

Current Market Outlook

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

Average price of Kapas at Rajkot during the week was Rs. 5871 per quintal compared to the previous week price of Rs.5893 per quintal. Average price of Lint at Sirsa during the week was Rs. 4663 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4548. Cotton fiber (Shankar-6) prices noticed firm tone this week. Average price was Rs 42860 per candy (of 355.6 kg each) during the week, which was Rs 42380 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 1093.50 per maund (of 20 kg each) which was Rs 1059.00 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. 5500-6000 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4300-4600 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 1050-1150 per maund (of 20 kg each).

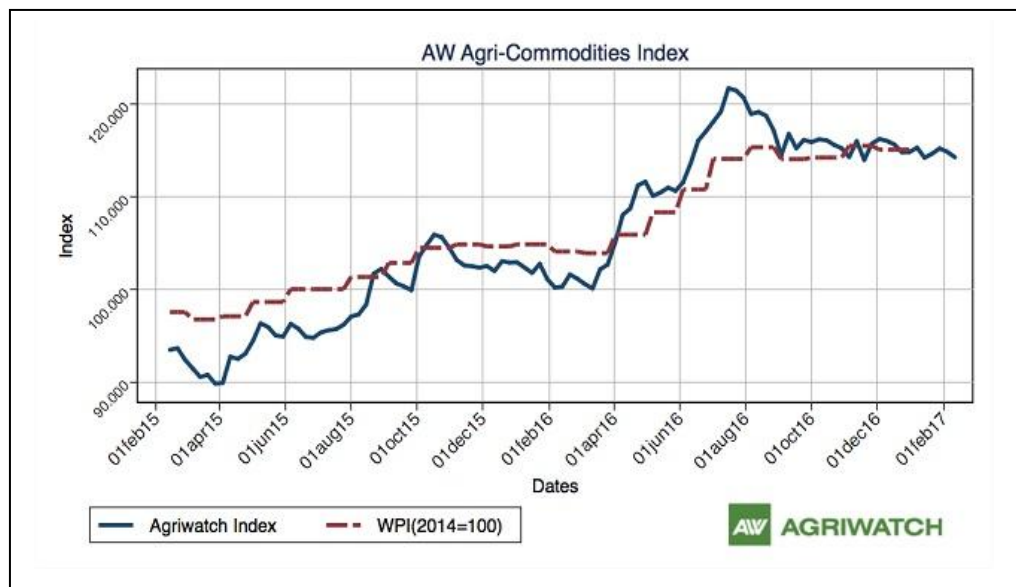
Major Market Highlights: Cotton prices are likely to remain firm in the coming weeks amid higher estimates of consumption and tight supply in the domestic market. According to sources, farmers are holding around 40 per cent of the total crop of 341 lakh bales (of 170 kg each). Raw cotton (Kapas) prices are trading around Rs.5900 -6100 per quintal during the last few weeks. Prices are likely to remain firm in the coming days amid expected good demand from yarn makers, millers and holding of crop by farmers. Good export demand is likely to support prices. Till date, around 210 lakh bales of cotton have arrived in the domestic markets.

The seed industry in the country has asked for higher price of Bt Cotton in the coming kharif season amid increasing cost of production. The industry has asked for a hike of Rs.50 per pack of Bt Cotton seeds. Currently it is being sold at a price of Rs.751 per pack of 450 gm. The demand has been put forward by industry body, National Seed Association of India (NSAI) ahead of the Centre's annual review meeting due to held on March 06, 2017.

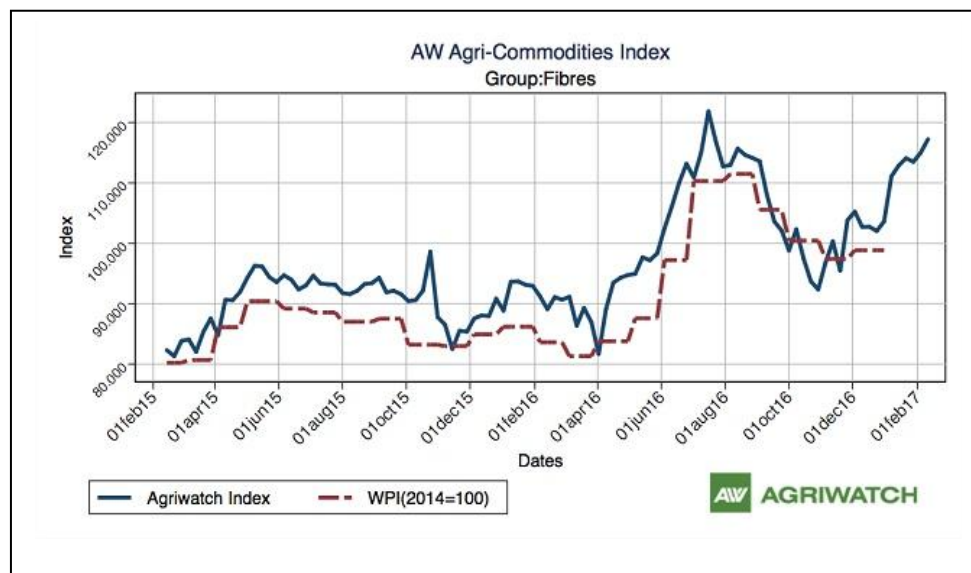
The Cotton Association of India (CAI), has maintained the crop estimate for 2016-17 at 341 lakh bales of 170 kg. each in its latest estimates for January. Consumption is expected to increase marginally to 295 lakh bales compared to previous estimate of 290 lakh bales amid good demand from the textiles sector. Total arrivals of cotton in the country as on January 31, 2017 is reported at to be 157.75 lakh bales. The projected balance sheet drawn by the CAI estimated total supply for cotton season 2016-17 at 405 lakh bales. Considering the domestic consumption of 295 lakh bales as stated above, the total available surplus for the season is estimated at 110 lakh bales. The imports are estimated to decline by 3 lakh bales to 19 lakh bales from 22 lakh bales previous year.

