

COTTON WEEKLY RESEARCH REPORT
17th 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. About 293 new ginning and spinning mills will also start operations in Telangana in the coming week. 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.40,550 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 1,70,000 to 1,80,000 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 stable between 74.16 to 74.65 against USD compared to last week.

Market Highlights:

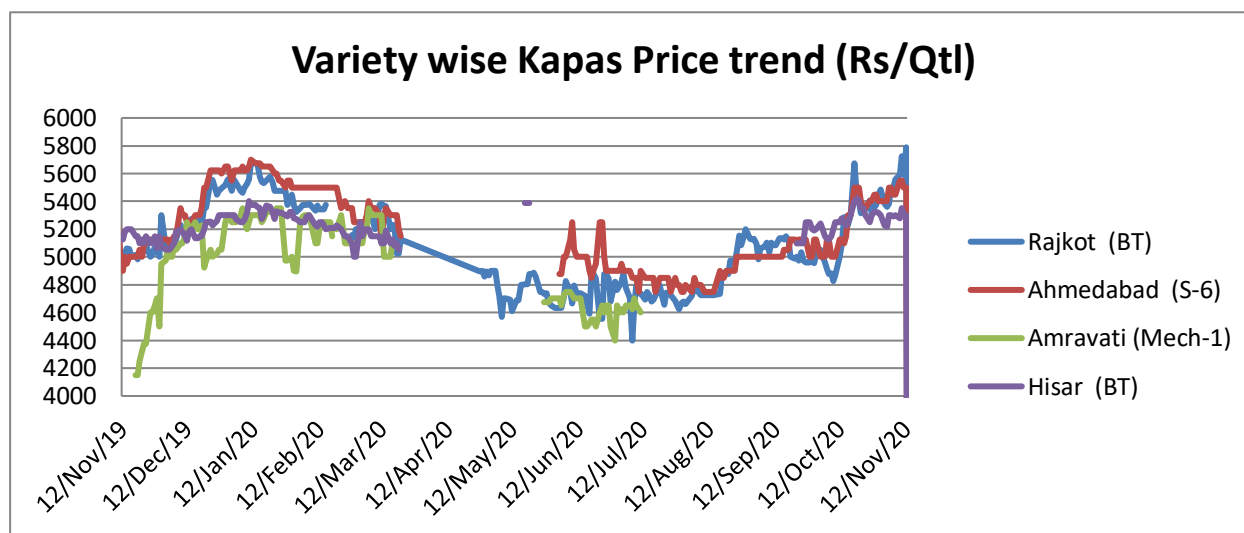
- **Cotton arrivals in the mandi has increased with this week.** About 1,80,000 bales of cotton per day has been brought by the farmers in various mandi during this week. CCI procurement operations are going on MSP in various states by purchasing around 11 lakh bales so far from the total arrivals of 40 lakh bales. The daily arrivals in Punjab are around 12,000 bales, 20,000 bales in Haryana, 25,000 bales in Rajasthan, 30,000 bales in Gujarat, 38,000 bales in Maharashtra, 20,000 bales in Madhya Pradesh, 13,000 bales in Andhra Pradesh, 13,000 bales in Karnataka and 15,000 bales in Telangana.
- **Government gave assurance to farmers that they will procure all the cotton produced in Telangana by paying MSP of Rs. 5,825 per quintal.** Due to heavy rains in Telangana the moisture content in cotton crop has increased. The Government officials have requested CCI to purchase cotton of more than 12 percent moisture. CCI has lifted only 9.2 lakh bales of cotton out of 40.56 lakh bales of cotton stored in godowns so far. So to create enough spaces cotton needs to be lifted from these godowns.
- **Cotton Market likely to remain firm.** Cotton market in India has stabilized in recent weeks. As unlocking rolls out, demand prospects of Indian cotton continue to improve both in local and overseas demand. Indian cotton is being offered at around 75 cents per lb, cost and freight basis, to buyers in China, Bangladesh and Vietnam for November shipments.

- 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 led to the demand 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 have expected to have exported around 7-8 lakh bales and around 10 lakh bales contract have been signed for November month.

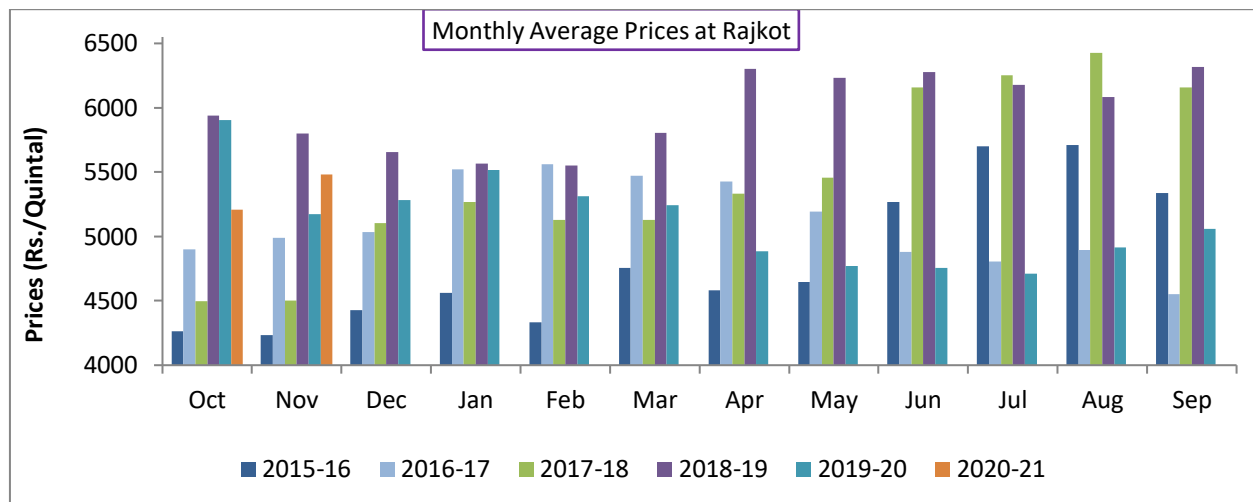
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was firm at Rs. 5626/q and Ahmedabad prices were firm at 5500/q.



