

COTTON WEEKLY RESEARCH REPORT
16th Aug 2021**Domestic market summary**

- **Domestic Market Scenario:** Cotton sowing is progressing across India for the coming 2021-22 season. Till 13th Aug 2021 cotton sowing across India has reached 116.172 lakh hectares compared to previous season sowing at 116.38 lakh hectares during the same time. Indian physical market remained stable during this week. No major quantity was sold by CCI during this week.

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.5600-7900/q.

Major Market Highlights:

- The Cotlook index stood higher (97.90cents/lbs) compared to the ICE cotton future that stood at 89.63 cents/lbs.
- Indian rupee remained between 74.00 to 74.50 against USD.

Market Highlights:

- **Around 116.17 lakh hectares of area has been sown under cotton.** For the coming season 2021-22, Cotton sowing is progressing in all the parts of the country across India. Till 13th Aug'2021, about 116.17 lakh hectares area was sown in India compared to normal of corresponding week 116.38 lakh hectares last year. Thus 0.21 lakh hectare less area has been covered as compared to corresponding week of last year. Higher area was reported from the states of Telangana (4.71 lakh hectares), Karnataka (0.60 lakh hectares), Haryana (0.42 lakh hectares), Rajasthan (0.59 lakh hectares), Odisha (0.36 lakh hectares), and Tamil Nadu (0.01 lakh hectares). Less area was reported from the states of Andhra Pradesh (1.07 lakh hectares), Madhya Pradesh (0.23 lakh hectares), Gujarat (2.79 lakh hectares), Punjab (0.62 lakh hectares) and Maharashtra (2.31 lakh hectares).
- **Cotton Association of India has reduced its July estimate for 2020-21 cotton crop by 1.50 lakh bales to 354.50 lakh bales from its previous estimate of 356 lakh bales.** The Cotton production estimate for the central zone has been reduced by 0.50 lakh bales to 193.50 lakh bales from 194 lakh bales estimated during the previous month. Cotton crop estimate for the southern zone has been reduced by 1 lakh bales to 90.50 lakh bales compared to the previous estimate of 91.50 lakh bales. Further, the cotton consumption was estimated at around 275 lakh bales, and exports up to 31st July'2021 were estimated to be 70 lakh bales,

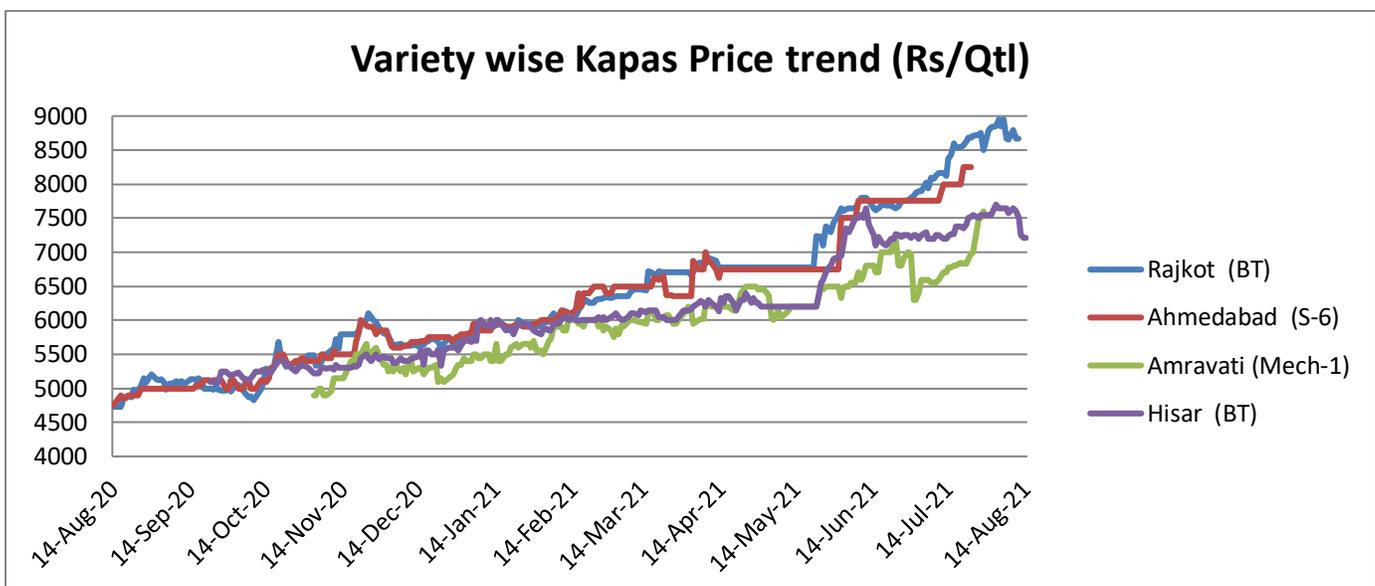
cotton imports have reached 9 lakh bales till 31st July'2021 and stock at the end of July'2021 was estimated at 137.61 lakh bales.

- **According to USDA'S Cotton Products update report, For the 2021-22 season India's cotton production is forecasted at 29.0 million bales, unchanged from the last month and up by around 2 percent from the previous year (28.0 million bales).** The area harvested is forecasted at 12.9 million hectares marginally down from last month due to the slow progression of the southwest monsoon and competition with other crops such as soybean and pulses. Kharif cotton planting is underway in central and southern India as the two week monsoon delay has been followed by intense rains across the cotton producing states. Mill consumption is good at 25.5 million bales buoyed by strong export orders.
- **Cotton crop gets infected with parawilt in Mansa district.** Due to the sudden change in the temperature cotton crop in some villages of Mansa district was affected by parawilt diseases. The disease is mainly caused due to rains when the temperature was high. As per agricultural experts, parawilt is also caused when the crop is sown in saline water. Cotton crops in villages like Jatana Kalan, Naharan, Karandi, Khaira Khurd, Khaira Kalan, Jhanda Khurd, Jhanda Kalan in Mansa district has shown signs of parawilt. The Agriculture Department has asked farmers not to panic over the attack as it could be controlled by spraying insecticides which are distributed free of cost by the government.

