

COTTON WEEKLY RESEARCH REPORT 31st Aug 2021

Domestic market summary

Domestic Market Scenario: Cotton sowing is progressing across India for the coming 2021-22 season. Till 19th Aug 2021 cotton sowing across India has reached 117.04 lakh hectares compared to previous season sowing at 118.06 lakh hectares during the same time. Cotton ginners across the country are hopeful of a better season in 2021-22. 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. 6200-7100/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.5600-8600/q.

Major Market Highlights:

- The Cotlook index stood higher (101.80cents/lbs) compared to the ICE cotton future that stood at 93.36 cents/lbs.
- Indian rupee remained firm between 73.68 to 74.21 against USD.

Market Highlights:

- Cotton ginners are expecting a good season in 2020-21. Cotton ginners across the country are hopeful of a better season in 2021-22 after a couple of lacklustre years. Cotton prices are currently ruling high at over Rs 7,000 per quintal. And cottonseed prices are hovering around Rs 4,500- 5,000 per quintal. The prices have been increasing as consumption by mills is strong and there is good demand for yarn. The Centre has fixed an MSP for medium staple cotton at Rs 5,716 per quintal for the 2021-22 season, higher than the previous year's Rs 5,515. For the long-staple cotton, the MSP for 2021-22 has been fixed at Rs 6,025 per quintal, against Rs 5,825 in the previous year.
- Around 117.04 lakh hectares of area has been sown under cotton till 19th Aug'21. About 117.04 lakh hectares area was sown in India compared to normal of corresponding week 118.06 lakh hectares last year. Thus 1.01 lakh hectare less area has been covered as compared to corresponding week of last year. Higher area was reported from the states of Telangana (2.41 lakh hectares), Karnataka (1.19 lakh hectares), Haryana (0.37 lakh hectares), Rajasthan (0.77 lakh hectares), Odisha (0.40 lakh hectares). Less area was reported from the states of Andhra Pradesh (0.70 lakh hectares), Madhya Pradesh (0.13 lakh hectares), Gujarat (2.74 lakh hectares), Punjab (0.62 lakh hectares) and Maharashtra (2.10 lakh hectares).
- Modified cotton fabric which absorbs air pollutants has been developed by IIT Delhi. Researcher from IIT Delhi had developed a modified cotton fabric that is capable of absorbing harmful air pollutants like

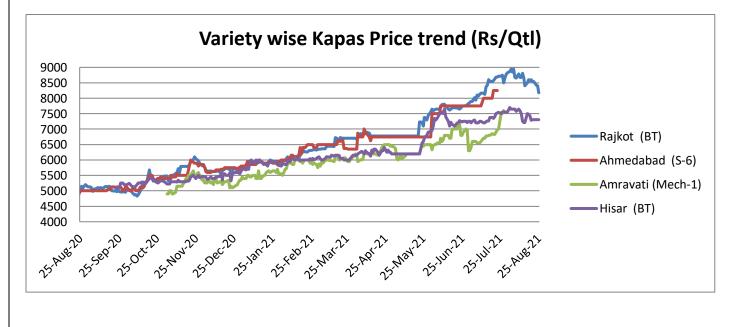
benzene, aniline, styrene etc. The modified cotton has been named as Zeolite Imidazolate Framework (ZIF) - 8@CM cotton and ZIF-67@CM cotton.

- Adilabad farmers had decided to shift to commercial crops during the ongoing Kharif season. Paddy farmers in old Adilabad district who suffered huge losses due to pest attack on their crops are shifting to commercial crops like cotton and soya during the ongoing kharif season.
- Cotton acreages are expected to come down by 15 percent. According to the cottonseed industry, the cotton acreages are expected to come down of about 15 percent with farmers shifting to oilseeds and pulses cultivation in several parts of the country. It may go down from the previous year's area of 129 lakh hectares.
- Maharashtra has completed sowing on 139.10 lakh hectares for the current kharif season. Farmers from Maharashtra have completed 92 % of the kharif sowing operations. The average area under Kharif is around 139.10 lakh hectares along with sugarcane in the state. The state had completed sowing on nearly 137.23 lakh hectares by 10th August 2021. Excluding sugarcane, the sown area was around 136.01 lakh hectares, accounting for nearly 95.80% of the total sowing operations. Due to long breaks in monsoon and subsequent heavy rains, there has been attack of various pests and diseases. Some cotton fields in Marathwada and Vidarbha have reported pest infestation.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

