Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 6400 per quintal, which stood at Rs 6610 previous week. Average price of Lint at Sirsa during the week was Rs. 4784 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 4762. Cotton fiber (Shankar-6) prices remained weak this week. Average price was Rs 46700 per candy (of 355.6 kg each) during the week, which was Rs 46833 per candy previous week. Future price of cotton (at NCDEX, April’17 contract) closed higher this week at Rs. 1022.00 per maund (of 20 kg each) which was Rs 1012.00 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 4400-4800 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: According to State Government officials, Ffarmers in Punjab have started uprooting cotton crop in parts of Punjab amid fears of whitefly pest attack. according to State government officials. Whitefly pest had affected the cotton crop in Punjab and Haryana previous year. Farmers are worried of increased infestation if the hot and humid weather continues to prevail for the next 15-20 days.

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 corresponding period previous year.

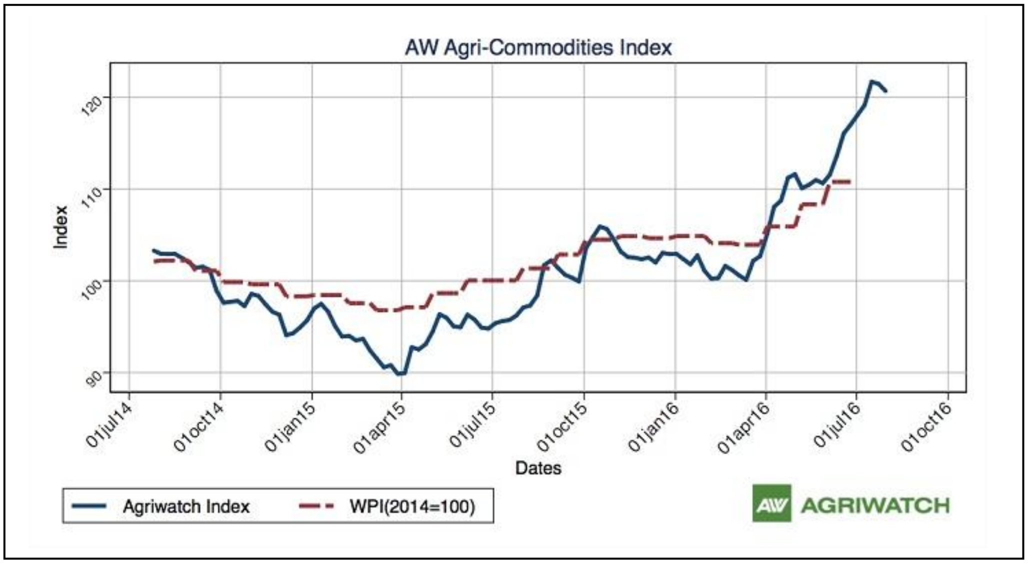
According to trade sources, Indian cotton imports are likely to be more than 15 lakh bales in 2015 -16 amid lower domestic supplies due to two consecutive years of drought. Imports might go up to 18 lakh bales this season according to trade sources.

India exported 0.194 lakh bales of cotton last week (25 -31 July 2016), which was 0.124 lakh bales previous to last week (18 -24 July 2016), according to the data released by IBIS and compiled by Agriwatch.

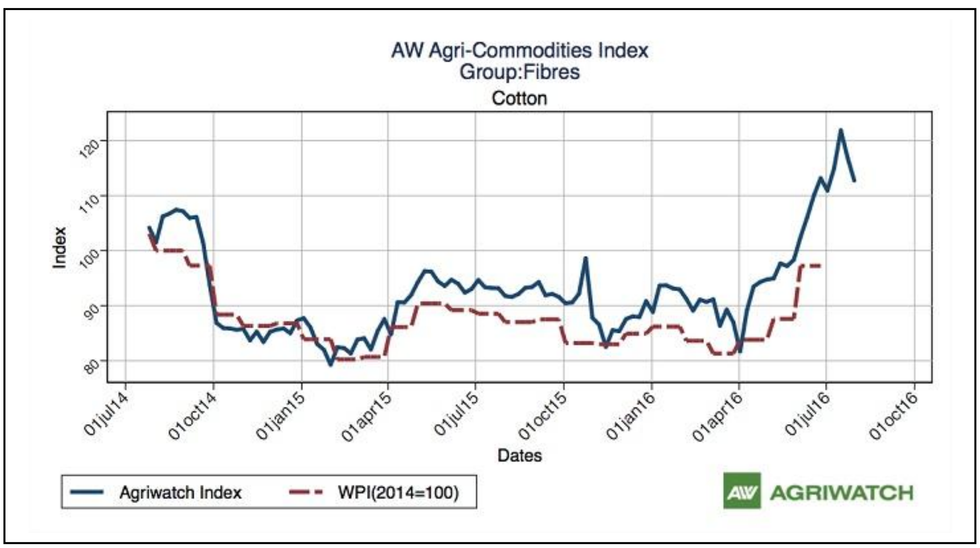
Major importer of Indian cotton during the week (25 -31 July, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.143 lakh bales of cotton from India in the past week (25 -31 July, 2016). Other major importers were Vietnam, Indonesia, Taiwan and Japan and their imported volumes were 0.030 lakh bales, 0.012 lakh bales, 0.006 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.

