

COTTON WEEKLY RESEARCH REPORT
04th Oct 2021**Domestic market summary**

Domestic Market Scenario: In India cotton arrivals have started in north and MP area. Cyclone Gulab in Telangana, Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh have damaged the standing crop of cotton at many places. New cotton arrivals have started coming in mandi.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 6800-7200/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 (105.95cents/lbs) compared to the ICE cotton future that stood at 98.05 cents/lbs.
- Indian rupee remained between 73.61 – 73.87.

Market Highlights:

- **The heavy rain caused by Cyclone Gulab in Telangana, Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh have damaged the standing crop of cotton at many places.** Excess rainfall in Maharashtra, Gujarat and Telangana could affect yield for cotton which is in the flowering stage. There are specific reports of losses to the cotton crop in the northern Marathwada region of Maharashtra, Srikakulam and Vizianagaram districts of Andhra Pradesh, Sangareddy district of Telangana and Khargone district of Madhya Pradesh. Besides the loss in yield, the arrivals are also expected to get delayed in Maharashtra. Also, the quality of first picking has been affected in all affected places. These losses have caused a bullish impact on prices. Also, the international prices have been strong over the last week of September, but are expected to cool down during October.
- **Cotton crop get affected in sirsa due to Pink Bollworm.** According to the Haryana Agriculture Department, Pink Bollworm has affected the cotton crop in sirsa and adjoining Punjab. Agriculture department officials have advised farmers to take precautions.
- **SIMA will promote cotton cultivation in Tamil Nadu.** The Southern India Mills Association will work with the state government to increase the area under cotton cultivation in Tamil Nadu. Earlier Tamil Nadu was one of the major cotton producing State in India. Though it is a leading textile producer now, the industry purchased cotton from the other States. The association had developed a common infrastructure at Cuddalore with an investment of ₹96 crore, and two units had expressed willingness to put up plants there.

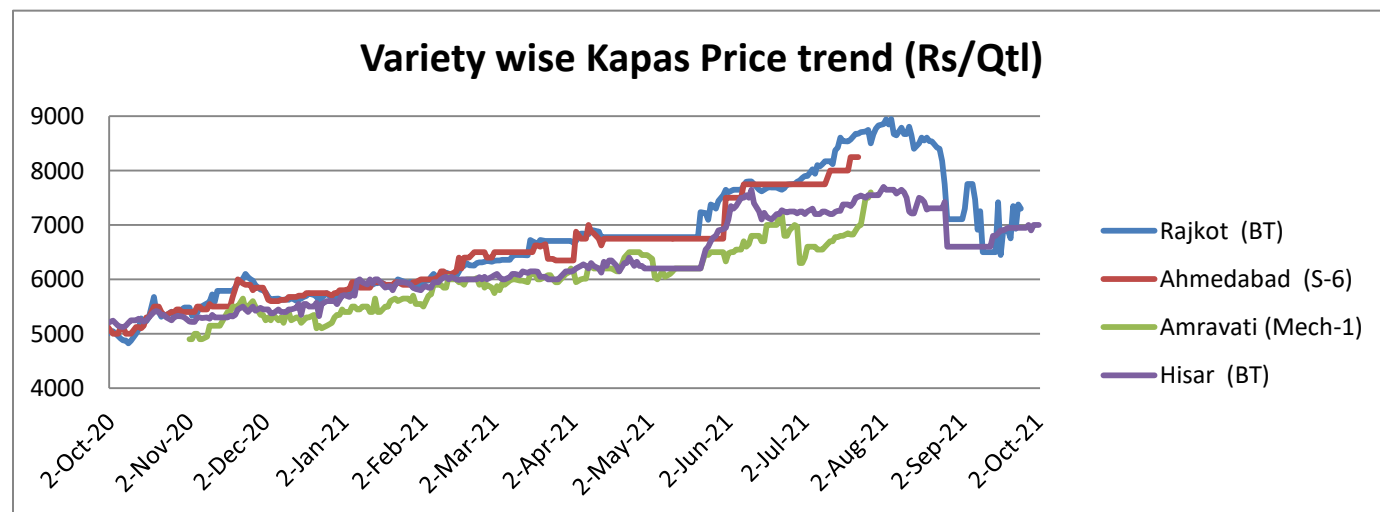
The Union government would support establishing one mega textile park in each southern State. The Tamil Nadu government had expressed willingness to have three parks - at Dharmapuri, Thoothukudi, and Virudhunagar. The other focus areas of the Association is working with the Union government and urging it to sign free trade agreements with select countries soon. Further, the import duty on cotton should be removed and the hank yarn obligation should be reduced to 20 %.

- **The price for the raw cotton has increased in Karnataka.** With the textile industry bouncing back, the price of raw cotton has increased from Rs 5,000-6,000 per quintal to Rs 11,500 and Rs 13,000 per quintal in different parts of the state. This season has been a good for cotton growers with agents and traders from neighboring states making a beeline to villages in HD Kote, Saragur, Nanjangud, Hunsur and Gundlupet taluks in the Old Mysuru region where farmers are commanding the prices. Most of the buyers are from Tamil Nadu as a majority of textile industries are situated in Tirupur and Erode where raw cotton is processed and the yarn exported to Bangladesh. Villages in HD Kote region witness early monsoon and hence, sowing and harvest start early. Usually, about 47,000 hectares comes under cotton cultivation in the region, but it had dropped to about 30,000 hectares this season.

