Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 6221 per quintal, which stood at Rs. 6351 previous week. Average price of Lint at Sirsa during the week was Rs. 4346 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4527. Cotton fiber (Shankar-6) prices remained range bound to firm this week. Average price was Rs 46683 per candy (of 355.6 kg each) during the week, which was Rs 46517 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 890 per maund (of 20 kg each) which was Rs 892.00 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. 5900-6300 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4000-4500 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:

According to the Cotton Association Of India (CAI), cotton output for 2016 -17 has been estimated 336 lakh bales same as previous year's level as per estimates released for August. The projected balance sheet according to CAI, estimated total cotton supply for the cotton season 2016-17 at 398 lakh bales, while the domestic consumption is estimated at 309 lakh bales thus leaving an available surplus of 89 lakh bales.

According to preliminary report by the government, cotton sowing as on 23rd September, 2016 has been covered under 102.55 lakh hectares compared to 115.98 lakh hectares during the same corresponding period previous year.

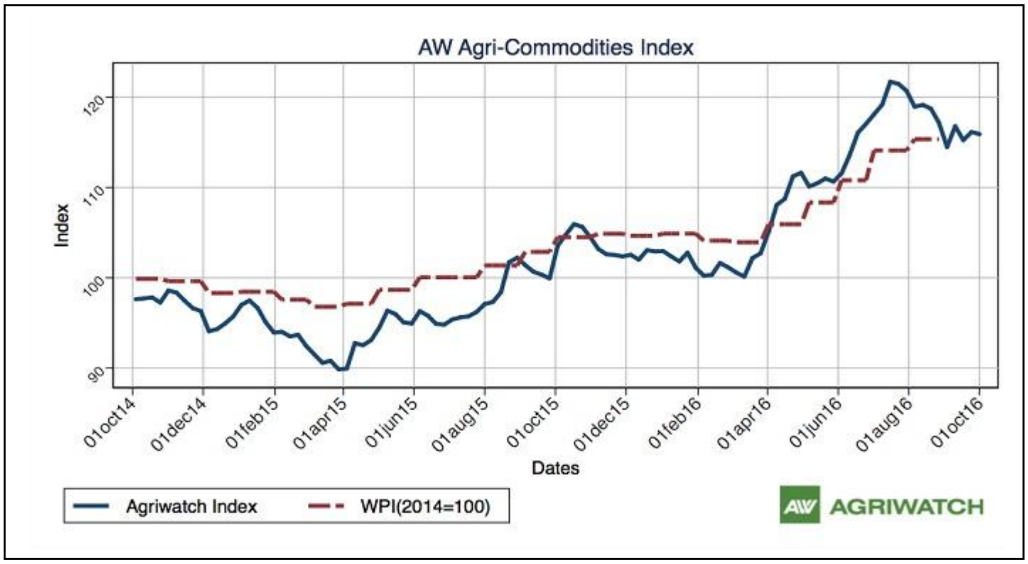
Lakhs of farmers in Raichur district have shifted from cotton to red gram this year following huge losses from the pink bollworm pest attack in their Bt. Cotton cotton fields during previous year. With good rains in the second half of this month in the growing regions, the crop is progressing well. The area under red gram cultivation has increased from 40,000 hectares in the last kharif season to 96,000 hectares in the current season. Similarly, the area under cotton cultivation has declined from 60,000 hectares to 43,000 hectares during the same period.

India exported 0.190 lakh bales of cotton last week (19 -25 September 2016), which was 0.148 lakh bales previous to last week (12 -18 September 2016), according to the data released by IBIS and compiled by Agriwatch.

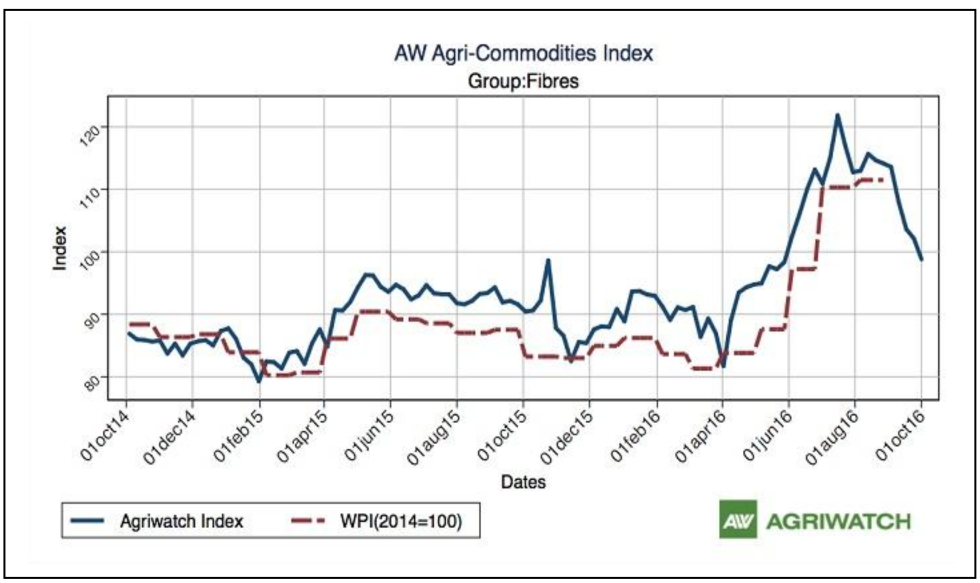
Major importer of Indian cotton during the week (19 -25 September, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.144 lakh bales of cotton from India in the past week (19 -25 September, 2016). Other major importers were Bahrain, Vietnam, Pakistan and Japan and their imported volumes were 0.016 lakh bales, 0.009 lakh bales, 0.006 lakh bales and 0.001 lakh bales respectively.