Domestic Cotton Prices Scenario

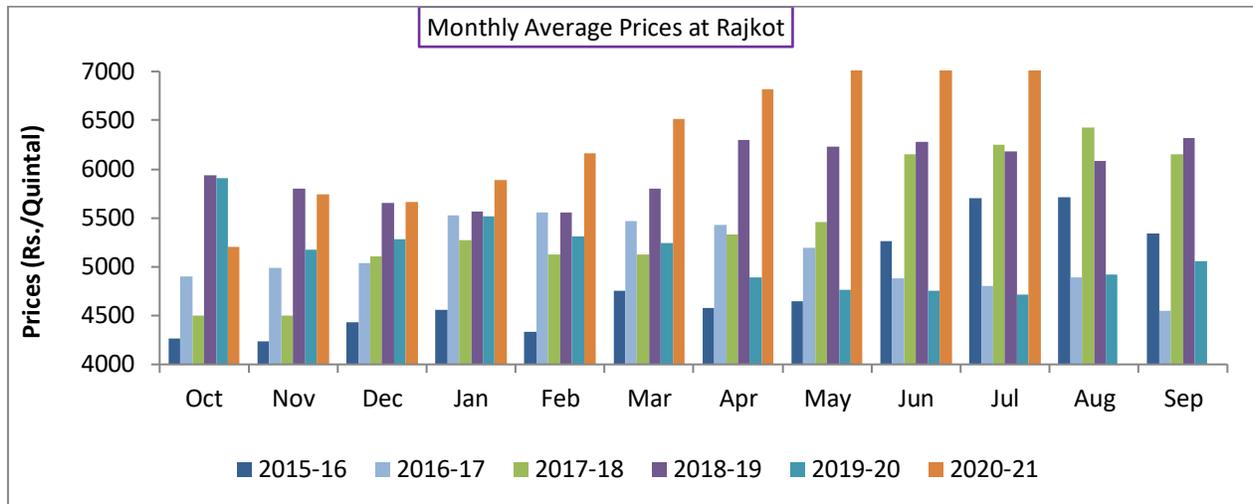
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was low at Rs. 8673/q and in Hisar were prices were at Rs. 7605/qt.



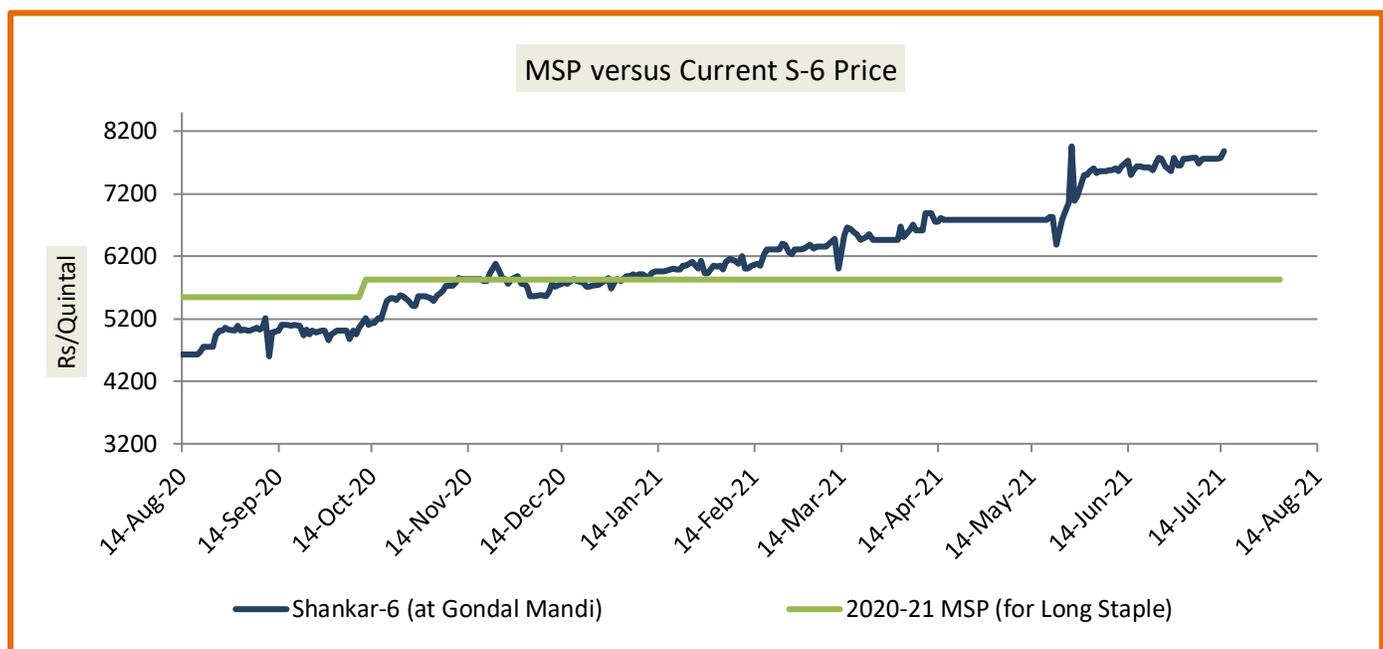
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of June were higher in the market and the monthly average price were also higher at Rs. 8392/q compared to the prices during the corresponding month of the previous season.(Rs. 4713/q)



