

Current Market Outlook

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

Average price of Lint at Sirsa during the week was Rs. 4563 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4633. Cotton fiber (Shankar-6) prices noticed pale tone this week. Average price was Rs 41800 per candy (of 355.6 kg each) during the week, which was Rs 42067 per candy previous week. Future price of cotton (at NCDEX, Continuous contract) closed lower this week at Rs. 969 per maund (of 20 kg each) which was Rs 976.5 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. 5400-5800 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4400-4800 per maund. Kapas prices at NCDEX (Continuous contract), is expected to hover in the range of Rs. 950-1050 per maund (of 20 kg each).

Major Market Highlights: In the 2016 -17 season, Indian cotton imports have touched an all time high of 30 lakh bales compared to 20 lakh bales previous season. Imports had touched an all time high of 25 lakh bales in 2001 -02 season. According to industry sources, farmers are expected to plant 20% more cotton in 2017 -18 season following good prices fetched during this season. The domestic and international market rates of cotton have been almost on par and most cotton mills in South India have found it feasible to import.

The govt. of India targeted a cotton crop production of 14.40 million bales in 2017-18 compared to the target of 14.1 million bales of production in 2016-17.

As per the latest report published by International Cotton Advisory Committee (ICAC), India's acreage area under cotton cultivation is expected to increase by 7% to 11.3 million hectares in 2017-18. While cotton production is projected to be around somewhat six million tonnes during the same duration. A higher cotton price and improved yield in 2016-17 has been the main contributing factors for the surge in acreage area under cotton cultivation in 2017-18.

On the other hand, India's cotton mill use is projected to increase by 2% to 5.2 million tonnes in 2017-18.

Cotton production this season has been 34 million bales compared to 33 million bales previous year. Though acreage was less, production increased amid higher productivity. In the coming season 2017 -18, cotton acreage is expected to increase amid better price realizations and normal monsoon. Exact percentage increase will be clear by the amount of rainfall during south -west monsoon. In Telangana and Andhra Pradesh, farmers are likely to shift towards cotton amid decline in price of pulses and chillies. Farmers in other cotton growing states of Gujarat, Maharashtra, Haryana and Rajasthan are also likely to shift from foodgrains to cotton according to initial reports. According to industry sources, around 10-15 per cent increase in cotton acreage is expected this season.

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.



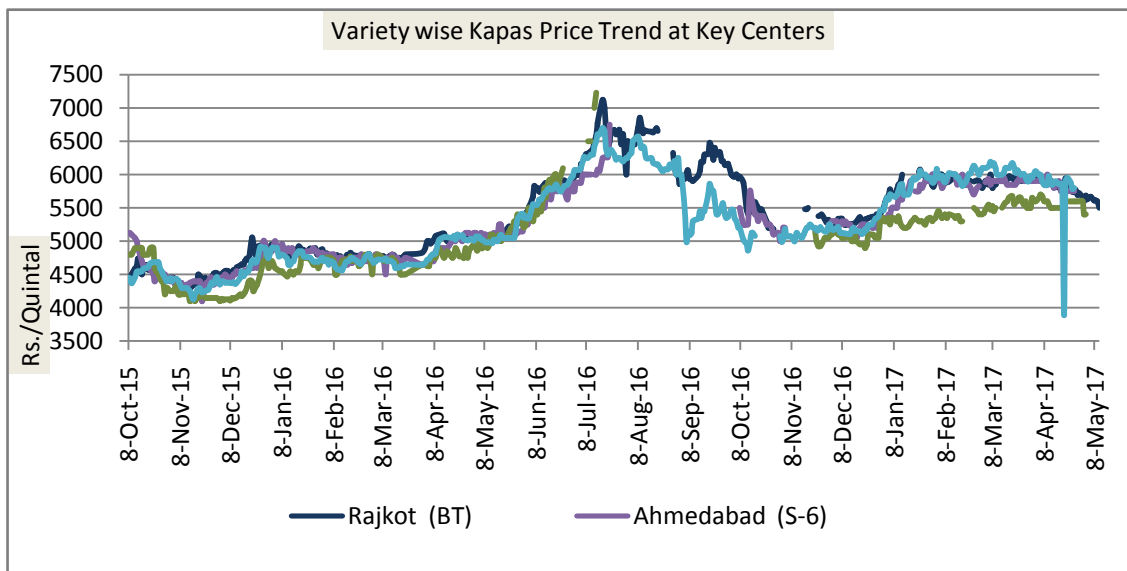
*Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. 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: Weekly kapas average price at Rajkot fell from Rs 5666/quintal to Rs 5606/quintal this week.

