

Current Market Outlook

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

Average price of Lint at Sirsa during the week was Rs. 3908 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3988. Cotton fiber (Shankar-6) prices noticed easy tone this week. Average price was Rs 37775 per candy (of 355.6 kg each) during the week, which was Rs 38400 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 907.00 per maund (of 20 kg each) which was Rs 904.00 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. 4600-5000 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3600-4000 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: Cotton producers in Punjab are reaping good returns for their produce this year. Last year, the crop was damaged amid whitefly pest attack. Raw cotton of medium staple variety is selling around Rs.4900 - 5000 per quintal and the minimum support price of the same is around Rs.4060 per quintal. Productivity is expected to improve this season and traders are expecting around 9 lakh bales arrival this season compared to 7.5 lakh bales arrival in the previous season.

Stakeholders in the cotton industry feel the need for establishment of a Cotton Board on the lines of Coffee Board and Jute Board. According to the President of the Indian Cotton Federation (ICF), the establishment of such a body will help in promotion and development of cotton. Moreover reliable statistical data can also help in guiding policy initiatives for smooth trade transactions and in price management.

The textile industry has asked the Central Government to create a buffer stock of cotton of around 70 -80 lakh bales with the Cotton Corporation Of India and sell it to actual users during the May –September lean season. However, the Cotton Association Of India is against such move as creating a buffer stock for a particular sector will affect other sectors of the cotton value chain. According to sources, that creation of a buffer stock system would require investment of about Rs. 16,000 crore for procuring the desired 80 lakh bales of cotton. The Cotton Association of India will also have to bear the loss arising from price fluctuations.

India exported 0.234 lakh bales of cotton last week (24 -30 October 2016), which was 0.152 lakh bales previous to last week (17 -23 October 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (24 -30 October, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.135 lakh bales of cotton from India in the past week (24 -30 October, 2016). Other major importers were China, Indonesia, Vietnam and Japan and their imported volumes were 0.040, 0.024, 0.024 and 0.001 lakh bales respectively.

AW Cotton Index - 23 OCT. 2016

The Agriwatch Agri Commodities Index eased 0.42% to 115.61 during the week ended Oct 22, 2016 from 116.10 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -3.89% 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

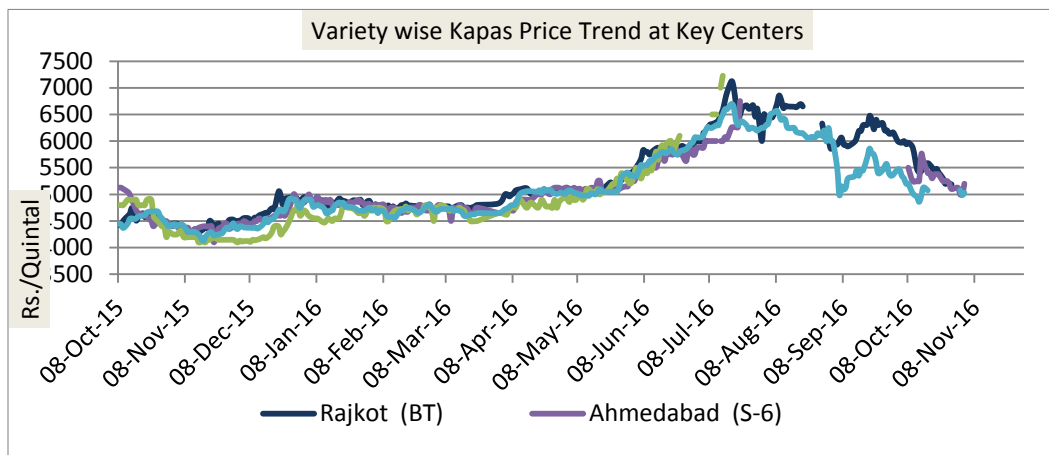
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained weak during the week amid new crop arrival in the market. Rajkot market remained closed during the week following the festival of 'Diwali'.

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

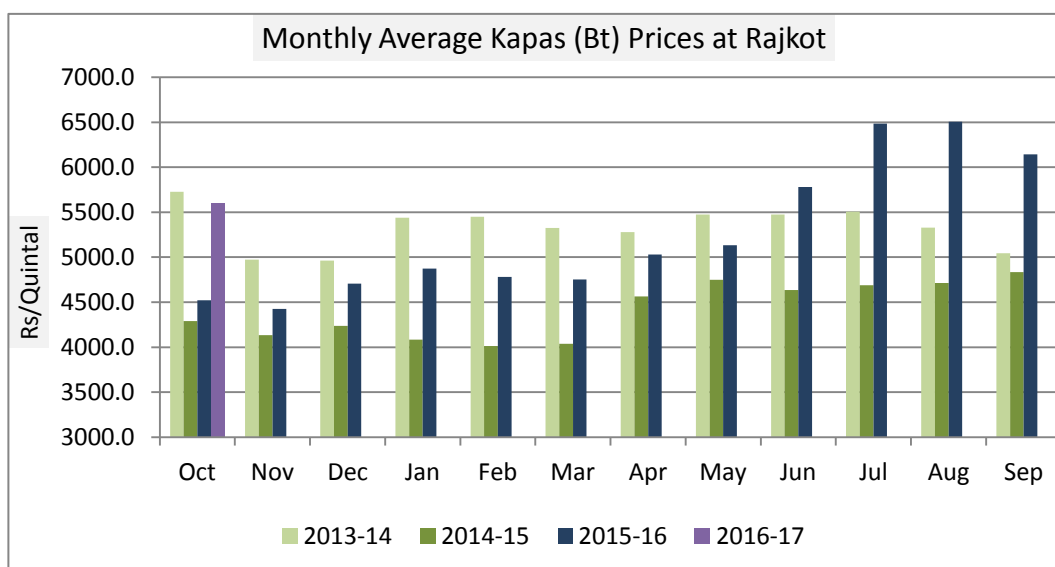
26.50 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4600-5000 per quintal for the coming week.