AW Cotton Index – 12 Feb. 2017

The Agriwatch Agri Commodities Index fell 0.50% to 114.27 during the week ended Feb 11, 2017 from 114.85 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +1.94% 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

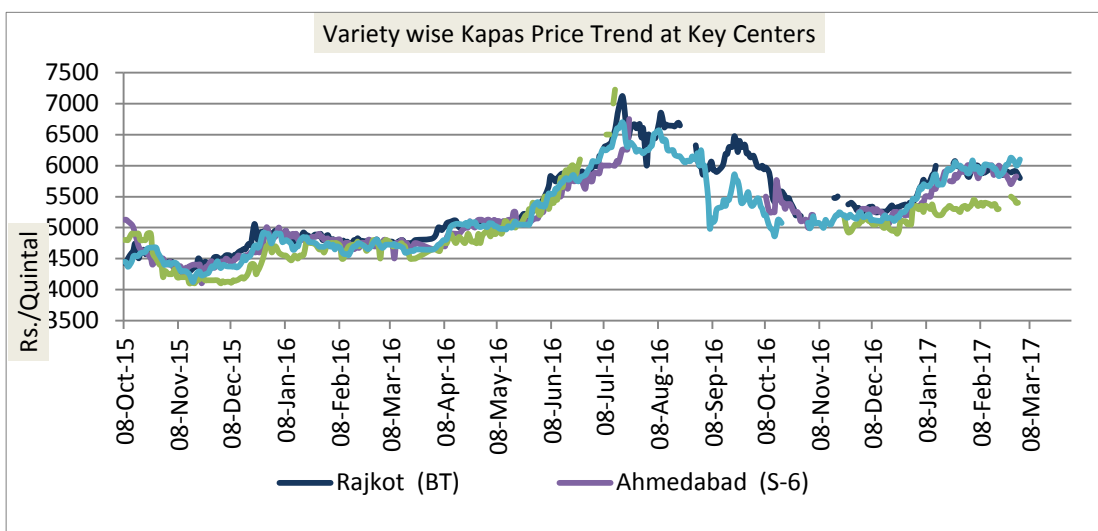
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review:
Kapas price remained weak during the week amid lack of good demand in the market. Weekly average price of Kapas at Rajkot remained at Rs. 5871 per quintal compared to the previous week price of Rs. 5893 per quintal.

According to latest report of USDA attaché, report,

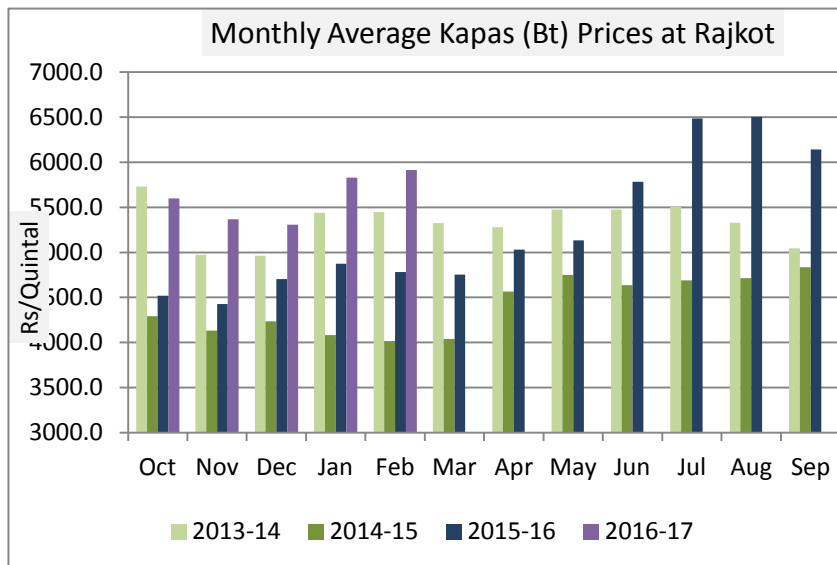
India's 2016/17 cotton production forecast is 27.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 5500-6000 per quintal for the coming week.



