

COTTON WEEKLY RESEARCH REPORT
01st Nov 2021**Domestic market summary**

Domestic Market Scenario: Cotton Association of India has released its first estimate for the 2021-22 cotton crop. According to the Agriwatch market research and analysis, Indian cotton prices are trading at an all-time high in 2021-22 season. The cotton prices in India have gained 64 percent and global prices are higher by around 45 percent. Indian cotton arrivals have crossed 1,20,000 bales a day. Demand in cotton is excellent in the market.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 7900-9000/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.6600-8600/q.

Major Market Highlights:

- The Cotlook index stood higher (117.40 cents/lbs) compared to the ICE cotton future that stood at 108.54 cents/lbs.
- Indian rupee was stable to Rs. 75 per dollar.

Market Highlights:

- **Cotton Association of India has released its first estimate of the cotton crop for the 2021-22 season.** Cotton Association of India has estimated cotton crop for the 2021-22 season at 360.13 lakh bales. Further, the domestic consumption for the entire crop year i.e. up to 30th September 2022 is estimated at 335 lakh bales same as that of previous season, and exports for the 2021-22 season has been estimated at 48 lakh bales, cotton imports was maintained at 10 lakh bales for the 2021-22 season and closing stock at the end of 30th September'2022 was estimated at 62.13 lakh bales.
- **Cotton prices have touched 8,105 per quintal mark in Warangal.** The cotton prices have touched a record high of Rs. 8,105 per quintal at the Enumamula Agriculture Market on Wednesday. This is the highest price since the start of the procurement season. Also, around 2 lakh bags of cotton has arrived in the market so far.
- Domestic cotton prices have increased to Rs. 63,000 per candy as the global market has surged on low production, rising demand, and supply constraints. On the Intercontinental Exchange (ICE), cotton prices have increased over 50 percent year on year rising to 108.67 cents a pound (Rs. 66,025 a candy).
- **Raw cotton prices have crossed Rs. 8000/quintal mark at Vidarbha.** Cotton farmers from Vidarbha are selling raw cotton at a record high of Rs. 8,150 per quintal in the open market. The current price of raw cotton, a level well above the minimum support price (MSP) of Rs 6,025 per quintal fixed by the Government

for the 2021-22 seasons. The Cotton Corporation of India has also reportedly running short of carry forward stock. As per the market sources, the corporation has exhausted almost half of its carry forward stock. The cotton harvesting has also been delayed in the 2021-22 season which is also pushing up the prices.

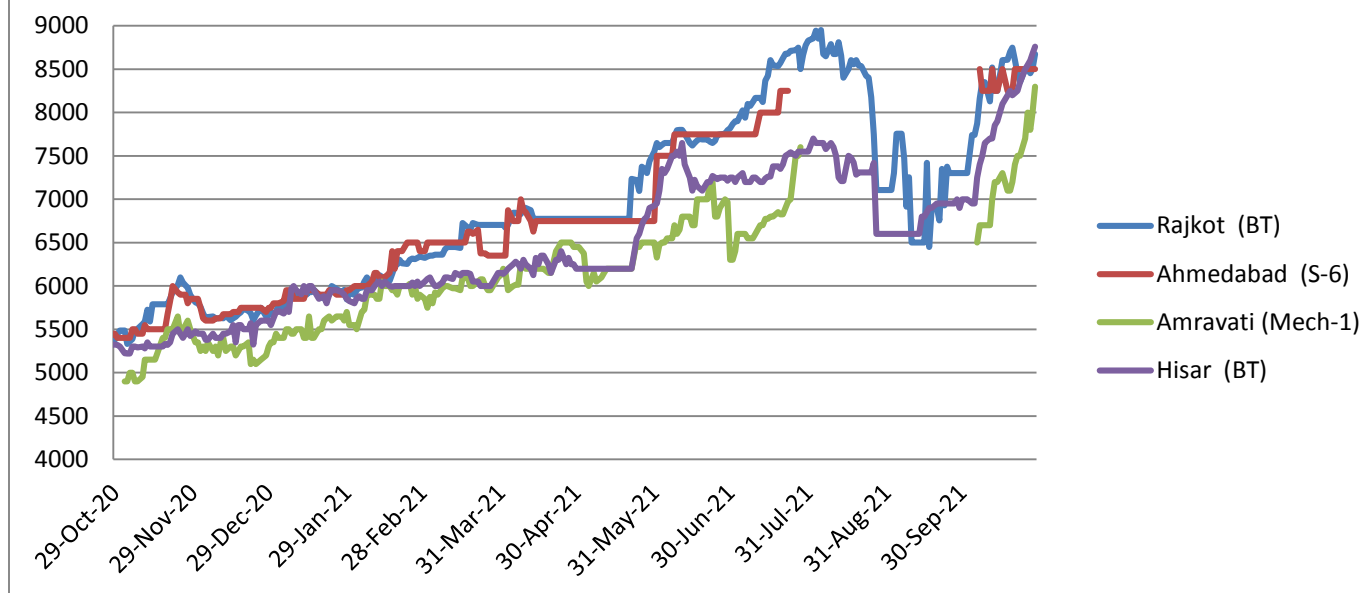
- **Cotton narma has reached Rs. 9000 per quintal mark.** For the 2021-22 season, cotton narma prices have reached Rs. 9036 per quintal in Anupgarh market of Sri Ganganagar. Cotton narma in the major markets is ranging between Rs. 7500-9000 per quintal which is Rs. 2500- 3000 higher than the MSP of the 2021-22 season.
- **Cotton production is expected to remain stable in Gujarat for the 2021-22 season.** As per the report released by the WTO Cell of the Department of Agricultural Economics (DAE) of the Junagadh Agricultural University (JAU), Gujarat cotton production is expected to remain stable in the 2021-22 season. For the 2021-22 season, the area under cotton cultivation in Gujarat is estimated at 22.56 lakh ha, same as that of the 2020-21 season, and production is estimated at 80.95 lakh bales, which is about 8 lakh bales more than last year (72.7 lakh bales). But the damage caused in the last week of September and due to delay in the first picking will result in low yield same as last year. As a result, overall cotton production is expected to remain stable.
- The Punjab government on 24th October 2021 has ordered a re-assessment of losses to the cotton crop due to pink bollworm infestation after doubts were raised over the field inspection reports. Also, as per market sources, the trend of cotton arrivals in different mandi's of southern districts in the state was not indicative of major crop loss.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