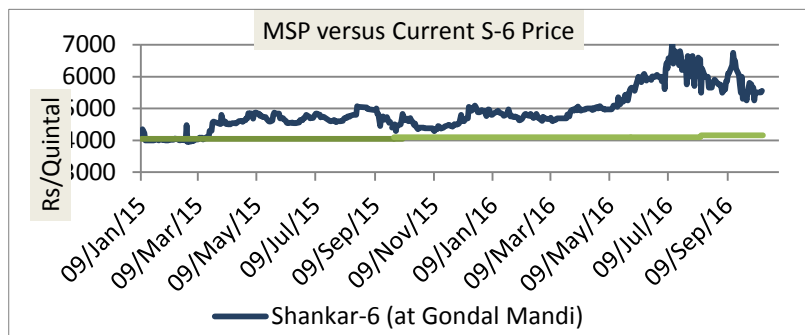
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed weak momentum during the month of October following new crop arrival in the market. The cotton price remained weak during October compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.



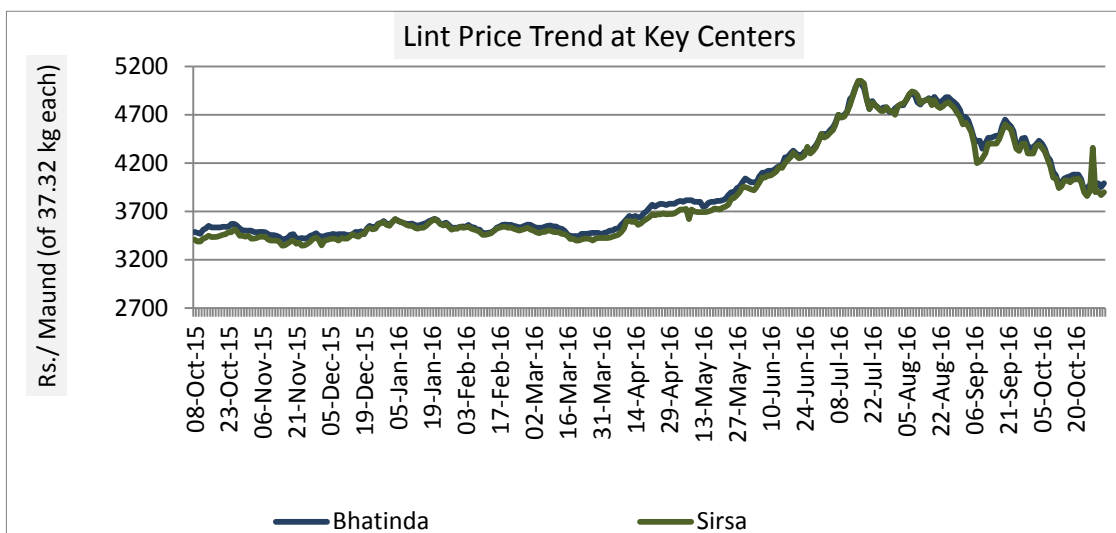
Spot Price versus MSP

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. 1111.67 this week compared to Rs 1311.67 a week earlier. This indicates prices are declining.



Lint (De-Seeded Cotton) Weekly Price Scenario

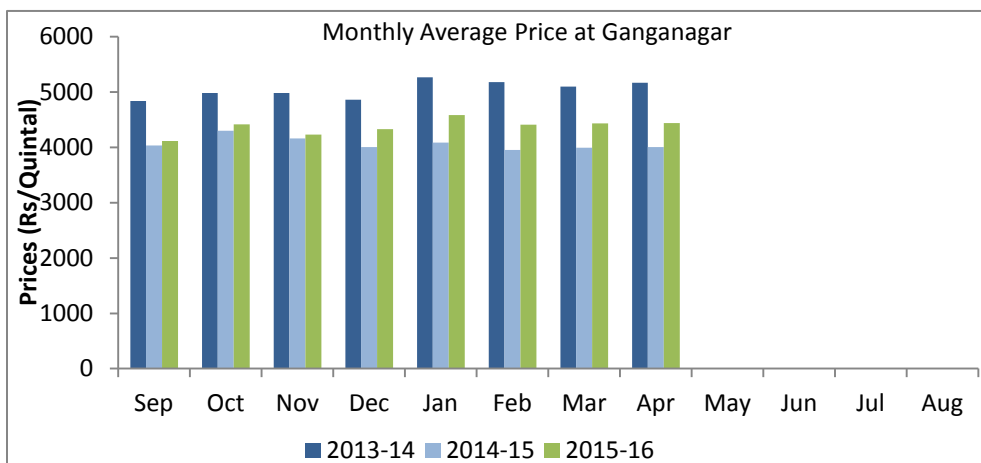
Weekly Price Review: As weak sentiments are prevailing in market, lint prices remained weak during the week. Weekly average price of Lint at Sirsa remained Rs. 3908 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 3988 per maund.



Weekly Price Outlook: Lint prices are expected to remain range bound to weak during the week. We expect Lint at Sirsa to remain in the range of Rs. 3600-4000 per maund.

