

COTTON WEEKLY RESEARCH REPORT
20th Dec 2021**Domestic market summary**

Domestic Market Scenario: CAI has estimated total cotton supply at 154.76 lakh bales, which consists of the arrivals of 77.76 lakh bales, imports of 2 lakh bales during the month of November 2021 and Opening Stock of 75 lakh bales equivalent to 79.69 lakh running bales at the beginning of the season on 1st October 2021. Further, the CAI has estimated cotton consumption for the months of October and November 2021 at 55.83 lakh bales while export shipment of cotton during the months of October and November 2021 is estimated at 7.00 lakh bales. Stock at the end of November 2021 is estimated at 91.93 lakh bales. The cotton stock held by mills in their godown on 30th November 2021 is estimated at 56.00 lakh bales of 170 kgs. each. The mills have on an average 60 days stock in their godown.

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 (119.00 cents/lbs) compared to the ICE cotton future that stood at 106.81 cents/lbs.
- Indian currency is weaker against USD at 76 Rs./USD.

Market Highlights:

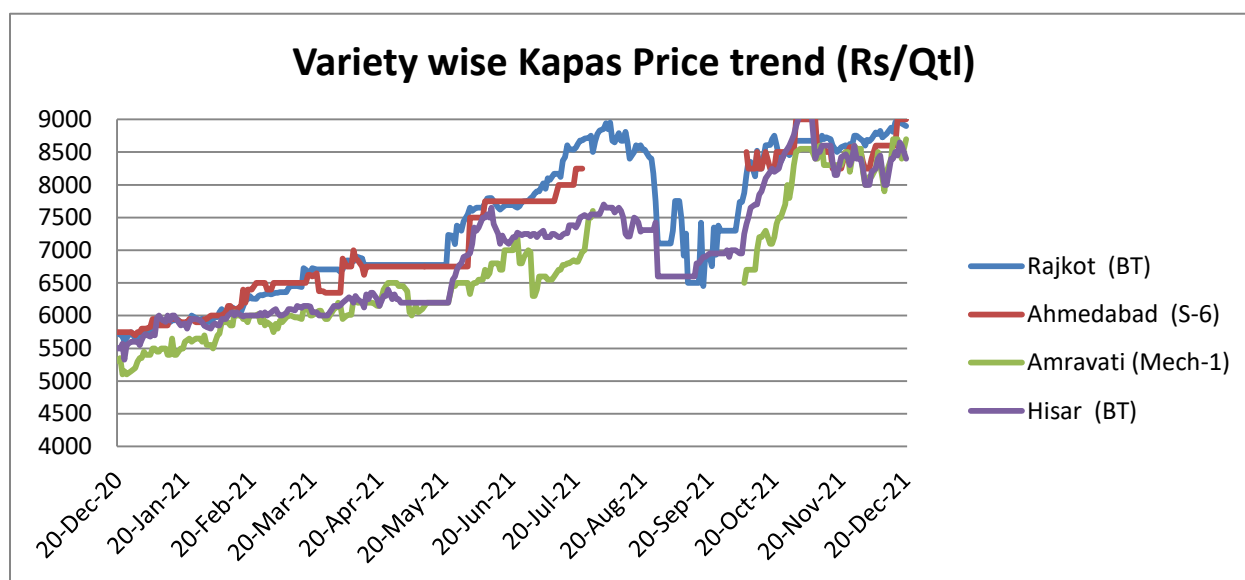
- The United States Department of Agriculture's Foreign Agricultural Services has predicted India's cotton output for the season at 28 million bales, which works out to about 359 lakh (170 kg) bales. The output estimate are consistent with the Cotton Association of India's (CAI) prediction of 360.13 lakh bales for 2021-22 season which is around 7 lakh bales higher from the 353 lakh bales estimated for 2020-21 season.
- The USDA's India's cotton and product report for the 2021-22 season has stated that the country's cotton picking will be higher as prices of the fiber firm up. Despite of the October rains in various parts of the country disrupting arrivals, there are possibilities of an increased picking as farmers would look for higher realization from the crop. Cotton picking continues in central and south India, where farmers are being instructed to drain excess water from the standing crop and monitor for bollworm and sucking pest infestation. Earlier the heavy rains have delayed the harvest in north and central India.
- Cotton yarn prices have gained in north during the last week due to higher demand from local downstream industries. Ludhiana market has witnessed a hike of Rs. 5 per kg in last 3-4 days. The prices in Delhi and

Kolkata market have also picked up by Rs.2-3 per kg. The demand for cotton yarn picked up after decline of around 5-10 percent due to Omicron variant worries.

Domestic Cotton Prices Scenario

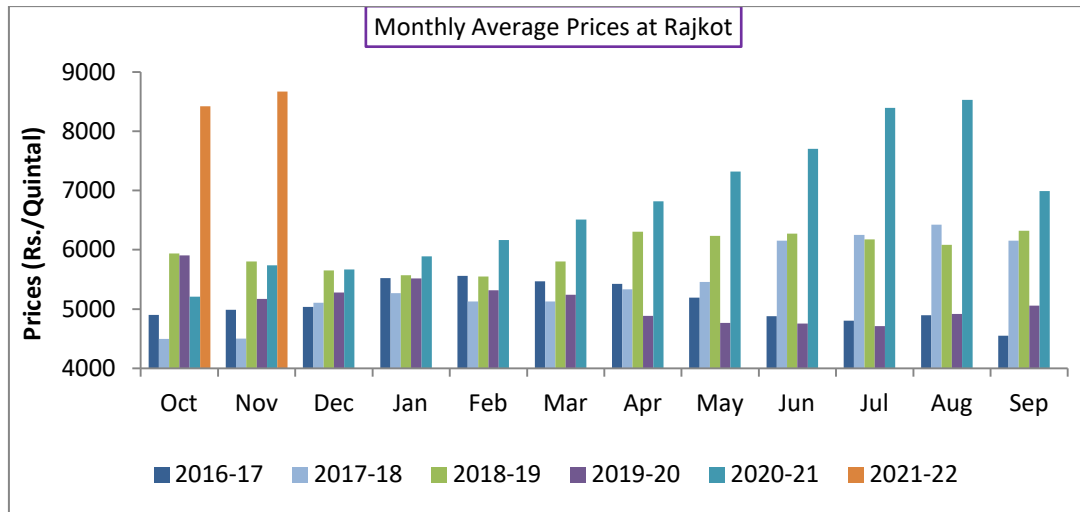
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 8815/q compared to previous week Rs. 8728/q whereas, in Hisar were prices stood higher at Rs. 8250/q compared to previous week price of Rs. 8170/qt. For Amravati and Ahmedabad prices were at Rs. 8333/qt and Rs. 8600/qt respectively.



