

Domestic Market Scenario

India's Cotton Balance Sheet:

(Quantity in Lakh Bales)

	2020-21	2021-22*
Opening Stock	103.82	78.82
Production	365.00	338.60
Imports	10.00	12.00
Total Supply	478.82	429.42
Exports	75.00	45.00
Consumption	325.00	330.00
Total use	400.00	375.00
Ending Stock	78.82	54.42
Stock-to-Use ratio	19.71%	14.51%

Source: Agriwatch

As evident from the above Balance Sheet, overall supply during 2021-22 season to remain tight with stock to use ratio falls to 14.51% compared to past year amid lower cotton production in 2021-22 season and anticipated increased consumption by almost 2%. Given tight supply situation, overall cotton prices are expected to remain on stronger note.

Domestic Market Highlights:

Despite the removal of import duty on cotton till the new season, the cotton prices had slightly fluctuated during the last month however, remained on the higher note. Indian mills are not interested to buy cotton at higher rate but short supply has forced them to buy limited quantities daily. So, despite higher MCX, liquidity in the market is good. Indian textile ministry has clarified that there is no proposal to put ban on cotton or yarn export but rumors has given chance to speculators.

The Indian government on 13th April 2022 has removed the Agriculture Infrastructure and Development Cess (5 percent) and Basic Custom Duty (5 percent) on the imports of cotton. The government has allowed duty free imports of cotton until 30th September 2022 as prices in the local market has increased because of lower production in 2021-22 season. Further, duty free imports will help textile mills to import cotton from Australia, African countries and United States.

As per Agriwatch, due to higher domestic prices of Cotton, farmers are more inclined to take up cotton cultivation in upcoming Kharif 2022-23 season and if pre-monsoon showers remain good, (predicting 99 percent normal monsoon as suggested by Indian Metrological Department) then it is very likely that sowing may start early in coming Kharif. Overall, there are expectation of 12-15% increase in sown area from last year which may contain the soaring domestic prices.

Telangana government is targeting to increase the area under cotton by 55–65 percent to about 28–30 lakh hectares as compared to last year's 18 lakh hectares even as the cottonseed industry pegged the growth in cotton acreage at 15 per cent in the upcoming Kharif season. As per USDA report, the all-cotton planted area for India in the coming season 2022-23 is estimated at 12.2 million acres, higher 9 percent from last year.

According to the Gujarat Trade Association, Gujarat Cotton production has decreased from 1.18 crore bales in 2017-18 to 90 lakh bales in 2020-21. In the 2021-22 cotton production is expected to fall to 80 lakh bales. The area under cotton cultivation has decreased from 26.42 lakh hectares in 2017-18 to 22.50 lakh hectares in 2021-22 season.

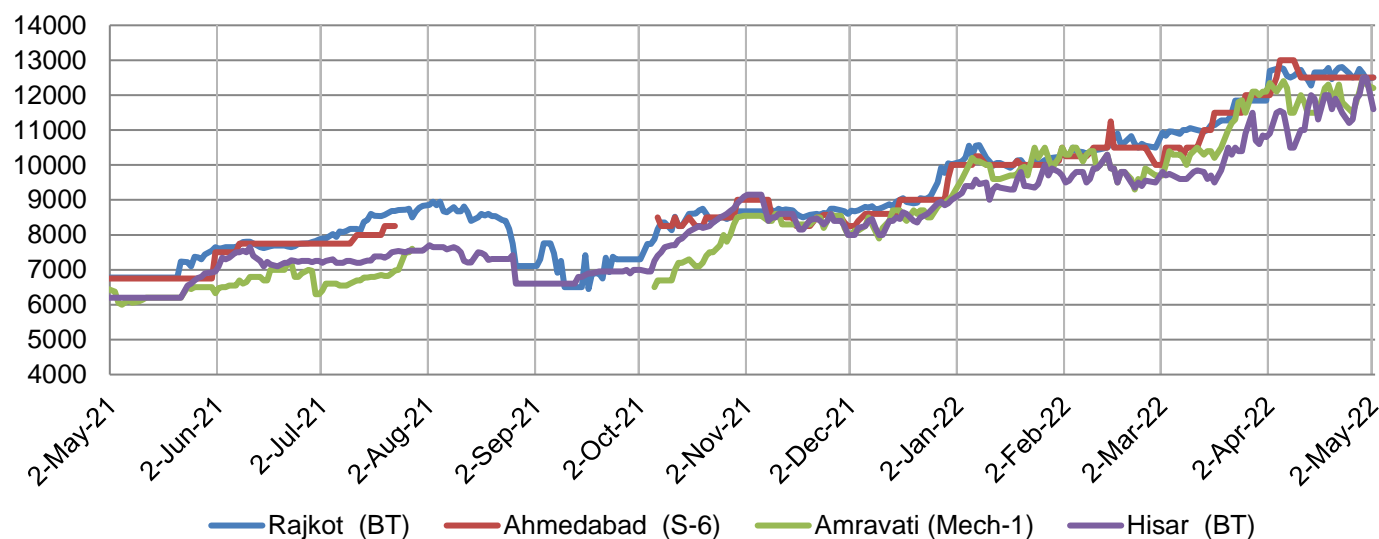
Cotton sowing in Punjab has begun for the 2022-23 season. Cotton was sown on around 2,500 hectares in till mid April in Punjab. During 2021-22 season cotton was sown on over 3.03 lakh hectares in Punjab. Agriwatch expects area under cotton cultivation to increase in Punjab by around 2-3 percent in the 2022-23.

Domestic Cotton Prices Scenario

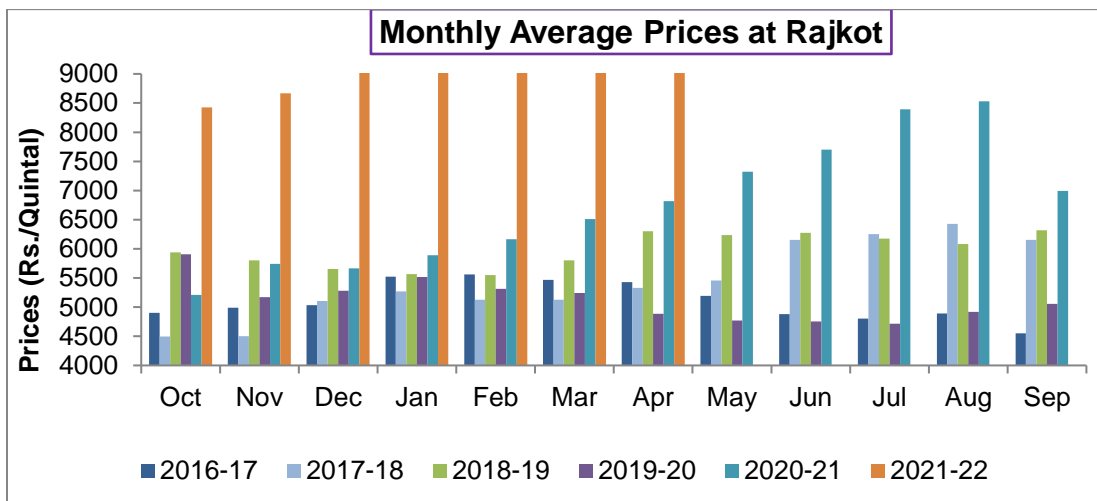
Kapas (Raw Cotton) Monthly Price Scenario

Monthly Price Review: Monthly kapas average price at Rajkot and other markets were significantly higher and stood at Rs.12,592/quintal in Rajkot as compared to previous month price of Rs. 11,307/quintal and Rs. 11,505/quintal in Hisar as compared to previous month price of Rs. 10,088/quintal. Prices have improved in Amravati and Ahmedabad market in the April month and were at Rs. 11,946/quintal and Rs. 12,557/quintal.