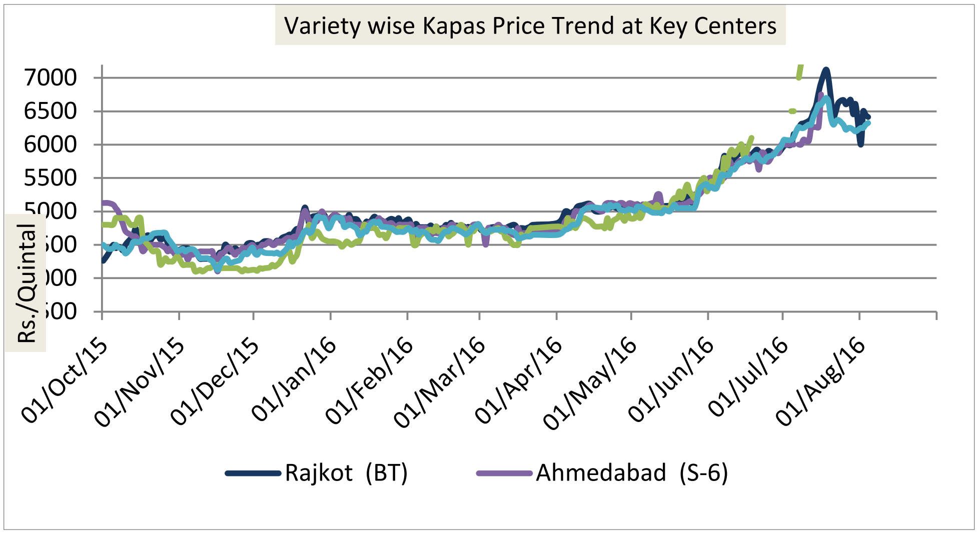


"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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. 6400 per quintal, lower as compared to previous week price of Rs. 6610 per quintal.

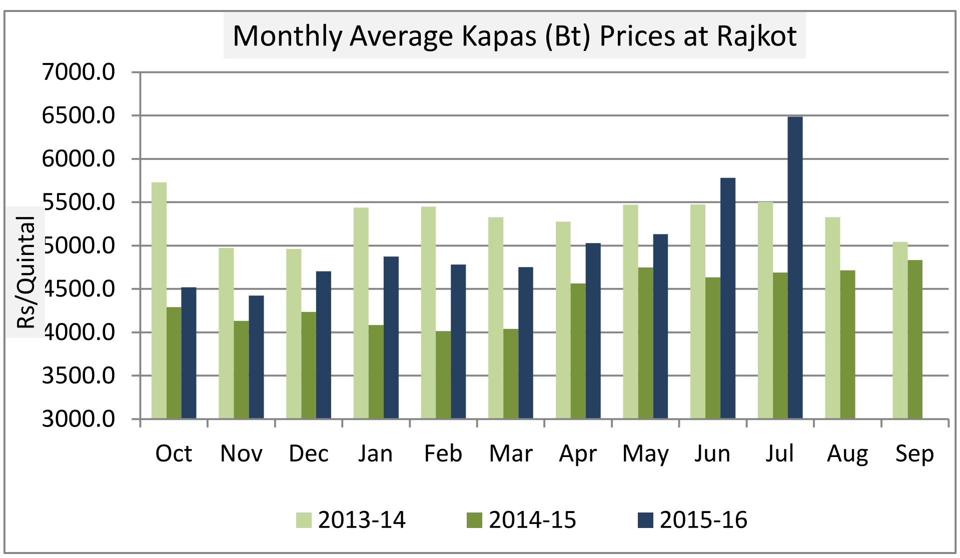


According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higherHigher yields are expected through a combination of better crop, pest, and weed management practices and assuming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

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

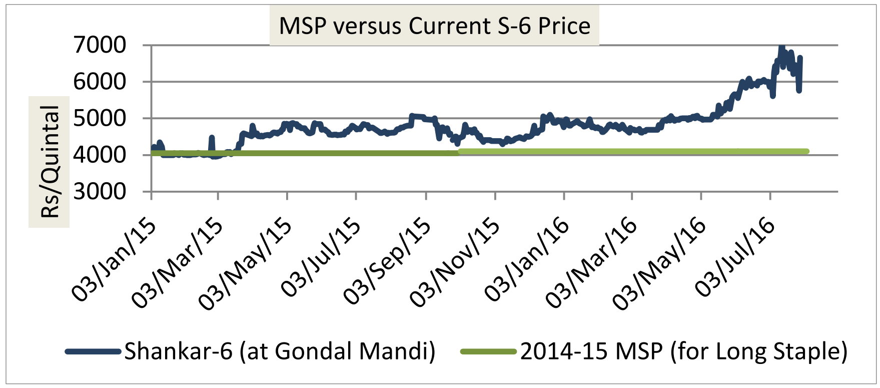
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the month of July month following the lack of availability and good export demand. The cotton price remained firm during July compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.