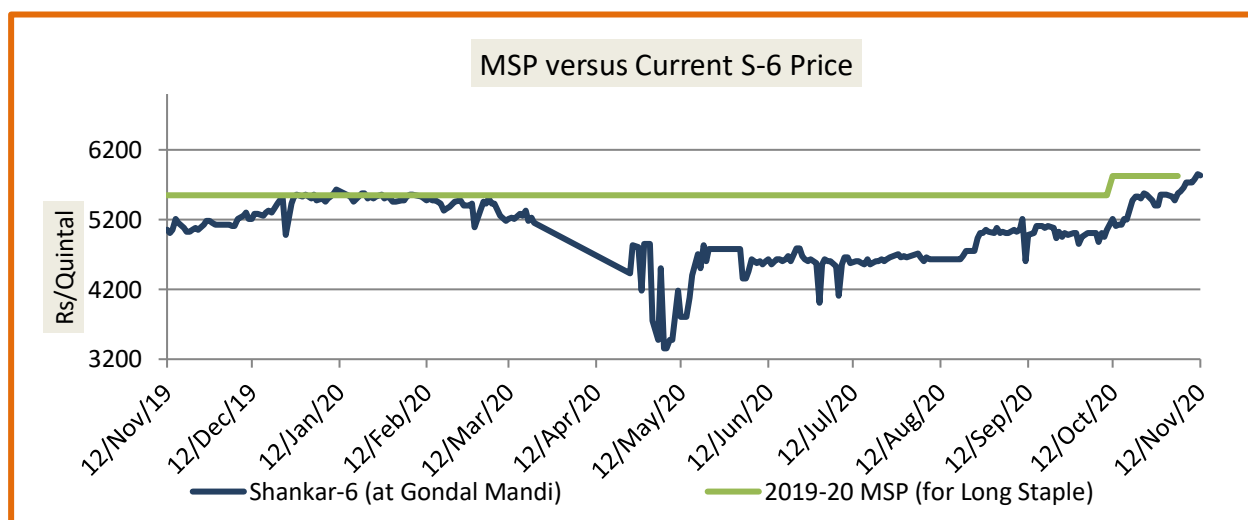
Kapas Monthly M-o-M Price Scenario



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

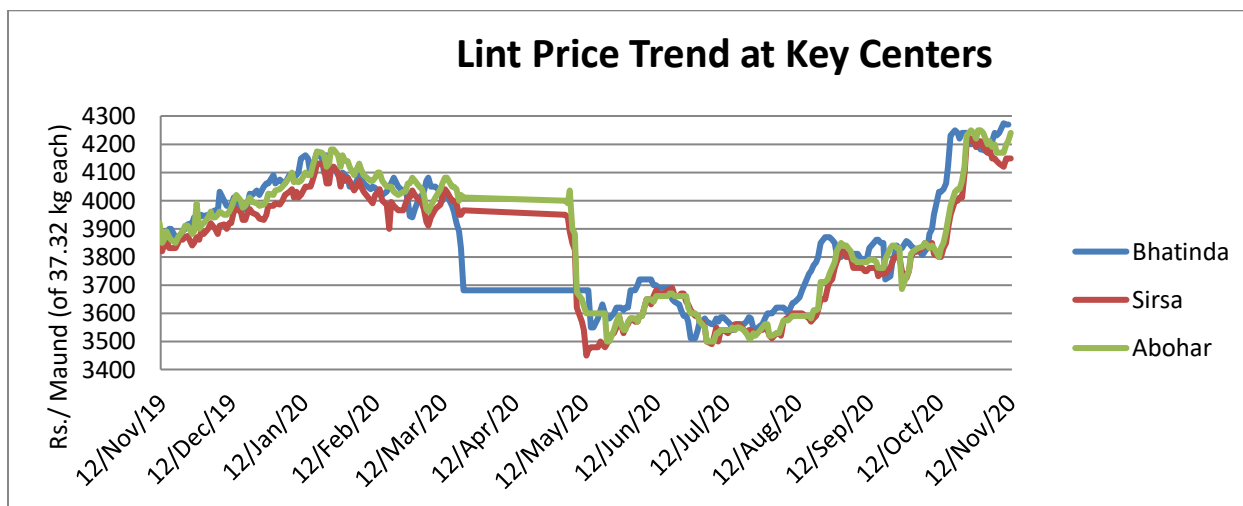
Average kapas price at Gondal market was Rs. 5763.33/q, higher from prior week when it stood at Rs. 5548.75/q.



