

COTTON WEEKLY RESEARCH REPORT
07th June 2021**Domestic market summary**

Domestic Market Scenario: Cotton sowing is progressing across India for the coming 2021-22 season. Indian cotton is still in demand, despite the rise in prices and low arrivals in the market. Farmers are getting Rs. 7,500 per quintal rate for kapas and Rs. 4000 per quintal for cotton seed. 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. 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 (89.05cents/lbs) compared to the ICE cotton future that stood at 82.82 cents/lbs.
- Indian rupee remained close to 89.70 to 82.12 per USD.

Market Highlights:

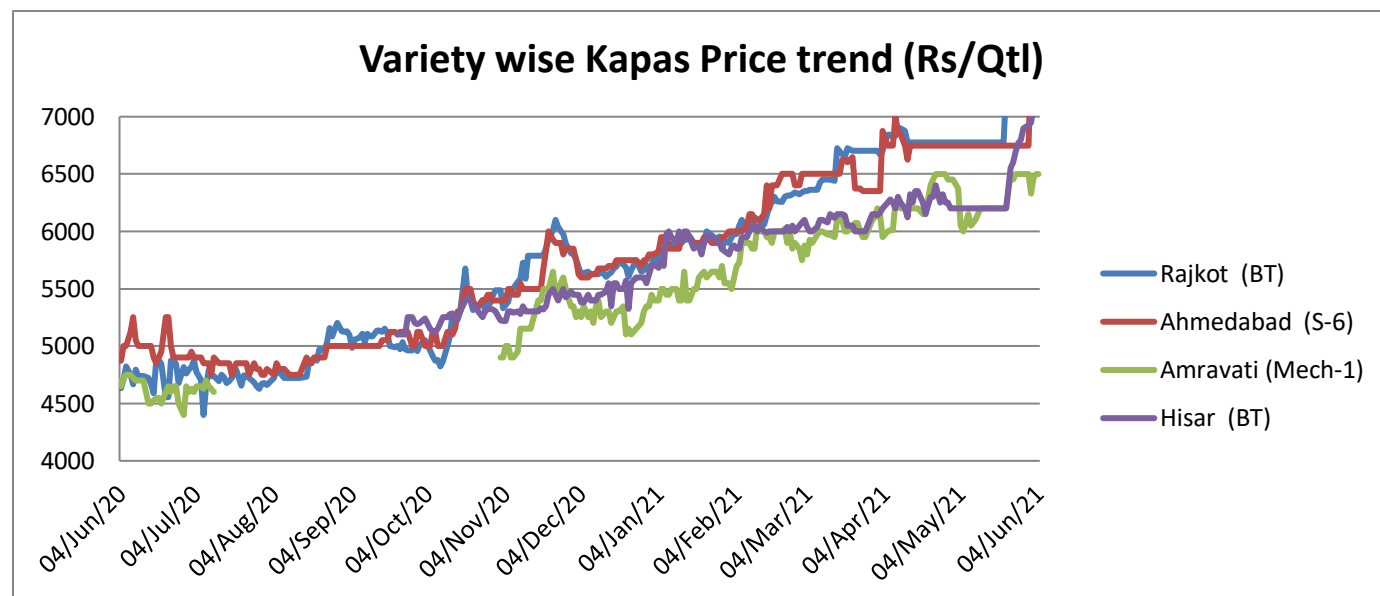
- According to the Punjab Agriculture Department, cotton sowing is delaying in many districts in Punjab. According to the data released by the state agriculture department the target for cotton sowing was around 3.25 lakh hectares for 2021-22 seasons. Despite the delay in cotton sowing the area under cotton sown has increased and till 02nd June'21, in Bhatinda cotton has been sown on an area of around 1.04 lakh hectares and in Muktsar around 39,676 hectares area. These two districts are close to the target of cotton sowing for 2020-21 season where else in other six districts the cotton sowing is stretching beyond the ideal time.
- Cotton Corporation of India has increased prices by Rs. 200-500 per candy across all the zones for 2020-21 seasons. Although the cotton crop is at risk due to water shortage mainly in Sindh and Punjab. Also, the increasing trend in the rate of cotton was continuing in the international market.
- Cotton sowing is expected to be normal in the coming season. The cotton sowing is expected to reach at 130 lakh hectares in the current kharif season as good cotton prices were found throughout the year, with the monsoon also being normal cotton production is expected to increase. In the previous weeks TAUKTAE storms caused rains in many states which are beneficial for kharif crops, Punjab and Haryana cotton crops will get the benefit from these rains as cotton sowing is progressing in these states.

- Madurai Market Committee has urged cotton farmers to sell their cotton in secret auction. Farmers can bring their produce to Tirumangalam and Usilampatti regulated markets to sell cotton through secret auction during the complete lockdown period. Cotton harvest was under way in Usilampatti, Sedapatti, Tirumangalam, Kallikudi, Peraiyur and Chellampatti blocks, but due to complete lockdown, cotton farmers were finding it difficult to sell their produce in the market. Hence, the farmers can now sell their produce through secret auctions at Tirumangalam and Usilampatti regulated markets. Farmers could also keep their produce at the godowns in the regulated markets treating their produce as collateral; loans would be given to the farmers at a minimum rate of interest.

