

## 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. 6675 per quintal, which stood at Rs 6400 previous week. Average price of Lint at Sirsa during the week was Rs. 4890 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 4784. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 47467 per candy (of 355.6 kg each) during the week, which was Rs 46700 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 978.50 per maund (of 20 kg each) which was Rs 1022.00 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. 6400-6800 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4800-5000 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:** News: Cotton yield is expected to be normal in Punjab though there is decline in acreage amid whitefly attack last season. Acreage has declined to 2.56 lakh hectares this season compared to 3.39 lakh hectares during the previous season. As on date the growth of the plant denotes that yield will be normal.

According to preliminary report by the government, cotton sowing as on 5th August, 2016 has been covered under 96.48 lakh hectares compared to 105.68 lakh hectares during the same period previous year.

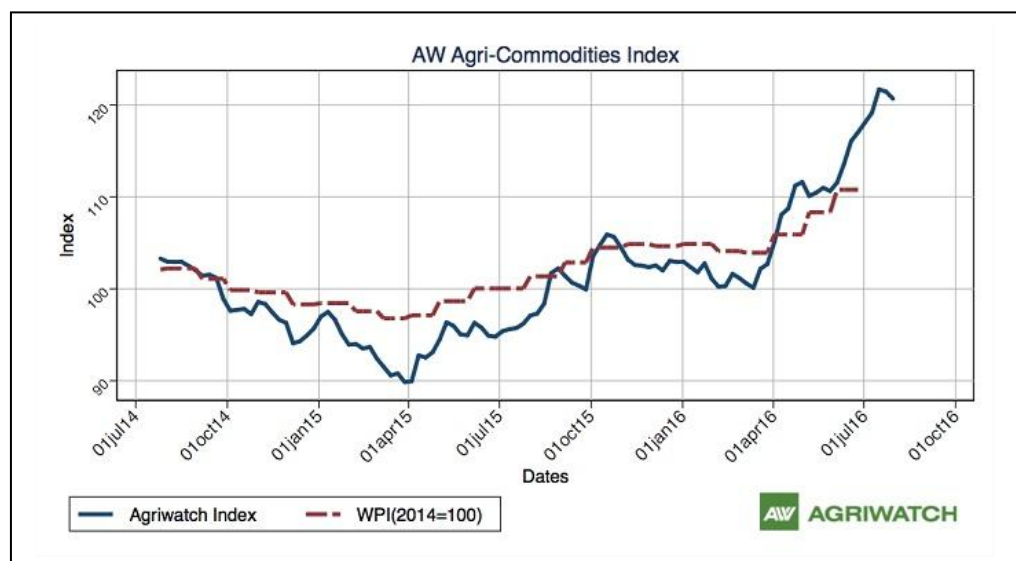
In Gujarat, farmers are shifting towards pulses from cotton following higher remuneration from pulses. The prices of tur dal and other pulses have increased to Rs.155 and Rs.180 per kg in the state. The area under pulses in Gujarat is reported at 5.81 lakh hectares this year compared to 3.28 lakh hectares previous year. Cotton has been sown in 22.81 lakh hectares compared to 26.11 lakh hectares sown last year 8th August.

India exported 0.132 lakh bales of cotton last week (01 -06 August 2016), which was 0.194 lakh bales previous to last week (25 -31 July 2016), according to the data released by IBIS and compiled by Agriwatch.

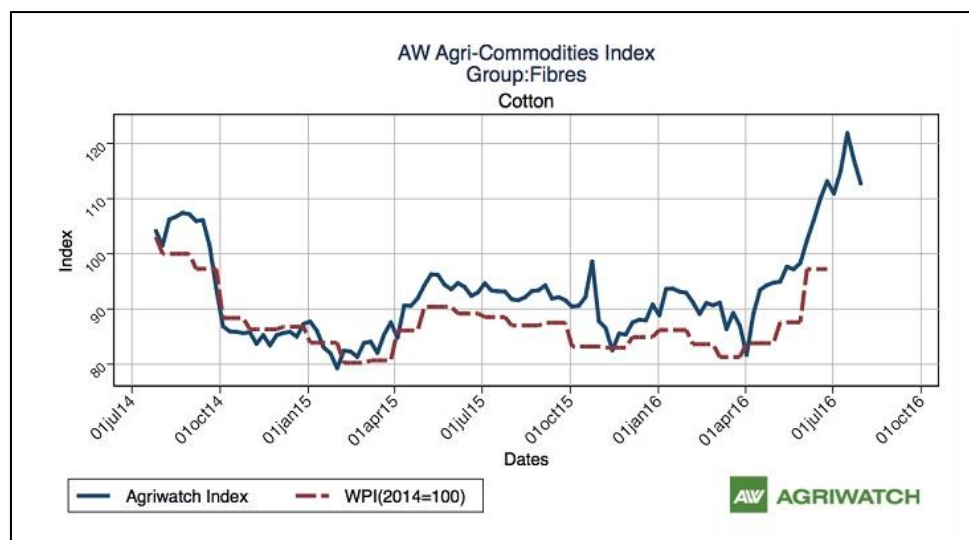
Major importer of Indian cotton during the week (01 -06 August, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.129 lakh bales of cotton from India in the past week (01 -06 August, 2016). Other major importer was Pakistan and its imported volume was 0.003 lakh bales.