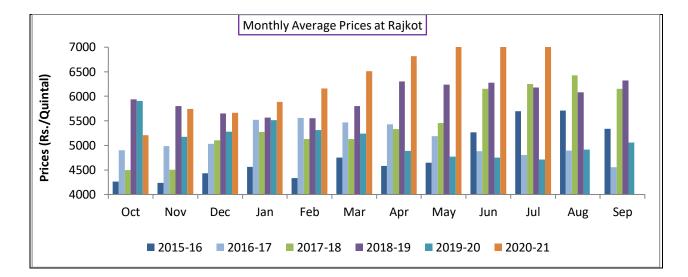
Weekly Price Review: Weekly kapas average price at Rajkot was lower at Rs. 8446/q and in Hisar were prices were at Rs. 7305/qt. Arrivals have slowed down from Amravati and Ahmadabad.





Kapas Monthly M-o-M Price Scenario

The arrivals in the month of July 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.



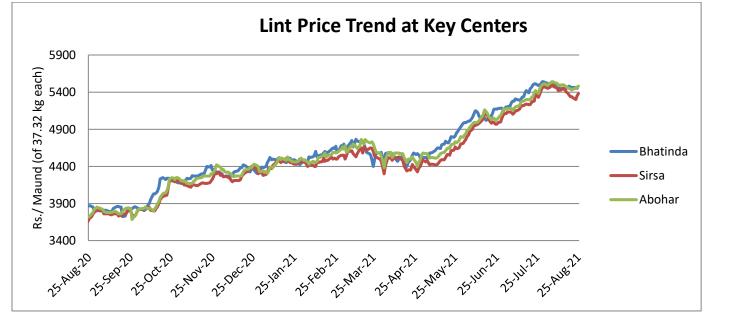
Source: Agriwatch



Lint price Outlook

AGRIWATCH

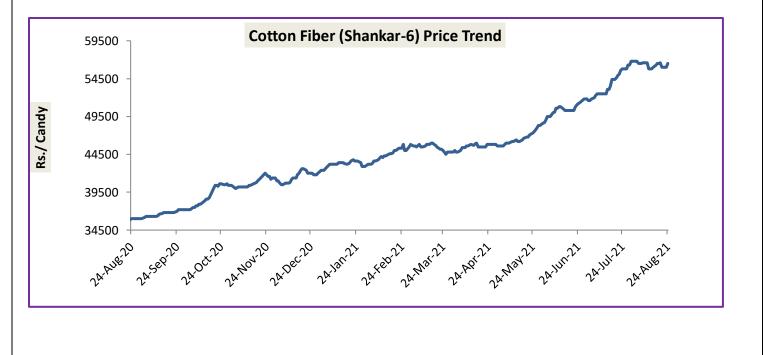
The average price stood lower at Rs.5446/maund of lint in Abohar, in Bhatinda was low at Rs.5448/ maund, and Rs.5335/maund in Sirsa.



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.56220/candy this week.





Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

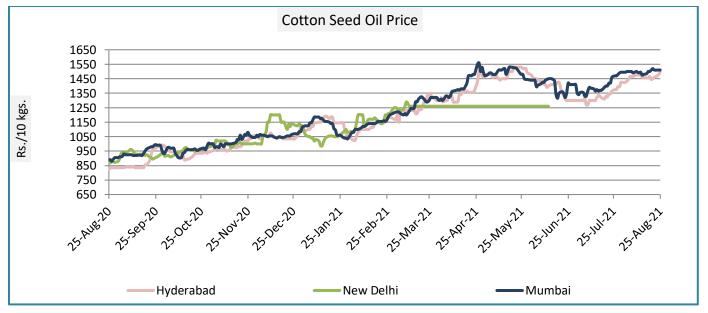
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 19th Aug'21.

	Weekly Average Pri	ce as on (Rs/10 kg.)	0/ Objerning	
	25-Aug-21	19-Aug-21	% Change	
New Delhi	-	-	-	
Rajkot	1497	1485	0.79	
Hyderabad	1502	1487	0.99	
Mumbai	1509	1504	0.34	

