

COTTON WEEKLY RESEARCH REPORT
18th Jan 2021**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 84,80,544 cotton bales of cotton has been procured till 17th January 2021 valuing Rs. 24,803.63 crore. Gujarat Shankar-6 variety cotton spot prices stood firm around Rs.42,400 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 declined from 3 lakh to nearly 2,00,000 to 2,25,000 bales per day.
- Cotlook index stood higher(86.30cents/lbs) compared to the ICE cotton future that stood at 80.43 cents/lbs.
- Indian rupee remained stronger between 73.07 to 73.38 against USD compared to last week.

Market Highlights:

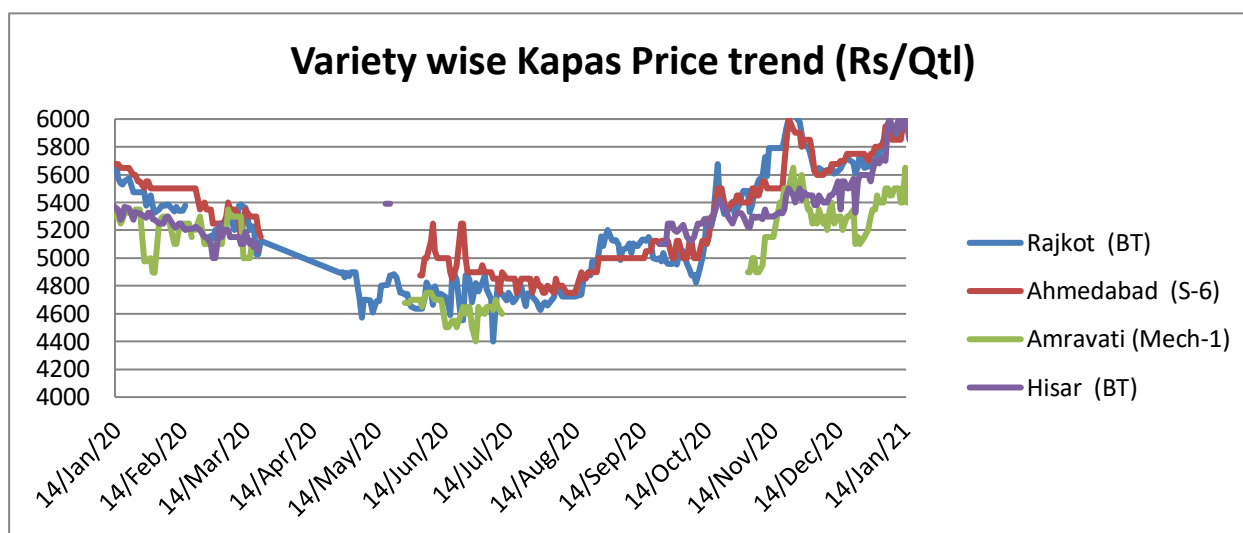
- Cotton Association of India has revised cotton export estimate for 2020-21. Indian cotton prices have risen from Rs. 38000 per candy of 356 kg each to Rs. 41,500 while the international prices have declined about 4%. Cotton Association of India has revised its estimates for export lower by 10% to 5.4 million bales of 170 kg each.
- CAI has increased its crop estimates for 2020-21. Cotton Association of India has increased its crop estimate by 2.50 lakh bales for the 2020-21 seasons to 358.50 lakh bales of 170 kg each from its previous estimates of 356 lakh bales of 170 kg each. The CAI has revised its crop estimate and the total cotton supply till end of the cotton season 2020-21 is at 497.50 lakh bales of 170 kg each, this consist of the revised opening stock at 358.50 lakh bales and imports at 14 lakh bales, which is 1.50 lakh bales less than the previous year's estimates(16.47 lakh), Domestic consumption is at 330 lakh bales same as estimated previously. Where else the exports are estimated at 54 lakh bales, and carry over stock at the end of 2020-21 season at 113.50 lakh bales.
- CCI has purchased around 26.5 lakh quintals of cotton in Punjab. The ongoing farmer's agitation has significantly altered the procurement dynamics of cotton this season. According to Cotton Corporation of

India, a record purchase of around 26.5 lakh quintals of cotton (2020-21) has been made in Punjab till the first week of January 21 as against the 7.5 lakh quintals procured during the previous season (2019-20) around the same time.

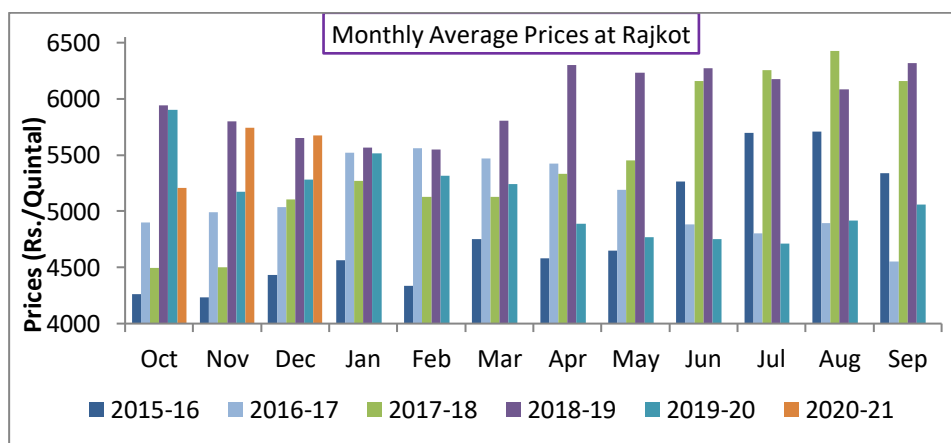
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 5905/q from previous week Rs. 5821/q and Ahmedabad prices were also higher at 5883/q from previous week at Rs. 5879/q.