Domestic Cotton Prices Scenario

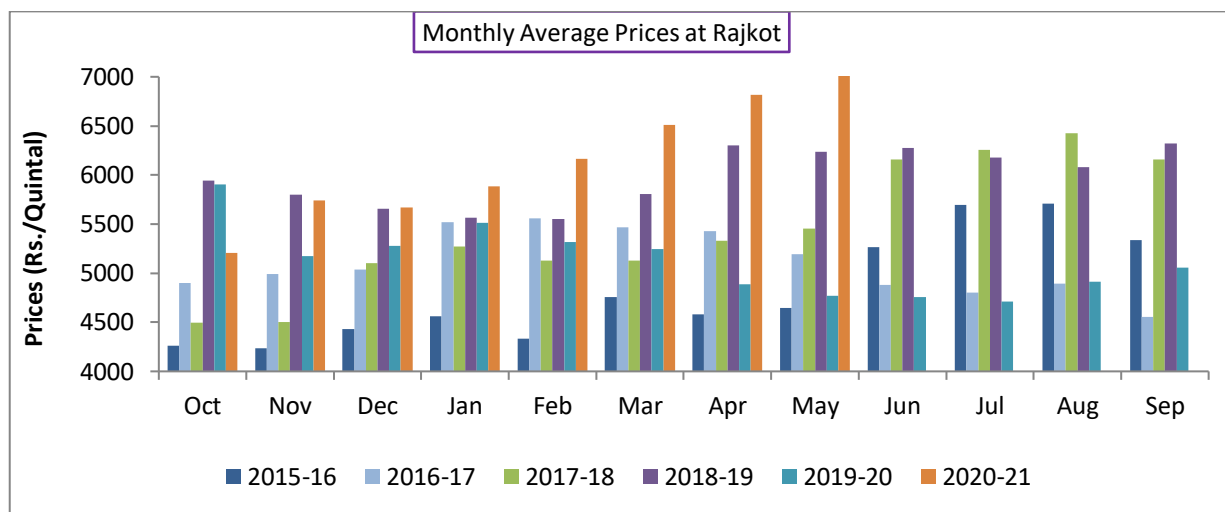
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.7502/q from the previous week at Rs. 7079/q, Ahmedabad prices were at Rs. 7071/q.



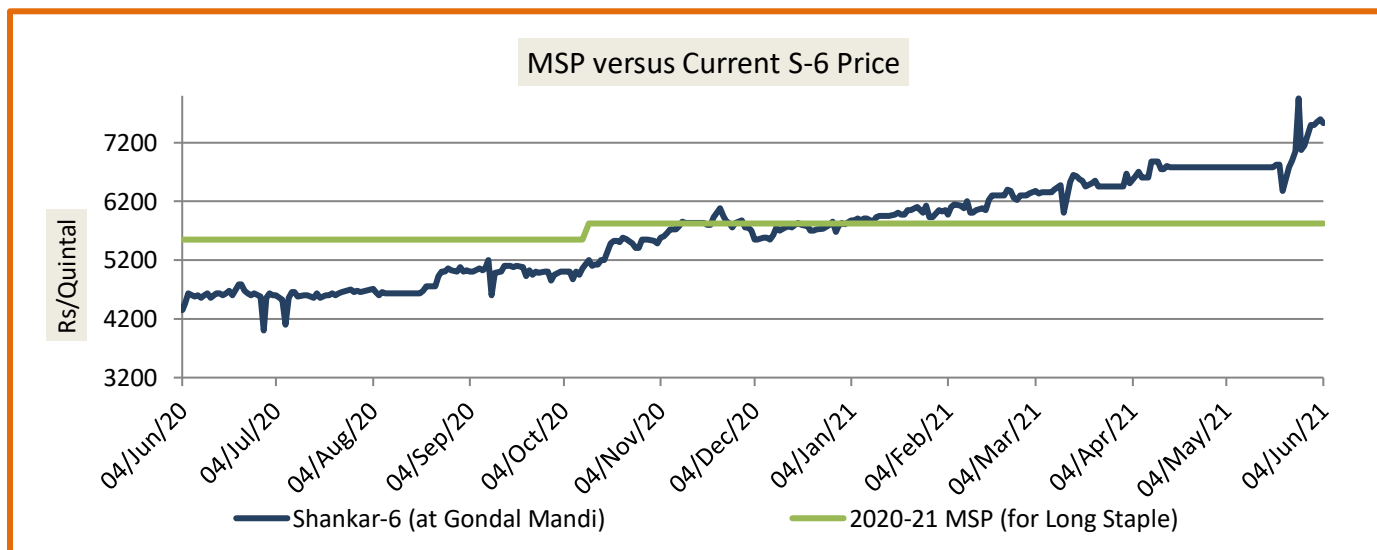
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of May were higher in the market and the monthly average price were also higher at Rs. 7321/q compared to the prices during the corresponding month of the previous season.(Rs. 4768/q)



Spot Price versus MSP

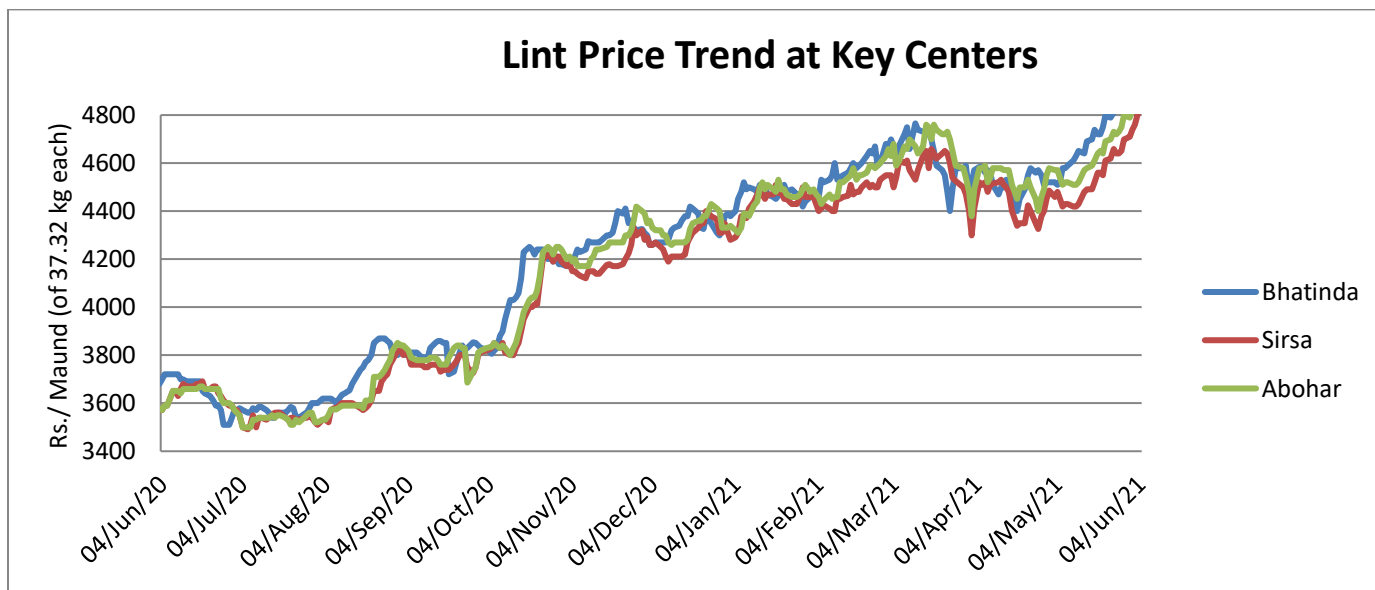
Average kapas price at Gondal market stood low at Rs. 7480/q from previous week at Rs. 6745/q.



