

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices noticed mixed tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 5140 per quintal. Average price of Lint at Sirsa during the week was Rs. 3912 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3908. Cotton fiber (Shankar-6) prices noticed easy tone this week. Average price was Rs 37750 per candy (of 355.6 kg each) during the week, which was Rs 37775 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 934.50 per maund (of 20 kg each) which was Rs 907.00 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. 900-975 per maund (of 20 kg each).

Major Market Highlights: According to farmers in the Adilabad district of Andhra Pradesh, the cotton crop has been affected by pink bollworm pest and yields have declined accordingly. The distressed farmers have been appealing to the government to assist them in this regard. The farmers want to replace cotton crop with wheat and chickpea crops and want the State government to supply them with seeds of two crops.

Farmers in Karnataka are diversifying from cereals towards cash crops like cotton, sugarcane, maize etc. A recent analysis of the changes in cropping patterns from 2005-06 to 2014-15 by the Karnataka Agriculture Price Commission (KAPC) shows that farmers in the State were showing their preference for cash crops such as cotton and maize and shifting from oilseeds, cereals and millets towards these cash crops. During this period, cotton acreage in Karnataka has increased by 112% from 4.13 lakh hectares in 2005 -06 to 8.76 lakh hectares in 2014 -15.

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.

India exported 0.254 lakh bales of cotton last week (31 October -06 November 2016), which was 0.234 lakh bales previous to last week (24 -30 October 2016), according to the data released by IBIS and compiled by Agriwatch.

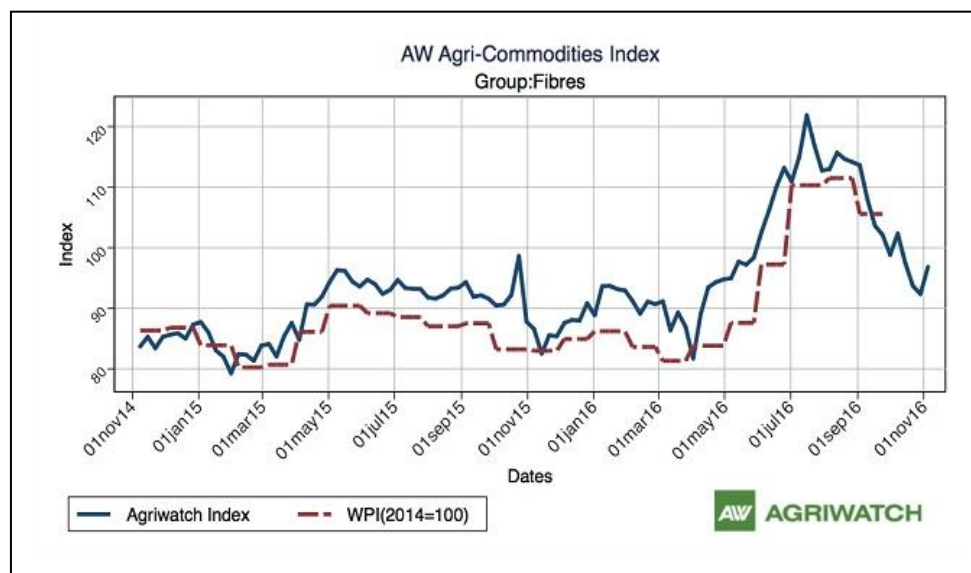
Major importer of Indian cotton during the week (31 October -06 November, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.110 lakh bales of cotton from India in the past week (31 October -06 November, 2016). Other major importers were China, Vietnam, Indonesia and Pakistan and their imported volumes were 0.082, 0.035, 0.023 and 0.003 lakh bales respectively.

AW Cotton Index – 06 Nov. 2016

The Agriwatch Agri Commodities Index eased for the fourth straight week, declining 0.81% to 114.30 during the week ended Nov 5, 2016 from 115.24 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100). The Index is now at its lowest since the week ending June 11, 2016 when it had closed at 113.62.



The Fiber Index increased by +4.86% 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."

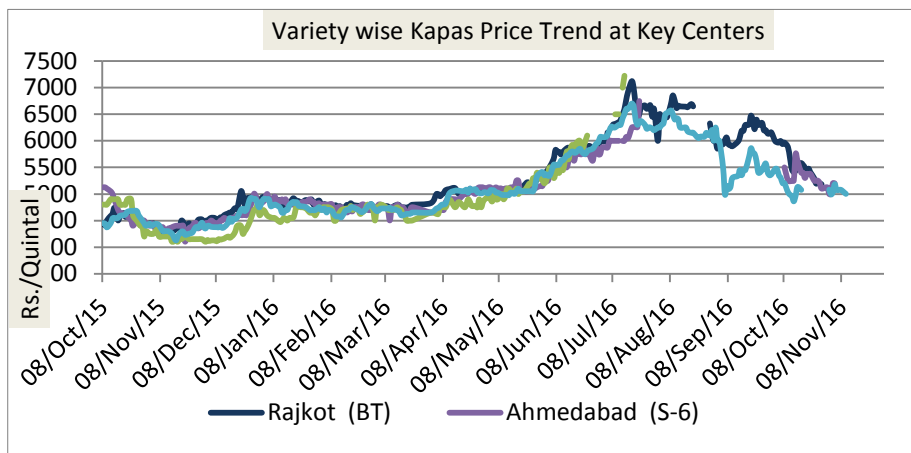
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained weak during the week amid new crop arrival in the market. Weekly average price of Kapas at Rajkot remained at Rs. 5140 per quintal.

