

## **Domestic market summary**

### **Domestic Market Scenario:**

Indian cotton market remained firm during the April month. All India daily arrivals are decreasing rapidly and tight supply helped prices stay strong in the Indian market. Indian mills are struggling to get quality cotton. Also, disparity in yarn forced them to cut down production of yarn. Indian cotton Shanker-6 prices remained stable near Rs90,200 to 90,500 per candy.

**Monthly Price Outlook :** The prices of medium staple length in Adoni market are likely to hover around Rs. 11,400-11,800/q in the coming month.

### **Major Market Highlights:**

**Production Estimates** - As per the Government's Second Advance Estimate, cotton production for 2021-22 is projected at 340.63 lakh bales, which is 3% lower than the previous year's final production estimate of 352.48 lakh bales. As per AgriWatch estimate, production is expected to be 342.60 lakh bales against the previous season estimate of 365 lakh bales. Production is expected to be lower in the 2021-22 season mainly because of lower sown area in 2021-22 season at 119.66 lakh hectares as compared to previous season of 128.07 lakh hectares.

Cotton prices in Yavatmal has reached a historic high in 2021-22 season. The current market price of cotton per quintal has touched Rs 11,800 per Quintal, mainly, due to the global demand.. It is for the first time that cotton has been sold at such a high price in the local market. The price of cotton in December last year was Rs 6,000 per quintal. Major cotton-producing countries like China and USA have experienced lower production forcing them to start buying cotton from India. The price of cotton has increased by Rs1,500 per quintal to Rs.11, 800 in the last fortnight.

With cotton Marketing Season heading towards the end, only 44% cotton crop has arrived so far in Punjab as compared to the corresponding period last year. The pink bollworm attack on the cotton crop earlier in the State is the main reason behind the procurement of even less than half quantity than the previous year.

The Committee on Cotton Production and Consumption has estimated the India's cotton season (October 2021 to September 2022) to close with a stock of 45.46 lakh bales. The Committee has estimated that the total consumption by the textile mills to be 329 lakh bales, including 305 lakh bales by non-SSI mills, and exports to be 40 lakh bales. The production is expected to be around 340 lakh bales. As against a total supply of 430.46 lakh bales (including opening stock and imports), and the demand is likely to be 385 lakh bales.

### **Cotton Balance Sheet:**

(Quantity in Lakh Bales)

	2020-21	2021-22*
Opening Stock	103.82	78.82
Production	365.00	342.60
Imports	10.00	12.00
Total Supply	478.82	433.42
Exports	75.00	50.00
Consumption	325.00	330.00
Total use	400.00	380.00
Ending Stock	78.82	53.42
Stock-to-Use ratio	19.71%	14.06%

Due to the good export parity in the 2020-21, exports had increased to 75 lakh bales. Exports during the 2021-22 season is estimated at 50 lakh bales whereas, the imports in 2021-22 are likely to be around 12 lakh bales around 2 lakh bales higher from the previous 2020-21 season.

The total cotton availability by the end of the season in 2020-21 is estimated at 478.82 lakh bales and an lower availability is expected in 2021-22 season of around 433.42 lakh bales. Total domestic consumption in 2021-22 is expected to increase to 330.00 lakh bales.

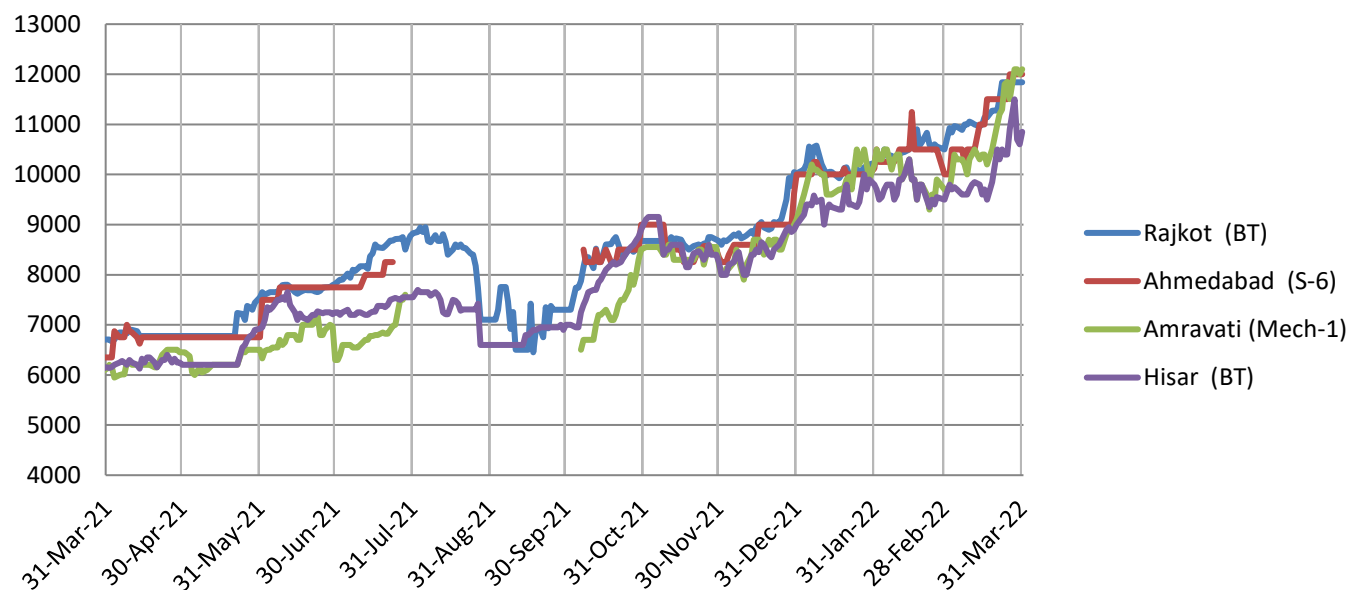
So, the increase in consumption has resulted in lowering ending stocks of around 78.82 lakh bales in 2020-21 and is likely to occur this year too, the ending stocks by the end of 2021-22 season is estimated to be 14.06 lakh bales.

