

COTTON WEEKLY RESEARCH REPORT
14th Feb 2022**Domestic market summary**

Domestic Market Scenario: Cotton traded with a steady tone across major spot markets of north India last week. Indian cotton market sentiment is firm. Daily lowers were lower than expectation. Indian cotton Shanker-6 prices remained steady near Rs. 77,500 to 79,000 per candy.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 10,230-10,430/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.10,200-10,400/q.

Major Market Highlights:

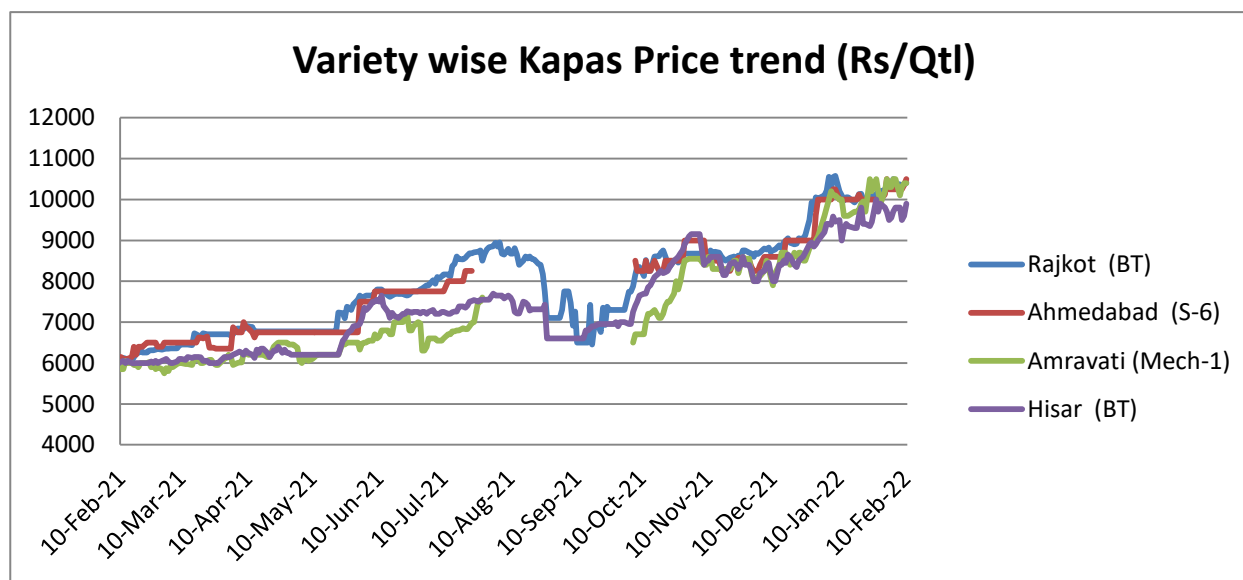
- The Cotlook Index stood higher (140.80 cents/lbs) compared to the ICE Cotton Futures that stood at 125.57 cents/lbs.

Market Highlights:

- Adoni market yard has witnessed a rise in prices this season. The price for each quintal cotton has been at Rs. 10,759. With the season coming towards its end, cotton arrivals have reduced in the market. Moreover, due to increased demand and competition among the traders, the prices have spiked up higher.
- Cotton Association of India expects the area under the cotton crop to expand by 20-25 percent in the upcoming 2022-23 season across all the 10 major cotton producing states due to higher demand of cotton seed and the higher rates of raw cotton currently prevailing in the market. Cotton Association of India has also proposed a moderate increase of 3-5 percent in the cotton crop's Minimum Support Price (MSP) to protect cotton growers' interests.
- According to the Union Budget 2022-23, out of the total allocations of Rs. 12,382 crore for the textile sector for next Financial Year, around Rs. 133.83 crore has been allocated for Textile cluster development scheme and Rs. 100 crore for National Technical Textile Mission and Rs. 15 crore each for PM Mega Integrated Textile Region and Apparel Parks scheme and the Production Linked Incentives scheme.
- 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

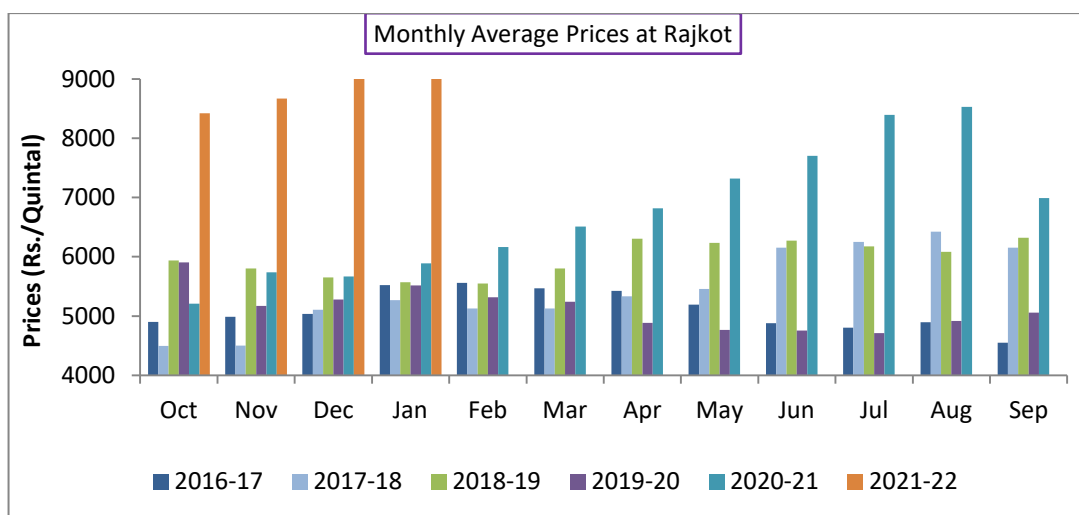
Domestic Cotton Prices Scenario**Kapas (Raw Cotton) Weekly Price Scenario**

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 10370/q compared to previous week Rs. 10225/q, whereas at Hisar prices stood lower at Rs. 9658/q compared to previous week price of Rs. 9766/qt. For Amravati and Ahmedabad prices were at Rs. 10350/qt and Rs. 10266/qt respectively.



