

COTTON WEEKLY RESEARCH REPORT
10th Dec 2022**Domestic market summary**

Domestic Market Scenario: Cotton traded steady tone across major spot market of north India on Monday. Prices were down Rs. 10-20 per maund. Indian cotton has good demand and touched Rs. 75,000 per candy mark for Shanker -6 cotton. Cotton prices at Rajkot traded at Rs. 10,555 per quintal at gondal market. With the expectation of decrease in production for the 2021-22 season cotton prices have increased in all the major markets across India.

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 (119.95 cents/lbs) compared to the ICE cotton future that stood at 105.54 cents/lbs.
- Indian rupee stronger near Rs. 74.30 per USD.

Market Highlights:

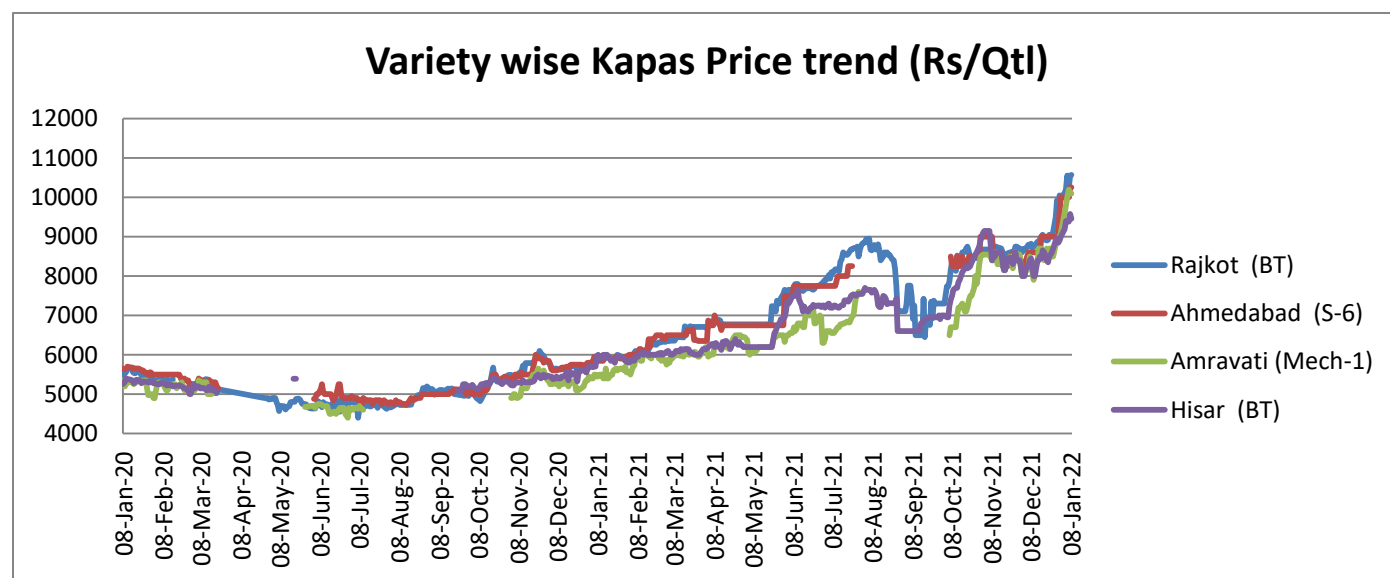
- High cotton prices this season has become a concern to the domestic textile industry as the units are facing not only spike in raw material prices but also shortage in availability. According to the Southern Indian Mills Association, the 2021-22 season started with a opening stock of 75 lakh bales and estimated crop of 360 lakh bales, the cotton prices started increasing from the beginning. There was a pent-up demand for the cotton in the post-COVID period. As per the market sources, MCX and NCDEX dominated by the large traders are also fuelling the market. At present, Indian cotton prices are higher than the international prices, affecting the competitiveness of the industry. As a result, Southern Indian Mills Association has urged the government to immediately remove the import duty on cotton.
- In Rajkot, Agricultural Produce Market Committee prices of cotton have touched a historical high of Rs. 10,555 per quintal last week. In Gondal APMC the prices were at Rs. 10,000 per quintal. The lowest in both these APMCs was Rs 7,511 and Rs 5,000 respectively with the modal price being around Rs 9,500. The price of kapas in Jamnagar mandi remained in the range of Rs 7500 to Rs 10,555. This is a historic price and the highest in the entire state. Last year, the highest bid was Rs 6,825 but this year, farmers are realizing an average Rs 3,000 higher price.

- According to the Tripura Exporters Association (TEA), the 11 per cent total import duty existing on cotton has been the reason for the cartelisation of players to increase the domestic cotton prices and make an abnormal profit. The Association said that the price hike of cotton does heavily impact the garment-exporting units and leads to loss of exports, including employment. Moreover, the sustainability of the MSME garment units will also be doubtful. Also, the association said that the removal of the import duty imposed on cotton will protect the garment sector. Necessary steps have to be taken to break the cartelisation and also see the possibility of imposing ban on cotton exports.
- Cotton prices have touched a record high of Rs. 8,715 per quintal for superior quality at the Enumamula agriculture market of Warangal district and Rs. 8,500 per quintal at the Jammikunta agriculture market in Karimnagar district. As per the official sources this is the highest price the cotton has got in the last three years due to less production following heavy rains that lashed the state four months back. The high demand for the produce in the international market has also triggered the hike in the prices. Earlier in the beginning of the season, cotton was selling at Rs 6,000 per quintal. However, for the last two months, prices have started increasing and ranged between Rs 7,500 and Rs 8,000 per quintal at the end of November.

Domestic Cotton Prices Scenario

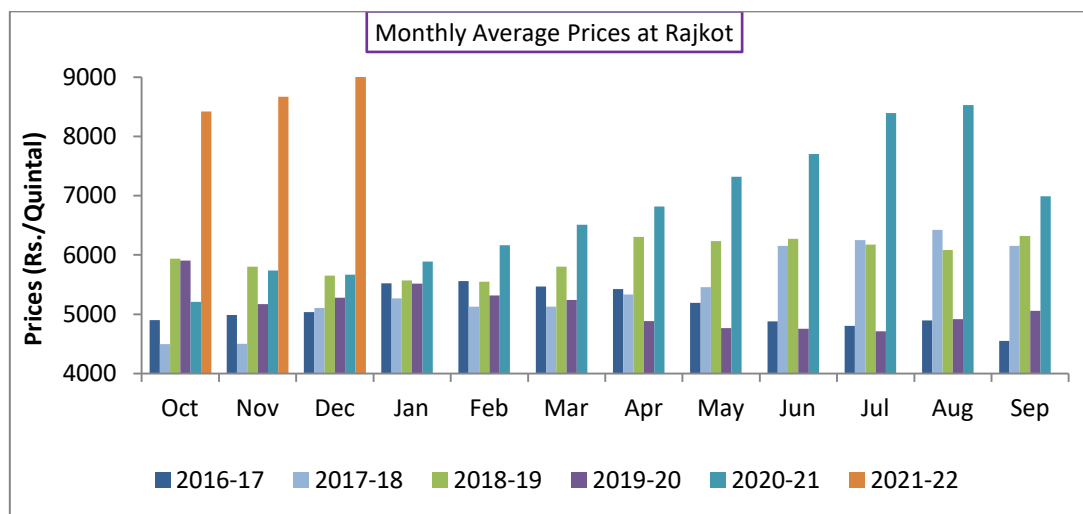
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 10188/q compared to previous week Rs. 9400/q whereas, in Hisar were prices stood higher at Rs. 9180/q compared to previous week price of Rs. 8758/qt. For Amravati and Ahmedabad prices were at Rs. 9500/qt and Rs. 9925/qt respectively.



