

COTTON WEEKLY RESEARCH REPORT
29th Nov 2021**Domestic market summary**

Domestic Market Scenario: Cotton Association of India has maintained its cotton crop for the 2021-22 season at 360.13 lakh bales. Cotton prices have dropped by 8-10 percent in Telangana. 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:

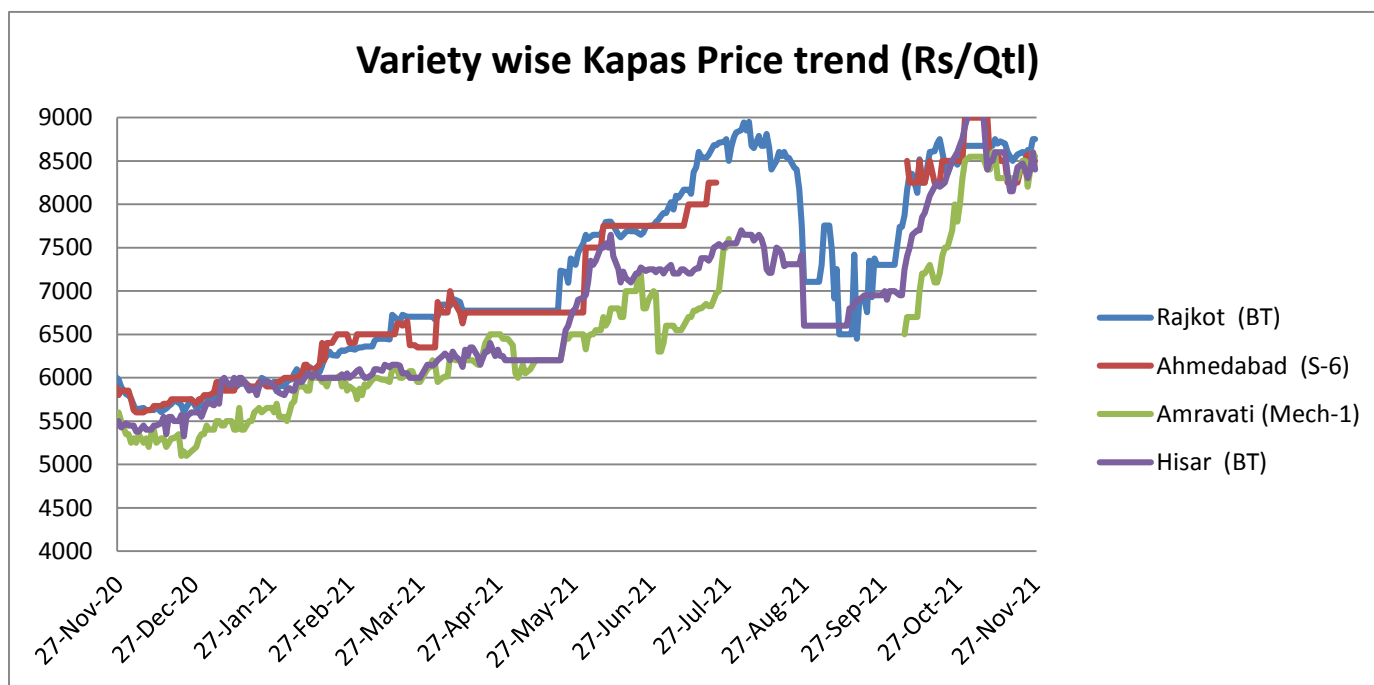
- Cotton Association of India has maintained its cotton crop for the 2021-22 season at 360.13 lakh bales. Cotton Association of India has released its monthly balance sheet for October 2021. The Cotton supply for October month is estimated at 107.12 lakh bales, which consist of the arrivals of 31.12 lakh bales, about 15 percent higher than 27.16 lakh bales recorded in the same month last year. Imports were estimated at 1 lakh bales during October 2021 and consumption is estimated at 27.91 lakh bales while export shipments of cotton up to 31st October 2021 is estimated at 4 lakh bales. Stock at the end of October 2021 is estimated at 75.21 lakh bales.
- Cotton arrivals have slowed down in Punjab. Due to pink bollworm infestation earlier in the season, the crop has been affected in the major cotton producing areas of Bhatinda, Mansa, Sangrur and Barnala. The arrivals has been the slowest in the last five years, indicating a drastic fall in production this season. As per the Punjab Mandi Board, Punjab this time may face it challenging to touch even 50 percent of the 50 lakh quintals of cotton produced in 2020-21. Till 18th November 2021, around 7.98 lakh quintals of cotton was purchased in 9 districts as compared to 16 lakh quintals for the corresponding period last year. During 2016-17, around 9.16 lakh quintals of cotton crop was purchased in various mandis whereas 9.15 lakh quintals during 2017-18 and more than 10 lakh quintals each in 2018 and 2019. Prices in Punjab are currently Rs. 3000 per quintal higher than the minimum support price of Rs. 5925 per quintal.

- The central Board of Indirect Taxes and customs notified the hike in GST rate from 5-12 percent on fabric, apparel and footwear w.e.f. January 2022. The objective behind the proposed increase is to correct the problem of Inverted Duty Structure faced by a small segment of the textile value chain. Although the Retailers Association of India has urged the government to reconsider the decision as it will adversely impact 85 percent of the textile sector. The Chamber of Industrial and Commercial Undertaking has also written a letter to Union Finance Minister seeking a rollback of the decision.
- **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.

Domestic Cotton Prices Scenario

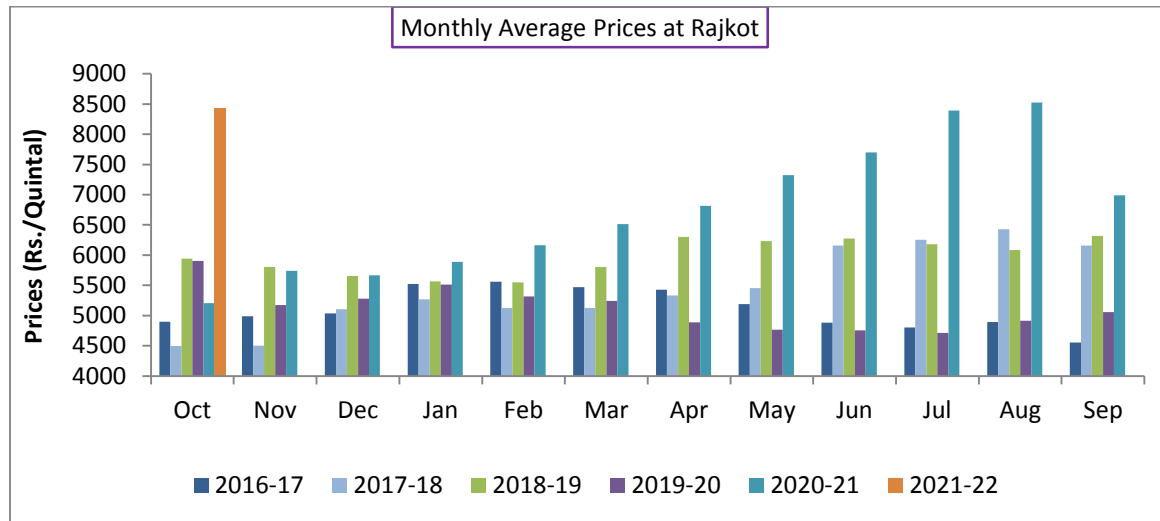
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood lower at Rs. 8576/q compared to previous week Rs. 8671/q whereas, in Hisar were prices stood lower at Rs. 8359/q compared to previous week price of Rs. 8483/qt. Arrivals have started from Amravati and Ahmedabad and prices were at Rs. 8360/qt and Rs. 8415/qt respectively.



