

**COTTON WEEKLY RESEARCH REPORT**  
**25<sup>th</sup> 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 88,43,412 cotton bales of cotton has been procured till 25<sup>th</sup> January 2021 valuing Rs. 25,825.34 crore. Gujarat Shankar-6 variety cotton spot prices stood firm around Rs.43,450 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 1,75,000 to 2,00,000 bales per day.
- Cotlook index stood higher(87.10cents/lbs) compared to the ICE cotton future that stood at 80.70 cents/lbs.
- Indian rupee remained stronger between 73.07 to 73.38 against USD compared to last week.

**Market Highlights:**

- **Cotton Corporation of India introduces lock - in period for prices.** CCI has permitted cotton buyers through e-auctions, to lock in the cotton prices. Cotton Corporation of India has introduced this facility to ensure price security especially for textile mills.
- **CCI is planning to export 10 lakh bales of cotton.** CCI has procured around 85 lakh bales of cotton till 20<sup>th</sup> January 21, at minimum support price since the beginning of the current season 2020-21, but with the rising prices of cotton CCI has now reduced the purchase of cotton at MSP and is planning to export at least 10 lakh bales of cotton during the current season.
- **Maharashtra government offers guarantee to Rs. 1500 crore loan by cotton growers marketing federation.** The government has decided to stand 1500 crore loan , which will be raised by Maharashtra state co- operative cotton growers marketing federation Ltd for paying minimum support price to the cotton growing farmers, the interest rate by the bank is decided to be 6.35 percent.
- **CCI procurement reduces as prices goes up.** Cotton procurement under minimum support price has reduced with prices going up. Cotton arrivals are staggered with around 210 lakh bales which have already arrived into the market with another 140-150 lakh bales remaining with farmers. CCI has procured around

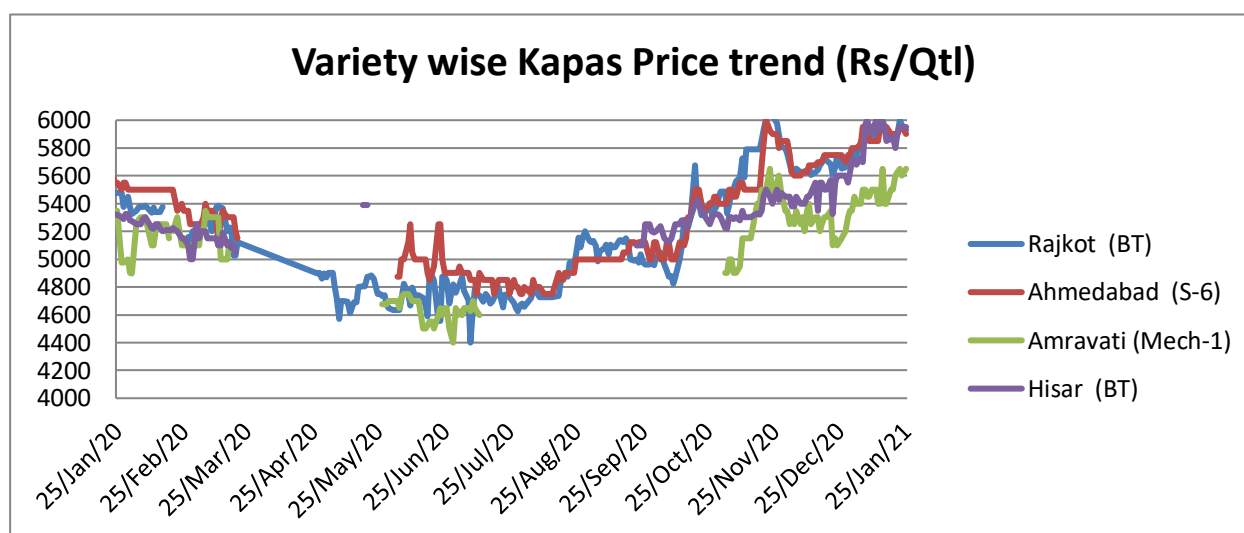
85 lakh bales till now and will continue procuring cotton from farmers. The raw cotton prices have reached around Rs. 6000 per quintal in last week.

- 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.

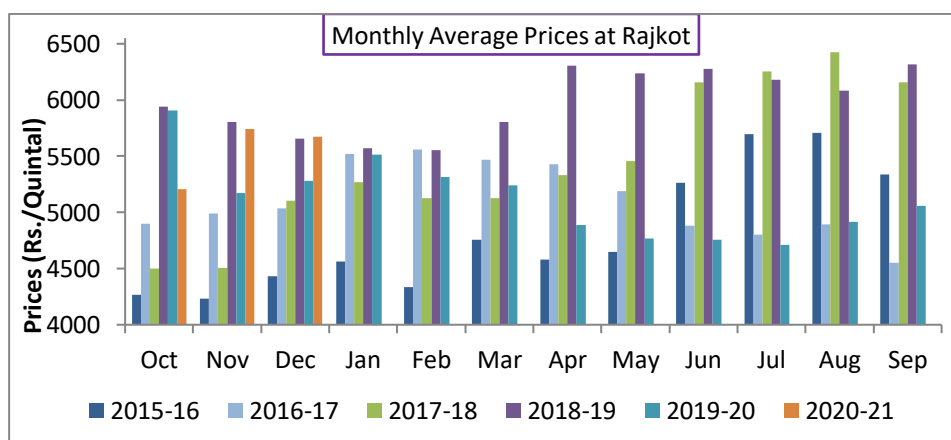
## Domestic Cotton Prices Scenario

### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly kapas average price at Rajkot was lower at Rs. 5890/q from previous week Rs. 5905/q and Ahmedabad prices were higher at 5916/q from previous week at Rs. 5883/q.



