

## Current Market Outlook

**Domestic Weekly Price Scenario:** Cotton spot prices witnessed positive tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 5435 per quintal compared to the previous week price of Rs.5140 per quintal. Average price of Lint at Sirsa during the week was Rs. 4019 per maund (of 37.32 Kg each), compared to the previous week price of Rs 3912. Cotton fiber (Shankar-6) prices noticed firm tone this week. Average price was Rs 38967 per candy (of 355.6 kg each) during the week, which was Rs 37750 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 937.50 per maund (of 20 kg each) which was Rs 934.50 a week earlier.

**Cotton Price Outlook (For Coming Week):** In the coming week we expect Kapas price to remain range bound to firm with the price band of Rs. 5200-5600 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3800-4200 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 925-1000 per maund (of 20 kg each).

**Major Market Highlights:** There is decline in cotton supply in Gujarat State amid Rs.500 and Rs.1000 note ban by the Government. From around arrivals of 35,000 bales of cotton during Diwali, arrivals have declined to around 15000 bales. Ginners can pay in cheques only and farmers are not ready to accept cheques. There was no auction on Thursday. Around 20% of the farmers are ready for cheque payment.

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. The pink bollworm destroyed crops in Tamsi, Talamadugu, Vankidi, Indravelli, Kerameri and Kagaznagar.

India exported 1.333 lakh bales of cotton last week (07 -13 November 2016), which was 0.254 lakh bales previous to last week (31 October -06 November 2016), according to the data released by IBIS and compiled by Agriwatch.

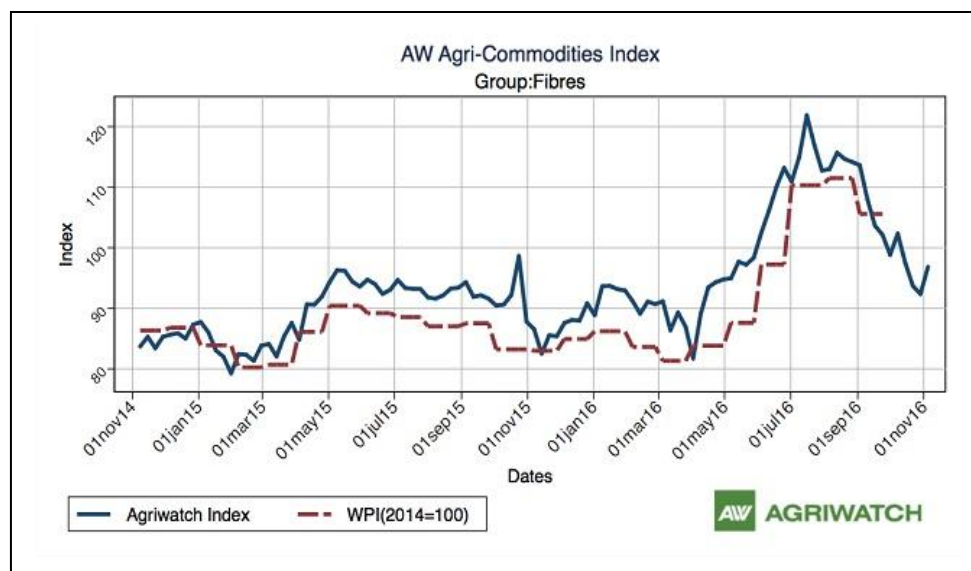
Major importer of Indian cotton during the week (07 -13 November, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.389 lakh bales of cotton from India in the past week (07 -13 November, 2016). Other major importers were China, Vietnam, Indonesia and Pakistan and their imported volumes were 0.512, 0.273, 0.123 and 0.026 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](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

## Domestic Cotton Prices Scenario

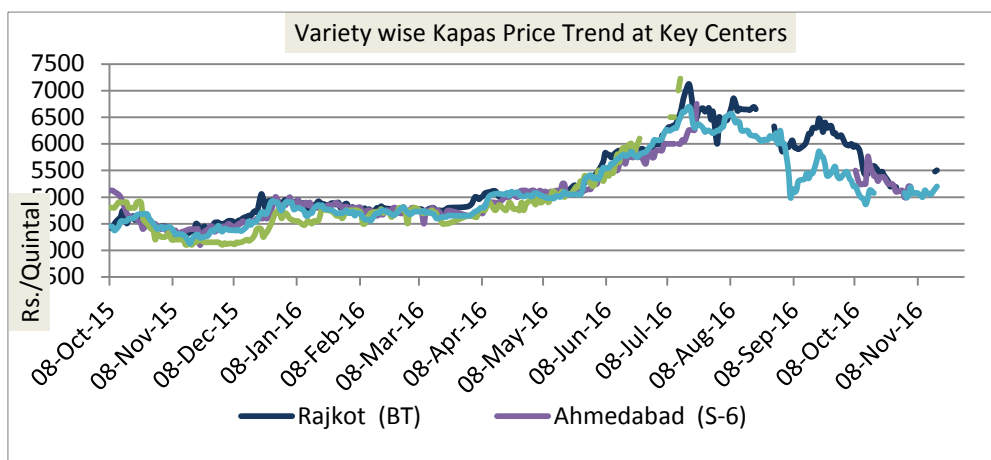
### Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week amid lack of availability in the market. Weekly average price of Kapas at Rajkot remained at Rs. 5435 per quintal compared to the previous week price of Rs. 5140 per quintal.

