

COTTON WEEKLY RESEARCH REPORT
15th Nov 2021**Domestic market summary**

Domestic Market Scenario: The Committee on Cotton Production and Consumption has projected the cotton production for 2021-22 season at 362 lakh bales. Confederation of Indian textile Industry (CITI) has urged the Prime Minister to stabilize the cotton prices, which have soared to an eleven year high. Demand for cotton is excellent in the market.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 8800-9900/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 (125.75 cents/lbs) compared to the ICE cotton future that stood at 116.55 cents/lbs.
- Indian rupee got stronger after festival holiday.

Market Highlights:

- **Cotton production for 2021-22 is projected at 362 lakh bales.** The Committee on Cotton Production and Consumption has projected the cotton production for 2021-22 season at 362 lakh bales, opening stock is projected at 73.20 lakh bales and imports at 10.50 lakh bales, the total availability for this season is likely to be 445.88 lakh bales as against 485.66 bales the previous season. The demand from textile mills including small scale units is estimated at 322 lakh bales, and exports were pegged at 45 lakh bales.
- In a bid to provide financial relief to cotton farm labourers, the Punjab Cabinet has approved the policy formulated for extending relief to the families of cotton-picking farm labourers affected by the damage caused to the crop by the pink bollworm disease. With this decision, 10 per cent of total compensation to be given to the farmers on this count would be provided to the families of cotton-picking farm labourers affected by the pest attack on cotton crop.
- **The cabinet committee on economic affairs (CCEA) has approved committed price support of Rs. 17,408.85 crore to Cotton Corporation of India** for the cotton season from 2014-15 to 2020-21 (up to 30.09.2021). The CCEA has approved incurring expenditure for reimbursing losses under MSP operation for cotton during the cotton season 2014-15 to 2020-21. This price support operation will help in stabilizing the cotton prices and will also protect cotton farmers from distress sales during any adverse price situation. During the last 2

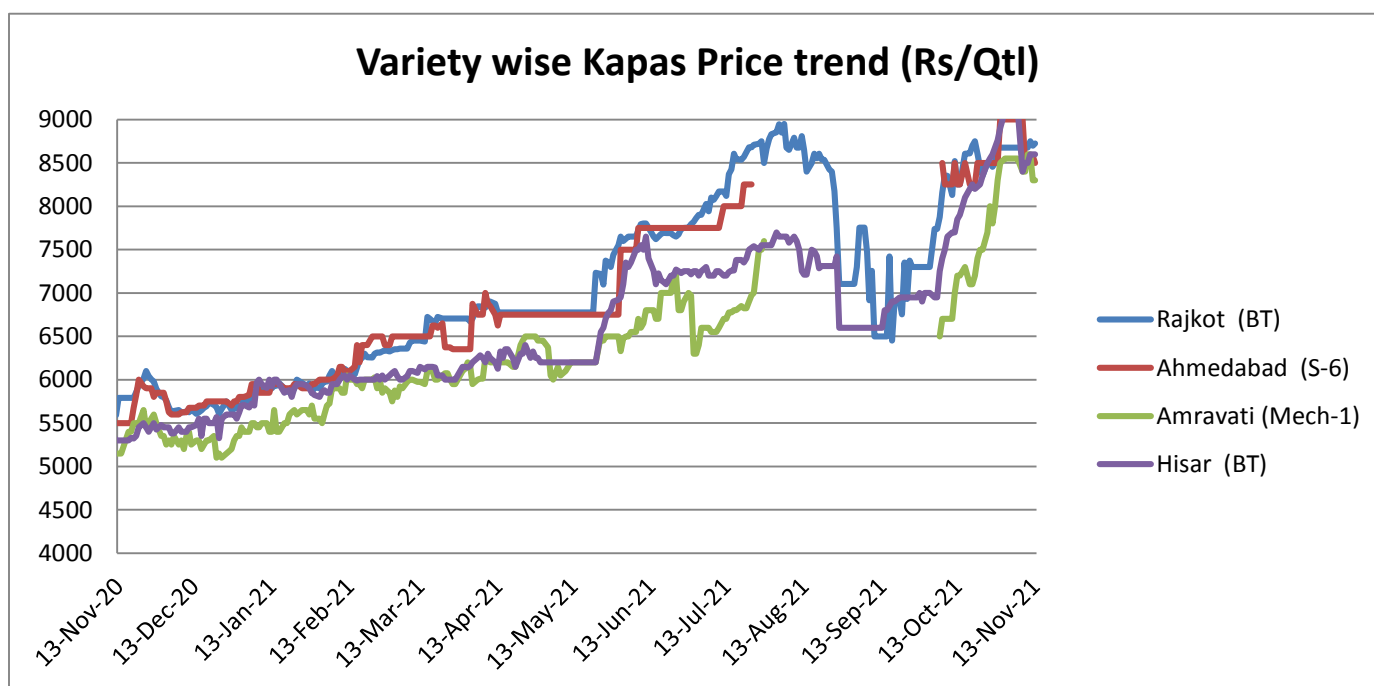
season CCI has procured around 1/3rd of the cotton production in the country i.e. about 200 lakh bales and disbursed more than Rs. 55,000 crore directly in the bank account of around 40 lakh farmers.

- **Southern India mills association has urged the prime minister to stabilize the cotton price.** In a memorandum to prime minister, the southern India mills association has urged the government to stabilize cotton prices, particularly when the country had over 100 lakh bales of opening stock this 2021-22 season.
- **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. In the previous 2020-21 season, Punjab has procured about 50 lakh quintals of cotton. 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.

Domestic Cotton Prices Scenario

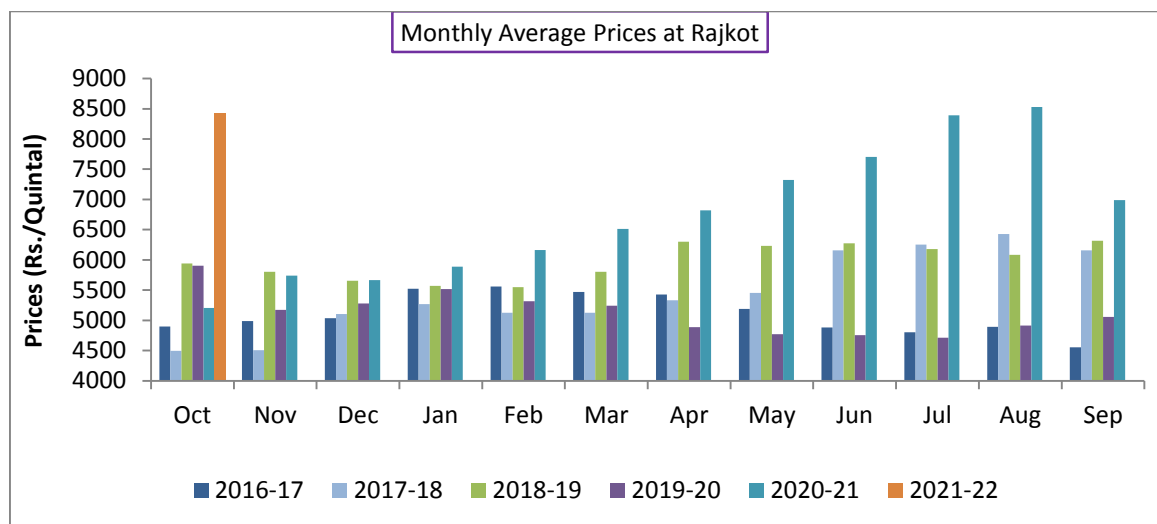
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood lower at Rs. 8681/q compared to previous week Rs. 8779/q whereas, in Hisar were prices stood lower at Rs. 8637.5/q compared to previous week price of Rs. 8956/qt. Arrivals have started from Amravati and Ahmedabad and prices were at Rs. 8487/qt and Rs. 8750/qt respectively.



