

COTTON WEEKLY RESEARCH REPORT
30th 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 91,86,803 cotton bales till 23rd March'21, valuing Rs. 26,719.51 crore has been procured benefitting 18,86,498 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 50,000 bales.
- Cotlook index stood higher(90.50cents/lbs) compared to the ICE cotton future that stood at 84.62 cents/lbs.
- Indian rupee remained stronger between 72.36 to 72.62 against USD compared to last week.

Market Highlights:

- **Cotton exports from India are facing quality issues.** According to the trade sources, the quality of Indian cotton has emerged as a major issue in the export market with importing nations becoming reluctant to purchase the natural fiber from India, this in turn can also slow down the exports that are projected at 75 lakh bales. According to Southern India Mills Association, Cotton has quality issues this season particularly because of unseasonal rains during October and November. Although, CCI had denied the issue and was strict in ensuring that the cotton it procured this year adhered to the FAQ norms and is of good quality.
- **Cotton Corporation of India has reduced the selling price of cotton as a onetime correction.** International prices had risen almost 12 percent in the last two months and dropped at the same rate. Although CCI had not increased the prices to that extent, prices went up only by 2 percent and it has now been reduced by almost 2 percent. Also, the amount of reduction in prices differs according to the variety of cotton.
- **About 80 percent of the cotton has been sold in current cotton season.** Cotton farmers in the country have taken advantage of higher global price for cotton in the current season 2020-2021, resulting in at least 80 percent of the production being sold. Cotton arrivals were higher in the various markets in the country

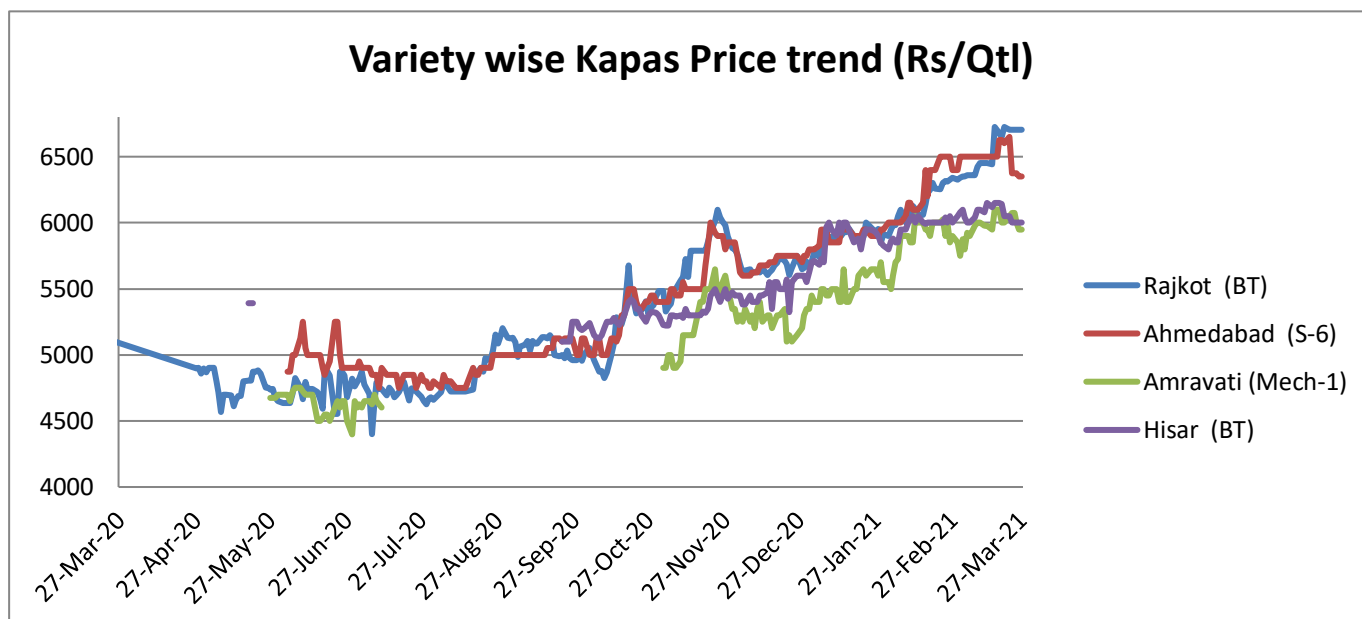
since the prices have ruled higher than the minimum support price of Rs. 5825 per quintal by the government. Although, arrivals in government procurement center (CCI) has been decreased to about 75,000 bales.

- **Punjab Agriculture Department is likely to add 50,000 hectares area under cotton cultivation.** As there is good production in 2020 and no major pest outbreak in the crop for last 5 years, the Punjab Agriculture Department has decided to add 50,000 hectares under cotton cultivation in the malwa region this year. This will increase about 10 percent over the current area of 5 lakh hectares.
- **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.

