

COTTON WEEKLY RESEARCH REPORT
21st Dec 2020**Domestic market summary**

Domestic Market Scenario: CCI Procurement operations of seed cotton under Minimum support price are going on smoothly in Punjab, Haryana, Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Telangana, Andhra Pradesh, Odisha, and Karnataka. About 4986613 cotton bales valuing Rs. 14431.79 crore has been procured, benefitting around 962704 farmers. Indian exports remained slow during last week. Gujarat Shankar-6 variety cotton spot prices stood firm around Rs. 41,300 per candy during the week.

Weekly Price Outlook : The average price of Kapas is likely to remain firm between Rs. 5736-6010/q in Rajkot while the prices in Andhra Pradesh is likely to hover around Rs. 4550-5000/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 (80.70 cents/lbs) compared to the ICE cotton future that stood at 74.67 cents/lbs.
- Indian rupee remained stronger between 73.55 to 73.64 against USD compared to last week.

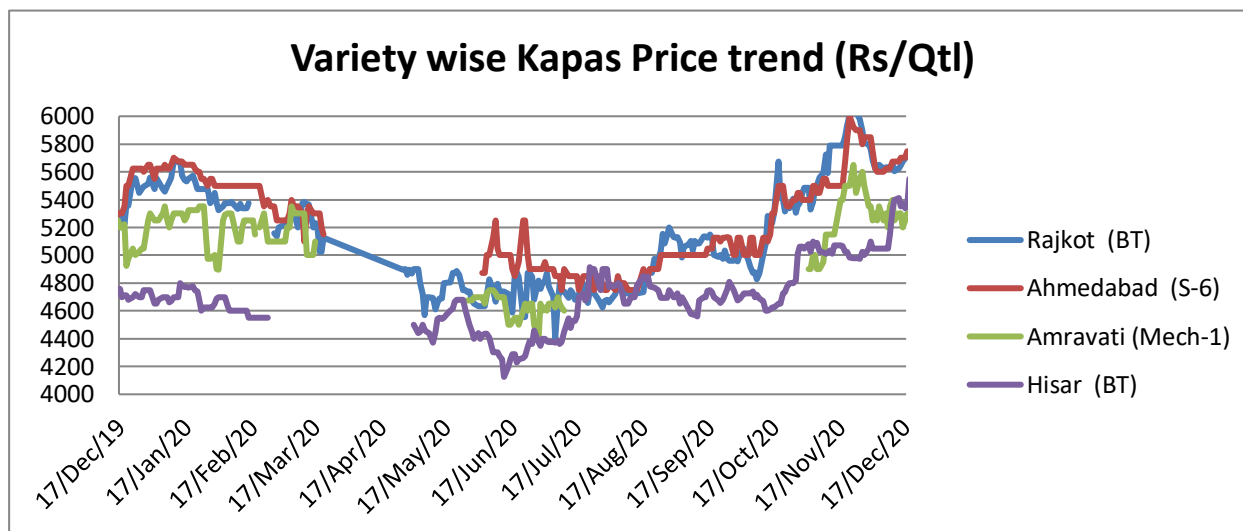
Market Highlights:

- The Centre has procured cotton worth Rs. 14,654 crore in the first two months of the current marketing year that started on October 1, which has benefited around 9.63 lakh farmers. These farmers have already received Rs. 11,799 crore in their bank accounts this year. Cotton procurement had stood at a record Rs. 28,500 crore in the last marketing year (2019-20), recording a leap from just Rs 90 crore in 2013-2014.
- SIMA to develop various cotton seeds. The Cotton Development and Research Association (CD & RA) of Southern India mill's Association (SIMA) is gearing to develop different cotton seeds. The aim of developing the seeds is to mitigate the challenges of BT Cotton, herbicides, water scarcity, high density, environmental protection, and water conservation. The Cotton Corporation of India and SIMA - CD & RA have already conducted the extra-long-staple cotton trials in Rajasthan, Madhya Pradesh, Maharashtra, and Tamil Nadu.
- Cotton Corporation of India has slashed the Minimum Support Price. Earlier, the government had fixed the minimum support price at Rs. 5,725 per quintals, which has been cut down by Rs 60. Now the CCI is purchasing at Rs. 5,665 per quintal. The sudden slash in MSP has created panic among farmers in the region, known as Haryana's cotton belt. However, CCI has done no procurement operation due to Bharat Bandh.

