

**COTTON WEEKLY RESEARCH REPORT**  
**14<sup>th</sup> June 2021****Domestic market summary**

**Domestic Market Scenario:** Cotton sowing is progressing across India for the coming 2021-22 season. Government has increased the MSP of Kharif crops for marketing season 2021-22 to ensure remunerative prices to the growers for their produce. Indian cotton market was stable after reaching 51,000+ rates. Farmers are getting Rs. 7,500 per quintal rate for kapas and Rs. 4000 per quintal for cotton seed.

**Weekly Price Outlook:** The average price of Kapas is likely to remain firm between Rs. 6900-7500/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 (93.50cents/lbs) compared to the ICE cotton future that stood at 84.36 cents/lbs.
- Indian rupee remained close to 72.80 to 73.06 per USD.

**Market Highlights:**

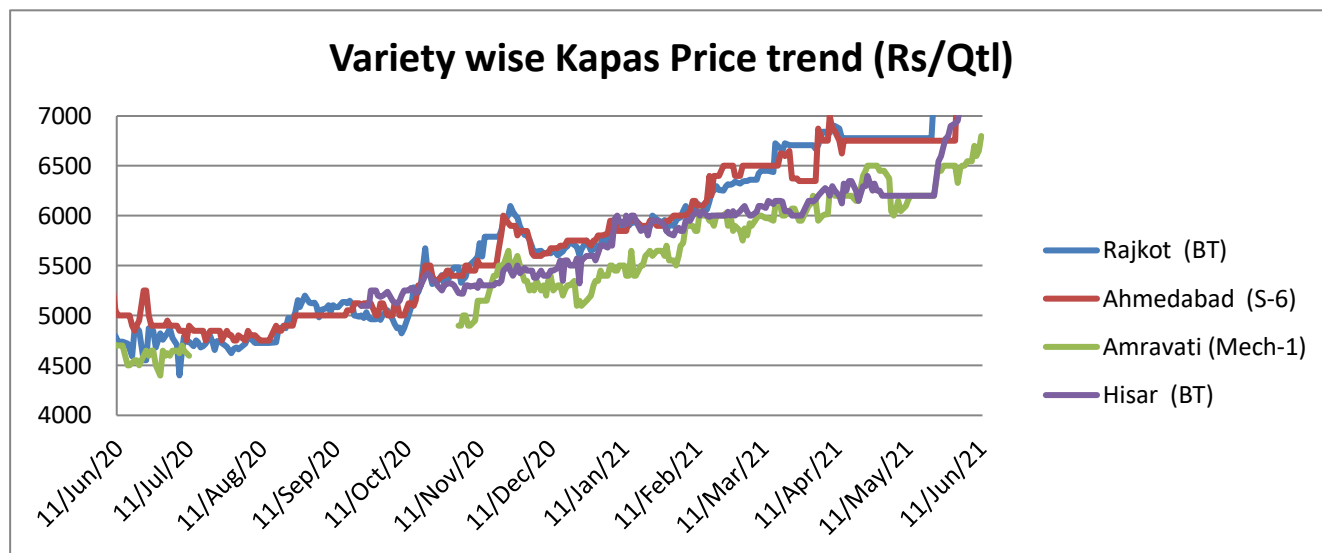
- **Cotton prices have increased in Gujarat.** Due to strong demand from domestic shipping mills, cotton prices have firmed up to reach a decadal high level. The demand from the international market has further supported the local prices of the natural fiber. The shanker-6 variety has reached Rs. 50,500 to Rs. 51,000 per candy in Gujarat local market, which is highest in 10 years.
- **Government comes up with Cotton Quality Improvement Mission.** With cotton commanding higher prices in the market around 7,500 per quintal, both the Cotton Corporation of India and Cotton Association of India have come together to educate farmers to increase area under cotton cultivation for the coming 2021-22 season. Around 110-120 lakh hectares area comes under cotton cultivation in India. The center has allocated Rs. 440 crore towards Cotton Quality Improvement Mission to improve the quality and yield of cotton in India.
- **Telangana Government is considering a policy on cotton solvent to encourage ginning mills in the state.** According to the Telangana Agriculture Department, the government is committed to encourage ginning mills in the wake of increase in raw cotton production. The by-products of cotton like cotton seed oil, cottonseed oilcake and solvents have a sound demand at the national and international levels.

- **Government has raised Minimum Support Price for the 2021-22 seasons.** The government has increased minimum support price of cotton by Rs. 211 per quintal to Rs. 5,726 for medium staple variety and by Rs. 200 per quintal to Rs. 6,025 for long staple variety of cotton for the 2021-22 crop year.
- **Cotton cultivation area has increased in Muktsar.** According to the State Agriculture Department, area under cotton cultivation has increased in Muktsar from nearly 28,000 hectares last year to 40,000 hectare in this season. The main reason behind the increase in the area is Minimum Support Price on cotton and direct purchase of cotton by Cotton Corporation of India.
- **Telangana government has set the target of cultivating cotton in over 75 lakh acres.** The Telangana Agriculture Department has set a target of cultivating the cotton crop in 75 lakh acres during Vaanakalam (Kharif) season. As per government, it is decided to extend complete cooperation to cotton farmers and promote the crop cultivation on a massive scale, besides bringing the cotton solvent policy to encourage ginning mills in the state. Cotton Corporation of India has already recognized the telagana cotton as a top quality in the country as well as in the International market. Earlier Telangana has cultivated cotton in over 60 lakh acres during Yasangi (Rabi) season this year.
- **Spurious cotton seeds have arrived in old Adilabad district as the Kharif season is drawing to a close.** According to the market sources, Adilabad Police have seized spurious seeds at various places during the raids on shop. Also the illegal transportation of spurious seeds is on the rise in interior villages despite the police and agriculture department trying their best to control the menace.