Source: Agriwatch

Lint price Outlook

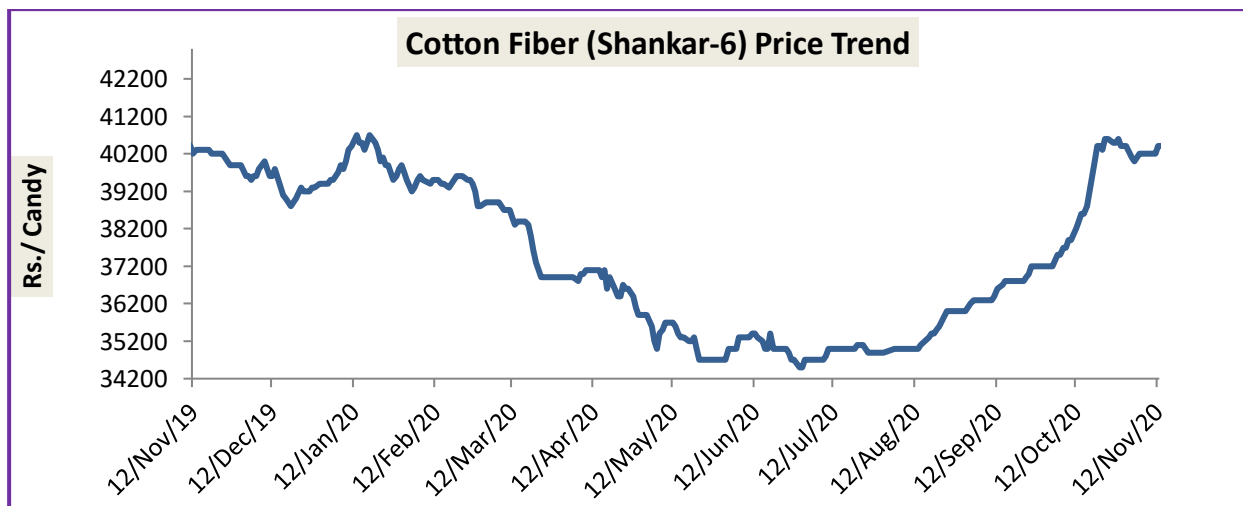
The average price stood firm at Rs.4254/maund of lint in Abohar. The procurement by CCI has increased and it has been purchasing the raw cotton at MSP from the farmers. While the average price in Bhatinda and Sirsa in the last week stood firm around Rs.4254 and Rs. 4159/maund of 37.32 kg each respectively.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was high at Rs.40,228/candy from around Rs.40,200/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

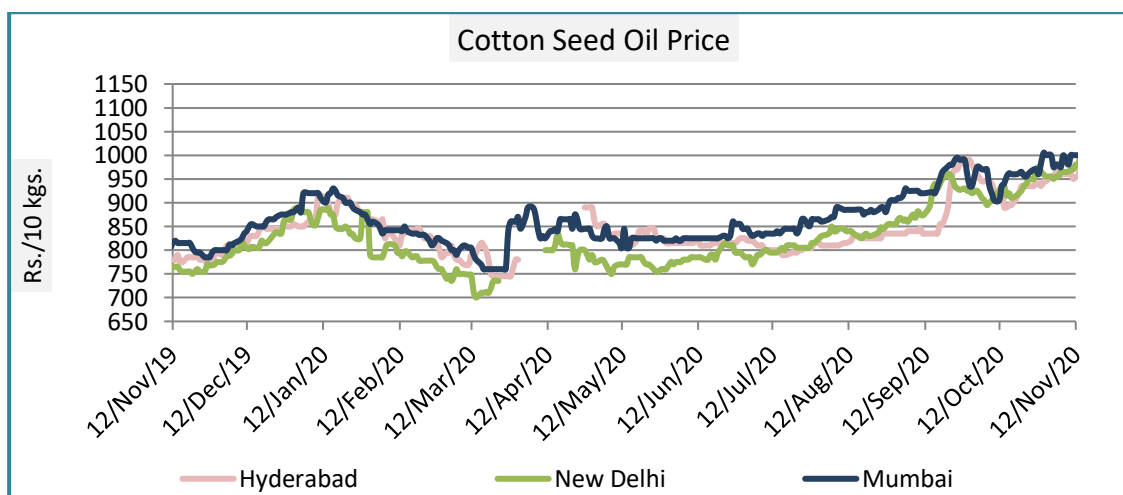
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price showed firm trend across all the centres during the week ending on 12th Nov'20. Weekly average price in Mumbai stood firm at Rs.960. In New Delhi the prices ranged around Rs. 931 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	12-Nov-20	06-Nov-20	
New Delhi	931	910	2.33
Rajkot	942	940	0.16
Hyderabad	935	916	2.14
Mumbai	960	949	1.15

