

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. 5320 per quintal compared to the previous week price of Rs.5258 per quintal. Average price of Lint at Sirsa during the week was Rs. 4046 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4043. Cotton fiber (Shankar-6) prices noticed weak tone this week. Average price was Rs 38780 per candy (of 355.6 kg each) during the week, which was Rs 38817 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 919.50 per maund (of 20 kg each) which was Rs 926.50 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. 4900-5400 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 3800-4100 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 875-950 per maund (of 20 kg each).

Major Market Highlights: India the largest producer of cotton is likely to buy up to 2 million bales of cotton this year. Till date India has imported around 1.5 million bales of cotton and has already signed contracts to purchase an additional 400,00 bales according to government sources. Imports have increased amid lower domestic production and lower prices in the global markets.

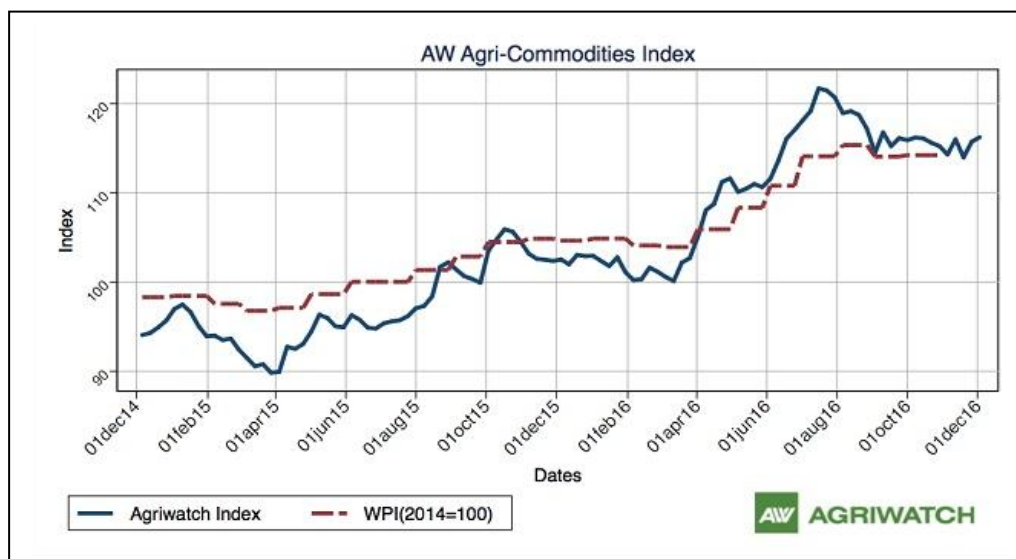
There is decline in cotton supply in Gujarat State amid Rs.500 and Rs.1000 note ban by the Government. From around arrivals of 35,000 bales of cotton during Diwali, arrivals have declined to around 15000 bales. Ginners can make only cheque payments and farmers are not willing to accept cheques. There 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.

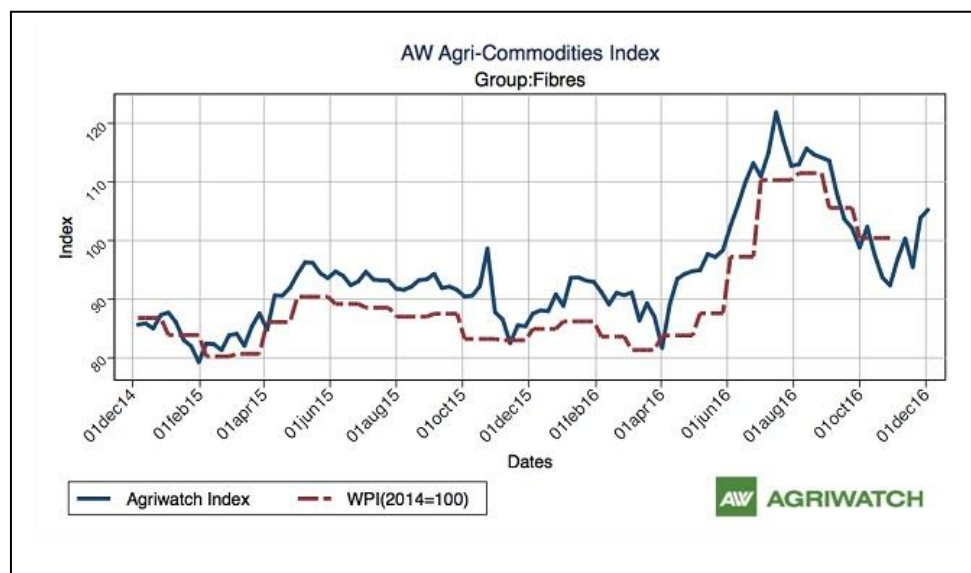
China was the Mmajor importer of Indian cotton during the week (21 -26 November, 2016). was China. According to the data released by IBIS and compiled by Agriwatch, China imported 1.201 lakh bales of cotton from India in the past week (21 -26 November, 2016). Other major importers were Bangladesh, Vietnam, 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 agriwatch.com. The daily indices are available on subscription. Please contact for more details."

