

COTTON WEEKLY RESEARCH REPORT
31st Jan 2022**Domestic market summary**

Domestic Market Scenario: Cotton traded with a steady tone across major spot markets of north India last week. Indian cotton shanker-6 prices remained steady near Rs. 75,500 to 76,000 per candy. Mills remain slower in purchase, trade is waiting for some exceptional steps in union budget for textile value chain. Cotton prices at Rajkot traded at Rs. 10,140 per quintal last week.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 10,130-10,175/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.10,100-10200/q.

Major Market Highlights:

- The Cotlook index stood higher (134.80 cents/lbs) compared to the ICE cotton future that stood at 120.38 cents/lbs.
- Indian rupee became stronger at Rs. 75 per USD.

Market Highlights:

- Indian cotton prices are likely to rule firm near record high over the next couple of months as the cotton growers seem to prefer to hold on to their produce to fetch better returns. Currently, daily cotton arrivals across the country are 1.5 lakh bales compared with two lakh bales during this time of the previous year.
- Tamil Nadu government and the Southern India Mills Association have continued to urge the Central government to remove the import duty of 10 percent on cotton to ease the cotton and yarn prices in the domestic market and keep the power looms, and textile and apparel sectors viable
- 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.
-
- 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,

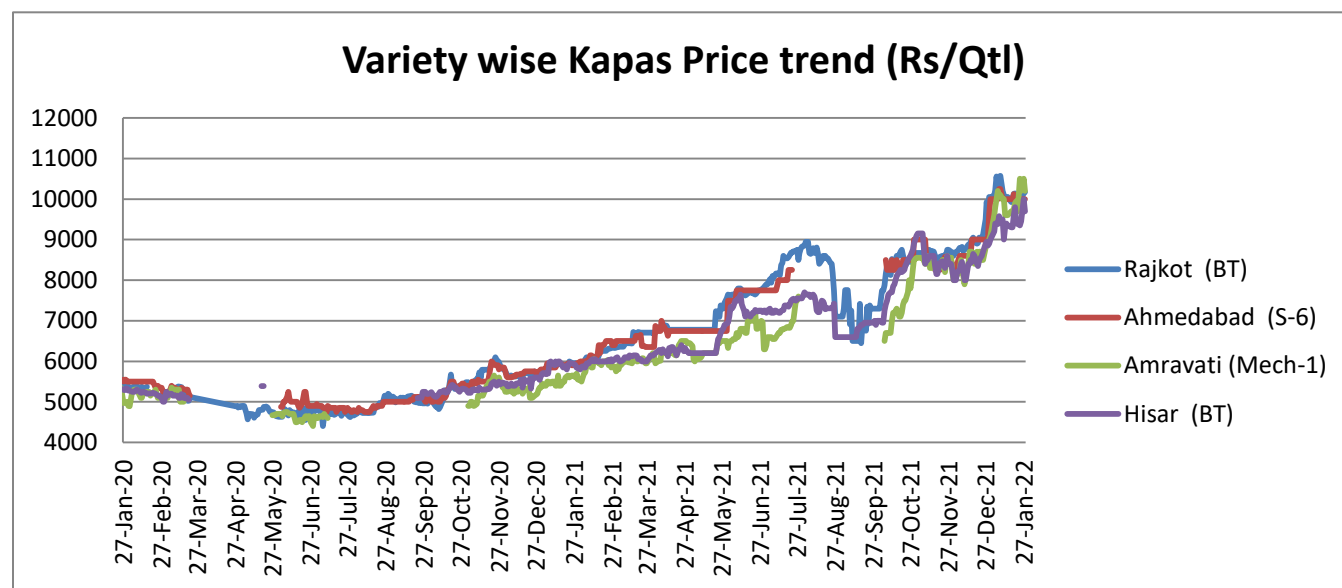
Rajasthan, Gujarat, Telangana, Odisha and Karnataka. Agriwatch has estimated cotton production for 2021-22 season at 350.60 lakh bales lower from its 2020-21 estimate of 365.00 lakh bales.

- The total cotton supply for the month of October 2021 to December 2021 remained at 218.52 lakh bales, including 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.

Domestic Cotton Prices Scenario

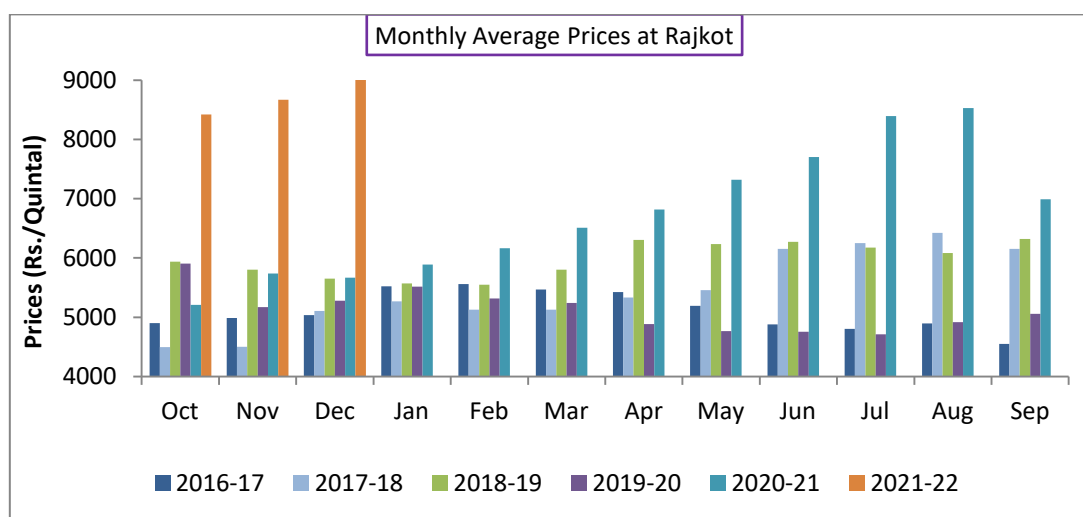
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 10044/q compared to previous week Rs. 10023/q, whereas at Hisar prices stood higher at Rs. 9480/q compared to previous week price of Rs. 9375/qt. For Amravati and Ahmedabad prices were at Rs. 10000/qt and Rs. 10050/qt respectively.



