

COTTON WEEKLY RESEARCH REPORT
15th 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 91,86,678 cotton bales till 08th March'21. Cotton prices have increased 5 percent in a month. 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 90,000 bales.
- Cotlook index stood higher(93.15cents/lbs) compared to the ICE cotton future that stood at 88.32 cents/lbs.
- Indian rupee remained stronger between 72.78 to 73.25 against USD compared to last week.

Market Highlights:

- **CCI procurement reached 91, 86,678 cotton bales till 08th March'21.** Procurement operations of seed cotton under MSP are going on smoothly in the states of Punjab, Haryana, Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Telangana, Andhra Pradesh, Odisha and Karnataka, CCI has procured around 91,86,678 cotton bales valuing Rs. 26,719.51 crore has been procured benefitting 18,97,002 farmers.
- **Cotton stock at MCX warehouse reached highest on export demand.** Cotton stock in MCX accredited warehouse has touched a new high of 2, 16,600 bales as on March 5 against previous high of 2,14,700 bales logged on March 30, 2019. The rising stock at warehouse was on the back of increasing hedging activities as the export demand, especially from China, has hit a new high. Also, Cotton prices have gained over 10 per cent so far and showed the firm trend in the global cotton trade. Cotton production globally is projected to touch a four-year low and imports by China are estimated higher. The Centre's decision to impose a ten per cent duty on imported cotton is seen as supporting domestic price.
- **Indian Cotton prices increase 5 percent in a month.** Prices of Indian cotton have increased 5% in the past month, following the bullish trend in the international market. Although, cotton exports are strong as Indian cotton is cheaper than the overseas varieties. Cotton prices have increased to Rs 46,000 per candy

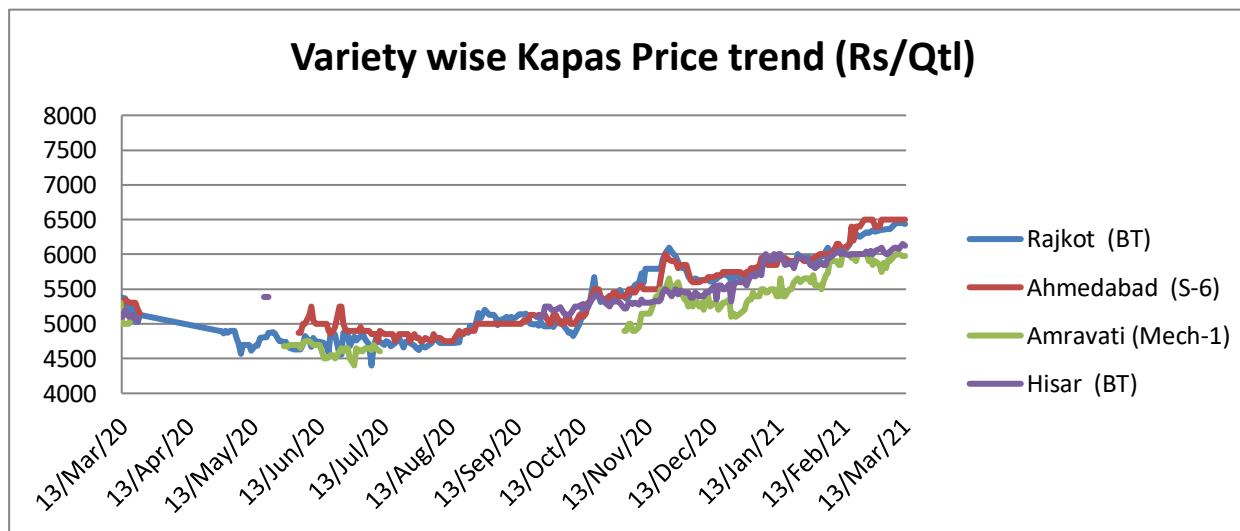
of 356 kg from Rs 44,000 over the past month as the domestic cotton production is expected to be much lower than expected earlier. As against the earlier estimate of 40 million bales, the industry now expects the 2020-21 cotton production to be about 33 million bales. Projection of lower output in the next cotton crop as the major cotton producing nations including US and Brazil, farmers are shifting to maize and soyabean, which have given better returns, have also supported domestic price. Cotton prices are 13 percent cheaper than the prevailing global cotton prices.

- **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.

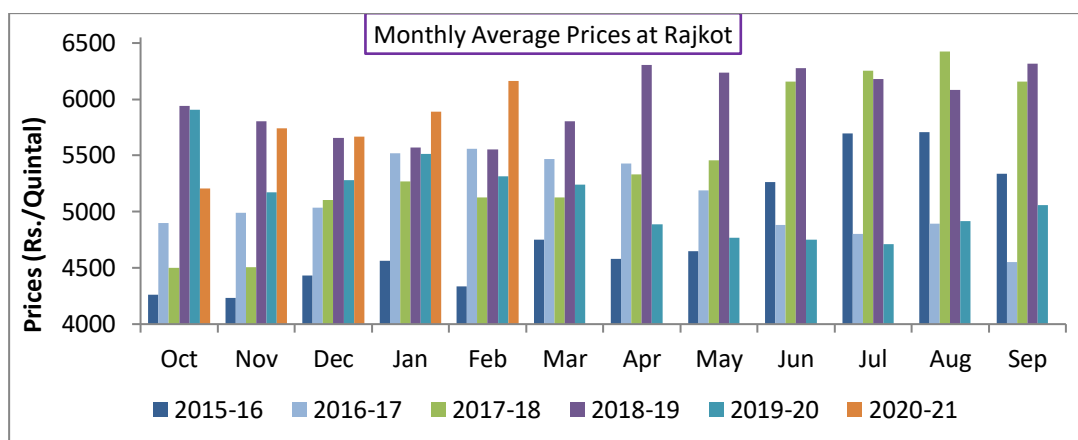
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 6409/q from previous week Rs. 6344/q and Ahmedabad prices were higher at Rs. 6500 from previous week at Rs. 6466/q.



