

COTTON WEEKLY RESEARCH REPORT
24th Jan 2022**Domestic market summary**

Domestic Market Scenario: Cotton traded with a steady tone across major spot markets of north India last week. Cotton arrivals were not as fast as expected but are better than previous week. As per Cotton Association of India there is enough stock with the mills and trade to avoid panic buying. Indian cotton remained steady near Rs. 73,500 to 75,000 per candy. Cotton prices at Rajkot traded at Rs. 10,218 per quintal at Gondal market. Yarn market is dull so mills prefer to cover only immediate requirements.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 9800-10200/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 (133.10 cents/lbs) compared to the ICE cotton future that stood at 119.70 cents/lbs.
- Indian rupee became stronger at Rs. 74.30 per USD.

Market Highlights:

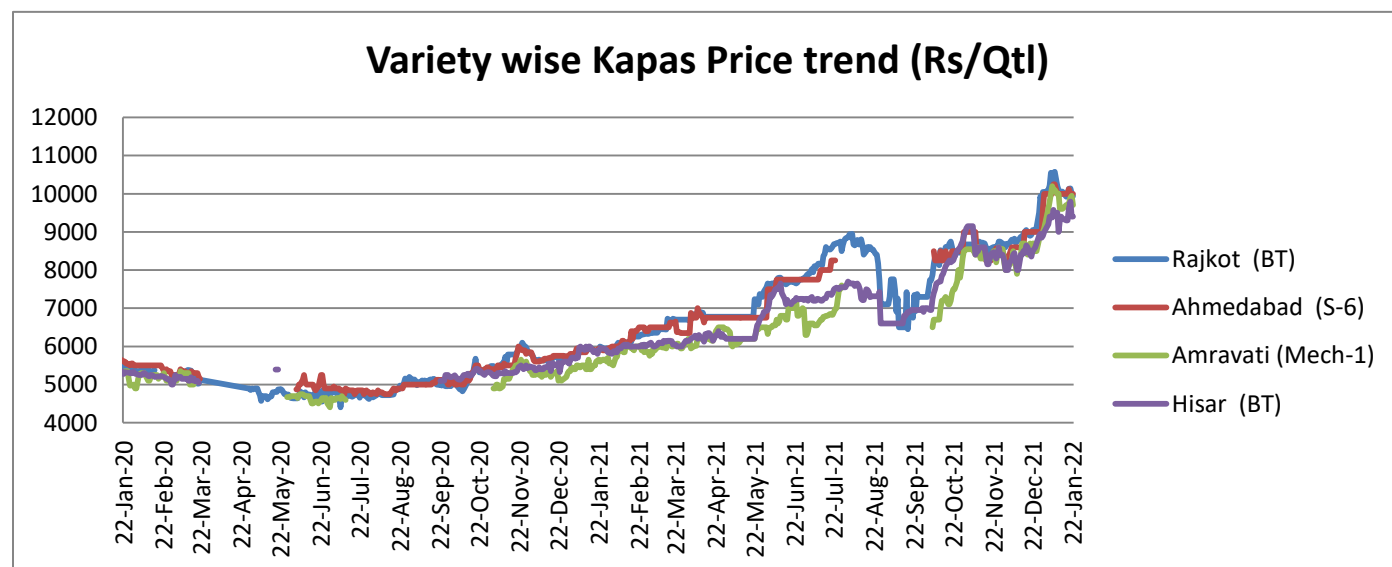
- Cotton Association of India has reduced its December estimate of the cotton crop for the 2021-22 season by 12 lakh bales to 348.12 lakh bales from its previous estimate of 360.13 lakh bales. The Association has attributed the reduction in crop estimate to the drop in production in states including Punjab, Haryana, Rajasthan, Gujarat, Telangana, Odisha and Karnataka. Agriwatch has estimated cotton production for 2021-22 season at 350.60 lakh bales lower from its 2020-21 estimate of 365.00 lakh bales.
- The total cotton supply for the month of October 2021 to December 2021 remained at 218.52 lakh bales, which consists of the arrivals of 140.52 lakh bales, imports of 3 lakh bales during the month of December 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 to December 2021 at 86.25 lakh bales while the export shipment up to 31st December 2021 are estimated at 18.50 lakh bales. Stock at the end of 31st December 2021 is estimated at 113.77 lakh bales. The mills have on an average 68 days cotton stock in their godowns.

- Cottonseed prices in Gujarat have increased in last week amid improved demand for raw cotton in the market mainly from spinning and ginning mills. Cottonseed prices are currently ranging between Rs. 8,500 to Rs. 10,500 per quintal.
- As per Agriwatch estimate, cotton production in Gujarat is expected to be lower in 2021-22 season because of lesser sown area around 22.53 lakh hectares as compared to 25.53 lakh hectares in the previous season.
- Tamil Nadu government has urged the central government to remove the 10 percent import duty on cotton and has also asked the government to control the rising prices of cotton and yarn. As, if the cotton and yarn prices kept on rising than the large number of power looms and apparel and home textile units may soon become unviable resulting in closure and consequent large scale unemployment and industrial unrest in the state.
- The textile hub of Tirupur incurred a production loss of more than Rs. 200 crore on Monday (the first day of the 2-day strike called by textile firms against steep increase in yarn prices). Yarn prices have increased abnormally over the last one year causing disastrous impact on the textile sector. The prices have increased by Rs. 30 per kg with the start of the season.