### Domestic Cotton Prices Scenario

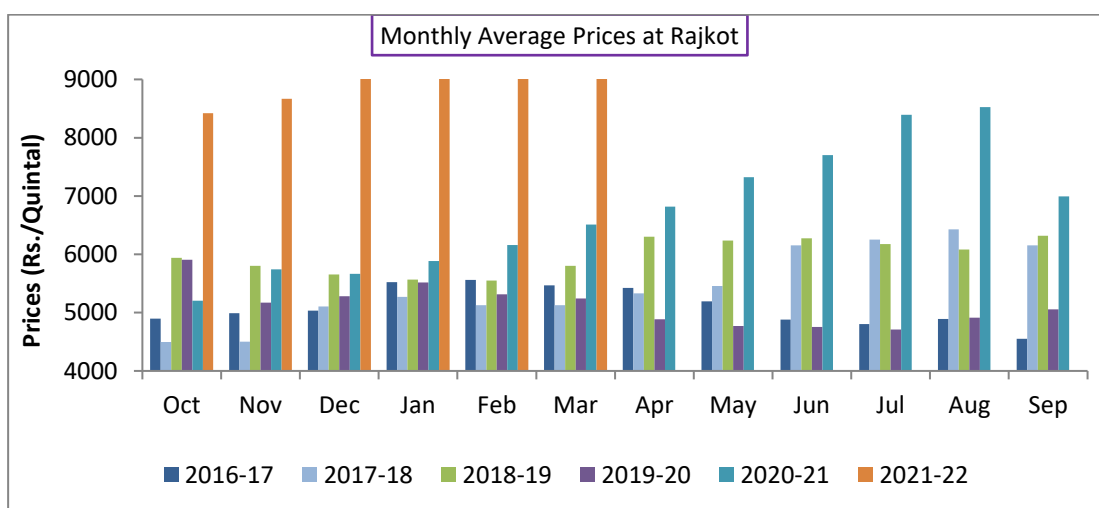
#### Kapas (Raw Cotton) Monthly Price Scenario

**Monthly Price Review:** Monthly kapas average price at Rajkot and other markets were significantly lower and stood at Rs.11,307/quintal in Rajkot as compared to previous month price of Rs. 10,507/quintal and Rs. 10,088/quintal in Hisar as compared to previous month price of Rs. 9693/quintal. Prices have improved in Amravati and Ahmedabad market in the March month and were at Rs. 11,110/quintal and Rs. 10,834/quintal.

### Variety wise Kapas Price trend (Rs/Qtl)



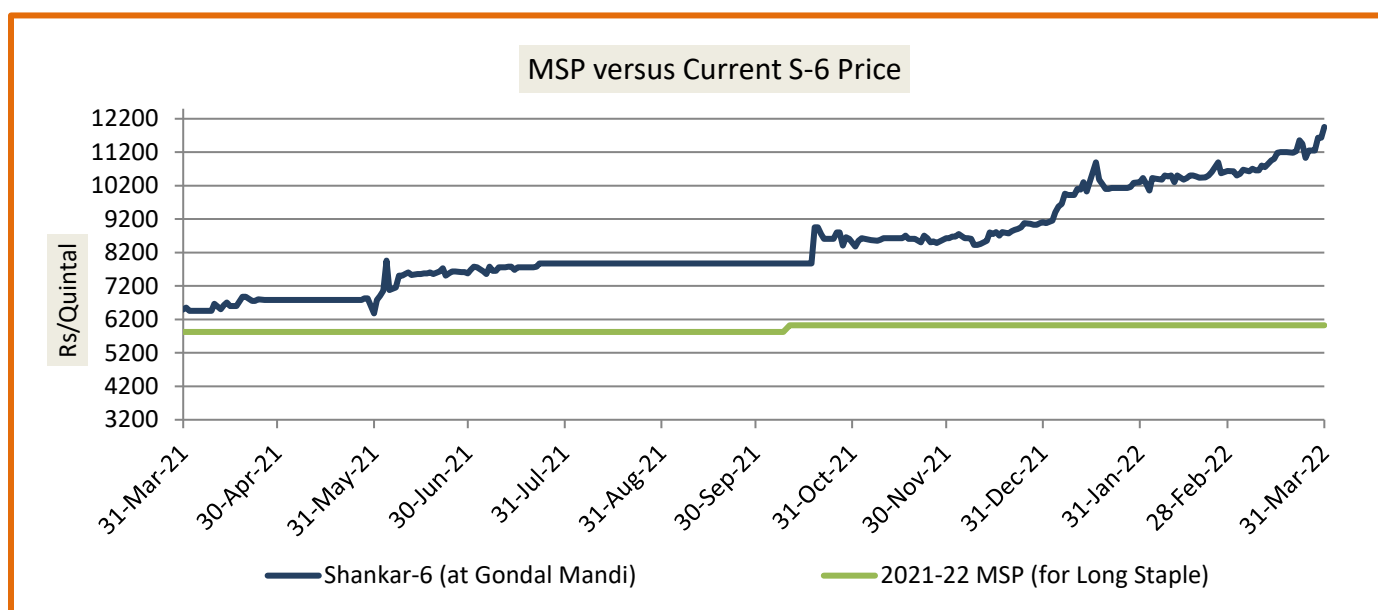
### Kapas Monthly M-o-M Price Scenario



The arrivals in the month of March has declined in the market as the season is coming towards its end, whereas the prices continued a steady trend and the monthly average price was at Rs. 11,097.34/Qtl compared to the prices during the corresponding month of the previous season. (Rs. 6511.38/Qtl)

### Spot Price versus MSP

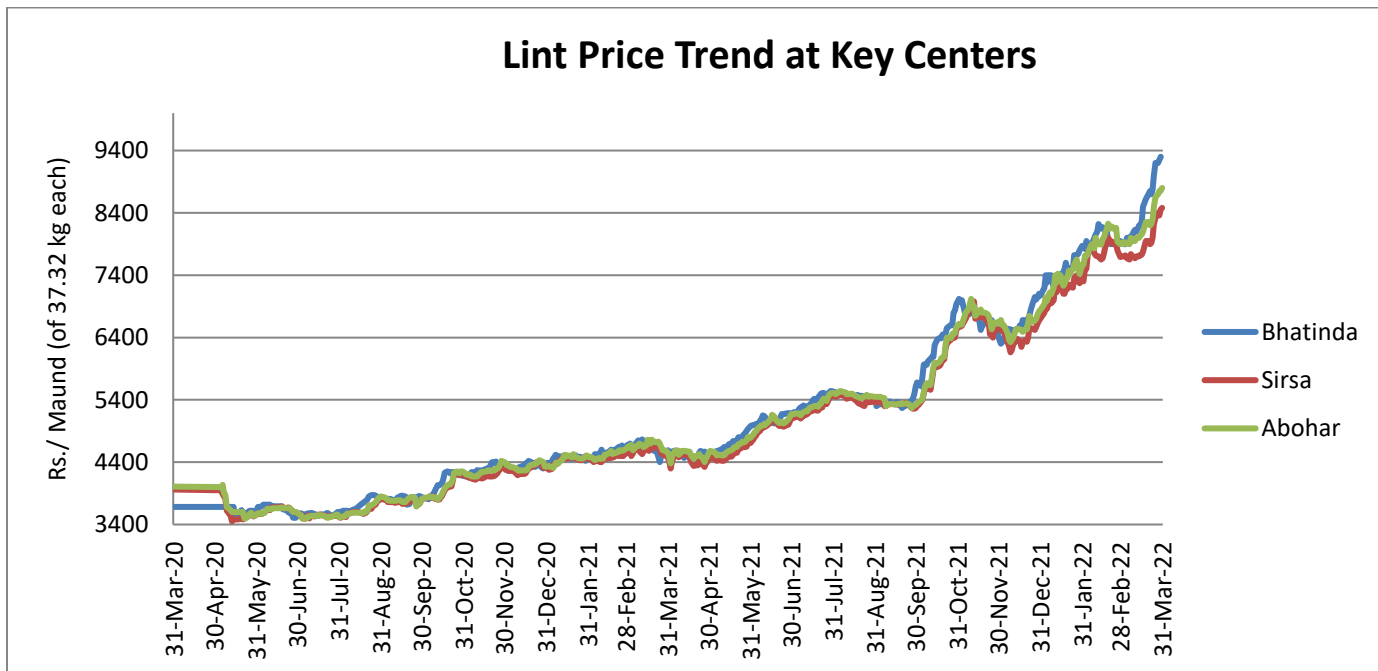
Average kapas price at Gondal market stood slightly higher at Rs. 11,425/qt in March 2022 as compared to Rs. 10,554/qt in February 2022.