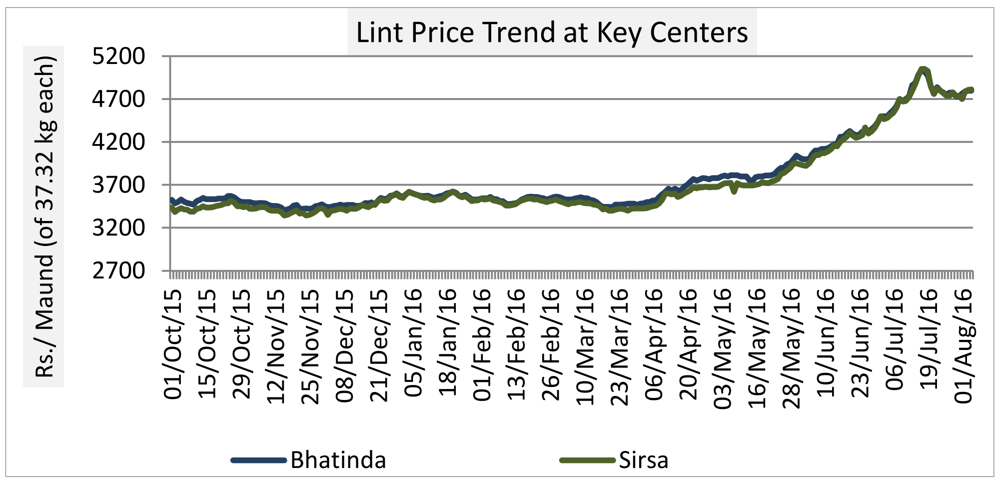
Spot Price versus MSP

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 2205 this week compared to Rs 2521.67 a week earlier. This indicates prices are declining.



Lint (De-Seeded Cotton) Weekly Price Scenario

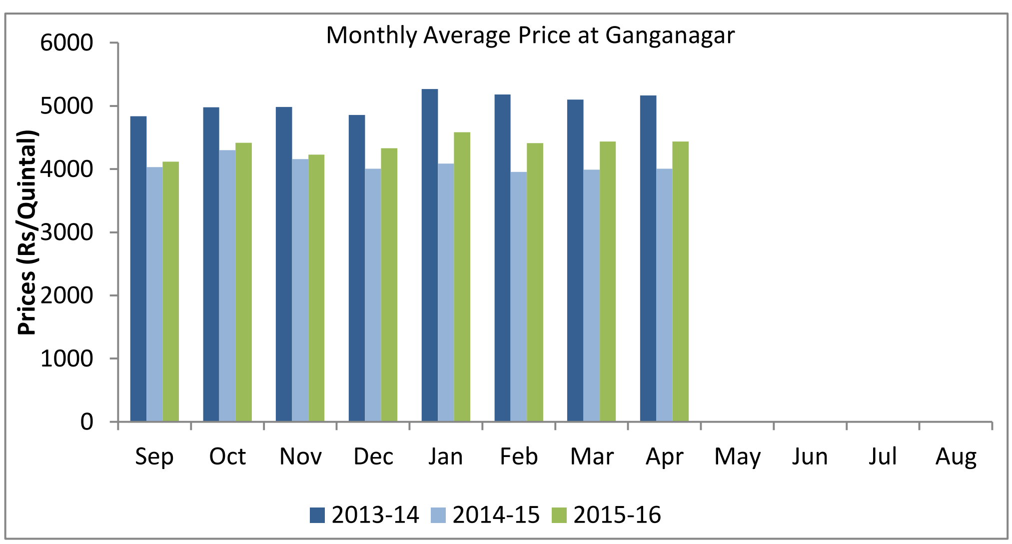
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4784 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4762 per maund.



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. 4400-4800 per maund.

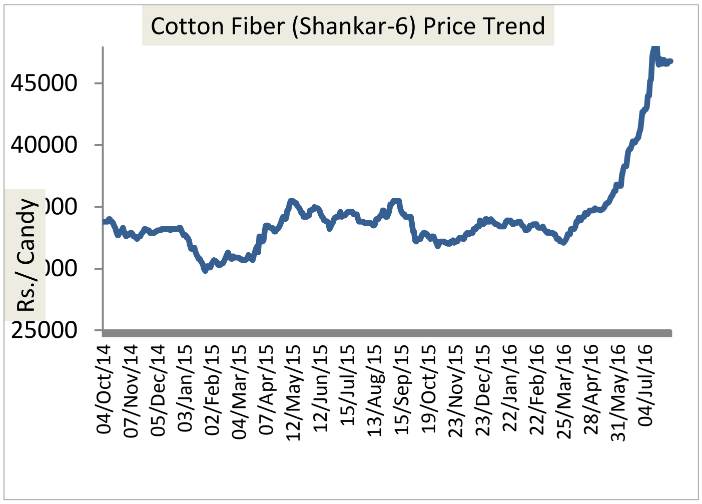
Lint Monthly Y-o-Y Price Scenario

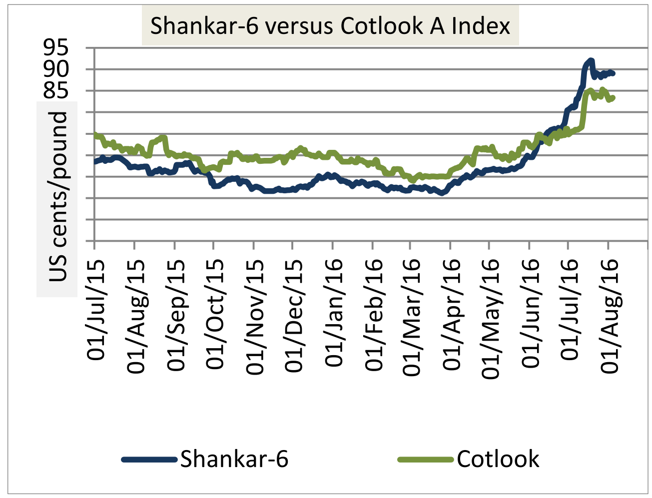
Following the firmness in Kapas prices, lint prices too remained firm. Currently there are no arrivals in Ganganagar.