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

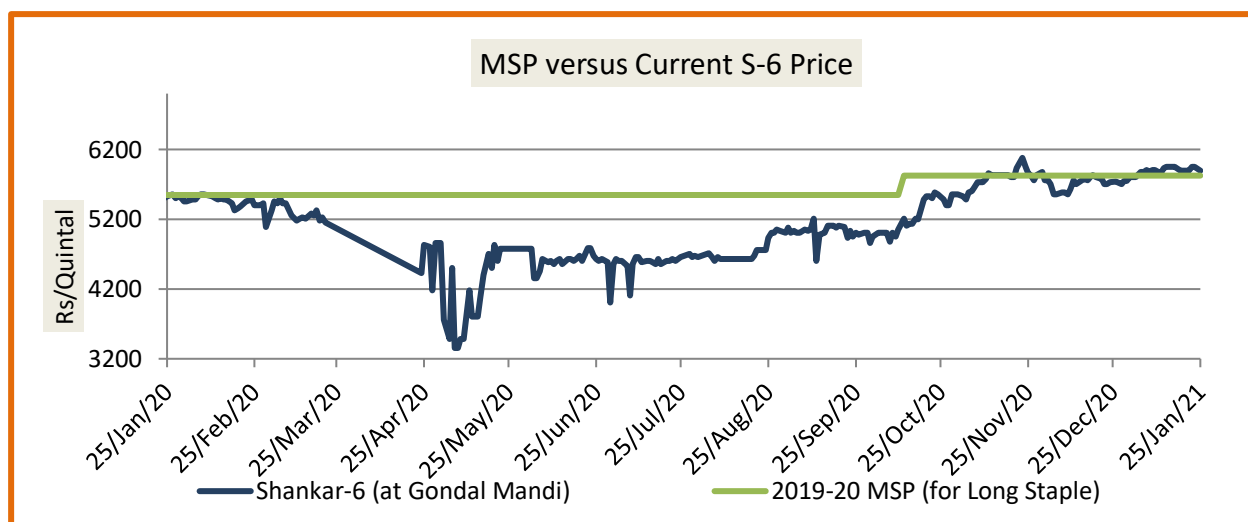


The arrivals in the month of December were high in the market and the monthly average price were also higher in December at Rs. 5674.07/q compared to the prices during the corresponding month of the previous season.

(Rs. 5281/q)

### Spot Price versus MSP

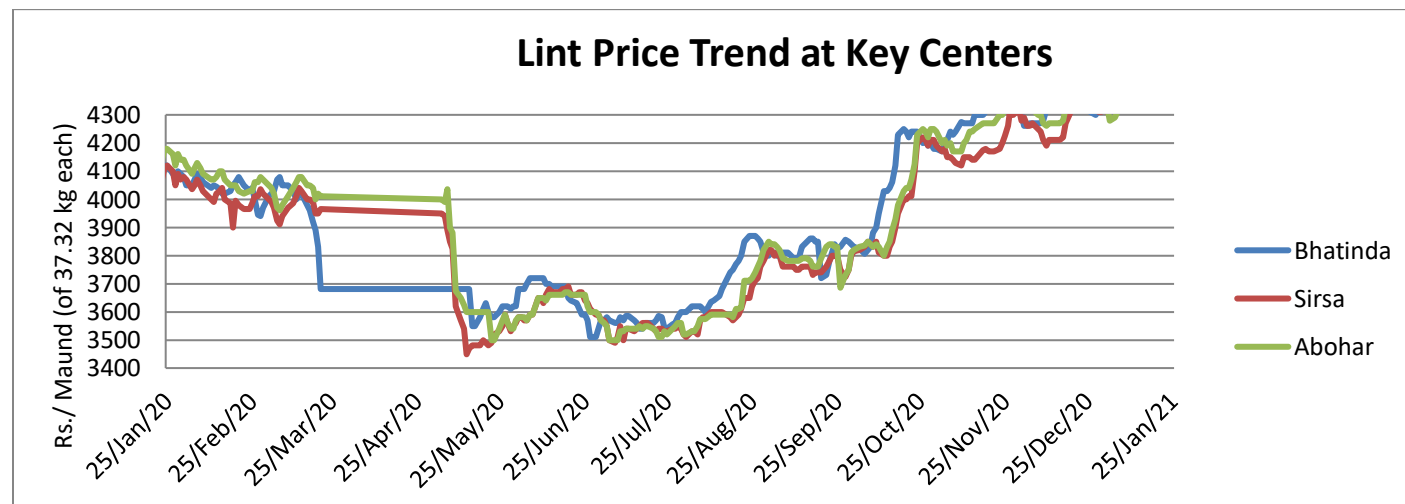
Average kapas price at Gondal market stood higher at Rs. 5918/q from Rs. 5917/q previous week.