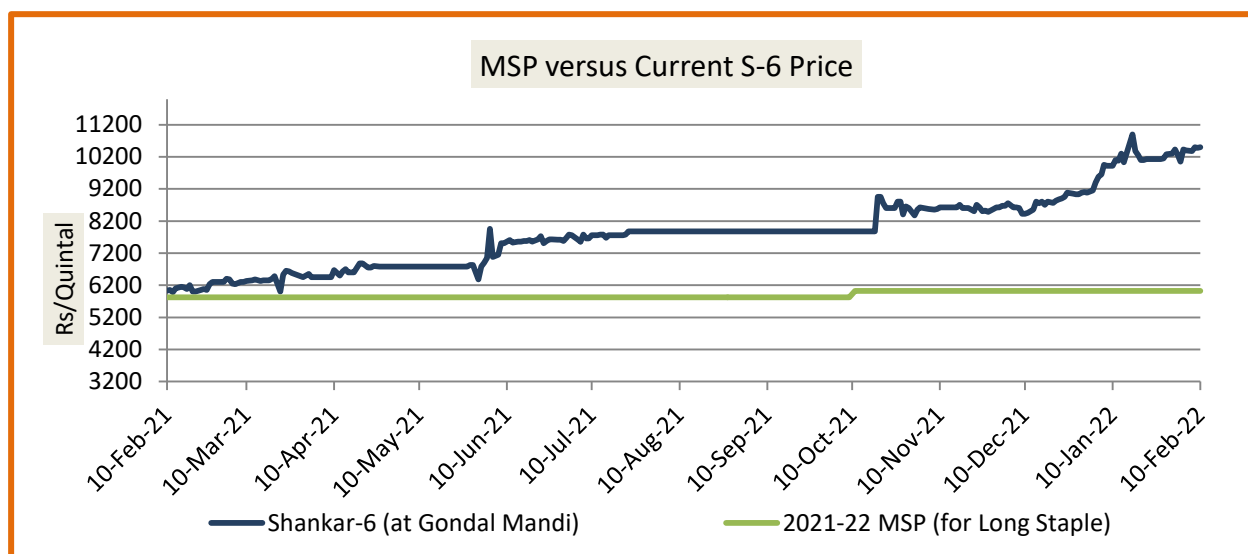
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of January were lower in the market and the monthly average price were at Rs. 10,158/q compared to the prices during the corresponding month of the previous season.(Rs. 5887/q)



Spot Price versus MSP

Average kapas price at Gondal market stood slightly lower at Rs. 10438/qt from the previous week at Rs. 10449/q.

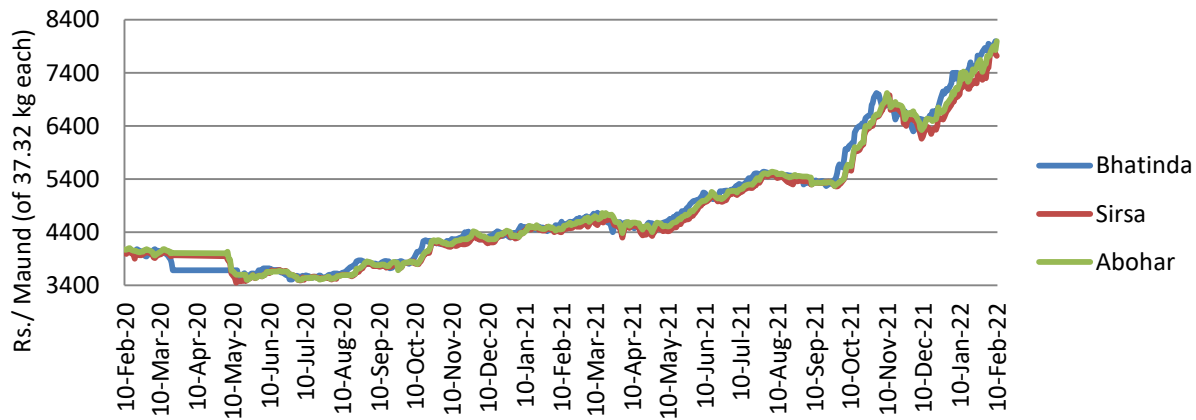


Source: Agriwatch

Lint price Outlook

The average price stood higher at Rs. 7920/maund this week compared to Rs.7785/maund previous week in Abohar, in Bhatinda prices were at Rs.7905/ maund, and slightly lower in Sirsa at Rs.7698/ maund from Rs.7708/maund previous week.

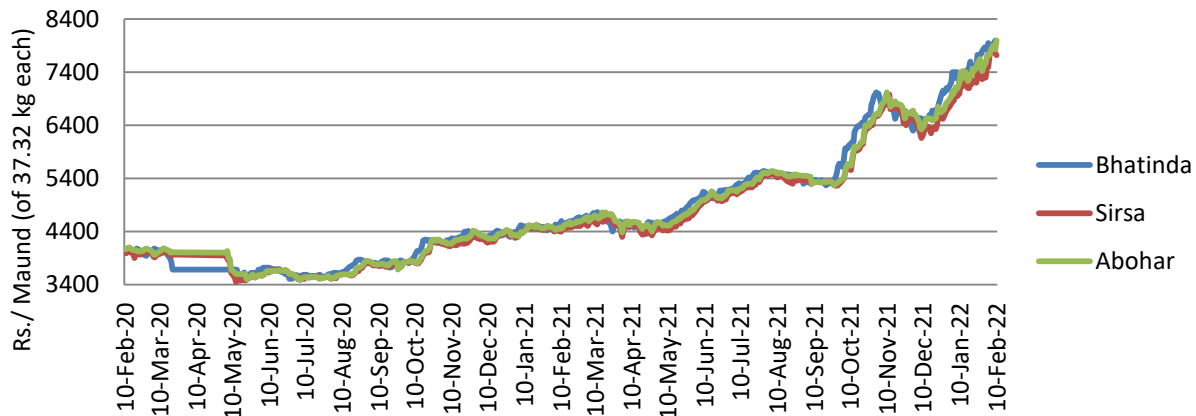
Lint Price Trend at Key Centers



Source:

