

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices noticed range –bound to weak tone on during the week.

Average price of Kapas at Rajkot during the week was Rs. 6078 per quintal, which stood at Rs 6650 previous week. Average price of Lint at Sirsa during the week was Rs. 4698 per maund (of 37.32 Kg each), lower compared to the previous week price of Rs 4800. Cotton fiber (Shankar-6) prices remained range bound this week. Average price was Rs 44167 per candy (of 355.6 kg each) during the week, which was Rs 45960 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 888.00 per maund (of 20 kg each) which was Rs 908.50 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. 5700-6100 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4600-4800 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 850-925 per maund (of 20 kg each).

Major Market Highlights: News: According to preliminary report by the government, cotton sowing as on 2nd September, 2016 has been covered under 101.96 lakh hectares compared to 114.17 lakh hectares during the same period previous year.

The pink bollworm pest has started developing resistance to the Bt cottonseed across various parts of the country and is affecting the farmers. A pheromone trap with a chemical formulation, consisting of gossypure and some other natural ingredients has been developed by the Nagpur-based Central Institute for Cotton Research (CICR) under the aegis of the Indian Council for Agricultural Research (ICAR) with Innovative Biosciences Pvt. Ltd.

India the largest producer of cotton is likely to buy up to 2 million bales of cotton this year. Till date India has imported around 1.5 million bales of cotton and has already signed contracts to purchase an additional 400,00 bales according to government sources. Imports have increased amid lower domestic production and lower prices in the global markets.

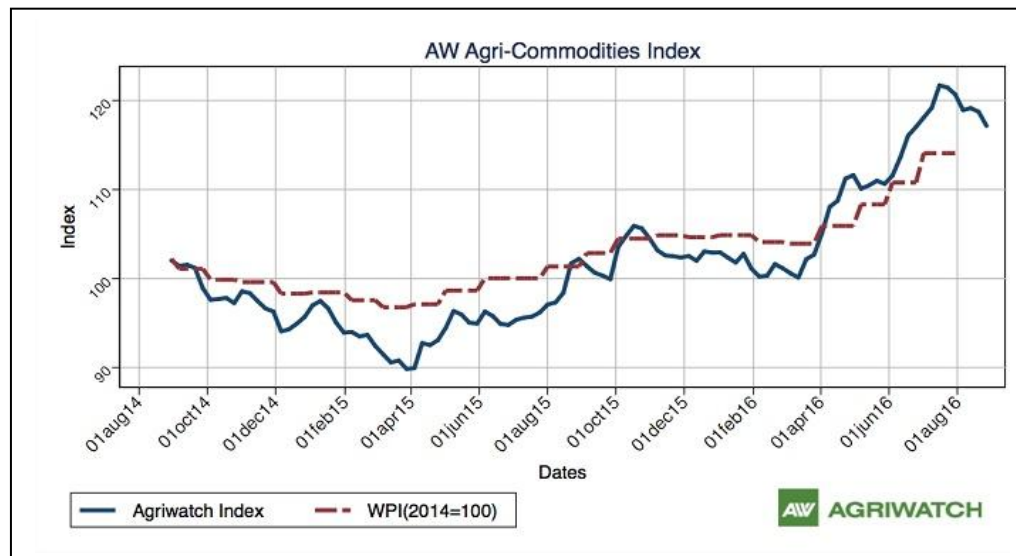
In its first estimate, Cotton Association of India (CAI) has estimated output for the year starting October 2016 at 336 bales of 170 kg each. In the current year, production has been estimated at 337.5 lakh bales as on July end. Though acreage till date is around 10% lower compared to previous year, productivity will help to support output.

India exported 0.121 lakh bales of cotton last week (22 -28 August 2016), which was 0.146 lakh bales previous to last week (15 -21 August 2016), according to the data released by IBIS and compiled by Agriwatch.

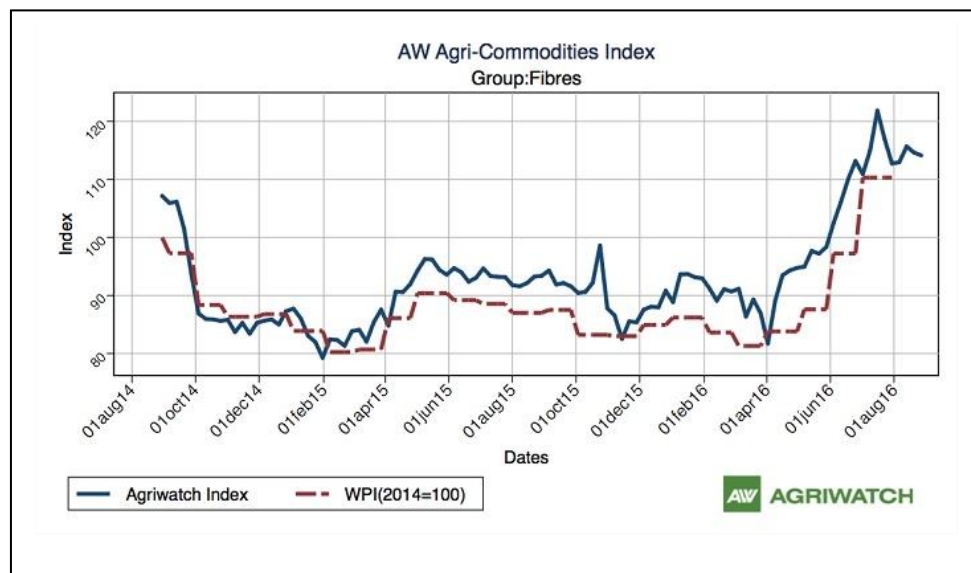
Major importer of Indian cotton during the week (22 -28 August, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.087 lakh bales of cotton from India in the past week (22 -28 August, 2016). Other major importers were Indonesia, Pakistan, Thailand and Japan and their imported volumes were 0.019 lakh bales, 0.011 lakh bales, 0.003 lakh bales and 0.001 lakh bales respectively.

