

COTTON WEEKLY RESEARCH REPORT
28th June 2021**Domestic market summary**

- **Domestic Market Scenario:** Cotton sowing is progressing across India for the coming 2021-22 season. Cotton price of Shanker-6 is currently the highest in the decade. It is expected to rise further in the coming months to reach Rs. 52,027 per candy by the end of 2021 from Rs. 49,012 per candy in June 2021. This can be attributed to increasing purchase by domestic cotton mills and demand from overseas market.

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 (94.45cents/lbs) compared to the ICE cotton future that stood at 84.09 cents/lbs.
- Indian rupee remained close to 74 per USD.

Market Highlights:

- **Cotton sowing in Rajasthan is behind 2 lakh hectares than the same period last year.** Cotton was sown in 5.28 lakh hectares of area for the coming kharif season 2021-22 as against the 5.8 lakh hectares last year. The government has set a sowing target of 7.8 lakh hectares where as in the previous season cotton was sown in 8.08 lakh hectares.
- **Cotton growing regions may face severe climate risk.** According to the global study, Climate change could expose half of all global cotton growing regions, including India, to high risk from temperature increases, change in rainfall pattern, and extreme weather events. Under a worst-case climate scenario, all global cotton-growing regions will be exposed to increased risk from at least one climate hazard by 2040.
- **Indian government has urged to take action against illegal HTBT Cotton cultivation.** The National Seed Association of India and the Federation of seed Industry in India has urged the government to act against a sudden surge in illegal cultivation of herbicide tolerant HTBT Cotton in the country. If the sale of unapproved HTBT seed is not stopped it would spell disaster for the industry and farmers.
- **Punjab area under cotton cultivation has crossed 3 lakh hectares mark.** The cotton cultivation area has increased in Punjab to 3 lakh hectares after 6 years. This is an increase of 17 percent over 2020, when the cotton sown area was 2.5 lakh hectares. The state however is still 41 percent short of the golden phase in 2011-12 when the area under cotton crop was 5.2 lakh hectares. In 2015, cotton was sown on 3.25 lakh

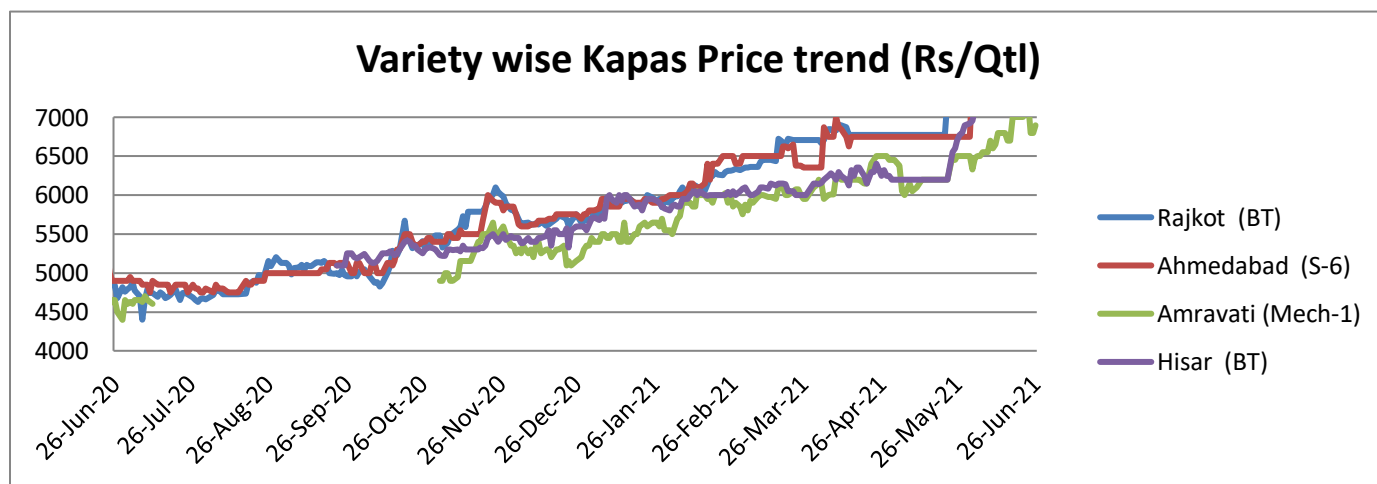
hectares after a devastating period of the worst whitefly attack on cotton that year, farmers then turned away from sowing cotton. This year Fazilka tops with nearly 96,000 hectares of area under cotton cultivation, Bhatinda has also progressed to 95,000 hectares, Mansa 64,000 hectares and in Muktsar 40,000 hectares.

- **HTBT cotton sales have doubled as the sowing progresses for the coming season.** The illegal cultivation of herbicide tolerant (Ht) Bt cotton has seen a huge jump this year, seed manufactures are claiming that the sale of illegal seed packets has more than doubled from 30 lakh last year to 75 lakh this year. The seed Industry are demanding action to be taken to stop the sale of HTBT cotton.
- **Cotton acreages fallen in Haryana.** The area under cotton cultivation has reduced in Haryana by over 90,000 hectares this year 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

