

COTTON WEEKLY RESEARCH REPORT
21st 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 Shanker-6 prices remained steady near Rs. 78,500 to 77,500 per candy.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 10,640-10,680/q in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.10,500-10600/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.

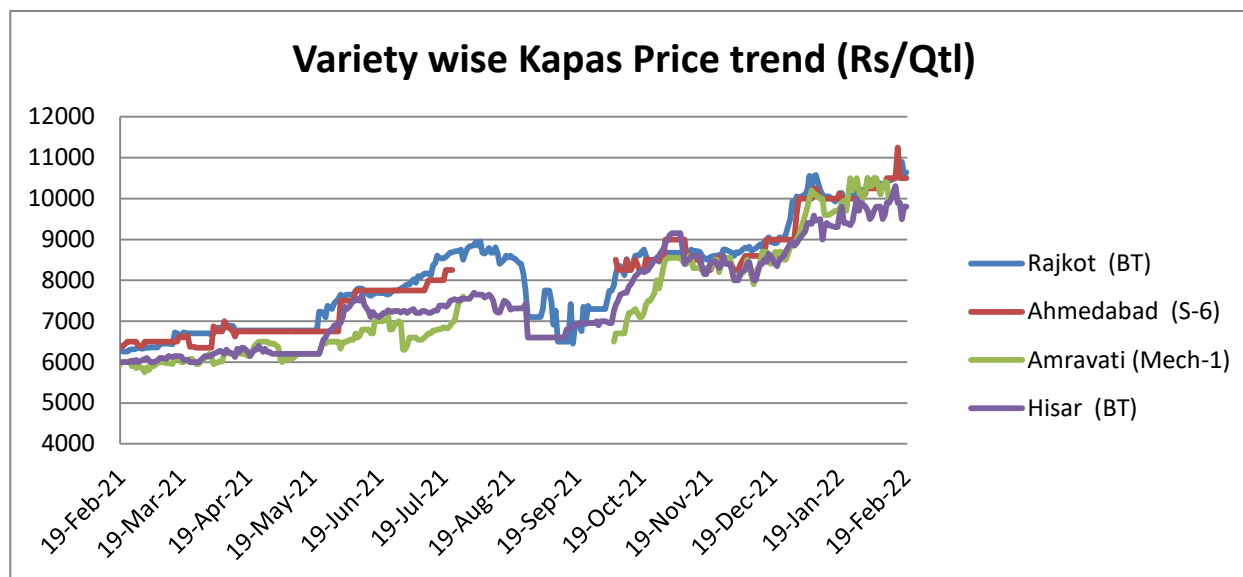
Market Highlights:

- The Government had set the date of submission of online application under the Rs 10,683 crore PLI scheme for textiles to January 31, 2022 which in late January was extended till February 14, 2022. As per the prescribed norms, the scheme will be in operation from September 24, 2021 to March 31, 2030 and the incentive under the scheme will be payable for five years.
- 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

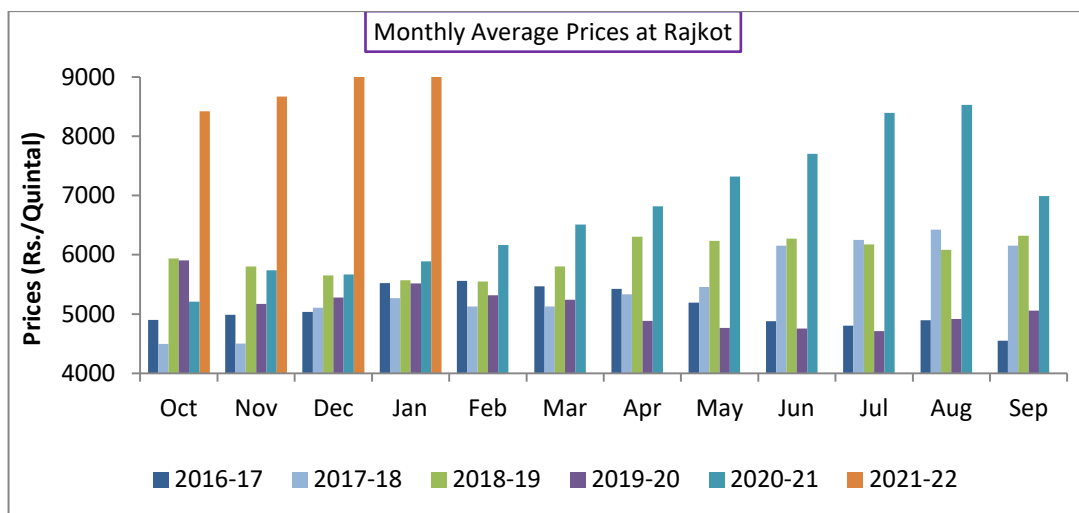
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 10524/q compared to previous week Rs. 10370/q, whereas at Hisar prices stood higher at Rs. 9983/q compared to previous week price of Rs. 9658/qt. For Amravati and Ahmedabad prices were at Rs. 10066/qt and Rs. 10625/qt respectively.