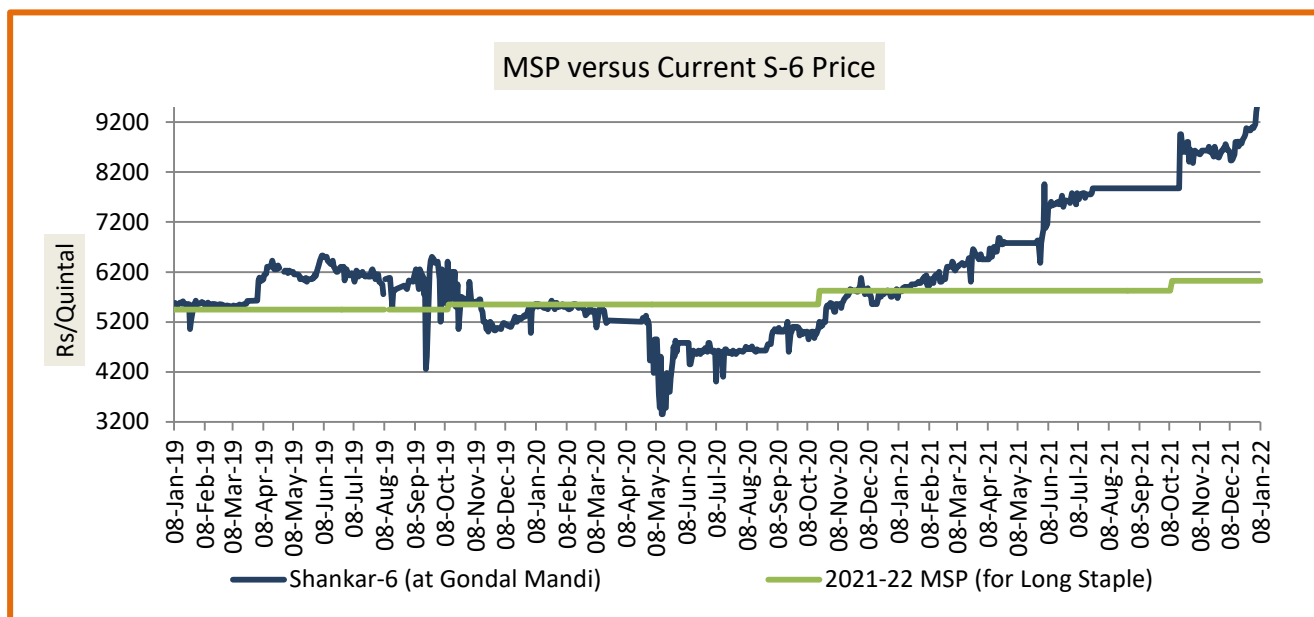
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of December were higher in the market and the monthly average price were at Rs. 9047.59/q compared to the prices during the corresponding month of the previous season.(Rs. 5667/q)



Spot Price versus MSP

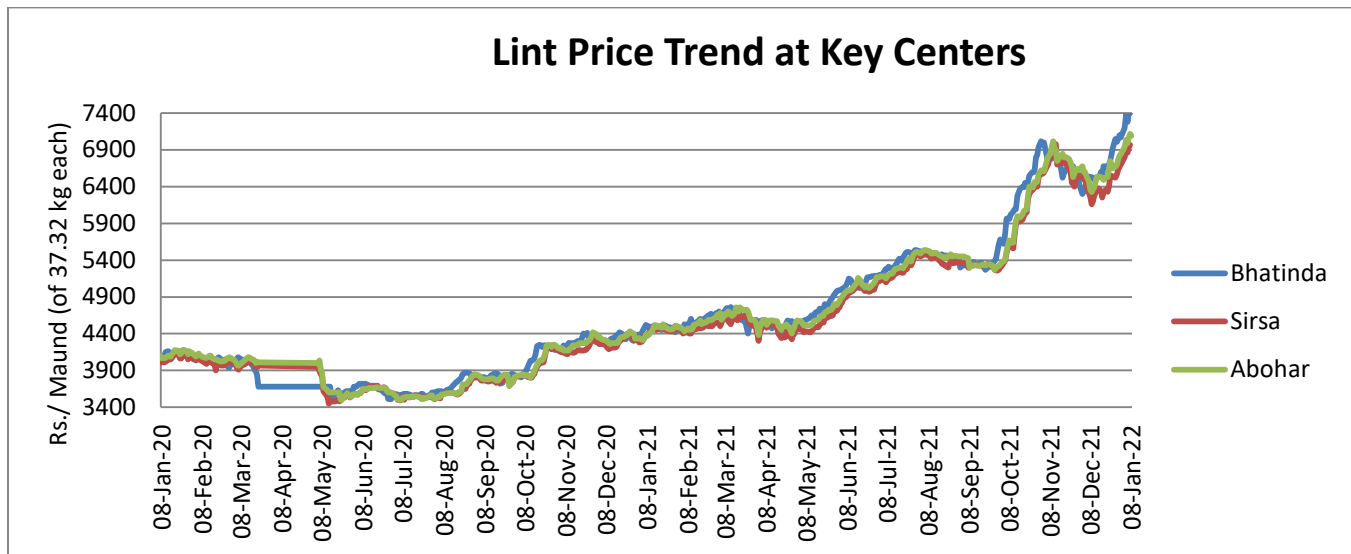
Average kapas price at Gondal market stood slightly higher at Rs. 10050/qt from the previous week at Rs. 9330/q.