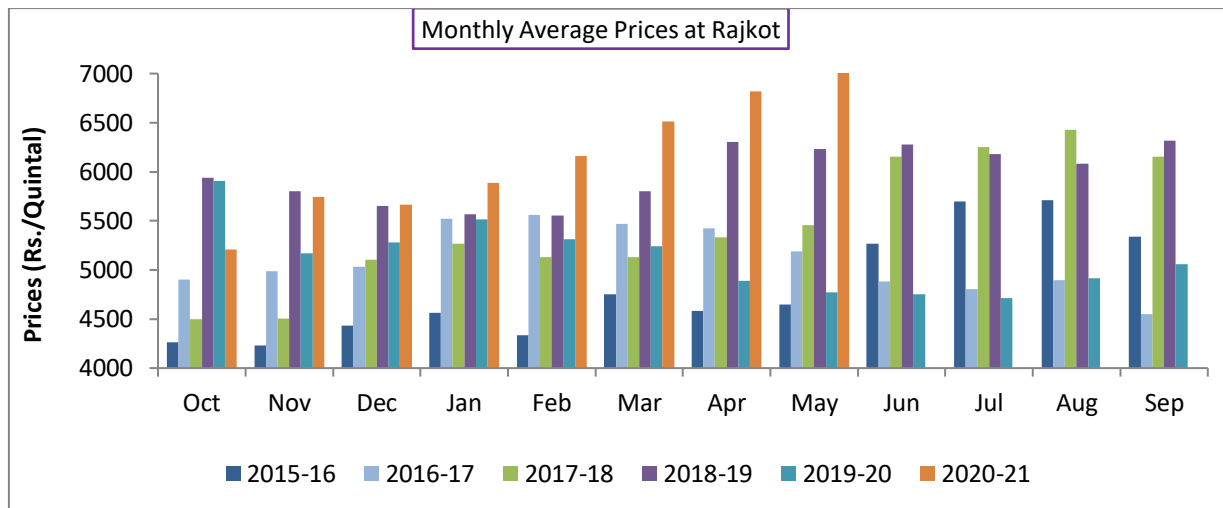
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was low at Rs.7678/q from the previous week at Rs. 7712/q, whereas Ahmedabad prices were high at Rs. 7750/q and prices in Amravati were at Rs. 7066/qr.



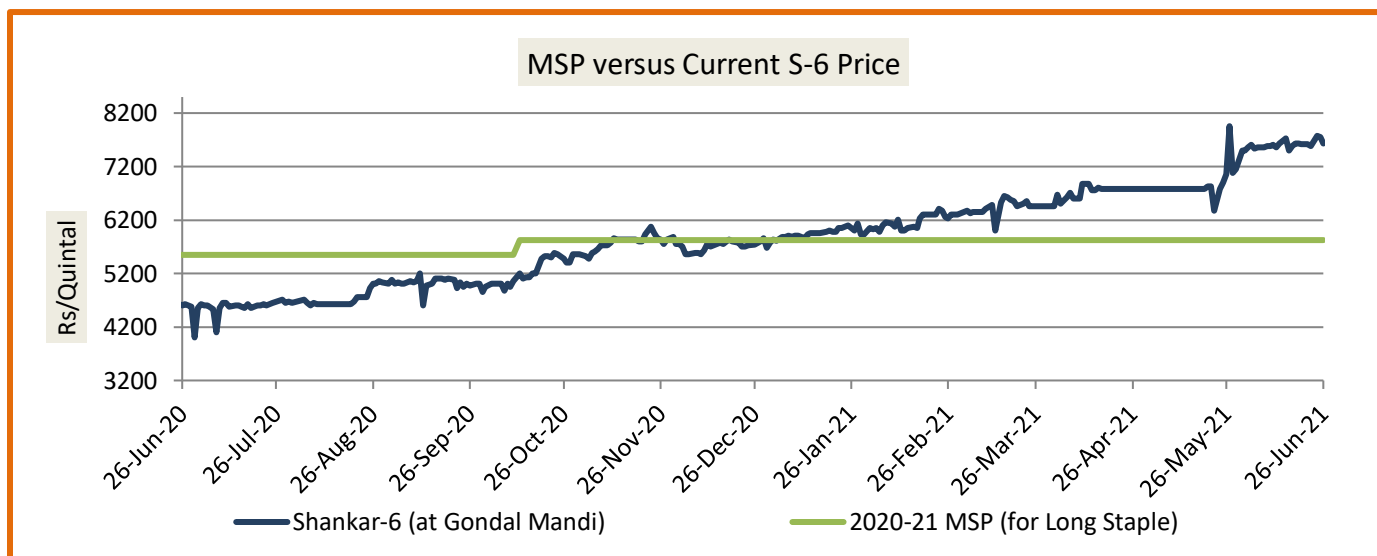
Kapas Monthly M-o-M Price Scenario

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

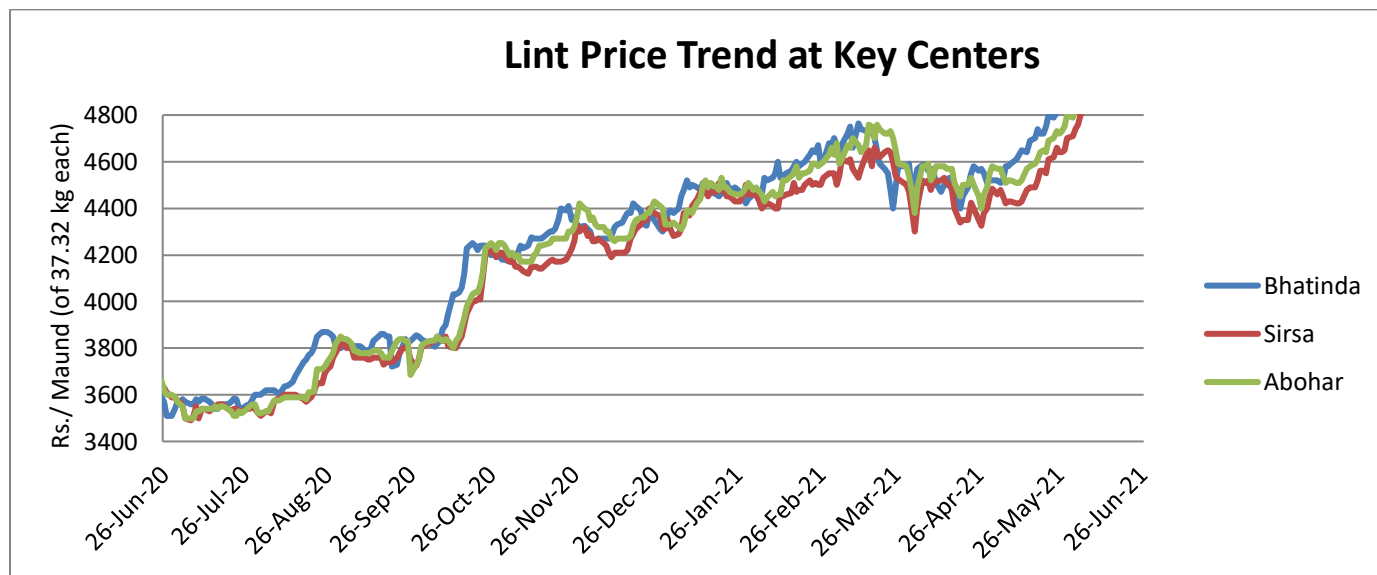
Average kapas price at Gondal market stood higher at Rs. 7625/q from previous week at Rs. 7600/q.