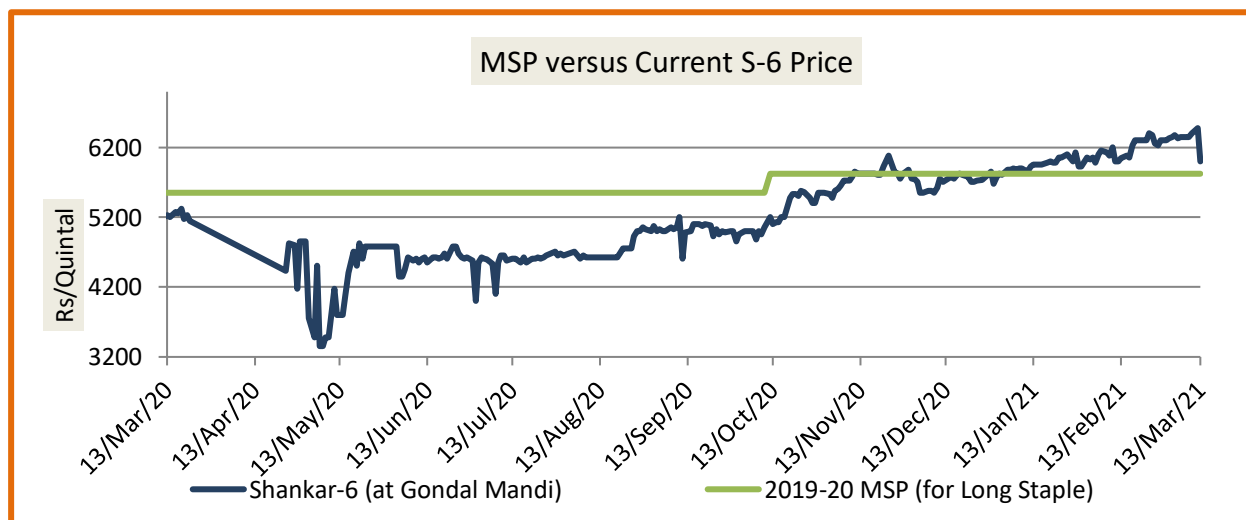
Kapas Monthly M-o-M Price Scenario



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. 6360/q from Rs. 6317/q previous week.

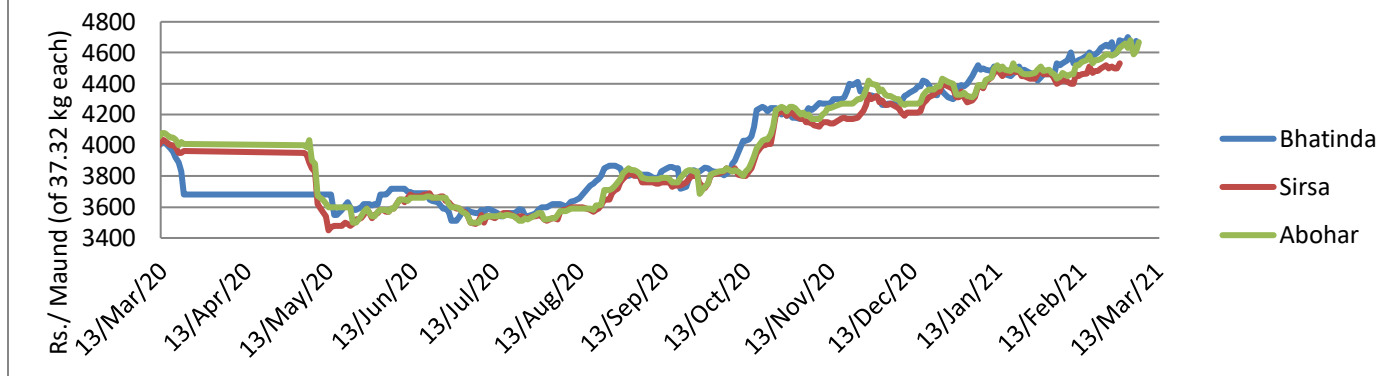


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs. 4705/maund of lint in Abohar, prices were also higher in Bhatinda at Rs. 4685/maund and Rs. 4592/maund in Sirsa from previous week.

