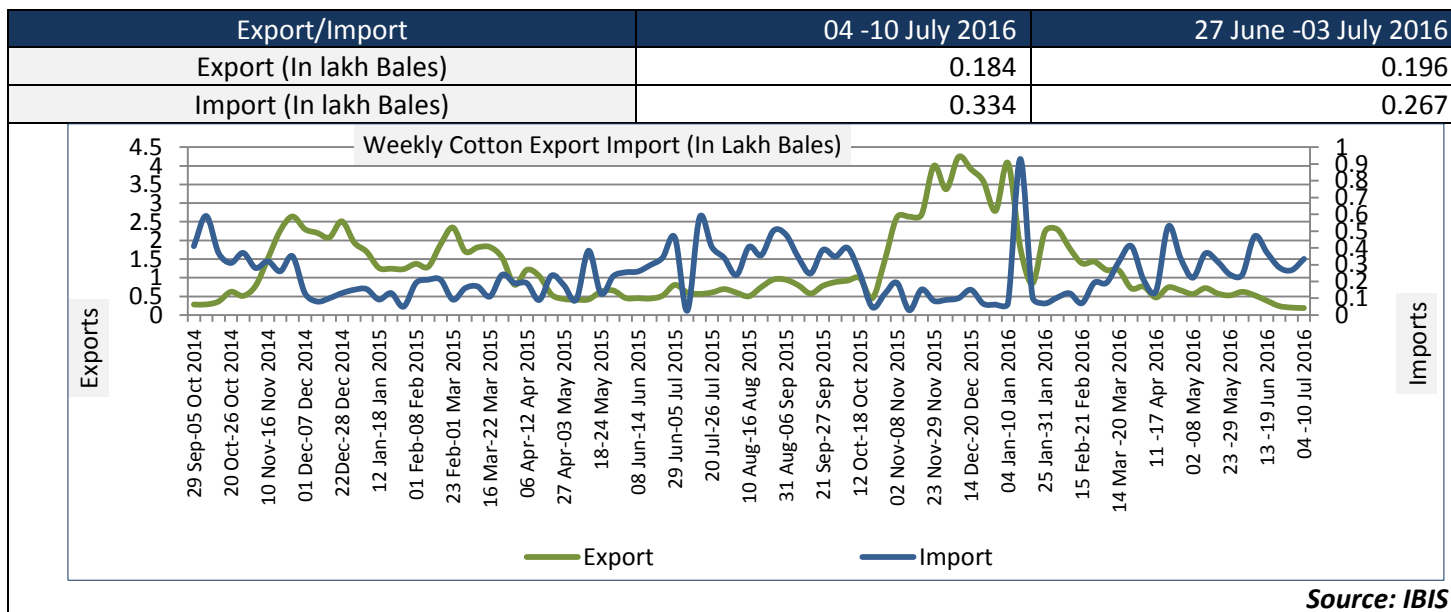
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Karnataka followed by Tamil Nadu this week and lowest was in Telangana followed by Andhra Pradesh. On year on year basis, cotton prices are



