

**COTTON WEEKLY RESEARCH REPORT**  
**08<sup>th</sup> 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 91,80,412 cotton bales till 02<sup>nd</sup> March'21. India's cotton export are likely to increase by 50 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. 5836-6400/q in Rajkot while the prices in Andhra Pradesh is likely to hover around Rs.4900-5700/q.

**Major Market Highlights:**

- All India daily arrivals are now around one lakh bales a day.
- Cotlook index stood higher(94.35cents/lbs) compared to the ICE cotton future that stood at 91.57 cents/lbs.
- Indian rupee remained stronger between 72.71 to 73.54 against USD compared to last week.

**Market Highlights:**

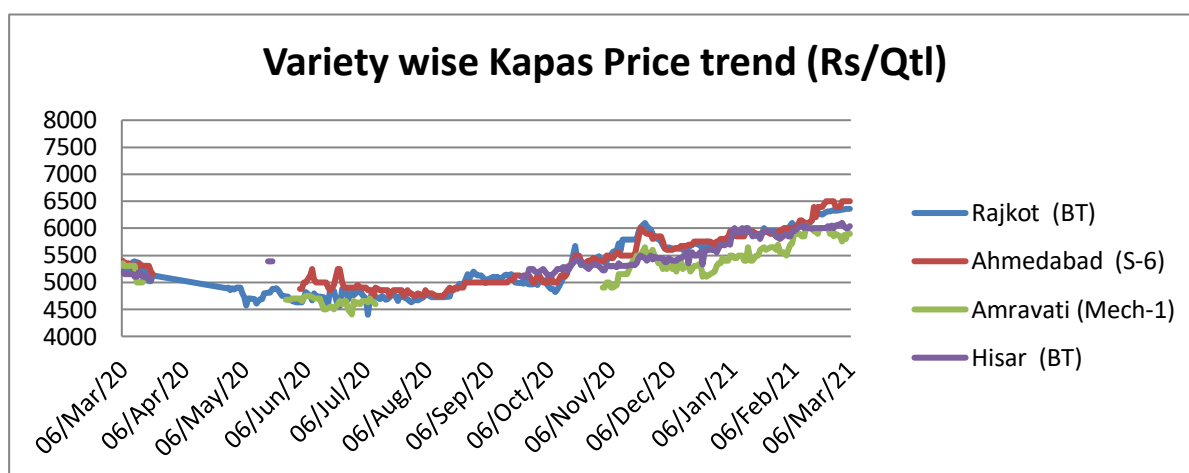
- **Cotton farmers in Khammam are getting the prices above MSP.** Farmers from Khammam are selling their cotton at Rs. 6,300 per quintal above minimum support price of Rs. 5,820 per quintal. Farmers are selling their cotton in local market instead of going at the CCI purchase centers.
- **Cotton exports from India are likely to rise 50 percent this year** to 75 lakh bales in the 2020-21 crop year beginning October with revival in global demand from china and Bangladesh in last one month, amid the decline in cotton production in Pakistan, the textile exporters are urging the government to allow import of cotton from neighboring India.
- **Indian Cotton export may get a boost with rising global consumption.** According to the International Cotton Advisory Committee, global consumption is estimated at 24.5 million tonnes for 2020-21 against 22.8 million tonnes in previous year. The rise in global consumption may boost prospects for Indian cotton exports. CAI has projected India's cotton export at 54 lakh bales for the current season against 50 lakh bales in the previous season, exports are likely to increase by the end of the season in September 2021.

- Private players buy cotton above MSP in Punjab.** Private players in Punjab are paying Rs. 6,240 per quintal to farmers which are Rs. 515 above the minimum support price; as a result CCI has steps aside in Punjab. According to the Punjab State Agriculture Marketing Board, 35.55 lakh quintal crops was sold in various places of the states till February 18, the CCI has purchased a record of 23.99 lakh quintal on MSP in 2020-21. Private players mean while have brought more than 12 lakh quintals and most of the purchase was at higher than MSP of Rs. 5,725 per quintal fixed for long staple.

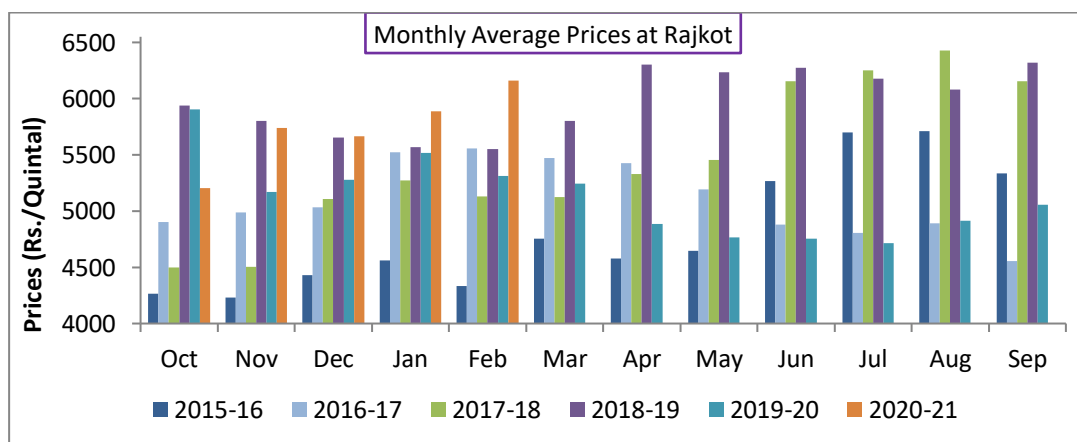
## Domestic Cotton Prices Scenario

### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly kapas average price at Rajkot was higher at Rs. 6344/q from previous week Rs. 6294/q and Ahmedabad prices were same as previous week at Rs. 6466/q.



