

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 6610 per quintal, which stood at Rs 6778 previous week. Average price of Lint at Sirsa during the week was Rs. 4762 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 4927. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 46833 per candy (of 355.6 kg each) during the week, which was Rs 47833 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 1012.00 per maund (of 20 kg each) which was Rs 1068.50 a week earlier.

Cotton Price Outlook (For Coming Week): In the coming week we expect Kapas price to remain range bound to weak with the price band of Rs. 6100-6500 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4300-4700 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 950-1050 per maund (of 20 kg each).

Major Market Highlights: The government of Punjab has appointed a high level committee to monitor and check the spread of whitefly pest in cotton growing areas. Decision was taken after assessing the report submitted by a five-member central team that had recently visited the whitefly pest affected areas of Abohar in Fazilka district. In Punjab, 1.36 lakh hectares out of total 4.50 lakh hectares of cotton acreage was affected by whitefly attack previous season and the output had declined by 40%.

According to preliminary report by the government, cotton sowing as on 29th July, 2016 has been covered under 92.33 lakh hectares compared to 101.91 lakh hectares during the same period previous year.

According to trade sources, Indian cotton imports are likely to be more than 15 lakh bales in 2015 -16 amid lower domestic supplies due to two consecutive years of drought. Imports might go up to 18 lakh bales this season according to trade sources.

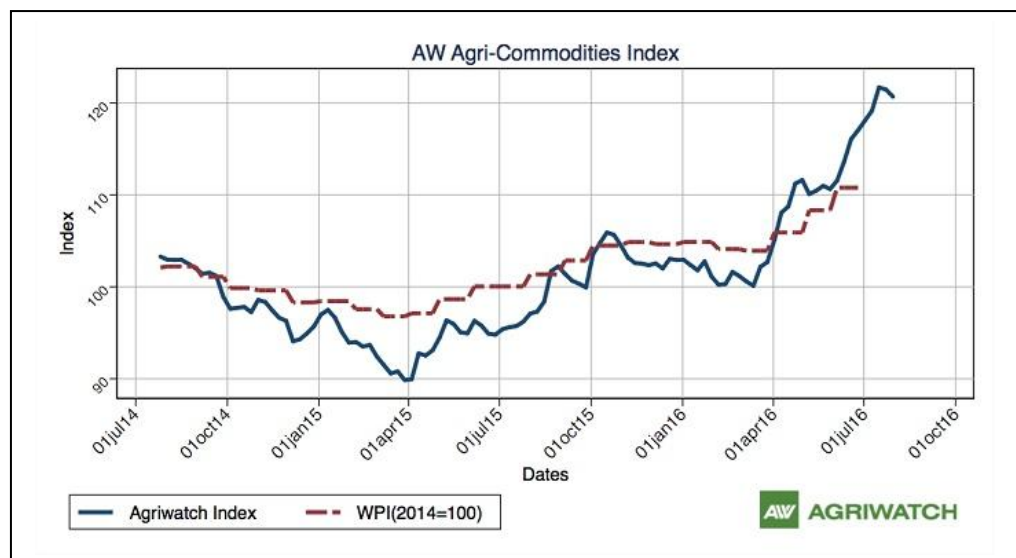
In a first, the Indian government is planning to launch a cotton price index of its own after taking into account benchmark rates from four different sources. The index will be made up of prices of cotton on the Multi-Commodity Exchange of India (MCX) and those of the Cotton Association Of India (CAI), the Indian Cotton Federation (ICF) and the Cotlook Index.

India exported 0.124 lakh bales of cotton last week (18 -24 July 2016), which was 0.251 lakh bales previous to last week (11 -17 July 2016), according to the data released by IBIS and compiled by Agriwatch.

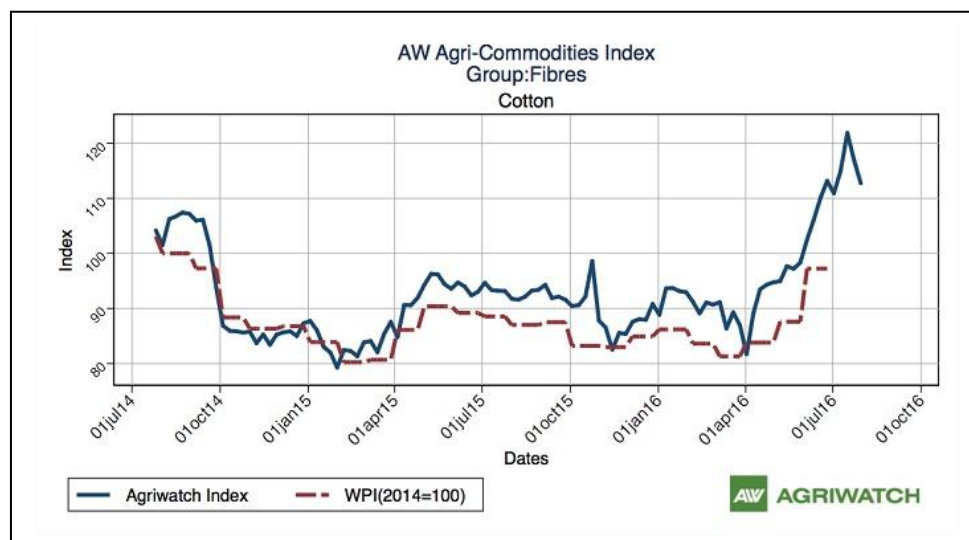
Major importer of Indian cotton during the week (18 -24 July, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.085 lakh bales of cotton from India in the past week (18 -24 July, 2016). Other major importers were Pakistan, China, Japan and Thailand and their imported volumes were 0.018 lakh bales, 0.006 lakh bales, 0.002 lakh bales and 0.001 lakh bales respectively.