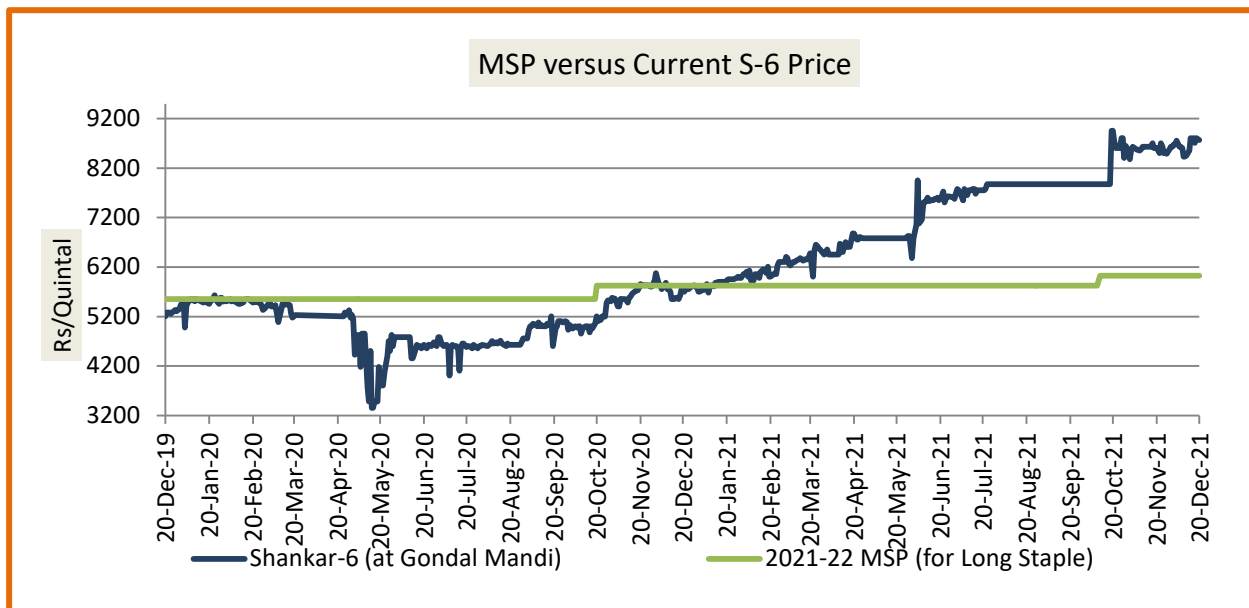
Kapas Monthly M-o-M Price Scenario

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. 8817/qt from the previous week at Rs. 8600/q.

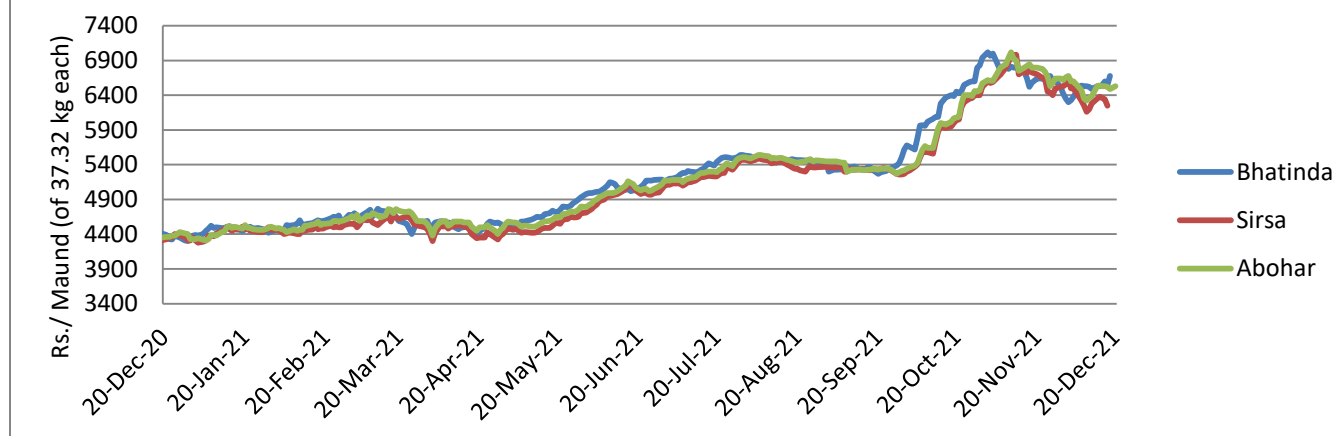


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs.6521/maund of lint in Abohar, in Bhatinda was at Rs.6521/ maund, and same in sirsa at Rs.6326/maund.