### Lint price Outlook

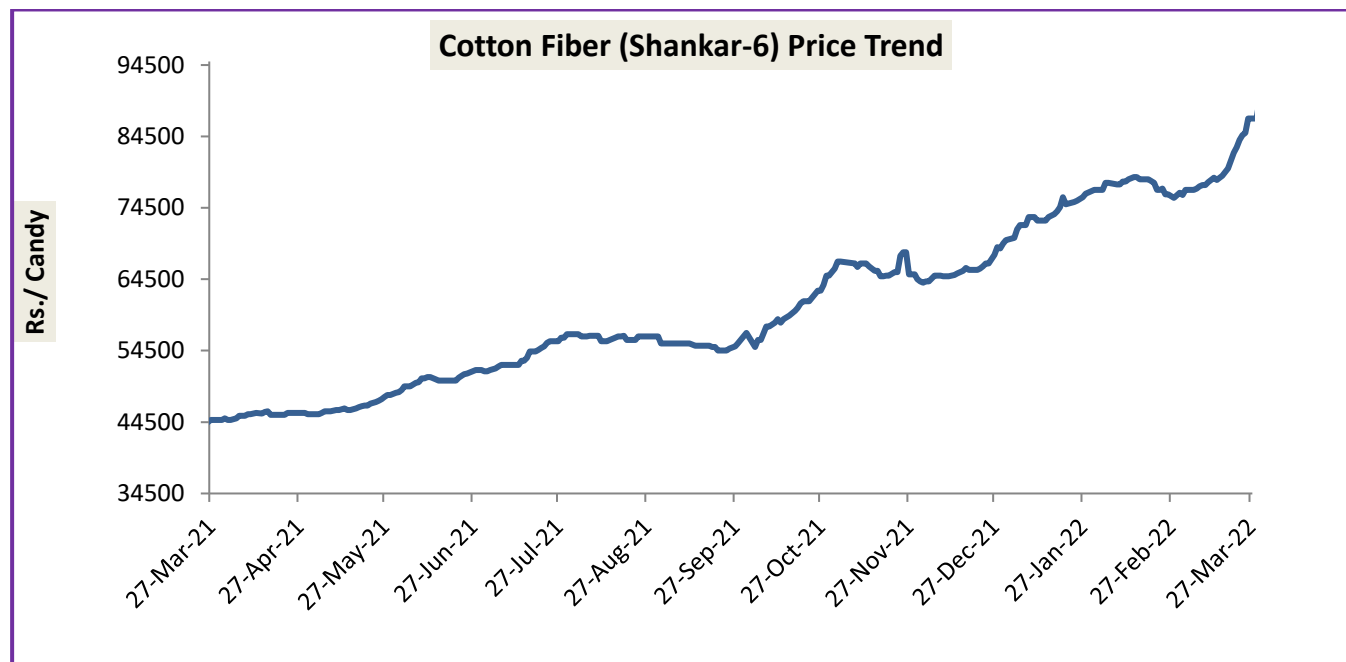
Monthly average price of Lint at Sirsa stood higher compared to previous month at Rs.8159 per maund of 37.32 kg each in March whereas in Bhatinda market the prices have increased and were at Rs. 8429 per maund of 37.32 kg each.

### Lint Price Trend at Key Centers



### Cotton Fiber price Outlook

The average spot price quoted for Shankar-6 (29mm) by CAI was Rs.80679 per candy (of 355.6 kg each) during the March month, higher than Rs.77695 per candy from previous month. While the prices during the same month last year were low around Rs. 45432 per candy. Agriwatch expects cotton fiber to remain around of Rs.90,200-90,500 per candy in the coming month.

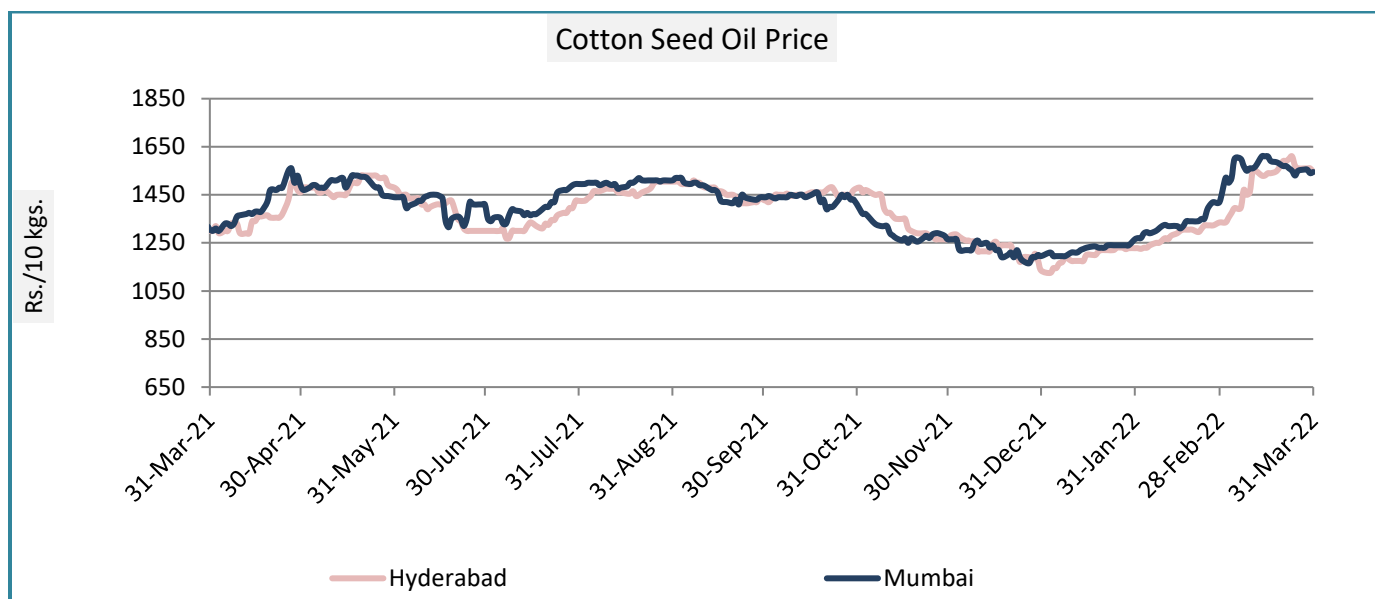


## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil monthly Price Scenario

The monthly average price in Hyderabad stood at Rs.1557 per 10 Kg, , Rs. 1552 kg in Rajkot and Rs.1568 per 10 kg in Mumbai.