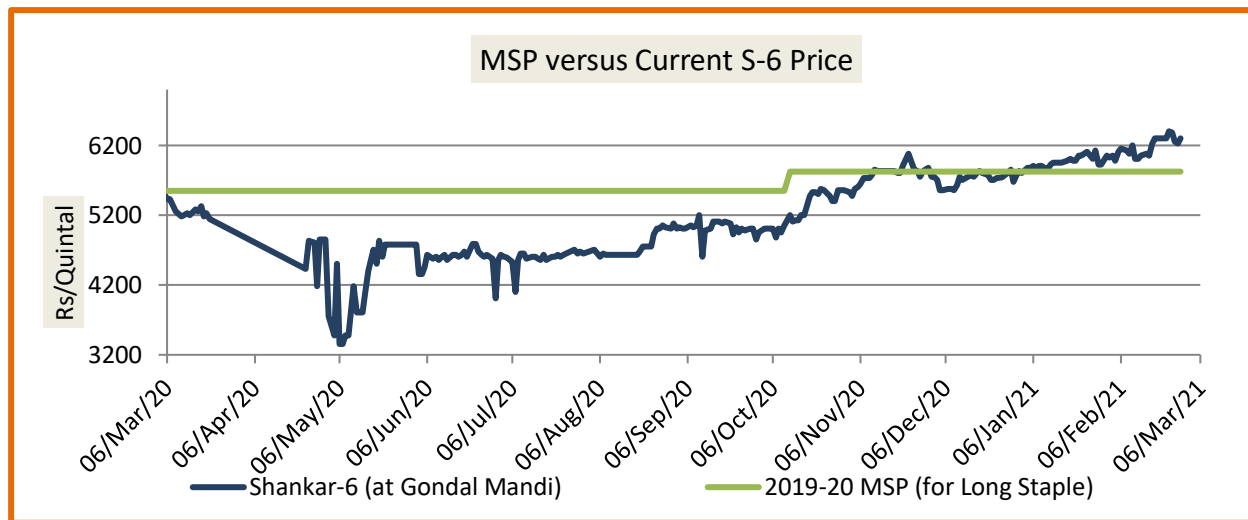
### Kapas Monthly M-o-M Price Scenario



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

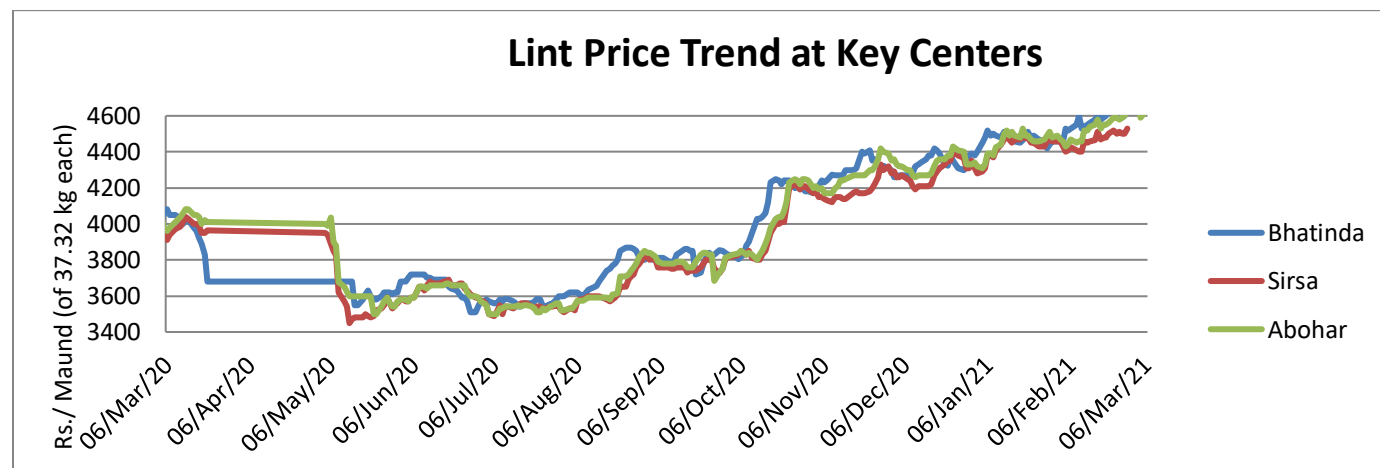
Average kapas price at Gondal market stood lower at Rs. 6317/q from Rs. 6325/q previous week.