Domestic Cotton Prices Scenario

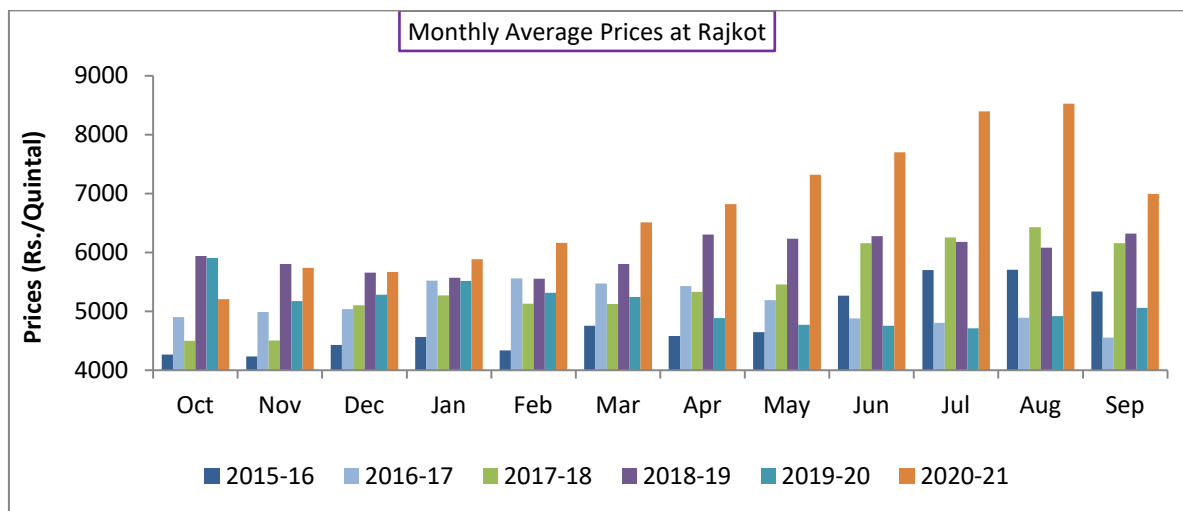
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: With the coming of the new season 2021-22 weekly kapas average price at Rajkot stood higher at Rs. 7201/q compared to previous week Rs. 6962/q and in Hisar were prices stood higher at Rs. 6950/q compared to previous week price of Rs. 6916/qr. Arrivals have stopped from Amravati and Ahmedabad.



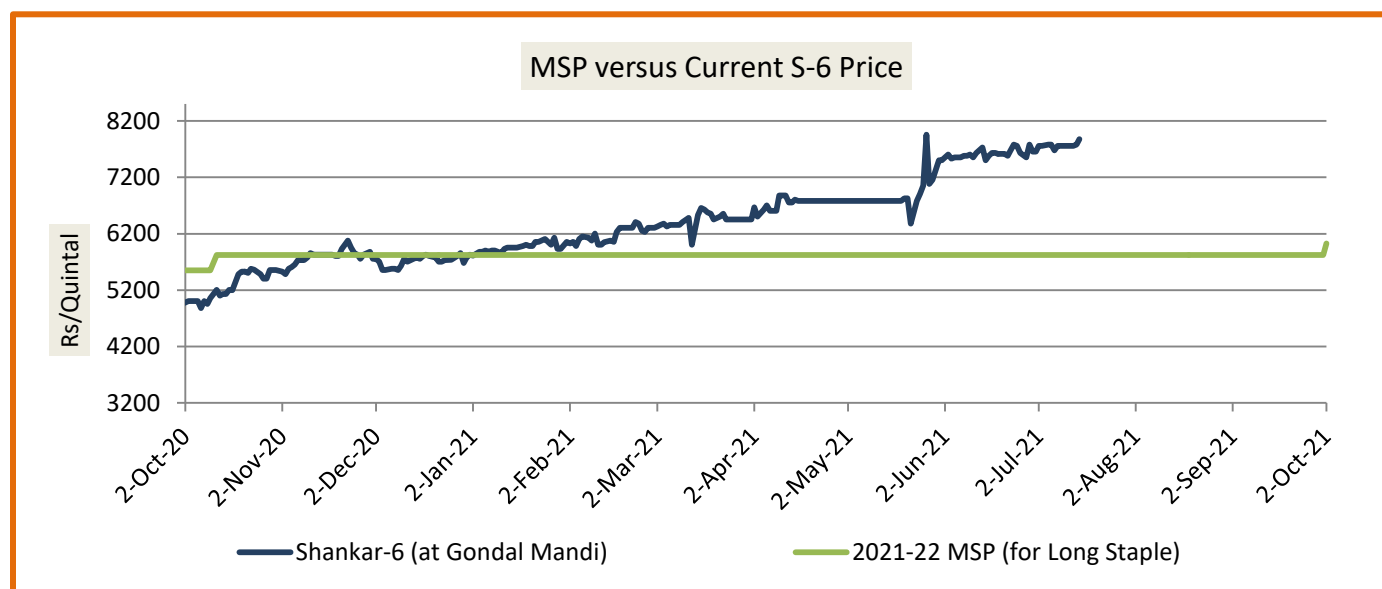
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of September were lower in the market and the monthly average price were at Rs. 6991.8/q compared to the prices during the corresponding month of the previous season.(Rs. 5058/q)



