

COTTON WEEKLY RESEARCH REPORT
24th May 2021**Domestic market summary**

Domestic Market Scenario: Punjab and Haryana has started sowing cotton for the coming 2021-22 season. Indian cotton is still in demand, despite the rise in prices and very low arrivals. Cotton arrivals in the CCI procurement center are very low due to coronavirus 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 are likely to hover around Rs.5600-6000/q.

Major Market Highlights:

- The Cotlook index stood higher (88.00 cents/lbs) compared to the ICE cotton future that stood at 82.32 cents/lbs.
- Indian rupee remained close to 72.83 to 73.21 per USD.

Market Highlights:

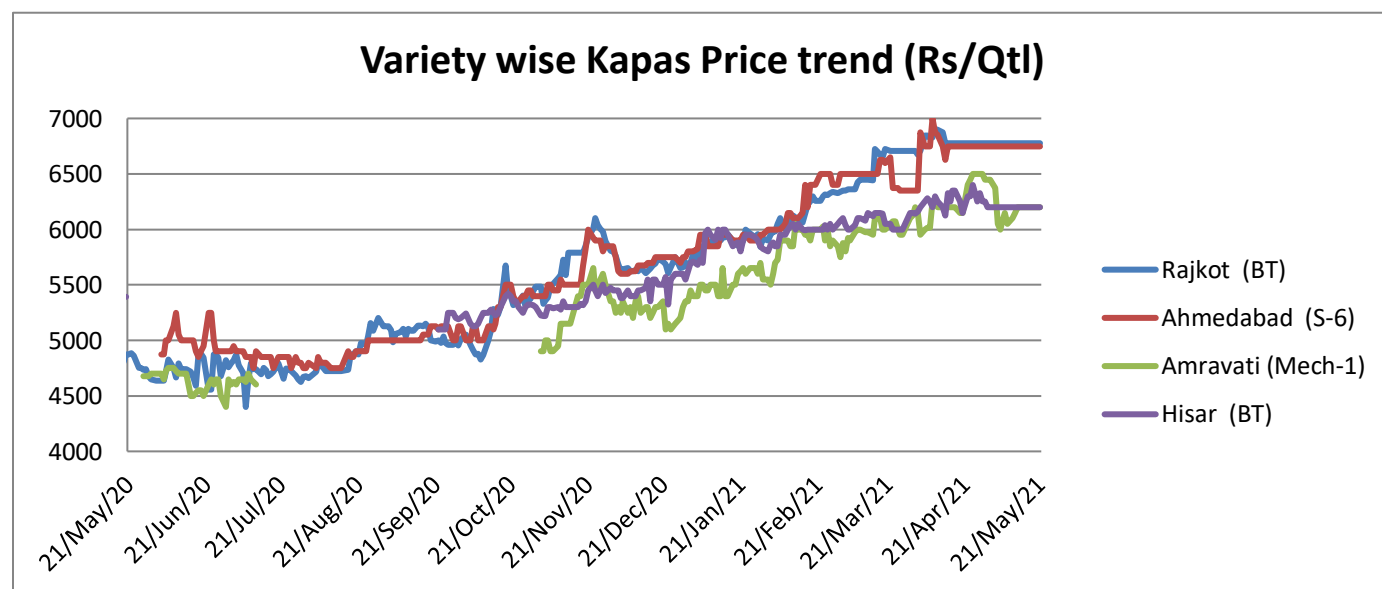
- Punjab Agriculture Department is planning to revive cotton in the Moga district of Punjab. To revive cotton cultivation in Moga, the Punjab agriculture department has now started a unique project in the district under which farmers are being encouraged to sow cotton using the 'bed plantation technique' which uses furrow irrigation to save water. Earlier the farmers have slowly weaned away from cotton and were shifted towards a paddy. The cotton sowing season is currently underway in Punjab, According to the department officials, Till now 25 acres have been sown in this particular block in different villages with the same technique as a demonstration to encourage other farmers to adopt cotton cultivation instead of paddy.
- According to the International Cotton Advisory Committee, Supply and Demand estimate report, India's cotton production is estimated at 6.1 million tonnes for the 2020-21 season. Cotton consumption is estimated at around 5.15 million tonnes whereas the imports are estimated at 187,000 tonnes and export around 1.2 million tonnes.
- The AI-Based solution will help India's cotton farmers to fight against pest attacks. According to the Wardhani Institute for Artificial Intelligence, cotton farmers in Maharashtra, Gujarat, and Telangana have seen a reduction in the damage due to pink bollworm attacks and quality improvement in the crop using artificial intelligence. The solution built by the institute works on a simple smart phone and provides real-time localized and accurate pest advisory to the farmers. This AI-Based solution works in 8 different

languages and also gives a recommendation for use of pesticides based on the intensity of the pink bollworm attack. The AI Solution is deployed in 4 districts across three states across India.