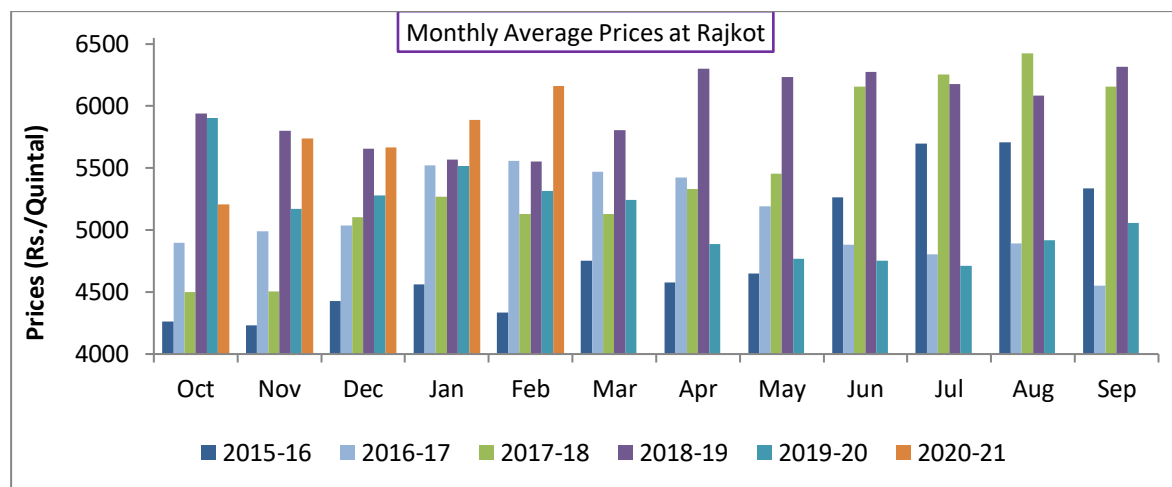
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 6694/q from previous week Rs. 6553/q and Ahmedabad prices were same as previous week at Rs. 6541/q.



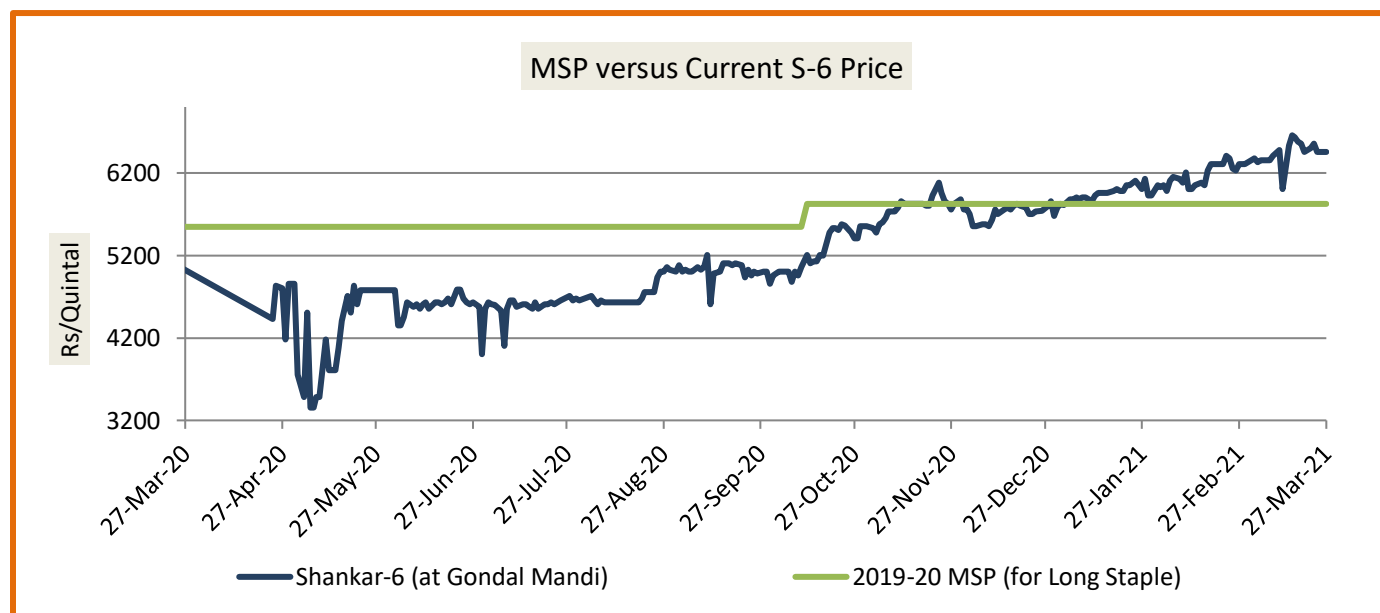
Kapas Monthly M-o-M Price Scenario



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. 6517/q from Rs. 6460/q previous week.

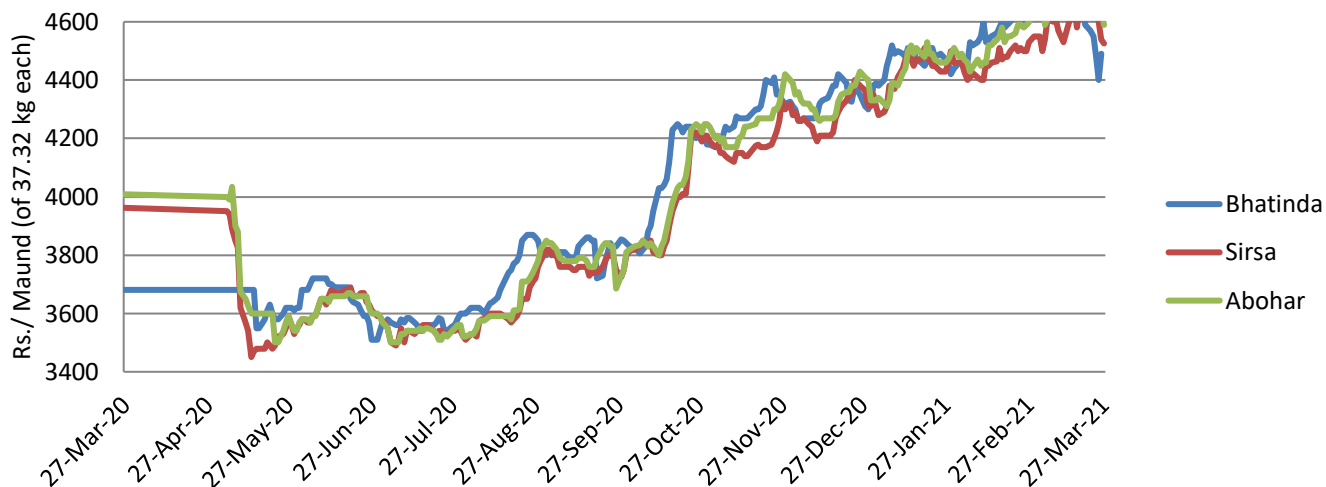


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs. 4630/maund of lint in Abohar, prices were also higher in Bhatinda at Rs. 4545/maund and Rs. 4631/maund in Sirsa from previous week.

