

COTTON WEEKLY RESEARCH REPORT
01st Feb 2021**Domestic market summary**

Domestic Market Scenario: CCIProcurement 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 89 lakh bales of cotton till 30th January '21. 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 1,80,000 bales per day.
- Cotlook index stood higher(88.10cents/lbs) compared to the ICE cotton future that stood at 82.33 cents/lbs.
- Indian rupee remained stronger between 72.92 to 73.04 against USD compared to last week.

Market Highlights:

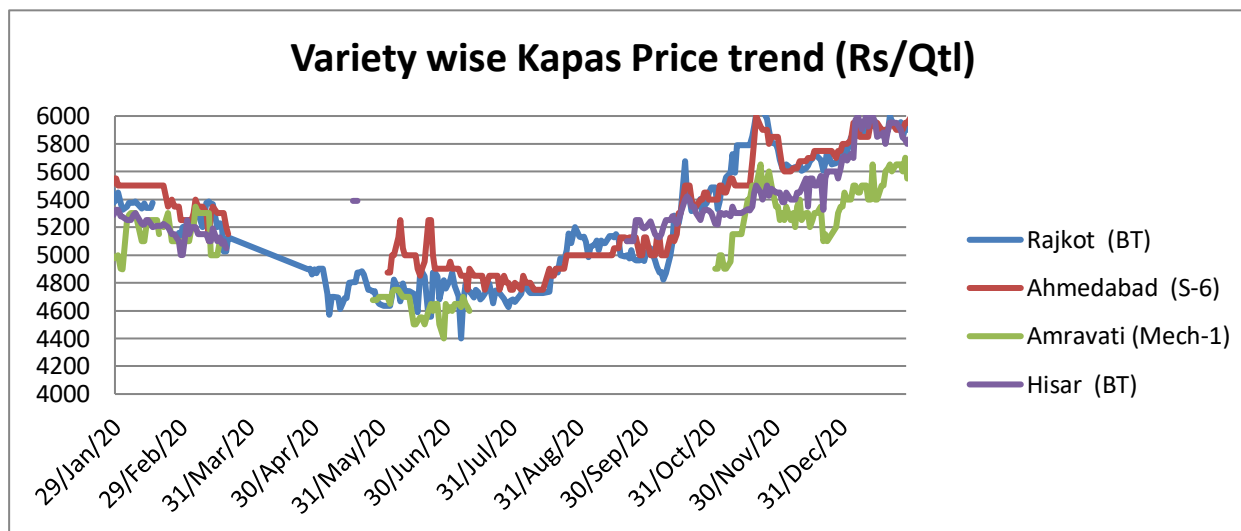
- **Cotton prices increases in Guntur market.** In the open market the cotton is being sold at prices ranging between Rs. 5,600- Rs. 6,000 per quintal due to increasing demand caused by the reduced production, as a result prices are expected to increase in the market in the coming weeks. The cotton Corporation of India has fixed Rs. 5,825 per quintal for quality cotton earlier. As the demand is increasing the traders are offering better price than the CCI and are purchasing cotton from farmers.
- **Cotton Corporation of India has introduced lock - in period for prices** to ensure price security for textile mills. Textile mills can buy cotton in multiples of 100 bales through e-auctions and lock-in the cotton price for 30 days without any charge, or for 60 days from the date of contract by an additional payment of Rs.250 per bale, or for 90 days by an additional payment of Rs.500 per bale.
- **Maharashtra government offers guarantee to Rs. 1500 crore loan by cotton growers marketing federation.** The government has decided to stand guarantee for Rs. 1500 crore loans, 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 fixed by the bank is at 6.35 percent.
- **CCI is planning to export 10 lakh bales of cotton.** CCI has procured around 85 lakh bales of cotton so far 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.

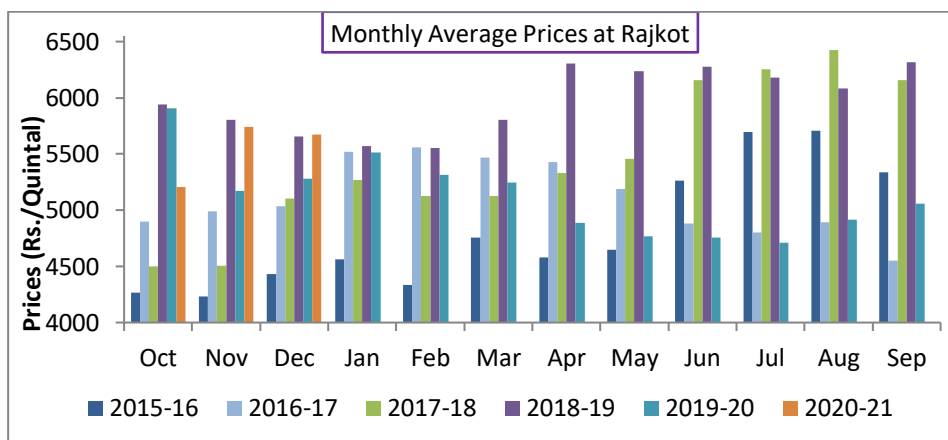
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 5939/q from previous week Rs. 5890/q and Ahmedabad prices were also higher at 5920/q from previous week at Rs. 5916/q.



