

COTTON WEEKLY RESEARCH REPORT
12th 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 rate crossed Rs.53,000 per candy mark. CCI sold good quantity of cotton with increasing base price. Now CCI unsold stock is nearly 19 lakh bales. Indian cotton arrivals were negligible and due to slow arrivals, stockiest hold the cotton and ask for higher price.

Weekly Price Outlook: The average price of Kapas is likely to remain firm between Rs. 6900-8500/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.5600-7500/q.

Major Market Highlights:

- The Cotlook index stood higher (96.20cents/lbs) compared to the ICE cotton future that stood at 86.97 cents/lbs.
- Indian basis is stable between +2.5 to +3.5.

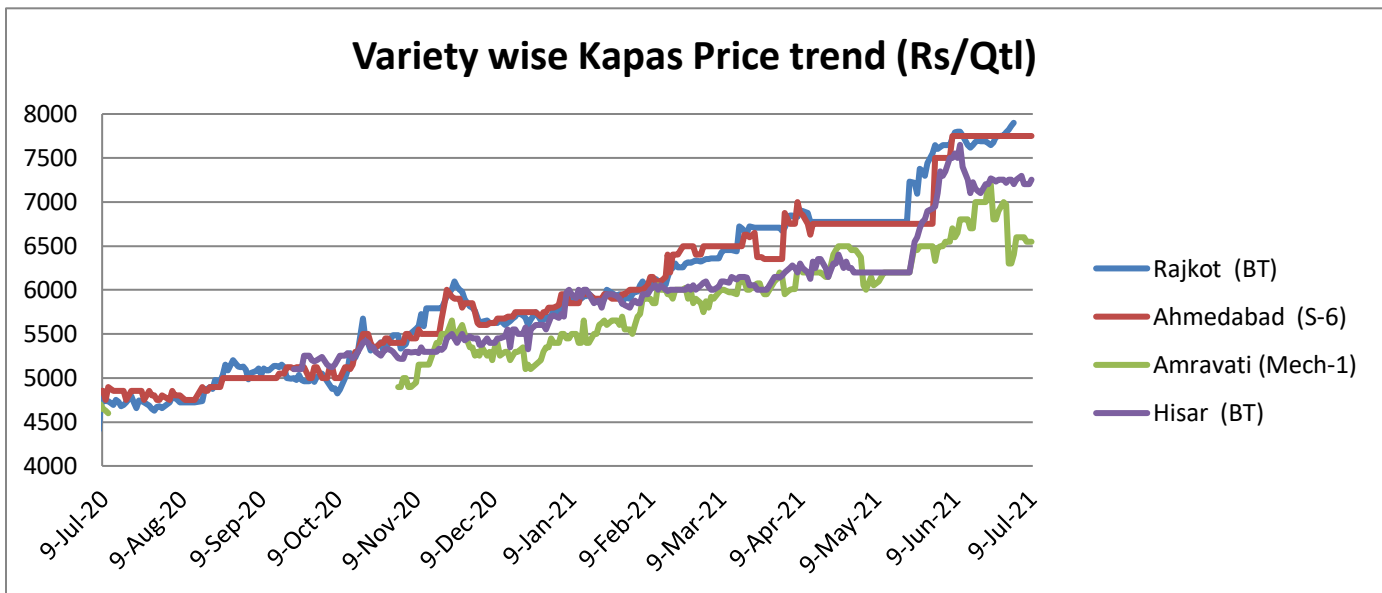
Market Highlights:

- **Gujarat cotton acreages may increase by 10 percent for 2021-22 season.** Cotton cultivation area under Gujarat is likely to increase by 10 percent this kharif season as farmers are getting high price for the natural fiber last year. As per the State Agriculture Department, the area under cotton cultivation in the state has increased to 16.50 lakh hectares as on 5th July 2021 compared to previous years at 15.72 lakh hectares during the same period last year.
- **India's Export shipment at strong pace.** The export shipment data has confirmed that the Indian cotton export has been much higher than most expected. The March shipments reached 182,591 tons which was highest since June 2017, the shipments data confirmed that China purchased a much larger volume than many had thought during the steep price discounts of February. China was the largest destination in March at 76,636 tons followed by Bangladesh at 72,428 tons whereas; Indonesia and Vietnam have also increased purchases from India.
- **Cotton sowing has been increased in Telangana for the coming 2021-22 kharif season.** Encouraged by the monsoon rains and comfortable water levels in various irrigation projects, farmers have increased their Kharif sowing particularly for cotton, paddy and red gram. According to the data released by the Agriculture Department till 23rd June'21, a total of 1801482 acres of area has been sown under kharif cotton.