Domestic Cotton Prices Scenario

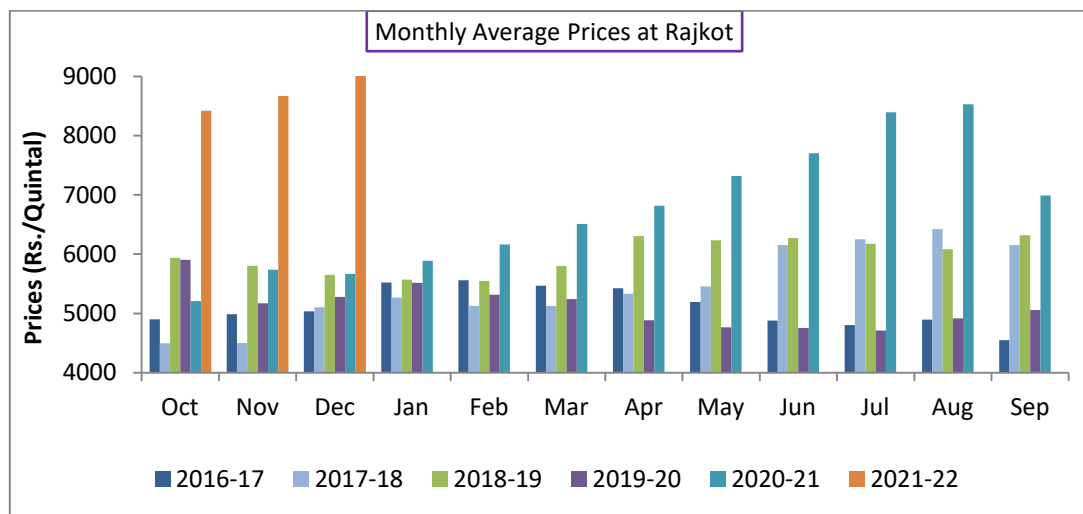
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood lower at Rs. 10023/q compared to previous week Rs. 10277/q, whereas at Hisar prices stood higher at Rs. 9375/q compared to previous week price of Rs. 9369/qt. For Amravati and Ahmedabad prices were at Rs. 9658/qt and Rs. 10020/qt respectively.



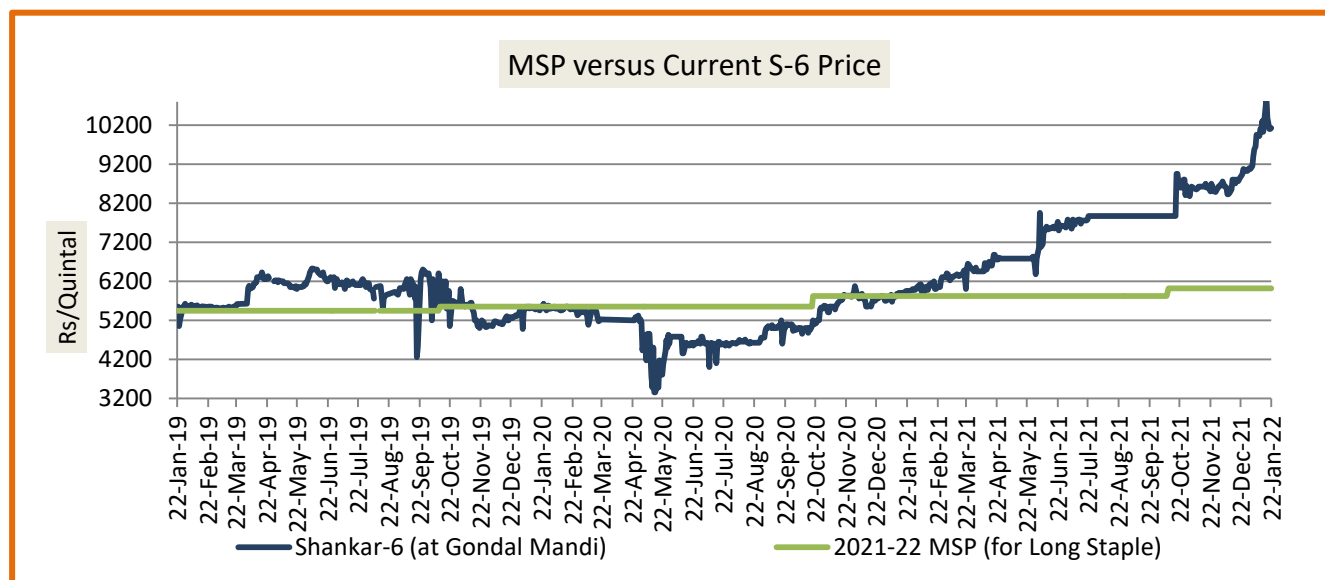
Kapas Monthly M-o-M Price Scenario

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)



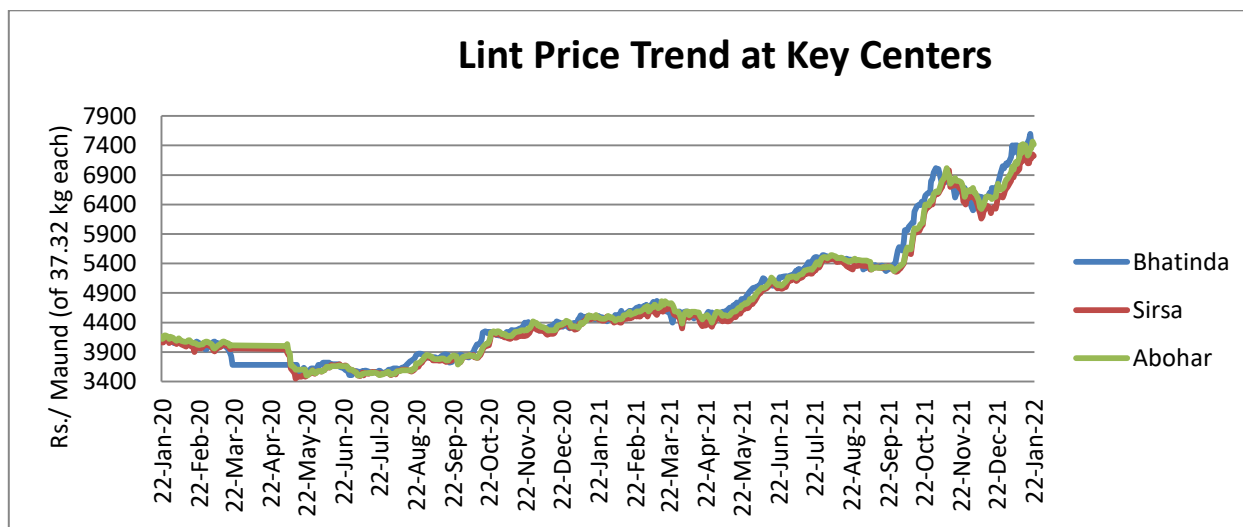
Spot Price versus MSP

Average kapas price at Gondal market stood slightly lower at Rs. 10184/qt from the previous week at Rs. 10295/q.