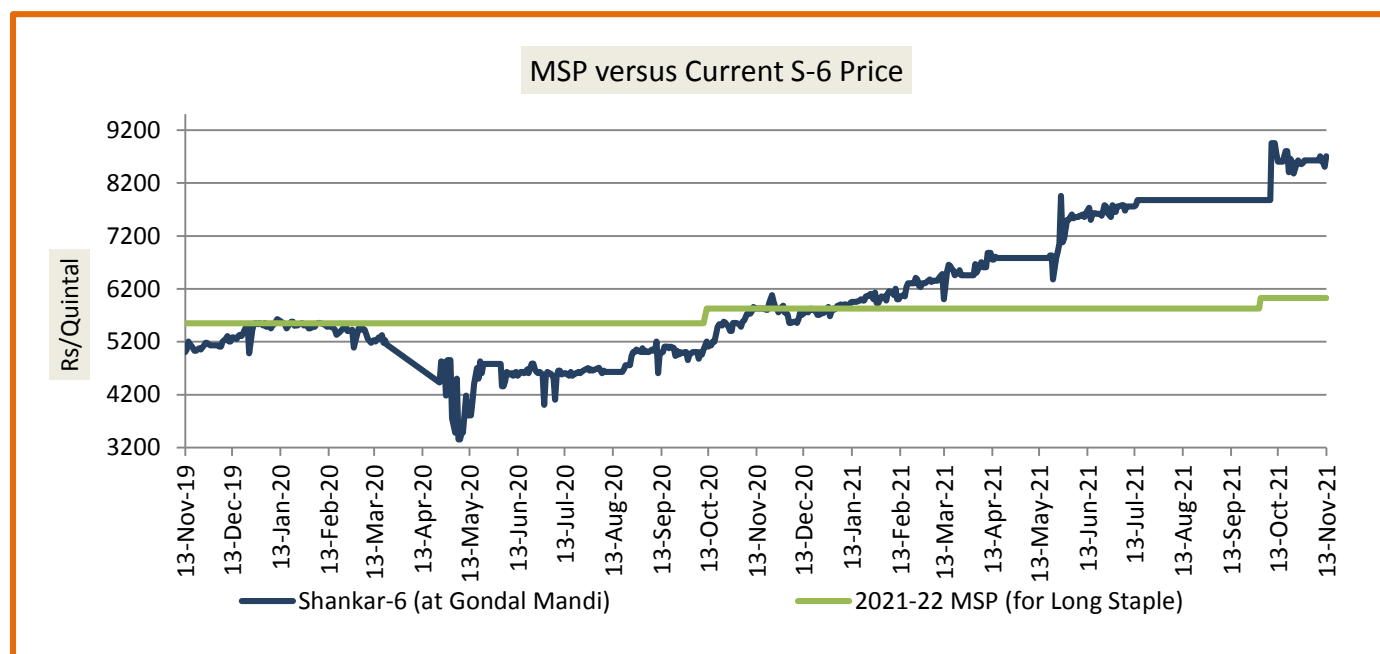
Kapas Monthly M-o-M Price Scenario

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)



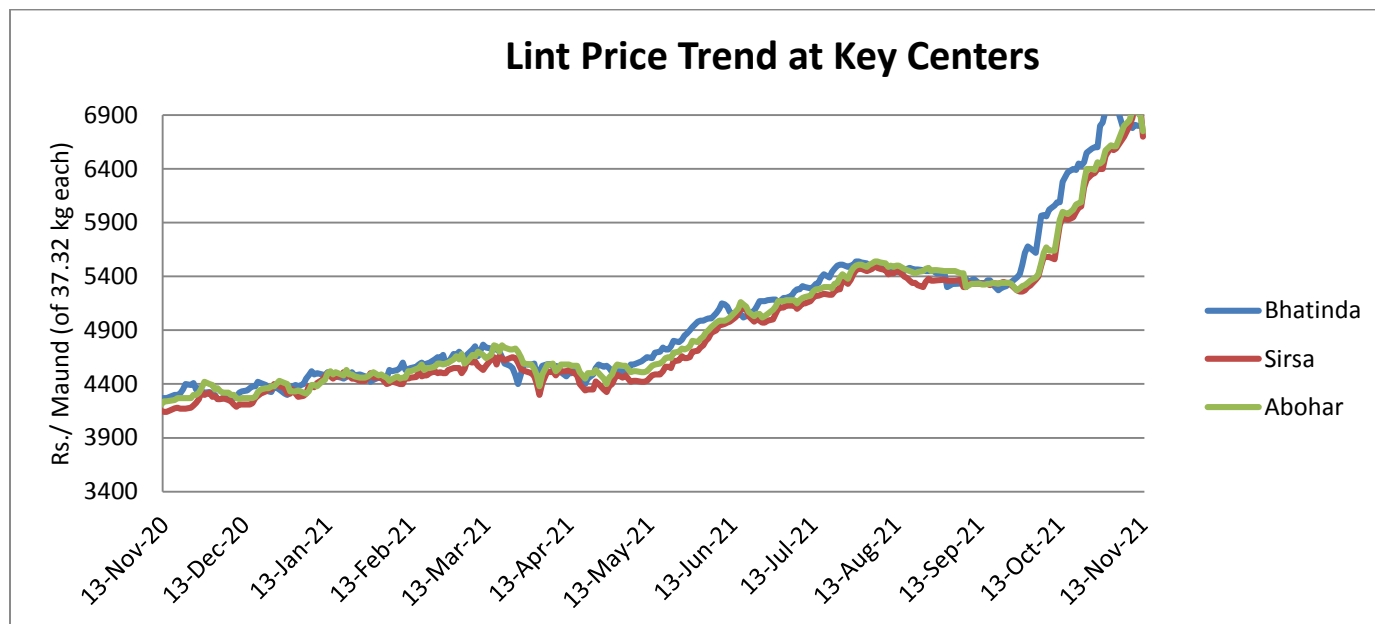
Spot Price versus MSP

Average kapas price at Gondal market stood slightly higher at Rs. 8642/qt from the previous week at Rs. 8609/q.