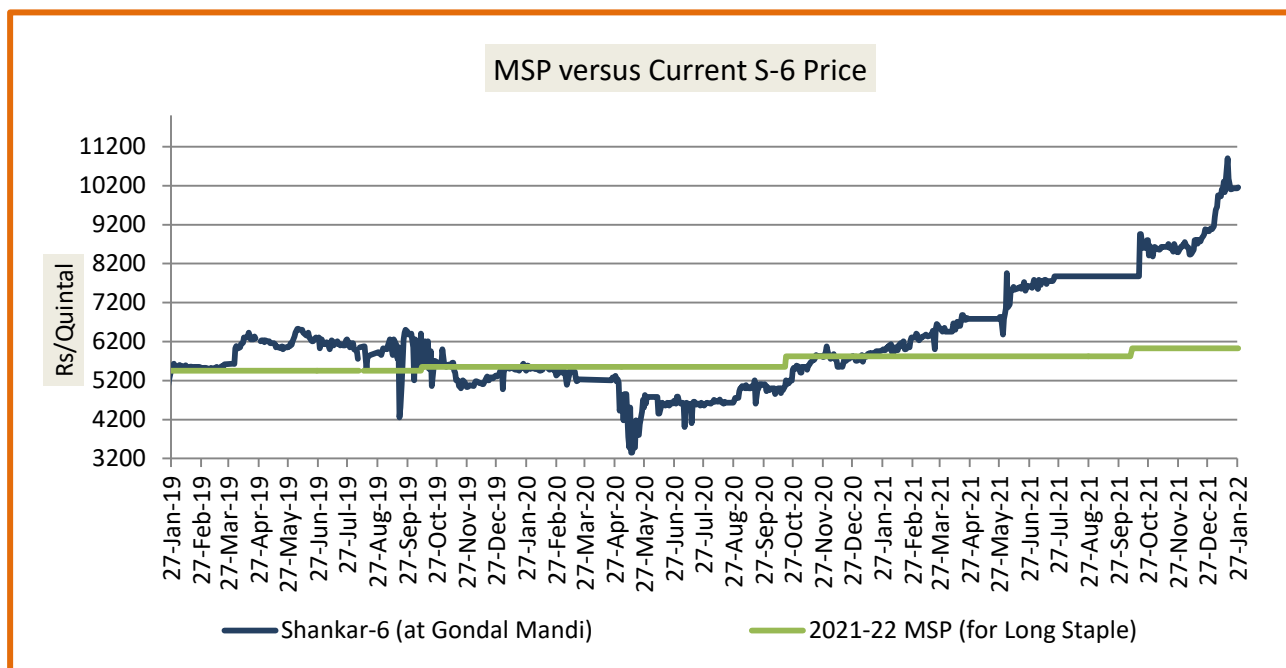
Kapas Monthly M-o-M Price Scenario

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)



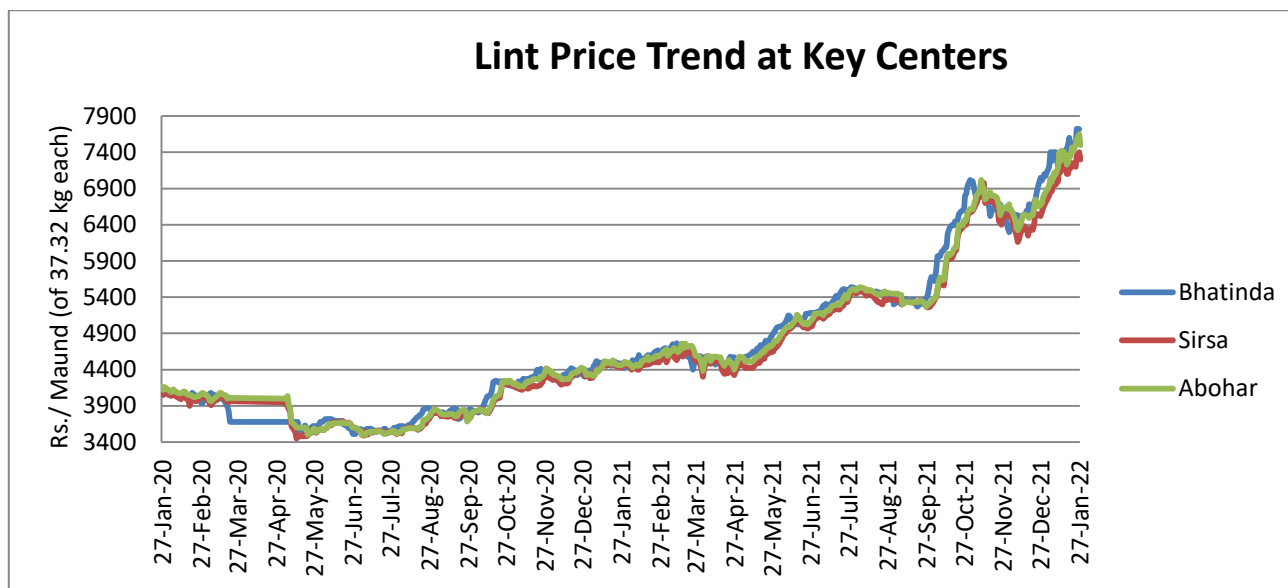
Spot Price versus MSP

Average kapas price at Gondal market stood slightly higher at Rs. 10246/qt from the previous week at Rs. 10184/q.



