

COTTON WEEKLY RESEARCH REPORT
10th 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. Indian Textile mills have reduced production due to lower domestic demand and labour shortage. Although, government has allowed mills to operate but markets are closed so mills are facing cash crunch. Textile mills dealing in exports are still going strong as Indian yarn prices are attractive. Cotton arrivals are very low due to corona virus cases and lockdown in many parts of the country.

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(91.90cents/lbs) compared to the ICE cotton future that stood at 87.21 cents/lbs.
- Indian rupee remained close to 73.51 to 73.91 per USD.

Market Highlights:

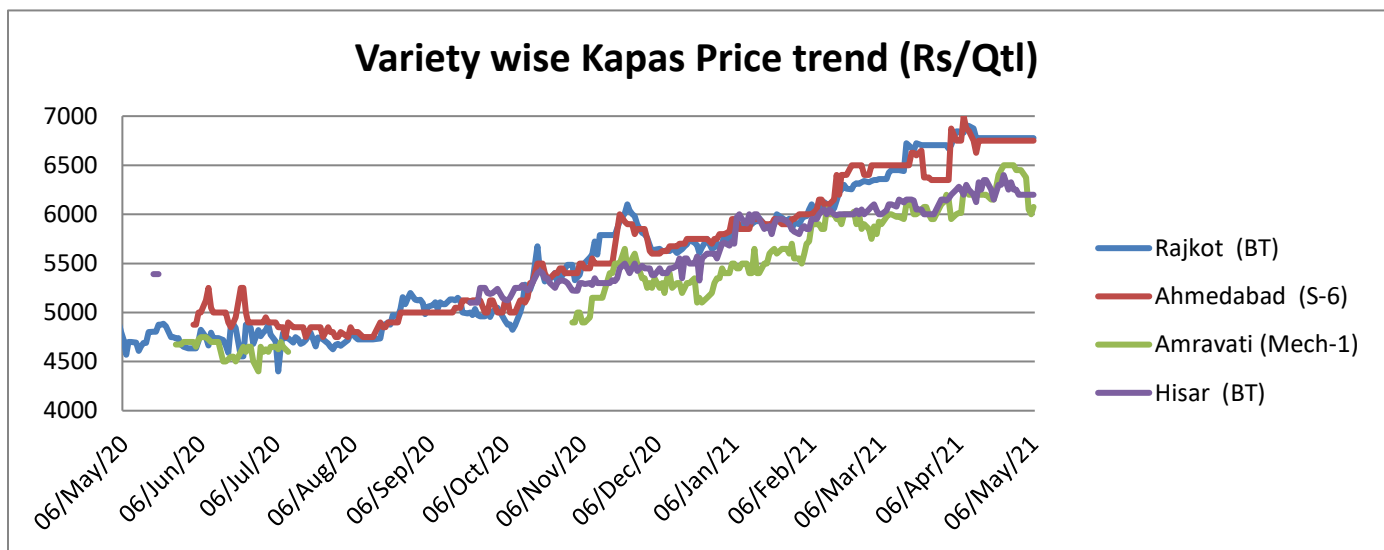
- **According to the Cotton Textile Export Promotion Council Cotton Textile and Apparel export are 13 percent lower from the previous year.** The Textile and Apparel Export are 13 percent lower from previous season; the exports are worth \$29 billion last year as against \$34 billion in 2019-20. Exports of readymade garment have also declined 20.78 percent last fiscal year compared with the previous year, while exports for man-made textile items fell 21.20 percent. Export of cotton textile had declined 2.12 percent; it is mainly because of COVID spread.
- **Cotton Consumption may drop by 8 percent due to second wave of corona virus.** According to the Union Ministry of Textile Committee on Cotton Production and Consumption has reduced cotton consumption for the season 2020-21 at 303 lakh bales from 330 lakh bales earlier, owing to the current lockdown as the extreme second wave of corona virus. Although total demand is expected to be 373 lakh bales, with 303 lakh bales consumed domestically and 70 lakh bales exported.
- **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.

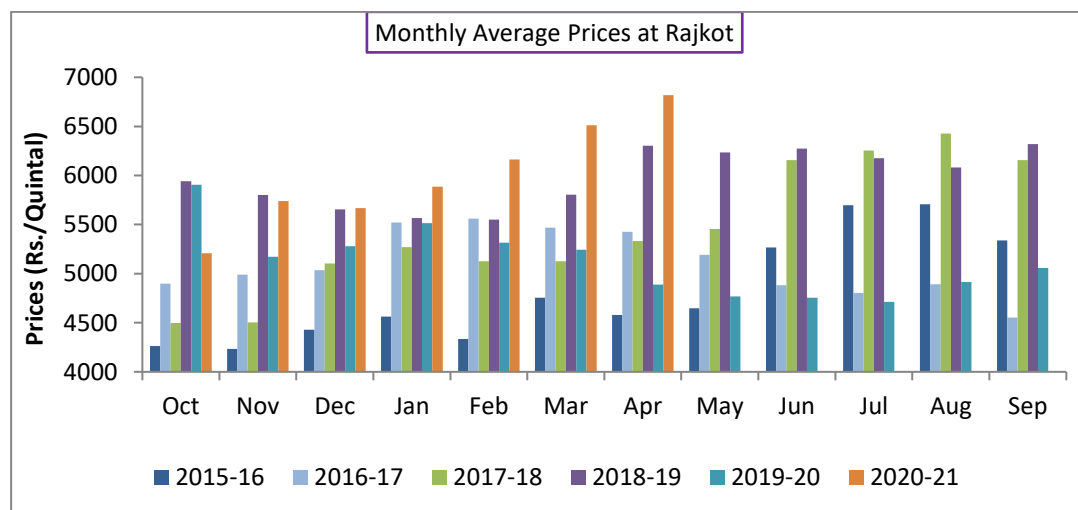
Domestic Cotton Prices Scenario

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.