Variety wise Kapas Price trend (Rs/Qtl)



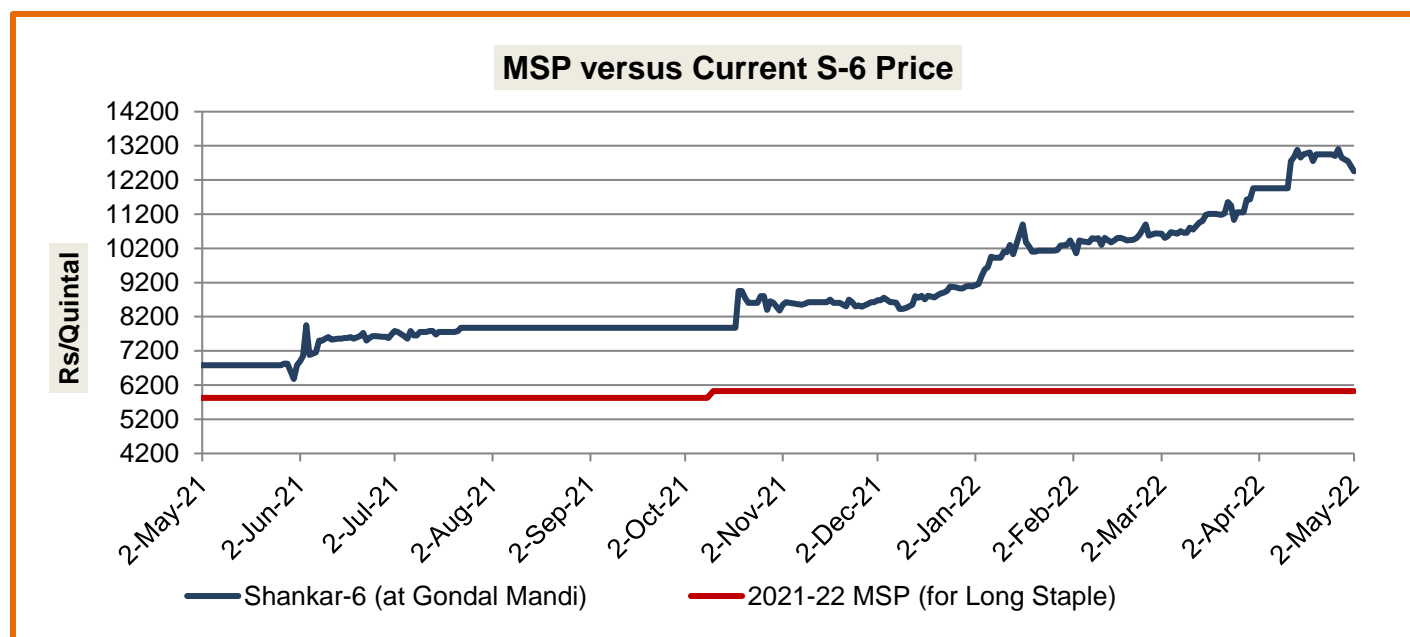
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of April has declined in the market as the 2021-22 season is coming towards its end, whereas the prices continued a steady trend and the monthly average price was at Rs. 12,620/Qtl compared to the prices during the corresponding month of the previous season. (Rs. 6817/Qtl)

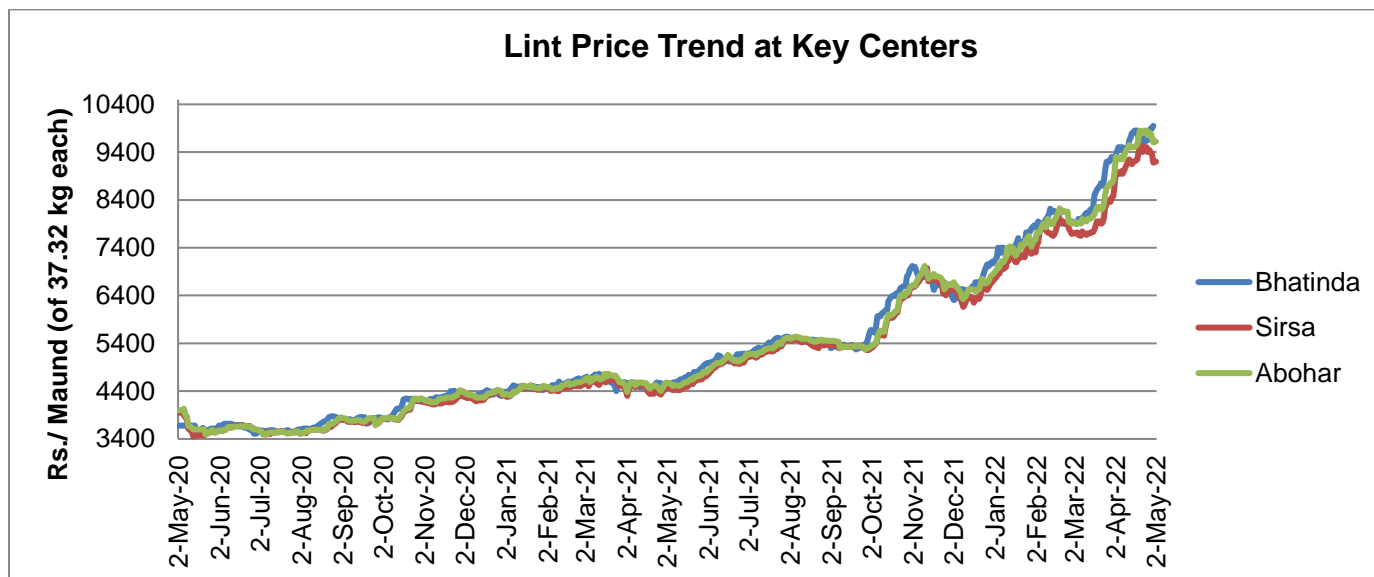
Spot Price versus MSP

Average kapas price at Gondal market stood slightly higher at Rs. 12,714/qt in April 2022 as compared to Rs. 11,425/qt in March 2022.



