

Current Market Outlook

Domestic Weekly Price Scenario: Cotton spot prices witnessed mostly mixed one during the week.

Average price of Kapas at Rajkot during the week was Rs. 5289 per quintal compared to the previous week price of Rs.5303 per quintal. Average price of Lint at Sirsa during the week was Rs. 4063 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4051. Cotton fiber (Shankar-6) prices noticed weak tone this week. Average price was Rs 39083 per candy (of 355.6 kg each) during the week, which was Rs 39517 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 923.00 per maund (of 20 kg each) which was Rs 917.50 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. 5000-5500 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3900-4200 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: 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.

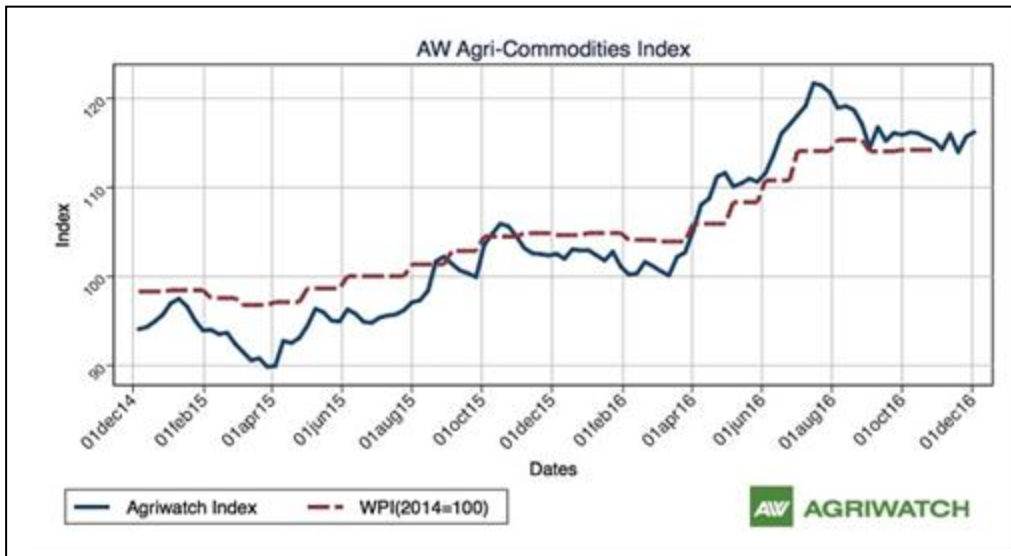
There is decline in cotton supply in Gujarat State amid Rs.500 and Rs.1000 note ban by the Government. From around arrivals of 35,000 bales of cotton during Diwali, arrivals have declined to around 15000 bales. Ginners can make only cheque payments and farmers are not willing to accept cheques. There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

India exported 1.842 lakh bales of cotton last week (21 -26 November 2016), which was 1.812 lakh bales previous to last week (14 -20 November 2016), according to the data released by IBIS and compiled by Agriwatch.

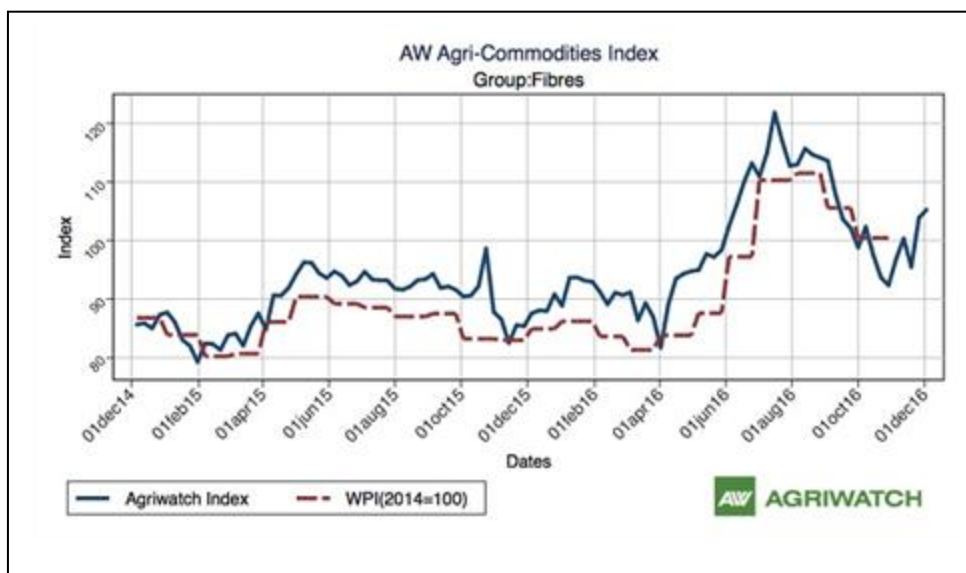
Major importer of Indian cotton during the week (21 -26 November, 2016) was China. According to the data released by IBIS and compiled by Agriwatch, China imported 1.201 lakh bales of cotton from India in the past week (21 -26 November, 2016). Other major importers were Bangladesh, Vietnam, Indonesia and Pakistan and their imported volumes were 0.416, 0.098, 0.091 and 0.015 lakh bales respectively.

