

COTTON WEEKLY RESEARCH REPORT
13th Sep 2021**Domestic market summary**

- **Domestic Market Scenario:** Till 10th Sep 2021 cotton sowing across India has reached 119.45 lakh hectares compared to previous season sowing at 126.81 lakh hectares during the same time. New cotton arrivals have started coming in mandi. Sowing is almost over for cotton but good rains and good weather may offset the decrease in area by better yield.

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 (103.12cents/lbs) compared to the ICE cotton future that stood at 94.02 cents/lbs.

Market Highlights:

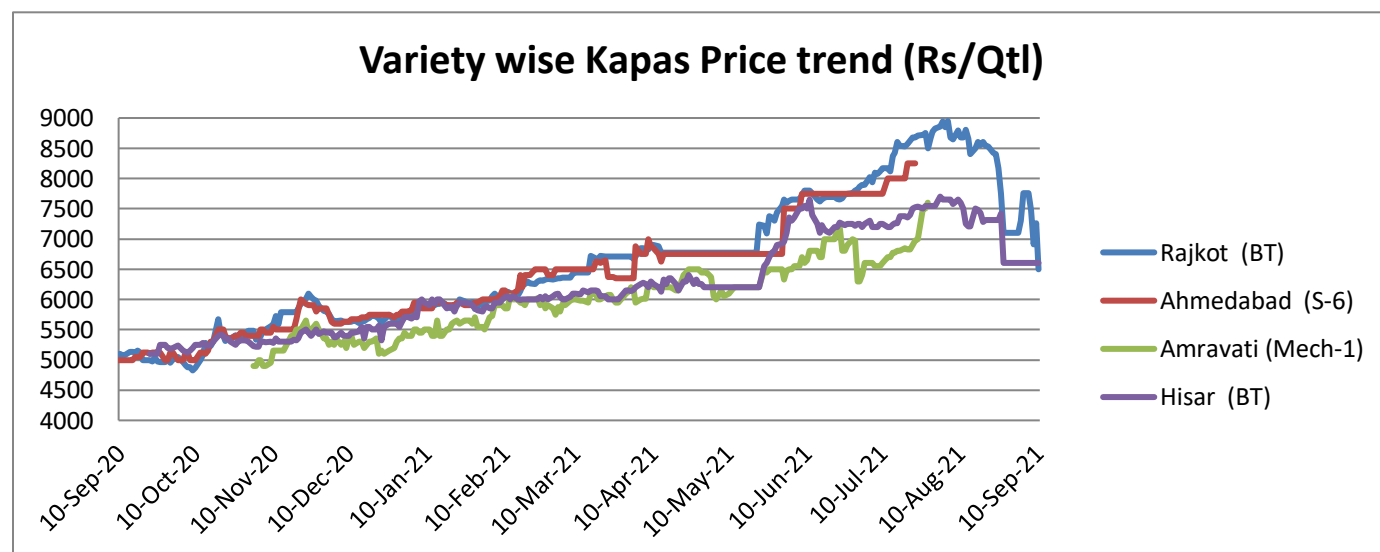
- **Cotton production is expected to increase up to 12 percent in Gujarat.** The cotton production in Gujarat is expected to rise by 10-12 percent in the new cotton season beginning October. Despite the lower acreages around 22.51 lakh hectares under the cotton crop this kharif, the cotton output is expected to increase up to 105 lakh bales in 2021-22 season due to the improved yield following recent spell of rains and favorable climatic conditions.
- **Punjab Agriculture University has advised the farmers to monitor their cotton crop.** As the Pink Bollworm infestation was detected in Bhatinda and Mansa, the Punjab Agriculture University has advised the cotton growers to monitor their cotton fields for pink bollworm infestation. The agricultural expert has also advised the farmers that if any incidence occurs on their crop they can contact to PAU.
- **Cotton crop has been affected due to heavy rains in Khammam.** The heavy rains during the past few days have affected the cotton and paddy crop in Khammam and Bhadrachalam -Kothagudem districts. According to the preliminary estimates of the Agriculture department around 1,887 acres of area has been damaged in Bhadrachalam -Kothagudem districts affecting over 1,393 farmers. In Khammam district, crops mainly paddy and cotton, were inundated by rainwater in around 1,720 acres.
- **Cabinet has approved Production Linked Incentives scheme.** The cabinet has approved the PLI scheme for textiles for MMF (man-made fibre) apparel, MMF fabrics and ten segments of technical textiles with a budgetary outlay of ₹10,683 crore that will be provided over 5 years.

- Cotton sowing in Telangana is expected to decrease compared to previous season.** Telangana plans to touch the 28.32 lakh hectares mark in cotton has fallen as the farmers have sown the cotton crop only on over 20.23 lakh hectares as on 8th September 2021. Also, the sowing is coming to an end; it is highly unlikely that there will be any improvement in acreages.
- Pink Bollworm infestation in Bhatinda.** As per the State Agriculture Department data, all the 14 blocks of Bhatinda and Mansa have reported the Pink Bollworm infestation in cotton. Around 3.25 lakh hectares is under cotton cultivation in Punjab, out of that nearly 5 percent of the area is under the Bathinda (96,000 hectares) and Mansa (65,000 hectares) is under pest attack. According to the agricultural officials, there is no serious threat to cotton production. The maiden picking of the three-picking cycle of cotton is expected to begin after September 15 whereas farmers have started harvesting in the early-sown fields.
- Tamil Nadu has removed 1 percent cotton cess on purchase of cotton and cotton waste.** The Southern India Mills Association lauded the decision on the revoking of the tax as it would benefit 200k farmers and help increase cotton production from 500k bales to 2.5 million bales by 2030. Also, this would encourage farmers to switch over to cotton crop from other cash crops and may benefit 1 million farmers in the long run.