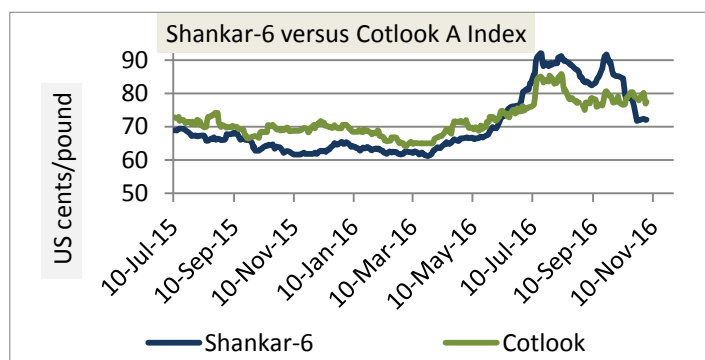
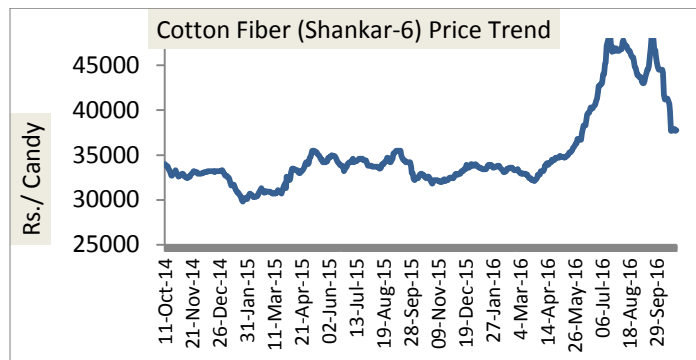
Lint Monthly Y-o-Y Price Scenario

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 37775 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 38400 per candy.

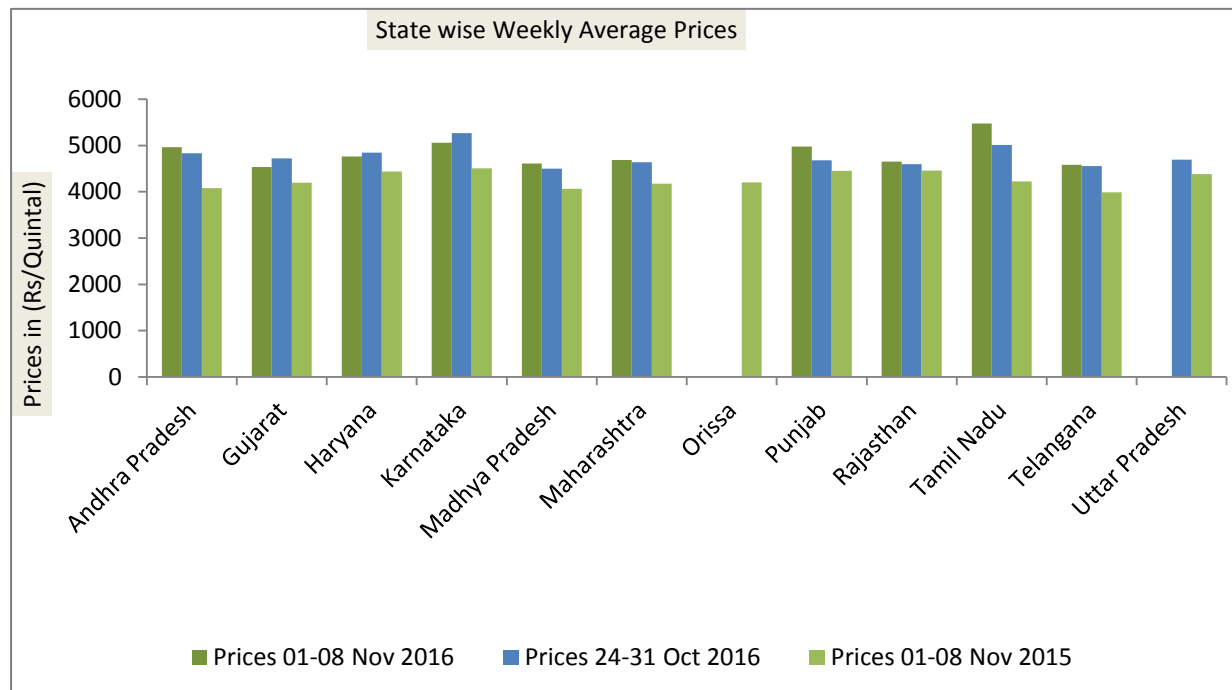


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 78.09 cents/pound, Indian weekly average price stood at 72.17 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 33000-37000 per candy

