

COTTON WEEKLY RESEARCH REPORT
03rd May 2021**Domestic market summary**

Domestic Market Scenario: Cotton farmers from various states are planning to increase area under cotton cultivation in the coming 2021-22 kharif season. Also, almost 90 percent of the cotton in the current season 2020-21 has already arrived in the market till last month. Committee on Cotton Production and Consumption has estimated cotton production at 360 lakh bales from its previous estimate of 371 lakh bales.

Weekly Price Outlook : The average price of Kapas is likely to remain firm between Rs. 5830-6700/q in Rajkot while the prices in Andhra Pradesh is likely to hover around Rs. 5600-6000/q.

Major Market Highlights:

- Cotlook index stood higher (94.70 cents/lbs) compared to the ICE cotton future that stood at 87.86 cents/lbs.
- Indian rupee remained close to 74.04 to 74.71 per USD.

Market Highlights:

- **Committee on Cotton Production and Consumption has reduced cotton crop estimate for 2020-21 season.** According to the meeting held by Committee on Cotton Production and Consumption, cotton production is estimated at 360 lakh bales lower from its previous estimate of 371 lakh bales where as imports were maintained at 11 lakh bales and exports were reduced from 75 lakh bales to 70 lakh bales. Due to current lockdown situation cotton consumption was also reduced from 330 lakh bales to 303 lakh bales.
- **Cotton cultivation delays in Malwa region of Punjab.** Cotton farmers in the malwa region are worried as the cotton cultivation for the coming season has been delayed due to acute shortage of water. The Sirhind canal and Kotla canal of the region have been running dry for over a month now. These two canals supply water for irrigation to majority of Malwa districts.
- **Punjab has decreased the cotton cultivation target for 2021-22 seasons.** Despite of high cotton prices in the current season, the cotton cultivation target has decreased for the coming season 2021-22 to 3.25 lakh hectares. Whereas in the 2020-21 seasons the Punjab government had claimed that they have increased the area under cotton cultivation to 5 lakh hectares. Although, now the government has said that the last

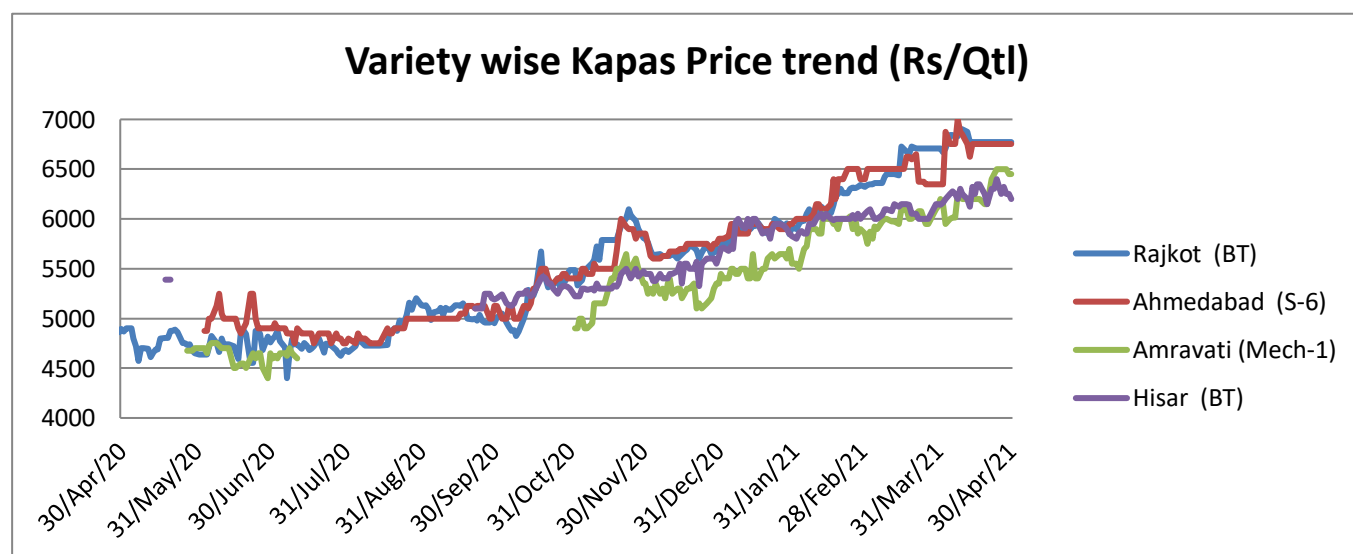
year's area was inflated by almost two times, in revenue assessment in 2020-21 the area is found to be 2.51 lakh hectares and not 5 lakh hectares.

- Cotton Yarn prices have dropped as second wave of corona hits the demand.** Cotton yarn prices have dropped from the peak seen at the beginning of this year and could decline further from May when a revision in rates is due to slack demand. Prices of almost of all counts of yarn have dropped by at least Rs.10 a kg as demand is low due to second wave of corona virus. Production in textile mills has dropped and it is impacting yarn off take where as the last six months were good period for Indian spinning mills because there was a huge shortage of cotton yarn due to last year's lockdown and huge demand for yarn came from domestic and International market as a result mill during that period performed well. But again with the second wave of corona virus many states have announced lockdowns and production in textile mills have slowed down.

