

Current Market Outlook

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

Market in Rajkot remained closed during the week following year –end activities. Average price of Lint at Sirsa during the week was Rs. 4682 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4710. Cotton fiber (Shankar-6) prices noticed steady tone this week. Average price was Rs 43200 per candy (of 355.6 kg each) during the week, which was Rs 43200 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed lower this week at Rs. 1040.50 per maund (of 20 kg each) which was Rs 1069.00 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. 5600-6000 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4300-4700 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 1000-1100 per maund (of 20 kg each).

Major Market Highlights: Textile sector seeks Technology Mission On Cotton (TMC) amid decline in yield of cotton. Though India is the largest producer and net exporter of cotton, productivity declined below 500kg of lint/hectare in 2015-16 from a high of 566 kg/ha in 2013-14. During the current season, productivity has been recorded at 568 kg/ha amid good monsoon. the national average yield in Australia, Brazil, China, Turkey Mexico and Israel is more than 1,500 kg/ha. India's poor productivity is related to obsolete technology and insufficient fund support for cotton research. The textile sector wants the TMC back in a revised format. It will help to double the income of the cotton farmer and fuel the growth of the textile industry.

The Southern India Mills Association (SIMA) has advised the mills to avoid panic buying of cotton. Till date cotton arrivals in the domestic market are lower compared to previous year. Both at the global level and in India, the cotton supply position is comfortable. According to sources at SIMA, India has contracted to import 15 lakh bales of cotton from West Africa and U.S. Prices are likely to ease when Australian cotton arrives in the market around May. Reports indicate that there has been a significant increase in the Australian cotton crop — from 28 lakh bales previous year to 45 lakh bales this year and an 18 per cent increase in the US cotton crop.

India's textiles exports declined by around 4.5 per cent to \$26 billion during April-December this fiscal year. The exports of textiles during April –December (2016 -17) were recorded at \$26 billion compared to \$27.2 billion during the same period previous year.

Cotton acreage in North India, which stood at a high of 15.55 lakh hectares in 2014-15, declined to 13.90 lakh ha in the following year and reached a low of 11.96 lakh ha in 2016-17 amid rising pest attacks and declining yields. Cotton prices are ruling firm in the country on lower availability and steady demand in the domestic market. Cotton has yielded better returns in 2016-17 compared with other competing crops.

AW Cotton Index – 12 Mar. 2017

The Agriwatch Agri Commodities Index gained 0.98% to 110.22 during the week ended March 11, 2017 from 109.15 during the previous week, to end a 5-week falling streak. Cereals and pulses led the Index higher. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index increased by +0.11% week-on-week.

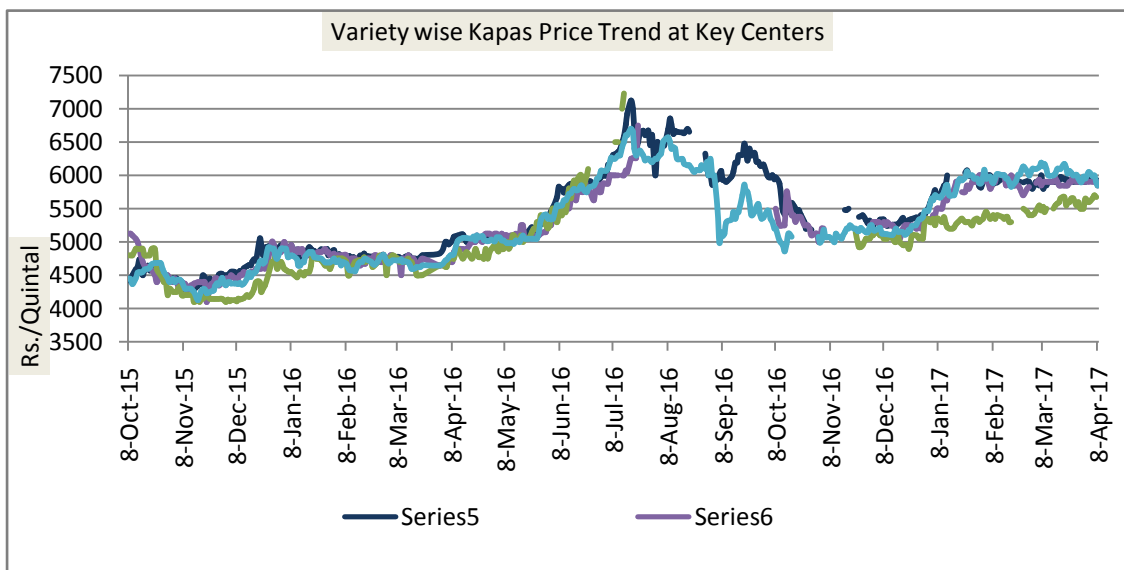


*Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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:
Market in Rajkot
remained closed
following year –end
activities.