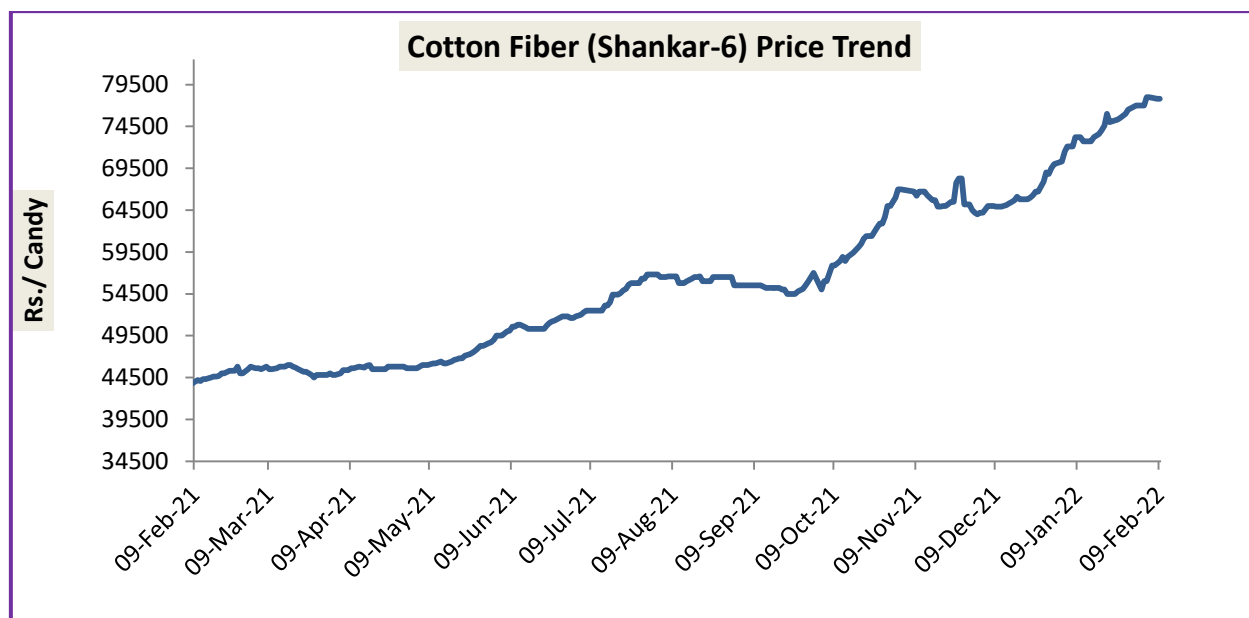
Agriwatch

Lint Price Trend at Key Centers



Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.77720/ candy as compared to previous week price of Rs.76700/candy and is likely to go higher this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

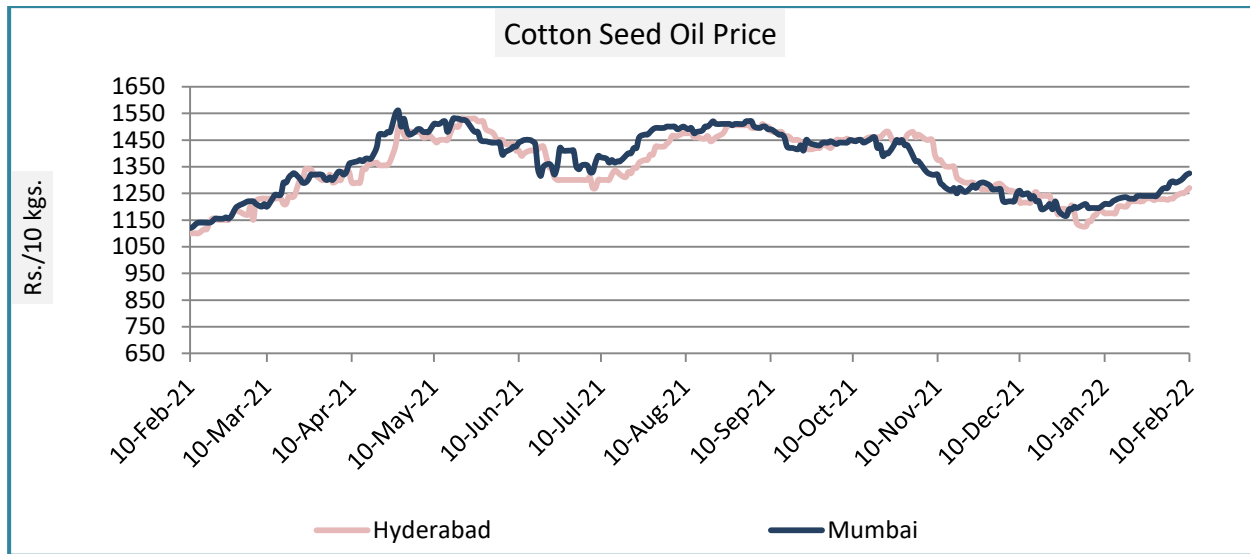
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 09th Feb'22 and expected to continue to increase in the coming week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	09-Feb-22	02-Feb-22	
New Delhi	-	-	-
Rajkot	1308	1266	3.28
Hyderabad	1298	1256	3.30
Mumbai	1316	1280	2.80