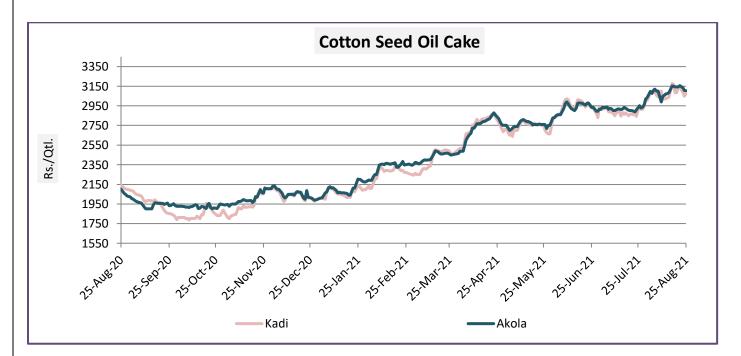
Source: Agriwatch



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. The cottonseed oilcake prices have slightly increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 3095 per quintal from Rs. 3088 per quintal and in Akola was at Rs. 3132 per quintal from Rs. 3113 per quintal the previous week.

	Weekly Average Pric	Weekly Average Price as on (Rs/quintal.)*					
	25-Aug-21	18-Aug-21	% Change				
	3095	3088	0.22				
Kadi							
	3132	3113	0.59				
Akola							



Source: NCDEX

International Market Scenario

- According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh and India can reap more mutual trade benefits through better collaboration in apparel and textile industry as there are great opportunities for Bangladesh and India to complement each other in boosting apparel and textile business in both the countries.
- 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

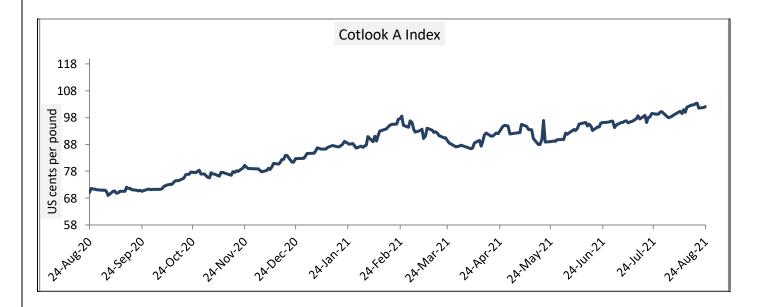
stocks are projected at 87.2 million bales, about 500,000 bales lower than in July and 4.6 million lower than in 2020-21.

- 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 102.20 cents/lb higher as compared to the previous week (102.11cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change			
	25-Aug-21	19-Aug-21				
Prices	102.20	102.11	0.09			
Prices in US cents per Pound						

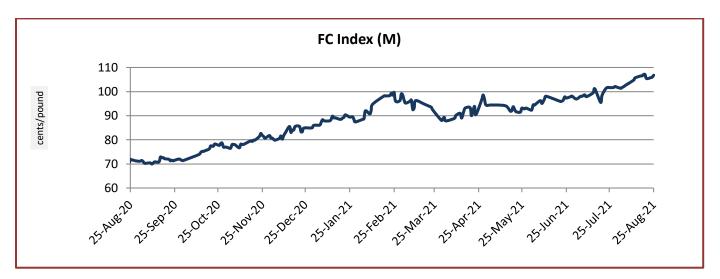




China Cotton Index and Foreign Cotton Index

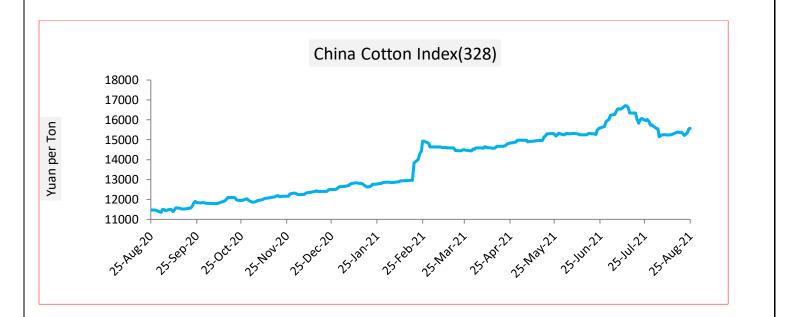
Cotton Index	Weekly Avera	ge Price as on	% Change			
	25-Aug-21	18-Aug-21				
FC (S)	107.46	107.74	-0.26			
FC (M)	106.20	106.45	-0.23			
FC (L)	105.07	105.31	-0.23			
	Prices in US cents per Pound					

Source: China Cotton Association



Cotton Index	Weekly Avera	% Change				
	25-Aug-21	18-Aug-21				
CCIndex(328)	18406.17	18259.60	0.80			
CCIndex(527)	17378.00	17104.80	1.60			
CCIndex(229)	18720.33	18490.40	1.24			