Lint price Outlook

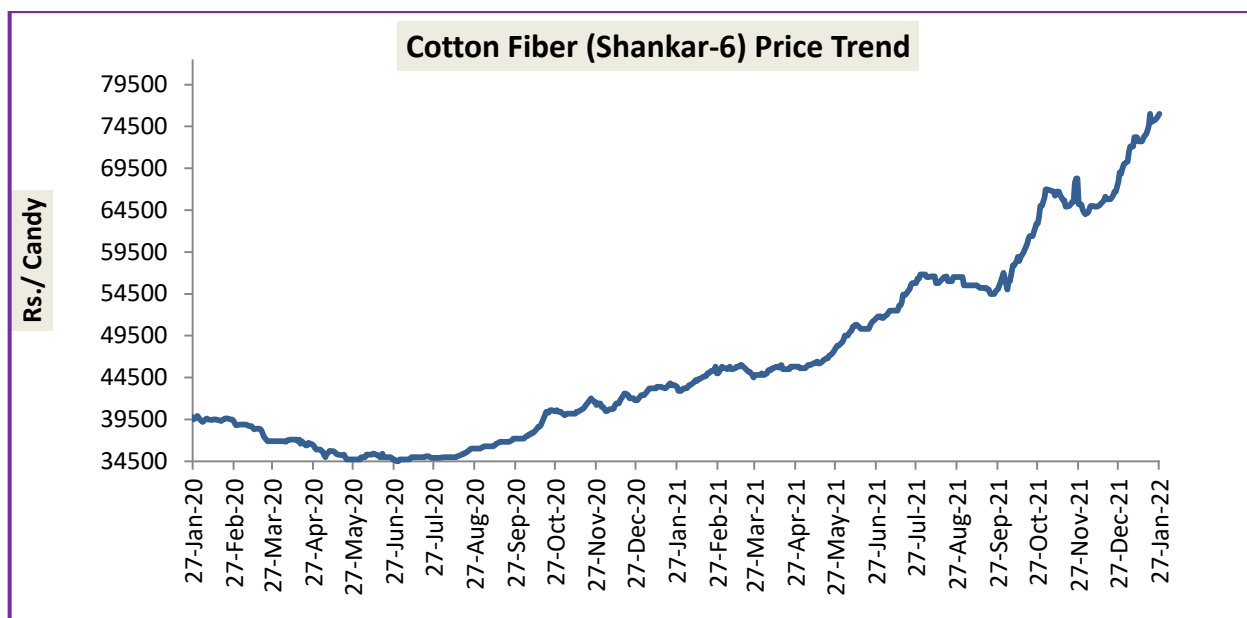
The average price stood higher at Rs. 7542/maund this week compared to Rs.7417/maund previous week in Abohar, in Bhatinda prices were at Rs.7494/ maund, and slightly higher in Sirsa at Rs.7320/ maund from Rs.7215/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.75450/ candy as compared to previous week price of Rs.73466/candy, and is likely to go higher this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

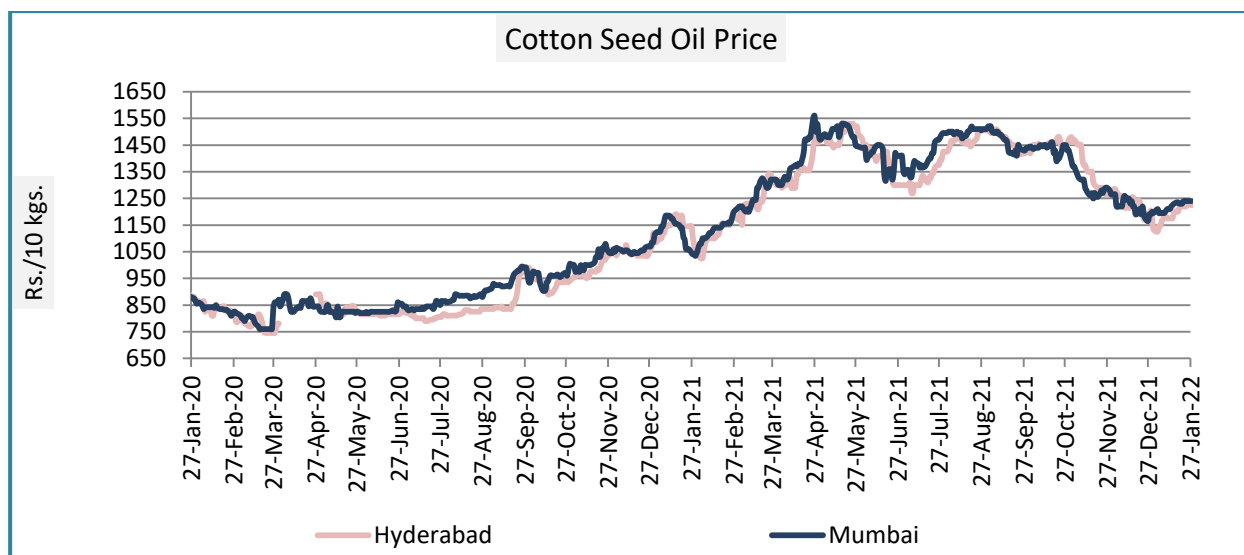
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 25th Jan'22 and expected to continue to increase in the coming week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	25-Jan-22	19-Jan-22	
New Delhi	-	-	-
Rajkot	1241	1228	1.07
Hyderabad	1228	1225	0.26
Mumbai	1240	1233	0.57

