

**COTTON WEEKLY RESEARCH REPORT**  
**22<sup>nd</sup> Nov 2021****Domestic market summary**

**Domestic Market Scenario:** Cotton prices have dropped by 8-10 percent in Telangana. The Committee on Cotton Production and Consumption has projected the cotton production for 2021-22 season at 362 lakh bales. Demand for cotton is excellent in the market. Indian cotton arrivals are near 1,50,000 to 1,70,000 bales. Prices are expected to remain stable in the coming week.

**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 (126.95 cents/lbs) compared to the ICE cotton future that stood at 117.62 cents/lbs.

**Market Highlights:**

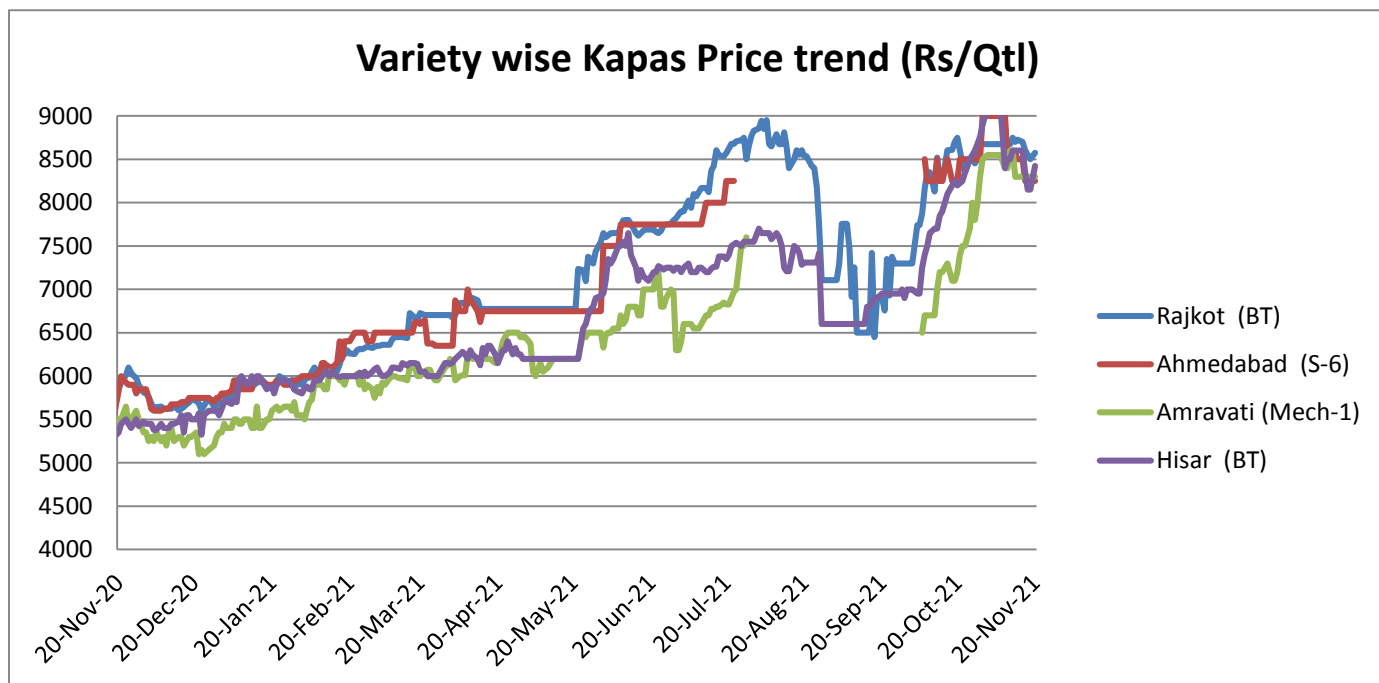
- Rising price of cotton bales have posed a huge threat to Karur textile manufacturing and export industries, which are gearing up for the annual international textile fair, which is set to take place in Germany as majority of the trade depends on foreign orders received during the expo.
- Cotton prices have dropped by 8-10 percent in Telangana with the increase in arrivals in the market. Prices have dropped to Rs. 7,830 per quintal from a high of Rs. 8,710 in a few mandis. Prices in other parts of the country have also dropped by about three percent. Cotton prices in Adilabad have fallen from Rs.8,600 to Rs. 7,910.
- 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 is 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 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.

- 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 1/3<sup>rd</sup> 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.

### **Domestic Cotton Prices Scenario**

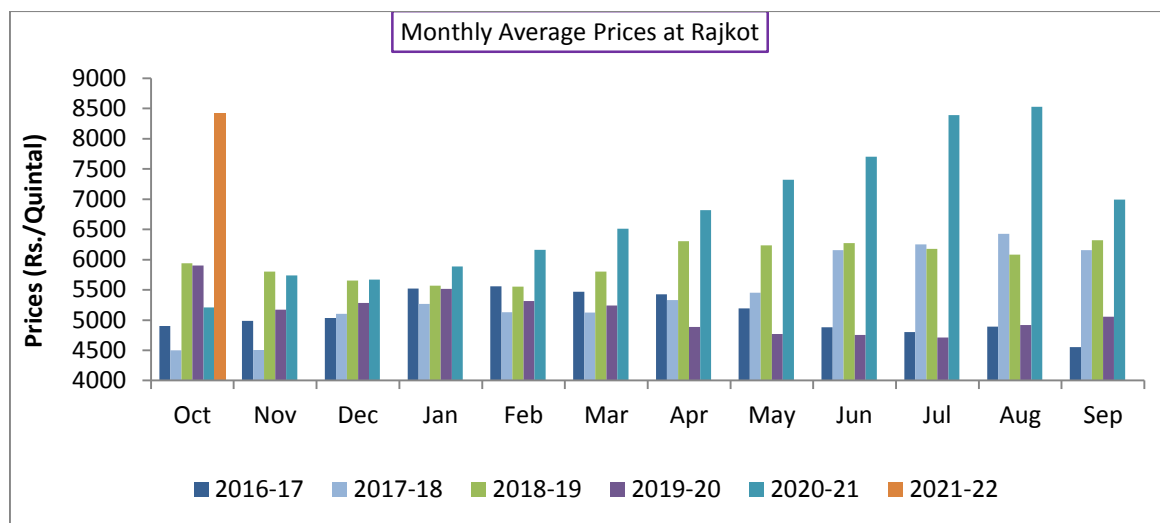
#### **Kapas (Raw Cotton) Weekly Price Scenario**

**Weekly Price Review:** Weekly kapas average price at Rajkot stood lower at Rs. 8671/q compared to previous week Rs. 8681/q whereas, in Hisar were prices stood lower at Rs. 8483.5/q compared to previous week price of Rs. 8637/qt. Arrivals have started from Amravati and Ahmedabad and prices were at Rs. 8350/qt and Rs. 8441/qt respectively.