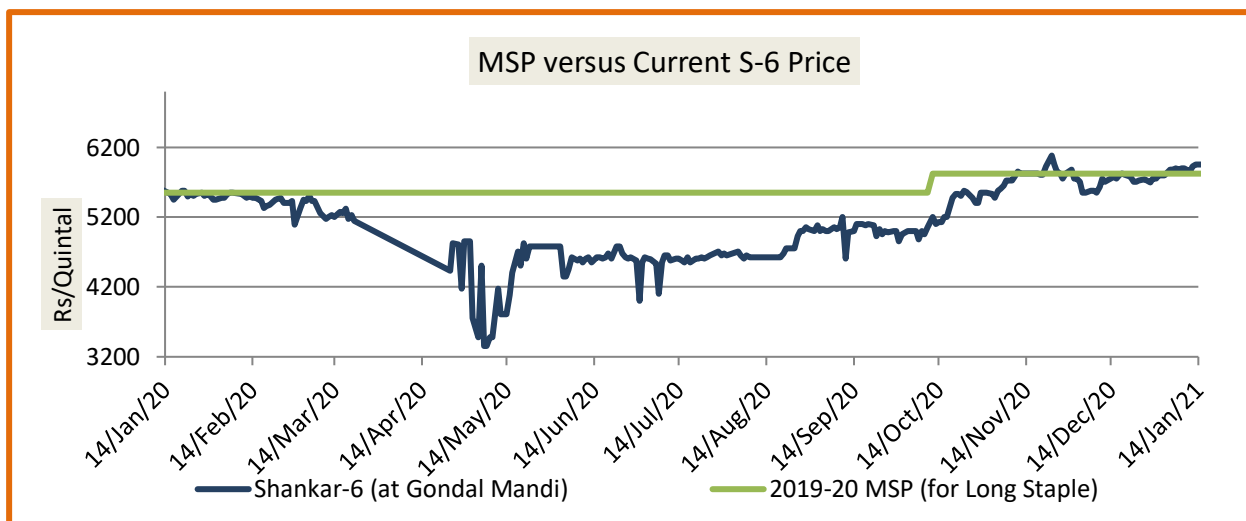
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of December were high in the market and the monthly average price were also higher in December at Rs. 5674.07/q compared to the prices during the corresponding month of the previous season. (Rs. 5281/q)

Spot Price versus MSP

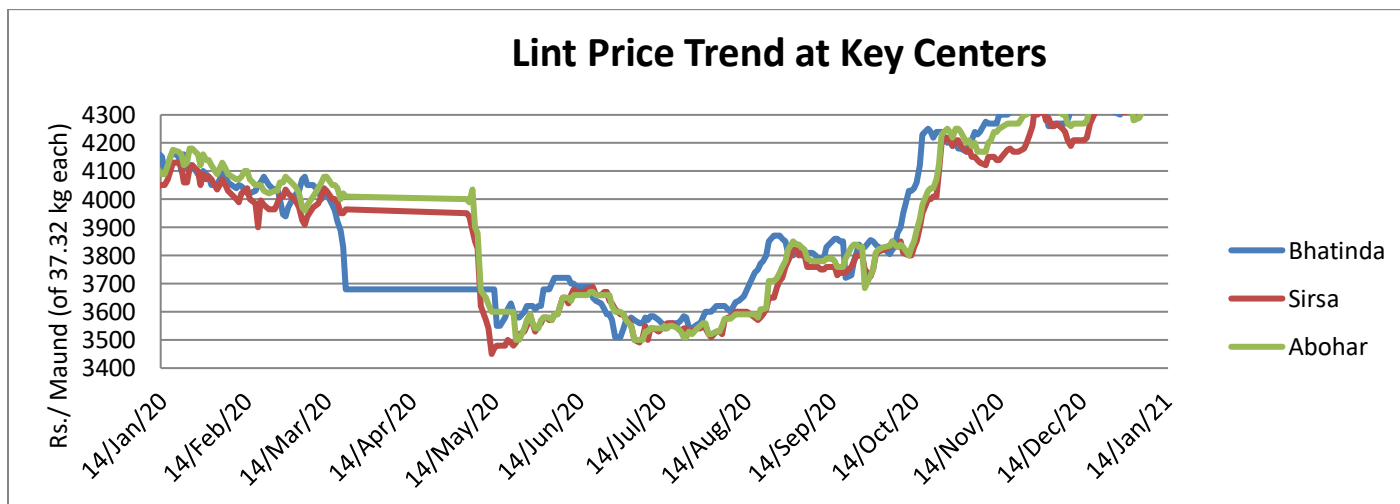
Average kapas price at Gondal market stood higher at Rs. 5917/q from Rs. 5857/q previous week.