Lint Price Trend at Key Centers

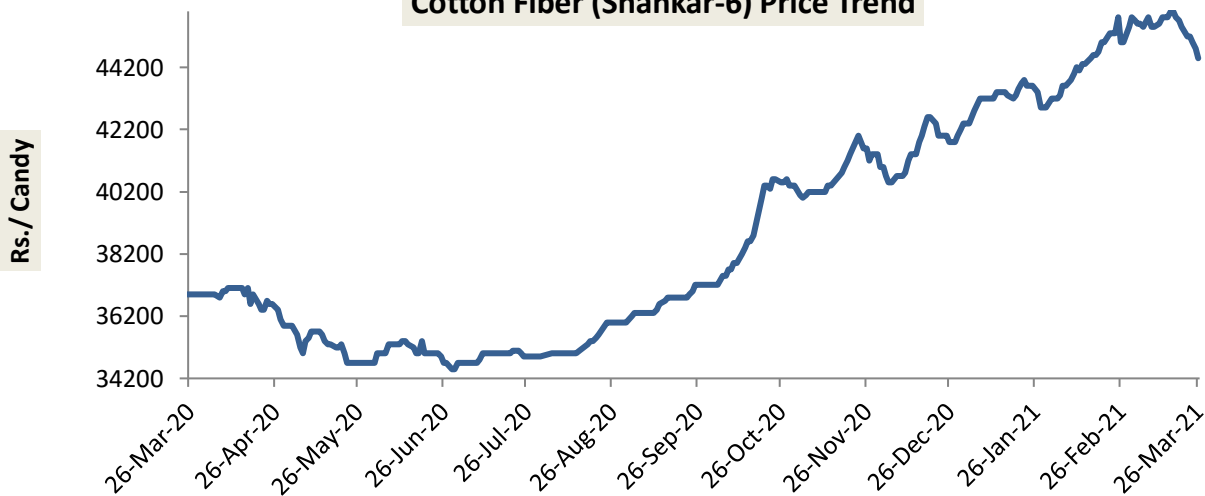


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was lower at Rs.45400/candy from around Rs.45800/candy last week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

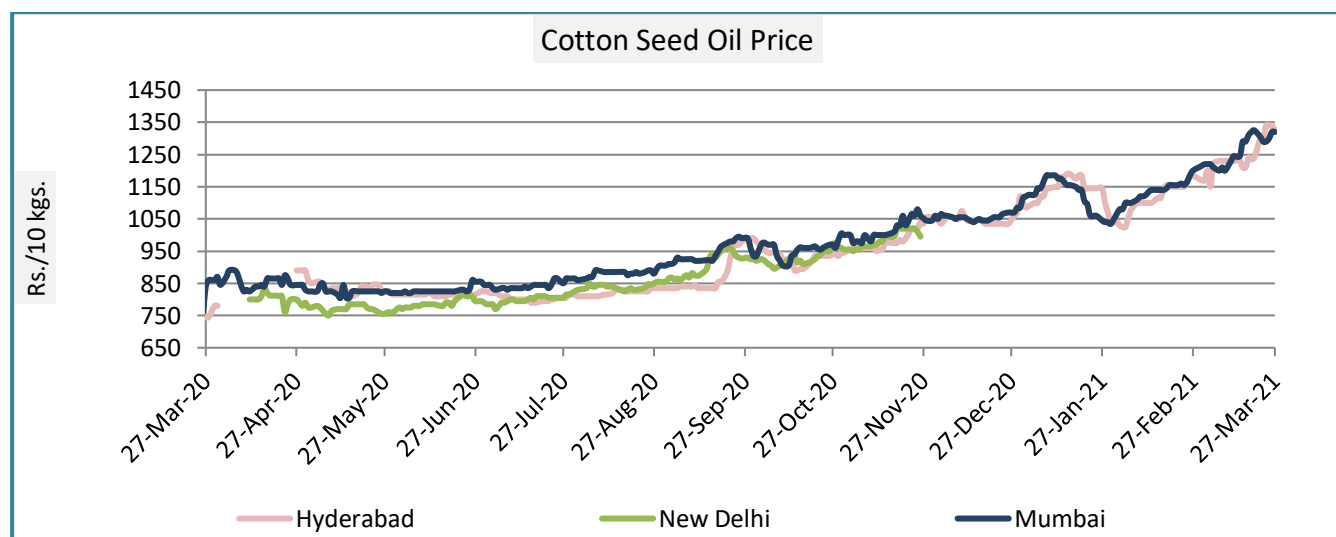
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have increased across all the centres during the week ending on 24th Mar'21. Weekly average price in Mumbai stood high at Rs. 1304, in New Delhi the prices were around Rs. 1253 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	24-Mar-21	17-Mar-21	
New Delhi	1253	1238	1.24
Rajkot	1277	1253	1.89
Hyderabad	1306	1324	-1.37
Mumbai	1304	1307	-0.22