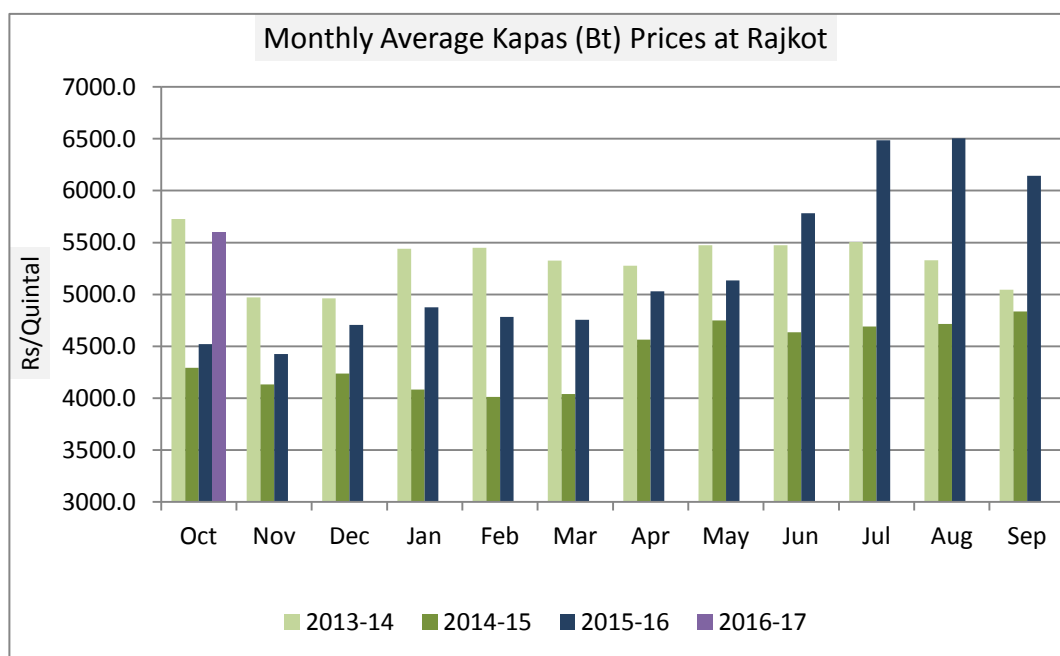
According to latest USDA attaché report, India's 2016/17 cotton production forecast is 26.50 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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.



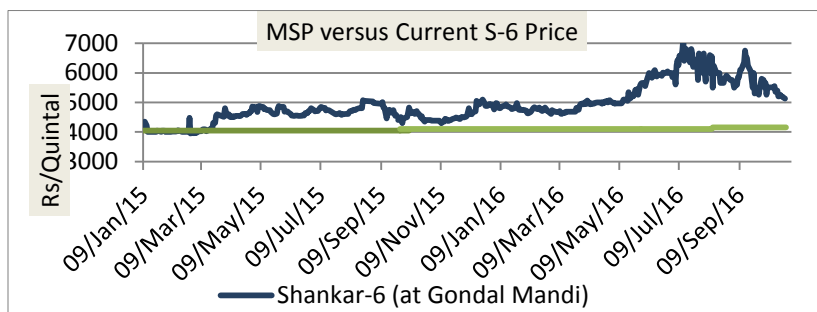
Kapas Monthly Y-o-Y Price Scenario

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.