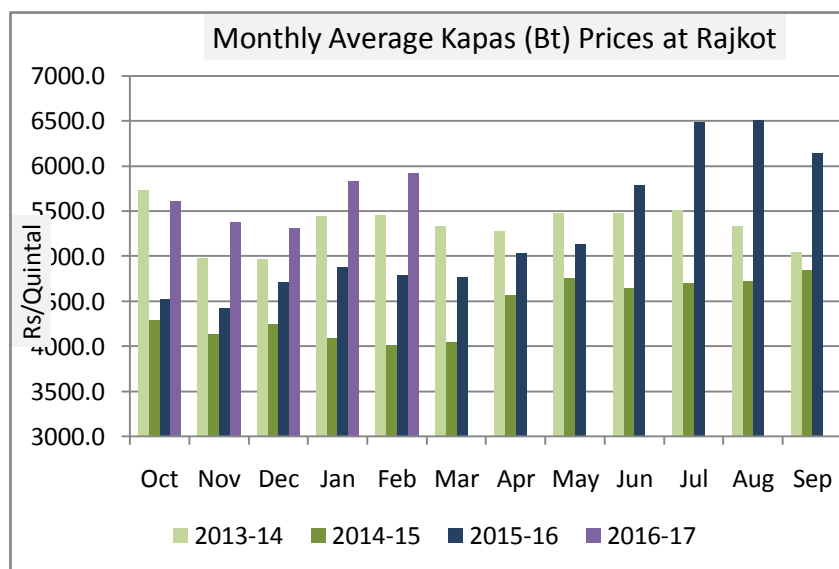
According to latest
report of USDA attaché,

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 5600-6000 per quintal for the coming week.

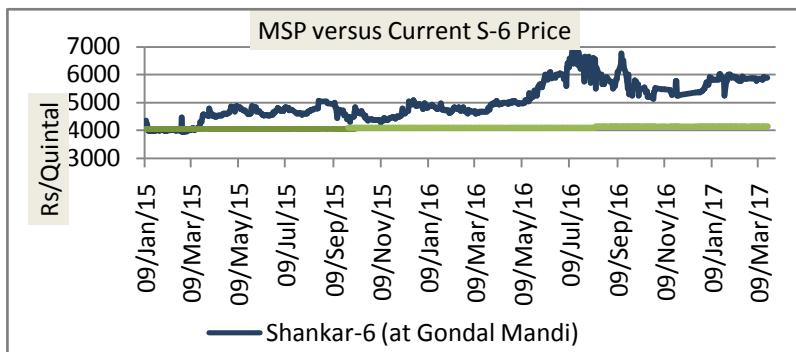
Kapas Monthly Y-o-Y Price Scenario

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.



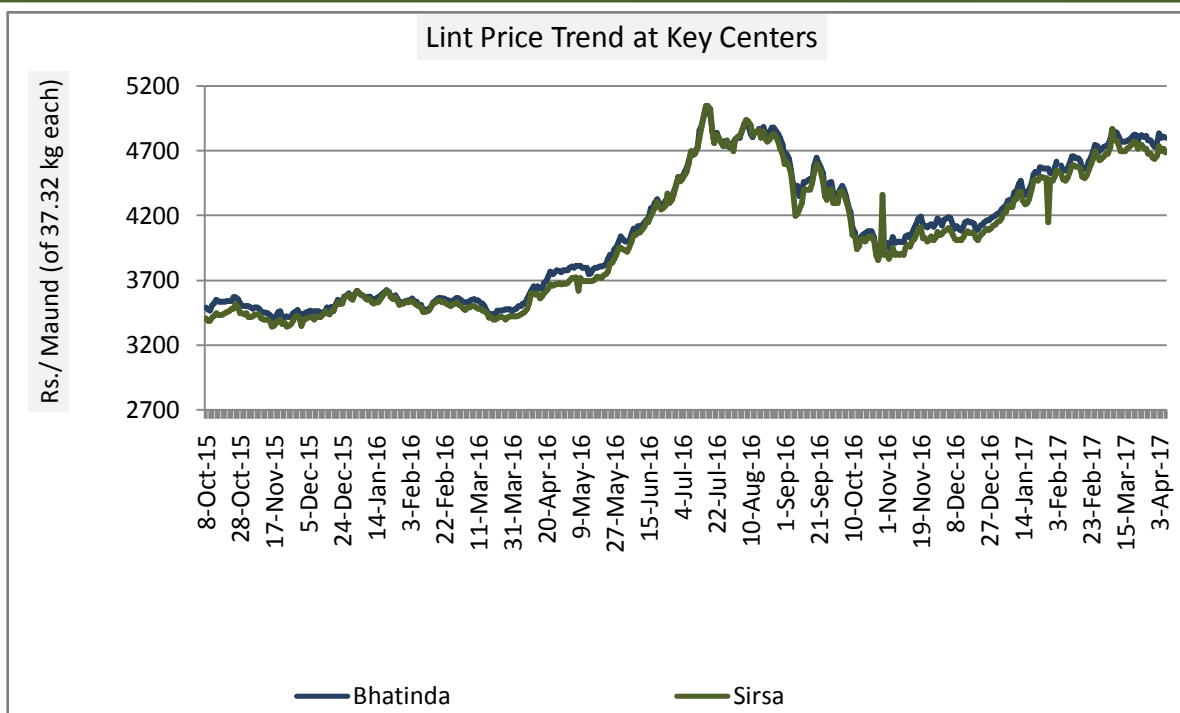
Spot Price versus MSP

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.1731.67 this week compared to Rs.1705 a week earlier. This indicates prices are increasing