Source: Agriwatch

Lint price Outlook

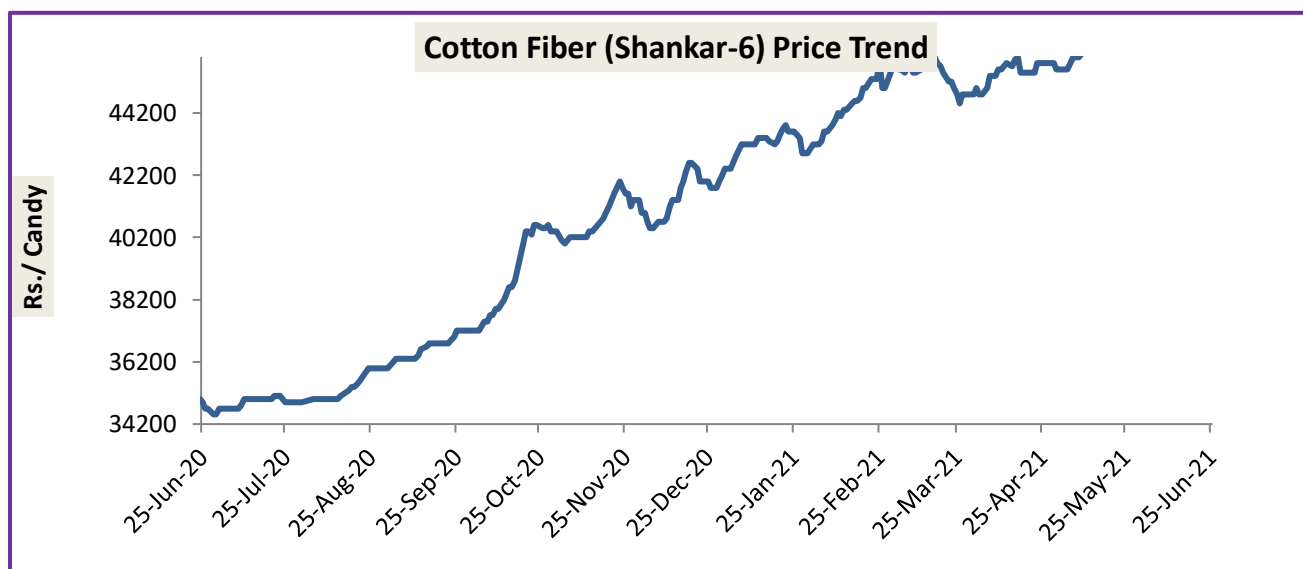
The average price stood lowerer at Rs.5060/maund of lint in Abohar, in Bhatinda were also same at Rs.5058/ maund, and Rs.4995/maund in Sirsa from the previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was lower from the previous week at Rs.50520/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

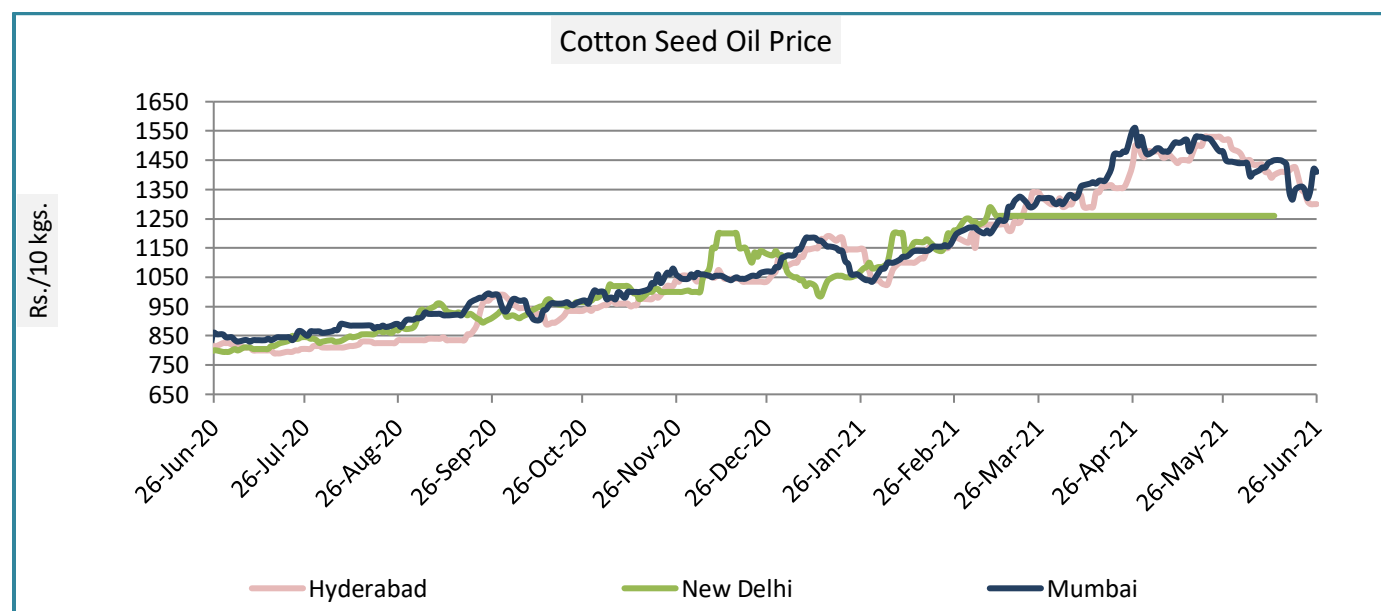
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across all the centers during the week ending on 23rd June'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	23-June-21	16-June-21	
New Delhi	1260	1260	-
Rajkot	1340	1338	0.15
Hyderabad	1300	1338	-2.84
Mumbai	1368	1389	-1.49

