

COTTON WEEKLY RESEARCH REPORT
11th Oct 2021**Domestic market summary**

Domestic Market Scenario: In India cotton arrivals have started in north and MP area. The cotton crop on 1,500 acres in 85 villages of Sangrur has come under pink bollworm attack. In Barnala, the attack has caused panic among farmers. In many villages the repeated sprays of insecticides have failed to prevent the spread of the attack. New cotton arrivals have started coming in mandi.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 7800-8500/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 (113.90cents/lbs) compared to the ICE cotton future that stood at 104.93 cents/lbs.
- Indian rupee remained between 73.61 – 73.87.

Market Highlights:

- **Cotton export may go down in 2021-22 season.** India's cotton export may go down to 5 million bales in the new season since local demand has been rising. According to Agriwatch estimate, India has exported around 7.5million bales in 2020-21 season. However, good quality cotton is not available right now for exports. From November, supply of good quality cotton would improve, and prices may come down because of supply pressure. Leading cotton producing states including Gujarat, Maharashtra, Telangana and Andhra Pradesh received heavy rainfall in September. The production in the new season is expected to fall as rainfall has badly affected early-sown crop in all key producing states. Crop yields and quality of crop are going to be affected by rainfall. Cotton harvested in the first picking is likely to be of poor quality.
- **Cotton picking may extend till November – December during 2021-22 season.** Unseasonal rains in the cotton growing areas might help cotton farmers to go in for third and fourth picking of their crop this year. Raw cotton prices have increased to Rs. 7,500 per quintal in Gujarat. Also, the availability of water has increased due to excess rainfall in September in growing regions that makes cotton a preferred crop over other rabi (winter) crops such as wheat, paddy or chana.
- **Cabinet has approved 7 mega textile parks under PM-MITRA scheme.** The cabinet has approved seven new mega textile parks. Cabinet has allocated Rs. 4,445 crore for the next 5 years, with an aim to develop a world class infrastructure with plug to play facilities that enables major investments in exports. According

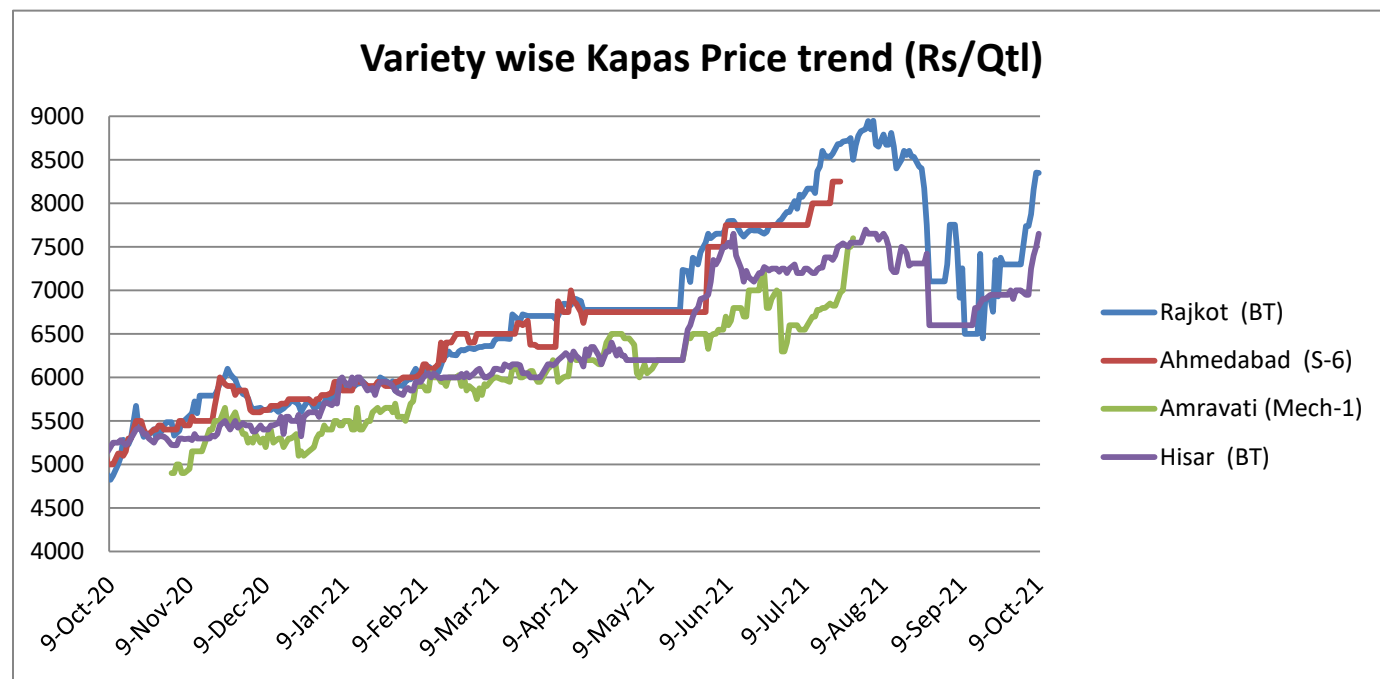
to the textile minister, the parks are a part of government's 'farm to fibre to factory to fashion to foreign' push and will generate 1-2 lakh indirect employment per park.

- **Rains affect the unsold cotton in the mandi.** The unsold raw cotton at several mandis of Muktsar, Bhatinda, and Fazilka was damaged due to sudden showers in Punjab. The ready-to-harvest crop was also affected in terms of the quality of cotton bolls at several places. Harvesting in some areas of malwa would be stalled for at least five days due to rains. Earlier, farmers of Bathinda and Mansa districts were already braving losses caused by the pink bollworm attack and the inclement weather would hit them further.