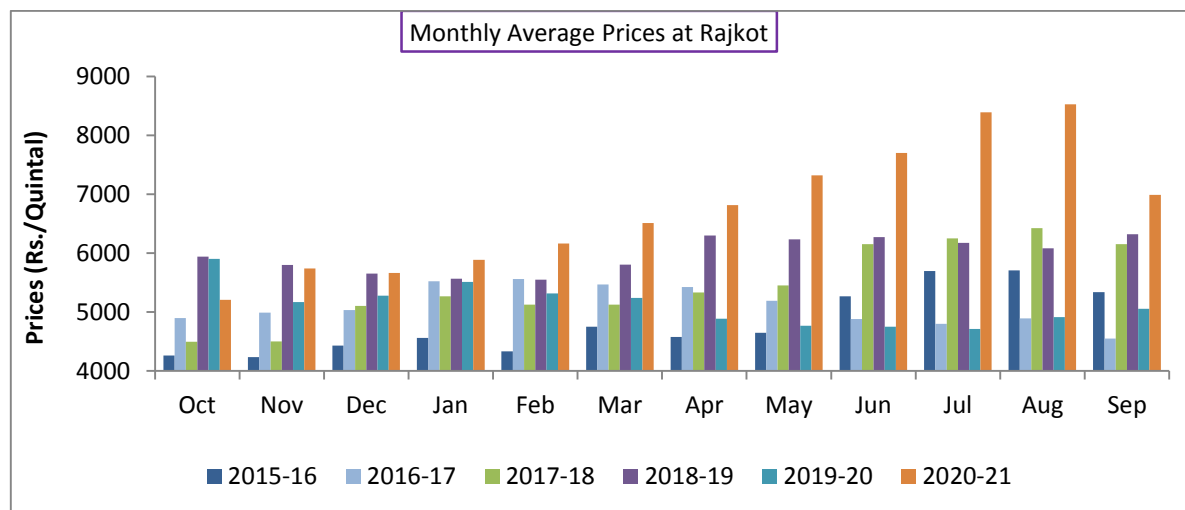
Weekly Price Review: Weekly kapas average price at Rajkot stood slightly lower at Rs. 8476/q compared to previous week Rs. 8583/q whereas, in Hisar were prices stood higher at Rs. 8412/q compared to previous week price of Rs. 8130/qt. Arrivals have started from Amravati and Ahmedabad and prices were at Rs. 7650/qt and Rs. 8500/qt respectively.

Variety wise Kapas Price trend (Rs/Qtl)



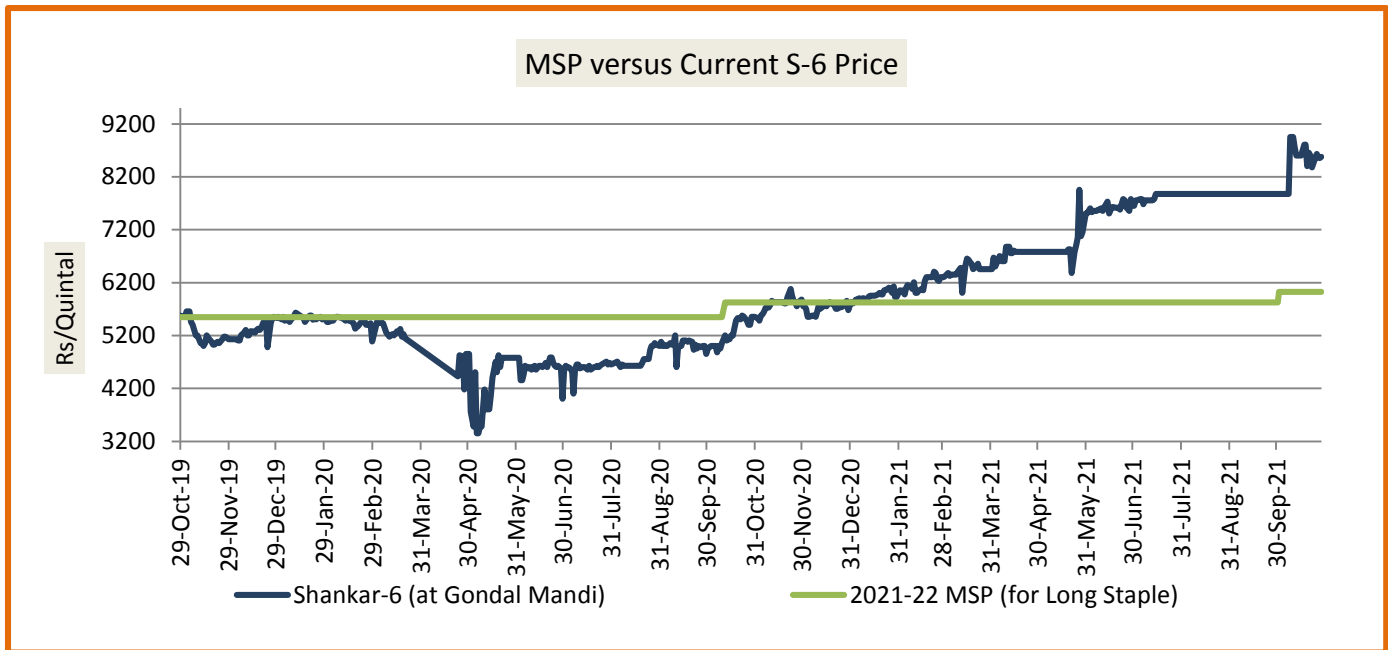
Kapas Monthly M-o-M Price Scenario

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

Average kapas price at Gondal market stood slightly lower at Rs. 8566/qt from the previous week at Rs. 8645/q.

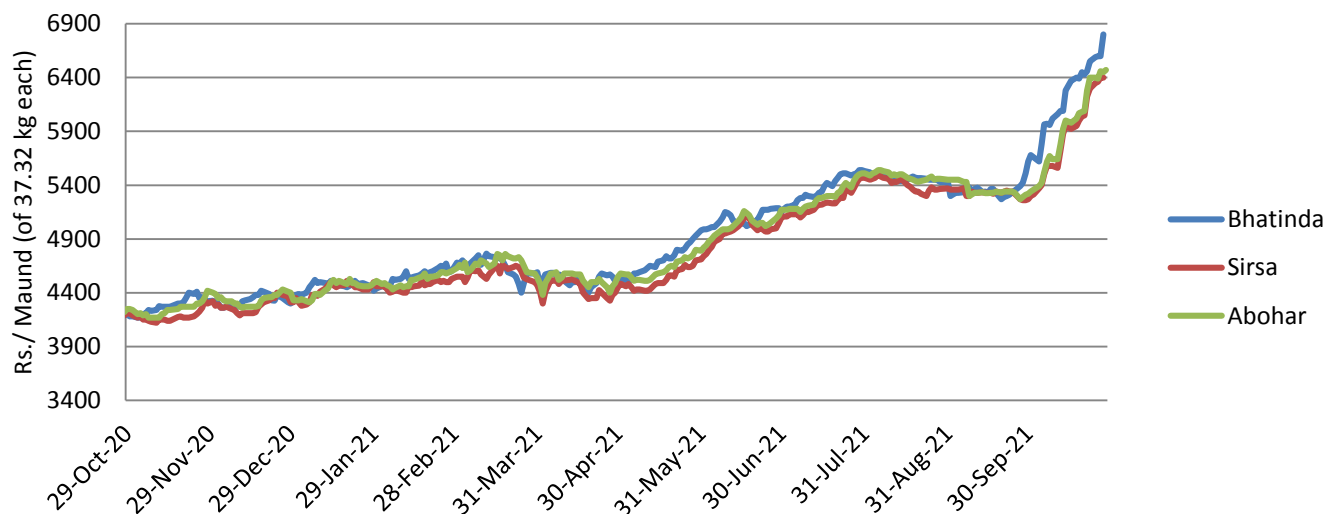


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs.6530/maund of lint in Abohar, in Bhatinda was at Rs.6513/ maund, and same in sirsa as that of previous week at Rs.6482/maund.

