

COTTON WEEKLY RESEARCH REPORT
19th July 2021**Domestic market summary**

- **Domestic Market Scenario:** Cotton sowing is progressing across India for the coming 2021-22 season. Cotton Sowing has fallen by 17 percent across India compared to the previous season. Indian Cotton remained its bullish trend and crossed Rs.54,000 per candy mark.

Weekly Price Outlook: The average price of Kapas is likely to remain firm between Rs. 6900-8600/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.5600-7400/q.

Major Market Highlights:

- The Cotlook index stood higher (96.80cents/lbs) compared to the ICE cotton future that stood at 88.16 cents/lbs.
- Indian basis remained in positive territory.

Market Highlights:

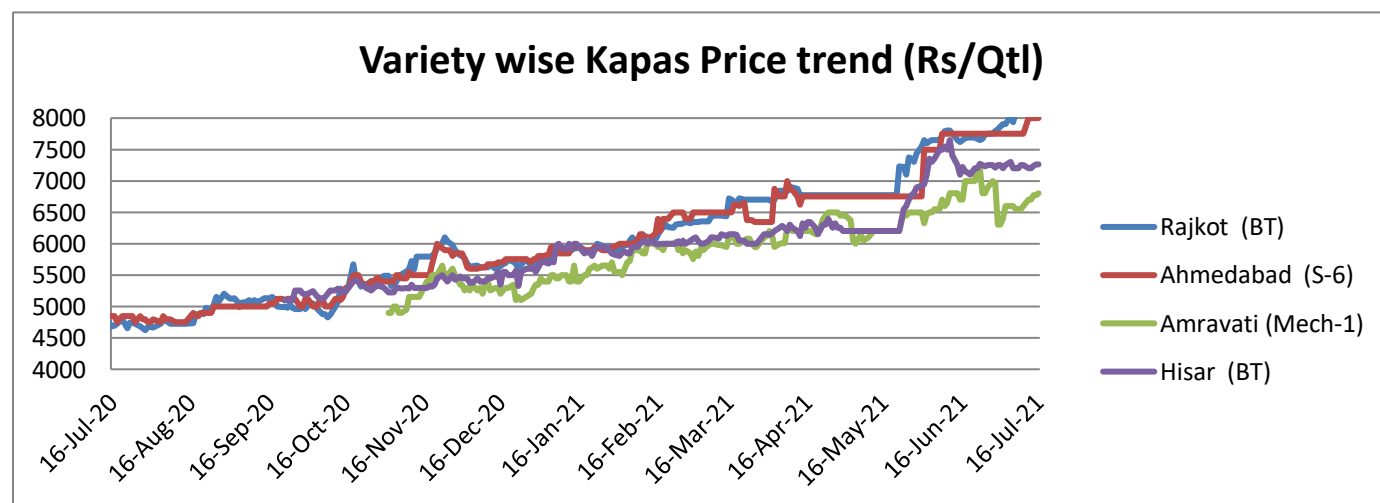
- **Cotton prices fell up to Rs. 700 per maund.** Cotton prices have fallen by Rs. 400 to Rs. 700 per maund in local markets with the textile and spinning mills reluctant to buy rain affected commodities. According to the traders, monsoon rains in Sindh and Punjab has affected the cotton prices. In Sindh the prices have declined Rs. 400 to Rs. 600 per maund at Rs. 12600 to Rs. 12800 per maund. Seed cotton prices have also dropped by Rs. 300 to Rs. 400 per 40 kg to Rs. 5,200 to Rs. 5,700 per 40 kg. Cotton seed was sold for Rs. 1,700 to Rs. 1,800 per maund in Sindh.
- **Cotton sowing reduces in Marathwada.** The area under cotton cultivation has decreased during this kharif season as farmers are shifting towards soybean over the traditional cash crop, due to range of factors including lower cultivation cost, shorter harvesting period, and resistance to diseases and pests. As per the latest official data, cotton has been sown on 67% of the estimated area of 6.97 lakh hectares in Aurangabad Division and 65 percent of the estimated area around 3.58 lakh hectares in Latur Division.
- **India is planning to sign MOU with Bangladesh to export 10 lakh bales of cotton annually.** The Indian government is planning to sign a memorandum of understanding (MOU) with Bangladesh to export 10 lakh bales of cotton every year. Bangladesh is one of the largest buyers of Indian cotton and for its expanding textile industry, particularly garments the Bangladesh government wanted India to ensure an uninterrupted supply of cotton. According to Cotton Corporation of India, the MOU will facilitate a government-to-government transaction and it is expected that the memorandum will be signed soon.

- Cotton cultivation area increases in Gujarat but reduces in other North Indian states.** As farmers are opting for other oilseeds and pulses the area under cotton cultivation has decreased in North India. According to the latest data, cotton has been planted on about 18.43 lakh hectares in Gujarat, a marginal increase from 18.25 lakh hectares in the same period a year ago. Over all across India the area is lower by 17 percent as of 9th July 2021 at 86.45 lakh hectare compared with 104.82 lakh hectares a year ago.
- According to the All India Crop Situation Report issued by the Ministry of Agriculture and Farmer's Welfare shows a decrease in sowing area this year,** around 499.87 lakh hectare of area has been sown against 558.11 lakh hectare last year, with area under almost all major crops including moong, soyabean, paddy and cotton reported a dip. In the absence of rains, farmers are either shifting to shorter-duration crops or waiting for enough soil moisture to commence sowing.