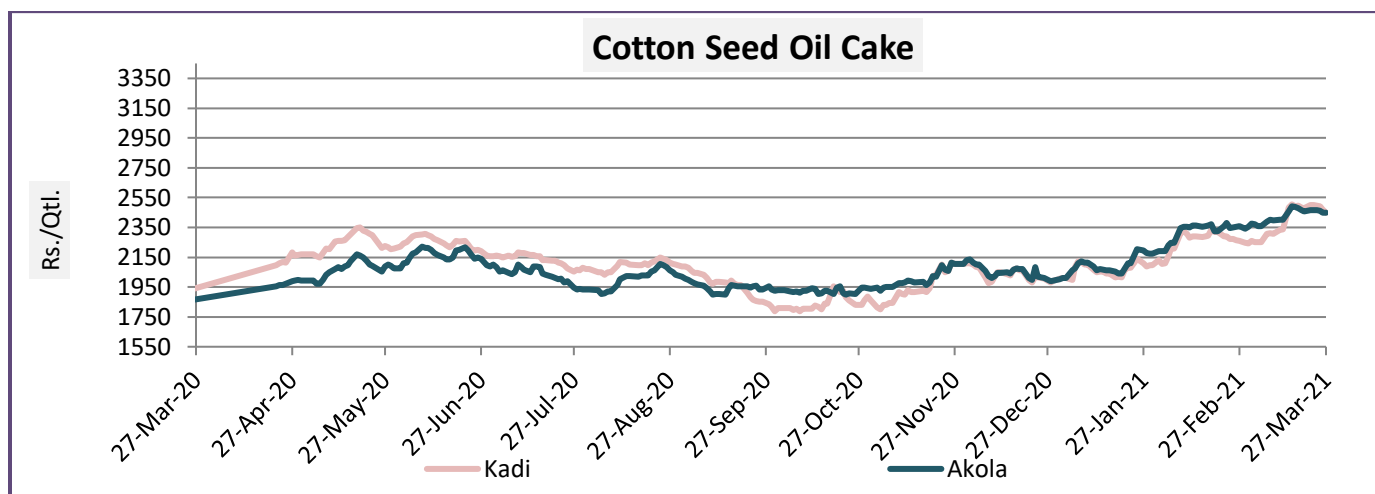
Source: Agriwatch



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. 2493 per quintal from Rs. 2431 per quintal and in Akola were at Rs. 2468 per quintal from Rs. 2448 per quintal previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	24-Mar-21	17-Mar-21	
Kadi	2493	2431	2.54
Akola	2468	2448	0.80



Source: NCDEX

International Market Scenario

- Australian cotton exports are expected to grow in 2021. Cotton production in Australia is expected to increase in 2021 as the country's normal weather replenishes reservoirs essential for irrigation. The monthly average cotton production is expected to grow 312.70 percent in 2020-21 to 0.22 million where else in 2019-20 season it was 0.05 million.
- 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.

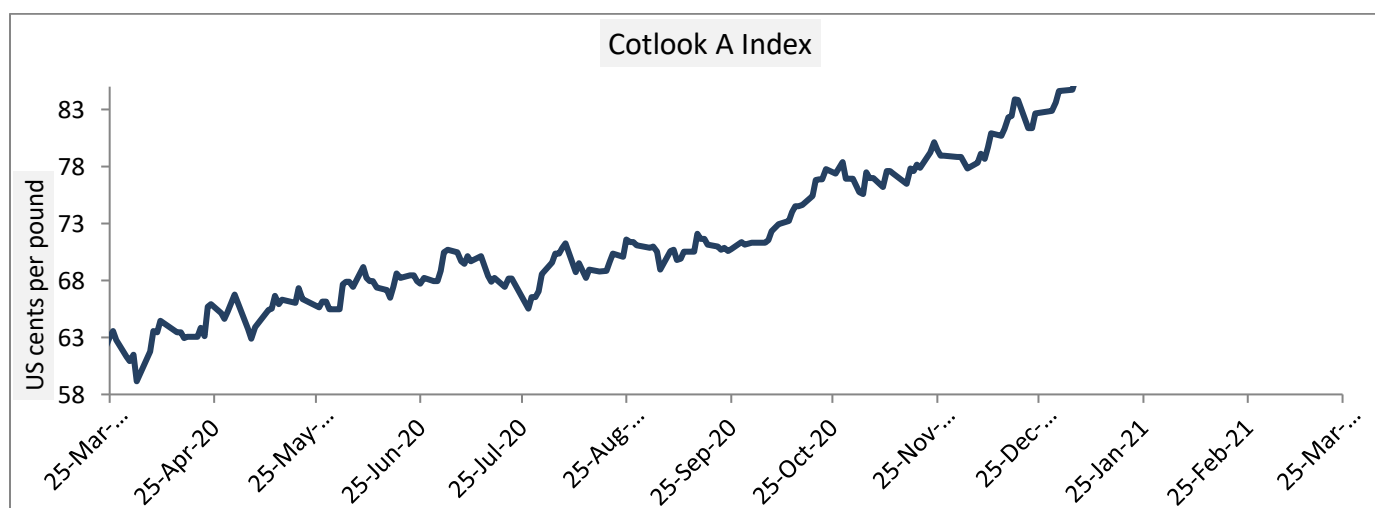
Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 90.80 cents/lb higher compared to the previous week (92.73 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	24-Mar-21	17-Mar-21	
Prices	90.80	92.73	-2.08