## 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.

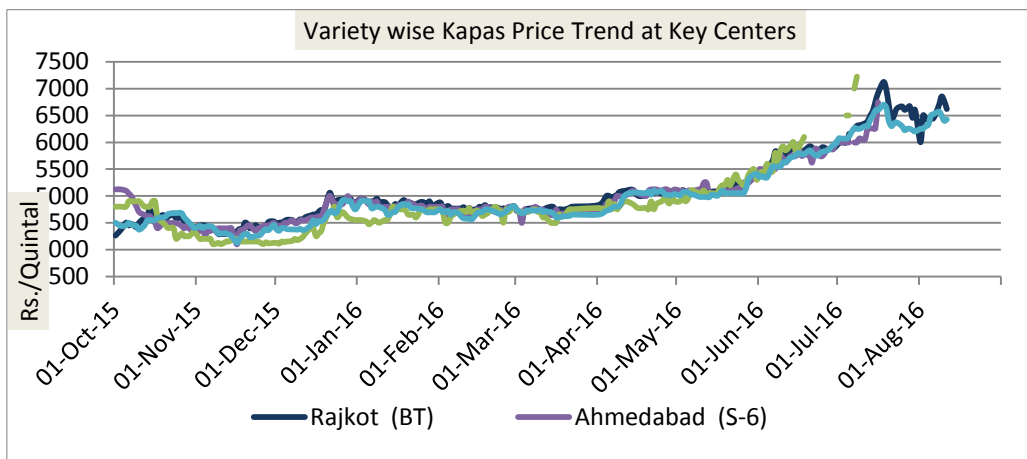


"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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](http://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 market. Weekly average price of Kapas at Rajkot remained Rs. 6675 per quintal, lower as compared to previous week price of Rs. 6400 per quintal.



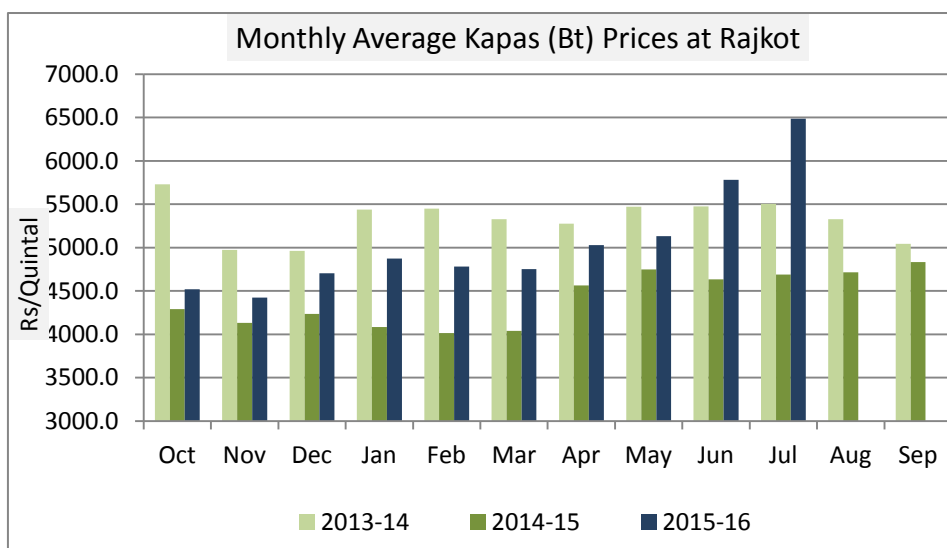
According to latest USDA

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 6400-6800 per quintal for the coming week.

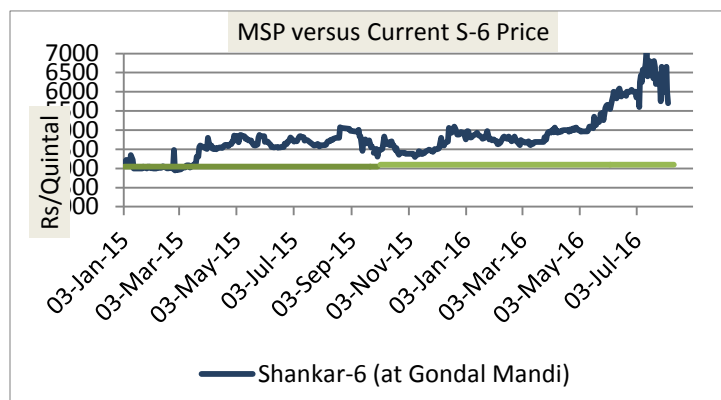
### Kapas Monthly Y-o-Y Price Scenario

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 2132.5 this week compared to Rs 2205 a week earlier. This indicates prices are declining.