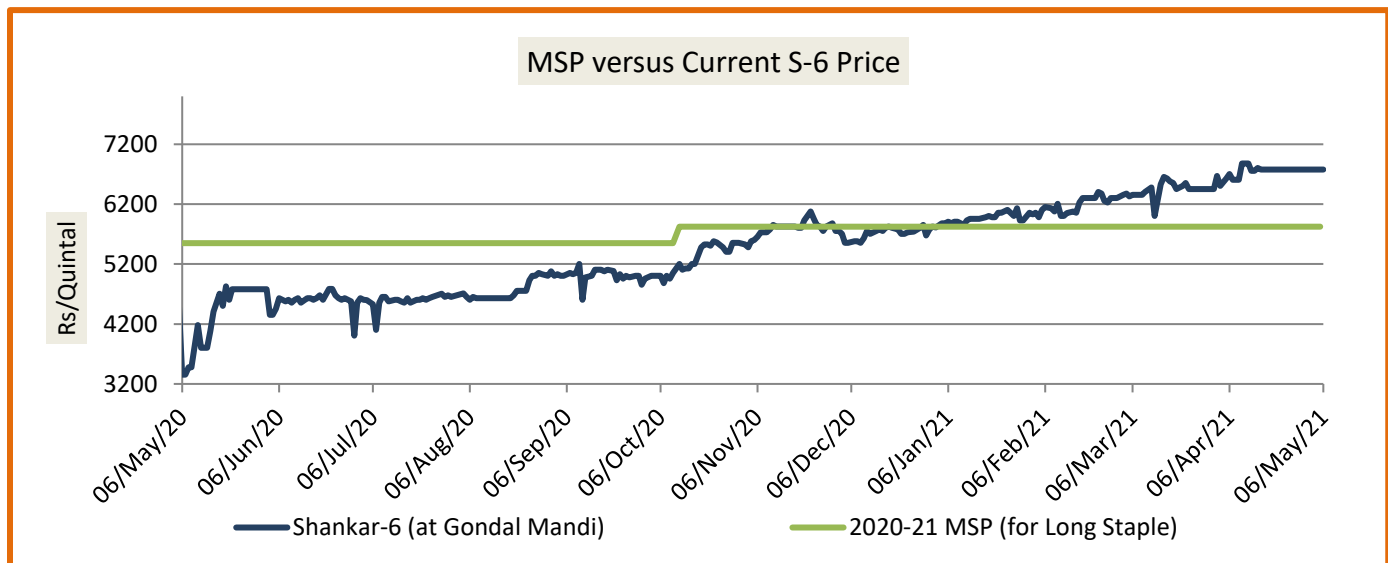
Kapas Monthly M-o-M Price Scenario



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

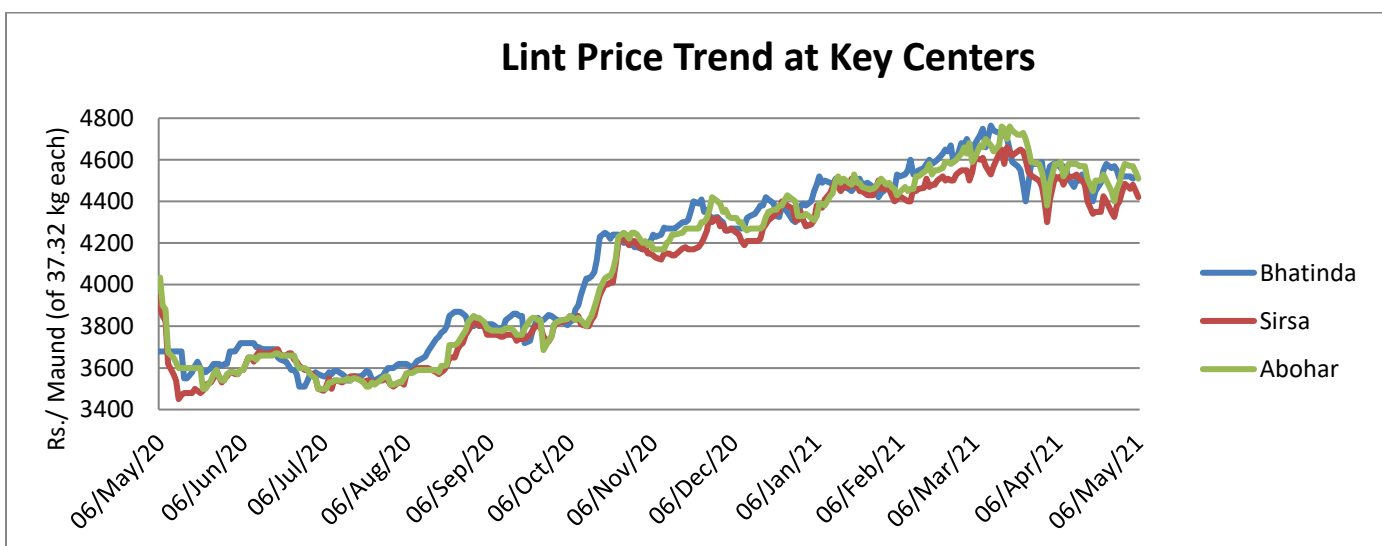
Average kapaspriceatGondal market stood same as previous week atRs. 6780/q.



