

COTTON WEEKLY RESEARCH REPORT 27th Sep 2021

Domestic market summary

Domestic Market Scenario: In India cotton arrivals have started in north and MP area. Till 17th Sep 2021 cotton sowing across India has reached 119.66 lakh hectares compared to previous season sowing at 126.98 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 (102.15cents/lbs) compared to the ICE cotton future that stood at 89.02 cents/lbs.
- Indian rupee remained between 73.61 73.87.

Market Highlights:

- Around 1/3rd of the cotton area is affected due to Pink Bollworm. Out of the total 3.25 lakh hectares area under cotton cultivation in Punjab about 33 percent i.e 1/3rd of the total area has been affected due to pink bollworm. The pest is spreading its tentacles rapidly as it is above the economic threshold level in many districts.
- Punjab Mandi has witnessed 50-fold increase in new cotton arrivals. According to the Punjab Mandi Board, about 80,000 quintals of cotton crop has been purchased at various mandis in Punjab till 21st September 2021. Cotton is being bought for rates as high as Rs. 7,010/quintal and around 98% of the produce has been purchased at rates above the minimum support price (MSP) of Rs. 5,925/quintal.
- Cotton procurement in Maharashtra is likely to begin in November for the 2021-22 seasons. According to the Minister of Cooperation and Marketing, Kharif cotton procurement for 2021-22 seasons should commence from the first week of November to facilitate timely sales and income for farmers. The directives comes in the wake of a delay in the last kharif season due to covid 19 pandemic and lockdown through which cotton procurement centers did not opened on time.
- Pink bollworm attack in Punjab is at alarming stage. The Pink Bollworm attack on cotton crop in Punjab
 has increased from previous week of 10-15 percent. Major damage was reported from Bhatinda and
 Mansa. The pest has also caused damaged to the crop in border areas of Fazilka and Muktsar but with less

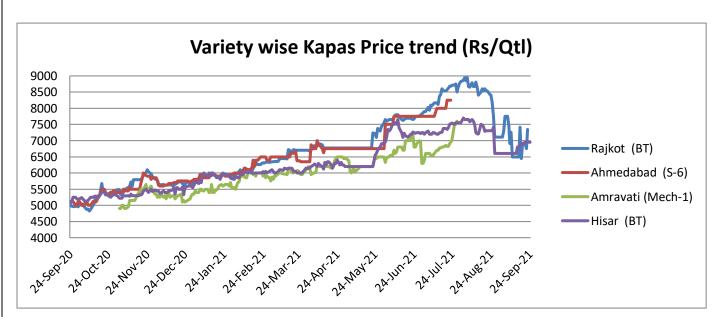


- intensity. In some of the districts in Bhatinda, Maur, Sangat blocks the damage is found to be above 50 percent and at some places reaching up to 60-70 percent.
- According to the Ministry of Agriculture and farmer's welfare, India's food grain production in Kharif 2021-22 seasons has estimated at a record of 150.5 million tonnes. Last year's Kharif production was estimated at 149.56 million tonnes for 2020-21 seasons. Among the Cash crops, Cotton production for this year is estimated at 36.22 million bales higher by 2.4 percent from last year.
- New Cotton prices are ruling above minimum support price of Rs. 5,726 per quintal. The new cotton crop has started arriving in the northern market, Karnataka, Telangana with prices of raw cotton ruling at least 10 percent higher than the minimum support price of Rs. 5,726 per quintal for 2021-22 season. According to the trade estimates, the daily market arrivals are at over 10,000 bales, majorly from the north. Modal prices of raw cotton are ranging between Rs. 6,400- Rs. 7,000 per quintal across the various markets depending upon the quality and moisture content.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

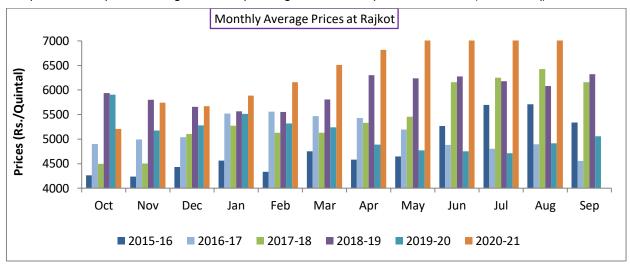
Weekly Price Review: Weekly kapas average price at Rajkot was higher at Rs. 6962/q and in Hisar were prices were same as that of previous week at Rs. 6916/qt.