Domestic Cotton Prices Scenario

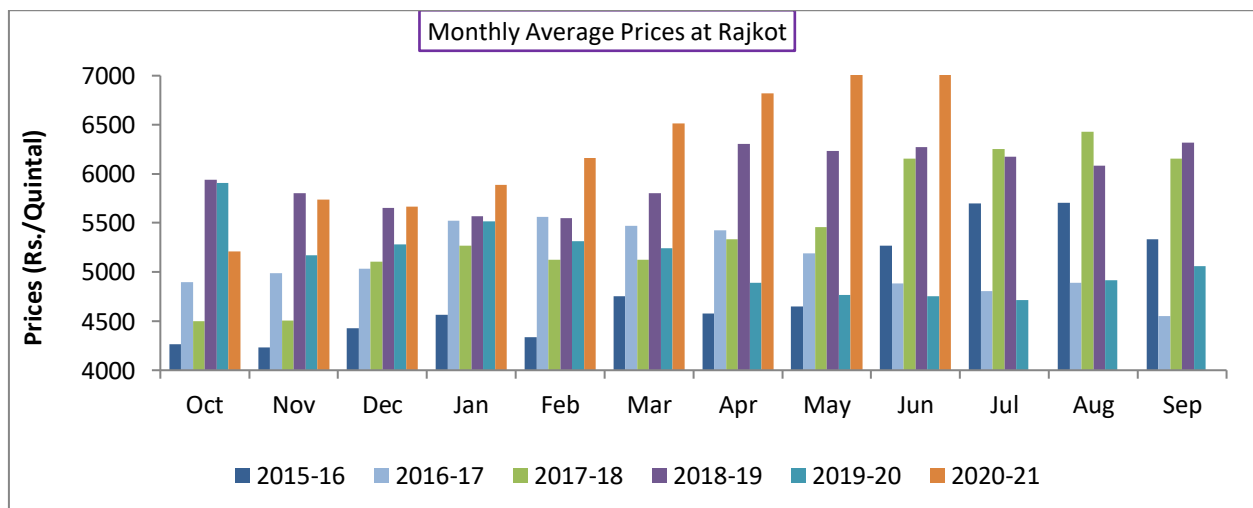
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.7955/q from the previous week at Rs. 7755/q, whereas Ahmedabad prices were high at Rs. 7750/q but prices in Amravati were lower at Rs. 6508/qt.