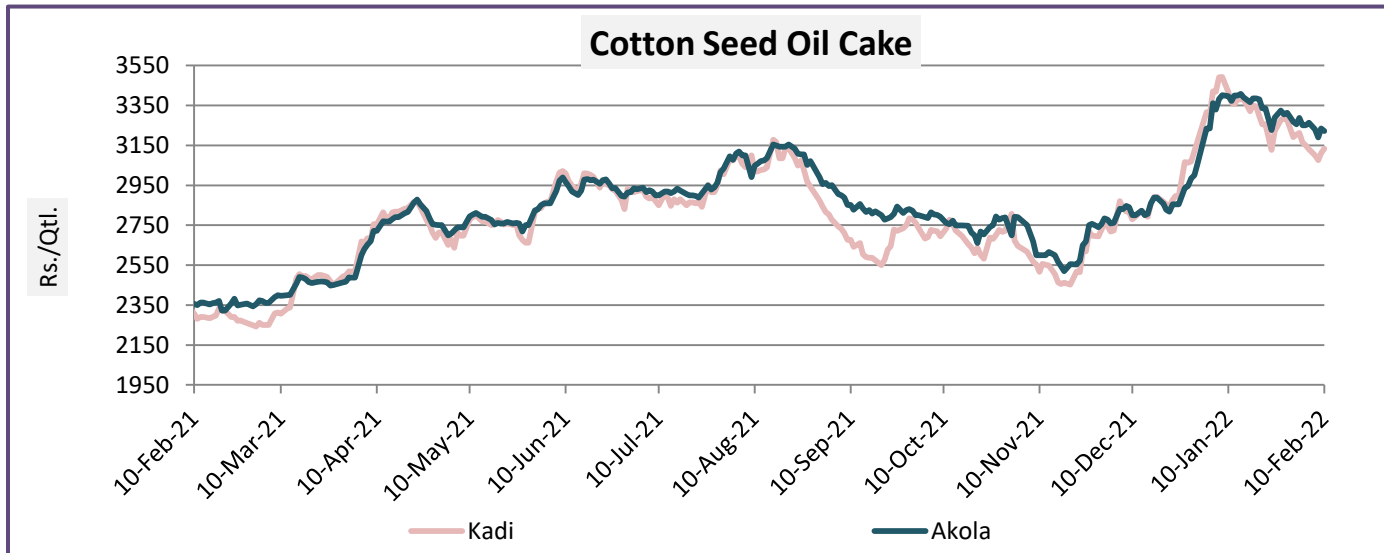
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased slightly as compared to previous week. Prices in Kadi were at Rs. 3151 per quintal from Rs. 3247 per quintal and in Akola prices have decreased and were at Rs. 3256 per quintal from Rs. 3293 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	09-Feb-22	02-Feb-22	
Kadi	3151	3247	-2.94
Akola	3256	3293	-1.11



Source: NCDEX

International Market Scenario

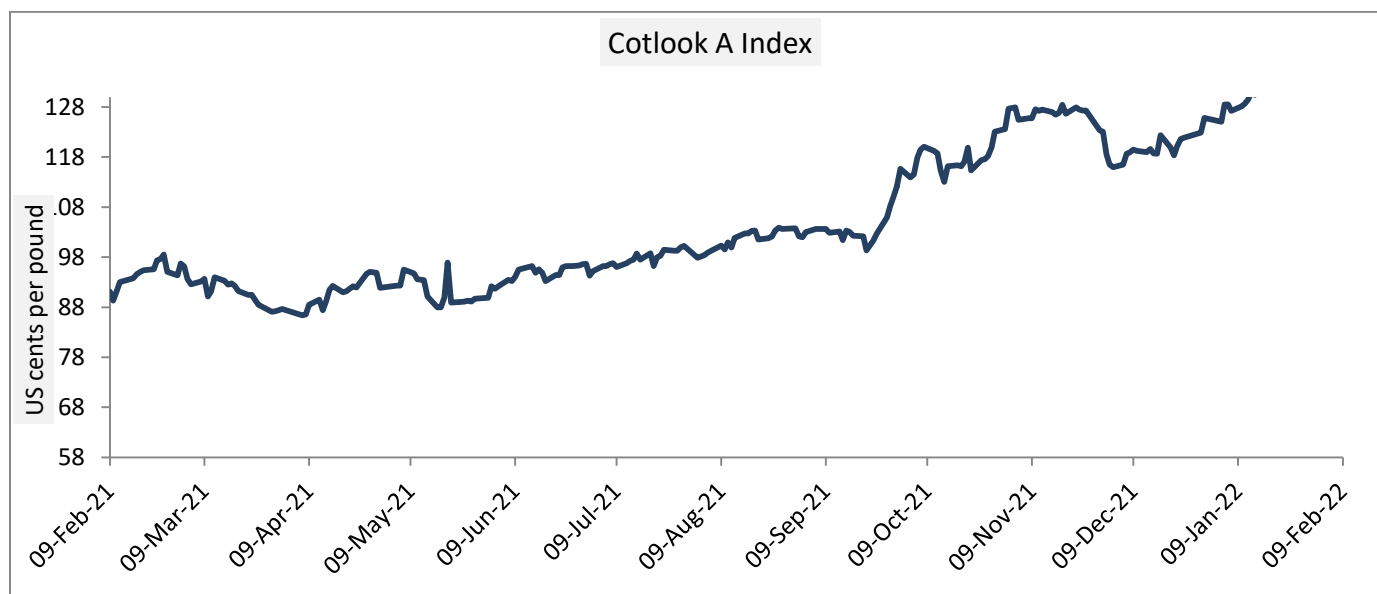
- Cotton arrivals in Pakistan have increased by 33.91 percent to 7.42 million bales in 2021-22 season. Sindh and Punjab have recorded an increase in cotton production this season.
- Due to shortage of feeder vessels and a high unloading time, Bangladesh may face a crisis of cotton from March 2022 as 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 140.53 cents/lb higher as compared to the previous week (137.78 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
	09-Feb-22	02-Feb-22	
Prices	140.53	137.78	1.99
Prices in US cents per Pound			