AW Cotton Index – 04 Dec. 2016

The Agriwatch Agri Commodities Index rose 0.44% to 116.24 during the week ended Dec 3, 2016 from 115.72 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +1.36% 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

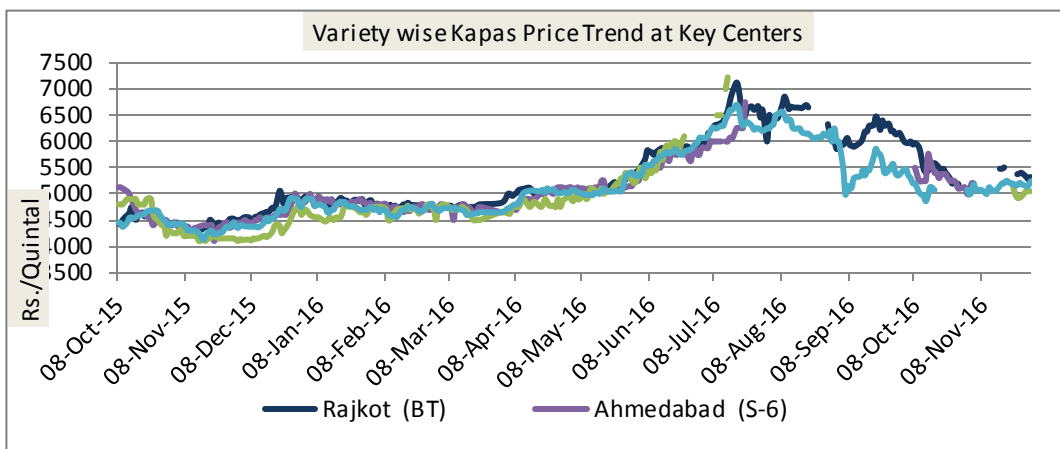
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Kapas price remained firm during the week amid lack of availability in the market. Weekly average price of Kapas at Rajkot remained at Rs. 5303 per quintal compared to the previous week price of Rs. 5383 per quintal.

According to latest USDA

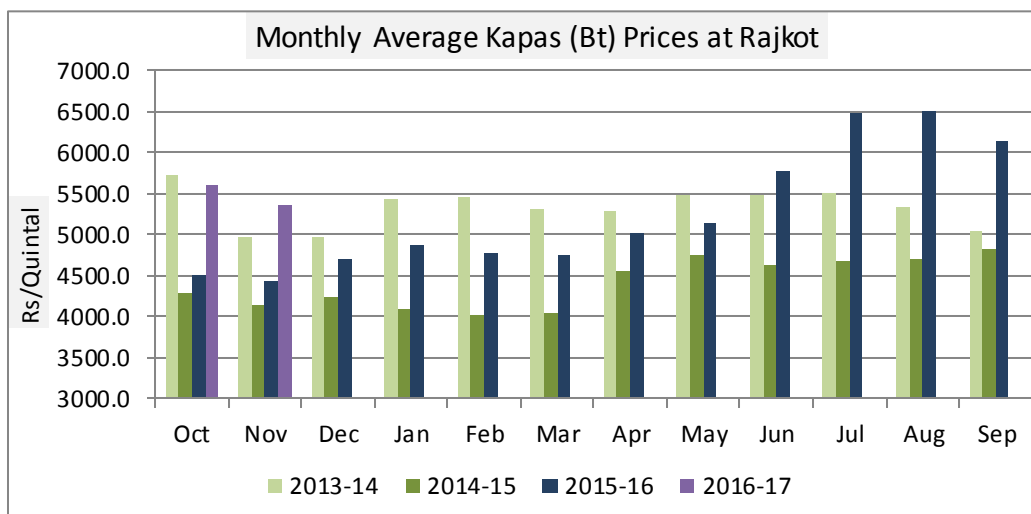
attaché report, India's 2016/17 cotton production forecast is 26.50 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 5000-5400 per quintal for the coming week.



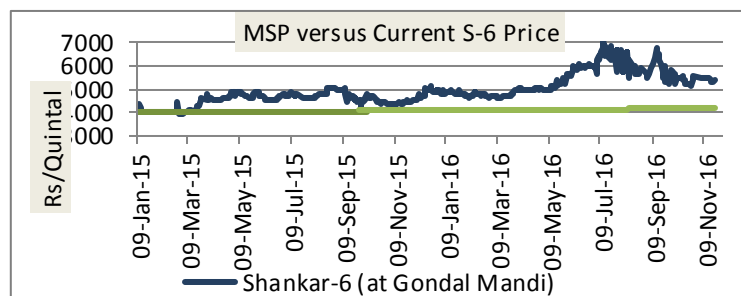
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed weak momentum during the month of November following new crop arrival in the market. The cotton price remained weak during November 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

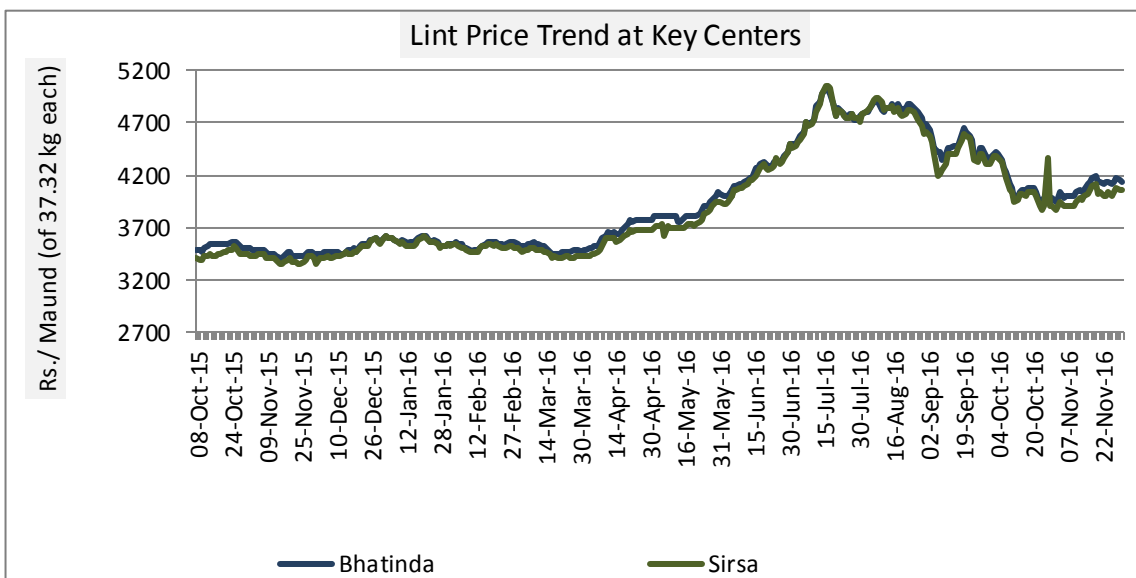
The Kapas prices are ruling above the MSP so far. The gap between the two prices has declined this week. The average gap between the prices was Rs. 1185 this week compared to Rs 1267.50 a week earlier. This indicates prices are declining.