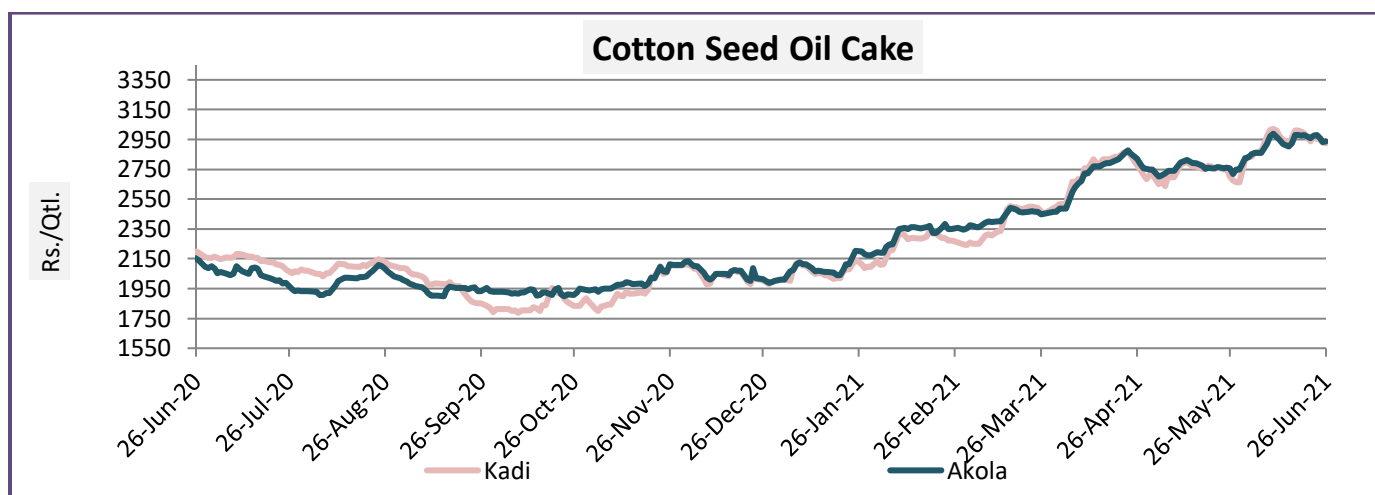
Source: Agriwatch



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. 2979 per quintal from Rs. 2970 per quintal and in Akola was at Rs. 2974 per quintal from Rs. 2939 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	23-June-21	16-June-21	
Kadi	2979	2970	0.31
Akola	2974	2939	1.21



Source: NCDEX

International Market Scenario

- Pakistan cotton market witnessed mixed trends. The rate of cotton in Punjab dropped by Rs. 400 per maund. The rate of cotton has increased in the international cotton markets. The rate of cotton in Sindh remained stable, whereas prices in the local market were firm week ago.
- 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.

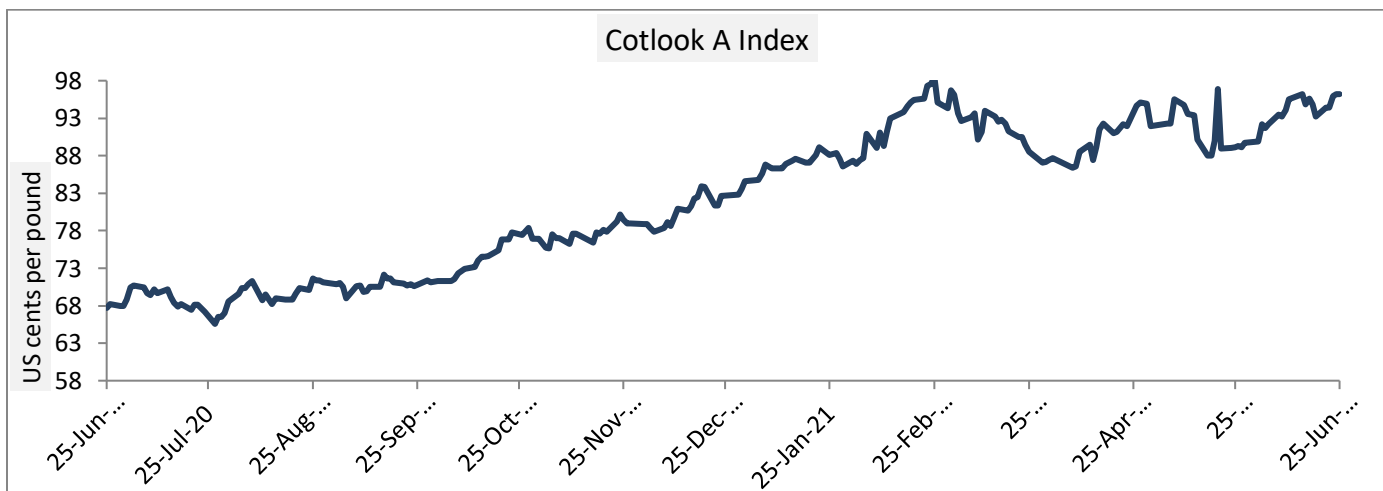
- In USDA's June 2021 forecast report, for the 2020-21 season, global production and consumption have been raised marginally from May month. Global trade is boosted, led by the robust demand in China, Bangladesh, and Turkey. Exports have also been raised for India, Brazil, and United States in May 2021 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.