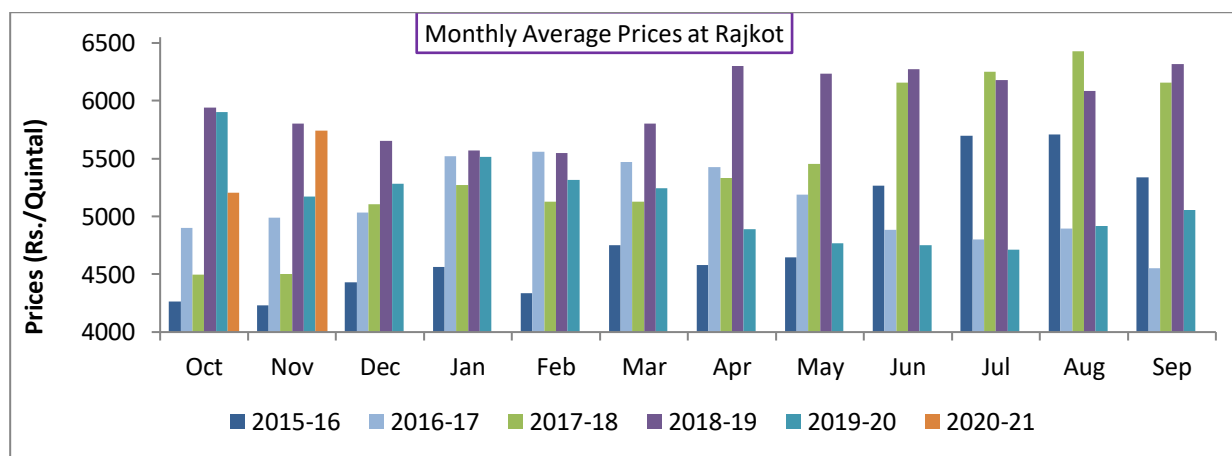
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was weak at Rs. 5650/q and Ahmedabad prices were firm at 5687.5/q.



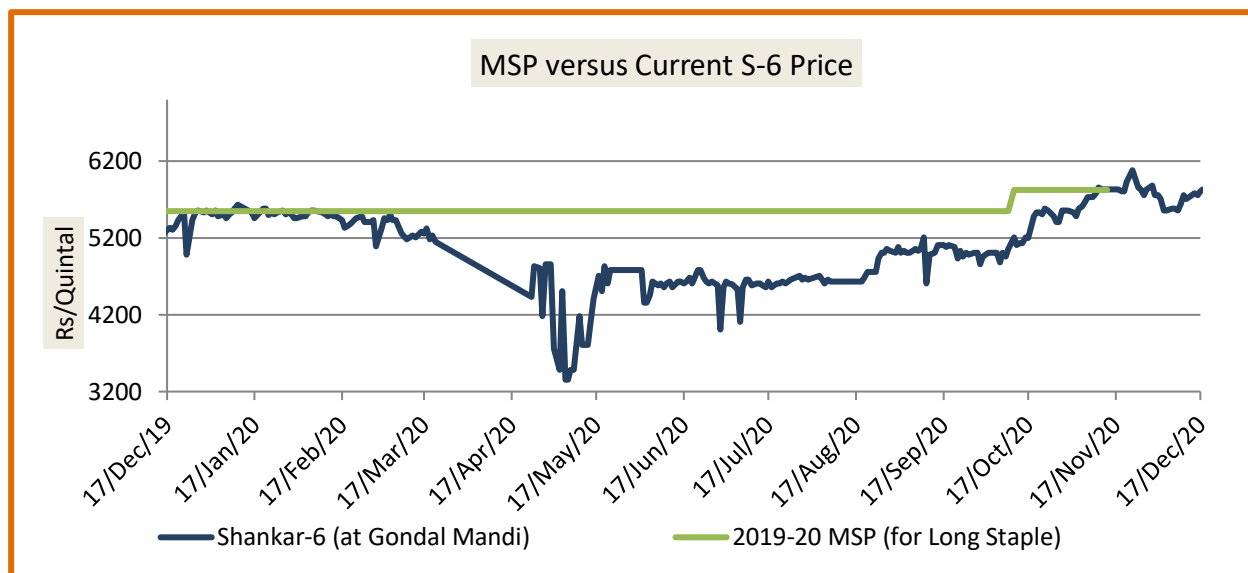
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of November were high in the market. The monthly average price was also high in November at Rs. 5740/q compared to the prices during the corresponding month of the previous season. (Rs. 5172/q)

Spot Price versus MSP

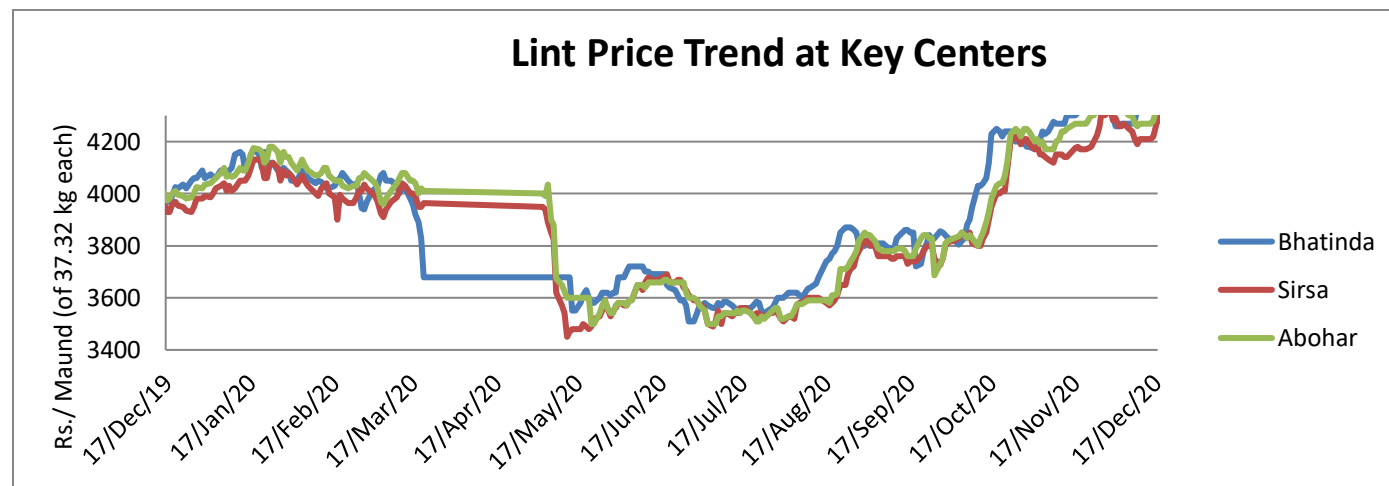
Average kapas price at Gondal market was Rs. 5759.16/q, higher from prior week when it stood at Rs. 5575/q.