AW Cotton Index - 02 OCT. 2016

The Agriwatch Agri Commodities Index edged down 0.20% to 115.90 during the week ended Oct 1, 2016 from 116.13 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -3.23% week-on-week.

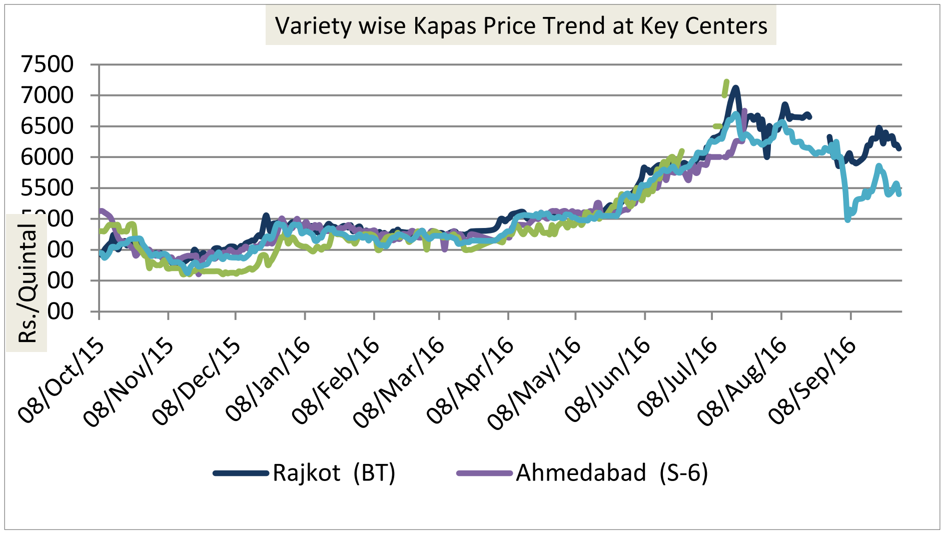


"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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. 6221 per quintal, higher compared to previous week price of Rs. 6351 per quintal.

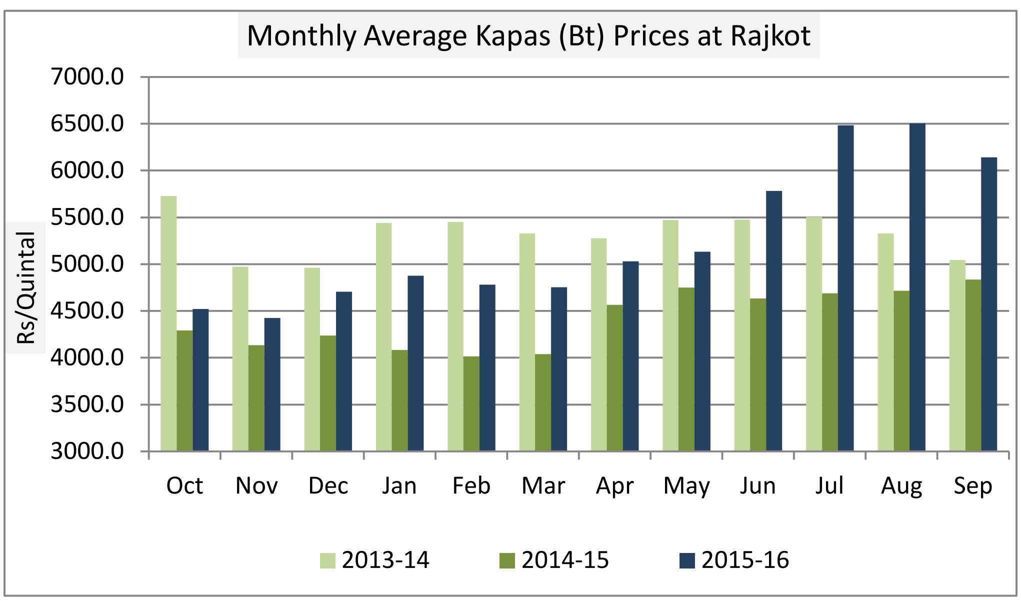


According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 5900-6300 per quintal for the coming week.

