

COTTON WEEKLY RESEARCH REPORT
26th July 2021**Domestic market summary**

- **Domestic Market Scenario:** Cotton sowing is progressing across India for the coming 2021-22 season. Cotton Corporation of India has opened more than 450 procurement centers in 2020-21 season. Indian physical market is doing well and crossed Rs. 56000 per candy mark for Shanker-6.

Weekly Price Outlook: The average price of Kapas is likely to remain firm between Rs. 6900-8800/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs. 5600-7300/q.

Major Market Highlights:

- The Cotlook index stood higher (98.80cents/lbs) compared to the ICE cotton future that stood at 86.71 cents/lbs.
- Indian rupee remained between 74.40 to 74.87 against USD.

Market Highlights:

- **Cotton Corporation of India has opened more than 450 procurement centers in 2020-21.** The Cotton Corporation of India has procured around 91.89 lakh bales of cotton so far during the current cotton season 2020-21 and has opened 450 procurement center in the current season. This is equivalent to procurement of 482 lakh quintals. As per CCI, an amount of Rs. 26,700 crore has been disbursed to around 19 lakh cotton farmers.
- **India rejects industry demand to roll back 10 percent import duty on cotton.** The finance minister Nirmala Sitharaman has declined the industry demand to do away with 10 per cent import duty on cotton, saying the move was aimed at benefitting domestic cotton producers, which in turn would boost domestic value addition and reduce import dependence. Garment manufacturers however, have argued that the decision has made export of high quality clothing uncompetitive in the global market. The finance minister further said, that the Imports of cotton has surged significantly in last few years, even though India is the largest producer of cotton in the world. All varieties of cotton, including those which were produced in India were being imported in large quantities. This has impacted the Indian farmer adversely.
- **Punjab Agriculture University officials have advised the farmers to monitor the cotton crop against pest attack.** Cotton for this Kharif season has been grown in 3.11 lakh hectares in Punjab. According to the survey conducted by the Punjab Agriculture University, so far the whitefly population in cotton has not reached the economic threshold level (ETL) so currently the situation is in control and farmers need not to

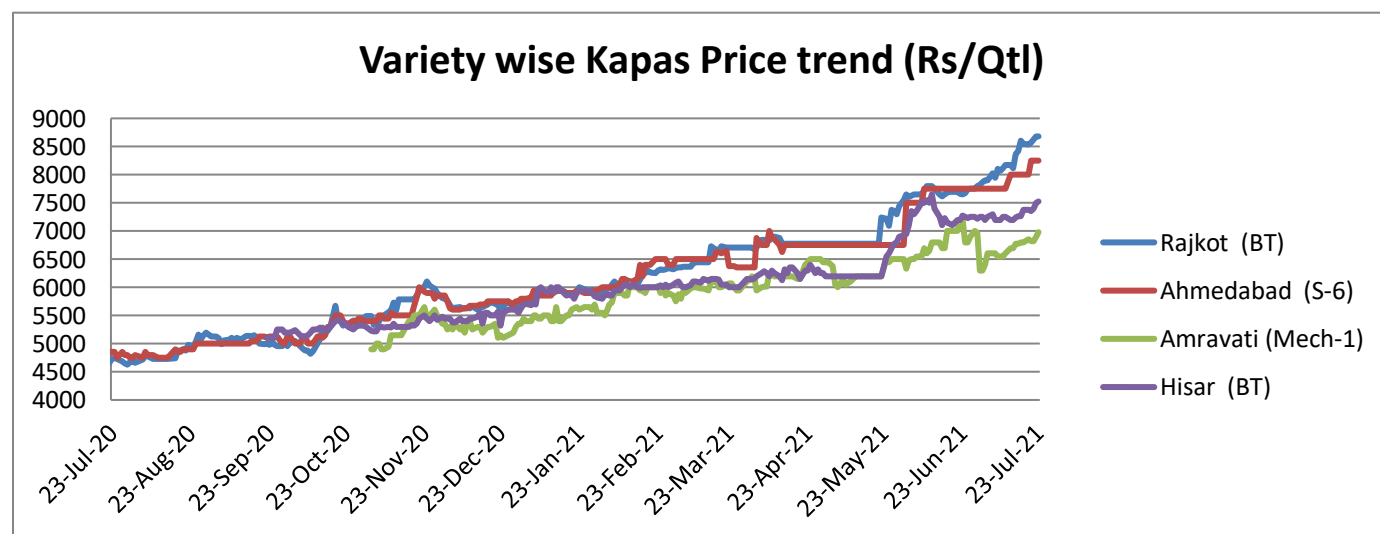
fear. In case of Pink Bollworm infestation, some insects of pink bollworm and whitefly were noticed in the fields of Bhatinda and Mansa districts earlier but there is no fear so far, also farmers are advised to monitor there fields.

- India's share in global exports of textile shrinks due to high cost.** The share of the textile sector in the total Indian merchandise export declined from 24 percent in 2001 to 11 percent in 2020. Cotton yarn contribution in Indian export declined during the same period from 2 percent to approximately 1 percent and the readymade garments share of exports declined from 11 percent to 4 percent. As per the CRISIL report, lack of free trade agreement and significant improvement in peer competitiveness are the main cause for this dip.
- According to CRISIL, Farmers may change their Kharif cropping pattern especially in the northwest and central India due to rainfall deficit as high as 55 percent.** Farmers may shift from oilseed such as soybean & groundnut to crop which have lower water requirements such as cotton and maize. Kharif sowing was also lower this time as compared to last year, with a total acreage lagging behind 12 percent. Earlier, the south west monsoon arrived in the country on 3rd June this year, and had covered 93 percent of Kharif acreage by 23rd June 2021, a week before its usual onset but after that point the monsoon played truant, resulting in a 32 percent deficit compared with the long period average between 23rd June to 12th July 2021.