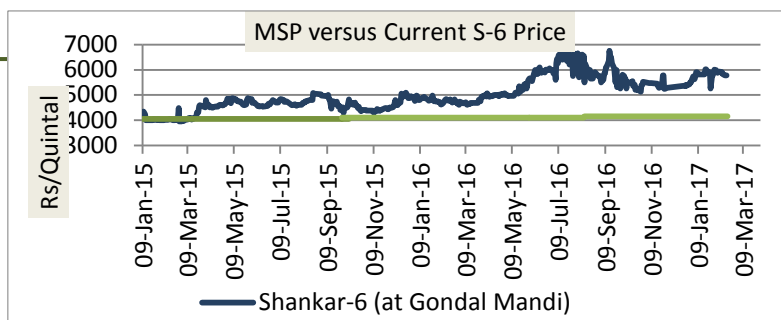
Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the month of February following good demand in the domestic market. The cotton price remained firm during February compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.



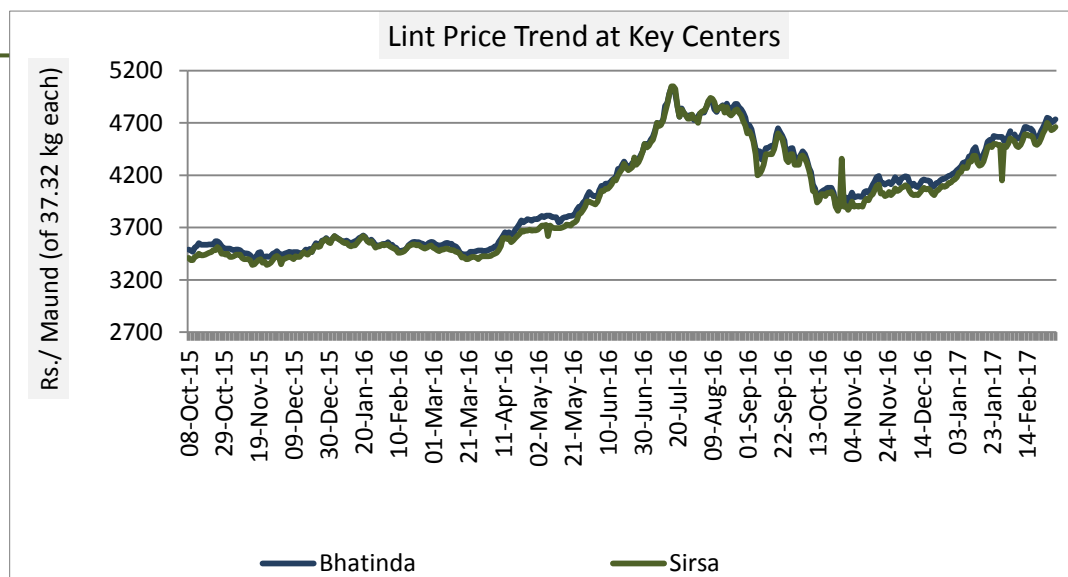
Spot Price versus MSP

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.1740 this week compared to Rs.1663.75 a week earlier. This indicates prices are increasing.



Lint (De-Seeded Cotton) Weekly Price Scenario

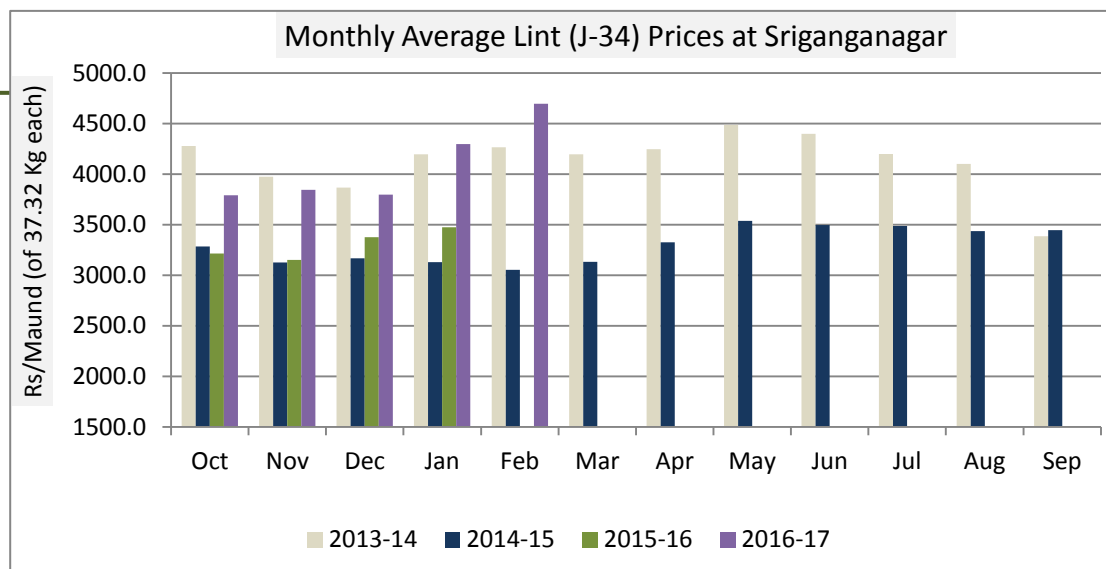
Weekly Price Review: Lint prices remained weak during the week owing to mixed tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4663 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4548 per maund.