State wise Weekly Price Scenario

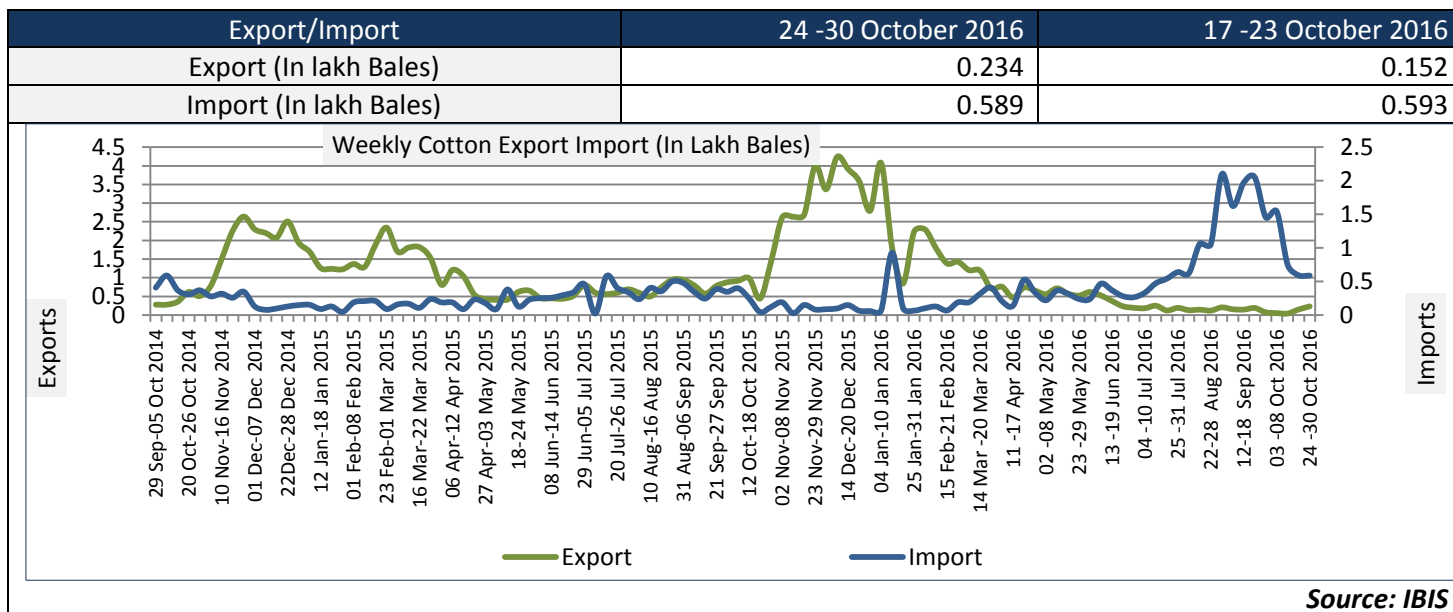
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Karnataka followed by Punjab this week and lowest was in Gujarat followed by



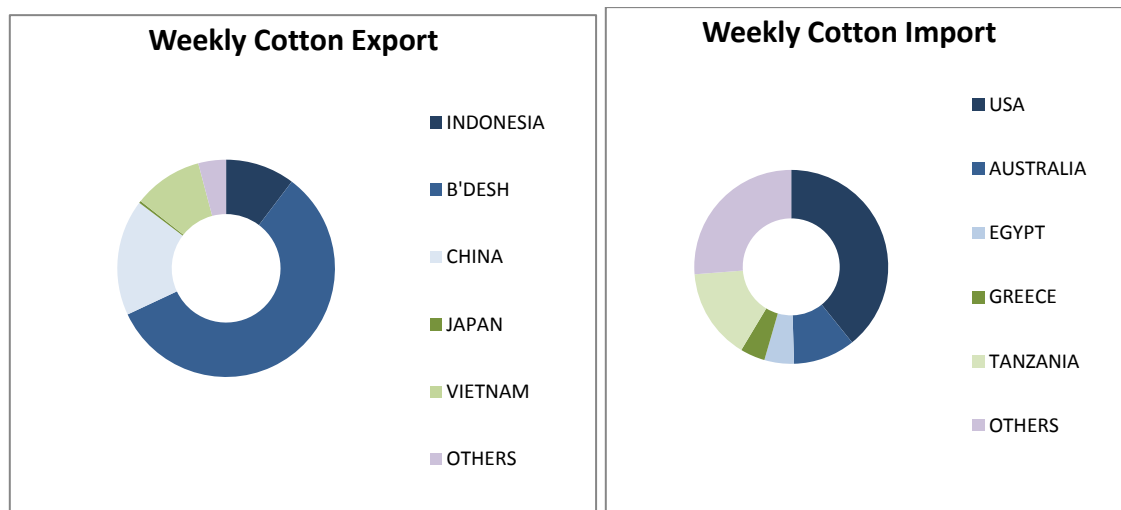
Madhya Pradesh. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.234 lakh bales of cotton last week (24 -30 October 2016), which was 0.152 lakh bales during the week before (17 -23 October 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.589 lakh bales last week, which was 0.593 lakh bales the week before .



Major importer of Indian cotton during the week (24 -30 October 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.135 lakh bales of cotton from India in the past week (24 -30 October 2016). Other major importers were China, Indonesia, Vietnam and Japan and their imported volumes were 0.040, 0.024, 0.024 and 0.001 lakh bales respectively. India exported 0.234 lakh bales of cotton last week (24 -30 October 2016), which was 0.152 lakh bales previous to last week (17 -23 October 2016), according to the data released by IBIS and compiled by Agriwatch.



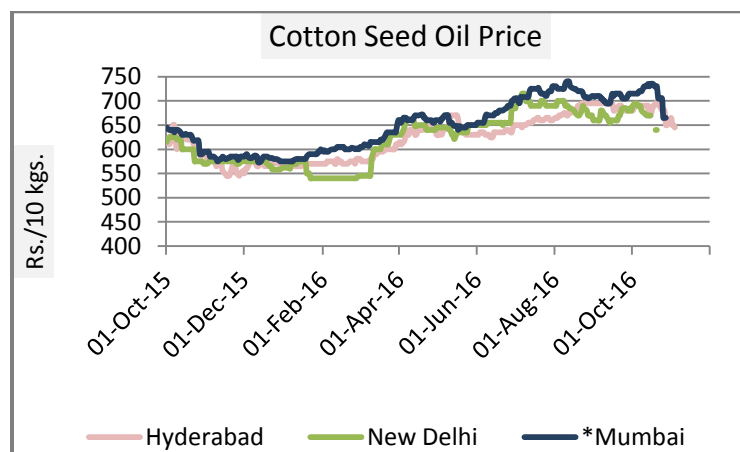
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed weak tone during the week. Weekly average price in New Delhi remained Rs 650 per 10 Kg, lower compared to the weekly average price of Rs 676 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	03-Nov-16	27-Oct-16	
New Delhi	650	676	-3.82
Rajkot	630	674	-6.55
Hyderabad	652	679	-4.00
Mumbai*	681	728	-6.39

