

**COTTON WEEKLY RESEARCH REPORT**  
**30<sup>th</sup> Nov 2020****Domestic market summary**

**Domestic market Scenario:** CCI procurement operations of seed cotton under MSP are going smoothly in the states of Punjab, Haryana, Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Telangana, Andhra Pradesh, Odisha and Karnataka. Indian kapas rate are now near to MSP. Till date CCI has procured nearly 26 lakh bales. About 293 new ginning and spinning mills have started operating in Telangana. Gujarat Shankar-6 variety cotton spot prices stood firm around Rs.41,250per candy during the week.

**Weekly Price Outlook :** The average price of Kapas is likely to remain firm between Rs. 5850-6010/q in Rajkot while the prices in Andhra Pradesh likely to hover around Rs.4530-5000/q.

**Major Market Highlights:**

- All India daily arrivals have reached around 2,70,000 to 3,00,000 bales per day.
- Cotlook index stood higher (78.95cents/lbs) compared to the ICE cotton future that stood at 74.06 cents/lbs.
- Indian rupee remained stronger between 73.88 to 74.10 against USD compared to last week.

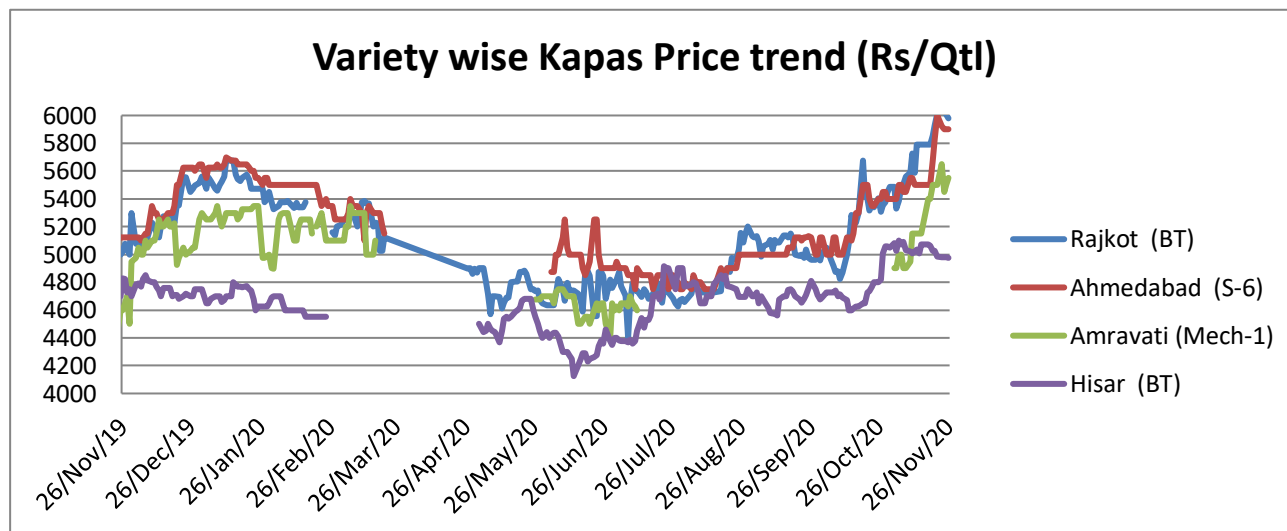
**Market Highlights:**

- **According to Cotton Association of India, the raw cotton prices have increased about 25% to Rs 5,000-6,000 per quintal in last 2 months.** The daily arrivals have also increased to about 310,000 bales, which is the highest in a decade. Total arrivals in the market have reached about 7 million bales.CCI has also been procuring at MSP in 10 states, which has led to an increase in cotton seed prices.
- **Cotton farmers in Adilabad suffer losses** due to Pink bollworm attack and are removing or burning their damaged cotton crop Farmers are requesting the state government to conduct a survey, assess crop damage and pay compensation to them as not all farmers have received their insurance money for their damaged crop earlier.
- **Due to heavy rains in October month, the staple size of cotton is less than norma , leading to lower prices.**The unprecedented rains have adversely affected the cotton cultivation. Earlier CCI was offering Rs 5,825 per quintal for BunnyBrahma mode staple size cotton between 29.5 – 30.5 mm. Due to heavy rains the staple size remained below29.5 mm, the farmers are now expecting pricesaround Rs 5,775 per quintal.
- **Cyclonic rains submerge 13,000 ha of standing crop.** Cotton and various other crops are damaged due to the rains caused by cyclone Nivar in Guntur district. If the rains continue for more days the yield will be affected. The farmers will have to face heavy loss due to the crop damage.

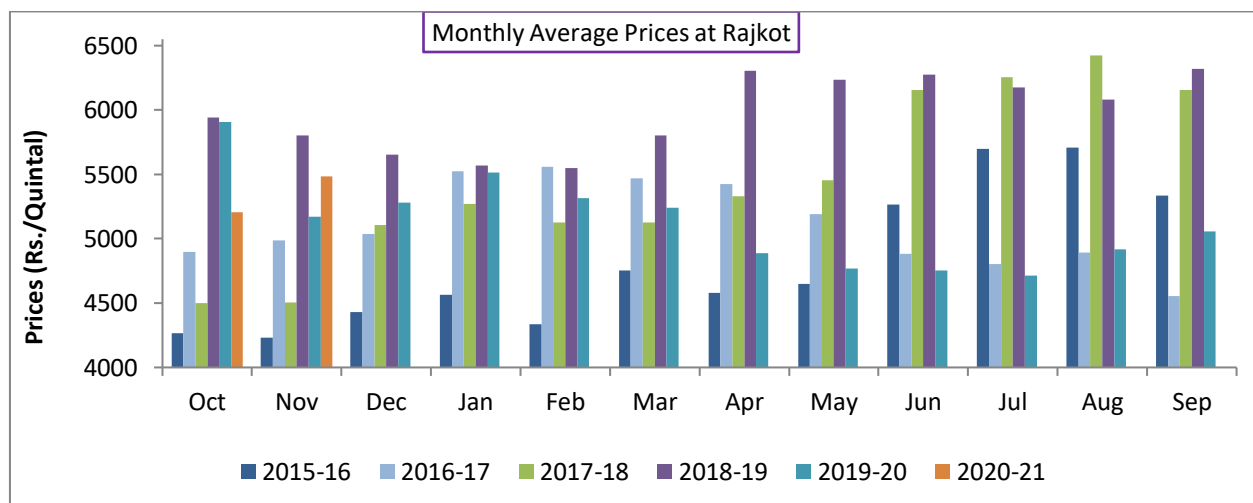
## Domestic Cotton Prices Scenario

### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly kapas average price at Rajkot was firm at Rs. 6027/q and Ahmedabad prices were firm at 5925/q.