Weekly Price Outlook: Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in the range of Rs. 4300-4600 per maund.

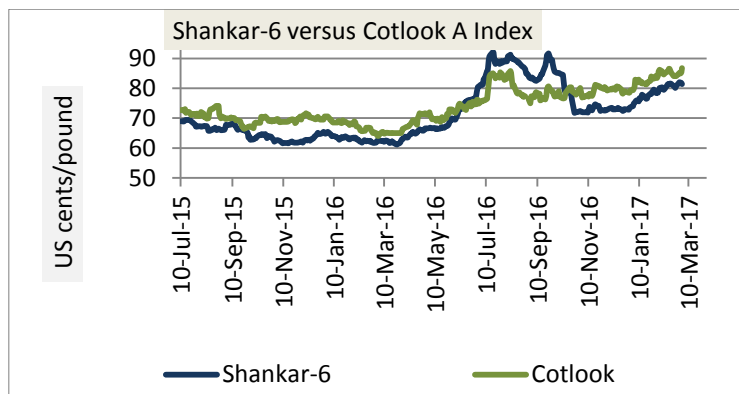
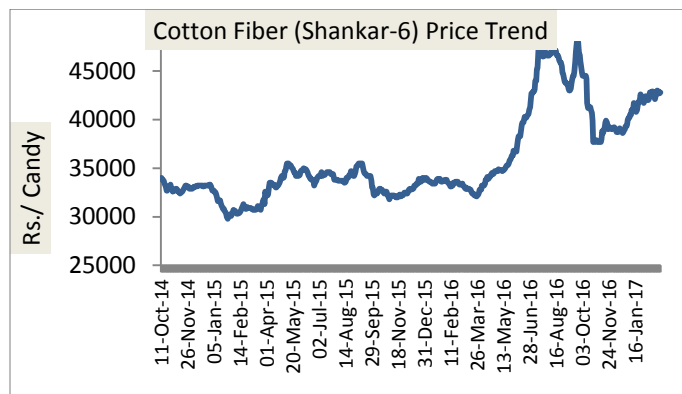
Lint Monthly Y-o-Y Price Scenario

Monthly average price at Sri Ganganagar in February was Rs.4697/Qtl compared to Rs.4298/Qtl in January.



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.42860 per candy (of 355.6 kg each) compared to Rs. 42380 per candy in the previous week.



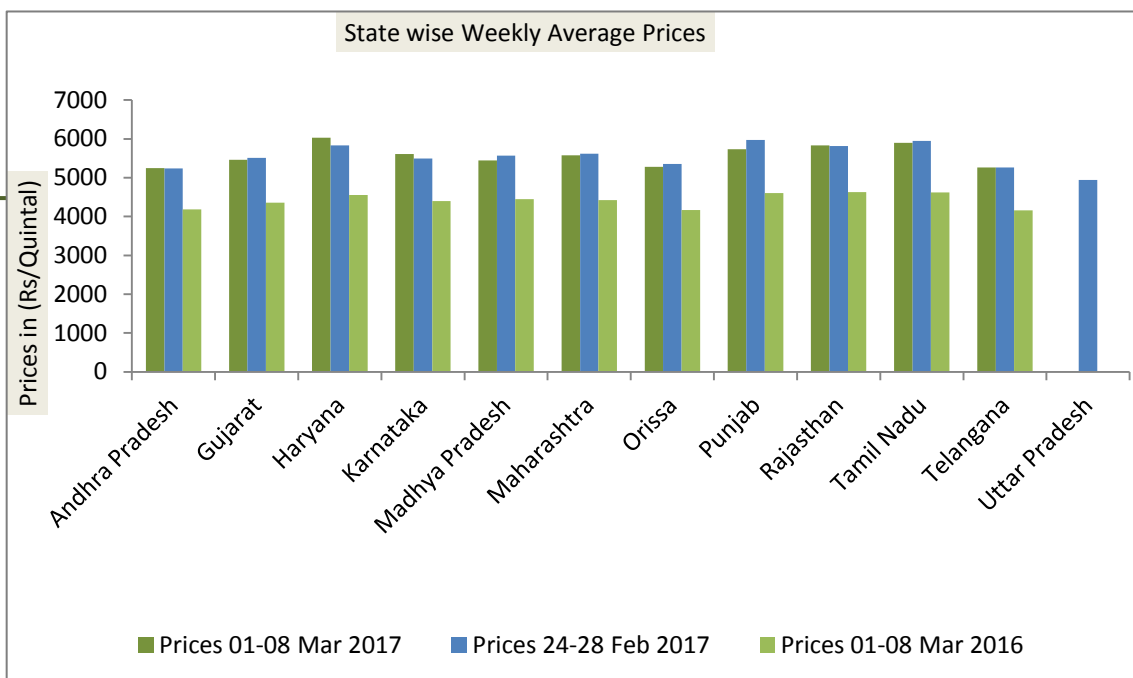
Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 85.35 cents/pound, Indian weekly average price stood at 81.73 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook:
Shankar-6 price in the coming week is expected to hover in range of Rs 40000-45000 per candy.