Domestic Cotton Prices Scenario

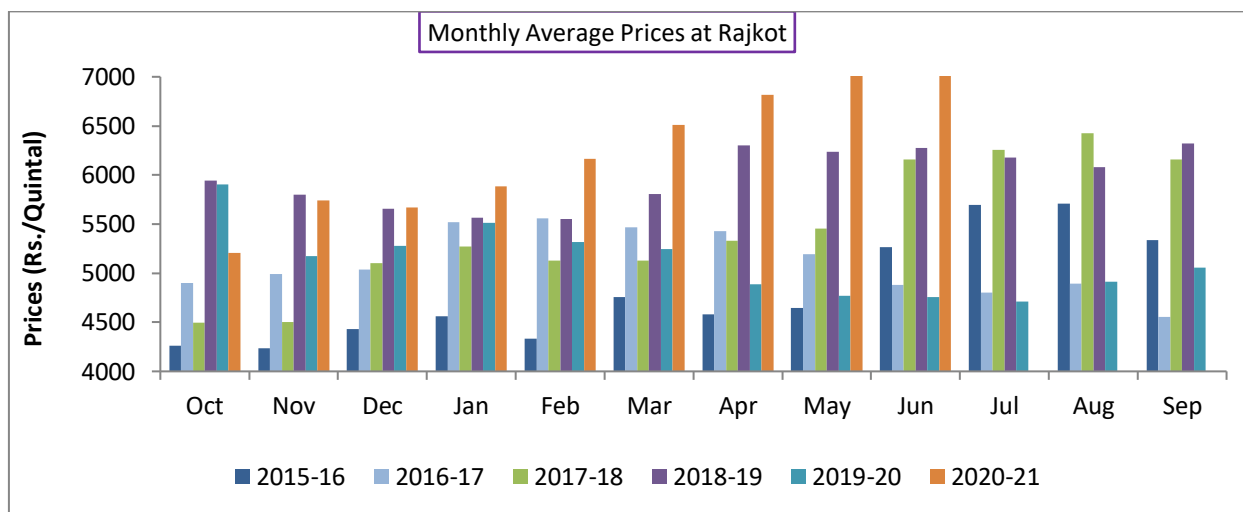
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was high at Rs.8550/q from the previous week at Rs. 8229/q, whereas Ahmedabad prices were high at Rs. 8083/q but prices in Amravati were at Rs. 6812/qt.