Centers	Monthly Average Price as on (Rs/10 kg.)		% Change
	March	February	
New Delhi	-	-	-
Rajkot	1552	1345	15.42
Hyderabad	1557	1337	16.42
Mumbai	1568	1361	15.18

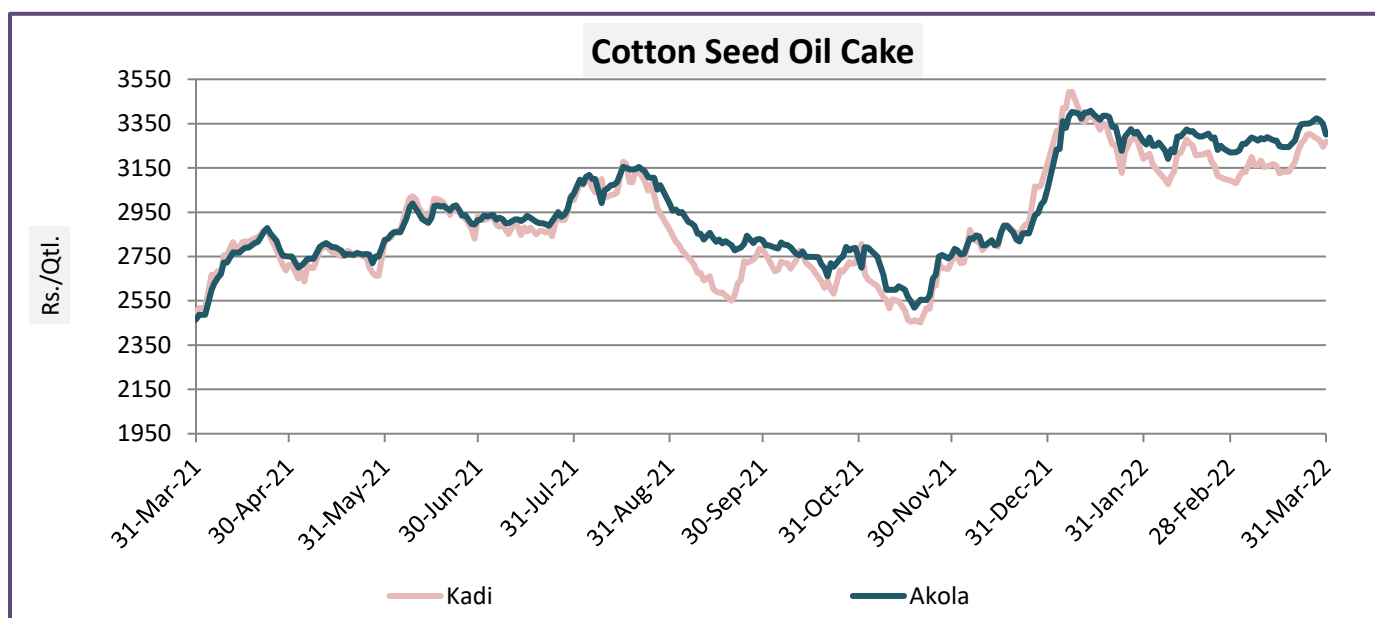


### Cotton Seed Oil Cake monthly Price Scenario

The average price of cottonseed oilcake in the Kadi market was Rs. 3192 per quintal from Rs. 3171 per quintal and in Akola was at Rs. 3293 per quintal from Rs. 3267 per quintal the previous month. The demand in the local market has fallen in the March as compared to previous months.

Centers	Monthly Average Price as on (Rs/quintal.)*		% Change
	March	February	
Kadi	3192	3171	0.67
Akola	3293	3267	0.80

\*Source: NCDEX



### International Market Scenario

ICE front month futures was higher by around 8% in Mar'22 month compared in Feb'22. The average of ICE May contract stood high around 134.55 cents/lbs in Mar'22, up by 8.90 points compared to the average price that stood in Feb'22 around 123.55 cents/lbs.

### **Major Market Highlights:**

The rate of local cotton in Pakistan remained stable while unprecedented increase was witnessed in the rate of cotton in international cotton markets. The rate of Future Trading of New York Cotton reached at 136 American cents per pound which is at highest level in the past 11 years. Cotton growers demanded that the government should fix the intervention price of cotton at Rs 7500 per maund. Karachi Cotton Association has shown reservation on delay in issuance of permit to the importers of raw cotton by the plant protection department.

Cotton prices rose to their highest level, due to prolonged drought in parts of the Central United States. The plant fibre reached \$1.3171 per pound (about 453 grams) on the US futures contract. Rainfall has been exceptionally lower since early January in the Northwest part of Texas which produces about 40 percent of all US cotton production.

The US Department of Agriculture (USDA) has pegged India's cotton production at 5,770 MT lower from its previous month estimate of 5,879 MT. The USDA has stated though the area under cotton had dropped to a five-year low of 124 lakh hectares, a higher yield of 465 kg/ha had helped bridge the gap a bit. Last month, the Cotton Association of India (CAI), has also reduced its crop estimates to 343.13 lakh bales from its earlier projection of 348.13 lakh bales.



The ongoing Russia-Ukraine war has made the textile shipments uncertain as many of the international containers lines have suspended shipping to Russia. Besides, others are also showing reluctance in taking of Russia-bound containers bookings.

