

COTTON WEEKLY RESEARCH REPORT
06th Sep 2021**Domestic market summary**

- **Domestic Market Scenario:** Till 02 Sep 2021 cotton sowing across India has reached 118.13 lakh hectares compared to previous season sowing at 126.45 lakh hectares during the same time. New cotton arrivals have started coming in mandi.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 6900-7400/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.5600-7500/q.

Major Market Highlights:

- The Cotlook index stood higher (103.65cents/lbs) compared to the ICE cotton future that stood at 94.23 cents/lbs.
- Much awaited rainfall in Gujarat was very beneficial to cotton crop.

Market Highlights:

- **According to the Agriwatch estimates, till 02nd September '2021, about 118.13 lakh hectares area was sown in India compared to normal of corresponding week 126.45 lakh hectares last year.** Higher area was reported from the states of Maharashtra (39.37 lakh hectares), Telangana (20.51 lakh hectares), Karnataka (6.28 lakh hectares), Rajasthan (6.17 lakh hectares), Haryana (6.88 lakh hectares), Madhya Pradesh (6.15 lakh hectares), and Gujarat (22.51 lakh hectares). Less area was reported from the states of Andhra Pradesh (4.81 lakh hectares), Tamil Nadu (0.10 lakh hectares), Punjab (3.03 lakh hectares) and Odisha (1.95 lakh hectares).
- **Bathinda Cotton purchase for 2021-22 Kharif season is picking up in the markets.** Mansa, Bathinda, Fazilka, and Muktsar with farmers being paid up to Rs. 6,711 per quintal, higher than this season's expected MSP (Minimum Support Price) of Rs. 5,925. According to the Punjab Mandi Board, 17,000 quintal cotton has been purchased over the past 10 days till 30th August'21, with private players buying the entire production.
- **Cotton crop has been affected due to Pink Bollworm infestation.** The area of Sirsa, Fatehabad, Hisar, Mahendargarh, and Jind of Haryana, along with Bhatinda and Mansa of Punjab has been affected by the pest infestation. According to the Central Institute of Cotton Research, pink bollworm was spotted in central and south India during the previous seasons but this time infestation has been reported in some

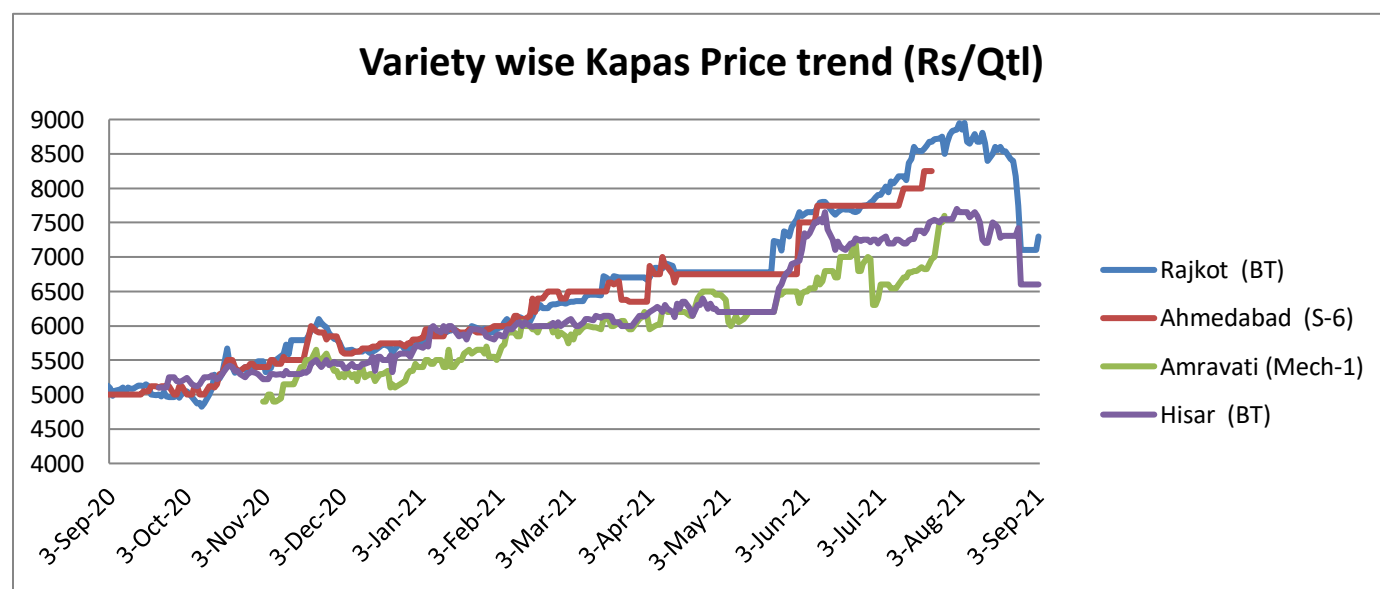
areas of Punjab and Haryana. Also, a meeting is scheduled between top cotton scientist from the Punjab, Haryana and Rajasthan on 7th September 2021 to decide the strategy to minimize the pest infestation.

- **The purchase of new cotton has started at the abohar new grain market.** Around 1,500 quintals of narma cotton was purchased from different farmers at the rate of Rs. 6,721. According to the local farmers, the areas under cotton is likely to give more produce this time if the rain does not affect plants in the coming days.
- **New cotton arrivals have started in Bathinda Mandi.** Around 19 quintals of raw cotton has arrived in Bathinda grain market on Monday. The cotton prices are higher and farmers are getting Rs.300-400 per quintal more than the MSP. Prices are fixed at Rs. 5,925 per quintal for 27.5-28.5 mm long staple, farmers are getting Rs. 6,200- Rs.6,400 per quintal. Cotton Corporation of India is expected to enter the market in October for the new season.