State wise Weekly Price Scenario

On week on week basis, prices are by and large showing firm trend in most of the States, highest price was

recorded in Haryana followed by Punjab this week and lowest was in Andhra Pradesh followed by Telangana. 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.



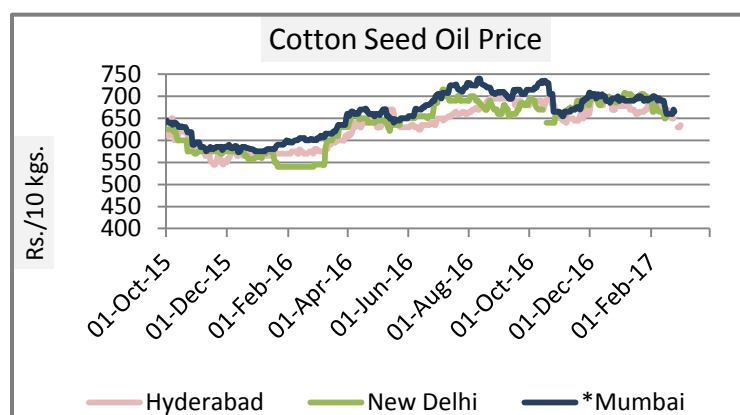
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	02-Mar-17	23-Feb-17	
New Delhi	656	670	-2.09
Rajkot	673	674	-0.11
Hyderabad	631	657	-3.87
Mumbai*	663	675	-1.78

*Vat Included

Cotton seed oil price noticed weak tone during the week. Weekly average price in New Delhi remained Rs 656 per 10 Kg, higher compared to the weekly average price of Rs 670 per 10 Kg in previous week.

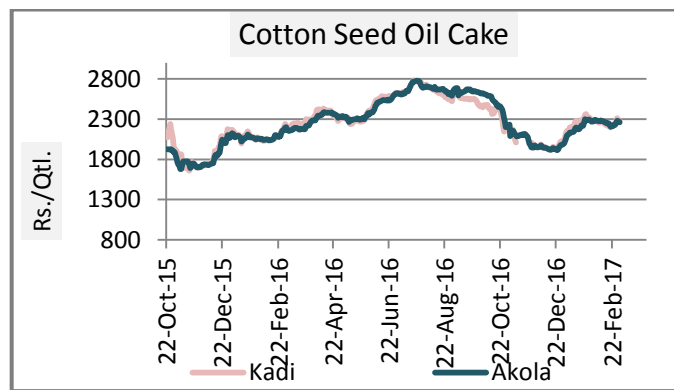


Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	02-Mar-17	23-Feb-17	
Kadi	2272	2244	1.24
Akola	2256	2261	-0.24

*Source: NCDEX

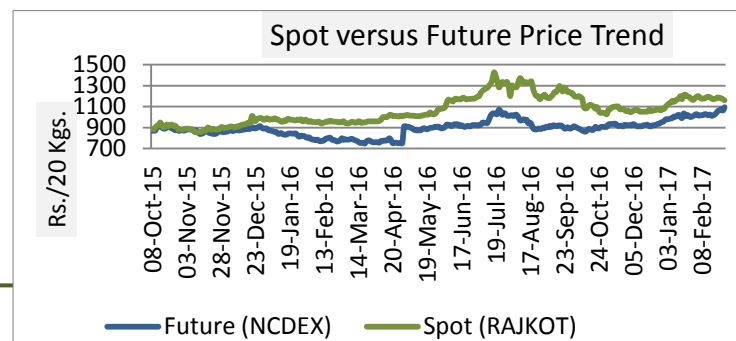
Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed mixed tone during the week. Weekly average price in Akola remained Rs 2256 per quintal, higher compared to the weekly average price of Rs 2261 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. 1093.50 as on 02 Mar 2017, compared to 1059.00 a week earlier. The gap between the spot and future prices has decreased. Average gap between the spot and future price during the week was Rs.99.30 which was Rs 148.60 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 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	1050-1150

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
1050	1020	1130	1150
Figures in Rs/20 Kg			