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

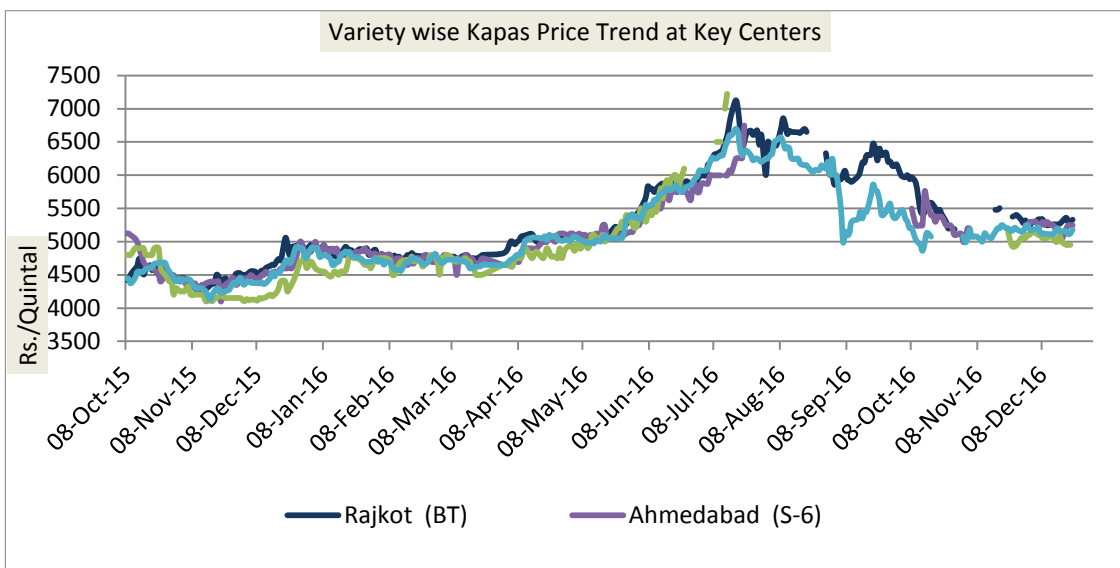
Weekly Price Review:

Kapas price remained firm during the week amid good demand in the market. Weekly average price of Kapas at Rajkot remained at Rs. 5320 per quintal compared to the previous week price of Rs. 5258 per quintal.

According to latest

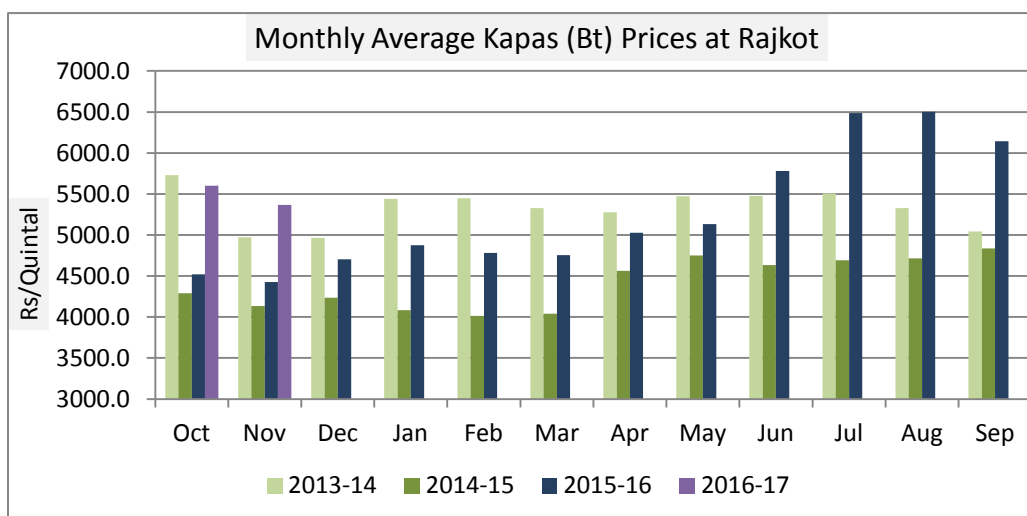
USDA attaché report, India's 2016/17 cotton production forecast is 27.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

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 4900-5400 per quintal for the coming week.