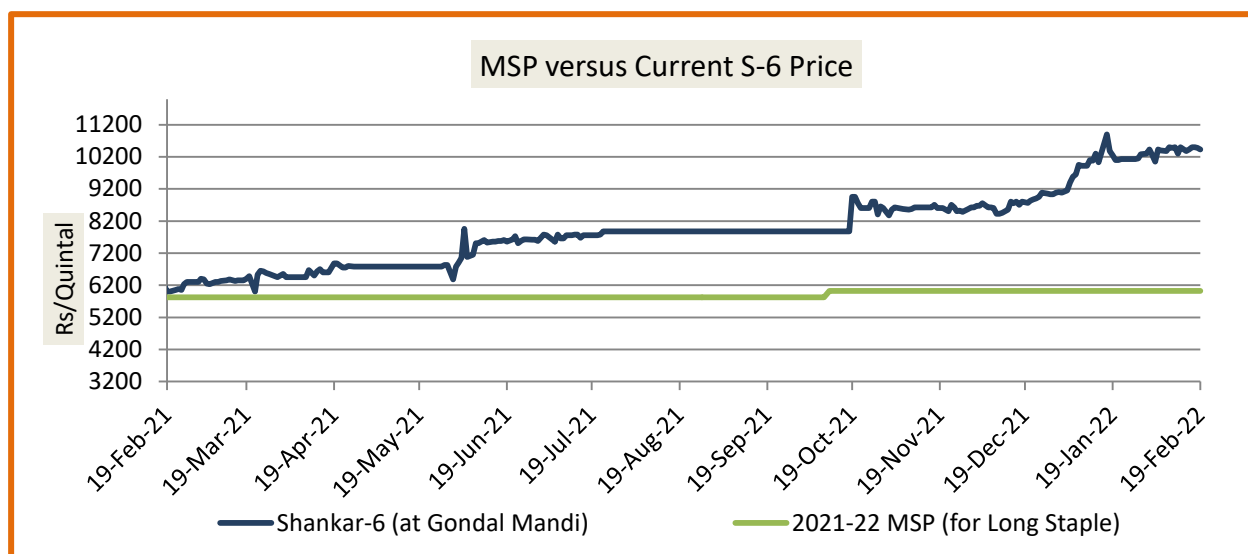
Kapas Monthly M-o-M Price Scenario

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 higher at Rs. 10536/qt from the previous week at Rs. 10438/q.



