

COTTON WEEKLY RESEARCH REPORT
21st 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. Farmers are getting Rs. 7,600 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 (93.20cents/lbs) compared to the ICE cotton future that stood at 84.95 cents/lbs.
- Indian rupee remained close to 73.27 to 74.07 per USD.

Market Highlights:

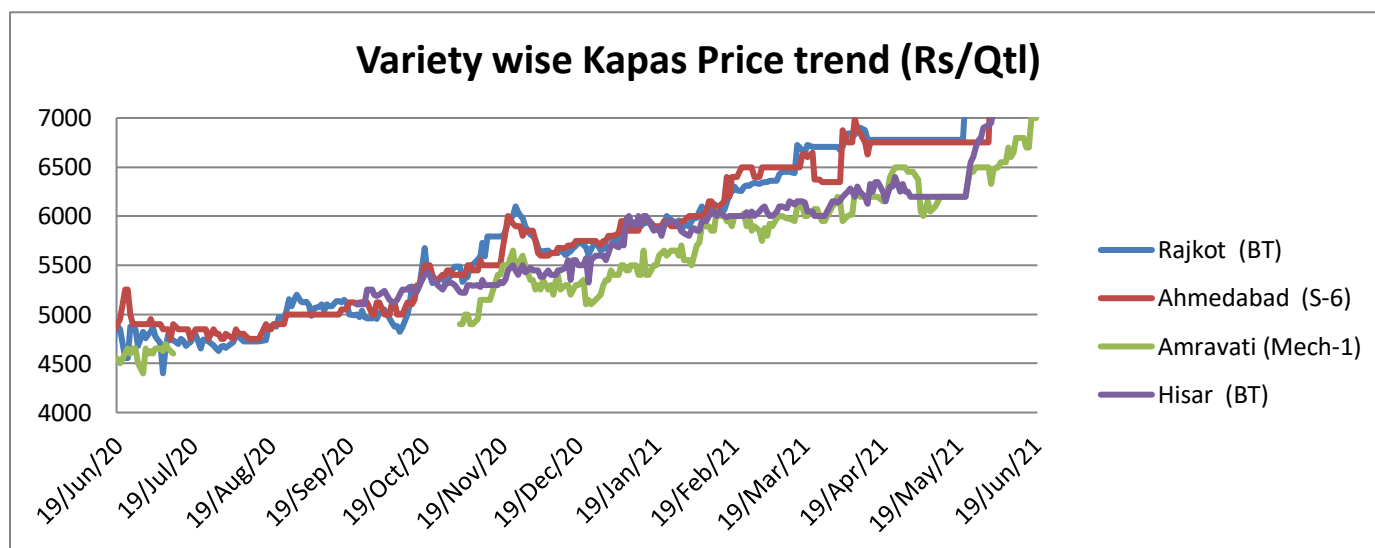
- **Cotton Cultivation area may increase to 5-10 percent in 2021-22 season.** Cotton acreages may see a rise of 5-10 percent this Kharif season as a result of high cotton prices in the market for the ongoing 2020-21 season. With assured procurement through Cotton Corporation of India, good monsoon and groundnut cultivation turning costly are some of the other factors that are likely to aid higher coverage under cotton this year.
- **Cotton Association of India has reduced its cotton crop estimate for 2020-21 seasons by 4 lakh bales at 356 lakh bales.** The total supply from October 2020 – May 2021 is estimated at around 473.44 lakh bales which consist of arrivals of 340.19 lakh bales whereas imports were estimated at 8 lakh bales and opening stock at 125 lakh bales at the beginning of the season. Further, the cotton consumption was estimated at around 220 lakh bales, and exports upto 31st May'2021 were estimated to be 58 lakh bales, and stock at the end of May'2021 was estimated at 195.44 lakh bales.
- **Cotton prices have increased in Gujarat.** With strong demand from domestic spinning 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 this week, which is highest in 10 years.

- Area under Cotton cultivation has fallen in Haryana for the coming season.** The area under cotton cultivation has reduced in Haryana by over 90,000 hectares for the coming season because of hampering of field activities during the second wave of the corona virus and shifting of farmers to other crops like groundnut. The crop has been sown in over 6.72 lakh hectares in Haryana against the target of 7.62 lakh hectares. In the previous season, 7.31 lakh hectares of area was sown under cotton crop while the normal area under cotton in Haryana is 6.82 lakh hectares.

Domestic Cotton Prices Scenario

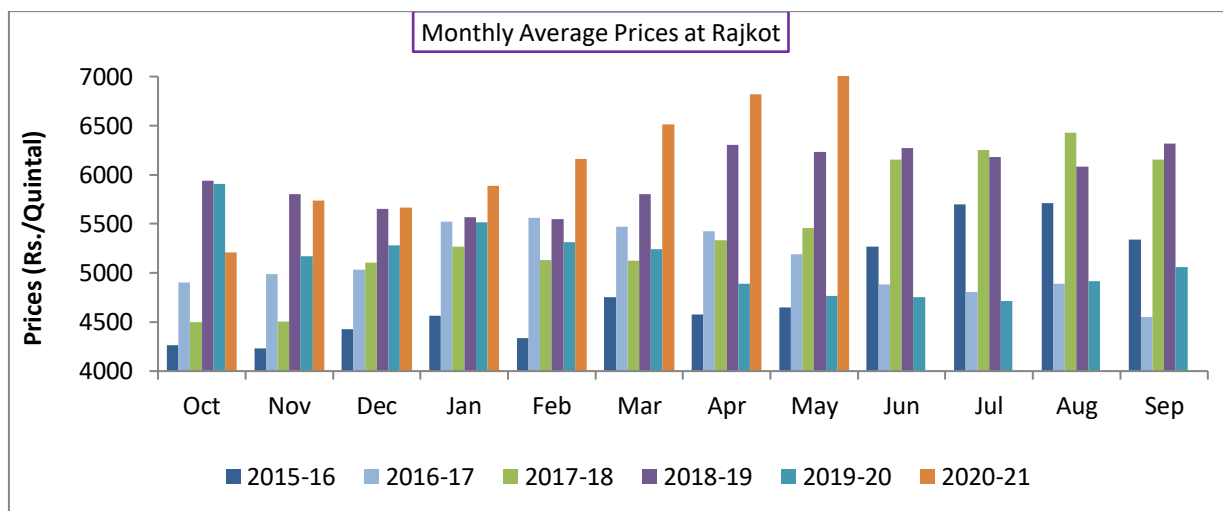
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.7712/q from the previous week at Rs. 7682/q, Ahmedabad prices were at Rs. 7750/q and prices in Amravati were at Rs. 6741/qt.