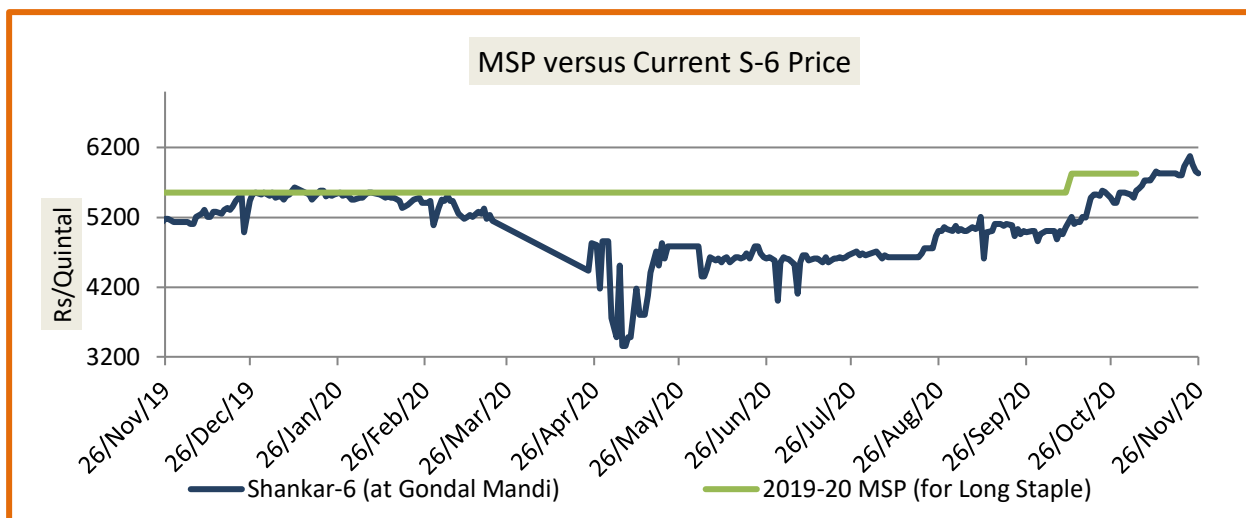
### Kapas Monthly M-o-M Price Scenario



The arrivals in the month of November were high in the market. The monthly average price was high in November at Rs. 5406/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

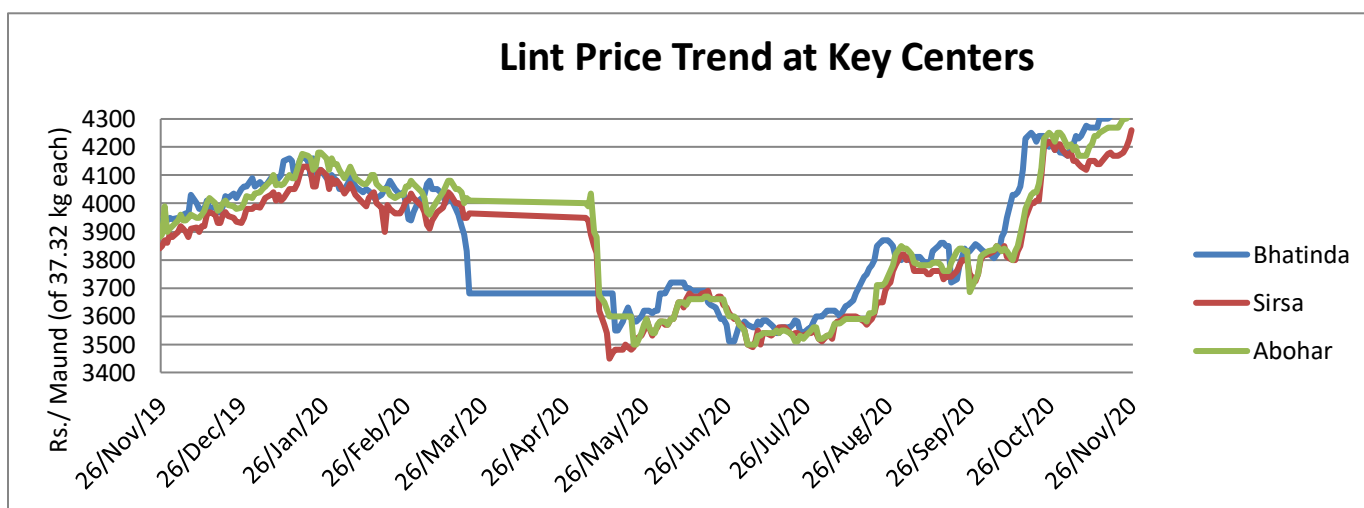
Average kapas price at Gondal market was Rs.5930/q, higher from prior week when it stood at Rs. 5825/q.



