

COTTON WEEKLY RESEARCH REPORT
9th Nov 2020**Domestic market summary**

Domestic market Scenario: CCI has actively started procurement in Telangana and the pace is likely to pick up in the coming week. CCI has also started purchasing small quantities in Gujarat. CCI had already opened procurement centres in Punjab, Haryana, Rajasthan and Madhya Pradesh, earlier. CCI procured around 8 lakh bales till first week of November from Punjab, Haryana, Rajasthan, Madhya Pradesh and Telangana. Gujarat Shankar-6 variety cotton spot prices stood firm around Rs.40,200 per candy during the week.

Weekly Price Outlook : The average price of Kapas is likely to remain firm between Rs. 5450-5900/q in Rajkot while the prices in Andhra Pradesh likely to hover around Rs.4550-4900/q.

Major Market Highlights:

- All India daily arrivals have reached around 1,40,000 to 1,50,000 bales per day.
- Cotlook index stood weak (76.63 cents/lbs) compared to the ICE cotton future that stood at 69.58 cents/lbs.
- Indian rupee remained weaker between 74.20 to 74.74 against USD compared to last week.

Market Highlights:

- **According to Cotton Association of India (CAI), India's cotton exports could increase by 40% in 2020-21 season.** A surge in exports is expected in the view of depreciation in Indian rupee and a rise in global cotton prices that brought parity for Indian cotton in the international market. Therefore, India could achieve a target of 70 lakh bales cotton exports against 50 lakh bales in 2019-20 according to the association. Most of the demand is emerging from China and Bangladesh. In October, traders exported an estimated 7-8 lakh bales and around 10 lakh bales contract have been signed for November month.
- **The cotton crop was infested by pink bollworm in Jalgaon district (Khandesh region) of Maharashtra.** Khandesh region (Jalgaon, Dhule & Nandurbar) covers around 8-10 lakh ha of the total cotton area in Maharashtra. The early planted cotton has been damaged due to heavy rains and further damaged by the pest infestation. The damage was reported in Jalgaon district majorly in early sown crop. During the first picking, the yield declined to around 5-6 quintals per acre against the estimation of 9-10 quintals per acre in Khandesh.
- **Cotton Corporation of India (CCI) has started purchasing raw cotton from the farmers in Telangana (Adilabad Market).** The Centre has announced MSP of Rs.5,825/q of cotton with 8% moisture content. Adilabad

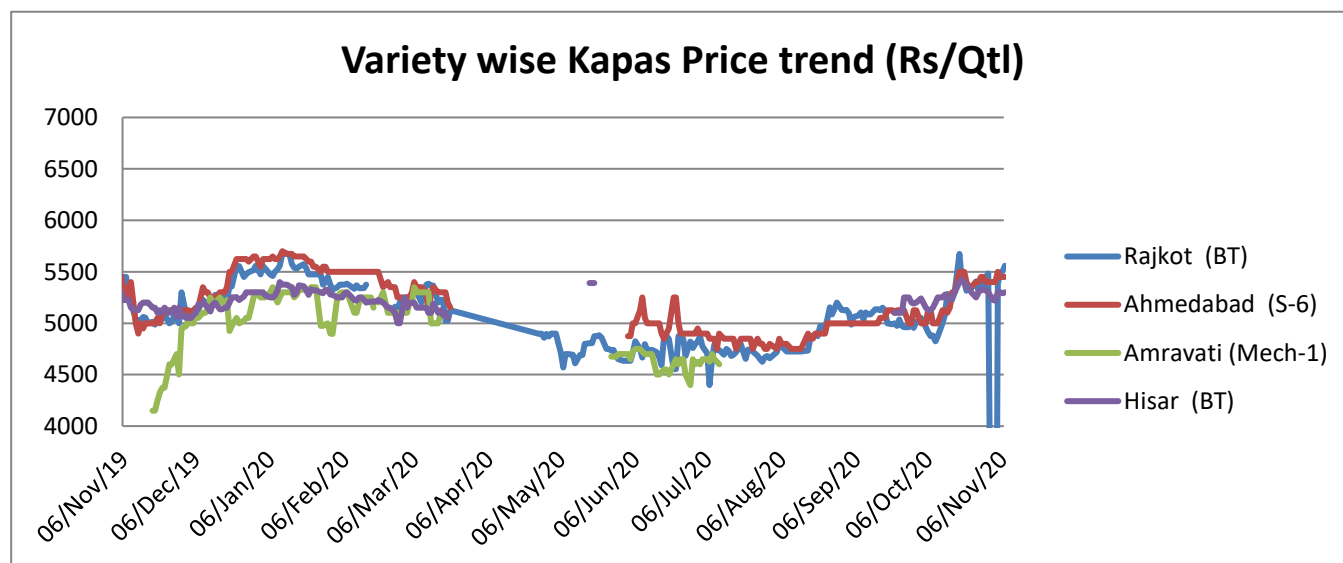
authorities have issued tokens through agriculture extension offices to cotton farmers so that they can bring their produce on a known schedule. The farmers have been asked to dry their produce before bringing it to the market yard to ensure moisture content is below 12%, for getting a good price. The productivity from the first picking in Telangana and Andhra Pradesh is expected to have declined to 4-6 quintals per acre.

- **The demand for garments and textile in the cotton industry have seen a surge owing to the festival season.** The sources from apparel industry report that the demand has reached 70-75% of the previous levels and could improve further. The traders expect that the demand will pick up from mid-November to January, if the coronavirus cases keep falling.