Domestic Cotton Prices Scenario

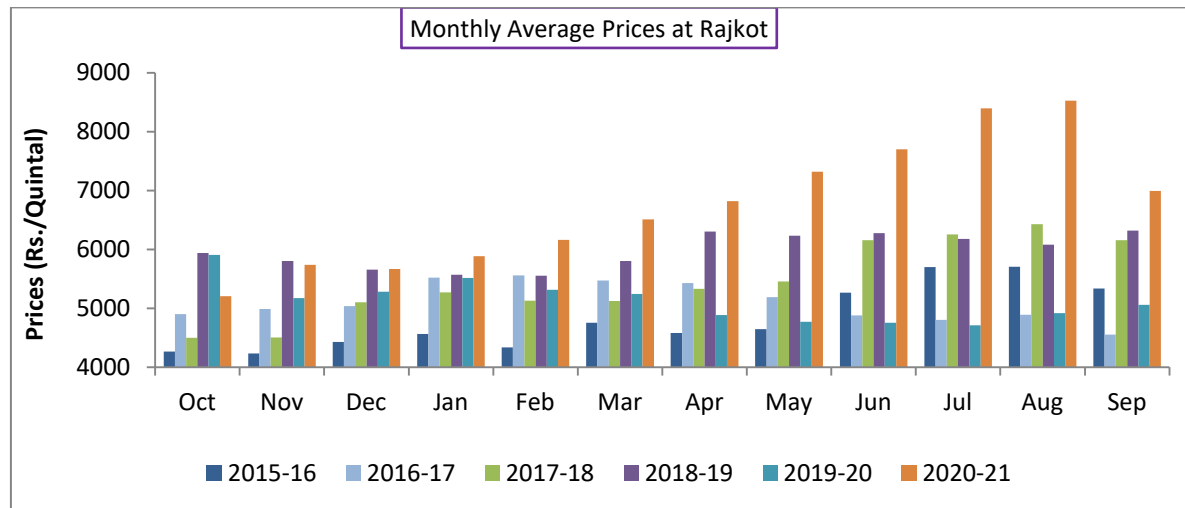
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: With the coming of the new season 2021-22 weekly kapas average price at Rajkot stood higher at Rs. 7542.5/q compared to previous week Rs. 7201/q and in Hisar were prices stood higher at Rs. 7025/q compared to previous week price of Rs. 6950/qt. Arrivals have stopped from Amravati and Ahmedabad.



