

COTTON WEEKLY RESEARCH REPORT
28th 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, around 67 lakh bales of cotton has been procured till 26th December 2020. Gujarat Shankar-6 variety cotton spot prices stood firm around Rs.42,100 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(83.85cents/lbs) compared to the ICE cotton future that stood at 74.76 cents/lbs.
- Indian rupee remained stronger between 73.54 to 73.84 against USD compared to last week.

Market Highlights:

- Cotton procurement reaches 67 lakh bales. The cotton season of 2020-21 is likely to end by March 2021 due to heavy arrivals in the market. Cotton Corporation of India has procured around 67 lakh bales till 26th December 2020 at a cost of Rs. 19,048.87 crore. This is almost double of the amount of cotton procured in the year ago period., Farmers fear that the prices may not rise further. Current price for cotton is Rs. 6000 per quintal which is more than the MSP of Rs. 5825 per quintal.
- Cotton farmers in Hyderabad are facing hardship as CCI is not purchasing the produce, as already a large stock has been procured. With this, the farmers are forced to sell their produce to private traders at rates much below Minimum Support Price (MSP) of Rs. 5,300 to Rs. 5,600. Small and marginal farmers are selling cotton to private traders as they pay immediately, but those who cultivate cotton in large fields are worried as selling at lower rates would cause them a huge loss. Private traders are offering Rs. 3,000 to Rs. 4,600 per quintal based on quality of cotton as against 5,000 to 6,000 last year.
- Cotton growers await compensation for losses. Whitefly has caused losses to cotton crop in Hisar, Fatehabad, Sirsa and Bhiwani districts. The farmers might have suffered biggest ever losses since 2015 when whitefly had destroyed almost 70 percent of the crop in the region. Farmers who suffered losses to

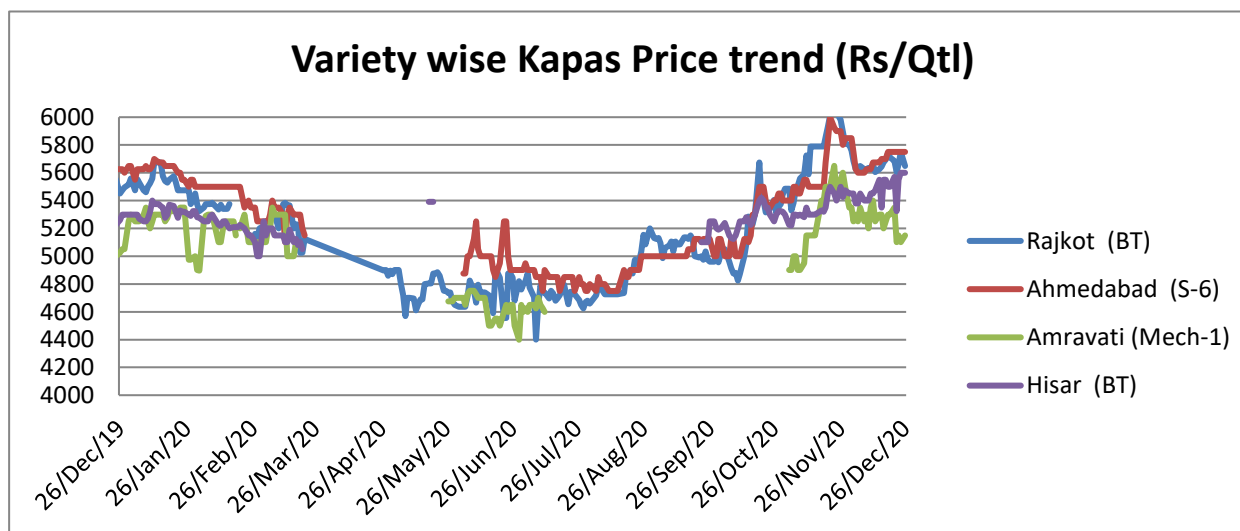
their cotton crop due to whitefly attack earlier this year are still waiting for compensation from the government and insurance agencies.

- SIMA to develop various cotton seeds. The Cotton Development and Research Association (CD & RA) of Southern India Mills 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.