Domestic Cotton Prices Scenario

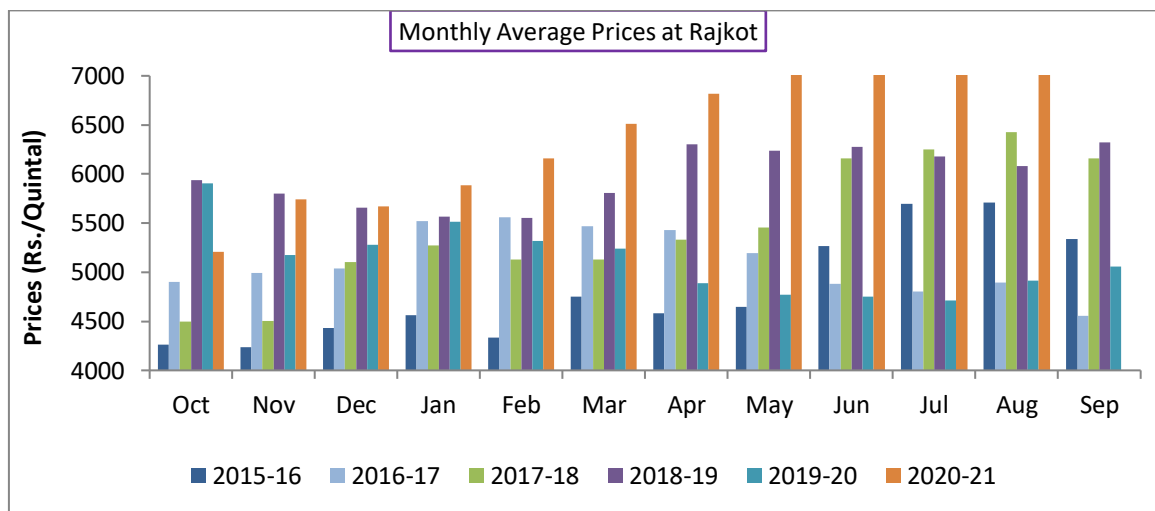
Kapas (Raw Cotton) Weekly Price Scenario

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



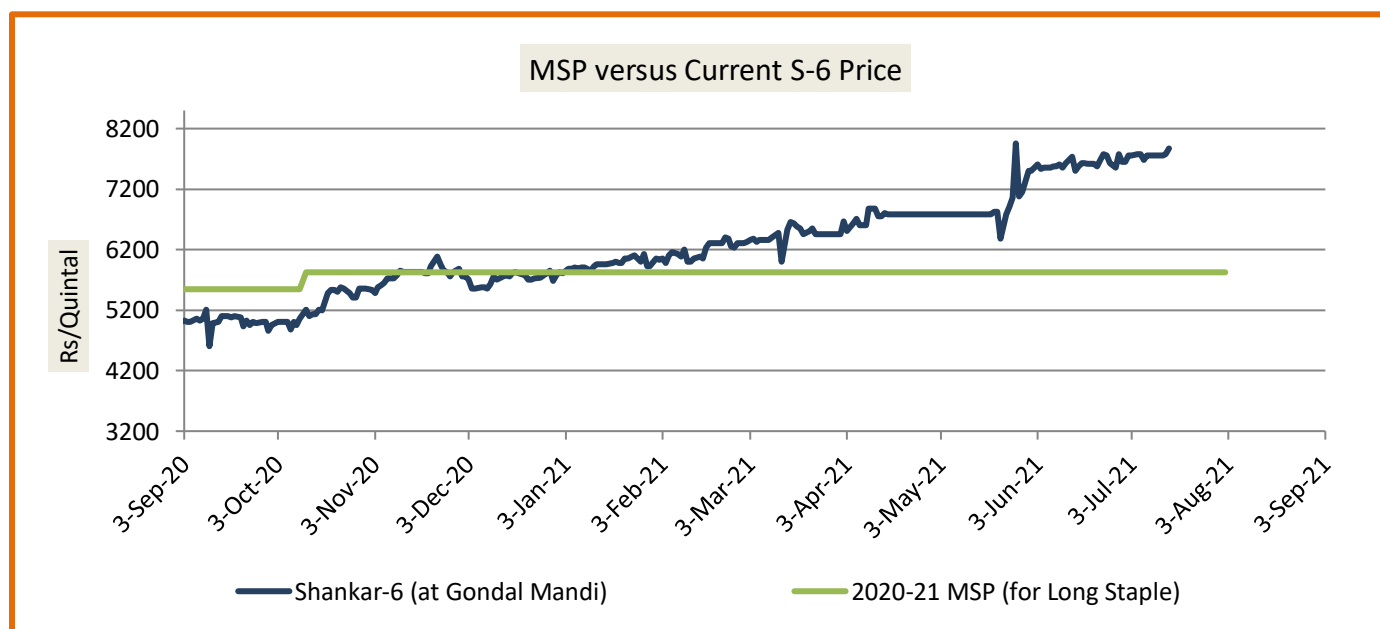
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of August were lower in the market but the monthly average price were higher at Rs. 8527/q compared to the prices during the corresponding month of the previous season.(Rs. 4916/q)



