

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

Domestic Market Scenario: CCI Procurement operations of seed cotton under Minimum support price have decreased from previous week. CCI has procured around 91,68,064 cotton bales till 22nd February'21. India's cotton export are likely to increase by 30 percent for the current year. Gujarat Shankar-6 variety cotton spot prices stood high around Rs.45,283 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 are now around one lakh bales a day.
- Cotlook index stood higher(95.60cents/lbs) compared to the ICE cotton future that stood at 92.41 cents/lbs.
- Indian rupee remained stronger between 72.32 to 73.46 against USD compared to last week.

Market Highlights:

- **Cotton Corporation of India has granted a subsidy of Rs. 300 per candy to cooperative spinning mills in Maharashtra.** The Corporation has also waived off the security deposit of 2 lakh that the mills have to pay before participating in the e-auction process of the cotton. The mills however are demanding a subsidy of Rs. 2,500 per candy.
- **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.
- **Cotton Corporation of India has procured around 91,68,064 cotton bales till 22nd February'21.** Procurement operations of seed cotton under minimum support price are going smooth in almost all the states across India. Around 91,68,064 cotton bales has been procured by CCI valuing about Rs. 26,705.19 crore by benefitting around 18,95,966 farmers.
- **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.

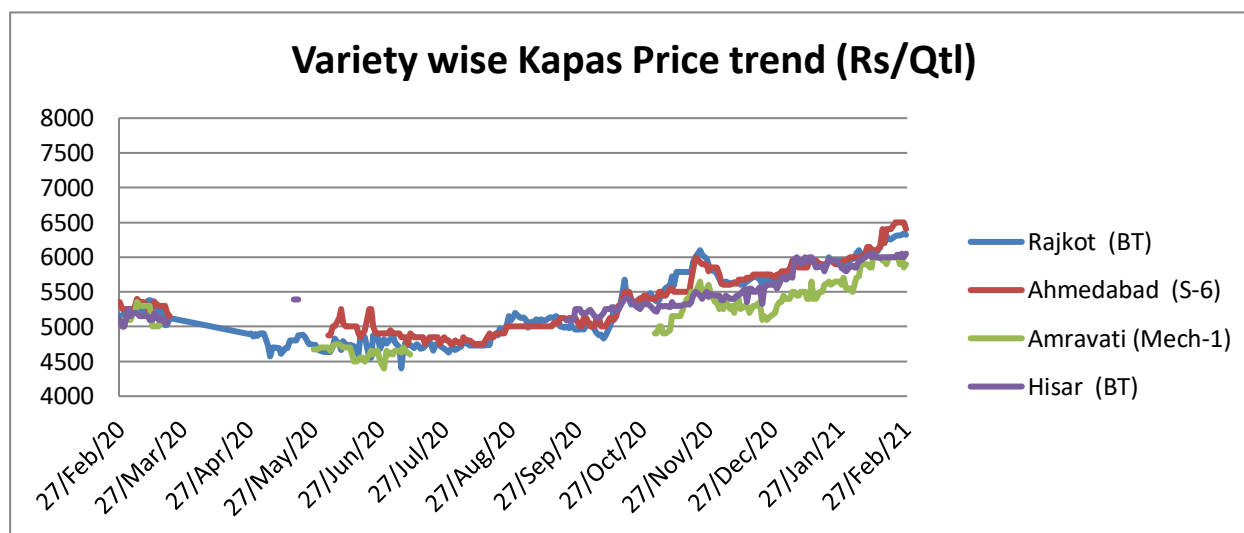
6,400 per quintal at the from the farmers, as a result farmers are selling cotton to private traders to avoid loading and unloading charges. Demand for quality cotton has increased due to reduction of quality cotton supply in the market.

- **Telangana has 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 06th 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.

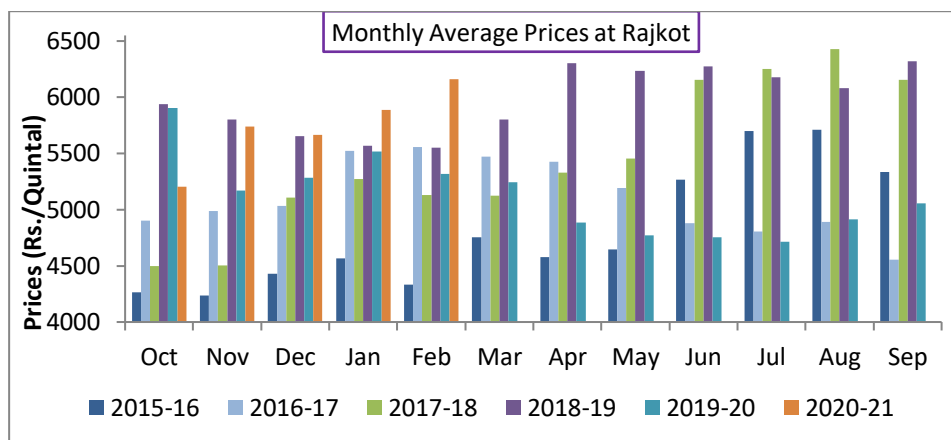
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 6294/q from previous week Rs. 6172/q and Ahmedabad prices were also higher at Rs. 6466/q from previous week at Rs. 6225/q.