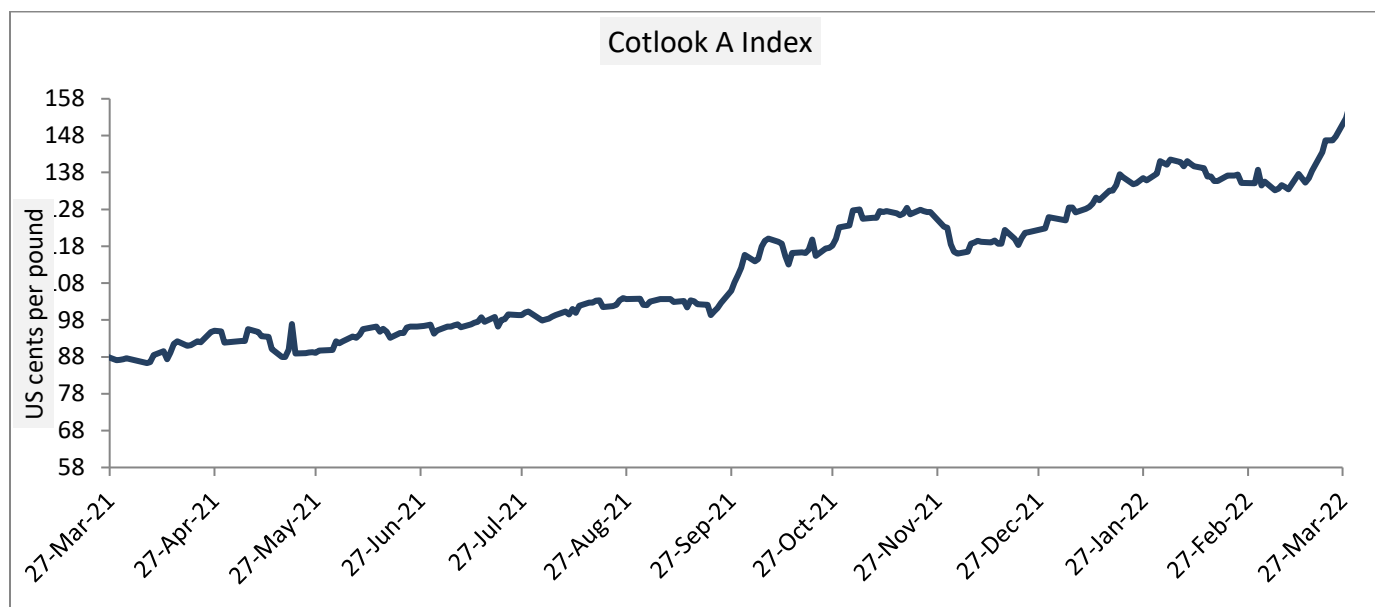
The U.S. Department of Agriculture's (USDA's) first 2022-23 world cotton projections estimates that global consumption will exceed production, reducing world stocks by 2.5 million bales. World cotton production is expected to rise 3.2 percent, with harvested area rising in some countries. Global consumption is expected to grow at about the long-term average rate, as the world economy continues its recovery from the severe downturn in 2020 and supply chain problems in 2021.

In the world 2021-22 cotton balance sheet, ending stocks are 1.7 million bales lower than a month earlier. Projected world 2021-22 consumption is marginally higher this month, up 111,000 bales. But with a 1-million-bale increase in the 2020-21 global estimates, March's projected consumption growth rate is lower this month. World consumption is now expected to grow 2.1% from a year earlier, below the 2.8% rate forecast in February. Production is projected to be lower as a 5,00,000-bale reduction in India's crop more than offsets a 150,000-bale increase for Mexico.

### Cotlook A Index

The average CotlookA Index stood higher at 140 US cents per lb in March month and that has increased by 1 percent from previous month.

Cotlook A Index	MonthlyAverage Price as on		% Change
	March	February	
Prices	140.66	138.50	1.56
Prices in US cents per Pound			



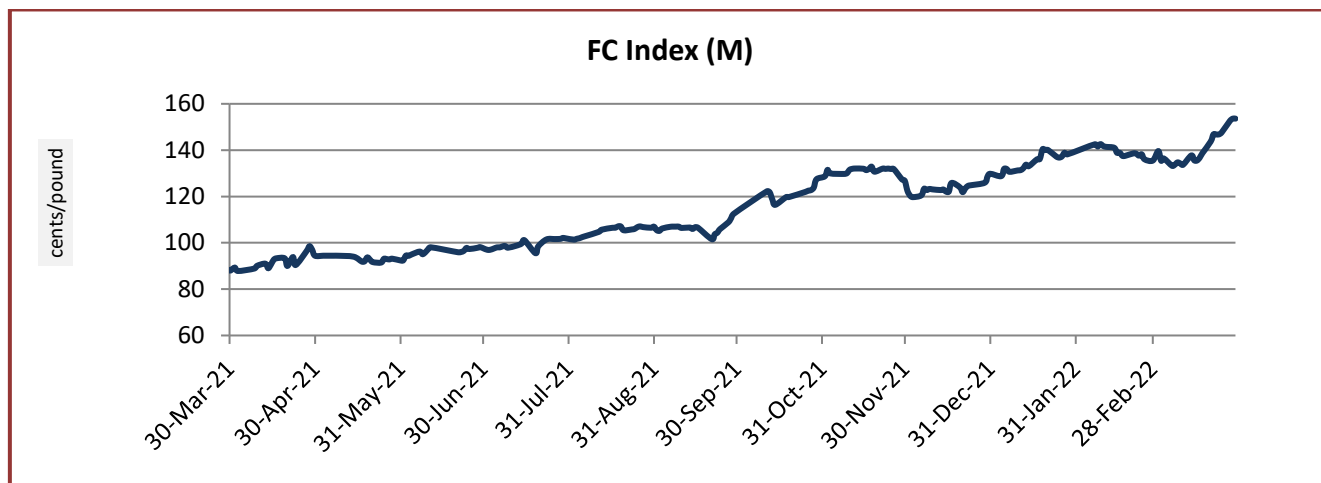
Source: Cotlook

### China Cotton Index and Foreign Cotton Index

The China cotton Index prices has increased from previous month around 1-2 percent in March 2022.

Cotton Index	Monthly Average Price as on		% Change
	March	February	
FC (S)	142.35	140.62	1.23
FC (M)	140.80	139.27	1.10
FC (L)	139.24	137.70	1.12
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Monthly Average Price as on		% Change
	March	February	
CCIndex(328)	22731.32	22848.47	-0.51
CCIndex(527)	20929.82	21056.93	-0.60
CCIndex(229)	23181.27	23310.00	-0.55