Lint Price Trend at Key Centers

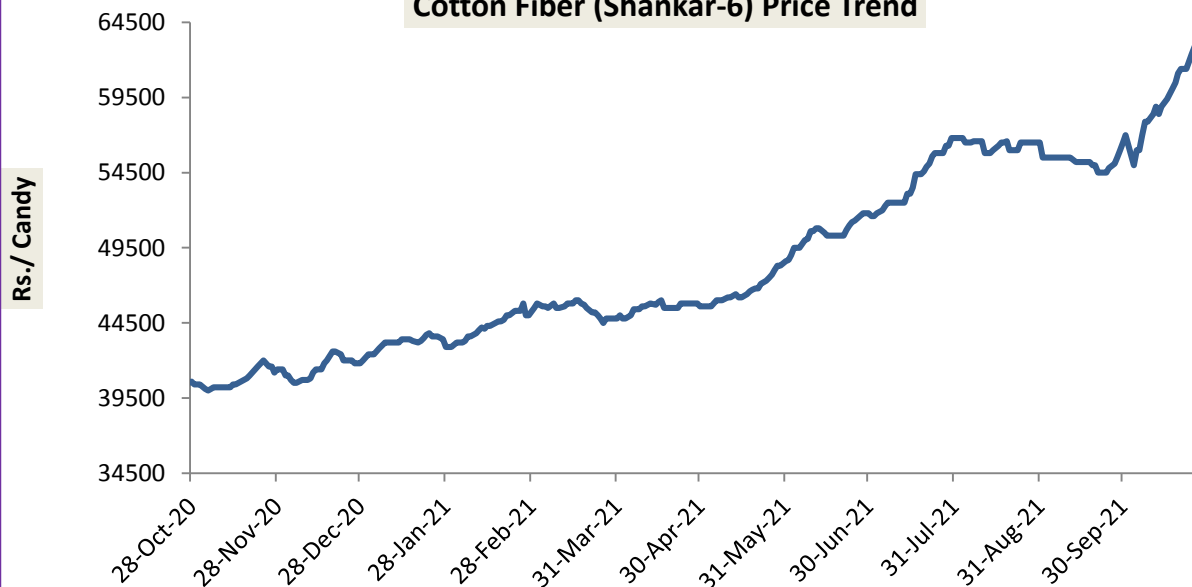


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices has increased from the previous week at Rs.62066/candy this week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

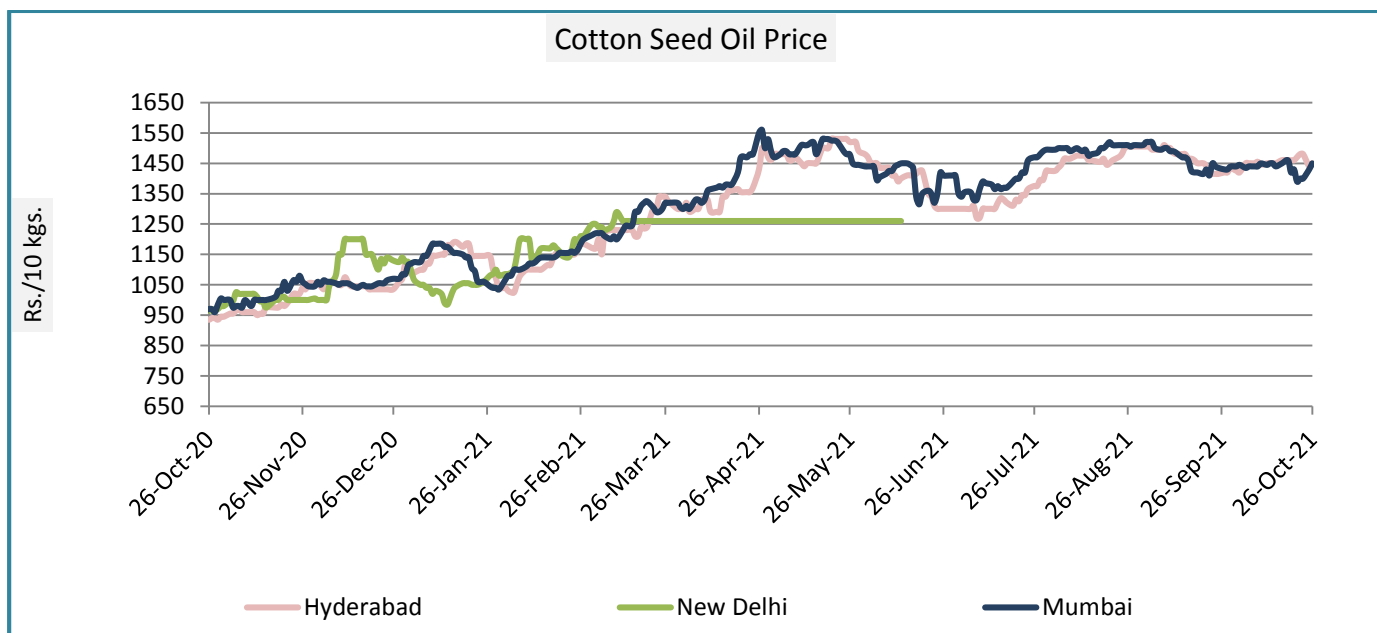
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 27th Oct'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	27-Oct-21	20-Oct-21	
New Delhi	-	-	-
Rajkot	1463	1438	1.70
Hyderabad	1463	1448	1.06
Mumbai	1438	1408	2.15

