

COTTON WEEKLY RESEARCH REPORT 22nd Feb 2021

Domestic market summary

Domestic MarketScenario:CCIProcurement operations of seed cotton under Minimum support price have decreased from previous week. India's cotton export are likely to increase in coming month. Gujarat Shankar-6 variety cotton spot prices stood high around Rs.44,500 per candy during the week.

Weekly Price Outlook: The average price of Kapas is likely to remain firm between Rs. 5836-6300/q in Rajkot while the prices in Andhra Pradesh is likely to hover around Rs.4850-5400/q.

Major Market Highlights:

- All India daily arrivals have declined from 3 lakh to nearly 1,00,000 bales per day.
- Cotlook index stood higher(93.80cents/lbs) compared to the ICE cotton future that stood at 87.27 cents/lbs.
- Indian rupee remained strongerbetween 72.65 to 72.74 against USD compared to last week.

Market Highlights:

- Cotton exports may increase 30 percent as global market surges. India's cotton export may increase by 30 percent for the current crop year as rising global prices have made the fiber competitive. According to trade experts, cotton exports could be between 65- 70 lakh bales compared with 50 lakh bales the previous year.
- CCI has purchased 18, 17,627 quintals of cotton at 30 cotton purchasing centres in Andhra Pradesh. Cotton Corporation of India has paid Rs. 1,050 crore to the farmers for purchasing cotton, CCI has purchased the quality cotton at Rs. 5,850 per quintal, while traders are purchasing the quality cotton at Rs. 6,400 per quintal at the doorsteps of the farmers, as a result farmers are selling cotton to private traders to avoid loading and unloading charges. Demand for quality cotton has increased due to reduction of quality cotton supply in the market.
- Telangana got the maximum benefit of CCI procurement program. Telangana, Punjab and Odisha are amongst the top three states that have got maximum benefit of cotton procurement by the Cotton Corporation of India. In Punjab CCI has procured around 33.33 lakh bales in Telangana and a total of about 90.87 lakh bales in India till 6th February'21.
- Cotton Corporation of India has sold around 1.28 crore bales to millers and traders. CCI has sold 30,000 bales to Bangladesh last week, almost all the stock of the previous season around 108 lakh bales and 20



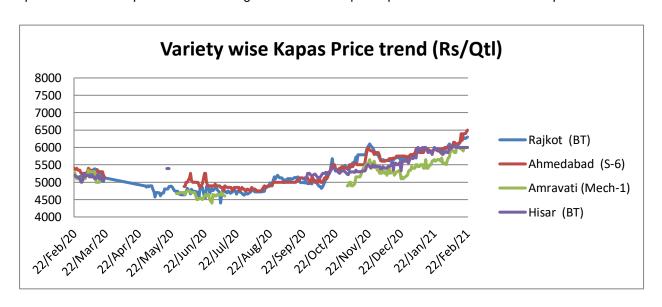
lakh bales from the current season, in total of 128 lakh bales has been sold. Last year, CCI had stock of 115 lakh bales and only 7 lakh bales remained unsold.

- Cotton shipments are at peak. According to Cotton Association of India, About 29 lakh bales of cotton has been exported by the end of January 2021, which is highest in past three years during the same period in 2018-19, cotton exports were 24 lakh bales and in 2019-20 it was 20 lakh bales. Nearly 60 percent of the country's total projected cotton shipments were executed during the first four months of the 2020-21 season. India's cotton export are estimated around 54 lakh bales for the 2020-21 season which is 4 lakh bales higher from previous 2019-20 season.
- Cotton farmers have witnessed a jump in procurement in January month. According to Indian Cotton Association Limited the raw cotton purchases have increased in previous month in the states of Punjab, Haryana and Rajasthan, in January about 37.95 lakh bales were purchased from these three states, which is higher from the combined previous three month procurement of 15.90 lakh bales. The ICAL has estimated a purchase target of 62.10 lakh bales in these states and out of which 53.85 lakh bales have been procured so far.

