

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices noticed steady to firm tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 6351 per quintal, which stood at Rs. 6065 previous week. Average price of Lint at Sirsa during the week was Rs. 4527 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4380. Cotton fiber (Shankar-6) prices remained range bound this week. Average price was Rs 46517 per candy (of 355.6 kg each) during the week, which was Rs 43780 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 892 per maund (of 20 kg each) which was Rs 911.50 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. 6200-6600 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4500-5000 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 875-925 per maund (of 20 kg each).

Major Market Highlights: News:

Fresh spell of rains in different parts of Gujarat has helped kharif sowing in the sState to near 100 per cent as on September 19, 2016. Saurashtra, south and Central Gujarat has received good rains during the last few days. Cotton recorded 24,04,900 hectares of sowing, which is 15 per cent lower than normal 28,21,000 hectares.

According to preliminary report by the government, cotton sowing as on 16th September, 2016 has been covered under 102.23 lakh hectares compared to 115.20 lakh hectares during the same period previous year.

India exported 0.148 lakh bales of cotton last week (12 -18 September 2016), which was 0.156 lakh bales previous to last week (05 -11 September 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (12 -18 September, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.120 lakh bales of cotton from India in the past week (12 -18 September, 2016). Other major importers were Vietnam, Thailand and Belgium and their imported volumes were 0.017 lakh bales, 0.006 lakh bales, 0.002 lakh bales and 0.002 lakh bales respectively.

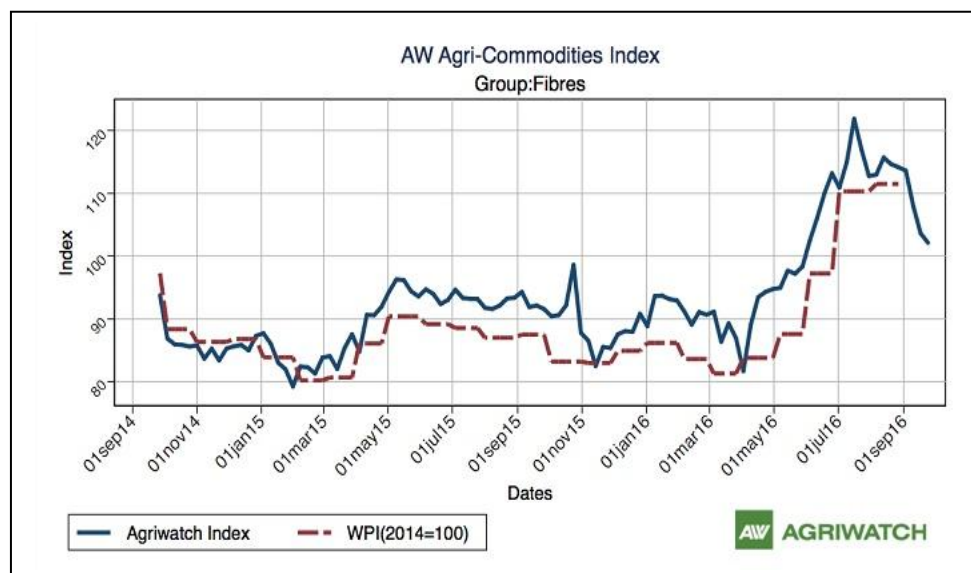
In its first estimate, Cotton Association of India (CAI) has estimated output for the year starting October 2016 at 336 bales of 170 kg each. In the current year, production has been estimated at 337.5 lakh bales as on July end. Though acreage till date is around 10% lower compared to previous year,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

AW Cotton Index - 25 Sep. 2016

The Agriwatch Agri Commodities Index gained 0.78% to 116.13 during the week ended Sept 24, 2016 from 115.24 during the previous week as pulses recovered from their recent sharp fall. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -1.46% week-on-week.



*Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

Domestic Cotton Prices Scenario

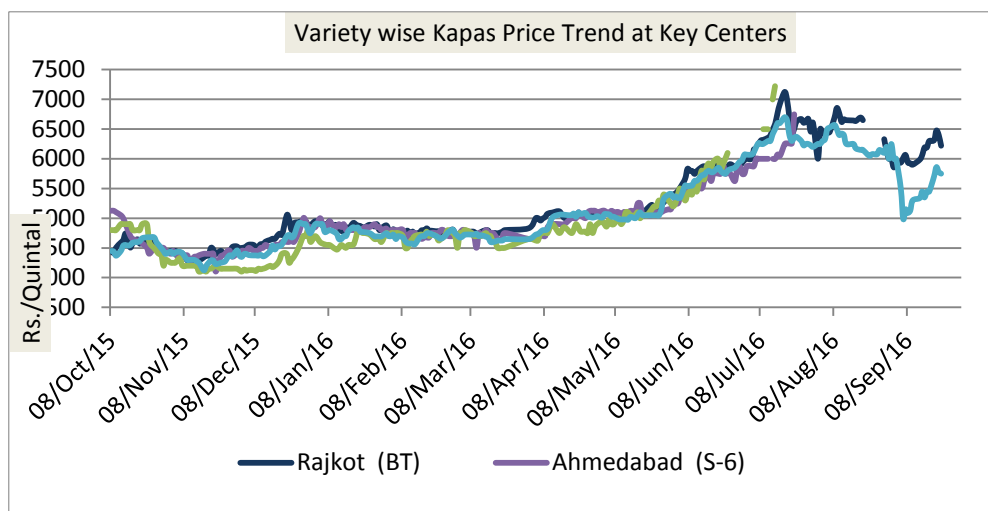
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week amid good demand in the market. Weekly average price of Kapas at Rajkot remained at Rs. 6351 per quintal, higher compared to previous week price of Rs. 6065 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