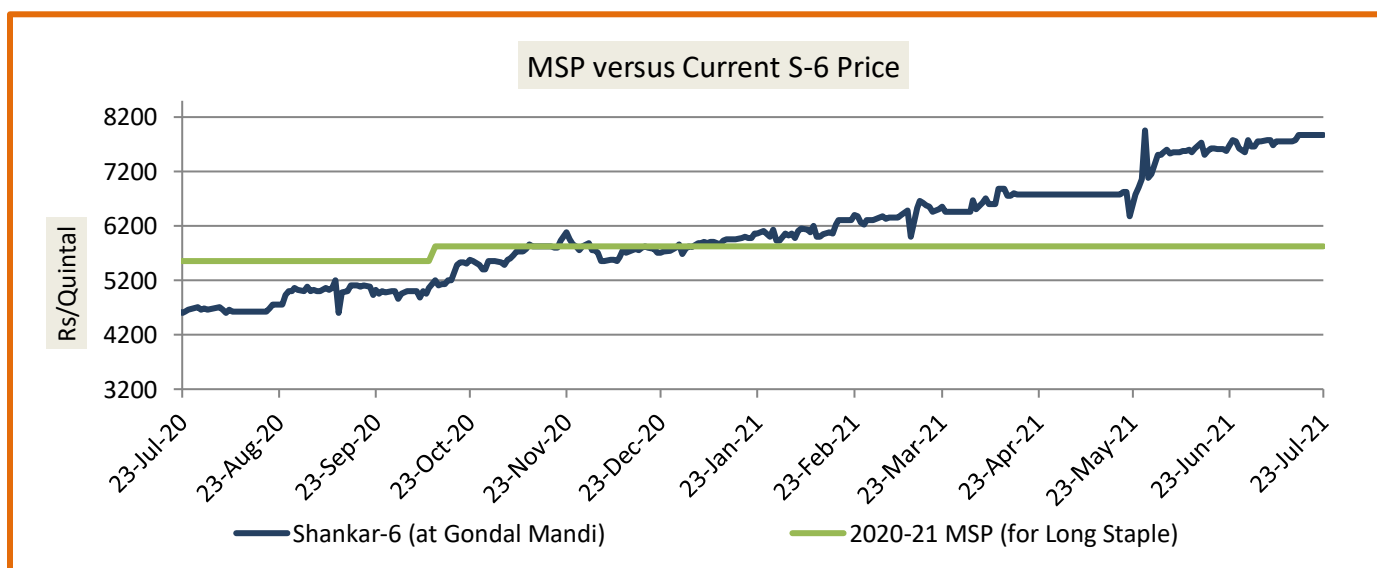
Kapas Monthly M-o-M Price Scenario

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

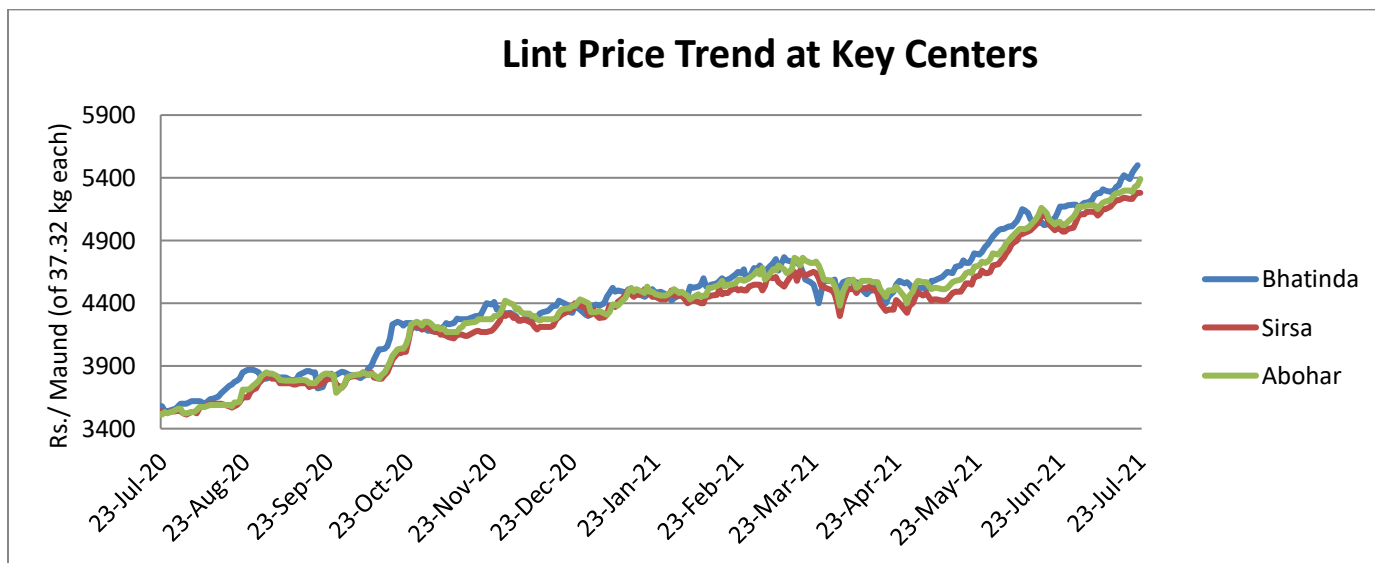
Average kapas price at Gondal market stood higher at Rs. 7875/q from previous week at Rs. 7779/q.



Source: Agriwatch

Lint price Outlook

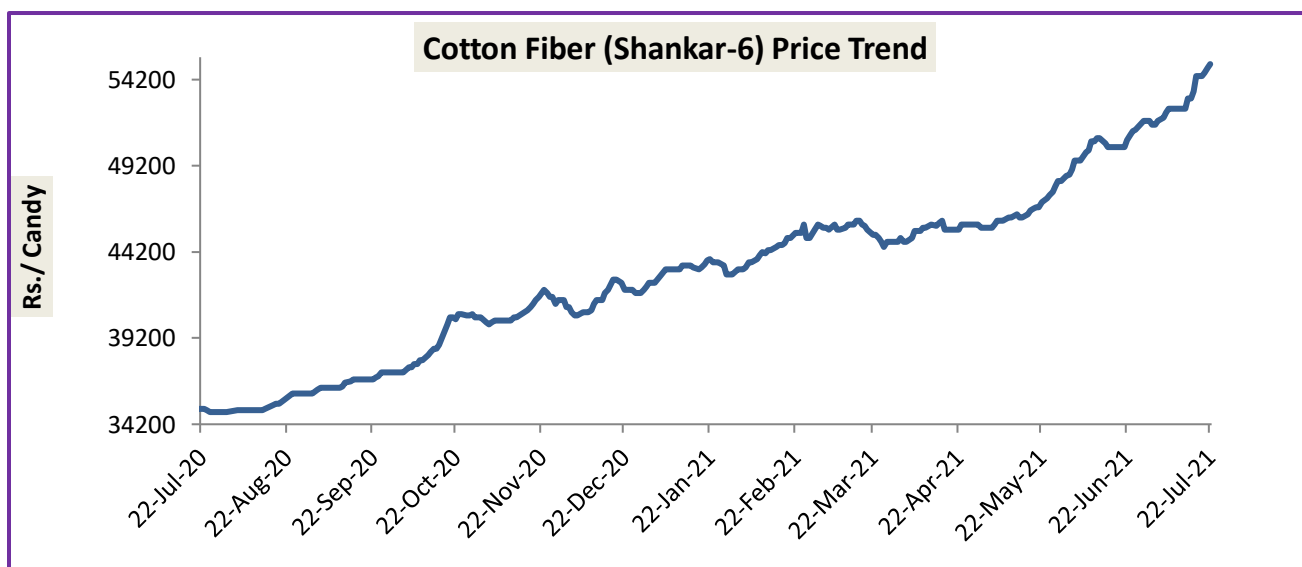
The average price stood higher at Rs.5383/maund of lint in Abohar, in Bhatinda was high at Rs.5385/ maund, and Rs.5315/maund in Sirsa.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was higher from the previous week at Rs.54150/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