Lint Price Trend at Key Centers

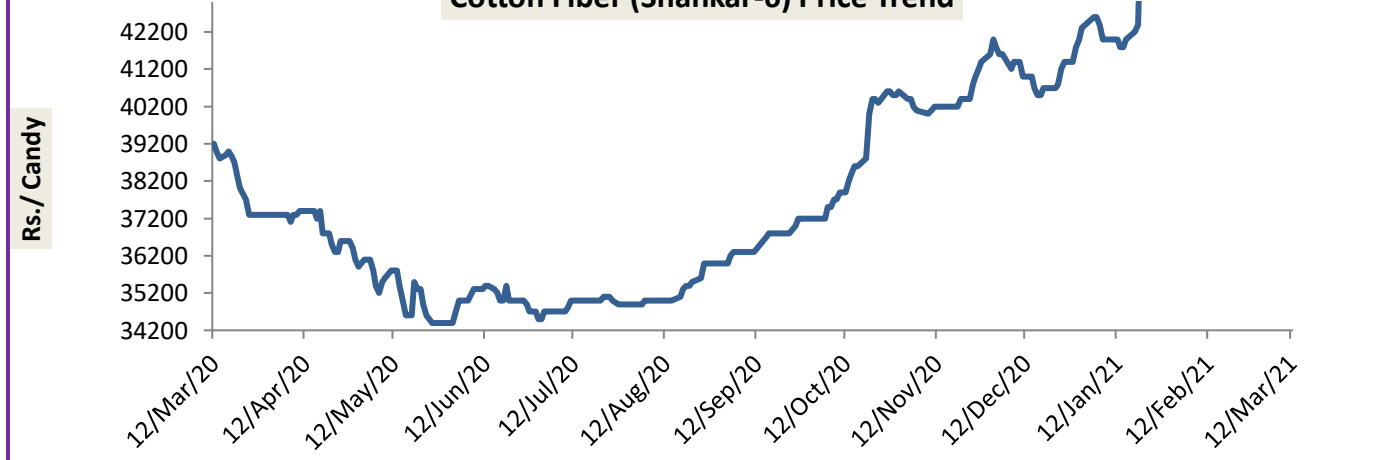


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.46660/candy from around Rs.48150/ candy last week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

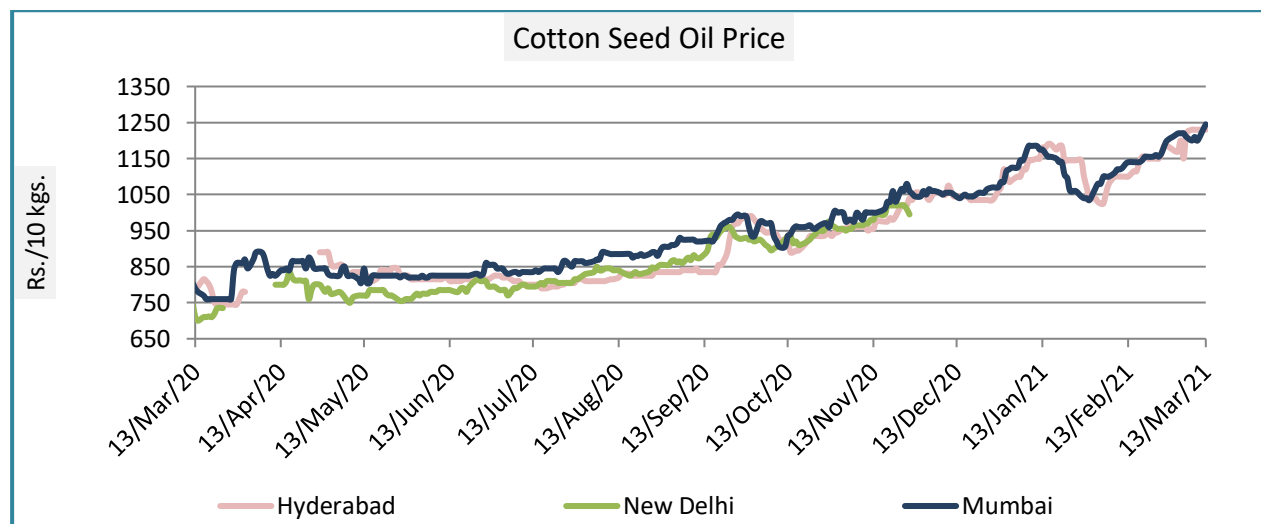
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have increased across all the centres during the week ending on 11th Mar'21. Weekly average price in Mumbai stood high at Rs. 1226, in New Delhi the prices were around Rs. 1180 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	11-Mar-21	04-Mar-21	
New Delhi	1180	1166	1.20
Rajkot	1199	1172	2.32
Hyderabad	1227	1230	-0.24
Mumbai	1226	1214	0.99

