

COTTON WEEKLY RESEARCH REPORT
22nd Mar 2021**Domestic market summary**

Domestic Market Scenario: CCI procurement reached 91, 86,803 cotton bales. 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 till 14th March'21, valuing Rs. 26,719.51 crore has been procured benefitting 18,97,002 farmers.

Weekly Price Outlook : The average price of Kapas is likely to remain firm between Rs. 5830-6600/q in Rajkot while the prices in Andhra Pradesh is likely to hover around Rs.4900-5600/q.

Major Market Highlights:

- All India daily arrivals are now around 75,000 bales.
- Cotlook index stood higher(93.25cents/lbs) compared to the ICE cotton future that stood at 86.72 cents/lbs.
- Indian rupee remained stronger between 72.47 to 72.55 against USD compared to last week.

Market Highlights:

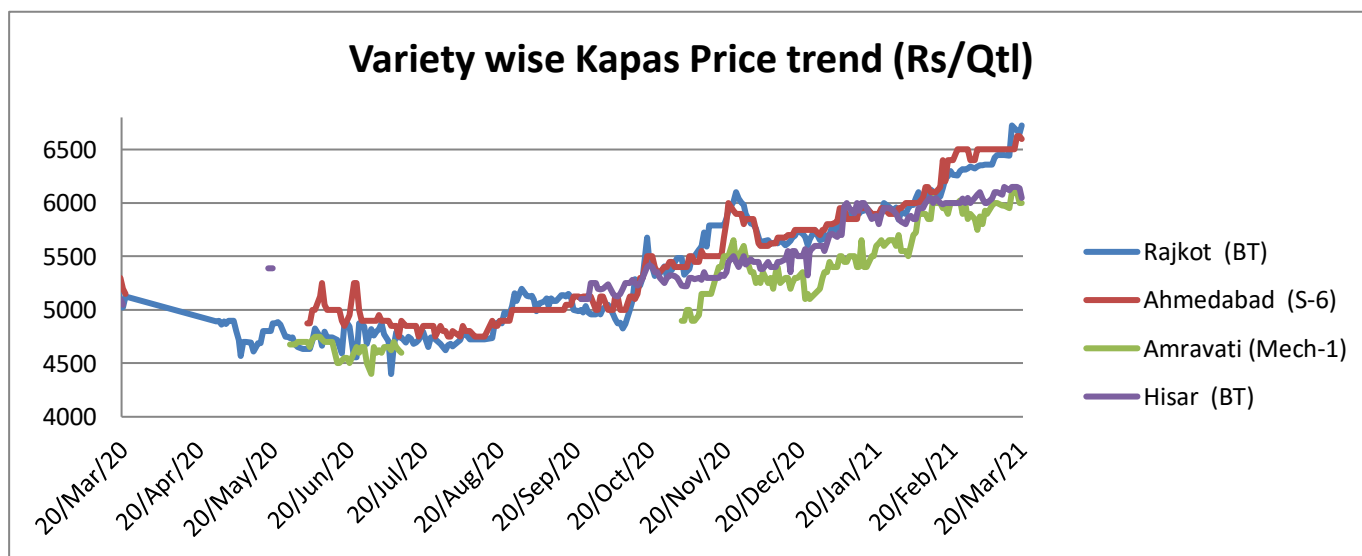
- **NactoPharma limited is planning to launch India's first green label pheromone product for effective management of Pink Bollworm in cotton crop during kharif 2021.** The product will be launched under the brand Natmate PBW. This is the first pheromone based indigenously manufactured product for mating disruption that received approval from Central Insecticide Board.
- **CAI Crop Committee has estimated the total cotton supply till end of the cotton season 2020-21 at 495.50 lakh bales of 170 kg each.** The total cotton supply consists of the opening stock of 125 lakh bales of 170 kg each at the beginning of the cotton season on October 1, 2020, crop for the season estimated at 358.50 lakh bales, and the imports now estimated at 12 lakh bales as against 15.50 lakh bales estimated for the previous cotton season 2019-20. CAI has also retained the domestic consumption estimate at the pre-lockdown level of 330 lakh bales. The exports for the season have now been revised to 60 lakh bales from the previous month's estimate of 54 lakh bales. The carry-over stock at the end of the cotton season 2020-21 is estimated at 105.50 lakh bales, as against 107.50 lakh bales estimated earlier.

- **Raw cotton prices have increased about 15 percent more than MSP.** The current cotton prices in the market are prevailing at 6,500-6,600 per quintal, which is about 15 percent higher than the minimum support price of 5825 per quintal. Also, the CCI arrivals have slowed down to 90,000 bales a day.

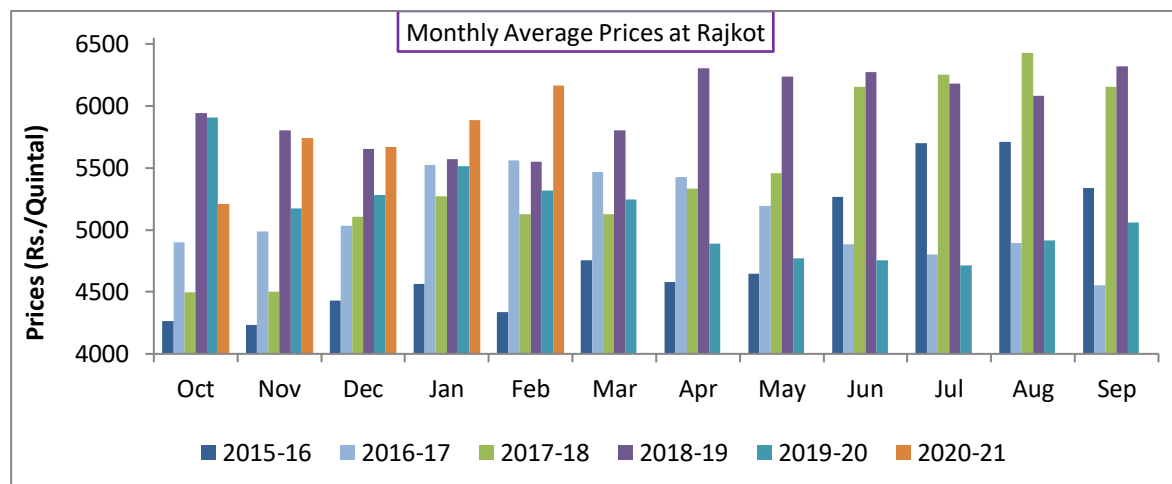
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 6553/q from previous week Rs. 6409/q and Ahmedabad prices were same as previous week at Rs. 6500/q.