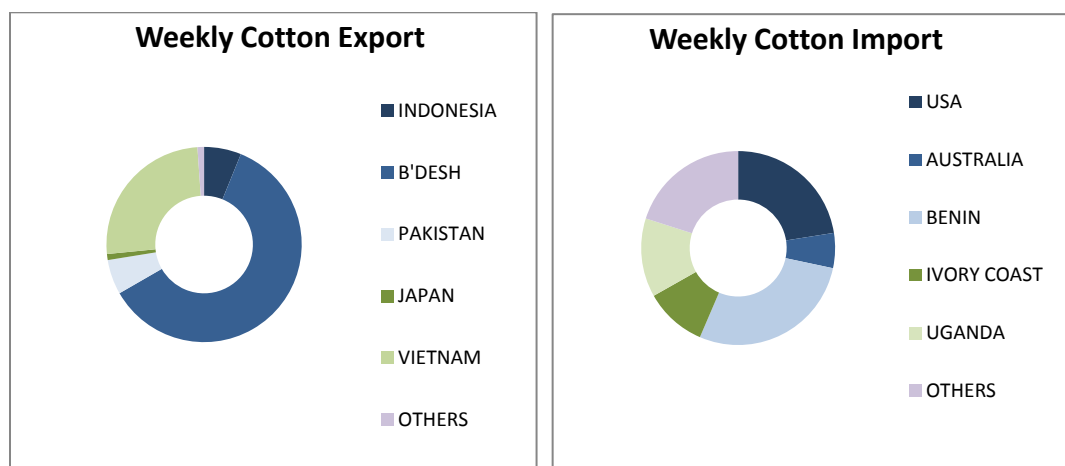
reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.184 lakh bales of cotton last week (04 -10 July 2016), which was 0.196 lakh bales during the week before previous to last week (27 June -03 July 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.334 lakh bales last week, which was 0.267 lakh bales previous to last week.



Major importer of Indian cotton during the week (04 -10 July 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.111 lakh bales of cotton from India in the past week (04 -10 July 2016). Other major importers were Vietnam, Indonesia, Pakistan and Japan and their imported volumes were 0.047 lakh bales, 0.011 lakh bales, 0.011 lakh bales and 0.002 lakh bales respectively. India exported 0.184 lakh bales of cotton last week (04 -10 July 2016), which was 0.196 lakh bales previous to last week (27 June -03 July 2016), according to the data released by IBIS and compiled by Agriwatch.



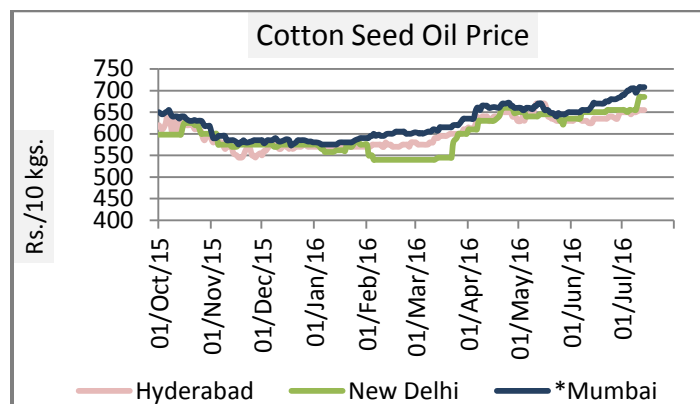
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 675 per 10 Kg, steady as compared to the weekly average price of Rs 654 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	14-July-16	07-July-16	
New Delhi	675	654	3.18
Rajkot	707	704	0.49
Hyderabad	653	649	0.55
Mumbai*	705	696	1.27

*Vat Included

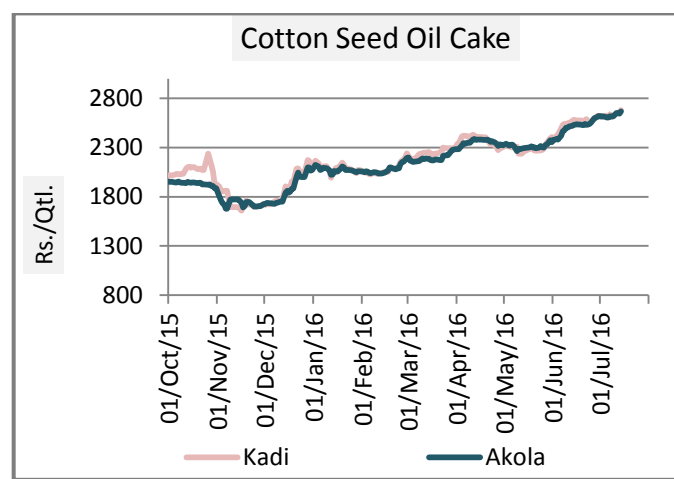


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 2639 per quintal, higher compared to the weekly average price of previous week of Rs 2615 per quintal.