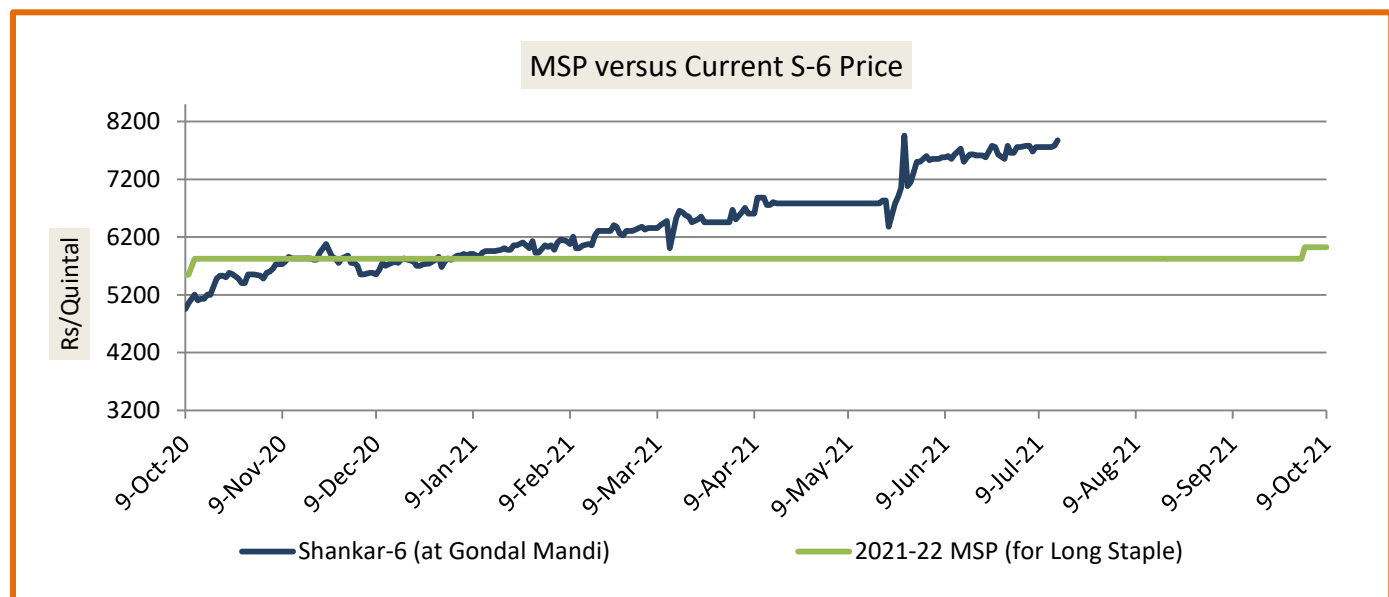
Kapas Monthly M-o-M Price Scenario

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

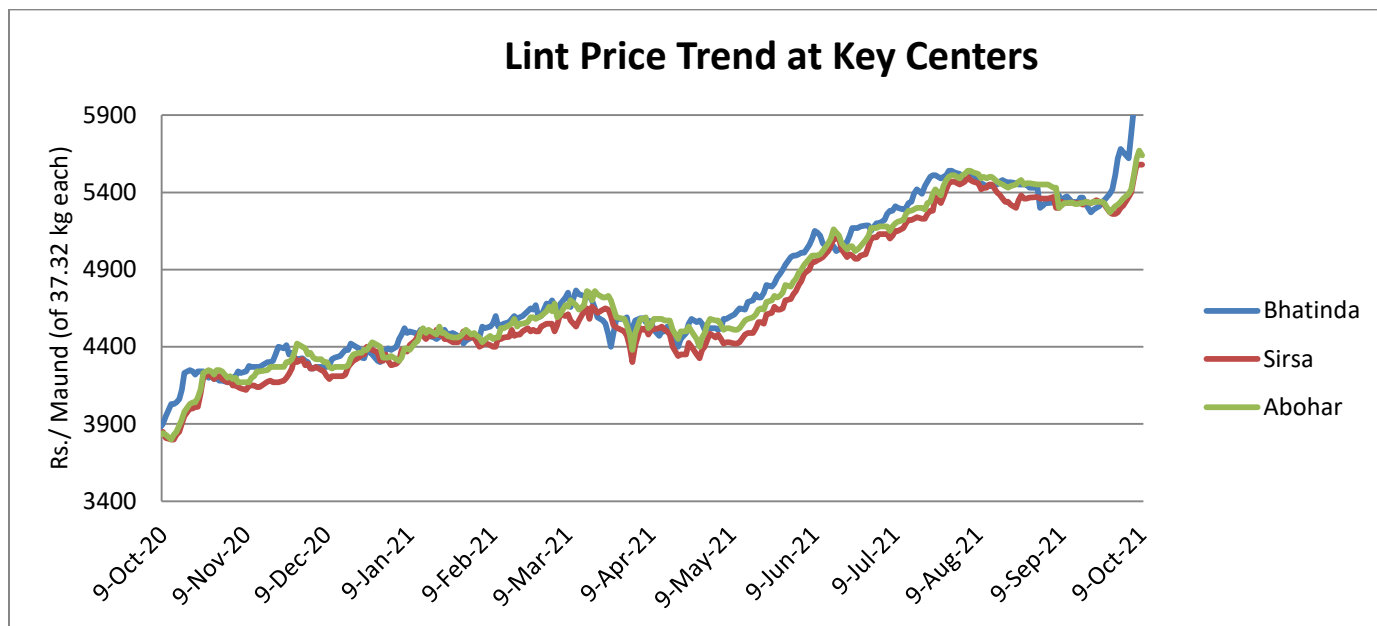
Arrivals were not available in Gondal Market. Average kapas price at Gondal market stood at Rs. 7875/q in the previous month.



Source: Agriwatch

Lint price Outlook

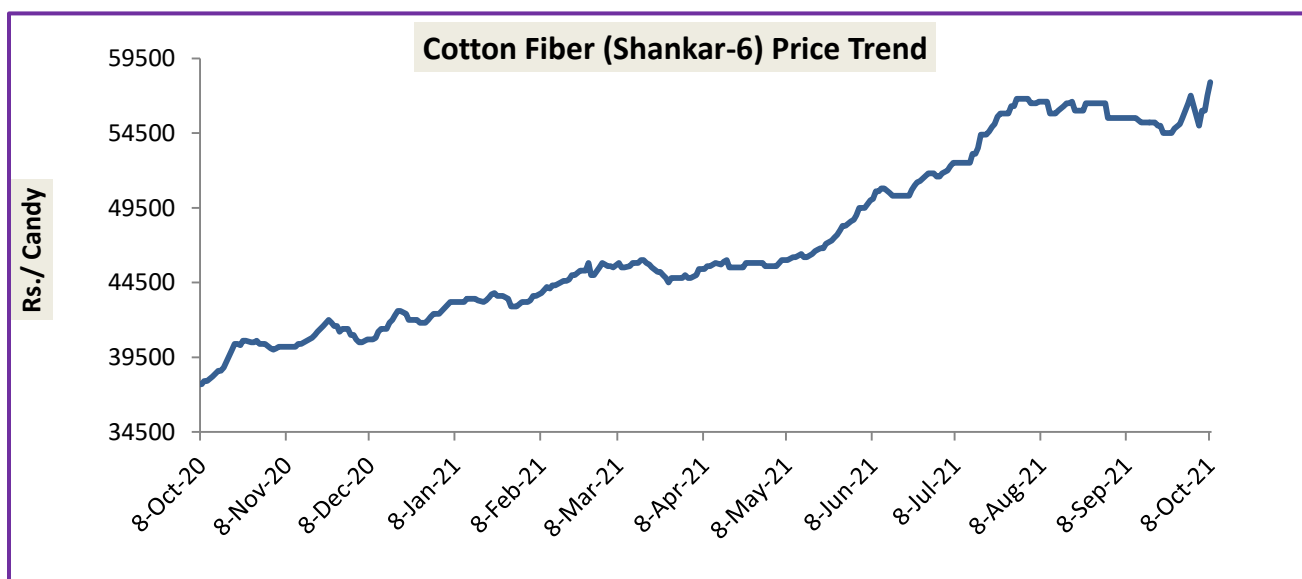
The average price stood higher at Rs.5645/maund of lint in Abohar, in Bhatinda was at Rs.5645/ maund, and same in sirsa as that of previous week at Rs.5587/maund.



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.56100/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

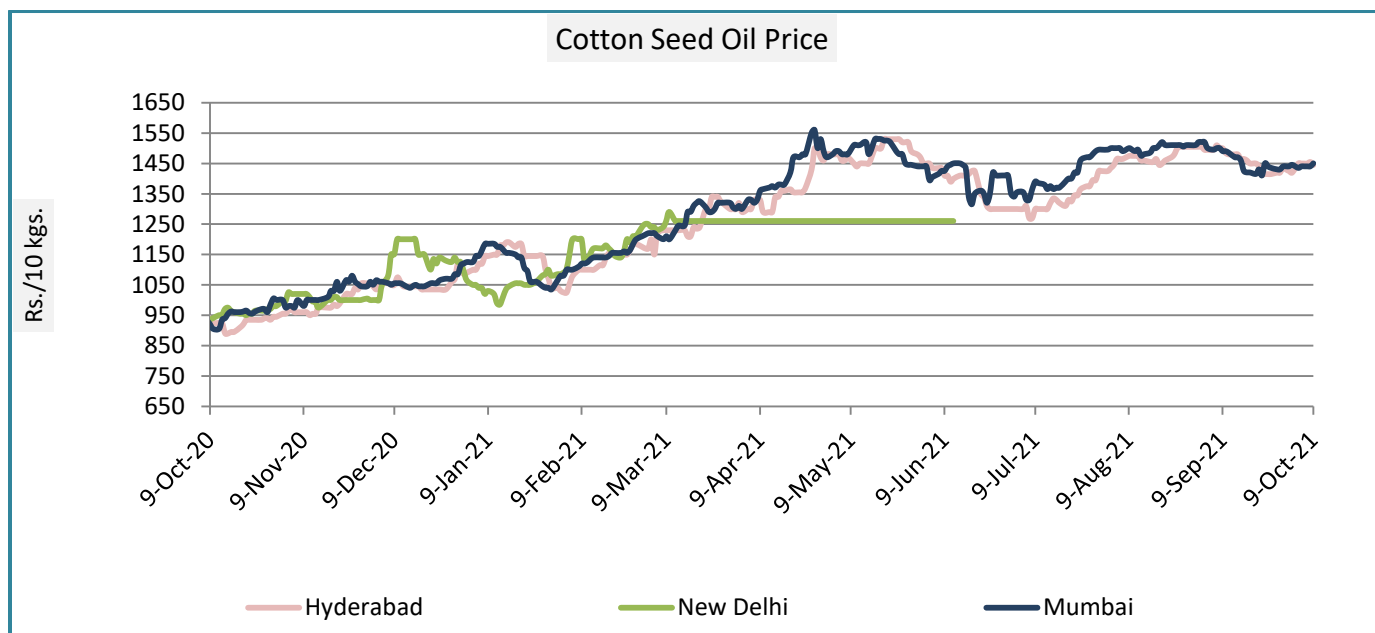
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 06th Oct'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	06-Oct-21	29-Sep-21	
New Delhi	-	-	-
Rajkot	1461	1455	0.40
Hyderabad	1451	1446	0.33
Mumbai	1441	1438	0.20