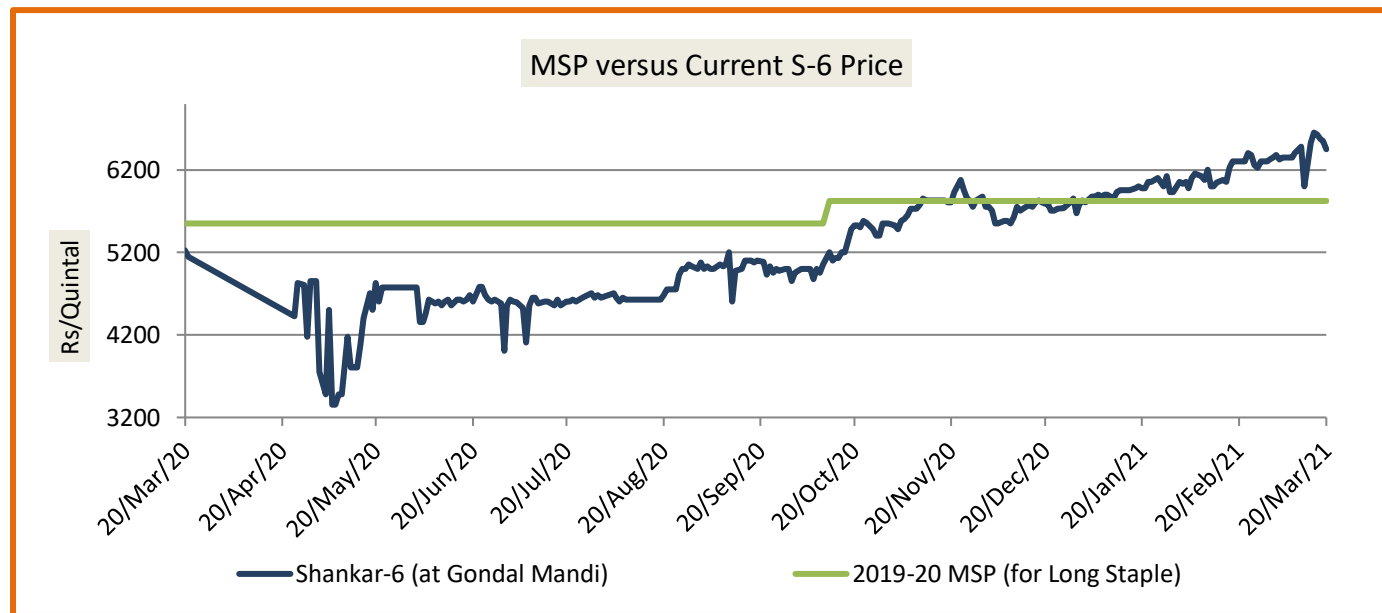
Kapas Monthly M-o-M Price Scenario



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. 6460/q from Rs. 6360/q previous week.

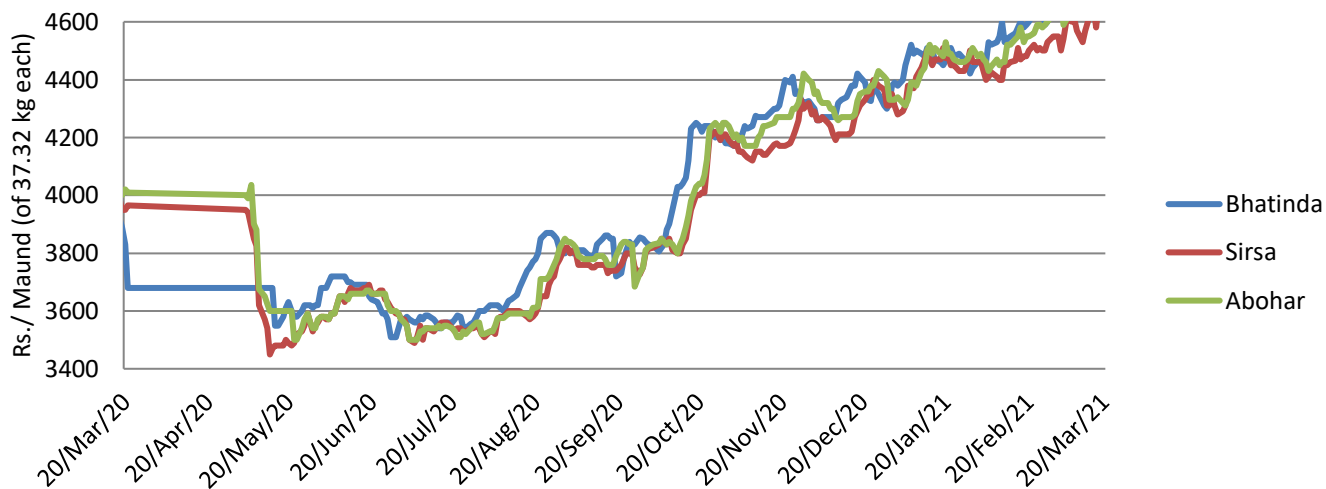


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs. 4728/maund of lint in Abohar, prices were also higher in Bhatinda at Rs. 4724/maund and Rs. 4642/maund in Sirsa from previous week.