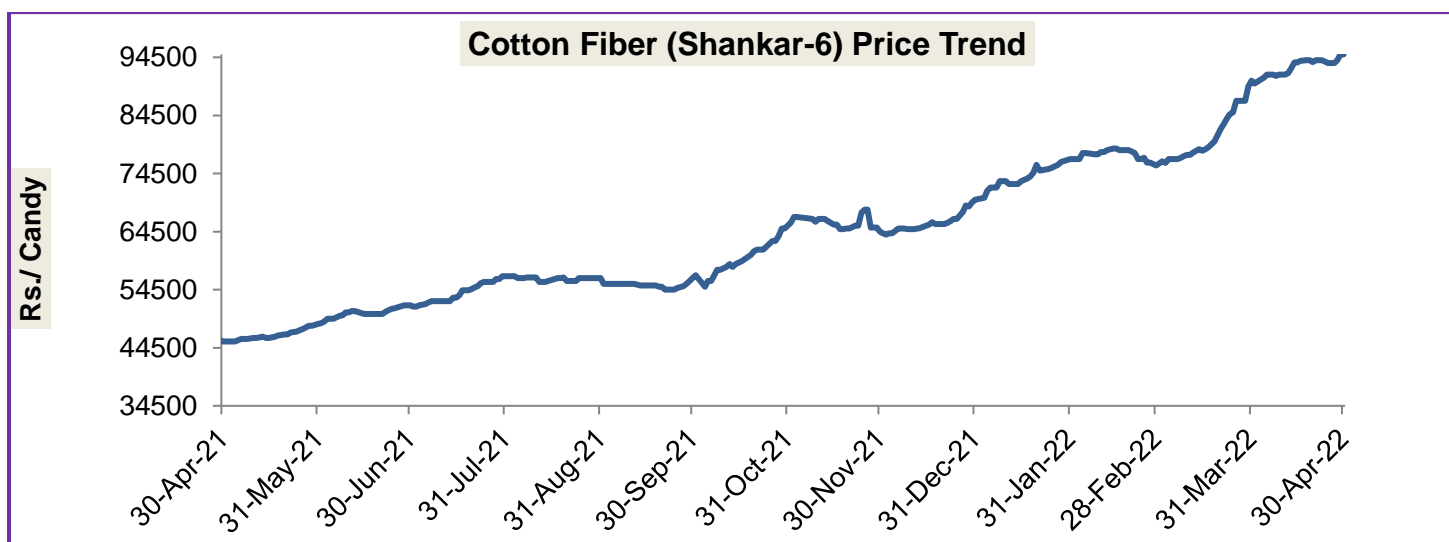
Lint price Outlook

Monthly average price of Lint at Sirsa stood higher compared to previous month at Rs.9315 per maund of 37.32 kg each in April whereas in Bhatinda market the prices have increased and were at Rs. 9628 per maund of 37.32 kg each.



Cotton Fiber price Outlook

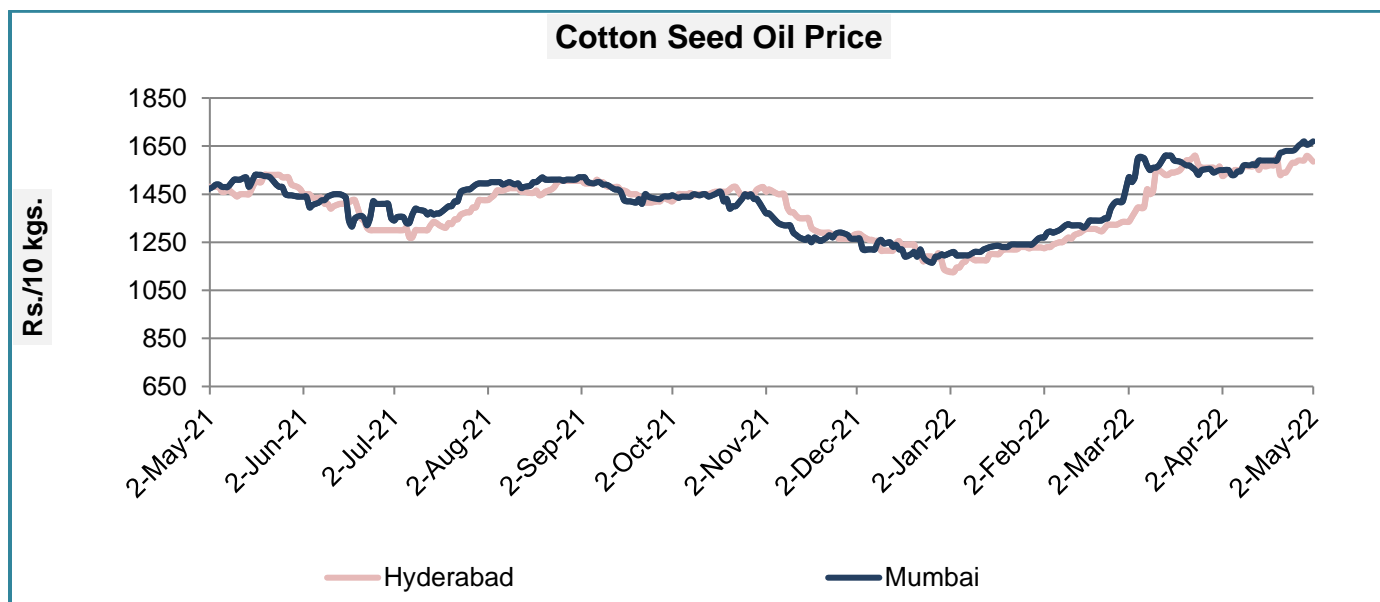
The average spot price quoted for Shankar-6 (29mm) by CAI was Rs.92940 per candy (of 355.6 kg each) during the April month, higher than Rs.80679 per candy from previous month. While the prices during the same month last year were low around Rs. 45533 per candy. Agriwatch expects cotton fiber to remain around of Rs.94,500-95,800 per candy in the coming month.



Cotton Seed Oil monthly Price Scenario

The monthly average price in Hyderabad stood at Rs.1584 per 10 Kg, Rs. 1599 kg in Rajkot and Rs.1608 per 10 kg in Mumbai.

Centers	Monthly Average Price as on (Rs/10 kg.)		% Change
	April	March	
Rajkot	1599	1552	3.06
Hyderabad	1584	1557	1.76
Mumbai	1608	1568	2.53

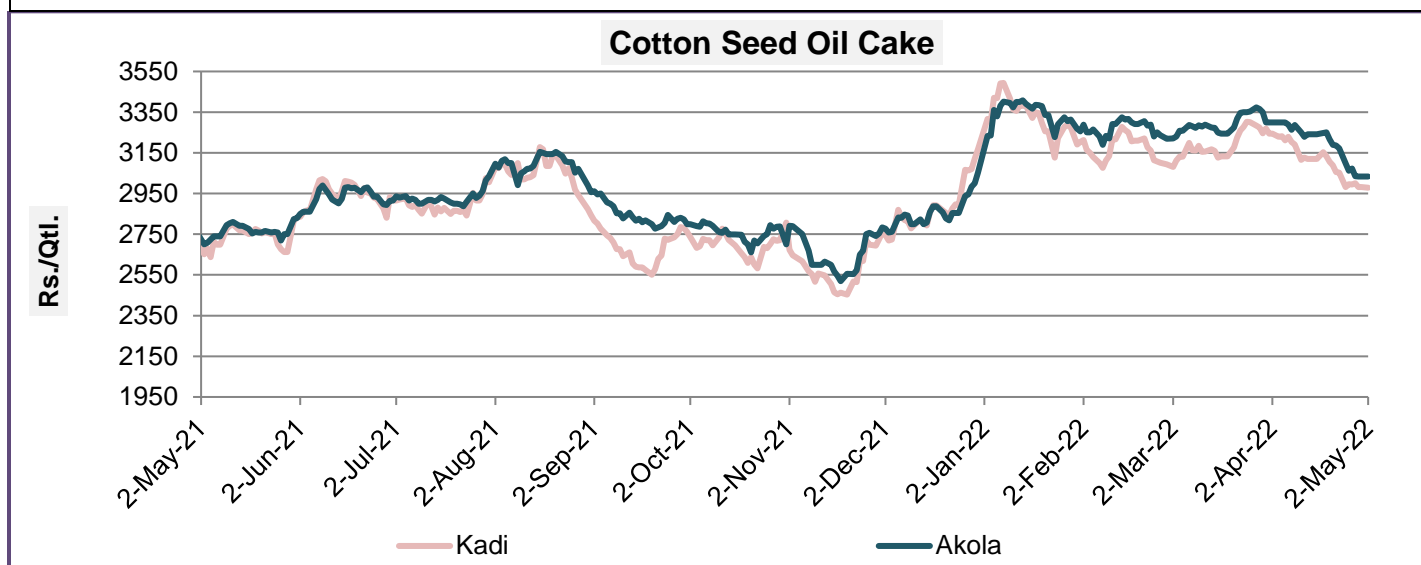


Cotton Seed Oil Cake monthly Price Scenario

The average price of cottonseed oilcake in the Kadi market was Rs. 3116per quintal from Rs. 3192 per quintal and in Akola was at Rs. 3207 per quintal from Rs. 3293 per quintal the previous month. The demand in the local market has fallen in the April as compared to previous months.