Source: Agriwatch

Lint price Outlook

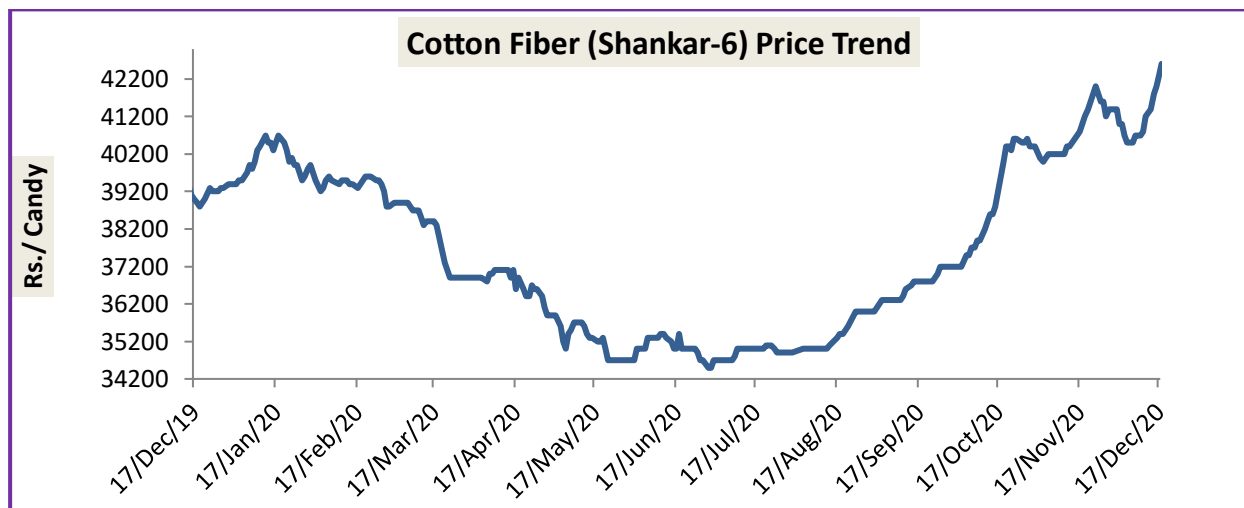
The average price stood higher at Rs. 4359/maund of lint in Abohar, Rs. 4351 in Bhatinda and Rs. 4359.16/maund in Sirsa from previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.41583/candy from around Rs.40633/ candy last week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

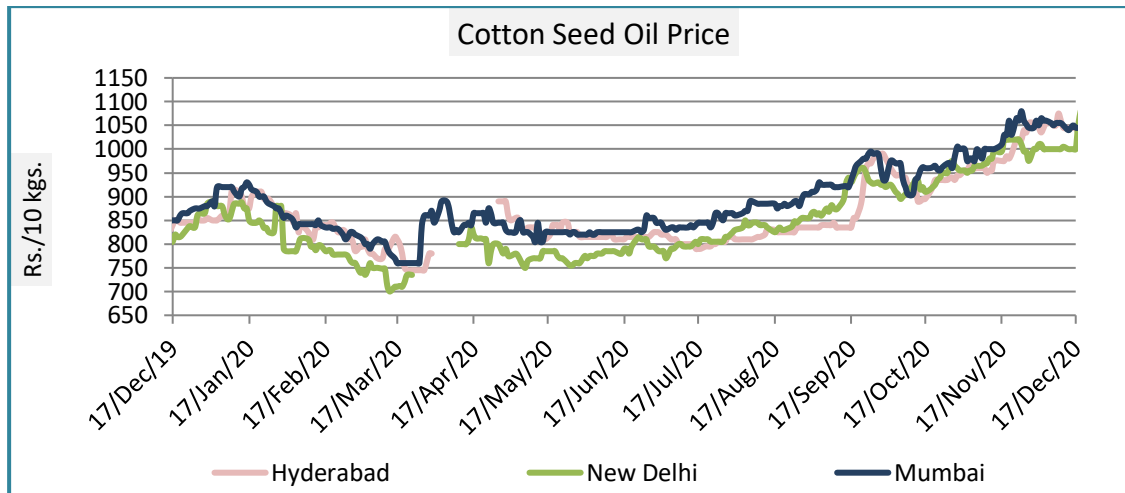
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price showed weak trend across all the centres during the week ending on 17th Dec'20. Weekly average price in Mumbai stood firm at Rs.1048, in New Delhi the prices were around Rs. 1009 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	17-Dec-20	10-Dec-20	
New Delhi	1009	1000	0.92
Rajkot	1042	1040	0.16
Hyderabad	1039	1042	-0.33
Mumbai	1048	1051	-0.33