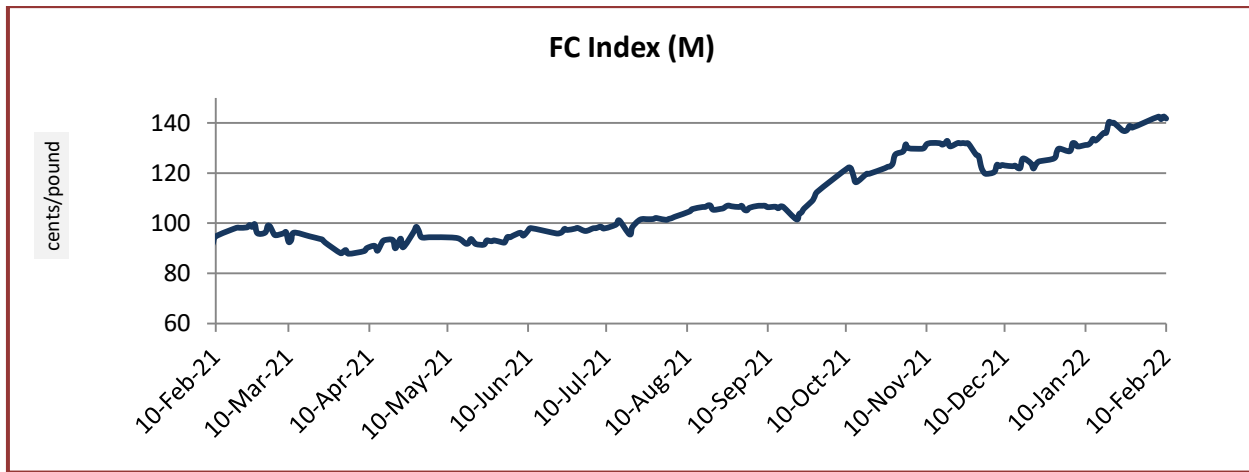
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	09-Feb-22	27-Jan-22	
FC (S)	143.62	139.89	2.62
FC (M)	142.24	138.53	2.66
FC (L)	140.68	136.97	2.70
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	09-Feb-22	27-Jan-22	
CCIndex(328)	22817.00	22719.33	0.43
CCIndex(527)	21045.00	20985.33	0.28
CCIndex(229)	23317.67	23219.67	0.42

Prices in Yuan per ton

Source: China Cotton Association

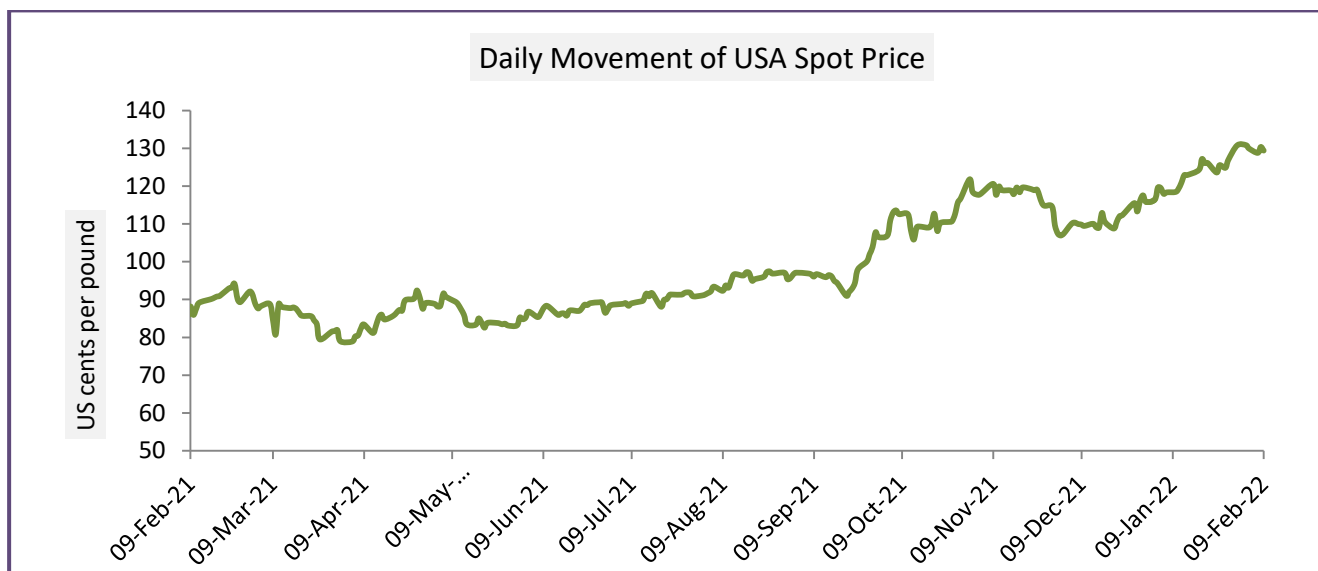


USA Spot Prices

U.S.A spot prices have increased from the prior week by 1.83 percent at 129.90 cents per pound.

USA Spot Prices	Monthly Average Price as on		% Change
	09-Feb-22	31-Jan-22	
Prices	129.90	127.57	1.83
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

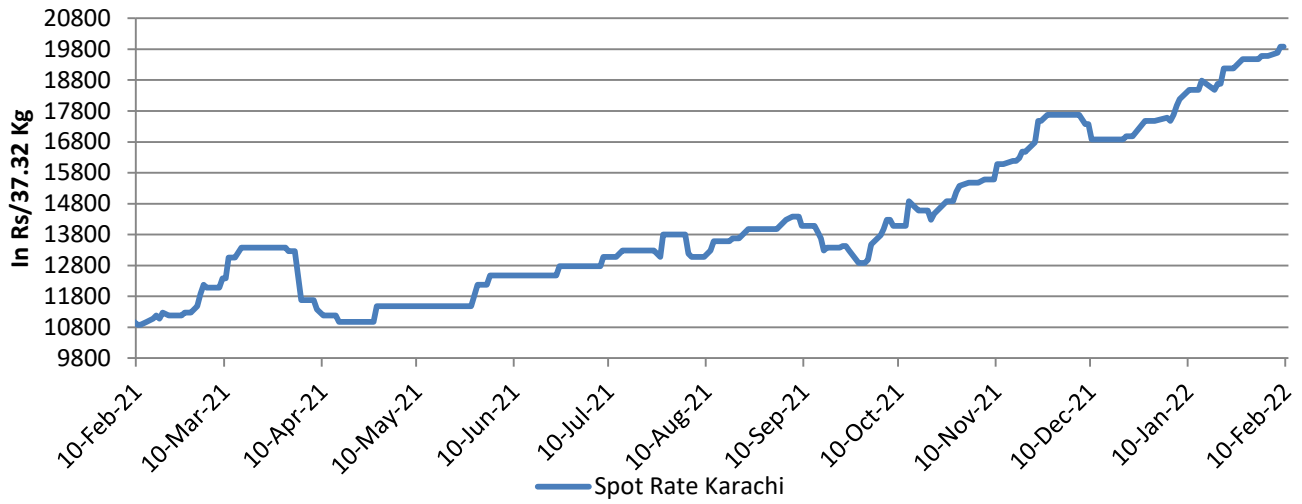
The Karachi spot price stood higher around Rs.20060/q from Rs. 19660/q the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	09-Feb-22	27-Jan-22	
Prices	20060	19660	2.03
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Spot Rate Karachi