Source: Agriwatch

### Lint price Outlook

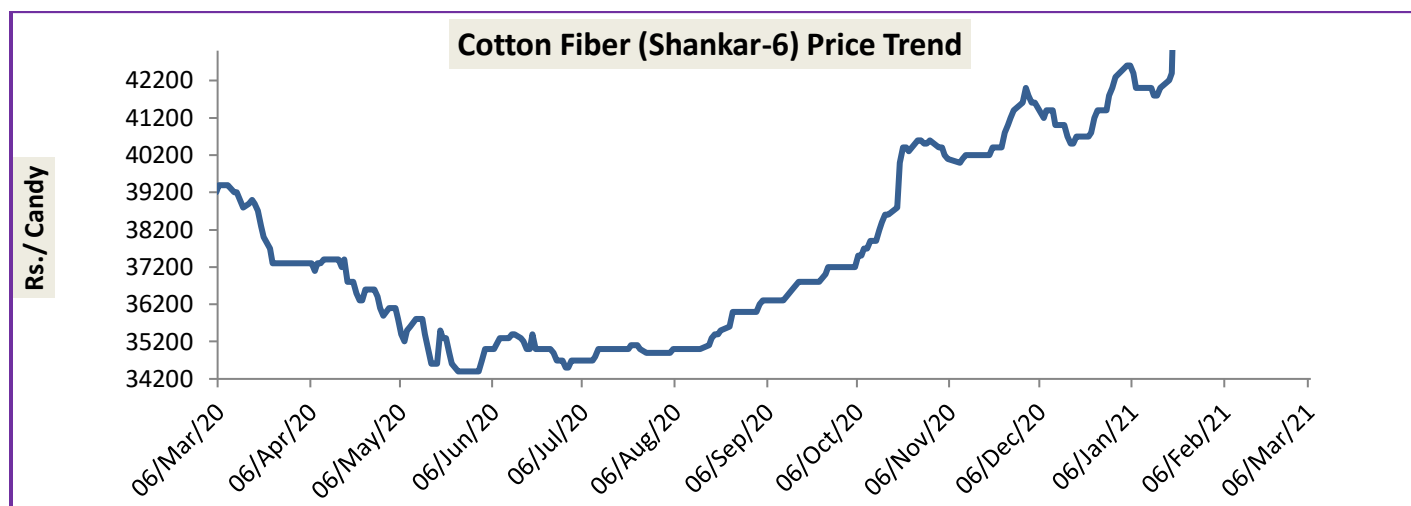
The average price stood higher at Rs. 4650/maund of lint in Abohar, prices were also higher in Bhatinda at Rs. 4651/maund and Rs. 4571/maund in Sirsa from previous week.



Source: Agriwatch

### Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs. 48150/candy from around Rs. 47766/candy last week.



Source: Cotton Association of India (CAI)

## Cotton Seed Oil and Cotton Seed Oil Cake

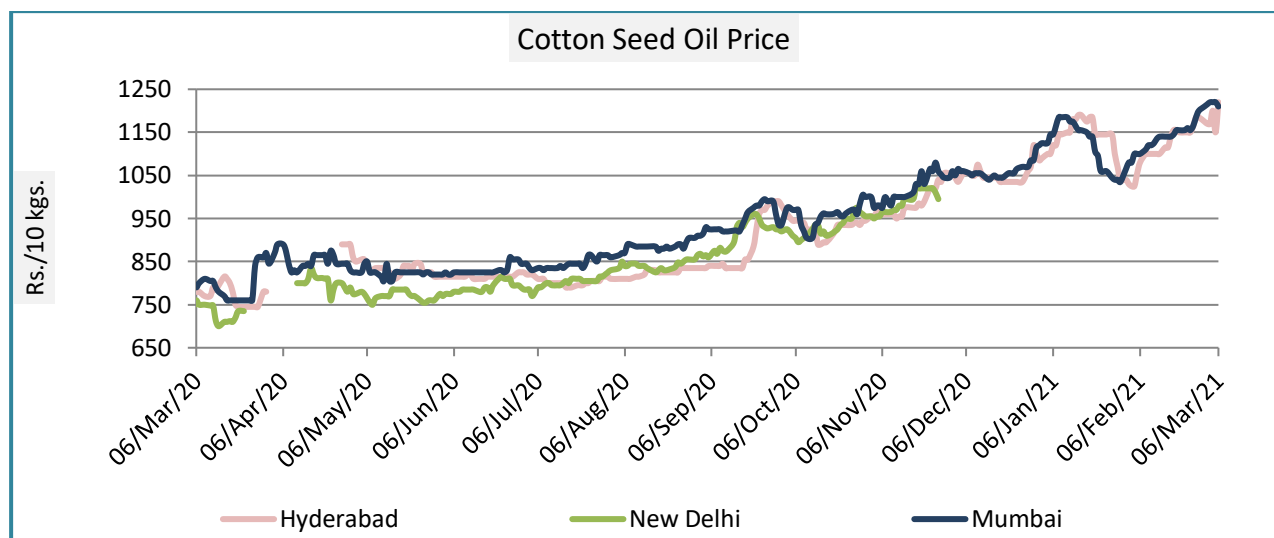
### Cotton Seed Oil weekly

#### Price Scenario

Cotton seed oil price have increased across all the centres during the week ending on 04<sup>th</sup> Mar'21. Weekly average price in Mumbai stood high at Rs. 1214, in New Delhi the prices were around Rs. 1166 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	04-Mar-21	25-Feb-21	
<b>New Delhi</b>	1166	1163	0.24
<b>Rajkot</b>	1172	1134	3.37
<b>Hyderabad</b>	1230	1181	4.15
<b>Mumbai</b>	1214	1179	2.98