Lint (De-Seeded Cotton) Weekly Price Scenario

Weekly Price Review:

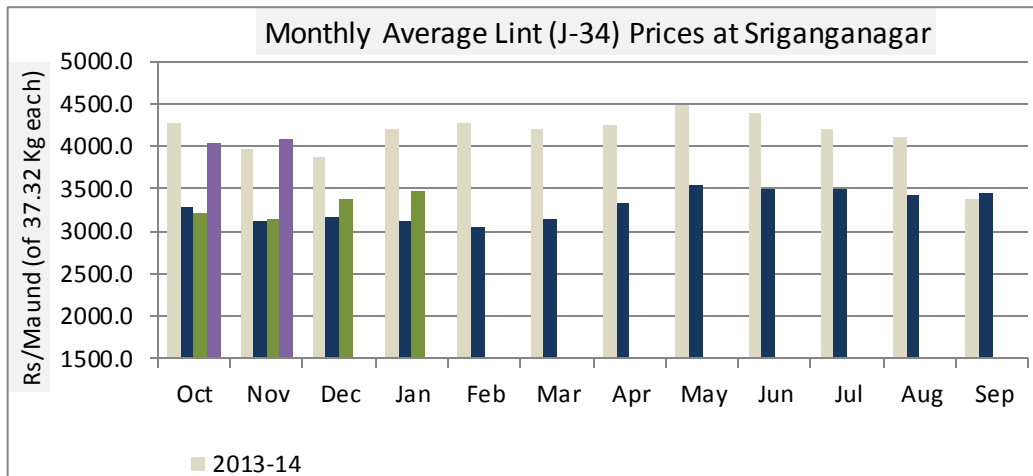
Lint prices remained firm during the week owing to mixed sentiments prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4051 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 4036 per maund.



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.

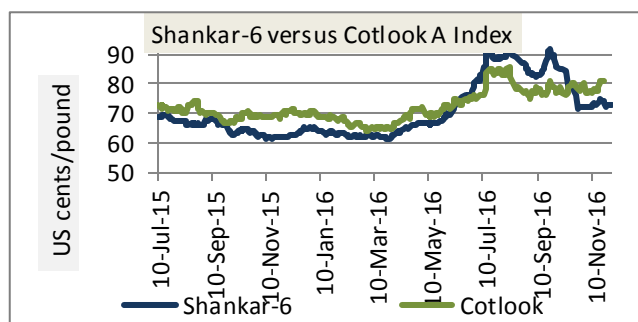
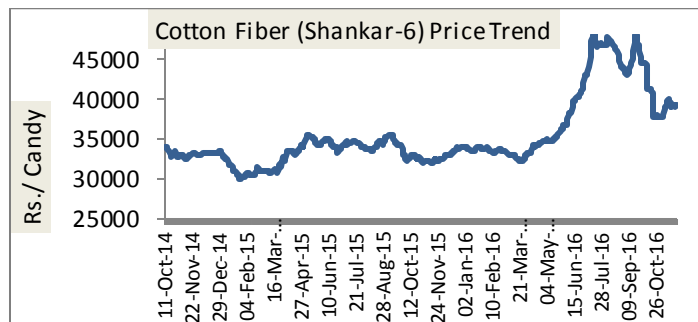
Lint Monthly Y-o-Y Price Scenario

Monthly average price at Sri Ganganagar in November was Rs.4090/Qtl compared to Rs.4032/Qtl in October.



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 39083 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 39517 per candy.