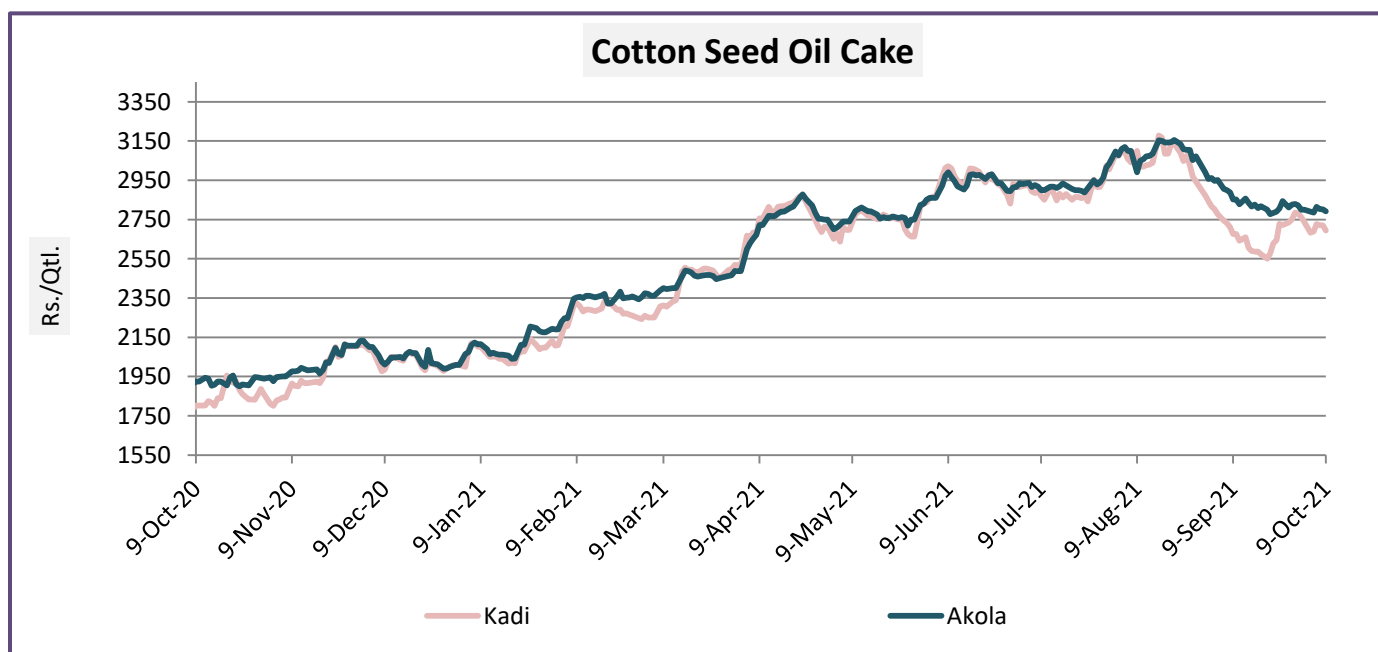
Source: Agriwatch



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. 2730 per quintal from Rs. 2728 per quintal and in Akola was at Rs. 2802 per quintal from Rs. 2818 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	06-Oct-21	29-Sep-21	
Kadi	2730	2728	0.07
Akola	2802	2818	-0.56



Source: NCDEX

International Market Scenario

- According to USDA, as on 03rd October 2021, 13% US cotton has been harvested compared to 16 percent last year and 19 percent five year average. However, 62 percent US Cotton is in good to excellent condition compared to 40 percent last year.
- 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.

