

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. 6008 per quintal, which stood at Rs. 6221 previous week. Average price of Lint at Sirsa during the week was Rs. 4333 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4346. Cotton fiber (Shankar-6) prices noticed easy tone this week. Average price was Rs 44466 per candy (of 355.6 kg each) during the week, which was Rs 46683 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 881 per maund (of 20 kg each) which was Rs 890.00 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. 5700-6100 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. 850-900 per maund (of 20 kg each).

Major Market Highlights: News:

Recent heavy rains in the cotton-growing regions of Maharashtra, Gujarat, Telangana and Karnataka during the last 10 days will help in the growth of the crop. According to the officials of the Nagpur-based Central Institute for Cotton Research (CICR), rains at this time of the year will help in increasing the yield of the crop by 10%. In North India, the growing regions are mostly irrigated and this will benefit the crop.

India's indigenously developed hybrid quality cotton, Shankar-6 is facing competition from African cotton and Peru Pima cotton in the global market. Lack of global branding for the medium staple high quality Shanker-6 is likely to reduce export demand in the coming days amid popularity of the Sudanese coon from Africa and Peru Pima cotton which is being promoted widely by the respective countries. According to industry sources, currently there are no standards set bt by the government, which could help in brand promotion.

The Indian government has restricted the sale of cotton stocks held by the Cotton Corporation of India (CCI) to micro, small and medium –sized mills following the recent increase in prices. This will help in offsetting higher input cost and applies to existing cotton stocks purchased under the Minimum Support Price.

India exported 0.074 lakh bales of cotton last week (26 September -02 October 2016), which was 0.190 lakh bales previous to last week (19 -25 September 2016), according to the data released by IBIS and compiled by Agriwatch.

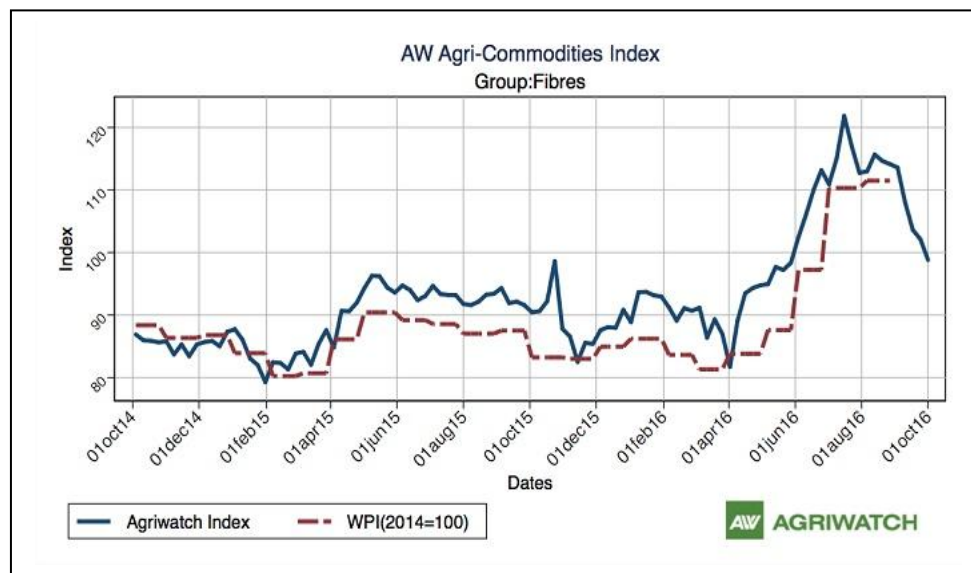
Major importer of Indian cotton during the week (26 September -02 October, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.061 lakh bales of cotton from India in the past week (26 September -02 October, 2016). Other major importers were Pakistan, Japan and U.K. and their imported volumes were 0.008 lakh bales, 0.004 lakh bales and 0.002 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."

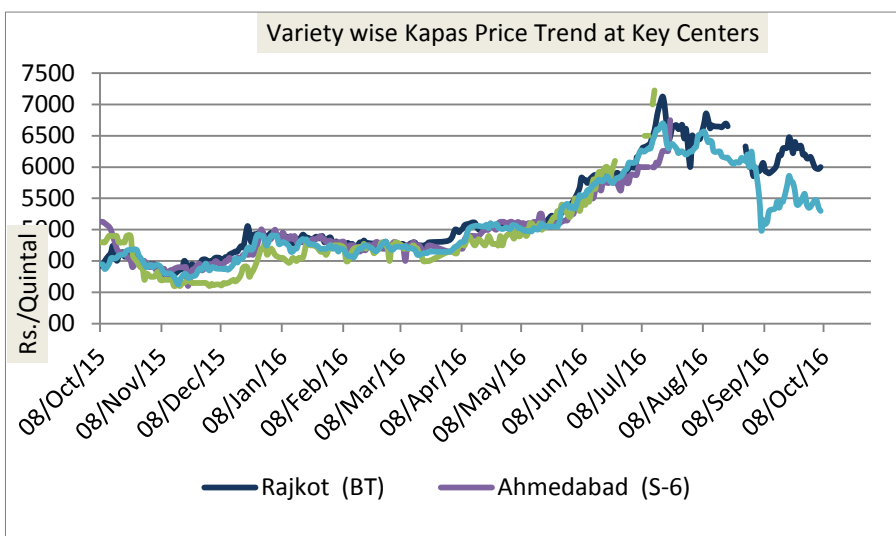
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained weak during the week amid good demand in the market. Weekly average price of Kapas at Rajkot remained at Rs. 6008 per quintal, higher compared to previous week price of Rs. 6221 per quintal.