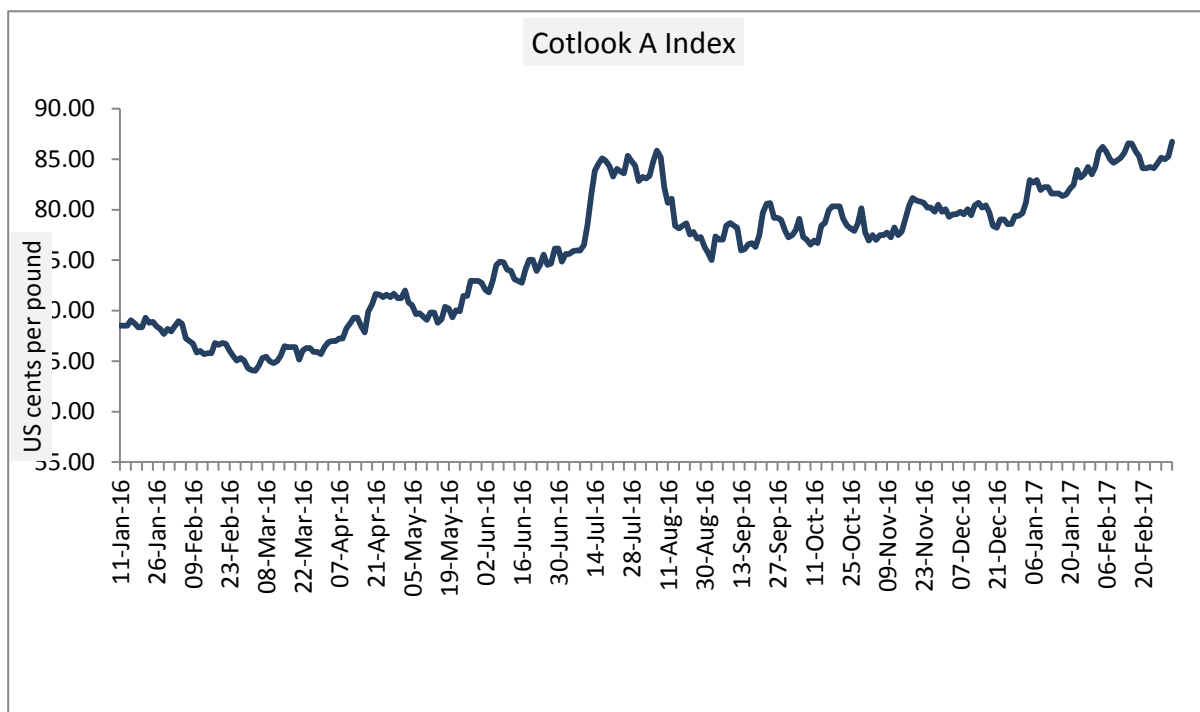
International Market Scenario

International cotton prices remained range bound to firm during the week. Cotlook A index weekly average stood at 85.35 cents/pound this week, which was 84.37 cents/pound during last week.

Major Market Highlights: According to USDA, cotton weekly export sales for the current marketing year for the period ending February 16th totaled 367,200 running bales. Sales increased by 65 percent compared to previous week and by 21 percent compared to four week average.

Egypt's cotton exports increased by 63.9 per cent during the first quarter of the planting season of 2016/17 according to data released by the Central Agency for Public Mobilisation and Statistics (CAPMAS). Egypt's cotton exports during the period September –November 2016 was reported at 202,500 bales compared to 123,600 bales in the same period previous year.

According to USDA latest report, global 2016/17 cotton ending stocks are revised down this month. World 2016-17 cotton production is projected at 105.42 million bales, around 9.28 per cent above last season. World ending stocks are now projected



higher at 89.90 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 weak during the week.

Global cotton consumption is likely to be around 24.33 million tons in season 2016-17, which was estimated to be around 24.39 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
	02-Mar-17	23-Feb-17	
Prices	85.35	84.37	1.2
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

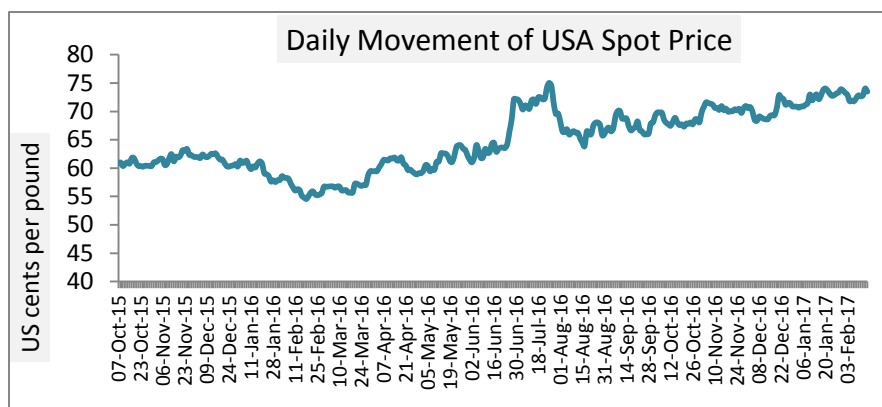
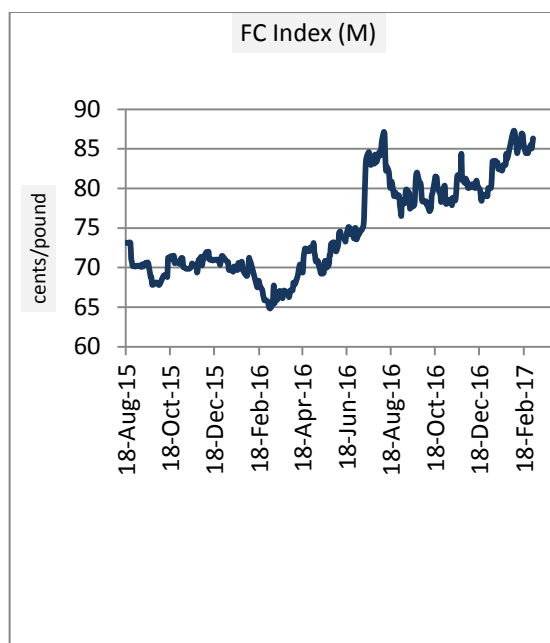
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton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