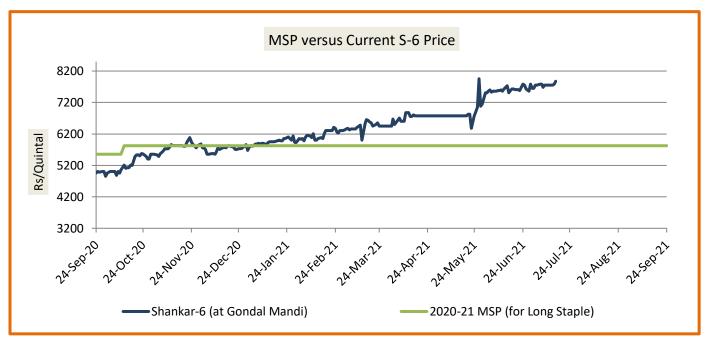
Kapas Monthly M-o-M Price Scenario

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.

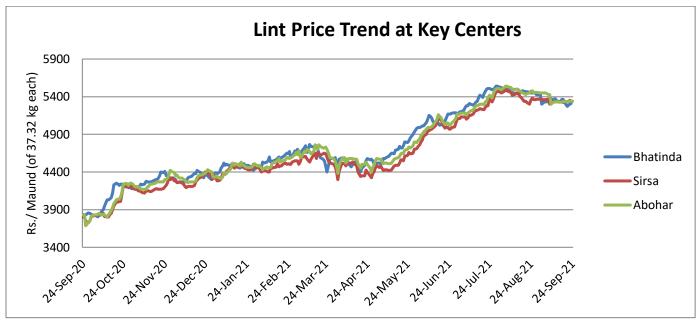


Source: Agriwatch



Lint price Outlook

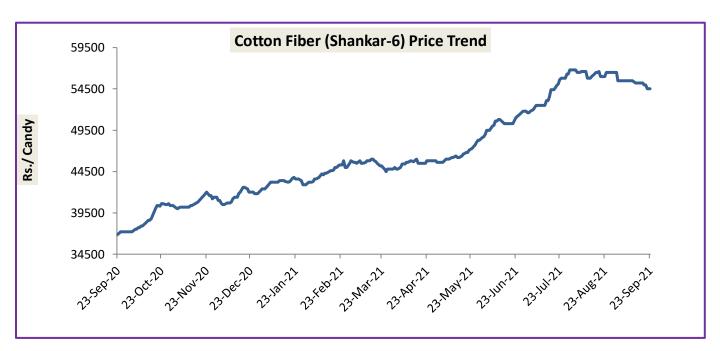
The average price stood higher at Rs.5318/maund of lint in Abohar, in Bhatinda was low at Rs.5324/ maund, and Rs.5318/maund in Sirsa.



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.54942/candy this week.





Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

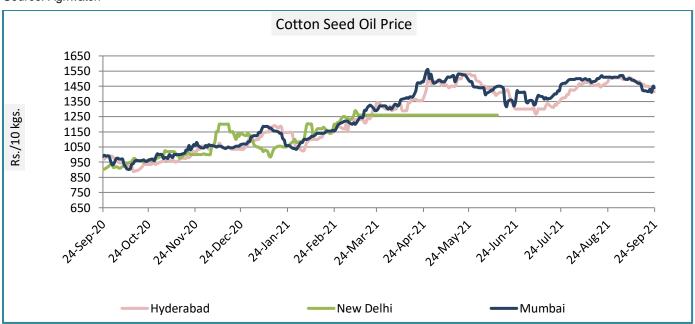
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 22th Sep'21.