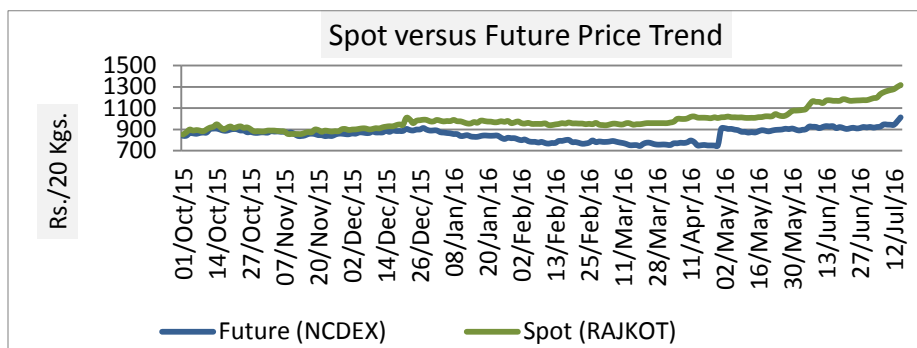
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	14-July-16	07-July-16	
Kadi	2645	2623	0.84
Akola	2639	2615	0.94

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 1013.00 as on 14 July 2016, compared to 947.00 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.321.90 which was Rs 284.80 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 overbought 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	1010-1060

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
975	950	1050	1100

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 79.26 cents/pound this week, which was 75.68 cents/pound during last week.

Major Market Highlights: India is backing major cotton growing African countries in their demand for immediate elimination of cotton export subsidies and a timeline for reduction of domestic support by heavily subsidising members such as the US.

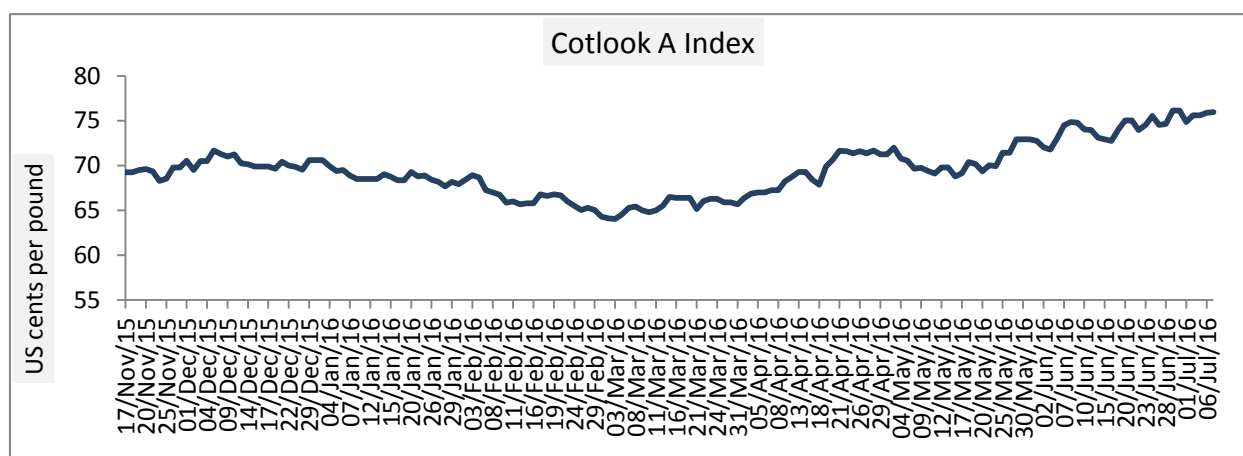
According to Karachi Cotton Association (KCA), lower output of cotton is expected in the 2016 -17 season compared to previous season. Due to lower production in the previous season and in the coming season, the local textile industry has to import raw cotton and ensure its contribution towards achieving the target of export fixed through exports of value added products as well as earning foreign exchange for 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 97.92 million bales, 18 per cent below last season. World ending stocks are now projected lower at 100.27 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
	14-July-16	07-July-16	
Prices	79.26	75.68	4.7
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