Centers	Monthly Average Price as on (Rs/quintal.)		% Change
	April	March	
Kadi	3116	3192	-2.37
Akola	3207	3293	-2.62

*Source: NCDEX

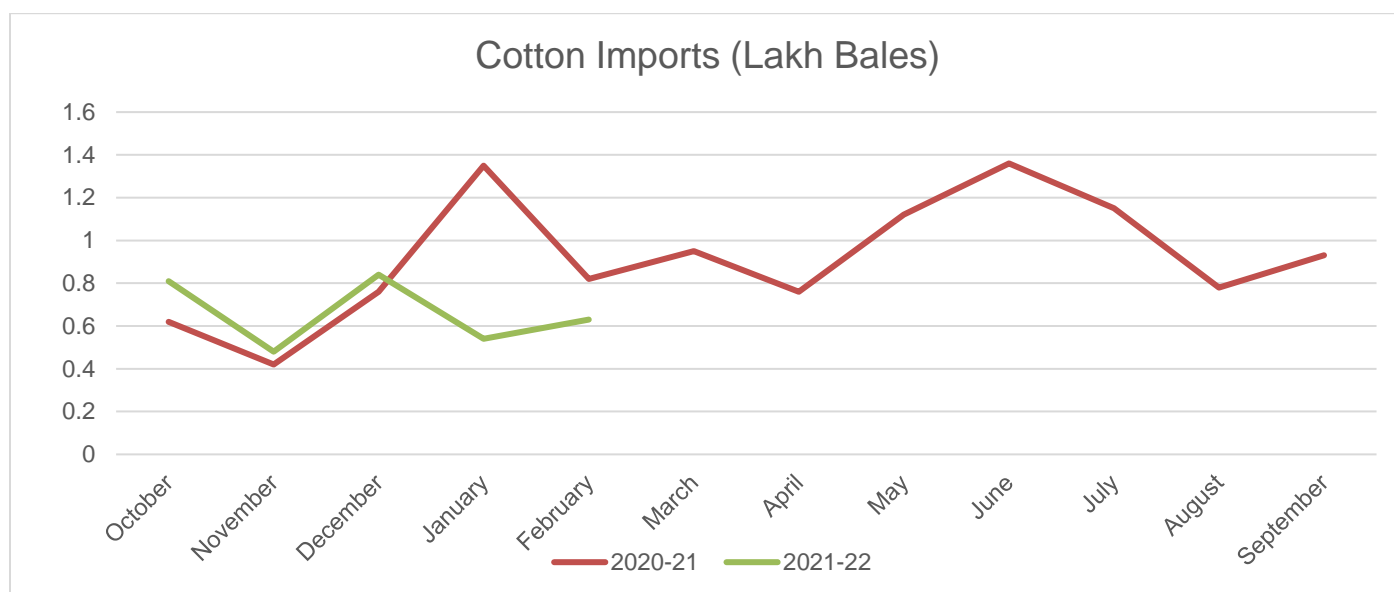
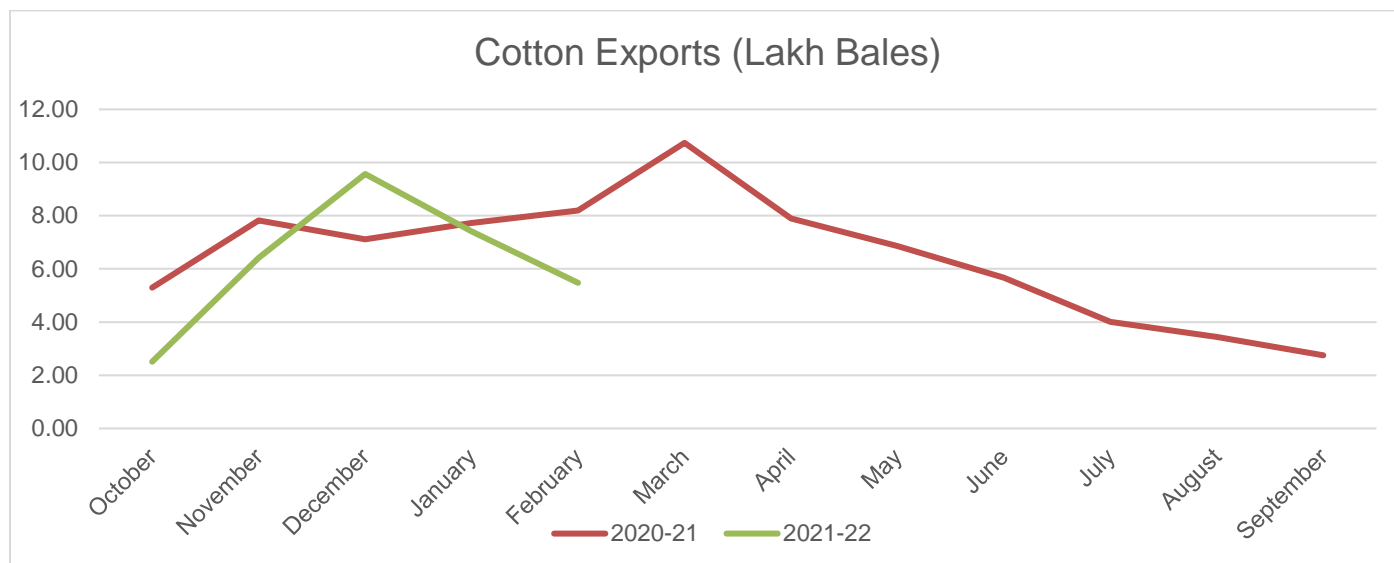


Monthly Price Outlook :

Cotton Price at Rajkot Market (Rs. Per Quintal)							
Forecast Date	31 st Oct 2021	30 th Nov 2021	31 st Dec 2021	31 st Jan 2022	28 th Feb-2022	31 st Mar-2022	30th Apr-2022
Actual Price at end of the month	8800	8675	10020	10235	10500	9800	10137
Average Price for the month	8422	8667	9047	10157	10518	11097	12620

The Cotton prices in Rajkot market are currently trading at Rs. 12,600 per quintal. Further, prices are expected to remain firm in the coming month.