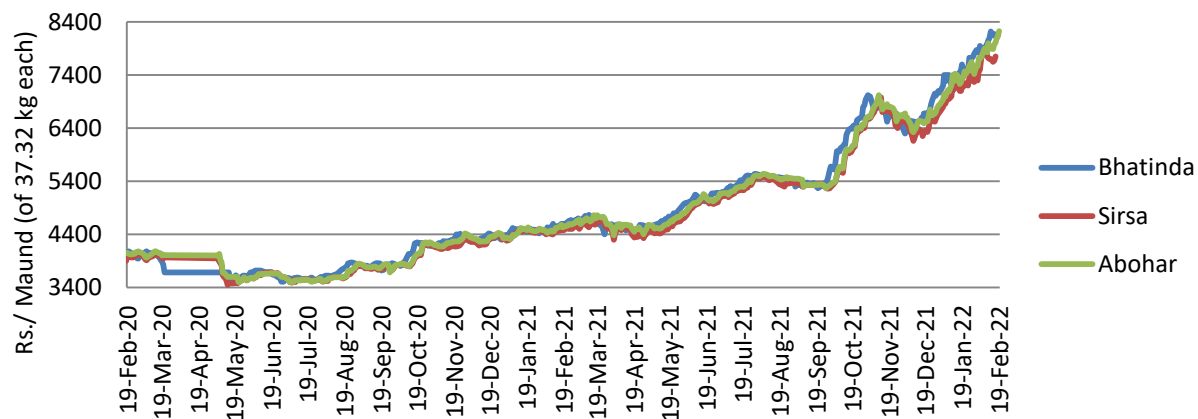
Source: Agriwatch

Lint price Outlook

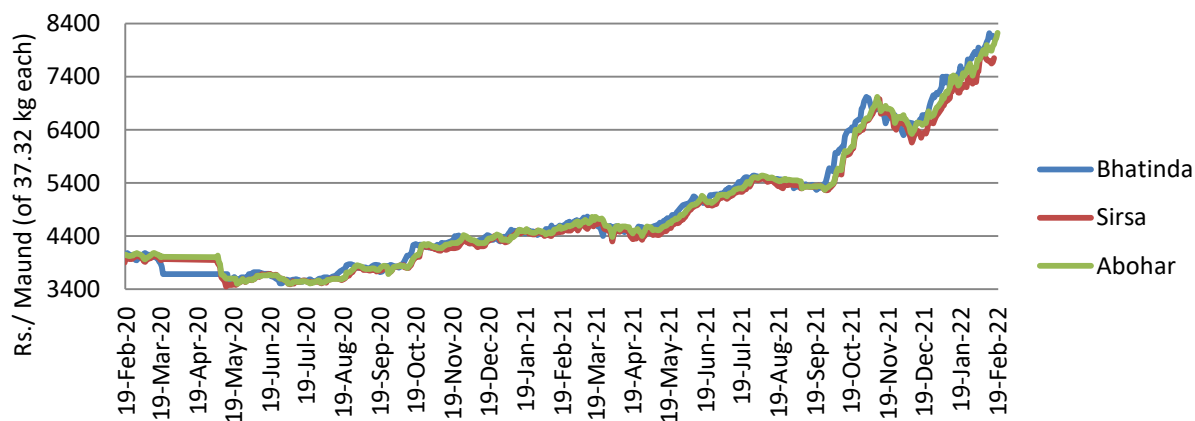
The average price stood higher at Rs. 8129/maund this week compared to Rs.7920/maund previous week in Abohar, in Bhatinda prices were at Rs.8115/ maund, and slightly higher in Sirsa at Rs.7896/ maund from Rs.7698/maund previous week.

Source: Agriwatch

Lint Price Trend at Key Centers

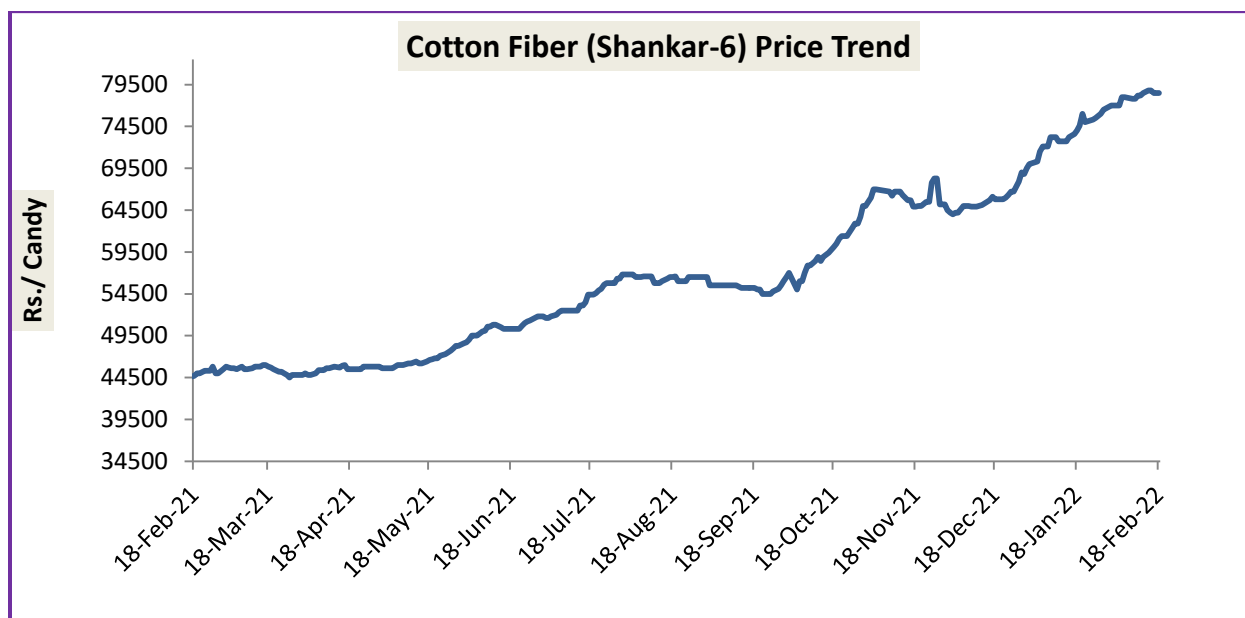


Lint Price Trend at Key Centers



Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.78500/ candy as compared to previous week price of Rs.77720/candy and is likely to go higher this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