AW Cotton Index - 31 July. 2016

The Agriwatch Agri Commodities Index dipped 0.64% to 120.70 during the week ended July 30, 2016 from 121.47 during the previous week, led by easing in prices of pulses, cereals and cotton. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -3.58% week-on-week.



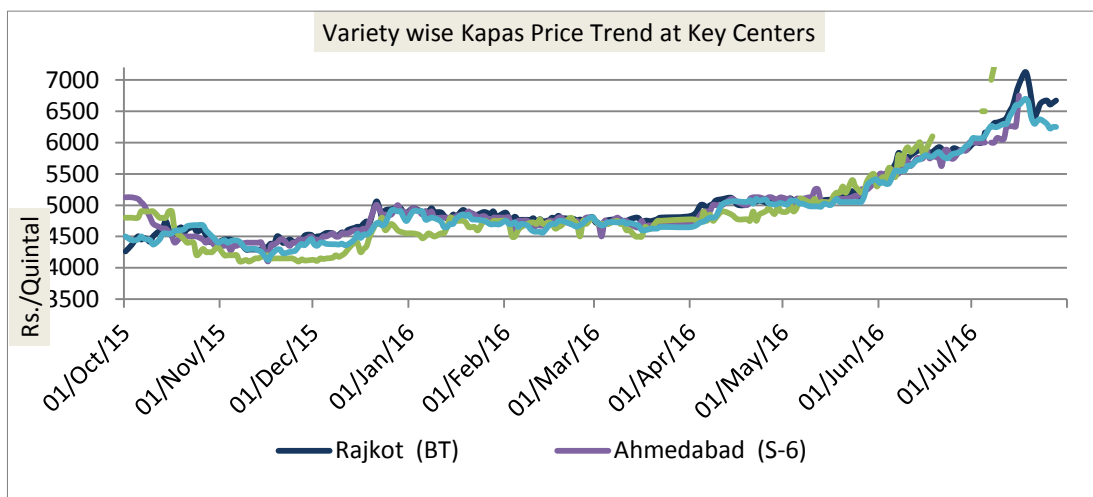
"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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 weak during the week amid lack of demand around higher levels. Weekly average price of Kapas at Rajkot remained Rs. 6610 per quintal, lower as compared to previous week price of Rs. 6778 per quintal.

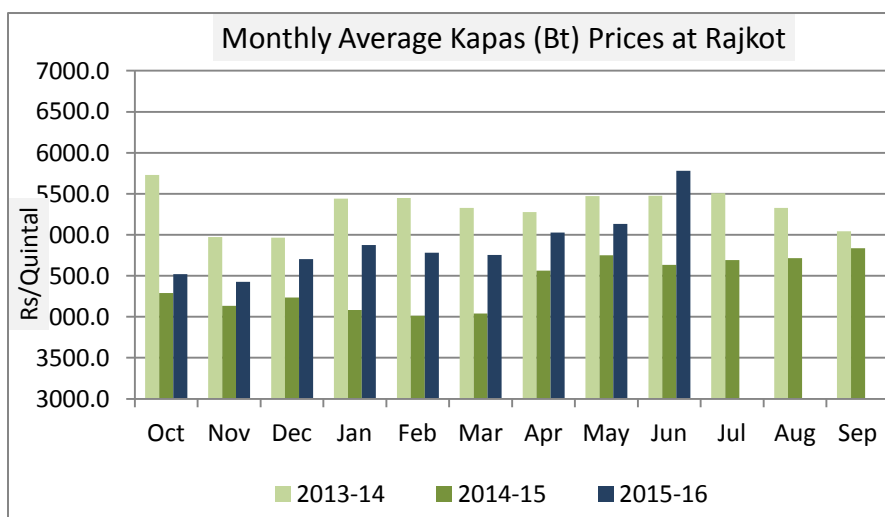


According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and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

Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 6100-6500 per quintal for the coming week.

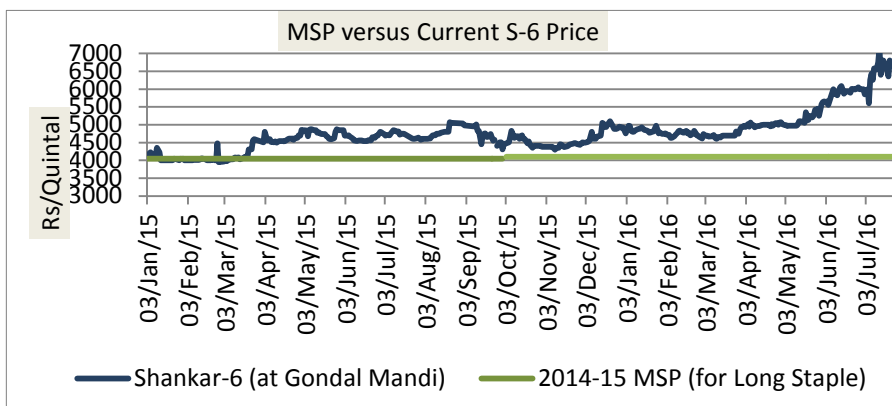
Kapas Monthly Y-o-Y Price Scenario

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 narrowed this week. The average gap between the prices was Rs 2521.67 this week compared to Rs 2609.17 a week earlier. This indicates prices are increasing.

