

COTTON WEEKLY RESEARCH REPORT
23rd 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. The center has announced the new rate under the Rebate on Duties and Taxes on export Products (RoDTEP) scheme 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 (102.75cents/lbs) compared to the ICE cotton future that stood at 94.31 cents/lbs.
- Indian rupee remained stable with in small range against USD.

Market Highlights:

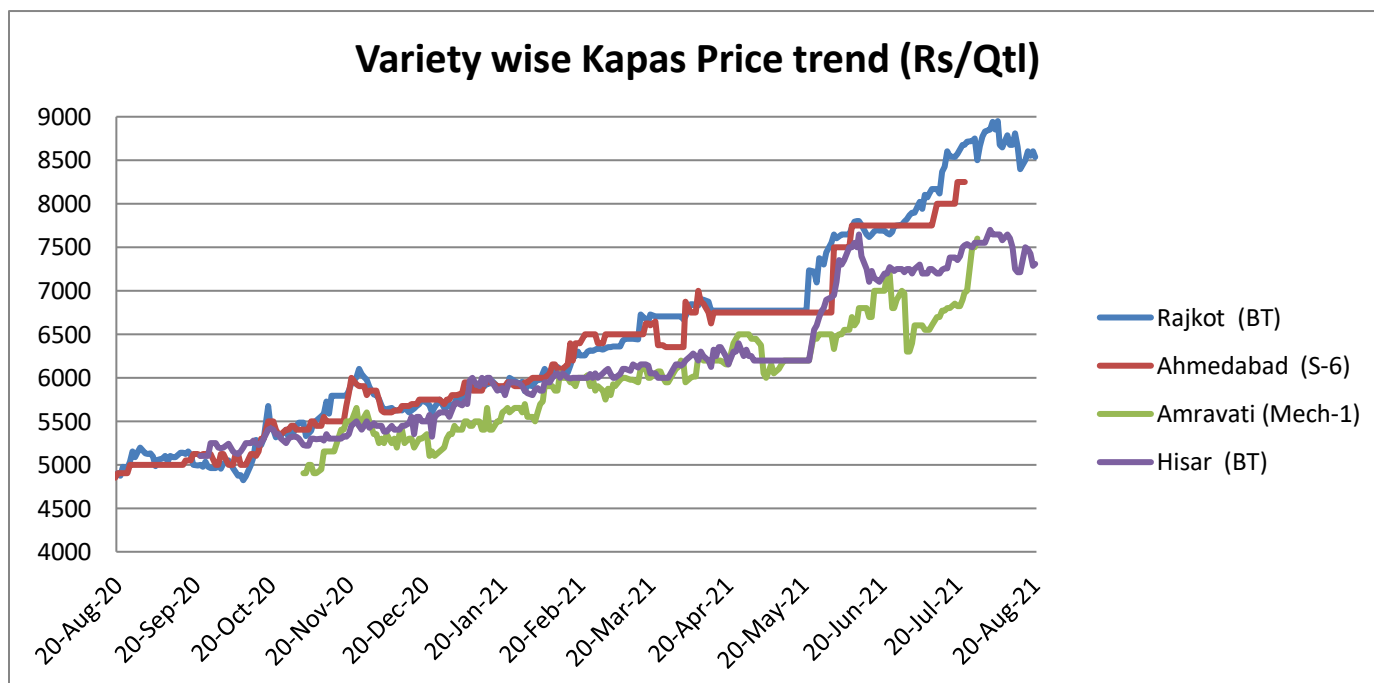
- **Cotton Corporation of India may not require procuring more than 30 lakh bales in 2021-22 season.** Cotton Corporation of India has procured around 92 lakh bales of cotton during the ongoing 2020-21 season. CCI may be required to procure minimal amount of cotton in the 2021-22 season, as kapas prices are likely to rule above the minimum support price (MSP) for a better part of the season. Cotton procurement may be required during the peak season if the prices drop below the MSP.
- **Gujarat textile sector expects boost in cotton exports.** With the center announcing the new rate under the Rebate on Duties and Taxes on export Products (RoDTEP) scheme, textile exporter are expecting a boost in order volumes backed by better cost competitiveness. As per the new rates, RoDTEP extends incentives of 2.5% to 4.5% on the export of yarn and fabric of different kinds.
- **Cotton has been purchased at Rs. 6,500 per quintal in Mansa.** Cotton arrivals have started coming in Mansa and has been purchased at a price of Rs. 6,500 per quintal against the minimum selling price of Rs. 6,025 per quintal. As per the market sources, the rise in prices is due to the competitive bidding amongst the private players including the cotton traders and factories which are placing bids and quoting higher price to purchase the produce.

- The Cotton Textile Export Promotion Council (TEXPROCIL) has welcomed the issuance of government notification on the continuation of scheme for Refunding State and Central Taxes and Levies (RoSCTL) for the garments and madeup sectors.
- **According to the Ministry of Agriculture advance estimate for 2020-21 season.** Total food grain production in the country is estimated at 308.65 million tonnes which is higher by 11.14 million tonnes than the 2019-20 season. The production during 2020-21 is higher by 29.77 million tonnes than the previous five years' (2015-16 to 2019-20) average production of foodgrains. As per the 4th advance estimate the estimated production for cotton is around 35.38 million bales higher by 3.49 million bales than the average cotton production.

