

COTTON WEEKLY RESEARCH REPORT
08th Nov 2021**Domestic market summary**

Domestic Market Scenario: Confederation of Indian textile Industry (CITI) has urged the Prime Minister to stabilize the cotton prices, which have soared to an eleven year high. Cotton Association of India has released its first estimate for the 2021-22 cotton crop. Demand for cotton is excellent in the market.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 8900-9900/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.7800-8600/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:

- Indian cotton prices are trading at an all-time high currently. The cotton prices in India have gained 64 percent and global prices are higher by around 45 percent till October 2021. The major reason behind the price rise is the expectation of lower production in the 2021-22 season. The raw cotton prices continued to soar probably for the first time in last one decade with the agriculture produce marketing committee (APMC) recording prices of over Rs. 8,500 per quintal prices for the raw cotton which is around 30 percent higher than the MSP for 2021-22 season.
- 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 have 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 in Punjab have crossed Rs. 10,000 level. The cotton crop has touched Rs. 10,500 per quintal mark on the 01st November 2021. According to the Punjab Mandi Board the cotton prices are 77 percent higher than the minimum support price (MSP) of Rs. 5,925 for the 2021-22 season. With the increasing demand for Indian yarn in the global market, cotton prices are likely to further increase. About 2,080 quintals

of cotton has been procured by private buyers till 01st November 2021 in Muktsar. For the pink bollworm affected districts i.e. Bhatinda and Mansa the cotton prices are between Rs. 9,600 and Rs. 9,330 per quintal respectively.

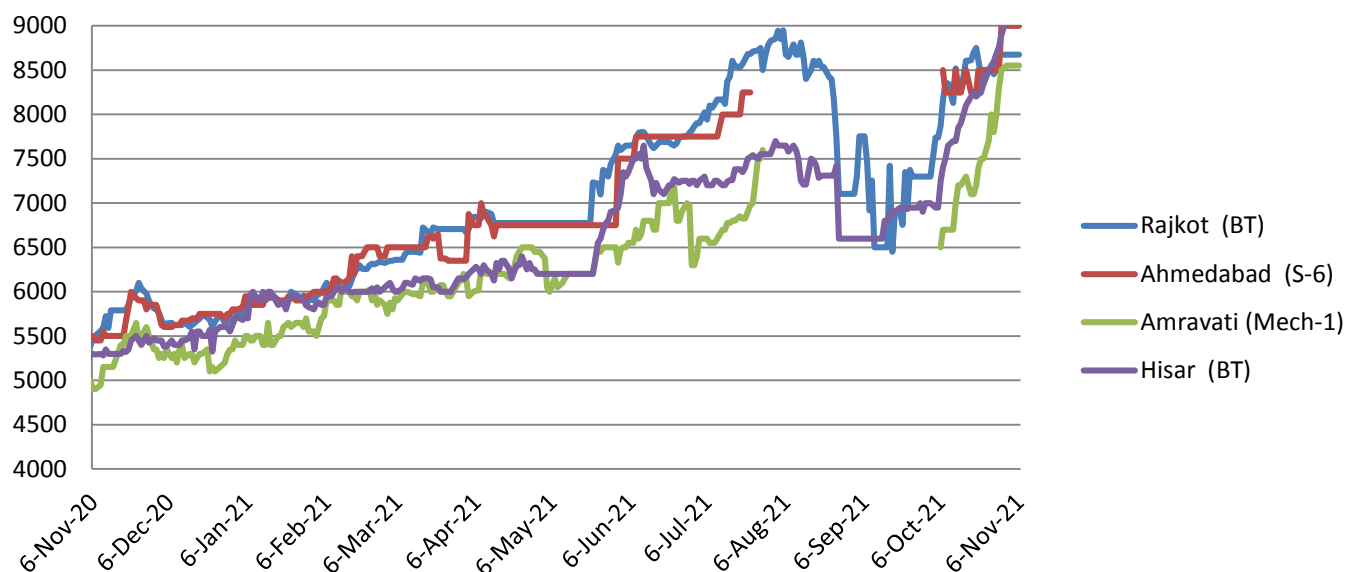
- Cotton prices have touched 8,105 per quintal mark in Warangal. The cotton prices have touched a record high of Rs. 8,105 per quintal at the Enumamula Agriculture Market on 27th October 2021. This is the highest price since the start of the procurement season. Also, around 2 lakh bags of cotton has arrived in the market till 27th October 2021.
- 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 is reportedly holding low stocks. 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.
- Confederation of Indian textile Industry (CITI) has urged the Prime Minister to stabilise the cotton prices, which have soared to an eleven year high. CITI has also urged for a cotton price stabilization fund scheme comprising 5 percent interest subvention or loan at NABARD rate of interest, reduction in money margin from 25 percent to 10 percent and increase in the cotton working capital limit from 3 to 9 months.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

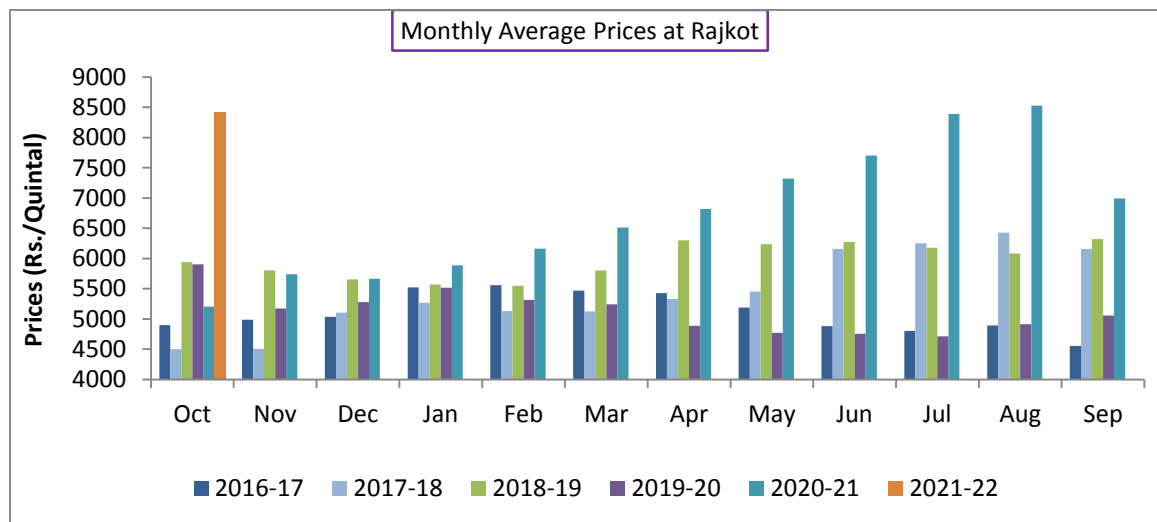
Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 8779/q compared to previous week Rs. 8476/q whereas, in Hisar were prices stood higher at Rs. 8956/q compared to previous week price of Rs. 8412/qt. Arrivals have started from Amravati and Ahmedabad and prices were at Rs. 8408/qt and Rs. 8833/qt respectively.