## Domestic Cotton Prices Scenario

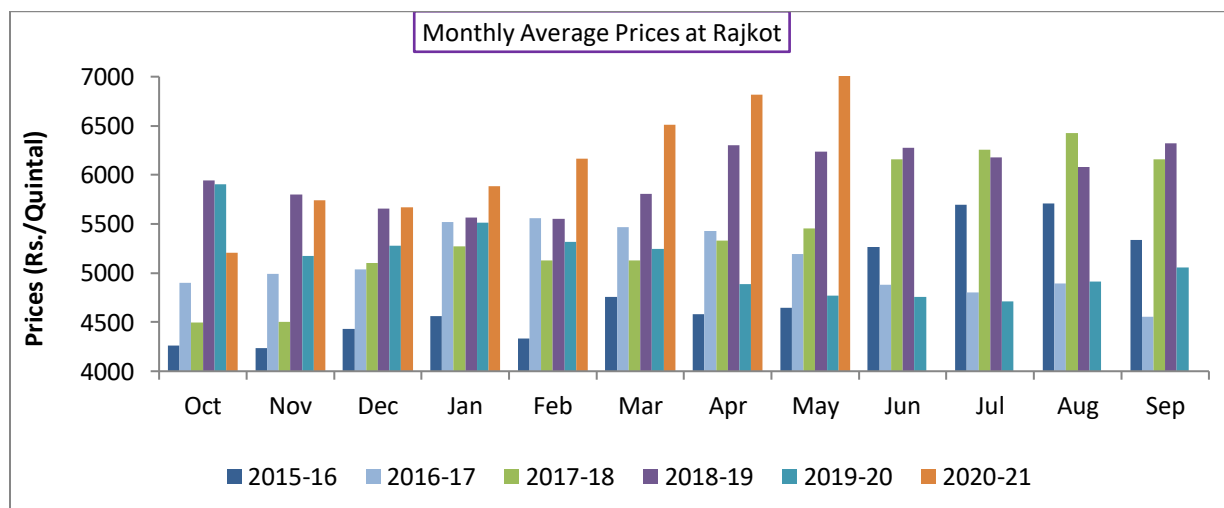
### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly kapas average price at Rajkot was high at Rs.7682/q from the previous week at Rs. 7502/q, Ahmedabad prices were at Rs. 7583/q and prices in Amravati were at Rs. 6566/ql.



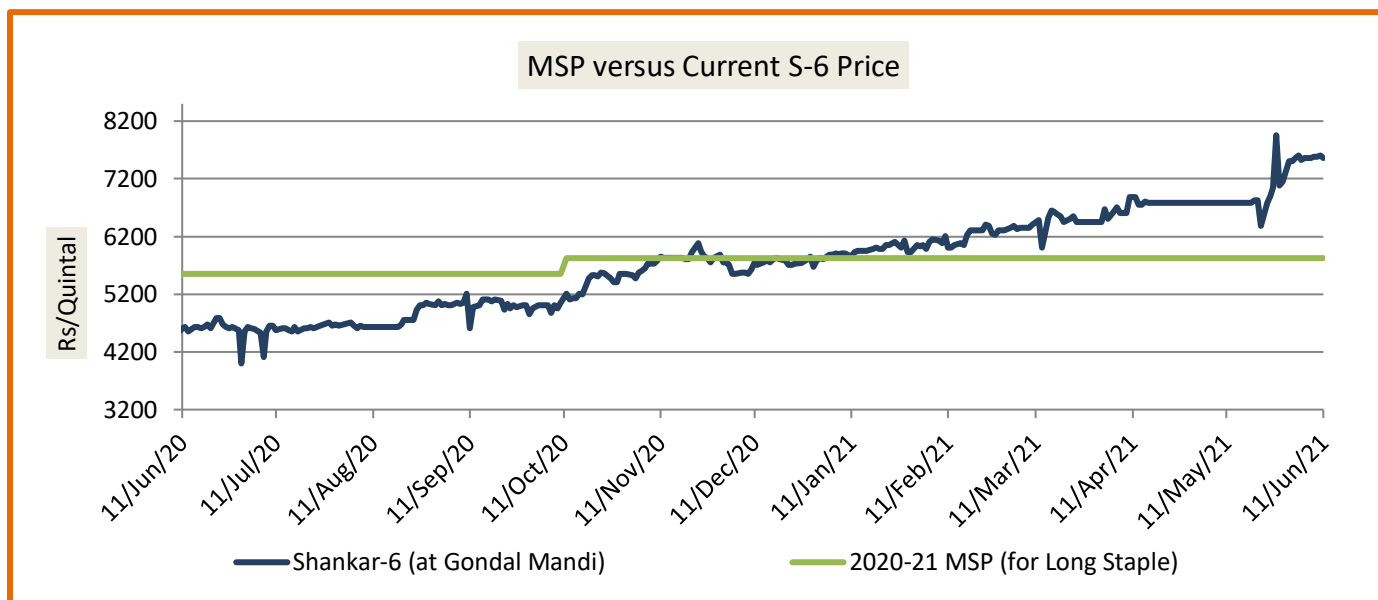
### Kapas Monthly M-o-M Price Scenario

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

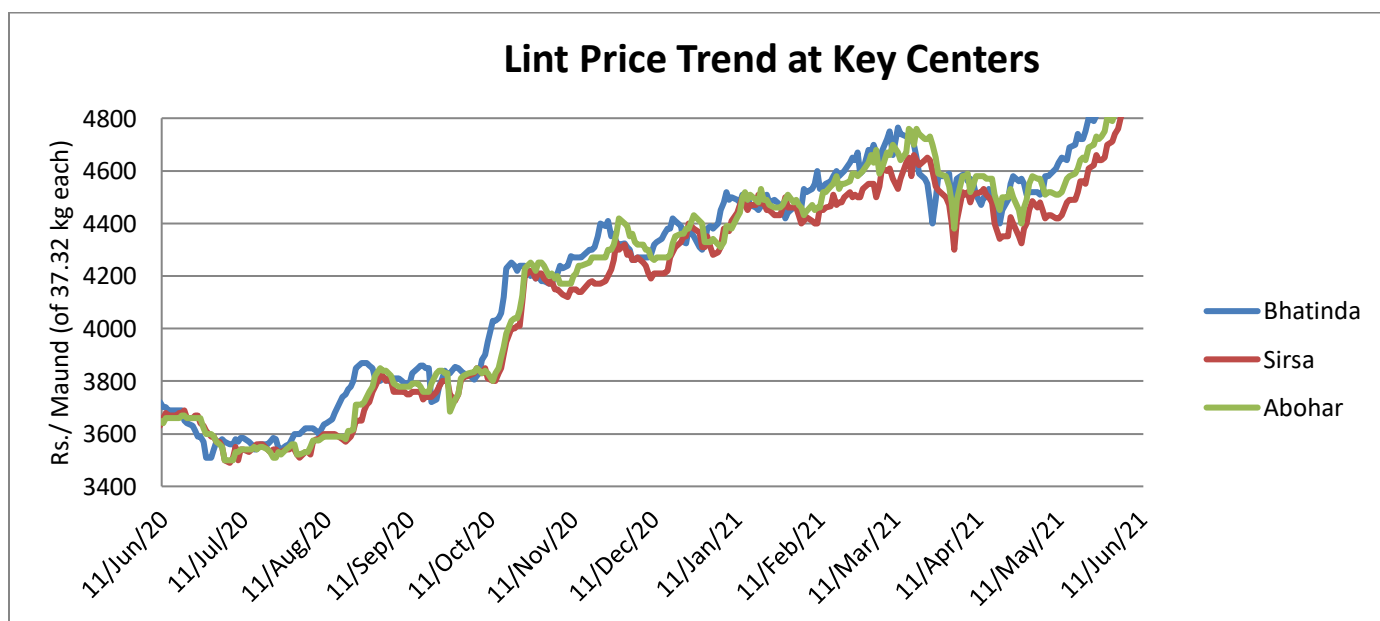
Average kapas price at Gondal market stood higher at Rs. 7567/q from previous week at Rs. 7480/q.