According to latest USDA attaché report, India's 2016/17 cotton production forecast is 26.50 million

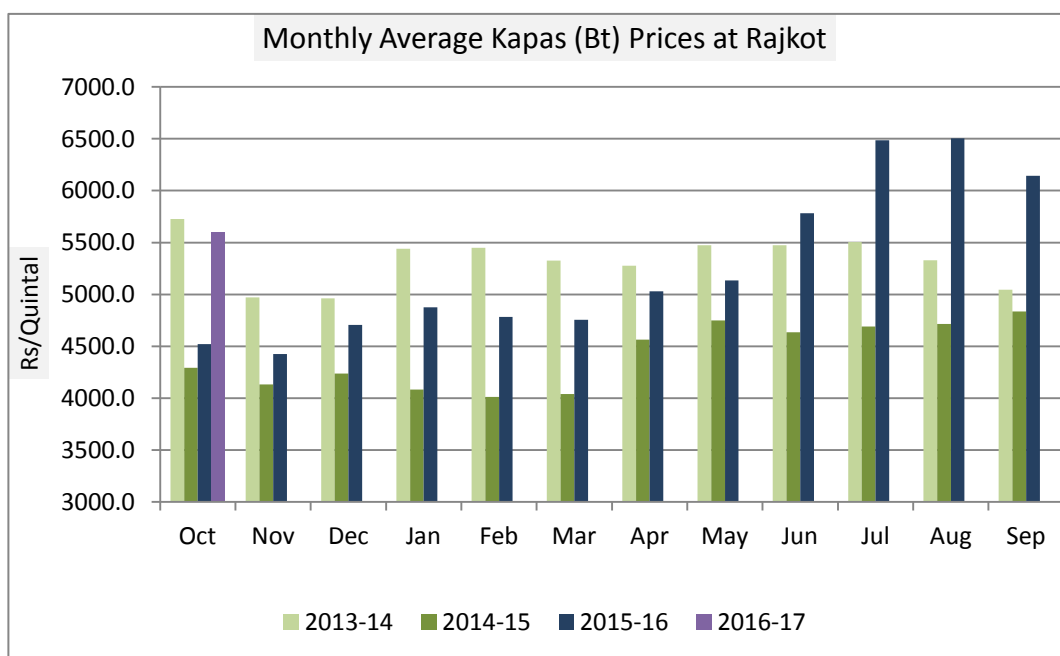
480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 5200-5600 per quintal for the coming week.



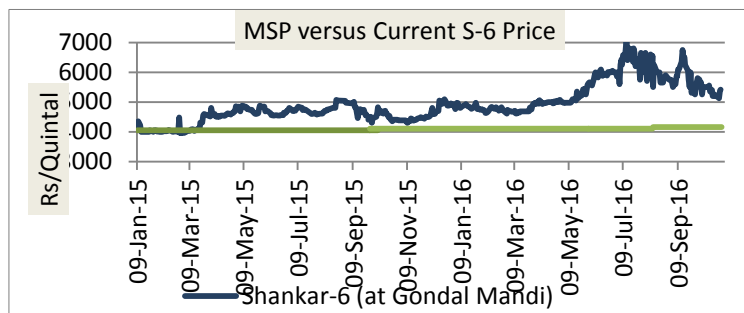
### Kapas Monthly Y-o-Y Price Scenario

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.



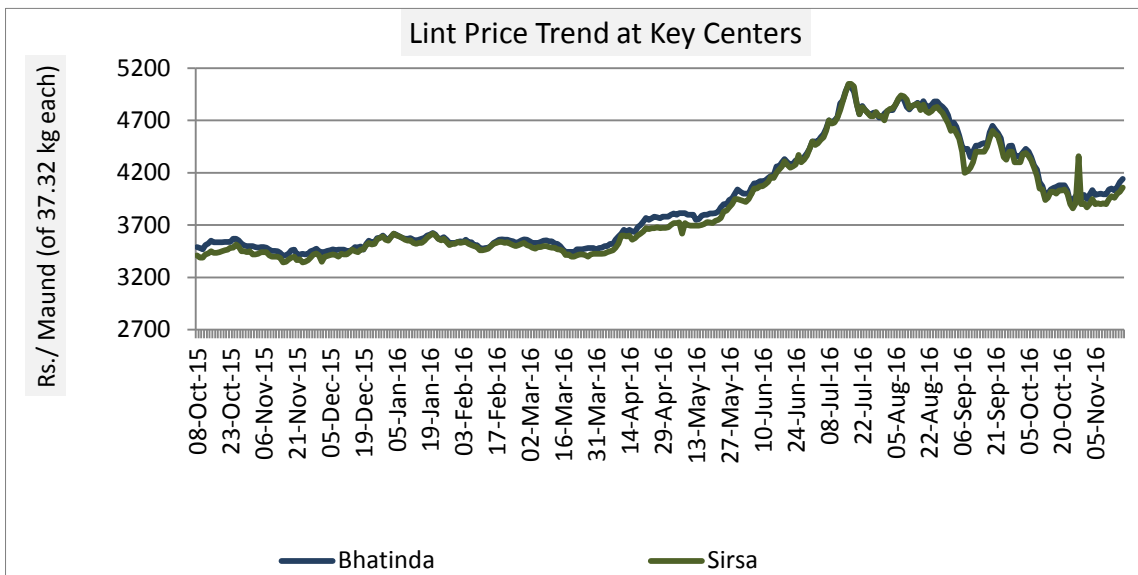
### Spot Price versus MSP

The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs. 1237.50 this week compared to Rs 982.50 a week earlier. This indicates prices are increasing.