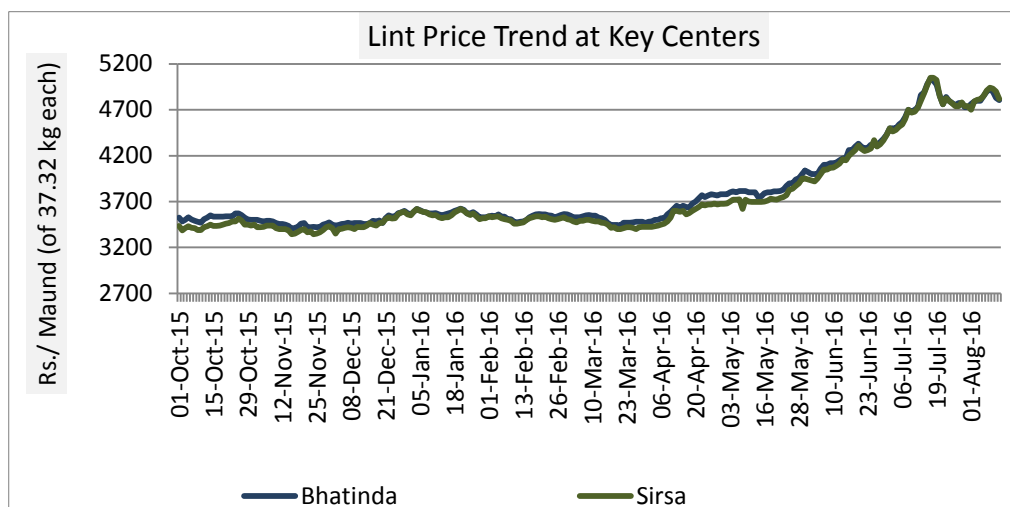


### Lint (De-Seeded Cotton) Weekly Price Scenario

**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. 4890 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4784 per maund.

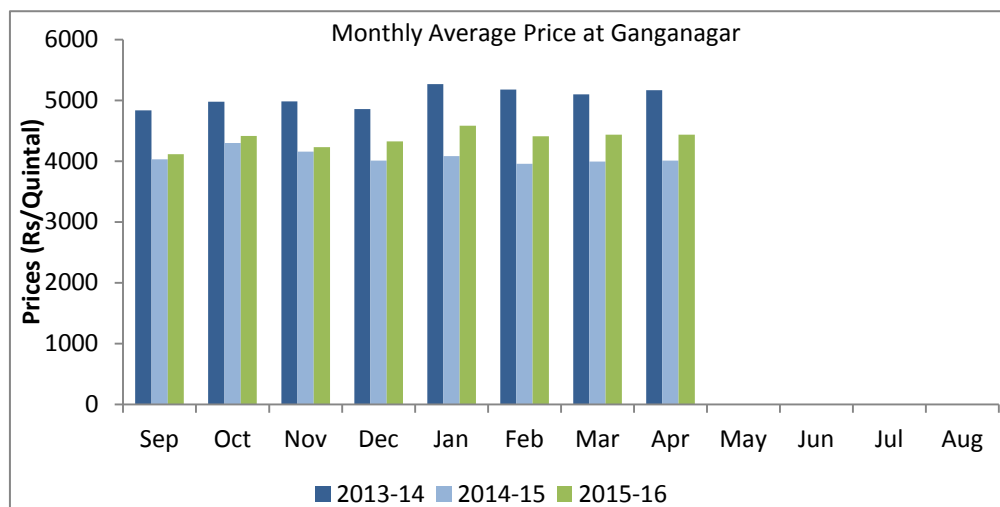
**Weekly Price Outlook:** Lint prices are expected to remain range bound to weak during the week.

We expect Lint at Sirsa to remain in range of Rs. 4800-5000 per maund.



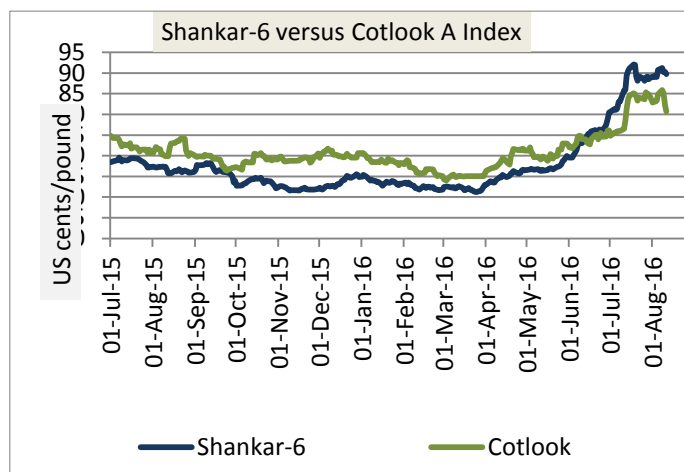
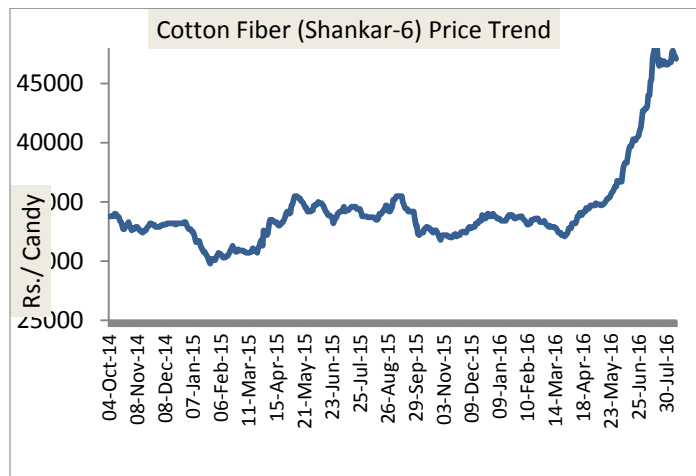
### Lint Monthly Y-o-Y Price Scenario

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 47467 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 46700 per candy.