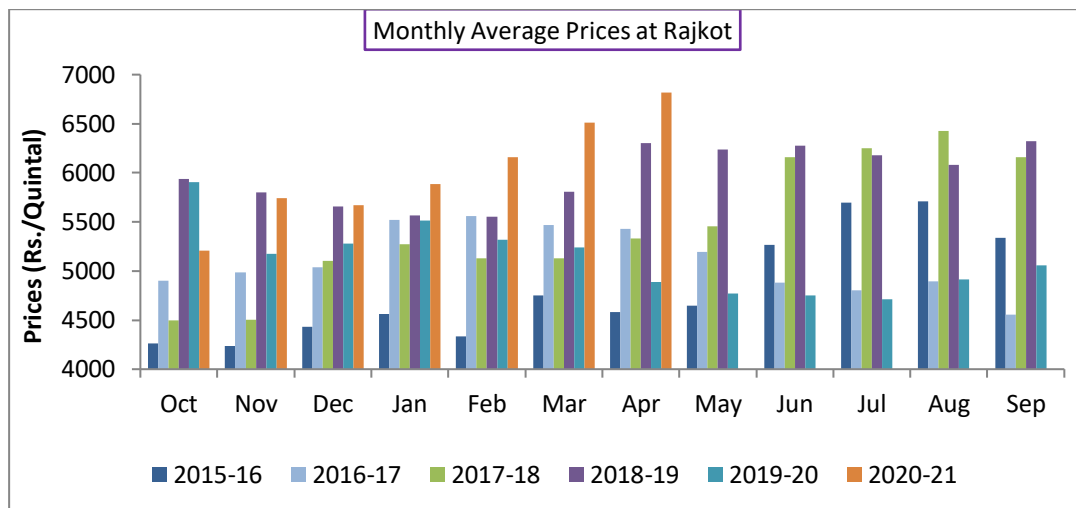
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was same as previous week at Rs. 6775/q, Ahmedabad prices were at Rs. 6750/q as markets were closed due to lockdown restriction.



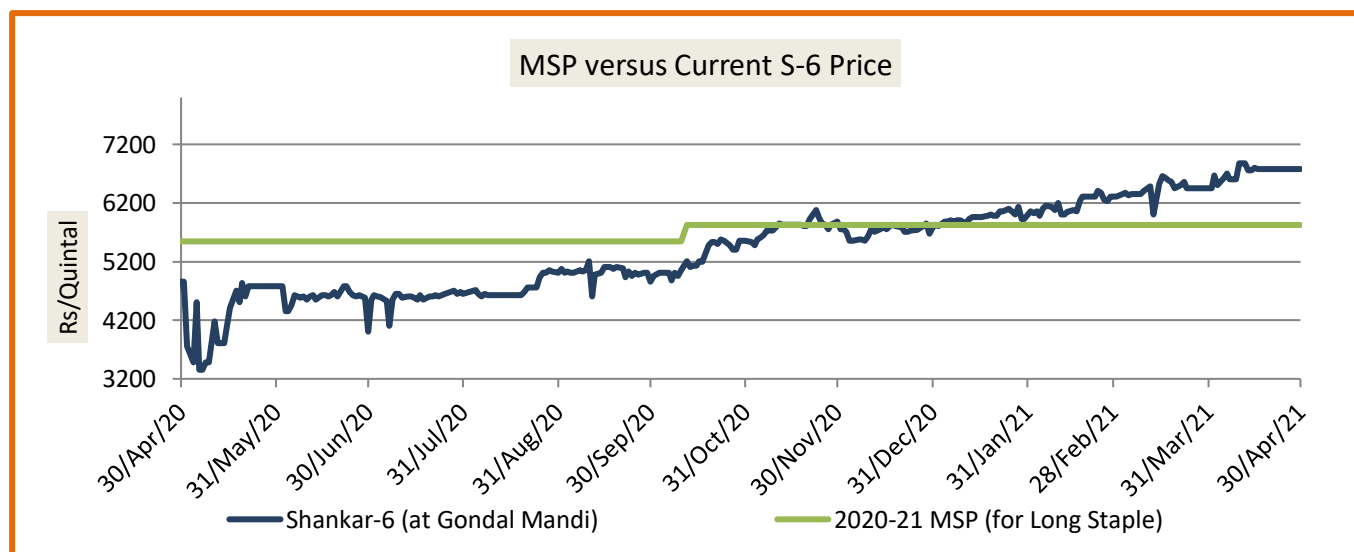
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of April were higher in the market and the monthly average price were also higher at Rs. 6817/q compared to the prices during the corresponding month of the previous season. (Rs. 4887/q)

Spot Price versus MSP

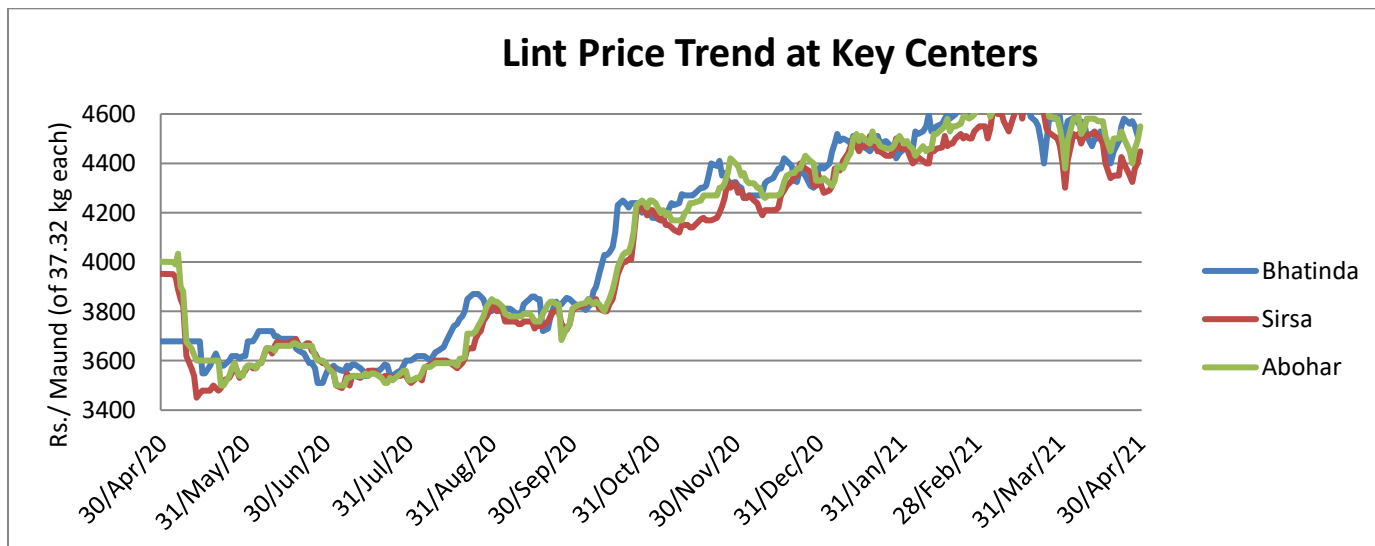
Average kapas price at Gondal market stood same as previous week at Rs. 6780/q.