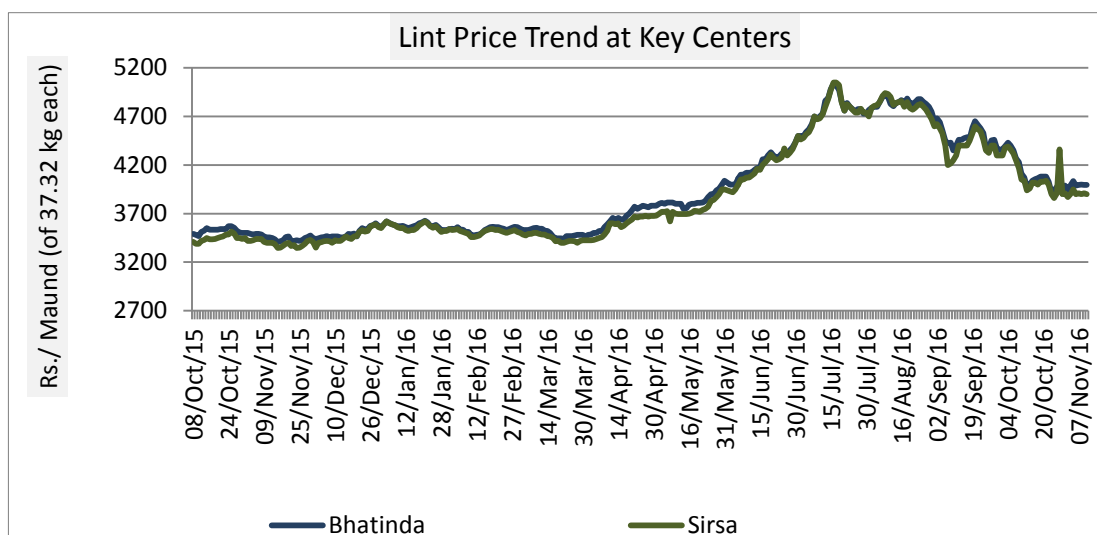
Spot Price versus MSP

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



Lint (De-Seeded Cotton) Weekly Price Scenario

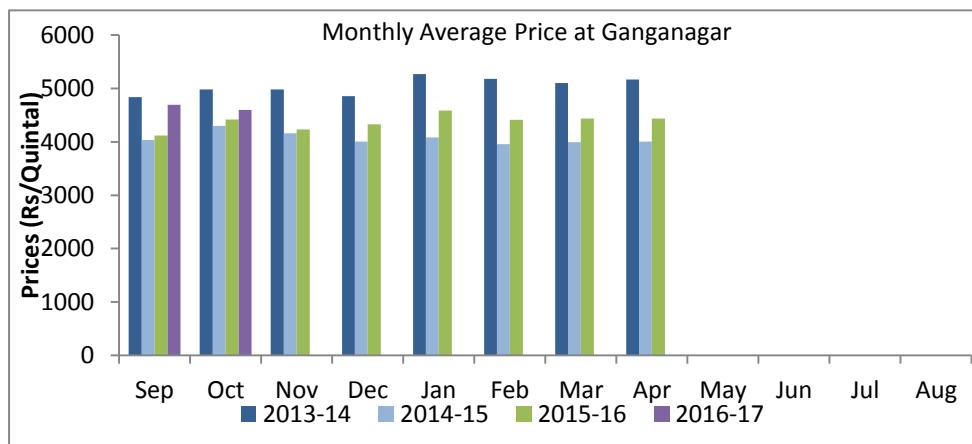
Weekly Price Review: As mixed sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 3912 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 3908 per maund.



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.

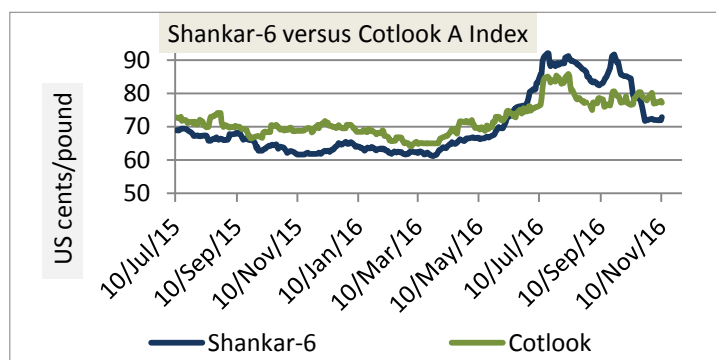
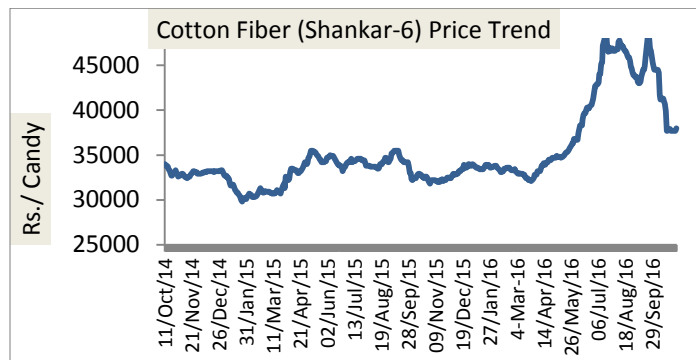
Lint Monthly Y-o-Y Price Scenario

Monthly average price at Sri Ganganagar in October was Rs.4597/Qtl compared to Rs.4694/Qtl in September.



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 37750 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 37775 per candy.

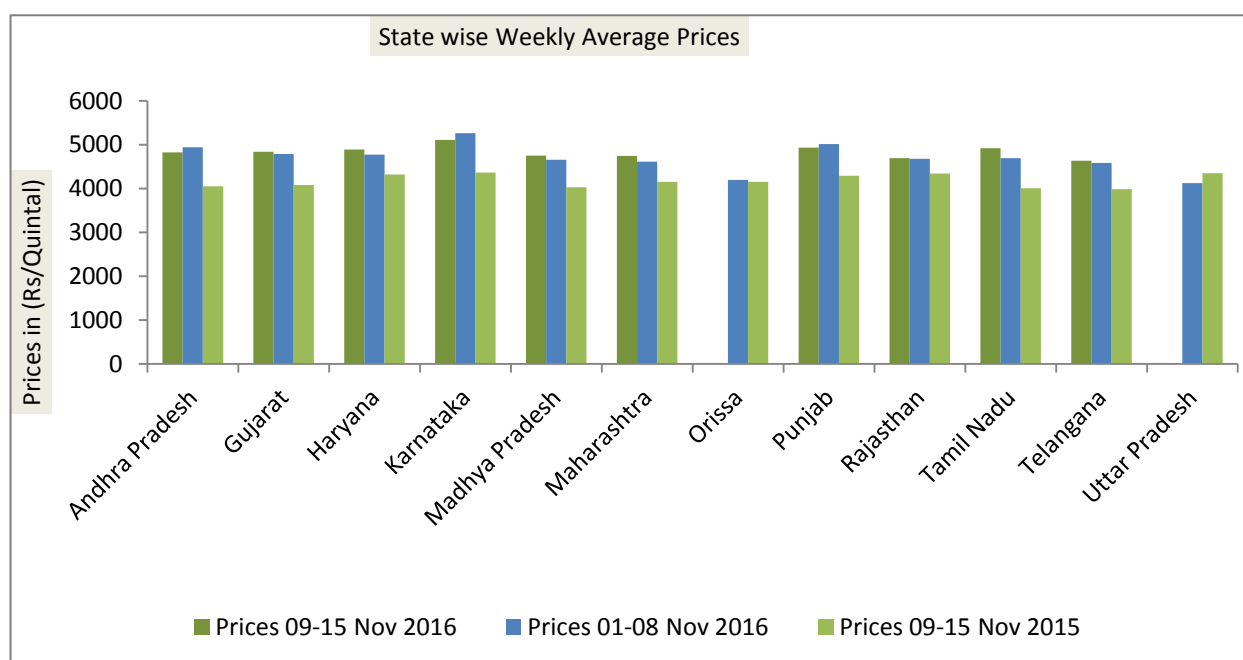


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 77.40 cents/pound, Indian weekly average price stood at 72.15 cents/pound, making Indian fiber competitive in international market.