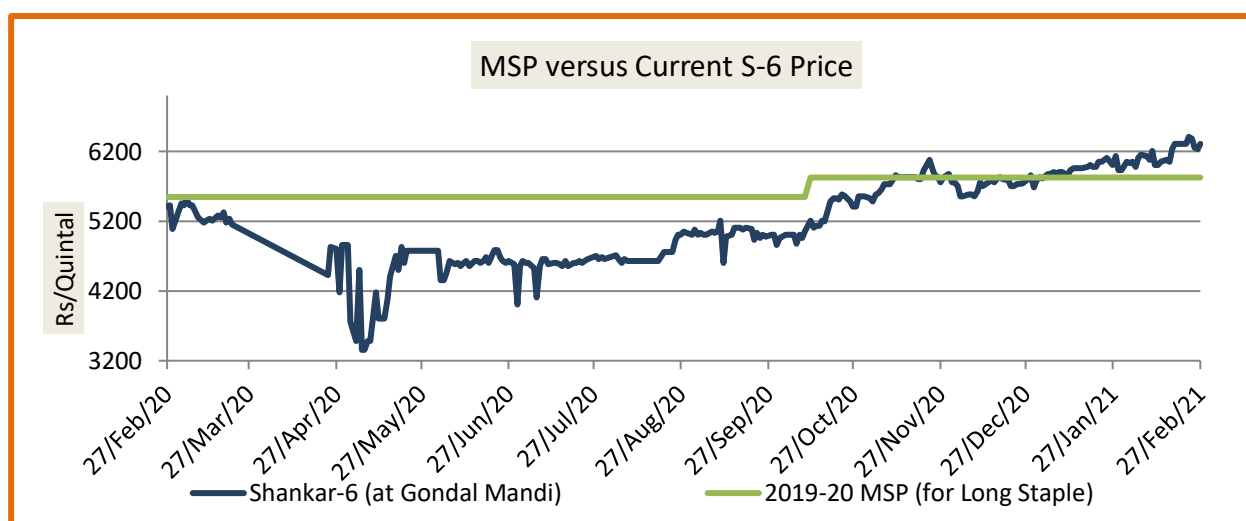
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of February were higher in the market and the monthly average price were also higher at Rs. 6161.88/q compared to the prices during the corresponding month of the previous season. (Rs. 5315/q)

Spot Price versus MSP

Average kapas price at Gondal market stood higher at Rs. 6325/q from Rs. 6120/q previous week.

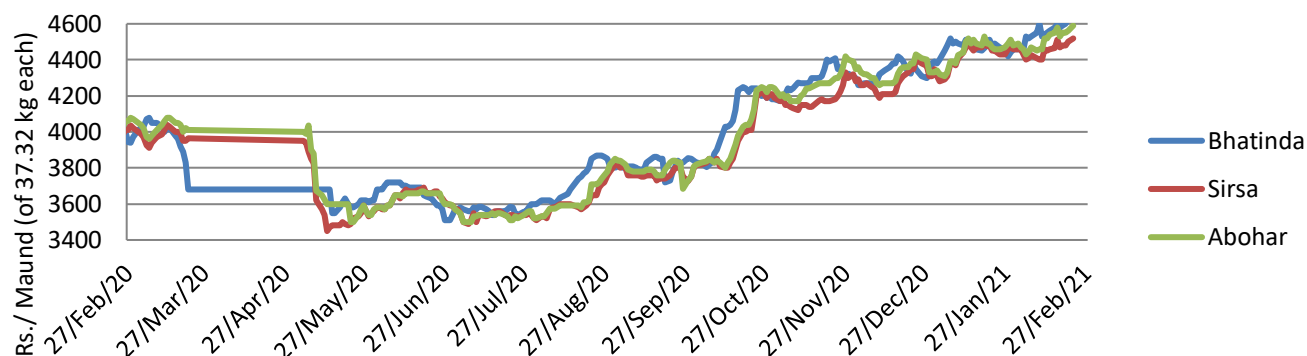


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs. 4631/maund of lint in Abohar, prices were also higher in Bhatinda at Rs. 4630/maund and Rs. 4530/maund in Sirsa from previous week.

Lint Price Trend at Key Centers

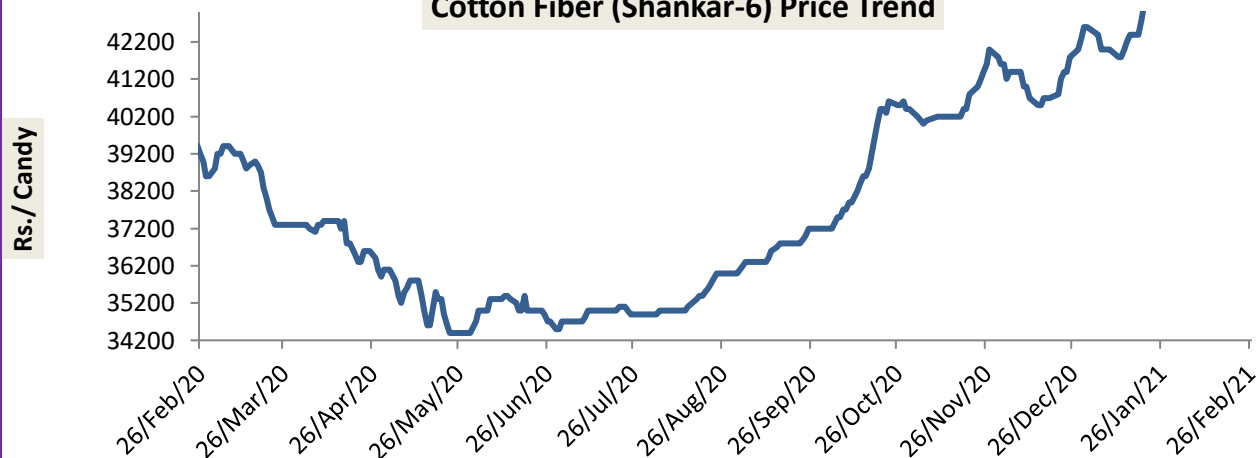


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.45233/candy from around Rs.44466/ candy last week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