Spot Price versus MSP

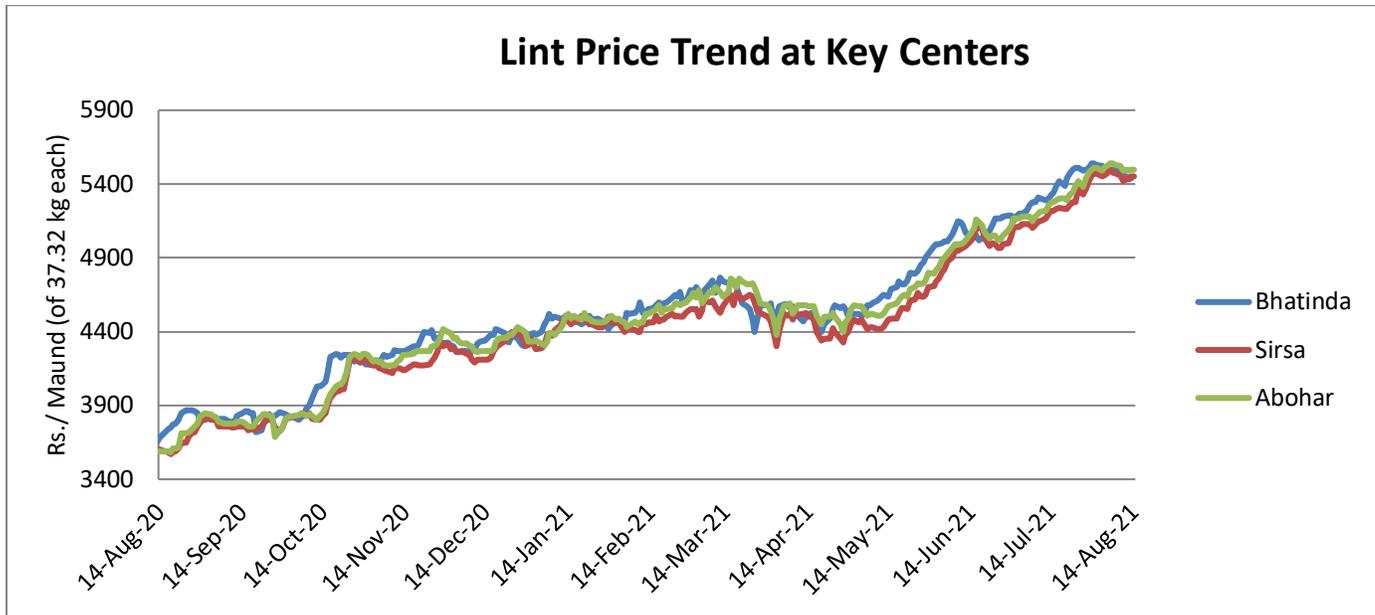
Arrivals were not available in Gondal Market. Average kapas price at Gondal market stood at Rs. 7875/q in the previous week.



Source: Agriwatch

Lint price Outlook

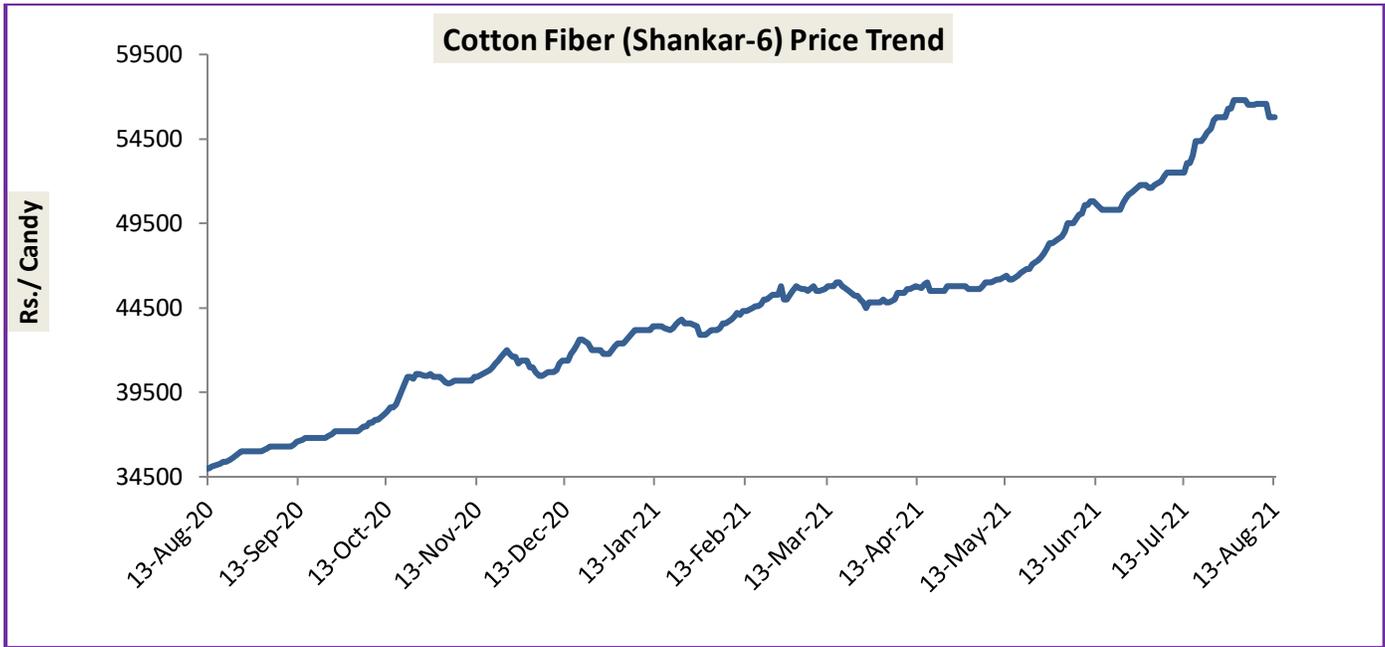
The average price stood lower at Rs.5486/maund of lint in Abohar, in Bhatinda was low at Rs.5486/ maund, and Rs.5424/maund in Sirsa.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices was lower from the previous week at Rs.56433/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