	Weekly Average Pri	ce as on (Rs/10 kg.)	0/ 01	
	22-Sep-21	15-Sep-21	% Change	
New Delhi	-	-	-	
Rajkot	1425	1420	0.35	
Hyderabad	1425	1431	-0.42	
Mumbai	1430	1444	-0.97	

Source: Agriwatch

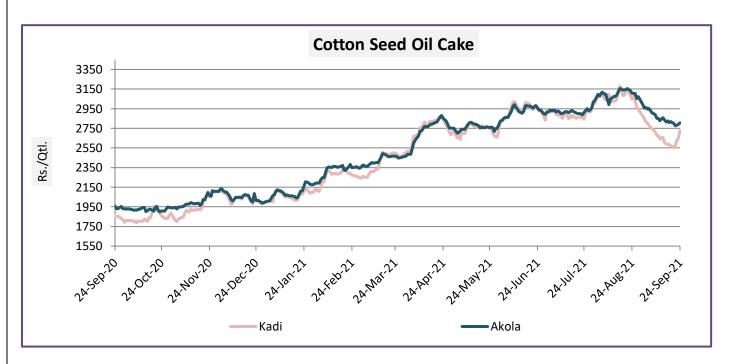


Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have slightly decreased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2584 per quintal from Rs. 2642 per quintal and in Akola was at Rs. 2802 per quintal from Rs. 2840 per quintal the previous week.



	Weekly Average Pric		
	22-Sep-21	% Change	
	2584	2642	-2.19
Kadi			
	2802	2840	-1.32
Akola			



Source: NCDEX

<u>International Market Scenario</u>

- The Cotton Crop Assessment Committee had revised the Pakistan's cotton production target downward by 19 percent from 10.5 million to 8.46 million bales. Apart from lowest area under cotton cultivation i.e. 1.871 million hectares, some major biotic constraints including cotton leaf curl virus, mealybug, and whitefly attacks have also forced the government to cut the estimates. According to Syed Fakhar Imam, Federal Minister for National Food Security and Research, cotton production may exceed the estimate of 8.46 million bales, as 2.69 million bales of cotton have been transferred to the ginning factories till September 15, compared to 1.04 million bales in same period of last year. Whereas last year, the cotton production was around 5.57 million bales.
- According to the Cotton Crop Assessment Committee meeting, Pakistan's Sindh province expects cotton production of over 3.5 million bales in the 2021-22 season. Due to less rainfall, overall cotton production in



Punjab is expected to increase by 8.5 percent at 4.5 million bales. The overall cotton production is expected to reach 8.46 million bales.

- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, for the 2021-22 season, India's cotton area is projected at 12.7 million hectares lowest in past 3 years. The erratic monsoon has affected the cotton planting in the major growing regions. Although, the national yield is projected at 489 kg per hectares. As a result, cotton crop is projected at 28.5 million bales in 2021-22 which is slightly above the year before production. India is expected to account for 24 percent of the global cotton crop in 2021-22.
- Egyptian cotton production and exports may rise in 2021-22. The rising global demand and the recent rise in prices of cotton are increasing cotton production. As the area under cotton harvest has increased to 85,000 hectares from the previous year's 65,000 hectares. The cotton production is likely to increase by 30.23 percent from 215,000 lb bales in 2020-21 to 280,000 lb bales in 2021-22. Further, exports are likely to increase by 28 percent to reach 320,000 lb bales in 2021-22 compared to 250,000 lb bales in 2020-21. Imports are expected to decline by 12.70 percent to 550,000 lb bales in 2021-22 compared to the previous year's 630,000 lb bales in 2020-21.
- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) September report, world 2021-22 production is projected higher this month with an increase in cotton production for the United States at 18.51 million bales from the previous month's estimates of 17.26 million bales, and for Australia at 4.70 million bales from previous estimates of 4.40 million bales, offset a decline in India from 29.00 million bales to 28.50 million bales this month. World trade in 2021-22 is still projected down from the previous year's record 48.5 million bales but is projected 500,000 bales higher than in August at 46.8 million bales.