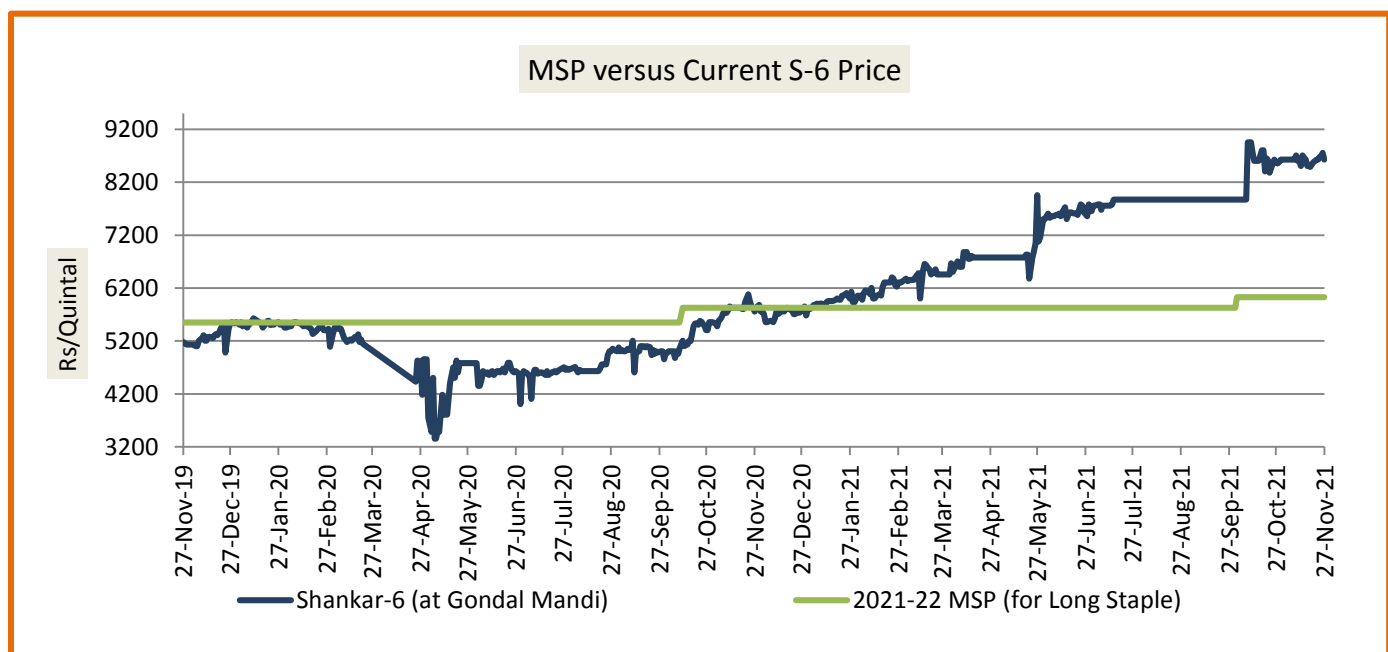
Kapas Monthly M-o-M Price Scenario

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)



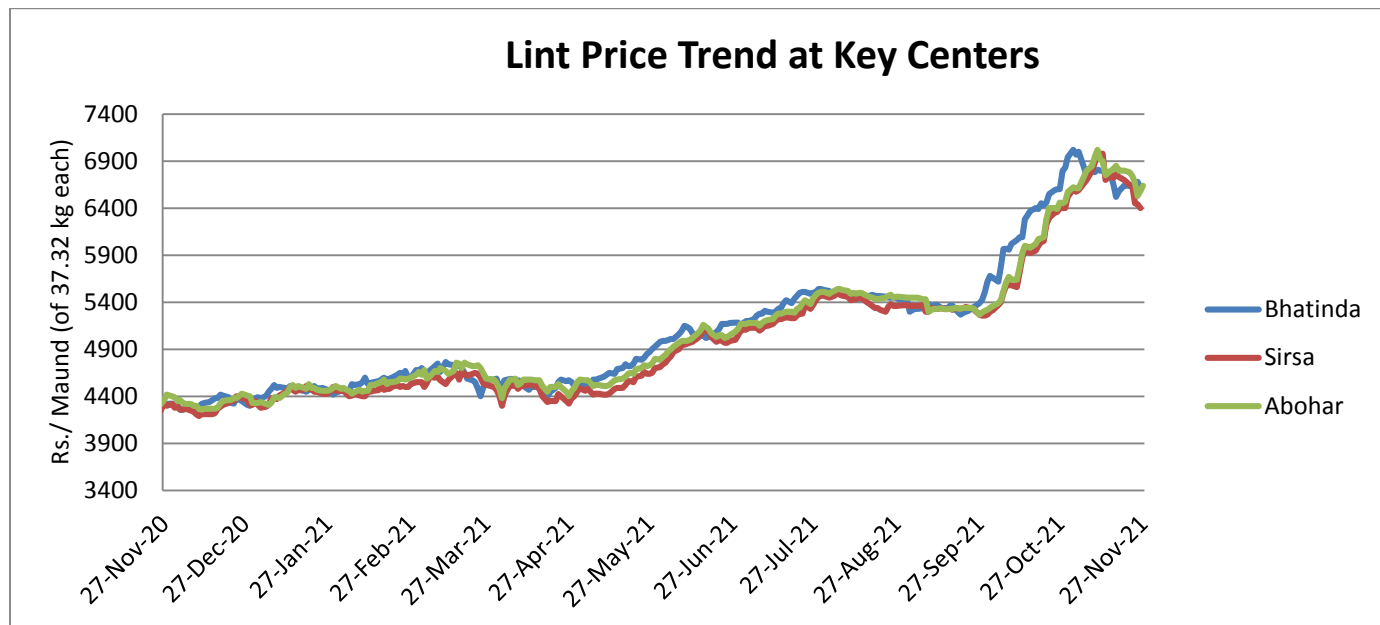
Spot Price versus MSP

Average kapas price at Gondal market stood slightly higher at Rs. 8602/qt from the previous week at Rs. 8580/q.



