

COTTON WEEKLY RESEARCH REPORT
05th July 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. 50,445 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 (96.35cents/lbs) compared to the ICE cotton future that stood at 86.66 cents/lbs.
- Indian basis are now higher so export orders are limited.

Market Highlights:

- **Cotton cultivation area has been down by 48 percent due to erratic monsoon.** Cotton cultivation is down by 48 percent at 37.14 lakh hectares as almost all the major producing states have seen a sluggish planting. Cotton sowing is down in Maharashtra (15.11 lakh hectares), in Gujarat (8.15 lakh hectares), Madhya Pradesh (3.70 lakh hectares), Telangana (3.40 lakh hectares), Punjab (1.98 lakh hectares), Karnataka (0.83 lakh hectares), Haryana (0.63 lakh hectares), and Rajasthan (0.60 lakh hectares) and in Andhra Pradesh (0.32 lakh hectares).
- **Cotton crop gets affected due to Pink Bollworm in Bathinda.** The Cotton farmers and the officials of State Agriculture Department are worried as the infestation of pink bollworm was reported from 6 villages in Bathinda. The agriculture Department is on its toes as it is for the second consecutive year that the pest attack has been reported in the southern Punjab.
- **The Ambala Railway Division of Northern Railway in collaboration with MGH Group has loaded a special parcel train for Beanpole in Bangladesh with cotton yarn at Ambala Cantonment railway station.** The parcel train consists of 20 parcel vans each was loaded with 430 cartons weighing 23 tonnes. Earlier merchants in and around Punjab and Haryana were transporting these commodities by road to Bangladesh in small quantities but due to lockdown and the transportation turning costly they are now transporting it

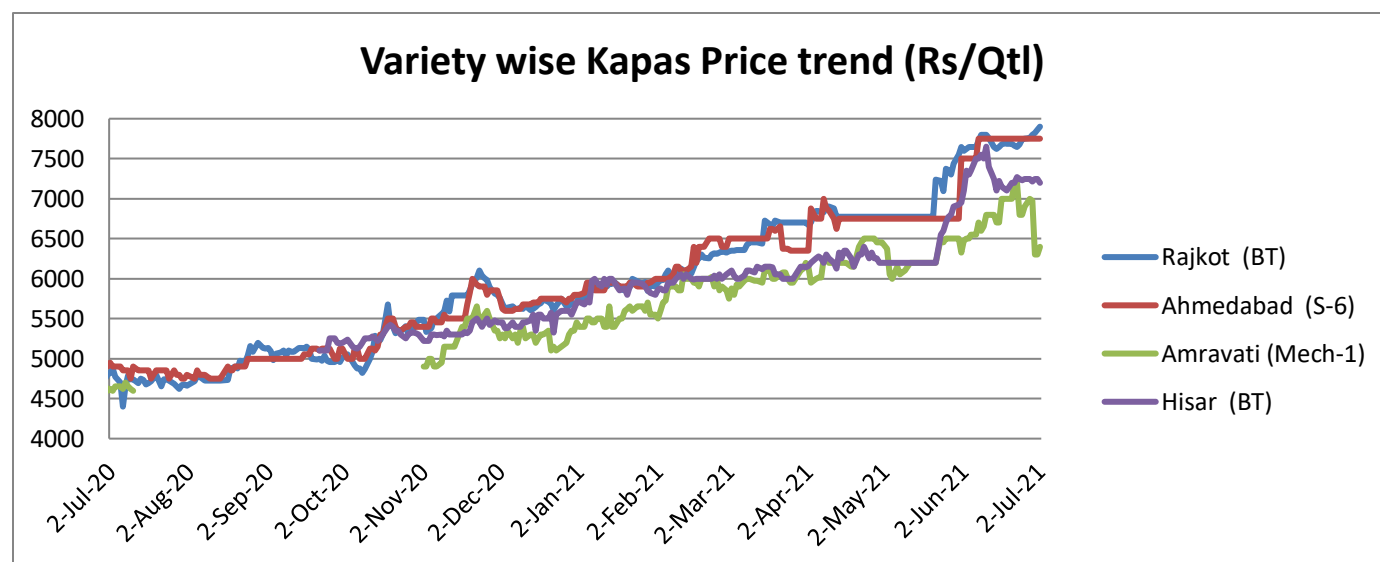
through railways. The cost per tonne comes out to be Rs. 5,491 which is very cheap as compared to road transport.

- Cotton Association of India has urged the government to withdraw the import duty on cotton.** Cotton Association of India has reiterated its request to withdraw import duty on cotton. As per CAI if the import duty is not removed the domestic prices will go up further and create more hardship to the domestic textile sector. Currently, the 10 percent import duty levied on cotton is not in the interest of the nation as it does more harm than good and also the interest of the domestic textile sector would be served better if 10% import duty on cotton is withdrawn immediately.