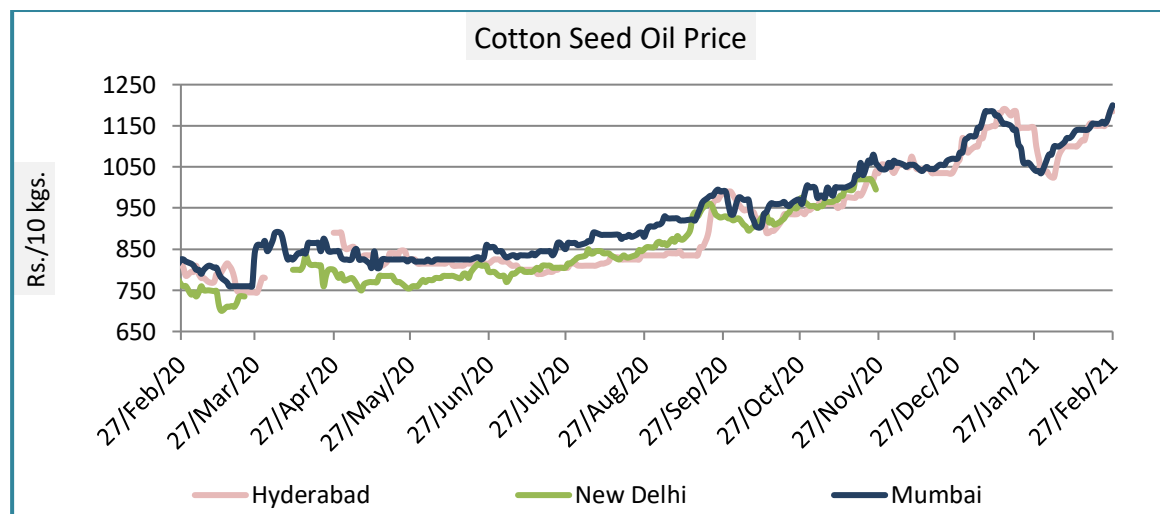
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have increased across all the centres during the week ending on 25th Feb'21. Weekly average price in Mumbai stood high at Rs. 1179, in New Delhi the prices were around Rs. 1163 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	25-Feb-21	18-Feb-21	
New Delhi	1163	1118	4.05
Rajkot	1134	1119	1.36
Hyderabad	1181	1164	1.45
Mumbai	1179	1148	2.71

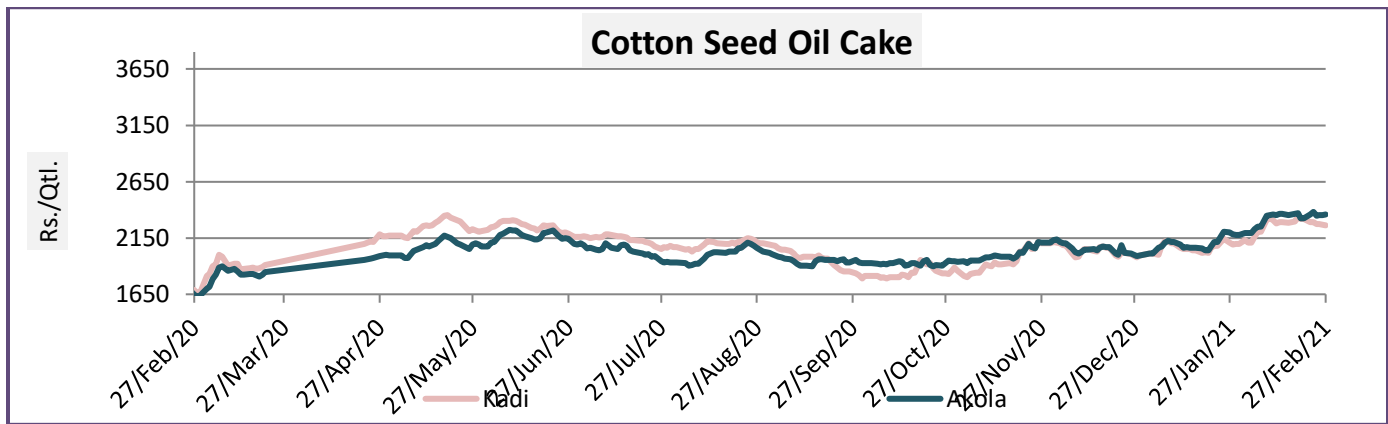
Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

With the rising cotton prices in the market, the cotton seed oil prices have also increased in the previous week by around 1-2 percent. Although, the cotton daily arrivals have decreased and are close to 1,00,000+ bales. The average price of cotton seed oil cake has increased in Kadi at Rs. 2298 per quintal from Rs. 2273 per quintal and in Akola were at Rs. 2362 per quintal from Rs. 2317 per quintal previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	25-Feb-21	18-Feb-21	
Kadi	2294	2298	-0.16
Akola	2348	2362	-0.61



Source: NCDEX

International Market Scenario

- China cotton imports rise 16.8 percent in 2020. The total cotton imports by china has increased by 16.8 percent year-on-year to 2.16 million tonnes in 2020, Cotton imports have declined during the first half of the year due to the impact of covid-19 pandemic, but imports soared in the second half as production resumed and consumption recovered. In the six months of 2020, China's cotton imports decreased by 23.7 percent year-on-year to 900,000 tonnes. However, cotton imports surged 88.1 percent to 1.26 million tonnes during July-December 2020.
- 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.