Source: Agriwatch

### Lint price Outlook

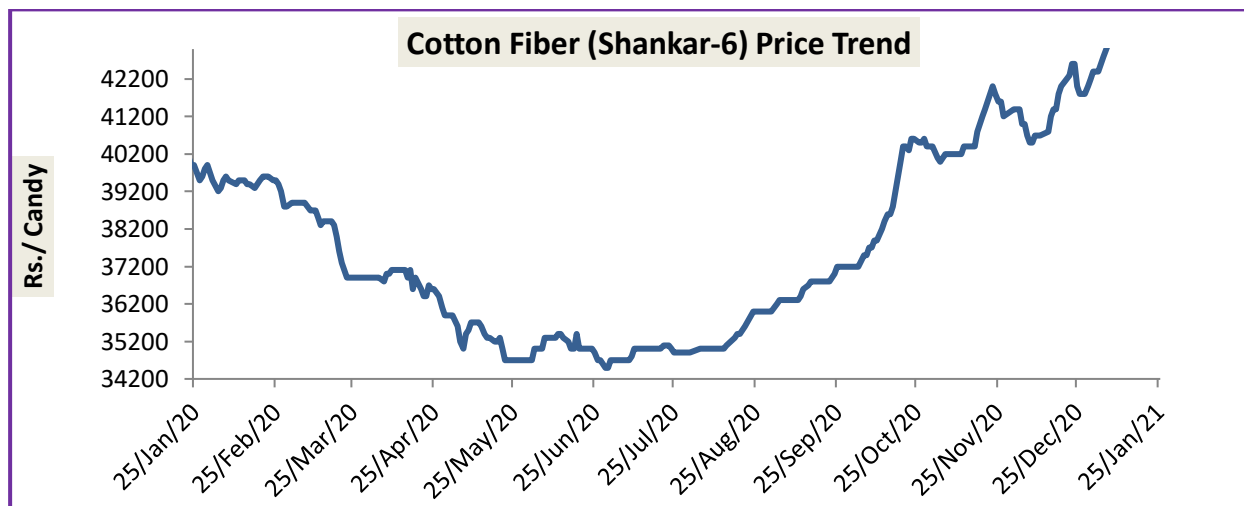
The average price stood lower at Rs.4498/maund of lint in Abohar, Rs.4473/ maund in Bhatinda and Rs.4450/maund in Sirsa from previous week.



Source: Agriwatch

## Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.43400/candy from around Rs.43300/ candy last week.



Source: Cotton Association of India (CAI)

## Cotton Seed Oil and Cotton Seed Oil Cake

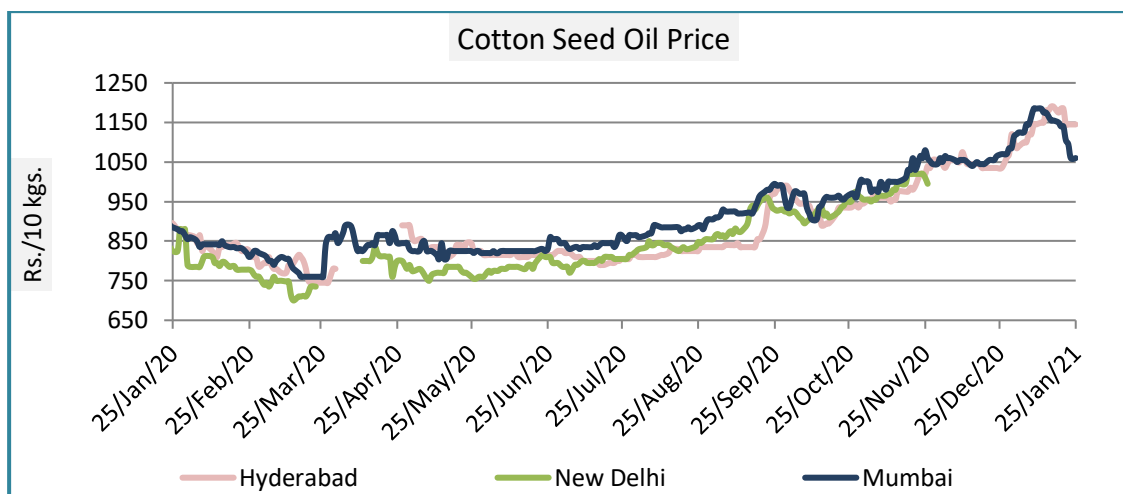
### Cotton Seed Oil weekly

#### Price Scenario

Cotton seed oil price have decreased across all the centres during the week ending on 21<sup>st</sup> Jan'21. Weekly average price in Mumbai stood high at Rs.1100, in New Delhi the prices were around Rs. 1038 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	21-Jan-21	14-Jan-21	
<b>New Delhi</b>	1038	1113	-6.71
<b>Rajkot</b>	1064	1138	-6.49
<b>Hyderabad</b>	1090	1163	-6.28
<b>Mumbai</b>	1100	1163	-5.42