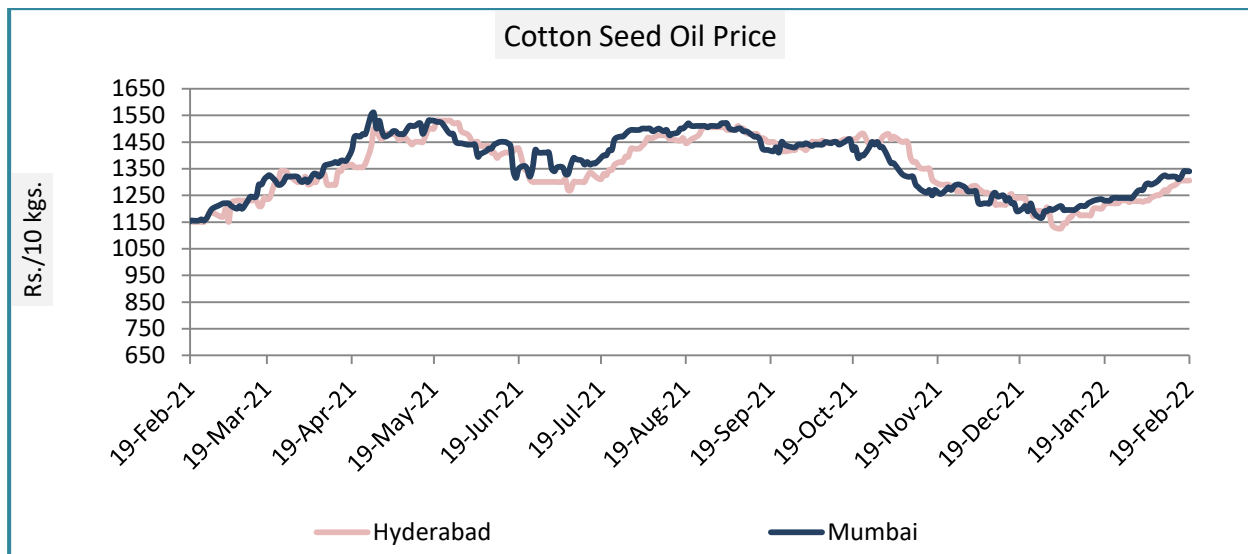
Cotton Seed Oil weekly

Price Scenario

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

	Weekly Average Price as on (Rs/10 kg.)		% Change
	16-Feb-22	09-Feb-22	
New Delhi	-	-	-
Rajkot	1317	1308	0.66
Hyderabad	1313	1298	1.14
Mumbai	1328	1316	0.94

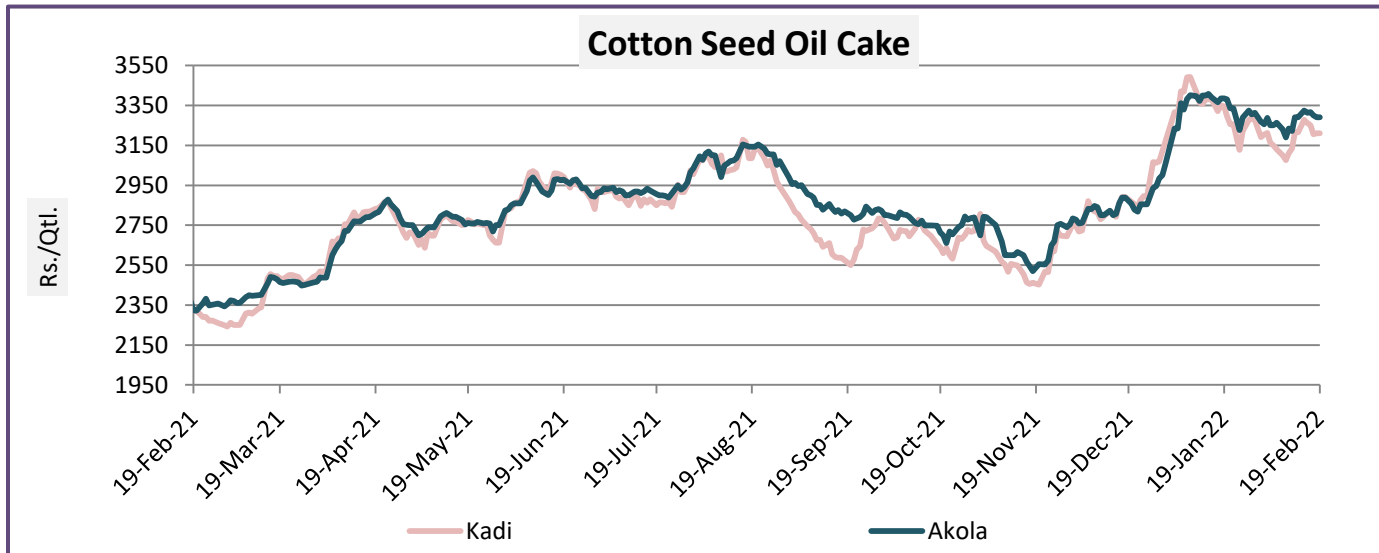
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has increased slightly as compared to previous week. Prices in Kadi were at Rs. 3191 per quintal from Rs. 3151 per quintal and in Akola prices have increased and were at Rs. 3272 per quintal from Rs. 3256 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	16-Feb-22	09-Feb-22	
Kadi	3191	3151	1.28
Akola	3272	3256	0.50