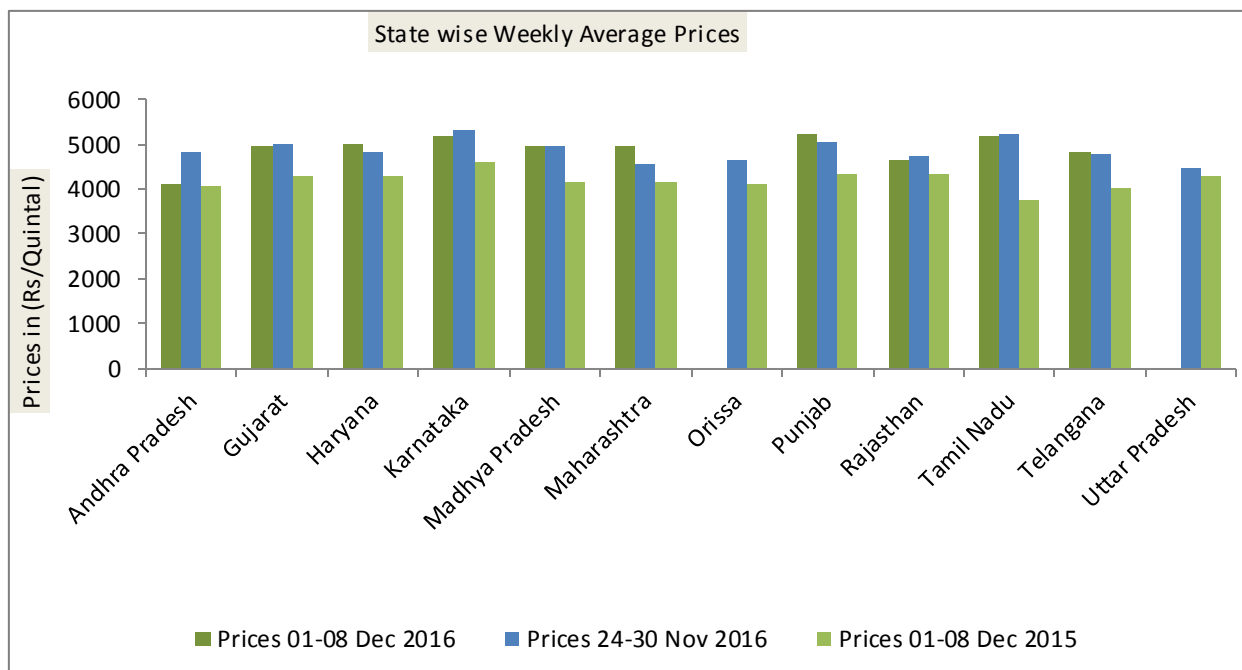


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 80.07 cents/pound, Indian weekly average price stood at 72.66 cents/pound, making Indian fiber-competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 35000-40000 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 Karnataka this week and lowest was in Andhra Pradesh

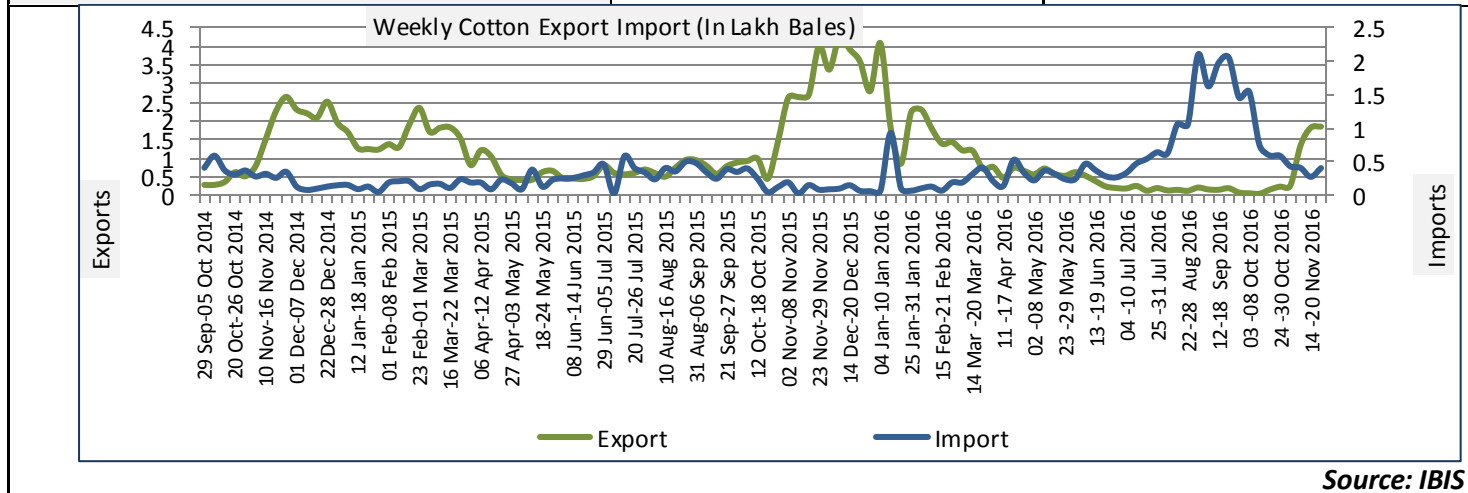


followed by Rajasthan. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

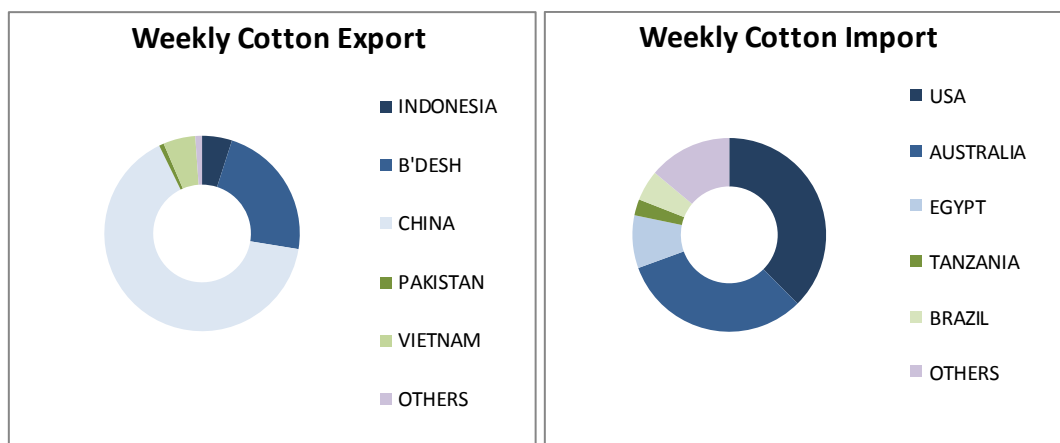
Cotton Weekly Export and Import

India exported 1.842 lakh bales of cotton last week (21 -26 November 2016), which was 1.812 lakh bales during the week before (14 -20 November 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.406 lakh bales last week, which was 0.275 lakh bales the week before .

Export/Import	21 -26 November 2016	14 -20 November 2016
Export (In lakh Bales)	1.842	1.812
Import (In lakh Bales)	0.406	0.275



Major importer of Indian cotton during the week (21 -26 November 2016) was China. According to the data released by IBIS and compiled by Agriwatch, China imported 1.201 lakh bales of cotton from India in the past week (21 -26 November 2016). Other major importers were Bangladesh, Vietnam, Indonesia and Pakistan and their imported volumes were 0.416, 0.098, 0.091 and 0.015 lakh bales respectively. India exported 1.842 lakh bales of cotton last week (21 -26 November 2016), which was 1.812 lakh bales previous to last week (14 -20 November 2016), according to the data released by IBIS and compiled by Agriwatch.