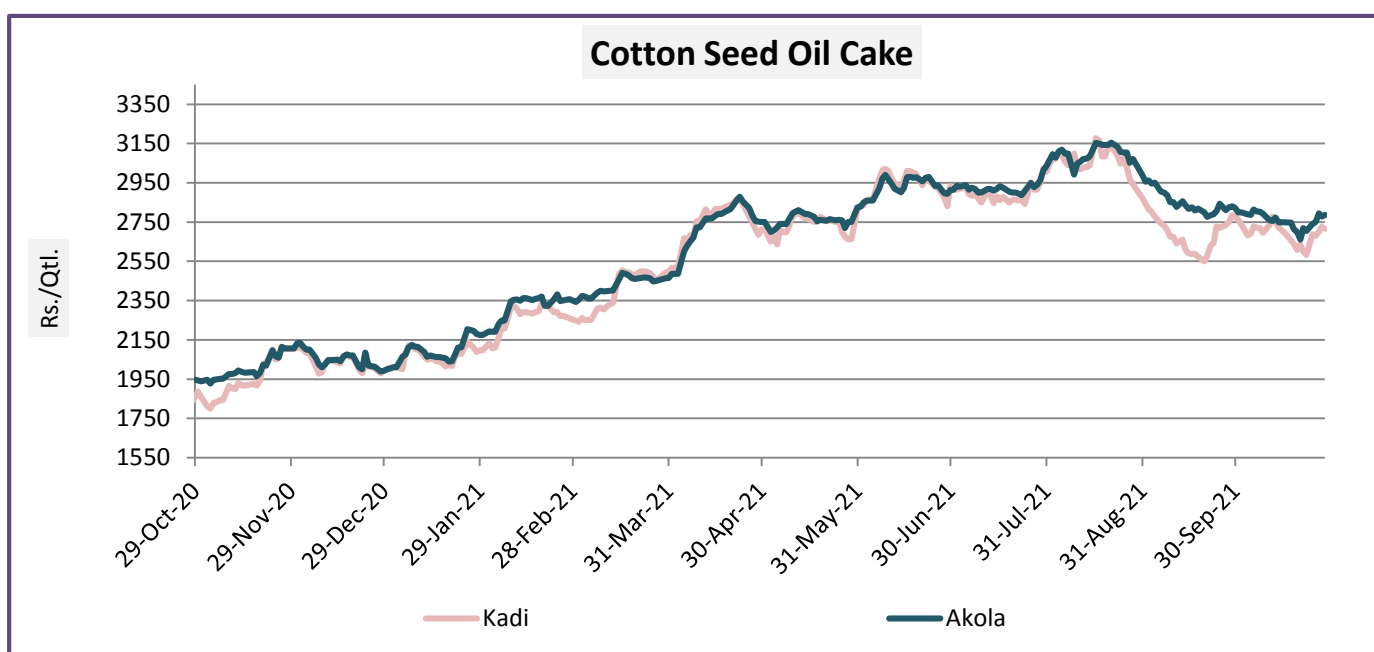
Source: Agriwatch



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. 2648 per quintal from Rs. 2664 per quintal and in Akola prices were at Rs. 2728 per quintal from Rs. 2732 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	21-Oct-21	20-Oct-21	
Kadi	2648	2664	-0.58
Akola	2728	2732	-0.14



Source: NCDEX

International Market Scenario

- Cotton harvest in US continues to pick up, as all cotton-producing states showed a significant increase in field activity in the past week. According to USDA, as of 24th October 2021, open bolls are now reported in 91 percent of the crop, with 8 states at or above their respective 5 year averages. Cotton harvested was at 35 percent, behind the 5 years average by 6 percentage points, and was up by 7 percentage points from last week. However, crop conditions remained steady. The good and excellent categories were at 64 percent, 30 percent rated fair and 6 percent rated poor.
- China cotton index is expected to move down in the next few months as Chinese monetary and financial regulatory agencies begin supporting various departments to control the prices of cotton, while farmers are

looking to sell their cotton due to bad weather and poor financial conditions. The cotton demand may also reduce in the coming months, which will further support the expected drop in cotton prices.

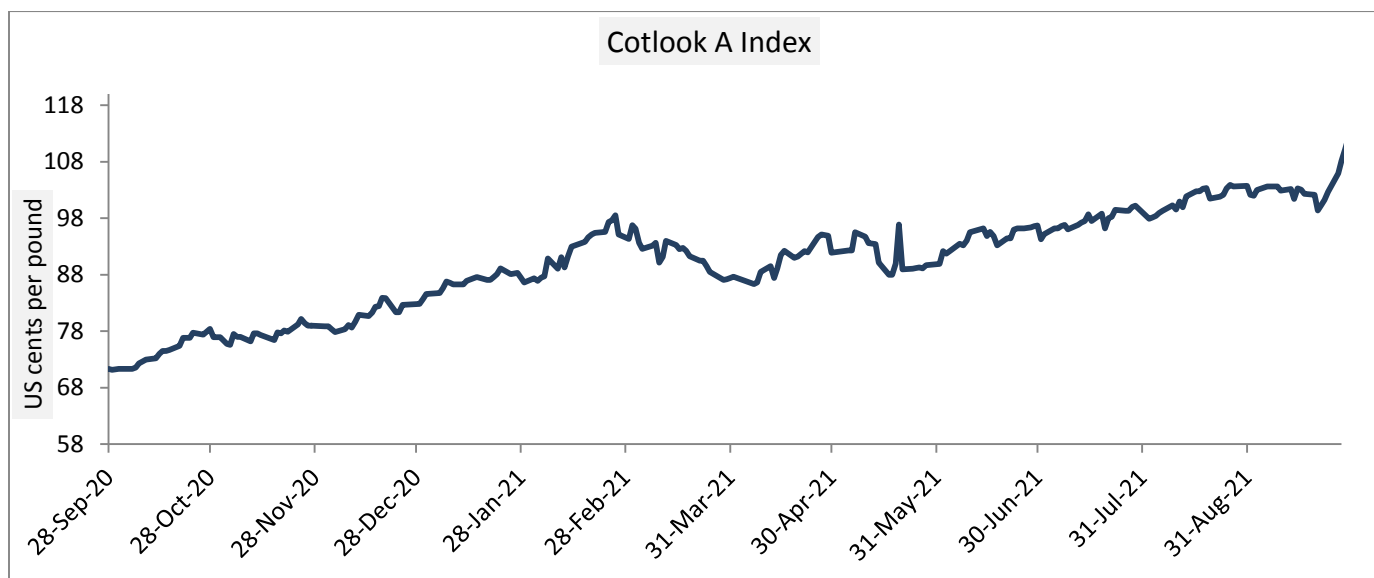
- Due to the high prices of Indian cotton fibres in the global market and with the increasing export demand for cotton yarn and textile products, India's domestic cotton consumption is expected to rise in the 2021-22 season. The area of cotton harvested is expected to decrease as the area under Rabi crop in South India is increasing.
- According to the textile and apparel (texpro) data, cotton area harvested in India was 13.40 million hectares in the year 2019-20, which dropped by 2.99 per cent to 13 million hectares in 2020-21. It is expected to decline further by 4.62 per cent to 12.40 million hectares in 2021-22 season. India's cotton production was 28.80 million bales in 2019-20 and 27.90 million bales in 2020-21. However, it is expected to rise slightly by 0.36 per cent to 28 million bales in 2021-22. Also, imports went down by 62.72 per cent from 2.28 million bales in 2019-20 to 0.85 million bales in 2020-21. It is expected to rise again by 17.65 per cent to reach 1 million bales in the 2021-22 season. India has exported 3.20 million bales in 2019-20 and 6.20 million bales in the 2020-21 season. For the 2021-22 season exports are estimated same as that of previous season. Further, consumption is expected to increase to 26 million bales as compared to 24.20 million bales in 2020-21 season.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 117.68 cents/lb higher as compared to the previous week (115.77 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	27-Oct-21	20-Oct-21	
Prices	117.68	115.77	1.65
Prices in US cents per Pound			