*Vat Included

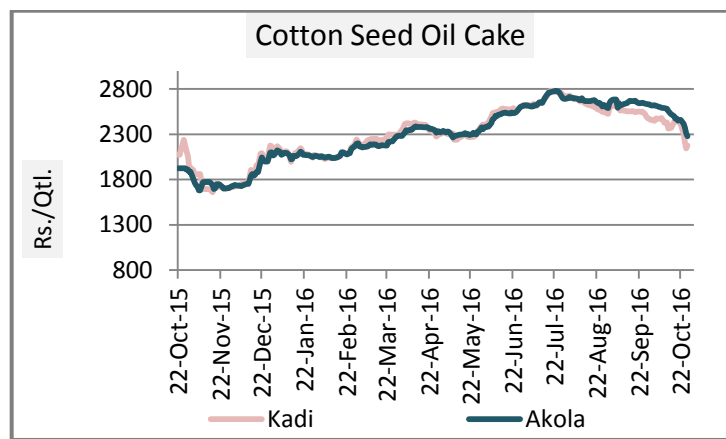


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed weak tone during the week. Weekly average price in Akola remained Rs 2156 per quintal, lower compared to the weekly average price of Rs 2382 per quintal in the previous week.

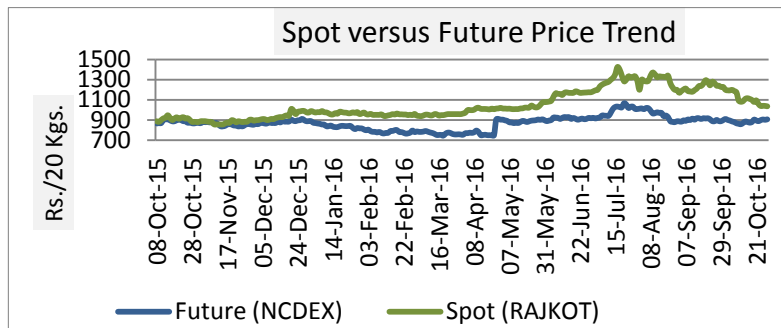
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	03-Nov-16	27-Oct-16	
Kadi	2172	2278	-4.67
Akola	2156	2382	-9.50

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 907.00 as on 03 Nov 2016, compared to 904.00 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.128.50 which was Rs 156.10 a week earlier.



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



Weekly Technical Outlook:

- Kapas prices noticed firm tone during the week.
- RSI is increasing in the neutral zone.
- MACD signal line and center line denotes bullish 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	930	950

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 78.09 cents/pound this week, which was 78.45 cents/pound during last week.

Major Market Highlights: Agricultural Development and Marketing Corporation of Malawi (Admarc) has asked the farmers in the country to grow more cotton this season as the crop is gaining importance in the international markets. Tobacco is being discouraged amid anti –smoking campaign by the World Health Organization. Cotton production in Malawi was reported at 45,000 MT and 49,000 MT respectively in 2014 and 2015. In 2016, production declined to 13,000 MT.

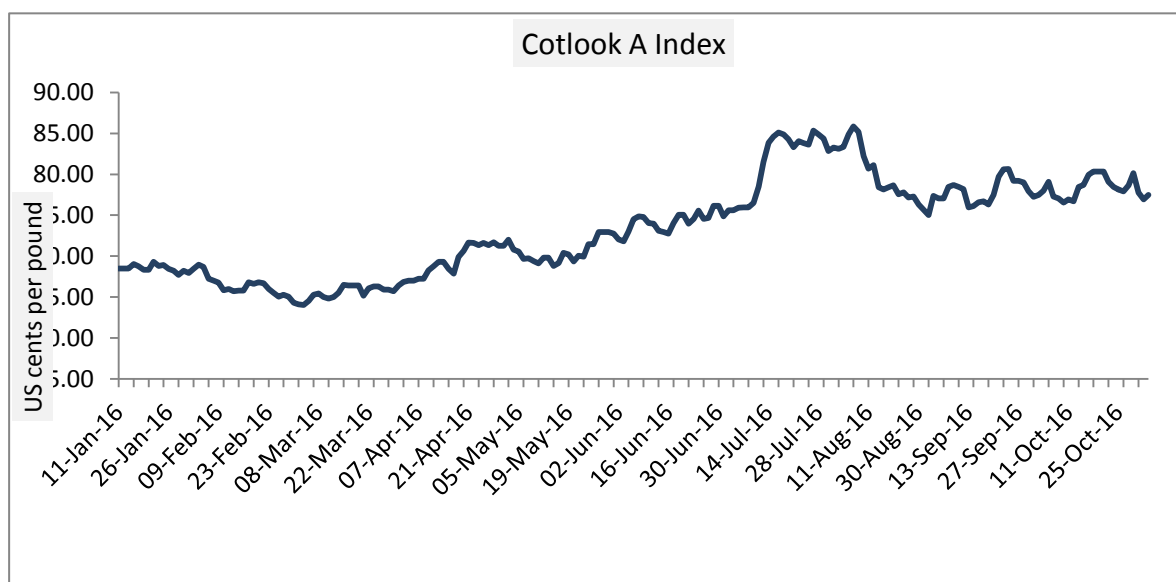
Bangladesh imported 6.2 million bales of cotton in 2015 -16. According to the USDA, Bangladesh imports are likely to increase to 6.3 million bales in 2016 -17. This will increase Bangladesh's share of global imports to 18 per cent which is more than double its share seen five years ago. Other major importers in 2015-16 were Vietnam, China and Turkey.