AW Cotton Index - 28 Aug. 2016

The Agriwatch Agri Commodities Index fell 1.33% to 117.15 during the week ended August 27, 2016 from 118.73 during the previous week, led by sharply lower pulses prices. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -0.44% 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

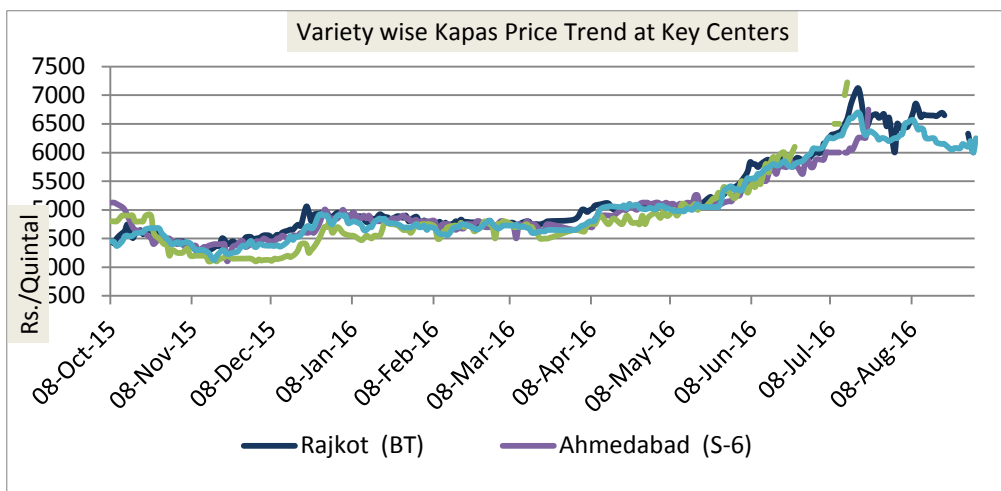
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained weak during the week amid lack of demand in the market. Weekly average price of Kapas at Rajkot remained Rs. 6078 per quintal, lower as compared to previous week price of Rs. 6650 per quintal.

According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million

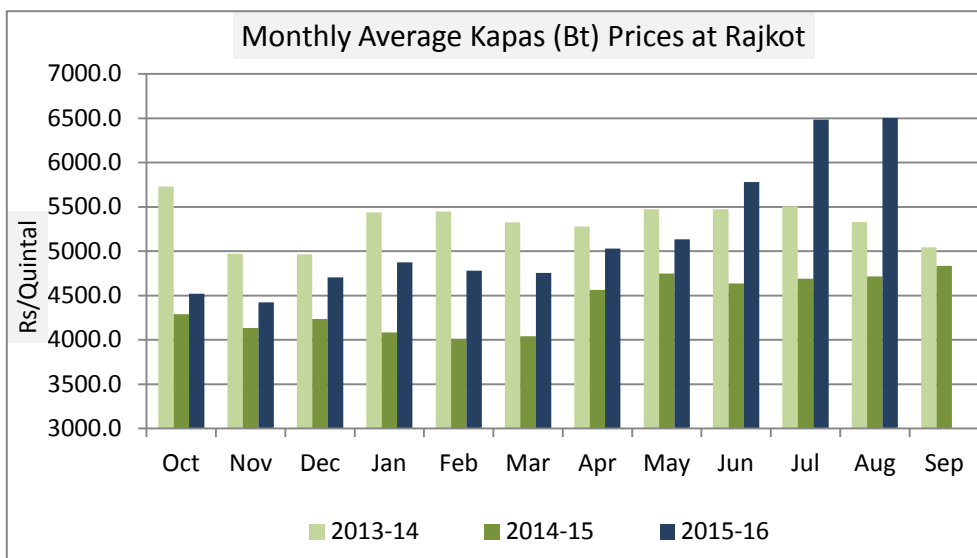
480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higher. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon.

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 5700-6100 per quintal for the coming week.