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

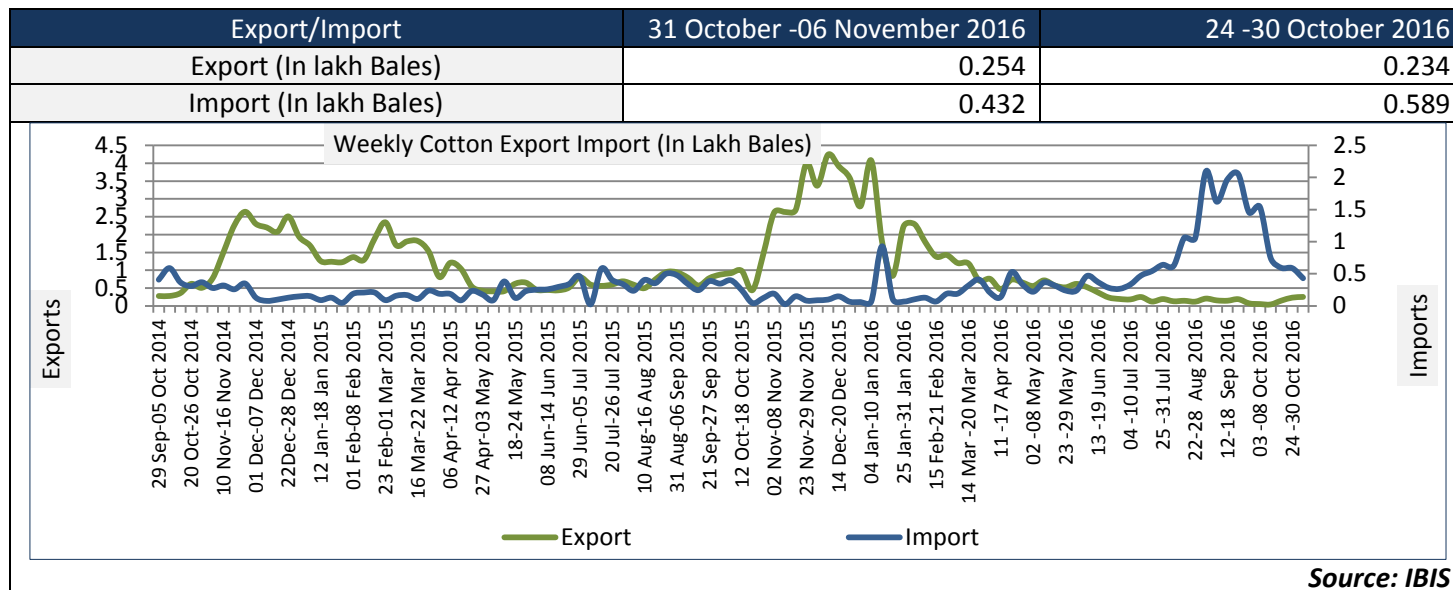
On week on week basis, prices are by and large showing weak trend in most of the States, highest price was recorded in Karnataka followed by Tamil Nadu this week and lowest was in Telangana



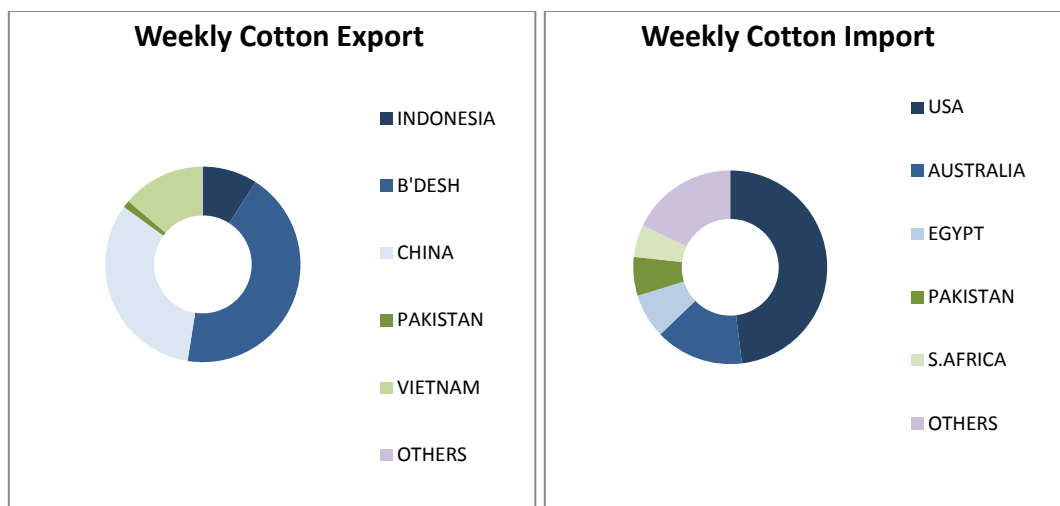
followed by Rajasthan. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

Cotton Weekly Export and Import

India exported 0.254 lakh bales of cotton last week (31 October -06 November 2016), which was 0.234 lakh bales during the week before (24 -30 October 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.432 lakh bales last week, which was 0.589 lakh bales the week before .