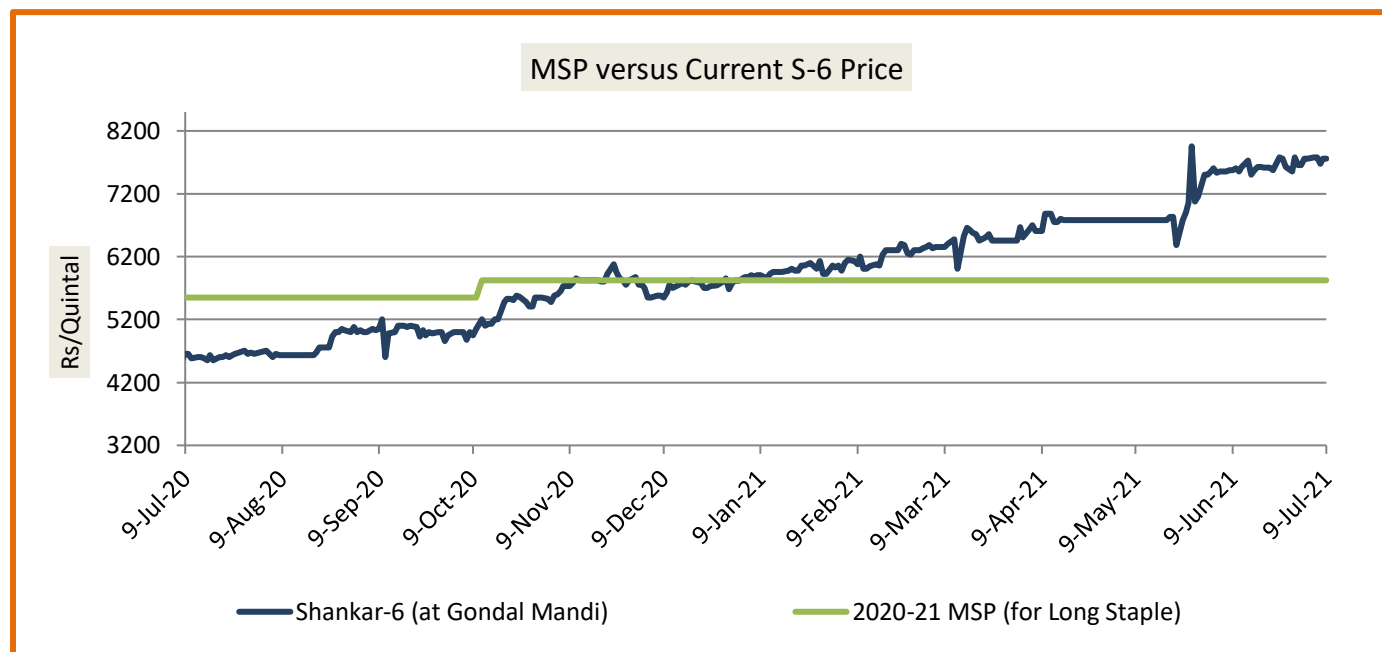
Kapas Monthly M-o-M Price Scenario

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

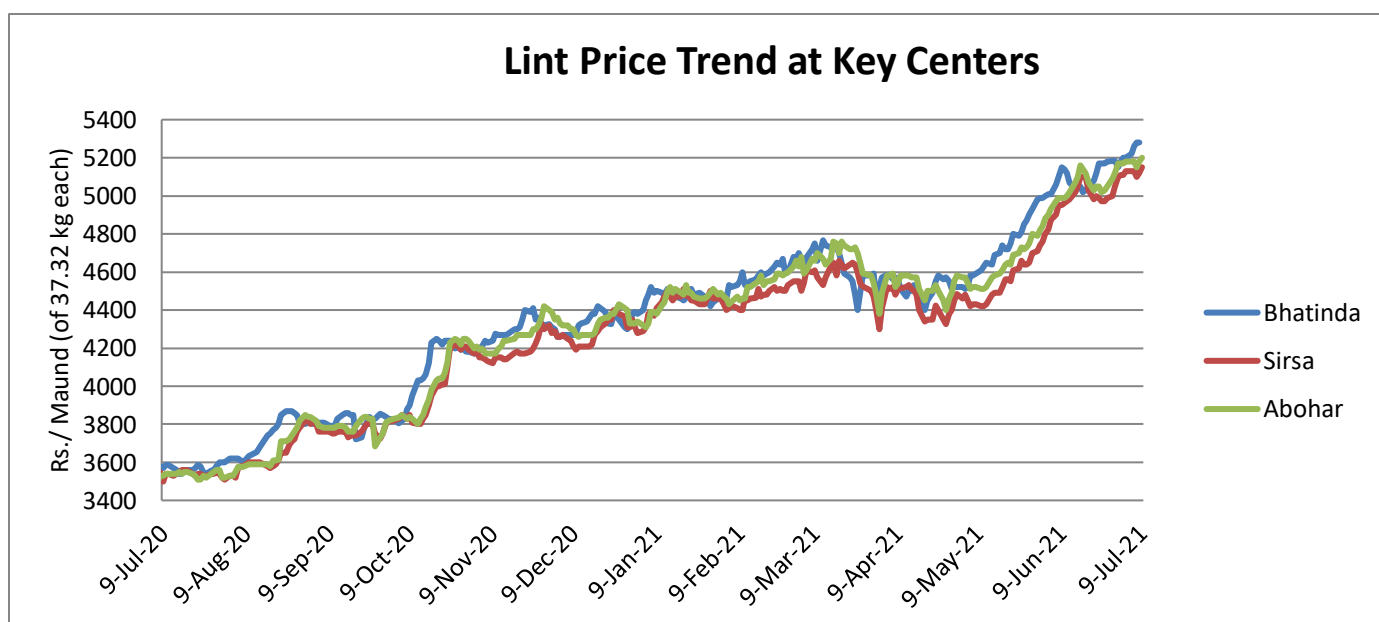
Average kapas price at Gondal market stood higher at Rs. 7734/q from previous week at Rs. 7692/q.



Source: Agriwatch

Lint price Outlook

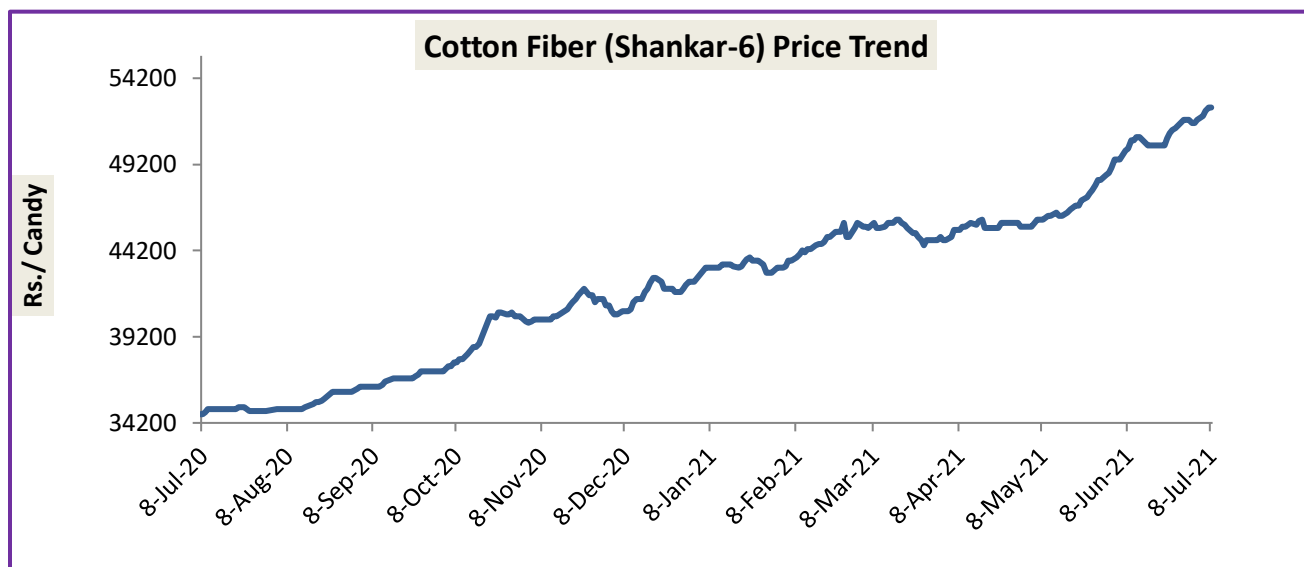
The average price stood higher at Rs.5203/maund of lint in Abohar, in Bhatinda was high at Rs.5201/ maund, and Rs.5148/maund in Sirsa.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.51966/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