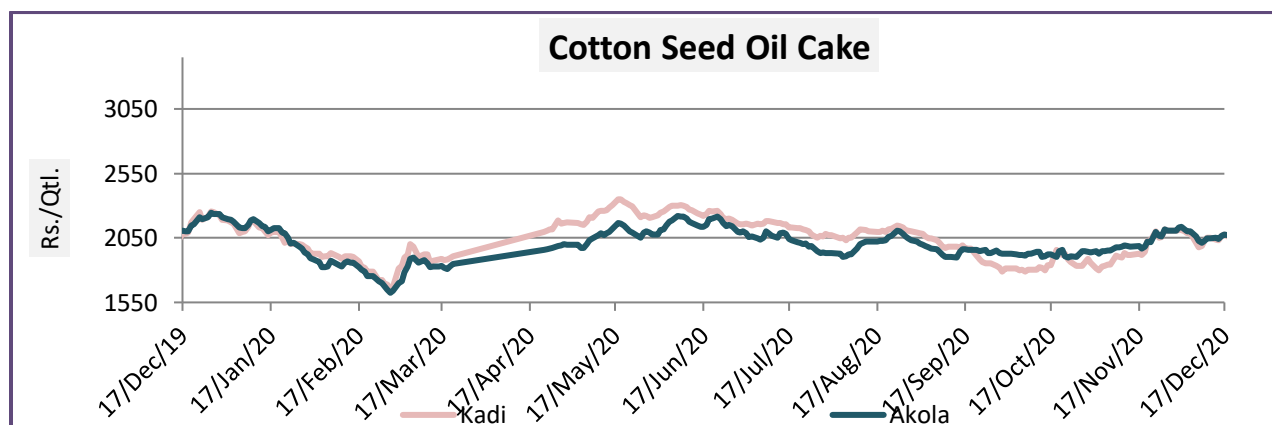
Source: Agriwatch



Cotton Seed Oil Cake weeklyPrice Scenario

According to Cotton Corporation of India, CottonSeed prices have increased about Rs 50 per quintal in Haryana but cotton seed oil cake prices have remained stable. Due to decrease in cotton production in the current season in Gujarat, Maharashtra and Telangana, the CottonSeedOil prices are likely to increase to about Rs 4000 per quintal by the end of this season. Current prices for cotton seed hover around Rs. 2650 per quintal and the prices are likely to decline in the short term, due to accumulation of stock in the CCI godowns as there are limited buyers. The demand for cotton oil cake will remain stable in the coming month. The average price in Kadi was Rs. 2051/q and for Akola was Rs. 2055/q.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	17-Dec-20	10-Dec-20	
Kadi	2051	2028	1.15
Akola	2055	2053	0.07



Source: NCDEX

International Market Scenario

Cotton production decreases in Pakistan. The cotton production in the country has declined to about 2.8 million bales, According to Pakistan cotton ginners association more than 5 million bales were produced in the country which is 35.67 perent less as compared to more than 7 million bales produced till December 15 last year.

According to USDA latest report, the 2020-21 November forecast shows higher use with lower production and ending stock. Sharply lower production in Pakistan, India and Australia is partially offset by an increase in Turkmenistan. Consumption is raised in India, China and Pakistan and lowered in Thailand. Global trade is up slightly led by Bangladesh and Thailand.

Cotton prices have been increased in Pakistan by Rs 200 to Rs 300 per maund under the influence of bullish trend in the international market and also due to drastic decrease in the production. There is a need of increasing the production of cotton on policy of 'Now or Never'. According to the estimates about 7 million bales of cotton worth 4 billion dollars will have to be imported from abroad due to low cotton production

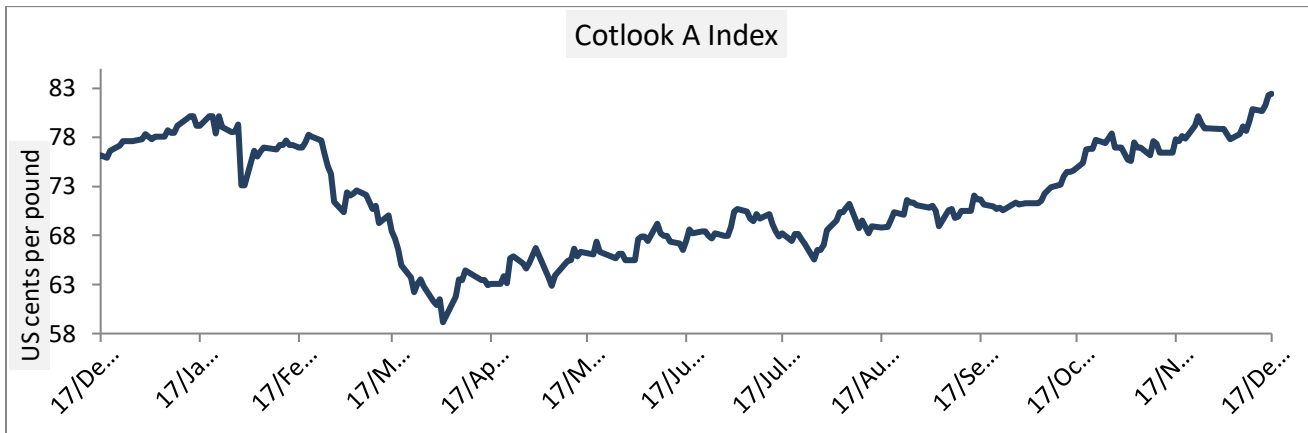
U.S. Bans cotton imports from China. U.S has expanded economic pressure on china's western region of Xinjiang by banning imports of cotton and cotton products fromXPCC, a powerful Chinese quasi- military organization. The move, known as Withhold Release Order (WRO), covers cotton from XPCC,its subordinates and affiliated entites, as well as products derived from XPCC processed cotton.