Lint price Outlook

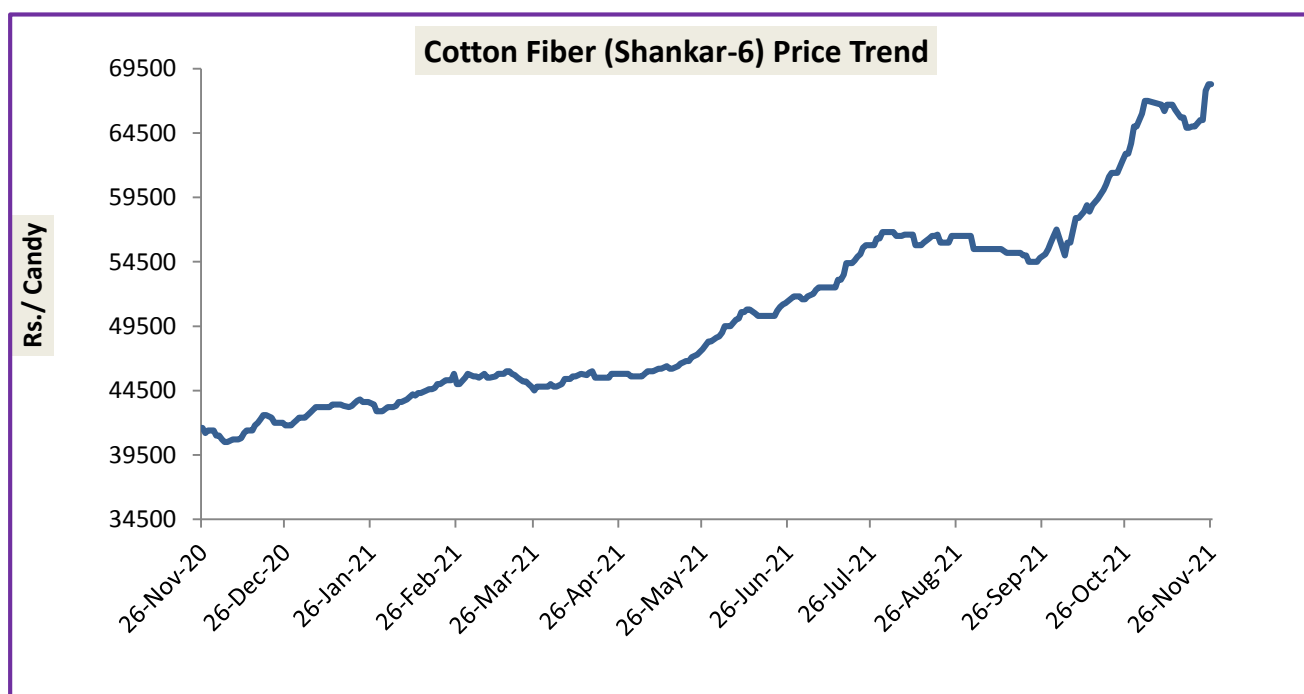
The average price stood lower at Rs.6602/maund of lint in Abohar, in Bhatinda was at Rs.6600/ maund, and same in sirsa at Rs.6478/maund.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) of premium quality prices were lower at Rs.65616/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

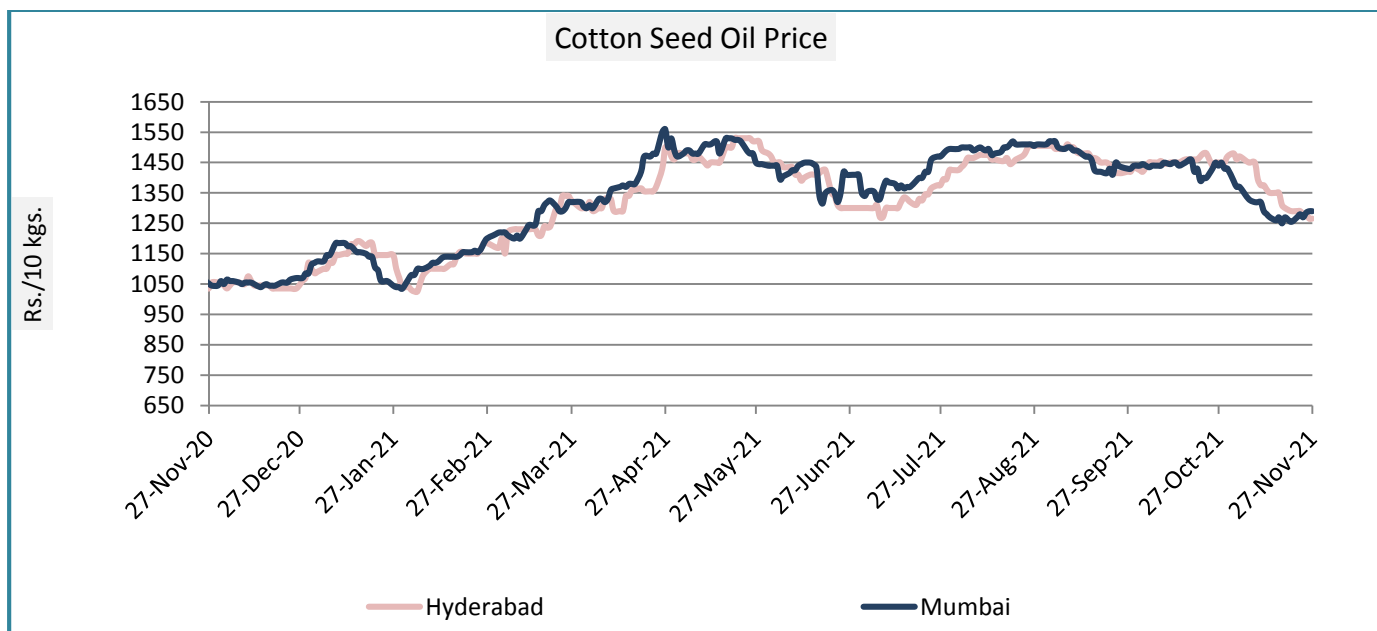
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 24th Nov'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	24-Nov-21	17-Nov-21	
New Delhi	-	-	-
Rajkot	1286	1298	-0.92
Hyderabad	1276	1278	-0.16
Mumbai	1283	1263	1.58