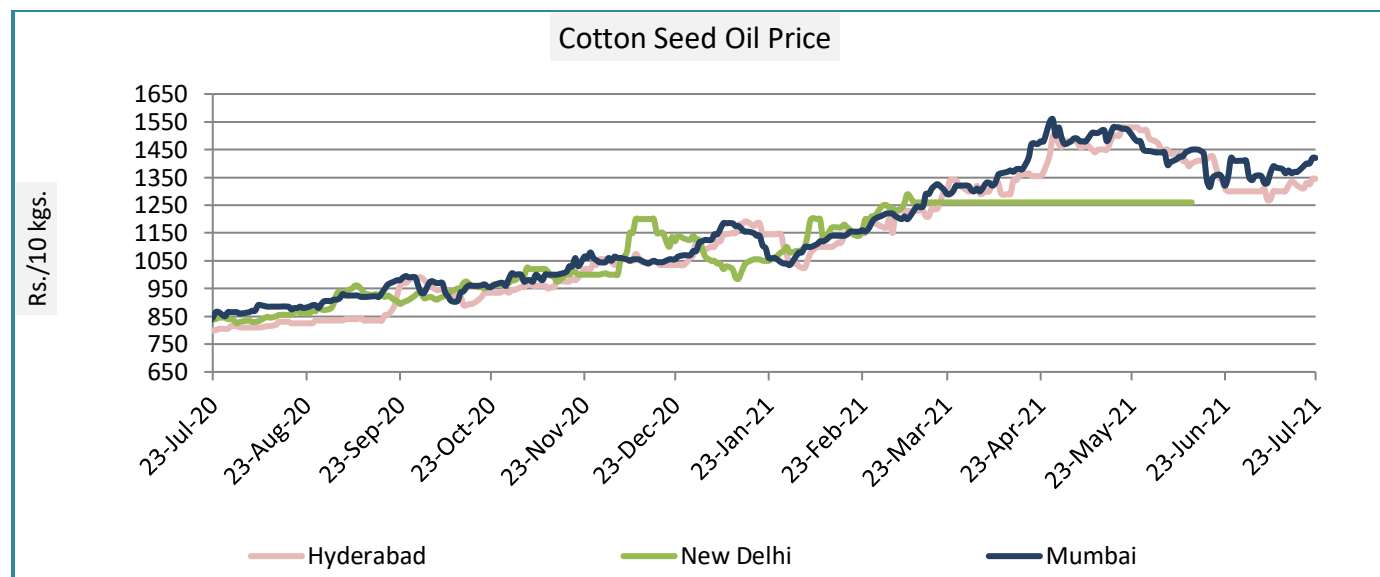
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have increased across the major centers except Mumbai during the week ending on 26th July'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	26-July-21	14-July-21	
New Delhi	-	-	-
Rajkot	1412	1362	3.65
Hyderabad	1388	1329	4.46
Mumbai	1415	1371	3.21

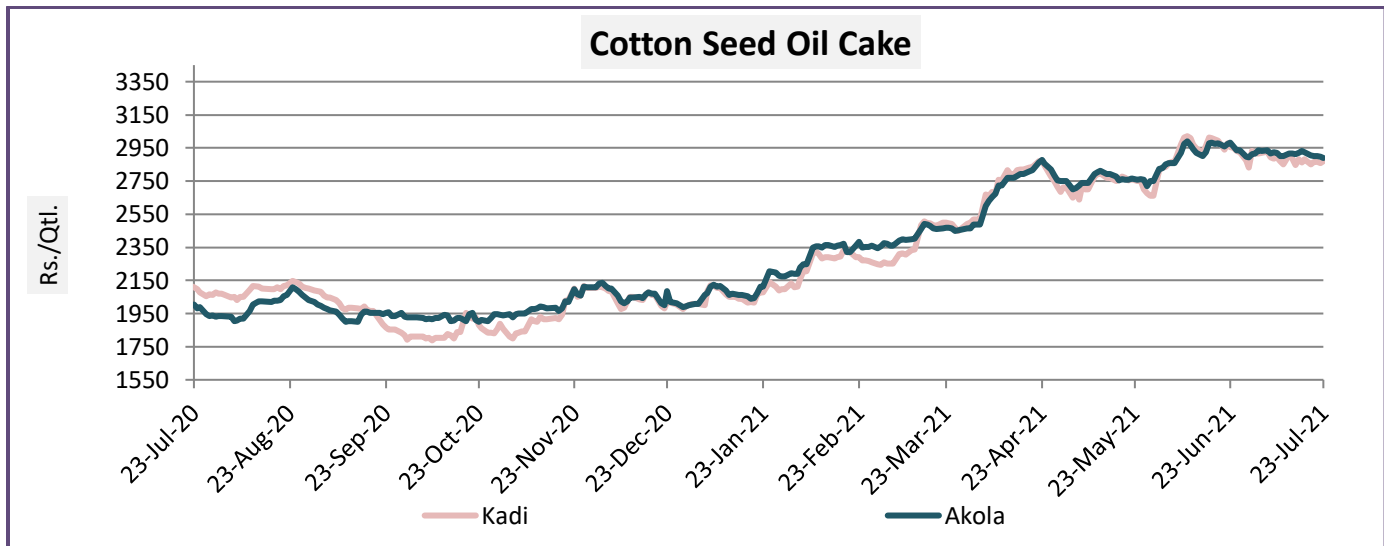
Source: Agriwatch



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. 2867 per quintal from Rs. 2876 per quintal and in Akola was at Rs. 2914 per quintal from Rs. 2911 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	26-July-21	14-July-21	
Kadi	2867	2876	-0.31
Akola	2914	2911	0.09



Source: NCDEX

International Market Scenario

- Vietnam has seen decline in textile orders. With many local textile garments makers unable to confirm when they can resume operations, many of their foreign business partners are switching orders from Vietnam to other countries.
- 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.