Domestic Cotton Prices Scenario

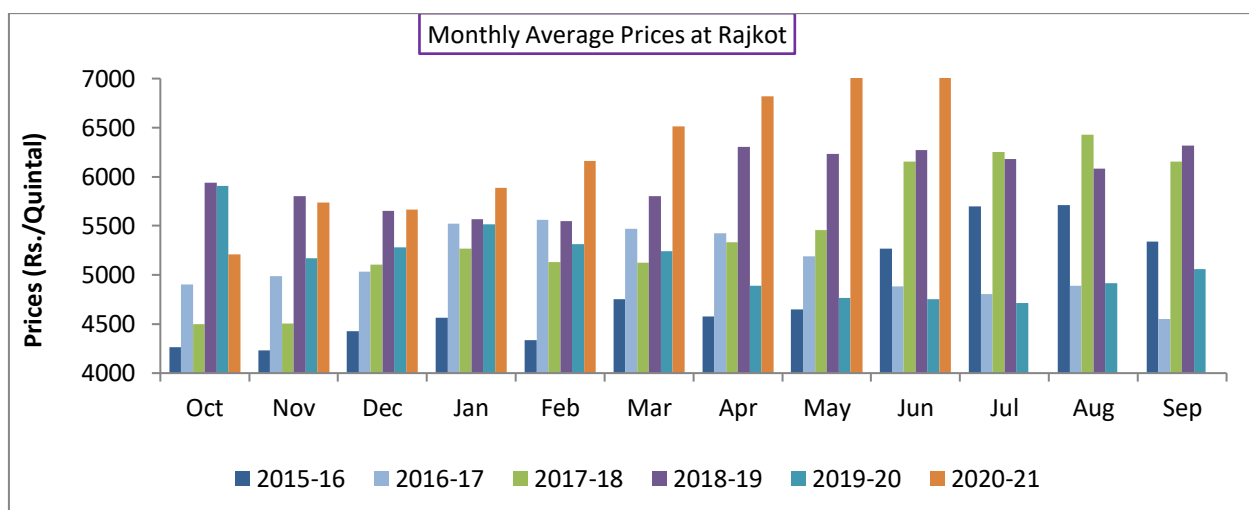
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.7755/q from the previous week at Rs. 7678/q, whereas Ahmedabad prices were high at Rs. 7750/q and prices in Amravati were lower at Rs. 6795/qt.



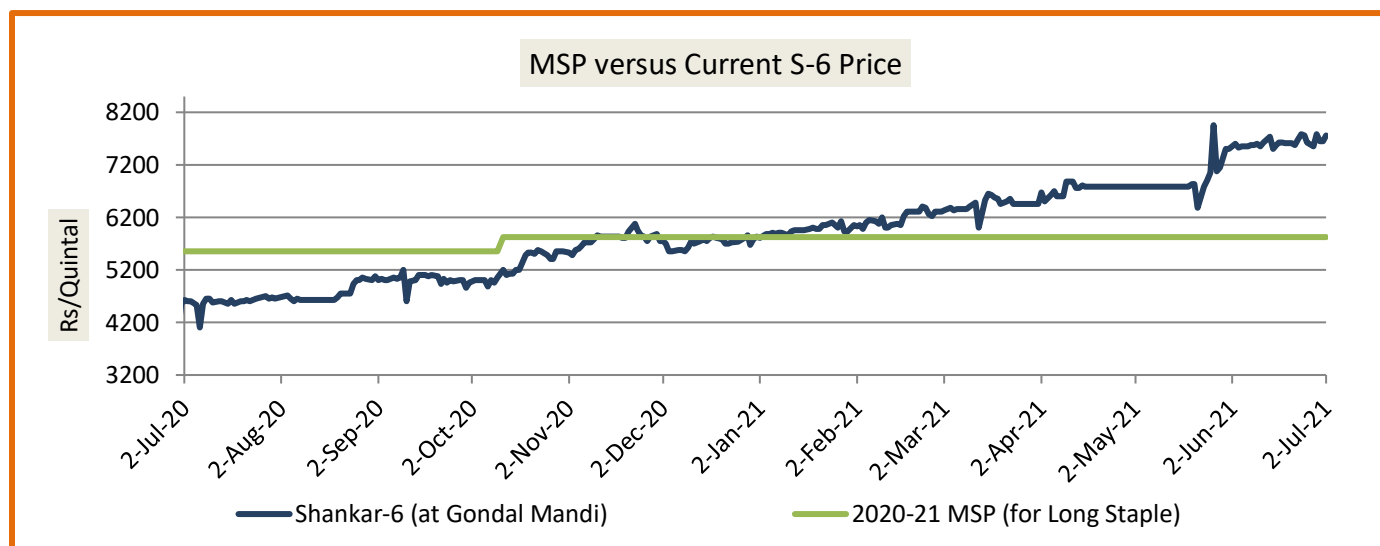
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of June were higher in the market and the monthly average price were also higher at Rs. 7701/q compared to the prices during the corresponding month of the previous season.(Rs. 4753/q)



Spot Price versus MSP

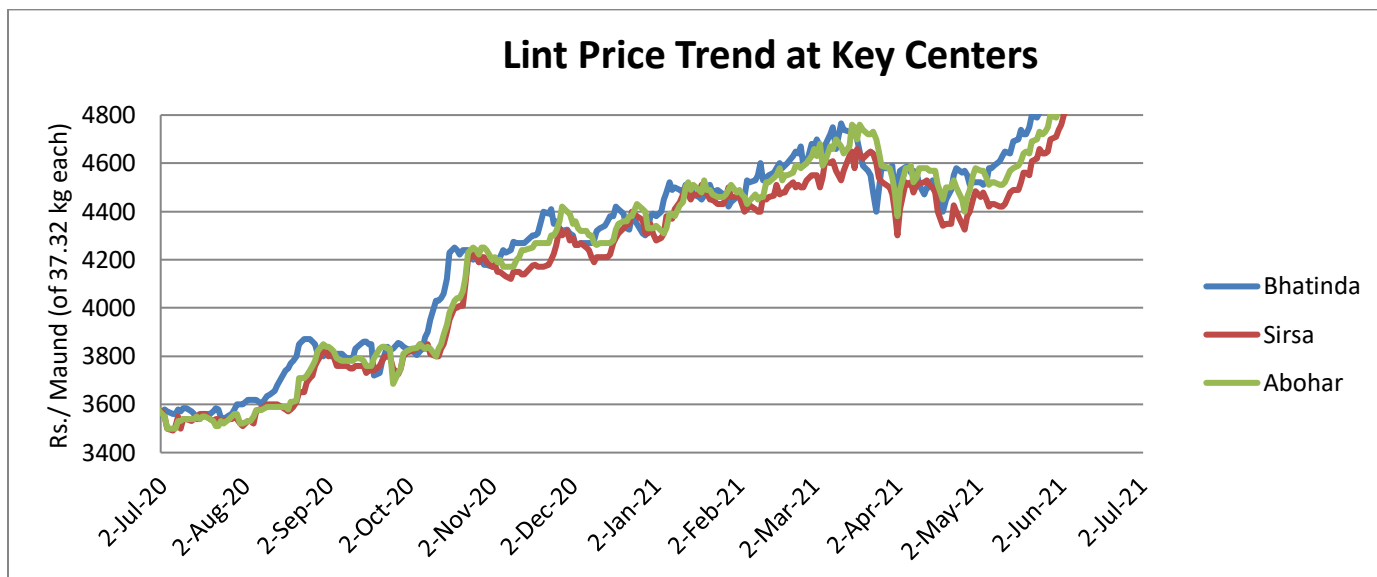
Average kapas price at Gondal market stood higher at Rs. 7692/q from previous week at Rs. 7625/q.