Domestic Cotton Prices Scenario

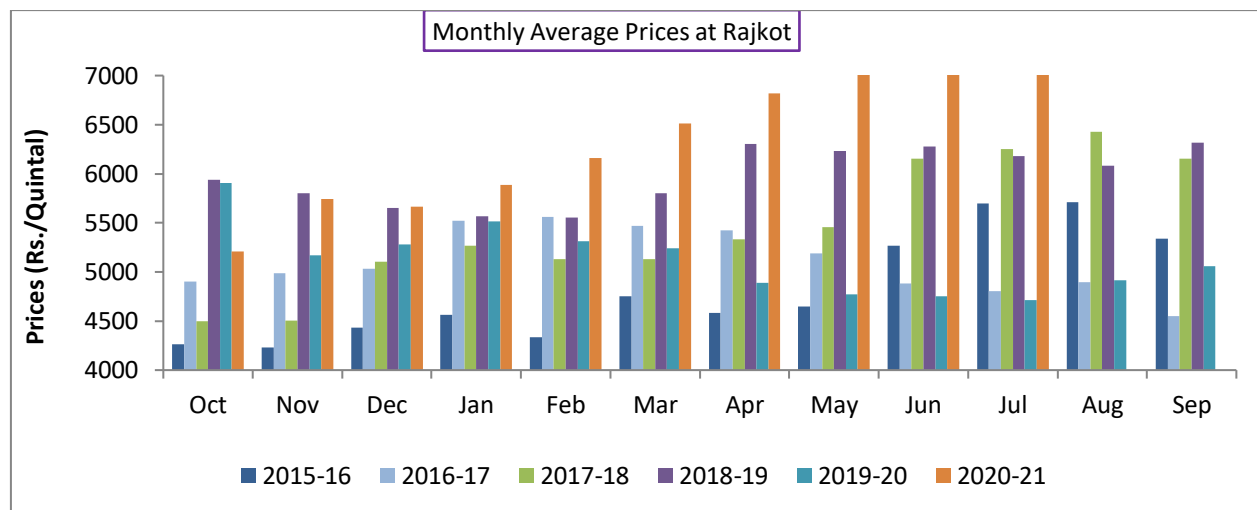
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was low at Rs. 8587/q and in Hisar were prices were at Rs. 7345/qt.



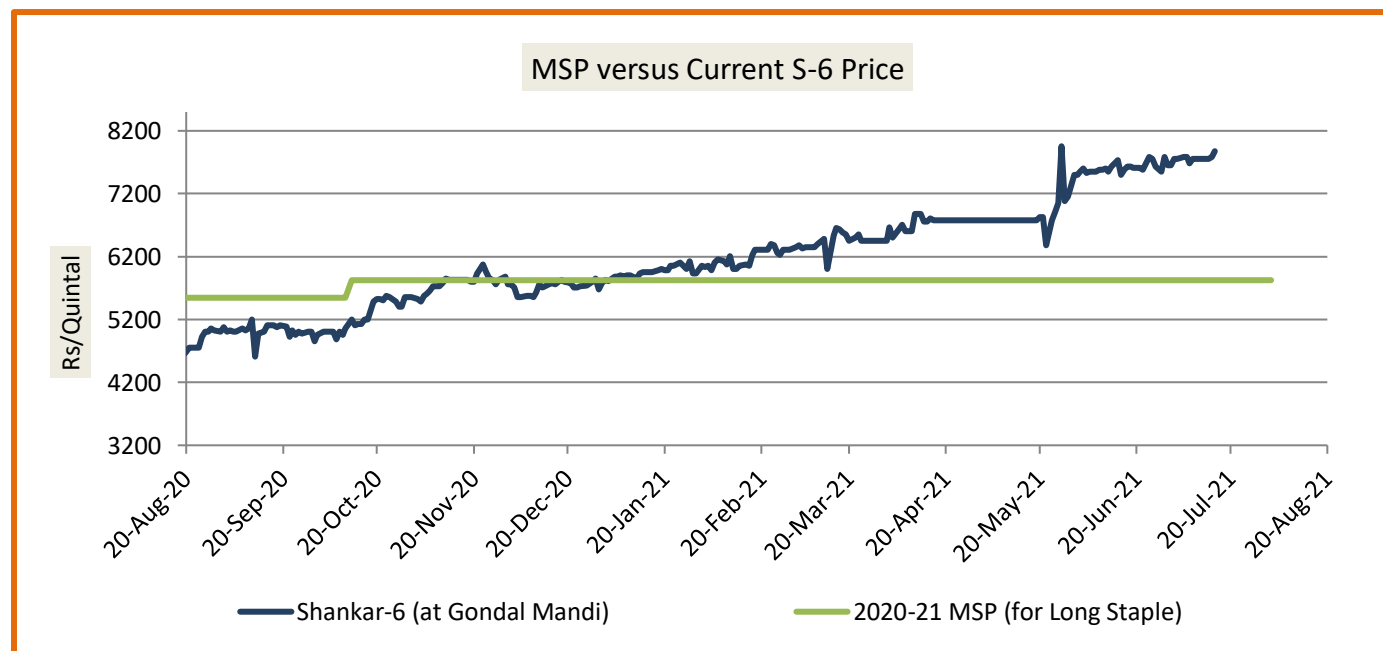
Kapas Monthly M-o-M Price Scenario

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.