Source: Agriwatch

Lint price Outlook

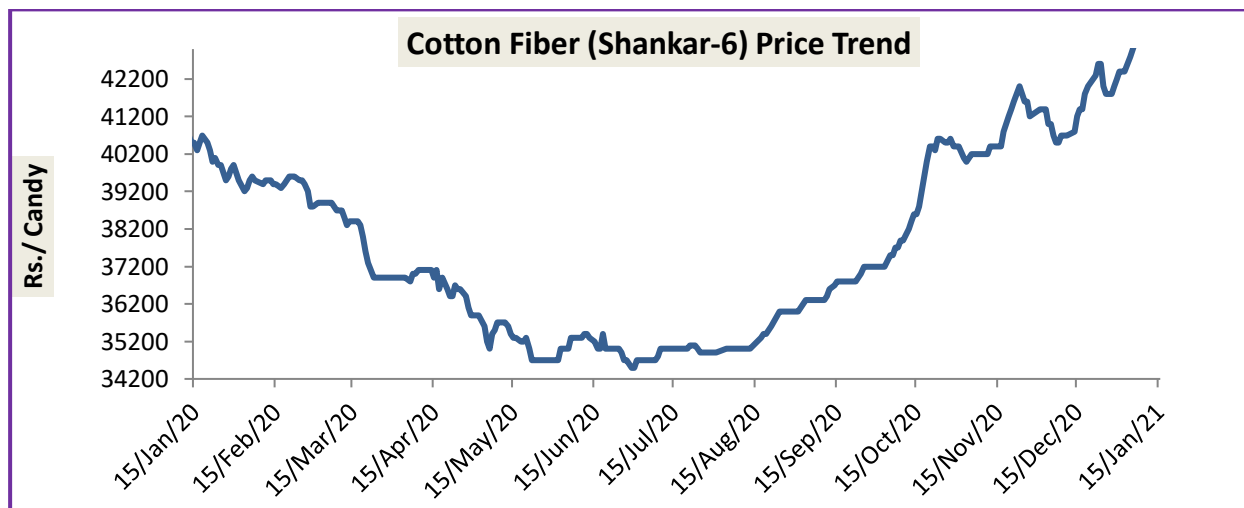
The average price stood higher at Rs.4498/maund of lint in Abohar, Rs.4495/ maund in Bhatinda and Rs.4474/maund in Sirsa from previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.43300/candy from around Rs.42900/ candy last week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

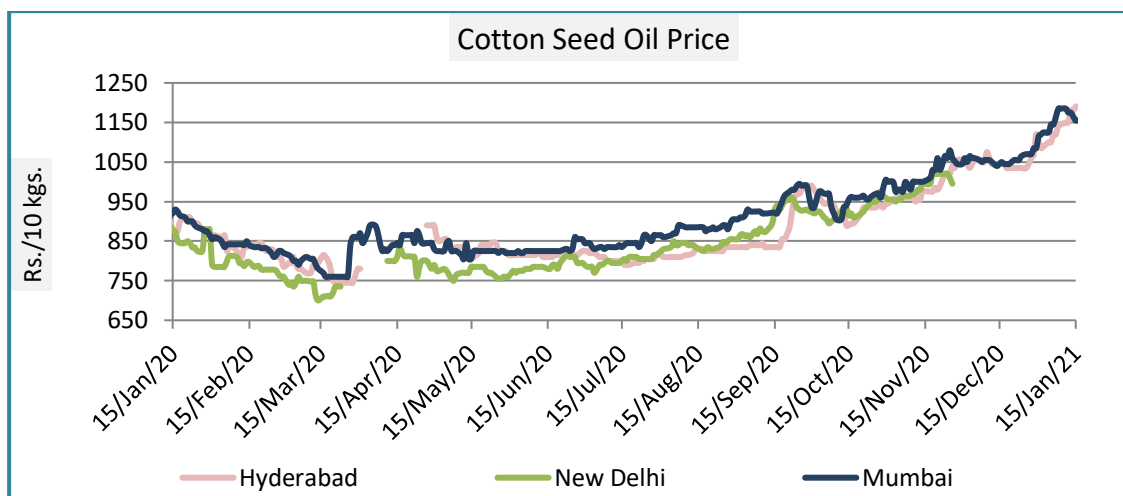
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have decreased across all the centres during the week ending on 14th Jan'21. Weekly average price in Mumbai stood high at Rs.1163, in New Delhi the prices were around Rs. 1113 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	14-Jan-21	07-Jan-21	
New Delhi	1113	1129	-1.46
Rajkot	1138	1154	-1.36
Hyderabad	1163	1173	-0.82
Mumbai	1163	1168	-0.47

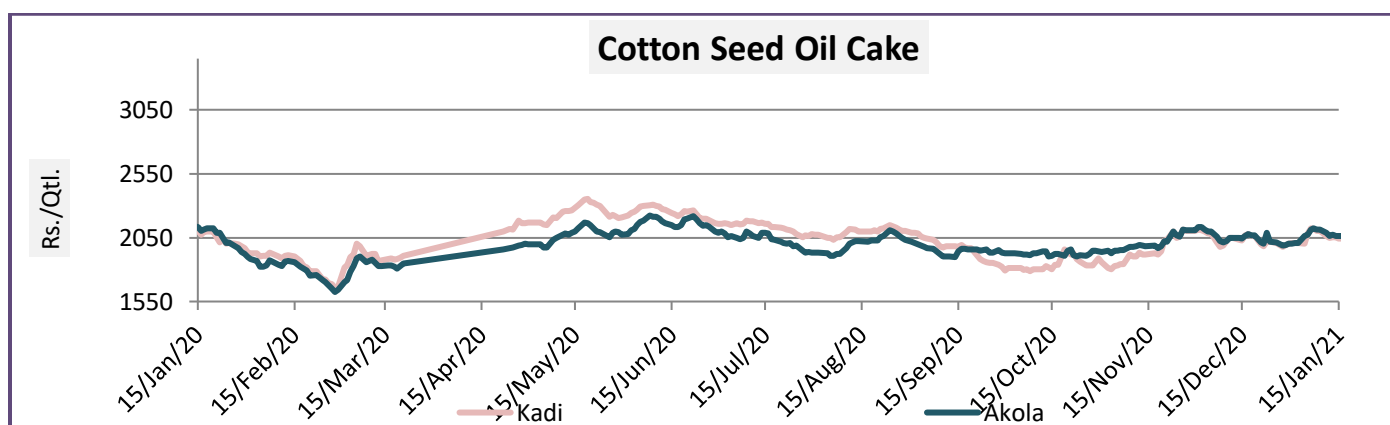
Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