Source: Agriwatch

Lint price Outlook

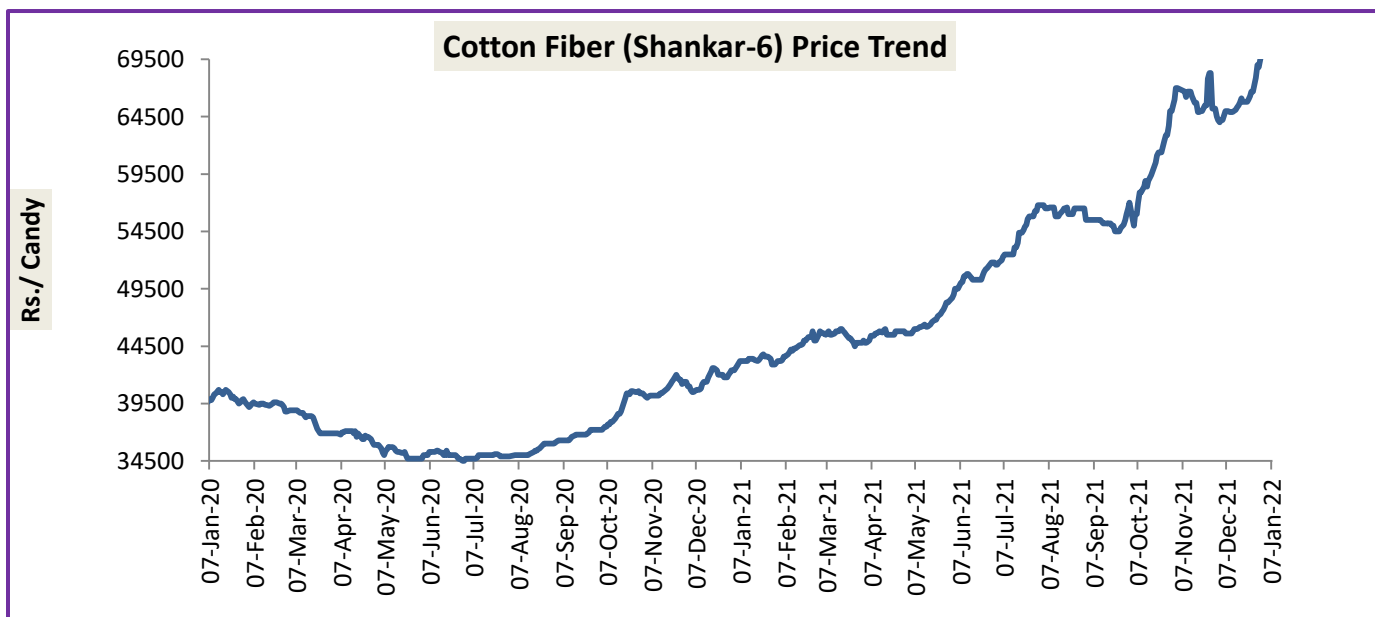
The average price stood higher at Rs.7176/maund of lint in Abohar, in Bhatinda was at Rs.7164/ maund, and same in sirsa at Rs.7024/maund.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.70680/candy this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

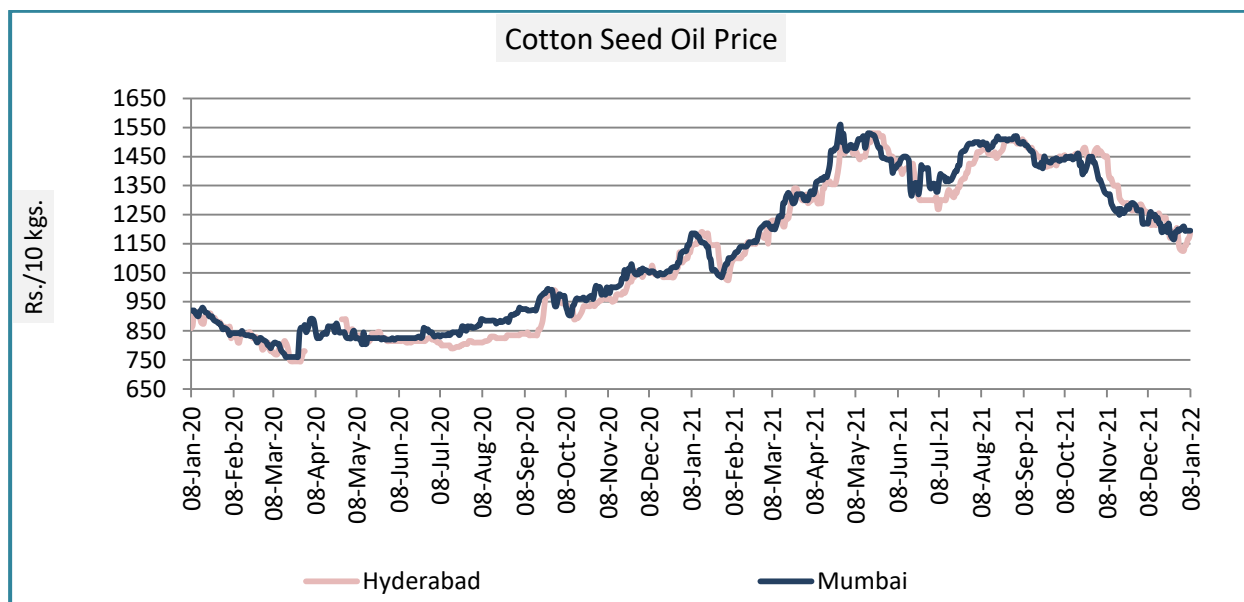
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 05th Jan'22.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	05-Jan-22	29-Dec-21	
New Delhi	-	-	-
Rajkot	1188	1164	2.02
Hyderabad	1178	1157	1.77
Mumbai	1198	1192	0.46