Source: China Cotton Association



USA Spot Prices

U.S.A spot prices have decreased from the prior week by 0.61 percent at 95.92 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change		
	25-Aug-21	18-Aug-21			
Prices	95.92	96.51	-0.61		
Prices in US cents per Pound					

Source: USDA



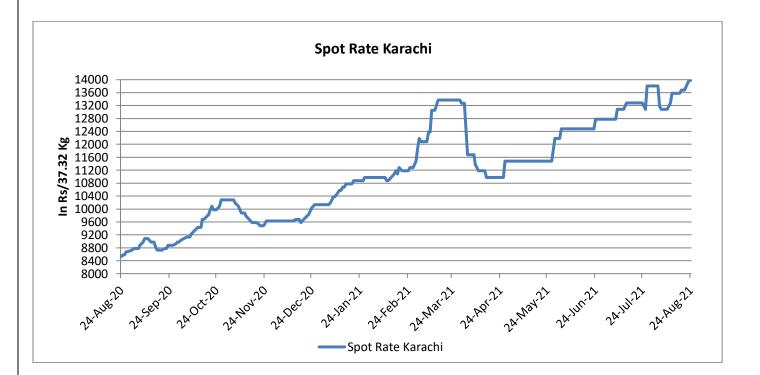


Pakistan Spot Prices

The Karachi spot price stood high around Rs.13980/q from previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change	
	25-Aug-21	18-Aug-21		
Prices	13980	13830	1.08	
Prices in Rs per 37.32 Kg				

Source: Fibre2fashion.com





TechnicalCommentary:

- The recent trend in cotton has been bullish.
- Asupportingtrendlineispassingthrough 22000, while mild resistance is seen around 27000.
- If the market tests the support at 26000, intraday long positions may be created.

Strategy	Strategy: Buy								
Intraday Supports & Resistances		S2	S1	РСР	R1	R2			
Cotton	MC X	Mar	2522 0	2547 0	2650 0	2700 0	2750 0		
		Call	Entry	T1	Т2	SL			
Cotton	MC X	Mar	Buy	2610 0	2625 0	2628 0	2618 0		

AW AGRIWATCH

Commodity: Cotton Seed oil Cake Exchange: NCDEX Contract: Mar Expiry: Sep 20th, 2021 **Cottonseed Oilcake** DTTON SEED OIL 1st(NCCOUC1)2021/08/29 - Weekly <mark>B:2731.00</mark> A:2733.00 2808.00 H 2809.00 L 2719.00 C 2730.00 ↑ V 21,240 I 55,250 -71 -2.53% 35 |++ 30 25 20 15 63.278 ᡕᡳ᠋ᡰᡰᡰᡰᡣ᠇᠇ᡟᡰ᠇᠇ᡰᡮ᠋᠇ 50 1/2019 1/2020 1/2021 Б

Technical Commentary:

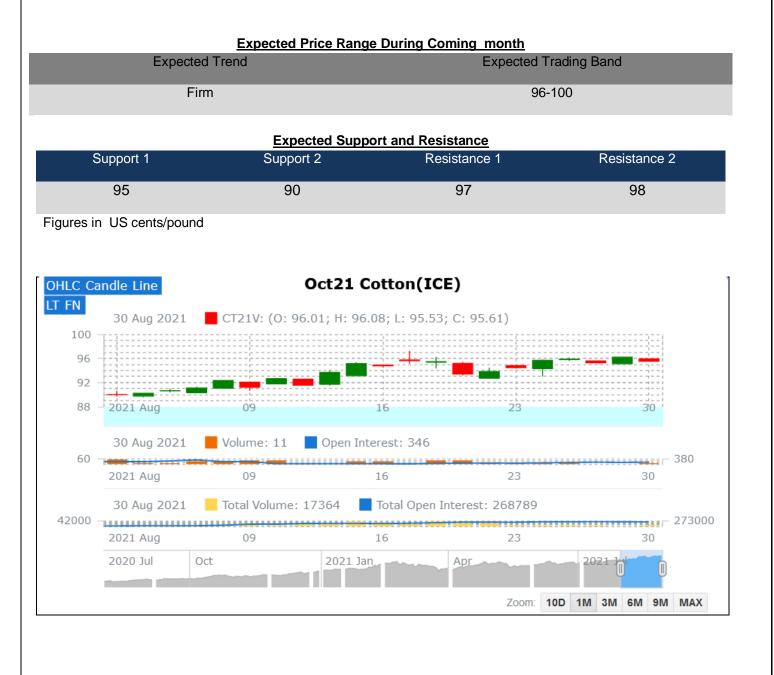
- Cottonseed oilcake on the weekly chart looks bearish.
- On the intra-day chart, there exists a consolidation zone(support) at 2175 and then a trendline support at 2800. Strong resistance is seen at 3000.