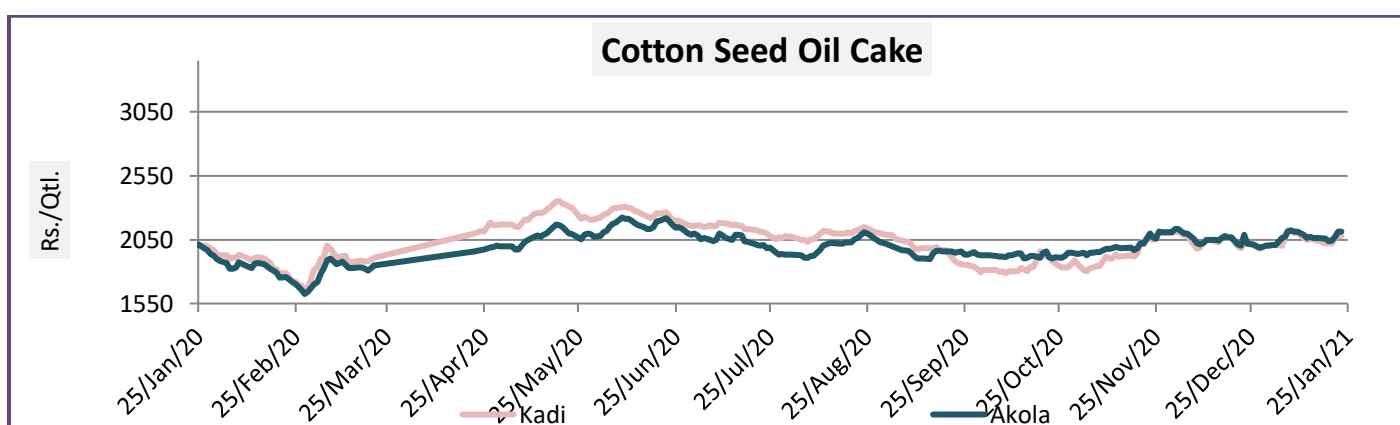
Source: Agriwatch



### Cotton Seed Oil Cake weekly Price Scenario

The demand for Cottonseed Oil Cakes has decreased due to which prices have been decreasing. Also, there are concerns about the stock that is still lying in the go-downs and warehouses. The average price in Kadi was Rs. 2034/q and for Akola was Rs. 2055/q lower from the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	21-Jan-21	14-Jan-21	
Kadi	2034	2071	-1.81
Akola	2055	2086	-1.50



Source: NCDEX

## International Market Scenario

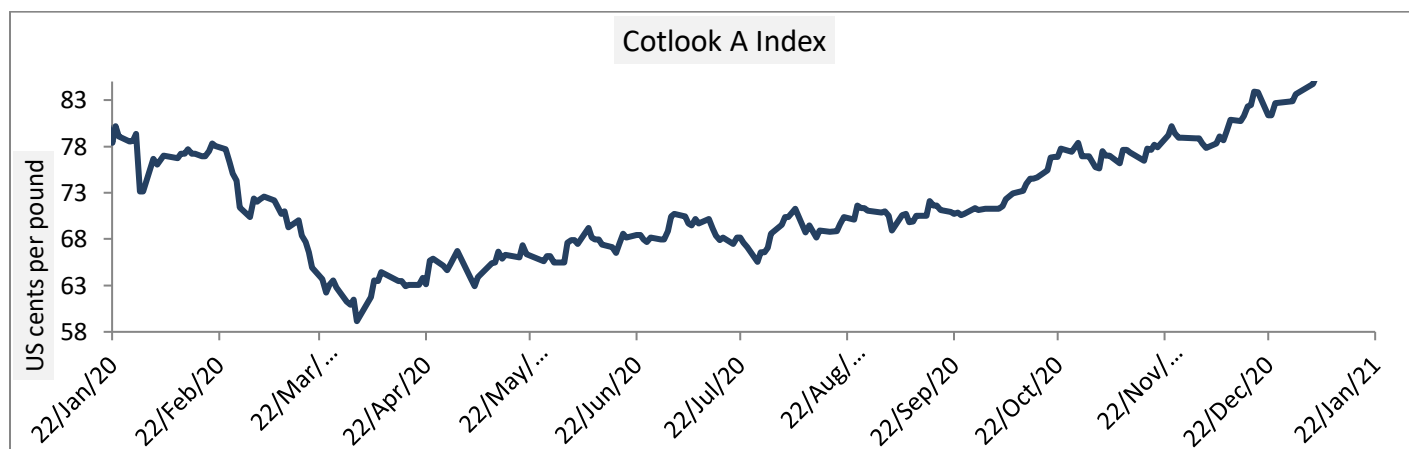
- **The spot rate committee of the Karanchi Cotton Association on 21<sup>st</sup> Jan'21 has increased** the spot rate by Rs. 100 per maund and closed it at Rs 10,800 per maund. The local market remained bullish and according to the market sources trading volume was satisfactory.
- **According to the 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.

## Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 87.50 cents/lb higher compared to the previous week (86.71 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	21-Jan-21	14-Jan-21	
Prices	87.50	86.71	0.91
Prices in US cents per Pound			

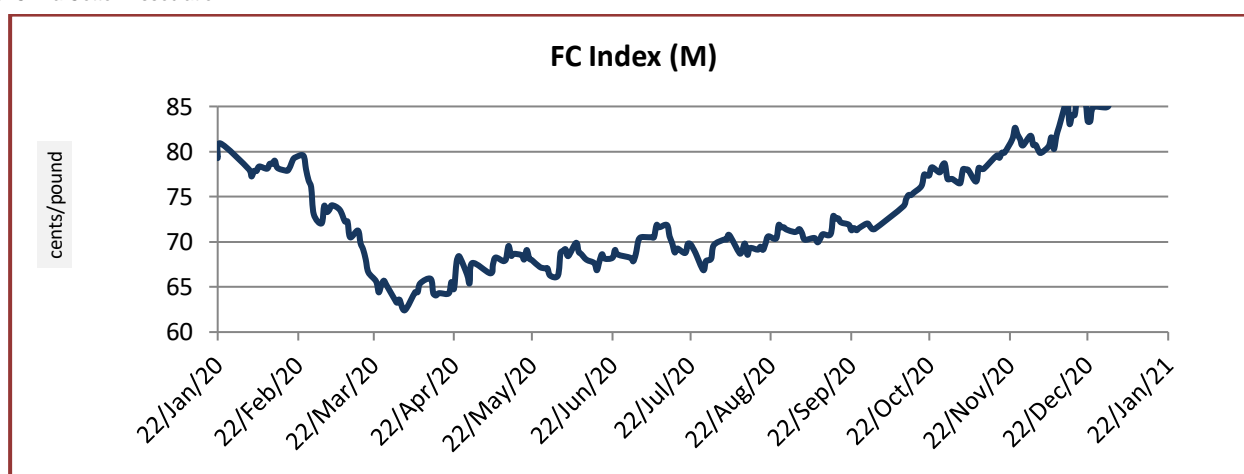
Source: Cotlook



### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	21-Jan-21	14-Jan-21	
FC (S)	91.32	91.01	0.35
FC (M)	88.89	88.59	0.34
FC (L)	87.72	87.47	0.28
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	21-Jan-21	14-Jan-21	
CCIndex(328)	15285.80	15273.50	0.08
CCIndex(527)	14449.40	14382.00	0.47
CCIndex(229)	15565.20	15525.17	0.26
Prices in Yuan per ton			