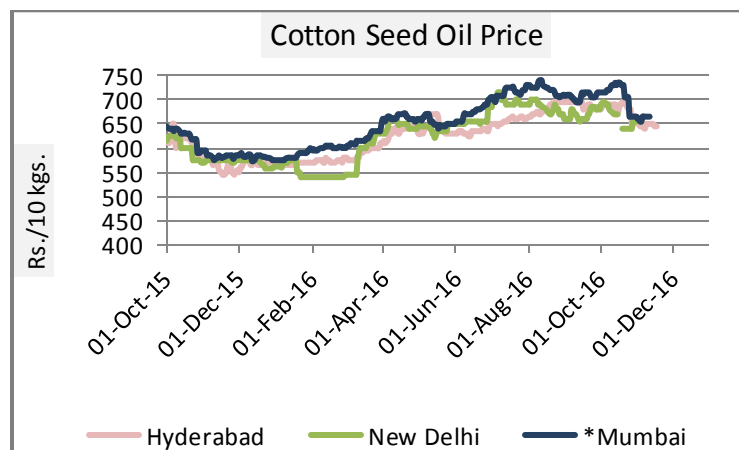
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 673 per 10 Kg, higher compared to the weekly average price of Rs 665 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	01-Dec-16	24-Nov-16	
New Delhi	673	665	1.13
Rajkot	687	678	1.23
Hyderabad	666	652	2.17
Mumbai*	683	672	1.61

*Vat Included

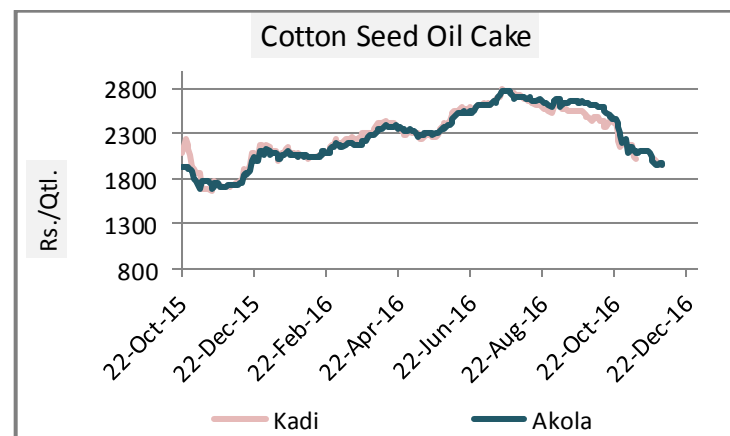


Cotton Seed Oil Cake Weekly Price Scenario

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	01-Dec-16	24-Nov-16	
Kadi	1972	2012	-1.98
Akola	1955	2052	-4.73

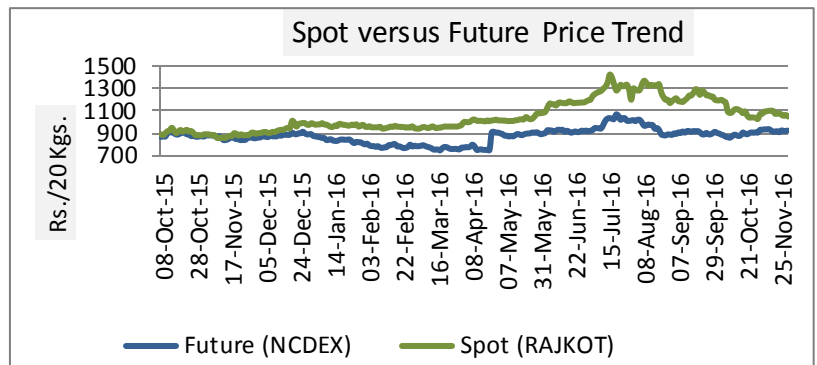
*Source: NCDEX

Cotton seed oil cake price noticed weak tone during the week. Weekly average price in Akola remained Rs 1955 per quintal, lower compared to the weekly average price of Rs 2052 per quintal in the previous week.



Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 923 as on 01 Dec 2016, compared to 917.50 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.143.00 which was Rs 168.60 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 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 weak during the week. Cotlook A index weekly average stood at 80.07 cents/pound this week, which was 80.75 cents/pound during last week.

Major Market Highlights: Kenya is planning for cotton revival which was a major foreign-exchange earner until the 1980's. There is good demand for lint from the domestic mills and there is also a potential to supply manufacturers exporting clothing and textiles to the U.S. under a preferential trade deal. The government is planning training and credit facilities for farmers in order to increase production which touched 38,000 metric tonnes in 1984 -85. Currently Kenya produces around 15,700 metric tonnes and there is demand for around 37,000 tonnes. It imports from neighbouring countries to meet its requirement.