According to USDA latest report, global 2016/17 cotton ending stocks are revised down this month. World 2016-17 cotton production is projected at 102.69 million bales, around 6.6 per cent above last season. World ending stocks are now projected lower at 87.35 million bales. For India, production is forecast at 26.50 million bales, same as previous month's estimates and India's crop is estimated 0.38 per cent above 2015/16.

Cotlook A Index

Cotlook A index remained range bound to weak during the week.

Global cotton consumption is likely to be around 24.39 million tons in season 2016-17, which was estimated to be around 24.21



million tons a month earlier. In the earlier estimates by USDA, consumption was expected to rise and cotton consumption would be standing at around 0.6% higher compared to the previous season.

Cotlook A Index	Weekly Average Price as on		% Change
	03-Nov-16	27-Oct-16	
Prices	78.09	78.45	-0.5
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

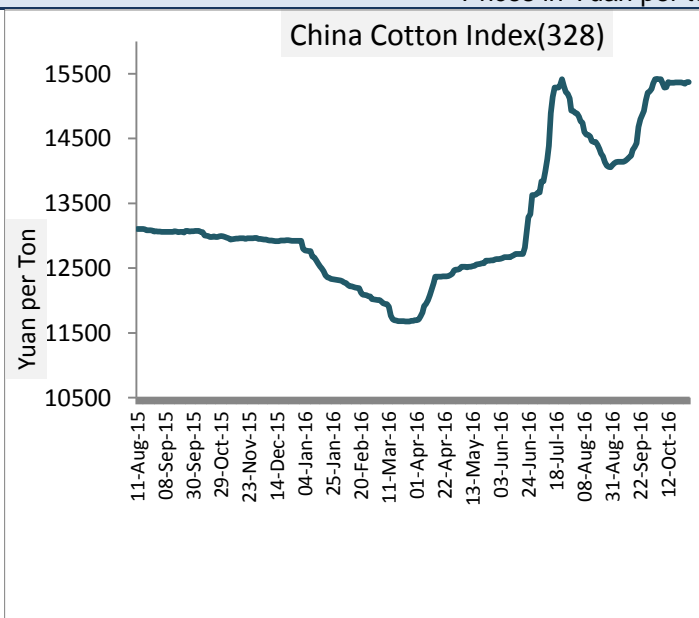
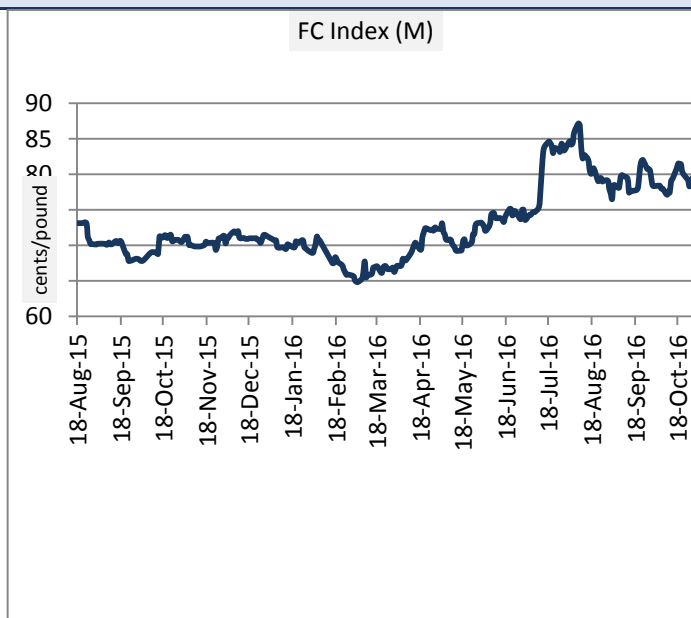
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

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
	03-Nov-16	27-Oct-16	
FC (S)	82.22	82.14	0.10
FC (M)	78.92	79.26	-0.42
FC (L)	76.73	76.84	-0.15
Prices in US cents per Pound			

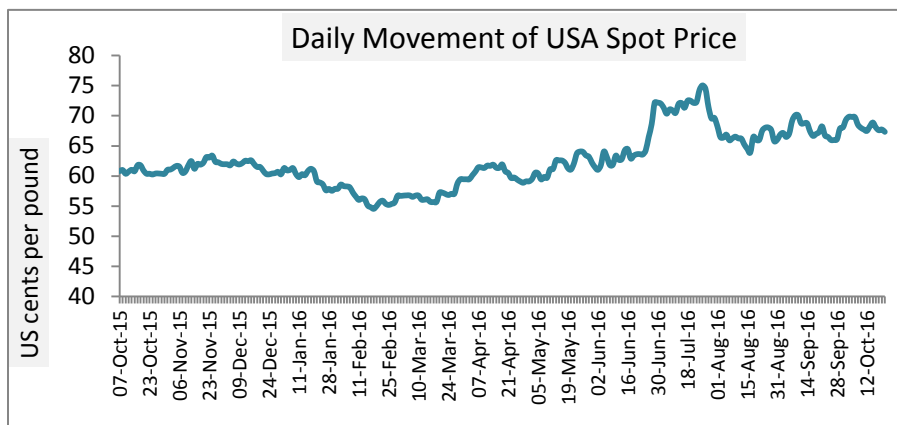
China Index remained weak during the week. CC Index (328) remained 14557 Yuan per ton during the week. Average was 14564 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	03-Nov-16	27-Oct-16	
CCIndex(229)	15361	15363	-0.01
CCIndex(328)	14557	14564	-0.04
CCIndex(527)	15766	15771	-0.03
Prices in Yuan per ton			