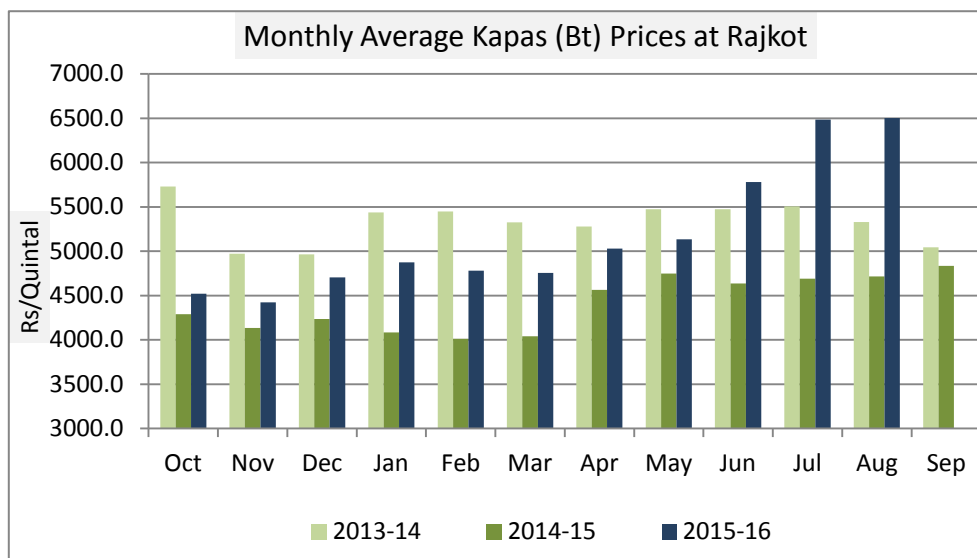
acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 6200-6600 per quintal for the coming week.



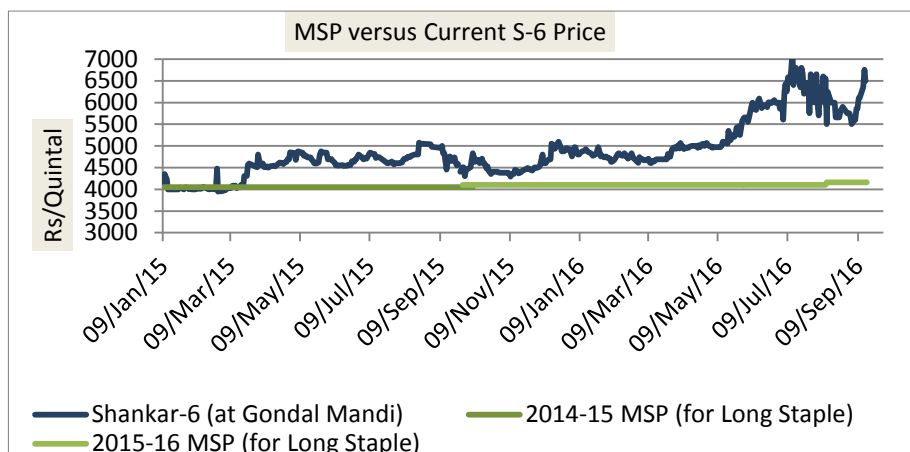
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the month of August 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

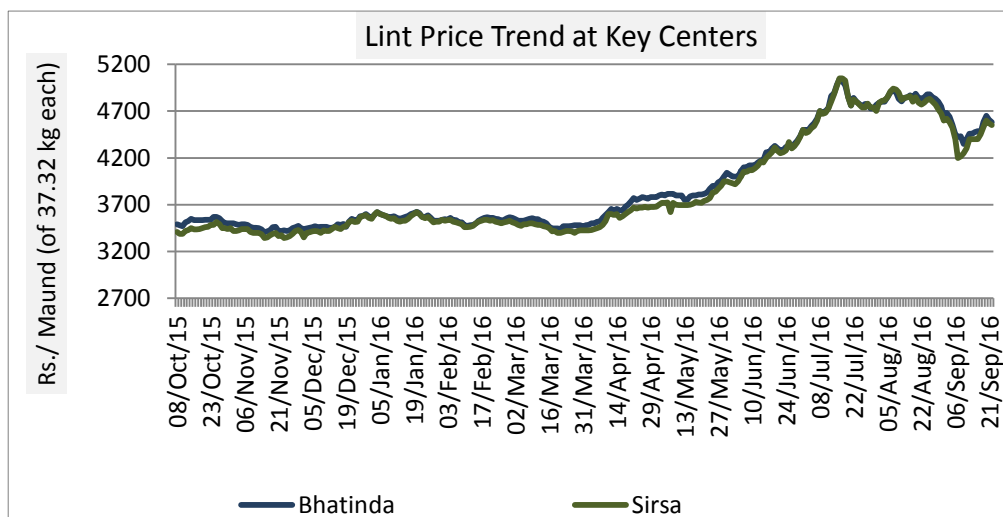
The Kapas prices are ruling above the MSP so far. The gap between the two prices has widened this week. The average gap between the prices was Rs. 2203 this week compared to Rs 1591.67 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