Domestic Cotton Prices Scenario

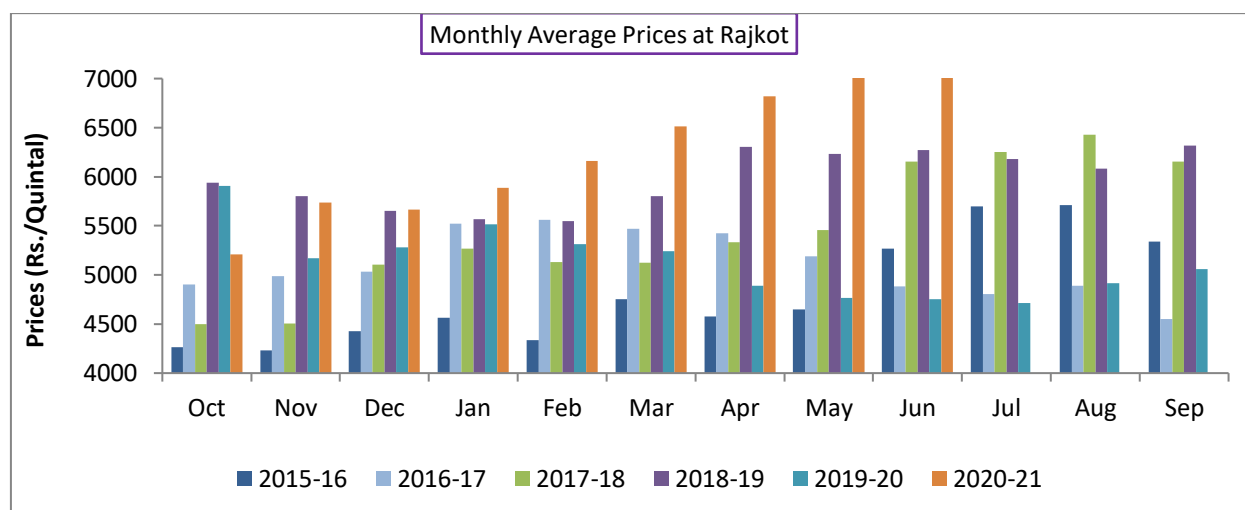
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.8229/q from the previous week at Rs. 7955/q, whereas Ahmedabad prices were high at Rs. 7916/q but prices in Amravati were at Rs. 6683/qt.



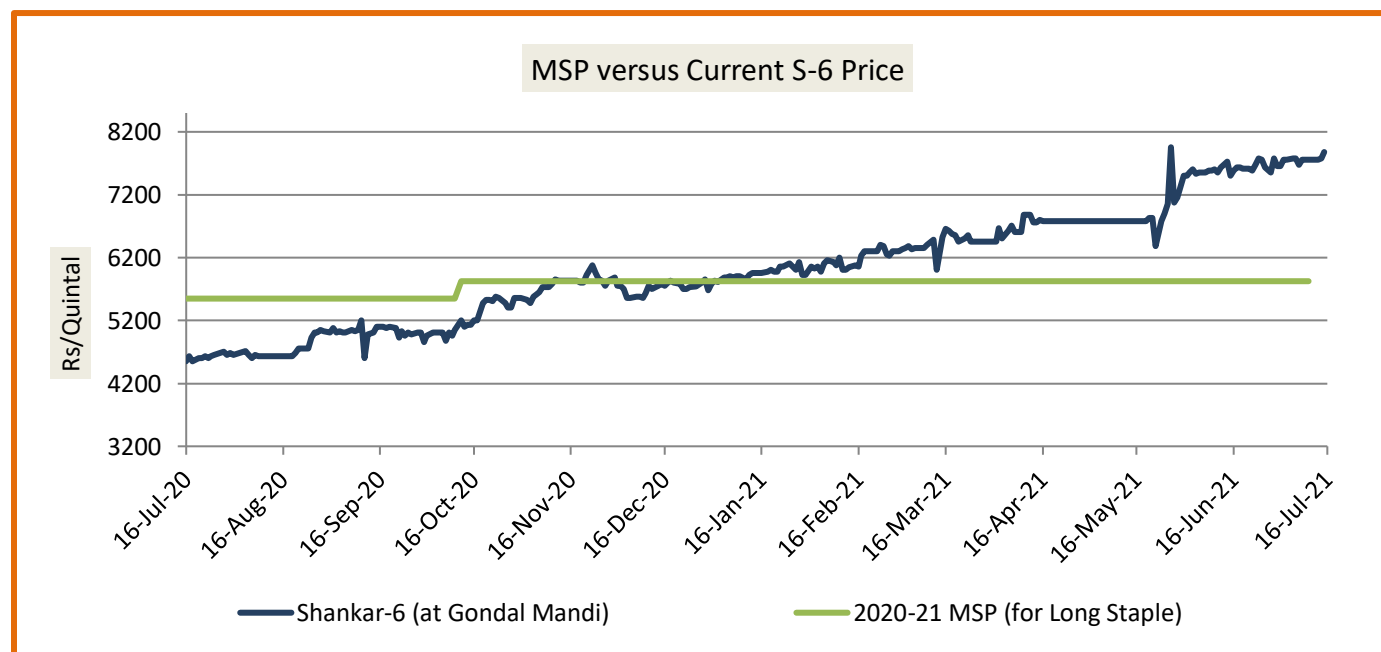
Kapas Monthly M-o-M Price Scenario

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. 7779/q from previous week at Rs. 7734/q.