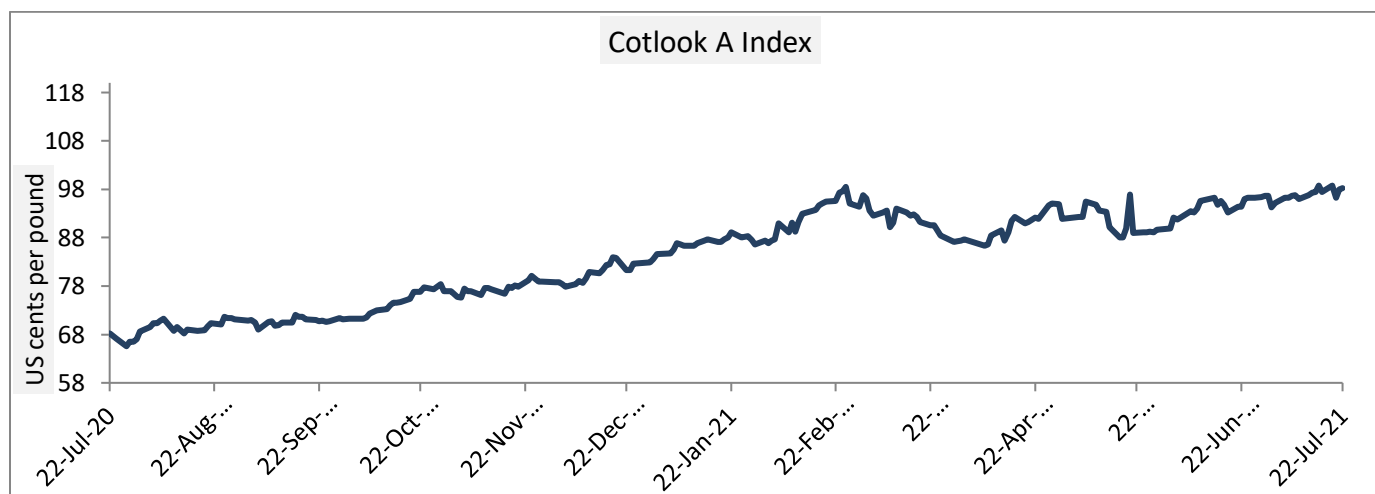
Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 97.84cents/lb lower as compared to the previous week (96.88cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	26-July-21	14-July-21	
Prices	97.84	96.88	0.99

Prices in US cents per Pound

Source: Cotlook



China Cotton Index and Foreign Cotton Index

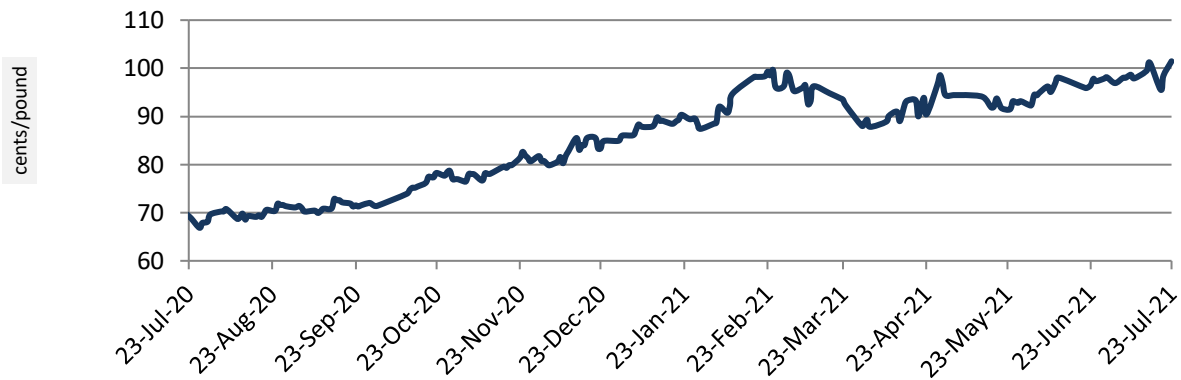
Cotton Index	Weekly Average Price as on		% Change
	26-July-21	14-July-21	
FC (S)	100.28	100.02	0.26
FC (M)	99.14	98.82	0.33
FC (L)	98.01	97.70	0.31

Prices in US cents per Pound

Source: China Cotton Association



FC Index (M)

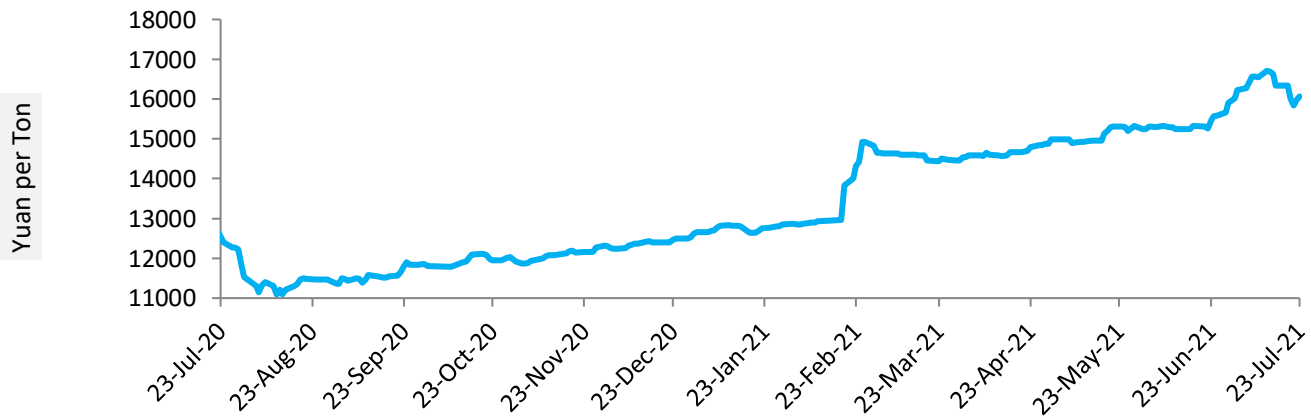


Cotton Index	Weekly Average Price as on		% Change
	26-July-21	14-July-21	
CCIndex(328)	17079.80	16612.60	2.81
CCIndex(527)	16106.60	15694.00	2.63
CCIndex(229)	17415.60	16968.20	2.64