Spot Price versus MSP

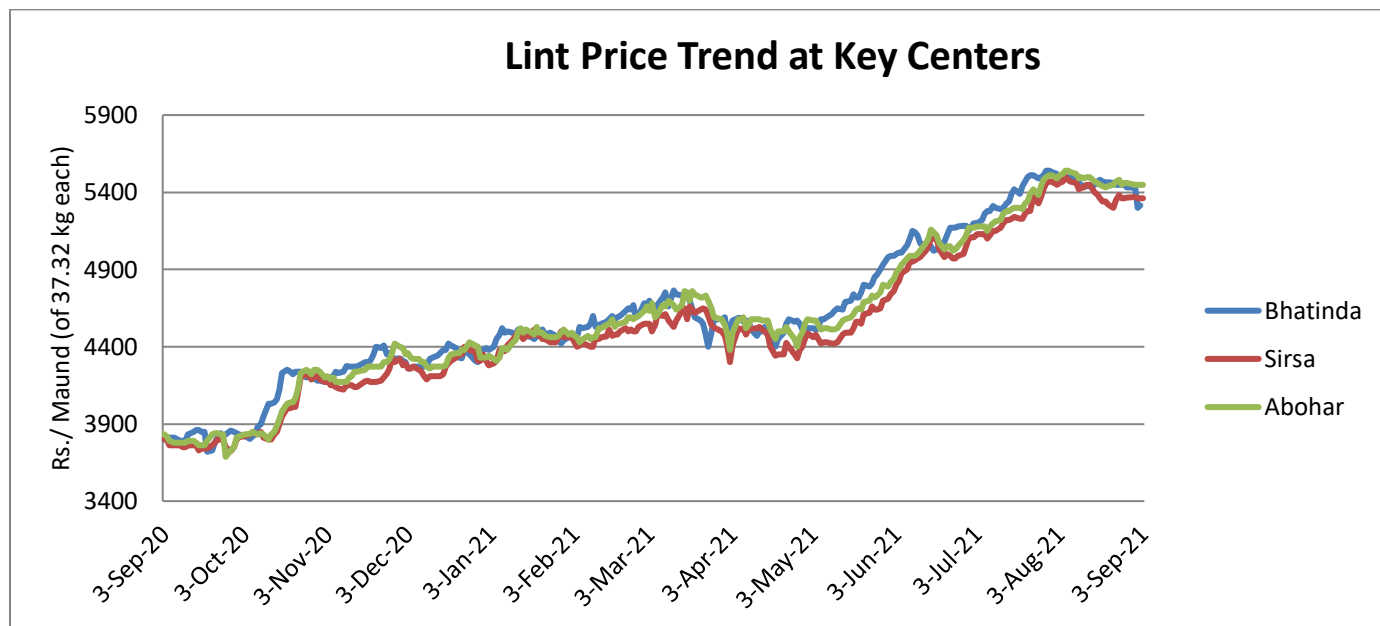
Arrivals were not available in Gondal Market. Average kapas price at Gondal market stood at Rs. 7875/q in the previous week.



Source: Agriwatch

Lint price Outlook

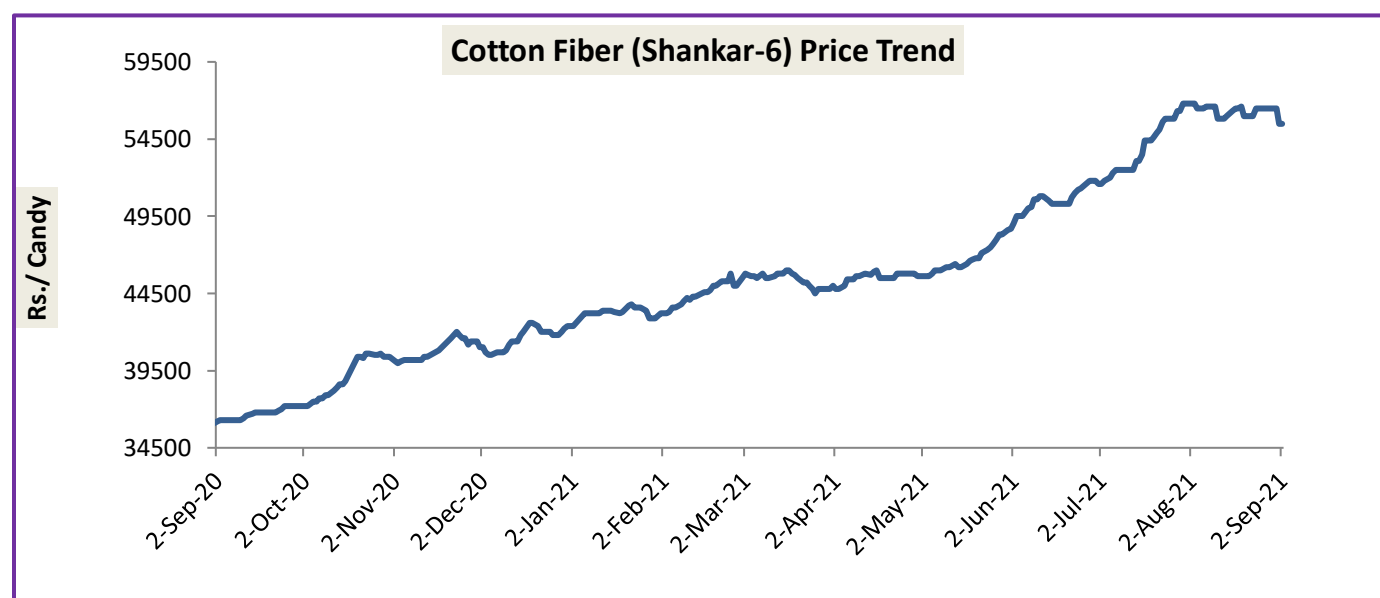
The average price stood lower at Rs.5446/maund of lint in Abohar, in Bhatinda was low at Rs.5448/ maund, and Rs.5335/maund in Sirsa.