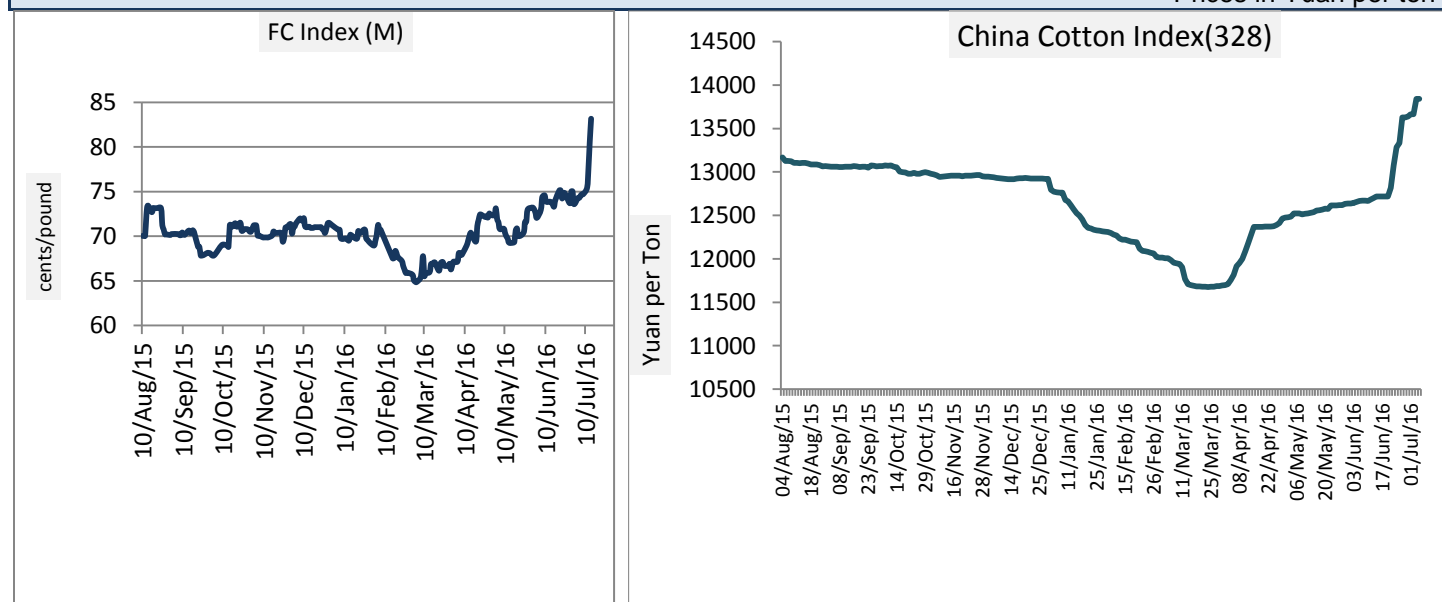
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	14-July-16	07-July-16	
FC (S)	80.72	77.36	4.34
FC (M)	77.71	74.40	4.46
FC (L)	75.00	71.82	4.43
Prices in US cents per Pound			