Spot Price versus MSP

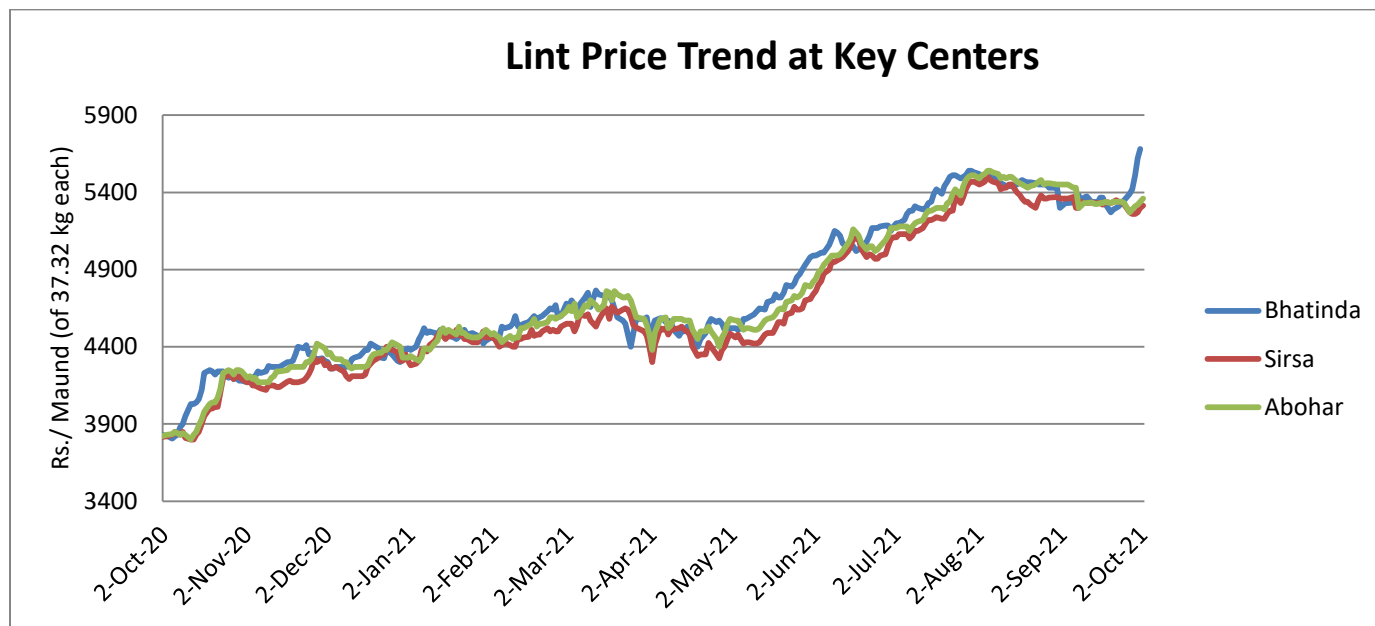
Arrivals were not available in Gondal Market. Average kapas price at Gondal market stood at Rs. 7875/q in the previous month.



Source: Agriwatch

Lint price Outlook

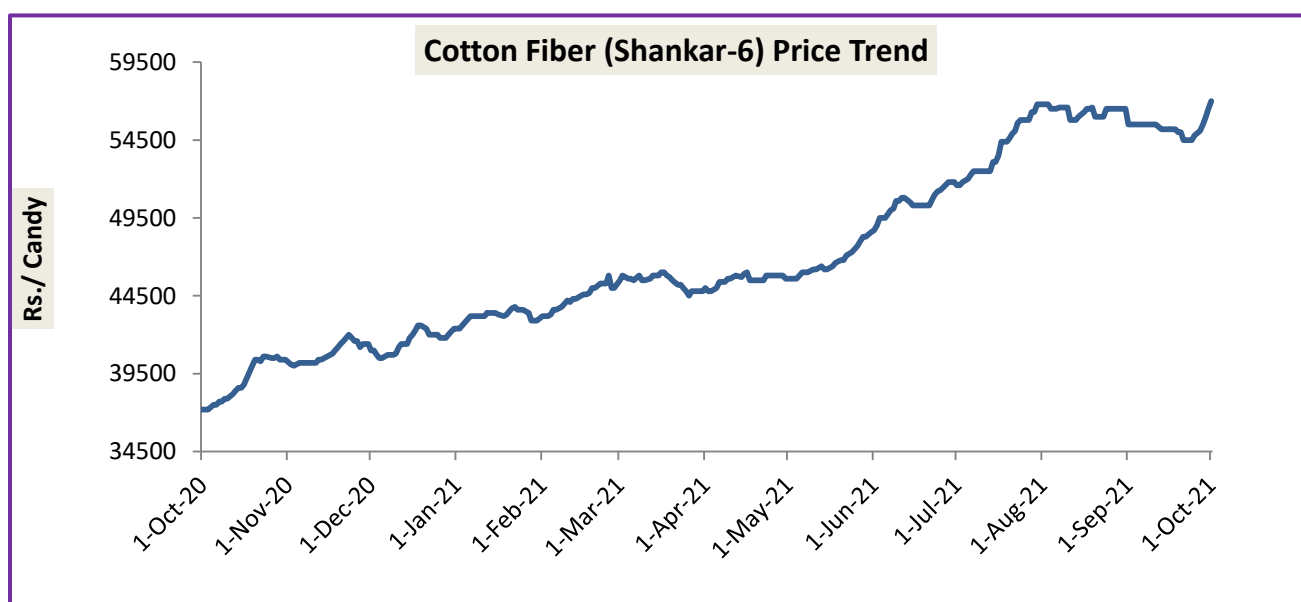
The average price stood higher at Rs.5356/maund of lint in Abohar, in Bhatinda was at Rs.5350/ maund, and same in sirsa as that of previous week at Rs.5319/maund.



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.55066.6/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

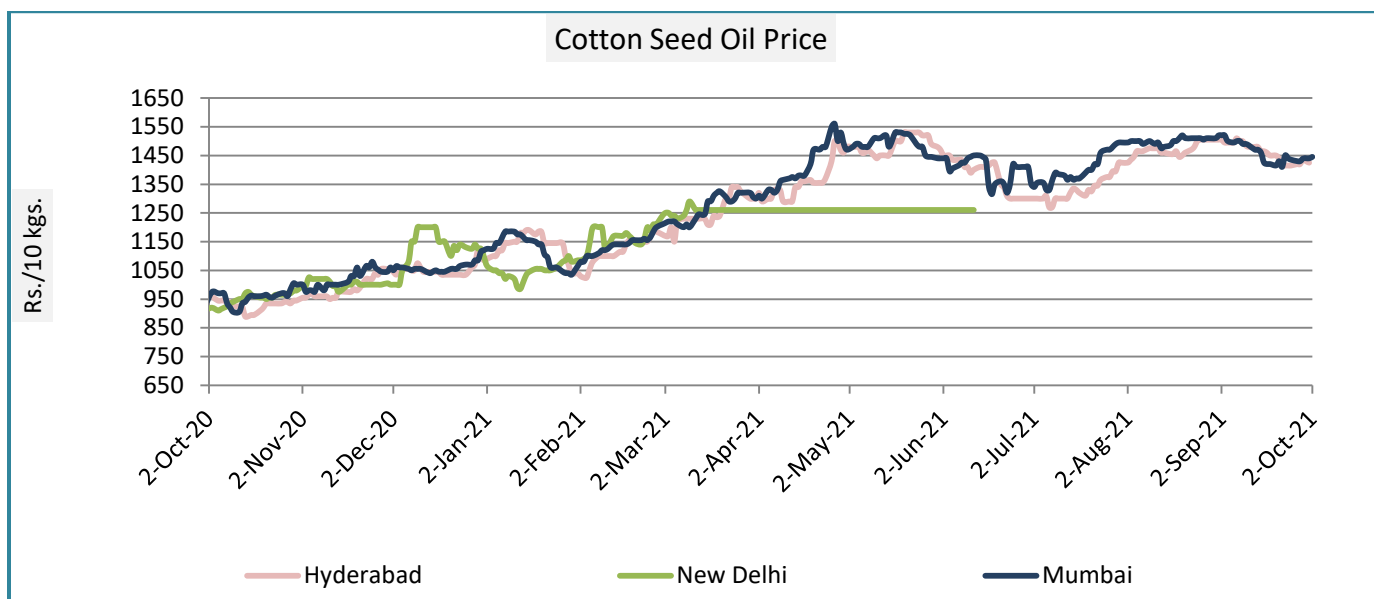
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 29th Sep'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	29-Sep-21	22-Sep-21	
New Delhi	-	-	-
Rajkot	1455	1425	2.11
Hyderabad	1446	1425	1.46
Mumbai	1438	1430	0.52