Source: Agriwatch



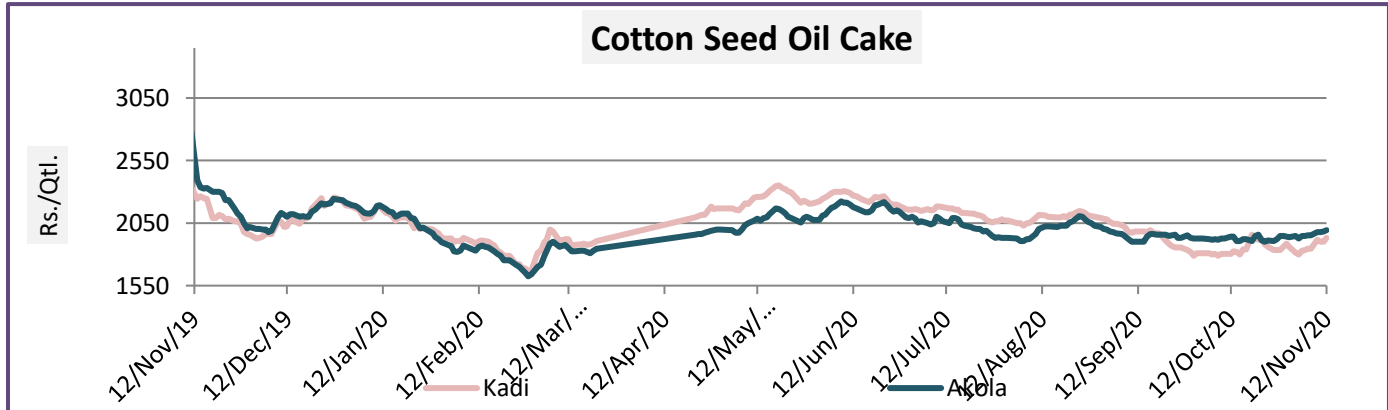
Cotton Seed Oil Cake weekly Price Scenario

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 given the 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. 1889/q and Rs.1971/q in Akola.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	12-Nov-20	05-Nov-20	
Kadi	1889	1837	2.82

Akola	1971	1942	2.47
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Source: NCDEX



International Market Scenario

Major Market Highlights:

- **The China cotton fiber imports have reached 9.65 lakh bales** and the import volume was reached 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.** 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. 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.

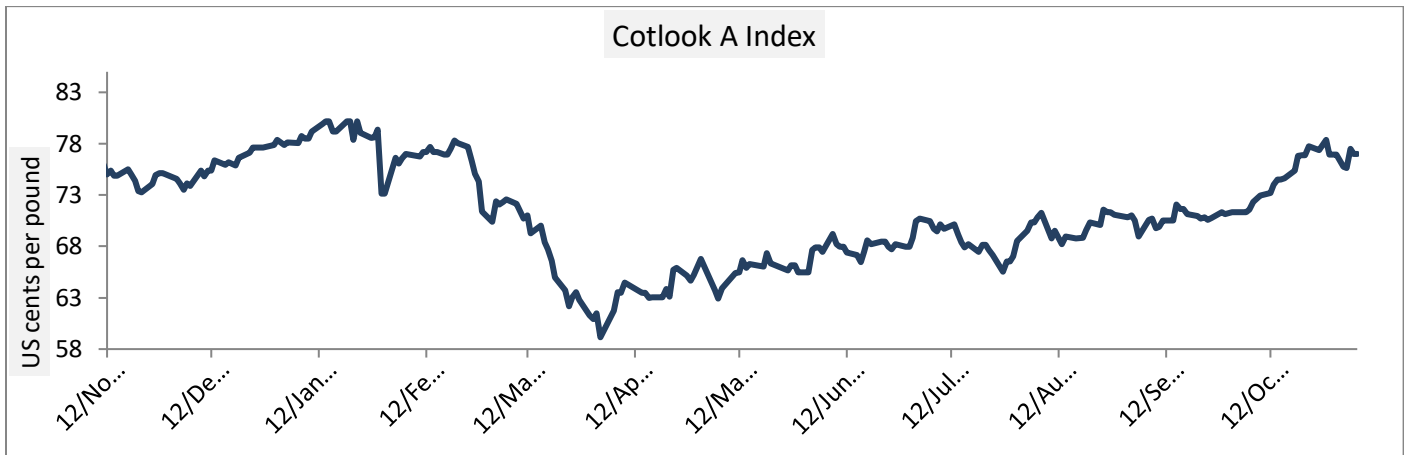
Cotlook A Index

Cotlook A index was higher in the last week. The Cotlook A Index was at 76.93 cents/lb higher compared to the previous week (76.63 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	12-Nov-20	05-Nov-20	
Prices	76.93	76.63	0.40