Cotlook A Index

Cotlook A index was lower this week. The Cotlook A Index was at 94.58 cents/lb lower as compared to the previous week (95.95 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	23-June-21	16-June-21	
Prices	94.58	95.55	-1.02
Prices in US cents per Pound			

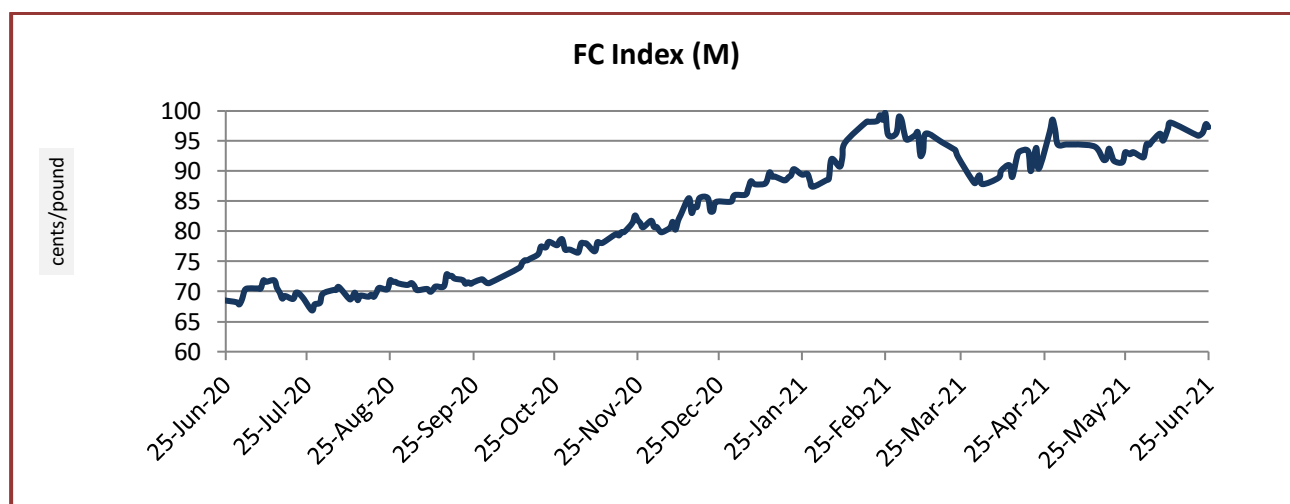
Source: Cotlook



China Cotton Index and Foreign Cotton Index

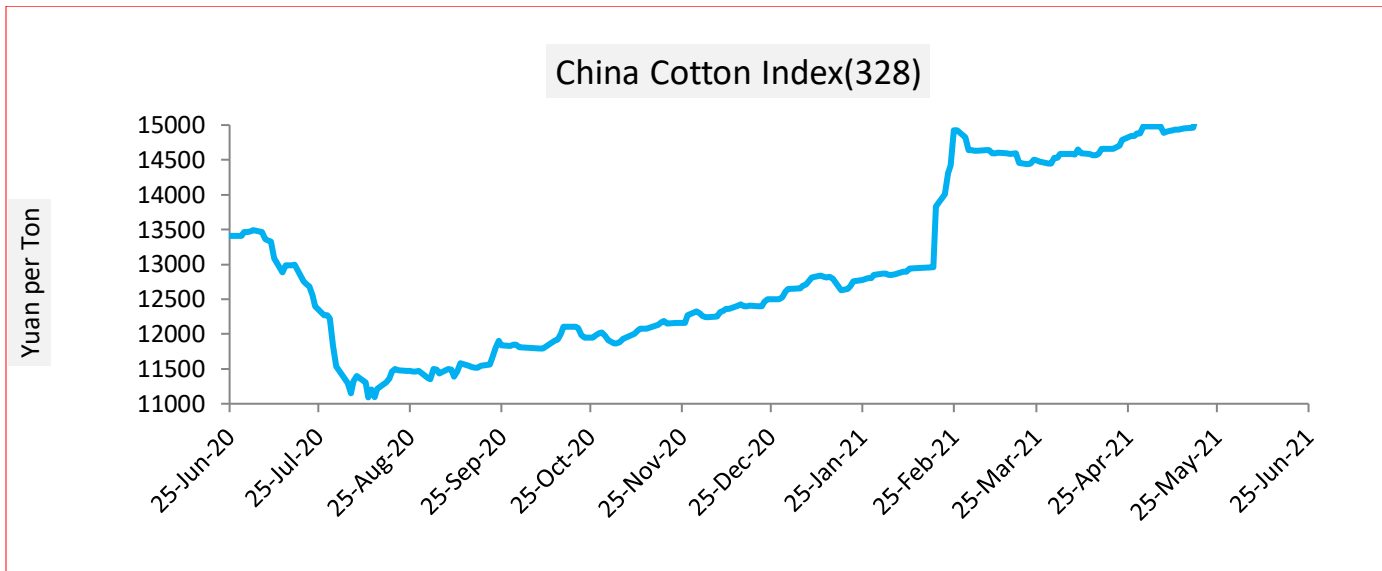
Cotton Index	Weekly Average Price as on		% Change
	23-June-21	16-June-21	
FC (S)	97.75	96.37	1.43
FC (M)	96.87	95.30	1.65
FC (L)	95.69	94.22	1.56
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	23-June-21	16-June-21	
CCIndex(328)	15881.25	16074.00	-1.20
CCIndex(527)	15073.50	15247.00	-1.14
CCIndex(229)	16278.75	16443.33	-1.00
Prices in Yuan per ton			