Domestic Cotton Prices Scenario

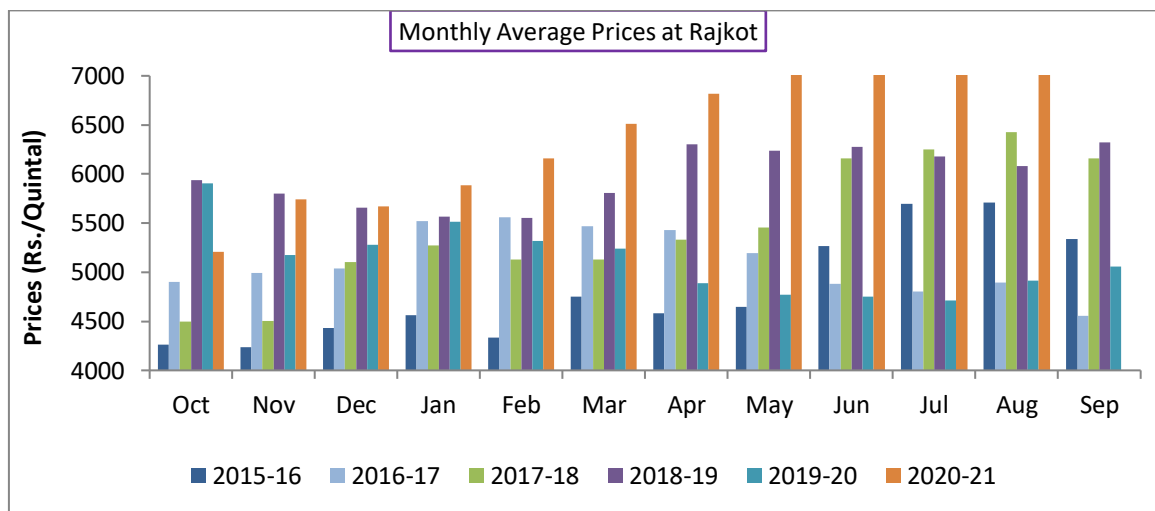
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot was lower at Rs. 7383.33/q and in Hisar were prices were at Rs. 6600/qt.



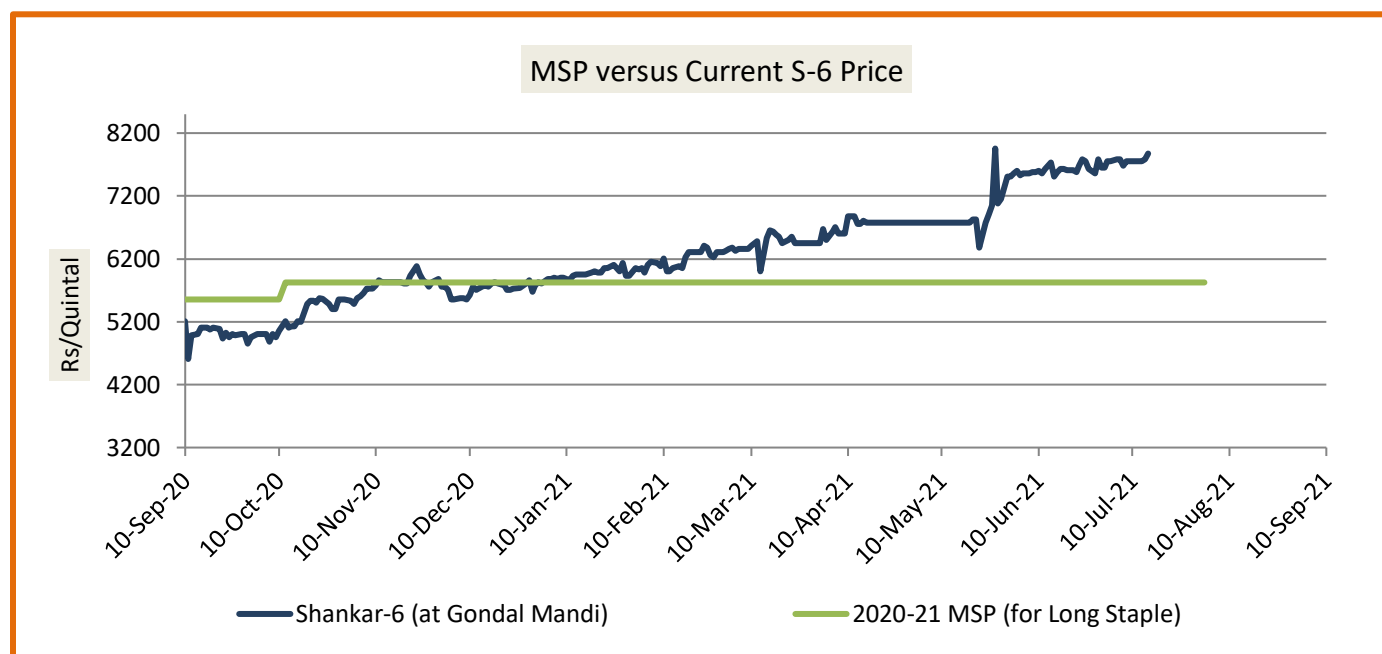
Kapas Monthly M-o-M Price Scenario

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

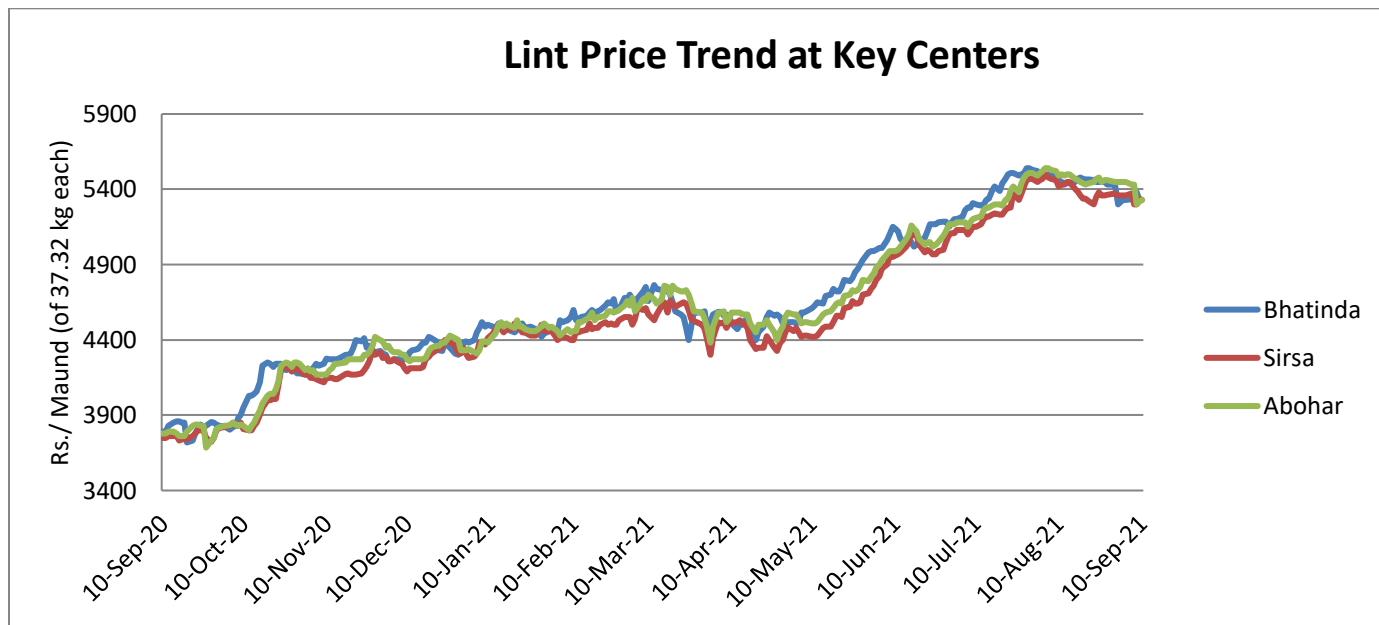
Arrivals were not available in Gondal Market. Average kapas price at Gondal market stood at Rs. 7875/q in the previous week.