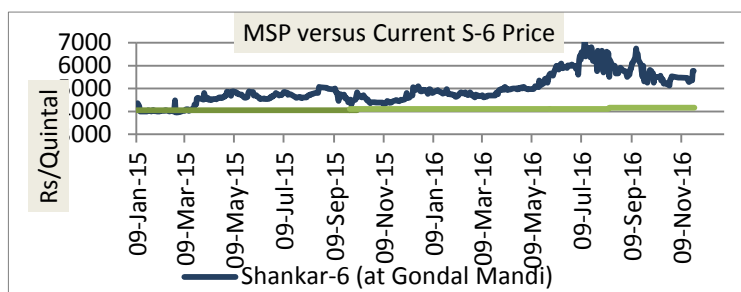
Kapas Monthly Y-o-Y Price Scenario

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

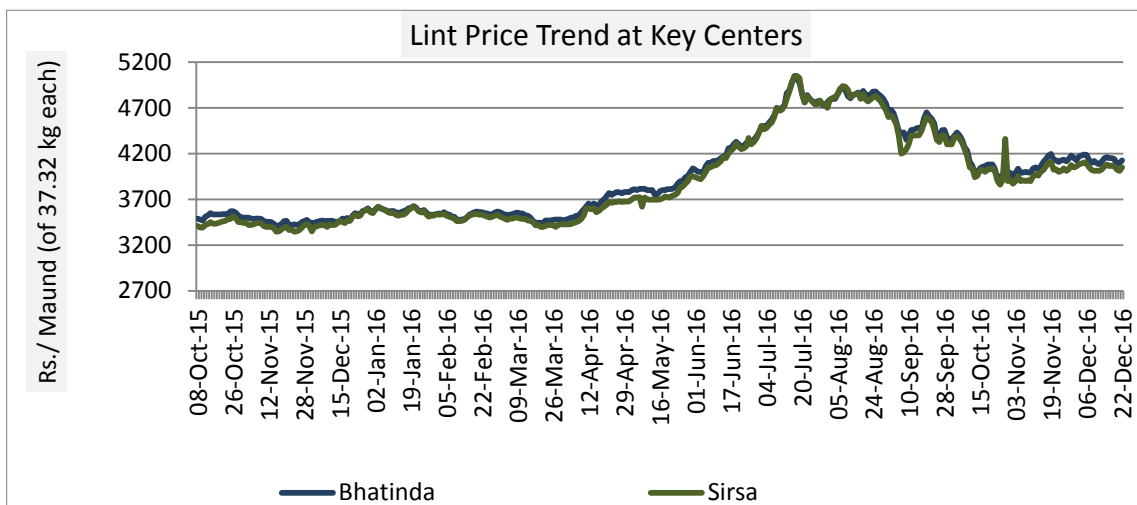
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs. 1615 this week compared to Rs 1185 a week earlier. This indicates prices are declining.



Lint (De-Seeded Cotton) Weekly Price Scenario

Weekly Price Review:

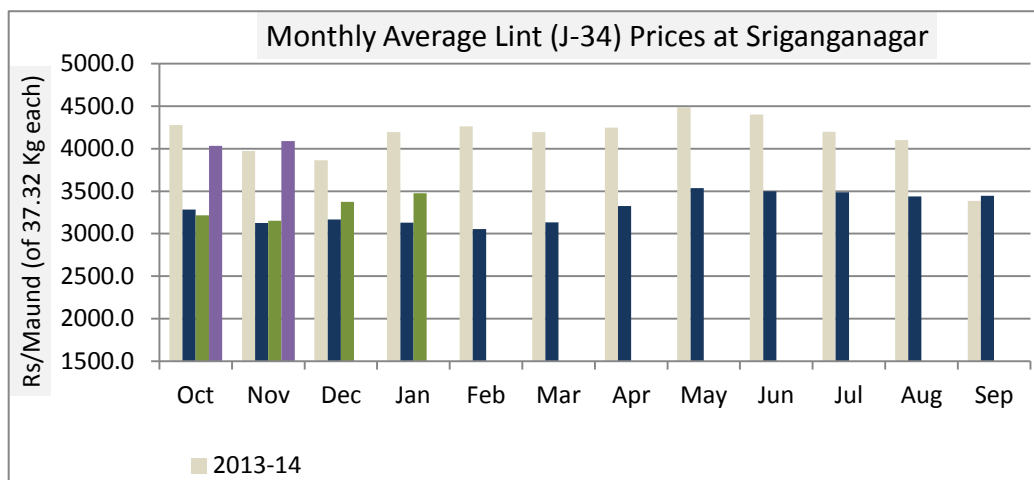
Lint prices remained firm during the week owing to bullish sentiment prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4046 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 4043 per maund.



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. 3800-4100 per maund.

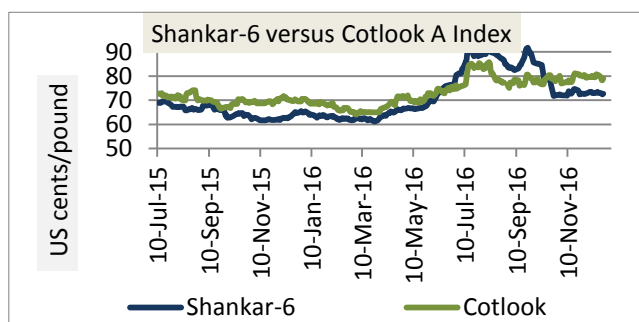
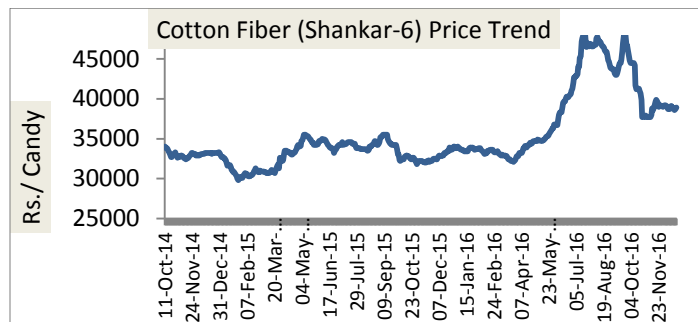
Lint Monthly Y-o-Y Price Scenario

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 range –bound movement in Kapas prices, cotton fiber moved southwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 38780 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 38817 per candy.