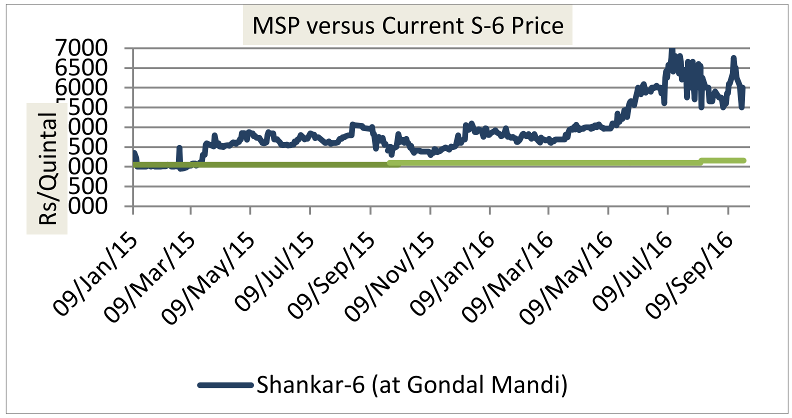
Kapas Monthly Y-o-Y Price Scenario

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



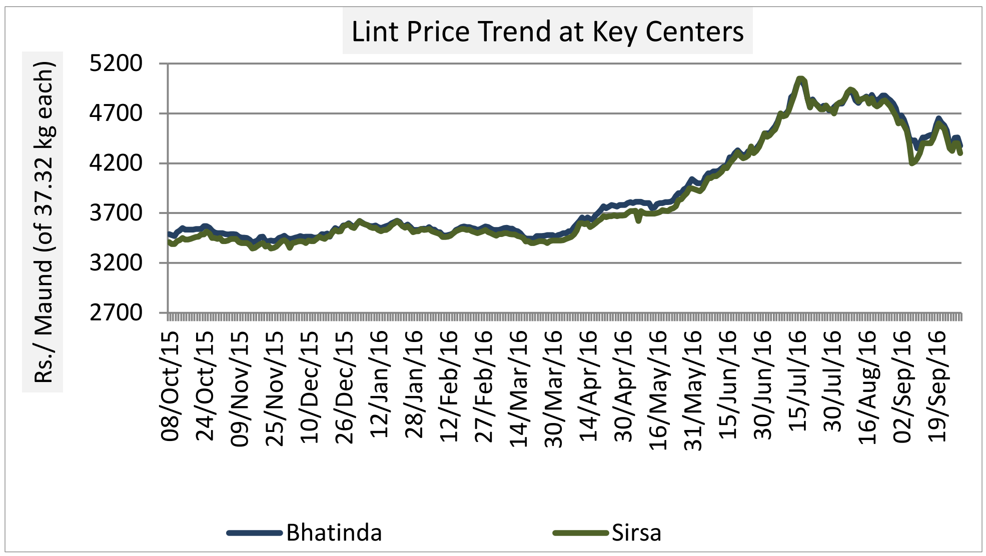
Spot Price versus MSP

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. 1850 this week compared to Rs 2203 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

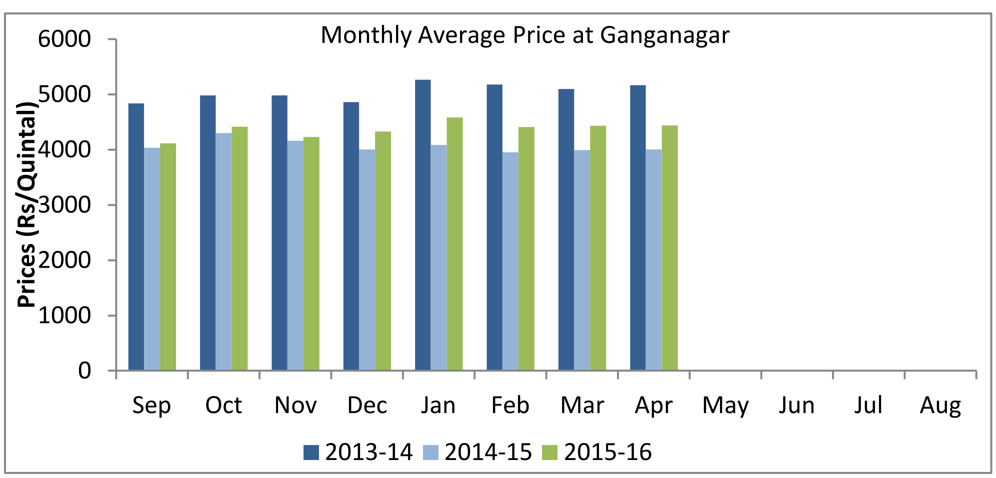
Weekly Price Review: As weak sentiments are prevailing in market, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 4356 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 4527 per maund.



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. 4000-4500 per maund.

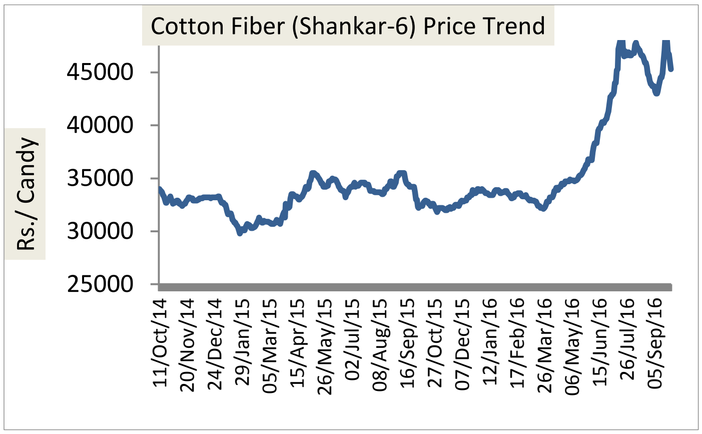
Lint Monthly Y-o-Y Price Scenario

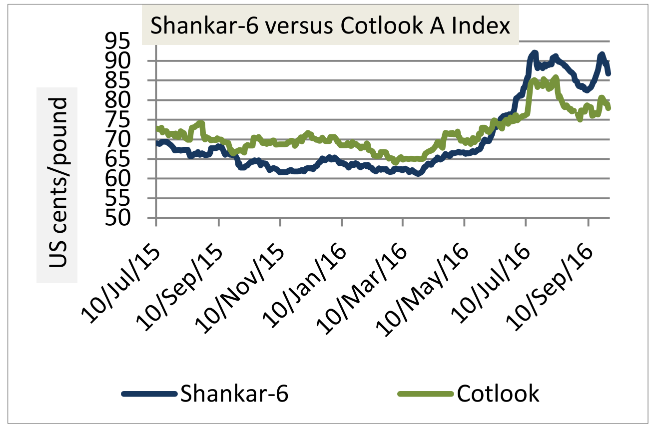
Currently there are no arrivals in Ganganagar.



Cotton Fiber Weekly Price Scenario

Though there was downward movement in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 46683 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 46517 per candy.