Export and Import Scenario:



Source: DGCIS

International Market Scenario

Global Balance Sheet

Global Balance Sheet (MMT)			
	2019-20	2020-21	2021-22*
Beginning Stock	19.33	22.12	20.63
Production	26.27	24.39	26.43
Supply	45.61	46.50	47.06
Consumption	23.05	25.66	26.16
Exports	9.20	10.60	10.07
Ending Stocks	22.11	20.63	20.90

Source: ICAC

As the 2021-22 cotton season is coming towards its closure, the production and consumption both are on higher side. Global cotton production is higher by 8.4 percent from 24.39 million tonnes to 26.43 million tonnes in 2021-22 season. While the global cotton production is on the higher side, India(3.7%) and china(3.1%) cotton production is on its lower side as compared to the previous season mainly because of the lesser sown area. Further, Global cotton consumption has increased by 1.9 percent to 26.16 million tonnes as compared to the previous season. Global cotton trade was down from the previous season. The drop is mainly due to logistical complications and supply chain disruptions over the course of the 2021-22 season.

Major Market Highlights:

According to the China Cotton Association, as on 15th April 2022, new cotton crop sowing progress was 72 percent in Xinjiang, which is 23.8 percentage points higher than the same period last year. Currently Cotton Crop in Marabishi, Kashgar, Yarkant, and Turpan have been in seeding stage, and the planting progress was higher than the last year in the major cotton growing areas.

According to the U.S. Crop progress report, as on 01st May 2022, U.S cotton planting stands at 16 percent which is 1 percent higher as that of previous season of 15 percent. U.S. cotton planting was same as that of past 5 years average.

The All-Pakistan Textile Mills Association (APTMA), has asked the government to fix the cotton support price at Rs. 8,000 per maund to help farmers to increase cotton production for the coming 2022-23 season. As per the APTMA, Cotton support price was based on an international New York Future cotton price of Grade 3 of \$1.25/lb.

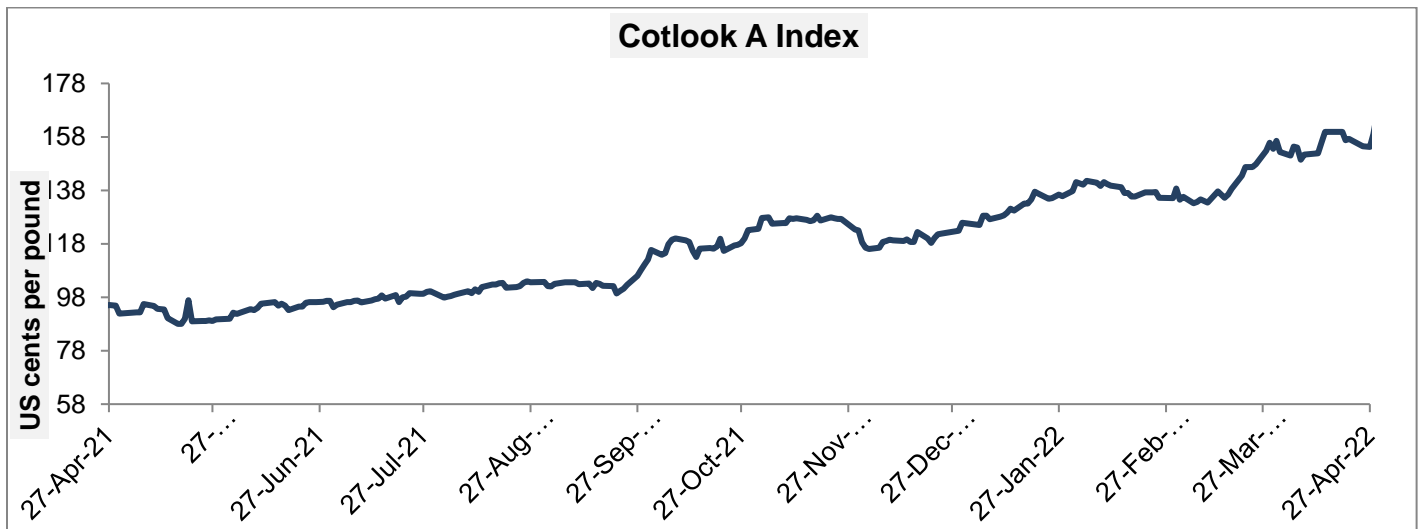
International Cotton Prices Scenario

International Cotton Prices					
	30-Apr-22	Change	Season Low	Season High	Year Ago
Current Cotlook A- Index	166.05	6.15	97.90	166.05	91.90
ICE Futures Nearby Contract 1	153.08	11.10	89.89	153.08	87.43
Basis (+,-)	12.97	-4.16	6.40	19.72	6.01
2021-22 (Average to Date)	125.83				
2020-21 Average	84.96				

Cotlook A Index

The average CotlookA Index stood higher at 155 US cents per lb in April month and that has increased by 10 percent from previous month.

Cotlook A Index	Monthly Average Price as on		% Change
	April	March	
Prices	155.54	140.66	10.58
Prices in US cents per Pound			



Source: Cotlook

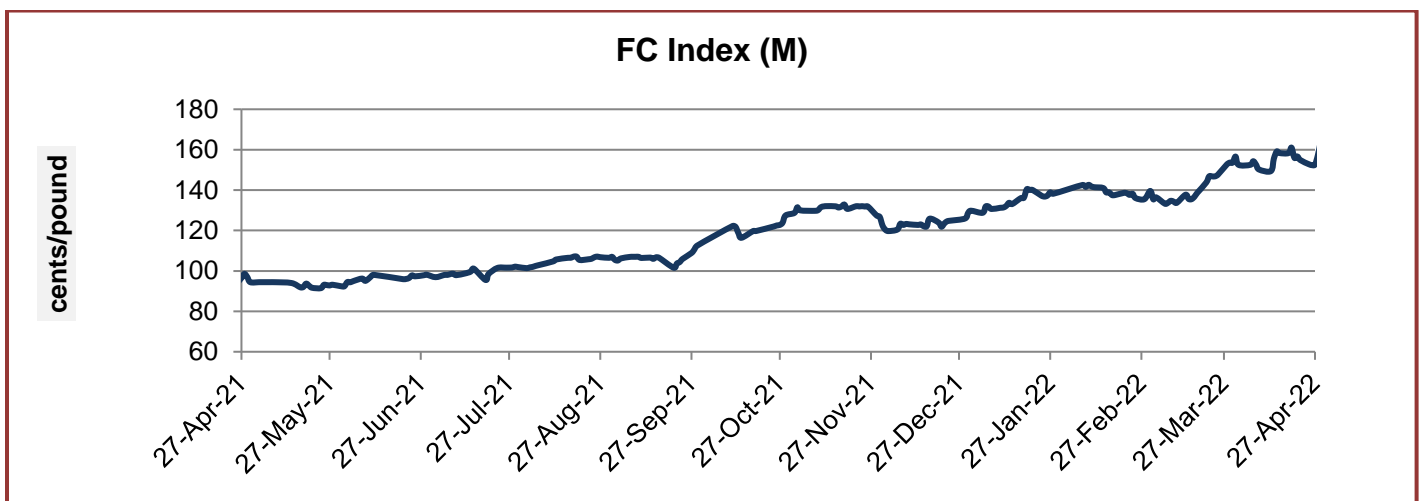
China Cotton Index and Foreign Cotton Index

The China cotton Index prices has increased from previous month around 8-10 percent in April 2022.