Domestic Cotton Prices Scenario

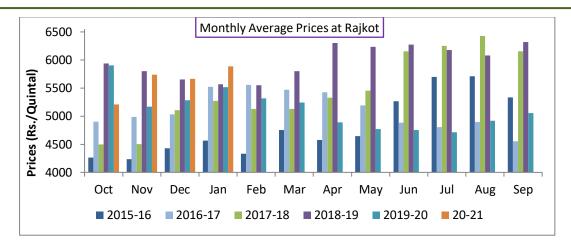
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review:Weekly kapas average price at Rajkot was higher at Rs. 6172/q from previous week Rs. 6076/q and Ahmedabad prices were also higher at Rs. 6225/q from previous week at Rs. 6075/q.





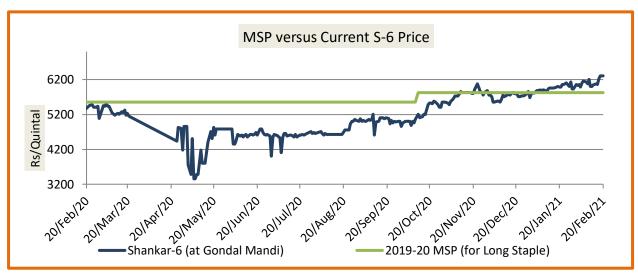
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of January were lower in the market but the monthly average price were higher in January at Rs. 5887.29/q compared to the prices during the corresponding month of the previous season. (Rs. 5514.76/q)

Spot Price versus MSP

Average kapaspriceat Gondal market stood higher at Rs. 6120/g from Rs. 6113/g previous week.

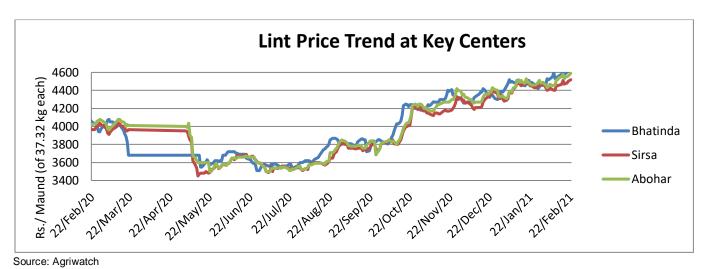


Source: Agriwatch

Lint price Outlook

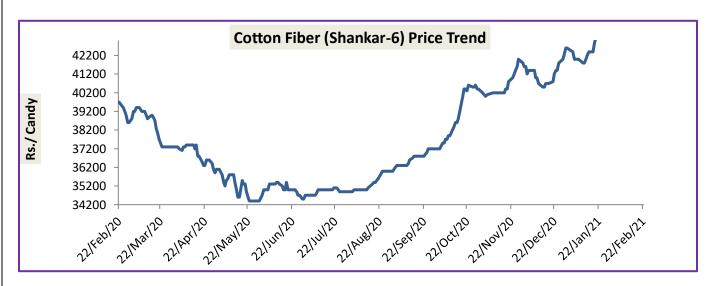
The average price stood higher atRs.4570/maund of lint in Abohar, prices were also higher in Bhatinda at Rs.4568/maundand Rs.4570/maund in Sirsa from previous week.





Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher atRs.44466/candy fromaround Rs.43840/ candy last week.



Source: Cotton Association of India (CAI)



Cotton Seed Oil and Cotton Seed Oil Cake

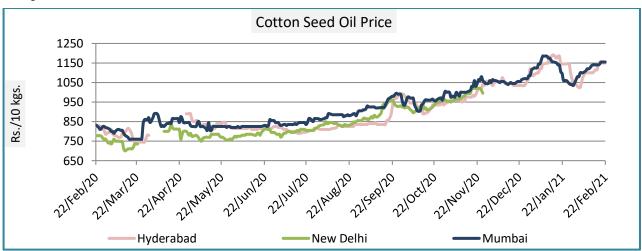
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have increasedacross all the centresduringthe weekending on 18thFeb'21. Weekly average price in Mumbai stood high atRs.1148, in New Delhi the prices were around Rs. 1118 per 10 Kg.