The demand for Cottonseed Oil Cakes has increased slightly due to which prices have been increasing. However, there are concerns about 50% of the total production that is still lying in the go-downs and warehouses. The average price in Kadi was Rs. 2071/q and for Akola was Rs. 2086/q higher from the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	14-Jan-21	07-Jan-21	
Kadi	2071	2058	0.62
Akola	2086	2066	0.98



Source: NCDEX

International Market Scenario

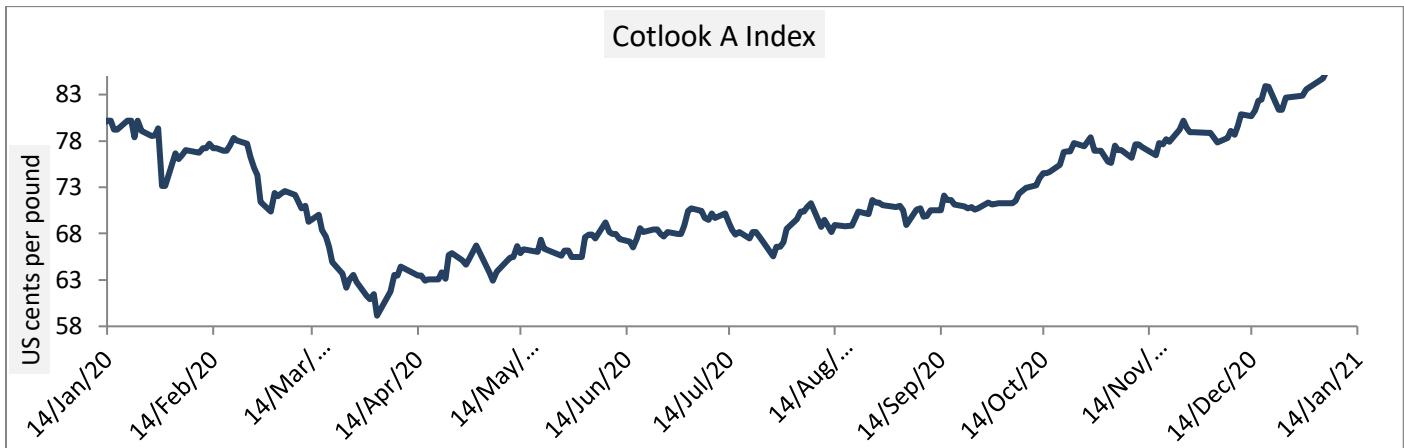
- **According to the USDA estimates, India's cotton production for MY 2020-21 is estimated at 29.3 million bales** from acreage of 13.3 million hectares. Cotton prices have improved due to strong export demand for raw cotton and cotton yarn. Farmers continue to deliver their crop to the government's procurement scheme under minimum support price (MSP) as prevailing seed cotton market price remained below MSP levels. Mills consumption has improved steadily but remains constrained at 23 million bales due to subdued demand in the domestic market.
- **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 about 35 percent less as compared to more than 7 million bales produced till December 15 last year.
- **Bangladesh domestic cotton production may rise in 2020-21.** Local cotton production is likely to increase in Bangladesh with the increase in acreages and expansion of hybrid varieties. During the current season farmers have sown cotton on nearly 44,450 hectares of land; overall production is expected to be around 200,000 bales (each 480 pounds) in 2020-21.

Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 86.71 cents/lb lower compared to the previous week (85.93 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	14-Jan-21	07-Jan-21	
Prices	86.71	85.93	0.91
Prices in US cents per Pound			