Cotlook A Index

Cotlook A indexwas higherin thisweek.TheCotlook A Index was at 81.53 cents/lb highercompared to the previous week (78.72cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	17-Dec-20	10-Dec-20	
Prices	81.53	78.72	3.57
Prices in US cents per Pound			

Source: Cotlook

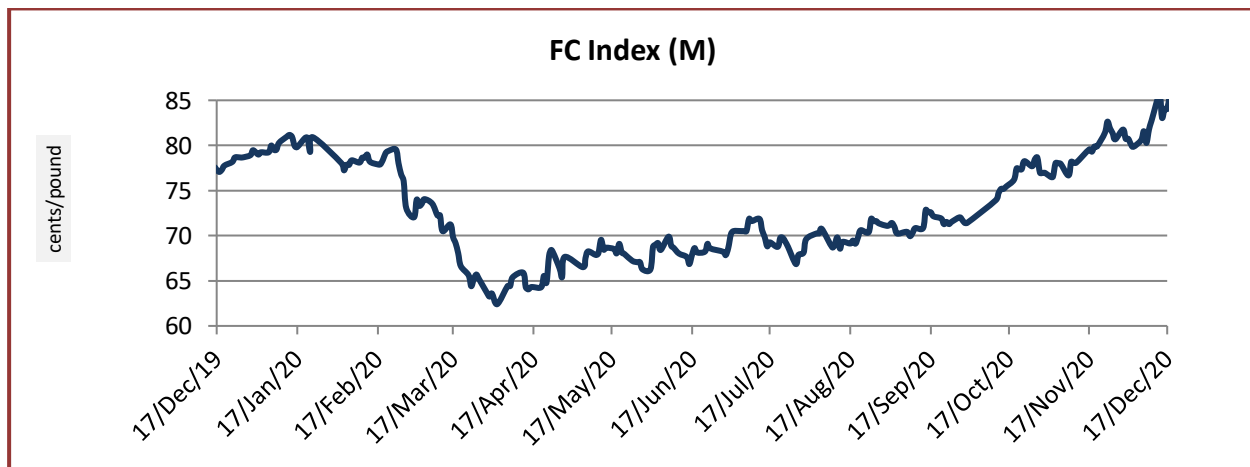


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	17-Dec-20	10-Dec-20	
FC (S)	85.85	83.19	3.20
FC (M)	83.89	81.14	3.39
FC (L)	82.39	79.86	3.17

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	17-Dec-20	10-Dec-20	
CCIndex(328)	14810.20	14628.00	1.25
CCIndex(527)	13878.60	13796.00	0.60
CCIndex(229)	15033.60	14909.00	0.84
Prices in Yuan per ton			

Source: China Cotton Association

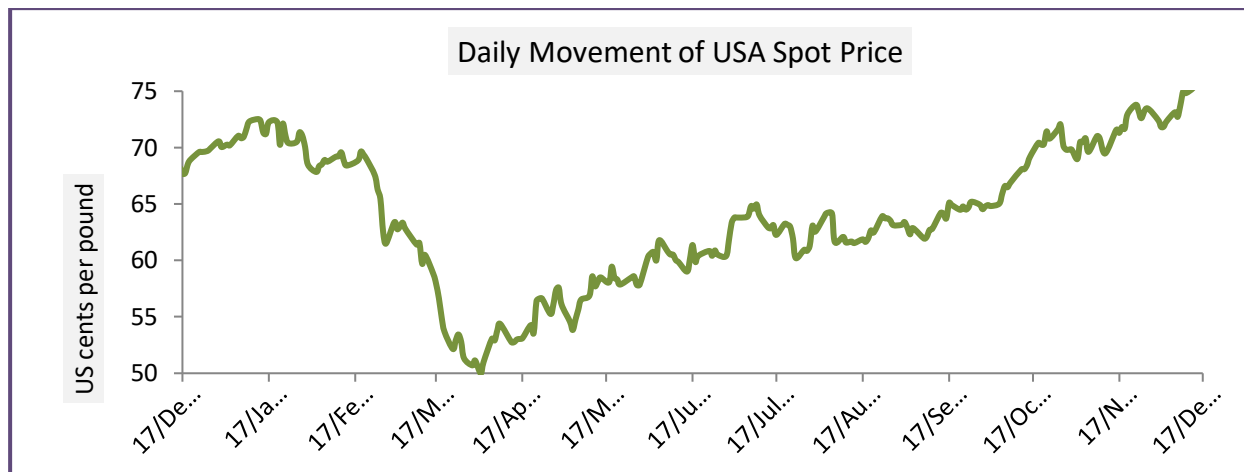


USA Spot Prices

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).

