

COTTON WEEKLY RESEARCH REPORT
31st 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 low arrivals in the market. Cotton arrivals in the CCI procurement center are very low due to coronavirus cases and lockdown in many parts of the country. Cotton Corporation of India was able to sell good quantity of cotton during the last week with increasing rate in all varieties.

Weekly Price Outlook: The average price of Kapas is likely to remain firm between Rs. 6830-7200/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 (89.05 cents/lbs) compared to the ICE cotton future that stood at 82.82 cents/lbs.
- Indian rupee remained close to 72.96 to 72.44 per USD.

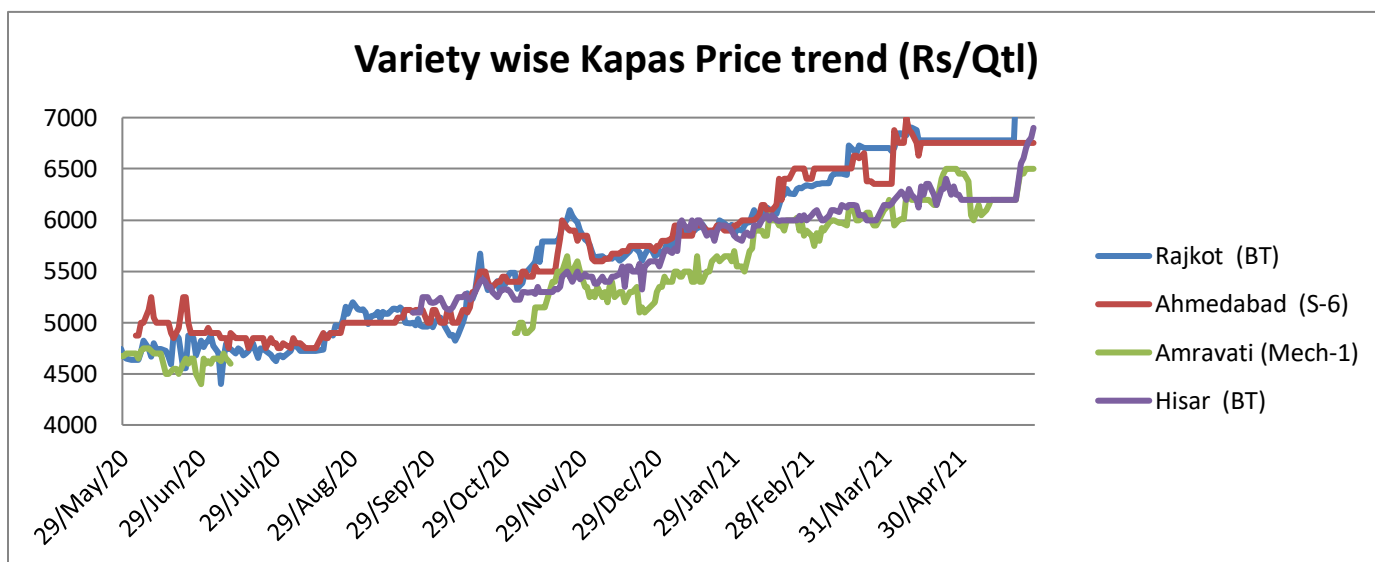
Market Highlights:

- According to the market sources, area under cotton cultivation in Telangana is likely to remain same in the coming season 2021-22. Cotton production in Telangana is estimated at 40 lakh bales in 2020-21 season, out of that Cotton Corporation of India has procured around 34 lakh bales under minimum support price. Government is planning to increase area under cotton cultivation in Telangana for the coming 2021-22 season, but farmers are more interested in sowing paddy instead of cotton as in past 2-3 years cotton production was affected due to pink bollworm infestation.
- Cotton production is estimated at 36.49 million bales for the 2020-21 seasons. According to the Third Advance Estimate released by the government on Production Oilseed & Commercial crops. Cotton production is estimated at 36.49 million bales higher by 4.59 million bales than the average cotton production. In the previous season 2019-20 cotton production was estimated at 36.07 million bales.

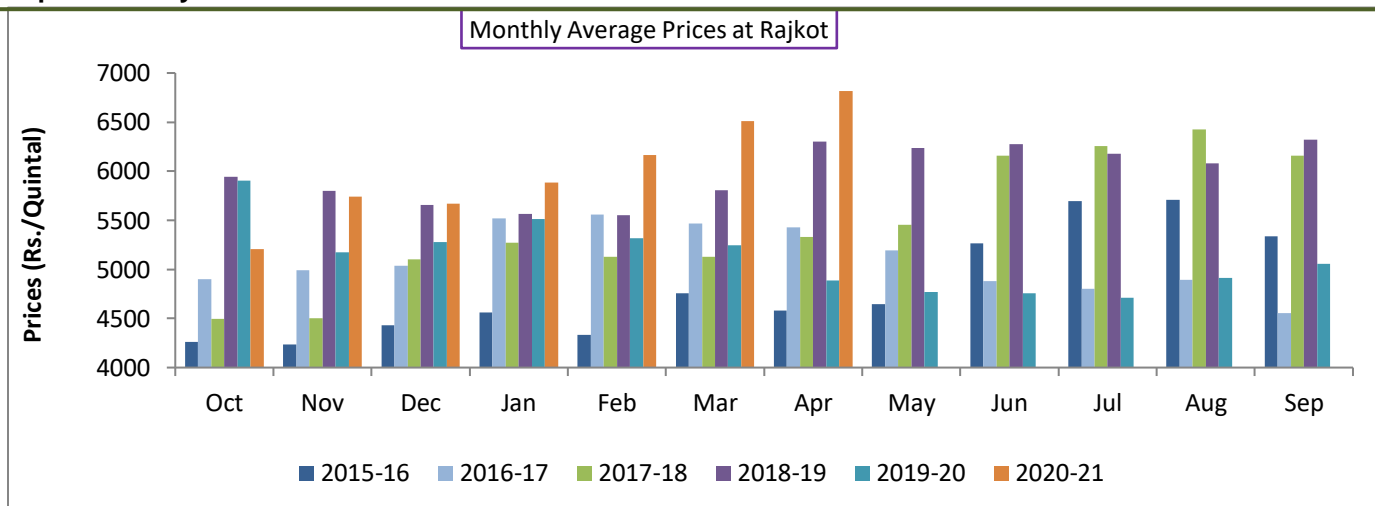
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.7079/q from the previous week at Rs. 6775/q, Ahmedabad prices were at Rs. 6750/q as markets were closed due to lockdown restriction.