Lint price Outlook

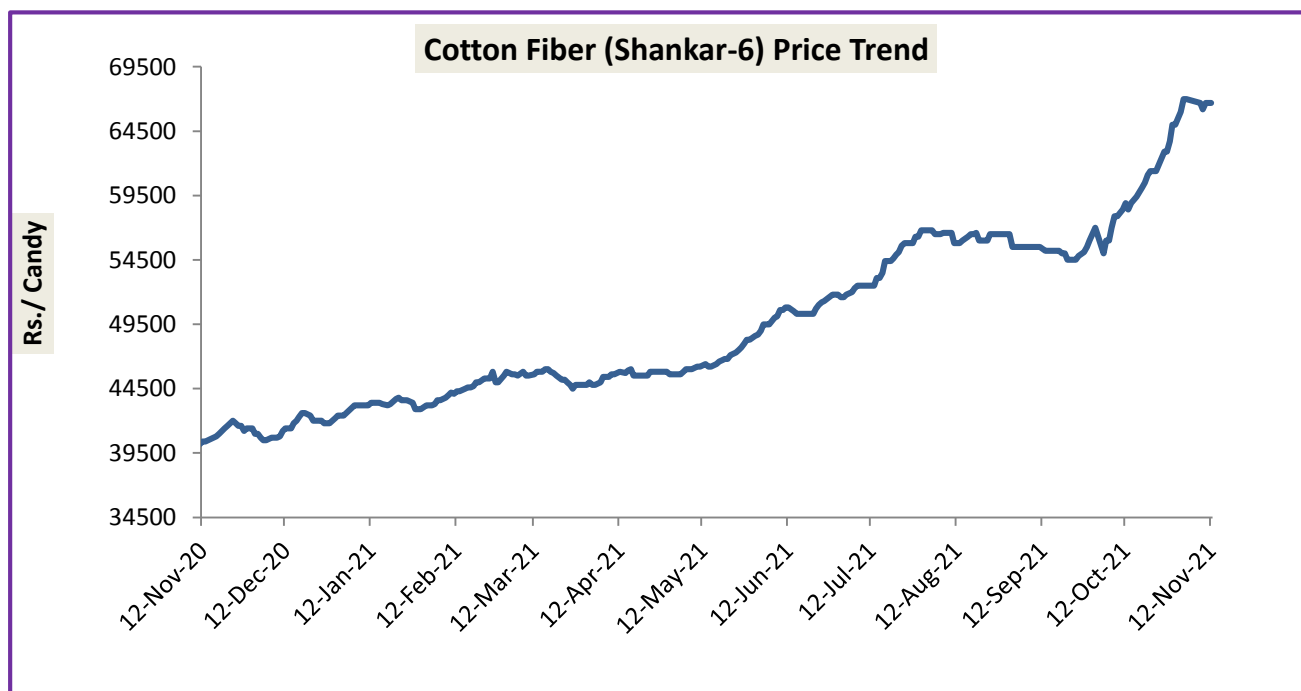
The average price stood higher at Rs.6817/maund of lint in Abohar, in Bhatinda was at Rs.6832/ maund, and same in sirsa as that of previous week at Rs.6817/maund.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices were stable at Rs.66533/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

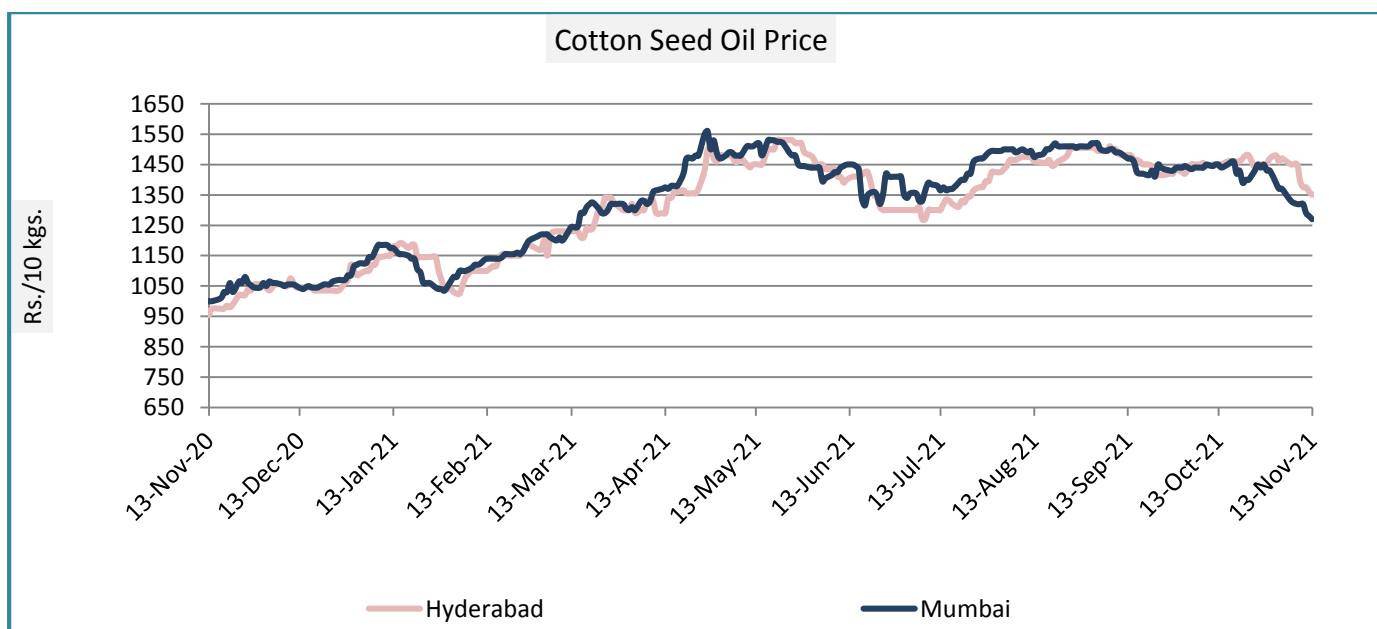
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 10th Nov'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	10-Nov-21	03-Nov-21	
New Delhi	-	-	-
Rajkot	1332	1365	-2.44
Hyderabad	1315	1368	-3.87
Mumbai	1290	1350	-4.44