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

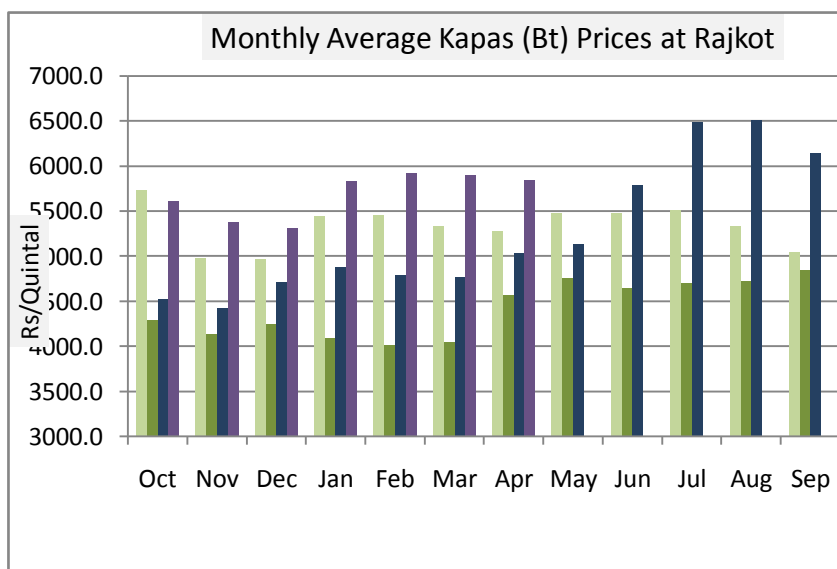


Weekly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 5400-5800per quintal for the coming week.

KapasMonthly Y-o-Y Price Scenario

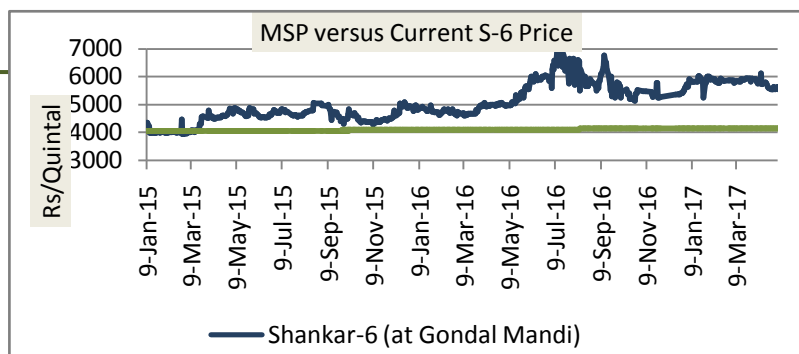
Kapas(seed cotton) prices in country noticed mixed tone during the April month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.545 per quintal during April, which was Rs.5893 during previous month and Rs.5029 per quintal during the corresponding month last year. We expect Kapas prices to remain range –bound to weak in the coming month. The expected price range for April month is likely to be Rs 5500-6000 per quintal.



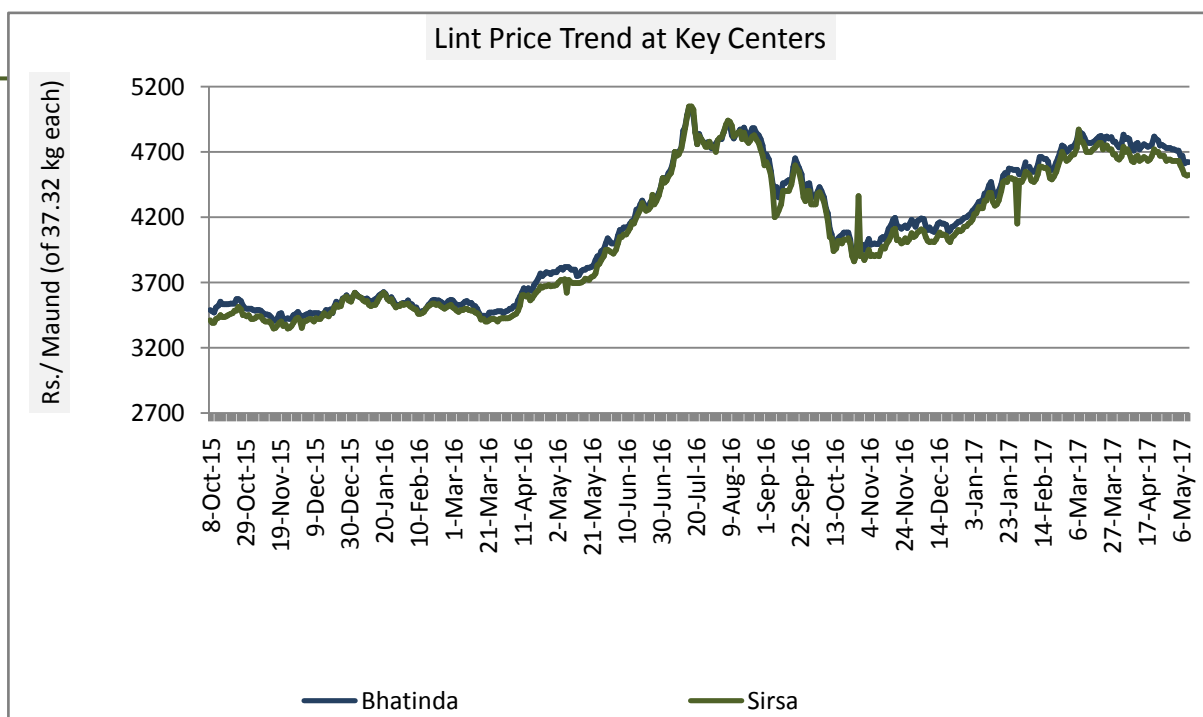
Spot Price versus MSP

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.1433 this week compared to Rs.1412 a week earlier. This indicates prices are increasing



