

## Current Market Outlook

**Domestic Weekly Price Scenario:** Cotton spot prices noticed mostly firm tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 5383 per quintal compared to the previous week price of Rs.5435 per quintal. Average price of Lint at Sirsa during the week was Rs. 4036 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4019. Cotton fiber (Shankar-6) prices noticed firm tone this week. Average price was Rs 39517 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 lower this week at Rs. 917.50 per maund (of 20 kg each) which was Rs 937.50 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. 5100-5500 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. 900-1000 per maund (of 20 kg each).

**Major Market Highlights:** The recent ban on high –currency notes has affected cotton exports from India. Export of around 1 million bales of cotton crop from India has been delayed following demonetisation. Prices have increased in the domestic market amid lack of availability and buyers could shift to other countries like the United States, Brazil and Africa. India's total exports in the 2016 -17 marketing year that started on October 01, 2016 is likely to be affected. Farmers are not interested in selling as payment in cash is not available currently.

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.

India exported 1.812 lakh bales of cotton last week (14 -20 November 2016), which was 1.333 lakh bales previous to last week (07 -13 November 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (14 -20 November, 2016) was China. According to the data released by IBIS and compiled by Agriwatch, China imported 1.071 lakh bales of cotton from India in the past week (14 -20 November, 2016). Other major importers were Bangladesh, Pakistan, Vietnam and Thailand and their imported volumes were 0.407, 0.095, 0.086 and 0.035 lakh bales respectively.

## AW Cotton Index – 27 Nov. 2016

The Agriwatch Agri Commodities Index gained 1.54% to 115.72 during the week ended Nov 26, 2016 from 113.97 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +8.76% 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

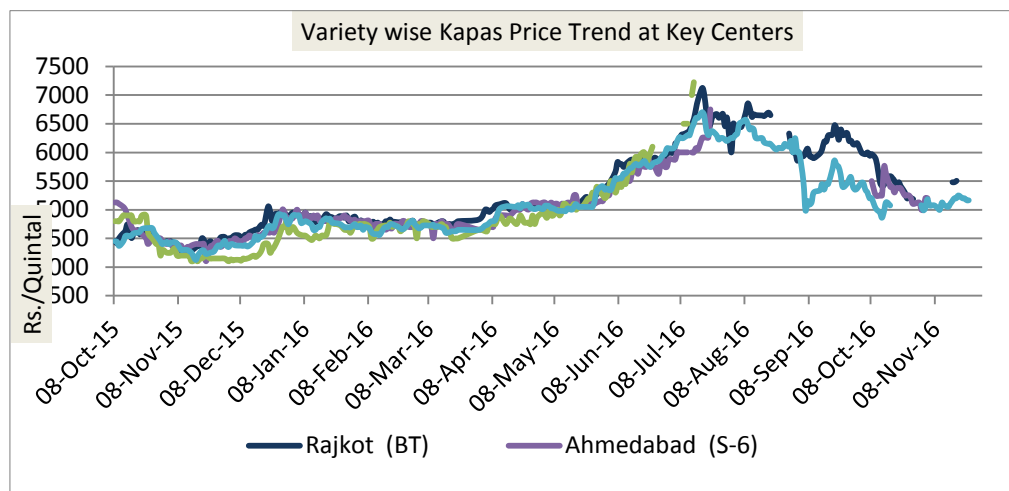
## Kapas (Raw Cotton) Weekly Price Scenario

**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. 5383 per quintal compared to the previous week price of Rs. 5435 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

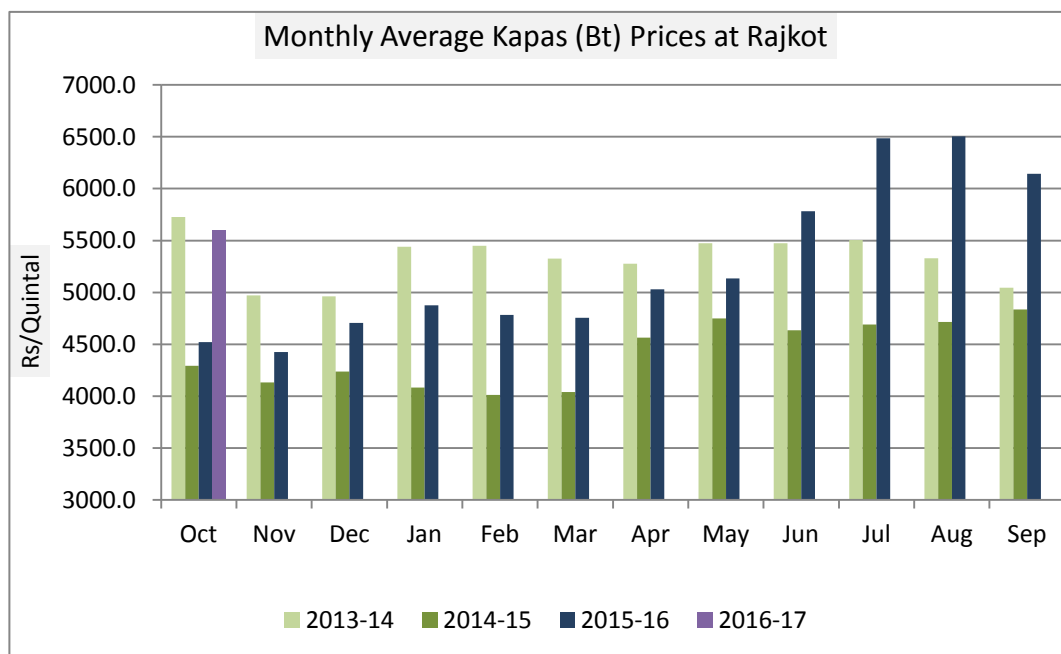
**Weekly Price Outlook:** Kapas prices

are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 5100-5500 per quintal for the coming week.