Source: China Cotton Association

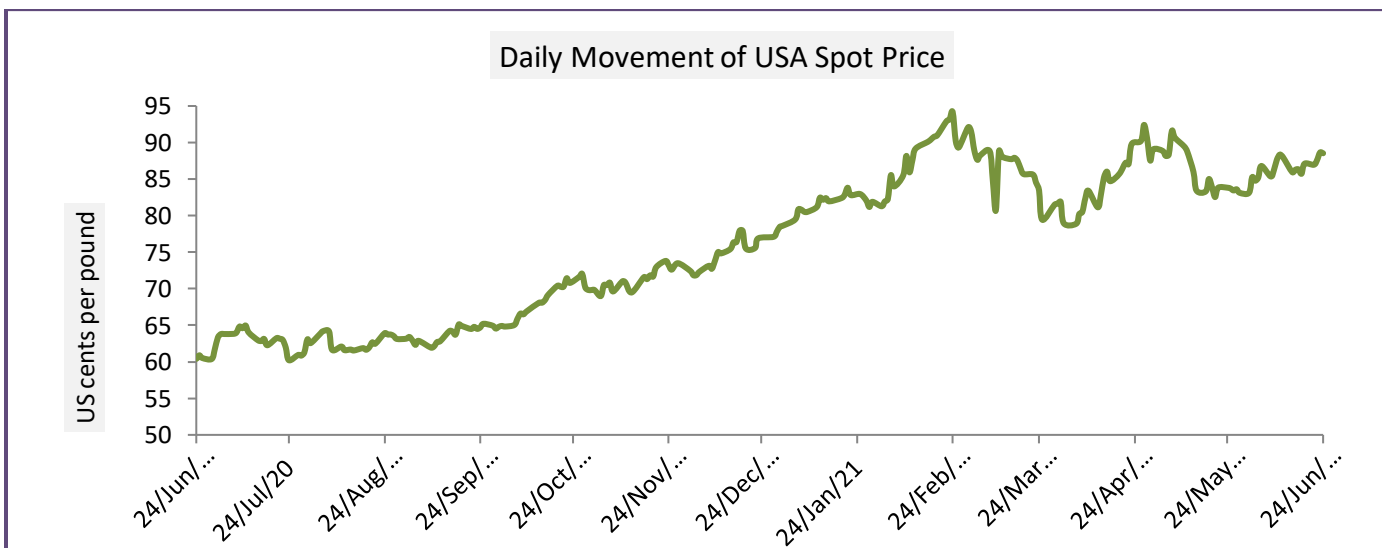


USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.64 percent at 86.64 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	23-June-21	16-June-21	
Prices	87.20	86.64	0.64
Prices in US cents per Pound			

Source: USDA

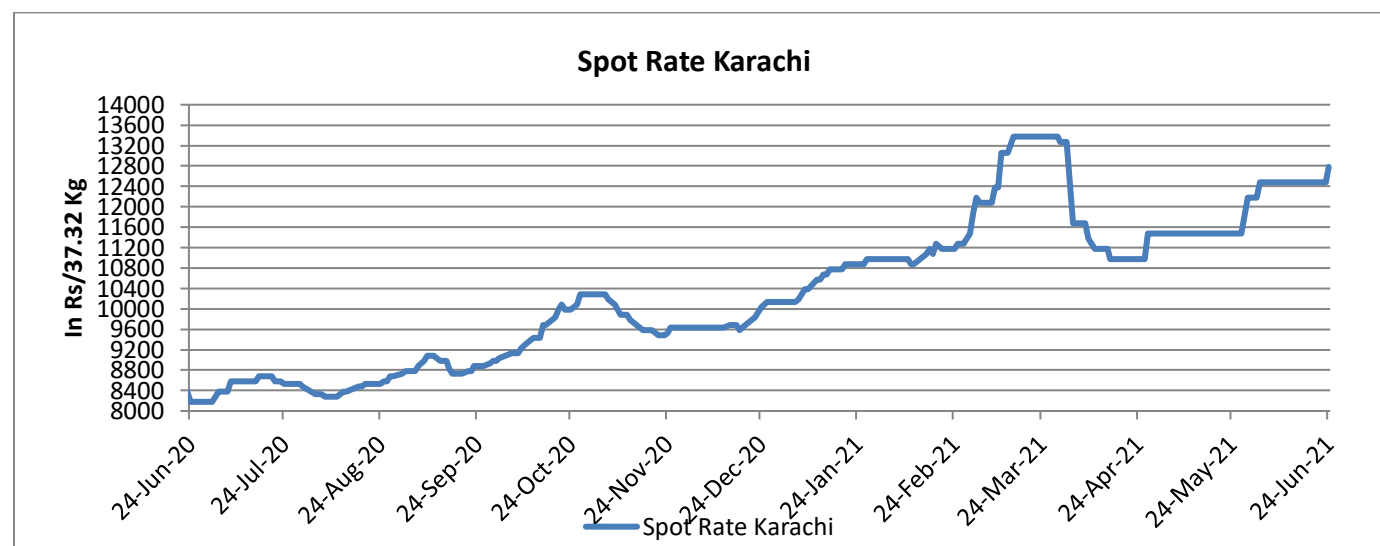


Pakistan Spot Prices

The Karachi spot price stood firm around Rs.12720/q higher same as previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	23-June-21	16-June-21	
Prices	12720	12480	1.92
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: June. 30, 2021