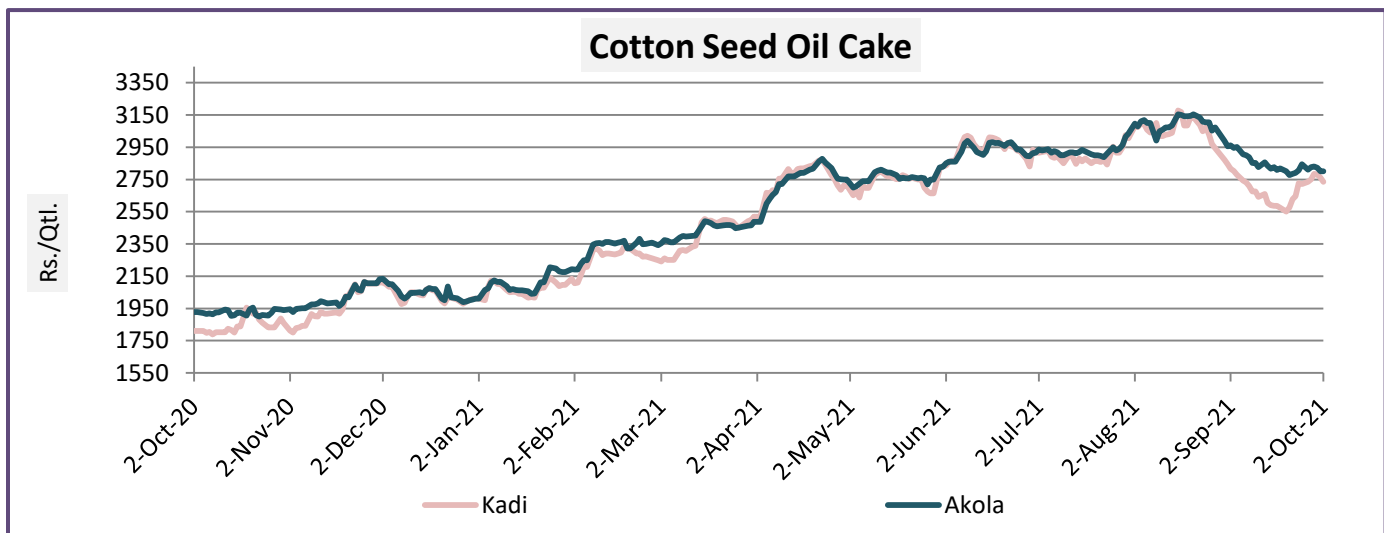
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have slightly increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2728 per quintal from Rs. 2584 per quintal and in Akola was at Rs. 2818 per quintal from Rs. 2802 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	29-Sep-21	22-Sep-21	
Kadi	2728	2584	5.56
Akola	2818	2802	0.57



Source: NCDEX

International Market Scenario

- According to the International Cotton Advisory Committee October Report, cotton production and stock projections for the 2021-22 season, the International Cotton Advisory Committee (ICAC) has indicated that the global output of the fibre crop will be around 25.7 million tonnes (mt), which would be higher by six per cent over previous year, but still be lower than the pre-pandemic levels. The ending stocks for 2020-21 has been revised downward to 20 mt, leading to the world cotton supply to be around 45.8 mt for the 2021-22 season. The global consumption is estimated at 25.9 mt.
- 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.

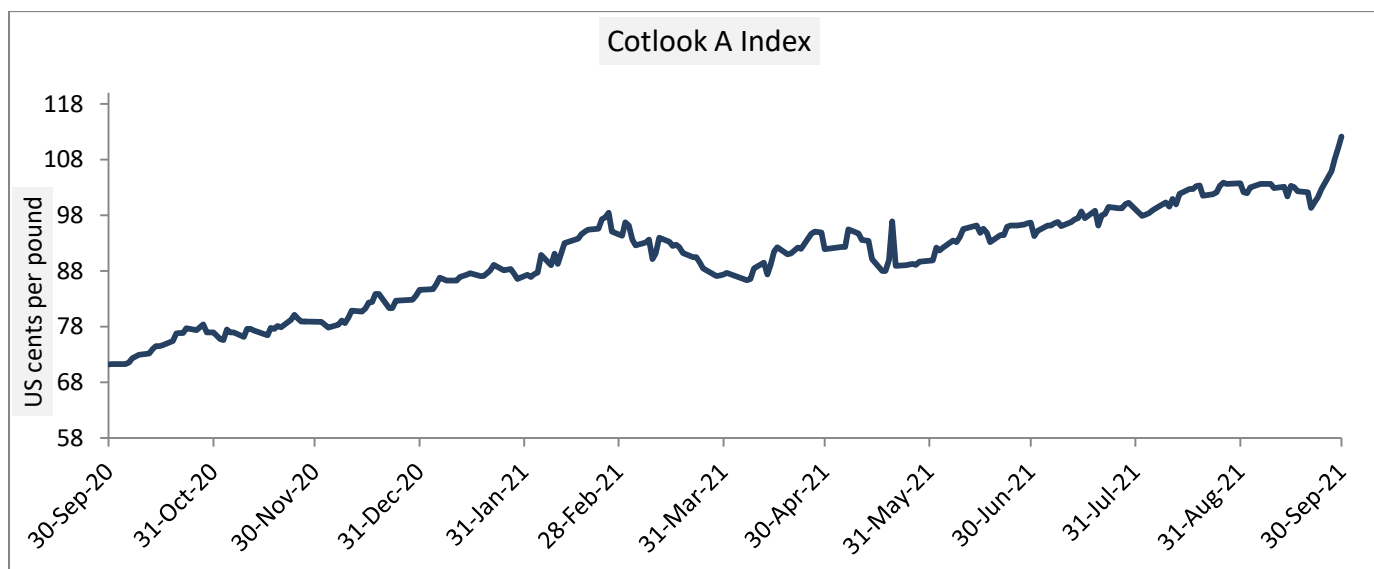
- According to the Cotton Crop Assessment Committee meeting, Pakistan's Sindh province expects cotton production of over 3.5 million bales in the 2021-22 season. Due to less rainfall, overall cotton production in Punjab is expected to increase by 8.5 percent at 4.5 million bales. The overall cotton production 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.