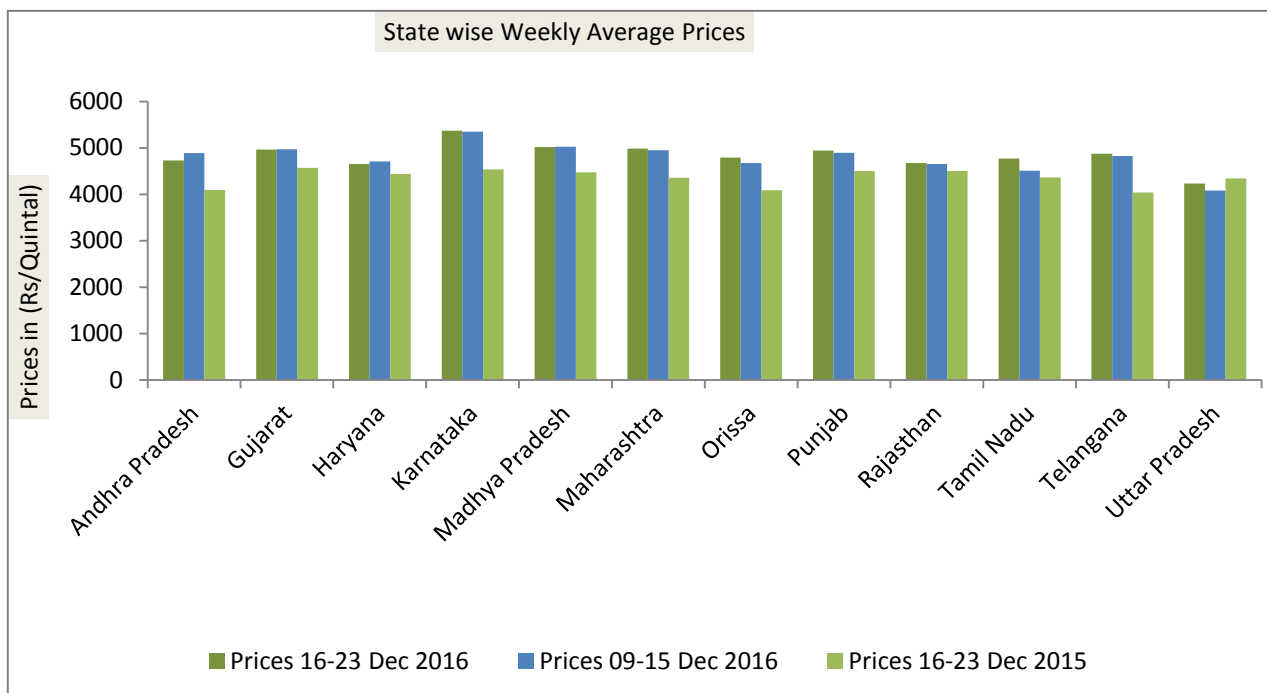


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 79.16 cents/pound, Indian weekly average price stood at 72.79 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 34000-39000 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 Madhya Pradesh this week and lowest was in Uttar Pradesh

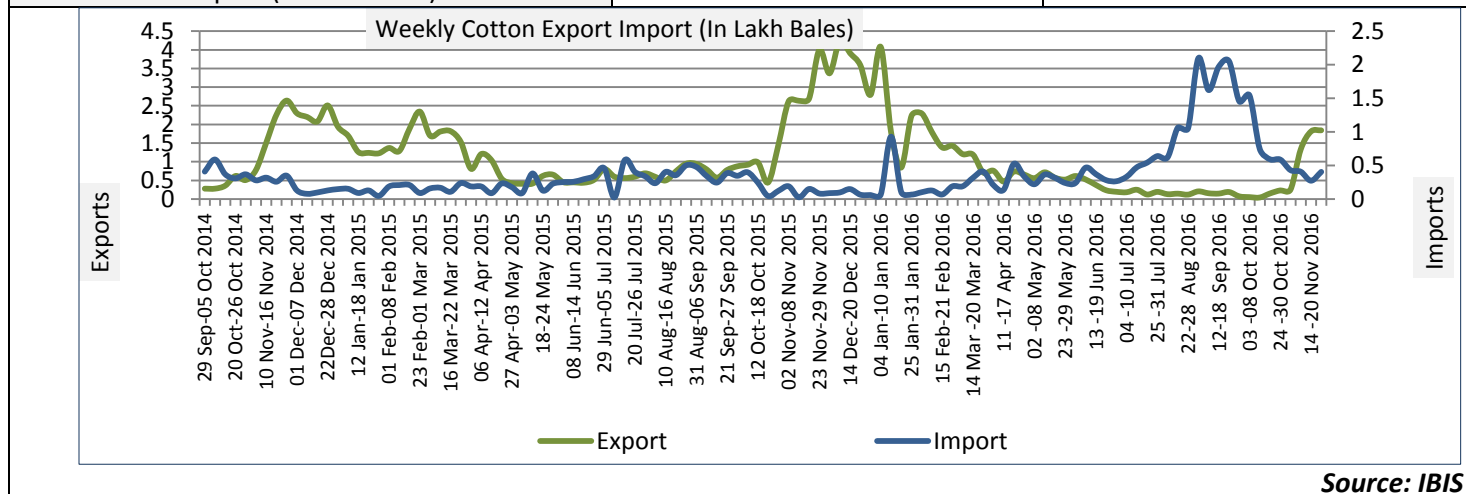


followed by Haryana. On year on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

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

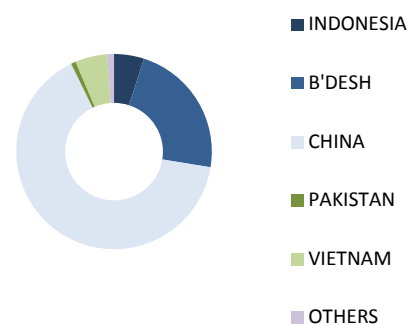


Major importer of Indian cotton during the week (21 -26 November 2016) was China. According to the data released by IBIS and compiled by Agriwatch, China imported 1.201 lakh bales of cotton from India in the past week (21 -26 November 2016). Other major importers were Bangladesh, Vietnam, Indonesia and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