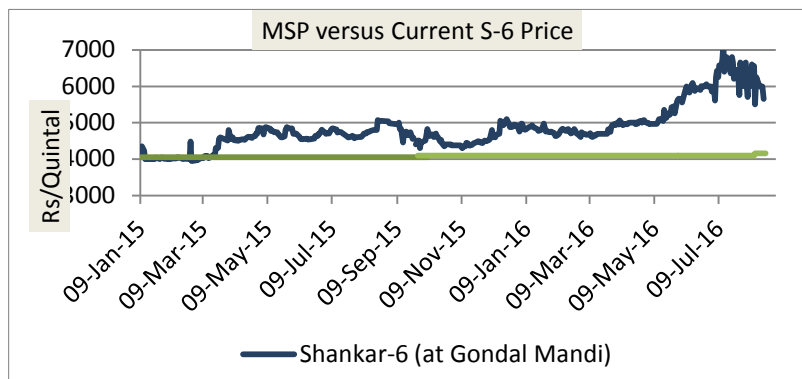
Kapas Monthly Y-o-Y Price Scenario

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

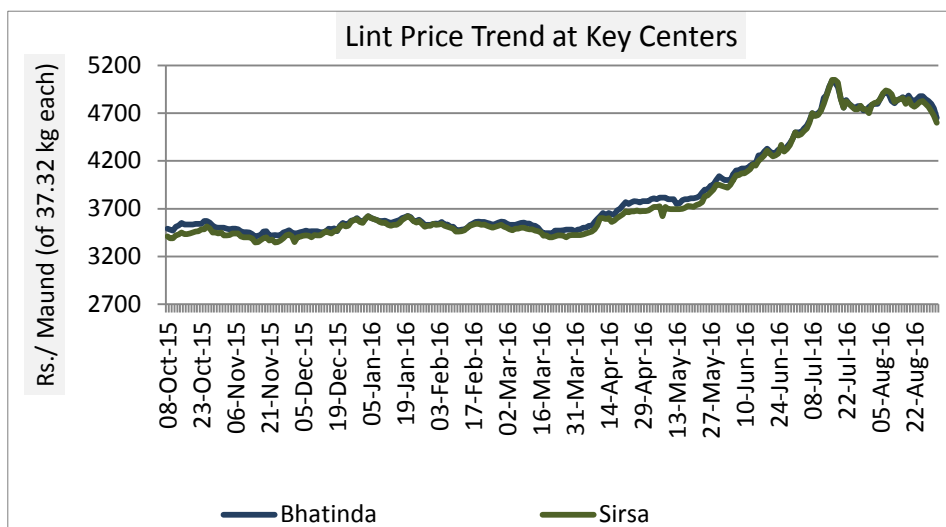
The Kapas prices are ruling above the MSP so far. The gap between the two prices has narrowed this week. The average gap between the prices was Rs 1667.50 this week compared to Rs 1916.50 a week earlier. This indicates prices are declining.



Lint (De-Seeded Cotton) Weekly Price Scenario

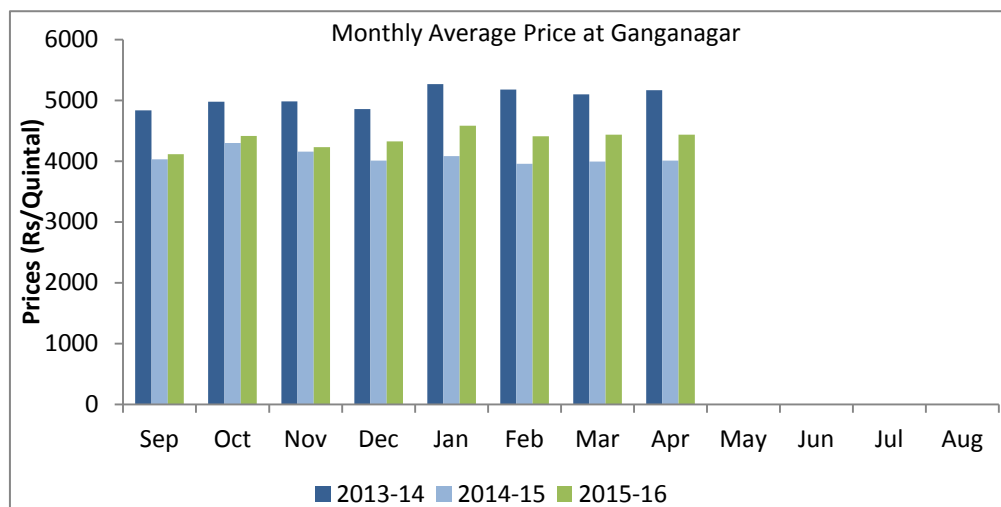
Weekly Price Review: As weak sentiments are prevailing in market, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 4698 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4800 per maund.

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. 4600-4800 per maund.



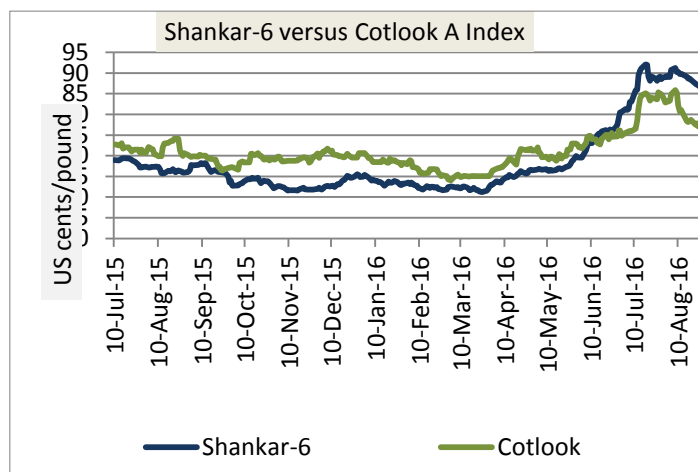
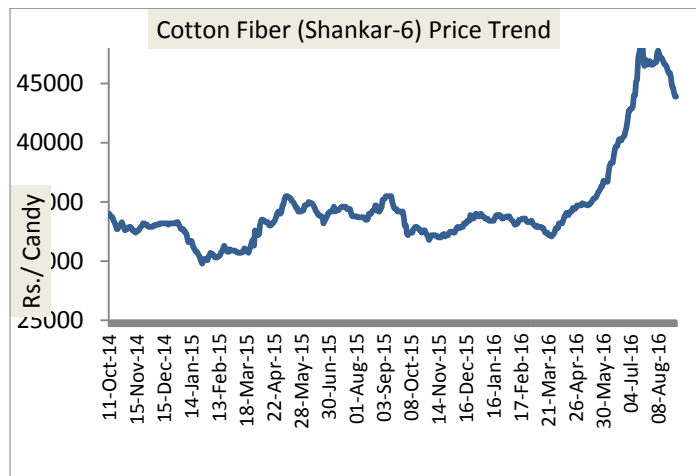
Lint Monthly Y-o-Y Price Scenario

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 downward movement in Kapas prices, cotton fiber moved southwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 44167 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 45960 per candy.