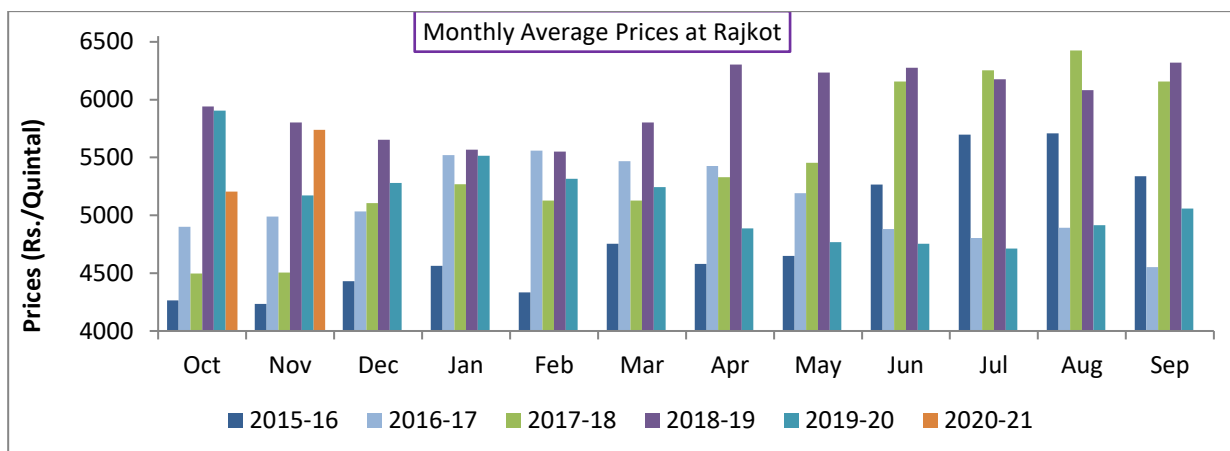
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was weak at Rs. 5691.67/q and Ahmedabad prices were firm at 5750/q.



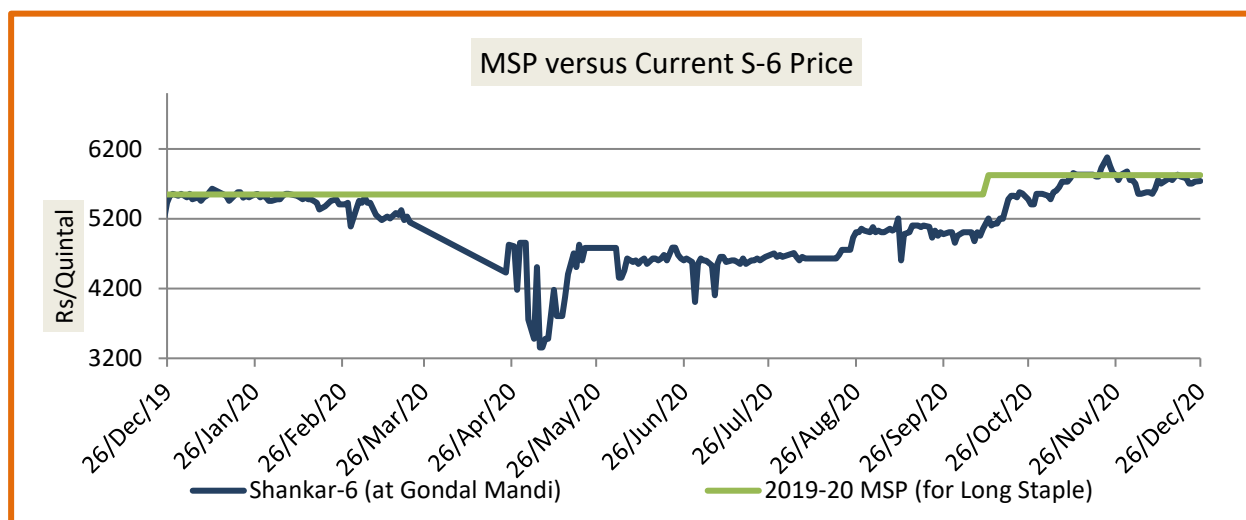
Kapas Monthly M-o-M Price Scenario



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

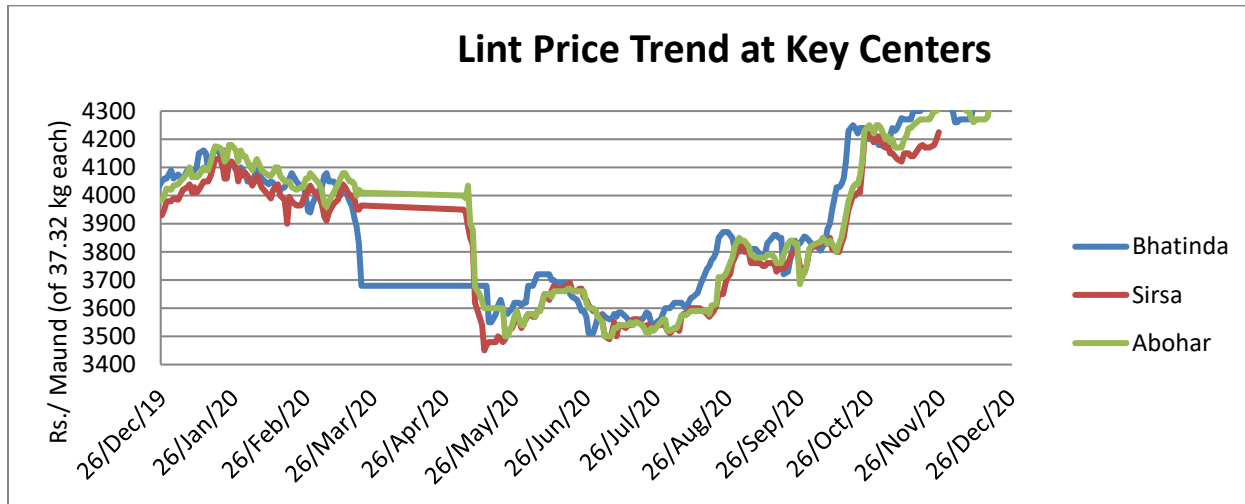
Average kapaspriceat Gondal marketstood firm at Rs. 5759.16/q similar to previous week.