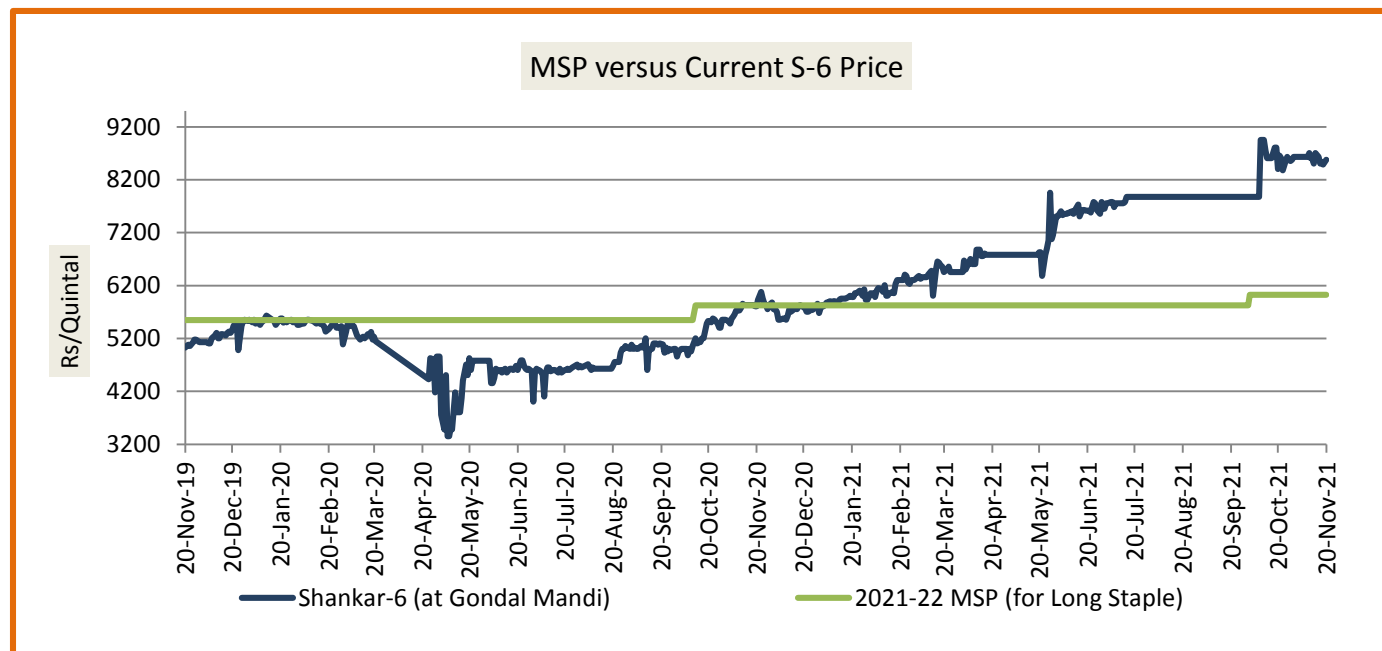
#### **Kapas Monthly M-o-M Price Scenario**

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 lower at Rs. 8580/qt from the previous week at Rs. 8642/q.

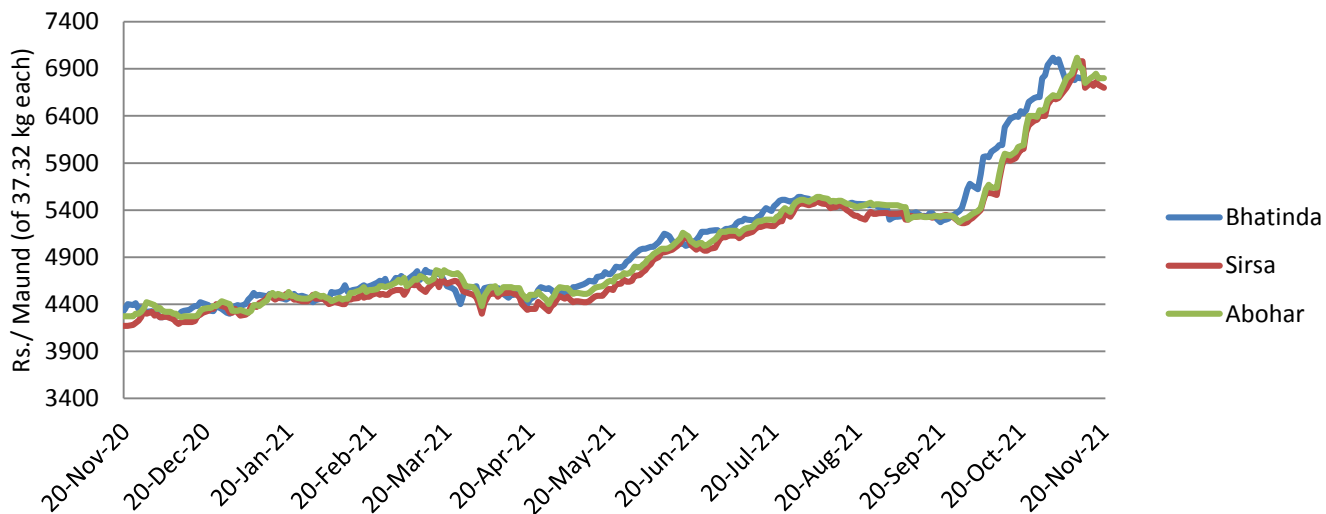


Source: Agriwatch

### Lint price Outlook

The average price stood lower at Rs.6773/maund of lint in Abohar, in Bhatinda was at Rs.6763/ maund, and same in sirsa at Rs.6653/maund.