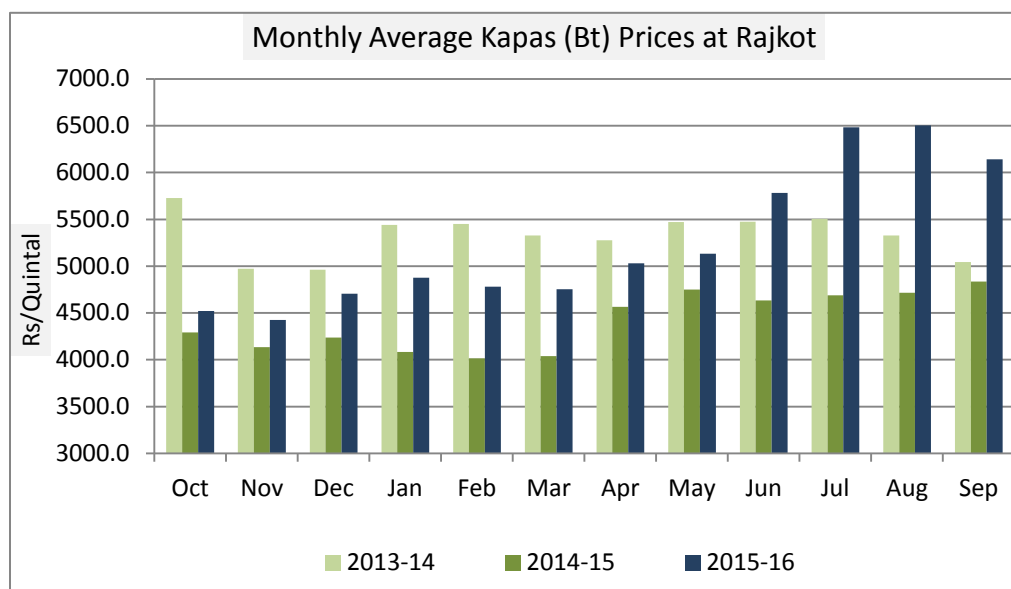
According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 5700-6100 per quintal for the coming week.



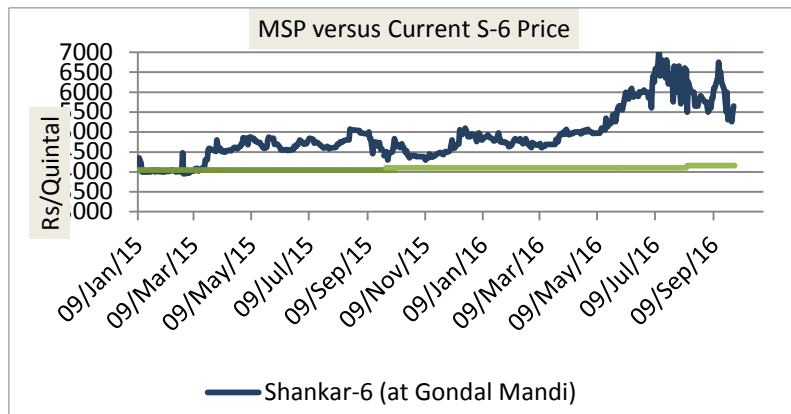
Kapas Monthly Y-o-Y Price Scenario

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

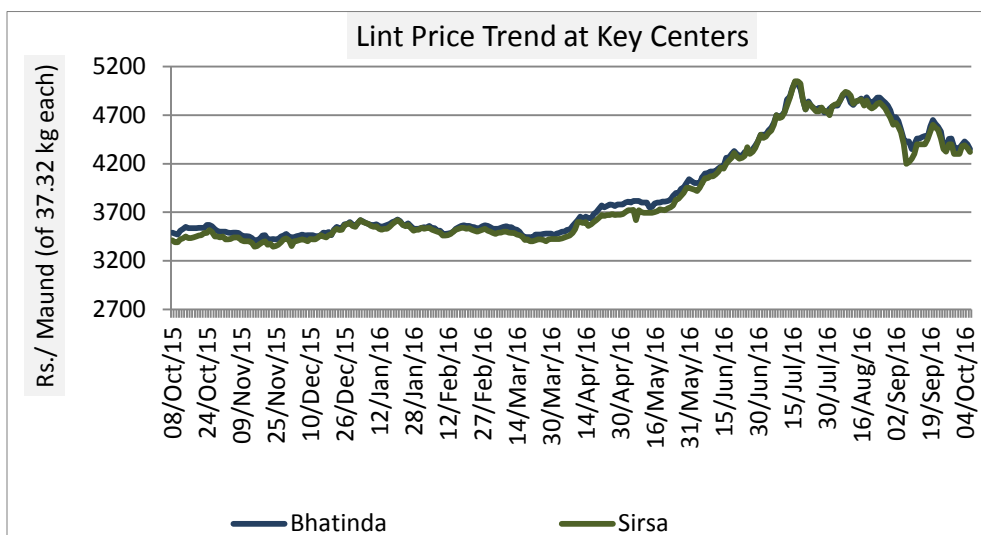
The Kapas prices are ruling above the MSP so far. The gap between the two prices has narrowed this week. The average gap between the prices was Rs. 1277 this week compared to Rs 1850 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