Source: Agriwatch

Cotton Fiber price Outlook

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



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

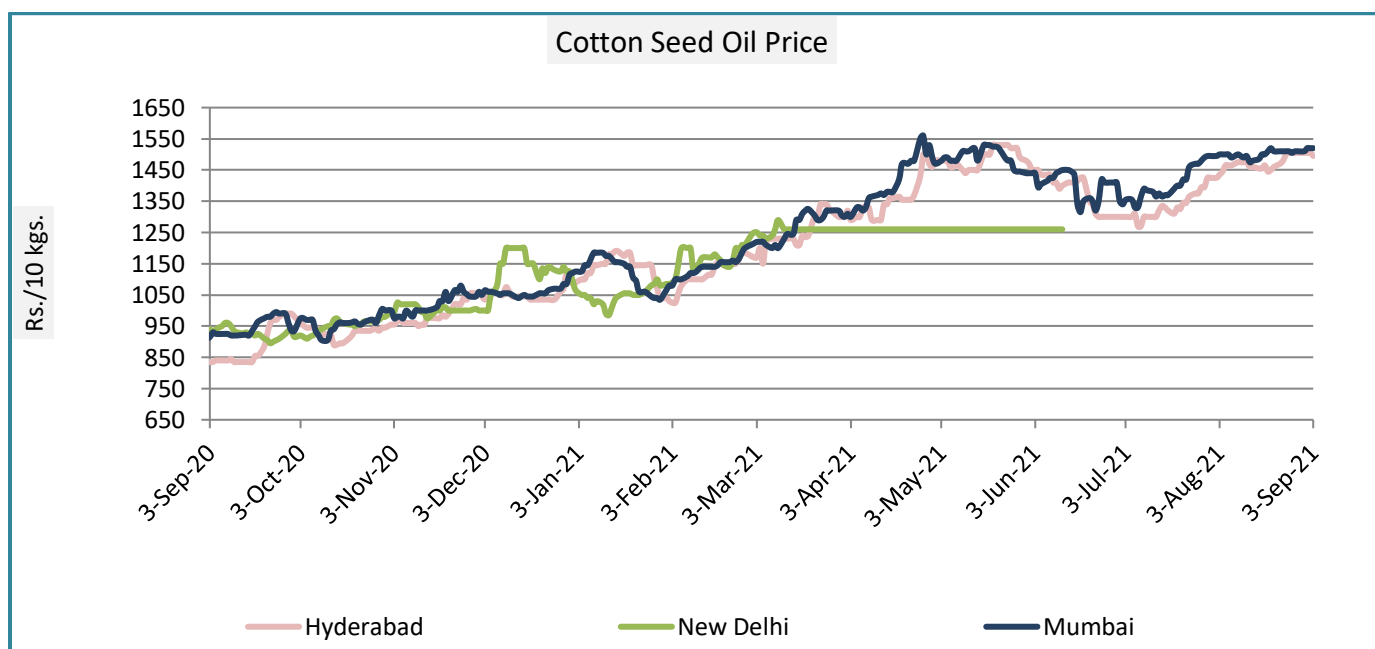
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 01st Sep'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	01-Sep-21	25-Aug-21	
New Delhi	-	-	-
Rajkot	1494	1497	-0.19
Hyderabad	1498	1502	-0.30
Mumbai	1513	1509	0.29

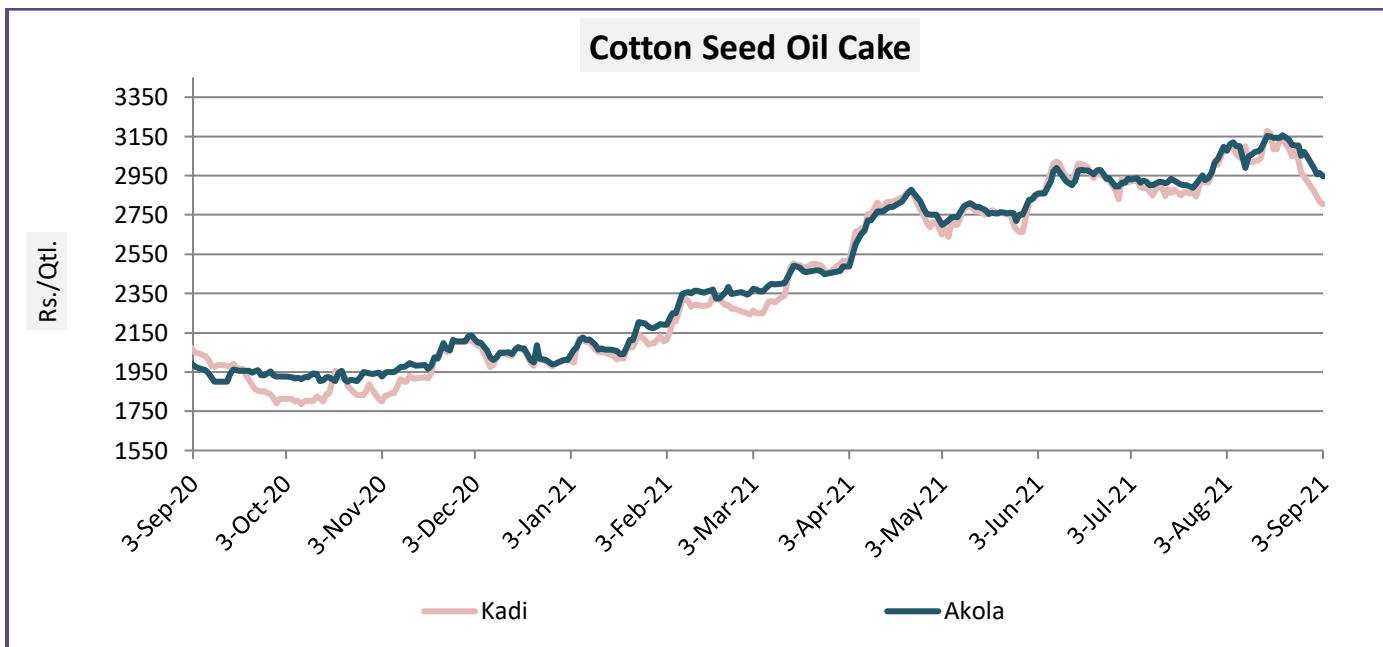
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have slightly decreased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2955 per quintal from Rs. 3047 per quintal and in Akola was at Rs. 3047 per quintal from Rs. 3132 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	01-Sep-21	24-Aug-21	
Kadi	2955	3095	-4.52
Akola	3047	3132	-2.73



Source: NCDEX

International Market Scenario

- According to an International Cotton Advisory Committee Report, after a 7 percent decrease in 2020-21, cotton 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 closures and logistical issues looming in Bangladesh and Vietnam.
- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) August report, for the 2020-21 global ending stocks are higher despite lower production and higher consumption. Global trade is raised and led by higher imports for China and Bangladesh. The U.S. 2020-21 balance reflected only a drop in exports by 50,000 bales to 16.35 million. The 2021-22 cotton crop was lowered by 118,000 tons to 3.76 million with leaving the planted acres unchanged. Exports were decreased by 44,000 tons to 3.27 million and ending stock was depressed by 65,000 tons to 0.66 million tons, down year over year by 6.3 percent.