Major importer of Indian cotton during the week (31 October -06 November 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.110 lakh bales of cotton from India in the past week (31 October -06 November 2016). Other major importers were China, Vietnam, Indonesia and Pakistan and their imported volumes were 0.082, 0.035, 0.023 and 0.003 lakh bales respectively. India exported 0.254 lakh bales of cotton last week (31 October -06 November 2016), which was 0.234 lakh bales previous to last week (24 -30 October 2016), according to the data released by IBIS and compiled by Agriwatch.



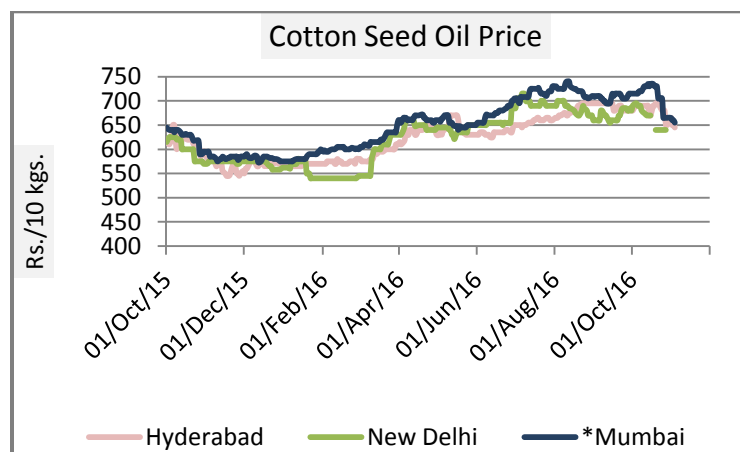
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed weak tone during the week. Weekly average price in New Delhi remained Rs 640 per 10 Kg, lower compared to the weekly average price of Rs 650 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	10-Nov-16	03-Nov-16	
New Delhi	640	650	-1.54
Rajkot	650	630	3.17
Hyderabad	647	652	-0.82
Mumbai*	660	681	-3.08

*Vat Included

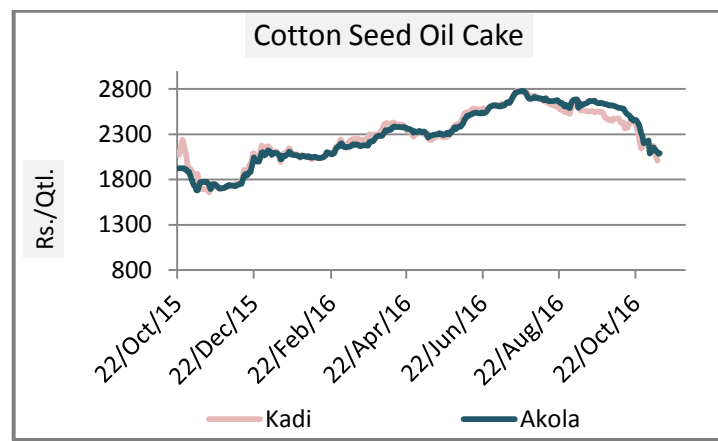


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed weak tone during the week. Weekly average price in Akola remained Rs 2114 per quintal, lower compared to the weekly average price of Rs 2156 per quintal in the previous week.

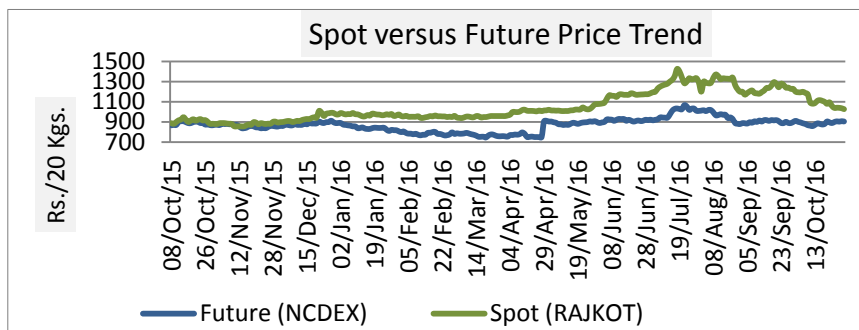
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	10-Nov-16	03-Nov-16	
Kadi	2113	2172	-2.73
Akola	2114	2156	-1.97

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 934.50 as on 10 Nov 2016, compared to 907.00 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.122.50 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 Firm Momentum	900-975

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
900	875	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 77.40 cents/pound this week, which was 78.09 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.