Prices in Yuan per ton

Source: China Cotton Association

China Cotton Index(328)

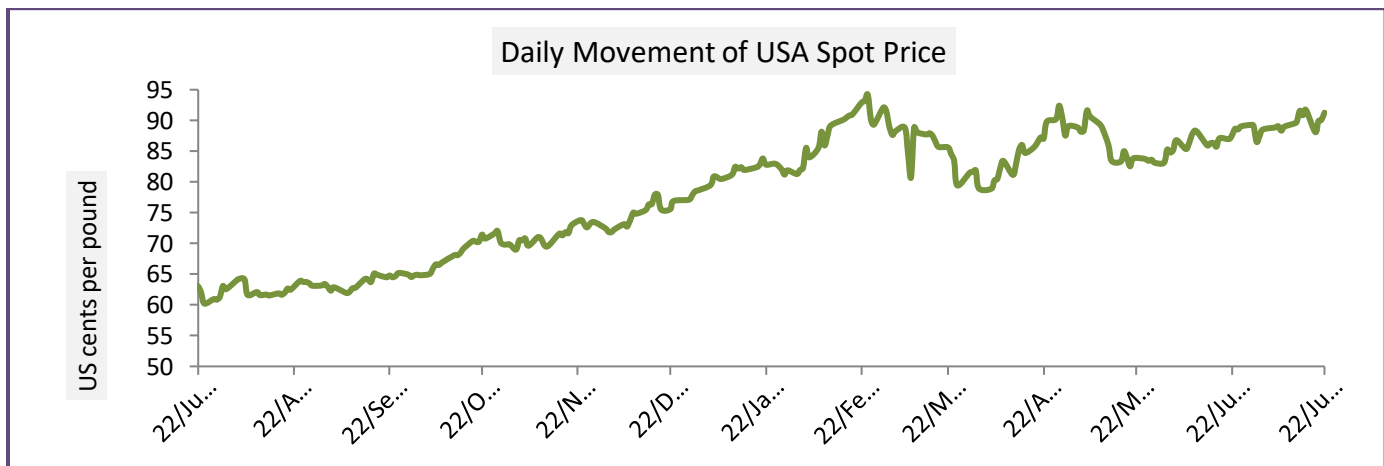


USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.55 percent at 90.12 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	26-July-21	14-July-21	
Prices	90.12	89.63	0.55
Prices in US cents per Pound			

Source: USDA

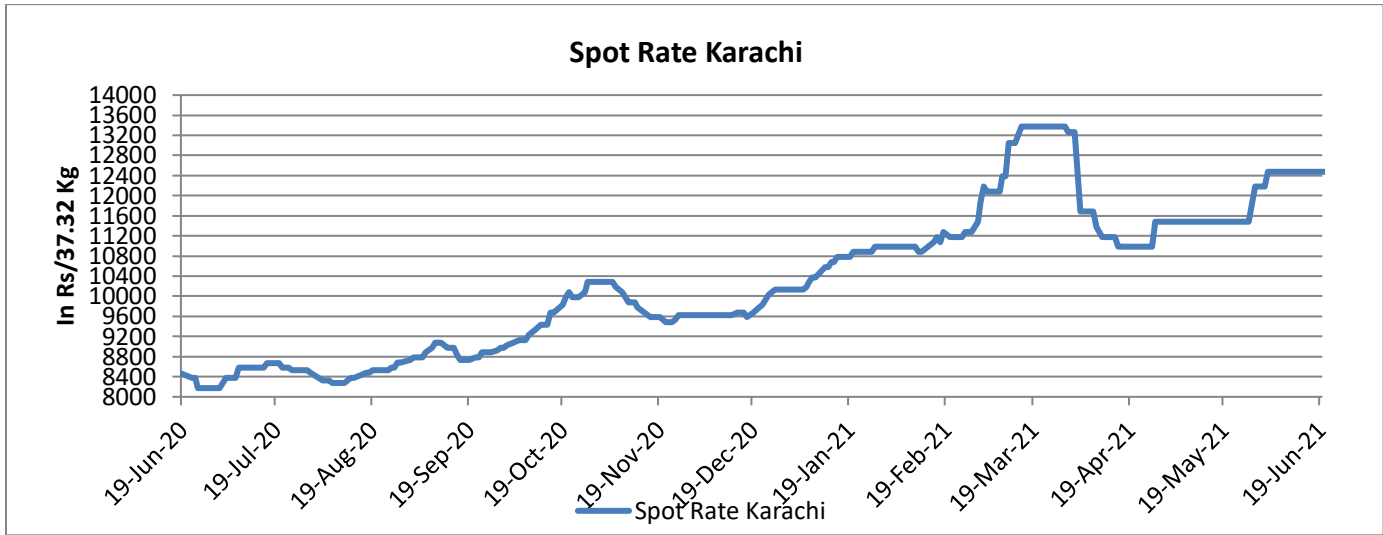


Pakistan Spot Prices

The Karachi spot price stood high around Rs.13563/q from previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	26-July-21	14-July-21	
Prices	13563	13280	2.13
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: July. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/07/23 - Daily B:26570.00 A:26670.00
O:26800.00 H:26820.00 L:26460.00 C:26620.00 ↑ V:1,214 T:791,819 I:1,177 +10 +0.04%



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 26990.
- 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	MCX	Mar	25000	25290	26610	26990	27000
			Call	Entry	T1	T2	SL
Cotton	MCX	Mar	Buy	26800	26900	26940	26890

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 2920.