Source: Agriwatch

## Lint price Outlook

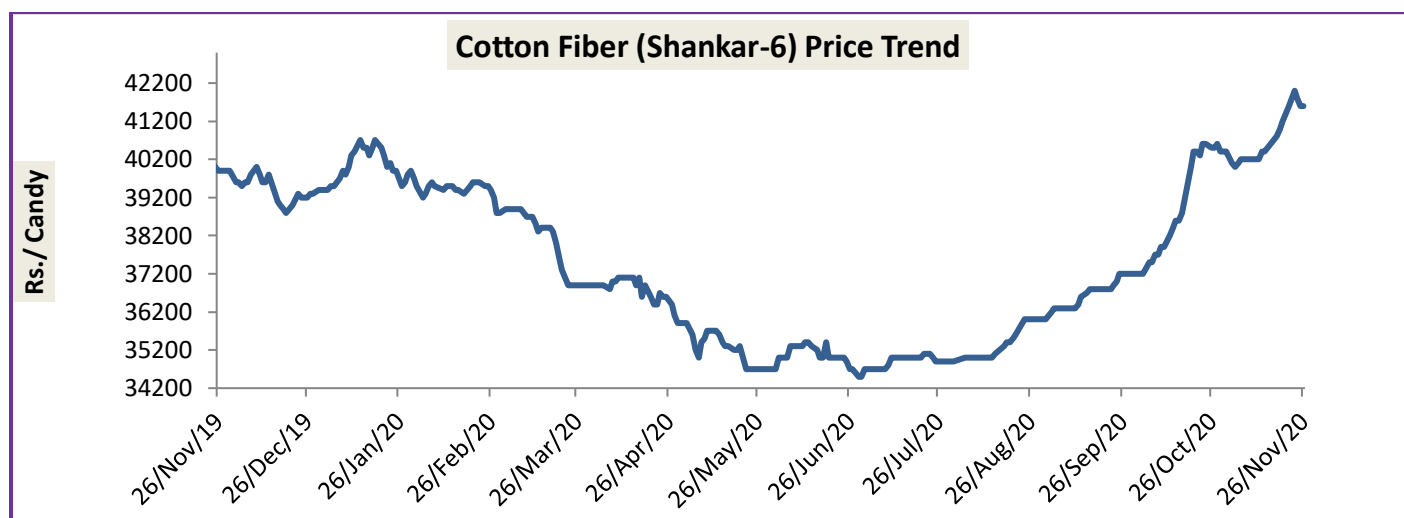
The average price stood firm at Rs.4384/maund of lint in Abohar. The procurement by CCI has increased and it has been purchasing the raw cotton at MSP from the farmers. While the average price in Bhatinda and Sirsa in the last week stood firm around Rs.4382 and Rs. 4304/maund of 37.32 kg each respectively.



Source: Agriwatch

## Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was high at Rs.41,720/candy from around Rs.40,850/ candy compared to the previous week. CCI has increased the floor prices along with rise in export demand supported the the cotton market.



Source: Cotton Association of India (CAI)

## Cotton Seed Oil and Cotton Seed Oil Cake

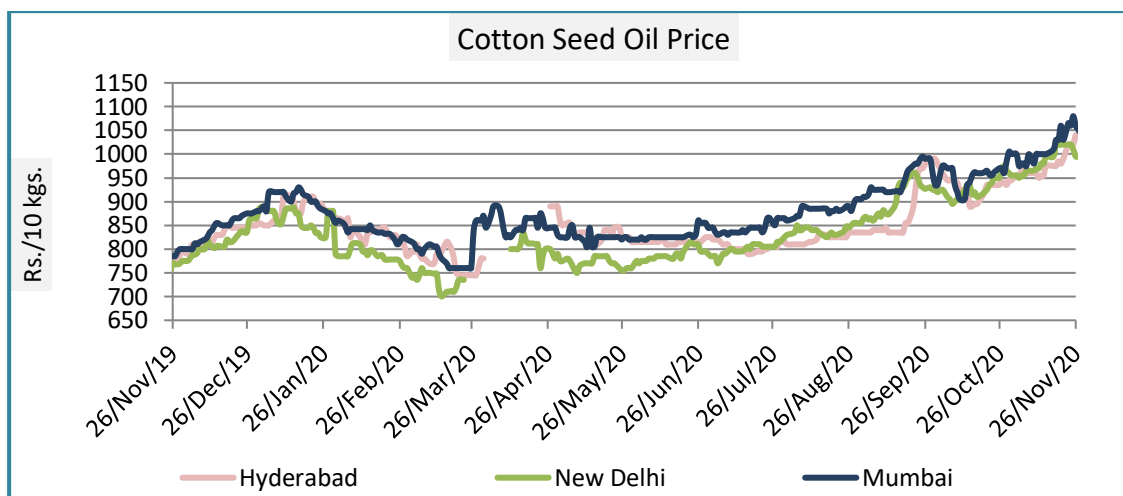
### Cotton Seed Oil weekly

#### Price Scenario

Cotton seed oil price showed firm trend across all the centres during the week ending on 26<sup>th</sup>Nov'20. Weekly average price in Mumbai stood firm at Rs.1057, in New Delhi the prices were around Rs. 1010 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	26-Nov-20	19-Nov-20	
<b>New Delhi</b>	1010	1011	-0.10
<b>Rajkot</b>	1043	1037	0.61
<b>Hyderabad</b>	1048	1034	1.39
<b>Mumbai</b>	1057	1043	1.34