Source: Agriwatch

## Lint price Outlook

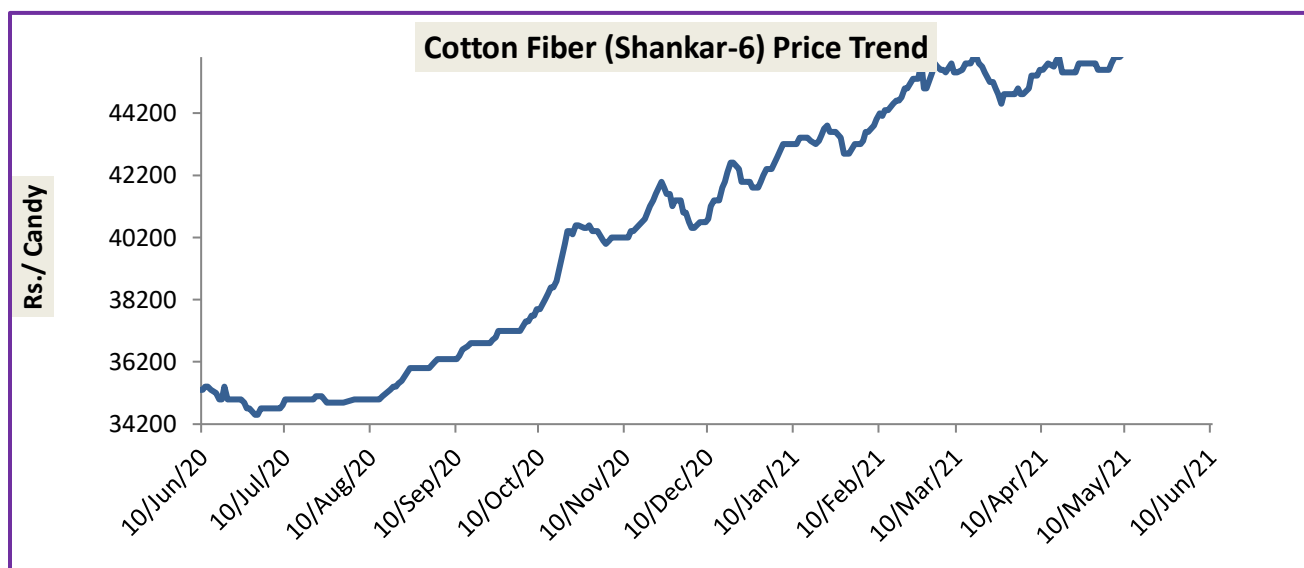
The average price stood higher at Rs.5028/maund of lint in Abohar, in Bhatinda were also same at Rs.5208/maund, and Rs.4988/maund in Sirsa from the previous week.



Source: Agriwatch

### Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.49866/candy this week.



Source: Cotton Association of India (CAI)