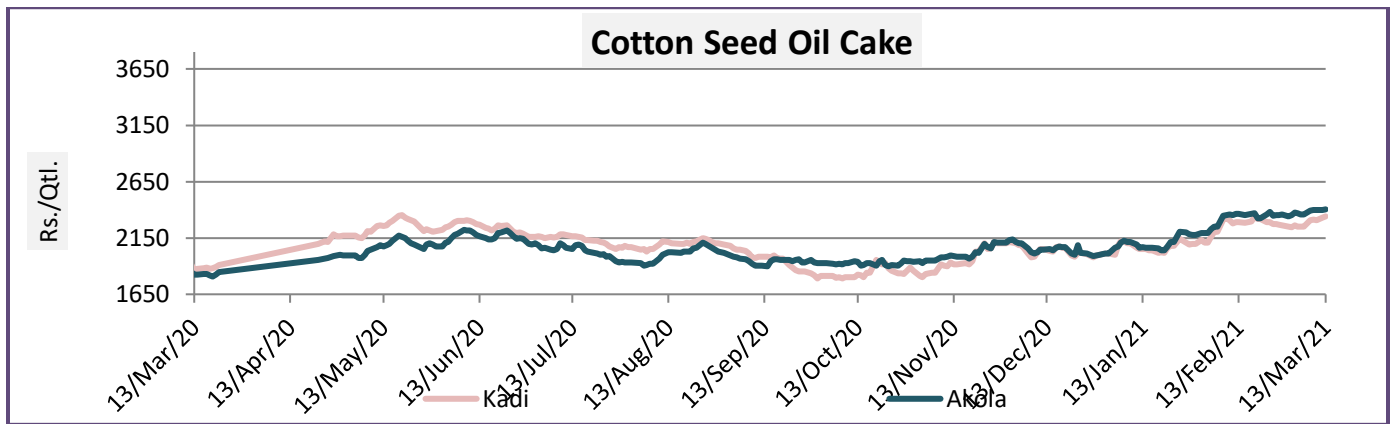
Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

The cotton daily arrivals have decreased and are close to 90,000 bales. The average price of cotton seed oil cake has increased in Kadi at Rs. 2286 per quintal from Rs. 2255 per quintal and in Akola were at Rs. 2382 per quintal from Rs. 2359 per quintal previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	11-Mar-21	04-Mar-21	
Kadi	2286	2255	1.37
Akola	2382	2359	0.96



Source: NCDEX

International Market Scenario

- The global 2020-21 cotton supply and demand estimates shows lower production and ending stocks, but higher mill use and trade. Estimated global production is reduced nearly 830,000 bales largely due to lower Brazilian and U.S. production. Cotton imports pace and indications of recovering global consumption helped boost consumption estimates for turkey, Bangladesh, Pakistan and Vietnam, more than offsetting lower projections for U.S. and Taiwan. The forecast for 2020-21 world trade is more than 600,000 bales. On export side, higher Indian exports accounts for most of the increase as auctions by Cotton Corporation of India have released much of the cotton purchased during last year under the MSP program.
- 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.

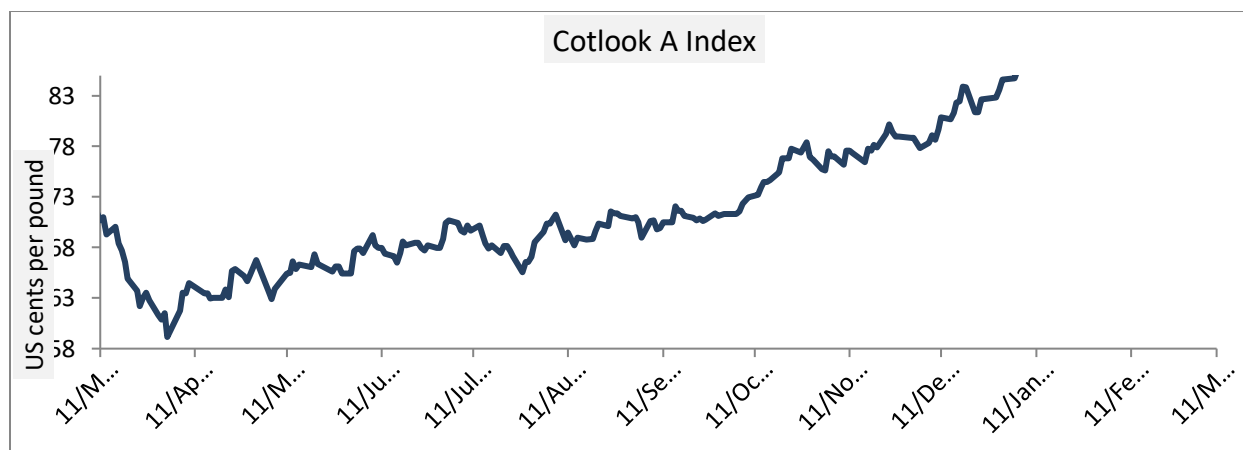
Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 92.39 cents/lb lower compared to the previous week (95.20 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	11-Mar-21	04-Mar-21	
Prices	92.39	95.20	-2.95