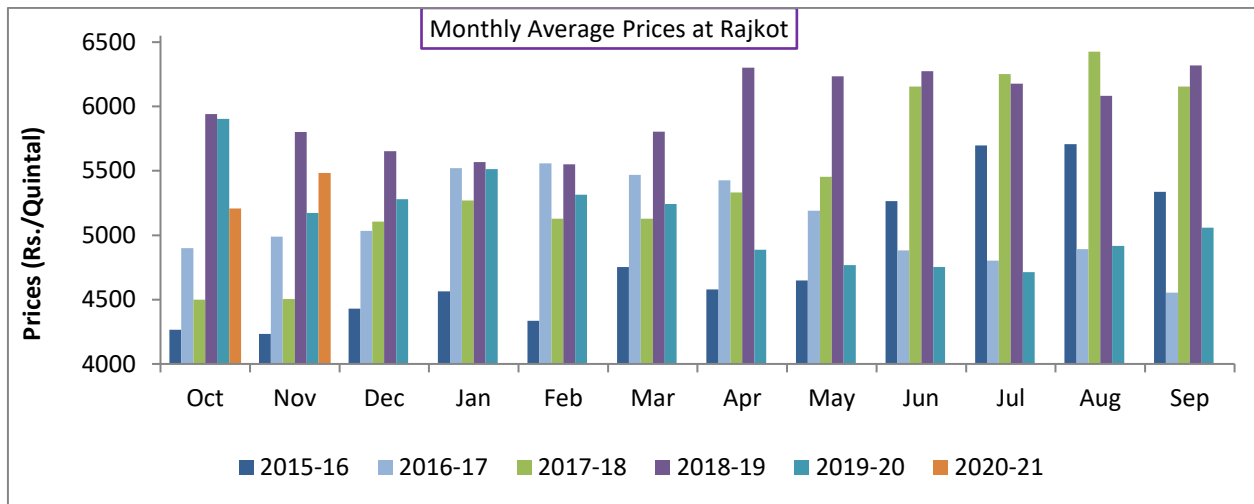
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was weak at Rs. 5450/q where else Ahmedabad prices were firm at 5500/q.



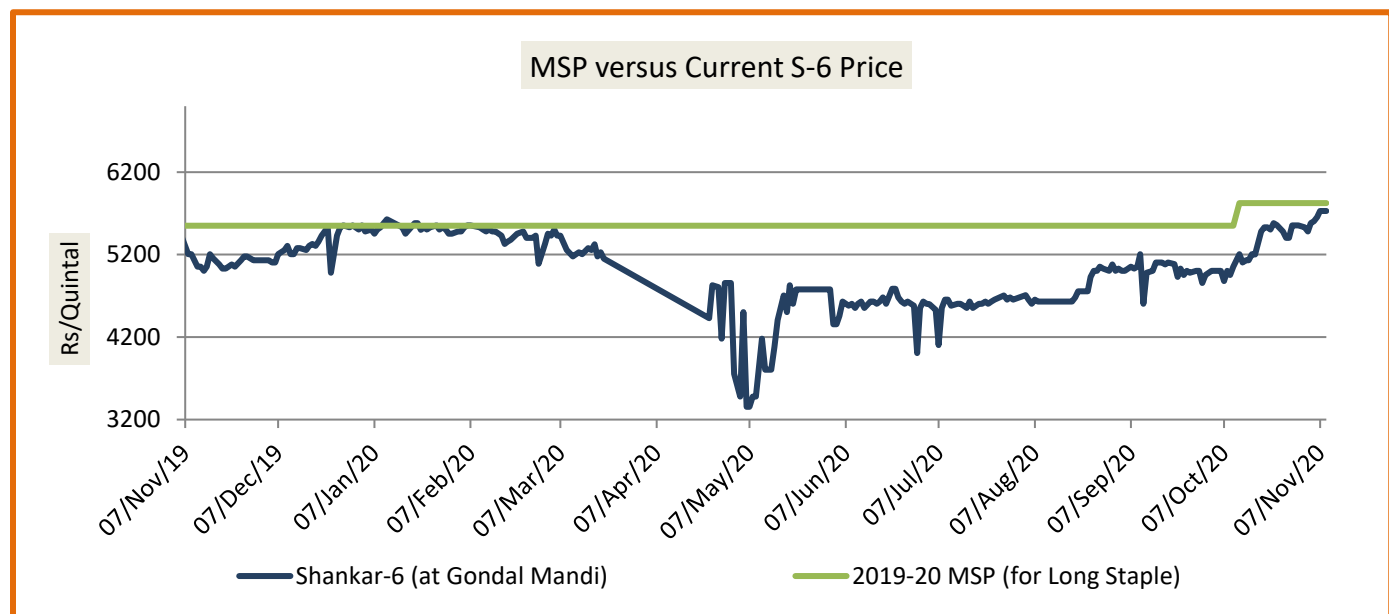
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of October were low in the market. The monthly average price was weak in October at Rs. 5206/q compared to the prices during the corresponding month of the previous season due to the lower demand this year. Gujarat's farmers have moved from cotton to groundnut

Spot Price versus MSP

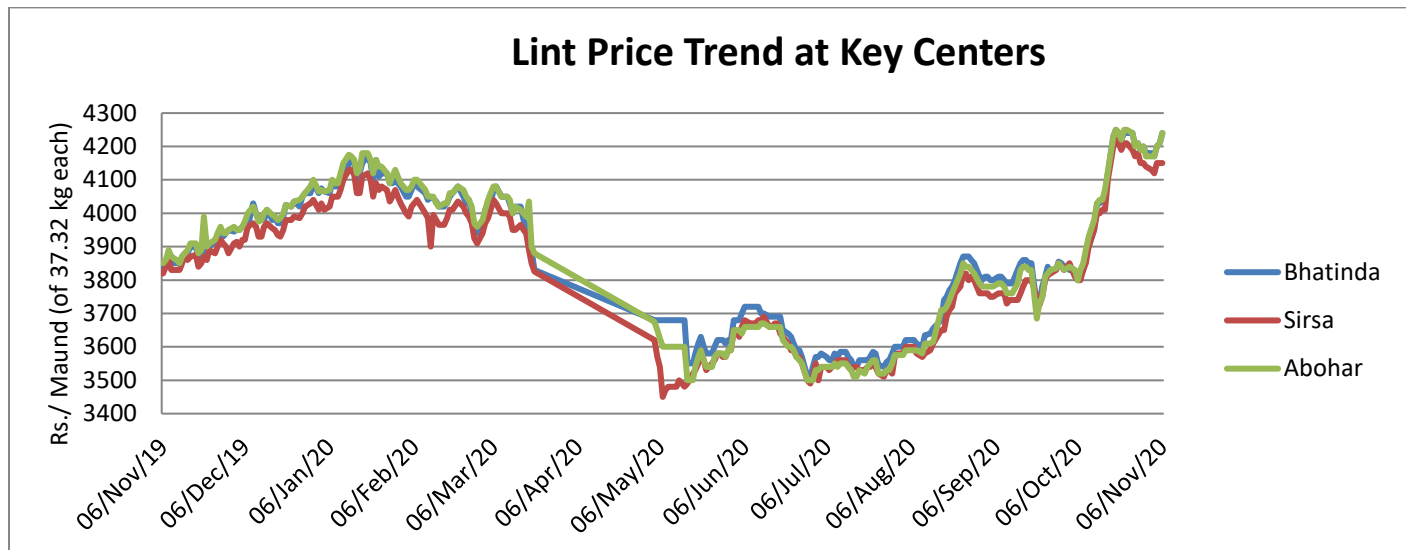
Average kapas price at Gondal market was Rs. 5548.75/q, lower from prior week when it stood at Rs. 5825/q.