Lint Price Trend at Key Centers

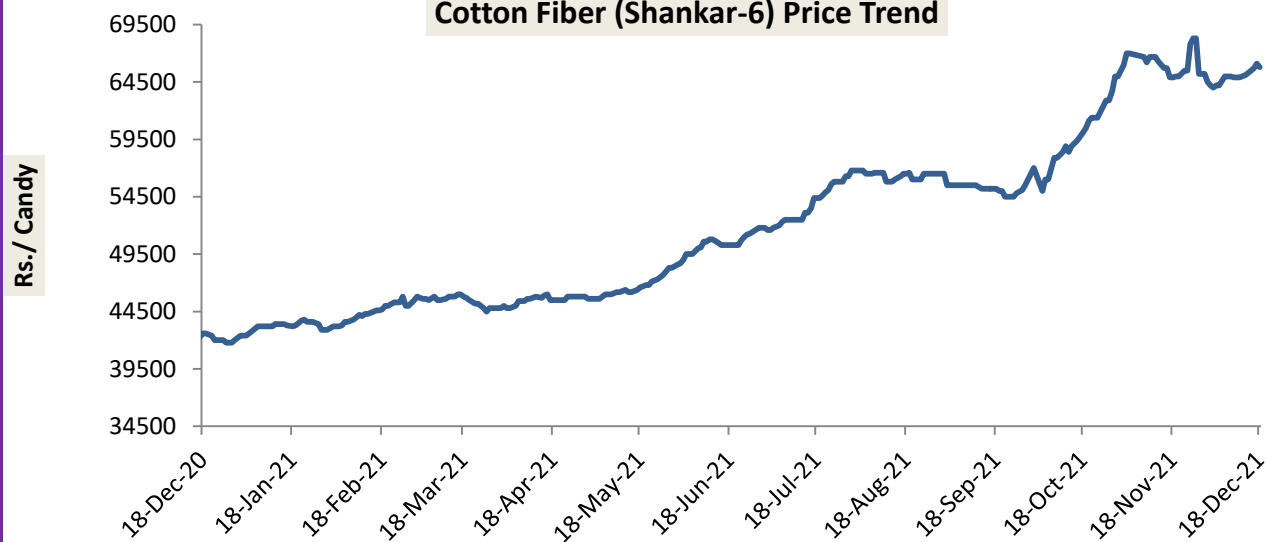


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.65100/candy this week.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

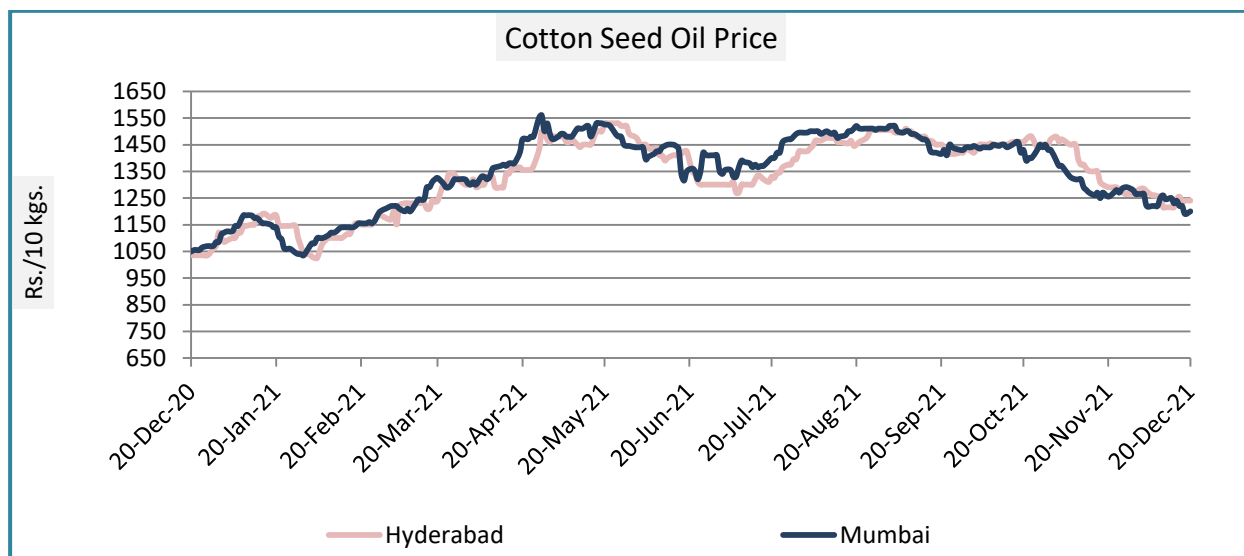
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 15th Dec'21.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	15-Dec-21	06-Dec-21	
New Delhi	-	-	-
Rajkot	1245	1244	0.08
Hyderabad	1231	1229	0.16
Mumbai	1237	1234	0.24

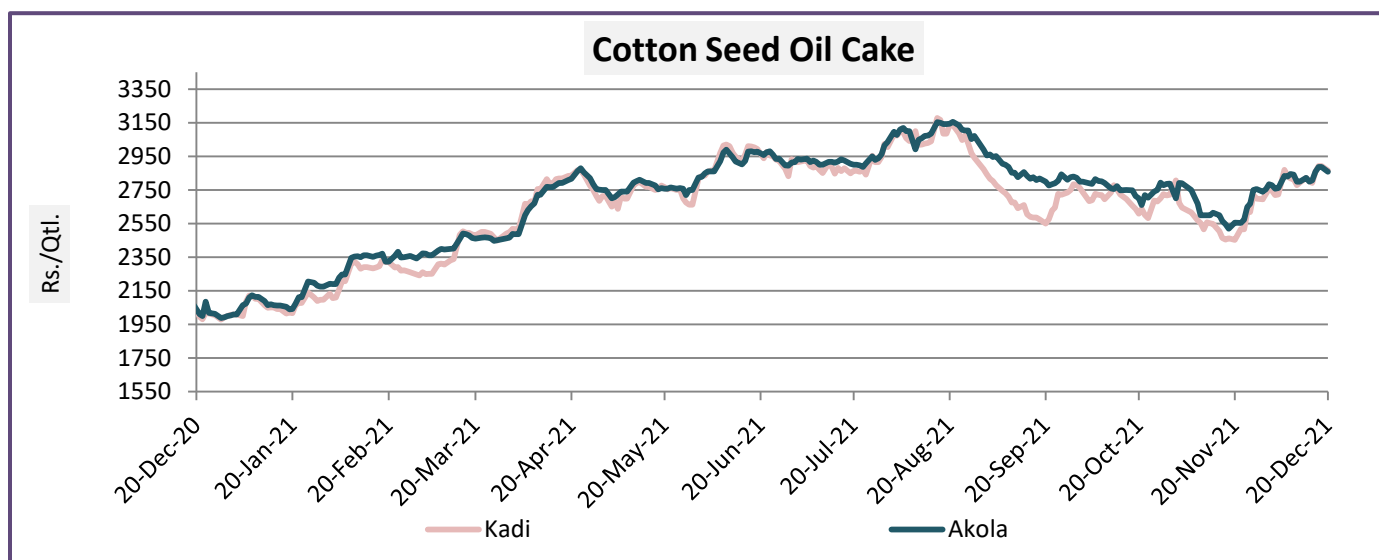
Source: Agriwatch



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. 2806 per quintal from Rs. 2778 per quintal and in Akola prices were at Rs. 2823 per quintal from Rs. 2783 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	15-Dec-21	06-Dec-21	
Kadi	2806	2778	0.99
Akola	2823	2783	1.45