Prices in US cents per Pound

Source: Cotlook

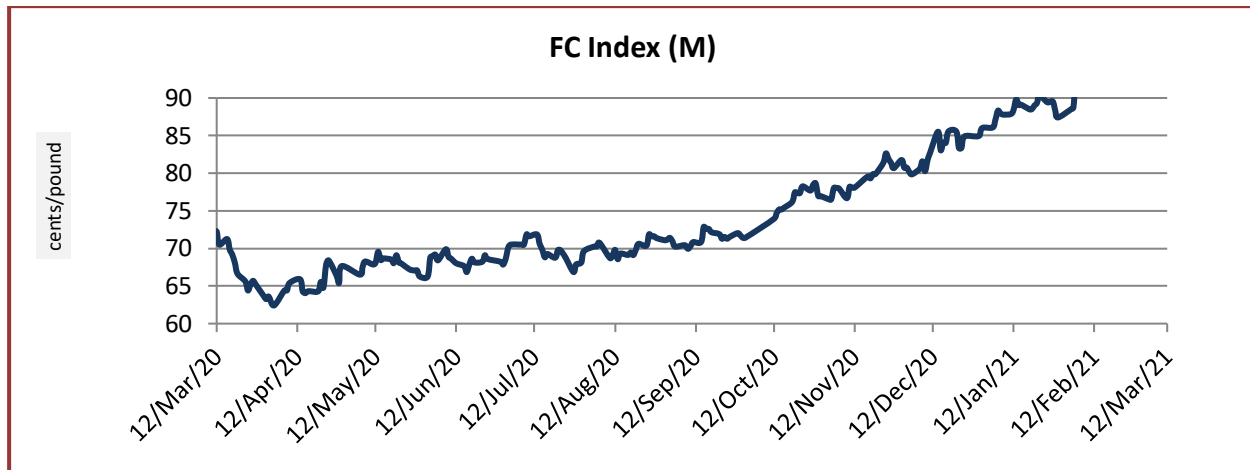


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	11-Mar-21	04-Mar-21	
FC (S)	99.02	101.28	-2.23
FC (M)	95.06	97.24	-2.24
FC (L)	93.69	96.00	-2.41

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	11-Mar-21	04-Mar-21	
CCIndex(328)	16258.00	16628.20	-2.23
CCIndex(527)	15413.50	15627.20	-1.37
CCIndex(229)	16593.25	16899.60	-1.81
			Prices in Yuan per ton

Source: China Cotton Association

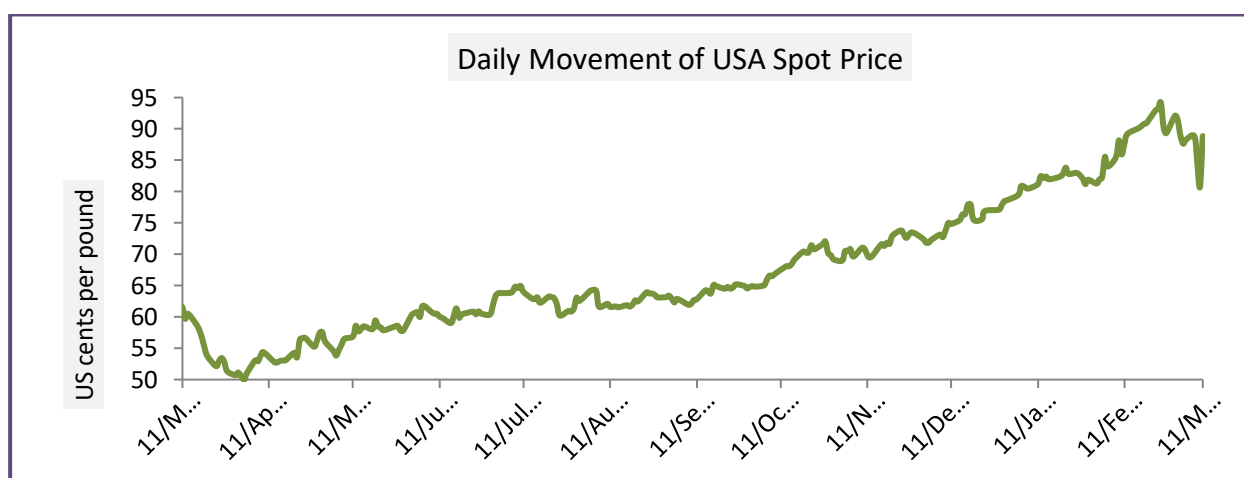


USA Spot Prices

U.S.A spot prices have decreased from prior week by -4.72 percent at 85.66 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	11-Mar-21	04-Mar-21	
Prices	85.66	89.90	-4.72
Prices in US cents per Pound			