Prices in US cents per Pound

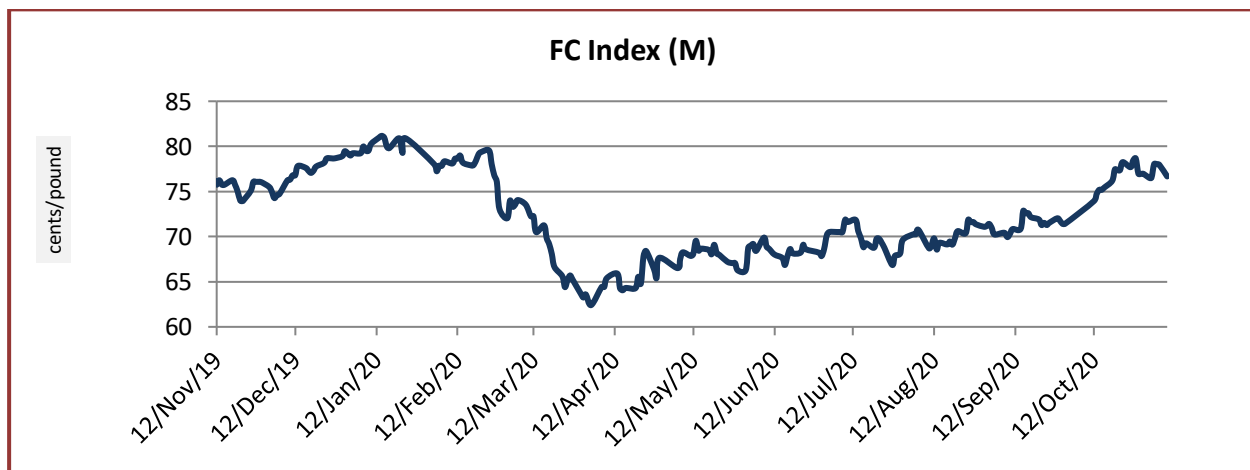
Source: Cotlook


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	12-Nov-20	05-Nov-20	
FC (S)	79.88	79.41	0.59
FC (M)	77.84	77.17	0.86
FC (L)	76.62	75.94	0.90

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	12-Nov-20	05-Nov-20	
CCIndex(328)	14487.80	14595.50	-0.74

CCIndex(527)	13596.60	13601.67	-0.04
CCIndex(229)	14766.20	14861.00	-0.64
Prices in Yuan per ton			

Source: China Cotton Association

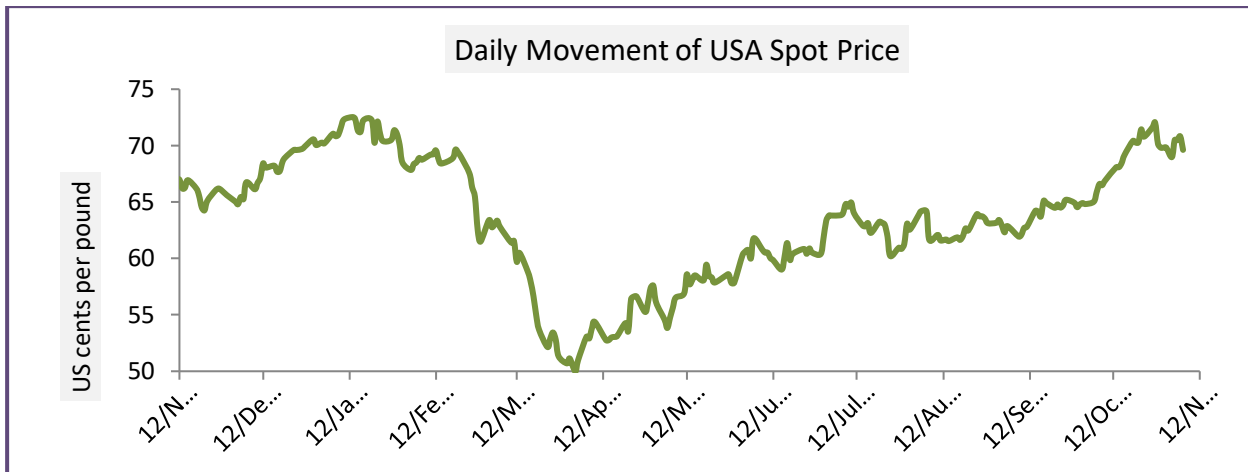


USA Spot Prices

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
	12-Nov-20	05-Nov-20	
Prices	70.35	70.07	0.41
Prices in US cents per Pound			