Source: Agriwatch

Lint price Outlook

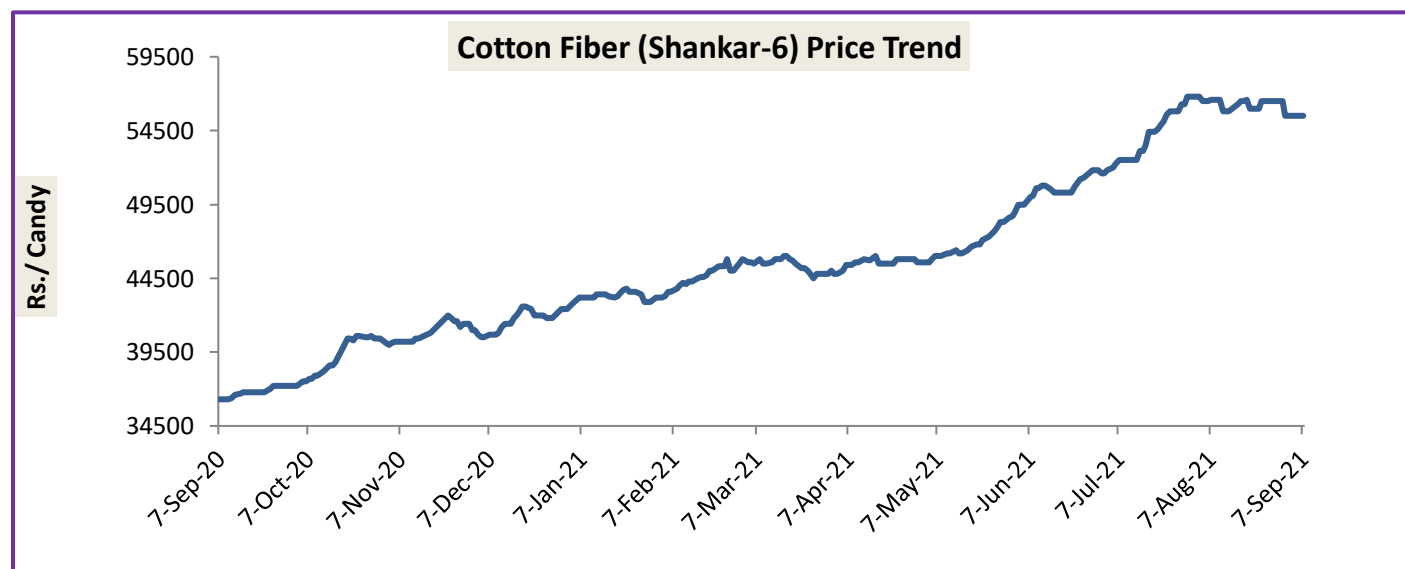
The average price stood lower at Rs.5322.5/maund of lint in Abohar, in Bhatinda was low at Rs.5331/ maund, and Rs.5328/maund in Sirsa.



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.55500/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

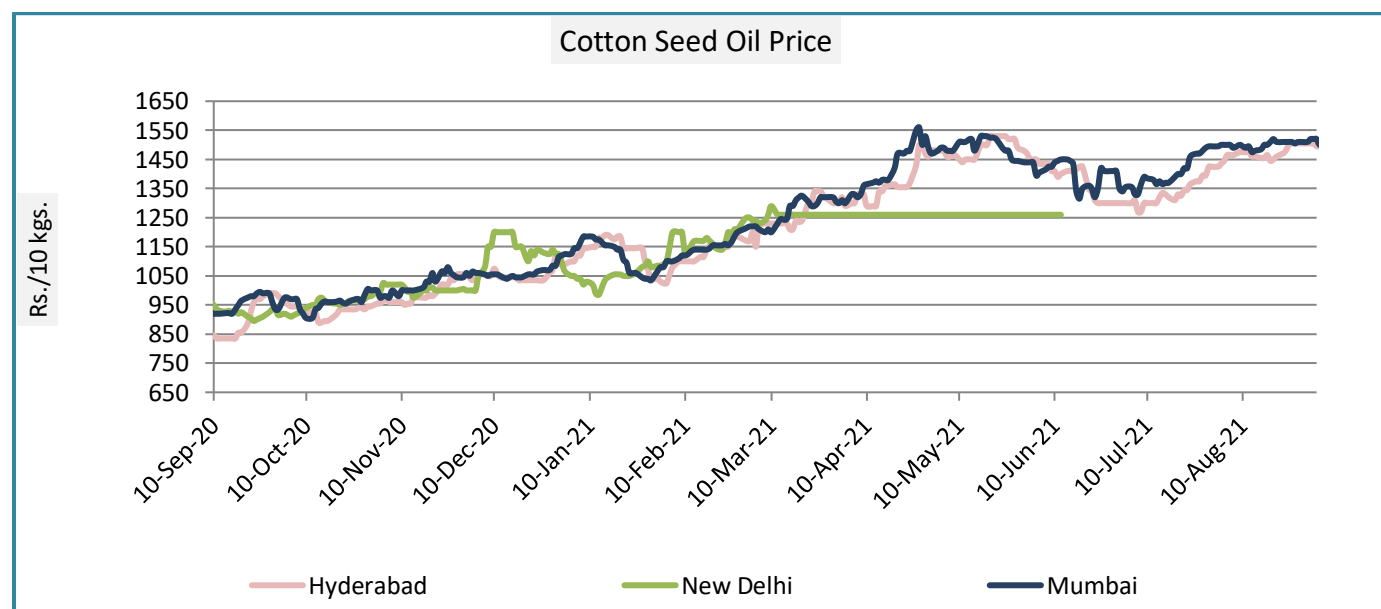
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 08th Sep'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	08-Sep-21	01-Sep-21	
New Delhi	-	-	-
Rajkot	1467	1494	-1.83
Hyderabad	147	1498	-1.76
Mumbai	1493	1513	-1.30