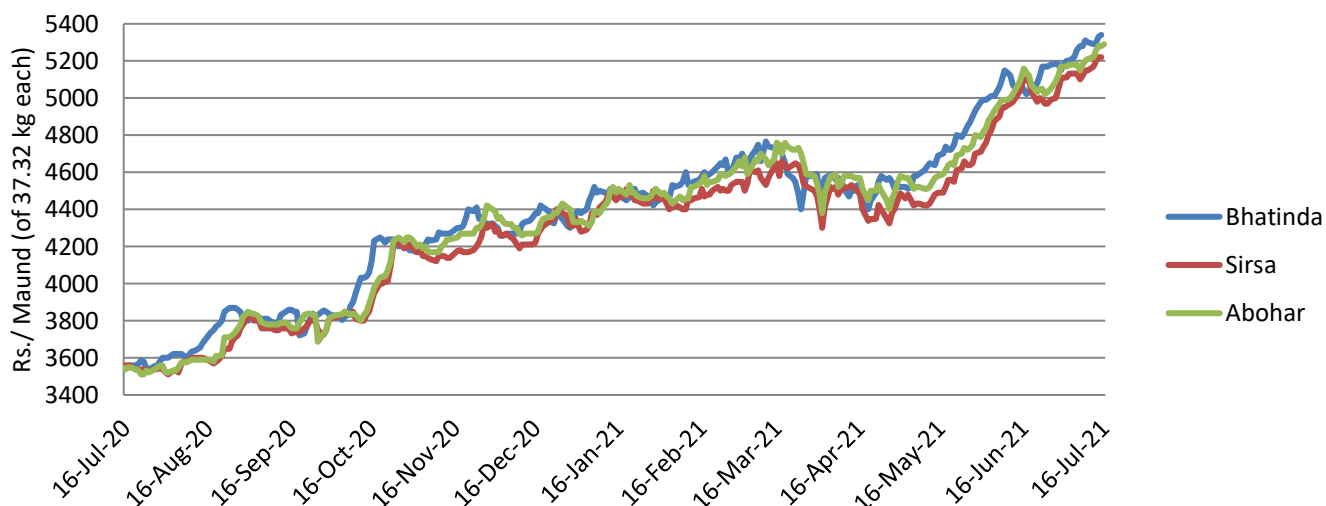


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs.5298/maund of lint in Abohar, in Bhatinda was high at Rs.5301/ maund, and Rs.5235/maund in Sirsa.

Lint Price Trend at Key Centers

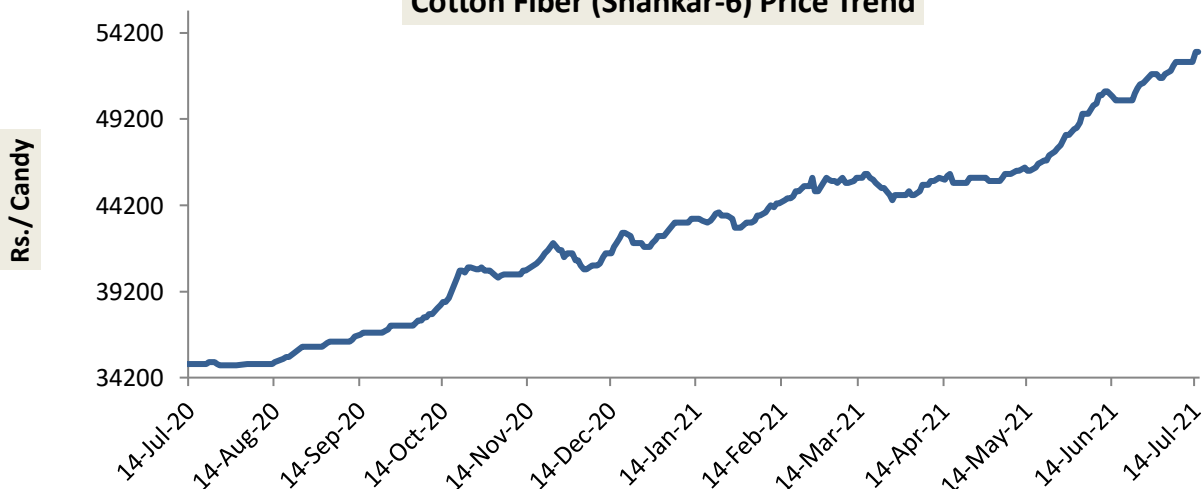


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.52620/candy this week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

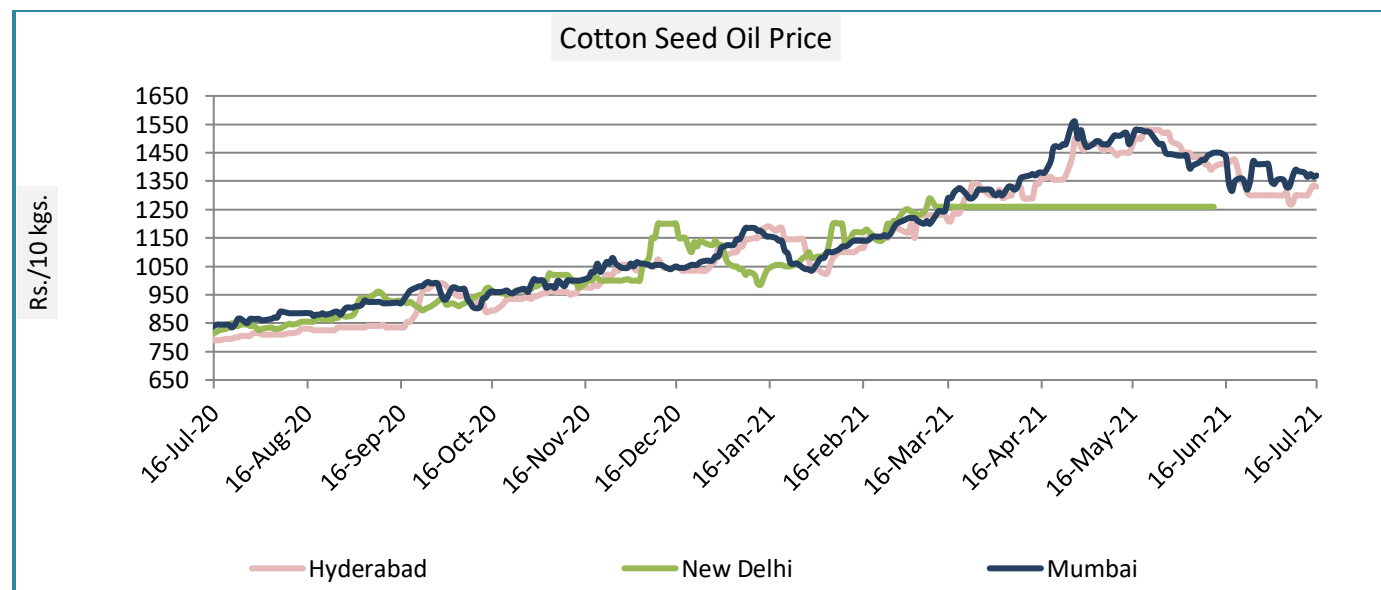
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have increased across the major centers except Mumbai during the week ending on 14th July'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	14-July-21	07-July-21	
New Delhi	-	-	-
Rajkot	1362	1351	0.79
Hyderabad	1329	1314	1.15
Mumbai	1371	1359	0.87