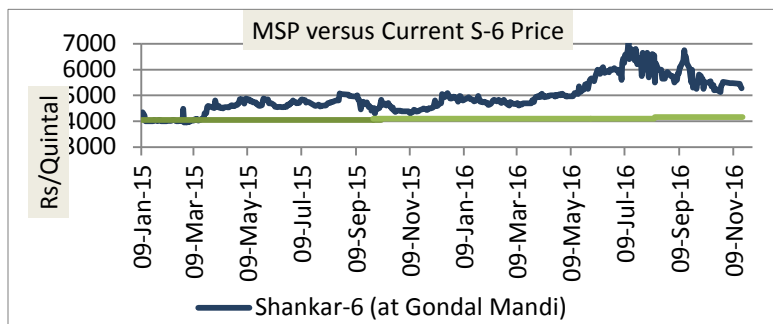
## Kapas Monthly Y-o-Y Price Scenario

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.



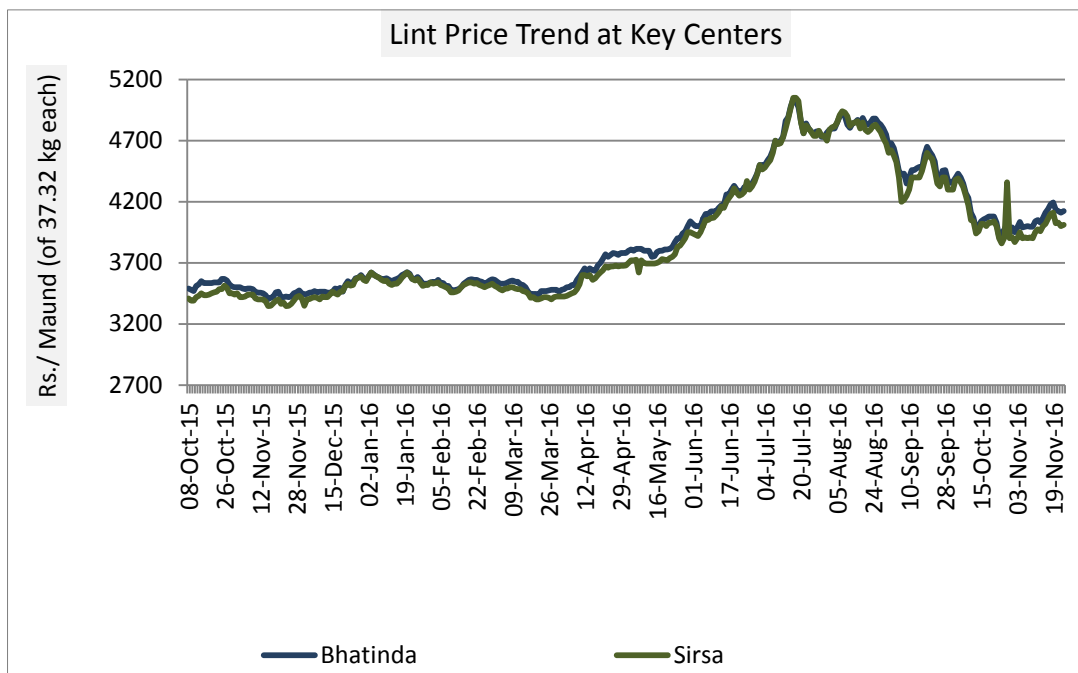
## Spot Price versus MSP

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. 1267.50 this week compared to Rs 1237.50 a week earlier. This indicates prices are increasing.



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

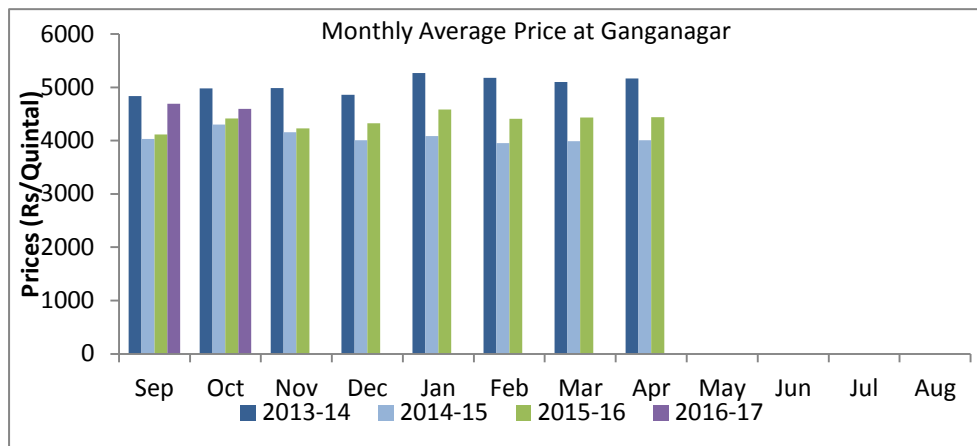
**Weekly Price Review:** As mixed sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4036 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 4019 per maund.



