

COTTON WEEKLY RESEARCH REPORT
17th Jan 2022**Domestic market summary**

Domestic Market Scenario: Cotton traded with a steady tone across major spot markets of north India last week. Indian exports are very slow and even cotton yarn market also not supporting higher price. Indian cotton remained steady near Rs. 73,000 to 73,500 per candy. Cotton prices at Rajkot traded at Rs. 10,130 per quintal at Gondal market. With the expectation of decrease in production for the 2021-22 season, cotton prices had already increased in all the major markets across India since December 2021.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 10200-10400/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.9900-10200/q.

Major Market Highlights:

- The Cotlook index stood higher (128.15 cents/lbs) compared to the ICE cotton future that stood at 115.22 cents/lbs.
- Indian rupee stronger near Rs. 74.30 per USD.

Market Highlights:

- Cotton arrivals were around 39 percent lower as compared to 2020-21 season. According to the Agriwatch market sources, total cotton arrivals in India till 31st December 2021 were around 1,20,78,900 bales as compared to previous season arrivals of 1,97,85,000 bales. Cotton arrivals in 2021-22 season are lower mainly because of lesser sown area and crop damage due to heavy rainfalls earlier in the season.
- The Textile Ministry has taken up the need for removal of 10% import duty on cotton with the Ministry of Finance. Textile Secretary held a meeting with representatives of the textiles and clothing sector to discuss the issue of rising raw cotton and yarn prices. The Confederation of All India Traders has urged the government to withdraw proposed GST hike on textiles from 5 to 12 percent as it would put a big financial burden on the sector and depress demand.
- Cotton prices have been steadily rising since last week. The price of cotton had gone up from Rs.9500/q to Rs.10,000/q in the major markets and the last two days, it has picked up again to Rs 10,400 to Rs 10,500 per quintal. Low availability of cotton and high demand for cotton in the market has also resulted in price rise.
- 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

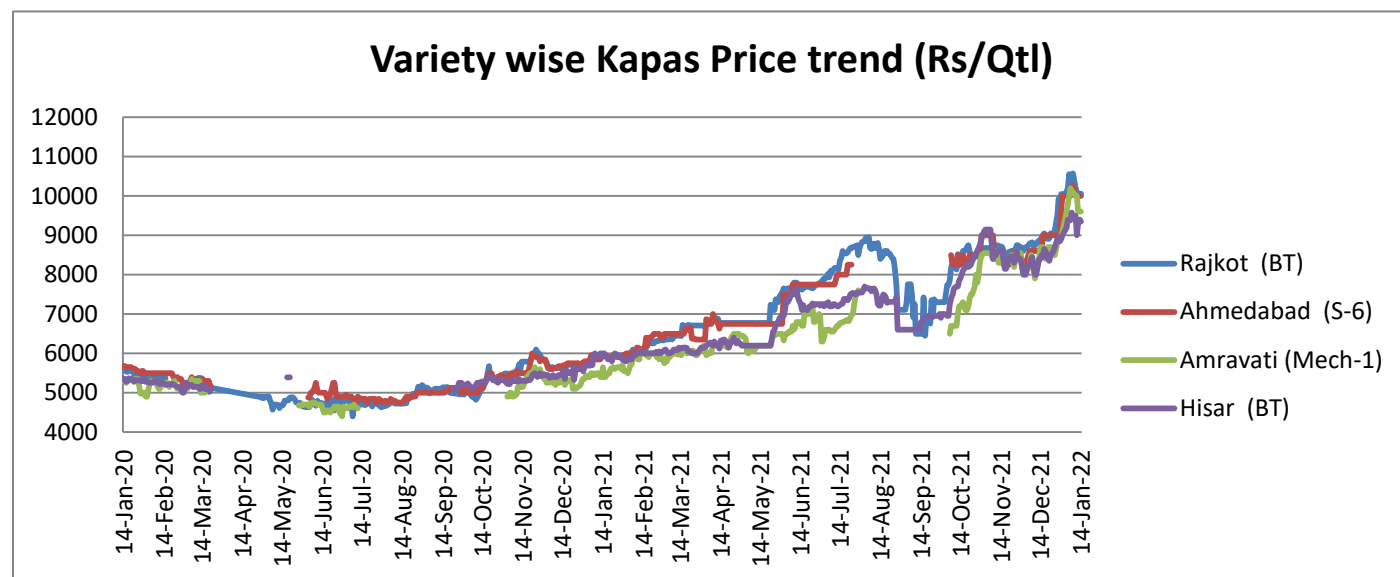
these APMCs was Rs 7,511 and Rs 5,000 respectively with the modal price being around Rs 9,500. The price of kapas in Jamnagar mandi remained in the range of Rs 7500 to Rs 10,555. This is a historic price and the highest in the entire state. Last year, the highest bid was Rs 6,825 but this year, farmers are realizing an average Rs 3,000 higher price.

- 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

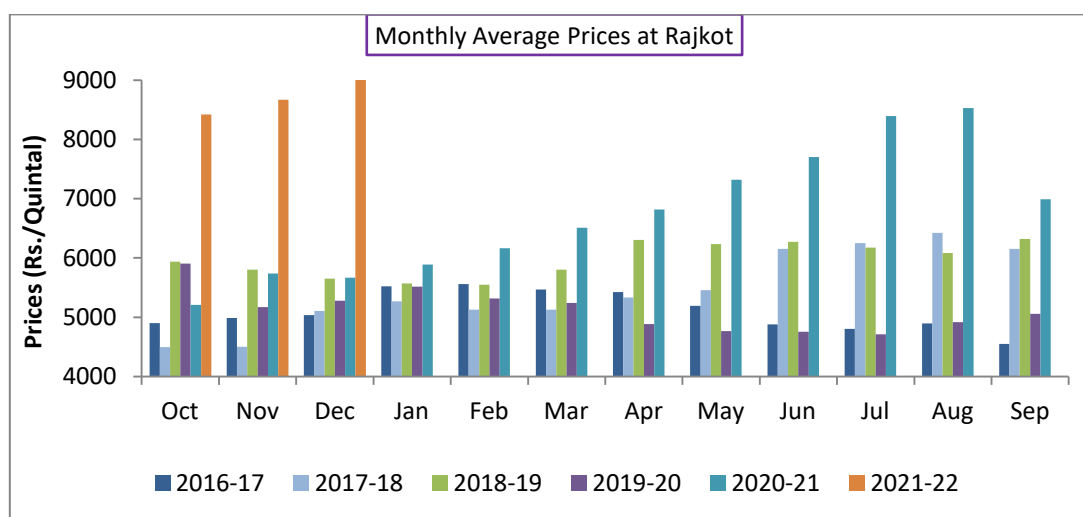
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 10277/q compared to previous week Rs. 10188/q whereas, in Hisar were prices stood higher at Rs. 9369/q compared to previous week price of Rs. 9180/qt. For Amravati and Ahmedabad prices were at Rs. 10000/qt and Rs. 10083/qt respectively.