Commodity: Cotton
Exchange: MCX
Contract: Feb
Expiry: Feb. 28, 2021
Cotton – Technical Outlook
Technical Chart:

Technical Commentary:

- The Cotton posted gains on buyers interest.
- However, strong resistance can be seen at 38370.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Feb	37740	37820	38160	38370	38490
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Feb	Buy	38150	38250	38340	38080

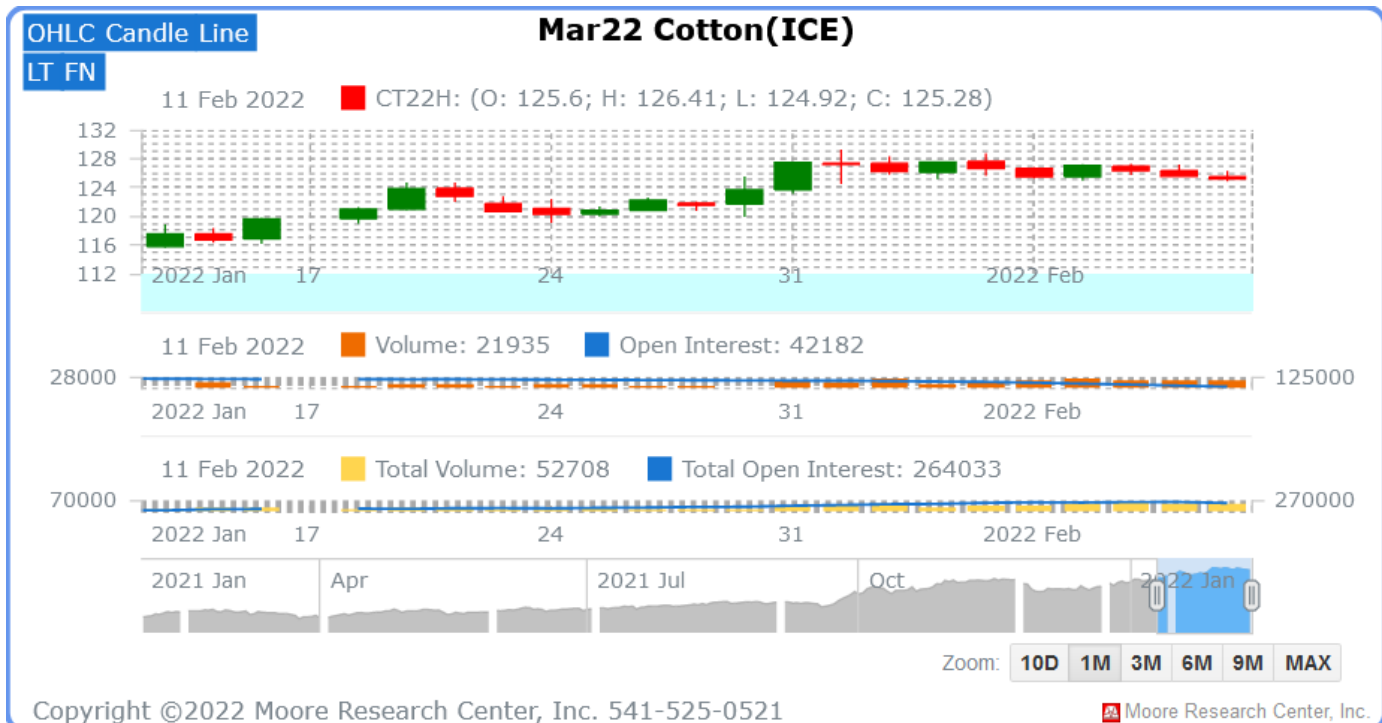
* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Feb
Expiry: Feb. 28, 2021
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 3460.
- MACD, indicating firm momentum.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Feb	3130	3200	3300	3460	3520
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Feb	Buy	3310	3410	3430	3240



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

- The Mar'22' contract closed low by the end of the week.
- 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	125-132