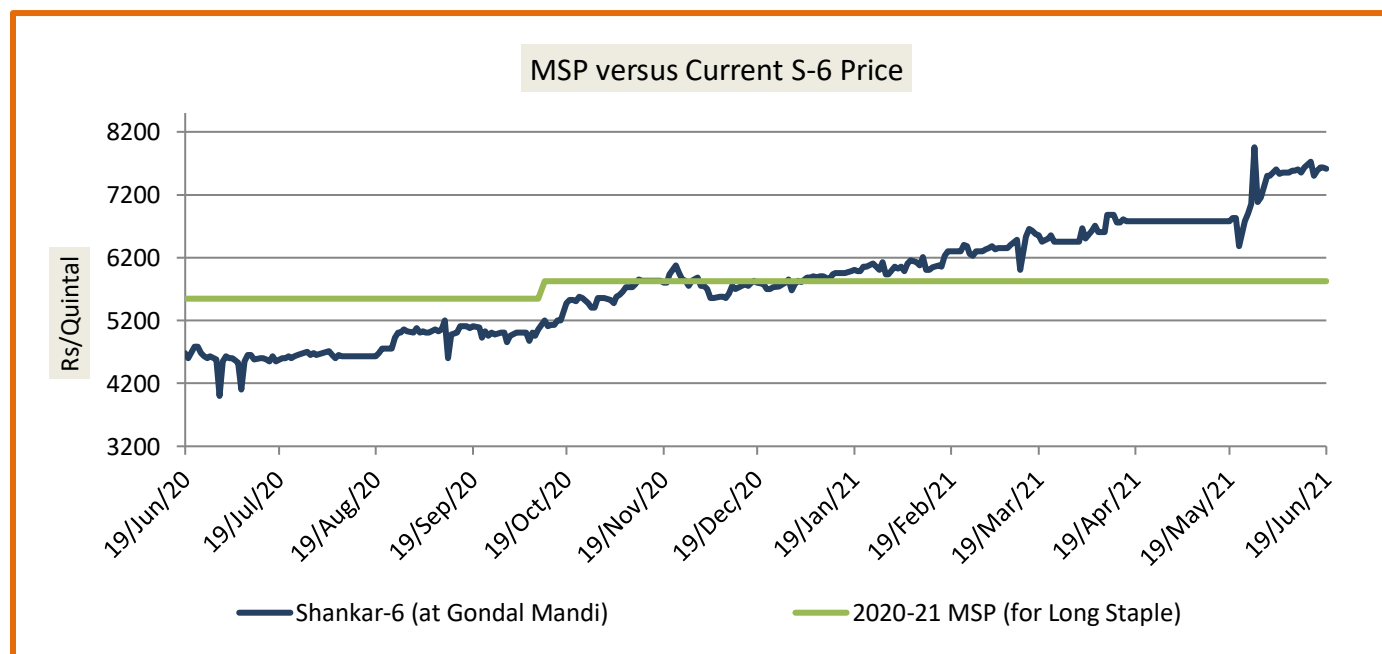
Kapas Monthly M-o-M Price Scenario

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

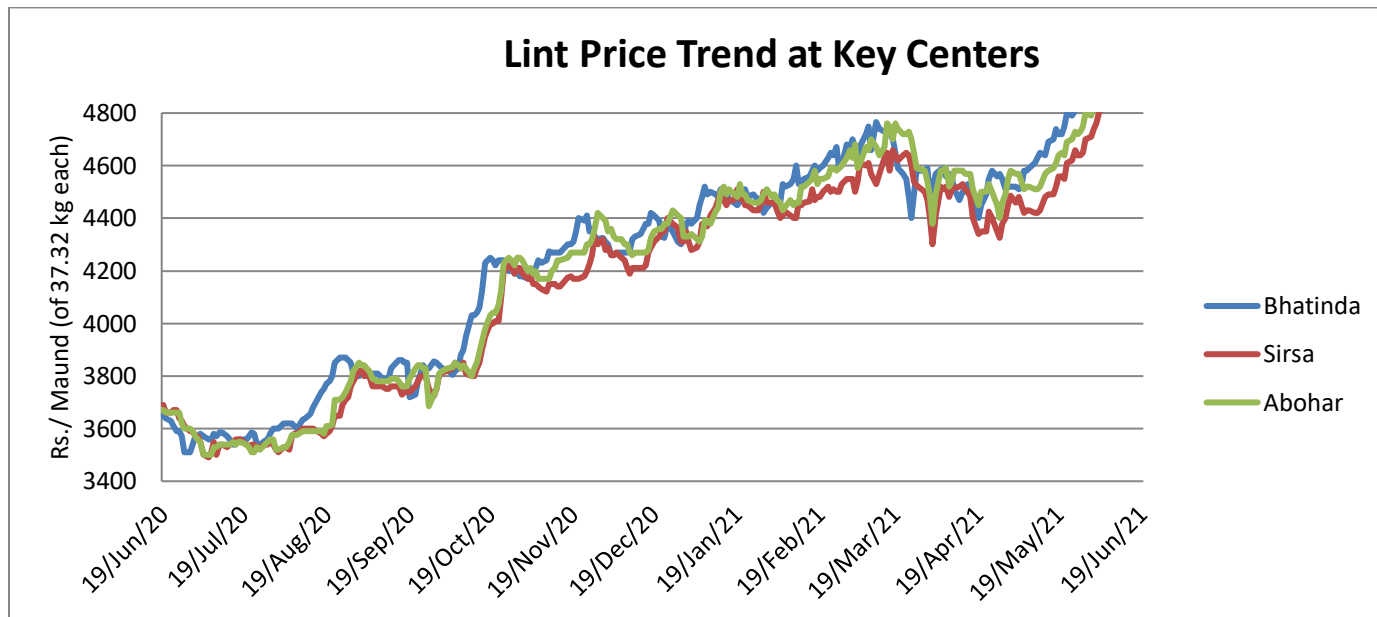
Average kapas price at Gondal market stood higher at Rs. 7600/q from previous week at Rs. 7567/q.