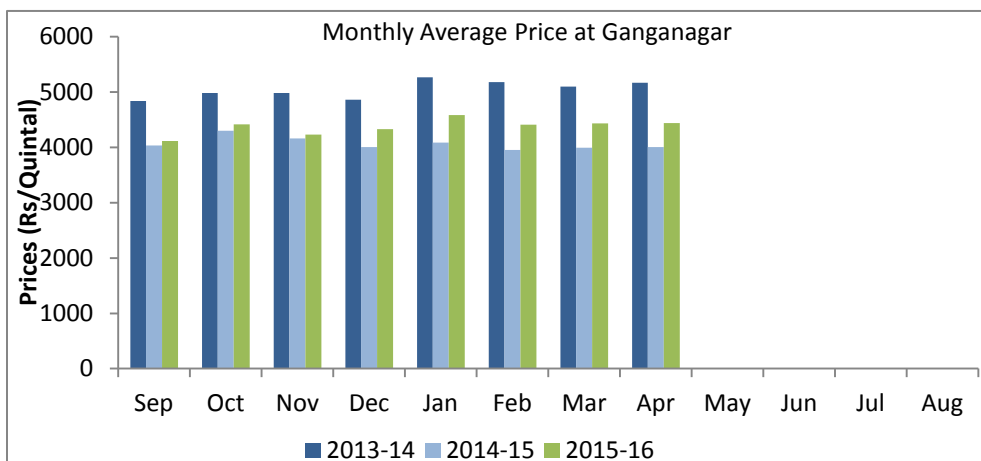
Weekly Price Review: As weak sentiments are prevailing in market, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 4333 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 4346 per maund.

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.



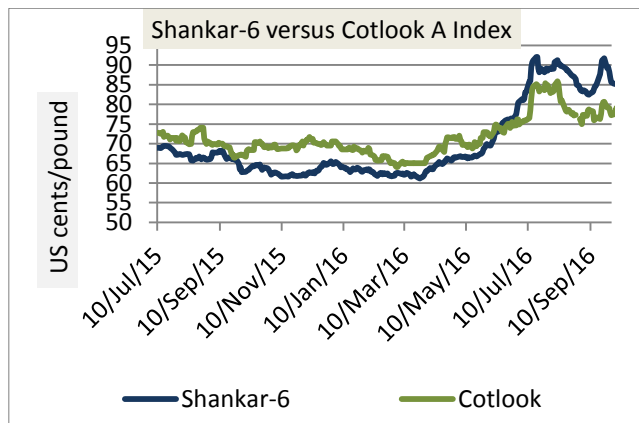
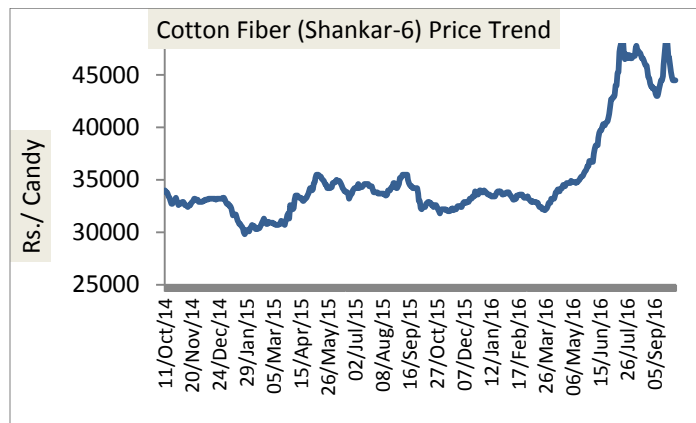
Lint Monthly Y-o-Y Price Scenario

Currently there are no arrivals in Ganganagar.



Cotton Fiber Weekly Price Scenario

Following downward movement in Kapas prices, cotton fiber moved southwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 44466 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 46683 per candy.