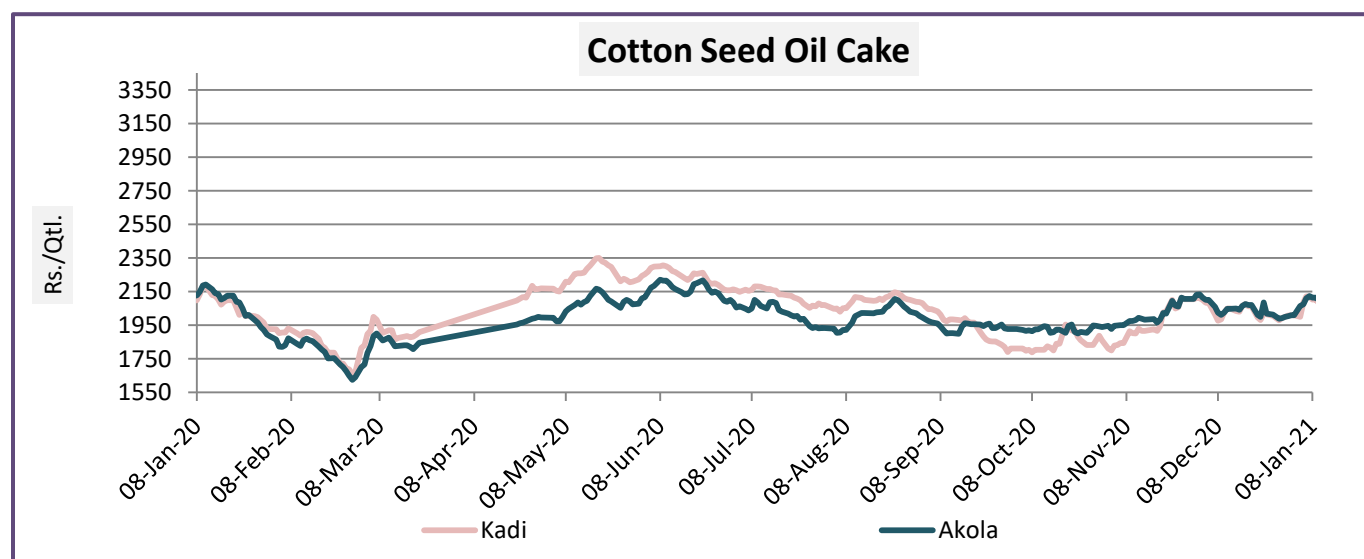
Source: Agriwatch



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. 2978 per quintal from Rs. 2868 per quintal and in Akola prices were at Rs. 2905 per quintal from Rs. 2856 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	05-Jan-22	29-Dec-21	
Kadi	3233	2978	8.57
Akola	3145	2905	8.25



Source: NCDEX

International Market Scenario

- According to the USDA's Cotton and Products Update, Indonesia's cotton consumption is forecasted to increase to 2.5 million bales in 2021-22 season which is higher around 2 percent from 2.45 million bales in 2020-2021 season. The United States is losing market share in Indonesia mainly due to price and lead time uncompetitive compared to other major suppliers.
- As per the Cotton Ginners Association, over 7.3 million of seed cotton has reached the ginning factories across the country till first of January 2022, registering increase of 36.81 percent as compared to corresponding period of last year.

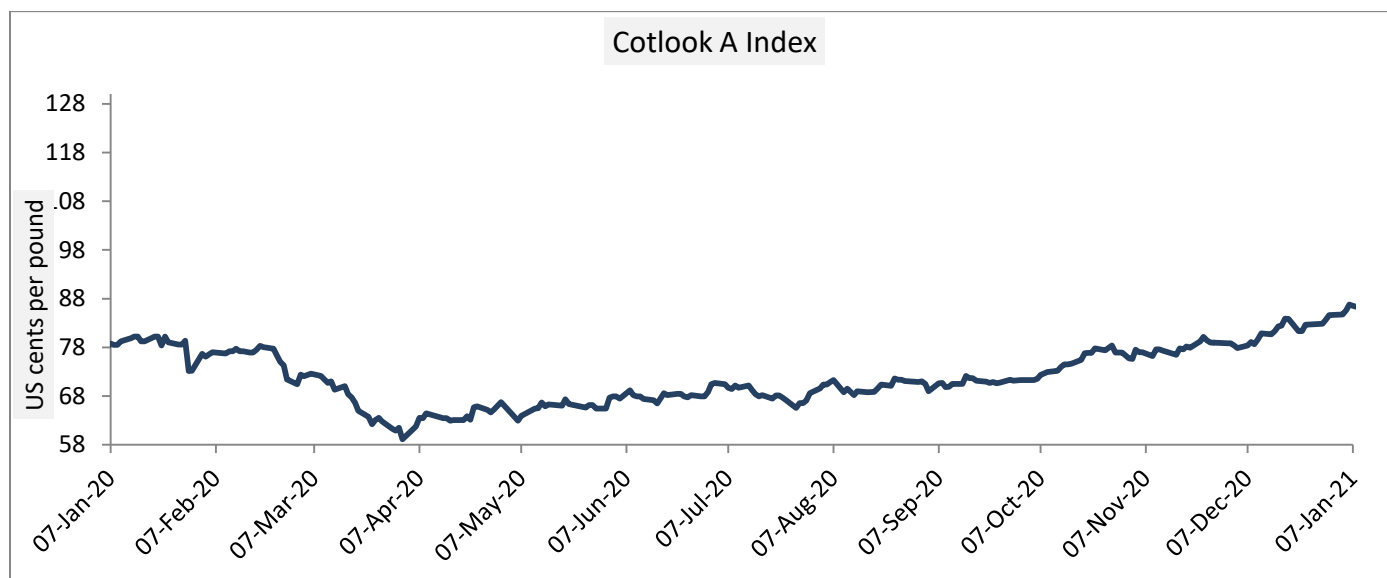
- Bangladesh may become India's fourth largest export destination in financial year 2021. Exports to Bangladesh grew 81 percent over the same period in the preceding year to \$7.7 billion. This may make Bangladesh India's fourth largest export market behind the US, UAE and China.
- According to the National Bureau of Statistics, cotton output in northwest china's Xinjiang Ugyur region has reached to 5.1 million tonnes. Xinjiang has ranked first in China for more than 20 consecutive years in terms of total cotton output, per unit yield, planting area and commodity allocation. During the 2021 cotton planting area in Xinjiang has reached 2.5 million hectares, accounting for 82.8 percent of the national planting area.
- Earlier, 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.
- According to USDA, cotton imports to Bangladesh may drop in the 2021-22 season (June 2021- May 2022) despite a rise in its consumption by the garment industry. Cotton imports may fall to 8.2 million bales in the 2021- 2022 season from 8.75 million in 2020- 2021 season. According to the market sources, due to high international prices of cotton, local spinning mill will consume more out of stock.
- 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 126.51 cents/lb higher as compared to the previous week (122.10 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	05-Jan-22	29-Dec-21	
Prices	126.51	122.10	3.58
Prices in US cents per Pound			

Source: Cotlook

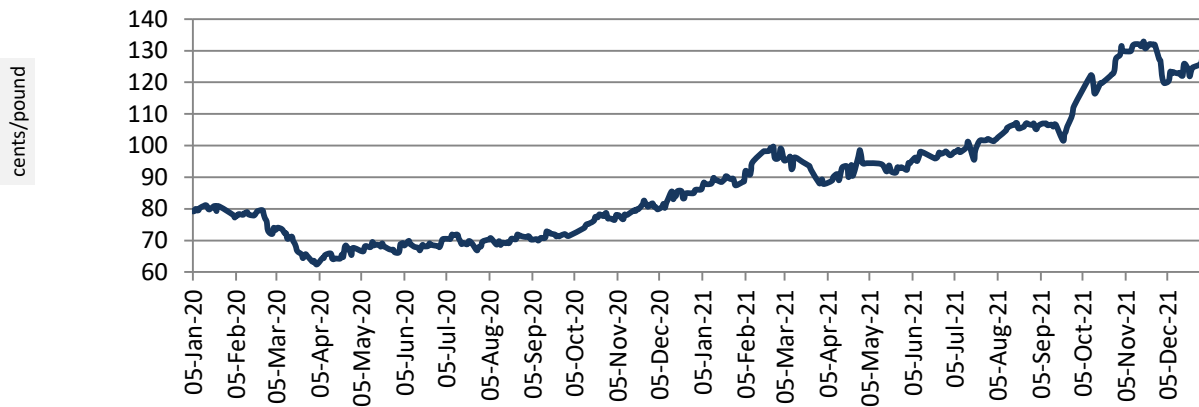


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	05-Jan-22	29-Dec-21	
FC (S)	131.18	126.13	4.00
FC (M)	129.04	125.14	3.12
FC (L)	127.47	123.56	3.16
Prices in US cents per Pound			