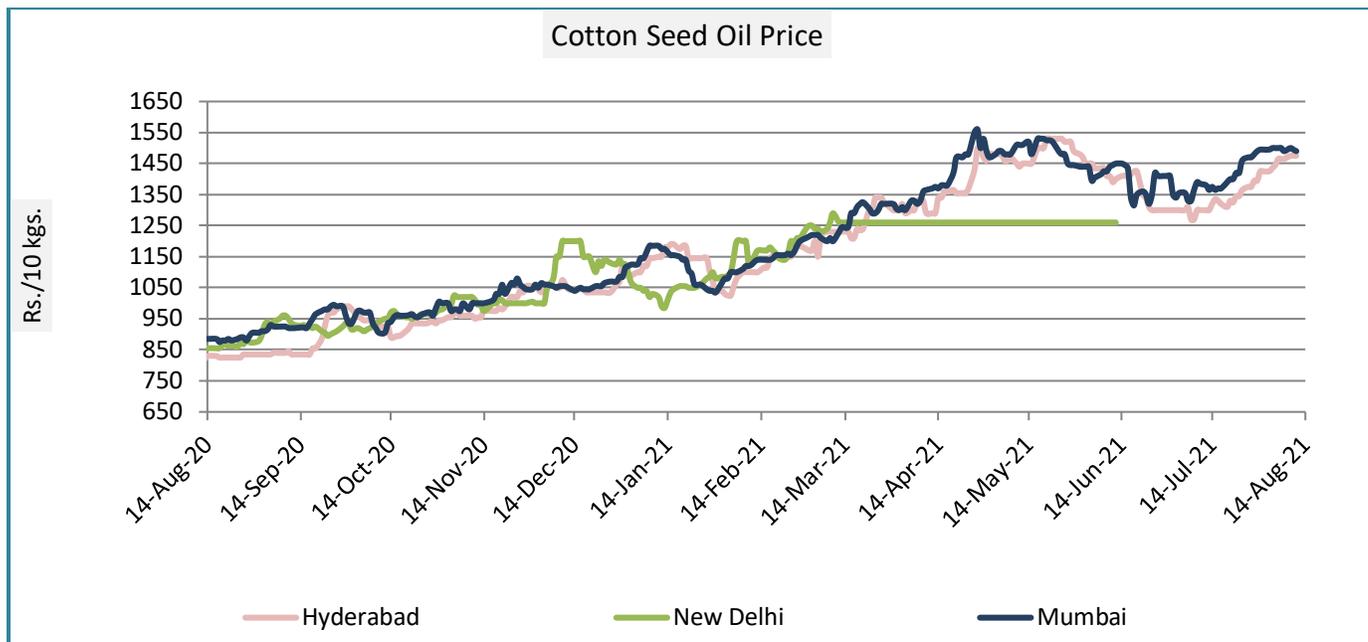
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 11th Aug'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	11-Aug-21	04-Aug-21	
New Delhi	-	-	-
Rajkot	1460	1476	-1.08
Hyderabad	1455	1471	-1.09
Mumbai	1489	1498	-0.59

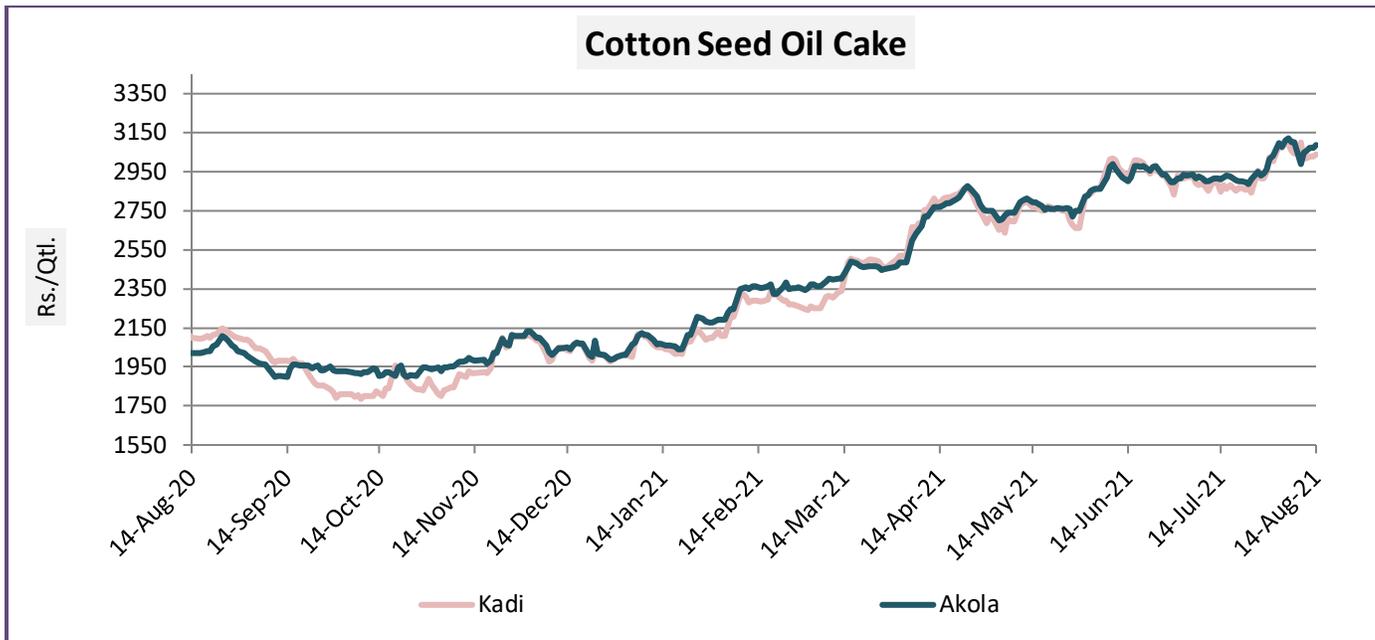
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The cotton seed oilcake prices are expected to rise to Rs. 800 - Rs. 1000 per quintal in the coming month of September 2021. The demand is expected to rise with the coming of the new season, currently there is no stock available in the country, although a small amount of stock is available with Maharashtra and Gujarat but it is expected to get finish by 18th August 2021 . The cottonseed oilcake prices have slightly increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 3055 per quintal from Rs. 3038 per quintal and in Akola was at Rs. 3070 per quintal from Rs. 3049 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	11-Aug-21	04-Aug-21	
Kadi	3055	3038	0.57
Akola	3070	3049	0.67



Source: NCDEX

International Market Scenario

- According to USDA’S World Agriculture Supply and Demand Estimate (WASDE) report, For 2021-22 U.S. Cotton projection, World cotton production is forecasted 546,000 bales lower (118.84 million) as reduced production in Brazil (12.50 million bales), United States (17.26 million bales) offset higher projection for Australia, Mali and Tanzania. Consumption is forecasted slightly higher up by 170,000 bales and ending stocks are projected at 87.2 million bales, about 500,000 bales lower than in July and 4.6 million lower than in 2020-21.
- Pakistan cotton prices increases amid low yield and delayed imports. The cotton prices are increasing in the local market amid a fall in the local production delay in cotton shipments from abroad and rising dollar rupee disparity. The Karachi cotton Association quoted Rs. 13,580 per maund as the spot rate for white lint, while the seed cotton prices were between Rs. 5200 – Rs. 6200 per maund.
- Global production is expected to increase by 3 percent in 2021-22. According to the International Cotton Advisory Committee Report, after a 7 percent decrease in 2020-21, production is projected to increase by 3 percent in 2021-22 season to 25 million tonnes. Global Consumption has also recovered from 2019-20, to post a 12.4 percent increase to 25.5 million tonnes in 2020-21 and is projected to improve further to 25.8 million tonnes in 2021-22. Also, the concerns remain due to Covid 19 stubbornness with threats from factory closings and logistical problems looming in Bangladesh and Vietnam.