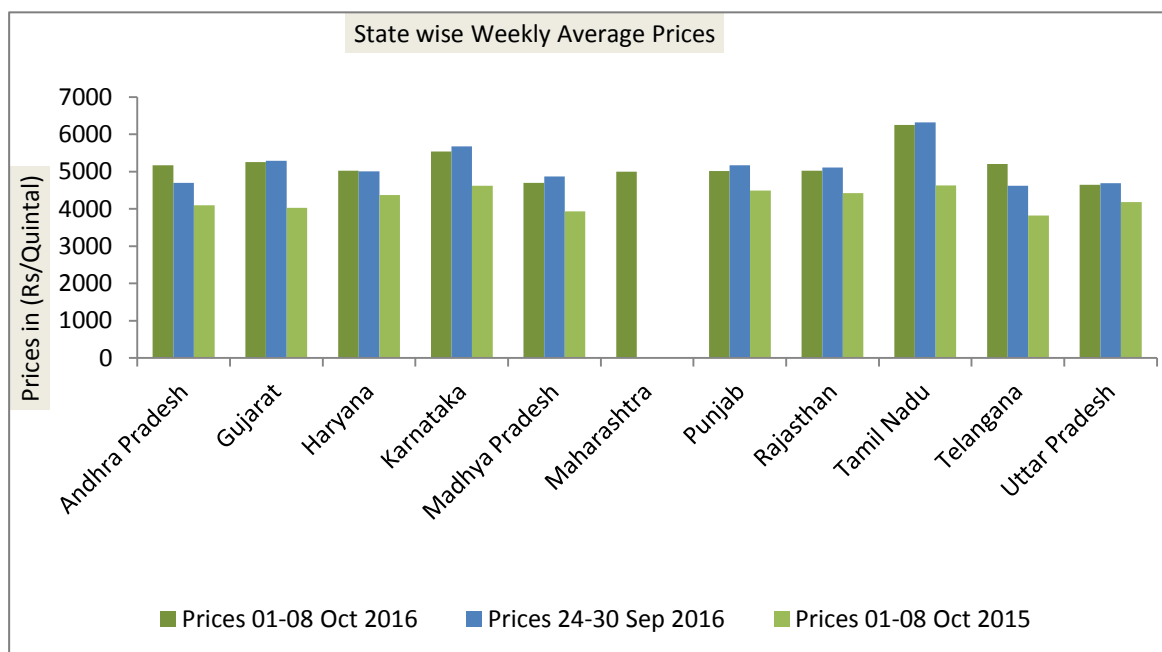


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 77.83 cents/pound, Indian weekly average price stood at 85.22 cents/pound, making Indian fiber uncompetitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 41000-45000 per candy

State wise Weekly Price Scenario

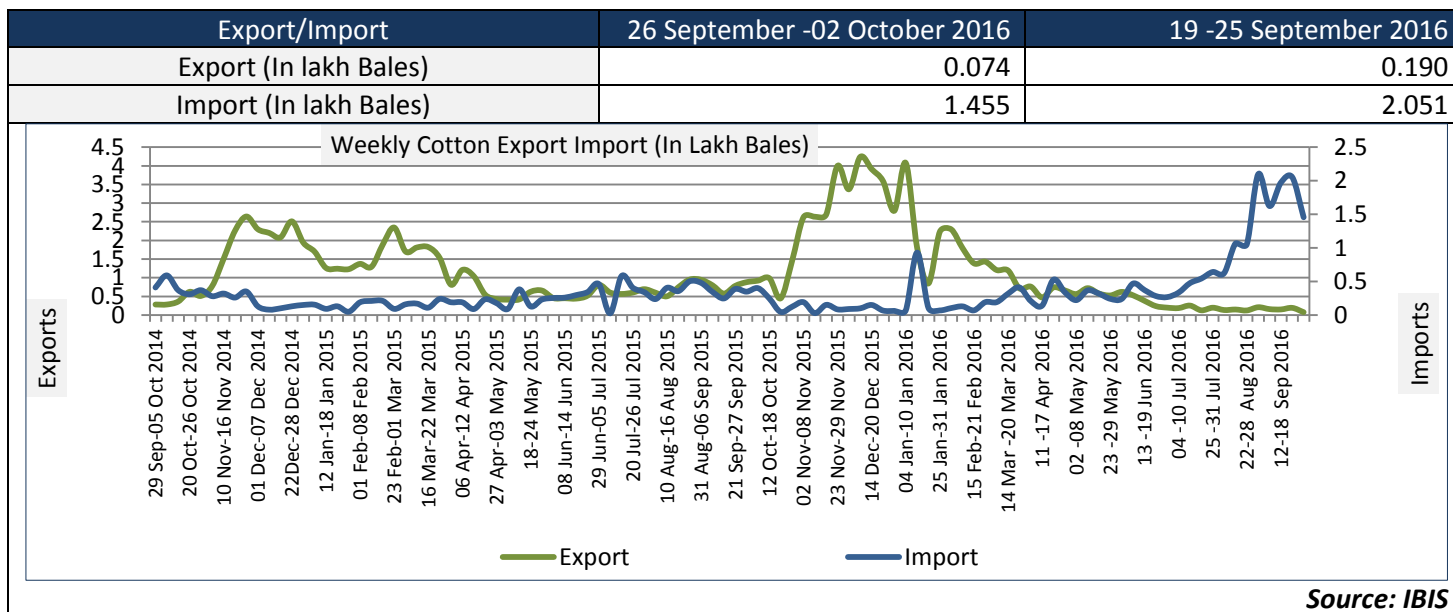
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Tamil Nadu followed by Gujarat this week and lowest was in Uttar Pradesh followed by Madhya Pradesh. On year on year basis, cotton prices are reflecting uptrend in all of the



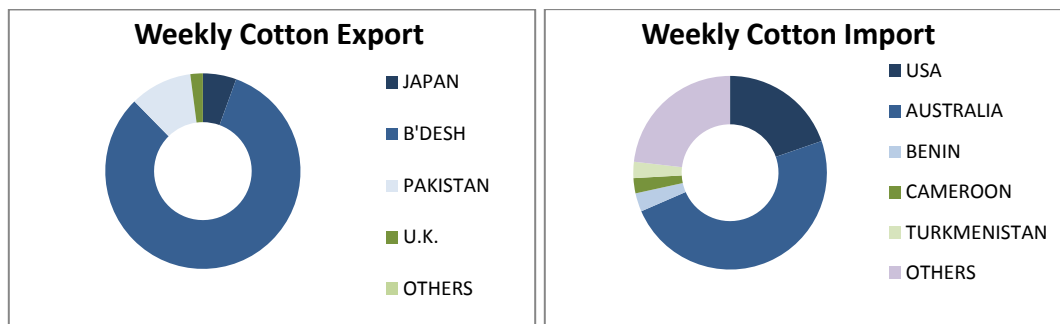
States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.074 lakh bales of cotton last week (26 September -02 October 2016), which was 0.190 lakh bales during the week before (19 -25 September 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 1.455 lakh bales last week, which was 2.051 lakh bales the week before .