**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.

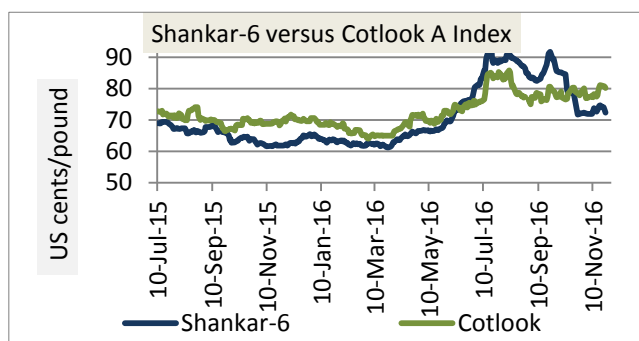
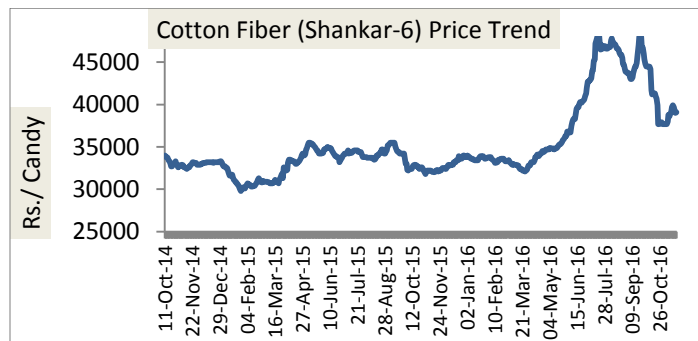
## Lint Monthly Y-o-Y Price Scenario

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 39517 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 38967 per candy.

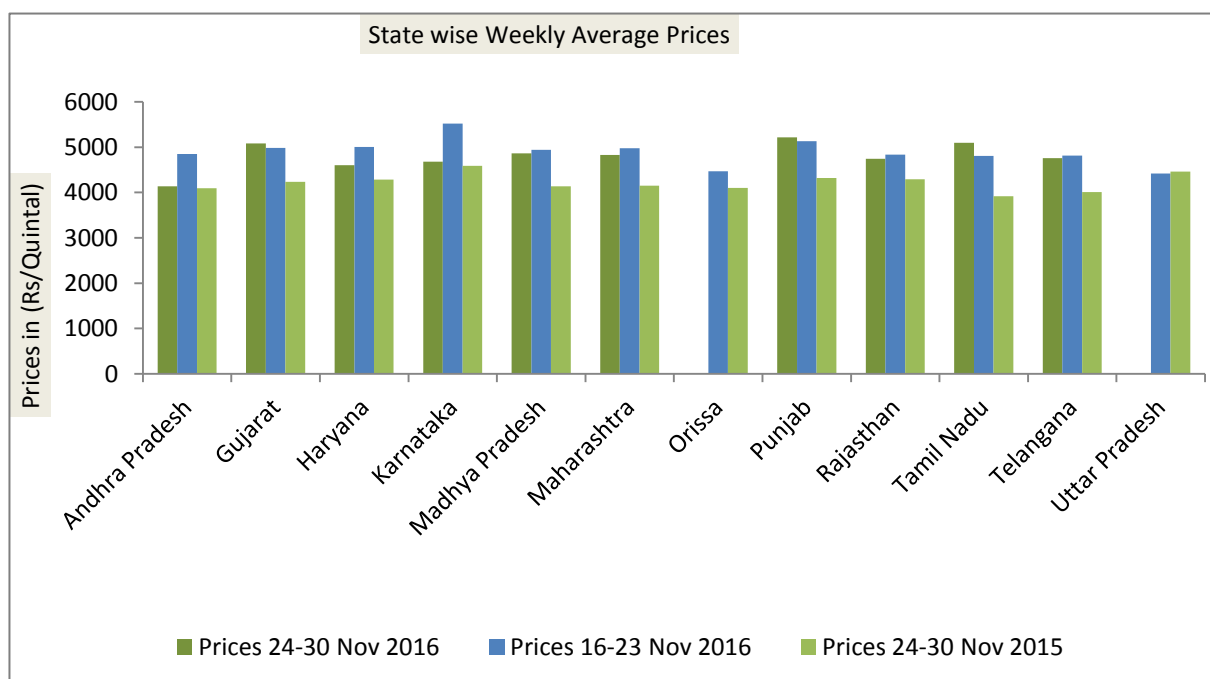


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 80.75 cents/pound, Indian weekly average price stood at 73.71 cents/pound, making Indian fiber competitive in international market.