Lint price Outlook

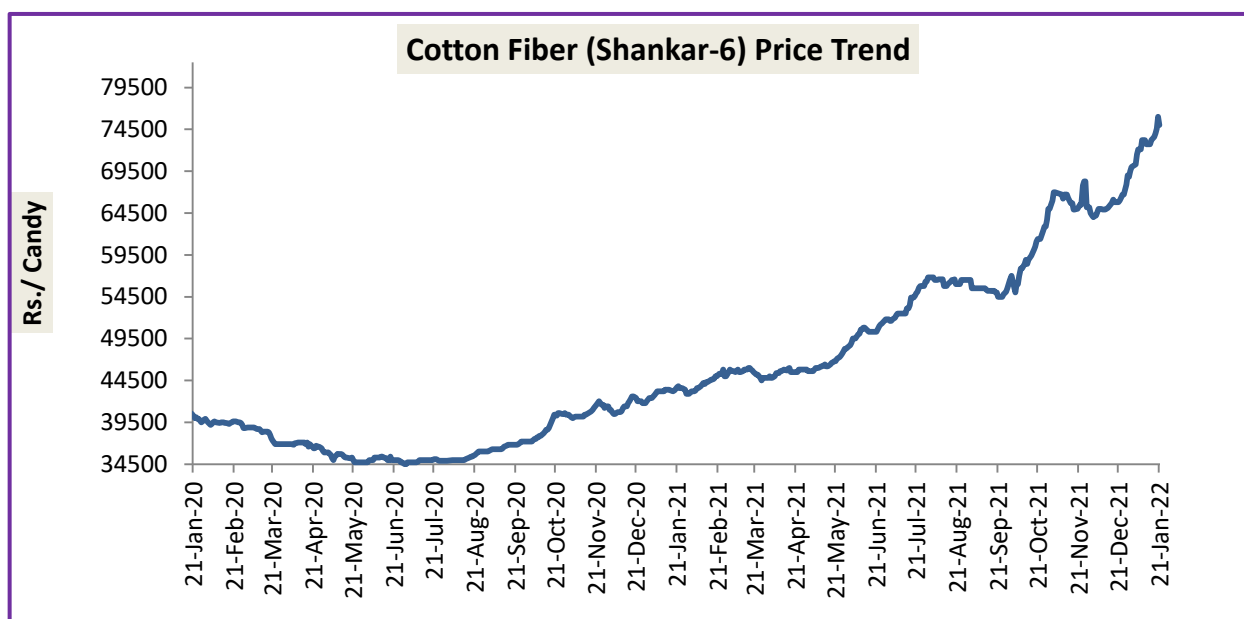
The average price stood higher at Rs. 7417/maund this week compared to Rs.7332/maund previous week in Abohar, in Bhatinda prices were at Rs.7371/ maund, and slightly higher in Sirsa at Rs.7215/ maund from Rs.7179/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.73466/ candy as compared to previous week price of Rs.72666/candy, and is likely to go higher this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

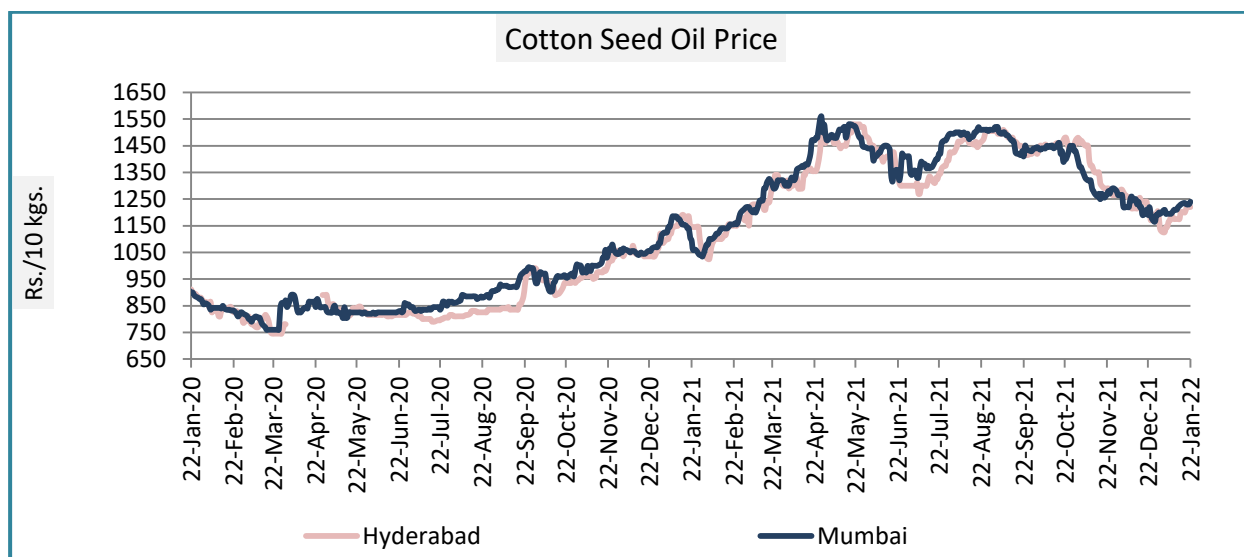
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 19th Jan'22 and expected to continue a slight uptrend in the coming week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	19-Jan-22	12-Jan-22	
New Delhi	-	-	-
Rajkot	1228	1209	1.57
Hyderabad	1225	1209	1.35
Mumbai	1233	1218	1.26