Source: NCDEX

International Market Scenario

- The US has banned imports of products made with Xinjiang cotton, alleging human rights violation in the Chinese province. Products made with Xinjiang cotton have been illegal in the US since January 2021, but despite the US ban, exports of textile and garments from Xinjiang increased by 53 percent in the first nine months of the 2021 season. China's exports of semi-finished cotton products are destined for countries within Asia such as Bangladesh, Vietnam, Indonesia and Cambodia.
- The USDA has increased its 2021 production estimate for upland cotton. The cotton crop is estimated at 17.91 million bales, up 58,000 from November with a slightly higher average yield estimate, now at 877

pounds per acre, compared to 874 last month. Cottonseed production is pegged at 5,576,000 tons, compared to 4,509,000 a year ago.

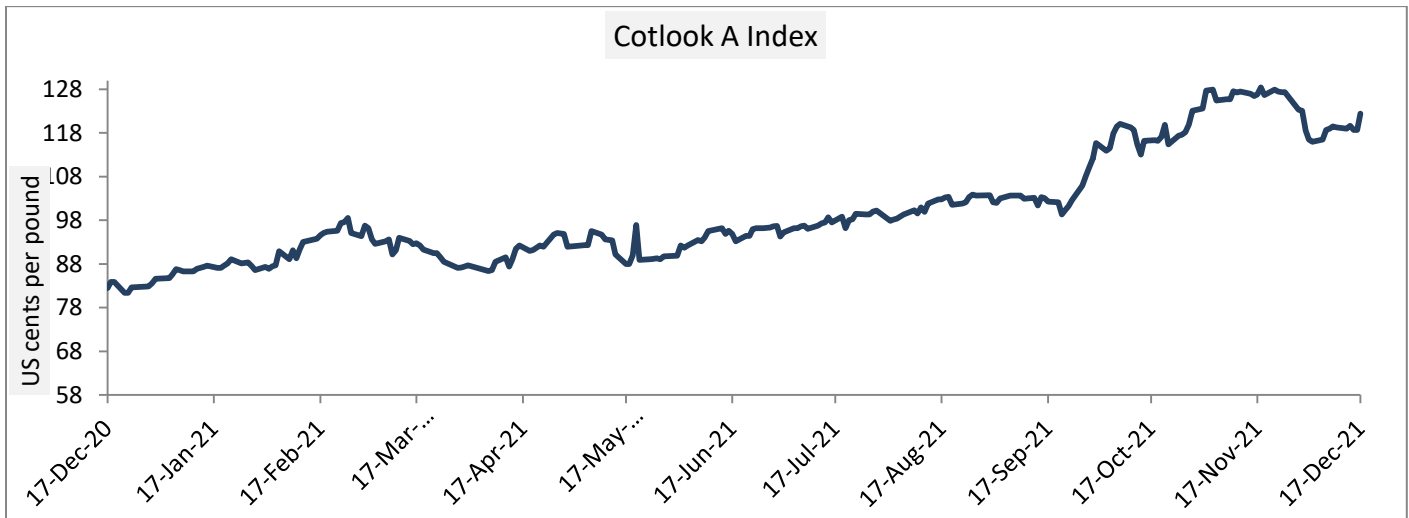
- Pakistan's Cotton Crop Assessment Committee (CCAC) has estimated the total cotton production in Pakistan during 2021-22 seasons at 9.1 million bales. Cotton production is estimated at 5.168 million bales for Punjab, 3.5 million bales for Sindh, 0.43 million bales for Balochistan and 0.004 million bales for Khyber Pakhtunkhwa.
- 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- slightly lower from the previous season's estimate of 6.00 million metric tonnes. Consumption is estimated at 5.70 million metric tonnes. Global cotton production is projected at 25.73 million metric tonnes- higher from previous season's 24.30 million metric tons.
- USDA has released US cotton harvested report as of 28th November 2021, showing the US harvest at 85 percent versus the 5 year average of 79 percent. Georgia and South Carolina was the furthest behind, while California, Texas and Oklahoma were the furthest ahead.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 119.21 cents/lb higher as compared to the previous week (117.33 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	15-Dec-21	06-Dec-21	
Prices	119.21	117.33	1.60
Prices in US cents per Pound			

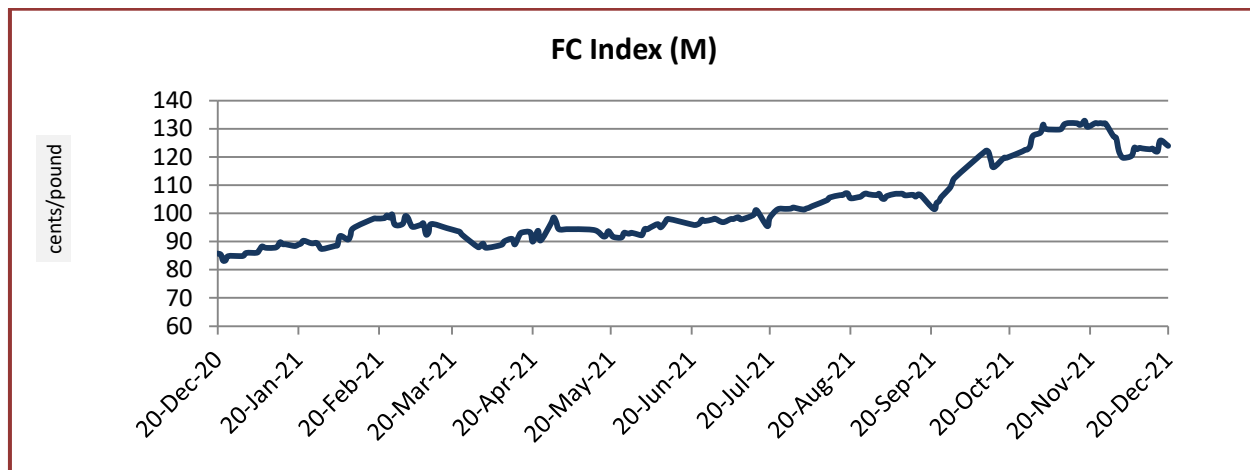
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	15-Dec-21	06-Dec-21	
FC (S)	124.42	122.66	1.43
FC (M)	122.85	121.32	1.26
FC (L)	121.40	119.66	1.46
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	15-Dec-21	06-Dec-21	
CCIndex(328)	21892.60	22000.60	-0.49
CCIndex(527)	20508.20	20703.00	-0.94
CCIndex(229)	22497.80	22620.80	-0.54