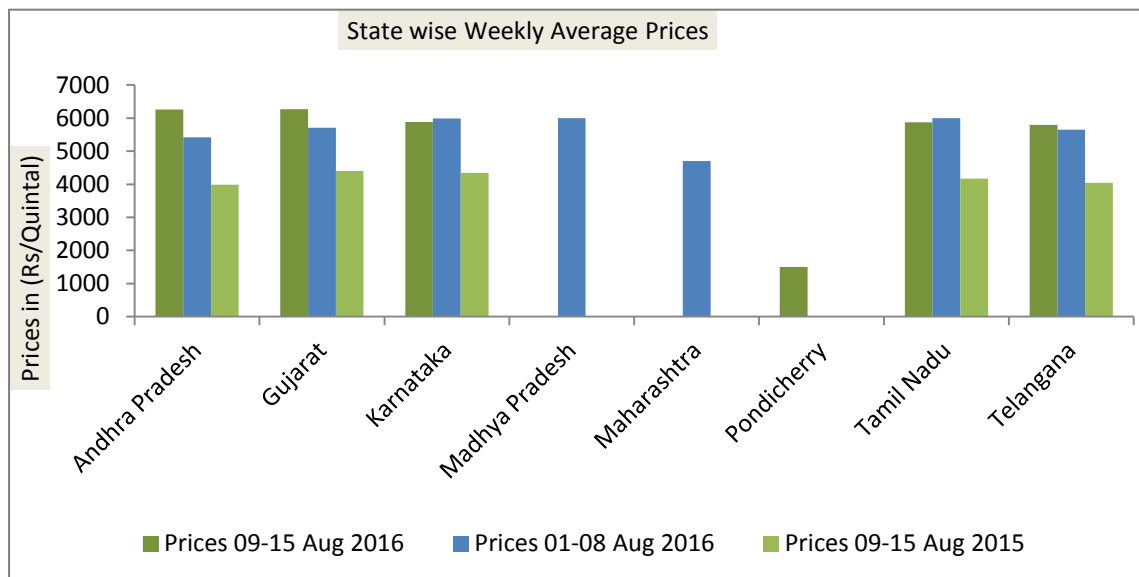


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 83.76 cents/pound, Indian weekly average price stood at 90.44 cents/pound, making Indian fiber incompetent in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 47000-50000 per candy