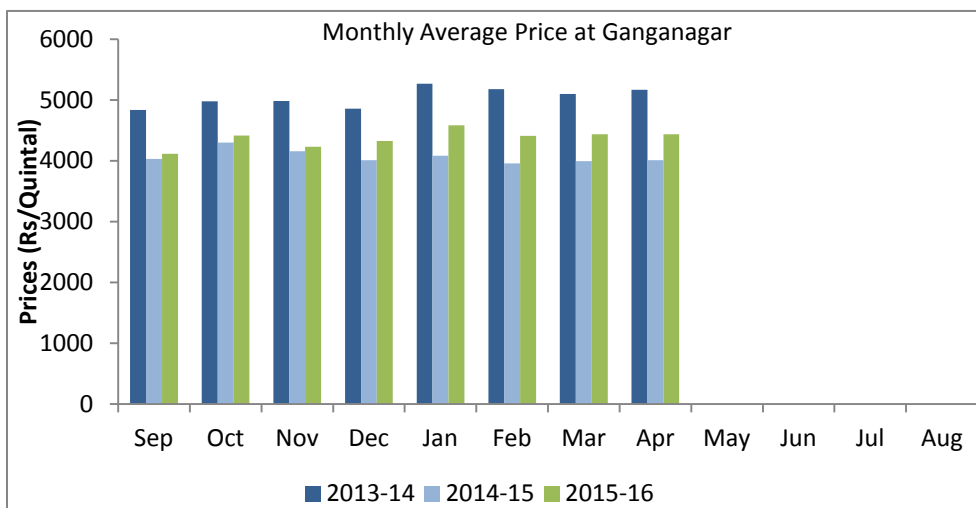
Weekly Price Review: As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4527 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4380 per maund.

Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in range of Rs. 4500-5000 per maund.



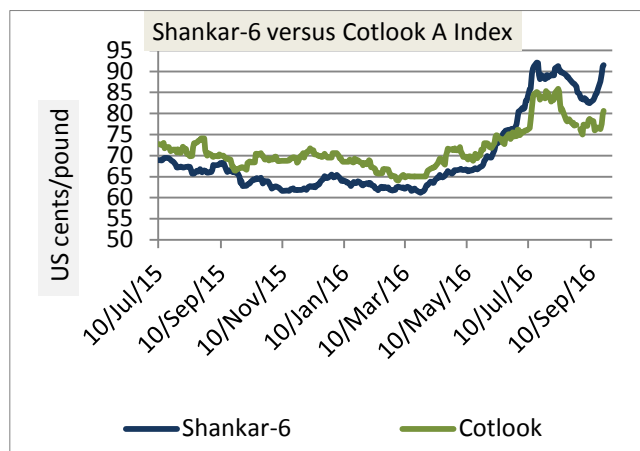
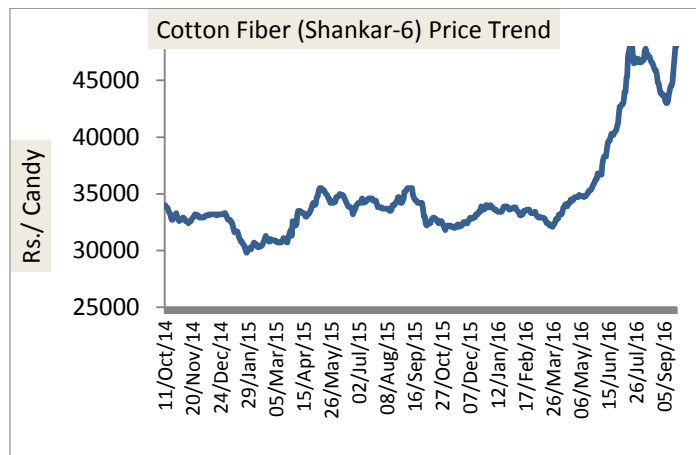
Lint Monthly Y-o-Y Price Scenario

Currently there are no arrivals in Ganganagar.



Cotton Fiber Weekly Price Scenario

Due to the upward movement in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 46517 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 43780 per candy.