Prices in Yuan per ton

Source: China Cotton Association

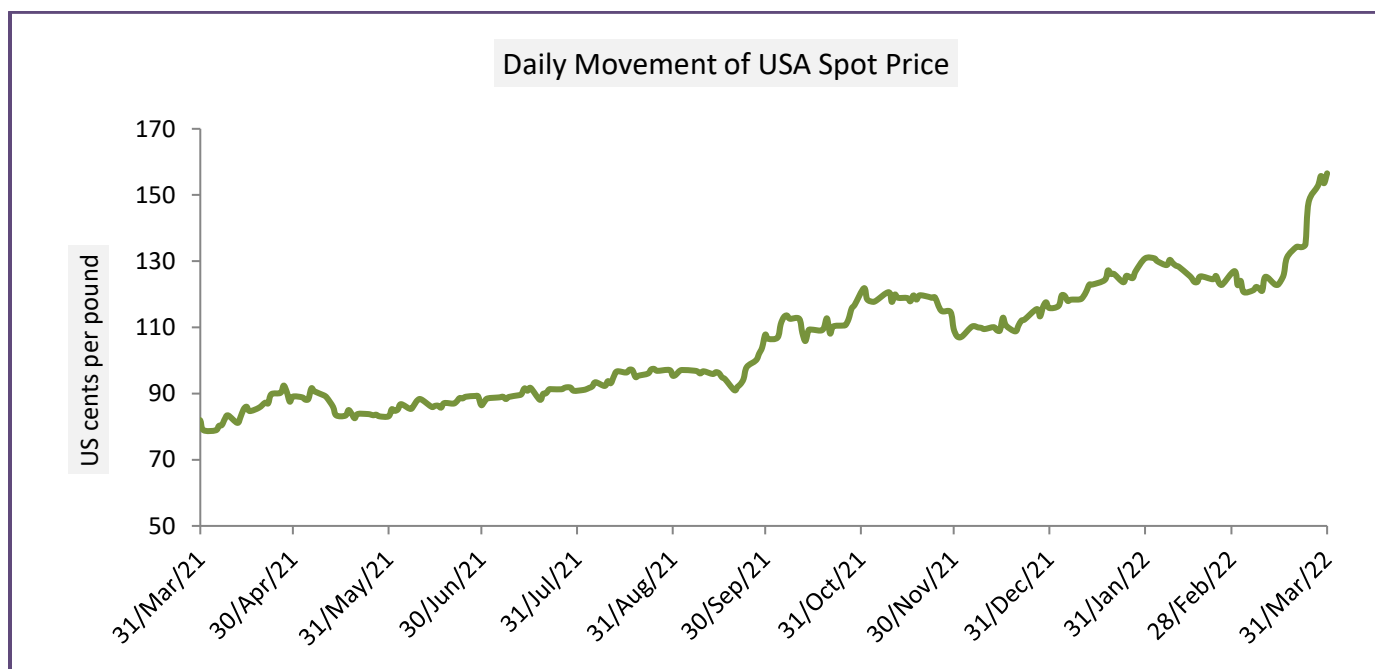


### USA Spot Prices

U.S.A Spot price for this month was at 130.95 cents/ pound higher from previous month price by 2-3 percent.

USA Spot Prices	Monthly Average Price as on		% Change
	February	February	
Prices	130.95	126.67	3.38
Prices in US cents per Pound			

Source: USDA

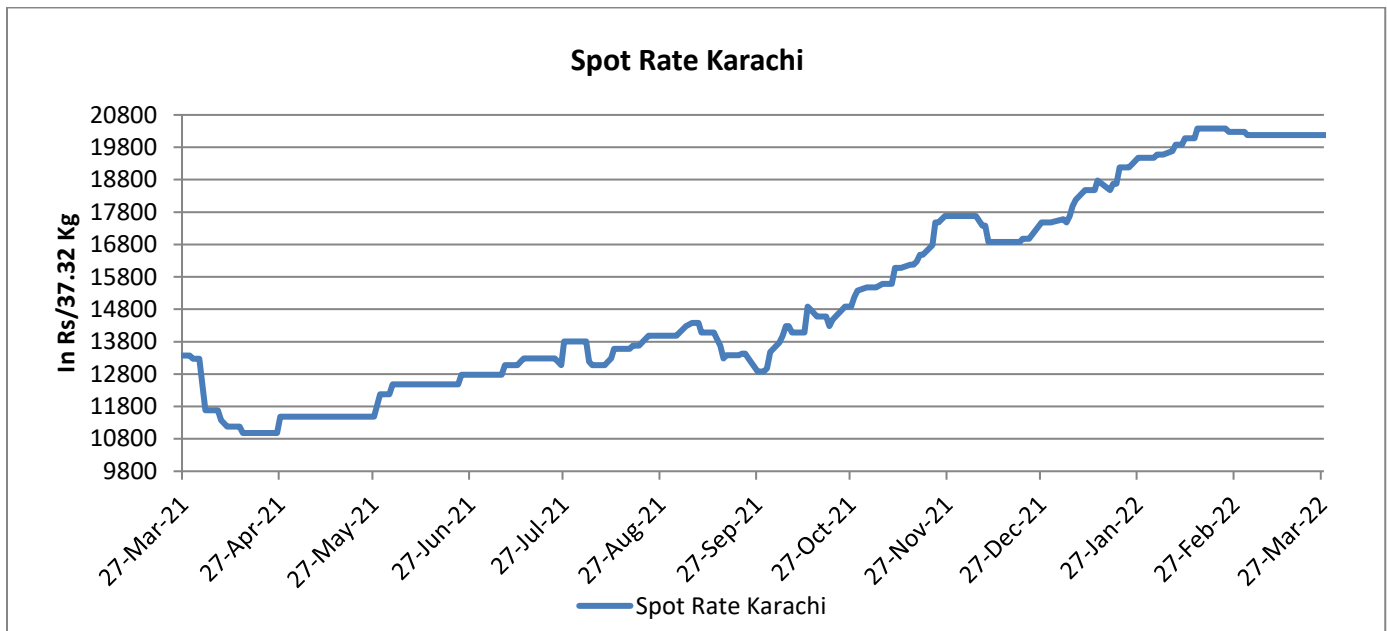


### Pakistan Spot Prices

The Karachi spot price stood around Rs.20180/q slightly higher compared to the previous month.

Karachi Spot Prices	Monthly Average Price as on		% Change
	March	February	
Prices	20180	20186	-0.03
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Apr.

Expiry: Apr. 30, 2022

## Cotton – Technical Outlook

### Technical Chart:



### Technical Commentary:

- The Cotton posted gain on buyers interest.
- However, strong resistance can be seen at 42460.
- MACD, indicating steady momentum.
- RSI is indicating strong buying strength, currently in oversold zone.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Apr	40830	40910	41250	42460	43580
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Apr	Buy	41240	41340	41430	41170

\* Do not carry-forward the position next day.

Commodity: Cottonseed oil

Exchange: MCX

Contract: Apr.