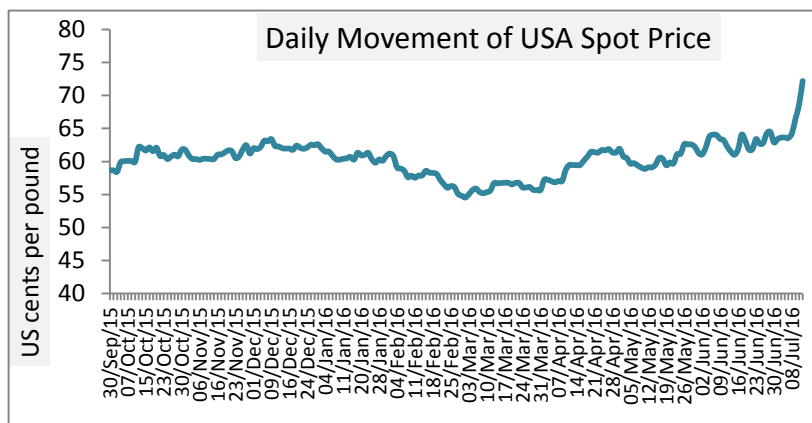
China Index remained firm during the week. CC Index (328) remained 12754 Yuan per ton during the week. Average was 12412 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	14-July-16	07-July-16	
CCIndex(229)	13754	13432	2.40
CCIndex(328)	12754	12412	2.76
CCIndex(527)	14046	13672	2.74
Prices in Yuan per ton			



USA Spot Prices

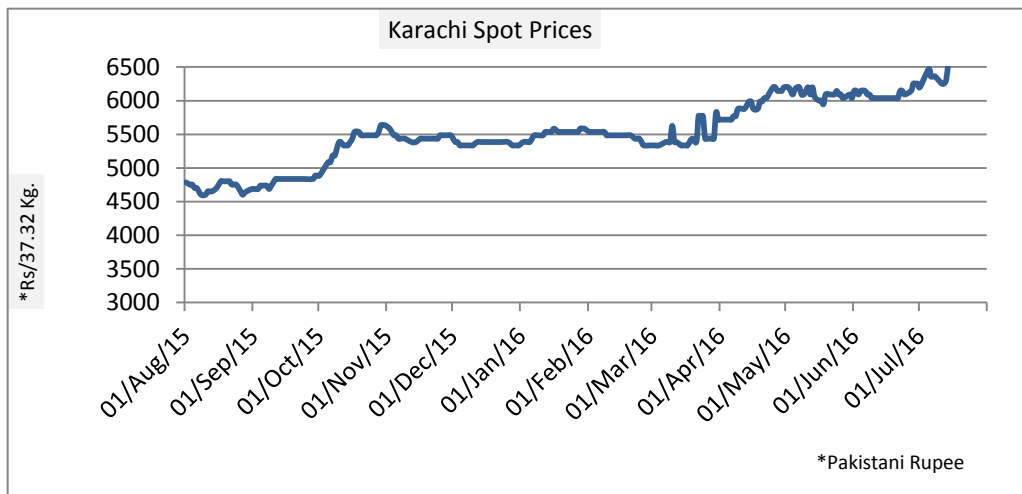
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	14-July-16	07-July-16	
Prices	67.90	63.43	7.05
Prices in US cents per Pound			