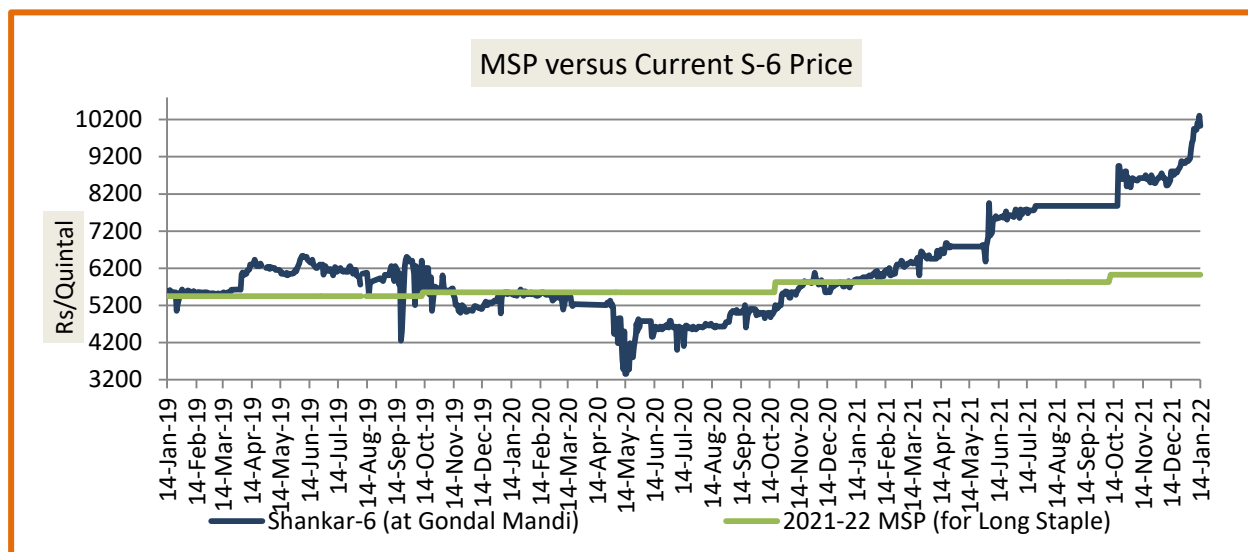
Kapas Monthly M-o-M Price Scenario

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

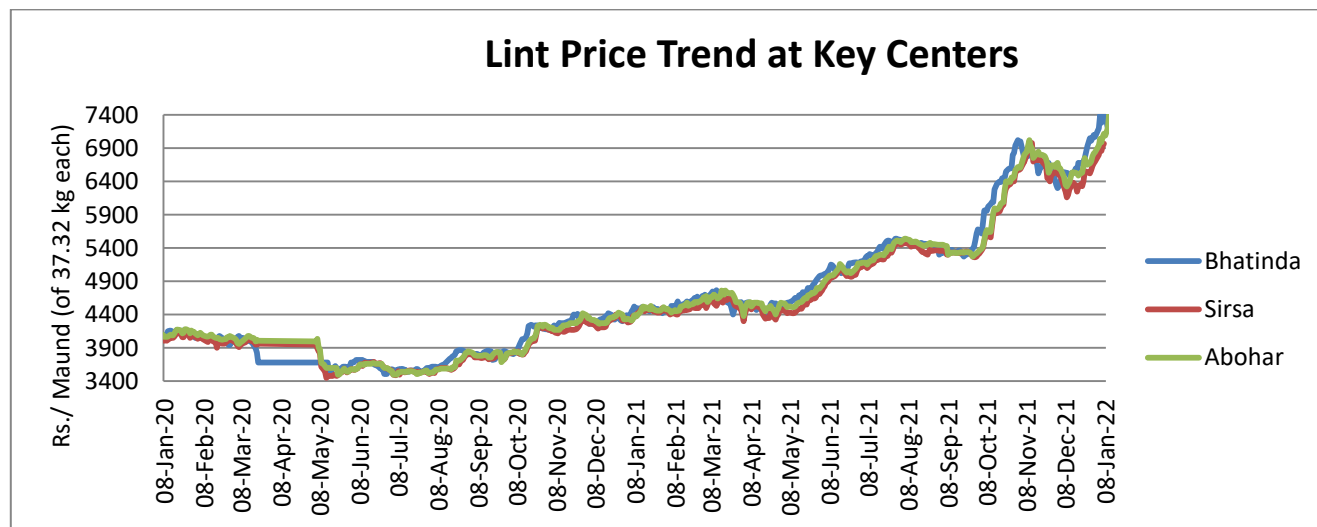
Average kapas price at Gondal market stood slightly higher at Rs. 10295/qt from the previous week at Rs. 10050/q.