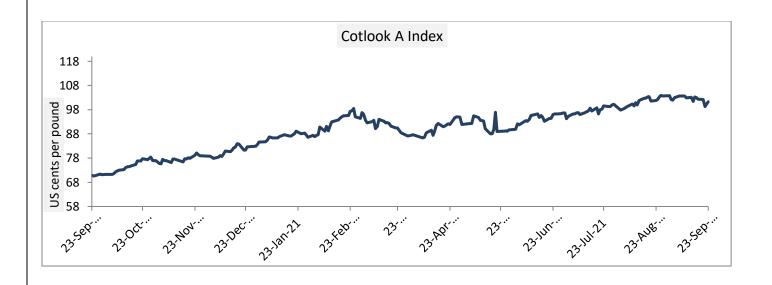
Cotlook A Index

Cotlook A index was lower this week. The Cotlook A Index was at 101.44cents/lb higher as compared to the previous week (102.88cents/lb).

Cotlook A Index	WeeklyAverage P	% Change					
	22-Sep-21						
Prices	101.44 102.88		-1.40				
	Prices in LIS cents per Pound						

Source: Cotlook

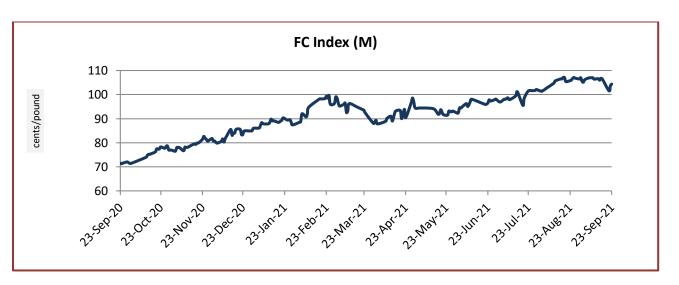




China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Avera	% Change	
	22-Sep-21	15-Sep-21	
FC (S)	104.99	107.70	-2.51
FC (M)	103.89	106.55	-2.50
FC (L)	102.75	105.42	-2.53
		Pr	ices in US cents per Pound

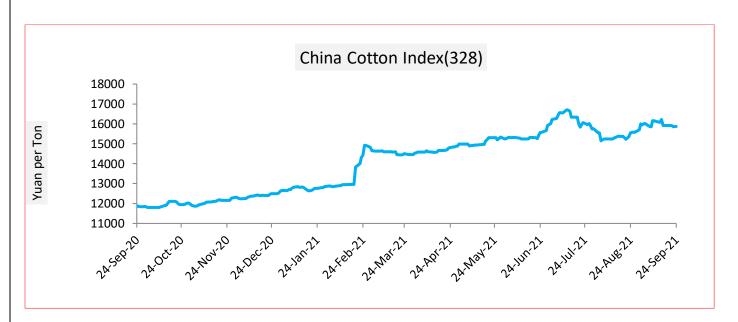
Source: China Cotton Association





Cotton Index	Weekly Avera	% Change	
	22-Sep-21		
CCIndex(328)	18218.75	18213.67	-0.47
CCIndex(527)	17086.50	17193.67	-0.62
CCIndex(229)	18526.75 18609.00		-0.44
	Prices in Yuan per ton		

Source: China Cotton Association



USA Spot Prices

U.S.A spot prices have decreased from the prior week by 3.36 percent at 93.03 cents per pound.