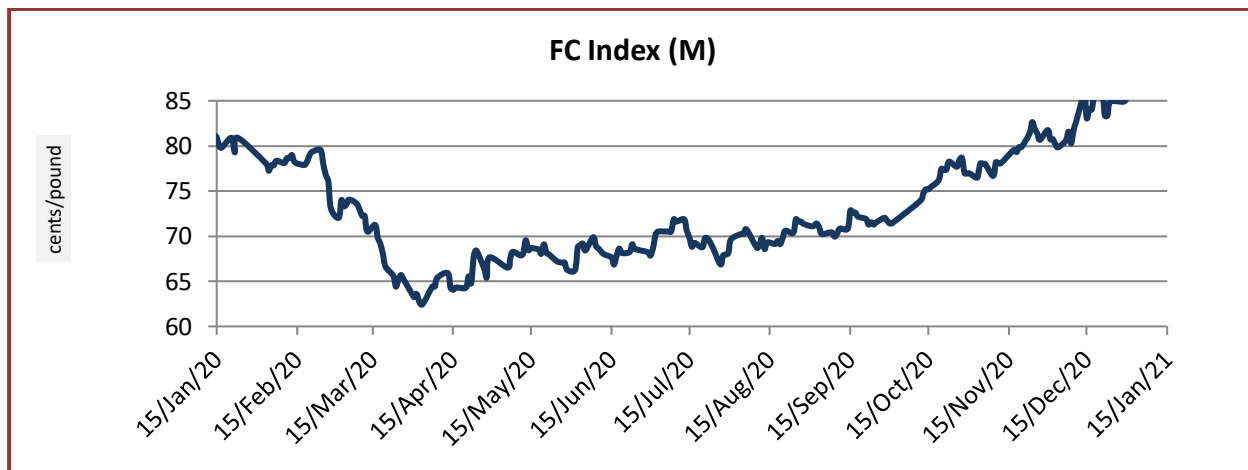
Source: Cotlook


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	14-Jan-21	07-Jan-21	
FC (S)	91.01	89.80	1.23
FC (M)	88.59	87.35	1.42
FC (L)	87.47	86.16	1.52

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	14-Jan-21	07-Jan-21	
CCIndex(328)	15273.50	15250.20	0.15
CCIndex(527)	14382.00	14295.20	0.61
CCIndex(229)	15525.17	15476.60	0.31
Prices in Yuan per ton			

Source: China Cotton Association

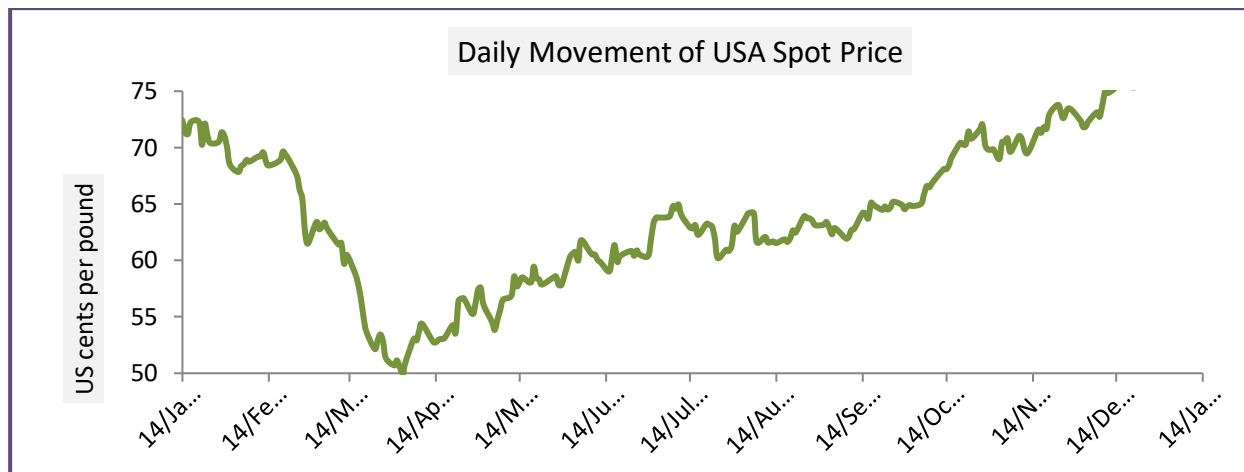


USA Spot Prices

U.S.A spot prices have increased from prior week by 1.66 percent at 81.74 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	14-Jan-21	07-Jan-21	
Prices	81.74	80.41	1.66
Prices in US cents per Pound			

Source: USDA

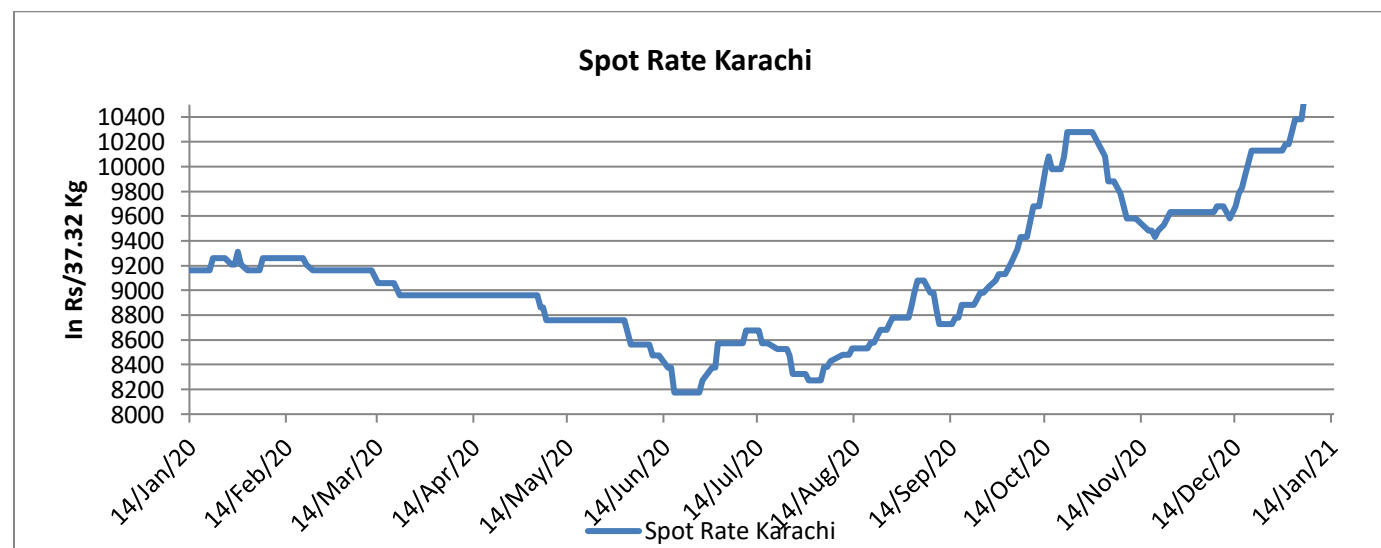


Pakistan Spot Prices

The Karachi spot price stood around Rs. 10780/q higher than the previous week by 1.01 percent. (Rs. 10672/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	1-Jan-21	07-Jan-21	
Prices	10780	10672	1.01
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Dec.