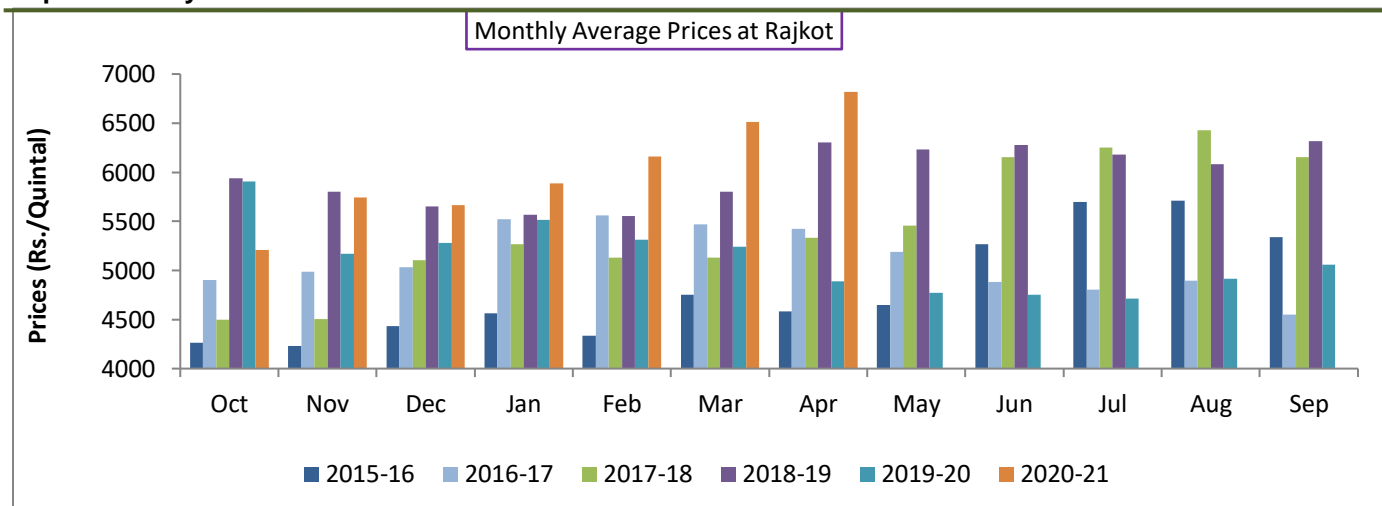
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

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



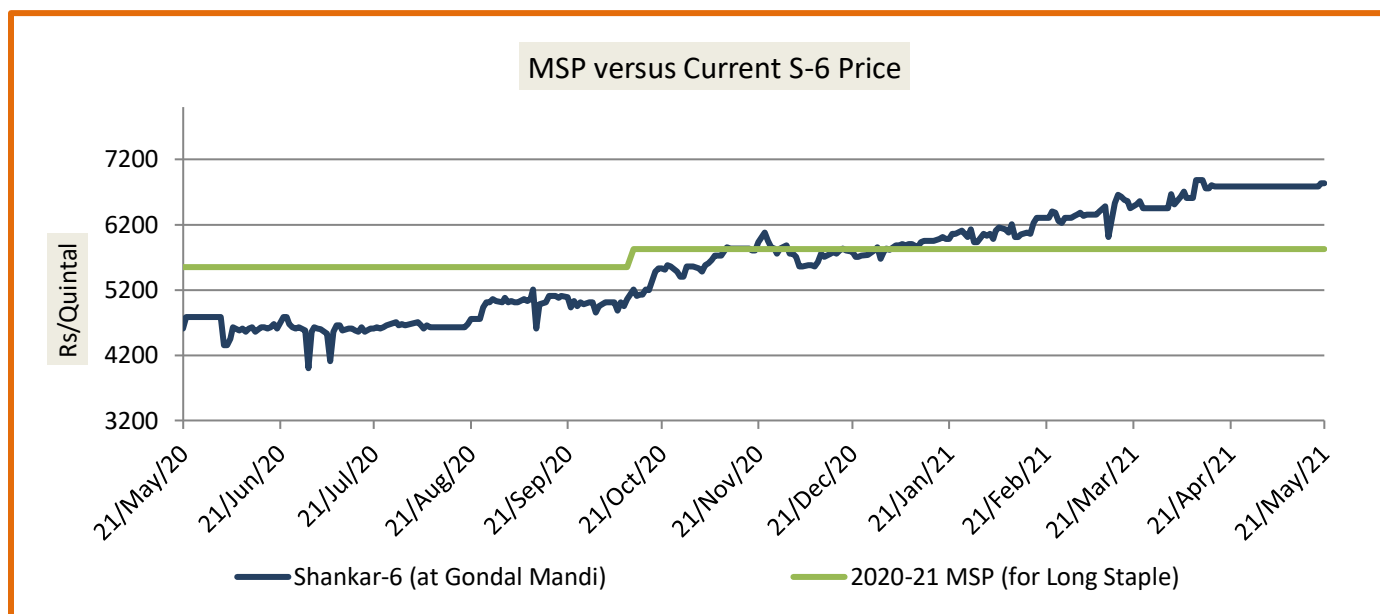
Kapas Monthly M-o-M Price Scenario



The arrivals in April were higher in the market and the monthly average price was 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