Lint Price Trend at Key Centers

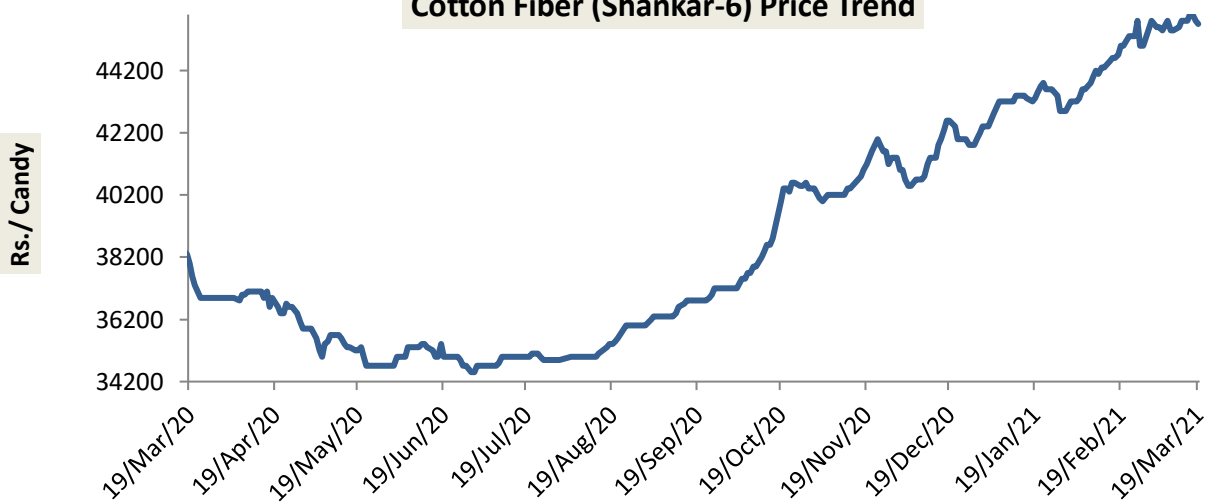


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was lower at Rs.45840/candy from around Rs.46660/candy last week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

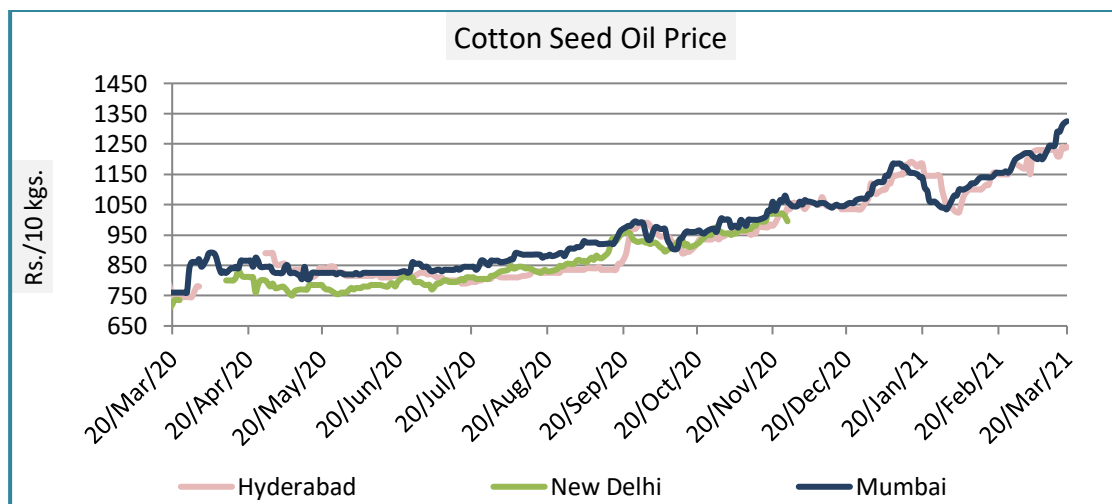
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have increased across all the centres during the week ending on 17th Mar'21. Weekly average price in Mumbai stood high at Rs. 1307, in New Delhi the prices were around Rs. 1238 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	17-Mar-21	11-Mar-21	
New Delhi	1238	1180	4.92
Rajkot	1253	1199	4.50
Hyderabad	1324	1227	7.91
Mumbai	1307	1226	6.61