Source: Agriwatch

Lint price Outlook

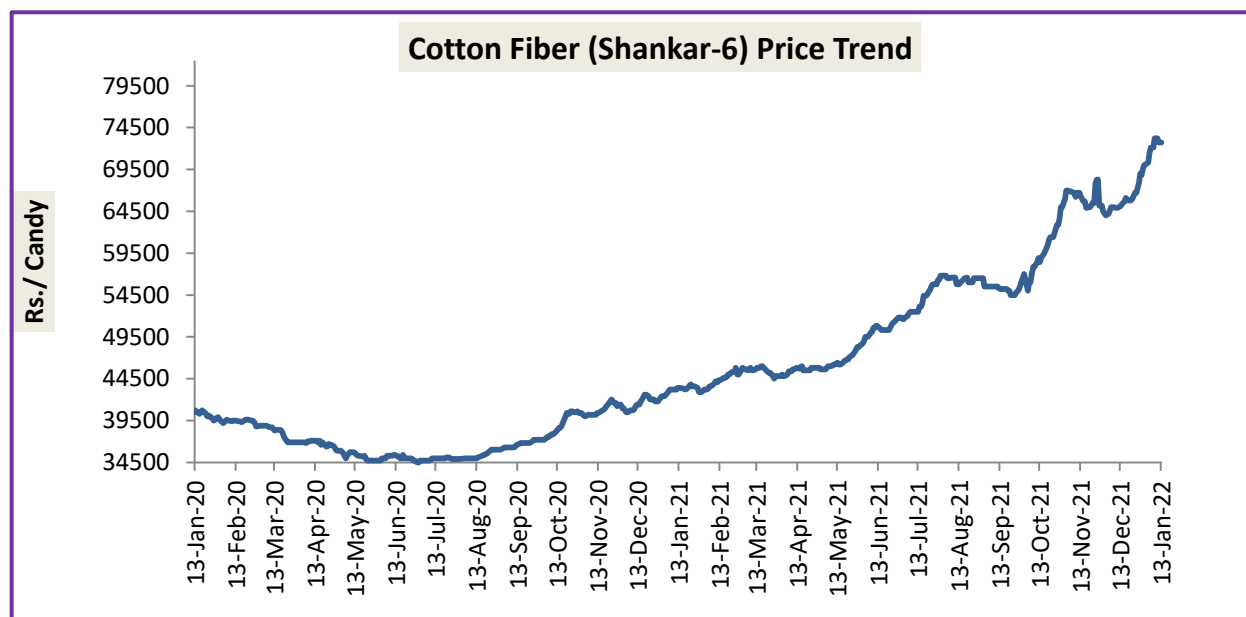
The average price stood higher at Rs. 7332/maund this week compared to Rs.7176/maund previous week in Abohar, in Bhatinda prices were at Rs.7321/ maund, and slightly higher in sirsa at Rs.7179/ maund from Rs.7024/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.72666/ candy as compared to previous week price of Rs.70680/candy, and is likely to go higher this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

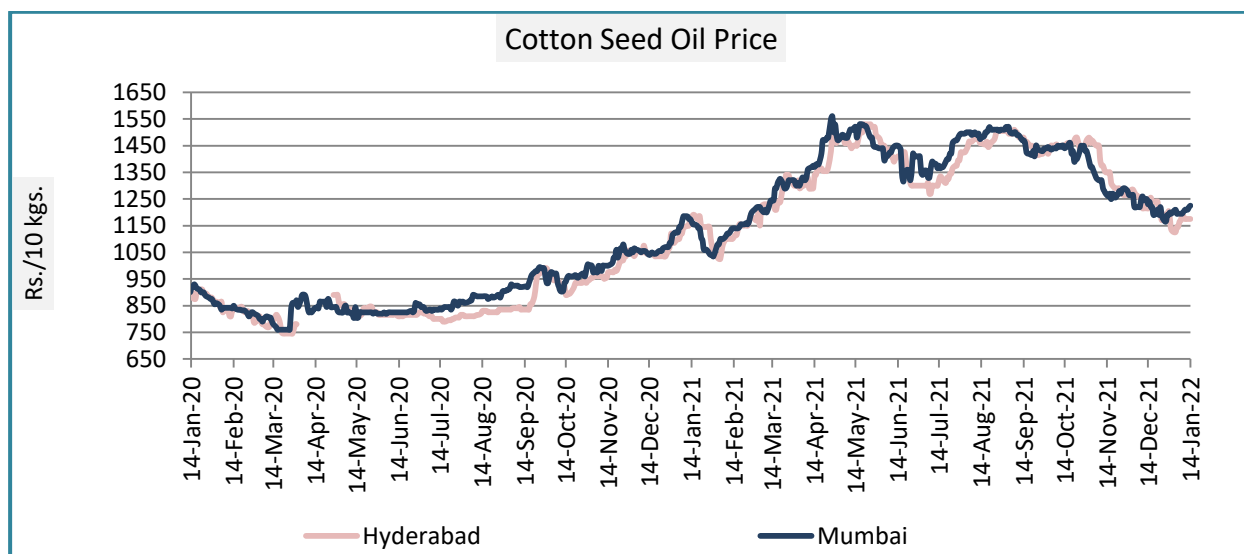
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 12th Jan'22 and expected to continue a slight uptrend

	Weekly Average Price as on (Rs/10 kg.)		% Change
	12-Jan-22	05-Jan-22	
New Delhi	-	-	-
Rajkot	1209	1188	1.78
Hyderabad	1209	1178	2.65
Mumbai	1218	1198	1.63

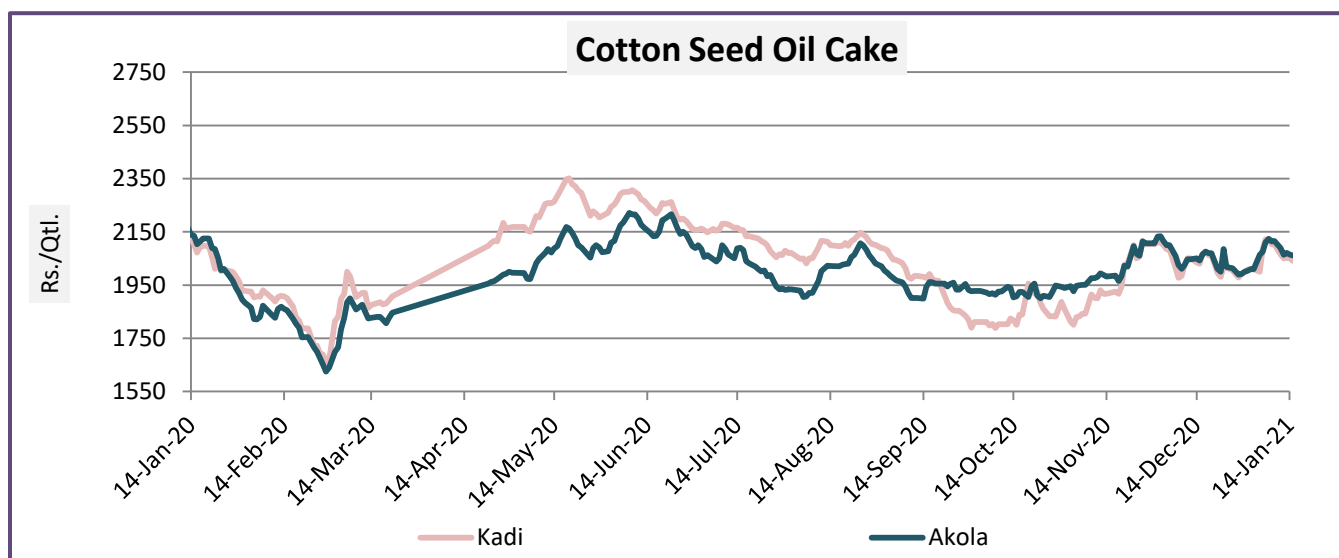
Source: Agriwatch



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. 3424 per quintal from Rs. 3233 per quintal and in Akola prices were at Rs. 3381 per quintal from Rs. 3145 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	12-Jan-22	05-Jan-22	
Kadi	3424	3233	5.89
Akola	3381	3145	7.49