USA Spot Prices	Monthly Average Price as on		% Change
	17-Dec-20	10-Dec-20	
Prices	76.19	73.40	3.80
Prices in US cents per Pound			

Source: USDA

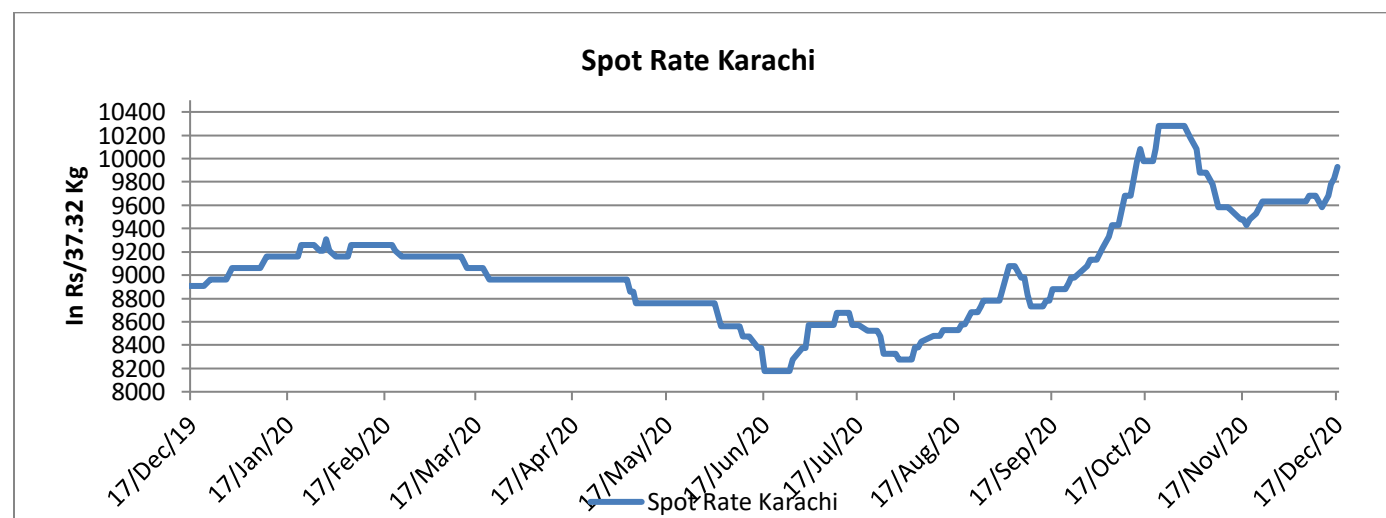


Pakistan Spot Prices

The Karachi spot pricestood around Rs. 9760/q higher than the previous week. (Rs. 9655/q)

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	17-Dec-20	10-Dec-20	
Prices	9760	9655	1.09
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Nov.

Expiry: Dec. 31, 2020

Cotton

COTTON 1st(MXCTNC1)2020/12/18 - Daily B:20570.00 A:20580.00
O:20670.00 H:20680.00 L:20500.00 C:20560.00 ↑ V:598 T:307,522 I:2,069 +90 +0.44%



Technical Commentary:

- The recent trend in cotton has been bullish, but the market has been quite indecisive over the last one month.
- A supporting trendline is passing through 20020, while mild resistance is seen around 20400.
- If the market tests the support at 20413, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	20413	20171	20470	20951	21193
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Buy	20670	20696	20709	20655

Commodity: Cotton Seed oil Cake
Contract: Dec

Exchange: NCDEX
Expiry: Dec 19, 2020

Cottonseed Oilcake



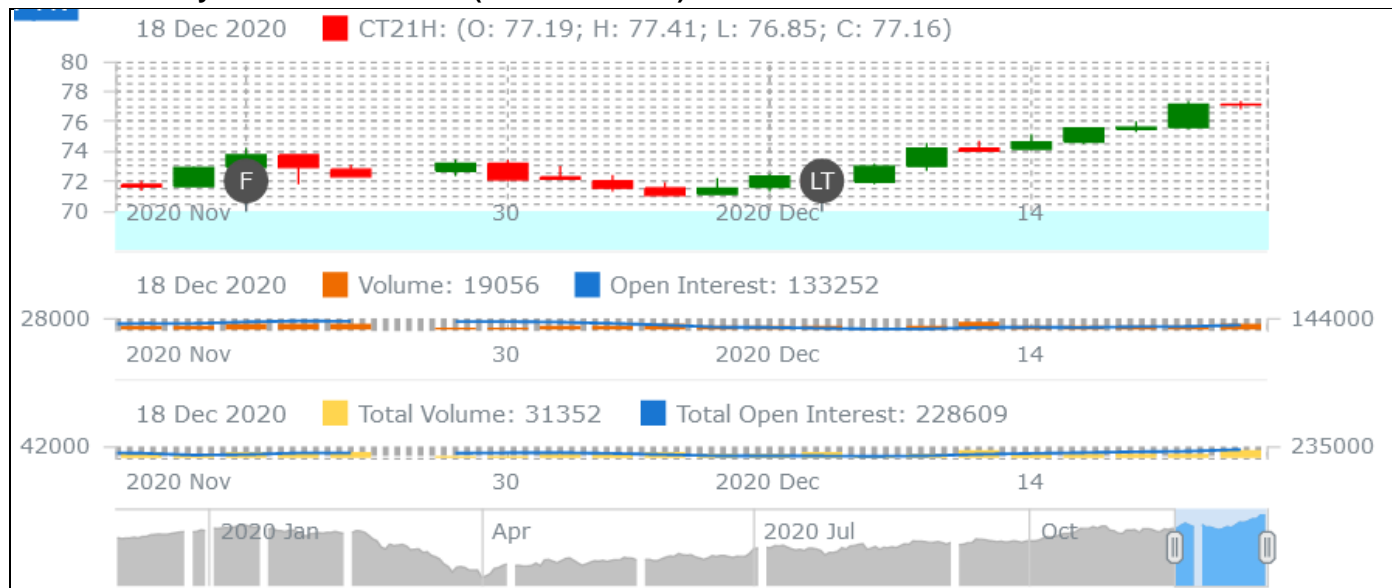
Technical Commentary:

- Cottonseed oilcake on the daily chart looks uncertain even as the broader trend is bullish.
- On the intra-day chart, there exists a consolidation zone (support) at 2044 and then a trend line support at 2051. Strong resistance is seen at 2192.
- One may buy near the support levels with small stoploss. The positions must not be carried forward to the next day.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1930	1982	2042	2140	2192
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2049	2075	2088	2034

* 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 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	70-74

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
69	70	72	73

Figures in US cents/pound

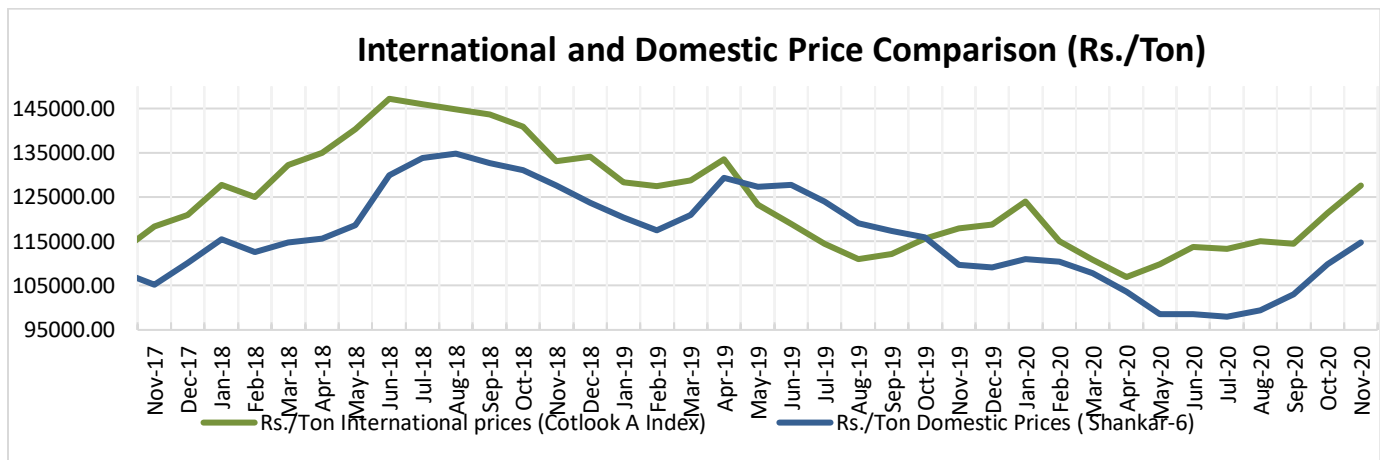
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	19-Dec-20	19-Nov-20 (1 month ago)	20-Sep-20 (3 months ago)	22-Jun-20 (6 months ago)	19-Dec-19 (a year ago)	% Change over a month	% Change over previous year
Mar-21	77.16	71.67	66.24	63.26	69.44	7.66	11.12
May-21	77.83	72.57	67.08	63.94	65.78	7.25	18.32
Jul-21	78.38	73.27	67.77	64.51	0.00	6.97	-
Oct-21	75.67	70.97	66.74	63.33	0.00	6.62	-
Dec-21	73.90	70.32	0.00	0.00	0.00	5.09	-

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	11th Dec'20 to 17th Dec'20	4th Dec'20 to 10th Dec'20	
Gujarat	Ahmedabad	Shankar-6	5688	5613	75
	Gondal	Shankar-6	5759	5575	184
	Rajkot	B.T. Cotton	5651	5635	16
	Patan	B.T. Cotton	5754	5722	32
	Kadi	B.T. Cotton	5600	5567	33
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5546	5594	-48
Haryana	Bhiwani	B.T. Cotton	5508	5413	96
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5488	5416	72
	Fatehabad	B.T. Cotton	5525	5423	102
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5697	5696	1
Rajasthan	Hanumangarh	B.T. Cotton	5467	5430	37
	Rawatsar	B.T. Cotton	5383	5245	138
Madhya Pradesh	Khandwa	Mech-1	5600	5600	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5283	5283	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4300	4300	Unch
	Hathras	Desi	5400	5400	Unch
Telangana	Adilabad	Un-Ginned	5725	5725	Unch
Karnataka	Bijapur	Bunny	5889	5739	150
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5475	5510	-34
	Raichur	H-44 Cotton	5590	5533	57
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	11th Dec'20 to 17th Dec'20	4th Dec'20 to 10th Dec'20	
Punjab	Bhatinda	J-34	4352	4270	82