Strategy: **Buy**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2750	2835	2814	2920	2950
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2815	2860	2880	2820

* 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 range bound in the coming week.

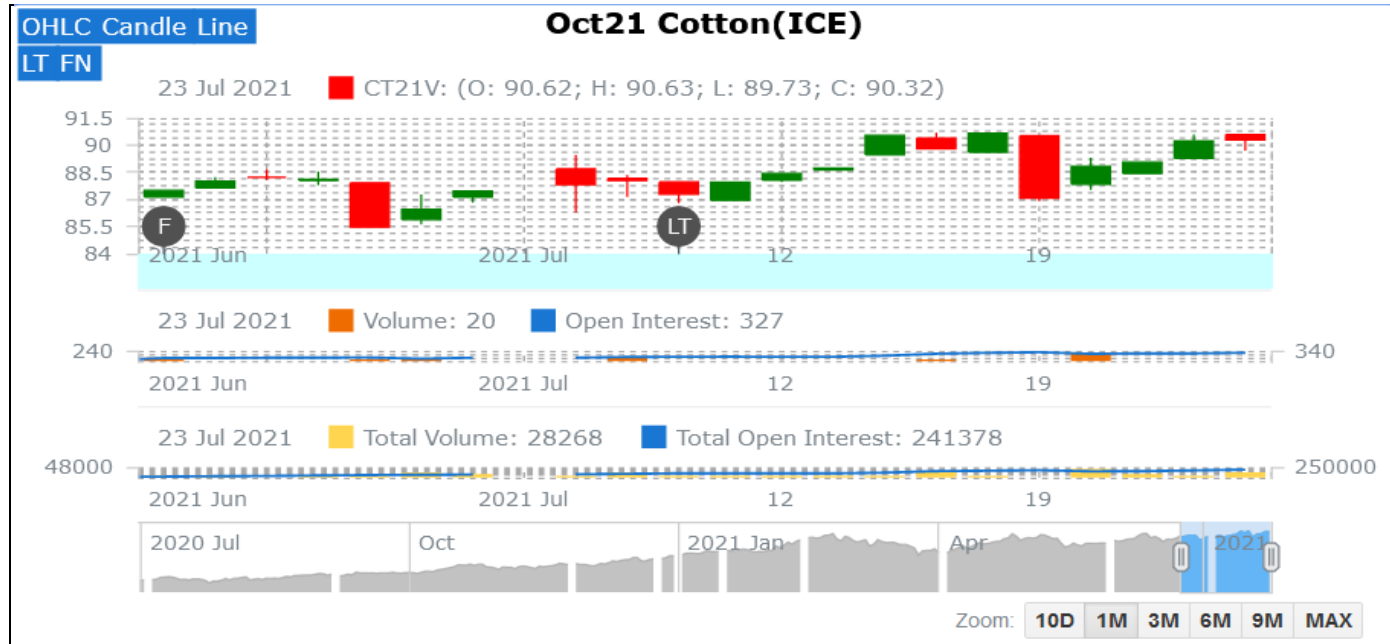
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	90-95