Source: Agriwatch

Lint price Outlook

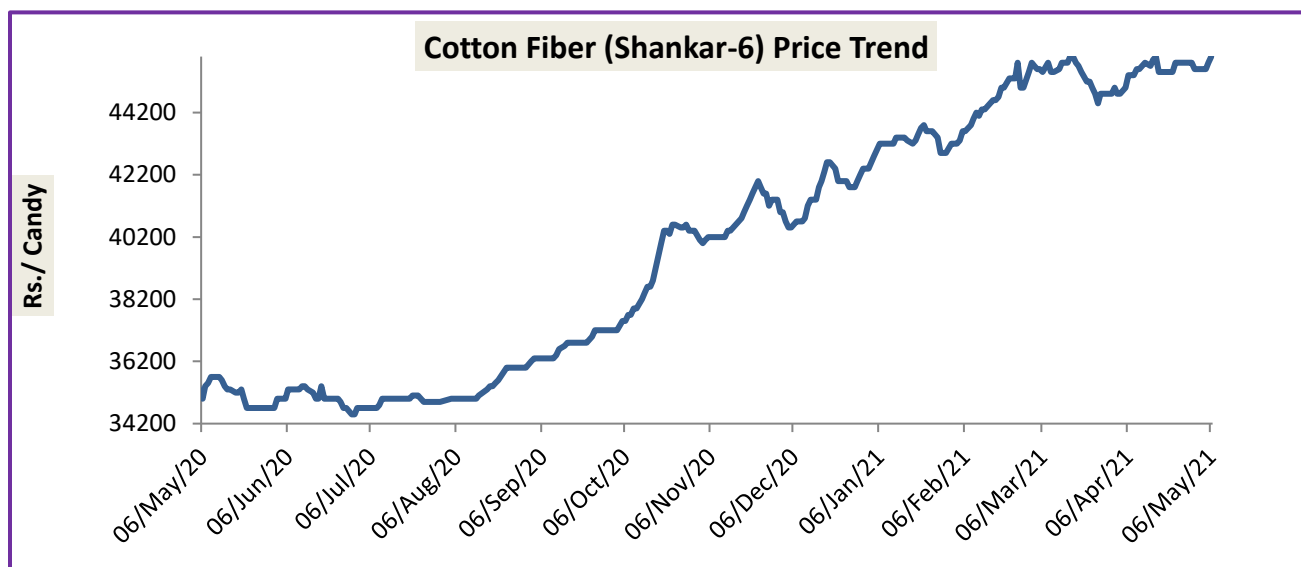
The average price stood higher atRs.4518/maund of lint in Abohar, but were lower in Bhatinda at Rs.4521/maundand Rs.4428/maund in Sirsa from previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was same as previous week at Rs.45800/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

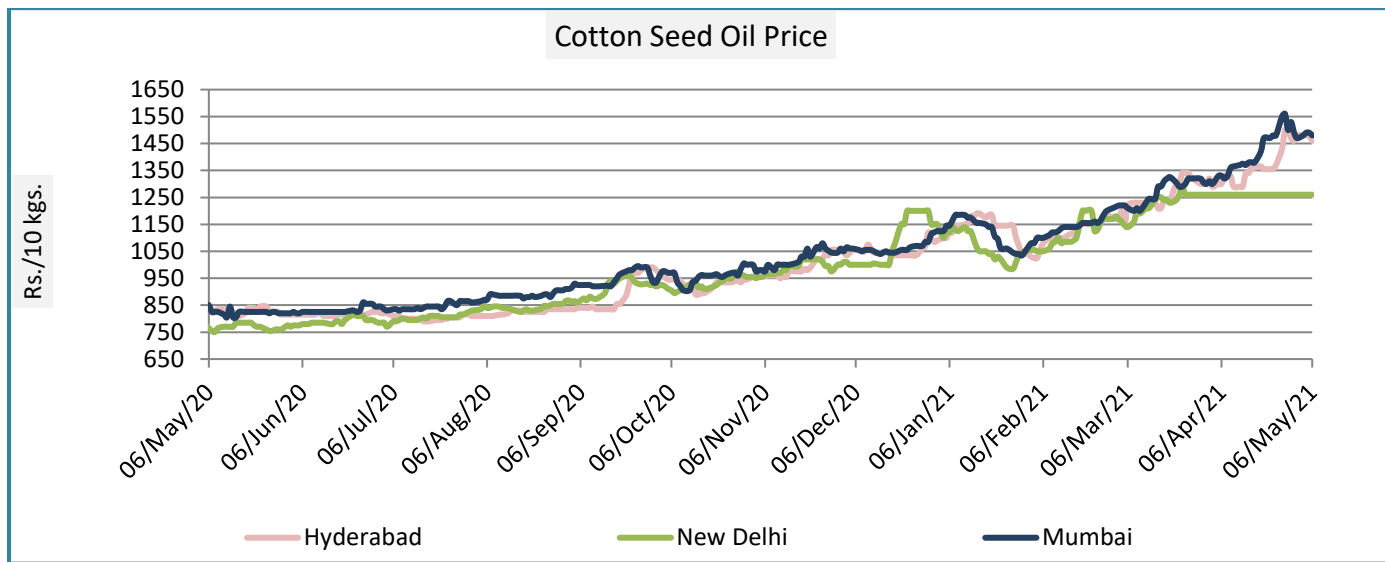
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil price have decreased across all the centres during the week ending on 05th May'21. Weekly average price in Mumbai and New Delhi were same as previous week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	05-May-21	28-Apr-21	
New Delhi	1260	1260	-
Rajkot	1390	1390	-
Hyderabad	1452	1473	-1.45
Mumbai	1483	1517	-2.22