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 46700 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 46833 per candy.



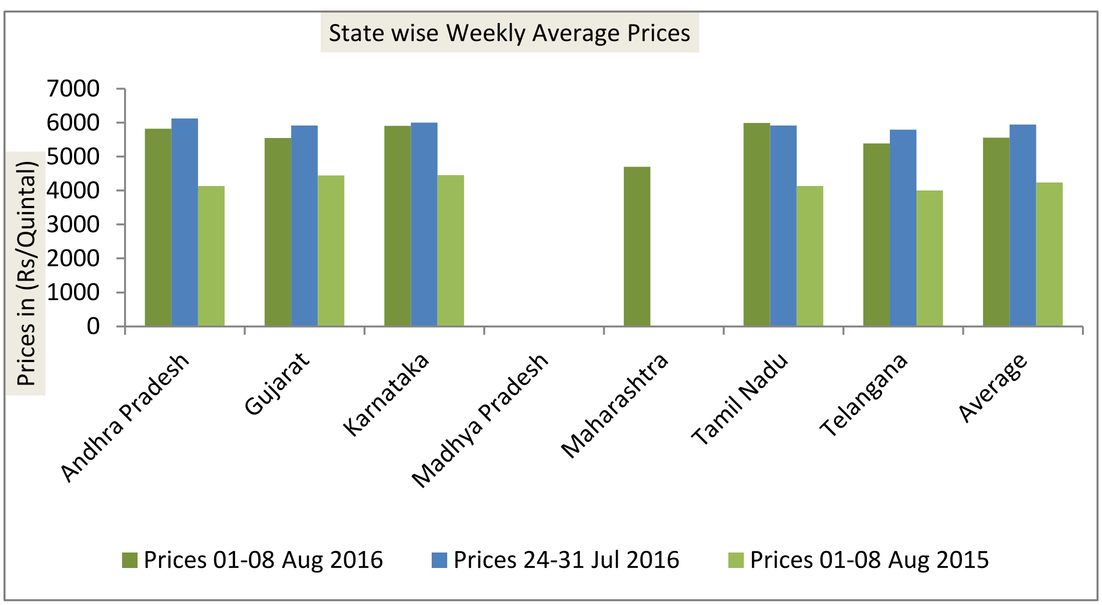


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 83.38 cents/pound, Indian weekly average price stood at 88.99 cents/pound, making Indian fiber incompetitive in international market.

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

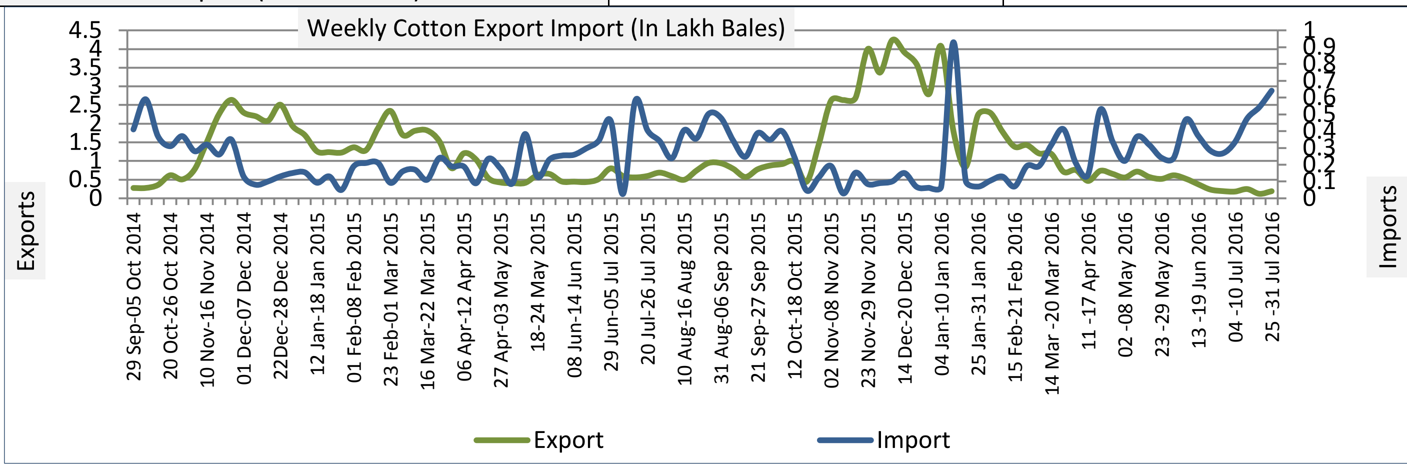
On week on week basis, prices are by and large showing weak trend in most of the States, highest price was recorded in TamilNadu followed by Andhra Pradesh this week and lowest was in Maharashtra followed by Telangana. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.