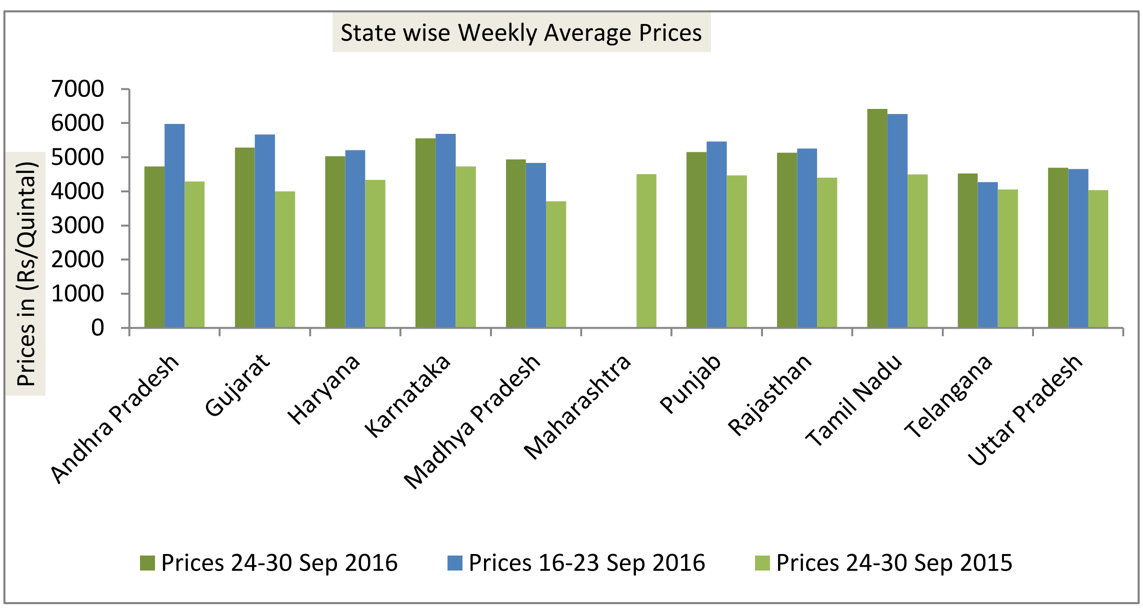


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 79.20 cents/pound, Indian weekly average price stood at 89.07 cents/pound, making Indian fiber incompetitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 44000-47000 per candy

State wise Weekly Price Scenario

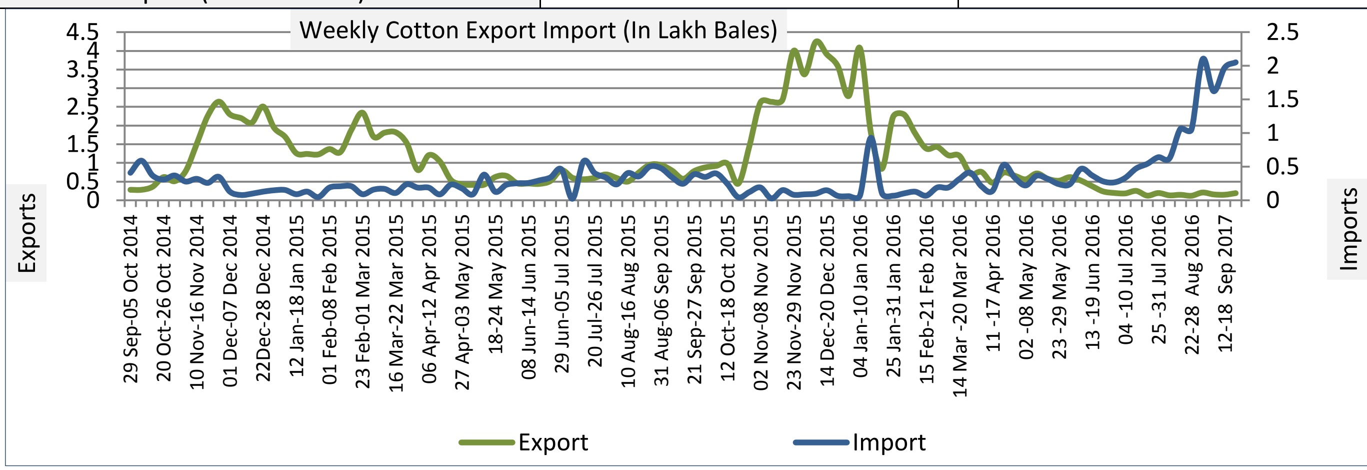
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Tamil Nadu followed by Karnataka this week and lowest was in Telangana followed by Uttar Pradesh. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices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



Cotton Weekly Export and Import

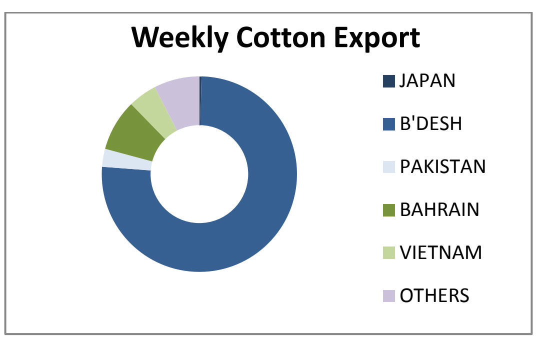
India exported 0.190 lakh bales of cotton last week (19 -25 Septemner 2016), which was 0.148 lakh bales during the week before (12 -18 Septemner 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 2.051 lakh bales last week, which was 1.971 lakh bales the week before .

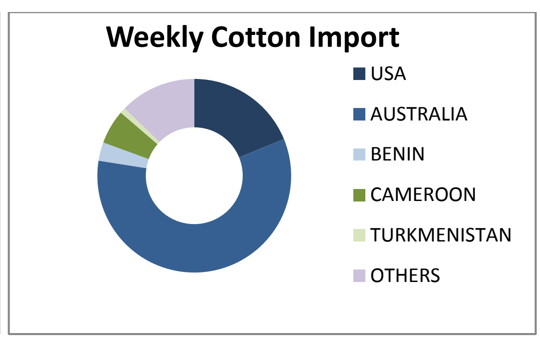
Export/Import	19 -25 September 2016	12 -18 September 2016
Export (In lakh Bales)	0.190	0.148
Import (In lakh Bales)	2.051	1.971



Source: IBIS

Major importer of Indian cotton during the week (19 -25 September 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.144 lakh bales of cotton from India in the past week (12 -18 September 2016). Other major importers were Bahrain, Vietnam, Pakistan and Japan and their imported volumes were 0.016, 0.009, 0.006 and 0.001 lakh bales respectively. India exported 0.190 lakh bales of cotton last week (19 -25 September 2016), which was 0.148 lakh bales previous to last week (12 -18 September 2016), according to the data released by IBIS and compiled by Agriwatch.