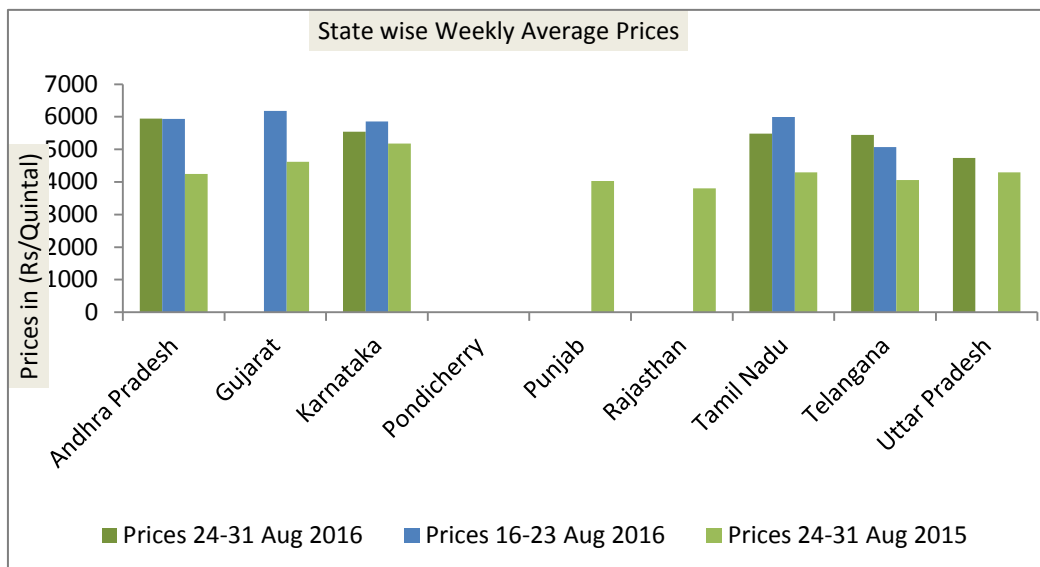


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 76.43 cents/pound, Indian weekly average price stood at 85.29 cents/pound, making Indian fiber incompetent in international market.

