

COTTON WEEKLY RESEARCH REPORT
06th Dec 2021**Domestic market summary**

Domestic Market Scenario: With the chance of reemergence of the covid-19 variant Omicron, the price in the local cotton market in Ahmadabad has dropped by Rs. 1,000- Rs. 1,200 per candy. Cotton Association of India has maintained its cotton crop for the 2021-22 season at 360.13 lakh bales. Indian cotton arrivals are near 1,50,000 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 (123.30 cents/lbs) compared to the ICE cotton future that stood at 111.41 cents/lbs.

Market Highlights:

- The prices in the local cotton market in Ahmedabad has dropped by Rs. 1,000- Rs. 1,200 per candy as the new covid -19 variant Omicron, currently circulating in south Africa. Cotton shanker-6 prices were down to Rs. 65,300- Rs. 65,800 per candy in local market. Although the new crop arrivals are slow in the local markets and domestic mills are making limited purchases due to the high prices of the natural fibre compared to the previous season. About 35,000 to 40,000 cotton are daily arriving in the market. Currently arrivals are slow as farmers are busy with marriage season and there is also labour shortage to pluck cotton. The arrivals are expected to pick up after 10th December 2021.
- All 82 cotton ginning units of Punjab are unable to keep their operations running to capacity due to a shortage of nearly one-fourth of the required natural fibre in the market. 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, the state 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 was purchased during 2017-18 and more than 10 lakh quintals

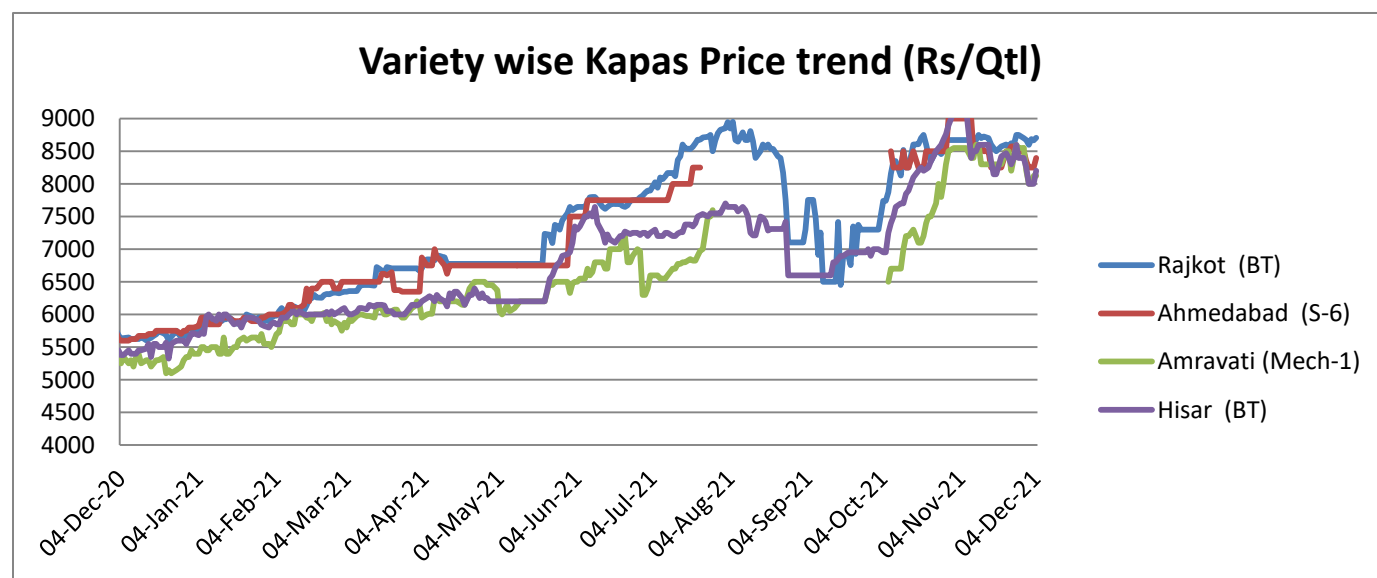
each in 2018 and 2019. Also, Factory owners has said that they are facing financial losses as the units are working between 25-50% of the capacity while nearly 10 units are lying shut in Bathinda and Mansa.

- Cotton yield in this season is expected to be lower by about 20 percent mainly due to unusually heavy rains in the major cotton growing areas of West and South India during September to November 2021. Untimely rains, poor quality hybrid seeds used in HTBT (herbicide tolerant biotechnology) cotton seeds and incidence of pink bollworm in some areas have resulted in a severe drop in the yields. Despite a huge demand for the fibre crop in the domestic and international markets, thousands of farmers are not able to cash in on a high price situation in several mandis. The late rains and pink bollworm incidence are the major reasons for poor yields and production in cotton this year. The use of poor quality seed supplied in Gujarat, Madhya Pradesh, and Maharashtra is also an important reason for the drop in yields.
- The Agriculture and Farmer's Welfare Department has conducted the inspection of cotton farms, according to that 60 percent of the cotton farms in Tiruchi was destroyed due to heavy rains and water logging. About 5,500 hectares has been totally destroyed in the rains. In Tiruchi, cotton was cultivated in more than 10,000 hectares this season. In Madurai also, several cotton farmers have lost their whole crop leading to huge losses.