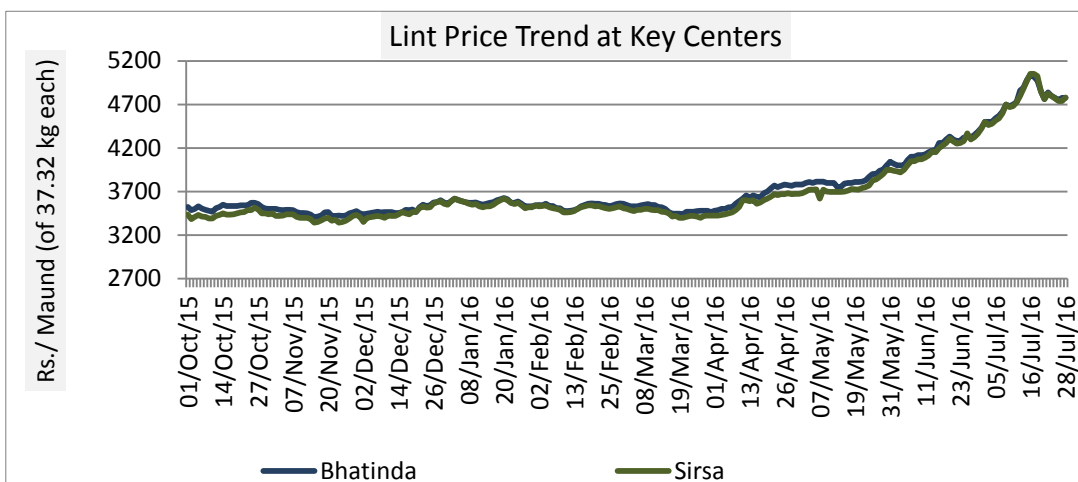


Lint (De-Seeded Cotton) Weekly Price Scenario

Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 4762 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4927 per maund.

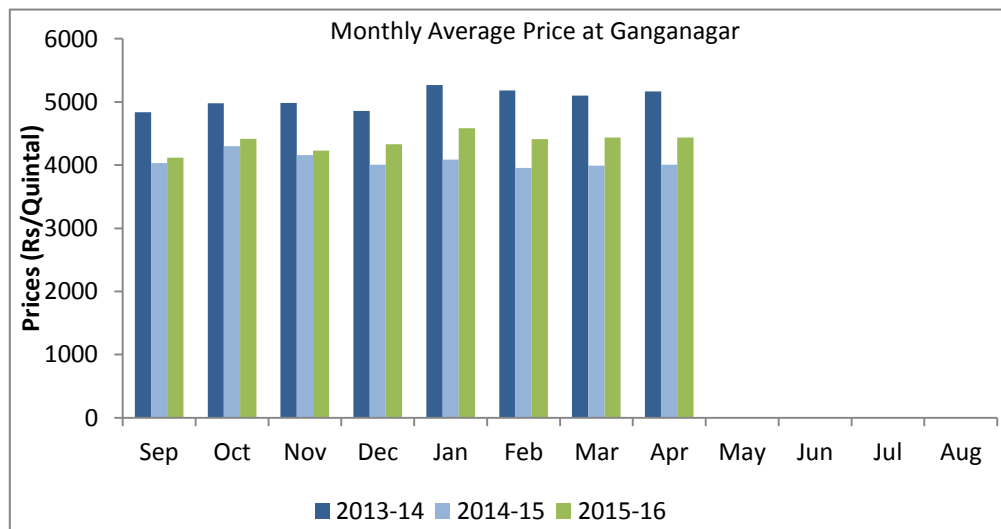
Weekly Price Outlook: Lint

prices are expected to remain range bound to weak during the week. We expect Lint at Sirsa to remain in range of Rs. 4300-4700 per maund.



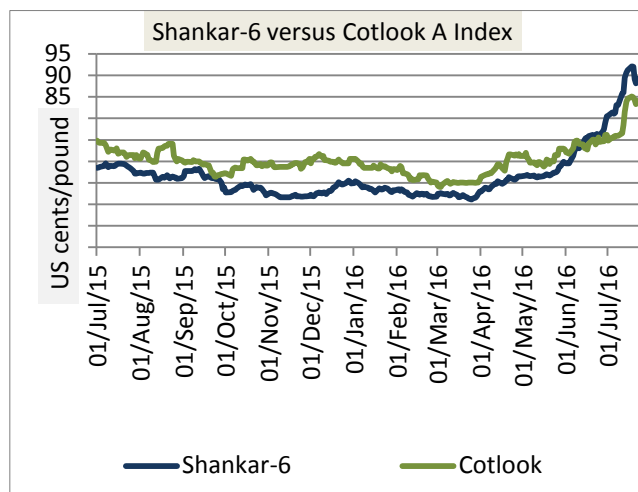
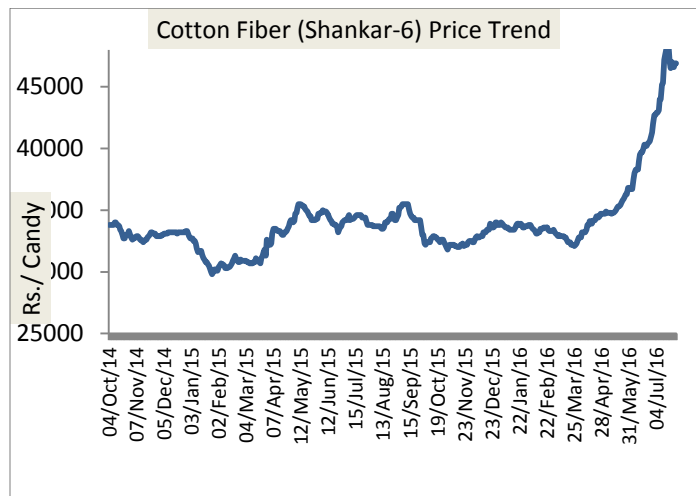
Lint Monthly Y-o-Y Price Scenario

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 southwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 46833 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 47833 per candy.