Cotton Weekly Export and Import

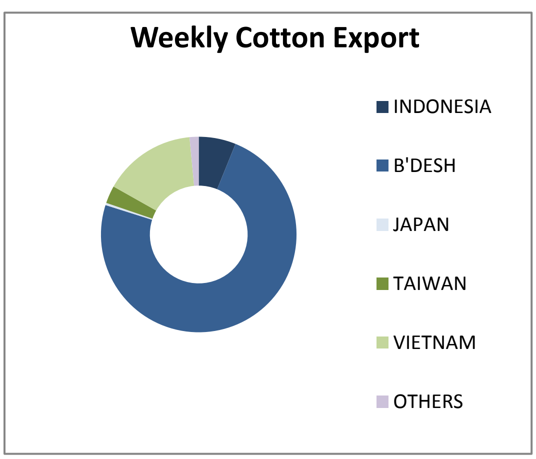
India exported 0.194 lakh bales of cotton last week (18 -24 July 2016), which was 0.124 lakh bales during the week before previous to last week (18 -24 July 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.641 lakh bales last week, which was 0.543 lakh bales the week before last.previous to last week.

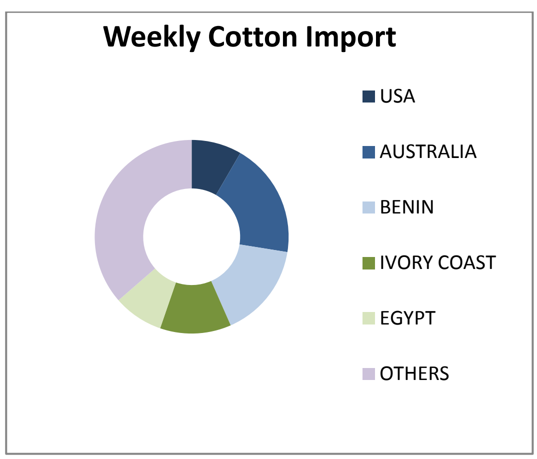
Export/Import	25 -31 July 2016	18 -24 July 2016
Export (In lakh Bales)	0.194	0.124
Import (In lakh Bales)	0.641	0.543



Source: IBIS

Major importer of Indian cotton during the week (25 -31 July 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.143 lakh bales of cotton from India in the past week (25 -31 July 2016). Other major importers were Vietnam, Indonesia, Taiwan and and their imported volumes were 0.030 lakh bales, 0.012 lakh bales, 0.006 lakh bales and 0.001 lakh bales respectively. India exported 0.194 lakh bales of cotton last week (25 -31 July 2016), which was 0.124 lakh bales previous to last week (18 -24 July 2016), according to the data released by IBIS and compiled by Agriwatch.





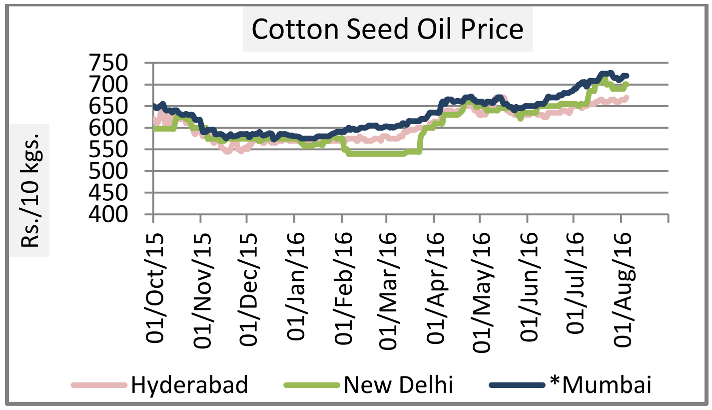
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 693 per 10 Kg, steady as compared to the weekly average price of Rs 695 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	04-Aug-16	28-July-16	
New Delhi	693	695	-0.31
Rajkot	723	718	0.75
Hyderabad	664	663	0.16
Mumbai*	716	721	-0.66

*Vat Included

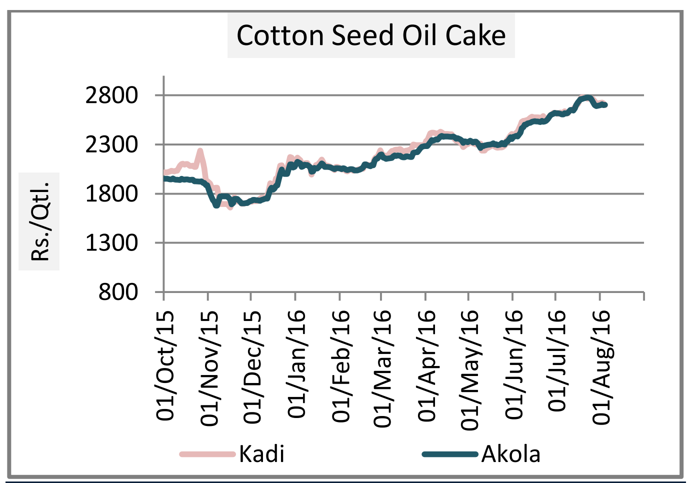


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2720 per quintal, higher compared to the weekly average price of previous week of Rs 2761 per quintal.