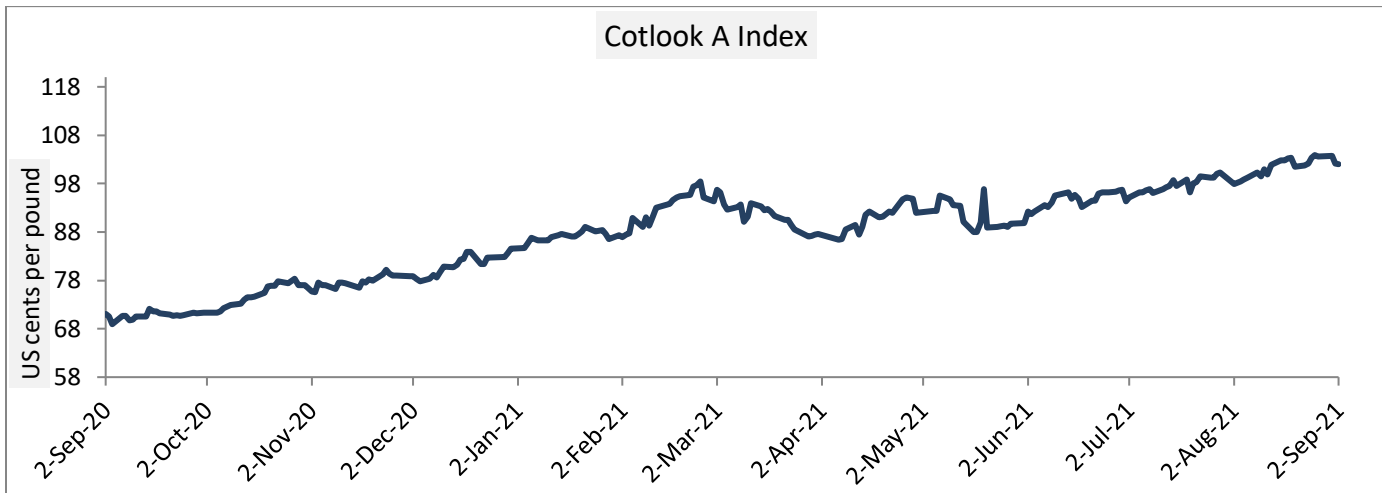
- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, For 2021-22 U.S. Cotton projection, World cotton production is forecasted 546,000 bales lower at 118.84 million as reduced production in Brazil (12.50 million bales) and United States (17.26 million bales) offset higher 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. 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).
- 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.
- 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 102.42cents/lb higher as compared to the previous week (102.11cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	01-Sep-21	24-Aug-21	
Prices	102.42	102.11	0.30
Prices in US cents per Pound			

Source: Cotlook

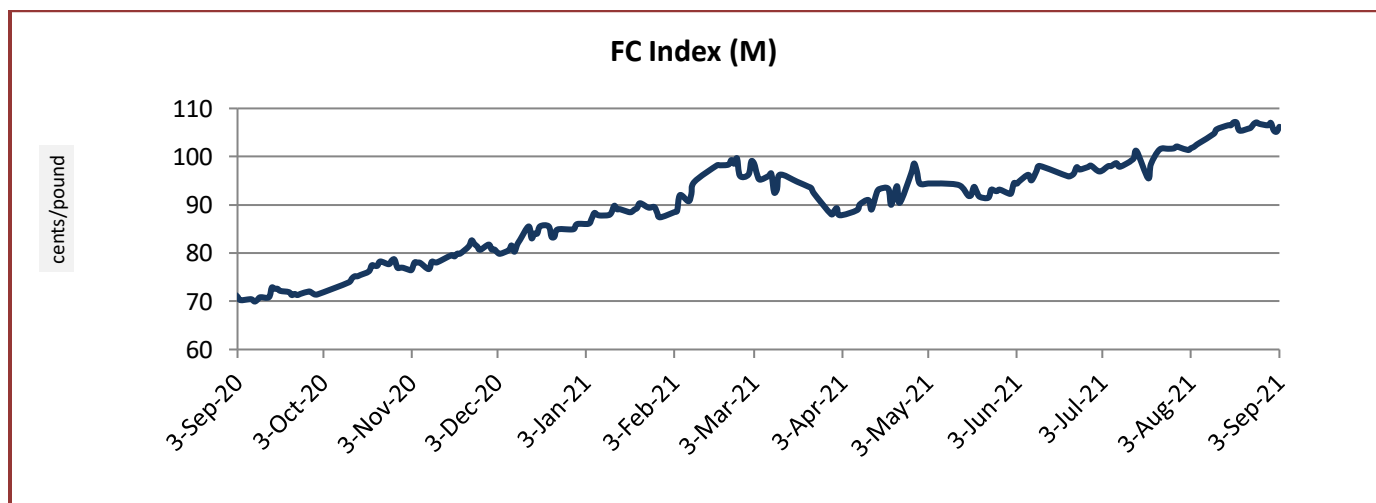


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	01-Sep-21	24-Aug-21	
FC (S)	107.46	107.74	-0.26
FC (M)	106.45	106.45	-0.23
FC (L)	105.31	105.31	-0.23

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	01-Sep-21	24-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