### Lint Price Trend at Key Centers

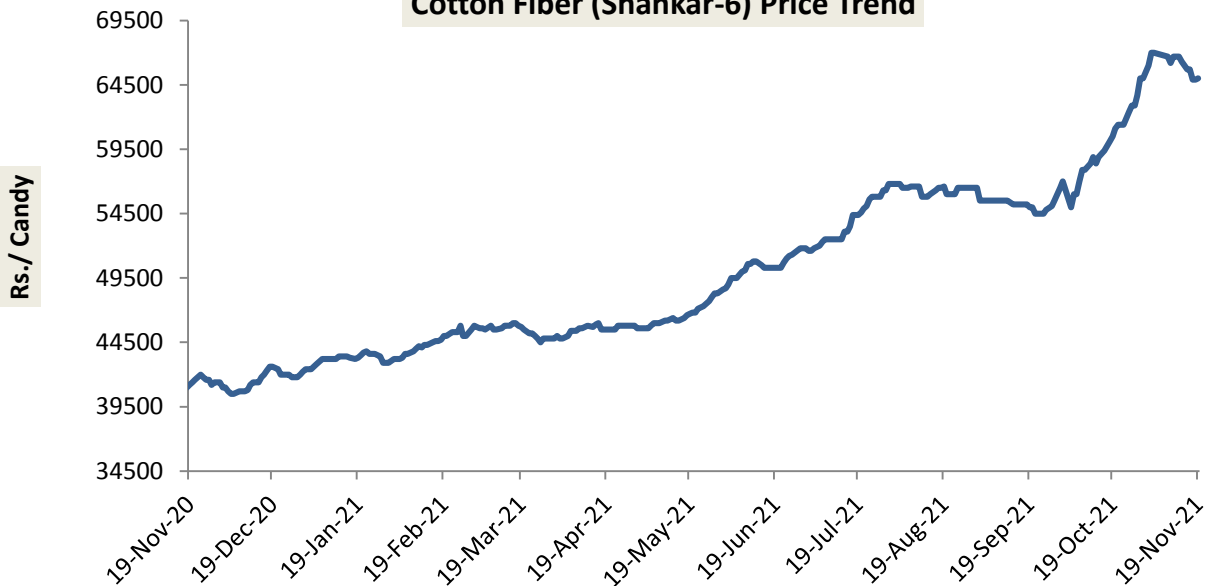


Source: Agriwatch

### Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices were lower at Rs.66000/candy this week.

### Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

## Cotton Seed Oil and Cotton Seed Oil Cake

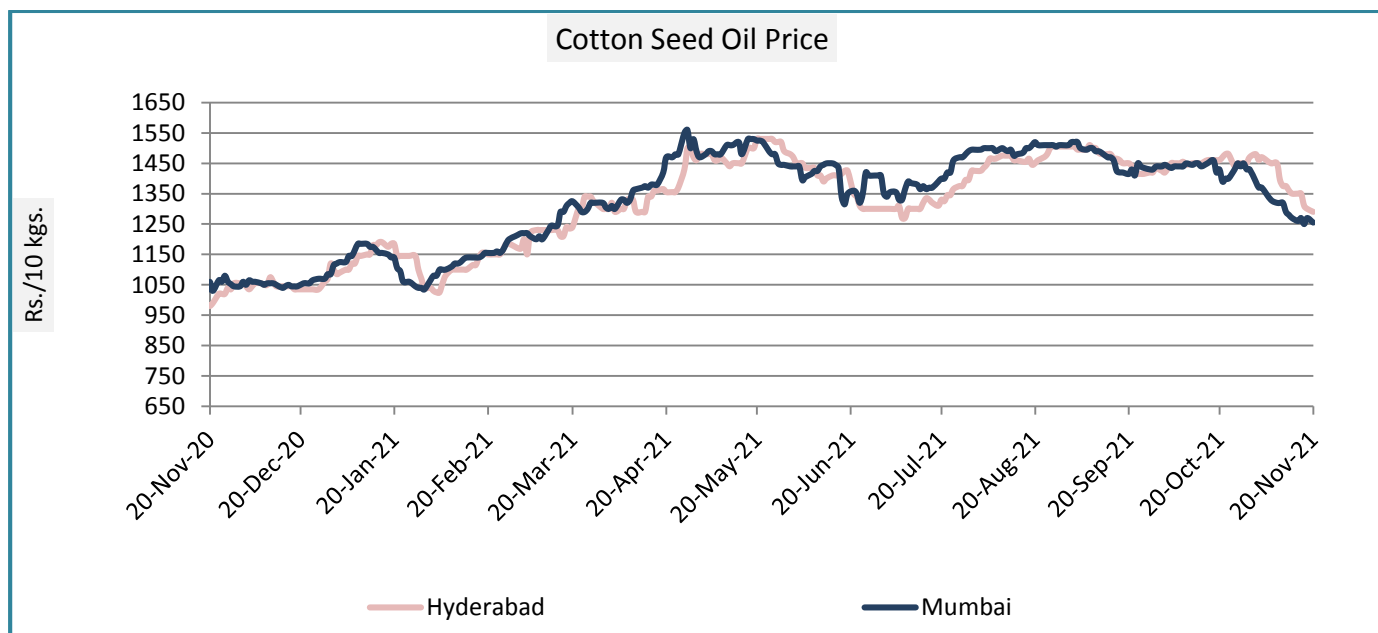
### Cotton Seed Oil weekly

#### Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 17th Nov'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	17-Nov-21	10-Nov-21	
New Delhi	-	-	-
Rajkot	1298	1332	-2.53
Hyderabad	1278	1315	-2.79
Mumbai	1263	1290	-2.13