Source: Agriwatch

Lint price Outlook

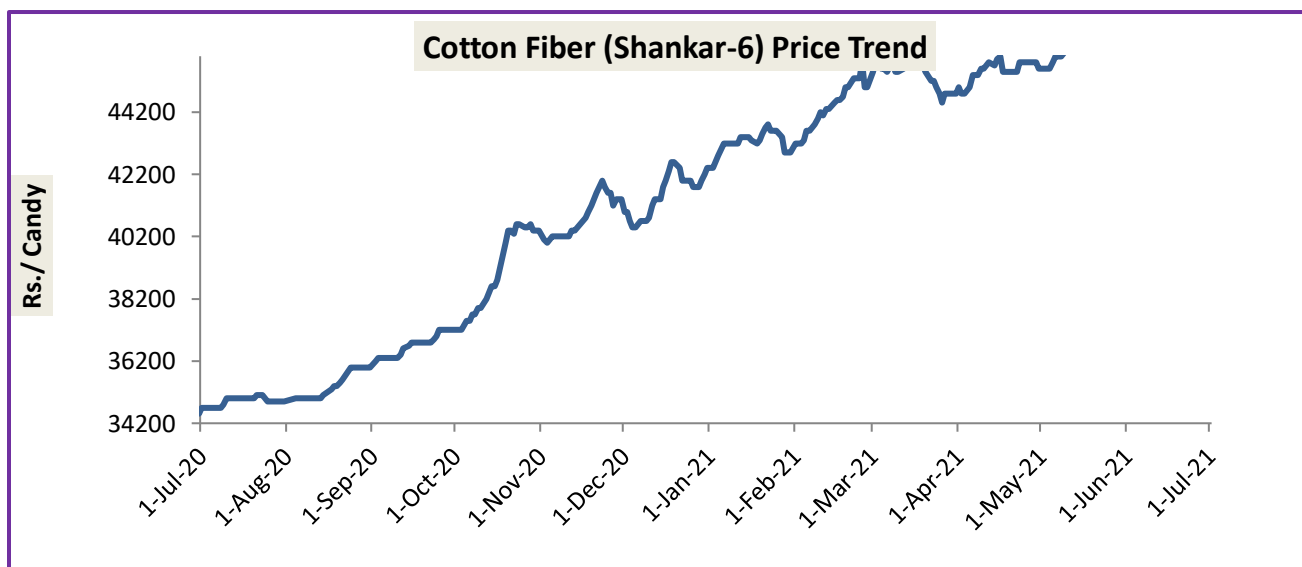
The average price stood higher at Rs.5175/maund of lint in Abohar, in Bhatinda were also same at Rs.5176/ maund, and Rs.5118/maund in Sirsa from the previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.51500/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

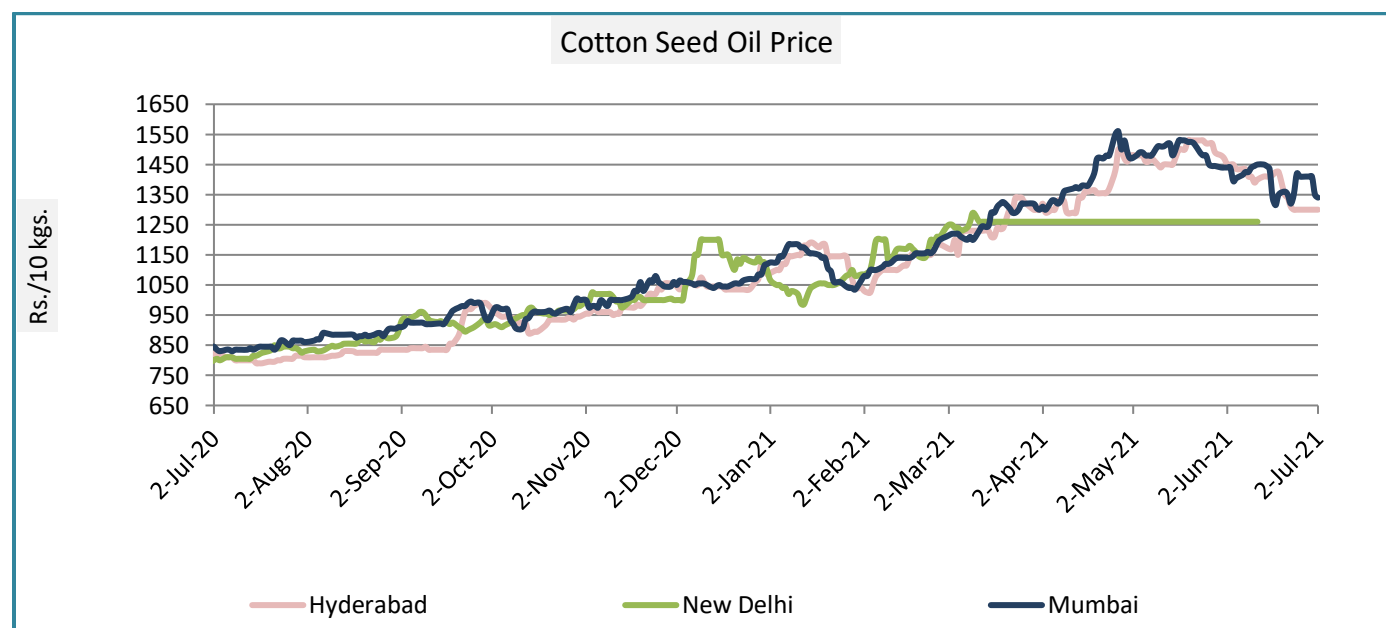
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across all the centers during the week ending on 30th June'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	30-June-21	23-June-21	
New Delhi	1260	1260	-
Rajkot	1345	1340	0.37
Hyderabad	1292	1292	-0.03
Mumbai	1379	1368	0.82