Major importer of Indian cotton during the week (26 September -02 October 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.061 lakh bales of cotton from India in the past week (26 September -02 October 2016). Other major importers were Pakistan, Japan and U.K. and their imported volumes were 0.008, 0.009, 0.004 and 0.002 lakh bales respectively. India exported 0.074 lakh bales of cotton last week (26 September -02 October 2016), which was 0.190 lakh bales previous to last week (19 -25 September 2016), according to the data released by IBIS and compiled by Agriwatch.



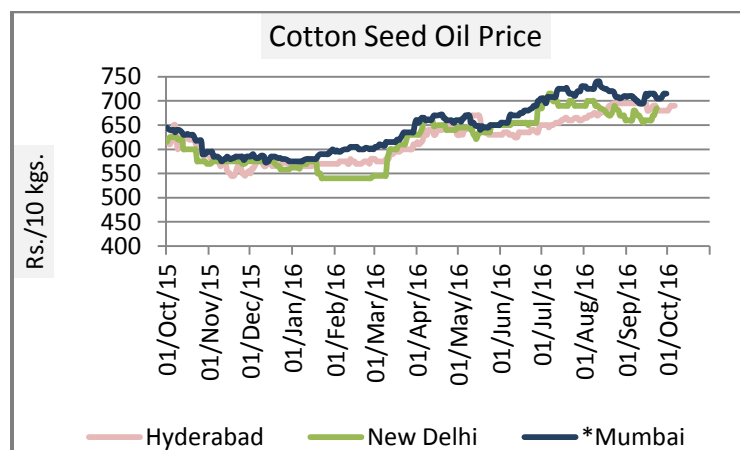
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 671 per 10 Kg, lower compared to the weekly average price of Rs 663 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	06-Oct-16	29-Sep-16	
New Delhi	671	663	1.26
Rajkot	705	691	2.05
Hyderabad	687	680	0.98
Mumbai*	711	713	-0.23

*Vat Included

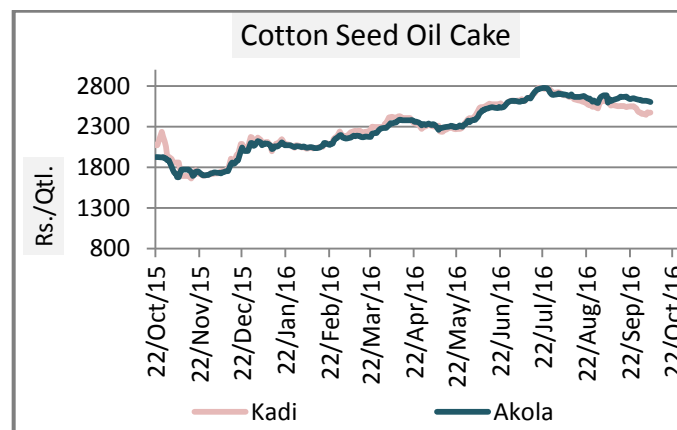


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed weak tone during the week. Weekly average price in Akola remained Rs 2617 per quintal, lower compared to the weekly average price of previous week of Rs 2639 per quintal.

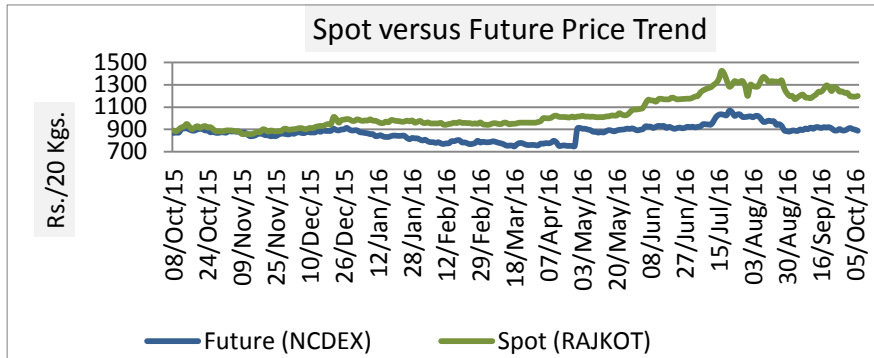
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	06-Oct-16	29-Sep-16	
Kadi	2465	2511	-1.83
Akola	2617	2639	-0.84

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 888.50 as on 09 Oct 2016, compared to 890.00 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.303.40 which was Rs 358.60 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	850-900

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
850	830	950	975

Figures in Rs/20 Kg

International Market Scenario

International cotton prices remained range bound to weak during the week. Cotlook A index weekly average stood at 77.83 cents/pound this week, which was 79.20 cents/pound during last week.