Source: Agriwatch

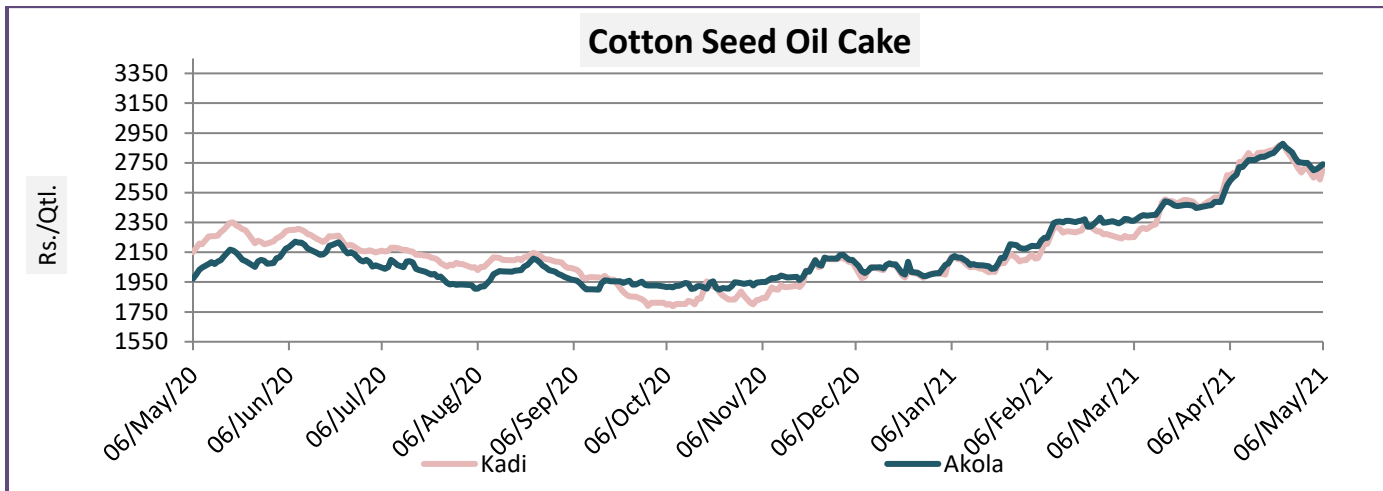


Cotton Seed Oil Cake weeklyPrice Scenario

With the rising coronavirus cases all across the country, the major cotton markets were closed due to lockdown restrictions. This has also affected the demand for both cottonseed oil and cottonseed oilcake in the major markets. However, except for Gujarat, the various other states are facing a shortage of cottonseed oilcake and cottonseed oil. On the other side, Gujarat has immense stock available to meet the demands of other states also. The demand is expected to increase after the lockdown is over.

The cottonseed oil prices have decreased from the previous week by 2 percent and the cottonseed oilcake prices have decreased by 3-4 percent. The average price of cottonseed oilcake in the Kadi market was Rs. 2680 per quintal from Rs. 2803 per quintal and in Akola was at Rs. 2731 per quintal from Rs. 2826 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	05-May-21	28-Apr-21	
Kadi	2680	2803	-4.39
Akola	2731	2826	-3.38



Source: NCDEX

International Market Scenario

- According to the International Cotton Advisory Committee, Global production is estimated at 24.6 million tonnes this month. India has lead global production at an estimated 6.3 million tonnes for 2020-21 season. China is expected to be the second largest producer with 5.9 million tonnes. The West Africa cotton producing countries together are estimated to produce over 1 million tonnes this year. The United States and Brazil are expected to produce 3.2 and 2.5 million tonnes respectively. These two countries have textile industries relatively small compared to the domestic supply and will export the overwhelming majority of their production.
- 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.