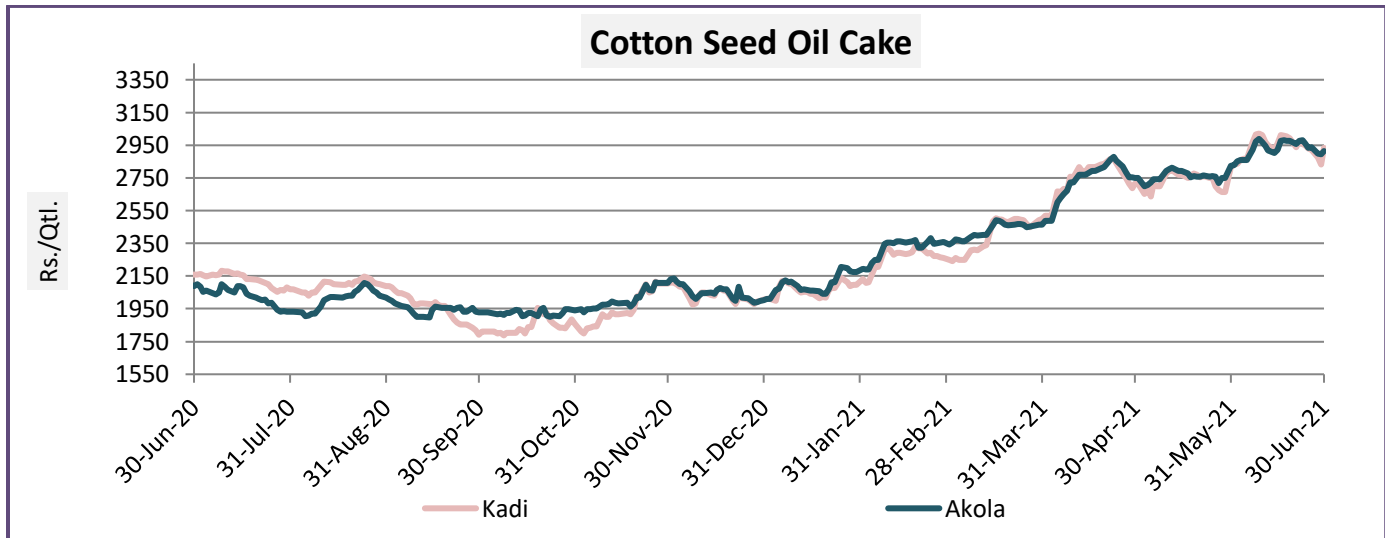
Source: Agriwatch



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. 2907 per quintal from Rs. 2979 per quintal and in Akola was at Rs. 2922 per quintal from Rs. 2974 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	30-June-21	23-June-21	
Kadi	2907	2979	-2.41
Akola	2922	2974	-1.73



Source: NCDEX

International Market Scenario

- Australian cotton exports to china are plummeting. The quality of Australian cotton that passed Chinese customs clearance remained low, while price quotation and purchasing remained sluggish for the commodity as Chinese businesses had become cautious about importing Australian cotton amid the two countries fraught relations. According to the market experts Australian cotton is losing its once favored market status in china as demands soared for domestically produced cotton, particularly produced in northwest china's Xingjian Uyghur autonomous region, which is of good quality.
- 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.

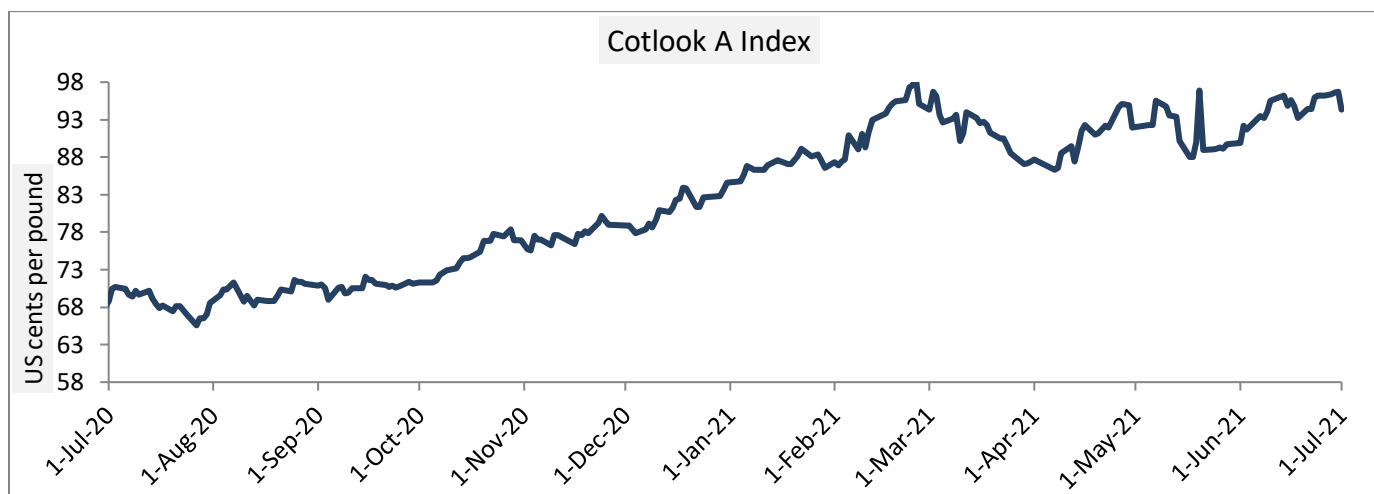
Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 96.38cents/lb higher as compared to the previous week (94.58cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	30-June-21	23-June-21	
Prices	96.38	94.58	1.90