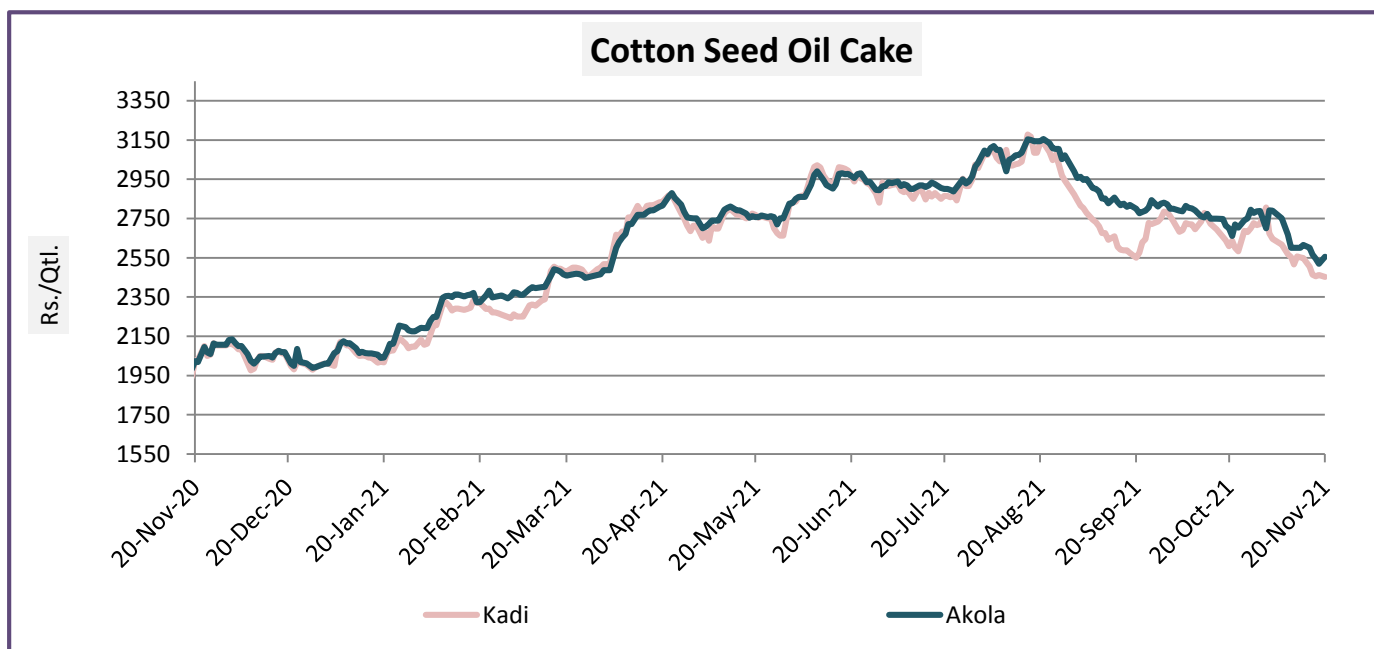
Source: Agriwatch



### Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have decreased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2514 per quintal from Rs. 2576 per quintal and in Akola prices were at Rs. 2588 per quintal from Rs. 2668 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	17-Nov-21	10-Nov-21	
Kadi	2514	2576	-2.42
Akola	2588	2668	-3.00



Source: NCDEX

### International Market Scenario

- According to USDA, as of 14<sup>th</sup> November 2021, US crop progress report, cotton harvest had advanced 10 percentage points to 65 percent complete as of 11/14. The average is to be 64 percent harvested. Most of the delta and southeast states were behind, while the rest of the states were generally ahead.
- The United States is now looking to enhance its stake in cotton exports to Bangladesh to strengthen the US foothold in Bangladesh's market, the US exporters and their representative put an emphasis on resolving

issues, such as obligation to fumigate US cotton after imports, not being able to send cotton laden ships directly to Bangladesh in the absence of a deep seaport, a hike in shipping costs and other logistic costs.

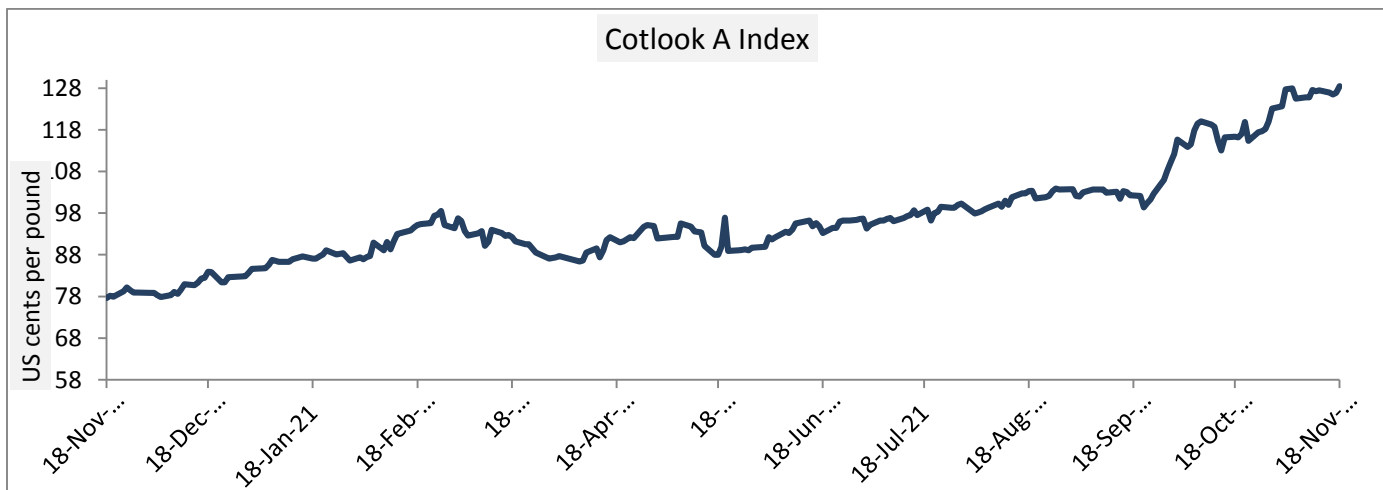
- According to the USDA'S WASDE November report, the U.S. production was projected slightly higher at 18.2 million bales while the domestic mill use and exports were unchanged. U.S. ending stock were projected higher at 3.4 million which is 250,000 above the previous year.
- The cotton harvest season 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.
- 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 127.00 cents/lb higher as compared to the previous week (126.13 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	17-Nov-21	10-Nov-21	
Prices	127.00	126.13	0.69
Prices in US cents per Pound			

Source: Cotlook

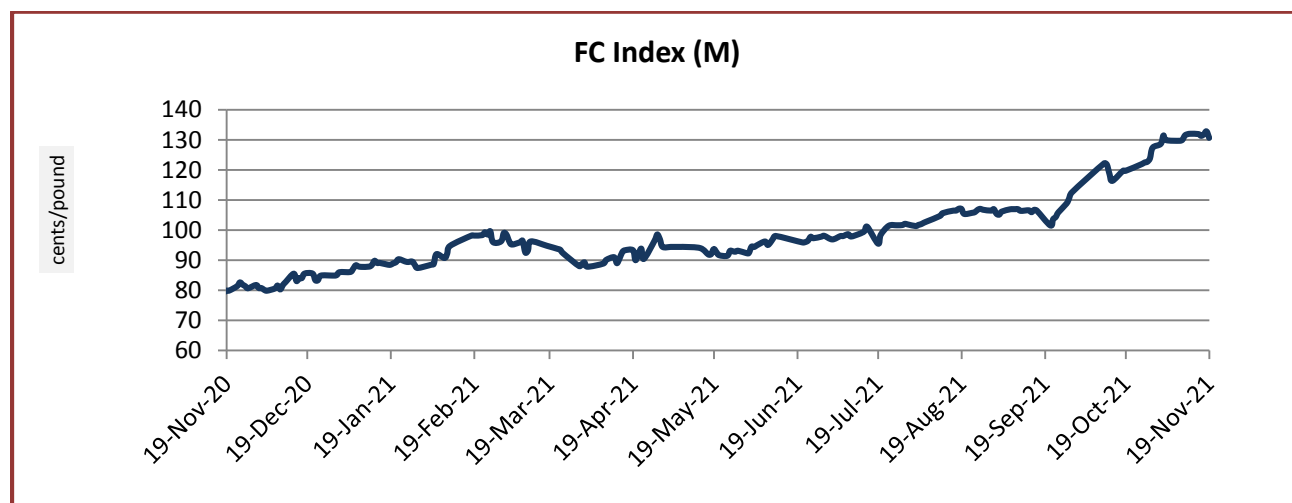


### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	17-Nov-21	10-Nov-21	
FC (S)	133.27	131.84	1.09
FC (M)	131.85	130.43	1.09
FC (L)	130.26	128.83	1.11