Variety wise Kapas Price trend (Rs/Qtl)



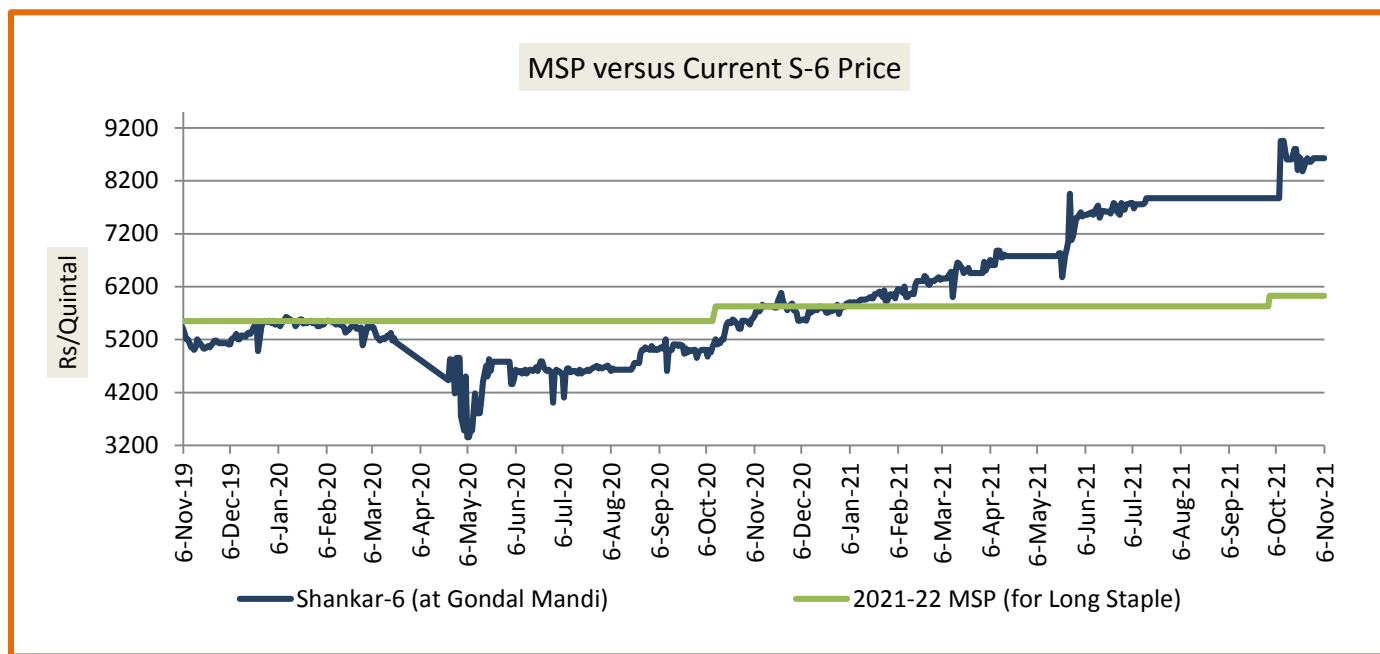
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of October were higher in the market and the monthly average price were at Rs. 8422.8/q compared to the prices during the corresponding month of the previous season.(Rs. 5206.7/q)



Spot Price versus MSP

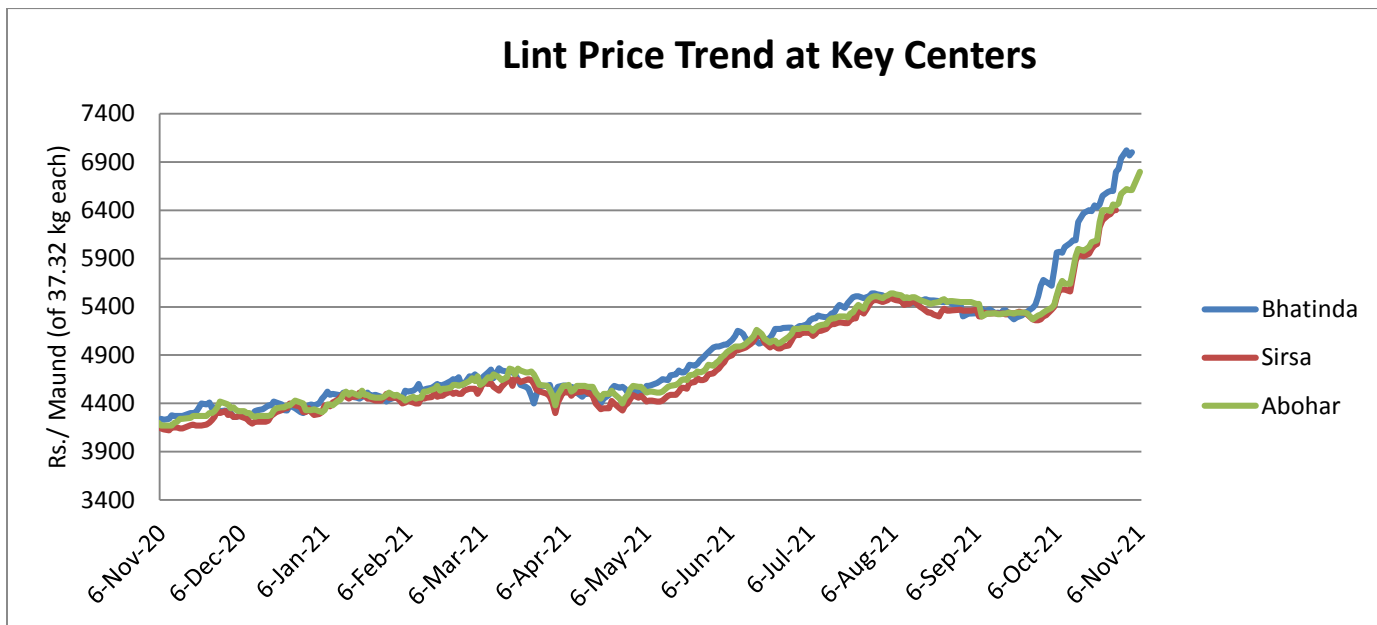
Average kapas price at Gondal market stood slightly higher at Rs. 8609/qt from the previous week at Rs. 8566/q.