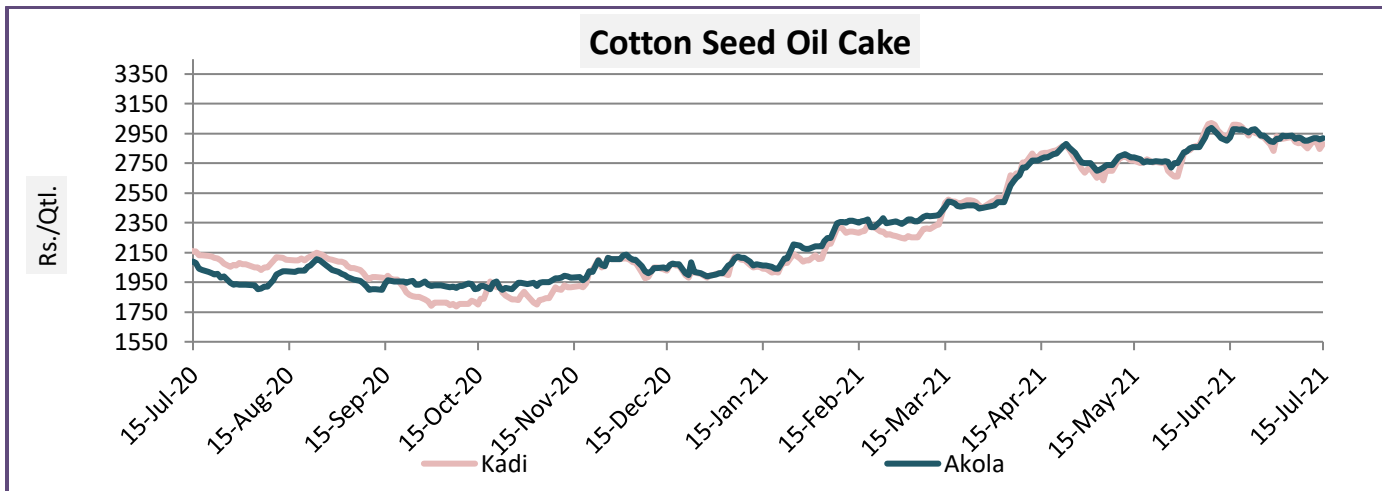
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have decreased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2876 per quintal from Rs. 2909 per quintal and in Akola was at Rs. 2911 per quintal from Rs. 2927 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	14-July-21	07-July-21	
Kadi	2876	2909	-1.15
Akola	2911	2927	-0.55



Source: NCDEX

International Market Scenario

- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, export projection for US cotton for the season 2021-22 shows a higher production, exports and ending stock compared with last month. While the 30th June 2021 U.S. cotton acreage report shows 300,000 fewer planted acres for U.S. cotton than NASS's previous survey, a rainfall driven reduction is projected. Texas abandonment means U.S. harvested area is projected 9 percent higher. While the 2021-22 production is estimated 800,000 bales higher, consumption is unchanged and exports and ending stock are each projected 400,000 bales higher.
- Global Consumption has gained 12.5 percent in 2020-21. 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.
- 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

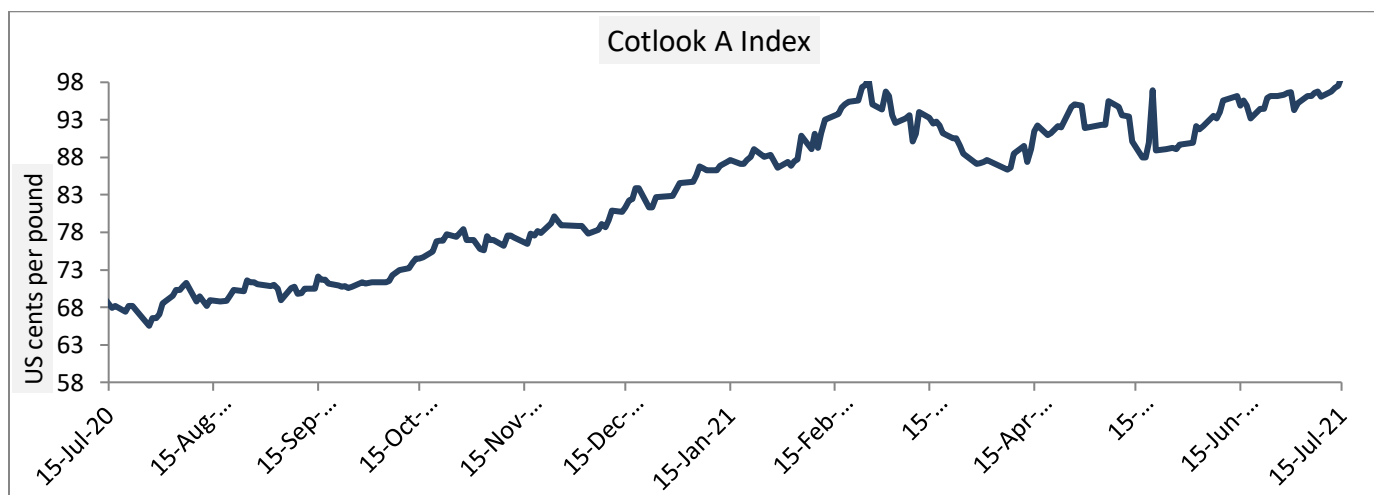
to decline further to 20.77 million tonnes as mill use is expected to exceed production. Exports have also increased by 11.75 percent in 2020-21 compared to 2019-20 season and should remain at the same level in 2021-22.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 96.88cents/lb lower as compared to the previous week (95.70cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	14-July-21	07-July-21	
Prices	96.88	95.70	1.23
Prices in US cents per Pound			