Source: NCDEX

International Market Scenario

- According to USDA, World Agricultural Supply and Demand Estimate, January 2022 report, USDA has projected US production at 17.62 million bales for the 2021-22 season, about 660,000 bales lower than the previous month bringing its ending stock estimate at 200,000 bales lower to 3.20 million bales. The USDA has also cut its global output estimate by about 610,000 bales to 120.96 million bales, bringing ending stocks forecast to 85.01 million bales from 85.73 million bales last month. However, USDA has trimmed US

exports estimate by 500,000 bales to 15.0 million bales, citing lower US crop and continuing logistical issues.

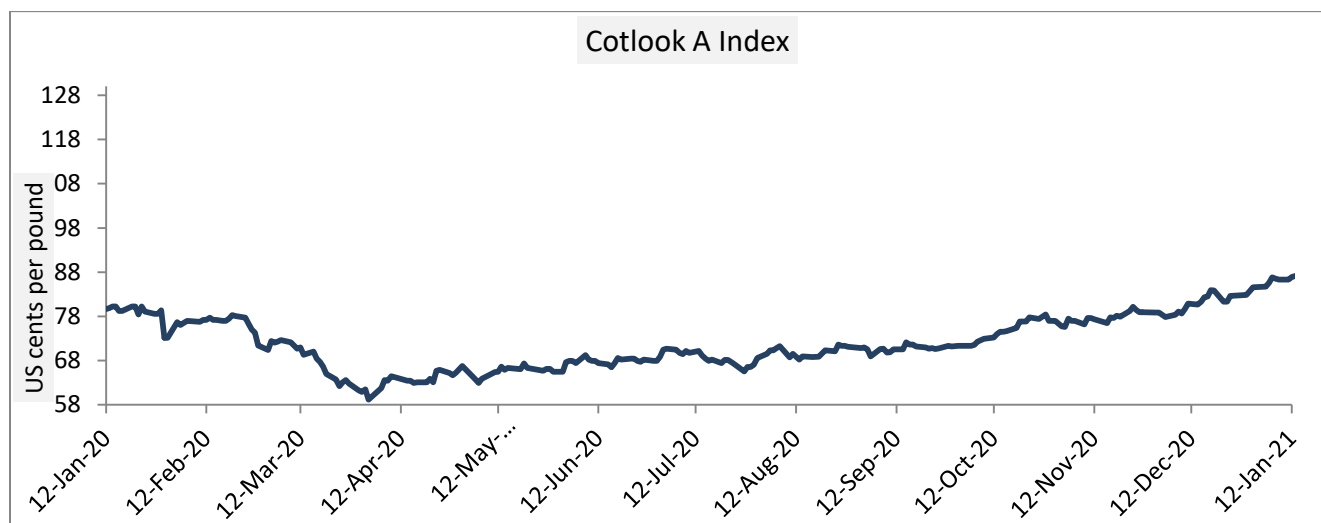
- USDA has projected India's Cotton production at 5,987 MT in January 2022 lower from the previous month estimate of 6,096 MT. Domestic cotton consumption was estimated at 5,661 MT higher from previous estimate of 5,617 MT. Further, Cotton exports were at 1,263 MT. Ending stock for the 2021-22 season is estimated at 2,208 MT.
- Thailand textile exports are expected to increase by 15 percent in 2021-22 season on expected good demand from Vietnam, Indonesia, India, Europe and the United States.
- According to the USDA's Cotton and Products Update, Indonesia's cotton consumption is forecast 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.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 128.41 cents/lb higher as compared to the previous week (126.51 cents/lb).

Cotlook A Index	WeeklyAverage Price change as on		% Change
	12-Jan-22	05-Jan-22	
Prices	128.41	126.51	1.53
Prices in US cents per Pound			

Source: Cotlook

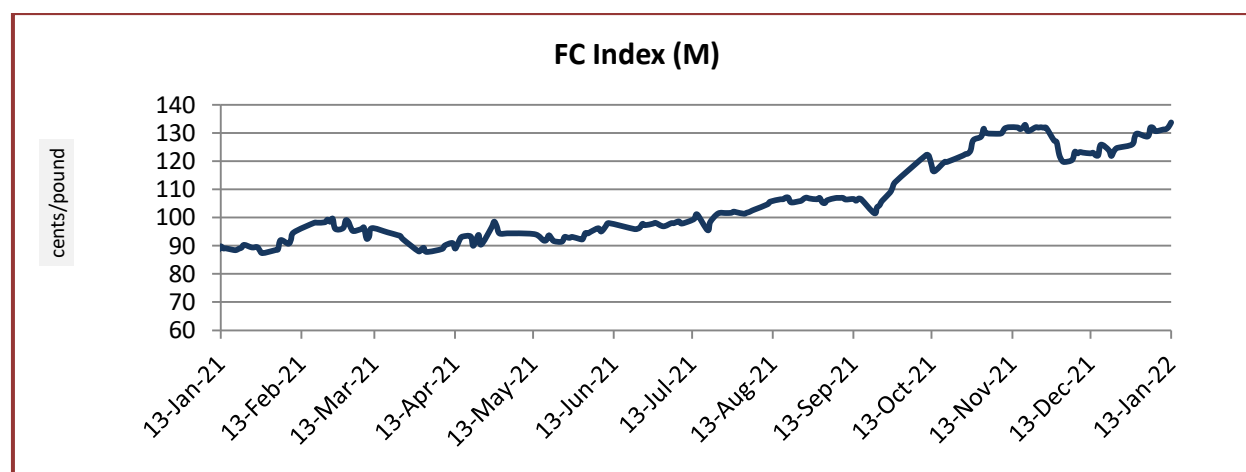


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	12-Jan-22	05-Jan-22	
FC (S)	132.93	131.18	1.33
FC (M)	131.45	129.04	1.87
FC (L)	130.24	127.47	2.18

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	12-Jan-22	05-Jan-22	
CCIndex(328)	22389.40	22183.00	0.93
CCIndex(527)	20676.60	20509.60	0.81
CCIndex(229)	22917.40	22769.80	0.65