Cotton Index	Monthly Average Price as on		% Change
	April	March	
FC (S)	156.89	142.35	10.22
FC (M)	155.30	140.80	10.30
FC (L)	153.77	139.24	10.43

Prices in US cents per Pound

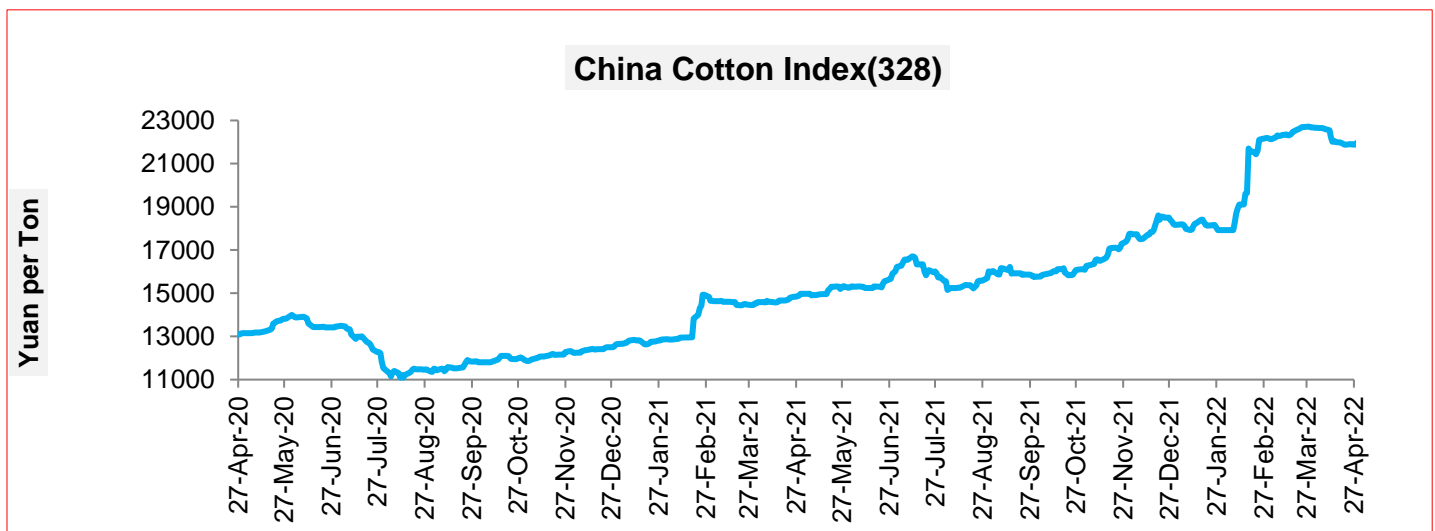
Source: China Cotton Association



Cotton Index	Monthly Average Price as on		% Change
	April	March	
CCIndex(328)	22612.16	22731.32	-0.52
CCIndex(527)	20855.37	20929.82	-0.36
CCIndex(229)	23038.16	23181.27	-0.62

Prices in Yuan per ton

Source: China Cotton Association



USA Spot Prices

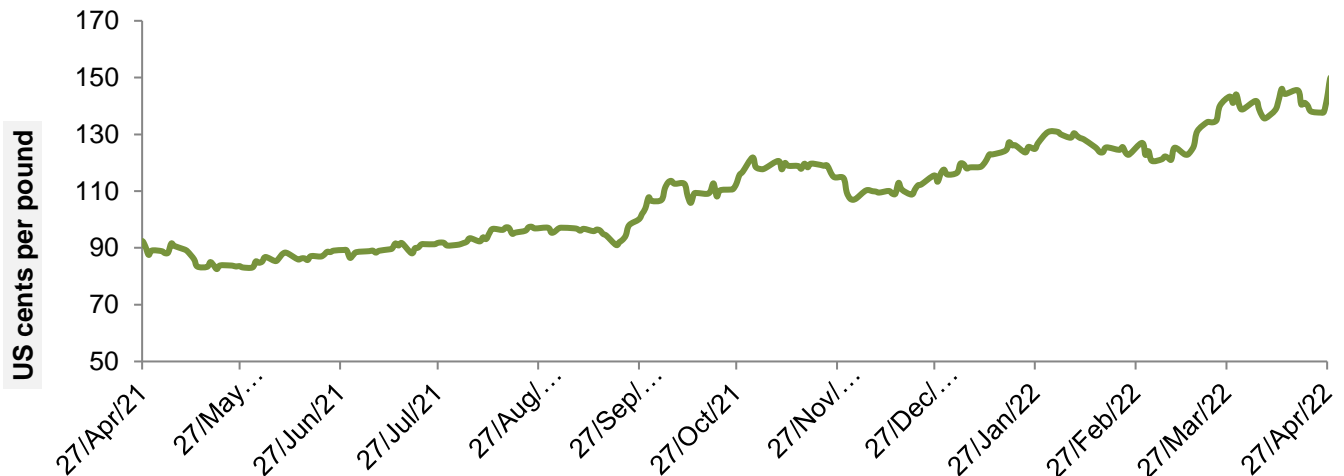
U.S.A Spot price for this month was at 141.26 cents/ pound higher from previous month price by 8-9 percent.

USA Spot Prices	Monthly Average Price as on		% Change
	April	March	
Prices	141.26	130.95	9.44

Prices in US cents per Pound

Source: USDA

Daily Movement of USA Spot Price



Pakistan Spot Prices

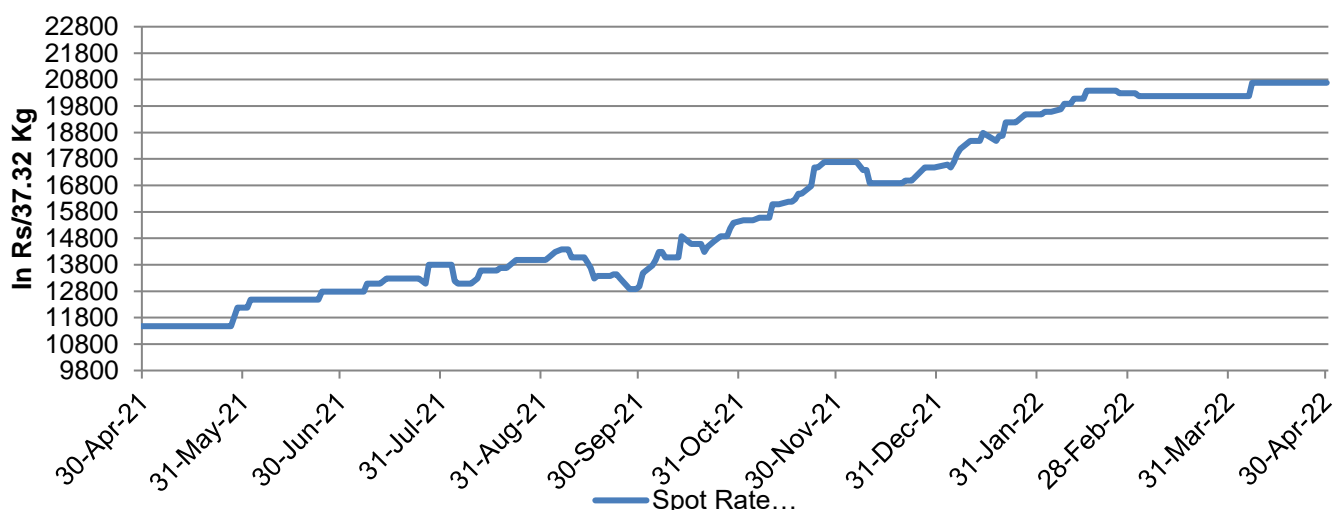
The Karachi spot price stood around Rs.20712/q slightly higher compared to the previous month.