Source: Agriwatch

Lint price Outlook

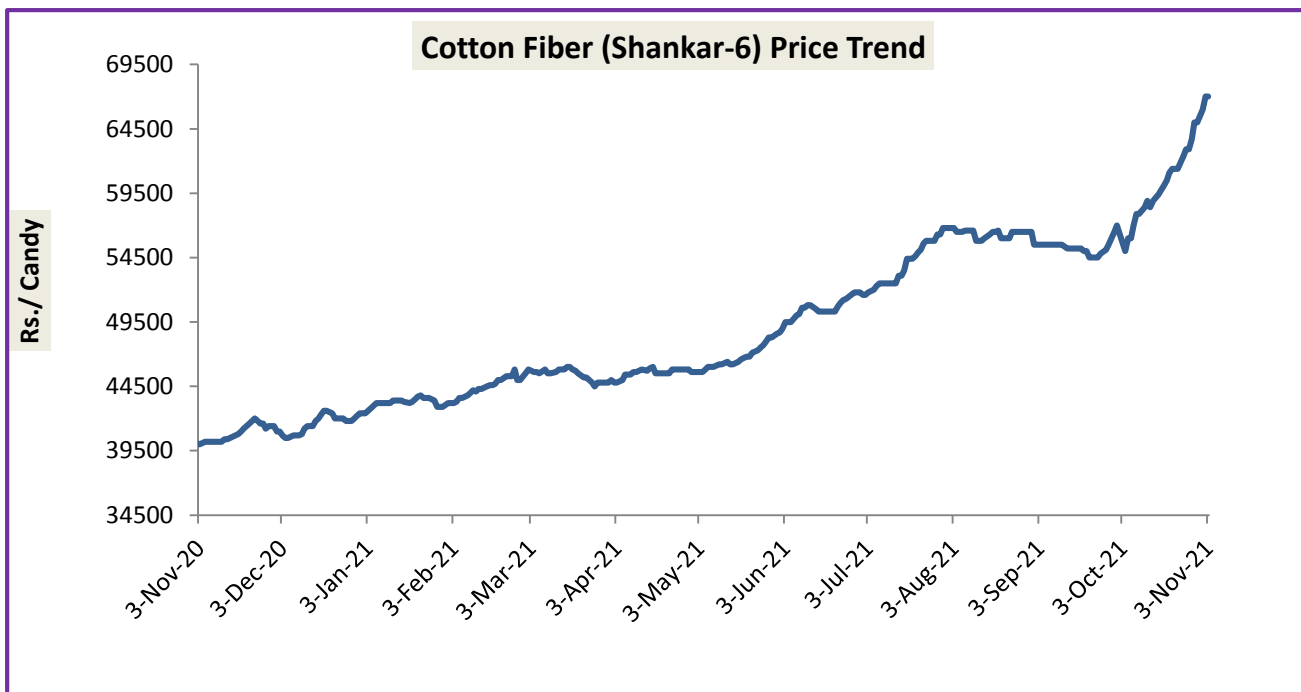
The average price stood higher at Rs.6856/maund of lint in Abohar, in Bhatinda was at Rs.6860/ maund, and same in sirsa as that of previous week at Rs.6820/maund.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices has increased from the previous week at Rs.65616/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

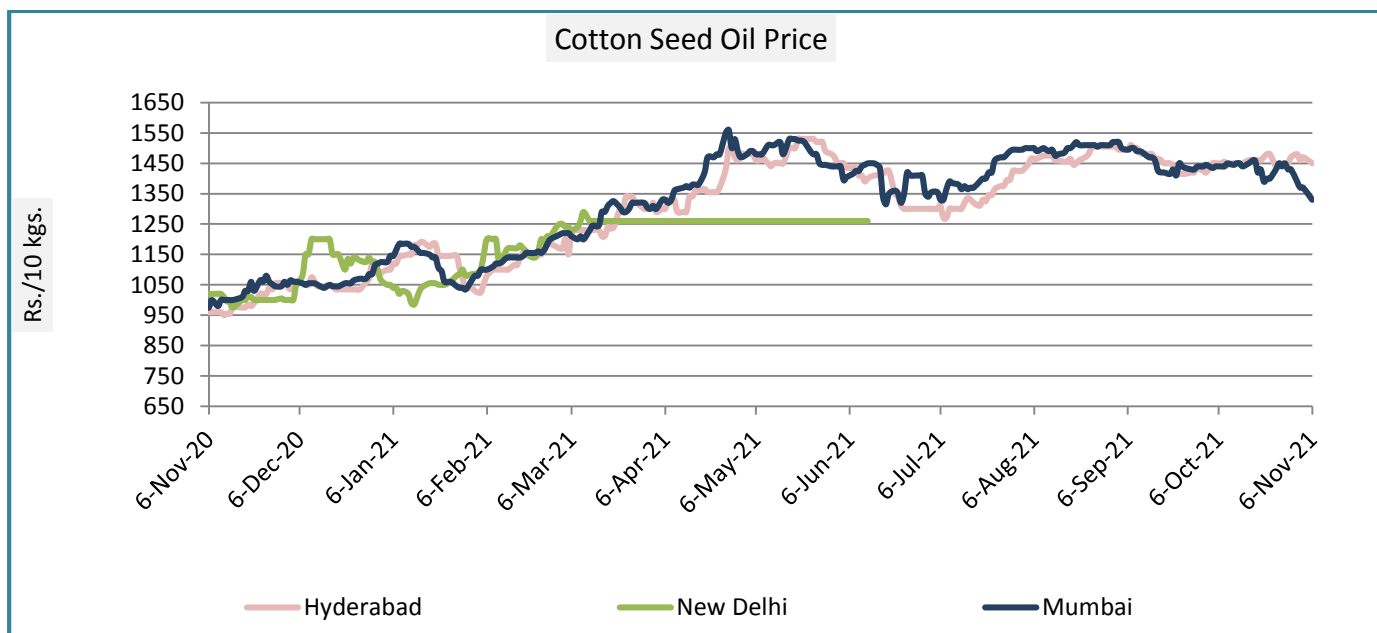
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 03rd Nov'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	03-Nov-21	27-Oct-21	
New Delhi	-	-	-
Rajkot	1365	1463	-6.67
Hyderabad	1368	1463	-6.55
Mumbai	1350	1438	-6.14