Source: USDA

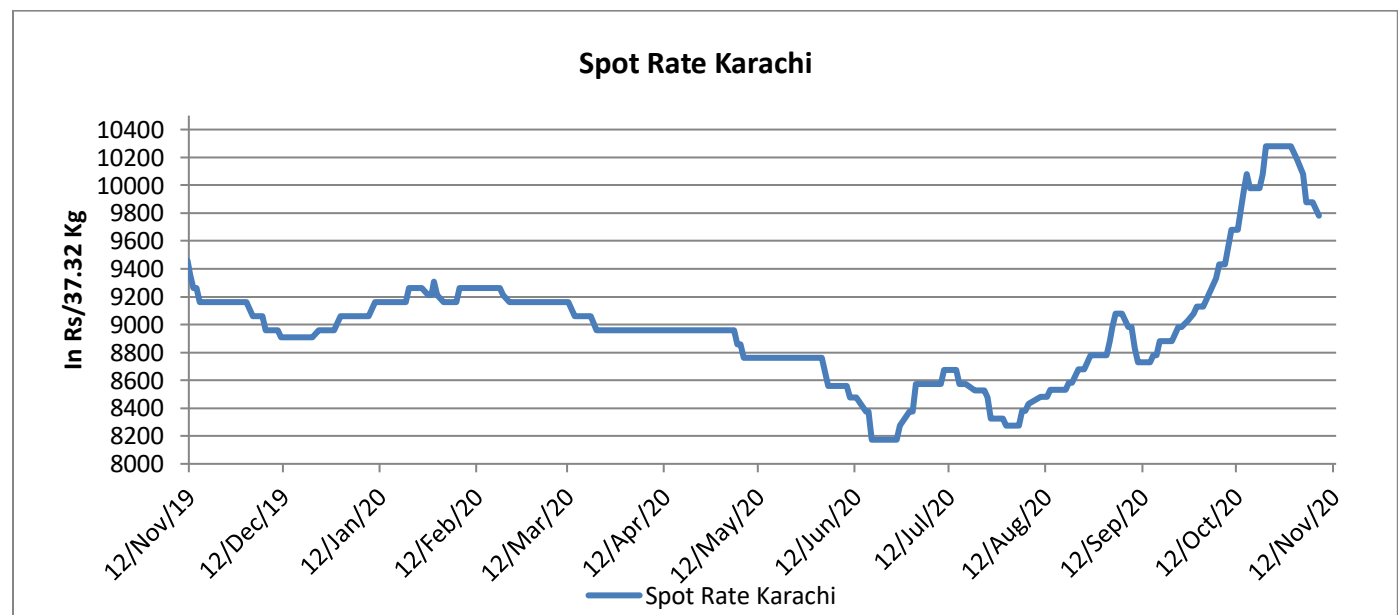


Pakistan Spot Prices

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	Weekly Average Price as on		% Change
	12-Nov-20	05-Nov-20	
Prices	9663	9980	-3.17
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:

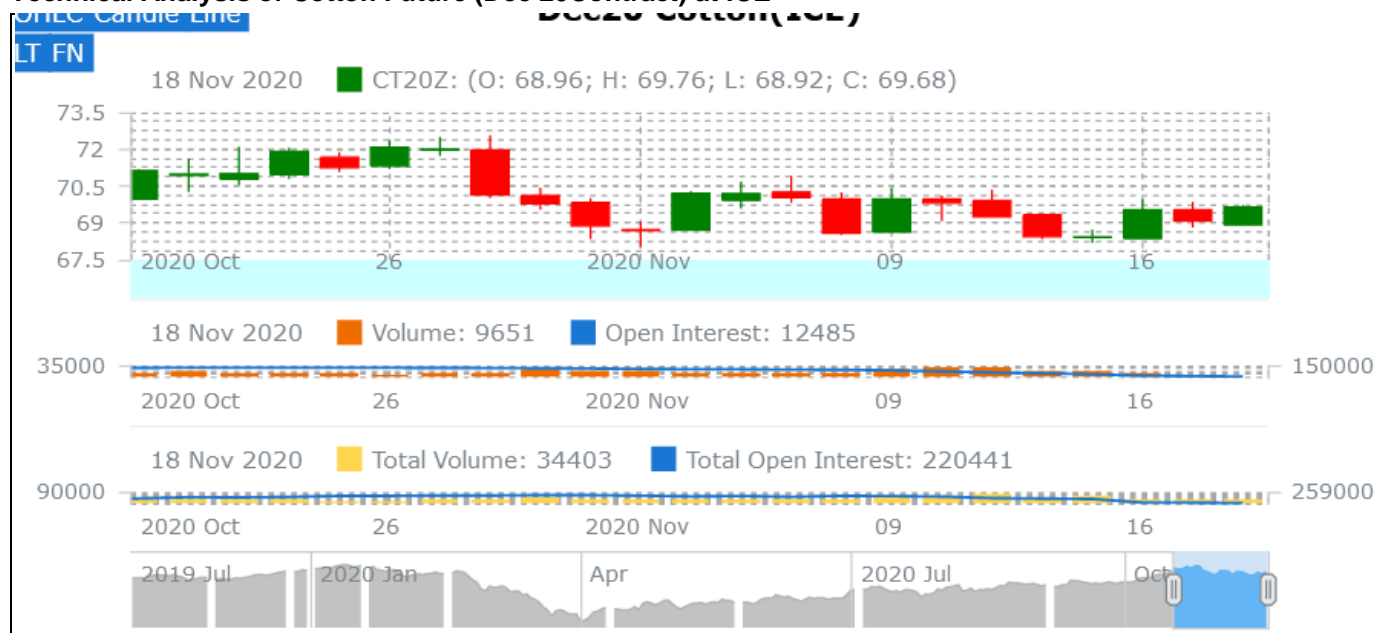
- Cotton 29 mm MCX Nov.contractshowed consolidation above the super-trend.
- Relative strength indicator (RSI)isintheneutralregion.
- However, the price closed above moving average.
- Both Price&openinterestdecreasedindicating long liquidation.

We will advise traders to wait.

Strategy: Wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Nov	19300	19500	19930	20100	20200
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Wait	-	-	-	-

* Do not carry-forward the position next day.