Lint (De-Seeded Cotton) Weekly Price Scenario

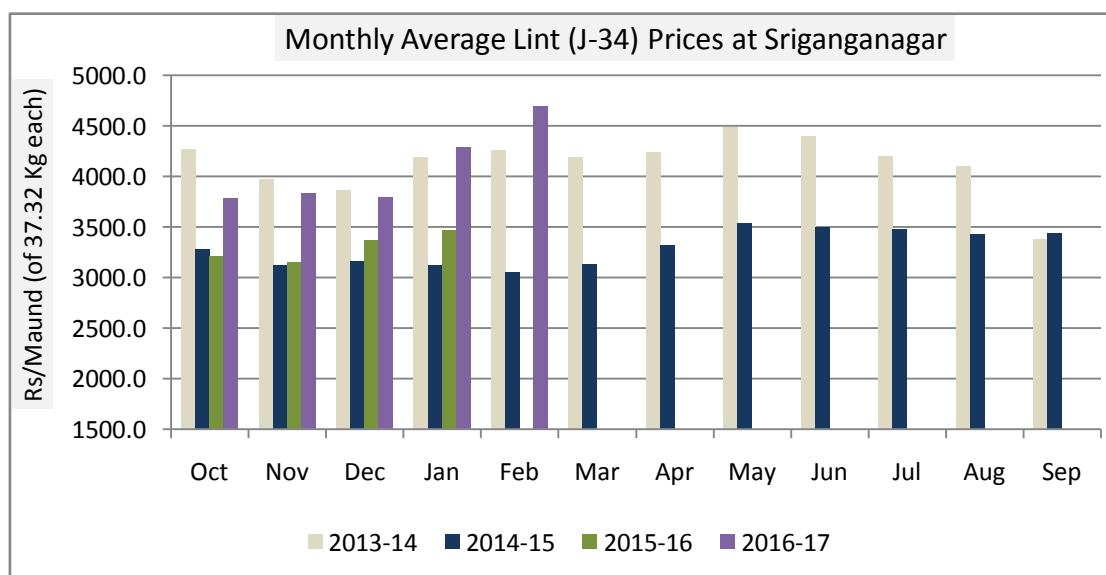
Weekly Price Review: Lint prices remained weak during the week owing to easy tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4703 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4652 per maund.



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. 4400-4800 per maund.

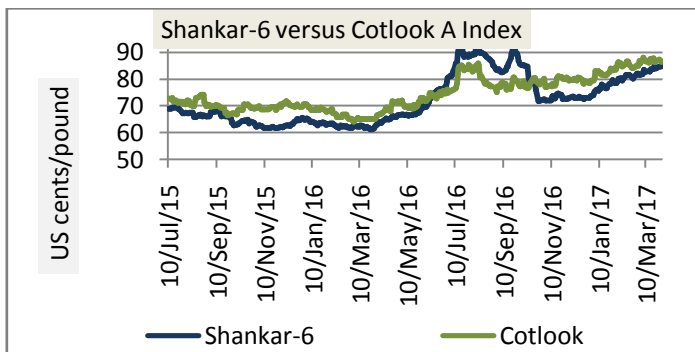
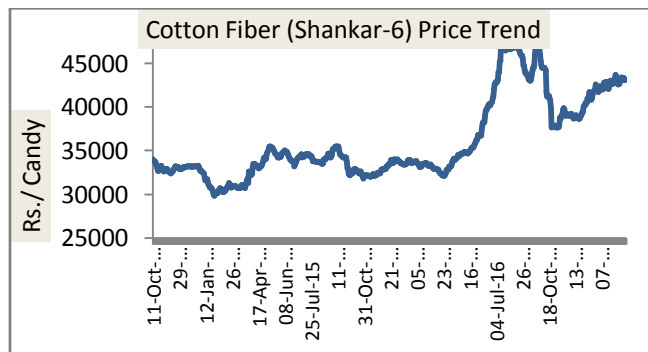
Lint Monthly Y-o-Y Price Scenario

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 range -bound movement in Kapas prices, cotton fiber witnessed steady tone this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs.43200 per candy (of 355.6 kg each) compared to Rs. 43200 per candy in the previous week.