Prices in Yuan per ton

Source: China Cotton Association



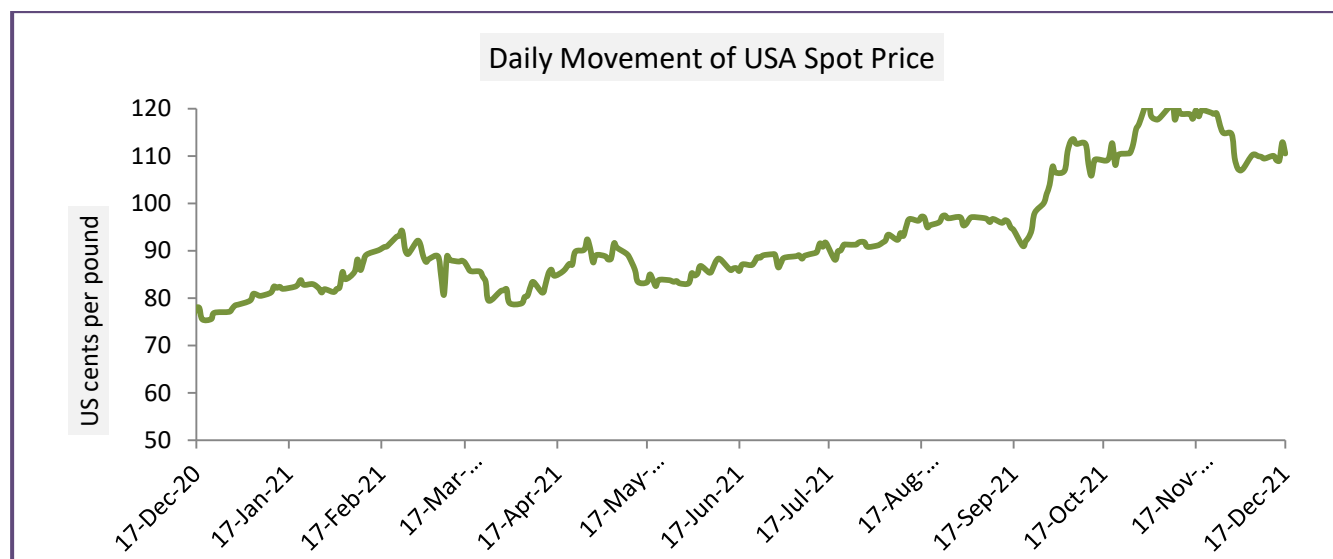
USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.57 percent at 109.51 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	15-Dec-21	06-Dec-21	
Prices	109.51	108.89	0.57

Prices in US cents per Pound

Source: USDA



Pakistan Spot Prices

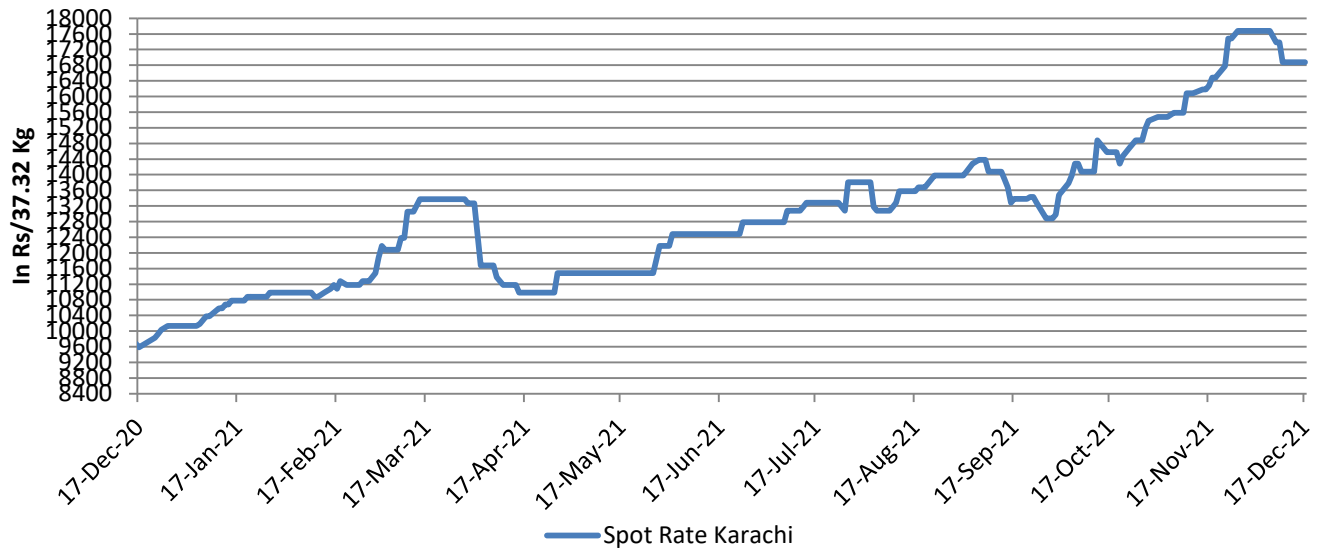
The Karachi spot price stood lower around Rs.16920/q from the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	15-Dec-21	06-Dec-21	
Prices	16920	16980	-0.35
			Prices in Rs per 37.32 Kg

Source: Fibre2fashion.com



Spot Rate Karachi



Commodity: Cotton
Exchange: MCX
Contract: Dec
Expiry: Dec. 30, 2021

Cotton – Technical Outlook

Technical Chart:

COTTON SEED OIL 2112(NCCOUZ1)2021/12/19 - Weekly B:2805.00 A:2850.00
O:2861.00 H:2879.00 L:2830.00 C:2852.00 ↑ V:1,040 I:3,040 -9 -0.31%



Technical Commentary:

- The Cotton posted gain on buyers interest.
- However, strong resistance can be seen at 31930.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

The cotton prices are likely to feature gain on Tuesday's trading session.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Dec	31300	31380	31720	31930	32050
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Buy	31710	31810	31900	31640

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Dec
Expiry: Dec. 20, 2021
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 2992.
- MACD, indicating firm momentum.
- RSI is indicating strong buying strength.