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

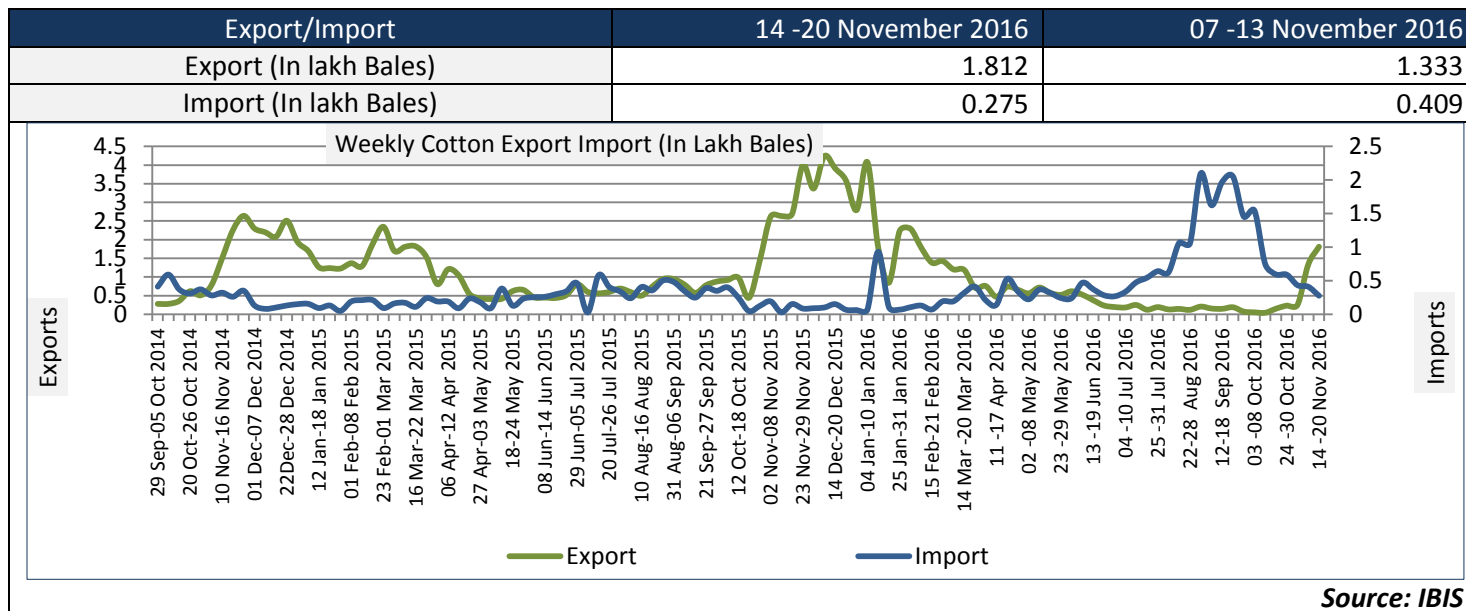
On week on week basis, prices are by and large showing weak trend in most of the States, highest price was recorded in Punjab followed by Gujarat this week and lowest was in Andhra Pradesh followed by Rajasthan. On year on year



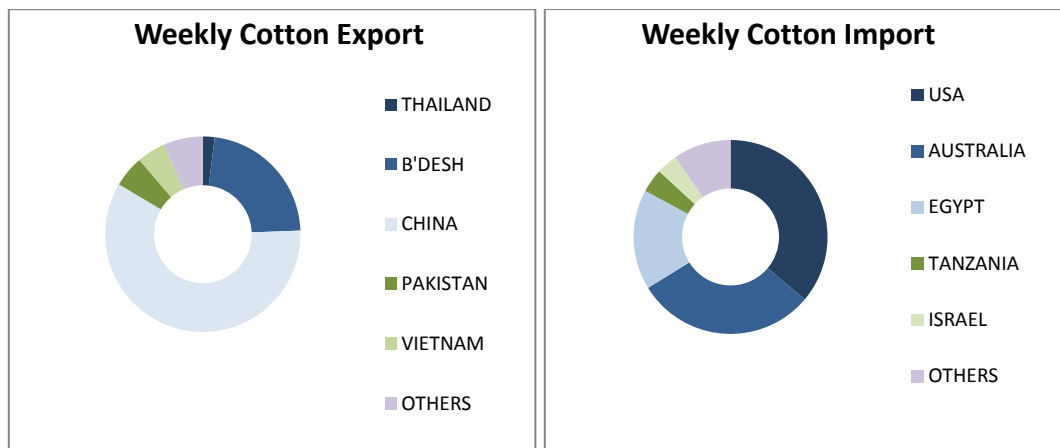
basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

## Cotton Weekly Export and Import

India exported 1.812 lakh bales of cotton last week (14 -20 November 2016), which was 1.333 lakh bales during the week before (07 -13 November 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.275 lakh bales last week, which was 0.409 lakh bales the week before .



Major importer of Indian cotton during the week (14 -20 November 2016) was China. According to the data released by IBIS and compiled by Agriwatch, China imported 1.071 lakh bales of cotton from India in the past week (14 -20 November 2016). Other major importers were Bangladesh, Pakistan, Vietnam, Indonesia and Thailand and their imported volumes were 0.407, 0.095, 0.086 and 0.035 lakh bales respectively. India exported 1.812 lakh bales of cotton last week (14 -20 November 2016), which was 1.333 lakh bales previous to last week (07 -13 November 2016), according to the data released by IBIS and compiled by Agriwatch.