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

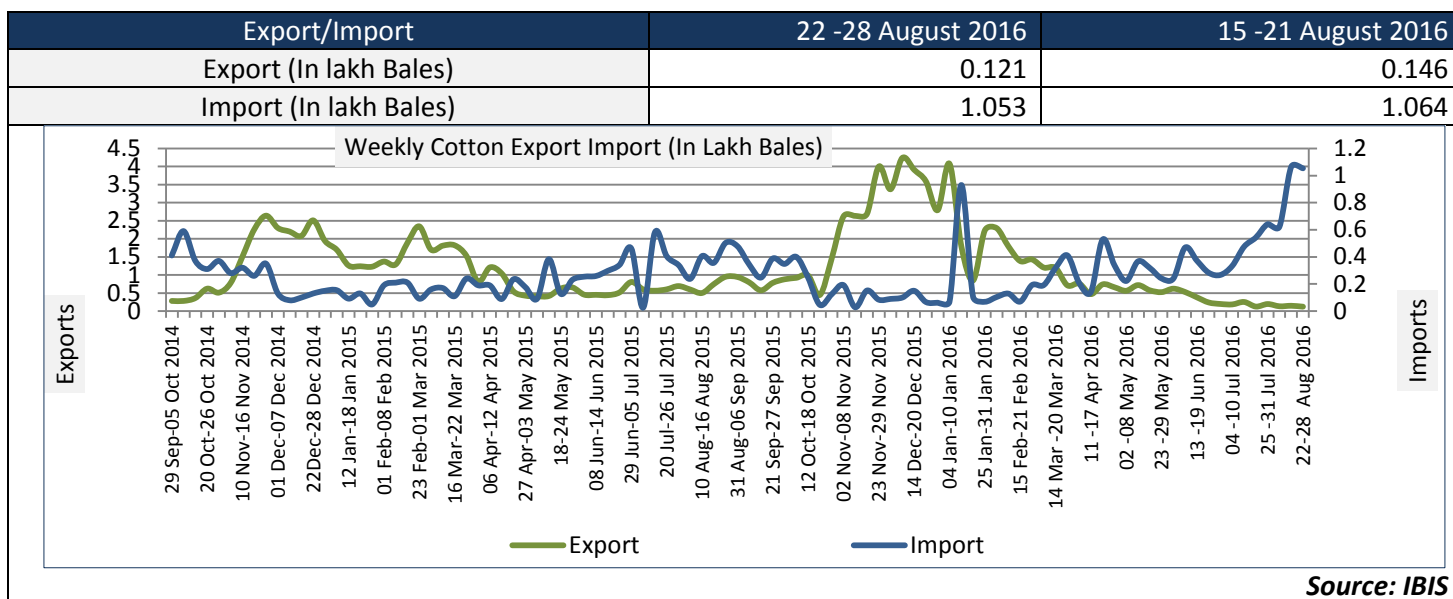
State wise Weekly Price Scenario

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

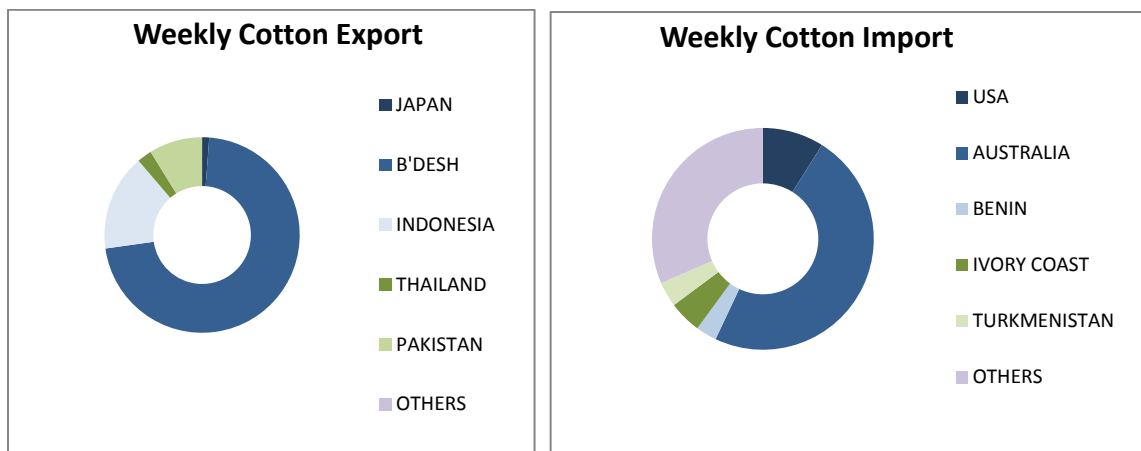


Cotton Weekly Export and Import

India exported 0.121 lakh bales of cotton last week (22 -28 August 2016), which was 0.146 lakh bales during the week before previous to last week (15 -21 August 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 1.053 lakh bales last week, which was 1.064 lakh bales the week before previous to last week.



Major importer of Indian cotton during the week (22 -28 August 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.087 lakh bales of cotton from India in the past week (22 -28 August 2016). Other major importers were Indonesia, Pakistan, Thailand and Japan and their imported volumes were 0.019 lakh bales, 0.011 lakh bales, 0.003 lakh bales and 0.001 lakh bales respectively. India exported 0.121 lakh bales of cotton last week (22 -28 August 2016), which was 0.146 lakh bales previous to last week (15 -21 August 2016), according to the data released by IBIS and compiled by Agriwatch.



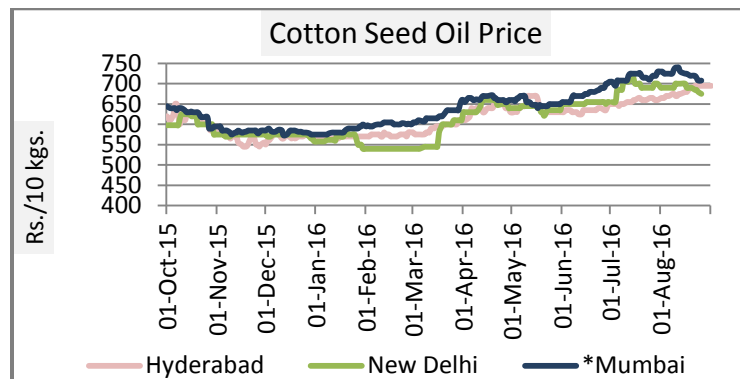
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 684 per 10 Kg, steady as compared to the weekly average price of Rs 697 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	02-Sep-16	26-Aug-16	
New Delhi	684	697	-1.79
Rajkot	700	718	-2.55
Hyderabad	695	693	0.24
Mumbai*	715	730	-2.03

*Vat Included

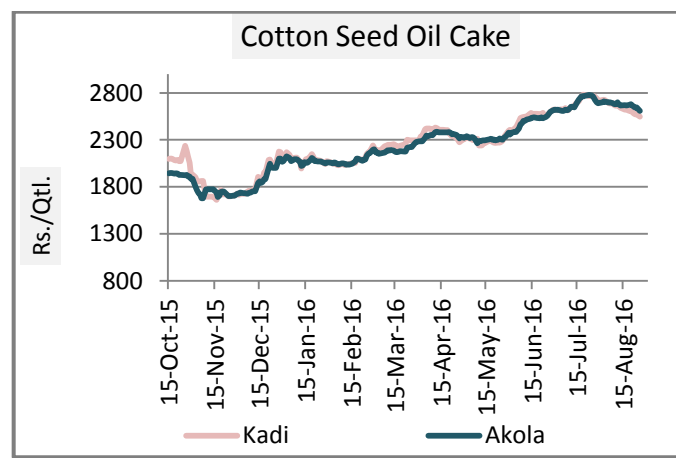


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained weak during the week. Weekly average price in Akola remained Rs 2622 per quintal, lower compared to the weekly average price of previous week of Rs 2651 per quintal.

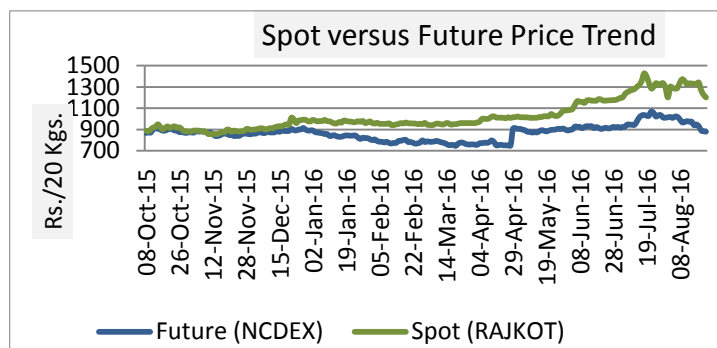
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	02-Sep-16	26-Aug-16	
Kadi	2558	2581	-0.89
Akola	2622	2651	-1.11

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 888.00 as on 01 Sep 2016, compared to 908.00 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.346.17 which was Rs 349.10 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 oversold region.
- Price closed below 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	850-925

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
850	830	900	950

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 76.43 cents/pound this week, which was 77.49 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.