Cotlook A Index

Cotlook A index was lower this week. The Cotlook A Index was at 105.63 cents/lb higher as compared to the previous week (101.44cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	29-Sep-21	22-Sep-21	
Prices	105.63	101.44	4.13
Prices in US cents per Pound			

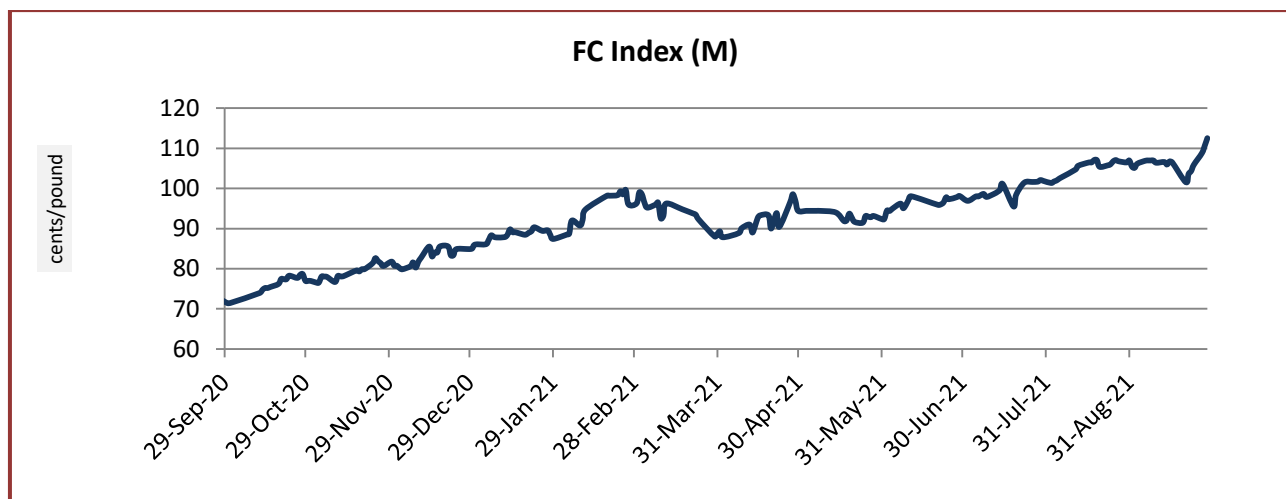
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	29-Sep-21	22-Sep-21	
FC (S)	109.82	104.99	4.60
FC (M)	108.47	103.89	4.40
FC (L)	107.33	102.75	4.45
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	29-Sep-21	22-Sep-21	
CCIndex(328)	18351.00	18218.75	1.23
CCIndex(527)	17309.00	17086.50	1.30
CCIndex(229)	18713.00	18526.75	1.01
Prices in Yuan per ton			