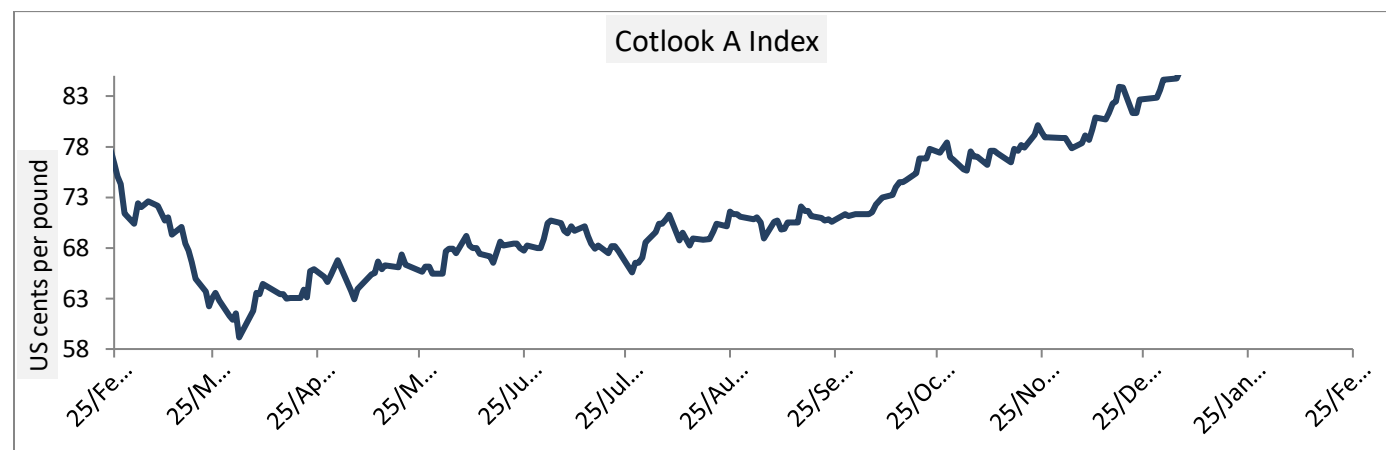
Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 96.89 cents/lb higher compared to the previous week (94.13 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	25-Feb-21	18-Feb-21	
Prices	96.89	94.13	2.93

Prices in US cents per Pound

Source: Cotlook

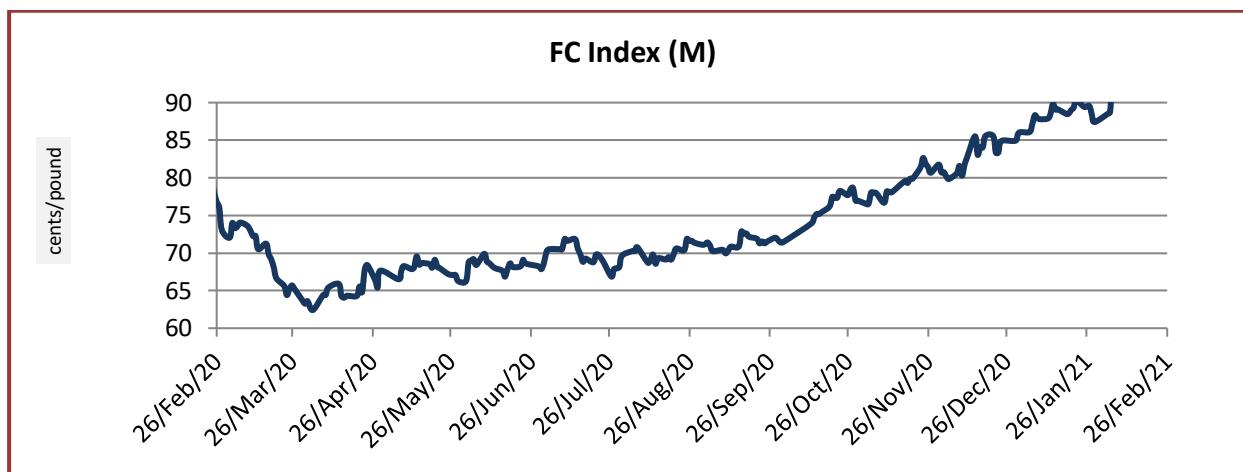


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	25-Feb-21	18-Feb-21	
FC (S)	102.28	101.09	1.18
FC (M)	98.96	98.25	0.72
FC (L)	98.59	97.78	0.82