Lint (De-Seeded Cotton) Weekly Price Scenario

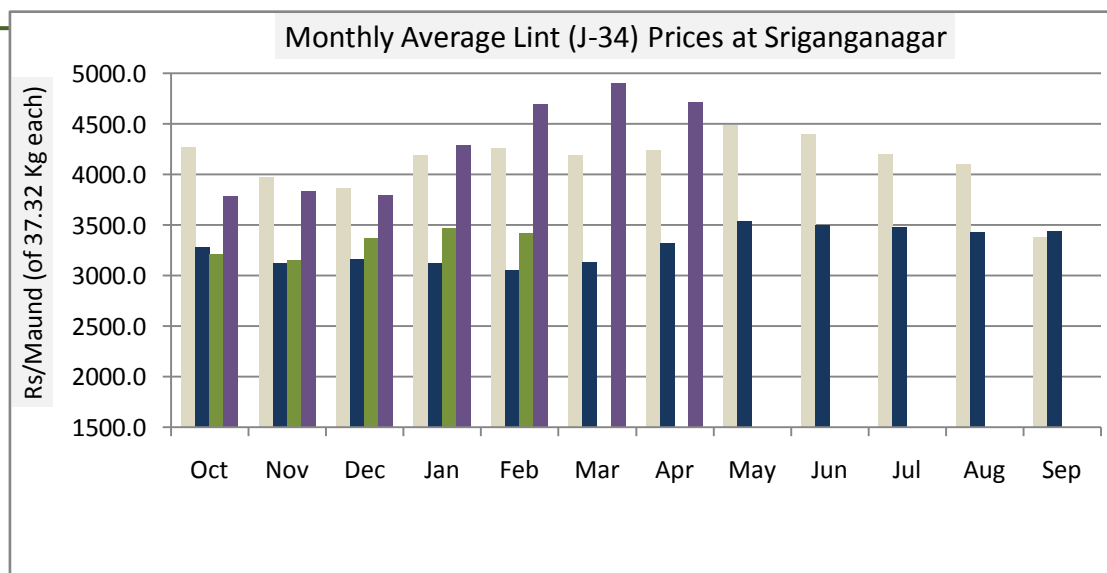
Weekly Price Review: Lint prices remained weak during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4563 per maund of 37.32 kg each, lower compared to the previous week price of Rs. 4633 per maund.



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. 4400-4800 per maund.

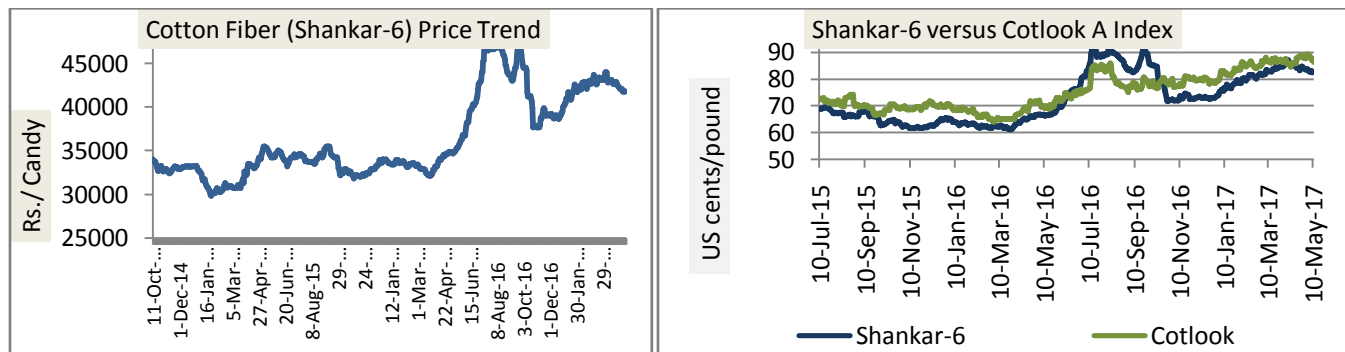
Lint Monthly Y-o-Y Price Scenario

Monthly average price at Sri Ganganagar in April was Rs.4713/Qtl compared to Rs.4903/Qtl in March.



Cotton Fiber Weekly Price Scenario

Following range -bound movement in Kapas prices, cotton fiber witnessed weak tone this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs.41800per candy (of 355.6 kg each) compared toRs. 42067per candyin the previous week.