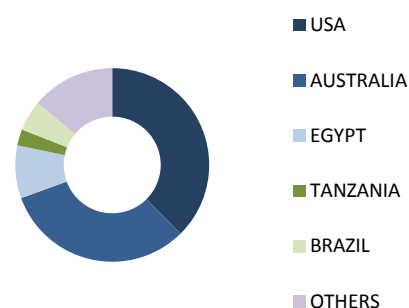
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	22-Dec-16	15-Dec-16	
New Delhi	694	687	1.09
Rajkot	699	700	-0.12
Hyderabad	694	689	0.73
Mumbai*	701	703	-0.24

**Vat Included*

Weekly Cotton Export



Weekly Cotton Import

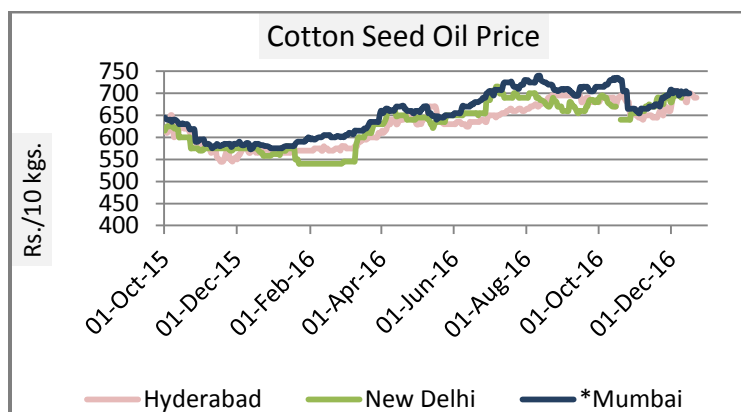


Centers	Weekly Average Price as on (Rs/quintal.)*	% Change
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Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed mixed tone during the week. Weekly average price in New Delhi remained Rs 694 per 10 Kg, lower compared to the weekly average price of Rs 687 per 10 Kg in previous week.

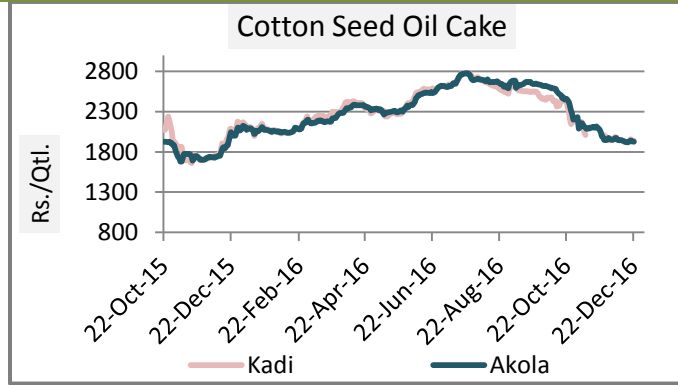
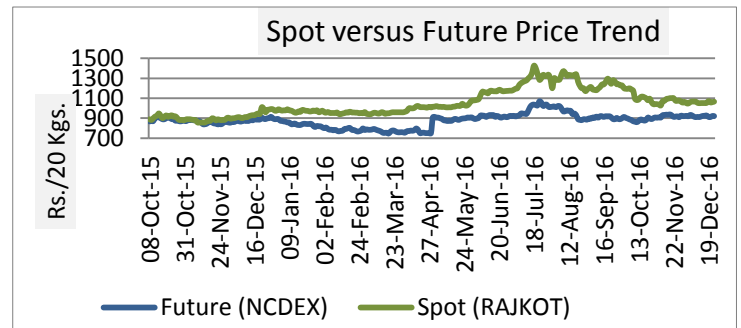


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed mixed tone during the week. Weekly average price in Akola remained Rs 1929 per quintal, lower compared to the weekly average price of Rs 1934 per quintal in the previous week.

	22-Dec-16	15-Dec-16	
Kadi	1941	1934	0.37
Akola	1929	1934	-0.25

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs 919.50 as on 22 Dec 2016, compared to 926.50 a week earlier. The gap between the spot and future prices has increased. Average gap between the spot and future price during the week was Rs.143.90 which was Rs 134.80 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 declining 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	875-950

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 79.16 cents/pound this week, which was 80.17 cents/pound during last week.

Major Market Highlights: According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton declined by 260,000 tons to 5.34 million tons.

Cotton's annual growth output of cotton in Pakistan has slowed to 12.3 per cent amid lower arrivals of seed cotton during the period December 01-15, 2016. Pakistan has harvested 10.147 million bales of cotton up to December 15, 2016 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period declined by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 10.542 million bales during the current season.

According to USDA latest report, global 2016/17 cotton ending stocks are revised up this month. World 2016-17 cotton production is projected at 104.24 million bales, around 8.07 per cent above last season. World ending stocks are now projected higher at 89.15 million bales. For India, production is forecast at 27.00 million bales, same as previous month's estimates 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.