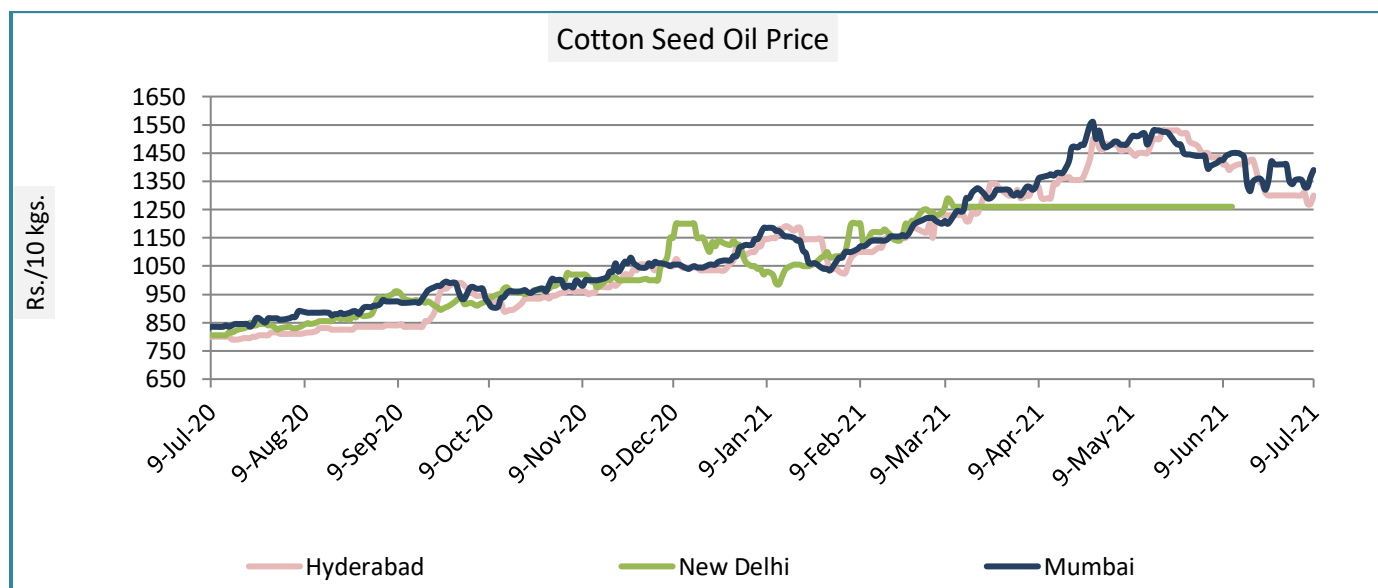
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have increased across the major centers except Mumbai during the week ending on 07th July'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	07-July-21	30-June-21	
New Delhi	-	1260	-
Rajkot	1351	1345	0.43
Hyderabad	1314	1292	1.72
Mumbai	1359	1379	-1.44

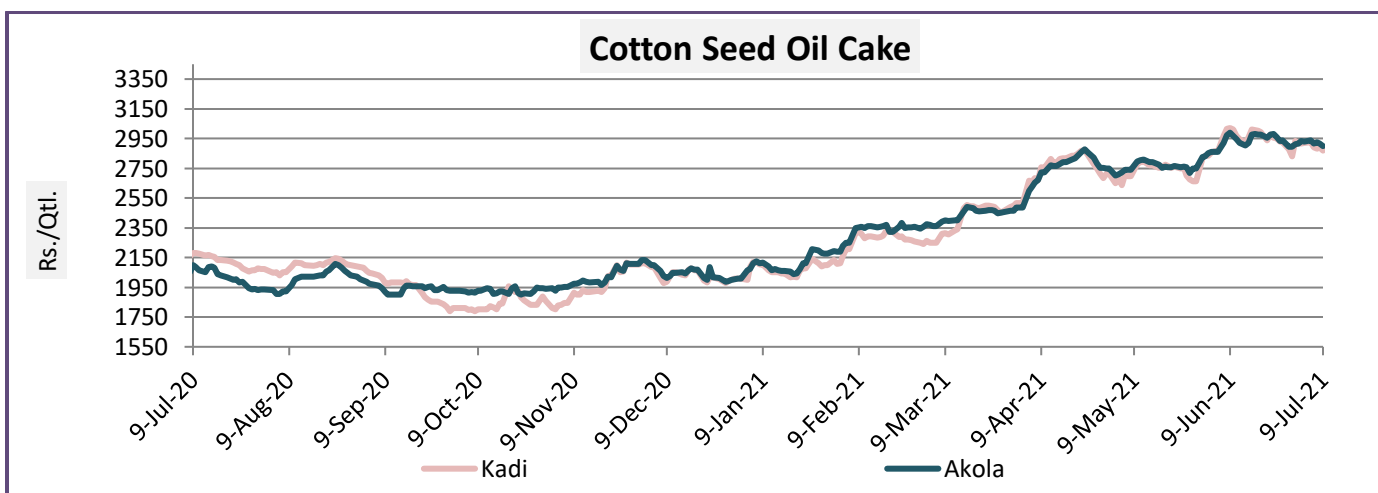
Source: Agriwatch



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. 2909 per quintal from Rs. 2907 per quintal and in Akola was at Rs. 2927 per quintal from Rs. 2922 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	07-July-21	30-June-21	
Kadi	2909	2907	0.07
Akola	2927	2922	0.16



International Market Scenario

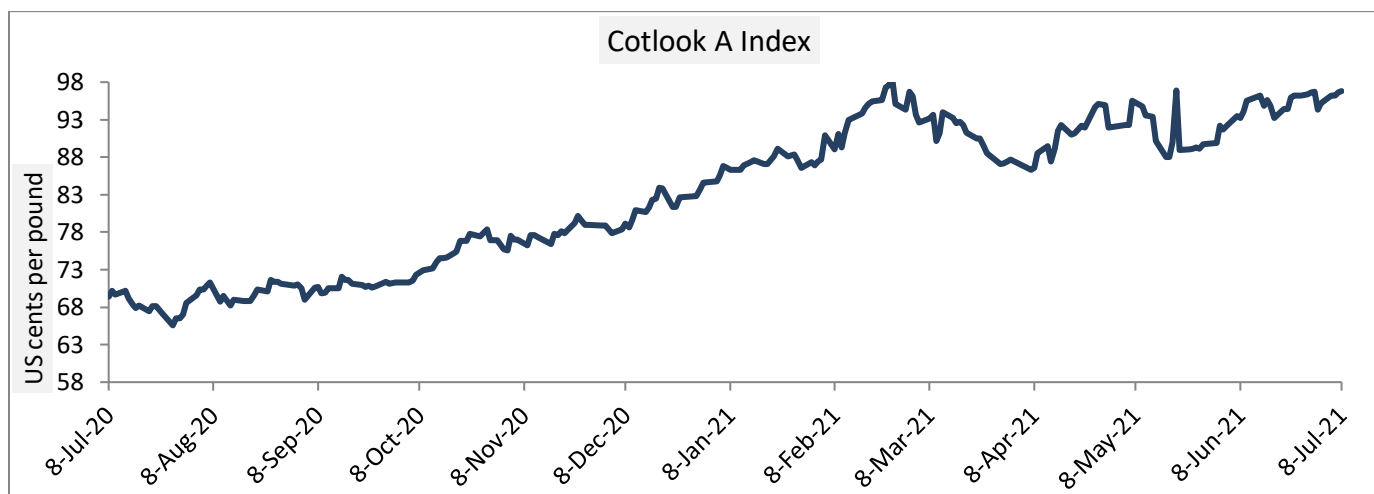
- According to the International Cotton Advisory Committee Report, after a 7 percent decrease in 2020-21, production is projected to return to pre pandemic levels next year. Global Consumption has also recovered from 2019-20, to post a 12.5 percent increase to 25.59 million tonnes in 2020-21 and is projected to improve further to 25.8 million tonnes. Also, Lower production with higher demand will cause ending stock to decline for the first time in four years at 20.96 million tonnes. For 2021-22 ending stock are forecasted to decline further to 20.77 million tonnes as mill use is expected to exceed production. Exports have also increased by 11.75 percent in 2020-21 compared to 2019-20 season and should remain at the same level in 2021-22.
- 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 cautions 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 95.70cents/lb lower as compared to the previous week (96.38cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	07-July-21	30-June-21	
Prices	95.70	96.38	-0.71
Prices in US cents per Pound			