Domestic Cotton Prices Scenario

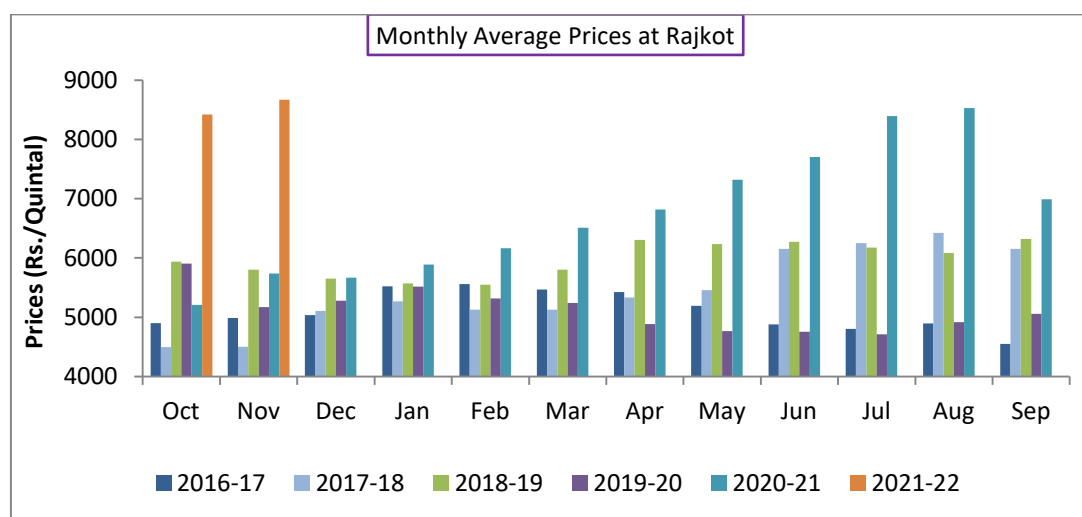
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 8679/q compared to previous week Rs. 8576/q whereas, in Hisar were prices stood lower at Rs. 8341/q compared to previous week price of Rs. 8359/qt. For Amravati and Ahmedabad prices were at Rs. 8383/qt and Rs. 8445/qt respectively.



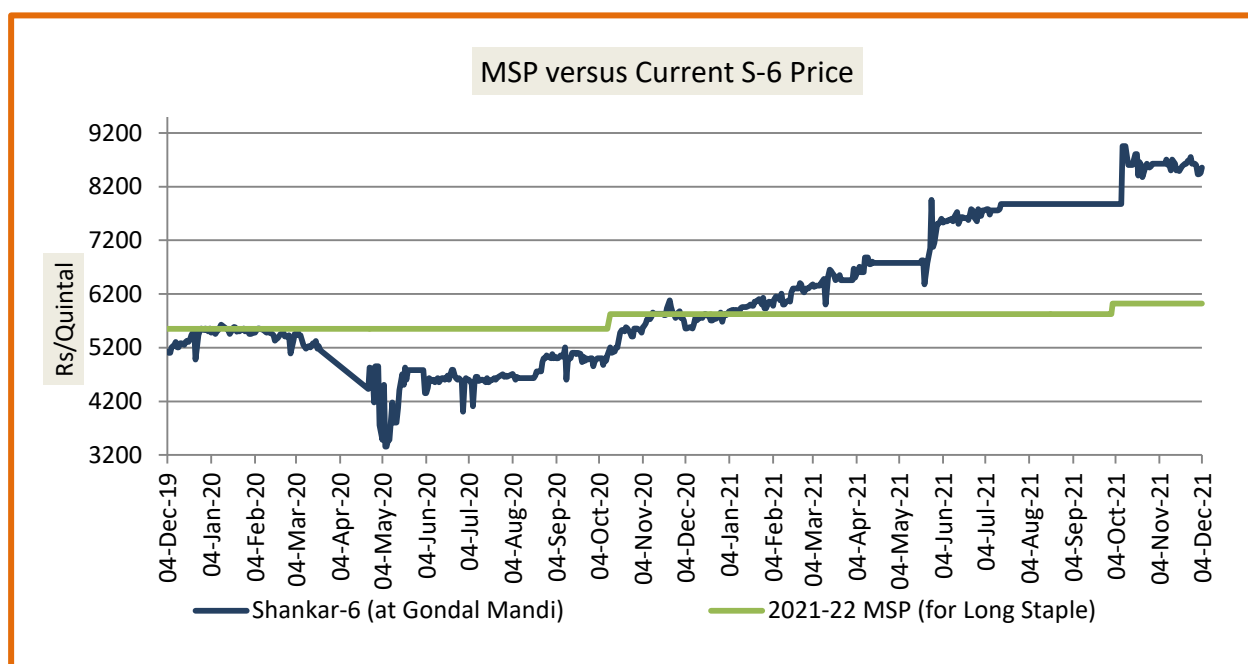
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of November were higher in the market and the monthly average price were at Rs. 8667.5/q compared to the prices during the corresponding month of the previous season.(Rs. 5740/q)



Spot Price versus MSP

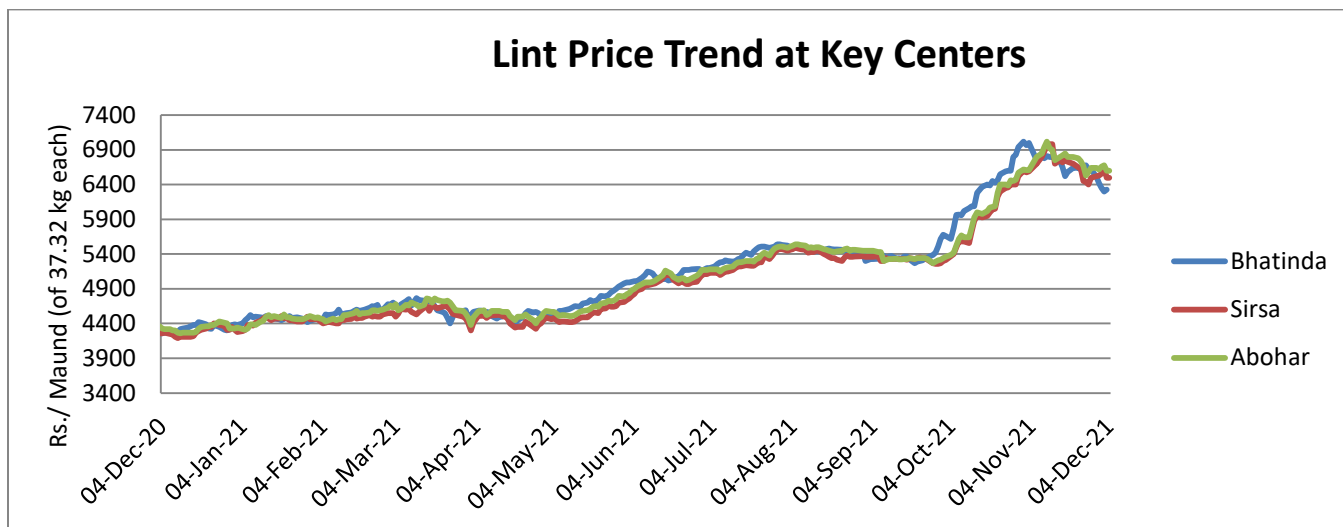
Average kapas price at Gondal market stood slightly higher at Rs. 8660/qt from the previous week at Rs. 8602/q.