Prices in Yuan per ton

Source: China Cotton Association



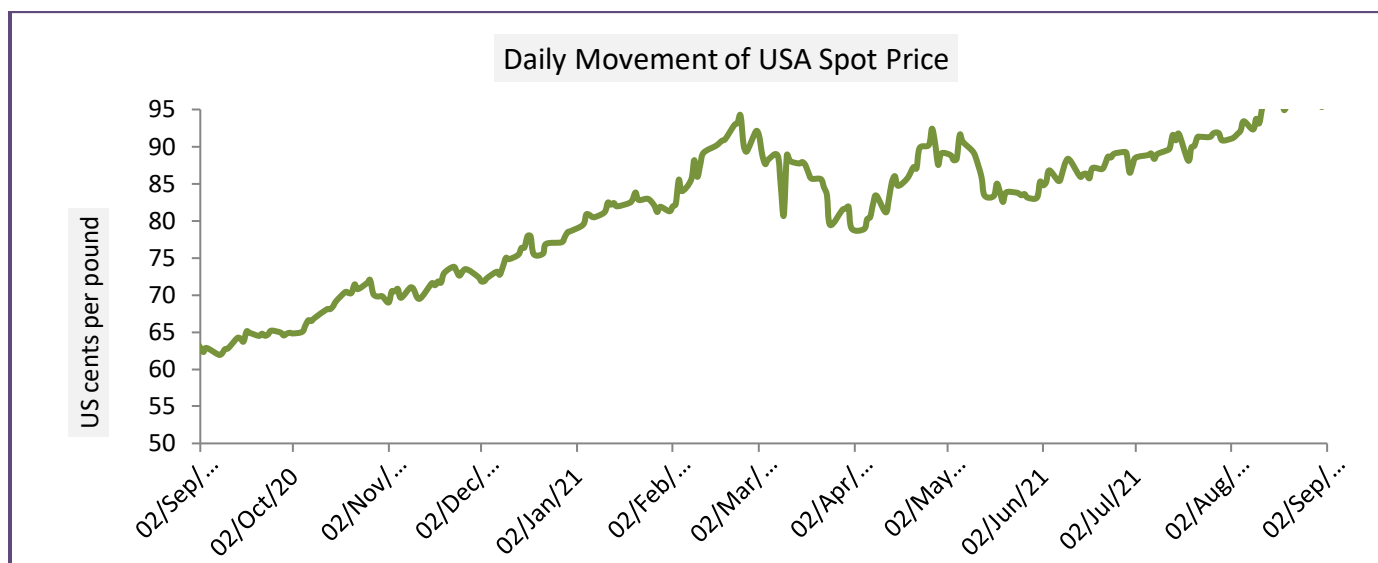
USA Spot Prices

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
	01-Sep-21	25-Aug-21	
Prices	95.92	96.51	-0.61

Prices in US cents per Pound

Source: USDA

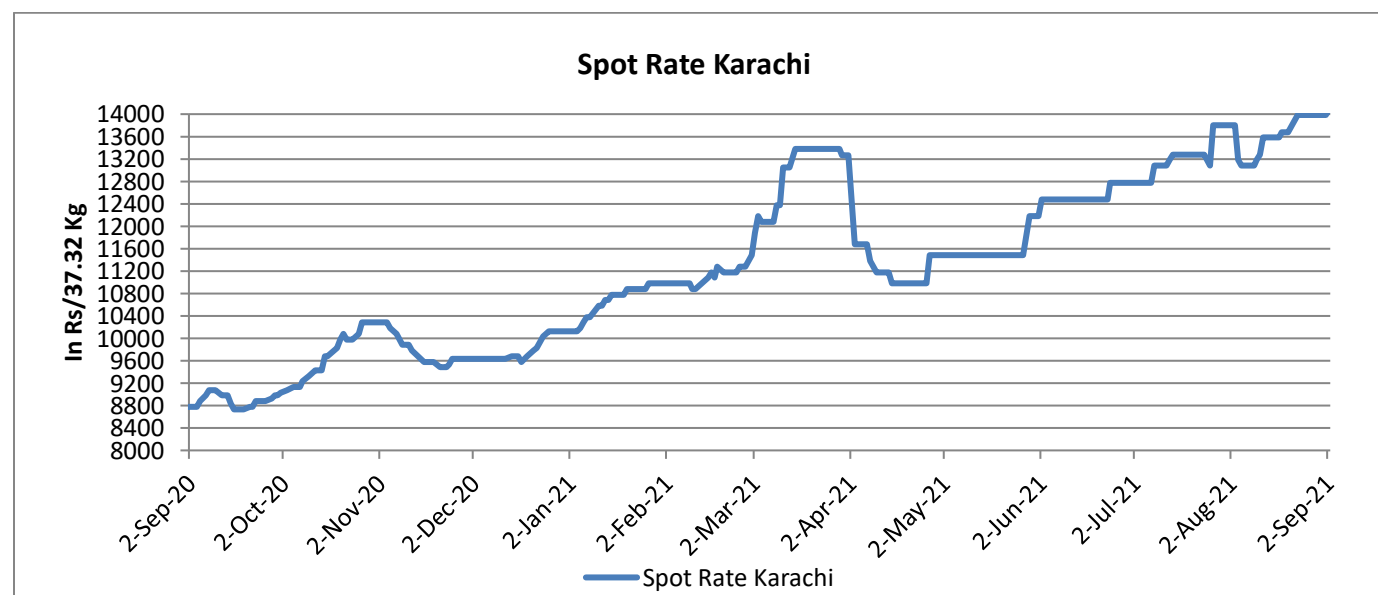


Pakistan Spot Prices

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

Karachi Spot Prices	Weekly Average Price as on		% Change
	01-Sep-21	25-Aug-21	
Prices	13980	13830	1.08
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: Oct. 30, 2021



TechnicalCommentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 25960.
- If the market tests the support at 25000, intraday short positions may be created.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	25000	25470	25830	25960	26200
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Sell	25720	25760	25780	25750

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: Sep 20th, 2021

Cottonseed Oilcake



Technical Commentary:

- Cottonseedoilcakeonthe weekly chartlooksbullish.
- On the intra-day chart, there exists a consolidation zone(support)at 2175andthenatrendlinesupportat 2800. Strong resistance is seen at 2700.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2400	2460	2594	2700	2750
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2594	2650	2670	2600

* 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.