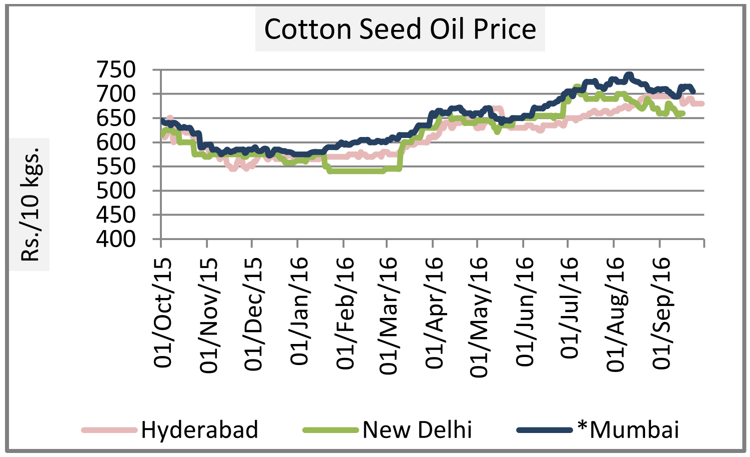
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 663 per 10 Kg, lower compared to the weekly average price of Rs 669 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	29-Sep-16	22-Sep-16	
New Delhi	663	669	-1.00
Rajkot	691	699	-1.19
Hyderabad	680	686	-0.85
Mumbai*	713	703	1.30

*Vat Included

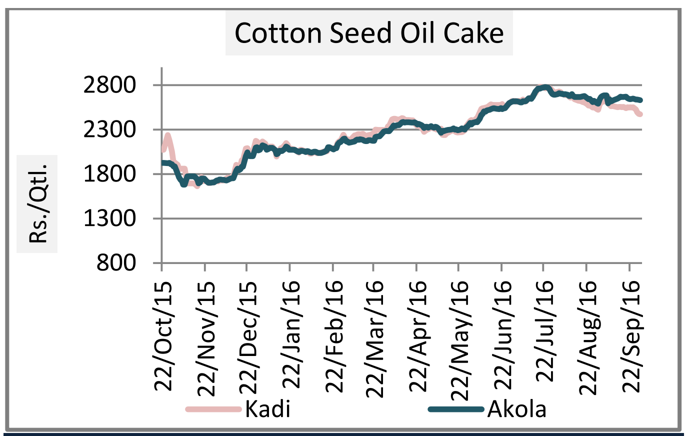


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed mixed tone during the week. Weekly average price in Akola remained Rs 2639 per quintal, lower compared to the weekly average price of previous week of Rs 2650 per quintal.

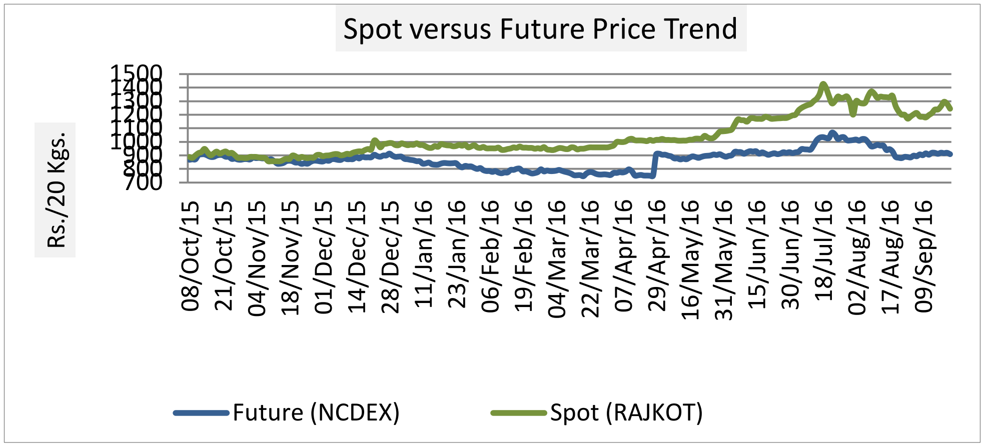
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	29-Sep-16	22-Sep-16	
Kadi	2511	2557	-1.79
Akola	2639	2650	-0.40

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 890.00 as on 29 Sep 2016, compared to 892.00 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.358.60 which was Rs 348.50.30 a week earlier.



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

Weekly Technical Outlook:

- Kapas prices noticed 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 79.20 cents/pound this week, which was 78.16 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 n 2016 worth over $2.2 billion.