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


- The Dec'20 contract closed higher by the end of the week.
- Candlesticks denote steady uptrend.
- 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
69	70.5	72	73

Figures in US cents/pound

Cotton Future Prices at ICE

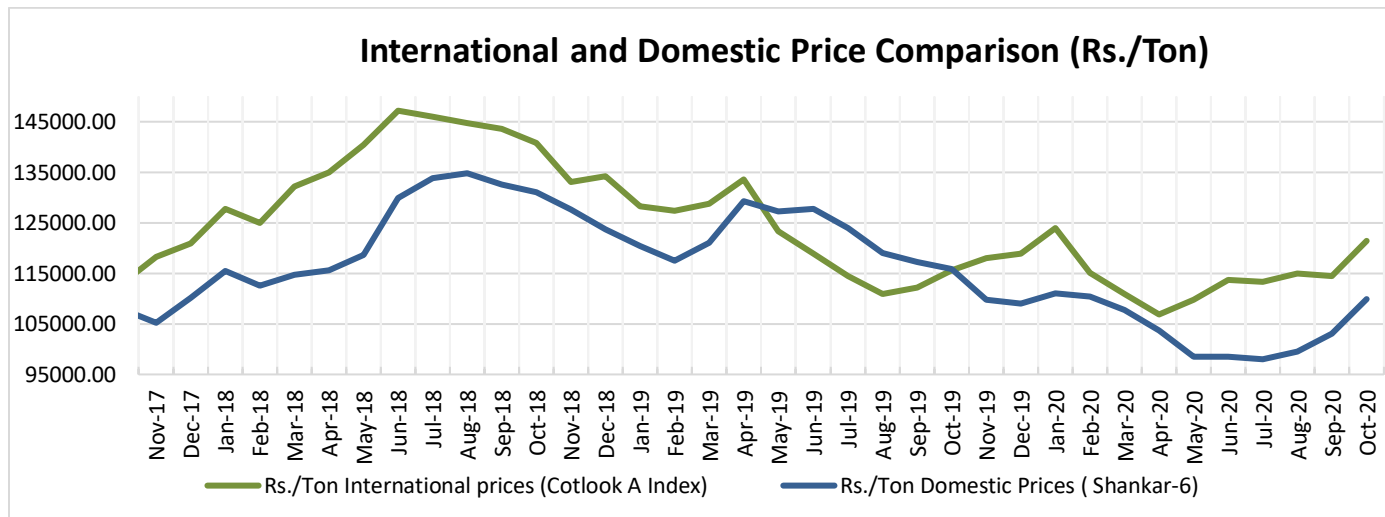
Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	12-Nov-20	13-Oct-20 (1 month ago)	13-Aug-20 (3 months ago)	17-May-20 (6 months ago)	12-Nov-19 (a year ago)	% Change over a month	% Change over previous year
Dec-20	68.62	70.00	69.85	69.28	68.48	-1.97	0.20
Mar-21	70.15	71.68	71.65	71.38	70.62	-2.13	-0.67
May-21	71.02	72.55	72.64	72.34	71.56	-2.11	-0.75
Jul-21	71.75	72.26	73.37	73.06	72.28	-2.06	-0.73

Oct-21	69.32	70.56	70.87	70.57	69.92	-1.76	-0.86
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Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Novt'20	
Gujarat	Ahmedabad	Shankar-6	5500	5433	67
	Gondal	Shankar-6	5763	5549	215
	Rajkot	B.T. Cotton	5627	5450	177
	Patan	B.T. Cotton	5447	5310	137
	Kadi	B.T. Cotton	5417	5333	83
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5538	5230	308
Haryana	Bhiwani	B.T. Cotton	5100	5208	-108
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	5303	5278	26
	Fatehabad	B.T. Cotton	5299	5258	42
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5742	5713	29
Rajasthan	Hanumangarh	B.T. Cotton	5300	5300	Unch
	Rawatsar	B.T. Cotton	5238	5250	-13
Madhya Pradesh	Khandwa	Mech-1	5617	5600	17
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5010	4950	60
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6067	6008	58
	Hathras	Desi	5500	5383	117
Telangana	Adilabad	Un-Ginned	5791	5825	-34
Andhra Pradesh	Adoni	Medium Staple	5155	4995	160
Karnataka	Bijapur	Bunny	5408	5168	240
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	5300	-
	Raichur	H-44 Cotton	5217	4925	292
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change

State	Centre	Variety	06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Novt'20	
Punjab	Bhatinda	J-34	4254	4190	64
	Abohar	J-34	4254	4187	67
	Mansa	J-34	4232	4171	61
Haryana	Sirsa	J-34	4159	4140	19
Rajasthan	Sri-Ganganagar	J-34	3870	3820	50