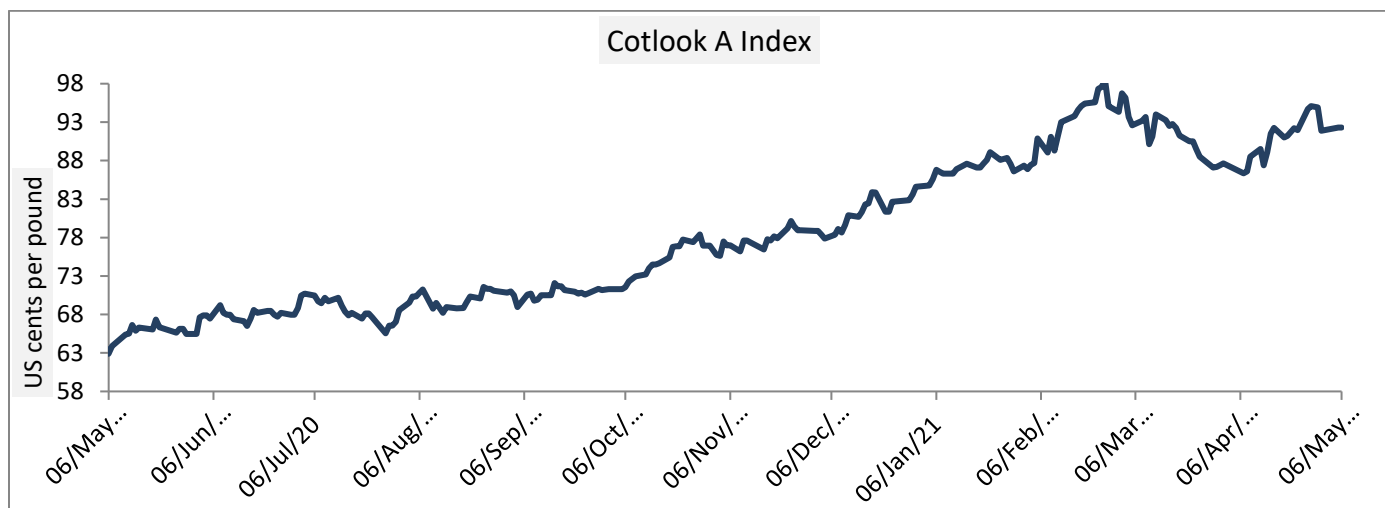
Cotlook A Index

Cotlook A index was higher in this week. The Cotlook A Index was at 93.03 cents/lb higher as compared to the previous week (93.49 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	05-May-21	28-Apr-21	
Prices	93.03	93.49	-0.49

Prices in US cents per Pound

Source: Cotlook

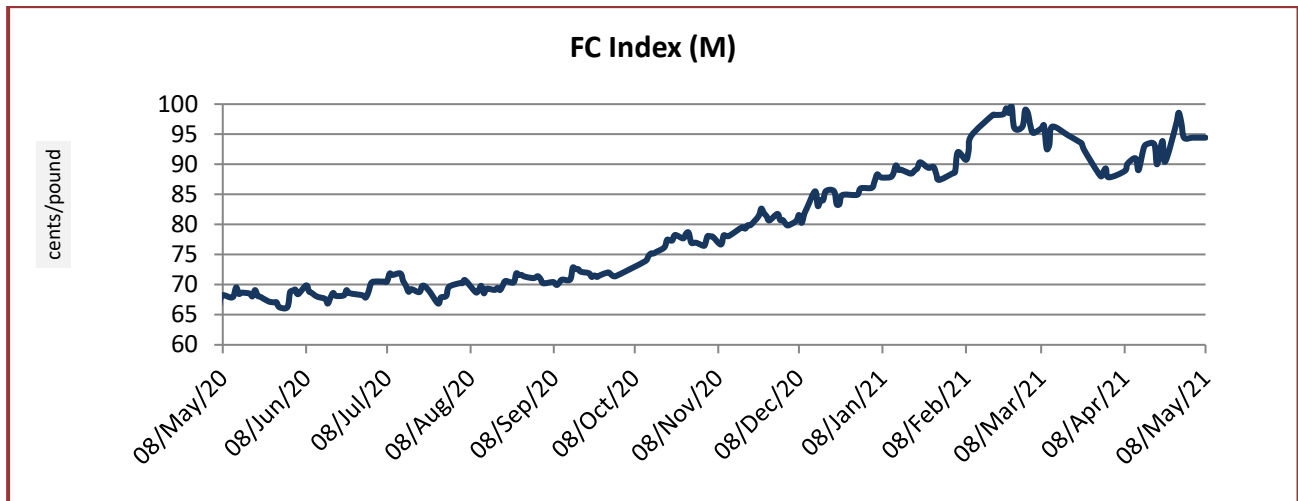


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	05-May-21	28-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
	05-May-21	28-Apr-21	
CCIndex(328)	15851.80	15851.80	2.17
CCIndex(527)	15038.20	15038.20	2.00
CCIndex(229)	16170.00	16170.00	2.09
			Prices in Yuan per ton