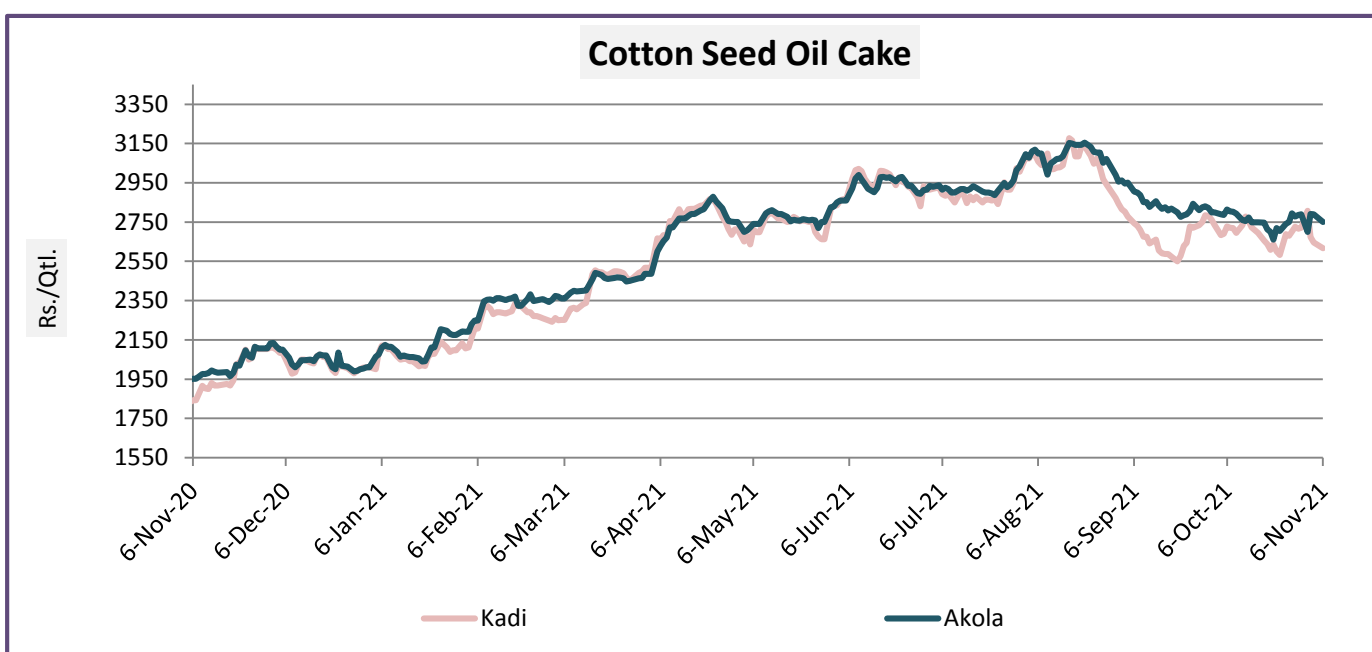
Source: Agriwatch



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. 2715 per quintal from Rs. 2648 per quintal and in Akola prices were at Rs. 2773 per quintal from Rs. 2728 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	03-Nov-21	27-Oct-21	
Kadi	2715	2648	2.54
Akola	2773	2728	1.63



Source: NCDEX

International Market Scenario

- According to USDA's US crop progress report, as of 31st October 2021, open bolls are now reported in 94 percent of the crop, just below the 5 year average of 95 percent. Cotton harvested was at 45 percent, lagging its 5 years average of 48 percentage, and was up by 7 percentage points from last week. The good and excellent categories combined slipped to 62 percent (from 64 percent last week).
- The Chinese monetary and financial regulatory agencies have begun 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. The monthly average of CCI was 15,690 RMB per metric ton in first quarter of 2021 and 15,830 RMB per metric ton in second quarter of 2021. During the third quarter the monthly average surged by 12.19 percent to 17,760 RMB per metric ton.

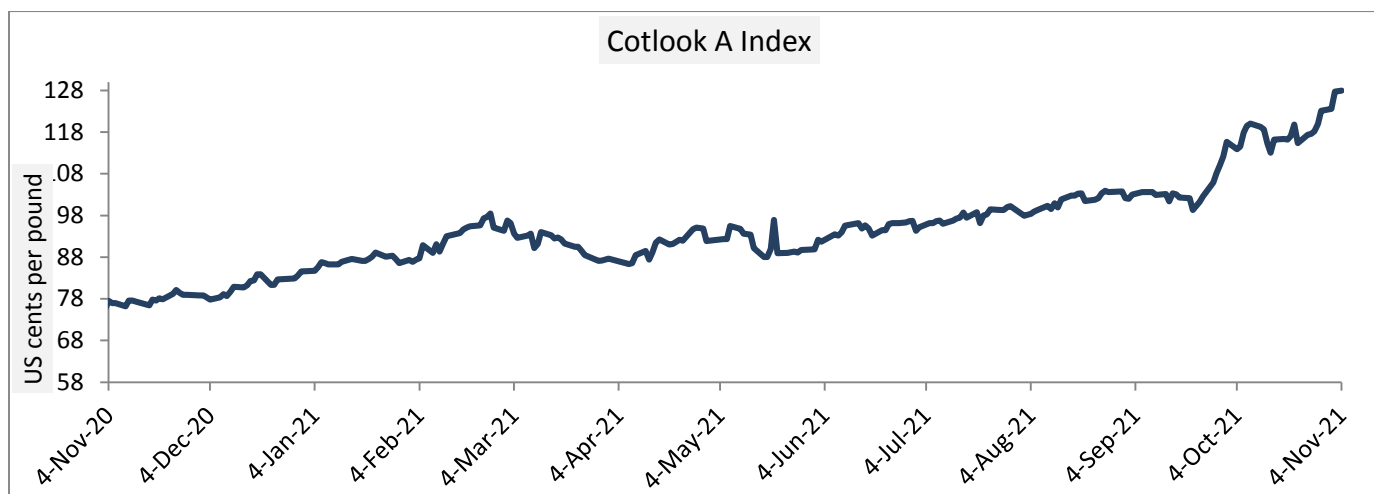
- Due to the high prices of Indian cotton fiber in the global market and with the increasing export demand for cotton yarn and textile products, India's domestic cotton consumption is expected to rise in the 2021-22 season. The area of cotton harvested is expected to decrease as the area under the Rabi crop in South India is increasing.
- According to the fibre to fashion textile and apparel (texpro) data, the cotton area harvested in India was 13.40 million hectares in the year 2019-20, which dropped by 2.99 percent to 13 million hectares in 2020-21. It is expected to decline further by 4.62 percent to 12.40 million hectares in the 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 percent to 28 million bales in 2021-22. Also, imports went down by 62.72 percent 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 percent 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 the same as that of the previous season. Further, consumption is expected to increase to 26 million bales as compared to 24.20 million bales in the 2020-21 season.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 123.59 cents/lb higher as compared to the previous week (117.68 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	03-Nov-21	27-Oct-21	
Prices	123.59	117.68	5.02
Prices in US cents per Pound			