Source: Agriwatch

Lint price Outlook

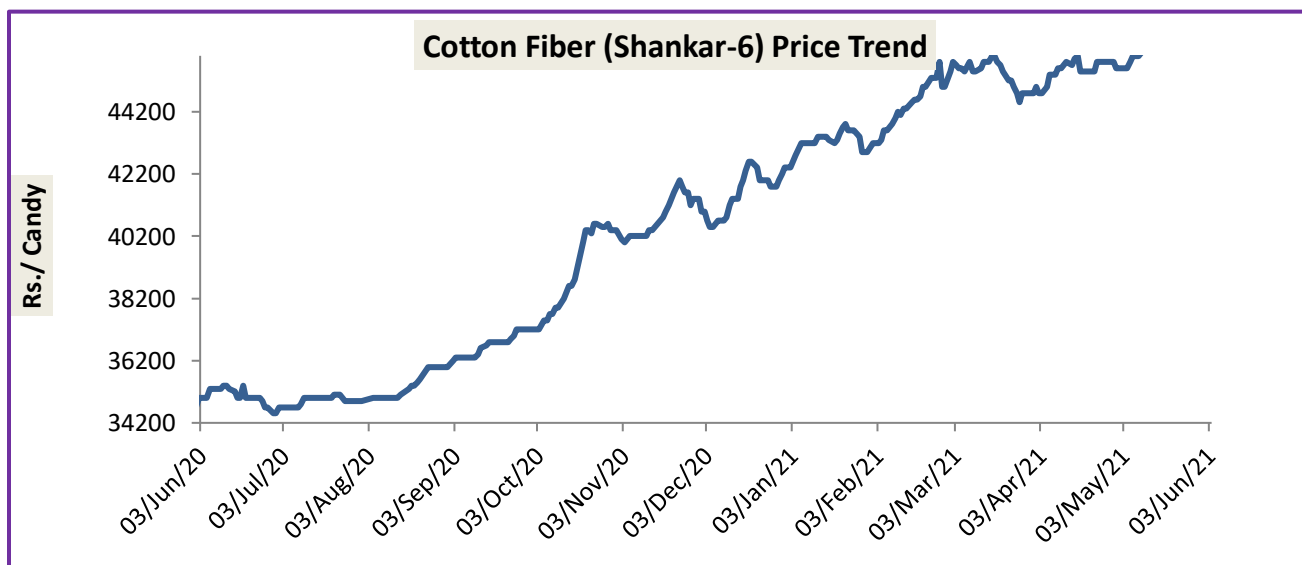
The average price stood higher at Rs.4928/maund of lint in Abohar, in Bhatinda at Rs.4930/ maund, and Rs.4865/maund in Sirsa from the previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.48628/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

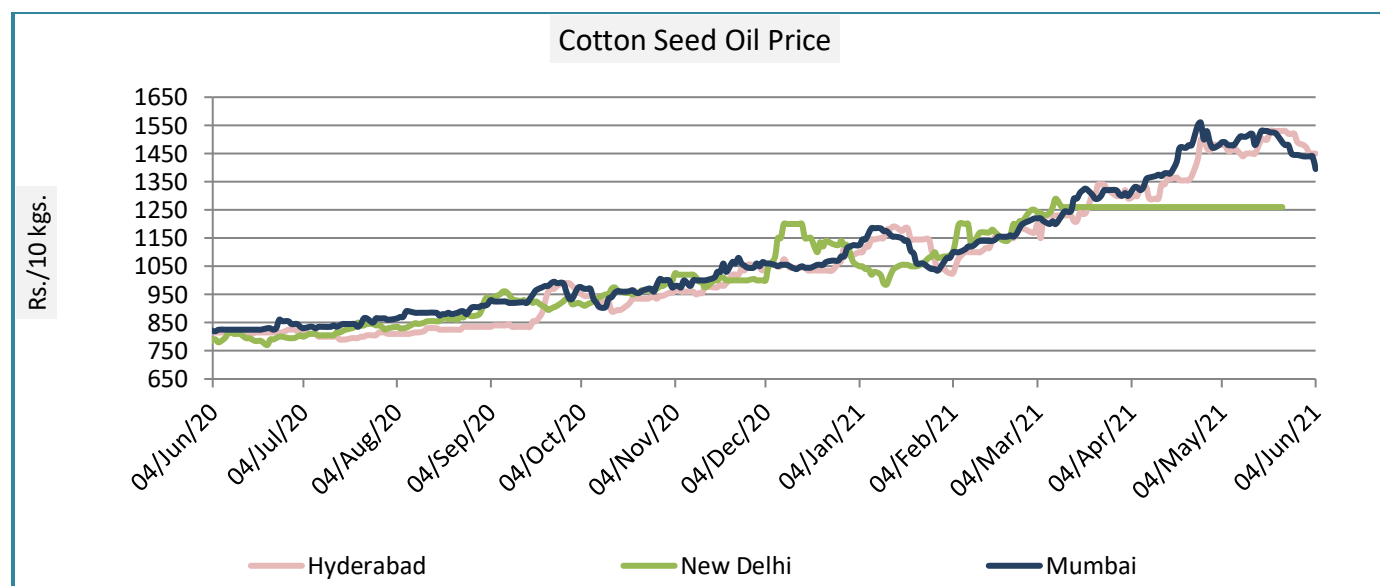
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across all the centers during the week ending on 03rd June'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	02-June-21	26-May-21	
New Delhi	1260	1260	-
Rajkot	1412	1460	-3.31
Hyderabad	1419	1468	-3.33
Mumbai	1427	1469	-2.88