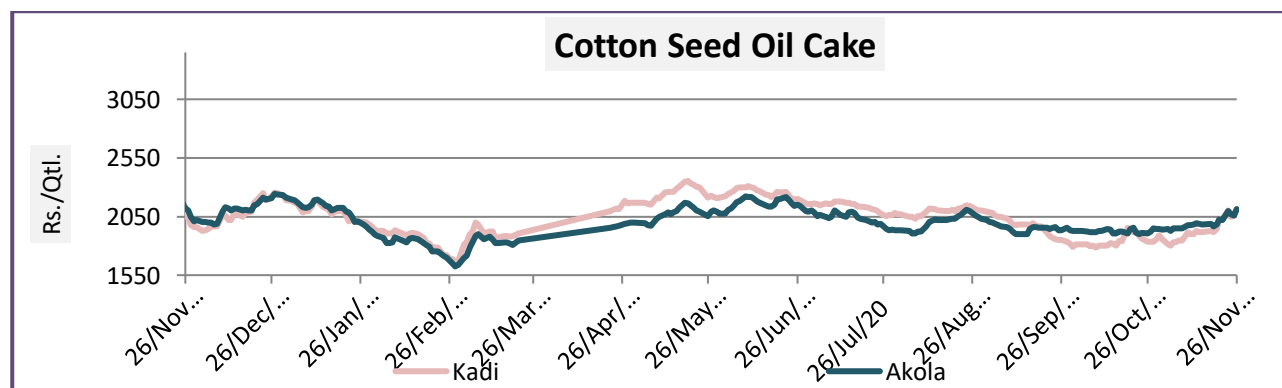
Source: Agriwatch



### Cotton Seed Oil Cake weeklyPrice Scenario

Due to decrease in cotton production for current season in gujarat,maharashtra and telangana,the cotton seed oil prices are likely to increase about Rs 4000 per quintal till the end of this season,current market price for cotton seed is Rs 2650 per quintal, where else cotton seed oil cake prices will increase about Rs 3500 per quintal from Rs 2500 per quintal. The demand for cotton oil cake will remain stable in the coming week. According to cotton corporation of India cotton seed prices have increased about Rs 50 per quintal in Haryana where else cotton seed oil cake prices remained stable.The average price in Kadi and Akola remained firm at Rs. 2063/q.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	26-Nov-20	19-Nov-20	
Kadi	2063	1940	7.23
Akola	2063	1989	4.15



Source: NCDEX

## International Market Scenario

### Major Market Highlights:

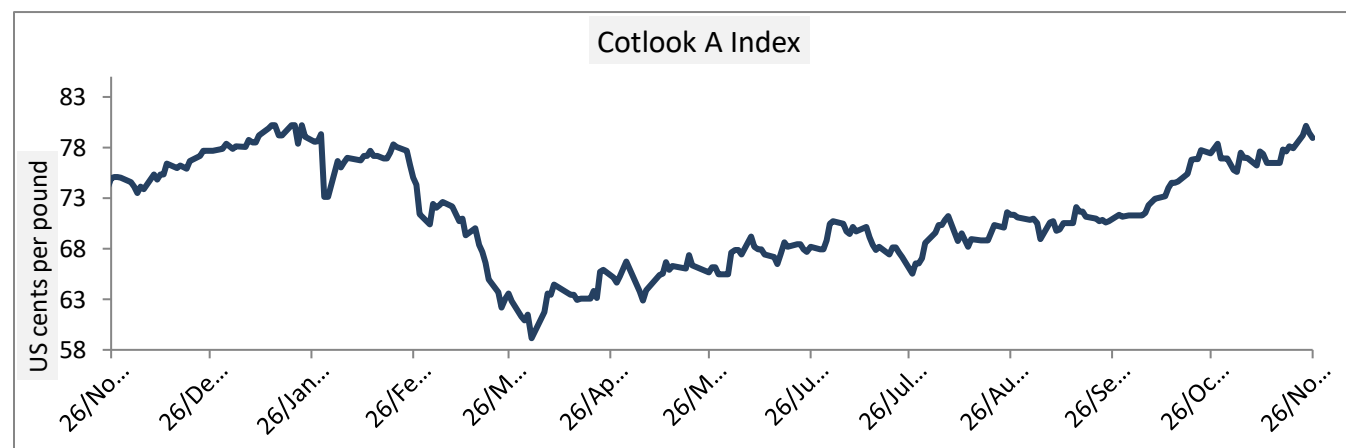
- According to USDA October report, 2020-21 world cotton supply and demand report shows lower production, higher consumption and trade, and lower ending stocks compared with last month production is lowered more than 1 million bale (1 bale equivalent to 170 kgs) with decline in Mali, Pakistan and Greece offsetting a large expected crop in Uzbekistan and Nigeria. Consumption is 1.95 million bales higher, after revision for China and India. World ending stock in 2020-21 is now projected 3.47 million bales lower than in September at 129.45 million bales.
- 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 79.13 cents/lb higher compared to the previous week (77.50 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	26-Nov-20	19-Nov-20	
Prices	79.13	77.50	2.10
Prices in US cents per Pound			

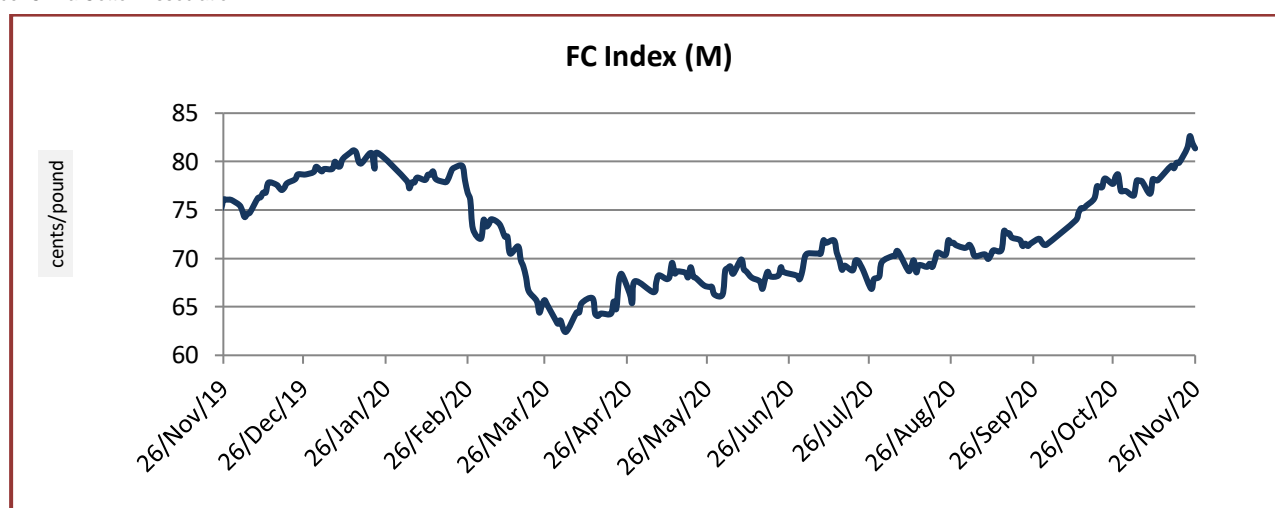
Source: Cotlook



### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	26-Nov-20	19-Nov-20	
FC (S)	83.28	81.16	2.61
FC (M)	81.43	79.21	2.81
FC (L)	80.32	78.03	2.93
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	26-Nov-20	19-Nov-20	
CCIndex(328)	14572.75	14466.50	0.73
CCIndex(527)	13714.00	13610.00	0.76
CCIndex(229)	14846.50	14753.50	0.36
Prices in Yuan per ton			