The Cottonseed oilcake prices are likely to feature gain on Tuesday's trading session.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Dec	2662	2732	2852	2992	3052
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Dec	Buy	2842	2942	2962	2772

Technical Analysis of Cotton Future (Mar'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.

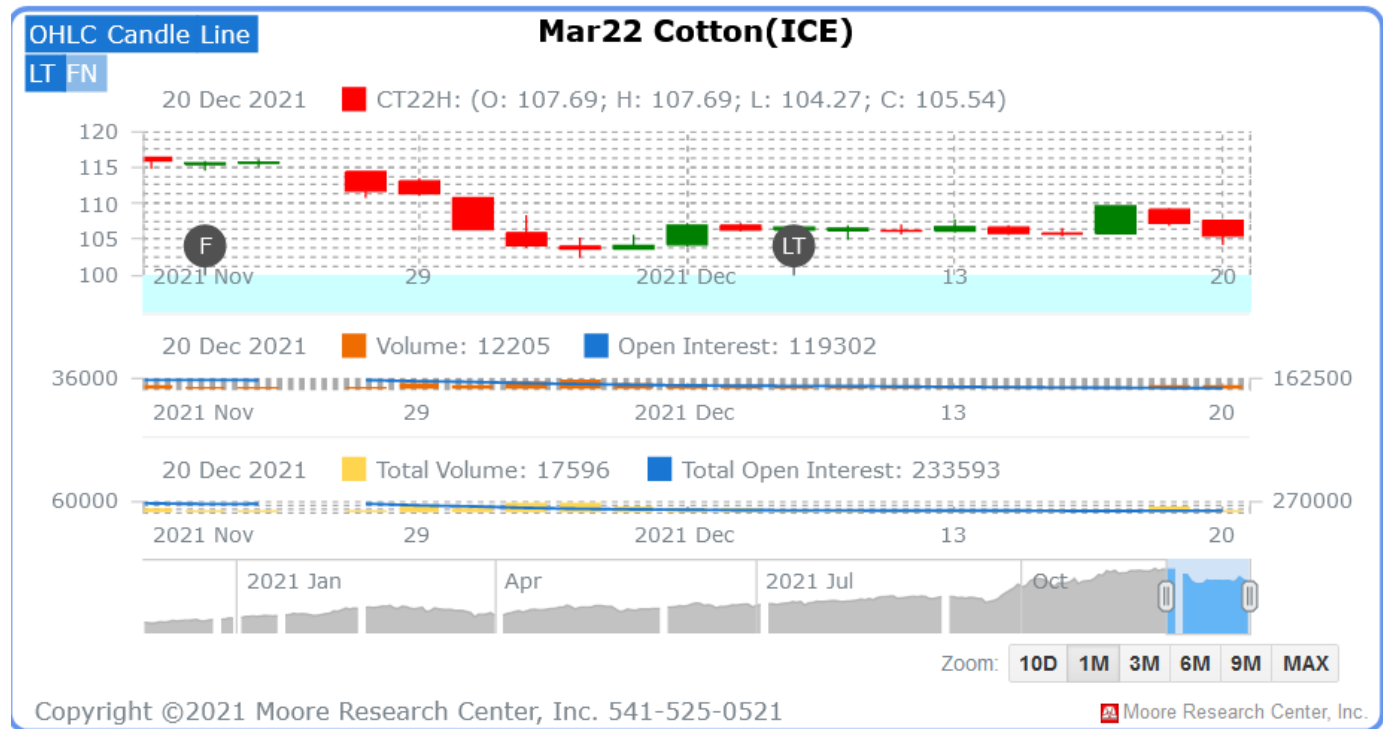
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	105-121