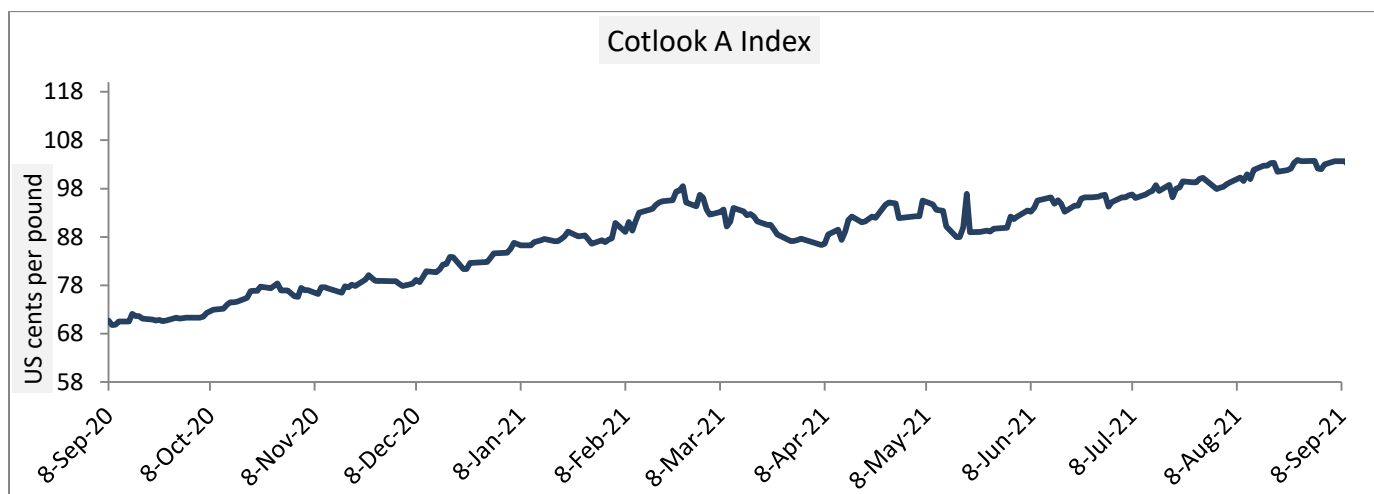
- The Cotton Crop Assessment Committee had revised the Pakistan's cotton production target downward by 19 percent from 10.5 million to 8.46 million bales. Apart from lowest area under cotton cultivation i.e. 1.871 million hectares, some major biotic constraints including cotton leaf curl virus, mealybug, 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 114.82 cents/lb higher as compared to the previous week (105.63cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	06-Oct-21	29-Sep-21	
Prices	114.82	105.63	8.70
Prices in US cents per Pound			

Source: Cotlook

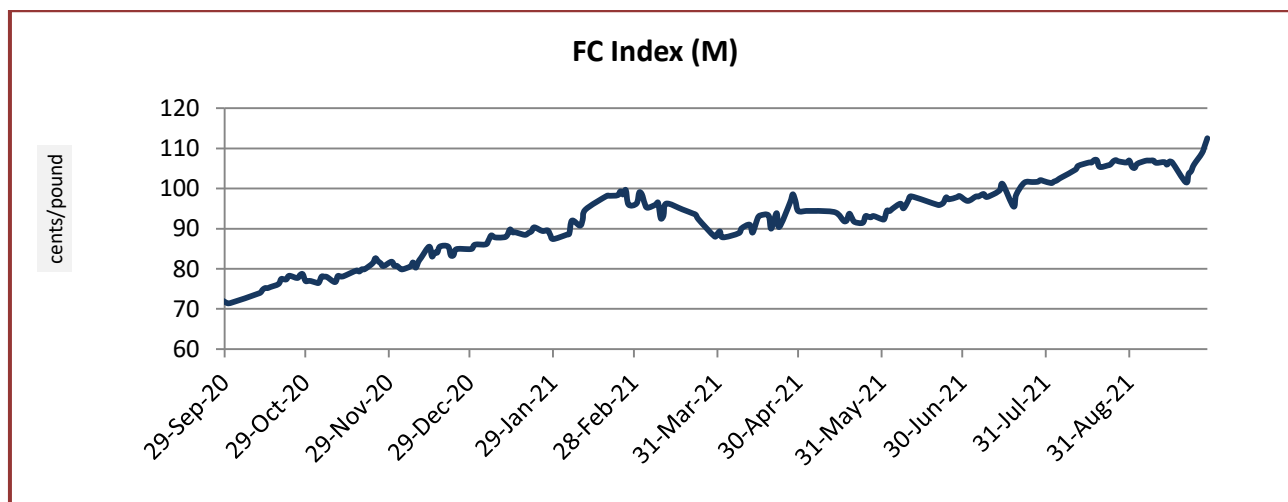


China Cotton Index and Foreign Cotton Index

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
	04-Oct-21	29-Sep-21	
CCIndex(328)	19366.25	18351.00	5.53
CCIndex(527)	18388.25	17309.00	6.24
CCIndex(229)	19746.25	18713.00	5.52
Prices in Yuan per ton			