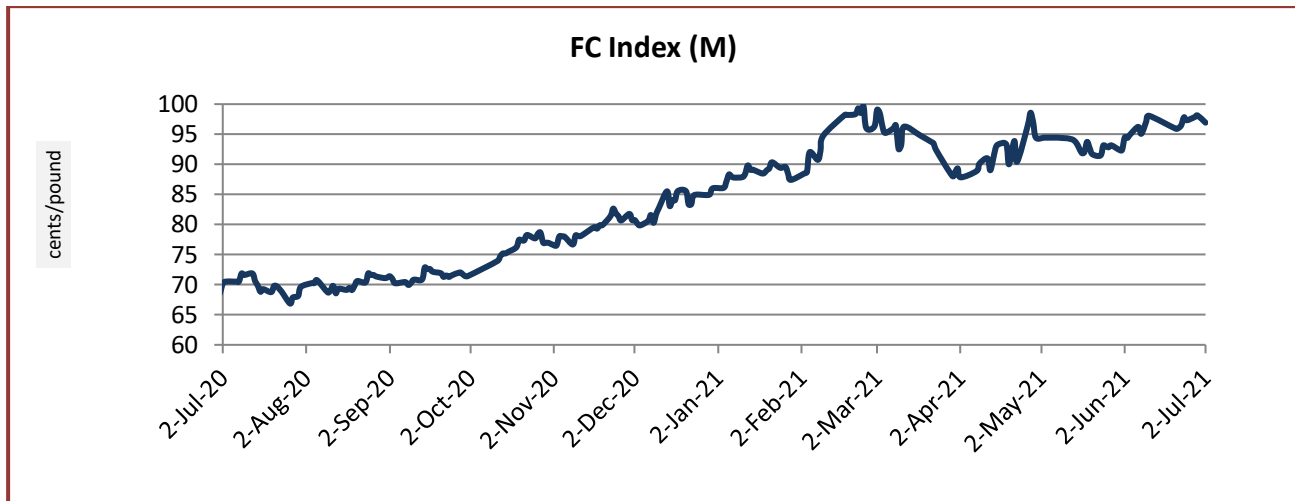
Prices in US cents per Pound

Source: Cotlook


China Cotton Index and Foreign Cotton Index

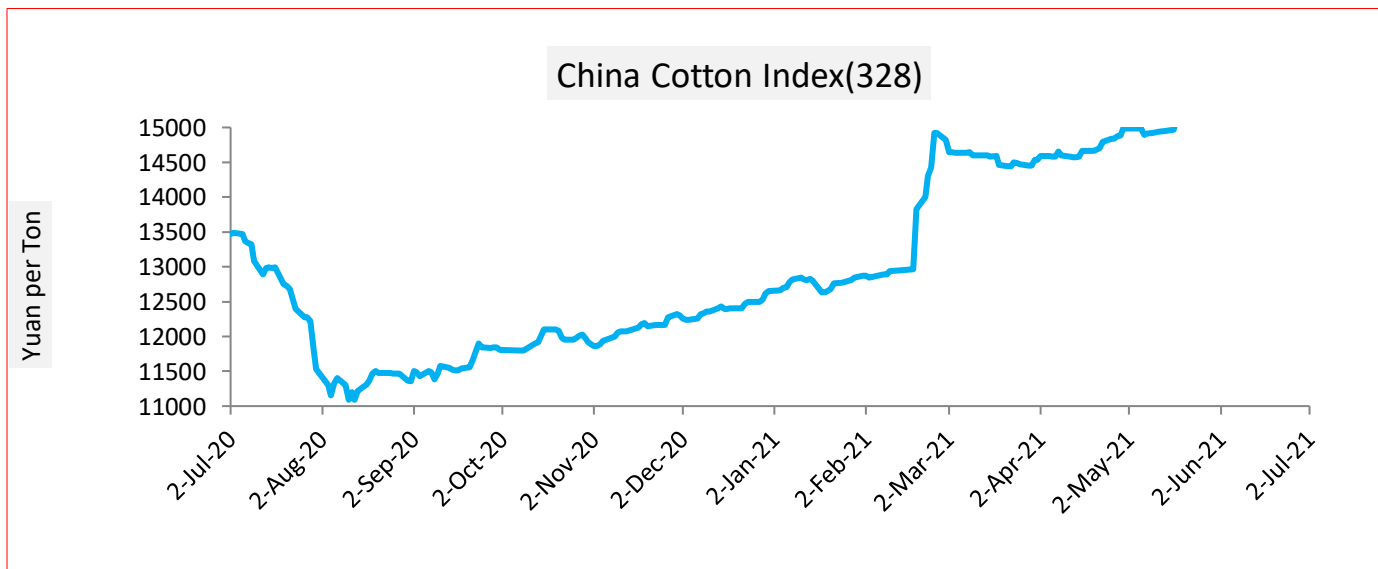
Cotton Index	Weekly Average Price as on		% Change
	30-June-21	23-June-21	
FC (S)	99.09	97.75	1.37
FC (M)	97.78	96.87	0.94
FC (L)	96.62	95.69	0.97
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	30-June-21	23-June-21	
CCIndex(328)	16091.75	15881.25	1.33
CCIndex(527)	15211.75	15073.50	0.92
CCIndex(229)	16442.00	16278.75	1.00
			Prices in Yuan per ton