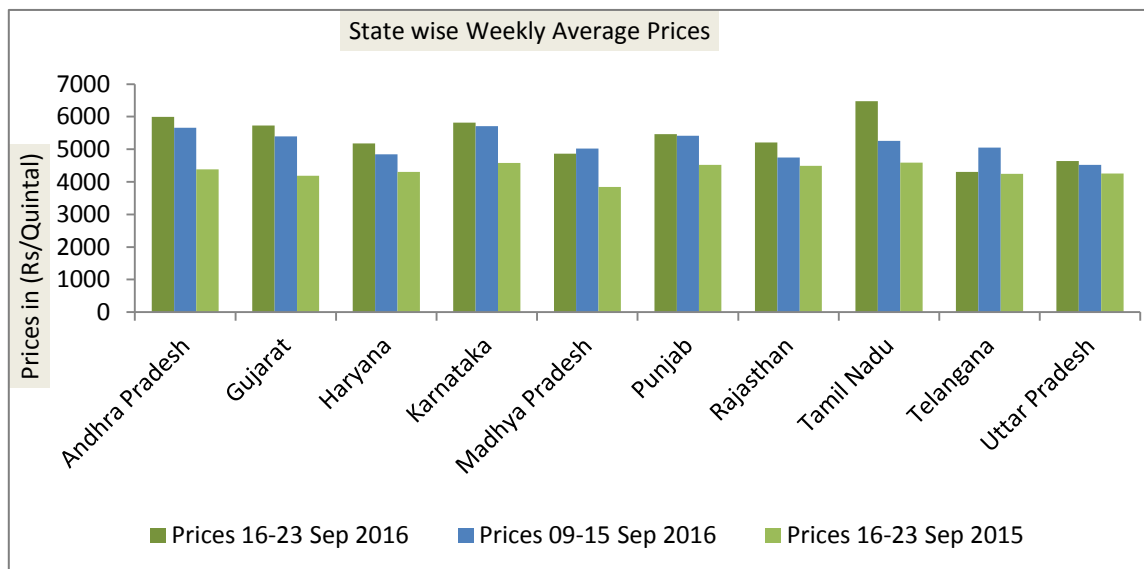


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 78.16 cents/pound, Indian weekly average price stood at 89.03 cents/pound, making Indian fiber uncompetitive in international market.

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

State wise Weekly Price Scenario

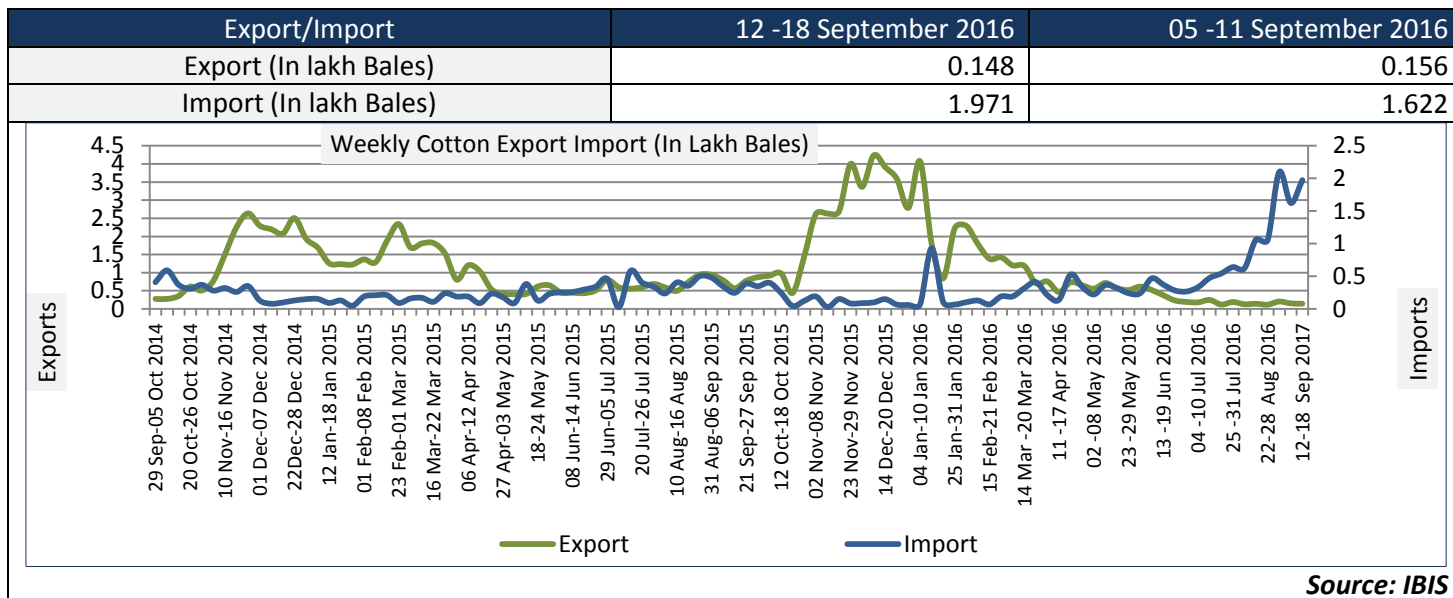
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Tamil Nadu followed by Andhra Pradesh this week and lowest was in Telangana followed by Uttar Pradesh. On year on year basis, cotton prices are