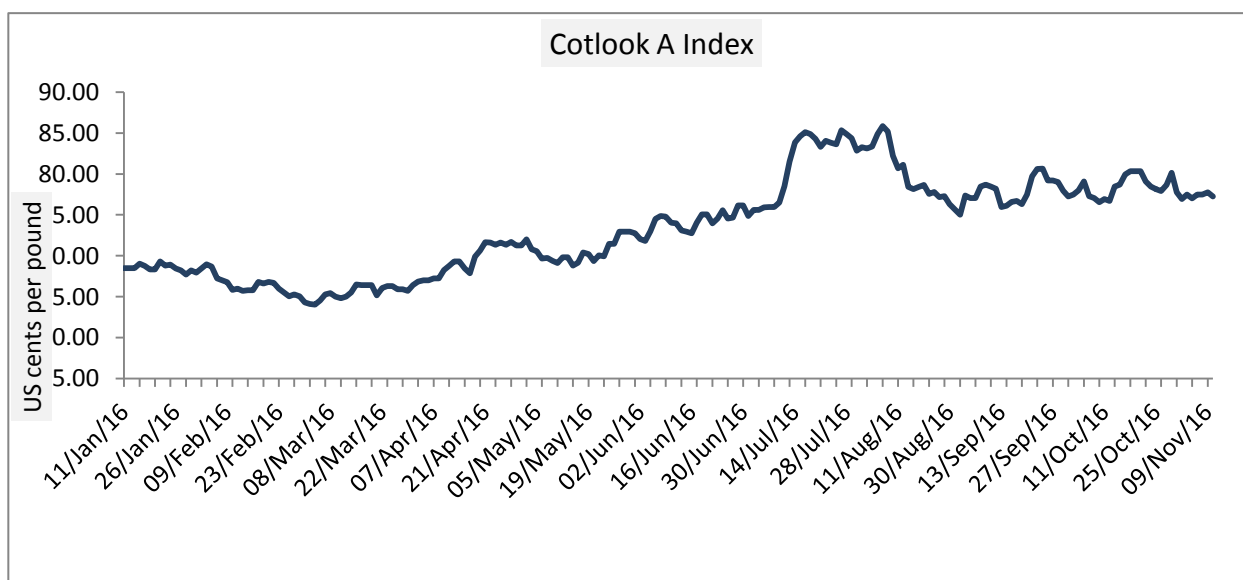
According to industry sources, India's cotton exports to Pakistan are expected to decline by around 50% in 2016 -17 amid ongoing rivalry between the two countries and expected improvement in Pakistan's cotton production. Pakistan is likely to import around 1 to 1.5 million bales in 2016 -17 which started on October 1 compared to 2.7 million bales during the previous year.

According to USDA latest report, global 2016/17 cotton ending stocks are revised up this month. World 2016-17 cotton production is projected at 103.28 million bales, around 6.55 per cent above last season. World ending stocks are now projected higher at 88.31 million bales. For India, production is forecast at 27.00 million bales higher than previous month's estimates of 26.50 million bales and India's crop is estimated 2.27 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
	10-Nov-16	03-Nov-16	
Prices	77.4	78.09	-0.9

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.

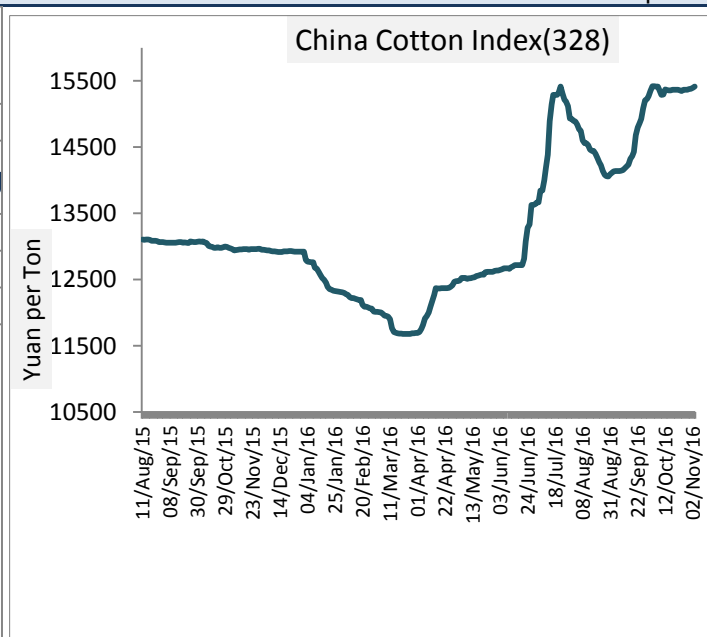
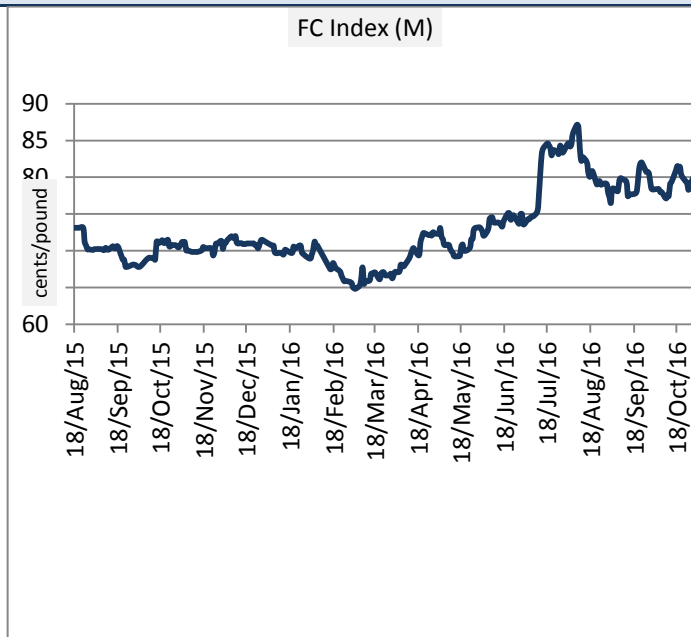
Cotton Index	Weekly Average Price as on		% Change
	10-Nov-16	03-Nov-16	
FC (S)	81.68	82.22	-0.66
FC (M)	78.35	78.92	-0.73
FC (L)	76.12	76.73	-0.79

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.