Expiry: Jan. 29, 2021

Cotton



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 19900, while mild resistance is seen around 21200.
- If the market tests the support at 165000, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	20900	21000	21020	21200	21400
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Buy	21060	21150	21350	21100

Commodity: Cotton Seed oil Cake
Contract: Dec

Exchange: NCDEX
Expiry: Feb 19th, 2021

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/01/17 - Weekly B:2007.00 A:2010.00
O 2018.00 H 2027.00 L 1983.00 C 2007.00 ↑ V 69,710 I 92,860 -10 -0.50%



Technical Commentary:

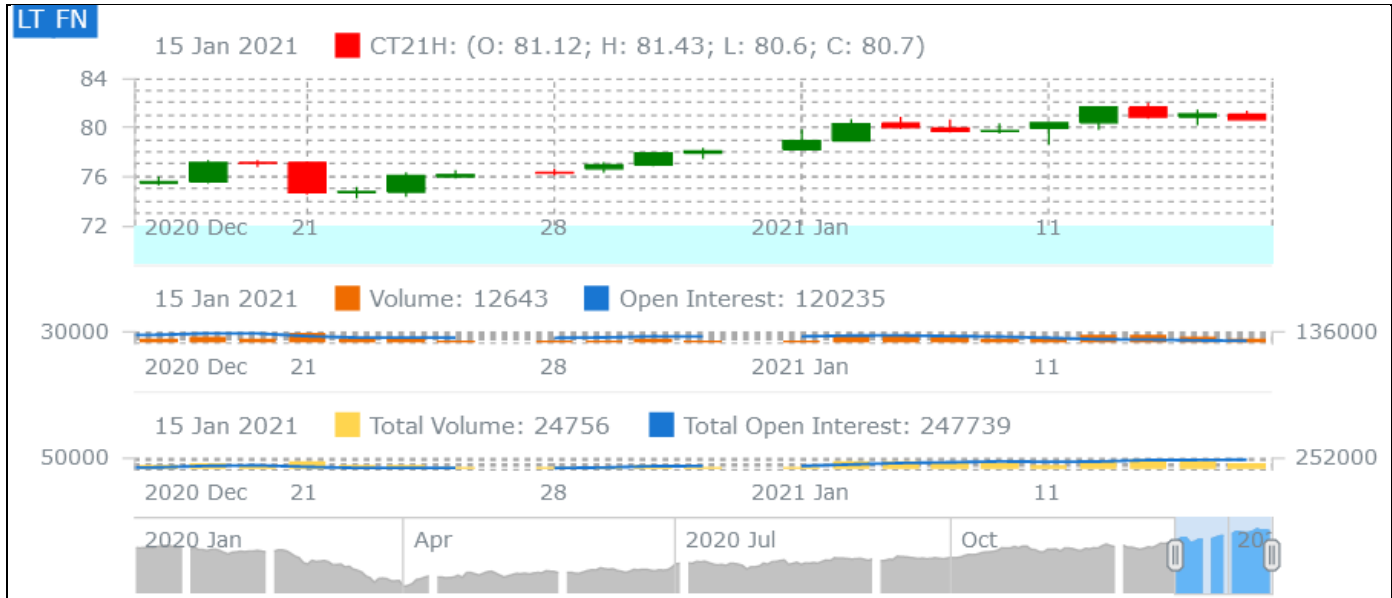
- Cottonseed oilcake on the daily chart looks uncertain even as the broader trend is bullish.
- On the intra-day chart, there exists a consolidation zone (support) at 1975 and then a trendline support at 1970. Strong resistance is seen at 2150.

Strategy: wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1975	1980	1999	2150	2250
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	wait	2065	2100	2120	2090