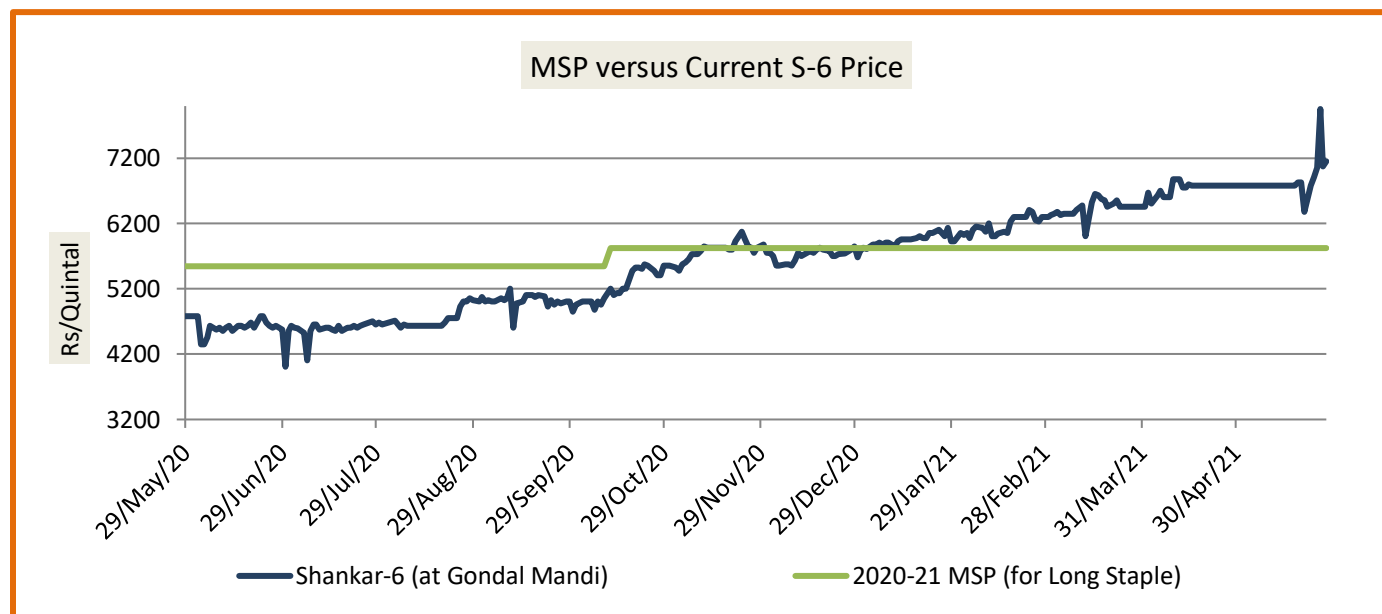
Kapas Monthly M-o-M Price Scenario



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

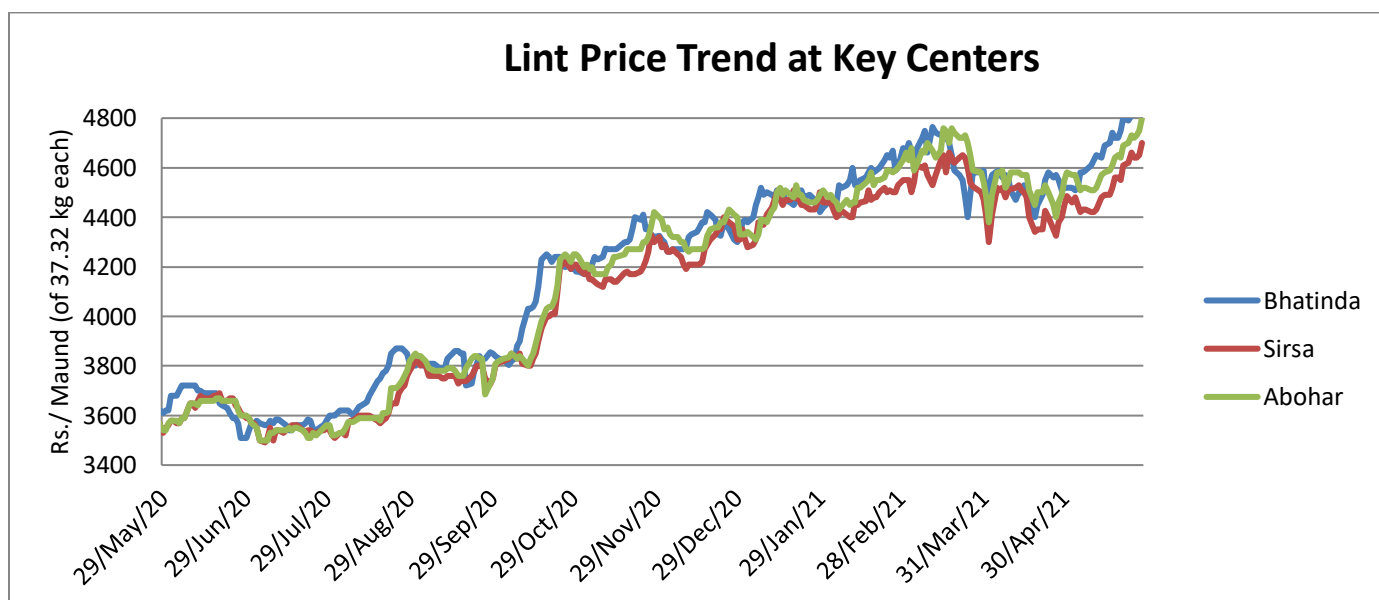
Average kapas price at Gondal market stood low at Rs. 6745/q from previous week at Rs. 6780/q.