Source: China Cotton Association

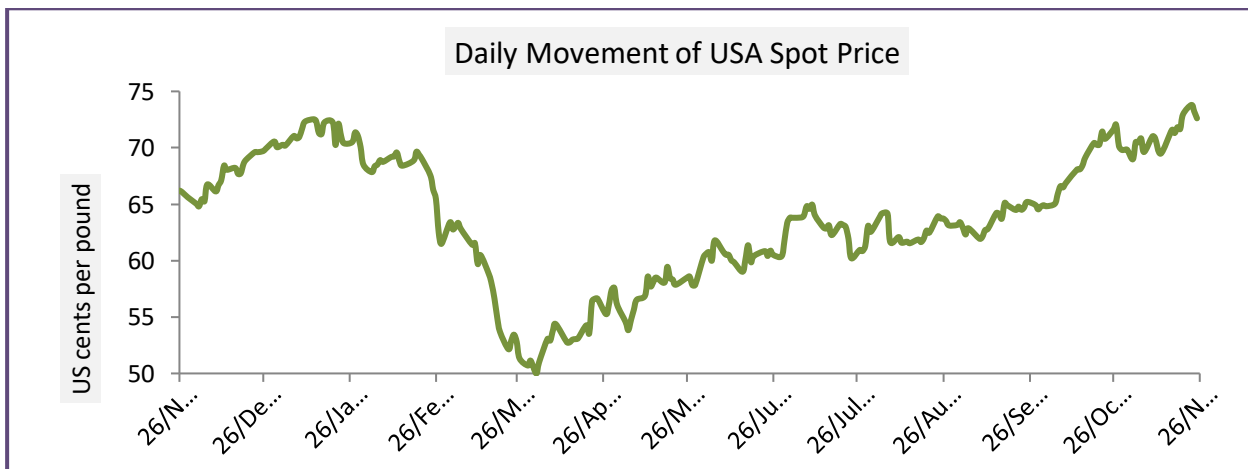


### USA Spot Prices

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 8<sup>th</sup> 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
	26-Nov-20	19-Nov-20	
Prices	73.21	71.60	2.25
Prices in US cents per Pound			

Source: USDA

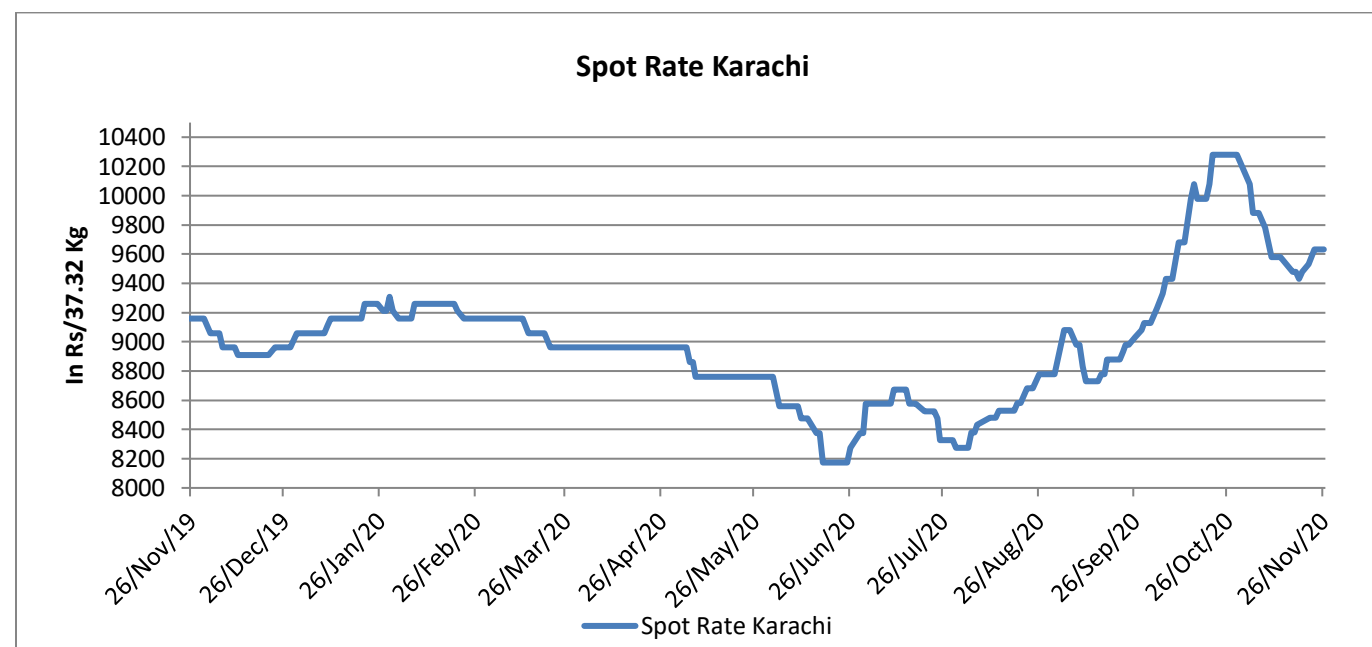


## Pakistan Spot Prices

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
	26-Nov-20	19-Nov-20	
Prices	9610	9468	1.50
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



**Commodity: Cotton**
**Exchange: MCX**
**Contract: Nov.**
**Expiry: Nov. 27, 2020**
**Cotton**

COTTON 1st/MXCTNC1/2020/12/01 - Daily B:19960.00 A:19990.00  
 O 20020.00 H 20020.00 L 19950.00 C 19980.00 T 161 T 63,942 I 2,493 -80 -0.40%  
 EMA(18) 19861 (50) 19293


**Technical Commentary:**

- Cotton broke down through a trendline resistance early last week, but has kept pace with the trendline against a sharp fall that would be normally expected.
- Although prices have been making higher highs and higher lows, the RSI has diverged with a lower low.
- Prices may be expected to fall over the next 2-3 weeks.