Source: USDA

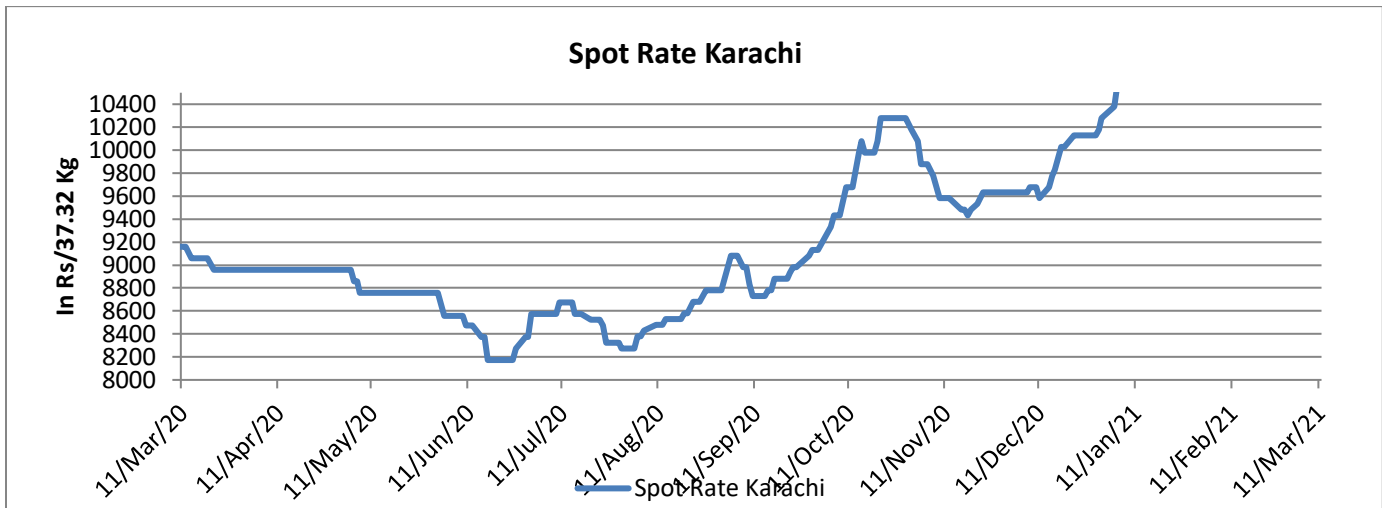


Pakistan Spot Prices

The Karachi spot price stood around Rs.12330/q higher than the previous week by 1.07 percent. (Rs. 12200/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	11-Mar-21	04-Mar-21	
Prices	12330	12200	1.07
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	22100	22260	22280
	X						
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Buy	22000	22220	22240	22200
	X						

Exchange: NCDEX
Commodity: Cotton Seed oil Cake
Contract: Mar
Expiry: Mar 19th, 2020
Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/03/14 - Weekly B:2438.00 A:2440.00
O 2374.00 H 2442.00 L 2374.00 C 2439.00 ↑ V 91,500 I 126,570 +99 +4.23%



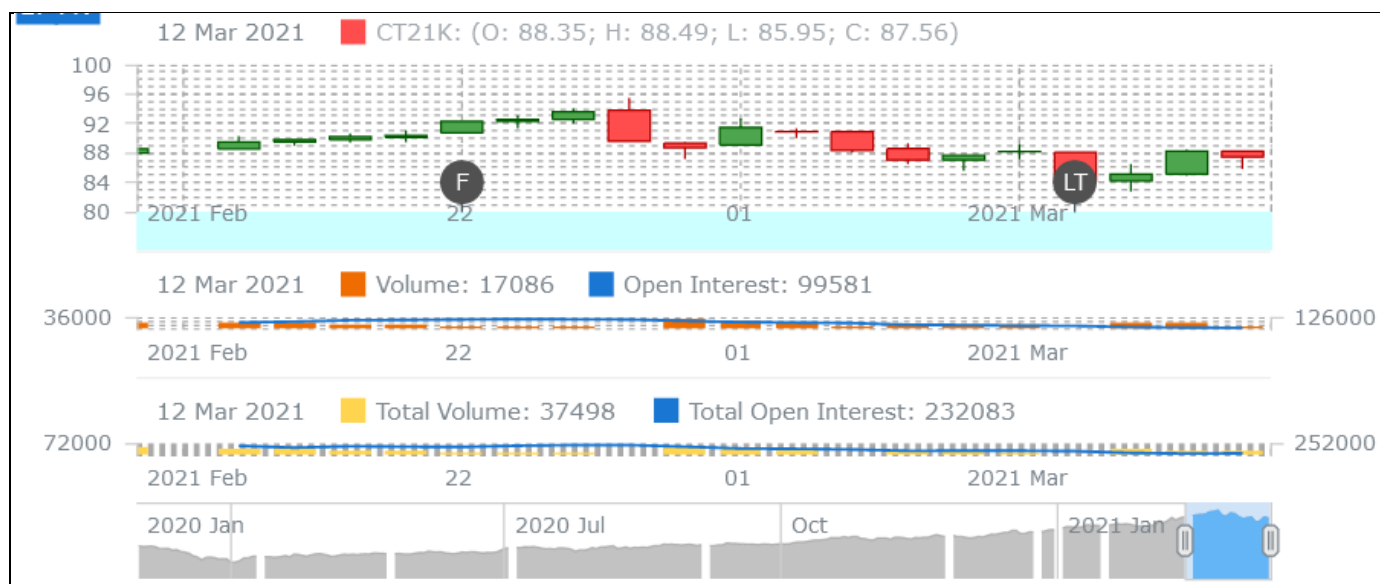
Technical Commentary:

- 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	2433	2340	2360
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2374	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	88-90