Source: Agriwatch

Lint price Outlook

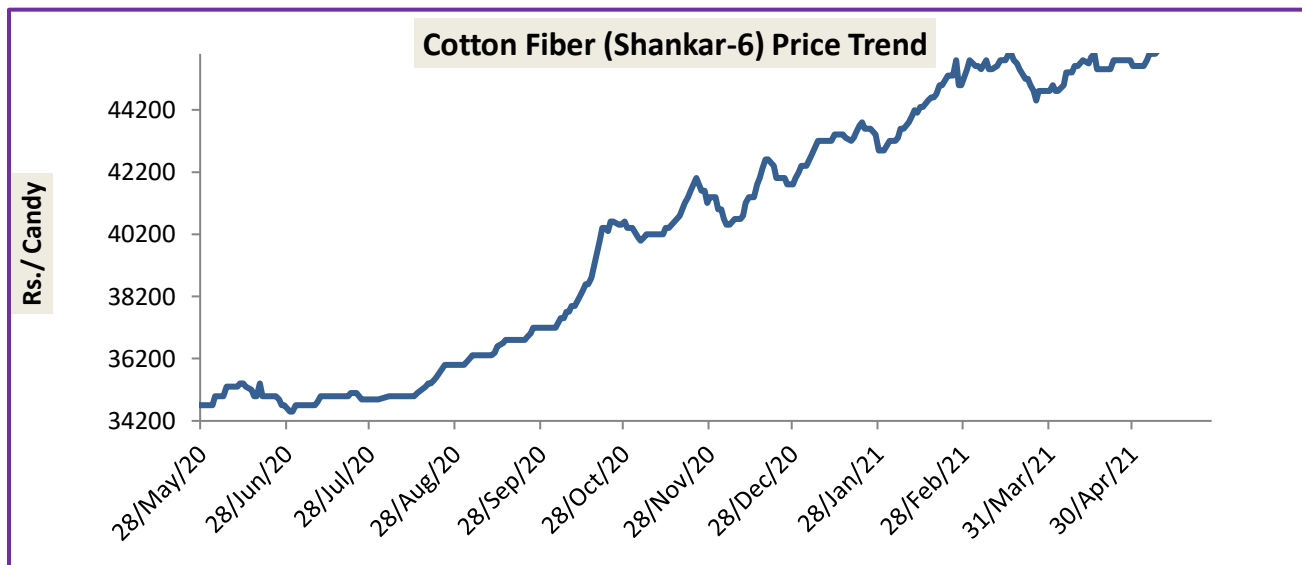
The average price stood higher at Rs.4748/maund of lint in Abohar, in Bhatinda at Rs.4756/maund, and Rs.4668/maund in Sirsa from the previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.47100/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

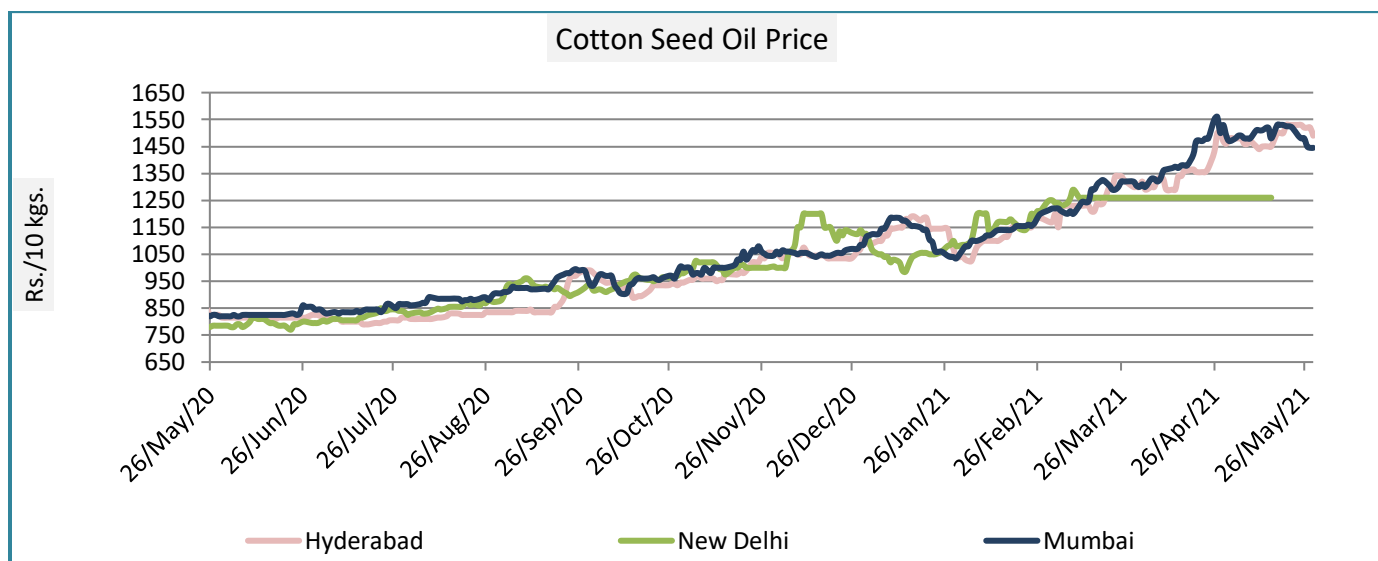
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across all the centers during the week ending on 26th 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
	26-May-21	19-May-21	
New Delhi	1260	1260	-
Rajkot	1460	1462	-0.14
Hyderabad	1468	1524	-3.67
Mumbai	1469	1526	-3.74