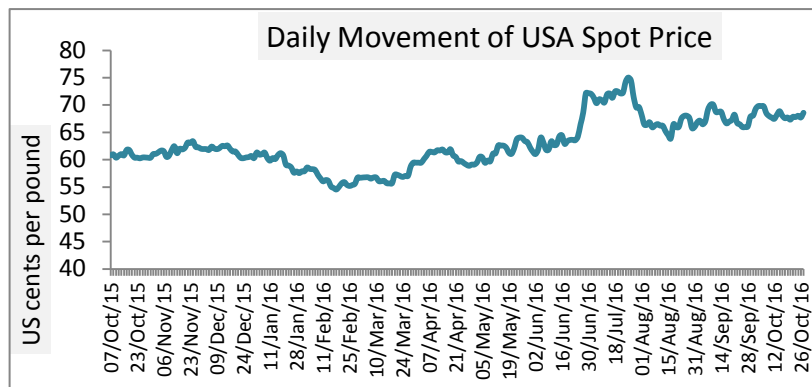
Cotton Index	Weekly Average Price as on		% Change
	10-Nov-16	03-Nov-16	
CCIndex(229)	15385	15361	0.15
CCIndex(328)	14568	14557	0.07
CCIndex(527)	15804	15766	0.24

Prices in Yuan per ton



USA Spot Prices

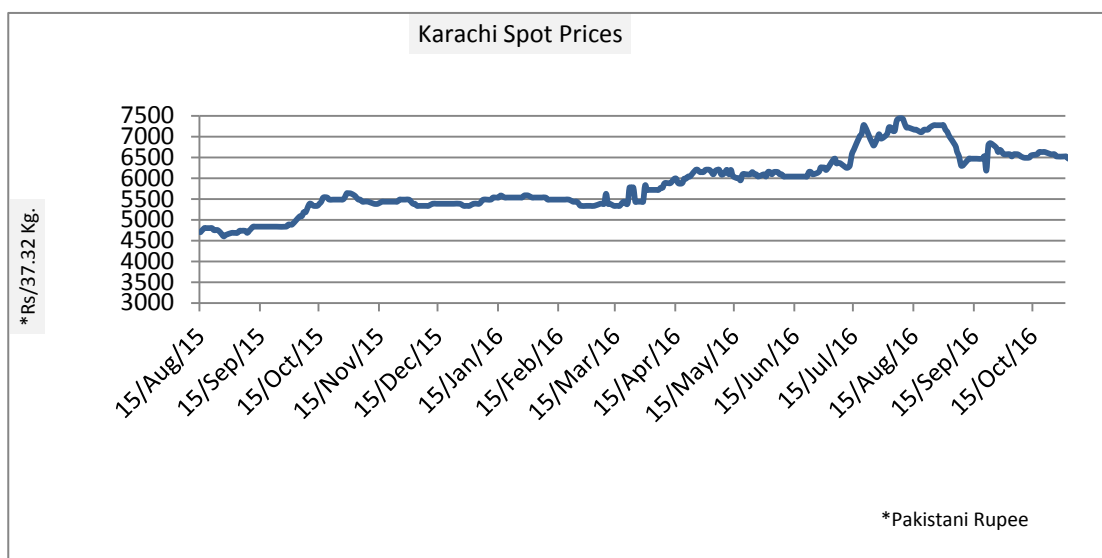
According to latest report of USDA latest report, global 2016/17 cotton ending stocks are revised down this month. Production in Brazil is estimated to be lower, based on arrivals at gins, but higher in Australia. World ending stocks are now projected at 87.35 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	10-Nov-16	03-Nov-16	
Prices	68.02	67.69	0.49
Prices in US cents per Pound			