Source: Agriwatch

Lint price Outlook

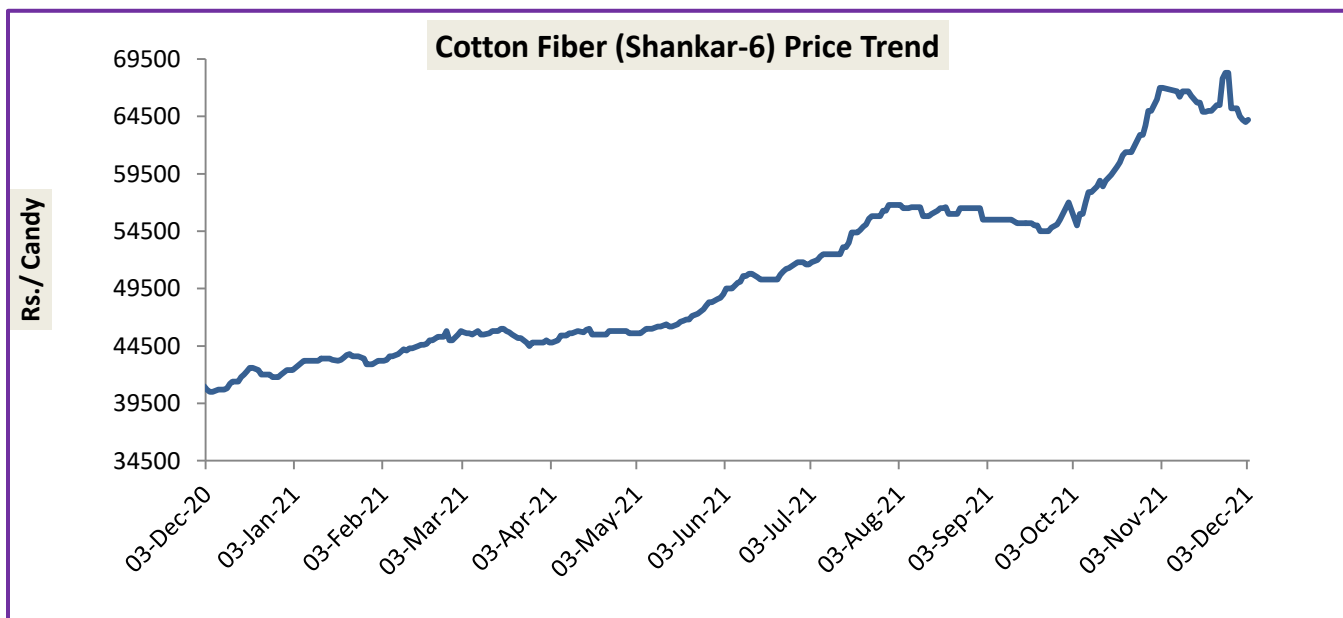
The average price stood higher at Rs.6586/maund of lint in Abohar, in Bhatinda was at Rs.6585/ maund, and same in sirsa at Rs.6481/maund.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.65950/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

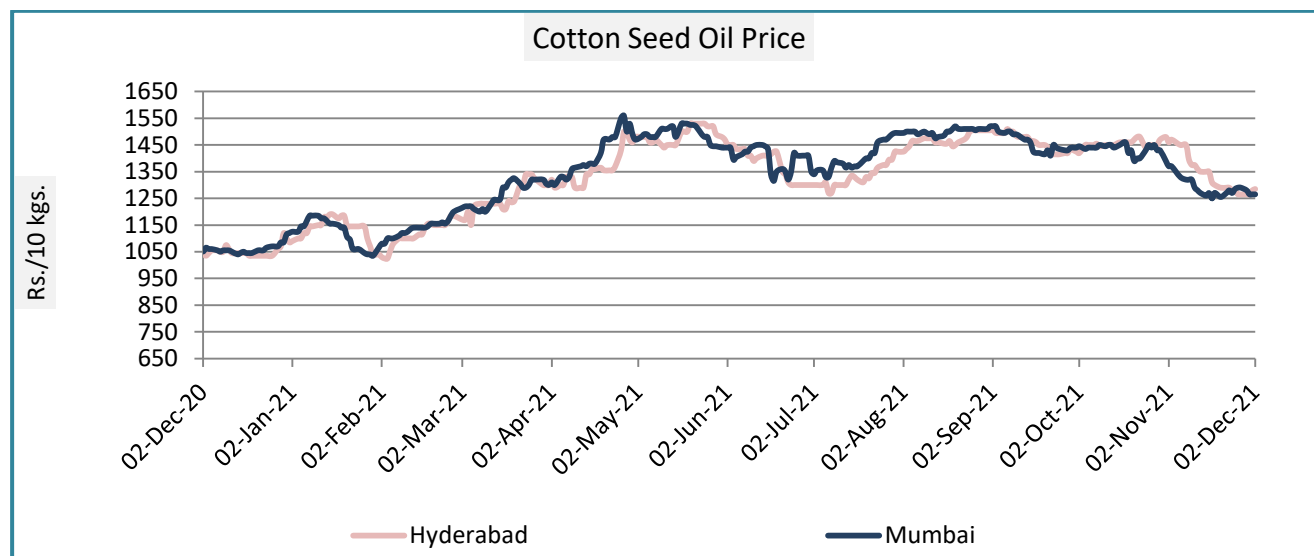
Cotton Seed Oil weekly

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
	01-Dec-21	24-Nov-21	
New Delhi	-	-	-
Rajkot	1271	1286	-1.17
Hyderabad	1261	1276	-1.18
Mumbai	1268	1283	-1.17