Source: China Cotton Association

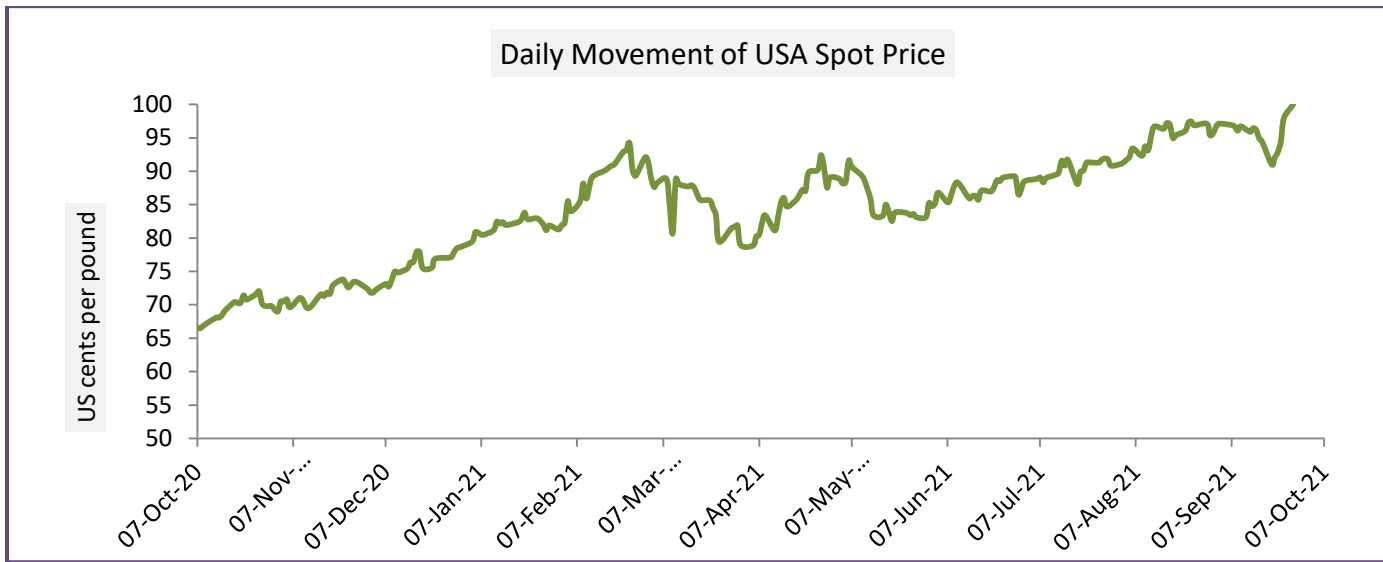


USA Spot Prices

U.S.A spot prices have increased from the prior week by 9.39 percent at 109.05 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	06-Sep-21	29-Sep-21	
Prices	109.05	99.69	9.39
Prices in US cents per Pound			

Source: USDA

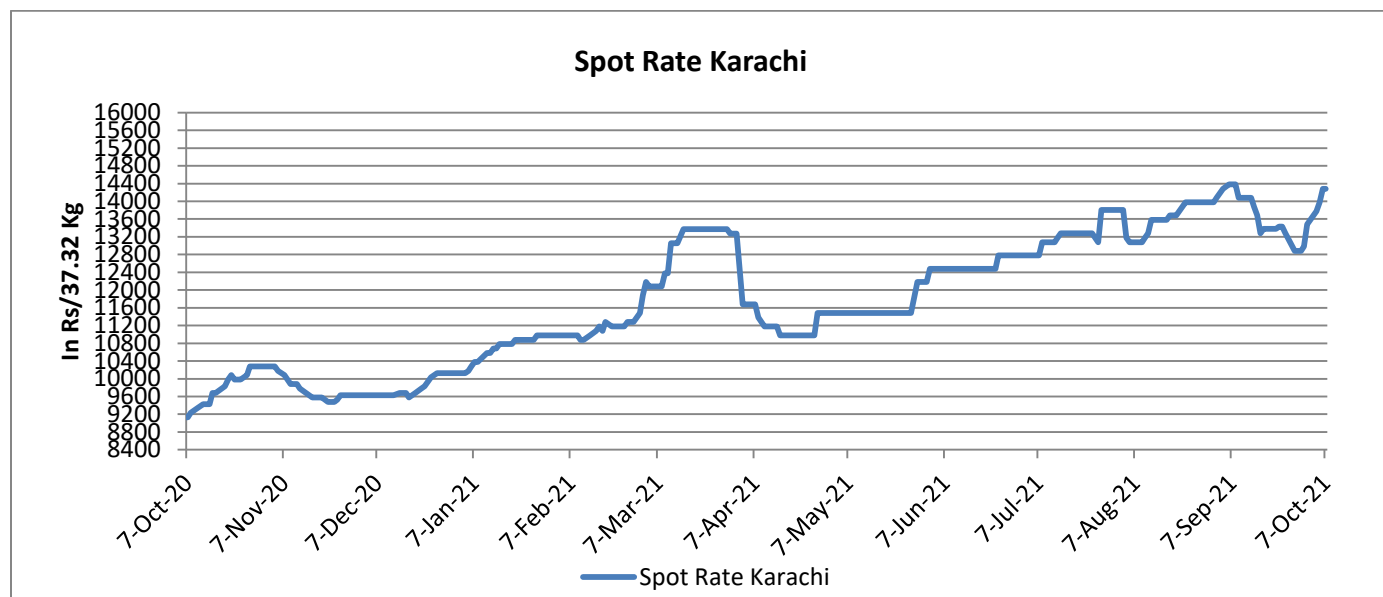


Pakistan Spot Prices

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

Karachi Spot Prices	Weekly Average Price as on		% Change
	06-Oct-21	29-Sep-21	
Prices	14160	13420	5.51
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:31070.00 A:31090.00
O 28820.00 H 31500.00 L 27870.00 C 31030.00 ↑ V 9,498 T 7,070,675 I 2,161 +2220 +7.71%



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 32000.
- If the market tests the support at 26000, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	26000	26470	29920	32000	25400
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	28820	28920	29240	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	2568	2600	2650
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2470	2520	2580	2460

* Do not carryforward the position the next day.

Technical Analysis of Cotton Future (Dec'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.

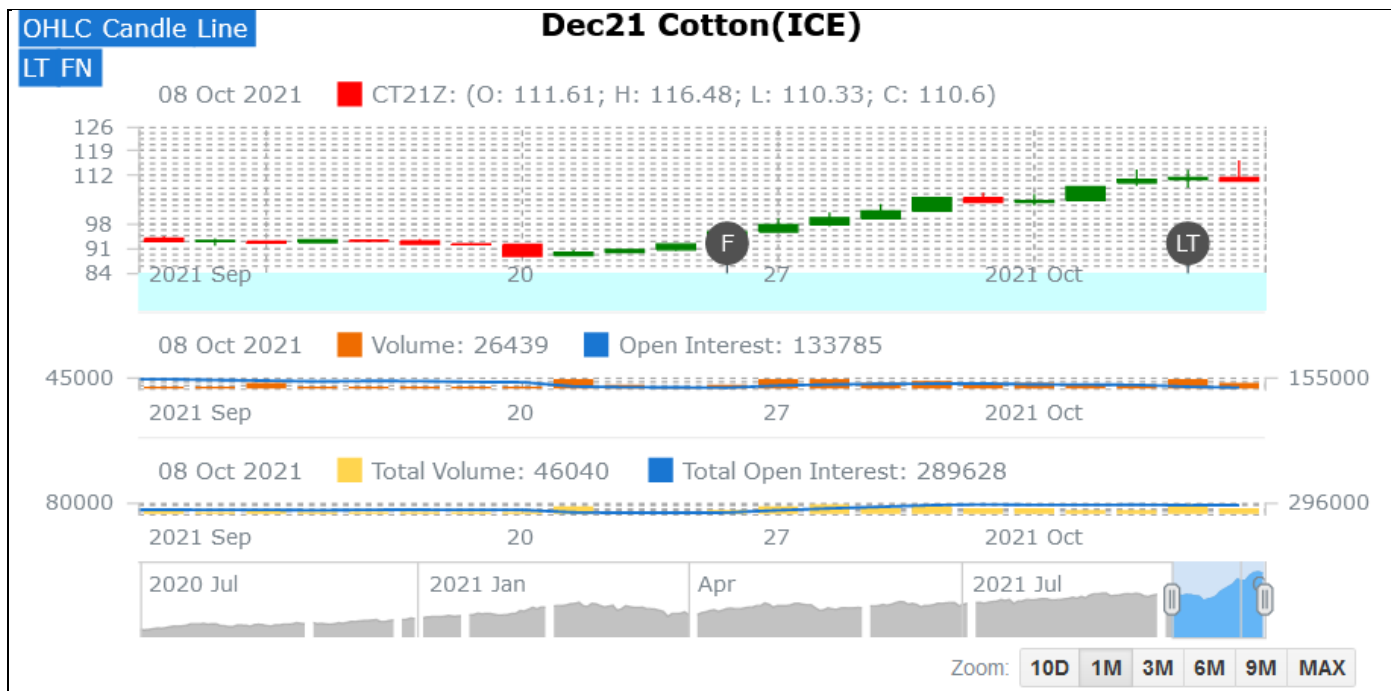
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	116-126