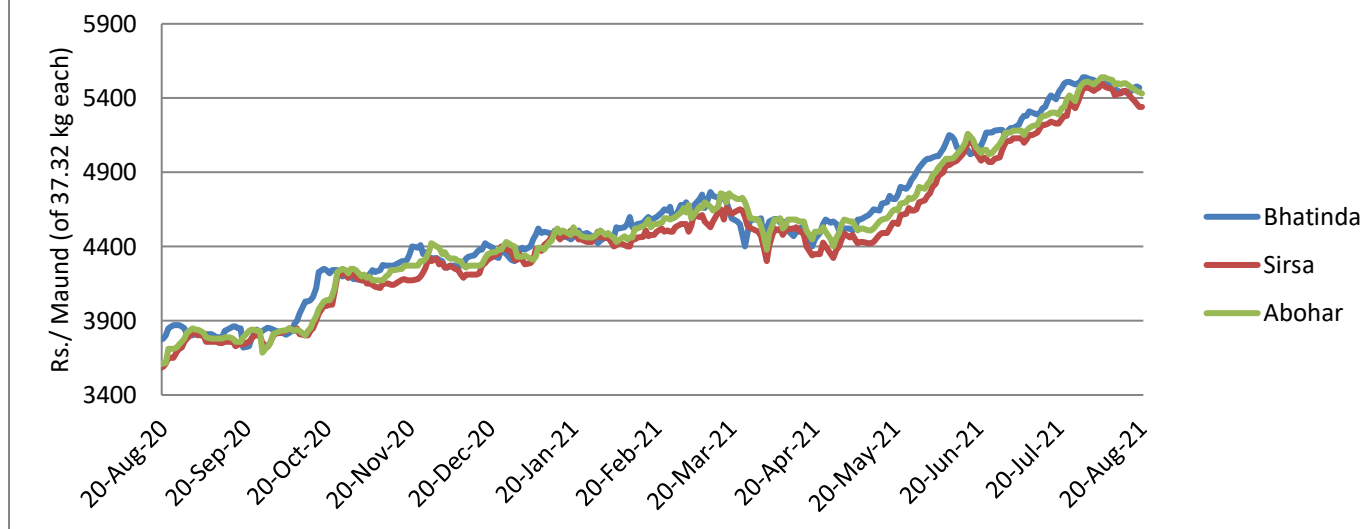


Source: Agriwatch

Lint price Outlook

The average price stood lower at Rs.5446/maund of lint in Abohar, in Bhatinda was low at Rs.5448/ maund, and Rs.5335/maund in Sirsa.

Lint Price Trend at Key Centers

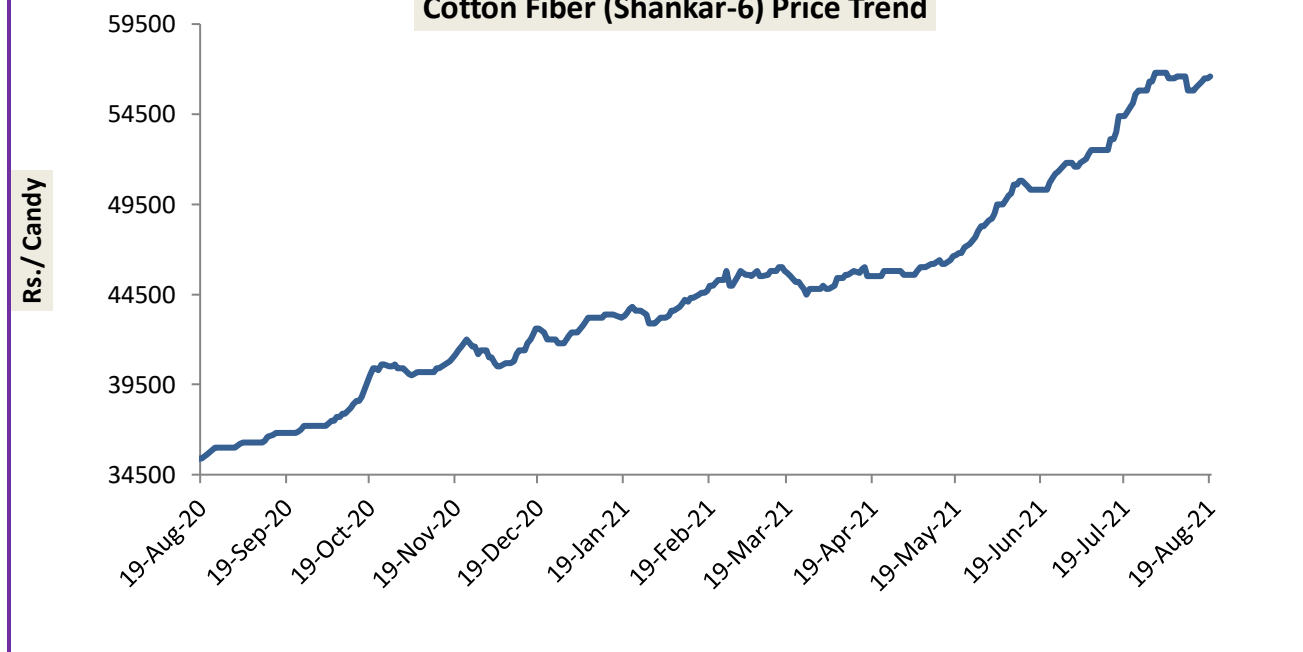


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices has increased slightly from the previous week at Rs.56150/candy this week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