Strategy: Sell							
Intraday Supports &	S2	S1	РСР	R1	R2		
Cotton oil cake	NCDEX	Dec	2560	2600	2751	3000	3250
Intraday Trade Call		Call	Entry	T1	Т2	SL	
Cotton oil cake	NCDEX	Dec	Sell	2808	2950	2970	2800

* 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 upwardtrend.
- > Total volume increased &Open Interest decreased compared to last week.
- > We expect cotton prices to remain rangeboundin the coming week.



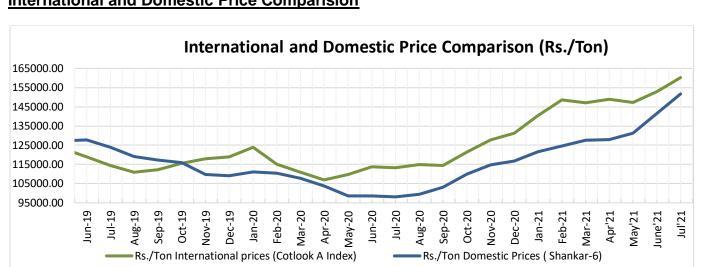


Cotton Future Prices at ICE

	Cot	Prices i	n cents/Lb				
Contracts	27-Aug-21	28-July-21 (1 month ago)	29-May-20 (3 months ago)	28-Feb-20 (6 months ago)	27-Aug-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	96.27	90.91	82.12	87.82	80.84	5.90	19.09
Dec-21	94.84	90.52	83.78	88.83	81.99	4.77	15.67
Mar-22	93.83	90.08	83.32	89.71	82.86	4.16	13.24
May-22	93.18	89.39	83.31	85.18	79.37	4.24	17.40
Jul-22	91.55	88.16	83.27	84.33	78.08	3.85	17.25

Future Price Trend (Active Contract):





International and Domestic Price Comparision

Cotton Prices at Key Spot Markets:

Commodity	1	Kapas		Weekly Average Prices (Rs./Quintal)		
State	CentreAhmedabadGondalGondalRajkotPatanKadiDeesaDhrolBhiwaniBhiwaniAdampur	Variety	19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	Change	
	Ahmedabad	Shankar-6	NA	NA	-	
	Gondal	Shankar-6	NA	NA	-	
	Rajkot	B.T. Cotton	8447	8588	-141	
Gujarat	Patan	B.T. Cotton	NA	NA	-	
	Kadi	B.T. Cotton	NA	NA	-	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	7071	NA	-	
	Bhiwani	B.T. Cotton	NA	NA	-	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	7286	7346	-60	
Haryana	Fatehabad	B.T. Cotton	NA	NA	-	
	Jind	B.T. Cotton	NA	NA	-	
	Uchana	B.T. Cotton	NA	NA	-	
	Dabwali	B.T. Cotton	NA	NA	-	
Pajasthan	Hanumangarh	B.T. Cotton	NA	NA	-	
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-	



Ma II Das das l	Khandwa	Mech-1	NA	NA	-	
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-	
Maharashtra	Amravati	Mech-1	NA	NA	-	
Manarashtra	Jamner	Medium Staple	NA	NA	-	
Uttar Pradesh	Hathras	B.T. Cotton	6600	NA	-	
Ottar Pradesh	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	8053	8249	-197	
Karnataka	Hubli	D.C.H.	NA	NA	-	
Naillalaka	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	NA	NA	-	
Commodity		Lint		Prices (Rs./Maund of 37.32kg each)		
State	Centre	Variety	19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	Change	
	Bhatinda	J-34	5465	5448	17	
Punjab	Abohar	J-34	5458	5447	12	
	Mansa	J-34	5462	5443	18	
Haryana	Sirsa	J-34	5366	5335	31	
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-	

Cotton Arrivals in Key Centers:

Commodity	Кар	as	Weekly Sum Ari	rivals (Quintal)		
State	Centre	Variety	19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	Change	
	Ahmedabad	Shankar-6	NA	NA	-	
	Gondal	Shankar-6	NA	NA	-	
	Rajkot	B.T. Cotton	620	1025	-405	
Gujarat	Patan	B.T. Cotton	NA	NA	-	
	Kadi	B.T. Cotton	NA	NA	-	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	11	NA	-	
	Bhiwani	B.T. Cotton	NA	NA	-	
Haryana	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	1411	986	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	-
Deisether	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhua Dradaah	Khandwa	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
Manarashtra	Jamner	Medium Staple	NA	NA	-
Litter Dredech	Hathras	B.T. Cotton	480	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
	Bijapur	Bunny	332	351	-19
Karnataka	Hubli	D.C.H.	NA	NA	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity		Lint	Weekly Sum Ar	rivals (Quintal)	
State	Centre	Variety	19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	Change
	Bhatinda	J-34	NA	NA	-
Punjab	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	28-Aug-21	21-Aug-21	28-Aug-21	28-Aug-20			
	Ahmedabad	Shankar-6	NA	0	NA	5000			
	Gondal	Shankar-6	NA	0	NA	5500			
Quitant	Rajkot	B.T. Cotton	NA	8535	NA	5530			
Gujarat	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	6000	NA	NR
	Bhiwani	B.T. Cotton	NA	0	NA	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	6600	7310	6600	5350
Haryana	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
Rejecthen	Hanumangarh	B.T. Cotton	NA	0	NA	Closed
Rajasthan	Rawatsar	B.T. Cotton	NA	0	NA	Closed
Madhya Dradaah	Khandwa	Mech-1	NA	0	NA	5491
Madhya Pradesh	Khargaon	Mech-1	NA	0	NA	5427
Maharaahtra	Amravati	Mech-1	NA	0	NA	5300
Maharashtra	Jamner	Medium Staple	NA	0	NA	NA
	Hathras	B.T. Cotton	6600	6600	6600	NA
Uttar Pradesh	Hathras	Desi	NA	0	NA	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	5400
	Bijapur	Bunny	NA	0	NA	5929
Karnataka	Hubli	D.C.H.	NA	0	NA	NA
Namalaka	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	0	NA	5470
Commodity	Li	nt	Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	28-Aug-21	21-Aug-21	28-Aug-21	28-Aug-20
	Bhatinda	J-34	5450	5465	5450	0
Punjab	Abohar	J-34	5450	5460	5450	0
	Mansa	J-34	5450	5460	5450	0
Haryana	Sirsa	J-34	5360	5360	5360	3810
Rajasthan	Sri-Ganganagar	J-34	NA	0	NA	0

Cotton Arrivals in Key Centers:									
Commodity	Кар	bas	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)			
State	Centre	Variety	28-Aug-21	21-Aug-21	28-Aug-21	28-Aug-20			
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	3400			
Cujarat	Gondal	Shankar-6	NA	0	NA	#N/A			

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	Rajkot	B.T. Cotton	NA	120	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	4	NA	#N/A
	Bhiwani	B.T. Cotton	NA	0	NA	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	170	170	170	#N/A
Haryana	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
Deisether	Hanumangarh	B.T. Cotton	NA	0	NA	#N/A
Rajasthan	Rawatsar	B.T. Cotton	NA	0	NA	0
Madhua Dradaah	Khandwa	Mech-1	NA	0	NA	#N/A
Madhya Pradesh	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	NA	0	NA	#N/A
Manarashira	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	100	60	100	#N/A
	Hathras	Desi	NA	0	NA	#N/A
Telangana	Adilabad	Un-Ginned	NA	0	NA	0
	Bijapur	Bunny	NA	0	NA	1247
Komotoko	Hubli	D.C.H.	NA	0	NA	0
Karnataka	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	232
Commodity	Li	nt	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	28-Aug-21	21-Aug-21	28-Aug-21	28-Aug-20
	Bhatinda	J-34	NA	0	NA	0
	Abohar	J-34	NA	0	NA	0
Punjab	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			Cáran sták (Weekly Average Prices		
	Staple	Micronaire	Strength/ GPT	19th Aug'21 to 25th Aug'21	12th Aug'21 to 18th Aug'21	+/- Change
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42533	42950	-417
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43233	43650	-417
J-34(202)	26mm	3.5 - 4.9	23	49517	50250	-733
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	52833	52867	-33
Shankar-6(105)	29mm	3.5 – 4.9	28	56267	56150	117
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	57133	57733	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	58033	58633	-600
DCH-32(107)	34mm	3.0 - 3.8	33	96167	97417	-1250

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