Source: Agriwatch

Lint price Outlook

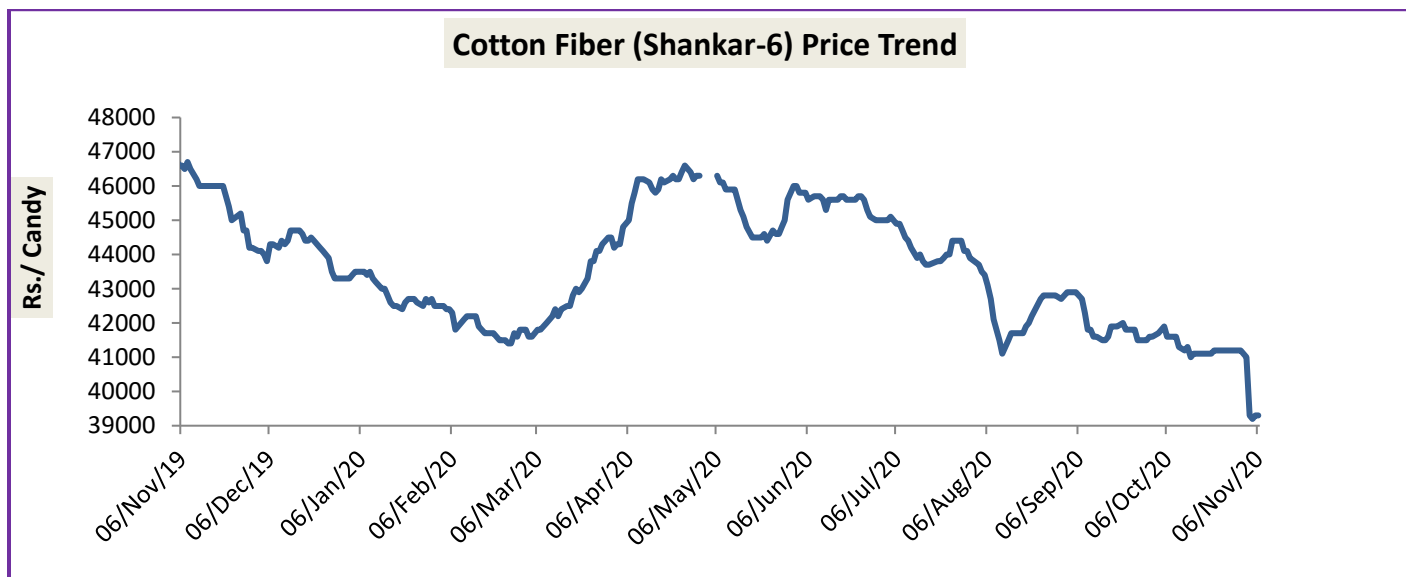
The average price stood firm at Rs.4186.6/maund of lint in Abohar. The procurement by CCI has increased and it has been purchasing the raw cotton at MSP from the farmers. While the average price in Bhatinda and sirsa in the last week stood firm around Rs.4190 and Rs. 4140/maund of 37.32 kg each respectively.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was high at Rs.40,850/candy from around Rs.39,300/candy compared to the previous week. CCI has increased the floor prices along with rise in export demand supported the cotton market.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

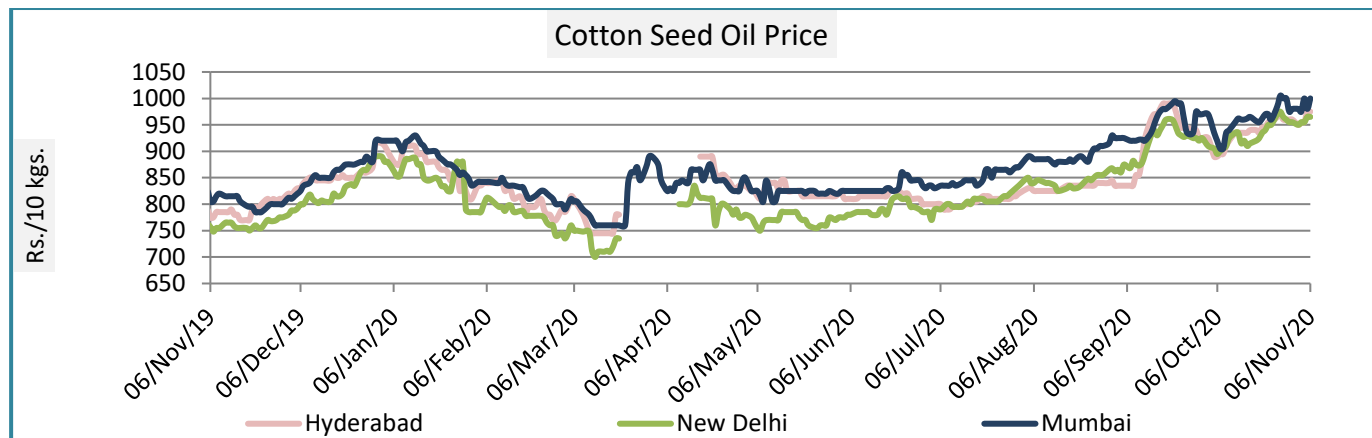
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price showed firm trend across all the centres during the week ending on 6th Nov'20. Weekly average price in Mumbai stood firm at Rs.962. In New Delhi the prices ranged around Rs. 924 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	05-Nov-20	29-Oct-20	
New Delhi	924	923	0.09
Rajkot	950	933	1.79
Hyderabad	940	928	1.26
Mumbai	962	952	1.03

Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

Cotton Corporation of India (CCI) reduced cotton seed prices during the last week of October 2020 which has pressurized the Cottonseed Oil Cake prices also. The Cottonseed Oil Cake prices in Punjab, Haryana and Rajasthan declined steeply by around Rs.200 per quintal and stood between Rs.2550 and 2650 per quintal. The CCI's decision to cut the prices did not increase the demand amid higher moisture content in the kapas (raw cotton) arrivals. Also, the prices are under pressure because of increased arrivals. The average price in Kadi remained firm at Rs. 1837/q and Rs.1942/q in Akola.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	05-Nov-20	29-Oct-20	
Kadi	1837	1850	-0.72
Akola	1942	1922	1.02