Source: Agriwatch

Lint price Outlook

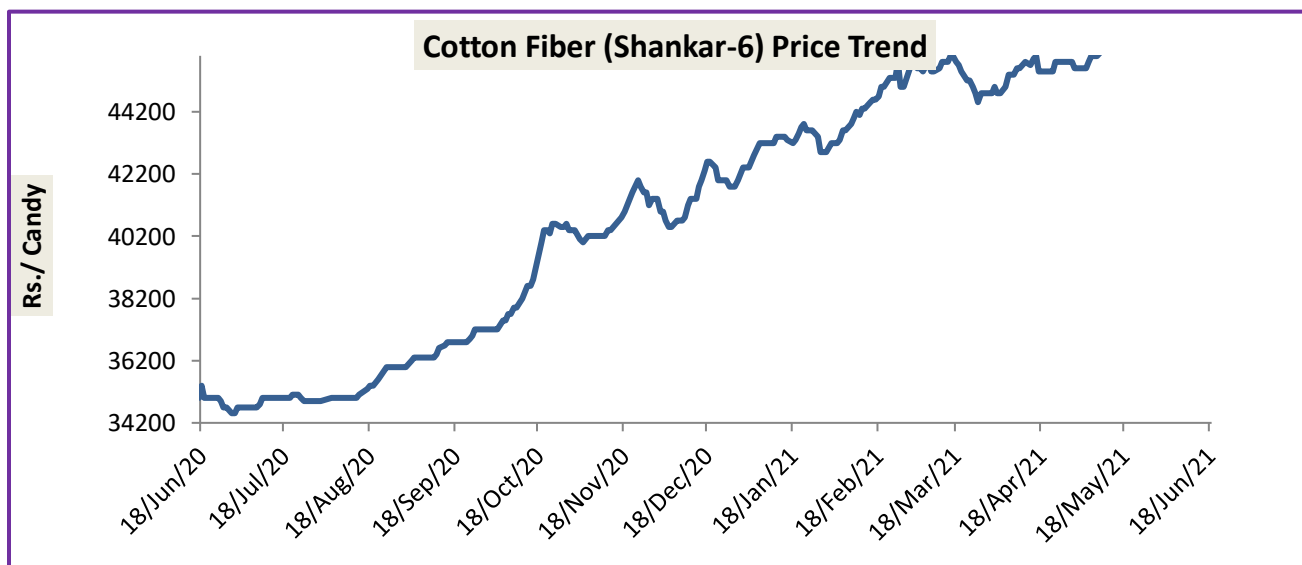
The average price stood higher at Rs.5095/maund of lint in Abohar, in Bhatinda were also same at Rs.5093/maund, and Rs.5051/maund in Sirsa from the previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.50550/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

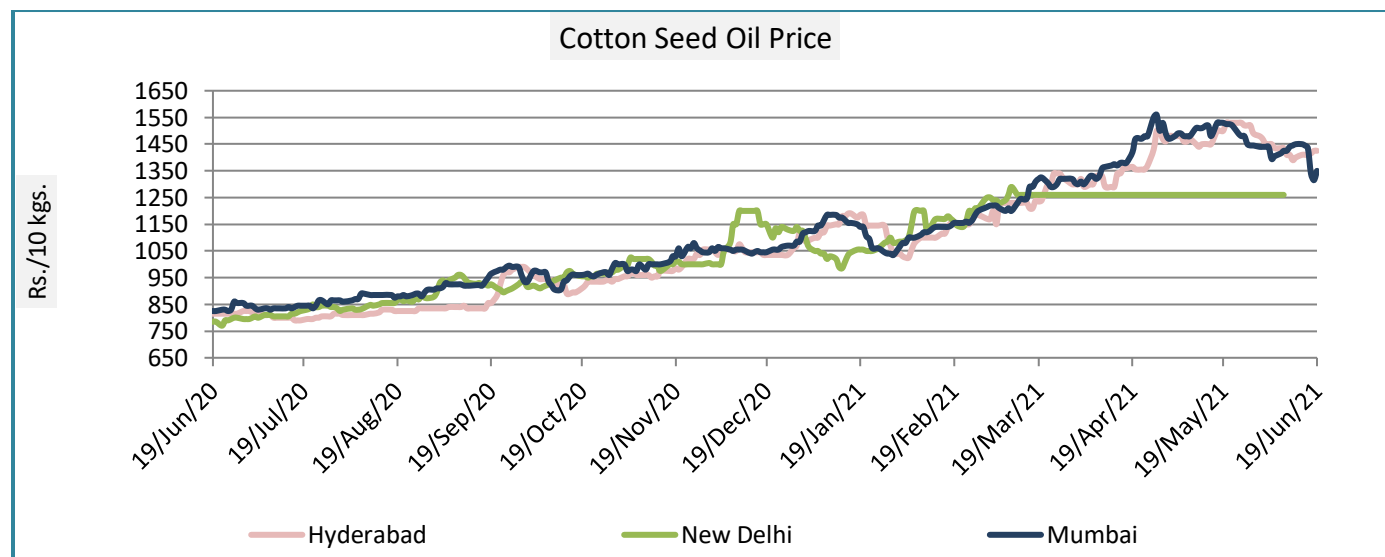
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across all the centers during the week ending on 16th June '21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	16-June-21	09-June-21	
New Delhi	1260	1260	-
Rajkot	1422	1422	-5.88
Hyderabad	1412	1412	-5.28
Mumbai	1433	1433	-3.06