Major Market Highlights: According to International Cotton Advisory Committee (ICAC), global cotton acreage is expected to decline by 1% to 30 million hectares in 2016 -17, the lowest acreage since 2009 -10. However production is expected to increase by 7% to 22.6 million tons following 9 per cent improvement in yield to 753 kg. per hectare.

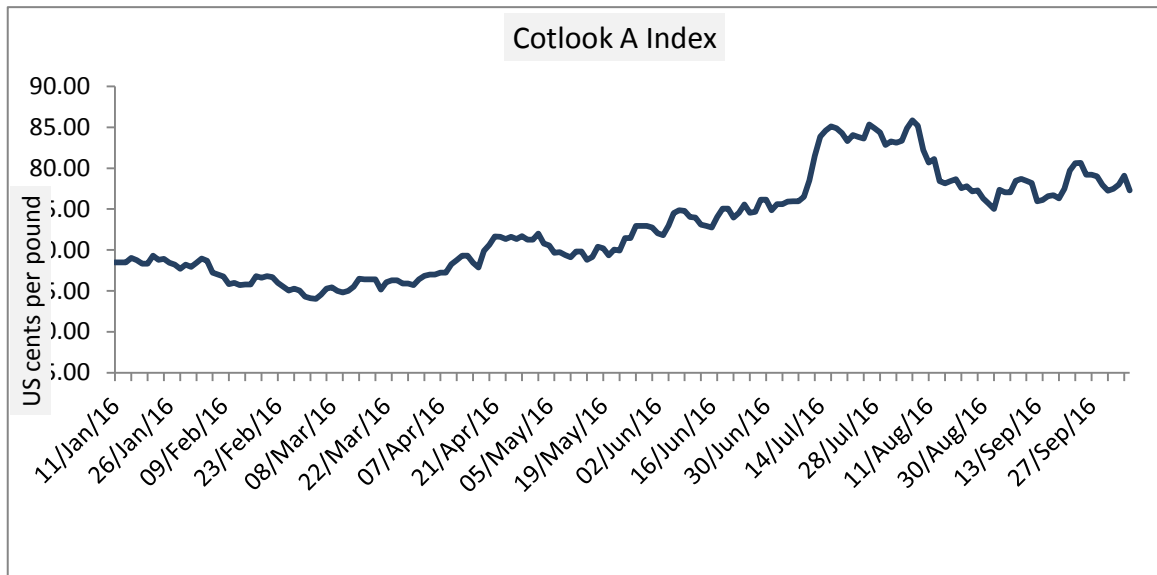
Bangladesh cotton yarn imports increased by 25 per cent to 207,644 tonnes in the first seven months of 2016. Major portion of the yarn has been imported from India and some from Indonesia. According to the data of Bangladesh Textile Mills Association (BTMA), in 2015, a total of 295,330 tonnes of cotton 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
	06-Oct-16	29-Sep-16	
Prices	77.83	79.2	-1.7
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

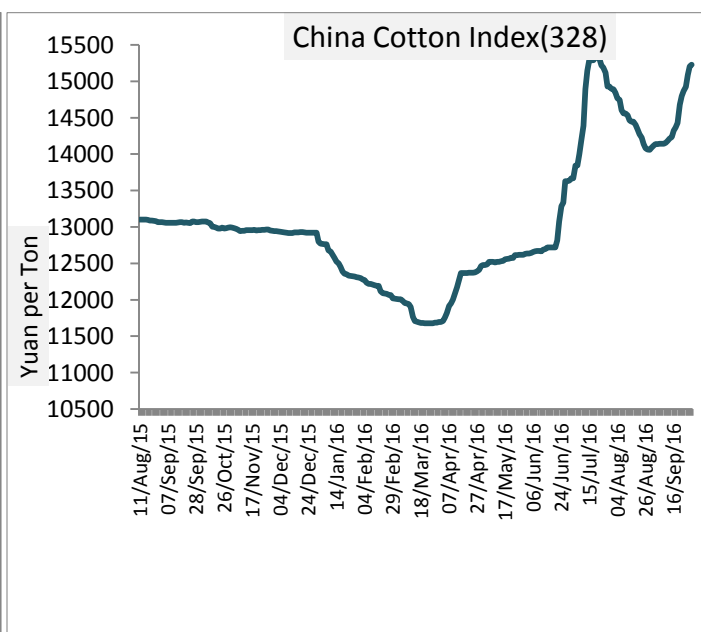
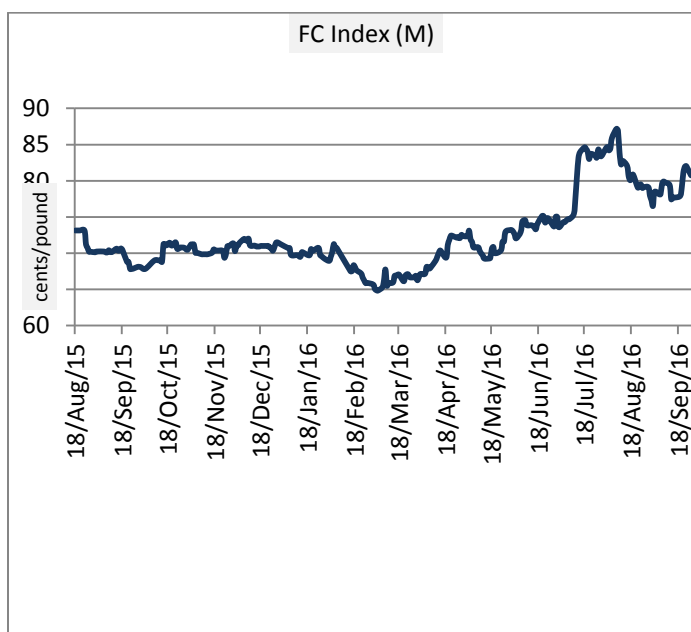
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