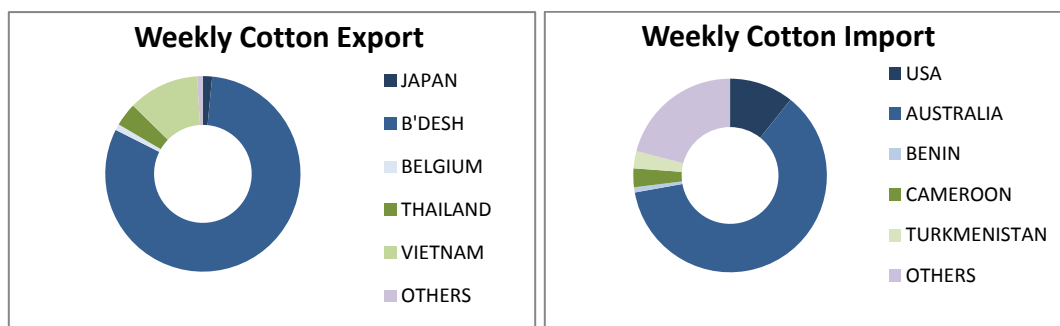
reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.148 lakh bales of cotton last week (12 -18 September 2016), which was 0.156 lakh bales during the week before (05 -11 September 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 1.971 lakh bales last week, which was 1.622 lakh bales the week before .



Major importer of Indian cotton during the week (12 -18 September 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.120 lakh bales of cotton from India in the past week (12 -18 September 2016). Other major importers were Vietnam, Thailand, Japan and Belgium and their imported volumes were 0.017, 0.006, 0.002 and 0.002 lakh bales respectively. India exported 0.148 lakh bales of cotton last week (12 -18 September 2016), which was 0.156 lakh bales previous to last week (05 -11 September 2016), according to the data released by IBIS and compiled by Agriwatch.



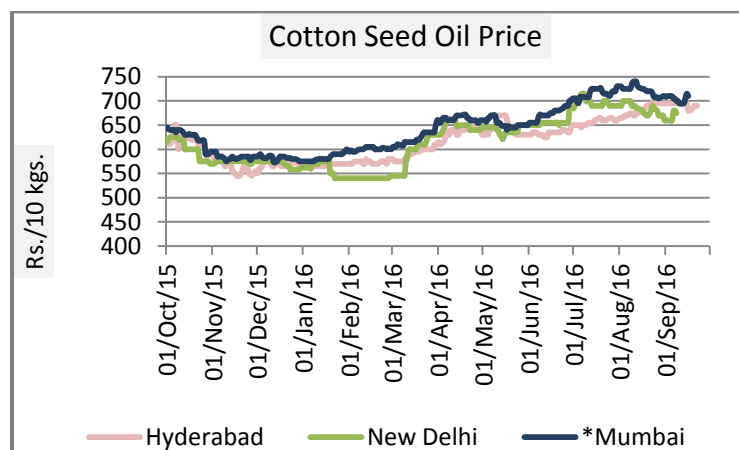
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 669 per 10 Kg, lower compared to the weekly average price of Rs 665 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	22-Sep-16	16-Sep-16	
New Delhi	669	665	0.63
Rajkot	699	694	0.72
Hyderabad	686	693	-0.96
Mumbai*	703	705	-0.24

*Vat Included

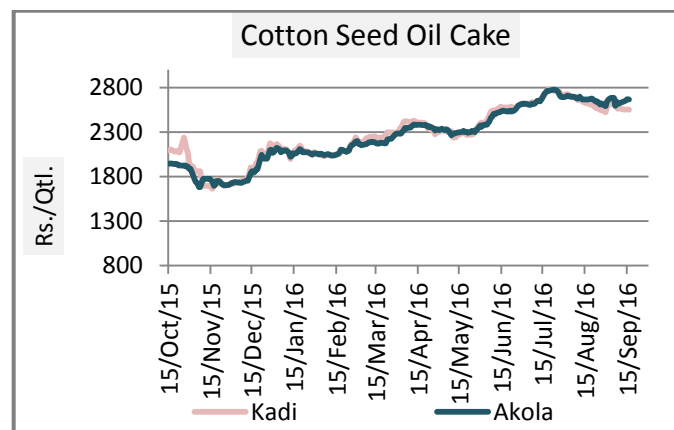


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed mixed tone during the week. Weekly average price in Akola remained Rs 2657 per quintal, steady compared to the weekly average price of previous week of Rs 2650 per quintal.

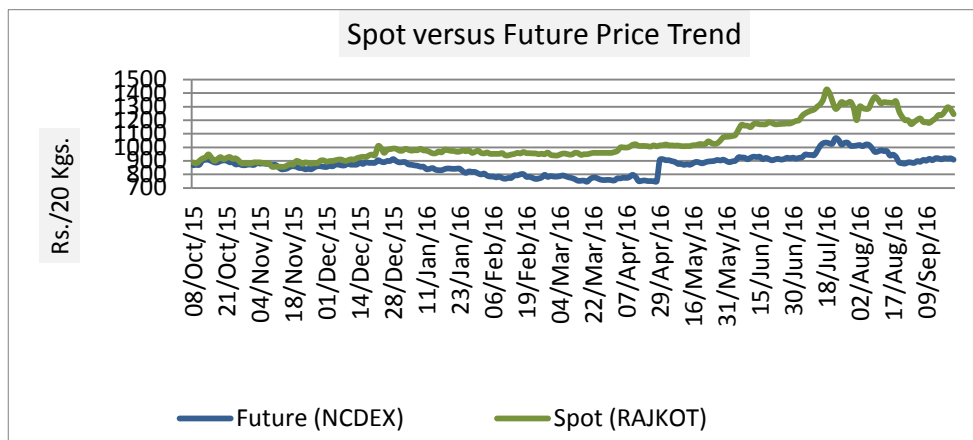
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	22-Sep-16	16-Sep-16	
Kadi	2550	2557	-0.27
Akola	2657	2650	0.28

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 892.00 as on 23 Sep 2016, compared to 911.50 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.348.50 which was Rs 296.30 a week earlier.