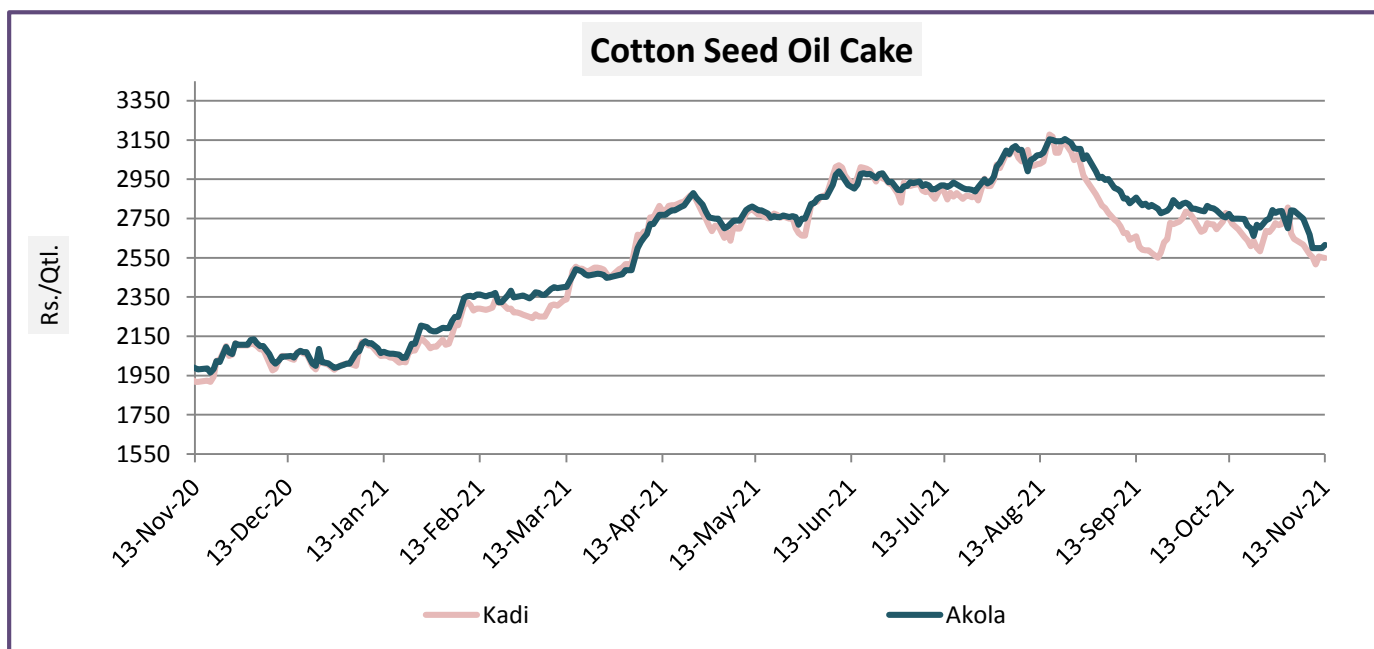
Source: Agriwatch



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. 2576 per quintal from Rs. 2715 per quintal and in Akola prices were at Rs. 2668 per quintal from Rs. 2773 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	10-Nov-21	03-Nov-21	
Kadi	2576	2715	-5.11
Akola	2668	2773	-3.78



Source: NCDEX

International Market Scenario

- According to the USDA'S WASDE November report, the U.S. production was projected slightly higher at 18.2 million bales while the domestic mill use and exports were unchanged. U.S. ending stock were projected higher at 3.4 million which is 250,000 above the previous year.

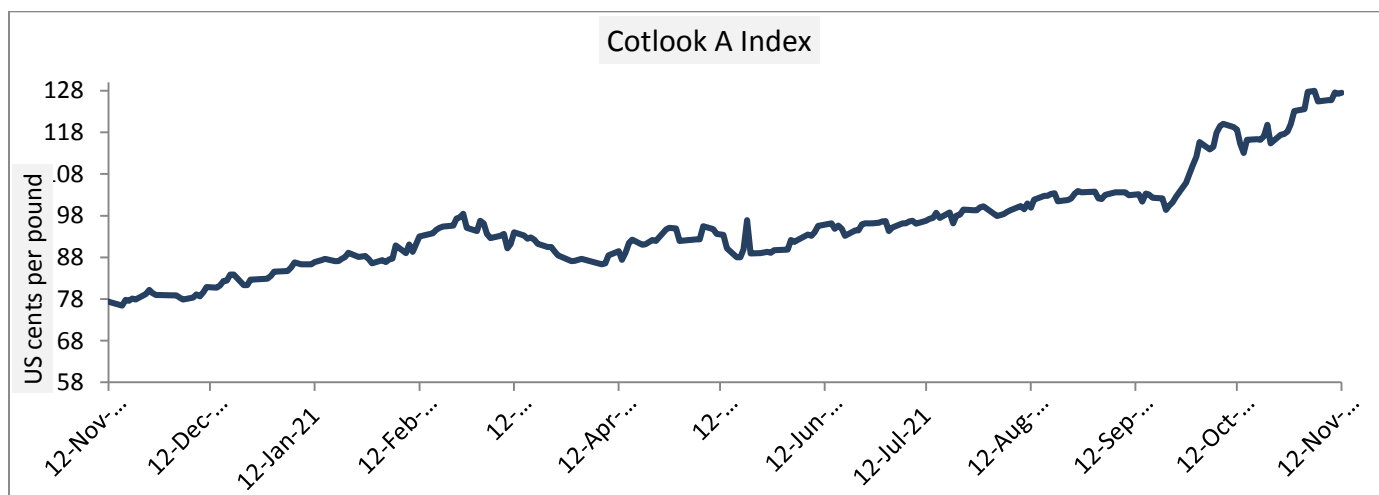
- The cotton harvest season in Xinjiang is expected to last until mid-November this year, with the output expected to reach 5.2 million tonnes. The region has contributed nearly 90 percent of china's cotton production capacity and about 20 percent of the global cotton production.
- According to USDA, as of 08th November 2021, US crop progress report, open bolls are now reported in 98 percent of the crop, same as that of the 5 year average of 98 percent. Cotton harvested was at 55 percent, than 5 years average of 57 percentage, and was up by 10 percentage points from 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 126.13 cents/lb higher as compared to the previous week (123.59 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	10-Nov-21	03-Nov-21	
Prices	126.13	123.59	2.05
Prices in US cents per Pound			