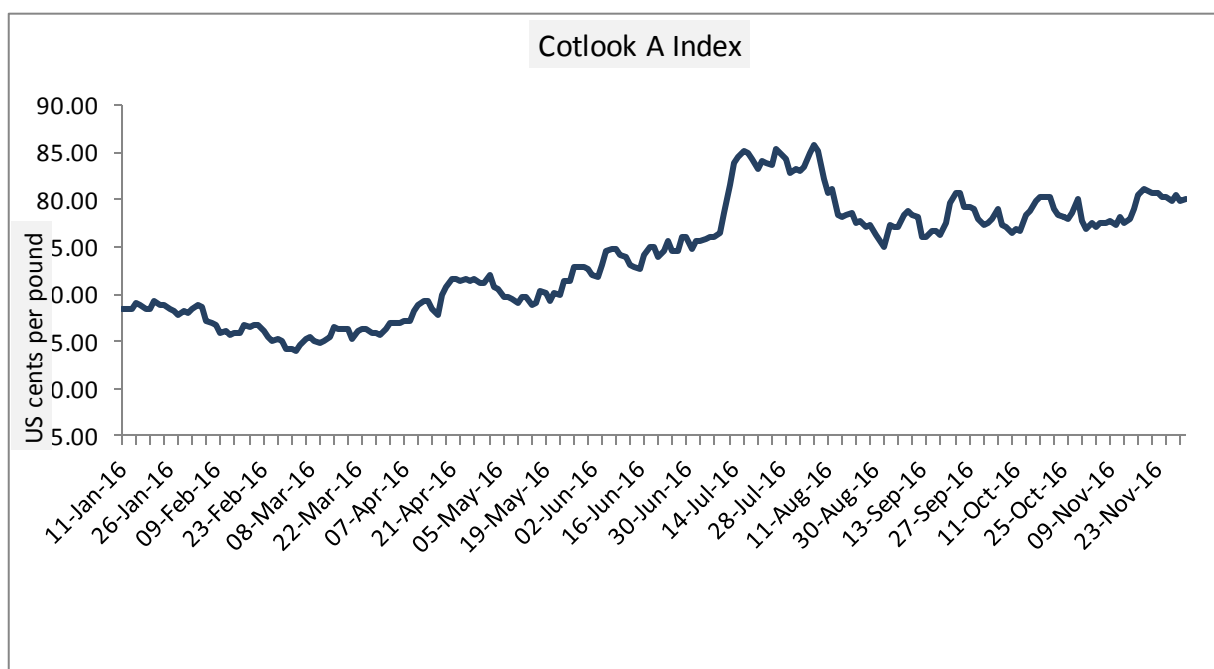
Government in Ivory Coast has increased mandated-price for farmers by 6 per cent for the 2016 -17 season in order to motivate the farmers to grow more cotton. Ivorian farmers will be paid 265 CFA francs/kg (\$0.44) compared to 250 CFA francs/kg during the previous season.

According to latest report of USDA, 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
	01-Dec-16	24-Nov-16	
Prices	80.07	80.75	-0.8
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

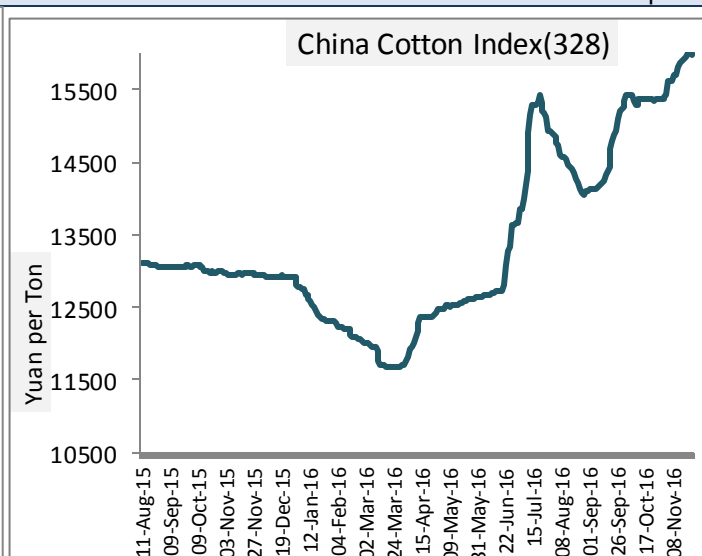
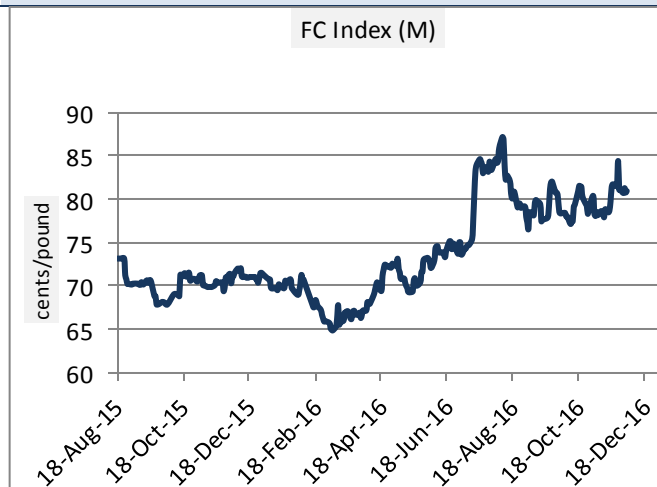
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, according to USDA.

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
	01-Dec-16	24-Nov-16	
FC (S)	83.97	84.47	-0.59
FC (M)	80.95	82.04	-1.33
FC (L)	78.99	79.53	-0.68
Prices in US cents per Pound			

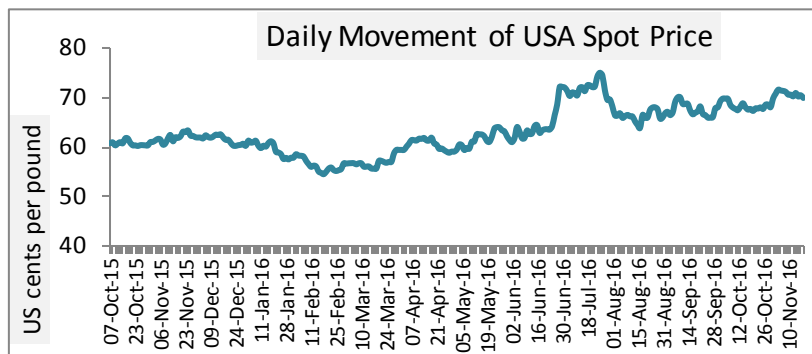
China Index remained firm during the week. CC Index (328) remained 14817 Yuan per ton during the week. Average was 14717 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	01-Dec-16	24-Nov-16	
CCIndex(229)	15989	15863	0.80
CCIndex(328)	14903	14817	0.58
CCIndex(527)	16301	16190	0.69
Prices in Yuan per ton			