Source: Agriwatch

Lint price Outlook

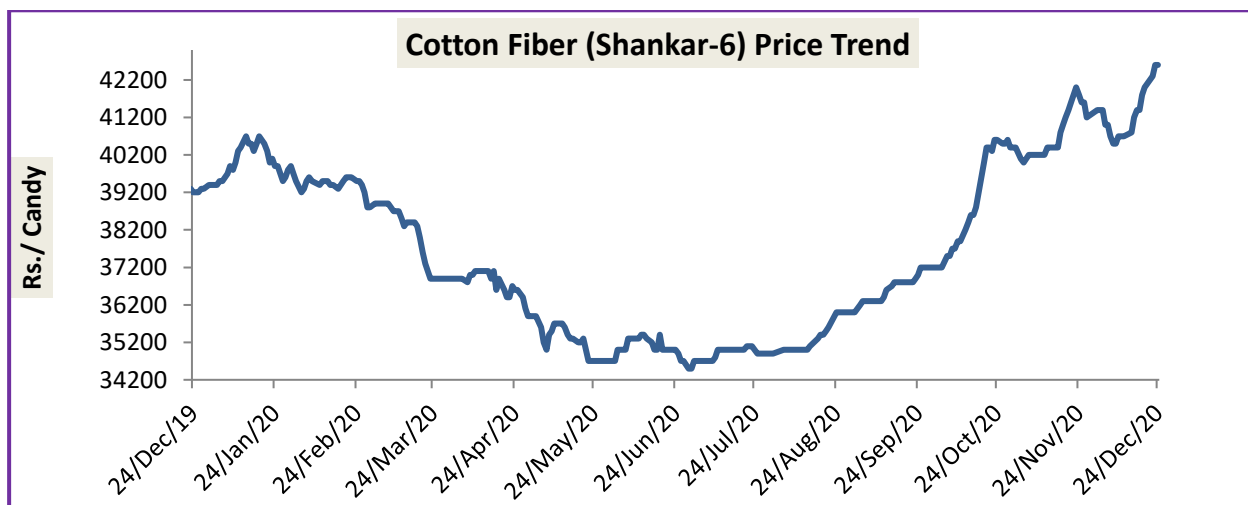
The average price stood higher at Rs.4371/maund of lint in Abohar, Rs.4375 in Bhatinda and Rs.4352/maund in Sirsa from previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.42260/candy from around Rs.41100/candy last week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

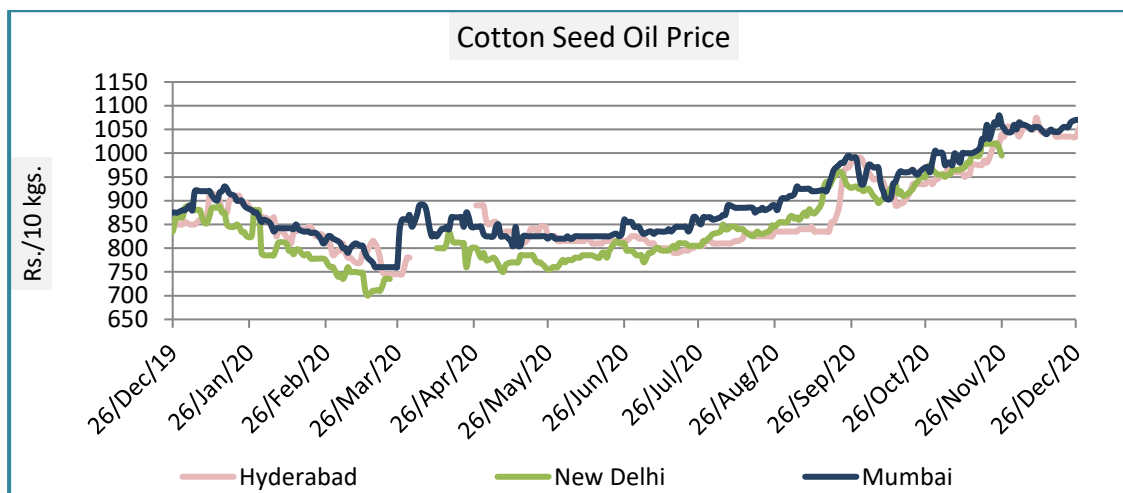
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price showed firm trend across all the centres during the week ending on 26th Dec'20. Weekly average price in Mumbai stood firm at Rs. 1067, in New Delhi the prices were around Rs. 1163 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	24-Dec-20	17-Dec-20	
New Delhi	1163	1009	15.28
Rajkot	1094	1042	5.04
Hyderabad	1094	1039	5.29
Mumbai	1067	1048	1.83