Source: Cotlook

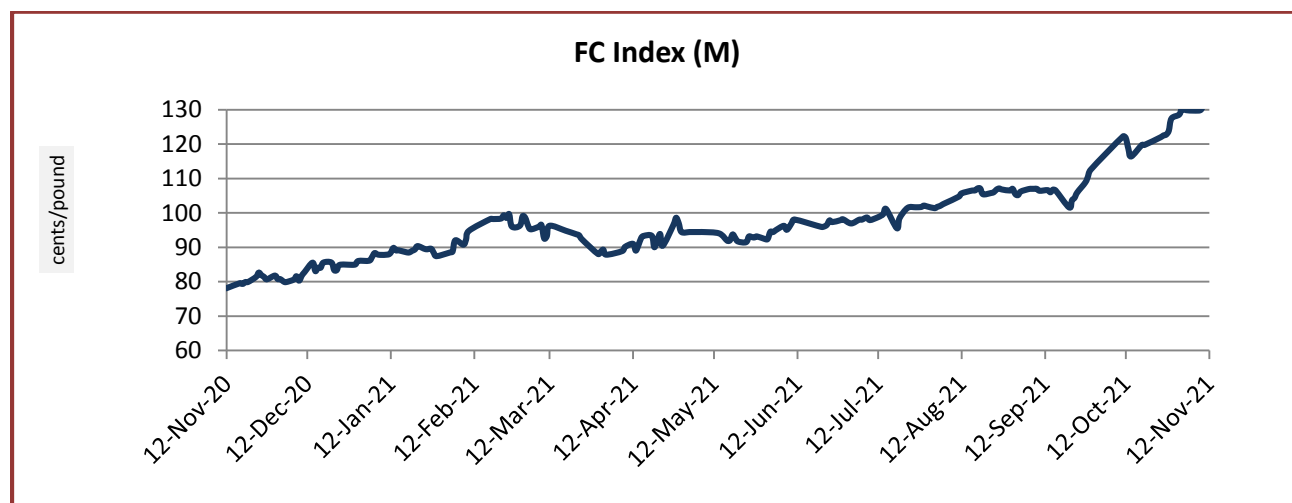


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	10-Nov-21	03-Nov-21	
FC (S)	131.84	129.78	1.59
FC (M)	130.43	128.30	1.66
FC (L)	128.83	126.78	1.62

Prices in US cents per Pound

Source: China Cotton Association



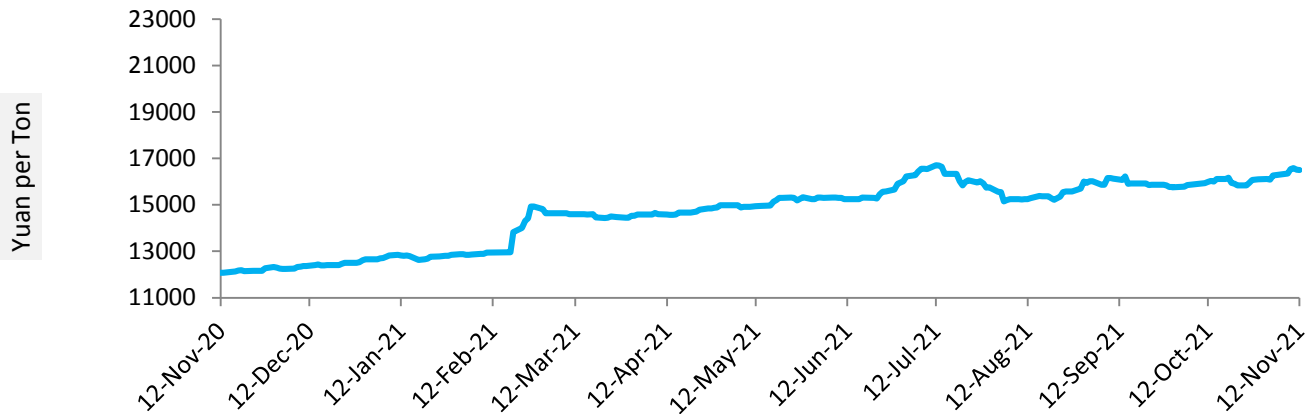
Cotton Index	Weekly Average Price as on		% Change
	10-Nov-21	03-Nov-21	
CCIndex(328)	22387.00	22313.60	0.33
CCIndex(527)	21188.33	21164.40	0.11
CCIndex(229)	22975.67	22839.20	0.60

Prices in Yuan per ton

Source: China Cotton Association



China Cotton Index(328)



USA Spot Prices

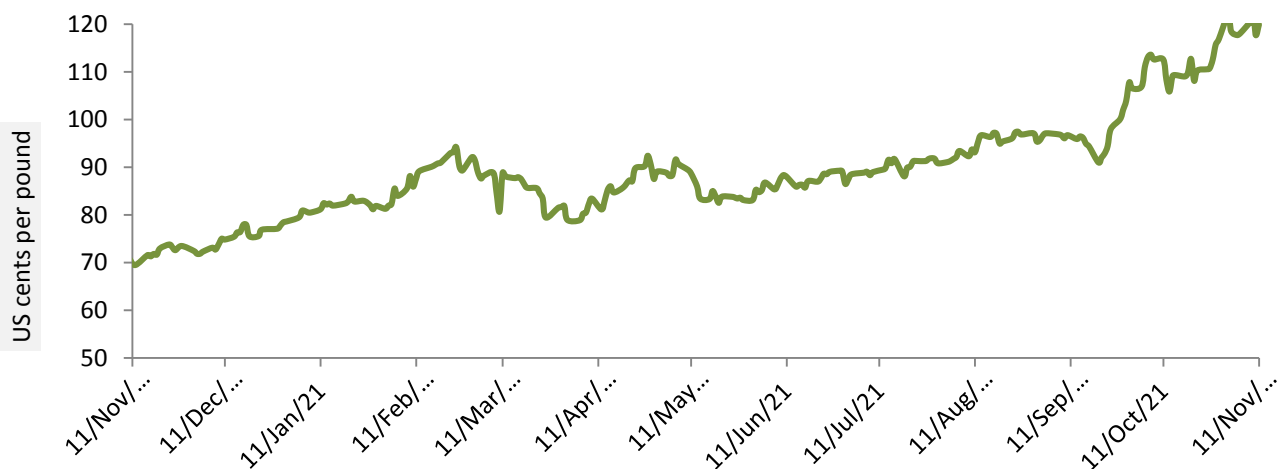
U.S.A spot prices have increased from the prior week by 0.34 percent at 118.54 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	10-Nov-21	03-Nov-21	
Prices	118.54	118.13	0.34