USA Spot Prices

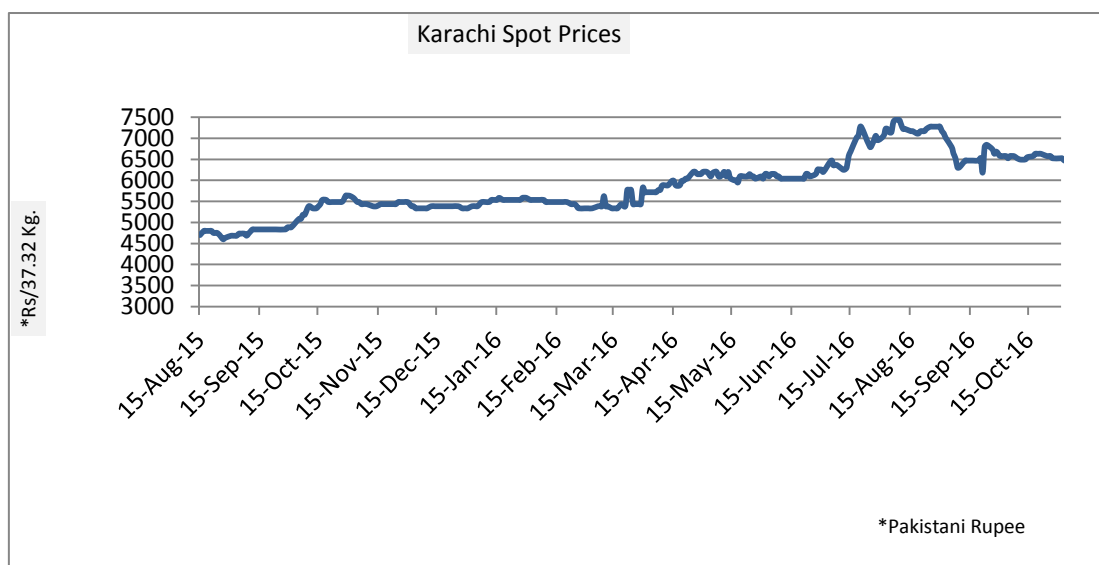
According to USDA latest report, global 2016/17 cotton ending stocks are revised down this month. Production in Brazil is estimated to be lower, based on arrivals at gins, but higher in Australia. World ending stocks are now projected at 87.35 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	03-Nov-16	27-Oct-16	
Prices	67.69	68.08	-0.57
Prices in US cents per Pound			

Pakistan Spot Prices

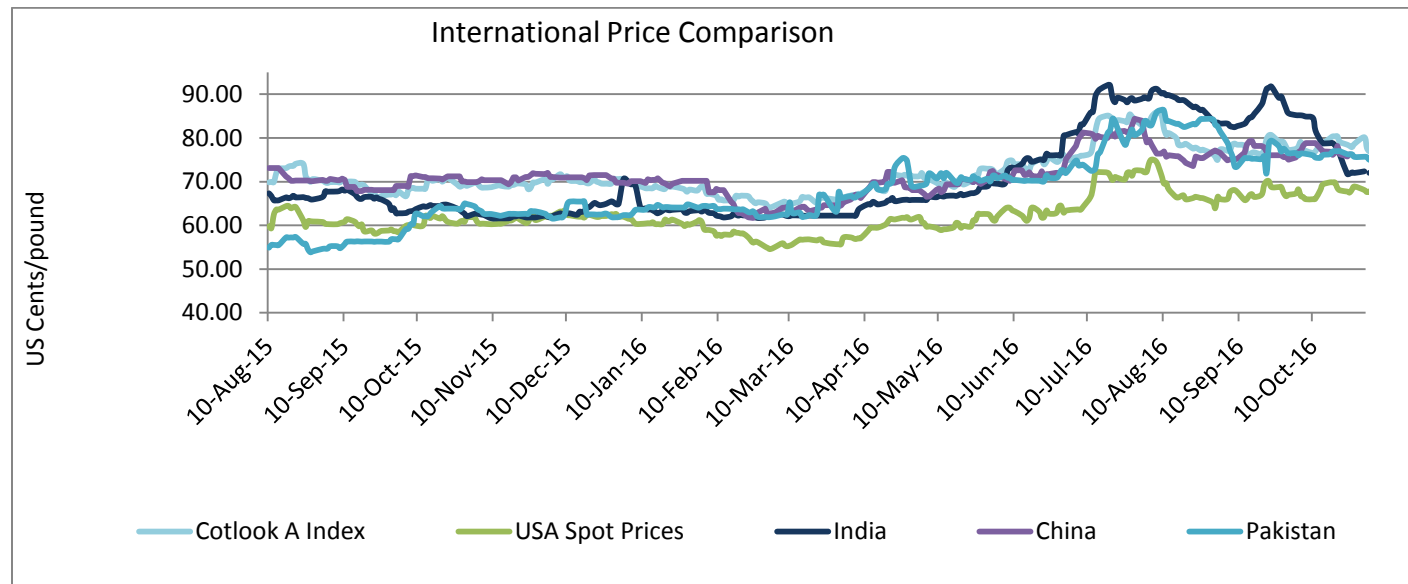
The arrival of cotton at ginneries in Pakistan till October 15, 2016 declined by 6.19 per cent year-on-year to 4.374 million bales according to the fortnightly report on cotton arrivals by the Pakistan Cotton Ginners Association (PCGA) in joint co-operation with All Pakistan Textile Mills Association (APTMA) and the Karachi



Cotton Association (KCA). According to the data released, the textile mills in Pakistan consumed 3.144 million bales, while another 95,490 bales of cotton were sold to exporters.