Source: Cotlook

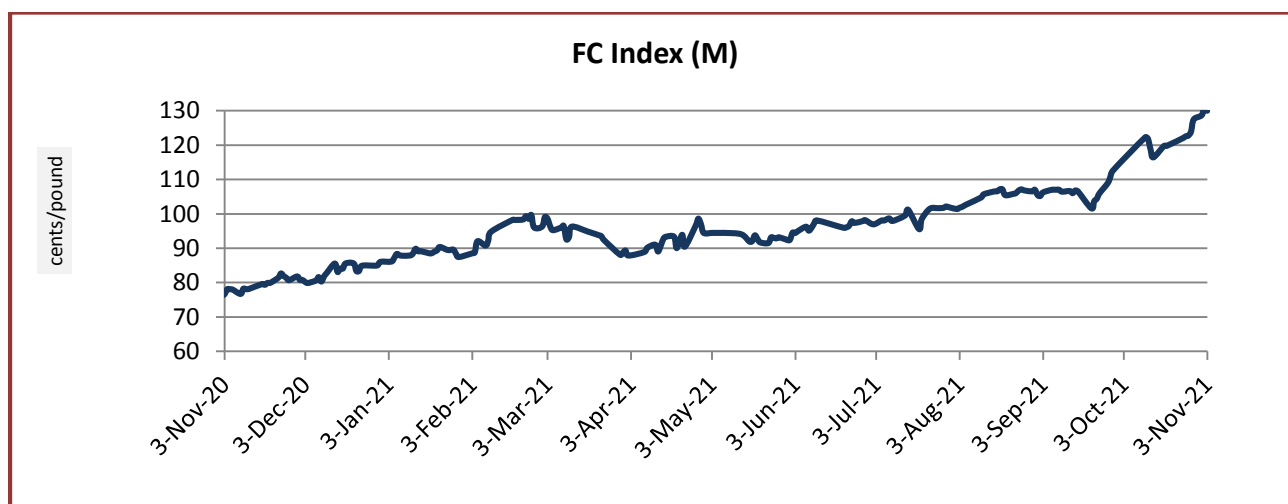


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	03-Nov-21	27-Oct-21	
FC (S)	129.78	123.71	8.03
FC (M)	128.30	122.42	8.14
FC (L)	126.78	121.01	7.91

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	03-Nov-21	27-Oct-21	
CCIndex(328)	22313.60	22195.00	0.53
CCIndex(527)	21164.40	21043.20	0.58
CCIndex(229)	22839.20	22672.60	0.73
Prices in Yuan per ton			

Source: China Cotton Association

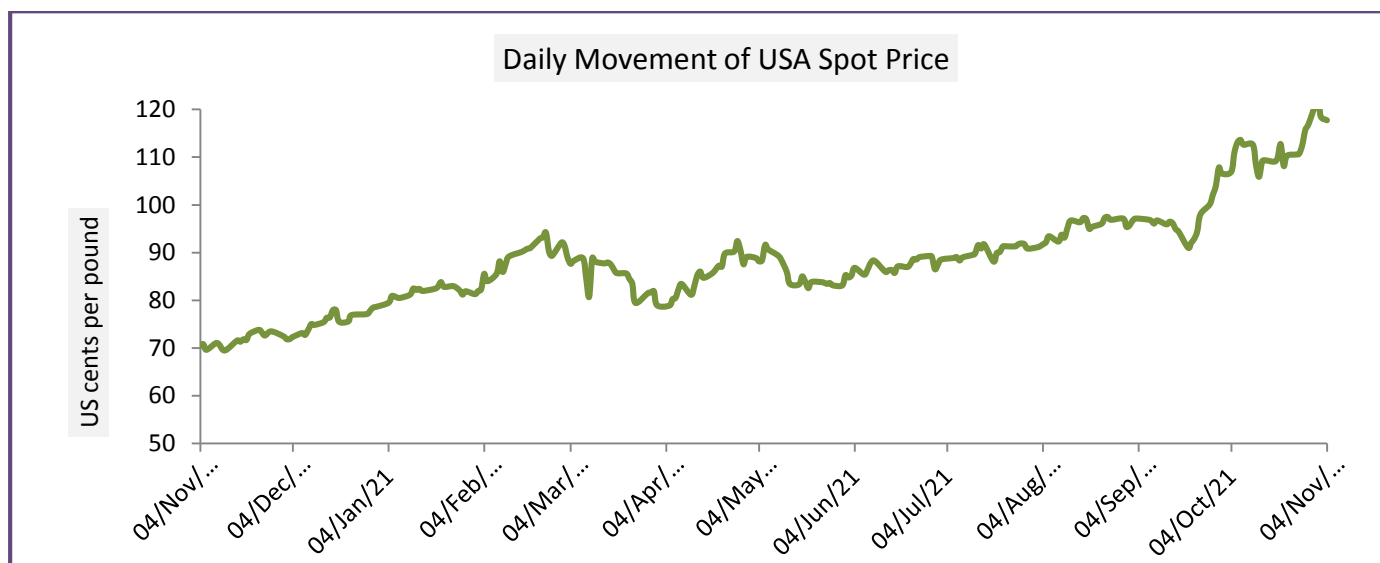


USA Spot Prices

U.S.A spot prices have increased from the prior week by 6.97 percent at 118.13 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	03-Nov-21	27-Oct-21	
Prices	118.13	110.43	6.97
Prices in US cents per Pound			