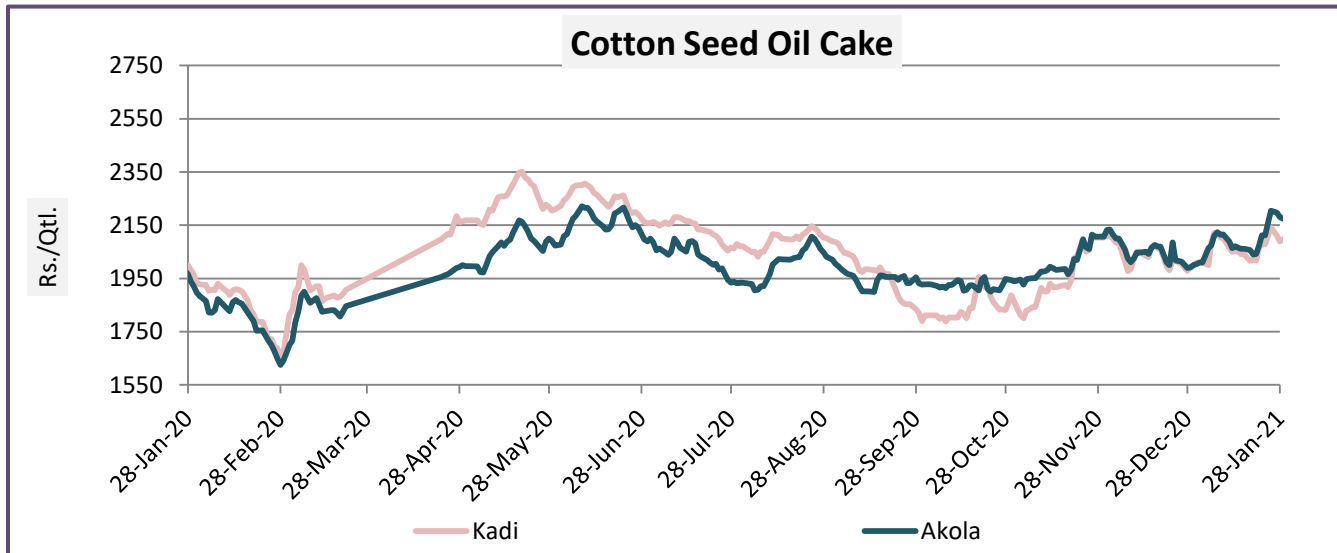
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased slightly around 3 percent as compared to previous week amid soft demand in the market. Prices were at Rs. 3231 per quintal from Rs. 3360 per quintal and in Akola prices were at Rs. 3313 per quintal from Rs. 3390 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	25-Jan-22	19-Jan-22	
Kadi	3231	3360	-3.83
Akola	3313	3390	-2.26



Source: NCDEX

International Market Scenario

- Due to shortage of feeder vessels and a high unloading time, Bangladesh may face a crisis of cotton from March 2022 as the global shipping companies are unable to carry containers to Bangladesh. According to Bangladesh Textile Mills Association, the country also fears a suspension of production in spinning mills and rise in yarn prices in the local market if they failed to get cotton on time.
- 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.

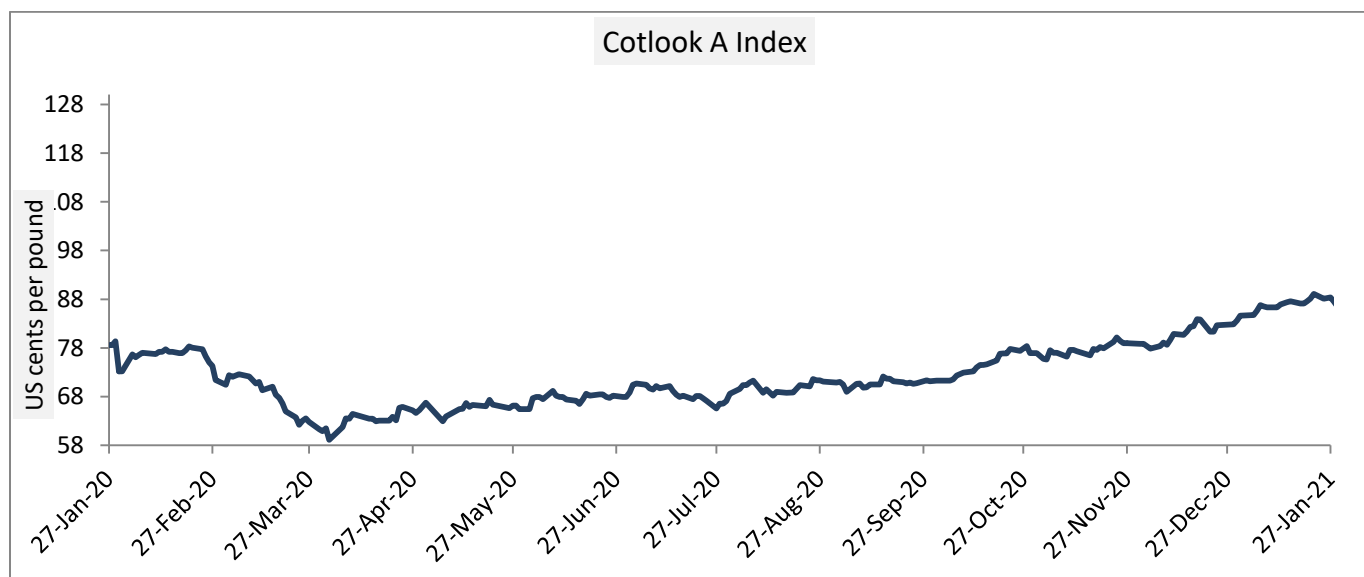
Cotlook A Index

Cotlook A Index was higher this week. The Cotlook A Index was at 136.11 cents/lb higher as compared to the previous week (132.47 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
	25-Jan-22	19-Jan-22	
Prices	136.11	132.47	2.75