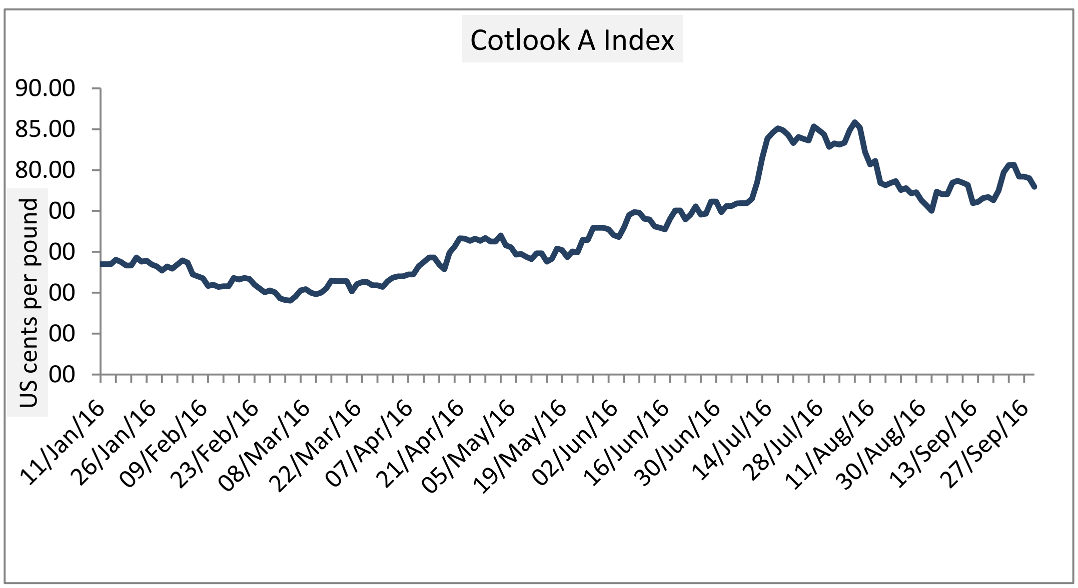
Bangladesh cotton yarn imports increased by 25 per cent to 207,644 tonnes in the first seven months of 2016. Major portion of the yarn has been imported from India and some from Indonesia. According to the data of Bangladesh Textile Mills Association (BTMA), in 2015, a total of 295,330 tonnes of cotton 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 weak tone 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
	29-Sep-16	22-Sep-16	
Prices	79.2	78.16	1.3
			Prices in US cents per Pound

China Cotton Index and Foreign Cotton Index

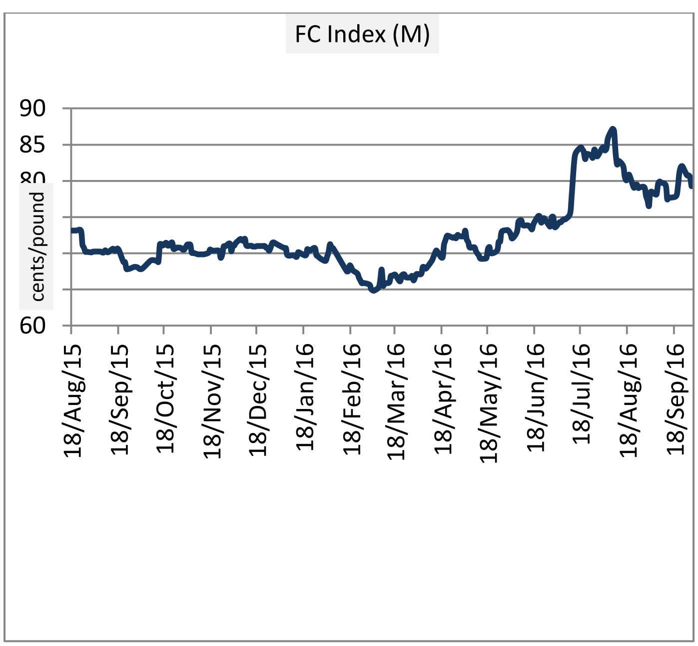
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

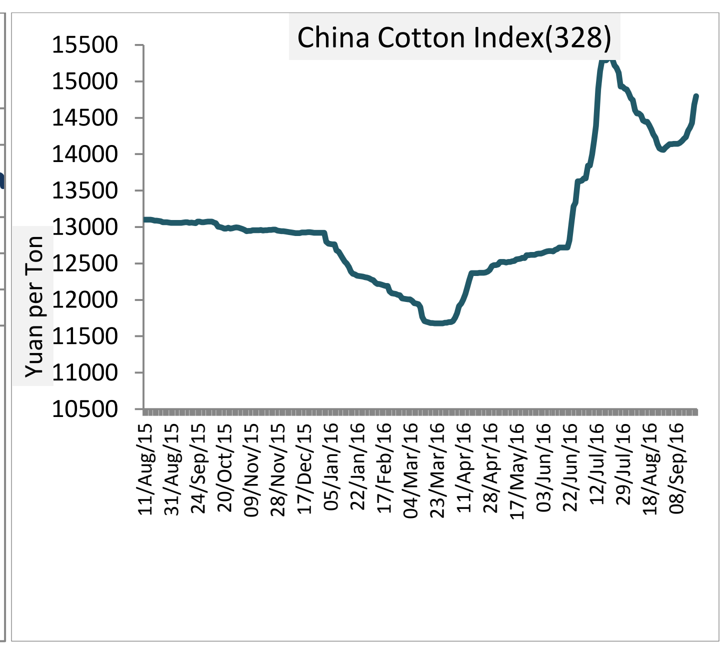
In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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

Cotton Index	Weekly Average Price as on		% Change
	29-Sep-16	22-Sep-16	
FC (S)	83.47	82.49	1.19
FC (M)	80.66	79.56	1.38
FC (L)	78.05	76.96	1.42
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.