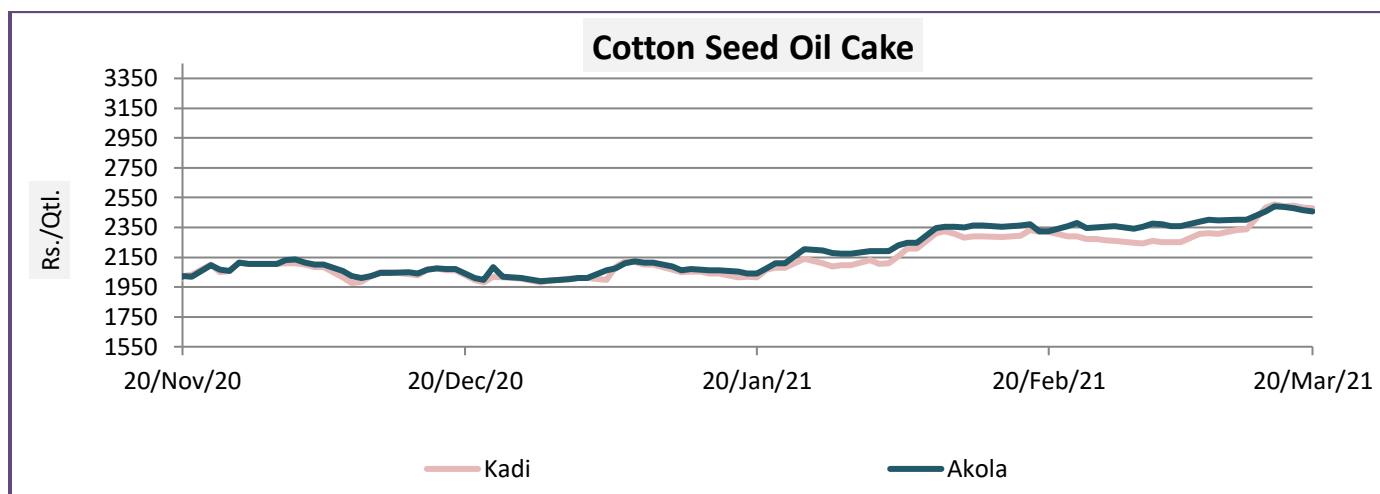
Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

The cotton daily arrivals have decreased and are close to 75,000 bales. The average price of cotton seed oil cake has increased in Kadi at Rs. 2431 per quintal from Rs. 2286 per quintal and in Akola were at Rs. 2448 per quintal from Rs. 2382 per quintal previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	17-Mar-21	11-Mar-21	
Kadi	2431	2286	6.33
Akola	2448	2382	2.76



Source: NCDEX

International Market Scenario

- According to US Department of Agriculture, global cotton consumption is expected to grow by 4.1 percent in 2021-22 seasons, substantially above the long term average rate of 1.7 percent. World cotton stocks are expected to reduce by 3.2 million bales. Also, World cotton production is expected to rise 4.7 percent with the most significant year-over-year growth in Pakistan, Australia, Brazil, the United States and West Africa. Overall, strong cotton consumption growth in 2021-22 and stocks are expected to support prices.
- 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.

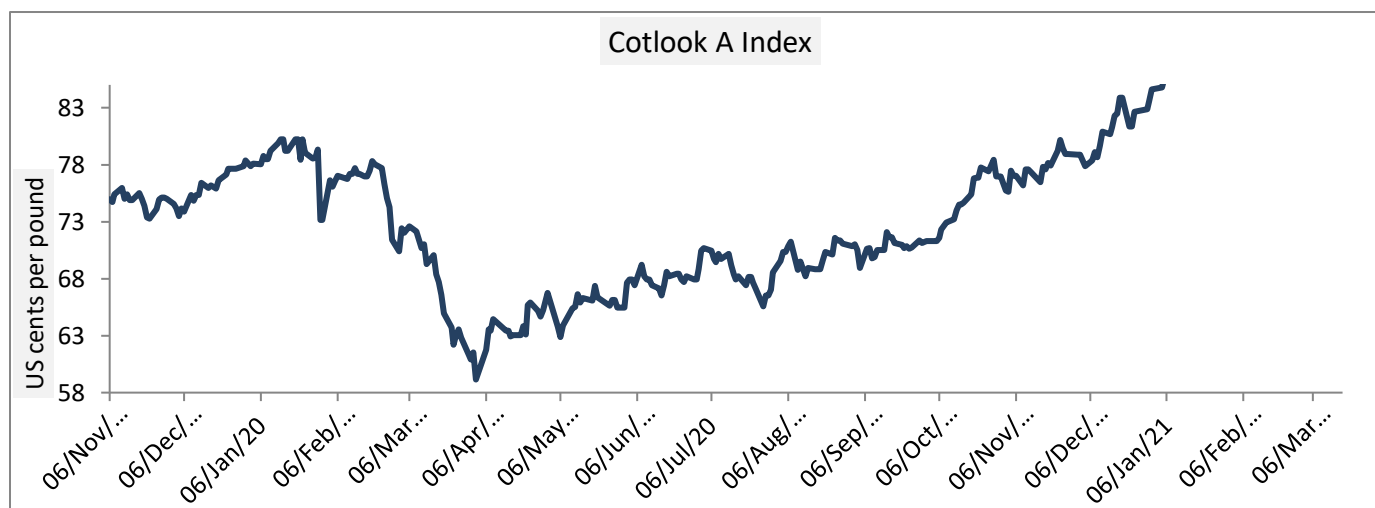
Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 92.73 cents/lb higher compared to the previous week (92.39 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	17-Mar-21	11-Mar-21	
Prices	92.73	92.39	0.37