Source: China Cotton Association

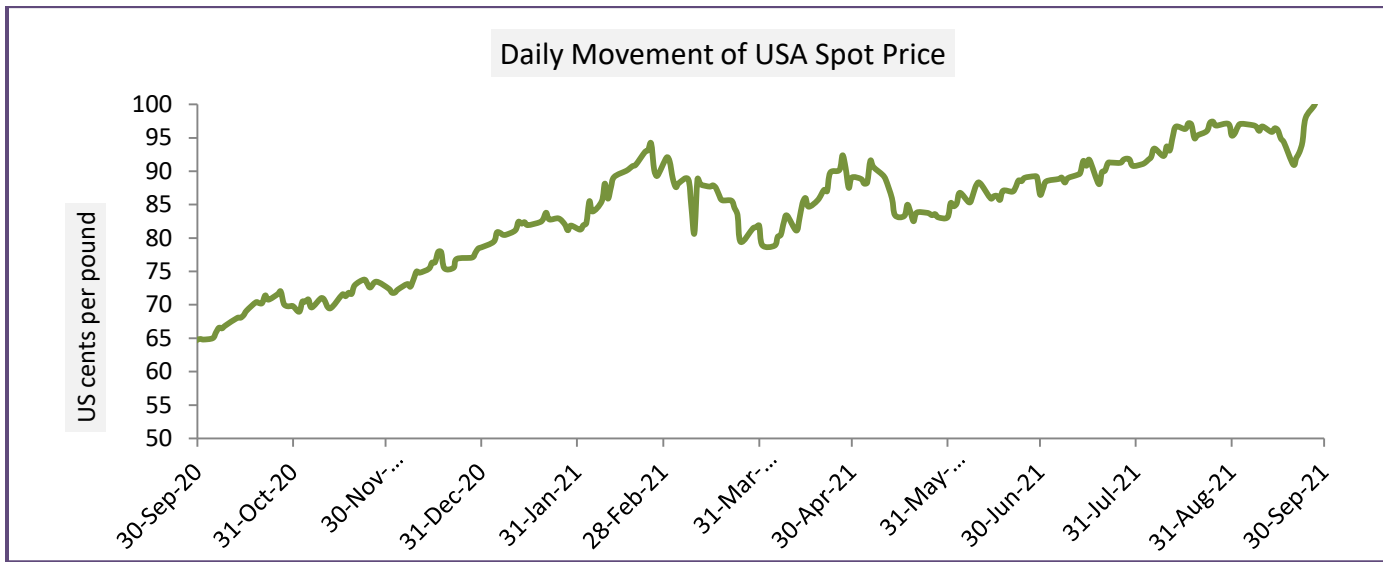


USA Spot Prices

U.S.A spot prices have increased from the prior week by 7.16 percent at 99.69 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	29-Sep-21	22-Sep-21	
Prices	93.69	93.03	7.16
Prices in US cents per Pound			

Source: USDA

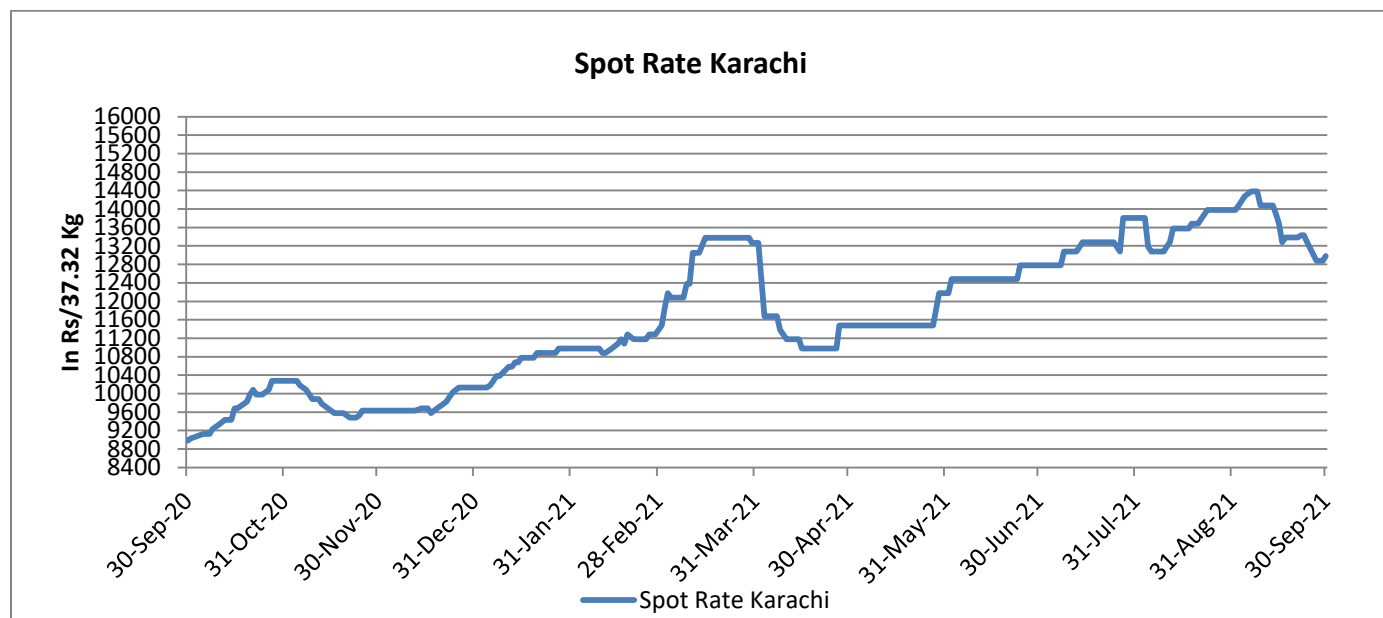


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.13420/q from previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	23-Sep-21	22-Sep-21	
Prices	13420	13180	1.82
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton
Exchange: MCX
Contract: Mar.
Expiry: Oct. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/10/03 - Weekly B:28560.00 A:28580.00
O 28820.00 H 28830.00 L 28440.00 C 28570.00 ↑ V 114 T 62,203 I 2,129 -240 -0.83%



TechnicalCommentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 29000.
- 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	28810	29000	29400
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	28820	28780	28740	28810

Commodity: Cotton Seed oil Cake
Contract: Mar

Exchange: NCDEX
Expiry: Dec 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 2600.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2400	2460	2482	2600	2650
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2482	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 upward trend.
- Total volume increased & Open Interest decreased compared to last week.
- We expect cotton prices to remain rangebound in the coming week.