Source: China Cotton Association

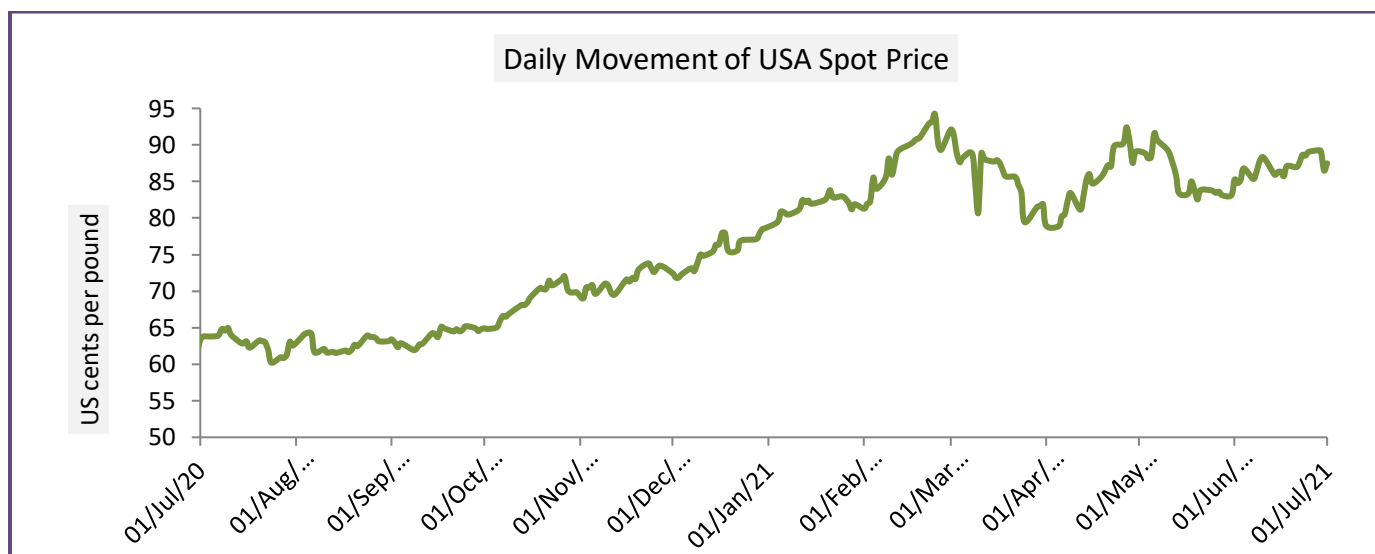


U.S.A spot prices have increased from the prior week by 1.49 percent at 88.50 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	30-June-21	23-June-21	
Prices	88.50	87.20	1.49

Prices in US cents per Pound

Source: USDA



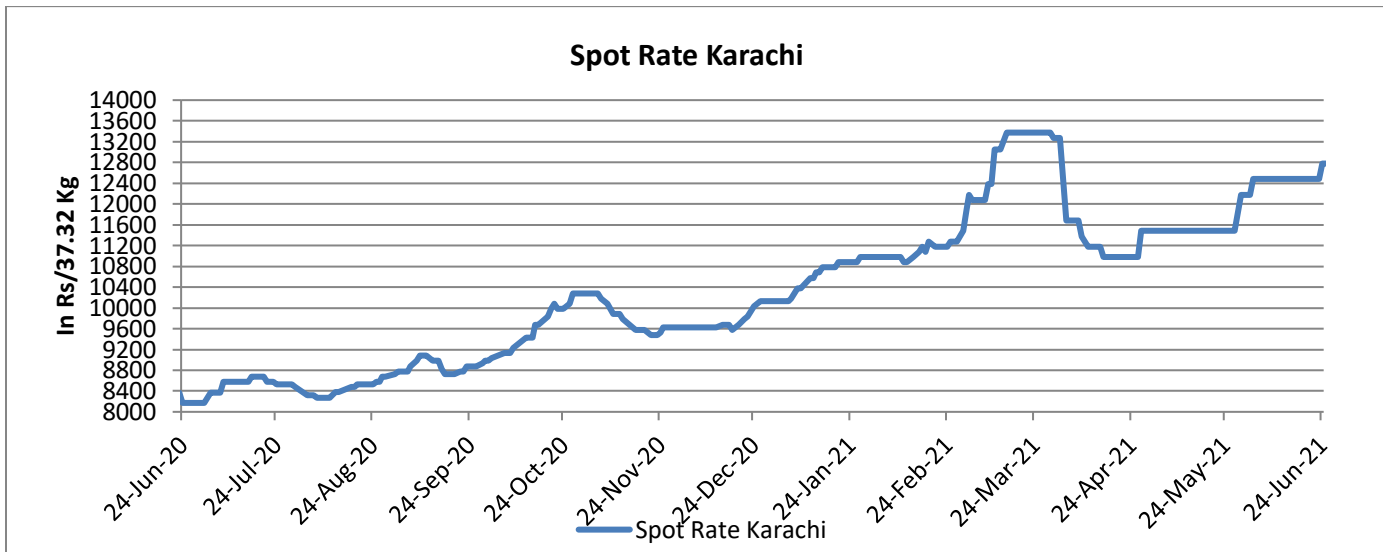
Pakistan Spot Prices

The Karachi spot price stood firm around Rs.12780/q higher same as previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	30-June-21	23-June-21	
Prices	12780	12720	0.47

Prices in Rs per 37.32 Kg

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: July. 30, 2021



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around24620.
- 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	2250 0	2350 0	2482 0	2462 0	2464 0
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	2458 0	2458 0	2460 0	2456 0

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: July 20th, 2021

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/06/27 - Weekly B:2855.00 A:2860.00
 O 2780.00 H 2935.00 L 2705.00 C 2839.00 ↑ V 213,020 I 64,960 +46 +1.65%