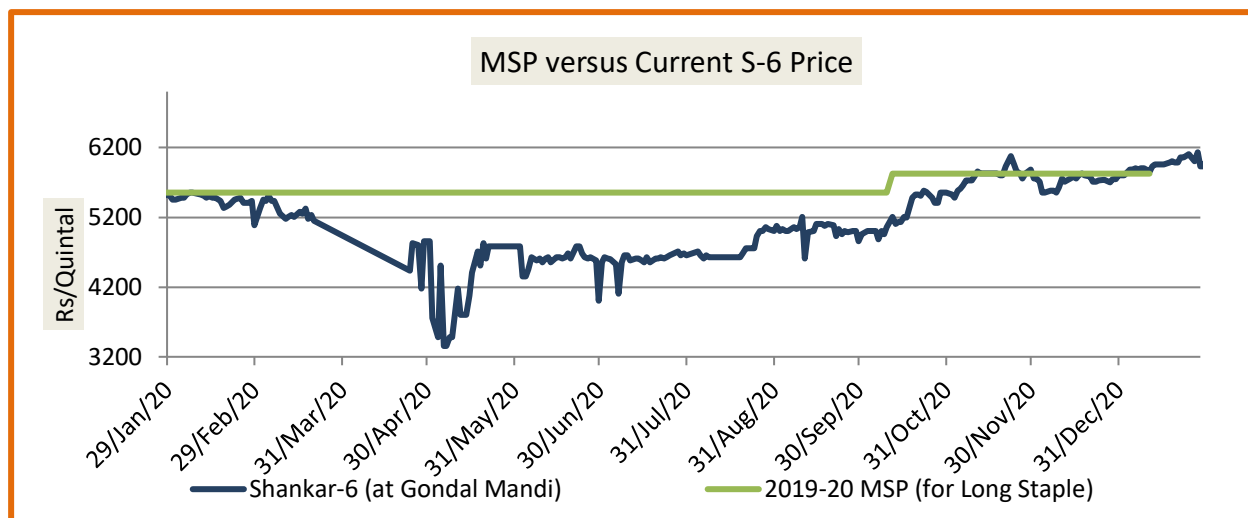
Kapas Monthly M-o-M Price Scenario



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

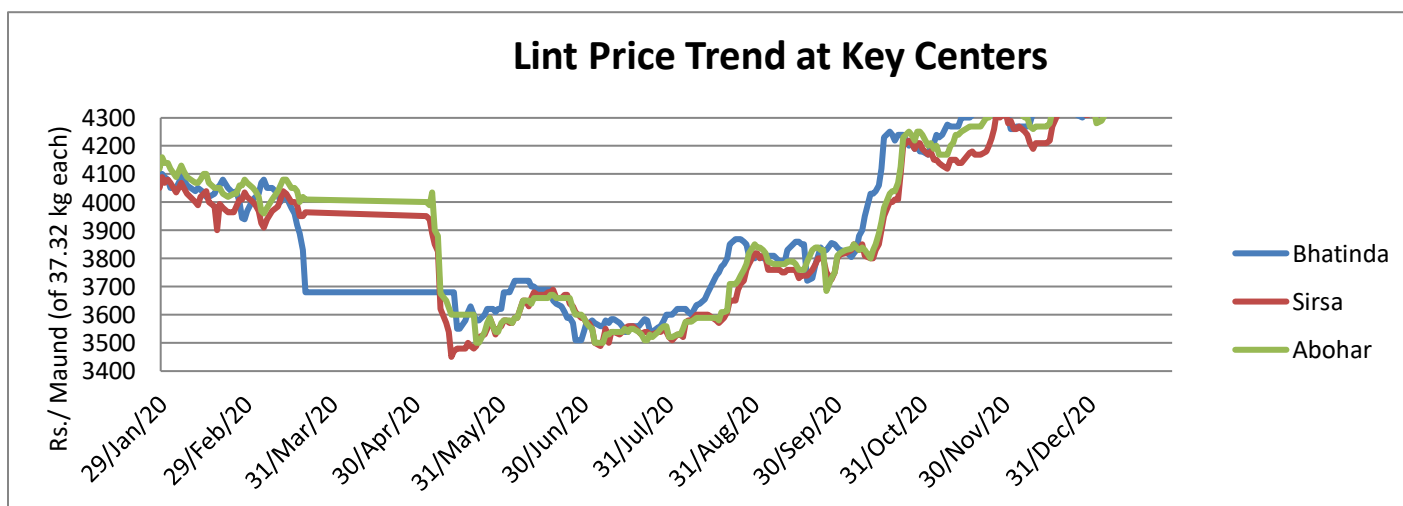
Average kapas price at Gondal market stood higher at Rs. 6070/q from Rs. 5918/q previous week.