Expected Support and Resistance

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

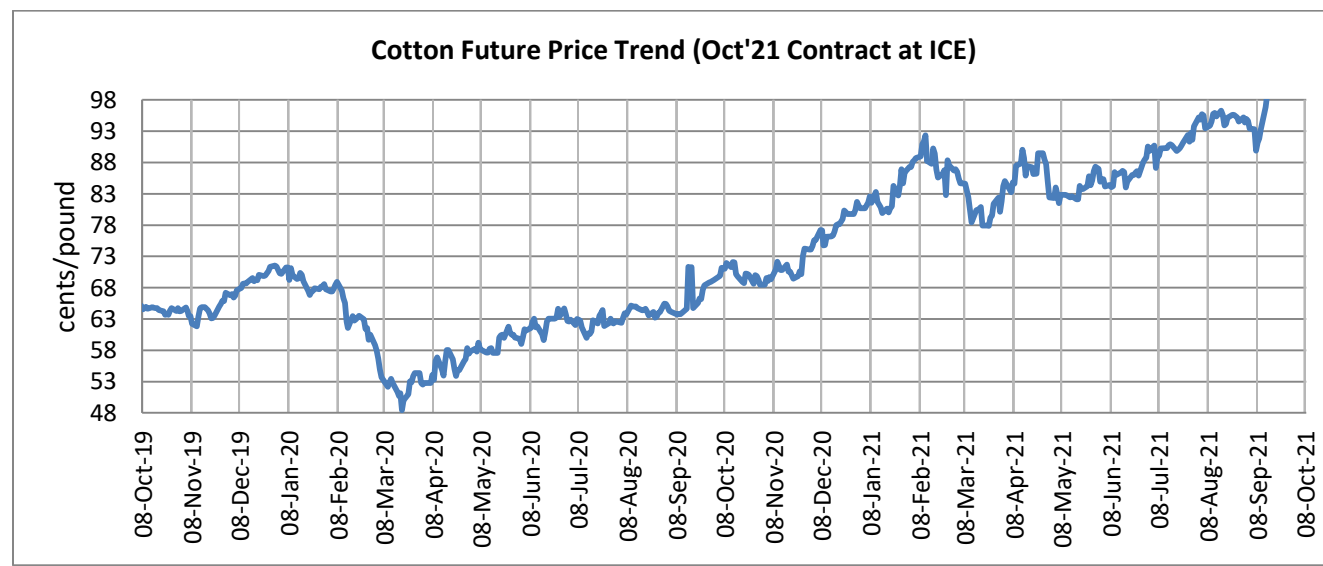
Figures in US cents/pound



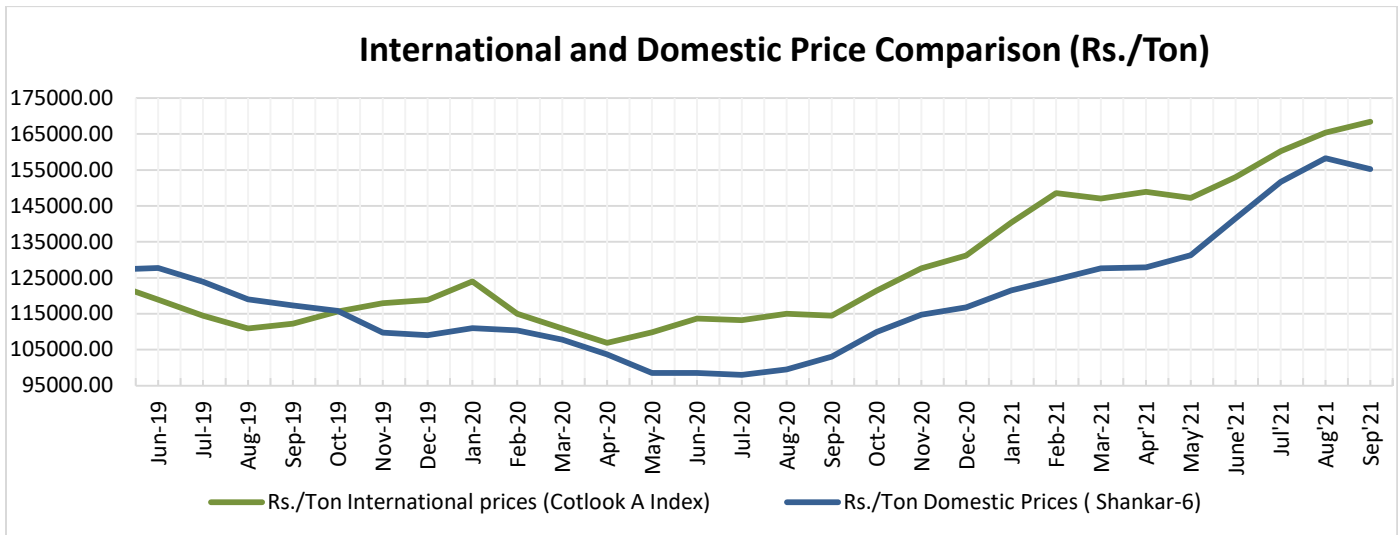
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	08-Oct-21	08-Sep-21 (1 month ago)	10-Jul-21 (3 months ago)	11-Apr-20 (6 months ago)	08-Oct-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	110.6	95.20	87.99	80.14	68.26	16.18	62.03
Dec-21	107.91	94.08	87.71	81.51	68.90	14.70	56.62
Mar-21	106.77	93.26	87.40	80.92	69.32	14.49	54.02
May-22	104.7	92.99	86.75	80.44	66.19	12.59	58.18
Jul-22	93.53	90.82	85.55	80.33	67.49	2.98	38.58