	Abohar	J-34	4359	4270	89
	Mansa	J-34	4330	4280	50
Haryana	Sirsa	J-34	4317	4208	109
Rajasthan	Sri-Ganganagar	J-34	4027	3926	101

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	11th Dec'20 to 17th Dec'20	4th Dec'20 to 10th Dec'20	
Gujarat	Ahmedabad	Shankar-6	384200	362100	22100
	Gondal	Shankar-6	19029	14074	4955
	Rajkot	B.T. Cotton	25525	16225	9300
	Patan	B.T. Cotton	118974	77094	41880
	Kadi	B.T. Cotton	230000	190000	40000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2026	1889	137
Haryana	Bhiwani	B.T. Cotton	49000	39000	10000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9010	5780	3230
	Fatehabad	B.T. Cotton	5500	3900	1600
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8750	12400	-3650
Rajasthan	Hanumangarh	B.T. Cotton	9000	5200	3800
	Rawatsar	B.T. Cotton	2400	2000	400
Madhya Pradesh	Khandwa	Mech-1	4800	2000	2800
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	103000	97000	6000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9495759	11652524	-2156765
Karnataka	Bijapur	Bunny	24738	30999	-6261
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5475	329	5146
	Raichur	H-44 Cotton	1289	1604	-315
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change

State	Centre	Variety	11th Dec'20 to 17th Dec'20	4th Dec'20 to 10th Dec'20	
Punjab	Bhatinda	J-34	61200	32300	28900
	Abohar	J-34	9350	3740	5610
	Mansa	J-34	9520	4250	5270
Haryana	Sirsa	J-34	9860	12240	-2380
Rajasthan	Sri-Ganganagar	J-34	14000	10000	4000

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Dec-20	12-Dec-20	19-Dec-20	20-Dec-19
Gujarat	Ahmedabad	Shankar-6	5750	5675	5750	5500
	Gondal	Shankar-6	5805	5705	5805	5500
	Rajkot	B.T. Cotton	5710	5605	5710	5530
	Patan	B.T. Cotton	NR	5755	NR	5515
	Kadi	B.T. Cotton	5700	5600	5700	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	5655	5605	5655	NR
Haryana	Bhiwani	B.T. Cotton	5550	5450	5550	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	5500	5475	5500	5350
	Fatehabad	B.T. Cotton	5530	5480	5530	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	5700	5700	5700	NR
Rajasthan	Hanumangarh	B.T. Cotton	5500	5450	5500	Closed
	Rawatsar	B.T. Cotton	5475	5300	5475	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	Closed	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	5300	5250	5300	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	5400	5400	5400	NA
	Hathras	Desi	4300	4300	4300	NA
Telangana	Adilabad	Un-Ginned	5725	5725	5725	5400

Karnataka	Bijapur	Bunny	NA	NA	NA	5929
	Hubli	D.C.H.	5551	0	5551	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	5600	5600	5600	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Dec-20	12-Dec-20	19-Dec-20	20-Dec-19
Punjab	Bhatinda	J-34	4410	4330	4410	3990
	Abohar	J-34	4410	4350	4410	4000
	Mansa	J-34	4300	4300	4300	4000
Haryana	Sirsa	J-34	4380	4290	4380	3950
Rajasthan	Sri-Ganganagar	J-34	4042	3948	4042	3619

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	19-Dec-20	12-Dec-20	19-Dec-20	20-Dec-19
Gujarat	Ahmedabad	Shankar-6	61200	59500	61200	81600
	Gondal	Shankar-6	3526	2569	3526	#N/A
	Rajkot	B.T. Cotton	3650	3200	3650	#N/A
	Patan	B.T. Cotton	NR	18955	NR	3450
	Kadi	B.T. Cotton	40000	30000	40000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	2115	356	2115	#N/A
Haryana	Bhiwani	B.T. Cotton	5000	10000	5000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1360	1700	1360	#N/A
	Fatehabad	B.T. Cotton	1500	800	1500	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	2500	2000	2500	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	2000	1500	2000	#N/A
	Rawatsar	B.T. Cotton	300	300	300	5000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	Closed	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	16000	17000	16000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A

Uttar Pradesh	Hathras	B.T. Cotton	NA	0	NA	#N/A
	Hathras	Desi	NA	0	NA	#N/A
Telangana	Adilabad	Un-Ginned	2289437	2131897	2289437	25310
Karnataka	Bijapur	Bunny	NA	NA	NA	6058
	Hubli	D.C.H.	20	0	20	58
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	240	247	240	3735
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	19-Dec-20	12-Dec-20	19-Dec-20	20-Dec-19
Punjab	Bhatinda	J-34	11900	6800	11900	10200
	Abohar	J-34	1700	1700	1700	2210
	Mansa	J-34	1190	850	1190	1700
	Sirsa	J-34	1020	850	1020	2550
	Sri-Ganganagar	J-34	3000	2000	3000	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				11th Dec'20 to 17th Dec'20	4th Dec'20 to 10th Dec'20	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39200	39017	183
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39700	39517	183
J-34(202)	26mm	3.5 - 4.9	23	40817	39800	1017
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40567	39650	917
Shankar-6(105)	29mm	3.5 - 4.9	28	41683	40650	1033
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43583	42867	717
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44417	43500	917
DCH-32(107)	34mm	3.0 - 3.8	33	59767	57967	1800

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