Karachi Spot Prices	Monthly Average Price as on		% Change
	April	March	
Prices	20712	20180	2.63

Prices in Rs per 37.32 Kg

Source: Fibre2fashion.com

Spot Rate Karachi



Monthly Technical Outlook:

Commodity: Cotton

Exchange: MCX

**Contract: May.
30, 2022**

Expiry: May.

Cotton – Technical Outlook

Technical Chart:



Technical Commentary:

- Currently RSI is in the overbought zone, market is expected to gain further, we expect up trend will be followed in May month as well.
- MACD is diverging which indicates Bullish momentum.
- The Cotton market is trading above 9 DMA, 18 DMA and 50 DMA.

Intraday Supports & Resistances

	S1	S2	PCP	R1	R2
Cotton MCX May	45150	45230	45570	45780	45900

Intraday Trade Call

	Call	Entry	T1	T2	SL
Cotton MCX May	Buy	45560	45660	45750	45490

* Do not carry-forward the position next day.

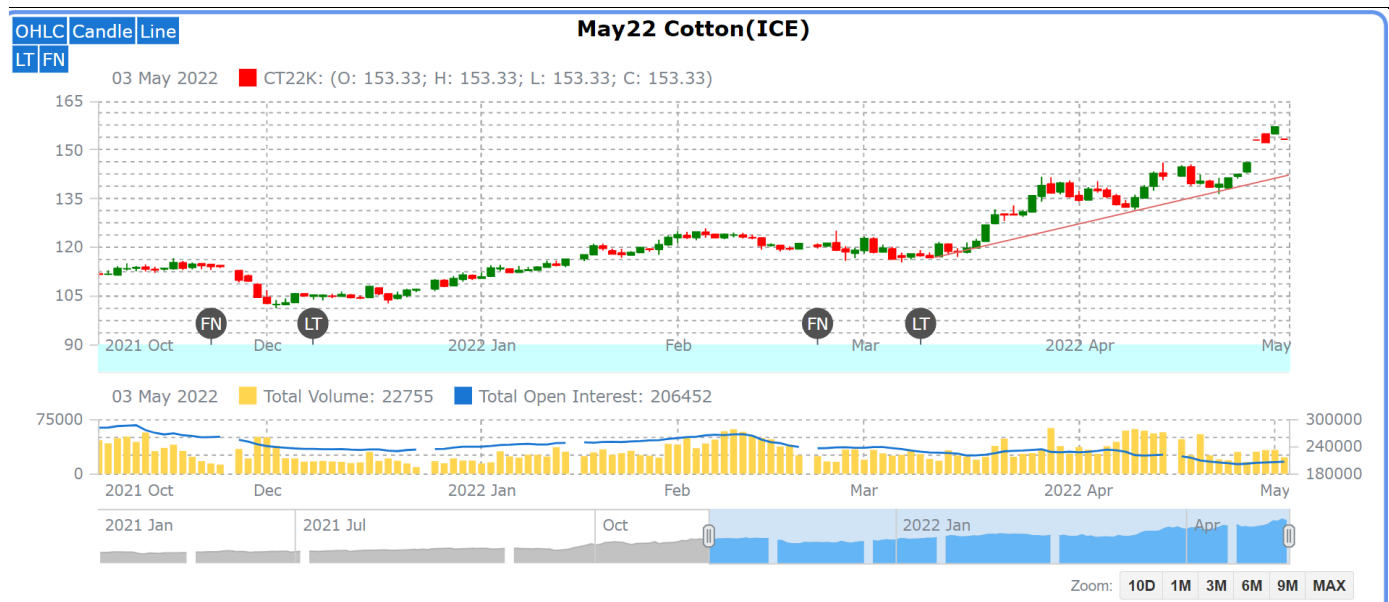
Commodity: Cottonseed oil
Exchange: MCX
Contract: May
Expiry: May. 30, 2021
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- The Cottonseed oilcake market is trading below 9 DMA, prices may take support from 18 DMA in the coming month.
- RSI indicating steady to firm buying strength but market may take trendline support (2720).
- MACD is converging and a bearish crossover may change market trend.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	May	2726	2776	2842	3102	3017
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	May	Sell	2852	2817	2792	2873

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



- The May'22' contract closed high by the end of the month.
- Total volume increased & Open Interest decreased compared to last month, correction in prices may be seen but overall prices will remain on a higher side.
- We expect cotton prices to remain firm in the coming month.

Expected Price Range During Coming month

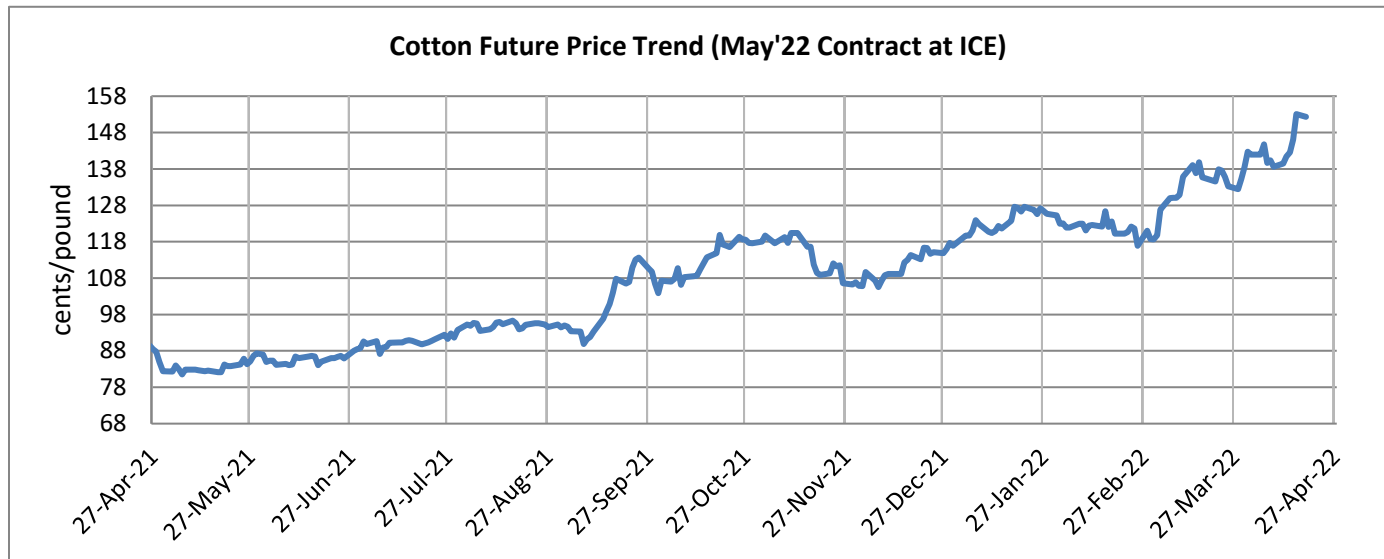
Expected Trend	Expected Trading Band
Range bound to Bullish momentum	150-172