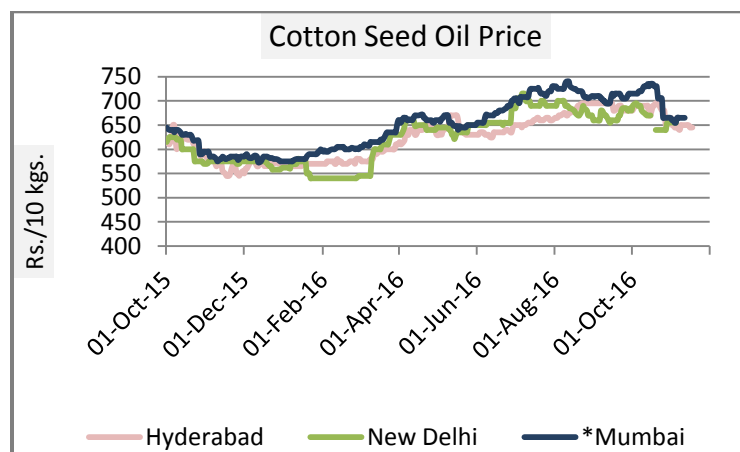
## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 665 per 10 Kg, lower compared to the weekly average price of Rs 655 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	24-Nov-16	17-Nov-16	
New Delhi	665	655	1.53
Rajkot	678	675	0.49
Hyderabad	652	648	0.64
Mumbai*	672	665	1.00

\*Vat Included

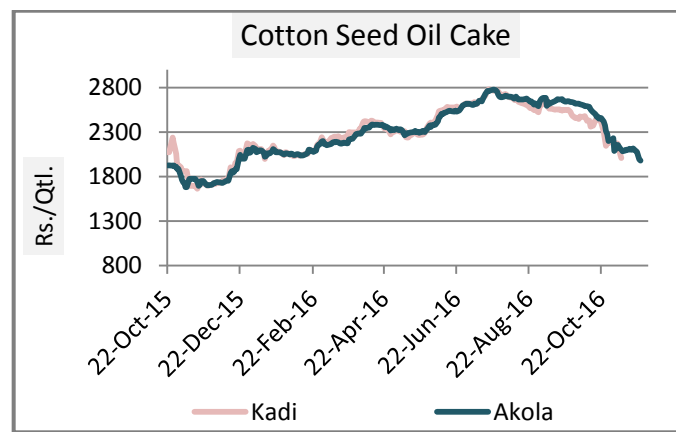


### Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed weak tone during the week. Weekly average price in Akola remained Rs 2052 per quintal, lower compared to the weekly average price of Rs 2100 per quintal in the previous week.

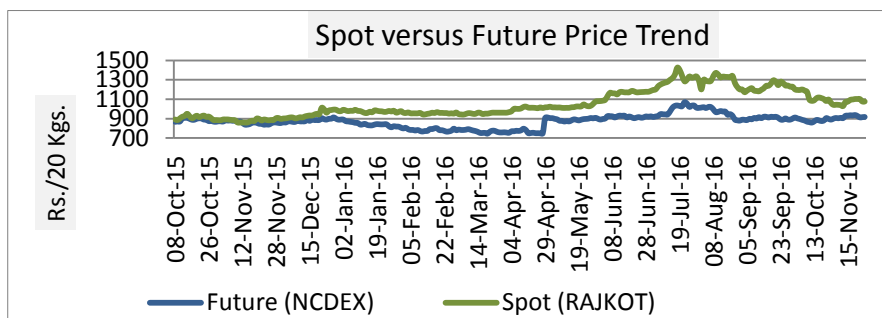
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	24-Nov-16	17-Nov-16	
Kadi	2012	2113	-4.76
Akola	2052	2100	-2.29

\*Source: NCDEX



### Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 917.50 as on 24 Nov 2016, compared to 937.50 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.168.60 which was Rs 151.40 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 increasing in the neutral zone.
- MACD signal line and center line denotes bearish crossover.

#### Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Weak Momentum	900-1000

#### 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 80.75 cents/pound this week, which was 78.61 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 tonne from its reserves from May through September 2016. Ending stocks in China declined by 13 per cent to 11.3 million tons.