	Weekly Average Pri	ce as on (Rs/10 kg.)	0/ 01	
	18-Feb-21 11-Feb-21		% Change	
New Delhi	1118	1076	3.93	
Rajkot	1119	1100	1.76	
Hyderabad	1164	1138	2.30	
Mumbai	1148	1130	1.62	

Source: Agriwatch

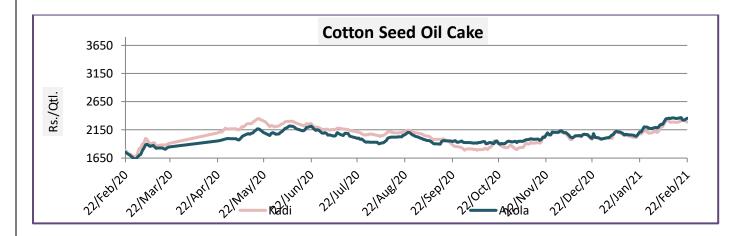


Cotton Seed Oil Cake weeklyPrice Scenario

The demand for Cottonseed Oil Cake and cotton seed oil has increased in the market due to which prices have been increasing. The average price in Kadi was Rs. 2298/q and for Akola was Rs. 2362/q higher from the previous week.

	Weekly Average Pric		
Centers	18-Feb-21	% Change	
	2298	2273	108
Kadi			
	2362	2317	1.93
Akola			





Source: NCDEX

International Market Scenario

- According to the_USDA, U.S. Cotton supply and demand forecast shows slightly higher exports and lower ending stocks relative to last month. The export forecast is raised 250,000 bales to 15.5 million bales based on strong pace of shipments to date. The world cotton forecast includes higher production, consumption and imports led by changes in China. World production is projected at 1.3 million bales higher this month, with china forecast raised by 1.5 million bales. India's production estimate is reduced 500,000 bales on increasing evidence of pest infestation, while Pakistan is 200,000 bales higher and Australia 100,000 bales higher. World Consumption is projected 1.5 million bales higher this month, with china forecast 1.0 million bales higher reflecting growing textile demand and exports, while the outlook this month is lower consumption in Indonesia and Thailand. World trade is projected 350,000 bales higher than last month, as production in China is raised sharply on the higher than normal last season ginning; Consumption has also risen in China and India on stronger expected recovery in mill demand. Global trade has reflected these changes and hasraisedimportsaround500,000 bales higher for china.
- Cotton production in Pakistan witnessed a massive decline of about 35 percent to 5.57 million bales by the end of January 2021, which is the lowest in 30 years. The decline in cotton production is mainly due to pest infestation and drought, seed degradation, reduction of planting area. There are multiple reasons this year for the decreasing production as white fly has also caused serious impact on cotton- even higher than that caused by pink bollworm earlier.
- According to State Bank of Pakistan, cotton importhas almost doubled, crossing \$1.029 billion during July December 2020-21 as against \$543 million in same period last year, As per Pakistan Cotton Ginners



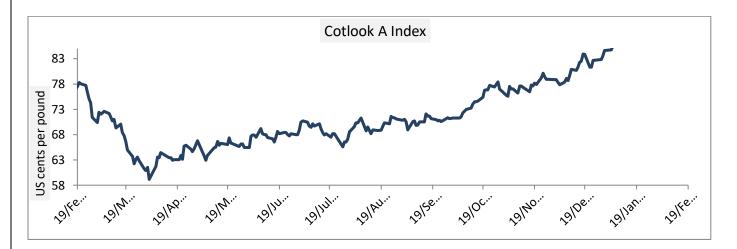
Association cotton production has fallen to 5.571 million bales up to 31st January- a shortfall of 2.9 million bales over the same period last year.

Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 94.13 cents/lb higher compared to the previous week (90.32 cents/lb).