Prices in US cents per Pound

Source: Cotlook

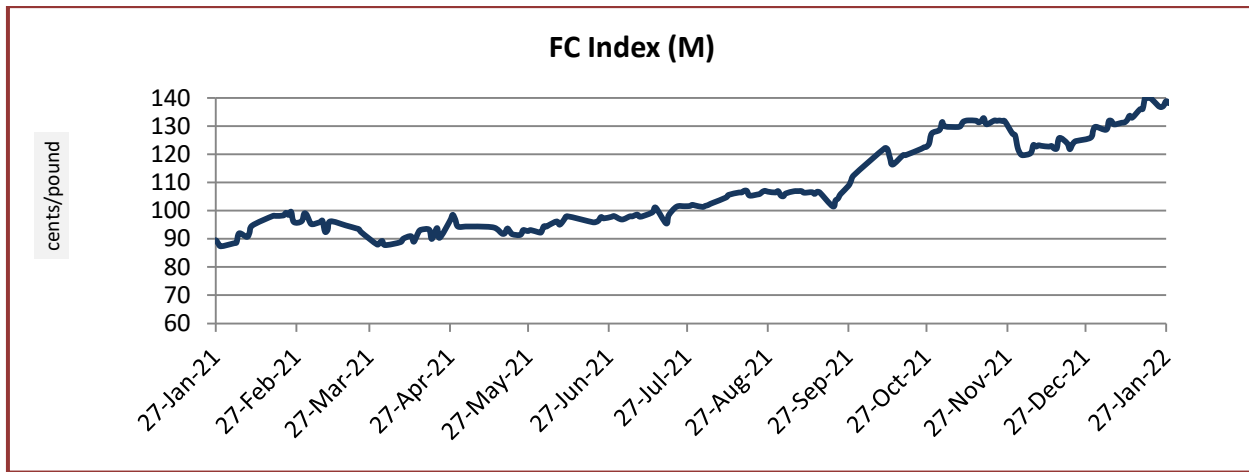


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	25-Jan-22	19-Jan-22	
FC (S)	139.89	137.29	1.89
FC (M)	138.53	135.88	1.95
FC (L)	136.97	134.22	2.05

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	25-Jan-22	19-Jan-22	
CCIndex(328)	22641.75	22512.20	0.58
CCIndex(527)	20929.75	20802.60	0.61
CCIndex(229)	23155.00	23013.60	0.62
Prices in Yuan per ton			

Source: China Cotton Association



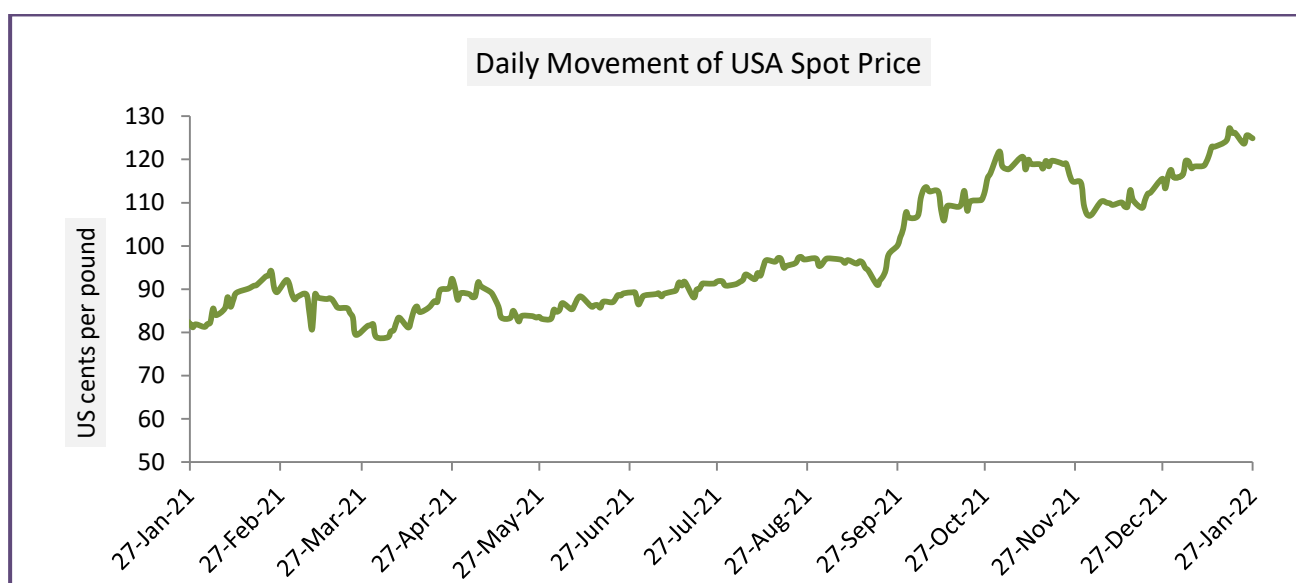
USA Spot Prices

U.S.A spot prices have increased from the prior week by 0.52 percent at 125.36 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	25-Jan-22	19-Jan-22	
Prices	125.36	124.71	0.52

Prices in US cents per Pound

Source: USDA



Pakistan Spot Prices

The Karachi spot price stood higher around Rs.19480/q from Rs. 19160/q the previous week.