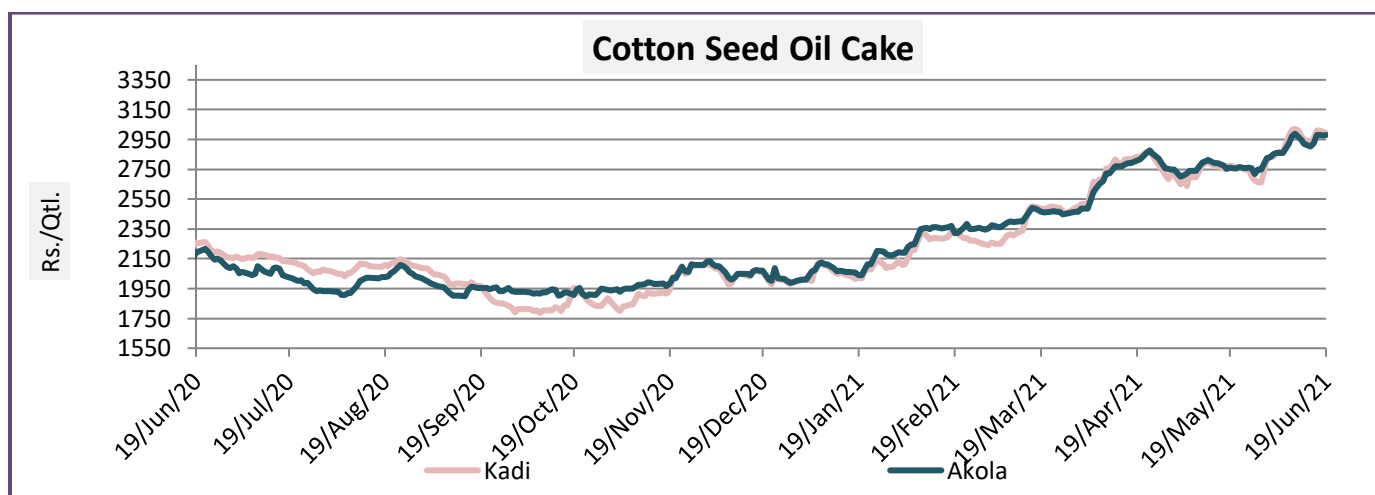
Source: Agriwatch



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. 2970 per quintal from Rs. 2933 per quintal and in Akola was at Rs. 2939 per quintal from Rs. 2911 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	16-June-21	09-June-21	
Kadi	2970	2933	1.27
Akola	2939	2911	0.97



Source: NCDEX

International Market Scenario

- The US Department of Agriculture has increased the cotton crop estimate by 5 percent for the coming 2021-22 season. According to USDA's Cotton and Wool Outlook report, global cotton production in 2021-22 is forecasted at 118.9 million bales, 5 percent above the previous year's but 2 percent below the 2019-20 production. Larger cotton crops are forecasted for most of the major cotton-producing countries in 2021-22, led by the United States, Brazil, and Australia. For the 2021-22 season, India is expected to produce larger cotton crop accounting for more than 24 percent of the world's production. India's cotton crop is projected at 29.0 million bales and is 500,000 bales above the 2020-21 season. The area under cotton cultivation is forecasted at 13.0 million hectares for 2021-22 and an improvement in yield is expected to 486 kg per hectare.
- In USDA's June 2021 forecast report, for the 2020-21 season, global production and consumption have been raised marginally from May month. Global trade is boosted, led by the robust demand in China, Bangladesh, and Turkey. Exports have also been raised for India, Brazil, and United States in May 2021 and were

estimated at 5,900 bales, 11,000 bales, and 16,400 bales respectively from previous month 5,500 bales, 10,700 bales and 16,240 bales.