USA Spot Prices	Monthly Avera	% Change				
	22-Sep-21	15-Sep-21				
Prices	93.03	96.27	-3.36			
Prices in US cents per Pound						

Source: USDA



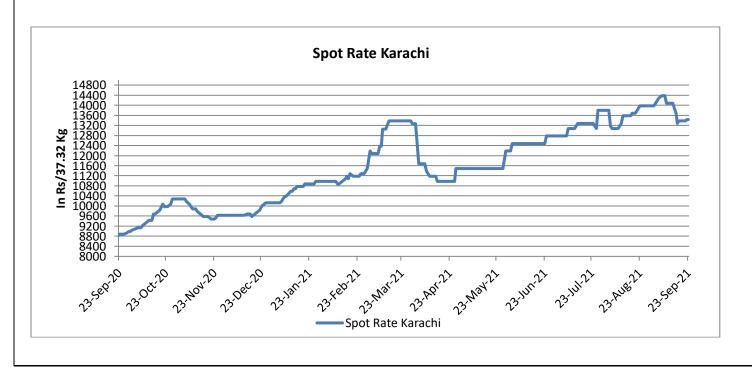


Pakistan Spot Prices

The Karachi spot price stood lower around Rs.13180/q from previous week.

Karachi Spot Prices	WeeklyAvera	% Change			
	22-Sep-21				
Prices	13180 13420		-1.79		
Prices in Rs per 37.32 Kg					

Source: Fibre2fashion.com





Commodity: Cotton Exchange: MCX

Contract: Mar. Expiry: Oct. 30, 2021



TechnicalCommentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough 22000, while mild resistance is seen around 27000.
- If the market tests the support at 25000, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances		S2	S1	РСР	R1	R2	
Cotton	MC X	Mar	2500 0	2547 0	2581 0	2700 0	2740 0
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	2555 0	2628 0	2660 0	2556 0



Commodity: Cotton Seed oil Cake Exchange: NCDEX
Contract: Mar Expiry: Dec 20th, 20



Technical Commentary:

- Cottonseedoilcakeonthe weekly chartlooksbullish.
- On the intra-day chart, there exists a consolidation zone(support)at 2175andthenatrendlinesupportat 2800. Strong resistance is seen at 2600.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2400	2460	2512	2600	2650
Intraday Trade Call		Call	Entry	T1	T2	SL	
Cotton oil cake	NCDEX	Dec	Sell	2450	2520	2580	2460

^{*} 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.

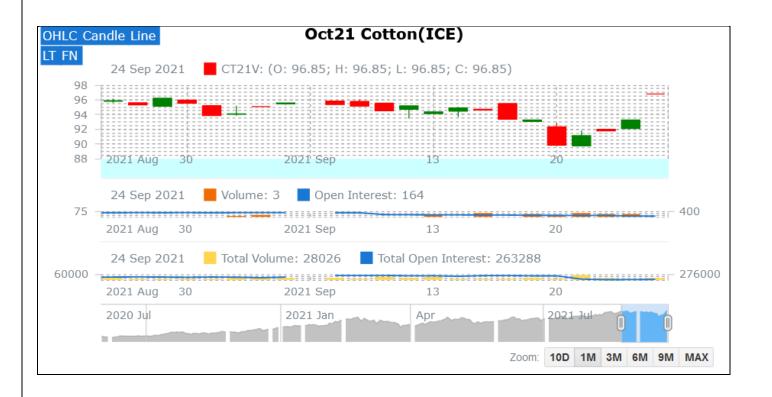
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	96-98