* 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	78-84

Expected Support and Resistance

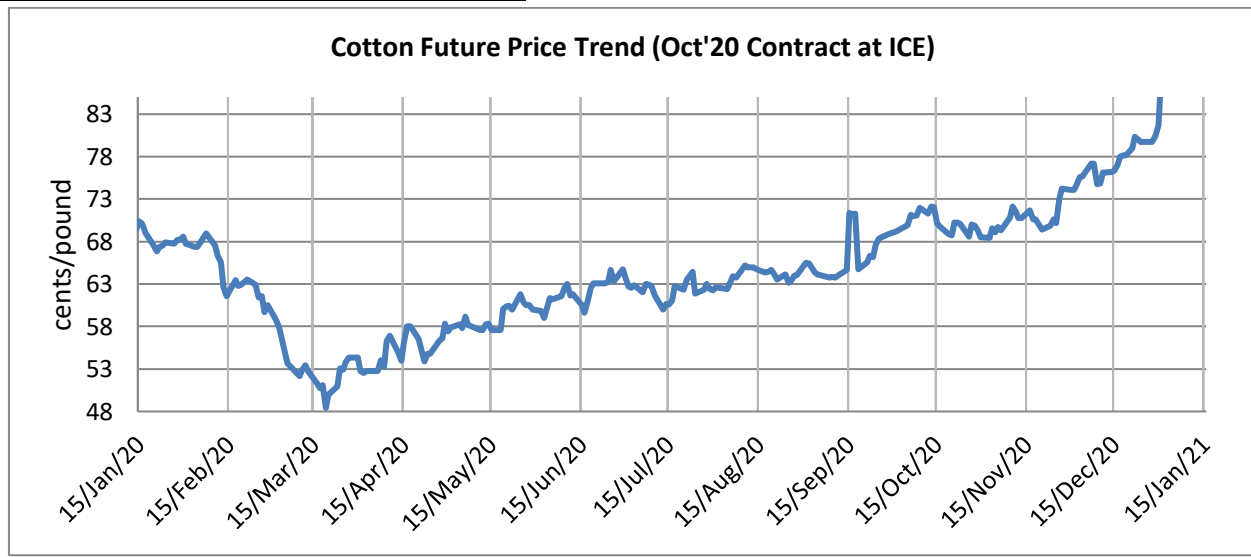
Support 1	Support 2	Resistance 1	Resistance 2
77	80	82	85

Figures in US cents/pound

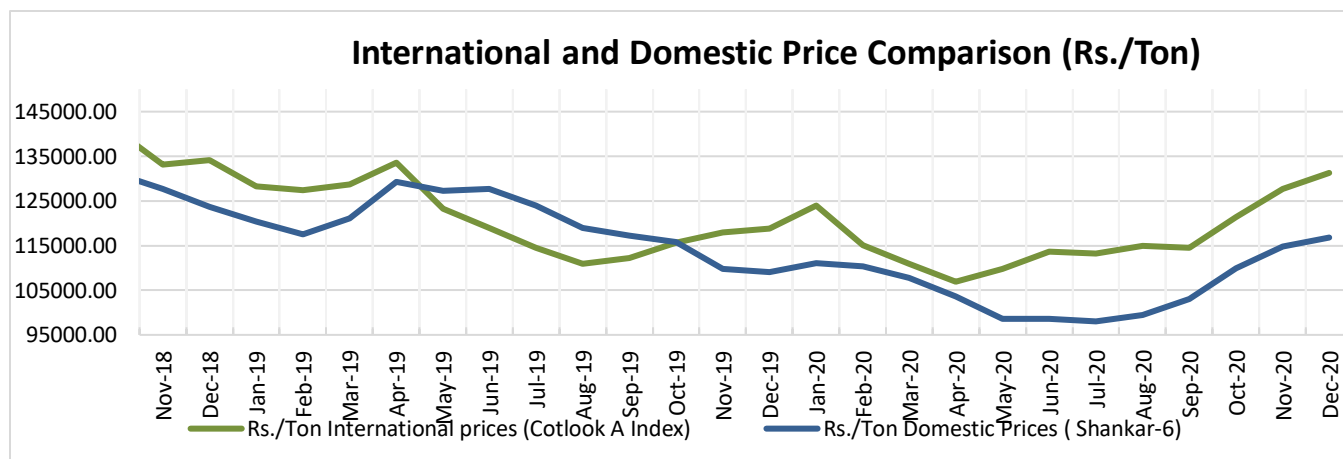
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	15-Jan-21	15-Dec-20 (1 month ago)	17-Oct-20 (3 months ago)	19-Jul-20 (6 months ago)	15-Jan-20 (a year ago)	% Change over a month	% Change over previous year
Mar-21	80.70	74.67	70.56	63.61	59.01	8.08	36.76
May-21	81.62	75.51	71.23	64.23	59.56	8.09	37.04
Jul-21	82.37	76.20	71.71	64.75	59.97	8.10	37.35
Oct-21	78.97	74.00	70.42	63.59	58.35	6.72	35.34
Dec-21	77.02	72.90	69.52	62.88	58.65	5.65	31.32

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	08th Jan'21 to 14th Jan'21	01st Jan'21 to 07th Jan'21	
Gujarat	Ahmedabad	Shankar-6	5870	5879	-9
	Gondal	Shankar-6	5910	5864	46
	Rajkot	B.T. Cotton	5901	5823	78
	Patan	B.T. Cotton	6087	5008	1079
	Kadi	B.T. Cotton	6000	5833	167
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5905	5847	58
Haryana	Bhiwani	B.T. Cotton	7900	5774	2126
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6290	836	5454
	Fatehabad	B.T. Cotton	2250	5775	-3525
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5804	5688	116
Rajasthan	Hanumangarh	B.T. Cotton	5888	5618	270
	Rawatsar	B.T. Cotton	5720	5558	162
Madhya Pradesh	Khandwa	Mech-1	5700	5620	80
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5500	5450	50

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5725	5725	Unch
Karnataka	Bijapur	Bunny	6173	5971	202
	Hubli	D.C.H.	NA	4109	-
	Hubli	B.T. Cotton	5702	5421	281
	Raichur	H-44 Cotton	5650	5658	-8
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	08th Jan'21 to 14th Jan'21	01st Jan'21 to 07th Jan'21	
Punjab	Bhatinda	J-34	4495	4429	66
	Abohar	J-34	4498	4435	63
	Mansa	J-34	4481	4422	59
Haryana	Sirsa	J-34	4474	4428	46
Rajasthan	Sri-Ganganagar	J-34	4290	4316	-26