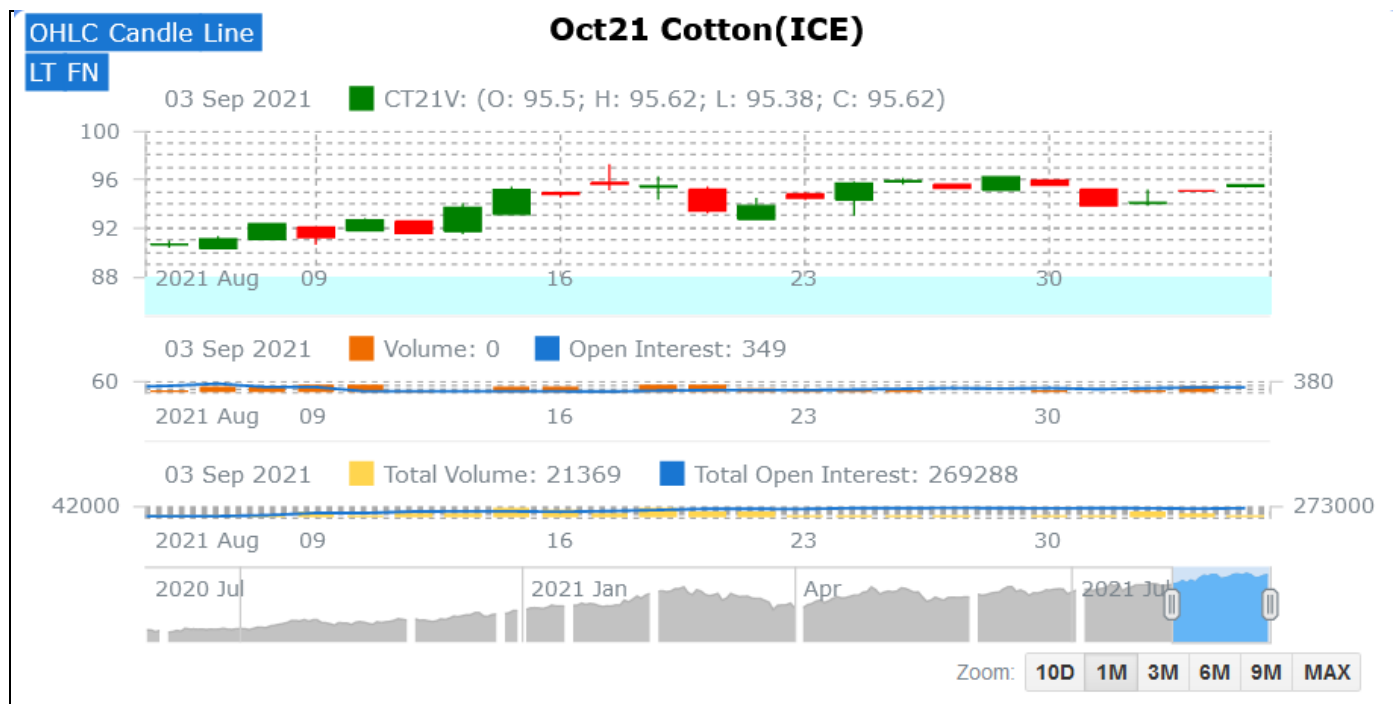
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	95-98