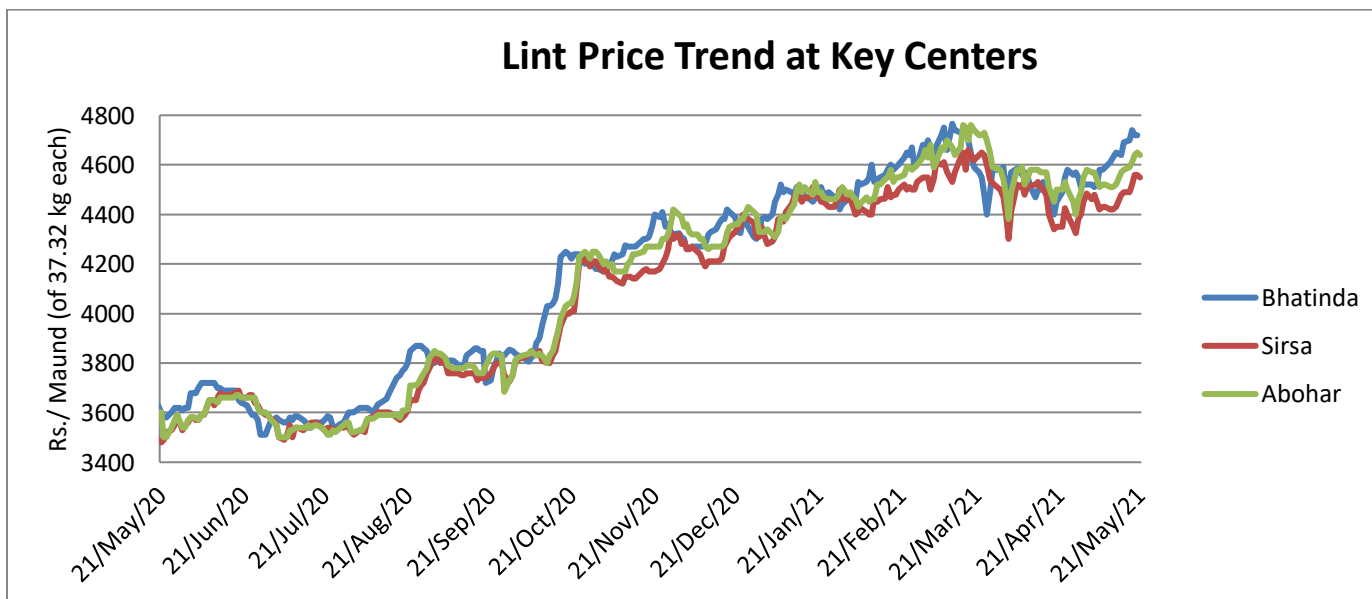
Average kapas price at Gondal market stood same as previous week at Rs. 6780/q.



Source: Agriwatch

Lint price Outlook

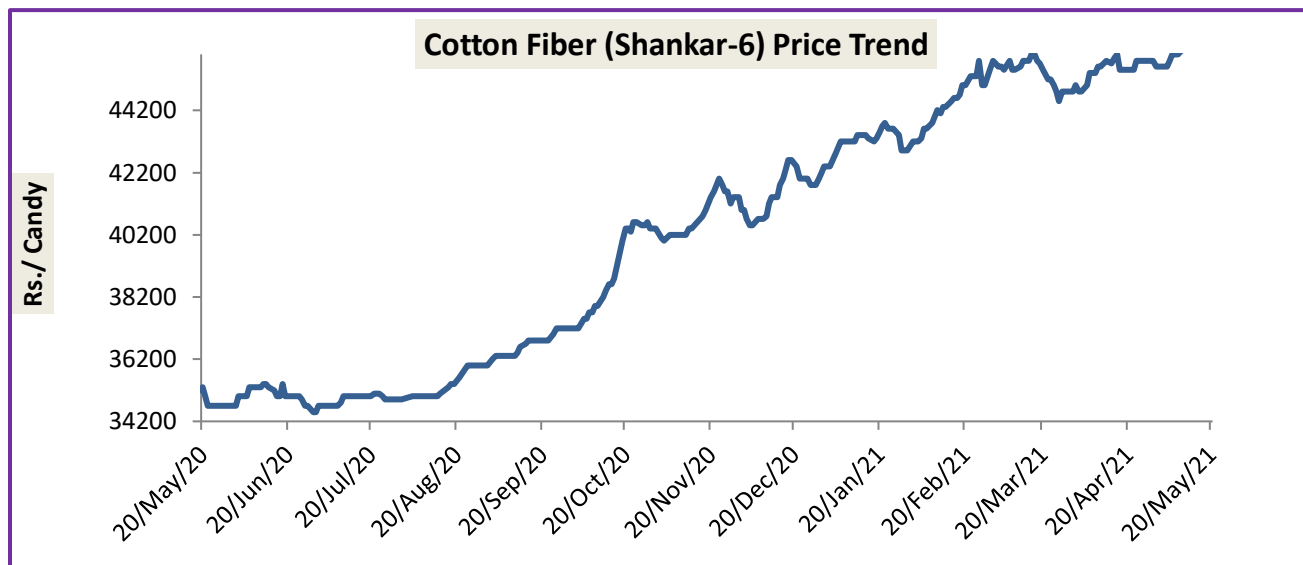
The average price stood higher at Rs. 4660/maund of lint in Abohar, in Bhatinda at Rs. 4660/maund, and Rs. 4573/maund in Sirsa from the previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week as 46540/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