Source: Agriwatch

Lint price Outlook

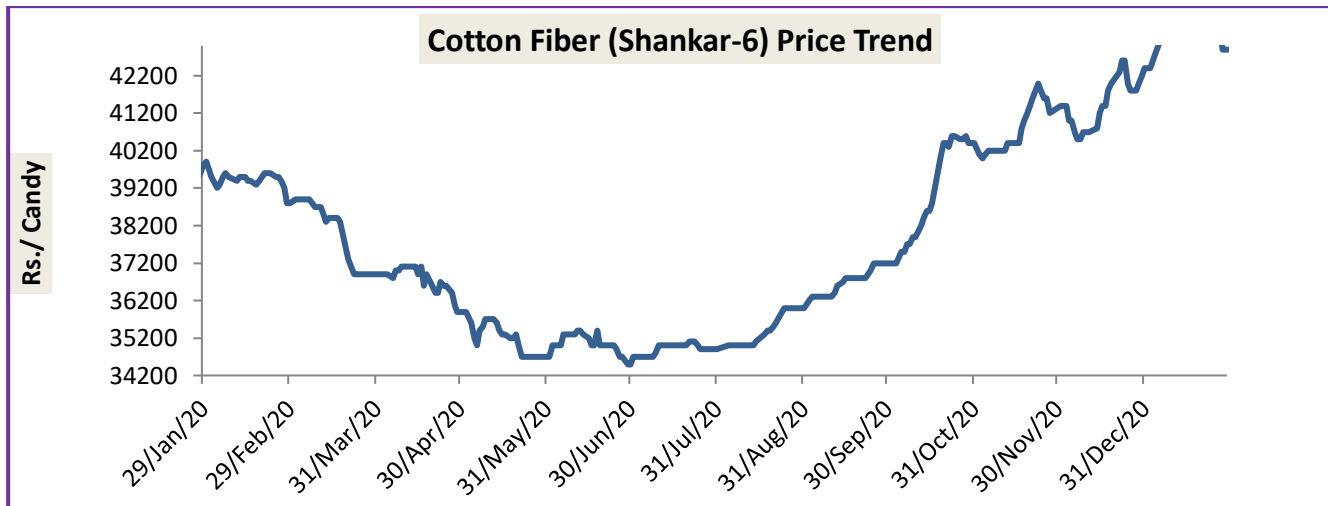
The average price stood higher at Rs.4482/maund of lint in Abohar, prices were also higher in Bhatinda at Rs.4482/maund and Rs.4462/maund in Sirsa from previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.43460/candy from around Rs.43400/candy last week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

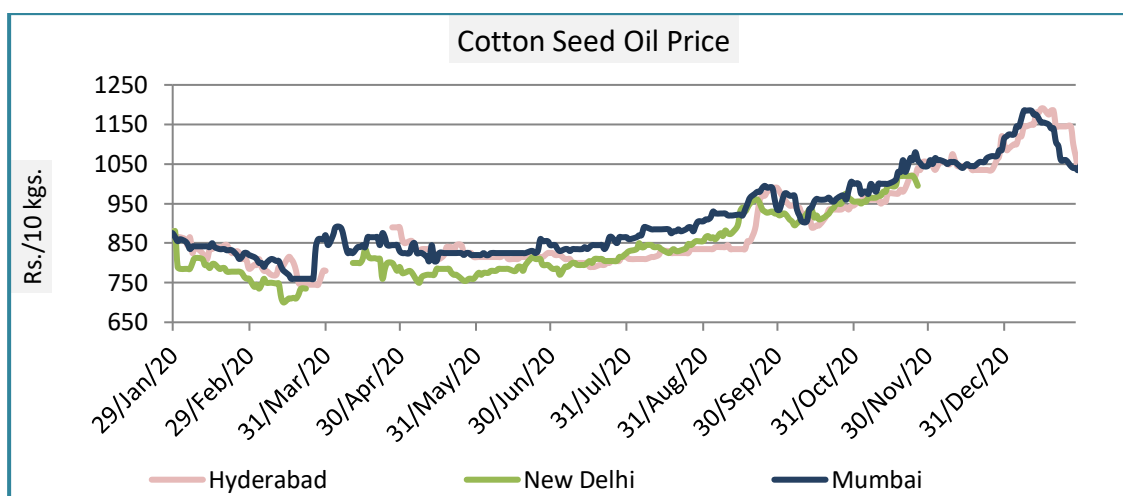
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have decreased across all the centres during the week ending on 28th Jan'21. Weekly average price in Mumbai stood high at Rs. 1045, in New Delhi the prices were around Rs. 1008 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	28-Jan-21	21-Jan-21	
New Delhi	1008	1038	-2.89
Rajkot	1014	1064	-4.70
Hyderabad	1043	1090	-4.31
Mumbai	1045	1100	-5.00

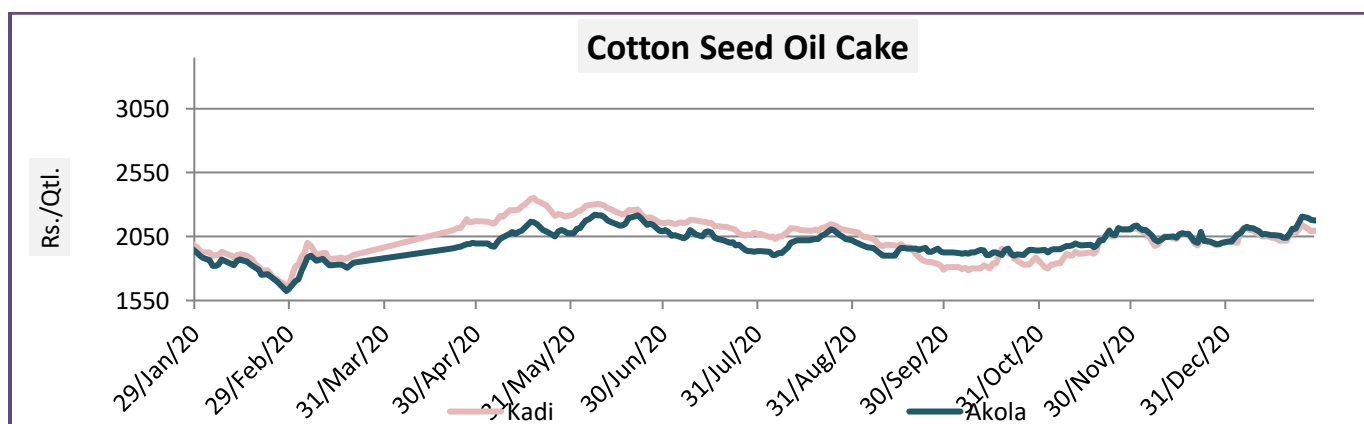
Source: Agriwatch



Cotton Seed Oil Cake weeklyPrice Scenario

The cottonseed oilcake prices were steady in Punjab, Haryana and Rajasthan, where else in cotton seed oil the prices were steady in Punjab and Haryana but have increased in Rajasthan by Rs.20-25 per quintal , Also with the rising demand the prices are likely to increase in the market in the coming week. The average price of cotton seed oilcake in khadi and akola market were increased at Rs. 2099/q from Rs. 2034/q and in akola prices were increased at Rs. 2161/q from Rs. 2055/q earlier.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	28-Jan-21	21-Jan-21	
Kadi	2099	2034	5.13
Akola	2161	2055	8.06