Prices in US cents per Pound

Source: USDA

Daily Movement of USA Spot Price

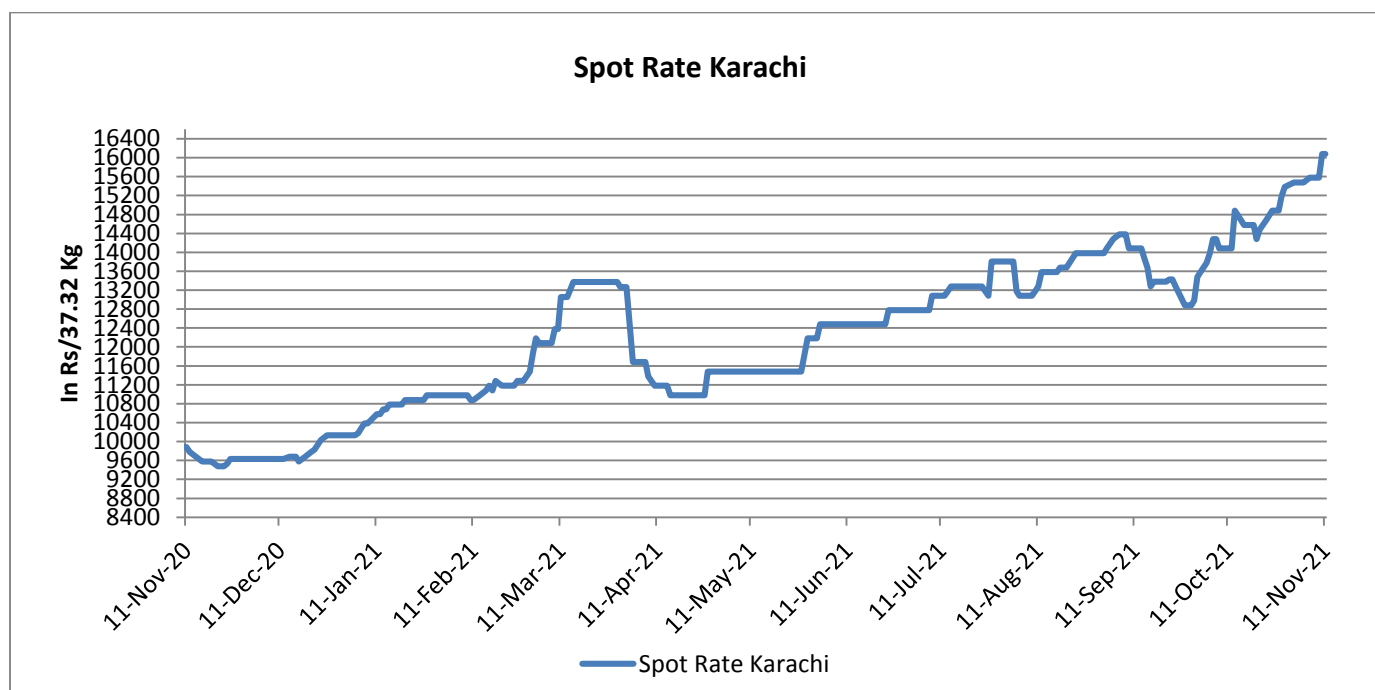


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.16120/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	10-Nov-21	03-Nov-21	
Prices	16120	15555	3.63
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:32350.00 A:32410.00
O 32500.00 H 33020.00 L 31710.00 C 32360.00 ↑ V 7,364 T 5,963,525 I 2,824 -330 -1.01%



Technical Commentary:

- The recent trend is bullish in cotton.
- Mild resistance is seen around 32740.
- If the market tests the support at 32190, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Nov	32110	32190	32360	32740	32860
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Buy	32520	32620	32710	32450

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Dec

Expiry: Dec. 20, 2021

Cottonseed Oilcake



Technical Commentary:

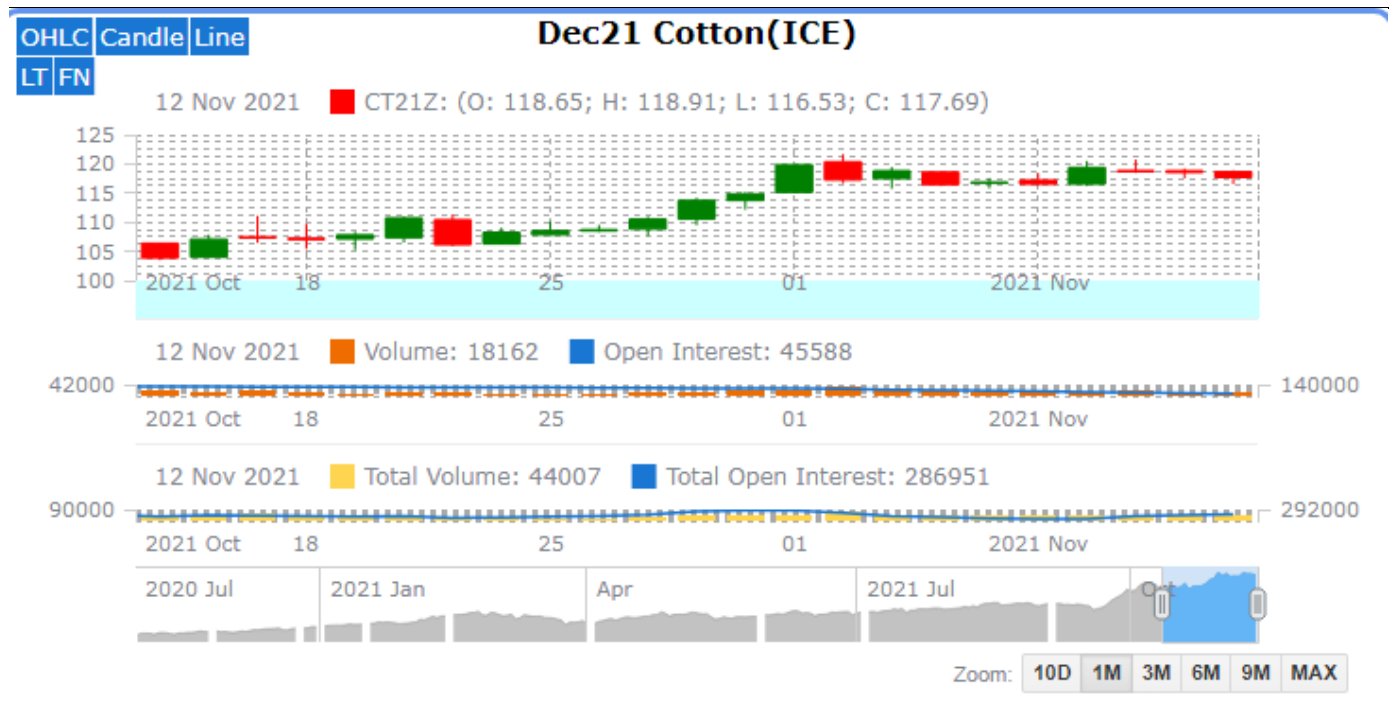
- Cottonseed oilcake on the daily chart is downward trending.
- On the intra-day chart, there exists a consolidation zone (support) at 2430 and then a trendline support at 2420. Strong resistance is seen at 2672.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2342	2412	2532	2672	2732
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2522	2622	2642	2452