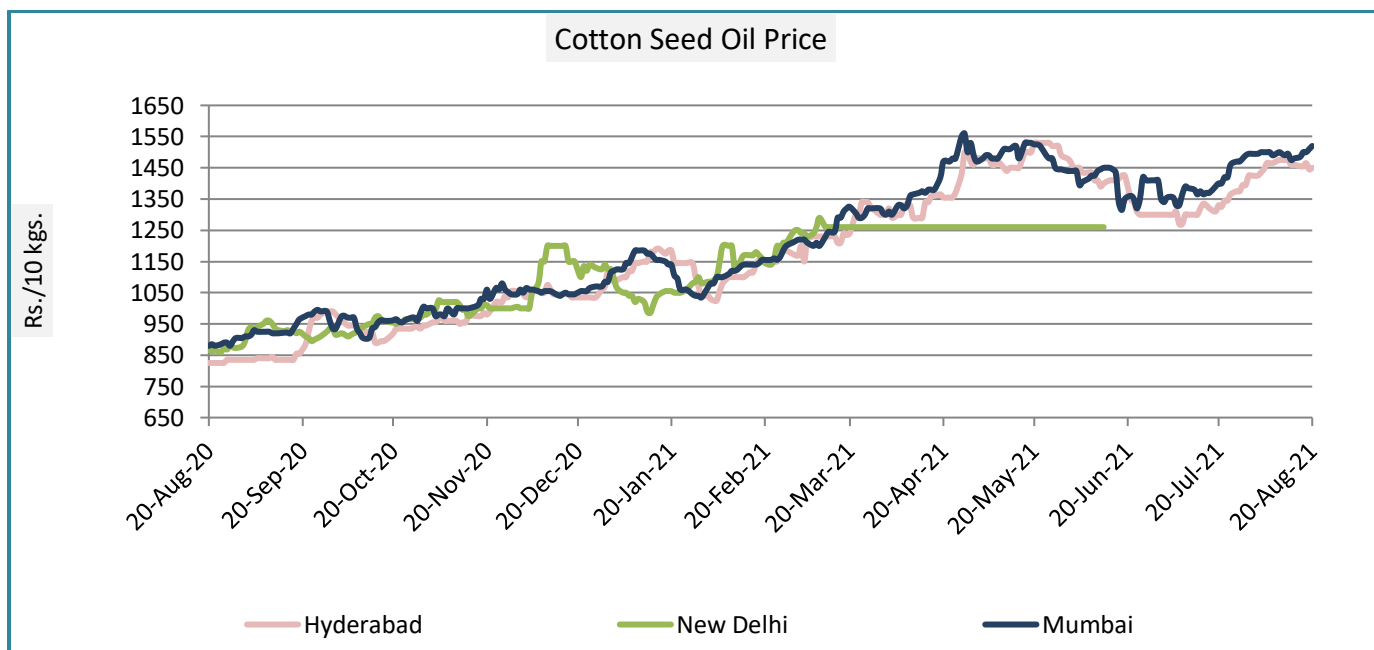
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 18th Aug'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	18-Aug-21	11-Aug-21	
New Delhi	-	-	-
Rajkot	1485	1460	1.71
Hyderabad	1487	1455	2.18
Mumbai	1504	1489	1.02

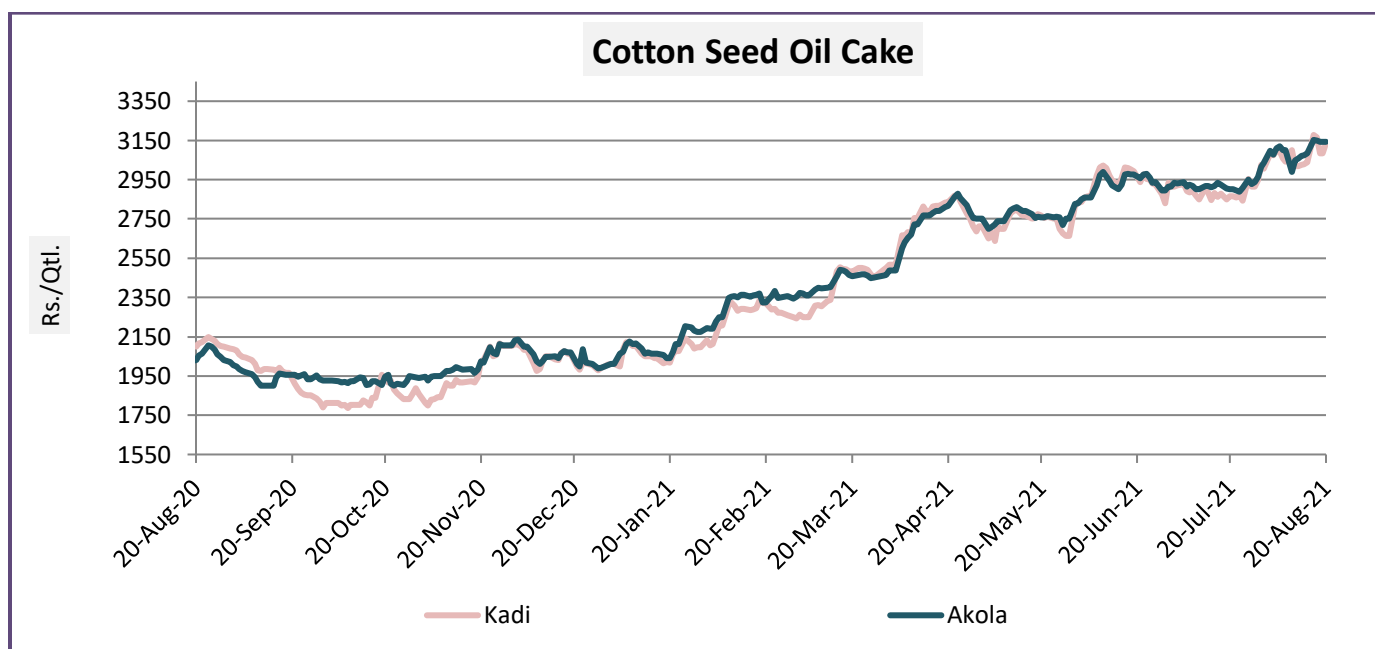
Source: Agriwatch



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. 3088 per quintal from Rs. 3055 per quintal and in Akola was at Rs. 3113 per quintal from Rs. 3070 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	18-Aug-21	11-Aug-21	
Kadi	3088	3055	1.07
Akola	3113	3070	1.40



Source: NCDEX

International Market Scenario

- Cotton picking has started in Pakistan. Cotton picking has commenced in Pakistan, as per the Agriculture Department, quality of cotton is good and no major pest attack was observed. The farmers are not only achieving good production but are also getting good price for their produce in the market.
- 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.