Source: China Cotton Association

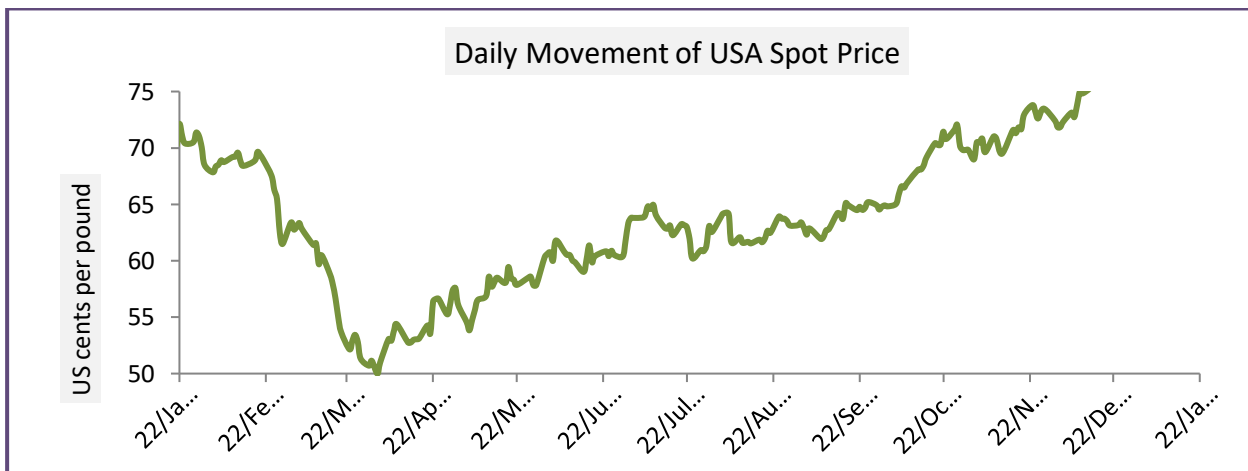


### USA Spot Prices

U.S.A spot prices have increased from prior week by 1.24 percent at 82.75 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	21-Jan-21	14-Jan-21	
Prices	82.75	81.74	1.24
Prices in US cents per Pound			

Source: USDA



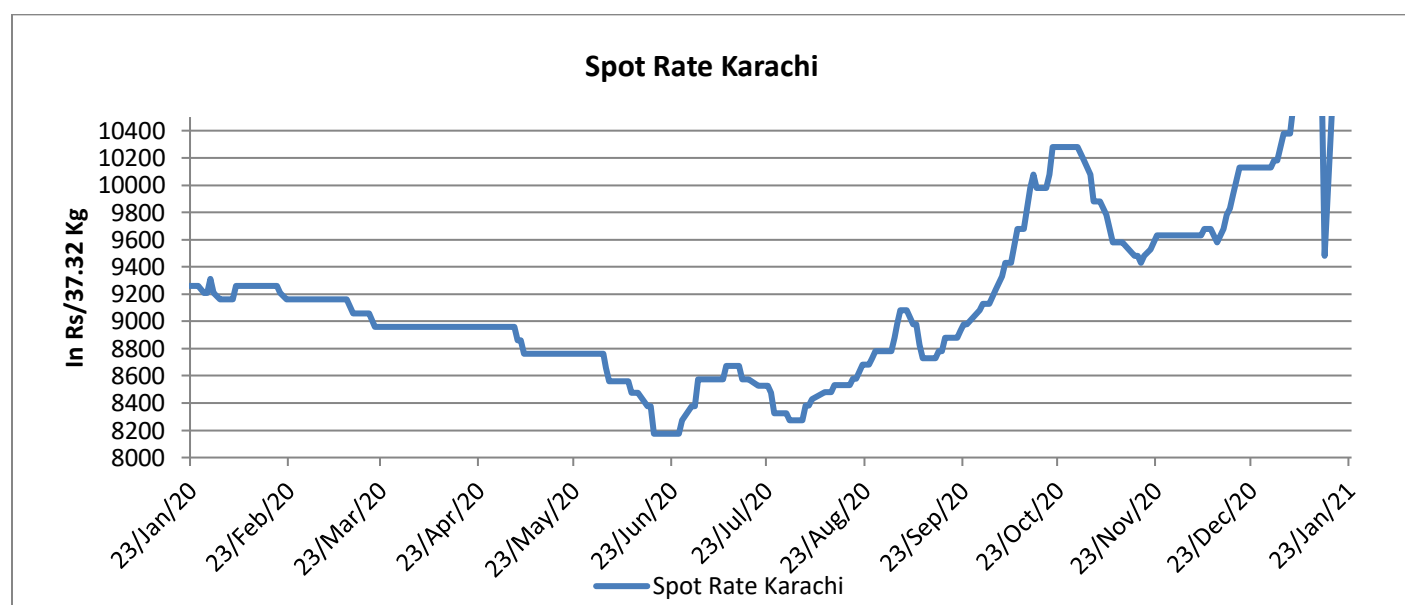


## Pakistan Spot Prices

The Karachi spot price stood around Rs. 10955/q higher than the previous week by 1.62 percent. (Rs. 10780/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	21-Jan-21	14-Jan-21	
Prices	10955	10780	1.62
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 16500, while mild resistance is seen around 21140.
- If the market tests the support at 20500, intraday long positions may be created.

### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	20300	20500	21130	21140	21500
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Buy	21090	21145	21160	21135

**Commodity: Cotton Seed oil Cake**  
**Contract: Dec**

**Exchange: NCDEX**  
**Expiry: Feb 20<sup>th</sup>, 2020**

### Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/01/24 - Weekly B:2120.00 A:2124.00  
 O:2118.00 H:2175.00 L:2104.00 C:2125.00 ↑ V:164,310 I:90,340 +21 +1.00%



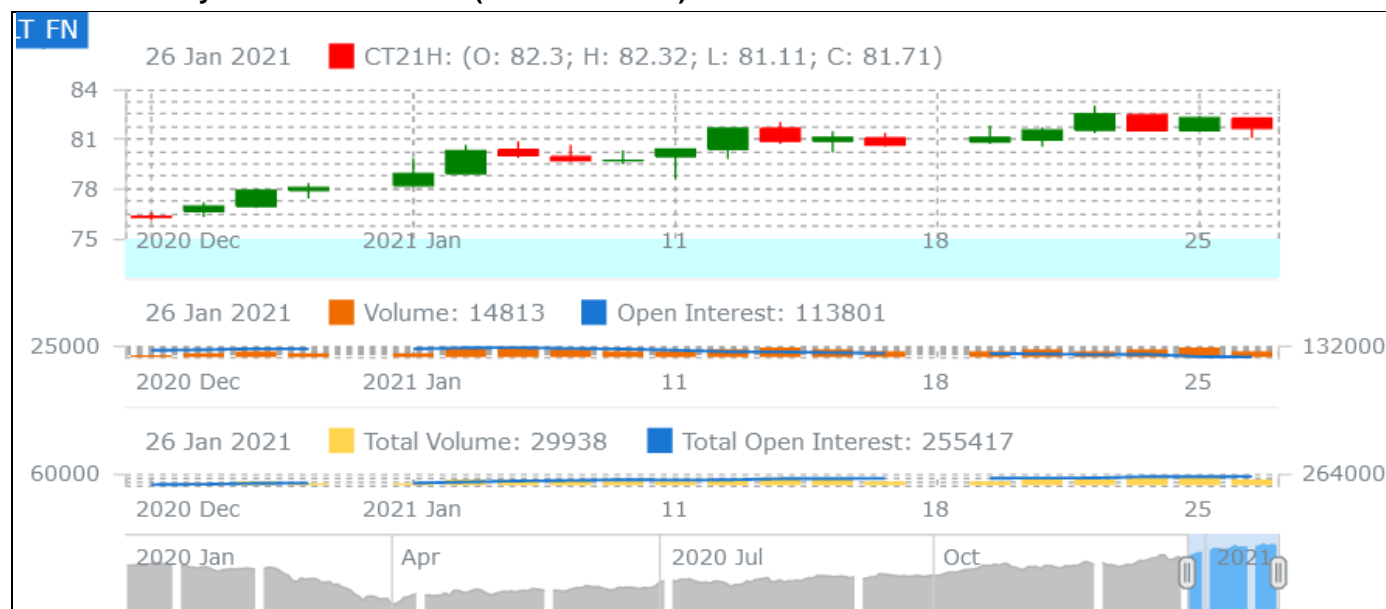
### Technical Commentary:

- 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 2120 and then a trendline support at 2000. Strong resistance is seen at 2150.

### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2000	2120	2136	2150	2160
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2018	2142	2155	2040

\* 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 range bound in the coming week.

**Expected Price Range During Coming month**

Expected Trend	Expected Trading Band
Firm	79-84

**Expected Support and Resistance**

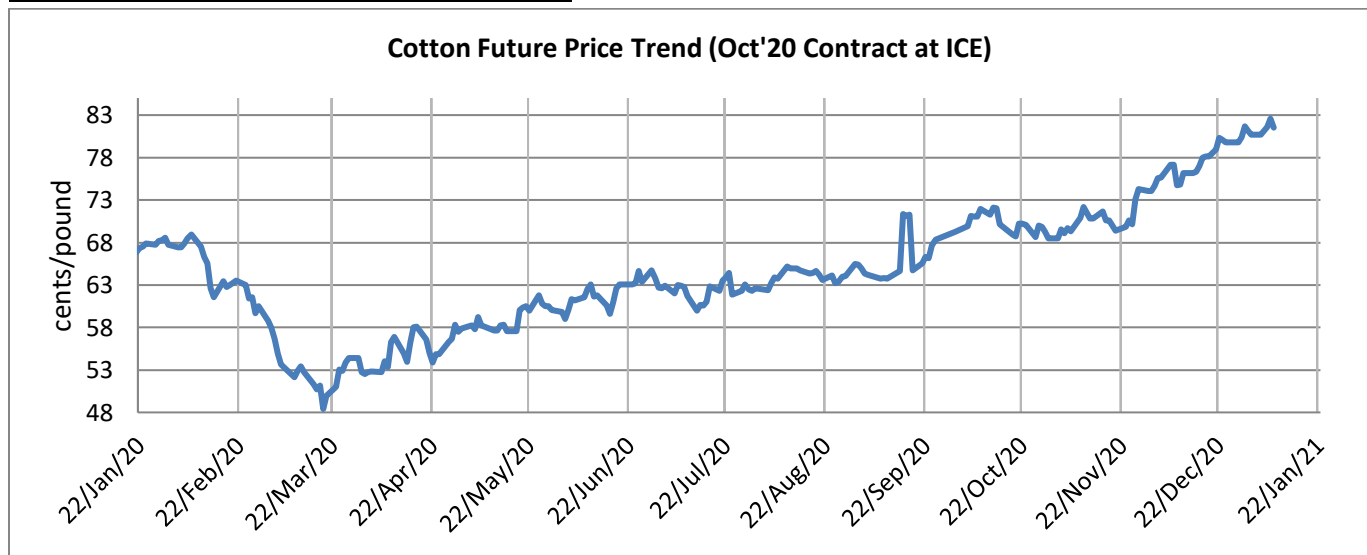
Support 1	Support 2	Resistance 1	Resistance 2
81	79	82	85