Source: Agriwatch

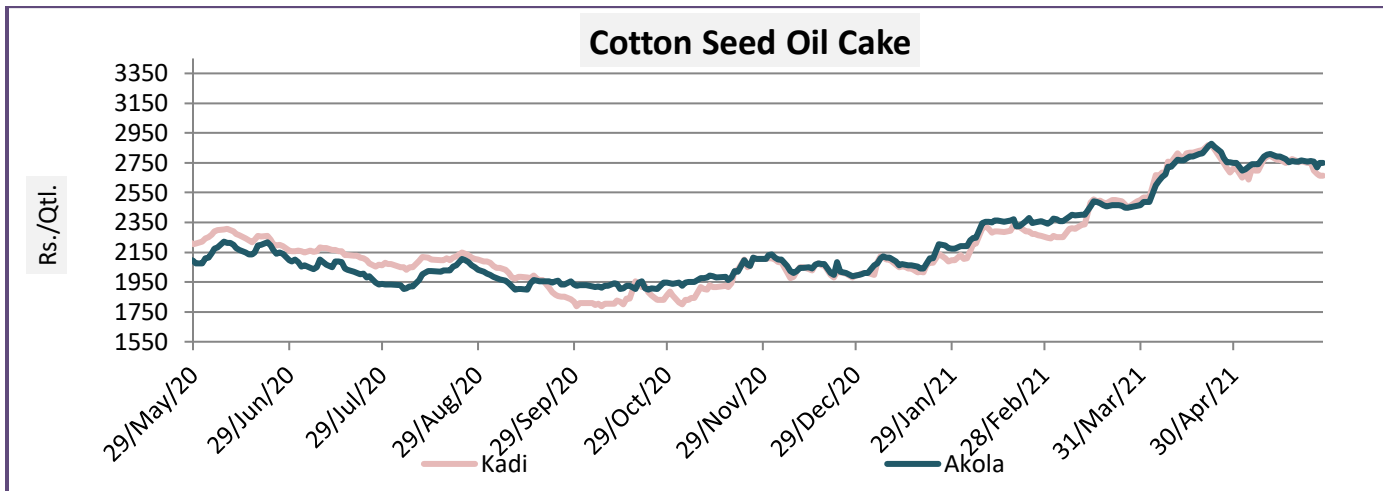


Cotton Seed Oil Cake weekly price Scenario

The cotton seed oilcake market has been affected due to the second wave of coronavirus as markets are closed due to lockdown restrictions. According to the market sources, in the kadi market stock of around 12 lakh bags is available with NCDEX and around 10-12 lakh bags with non- NCDEX. It is expected that cotton seed oilcake prices may increase in August month after the new demand for cattle feed comes in the market.

The cottonseed oil prices have decreased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2758 per quintal from Rs. 2764 per quintal and in Akola was at Rs. 2760 per quintal from Rs. 2775 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	26-May-21	19-May-21	
Kadi	2758	2764	-0.23
Akola	2760	2775	-0.53



Source: NCDEX

International Market Scenario

- Textile sector in turkey seeks global cooperation to boost production. As the global economy recovers from the pandemic, the Turkish textile sector wants to start a new era of collaboration with international companies and brands to exceed its \$ 100 billion production capacity. Turkey is the world's fifth largest supplier of textile, expects to export approximately \$12 billion worth of textile in 2021.
- 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.