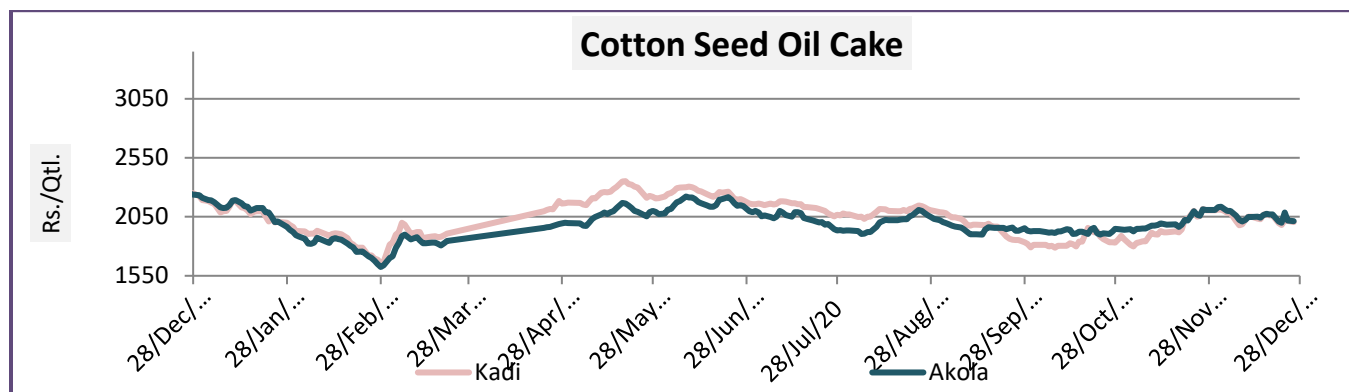
Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

According to Cotton Corporation of India, Cotton Seed 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 Cotton Seed Oil 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. 2023/q and for Akola was Rs. 2043/q higher from the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	24-Dec-20	17-Dec-20	
Kadi	2023	2051	-1.36
Akola	2043	2055	-0.61



Source: NCDEX

International Market Scenario

Cotton prices fall in UK. With the new strain of the novel corona virus that emerged in the UK spooking markets, cotton prices have fallen by Rs 600-700 per candy over the past two days. In India, the price for Shankar -6 cotton variety too fell from Rs 42,200-42,900 per candy (356 kg) to Rs 41, 400-42,200.

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 percent 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.

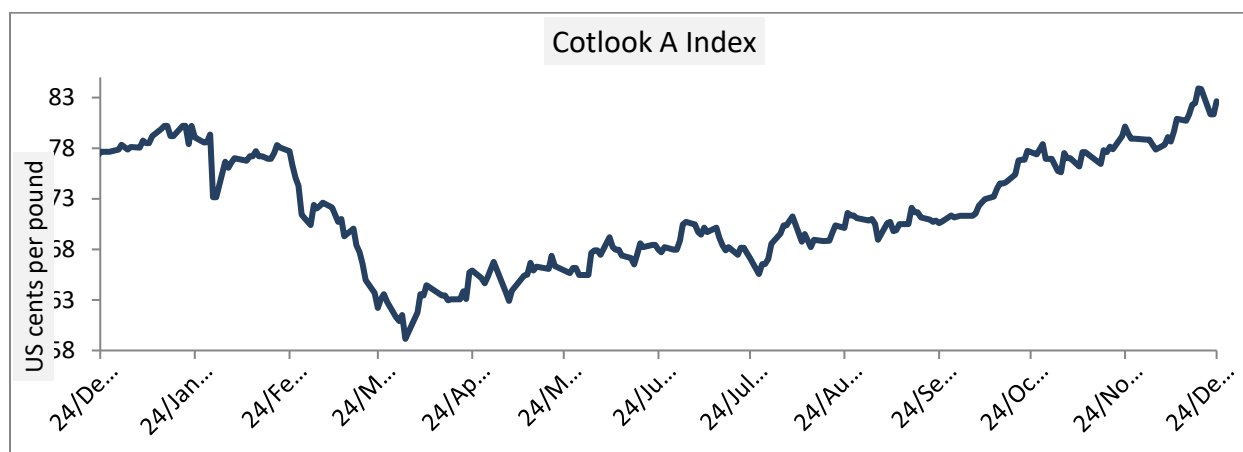
Cotton prices have increased in Pakistan by Rs 200 to Rs 300 per maund under the influence of bullish trend in the international market and also due to drastic decrease in the production. There is a need of increasing the production of cotton on policy of 'Now or Never'. According to the estimates about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

Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 82.62 cents/lb higher compared to the previous week (81.53 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	24-Dec-20	17-Dec-20	
Prices	82.62	81.53	1.34
Prices in US cents per Pound			