**Strategy: Sell on rise**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	19300	19860	20170	20280	20450
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	<b>Sell</b>	20250	19350	19200	20450

**Commodity: Cotton Seed oil Cake**
**Exchange: NCDEX**
**Contract: Dec**
**Expiry: Dec 19, 2020**
**Cotton**
**COTTON SEED OIL 1st(NCCOUC1)2020/11/29 - Weekly B:2128.00 A:2130.00**
**O 2164.00 H 2164.00 L 2111.00 C 2132.00 V 18,540 I 36,200 -32 -1.48%**
**EMA(9) 1995.5 (18) 1948.3 (50) 1987.1**

**Technical Commentary:**

- Cottonseed Oilcake broke above a trendline resistance last week.
- EMA-9 on the weekly chart had crossed above EMA-18 three weeks ago, and has also crossed above EMA-50 this week. Also, EMA-18 is converging with EMA-50.
- The price may re-test the trendline which will now act as a support. Long trades can be initiated near the trendline.

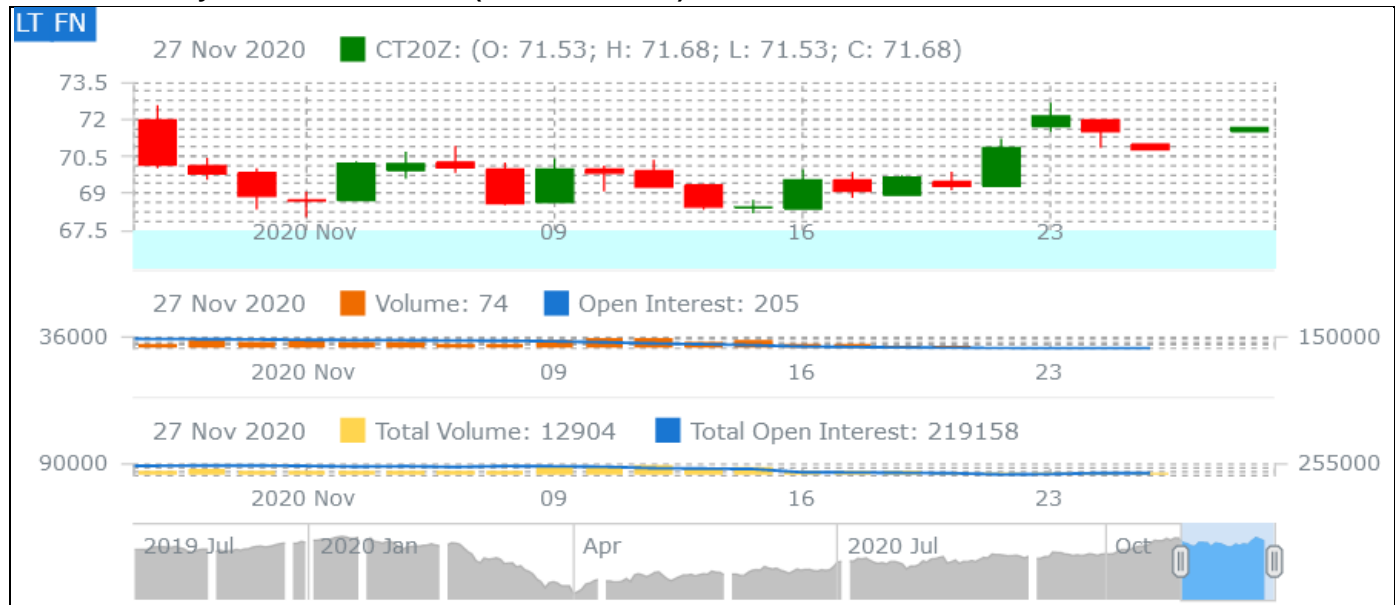
We will advise traders to wait.

**Strategy: Buy**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1987	2083	2164	2210	2427
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2090	2200	2240	2050

\* 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 uptrend.
- Total volume increased & Open Interest decreased compared to last week.
- We expect cotton prices to remain range bound in the coming week.

#### Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	62-74

#### Expected Support and Resistance

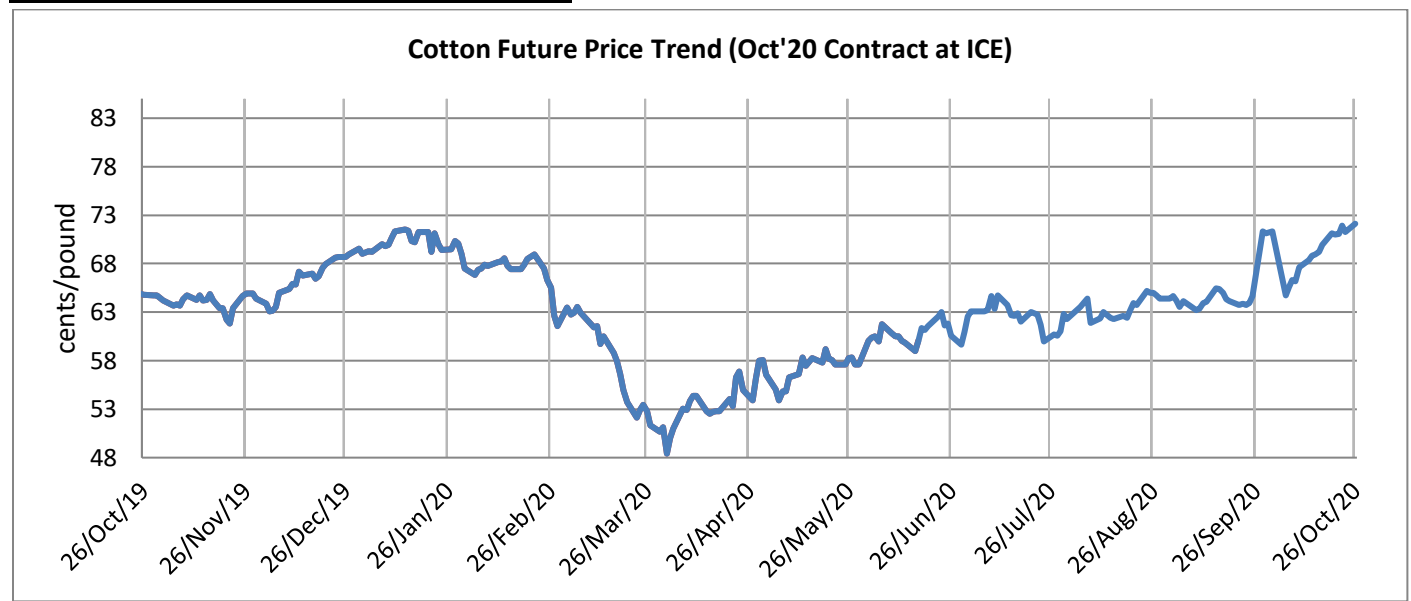
Support 1	Support 2	Resistance 1	Resistance 2
69	70.5	72	73