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	118-123

Expected Support and Resistance

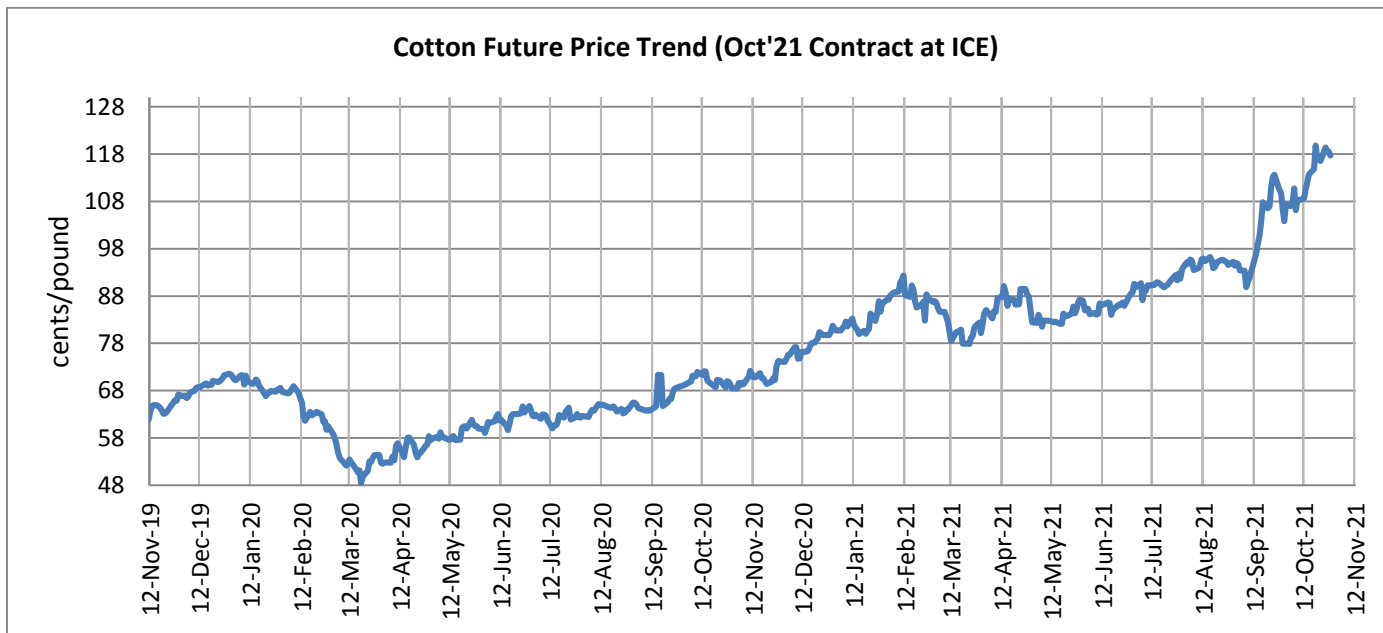
Support 1	Support 2	Resistance 1	Resistance 2
110	105	120	122

Figures in US cents/pound

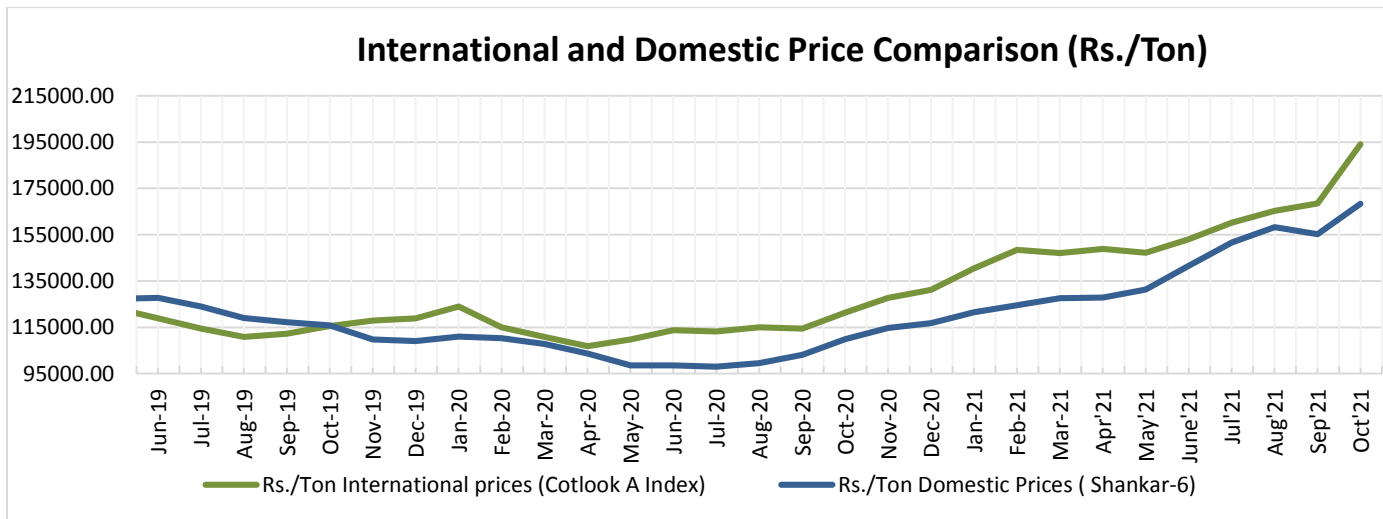
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	12-Nov-21	13-Oct-21 (1 month ago)	14-Aug-21 (3 months ago)	16-May-20 (6 months ago)	12-Nov-20 (a year ago)	% Change over a month	% Change over previous year
Oct-21	117.69	103.86	94.85	82.43	70.62	13.32	66.65
Dec-21	115.08	101.84	94.31	81.61	71.56	13.00	60.82
Mar-21	113.35	100.95	93.26	81.22	72.28	12.28	56.82
May-22	110.06	99.38	92.58	80.90	69.92	10.75	57.41
Jul-22	97.23	92.73	91.12	80.63	68.48	4.85	41.98

Future Price Trend (Active Contract):



International and Domestic Price Comparision



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			04th Nov'21 to 10th Nov'21	28th Sep'21 to 03rd Nov'21	
Gujarat	Ahmedabad	Shankar-6	8500	8625	-125
	Gondal	Shankar-6	8655	8588	67
	Rajkot	B.T. Cotton	8688	8740	-53
	Patan	B.T. Cotton	8580	8438	142
	Kadi	B.T. Cotton	8500	8138	363
	Deesa	B.T. Cotton	7968	7805	163
	Dhrol	B.T. Cotton	8550	8588	-38
Haryana	Bhiwani	B.T. Cotton	8567	8640	-73
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8467	8918	-451
	Fatehabad	B.T. Cotton	8500	8846	-346
	Jind	B.T. Cotton	8623	9075	-452
	Uchana	B.T. Cotton	8675	8795	-120
	Dabwali	B.T. Cotton	8567	8860	-293

Rajasthan	Hanumangarh	B.T. Cotton	8750	9038	-288
	Rawatsar	B.T. Cotton	8733	9180	-447
Madhya Pradesh	Khandwa	Mech-1	8300	8750	-450
	Khargaon	Mech-1	8938	8380	558
Maharashtra	Amravati	Mech-1	8467	8338	129
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7400	7200	200
	Hathras	Desi	7325	7300	25
Telangana	Adilabad	Un-Ginned	8220	8258	-38
Karnataka	Bijapur	Bunny	8736	8899	-163
	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	04th Nov'21 to 10th Nov'21	28th Sep'21 to 03rd Nov'21	
Punjab	Bhatinda	J-34	6833	6513	319
	Abohar	J-34	6818	6530	288
	Mansa	J-34	6700	6453	247
Haryana	Sirsa	J-34	6723	6483	241
Rajasthan	Sri-Ganganagar	J-34	6763	6079	684