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			

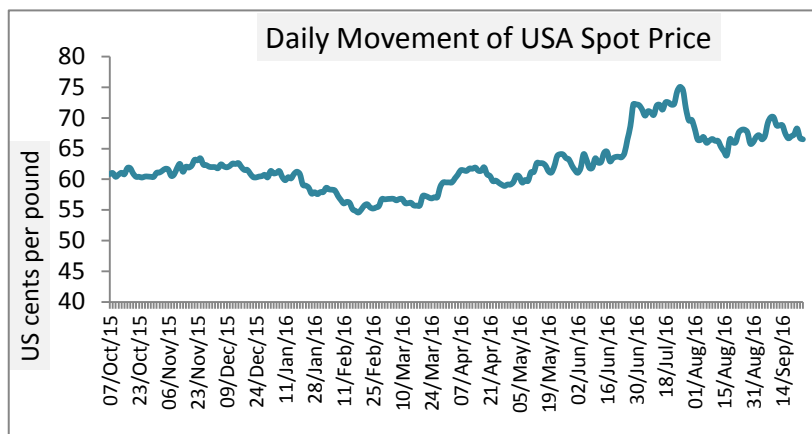
China Index remained firm during the week. CC Index (328) remained 13546 Yuan per ton during the week. Average was 13450 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	06-Oct-16	29-Sep-16	
CCIndex(229)	15063	14519	3.75
CCIndex(328)	14230	13785	3.23
CCIndex(527)	15367	14801	3.83
Prices in Yuan per ton			



USA Spot Prices

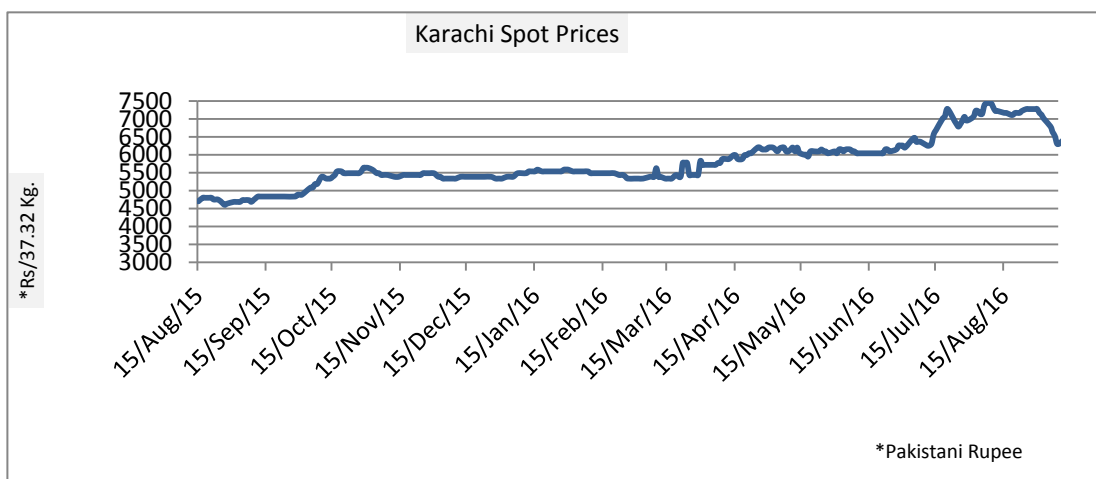
According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon 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
	06-Oct-16	29-Sep-16	
Prices	67.16	68.08	-1.35
Prices in US cents per Pound			