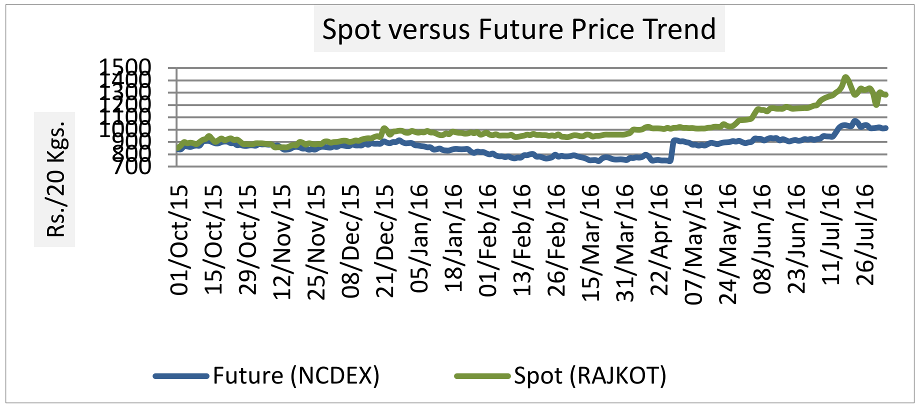
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	04-Aug-16	28-July-16	
Kadi	2720	2761	-1.48
Akola	2700	2750	-1.82

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 1022.00 as on 04 Aug 2016, compared to 1012.00 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.259.90 which was Rs 291.90 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	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 83.38 cents/pound this week, which was 84.33 cents/pound during last week.

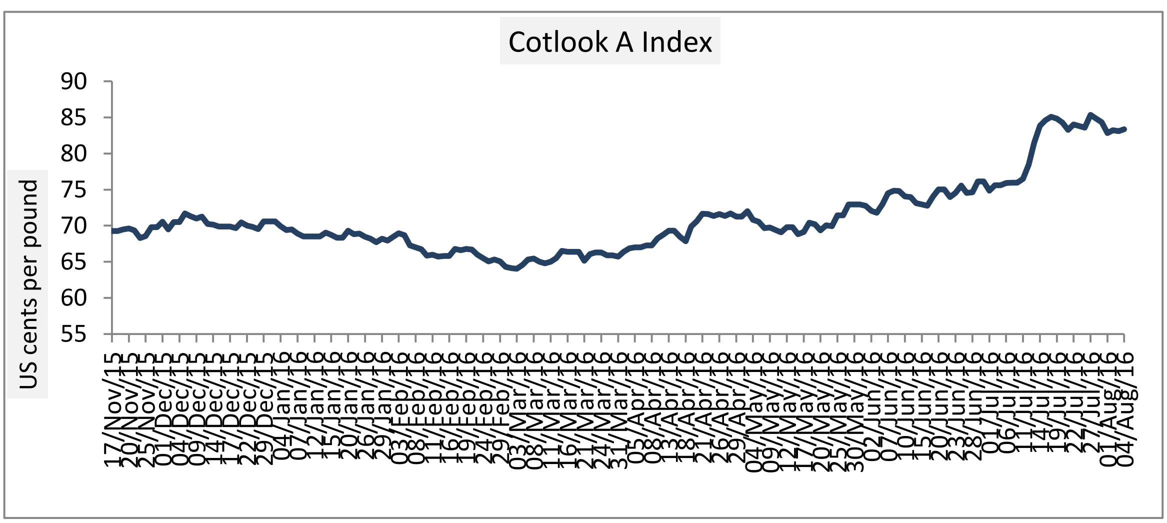
Major Market Highlights: The International Cotton Advisory reduced world cotton stock estimates to a four –year low of 18.83 million tonnes for the 2016 -17 season. Lower production and better demand in China have resulted in lower stocks. Chinese production is expected to decline by 26% to 4.8 million tonnes in 2016 -17, with the harvest in India seen down 11% at 5.7m tonnes. However, the stocks revision also reflected improved ideas on demand, now seen showing a small increase in 2016-17, of 80,000 tonnes to 23.9m tonnes. Use in China, the top consuming country, was estimated at 7.1m tonnes.

The Pakistan government has increased the import duty of raw cotton from two per cent to three per cent with additional duty of one per cent, making total import duty of four per cent. According to industry sources, the increase in import duty will increase the cost of the basic raw material and make it difficult for the textile industry to operate and contribute to higher exports and provision of yarn to the domestic downstream.

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
	04-Aug-16	28-July-16	
Prices	83.38	84.33	-1.1
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

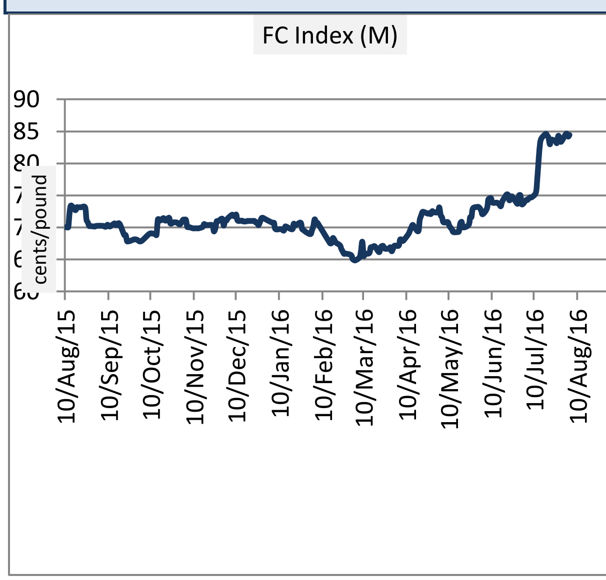
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