International Market Scenario

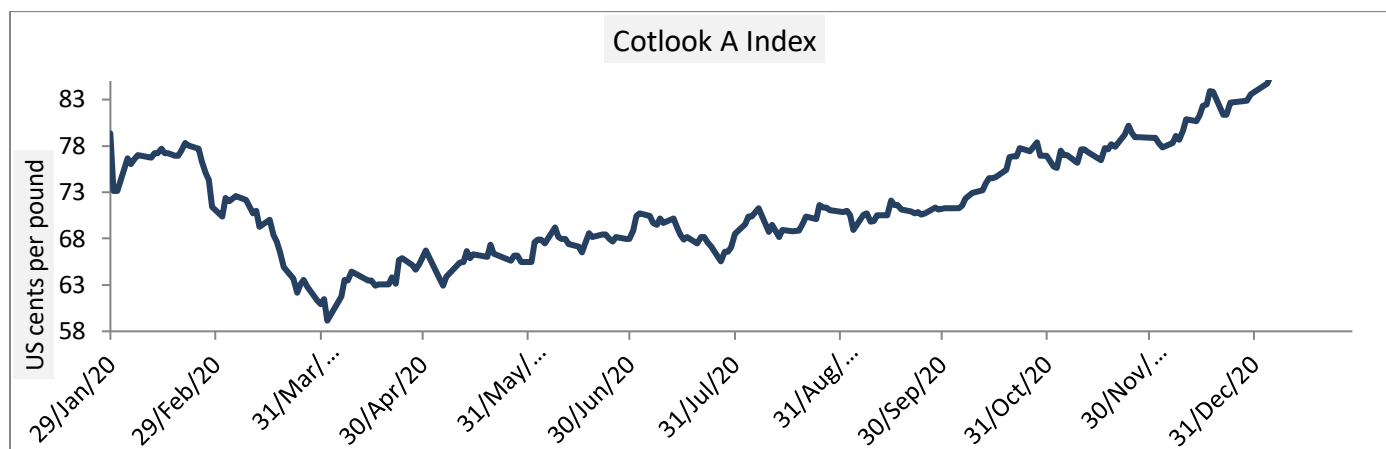
- According to the USDA estimates, India's cotton production for MY 2020-21 is estimated at 29.3 million bales from acreage of 13.3 million hectares. Cotton prices have improved due to strong export demand for raw cotton and cotton yarn. Farmers continue to deliver their crop to the government's procurement 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 88.28 cents/lb higher compared to the previous week (87.50 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	28-Jan-21	21-Jan-21	
Prices	88.28	87.50	0.89
Prices in US cents per Pound			

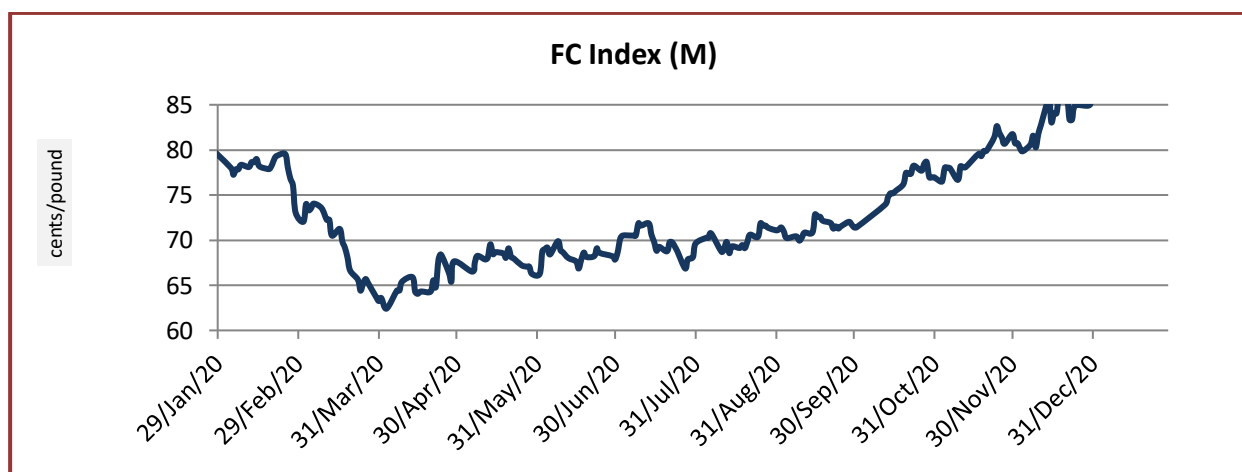
Source: Cotlook


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	22-Jan-21	21-Jan-21	
FC (S)	91.91	91.32	0.65
FC (M)	89.43	88.89	0.60
FC (L)	88.26	87.72	0.61