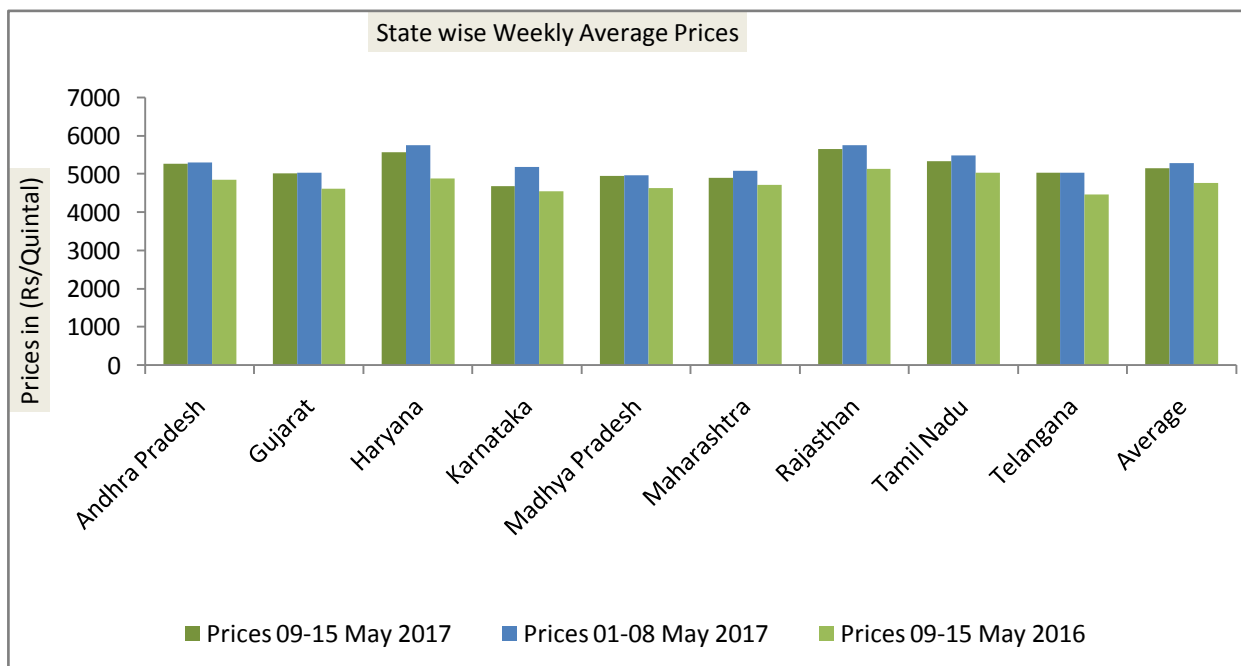


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling below the international price. Against the weekly average Cotlook A Index of 87.47 cents/pound, Indian weekly average price stood at 82.67 cents/pound, making Indian fibercompetitive in international market.

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 Rajasthan followed by



Haryana this week and lowest was in Maharashtra followed by Madhya Pradesh. On year on year basis, cotton prices are reflecting uptrend in most of the States. Prices have been summarized in the table given in annexure.

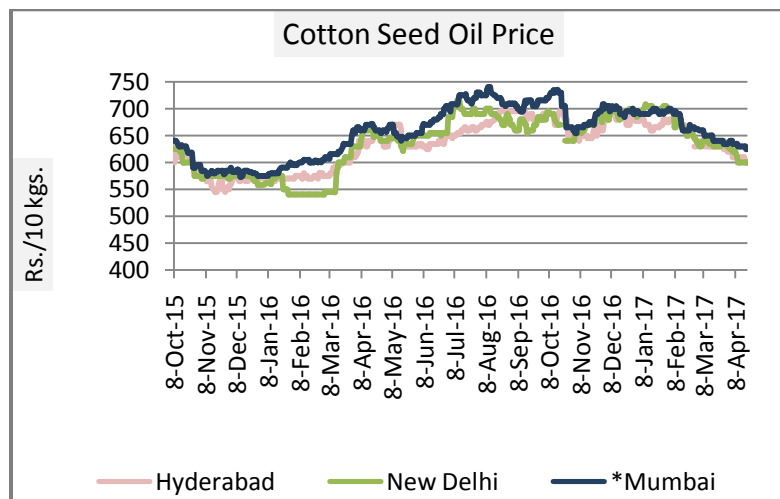
Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price mostly remained firm during the week. Weekly average price in New Delhi remained Rs 603 per 10 Kg, higher compared to the weekly average price of Rs 600 per 10 Kg in previous week.

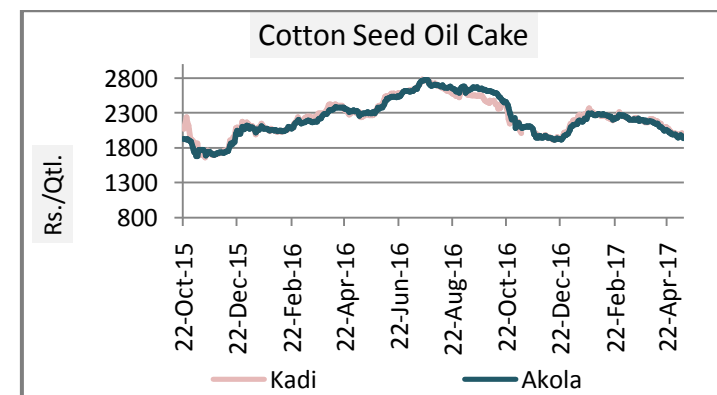
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	11-May-17	04-May-17	
New Delhi	603	600	0.56
Rajkot	626	620	0.89
Hyderabad	599	598	0.14
Mumbai*	628	625	0.40

**Vat Included*



Cotton Seed Oil Cake Weekly Price Scenario

Cotton seedoil cake price noticed pale tone during the week. Weekly average price in Akola remained Rs 1958 per quintal, lower compared to the weekly average price of Rs 1981 per quintal in the previous week.