Source: Agriwatch

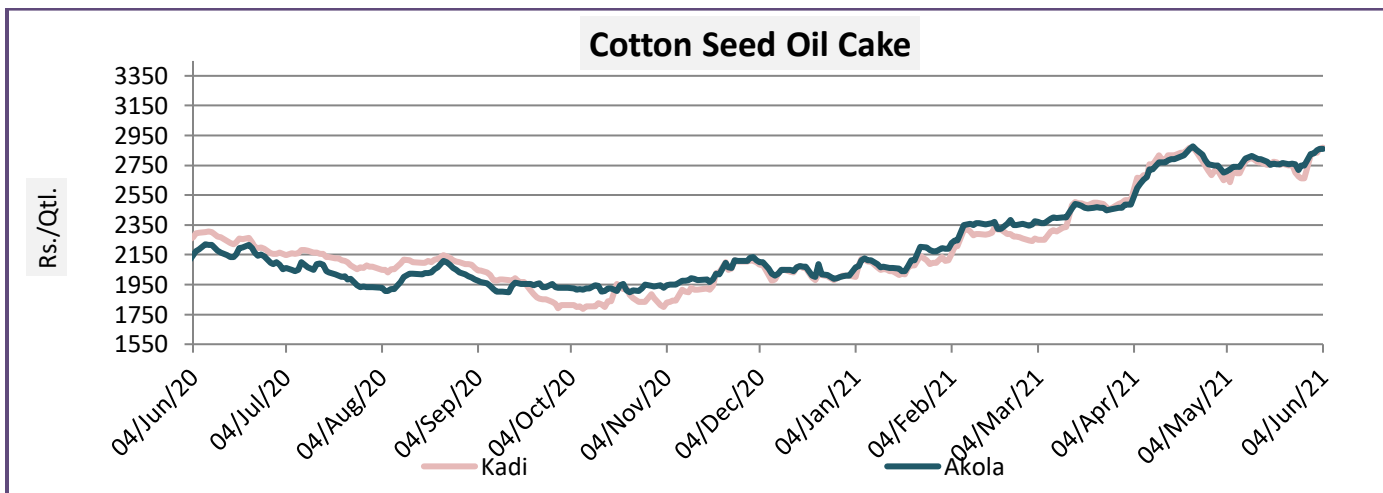


Cotton Seed Oil Cake weekly price Scenario

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. 2748 per quintal from Rs. 2758 per quintal and in Akola was at Rs. 2787 per quintal from Rs. 2760 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	02-June-21	26-May-21	
Kadi	2748	2758	-0.37
Akola	2787	2760	0.98



Source: NCDEX

International Market Scenario

- According to the International Advisory Cotton Committee June report, global production has been reduced to 24.3 million tonnes. Production estimates for Brazil have been lowered since the starting of the season to 2.5 million tonnes. For India, as per the Committee on Cotton Production and Consumption, Cotton production for India is estimated at 6.12 million tonnes. With the second wave of corona virus currently affecting the country the mill use has been revised down to 5.15 million tonnes. Imports are also expected to decrease to 187,000 tonnes. Also, with the reduced supply and growth in exports, stocks in India are expected to decrease with the stock to use ratio falling to 0.54.
- 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.

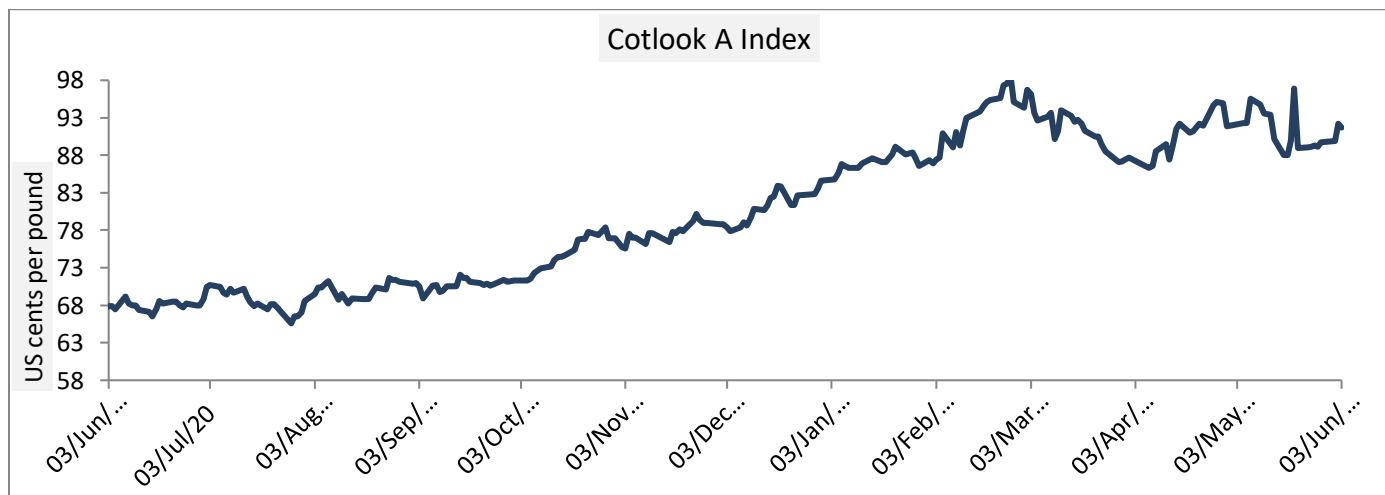
Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 90.23cents/lb higher as compared to the previous week (89.11cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	02-June-21	26-May-21	
Prices	90.23	89.11	1.25