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			30th Sep'21 to 06th Sep'21	23rd Sep'21 to 29th Sep'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7808	7202	606
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	6642	6458	183
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5847	5946	-100
Haryana	Bhiwani	B.T. Cotton	7370	7058	312
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7030	6950	80
	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	7317	6920	397
	Rawatsar	B.T. Cotton	7240	7170	70
Madhya Pradesh	Khandwa	Mech-1	NA	5817	-

	Khargaon	Mech-1	NA	6033	-
Maharashtra	Amravati	Mech-1	6500	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6708	6842	-133
	Hathras	Desi	6367	6358	8
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	8006	7454	552
	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	30th Sep'21 to 06th Sep'21	23rd Sep'21 to 29th Sep'21	
Punjab	Bhatinda	J-34	5645	5351	294
	Abohar	J-34	5645	5357	288
	Mansa	J-34	5635	5333	302
Haryana	Sirsa	J-34	5589	5319	270
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30th Sep'21 to 06th Sep'21	23rd Sep'21 to 29th Sep'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7000	3260	3740
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	19000	6400	12600
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	142	83	59
Haryana	Bhiwani	B.T. Cotton	14900	22500	-7600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5610	3060	2550
	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	13000	4650	8350
	Rawatsar	B.T. Cotton	20000	8700	11300
Madhya Pradesh	Khandwa	Mech-1	NA	794	-
	Khargaon	Mech-1	NA	11395	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	900	620	280
	Hathras	Desi	140	390	-250
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	130	157	-27
	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	30th Sep'21 to 06th Sep'21	23rd Sep'21 to 29th Sep'21	
Punjab	Bhatinda	J-34	39950	13600	26350
	Abohar	J-34	16490	10710	5780
	Mansa	J-34	2720	1360	1360
Haryana	Sirsa	J-34	5610	4250	1360
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	08-Oct-21	01-Oct-21	08-Oct-21	08-Oct-20
Gujarat	Ahmedabad	Shankar-6	8250	0	8250	5000
	Gondal	Shankar-6	NA	0	NA	5500
	Rajkot	B.T. Cotton	8355	0	8355	5530
	Patan	B.T. Cotton	8500	0	8500	5515
	Kadi	B.T. Cotton	7000	6750	7000	5550
	Deesa	B.T. Cotton	NA	0	NA	NA
	Dhrol	B.T. Cotton	7135	0	7135	NR
Haryana	Bhiwani	B.T. Cotton	7330	7500	7330	5600

	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	7500	7000	7500	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	7700	7300	7700	Closed
	Rawatsar	B.T. Cotton	7500	7200	7500	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	6700	0	6700	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	6500	6750	6500	NA
	Hathras	Desi	6500	6300	6500	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	5400
Karnataka	Bijapur	Bunny	8529	7909	8529	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	08-Oct-21	01-Oct-21	08-Oct-21	08-Oct-20
Punjab	Bhatinda	J-34	5970	5620	5970	3830
	Abohar	J-34	6000	5620	6000	3850
	Mansa	J-34	5940	5620	5940	3830
Haryana	Sirsa	J-34	5950	5580	5950	3830
Rajasthan	Sri-Ganganagar	J-34	5499	0	5499	3596

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	08-Oct-21	01-Oct-21	08-Oct-21	08-Oct-20
Gujarat	Ahmedabad	Shankar-6	17000	0	17000	11900
	Gondal	Shankar-6	NA	0	NA	#N/A
	Rajkot	B.T. Cotton	3400	0	3400	#N/A
	Patan	B.T. Cotton	2297	0	2297	3450

	Kadi	B.T. Cotton	6000	2000	6000	#N/A
	Deesa	B.T. Cotton	NA	0	NA	#N/A
	Dhrol	B.T. Cotton	82	0	82	#N/A
Haryana	Bhiwani	B.T. Cotton	5500	1200	5500	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1700	850	1700	#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	1500	1500	#N/A
	Rawatsar	B.T. Cotton	7000	3000	7000	400
Madhya Pradesh	Khandwa	Mech-1	NA	0	NA	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	1600	0	1600	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	50	200	50	#N/A
	Hathras	Desi	50	30	50	#N/A
Telangana	Adilabad	Un-Ginned	NA	0	NA	0
Karnataka	Bijapur	Bunny	404	47	404	953
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	1777
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	08-Oct-21	01-Oct-21	08-Oct-21	08-Oct-20
Punjab	Bhatinda	J-34	5100	8500	5100	850
	Abohar	J-34	2550	2890	2550	680
	Mansa	J-34	680	510	680	1020
	Sirsa	J-34	1190	1700	1190	1530
	Sri-Ganganagar	J-34	1500	0	1500	2300

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				30th Sep'21 to 06th Sep'21	23rd Sep'21 to 29th Sep'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41700	41200	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42300	41800	500
J-34(202)	26mm	3.5 - 4.9	23	51700	49467	2233
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	52550	51133	1417
Shankar-6(105)	29mm	3.5 – 4.9	28	56100	55067	1033
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	59980	55967	4013
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	102800	97083	5717

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