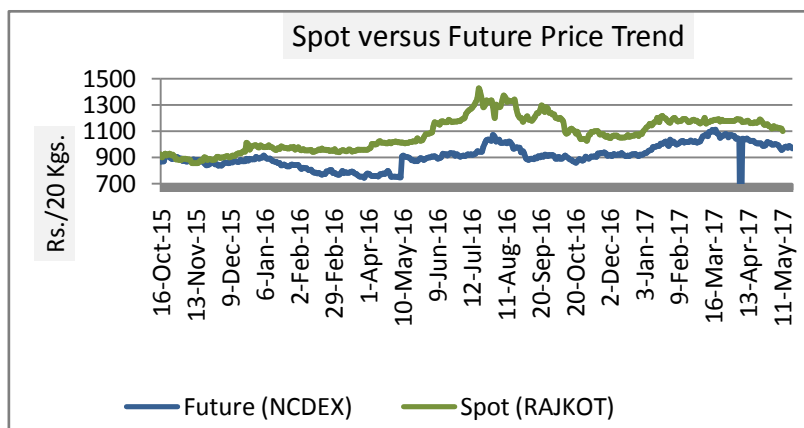


Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	11-May-17	04-May-17	
Kadi	1998	2003	-0.26
Akola	1958	1981	-1.16

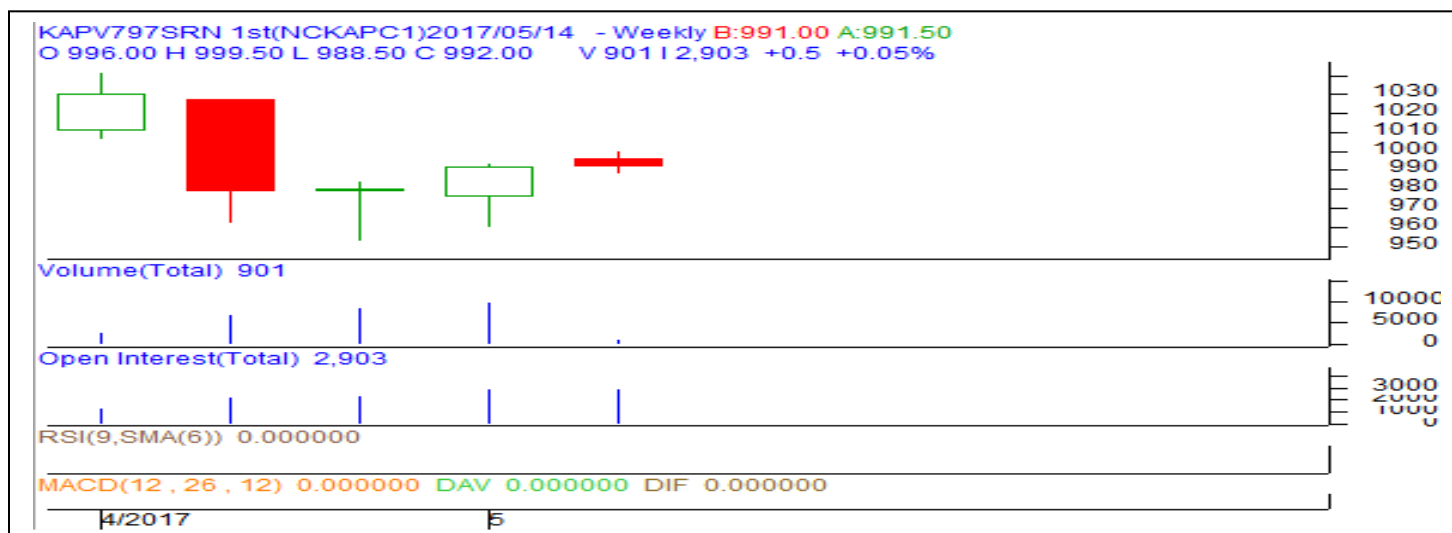
**Source: NCDEX*

Cotton Spot and Future Price Trend

Cotton future price closed lower this week. Kapas at NCDEX (Continuous chart) closed at Rs.969 as on 11 May 2017, compared to 976.5 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.141.6 which was Rs 157.2 a week earlier.



Technical Analysis of Kapas Future Prices at NCDEX(Continuous Chart C1)



Weekly Technical Outlook:

- Kapas prices and volume decreased while O.I increased for the week.
- RSI is increasing in the neutral zone.
- MACD signal line and center line denotes neutral crossover.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	950-1050

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
900	870	1080	1100

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 88.64cents/pound this week, which was 87.80cents/pound during last week.