### Cotton Seed Oil and Cotton Seed Oil Cake

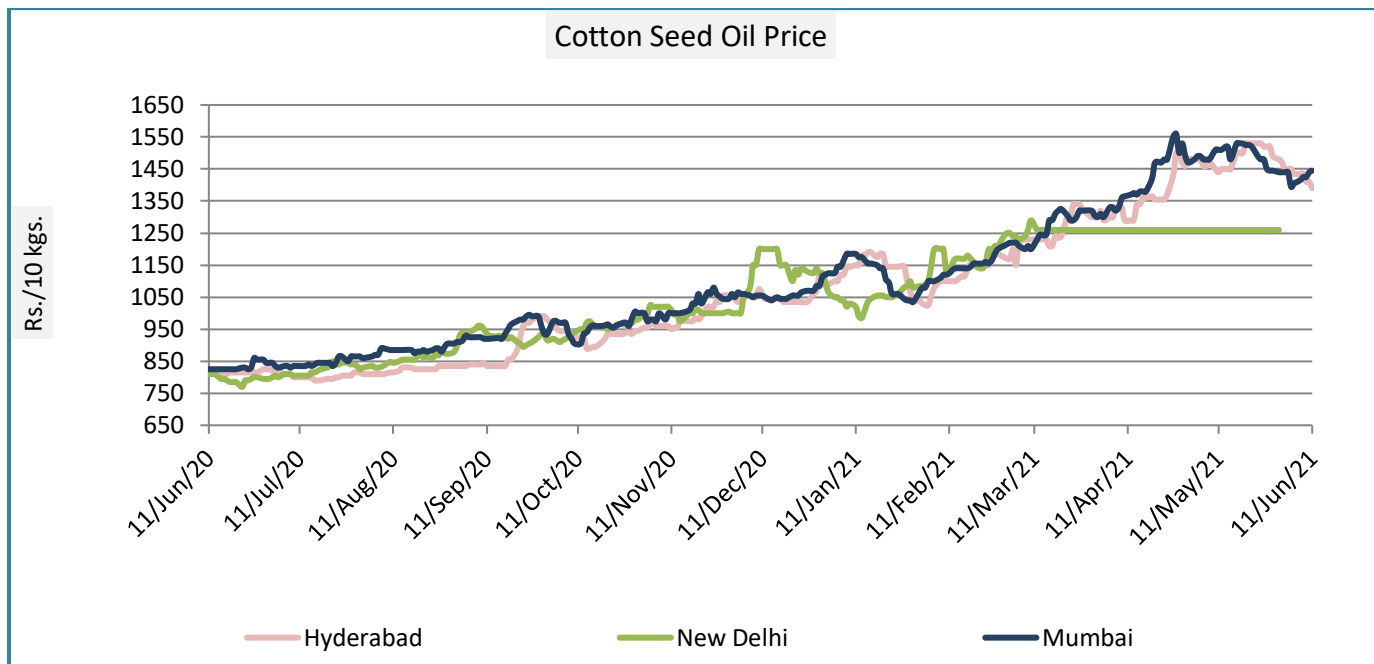
#### Cotton Seed Oil weekly

##### Price Scenario

Cotton seed oil prices have decreased across all the centers during the week ending on 09<sup>th</sup> June'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	09-June-21	02-June-21	
<b>New Delhi</b>	1260	1260	-
<b>Rajkot</b>	1422	1412	-2.63
<b>Hyderabad</b>	1412	1419	-3.84
<b>Mumbai</b>	1433	1427	-2.43

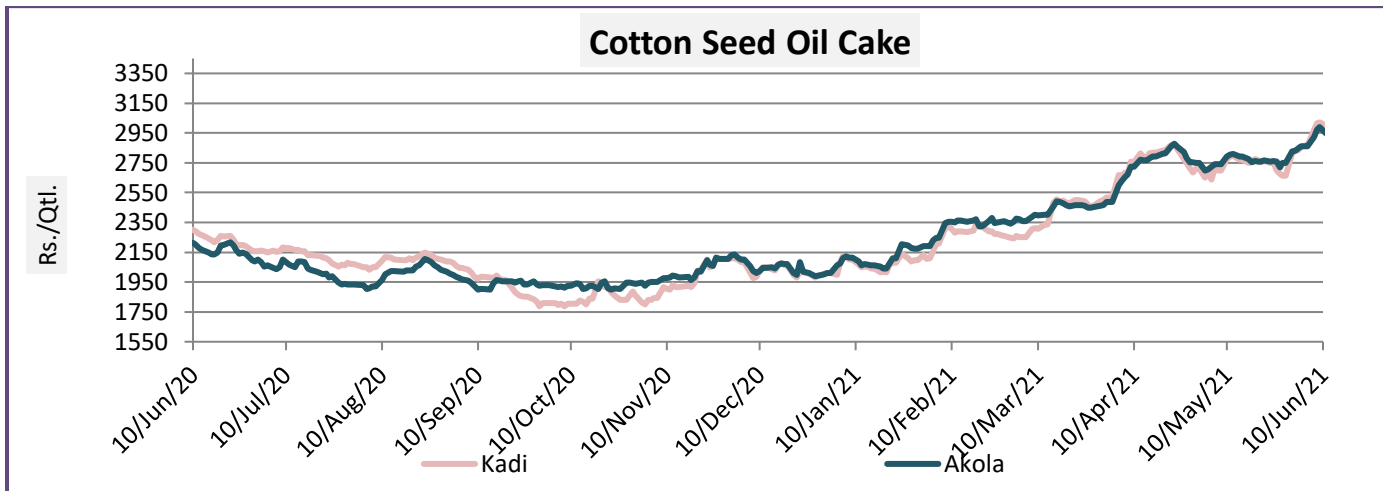
Source: Agriwatch



#### Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2933 per quintal from Rs. 2748 per quintal and in Akola was at Rs. 2911 per quintal from Rs. 2787 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	09-June-21	02-June-21	
Kadi	2933	2748	6.73
Akola	2911	2787	4.44



Source: NCDEX

### **International Market Scenario**

- The cotton Business of Thailand has started to recover as global economy recovers. With improving health condition and global economy the cotton business has started recovering, the cotton imports of the country were 700 thousand 480 lb bales in 2019-20 which have dropped to 550 thousand 480 lb bales in 2020-21 but are now likely to rise by 9.09 percent to 600 thousand lb bales in 2021-22.
- 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.

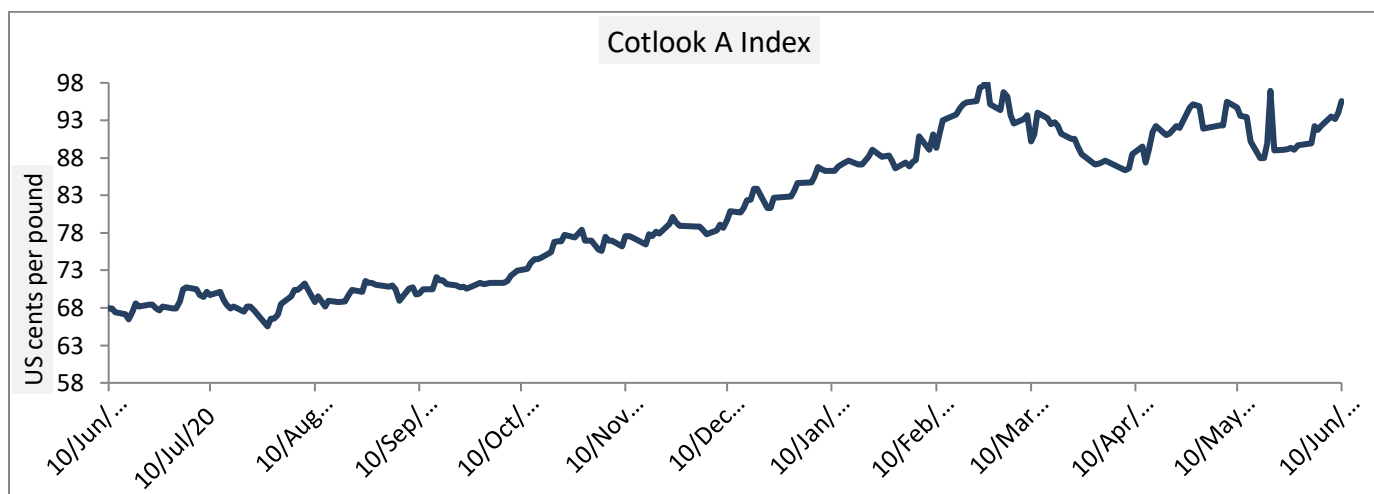
### Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 92.93 cents/lb higher as compared to the previous week (90.23 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	09-June-21	02-June-21	
Prices	92.93	90.23	2.99