Prices in Yuan per ton

Source: China Cotton Association



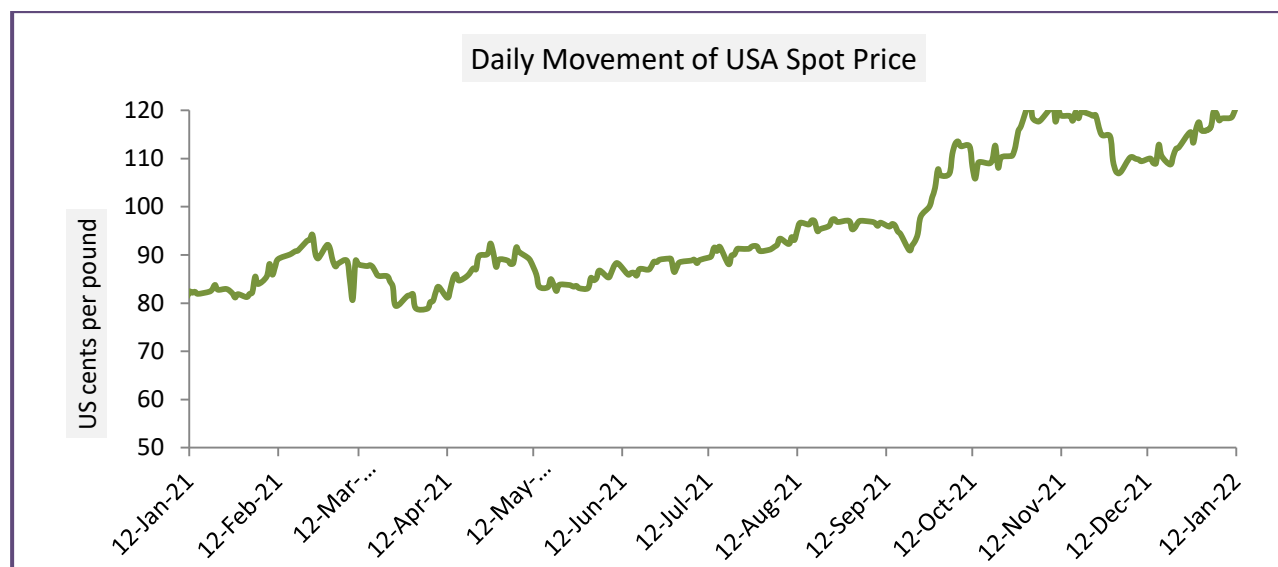
USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.94 percent at 118.99 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	12-Jan-22	05-Jan-22	
Prices	118.99	118.25	0.94