Source: Cotlook

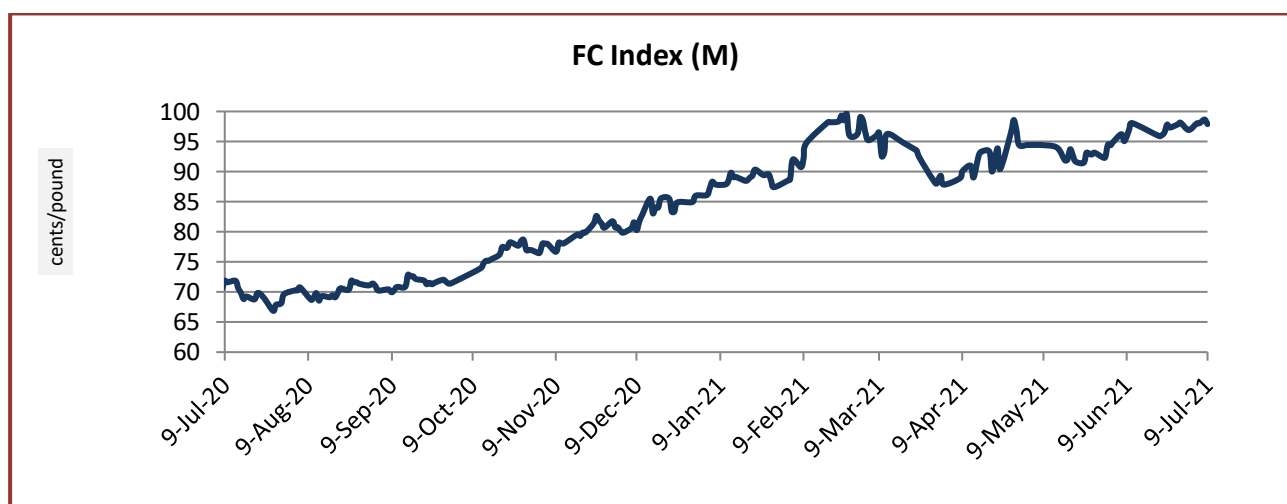


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	07-July-21	30-June-21	
FC (S)	98.89	99.09	-0.21
FC (M)	97.85	97.78	0.07
FC (L)	96.72	96.62	0.10

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	07-July-21	30-June-21	
CCIndex(328)	16363.80	16091.75	1.69
CCIndex(527)	15454.60	15211.75	1.60
CCIndex(229)	16667.00	16442.00	1.37
Prices in Yuan per ton			