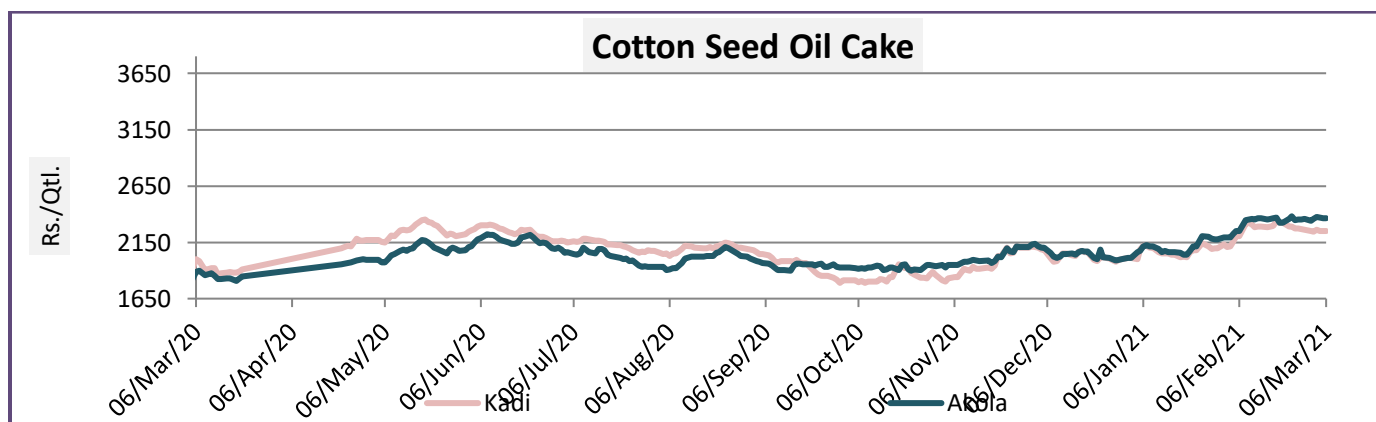
Source: Agriwatch



### Cotton Seed Oil Cake weekly Price Scenario

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. 2255 per quintal from Rs. 2294 per quintal and in Akola were at Rs. 2359 per quintal from Rs. 2348 per quintal previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	04-Mar-21	25-Feb-21	
Kadi	2255	2294	-1.72
Akola	2359	2348	0.48



Source: NCDEX

## **International Market Scenario**

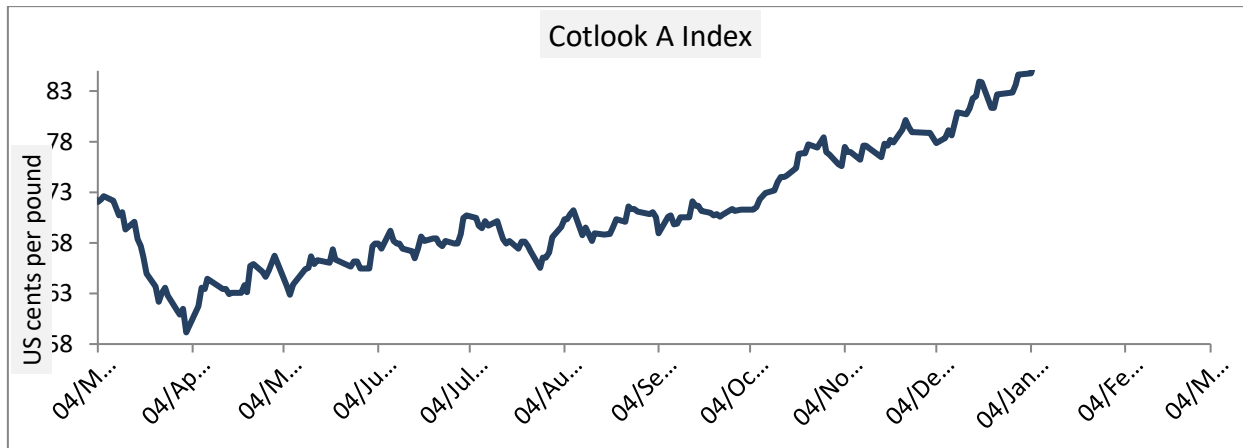
- High quality cotton exported to Bangladesh. Cotton Corporation of India has exported high quality cotton to Bangladesh through a goods train from Junagarh Road Railway Station in the district. The goods train has started its journey from Junagarh Road station in Kalahandi district to Benapol station of Bangladesh. The current consignment is of 6,500 bales of cotton weighing around 2,471 tonnes. The bales were packed into 42 wagons and sent to the neighbouring country via Kolkata.
- Cotton prices in Pakistan are highest in 11 years. Cotton prices in Pakistan were pushed to an 11 years high because of a decline in production. Cotton traded at Rs. 12,000/ maund, while its spot rate moved up to Rs. 11, 700/ maund, increase of Rs. 400 was recorded in the spot rate. The shortfall in production has resulted in the price rise. Cotton production in Pakistan is 5.6 million bales only for the current season, which is the lowest in the past 30 years.
- 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.

## **Cotlook A Index**

Cotlook A index was higher in this week. The Cotlook A Index was at 95.20 cents/lb higher compared to the previous week (96.89 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	04-Mar-21	25-Feb-21	
Prices	95.20	96.89	-1.74
Prices in US cents per Pound			

Source: Cotlook

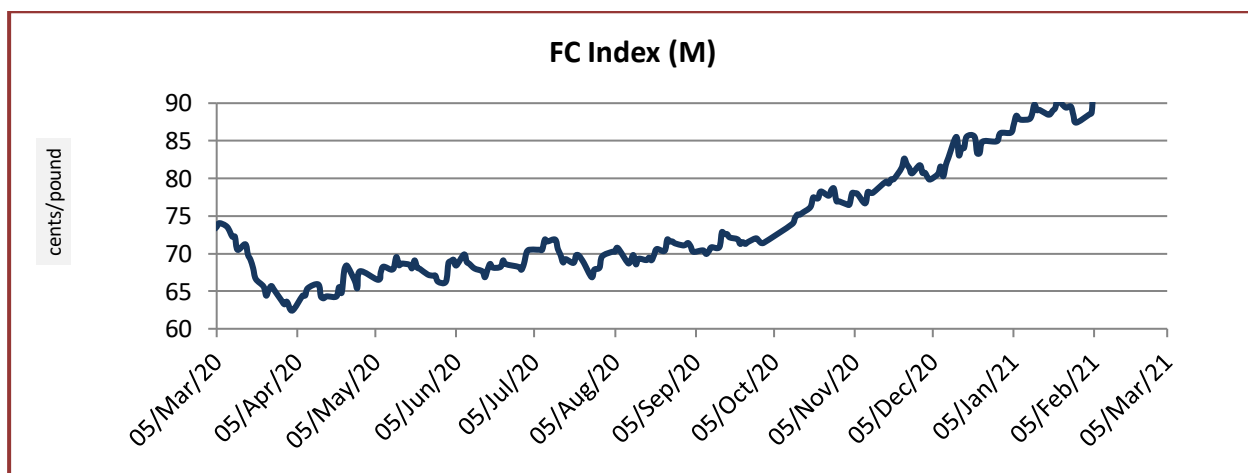


### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	04-Mar-21	25-Feb-21	
FC (S)	101.28	102.28	-0.97
FC (M)	97.24	98.96	-1.74
FC (L)	96.00	98.59	-2.63