Technical Commentary:

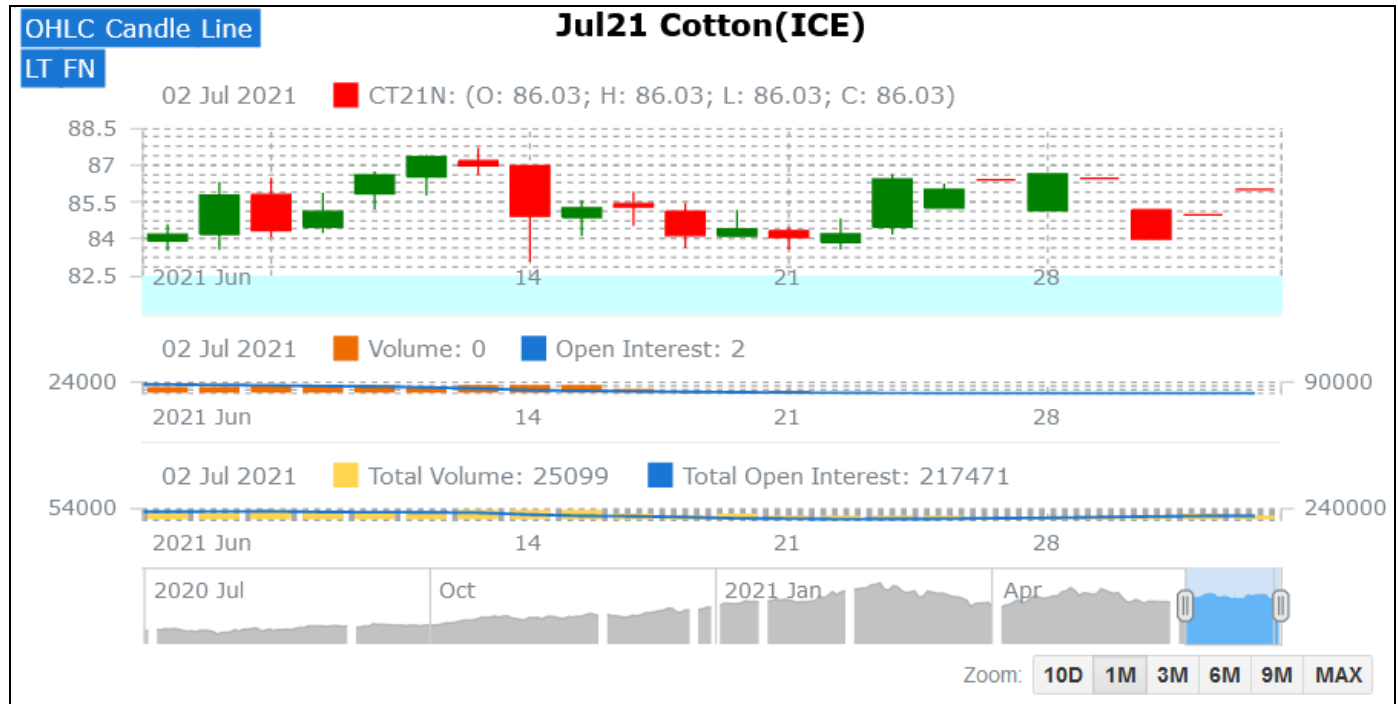
- Cottonseedoilcakeonthe weekly chartlooksbullish.
- Ontheintra-daychart,thereexistsaconsolidationzone(support)at 2860andthenatrendlinesupportat 2800. Strong resistance is seen at 3000.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2860	2800	2862	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 rangebound in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	86-95

Expected Support and Resistance

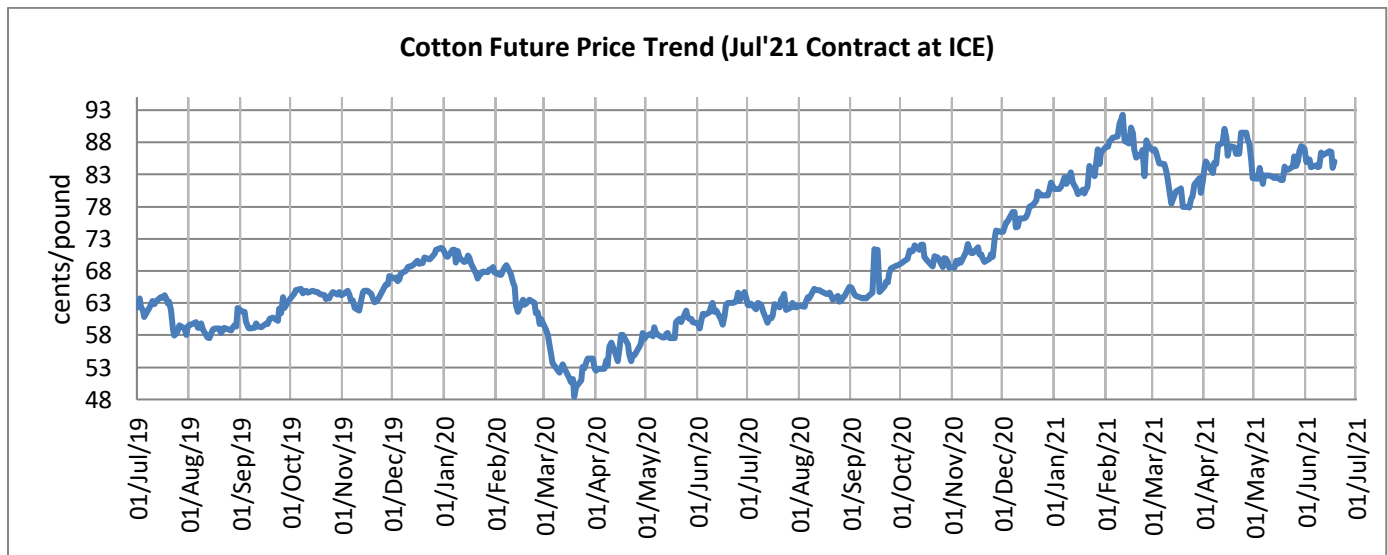
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