USA Spot Prices

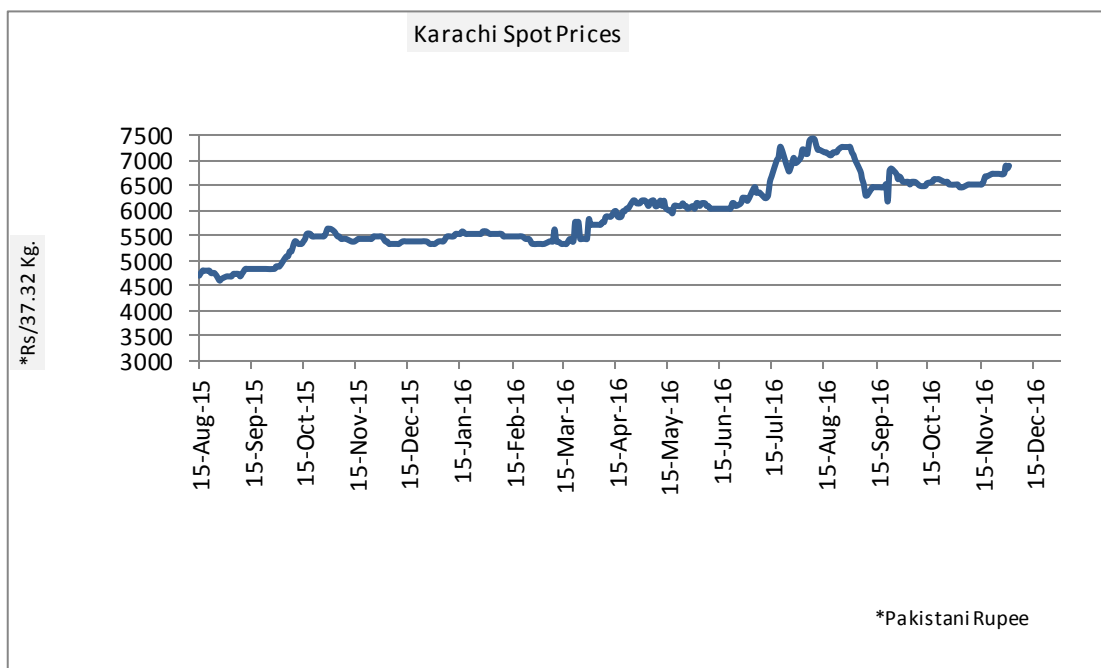
According to [latest report of USDA](#) ~~latest report~~, global 2016/17 cotton ending stocks are revised down this month. Production in Brazil is estimated to be lower, based on arrivals at gins, but higher in Australia. World ending stocks are now projected at 87.35 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	01-Dec-16	24-Nov-16	
Prices	70.40	71.07	-0.94
Prices in US cents per Pound			

Pakistan Spot Prices

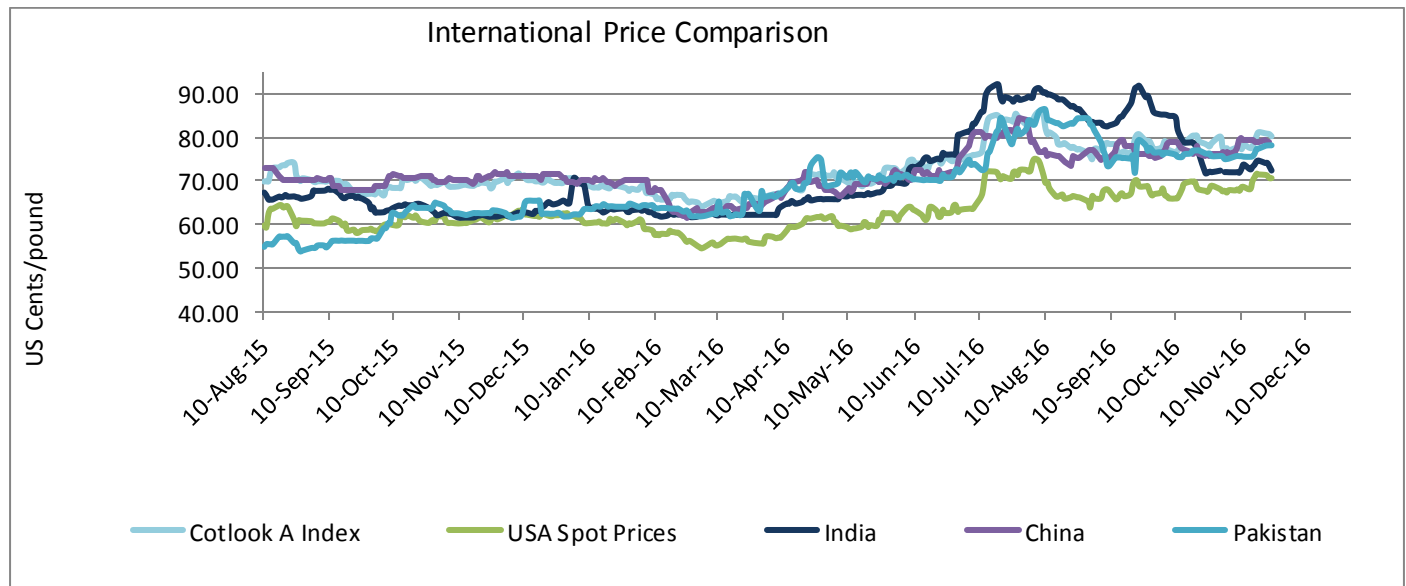
The arrival of cotton at ginneries in Pakistan till October 15, 2016 declined by 6.19 per cent year-on-year to 4.374 million bales according to the fortnightly report on cotton arrivals by the Pakistan Cotton Ginners Association (PCGA) in joint co-operation with All Pakistan Textile Mills Association (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
	01-Dec-16	24-Nov-16	
Prices	6822	6725	1.44
Prices in Rs per 37.32 Kg			