Expected Support and Resistance

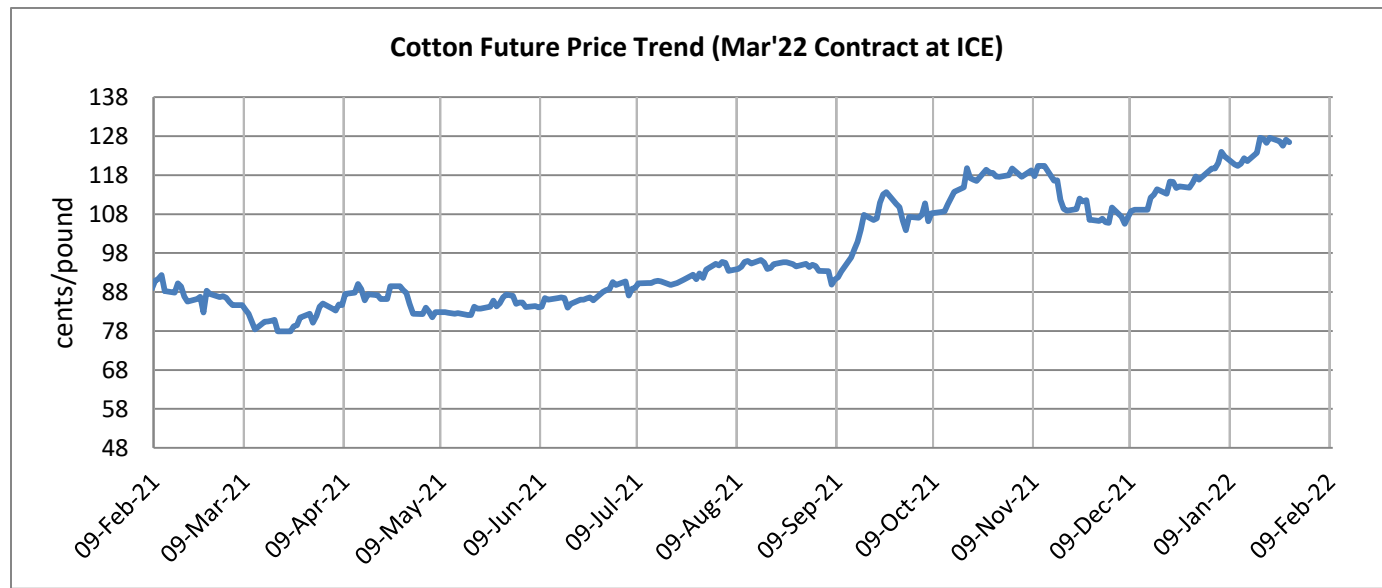
Support 1	Support 2	Resistance 1	Resistance 2
120	115	128	130

Figures in US cents/pound

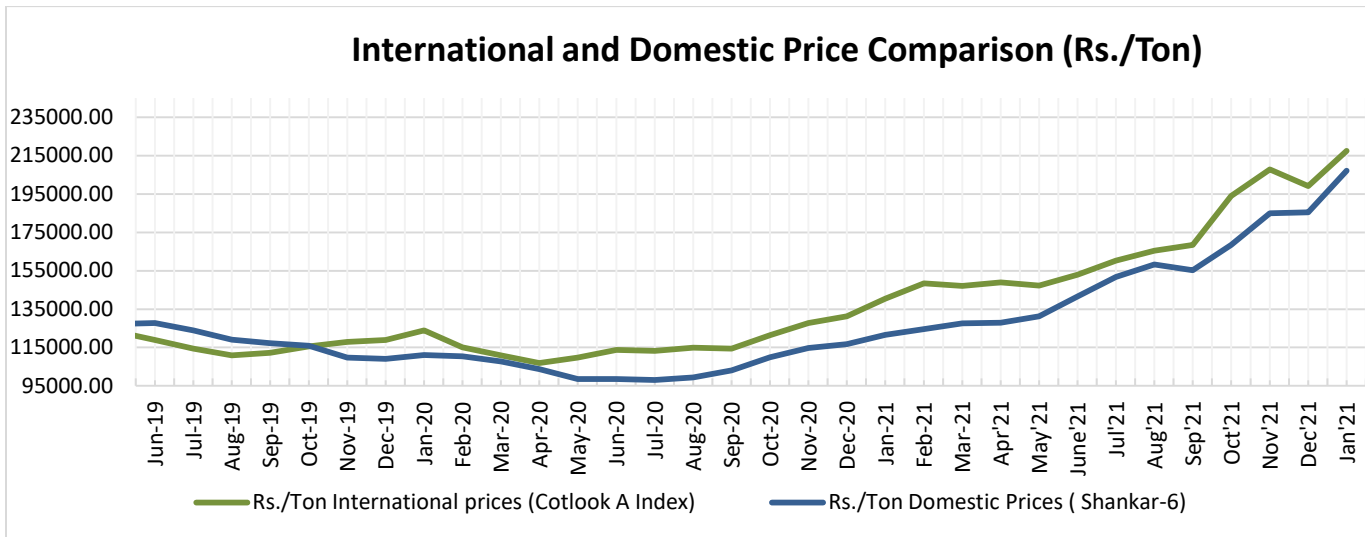
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	09-Feb-22	10-Jan-22 (1 month ago)	11-Nov-21 (3 months ago)	13-Aug-21 (6 months ago)	02-Feb-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	126.43	114.82	118.54	95.21	68.19	10.11	85.41
May-22	123.80	112.72	115.41	94.32	68.74	9.83	80.10
Jul-22	121.16	110.37	113.81	93.19	69.54	9.78	74.23
Dec-22	108.45	100.33	110.43	92.41	68.74	8.09	57.77
Mar-23	105.61	94.47	97.89	90.82	69.25	11.79	52.51

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	03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	
Gujarat	Ahmedabad	Shankar-6	10267	10146	121
	Gondal	Shankar-6	10425	10449	-24
	Rajkot	B.T. Cotton	10370	10225	145
	Patan	B.T. Cotton	10362	10231	131
	Kadi	B.T. Cotton	10150	10217	-67
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9962	10044	-82
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9658	9767	-108
	Fatehabad	B.T. Cotton	9590	9642	-52
	Jind	B.T. Cotton	8840	8983	-143
	Uchana	B.T. Cotton	9740	9775	-35
	Dabwali	B.T. Cotton	9981	10068	-87
Rajasthan	Hanumangarh	B.T. Cotton	10033	10054	-21
	Rawatsar	B.T. Cotton	10140	10033	107
Madhya Pradesh	Khandwa	Mech-1	10150	10100	50

	Khargaon	Mech-1	10185	10437	-252
Maharashtra	Amravati	Mech-1	10350	10267	83
	Jamner	Medium Staple	NA	9347	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9600	9430	170
Karnataka	Bijapur	Bunny	10923	10559	364
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	9300	-
	Raichur	H-44 Cotton	10260	10150	110
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	
Punjab	Bhatinda	J-34	7905	7784	121
	Abohar	J-34	7920	7785	135
	Mansa	J-34	7873	7770	103
Haryana	Sirsa	J-34	7668	7560	108
Rajasthan	Sri-Ganganagar	J-34	7278	7058	220