Figures in US cents/pound

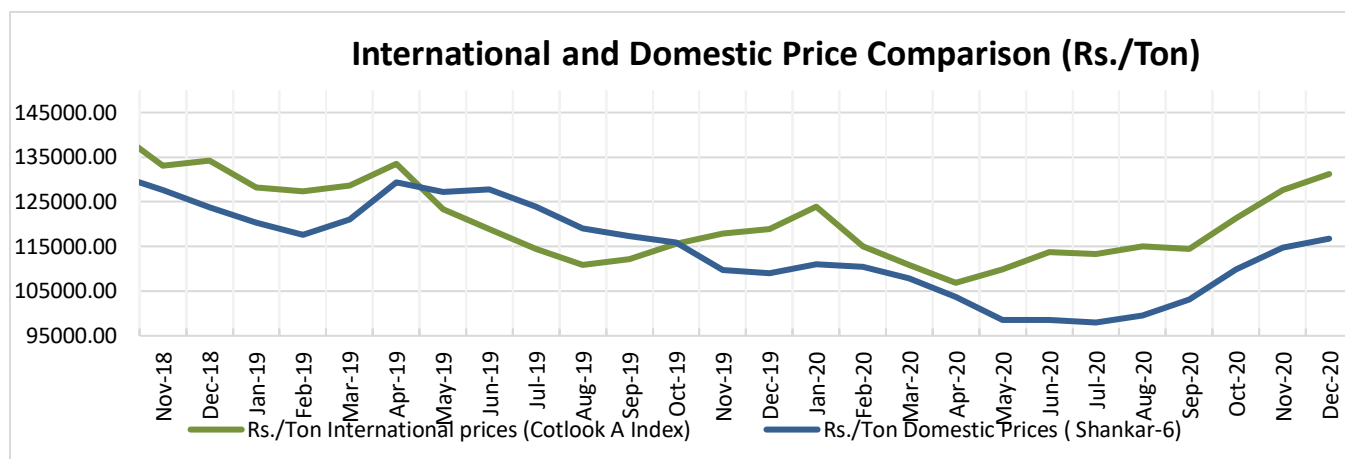
### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	22-Jan-21	22-Dec-20 (1 month ago)	24-Oct-20 (3 months ago)	26-Jul-20 (6 months ago)	22-Jan-20 (a year ago)	% Change over a month	% Change over previous year
Mar-21	81.56	74.82	71.87	60.82	72.12	9.01	13.09
May-21	85.66	75.43	72.45	61.54	71.84	13.56	19.24
Jul-21	83.56	75.99	72.86	62.18	72.74	9.96	14.87
Oct-21	80.02	73.63	71.19	61.28	72.73	8.68	10.02
Dec-21	78.47	72.33	70.19	61.28	72.05	8.49	8.91

### Future Price Trend (Active Contract):



## International and Domestic Price Comparison



## Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		
State	Centre	Variety	15th Jan'21 to 21st Jan'21	08th Jan'21 to 14th Jan'21	Change
Gujarat	Ahmedabad	Shankar-6	5910	5870	40
	Gondal	Shankar-6	5976	5910	66
	Rajkot	B.T. Cotton	5891	5901	-10
	Patan	B.T. Cotton	6084	6087	-3
	Kadi	B.T. Cotton	5967	6000	-33
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5923	5905	18
Haryana	Bhiwani	B.T. Cotton	5800	5845	-45
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5875	5963	-88
	Fatehabad	B.T. Cotton	5754	5825	-71
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5770	5804	-34
Rajasthan	Hanumangarh	B.T. Cotton	5817	5888	-71
	Rawatsar	B.T. Cotton	5758	5720	38
Madhya Pradesh	Khandwa	Mech-1	5775	5700	75

	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	5525	5500	25
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	5725	5725	Unch
<b>Karnataka</b>	Bijapur	Bunny	6163	6173	-10
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5425	5702	-277
	Raichur	H-44 Cotton	5690	5650	40
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund of 37.32kg each)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>15th Jan'21 to 21st Jan'21</b>	<b>08th Jan'21 to 14th Jan'21</b>	
<b>Punjab</b>	Bhatinda	J-34	4471	4499	-28
	Abohar	J-34	4473	4498	-25
	Mansa	J-34	4479	4481	-2
<b>Haryana</b>	Sirsa	J-34	4450	4474	-24
<b>Rajasthan</b>	Sri-Ganganagar	J-34	4189	4335	-146

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>15th Jan'21 to 21st Jan'21</b>	<b>08th Jan'21 to 14th Jan'21</b>	
<b>Gujarat</b>	Ahmedabad	Shankar-6	312800	391000	-78200
	Gondal	Shankar-6	20400	23478	-3078
	Rajkot	B.T. Cotton	31300	26450	4850
	Patan	B.T. Cotton	8756	12417	-3662
	Kadi	B.T. Cotton	230000	250000	-20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1596	1639	-43
<b>Haryana</b>	Bhiwani	B.T. Cotton	6300	7900	-1600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5780	6290	-510
	Fatehabad	B.T. Cotton	1800	2250	-450
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-