Expected Support and Resistance

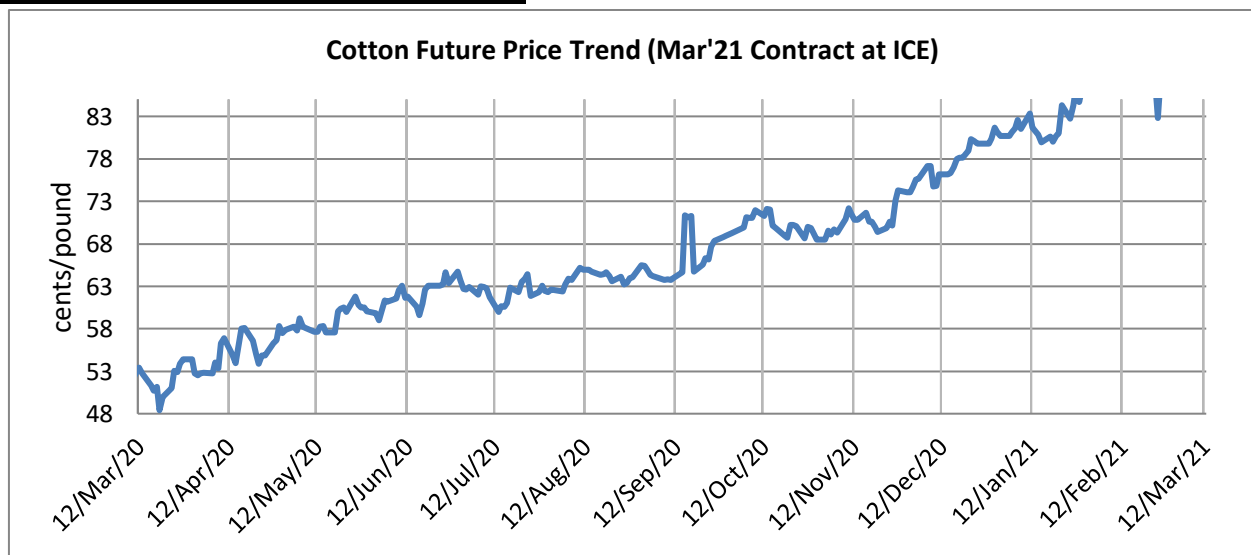
Support 1	Support 2	Resistance 1	Resistance 2
84	86	90	92

Figures in US cents/pound

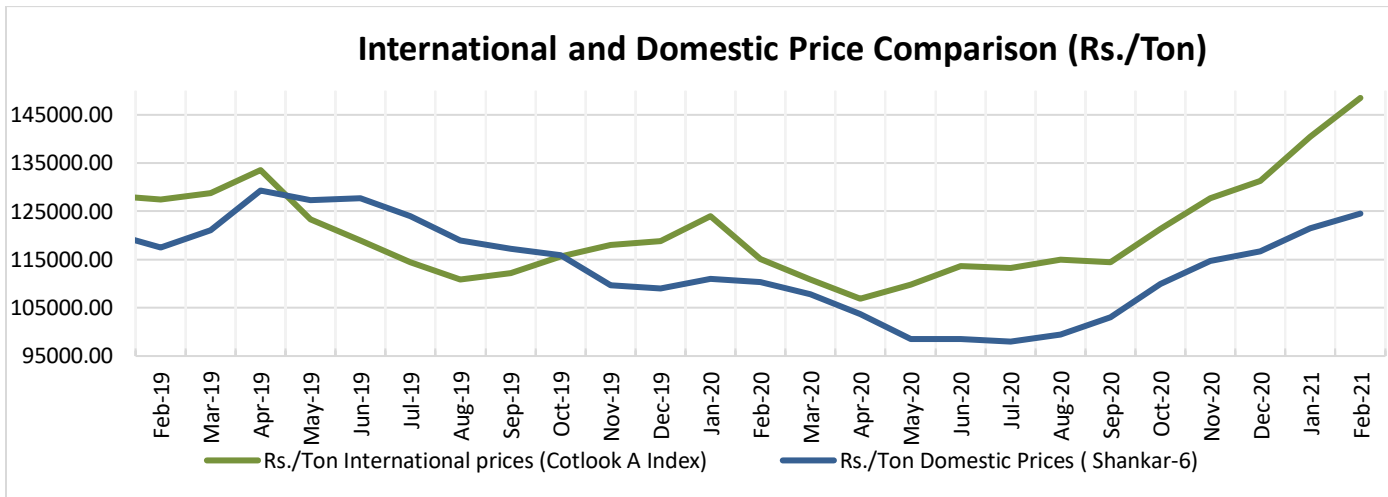
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contra cts	12- Mar-21	09-Feb-21 (1 month ago)	12-Dec-20 (3 months ago)	13-Sep-20 (6 months ago)	12-Mar- 20 (a year ago)	% Change over a month	% Change over previous year
May- 21	87.56	88.13	74.89	66.56	62.59	-0.65	39.89
Jul-21	88.57	88.89	75.54	67.22	62.41	-0.36	41.92
Oct-21	84.80	84.42	73.47	65.85	62.43	0.45	35.83
Dec-21	84.20	83.67	72.37	64.81	63.32	0.63	32.98
Mar- 22	83.13	83.76	72.87	64.06	64.00	-0.75	29.89

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	
Gujarat	Ahmedabad	Shankar-6	6500	6467	33
	Gondal	Shankar-6	6360	6318	43
	Rajkot	B.T. Cotton	6409	6344	65
	Patan	B.T. Cotton	6429	6439	-10
	Kadi	B.T. Cotton	6500	6467	33
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6100	6058	43
Haryana	Bhiwani	B.T. Cotton	6200	6100	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6064	6045	19
	Fatehabad	B.T. Cotton	5954	5958	-4
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5989	5995	-6
Rajasthan	Hanumangarh	B.T. Cotton	6270	6233	37
	Rawatsar	B.T. Cotton	6170	6189	-19
Madhya Pradesh	Khandwa	Mech-1	6300	6380	-80
	Khargaoon	Mech-1	NA	NA	-