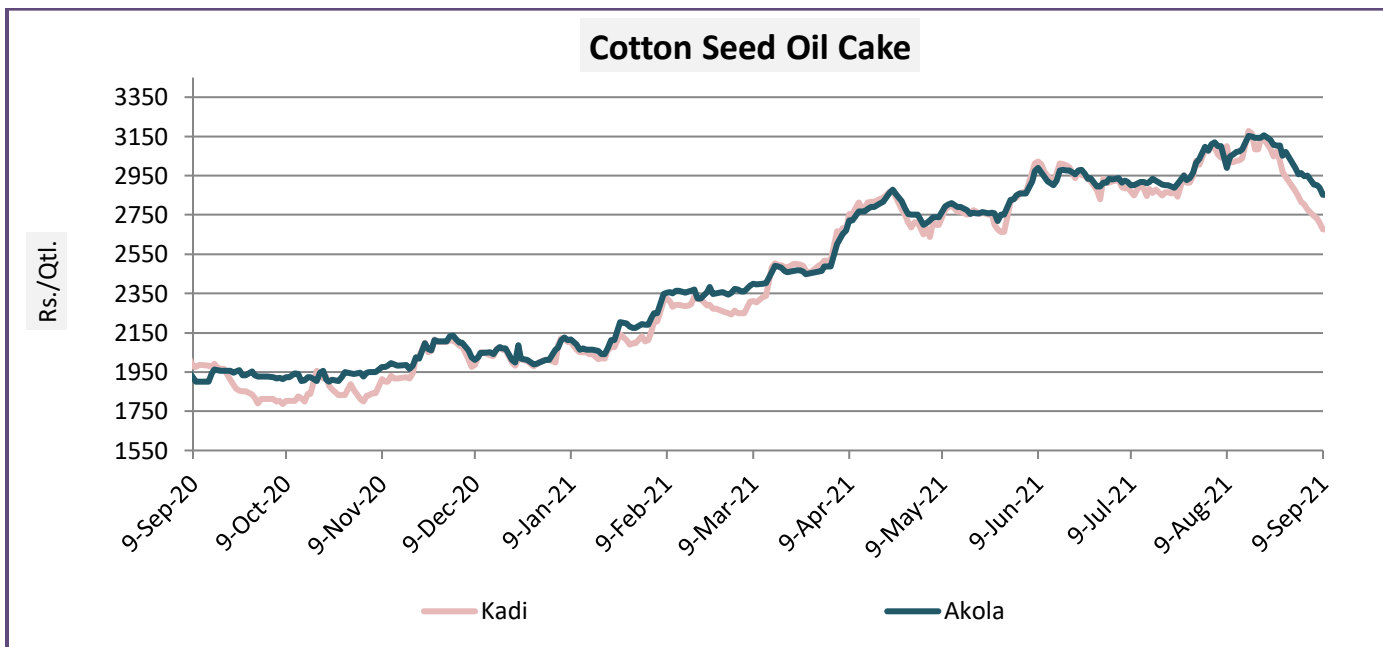
Source: Agriwatch



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. 2764 per quintal from Rs. 2995 per quintal and in Akola was at Rs. 2926 per quintal from Rs. 3047 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	08-Sep-21	01-Sep-21	
Kadi	2764	2955	-6.47
Akola	2926	3047	-3.99



Source: NCDEX

International Market Scenario

- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, For 2021-22 U.S. cotton production is forecasted at 18.5 million bales, up 1.2 million bales despite a 4 percent decline in harvested area, largely due to increased projected yields in Texas. With both world trade and U.S. supplies higher this month, U.S. exports are 500,000 bales higher and ending stocks are 700,000 bales higher.
- 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 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

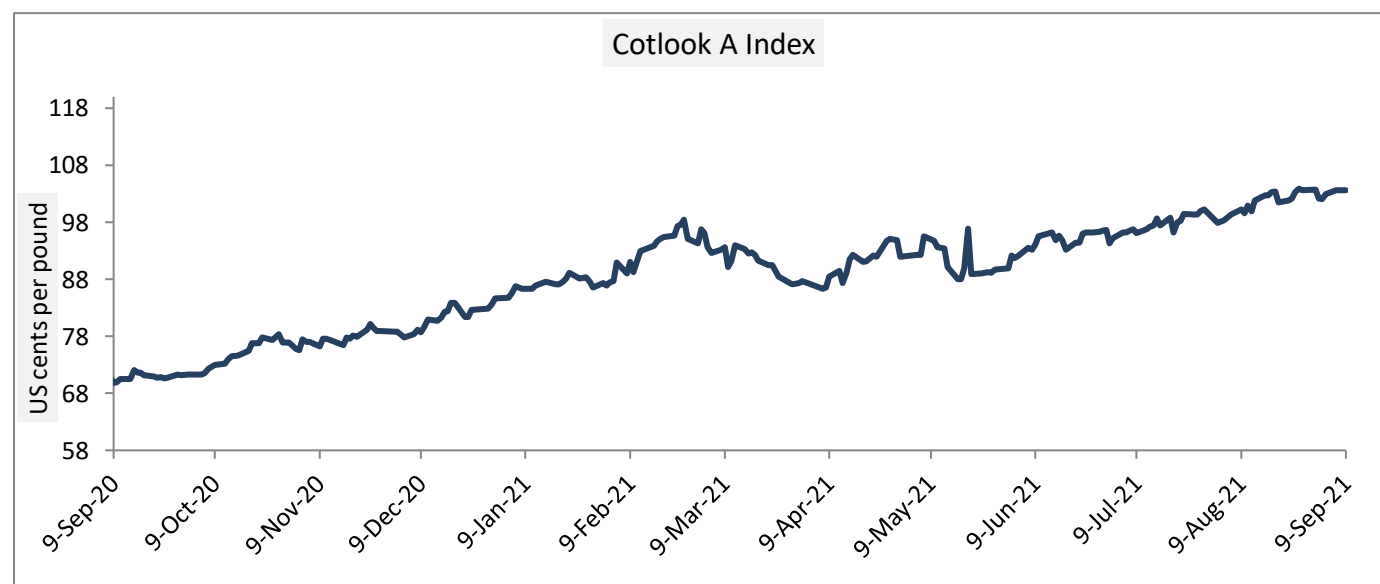
crop's susceptibility to pest and disease attacks, India will continue to be the World's largest cotton producer till 2030. India's cotton production is expected to expand to 7.2 million tonnes (approximately 43 million bales of 170 kg each) compared with the current output of 6 MT equivalent to roughly 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 103.19cents/lb higher as compared to the previous week (103.09cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	08-Sep-21	01-Sep-21	
Prices	103.19	103.09	0.10
Prices in US cents per Pound			