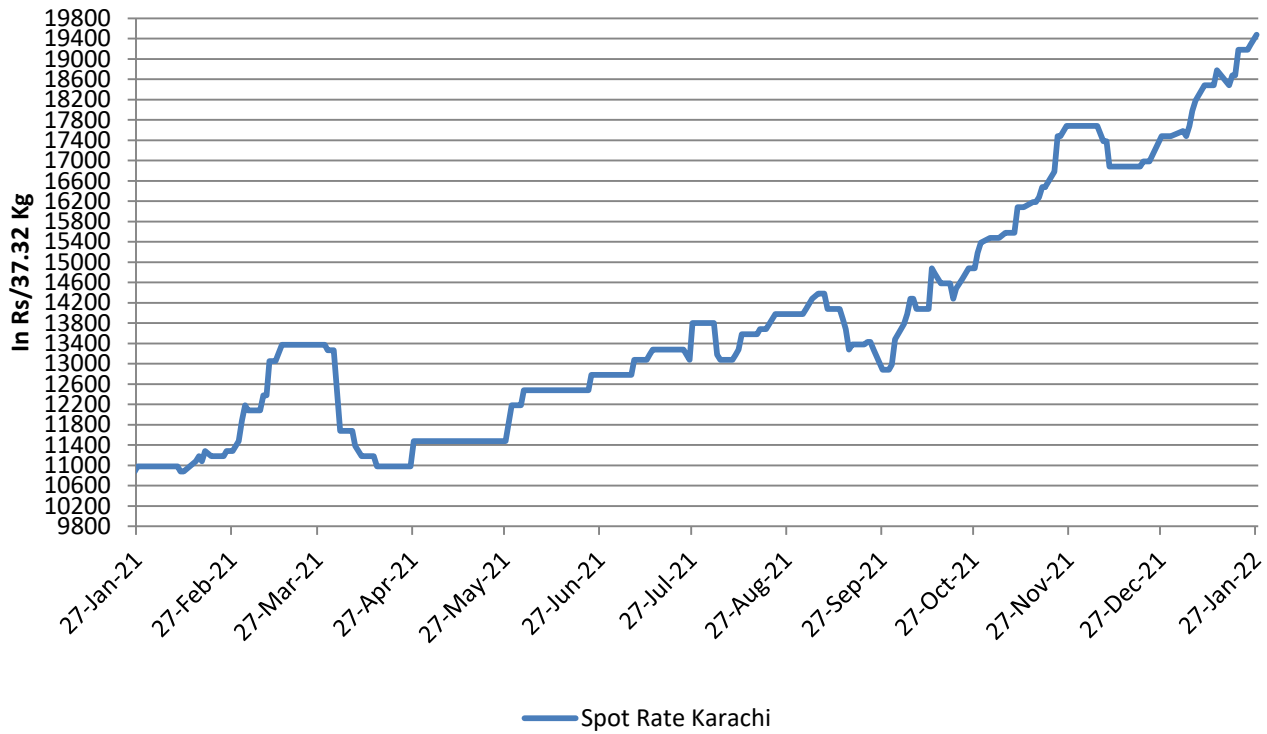
Karachi Spot Prices	Weekly Average Price as on		% Change
	19-Jan-22	19-Jan-22	
Prices	19480	19160	1.67

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 36680.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jan	36050	36130	36470	36680	36800
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jan	Buy	36460	36560	36650	36390

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake
Contract: Jan
Exchange: MCX
Expiry: Jan. 31, 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.

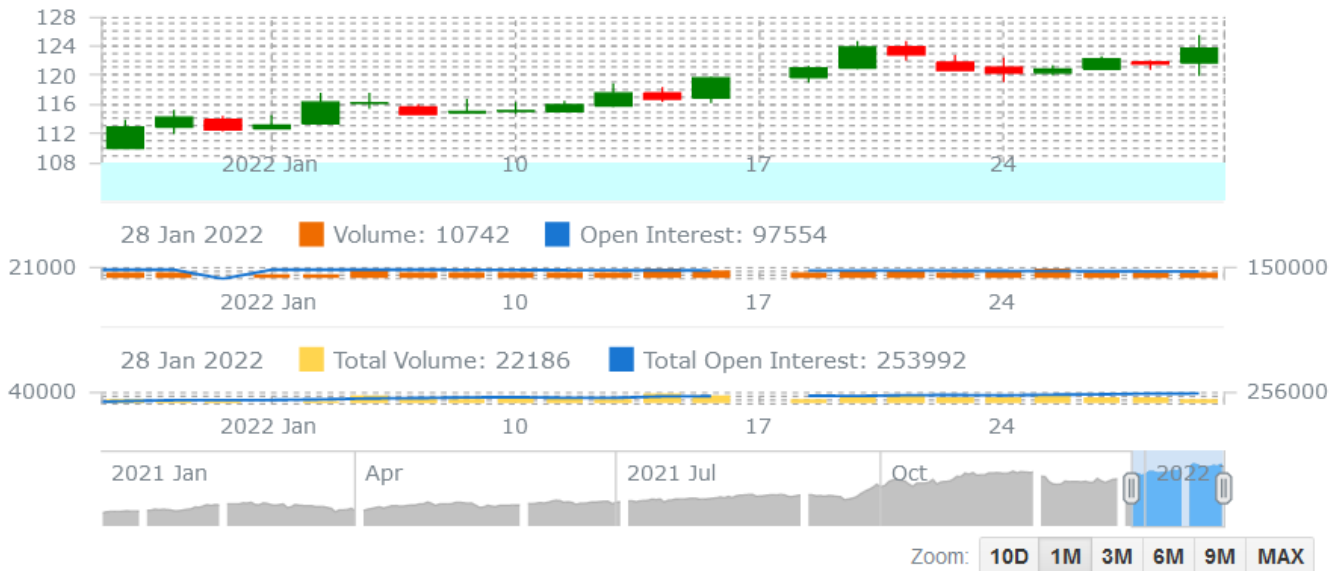
Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jan	3184	3234	3300	3425	3475
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Jan	Sell	3310	3275	3250	3331