Source: China Cotton Association

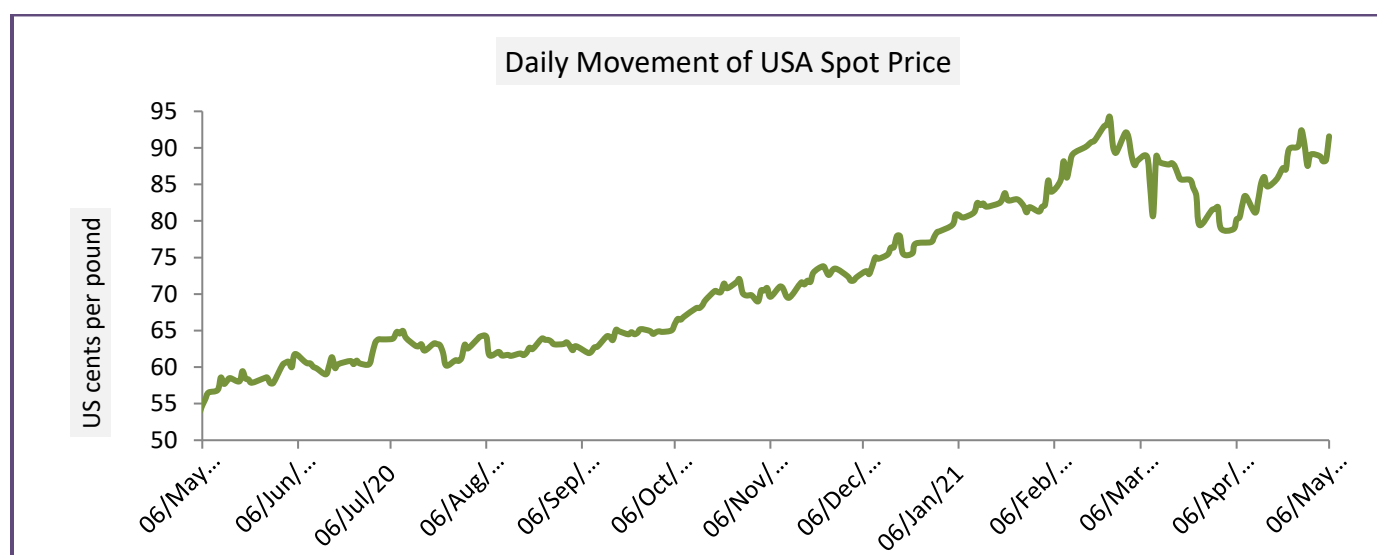


USA Spot Prices

U.S.A spot prices have decreased from prior week by 1 percent at 88.40 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	05-May-21	28-Apr-21	
Prices	80.40	90.00	-1.78
Prices in US cents per Pound			

Source: USDA

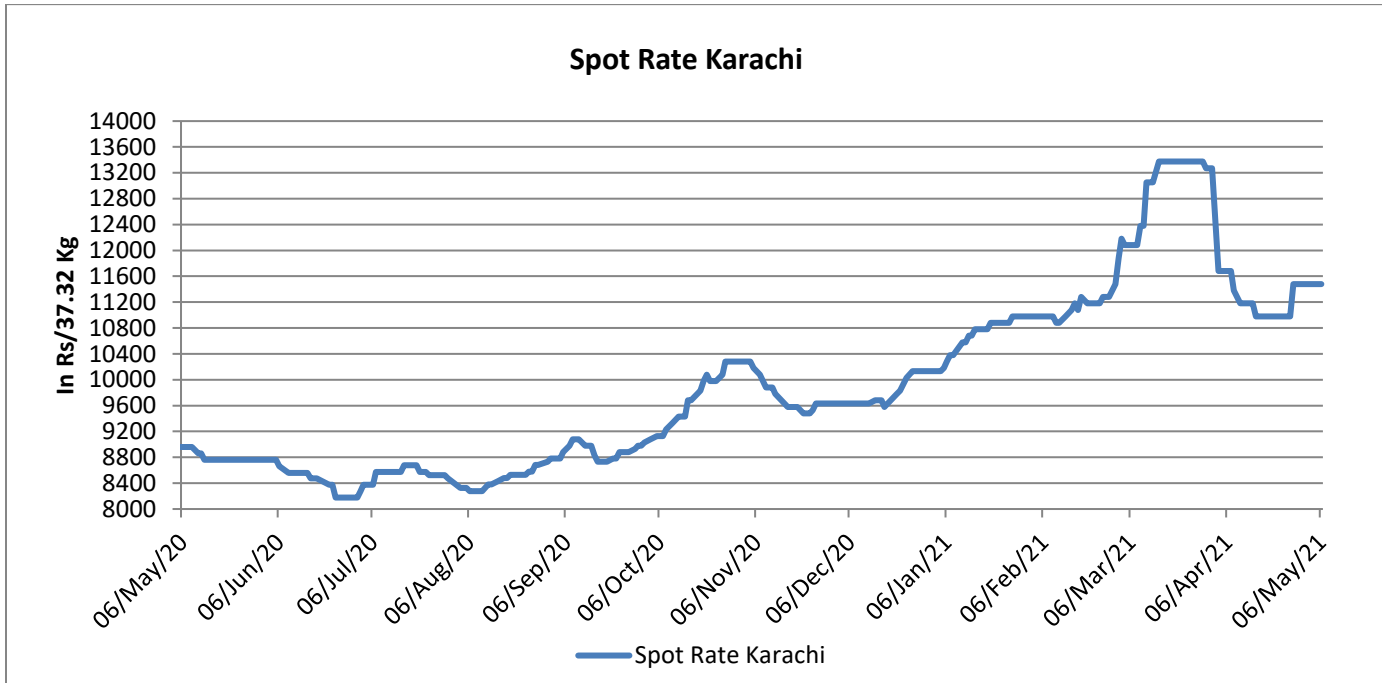


Pakistan Spot Prices

The Karachi spot pricestood around Rs.11480/qsme as the previous week. 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
	05-May-21	28-Apr-21	
Prices	11480	11480	-
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	Mar	20500	21500	21820	21900	21940
	X						
			Call	Entry	T1	T2	SL
Cotton	MC	Mar	Sell	21830	21860	21880	21840
	X						

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: May 30th, 2020

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/05/09 - Weekly B:2613.00 A:2618.00
 O 2548.00 H 2629.00 L 2544.00 C 2614.00 ↑ V 36,540 I 30,250 +90 +3.57%



Technical Commentary:

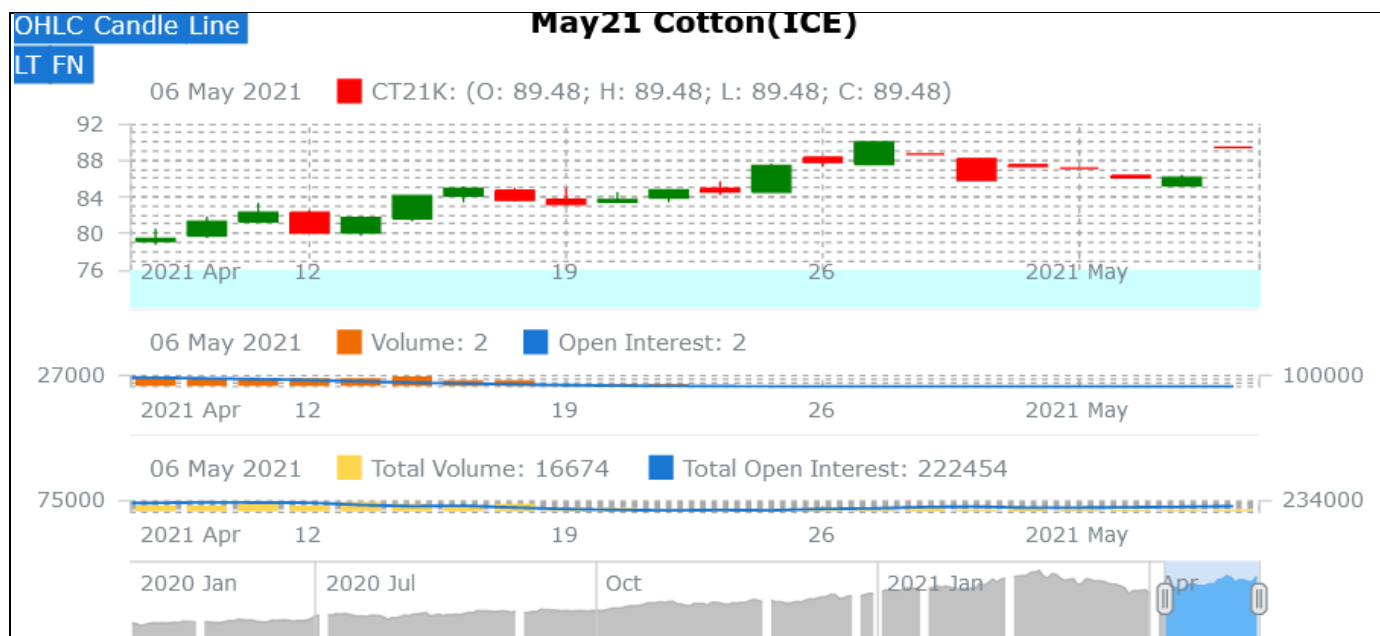
- Cottonseed oil cake on the daily chart looks uncertain even as the broader trend is bullish.
- On the intra-day chart, there exists a consolidation zone (support) at 2000 and then a trend line support at 2260. Strong resistance is seen at 2640.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Mar	1700	2000	2524	2640	2670
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Mar	Buy	2548	2560	2600	2550

* Do not carry-forward the position next day.

Technical Analysis of Cotton Future (May'21 Contract) 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	89-90

Expected Support and Resistance

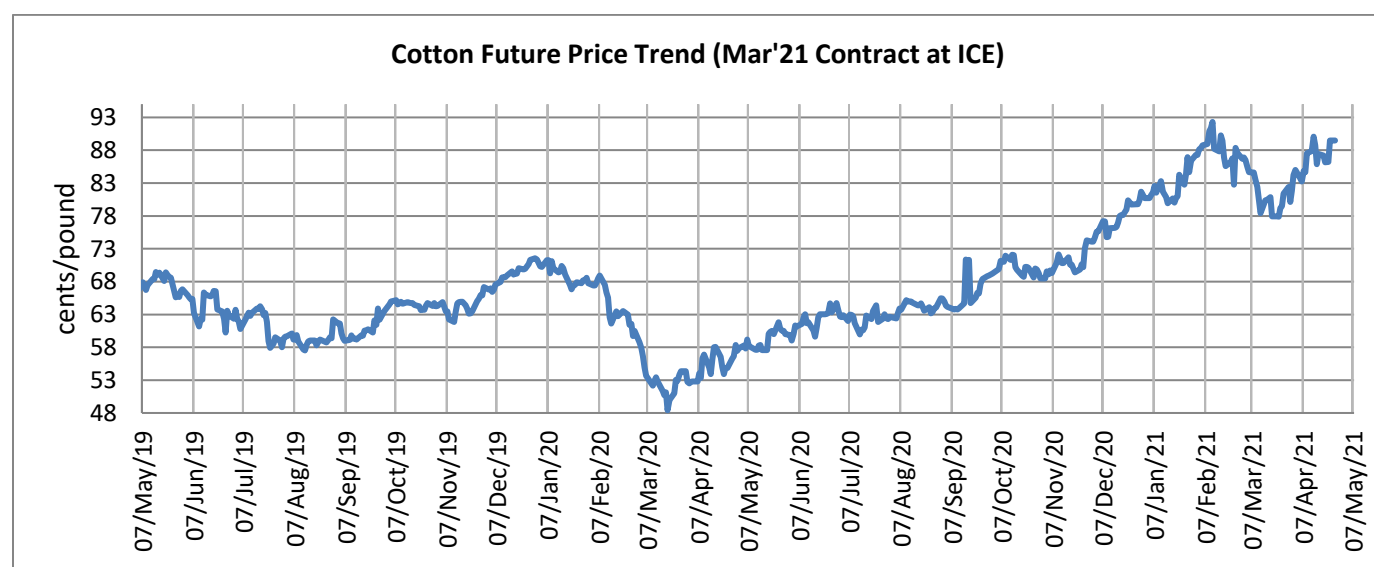
Support 1	Support 2	Resistance 1	Resistance 2
84	86	90	93