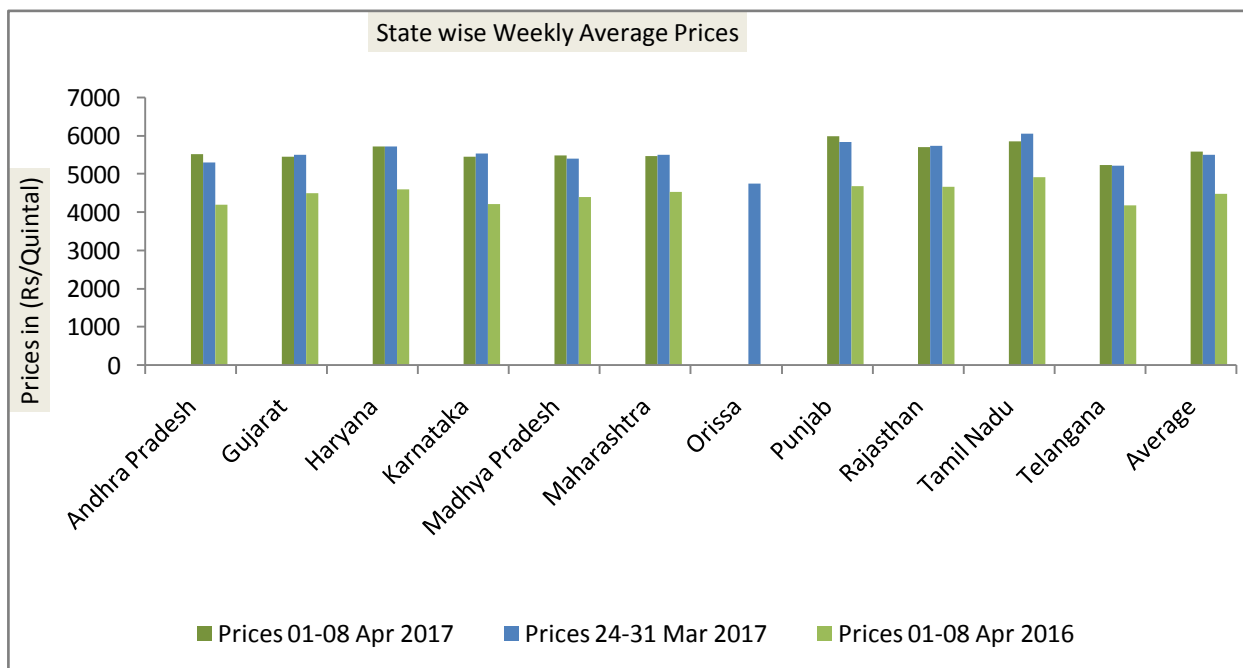


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 86.80 cents/pound, Indian weekly average price stood at 84.58 cents/pound, making Indian fiber competitive in international market.

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 weak trend in most of the States, highest price was recorded in Punjab followed by Tamil Nadu this week and lowest was in Telangana followed by



Karnataka. 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.

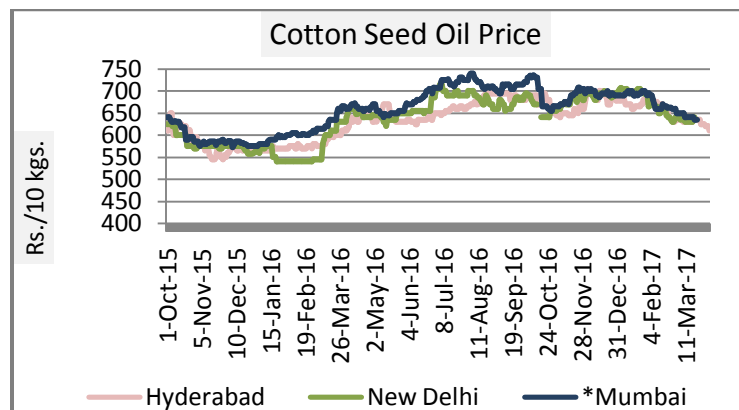
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price mostly remained pale during the week. Weekly average price in New Delhi remained Rs 634 per 10 Kg, higher compared to the weekly average price of Rs 633 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	06-Apr-17	30-Mar-17	
New Delhi	633	633	0.24
Rajkot	656	656	-0.13
Hyderabad	630	630	-1.75
Mumbai*	640	640	-0.47

*Vat Included

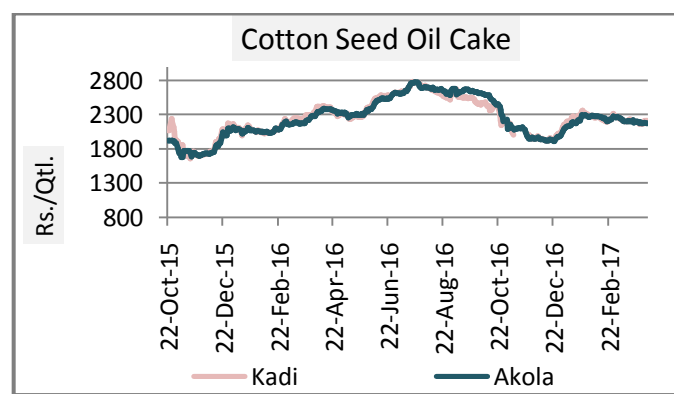


Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price noticed mixed tone during the week. Weekly average price in Akola remained Rs 2179 per quintal, lower compared to the weekly average price of Rs 2189 per quintal in the previous week.