Prices in US cents per Pound

Source: USDA



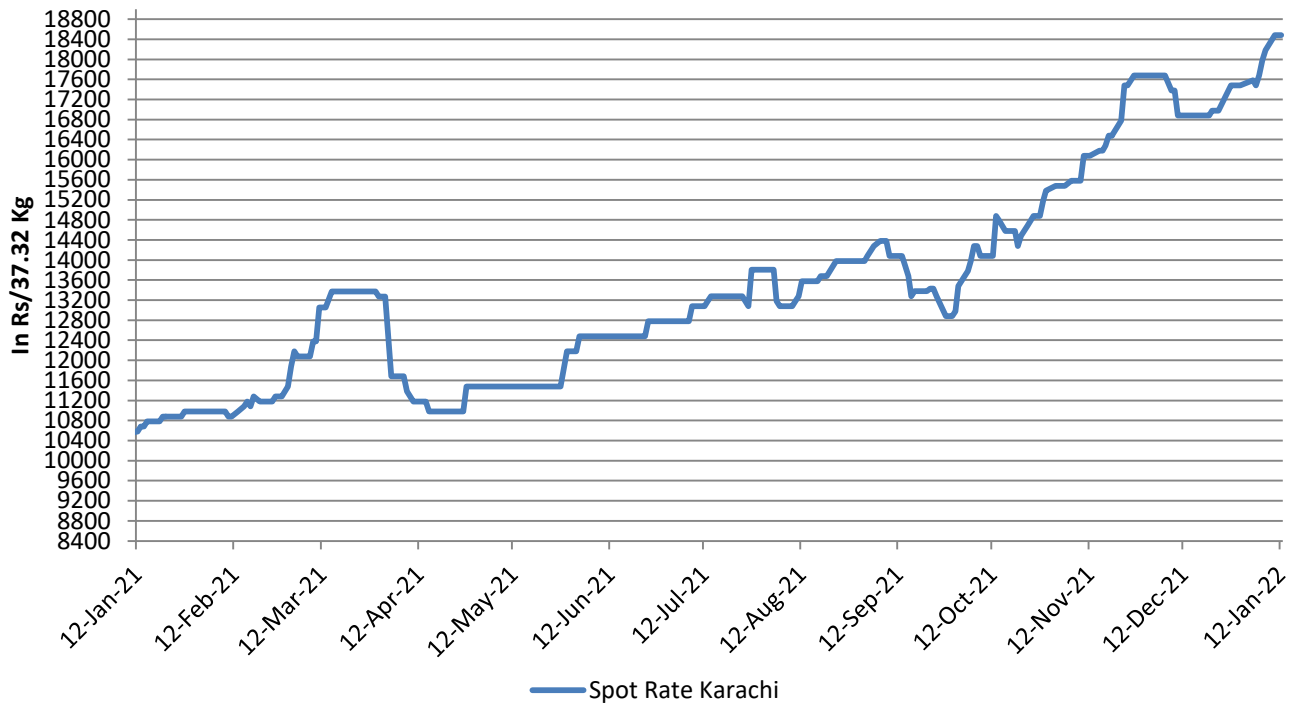
Pakistan Spot Prices

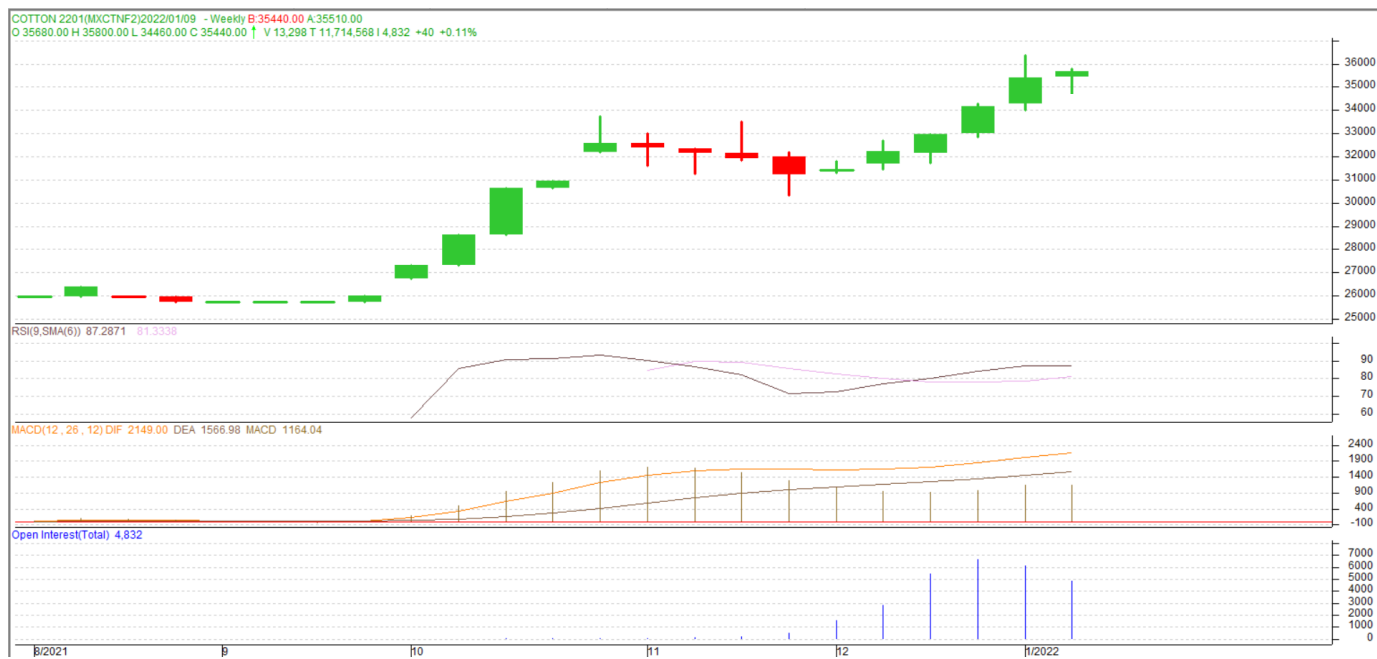
The Karachi spot price stood higher around Rs.18580/q from Rs. 18320/q the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	12-Jan-22	05-Jan-22	
Prices	18580	18320	1.42
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 35650.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jan	35020	35100	35440	35650	35770
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jan	Buy	35430	35530	35620	35360

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Jan
Expiry: Jan. 30, 2021
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 3449.
- MACD, indicating firm momentum.
- RSI is indicating strong buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jan	3119	3189	3309	3449	3509
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Jan	Buy	3299	3399	3419	3229

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.

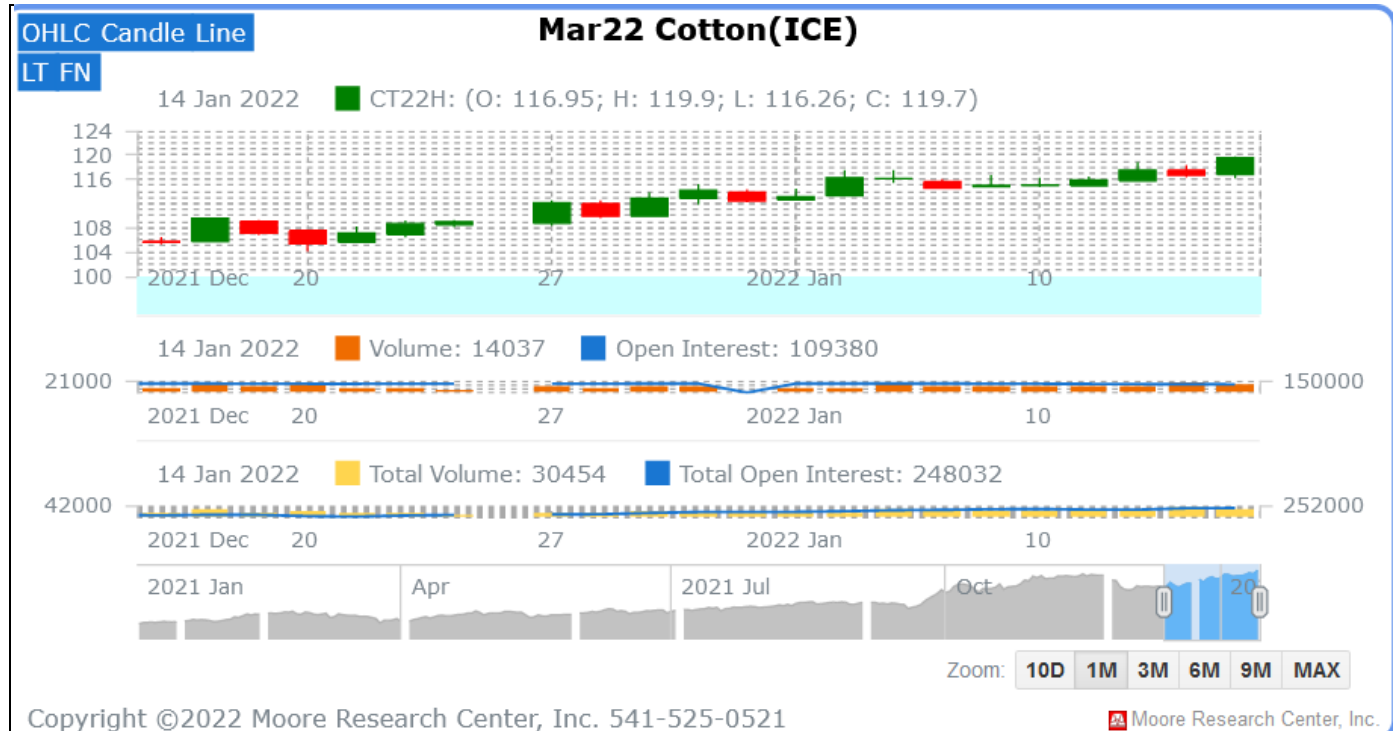
Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	119-124