Prices in US cents per Pound

Source: China Cotton Association



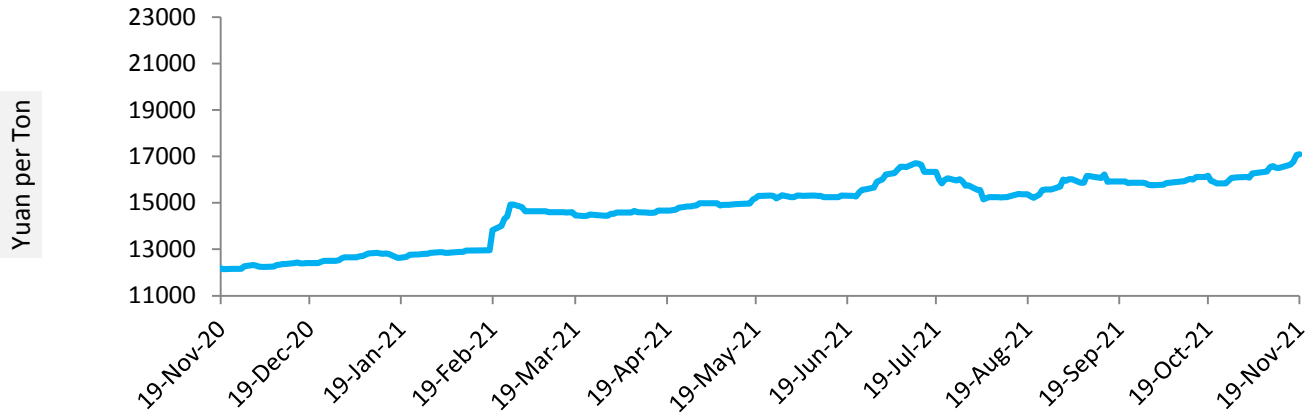
Cotton Index	Weekly Average Price as on		% Change
	17-Nov-21	10-Nov-21	
CCIndex(328)	22641.40	22387.00	1.14
CCIndex(527)	21248.60	21188.33	0.28
CCIndex(229)	23175.00	22975.67	0.87

Prices in Yuan per ton

Source: China Cotton Association



China Cotton Index(328)



### USA Spot Prices

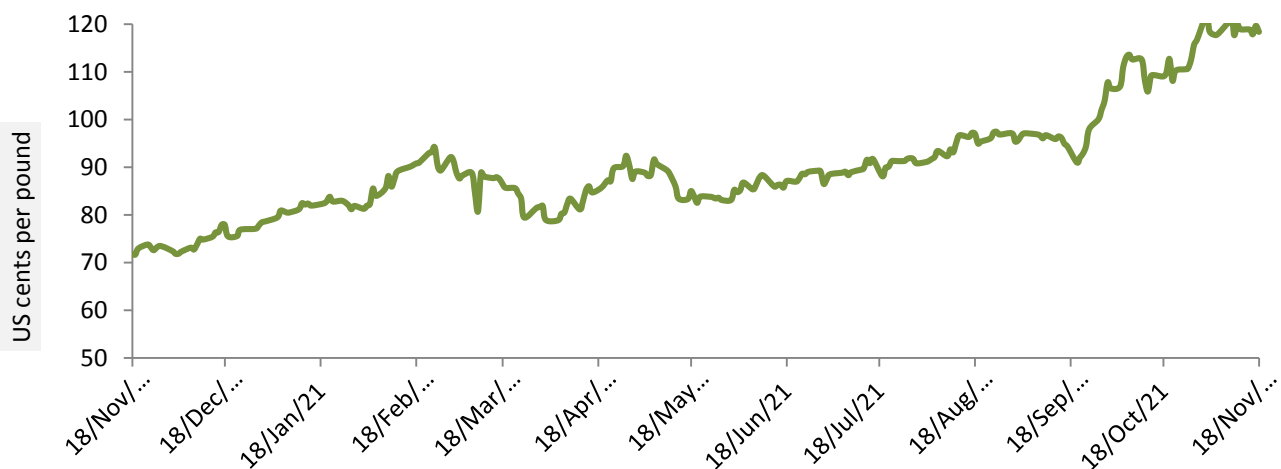
U.S.A spot prices have increased from the prior week by 0.44 percent at 119.06 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	17-Nov-21	10-Nov-21	
Prices	119.06	118.54	0.44