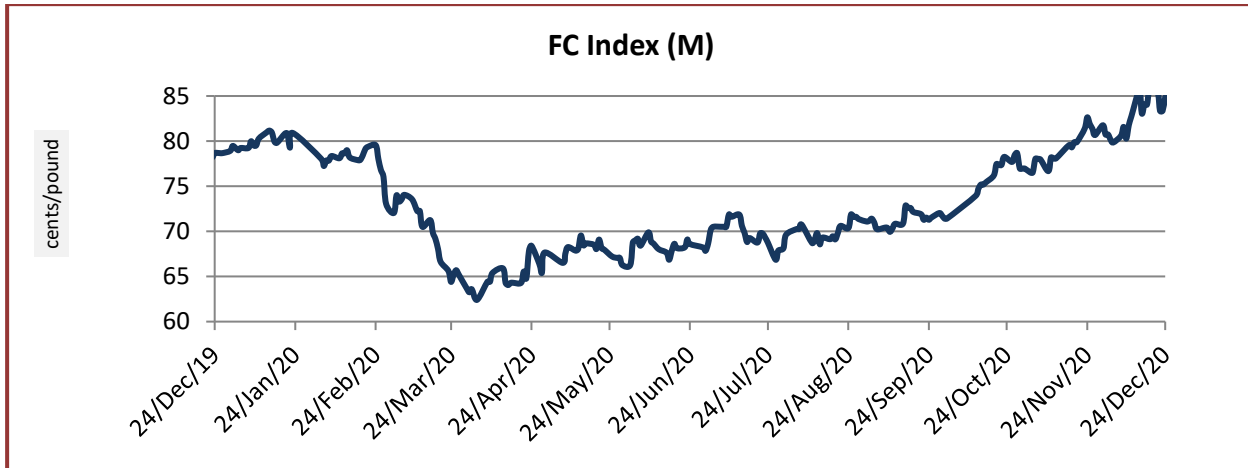
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	24-Dec-20	17-Dec-20	
FC (S)	87.07	85.85	1.42
FC (M)	84.54	83.89	0.77
FC (L)	82.00	82.39	-0.47
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	24-Dec-20	17-Dec-20	
CCIndex(328)	1429.20	14810.20	0.80
CCIndex(527)	13979.40	13878.60	0.73
CCIndex(229)	15134.20	15033.60	0.67
Prices in Yuan per ton			

Source: China Cotton Association

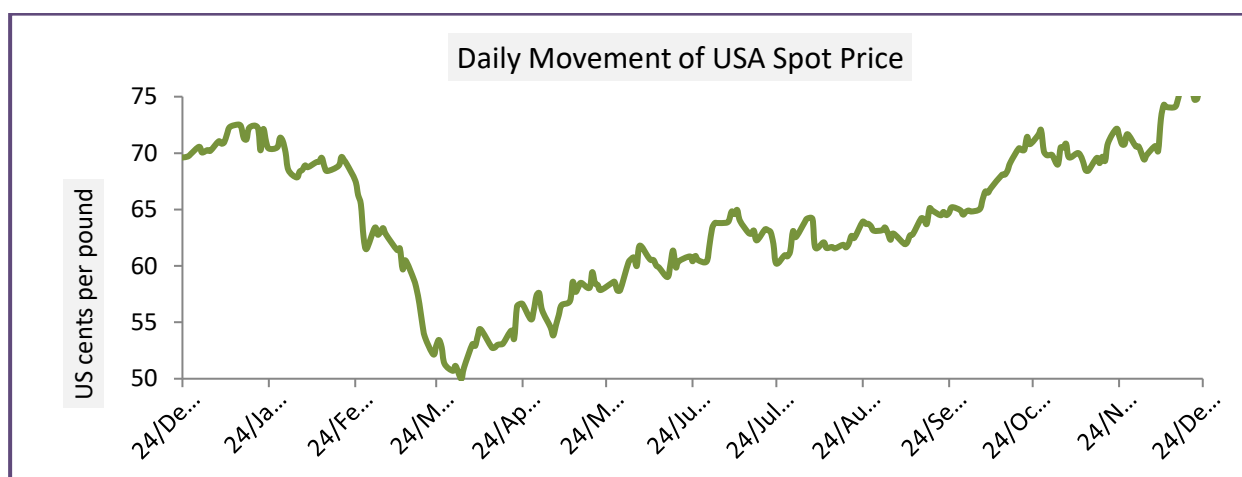


USA Spot Prices

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
	24-Dec-20	17-Dec-20	
Prices	76.05	76.19	-0.19
Prices in US cents per Pound			