### Lint (De-Seeded Cotton) Weekly Price Scenario

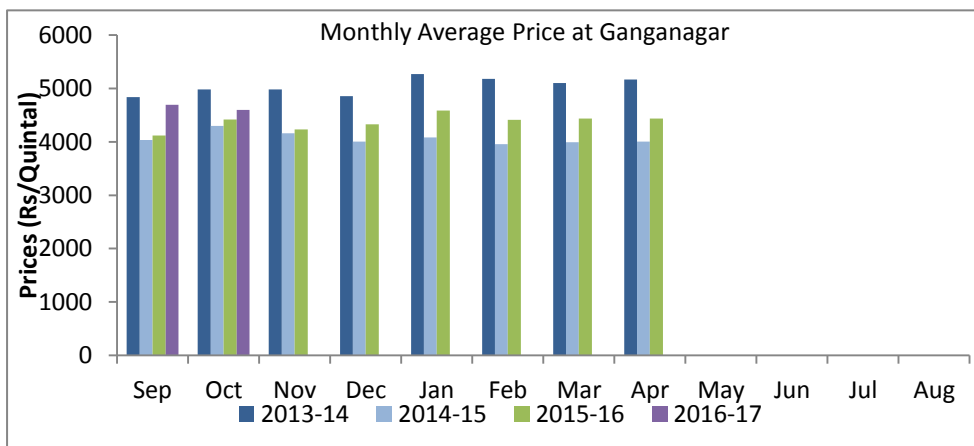
**Weekly Price Review:**  
As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4019 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 3912 per maund.



**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. 3800-4200 per maund.

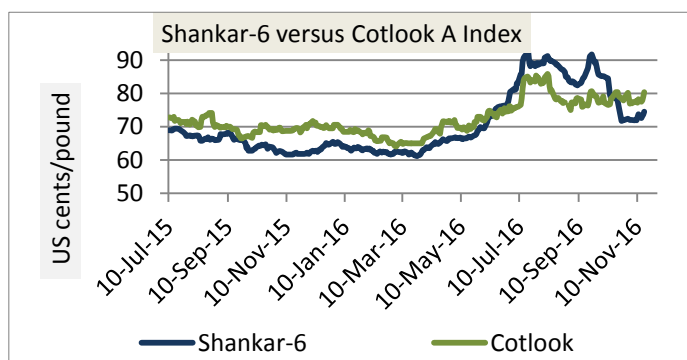
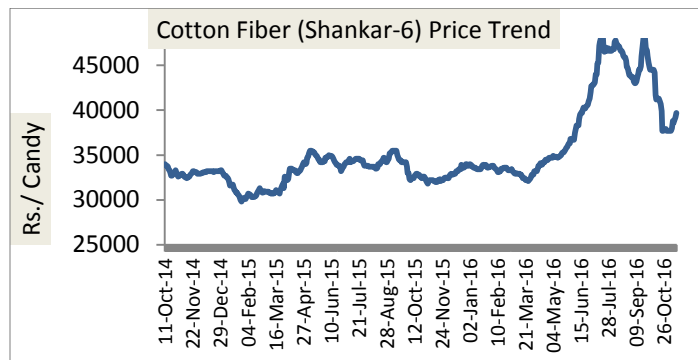
### Lint Monthly Y-o-Y Price Scenario

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 upward movement in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 38967 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 37750 per candy.

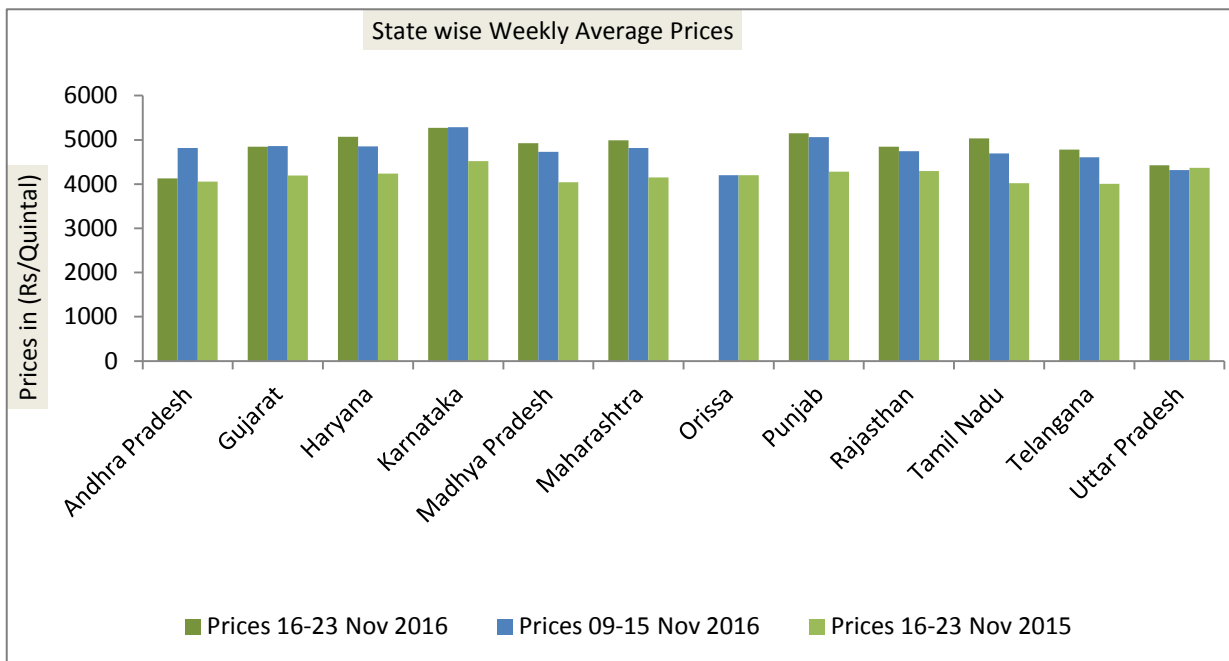


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 78.61 cents/pound, Indian weekly average price stood at 73.55 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 38000-43000 per candy