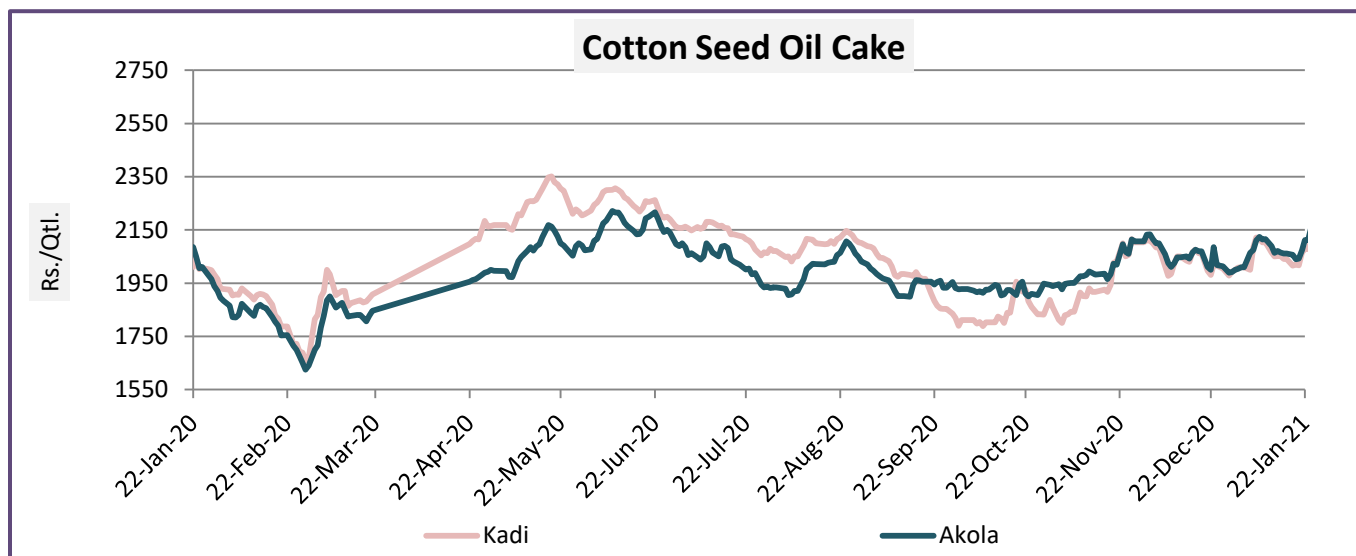
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased slightly and was at Rs. 3360 per quintal from Rs. 3424 per quintal and whereas, in Akola prices have increased and were at Rs. 3390 per quintal from Rs. 3381 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	19-Jan-22	12-Jan-22	
Kadi	3360	3424	-1.87
Akola	3390	3381	0.25



Source: NCDEX

International Market Scenario

- With the goal of attracting local and foreign investment and to modernize and reopen closed textile mills Bangladesh government has opened international tenders for 4 out of 16 textile mills through Public Private Partnership. Earlier, Bangladesh Textile Mills Corporation has initiated a process of handing over two textile mills through Public- Private Partnership.

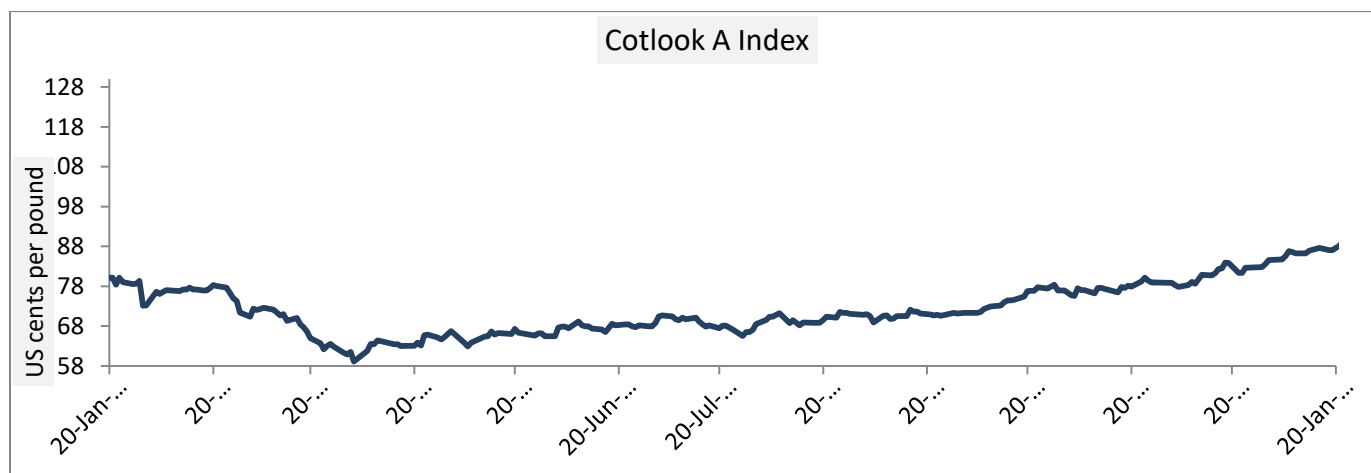
- Cotton Prices in Brazilian local market may continue to firm up as most of the 2020-21 crop has already been traded. Brazil's National Supply Company (CONAB) estimates cotton production at 2.7 million tonnes in the 2021-22 season, which is around 11 percent higher as compared to the previous season. The planted area may increase to 1.542 million hectares in the second cotton crop of 2021-22 season. Brazil cotton production is expected to increase because of regular rains early in the season.
- 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 estimate, 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 million MMT in January 2022 lower from the previous month estimate of 6,096 MMT. Domestic cotton consumption was estimated at 5,661 MMT higher from previous estimate of 5,617 MMT. Further, Cotton exports were at 1,263 MMT. Ending stock for the 2021-22 season is estimated at 2,208 MMT.

Cotlook A Index

Cotlook A index was higher this week. The Cotlook A Index was at 132.47 cents/lb higher as compared to the previous week (128.41 cents/lb), possibly led by the lowering of production in the US and World by USDA. All other markets also seem to have taken a cue from the same.

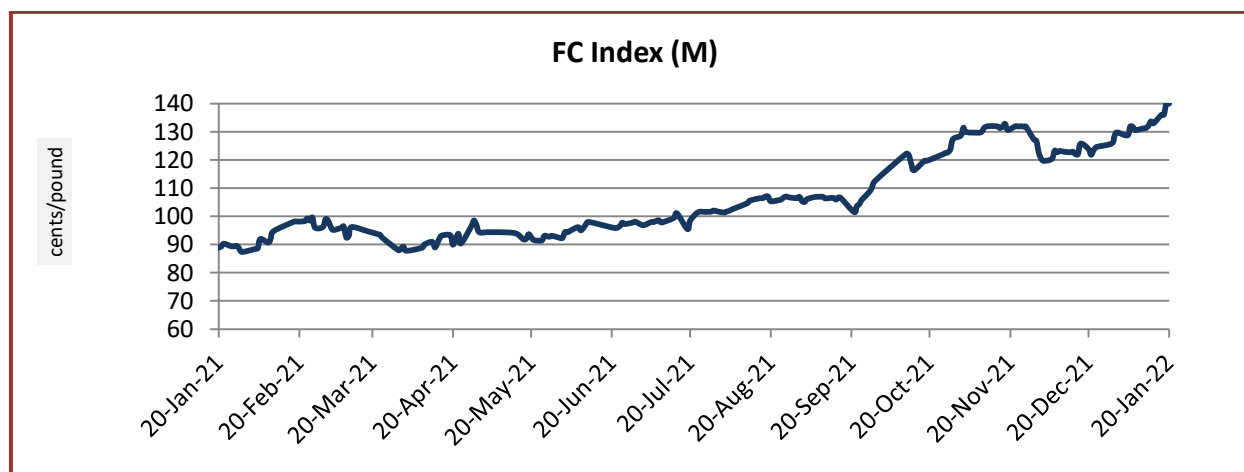
Cotlook A Index	WeeklyAverage Price change as on		% Change
	19-Jan-22	12-Jan-22	
Prices	132.47	128.41	3.16
Prices in US cents per Pound			