Source: Cotlook

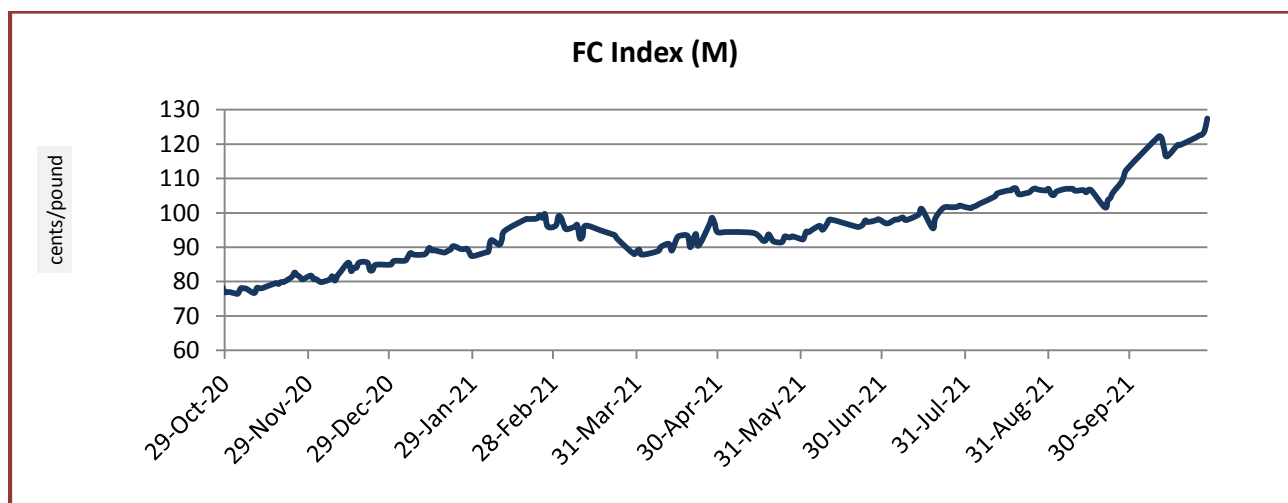


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	19-Oct-21	19-Oct-21	
FC (S)	123.71	120.13	2.98
FC (M)	122.42	118.64	3.19
FC (L)	121.01	117.48	3.01

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	27-Oct-21	20-Oct-21	
CCIndex(328)	22195.00	21891.40	1.39
CCIndex(527)	21043.20	20786.60	1.23
CCIndex(229)	22672.60	22306.40	1.64
Prices in Yuan per ton			

Source: China Cotton Association

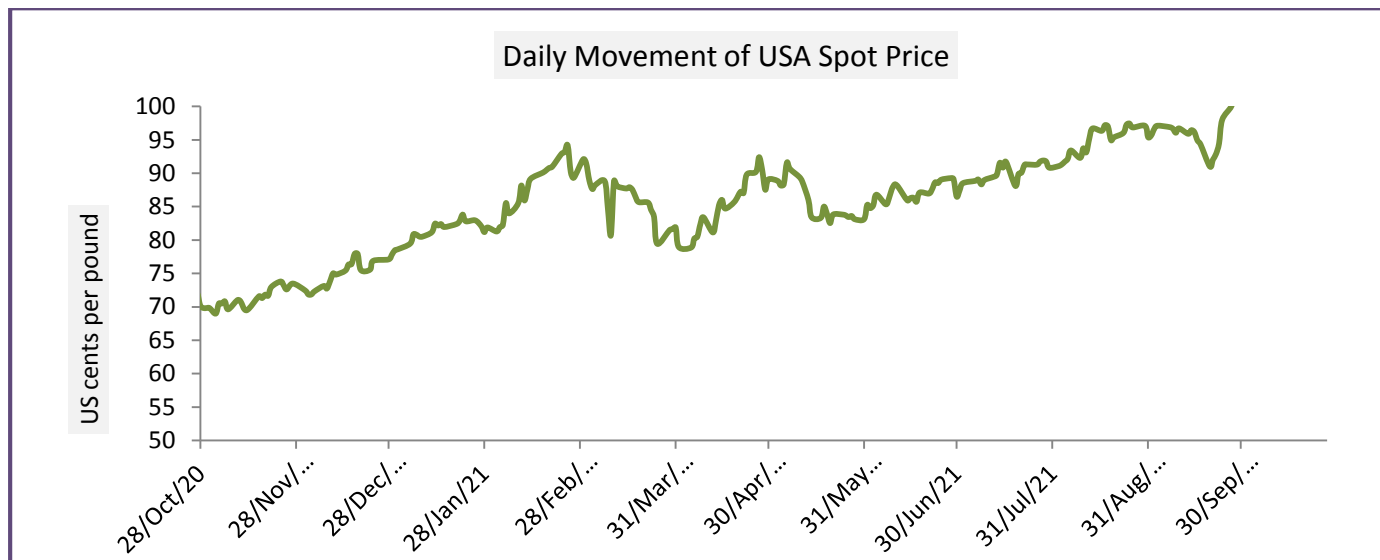


USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.39 percent at 110.43 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	20-Oct-21	20-Oct-21	
Prices	110.43	110.01	0.39
Prices in US cents per Pound			