## State wise Weekly Price Scenario

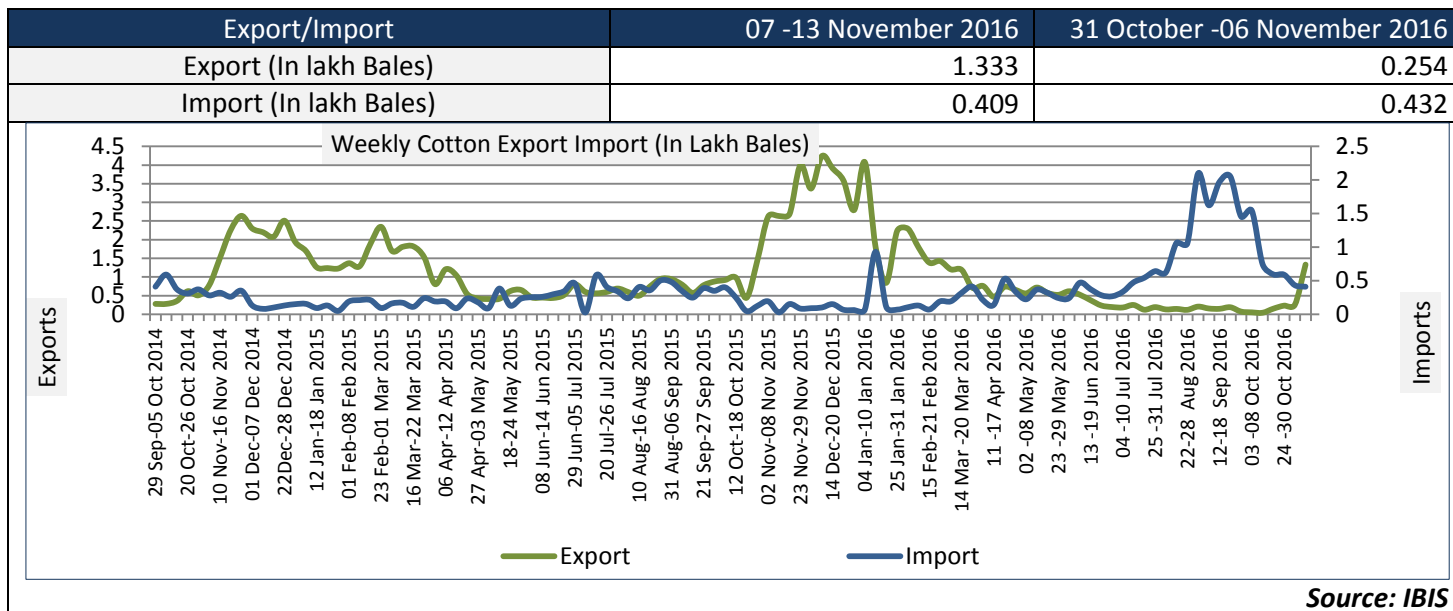
On week on week basis, prices are by and large showing weak trend in most of the States, highest price was recorded in Karnataka followed by Punjab this week and lowest was in Andhra Pradesh followed by Uttar Pradesh.



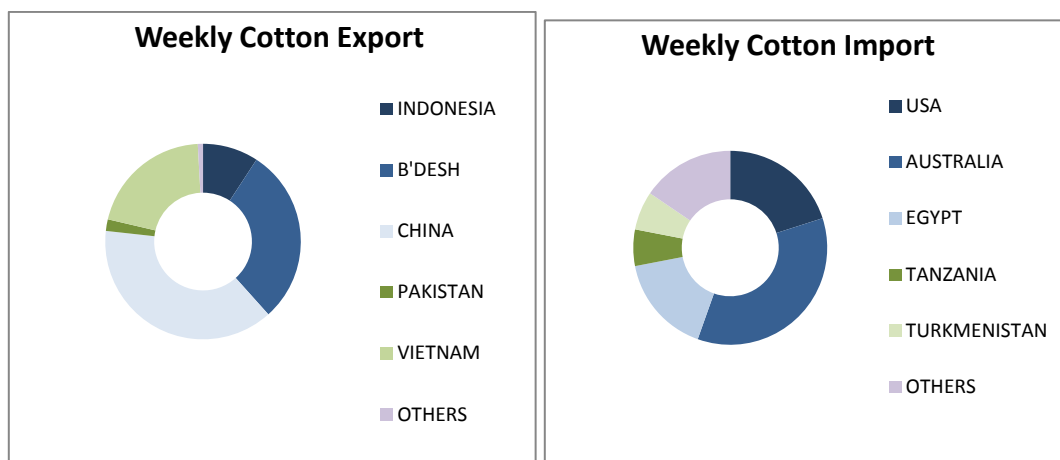
Pradesh followed by Uttar Pradesh. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

## Cotton Weekly Export and Import

India exported 1.333 lakh bales of cotton last week (07 -13 November 2016), which was 0.254 lakh bales during the week before (31 October -06 November 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.409 lakh bales last week, which was 0.432 lakh bales the week before .



Major importer of Indian cotton during the week (07 -13 November 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.389 lakh bales of cotton from India in the past week (07 -13 November 2016). Other major importers were China, Vietnam, Indonesia and Pakistan and their imported volumes were 0.512, 0.273, 0.123 and 0.026 lakh bales respectively. India exported 1.333 lakh bales of cotton last week (07 -13 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.