Prices in US cents per Pound

Source: Cotlook



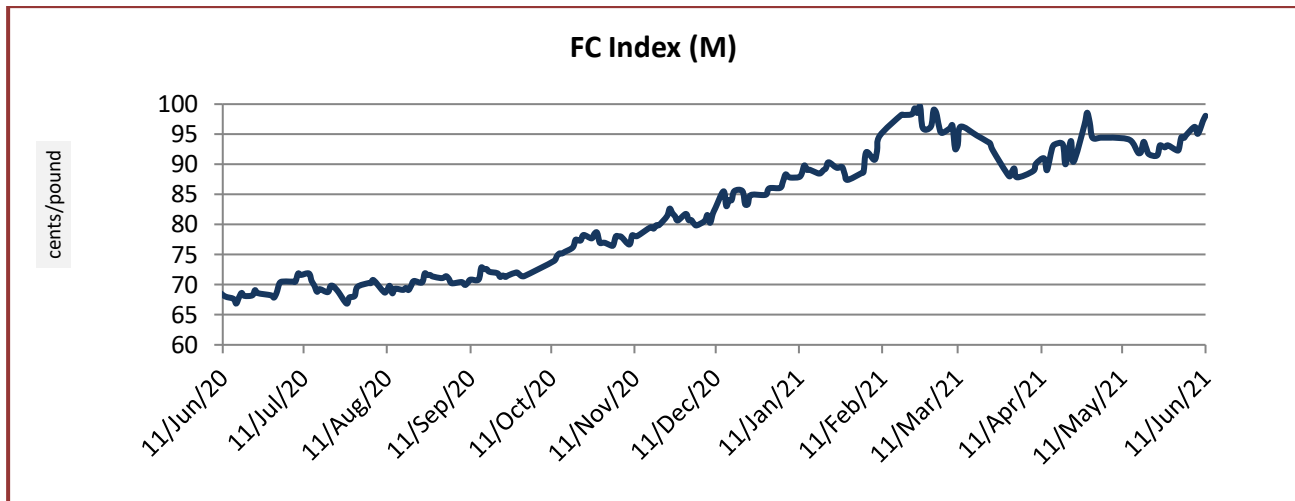
### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	09-June-21	02-June-21	
FC (S)	96.37	94.20	2.31
FC (M)	95.30	92.69	2.81
FC (L)	94.22	89.94	2.49

Prices in US cents per Pound

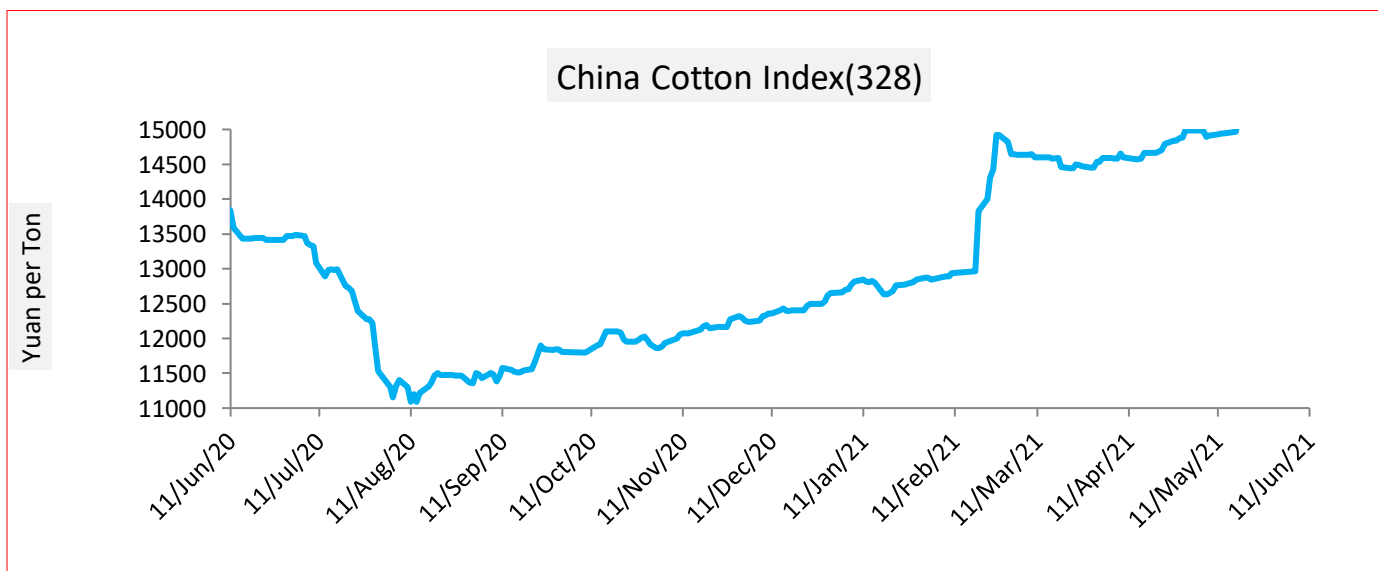
Source: China Cotton Association





Cotton Index	Weekly Average Price as on		% Change
	09-June-21	02-June-21	
CCIndex(328)	16014.80	15787.20	1.44
CCIndex(527)	15201.00	15064.00	0.91
CCIndex(229)	16384.40	16176.80	1.28
			Prices in Yuan per ton