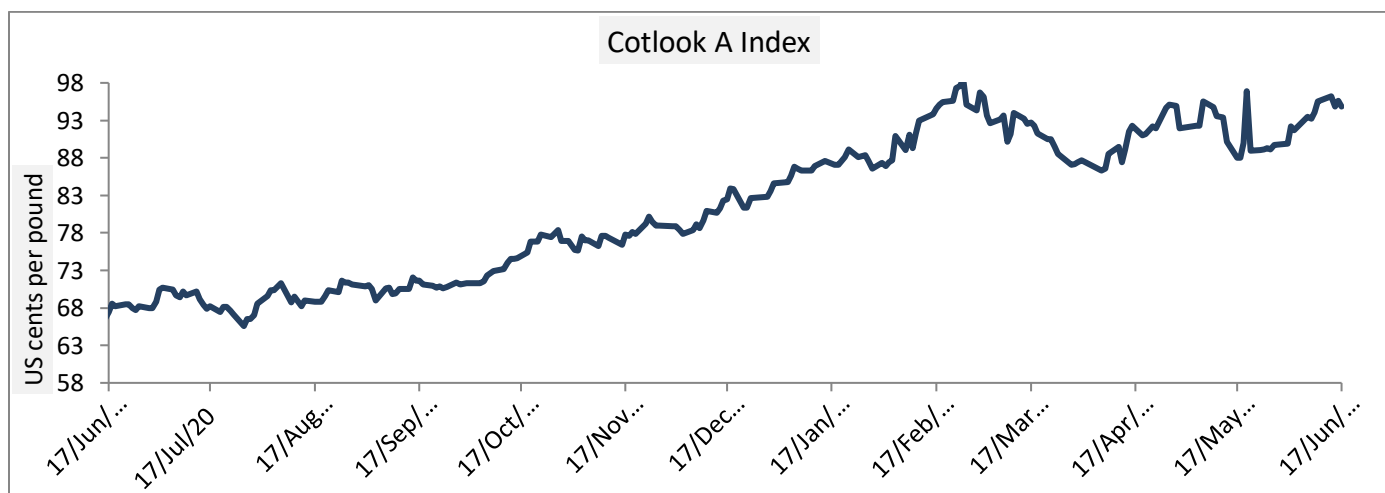
- The cotton Business of Thailand has started to recover as global economy recovers. With improving health condition and global economy the cotton business has started recovering, the cotton imports of the country were 700 thousand 480 lb bales in 2019-20 which have dropped to 550 thousand 480 lb bales 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 95.55 cents/lb higher as compared to the previous week (92.93 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	16-June-21	09-June-21	
Prices	95.55	92.93	2.82
Prices in US cents per Pound			

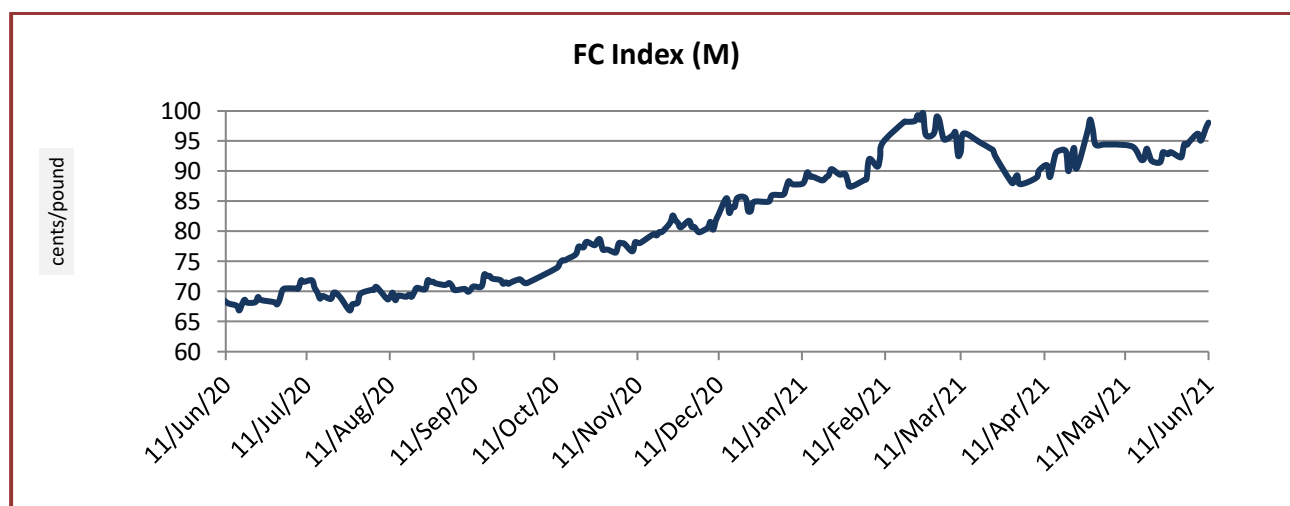
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	11-June-21	09-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			

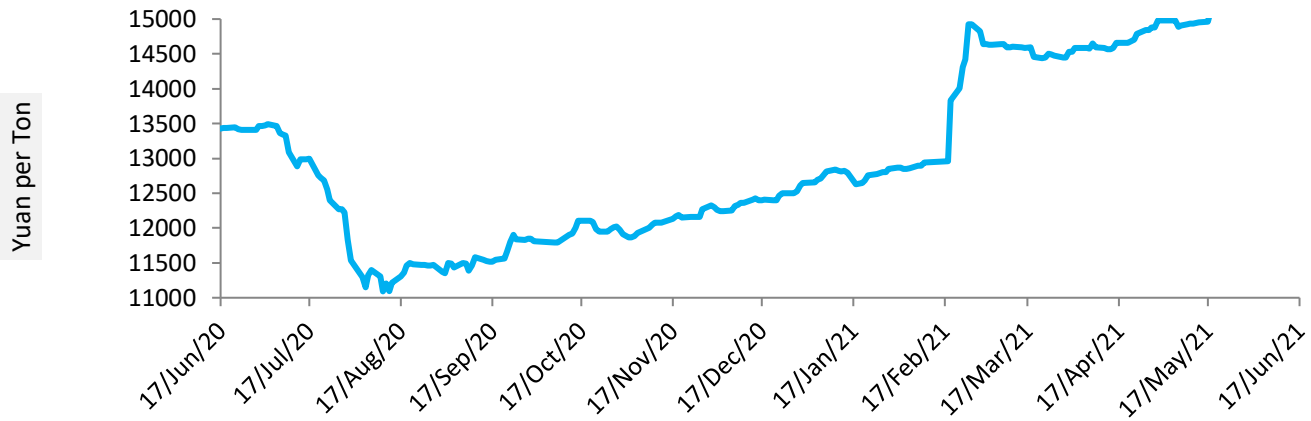
Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	16-June-21	09-June-21	
CCIndex(328)	16074.00	16014.80	0.37
CCIndex(527)	15247.00	15201.00	0.30
CCIndex(229)	16443.33	16384.40	0.36
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)