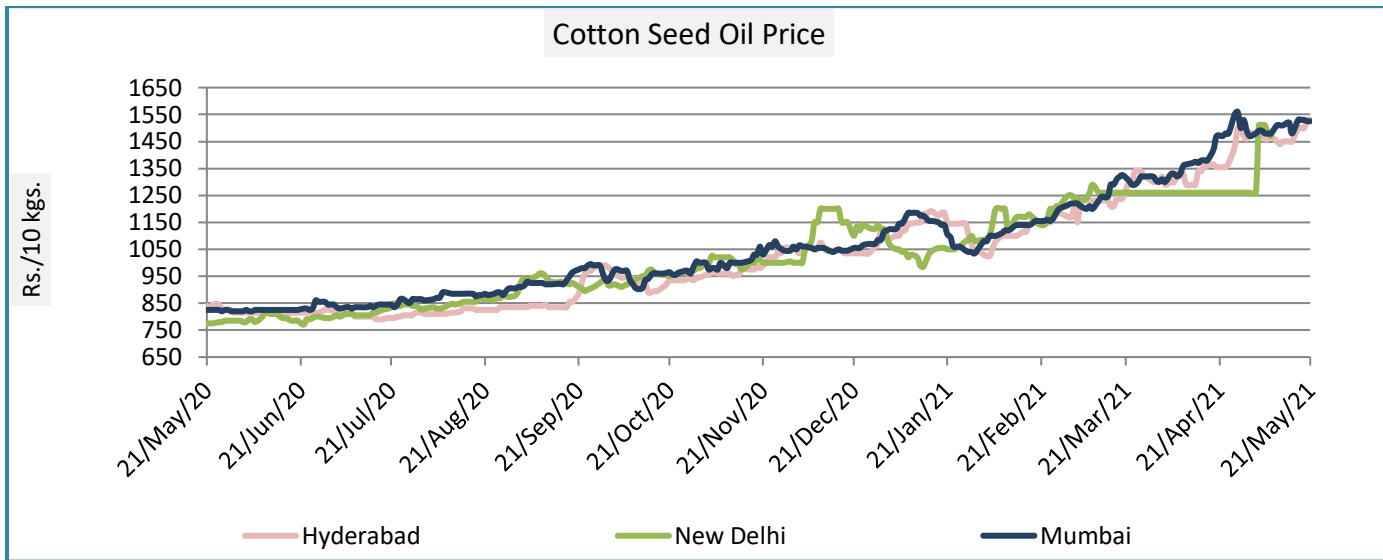
Cotton Seed Oil weekly

Price Scenario

Cotton seed oil prices have increased across all the centers during the week ending on 12th May'21. The weekly average price in Mumbai and New Delhi was the same as the previous week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	19-May-21	12-May-21	
New Delhi	1410	1260	11.90
Rajkot	1390	1390	-
Hyderabad	1524	1452	4.96
Mumbai	1526	1483	2.90

Source: Agriwatch

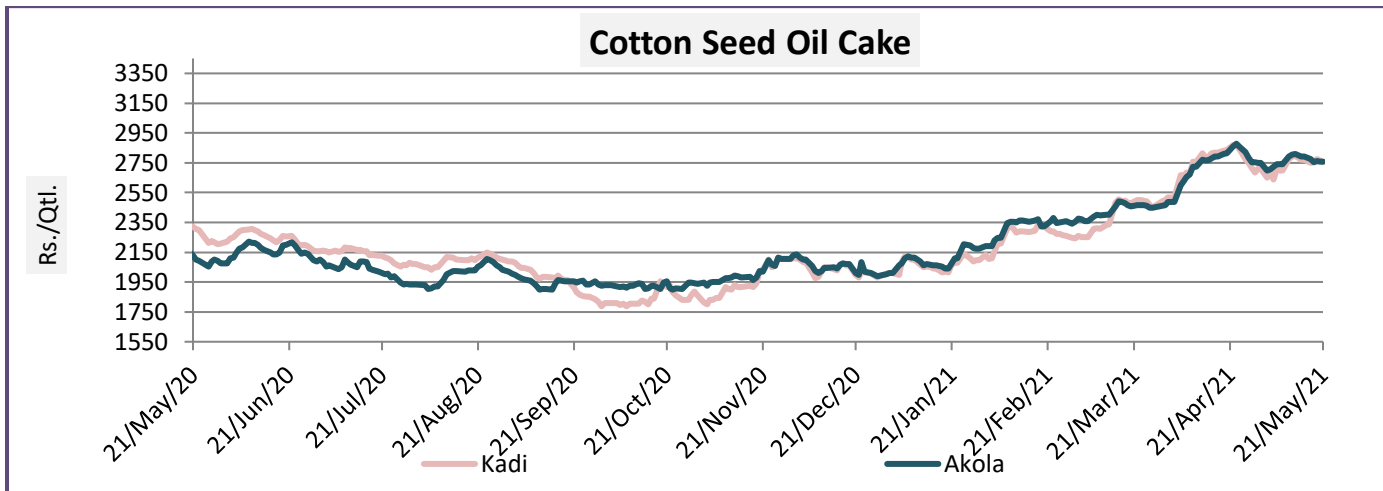


Cotton Seed Oil Cake weekly price Scenario

With the rising corona virus 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. The major market of Gujarat for cottonseed oil is closed due to lockdown restrictions but the cottonseed oil prices have increased from the previous week by 2- 4 percent in Hyderabad and Mumbai market.

The cottonseed oil prices have increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2764 per quintal from Rs. 2746 per quintal and in Akola was at Rs. 2775 per quintal from Rs. 2772 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	19-May-21	12-May-21	
Kadi	2764	2746	0.66
Akola	2775	2772	0.12



Source: NCDEX

International Market Scenario

- Myanmar is diverting export orders to Bangladesh. Myanmar's deepening political crisis and India's grave coronavirus situation are prompting international retailers and brands to divert work orders to Bangladesh as due to stability in the coronavirus situation; Bangladesh is witnessing a relatively calm situation than many other countries in the region.
- Zimbabwe cotton marketing season has started amid high expectation from farmers of early payments from the crop upon delivery at the 773 buying points countrywide. Farmers are ready to deliver cotton bales at the buying points while the cotton-picking is also progressing.
- In the latest report released by USDA in May'2021, for the 2020-21 season, global production and consumption have slightly changed from April month. Imports were projected higher in Vietnam(6%), China(13%), and Bangladesh(1%) and more than offset slower demand from Malaysia and Taiwan whereas exports were higher from the U.S(10%) and Brazil(16%) from the previous estimates. Global ending stock was projected down by 2 percent as larger exports from the United States and Brazil lower their stock and more than offset higher stock levels in China.
- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, U.S. cotton production for the season 2021-22 is projected to rise 2.4 million bales, but the total supply is projected at its lowest in 5 years. Although both exports and ending stock are forecasted lower than in 2020-21 season. Production is anticipated at 17.0 million bales, with 12.0 million planted acres as indicated in Prospective Plantings, abandonment projected above the average of the past 5 years and average yields. Exports are