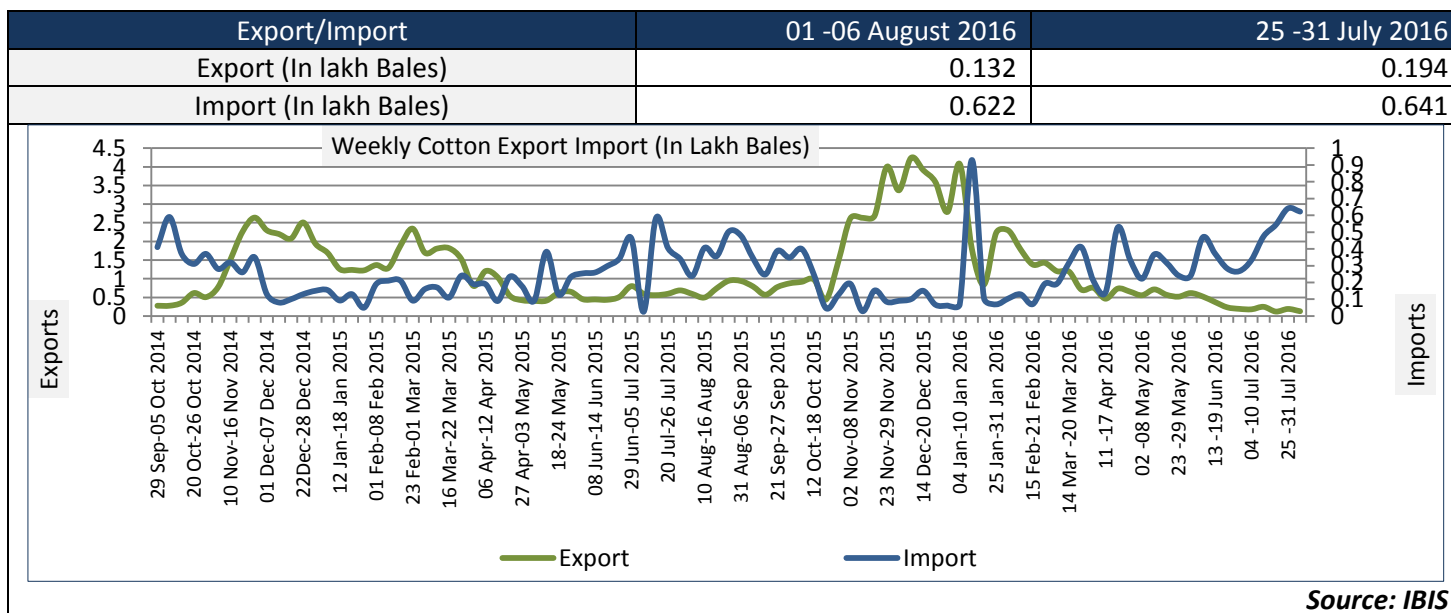
## State wise Weekly Price Scenario

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

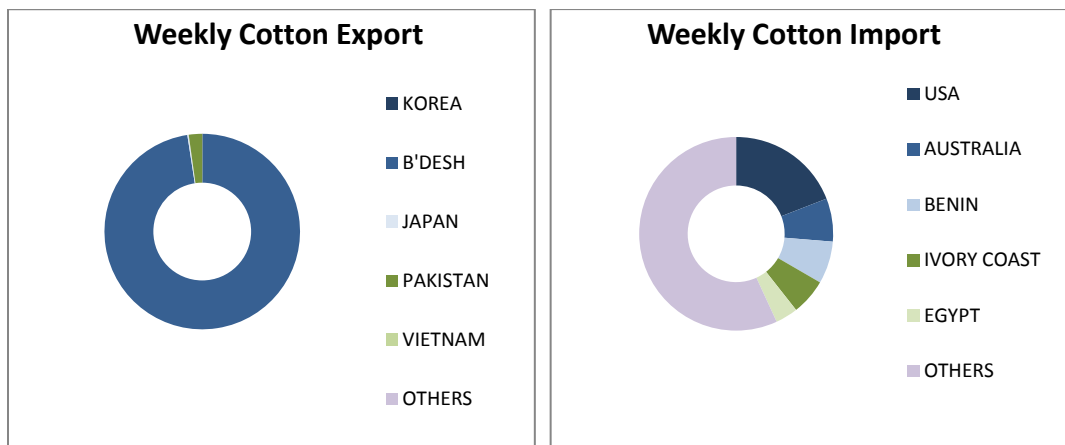


## Cotton Weekly Export and Import

India exported 0.132 lakh bales of cotton last week (01 -06 August 2016), which was 0.194 lakh bales during the week before previous to last week (25 -31 July 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.622 lakh bales last week, which was 0.641 lakh bales the week before last.previous to last week.



Major importer of Indian cotton during the week (01 -06 August 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.129 lakh bales of cotton from India in the past week (01 -06 August 2016). Other major importer was Pakistan and its imported volume was 0.003 lakh bales. India exported 0.132 lakh bales of cotton last week (01 -06 August 2016), which was 0.194 lakh bales previous to last week (25 -31 July 2016), according to the data released by IBIS and compiled by Agriwatch.



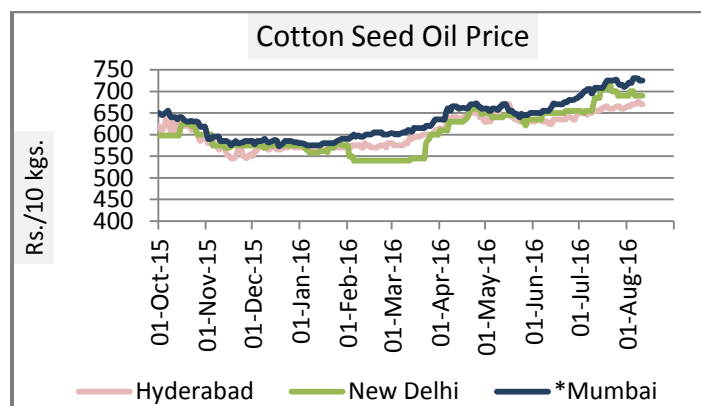
## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 692 per 10 Kg, steady as compared to the weekly average price of Rs 693 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	11-Aug-16	04-Aug-16	
New Delhi	692	693	-0.17
Rajkot	719	723	-0.51
Hyderabad	672	664	1.22
Mumbai*	728	716	1.55

\*Vat Included

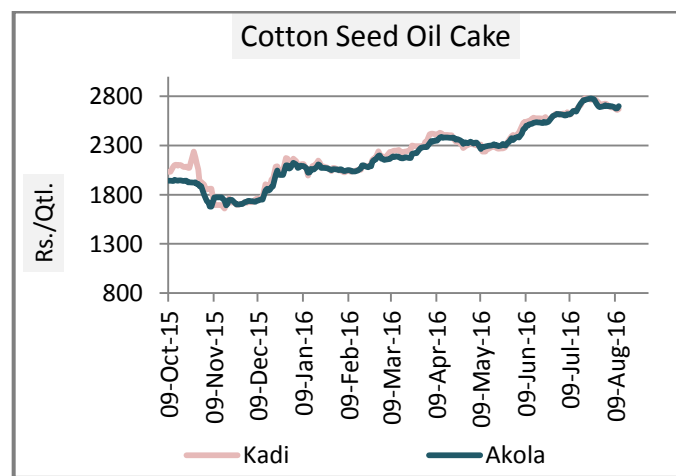


### Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2691 per quintal, higher compared to the weekly average price of previous week of Rs 2700 per quintal.