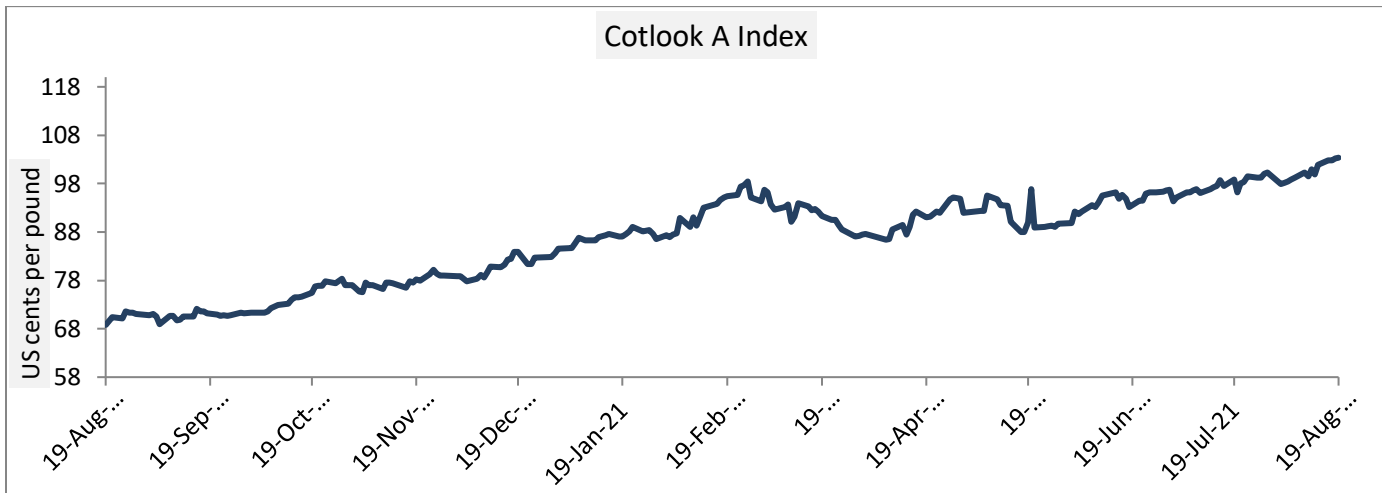
- Global production is expected to increase by 3 percent in 2021-22. According to the International Cotton Advisory Committee Report, after a 7 percent decrease in 2020-21, production is projected to increase by 3 percent in 2021-22 season to 25 million tonnes. Global Consumption has also recovered from 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
	19-Aug-21	11-Aug-21	
Prices	102.11	99.80	2.31
Prices in US cents per Pound			

Source: Cotlook

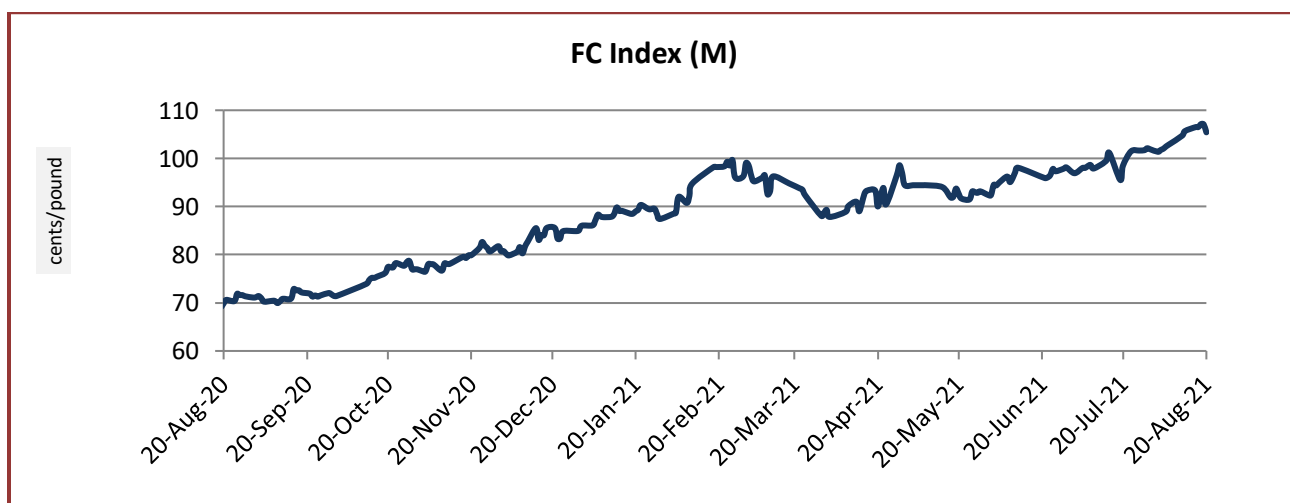


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	18-Aug-21	11-Aug-21	
FC (S)	107.74	104.45	3.15
FC (M)	106.45	103.35	2.99
FC (L)	105.31	102.21	3.03