Source: Cotlook


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	19-Jan-22	12-Jan-22	
FC (S)	137.29	132.93	3.28
FC (M)	135.88	131.45	3.37
FC (L)	134.22	130.24	3.05
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	19-Jan-22	12-Jan-22	
CCIndex(328)	22512.20	22389.40	0.55
CCIndex(527)	20802.60	20676.60	0.61
CCIndex(229)	23013.60	22917.40	0.42
Prices in Yuan per ton			

Source: China Cotton Association

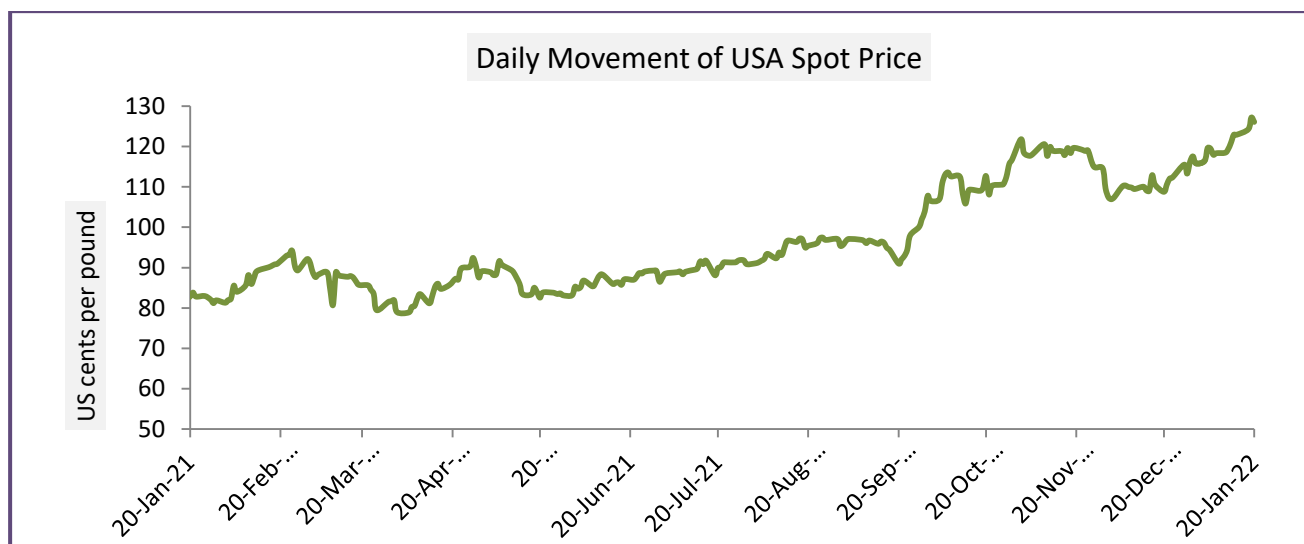


USA Spot Prices

U.S.A spot prices have increased from the prior week by 4.81 percent at 124.71 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	19-Jan-22	12-Jan-22	
Prices	124.71	118.99	4.81
Prices in US cents per Pound			