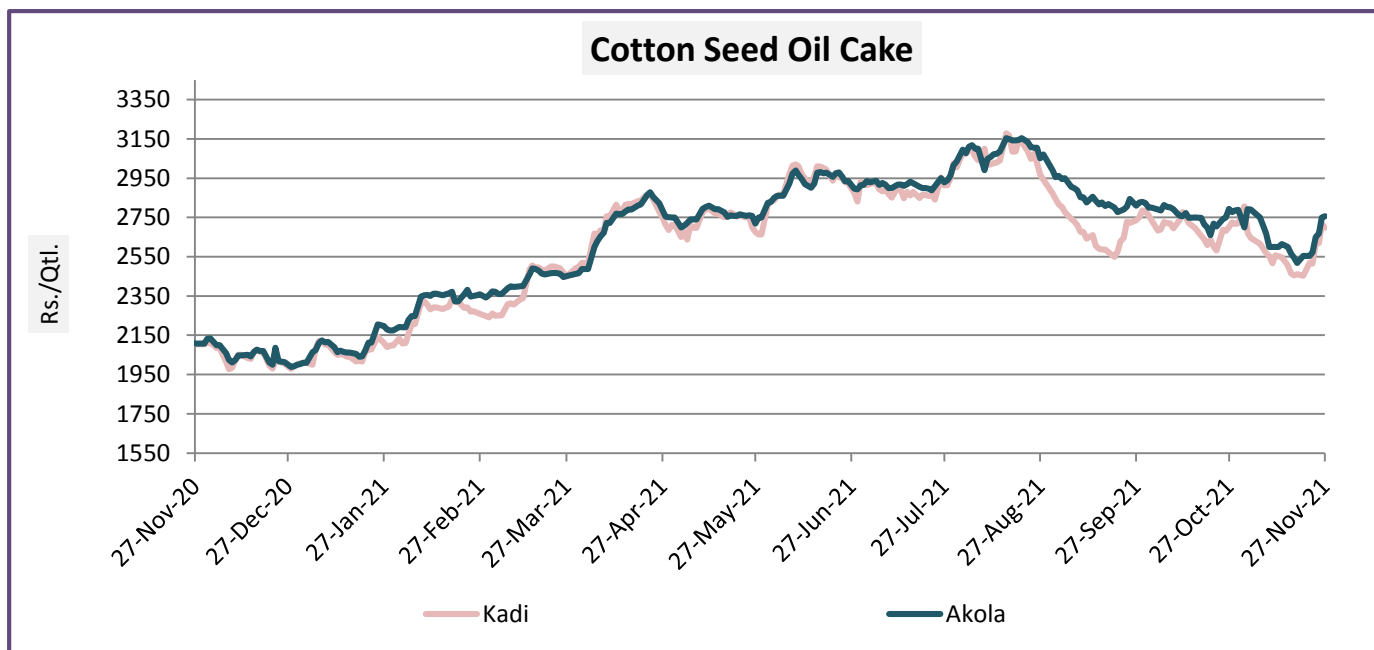
Source: Agriwatch



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. 2513 per quintal from Rs. 2514 per quintal and in Akola prices were at Rs. 2570 per quintal from Rs. 2588 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	24-Nov-21	17-Nov-21	
Kadi	2513	2514	-0.04
Akola	2570	2588	-0.69



Source: NCDEX

International Market Scenario

- USDA has released US cotton harvested as of 21st November 2021, showing the US at 75 percent versus the 5 year average of 71 percent. Georgia and South Carolina were the furthest behind, while California, Texas and Oklahoma were the furthest ahead.

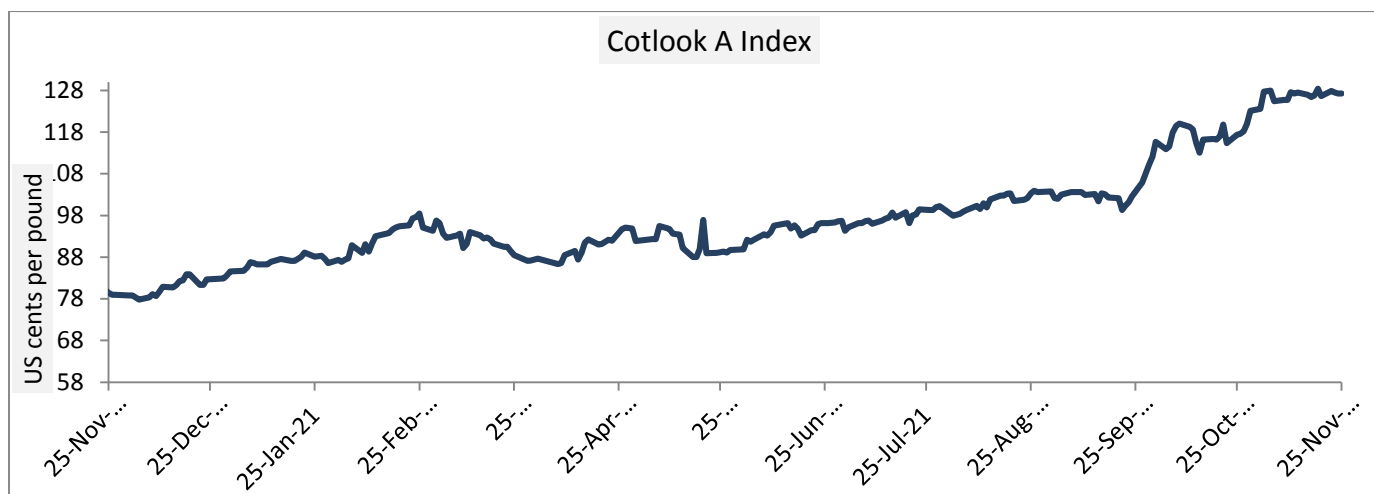
- According to the fibre to fashion textile and apparel (texpro) data, Pakistan cotton production is expected to increase in 2021-22 season by 44.44 percent to 6.50 million bales compared to 4.50 million bales in 2020-21 season due to excellent conditions during harvest and a good growing season. Cotton imports are expected to fall by 6.19 percent during 2021-22 season as compared to 5.33 million bales in 2020-21 season. The country's cotton yarn and cloth exports have been rising consistently since the beginning of this year. Further Cotton consumption in Pakistan is also expected to increase by 5.64 percent to 11.23 million bales in 2021-22 compared to 10.63 million bales in 2020-21 season. According to USDA, as of 14th 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 127.56 cents/lb higher as compared to the previous week (127.00 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	24-Nov-21	17-Nov-21	
Prices	127.56	127.00	0.44
Prices in US cents per Pound			