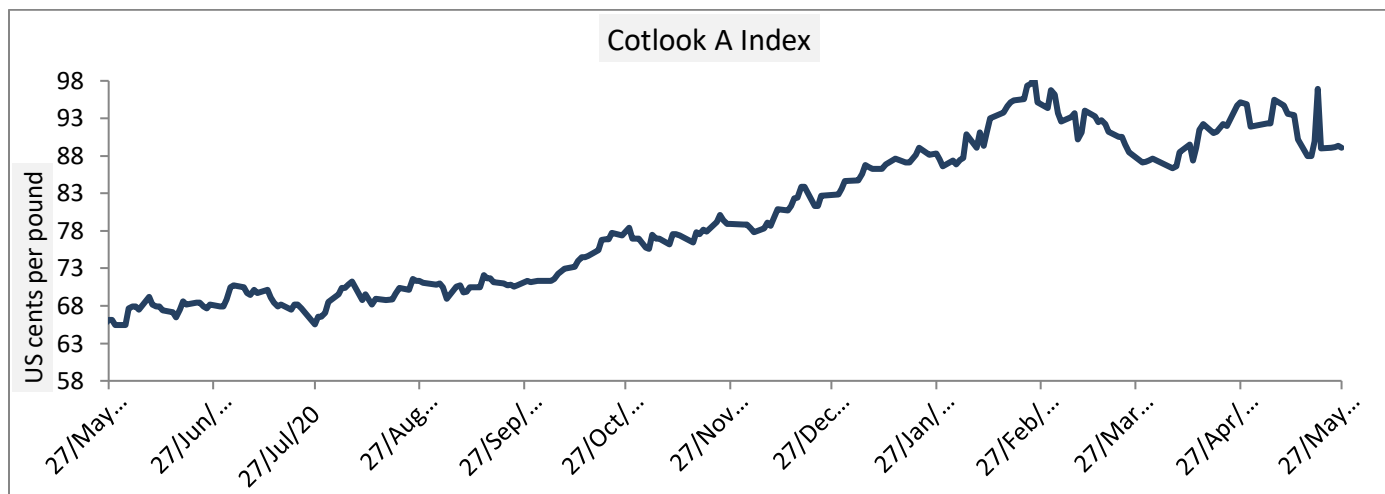
Cotlook A Index

Cotlook A index was lower this week. The Cotlook A Index was at 89.11cents/lb lower as compared to the previous week (96.91cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	26-May-21	19-May-21	
Prices	89.11	96.91	-1.77

Prices in US cents per Pound

Source: Cotlook

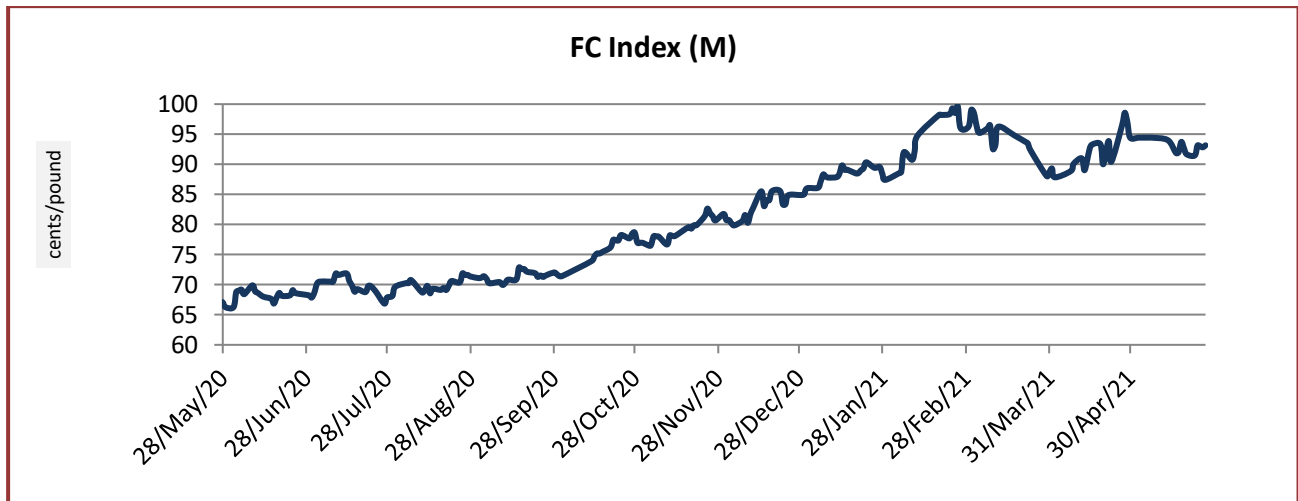


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	26-May-21	19-May-21	
FC (S)	93.22	93.80	-0.62
FC (M)	92.32	92.58	-0.29
FC (L)	89.94	91.42	-1.62

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	26-May-21	19-May-21	
CCIndex(328)	15823.40	15899.20	-0.48
CCIndex(527)	15085.80	15152.40	-0.44
CCIndex(229)	16213.00	16290.60	-0.48
			Prices in Yuan per ton