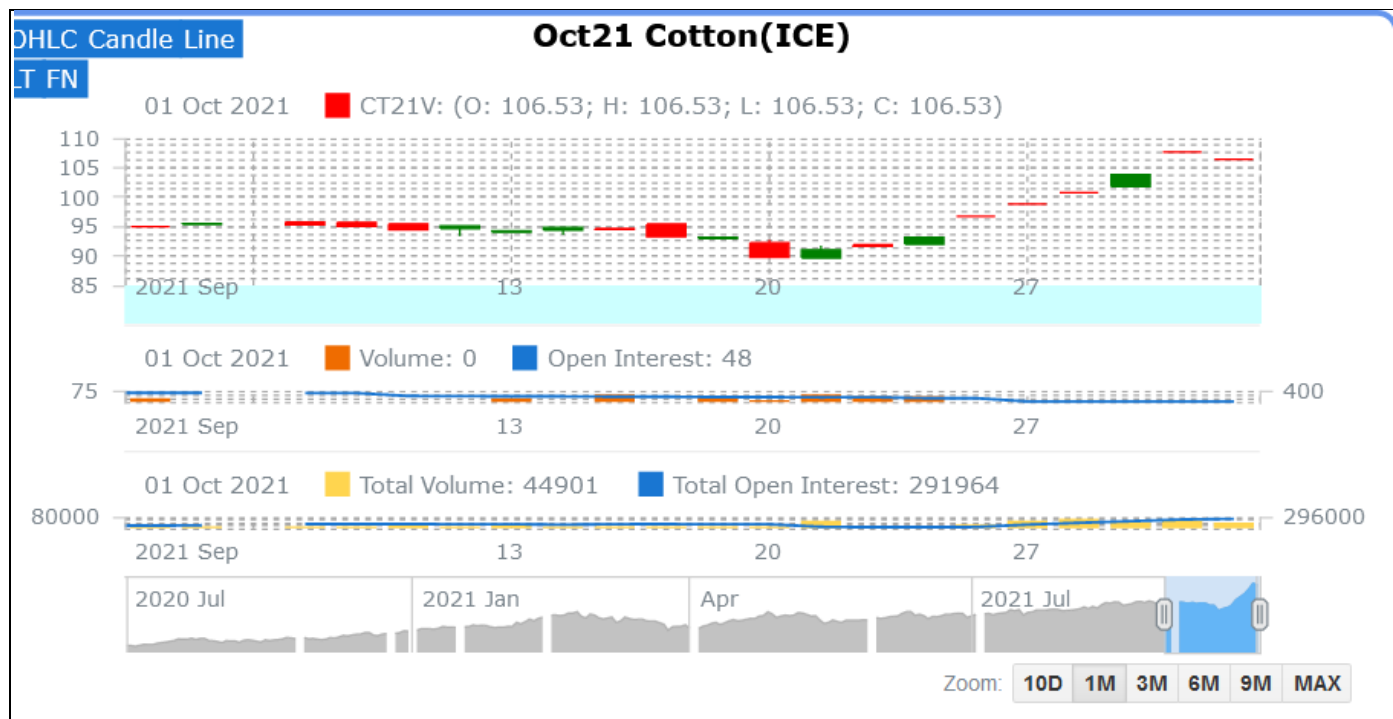
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	106-110