Source: China Cotton Association

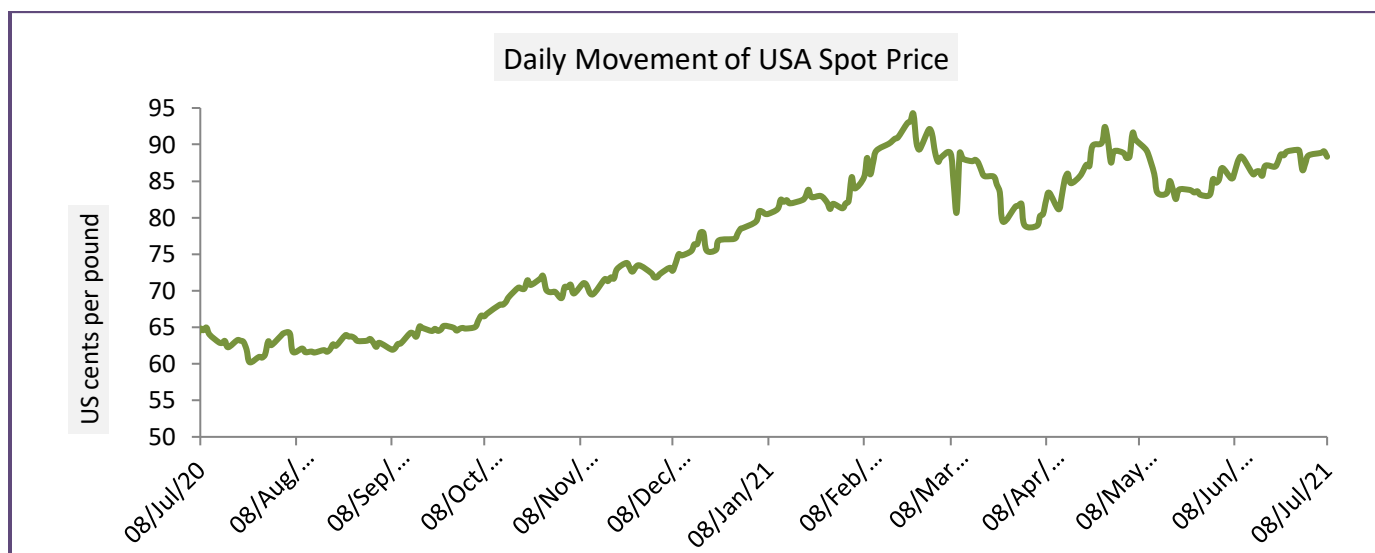


USA Spot Prices

U.S.A spot prices have decreased from the prior week by -0.02 percent at 88.33 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	07-July-21	30-June-21	
Prices	88.33	88.50	-0.02
Prices in US cents per Pound			

Source: USDA

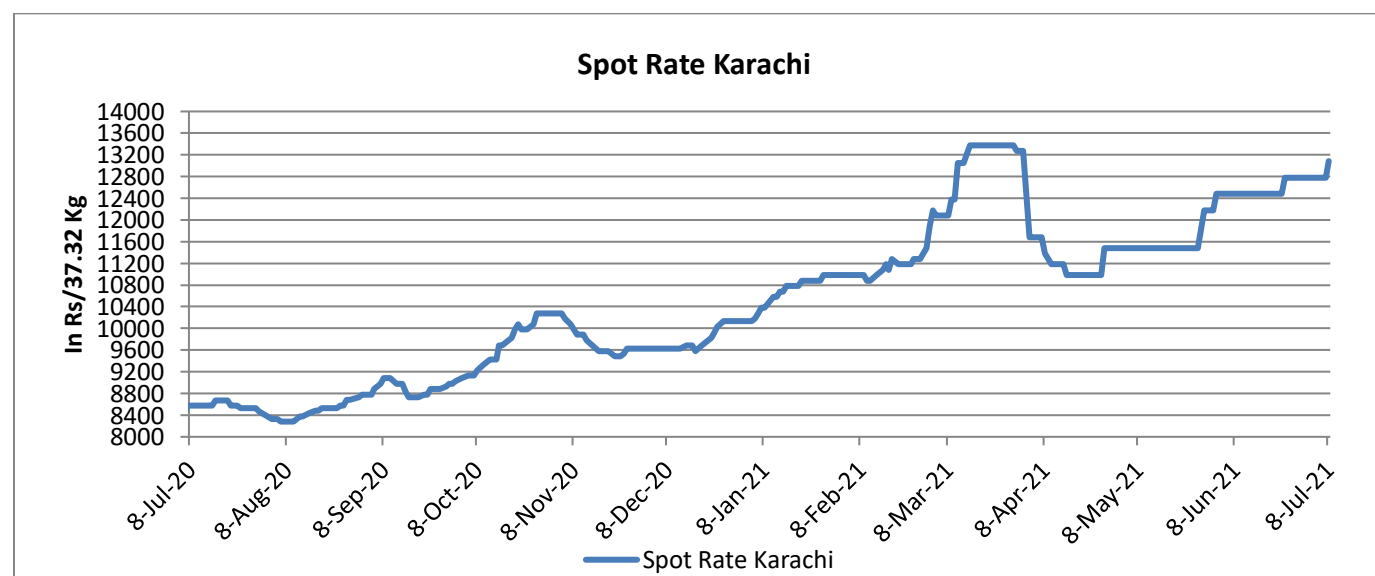


Pakistan Spot Prices

The Karachi spot price stood high around Rs.13040/q from previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	07-July-21	30-June-21	
Prices	13040	12780	2.03
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton
Exchange: MCX
Contract: Mar.
Expiry: July. 30, 2021

TechnicalCommentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around24920.
- 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	25170	24920	24940
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	24850	24880	24900	24860

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: July 20th, 2021

Cottonseed Oilcake



Technical Commentary:

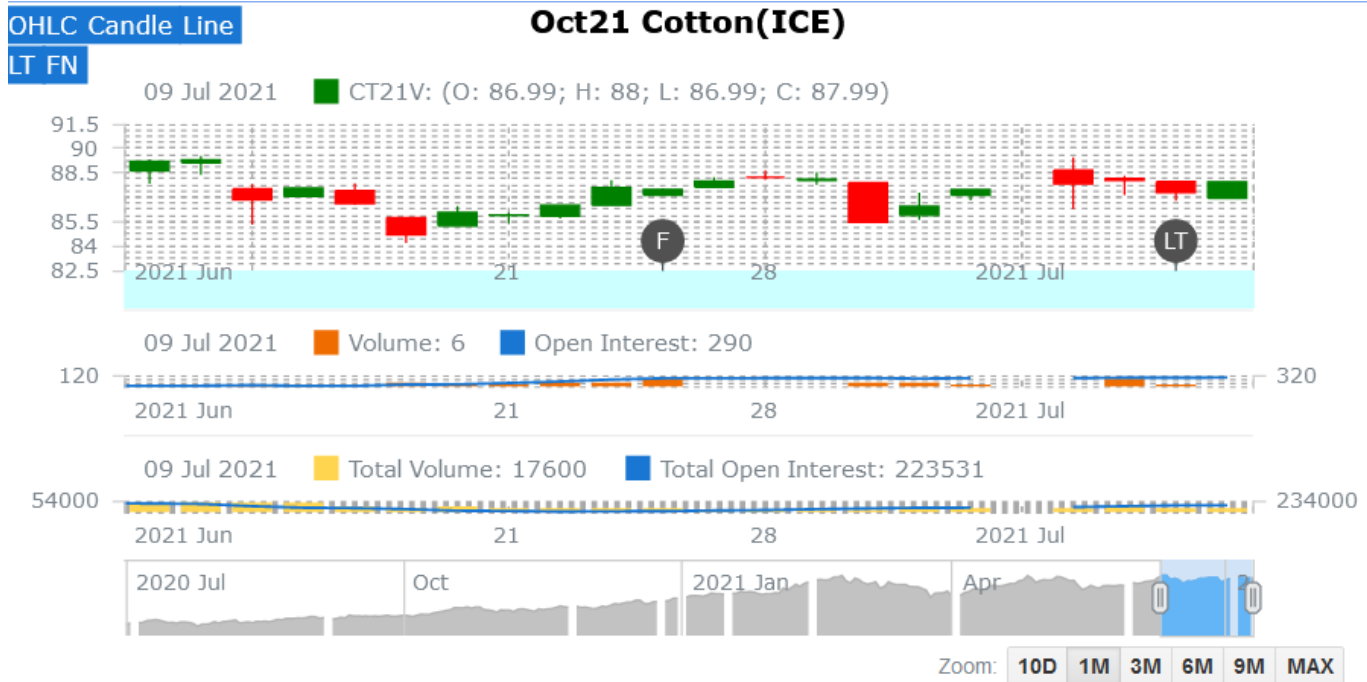
- Cottonseedoilcakeonthe weekly chartlooksbullish.
- On the intra-day chart, there exists a consolidation zone(support)at 2860andthenatrendlinesupportat 2800. Strong resistance is seen at 2900.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2860	2800	2774	2900	2920
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2835	2860	2880	2840

* Do not carryforward the position the next day.

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



- The Oct'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	88-95

Expected Support and Resistance

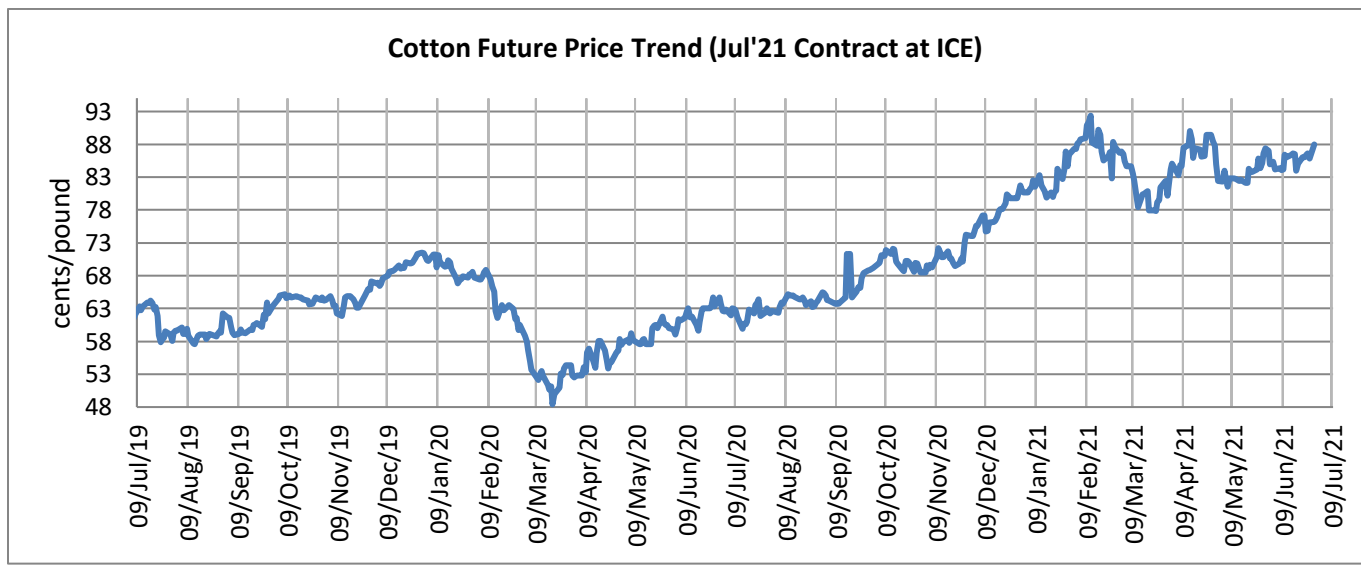
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