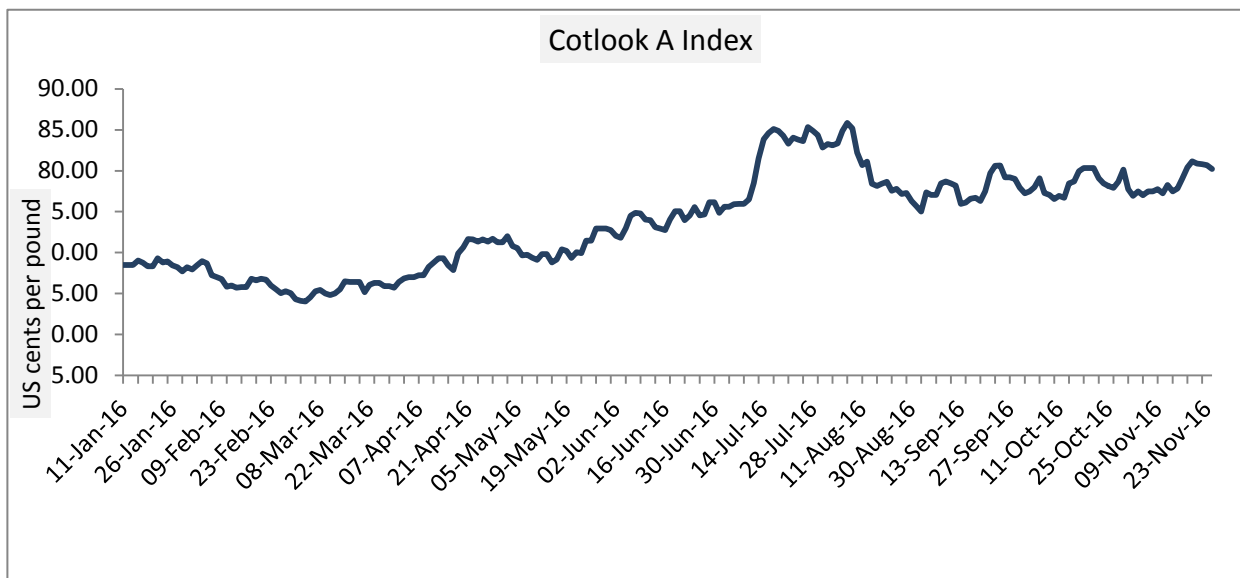
China is having lower stocks of cotton as over 2 million metric tonnes have been sold from May through September 2016. According to International Cotton Advisory Committee (ICAC), world ending stocks of cotton is likely to decline by 7% to 17.8 million tons in 2016 -17 amid reduction of stocks in China. China is currently purchasing from U.S. With the arrival of new crop in the domestic market, Indian cotton is competitive compared to US. India can expect to export cotton to China in the coming weeks.

According to latest report of 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
	24-Nov-16	17-Nov-16	
Prices	80.75	78.61	2.7
Prices in US cents per Pound			

## China Cotton Index and Foreign Cotton Index

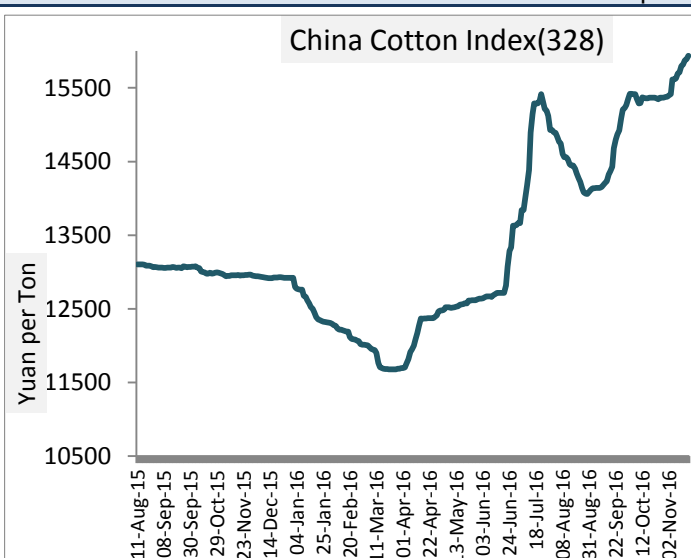
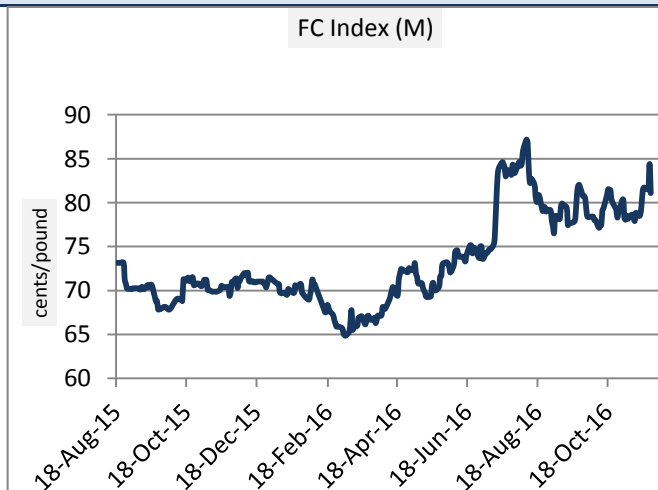
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

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](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
	24-Nov-16	17-Nov-16	
FC (S)	84.47	82.64	2.22
FC (M)	82.04	79.41	3.32
FC (L)	79.53	77.26	2.95
Prices in US cents per Pound			

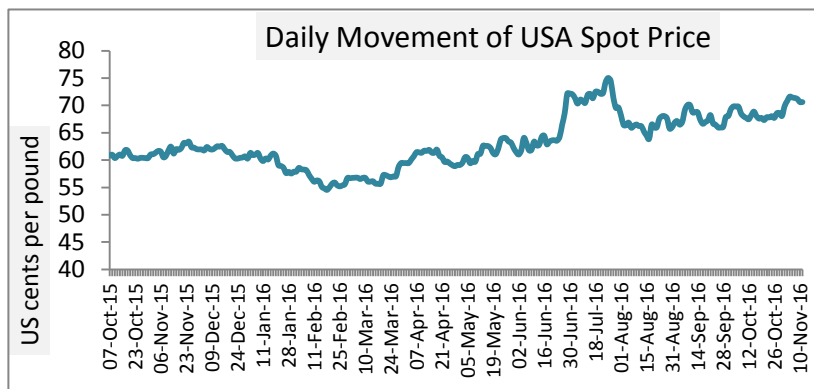
China Index remained firm during the week. CC Index (328) remained 14817 Yuan per ton during the week. Average was 14717 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	24-Nov-16	17-Nov-16	
CCIndex(229)	15863	15653	1.34
CCIndex(328)	14817	14717	0.68
CCIndex(527)	16190	16044	0.91
Prices in Yuan per ton			