International Price Comparison



Technical Analysis of Cotton Future (Mar'17 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	68.00-73.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
68.50	66.00	73.50	75.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	01-Dec-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Dec-16	71.80	73.08	68.20	62.20	64.60	5.28	15.43
Mar-17	70.90	71.64	68.66	NA	-1.01	3.26	NA
May-17	71.34	72.31	69.15	NA	-1.35	3.17	NA
Jul-17	71.29	72.46	69.25	NA	-1.62	2.95	NA
Oct-17	70.65	71.77	68.40	NA	-1.55	3.29	NA
Dec-17	69.5	70.37	68.60	NA	-1.21	1.31	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	03rd Dec to 09th Dec.16	26th Nov to 02nd Dec.16	
Gujarat	Ahmedabad	Shankar-6	5242	5283	-42
	Gondal	Shankar-6	NR	5348	-
	Rajkot	B.T. Cotton	5307	5303	4
	Patan	B.T. Cotton	5213	5197	16
	Kadi	B.T. Cotton	5317	5279	38
	Deesa	B.T. Cotton	4773	4782	-9
	Dhrol	B.T. Cotton	5241	5280	-39
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5340	5338	2
	Bhiwani	Desi	4320	4408	-88
	Adampur	B.T. Cotton	5158	5192	-33
	Fatehabad	B.T. Cotton	5223	5273	-50
	Jind	B.T. Cotton	5332	5290	42
	Uchana	B.T. Cotton	5214	5265	-51
	Dabwali	B.T. Cotton	5112	5125	-13
Rajasthan	Hanumangarh	B.T. Cotton	5236	5238	-2
	Rawatsar	B.T. Cotton	5140	5195	-55
Madhya Pradesh	Khandwa	Mech-1	NR	5156	-
	Khargaon	Mech-1	5166	5170	-4
Maharashtra	Amravati	Mech-1	5103	5021	82
	Jamner	Medium Staple	4783	4744	39
Uttar Pradesh	Hathras	B.T. Cotton	4340	NA	-

	Hathras	Desi	4660	NA	-
Telangana	Adilabad	Un-Ginned	5014	4900	114
Andhra Pradesh	Guntur	Un-Ginned	4150	4100	50
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4800	NA	-
	East Godavari	Un-Ginned	4160	4160	Unch
Karnataka	Bijapur	Bunny	5325	5457	-132
	Hubli	D.C.H.	5580	5477	104
	Hubli	B.T. Cotton	6736	6648	88
	Raichur	H-44 Cotton	5300	5154	146
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	03rd Dec to 09th Dec.16	26th Nov to 02nd Dec.16	
Punjab	Bhatinda	J-34	4151	4148	3
	Abohar	J-34	4148	4148	Unch
	Mansa	J-34	4150	4141	9
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4061	4051	10
Rajasthan	Sri-Ganganagar	J-34	3813	3796	16

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Dec to 09th Dec.16	26th Nov to 02nd Dec.16	
Gujarat	Ahmedabad	Shankar-6	268600	202300	66300
	Gondal	Shankar-6	NR	5071	-5071
	Rajkot	B.T. Cotton	26555	29750	-3195
	Patan	B.T. Cotton	47430	100218	-52788
	Kadi	B.T. Cotton	295000	205000	90000
	Deesa	B.T. Cotton	4930	7350	-2420
	Dhrol	B.T. Cotton	3144	2899	245
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	14000	8300	5700
	Bhiwani	Desi	600	2550	-1950
	Adampur	B.T. Cotton	8500	7480	1020
	Fatehabad	B.T. Cotton	9200	5100	4100
	Jind	B.T. Cotton	1026	621	405

	Uchana	B.T. Cotton	7590	7765	-175
	Dabwali	B.T. Cotton	13650	11050	2600
Rajasthan	Hanumangarh	B.T. Cotton	27000	15600	11400
	Rawatsar	B.T. Cotton	9600	8900	700
Madhya Pradesh	Khandwa	Mech-1	NR	9775	-9775
	Khargaon	Mech-1	43980	45110	-1130
Maharashtra	Amravati	Mech-1	11593	4890	6703
	Jamner	Medium Staple	756	580	176
Uttar Pradesh	Hathras	B.T. Cotton	225	NA	-
	Hathras	Desi	24	NA	-
Telangana	Adilabad	Un-Ginned	105677	46905	58772
Andhra Pradesh	Guntur	Un-Ginned	620	100	520
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	9860	6770	3090
	Hubli	D.C.H.	852	578	274
	Hubli	B.T. Cotton	918	296	622
	Raichur	H-44 Cotton	10648	11611	-963
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Dec to 09th Dec.16	26th Nov to 02nd Dec.16	
Punjab	Bhatinda	J-34	45050	30600	14450
	Abohar	J-34	5780	5100	680
	Mansa	J-34	5610	3995	1615
Haryana	Sirsa	J-34	18190	9180	9010
Rajasthan	Sri-Ganganagar	J-34	11500	3950	7550

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				02nd Dec to 08th Dec.16	25th Nov to 01st Dec.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	27116	26933	183
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	28050	27933	117
J-34(202)	26mm	3.5 - 4.9	23	38300	38200	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38416	38567	-151
Shankar-6(105)	29mm	3.5 - 4.9	28	39050	39083	-33
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39633	39900	-267
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40600	40700	-100

DCH-32(107)	34mm	3.0 - 3.8	33	54500	54250	250
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