Prices in US cents per Pound

Source: Cotlook

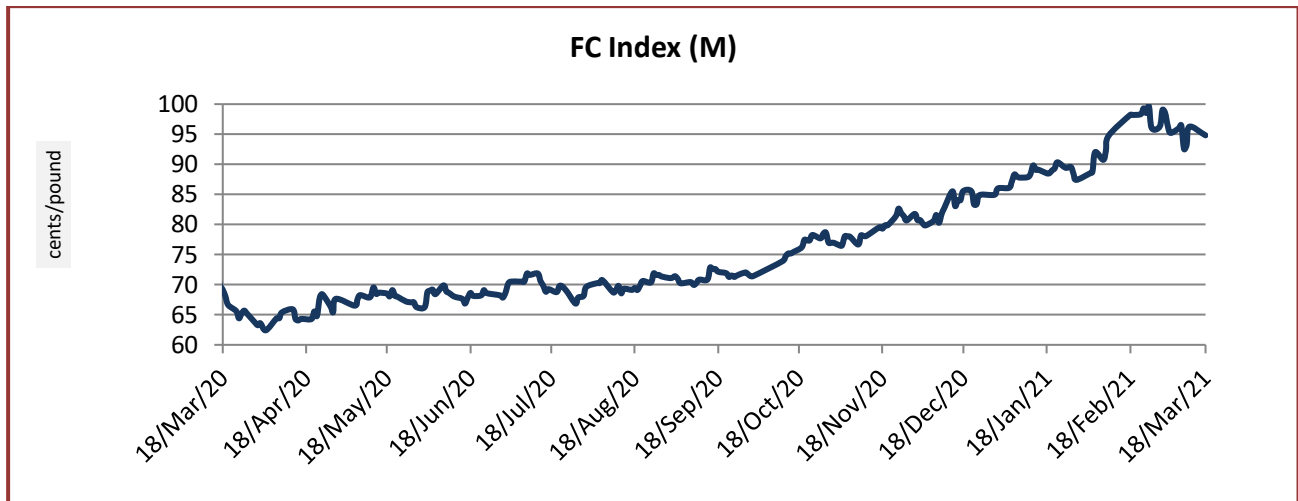


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	17-Mar-21	11-Mar-21	
FC (S)	88.36	99.02	-0.67
FC (M)	94.77	95.06	-0.31
FC (L)	93.46	93.69	-0.25

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	17-Mar-21	11-Mar-21	
CCIndex(328)	15961.75	16258.00	-1.82
CCIndex(527)	15195.25	15413.50	-1.42
CCIndex(229)	16337.50	16593.25	-1.54
			Prices in Yuan per ton

Source: China Cotton Association

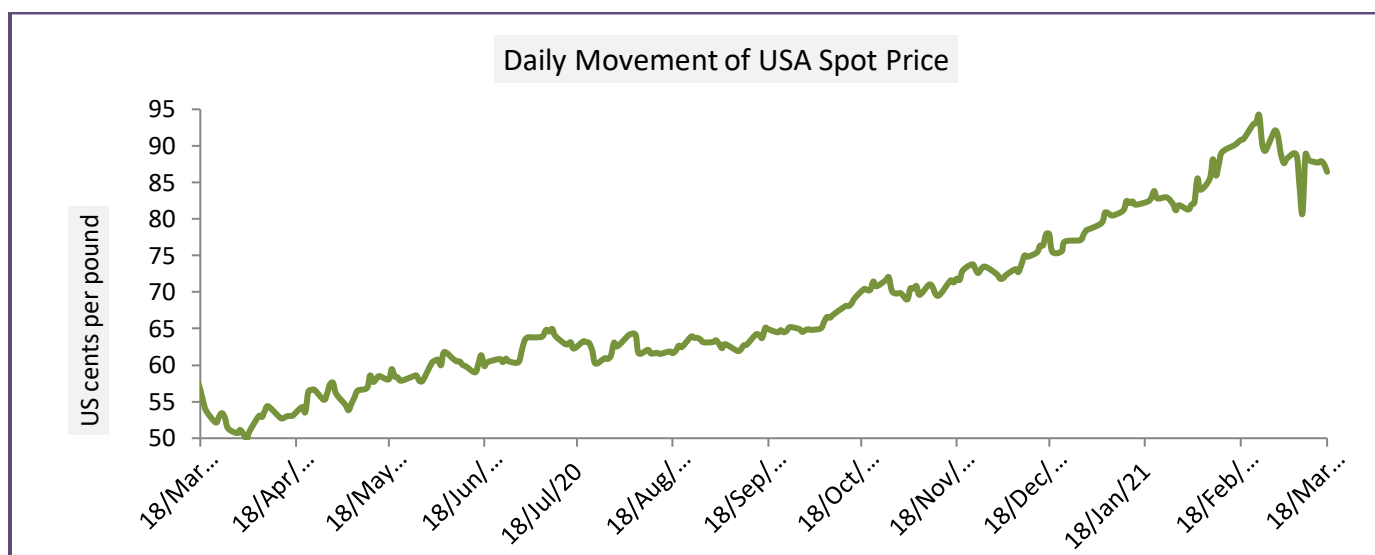


USA Spot Prices

U.S.A spot prices have increased from prior week by 2.75 percent at 88.01 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	17-Mar-21	11-Mar-21	
Prices	88.01	85.66	2.75
Prices in US cents per Pound			