Cotlook A Index	WeeklyAverage P	% Change					
	18-Feb-21						
Prices	94.13	94.13 90.32					
	Prices in LIS cents per Pound						

Source: Cotlook

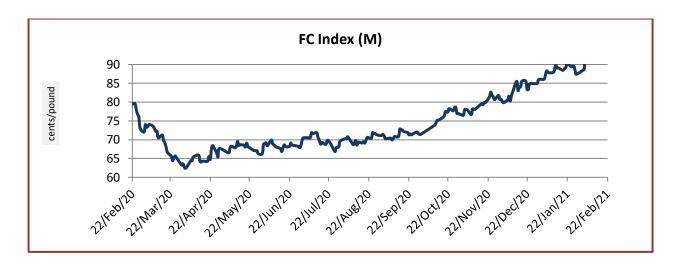


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Avera	% Change				
18-Feb-21 11-Feb-21		11-Feb-21				
FC (S)	101.09	95.00	6.41			
FC (M)	98.25	92.44	6.29			
FC (L)	97.78	91.88	6.42			
	Prices in US cents per Pound					

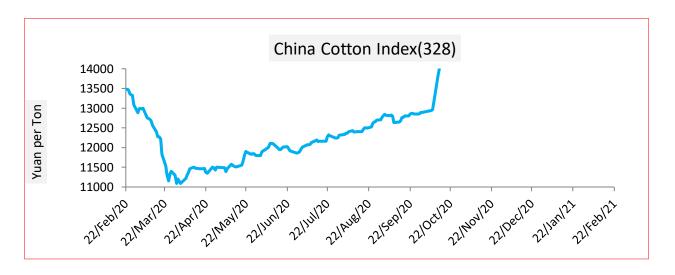
Source: China Cotton Association





Cotton Index	Weekly Avera	% Change	
	18-Feb-21		
CCIndex(328)	16049.00	15567.25	3.09
CCIndex(527)	15105.67	14680.00	2.90
CCIndex(229)	16271.33 15829.00		2.79
	Prices in Yuan per ton		

Source: China Cotton Association



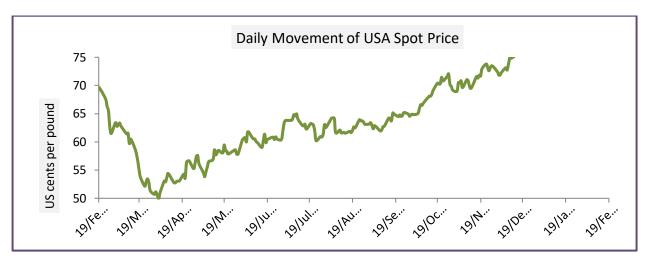


USA Spot Prices

U.S.A spot prices have increased from prior week by 4.68 percent at 90.29 cents per pound.

USA Spot Prices	Monthly Avera	% Change				
	18-Feb-21	11-Feb-21				
Prices	90.29 86.26		4.68			
	Prices in US cents per Pound					

Source: USDA



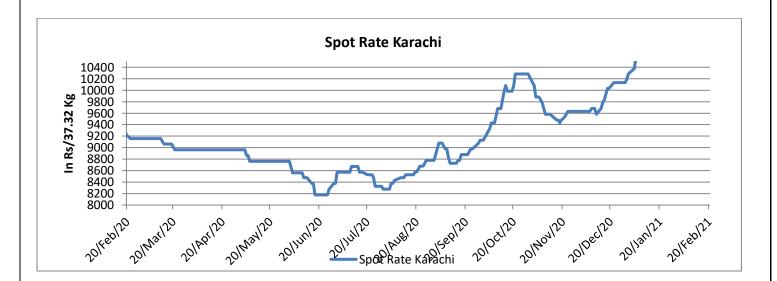


Pakistan Spot Prices

The Karachi spot pricestood around Rs. 10940/q higher than the previous week by 0.55 percent. (Rs. 10880/q)

Karachi Spot Prices	WeeklyAvera	% Change			
	18-Feb-21				
Prices	10940 10880		0.55		
Prices in Rs per 37.32 Kg					

Source: Fibre2fashion.com





Commodity: Cotton Exchange: MCX

Contract: Dec. Expiry: Feb. 26, 2021



TechnicalCommentary:

- $\bullet \quad \text{The recent trend in cotton has been bull is h, but the market has been quite in decisive over the last one month.}$
- Asupporting trendline is passing through 17500, while mildresistance is seen around 22000.
- If the market tests the support at 21000, intraday long positions may becreated.