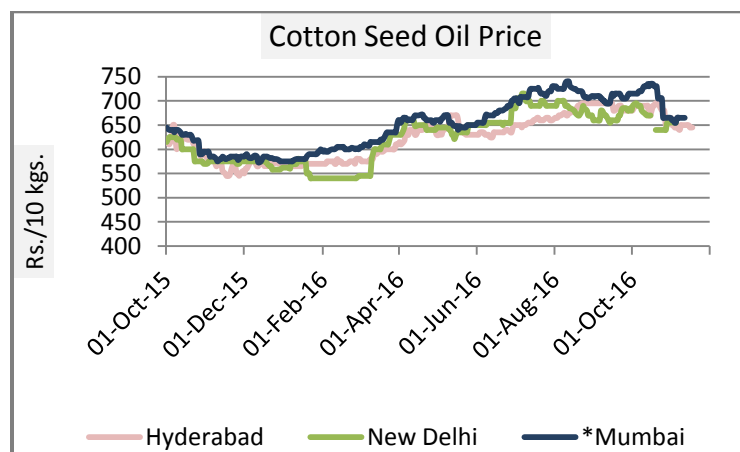
## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 655 per 10 Kg, lower compared to the weekly average price of Rs 640 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	17-Nov-16	10-Nov-16	
New Delhi	655	640	2.34
Rajkot	675	650	3.85
Hyderabad	648	647	0.13
Mumbai*	665	660	0.76

\*Vat Included

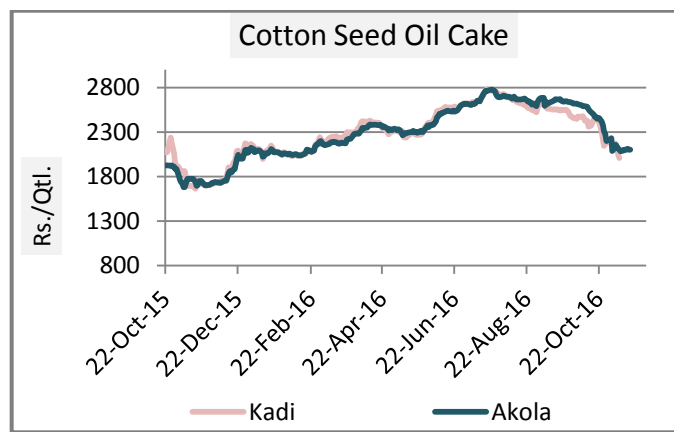


### Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed weak tone during the week. Weekly average price in Akola remained Rs 2100 per quintal, lower compared to the weekly average price of Rs 2114 per quintal in the previous week.

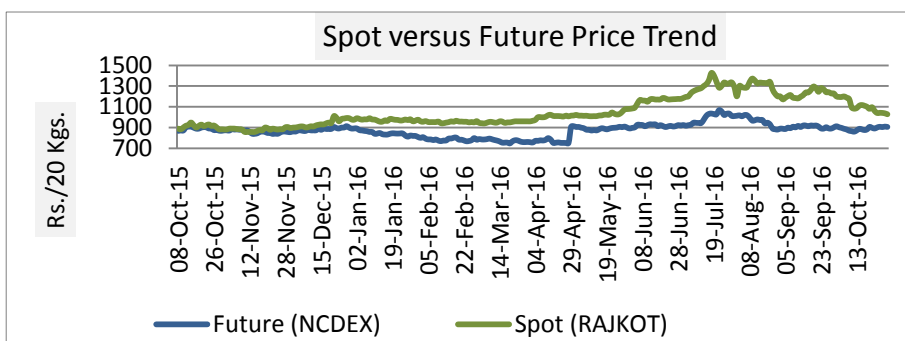
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	17-Nov-16	10-Nov-16	
Kadi	2113	2113	0.00
Akola	2100	2114	-0.64

\*Source: NCDEX



### Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 937.50 as on 18 Nov 2016, compared to 934.50 a week earlier. The gap between the spot and future prices has widened. Average gap between the spot and future price during the week was Rs.151.40 which was Rs 122.50 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 overbought 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	925-1000

#### 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 firm during the week. Cotlook A index weekly average stood at 78.61 cents/pound this week, which was 77.40 cents/pound during last week.

**Major Market Highlights:** According to International Cotton Advisory Committee (ICAC), world ending stocks of cotton is likely to decline by 7% to 17.8 million tons in 2016 -17 amid reduction of stocks in China. Government in China sold over 2 million tone from its reserves from May through September 2016. Ending stocks in China declined by 13 per cent to 11.3 million tons.