Source: Agriwatch

Lint price Outlook

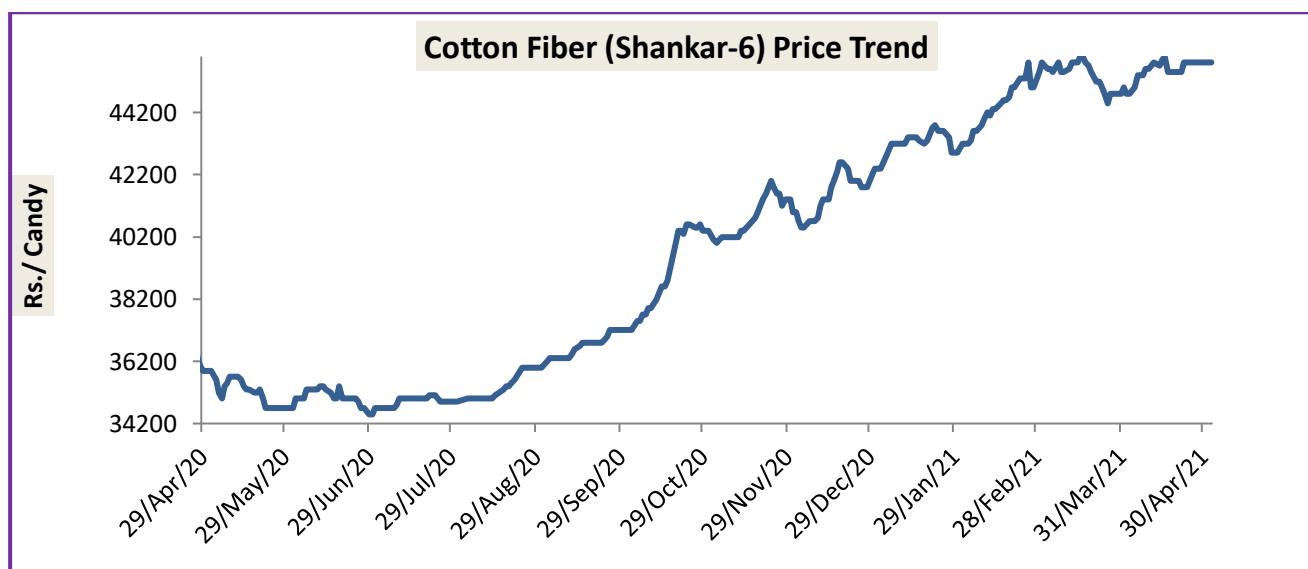
The average price stood lower at Rs.4436/maund of lint in Abohar, but were higher in Bhatinda at Rs.4533/maund and Rs.4442/maund in Sirsa from previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher at Rs.45800/candy from around Rs.45680/candy last week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

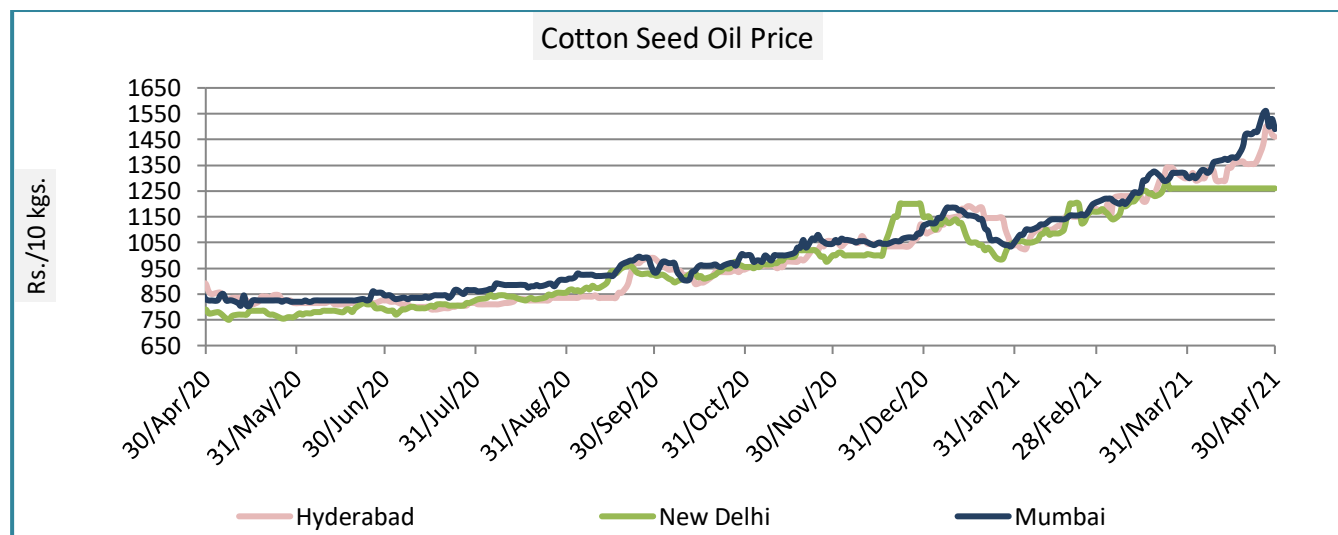
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have increased across all the centres during the week ending on 28th Apr'21. Weekly average price in Mumbai stood high at Rs. 1517, in New Delhi the prices were around Rs. 1260 per 10 Kg.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	28-Apr-21	21-Apr-21	
New Delhi	1260	1260	-
Rajkot	1390	1390	-
Hyderabad	1473	1472	0.09
Mumbai	1517	1464	3.60