Source: NCDEX

International Market Scenario

Major Market Highlights:

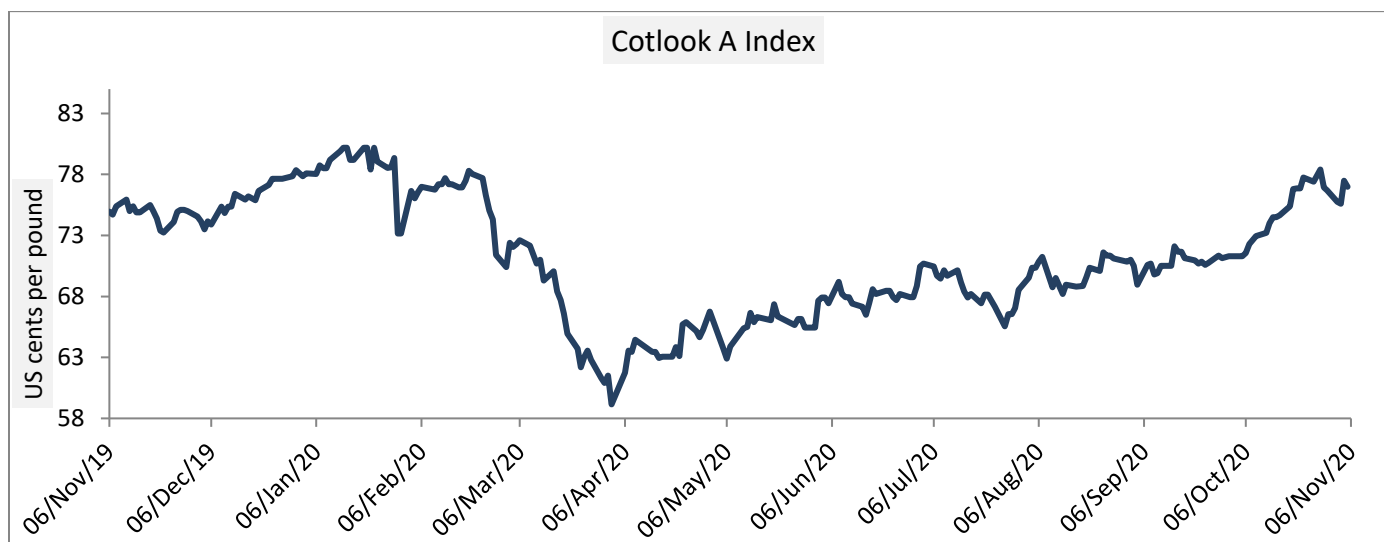
- **Revival of cotton farming may help Kenya to boost economy.** The cabinet had allowed farmers of Kenya to grow BT cotton in December last year. In a follow up, the government has made 16.3 tonnes of BT cotton seeds available to farmers in eastern Kenya in a project that will, ultimately spread out to cotton growing regions. Reviving this industry would also lead to the creation of thousands jobs in the cotton farms and factories.
- **The China cotton fiber imports have reached 9.65 lakh bales** and the import volume wasreached with the arrival of US Reserve purchases amounting to 6.70 lakh bales. Similarly, cotton yarn imports have reached the equivalent of more than 9 lakh bales of cotton fiber. Such a surge in imports was driven by the revival of domestic demand and the competitive cotton yarn import prices and duties.
- **Major cotton growing districts in south Punjab of Pakistan are facing critical decline in production as more than 50% crop has been damaged in the region.** According to the estimates released by the Cotton Crop Assessment Committee meeting in Pakistan, the cotton production during the current season will be at 8.59 million bales against the target of 10.89 million bales. Out of the total production, the target of cotton output in Punjab was set at 5.30 million bales and Sindh with 3.0 million bales of crop. The major reason behind this was non availability of good quality of seeds. Also, the textile sector has urged the government to allow duty-free cotton yarn to reduce the cost of production and could help in surge in the country's exports.

Cotlook A Index

Cotlook A indexwas weak in the last week.TheCotlook A Index was at 76.63cents/lb lower compared to the previous week (77.47cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	29-Oct-20	22-Oct-20	
Prices	76.63	77.47	-1.09
Prices in US cents per Pound			

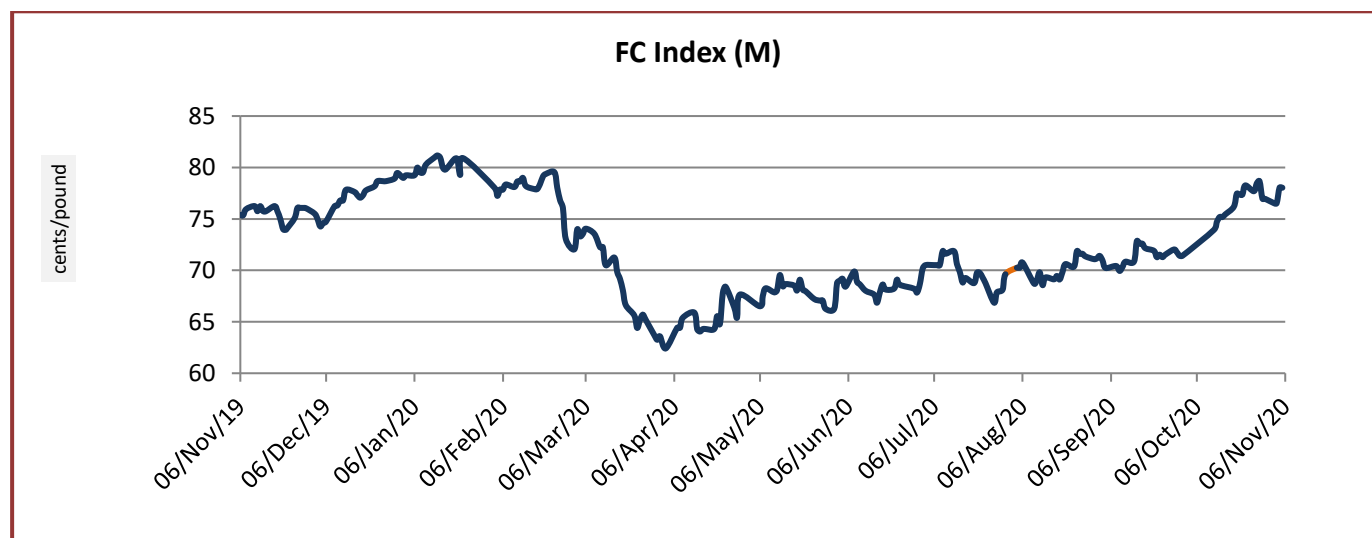
Source: Cotlook


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	05-Nov-20	29-Oct-20	
FC (S)	79.41	80.79	-1.70
FC (M)	77.17	78.01	-1.07
FC (L)	75.94	76.78	-1.09