Figures in US cents/pound

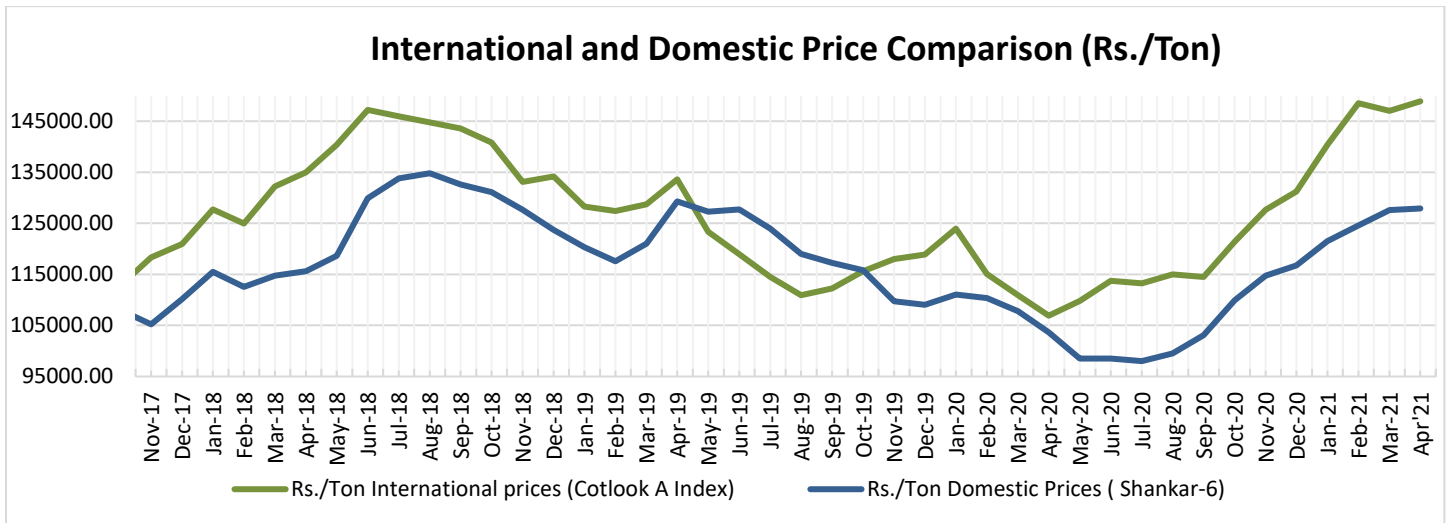
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	07-May-21	07-Apr-21 (1 month ago)	06-Feb-20 (3 months ago)	08-Nov-20 (6 months ago)	07-May-20 (a year ago)	% Change over a month	% Change over previous year
May-21	89.48	79.50	82.74	68.62	54.83	12.55	63.20
Jul-21	89.66	80.84	84.02	70.15	55.39	10.91	61.87
Oct-21	88.41	80.39	84.84	71.02	56.67	9.98	56.01
Dec-21	86.89	80.04	81.29	71.75	56.95	8.56	52.57
Mar-22	85.92	79.77	80.64	69.32	57.87	7.71	48.47

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	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	6225	6304	-79
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6350	NA	-
	Rawatsar	B.T. Cotton	NA	6400	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-

	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6296	6475	-179
	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	NA	6819	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	4500	-
	Raichur	H-44 Cotton	NA	7133	-
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	
Punjab	Bhatinda	J-34	4522	4533	-12
	Abohar	J-34	4518	4537	-18
	Mansa	J-34	4492	4527	-35
Haryana	Sirsa	J-34	4428	4443	-14
Rajasthan	Sri-Ganganagar	J-34	NA	4183	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	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	1190	2890	-1700
	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	NA	-
	Rawatsar	B.T. Cotton	NA	70	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	21500	27000	-5500
	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	1530	Unch
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	1	-
	Raichur	H-44 Cotton	NA	60	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	Change
Punjab	Bhatinda	J-34	340	1020	-680
	Abohar	J-34	NA	221	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	680	1190	-510
Rajasthan	Sri-Ganganagar	J-34	NA	30	-

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	08-May-21	01-May-21	08-May-21	08-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	Closed
	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	0	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	6050	6450	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	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	0	NA	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	08-May-21	01-May-21	08-May-21	08-May-20
Punjab	Bhatinda	J-34	4580	4520	4580	0
	Abohar	J-34	4580	4520	4580	0
	Mansa	J-34	4580	4500	4580	0
Haryana	Sirsa	J-34	4490	4430	4490	3470
Rajasthan	Sri-Ganganagar	J-34	NA	0	NA	Closed

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	08-May-21	01-May-21	08-May-21	08-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	Closed
	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	0	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	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	3000	3000	3000	#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	NA	0	NA	690
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	435
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	08-May-21	01-May-21	08-May-21	08-May-20
Punjab	Bhatinda	J-34	NA	85	NA	0
	Abohar	J-34	NA	0	NA	0
	Mansa	J-34	NA	0	NA	0
	Sirsa	J-34	NR	170	NR	850
	Sri-Ganganagar	J-34	NA	0	NA	Closed

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38560	38567	-7
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39060	39067	-7
J-34(202)	26mm	3.5 - 4.9	23	41720	41567	153
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44000	43967	33
Shankar-6(105)	29mm	3.5 - 4.9	28	45640	45750	-110
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48600	48583	17
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	49000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	77000	77000	Unch

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