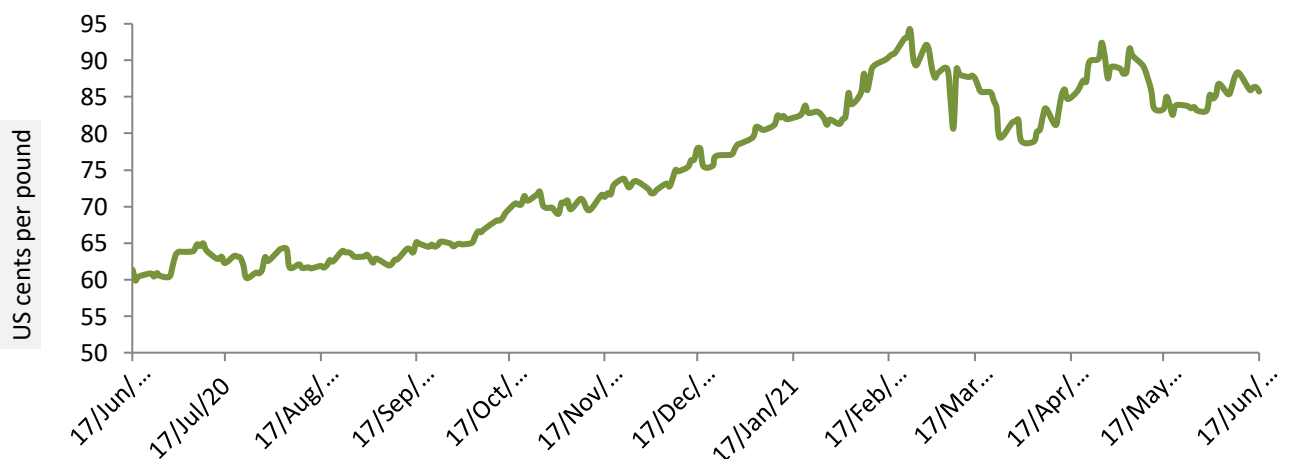
USA Spot Prices

U.S.A spot prices have decreased from the prior week by 0.25 percent at 86.64 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	16-June-21	09-June-21	
Prices	86.64	86.86	-0.25
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price

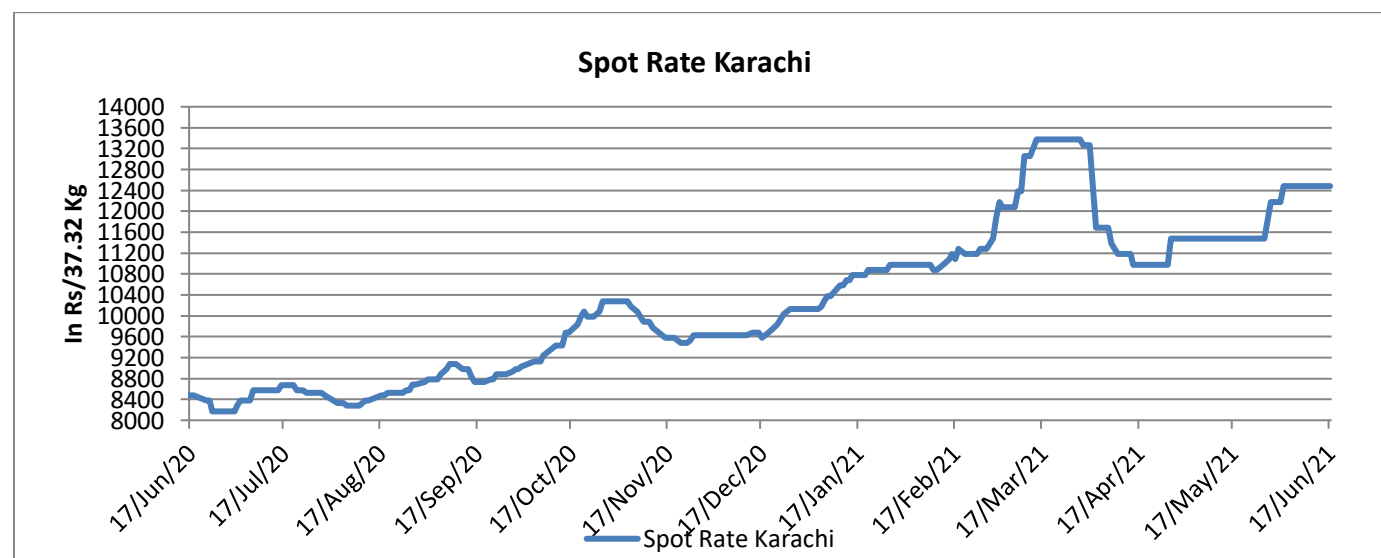


Pakistan Spot Prices

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
	16-June-21	09-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

Cotton

COTTON 1st(MXCTNC1)2021/06/18 - Daily B:23690.00 A:23730.00
O 23920.00 H 23920.00 L 23590.00 C 23720.00 ↑ V 497 T 278,361 I 3,394 -60 -0.25%



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000,whilemildresistanceisseenaround24100.
- If the market tests the support at 23500, intraday short positions may be created.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC	Mar	22500	23500	23780	24100	24120
			Call	Entry	T1	T2	SL
Cotton	MC	Mar	Sell	23920	23970	23980	23950

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: July 16th, 2021

Cottonseed Oilcake



Technical Commentary:

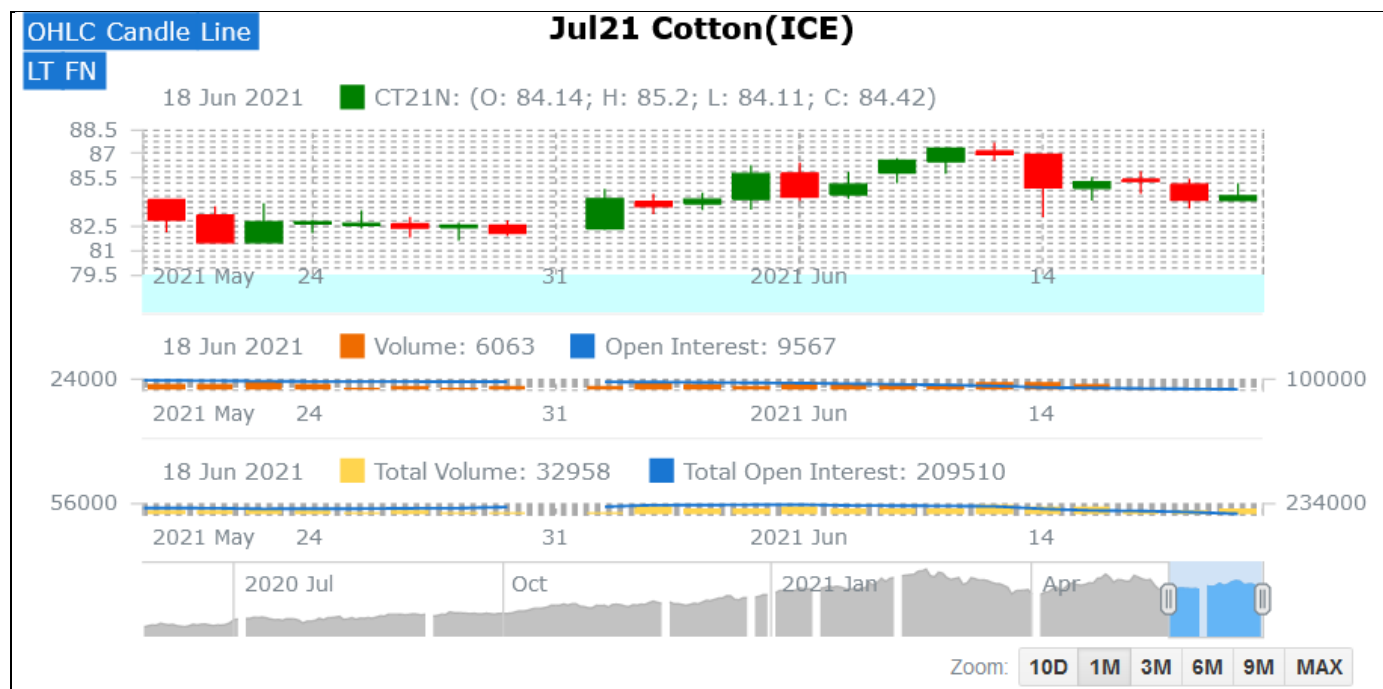
- Cottonseedoilcakeonthe weekly chartlooksbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at 2860andthenatrendlinesupportat 2800. Strong resistance is seen at 3000.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2860	2800	2986	3000	3020
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2911	2940	2950	2920

* 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	85-95

Expected Support and Resistance

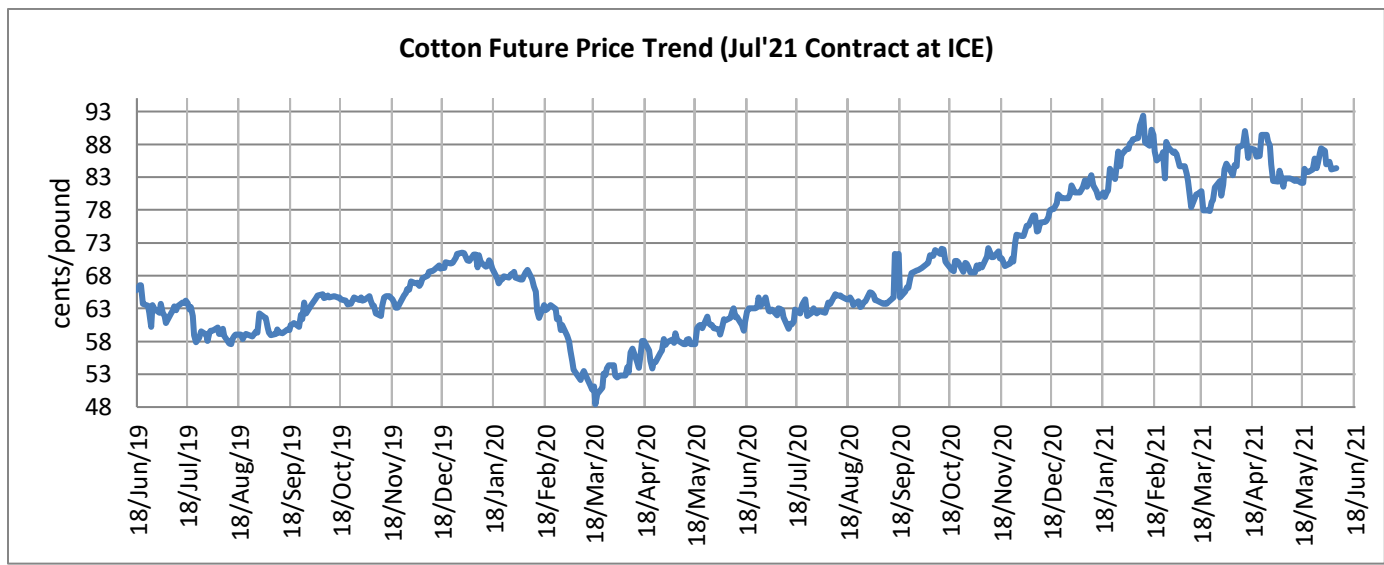
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