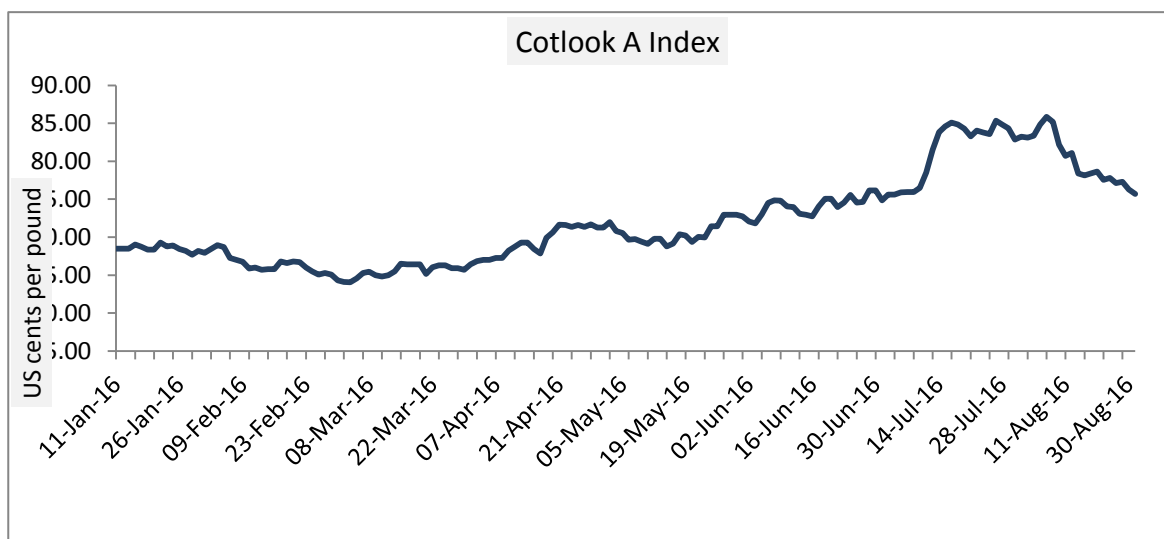
Pakistan is likely to produce 13 million bales of cotton this season. This is slightly higher than previous year's production. Close co-ordination between the Central Government and the government of Punjab by controlling the Pink Bollworm has helped the farmers and they had also been trained to drain their fields properly to safeguard their crops.

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 amid 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
	01-Sep-16	26-Aug-16	
Prices	76.43	77.79	-1.7
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

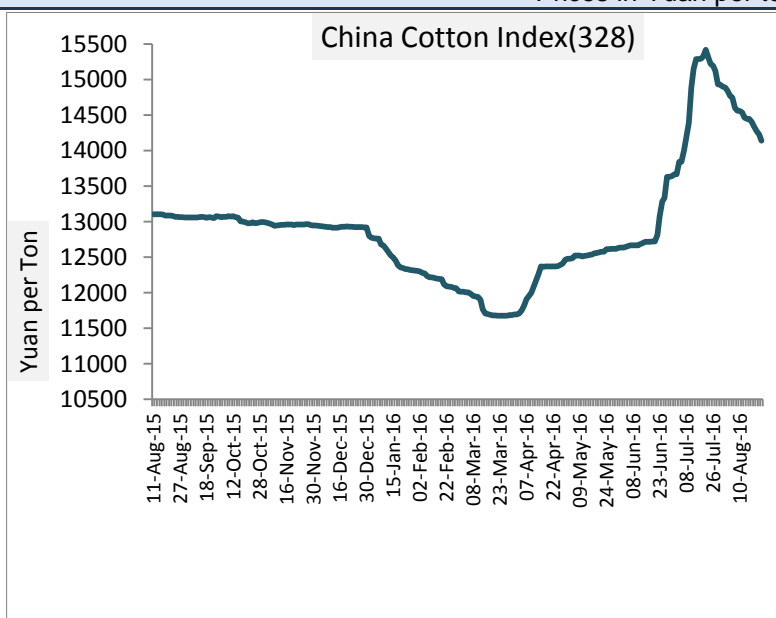
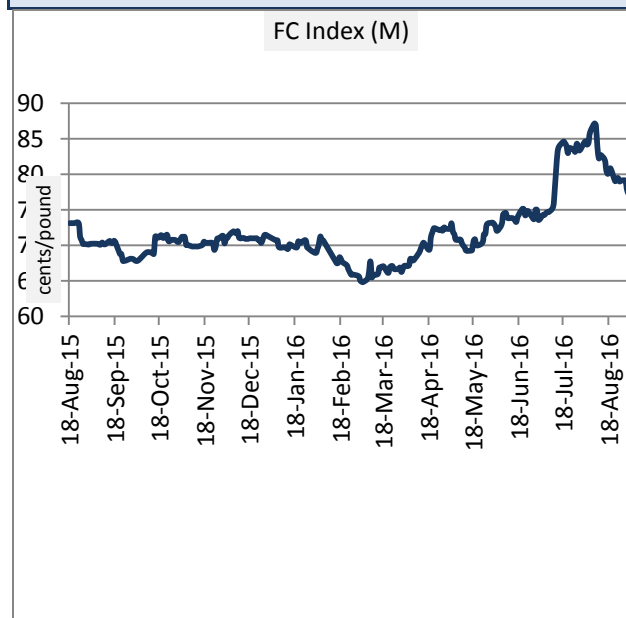
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.