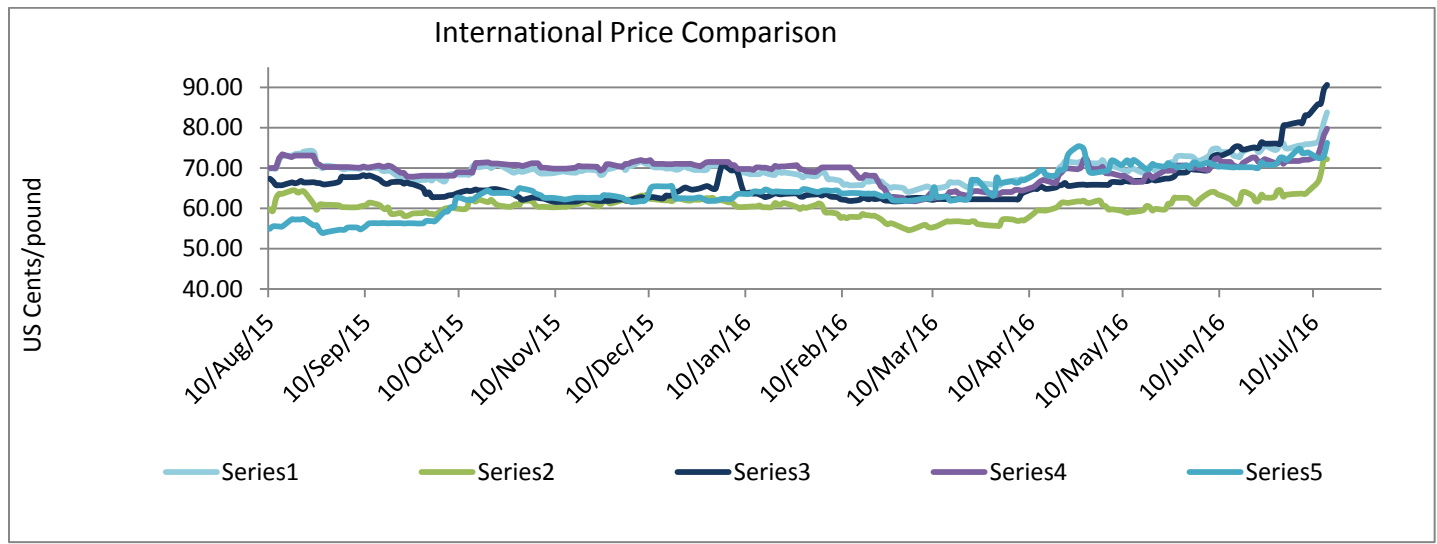
Pakistan Spot Prices

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
	14-July-16	07-July-16	
Prices	6350	6329	0.33
Prices in Rs per 37.32 Kg			

International Price Comparison



Technical Analysis of Cotton Future (Dec'16 Contract) at ICE



Weekly Technical Outlook:

- Candlesticks denote firm tone in the prices.
- Volume and Open Interest are increasing.
- 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	72.00-76.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
70.00	68.50	75.00	76.50

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	14-July-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	73.82	65.25	64.14	66.13	13.13	15.09	11.63
Dec-16	73.87	65.15	63.91	66.11	13.36	15.58	11.74
Mar-17	73.54	65.20	64.62	NA	12.80	13.80	NA
May-17	73.33	65.46	65.08	NA	12.07	12.68	NA
Jul-17	73.05	65.91	65.49	NA	10.91	11.54	NA
Oct-17	72.36	NA	NA	NA	NA	NA	NA

Domestic Cotton Prices and Arrivals at Key Centers

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	09th July to 15th July.16	02nd July to 08th July.16	
Gujarat	Ahmedabad	Shankar-6	6193	6000	193
	Gondal	Shankar-6	6187	5978	209
	Rajkot	B.T. Cotton	6488	6144	344
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5480	5585	-105
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	6275	6083	192
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6395	6160	235
	Fatehabad	B.T. Cotton	6383	6158	225
	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	6806	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4325	4408	-83
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	4100	-
	East Godavari	Un-Ginned	4150	4120	30
Karnataka	Bijapur	Bunny	NA	6269	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6338	6127	211
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	09th July to 15th July.16	02nd July to 08th July.16	
Punjab	Bhatinda	J-34	4807	4572	235
	Abohar	J-34	4806	4576	230
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4788	4550	238
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	09th July to 15th July.16	02nd July to 08th July.16	
Gujarat	Ahmedabad	Shankar-6	6970	6800	170
	Gondal	Shankar-6	2045	507	1538
	Rajkot	B.T. Cotton	1150	885	265
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	3	15	-12
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	1100	800	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1182	1275	-94
	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	NA	NA	-
	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	NA	620	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	172	104	68
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	09th July to 15th July.16	02nd July to 08th July.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
				08th to 14th July.16	01st to 07th July.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34350	34183	167
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34850	34683	167
J-34(202)	26mm	3.5 - 4.9	23	44317	42183	2134
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	45133	42816	2317
Shankar-6(105)	29mm	3.5 – 4.9	28	45633	43050	2583
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47783	45350	2433
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48417	45983	2434
DCH-32(107)	34mm	3.0 - 3.8	33	56283	54683	1600

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