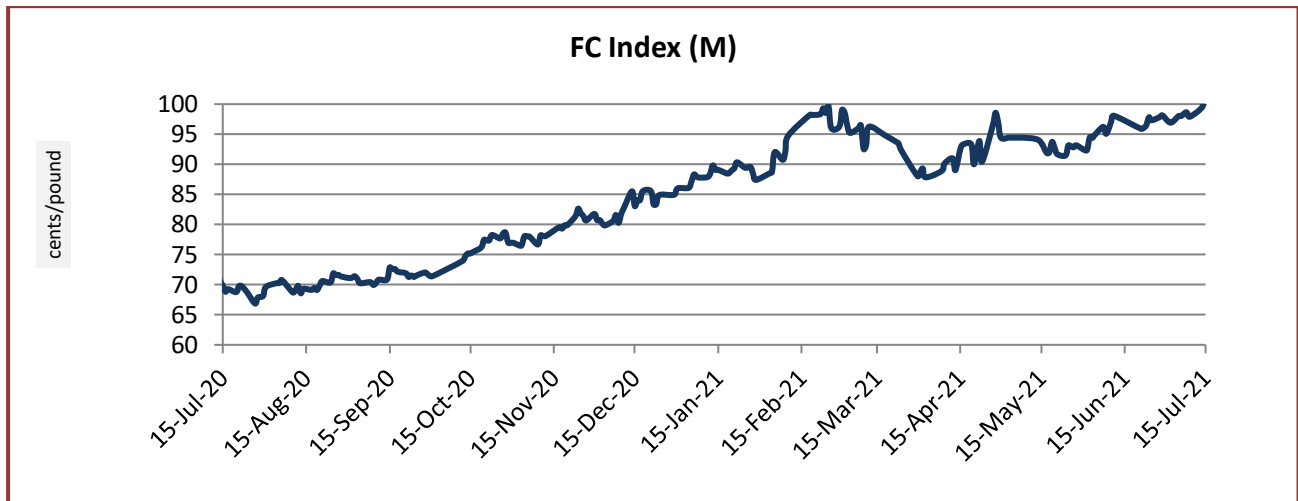
Source: Cotlook



China Cotton Index and Foreign Cotton Index

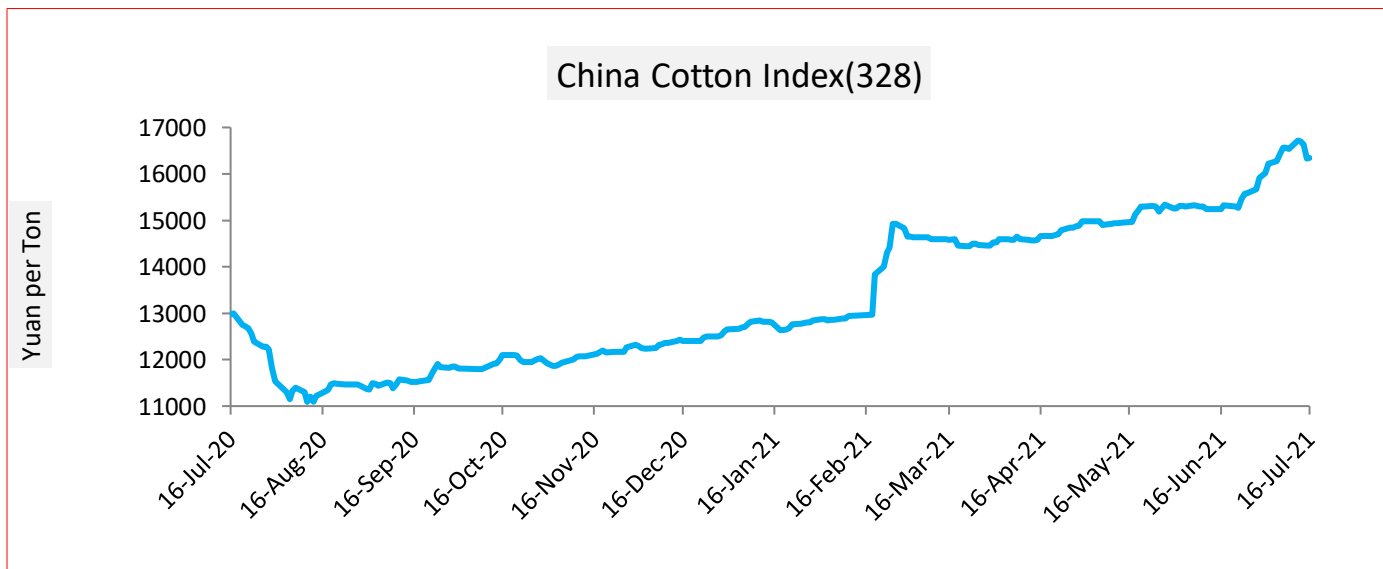
Cotton Index	Weekly Average Price as on		% Change
	14-July-21	07-July-21	
FC (S)	100.02	98.89	1.14
FC (M)	98.82	97.85	0.99
FC (L)	97.70	96.72	1.02
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	14-July-21	07-July-21	
CCIndex(328)	16612.60	16363.80	1.52
CCIndex(527)	15694.00	15454.60	1.55
CCIndex(229)	16968.20	16667.00	1.81
			Prices in Yuan per ton