Strategy: Buy

Intraday Supports & Resistances		S2	S1	PCP	R1	R2	
Cotton	MC X	Dec	2000 0	2100 0	2156 0	2200 0	2250 0
			Call	Entry	T1	T2	SL
Cotton	MC X	Dec	Buy	2170 0	2180 0	2185 0	2175 0



Commodity: Cotton Seed oil Cake Exchange: NCDEX
Contract: Dec Expiry: Feb 22^{tn}, 2020



Technical Commentary:

- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart, there exists a consolidation zone (support) at 1995 and then a trendline support at 2050. Strong resistance is seen at 2450.

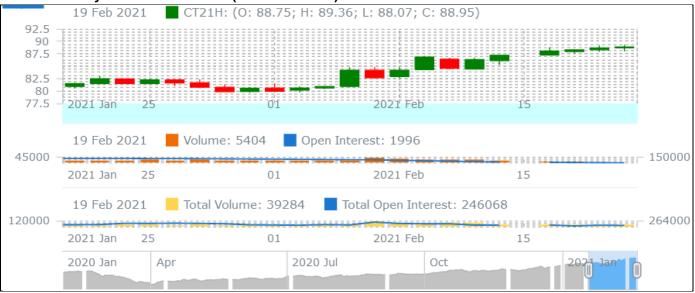
Strategy: wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1780	2000	2322	2450	2500
Intraday Trade Call		Call	Entry	T1	T2	SL	
Cotton oil cake	NCDEX	Dec	wait	2330	2380	2400	2350

^{*} Do not carry-forward the position next day.







- ➤ The Mar'21 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 rangeboundin the coming week.

Expected Price Range During Coming month

	
Expected Trend	Expected Trading Band
Firm	87-90

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
82	86	88	90

Figures in US cents/pound



Cotton Future Prices at ICE

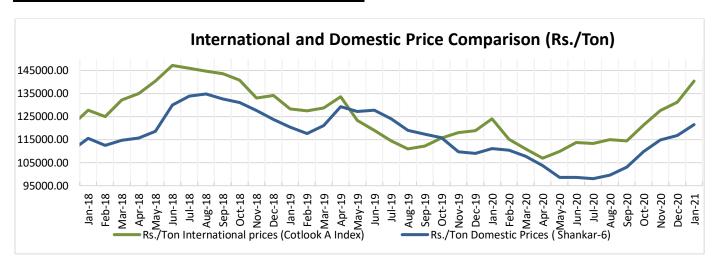
	Cotton Prices in Future Contract on ICE					Prices in	cents/Lb
		19-Jan-21	21-Nov-20	23-Aug-20	19-Feb-20	% Change over a	% Change over
Contracts	19-Feb-21	(1 month ago)	(3 months ago)	(6 months ago)	(a year ago)	month	previous year
Mar-21	88.95	81.15	72.96	73.80	70.77	9.61	25.69
May-21	90.48	82.07	73.79	74.65	74.65	10.25	32.13
Jul-21	91.21	82.84	74.40	75.24	75.24	10.10	32.19
Oct-21	87.06	79.49	71.53	72.44	72.44	9.52	24.66
Dec-21	85.06	77.69	70.57	71.50	71.50	9.49	22.85

Future Price Trend (Active Contract):





International and Domestic Price Comparision



Cotton Prices at Key Spot Markets:

Commodity	Kapas			Weekly Average Prices (Rs./Quintal)		
State	Centre	Variety	12th Feb'21 to 18th Feb'21	05th Feb'21 to 11th Feb'21	Change	
	Ahmedabad	Shankar-6	6225	6075	150	
	Gondal	Shankar-6	6121	6113	8	
	Rajkot	B.T. Cotton	6173	6077	96	
Gujarat	Patan	B.T. Cotton	6379	6273	106	
	Kadi	B.T. Cotton	6142	6117	25	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	6005	5981	24	
	Bhiwani	B.T. Cotton	6096	6024	72	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	6007	5997	10	
Haryana	Fatehabad	B.T. Cotton	5938	5921	18	
	Jind	B.T. Cotton	NA	NA	-	
	Uchana	B.T. Cotton	NA	NA	-	
	Dabwali	B.T. Cotton	5922	5892	30	
Deigothon	Hanumangarh	B.T. Cotton	6122	6025	97	
Rajasthan	Rawatsar	B.T. Cotton	6067	5833	233	
Madhya Pradesh	Khandwa	Mech-1	6320	6163	158	



	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5975	5855	120
Waliarasiitra	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ollar Frauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	5615	-
	Bijapur	Bunny	6639	6578	61
Karnataka	Hubli	D.C.H.	NA	NA	-
Kalilataka	Hubli	B.T. Cotton	5165	5240	-75
	Raichur	H-44 Cotton	6000	5940	60
Commodity	L	int	Prices (Rs./Ma ea	Change	
State	Centre	Variety	12th Feb'21 to 18th Feb'21	05th Feb'21 to 11th Feb'21	Change
	Bhatinda	J-34	4568	4543	25
Punjab	Abohar	J-34	4570	4540	30
	Mansa	J-34	4573	4537	36
Haryana	Sirsa	J-34	4498	4469	29
Rajasthan	Sri-Ganganagar	J-34	4289	4279	10

Cotton Arrivals in Key Centers:

Commodity	Кар	oas	Weekly Sum A	rrivals (Quintal)	
State	Centre	Variety	12th Feb'21 to 18th Feb'21	05th Feb'21 to 11th Feb'21	Change
	Ahmedabad	Shankar-6	365500	370600	-5100
	Gondal	Shankar-6	12397	16843	-4446
	Rajkot	B.T. Cotton	24250	32200	-7950
Gujarat	Patan	B.T. Cotton	20097	39224	-19127
	Kadi	B.T. Cotton	190000	250000	-60000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	841	5981	-5140
	Bhiwani	B.T. Cotton	6500	5700	800
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6545	7820	-1275
Haryana	Fatehabad	B.T. Cotton	1900	2100	-200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1795	2000	-205



Pajasthan	Hanumangarh	B.T. Cotton	5150	5000	150
Rajasthan	Rawatsar	B.T. Cotton	1100	900	200
Madhya Bradash	Khandwa	Mech-1	1350	1400	-50
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	43000	47000	-4000
Manarasinra	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ollar Frauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	1104052	-
	Bijapur	Bunny	8359	9199	-840
Karnataka	Hubli	D.C.H.	NA	NA	-
Kamataka	Hubli	B.T. Cotton	14	3	11
	Raichur	H-44 Cotton	148	172	-24
Commodity	Li	nt	Weekly Sum A		
State	Centre	Variety	12th Feb'21 to 18th Feb'21	05th Feb'21 to 11th Feb'21	Change
	Bhatinda	J-34	28900	30600	-1700
Punjab	Abohar	J-34	3570	3400	170
	Mansa	J-34	3230	5610	-2380
Haryana	Sirsa	J-34	1870	3230	-1360
Rajasthan	Sri-Ganganagar	J-34	10500	11500	-1000

Week on Week Price: Scenario of Cotton:									
Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago			
State	Centre	Variety	22-Feb-21	15-Feb-21	22-Feb-21	23-Feb-20			
	Ahmedabad	Shankar-6	6500	6150	6500	#N/A			
	Gondal	Shankar-6	NA	6080	NA	5500			
	Rajkot	B.T. Cotton	6300	6140	6300	5530			
Gujarat	Patan	B.T. Cotton	NR	6350	NR	5515			
	Kadi	B.T. Cotton	6500	6200	6500	5550			
	Deesa	B.T. Cotton	NA	0	NA	NA			
	Dhrol	B.T. Cotton	NA	6005	NA	NR			
Hamiana	Bhiwani	B.T. Cotton	6100	6100	6100	5600			
Haryana	Bhiwani	Desi	NA	0	NA	NA			