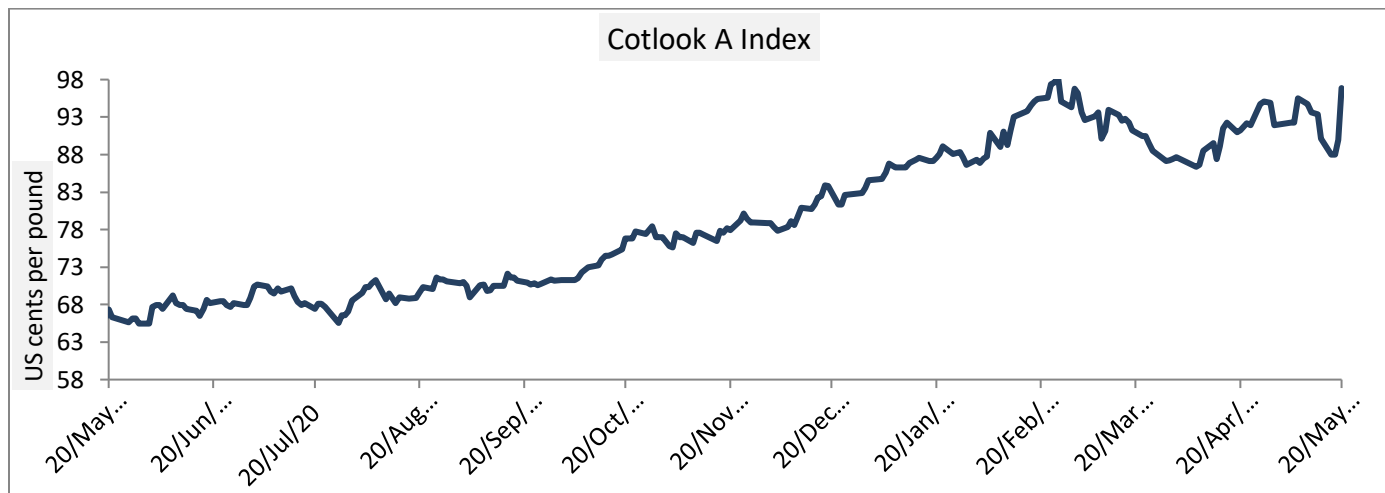
expected to fall 1.6 million bales, to 14.7 million bales and domestic mill use is projected to rise 200,000 bales to 2.5 million bales.

Cotlook A Index

Cotlook A index was lower this week. The Cotlook A Index was at 90.72 cents/lb higher as compared to the previous week (92.98cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	19-May-21	12-May-21	
Prices	96.91	94.04	-2.43
Prices in US cents per Pound			

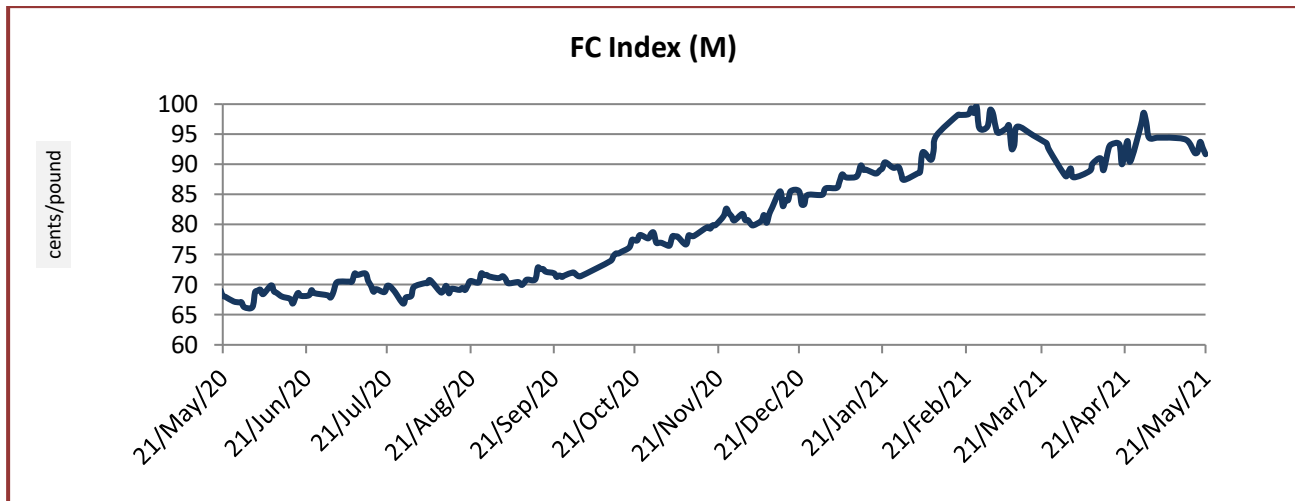
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	19-May-21	12-May-21	
FC (S)	93.80	96.46	-2.76
FC (M)	92.58	94.43	-1.96
FC (L)	91.42	93.28	-2.00
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	19-May-21	12-May-21	
CCIndex(328)	15899.20	16098.83	-1.24
CCIndex(527)	15152.40	15326.83	-1.14
CCIndex(229)	16290.60	16460.17	-1.03
			Prices in Yuan per ton