Pakistan Spot Prices

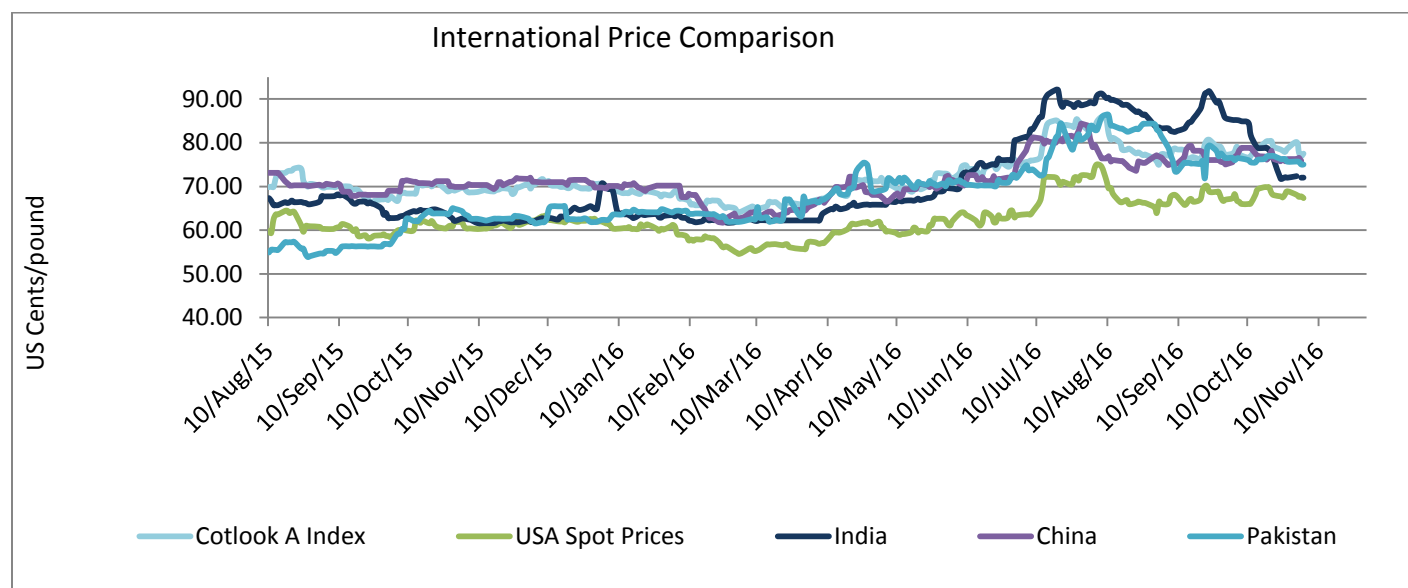
The arrival of cotton at ginneries in Pakistan till October 15, 2016 declined by 6.19 per cent year-on-year to 4.374 million bales according to the fortnightly report on cotton arrivals by the Pakistan Cotton Ginners Association (PCGA) in joint co-operation with All Pakistan Textile Mills Association (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
	10-Nov-16	03-Nov-16	
Prices	6511	6495	0.25
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 firm 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	10-Nov-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-16	69.20	68.07	67.36	61.93	64.60	2.73	11.74
Mar-17	69.83	68.68	68.00	NA	1.69	2.69	NA
May-17	70.50	69.26	68.39	NA	1.81	3.09	NA
Jul-17	70.95	69.41	68.69	NA	2.22	3.29	NA
Oct-17	70.17	68.65	68.20	NA	2.19	2.89	NA
Dec-17	69.5	68.65	68.55	NA	1.24	1.39	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	05th to 11th Nov.16	29th Oct to 04th Nov.16	
Gujarat	Ahmedabad	Shankar-6	5100	NA	-
	Gondal	Shankar-6	5143	NA	-
	Rajkot	B.T. Cotton	5140	NA	-
	Patan	B.T. Cotton	5155	NA	-
	Kadi	B.T. Cotton	5188	5163	25
	Deesa	B.T. Cotton	4690	NA	-
	Dhrol	B.T. Cotton	5130	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5197	5220	-23
	Bhiwani	Desi	4567	4643	-76
	Adampur	B.T. Cotton	5062	5071	-10
	Fatehabad	B.T. Cotton	5105	5073	33
	Jind	B.T. Cotton	5222	5281	-59
	Uchana	B.T. Cotton	5164	5120	45
	Dabwali	B.T. Cotton	5034	5050	-16
Rajasthan	Hanumangarh	B.T. Cotton	5175	5095	80
	Rawatsar	B.T. Cotton	5052	4995	57
Madhya Pradesh	Khandwa	Mech-1	4897	4850	47
	Khargaon	Mech-1	5115	4965	150
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	4764	4533	231
Uttar Pradesh	Hathras	B.T. Cotton	4080	4233	-153
	Hathras	Desi	4380	4667	-287

Telangana	Adilabad	Un-Ginned	4723	4744	-21
Andhra Pradesh	Guntur	Un-Ginned	4100	4100	Unch
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4160	4156	4
Karnataka	Bijapur	Bunny	5474	5153	321
	Hubli	D.C.H.	5419	5364	55
	Hubli	B.T. Cotton	5989	NA	-
	Raichur	H-44 Cotton	5071	5017	54
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	05th to 11th Nov.16	29th Oct to 04th Nov.16	
Punjab	Bhatinda	J-34	4003	3991	11
	Abohar	J-34	4004	3990	14
	Mansa	J-34	3997	3984	13
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	3912	3908	4
Rajasthan	Sri-Ganganagar	J-34	3690	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th to 11th Nov.16	29th Oct to 04th Nov.16	
Gujarat	Ahmedabad	Shankar-6	59500	NA	-
	Gondal	Shankar-6	7455	NA	-
	Rajkot	B.T. Cotton	6400	NA	-
	Patan	B.T. Cotton	28000	NA	-
	Kadi	B.T. Cotton	190000	130000	60000
	Deesa	B.T. Cotton	1700	NA	-
	Dhrol	B.T. Cotton	4470	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	27500	36000	-8500
	Bhiwani	Desi	1350	950	400
	Adampur	B.T. Cotton	5610	5100	510
	Fatehabad	B.T. Cotton	11200	5500	5700
	Jind	B.T. Cotton	478	3609	-3131
	Uchana	B.T. Cotton	9305	4235	5070

	Dabwali	B.T. Cotton	6775	3250	3525
Rajasthan	Hanumangarh	B.T. Cotton	18200	9000	9200
	Rawatsar	B.T. Cotton	4500	1900	2600
Madhya Pradesh	Khandwa	Mech-1	1900	1100	800
	Khargaon	Mech-1	37770	9900	27870
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	2043	703	1340
Uttar Pradesh	Hathras	B.T. Cotton	8650	15000	-6350
	Hathras	Desi	630	600	30
Telangana	Adilabad	Un-Ginned	82626	25214	57412
Andhra Pradesh	Guntur	Un-Ginned	555	510	45
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6450	1220	5230
	Hubli	D.C.H.	492	38	454
	Hubli	B.T. Cotton	24	NA	-
	Raichur	H-44 Cotton	15681	4507	11174
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th to 11th Nov.16	29th Oct to 04th Nov.16	
Punjab	Bhatinda	J-34	47600	28050	19550
	Abohar	J-34	9350	3230	6120
	Mansa	J-34	4675	2550	2125
Haryana	Sirsa	J-34	16150	6800	9350
Rajasthan	Sri-Ganganagar	J-34	4000	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				04th Oct to 11th Nov.16	27th Oct to 03rd Nov.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	27400	27400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	28400	28400	Unch
J-34(202)	26mm	3.5 - 4.9	23	36633	36750	-117
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37250	37275	-25
Shankar-6(105)	29mm	3.5 - 4.9	28	37750	37775	-25
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38650	38775	-125
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39350	39525	-175
DCH-32(107)	34mm	3.0 - 3.8	33	52000	52275	-275

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