Technical Analysis of Kapas Future Prices at NCDEX(April'17 Contract)



Weekly Technical Outlook:

- Kapas prices noticed range –bound to weak tone during the week.
- RSI is declining in the neutral zone.
- MACD signal line and center line denotes neutrals crossover.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Weak Momentum	875-925

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
875	850	950	975

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 78.16 cents/pound this week, which was 77.72 cents/pound during last week.

Major Market Highlights: Cotton production is likely to double this year in Australia as rainfall is helping irrigators and dryland farmers to plant more cotton. According to industry sources, the country is likely to produce over four million bales of cotton in 2016 worth over \$2.2 billion.

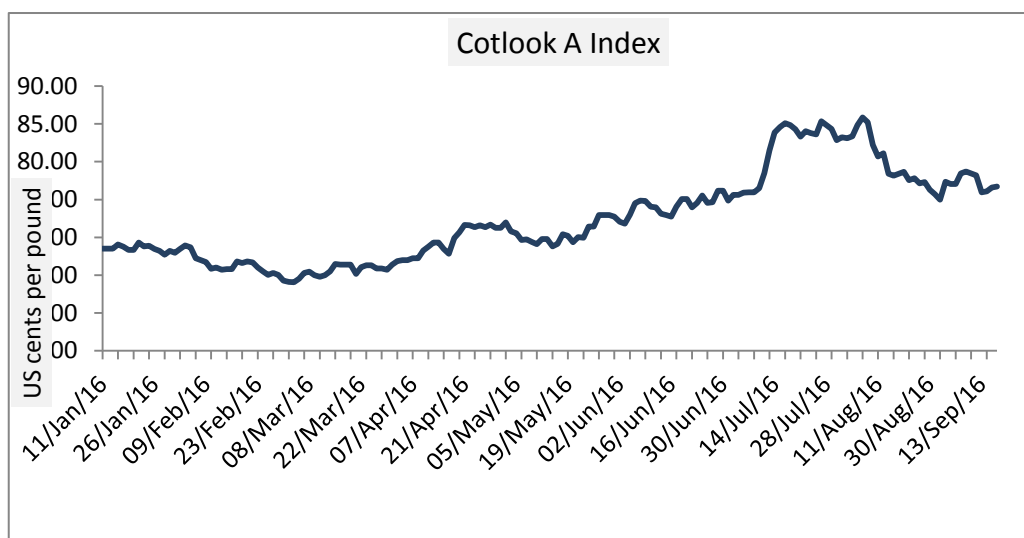
Bangladesh cotton yarn imports increased by 25 per cent to 207,644 tonnes in the first seven months of 2016. Major portion of the yarn has been imported from India and some from Indonesia. According to the data of Bangladesh Textile Mills Association (BTMA), in 2015, a total of 295,330 tonnes of cotton yarn was imported, and 280,283 tonnes was imported in 2014.

According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. World 2015-16 cotton production is projected at 96.44 million bales, around 19 per cent below last season. World ending stocks are now projected lower at 98.55 million bales. For India, production is forecast at 26.4 million bales, below 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.

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
	22-Sep-16	16-Sep-16	
Prices	78.16	77.72	1.5
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

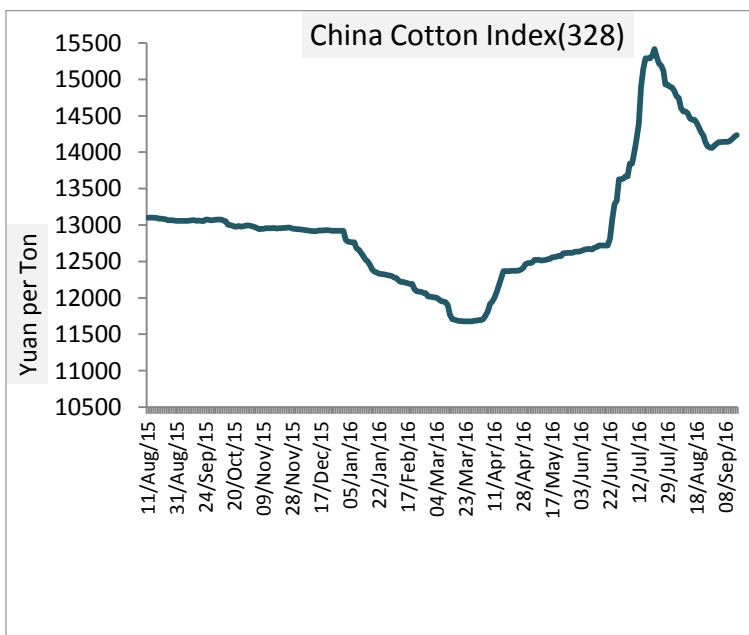
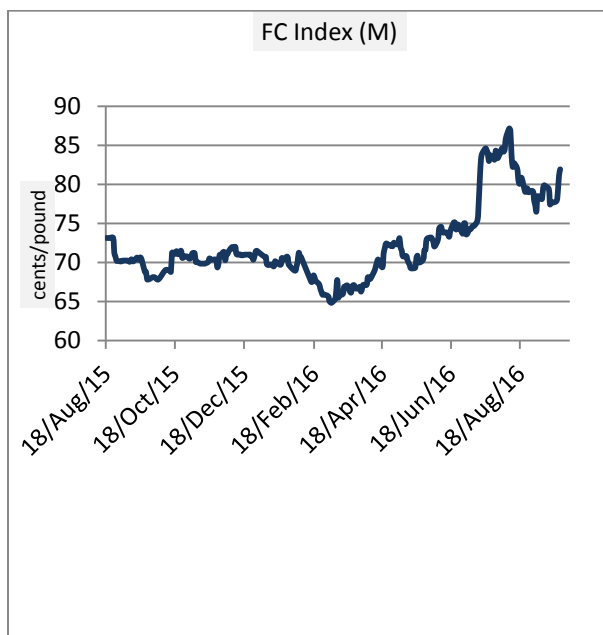
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