Source: USDA

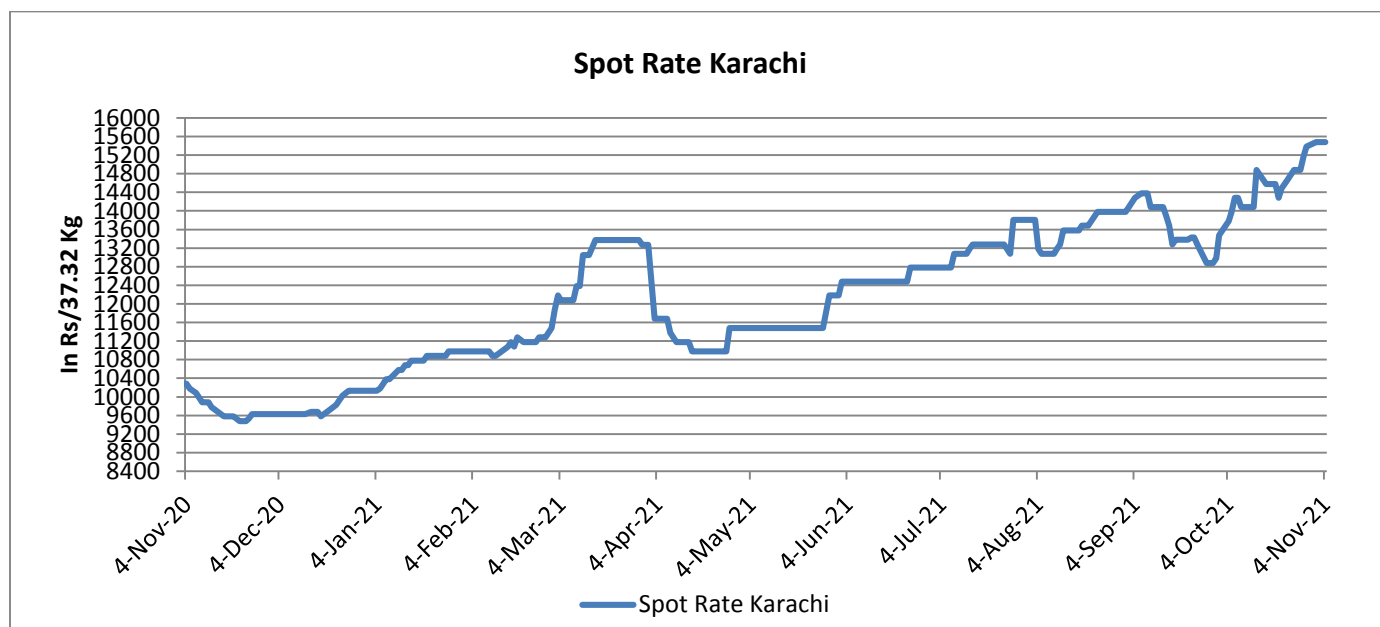


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.15555/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	03-Nov-21	27-Oct-21	
Prices	15555	15280	1.80
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Nov

Expiry: Nov. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/11/07 - Weekly B:32430.00 A:32450.00
O 32500.00 H 32870.00 L 32320.00 C 32450.00 ↑ V 544 T 441,515 3,313 -240 -0.73%



Technical Commentary:

- The recent trend is bullish in cotton.
- Mild resistance is seen around 32900.
- If the market tests the support at 32350, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Nov	32270	32350	32690	32900	33020
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Buy	32680	32780	32870	32610

* 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)2021/11/07 - Weekly B:2508.00 A:2510.00
O 2497.00 H 2513.00 L 2477.00 C 2509.00 ↑ V 12,570 I 32,720 -27 -1.06%



Technical Commentary:

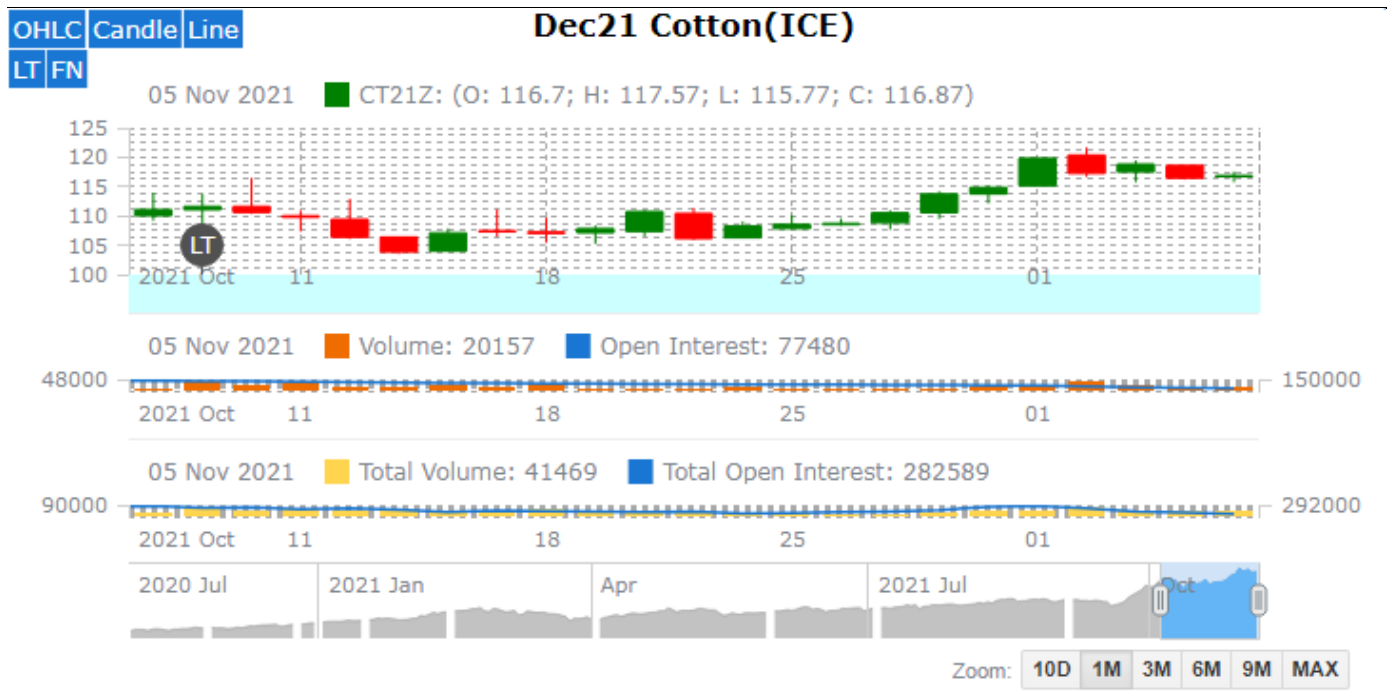
- Cottonseed oilcake on the daily chart is downward trending.
- On the intra-day chart, there exists a consolidation zone (support) at 2430 and then a trendline support at 2420. Strong resistance is seen at 2676.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2346	2416	2536	2676	2736
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2526	2626	2646	2456