Source: China Cotton Association

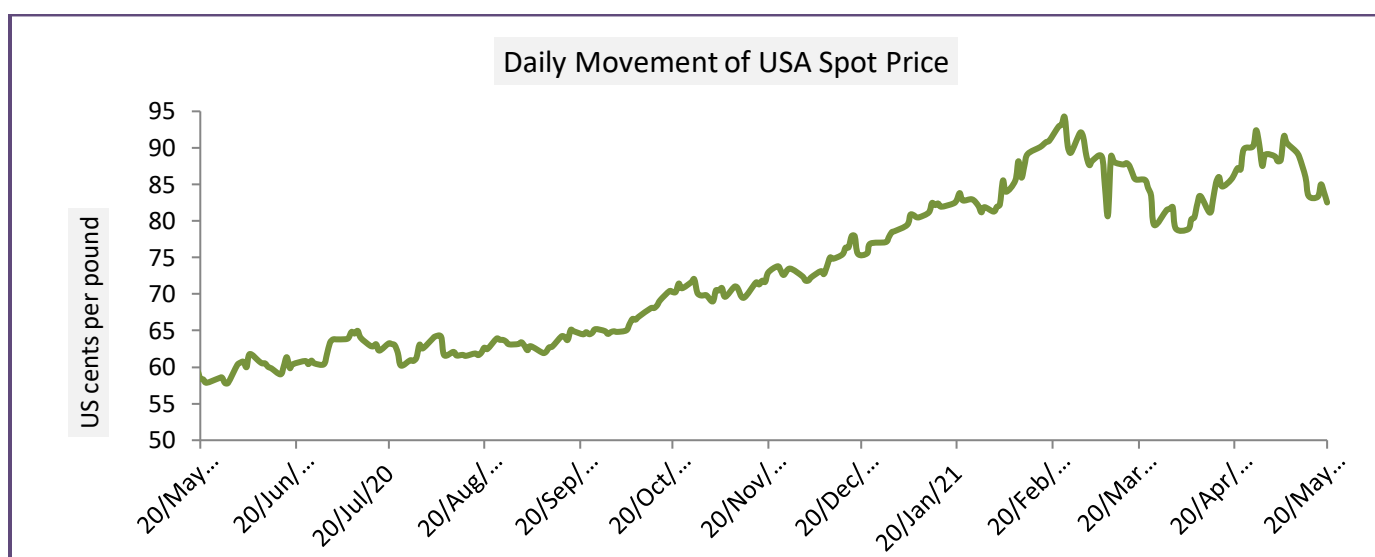


USA Spot Prices

U.S.A spot prices have decreased from the prior week by 4 percent at 83.92 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	19-May-21	12-May-21	
Prices	83.92	89.63	-4.26
Prices in US cents per Pound			

Source: USDA

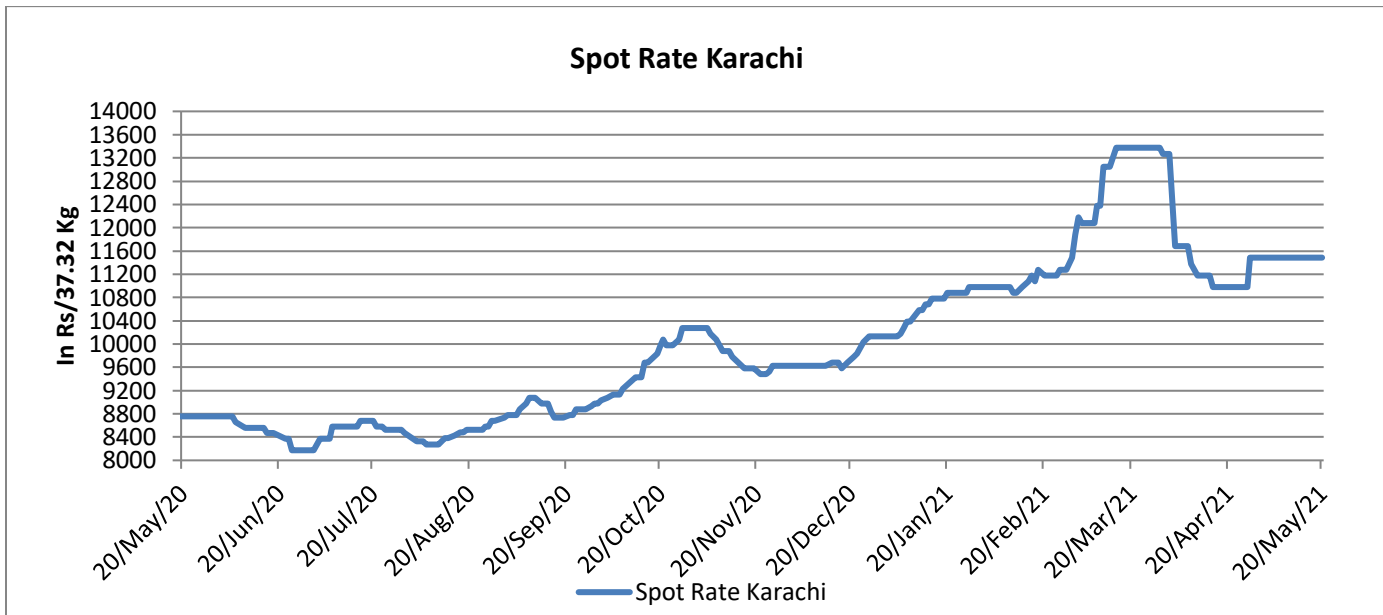


Pakistan Spot Prices

The Karachi spot pricestood around Rs.11480/qsame 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 the government to take decisive steps amid a 40 percent drop in the crop output.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	19-May-21	12-May-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:

- Therecenttrendincottonhasbeen bullish.
- Asupportingtrendlineispassingthrough20000,whilemildresistanceisseenaround22800.
- If the market tests the support at 21500, intraday-long positions may becreated.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC	Mar	20500	21500	22100	22800	22300
	X						
			Call	Entry	T1	T2	SL
Cotton	MC	Mar	Sell	22200	22400	22600	21980
	X						

Commodity: Cotton Seed Oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: May 30th, 2020

Cottonseed Oilcake


Technical Commentary:

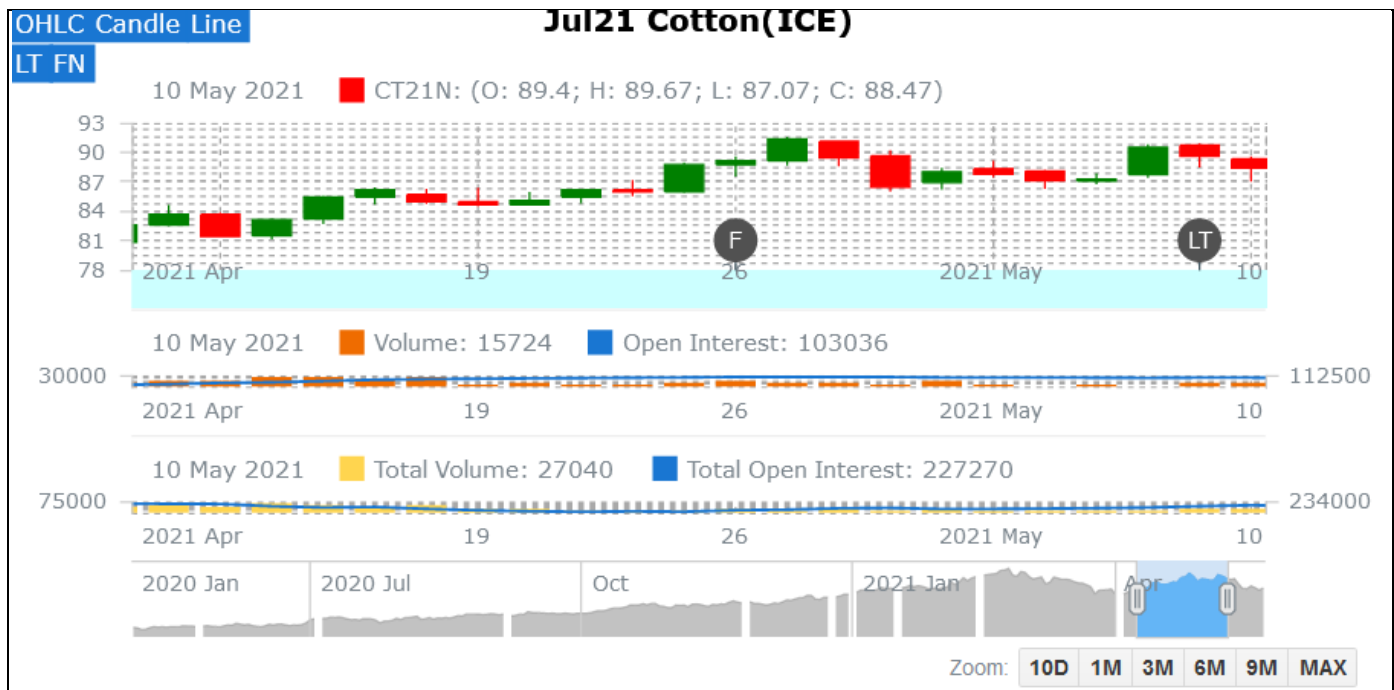
- Cottonseedoilcakeonthedailychartlooksuncertainevenasthebroadertrendisbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at2000andthentrendlinesupportat2260. Strong resistance is seen at 2700.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Mar	1700	2000	2646	2700	2720
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Mar	Buy	2650	2660	2680	2652

* Do not carryforward the position the next day.

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



- The Jul'21 contract closed lower by the end of the week.
- Candlesticks denote steady to an downtrend.
- 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

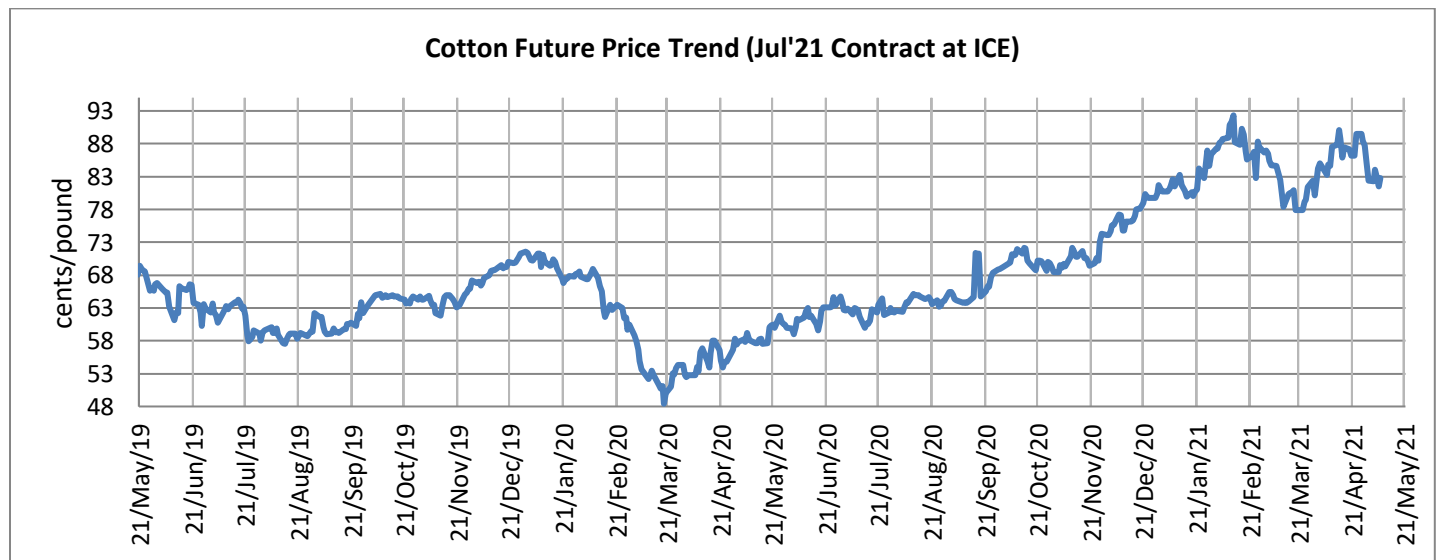
Support 1	Support 2	Resistance 1	Resistance 2
85	87	90	94