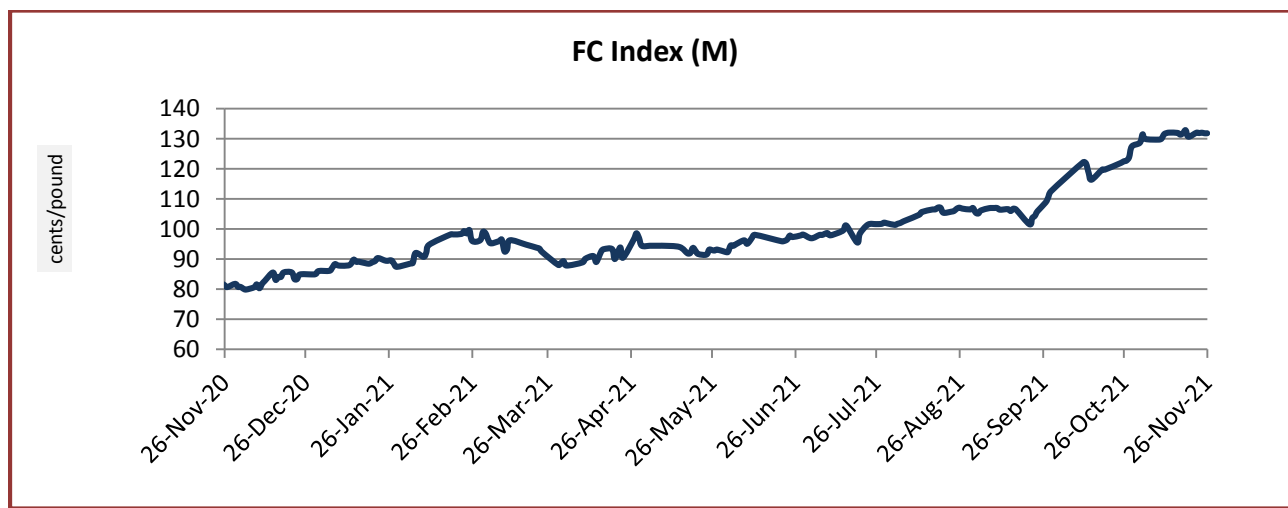
Source: Cotlook


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	24-Nov-21	17-Nov-21	
FC (S)	133.37	133.27	0.08
FC (M)	131.92	131.85	0.05
FC (L)	130.32	130.26	0.05

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	24-Nov-21	17-Nov-21	
CCIndex(328)	22690.20	22641.40	0.22
CCIndex(527)	21260.00	21248.60	0.05
CCIndex(229)	23214.20	23175.00	0.17
Prices in Yuan per ton			

Source: China Cotton Association

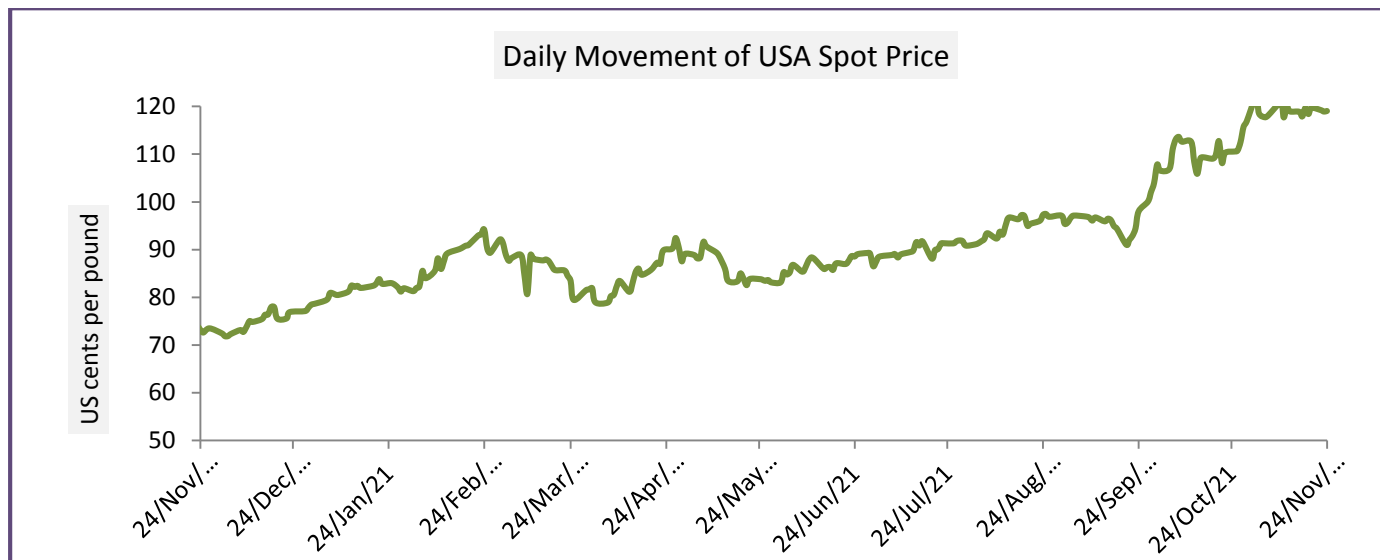


USA Spot Prices

U.S.A spot prices have decreased from the prior week by 0.01 percent at 119.05 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	24-Nov-21	17-Nov-21	
Prices	119.05	119.06	-0.01
Prices in US cents per Pound			