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
136	120	157	168

Figures in US cents/pound

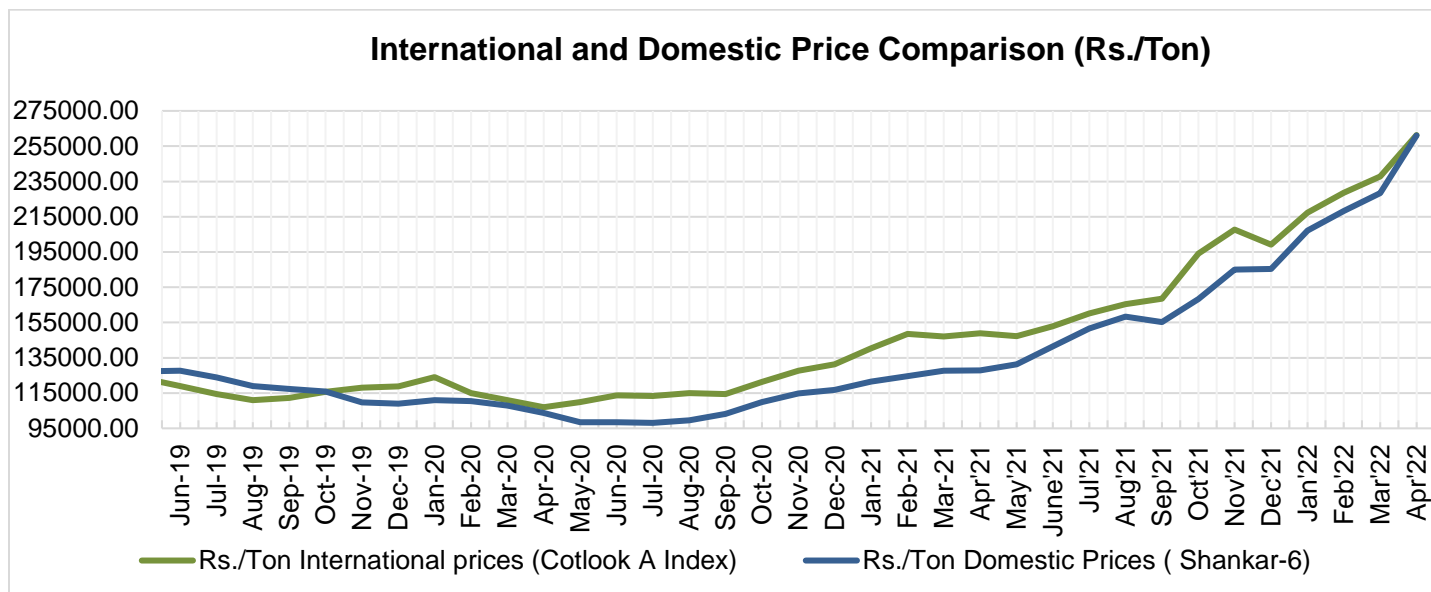
Future Price Trend (Active Contract):



ICE front month futures was higher by around 8% in Apr'22 month compared in Mar'22. The average of ICE May contract stood high around 152.33 cents/lbs in Apr'22, up by 8.93 points compared to the average price that stood in Mar'22 around 139.84 cents/lbs.

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	29-Apr-22	30-Mar-22 (1 month ago)	29-Jan-21 (3 months ago)	31-Oct-21 (6 months ago)	29-Apr-21 (a year ago)	% Change over a month	% Change over previous year
May-22	152.33	139.84	123.84	114.85	85.89	8.93	77.35
Jul-22	145.63	136.20	120.84	111.22	86.54	6.92	68.28
Oct-22	128.66	118.64	117.87	109.67	85.44	8.45	50.59
Dec-22	122.07	112.44	106.26	107.74	83.84	8.56	45.60
Mar-23	117.53	107.45	99.73	97.87	82.97	9.38	41.65

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
State	Centre	Variety	Apr'22	Mar'22	
Gujarat	Ahmedabad	Shankar-6	12614	10940	1674
	Gondal	Shankar-6	12756	11246	1510
	Rajkot	B.T. Cotton	12620	11097	1523
	Patan	B.T. Cotton	12056	10423	1633
	Kadi	B.T. Cotton	12292	10884	1408
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11435	10149	1286
Haryana	Bhiwani	B.T. Cotton	11550	8400	3150
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11506	10084	1422
	Fatehabad	B.T. Cotton	11167	10167	1000
	Jind	B.T. Cotton	10960	10038	922
	Uchana	B.T. Cotton	10402	9746	656
	Dabwali	B.T. Cotton	11547	10474	1073
Rajasthan	Hanumangarh	B.T. Cotton	11650	10687	963
	Rawatsar	B.T. Cotton	11554	10658	896
Madhya Pradesh	Khandwa	Mech-1	NA	9753	-

	Khargaon	Mech-1	NA	10008	-
Maharashtra	Amravati	Mech-1	11984	10881	1103
	Jamner	Medium Staple	11502	9580	1922
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10550	9853	697
Andhra Pradesh	Adoni	Un-Ginned	12389	10731	1658
Karnataka	Bijapur	Bunny	12572	11044	1528
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11516	10483	1033
Commodity	Lint		Montly Prices Avg. (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	Apr'22	Mar'22	
Punjab	Bhatinda	J-34	9629	8429	1200
	Abohar	J-34	9658	8462	1196
	Mansa	J-34	9414	8442	972
Haryana	Sirsa	J-34	9315	8159	1156
Rajasthan	Sri-Ganganagar	J-34	8863	8397	466

Cotton Arrivals in Key Centers:

Commodity	Kapas		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	Apr'22	Mar'22	
Gujarat	Ahmedabad	Shankar-6	421600	810900	-389300
	Gondal	Shankar-6	50226	55685	-5459
	Rajkot	B.T. Cotton	64537	79100	-14563
	Patan	B.T. Cotton	72381	49137	23244
	Kadi	B.T. Cotton	57000	334500	-277500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1967	3616	-1649
Haryana	Bhiwani	B.T. Cotton	NA	900	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	33405	56610	-23205
	Fatehabad	B.T. Cotton	3335	9650	-6315
	Jind	B.T. Cotton	10880	20713	-9833
	Uchana	B.T. Cotton	9850	30780	-20930
	Dabwali	B.T. Cotton	5950	12650	-6700
Rajasthan	Hanumangarh	B.T. Cotton	1300	21100	-19800
	Rawatsar	B.T. Cotton	6500	26300	-19800

Madhya Pradesh	Khandwa	Mech-1	NA	5068	-
	Khargaon	Mech-1	NA	12731	-
Maharashtra	Amravati	Mech-1	290000	328000	-38000
	Jamner	Medium Staple	565	200	365
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	13722	145320	-131599
Andhra Pradesh	Adoni	Un-Ginned	12489	15024	-2535
Karnataka	Bijapur	Bunny	15600	10750	4850
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	120	110	10
Commodity	Lint		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	Apr'22	Mar'22	
Punjab	Bhatinda	J-34	24718	102850	-78132
	Abohar	J-34	4922	13430	-8509
	Mansa	J-34	1870	9180	-7310
Haryana	Sirsa	J-34	16490	28390	-11900
Rajasthan	Sri-Ganganagar	J-34	650	19100	-18450

Cotton Association of India Cotton Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				Apr'22	Mar'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	58748	54524	4224
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	59436	55024	4412
J-34(202)	26mm	3.5 - 4.9	23	88424	76772	11652
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	90848	80895	9953
Shankar-6(105)	29mm	3.5 - 4.9	28	92940	81312	11628
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	99704	86372	13332
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	113200	103620	9580

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