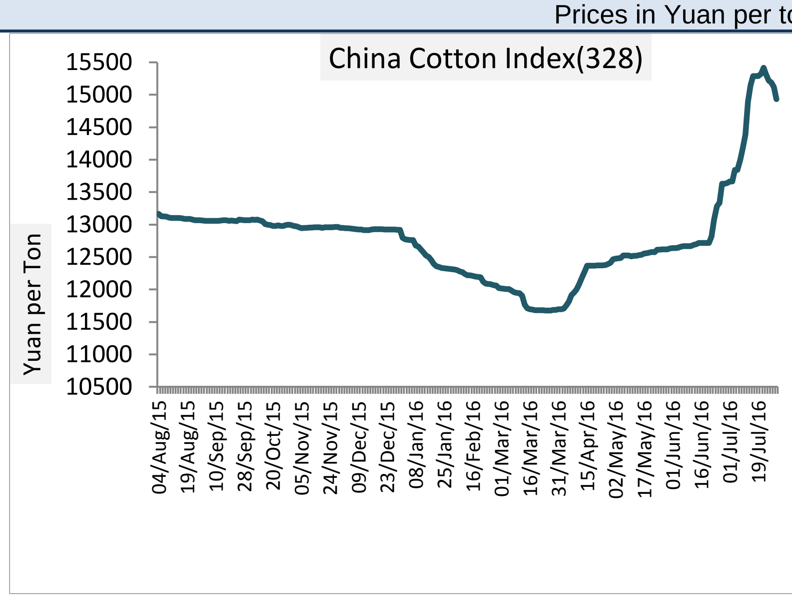
China cotton imports have moved to 9 years low, according to the calculation of Reuters. The country imported 188,200 tons of cotton in December, around 28.85 per cent lower compared to the volume in the corresponding month of previous year. However till December the total volume for the calendar year stood at 1.48 million tons, the lowest level in last nine years, according to Reuters.

Cotton Index	Weekly Average Price as on		% Change
	04-Aug-16	28-July-16	
FC (S)	86.76	86.19	0.67
FC (M)	84.22	83.70	0.62
FC (L)	81.23	80.55	0.84
Prices in US cents per Pound			

China Index remained firm during the week. CC Index (328) remained 14242 Yuan per ton during the week. Average was 14339 Yuan per ton during previous week.

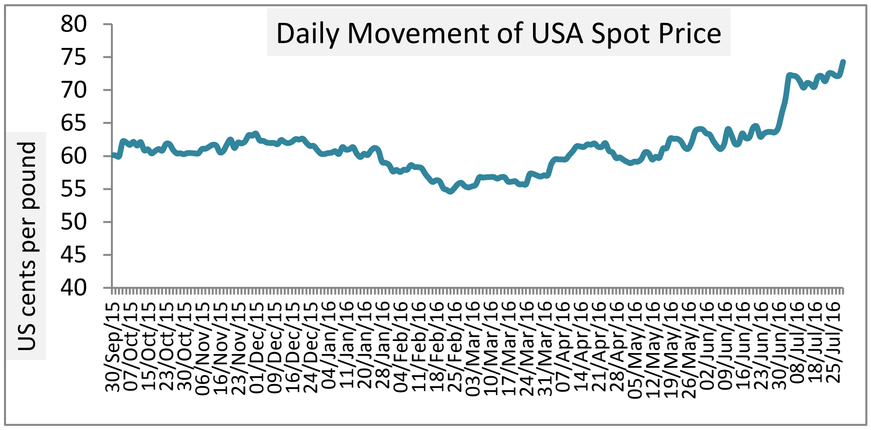
Cotton Index	Weekly Average Price as on		% Change
	04-Aug-16	28-July-16	
CCIndex(229)	15153	15291	-0.91
CCIndex(328)	14242	14339	-0.68
CCIndex(527)	15426	15580	-0.99
Prices in Yuan per ton			





USA Spot Prices

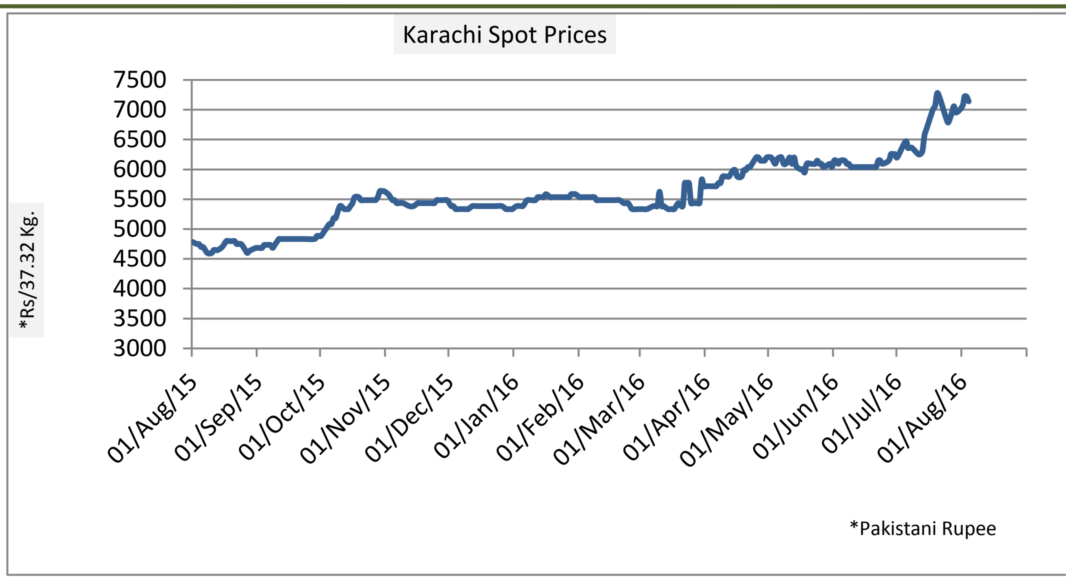
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	04-Aug-16	28-July-16	
Prices	72.75	71.37	1.93
Prices in US cents per Pound			