Source: USDA

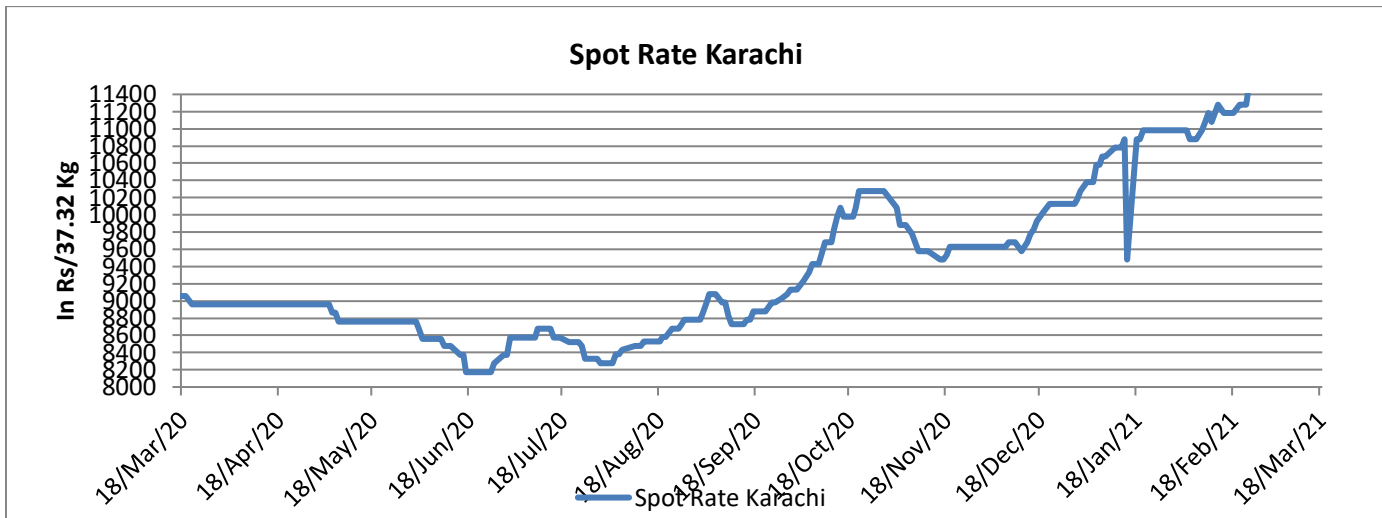


Pakistan Spot Prices

The Karachi spot price stood around Rs.13375/q higher than the previous week by 1.22 percent. (Rs. 13214/q)

Karachi Spot Prices	Weekly Average Price as on		% Change
	17-Mar-21	11-Mar-21	
Prices	13375	13214	1.22
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: Mar. 31, 2021



Technical Commentary:

- The recent trend in cotton has been bullish, but the market has been quite indecisive over the last one month.
- A supporting trend line is passing through 20000, while mild resistance is seen around 21580.
- If the market tests the support at 21500, intraday long positions may be created.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC	Dec	2050 0	2150 0	2127 0	2158 0	2160 0
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Sell	2155 0	2153 0	2140 0	2156 0

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

COTTON SEED OIL 1st(NCCOUC1)2021/03/21 - Weekly B:2424.00 A:2425.00
 O 2390.00 H 2433.00 L 2366.00 C 2424.00 ↑ V 54,690 I 110,110 +53 +2.24%


Technical Commentary:

- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at2000andthena trendlinesupportat 2260. Strong resistance is seen at 2480.

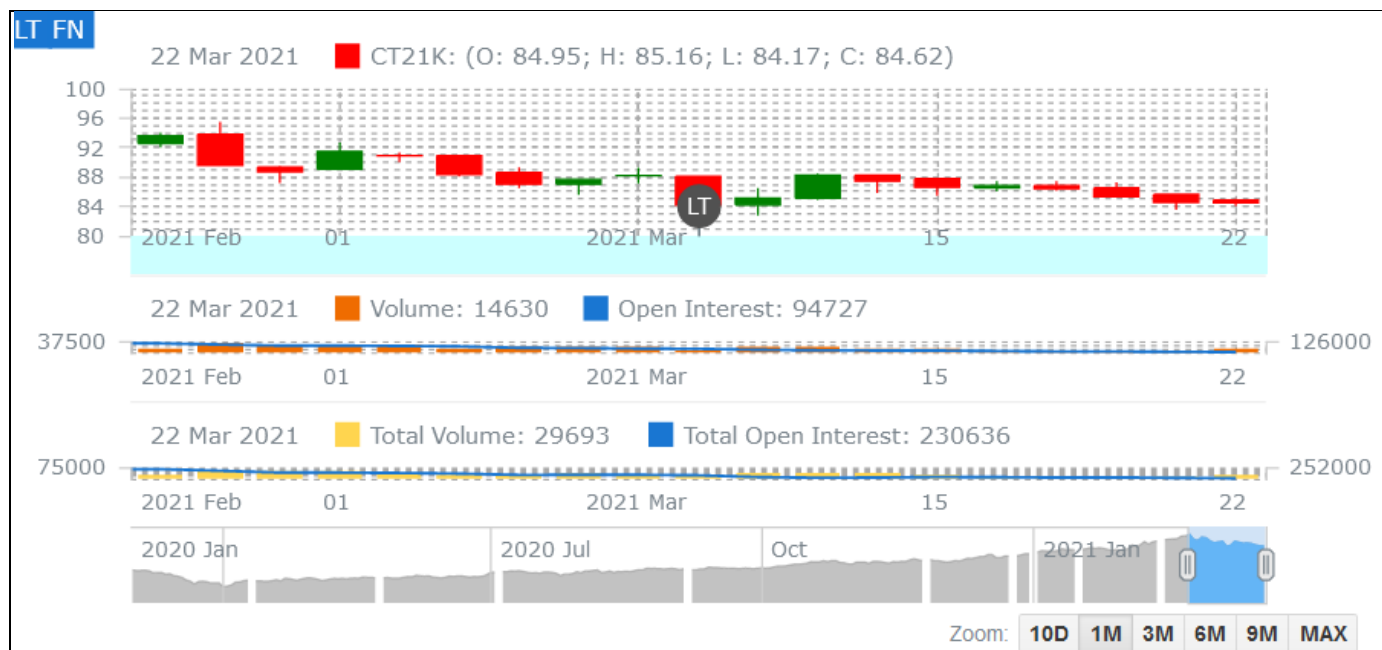
Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1700	2000	2400	2480	2500

Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2390	2420	2460	2400

* Do not carry-forward the position next day.