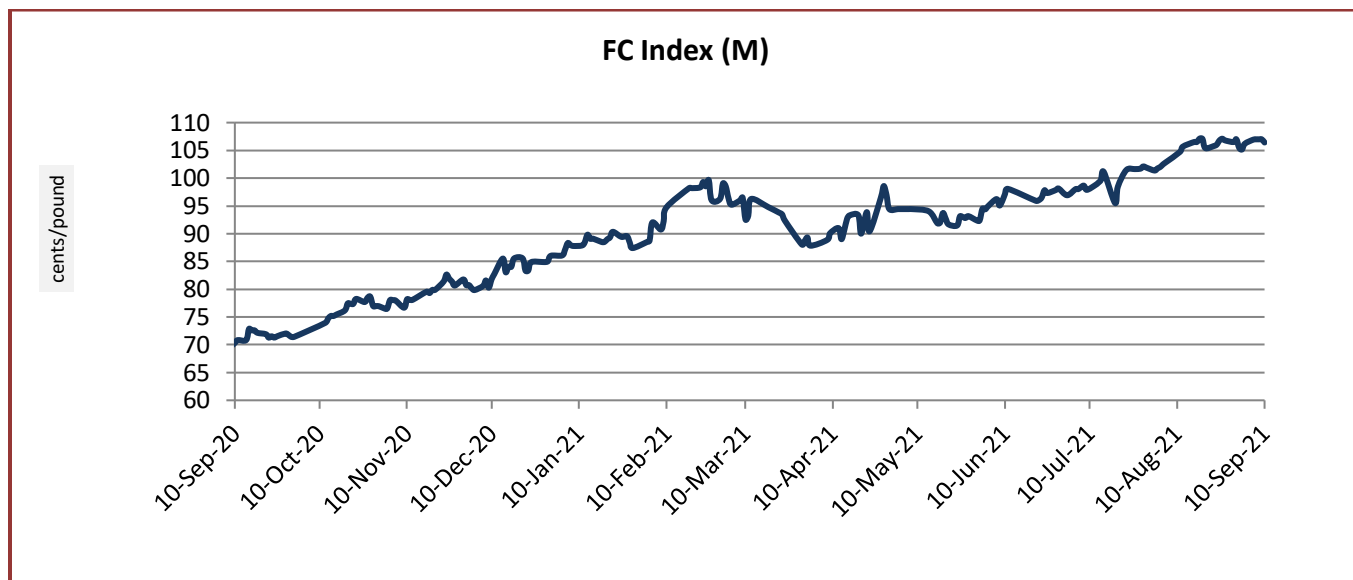
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	08-Sep-21	01-Sep-21	
FC (S)	107.66	107.46	-0.10
FC (M)	106.45	106.45	-0.11
FC (L)	105.32	105.31	-0.11
Prices in US cents per Pound			

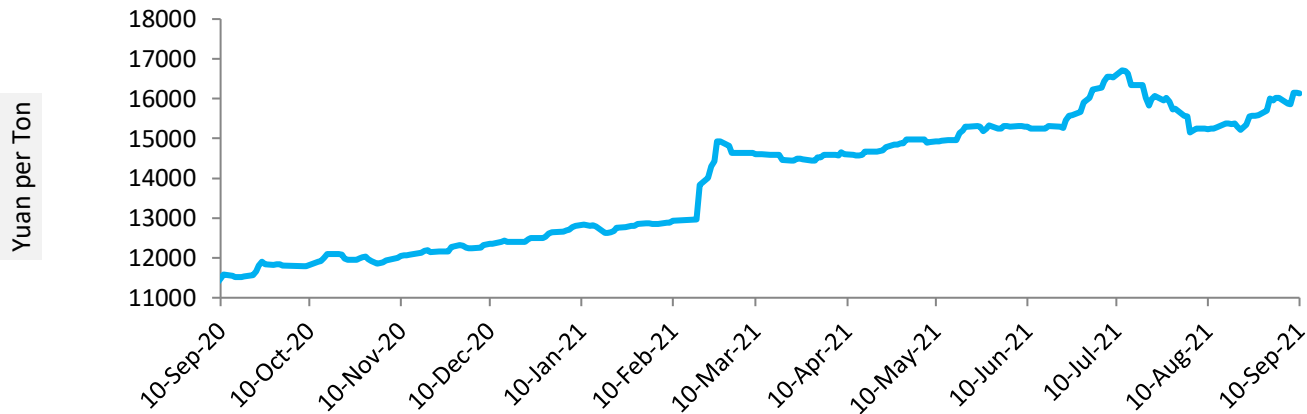
Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	08-Sep-21	01-Sep-21	
CCIndex(328)	18142.83	18096.50	0.26
CCIndex(527)	17208.83	17117.33	0.53
CCIndex(229)	18534.67	18447.33	0.47
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)