Expected Support and Resistance

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

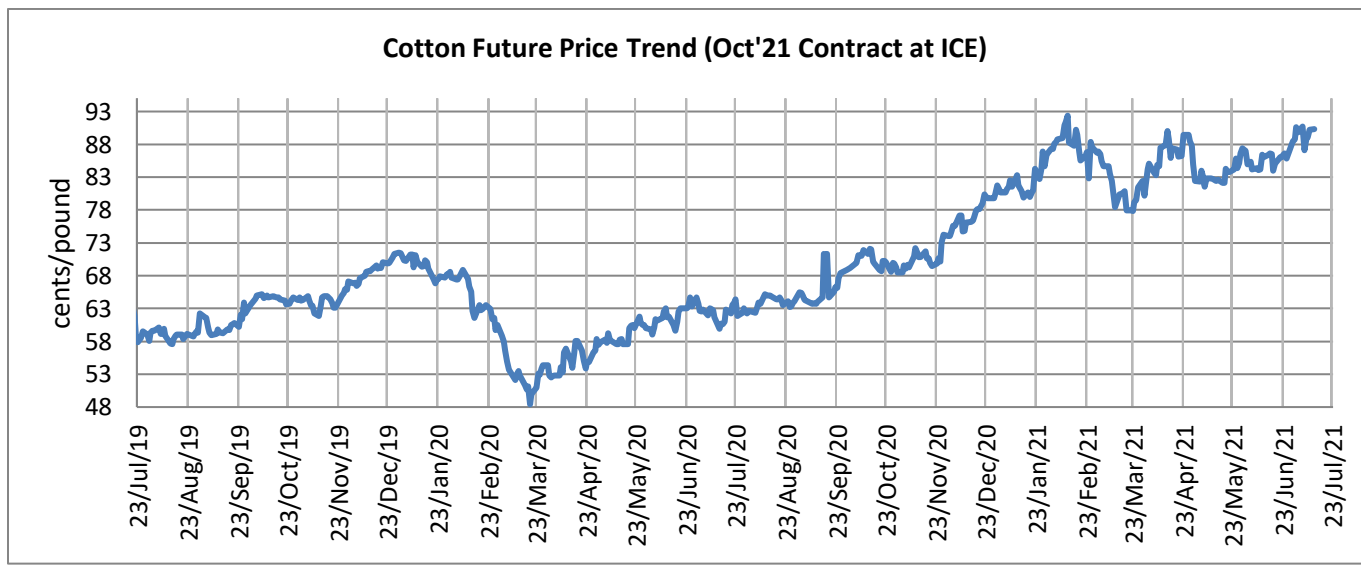
Figures in US cents/pound



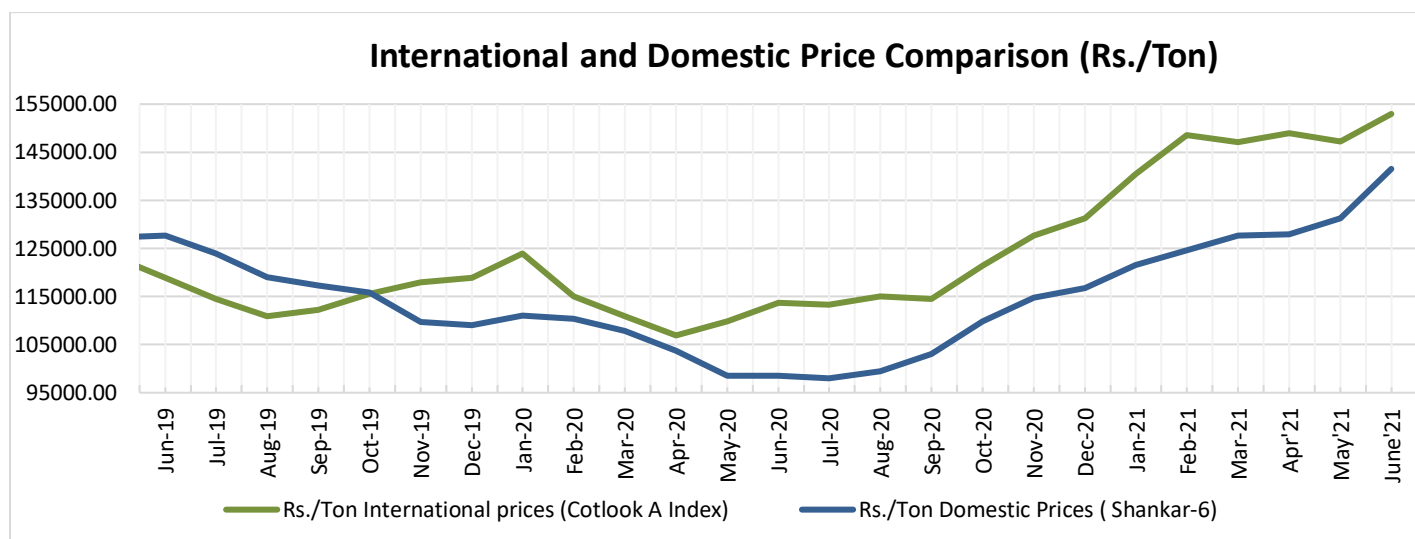
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	23-Jul-21	23-June-21 (1 month ago)	24-Apr-20 (3 months ago)	24-Jan-20 (6 months ago)	23-Jul-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	90.32	87.63	87.51	81.56	62.63	3.07	44.21
Dec-21	89.66	86.94	88.80	82.66	63.24	3.13	41.78
Mar-22	89.25	86.43	86.38	83.56	63.82	3.26	39.85
May-22	88.38	85.96	84.93	80.02	61.68	2.82	43.29
Jul-22	86.98	84.89	84.46	78.47	61.92	2.46	40.47

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	15th July'21 to 21st July'21	08th July'21 to 14th July'21	
Gujarat	Ahmedabad	Shankar-6	8083	7875	208
	Gondal	Shankar-6	7875	7590	285
	Rajkot	B.T. Cotton	8550	8171	379
	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	7338	7223	115
	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	6810	6665	145
	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	7674	7555	119
	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	15th July'21 to 21st July'21	08th July'21 to 14th July'21	
Punjab	Bhatinda	J-34	5385	5293	92
	Abohar	J-34	5383	5290	93
	Mansa	J-34	5363	5272	91
Haryana	Sirsa	J-34	5315	5228	87
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	15th July'21 to 21st July'21	08th July'21 to 14th July'21	
Gujarat	Ahmedabad	Shankar-6	4420	7650	-3230
	Gondal	Shankar-6	160	366	-206
	Rajkot	B.T. Cotton	3170	1555	1615
	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	1105	1360	-255
	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	32000	19000	13000
	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	557	698	-141
	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	15th July'21 to 21st July'21	08th July'21 to 14th July'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	24-Jul-21	17-Jul-21	24-Jul-21	24-Jul-20
Gujarat	Ahmedabad	Shankar-6	NA	8000	NA	4850
	Gondal	Shankar-6	NA	0	NA	5500
	Rajkot	B.T. Cotton	8710	8545	8710	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	7540	7380	7540	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	0	0	0	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	24-Jul-21	17-Jul-21	24-Jul-21	24-Jul-20
Punjab	Bhatinda	J-34	5510	5390	5510	0
	Abohar	J-34	5510	5390	5510	0
	Mansa	J-34	5510	5380	5510	0
Haryana	Sirsa	J-34	5470	5280	5470	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	24-Jul-21	17-Jul-21	24-Jul-21	24-Jul-20
Gujarat	Ahmedabad	Shankar-6	NA	850	NA	13600
	Gondal	Shankar-6	NA	0	NA	#N/A
	Rajkot	B.T. Cotton	350	500	350	#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	255	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	6000	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	0	0	0	0
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	150
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	24-Jul-21	17-Jul-21	24-Jul-21	24-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
				15th July'21 to 21st July'21	08th July'21 to 14th July'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41700	41600	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42300	42200	100
J-34(202)	26mm	3.5 - 4.9	23	50100	49020	1080
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	51533	50140	1393
Shankar-6(105)	29mm	3.5 – 4.9	28	54150	52620	1530
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	55717	54320	1397
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	56433	55240	1193
DCH-32(107)	34mm	3.0 - 3.8	33	91000	90580	420

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