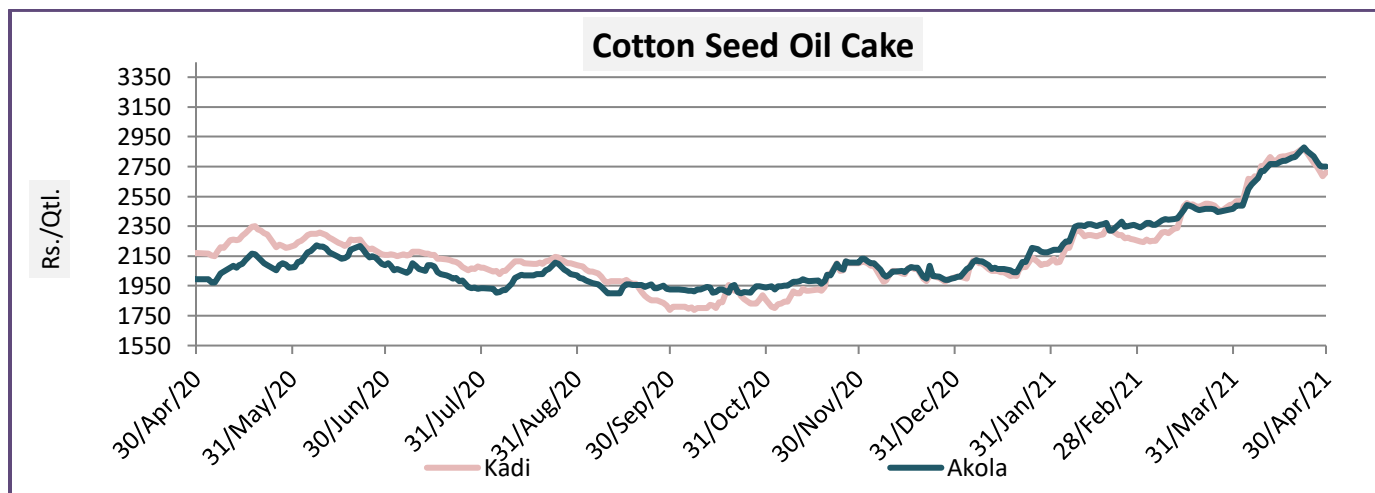
Source: Agriwatch



Cotton Seed Oil Cake weekly Price Scenario

The cotton seed oil and cottonseed oil cake prices are likely to remain range bound till June' 2021 and prices are expected to increase after June, whereas, the raw cotton prices are still increasing in the market. Currently, Cottonseed oil cake prices are prevailing around Rs. 3200- 3600 per quintal in the market. Cottonseed oil prices are around Rs. 3800- 4000 per quintal in Maharashtra, it is expected that the prices may increase to Rs. 4500 per quintal. But the demand for cotton seed oil in Maharashtra and Gujarat is likely to fall with the rising temperature and Corona cases. According to the market experts it is difficult to predict the market situation right now. The average price of cotton seed oil cake has increased in Kadi at Rs. 2803 per quintal from Rs. 2824 per quintal and in Akola were at Rs. 2826 per quintal from Rs. 2798 per quintal previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	28-Apr-21	21-Apr-21	
Kadi	2803	2824	-0.74
Akola	2826	2798	1.01



Source: NCDEX

International Market Scenario

- Kenya aims to increase its commercial production of GMO cotton by 10 times next year. The target of kenyan government is to involve over 200,000 farmers to boost production from 20,000 bales currently to 200,000 bales by 2022. Controlled farming of GMO cotton was approved by the Kenyan government in 2019 after successful field trials, and it identified 1,000 farmers last year to receive the first GMO cotton seeds. Overall the country has a demand of 38,000 tonnes of cotton lint, but produces only 5,300 tonnes. Besides Kenya, African countries like Sudan, South Africa, Ethiopia, Nigeria, Malawi and Eswatini also produce GMO cotton.
- China will soon launch its own version of Better Cotton Initiative (BCI) standards. This cotton program will mainly focus on improving production efficiency through digitalization, a fully traceable cotton production process, low carbon production and high quality cotton farming.
- Bangladesh apparel export improved year-on-year in March 2021, to 2.450 billion USD, up by 8.8 percent from same month previous year. However, the exports have slowed down by 6.5% from the previous

month. During January to March, Bangladesh apparel export has reached 7.94 billion USD which was down by 1.7 percent year on year; whereas the cumulative export volume was 299 million USD.

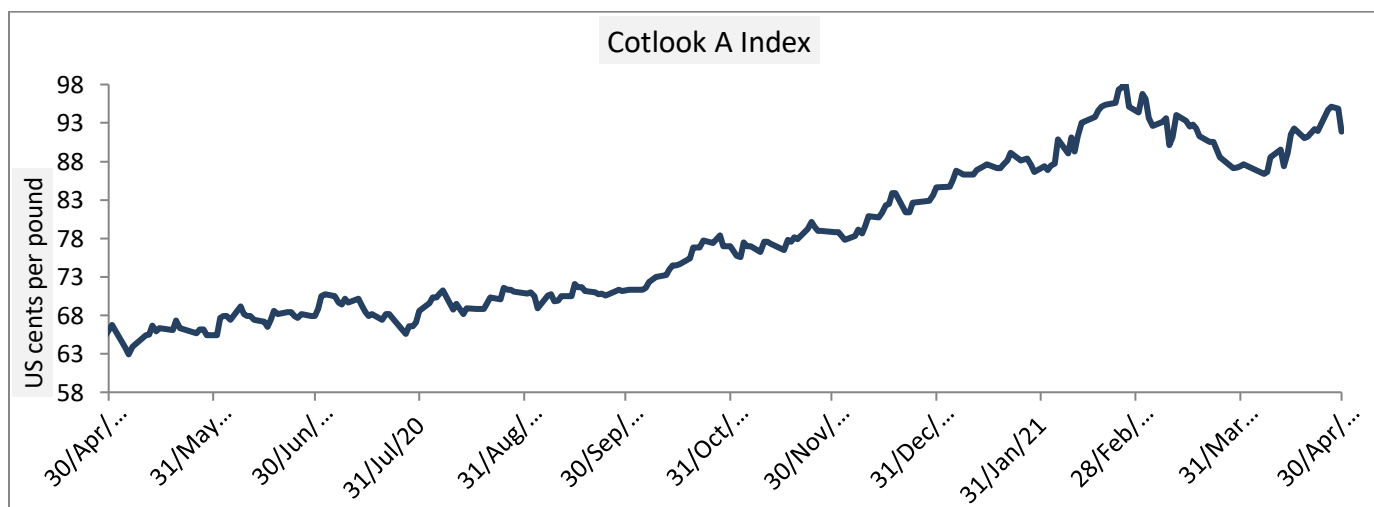
- The global 2020-21 cotton supply and demand estimates show lower stocks and production. The April 2020-21 forecast shows marginal increase in consumption in Bangladesh and Mexico compared to March 2021. Global trade has been boosted by greater import demand from China and Bangladesh. Also, higher exports are expected from Brazil, United States and Egypt.

Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 93.49 cents/lb higher as compared to the previous week (91.49 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	28-Apr-21	21-Apr-21	
Prices	93.49	91.49	2.18
Prices in US cents per Pound			

Source: Cotlook

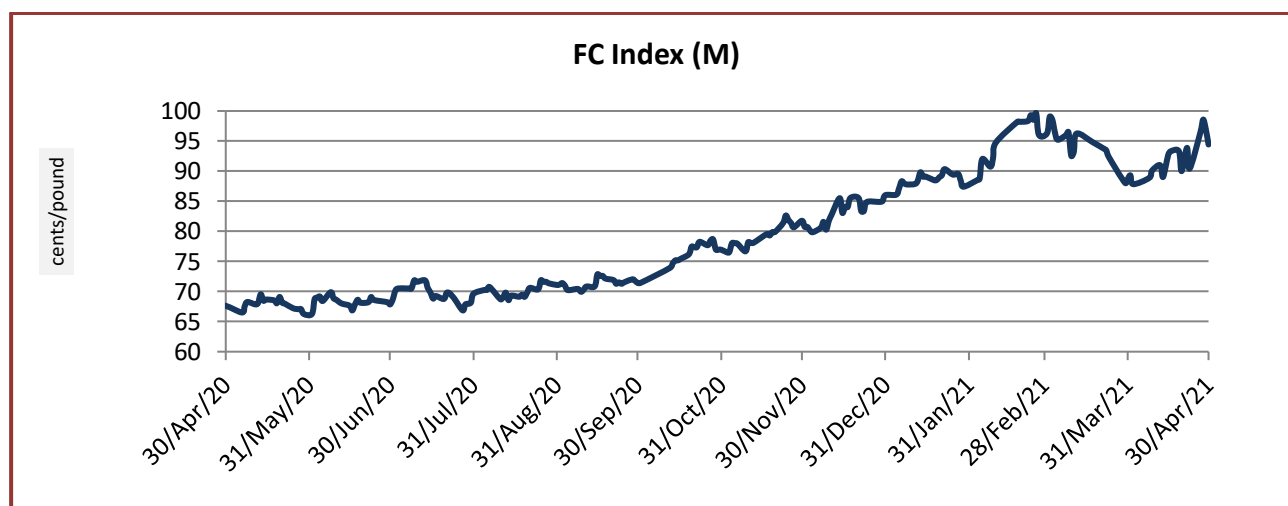


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	28-Apr-21	21-Apr-21	
FC (S)	97.32	94.51	2.97
FC (M)	94.85	92.32	2.74
FC (L)	89.81	89.70	0.12

Prices in US cents per Pound

Source: China Cotton Association

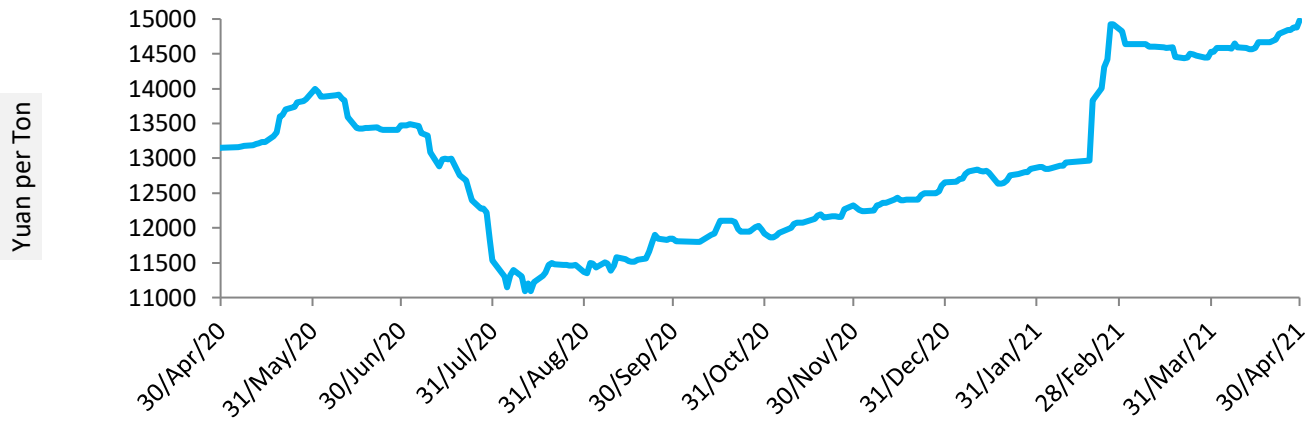


Cotton Index	Weekly Average Price as on		% Change
	28-Apr-21	21-Apr-21	
CCIndex(328)	15851.80	15515.00	2.17
CCIndex(527)	15038.20	14743.25	2.00
CCIndex(229)	16170.00	15838.75	2.09

Prices in Yuan per ton

Source: China Cotton Association

China Cotton Index(328)