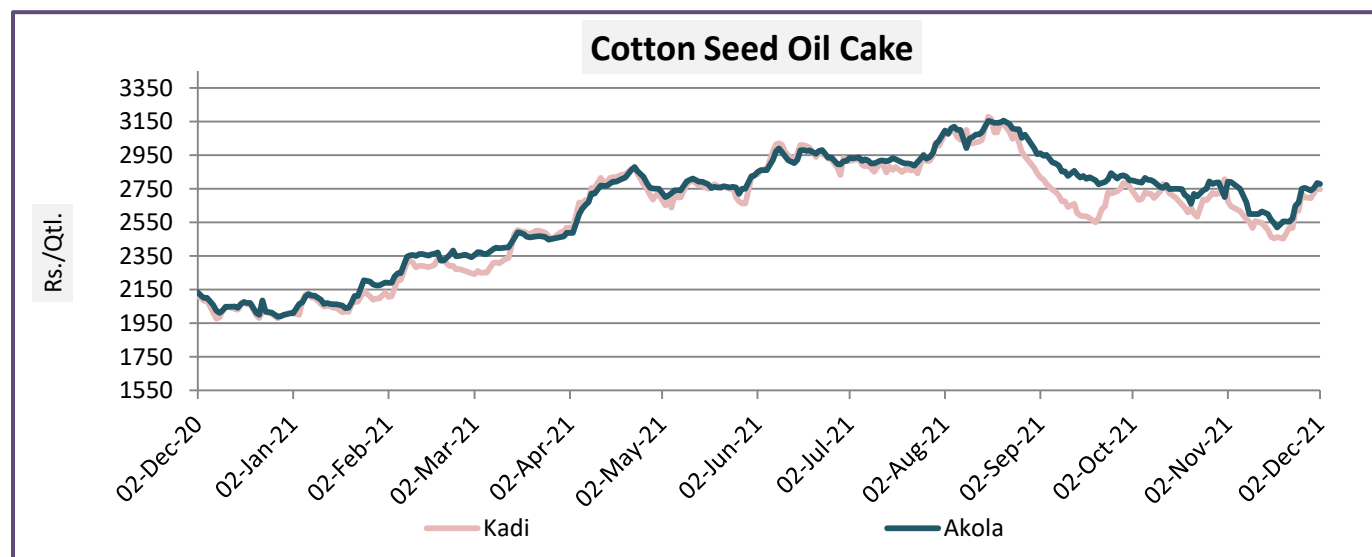
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The cottonseed oilcake prices have increased from the previous week. The average price of cottonseed oilcake in the Kadi market was Rs. 2691 per quintal from Rs. 2513 per quintal and in Akola prices were at Rs. 2734 per quintal from Rs. 2570 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	01-Dec-21	24-Nov-21	
Kadi	2691	2513	7.08
Akola	2734	2570	6.38



Source: NCDEX

International Market Scenario

- International cotton markets crashed due to new wave of coronavirus. Pakistan local market was also affected while the trading volume remained low. The rate of Sindh as per quality is in between Rs. 14,500 to Rs. 18,000 per maund and in Punjab is in between Rs. 16,400 to Rs. 18,000 per maund.
- According to the International Cotton Advisory Committee December report, india's cotton production for the 2021-22 season is projected at 5.90 million metric tons lower from the previous season estimate of 6.00 million metric tonnes. While consumption is estimated at 5.70 million metric tonnes. Global cotton

production is projected at 25.73 million metric tonnes higher from previous season of 24.30 million metric tons.

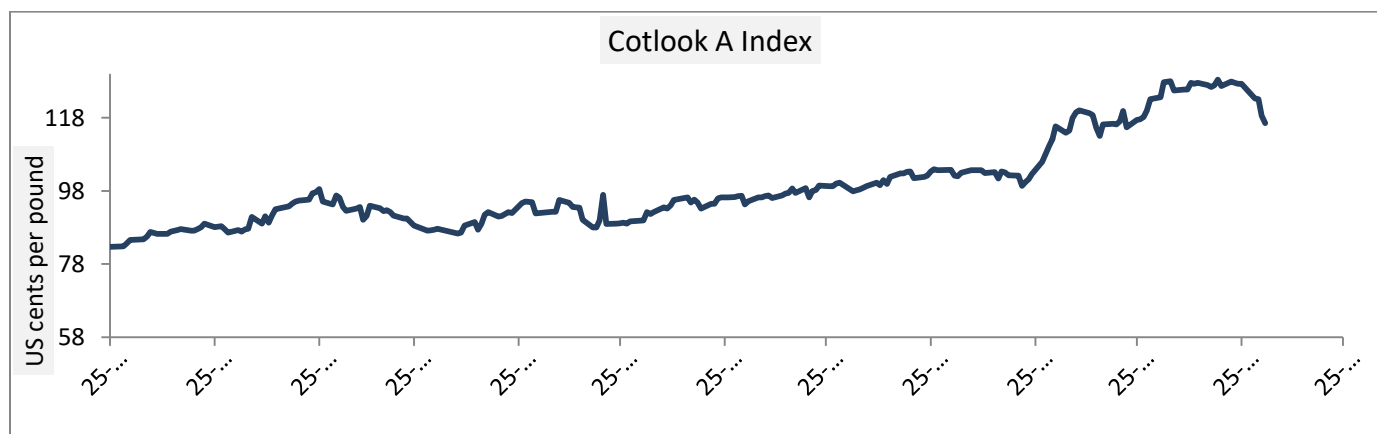
- USDA has released US cotton harvested report as of 28th November 2021, showing the US at 85 percent versus the 5 year average of 79 percent. Georgia and South Carolina were the furthest behind, while California, Texas and Oklahoma were the furthest ahead.
- According to the fibre to fashion textile 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.

Cotlook A Index

Cotlook A index was lower this week. The Cotlook A Index was at 121.74 cents/lb higher as compared to the previous week (127.56 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	01-Dec-21	24-Nov-21	
Prices	121.74	127.56	-4.56
Prices in US cents per Pound			