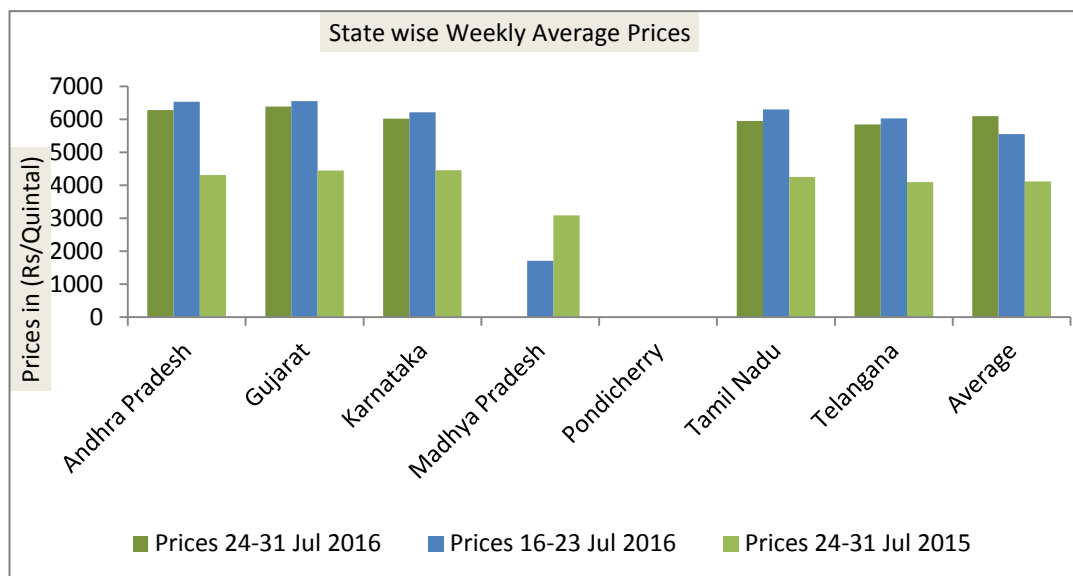


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 84.33 cents/pound, Indian weekly average price stood at 88.79 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 43000-46000 per candy