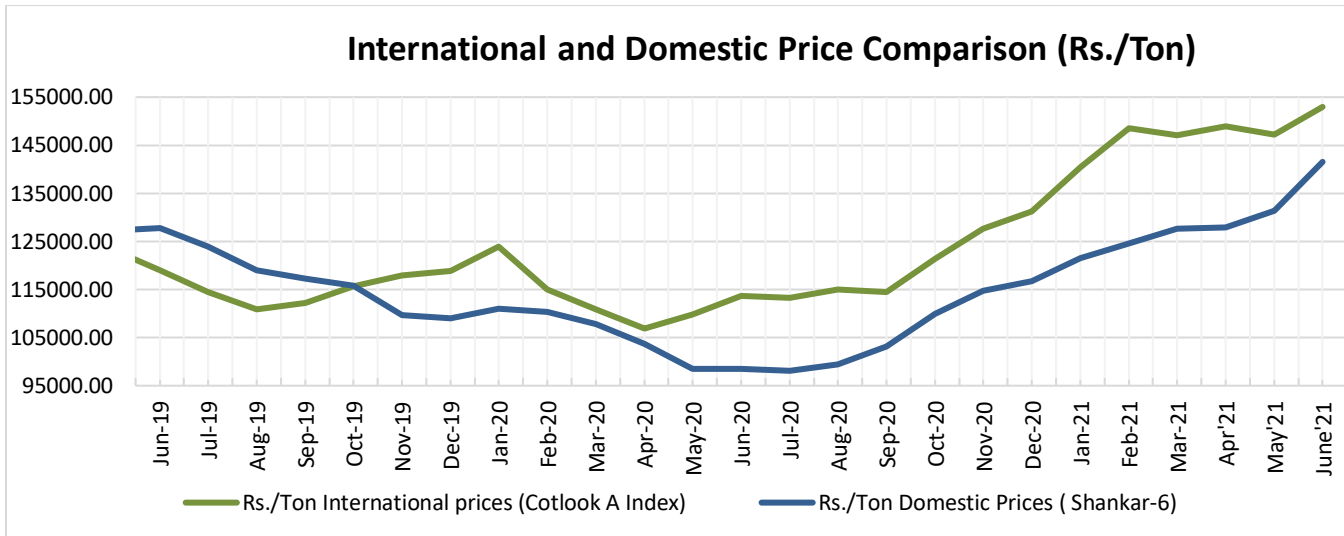
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	01-Jul-21	01-June-21 (1 month ago)	02-Apr-20 (3 months ago)	02-Jan-20 (6 months ago)	01-Jul-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	85.01	83.77	77.95	78.12	63.45	1.48	33.98
Oct-21	86.49	84.84	79.27	78.70	63.81	1.94	35.54
Dec-21	85.9	84.66	78.22	79.17	62.58	1.46	37.26
Mar-22	85.79	84.61	77.91	76.57	63.08	1.39	36.00
May-22	85.56	84.5	77.61	74.87	62.76	1.25	36.33

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			24th June'21 to 30th June'21	17th June'21 to 23rd June'21	
Gujarat	Ahmedabad	Shankar-6	7750	7750	Unch
	Gondal	Shankar-6	7693	7627	66
	Rajkot	B.T. Cotton	7756	7676	80
	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	7239	7174	65
	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	6795	7067	-272
	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	7471	7519	-48
	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	24th June'21 to 30th June'21	17th June'21 to 23rd June'21	
Punjab	Bhatinda	J-34	5177	5058	118
	Abohar	J-34	5175	5060	115
	Mansa	J-34	5165	5034	131
Haryana	Sirsa	J-34	5118	4995	123
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	24th June'21 to 30th June'21	17th June'21 to 23rd June'21	
Gujarat	Ahmedabad	Shankar-6	12410	15300	-2890
	Gondal	Shankar-6	1140	1067	73
	Rajkot	B.T. Cotton	3300	3400	-100
	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	1955	2040	-85



	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	17200	6200	11000
	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	1357	2723	-1366
	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	24th June'21 to 30th June'21	17th June'21 to 23rd June'21	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
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	02-Jul-21	25-Jun-21	02-Jul-21	02-Jul-20
Gujarat	Ahmedabad	Shankar-6	7750	7750	7750	4950
	Gondal	Shankar-6	7755	7755	7755	5500
	Rajkot	B.T. Cotton	7900	7740	7900	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	7200	7230	7200	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	6400	6800	6400	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	7459	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	02-Jul-21	25-Jun-21	02-Jul-21	02-Jul-20
Punjab	Bhatinda	J-34	5180	5170	5180	0
	Abohar	J-34	5180	5170	5180	0
	Mansa	J-34	5180	5150	5180	0
Haryana	Sirsa	J-34	5120	5110	5120	3520
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	02-Jul-21	25-Jun-21	02-Jul-21	02-Jul-20

Gujarat	Ahmedabad	Shankar-6	1700	2550	1700	25500
	Gondal	Shankar-6	125	168	125	#N/A
	Rajkot	B.T. Cotton	500	600	500	#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	3000	3000	3000	#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	167	NA	547
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	892
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	02-Jul-21	25-Jun-21	02-Jul-21	02-Jul-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
				24th June'21 to 30th June'21	17th June'21 to 23rd June'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41380	40860	520
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41880	41360	520
J-34(202)	26mm	3.5 - 4.9	23	47580	46500	1080
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	49120	48480	640
Shankar-6(105)	29mm	3.5 – 4.9	28	51580	50520	1060
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	53620	52640	980
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	54700	53180	1520
DCH-32(107)	34mm	3.0 - 3.8	33	85000	81540	3460

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.