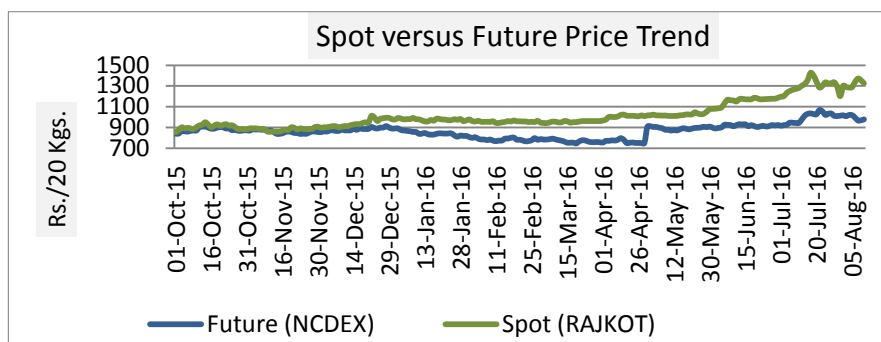
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	11-Aug-16	04-Aug-16	
Kadi	2678	2720	-1.54
Akola	2691	2700	-0.35

\*Source: NCDEX



### Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 978.50 as on 11 Aug 2016, compared to 1022.00 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.349.10 which was Rs 259.90 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	950-1050

#### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
950	900	1000	1050

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 83.76 cents/pound this week, which was 83.38 cents/pound during last week.

**Major Market Highlights:** The International Cotton Advisory reduced world cotton stock estimates and International cotton prices jumped to over 80 cents/lb in the second half of July 2016 from an average of 70 cents/lb for the rest of the season. Significantly lower crops in the five largest producing countries and higher than expected demand led to tighter stocks at the end of 2015/16, at which time world ending stocks were estimated to have fallen by 12% to 19.7 million tons. Stocks outside of China decreased by 9%, to 8.4 million tons, which is the lowest level since 2010/11, when they reached 8.3 million tons. Furthermore, strong demand in China has reduced its national stocks by 12%, to 11.3 million tons.

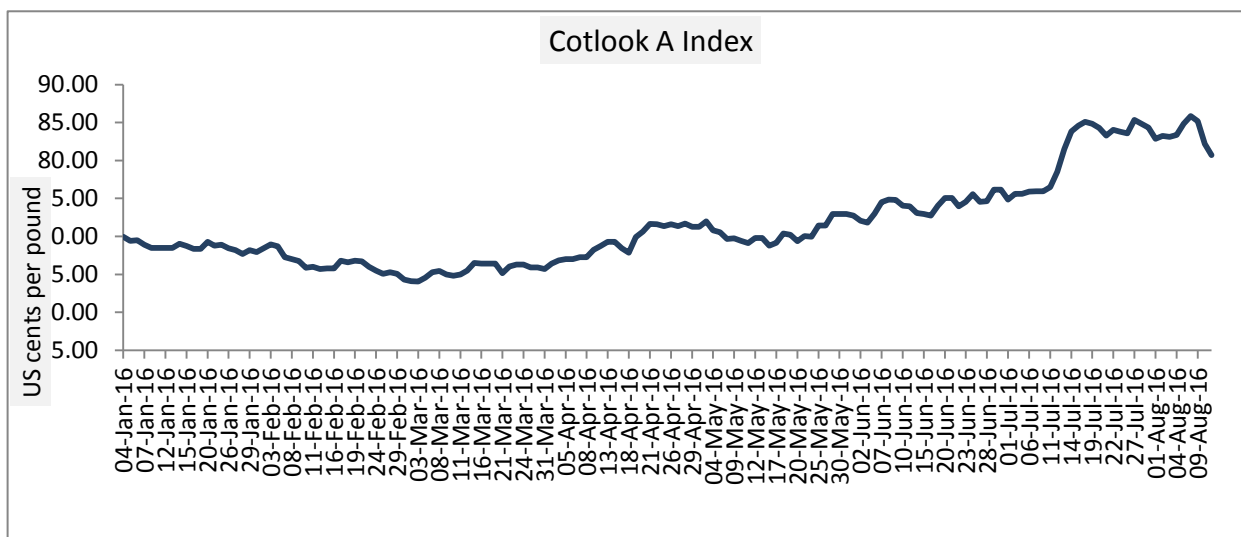
According to Australian Trade and Investment Commission, Bangladesh is likely to overtake China as the world's largest importer of cotton in the next four years. Bangladesh produces 0.1 million bales of cotton locally and currently imports more than 6 billion bales annually. This figure is likely to double by 2020 according to trade sources.

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 firm during the week amid 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
	11-Aug-16	04-Aug-16	
Prices	83.76	83.38	0.5
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.