Figures in US cents/pound

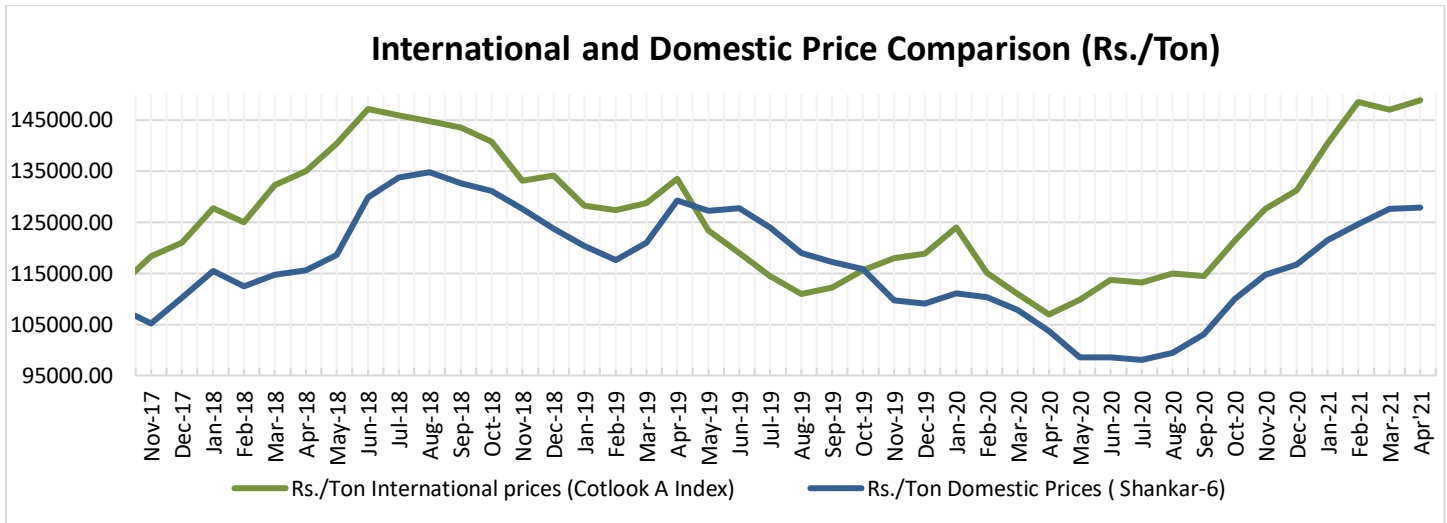
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	21-May-21	21-Apr-21 (1 month ago)	20-Feb-20 (3 months ago)	22-Nov-20 (6 months ago)	21-May-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	82.82	86.23	88.95	70.88	58.06	-3.95	42.65
Oct-21	83.64	84.88	90.48	72.96	58.37	-1.46	43.29
Dec-21	83.22	83.69	91.21	73.79	58.70	-0.56	41.77
Mar-22	82.97	83.37	87.06	74.40	59.47	-0.48	39.52
May-22	82.88	82.81	85.50	71.53	60.04	0.08	38.04

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets: Markets are closed due to lockdown restrictions

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	13th May'21 to 19th May'21	06th May'21 to 12th May'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	NA	NA	-
	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	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-

Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	6121	-
	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	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	13th May'21 to 19th May'21	06th May'21 to 12th May'21	
Punjab	Bhatinda	J-34	4684	4585	99
	Abohar	J-34	4682	4585	97
	Mansa	J-34	4659	4566	93
Haryana	Sirsa	J-34	4600	4495	105
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13th May'21 to 19th May'21	06th May'21 to 12th May'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	NA	NA	-
	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	NA	NA	-
	Rawatsar	B.T. Cotton	NA	70	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA'	22000	-
	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	1530	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	1	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	13th May'21 to 19th May'21	06th May'21 to 12th May'21	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	1020	510	510
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	22-May-21	15-May-21	22-May-21	22-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	Closed
	Gondal	Shankar-6	6380	Closed	6380	5500
	Rajkot	B.T. Cotton	NR	Closed	NR	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	Closed	Closed	Closed	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	22-May-21	15-May-21	22-May-21	22-May-20
Punjab	Bhatinda	J-34	4750	4640	4750	0
	Abohar	J-34	4750	4640	4750	0
	Mansa	J-34	4750	4625	4750	0
Haryana	Sirsa	J-34	4650	4550	4650	3560
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	22-May-21	15-May-21	22-May-21	22-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	Closed
	Gondal	Shankar-6	156	Closed	156	#N/A

	Rajkot	B.T. Cotton	NR	Closed	NR	#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	Closed	Closed	Closed	#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	362
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	307
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	22-May-21	15-May-21	22-May-21	22-May-20
Punjab	Bhatinda	J-34	NA	0	NA	0
	Abohar	J-34	NA	0	NA	0
	Mansa	J-34	NA	0	NA	0
	Sirsa	J-34	340	170	340	1020
	Sri-Ganganagar	J-34	NA	0	NA	Closed

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				13th May'21 to 19th May'21	06th May'21 to 12th May'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38617	38500	117
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39117	39000	117
J-34(202)	26mm	3.5 - 4.9	23	42333	42380	-47
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44667	44640	27
Shankar-6(105)	29mm	3.5 - 4.9	28	46417	46040	377
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48750	48600	150
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49133	49000	133
DCH-32(107)	34mm	3.0 - 3.8	33	77033	77000	33

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2021 Indian Agribusiness Systems Pvt. Ltd.