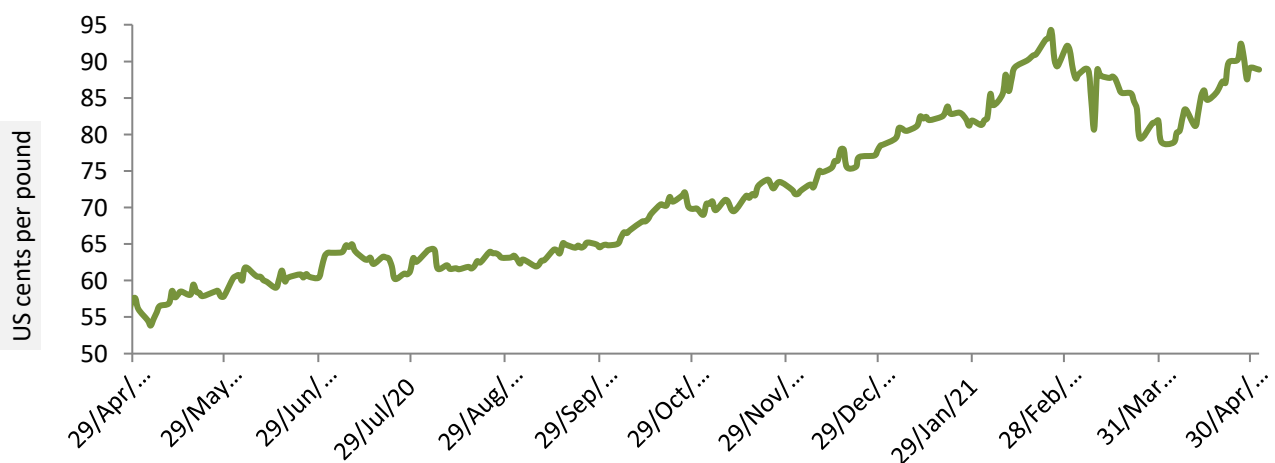
USA Spot Prices

U.S.A spot prices have increased from prior week by 5 percent at 90.00 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	28-Apr-21	21-Apr-21	
Prices	90.00	85.48	5.29
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price

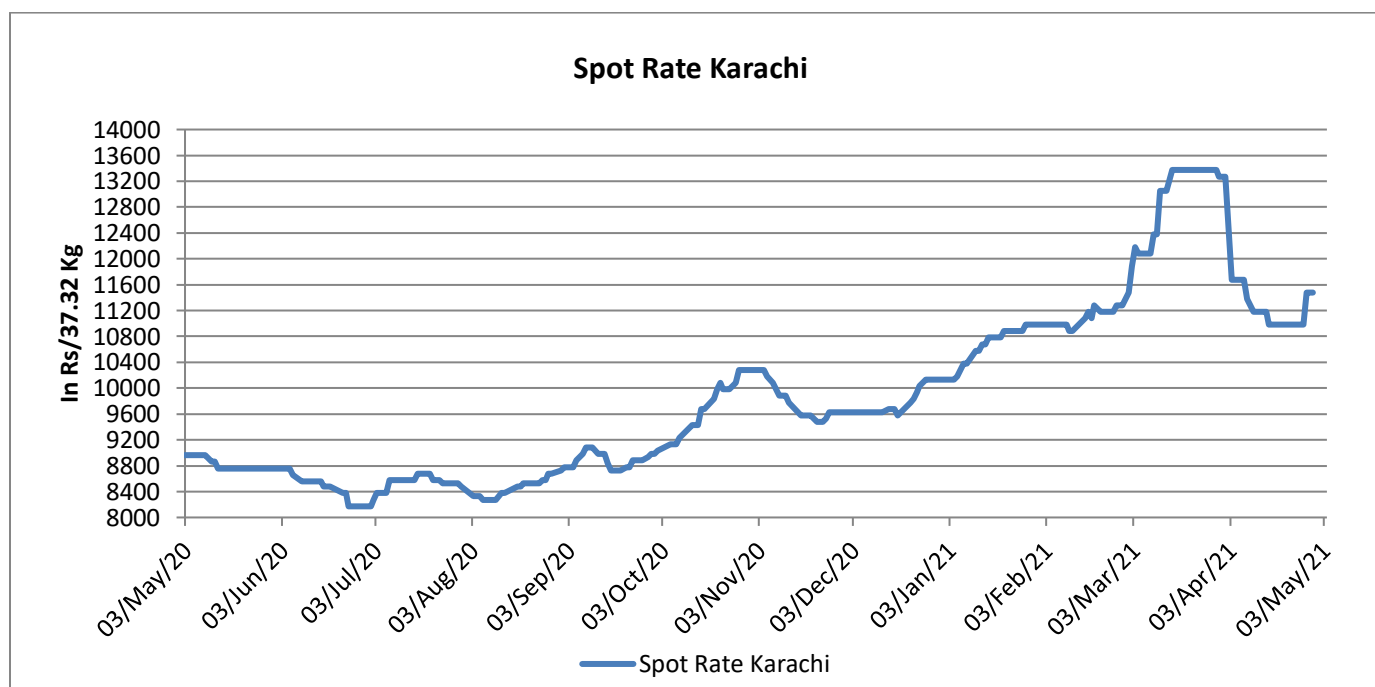


Pakistan Spot Prices

The Karachi spot pricestood around Rs.11480/q higher than the previous week by 4.55 percent. (Rs. 10980/q). Pakistan is planning to import cotton from Uzbekistan. The Pakistan government is considering an option to import cotton from Uzbekistan via land route after it took back a decision of its import from India, as textile exporters want government to take decisive steps amid 40 percent drop in the crop output.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	28-Apr-21	21-Apr-21	
Prices	11480	10980	4.55
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton
Exchange: MCX
Contract: Mar.
Expiry: May. 31, 2021

Technical Commentary:

- Therecenttrendincottonhasbeenbullish,butthemarkethasbeenquiteindecisiveoverthelastonemonth.
- Asupportingtrendlineispassingthrough20000,whilemildresistanceisseenaround21640.
- 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	21810	21640	21700
			Call	Entry	T1	T2	SL
Cotton	MC	Dec	Sell	21520	21600	21620	21580

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: May 30th, 2020

Cottonseed Oilcake



Technical Commentary:

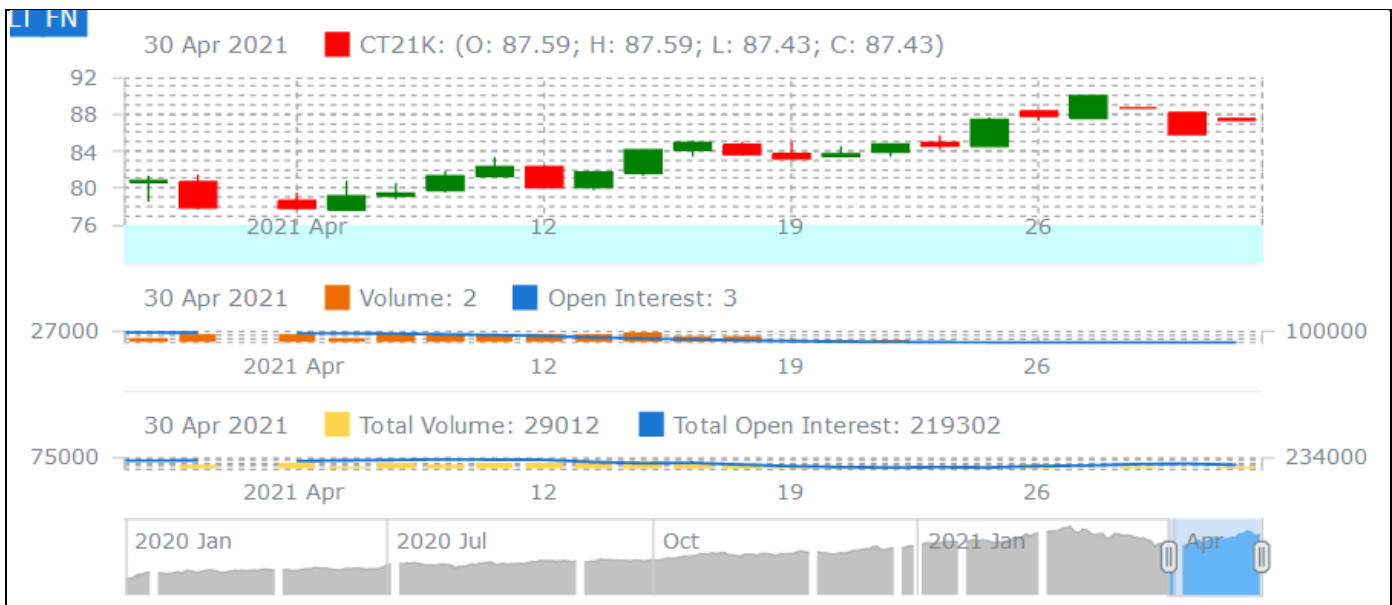
- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at2000andthena trendlinesupportat 2260. Strong resistance is seen at 2640.

Strategy: **Buy**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1700	2000	2428	2640	2670
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2522	2560	2600	2540

* 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	87-90

Expected Support and Resistance

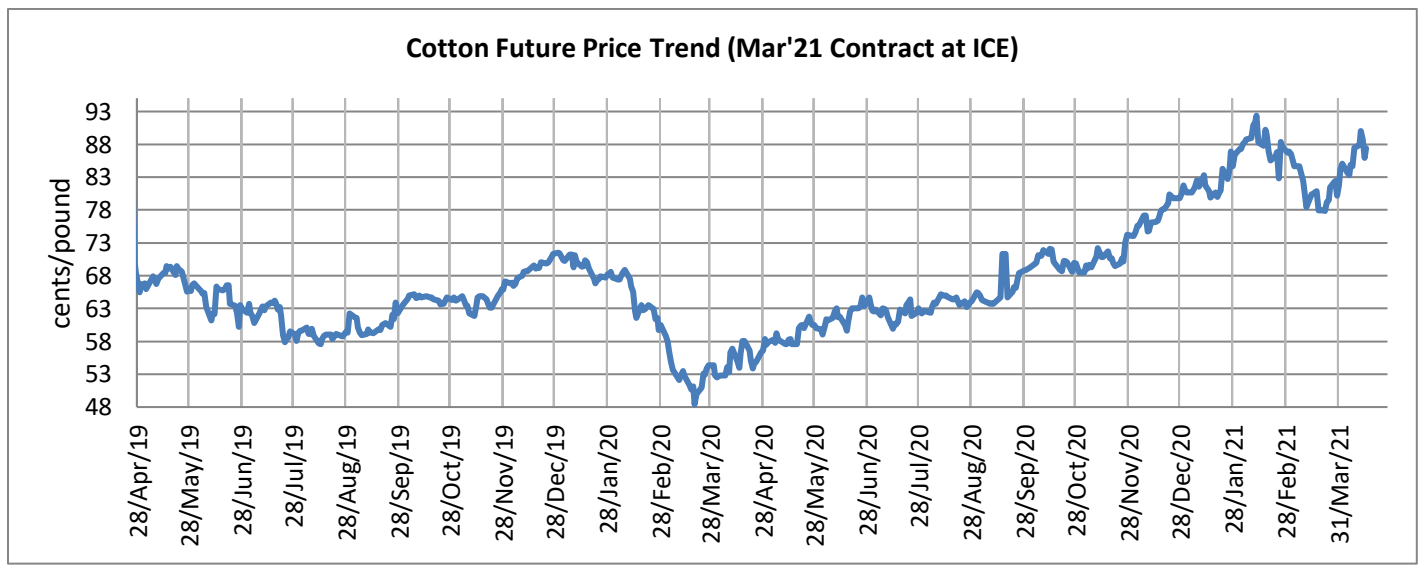
Support 1	Support 2	Resistance 1	Resistance 2
82	85	89	90

Figures in US cents/pound

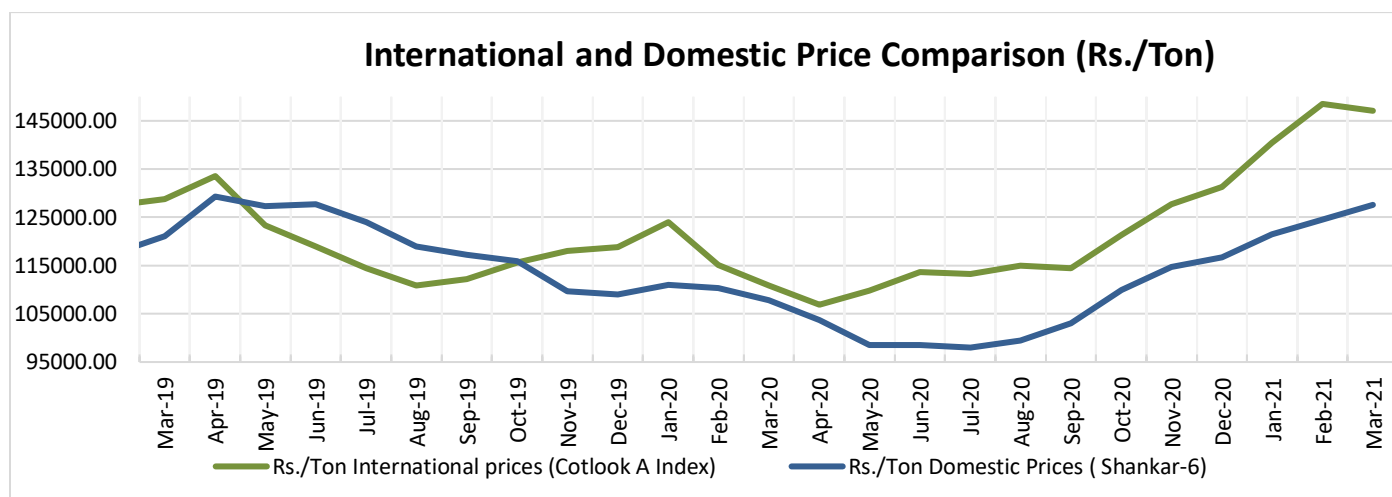
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	30-Apr-21	31-Mar-21 (1 month ago)	30-Jan-20 (3 months ago)	01-Nov-20 (6 months ago)	30-Apr-20 (a year ago)	% Change over a month	% Change over previous year
May-21	87.43	80.88	80.64	68.73	58.06	8.10	50.59
Jul-21	88.08	82.17	81.84	69.72	57.33	7.19	53.64
Oct-21	86.47	80.70	82.78	70.52	58.72	7.15	47.26
Dec-21	85.06	80.10	79.21	71.22	58.92	6.19	44.37
Mar-22	84.31	80.00	77.69	69.02	59.60	5.39	41.46