- According to the Food and Agriculture Outlook Report, India is expected to be the world’s largest cotton producer till 2030. Despite the challenges including land constraints, water shortage, climate change and crop’s susceptibility to pest and disease attacks, India will continue to be the World’s largest cotton producer till 2030. India’s cotton production is expected to expand to 7.2 million tonnes (approximately 43 million bales of 170 kg each) compared with the current output of 6 MT equivalent to roughly 36 million bales. India will contribute to as much as 40 percent global increase in cotton production during the outlook period.

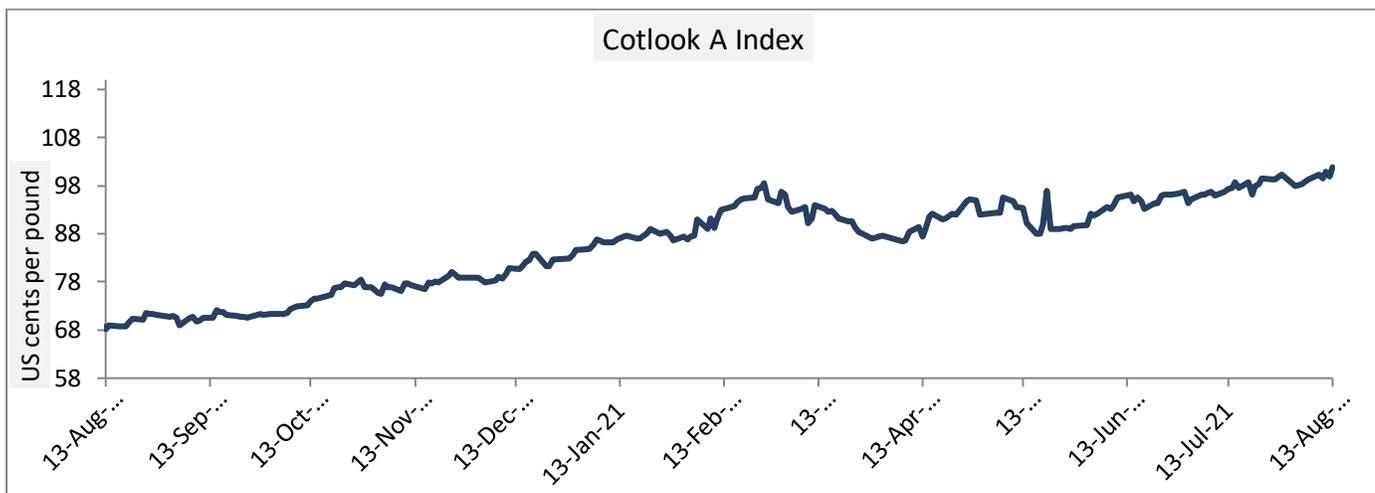
Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 99.80cents/lb higher as compared to the previous week (98.68cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	11-Aug-21	04-Aug-21	
Prices	99.80	98.68	1.13

Prices in US cents per Pound

Source: Cotlook

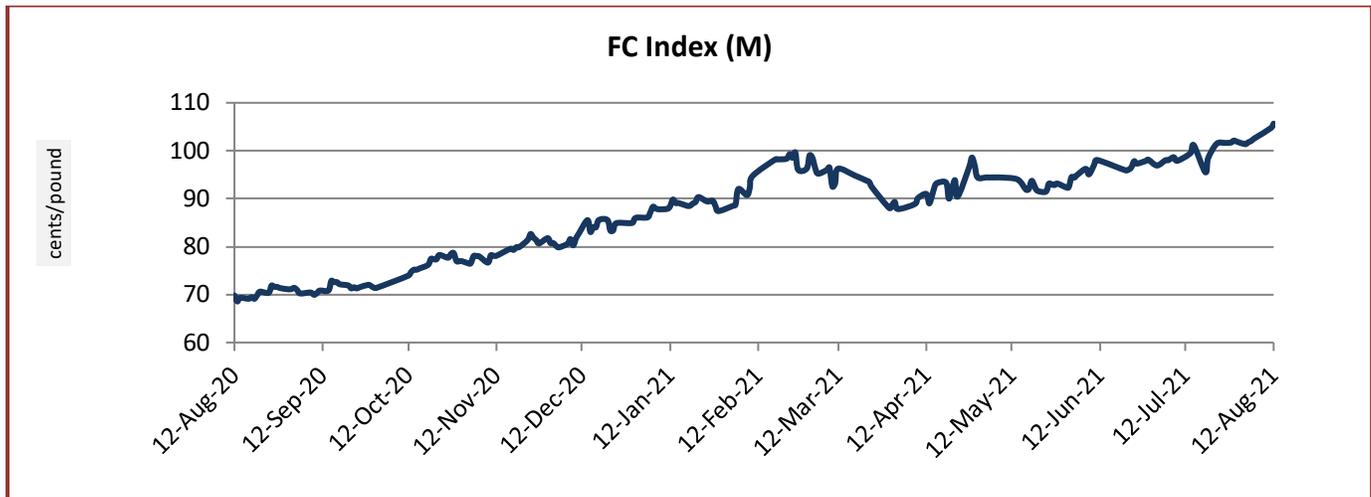


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	11-Aug-21	04-Aug-21	
FC (S)	104.45	102.90	1.51
FC (M)	103.35	101.83	1.49