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Novt'20	
Gujarat	Ahmedabad	Shankar-6	277100	238000	39100
	Gondal	Shankar-6	19259	17019	2240
	Rajkot	B.T. Cotton	22650	12325	10325
	Patan	B.T. Cotton	40577	65067	-24490
	Kadi	B.T. Cotton	160000	150000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	482	336	146
Haryana	Bhiwani	B.T. Cotton	150000	260000	-110000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7820	6460	1360
	Fatehabad	B.T. Cotton	1550	2550	-1000
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	12400	14300	-1900
Rajasthan	Hanumangarh	B.T. Cotton	1100	1450	-350
	Rawatsar	B.T. Cotton	3000	2200	800
Madhya Pradesh	Khandwa	Mech-1	5500	4500	1000
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	34000	17500	16500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	160	550	-390
	Hathras	Desi	60	180	-120
Telangana	Adilabad	Un-Ginned	15794811	4036445	11758366
Andhra Pradesh	Adoni	Medium Staple	69600	43950	25650
Karnataka	Bijapur	Bunny	32366	24378	7988
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	98	-
	Raichur	H-44 Cotton	1933	1312	621
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Novt'20	
Punjab	Bhatinda	J-34	93500	96900	-3400
	Abohar	J-34	19380	32810	-13430
	Mansa	J-34	11730	11900	-170
Haryana	Sirsa	J-34	10880	13090	-2210
Rajasthan	Sri-Ganganagar	J-34	11000	14500	-3500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	17-Nov-20	10-Nov-20	19-Oct-20	18-Nov-19
Gujarat	Ahmedabad	Shankar-6	Closed	5550	5500	5000
	Gondal	Shankar-6	Closed	5780	5480	5500
	Rajkot	B.T. Cotton	Closed	5725	5675	5530
	Patan	B.T. Cotton	Closed	5510	5500	5515
	Kadi	B.T. Cotton	5600	5500	5400	5550
	Deesa	B.T. Cotton	NA	0	0	NA
	Dhrol	B.T. Cotton	NA	5625	5000	NR
Haryana	Bhiwani	B.T. Cotton	5200	5100	5350	5600
	Bhiwani	Desi	6000	6000	6000	NA
	Adampur	B.T. Cotton	5330	5350	5400	5350
	Fatehabad	B.T. Cotton	5375	5325	5400	5350
	Jind	B.T. Cotton	NA	0	0	5700
	Uchana	B.T. Cotton	NA	0	0	5385
	Dabwali	B.T. Cotton	5750	5725	5800	NR
Rajasthan	Hanumangarh	B.T. Cotton	5320	5300	5350	Closed
	Rawatsar	B.T. Cotton	5200	5250	5250	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	5600	0	5491
	Khargaon	Mech-1	NA	0	0	5427
Maharashtra	Amravati	Mech-1	5400	5150	0	5300
	Jamner	Medium Staple	NA	0	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	5800	6200	5350	NA

	Hathras	Desi	5500	5500	4500	NA
Telangana	Adilabad	Un-Ginned	NA	5775	0	5400
Andhra Pradesh	Adoni	Medium Staple	5239	5139	5100	5351
Karnataka	Bijapur	Bunny	5456	5501	5411	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	5300	5250	5030	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	17-Nov-20	10-Nov-20	19-Oct-20	18-Nov-19
Punjab	Bhatinda	J-34	4300	4275	4230	3900
	Abohar	J-34	4300	4270	4230	3910
	Mansa	J-34	4280	4250	4120	3875
Haryana	Sirsa	J-34	4180	4175	4200	3875
Rajasthan	Sri-Ganganagar	J-34	3901	3807	3854	3666

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	17-Nov-20	10-Nov-20	19-Oct-20	18-Nov-19
Gujarat	Ahmedabad	Shankar-6	Closed	42500	34000	64600
	Gondal	Shankar-6	Closed	2955	1952	7024
	Rajkot	B.T. Cotton	Closed	4050	1050	6100
	Patan	B.T. Cotton	Closed	10089	12002	24378
	Kadi	B.T. Cotton	35000	30000	30000	30000
	Deesa	B.T. Cotton	NA	0	0	0
	Dhrol	B.T. Cotton	NA	119	40	0
Haryana	Bhiwani	B.T. Cotton	10000	25000	50000	4000
	Bhiwani	Desi	NA	0	NA	40
	Adampur	B.T. Cotton	1360	1360	850	1530
	Fatehabad	B.T. Cotton	250	250	500	800
	Jind	B.T. Cotton	NA	0	0	700.4
	Uchana	B.T. Cotton	NA	0	0	2490
	Dabwali	B.T. Cotton	2000	2400	3000	2500
Rajasthan	Hanumangarh	B.T. Cotton	500	200	800	3000
	Rawatsar	B.T. Cotton	500	300	500	4000
Madhya Pradesh	Khandwa	Mech-1	Closed	2000	0	710

	Khargaon	Mech-1	NA	0	0	3975
Maharashtra	Amravati	Mech-1	4000	9000	0	5000
	Jamner	Medium Staple	NA	0	0	0
Uttar Pradesh	Hathras	B.T. Cotton	50	15	300	50
	Hathras	Desi	10	10	100	30
Telangana	Adilabad	Un-Ginned	NA	3350138	0	0
Andhra Pradesh	Adoni	Medium Staple	0	0	0	0
Karnataka	Bijapur	Bunny	5847	6004	2011	6223
	Hubli	D.C.H.	NA	0	0	12
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	262	315	2400	3570
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	17-Nov-20	10-Nov-20	19-Oct-20	18-Nov-19
Punjab	Bhatinda	J-34	17000	17000	17000	8500
	Abohar	J-34	170	3400	6800	3060
	Mansa	J-34	1190	2550	3400	850
	Sirsa	J-34	1700	2040	5100	1190
	Sri-Ganganagar	J-34	2000	3000	3000	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Novt'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

Disclaimer

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