Prices in US cents per Pound

Source: USDA

Daily Movement of USA Spot Price

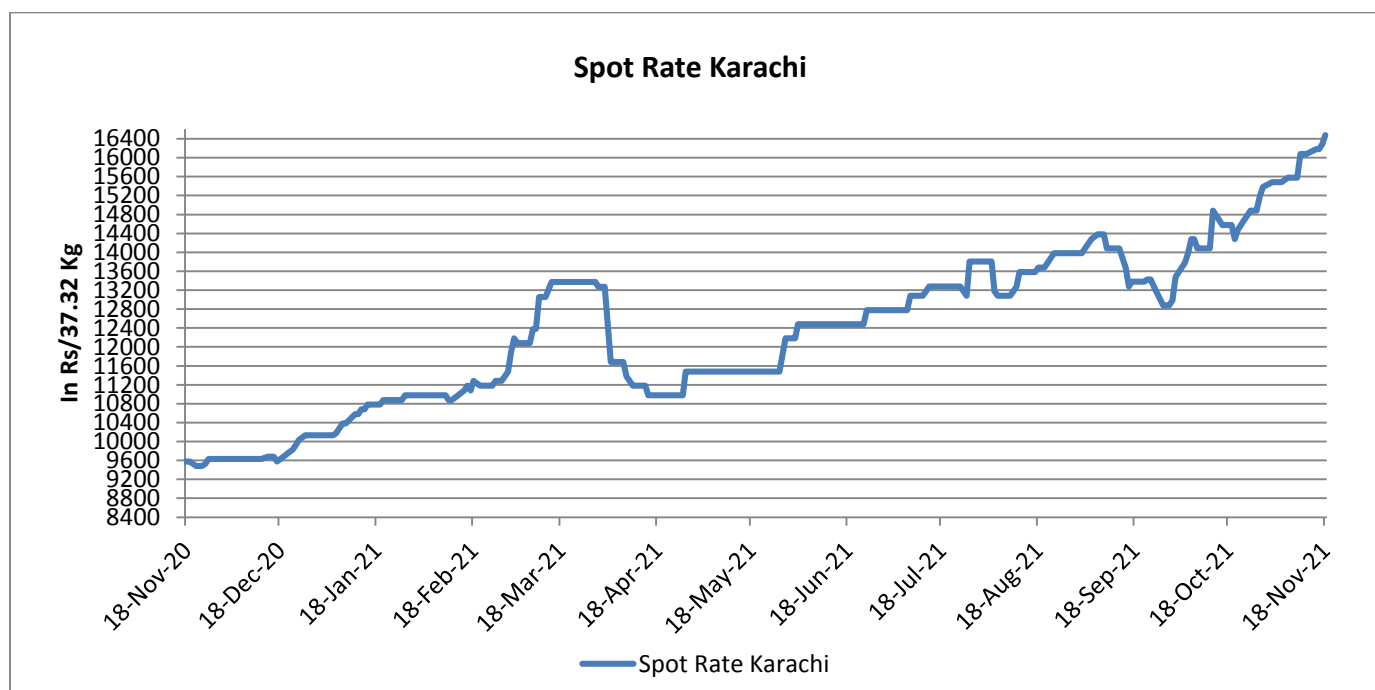


## Pakistan Spot Prices

The Karachi spot price stood higher around Rs.16700/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	17-Nov-21	10-Nov-21	
Prices	16700	16120	3.60
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Nov

Expiry: Nov. 30, 2021

## Cotton

COTTON 1st(MXCTNC1)2021/11/21 -- Weekly B:31950.00 A:31970.00  
O:31660.00 H:32370.00 L:31650.00 C:31970.00 ↑ V:795 T:622,677 I:1,809 +170 +0.53%



### Technical Commentary:

- The recent trend is bullish in cotton.
- Mild resistance is seen around 32180.
- If the market tests the support at 31590, intraday long positions may be created.

### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Nov	31550	31630	31970	32180	32300
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Buy	31960	32060	32150	31890

\* 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 2654.

**Strategy: Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2413	2463	2529	2654	2704
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	<b>Sell</b>	2539	2504	2479	2560

### 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.

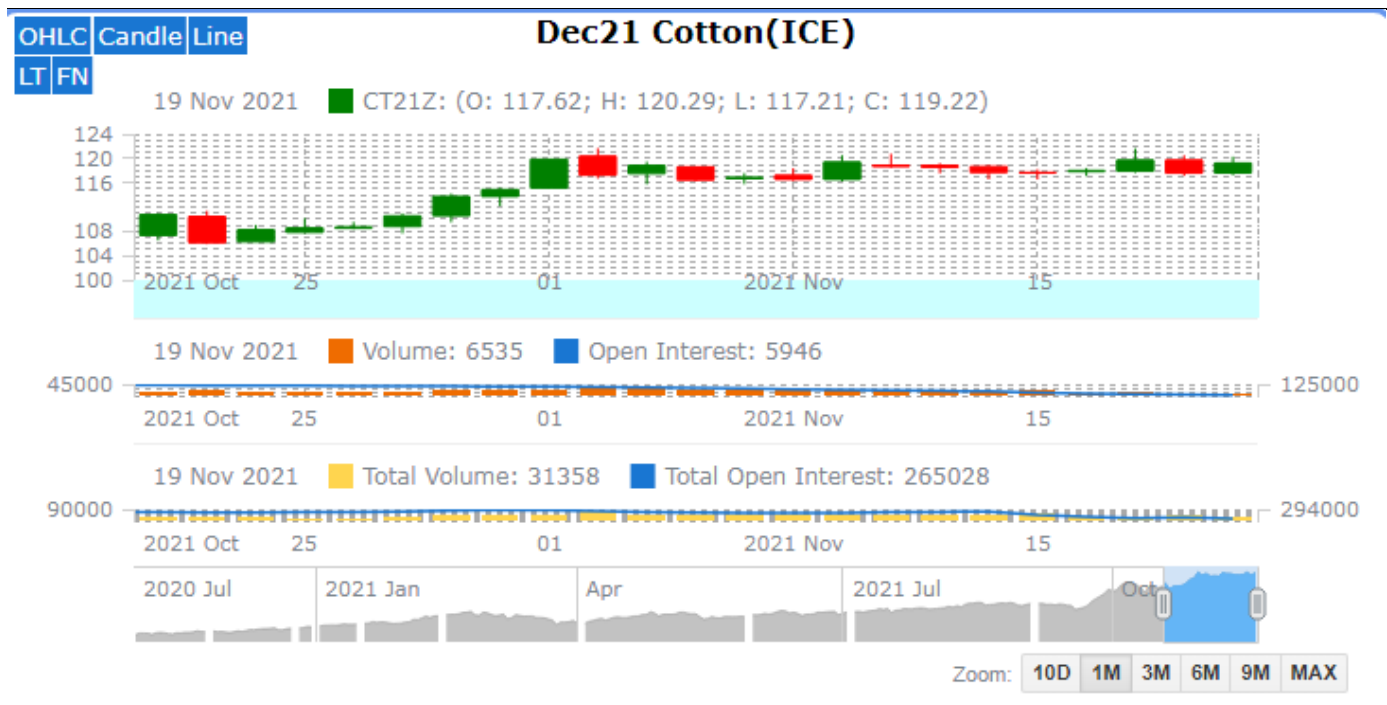
#### Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	120-128

#### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
115	105	122	126

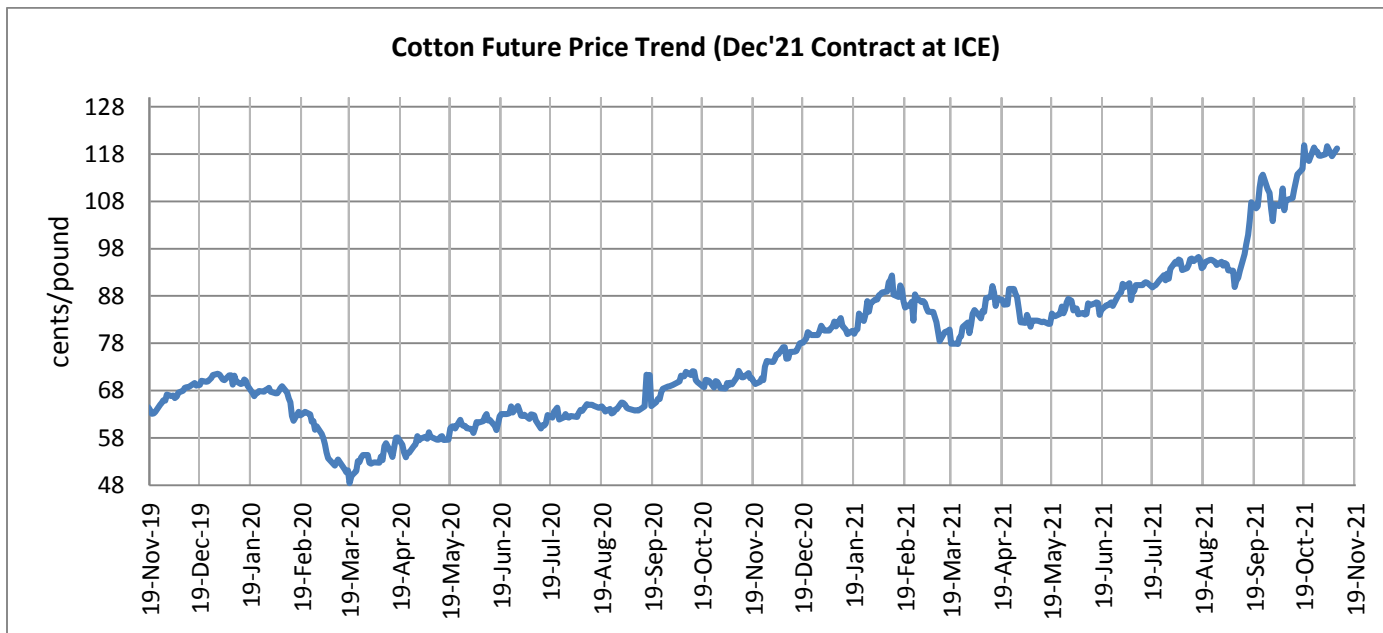
Figures in US cents/pound



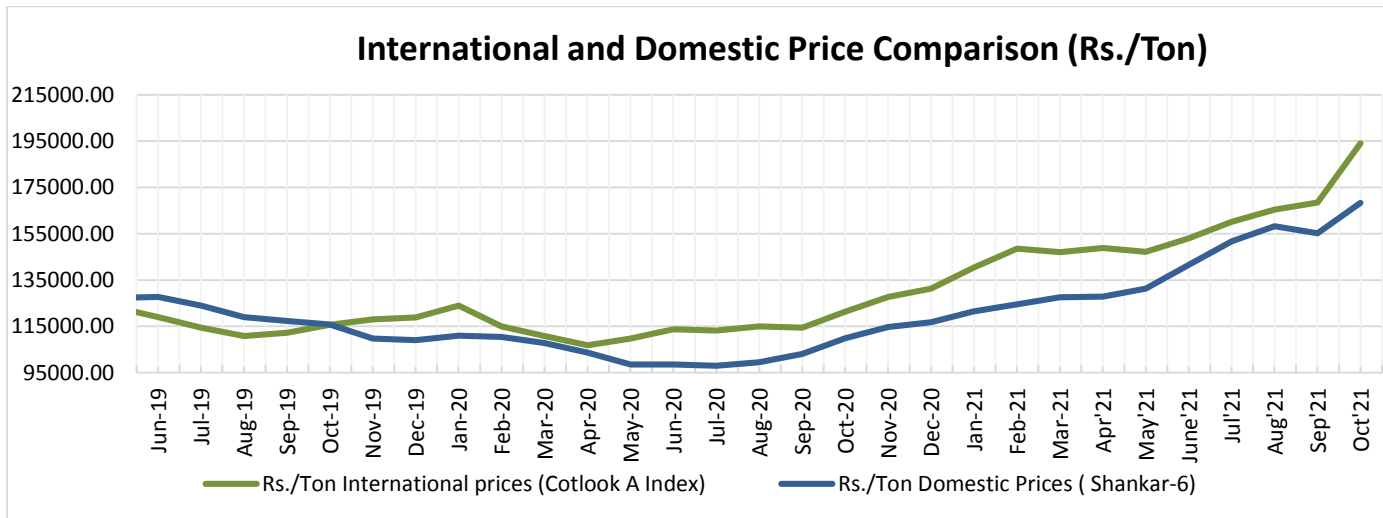
### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	19-Nov-21	20-Oct-21 (1 month ago)	21-Aug-21 (3 months ago)	23-May-20 (6 months ago)	19-Nov-20 (a year ago)	% Change over a month	% Change over previous year
Dec-21	119.22	110.73	93.90	83.64	71.67	7.67	66.35
Mar-22	116.43	108.63	93.10	83.22	72.57	7.18	60.44
May-22	114.78	107.64	92.26	82.97	73.27	6.63	56.65
Jul-22	110.89	106.19	91.69	82.88	70.97	4.43	56.25
Dec-22	97.54	95.00	90.20	82.59	69.32	2.67	40.71

### Future Price Trend (Active Contract):



## International and Domestic Price Comparison



### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			11th Nov'21 to 17th Nov'21	04th Nov'21 to 10th Nov'21	
Gujarat	Ahmedabad	Shankar-6	8442	8500	-58
	Gondal	Shankar-6	8575	8655	-80
	Rajkot	B.T. Cotton	8672	8688	-16
	Patan	B.T. Cotton	8460	8580	-120
	Kadi	B.T. Cotton	8000	8500	-500
	Deesa	B.T. Cotton	7969	7968	2
	Dhrol	B.T. Cotton	8564	8550	14
Haryana	Bhiwani	B.T. Cotton	8377	8567	-190
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8483	8467	17
	Fatehabad	B.T. Cotton	8442	8500	-58
	Jind	B.T. Cotton	8271	8623	-353
	Uchana	B.T. Cotton	8278	8675	-398
	Dabwali	B.T. Cotton	8533	8567	-34
Rajasthan	Hanumangarh	B.T. Cotton	8700	8750	-50
	Rawatsar	B.T. Cotton	8508	8733	-225
Madhya Pradesh	Khandwa	Mech-1	8330	8300	30
	Khargaon	Mech-1	8593	8938	-345
Maharashtra	Amravati	Mech-1	8400	8467	-67

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7333	7400	-67
	Hathras	Desi	7233	7325	-92
Telangana	Adilabad	Un-Ginned	7858	8220	-362
Karnataka	Bijapur	Bunny	8566	8736	-170
	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	11th Nov'21 to 17th Nov'21	04th Nov'21 to 10th Nov'21	
Punjab	Bhatinda	J-34	6763	6833	-69
	Abohar	J-34	6773	6818	-44
	Mansa	J-34	6693	6700	-7
Haryana	Sirsa	J-34	6653	6723	-70
Rajasthan	Sri-Ganganagar	J-34	6377	6763	-386