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
	02-Mar-17	23-Feb-17	
FC (S)	88.24	87.42	0.93
FC (M)	85.46	84.70	0.90
FC (L)	83.79	82.99	0.97
Prices in US cents per Pound			

China Index remained weak during the week. CC Index (328) remained 15005 Yuan per ton during the week. Average was 15031 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	02-Mar-17	23-Feb-17	
CCIndex(229)	15963	15981	-0.11
CCIndex(328)	15005	15031	-0.17
CCIndex(527)	16381	16399	-0.11
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 Pakistan is estimated to be lower, based on arrivals at gins, but higher in China. World ending stocks are now projected at 90.65 million bales.

USA Spot Prices	Weekly Average Price as on	% Change
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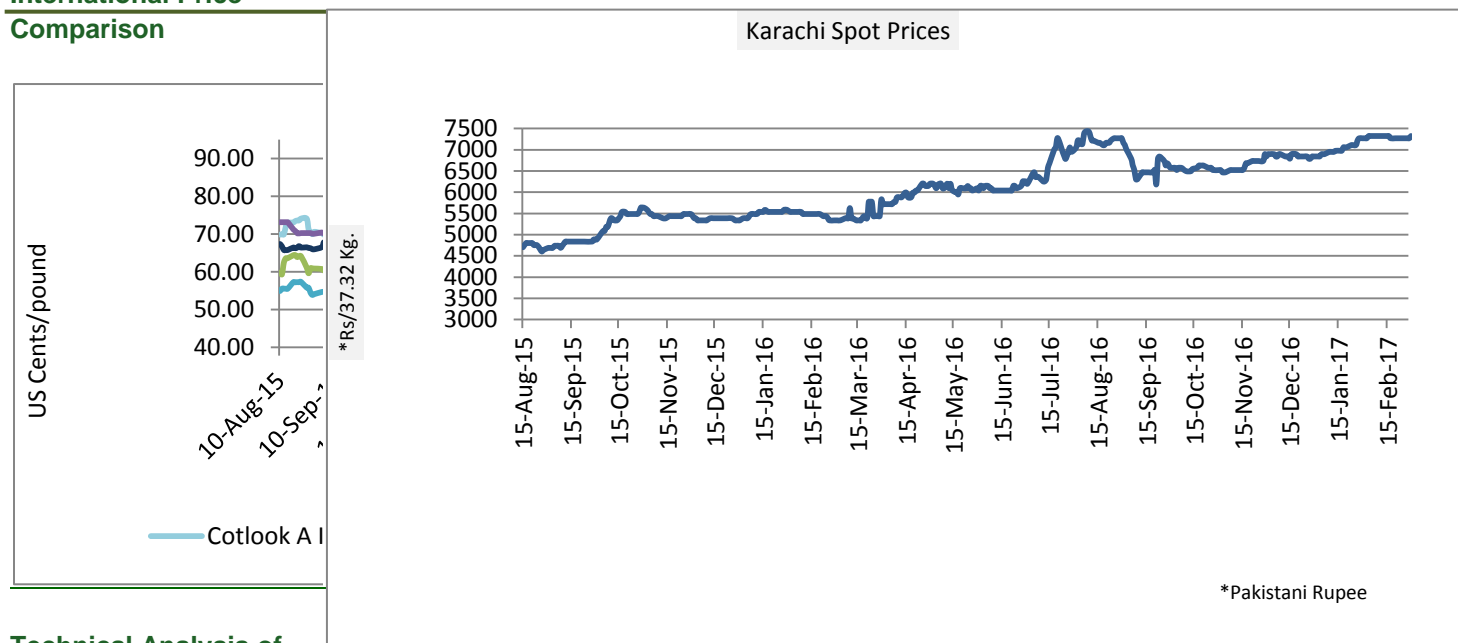
	02-Mar-17	23-Feb-17	
Prices	73.20	71.99	1.68
Prices in US cents per Pound			

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
	02-Mar-17	23-Feb-17	
Prices	7281	7272	0.12
Prices in Rs per 37.32 Kg			