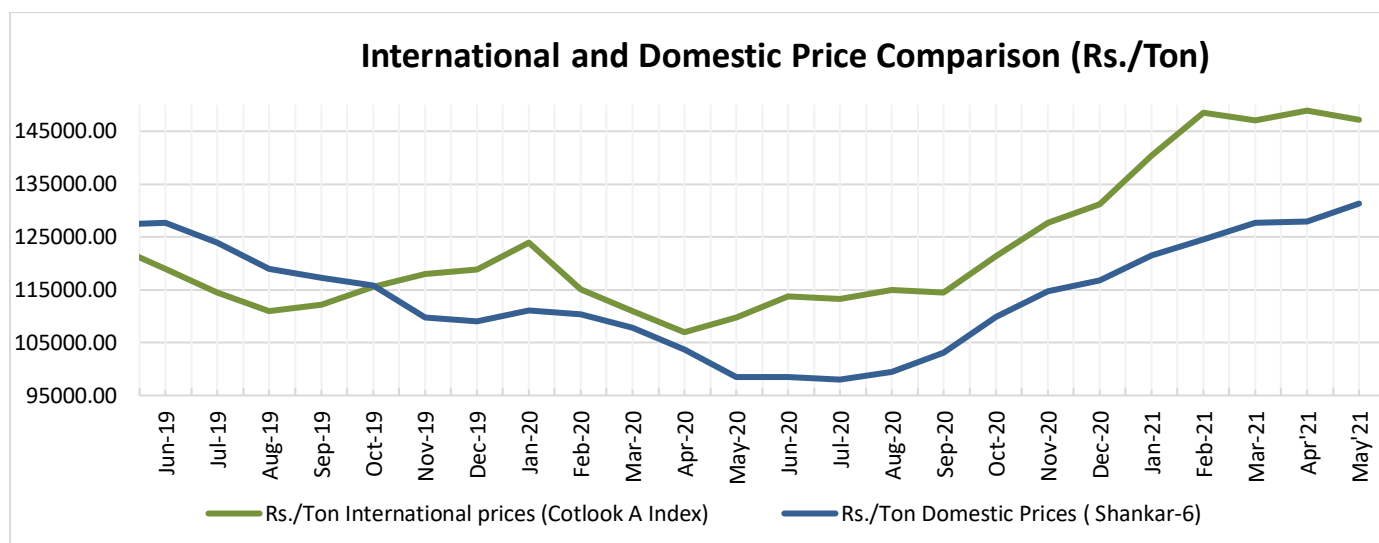
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	18-Jun-21	19-May-21 (1 month ago)	20-Mar-20 (3 months ago)	20-Dec-20 (6 months ago)	18-Jun-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	84.42	82.92	86.23	74.76	62.01	1.81	36.14
Oct-21	86.11	82.88	84.88	75.48	61.94	3.90	39.02
Dec-21	85.18	82.37	83.69	76.17	62.63	3.41	36.01
Mar-22	85.06	82.20	83.37	73.86	63.27	3.48	34.44
May-22	84.87	82.12	82.81	72.36	63.84	3.35	32.94

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	10th June'21 to 16th June'21	03rd June'21 to 09th June'21	
Gujarat	Ahmedabad	Shankar-6	7750	7583	167
	Gondal	Shankar-6	7601	7568	33
	Rajkot	B.T. Cotton	7713	7683	30
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6978	6920	58
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7354	7425	-71
	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	6742	6567	175
	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	7531	7348	183
	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	10th June'21 to 16th June'21	03rd June'21 to 09th June'21	
Punjab	Bhatinda	J-34	5093	5028	65
	Abohar	J-34	5095	5028	67
	Mansa	J-34	5083	5023	60
Haryana	Sirsa	J-34	5052	4988	64
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	10th June'21 to 16th June'21	03rd June'21 to 09th June'21	
Gujarat	Ahmedabad	Shankar-6	16150	18700	-2550
	Gondal	Shankar-6	1712	9444	-7732
	Rajkot	B.T. Cotton	6100	8200	-2100
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	31	150	-119
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1530	3145	-1615
	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	9100	8900	200
	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	2587	3432	-845
	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	10th June'21 to 16th June'21	03rd June'21 to 09th June'21	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	425	680	-255
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	19-Jun-21	12-Jun-21	19-Jun-21	19-Jun-20
Gujarat	Ahmedabad	Shankar-6	7750	7750	7750	4900
	Gondal	Shankar-6	7615	7630	7615	5500
	Rajkot	B.T. Cotton	7690	7755	7690	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	7100	7400	7100	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	7000	6800	7000	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	19-Jun-21	12-Jun-21	19-Jun-21	19-Jun-20
Punjab	Bhatinda	J-34	5030	5120	5030	0
	Abohar	J-34	5030	5120	5030	0
	Mansa	J-34	5015	5120	5015	0
Haryana	Sirsa	J-34	4970	5100	4970	3670
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	19-Jun-21	12-Jun-21	19-Jun-21	19-Jun-20
Gujarat	Ahmedabad	Shankar-6	3400	2550	3400	25500
	Gondal	Shankar-6	205	222	205	#N/A
	Rajkot	B.T. Cotton	600	1050	600	#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	340	340	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
	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	900	1600	900	#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	1679
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	1107
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	19-Jun-21	12-Jun-21	19-Jun-21	19-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	NA	85	NA	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
				10th June'21 to 16th June'21	03rd June'21 to 09th June'21	

Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40717	39800	917
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41217	40300	917
J-34(202)	26mm	3.5 - 4.9	23	47017	46333	683
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	48917	48167	750
Shankar-6(105)	29mm	3.5 - 4.9	28	50550	49867	683
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	52767	52067	700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	53217	52367	850
DCH-32(107)	34mm	3.0 - 3.8	33	81000	81000	Unch

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