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	117-123

Expected Support and Resistance

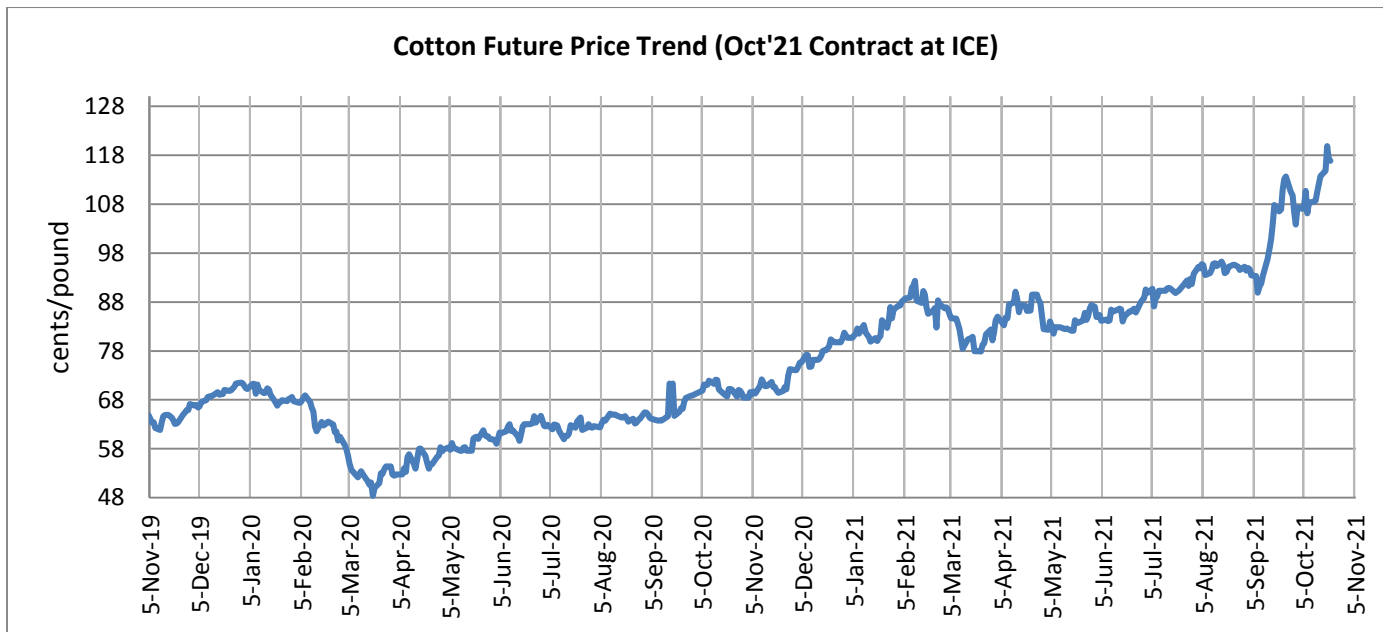
Support 1	Support 2	Resistance 1	Resistance 2
110	105	119	122

Figures in US cents/pound

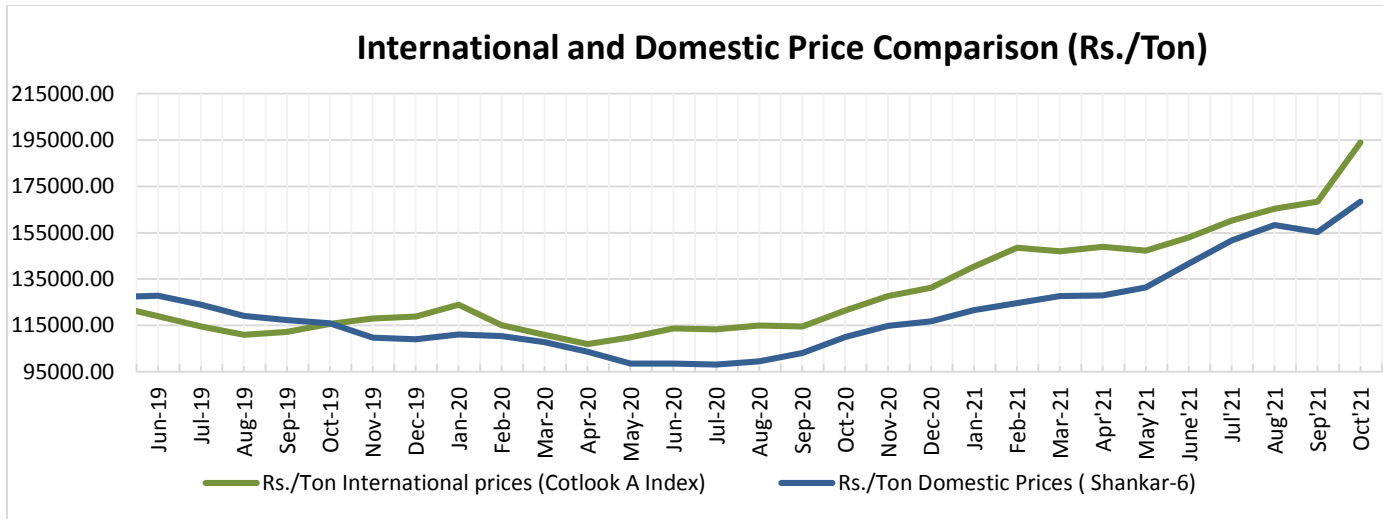
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	05-Nov-21	06-Oct-21 (1 month ago)	07-Aug-21 (3 months ago)	09-May-20 (6 months ago)	5-Nov-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	116.87	113.10	92.42	89.48	71.21	3.33	71.89
Dec-21	113.24	111.06	91.70	89.66	72.02	1.96	57.23
Mar-21	111.69	108.17	91.33	88.42	72.71	3.25	53.61
May-22	109	106.20	90.69	86.89	70.16	2.64	55.36
Jul-22	96.7	103.25	89.42	85.92	70.07	-6.34	38.00

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			28th Sep'21 to 03rd Nov'21	21st Sep'21 to 27th Sep'21	
State	Centre	Variety			
Gujarat	Ahmedabad	Shankar-6	8625	8500	125
	Gondal	Shankar-6	8588	8567	22
	Rajkot	B.T. Cotton	8740	8477	263
	Patan	B.T. Cotton	8438	8287	152
	Kadi	B.T. Cotton	8138	8083	54
	Deesa	B.T. Cotton	7805	7250	555
	Dhrol	B.T. Cotton	8588	8346	243
Haryana	Bhiwani	B.T. Cotton	8640	8357	283
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8918	8413	506
	Fatehabad	B.T. Cotton	8846	8308	539
	Jind	B.T. Cotton	9075	8700	375
	Uchana	B.T. Cotton	8795	8595	200
	Dabwali	B.T. Cotton	8860	8431	429
Rajasthan	Hanumangarh	B.T. Cotton	9038	8667	371
	Rawatsar	B.T. Cotton	9180	8417	763
Madhya Pradesh	Khandwa	Mech-1	8750	8579	171

	Khargaon	Mech-1	8380	8339	41
Maharashtra	Amravati	Mech-1	8338	7650	688
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7200	7267	-67
	Hathras	Desi	7300	7033	267
Telangana	Adilabad	Un-Ginned	8258	8060	198
Karnataka	Bijapur	Bunny	8899	8641	257
	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)		
State	Centre	Variety	28th Sep'21 to 03rd Nov'21	21st Sep'21 to 27th Sep'21	Change
Punjab	Bhatinda	J-34	6860	6513	347
	Abohar	J-34	6857	6530	327
	Mansa	J-34	6763	6453	309
Haryana	Sirsa	J-34	6789	6483	307
Rajasthan	Sri-Ganganagar	J-34	6345	6079	266