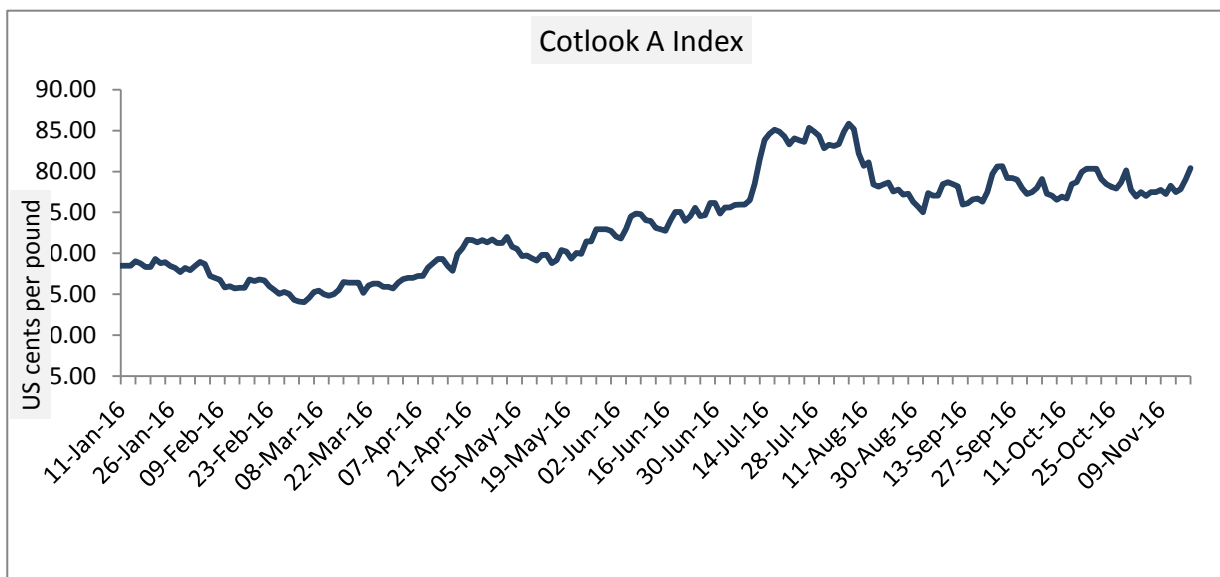
According to industry sources, India's cotton exports to Pakistan are expected to decline by around 50% in 2016 -17 amid ongoing rivalry between the two countries and expected improvement in Pakistan's cotton production. Pakistan is likely to import around 1 to 1.5 million bales in 2016 -17 which started 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 firm 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
	17-Nov-16	10-Nov-16	
Prices	78.61	77.4	1.6
Prices in US cents per Pound			

## China Cotton Index and Foreign Cotton Index

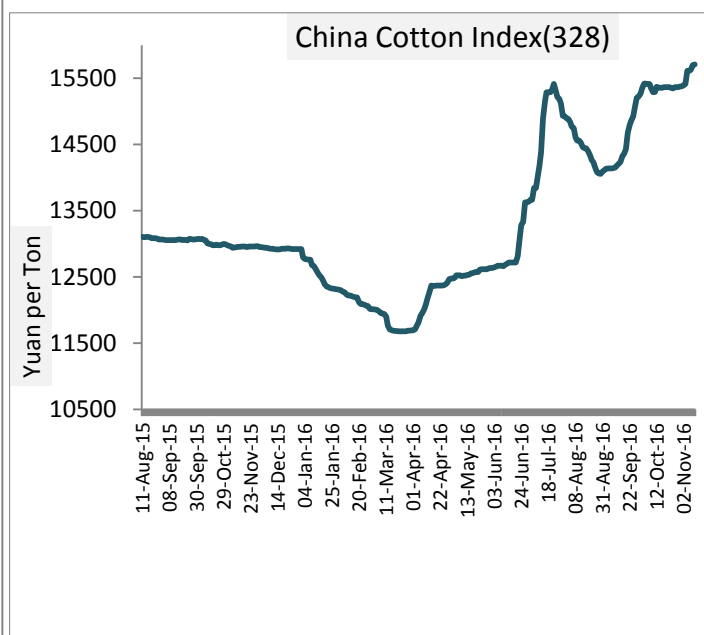
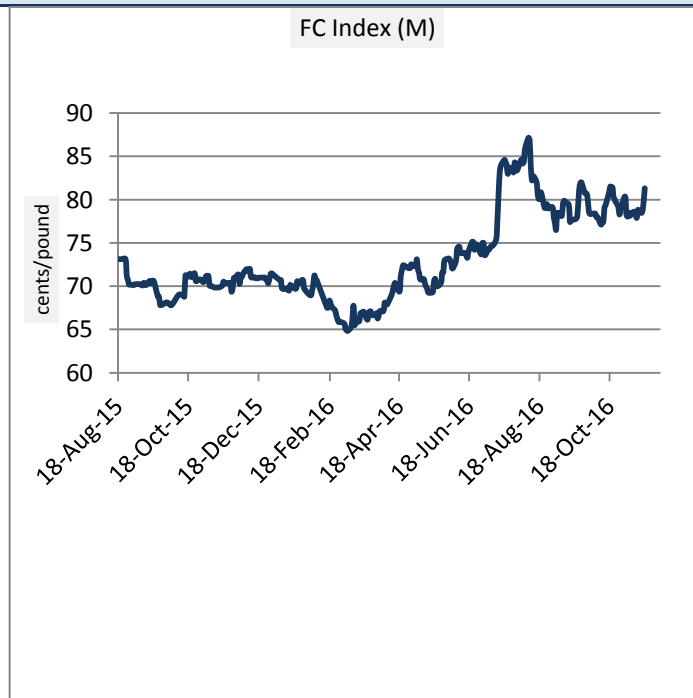
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

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](http://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
	17-Nov-16	10-Nov-16	
FC (S)	82.64	81.68	1.18
FC (M)	79.41	78.35	1.35
FC (L)	77.26	76.12	1.49
Prices in US cents per Pound			

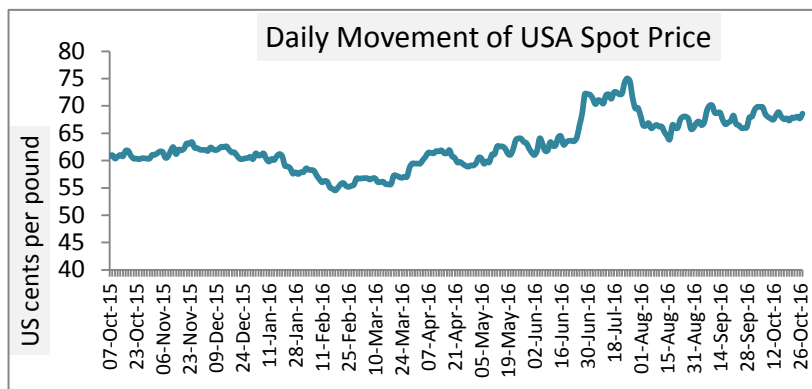
China Index remained firm during the week. CC Index (328) remained 14717 Yuan per ton during the week. Average was 14568 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	17-Nov-16	10-Nov-16	
CCIndex(229)	15653	15385	1.74
CCIndex(328)	14717	14568	1.02
CCIndex(527)	16044	15804	1.52
Prices in Yuan per ton			