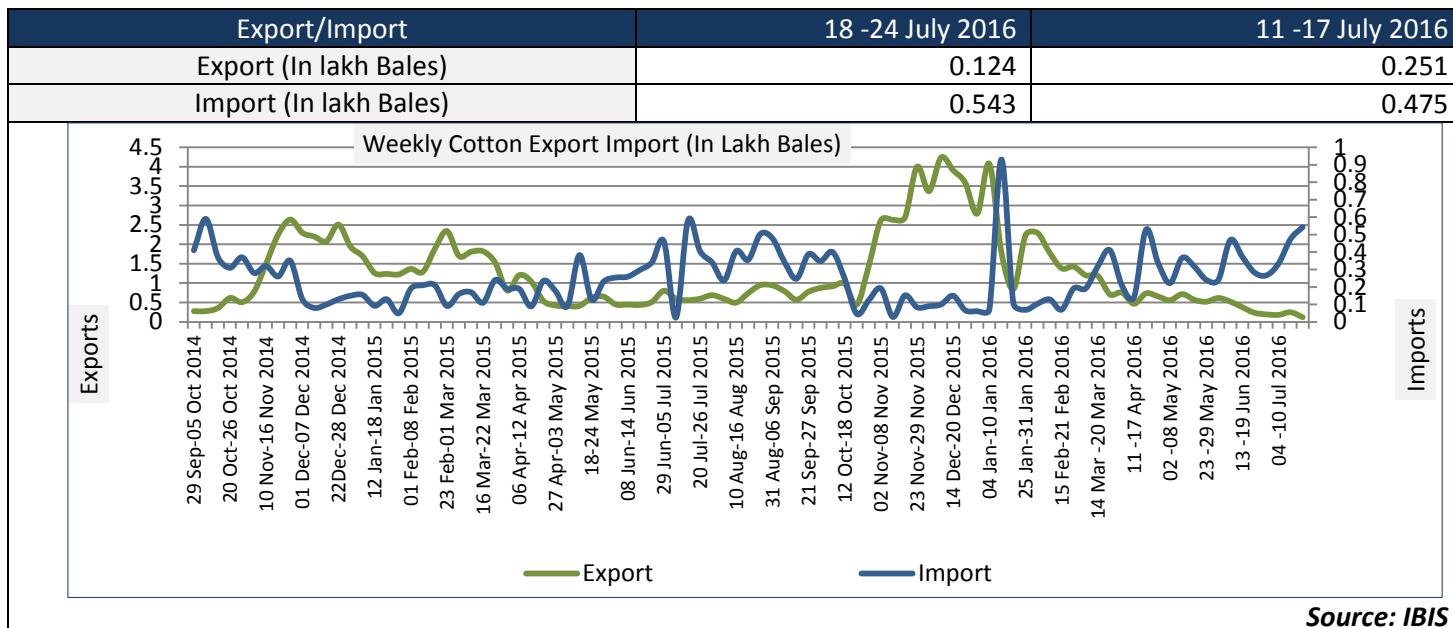
State wise Weekly Price Scenario

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

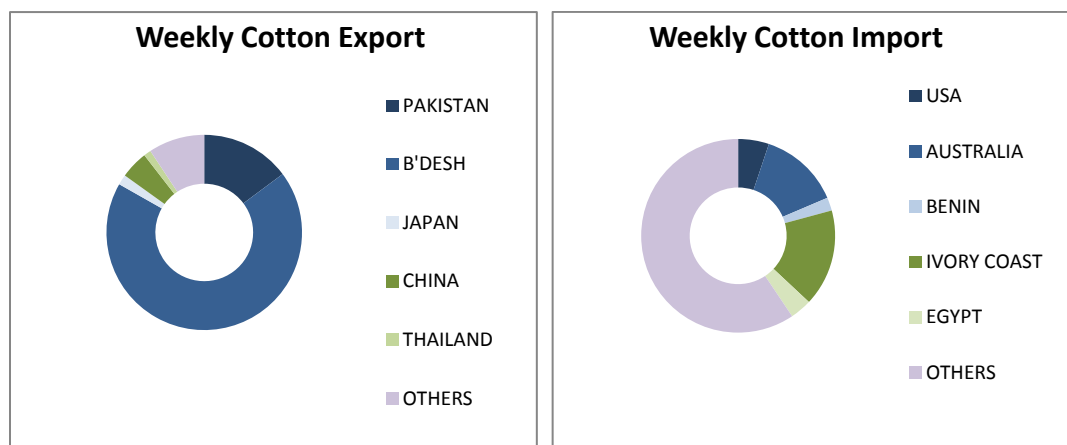


Cotton Weekly Export and Import

India exported 0.124 lakh bales of cotton last week (18 -24 July 2016), which was 0.251 lakh bales during the week before previous to last week (11 -17 July 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.543 lakh bales last week, which was 0.475 lakh bales the week before last.previous to last week.



Major importer of Indian cotton during the week (18 -24 July 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.085 lakh bales of cotton from India in the past week (18 -24 July 2016). Other major importers were Pakistan, China, Japan and Thailand and their imported volumes were 0.018 lakh bales, 0.006 lakh bales, 0.002 lakh bales and 0.001 lakh bales respectively. India exported 0.124 lakh bales of cotton last week (18 -24 July 2016), which was 0.251 lakh bales previous to last week (11 -17 July 2016), according to the data released by IBIS and compiled by Agriwatch.



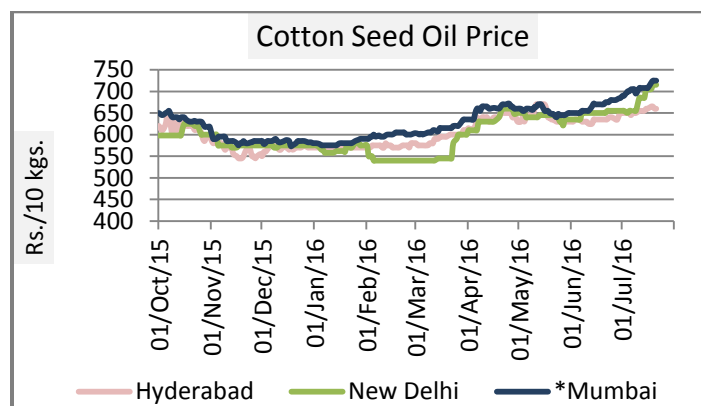
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 695 per 10 Kg, steady as compared to the weekly average price of Rs 719 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	28-July-16	21-July-16	
New Delhi	695	710	-2.11
Rajkot	718	725	-1.01
Hyderabad	663	662	0.13
Mumbai*	721	719	0.37

*Vat Included

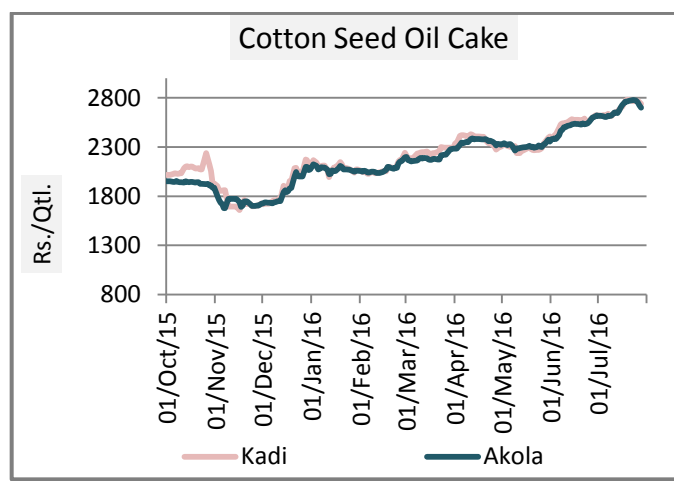


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 27461 per quintal, higher compared to the weekly average price of previous week of Rs 2749 per quintal.