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
95	92	97	98.5

Figures in US cents/pound

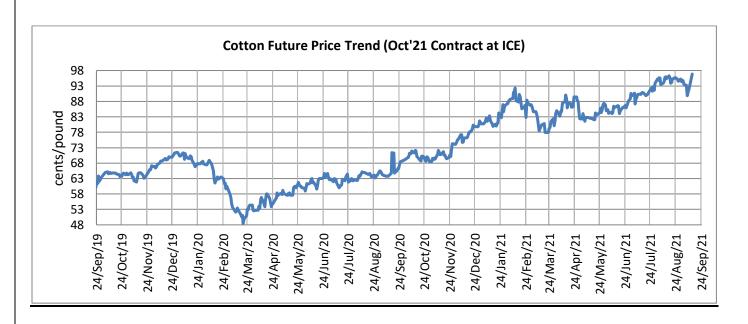




Cotton Future Prices at ICE

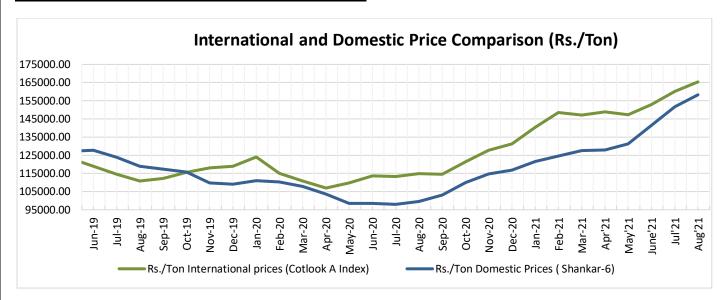
Cotton Prices in Future Contract on ICE					Prices in	cents/Lb	
Caralanata	24-Sep-	25-Aug-21	26-Jun-21	28-Mar-20	24-Sep-20	% Change over a	% Change over
Contracts	21	(1 month ago)	(3 months ago)	(6 months ago)	(a year ago)	month	previous year
Oct-21	96.85	95.95	86.43	80.38	66.25	0.94	46.19
Dec-21	95.99	94.50	88.04	81.41	66.99	1.58	43.29
Mar-21	94.57	93.55	87.18	79.49	67.63	1.09	39.83
May-22	93.74	92.96	86.71	78.74	63.97	0.84	46.54
Jul-22	91.84	91.39	86.26	78.62	65.46	0.49	40.30

Future Price Trend (Active Contract):





International and Domestic Price Comparision



Cotton Prices at Key Spot Markets:

Commodity		Kapas		rage Prices uintal)	
State	Centre	Variety 16th Sep'21 to 22nd Sep'21 09th Sep'21 to 15th Sep'21 Shankar-6 NA NA Shankar-6 NA NA B.T. Cotton 6975 6520 B.T. Cotton NA NA B.T. Cotton NA NA B.T. Cotton NA NA B.T. Cotton 5528 NA B.T. Cotton 7092 7083 Desi NA NA B.T. Cotton 6917 6698 B.T. Cotton NA NA	Change		
	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6975	6520	455
Gujarat	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5528	NA	-
	Bhiwani	B.T. Cotton	7092	7083	9
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6917	6698	219
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	-
Deigethen	Hanumangarh	B.T. Cotton	7067	NA	-
Rajasthan	Rawatsar	B.T. Cotton	6800	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-



	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
Wanarashtra	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6925	6842	83
Uttar Pradesh	Hathras	Desi	6692	6317	375
Telangana	Adilabad	Un-Ginned	NA	NA	-
	Bijapur	Bunny	7199	7083	116
Karnataka	Hubli	D.C.H.	NA	NA	-
Kamataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity		Lint	Prices (Rs./Maund of 37.32kg each)		
State	Centre	Variety	16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	Change
	Bhatinda	J-34	5324	5354	-30
Punjab	Abohar	J-34	5318	5333	-14
	Mansa	J-34	5327	5370	-43
Haryana	Sirsa	J-34	5313	5332	-18
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Ka	pas	Weekly Sum Ar	rivals (Quintal)	
State	Centre	Variety	16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	Change
	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	337	206	131
Gujarat	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
	Bhiwani	B.T. Cotton	14500	11600	2900
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3740	1870	1870
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	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
Kajasillali	Rawatsar	B.T. Cotton	NA	NA	-
Madhua Duadaah	Khandwa	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
Mahanahtua	Amravati	Mech-1	NA	NA	-
Maharashtra	Jamner	Medium Staple	NA	NA	-
Litter Dredock	Hathras	B.T. Cotton	520	555	-35
Uttar Pradesh	Hathras	Desi	320	290	30
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	121	160	-39
	Hubli	D.C.H.	NA	NA	-
Namataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lir	nt	Weekly Sum Ar	rivals (Quintal)	
State	Centre	Variety	16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	Change
	Bhatinda	J-34	10540	4760	5780
Punjab	Abohar	J-34	2720	2380	340
	Mansa	J-34	1360	952	408
Haryana	Sirsa	J-34	2635	757	1879
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	23-Sep-21	16-Sep-21	23-Sep-21	23-Sep-20		
	Ahmedabad	Shankar-6	NA	0	NA	5125		
	Gondal	Shankar-6	NA	0	NA	5500		
	Rajkot	B.T. Cotton	NA	7420	NA	5530		
Gujarat	Patan	B.T. Cotton	NA	0	NA	5515		
	Kadi	B.T. Cotton	6000	0	6000	5550		
	Deesa	B.T. Cotton	NA	0	NA	NA		
	Dhrol	B.T. Cotton	6175	0	6175	NR		
Haryana	Bhiwani	B.T. Cotton	7050	7100	7050	5600		