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	18-Aug-21	11-Aug-21	
CCIndex(328)	18259.60	17657.00	3.41
CCIndex(527)	17104.80	16647.80	2.75
CCIndex(229)	18490.40	18046.40	2.46

Prices in Yuan per ton

Source: China Cotton Association



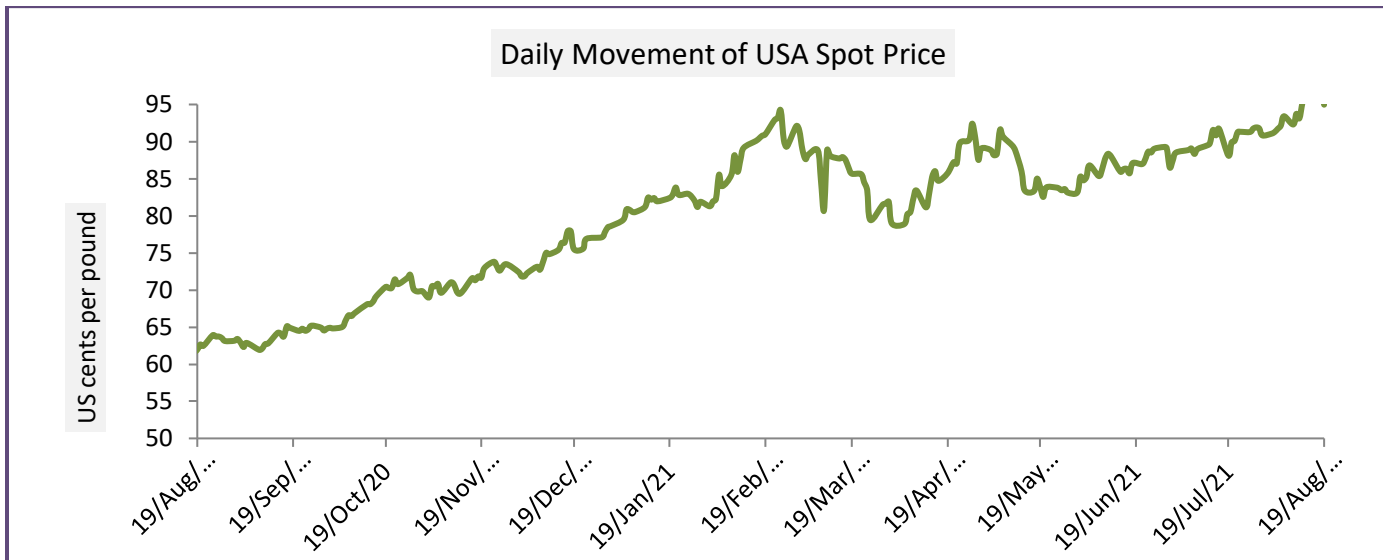
USA Spot Prices

U.S.A spot prices have increased from the prior week by 3.83 percent at 96.51 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	18-Aug-21	11-Aug-21	
Prices	96.51	92.95	3.83

Prices in US cents per Pound

Source: USDA

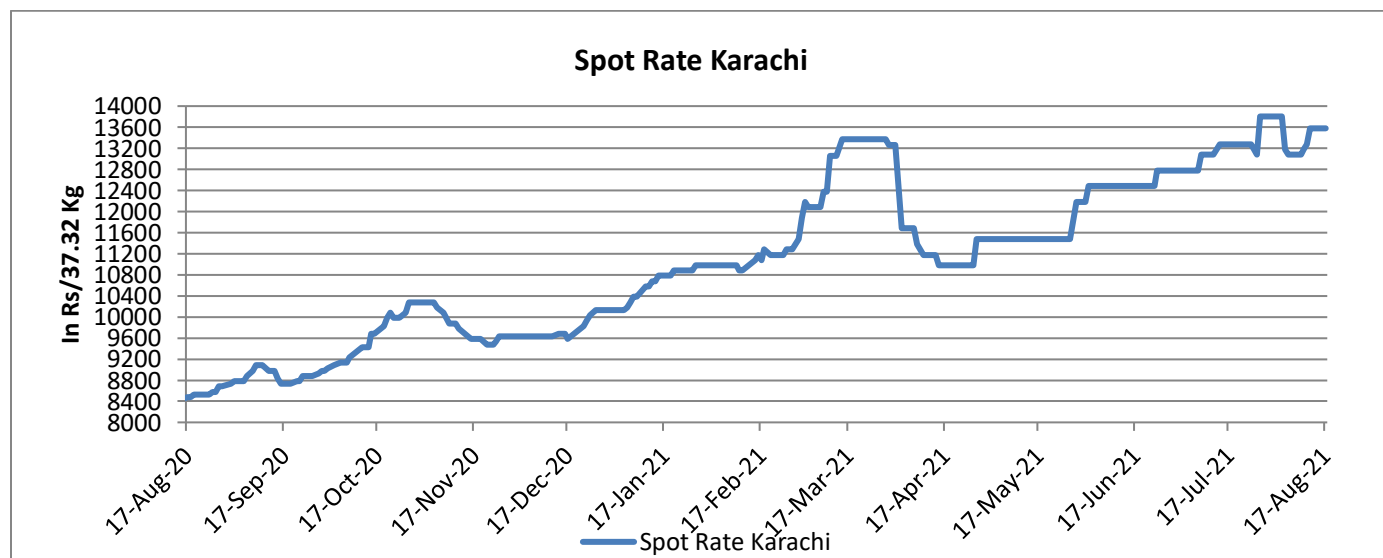


Pakistan Spot Prices

The Karachi spot price stood high around Rs.13830/q from previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	18-Aug-21	11-Aug-21	
Prices	13830	13520	2.29
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: Aug. 31, 2021