	Adampur	B.T. Cotton	6000	5990	6000	5350
	Fatehabad	B.T. Cotton	5960	5900	5960	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	6000	5860	6000	NR
Rajasthan	Hanumangarh	B.T. Cotton	6100	6100	6100	Closed
Kajasillali	Rawatsar	B.T. Cotton	6100	6050	6100	Closed
Madhya Pradesh	Khandwa	Mech-1	6500	6300	6500	5491
Mauriya Frauesii	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	6000	6000	6000	5300
Wallarasilira	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	NA	NA
Ottai Frauesii	Hathras	Desi	NA	0	NA	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	5400
	Bijapur	Bunny	6639	6649	6639	5929
Karnataka	Hubli	D.C.H.	4343	0	4343	NA
Kamataka	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	6000	NA	5470
Commodity	Li	nt	Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	22-Feb-21	15-Feb-21	22-Feb-21	23-Feb-20
	Bhatinda	J-34	4630	4560	4630	#N/A
Punjab	Abohar	J-34	4630	4560	4630	#N/A
	Mansa	J-34	4630	4580	4630	#N/A
Haryana	Sirsa	J-34	4530	4500	4530	#N/A
Rajasthan	Sri-Ganganagar	J-34	4305	4287	4305	#N/A

Cotton Arrivals in Key Centers:									
Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)			
State	Centre	Variety	22-Feb-21	15-Feb-21	22-Feb-21	23-Feb-20			
	Ahmedabad	Shankar-6	51000	62900	51000	#N/A			
	Gondal	Shankar-6	NA	1337	NA	#N/A			
Gujarat	Rajkot	B.T. Cotton	2800	3250	2800	#N/A			
	Patan	B.T. Cotton	NR	3960	NR	3450			
	Kadi	B.T. Cotton	40000	40000	40000	#N/A			



	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	284	NA	#N/A
	Bhiwani	B.T. Cotton	800	1000	800	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1360	1360	1360	#N/A
Haryana	Fatehabad	B.T. Cotton	300	250	300	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	300	270	300	#N/A
Paiasthan	Hanumangarh	B.T. Cotton	500	900	500	#N/A
Rajasthan	Rawatsar	B.T. Cotton	300	150	300	#N/A
Madhya Bradach	Khandwa	Mech-1	200	300	200	#N/A
Madhya Pradesh	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	10000	8000	10000	#N/A
Manarashtra	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	NA	#N/A
Ottal Frauesii	Hathras	Desi	NA	0	NA	#N/A
Telangana	Adilabad	Un-Ginned	NA	0	NA	#N/A
	Bijapur	Bunny	1970	2416	1970	#N/A
Varnataka	Hubli	D.C.H.	19	0	19	#N/A
Karnataka	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	NA	22	NA	#N/A
Commodity	Liı	nt	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	22-Feb-21	15-Feb-21	22-Feb-21	23-Feb-20
	Bhatinda	J-34	5100	5100	5100	#N/A
	Abohar	J-34	510	680	510	#N/A
Punjab	Mansa	J-34	340	510	340	#N/A
	Sirsa	J-34	680	340	680	#N/A
	Sri-Ganganagar	J-34	2000	2000	2000	#N/A

Cotton Association of India Spot Rates:

	Staple	Micronaire	Strength/	Weekly Average Prices		+/-
Trade Name			GPT	12th Feb'21 to 18th Feb'21	05th Feb'21 to 11th Feb'21	Change
Bengal Deshi (RG)/Assam	Below	5.0 - 7.0	15	38617	38067	550



Comilla (101)	22mm					
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39117	38567	550
J-34(202)	26mm	3.5 - 4.9	23	43467	42767	700
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	43283	42750	533
Shankar-6(105)	29mm	3.5 – 4.9	28	44500	43883	617
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47050	46550	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	47633	47150	483
DCH-32(107)	34mm	3.0 - 3.8	33	68633	68150	483

Disclaimer

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