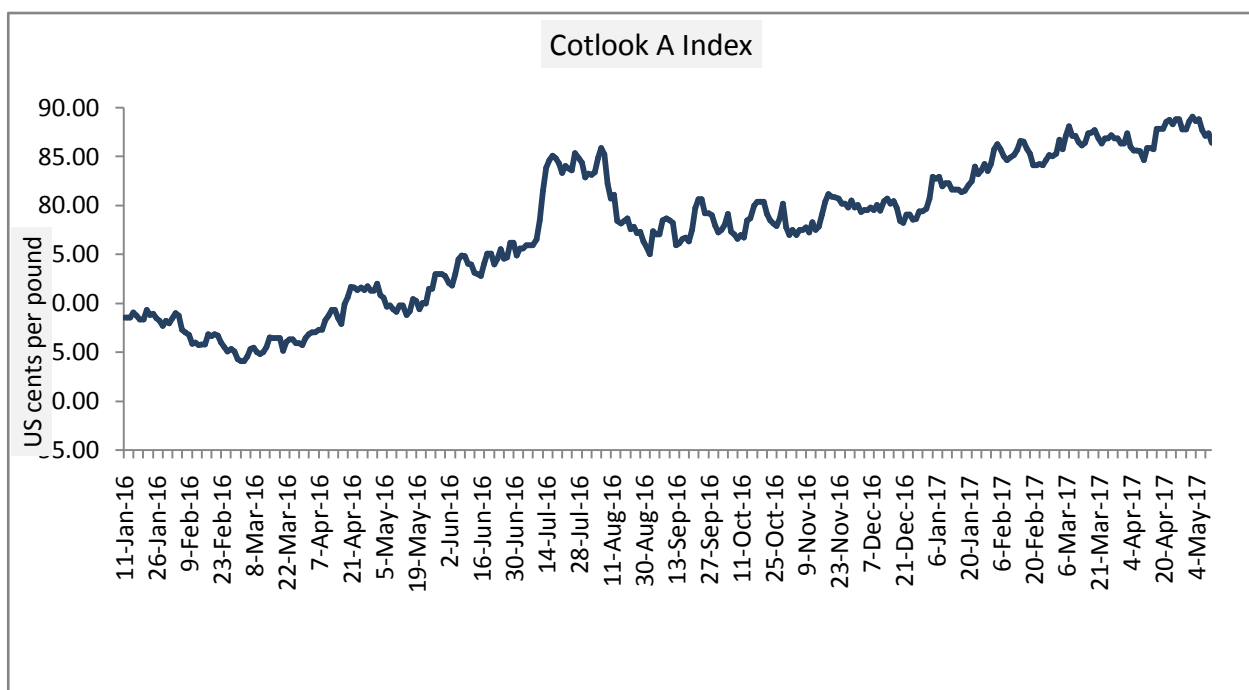
Major Market Highlights: According to agriculture ministry, Mali's cotton production for the upcoming 2017/18 season is estimated at 725,000 tonnes compared to 645,000 tonnes in the current season. Plantation of more land, renewing subsidies and continuing a two-year-old programme that provides tractors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

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.

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



Cotlook A index remained weak during the week.

Cotlook A Index	Weekly Average Price as on		% Change
	11-May-17	04-May-17	
Prices	87.47	88.37	-1.0
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.

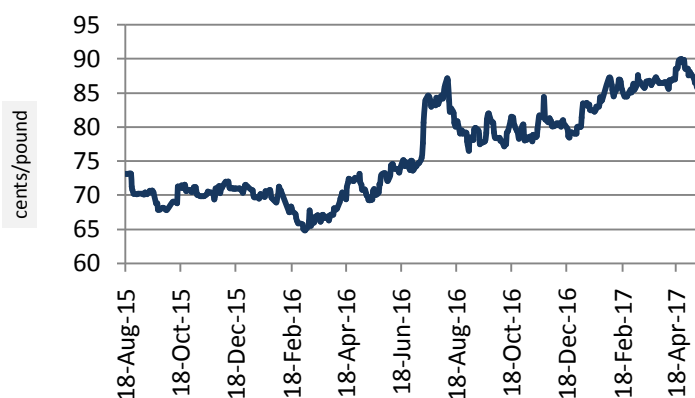
In 2016, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton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

Cotton Index	Weekly Average Price as on		% Change
	11-May-17	04-May-17	
FC (S)	89.36	90.57	-1.34
FC (M)	86.80	88.07	-1.45
FC (L)	84.73	86.60	-2.15
Prices in US cents per Pound			