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	05-Nov-20	29-Oct-20	
CCIndex(328)	14595.50	14639.00	-0.30
CCIndex(527)	13601.67	13595.20	0.05
CCIndex(229)	14861.00	14885.80	-0.17
Prices in Yuan per ton			

Source: China Cotton Association

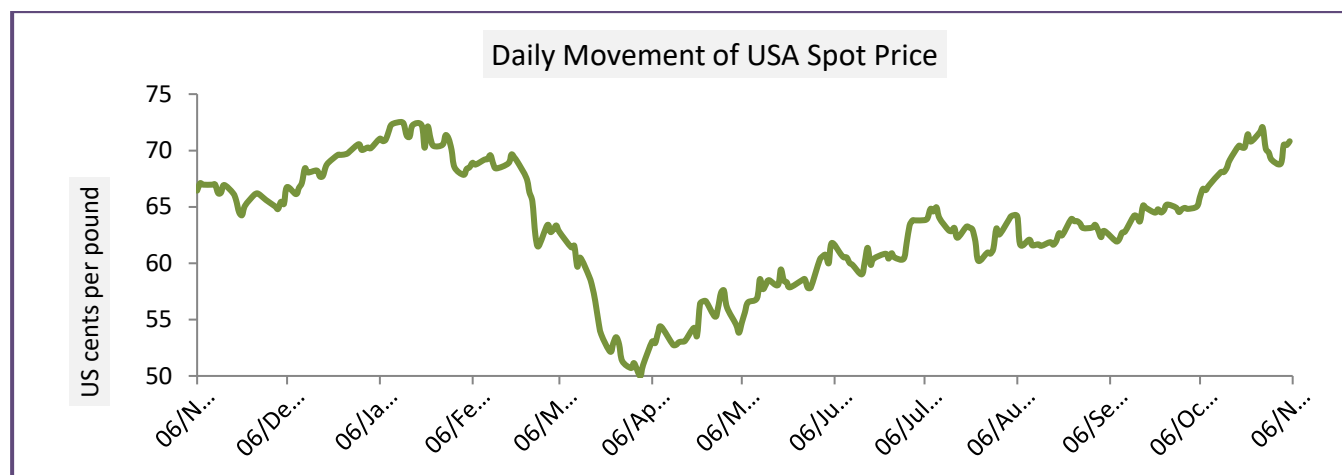


USA Spot Prices

U.S. Export Sales was lower but shipments were better. Net upland sales of 1,15,600 RB for 2020- 2021 were down 60 percent from the previous week and 42 percent from the prior 4-week average. Increases primarily for China, Pakistan (25,200 RB), Turkey (22,500 RB), South Korea (16,600 RB), and Guatemala (15,900 RB), and the major reductions were primarily from Bangladesh (44,100 RB) and Mexico (10,100 RB). Till 8th November, 61% of the cotton have been harvested in US, up by 2% points compared to last year during the same time and higher by 4% points from 5- year average.

USA Spot Prices	Monthly Average Price as on		% Change
	05-Nov-20	29-Oct-20	
Prices	70.07	70.88	-1.15
Prices in US cents per Pound			

Source: USDA

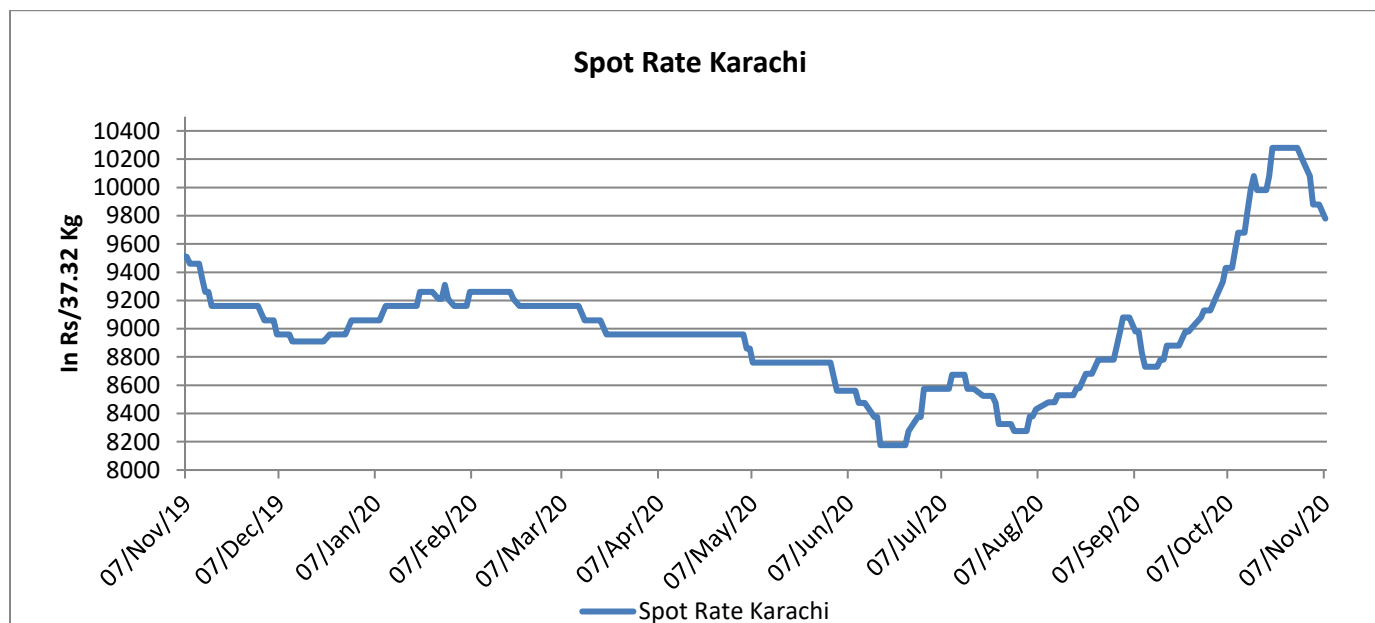


Pakistan Spot Prices

The Pakistan cotton market remained weak owing to the Increasing trends in the import of cotton observed and threat of Covid-19 is increasing. Lack of interest of farmers in cotton crop was witnessed and cotton ginners and the people relating to cotton business are looking for new businesses.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	05-Nov-20	29-Oct-20	
Prices	9980	10280	-2.92
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Nov.