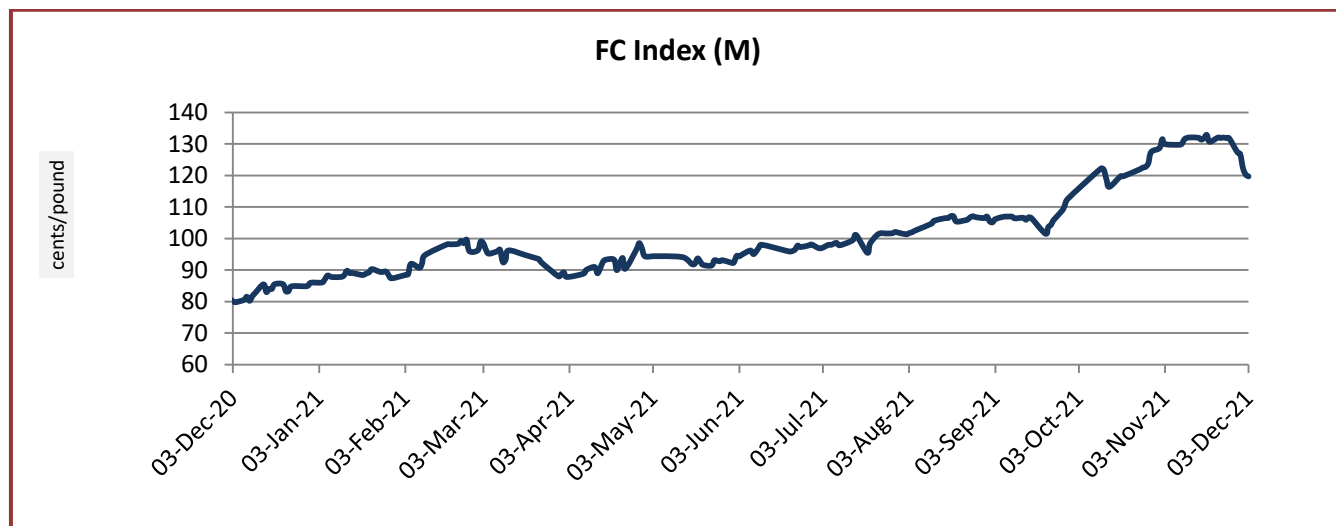
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	1-Dec-21	24-Nov-21	
FC (S)	131.46	133.37	-1.43
FC (M)	128.05	131.92	-2.93
FC (L)	126.46	130.32	-2.96
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	01-Dec-21	24-Nov-21	
CCIndex(328)	22537.80	22690.20	-0.67
CCIndex(527)	21083.80	21260.00	-0.83
CCIndex(229)	23088.20	23214.20	-0.54
Prices in Yuan per ton			

Source: China Cotton Association

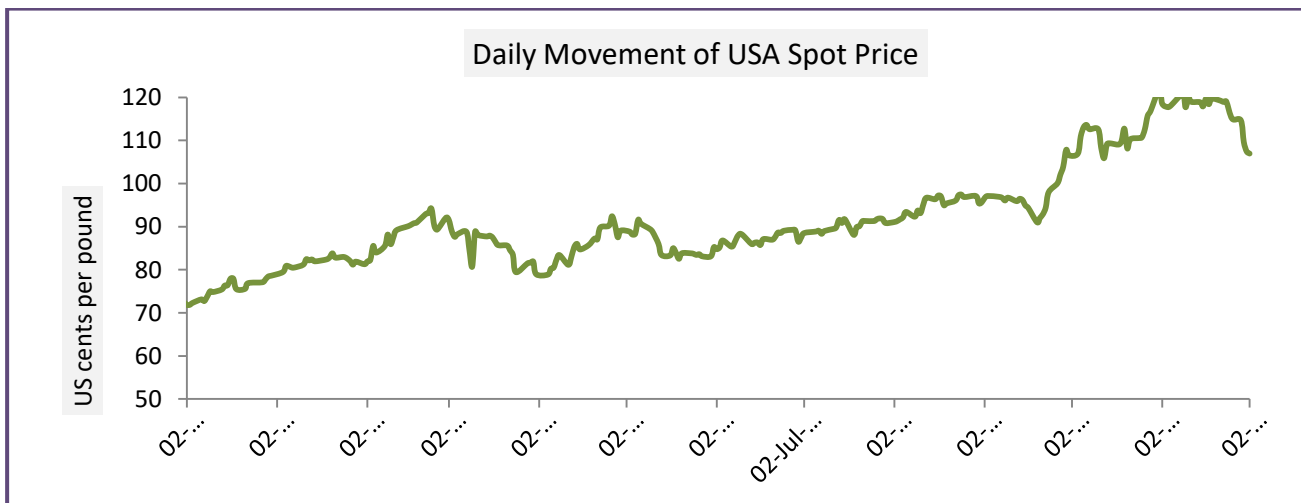


USA Spot Prices

U.S.A spot prices have decreased from the prior week by 6.97 percent at 110.75 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	01-Dec-21	24-Nov-21	
Prices	110.75	119.05	-6.97
Prices in US cents per Pound			