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	04-Mar-21	25-Feb-21	
CCIndex(328)	16628.20	16299.80	2.01
CCIndex(527)	15627.20	15347.60	1.82
CCIndex(229)	16899.60	16519.40	2.30
Prices in Yuan per ton			

Source: China Cotton Association



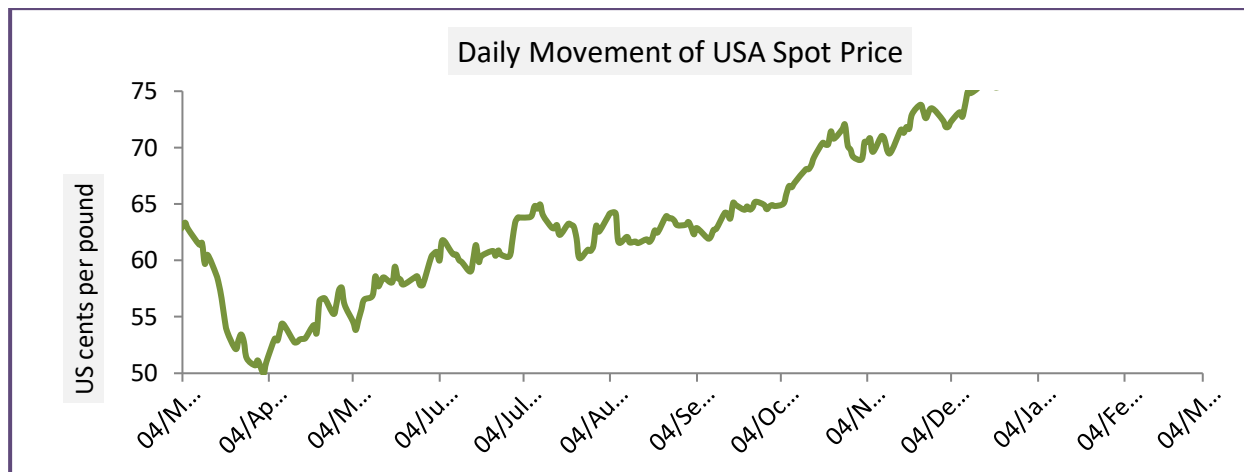
## USA Spot Prices

U.S.A spot prices have decreased from prior week by -2.59 percent at 89.90 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	04-Mar-21	25-Feb-21	
Prices	89.90	92.29	-2.59
Prices in US cents per Pound			

Source: USDA



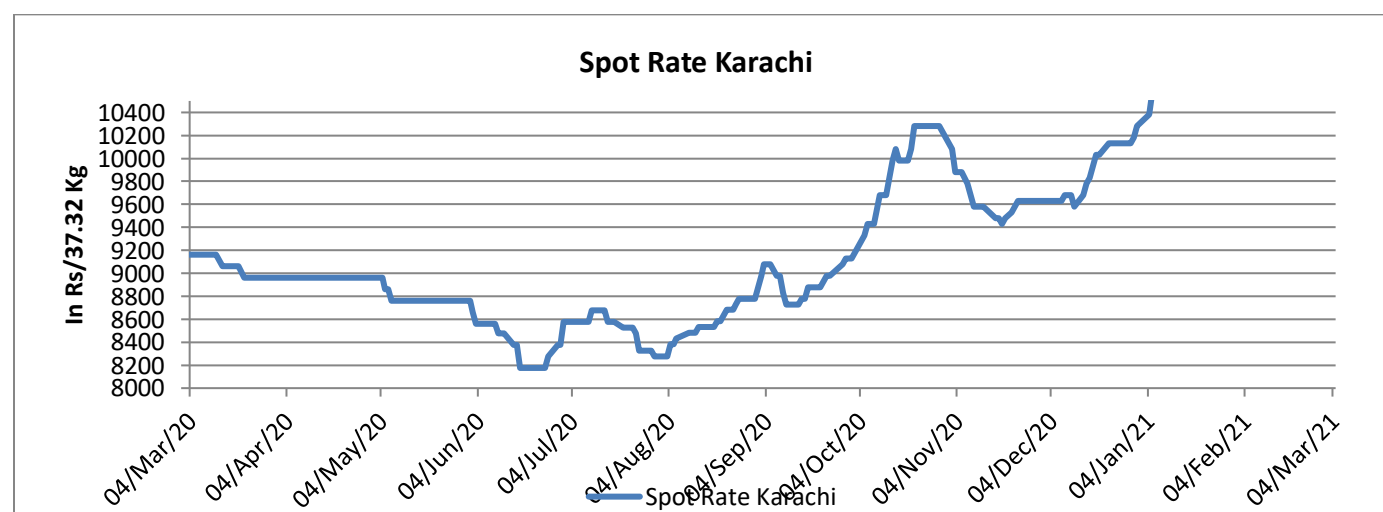


### Pakistan Spot Prices

The Karachi spot pricestood around Rs.12200/q higher than the previous week by 6.27 percent. (Rs. 11480/q)

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	04-Mar-21	25-Feb-21	
Prices	12200	11480	6.27
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: Mar. 31, 2021



### Technical Commentary:

- Therecenttrendincottonhasbeenbullish,butthemarkethasbeenquiteindecisiveoverthelastonemonth.
- Asupportingtrendlineispassingthrough20000,whilemildresistanceisseenaround22260.
- If the market tests the support at 21500, intraday long positions may be created.

### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC	Dec	20500	21500	22240	22260	22280
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Buy	22190	22220	22240	22200

Commodity: Cotton Seed oil Cake  
Contract: Mar

Exchange: NCDEX

Expiry: Mar 19<sup>th</sup>, 2020

### Cottonseed Oilcake

COTTON SEED OIL 2103(NCCOUH1)2021/03/07 - Weekly B:2291.00 A:2292.00  
O 2285.00 H 2306.00 L 2275.00 C 2292.00 ↓ V 35,460 I 60,710 +41 +1.82%



### Technical Commentary:

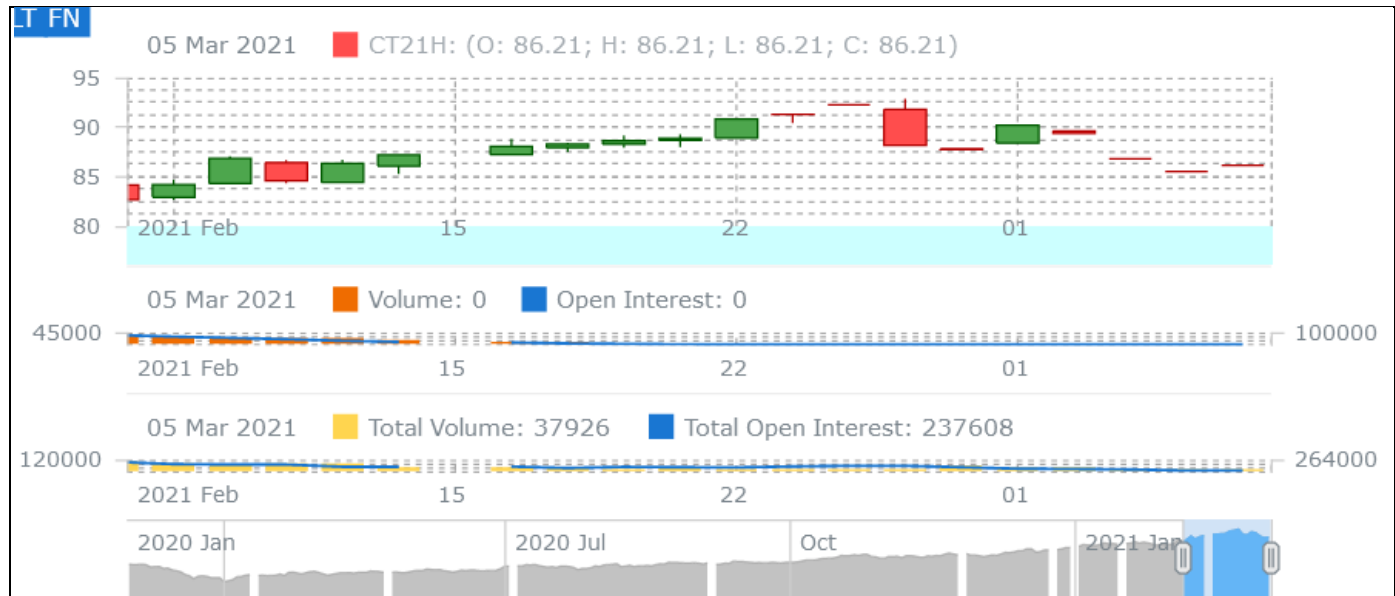
- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at2000andthentrendlinesupportat 2260. Strong resistance is seen at 2340.

### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1700	2000	2290	2340	2360
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2285	2300	2320	2290

\* 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

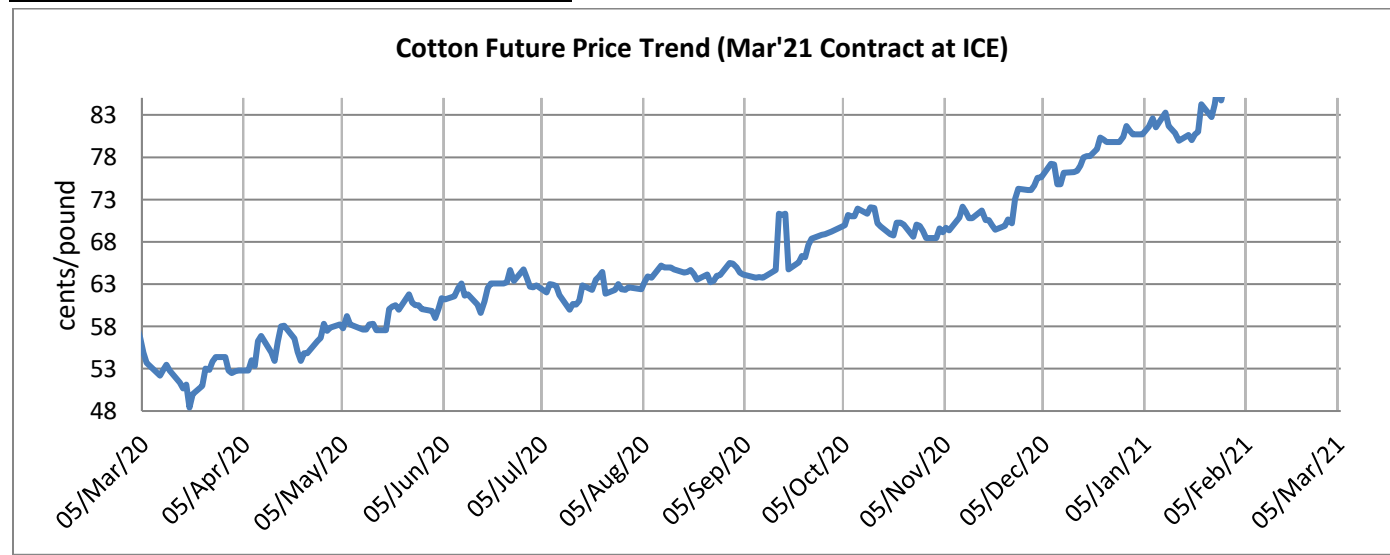
Support 1	Support 2	Resistance 1	Resistance 2
82	86	88	90