Cotton

COTTON 1stMXCTNC1/2021/08/15 - Weekly B:25750.00 A:25830.00
O 26680.00 H 26960.00 L 25680.00 C 25770.00 ↑ V 4,220 T 2,722,927 I 2,061 -780 -2.94%



TechnicalCommentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 27000.
- If the market tests the support at 26000, intraday short positions may be created.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	26220	26470	26090	27000	27500
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Sell	26680	26750	26780	26800

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: Sep 20th, 2021

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/08/15 - Weekly B:3084.00 A:3085.00
 O 3181.00 H 3200.00 L 3041.00 C 3087.00 ↑ V 174,350 I 58,880 -21 -0.68%



Technical Commentary:

- Cottonseedoilcakeonthe weekly chartlooksbullish.
- On the intra-day chart, there exists a consolidation zone(support)at 2175andthenatrendlinesupportat 2800. Strong resistance is seen at 3200.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2790	3000	3134	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.

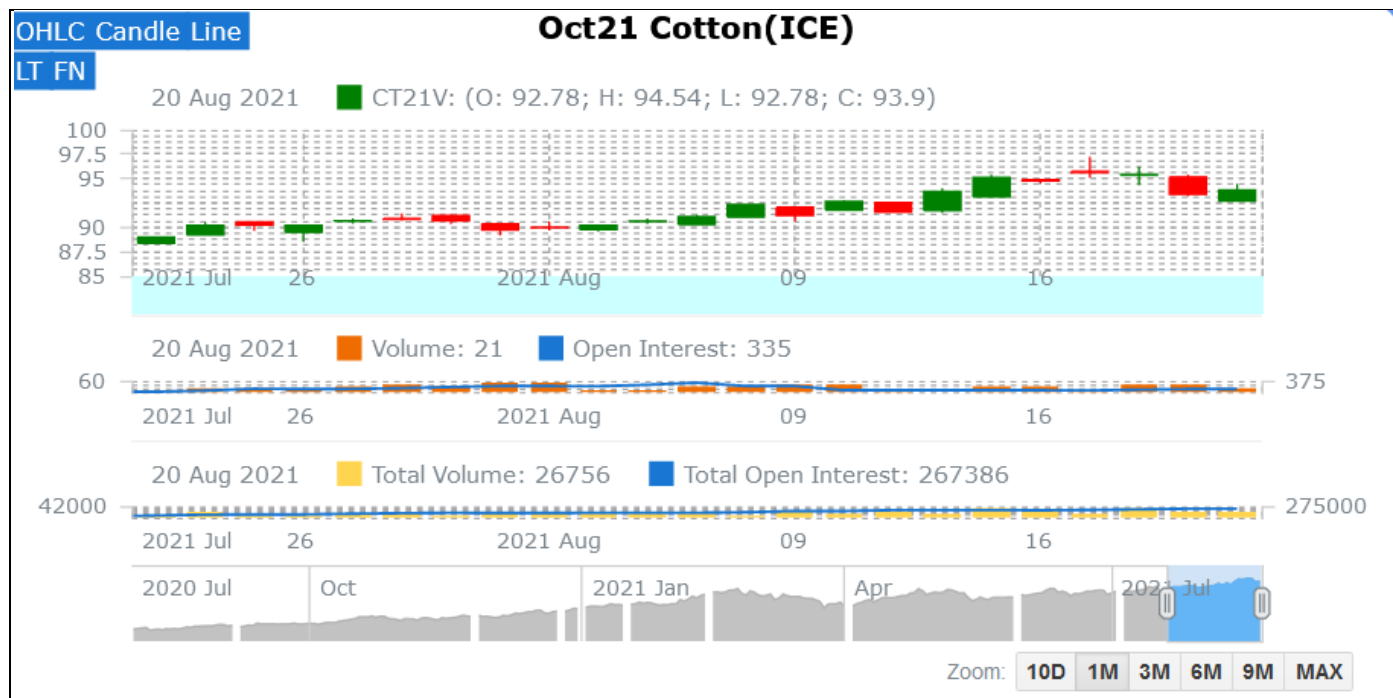
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	94-96