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
115	104	122	125

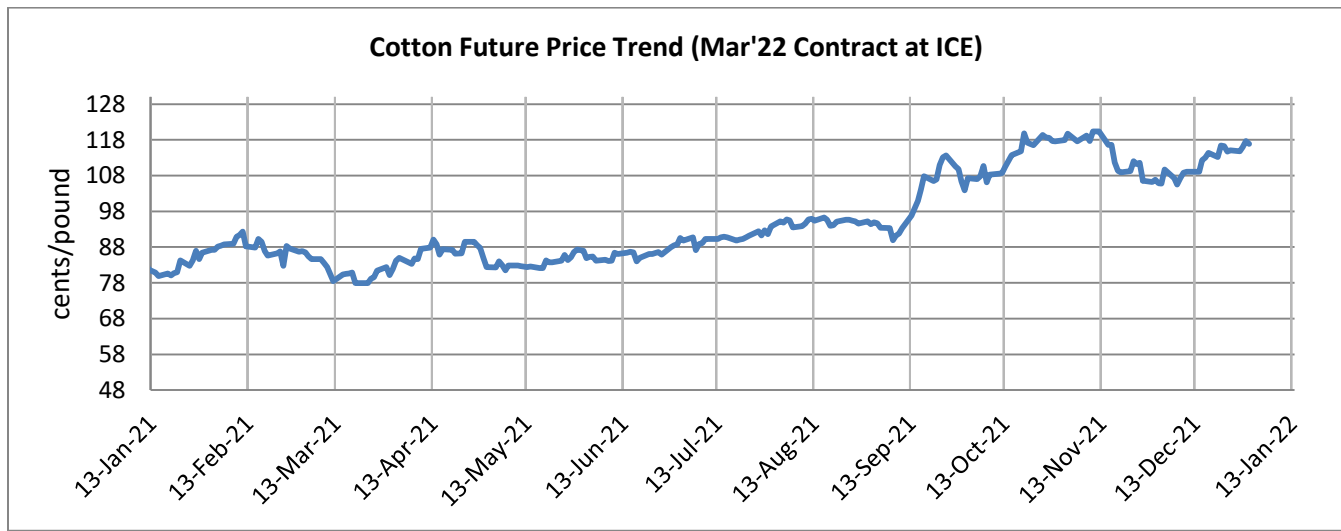
Figures in US cents/pound



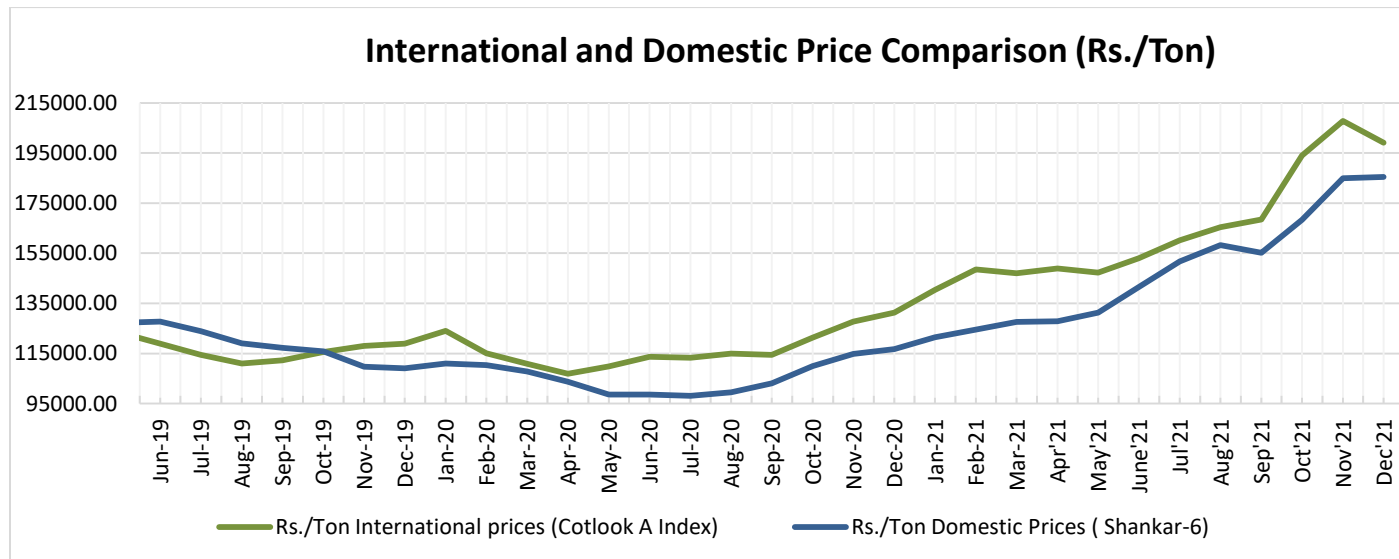
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	13-Jan-22	14-Dec-21 (1 month ago)	15-Oct-21 (3 months ago)	17-Jul-20 (6 months ago)	13-Jan-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	116.84	105.90	107.33	90.70	80.92	10.33	44.39
May-22	114.47	104.55	105.00	89.93	81.77	9.49	39.99
Jul-22	112.14	102.35	103.97	89.30	82.53	9.57	35.88
Dec-22	101.62	94.90	102.34	88.44	79.17	7.08	28.36
Mar-23	95.68	89.69	94.60	87.01	76.80	6.68	24.58

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			06th Jan'21 to 12th Jan'21	30th Dec'21 to 05th Jan'21	
State	Centre	Variety			
Gujarat	Ahmedabad	Shankar-6	10083	9925	158
	Gondal	Shankar-6	10333	10075	258
	Rajkot	B.T. Cotton	10278	10188	90
	Patan	B.T. Cotton	10105	10000	105
	Kadi	B.T. Cotton	9717	9440	277
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9623	9830	-207
Haryana	Bhiwani	B.T. Cotton	NA	8500	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9369	9180	189
	Fatehabad	B.T. Cotton	9150	9113	38
	Jind	B.T. Cotton	9500	9000	500
	Uchana	B.T. Cotton	9233	8900	333
	Dabwali	B.T. Cotton	9557	9366	190
Rajasthan	Hanumangarh	B.T. Cotton	9650	9475	175

	Rawatsar	B.T. Cotton	9540	9325	215
Madhya Pradesh	Khandwa	Mech-1	10017	9380	637
	Khargaon	Mech-1	NA	9300	-
Maharashtra	Amravati	Mech-1	10000	9500	500
	Jamner	Medium Staple	9195	8137	1058
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9300	8845	456
Karnataka	Bijapur	Bunny	10455	10367	88
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	7029	8908	-1879
	Raichur	H-44 Cotton	10172	10200	-28
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	06th Jan'21 to 12th Jan'21	30th Dec'21 to 05th Jan'21	
Punjab	Bhatinda	J-34	7322	7164	158
	Abohar	J-34	7333	7176	157
	Mansa	J-34	7335	7160	175
Haryana	Sirsa	J-34	7179	7024	155
Rajasthan	Sri-Ganganagar	J-34	6768	6618	150