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
100	98	108	109.5

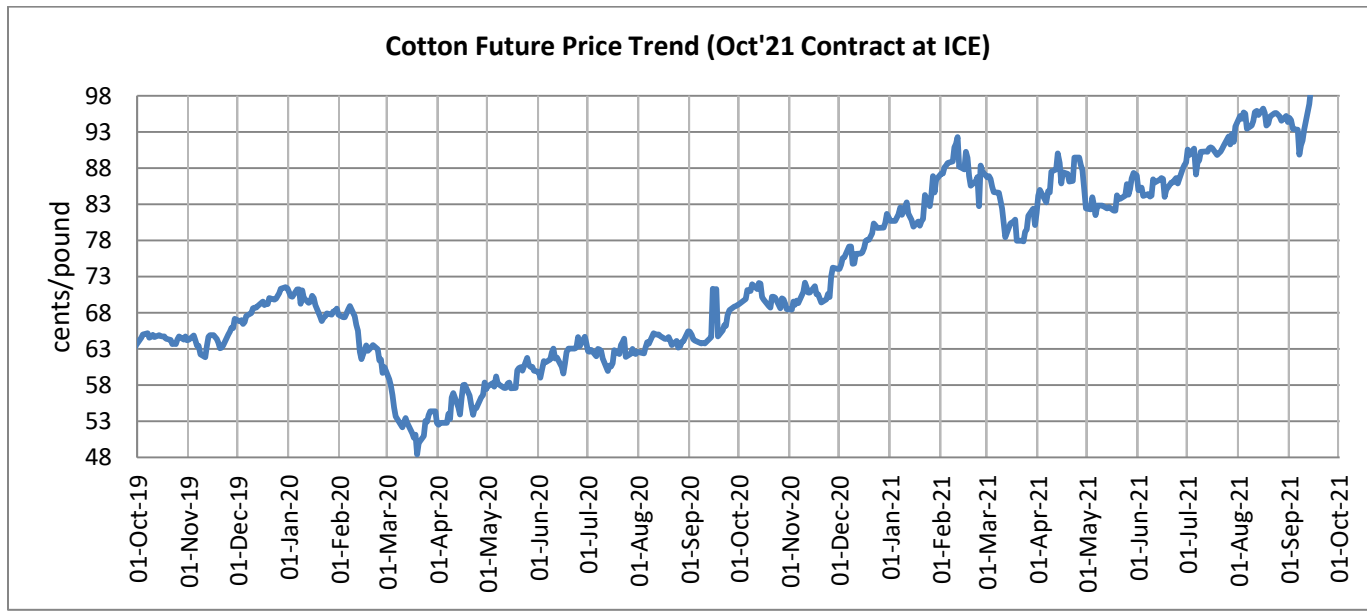
Figures in US cents/pound



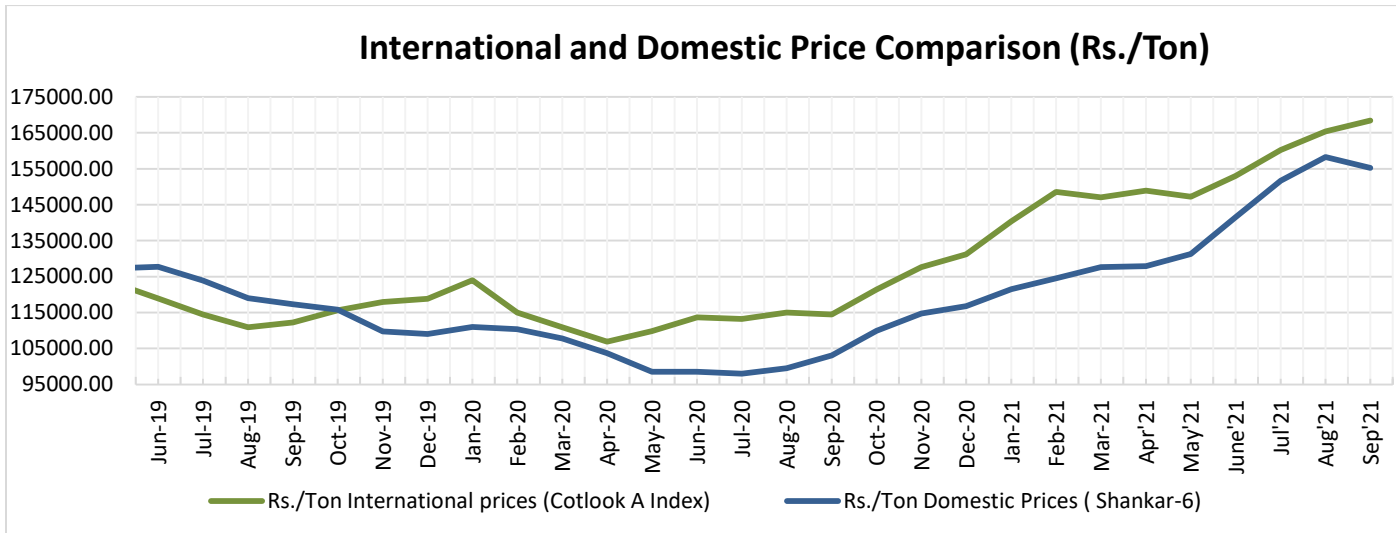
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	01-Oct-21	01-Sep-21 (1 month ago)	03-Jul-21 (3 months ago)	04-Apr-20 (6 months ago)	01-Oct-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	106.53	94.15	86.03	77.95	66.63	13.15	59.88
Dec-21	104.53	92.30	87.51	79.27	67.27	13.25	55.39
Mar-21	101.44	91.66	86.97	78.22	67.84	10.67	49.53
May-22	100.44	91.19	86.76	77.91	64.52	10.14	55.67
Jul-22	97.71	89.75	86.29	77.61	65.82	8.87	48.45

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	23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22th Sep'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7202	6975	227
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	6458	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5946	5528	418
Haryana	Bhiwani	B.T. Cotton	7058	7092	-34
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6950	6917	33
	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	6920	7067	-147

	Rawatsar	B.T. Cotton	7170	6800	370
Madhya Pradesh	Khandwa	Mech-1	5817	5485	332
	Khargaon	Mech-1	6033	6254	-221
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6842	6925	-83
	Hathras	Desi	6358	6692	-334
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	7454	7199	255
	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	23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22th Sep'21	
Punjab	Bhatinda	J-34	5351	5324	27
	Abohar	J-34	5357	5318	38
	Mansa	J-34	5333	5327	7
Haryana	Sirsa	J-34	5319	5313	6
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22th Sep'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	3260	337	2923
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	6400	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	83	NA	-
Haryana	Bhiwani	B.T. Cotton	22500	14500	8000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3060	3740	-680
	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	4650	NA	-
	Rawatsar	B.T. Cotton	8700	NA	-
Madhya Pradesh	Khandwa	Mech-1	794	NA	-
	Khargaon	Mech-1	11395	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	620	520	100
	Hathras	Desi	390	320	70
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	157	121	36
	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	23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22th Sep'21	
Punjab	Bhatinda	J-34	13600	10540	3060
	Abohar	J-34	10710	2720	7990
	Mansa	J-34	1360	1360	Unch
Haryana	Sirsa	J-34	4250	2635	1615
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	01-Oct-21	24-Sep-21	01-Oct-21	01-Oct-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	5125
	Gondal	Shankar-6	NA	0	NA	5500
	Rajkot	B.T. Cotton	NA	6930	NA	5530
	Patan	B.T. Cotton	NA	0	NA	5515
	Kadi	B.T. Cotton	6750	6500	6750	5550

	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	NA	5610	NA	NR
Haryana	Bhiwani	B.T. Cotton	7500	7050	7500	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	7000	6950	7000	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	7300	6800	7300	Closed
	Rawatsar	B.T. Cotton	7200	7200	7200	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	5825	NA	5491
	Khargaon	Mech-1	NA	5700	NA	5427
Maharashtra	Amravati	Mech-1	NA	0	NA	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	6750	6850	6750	NA
	Hathras	Desi	6300	6350	6300	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	5400
Karnataka	Bijapur	Bunny	7909	7325	7909	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	01-Oct-21	24-Sep-21	01-Oct-21	01-Oct-20
Punjab	Bhatinda	J-34	5620	5310	5620	3840
	Abohar	J-34	5620	5320	5620	3830
	Mansa	J-34	5620	5300	5620	0
Haryana	Sirsa	J-34	5580	5270	5580	3830
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	01-Oct-21	24-Sep-21	01-Oct-21	01-Oct-20
Gujarat	Ahmedabad	Shankar-6	NA	0	NA	6800

	Gondal	Shankar-6	NA	0	NA	#N/A
	Rajkot	B.T. Cotton	NA	410	NA	#N/A
	Patan	B.T. Cotton	NA	0	NA	3450
	Kadi	B.T. Cotton	2000	1200	2000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	NA	28	NA	#N/A
Haryana	Bhiwani	B.T. Cotton	1200	4000	1200	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	850	680	850	#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	1500	300	1500	#N/A
	Rawatsar	B.T. Cotton	3000	700	3000	0
Madhya Pradesh	Khandwa	Mech-1	NA	345	NA	#N/A
	Khargaon	Mech-1	NA	750	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	200	60	200	#N/A
	Hathras	Desi	30	50	30	#N/A
Telangana	Adilabad	Un-Ginned	NA	0	NA	0
Karnataka	Bijapur	Bunny	47	44	47	903
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	277
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	01-Oct-21	24-Sep-21	01-Oct-21	01-Oct-20
Punjab	Bhatinda	J-34	8500	1700	8500	510
	Abohar	J-34	2890	1020	2890	340
	Mansa	J-34	510	170	510	0
	Sirsa	J-34	1700	170	1700	510
	Sri-Ganganagar	J-34	NA	0	NA	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				23rd Sep'21 to 29th Sep'21	16th Sep'21 to 22th Sep'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41200	41250	-50
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41800	41850	-50
J-34(202)	26mm	3.5 - 4.9	23	49467	49100	367
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	51133	50867	267
Shankar-6(105)	29mm	3.5 – 4.9	28	55067	54933	133
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	55967	55800	167
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	97083	97000	83

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