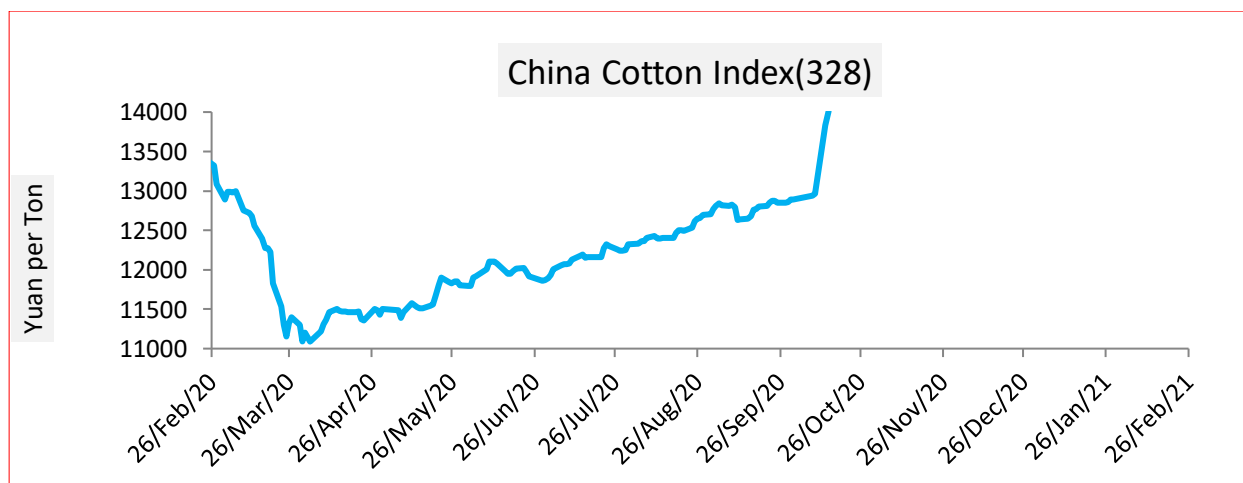
Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	25-Feb-21	18-Feb-21	
CCIndex(328)	16299.80	16049.00	1.56
CCIndex(527)	15347.60	15105.67	1.60
CCIndex(229)	16519.40	16271.33	1.52
Prices in Yuan per ton			

Source: China Cotton Association

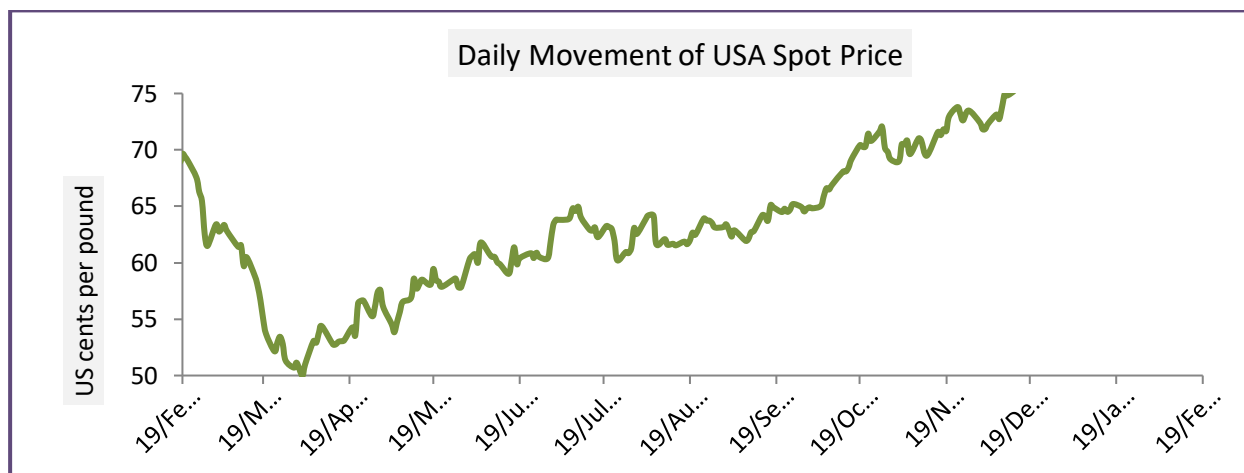


USA Spot Prices

U.S.A spot prices have increased from prior week by 2.21 percent at 92.29 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	25-Feb-21	18-Feb-21	
Prices	92.29	90.29	2.21
Prices in US cents per Pound			