Source: USDA

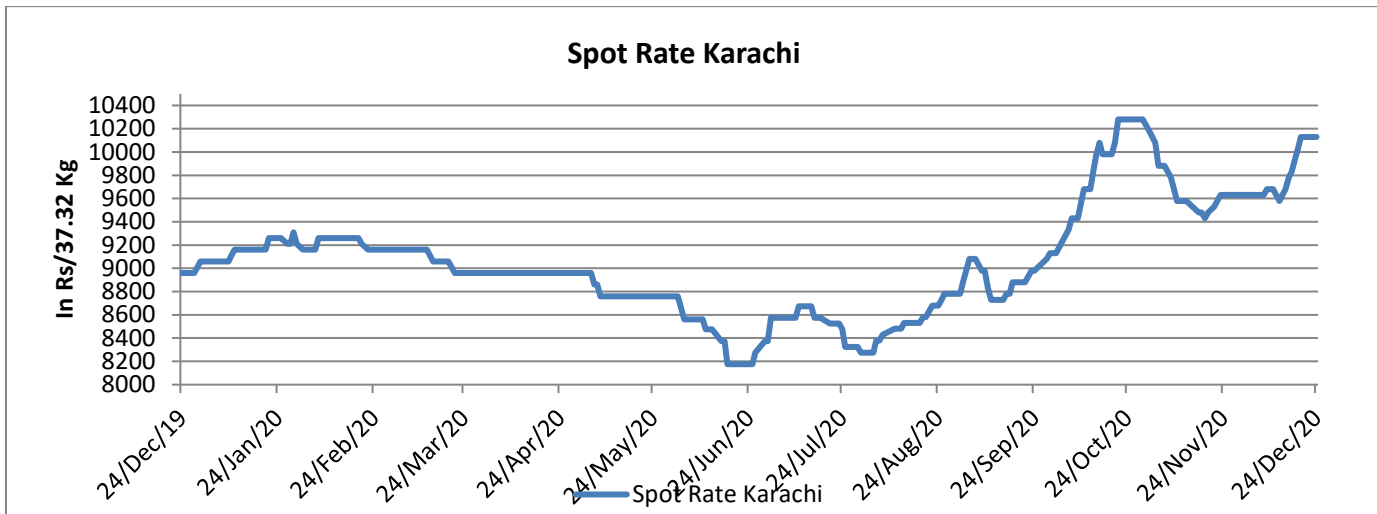


Pakistan Spot Prices

The Karachi spot price stood around Rs. 10110/q higher than the previous week. (Rs. 9760/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	24-Dec-20	17-Dec-20	
Prices	10110	9760	3.59
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com


Commodity: Cotton
Exchange: MCX
Contract: Nov.
Expiry: Dec. 31, 2020

Cotton

COTTON 1st(MXCTNC1)2020/12/25 - Daily B:20270.00 A:20370.00
 O 20300.00 H 20300.00 L 20300.00 C 20300.00 ↑ V 804 T 407,745 I 1,092 O +0.00%



TechnicalCommentary:

- Therecenttrendincottonhasbeenbullish,butthemarkethasbeenquiteindecisiveoverthelastonemonth.
- A supporting trendline is passing through 20000, while mild resistance is seen around20350.
- If the market tests the support at 19900, intraday long positions may becreated.

Strategy: Wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	19800	19900	20030	20350	20500
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	wait	20670	20496	20500	20445

Commodity: Cotton Seed oil Cake

Contract: Dec

Exchange: NCDEX

Expiry: Jan 20, 2021

Cottonseed Oilcake



Technical Commentary:

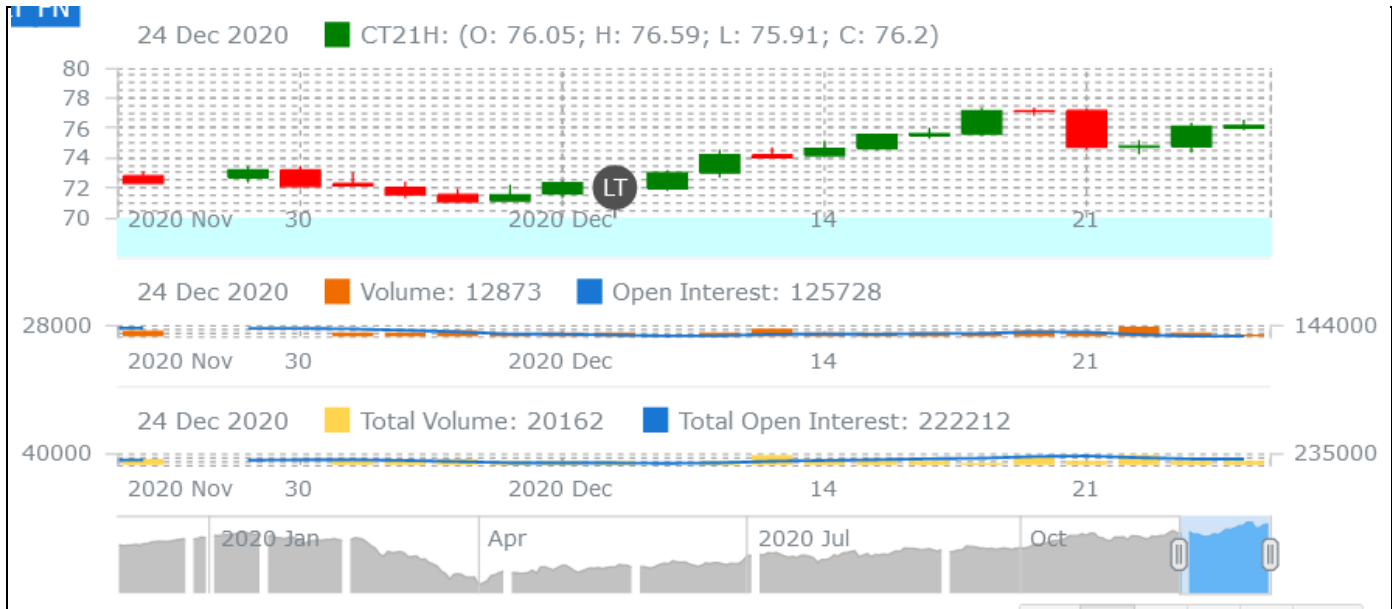
- Cottonseed oilcake on the daily chart looks uncertain even as the broader trend is bullish.
- On the intra-day chart, there exists a consolidation zone (support) at 1975 and then a trendline support at 2100. Strong resistance is seen at 2030.
- One may buy near the support levels with small stoploss. The positions must not be carried forward to the next day.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1951	1975	2015	2030	2050
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2049	2050	2065	2045