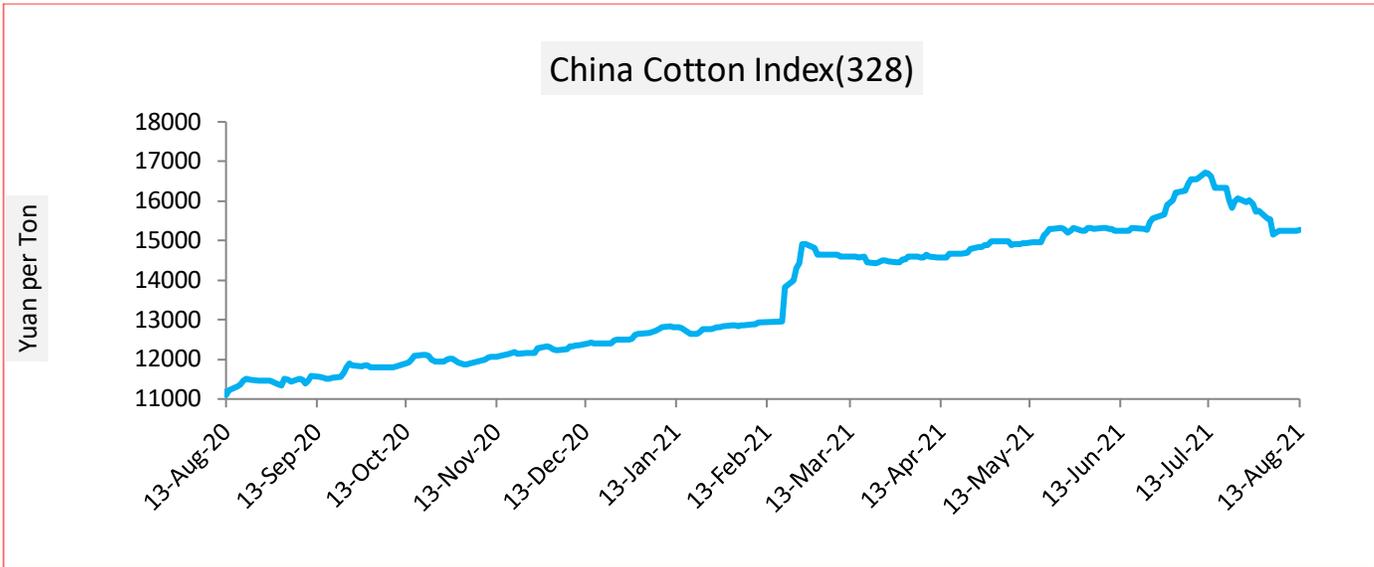
FC (L)	102.21	100.69	1.51
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	11-Aug-21	04-Aug-21	
CCIndex(328)	17657.00	17662.80	-0.03
CCIndex(527)	16647.80	16643.80	0.02
CCIndex(229)	18046.40	18021.80	0.14
Prices in Yuan per ton			

Source: China Cotton Association



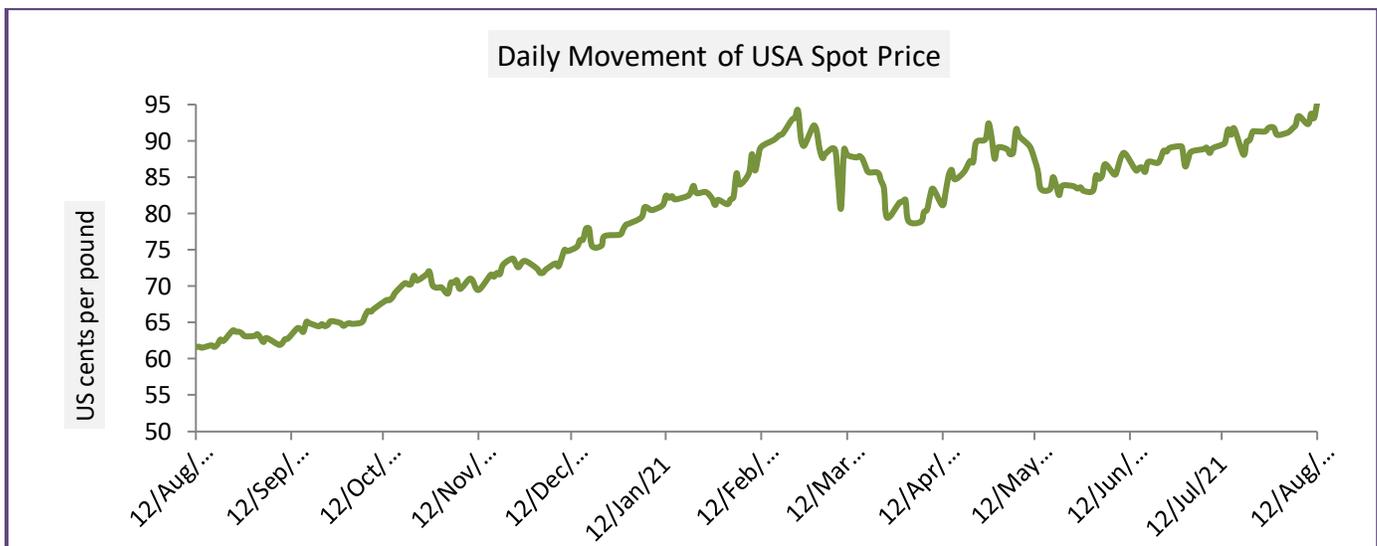
USA Spot Prices

U.S.A spot prices have increased from the prior week by 1.77 percent at 92.95 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	11-Aug-21	04-Aug-21	
Prices	92.95	91.34	1.77