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



- The May'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

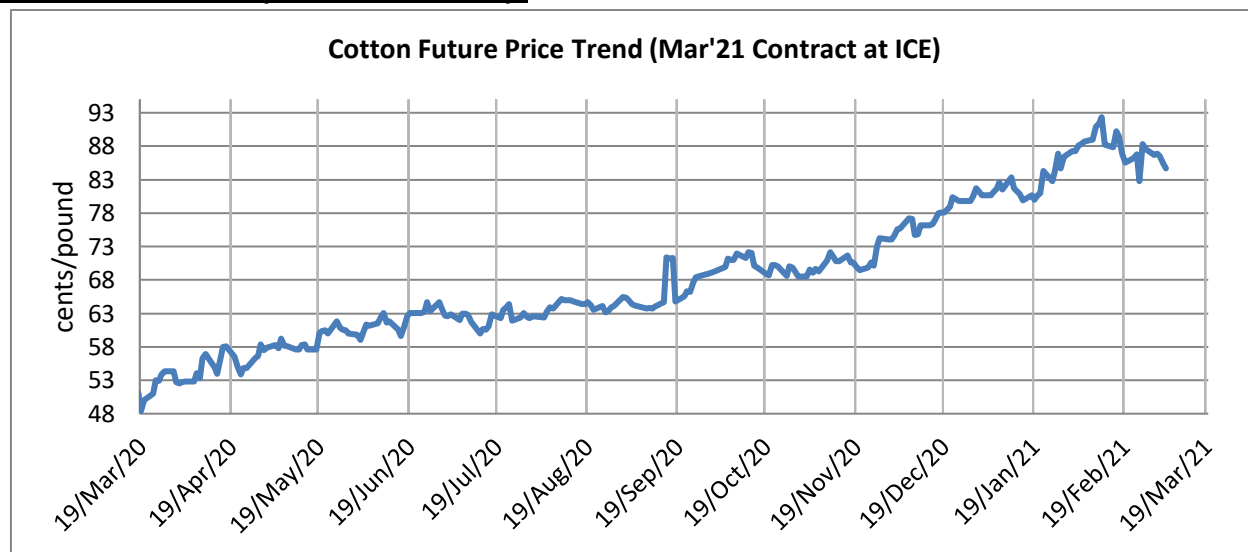
Support 1	Support 2	Resistance 1	Resistance 2
84	86	90	92

Figures in US cents/pound

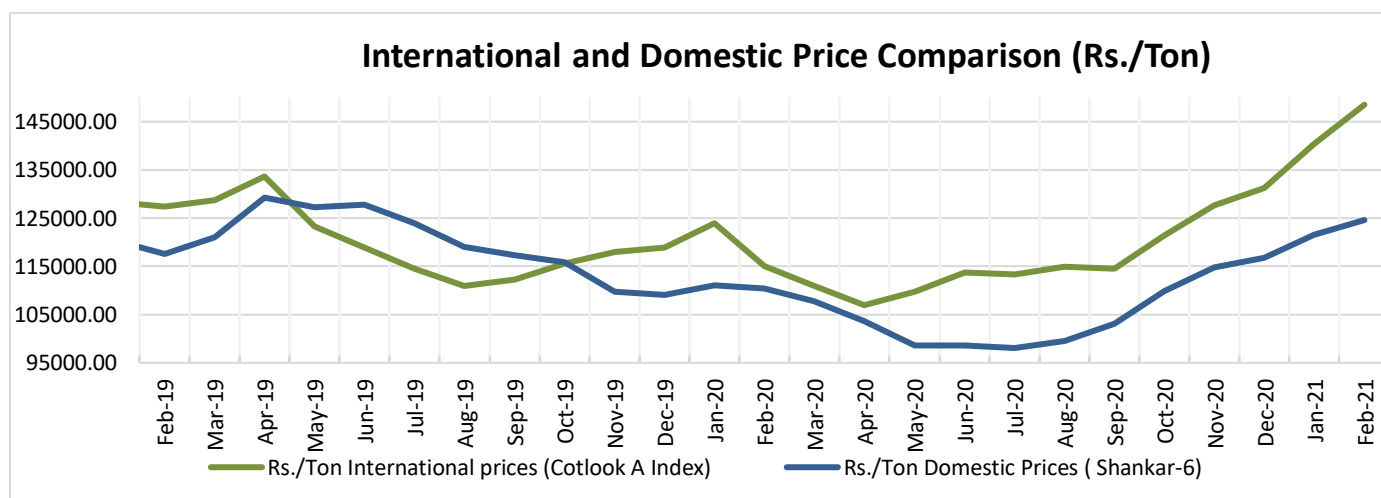
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	19-Mar-21	16-Feb-21 (1 month ago)	19-Dec-20 (3 months ago)	20-Sep-20 (6 months ago)	19-Mar-20 (a year ago)	% Change over a month	% Change over previous year
May-21	84.68	86.92	77.16	63.74	63.74	-2.58	43.04
Jul-21	85.72	87.91	77.83	65.24	65.24	-2.49	45.53
Oct-21	83.03	84.26	78.38	66.24	66.24	-1.46	40.44
Dec-21	82.51	83.65	75.67	67.08	67.08	-1.36	37.88
Mar-22	81.88	82.58	73.90	67.77	67.77	-0.85	35.79