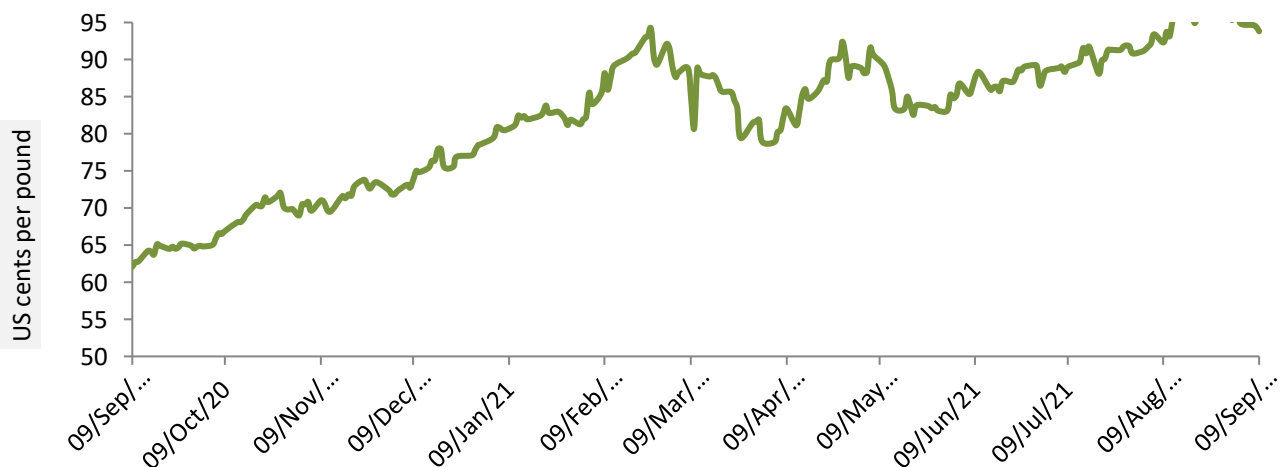
USA Spot Prices

U.S.A spot prices have decreased from the prior week by 1.67 percent at 94.89 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	08-Sep-21	01-Sep-21	
Prices	94.89	95.92	-1.67
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price

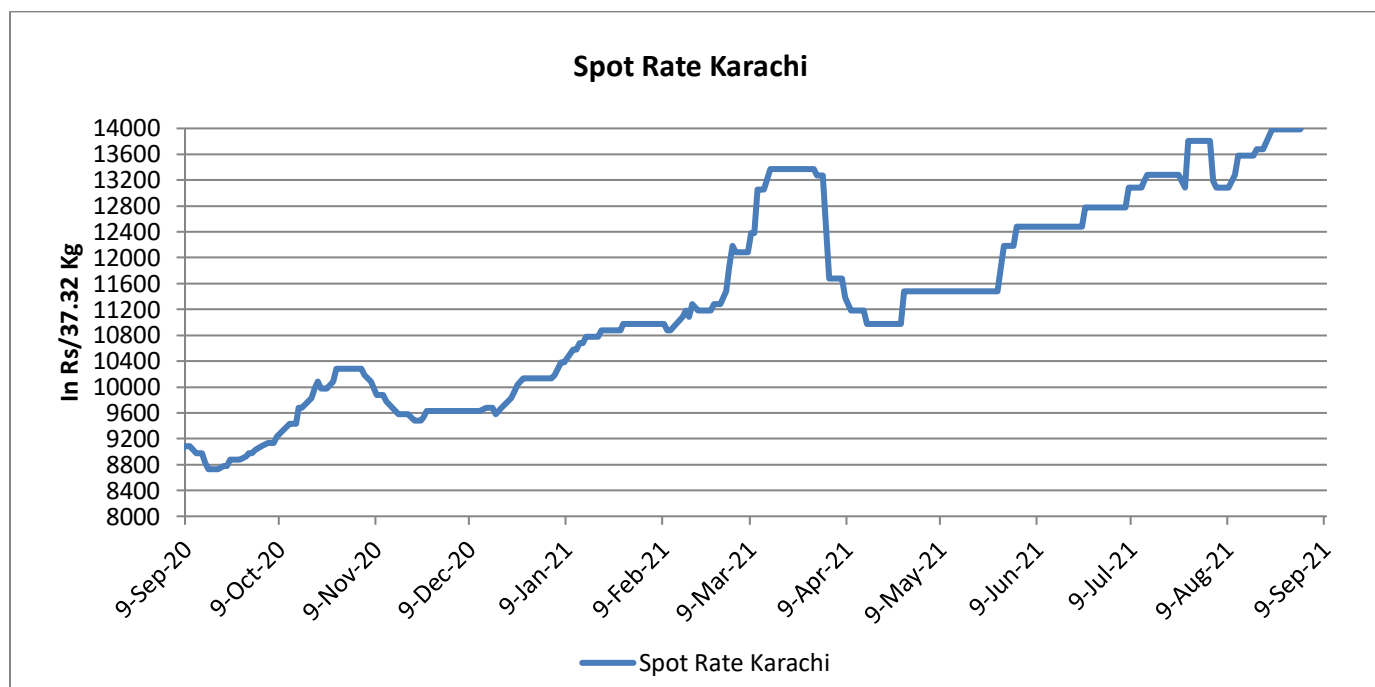


Pakistan Spot Prices

The Karachi spot price stood low around Rs.14100/q from previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	08-Sep-21	01-Sep-21	
Prices	14100	14280	-1.26
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: Oct. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/09/05 - Weekly B:25670.00 A:25750.00
O:25720.00 H:25970.00 L:25210.00 C:25740.00 ↑ V:1,378 T:832,120 I:1,710 -90 -0.35%



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 26160.
- If the market tests the support at 25000, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	25000	25470	25870	26160	26200
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	25720	25860	25880	25750

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: Sep 20th, 2021

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/09/05 - Weekly B:2405.00 A:2413.00
 O 2594.00 H 2617.00 L 2376.00 C 2411.00 ↑ V 81,860 | 27,690 -174 -6.73%



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	2411	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.

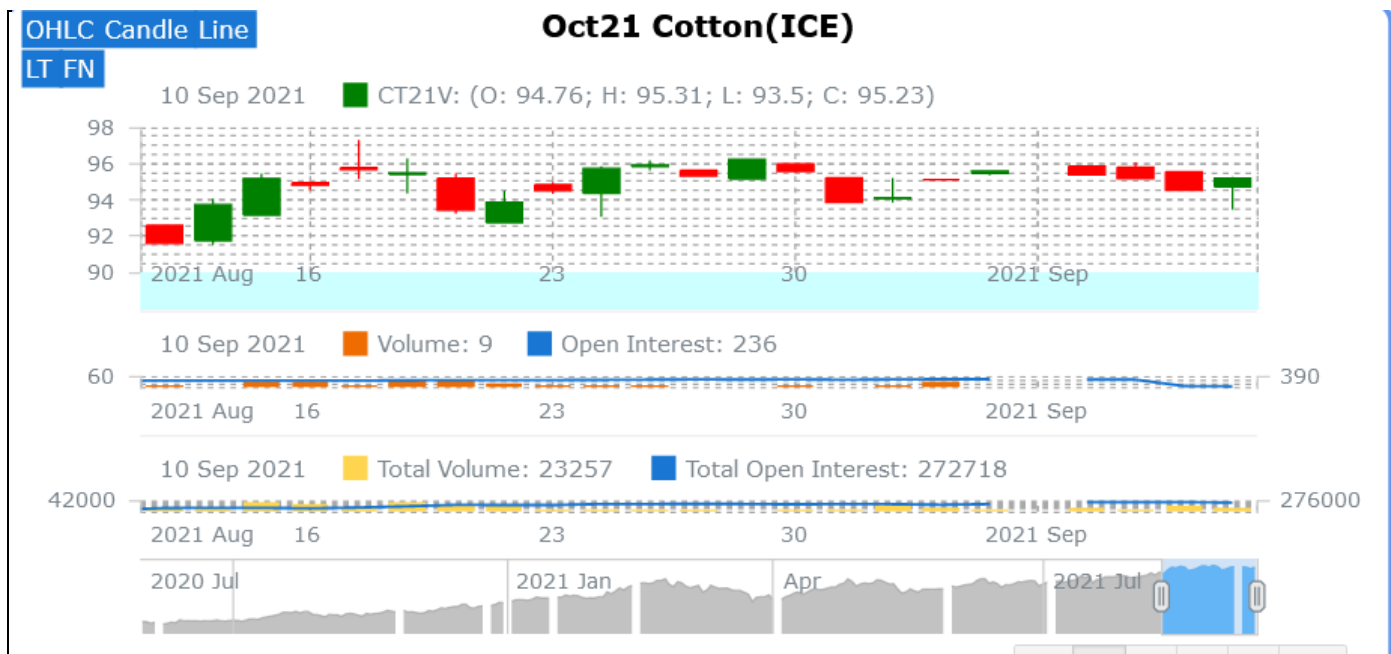
Expected Price Range During Coming month