Source: USDA

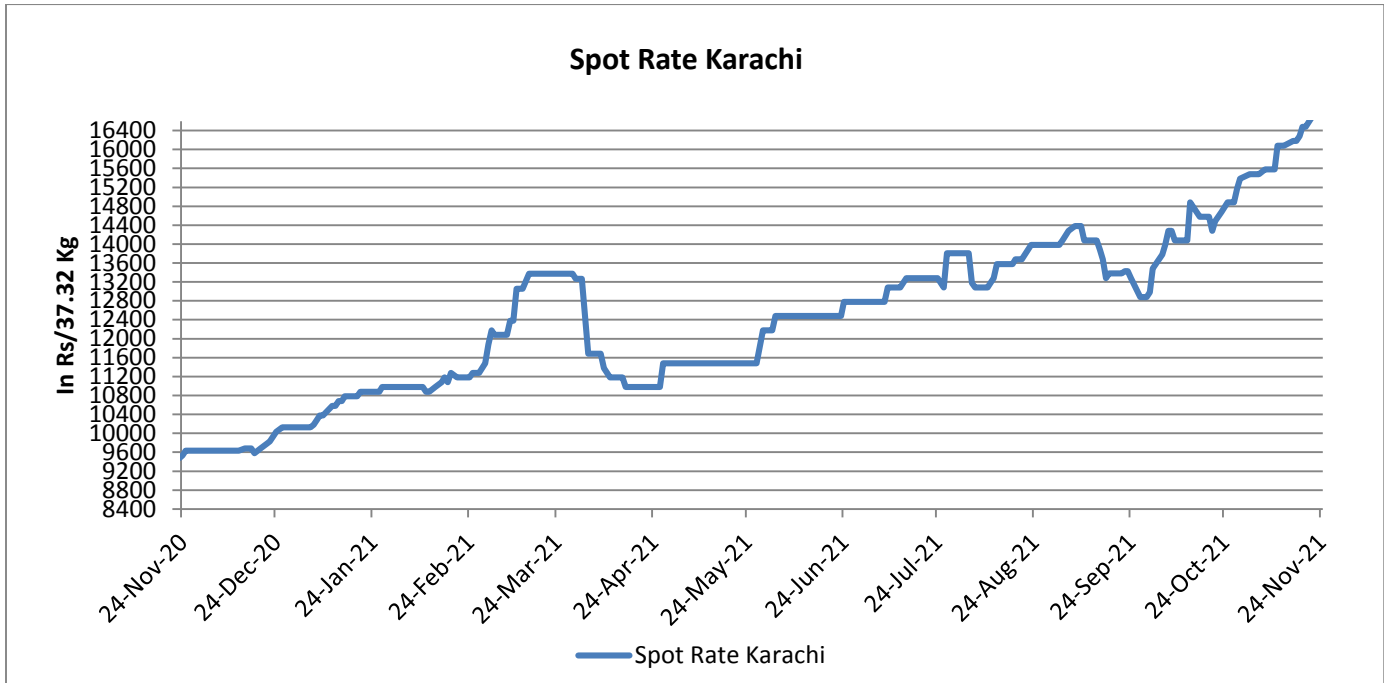


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.17640/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	24-Nov-21	17-Nov-21	
Prices	17640	16700	5.63
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Nov

Expiry: Nov. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/11/21 - Weekly B:31220.00 A:32110.00
O 31660.00 H 32600.00 L 31300.00 C 31410.00 ↑ V 4,149 T 3,297,779 I 359 -390 -1.23%



Technical Commentary:

- The recent trend is bullish in cotton.
- Mild resistance is seen around 31620.
- 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	30990	31070	31410	31620	31740
			Call	Entry	T1	T2	SL
Cotton	MCX	Nov	Buy	31400	31500	31590	31330

* 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)2021/11/21 ~ Weekly B:2720.00 A:2722.00
O 2499.00 H 2765.00 L 2499.00 C 2732.00 ↑ V 247,440 I 48,620 +247 +9.94%


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 2872.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2542	2612	2732	2872	2932
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2722	2822	2842	2652

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.

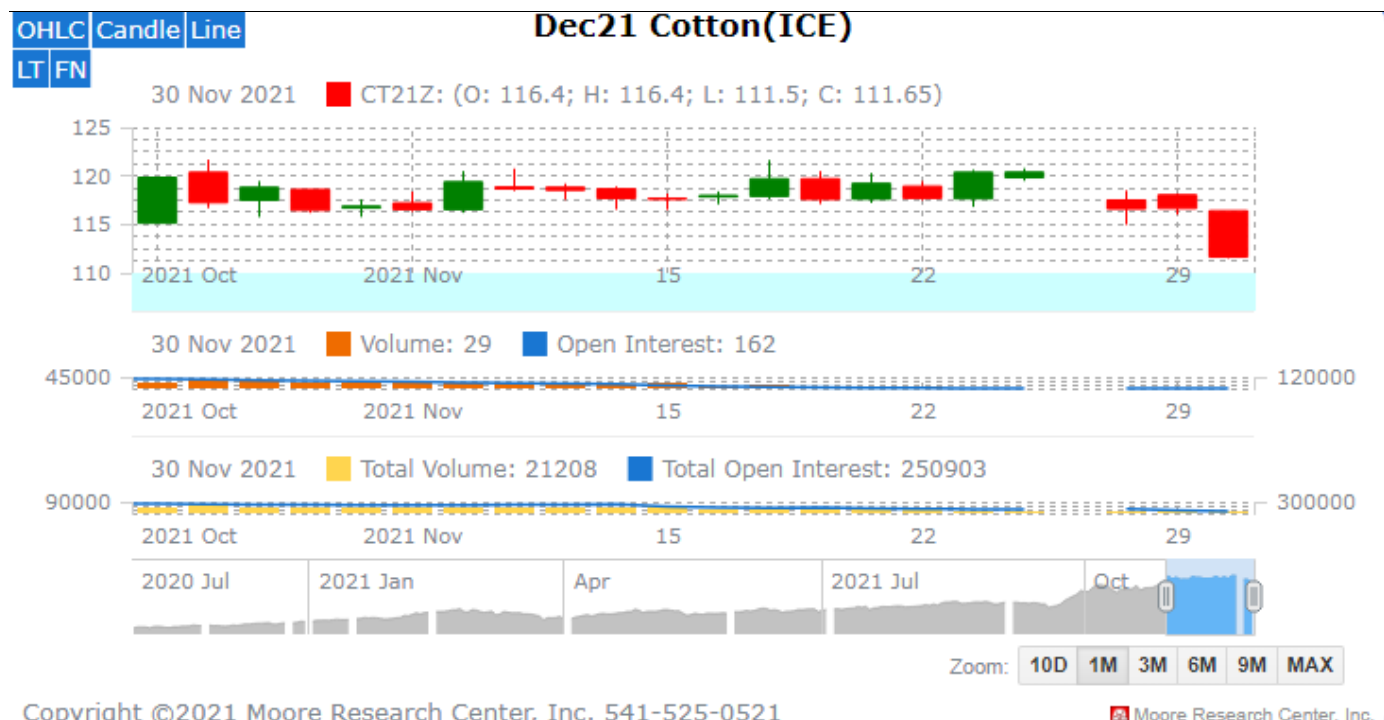
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	111-128