Prices in US cents per Pound

Source: Cotlook

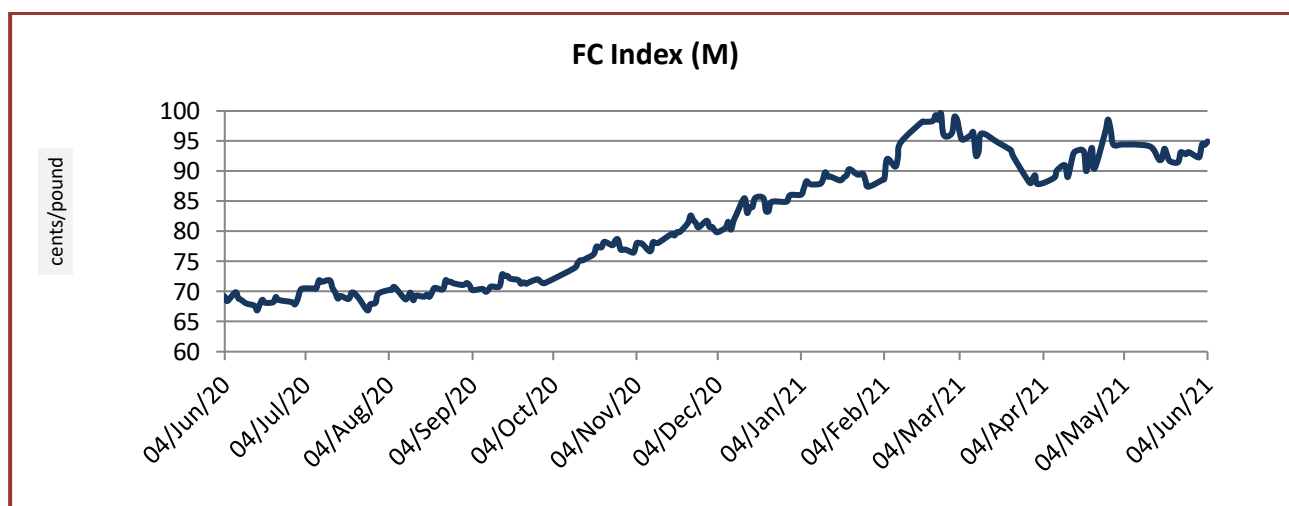


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	02-June-21	26-May-21	
FC (S)	94.20	93.22	1.05
FC (M)	92.69	92.32	0.40
FC (L)	89.94	89.94	2.22

Prices in US cents per Pound

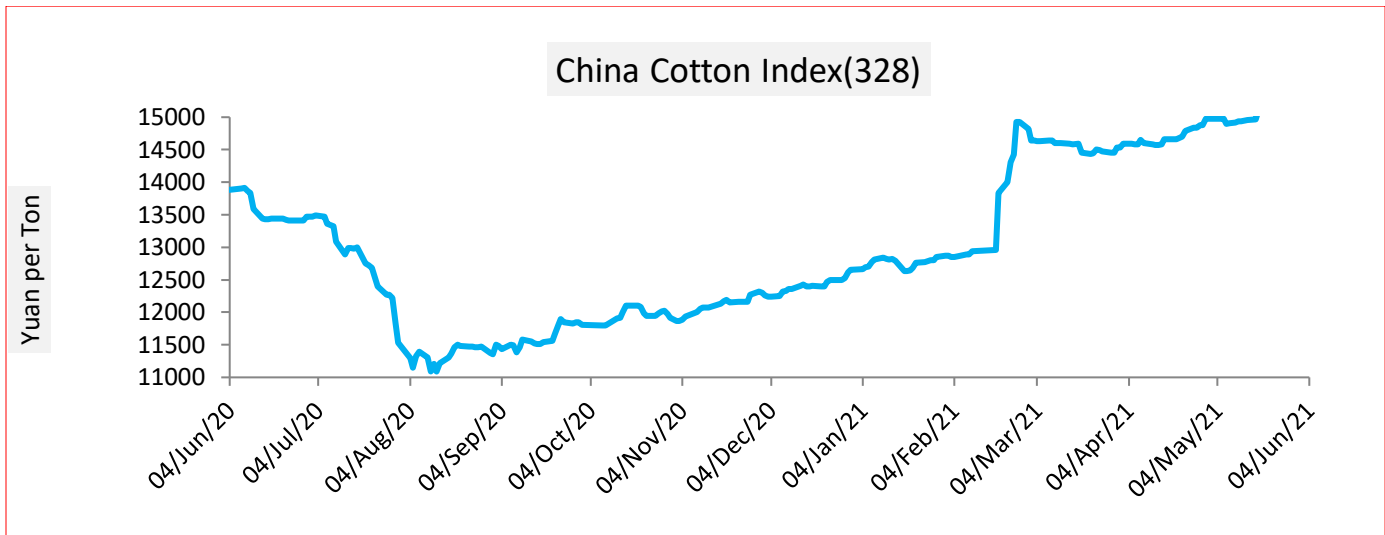
Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	02-June-21	26-May-21	
CCIndex(328)	15787.20	15823.40	-0.23
CCIndex(527)	15064.00	15085.80	-0.14
CCIndex(229)	16176.80	16213.00	-0.22