Expiry: Nov. 27, 2020

Cotton



Technical Commentary:

- Cotton 29 mm MCX Nov. contract showed consolidation.
- Relative strength indicator (RSI) is in the neutral region.
- However, the price closed above moving average.
- Price decreased & open interest increased indicating short buildup phase.

We will advise traders to sell.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Nov	19300	19500	19670	20000	20200
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Sell	19790	19640	19500	19880

* Do not carry-forward the position next day.

Commodity: Cotton Seed oil Cake

Contract: Dec

Exchange: NCDEX

Expiry: Dec 19, 2020

Cotton



Technical Commentary:

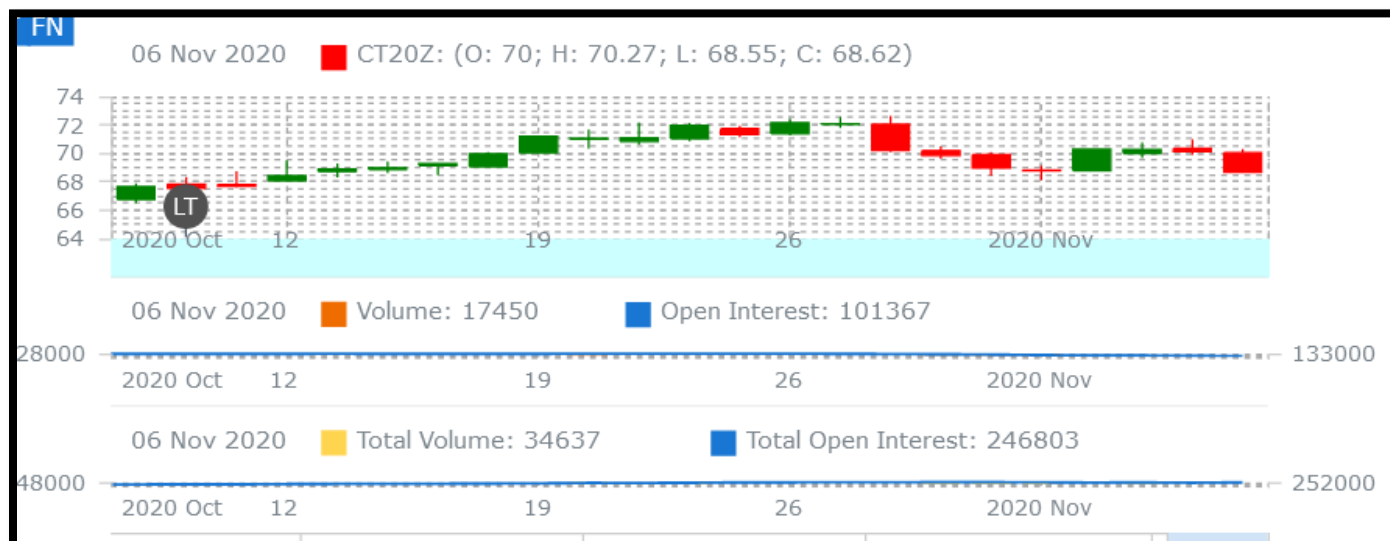
- Overall Candlestick pattern shows consolidation.
- RSI is up in the neutral region.
- Prices closed below 9 and 18 days EMAs.
- Price and open interest increased indicating long buildup in the market.

We will advise traders to wait.

Strategy: Wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1780	1820	1914	1960	2000
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Wait	-	-	-	-

* Do not carry-forward the position next day.

Technical Analysis of Cotton Future (Dec'20Contract) at ICE


- The Dec'20 contract closed lower by the end of the week.
- Candlesticks denote steady to downtrend.
- Total volume increased & Open Interest decreased compared to last week.
- We expect cotton prices to remain rangebound in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	69-73

Expected Support and Resistance

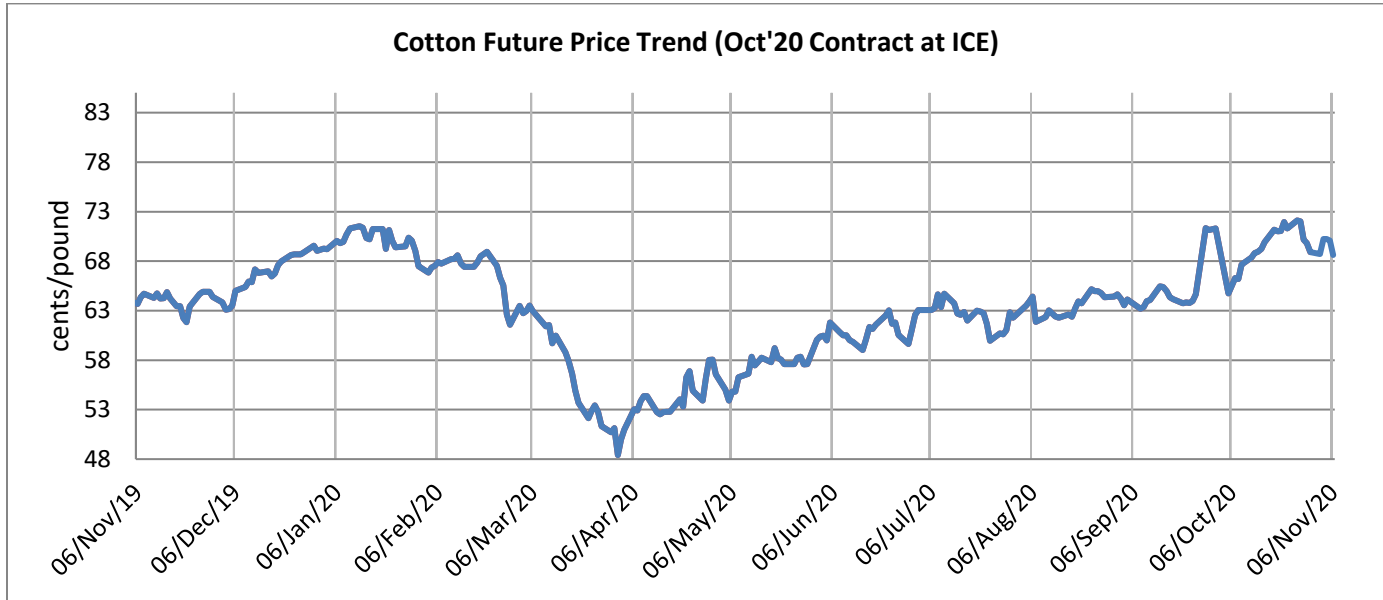
Support 1	Support 2	Resistance 1	Resistance 2
65	69	72	74