Source: USDA



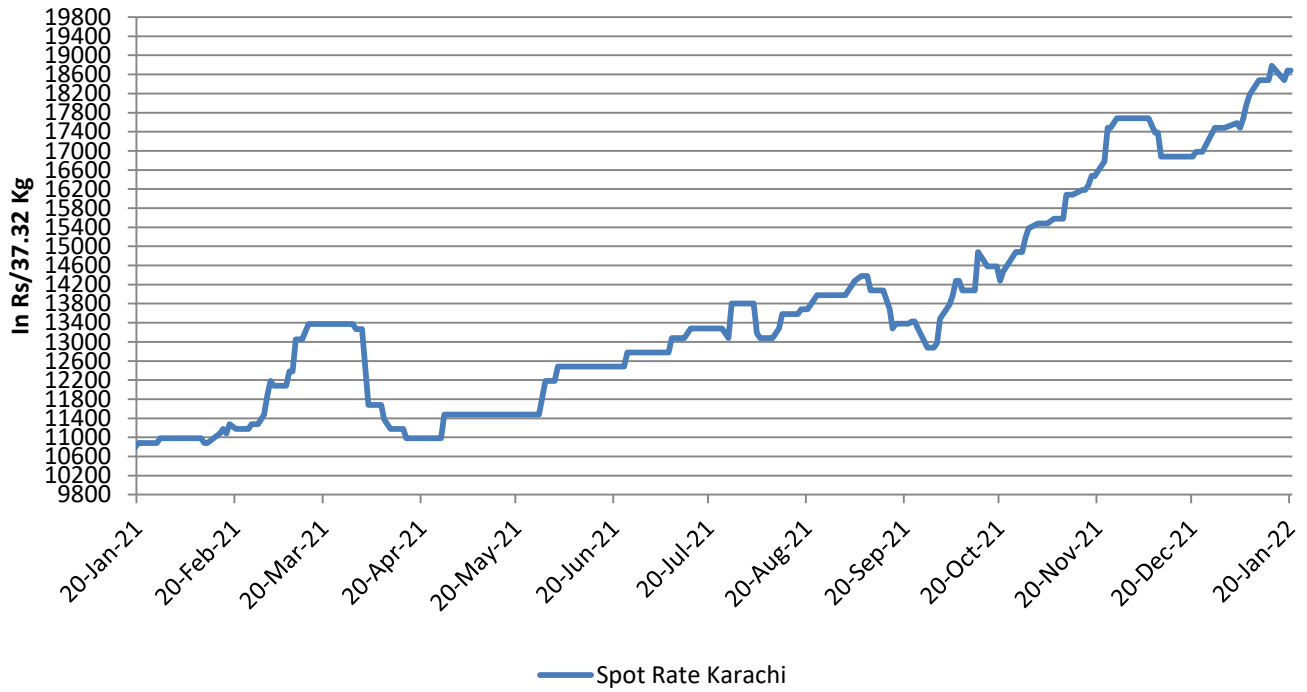
Pakistan Spot Prices

The Karachi spot price stood higher around Rs.19160/q from Rs. 18580/q the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	19-Jan-22	12-Jan-22	
Prices	19160	18580	3.12
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 gains on buyers interest.
- However, strong resistance can be seen at 36270.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jan	35640	35720	36060	36270	36390
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jan	Buy	36050	36150	36240	35980

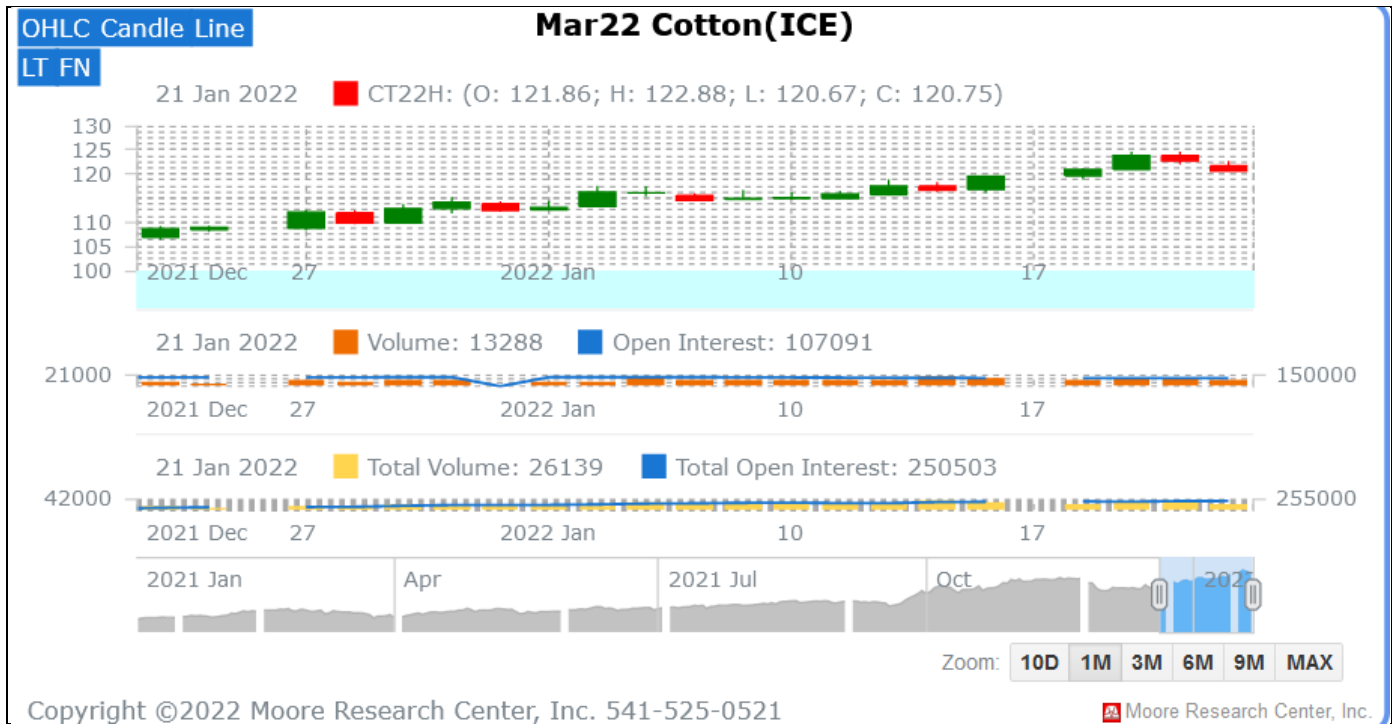
* Do not carryforward the position the next day.

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

Technical Commentary:

- The Cottonseed oilcake posted loss on sellers interest.
- However, strong resistance can be seen at 3425.
- MACD, indicating firm momentum.
- Market may consolidate at Rs. 3250-Rs.3400.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jan	3184	3234	3300	3425	3475
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Jan	Sell	3310	3275	3250	3331



Technical Analysis of Cotton Future (Mar'22Contract) at ICE

- The Mar'22' contract closed low 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	120-124

Expected Support and Resistance

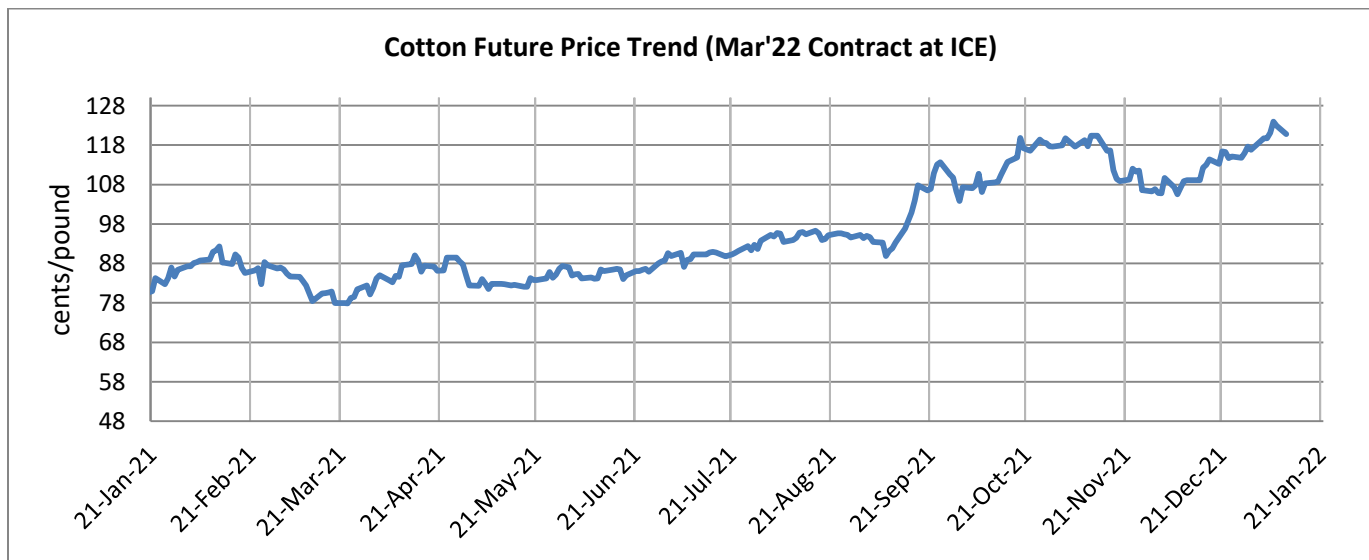
Support 1	Support 2	Resistance 1	Resistance 2
115	104	122	128