Prices in US cents per Pound

Source: Cotlook

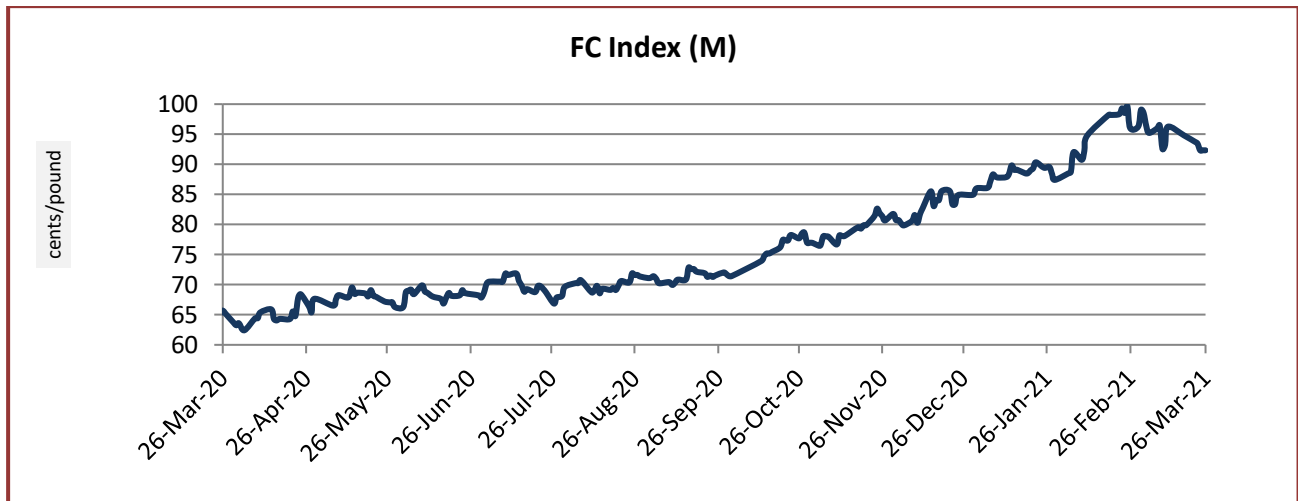


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	24-Mar-21	17-Mar-21	
FC (S)	96.32	88.36	-2.08
FC (M)	93.60	94.77	-1.24
FC (L)	92.38	93.46	-1.16

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	24-Mar-21	17-Mar-21	
CCIndex(328)	15797.60	15961.75	-1.03
CCIndex(527)	15037.80	15195.25	-1.04
CCIndex(229)	16158.40	16337.50	-1.10
			Prices in Yuan per ton

Source: China Cotton Association

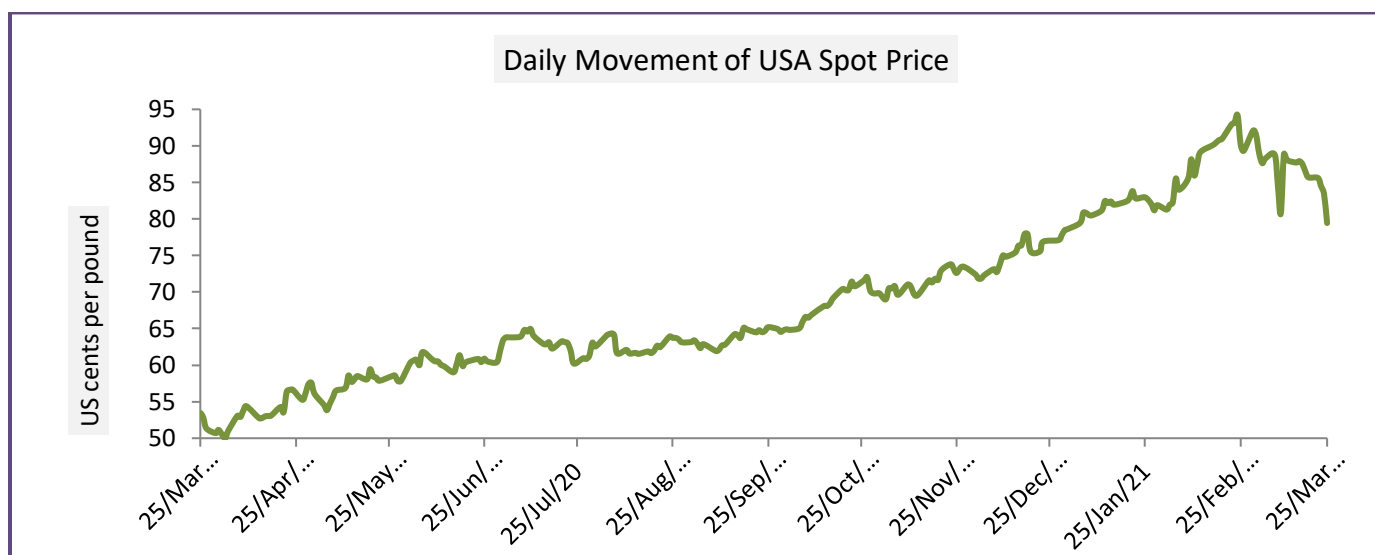


USA Spot Prices

U.S.A spot prices have decreased from prior week by -3.26 percent at 88.01 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	24-Mar-21	17-Mar-21	
Prices	85.14	88.01	-3.26
Prices in US cents per Pound			