* 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	72-76

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
72	74	76	78

Figures in US cents/pound

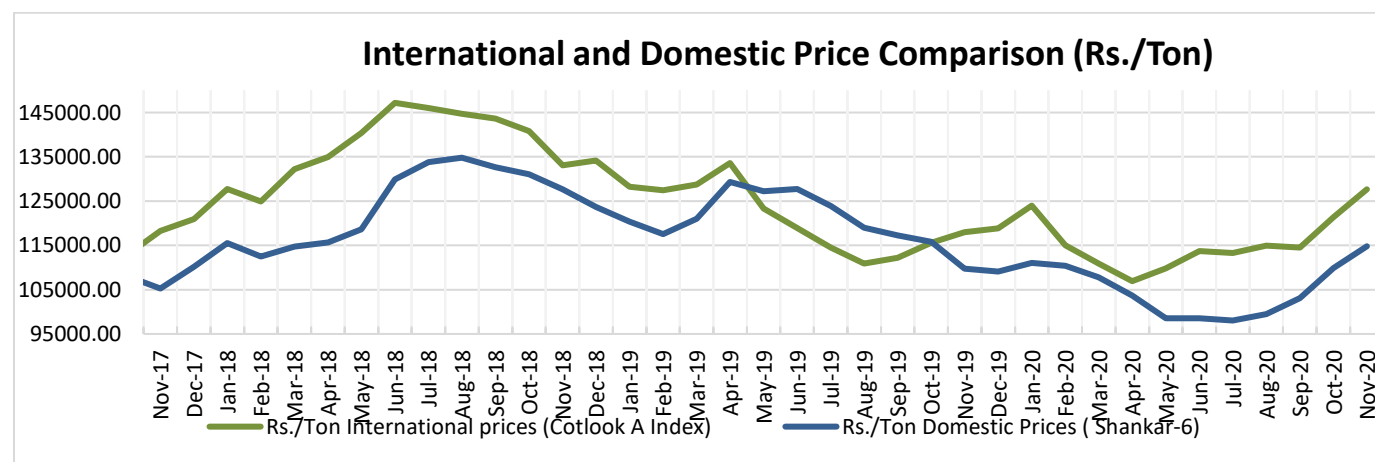
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	24-Dec-20	24-Nov-20 (1 month ago)	25-Sep-20 (3 months ago)	27-Jun-20 (6 months ago)	24-Dec-19 (a year ago)	% Change over a month	% Change over previous year
Mar-21	76.20	72.98	66.66	60.16	68.70	4.41	10.92
May-21	76.86	73.83	67.35	60.61	69.83	4.10	10.07
Jul-21	77.41	74.47	68.00	60.61	70.53	3.95	9.75
Oct-21	74.87	72.07	67.36	60.91	70.43	3.89	6.30
Dec-21	73.70	71.03	70.19	59.50	70.15	3.76	5.06

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	18th Dec'20 to 24th Dec'20	11th Dec'20 to 17th Dec'20	
Gujarat	Ahmedabad	Shankar-6	5750	5688	62
	Gondal	Shankar-6	5759	5759	0
	Rajkot	B.T. Cotton	5692	5651	41
	Patan	B.T. Cotton	5763	5754	9
	Kadi	B.T. Cotton	5633	5600	33
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5618	5546	72
Haryana	Bhiwani	B.T. Cotton	5617	5508	109
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5508	5488	20
	Fatehabad	B.T. Cotton	5521	5525	-4
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5680	5697	-17
Rajasthan	Hanumangarh	B.T. Cotton	5472	5467	5
	Rawatsar	B.T. Cotton	5408	5383	25
Madhya Pradesh	Khandwa	Mech-1	5600	5600	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5217	5283	-66
	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	5860	5889	-29
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5452	5475	-23
	Raichur	H-44 Cotton	5615	5590	25
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change

State	Centre	Variety	18th Dec'20 to 24th Dec'20	11th Dec'20 to 17th Dec'20	
Punjab	Bhatinda	J-34	4376	4352	24
	Abohar	J-34	4372	4359	13
	Mansa	J-34	4322	4330	-8
Haryana	Sirsa	J-34	4352	4317	35
Rajasthan	Sri-Ganganagar	J-34	4047	4027	20