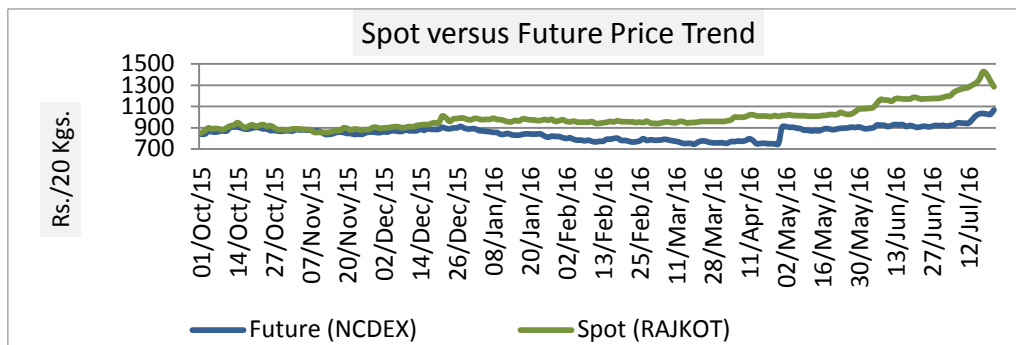
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	28-July-16	21-July-16	
Kadi	2761	2645	4.02
Akola	2750	2639	4.14

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 1012.00 as on 28 July 2016, compared to 1068.50 a week earlier. The gap between the spot and future prices has narrowed. Average gap between the spot and future price during the week was Rs.291.90 which was Rs 322.00 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 overbought region.
- Price closed above 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	975-1075

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
1000	950	1050	1100
Figures in Rs/20 Kg			

International Market Scenario

International cotton prices remained range bound to weak during the week. Cotlook A index weekly average stood at 84.33 cents/pound this week, which was 84.43 cents/pound during last week.

Major Market Highlights: India exported 101.8 million kg of spun yarns worth US\$283 million or INR1,881 crore in June 2016 at an average realisation of US\$2.78 per kg. This was significantly lower compared to same corresponding month a year ago. Export volume was down 12% Y-o-Y and value declined 17% in US\$ terms. The drop also reflects the lean season for global textile industry in this part of the year. Exports have declined amid increasing prices in the domestic market and limited demand.

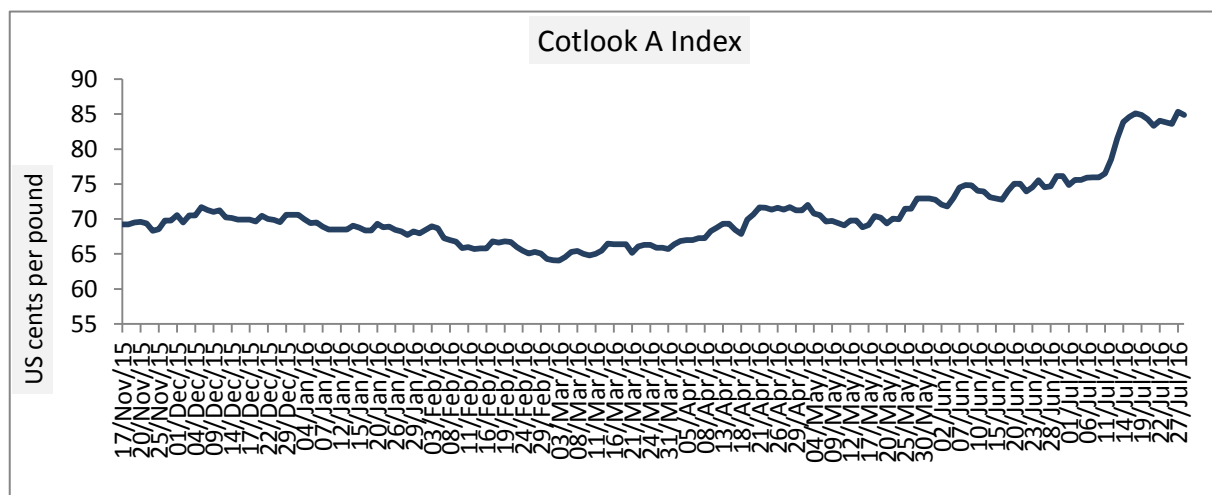
According to official sources at the Ministry of Textile Industry, cotton sowing in Pakistan is less by 21 per cent this season compared to previous season. The government has made a downward revision in cotton production target as well as area and fixed at 14.1 million bales from 7.4 million acres for the season 2016-17 compared to 15.49 million bales from 7.7 million acres estimated for the season 2015-16.

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 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.

Cotlook A Index	Weekly Average Price as on		% Change
	28-July-16	21-July-16	
Prices	84.33	84.43	-0.1
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

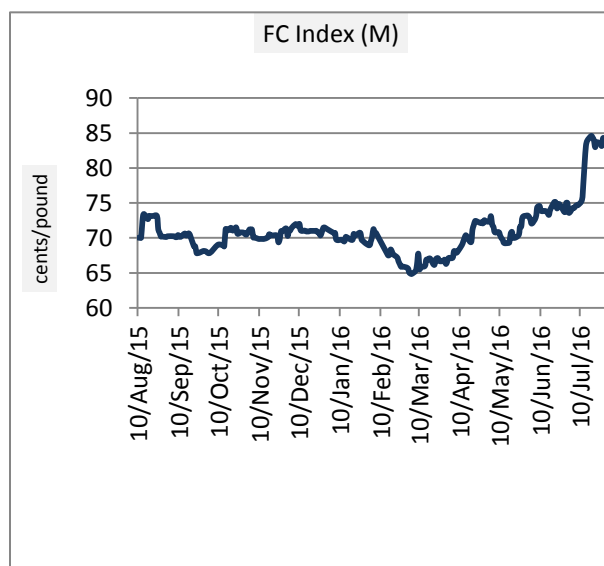
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

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
	28-July-16	21-July-16	
FC (S)	86.19	86.45	-0.31
FC (M)	83.70	83.98	-0.33
FC (L)	80.55	80.69	-0.17
Prices in US cents per Pound			