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	
Gujarat	Ahmedabad	Shankar-6	357000	323000	34000
	Gondal	Shankar-6	21294	33231	-11937
	Rajkot	B.T. Cotton	28100	35900	-7800
	Patan	B.T. Cotton	8281	17458	-9177
	Kadi	B.T. Cotton	160000	180000	-20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2808	4062	-1254
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	13090	16150	-3060
	Fatehabad	B.T. Cotton	2300	5300	-3000
	Jind	B.T. Cotton	70	6885	-6815
	Uchana	B.T. Cotton	6000	15200	-9200

	Dabwali	B.T. Cotton	6900	9715	-2815
Rajasthan	Hanumangarh	B.T. Cotton	13500	16700	-3200
	Rawatsar	B.T. Cotton	6000	18000	-12000
Madhya Pradesh	Khandwa	Mech-1	3400	3500	-100
	Khargaon	Mech-1	12125	25660	-13535
Maharashtra	Amravati	Mech-1	97000	106500	-9500
	Jamner	Medium Staple	NA	77	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	197576	47967	149609
Karnataka	Bijapur	Bunny	11021	6769	4252
	Hubli	D.C.H.	NA	34	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	26	17	9
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	Change
Punjab	Bhatinda	J-34	45900	47600	-1700
	Abohar	J-34	3910	6120	-2210
	Mansa	J-34	3910	4080	-170
Haryana	Sirsa	J-34	5950	8160	-2210
Rajasthan	Sri-Ganganagar	J-34	13000	46500	-33500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	10-Feb-22	03-Feb-22	11-Jan-22	10-Feb-21
Gujarat	Ahmedabad	Shankar-6	10500	10250	10000	6150
	Gondal	Shankar-6	10480	10305	10105	5500
	Rajkot	B.T. Cotton	10405	10255	10100	5530
	Patan	B.T. Cotton	10395	10320	10005	5515
	Kadi	B.T. Cotton	10200	10500	9700	5550
	Deesa	B.T. Cotton	NA	0	9700	NA

	Dhrol	B.T. Cotton	9955	9940	9625	NR
Haryana	Bhiwani	B.T. Cotton	NR	0	0	5600
	Bhiwani	Desi	NR	0	0	NA
	Adampur	B.T. Cotton	9900	9550	9000	5350
	Fatehabad	B.T. Cotton	9600	NR	9300	5350
	Jind	B.T. Cotton	9000	NA	9500	5700
	Uchana	B.T. Cotton	9620	NA	9200	5385
	Dabwali	B.T. Cotton	10150	NA	9500	NR
Rajasthan	Hanumangarh	B.T. Cotton	10200	10000	9500	Closed
	Rawatsar	B.T. Cotton	10200	10000	9300	Closed
Madhya Pradesh	Khandwa	Mech-1	10400	10000	9800	5491
	Khargaon	Mech-1	NR	10110	10900	5427
Maharashtra	Amravati	Mech-1	10400	10300	10000	5300
	Jamner	Medium Staple	NA	0	9300	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA
Telangana	Adilabad	Un-Ginned	NA	9700	9300	5400
Karnataka	Bijapur	Bunny	NA	10856	10301	5929
	Hubli	D.C.H.	NA	0	7029	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	10400	10200	9960	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	10-Feb-22	03-Feb-22	11-Jan-22	10-Feb-21
Punjab	Bhatinda	J-34	8000	7820	7200	4600
	Abohar	J-34	8010	7830	7230	4580
	Mansa	J-34	8000	7750	7280	4580
Haryana	Sirsa	J-34	7750	7570	7100	4510
Rajasthan	Sri-Ganganagar	J-34	7473	7238	6909	4324

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	10-Feb-22	03-Feb-22	11-Jan-22	10-Feb-21
Gujarat	Ahmedabad	Shankar-6	59500	59500	42500	59500
	Gondal	Shankar-6	2823	5011	4855	#N/A
	Rajkot	B.T. Cotton	4000	5200	7400	#N/A
	Patan	B.T. Cotton	1481	1602	7250	3450
	Kadi	B.T. Cotton	25000	30000	30000	#N/A
	Deesa	B.T. Cotton	NA	0	100	#N/A
	Dhrol	B.T. Cotton	543	583	575	#N/A
Haryana	Bhiwani	B.T. Cotton	NR	0	0	1200
	Bhiwani	Desi	NR	0	0	#N/A
	Adampur	B.T. Cotton	1700	340	1700	#N/A
	Fatehabad	B.T. Cotton	500	NR	1000	#N/A
	Jind	B.T. Cotton	2040	NA	850	#N/A
	Uchana	B.T. Cotton	1800	NA	1000	#N/A
	Dabwali	B.T. Cotton	1000	NA	1200	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	2000	2500	4000	#N/A
	Rawatsar	B.T. Cotton	2000	1000	2000	400
Madhya Pradesh	Khandwa	Mech-1	400	600	2000	#N/A
	Khargaon	Mech-1	NR	5285	7730	#N/A
Maharashtra	Amravati	Mech-1	15000	17000	15000	#N/A
	Jamner	Medium Staple	NA	0	31	#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	74409.3	13011.3	0
Karnataka	Bijapur	Bunny	NA	1640	5175	1619
	Hubli	D.C.H.	NA	0	3	0
	Hubli	B.T. Cotton	NA	0	0	0

	Raichur	H-44 Cotton	5	6	12	22
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	10-Feb-22	03-Feb-22	11-Jan-22	10-Feb-21
Punjab	Bhatinda	J-34	8500	8500	8500	5100
	Abohar	J-34	850	340	850	510
	Mansa	J-34	510	425	510	1020
	Sirsa	J-34	850	170	1190	680
	Sri-Ganganagar	J-34	3000	2000	2000	3000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				03rd Feb'22 to 09th Feb'22	27th Jan'22 to 02nd Feb'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	54200	52820	1380
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	54800	53420	1380
J-34(202)	26mm	3.5 - 4.9	23	72680	71360	1320
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	77720	76700	1020
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	82020	81000	1020
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	110200	111000	-800

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