Source: China Cotton Association

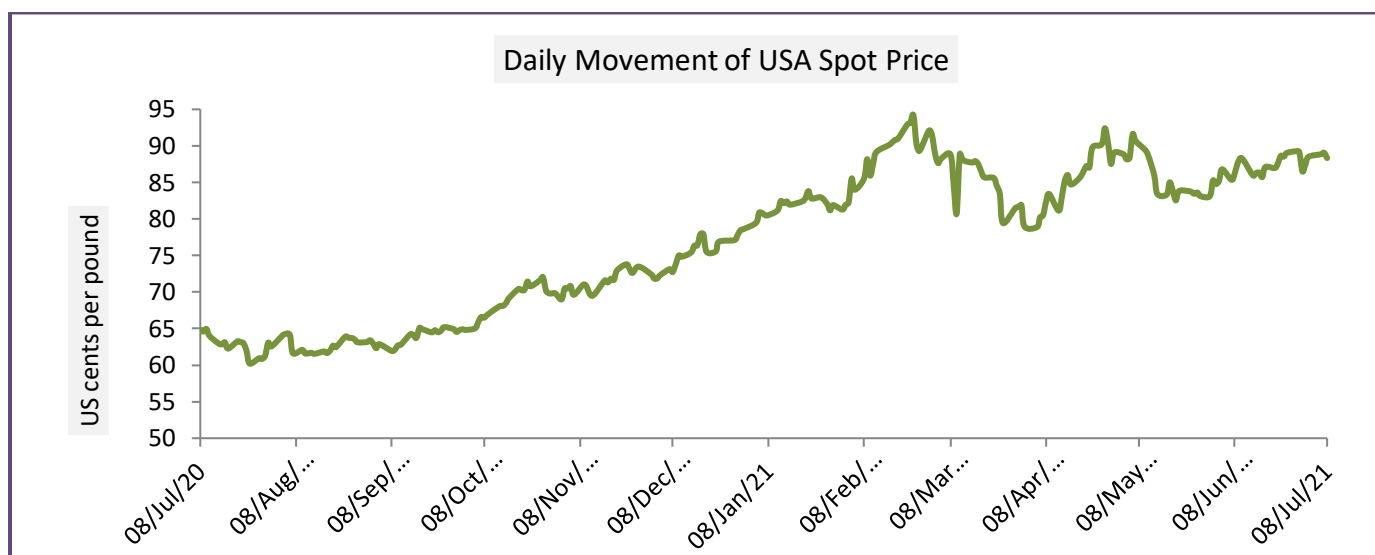


USA Spot Prices

U.S.A spot prices have increased from the prior week by 1.28 percent at 89.63 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	14-July-21	07-July-21	
Prices	89.63	88.33	1.28
Prices in US cents per Pound			

Source: USDA

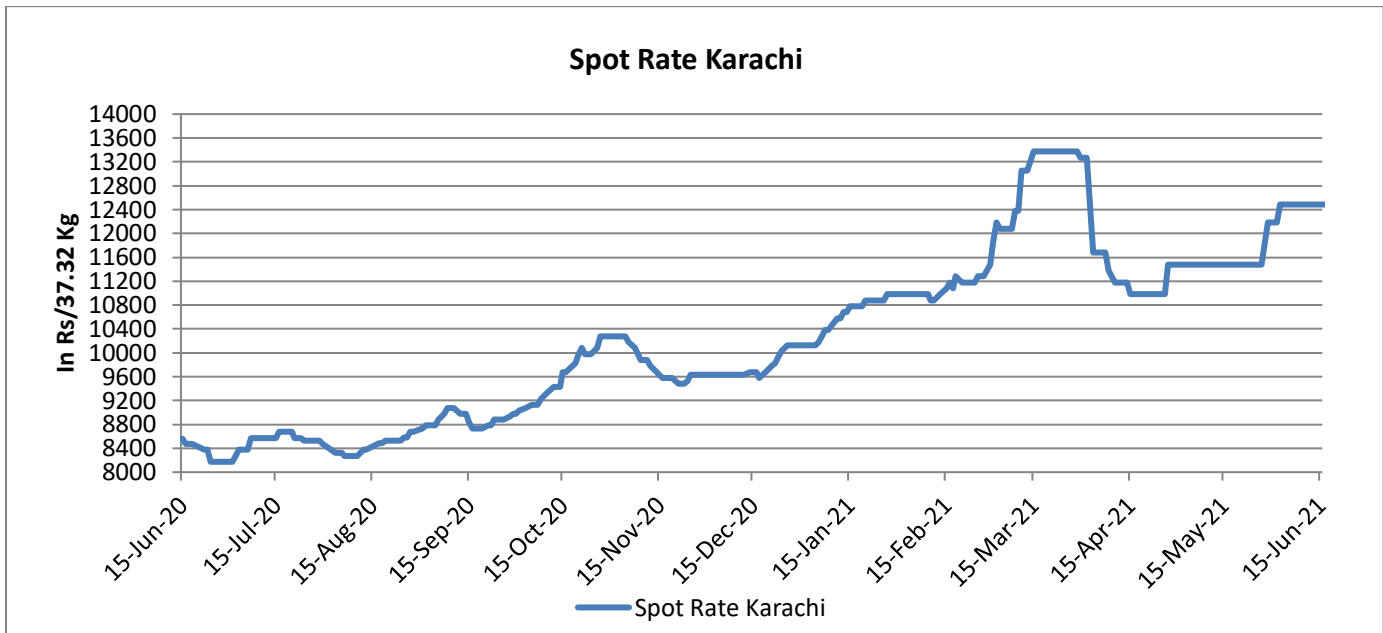


Pakistan Spot Prices

The Karachi spot price stood high around Rs.13280/q from previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	14-July-21	07-July-21	
Prices	13280	13040	1.84
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 around26000.
- 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	2400 0	2529 0	2590 0	2600 0	2620 0
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	2584 0	2588 0	2590 0	2586 0

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: Aug 20th, 2021

Cottonseed Oilcake



Technical Commentary:

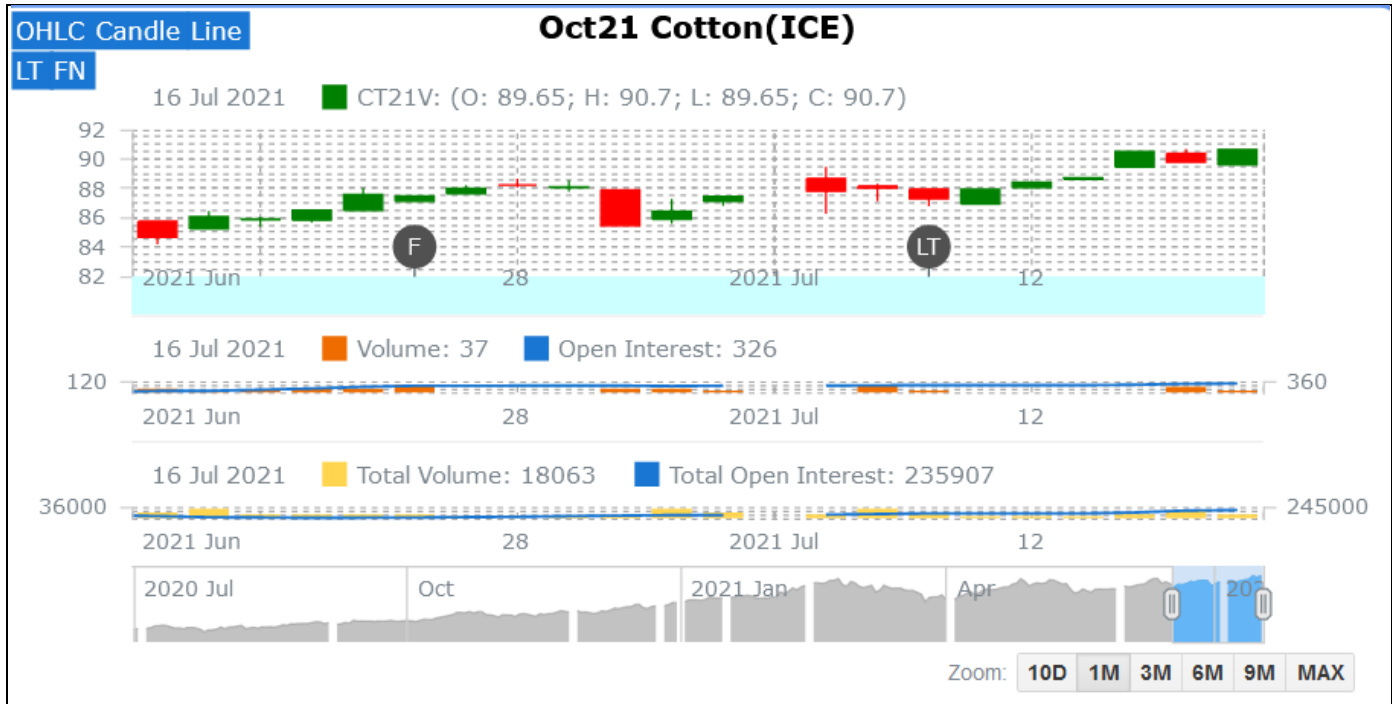
- Cottonseedoilcakeonthe weekly chartlooksbullish.
- On the intra-day chart, there exists a consolidation zone(support)at 2860andthenatrendlinesupportat 2800. Strong resistance is seen at 3000.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2500	2835	2876	3000	3100
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2915	2960	2980	2940

* 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	90-95

Expected Support and Resistance

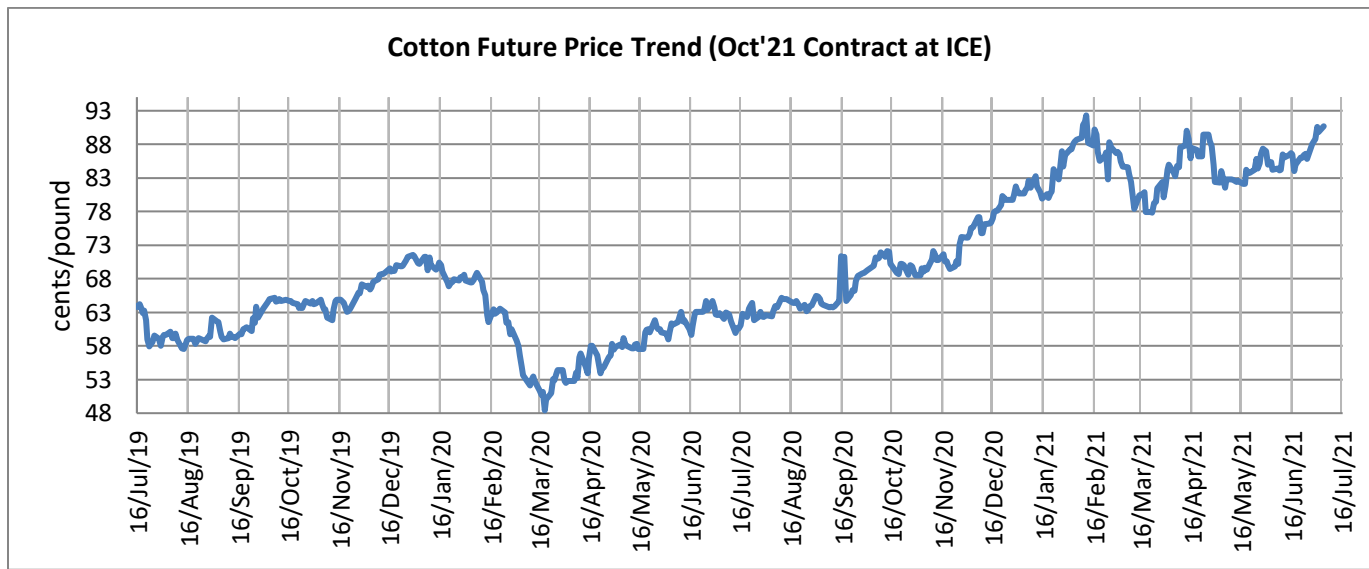
Support 1	Support 2	Resistance 1	Resistance 2
85	80	88	92