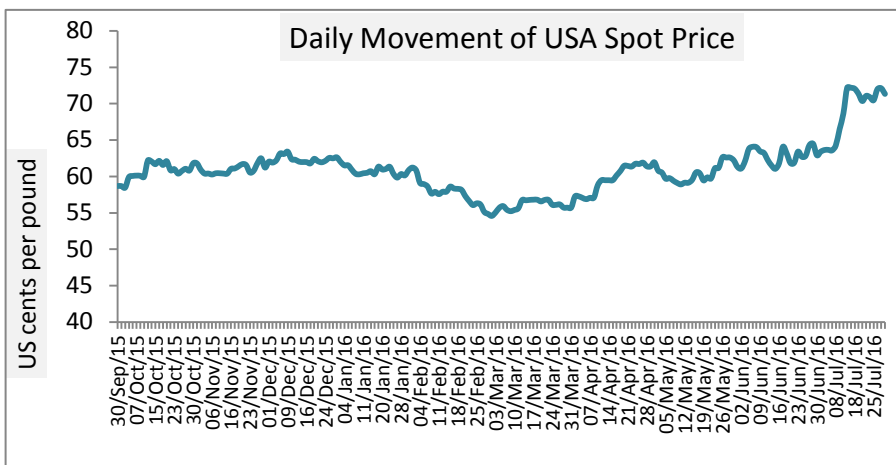
China Index remained firm during the week. CC Index (328) remained 14339 Yuan per ton during the week. Average was 13452 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	28-July-16	21-July-16	
CCIndex(229)	15291	14521	5.31
CCIndex(328)	14339	13452	6.60
CCIndex(527)	15580	14805	5.24
Prices in Yuan per ton			



USA Spot Prices

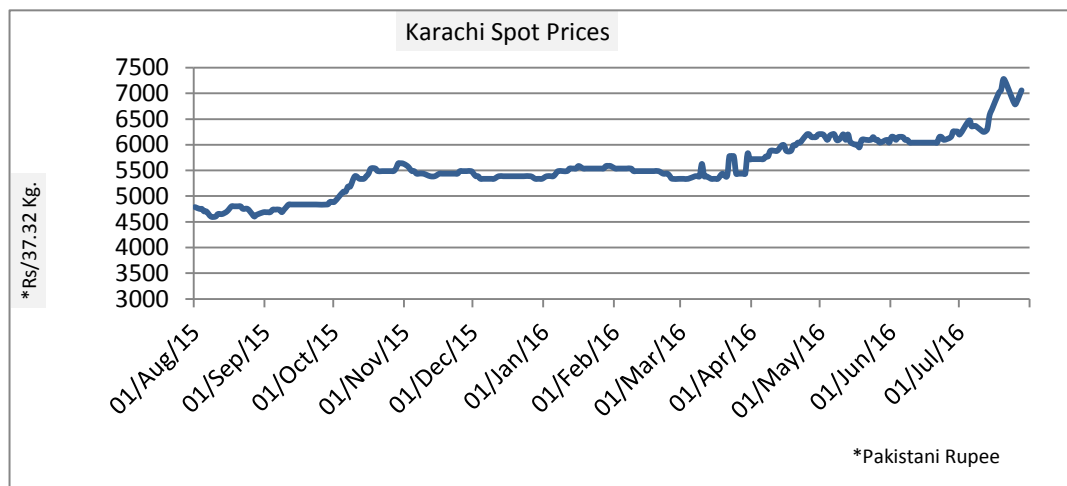
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon rainfall combined with pest damage in the northern States. World ending stocks are now projected at 100.27 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	28-July-16	21-July-16	
Prices	71.37	71.41	-0.06
Prices in US cents per Pound			

Pakistan Spot Prices

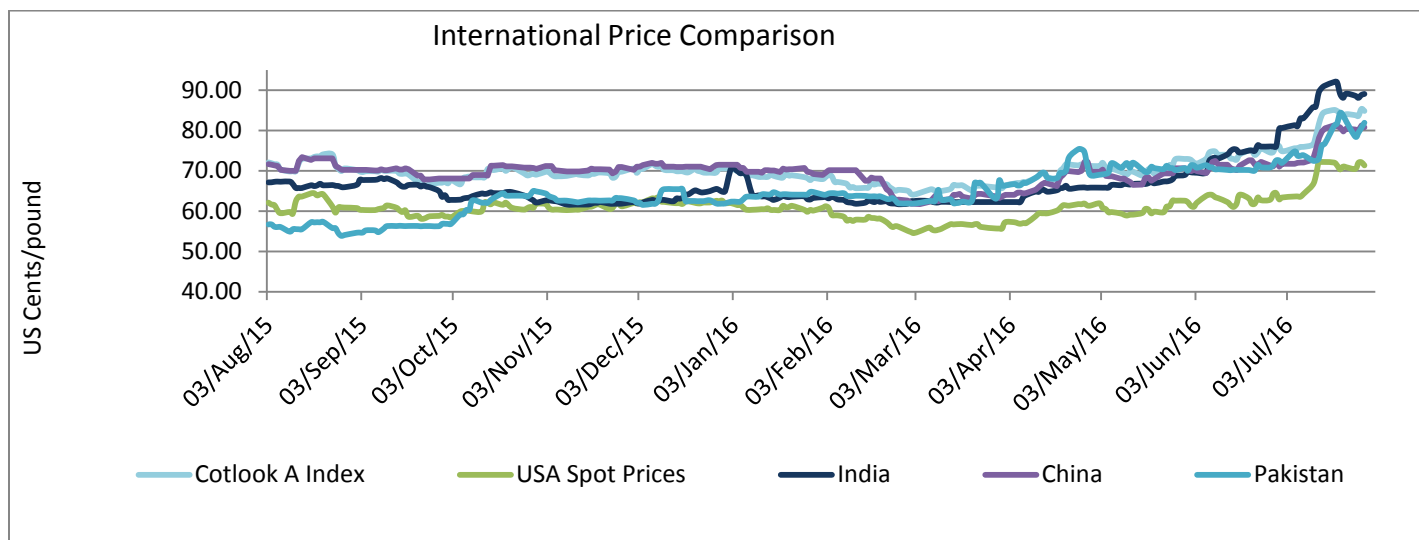
Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has had set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and is now expected to be around 141.00 lakh bales due to the severe crop loss of 34% due