Prices in US cents per Pound

Source: USDA

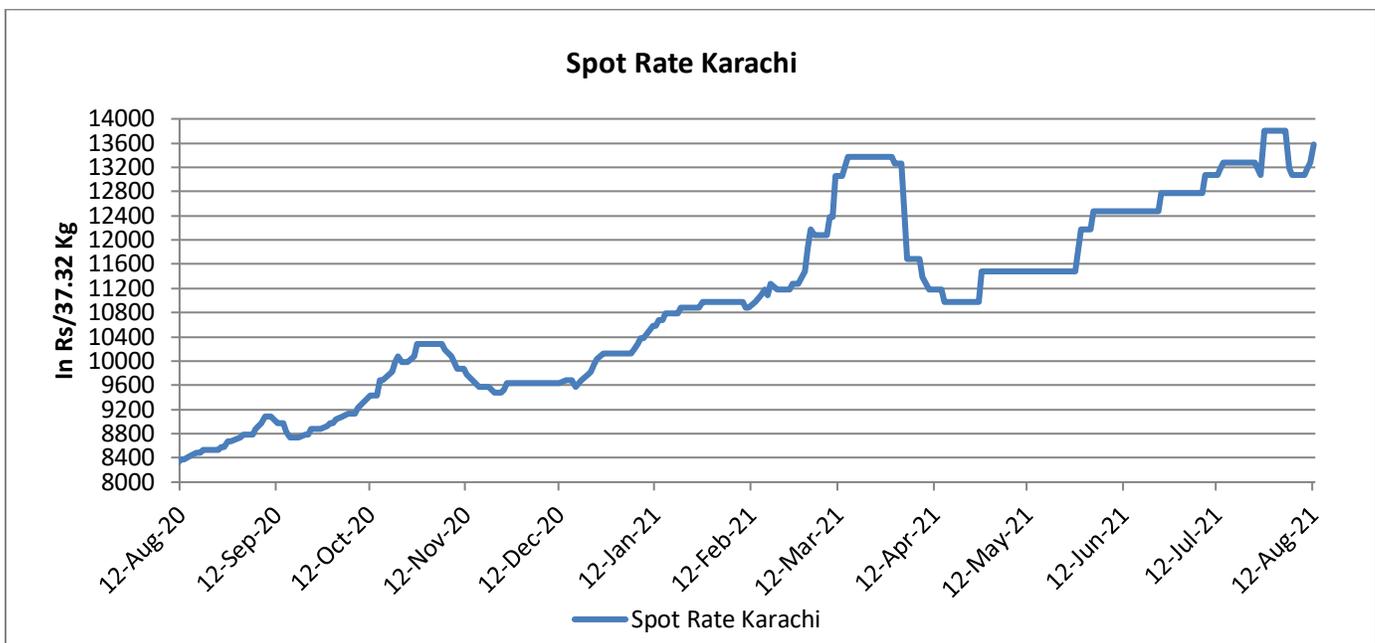


Pakistan Spot Prices

The Karachi spot price stood high around Rs.13520/q from previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	11-Aug-21	04-Aug-21	
Prices	13520	13120	3.05
			Prices in Rs per 37.32 Kg

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: Aug. 31, 2021



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 27000.
- If the market tests the support at 23500, intraday short positions may be created.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	2622 0	2647 0	2655 0	2700 0	2750 0
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Sell	2668 0	2675 0	2678 0	2680 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 2860andthentrendlinesupportat 2800. Strong resistance is seen at 3200.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2790	2850	3108	3200	3250
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	3181	3150	3170	3100

* 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.

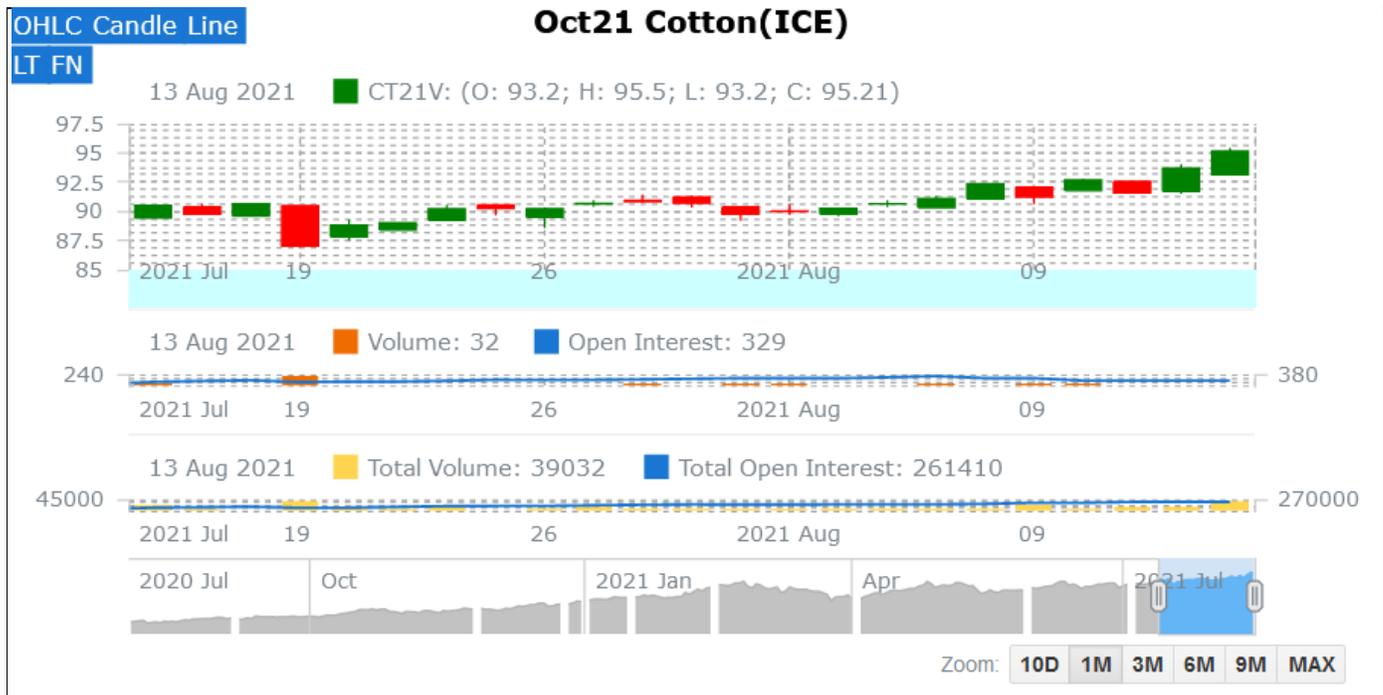
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	92-96