## USA Spot Prices

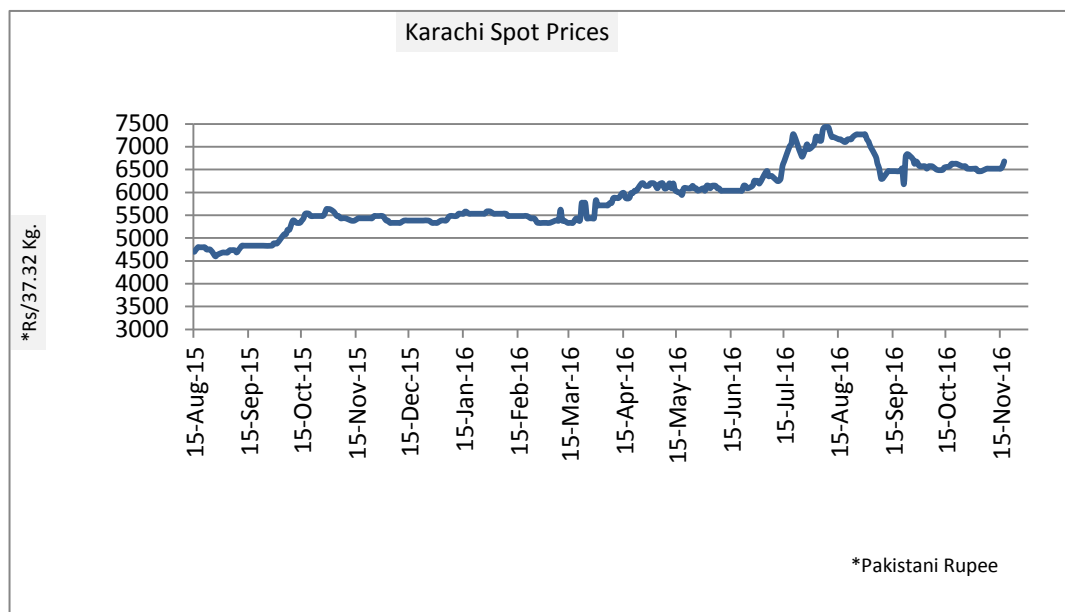
According to latest report of USDA latest report, global 2016/17 cotton ending stocks are revised down this month. Production in Brazil is estimated to be lower, based on arrivals at gins, but higher in Australia. World ending stocks are now projected at 87.35 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	17-Nov-16	10-Nov-16	
Prices	69.81	68.02	2.63
Prices in US cents per Pound			

## Pakistan Spot Prices

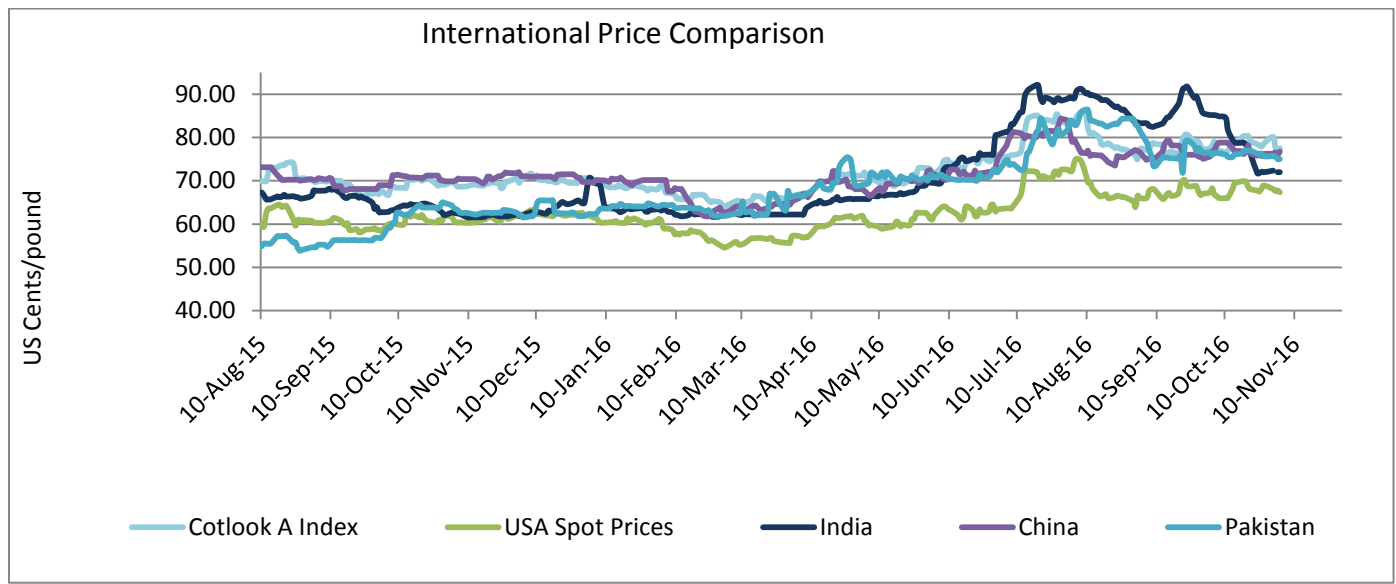
The arrival of cotton at ginneries in Pakistan till October 15, 2016 declined by 6.19 per cent year-on-year to 4.374 million bales according to the fortnightly report on cotton arrivals by the Pakistan Cotton Ginners Association (PCGA) in joint co-operation with All Pakistan Textile Mills Association (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
	17-Nov-16	10-Nov-16	
Prices	6565	6511	0.83
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	70.00-75.00