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around24430.
- If the market tests the support at 23500, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	22500	23500	24420	24430	24450
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	23730	23780	23800	23750

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: July 16th, 2021

Cottonseed Oilcake



Technical Commentary:

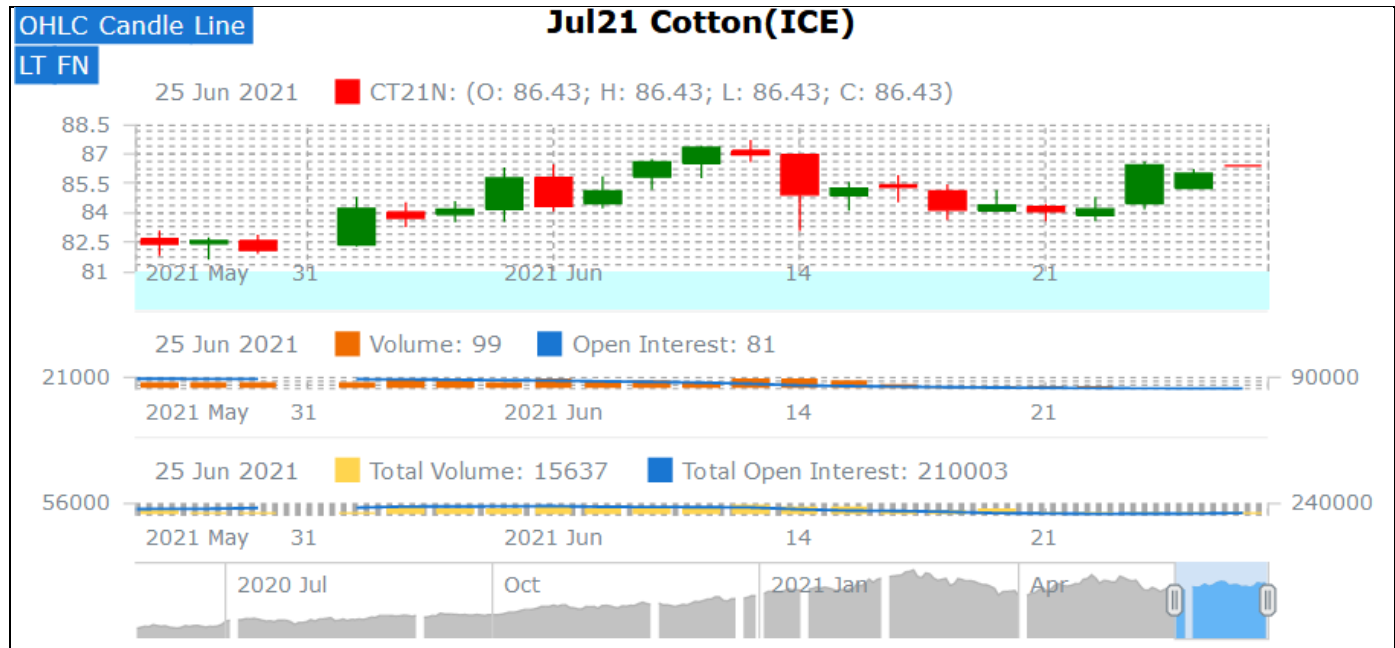
- Cottonseedoilcakeonthe weekly chartlooksbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at 2860andthenatrendlinesupportat 2800. Strong resistance is seen at 3000.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2860	2800	2793	3000	3020
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2780	2800	2820	2790

* 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	86-95

Expected Support and Resistance

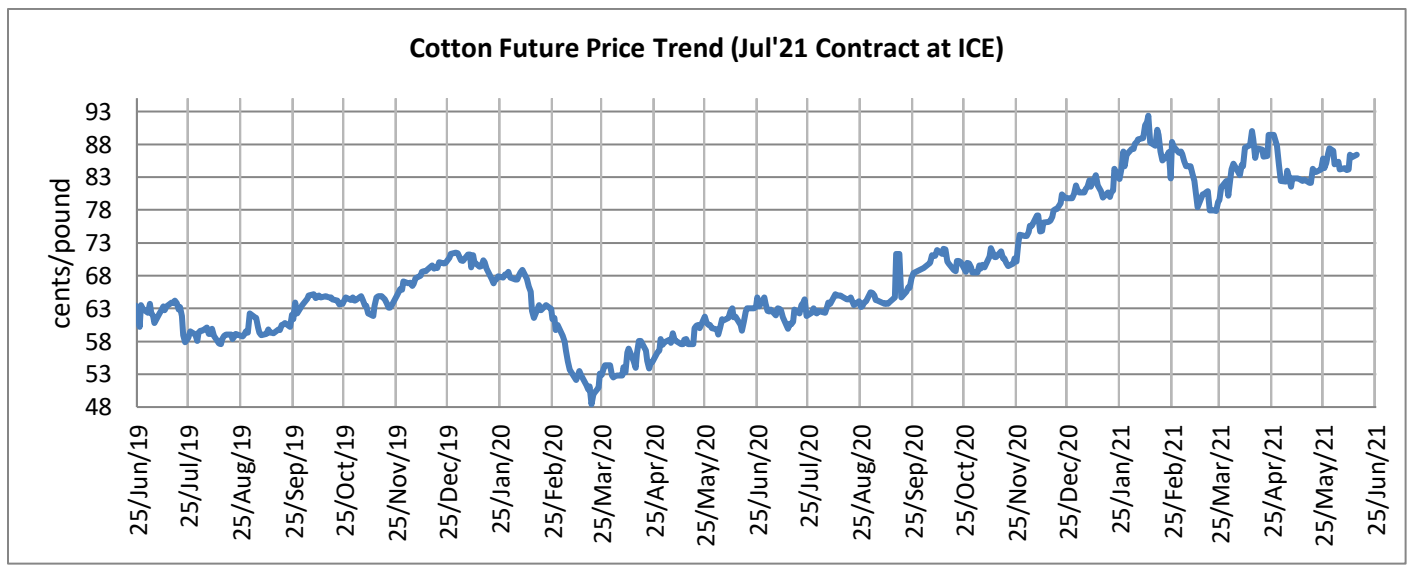
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