Prices in Yuan per ton

Source: China Cotton Association



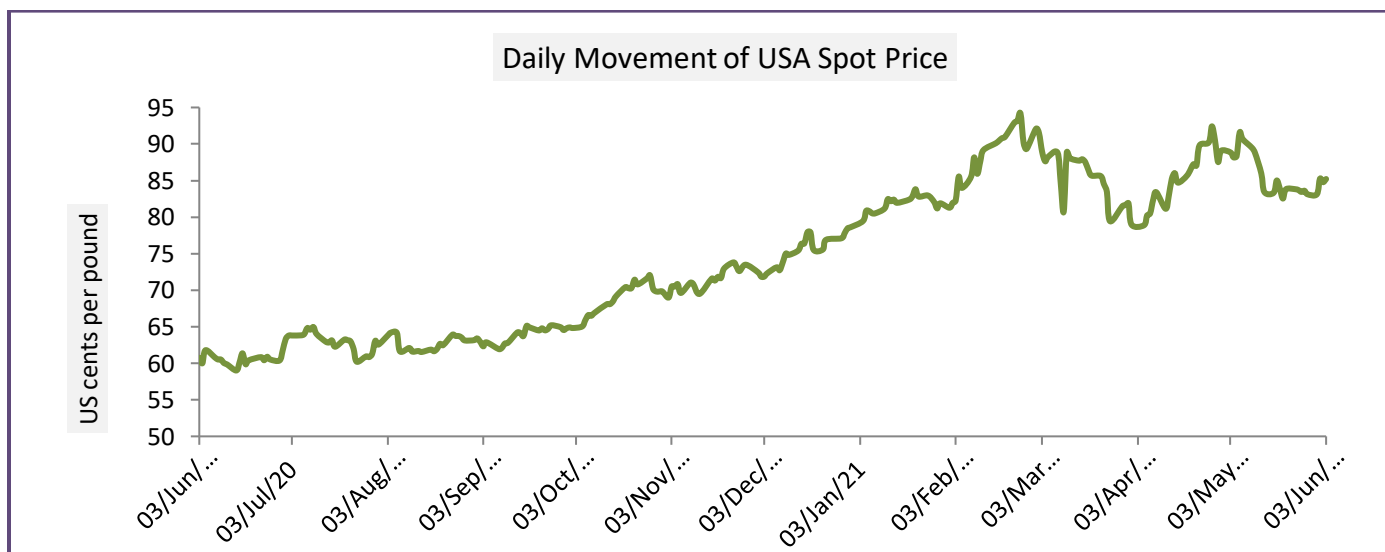
USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.60 percent at 83.97 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	02-June-21	26-May-21	
Prices	83.97	83.47	0.60

Prices in US cents per Pound

Source: USDA

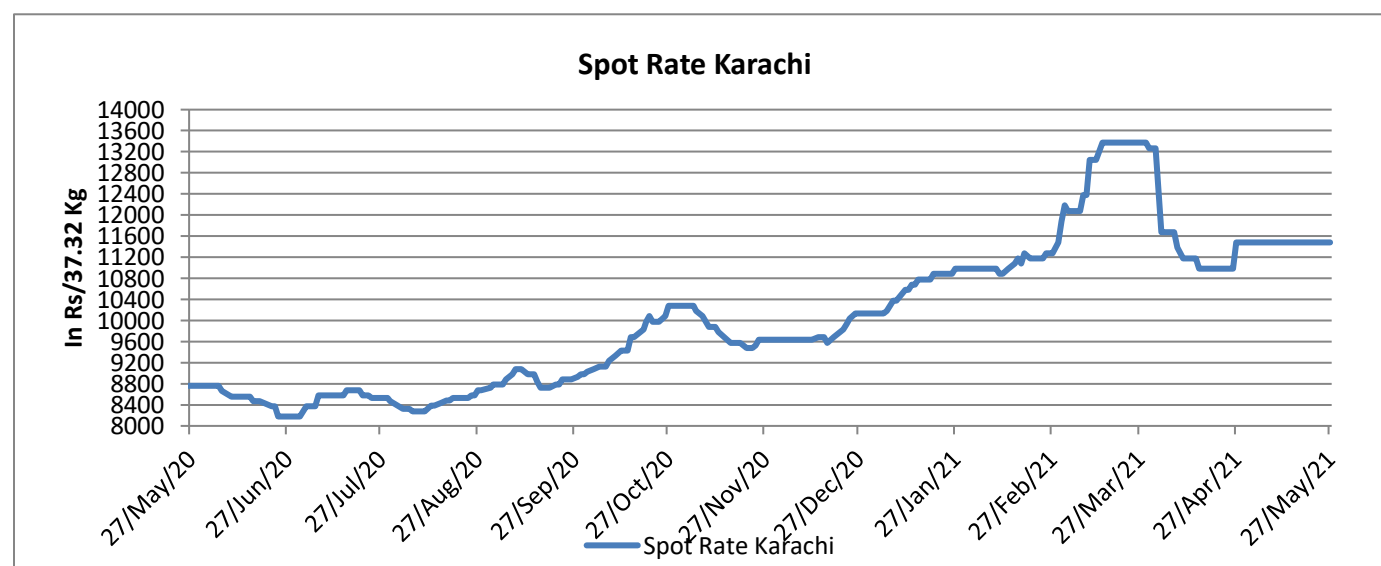


Pakistan Spot Prices

The Karachi spot pricestood around Rs.12480/q higher from 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
	02-June-21	26-May-21	
Prices	12480	11900	4.87
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: June. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/05/30 - Weekly B 23960.00 A 24010.00
 O 23150.00 H 24000.00 L 23150.00 C 23930.00 ↑ V 5,559 T 3,268,504 I 7,314 +920 +4.00%



TechnicalCommentary:

- The recent trend in cotton has been bullish.
- A supporting trendline is passing through 20000, while mild resistance is seen around 23240.
- If the market tests the support at 21500, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	20500	21500	23690	23240	23260
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	23150	23180	23200	23160

Commodity: Cotton Seed oil Cake
Contract: Mar

Expiry: June 18th, 2021

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/05/30 - Weekly B:2797.00 A:2799.00
O 2720.00 H 2845.00 L 2704.00 C 2790.00 V 279,960 I 62,440 +118 +4.42%



Technical Commentary:

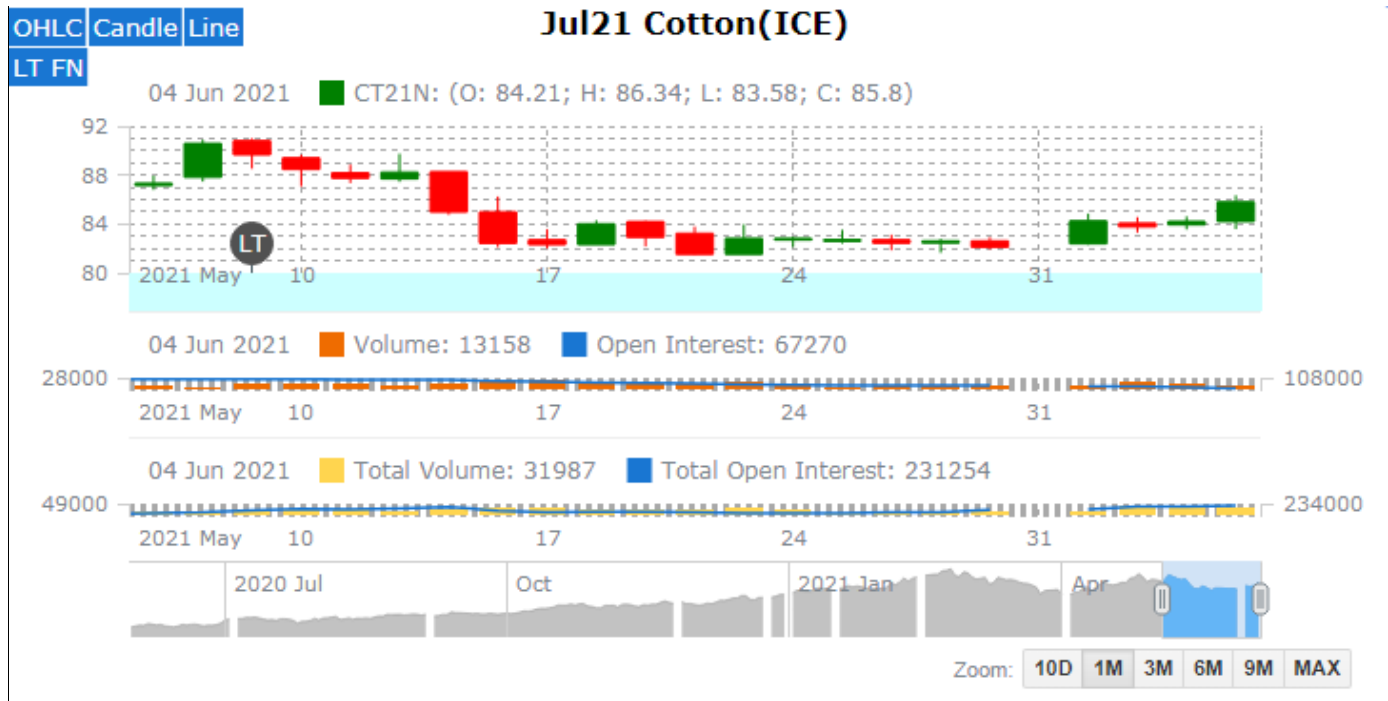
- Cottonseed oilcake on the weekly chart looks bullish.
- On the intra-day chart, there exists a consolidation zone(support) at 2000 and then a trendline support at 2260. Strong resistance is seen at 2840.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2000	2300	2799	2840	2870
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2720	2760	2800	2740

* Do not carryforward the position the next day.

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



- The Jul'21 contract closed high by the end of the week.
- Candlesticks denote steady to an upward trend.
- 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	86-95

Expected Support and Resistance

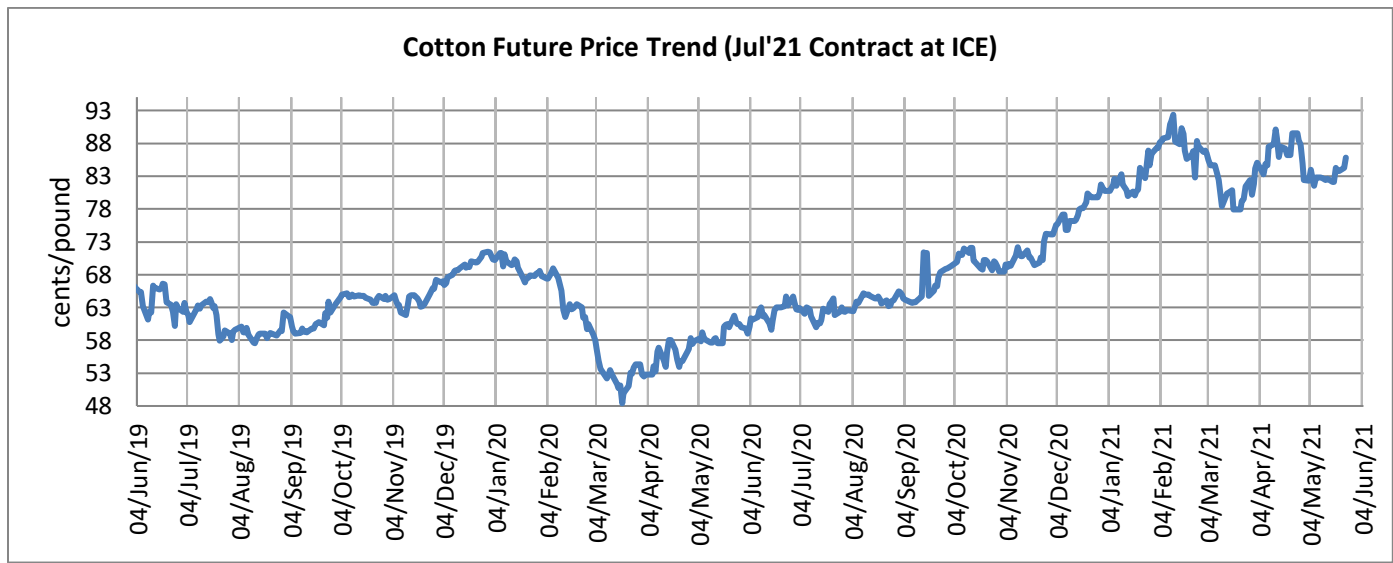
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