Source: USDA

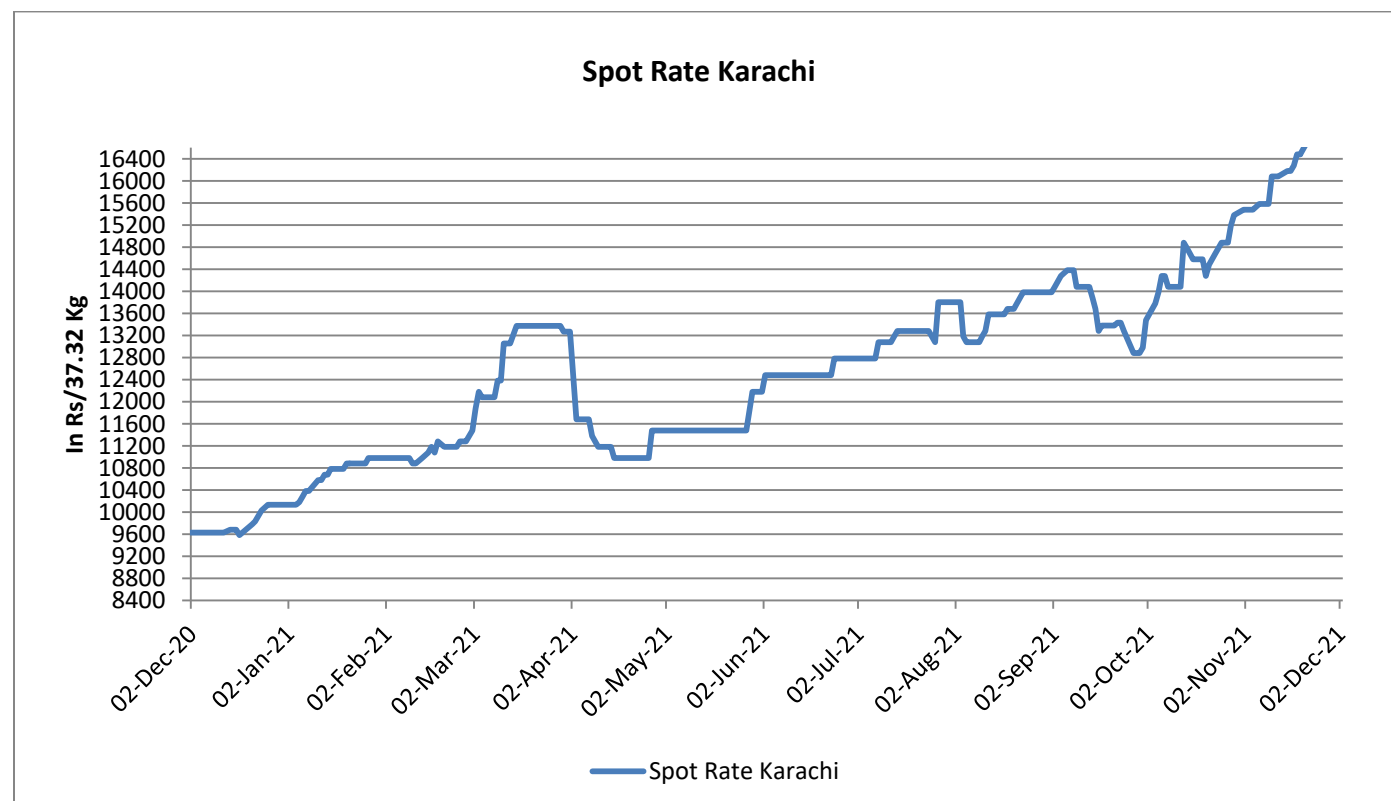


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.17560/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	01-Dec-21	24-Nov-21	
Prices	17560	17640	-0.45
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Dec

Expiry: Dec. 30, 2021

Cotton

Technical Commentary:

- The recent trend is bullish in cotton.
- Mild resistance is seen around 31370.
- If the market tests the support at 30590, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	30740	30820	31160	31370	31490
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Buy	31150	31250	31340	31080

* 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 2530 and then a trendline support at 2420. Strong resistance is seen at 2879.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2549	2619	2739	2879	2939
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2729	2829	2849	2659

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	109-121

Expected Support and Resistance

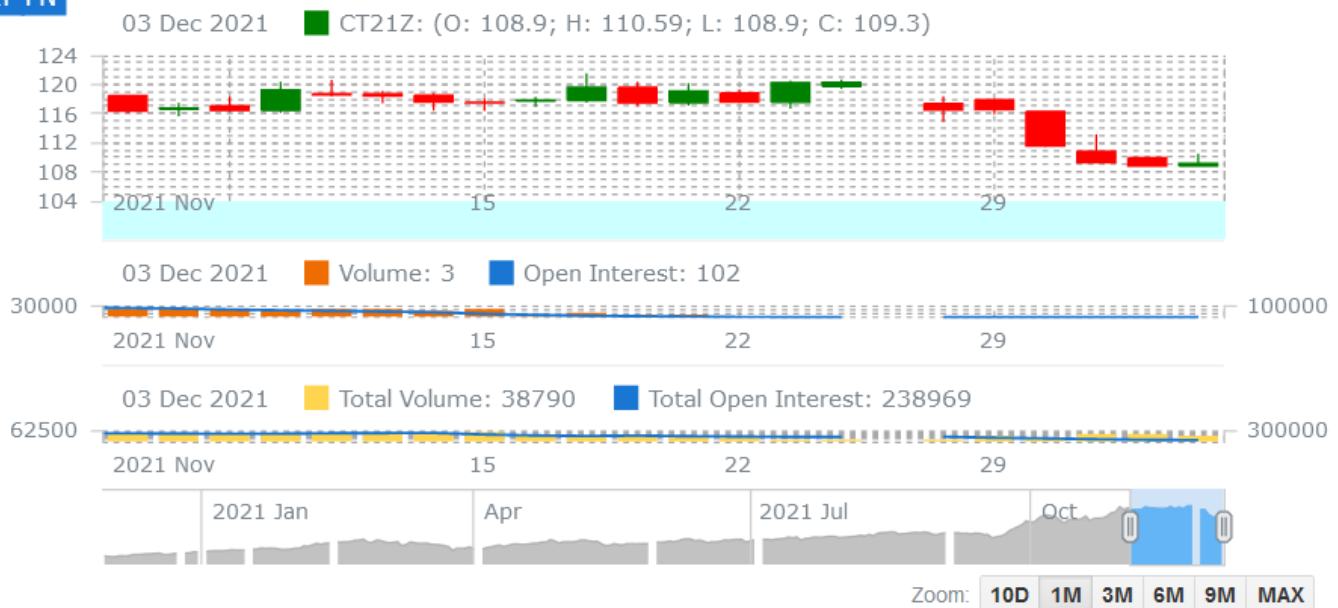
Support 1	Support 2	Resistance 1	Resistance 2
108	100	115	120