Source: USDA

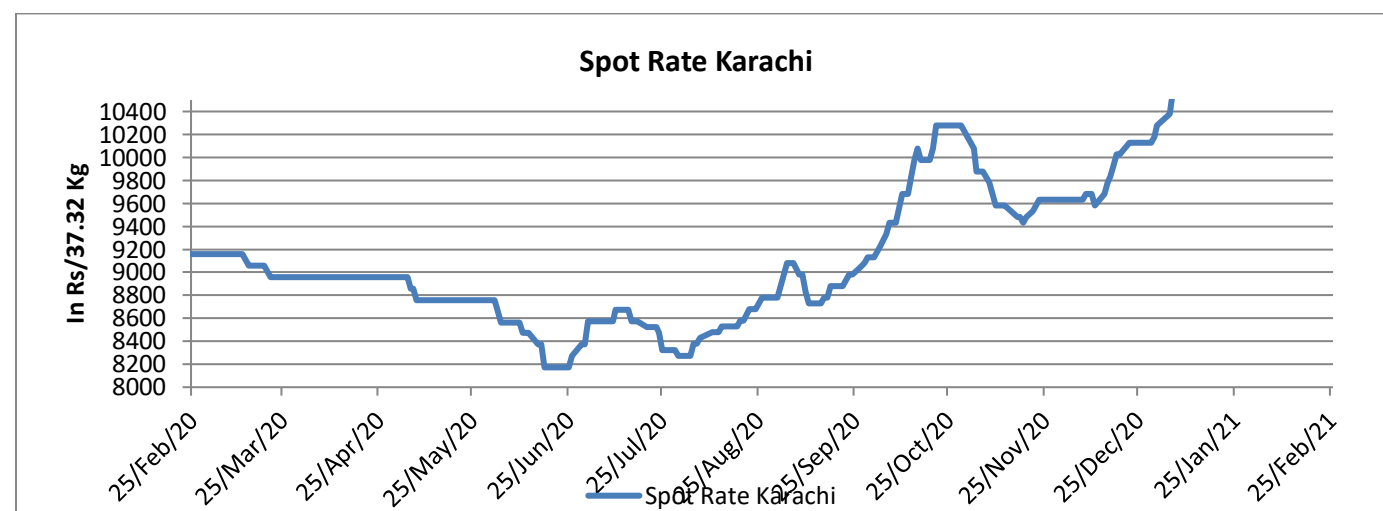


Pakistan Spot Prices

The Karachi spot price stood around Rs. 11480/q higher than the previous week by 4.94 percent. (Rs. 10940/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	25-Feb-21	18-Feb-21	
Prices	11480	10940	4.94
			Prices in Rs per 37.32 Kg

Source: Fibre2fashion.com



Commodity: Cotton
Exchange: MCX
Contract: Dec.
Expiry: Feb. 26, 2021

Technical Commentary:

- Therecenttrendincottonhasbeenbullish,butthemarkethasbeenquiteindecisiveoverthelastonemonth.
- Asupportingtrendlineispassingthrough 21000,whilemildresistanceisseenaround22100.
- 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	20000	21000	22280	22100	22200
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Buy	22030	22060	22080	22050

Commodity: Cotton Seed oil Cake
Contract: Dec
**Exchange: NCDEX
Expiry: Feb 22th, 2020**
Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/02/28 - Weekly B:2235.00 A:2237.00
O:2216.00 H:2250.00 L:2198.00 C:2236.00 ↑ V:56,950 I:98,380 +16 +0.72%


Technical Commentary:

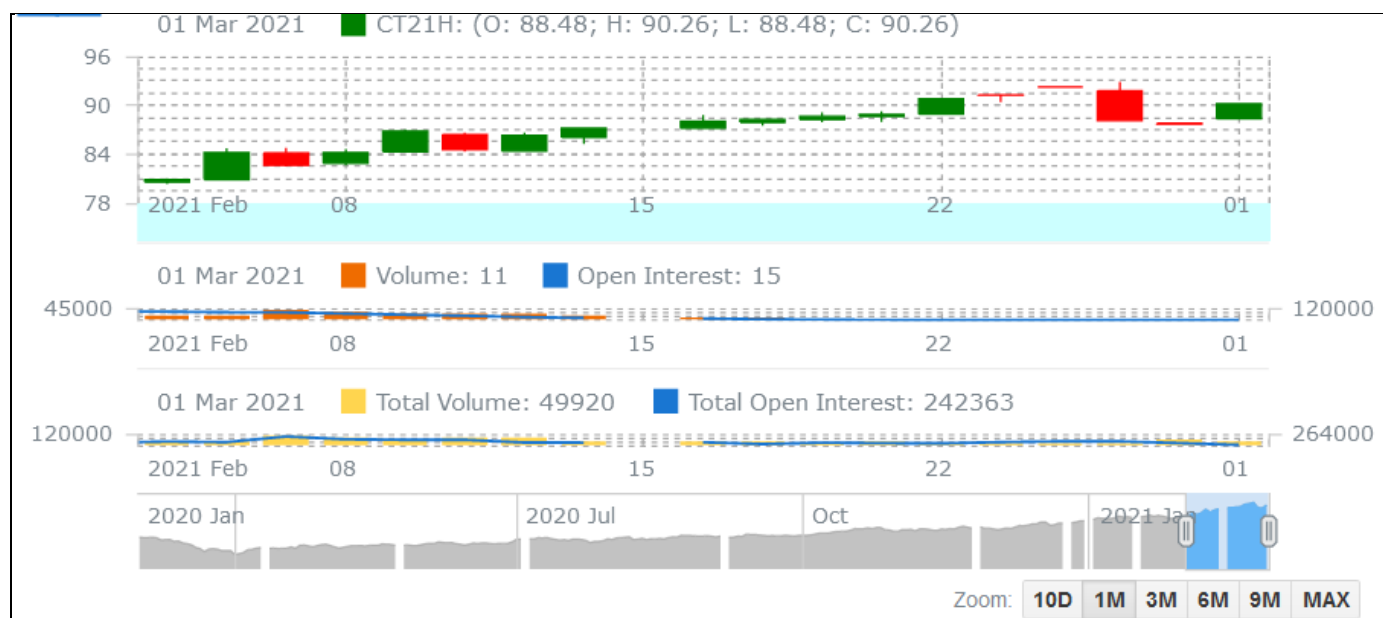
- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at2200andthena trendlinesupportat 2250. Strong resistance is seen at2260.

Strategy: wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1780	2000	2210	2260	2270
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	wait	2216	2230	2250	2220

* Do not carry-forward the position next day.