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	22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21st Apr'21	
Gujarat	Ahmedabad	Shankar-6	NA	6750	-
	Gondal	Shankar-6	NA	6793	-
	Rajkot	B.T. Cotton	NA	NA	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6304	6270	34
	Fatehabad	B.T. Cotton	NA	6250	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	6333	-

	Rawatsar	B.T. Cotton	6400	6340	60
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6475	6175	300
	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	6819	6881	-62
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	4500	4864	-364
	Raichur	H-44 Cotton	7133	7070	63
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21th Apr'21	
Punjab	Bhatinda	J-34	4533	4478	55
	Abohar	J-34	4537	4476	61
	Mansa	J-34	4527	4476	51
Haryana	Sirsa	J-34	4443	4370	73
Rajasthan	Sri-Ganganagar	J-34	4183	4324	-141

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21th Apr'21	
Gujarat	Ahmedabad	Shankar-6	NA	28900	-
	Gondal	Shankar-6	NA	2944	-
	Rajkot	B.T. Cotton	NA	NA	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2890	2380	510

	Fatehabad	B.T. Cotton	NA	200	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	190	-
	Rawatsar	B.T. Cotton	70	350	-280
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	27000	28000	-1000
	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	1530	4820	-3290
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	1	12	-11
	Raichur	H-44 Cotton	60	141	-81
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21th Apr'21	
Punjab	Bhatinda	J-34	1020	1360	-340
	Abohar	J-34	221	238	-17
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	1190	1190	Unch
Rajasthan	Sri-Ganganagar	J-34	30	40	-10

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	03-May-21	27-Apr-21	03-May-21	03-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	#N/A
	Gondal	Shankar-6	Closed	Closed	Closed	5500
	Rajkot	B.T. Cotton	Closed	Closed	Closed	5530

	Patan	B.T. Cotton	NA	0	NA	5515
	Kadi	B.T. Cotton	NA	0	NA	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	NA	0	NA	NR
Haryana	Bhiwani	B.T. Cotton	NA	0	NA	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	Closed	6325	Closed	5350
	Fatehabad	B.T. Cotton	NA	0	NA	5350
	Jind	B.T. Cotton	NA	0	NA	5700
	Uchana	B.T. Cotton	NA	0	NA	5385
	Dabwali	B.T. Cotton	NA	0	NA	NR
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	NA	Closed
	Rawatsar	B.T. Cotton	NA	0	NA	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	6375	6500	6375	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	0	NA	5929
	Hubli	D.C.H.	NA	0	NA	NA
	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	6900	NA	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	03-May-21	27-Apr-21	03-May-21	03-May-20
Punjab	Bhatinda	J-34	4520	4560	4520	#N/A
	Abohar	J-34	4520	4570	4520	#N/A
	Mansa	J-34	4500	4540	4500	#N/A
Haryana	Sirsa	J-34	4430	4460	4430	#N/A
Rajasthan	Sri-Ganganagar	J-34	NA	0	NA	#N/A

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
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State	Centre	Variety	03-May-21	27-Apr-21	03-May-21	03-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	#N/A
	Gondal	Shankar-6	Closed	Closed	Closed	#N/A
	Rajkot	B.T. Cotton	Closed	Closed	Closed	#N/A
	Patan	B.T. Cotton	NA	0	NA	3450
	Kadi	B.T. Cotton	NA	0	NA	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	0	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	NA	0	NA	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	Closed	510	Closed	#N/A
	Fatehabad	B.T. Cotton	NA	0	NA	#N/A
	Jind	B.T. Cotton	NA	0	NA	#N/A
	Uchana	B.T. Cotton	NA	0	NA	#N/A
	Dabwali	B.T. Cotton	NA	0	NA	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	NA	#N/A
	Rawatsar	B.T. Cotton	NA	0	NA	#N/A
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	4000	4000	4000	#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	0	NA	#N/A
	Hubli	D.C.H.	NA	0	NA	#N/A
	Hubli	B.T. Cotton	NA	0	NA	#N/A
	Raichur	H-44 Cotton	NA	15	NA	#N/A
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	03-May-21	27-Apr-21	03-May-21	03-May-20
Punjab	Bhatinda	J-34	NA	170	NA	#N/A
	Abohar	J-34	NA	34	NA	#N/A
	Mansa	J-34	NA	0	NA	#N/A
	Sirsa	J-34	Closed	340	Closed	#N/A
	Sri-Ganganagar	J-34	NA	0	NA	#N/A

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				22nd Apr'21 to 28th Apr'21	15th Apr'21 to 21th Apr'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38567	38520	47
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39067	39020	47
J-34(202)	26mm	3.5 - 4.9	23	41567	41880	-313
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	43967	44000	-33
Shankar-6(105)	29mm	3.5 – 4.9	28	45750	45680	70
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48583	48580	3
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	49000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	77000	76900	100

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