Figures in US cents/pound

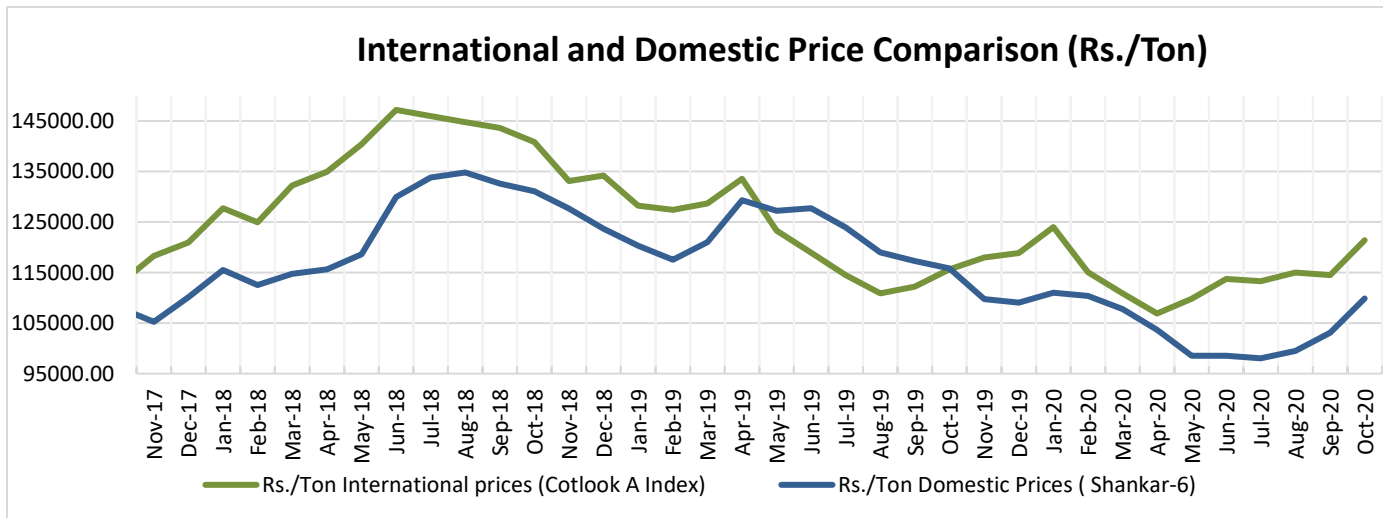
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	06-Nov-20	07-Oct-20 (1 month ago)	08-Aug-20 (3 months ago)	10-May-20 (6 months ago)	07-Nov-19 (a year ago)	% Change over a month	% Change over previous year
Dec-20	68.73	70.24	70.23	70.07	68.62	-2.14	0.01
Mar-21	69.72	71.20	71.19	71.21	70.15	-2.08	0.01
May-21	70.52	72.00	71.95	72.02	71.02	-2.06	0.07
Jul-21	71.22	72.70	72.55	72.71	71.75	-2.04	0.21
Oct-21	69.02	70.30	70.15	70.16	69.32	-1.82	0.21

Future Price Trend (Active Contract):



International and Domestic Price Comparision



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	30 th Oct'20 to 5 th Nov'20	23 rd Oct'20 to 29 th Oct'20	
Gujarat	Ahmedabad	Shankar-6	5433	5400	33
	Gondal	Shankar-6	5549	5498	51
	Rajkot	B.T. Cotton	5450	5356	94
	Patan	B.T. Cotton	5310	5292	18
	Kadi	B.T. Cotton	5333	5317	17
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5230	5291	-61
Haryana	Bhiwani	B.T. Cotton	5208	5271	-63
	Bhiwani	Desi	6000	4000	2000
	Adampur	B.T. Cotton	5278	5308	-31
	Fatehabad	B.T. Cotton	5258	5311	-53
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5713	5721	-8
Rajasthan	Hanumangarh	B.T. Cotton	5300	5240	60
	Rawatsar	B.T. Cotton	5250	5333	-83
Madhya Pradesh	Khandwa	Mech-1	5600	NA	-
	Khargaon	Mech-1	NA	5725	-
Maharashtra	Amravati	Mech-1	4950	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6008	6000	8
	Hathras	Desi	5383	5500	-117
Telangana	Adilabad	Un-Ginned	5825	NA	-
Andhra Pradesh	Adoni	Medium Staple	4995	4884	111
Karnataka	Bijapur	Bunny	5168	4224	944
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5300	NA	-
	Raichur	H-44 Cotton	4925	5099	-174
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	30 th Oct'20 to	23 rd Oct'20 to	

			05 th Nov'20	29 th Oct'20	
Punjab	Bhatinda	J-34	4190	4220	-30
	Abohar	J-34	4187	4223	-37
	Mansa	J-34	4171	4214	-43
Haryana	Sirsa	J-34	4140	4185	-45
Rajasthan	Sri-Ganganagar	J-34	3820	3895	-75