Technical Analysis of Cotton Future (Mar'21Contract) at ICE



- 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 rangebound in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	85-90

Expected Support and Resistance

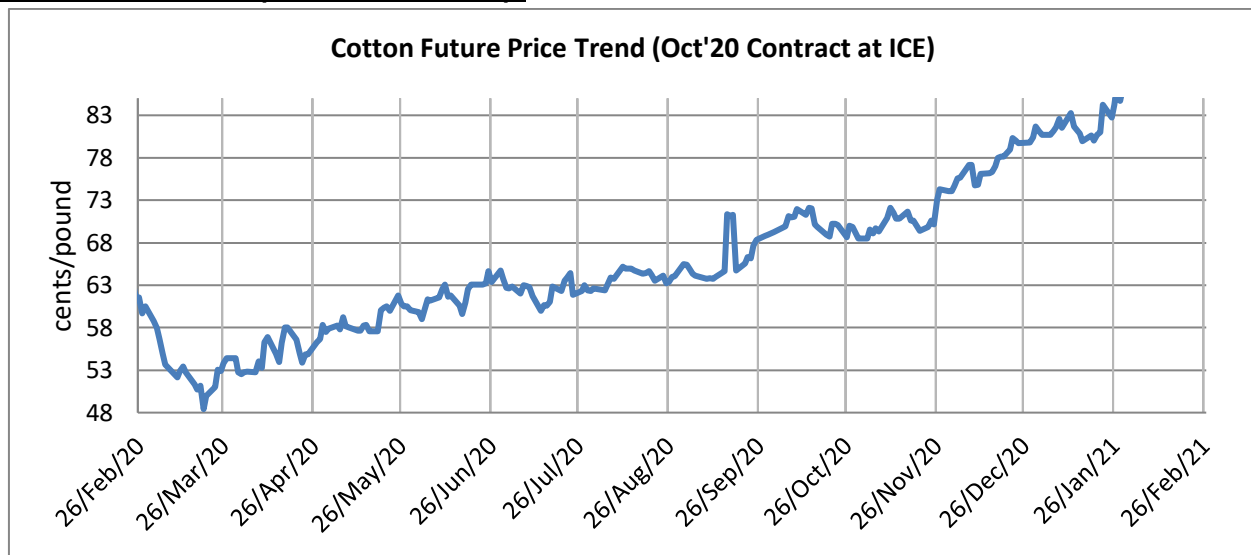
Support 1	Support 2	Resistance 1	Resistance 2
82	86	88	90

Figures in US cents/pound

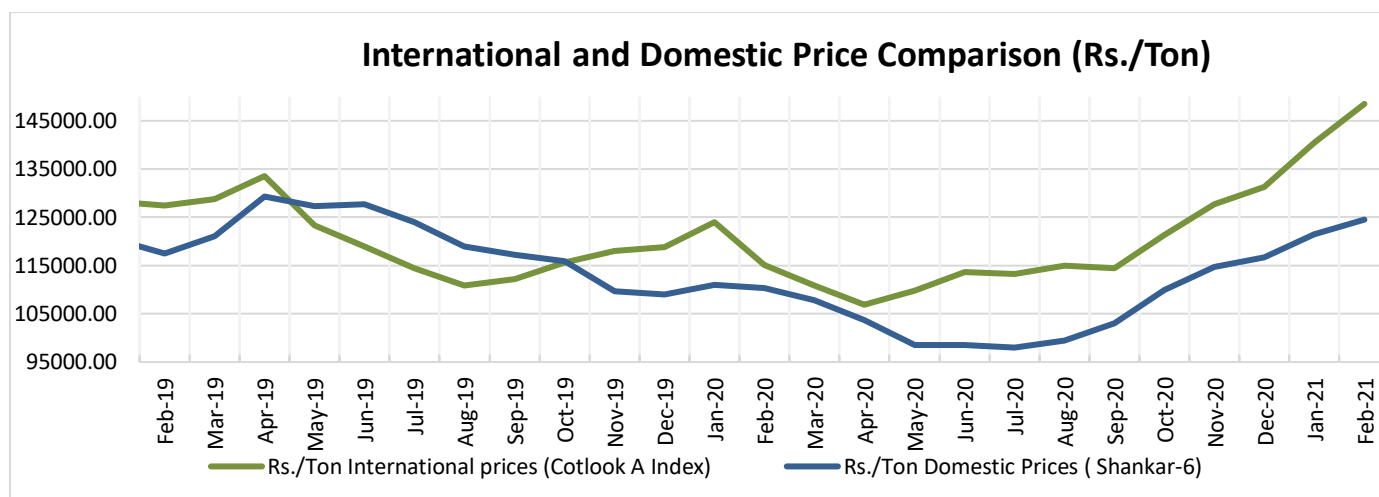
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	26-Feb-21	26-Jan-21 (1 month ago)	28-Nov-20 (3 months ago)	30-Aug-20 (6 months ago)	26-Feb-20 (a year ago)	% Change over a month	% Change over previous year
Mar-21	87.82	81.71	73.24	64.41	66.66	7.48	31.74
May-21	88.83	82.81	74.06	65.16	65.47	7.27	35.68
Jul-21	89.71	83.69	74.71	66.05	66.08	7.19	35.76
Oct-21	85.18	80.19	72.36	66.75	65.25	6.22	30.54
Dec-21	84.33	78.69	71.44	67.27	65.84	7.17	28.08