OHLC Candle Line

Mar22 Cotton(ICE)

LT FN

28 Jan 2022 CT22H: (O: 121.8; H: 125.6; L: 120.01; C: 123.76)



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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	123-126

Expected Support and Resistance

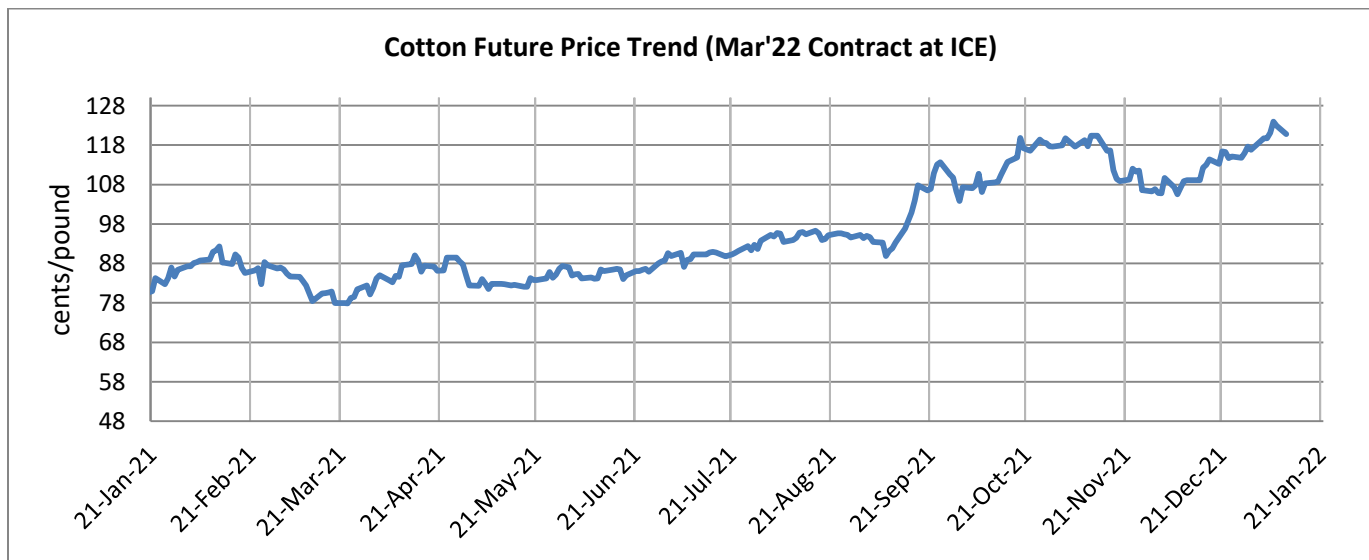
Support 1	Support 2	Resistance 1	Resistance 2
118	105	125	128

Figures in US cents/pound

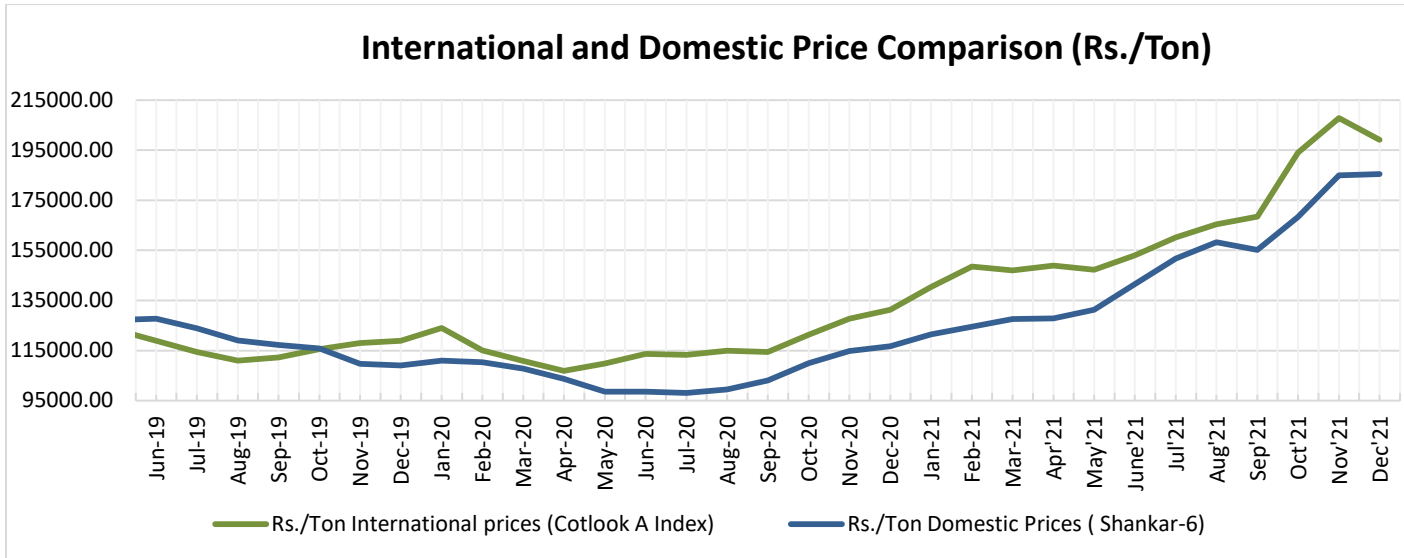
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	28-Jan-22	29-Dec-21 (1 month ago)	30-Oct-21 (3 months ago)	01-Aug-20 (6 months ago)	28-Jan-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	123.76	112.99	114.85	90.07	79.93	9.53	54.84
May-22	120.84	110.37	111.22	89.63	81.13	9.49	48.95
Jul-22	117.87	107.32	109.67	89.33	82.06	9.83	43.64
Dec-22	106.26	96.65	107.74	88.75	78.82	9.94	34.81
Mar-23	99.73	91.65	97.87	87.60	77.50	8.82	28.68