Figures in US cents/pound

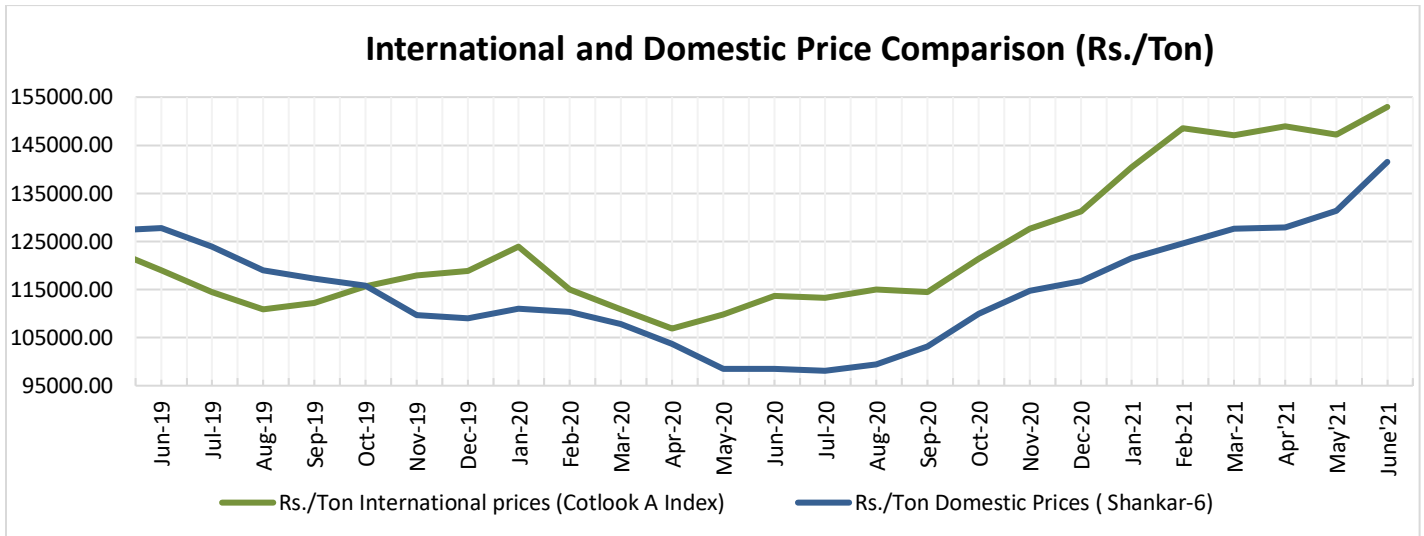
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	16-Jul-21	16-June-21 (1 month ago)	17-Apr-20 (3 months ago)	17-Jan-20 (6 months ago)	16-Jul-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	90.7	86.66	83.71	80.70	63.19	4.66	43.54
Dec-21	89.93	85.95	85.03	81.62	63.77	4.63	41.02
Mar-22	89.3	85.86	85.86	82.37	64.28	4.01	38.92
May-22	88.44	85.63	85.63	78.97	62.88	3.28	40.65
Jul-22	87.01	84.81	84.81	77.02	62.54	2.59	39.13

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	08th July'21 to 14th July'21	01st July'21 to 07th July'21	
Gujarat	Ahmedabad	Shankar-6	7875	7708	167
	Gondal	Shankar-6	7590	7638	-48
	Rajkot	B.T. Cotton	8171	7955	216
	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	7223	7233	-10
	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	6665	6508	157
	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	7555	7307	248
	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	08th July'21 to 14th July'21	01st July'21 to 07th July'21	
Punjab	Bhatinda	J-34	5293	5202	92
	Abohar	J-34	5290	5203	87
	Mansa	J-34	5272	5192	80
Haryana	Sirsa	J-34	5228	5148	80
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	08th July'21 to 14th July'21	01st July'21 to 07th July'21	
Gujarat	Ahmedabad	Shankar-6	7650	10540	-2890
	Gondal	Shankar-6	366	853	-487
	Rajkot	B.T. Cotton	1555	2275	-720
	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	1360	2380	-1020
	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	19000	23000	-4000
	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	698	1000	-302
	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	08th July'21 to 14th July'21	01st July'21 to 07th July'21	
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	16-Jul-21	09-Jul-21	16-Jul-21	16-Jul-20
Gujarat	Ahmedabad	Shankar-6	8000	7750	8000	4850
	Gondal	Shankar-6	7875	7755	7875	5500
	Rajkot	B.T. Cotton	8605	8120	8605	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	7260	7250	7260	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	6800	Closed	6800	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	7640	7519	7640	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	16-Jul-21	09-Jul-21	16-Jul-21	16-Jul-20
Punjab	Bhatinda	J-34	5340	5280	5340	0
	Abohar	J-34	5340	5280	5340	0
	Mansa	J-34	5330	5250	5330	0
Haryana	Sirsa	J-34	5280	5220	5280	3540
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	16-Jul-21	09-Jul-21	16-Jul-21	16-Jul-20

Gujarat	Ahmedabad	Shankar-6	850	1700	850	13600
	Gondal	Shankar-6	80	87	80	#N/A
	Rajkot	B.T. Cotton	500	280	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	170	170	170	#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	8000	Closed	8000	#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	256	221	256	0
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	16-Jul-21	09-Jul-21	16-Jul-21	16-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
				08th July'21 to 14th July'21	01st July'21 to 07th July'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41600	41467	133
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42200	42017	183
J-34(202)	26mm	3.5 - 4.9	23	49020	48167	853
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	50140	49417	723
Shankar-6(105)	29mm	3.5 - 4.9	28	52620	51967	653
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	54320	53883	437
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	55240	55050	190
DCH-32(107)	34mm	3.0 - 3.8	33	90580	88333	2247

Disclaimer

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