Maharashtra	Amravati	Mech-1	5960	5838	123
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned		NA	-
Karnataka	Bijapur	Bunny	6660	6703	-43
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4074	3809	265
	Raichur	H-44 Cotton	6000	6000	Unch
Commodity	Lint		Prices (Rs./Maunder of 37.32kg each)		Change
State	Centre	Variety	05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	
Punjab	Bhatinda	J-34	4685	4652	33
	Abohar	J-34	4704	4650	54
	Mansa	J-34	4688	4653	35
Haryana	Sirsa	J-34	4592	4572	20
Rajasthan	Sri-Ganganagar	J-34	4418	4388	30

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	
Gujarat	Ahmedabad	Shankar-6	112000	268600	-156600
	Gondal	Shankar-6	31800	11003	20797
	Rajkot	B.T. Cotton	12135	19335	-7200
	Patan	B.T. Cotton	7338	8630	-1292
	Kadi	B.T. Cotton	85000	150000	-65000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	258	654	-396
Haryana	Bhiwani	B.T. Cotton	4000	1600	2400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5610	7990	-2380
	Fatehabad	B.T. Cotton	800	1450	-650
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-

	Dabwali	B.T. Cotton	695	2425	-1730
Rajasthan	Hanumangarh	B.T. Cotton	3100	3200	-100
	Rawatsar	B.T. Cotton	3700	3700	Unch
Madhya Pradesh	Khandwa	Mech-1	800	900	-100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	47000	65000	-18000
	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	5447	9167	-3720
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	8148	1	8147
	Raichur	H-44 Cotton	89	104	-15
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	Change
Punjab	Bhatinda	J-34	24650	30600	-5950
	Abohar	J-34	2295	3740	-1445
	Mansa	J-34	1955	3485	-1530
Haryana	Sirsa	J-34	2720	3570	-850
Rajasthan	Sri-Ganganagar	J-34	9500	10000	-500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	15-Mar-21	08-Mar-21	15-Mar-21	15-Mar-20
Gujarat	Ahmedabad	Shankar-6	6500	6500	6500	#N/A
	Gondal	Shankar-6	6530	6355	6530	5500
	Rajkot	B.T. Cotton	6725	6425	6725	5530
	Patan	B.T. Cotton	6600	6495	6600	5515
	Kadi	B.T. Cotton	6500	6500	6500	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	NA	6250	NA	NR

Haryana	Bhiwani	B.T. Cotton	6225	6200	6225	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	6150	6100	6150	5350
	Fatehabad	B.T. Cotton	6125	5900	6125	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	5950	6015	5950	NR
Rajasthan	Hanumangarh	B.T. Cotton	6400	6300	6400	Closed
	Rawatsar	B.T. Cotton	6300	6200	6300	Closed
Madhya Pradesh	Khandwa	Mech-1	6500	6300	6500	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	5950	5975	5950	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	6669	NA	5929
	Hubli	D.C.H.	5000	4209	5000	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	6000	NA	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	15-Mar-21	08-Mar-21	15-Mar-21	15-Mar-20
Punjab	Bhatinda	J-34	4730	4720	4730	#N/A
	Abohar	J-34	4720	4760	4720	#N/A
	Mansa	J-34	4725	4730	4725	#N/A
Haryana	Sirsa	J-34	4620	4630	4620	#N/A
Rajasthan	Sri-Ganganagar	J-34	4456	4465	4456	#N/A

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	15-Mar-21	08-Mar-21	15-Mar-21	15-Mar-20
Gujarat	Ahmedabad	Shankar-6	37400	37400	37400	#N/A
	Gondal	Shankar-6	1336	1614	1336	#N/A
	Rajkot	B.T. Cotton	1800	2200	1800	#N/A
	Patan	B.T. Cotton	1208	1503	1208	3450

	Kadi	B.T. Cotton	12500	10000	12500	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	98	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	1500	1000	1500	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1700	1360	1700	#N/A
	Fatehabad	B.T. Cotton	125	150	125	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	100	200	100	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	600	500	600	#N/A
	Rawatsar	B.T. Cotton	500	600	500	#N/A
Madhya Pradesh	Khandwa	Mech-1	80	200	80	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	10000	10000	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	1259	NA	#N/A
	Hubli	D.C.H.	7	6	7	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	NA	22	NA	#N/A
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	15-Mar-21	08-Mar-21	15-Mar-21	15-Mar-20
Punjab	Bhatinda	J-34	3400	5100	3400	#N/A
	Abohar	J-34	340	510	340	#N/A
	Mansa	J-34	170	425	170	#N/A
	Sirsa	J-34	510	340	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
				05th Mar'21 to 11th Mar'21	26th Feb'21 to 04th Mar'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37760	38417	-657
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38260	38917	-657
J-34(202)	26mm	3.5 - 4.9	23	43820	43717	103
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	44260	43983	277
Shankar-6(105)	29mm	3.5 – 4.9	28	45580	45433	147
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48280	48083	197
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48860	48550	310
DCH-32(107)	34mm	3.0 - 3.8	33	72960	72317	643

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