Expected Support and Resistance

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

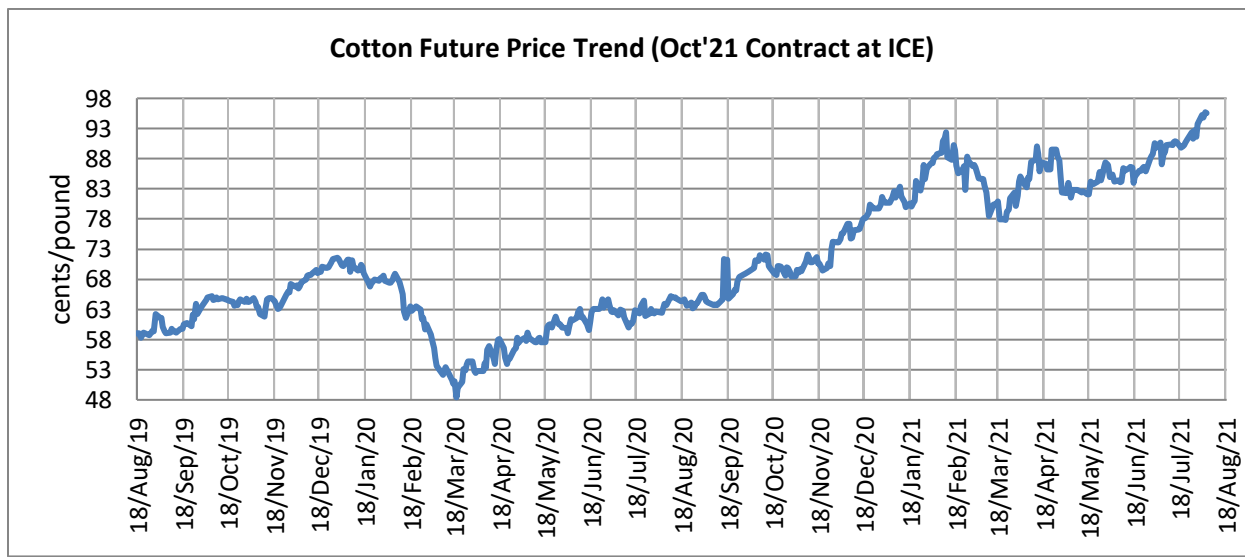
Figures in US cents/pound



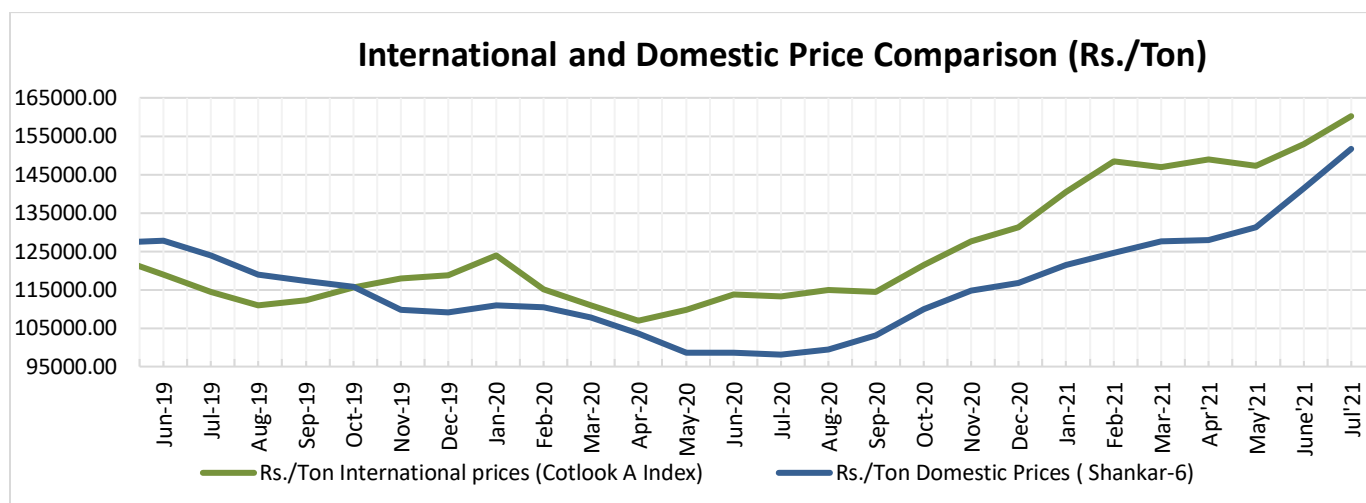
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	18-Aug-21	19-July-21 (1 month ago)	20-May-20 (3 months ago)	19-Feb-20 (6 months ago)	18-Aug-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	95.52	87.11	81.53	88.95	63.83	9.65	49.65
Dec-21	94.83	86.71	82.24	90.48	64.53	9.36	46.95
Mar-22	93.95	86.35	81.99	91.21	65.02	8.80	44.49
May-22	93.31	85.85	81.84	87.06	62.39	8.69	49.56
Jul-22	91.64	94.91	81.80	85.50	63.93	7.93	45.62

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	12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	8588	8736	-149
	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	7346	7605	-259
	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	8249	8153	96
	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	12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'21	
Punjab	Bhatinda	J-34	5448	5487	-38
	Abohar	J-34	5447	5487	-40
	Mansa	J-34	5443	5487	-43
Haryana	Sirsa	J-34	5335	5424	-89
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	1025	720	305
	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	986	595	391
	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	351	496	-145
	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	12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'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	19-Aug-21	12-Aug-21	19-Aug-21	19-Aug-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	4850
	Gondal	Shankar-6	NA	0	NA	5500
	Rajkot	B.T. Cotton	8605	8810	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	7285	7250	7285	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	NA	0	NA	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	19-Aug-21	12-Aug-21	19-Aug-21	19-Aug-20
Punjab	Bhatinda	J-34	5480	5450	5480	0
	Abohar	J-34	5480	5450	5480	0
	Mansa	J-34	5480	5450	5480	0
Haryana	Sirsa	J-34	5380	5360	5380	3690
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	19-Aug-21	12-Aug-21	19-Aug-21	19-Aug-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	8500
	Gondal	Shankar-6	NA	0	NA	#N/A
	Rajkot	B.T. Cotton	150	50	150	#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	680	102	680	#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	NA	0	NA	0
Karnataka	Bijapur	Bunny	NA	0	NA	412
	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	19-Aug-21	12-Aug-21	19-Aug-21	19-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
				12th Aug'21 to 18th Aug'21	05th Aug'21 to 11th Aug'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42950	43683	-733
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43650	44383	-733
J-34(202)	26mm	3.5 - 4.9	23	50250	51250	-1000
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	52867	53217	-350
Shankar-6(105)	29mm	3.5 – 4.9	28	56150	56350	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	57733	57917	-183
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	58633	58750	-117
DCH-32(107)	34mm	3.0 - 3.8	33	97417	97917	-500

Disclaimer

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