Expiry: Apr. 30, 2021

### Cottonseed Oilcake

#### Technical Chart:



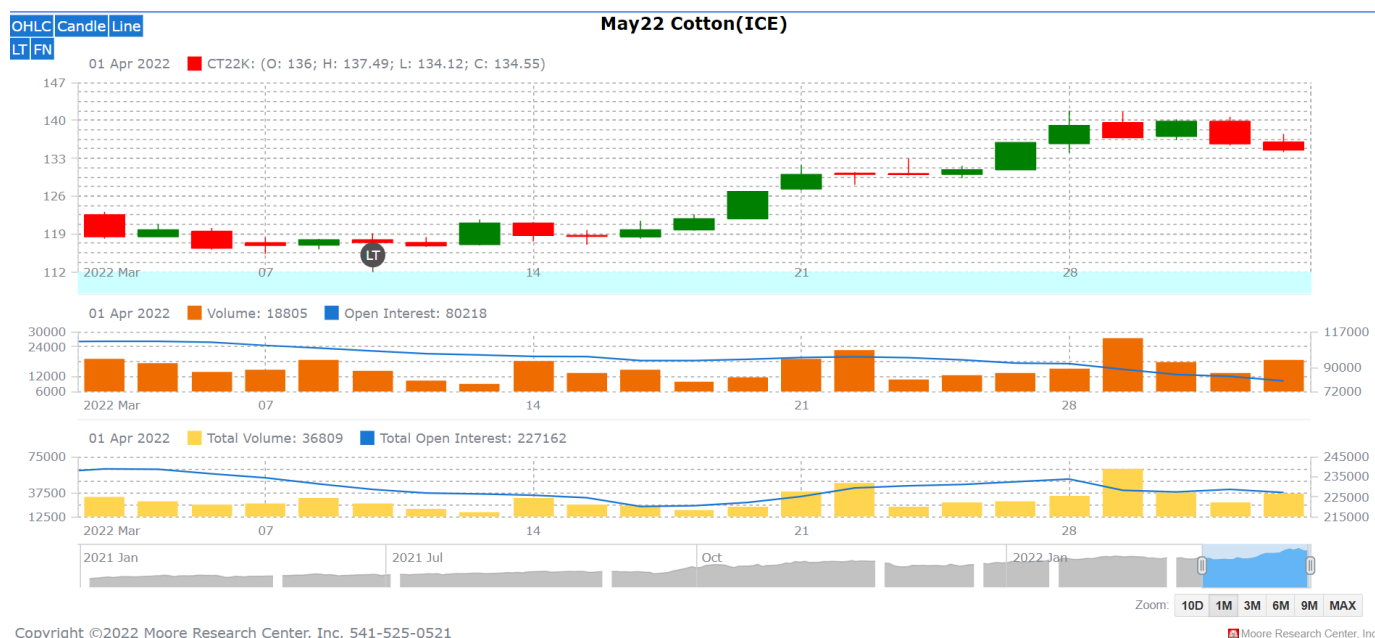
#### Technical Commentary:

- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 3206.
- MACD, indicating firm momentum.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Apr	3006	3076	3196	3336	3396
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Apr	Buy	3186	3286	33306	3116

## Monthly Technical Outlook:

### Technical Analysis of Cotton Future (May'22 Contract) at ICE



- Candlesticks showed firm trend in the market during March month.
- Volume&Open Interest have slightly decreased over a month.
- We expect cotton prices to remain steady to firm in the coming month.

### Expected Price Range During Coming month

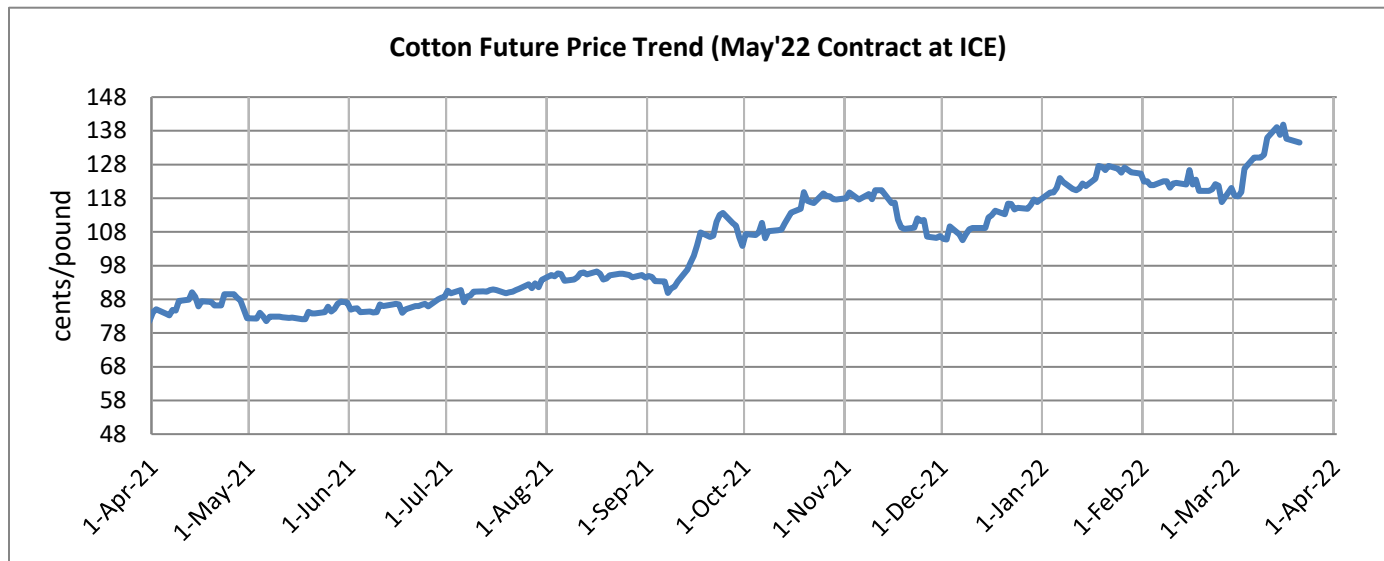
Expected Trend	Expected Trading Band
Range bound to Bullish momentum	135-162