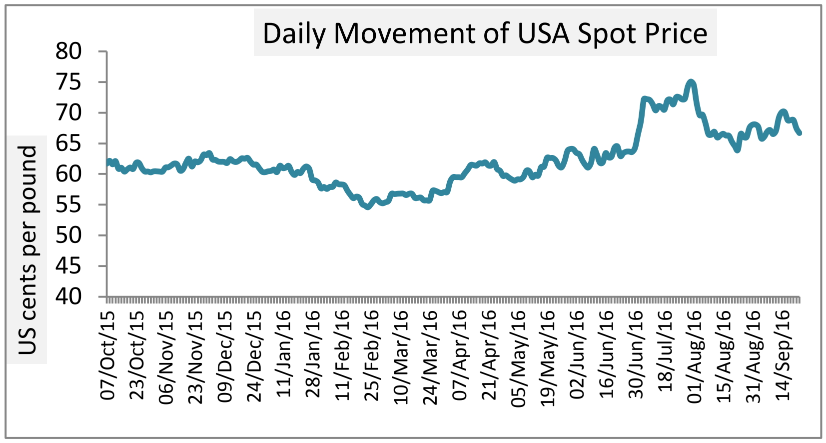
Cotton Index	Weekly Average Price as on		% Change
	29-Sep-16	22-Sep-16	
CCIndex(229)	14519	14185	2.35
CCIndex(328)	13785	13546	1.77
CCIndex(527)	14801	14419	2.65
Prices in Yuan per ton			





USA Spot Prices

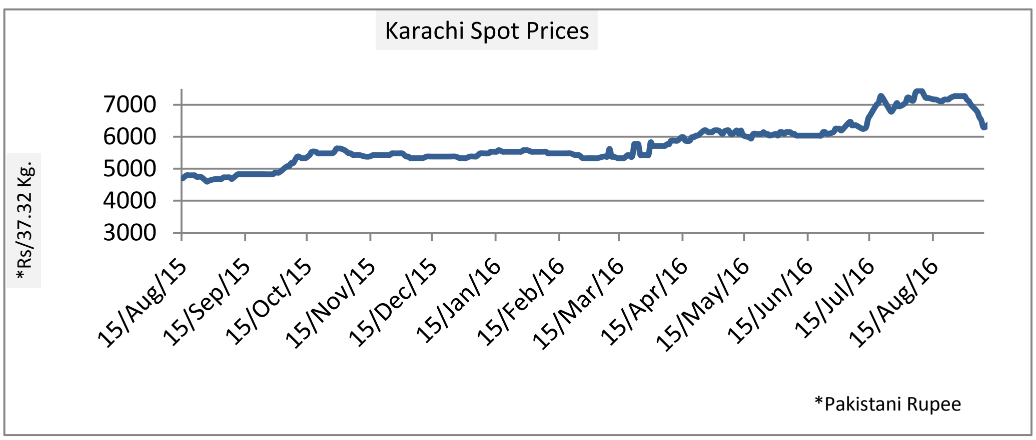
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon 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
	29-Sep-16	22-Sep-16	
Prices	68.08	68.58	-0.73
Prices in US cents per Pound			

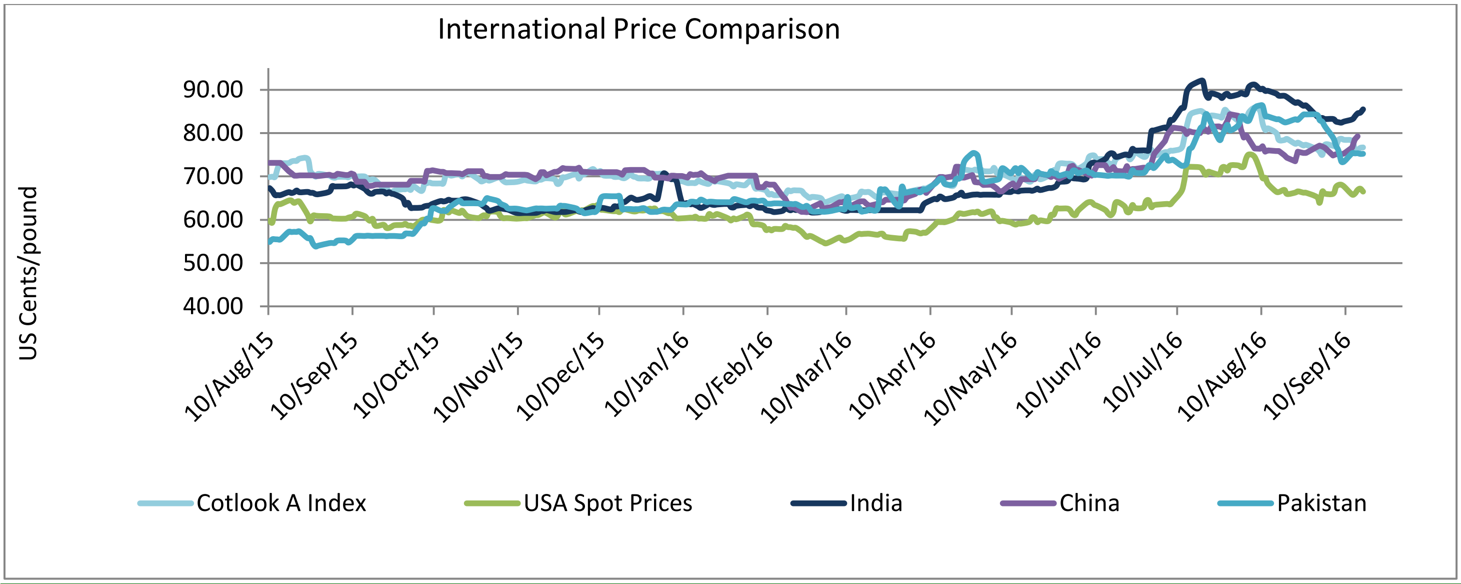
Pakistan Spot Prices

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.