Source: China Cotton Association

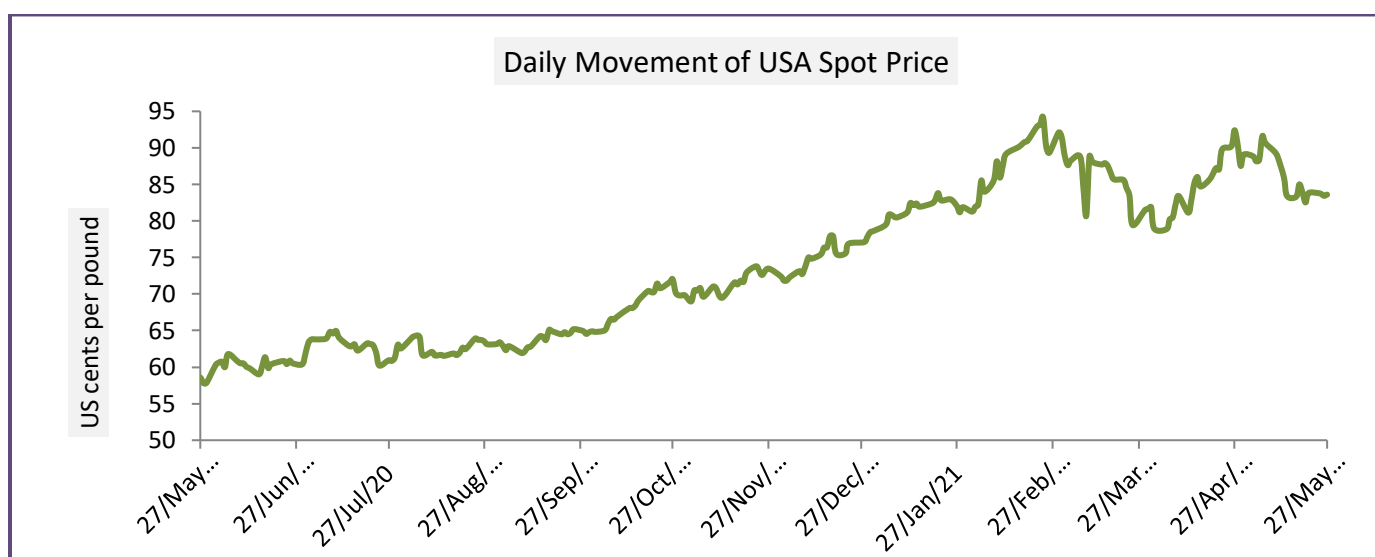


USA Spot Prices

U.S.A spot prices have decreased from the prior week by 0.54 percent at 83.47 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	26-May-21	19-May-21	
Prices	83.47	83.92	-0.54
Prices in US cents per Pound			

Source: USDA

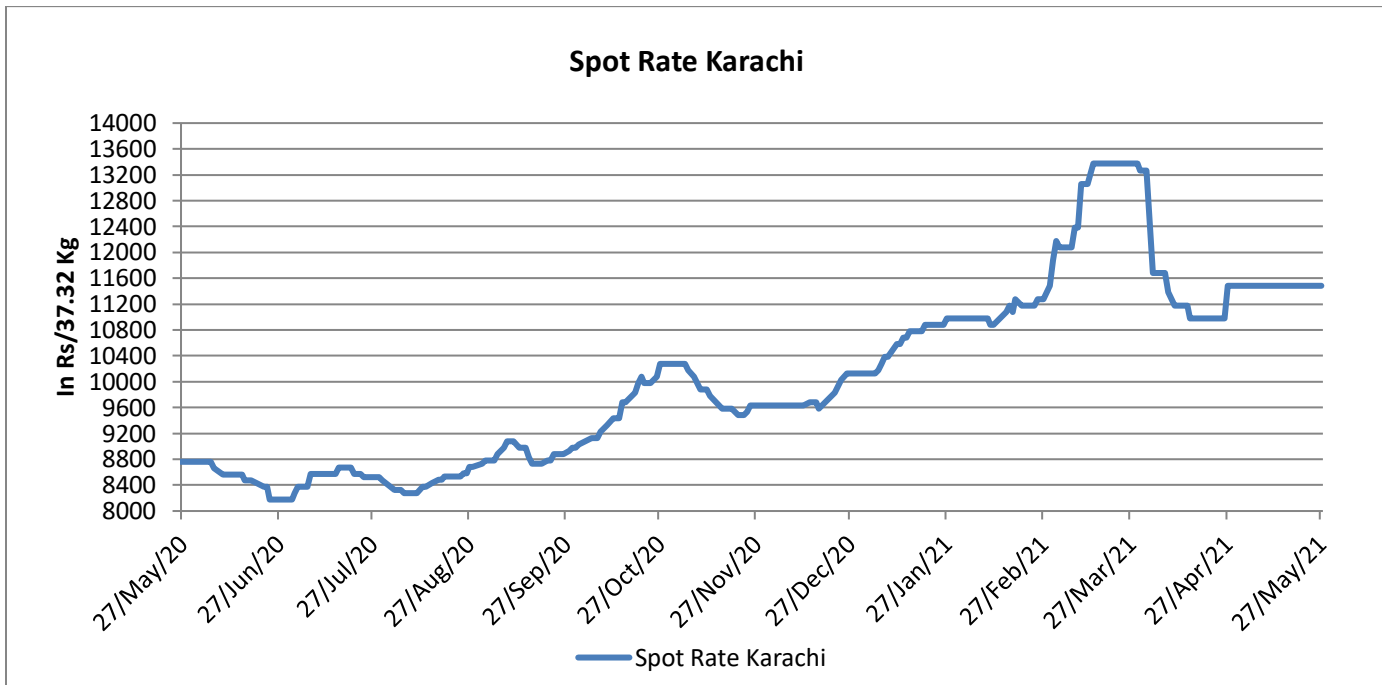


Pakistan Spot Prices

The Karachi spot pricestood around Rs.11900/q higher fromprevious 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
	26-May-21	19-May-21	
Prices	11900	11480	3.66
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: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC	Mar	20500	21500	23010	23100	23120
			Call	Entry	T1	T2	SL
Cotton	MC	Mar	Buy	23010	23060	23080	23040

Commodity: Cotton Seed Oil Cake
Contract: Mar
Exchange: NCDEX
Expiry: June 18th, 2020
Cottonseed Oilcake


Technical Commentary:

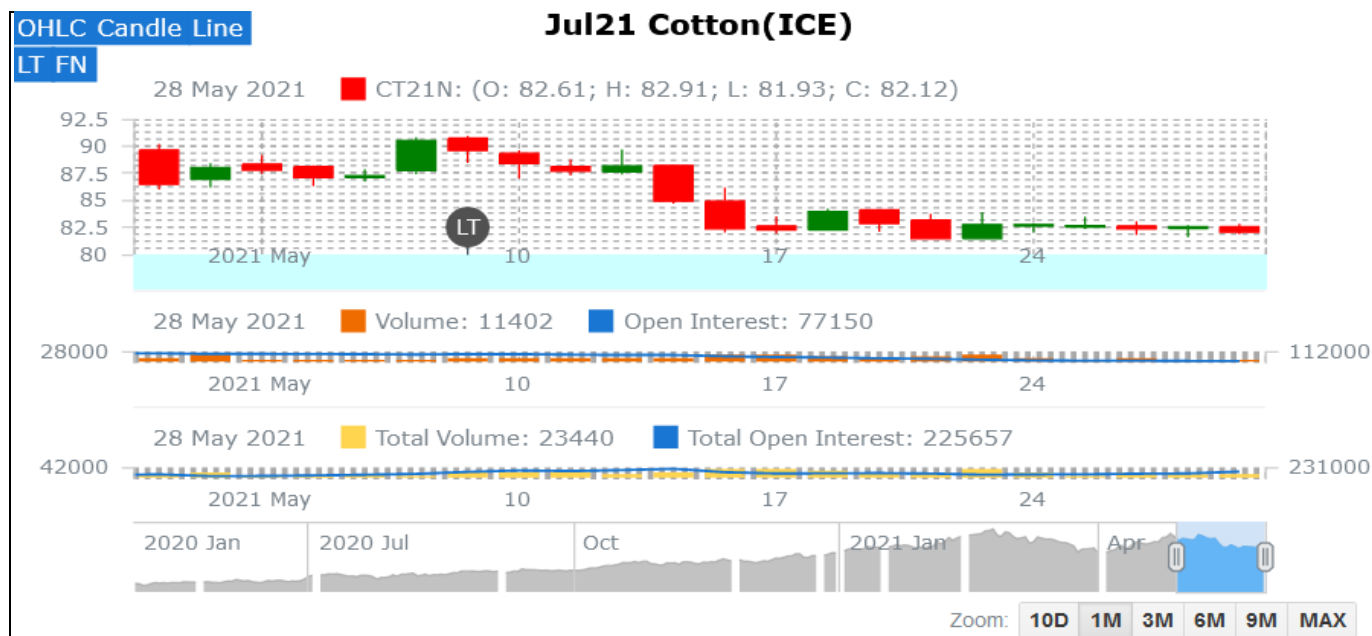
- Cottonseed oil cake on the daily chart looks uncertain even as the broader trend is bullish.
- On the intra-day chart, there exists a consolidation zone (support) at 2000 and then a trend line support at 2260. Strong resistance is seen at 2700.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Mar	1700	2000	2672	2620	2640
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Mar	Buy	2565	2580	2600	2570

* Do not carry forward the position the next day.

Technical Analysis of Cotton Future (Jul'21 Contract) 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	82-95

Expected Support and Resistance

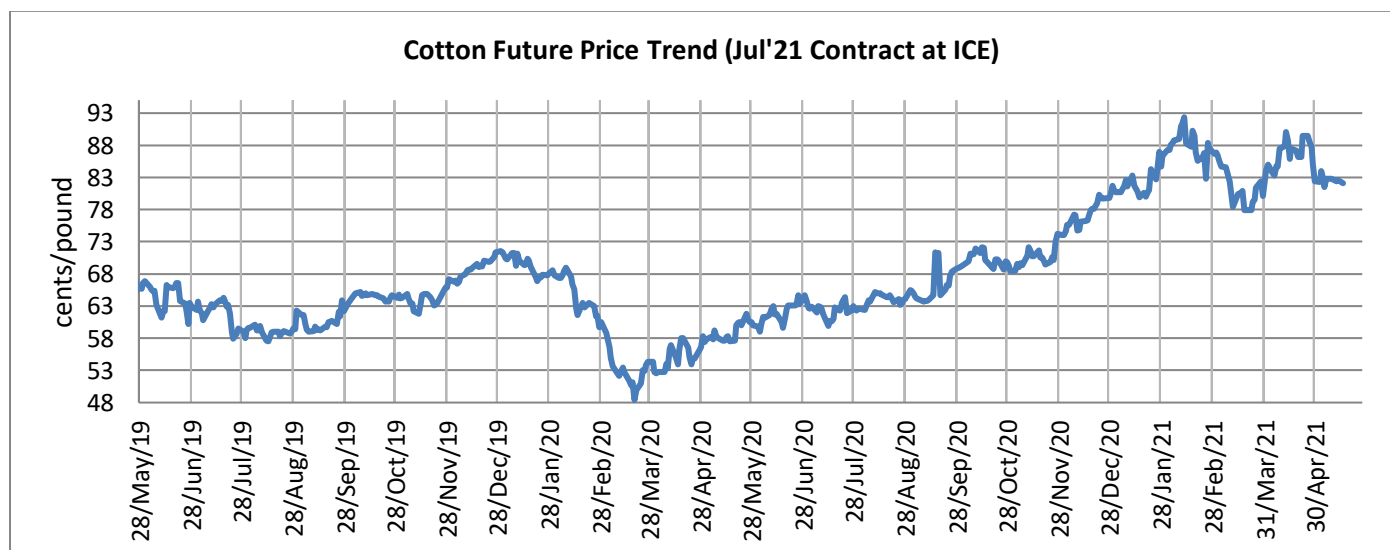
Support 1	Support 2	Resistance 1	Resistance 2
80	75	85	90