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

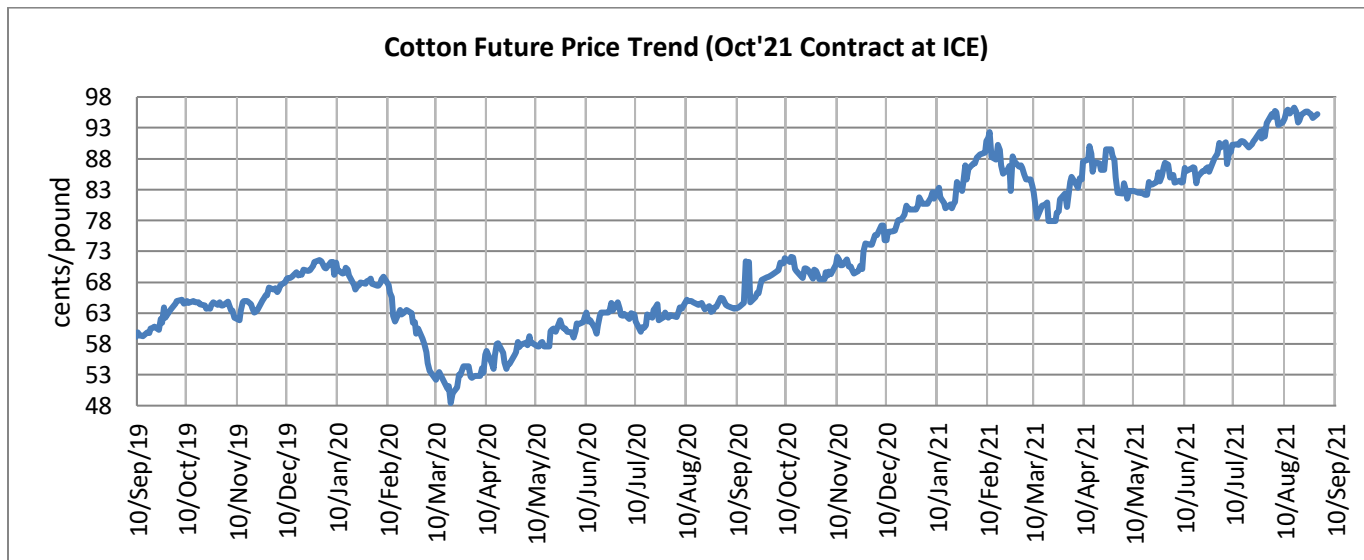
Figures in US cents/pound



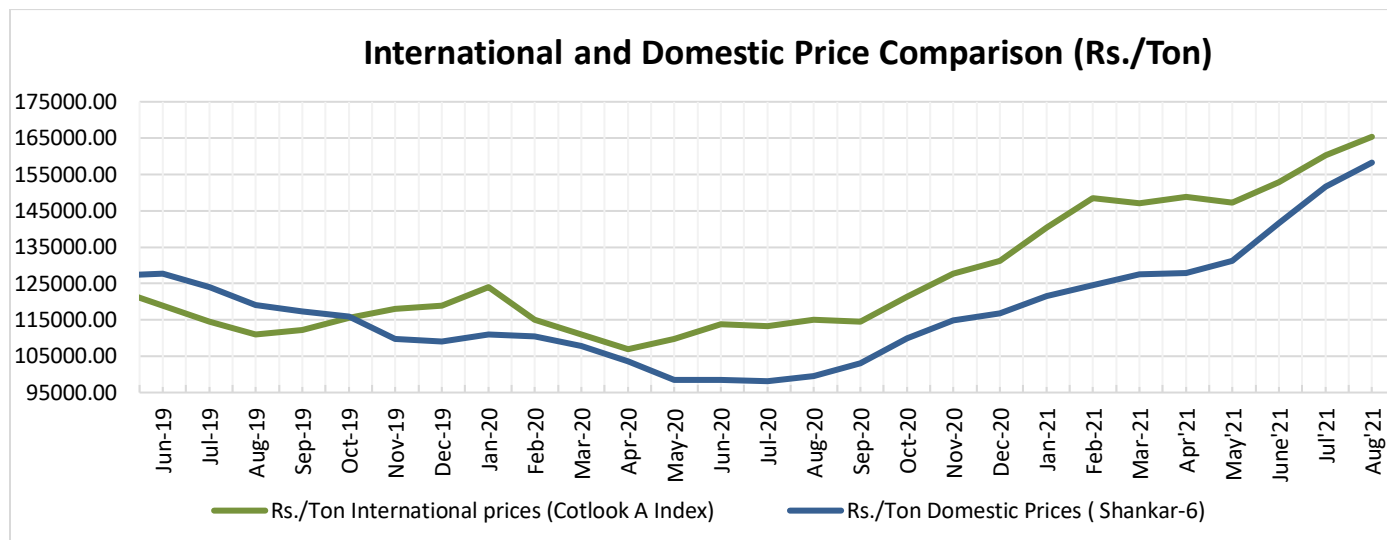
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	10-Sep-21	11-Aug-21 (1 month ago)	12-Jun-21 (3 months ago)	14-Mar-20 (6 months ago)	10-Sep-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	95.23	91.64	87.00	88.57	65.82	3.92	44.68
Dec-21	93.50	91.22	89.34	89.34	66.63	2.50	40.33
Mar-21	92.73	90.66	87.92	87.92	67.34	2.28	37.70
May-22	92.31	90.05	87.73	87.73	63.96	2.51	44.32
Jul-22	90.41	88.68	87.48	87.48	64.81	1.95	39.50