Figures in US cents/pound

OHLC Candle Line

LT FN

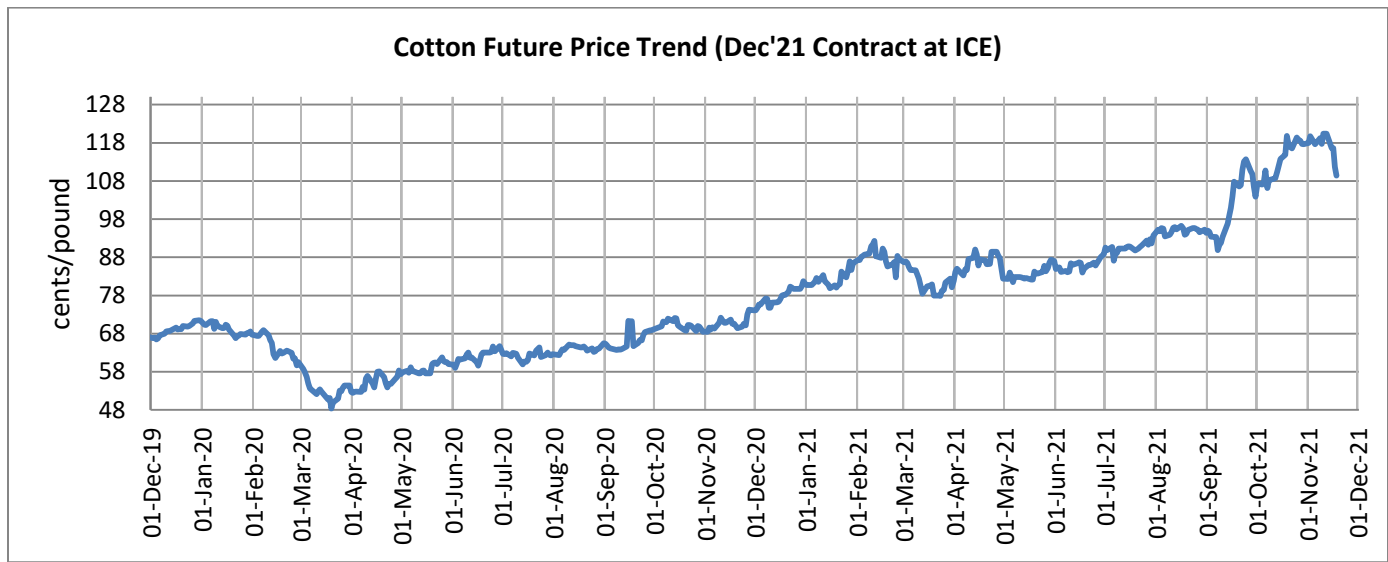
Dec21 Cotton(ICE)



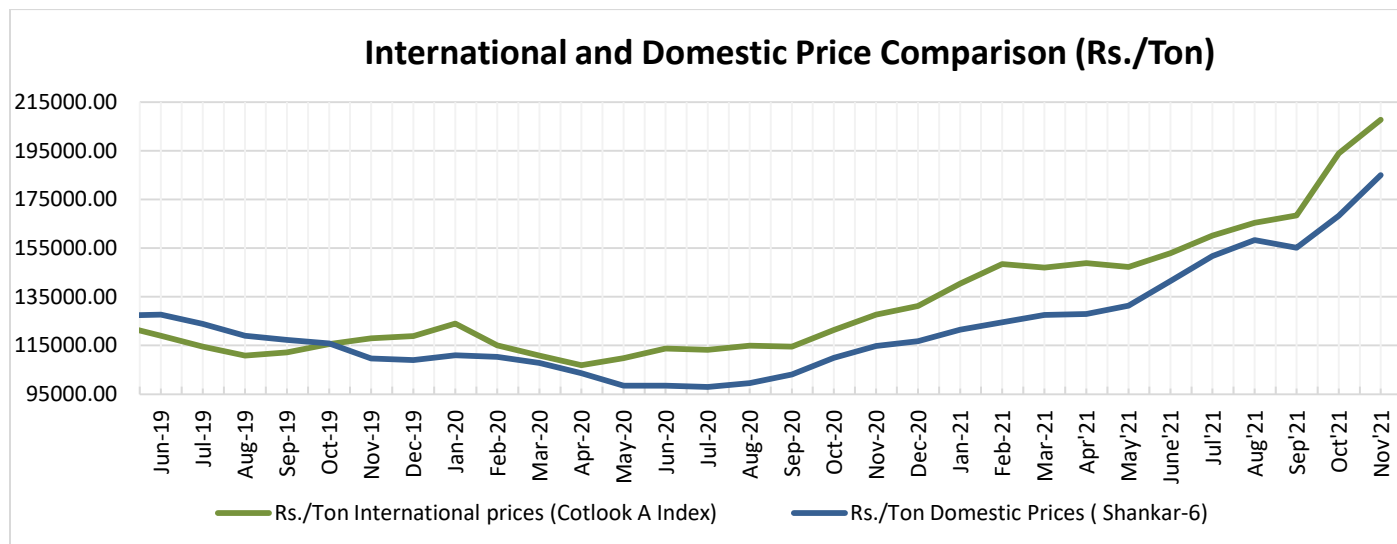
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	01-Dec-21	01-Nov-21 (1 month ago)	02-Sep-21 (3 months ago)	04-Jun-20 (6 months ago)	01-Dec-20 (a year ago)	% Change over a month	% Change over previous year
Dec-21	109.39	119.84	95.14	85.80	72.19	-8.72	51.53
Mar-22	104.19	115.03	93.29	85.18	73.07	-9.42	42.59
May-22	102.77	113.45	92.64	85.04	73.77	-9.41	39.31
Jul-22	100.67	110.81	92.07	85.02	71.80	-9.15	40.21
Dec-22	90.86	99.56	90.48	84.94	70.59	-8.74	28.72

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		
State	Centre	Variety	25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	Change
Gujarat	Ahmedabad	Shankar-6	8446	8415	31
	Gondal	Shankar-6	8622	8602	20
	Rajkot	B.T. Cotton	8657	8576	81
	Patan	B.T. Cotton	8445	8442	3
	Kadi	B.T. Cotton	8392	8080	312
	Deesa	B.T. Cotton	8096	7775	321
	Dhrol	B.T. Cotton	8509	8443	67
Haryana	Bhiwani	B.T. Cotton	8175	8084	91
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8342	8349	-7
	Fatehabad	B.T. Cotton	8308	8220	88
	Jind	B.T. Cotton	8000	7850	150
	Uchana	B.T. Cotton	8482	8081	401
	Dabwali	B.T. Cotton	8576	8423	153
Rajasthan	Hanumangarh	B.T. Cotton	8700	8580	120

	Rawatsar	B.T. Cotton	8710	8450	260
Madhya Pradesh	Khandwa	Mech-1	8420	8163	258
	Khargaon	Mech-1	8678	8303	375
Maharashtra	Amravati	Mech-1	8383	8400	-17
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7050	7300	-250
	Hathras	Desi	7125	7320	-195
Telangana	Adilabad	Un-Ginned	7938	7823	114
Karnataka	Bijapur	Bunny	8699	8423	276
	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	25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	
Punjab	Bhatinda	J-34	6618	6600	18
	Abohar	J-34	6610	6602	8
	Mansa	J-34	6618	6598	20
Haryana	Sirsa	J-34	6482	6478	4
Rajasthan	Sri-Ganganagar	J-34	6139	6007	132