Source: USDA

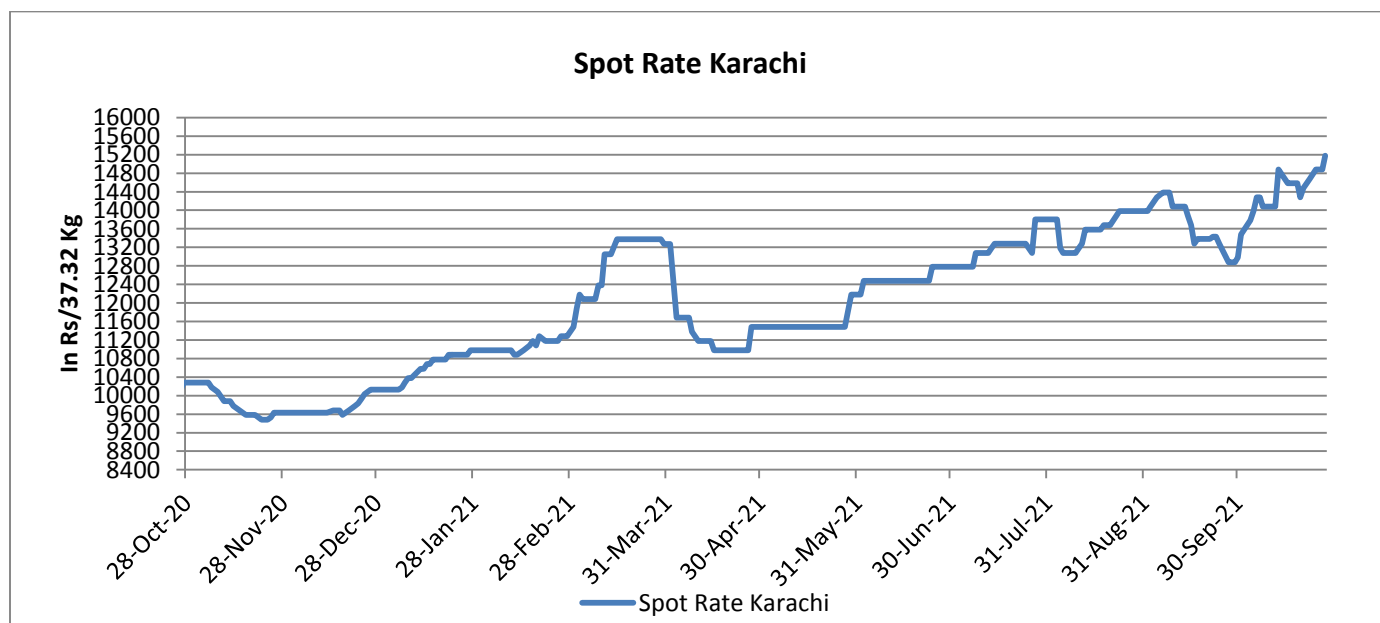


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.15280/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	20-Oct-21	20-Oct-21	
Prices	15280	14640	4.37
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Nov

Expiry: Nov. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/10/24 - Weekly B:32610.00 A:33190.00
O 32620.00 H 33400.00 L 31650.00 C 33040.00 ↑ V 1,208 T 944,410 I 529 +1540 +4.89%



Technical Commentary:

- The recent trend is bullish in cotton.
- Mild resistance is seen around 33250.
- If the market tests the support at 32680, intraday short positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Nov	32620	32700	33040	33250	33370
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Buy	33030	33130	33220	32960

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Dec

Expiry: Dec. 20, 2021

Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2021/10/24 - Weekly B:2617.00 A:2619.00
O:2442.00 H:2626.00 L:2432.00 C:2614.00 ↑ V:153,250 I:31,550 +188 +7.75%



Technical Commentary:

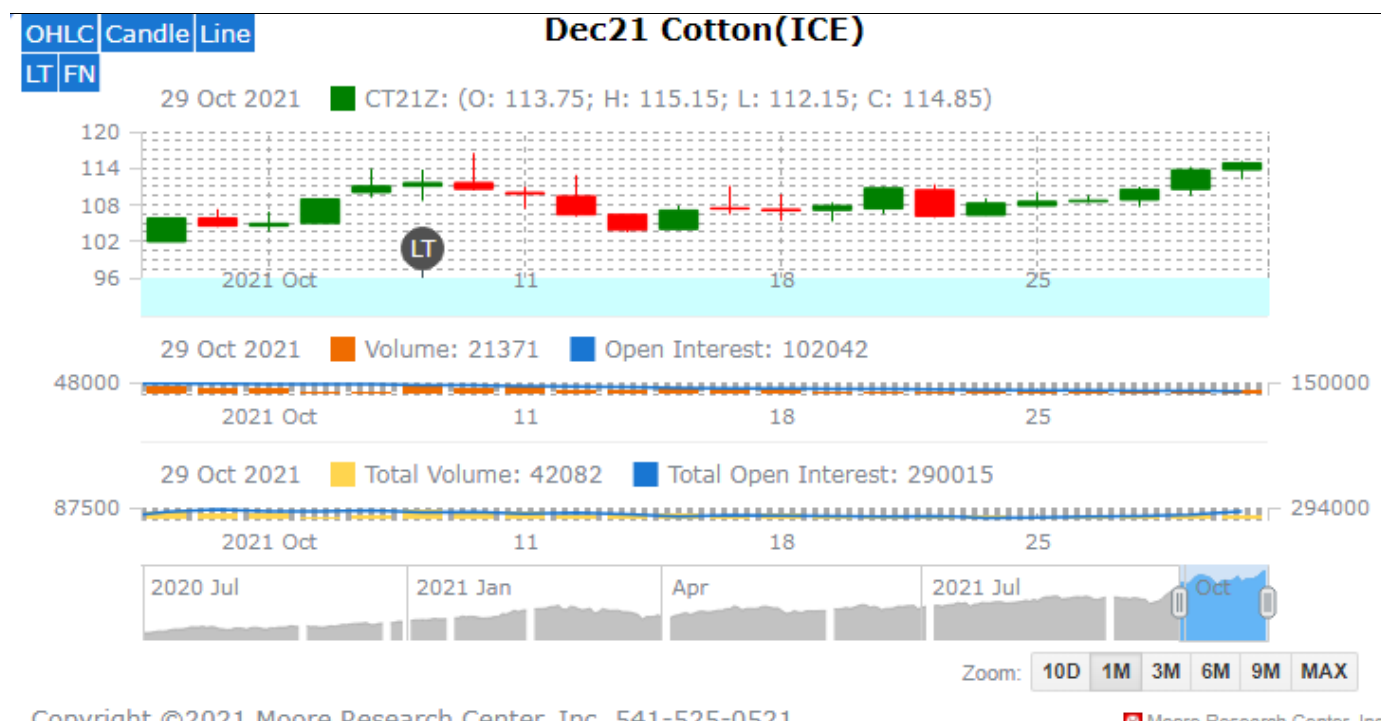
- Cottonseed oilcake on the daily chart is downward trending.
- On the intra-day chart, there exists a consolidation zone (support) at 2350 and then a trendline support at 2340. Strong resistance is seen at 2754.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2434	2494	2614	2754	2814
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2604	2704	2724	2534

Technical Analysis of Cotton Future (Dec'21Contract) at ICE

- The Dec'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 range bound in the coming week.



Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	115-120

Expected Support and Resistance

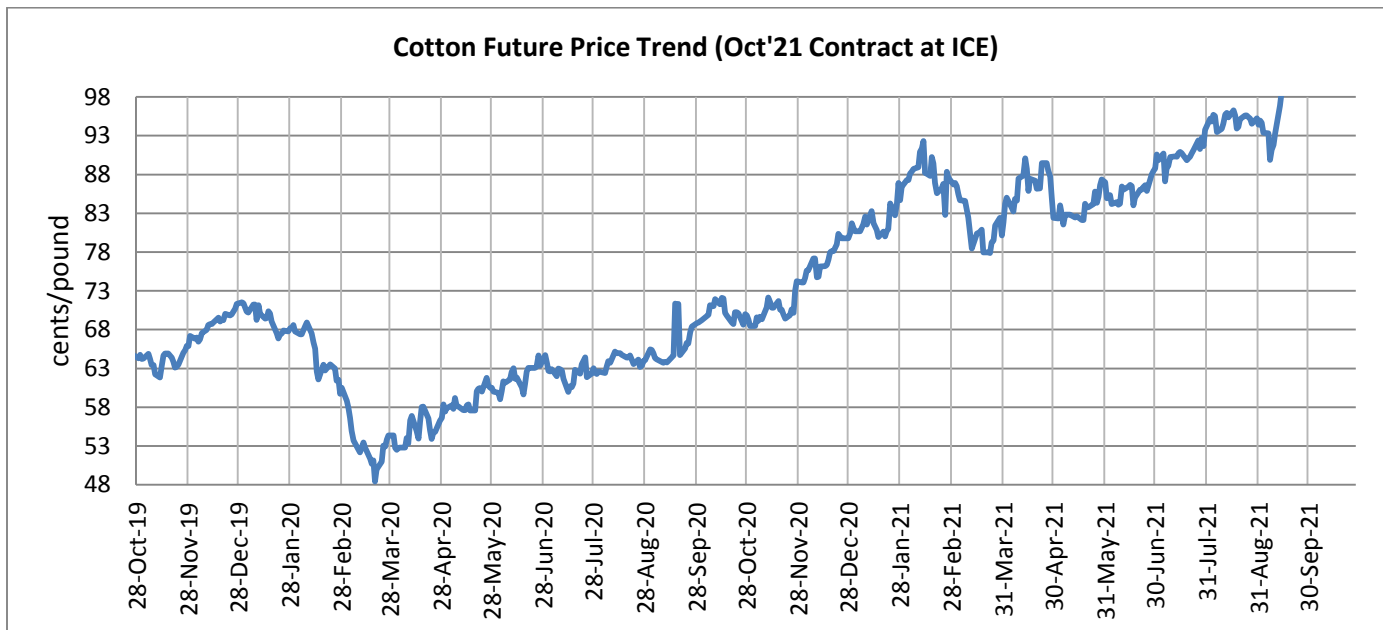
Support 1	Support 2	Resistance 1	Resistance 2
108	100	117	119

Figures in US cents/pound

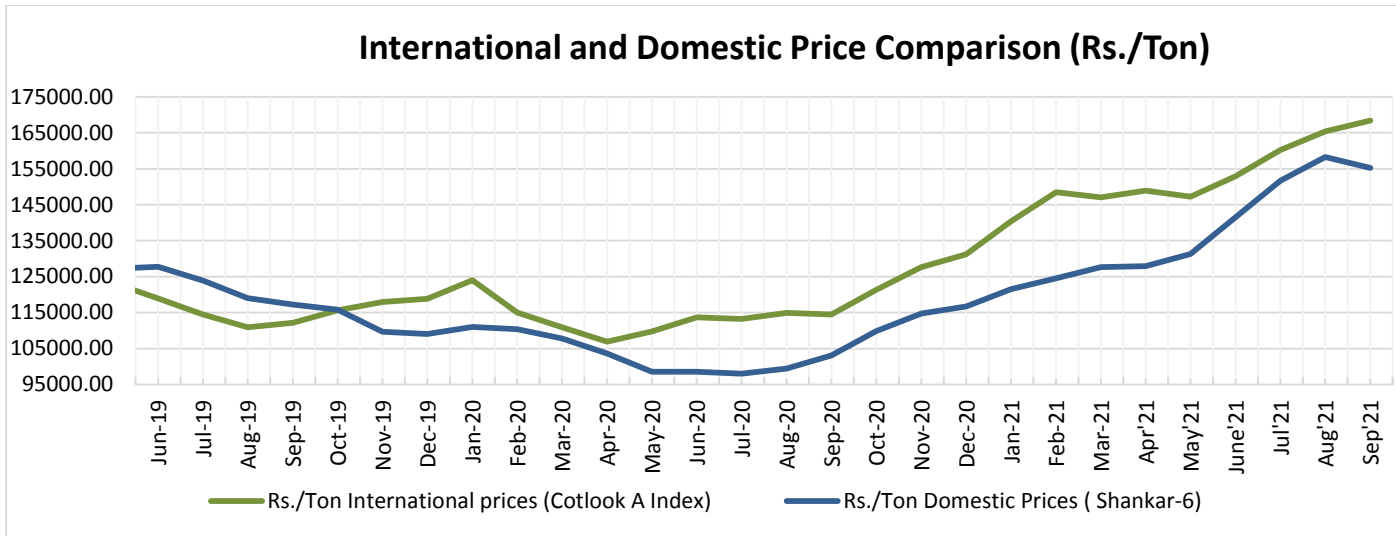
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	29-Oct-21	29-Sep-21 (1 month ago)	31-Jul-21 (3 months ago)	02-May-20 (6 months ago)	29-Oct-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	113.73	101.94	89.83	87.21	70.80	11.57	60.64
Dec-21	111.83	100.74	89.39	87.86	71.49	11.01	56.43
Mar-21	110.40	99.95	89.07	87.02	71.99	10.46	53.35
May-22	108.48	97.46	88.44	85.20	70.23	11.31	54.46
Jul-22	98.48	88.19	87.25	84.56	69.82	11.67	41.05

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	21st Sep'21 to 27th Sep'21	14th Sep'21 to 20th Sep'21	
Gujarat	Ahmedabad	Shankar-6	8500	8300	200
	Gondal	Shankar-6	8567	8605	-38
	Rajkot	B.T. Cotton	8477	8666	-190
	Patan	B.T. Cotton	8287	8407	-120
	Kadi	B.T. Cotton	8083	7500	583
	Deesa	B.T. Cotton	7250	6845	405
	Dhrol	B.T. Cotton	8346	8204	142
Haryana	Bhiwani	B.T. Cotton	8357	8000	357
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8413	8130	283
	Fatehabad	B.T. Cotton	8308	7980	328
	Jind	B.T. Cotton	8700	8360	340
	Uchana	B.T. Cotton	8595	8074	521
	Dabwali	B.T. Cotton	8431	7995	436
Rajasthan	Hanumangarh	B.T. Cotton	8667	8310	357
	Rawatsar	B.T. Cotton	8417	8310	107