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	11th Nov'21 to 17th Nov'21	04th Nov'21 to 10th Nov'21	
Gujarat	Ahmedabad	Shankar-6	331500	102000	229500
	Gondal	Shankar-6	30338	11634	18704
	Rajkot	B.T. Cotton	36100	11000	25100
	Patan	B.T. Cotton	92201	20665	71536
	Kadi	B.T. Cotton	200000	50000	150000
	Deesa	B.T. Cotton	8400	330	8070
	Dhrol	B.T. Cotton	2089	859	1230
Haryana	Bhiwani	B.T. Cotton	14000	3100	10900
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5440	2890	2550
	Fatehabad	B.T. Cotton	2050	800	1250
	Jind	B.T. Cotton	5780	27	5753
	Uchana	B.T. Cotton	1675	1420	255
	Dabwali	B.T. Cotton	8475	3600	4875
Rajasthan	Hanumangarh	B.T. Cotton	15500	7000	8500
	Rawatsar	B.T. Cotton	15000	9000	6000
Madhya Pradesh	Khandwa	Mech-1	7400	4700	2700
	Khargaon	Mech-1	27490	10770	16720

<b>Maharashtra</b>	Amravati	Mech-1	27000	18000	<b>9000</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	900	750	<b>150</b>
	Hathras	Desi	425	170	<b>255</b>
<b>Telangana</b>	Adilabad	Un-Ginned	446114	186277	<b>259836</b>
<b>Karnataka</b>	Bijapur	Bunny	38256	23089	<b>15167</b>
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>11th Nov'21 to 17th Nov'21</b>	<b>04th Nov'21 to 10th Nov'21</b>	
<b>Punjab</b>	Bhatinda	J-34	42500	22100	<b>20400</b>
	Abohar	J-34	6630	3060	<b>3570</b>
	Mansa	J-34	1360	850	<b>510</b>
<b>Haryana</b>	Sirsa	J-34	4250	3400	<b>850</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	14700	7700	<b>7000</b>

**Week on Week Price: Scenario of Cotton:**

<b>Commodity</b>	<b>Kapas</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>20-Nov-21</b>	<b>13-Nov-21</b>	<b>20-Nov-21</b>	<b>20-Nov-20</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	8250	8500	8250	5825
	Gondal	Shankar-6	8580	8705	8580	5500
	Rajkot	B.T. Cotton	8575	8725	8575	5530
	Patan	B.T. Cotton	NA	8610	NA	5515
	Kadi	B.T. Cotton	8000	8000	8000	5550
	Deesa	B.T. Cotton	NA	8000	NA	NA
	Dhrol	B.T. Cotton	8340	8590	8340	NR
<b>Haryana</b>	Bhiwani	B.T. Cotton	7800	8280	7800	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	8425	8600	8425	5350
	Fatehabad	B.T. Cotton	7900	8600	7900	5350
	Jind	B.T. Cotton	805	8225	805	5700
	Uchana	B.T. Cotton	7760	8150	7760	5385
	Dabwali	B.T. Cotton	8150	8500	8150	NR
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	8500	8800	8500	Closed
	Rawatsar	B.T. Cotton	8450	8600	8450	Closed

<b>Madhya Pradesh</b>	Khandwa	Mech-1	Closed	8400	Closed	5491
	Khargaon	Mech-1	NA	8580	NA	5427
<b>Maharashtra</b>	Amravati	Mech-1	Closed	8300	Closed	5300
	Jamner	Medium Staple	NA	0	NA	NA
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	7400	7300	7400	NA
	Hathras	Desi	7300	7200	7300	NA
<b>Telangana</b>	Adilabad	Un-Ginned	NA	7910	NA	5400
<b>Karnataka</b>	Bijapur	Bunny	8420	0	8420	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
<b>Commodity</b>	<b>Lint</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>20-Nov-21</b>	<b>13-Nov-21</b>	<b>20-Nov-21</b>	<b>20-Nov-20</b>
<b>Punjab</b>	Bhatinda	J-34	6580	6800	6580	4350
	Abohar	J-34	6580	6800	6580	4360
	Mansa	J-34	6580	6700	6580	4350
<b>Haryana</b>	Sirsa	J-34	6400	6700	6400	4260
<b>Rajasthan</b>	Sri-Ganganagar	J-34	5734	6486	5734	3995

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>20-Nov-21</b>	<b>13-Nov-21</b>	<b>20-Nov-21</b>	<b>20-Nov-20</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	59500	51000	59500	34000
	Gondal	Shankar-6	3790	7309	3790	#N/A
	Rajkot	B.T. Cotton	3200	5600	3200	#N/A
	Patan	B.T. Cotton	NA	17406	NA	3450
	Kadi	B.T. Cotton	10000	30000	10000	#N/A
	Deesa	B.T. Cotton	NA	1200	NA	#N/A
	Dhrol	B.T. Cotton	127	321	127	#N/A
<b>Haryana</b>	Bhiwani	B.T. Cotton	2000	3000	2000	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	1700	510	1700	#N/A
	Fatehabad	B.T. Cotton	400	300	400	#N/A
	Jind	B.T. Cotton	1360	1105	1360	#N/A
	Uchana	B.T. Cotton	1150	200	1150	#N/A
	Dabwali	B.T. Cotton	1800	1500	1800	#N/A
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	2200	2500	2200	#N/A
	Rawatsar	B.T. Cotton	3000	3000	3000	NA

<b>Madhya Pradesh</b>	Khandwa	Mech-1	Closed	1500	Closed	#N/A
	Khargaon	Mech-1	NA	2050	NA	#N/A
<b>Maharashtra</b>	Amravati	Mech-1	Closed	10000	Closed	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	100	150	100	#N/A
	Hathras	Desi	100	50	100	#N/A
<b>Telangana</b>	Adilabad	Un-Ginned	NA	68597	NA	1998654
<b>Karnataka</b>	Bijapur	Bunny	2626	0	2626	4283
	Hubli	D.C.H.	NA	0	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	262
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>20-Nov-21</b>	<b>13-Nov-21</b>	<b>20-Nov-21</b>	<b>20-Nov-20</b>
<b>Punjab</b>	Bhatinda	J-34	6800	6800	6800	11900
	Abohar	J-34	1190	1190	1190	340
	Mansa	J-34	340	170	340	1700
	Sirsa	J-34	1190	680	1190	2550
	Sri-Ganganagar	J-34	3200	2000	3200	2000

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				11th Nov'21 to 17th Nov'21	04th Nov'21 to 10th Nov'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	51600	52233	-633
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52200	52833	-633
J-34(202)	26mm	3.5 - 4.9	23	63217	63833	-617
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	66000	66533	-533
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	68417	68833	-417
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	117167	118000	-833

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