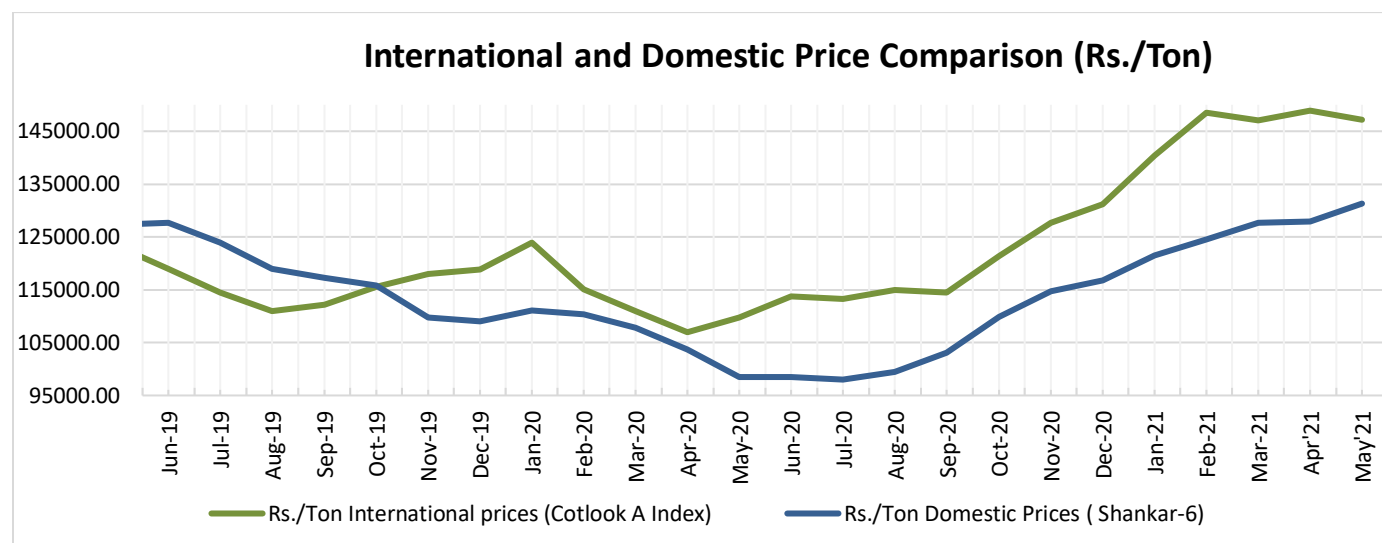
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	04-Jun-21	05-May-21 (1 month ago)	06-Mar-20 (3 months ago)	06-Dec-20 (6 months ago)	04-Jun-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	85.80	87.33	86.21	72.38	60.00	-1.75	43.00
Oct-21	85.93	87.01	87.76	73.26	59.54	-1.24	44.32
Dec-21	85.88	85.40	88.67	74.02	59.58	0.56	44.14
Mar-22	85.73	84.68	85.07	72.37	60.22	1.24	42.36
May-22	85.51	84.04	84.54	71.47	60.54	1.75	41.25

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			27th May'21 to 02nd June'21	20th May'21 to 26th May'21	
Gujarat	Ahmedabad	Shankar-6	7500	NA	-
	Gondal	Shankar-6	7459	7026	433
	Rajkot	B.T. Cotton	7483	7231	252
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6640	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6908	6617	291
	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	6475	6142	333
	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	7079	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	27th May'21 to 02nd June'21	20th May'21 to 26th May'21	
Punjab	Bhatinda	J-34	4920	4765	155
	Abohar	J-34	4918	4768	150
	Mansa	J-34	4913	4753	160
Haryana	Sirsa	J-34	4852	4680	172
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	27th May'21 to 02nd June'21	20th May'21 to 26th May'21	
Gujarat	Ahmedabad	Shankar-6	8500	NA	-
	Gondal	Shankar-6	3380	1814	1566
	Rajkot	B.T. Cotton	11100	5925	5175
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	122	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	680	340
	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	5500	18000	-12500
	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	1304	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	27th May'21 to 02nd June'21	20th May'21 to 26th May'21	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	765	1700	-935
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	05-Jun-21	29-May-21	05-Jun-21	05-Jun-20
Gujarat	Ahmedabad	Shankar-6	7500	Closed	7500	5000
	Gondal	Shankar-6	7555	7155	7555	5500
	Rajkot	B.T. Cotton	7650	7440	7650	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	6840	0	6840	NR
Haryana	Bhiwani	B.T. Cotton	NA	0	NA	5600

	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	7350	6900	7350	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	6550	Closed	6550	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	05-Jun-21	29-May-21	05-Jun-21	05-Jun-20
Punjab	Bhatinda	J-34	5010	4900	5010	0
	Abohar	J-34	5000	4900	5000	0
	Mansa	J-34	5000	4880	5000	0
Haryana	Sirsa	J-34	4970	4825	4970	3630
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	05-Jun-21	29-May-21	05-Jun-21	05-Jun-20
Gujarat	Ahmedabad	Shankar-6	3400	Closed	3400	23800
	Gondal	Shankar-6	599	507	599	#N/A
	Rajkot	B.T. Cotton	1300	2050	1300	#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	18	0	18	#N/A
Haryana	Bhiwani	B.T. Cotton	NA	0	NA	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1020	170	1020	#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	1700	Closed	1700	#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	694
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	450
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	05-Jun-21	29-May-21	05-Jun-21	05-Jun-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	85	170	85	0
	Sri-Ganganagar	J-34	NA	0	NA	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				27th May'21 to 02nd June'21	20th May'21 to 26th May'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39550	38967	583
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40050	39467	583
J-34(202)	26mm	3.5 - 4.9	23	45033	43033	2000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46717	45450	1267
Shankar-6(105)	29mm	3.5 - 4.9	28	48483	47200	1283
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	50817	49550	1267
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	51017	49883	1133
DCH-32(107)	34mm	3.0 - 3.8	33	80333	77500	2833

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