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th Jan'21 to 12th Jan'21	30th Dec'21 to 05th Jan'21	
Gujarat	Ahmedabad	Shankar-6	248200	249900	-1700
	Gondal	Shankar-6	17305	15984	1321
	Rajkot	B.T. Cotton	32200	18950	13250
	Patan	B.T. Cotton	20977	18701	2276
	Kadi	B.T. Cotton	142500	155000	-12500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1444	2438	-994
Haryana	Bhiwani	B.T. Cotton	NA	1000	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12240	9180	3060
	Fatehabad	B.T. Cotton	3550	4200	-650

	Jind	B.T. Cotton	2380	7990	-5610
	Uchana	B.T. Cotton	2800	4500	-1700
	Dabwali	B.T. Cotton	5700	8300	-2600
Rajasthan	Hanumangarh	B.T. Cotton	9000	15500	-6500
	Rawatsar	B.T. Cotton	17400	11500	5900
Madhya Pradesh	Khandwa	Mech-1	8500	7200	1300
	Khargaon	Mech-1	NA	6367	-
Maharashtra	Amravati	Mech-1	88000	67000	21000
	Jamner	Medium Staple	421	126	295
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	45400	128401	-83001
Karnataka	Bijapur	Bunny	23053	16982	6071
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	3	66	-63
	Raichur	H-44 Cotton	40	NA	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th Jan'21 to 12th Jan'21	30th Dec'21 to 05th Jan'21	
Punjab	Bhatinda	J-34	44200	40800	3400
	Abohar	J-34	2805	5100	-2295
	Mansa	J-34	1870	2975	-1105
Haryana	Sirsa	J-34	4250	6290	-2040
Rajasthan	Sri-Ganganagar	J-34	16100	16000	100

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	14-Jan-22	07-Jan-22	15-Dec-21	14-Jan-21
Gujarat	Ahmedabad	Shankar-6	Closed	10250	8600	Closed
	Gondal	Shankar-6	Closed	10900	8905	5500
	Rajkot	B.T. Cotton	Closed	10550	8950	5530
	Patan	B.T. Cotton	Closed	10360	8735	5515
	Kadi	B.T. Cotton	Closed	9700	8500	5550
	Deesa	B.T. Cotton	NA	0	0	NA

	Dhrol	B.T. Cotton	Closed	NA	8650	NR
Haryana	Bhiwani	B.T. Cotton	NR	0	7520	5600
	Bhiwani	Desi	NR	0	0	NA
	Adampur	B.T. Cotton	9350	9580	8500	5350
	Fatehabad	B.T. Cotton	9200	9000	8150	5350
	Jind	B.T. Cotton	9400	NR	8250	5700
	Uchana	B.T. Cotton	9000	NR	8200	5385
	Dabwali	B.T. Cotton	Closed	9650	8350	NR
Rajasthan	Hanumangarh	B.T. Cotton	Closed	NR	8700	Closed
	Rawatsar	B.T. Cotton	9400	9700	8600	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	10000	8400	5491
	Khargaon	Mech-1	Closed	0	8500	5427
Maharashtra	Amravati	Mech-1	9600	10100	8700	5300
	Jamner	Medium Staple	NA	0	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	6200	NA
	Hathras	Desi	NA	0	6800	NA
Telangana	Adilabad	Un-Ginned	NA	NA	7930	5400
Karnataka	Bijapur	Bunny	NA	0	8853	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	NA	10100	0	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	14-Jan-22	07-Jan-22	15-Dec-21	14-Jan-21
Punjab	Bhatinda	J-34	7300	7400	6530	4500
	Abohar	J-34	7350	7425	6530	4490
	Mansa	J-34	Closed	7400	6530	4480
Haryana	Sirsa	J-34	7180	7250	6330	4475
Rajasthan	Sri-Ganganagar	J-34	Closed	6674	6458	Closed

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	14-Jan-22	07-Jan-22	15-Dec-21	14-Jan-21
Gujarat	Ahmedabad	Shankar-6	Closed	42500	59500	Closed
	Gondal	Shankar-6	Closed	2185	1091	#N/A

	Rajkot	B.T. Cotton	Closed	2500	4400	#N/A
	Patan	B.T. Cotton	Closed	1038	9697	3450
	Kadi	B.T. Cotton	Closed	20000	30000	#N/A
	Deesa	B.T. Cotton	NA	0	0	#N/A
	Dhrol	B.T. Cotton	Closed	NA	302	#N/A
Haryana	Bhiwani	B.T. Cotton	NR	0	800	1200
	Bhiwani	Desi	NR	0	0	#N/A
	Adampur	B.T. Cotton	1700	1700	1700	#N/A
	Fatehabad	B.T. Cotton	600	300	1500	#N/A
	Jind	B.T. Cotton	1360	NR	1360	#N/A
	Uchana	B.T. Cotton	1000	NR	1900	#N/A
	Dabwali	B.T. Cotton	Closed	400	1500	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	Closed	NR	3500	#N/A
	Rawatsar	B.T. Cotton	4000	2000	2000	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	1300	1600	#N/A
	Khargaon	Mech-1	Closed	0	6520	#N/A
Maharashtra	Amravati	Mech-1	16000	14000	8000	#N/A
	Jamner	Medium Staple	NA	0	NA	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	20	#N/A
	Hathras	Desi	NA	0	50	#N/A
Telangana	Adilabad	Un-Ginned	NA	NA	151448.1	0
Karnataka	Bijapur	Bunny	NA	0	6478	0
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	5	0	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	14-Jan-22	07-Jan-22	15-Dec-21	14-Jan-21
Punjab	Bhatinda	J-34	8500	6800	8500	3400
	Abohar	J-34	850	170	1700	340
	Mansa	J-34	Closed	170	1190	170
	Sirsa	J-34	1190	170	2550	340
	Sri-Ganganagar	J-34	Closed	2700	5000	Closed

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				06th Jan'21 to 12th Jan'21	30th Dec'21 to 05th Jan'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	46367	46200	167
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	46967	46800	167
J-34(202)	26mm	3.5 - 4.9	23	67633	66100	1533
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	72667	70680	1987
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	76500	74180	2320
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	116233	113180	3053

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