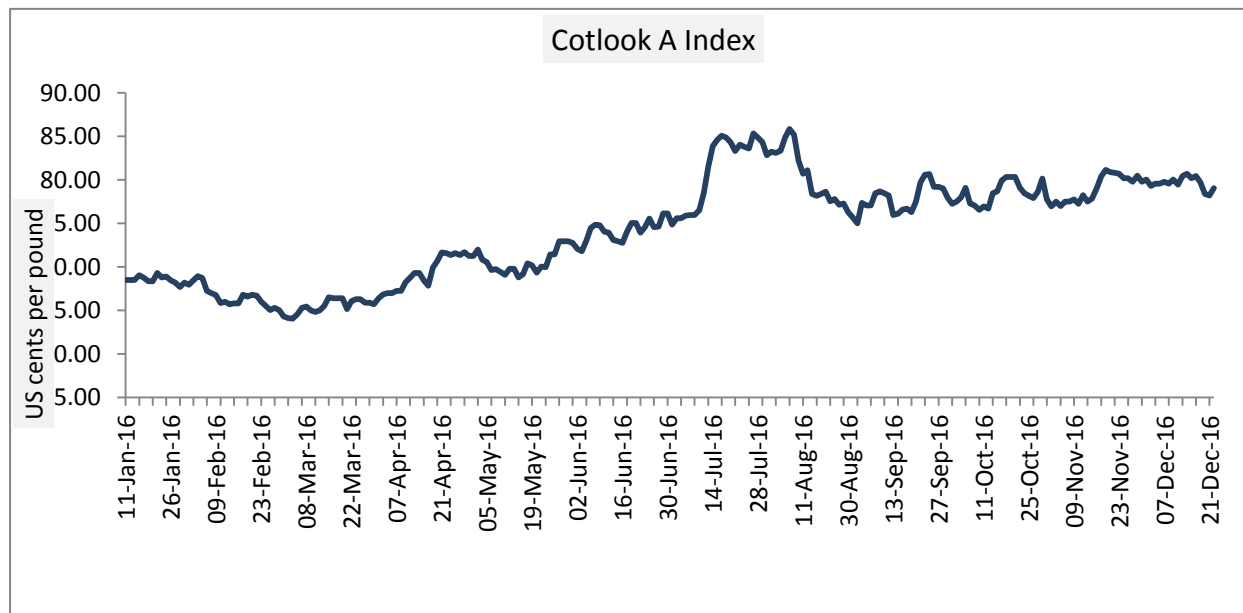
Global cotton consumption is likely to be around 24.39 million tons in season 2016-17, which was estimated to be around 24.21 million tons a month earlier. In the earlier estimates by USDA, consumption was expected to rise and cotton consumption would be standing at around 0.6% higher compared to the previous season.

Cotlook A Index	Weekly Average Price as on		% Change
	22-Dec-16	15-Dec-16	
Prices	79.16	80.17	-1.3
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

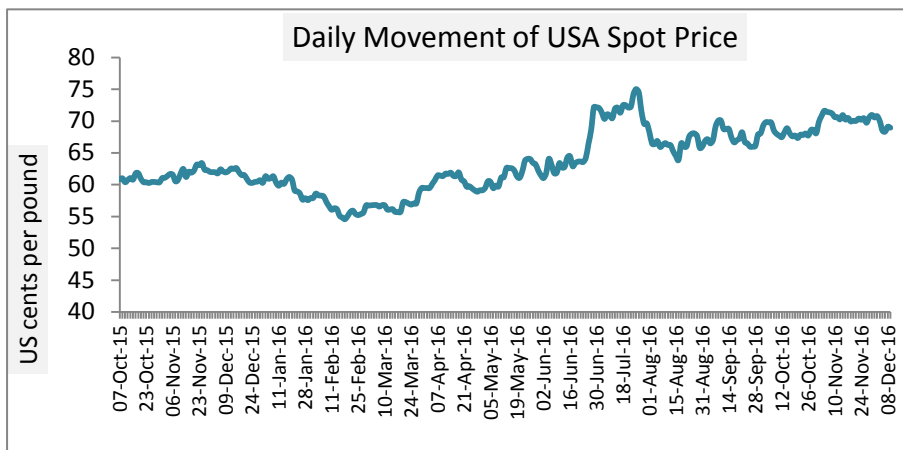
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In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.