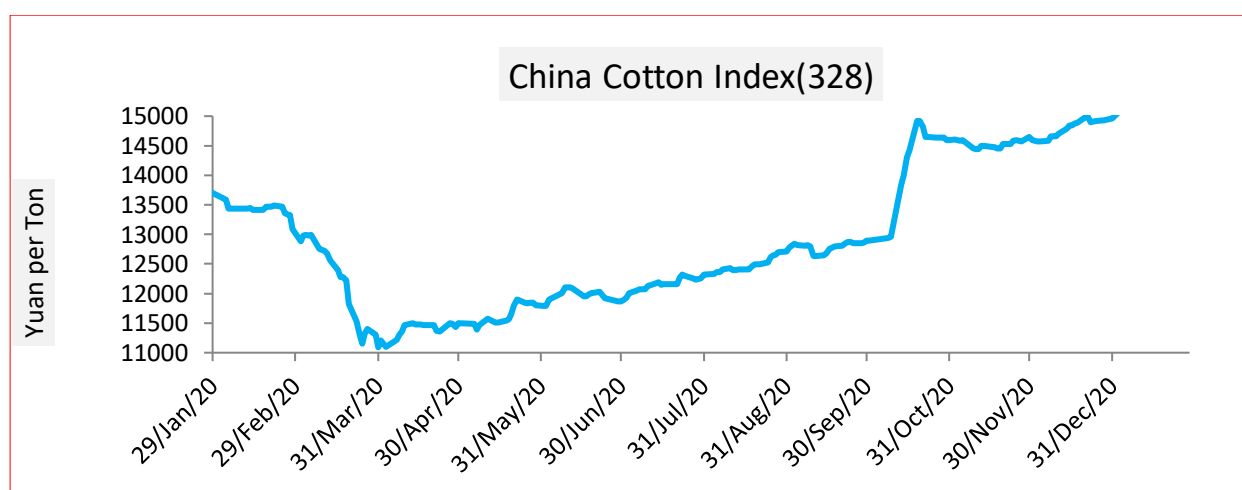
Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	22-Jan-21	21-Jan-21	
CCIndex(328)	15305.75	15285.80	0.13
CCIndex(527)	14471.00	14449.40	0.15
CCIndex(229)	15575.75	15565.20	0.07
Prices in Yuan per ton			

Source: China Cotton Association

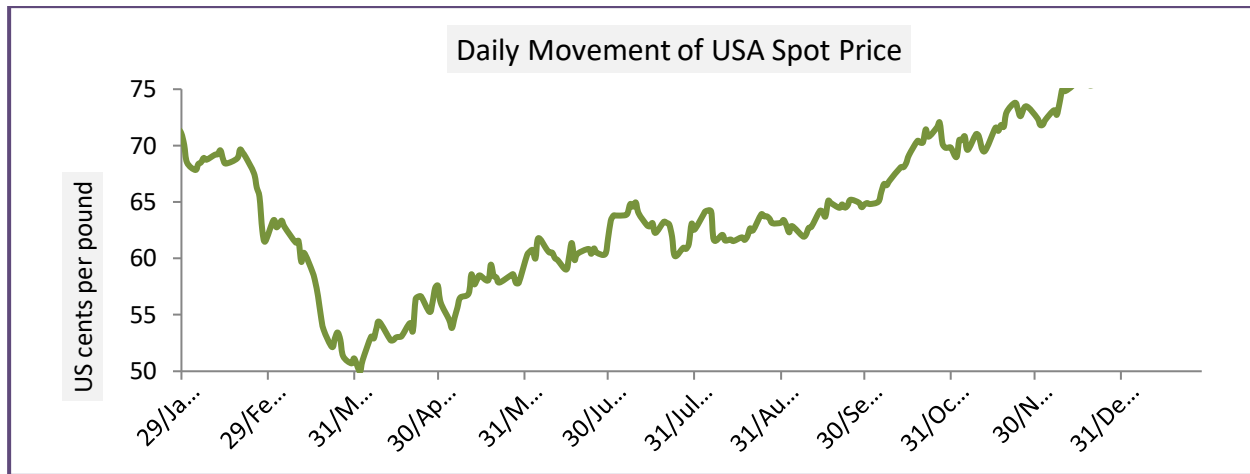


USA Spot Prices

U.S.A spot prices have decreased from prior week by 0.59 percent at 82.26 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	22-Jan-21	21-Jan-21	
Prices	82.26	82.75	-0.59
Prices in US cents per Pound			