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
	22-Sep-16	16-Sep-16	
FC (S)	82.49	81.38	1.37
FC (M)	79.56	78.28	1.64
FC (L)	76.96	75.61	1.78
Prices in US cents per Pound			

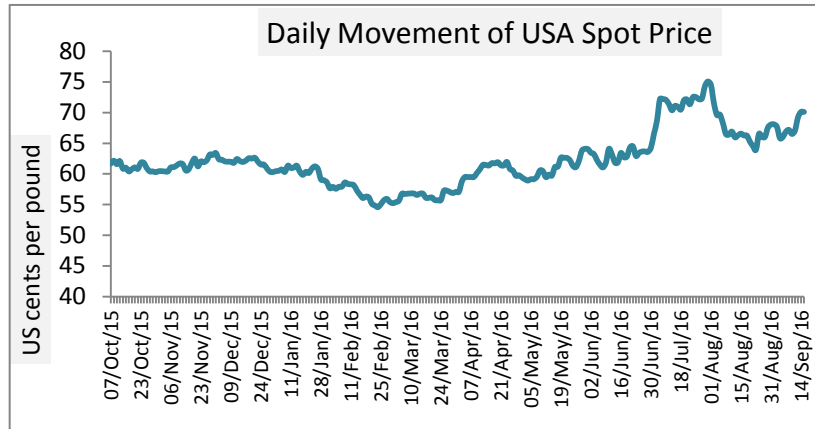
China Index remained firm during the week. CC Index (328) remained 13546 Yuan per ton during the week. Average was 13450 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	22-Sep-16	16-Sep-16	
CCIndex(229)	14185	14136	0.35
CCIndex(328)	13546	13450	0.71
CCIndex(527)	14419	14365	0.37
Prices in Yuan per ton			



USA Spot Prices

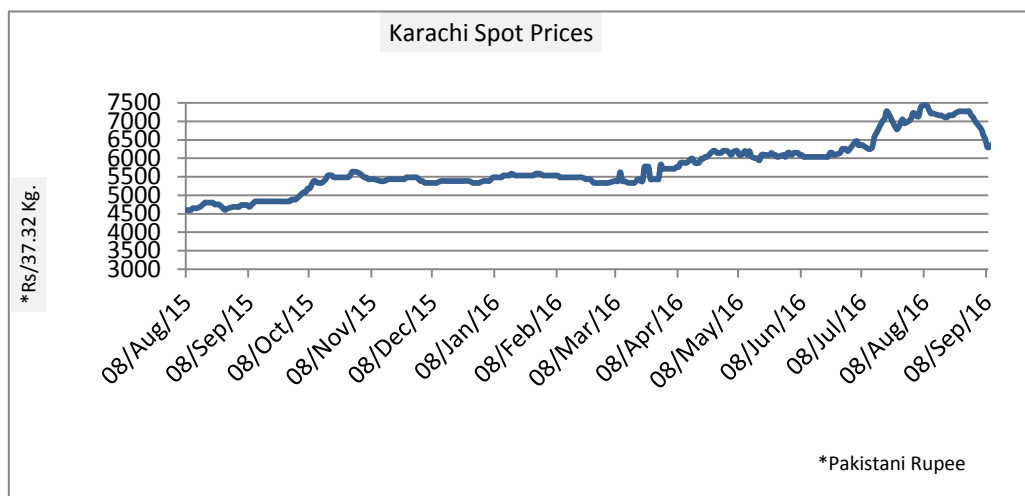
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon 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
	22-Sep-16	16-Sep-16	
Prices	68.58	67.07	2.25
Prices in US cents per Pound			