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	30 th Oct'20 to 05 th Nov'20	23 rd Oct'20 to 29 th Oct'20	Change
Gujarat	Ahmedabad	Shankar-6	238000	234600	3400
	Gondal	Shankar-6	17019	25622	-8603
	Rajkot	B.T. Cotton	12325	21675	-9350
	Patan	B.T. Cotton	65067	65878	-811
	Kadi	B.T. Cotton	150000	180000	-30000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	336	653	-317
Haryana	Bhiwani	B.T. Cotton	260000	178000	82000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6460	6290	170
	Fatehabad	B.T. Cotton	2550	3000	-450
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	14300	9500	4800
Rajasthan	Hanumangarh	B.T. Cotton	1450	3800	-2350
	Rawatsar	B.T. Cotton	2200	2200	Unch
Madhya Pradesh	Khandwa	Mech-1	4500	NA	2100
	Khargaon	Mech-1	NA	3185	-
Maharashtra	Amravati	Mech-1	17500	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	550	1050	-500
	Hathras	Desi	180	270	-90
Telangana	Adilabad	Un-Ginned	4036445	NA	-
Andhra Pradesh	Adoni	Medium Staple	43950	NA	7840

Karnataka	Bijapur	Bunny	24378	2756	21622
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	98	NA	-
	Raichur	H-44 Cotton	1312	1364	-52
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30 th Oct'20 to 05 th Nov'20	23 rd Oct'20 to 29 th Oct'20	
Punjab	Bhatinda	J-34	96900	103700	-6800
	Abohar	J-34	32810	18190	14620
	Mansa	J-34	11900	13770	-1870
Haryana	Sirsa	J-34	13090	12580	510
Rajasthan	Sri-Ganganagar	J-34	14500	15000	-500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	06-Nov-20	30-Oct-20	07-Oct-20	06-Nov-19
Gujarat	Ahmedabad	Shankar-6	5450	5400	5125	5250
	Gondal	Shankar-6	5655	Closed	4880	5500
	Rajkot	B.T. Cotton	5505	5445	4875	5530
	Patan	B.T. Cotton	5355	5280	4870	5515
	Kadi	B.T. Cotton	5100	5400	4750	5550
	Deesa	B.T. Cotton	NA	0	0	NA
	Dhrol	B.T. Cotton	5500	NA	4150	NR
Haryana	Bhiwani	B.T. Cotton	5100	5300	5200	5600
	Bhiwani	Desi	6000	6000	0	NA
	Adampur	B.T. Cotton	5290	5320	5125	5350
	Fatehabad	B.T. Cotton	5250	5300	5100	5350
	Jind	B.T. Cotton	NA	0	0	5700
	Uchana	B.T. Cotton	NA	0	0	5385
	Dabwali	B.T. Cotton	5750	5700	5075	NR
Rajasthan	Hanumangarh	B.T. Cotton	5300	5300	5000	Closed
	Rawatsar	B.T. Cotton	5300	5300	5100	Closed
Madhya Pradesh	Khandwa	Mech-1	5650	Closed	0	5491

	Khargaon	Mech-1	NA	0	4607	5427
Maharashtra	Amravati	Mech-1	4900	0	0	5300
	Jamner	Medium Staple	NA	0	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	6200	6000	5300	NA
	Hathras	Desi	5500	5500	4500	NA
Telangana	Adilabad	Un-Ginned	5825	0	0	5400
Andhra Pradesh	Adoni	Medium Staple	NA	NA	5200	0
Karnataka	Bijapur	Bunny	5300	0	5211	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	4900	NA	5200	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	06-Nov-20	30-Oct-20	07-Oct--20	06-Nov-19
Punjab	Bhatinda	J-34	4240	4200	3820	3840
	Abohar	J-34	4240	4200	3830	3850
	Mansa	J-34	4200	4190	3825	3850
Haryana	Sirsa	J-34	4150	4150	3800	3820
Rajasthan	Sri-Ganganagar	J-34	3901	3901	3572	3619

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	06-Nov-20	30-Oct-20	07-Oct-20	06-Nov-19
Gujarat	Ahmedabad	Shankar-6	51000	42500	10200	25500
	Gondal	Shankar-6	4462	Closed	1026	614
	Rajkot	B.T. Cotton	1850	3225	2450	0
	Patan	B.T. Cotton	10079	11122	8080	15531
	Kadi	B.T. Cotton	20000	30000	10000	10000
	Deesa	B.T. Cotton	NA	0	0	0
	Dhrol	B.T. Cotton	80	NA	34	372
Haryana	Bhiwani	B.T. Cotton	15000	25000	45000	8000
	Bhiwani	Desi	NA	NA	0	50
	Adampur	B.T. Cotton	1360	1190	850	2040
	Fatehabad	B.T. Cotton	300	500	1500	800
	Jind	B.T. Cotton	NA	0	0	1428
	Uchana	B.T. Cotton	NA	0	0	2234

	Dabwali	B.T. Cotton	2000	1500	1100	1600
Rajasthan	Hanumangarh	B.T. Cotton	200	500	1200	4000
	Rawatsar	B.T. Cotton	500	500	700	6000
Madhya Pradesh	Khandwa	Mech-1	1500	Closed	0	300
	Khargaon	Mech-1	NA	0	190	7125
Maharashtra	Amravati	Mech-1	5000	0	0	0
	Jamner	Medium Staple	NA	0	0	0
Uttar Pradesh	Hathras	B.T. Cotton	15	150	500	60
	Hathras	Desi	10	20	100	15
Telangana	Adilabad	Un-Ginned	3610588	0	0	0
Andhra Pradesh	Adoni	Medium Staple	0	0	0	0
Karnataka	Bijapur	Bunny	5256	0	949	4042
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	307	NA	1477	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	06-Nov-20	30-Oct-20	07-Oct-20	06-Nov-19
Punjab	Bhatinda	J-34	17000	17000	1020	10200
	Abohar	J-34	3400	5950	680	2550
	Mansa	J-34	2550	1700	850	850
	Sirsa	J-34	1700	2550	850	2550
	Sri-Ganganagar	J-34	2000	2000	2000	5000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				30th Oct'20 to 05th Nov'20	23rd Oct'20 to 29th Oct'20	
Bengal Deshi (RG)/Assam Comilla	Below 22mm	5.0 - 7.0	15	38400	38000	400
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	38933	38600	333
J-34	27mm	3.5 - 4.9	23	39017	39000	17
H-4/ MECH-1	28mm	3.5 - 4.9	27	38500	38733	-233
Shankar-6	29mm	3.5 - 4.9	28	40167	40533	-367
Bunny/ Brahma	31mm	3.5 - 4.9	30	40850	41133	-283
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	41700	41933	-233
DCH-32	34mm	3.0 - 3.8	33	56050	56000	50

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