Figures in US cents/pound

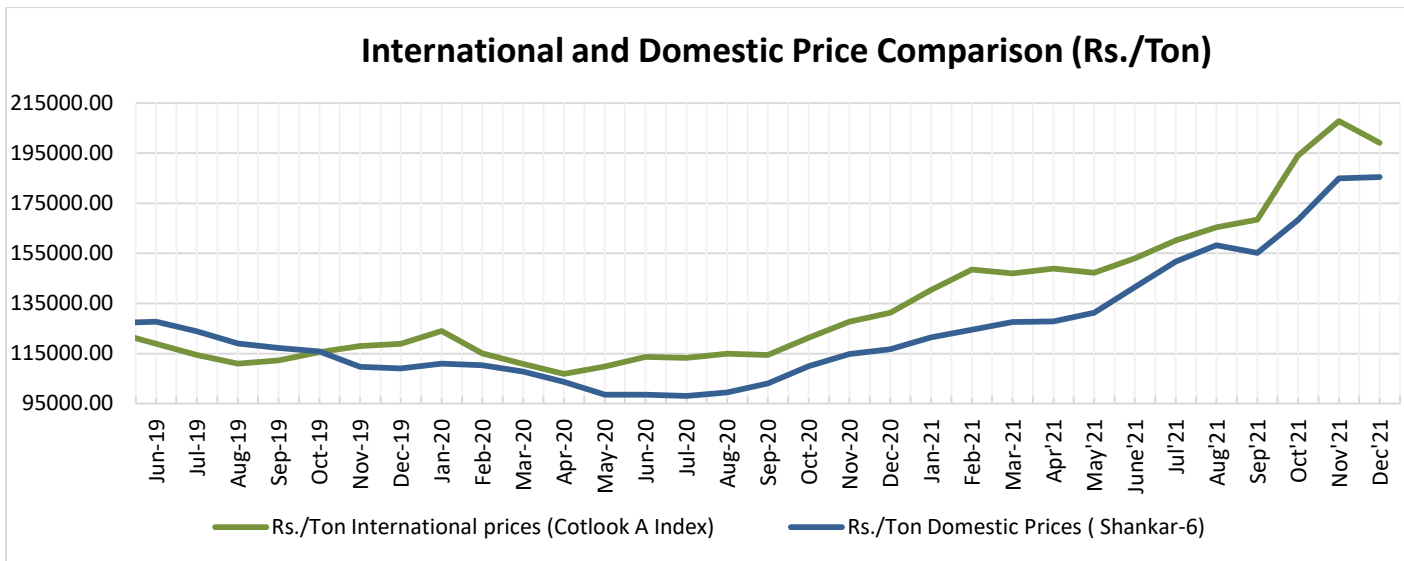
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	21-Jan-22	22-Dec-21 (1 month ago)	23-Oct-21 (3 months ago)	25-Jul-20 (6 months ago)	21-Jan-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	120.75	108.83	108.26	86.43	82.57	10.95	46.24
May-22	117.98	106.80	106.19	88.04	83.50	10.47	41.29
Jul-22	115.44	103.90	105.17	87.18	84.30	11.11	36.94
Dec-22	104.09	94.95	103.74	86.71	80.64	9.63	29.08
Mar-23	98.85	89.99	94.49	86.26	79.04	9.85	25.06

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
			13th Jan'21 to 19th Jan'21	06th Jan'21 to 12th Jan'21	
Gujarat	Ahmedabad	Shankar-6	10031	10083	-52
	Gondal	Shankar-6	10218	10333	-116
	Rajkot	B.T. Cotton	10025	10278	-253
	Patan	B.T. Cotton	10041	10105	-64
	Kadi	B.T. Cotton	9800	9717	83
	Deesa	B.T. Cotton	9800	NA	-
	Dhrol	B.T. Cotton	9653	9623	29
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9392	9369	22
	Fatehabad	B.T. Cotton	9183	9150	33
	Jind	B.T. Cotton	9200	9500	-300
	Uchana	B.T. Cotton	9250	9233	17

	Dabwali	B.T. Cotton	9563	9557	6
Rajasthan	Hanumangarh	B.T. Cotton	9790	9650	140
	Rawatsar	B.T. Cotton	9567	9540	27
Madhya Pradesh	Khandwa	Mech-1	10425	10017	408
	Khargaon	Mech-1	10630	NA	-
Maharashtra	Amravati	Mech-1	9692	10000	-308
	Jamner	Medium Staple	8994	9195	-201
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9537	9300	237
Karnataka	Bijapur	Bunny	10485	10455	29
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	7029	-
	Raichur	H-44 Cotton	10100	10172	-72
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	13th Jan'21 to 19th Jan'21	06th Jan'21 to 12th Jan'21	
Punjab	Bhatinda	J-34	7392	7322	70
	Abohar	J-34	7443	7333	111
	Mansa	J-34	7473	7335	138
Haryana	Sirsa	J-34	7234	7179	55
Rajasthan	Sri-Ganganagar	J-34	6876	6768	108