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
71.50	70.00	75.00	76.50

Figures in US cents/pound

### Cotton Future Prices at ICE

Contracts	17-Nov-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-16	73.38	69.20	71.19	61.53	64.60	3.08	19.26
Mar-17	72.54	69.83	71.49	NA	3.92	1.47	NA
May-17	73.07	70.50	71.77	NA	3.68	1.81	NA
Jul-17	73.14	70.95	71.84	NA	3.11	1.81	NA
Oct-17	71.93	70.17	70.98	NA	2.48	1.34	NA
Dec-17	70.91	69.5	71.06	NA	2.01	-0.21	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	12th to 18th Nov.16	05th to 11th Nov.16	
Gujarat	Ahmedabad	Shankar-6	NA	5100	-
	Gondal	Shankar-6	5442	5143	299
	Rajkot	B.T. Cotton	5435	5140	295
	Patan	B.T. Cotton	NA	5155	-
	Kadi	B.T. Cotton	5283	5188	96
	Deesa	B.T. Cotton	4750	4690	60
	Dhrol	B.T. Cotton	NA	5130	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5425	5197	228
	Bhiwani	Desi	4658	4567	92
	Adampur	B.T. Cotton	5131	5062	69
	Fatehabad	B.T. Cotton	5236	5105	131
	Jind	B.T. Cotton	5308	5222	86
	Uchana	B.T. Cotton	5348	5164	184
	Dabwali	B.T. Cotton	5178	5034	144
Rajasthan	Hanumangarh	B.T. Cotton	5300	5175	125
	Rawatsar	B.T. Cotton	5179	5052	127
Madhya Pradesh	Khandwa	Mech-1	5250	4897	353
	Khargaon	Mech-1	5263	5115	148
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	4872	4764	108
Uttar Pradesh	Hathras	B.T. Cotton	4675	4080	595
	Hathras	Desi	4608	4380	228

Telangana	Adilabad	Un-Ginned	4892	4723	168
Andhra Pradesh	Guntur	Un-Ginned	4100	4100	Unch
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4160	4160	Unch
Karnataka	Bijapur	Bunny	5502	5474	27
	Hubli	D.C.H.	5525	5419	106
	Hubli	B.T. Cotton	6250	5989	261
	Raichur	H-44 Cotton	5182	5071	111
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	12th to 18th Nov.16	05th to 11th Nov.16	
Punjab	Bhatinda	J-34	4096	4003	93
	Abohar	J-34	4102	4004	98
	Mansa	J-34	4089	3997	93
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4019	3912	108
Rajasthan	Sri-Ganganagar	J-34	3842	3690	153

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th to 18th Nov.16	05th to 11th Nov.16	
Gujarat	Ahmedabad	Shankar-6	NA	59500	-
	Gondal	Shankar-6	3787	7455	-3668
	Rajkot	B.T. Cotton	13565	6400	7165
	Patan	B.T. Cotton	NA	28000	-
	Kadi	B.T. Cotton	82500	190000	-107500
	Deesa	B.T. Cotton	NA	1700	-
	Dhrol	B.T. Cotton	NA	4470	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	26000	27500	-1500
	Bhiwani	Desi	850	1350	-500
	Adampur	B.T. Cotton	4080	5610	-1530
	Fatehabad	B.T. Cotton	6950	11200	-4250
	Jind	B.T. Cotton	1005	478	527
	Uchana	B.T. Cotton	10595	9305	1290

	Dabwali	B.T. Cotton	8010	6775	1235
Rajasthan	Hanumangarh	B.T. Cotton	9400	18200	-8800
	Rawatsar	B.T. Cotton	3100	4500	-1400
Madhya Pradesh	Khandwa	Mech-1	724	1900	-1176
	Khargaon	Mech-1	15240	37770	-22530
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	1661	2043	-382
Uttar Pradesh	Hathras	B.T. Cotton	850	8650	-7800
	Hathras	Desi	50	630	-580
Telangana	Adilabad	Un-Ginned	76391	82626	-6235
Andhra Pradesh	Guntur	Un-Ginned	150	555	-405
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3330	6450	-3120
	Hubli	D.C.H.	412	492	-80
	Hubli	B.T. Cotton	34	24	10
	Raichur	H-44 Cotton	3862	15681	-11819
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th to 18th Nov.16	05th to 11th Nov.16	
Punjab	Bhatinda	J-34	30600	47600	-17000
	Abohar	J-34	5610	9350	-3740
	Mansa	J-34	3060	4675	-1615
Haryana	Sirsa	J-34	5100	16150	-11050
Rajasthan	Sri-Ganganagar	J-34	5200	4000	1200

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				11th Oct to 17th Nov.16	04th Oct to 10th Nov.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	27850	27400	450
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	28850	28400	450
J-34(202)	26mm	3.5 - 4.9	23	37600	36633	967
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38467	37250	1217
Shankar-6(105)	29mm	3.5 - 4.9	28	38967	37750	1217
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39833	38650	1183
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40533	39350	1183
DCH-32(107)	34mm	3.0 - 3.8	33	52750	52000	750

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