Expected Support and Resistance

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

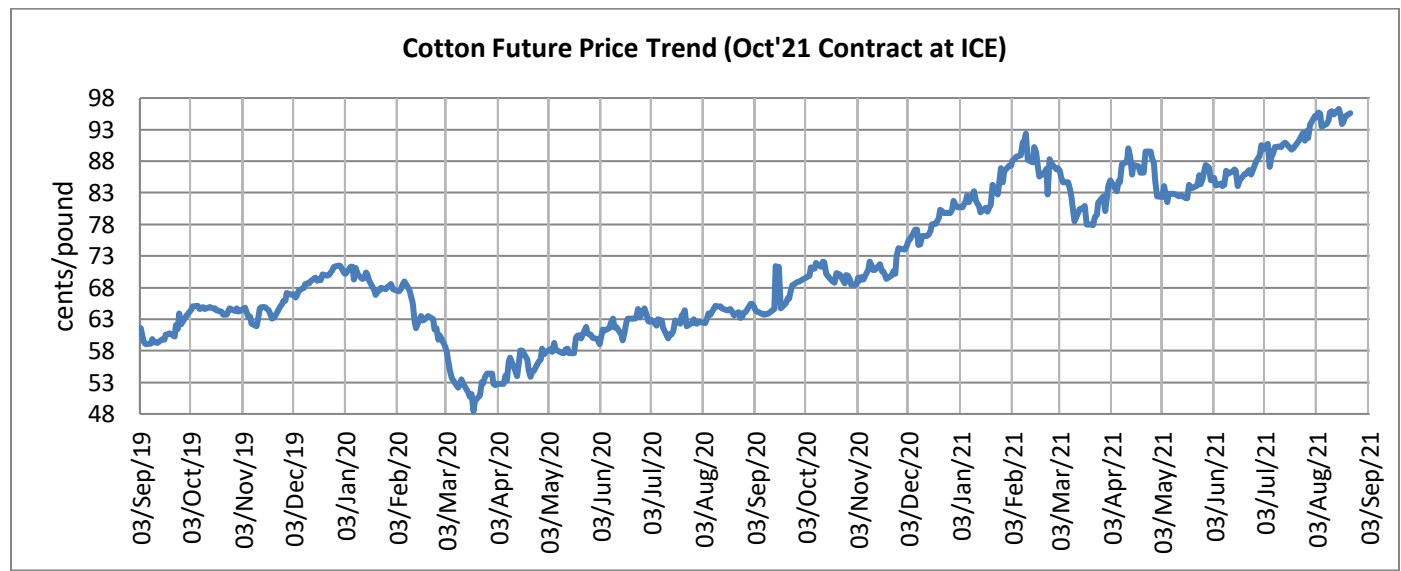
Figures in US cents/pound



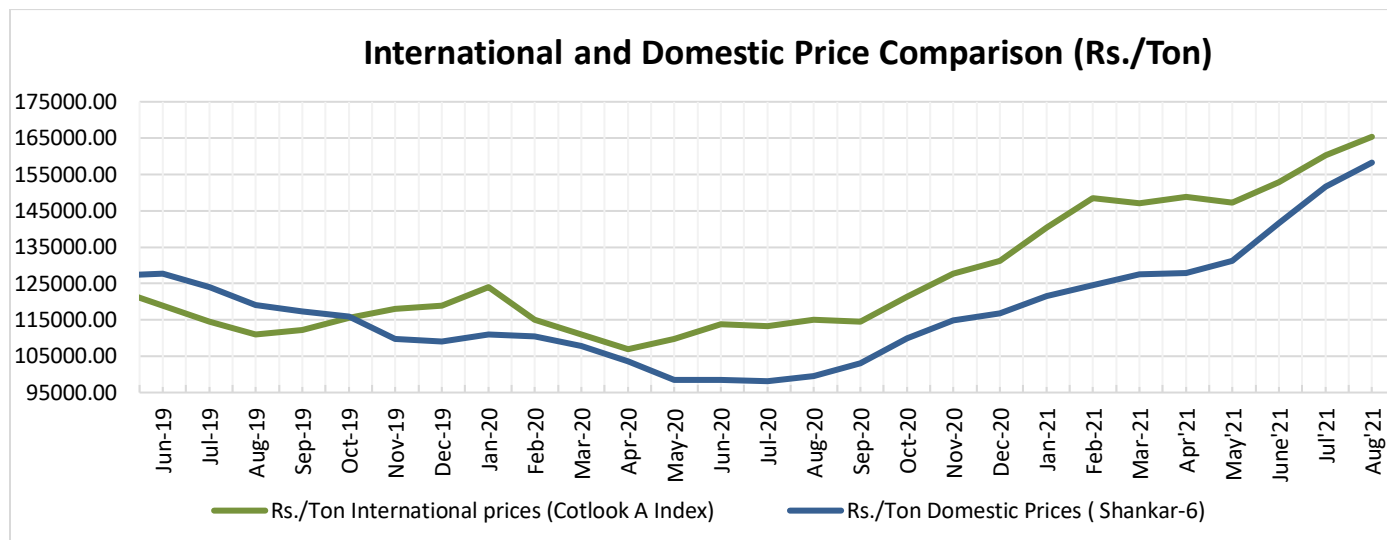
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	03-Sep-21	04-Aug-21 (1 month ago)	05-Jun-21 (3 months ago)	07-Mar-20 (6 months ago)	03-Sep-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	95.62	90.72	85.80	86.77	65.29	5.40	46.45
Dec-21	94.02	90.31	85.93	88.32	66.15	4.11	42.13
Mar-21	93.26	90.01	85.88	89.29	66.91	3.61	39.38
May-22	92.67	89.44	85.73	85.79	63.56	3.61	45.80
Jul-22	90.98	88.29	85.51	85.34	64.28	3.05	41.54

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			26th Aug'21 to 01st Sep'21	19th Aug'21 to 25th Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7428	8447	-1020
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	7563	7071	492
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6764	7286	-522
	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	6540	6600	-60
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	7761	8053	-292
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder of 37.32kg each)		Change
State	Centre	Variety	26th Aug'21 to 01st Sep'21	19th Aug'21 to 25th Aug'21	
Punjab	Bhatinda	J-34	5442	5465	-23
	Abohar	J-34	5442	5458	-16
	Mansa	J-34	5442	5462	-20
Haryana	Sirsa	J-34	5350	5366	-16
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	26th Aug'21 to 01st Sep'21	19th Aug'21 to 25th Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	40	620	-580
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5	11	-6
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	901	1411	-510
	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	450	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	394	332	62
	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	26th Aug'21 to 01st Sep'21	19th Aug'21 to 25th 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	03-Sep-21	27-Aug-21	03-Sep-21	03-Sep-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	5000
	Gondal	Shankar-6	NA	0	NA	5500
	Rajkot	B.T. Cotton	7300	7105	7300	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	7500	NA	NR
Haryana	Bhiwani	B.T. Cotton	7000	0	7000	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	6600	6600	6600	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	6811	0	6811	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	6800	6600	6800	NA
	Hathras	Desi	6600	0	6600	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	5400
Karnataka	Bijapur	Bunny	7359	7676	7359	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	03-Sep-21	27-Aug-21	03-Sep-21	03-Sep-20
Punjab	Bhatinda	J-34	5315	5450	5315	0
	Abohar	J-34	5315	5450	5315	0
	Mansa	J-34	5315	5450	5315	0
Haryana	Sirsa	J-34	5340	5360	5340	3760
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	03-Sep-21	27-Aug-21	03-Sep-21	03-Sep-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	1700
	Gondal	Shankar-6	NA	0	NA	#N/A

	Rajkot	B.T. Cotton	30	30	30	#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	1	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	1500	0	1500	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	5	0	5	#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	50	100	50	#N/A
	Hathras	Desi	22	0	22	#N/A
Telangana	Adilabad	Un-Ginned	NA	0	NA	0
Karnataka	Bijapur	Bunny	153	102	153	1715
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	105
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	03-Sep-21	27-Aug-21	03-Sep-21	03-Sep-20
Punjab	Bhatinda	J-34	340	0	340	0
	Abohar	J-34	170	0	170	0
	Mansa	J-34	85	0	85	0
	Sirsa	J-34	255	0	255	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
				26th Aug'21 to 01st Sep'21	19th Aug'21 to 25th Aug'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42520	42533	-13
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43220	43233	-13
J-34(202)	26mm	3.5 - 4.9	23	49220	49517	-297
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	52600	52833	-233
Shankar-6(105)	29mm	3.5 - 4.9	28	56300	56267	33
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	56800	57133	-333
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	57900	58033	-133
DCH-32(107)	34mm	3.0 - 3.8	33	96900	96167	733

Disclaimer

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