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
120	115	140	152

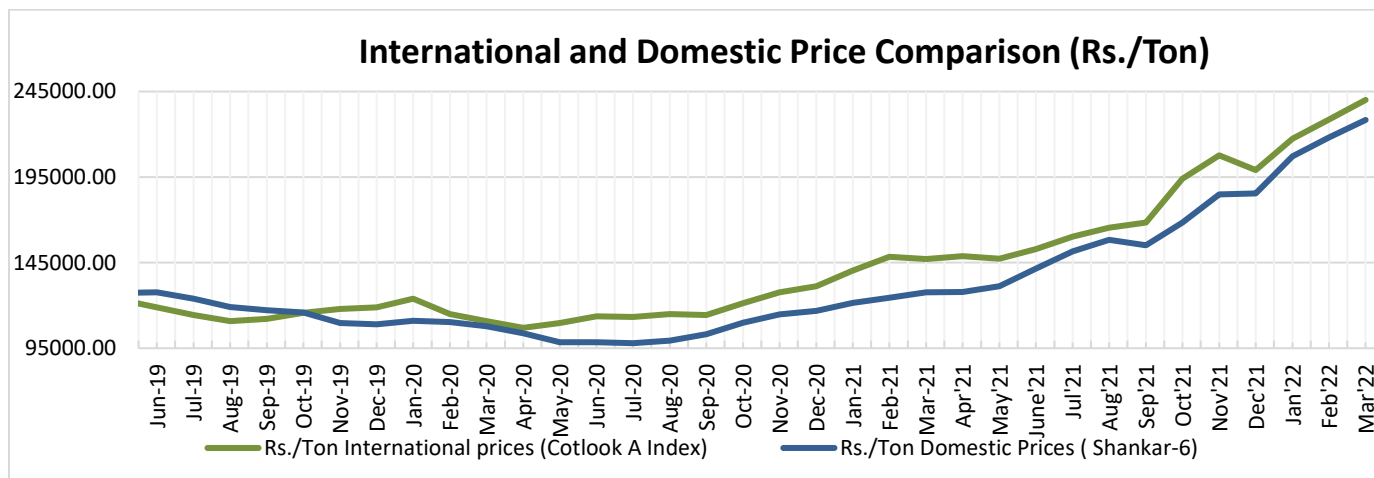
Figures in US cents/pound



**Cotton Future Prices at ICE**
**Future Price Trend (Active Contract):**


Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	01-Apr-22	02-Mar-22 (1 month ago)	01-Jan-21 (3 months ago)	03-Oct-21 (6 months ago)	01-Apr-21 (a year ago)	% Change over a month	% Change over previous year
May-22	134.55	123.55	113.23	106.93	77.95	8.90	72.61
Jul-22	130.93	119.80	110.91	104.93	79.27	9.29	65.17
Oct-22	116.72	115.86	108.5	102.59	78.22	0.74	49.22
Dec-22	110.68	104.56	97.90	106.59	77.91	5.85	42.06
Mar-23	106.21	100.81	92.95	105.52	77.61	5.36	36.85

### International and Domestic Price Comparison



### Domestic Cotton Prices and Arrivals at Key Centers

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Montly Prices Average (Rs./Quintal)		Change
			Mar'22	Feb'22	
Gujarat	Ahmedabad	Shankar-6	10940	10442	498
	Gondal	Shankar-6	11246	10554	692
	Rajkot	B.T. Cotton	11097	10519	578
	Patan	B.T. Cotton	10423	10332	91
	Kadi	B.T. Cotton	10884	10292	592
	Deesa	B.T. Cotton	NA	9253	-
	Dhrol	B.T. Cotton	10149	10033	116
Haryana	Bhiwani	B.T. Cotton	8400	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10084	9706	378
	Fatehabad	B.T. Cotton	10167	9571	596
	Jind	B.T. Cotton	10038	7906	2132
	Uchana	B.T. Cotton	9746	9571	175
	Dabwali	B.T. Cotton	10474	7943	2531
Rajasthan	Hanumangarh	B.T. Cotton	10687	9750	937
	Rawatsar	B.T. Cotton	10658	10198	460
Madhya Pradesh	Khandwa	Mech-1	9753	10245	-492
	Khargaon	Mech-1	10008	10159	-151

<b>Maharashtra</b>	Amravati	Mech-1	10881	10120	<b>761</b>
	Jamner	Medium Staple	9580	10260	<b>-681</b>
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	10256	<b>-</b>
	Hathras	Desi	NA	9554	<b>-</b>
<b>Telangana</b>	Adilabad	Un-Ginned	9853	10524	<b>-671</b>
<b>Andhra Pradesh</b>	Adoni	Medium Staple	10731	10524	<b>207</b>
<b>Karnataka</b>	Bijapur	Bunny	11044	10658	<b>386</b>
	Hubli	D.C.H.	NA	NA	<b>-</b>
	Hubli	B.T. Cotton	NA	NA	<b>-</b>
	Raichur	H-44 Cotton	10483	10317	<b>166</b>
<b>Commodity</b>	<b>Lint</b>		<b>Montly Prices Avg. (Rs./Maund of 37.32kg each)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>Mar'22</b>	<b>Feb'22</b>	
<b>Punjab</b>	Bhatinda	J-34	8429	7984	<b>445</b>
	Abohar	J-34	8462	7996	<b>466</b>
	Mansa	J-34	8442	7971	<b>471</b>
<b>Haryana</b>	Sirsa	J-34	8159	7762	<b>397</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	8397	7419	<b>978</b>

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Monthly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>Mar'22</b>	<b>Feb'22</b>	
<b>Gujarat</b>	Ahmedabad	Shankar-6	810900	1361700	<b>-550800</b>
	Gondal	Shankar-6	55685	88408	<b>-32723</b>
	Rajkot	B.T. Cotton	79100	114150	<b>-35050</b>
	Patan	B.T. Cotton	49137	38818	<b>10319</b>
	Kadi	B.T. Cotton	334500	5600000	<b>-5265500</b>
	Deesa	B.T. Cotton	NA	400	<b>-</b>
	Dhrol	B.T. Cotton	3616	12226	<b>-8610</b>
<b>Haryana</b>	Bhiwani	B.T. Cotton	900	32500	<b>-31600</b>
	Bhiwani	Desi	NA	NA	<b>-</b>
	Adampur	B.T. Cotton	56610	44370	<b>12240</b>
	Fatehabad	B.T. Cotton	9650	10275	<b>-625</b>
	Jind	B.T. Cotton	20713	31532	<b>-10819</b>
	Uchana	B.T. Cotton	30780	42335	<b>-11555</b>
	Dabwali	B.T. Cotton	12650	23300	<b>-10650</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	21100	52700	<b>-31600</b>
	Rawatsar	B.T. Cotton	26300	24800	<b>1500</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	5068	9550	<b>-4482</b>

	Khargaon	Mech-1	12731	73820	<b>-61089</b>
<b>Maharashtra</b>	Amravati	Mech-1	328000	406000	<b>-78000</b>
	Jamner	Medium Staple	200	307	<b>-107</b>
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	145320	603687	<b>-458367</b>
<b>Andhra Pradesh</b>	Adoni	Medium staple	15024	19300	<b>-4276</b>
<b>Karnataka</b>	Bijapur	Bunny	10750	26975	<b>-16225</b>
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	110	103	<b>7</b>
<b>Commodity</b>	<b>Lint</b>		<b>Monthly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>Mar'22</b>	<b>Feb'22</b>	
<b>Punjab</b>	Bhatinda	J-34	102850	178500	<b>-75650</b>
	Abohar	J-34	13430	14790	<b>-1360</b>
	Mansa	J-34	9180	11645	<b>-2465</b>
<b>Haryana</b>	Sirsa	J-34	28390	19295	<b>9095</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	19100	47500	<b>-28400</b>

**Cotton Association of India Cotton Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				Mar'22	Feb'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	54524	54517	<b>7</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	55024	55087	<b>-63</b>
J-34(202)	26mm	3.5 - 4.9	23	76772	73413	<b>3359</b>
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	80895	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	81312	77696	<b>3616</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	86372	82126	<b>4246</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	103620	106304	<b>-2684</b>

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