## USA Spot Prices

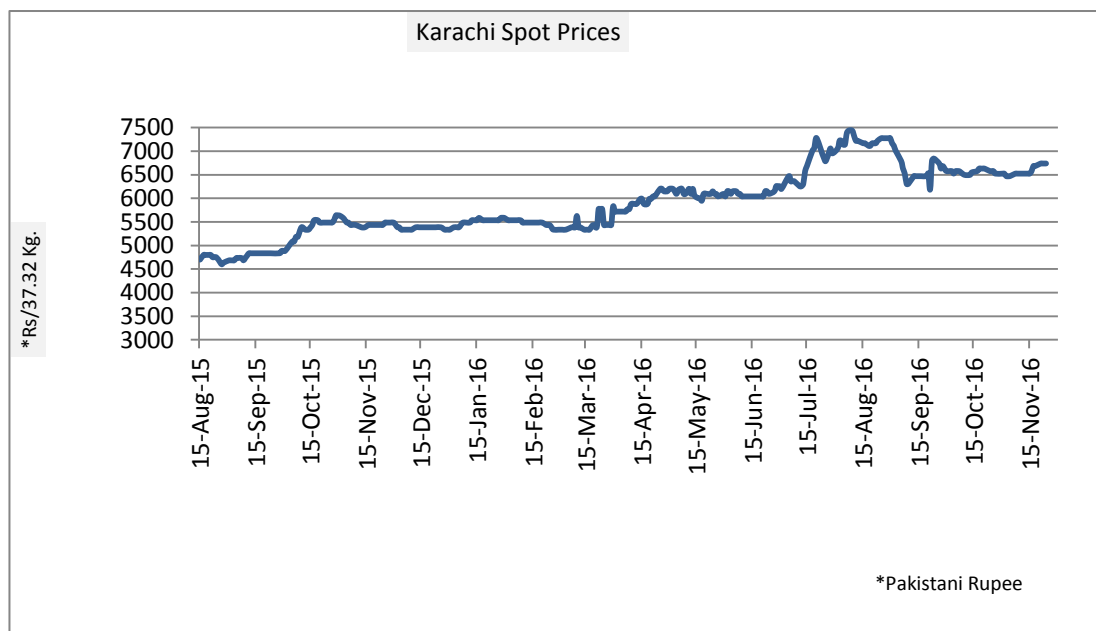
According to latest report of USDA latest report, global 2016/17 cotton ending stocks are revised down this month. Production in Brazil is estimated to be lower, based on arrivals at gins, but higher in Australia. World ending stocks are now projected at 87.35 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	24-Nov-16	17-Nov-16	
Prices	71.07	69.81	1.80
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).