Source: China Cotton Association

FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	05-Jan-22	29-Dec-21	
CCIndex(328)	22183.00	21977.00	0.94
CCIndex(527)	20509.60	20384.40	0.61
CCIndex(229)	22769.80	22569.20	0.89
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

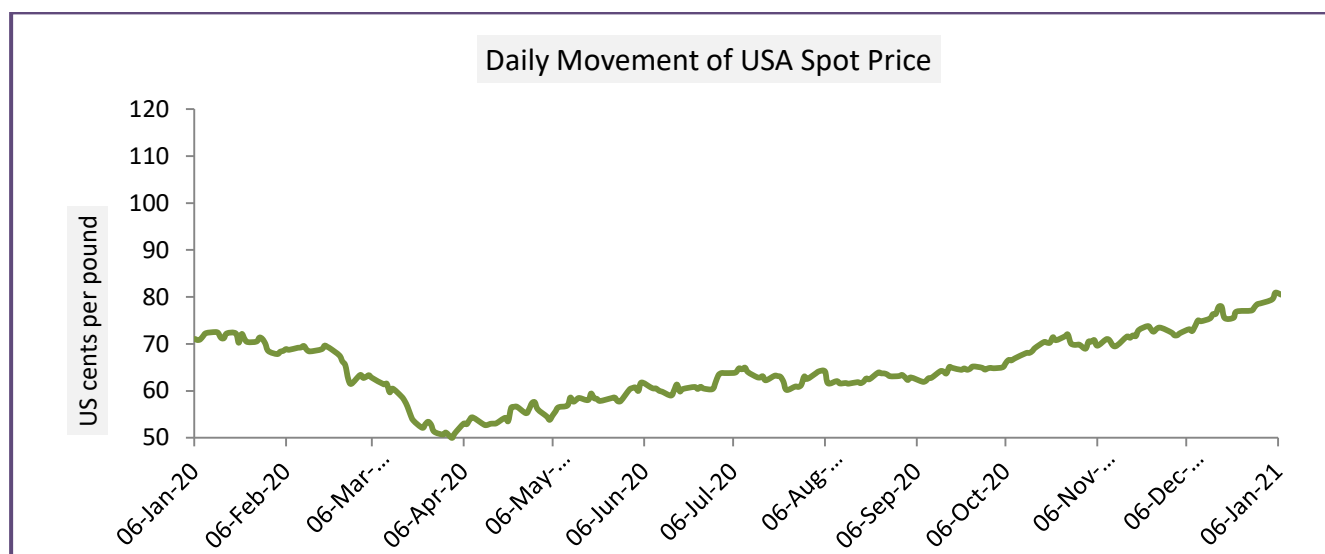


USA Spot Prices

U.S.A spot prices have increased from the prior week by 2.82 percent at 118.25 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	05-Jan-22	29-Dec-21	
Prices	118.25	115.01	2.82
Prices in US cents per Pound			

Source: USDA



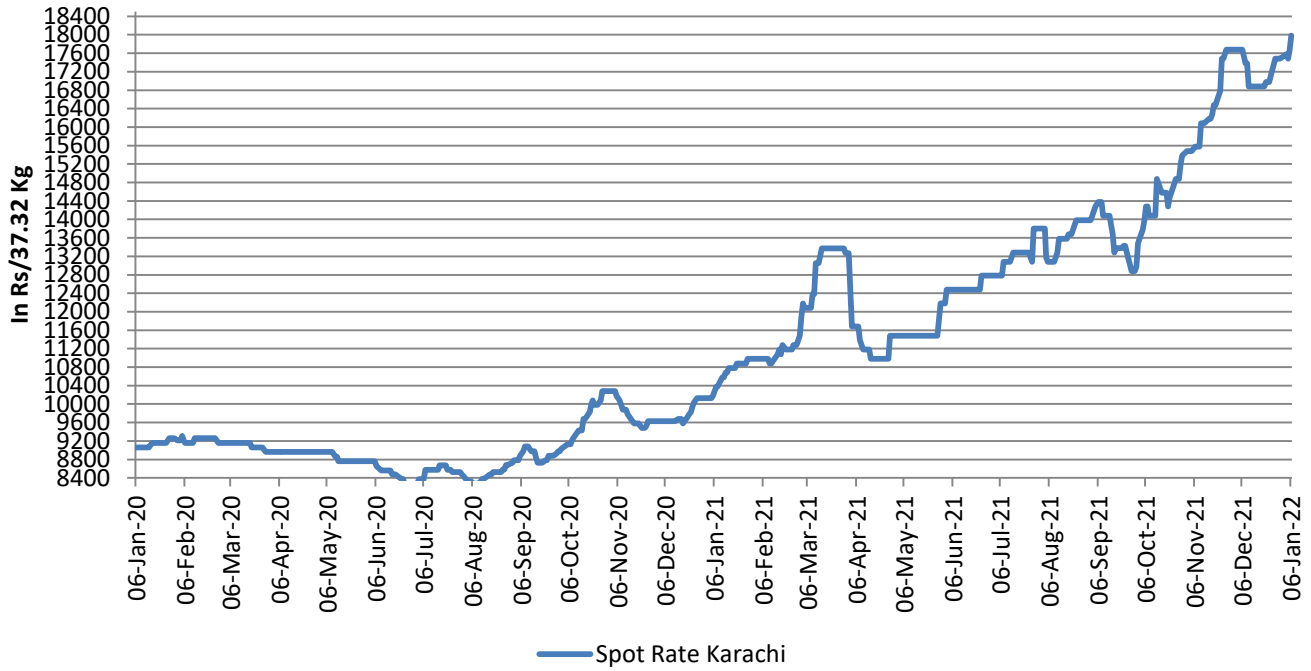
Pakistan Spot Prices

The Karachi spot price stood higher around Rs.18320/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	05-Jan-22	29-Dec-21	
Prices	18320	17640	3.85
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com