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	04th Nov'21 to 10th Nov'21	28th Sep'21 to 03rd Nov'21	
Gujarat	Ahmedabad	Shankar-6	102000	238000	-136000
	Gondal	Shankar-6	11634	17163	-5529
	Rajkot	B.T. Cotton	11000	40300	-29300
	Patan	B.T. Cotton	20665	56000	-35335
	Kadi	B.T. Cotton	50000	135000	-85000
	Deesa	B.T. Cotton	330	200	130
	Dhrol	B.T. Cotton	859	2443	-1584
Haryana	Bhiwani	B.T. Cotton	3100	12000	-8900
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2890	6205	-3315

	Fatehabad	B.T. Cotton	800	520	280
	Jind	B.T. Cotton	27	2475	-2448
	Uchana	B.T. Cotton	1420	2450	-1030
	Dabwali	B.T. Cotton	3600	6235	-2635
Rajasthan	Hanumangarh	B.T. Cotton	7000	14000	-7000
	Rawatsar	B.T. Cotton	9000	14000	-5000
Madhya Pradesh	Khandwa	Mech-1	4700	6000	-1300
	Khargaon	Mech-1	10770	13018	-2248
Maharashtra	Amravati	Mech-1	18000	12500	5500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	750	1050	-300
	Hathras	Desi	170	890	-720
Telangana	Adilabad	Un-Ginned	186277	379279	-193002
Karnataka	Bijapur	Bunny	23089	14853	8236
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	04th Nov'21 to 10th Nov'21	28th Sep'21 to 03rd Nov'21	Change
Punjab	Bhatinda	J-34	22100	49300	-27200
	Abohar	J-34	3060	7480	-4420
	Mansa	J-34	850	2550	-1700
Haryana	Sirsa	J-34	3400	3910	-510
Rajasthan	Sri-Ganganagar	J-34	7700	11000	-3300

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	12-Nov-21	6-Nov-21	12-Nov-21	12-Nov-20
Gujarat	Ahmedabad	Shankar-6	8575	Closed	8575	5500
	Gondal	Shankar-6	8505	Closed	8505	5500
	Rajkot	B.T. Cotton	8700	Closed	8700	5530
	Patan	B.T. Cotton	8570	Closed	8570	5515

	Kadi	B.T. Cotton	8000	Closed	8000	5550
	Deesa	B.T. Cotton	8025	Closed	8025	NA
	Dhrol	B.T. Cotton	8675	Closed	8675	NR
Haryana	Bhiwani	B.T. Cotton	8280	Closed	8280	5600
	Bhiwani	Desi	NA	Closed	NA	NA
	Adampur	B.T. Cotton	8600	Closed	8600	5350
	Fatehabad	B.T. Cotton	8600	Closed	8600	5350
	Jind	B.T. Cotton	8225	Closed	8225	5700
	Uchana	B.T. Cotton	8150	Closed	8150	5385
	Dabwali	B.T. Cotton	8500	Closed	8500	NR
Rajasthan	Hanumangarh	B.T. Cotton	8800	Closed	8800	Closed
	Rawatsar	B.T. Cotton	8600	Closed	8600	Closed
Madhya Pradesh	Khandwa	Mech-1	8400	Closed	8400	5491
	Khargaon	Mech-1	NA	0	NA	5427
Maharashtra	Amravati	Mech-1	8300	Closed	8300	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	7300	7600	7300	NA
	Hathras	Desi	7200	7600	7200	NA
Telangana	Adilabad	Un-Ginned	7900	0	7900	5400
Karnataka	Bijapur	Bunny	8475	8809	8475	5929
	Hubli	D.C.H.	8100	8650	8100	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	12-Nov-21	6-Nov-21	12-Nov-21	12-Nov-20
Punjab	Bhatinda	J-34	6800	7000	6800	4270
	Abohar	J-34	6800	6900	6800	4270
	Mansa	J-34	6800	6800	6800	4250
Haryana	Sirsa	J-34	6730	Closed	6730	4170
Rajasthan	Sri-Ganganagar	J-34	6486	6439	6486	3901

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	12-Nov-21	6-Nov-21	12-Nov-21	12-Nov-20
Gujarat	Ahmedabad	Shankar-6	51000	Closed	51000	42500
	Gondal	Shankar-6	7250	Closed	7250	#N/A
	Rajkot	B.T. Cotton	6000	Closed	6000	#N/A

	Patan	B.T. Cotton	22388	Closed	22388	3450
	Kadi	B.T. Cotton	30000	Closed	30000	#N/A
	Deesa	B.T. Cotton	2400	Closed	2400	#N/A
	Dhrol	B.T. Cotton	306	Closed	306	#N/A
Haryana	Bhiwani	B.T. Cotton	3000	Closed	3000	1200
	Bhiwani	Desi	NA	Closed	NA	#N/A
	Adampur	B.T. Cotton	1020	Closed	1020	#N/A
	Fatehabad	B.T. Cotton	300	Closed	300	#N/A
	Jind	B.T. Cotton	1105	Closed	1105	#N/A
	Uchana	B.T. Cotton	265	Closed	265	#N/A
	Dabwali	B.T. Cotton	1400	Closed	1400	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	2500	Closed	2500	#N/A
	Rawatsar	B.T. Cotton	3000	Closed	3000	600
Madhya Pradesh	Khandwa	Mech-1	1400	Closed	1400	#N/A
	Khargaon	Mech-1	NA	0	NA	#N/A
Maharashtra	Amravati	Mech-1	10000	Closed	10000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	150	50	150	#N/A
	Hathras	Desi	50	50	50	#N/A
Telangana	Adilabad	Un-Ginned	116755.1	0	116755.1	2929005
Karnataka	Bijapur	Bunny	8509	3542	8509	5111
	Hubli	D.C.H.	1	4	1	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	337
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	12-Nov-21	6-Nov-21	12-Nov-21	12-Nov-20
Punjab	Bhatinda	J-34	8500	3400	8500	17000
	Abohar	J-34	1190	340	1190	2550
	Mansa	J-34	170	170	170	1870
	Sirsa	J-34	850	Closed	850	850
	Sri-Ganganagar	J-34	2000	1000	2000	1000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				04th Nov'21 to 10th Nov'21	28th Sep'21 to 03rd Nov'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52233	50767	1467
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52833	51367	1467
J-34(202)	26mm	3.5 - 4.9	23	63833	63567	267
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	66533	65617	917
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	68833	67817	1017
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	70217	-
DCH-32(107)	34mm	3.0 - 3.8	33	118000	117000	1000

Disclaimer

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