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
102	98	110	118

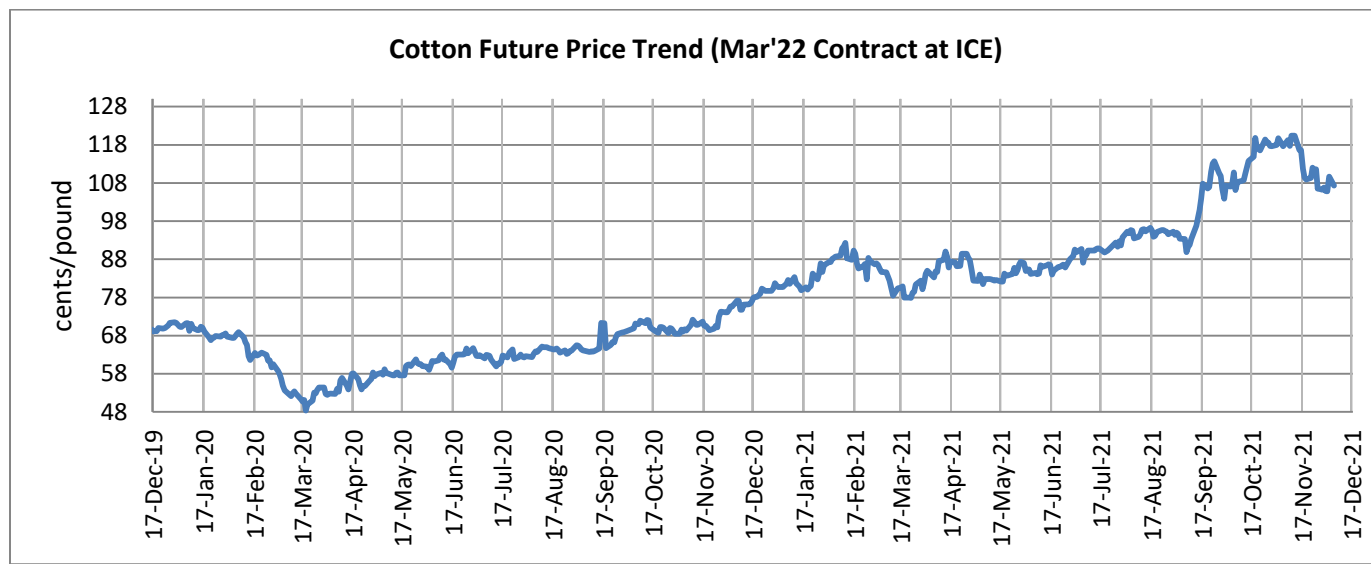
Figures in US cents/pound



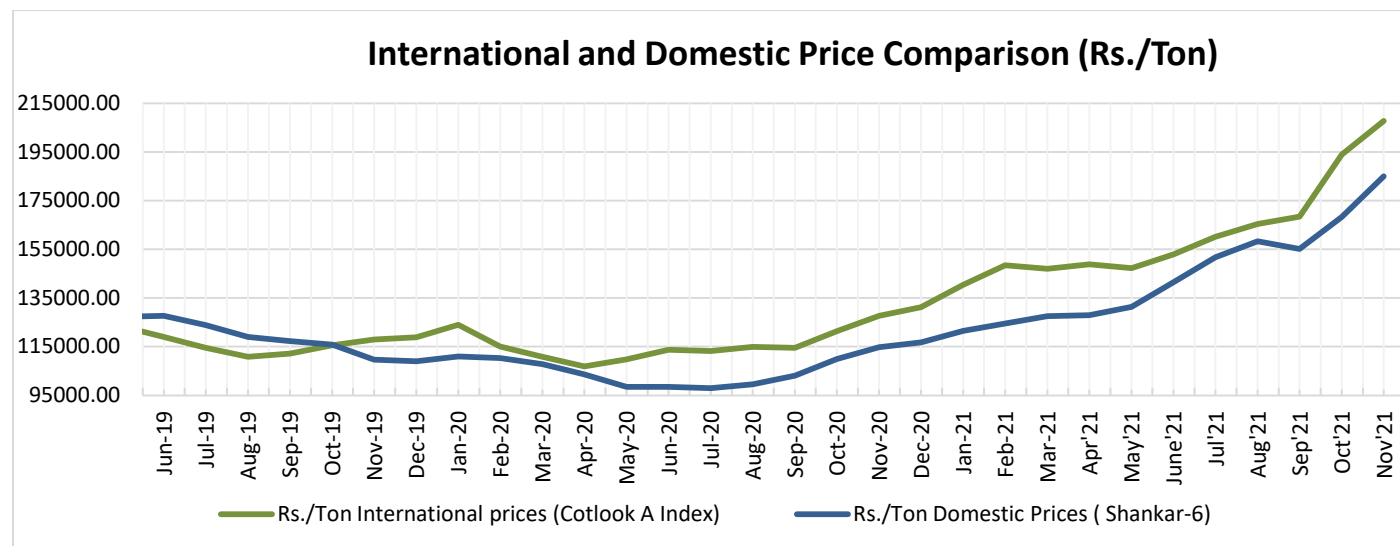
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	17-Dec-21	17-Nov-21 (1 month ago)	18-Sep-21 (3 months ago)	20-Jun-20 (6 months ago)	17-Dec-20 (a year ago)	% Change over a month	% Change over previous year
Mar-22	107.30	119.70	89.89	85.96	75.65	-10.36	41.84
May-22	105.70	116.92	89.02	85.19	76.43	-9.60	38.30
Jul-22	103.35	115.28	88.39	85.08	77.11	-10.35	34.03
Dec-22	94.87	111.49	88.10	84.94	74.59	-14.91	27.19
Mar-23	90.04	97.98	86.79	84.27	73.34	-8.10	22.77

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Gujarat	Ahmedabad	Shankar-6	8600	8450	150
	Gondal	Shankar-6	8818	4971	3847
	Rajkot	B.T. Cotton	7360	8744	-1384
	Patan	B.T. Cotton	8680	8582	98
	Kadi	B.T. Cotton	8483	8350	133
	Deesa	B.T. Cotton	7968	8028	-59
	Dhrol	B.T. Cotton	8657	8536	121
Haryana	Bhiwani	B.T. Cotton	6327	7842	-1515
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8250	8217	33
	Fatehabad	B.T. Cotton	8108	8033	75
	Jind	B.T. Cotton	8308	8038	270
	Uchana	B.T. Cotton	8378	8198	180
	Dabwali	B.T. Cotton	8353	8363	-11
Rajasthan	Hanumangarh	B.T. Cotton	8588	8442	146
	Rawatsar	B.T. Cotton	8517	8520	-3
Madhya Pradesh	Khandwa	Mech-1	8380	8260	120

	Khargaon	Mech-1	8529	8427	102
Maharashtra	Amravati	Mech-1	8333	8235	98
	Jamner	Medium Staple	7983	7800	183
Uttar Pradesh	Hathras	B.T. Cotton	6383	6742	-358
	Hathras	Desi	6817	6908	-92
Telangana	Adilabad	Un-Ginned	7908	7850	58
Karnataka	Bijapur	Bunny	8858	8800	58
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	7705	7722	-18
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Punjab	Bhatinda	J-34	6522	6403	118
	Abohar	J-34	6522	6416	106
	Mansa	J-34	6522	6405	117
Haryana	Sirsa	J-34	6327	6270	57
Rajasthan	Sri-Ganganagar	J-34	6286	6079	207