Spot Rate Karachi



Commodity: Cotton

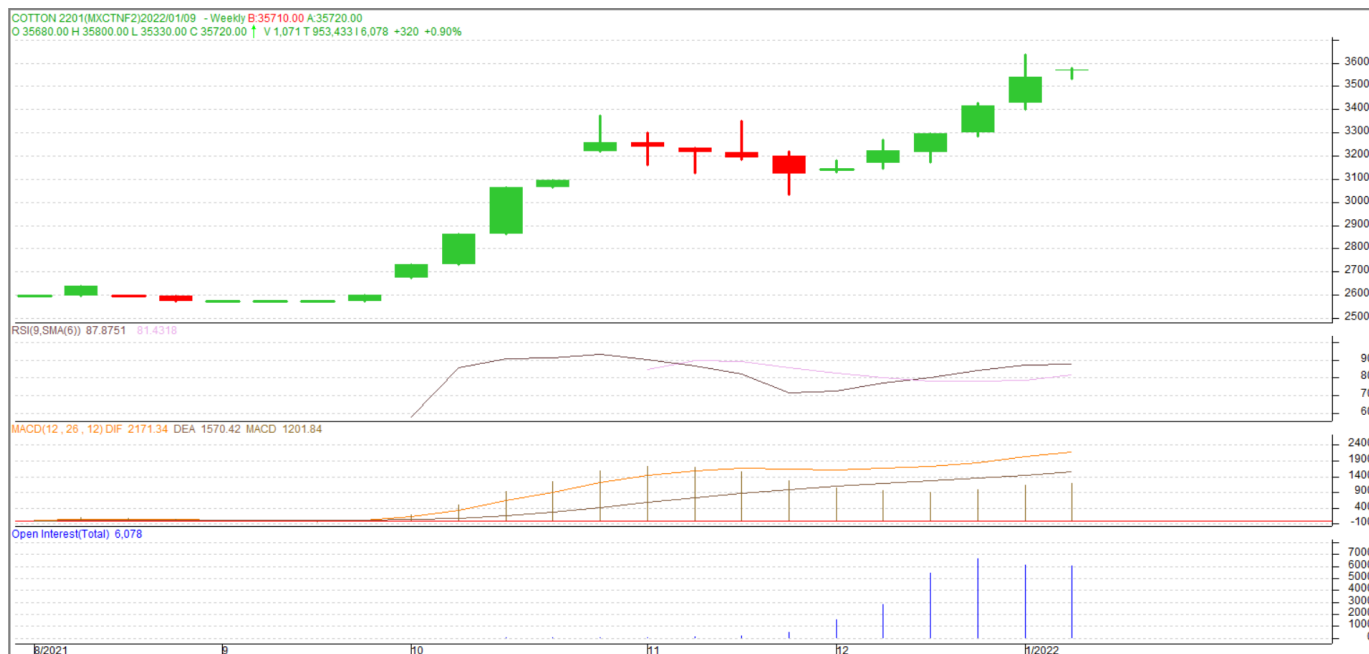
Exchange: MCX

Contract: Jan

Expiry: Jan. 31, 2021

Cotton – Technical Outlook

Technical Chart:



Technical Commentary:

- The Cotton posted gain on buyers interest.
- However, strong resistance can be seen at 35660.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

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

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jan	35030	35110	35450	35660	35780
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jan	Buy	35440	35540	35630	35370

* Do not carryforward the position the next day.

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

Technical Commentary:

- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 3463.
- MACD, indicating firm momentum.
- RSI is indicating strong buying strength.

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

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jan	3133	3203	3323	3463	3523
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Jan	Buy	3313	3413	3433	3243

Technical Analysis of Cotton Future (Mar'22Contract) 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	115-121

Expected Support and Resistance

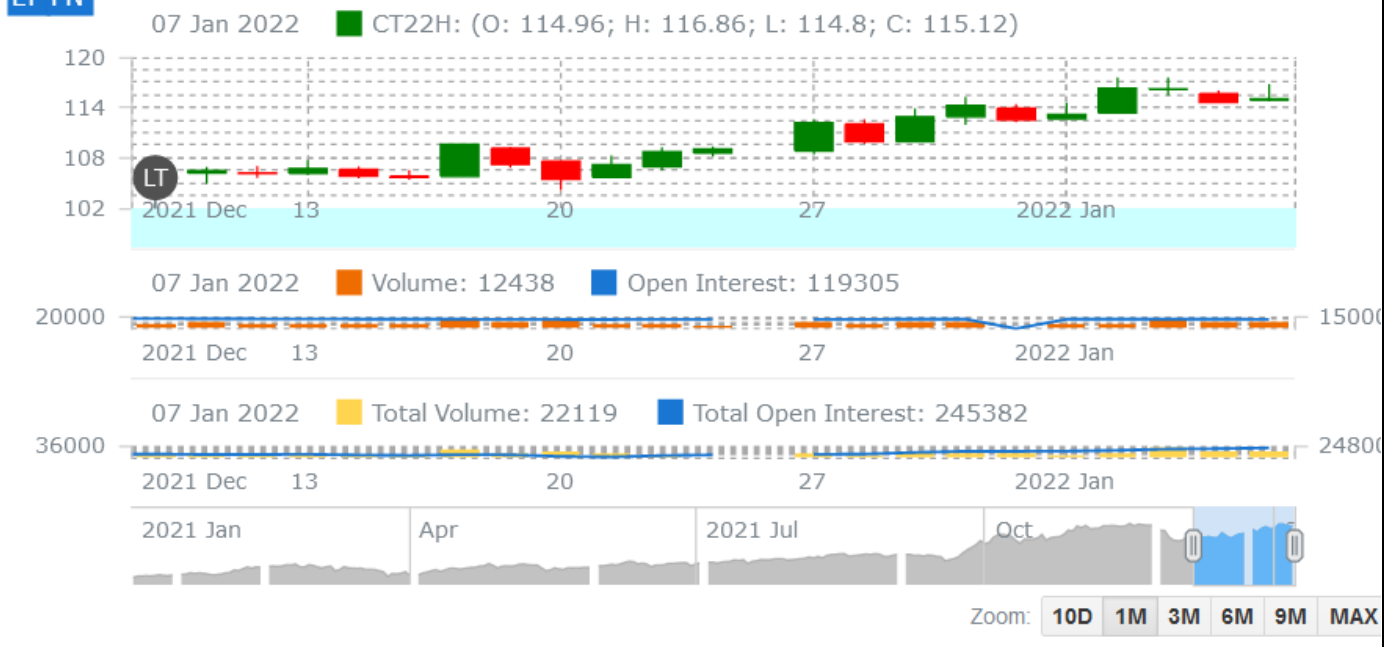
Support 1	Support 2	Resistance 1	Resistance 2
110	105	118	120