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	12th Mar'21 to 17th Mar'21	05th Mar'21 to 11th Mar'21	
Gujarat	Ahmedabad	Shankar-6	6500	6500	Unch
	Gondal	Shankar-6	6460	6360	100
	Rajkot	B.T. Cotton	6598	6409	189
	Patan	B.T. Cotton	6592	6429	163
	Kadi	B.T. Cotton	6500	6500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6121	6100	21
Haryana	Bhiwani	B.T. Cotton	6215	6200	15
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6144	6064	80
	Fatehabad	B.T. Cotton	6097	5954	143
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5975	5989	-14
Rajasthan	Hanumangarh	B.T. Cotton	6390	6270	120
	Rawatsar	B.T. Cotton	6300	6170	130
Madhya Pradesh	Khandwa	Mech-1	6466	6300	166
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6031	5960	71
	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	6715	6660	55
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4614	4074	540
	Raichur	H-44 Cotton	5975	6000	-25
Commodity	Lint		Prices (Rs./Maunder of 37.32kg each)		Change

State	Centre	Variety	12th Mar'21 to 17th Mar'21	05th Mar'21 to 11th Mar'21	
Punjab	Bhatinda	J-34	4737	4685	52
	Abohar	J-34	4734	4704	30
	Mansa	J-34	4729	4688	41
Haryana	Sirsa	J-34	4642	4592	50
Rajasthan	Sri-Ganganagar	J-34	4461	4418	43

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	12th Mar'21 to 17th Mar'21	05th Mar'21 to 11th Mar'21	Change
Gujarat	Ahmedabad	Shankar-6	173400	112000	61400
	Gondal	Shankar-6	6724	31800	-25076
	Rajkot	B.T. Cotton	10050	12135	-2085
	Patan	B.T. Cotton	6280	7338	-1058
	Kadi	B.T. Cotton	75000	85000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	367	258	109
Haryana	Bhiwani	B.T. Cotton	9000	4000	5000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	5610	1190
	Fatehabad	B.T. Cotton	825	800	25
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	420	695	-275
Rajasthan	Hanumangarh	B.T. Cotton	2600	3100	-500
	Rawatsar	B.T. Cotton	1900	3700	-1800
Madhya Pradesh	Khandwa	Mech-1	330	800	-470
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	44000	47000	-3000
	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	2946	5447	-2501

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	43	8148	-8105
	Raichur	H-44 Cotton	60	89	-29
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th Mar'21 to 17th Mar'21	05th Mar'21 to 11th Mar'21	
Punjab	Bhatinda	J-34	17000	24650	-7650
	Abohar	J-34	1870	2295	-425
	Mansa	J-34	1870	1955	-85
Haryana	Sirsa	J-34	1870	2720	-850
Rajasthan	Sri-Ganganagar	J-34	8000	9500	-1500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	22-Mar-21	15-Mar-21	22-Mar-21	22-Mar-20
Gujarat	Ahmedabad	Shankar-6	6650	6500	6650	#N/A
	Gondal	Shankar-6	6505	6530	6505	5500
	Rajkot	B.T. Cotton	6705	6725	6705	5530
	Patan	B.T. Cotton	NA	6600	NA	5515
	Kadi	B.T. Cotton	6300	6500	6300	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	NA	6040	NA	NR
Haryana	Bhiwani	B.T. Cotton	6150	6225	6150	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	6050	6150	6050	5350
	Fatehabad	B.T. Cotton	6140	6125	6140	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	5900	5950	5900	NR
Rajasthan	Hanumangarh	B.T. Cotton	6375	6400	6375	Closed
	Rawatsar	B.T. Cotton	6325	6300	6325	Closed
Madhya Pradesh	Khandwa	Mech-1	6500	6500	6500	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	6050	5950	6050	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	6719	6669	6719	5929
	Hubli	D.C.H.	4309	5000	4309	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	22-Mar-21	15-Mar-21	22-Mar-21	22-Mar-20
Punjab	Bhatinda	J-34	4590	4730	4590	#N/A
	Abohar	J-34	4590	4720	4590	#N/A
	Mansa	J-34	4590	4725	4590	#N/A
Haryana	Sirsa	J-34	4525	4620	4525	#N/A
Rajasthan	Sri-Ganganagar	J-34	4352	4456	4352	#N/A

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	22-Mar-21	15-Mar-21	22-Mar-21	22-Mar-20
Gujarat	Ahmedabad	Shankar-6	22100	37400	22100	#N/A
	Gondal	Shankar-6	1555	1336	1555	#N/A
	Rajkot	B.T. Cotton	4000	1800	4000	#N/A
	Patan	B.T. Cotton	NA	1208	NA	3450
	Kadi	B.T. Cotton	10000	12500	10000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	55	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	1500	1500	1500	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	680	1700	680	#N/A
	Fatehabad	B.T. Cotton	100	125	100	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	200	100	200	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	150	600	150	#N/A
	Rawatsar	B.T. Cotton	500	500	500	#N/A

Madhya Pradesh	Khandwa	Mech-1	150	80	150	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	12000	10000	12000	#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	968	1055	968	#N/A
	Hubli	D.C.H.	7	7	7	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	15	15	15	#N/A
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	22-Mar-21	15-Mar-21	22-Mar-21	22-Mar-20
Punjab	Bhatinda	J-34	2550	3400	2550	#N/A
	Abohar	J-34	170	340	170	#N/A
	Mansa	J-34	170	170	170	#N/A
	Sirsa	J-34	170	510	170	#N/A
	Sri-Ganganagar	J-34	1200	2000	1200	#N/A

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				12th Mar'21 to 17th Mar'21	05th Mar'21 to 11th Mar'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37820	37760	60
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38320	38260	60
J-34(202)	26mm	3.5 - 4.9	23	43960	43820	140
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	44460	44260	200
Shankar-6(105)	29mm	3.5 – 4.9	28	45840	45580	260
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48480	48280	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48920	48860	60
DCH-32(107)	34mm	3.0 - 3.8	33	72960	72960	Unch

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