Cotton Index	Weekly Average Price as on		% Change
	01-Sep-16	26-Aug-16	
FC (S)	80.63	81.98	-1.65
FC (M)	78.16	79.46	-1.63
FC (L)	75.04	76.08	-1.36
Prices in US cents per Pound			

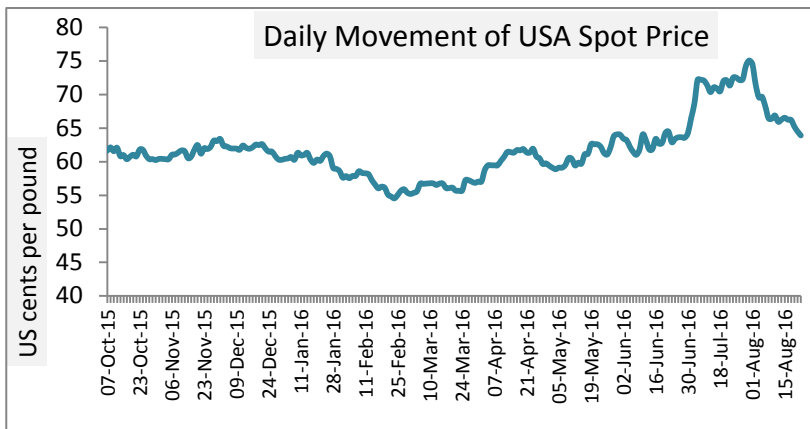
China Index remained firm during the week. CC Index (328) remained 13545 Yuan per ton during the week. Average was 13670 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	01-Sep-16	26-Aug-16	
CCIndex(229)	14275	14457	-1.26
CCIndex(328)	13540	13670	-0.95
CCIndex(527)	14512	14690	-1.21
Prices in Yuan per ton			



USA Spot Prices

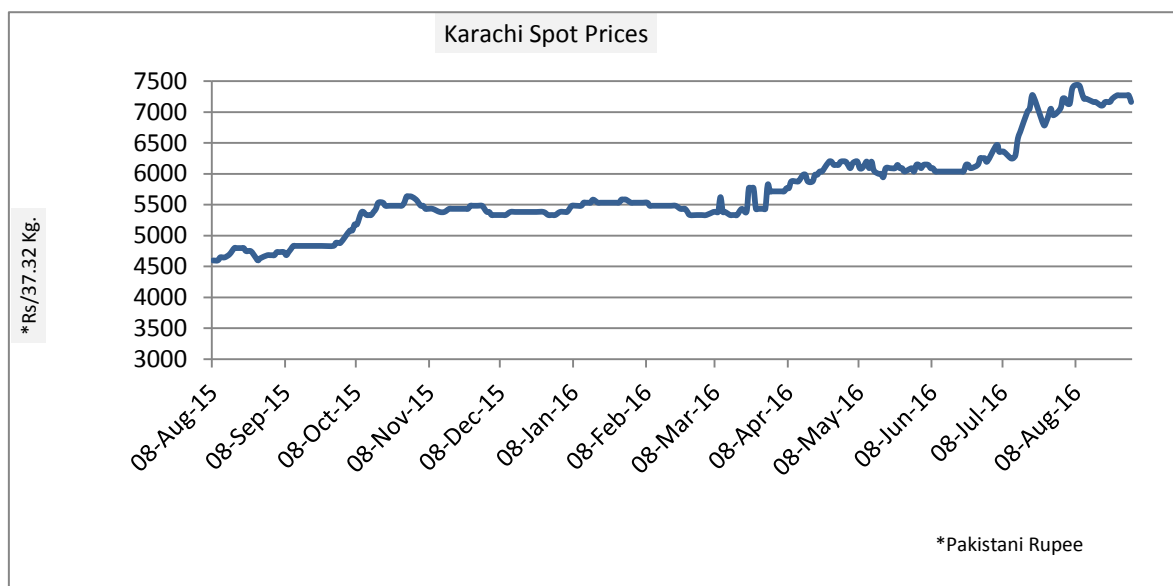
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early 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
	01-Sep-16	26-Aug-16	
Prices	64.97	66.25	-1.93
Prices in US cents per Pound			

Pakistan Spot Prices

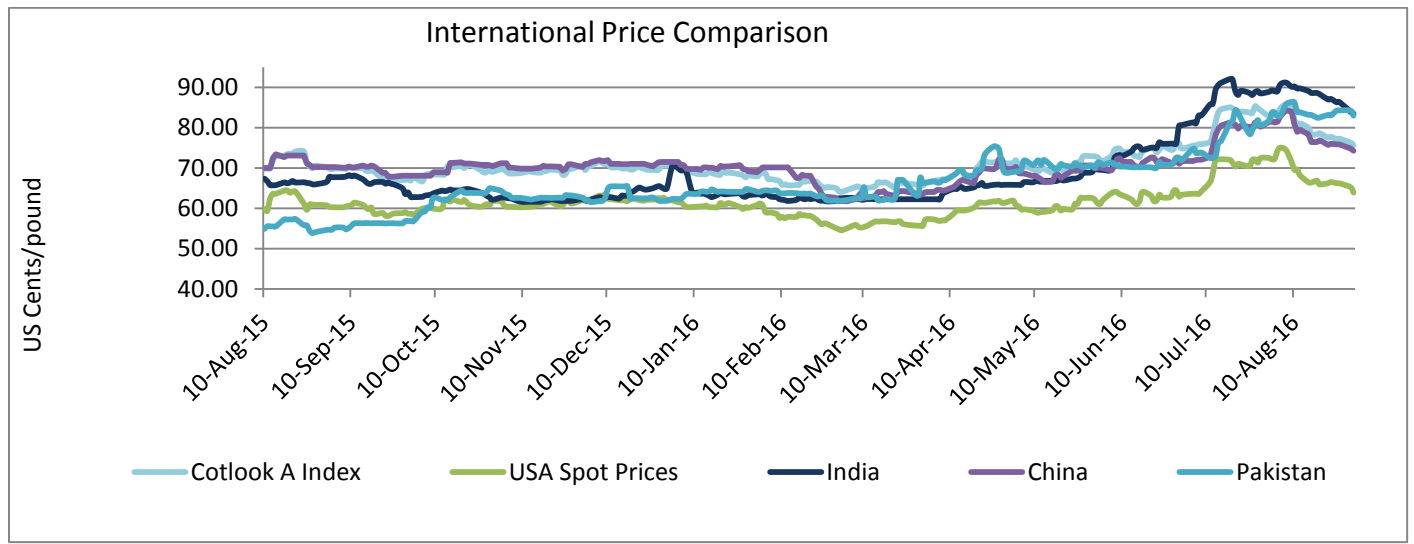
Pakistan is likely to produce 13 million bales of cotton this season. This is slightly higher than previous year's production. Close co-ordination between the Central Government and the government of Punjab by controlling the Pink