Source: USDA

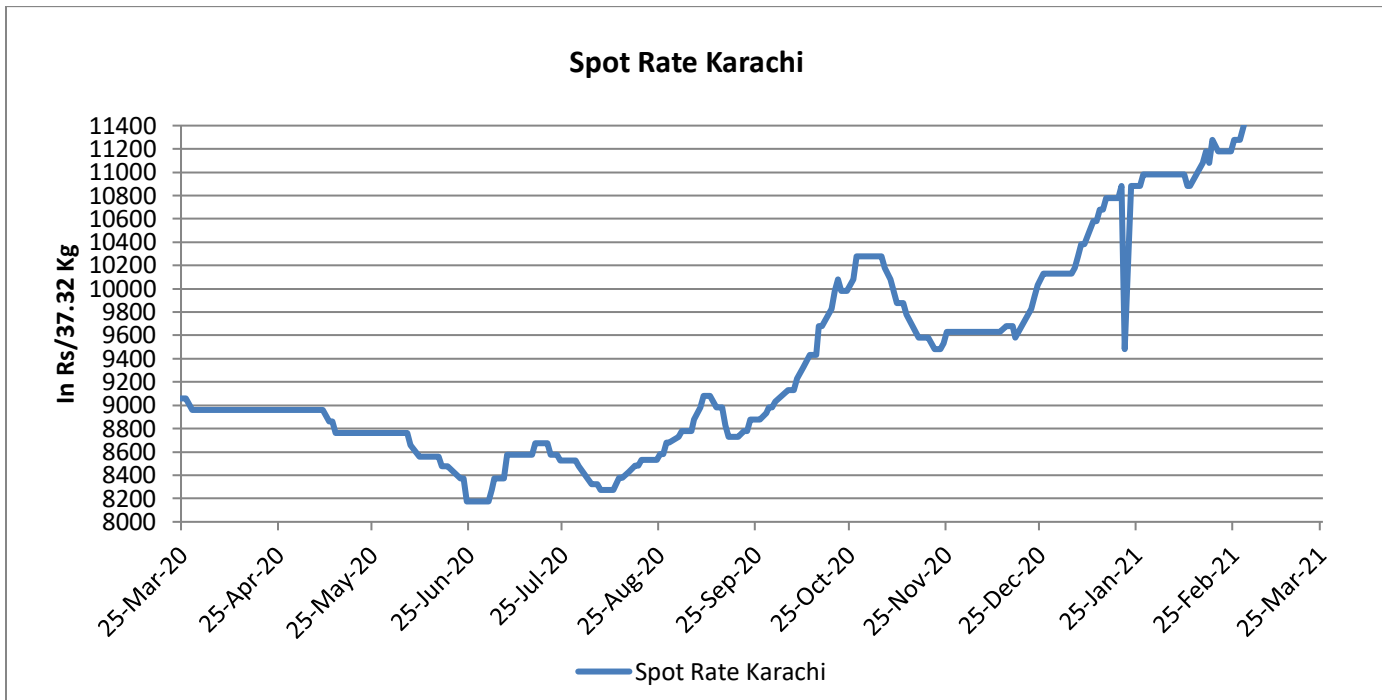


Pakistan Spot Prices

The Karachi spot pricestood around Rs.13322/q higher than the previous week by 0.40 percent. (Rs. 13375/q)

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	24-Mar-21	17-Mar-21	
Prices	13322	13375	-0.40
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,whilemildresistanceisseenaround21580.
- 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	20500	21500	20380	21580	21600
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Sell	21550	21530	21400	21560

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:2363.00 A:2371.00
 O 2390.00 H 2433.00 L 2301.00 C 2366.00 ↑ V 156,960 I 97,760 -5 -0.21%



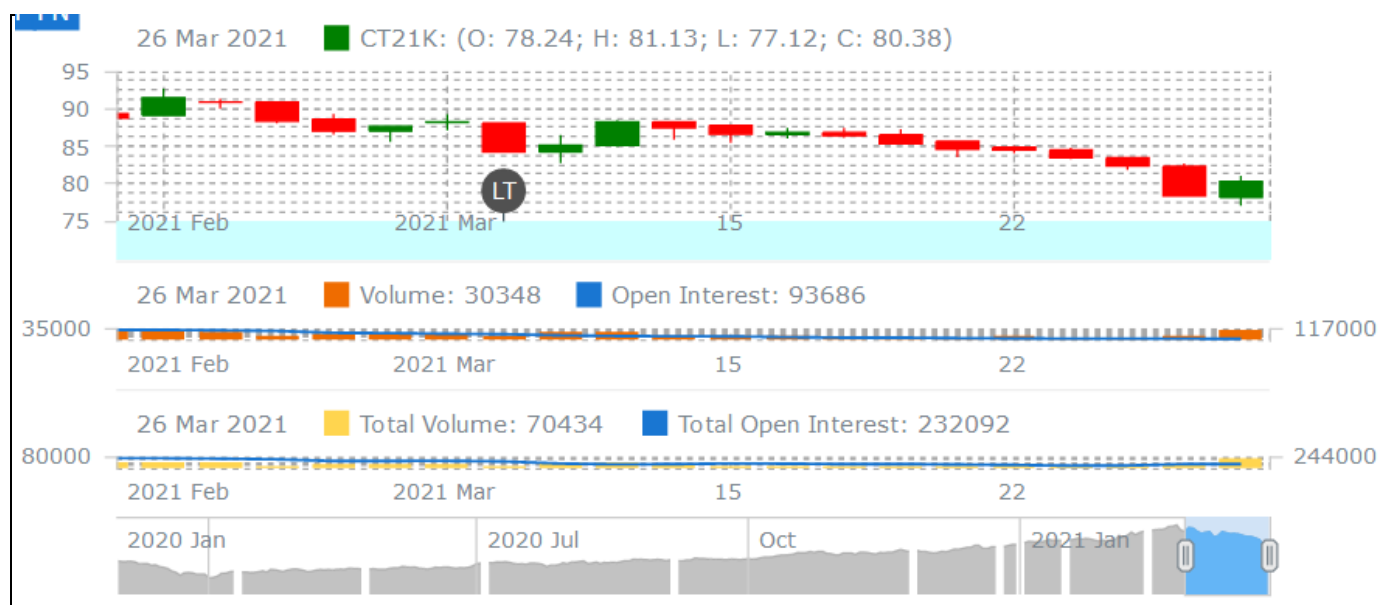
Technical Commentary:

- 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	2353	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	82-89

Expected Support and Resistance

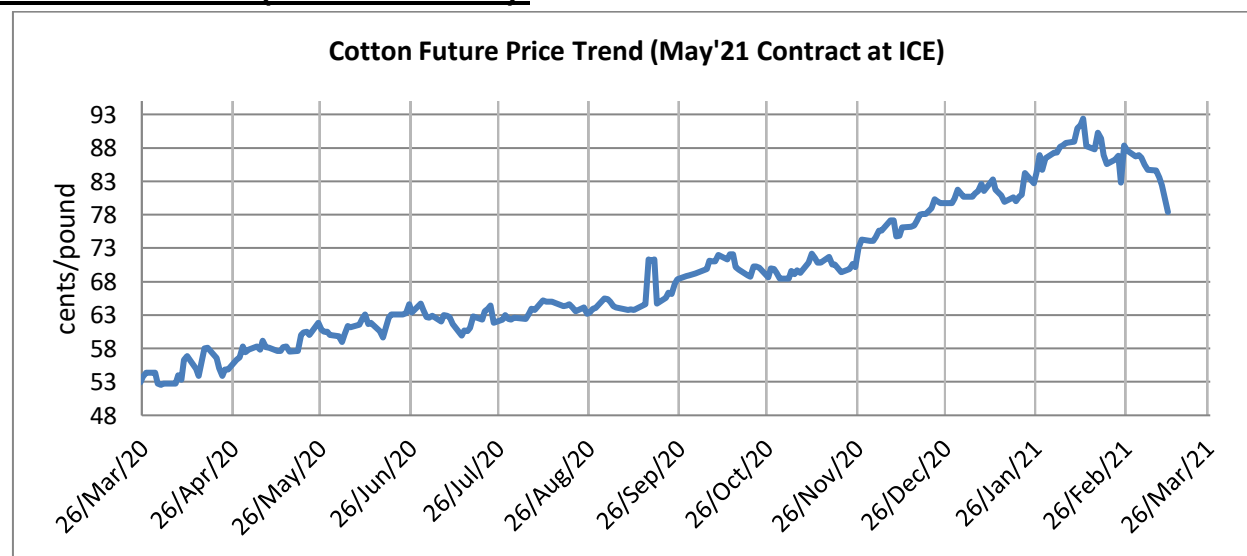
Support 1	Support 2	Resistance 1	Resistance 2
81	84	90	92

Figures in US cents/pound

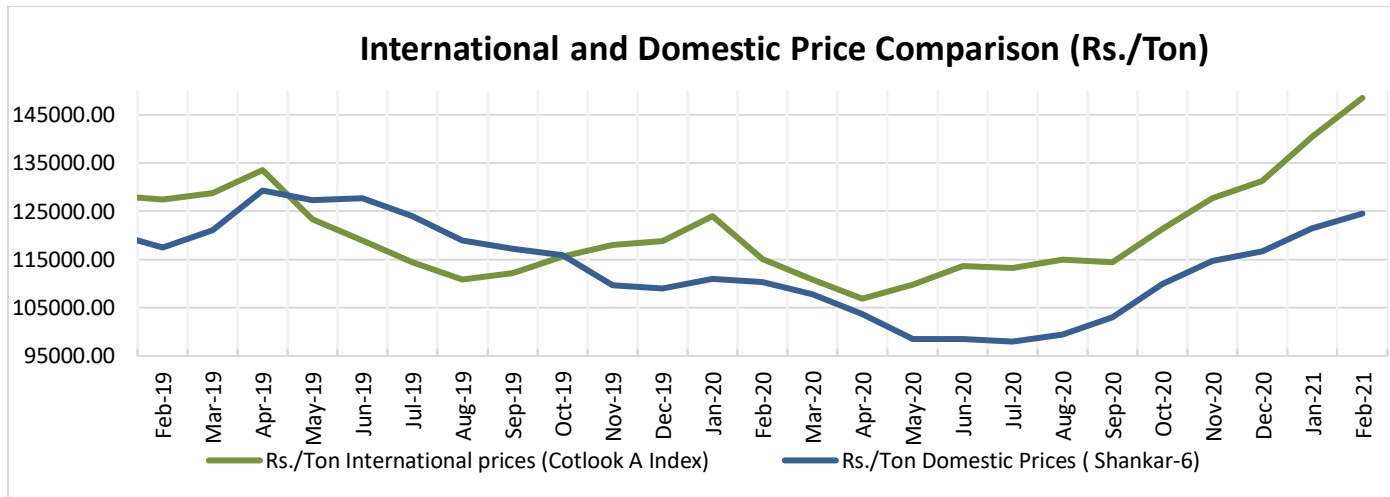
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	25-Mar-21	23-Feb-21 (1 month ago)	25-Dec-20 (3 months ago)	26-Sep-20 (6 months ago)	25-Mar-20 (a year ago)	% Change over a month	% Change over previous year
May-21	82.44	92.67	76.20	63.74	54.93	-11.04	50.08
Jul-21	83.53	93.33	76.86	65.24	55.63	-10.50	50.15
Oct-21	81.12	88.40	77.41	66.24	57.35	-8.24	41.45
Dec-21	80.38	86.75	74.87	67.28	57.67	-7.34	39.38
Mar-22	79.62	85.26	73.70	67.98	58.25	-6.62	36.69