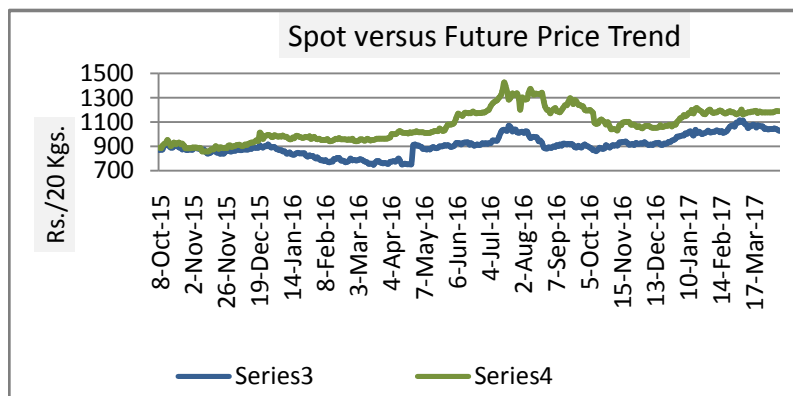
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	06-Apr-17	30-Mar-17	
Kadi	2195	2180	0.69
Akola	2179	2189	-0.49

*Source: NCDEX



Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (April'17) closed at Rs. 1025 as on 07 Apr 2017, compared to 1042 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.145.8 which was Rs 130.9 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 bullish crossover.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	1000-1100

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
1020	1000	1080	1100
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 86.81 cents/pound this week, which was 86.94 cents/pound during last week.

Major Market Highlights: According to agriculture ministry, Mali's cotton production for the upcoming 2017/18 season is estimated at 725,000 tonnes compared to 645,000 tonnes in the current season. Plantation of more land, renewing subsidies and continuing a two-year-old programme that provides tractors at reduced prices will help in achieving higher production in the coming season.

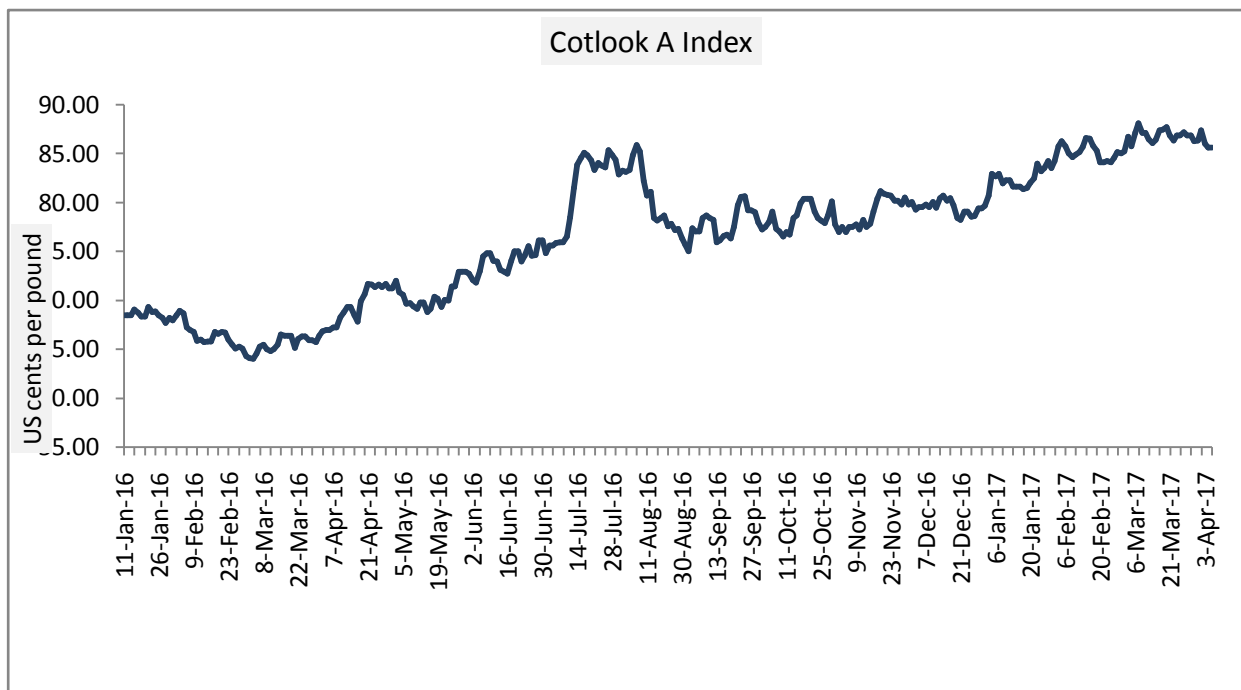
Good demand for quality lint, increasing prices in the global markets and lack of availability of quality cotton led to increase in cotton prices in Pakistan during the previous week. The Karachi Cotton Association increased its spot rates by Rs. 50 to Rs 6,700 per maund (37.3242 kg) and Rs 7,180 for 40 kg. The Ex-Karachi rates also increased to Rs 6,835 per maund and Rs 7,325 for 40 kg. There is good buying from the millers amid limited stocks with ginnerers.