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	02nd Sep'21 to 08th Sep'21	26th Aug'21 to 01st Sep'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7360	7428	-68
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	7563	-
Haryana	Bhiwani	B.T. Cotton	6967	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6608	6737	-128
	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	6833	6583	250
	Hathras	Desi	6233	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	7251	7618	-367
	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	02nd Sep'21 to 08th Sep'21	26th Aug'21 to 01st Sep'21	
Punjab	Bhatinda	J-34	5332	5418	-87
	Abohar	J-34	5323	5418	-96
	Mansa	J-34	5324	5418	-94
Haryana	Sirsa	J-34	5335	5350	-15
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	02nd Sep'21 to 08th Sep'21	26th Aug'21 to 01st Sep'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	500	80	420
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	10300	NA	-
	Adampur	B.T. Cotton	1190	1071	119
	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	350	500	-150
	Hathras	Desi	294	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	358	208	150
	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	02nd Sep'21 to 08th Sep'21	26th Aug'21 to 01st Sep'21	Change
Punjab	Bhatinda	J-34	2720	NA	-
	Abohar	J-34	2040	NA	-
	Mansa	J-34	901	NA	-
Haryana	Sirsa	J-34	893	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	09-Sep-21	02-Sep-21	09-Sep-21	09-Sep-20
Gujarat	Ahmedabad	Shankar-6	0	0	0	5000
	Gondal	Shankar-6	0	0	0	5500
	Rajkot	B.T. Cotton	7255	NA	7255	5530
	Patan	B.T. Cotton	0	0	0	5515
	Kadi	B.T. Cotton	0	0	0	5550
	Deesa	B.T. Cotton	0	0	0	NA
	Dhrol	B.T. Cotton	0	0	0	NR

Haryana	Bhiwani	B.T. Cotton	7000	7000	7000	5600
	Bhiwani	Desi	0	0	0	NA
	Adampur	B.T. Cotton	6640	6600	6640	5350
	Fatehabad	B.T. Cotton	0	0	0	5350
	Jind	B.T. Cotton	0	0	0	5700
	Uchana	B.T. Cotton	0	0	0	5385
	Dabwali	B.T. Cotton	0	0	0	NR
Rajasthan	Hanumangarh	B.T. Cotton	0	6811	0	Closed
	Rawatsar	B.T. Cotton	0	0	0	Closed
Madhya Pradesh	Khandwa	Mech-1	0	0	0	5491
	Khargaon	Mech-1	0	0	0	5427
Maharashtra	Amravati	Mech-1	0	0	0	5300
	Jamner	Medium Staple	0	0	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	7000	6800	7000	NA
	Hathras	Desi	6200	6600	6200	NA
Telangana	Adilabad	Un-Ginned	0	0	0	5400
Karnataka	Bijapur	Bunny	0	0	0	5929
	Hubli	D.C.H.	0	0	0	NA
	Hubli	B.T. Cotton	0	0	0	NA
	Raichur	H-44 Cotton	0	0	0	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	09-Sep-21	02-Sep-21	09-Sep-21	09-Sep-20
Punjab	Bhatinda	J-34	5380	5300	5380	0
	Abohar	J-34	5325	5300	5325	0
	Mansa	J-34	5370	5300	5370	0
Haryana	Sirsa	J-34	5330	5300	5330	3760
Rajasthan	Sri-Ganganagar	J-34	0	0	0	0

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	09-Sep-21	02-Sep-21	09-Sep-21	09-Sep-20
Gujarat	Ahmedabad	Shankar-6	0	0	0	3400
	Gondal	Shankar-6	0	0	0	N/A
	Rajkot	B.T. Cotton	140	NA	140	N/A

	Patan	B.T. Cotton	0	0	0	3450
	Kadi	B.T. Cotton	0	0	0	N/A
	Deesa	B.T. Cotton	0	0	0	N/A
	Dhrol	B.T. Cotton	0	0	0	N/A
Haryana	Bhiwani	B.T. Cotton	2500	1500	2500	1200
	Bhiwani	Desi	0	0	0	N/A
	Adampur	B.T. Cotton	340	170	340	N/A
	Fatehabad	B.T. Cotton	0	0	0	N/A
	Jind	B.T. Cotton	0	0	0	N/A
	Uchana	B.T. Cotton	0	0	0	N/A
	Dabwali	B.T. Cotton	0	0	0	N/A
Rajasthan	Hanumangarh	B.T. Cotton	0	5	0	N/A
	Rawatsar	B.T. Cotton	0	0	0	0
Madhya Pradesh	Khandwa	Mech-1	0	0	0	N/A
	Khargaon	Mech-1	0	0	0	N/A
Maharashtra	Amravati	Mech-1	0	0	0	N/A
	Jamner	Medium Staple	0	0	0	N/A
Uttar Pradesh	Hathras	B.T. Cotton	100	50	100	N/A
	Hathras	Desi	100	22	100	N/A
Telangana	Adilabad	Un-Ginned	0	0	0	0
Karnataka	Bijapur	Bunny	0	0	0	1797
	Hubli	D.C.H.	0	0	0	0
	Hubli	B.T. Cotton	0	0	0	0
	Raichur	H-44 Cotton	0	0	0	202
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	09-Sep-21	02-Sep-21	09-Sep-21	09-Sep-20
Punjab	Bhatinda	J-34	1020	680	1020	0
	Abohar	J-34	340	680	340	0
	Mansa	J-34	136	136	136	0
	Sirsa	J-34	170	255	170	0
	Sri-Ganganagar	J-34	0	0	0	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				02nd Sep'21 to 08th Sep'21	26th Aug'21 to 01st Sep'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41733	42433	-700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42367	43133	-767
J-34(202)	26mm	3.5 - 4.9	23	48867	49133	-267
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	51800	52467	-667
Shankar-6(105)	29mm	3.5 – 4.9	28	55500	56167	-667
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	56133	56667	-533
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	57900	-
DCH-32(107)	34mm	3.0 - 3.8	33	97000	96917	83

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