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	18th Dec'20 to 24th Dec'20	11th Dec'20 to 17th Dec'20	Change
Gujarat	Ahmedabad	Shankar-6	401200	384200	17000
	Gondal	Shankar-6	22352	19029	3323
	Rajkot	B.T. Cotton	24175	25525	-1350
	Patan	B.T. Cotton	116932	118974	-2042
	Kadi	B.T. Cotton	340000	230000	110000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	3689	2026	1663
Haryana	Bhiwani	B.T. Cotton	23000	49000	-26000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7820	9010	-1190
	Fatehabad	B.T. Cotton	5600	5500	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	14950	8750	6200
Rajasthan	Hanumangarh	B.T. Cotton	10600	9000	1600
	Rawatsar	B.T. Cotton	2500	2400	100
Madhya Pradesh	Khandwa	Mech-1	13000	4800	8200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	107000	103000	4000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10753605	9495759	1257846
Karnataka	Bijapur	Bunny	8845	24738	-15893

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	207	5475	-5268
	Raichur	H-44 Cotton	1004	1289	-285
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	18th Dec'20 to 24th Dec'20	11th Dec'20 to 17th Dec'20	
Punjab	Bhatinda	J-34	51000	61200	-10200
	Abohar	J-34	5100	9350	-4250
	Mansa	J-34	5440	9520	-4080
Haryana	Sirsa	J-34	992	9860	-8868
Rajasthan	Sri-Ganganagar	J-34	18000	14000	4000

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Dec-20	19-Dec-20	26-Dec-20	27-Dec-19
Gujarat	Ahmedabad	Shankar-6	5750	5750	5750	5625
	Gondal	Shankar-6	5740	5805	5740	5500
	Rajkot	B.T. Cotton	5650	5710	5650	5530
	Patan	B.T. Cotton	NA	5850	NA	5515
	Kadi	B.T. Cotton	5600	5700	5600	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	5600	5655	5600	NR
Haryana	Bhiwani	B.T. Cotton	5650	5550	5650	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	5600	5500	5600	5350
	Fatehabad	B.T. Cotton	5525	5530	5525	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	5665	5700	5665	NR
Rajasthan	Hanumangarh	B.T. Cotton	5450	5500	5450	Closed
	Rawatsar	B.T. Cotton	5350	5475	5350	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	Closed	5491
	Khargaon	Mech-1	NA	0	NA	5427

Maharashtra	Amravati	Mech-1	5150	5300	5150	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	5400	NA	NA
	Hathras	Desi	NA	4300	NA	NA
Telangana	Adilabad	Un-Ginned	NA	5725	NA	5400
Karnataka	Bijapur	Bunny	NA	0	NA	5929
	Hubli	D.C.H.	NA	5551	NA	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	5600	NA	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Dec-20	19-Dec-20	26-Dec-20	27-Dec-19
Punjab	Bhatinda	J-34	4350	4410	4350	4050
	Abohar	J-34	4340	4410	4340	4050
	Mansa	J-34	4320	4300	4320	4050
Haryana	Sirsa	J-34	4310	4380	4310	4000
Rajasthan	Sri-Ganganagar	J-34	4042	4042	4042	3638

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Dec-20	19-Dec-20	26-Dec-20	27-Dec-19
Gujarat	Ahmedabad	Shankar-6	59500	61200	59500	81600
	Gondal	Shankar-6	5234	3526	5234	#N/A
	Rajkot	B.T. Cotton	4000	3650	4000	#N/A
	Patan	B.T. Cotton	NA	21842	NA	3450
	Kadi	B.T. Cotton	60000	40000	60000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	240	2115	240	#N/A
Haryana	Bhiwani	B.T. Cotton	2000	5000	2000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1700	1360	1700	#N/A
	Fatehabad	B.T. Cotton	800	1500	800	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	2200	2500	2200	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	1000	2000	1000	#N/A

	Rawatsar	B.T. Cotton	400	300	400	4000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	Closed	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	14000	16000	14000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	#N/A
	Hathras	Desi	NA	NA	NA	#N/A
Telangana	Adilabad	Un-Ginned	NA	2289437	NA	0
Karnataka	Bijapur	Bunny	NA	0	NA	5751
	Hubli	D.C.H.	NA	20	NA	32
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	240	NA	2265
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Dec-20	19-Dec-20	26-Dec-20	27-Dec-19
Punjab	Bhatinda	J-34	8500	11900	8500	10200
	Abohar	J-34	850	1700	850	1700
	Mansa	J-34	595	1190	595	6800
	Sirsa	J-34	850	1020	850	2380
	Sri-Ganganagar	J-34	3000	3000	3000	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				18th Dec'20 to 24th Dec'20	11th Dec'20 to 17th Dec'20	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38800	39200	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39300	39700	-400
J-34(202)	26mm	3.5 - 4.9	23	41317	40817	500
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	40967	40567	400
Shankar-6(105)	29mm	3.5 – 4.9	28	42267	41683	584
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44100	43583	517
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45033	44417	616
DCH-32(107)	34mm	3.0 - 3.8	33	60933	59767	1166

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