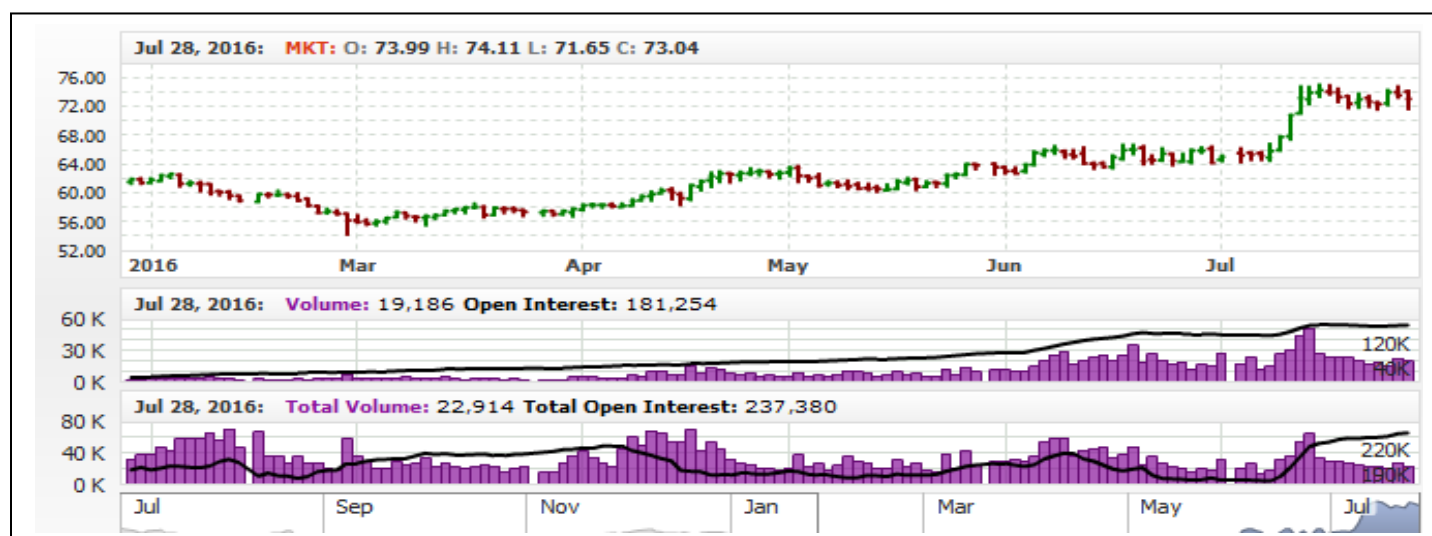
to pest attack. The lower production in the country may open channels for the more exports from India, as Pakistan would import to fulfill its domestic demands.

Karachi Spot Prices	Weekly Average Price as on		% Change
	28-July-16	21-July-16	
Prices	6950	7047	-1.38
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	71.00-75.00

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	28-July-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	73.02	72.66	66.14	64.38	64.60	10.40	13.42
Dec-16	73.04	72.97	65.86	64.24	0.10	10.90	13.70
Mar-17	73.26	73.52	66.12	NA	-0.36	10.80	NA
May-17	73.12	73.52	66.34	NA	-0.54	10.22	NA
Jul-17	72.86	73.37	66.70	NA	-0.69	9.24	NA
Oct-17	72.21	72.78	NA	NA	NA	NA	NA

Domestic Cotton Prices and Arrivals at Key Centers

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	23th to 29th July.16	16th to 22th July.16	
Gujarat	Ahmedabad	Shankar-6	NA	6750	-
	Gondal	Shankar-6	6522	6735	-213
	Rajkot	B.T. Cotton	6610	6778	-168
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	6408	6408	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6270	6500	-230
	Fatehabad	B.T. Cotton	6279	6463	-183
	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	4458	4475	-17
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	4152	4150	2
Karnataka	Bijapur	Bunny	6607	6848	-241
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6043	6056	-12
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	23th to 29th July.16	16th to 22th July.16	
Punjab	Bhatinda	J-34	4768	4915	-148
	Abohar	J-34	4769	4906	-137
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4762	4927	-165
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23th to 29th July.16	16th to 22th July.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	241	117	124
	Rajkot	B.T. Cotton	860	1245	-385
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	600	700	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	493	782	-289
	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	1020	780	240
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	69	112	-43
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23th to 29th July.16	16th to 22th 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
				22th to 28th July.16	15th to 21th July.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34433	34767	-333
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34933	35267	-333
J-34(202)	26mm	3.5 - 4.9	23	44900	46150	-1250
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46150	47100	-950
Shankar-6(105)	29mm	3.5 - 4.9	28	46833	47833	-1000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49017	49767	-750
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49667	50467	-800
DCH-32(107)	34mm	3.0 - 3.8	33	56867	56433	433

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