Future Price Trend (Active Contract):



International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	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)		Change
State	Centre	Variety	13th Jan'21 to 19th Jan'21	06th Jan'21 to 12th Jan'21	
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	27-Jan-22	20-Jan-22	28-Dec-21	27-Jan-21
Gujarat	Ahmedabad	Shankar-6	10000	10000	9000	5900
	Gondal	Shankar-6	10430	10430	9580	5500
	Rajkot	B.T. Cotton	10140	10140	9930	5530
	Patan	B.T. Cotton	10215	10205	9225	5515
	Kadi	B.T. Cotton	9800	10000	9000	5550
	Deesa	B.T. Cotton	NA	10000	0	NA

	Dhrol	B.T. Cotton	10055	9850	9090	NR
Haryana	Bhiwani	B.T. Cotton	NR	0	8000	5600
	Bhiwani	Desi	NR	0	0	NA
	Adampur	B.T. Cotton	10000	9800	8950	5350
	Fatehabad	B.T. Cotton	9900	9300	9000	5350
	Jind	B.T. Cotton	9200	9400	9000	5700
	Uchana	B.T. Cotton	9950	9500	8700	5385
	Dabwali	B.T. Cotton	9940	9930	9100	NR
Rajasthan	Hanumangarh	B.T. Cotton	9900	9900	9200	Closed
	Rawatsar	B.T. Cotton	10000	9900	9200	Closed
Madhya Pradesh	Khandwa	Mech-1	10500	10700	8700	5491
	Khargaon	Mech-1	NA	11000	9000	5427
Maharashtra	Amravati	Mech-1	10500	9900	8900	5300
	Jamner	Medium Staple	9359	0	8019	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA
Telangana	Adilabad	Un-Ginned	NA	9570	8520	5400
Karnataka	Bijapur	Bunny	10509	11107	9709	5929
	Hubli	D.C.H.	9300	0	8270	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	10000	10200	0	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	27-Jan-22	20-Jan-22	28-Dec-21	27-Jan-21
Punjab	Bhatinda	J-34	7725	7600	7050	4470
	Abohar	J-34	7720	7650	7040	4470
	Mansa	J-34	7700	7700	7050	4480
Haryana	Sirsa	J-34	7510	7400	6900	4460
Rajasthan	Sri-Ganganagar	J-34	7050	7144	6580	4193

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	27-Jan-22	20-Jan-22	28-Dec-21	27-Jan-21
Gujarat	Ahmedabad	Shankar-6	51000	42500	51000	68000
	Gondal	Shankar-6	6404	3986	2136	#N/A

	Rajkot	B.T. Cotton	7200	4400	3200	#N/A
	Patan	B.T. Cotton	4074	2774	3728	3450
	Kadi	B.T. Cotton	30000	30000	35000	#N/A
	Deesa	B.T. Cotton	NA	600	0	#N/A
	Dhrol	B.T. Cotton	660	546	453	#N/A
Haryana	Bhiwani	B.T. Cotton	NR	0	1200	1200
	Bhiwani	Desi	NR	0	0	#N/A
	Adampur	B.T. Cotton	2550	1700	2550	#N/A
	Fatehabad	B.T. Cotton	800	600	1200	#N/A
	Jind	B.T. Cotton	765	850	1700	#N/A
	Uchana	B.T. Cotton	3000	2230	1200	#N/A
	Dabwali	B.T. Cotton	1515	1800	2000	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	3500	2500	2500	#N/A
	Rawatsar	B.T. Cotton	4000	5000	3000	300
Madhya Pradesh	Khandwa	Mech-1	500	800	1300	#N/A
	Khargaon	Mech-1	NA	7975	7182	#N/A
Maharashtra	Amravati	Mech-1	18000	15000	12000	#N/A
	Jamner	Medium Staple	77	0	24	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	#N/A
	Hathras	Desi	NA	0	0	#N/A
Telangana	Adilabad	Un-Ginned	NA	52894.2	138625.6	0
Karnataka	Bijapur	Bunny	2965	3138	3463	1794
	Hubli	D.C.H.	34	0	14	2
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	5	5	0	75
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	27-Jan-22	20-Jan-22	28-Dec-21	27-Jan-21
Punjab	Bhatinda	J-34	8500	6800	10200	1700
	Abohar	J-34	1360	1020	1190	NA
	Mansa	J-34	510	510	850	NA
	Sirsa	J-34	850	2550	850	510
	Sri-Ganganagar	J-34	10000	800	1000	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				20th Jan'21 to 26th Jan'21	13th Jan'21 to 19th Jan'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	49050	47133	1917
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	49650	47733	1917
J-34(202)	26mm	3.5 - 4.9	23	69350	68383	967
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	75450	73467	1983
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	79800	77650	2150
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	115125	116200	-1075

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