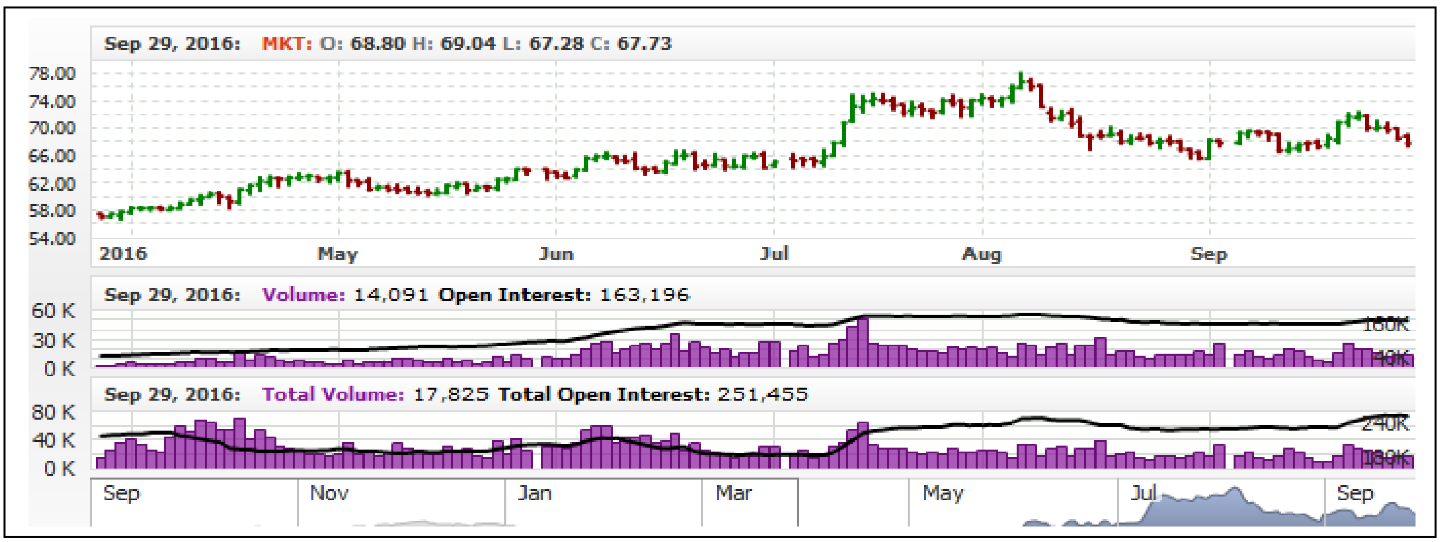


Karachi Spot Prices	Weekly Average Price as on		% Change
	29-Sep-16	22-Sep-16	
Prices	6704	6487	3.35
Prices in Rs per 37.32 Kg			

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 weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	63.00-68.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
65.00	61.50	70.00	73.50
Figures in US cents/pound			

Cotton Future Prices at ICE

Contracts	29-Sep-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	67.95	71.17	66.69	63.75	64.60	1.89	6.59
Dec-16	67.73	71.71	66.95	63.00	-5.59	1.17	7.51
Mar-17	68.35	71.82	67.43	NA	-4.84	1.36	NA
May-17	68.74	72.10	67.65	NA	-4.68	1.61	NA
Jul-17	68.79	72.02	67.68	NA	-4.48	1.64	NA
Oct-17	68.21	71.67	67.36	NA	-4.80	1.26	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**	**24th to 30th Sept.16**	**17th to 23rd Sept.16**	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5810	6444	-634
	Rajkot	B.T. Cotton	6221	6351	-130
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	5270	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5010	5405	-395
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5646	6117	-471
	Bhiwani	Desi	4508	4650	-142
	Adampur	B.T. Cotton	5449	5693	-243
	Fatehabad	B.T. Cotton	5449	5706	-257
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	5410	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	6156	5440	716
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4325	4750	-425

	Hathras	Desi	5067	5380	-313
Telangana	Adilabad	Un-Ginned	4633	4650	-17
Andhra Pradesh	Guntur	Un-Ginned	5000	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4152	4150	2
Karnataka	Bijapur	Bunny	6388	6431	-42
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5623	5165	458

Commodity	**Lint**		**Prices (Rs./Maund of 37.32kg each)**		**Change**
State	**Centre**	**Variety**	**24th to 30th Sept.16**	**17th to 23rd Sept.16**	
Punjab	Bhatinda	J-34	4398	4571	-173
	Abohar	J-34	4398	4573	-175
	Mansa	J-34	4356	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4346	4527	-181
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	**Kapas**		**Weekly Sum Arrivals (Quintal)**		**Change**
State	**Centre**	**Variety**	**24th to 30th Sept.16**	**17th to 23rd Sept.16**	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	746	145	601
	Rajkot	B.T. Cotton	4140	7600	-3460
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	2300	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	15	6	9
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	41000	30000	11000
	Bhiwani	Desi	2000	3200	-1200
	Adampur	B.T. Cotton	4590	2210	2380
	Fatehabad	B.T. Cotton	5600	2925	2675
	Jind	B.T. Cotton	NA	NA	-

	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4450	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	20420	10030	**10390**
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5150	1900	**3250**
	Hathras	Desi	2050	750	**1300**
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	120	73	**47**
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	103	7	**96**
Commodity	**Lint**		**Weekly Sum Arrivals (Quintal)**		**Change**
State	**Centre**	**Variety**	**24th to 30th Sept.16**	**17th to 23rd Sept.16**	
Punjab	Bhatinda	J-34	25500	12580	**12920**
	Abohar	J-34	4760	2720	**2040**
	Mansa	J-34	4080	NA	-
Haryana	Sirsa	J-34	8840	5100	**3740**
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				23rd to 29th Sept.16	16th to 22nd Sept.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29000	29883	**-883**
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	29500	30383	**-883**
J-34(202)	26mm	3.5 - 4.9	23	41517	43067	**-1550**
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	46500	45767	**733**
Shankar-6(105)	29mm	3.5 – 4.9	28	46683	46517	**167**
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49467	48867	**600**
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50967	49667	**1300**

DCH-32(107)	34mm	3.0 - 3.8	33	55500	56300	-800