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13th Jan'21 to 19th Jan'21	06th Jan'21 to 12th Jan'21	
Gujarat	Ahmedabad	Shankar-6	147900	248200	-100300
	Gondal	Shankar-6	17099	17305	-206
	Rajkot	B.T. Cotton	21200	32200	-11000
	Patan	B.T. Cotton	11184	20977	-9793
	Kadi	B.T. Cotton	120000	142500	-22500
	Deesa	B.T. Cotton	1100	NA	-
	Dhrol	B.T. Cotton	1991	1444	547
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-

	Adampur	B.T. Cotton	12920	12240	680
	Fatehabad	B.T. Cotton	4500	3550	950
	Jind	B.T. Cotton	9010	2380	6630
	Uchana	B.T. Cotton	10795	2800	7995
	Dabwali	B.T. Cotton	5500	5700	-200
Rajasthan	Hanumangarh	B.T. Cotton	19500	9000	10500
	Rawatsar	B.T. Cotton	31000	17400	13600
Madhya Pradesh	Khandwa	Mech-1	4600	8500	-3900
	Khargaon	Mech-1	27480	NA	-
Maharashtra	Amravati	Mech-1	101000	88000	13000
	Jamner	Medium Staple	343	421	-78
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	128823	45400	83424
Karnataka	Bijapur	Bunny	13413	23053	-9640
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	3	-
	Raichur	H-44 Cotton	36	40	-4
Commodity		Lint	Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	13th Jan'21 to 19th Jan'21	06th Jan'21 to 12th Jan'21	Change
Punjab	Bhatinda	J-34	51000	44200	6800
	Abohar	J-34	6800	2805	3995
	Mansa	J-34	850	1870	-1020
Haryana	Sirsa	J-34	10880	4250	6630
Rajasthan	Sri-Ganganagar	J-34	17000	16100	900

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	21-Jan-22	14-Jan-22	22-Dec-21	21-Jan-21
Gujarat	Ahmedabad	Shankar-6	10000	Closed	9000	5900
	Gondal	Shankar-6	10255	Closed	9080	5500
	Rajkot	B.T. Cotton	10005	Closed	9050	5530
	Patan	B.T. Cotton	10055	Closed	8815	5515

	Kadi	B.T. Cotton	9800	Closed	8500	5550
	Deesa	B.T. Cotton	NA	0	0	NA
	Dhrol	B.T. Cotton	9650	Closed	8705	NR
Haryana	Bhiwani	B.T. Cotton	NR	0	0	5600
	Bhiwani	Desi	NR	0	0	NA
	Adampur	B.T. Cotton	9400	9350	8500	5350
	Fatehabad	B.T. Cotton	9200	9200	8300	5350
	Jind	B.T. Cotton	9200	9400	8500	5700
	Uchana	B.T. Cotton	9300	9000	8600	5385
	Dabwali	B.T. Cotton	9735	Closed	8550	NR
Rajasthan	Hanumangarh	B.T. Cotton	9700	Closed	8800	Closed
	Rawatsar	B.T. Cotton	9700	9400	8800	Closed
Madhya Pradesh	Khandwa	Mech-1	10000	Closed	8400	5491
	Khargaon	Mech-1	NA	Closed	8700	5427
Maharashtra	Amravati	Mech-1	9950	9600	8700	5300
	Jamner	Medium Staple	NA	0	8050	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	6000	NA
	Hathras	Desi	NA	0	6300	NA
Telangana	Adilabad	Un-Ginned	9570	0	8020	5400
Karnataka	Bijapur	Bunny	NA	0	8939	5929
	Hubli	D.C.H.	NA	0	8450	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	21-Jan-22	14-Jan-22	22-Dec-21	21-Jan-21
Punjab	Bhatinda	J-34	7450	7300	6680	4480
	Abohar	J-34	7500	7350	6700	4490
	Mansa	J-34	7550	Closed	6700	4475
Haryana	Sirsa	J-34	7300	7180	6570	4460
Rajasthan	Sri-Ganganagar	J-34	6862	Closed	6580	4193

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	21-Jan-22	14-Jan-22	22-Dec-21	21-Jan-21

Gujarat	Ahmedabad	Shankar-6	54400	Closed	54400	62900
	Gondal	Shankar-6	3814	Closed	2080	#N/A
	Rajkot	B.T. Cotton	4200	Closed	3050	#N/A
	Patan	B.T. Cotton	2120	Closed	5185	3450
	Kadi	B.T. Cotton	30000	Closed	35000	#N/A
	Deesa	B.T. Cotton	NA	0	0	#N/A
	Dhrol	B.T. Cotton	598	Closed	263	#N/A
Haryana	Bhiwani	B.T. Cotton	NR	0	0	1200
	Bhiwani	Desi	NR	0	0	#N/A
	Adampur	B.T. Cotton	2040	1700	2380	#N/A
	Fatehabad	B.T. Cotton	1000	600	1200	#N/A
	Jind	B.T. Cotton	2040	1360	935	#N/A
	Uchana	B.T. Cotton	2600	1000	1030	#N/A
	Dabwali	B.T. Cotton	1200	Closed	2000	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	1000	Closed	3000	#N/A
	Rawatsar	B.T. Cotton	3000	4000	2000	700
Madhya Pradesh	Khandwa	Mech-1	800	Closed	1300	#N/A
	Khargaon	Mech-1	NA	Closed	6965	#N/A
Maharashtra	Amravati	Mech-1	11000	16000	18000	#N/A
	Jamner	Medium Staple	NA	0	35	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	70	#N/A
	Hathras	Desi	NA	0	90	#N/A
Telangana	Adilabad	Un-Ginned	47222.6	0	63642	1135674
Karnataka	Bijapur	Bunny	NA	0	5184	3467
	Hubli	D.C.H.	NA	0	31	11
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	0	0	75
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	21-Jan-22	14-Jan-22	22-Dec-21	21-Jan-21
Punjab	Bhatinda	J-34	10200	8500	8500	5100
	Abohar	J-34	1700	850	1360	850
	Mansa	J-34	850	Closed	850	765
	Sirsa	J-34	2550	1190	1700	510
	Sri-Ganganagar	J-34	2000	Closed	3000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				13th Jan'21 to 19th Jan'21	06th Jan'21 to 12th Jan'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	47133	46367	767
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	47733	46967	767
J-34(202)	26mm	3.5 - 4.9	23	68383	67633	750
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	73467	72667	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	77650	76500	1150
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	116200	116233	-33

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