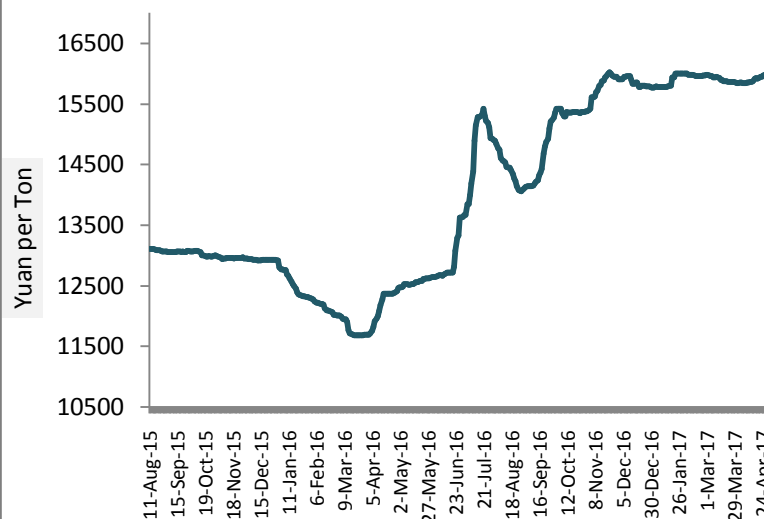
China Index remained firm during the week. CC Index (328) remained 14912 Yuan per ton during the week. Average was 14857 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	11-May-17	04-May-17	
CCIndex(229)	16008	15968	0.25
CCIndex(328)	14952	14912	0.27
CCIndex(527)	16372	16348	0.15
Prices in Yuan per ton			

FC Index (M)



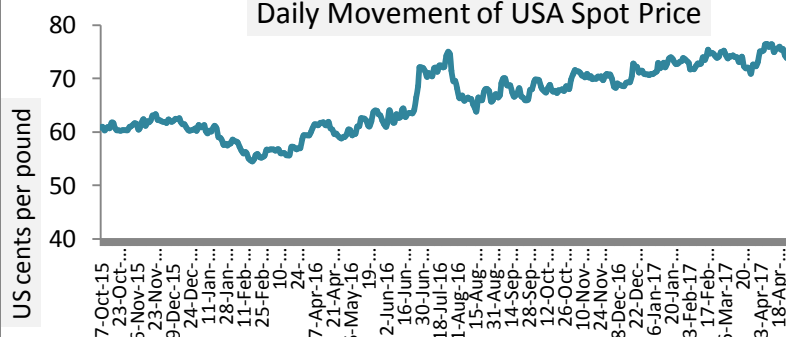
China Cotton Index(328)



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.

Daily Movement of USA Spot Price

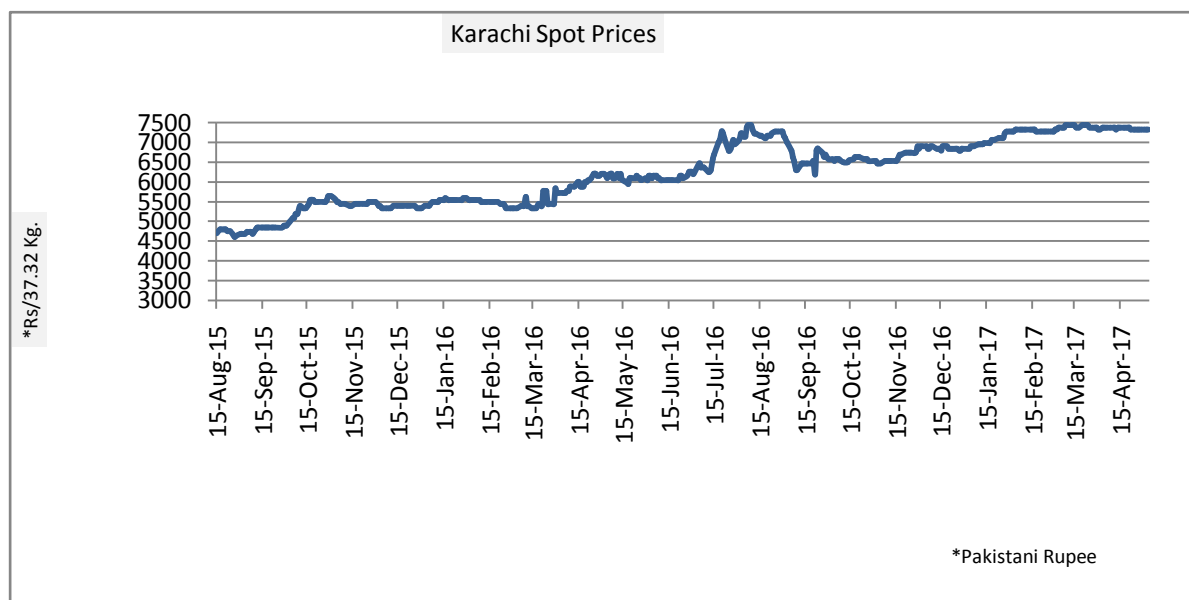


USA Spot Prices	Weekly Average Price as on		% Change
	11-May-17	04-May-17	
Prices	74.33	75.69	-1.80
Prices in US cents per Pound			