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
108	105	118	124

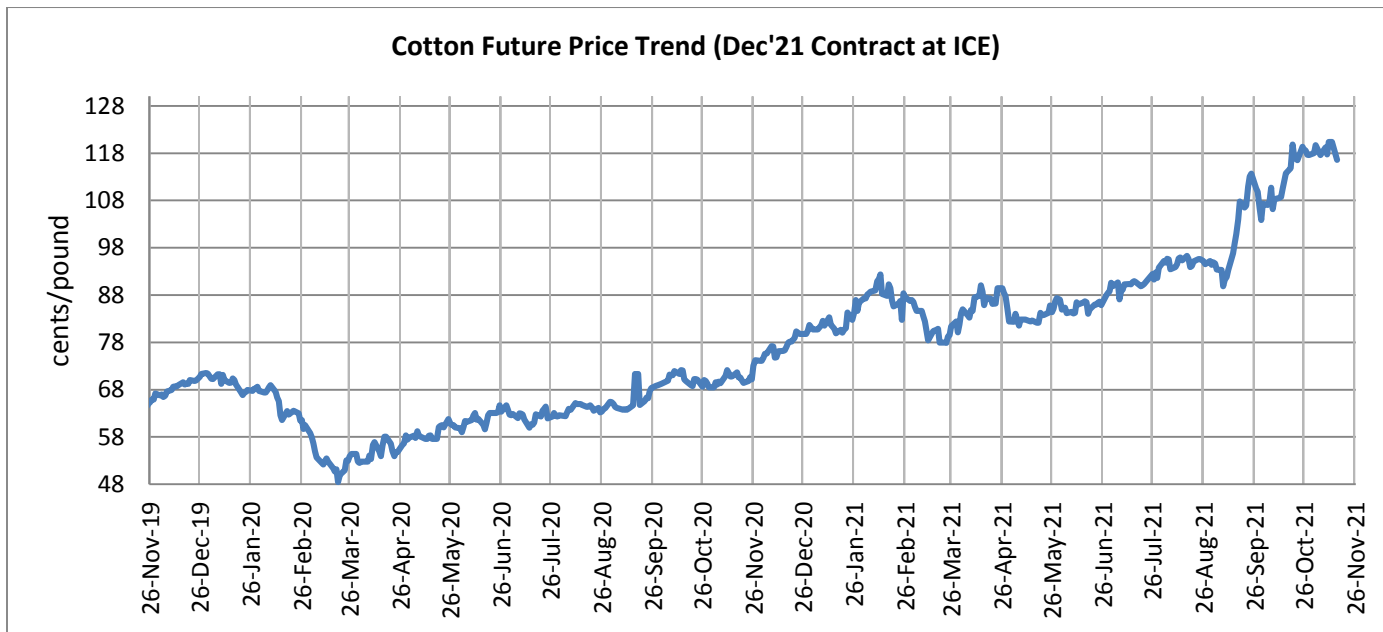
Figures in US cents/pound



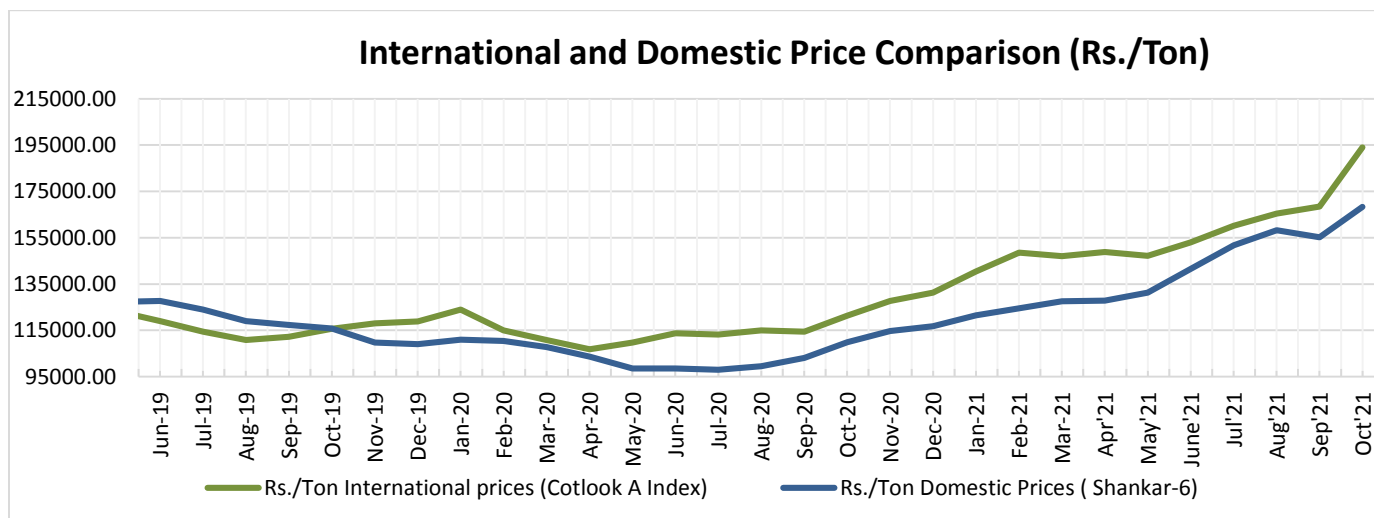
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	26-Nov-21	27-Oct-21 (1 month ago)	28-Aug-21 (3 months ago)	30-May-20 (6 months ago)	26-Nov-20 (a year ago)	% Change over a month	% Change over previous year
Dec-21	116.6	110.52	96.27	82.12	72.36	5.50	61.14
Mar-22	111.78	108.64	94.84	83.78	73.21	2.89	52.68
May-22	109.93	107.36	93.83	83.32	73.89	2.39	48.78
Jul-22	106.85	105.77	93.18	83.31	71.65	1.02	49.13
Dec-22	94.77	96.57	91.55	83.27	70.80	-1.86	33.86

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			18th Nov'21 to 24th Nov'21	11th Nov'21 to 17th Nov'21	
Gujarat	Ahmedabad	Shankar-6	8415	8442	-27
	Gondal	Shankar-6	8602	8575	27
	Rajkot	B.T. Cotton	8576	8672	-96
	Patan	B.T. Cotton	8442	8460	-18
	Kadi	B.T. Cotton	8080	8000	80
	Deesa	B.T. Cotton	7775	7969	-194
	Dhrol	B.T. Cotton	8443	8564	-122
Haryana	Bhiwani	B.T. Cotton	8084	8377	-293
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8349	8483	-134
	Fatehabad	B.T. Cotton	8220	8442	-222
	Jind	B.T. Cotton	7850	8271	-421
	Uchana	B.T. Cotton	8081	8278	-197
	Dabwali	B.T. Cotton	8423	8533	-110
Rajasthan	Hanumangarh	B.T. Cotton	8580	8700	-120
	Rawatsar	B.T. Cotton	8450	8508	-58
Madhya Pradesh	Khandwa	Mech-1	8163	8330	-168
	Khargaon	Mech-1	8303	8593	-290
Maharashtra	Amravati	Mech-1	8400	8400	Unch