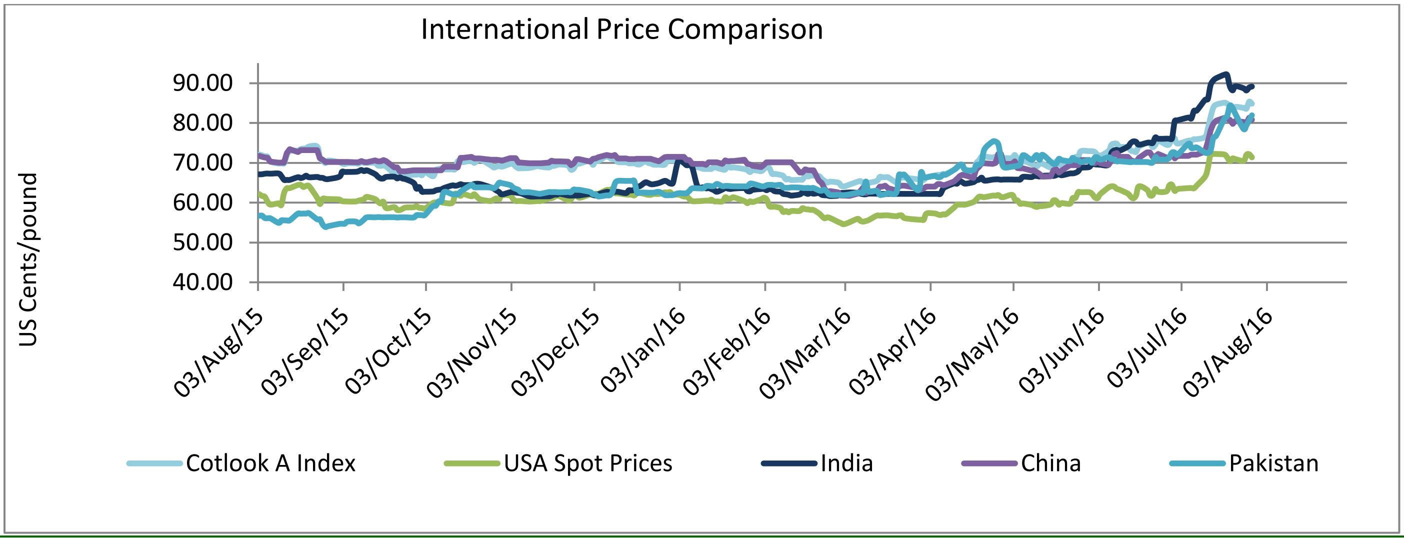
Pakistan Spot Prices

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
	04-Aug-16	28-July-16	
Prices	7116	6950	2.39
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	73.00-77.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
73.20	71.50	76.50	78.00
Figures in US cents/pound			

Cotton Future Prices at ICE

Contracts	04-Aug-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	75.86	73.02	65.10	64.91	64.60	16.53	16.87
Dec-16	75.83	73.04	64.99	63.64	3.82	16.68	19.15
Mar-17	75.90	73.26	65.24	NA	3.61	16.34	NA
May-17	75.47	73.12	65.48	NA	3.21	15.26	NA
Jul-17	75.14	72.86	65.85	NA	3.12	14.11	NA
Oct-17	74.45	72.21	NA	NA	NA	NA	NA

Domestic Cotton Prices and Arrivals at Key Centers

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	30th July to 05th Aug.16	23th to 29th July.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	6325	6522	-197
	Rajkot	B.T. Cotton	6400	6610	-210
	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	6350	6408	-58
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6304	6270	34
	Fatehabad	B.T. Cotton	6313	6279	33
	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	4500	4458	42
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	4153	4152	1
Karnataka	Bijapur	Bunny	6523	6607	-84
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5870	6043	-173

Commodity	**Lint**		**Prices (Rs./Maund of 37.32kg each)**		**Change**
State	**Centre**	**Variety**	**30th July to 05th Aug.16**	**23th to 29th July.16**	
Punjab	Bhatinda	J-34	4789	4768	22
	Abohar	J-34	4788	4769	19
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4784	4762	23
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	**Kapas**		**Weekly Sum Arrivals (Quintal)**		**Change**
State	**Centre**	**Variety**	**30th July to 05th Aug.16**	**23th to 29th July.16**	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	248	241	7
	Rajkot	B.T. Cotton	705	860	-155
	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	400	600	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	459	493	-34
	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	403	1020	-617
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	52	69	-17
Commodity	**Lint**		**Weekly Sum Arrivals (Quintal)**		**Change**
State	**Centre**	**Variety**	**30th July to 05th Aug.16**	**23th to 29th 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
				29th to 04th Aug.16	22th to 28th July.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34100	34433	-333
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34933	-333
J-34(202)	26mm	3.5 - 4.9	23	44917	44900	17
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	45900	46150	-250
Shankar-6(105)	29mm	3.5 – 4.9	28	46700	46833	-133
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49000	49017	-17
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49700	49667	33
DCH-32(107)	34mm	3.0 - 3.8	33	57000	56867	133