Madhya Pradesh	Khandwa	Mech-1	8579	7688	891
	Khargaan	Mech-1	8339	7800	539
Maharashtra	Amravati	Mech-1	7650	7180	470
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7267	6800	467
	Hathras	Desi	7033	7090	-57
Telangana	Adilabad	Un-Ginned	8060	NA	-
Karnataka	Bijapur	Bunny	8641	8414	227
	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	21st Sep'21 to 27th Sep'21	14th Sep'21 to 20th Sep'21	
Punjab	Bhatinda	J-34	6513	6306	207
	Abohar	J-34	6530	6312	218
	Mansa	J-34	6453	6268	185
Haryana	Sirsa	J-34	6483	6257	226
Rajasthan	Sri-Ganganagar	J-34	6079	5802	277

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	21st Sep'21 to 27th Sep'21	14th Sep'21 to 20th Sep'21	
Gujarat	Ahmedabad	Shankar-6	328100	129200	198900
	Gondal	Shankar-6	27855	9657	18198
	Rajkot	B.T. Cotton	48150	31000	17150
	Patan	B.T. Cotton	93780	15124	78656
	Kadi	B.T. Cotton	205000	140000	65000
	Deesa	B.T. Cotton	12100	500	11600
	Dhrol	B.T. Cotton	4569	2313	2256
Haryana	Bhiwani	B.T. Cotton	22700	8500	14200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6970	5610	1360
	Fatehabad	B.T. Cotton	3650	3100	550
	Jind	B.T. Cotton	4539	2125	2414
	Uchana	B.T. Cotton	3300	8000	-4700

	Dabwali	B.T. Cotton	13450	6000	7450
Rajasthan	Hanumangarh	B.T. Cotton	17000	16000	1000
	Rawatsar	B.T. Cotton	24000	24000	Unch
Madhya Pradesh	Khandwa	Mech-1	17200	5105	12095
	Khargaon	Mech-1	42890	5225	37665
Maharashtra	Amravati	Mech-1	12400	5900	6500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	1550	900	650
	Hathras	Desi	530	220	310
Telangana	Adilabad	Un-Ginned	59511	NA	-
Karnataka	Bijapur	Bunny	18390	2857	15533
	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	21st Sep'21 to 27th Sep'21	14th Sep'21 to 20th Sep'21	
Punjab	Bhatinda	J-34	52700	45900	6800
	Abohar	J-34	9350	8500	850
	Mansa	J-34	3060	3060	Unch
Haryana	Sirsa	J-34	4760	5100	-340
Rajasthan	Sri-Ganganagar	J-34	16000	5700	10300

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	28-Oct-21	21-Oct-21	28-Oct-21	28-Oct-20
Gujarat	Ahmedabad	Shankar-6	8500	8500	8500	5450
	Gondal	Shankar-6	8555	8655	8555	5500
	Rajkot	B.T. Cotton	8500	8605	8500	5530
	Patan	B.T. Cotton	8360	8175	8360	5515
	Kadi	B.T. Cotton	8000	8000	8000	5550
	Deesa	B.T. Cotton	NA	6905	NA	NA
	Dhrol	B.T. Cotton	8410	8345	8410	NR
Haryana	Bhiwani	B.T. Cotton	8400	8300	8400	5600
	Bhiwani	Desi	NA	0	NA	NA

	Adampur	B.T. Cotton	8680	8225	8680	5350
	Fatehabad	B.T. Cotton	8450	8025	8450	5350
	Jind	B.T. Cotton	8875	8800	8875	5700
	Uchana	B.T. Cotton	8570	8600	8570	5385
	Dabwali	B.T. Cotton	8640	8500	8640	NR
Rajasthan	Hanumangarh	B.T. Cotton	8800	8550	8800	Closed
	Rawatsar	B.T. Cotton	8900	8400	8900	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	9000	Closed	5491
	Khargaon	Mech-1	8700	8005	8700	5427
Maharashtra	Amravati	Mech-1	8000	7400	8000	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	7000	7000	7000	NA
	Hathras	Desi	7300	7200	7300	NA
Telangana	Adilabad	Un-Ginned	8100	0	8100	5400
Karnataka	Bijapur	Bunny	8873	8529	8873	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	28-Oct-21	21-Oct-21	28-Oct-21	28-Oct-20
Punjab	Bhatinda	J-34	6600	6450	6600	4210
	Abohar	J-34	6610	6460	6610	4210
	Mansa	J-34	6550	6450	6550	4200
Haryana	Sirsa	J-34	6590	6400	6590	4180
Rajasthan	Sri-Ganganagar	J-34	6157	6016	6157	3901

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	28-Oct-21	21-Oct-21	28-Oct-21	28-Oct-20
Gujarat	Ahmedabad	Shankar-6	54400	51000	54400	39100
	Gondal	Shankar-6	4147	4382	4147	#N/A
	Rajkot	B.T. Cotton	9500	7800	9500	#N/A
	Patan	B.T. Cotton	18395	11180	18395	3450
	Kadi	B.T. Cotton	30000	35000	30000	#N/A
	Deesa	B.T. Cotton	NA	1400	NA	#N/A

	Dhrol	B.T. Cotton	713	613	713	#N/A
Haryana	Bhiwani	B.T. Cotton	3000	4000	3000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1020	1190	1020	#N/A
	Fatehabad	B.T. Cotton	600	800	600	#N/A
	Jind	B.T. Cotton	731	765	731	#N/A
	Uchana	B.T. Cotton	485	700	485	#N/A
	Dabwali	B.T. Cotton	1800	2000	1800	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	3000	#N/A
	Rawatsar	B.T. Cotton	2000	3000	2000	300
Madhya Pradesh	Khandwa	Mech-1	Closed	400	Closed	#N/A
	Khargaon	Mech-1	7225	11700	7225	#N/A
Maharashtra	Amravati	Mech-1	2500	400	2500	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	350	250	350	#N/A
	Hathras	Desi	90	100	90	#N/A
Telangana	Adilabad	Un-Ginned	51043.5	0	51043.5	0
Karnataka	Bijapur	Bunny	4233	2750	4233	337
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	375
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	28-Oct-21	21-Oct-21	28-Oct-21	28-Oct-20
Punjab	Bhatinda	J-34	8500	8500	8500	17000
	Abohar	J-34	1530	1530	1530	3400
	Mansa	J-34	510	680	510	2550
	Sirsa	J-34	680	1020	680	1700
	Sri-Ganganagar	J-34	3000	2000	3000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				21st Sep'21 to 27th Sep'21	14th Sep'21 to 20th Sep'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	45750	43060	2690
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	46350	35740	10610
J-34(202)	26mm	3.5 - 4.9	23	60650	57240	3410
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	62067	60000	2067
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	64667	63800	867
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	68000	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	115500	115000	500

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