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	08th Jan'21 to 14th Jan'21	01st Jan'21 to 07th Jan'21	
Gujarat	Ahmedabad	Shankar-6	326400	375700	-49300
	Gondal	Shankar-6	19821	3554	16267
	Rajkot	B.T. Cotton	21400	24400	-3000
	Patan	B.T. Cotton	61802	88621	-26819
	Kadi	B.T. Cotton	250000	230000	20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1639	1463	176
Haryana	Bhiwani	B.T. Cotton	7900	12300	-4400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6290	5780	510
	Fatehabad	B.T. Cotton	2250	2900	-650
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1975	2400	-425
Rajasthan	Hanumangarh	B.T. Cotton	4300	2800	1500
	Rawatsar	B.T. Cotton	2900	2200	700

Madhya Pradesh	Khandwa	Mech-1	1600	2700	-1100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	76000	84000	-8000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	1059734	4582447	-3522713
Karnataka	Bijapur	Bunny	15640	26685	-11045
	Hubli	D.C.H.		2	-2
	Hubli	B.T. Cotton	136	172	-36
	Raichur	H-44 Cotton	448	943	-495
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	08th Jan'21 to 14th Jan'21	01st Jan'21 to 07th Jan'21	
Punjab	Bhatinda	J-34	27200	44200	-17000
	Abohar	J-34	4080	4760	-680
	Mansa	J-34	4335	5440	-1105
Haryana	Sirsa	J-34	2380	1360	1020
Rajasthan	Sri-Ganganagar	J-34	14000	10700	3300

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Jan-21	11-Jan-21	18-Jan-21	19-Jan-20
Gujarat	Ahmedabad	Shankar-6	5900	5850	5900	#N/A
	Gondal	Shankar-6	5980	5855	5980	5500
	Rajkot	B.T. Cotton	5865	5905	5865	5530
	Patan	B.T. Cotton	6125	6025	6125	5515
	Kadi	B.T. Cotton	6000	6000	6000	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	5845	5880	5845	NR
Haryana	Bhiwani	B.T. Cotton	5800	5900	5800	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	5870	6000	5870	5350
	Fatehabad	B.T. Cotton	5700	5800	5700	5350
	Jind	B.T. Cotton	NA	0	NA	5700

	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	5750	5815	5750	NR
Rajasthan	Hanumangarh	B.T. Cotton	5850	5900	5850	Closed
	Rawatsar	B.T. Cotton	5750	5650	5750	Closed
Madhya Pradesh	Khandwa	Mech-1	5800	5600	5800	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	5500	5500	5500	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	NA	NA
	Hathras	Desi	NA	0	NA	NA
Telangana	Adilabad	Un-Ginned	NA	NA	NA	5400
Karnataka	Bijapur	Bunny	6139	6154	6139	5929
	Hubli	D.C.H.	5679	5702	5679	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	5650	5650	5650	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Jan-21	11-Jan-21	18-Jan-21	19-Jan-20
Punjab	Bhatinda	J-34	4460	4490	4460	#N/A
	Abohar	J-34	4460	4490	4460	#N/A
	Mansa	J-34	4465	4475	4465	#N/A
Haryana	Sirsa	J-34	4450	4470	4450	#N/A
Rajasthan	Sri-Ganganagar	J-34	4169	Closed	4169	#N/A

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	18-Jan-21	11-Jan-21	18-Jan-21	19-Jan-20
Gujarat	Ahmedabad	Shankar-6	59500	68000	59500	#N/A
	Gondal	Shankar-6	3789	4534	3789	#N/A
	Rajkot	B.T. Cotton	6200	5950	6200	#N/A
	Patan	B.T. Cotton	9757	12502	9757	3450
	Kadi	B.T. Cotton	40000	50000	40000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	339	394	339	#N/A
Haryana	Bhiwani	B.T. Cotton	1000	2000	1000	1200
	Bhiwani	Desi	NA	0	NA	#N/A

	Adampur	B.T. Cotton	1020	850	1020	#N/A
	Fatehabad	B.T. Cotton	500	500	500	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	500	325	500	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	2000	1000	2000	#N/A
	Rawatsar	B.T. Cotton	500	500	500	#N/A
Madhya Pradesh	Khandwa	Mech-1	500	500	500	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	4000	18000	4000	#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	NA	NA	NA	#N/A
Karnataka	Bijapur	Bunny	4296	6144	4296	#N/A
	Hubli	D.C.H.	5	136	5	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	112	112	112	#N/A
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	18-Jan-21	11-Jan-21	18-Jan-21	19-Jan-20
Punjab	Bhatinda	J-34	5100	5100	5100	#N/A
	Abohar	J-34	850	680	850	#N/A
	Mansa	J-34	850	1190	850	#N/A
	Sirsa	J-34	510	680	510	#N/A
	Sri-Ganganagar	J-34	3000	Closed	3000	#N/A

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				08th Jan'21 to 14th Jan'21	01st Jan'21 to 07th Jan'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38333	38400	-67
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38833	38900	-67
J-34(202)	26mm	3.5 - 4.9	23	42350	41800	550
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	42250	41875	375
Shankar-6(105)	29mm	3.5 – 4.9	28	43300	42900	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45450	44975	475
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46000	45650	350
DCH-32(107)	34mm	3.0 - 3.8	33	65617	63275	2342

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