Source: China Cotton Association

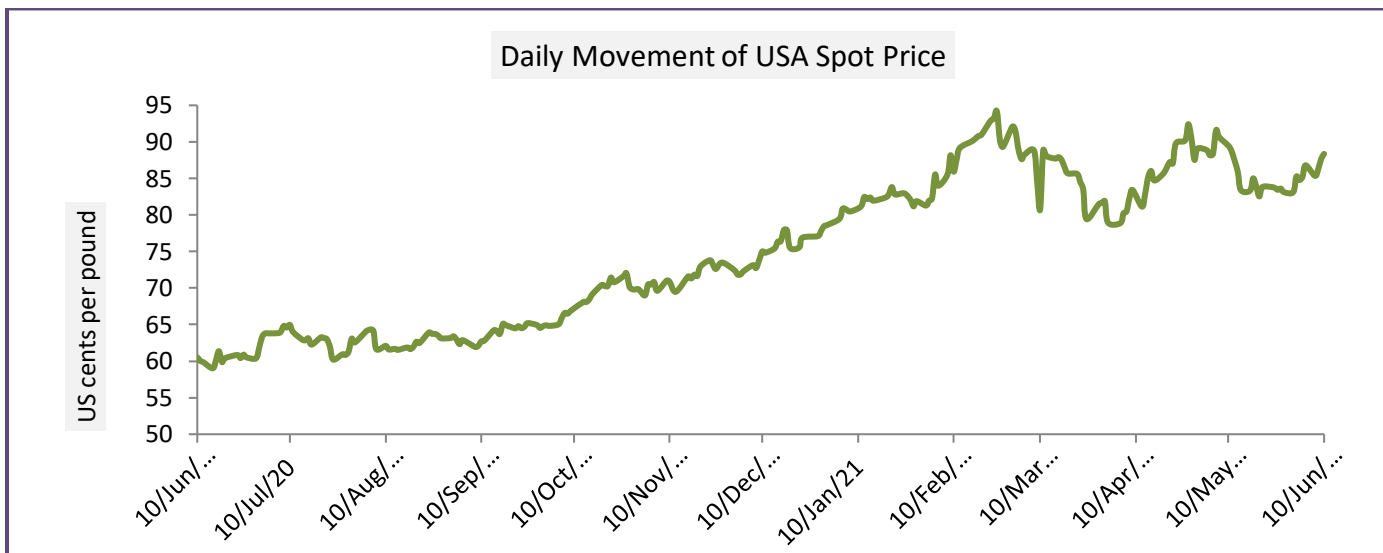


### USA Spot Prices

U.S.A spot prices have increased from the prior week by 3.44 percent at 86.86 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	09-June-21	02-June-21	
Prices	86.86	83.97	3.44
Prices in US cents per Pound			

Source: USDA

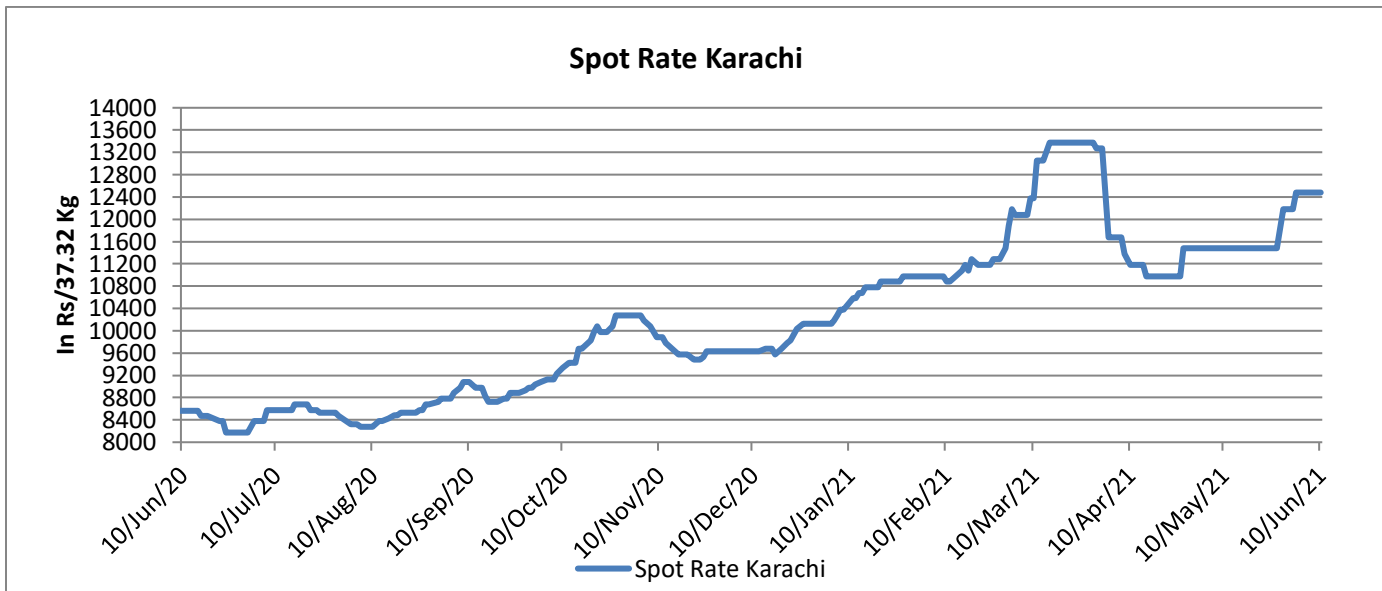


### Pakistan Spot Prices

The Karachi spot pricestood firm around Rs.12480/q higher same asprevious 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
	09-June-21	02-June-21	
Prices	12480	12480	-
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: June. 30, 2021



**Technical Commentary:**

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000,whilemildresistanceisseenaround24280.
- If the market tests the support at 23500, intraday short positions may becreated.