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	
State	Centre	Variety			
Gujarat	Ahmedabad	Shankar-6	6467	6225	242
	Gondal	Shankar-6	6330	6121	209
	Rajkot	B.T. Cotton	6294	6173	122
	Patan	B.T. Cotton	6418	6379	39
	Kadi	B.T. Cotton	6450	6142	308
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6045	6005	40
Haryana	Bhiwani	B.T. Cotton	6100	6096	4
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6015	6007	8
	Fatehabad	B.T. Cotton	5985	5938	47
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5979	5922	58
Rajasthan	Hanumangarh	B.T. Cotton	6170	6122	48
	Rawatsar	B.T. Cotton	6154	6067	88
Madhya Pradesh	Khandwa	Mech-1	6380	6320	60
	Khargaon	Mech-1	NA	NA	-

Maharashtra	Amravati	Mech-1	5988	5975	13
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6672	6639	33
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4444	5165	-721
	Raichur	H-44 Cotton	5983	6000	-17
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	
Punjab	Bhatinda	J-34	4630	4568	62
	Abohar	J-34	4632	4570	62
	Mansa	J-34	4635	4573	63
Haryana	Sirsa	J-34	4530	4498	32
Rajasthan	Sri-Ganganagar	J-34	4311	4289	22

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	
Gujarat	Ahmedabad	Shankar-6	289000	365500	-76500
	Gondal	Shankar-6	9945	12397	-2452
	Rajkot	B.T. Cotton	21800	24250	-2450
	Patan	B.T. Cotton	12015	20097	-8082
	Kadi	B.T. Cotton	190000	190000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1393	841	552
Haryana	Bhiwani	B.T. Cotton	4500	6500	-2000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7480	6545	935
	Fatehabad	B.T. Cotton	2250	1900	350
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1600	1795	-195

Rajasthan	Hanumangarh	B.T. Cotton	3300	5150	-1850
	Rawatsar	B.T. Cotton	2000	1100	900
Madhya Pradesh	Khandwa	Mech-1	1150	1350	-200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	54000	43000	11000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10105	8359	1746
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	39	14	25
	Raichur	H-44 Cotton	126	148	-22
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	Change
Punjab	Bhatinda	J-34	30600	28900	1700
	Abohar	J-34	3910	3570	340
	Mansa	J-34	3570	3230	340
Haryana	Sirsa	J-34	2720	1870	850
Rajasthan	Sri-Ganganagar	J-34	10000	10500	-500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	01-Mar-21	22-Feb-21	01-Mar-21	01-Mar-20
Gujarat	Ahmedabad	Shankar-6	6400	6500	6400	#N/A
	Gondal	Shankar-6	6305	NA	6305	5500
	Rajkot	B.T. Cotton	6340	6300	6340	5530
	Patan	B.T. Cotton	NA	6350	NA	5515
	Kadi	B.T. Cotton	6500	6500	6500	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	NA	6105	NA	NR
Haryana	Bhiwani	B.T. Cotton	NA	6100	NA	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	6080	6000	6080	5350

	Fatehabad	B.T. Cotton	5925	5960	5925	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	6000	6000	6000	NR
Rajasthan	Hanumangarh	B.T. Cotton	6200	6100	6200	Closed
	Rawatsar	B.T. Cotton	6180	6100	6180	Closed
Madhya Pradesh	Khandwa	Mech-1	6500	6500	6500	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	5850	6000	5850	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	6690	6639	6690	5929
	Hubli	D.C.H.	NA	4343	NA	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	6000	6000	6000	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	01-Mar-21	22-Feb-21	01-Mar-21	01-Mar-20
Punjab	Bhatinda	J-34	4680	4630	4680	#N/A
	Abohar	J-34	4670	4630	4670	#N/A
	Mansa	J-34	4680	4630	4680	#N/A
Haryana	Sirsa	J-34	4610	4530	4610	#N/A
Rajasthan	Sri-Ganganagar	J-34	4390	4305	4390	#N/A

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	01-Mar-21	22-Feb-21	01-Mar-21	01-Mar-20
Gujarat	Ahmedabad	Shankar-6	42500	51000	42500	#N/A
	Gondal	Shankar-6	1129	NA	1129	#N/A
	Rajkot	B.T. Cotton	3200	2800	3200	#N/A
	Patan	B.T. Cotton	NA	1759	NA	3450
	Kadi	B.T. Cotton	20000	40000	20000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	222	NA	#N/A

Haryana	Bhiwani	B.T. Cotton	NA	800	NA	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1700	1360	1700	#N/A
	Fatehabad	B.T. Cotton	250	300	250	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	450	300	450	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	700	500	700	#N/A
	Rawatsar	B.T. Cotton	1000	300	1000	#N/A
Madhya Pradesh	Khandwa	Mech-1	150	200	150	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	13000	10000	13000	#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	2416	1970	2416	#N/A
	Hubli	D.C.H.	NA	19	NA	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	15	22	15	#N/A
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	01-Mar-21	22-Feb-21	01-Mar-21	01-Mar-20
Punjab	Bhatinda	J-34	5100	5100	5100	#N/A
	Abohar	J-34	510	510	510	#N/A
	Mansa	J-34	680	340	680	#N/A
	Sirsa	J-34	510	680	510	#N/A
	Sri-Ganganagar	J-34	2000	2000	2000	#N/A

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				19th Feb'21 to 25th Feb'21	12th Feb'21 to 18th Feb'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38783	38617	167
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39283	39117	167
J-34(202)	26mm	3.5 - 4.9	23	43883	43467	417
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	43867	43283	583
Shankar-6(105)	29mm	3.5 – 4.9	28	45283	44500	783
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47967	47050	917
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48483	47633	850
DCH-32(107)	34mm	3.0 - 3.8	33	69633	68633	1000

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2021 Indian Agribusiness Systems Pvt. Ltd.