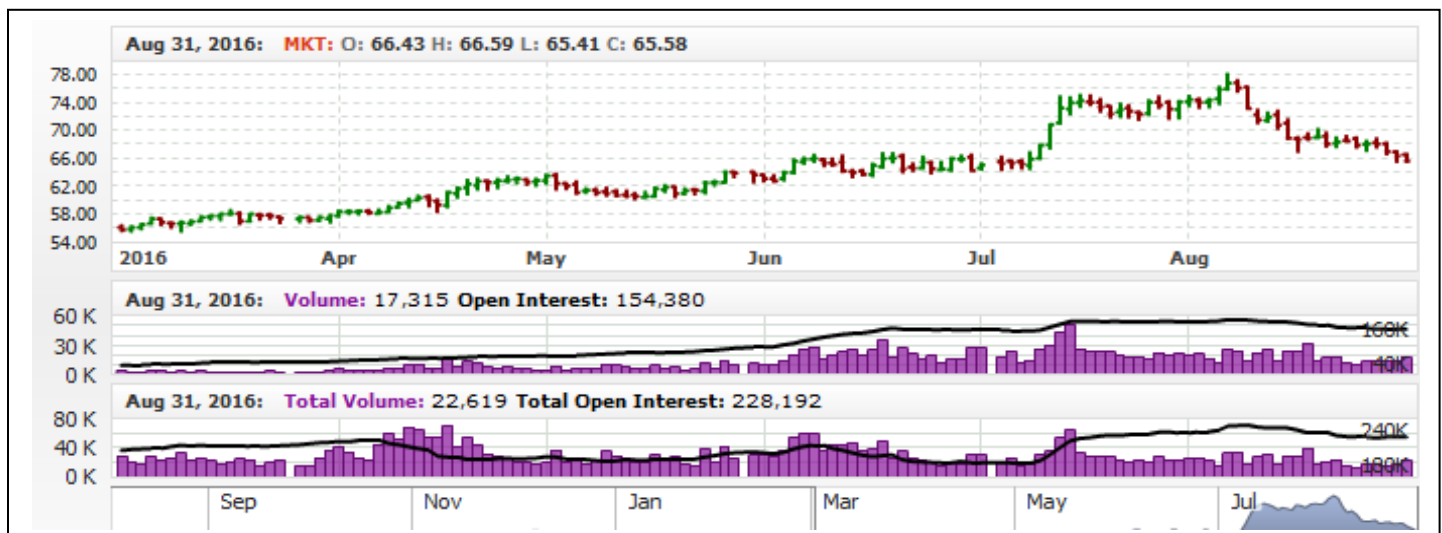
Bollworm has helped the farmers and they had also been trained to drain their fields properly to safeguard their crops. The lower production in the country may open channels for the more exports from India, as Pakistan would import to fulfill its domestic demands.

Karachi Spot Prices	Weekly Average Price as on		% Change
	01-Sep-16	26-Aug-16	
Prices	7251	7186	0.90
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 range –bound to weak tone in the prices.
- Volume and Open Interest are declining.
- We expect cotton prices to remain range bound to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	61.00-65.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
63.50	61.50	70.00	71.50

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	31-Aug-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	65.32	67.75	74.16	63.58	64.60	-11.92	2.74
Dec-16	65.58	68.04	74.04	62.70	-3.63	-11.43	4.59
Mar-17	66.01	68.31	73.91	NA	-3.38	-10.69	NA
May-17	66.10	68.38	73.71	NA	-3.34	-10.32	NA
Jul-17	66.06	68.38	73.36	NA	-3.39	-9.95	NA
Oct-17	65.8	67.95	72.63	NA	-3.14	-9.40	NA

Domestic Cotton Prices and Arrivals at Key Centers

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	27th Aug to 02nd Sept.16	20th to 26th Aug.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5730	5917	-187
	Rajkot	B.T. Cotton	6078	6650	-573
	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	5508	5260	248
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6117	6085	32
	Fatehabad	B.T. Cotton	5433	5380	53
	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	4680	4075	605

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4558	4560	-2
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	4100	-
	East Godavari	Un-Ginned	4150	4152	-2
Karnataka	Bijapur	Bunny	5572	5202	369
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	3400	5050	-1650
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	27th Aug to 02nd Sept.16	20th to 26th Aug.16	
Punjab	Bhatinda	J-34	4760	4856	-96
	Abohar	J-34	4754	4854	-100
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4698	4800	-103
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	27th Aug to 02nd Sept.16	20th to 26th Aug.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	42	111	-69
	Rajkot	B.T. Cotton	415	160	255
	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	7700	2100	5600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	43	-
	Fatehabad	B.T. Cotton	202	44	158
	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	1160	225	935
	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	40	60	-20
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	45	-38
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	27th Aug to 02nd Sept.16	20th to 26th Aug.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
				26th Aug to 01st Sept.16	19th to 25th Aug.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32117	32880	-763
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32617	33380	-763
J-34(202)	26mm	3.5 - 4.9	23	44500	45040	-540
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43433	45260	-1827
Shankar-6(105)	29mm	3.5 - 4.9	28	44167	45960	-1793
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46317	47960	-1643
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	47500	48360	-860
DCH-32(107)	34mm	3.0 - 3.8	33	55067	57160	-2093

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