**Strategy: Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	2250 0	2350 0	2422 0	2428 0	2430 0
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	<b>Sell</b>	2427 0	2425 0	2422 0	2426 0

**Commodity: Cotton Seed oil Cake**  
**Contract: Mar**

**Exchange: NCDEX**  
**Expiry: June 18<sup>th</sup>, 2021**

### Cottonseed Oilcake



### Technical Commentary:

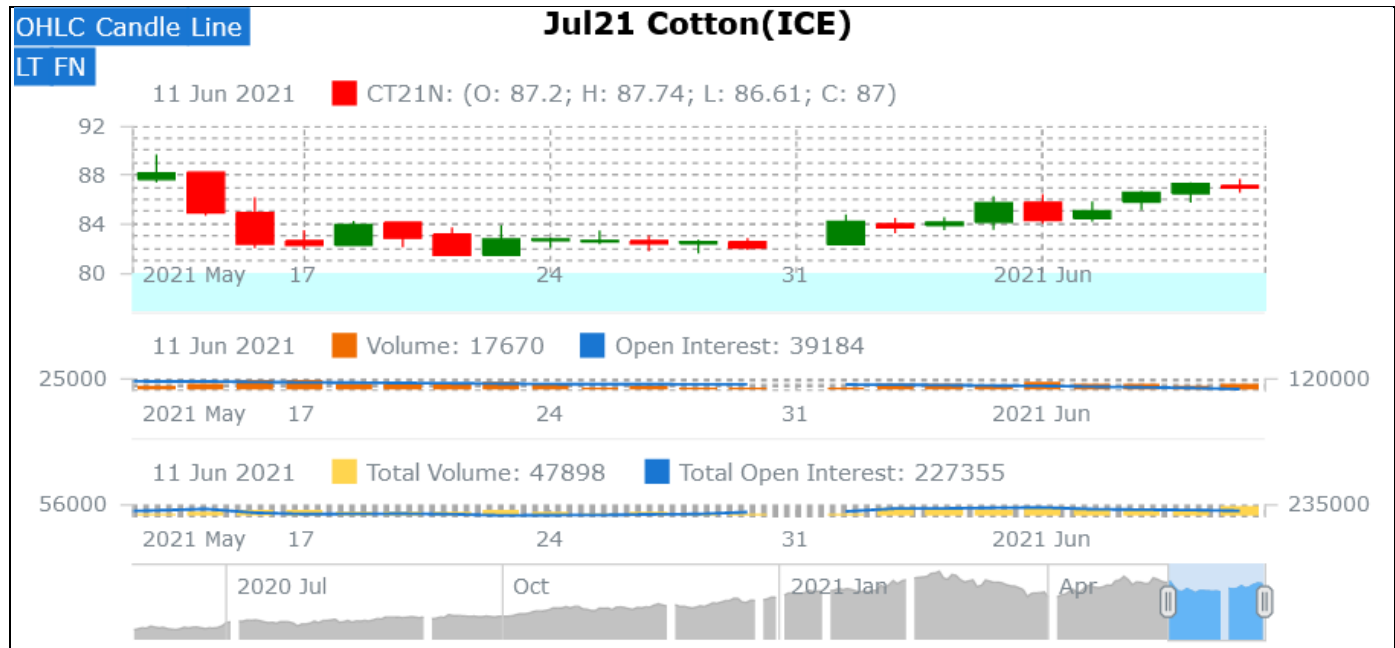
- Cottonseedoilcakeonthe weekly chartlooksbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at 2860andthenatrendlinesupportat 2800. Strong resistance is seen at 2850.

### Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2860	2800	2848	2850	2860
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	<b>Sell</b>	2844	2835	2830	2840

\* 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 range bound in the coming week.

#### Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	87-95

#### Expected Support and Resistance

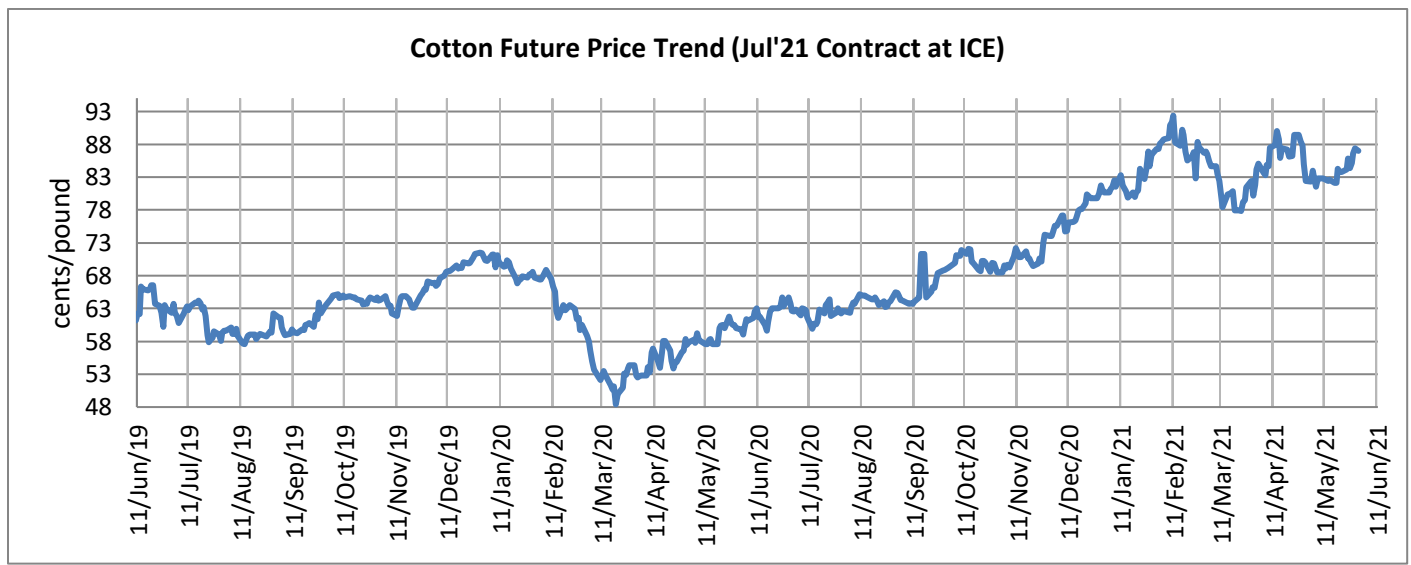
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