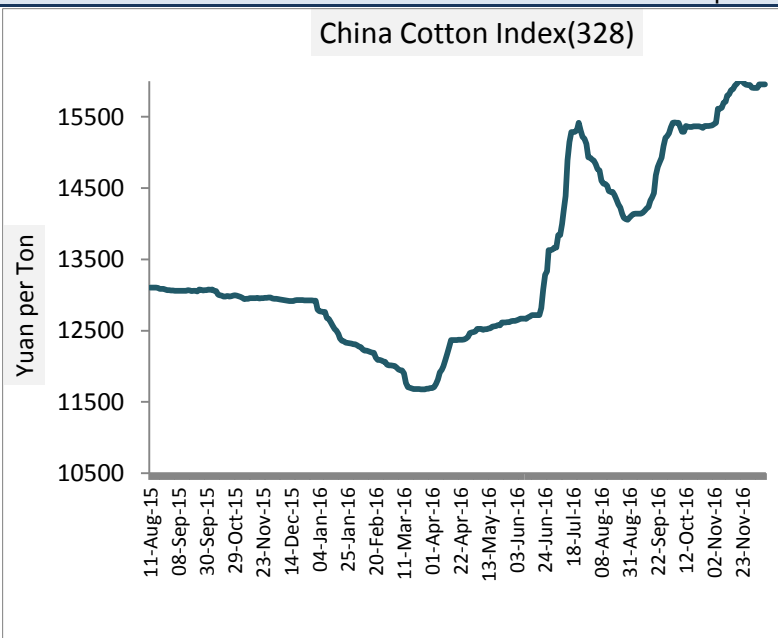
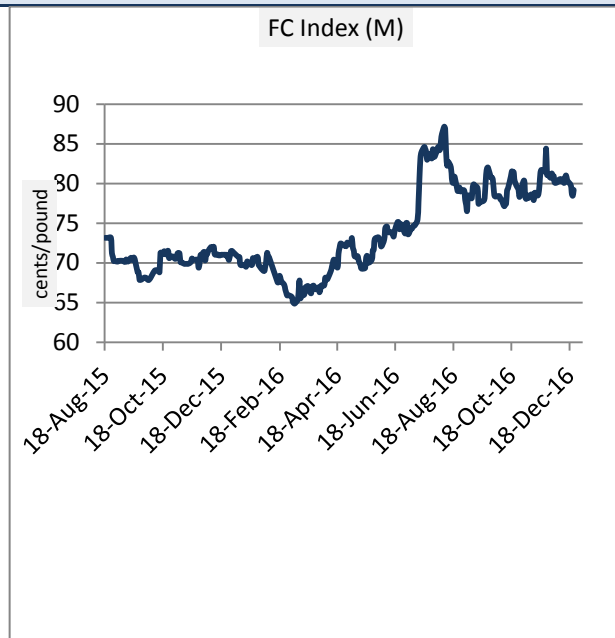
Cotton Index	Weekly Average Price as on		% Change
	22-Dec-16	15-Dec-16	
FC (S)	82.64	83.92	-1.52
FC (M)	79.26	80.57	-1.63
FC (L)	77.80	79.14	-1.69
Prices in US cents per Pound			

China Index remained firm during the week. CC Index (328) remained 14904 Yuan per ton during the week. Average was 14903 Yuan per ton during previous week.



Cotton Index	Weekly Average Price as on		% Change
	22-Dec-16	15-Dec-16	
CCIndex(229)	15895	15934	0.02
CCIndex(328)	14904	14903	0.03
CCIndex(527)	16254	16274	0.02

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.

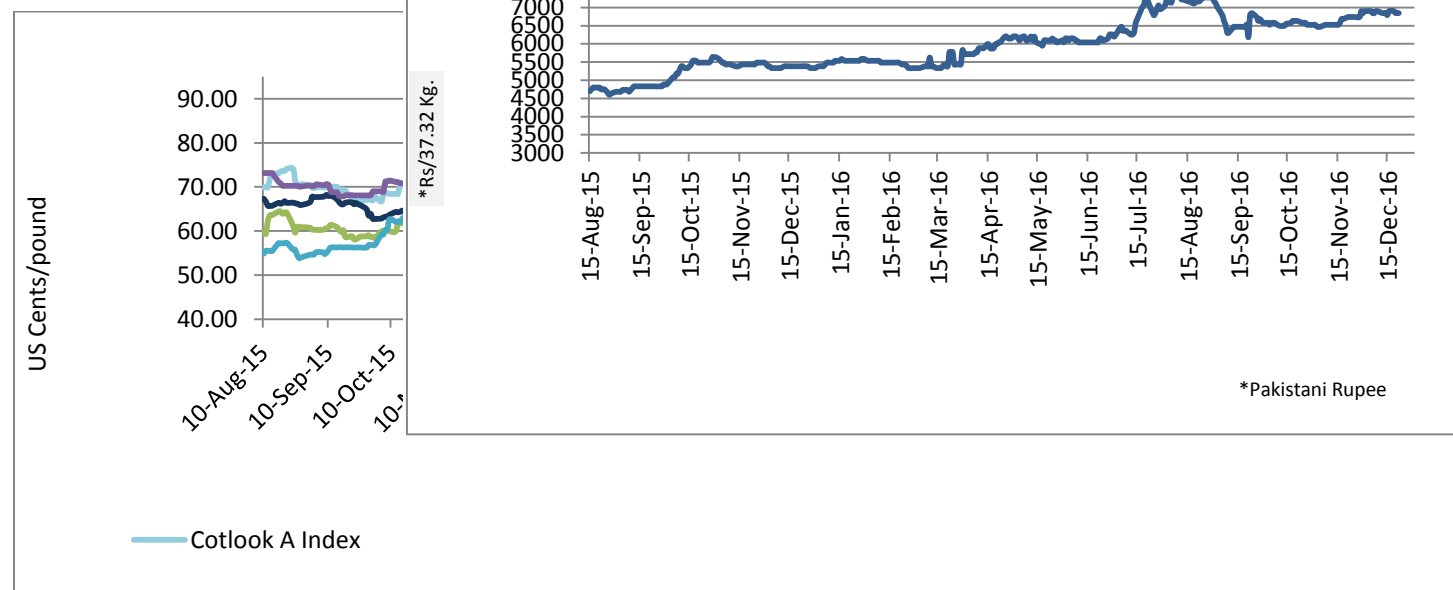
USA Spot Prices	Weekly Average Price as on		% Change
	22-Dec-16	15-Dec-16	
Prices	68.99	70.55	-2.21
Prices in US cents per Pound			

Pakistan Spot Prices

Cotton's annual growth output in Pakistan has slowed to 12.3 per cent amid lower arrivals of seed cotton during the period December 01-15, 2016. Pakistan has harvested 10.147 million bales of cotton up to December 15, 2016 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period declined by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 10.542 million bales during the current season.