Figures in US cents/pound

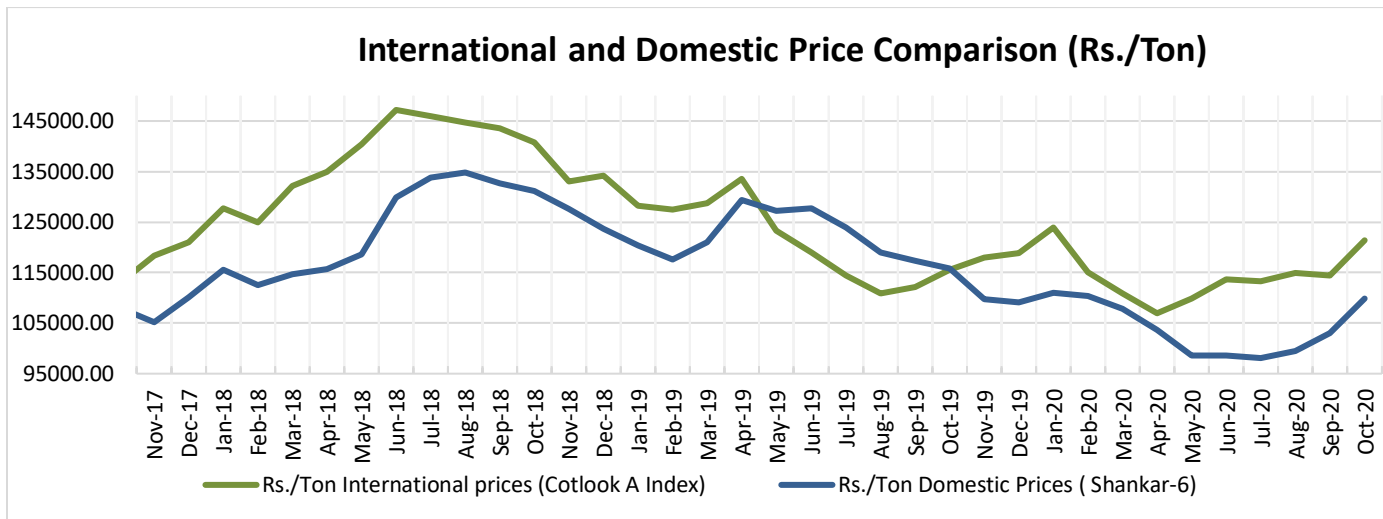
### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	26-Nov-20	26-Oct-20 (1 month ago)	28-Aug-20 (3 months ago)	30-May-20 (6 months ago)	26-Nov-19 (a year ago)	% Change over a month	% Change over previous year
Dec-20	72.11	65.95	61.11	58.68	64.79	9.34	11.30
Mar-21	72.72	66.66	61.83	59.33	65.78	9.09	10.55
May-21	73.22	67.35	62.59	59.46	66.54	8.72	10.04
Jul-21	73.58	68.00	63.27	57.12	67.19	8.21	9.51
Oct-21	71.81	67.36	62.33	58.58	66.96	6.61	7.24

### 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	20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Gujarat	Ahmedabad	Shankar-6	5908	5675	233
	Gondal	Shankar-6	5909	5805	104
	Rajkot	B.T. Cotton	6011	5855	156
	Patan	B.T. Cotton	5850	5695	155
	Kadi	B.T. Cotton	5708	4700	1008
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5789	NA	-
Haryana	Bhiwani	B.T. Cotton	5368	5200	168
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	5458	5333	125
	Fatehabad	B.T. Cotton	5492	5352	140
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5713	5733	-21
Rajasthan	Hanumangarh	B.T. Cotton	5500	5373	127

	Rawatsar	B.T. Cotton	5600	5275	325
Madhya Pradesh	Khandwa	Mech-1	5600	5600	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5525	5433	92
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	5800	-
	Hathras	Desi	NA	5500	-
Telangana	Adilabad	Un-Ginned	5775	5775	Unch
Andhra Pradesh	Adoni	Medium Staple	5055	4953	102
Karnataka	Bijapur	Bunny	5865	5518	347
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5538	NA	-
	Raichur	H-44 Cotton	5537	5375	162
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Punjab	Bhatinda	J-34	4377	4303	74
	Abohar	J-34	4380	4307	73
	Mansa	J-34	4418	4292	126
Haryana	Sirsa	J-34	4305	4202	103
Rajasthan	Sri-Ganganagar	J-34	4016	3907	109

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Gujarat	Ahmedabad	Shankar-6	312800	42500	270300
	Gondal	Shankar-6	17787	1027	16760
	Rajkot	B.T. Cotton	21300	2800	18500
	Patan	B.T. Cotton	37234	2933	34301
	Kadi	B.T. Cotton	225000	16800	208200
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	831	NA	-
Haryana	Bhiwani	B.T. Cotton	107000	24000	83000
	Bhiwani	Desi	NA	NA	-