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			18th Mar'21 to 24th Mar'21	12th Mar'21 to 17th Mar'21	
State	Centre	Variety			
Gujarat	Ahmedabad	Shankar-6	6542	6500	42
	Gondal	Shankar-6	6518	6460	58
	Rajkot	B.T. Cotton	5663	6598	-936
	Patan	B.T. Cotton	6628	6592	36
	Kadi	B.T. Cotton	6350	6500	-150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6108	6121	-14
Haryana	Bhiwani	B.T. Cotton	6192	6215	-23
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6048	6144	-96
	Fatehabad	B.T. Cotton	6065	6097	-32
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5867	5975	-108
Rajasthan	Hanumangarh	B.T. Cotton	6367	6390	-23
	Rawatsar	B.T. Cotton	6338	6300	38
Madhya Pradesh	Khandwa	Mech-1	6460	6466	-6
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6050	6031	19
	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	6738	6715	23
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4557	4614	-57
	Raichur	H-44 Cotton	5983	5975	8
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	18th Mar'21 to 24th Mar'21	12th Mar'21 to 17th Mar'21	
Punjab	Bhatinda	J-34	4610	4737	-127
	Abohar	J-34	4608	4734	-126
	Mansa	J-34	4613	4729	-116
Haryana	Sirsa	J-34	4546	4642	-96
Rajasthan	Sri-Ganganagar	J-34	4368	4461	-93

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	18th Mar'21 to 24th Mar'21	12th Mar'21 to 17th Mar'21	
Gujarat	Ahmedabad	Shankar-6	136000	173400	-37400
	Gondal	Shankar-6	7595	6724	871
	Rajkot	B.T. Cotton	10900	10050	850
	Patan	B.T. Cotton	3725	6280	-2555
	Kadi	B.T. Cotton	40000	75000	-35000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	162	367	-205
Haryana	Bhiwani	B.T. Cotton	6600	9000	-2400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4760	6800	-2040
	Fatehabad	B.T. Cotton	640	825	-185
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1625	420	1205
Rajasthan	Hanumangarh	B.T. Cotton	1125	2600	-1475
	Rawatsar	B.T. Cotton	2500	1900	600
Madhya Pradesh	Khandwa	Mech-1	600	330	270
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	74000	44000	30000
	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	5551	2946	2605
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	20	43	-23
	Raichur	H-44 Cotton	97	60	37
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	18th Mar'21 to 24th Mar'21	12th Mar'21 to 17th Mar'21	Change
Punjab	Bhatinda	J-34	17000	17000	Unch
	Abohar	J-34	1785	1870	-85
	Mansa	J-34	1615	1870	-255
Haryana	Sirsa	J-34	1530	1870	-340
Rajasthan	Sri-Ganganagar	J-34	7200	8000	-800

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Mar-21	19-Mar-21	26-Mar-21	26-Mar-20
Gujarat	Ahmedabad	Shankar-6	6350	6625	6350	Closed
	Gondal	Shankar-6	Closed	6555	Closed	5500
	Rajkot	B.T. Cotton	Closed	6725	Closed	5530
	Patan	B.T. Cotton	Closed	6665	Closed	5515
	Kadi	B.T. Cotton	NA	6300	NA	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	NA	NA	NA	NR
Haryana	Bhiwani	B.T. Cotton	6100	6250	6100	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	Closed	6050	Closed	5350
	Fatehabad	B.T. Cotton	5900	6025	5900	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	6100	5825	6100	NR
Rajasthan	Hanumangarh	B.T. Cotton	Closed	6550	Closed	Closed
	Rawatsar	B.T. Cotton	6100	6400	6100	Closed
Madhya Pradesh	Khandwa	Mech-1	6500	6400	6500	5491

	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	5950	6000	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	6700	6775	6700	5929
	Hubli	D.C.H.	NA	5000	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	26-Mar-21	19-Mar-21	26-Mar-21	26-Mar-20
Punjab	Bhatinda	J-34	4400	4650	4400	Closed
	Abohar	J-34	4380	4650	4380	Closed
	Mansa	J-34	4345	4640	4345	Closed
Haryana	Sirsa	J-34	4300	4600	4300	Closed
Rajasthan	Sri-Ganganagar	J-34	4324	4362	4324	Closed

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Mar-21	19-Mar-21	26-Mar-21	26-Mar-20
Gujarat	Ahmedabad	Shankar-6	17000	25500	17000	Closed
	Gondal	Shankar-6	Closed	1766	Closed	#N/A
	Rajkot	B.T. Cotton	Closed	2300	Closed	#N/A
	Patan	B.T. Cotton	Closed	1377	Closed	3450
	Kadi	B.T. Cotton	NA	10000	NA	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	NA	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	2000	1000	2000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	Closed	850	Closed	#N/A
	Fatehabad	B.T. Cotton	150	100	150	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	650	350	650	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	Closed	150	Closed	#N/A
	Rawatsar	B.T. Cotton	400	300	400	Closed
Madhya Pradesh	Khandwa	Mech-1	100	50	100	#N/A

	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	17000	15000	17000	#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	0
Karnataka	Bijapur	Bunny	1117	1031	1117	0
	Hubli	D.C.H.	NA	4	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	22	15	22	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Mar-21	19-Mar-21	26-Mar-21	26-Mar-20
Punjab	Bhatinda	J-34	2550	3400	2550	Closed
	Abohar	J-34	340	340	340	Closed
	Mansa	J-34	255	340	255	Closed
	Sirsa	J-34	510	340	510	Closed
	Sri-Ganganagar	J-34	500	1500	500	Closed

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				18th Mar'21 to 24th Mar'21	12th Mar'21 to 17th Mar'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37550	37820	-270
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	38320	-1220
J-34(202)	26mm	3.5 - 4.9	23	43000	43960	-960
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43867	44460	-593
Shankar-6(105)	29mm	3.5 - 4.9	28	45400	45840	-440
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48117	48480	-363
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48717	48920	-203
DCH-32(107)	34mm	3.0 - 3.8	33	73000	72960	40

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