	Dabwali	B.T. Cotton	2625	1975	650
Rajasthan	Hanumangarh	B.T. Cotton	8500	4300	4200
	Rawatsar	B.T. Cotton	3500	3400	100
Madhya Pradesh	Khandwa	Mech-1	1900	1600	300
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	18000	76000	-58000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	3564441	3240815	323626
Karnataka	Bijapur	Bunny	22647	15640	7007
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	36	136	-100
	Raichur	H-44 Cotton	598	448	150
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	15th Jan'21 to 21st Jan'21	08th Jan'21 to 14th Jan'21	
Punjab	Bhatinda	J-34	30600	30600	Unch
	Abohar	J-34	4080	4420	-340
	Mansa	J-34	4080	5525	-1445
Haryana	Sirsa	J-34	2550	2890	-340
Rajasthan	Sri-Ganganagar	J-34	16000	17000	-1000

**Week on Week Price: Scenario of Cotton:**

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	25-Jan-21	18-Jan-21	25-Jan-21	26-Jan-20
Gujarat	Ahmedabad	Shankar-6	5900	5900	5900	#N/A
	Gondal	Shankar-6	6105	5980	6105	5500
	Rajkot	B.T. Cotton	5930	5865	5930	5530
	Patan	B.T. Cotton	6000	6125	6000	5515
	Kadi	B.T. Cotton	6000	6000	6000	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	6200	5845	6200	NR
Haryana	Bhiwani	B.T. Cotton	5900	5800	5900	5600
	Bhiwani	Desi	NA	0	NA	NA



	Adampur	B.T. Cotton	Closed	5870	Closed	5350
	Fatehabad	B.T. Cotton	Closed	5700	Closed	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	Closed	5750	Closed	NR
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	5950	5850	5950	Closed
	Rawatsar	B.T. Cotton	5800	5750	5800	Closed
<b>Madhya Pradesh</b>	Khandwa	Mech-1	6000	5800	6000	5491
	Khargaon	Mech-1	NA	0	NA	5427
<b>Maharashtra</b>	Amravati	Mech-1	5650	5500	5650	5300
	Jamner	Medium Staple	NA	0	NA	NA
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	NA	NA
	Hathras	Desi	NA	0	NA	NA
<b>Telangana</b>	Adilabad	Un-Ginned	NA	0	NA	5400
<b>Karnataka</b>	Bijapur	Bunny	6309	6139	6309	5929
	Hubli	D.C.H.	5481	5679	5481	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	5700	5650	5700	5470
<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>25-Jan-21</b>	<b>18-Jan-21</b>	<b>25-Jan-21</b>	<b>26-Jan-20</b>
<b>Punjab</b>	Bhatinda	J-34	4490	4460	4490	#N/A
	Abohar	J-34	4490	4460	4490	#N/A
	Mansa	J-34	4490	4465	4490	#N/A
<b>Haryana</b>	Sirsa	J-34	4460	4450	4460	#N/A
<b>Rajasthan</b>	Sri-Ganganagar	J-34	4301	4169	4301	#N/A

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>25-Jan-21</b>	<b>18-Jan-21</b>	<b>25-Jan-21</b>	<b>26-Jan-20</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	62900	59500	62900	#N/A
	Gondal	Shankar-6	4205	3789	4205	#N/A
	Rajkot	B.T. Cotton	5600	6200	5600	#N/A
	Patan	B.T. Cotton	9934	9757	9934	3450
	Kadi	B.T. Cotton	70000	40000	70000	#N/A

	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	407	339	407	#N/A
<b>Haryana</b>	Bhiwani	B.T. Cotton	1000	1000	1000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	Closed	1020	Closed	#N/A
	Fatehabad	B.T. Cotton	Closed	500	Closed	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	Closed	500	Closed	#N/A
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	1000	2000	1000	#N/A
	Rawatsar	B.T. Cotton	500	500	500	#N/A
<b>Madhya Pradesh</b>	Khandwa	Mech-1	300	500	300	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
<b>Maharashtra</b>	Amravati	Mech-1	8000	4000	8000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	NA	#N/A
	Hathras	Desi	NA	0	NA	#N/A
<b>Telangana</b>	Adilabad	Un-Ginned	NA	0	NA	#N/A
<b>Karnataka</b>	Bijapur	Bunny	3048	4296	3048	#N/A
	Hubli	D.C.H.	10	5	10	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	75	112	75	#N/A
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>25-Jan-21</b>	<b>18-Jan-21</b>	<b>25-Jan-21</b>	<b>26-Jan-20</b>
<b>Punjab</b>	Bhatinda	J-34	5100	5100	5100	#N/A
	Abohar	J-34	NA	850	NA	#N/A
	Mansa	J-34	NA	850	NA	#N/A
	Sirsa	J-34	NA	510	NA	#N/A
	Sri-Ganganagar	J-34	1500	3000	1500	#N/A

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				15th Jan'21 to 21st Jan'21	08th Jan'21 to 14th Jan'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38317	38333	-17
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38817	38833	-17
J-34(202)	26mm	3.5 - 4.9	23	41883	42350	-467
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	42167	42250	-83
Shankar-6(105)	29mm	3.5 – 4.9	28	43400	43300	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45783	45450	333
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46317	46000	317
DCH-32(107)	34mm	3.0 - 3.8	33	66967	65617	1350

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