Pakistan Spot Prices

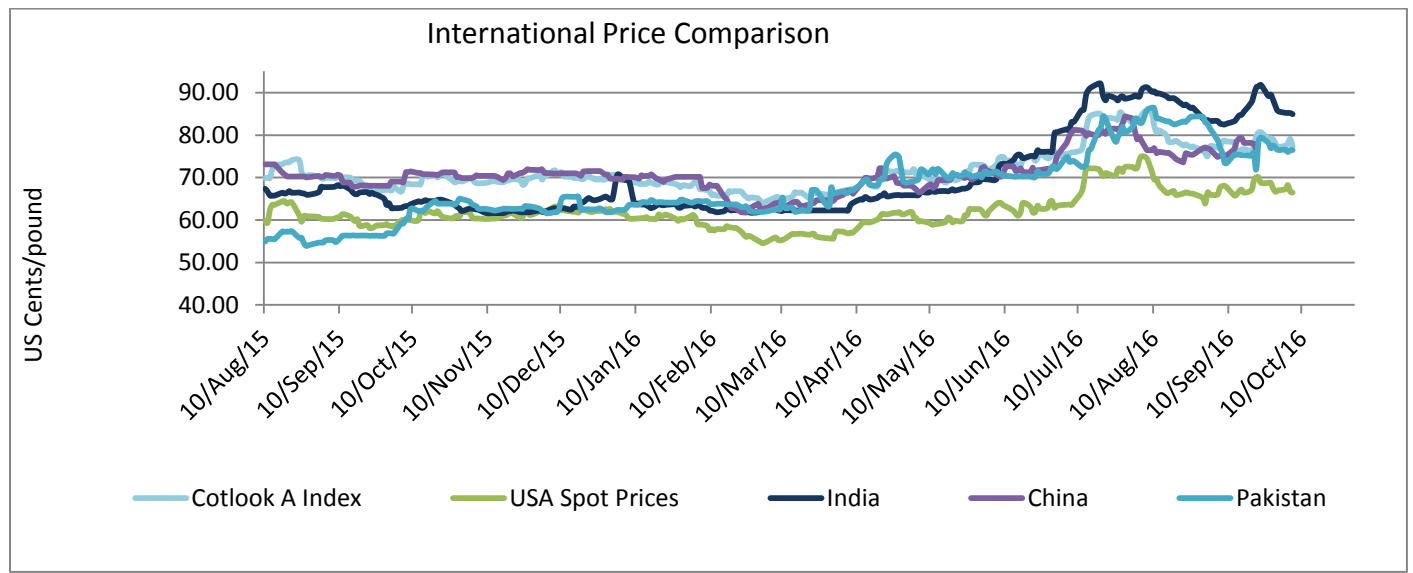
Pakistan is likely to produce 13 million bales of cotton this season. This is slightly higher than previous year's production. Close co-ordination between the Central Government and the government of Punjab by controlling the Pink Bollworm has helped the



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
	06-Oct-16	29-Sep-16	
Prices	6564	6487	1.19
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 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	62.00-67.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.00	58.50	70.00	73.50
Figures in US cents/pound			

Cotton Future Prices at ICE

Contracts	06-Oct-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	67.71	67.95	69.06	61.14	64.60	-1.95	10.75
Dec-16	67.50	67.73	69.24	62.08	-0.34	-2.51	8.73
Mar-17	68.10	68.35	69.39	NA	-0.37	-1.86	NA
May-17	68.55	68.74	69.62	NA	-0.28	-1.54	NA
Jul-17	68.73	68.79	69.71	NA	-0.09	-1.41	NA
Oct-17	68.17	68.21	69.30	NA	-0.06	-1.63	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	01st to 07th Oct.16	24th to 30th Sept.16	
Gujarat	Ahmedabad	Shankar-6	5400	NA	-
	Gondal	Shankar-6	5520	5810	-290
	Rajkot	B.T. Cotton	6008	6221	-213
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	5529	5270	259
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5244	5010	234
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5492	5646	-154
	Bhiwani	Desi	4517	4508	8
	Adampur	B.T. Cotton	5359	5449	-90
	Fatehabad	B.T. Cotton	5362	5449	-88
	Jind	B.T. Cotton	5593	NA	-
	Uchana	B.T. Cotton	5443	NA	-
	Dabwali	B.T. Cotton	5317	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	5440	5410	30
	Rawatsar	B.T. Cotton	5362	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5700	6156	-456
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4208	4325	-117

	Hathras	Desi	4625	5067	-442
Telangana	Adilabad	Un-Ginned	4552	4633	-82
Andhra Pradesh	Guntur	Un-Ginned	NA	5000	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4140	4152	-12
Karnataka	Bijapur	Bunny	6302	6388	-86
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5664	5623	41
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	01st to 07th Oct.16	24th to 30th Sept.16	
Punjab	Bhatinda	J-34	4368	4398	-30
	Abohar	J-34	4359	4398	-38
	Mansa	J-34	4328	4356	-28
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4333	4346	-13
Rajasthan	Sri-Ganganagar	J-34	4047	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	01st to 07th Oct.16	24th to 30th Sept.16	
Gujarat	Ahmedabad	Shankar-6	15640	NA	-
	Gondal	Shankar-6	1310	746	564
	Rajkot	B.T. Cotton	8500	4140	4360
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	20300	2300	18000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	229	15	214
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	88000	41000	47000
	Bhiwani	Desi	3300	2000	1300
	Adampur	B.T. Cotton	4675	4590	85
	Fatehabad	B.T. Cotton	10300	5600	4700
	Jind	B.T. Cotton	234	NA	-

	Uchana	B.T. Cotton	4855	NA	-
	Dabwali	B.T. Cotton	9540	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	9800	4450	5350
	Rawatsar	B.T. Cotton	1300	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	16330	20420	-4090
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4550	5150	-600
	Hathras	Desi	1600	2050	-450
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	260	120	140
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1736	103	1633
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	01st to 07th Oct.16	24th to 30th Sept.16	
Punjab	Bhatinda	J-34	45900	25500	20400
	Abohar	J-34	9520	4760	4760
	Mansa	J-34	7225	4080	3145
Haryana	Sirsa	J-34	12580	8840	3740
Rajasthan	Sri-Ganganagar	J-34	2000	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				30th to 06th Oct.16	23rd to 29th Sept.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	28850	29000	-150
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	29350	29500	-150
J-34(202)	26mm	3.5 - 4.9	23	40850	41517	-667
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44483	46500	-2017
Shankar-6(105)	29mm	3.5 - 4.9	28	44466	46683	-2217
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46716	49467	-2751
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	47800	50967	-3167

DCH-32(107)	34mm	3.0 - 3.8	33	54916	55500	-584
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