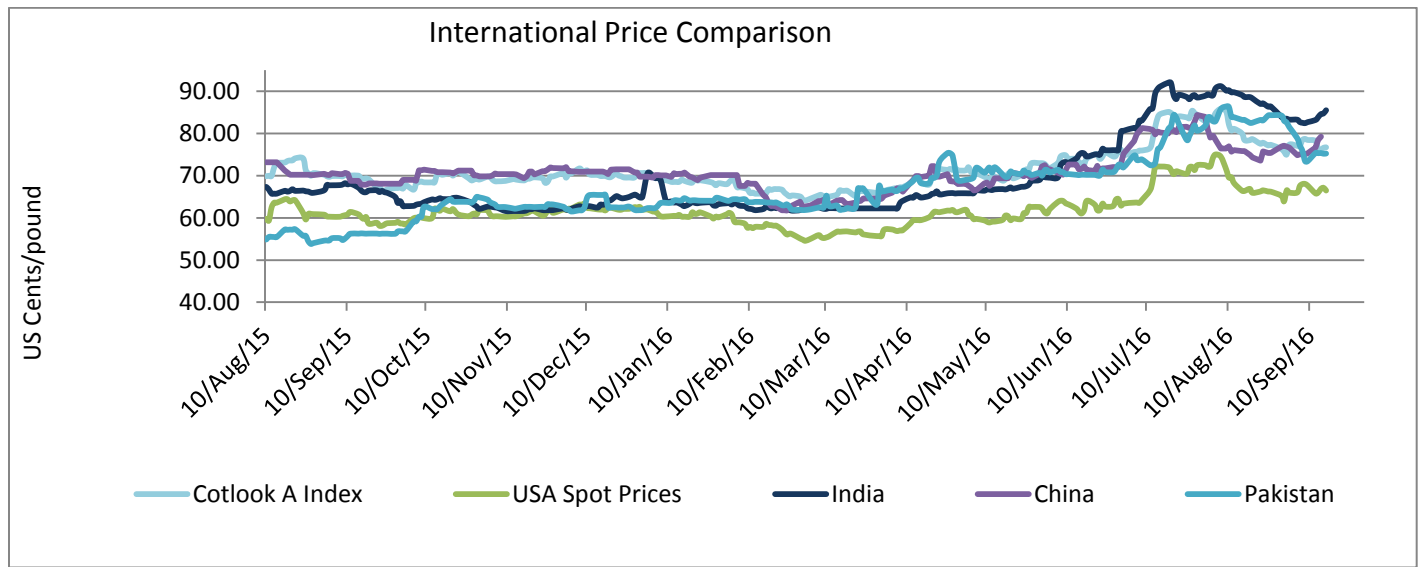
Pakistan Spot Prices

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 more exports from India, as Pakistan would import to fulfill its domestic demands.



Karachi Spot Prices	Weekly Average Price as on		% Change
	22-Sep-16	16-Sep-16	
Prices	6487	6441	0.71
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 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 Bearish Momentum	70.00-75.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
70.00	68.50	73.50	75.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	23-Sep-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	71.17	68.38	67.92	58.73	64.60	4.79	21.18
Dec-16	71.71	67.72	68.28	60.00	5.84	5.02	19.52
Mar-17	71.82	67.91	68.95	NA	5.77	4.16	NA
May-17	72.10	68.31	69.08	NA	5.58	4.37	NA
Jul-17	72.02	68.51	69.08	NA	5.14	4.26	NA
Oct-17	71.67	68.41	68.77	NA	4.76	4.22	NA

Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	17th to 23rd Sept.16	10th to 16th Sept.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	6444	5853	592
	Rajkot	B.T. Cotton	6351	6065	286
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5405	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	6117	5570	547
	Bhiwani	Desi	4650	4367	283
	Adampur	B.T. Cotton	5693	5378	315
	Fatehabad	B.T. Cotton	5706	5270	436
	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	5440	5350	90
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	4750	4680	70
	Hathras	Desi	5380	4410	970
Telangana	Adilabad	Un-Ginned	4650	4650	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	4500	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4150	4150	Unch
Karnataka	Bijapur	Bunny	6431	5853	578
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5165	4900	265
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	17th to 23rd Sept.16	10th to 16th Sept.16	
Punjab	Bhatinda	J-34	4571	4456	115
	Abohar	J-34	4573	4441	132
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4527	4380	147
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th to 23rd Sept.16	10th to 16th Sept.16	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	145	90	55
	Rajkot	B.T. Cotton	7600	1400	6200
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	30000	21200	8800
	Bhiwani	Desi	3200	1500	1700
	Adampur	B.T. Cotton	2210	850	1360
	Fatehabad	B.T. Cotton	2925	550	2375

	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	10030	6760	3270
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	1900	2025	-125
	Hathras	Desi	750	570	180
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	73	140	-67
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	10	-3
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th to 23rd Sept.16	10th to 16th Sept.16	
Punjab	Bhatinda	J-34	12580	3366	9214
	Abohar	J-34	2720	723	1998
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	5100	1360	3740
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				16th to 22nd Sept.16	9th to 15th Sept.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29883	29800	83
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30383	30300	83
J-34(202)	26mm	3.5 - 4.9	23	43067	41960	1107
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	45767	42880	2887
Shankar-6(105)	29mm	3.5 – 4.9	28	46517	43780	2737

Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48867	45900	2967
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49667	46960	2707
DCH-32(107)	34mm	3.0 - 3.8	33	56300	54460	1840

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