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	28th Sep'21 to 03rd Nov'21	21st Sep'21 to 27th Sep'21	Change
Gujarat	Ahmedabad	Shankar-6	238000	328100	-90100
	Gondal	Shankar-6	17163	27855	-10692
	Rajkot	B.T. Cotton	40300	48150	-7850
	Patan	B.T. Cotton	56000	93780	-37780
	Kadi	B.T. Cotton	135000	205000	-70000
	Deesa	B.T. Cotton	200	12100	-11900
	Dhrol	B.T. Cotton	2443	4569	-2126
Haryana	Bhiwani	B.T. Cotton	12000	22700	-10700
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6205	6970	-765
	Fatehabad	B.T. Cotton	520	3650	-3130
	Jind	B.T. Cotton	2475	4539	-2064
	Uchana	B.T. Cotton	2450	3300	-850
	Dabwali	B.T. Cotton	6235	13450	-7215
Rajasthan	Hanumangarh	B.T. Cotton	14000	17000	-3000
	Rawatsar	B.T. Cotton	14000	24000	-10000

Madhya Pradesh	Khandwa	Mech-1	6000	17200	-11200
	Khargaon	Mech-1	13018	42890	-29872
Maharashtra	Amravati	Mech-1	12500	12400	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	1050	1550	-500
	Hathras	Desi	890	530	360
Telangana	Adilabad	Un-Ginned	379279	59511	319768
Karnataka	Bijapur	Bunny	14853	18390	-3537
	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	28th Sep'21 to 03rd Nov'21	21st Sep'21 to 27th Sep'21	
Punjab	Bhatinda	J-34	49300	52700	-3400
	Abohar	J-34	7480	9350	-1870
	Mansa	J-34	2550	3060	-510
Haryana	Sirsa	J-34	3910	4760	-850
Rajasthan	Sri-Ganganagar	J-34	11000	16000	-5000

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	6-Nov-21	30-Oct-21	6-Nov-21	6-Nov-20
Gujarat	Ahmedabad	Shankar-6	Closed	8500	Closed	5450
	Gondal	Shankar-6	Closed	8630	Closed	5500
	Rajkot	B.T. Cotton	Closed	8800	Closed	5530
	Patan	B.T. Cotton	Closed	8625	Closed	5515
	Kadi	B.T. Cotton	Closed	8000	Closed	5550
	Deesa	B.T. Cotton	Closed	0	Closed	NA
	Dhrol	B.T. Cotton	Closed	8750	Closed	NR
Haryana	Bhiwani	B.T. Cotton	Closed	8800	Closed	5600
	Bhiwani	Desi	Closed	0	Closed	NA
	Adampur	B.T. Cotton	Closed	8900	Closed	5350
	Fatehabad	B.T. Cotton	Closed	8900	Closed	5350
	Jind	B.T. Cotton	Closed	9200	Closed	5700
	Uchana	B.T. Cotton	Closed	8825	Closed	5385
	Dabwali	B.T. Cotton	Closed	8865	Closed	NR

Rajasthan	Hanumangarh	B.T. Cotton	Closed	9100	Closed	Closed
	Rawatsar	B.T. Cotton	Closed	9300	Closed	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	Closed	5491
	Khargaon	Mech-1	NA	8290	NA	5427
Maharashtra	Amravati	Mech-1	Closed	8500	Closed	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	7600	7000	7600	NA
	Hathras	Desi	7600	7100	7600	NA
Telangana	Adilabad	Un-Ginned	NA	8030	NA	5400
Karnataka	Bijapur	Bunny	NA	8830	NA	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	6-Nov-21	30-Oct-21	6-Nov-21	6-Nov-20
Punjab	Bhatinda	J-34	7000	6830	7000	4240
	Abohar	J-34	6900	6850	6900	4240
	Mansa	J-34	6800	6750	6800	4200
Haryana	Sirsa	J-34	Closed	6800	Closed	4150
Rajasthan	Sri-Ganganagar	J-34	6439	6439	6439	3901

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	6-Nov-21	30-Oct-21	6-Nov-21	6-Nov-20
Gujarat	Ahmedabad	Shankar-6	Closed	56100	Closed	51000
	Gondal	Shankar-6	Closed	6804	Closed	#N/A
	Rajkot	B.T. Cotton	Closed	8200	Closed	#N/A
	Patan	B.T. Cotton	Closed	18150	Closed	3450
	Kadi	B.T. Cotton	Closed	30000	Closed	#N/A
	Deesa	B.T. Cotton	Closed	0	Closed	#N/A
	Dhrol	B.T. Cotton	Closed	1077	Closed	#N/A
Haryana	Bhiwani	B.T. Cotton	Closed	2500	Closed	1200
	Bhiwani	Desi	Closed	0	Closed	#N/A
	Adampur	B.T. Cotton	Closed	1105	Closed	#N/A
	Fatehabad	B.T. Cotton	Closed	600	Closed	#N/A
	Jind	B.T. Cotton	Closed	306	Closed	#N/A
	Uchana	B.T. Cotton	Closed	400	Closed	#N/A
	Dabwali	B.T. Cotton	Closed	960	Closed	#N/A

Rajasthan	Hanumangarh	B.T. Cotton	Closed	4000	Closed	#N/A
	Rawatsar	B.T. Cotton	Closed	3000	Closed	500
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	Closed	#N/A
	Khargaon	Mech-1	NA	1518	NA	#N/A
Maharashtra	Amravati	Mech-1	Closed	3000	Closed	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	50	250	50	#N/A
	Hathras	Desi	50	100	50	#N/A
Telangana	Adilabad	Un-Ginned	NA	59102	NA	3610588
Karnataka	Bijapur	Bunny	NA	2826	NA	5256
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	307
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	6-Nov-21	30-Oct-21	6-Nov-21	6-Nov-20
Punjab	Bhatinda	J-34	3400	6800	3400	17000
	Abohar	J-34	340	1020	340	3400
	Mansa	J-34	170	510	170	2550
	Sirsa	J-34	Closed	680	Closed	1700
	Sri-Ganganagar	J-34	1000	3000	1000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				28th Sep'21 to 03rd Nov'21	21st Sep'21 to 27th Sep'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	50767	45750	5017
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	51367	46350	5017
J-34(202)	26mm	3.5 - 4.9	23	63567	60650	2917
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	65617	62067	3550
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	67817	64667	3150
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	70217	68000	2217
DCH-32(107)	34mm	3.0 - 3.8	33	117000	115500	1500

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