Figures in US cents/pound

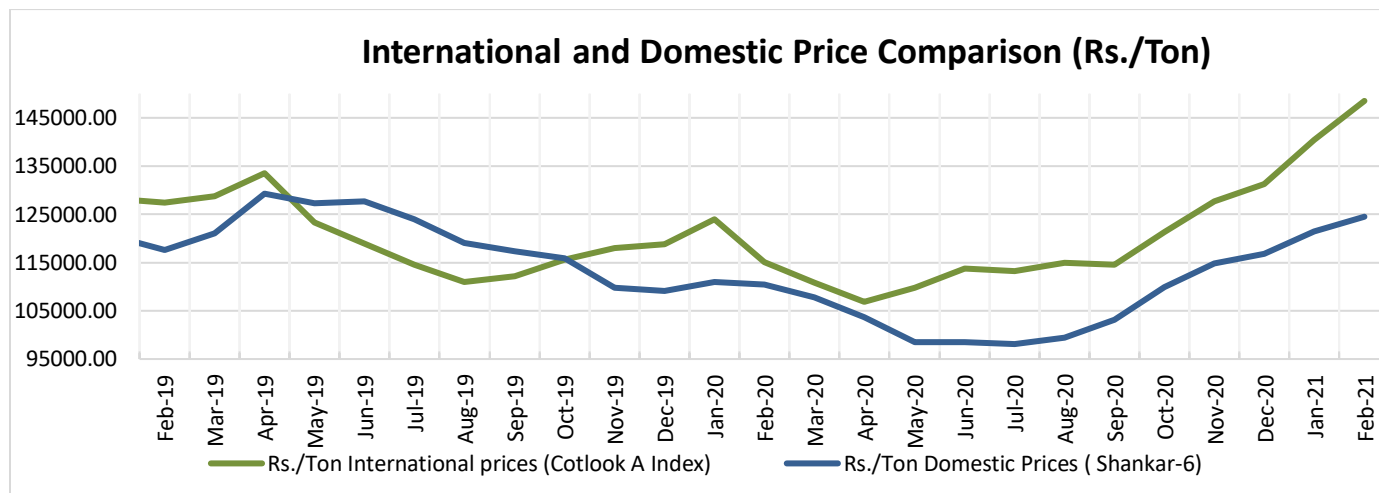
### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contra cts	5-Feb- 21	06-Jan-21 (1 month ago)	07-Nov-20 (3 months ago)	09-A-20 (6 months ago)	5-Feb-20 (a year ago)	% Change over a month	% Change over previous year
Mar-21	82.74	80.06	70.15	63.19	69.66	3.35	18.78
May- 21	84.02	80.85	71.02	64.21	68.11	3.92	23.36
Jul-21	84.84	81.51	71.75	64.66	68.95	4.09	23.05
Oct-21	81.29	78.21	69.32	63.37	68.07	3.94	19.42
Dec-21	81.01	76.21	68.67	62.80	68.77	6.30	17.80

### 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	26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Gujarat	Ahmedabad	Shankar-6	6467	6467	Unch
	Gondal	Shankar-6	6318	6330	-13
	Rajkot	B.T. Cotton	6344	6294	50
	Patan	B.T. Cotton	6439	6418	22
	Kadi	B.T. Cotton	6467	6450	17
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6058	6045	13
Haryana	Bhiwani	B.T. Cotton	6100	6100	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6045	6015	30
	Fatehabad	B.T. Cotton	5958	5985	-28
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5995	5979	16
Rajasthan	Hanumangarh	B.T. Cotton	6233	6170	63
	Rawatsar	B.T. Cotton	6189	6154	35

Madhya Pradesh	Khandwa	Mech-1	6380	6380	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5838	5988	-150
	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	6703	6672	31
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	3809	4444	-635
	Raichur	H-44 Cotton	6000	5983	17
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Punjab	Bhatinda	J-34	4652	4630	22
	Abohar	J-34	4650	4632	18
	Mansa	J-34	4653	4635	18
Haryana	Sirsa	J-34	4572	4530	42
Rajasthan	Sri-Ganganagar	J-34	4388	4311	77

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Gujarat	Ahmedabad	Shankar-6	268600	289000	-20400
	Gondal	Shankar-6	11003	9945	1058
	Rajkot	B.T. Cotton	19335	21800	-2465
	Patan	B.T. Cotton	8630	12015	-3385
	Kadi	B.T. Cotton	150000	190000	-40000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	654	1393	-739
Haryana	Bhiwani	B.T. Cotton	1600	4500	-2900
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7990	7480	510
	Fatehabad	B.T. Cotton	1450	2250	-800
	Jind	B.T. Cotton	NA	NA	-