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. Global 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 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
	06-Apr-17	30-Mar-17	
Prices	86.19	86.81	-0.7
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

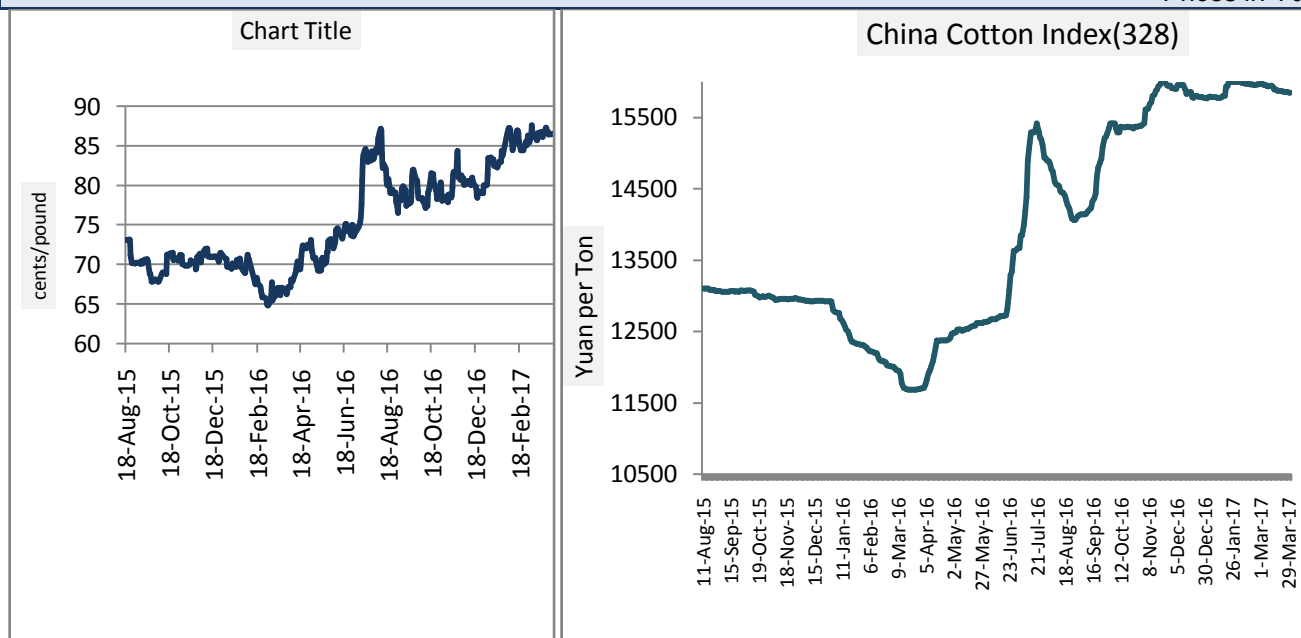
According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2016 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton 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
	06-Apr-17	30-Mar-17	
FC (S)	89.01	89.50	-0.51
FC (M)	86.48	86.80	-0.05
FC (L)	84.65	85.12	-0.24
Prices in US cents per Pound			

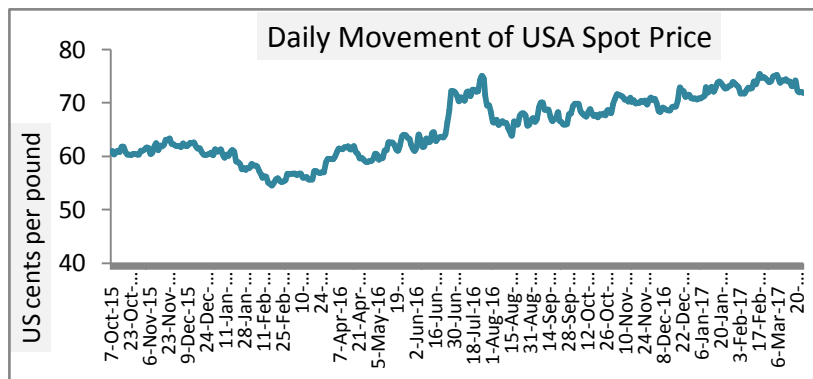
China Index remained weak during the week. CC Index (328) remained 14844 Yuan per ton during the week. Average was 14861 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	06-Apr-17	30-Mar-17	
CCIndex(229)	15856	15877	-0.13
CCIndex(328)	14844	14861	-0.12
CCIndex(527)	16267	16299	-0.20
Prices in Yuan per ton			