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	
Gujarat	Ahmedabad	Shankar-6	309400	289000	20400
	Gondal	Shankar-6	19294	22698	-3404
	Rajkot	B.T. Cotton	37600	29200	8400
	Patan	B.T. Cotton	42225	43200	-975
	Kadi	B.T. Cotton	110000	115000	-5000
	Deesa	B.T. Cotton	9600	3800	5800
	Dhrol	B.T. Cotton	2311	1470	841
Haryana	Bhiwani	B.T. Cotton	15900	13000	2900
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12580	7650	4930
	Fatehabad	B.T. Cotton	5650	1750	3900

	Jind	B.T. Cotton	5882	5814	68
	Uchana	B.T. Cotton	4480	4645	-165
	Dabwali	B.T. Cotton	14500	10000	4500
Rajasthan	Hanumangarh	B.T. Cotton	19500	13000	6500
	Rawatsar	B.T. Cotton	48000	22000	26000
Madhya Pradesh	Khandwa	Mech-1	6600	4900	1700
	Khargaon	Mech-1	42228	20814	21414
Maharashtra	Amravati	Mech-1	84000	41000	43000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	620	600	20
	Hathras	Desi	190	420	-230
Telangana	Adilabad	Un-Ginned	405464	181714	223751
Karnataka	Bijapur	Bunny	26748	15077	11671
	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	25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	
Punjab	Bhatinda	J-34	40800	37400	3400
	Abohar	J-34	6970	6120	850
	Mansa	J-34	3060	2040	1020
Haryana	Sirsa	J-34	10880	6630	4250
Rajasthan	Sri-Ganganagar	J-34	23500	15700	7800

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	03-Dec-21	27-Nov-21	03-Dec-21	03-Dec-20
Gujarat	Ahmedabad	Shankar-6	8250	8500	8250	5625
	Gondal	Shankar-6	8455	8630	8455	5500
	Rajkot	B.T. Cotton	8670	8615	8670	5530
	Patan	B.T. Cotton	8375	8375	8375	5515
	Kadi	B.T. Cotton	8200	8500	8200	5550
	Deesa	B.T. Cotton	NA	8050	NA	NA



	Dhrol	B.T. Cotton	8355	8500	8355	NR
Haryana	Bhiwani	B.T. Cotton	7500	8350	7500	5600
	Bhiwani	Desi	NA	0	NA	NA
	Adampur	B.T. Cotton	8000	8400	8000	5350
	Fatehabad	B.T. Cotton	7900	8350	7900	5350
	Jind	B.T. Cotton	7800	8200	7800	5700
	Uchana	B.T. Cotton	7950	8600	7950	5385
	Dabwali	B.T. Cotton	8150	8700	8150	NR
Rajasthan	Hanumangarh	B.T. Cotton	8250	8700	8250	Closed
	Rawatsar	B.T. Cotton	8400	8800	8400	Closed
Madhya Pradesh	Khandwa	Mech-1	8100	Closed	8100	5491
	Khargaon	Mech-1	8405	8600	8405	5427
Maharashtra	Amravati	Mech-1	8125	8550	8125	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	7000	7000	7000	NA
	Hathras	Desi	7200	7000	7200	NA
Telangana	Adilabad	Un-Ginned	7680	0	7680	5400
Karnataka	Bijapur	Bunny	8797	0	8797	5929
	Hubli	D.C.H.	NA	7959	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	03-Dec-21	27-Nov-21	03-Dec-21	03-Dec-20
Punjab	Bhatinda	J-34	6300	6620	6300	4260
	Abohar	J-34	6325	6600	6325	4270
	Mansa	J-34	6320	6620	6320	4325
Haryana	Sirsa	J-34	6160	6500	6160	4210
Rajasthan	Sri-Ganganagar	J-34	5922	6242	5922	3948

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	03-Dec-21	27-Nov-21	03-Dec-21	03-Dec-20
Gujarat	Ahmedabad	Shankar-6	51000	59500	51000	64600
	Gondal	Shankar-6	1191	2983	1191	#N/A

	Rajkot	B.T. Cotton	2900	7000	2900	#N/A
	Patan	B.T. Cotton	8583	17450	8583	3450
	Kadi	B.T. Cotton	5000	20000	5000	#N/A
	Deesa	B.T. Cotton	NA	2000	NA	#N/A
	Dhrol	B.T. Cotton	390	378	390	#N/A
Haryana	Bhiwani	B.T. Cotton	800	2500	800	1200
	Bhiwani	Desi	NA	0	NA	#N/A
	Adampur	B.T. Cotton	2040	2040	2040	#N/A
	Fatehabad	B.T. Cotton	800	1000	800	#N/A
	Jind	B.T. Cotton	1360	850	1360	#N/A
	Uchana	B.T. Cotton	1000	800	1000	#N/A
	Dabwali	B.T. Cotton	2300	2500	2300	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	3000	#N/A
	Rawatsar	B.T. Cotton	7000	10000	7000	500
Madhya Pradesh	Khandwa	Mech-1	1200	Closed	1200	#N/A
	Khargaon	Mech-1	1000	7110	1000	#N/A
Maharashtra	Amravati	Mech-1	9000	15000	9000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	50	60	50	#N/A
	Hathras	Desi	25	10	25	#N/A
Telangana	Adilabad	Un-Ginned	32040.8	0	32040.8	2550417
Karnataka	Bijapur	Bunny	5787	0	5787	0
	Hubli	D.C.H.	NA	12	NA	0
	Hubli	B.T. Cotton	NA	0	NA	0
	Raichur	H-44 Cotton	NA	0	NA	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	03-Dec-21	27-Nov-21	03-Dec-21	03-Dec-20
Punjab	Bhatinda	J-34	6800	6800	6800	8500
	Abohar	J-34	1360	850	1360	850
	Mansa	J-34	1190	340	1190	1190
	Sirsa	J-34	2040	1700	2040	2040
	Sri-Ganganagar	J-34	6000	5000	6000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	48333	49567	-1233
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	48933	50167	-1233
J-34(202)	26mm	3.5 - 4.9	23	61400	61683	-283
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	65250	65267	-17
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	67967	67167	800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	114667	115000	-333

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