Source: USDA

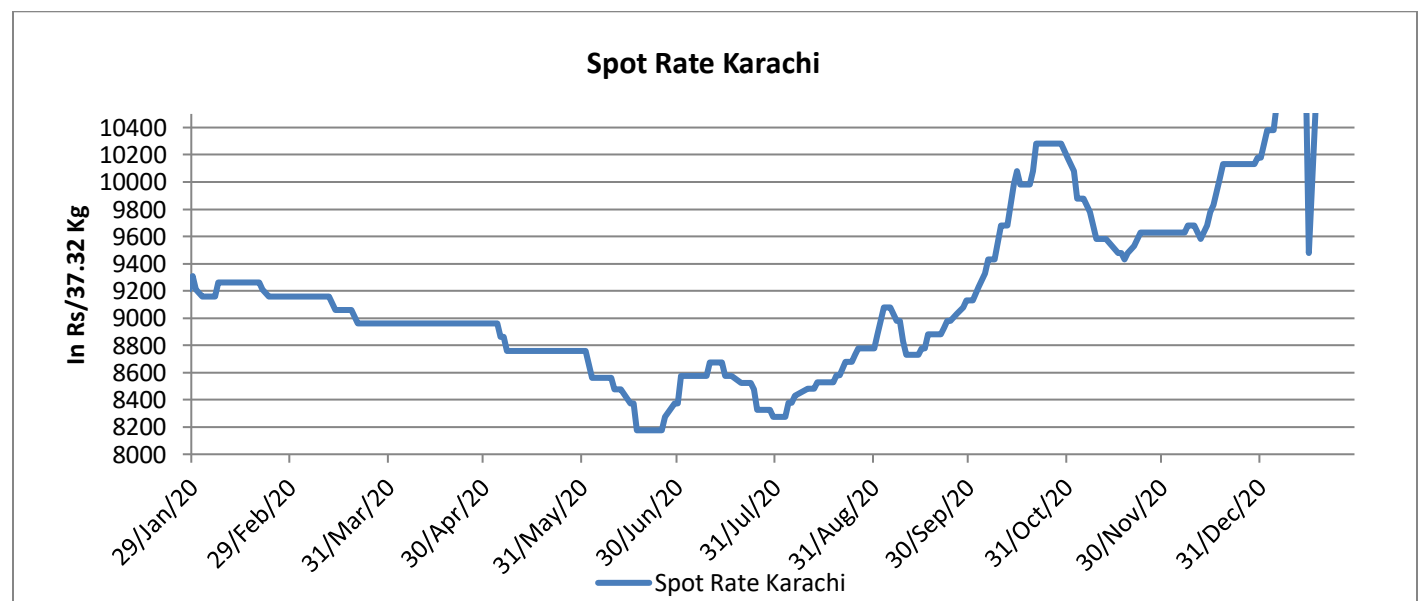


Pakistan Spot Prices

The Karachi spot price stood around Rs. 10980/q higher than the previous week by 8.12 percent. (Rs. 10955/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	22-Jan-21	21-Jan-21	
Prices	10980	10955	8.12
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Dec.

Expiry: Feb. 26, 2021



Technical Commentary:

- Therecenttrendincottonhasbeenbullish,butthemarkethasbeenquiteindecisiveoverthelastonemonth.
- Asupportingtrendlineispassingthrough19900,whilemildresistanceisseenaround21120.
- If the market tests the support at 21000, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC	Dec	20500	21000	21090	21120	21150
	X						
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Buy	21100	21130	21140	21095
	X						

Commodity: Cotton Seed oil Cake
Contract: Dec

Exchange: NCDEX
Expiry: Jan 20th, 2020

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/01/31 - Weekly B:2097.00 A:2099.00
 O 2079.00 H 2126.00 L 2079.00 C 2097.00 ↑ V 34,080 I 82,910 +18 +0.87%



Technical Commentary:

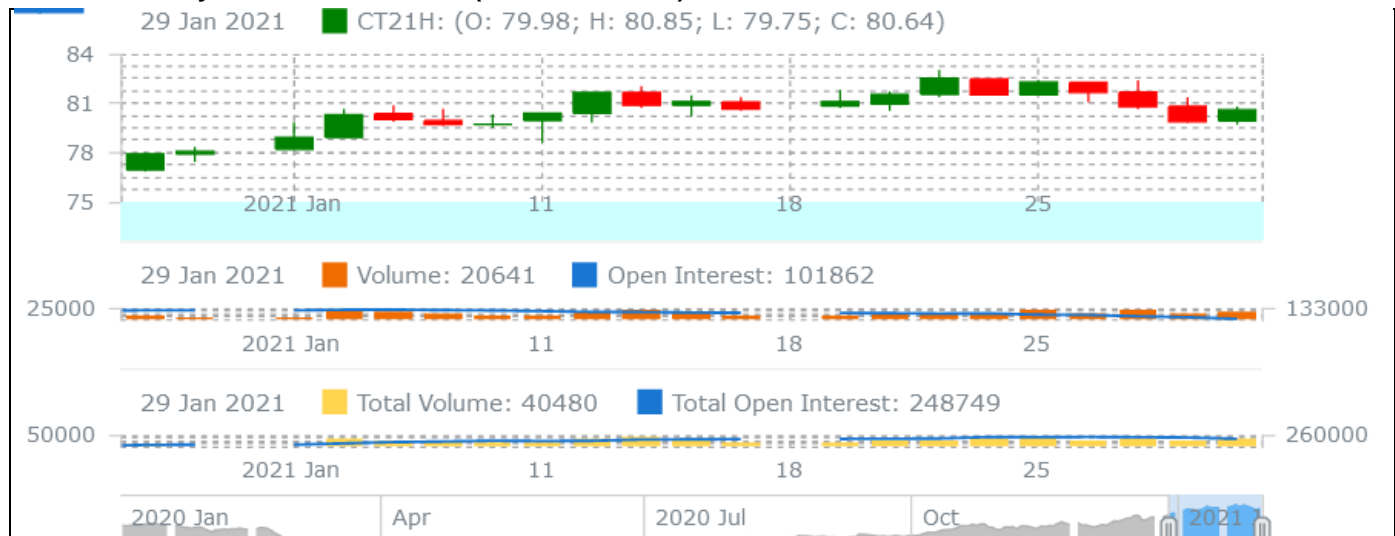
- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at1995andthena trendlinesupportat 2050. Strong resistance is seen at2120.