USA Spot Prices

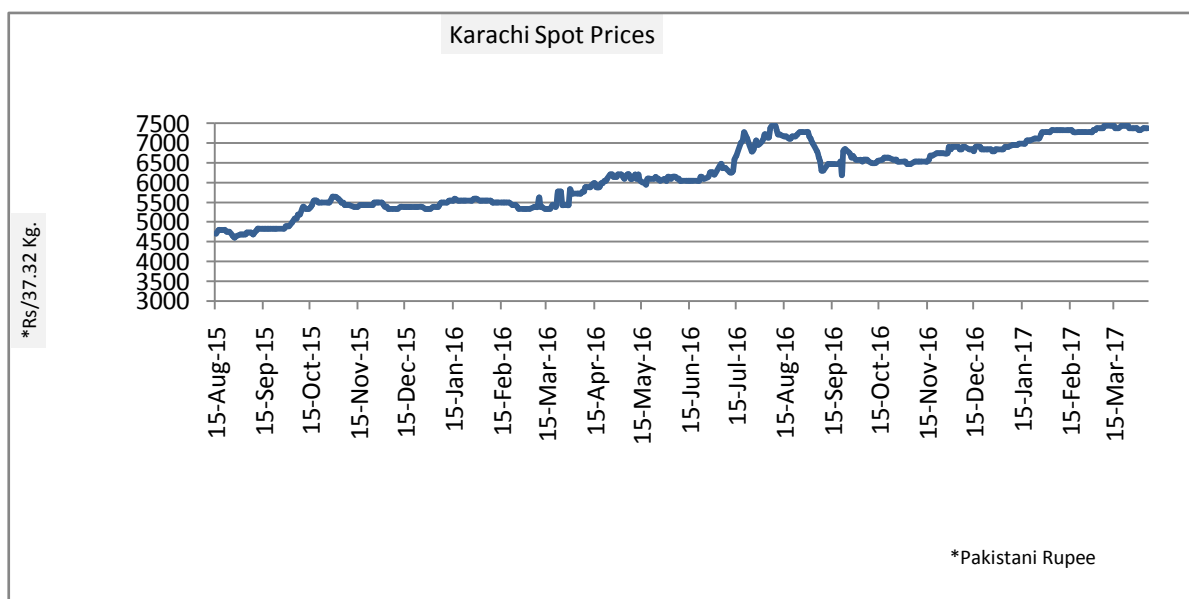
According to latest report of USDA, global 2016/17 cotton ending stocks are revised down this month. Production in Pakistan is estimated to be lower, based on arrivals at gins, but higher in China. World ending stocks are now projected at 90.48 million bales.



USA Spot Prices	Weekly Average Price as on		% Change
	06-Apr-17	30-Mar-17	
Prices	72.51	73.80	-1.75
Prices in US cents per Pound			

Pakistan Spot Prices

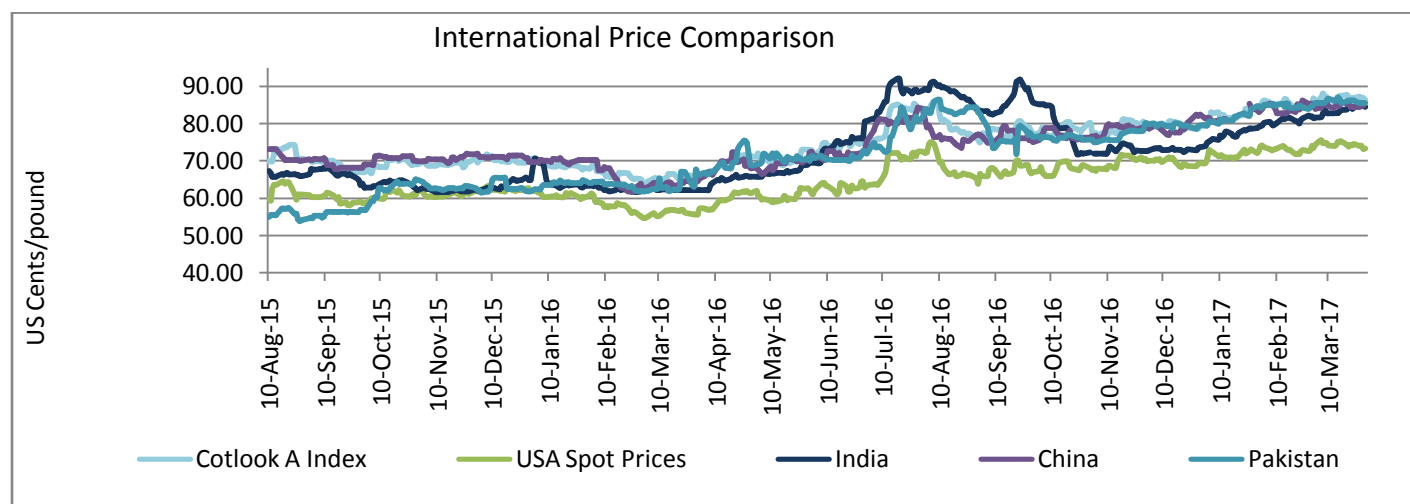
Annual growth output of Cotton in Pakistan has slowed to 12.3 per cent amid lower arrivals of seed cotton during the period December 01-15, 2016. Pakistan has harvested 10.147 million bales of cotton up to December 15,



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.