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Gujarat	Ahmedabad	Shankar-6	323000	183600	139400
	Gondal	Shankar-6	21346	16561	4785
	Rajkot	B.T. Cotton	25950	27100	-1150
	Patan	B.T. Cotton	48032	57095	-9063
	Kadi	B.T. Cotton	185000	89000	96000
	Deesa	B.T. Cotton	1500	3800	-2300
	Dhrol	B.T. Cotton	2068	2190	-122
Haryana	Bhiwani	B.T. Cotton	5200	12070	-6870
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10880	9860	1020
	Fatehabad	B.T. Cotton	7500	6000	1500
	Jind	B.T. Cotton	7778	8500	-723
	Uchana	B.T. Cotton	1733	8360	-6628

	Dabwali	B.T. Cotton	2100	14400	-12300
Rajasthan	Hanumangarh	B.T. Cotton	20500	18000	2500
	Rawatsar	B.T. Cotton	14200	37000	-22800
Madhya Pradesh	Khandwa	Mech-1	9000	8400	600
	Khargaon	Mech-1	30736	30620	116
Maharashtra	Amravati	Mech-1	57000	48000	9000
	Jamner	Medium Staple	110	860	-750
Uttar Pradesh	Hathras	B.T. Cotton	210	330	-120
	Hathras	Desi	390	405	-15
Telangana	Adilabad	Un-Ginned	766904	222959	543945
Karnataka	Bijapur	Bunny	33806	36687	-2881
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	30	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Punjab	Bhatinda	J-34	51000	45900	5100
	Abohar	J-34	10880	11050	-170
	Mansa	J-34	8160	8670	-510
Haryana	Sirsa	J-34	13090	12070	1020
Rajasthan	Sri-Ganganagar	J-34	18000	18700	-700

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Dec-21	11-Dec-21	18-Dec-21	18-Dec-20
Gujarat	Ahmedabad	Shankar-6	0	8600	0	5750
	Gondal	Shankar-6	0	8770	0	5500
	Rajkot	B.T. Cotton	0	8780	0	5530
	Patan	B.T. Cotton	0	8600	0	5515
	Kadi	B.T. Cotton	0	8500	0	5550
	Deesa	B.T. Cotton	0	NA	0	NA
	Dhrol	B.T. Cotton	0	8635	0	NR
Haryana	Bhiwani	B.T. Cotton	0	7500	0	5600

	Bhiwani	Desi	0	NA	0	NA
	Adampur	B.T. Cotton	0	8000	0	5350
	Fatehabad	B.T. Cotton	0	8100	0	5350
	Jind	B.T. Cotton	0	8500	0	5700
	Uchana	B.T. Cotton	0	8700	0	5385
	Dabwali	B.T. Cotton	0	8380	0	NR
Rajasthan	Hanumangarh	B.T. Cotton	0	8550	0	Closed
	Rawatsar	B.T. Cotton	0	8400	0	Closed
Madhya Pradesh	Khandwa	Mech-1	0	Closed	0	5491
	Khargaon	Mech-1	0	NA	0	5427
Maharashtra	Amravati	Mech-1	0	8200	0	5300
	Jamner	Medium Staple	0	NA	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	0	6500	0	NA
	Hathras	Desi	0	6700	0	NA
Telangana	Adilabad	Un-Ginned	0	7880	0	5400
Karnataka	Bijapur	Bunny	0	NA	0	5929
	Hubli	D.C.H.	0	7809	0	NA
	Hubli	B.T. Cotton	0	NA	0	NA
	Raichur	H-44 Cotton	0	NA	0	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	18-Dec-21	11-Dec-21	18-Dec-21	18-Dec-20
Punjab	Bhatinda	J-34	0	6520	0	4420
	Abohar	J-34	0	6520	0	4430
	Mansa	J-34	0	6520	0	4360
Haryana	Sirsa	J-34	0	6250	0	4400
Rajasthan	Sri-Ganganagar	J-34	0	6110	0	4042

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	18-Dec-21	11-Dec-21	18-Dec-21	18-Dec-20
Gujarat	Ahmedabad	Shankar-6	0	59500	0	68000
	Gondal	Shankar-6	0	4125	0	#N/A
	Rajkot	B.T. Cotton	0	4000	0	#N/A
	Patan	B.T. Cotton	0	7268	0	3450

	Kadi	B.T. Cotton	0	30000	0	#N/A
	Deesa	B.T. Cotton	0	NA	0	#N/A
	Dhrol	B.T. Cotton	0	317	0	#N/A
Haryana	Bhiwani	B.T. Cotton	0	1500	0	1200
	Bhiwani	Desi	0	NA	0	#N/A
	Adampur	B.T. Cotton	0	2210	0	#N/A
	Fatehabad	B.T. Cotton	0	1500	0	#N/A
	Jind	B.T. Cotton	0	1122	0	#N/A
	Uchana	B.T. Cotton	0	1575	0	#N/A
	Dabwali	B.T. Cotton	0	2100	0	#N/A
	Hanumangarh	B.T. Cotton	0	4000	0	#N/A
	Rawatsar	B.T. Cotton	0	2200	0	300
Madhya Pradesh	Khandwa	Mech-1	0	Closed	0	#N/A
	Khargaon	Mech-1	0	NA	0	#N/A
Maharashtra	Amravati	Mech-1	0	13000	0	#N/A
	Jamner	Medium Staple	0	NA	0	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	0	50	0	#N/A
	Hathras	Desi	0	100	0	#N/A
Telangana	Adilabad	Un-Ginned	0	86224.1	0	2160595
Karnataka	Bijapur	Bunny	0	NA	0	0
	Hubli	D.C.H.	0	21	0	4
	Hubli	B.T. Cotton	0	NA	0	0
	Raichur	H-44 Cotton	0	NA	0	255
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	18-Dec-21	11-Dec-21	18-Dec-21	18-Dec-20
Punjab	Bhatinda	J-34	0	8500	0	11900
	Abohar	J-34	0	2040	0	1700
	Mansa	J-34	0	1530	0	2550
	Sirsa	J-34	0	2040	0	1190
	Sri-Ganganagar	J-34	0	3000	0	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				09th Dec'21 to 15th Dec'21	02nd Dec'21 to 08th Dec'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	44850	45900	-1050
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	45450	46500	-1050
J-34(202)	26mm	3.5 - 4.9	23	60267	59967	300
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	65100	64567	533
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	68217	68050	167
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	112000	113000	-1000

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