Strategy: wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2030	2050	2105	2120	2140
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	wait	2079	2115	2125	2110

* 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 rangebound in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	79-82

Expected Support and Resistance

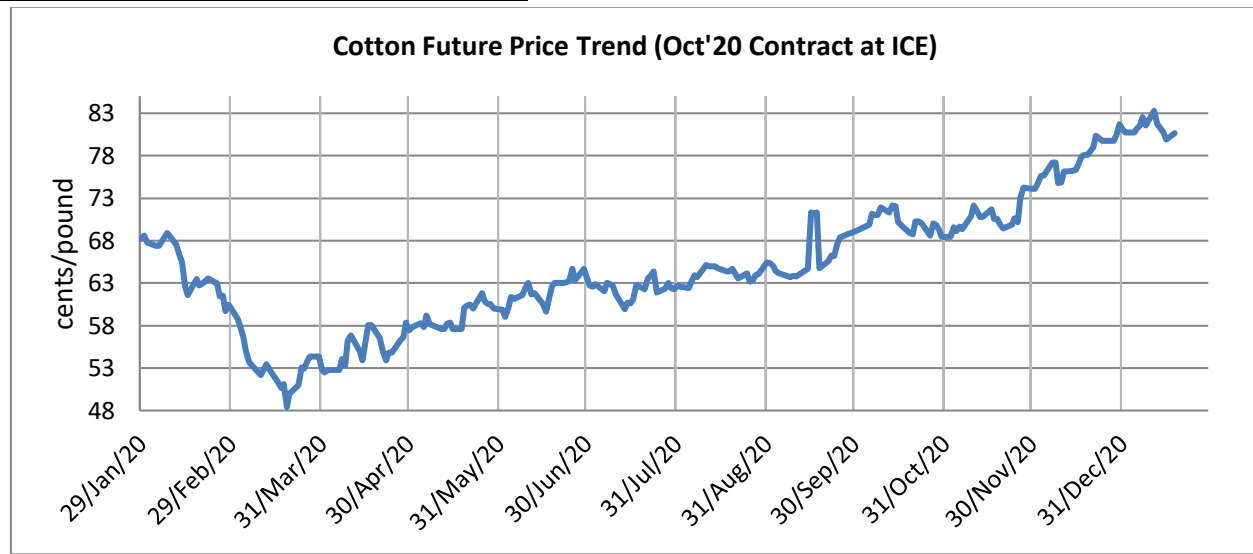
Support 1	Support 2	Resistance 1	Resistance 2
81	79	82	85

Figures in US cents/pound

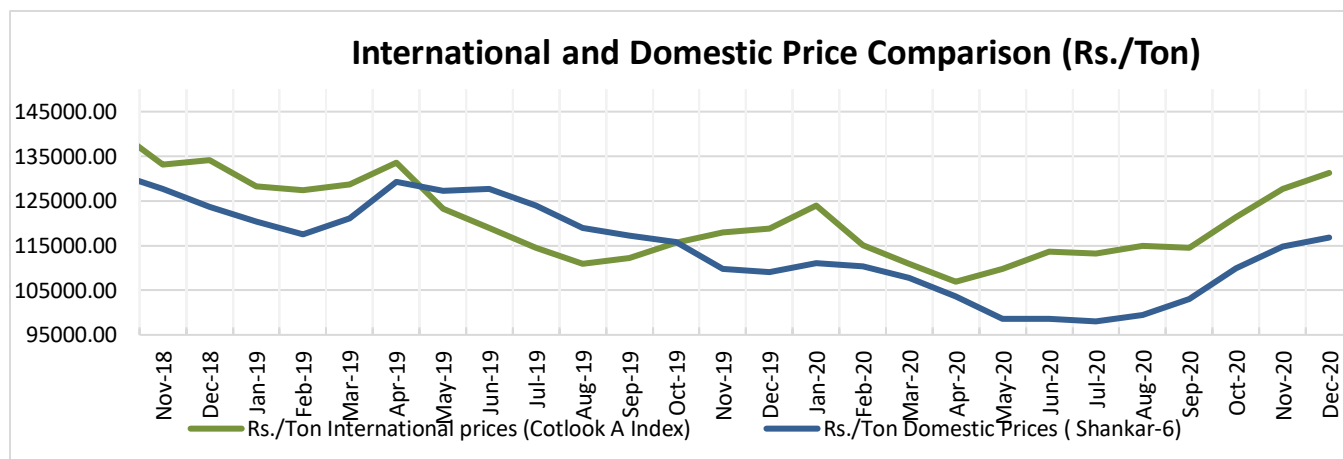
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	29-Jan-21	29-Dec-20 (1 month ago)	31-Oct-20 (3 months ago)	02-Aug-20 (6 months ago)	29-Jan-20 (a year ago)	% Change over a month	% Change over previous year
Mar-21	80.64	77.01	69.78	63.87	63.28	4.71	27.43
May-21	81.84	77.62	70.58	64.54	61.49	5.44	33.09
Jul-21	82.78	78.08	71.26	64.46	62.27	6.02	32.94
Oct-21	79.21	75.56	69.76	65.01	63.67	4.83	24.41
Dec-21	77.69	74.11	68.41	63.79	71.23	4.83	9.07

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	22nd Jan'21 to 28th Jan'21	15th Jan'21 to 21st Jan'21	
Gujarat	Ahmedabad	Shankar-6	5920	5910	10
	Gondal	Shankar-6	6070	5976	94
	Rajkot	B.T. Cotton	5939	5891	48
	Patan	B.T. Cotton	6023	6084	-61
	Kadi	B.T. Cotton	6000	5967	33
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5976	5923	54
Haryana	Bhiwani	B.T. Cotton	5874	5800	74
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5913	5875	38
	Fatehabad	B.T. Cotton	5744	5754	-10
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5846	5770	76
Rajasthan	Hanumangarh	B.T. Cotton	5915	5817	98
	Rawatsar	B.T. Cotton	5800	5758	42
Madhya Pradesh	Khandwa	Mech-1	5975	5775	200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5630	5525	105