Karachi Spot Prices	Weekly Average Price as on		% Change
	06-Apr-17	30-Mar-17	
Prices	7361	7388	-0.37
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 weak 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 Bearish Momentum	73.00-78.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
75.00	73.50	78.50	80.00

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	30-Mar	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
May-17	76.23	77.27	76.10	57.67	-1.35	0.17	32.18
Jul-17	77.60	78.48	76.92	57.72	-1.14	0.88	34.44
Oct-17	74.22	76.09	74.02	57.66	-2.38	0.27	28.72
Dec-17	73.69	75.49	73.89	57.45	-2.37	-0.27	28.27
Mar-18	73.44	75.21	74.22	NA	-2.34	-1.05	NA
May-18	73.31	75.08	NA	NA	-2.35	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	01st to 07th Apr.17	25th to 31st Mar.17	
Gujarat	Ahmedabad	Shankar-6	5913	5900	13
	Gondal	Shankar-6	5868	5895	-27
	Rajkot	B.T. Cotton	NA	NA	-
	Patan	B.T. Cotton	5917	5950	-33
	Kadi	B.T. Cotton	5970	5850	120
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5863	Closed	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6220	6193	28
	Bhiwani	Desi	5240	5325	-85
	Adampur	B.T. Cotton	5976	5957	19
	Fatehabad	B.T. Cotton	6038	6003	36
	Jind	B.T. Cotton	6059	6158	-99
	Uchana	B.T. Cotton	6110	6055	55
	Dabwali	B.T. Cotton	NA	6000	-
Rajasthan	Hanumangarh	B.T. Cotton	6000	5975	25
	Rawatsar	B.T. Cotton	5793	5783	10
Madhya Pradesh	Khandwa	Mech-1	6000	5795	205
	Khargaon	Mech-1	6043	5905	138

Maharashtra	Amravati	Mech-1	5620	5575	45
	Jamner	Medium Staple	5630	5586	44
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5306	5325	-19
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	5250	-
	East Godavari	Un-Ginned	4160	4160	Unch
Karnataka	Bijapur	Bunny	6171	6101	70
	Hubli	D.C.H.	5969	6071	-102
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6046	6043	3
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	01st to 07th Apr.17	25th to 31st Mar.17	
Punjab	Bhatinda	J-34	4802	4778	24
	Abohar	J-34	4803	4775	28
	Mansa	J-34	4786	4771	15
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4703	4682	21
Rajasthan	Sri-Ganganagar	J-34	4713	4788	-75

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	01st to 07th Apr.17	25th to 31st Mar.17	
Gujarat	Ahmedabad	Shankar-6	127500	42500	85000
	Gondal	Shankar-6	2812	2272	540
	Rajkot	B.T. Cotton	13100	NA	-
	Patan	B.T. Cotton	10987	8467	2520
	Kadi	B.T. Cotton	90000	25000	65000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	712	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2900	4500	-1600
	Bhiwani	Desi	NA	70	-

	Adampur	B.T. Cotton	2380	3145	-765
	Fatehabad	B.T. Cotton	1575	2950	-1375
	Jind	B.T. Cotton	NA	333	-
	Uchana	B.T. Cotton	290	505	-215
	Dabwali	B.T. Cotton	NA	130	-
Rajasthan	Hanumangarh	B.T. Cotton	1705	660	1045
	Rawatsar	B.T. Cotton	150	1400	-1250
Madhya Pradesh	Khandwa	Mech-1	765	4670	-3905
	Khargaon	Mech-1	2260	9900	-7640
Maharashtra	Amravati	Mech-1	6300	27500	-21200
	Jamner	Medium Staple	1296	1591	-295
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	22163	25296	-3133
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	4556	5806	-1250
	Hubli	D.C.H.	16	82	-66
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	3711	2092	1619
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	01st to 07th Apr.17	25th to 31st Mar.17	
Punjab	Bhatinda	J-34	4590	10030	-5440
	Abohar	J-34	1615	2083	-468
	Mansa	J-34	1488	1658	-170
Haryana	Sirsa	J-34	3230	4590	-1360
Rajasthan	Sri-Ganganagar	J-34	154	917	-763

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				31st Mar to 06th Apr.17	24th to 30th Mar.17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34540	34917	-377
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35540	35917	-377
J-34(202)	26mm	3.5 - 4.9	23	44280	44317	-37
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42500	41933	567
Shankar-6(105)	29mm	3.5 - 4.9	28	43780	43200	580

Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45340	44983	357
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46360	45917	443
DCH-32(107)	34mm	3.0 - 3.8	33	58000	58000	Unch

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