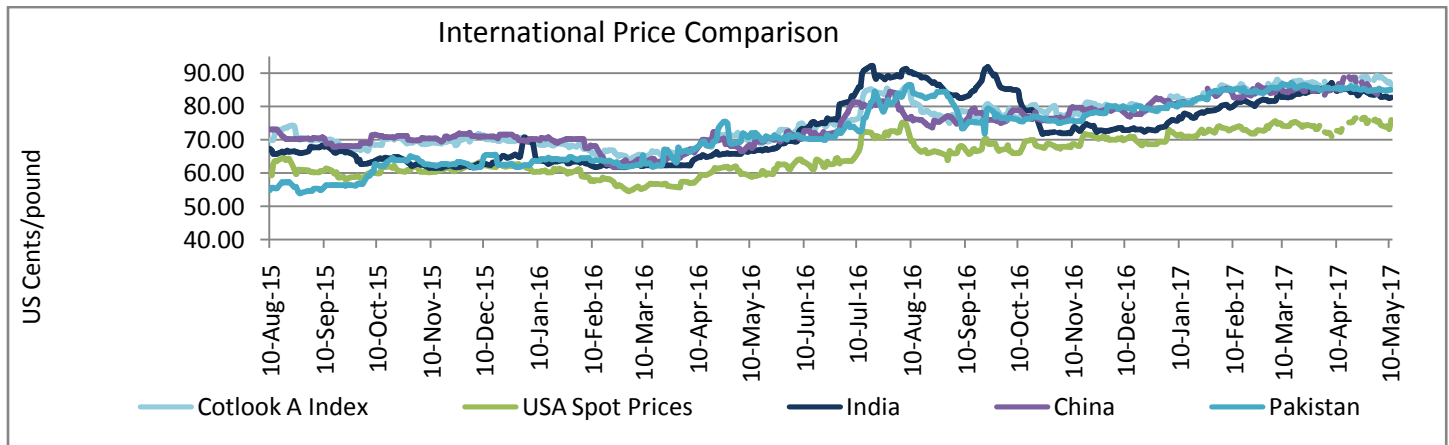
Pakistan Spot Prices

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
	11-May-17	04-May-17	
Prices	7325	7325	0.00
Prices in Rs per 37.32 Kg			



International Price Comparison



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



Weekly Technical Outlook:

- Candlesticks denote range-bound movement in the market.
- Volume increased while Open Interest decreased.
- We expect cotton prices to remain sideways to firm in the coming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	74.00-88.00

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
75.43	72.14	85.64	87.82

Figures in US cents/pound

Cotton Future Prices at ICE

Contracts	10-May	Week Ago	Month ago	Year Ago	%W-o-W change	%M-o-M change	%Y-o-Y change
May-17	76.49	80.69	75.15	61.78	-5.21	1.78	23.81
Jul-17	73.50	78.77	76.81	60.90	-6.53	-4.31	20.69
Oct-17	72.33	76.02	73.71	61.48	-4.68	-1.87	17.65
Dec-17	72.11	74.53	73.24	60.91	-3.18	-1.54	18.39
Mar-18	72.36	74.06	73.46		-2.28	-1.50	
May-18	72.51	74.03	73.75		-2.05		

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	06th to 12th May.17	29th April to 05th May.17	
Gujarat	Ahmedabad	Shankar-6	5500	5546	-46
	Gondal	Shankar-6	5588	5576	13
	Rajkot	B.T. Cotton	5592	5658	-67
	Patan	B.T. Cotton	5150	5678	-528
	Kadi	B.T. Cotton	5542	5633	-92
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5286	5376	-90
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5822	5992	-170
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	5808	5910	-102
	Rawatsar	B.T. Cotton	NA	NA	-

Madhya Pradesh	Khandwa	Mech-1	NA	4367	-
	Khargaon	Mech-1	5408	5517	-109
Maharashtra	Amravati	Mech-1	NA	5400	-
	Jamner	Medium Staple	5198	5324	-126
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5200	5233	-33
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	5557	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4160	4160	Unch
Karnataka	Bijapur	Bunny	5870	5927	-57
	Hubli	D.C.H.	4926	5309	-384
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5540	5767	-227
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	06th to 12th May.17	29th April to 05th May.17	
Punjab	Bhatinda	J-34	4637	4720	-83
	Abohar	J-34	4632	4723	-92
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4548	4633	-86
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th to 12th May.17	29th April to 05th May.17	
Gujarat	Ahmedabad	Shankar-6	153000	144500	8500
	Gondal	Shankar-6	5128	6181	-1053
	Rajkot	B.T. Cotton	16350	11200	5150
	Patan	B.T. Cotton	6974	18029	-11055
	Kadi	B.T. Cotton	75000	80000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	300	1641	-1341
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-

Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	242	285	-43
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	530	-
	Khargaon	Mech-1	2370	3100	-730
Maharashtra	Amravati	Mech-1	NA	300	-
	Jamner	Medium Staple	881	1467	-586
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	2164	3940	-1776
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	112	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	8480	7920	560
	Hubli	D.C.H.	10	2	8
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1195	1020	175
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th to 12th May.17	29th April to 05th May.17	
Punjab	Bhatinda	J-34	1615	2635	-1020
	Abohar	J-34	340	2125	-1785
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	1530	850	680
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				05th to 11th May.17	28th April to 04th May.17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34417	34450	-33
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35417	35450	-33
J-34(202)	26mm	3.5 - 4.9	23	43117	43650	-533

H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	40133	40550	-417
Shankar-6(105)	29mm	3.5 – 4.9	28	41767	42067	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43700	43717	-17
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46000	46000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch

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