	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	6295	6163	132
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	5613	5425	188
	Raichur	H-44 Cotton	5713	5690	23
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	22nd Jan'21 to 28th Jan'21	15th Jan'21 to 21st Jan'21	
Punjab	Bhatinda	J-34	4482	4471	11
	Abohar	J-34	4482	4473	9
	Mansa	J-34	4487	4479	8
Haryana	Sirsa	J-34	4462	4450	12
Rajasthan	Sri-Ganganagar	J-34	4245	4189	56

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	22nd Jan'21 to 28th Jan'21	15th Jan'21 to 21st Jan'21	
Gujarat	Ahmedabad	Shankar-6	328100	312800	15300
	Gondal	Shankar-6	19646	20400	-754
	Rajkot	B.T. Cotton	30150	31300	-1150
	Patan	B.T. Cotton	54497	8756	45742
	Kadi	B.T. Cotton	210000	230000	-20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1811	1596	215
Haryana	Bhiwani	B.T. Cotton	6500	6300	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4590	5780	-1190
	Fatehabad	B.T. Cotton	950	1800	-850
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	2375	2625	-250
Rajasthan	Hanumangarh	B.T. Cotton	6000	8500	-2500
	Rawatsar	B.T. Cotton	2300	3500	-1200

Madhya Pradesh	Khandwa	Mech-1	1150	1900	-750
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	42000	18000	24000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4692198	3564441	1127757
Karnataka	Bijapur	Bunny	12159	22647	-10488
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	70	36	34
	Raichur	H-44 Cotton	337	598	-261
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	22nd Jan'21 to 28th Jan'21	15th Jan'21 to 21st Jan'21	
Punjab	Bhatinda	J-34	22100	30600	-8500
	Abohar	J-34	1870	4080	-2210
	Mansa	J-34	2550	4080	-1530
Haryana	Sirsa	J-34	1700	2550	-850
Rajasthan	Sri-Ganganagar	J-34	12200	16000	-3800

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	01-Feb-21	25-Jan-21	01-Feb-21	02-Feb-20
Gujarat	Ahmedabad	Shankar-6	6000	5900	6000	#N/A
	Gondal	Shankar-6	6055	6105	6055	5500
	Rajkot	B.T. Cotton	5950	5930	5950	5530
	Patan	B.T. Cotton	6000	6000	6000	5515
	Kadi	B.T. Cotton	6000	6000	6000	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	5930	6200	5930	NR
Haryana	Bhiwani	B.T. Cotton	5850	5900	5850	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	5860	Closed	5860	5350
	Fatehabad	B.T. Cotton	5800	Closed	5800	5350
	Jind	B.T. Cotton	NA	0	NA	5700

	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	5840	Closed	5840	NR
Rajasthan	Hanumangarh	B.T. Cotton	5900	5950	5900	Closed
	Rawatsar	B.T. Cotton	5800	5800	5800	Closed
Madhya Pradesh	Khandwa	Mech-1	6000	6000	6000	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	5550	5650	5550	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	0	NA	5400
Karnataka	Bijapur	Bunny	NA	6309	NA	5929
	Hubli	D.C.H.	5509	5481	5509	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	5700	NA	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	01-Feb-21	25-Jan-21	01-Feb-21	02-Feb-20
Punjab	Bhatinda	J-34	4460	4490	4460	#N/A
	Abohar	J-34	4470	4490	4470	#N/A
	Mansa	J-34	4470	4490	4470	#N/A
Haryana	Sirsa	J-34	4425	4460	4425	#N/A
Rajasthan	Sri-Ganganagar	J-34	4136	4301	4136	#N/A

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	01-Feb-21	25-Jan-21	01-Feb-21	02-Feb-20
Gujarat	Ahmedabad	Shankar-6	64600	62900	64600	#N/A
	Gondal	Shankar-6	3775	4205	3775	#N/A
	Rajkot	B.T. Cotton	6030	5600	6030	#N/A
	Patan	B.T. Cotton	8822	9934	8822	3450
	Kadi	B.T. Cotton	20000	70000	20000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	371	407	371	#N/A
Haryana	Bhiwani	B.T. Cotton	1000	1000	1000	1200
	Bhiwani	Desi	NA	0	NA	#N/A

	Adampur	B.T. Cotton	1190	Closed	1190	#N/A
	Fatehabad	B.T. Cotton	500	Closed	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	650	Closed	650	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	3000	1000	3000	#N/A
	Rawatsar	B.T. Cotton	200	500	200	#N/A
Madhya Pradesh	Khandwa	Mech-1	250	300	250	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	10000	8000	10000	#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	0	NA	#N/A
Karnataka	Bijapur	Bunny	NA	3048	NA	#N/A
	Hubli	D.C.H.	9	10	9	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	NA	75	NA	#N/A
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	01-Feb-21	25-Jan-21	01-Feb-21	02-Feb-20
Punjab	Bhatinda	J-34	5100	5100	5100	#N/A
	Abohar	J-34	850	NA	850	#N/A
	Mansa	J-34	850	NA	850	#N/A
	Sirsa	J-34	510	NA	510	#N/A
	Sri-Ganganagar	J-34	3000	1500	3000	#N/A

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				22nd Jan'21 to 28th Jan'21	15th Jan'21 to 21st Jan'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38440	38317	123
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38440	38817	-377
J-34(202)	26mm	3.5 - 4.9	23	41700	41883	-183
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42160	42167	-7
Shankar-6(105)	29mm	3.5 - 4.9	28	43460	43400	60
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46060	45783	277
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46660	46317	343
DCH-32(107)	34mm	3.0 - 3.8	33	67120	66967	153

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