	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	2425	1600	825
Rajasthan	Hanumangarh	B.T. Cotton	3200	3300	-100
	Rawatsar	B.T. Cotton	3700	2000	1700
Madhya Pradesh	Khandwa	Mech-1	900	1150	-250
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	65000	54000	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	9167	10105	-938
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	1	39	-38
	Raichur	H-44 Cotton	104	126	-22
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Punjab	Bhatinda	J-34	30600	30600	Unch
	Abohar	J-34	3740	3910	-170
	Mansa	J-34	3485	3570	-85
Haryana	Sirsa	J-34	3570	2720	850
Rajasthan	Sri-Ganganagar	J-34	10000	10000	Unch



Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	05-Mar-21	26-Feb-21	05-Mar-21	05-Mar-20
Gujarat	Ahmedabad	Shankar-6	6500	6500	6500	5300
	Gondal	Shankar-6	6330	6230	6330	5500
	Rajkot	B.T. Cotton	6360	6340	6360	5530
	Patan	B.T. Cotton	6385	6380	6385	5515
	Kadi	B.T. Cotton	6500	6300	6500	5550
	Deesa	B.T. Cotton	0	0	0	NA
	Dhrol	B.T. Cotton	NA	6015	NA	NR
Haryana	Bhiwani	B.T. Cotton	0	6100	0	5600
	Bhiwani	Desi	0	0	0	NA
	Adampur	B.T. Cotton	6000	6000	6000	5350
	Fatehabad	B.T. Cotton	5900	5925	5900	5350
	Jind	B.T. Cotton	0	0	0	5700
	Uchana	B.T. Cotton	0	0	0	5385
	Dabwali	B.T. Cotton	6010	6000	6010	NR
Rajasthan	Hanumangarh	B.T. Cotton	6250	6300	6250	Closed
	Rawatsar	B.T. Cotton	6150	6225	6150	Closed
Madhya Pradesh	Khandwa	Mech-1	6300	6300	6300	5491
	Khargaon	Mech-1	0	0	0	5427
Maharashtra	Amravati	Mech-1	5925	5850	5925	5300
	Jamner	Medium Staple	0	0	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	0	0	0	NA
	Hathras	Desi	0	0	0	NA
Telangana	Adilabad	Un-Ginned	0	0	0	5400
Karnataka	Bijapur	Bunny	6579	6689	6579	5929
	Hubli	D.C.H.	0	0	0	NA
	Hubli	B.T. Cotton	0	0	0	NA
	Raichur	H-44 Cotton	6000	6000	6000	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago

State	Centre	Variety	05-Mar-21	26-Feb-21	05-Mar-21	05-Mar-20
Punjab	Bhatinda	J-34	4620	4590	4620	4030
	Abohar	J-34	4640	4590	4640	4060
	Mansa	J-34	4630	4600	4630	4050
Haryana	Sirsa	J-34	4530	4500	4530	4010
Rajasthan	Sri-Ganganagar	J-34	4348	Closed	4348	3713

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	05-Mar-21	26-Feb-21	05-Mar-21	05-Mar-20
Gujarat	Ahmedabad	Shankar-6	42500	51000	42500	47600
	Gondal	Shankar-6	1644	2022	1644	#N/A
	Rajkot	B.T. Cotton	2900	3700	2900	#N/A
	Patan	B.T. Cotton	1130	1730	1130	3450
	Kadi	B.T. Cotton	20000	50000	20000	#N/A
	Deesa	B.T. Cotton	0	0	0	#N/A
	Dhrol	B.T. Cotton	NA	230	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	0	800	0	1200
	Bhiwani	Desi	0	0	0	#N/A
	Adampur	B.T. Cotton	1020	1360	1020	#N/A
	Fatehabad	B.T. Cotton	200	250	200	#N/A
	Jind	B.T. Cotton	0	0	0	#N/A
	Uchana	B.T. Cotton	0	0	0	#N/A
	Dabwali	B.T. Cotton	125	400	125	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	700	500	700	#N/A
	Rawatsar	B.T. Cotton	800	200	800	500
Madhya Pradesh	Khandwa	Mech-1	200	250	200	#N/A
	Khargaon	Mech-1	0	0	0	#N/A
Maharashtra	Amravati	Mech-1	10000	10000	10000	#N/A
	Jamner	Medium Staple	0	0	0	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	0	0	0	#N/A
	Hathras	Desi	0	0	0	#N/A
Telangana	Adilabad	Un-Ginned	0	0	0	4470

<b>Karnataka</b>	Bijapur	Bunny	1195	1589	1195	2599
	Hubli	D.C.H.	0	0	0	2
	Hubli	B.T. Cotton	0	0	0	0
	Raichur	H-44 Cotton	22	22	22	1800
<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>05-Mar-21</b>	<b>26-Feb-21</b>	<b>05-Mar-21</b>	<b>05-Mar-20</b>
<b>Punjab</b>	Bhatinda	J-34	5100	5100	5100	6800
	Abohar	J-34	510	680	510	1700
	Mansa	J-34	340	680	340	680
	Sirsa	J-34	680	510	680	850
	Sri-Ganganagar	J-34	2000	Closed	2000	500

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				26th Feb'21 to 04th Mar'21	19th Feb'21 to 25th Feb'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38417	38783	-367
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38917	39283	-367
J-34(202)	26mm	3.5 - 4.9	23	43717	43883	-167
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43983	43867	117
Shankar-6(105)	29mm	3.5 - 4.9	28	45433	45283	150
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48083	47967	117
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48550	48483	67
DCH-32(107)	34mm	3.0 - 3.8	33	72317	69633	2683

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