Figures in US cents/pound

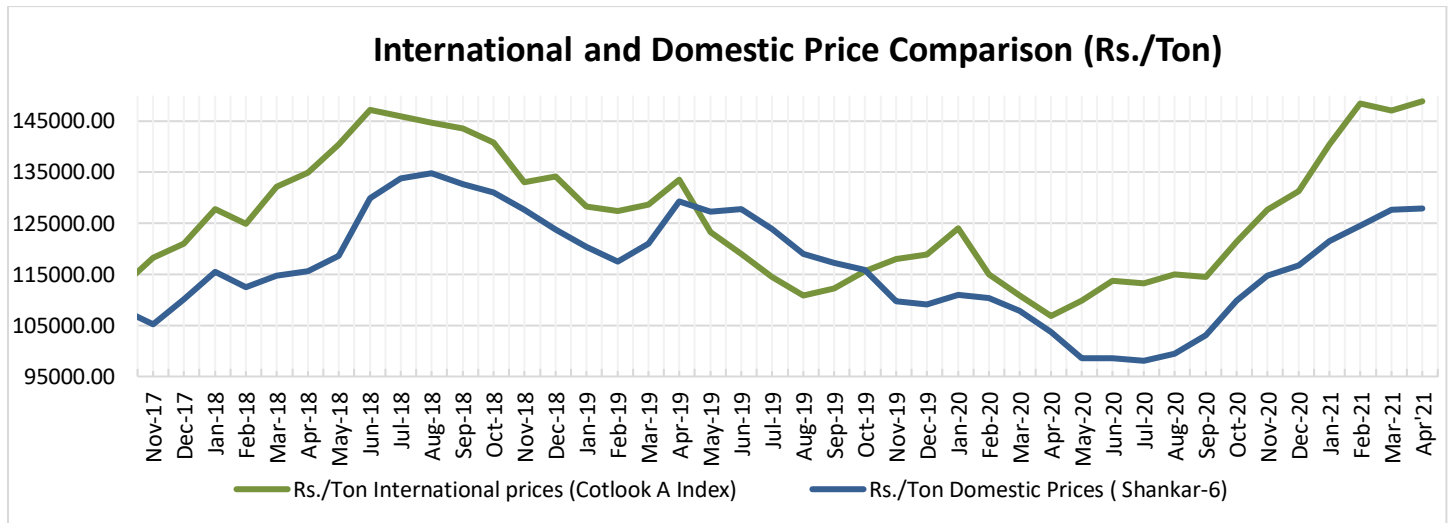
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	28-May-21	28-Apr-21 (1 month ago)	27-Feb-20 (3 months ago)	29-Nov-20 (6 months ago)	28-May-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	82.12	89.52	87.82	70.59	57.57	-8.27	42.64
Oct-21	83.78	87.84	88.83	72.15	57.20	-4.62	46.47
Dec-21	83.32	86.07	89.71	73.05	57.54	-3.20	44.80
Mar-22	83.31	84.95	85.18	73.75	58.52	-1.93	42.36
May-22	83.27	83.97	84.33	71.58	59.45	-0.83	40.07

Future Price Trend (Active Contract):



International and Domestic Price Comparision



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			20th May'21 to 26th May'21	13th May'21 to 19th May'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	7026	NA	-
	Rajkot	B.T. Cotton	7231	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	6617	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	6142	NA	-
	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	20th May'21 to 26th May'21	13th May'21 to 19th May'21	
Punjab	Bhatinda	J-34	4765	4684	81
	Abohar	J-34	4768	4682	86
	Mansa	J-34	4753	4659	94
Haryana	Sirsa	J-34	4680	4600	80
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th May'21 to 26th May'21	13th May'21 to 19th May'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	1814	NA	-
	Rajkot	B.T. Cotton	5925	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	680	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	18000	NA	-
	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		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	20th May'21 to 26th May'21	13th May'21 to 19th May'21	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	1700	1020	680
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	29-May-21	22-May-21	29-May-21	29-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	Closed
	Gondal	Shankar-6	7155	6380	7155	5500
	Rajkot	B.T. Cotton	7440	7235	7440	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	6900	Closed	6900	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	29-May-21	22-May-21	29-May-21	29-May-20
Punjab	Bhatinda	J-34	4900	4750	4900	0
	Abohar	J-34	4900	4750	4900	0
	Mansa	J-34	4880	4750	4880	0
Haryana	Sirsa	J-34	4825	4650	4825	3570
Rajasthan	Sri-Ganganagar	J-34	NA	0	NA	0

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	29-May-21	22-May-21	29-May-21	29-May-20
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	Closed	Closed
	Gondal	Shankar-6	507	156	507	#N/A
	Rajkot	B.T. Cotton	2050	550	2050	#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	170	Closed	170	#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	0
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	771
	Hubli	D.C.H.	NA	0	NA	180
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	712
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	29-May-21	22-May-21	29-May-21	29-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	170	340	170	1020
	Sri-Ganganagar	J-34	NA	0	NA	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				20th May'21 to 26th May'21	13th May'21 to 19th May'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38967	38617	350
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39467	39117	350
J-34(202)	26mm	3.5 - 4.9	23	43033	42333	700
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	45450	44667	783
Shankar-6(105)	29mm	3.5 – 4.9	28	47200	46417	783
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49550	48750	800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49883	49133	750
DCH-32(107)	34mm	3.0 - 3.8	33	77500	77033	467

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