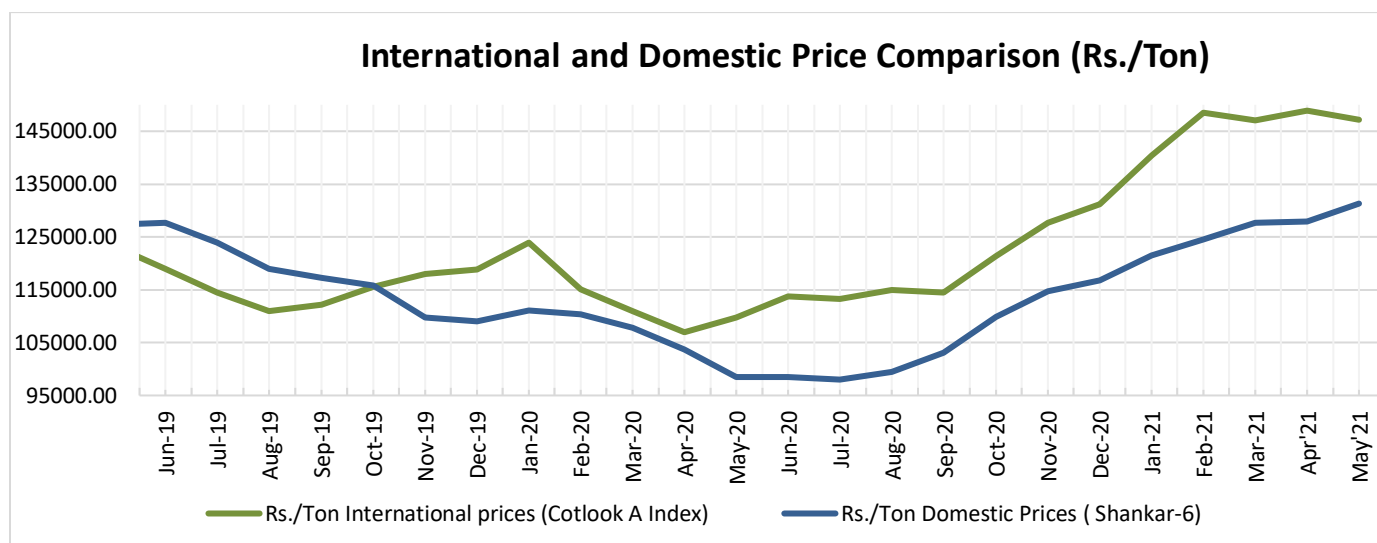
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	25-Jun-21	26-May-21 (1 month ago)	27-Mar-20 (3 months ago)	27-Dec-20 (6 months ago)	25-Jun-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	86.43	82.44	80.38	76.35	60.39	4.84	43.12
Oct-21	88.04	83.66	81.41	77.00	59.70	5.24	47.47
Dec-21	87.18	83.23	79.49	77.53	60.32	4.75	44.53
Mar-22	86.71	83.16	78.74	75.10	60.73	4.27	42.78
May-22	86.26	83.06	78.62	73.80	61.01	3.85	41.39

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	17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Gujarat	Ahmedabad	Shankar-6	7750	7750	Unch
	Gondal	Shankar-6	7627	7601	26
	Rajkot	B.T. Cotton	7676	7713	-37
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	6978	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7174	7354	-180
	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	7067	6742	325
	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	7519	7531	-12
	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	17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Punjab	Bhatinda	J-34	5058	5093	-35
	Abohar	J-34	5060	5095	-35
	Mansa	J-34	5034	5083	-48
Haryana	Sirsa	J-34	4995	5052	-57
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Gujarat	Ahmedabad	Shankar-6	15300	16150	-850
	Gondal	Shankar-6	1067	1712	-645
	Rajkot	B.T. Cotton	3400	6100	-2700
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	31	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2040	1530	510
	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	6200	9100	-2900
	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	2723	2587	136
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	425	-
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	26-Jun-21	19-Jun-21	26-Jun-21	26-Jun-20
Gujarat	Ahmedabad	Shankar-6	7750	7750	7750	4900
	Gondal	Shankar-6	7630	7615	7630	5500
	Rajkot	B.T. Cotton	7750	7690	7750	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	7250	7100	7250	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	6900	7000	6900	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	26-Jun-21	19-Jun-21	26-Jun-21	26-Jun-20
Punjab	Bhatinda	J-34	5170	5030	5170	0
	Abohar	J-34	5170	5030	5170	0
	Mansa	J-34	5150	5015	5150	0
Haryana	Sirsa	J-34	5110	4970	5110	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	26-Jun-21	19-Jun-21	26-Jun-21	26-Jun-20
Gujarat	Ahmedabad	Shankar-6	2210	3400	2210	25500
	Gondal	Shankar-6	144	205	144	#N/A

	Rajkot	B.T. Cotton	400	600	400	#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	510	340	510	#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	2500	900	2500	#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	555
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	780
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Jun-21	19-Jun-21	26-Jun-21	26-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	0	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
				17th June'21 to 23rd June'21	10th June'21 to 16th June'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40860	40717	143
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41360	41217	143
J-34(202)	26mm	3.5 - 4.9	23	46500	47017	-517
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	48480	48917	-437
Shankar-6(105)	29mm	3.5 - 4.9	28	50520	50550	-30
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	52640	52767	-127
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	53180	53217	-37
DCH-32(107)	34mm	3.0 - 3.8	33	81540	81000	540

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.