International Price Comparison



Technical Analysis of Cotton Future (May'17 Contract) at ICE



Weekly Technical Outlook:

- Candlesticks denote firm tone in the prices.
- Volume and Open Interest are increasing.
- We expect cotton prices to remain range bound to weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bullish Momentum	75.00-80.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
75.00	73.50	78.00	80.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	02-Mar	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
Mar-17	75.69	75.02	76.91	56.46	0.89	-1.59	34.06
May-17	76.78	76.10	77.57	NA	0.91	-1.02	NA
Jul-17	77.86	76.92	78.18	NA	1.24	-0.41	NA
Oct-17	74.72	74.02	73.42	NA	0.91	1.77	NA
Dec-17	74.75	73.89	73.59	NA	1.16	1.58	NA
Mar-18	74.87	74.22	74.11	NA	0.88	1.03	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	25th Feb to 03rd Mar.17	18th to 24th Feb.17	
Gujarat	Ahmedabad	Shankar-6	5917	5785	132
	Gondal	Shankar-6	5891	5797	94
	Rajkot	B.T. Cotton	5871	5893	-22
	Patan	B.T. Cotton	5895	5827	68

	Kadi	B.T. Cotton	5883	5788	96
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5988	5780	208
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6318	6175	143
	Bhiwani	Desi	5550	5517	33
	Adampur	B.T. Cotton	6070	5956	114
	Fatehabad	B.T. Cotton	6063	5928	135
	Jind	B.T. Cotton	6288	6070	218
	Uchana	B.T. Cotton	6119	5946	173
	Dabwali	B.T. Cotton	5972	5862	110
Rajasthan	Hanumangarh	B.T. Cotton	6092	5983	108
	Rawatsar	B.T. Cotton	6033	5862	171
Madhya Pradesh	Khandwa	Mech-1	5780	5713	68
	Khargaon	Mech-1	5871	5757	114
Maharashtra	Amravati	Mech-1	5430	5333	97
	Jamner	Medium Staple	5406	5391	14
Uttar Pradesh	Hathras	B.T. Cotton	4942	4905	37
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5445	5360	85
Andhra Pradesh	Guntur	Un-Ginned	NA	4600	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4160	4160	Unch
Karnataka	Bijapur	Bunny	6044	5983	61
	Hubli	D.C.H.	6063	6074	-11
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6021	5881	140
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	25th Feb to 03rd Mar.17	18th to 24th Feb.17	
Punjab	Bhatinda	J-34	4730	4613	118
	Abohar	J-34	4731	4615	116
	Mansa	J-34	4724	4608	117
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4663	4548	115
Rajasthan	Sri-Ganganagar	J-34	4940	4769	171

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	25th Feb to 03rd Mar.17	18th to 24th Feb.17	
Gujarat	Ahmedabad	Shankar-6	436900	314500	122400
	Gondal	Shankar-6	14225	7739	6486
	Rajkot	B.T. Cotton	29400	25475	3925
	Patan	B.T. Cotton	17888	22709	-4821
	Kadi	B.T. Cotton	240000	145000	95000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	3749	3181	568
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	11000	11000	Unch
	Bhiwani	Desi	550	450	100
	Adampur	B.T. Cotton	2805	3740	-935
	Fatehabad	B.T. Cotton	3050	4450	-1400
	Jind	B.T. Cotton	423	664	-241
	Uchana	B.T. Cotton	6160	11090	-4930
	Dabwali	B.T. Cotton	890	1925	-1035
Rajasthan	Hanumangarh	B.T. Cotton	5400	6300	-900
	Rawatsar	B.T. Cotton	2500	2200	300
Madhya Pradesh	Khandwa	Mech-1	6102	13100	-6998
	Khargaon	Mech-1	19490	26345	-6855
Maharashtra	Amravati	Mech-1	71000	30000	41000
	Jamner	Medium Staple	1848	959	889
Uttar Pradesh	Hathras	B.T. Cotton	270	240	30
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	51773	64274	-12501
Andhra Pradesh	Guntur	Un-Ginned	NA	220	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	13788	11760	2028
	Hubli	D.C.H.	218	140	78
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8556	8301	255
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change

State	Centre	Variety	25th Feb to 03rd Mar.17	18th to 24th Feb.17	
Punjab	Bhatinda	J-34	18700	22950	-4250
	Abohar	J-34	4165	4250	-85
	Mansa	J-34	3485	3825	-340
Haryana	Sirsa	J-34	5270	6290	-1020
Rajasthan	Sri-Ganganagar	J-34	5420	5448	-28

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				24th Feb to 02nd Mar.17	17th to 23th Feb.17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34800	33460	1340
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35800	34460	1340
J-34(202)	26mm	3.5 - 4.9	23	43960	42760	1200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42060	41620	440
Shankar-6(105)	29mm	3.5 - 4.9	28	42860	42380	480
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43840	43440	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44440	44100	340
DCH-32(107)	34mm	3.0 - 3.8	33	56540	55580	960

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