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
90	85	96	97.5

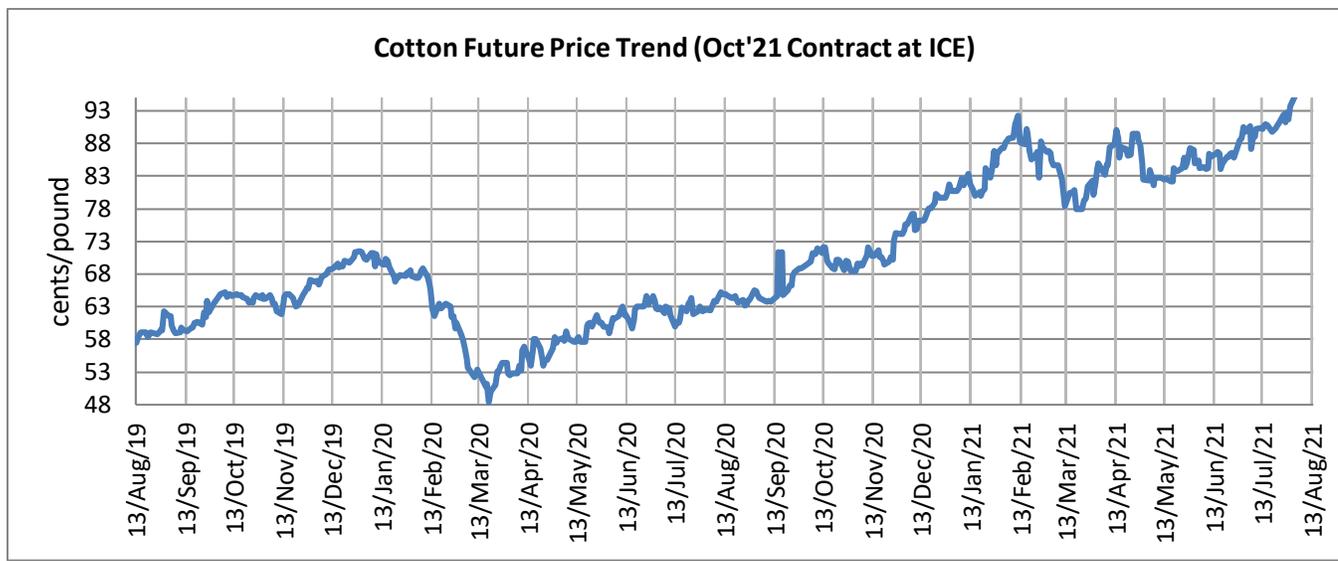
Figures in US cents/pound



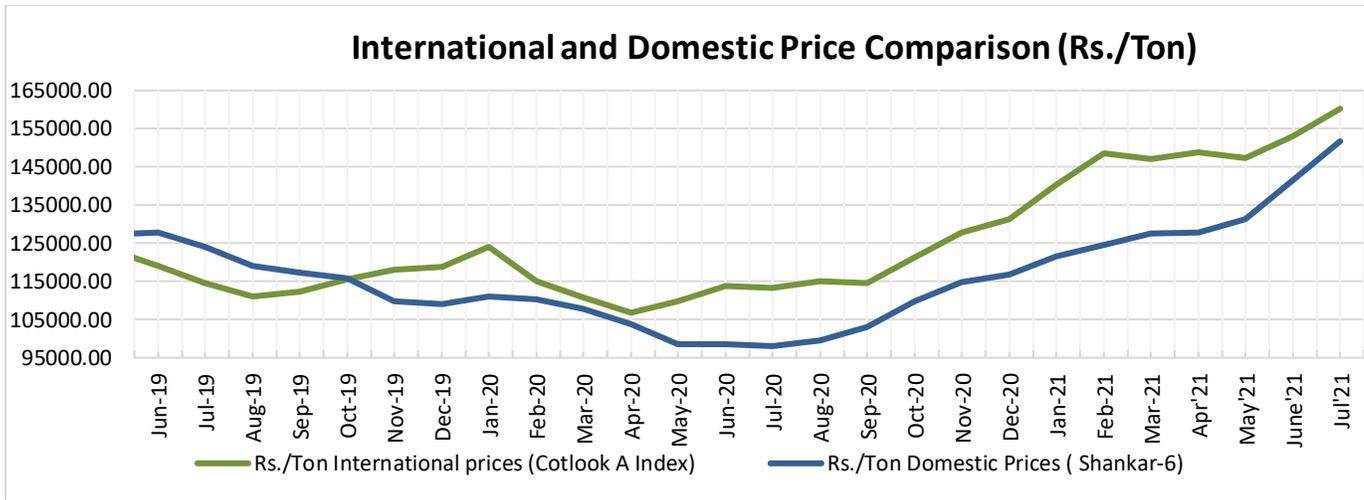
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	13-Aug-21	14-July-21 (1 month ago)	15-May-20 (3 months ago)	14-Feb-20 (6 months ago)	13-Aug-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	95.21	90.57	82.43	87.27	63.92	5.12	48.95
Dec-21	94.32	89.81	81.61	88.66	64.63	5.02	45.94
Mar-22	93.19	89.18	81.22	89.41	65.12	4.50	43.11
May-22	92.41	88.26	80.90	85.71	62.43	4.70	48.02
Jul-22	90.82	86.83	80.63	83.89	62.99	4.60	44.18

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	05th Aug'21 to 11th Aug'21		29th July'21 to 04th Aug'21
Gujarat	Ahmedabad		Shankar-6	NA	NA	-
	Gondal		Shankar-6	NA	NA	-
	Rajkot		B.T. Cotton	8736	8820	-84
	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	7605	7608	-3
	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	NA	NA	-
	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	8153	8132	21
	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	05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'21	
Punjab	Bhatinda	J-34	5487	5522	-35
	Abohar	J-34	5487	5523	-37
	Mansa	J-34	5487	5518	-31
Haryana	Sirsa	J-34	5424	5467	-43
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	720	1010	-290
	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	595	1870	-1275
	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	NA	NA	-
	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	496	568	-72
	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	05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'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	14-Aug-21	07-Aug-21	14-Aug-21	14-Aug-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	Closed
	Gondal	Shankar-6	NA	0	NA	5500
	Rajkot	B.T. Cotton	NA	8650	NA	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	7210	7580	7210	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	NA	0	NA	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	0	0	0	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	14-Aug-21	07-Aug-21	14-Aug-21	14-Aug-20
Punjab	Bhatinda	J-34	5440	5500	5440	0
	Abohar	J-34	5430	5500	5430	0
	Mansa	J-34	5430	5500	5430	0
Haryana	Sirsa	J-34	5340	5450	5340	3610
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	14-Aug-21	07-Aug-21	14-Aug-21	14-Aug-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	Closed
	Gondal	Shankar-6	NA	0	NA	#N/A
	Rajkot	B.T. Cotton	NA	100	NA	#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	NA	0	NA	#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	0	0	0	0
Karnataka	Bijapur	Bunny	NA	0	NA	722
	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	14-Aug-21	07-Aug-21	14-Aug-21	14-Aug-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
				05th Aug'21 to 11th Aug'21	29th July'21 to 04th Aug'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	43683	43317	367
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	44383	43933	450
J-34(202)	26mm	3.5 - 4.9	23	51250	51633	-383
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	53217	53533	-317
Shankar-6(105)	29mm	3.5 - 4.9	28	56350	56667	-317
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	57917	57933	-17
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	58750	58733	17
DCH-32(107)	34mm	3.0 - 3.8	33	97917	94333	3583

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.