	Adampur	B.T. Cotton	9860	3910	5950
	Fatehabad	B.T. Cotton	3100	800	2300
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	13700	5950	7750
Rajasthan	Hanumangarh	B.T. Cotton	2300	900	1400
	Rawatsar	B.T. Cotton	1000	1150	-150
Madhya Pradesh	Khandwa	Mech-1	7000	3200	3800
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	49000	18000	31000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	300	-
	Hathras	Desi	NA	40	-
Telangana	Adilabad	Un-Ginned	9574545	5333591	4240954
Andhra Pradesh	Adoni	Medium Staple	33527	46902	-13375
Karnataka	Bijapur	Bunny	37119	17741	19378
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1851	1281	570
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Punjab	Bhatinda	J-34	68000	40800	27200
	Abohar	J-34	4420	850	3570
	Mansa	J-34	7140	3400	3740
Haryana	Sirsa	J-34	7650	4760	2890
Rajasthan	Sri-Ganganagar	J-34	11000	6000	5000

### Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	28-Nov-20	21-Nov-20	29-Oct-20	28-Nov-19
Gujarat	Ahmedabad	Shankar-6	5850	6000	5450	5125

	Gondal	Shankar-6	5830	5930	5555	5155
	Rajkot	B.T. Cotton	5810	6010	5375	5050
	Patan	B.T. Cotton	5850	Closed	5275	5225
	Kadi	B.T. Cotton	5750	5750	5300	5250
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NA	NA	5250	4920
<b>Haryana</b>	Bhiwani	B.T. Cotton	5380	5200	5300	5250
	Bhiwani	Desi	6000	6000	6000	6250
	Adampur	B.T. Cotton	5475	5450	5325	5060
	Fatehabad	B.T. Cotton	5510	5425	5300	5080
	Jind	B.T. Cotton	NA	NA	NA	NA
	Uchana	B.T. Cotton	NA	NA	NA	5100
	Dabwali	B.T. Cotton	5750	5725	5700	5050
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	5500	5400	5250	5050
	Rawatsar	B.T. Cotton	5500	5325	5300	5050
<b>Madhya Pradesh</b>	Khandwa	Mech-1	Closed	Closed	5500	5200
	Khargaon	Mech-1	NA	NA	NA	5605
<b>Maharashtra</b>	Amravati	Mech-1	5500	5500	NA	5100
	Jamner	Medium Staple	NA	NA	NA	NA
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	5500	4800
	Hathras	Desi	NA	NA	6000	5100
<b>Telangana</b>	Adilabad	Un-Ginned	5725	5775	NA	4960
<b>Andhra Pradesh</b>	Adoni	Medium Staple	NA	NA	NA	NA
<b>Karnataka</b>	Bijapur	Bunny	NA	5729	5359	5289
	Hubli	D.C.H.	NA	NA	NA	6550
	Hubli	B.T. Cotton	NA	NA	NA	5450
	Raichur	H-44 Cotton	NA	5550	4950	5000
<b>Commodity</b>	<b>Lint</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>28-Nov-20</b>	<b>21-Nov-20</b>	<b>29-Oct-20</b>	<b>28-Nov-19</b>
<b>Punjab</b>	Bhatinda	J-34	4320	4400	4190	3930
	Abohar	J-34	4320	4420	4190	3940
	Mansa	J-34	4360	4550	4220	3820
<b>Haryana</b>	Sirsa	J-34	4260	4330	4150	3910
<b>Rajasthan</b>	Sri-Ganganagar	J-34	3995	3995	3901	3685

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	28-Nov-20	21-Nov-20	29-Oct-20	28-Nov-19
<b>Gujarat</b>	Ahmedabad	Shankar-6	68000	45900	39100	76500
	Gondal	Shankar-6	3018	2629	4587	3158
	Rajkot	B.T. Cotton	4750	2450	3250	6200
	Patan	B.T. Cotton	10893	Closed	11740	16457
	Kadi	B.T. Cotton	50000	40000	20000	60000
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NA	NA	37	188
<b>Haryana</b>	Bhiwani	B.T. Cotton	20000	15000	28000	1500
	Bhiwani	Desi	NA	NA	NA	10
	Adampur	B.T. Cotton	1360	1700	850	1870
	Fatehabad	B.T. Cotton	800	400	600	800
	Jind	B.T. Cotton	NA	NA	NA	NA
	Uchana	B.T. Cotton	NA	NA	NA	2000
	Dabwali	B.T. Cotton	1500	2000	2000	950
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	1000	300	300	2000
	Rawatsar	B.T. Cotton	500	100	500	3000
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	Closed	800	NA
	Khargaon	Mech-1	NA	NA	NA	NA
<b>Maharashtra</b>	Amravati	Mech-1	10000	7000	NA	8000
	Jamner	Medium Staple	NA	NA	NA	NA
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	50	60
	Hathras	Desi	NA	NA	100	200
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NA	NA	15310
<b>Andhra Pradesh</b>	Adoni	Medium Staple	NA	NA	12503	11158
<b>Karnataka</b>	Bijapur	Bunny	6968	3898	465	6935
	Hubli	D.C.H.	NA	NA	NA	12
	Hubli	B.T. Cotton	NA	NA	NA	NA
	Raichur	H-44 Cotton	NA	300	337	4725
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	28-Nov-20	21-Nov-20	29-Oct-20	28-Nov-19
<b>Punjab</b>	Bhatinda	J-34	5100	8500	17000	5100
	Abohar	J-34	850	510	2550	1190

	Mansa	J-34	680	1190	2040	340
	Sirsa	J-34	170	340	2040	1190
	Sri-Ganganagar	J-34	1500	2000	3000	3000

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Bengal Deshi (RG)/Assam Comilla	Below 22mm	5.0 - 7.0	15	39017	38450	567
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	39517	38950	567
J-34	27mm	3.5 - 4.9	23	40383	39750	633
H-4/ MECH-1	28mm	3.5 – 4.9	27	40483	39325	1158
Shankar-6	29mm	3.5 – 4.9	28	41667	40850	817
Bunny/ Brahma	31mm	3.5 - 4.9	30	43500	41900	1600
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	44100	42625	1475
DCH-32	34mm	3.0 - 3.8	33	57500	57125	375

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