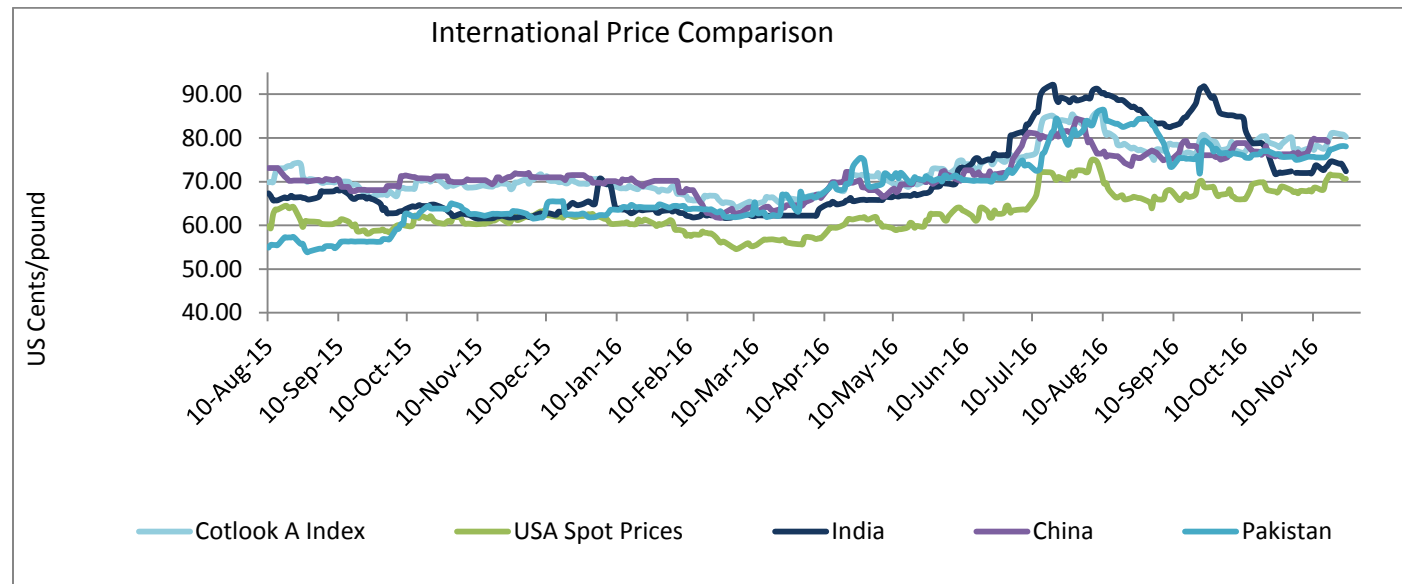


According to the data

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
	24-Nov-16	17-Nov-16	
Prices	6725	6565	2.44
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	73.08	73.38	68.77	60.60	64.60	6.27	20.59
Mar-17	71.64	72.54	69.22	NA	-1.23	3.50	NA
May-17	72.31	73.07	69.78	NA	-1.05	3.63	NA
Jul-17	72.46	73.14	69.95	NA	-0.93	3.59	NA
Oct-17	71.77	71.93	69.37	NA	-0.22	3.46	NA
Dec-17	70.37	70.91	68.86	NA	-0.75	2.19	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	19th to 25th Nov.16	12th to 18th Nov.16	
Gujarat	Ahmedabad	Shankar-6	5250	NA	-
	Gondal	Shankar-6	5396	5442	-46
	Rajkot	B.T. Cotton	5383	5435	-53
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	5308	5283	25
	Deesa	B.T. Cotton	NA	4750	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5383	5425	-42
	Bhiwani	Desi	4642	4658	-17
	Adampur	B.T. Cotton	5198	5131	68
	Fatehabad	B.T. Cotton	5265	5236	29
	Jind	B.T. Cotton	5333	5308	25
	Uchana	B.T. Cotton	5335	5348	-13
	Dabwali	B.T. Cotton	5212	5178	33
Rajasthan	Hanumangarh	B.T. Cotton	5337	5300	37
	Rawatsar	B.T. Cotton	5217	5179	38
Madhya Pradesh	Khandwa	Mech-1	5080	5250	-170
	Khargaon	Mech-1	5206	5263	-57
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	4977	4872	105
Uttar Pradesh	Hathras	B.T. Cotton	4750	4675	75

	Hathras	Desi	5150	4608	542
Telangana	Adilabad	Un-Ginned	4915	4892	23
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	5516	5502	14
	Hubli	D.C.H.	5608	5525	83
	Hubli	B.T. Cotton	6557	6250	307
	Raichur	H-44 Cotton	5186	5182	4
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	19th to 25th Nov.16	12th to 18th Nov.16	
Punjab	Bhatinda	J-34	4138	4096	42
	Abohar	J-34	4138	4102	36
	Mansa	J-34	4133	4089	44
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4036	4019	17
Rajasthan	Sri-Ganganagar	J-34	3931	3842	89

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	19th to 25th Nov.16	12th to 18th Nov.16	
Gujarat	Ahmedabad	Shankar-6	59500	NA	-
	Gondal	Shankar-6	15752	3787	11965
	Rajkot	B.T. Cotton	7000	13565	-6565
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	110000	82500	27500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	16000	26000	-10000
	Bhiwani	Desi	1000	850	150
	Adampur	B.T. Cotton	5780	4080	1700
	Fatehabad	B.T. Cotton	4000	6950	-2950
	Jind	B.T. Cotton	615	1005	-390

	Uchana	B.T. Cotton	8535	10595	-2060
	Dabwali	B.T. Cotton	9750	8010	1740
Rajasthan	Hanumangarh	B.T. Cotton	11600	9400	2200
	Rawatsar	B.T. Cotton	3400	3100	300
Madhya Pradesh	Khandwa	Mech-1	11500	724	10776
	Khargaon	Mech-1	43730	15240	28490
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	1335	1661	-326
Uttar Pradesh	Hathras	B.T. Cotton	500	850	-350
	Hathras	Desi	100	50	50
Telangana	Adilabad	Un-Ginned	94531	76391	18140
Andhra Pradesh	Guntur	Un-Ginned	570	150	420
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	8060	3330	4730
	Hubli	D.C.H.	2866	412	2454
	Hubli	B.T. Cotton	40	34	6
	Raichur	H-44 Cotton	7192	3862	3330
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	19th to 25th Nov.16	12th to 18th Nov.16	
Punjab	Bhatinda	J-34	34850	30600	4250
	Abohar	J-34	4250	5610	-1360
	Mansa	J-34	3145	3060	85
Haryana	Sirsa	J-34	5950	5100	850
Rajasthan	Sri-Ganganagar	J-34	5320	5200	120

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				18th to 24th Nov.16	11 <sup>th</sup> to 17th Nov.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	27683	27850	-167
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	28633	28850	-217
J-34(202)	26mm	3.5 - 4.9	23	38117	37600	517
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39100	38467	633
Shankar-6(105)	29mm	3.5 - 4.9	28	39517	38967	550
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40383	39833	550
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41100	40533	567

DCH-32(107)	34mm	3.0 - 3.8	33	53800	52750	1050
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