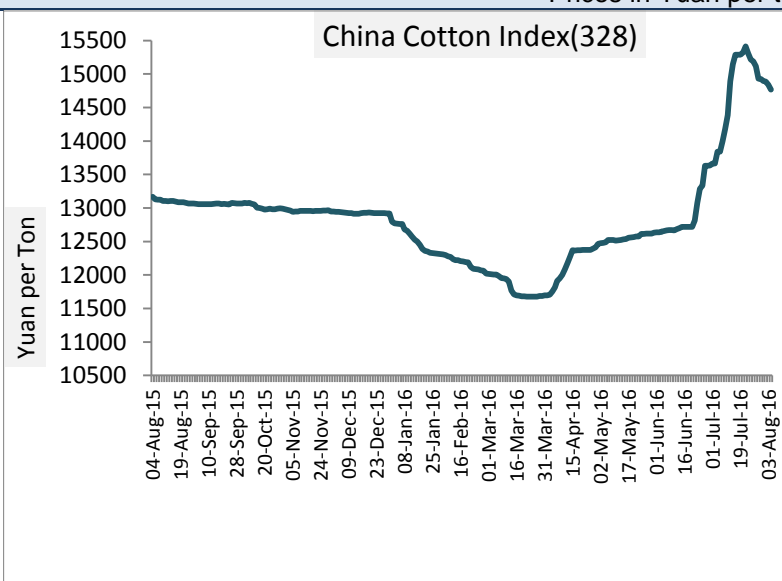
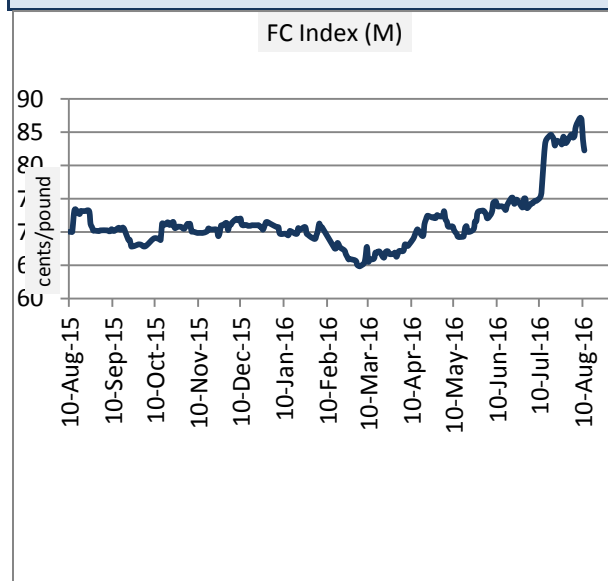
Cotton Index	Weekly Average Price as on		% Change
	11-Aug-16	04-Aug-16	
FC (S)	87.55	86.76	0.91
FC (M)	85.21	84.22	1.18
FC (L)	82.23	81.23	1.23

Prices in US cents per Pound

China Index remained firm during the week. CC Index (328) remained 13950 Yuan per ton during the week. Average was 14339 Yuan per ton during previous week.

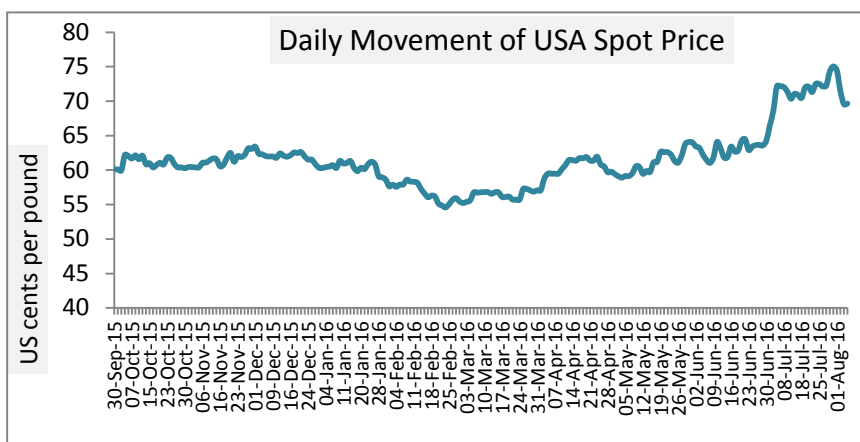
Cotton Index	Weekly Average Price as on		% Change
	11-Aug-16	04-Aug-16	
CCIndex(229)	14864	15291	-2.79
CCIndex(328)	13950	14339	-2.72
CCIndex(527)	15132	15580	-2.87

Prices in Yuan per ton



## USA Spot Prices

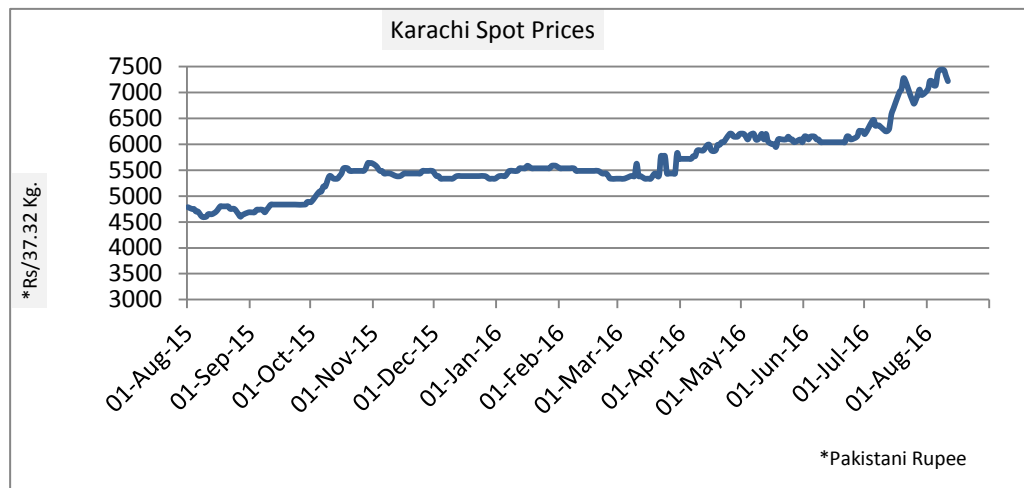
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	11-Aug-16	04-Aug-16	
Prices	72.06	72.75	-0.95
Prices in US cents per Pound			