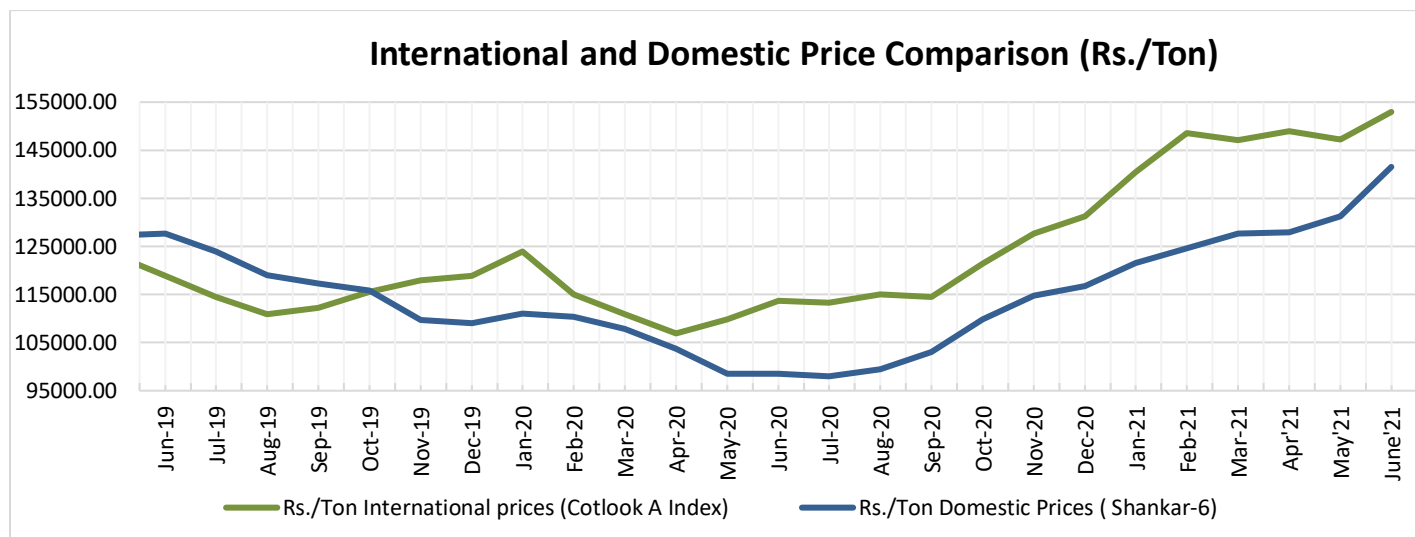
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	09-Jul-21	09-June-21 (1 month ago)	10-Apr-20 (3 months ago)	10-Jan-20 (6 months ago)	09-Jul-20 (a year ago)	% Change over a month	% Change over previous year
Jul-21	87.99	86.62	82.40	80.43	64.49	1.58	36.44
Oct-21	87.71	88.18	83.74	81.17	65.01	-0.53	34.92
Dec-21	87.4	87.34	82.26	81.86	63.34	0.07	37.99
Mar-22	86.75	87.22	81.78	78.45	64.34	-0.54	34.83
May-22	85.55	86.92	81.59	76.60	63.89	-1.58	33.90

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			01st July'21 to 07th July'21	24th June'21 to 30th June'21	
Gujarat	Ahmedabad	Shankar-6	7708	7750	-42
	Gondal	Shankar-6	7638	7693	-54
	Rajkot	B.T. Cotton	7955	7756	199
	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	7233	7239	-6
	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	6508	6795	-287
	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	7307	7471	-164
	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	01st July'21 to 07th July'21	24th June'21 to 30th June'21	
Punjab	Bhatinda	J-34	5202	5177	25
	Abohar	J-34	5203	5175	28
	Mansa	J-34	5192	5165	27
Haryana	Sirsa	J-34	5148	5118	30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	01st July'21 to 07th July'21	24th June'21 to 30th June'21	
Gujarat	Ahmedabad	Shankar-6	10540	12410	-1870
	Gondal	Shankar-6	853	1140	-287
	Rajkot	B.T. Cotton	2275	3300	-1025
	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	2380	1955	425
	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	23000	17200	5800
	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	1000	1357	-357
	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	01st July'21 to 07th July'21	24th June'21 to 30th 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	09-Jul-21	02-Jul-21	09-Jul-21	09-Jul-20
Gujarat	Ahmedabad	Shankar-6	7750	7750	7750	4850
	Gondal	Shankar-6	7755	7755	7755	5500
	Rajkot	B.T. Cotton	8120	7900	8120	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	NA	NA	5600



	Bhiwani	Desi	NA	NA	NA	NA
	Adampur	B.T. Cotton	7250	7200	7250	5350
	Fatehabad	B.T. Cotton	NA	NA	NA	5350
	Jind	B.T. Cotton	NA	NA	NA	5700
	Uchana	B.T. Cotton	NA	NA	NA	5385
	Dabwali	B.T. Cotton	NA	NA	NA	NR
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	NA	Closed
	Rawatsar	B.T. Cotton	NA	NA	NA	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	Closed	6400	Closed	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	7519	7453	7519	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	09-Jul-21	02-Jul-21	09-Jul-21	09-Jul-20
Punjab	Bhatinda	J-34	5280	5180	5280	0
	Abohar	J-34	5280	5180	5280	0
	Mansa	J-34	5250	5180	5250	0
Haryana	Sirsa	J-34	5220	5120	5220	3550
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	0

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	09-Jul-21	02-Jul-21	09-Jul-21	09-Jul-20
Gujarat	Ahmedabad	Shankar-6	1700	1700	1700	17000
	Gondal	Shankar-6	87	125	87	#N/A
	Rajkot	B.T. Cotton	280	500	280	#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	NA	NA	1200
	Bhiwani	Desi	NA	NA	NA	#N/A
	Adampur	B.T. Cotton	170	510	170	#N/A
	Fatehabad	B.T. Cotton	NA	NA	NA	#N/A
	Jind	B.T. Cotton	NA	NA	NA	#N/A
	Uchana	B.T. Cotton	NA	NA	NA	#N/A
	Dabwali	B.T. Cotton	NA	NA	NA	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	NA	#N/A
	Rawatsar	B.T. Cotton	NA	NA	NA	0
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	Closed	3000	Closed	#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	221	327	221	533
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	540
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	09-Jul-21	02-Jul-21	09-Jul-21	09-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	NA	NA	0
	Sri-Ganganagar	J-34	NA	NA	NA	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				01st July'21 to 07th July'21	24th June'21 to 30th June'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41467	41380	87
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42017	41880	137
J-34(202)	26mm	3.5 - 4.9	23	48167	47580	587
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	49417	49120	297
Shankar-6(105)	29mm	3.5 – 4.9	28	51967	51580	387
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	53883	53620	263
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	55050	54700	350
DCH-32(107)	34mm	3.0 - 3.8	33	88333	85000	3333

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