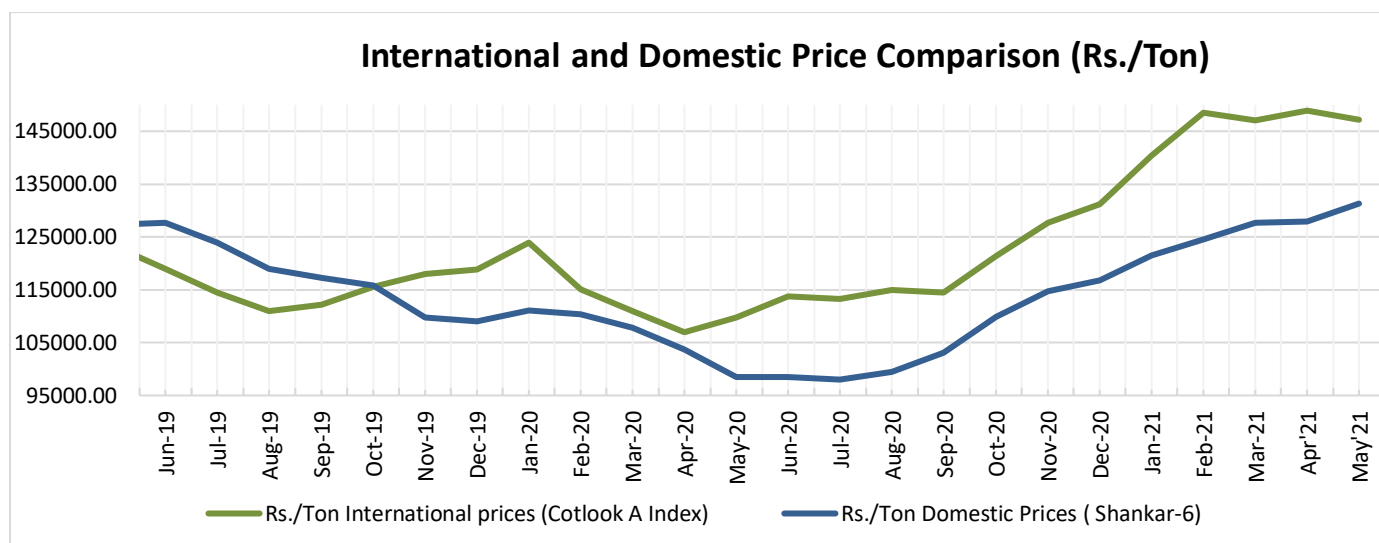
### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	11-Jun-21	12-May-21 (1 month ago)	13-Mar-20 (3 months ago)	13-Dec-20 (6 months ago)	11-Jun-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	87.00	87.75	87.56	87.27	60.02	-0.85	44.95
Oct-21	89.34	86.43	88.57	88.66	60.15	3.37	48.53
Dec-21	87.92	85.53	84.80	89.41	59.49	2.79	47.79
Mar-22	87.73	85.12	84.20	85.71	60.02	3.07	46.17
May-22	87.48	84.61	83.13	83.89	60.33	3.39	45.00

### 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	03rd June'21 to 09th June'21	27th May'21 to 02nd June'21	
Gujarat	Ahmedabad	Shankar-6	7583	7500	83
	Gondal	Shankar-6	7568	7459	108
	Rajkot	B.T. Cotton	7683	7483	200
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6920	6640	280
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7425	6908	517
	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	-
<b>Maharashtra</b>	Amravati	Mech-1	6567	6475	92
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	7348	7079	269
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund of 37.32kg each)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>03rd June'21 to 09th June'21</b>	<b>27th May'21 to 02nd June'21</b>	
<b>Punjab</b>	Bhatinda	J-34	5028	4920	108
	Abohar	J-34	5028	4918	110
	Mansa	J-34	5023	4913	111
<b>Haryana</b>	Sirsa	J-34	4988	4852	137
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>03rd June'21 to 09th June'21</b>	<b>27th May'21 to 02nd June'21</b>	
<b>Gujarat</b>	Ahmedabad	Shankar-6	18700	8500	10200
	Gondal	Shankar-6	9444	3380	6064
	Rajkot	B.T. Cotton	8200	11100	-2900
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	150	122	28
<b>Haryana</b>	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3145	1020	2125
	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	8900	5500	3400
	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	3432	1304	2128
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>03rd June'21 to 09th June'21</b>	<b>27th May'21 to 02nd June'21</b>	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	680	765	-85
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	11-Jun-21	04-Jun-21	11-Jun-21	11-Jun-20
Gujarat	Ahmedabad	Shankar-6	7750	7500	7750	5000
	Gondal	Shankar-6	7555	7530	7555	5500
	Rajkot	B.T. Cotton	7800	7650	7800	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	7085	7000	7085	NR
Haryana	Bhiwani	B.T. Cotton	NA	0	NA	5600

	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	7650	7300	7650	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
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	0	NA	Closed
	Rawatsar	B.T. Cotton	NA	0	NA	Closed
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	0	NA	5491
	Khargaon	Mech-1	NA	0	NA	5427
<b>Maharashtra</b>	Amravati	Mech-1	6800	6500	6800	5300
	Jamner	Medium Staple	NA	0	NA	NA
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	NA	NA
	Hathras	Desi	NA	0	NA	NA
<b>Telangana</b>	Adilabad	Un-Ginned	NA	0	NA	5400
<b>Karnataka</b>	Bijapur	Bunny	NA	7209	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
<b>Commodity</b>	<b>Lint</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>11-Jun-21</b>	<b>04-Jun-21</b>	<b>11-Jun-21</b>	<b>11-Jun-20</b>
<b>Punjab</b>	Bhatinda	J-34	5140	5000	5140	0
	Abohar	J-34	5140	4990	5140	0
	Mansa	J-34	5140	5000	5140	0
<b>Haryana</b>	Sirsa	J-34	5100	4960	5100	3670
<b>Rajasthan</b>	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	11-Jun-21	04-Jun-21	11-Jun-21	11-Jun-20
<b>Gujarat</b>	Ahmedabad	Shankar-6	2550	3400	2550	22100
	Gondal	Shankar-6	312	400	312	#N/A
	Rajkot	B.T. Cotton	1000	1600	1000	#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	9	37	9	#N/A
Haryana	Bhiwani	B.T. Cotton	NA	0	NA	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	340	255	340	#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	1600	1000	1600	#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	903	NA	1760
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	660
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	11-Jun-21	04-Jun-21	11-Jun-21	11-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
				03rd June'21 to 09th June'21	27th May'21 to 02nd June'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39800	39550	250
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40300	40050	250
J-34(202)	26mm	3.5 - 4.9	23	46333	45033	1300
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	48167	46717	1450
Shankar-6(105)	29mm	3.5 – 4.9	28	49867	48483	1383
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	52067	50817	1250
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	52367	51017	1350
DCH-32(107)	34mm	3.0 - 3.8	33	81000	80333	667

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