Karachi Spot Prices	Weekly Average Price as on		% Change
	22-Dec-16	15-Dec-16	
Prices	6865	6843	0.32
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 range –bound movement 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	22-Dec-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Mar-17	70.20	71.67	72.24	NA	64.60	-2.82	NA
May-17	70.60	71.92	72.89	NA	-1.84	-3.14	NA
Jul-17	70.99	71.90	73.01	NA	-1.27	-2.77	NA
Oct-17	69.98	70.80	71.89	NA	-1.14	-2.66	NA
Dec-17	69.25	69.72	70.71	NA	-0.66	-2.06	NA
Mar-18	69.16	69.79	NA	NA	-0.90	NA	NA

Domestic Cotton Prices and Arrivals at Key Centers
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	17th Dec to 23 rd Dec.16	10th Dec to 16th Dec.16	
Gujarat	Ahmedabad	Shankar-6	5217	5192	25
	Gondal	Shankar-6	5775	NA	-
	Rajkot	B.T. Cotton	5320	5258	62

	Patan	B.T. Cotton	5198	5195	3
	Kadi	B.T. Cotton	5279	5329	-50
	Deesa	B.T. Cotton	4883	4817	67
	Dhrol	B.T. Cotton	5243	5187	56
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5158	5236	-78
	Bhiwani	Desi	4000	4180	-180
	Adampur	B.T. Cotton	5149	5143	6
	Fatehabad	B.T. Cotton	5160	5158	3
	Jind	B.T. Cotton	5352	5350	2
	Uchana	B.T. Cotton	5212	5202	10
	Dabwali	B.T. Cotton	5108	5093	15
Rajasthan	Hanumangarh	B.T. Cotton	5273	5250	23
	Rawatsar	B.T. Cotton	5068	5073	-5
Madhya Pradesh	Khandwa	Mech-1	5075	5178	-103
	Khargaon	Mech-1	5158	5059	99
Maharashtra	Amravati	Mech-1	4975	5042	-67
	Jamner	Medium Staple	4828	4836	-8
Uttar Pradesh	Hathras	B.T. Cotton	3960	3875	85
	Hathras	Desi	4130	4850	-720
Telangana	Adilabad	Un-Ginned	4974	4967	7
Andhra Pradesh	Guntur	Un-Ginned	4175	4100	75
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4600	4500	100
	East Godavari	Un-Ginned	4160	4160	Unch
Karnataka	Bijapur	Bunny	5251	5234	17
	Hubli	D.C.H.	5500	5504	-3
	Hubli	B.T. Cotton	6634	6646	-12
	Raichur	H-44 Cotton	5240	5182	58
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	17th Dec to 23rd Dec.16	10th Dec to 16th Dec.16	
Punjab	Bhatinda	J-34	4121	4126	-5
	Abohar	J-34	4120	4125	-5
	Mansa	J-34	4119	4124	-5
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4046	4043	3
Rajasthan	Sri-Ganganagar	J-34	3798	3760	38

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Dec to 23rd Dec.16	10th Dec to 16th Dec.16	
Gujarat	Ahmedabad	Shankar-6	374000	374000	Unch
	Gondal	Shankar-6	2784	NA	-
	Rajkot	B.T. Cotton	26800	22200	4600
	Patan	B.T. Cotton	133293	92399	40894
	Kadi	B.T. Cotton	365000	360000	5000
	Deesa	B.T. Cotton	6575	2945	3630
	Dhrol	B.T. Cotton	3299	3502	-203
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	9000	7500	1500
	Bhiwani	Desi	250	700	-450
	Adampur	B.T. Cotton	6630	10710	-4080
	Fatehabad	B.T. Cotton	11500	9600	1900
	Jind	B.T. Cotton	1623.5	2210	-587
	Uchana	B.T. Cotton	12035	13040	-1005
	Dabwali	B.T. Cotton	11800	11900	-100
Rajasthan	Hanumangarh	B.T. Cotton	18800	19000	-200
	Rawatsar	B.T. Cotton	12000	10200	1800
Madhya Pradesh	Khandwa	Mech-1	22500	11000	11500
	Khargaon	Mech-1	59100	26770	32330
Maharashtra	Amravati	Mech-1	101550	43970	57580
	Jamner	Medium Staple	1623	1255	368
Uttar Pradesh	Hathras	B.T. Cotton	130	160	-30
	Hathras	Desi	47	NR	-
Telangana	Adilabad	Un-Ginned	79041	29334	49707
Andhra Pradesh	Guntur	Un-Ginned	810	25	785
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11480	9280	2200
	Hubli	D.C.H.	616	452	164
	Hubli	B.T. Cotton	400	556	-156
	Raichur	H-44 Cotton	8804	3697	5107
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change

State	Centre	Variety	17th Dec to 23rd Dec.16	10th Dec to 16th Dec.16	
Punjab	Bhatinda	J-34	56440	44540	11900
	Abohar	J-34	11220	8160	3060
	Mansa	J-34	7310	6188	1122
Haryana	Sirsa	J-34	14620	14960	-340
Rajasthan	Sri-Ganganagar	J-34	2500	250	2250

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				16th Dec to 22nd Dec.16	09th Dec to 15th Dec.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	26580	26167	413
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	27460	27150	310
J-34(202)	26mm	3.5 - 4.9	23	37960	38133	-173
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	38083	-83
Shankar-6(105)	29mm	3.5 - 4.9	28	38780	38817	-37
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39300	39367	-67
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40240	40367	-127
DCH-32(107)	34mm	3.0 - 3.8	33	54200	54500	-300

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