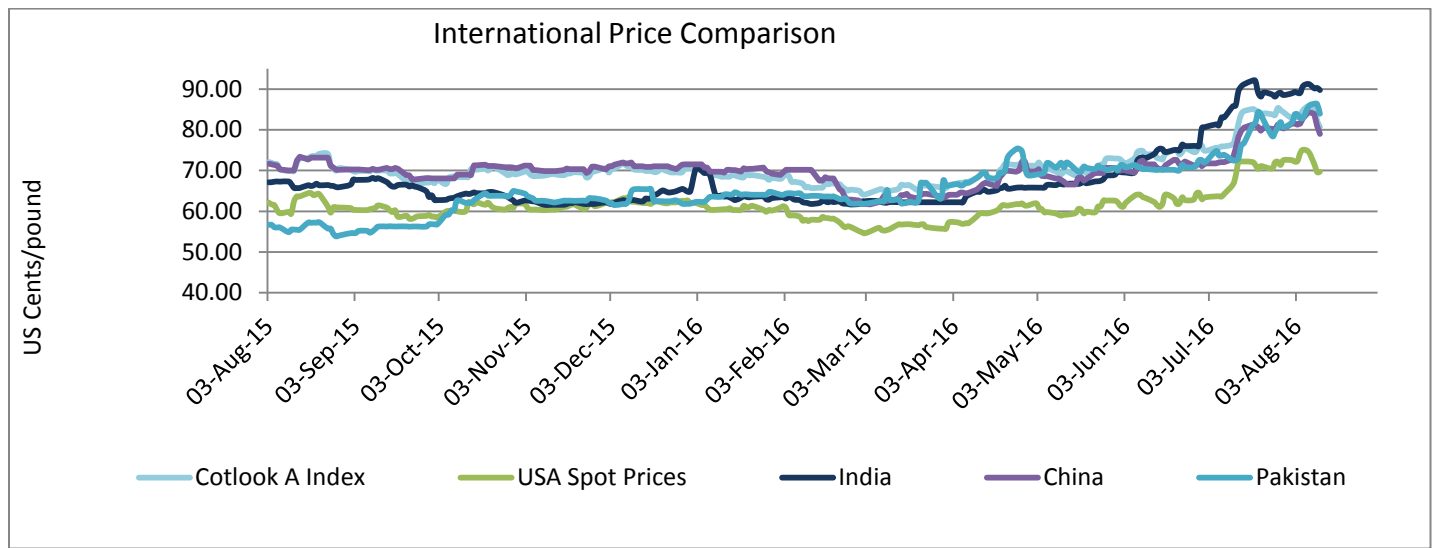
## Pakistan Spot Prices

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
	11-Aug-16	04-Aug-16	
Prices	7321	7116	2.88
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 weak 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	70.00-74.00

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
70.00	68.50	76.50	78.00

Figures in US cents/pound

**Cotton Future Prices at ICE**

Contracts	11-Aug-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	71.27	75.86	68.14	62.71	64.60	4.59	13.65
Dec-16	71.86	75.83	67.78	61.82	-5.23	6.02	16.24
Mar-17	72.42	75.90	67.84	NA	-4.59	6.75	NA
May-17	72.37	75.47	67.99	NA	-4.08	6.44	NA
Jul-17	72.28	75.14	68.25	NA	-3.79	5.90	NA
Oct-17	71.76	74.45	68.31	NA	NA	NA	NA

**Domestic Cotton Prices and Arrivals at Key Centers**

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	06th to 12th Aug.16	30th July to 05th Aug.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	6221	6325	-104
	Rajkot	B.T. Cotton	6675	6400	275
	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	6275	6350	-75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6470	6304	166
	Fatehabad	B.T. Cotton	6446	6313	133
	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	4542	4500	42
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	4100	Unch
	East Godavari	Un-Ginned	4150	4153	-3
Karnataka	Bijapur	Bunny	6352	6523	-171
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5733	5870	-137
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	06th to 12th Aug.16	30th July to 05th Aug.16	
Punjab	Bhatinda	J-34	4867	4789	78
	Abohar	J-34	4863	4788	75
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4890	4784	106
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th to 12th Aug.16	30th July to 05th Aug.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	171	248	-77
	Rajkot	B.T. Cotton	645	705	-60
	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	200	400	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	459	-119
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-

<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NA	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	228	403	-175
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	29	52	-23
<b>Commodity</b>	<b>Lint</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>06th to 12th Aug.16</b>	<b>30th July to 05th Aug.16</b>	
<b>Punjab</b>	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	NA	NA	-
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				04th to 11th Aug.16	29th to 04th Aug.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34200	34100	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34600	100
J-34(202)	26mm	3.5 - 4.9	23	45917	44917	1000
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	46667	45900	767
Shankar-6(105)	29mm	3.5 – 4.9	28	47467	46700	767
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49500	49000	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49900	49700	200
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57000	500

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