Karachi Spot Prices	Weekly Average Price as on		% Change
	03-Nov-16	27-Oct-16	
Prices	6495	6575	-1.22
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	65.00-70.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
66.30	65.00	71.30	73.50

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	03-Nov-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-16	68.07	69.76	68.52	62.57	64.60	-0.66	8.79
Mar-17	68.68	70.28	69.01	NA	-2.29	-0.48	NA
May-17	69.26	70.68	69.44	NA	-2.02	-0.26	NA
Jul-17	69.41	70.75	69.53	NA	-1.90	-0.17	NA
Oct-17	68.65	69.99	68.96	NA	-1.89	-0.45	NA
Dec-17	68.65	69.49	NA	NA	-1.20	NA	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	29th Oct to 04th Nov.16	22th to 28th Oct.16	
Gujarat	Ahmedabad	Shankar-6	NA	5104	-
	Gondal	Shankar-6	NA	5247	-
	Rajkot	B.T. Cotton	NA	5252	-
	Patan	B.T. Cotton	NA	5375	-
	Kadi	B.T. Cotton	5163	5225	-63
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5098	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5220	5183	37
	Bhiwani	Desi	4643	4383	260
	Adampur	B.T. Cotton	5071	5000	71
	Fatehabad	B.T. Cotton	5073	5125	-53
	Jind	B.T. Cotton	5281	5115	166
	Uchana	B.T. Cotton	5120	5200	-81
	Dabwali	B.T. Cotton	5050	5015	35
Rajasthan	Hanumangarh	B.T. Cotton	5095	5083	12
	Rawatsar	B.T. Cotton	4995	4963	32
Madhya Pradesh	Khandwa	Mech-1	4850	NA	-
	Khargaon	Mech-1	4965	5218	-253
Maharashtra	Amravati	Mech-1	NA	5000	-
	Jamner	Medium Staple	4533	4325	208
Uttar Pradesh	Hathras	B.T. Cotton	4233	4233	Unch

	Hathras	Desi	4667	4467	200
Telangana	Adilabad	Un-Ginned	4744	4450	294
Andhra Pradesh	Guntur	Un-Ginned	4100	4100	Unch
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4156	4150	6
Karnataka	Bijapur	Bunny	5153	5299	-146
	Hubli	D.C.H.	5364	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5017	5015	2
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	29th Oct to 04th Nov.16	22th to 28th Oct.16	
Punjab	Bhatinda	J-34	3991	3972	19
	Abohar	J-34	3990	3973	17
	Mansa	J-34	3984	3967	17
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3908	3988	-81
Rajasthan	Sri-Ganganagar	J-34	NA	3672	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	29th Oct to 04th Nov.16	22th to 28th Oct.16	
Gujarat	Ahmedabad	Shankar-6	NA	261800	-
	Gondal	Shankar-6	NA	11639	-
	Rajkot	B.T. Cotton	NA	28300	-
	Patan	B.T. Cotton	NA	56938	-
	Kadi	B.T. Cotton	130000	145000	-15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	2724	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	36000	21000	15000
	Bhiwani	Desi	950	800	150
	Adampur	B.T. Cotton	5100	850	4250
	Fatehabad	B.T. Cotton	5500	900	4600
	Jind	B.T. Cotton	3609	80	3529

	Uchana	B.T. Cotton	4235	850	3385
	Dabwali	B.T. Cotton	3250	700	2550
Rajasthan	Hanumangarh	B.T. Cotton	9000	14400	-5400
	Rawatsar	B.T. Cotton	1900	7000	-5100
Madhya Pradesh	Khandwa	Mech-1	1100	NA	-
	Khargaon	Mech-1	9900	43940	-34040
Maharashtra	Amravati	Mech-1	NA	1500	-
	Jamner	Medium Staple	703	1019	-316
Uttar Pradesh	Hathras	B.T. Cotton	15000	32000	-17000
	Hathras	Desi	600	1350	-750
Telangana	Adilabad	Un-Ginned	25214	NA	-
Andhra Pradesh	Guntur	Un-Ginned	510	285	225
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1220	2750	-1530
	Hubli	D.C.H.	38	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4507	8518	-4011
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	29th Oct to 04th Nov.16	22th to 28th Oct.16	
Punjab	Bhatinda	J-34	28050	64600	-36550
	Abohar	J-34	3230	10880	-7650
	Mansa	J-34	2550	4505	-1955
Haryana	Sirsa	J-34	6800	1700	5100
Rajasthan	Sri-Ganganagar	J-34	NA	12000	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				27th Oct to 03rd Nov.16	21th to 27th Oct.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	27400	27800	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	28400	28500	-100
J-34(202)	26mm	3.5 - 4.9	23	36750	36567	183
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37275	37767	-492
Shankar-6(105)	29mm	3.5 - 4.9	28	37775	38400	-625
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38775	39467	-692
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39525	40333	-808

DCH-32(107)	34mm	3.0 - 3.8	33	52275	53100	-825
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