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7300	7333	-33
	Hathras	Desi	7320	7233	87
Telangana	Adilabad	Un-Ginned	7823	7858	-35
Karnataka	Bijapur	Bunny	8423	8566	-142
	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	18th Nov'21 to 24th Nov'21	11th Nov'21 to 17th Nov'21	
Punjab	Bhatinda	J-34	6600	6763	-163
	Abohar	J-34	6602	6773	-171
	Mansa	J-34	6598	6693	-95
Haryana	Sirsa	J-34	6478	6653	-175
Rajasthan	Sri-Ganganagar	J-34	6007	6377	-370

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	18th Nov'21 to 24th Nov'21	11th Nov'21 to 17th Nov'21	
Gujarat	Ahmedabad	Shankar-6	289000	331500	-42500
	Gondal	Shankar-6	22698	30338	-7640
	Rajkot	B.T. Cotton	29200	36100	-6900
	Patan	B.T. Cotton	43200	92201	-49001
	Kadi	B.T. Cotton	115000	200000	-85000
	Deesa	B.T. Cotton	3800	8400	-4600
	Dhrol	B.T. Cotton	1470	2089	-619
Haryana	Bhiwani	B.T. Cotton	13000	14000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7650	5440	2210
	Fatehabad	B.T. Cotton	1750	2050	-300
	Jind	B.T. Cotton	5814	5780	34
	Uchana	B.T. Cotton	4645	1675	2970
	Dabwali	B.T. Cotton	10000	8475	1525
Rajasthan	Hanumangarh	B.T. Cotton	13000	15500	-2500
	Rawatsar	B.T. Cotton	22000	15000	7000
Madhya Pradesh	Khandwa	Mech-1	4900	7400	-2500
	Khargaon	Mech-1	20814	27490	-6676
Maharashtra	Amravati	Mech-1	41000	27000	14000

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	600	900	-300
	Hathras	Desi	420	425	-5
Telangana	Adilabad	Un-Ginned	181714	446114	-264400
Karnataka	Bijapur	Bunny	15077	38256	-23179
	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	18th Nov'21 to 24th Nov'21	11th Nov'21 to 17th Nov'21	
Punjab	Bhatinda	J-34	37400	42500	-5100
	Abohar	J-34	6120	6630	-510
	Mansa	J-34	2040	1360	680
Haryana	Sirsa	J-34	6630	4250	2380
Rajasthan	Sri-Ganganagar	J-34	15700	14700	1000

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Nov-21	20-Nov-21	26-Nov-21	26-Nov-20
Gujarat	Ahmedabad	Shankar-6	8500	8250	8500	5900
	Gondal	Shankar-6	8755	8580	8755	5500
	Rajkot	B.T. Cotton	8750	8575	8750	5530
	Patan	B.T. Cotton	8475	NA	8475	5515
	Kadi	B.T. Cotton	8500	8000	8500	5550
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	8670	8340	8670	NR
Haryana	Bhiwani	B.T. Cotton	8350	7800	8350	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	8600	8425	8600	5350
	Fatehabad	B.T. Cotton	8500	7900	8500	5350
	Jind	B.T. Cotton	8200	8075	8200	5700
	Uchana	B.T. Cotton	8640	7760	8640	5385
	Dabwali	B.T. Cotton	8735	8150	8735	NR
Rajasthan	Hanumangarh	B.T. Cotton	8800	8500	8800	Closed
	Rawatsar	B.T. Cotton	8800	8450	8800	Closed
Madhya Pradesh	Khandwa	Mech-1	8500	Closed	8500	5491

	Khargaon	Mech-1	NA	8020	NA	5427
Maharashtra	Amravati	Mech-1	8600	Closed	8600	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	7000	7400	7000	NA
	Hathras	Desi	7000	7300	7000	NA
Telangana	Adilabad	Un-Ginned	8130	0	8130	5400
Karnataka	Bijapur	Bunny	8759	8420	8759	5929
	Hubli	D.C.H.	8050	0	8050	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	26-Nov-21	20-Nov-21	26-Nov-21	26-Nov-20
Punjab	Bhatinda	J-34	6680	6580	6680	4360
	Abohar	J-34	6680	6580	6680	4360
	Mansa	J-34	6680	6580	6680	4350
Haryana	Sirsa	J-34	6630	6400	6630	4290
Rajasthan	Sri-Ganganagar	J-34	6242	5734	6242	4014

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Nov-21	20-Nov-21	26-Nov-21	26-Nov-20
Gujarat	Ahmedabad	Shankar-6	59500	59500	59500	68000
	Gondal	Shankar-6	3729	3790	3729	#N/A
	Rajkot	B.T. Cotton	5000	3200	5000	#N/A
	Patan	B.T. Cotton	15629	NA	15629	3450
	Kadi	B.T. Cotton	20000	10000	20000	#N/A
	Deesa	B.T. Cotton	NA	NA	NA	#N/A
	Dhrol	B.T. Cotton	329	127	329	#N/A
Haryana	Bhiwani	B.T. Cotton	2500	2000	2500	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	2210	1700	2210	#N/A
	Fatehabad	B.T. Cotton	1000	400	1000	#N/A
	Jind	B.T. Cotton	850	1360	850	#N/A
	Uchana	B.T. Cotton	830	1150	830	#N/A
	Dabwali	B.T. Cotton	3000	1800	3000	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	3000	2200	3000	#N/A
	Rawatsar	B.T. Cotton	10000	3000	10000	300
Madhya Pradesh	Khandwa	Mech-1	1100	Closed	1100	#N/A

	Khargaon	Mech-1	NA	1460	NA	#N/A
Maharashtra	Amravati	Mech-1	15000	Closed	15000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	60	100	60	#N/A
	Hathras	Desi	10	100	10	#N/A
Telangana	Adilabad	Un-Ginned	104926.5	0	104926.5	2734639
Karnataka	Bijapur	Bunny	3726	2626	3726	8393
	Hubli	D.C.H.	29	0	29	135
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	360
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Nov-21	20-Nov-21	26-Nov-21	26-Nov-20
Punjab	Bhatinda	J-34	6800	6800	6800	11900
	Abohar	J-34	1190	1190	1190	170
	Mansa	J-34	340	340	340	170
	Sirsa	J-34	1700	1190	1700	170
	Sri-Ganganagar	J-34	4000	3200	4000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				18th Nov'21 to 24th Nov'21	11th Nov'21 to 17th Nov'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	49567	51600	-2033
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	50167	52200	-2033
J-34(202)	26mm	3.5 - 4.9	23	61683	63217	-1533
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	65267	66000	-733
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	67167	68417	-1250
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	115000	117167	-2167

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