Figures in US cents/pound

OHLC Candle Line

LT FN

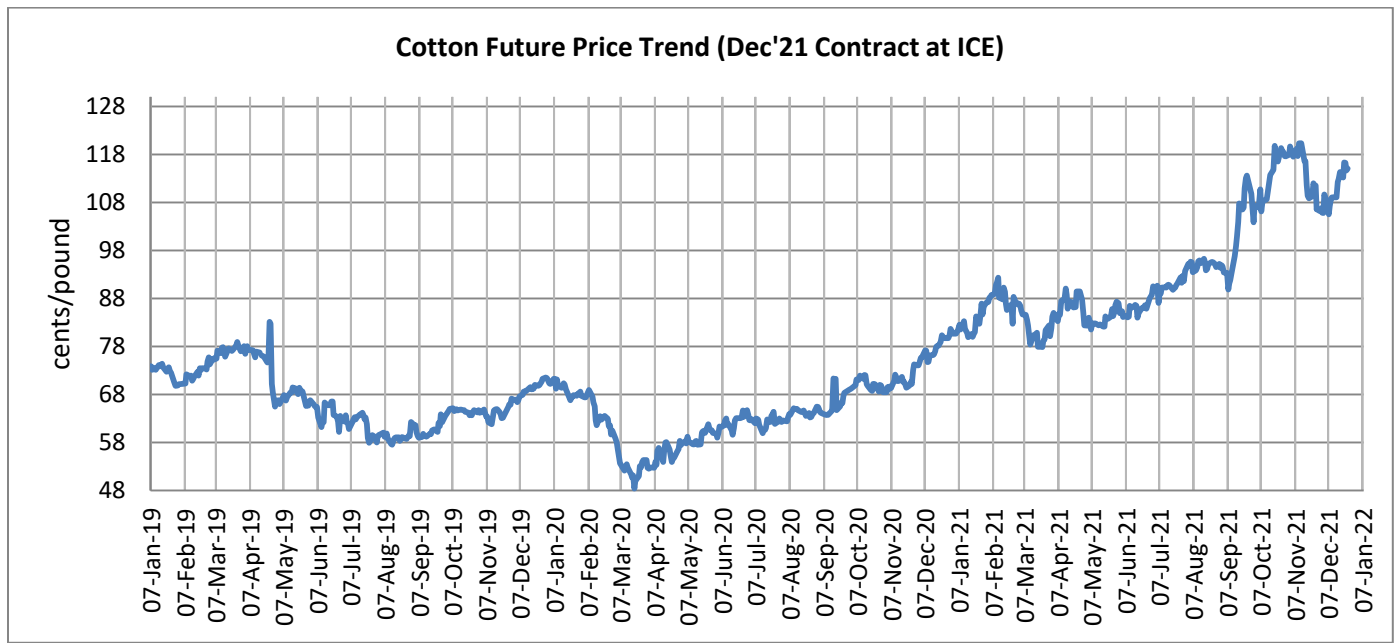
Mar22 Cotton(ICE)



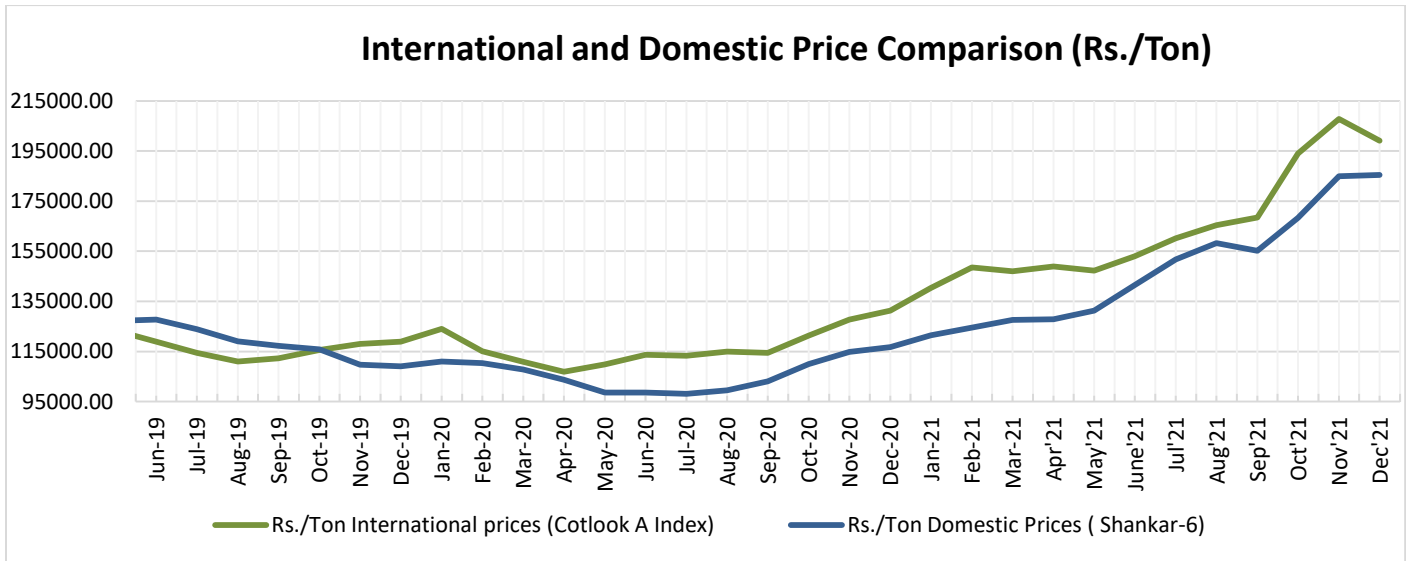
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	07-Jan-22	08-Dec-21 (1 month ago)	09-Oct-21 (3 months ago)	11-Jul-20 (6 months ago)	07-Jan-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	115.12	111.55	110.6	88.47	79.76	3.20	44.33
May-22	112.88	106.72	107.91	88.16	80.59	5.77	40.07
Jul-22	110.00	105.32	106.77	87.85	81.25	4.44	35.35
Dec-22	100.00	103.22	104.7	87.18	78.05	-3.12	28.12
Mar-23	94.52	94.04	93.53	85.93	76.35	0.51	23.80

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			30th Dec'21 to 05th Jan'21	23rd Dec'21 to 29th Dec'21	
Gujarat	Ahmedabad	Shankar-6	9925	9000	925
	Gondal	Shankar-6	10075	9330	745
	Rajkot	B.T. Cotton	10188	9400	788
	Patan	B.T. Cotton	10000	9113	887
	Kadi	B.T. Cotton	9440	8667	773
	Deesa	B.T. Cotton	NA	7935	-
	Dhrol	B.T. Cotton	9830	8966	864
Haryana	Bhiwani	B.T. Cotton	8500	8167	333
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9180	8758	422
	Fatehabad	B.T. Cotton	9113	8700	413
	Jind	B.T. Cotton	9000	8683	317
	Uchana	B.T. Cotton	8900	8619	281
	Dabwali	B.T. Cotton	9366	9012	355
Rajasthan	Hanumangarh	B.T. Cotton	9475	9008	467