	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	6950	6850	6950	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	6800	0	6800	Closed
Kajasinan	Rawatsar	B.T. Cotton	6800	0	6800	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	5491
Mauriya Frauesii	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	NA	0	NA	5300
Walialasiilia	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	6850	7000	6850	NA
Uttar Pradesn	Hathras	Desi	6350	6700	6350	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	5400
	Bijapur	Bunny	NA	0	NA	5929
Karnataka	Hubli	D.C.H.	NA	0	NA	NA
Namataka	Hubli	B.T. Cotton	NA	0	NA	NA
	Raichur	H-44 Cotton	NA	0	NA	5470
Commodity	Liı	nt	Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	23-Sep-21	16-Sep-21	23-Sep-21	23-Sep-20
	Bhatinda	J-34	5300	5330	5300	0
Punjab	Abohar	J-34	5310	5340	5310	0
	Mansa	J-34	5270	5360	5270	0
Haryana	Sirsa	J-34	5260	5350	5260	3750
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	23-Sep-21	16-Sep-21	23-Sep-21	23-Sep-20			
	Ahmedabad	Shankar-6	NA	0	NA	3400			
Outenet	Gondal	Shankar-6	NA	0	NA	#N/A			
Gujarat	Rajkot	B.T. Cotton	NA	25	NA	#N/A			
	Patan	B.T. Cotton	NA	0	NA	3450			



	Kadi	B.T. Cotton	300	0	300	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	1	0	1	#N/A
	Bhiwani	B.T. Cotton	6000	1500	6000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	680	340	680	#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
Rajasthan	Hanumangarh	B.T. Cotton	150	0	150	#N/A
Kajastiiaii	Rawatsar	B.T. Cotton	500	0	500	0
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	#N/A
Mauriya Frauesii	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	NA	0	NA	#N/A
Wanarashira	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	60	90	60	#N/A
Ottal Fradesii	Hathras	Desi	50	50	50	#N/A
Telangana	Adilabad	Un-Ginned	NA	0	NA	0
	Bijapur	Bunny	NA	0	NA	985
Karnataka	Hubli	D.C.H.	NA	0	NA	0
Namataka	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	157
Commodity	Li	nt	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	23-Sep-21	16-Sep-21	23-Sep-21	23-Sep-20
	Bhatinda	J-34	1700	1700	1700	0
	Abohar	J-34	340	425	340	0
Punjab	Mansa	J-34	170	204	170	0
	Sirsa	J-34	170	340	170	0
	Sri-Ganganagar	J-34	NA	0	NA	0



Cotton Association of India Spot Rates:

		Otros with t	Weekly Ave	,			
Trade Name	Staple	Micronaire	Strength/ GPT	16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	+/- Change	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41250	41420	-170	
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41850	42020	-170	
J-34(202)	26mm	3.5 - 4.9	23	49100	49320	-220	
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	50867	51520	-653	
Shankar-6(105)	29mm	3.5 – 4.9	28	54933	55320	-387	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	55800	56140	-340	
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-	
DCH-32(107)	34mm	3.0 - 3.8	33	97000	97000	Unch	

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