	Rawatsar	B.T. Cotton	9325	9013	313
Madhya Pradesh	Khandwa	Mech-1	9380	8620	760
	Khargaon	Mech-1	9300	8685	615
Maharashtra	Amravati	Mech-1	9500	8717	783
	Jamner	Medium Staple	8137	8023	114
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8845	8335	510
Karnataka	Bijapur	Bunny	10367	9457	910
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	8908	8130	778
	Raichur	H-44 Cotton	10200	NA	-
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	30th Dec'21 to 05th Jan'21	23rd Dec'21 to 29th Dec'21	
Punjab	Bhatinda	J-34	7164	6879	285
	Abohar	J-34	7176	6901	275
	Mansa	J-34	7160	6881	279
Haryana	Sirsa	J-34	7024	6760	264
Rajasthan	Sri-Ganganagar	J-34	6618	6541	77

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30th Dec'21 to 05th Jan'21	23rd Dec'21 to 29th Dec'21	
Gujarat	Ahmedabad	Shankar-6	249900	309400	-59500
	Gondal	Shankar-6	15984	10542	5442
	Rajkot	B.T. Cotton	18950	18800	150
	Patan	B.T. Cotton	18701	24930	-6229
	Kadi	B.T. Cotton	155000	190000	-35000
	Deesa	B.T. Cotton	NA	2600	-
	Dhrol	B.T. Cotton	2438	2042	396
Haryana	Bhiwani	B.T. Cotton	1000	3400	-2400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9180	14280	-5100
	Fatehabad	B.T. Cotton	4200	6700	-2500

	Jind	B.T. Cotton	7990	9010	-1020
	Uchana	B.T. Cotton	4500	5850	-1350
	Dabwali	B.T. Cotton	8300	11300	-3000
Rajasthan	Hanumangarh	B.T. Cotton	15500	19500	-4000
	Rawatsar	B.T. Cotton	11500	20500	-9000
Madhya Pradesh	Khandwa	Mech-1	7200	7100	100
	Khargaon	Mech-1	6367	13560	-7193
Maharashtra	Amravati	Mech-1	67000	84000	-17000
	Jamner	Medium Staple	126	143	-17
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	128401	377246	-248845
Karnataka	Bijapur	Bunny	16982	20062	-3080
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	66	84	-18
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30th Dec'21 to 05th Jan'21	23rd Dec'21 to 29th Dec'21	
Punjab	Bhatinda	J-34	40800	56100	-15300
	Abohar	J-34	5100	7820	-2720
	Mansa	J-34	2975	4080	-1105
Haryana	Sirsa	J-34	6290	7650	-1360
Rajasthan	Sri-Ganganagar	J-34	16000	8800	7200

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	08-Jan-22	03-Jan-22	09-Dec-21	08-Jan-21
Gujarat	Ahmedabad	Shankar-6	10250	10000	8600	5850
	Gondal	Shankar-6	10380	10105	8710	5500
	Rajkot	B.T. Cotton	10575	10100	8725	5530
	Patan	B.T. Cotton	10185	10005	8905	5515
	Kadi	B.T. Cotton	9700	9500	8500	5550
	Deesa	B.T. Cotton	NA	0	7855	NA

	Dhrol	B.T. Cotton	NA	10255	8650	NR
Haryana	Bhiwani	B.T. Cotton	NR	0	8100	5600
	Bhiwani	Desi	NR	0	0	NA
	Adampur	B.T. Cotton	9456	9200	8200	5350
	Fatehabad	B.T. Cotton	9000	9150	8200	5350
	Jind	B.T. Cotton	NR	9100	8200	5700
	Uchana	B.T. Cotton	NR	9000	8250	5385
	Dabwali	B.T. Cotton	9650	9400	8400	NR
Rajasthan	Hanumangarh	B.T. Cotton	NR	9400	8600	Closed
	Rawatsar	B.T. Cotton	9700	9300	8600	Closed
Madhya Pradesh	Khandwa	Mech-1	10000	9100	8500	5491
	Khargaon	Mech-1	NA	0	8610	5427
Maharashtra	Amravati	Mech-1	10100	9600	8100	5300
	Jamner	Medium Staple	NA	8060	8000	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	6500	NA
	Hathras	Desi	NA	0	6700	NA
Telangana	Adilabad	Un-Ginned	NA	NA	7910	5400
Karnataka	Bijapur	Bunny	NA	10211	8999	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	NA	0	0	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	08-Jan-22	03-Jan-22	09-Dec-21	08-Jan-21
Punjab	Bhatinda	J-34	7400	7070	6530	4490
	Abohar	J-34	7400	7090	6530	4490
	Mansa	J-34	7400	7070	6530	4490
Haryana	Sirsa	J-34	7250	6950	6360	4470
Rajasthan	Sri-Ganganagar	J-34	6674	6674	6157	4512

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	08-Jan-22	03-Jan-22	09-Dec-21	08-Jan-21
Gujarat	Ahmedabad	Shankar-6	42500	47600	42500	68000
	Gondal	Shankar-6	3051	2972	4850	#N/A

	Rajkot	B.T. Cotton	3000	3200	5500	#N/A
	Patan	B.T. Cotton	491	3940	9591	3450
	Kadi	B.T. Cotton	20000	35000	35000	#N/A
	Deesa	B.T. Cotton	NA	0	700	#N/A
	Dhrol	B.T. Cotton	NA	697	479	#N/A
Haryana	Bhiwani	B.T. Cotton	NR	0	300	1200
	Bhiwani	Desi	NR	0	0	#N/A
	Adampur	B.T. Cotton	2550	2550	1700	#N/A
	Fatehabad	B.T. Cotton	300	1100	1000	#N/A
	Jind	B.T. Cotton	NR	1700	1700	#N/A
	Uchana	B.T. Cotton	NR	800	1750	#N/A
	Dabwali	B.T. Cotton	400	3000	2000	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	NR	4000	3000	#N/A
	Rawatsar	B.T. Cotton	1200	2000	3000	500
Madhya Pradesh	Khandwa	Mech-1	1500	1500	1800	#N/A
	Khargaon	Mech-1	NA	0	9420	#N/A
Maharashtra	Amravati	Mech-1	14000	15000	7000	#N/A
	Jamner	Medium Staple	NA	47	40	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	50	#N/A
	Hathras	Desi	NA	0	100	#N/A
Telangana	Adilabad	Un-Ginned	NA	NA	222873	0
Karnataka	Bijapur	Bunny	NA	691	6263	4191
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	0	0	112
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	08-Jan-22	03-Jan-22	09-Dec-21	08-Jan-21
Punjab	Bhatinda	J-34	6800	8500	8500	5100
	Abohar	J-34	255	1190	2040	850
	Mansa	J-34	170	680	1530	850
	Sirsa	J-34	#VALUE!	1360	2550	340
	Sri-Ganganagar	J-34	2700	4000	2000	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				30th Dec'21 to 05th Jan'21	23rd Dec'21 to 29th Dec'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	46200	45333	867
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	46800	45933	867
J-34(202)	26mm	3.5 - 4.9	23	66100	63417	2683
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	70680	67567	3113
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	74180	70850	3330
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	113180	112417	763

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