Source: NCDEX

International Market Scenario

- Bangladesh's cotton production has been low as farmers are opting for other cash crops instead of white fibre, missing out at least a \$3-billion domestic market.
- Cotton plantings in the United States are likely to increase as a result of strong international demand, increasing input prices for farmers, and a prolonged drought in Texas. Cotton futures in New York hit a new decade high at the end of January, signalling a potential increase for the world's largest cotton provider. Last year, expectations for a second worldwide shortfall pushed the fibre up 44 percent.
- 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.

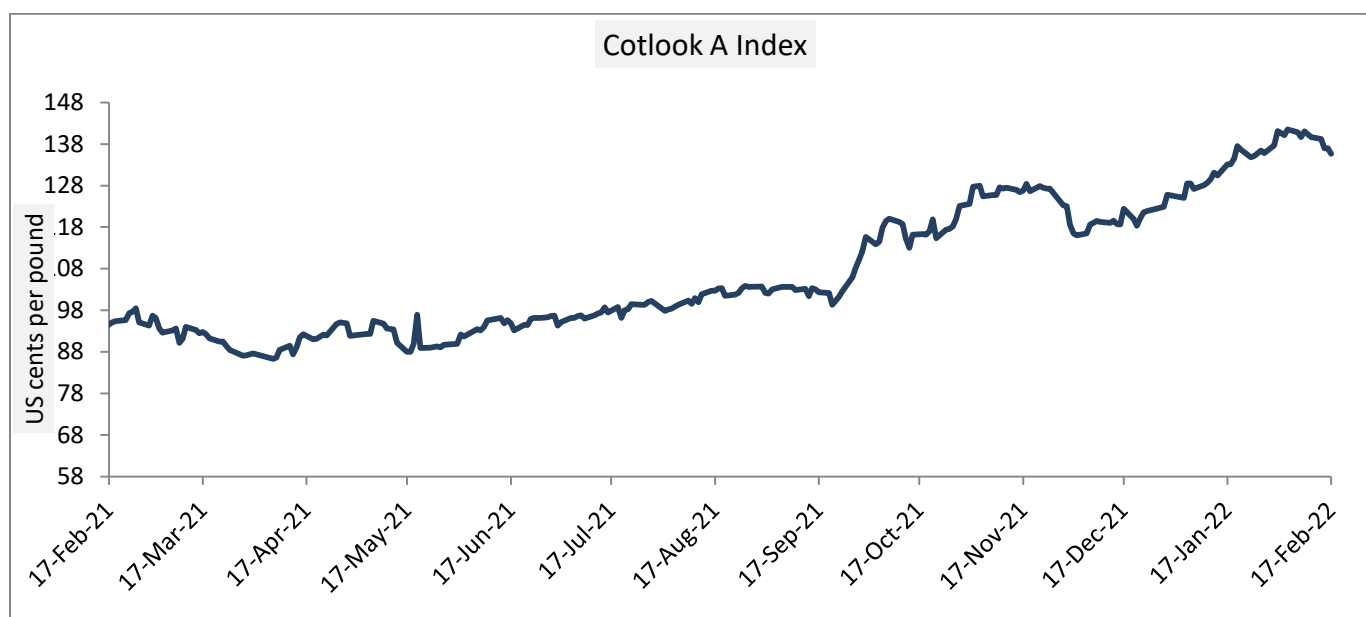
Cotlook A Index

Cotlook A Index was higher this week. The Cotlook A Index was at 139.04 cents/lb higher as compared to the previous week (140.53 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
	16-Feb-22	09-Feb-22	
Prices	139.04	140.53	-1.06

Prices in US cents per Pound

Source: Cotlook

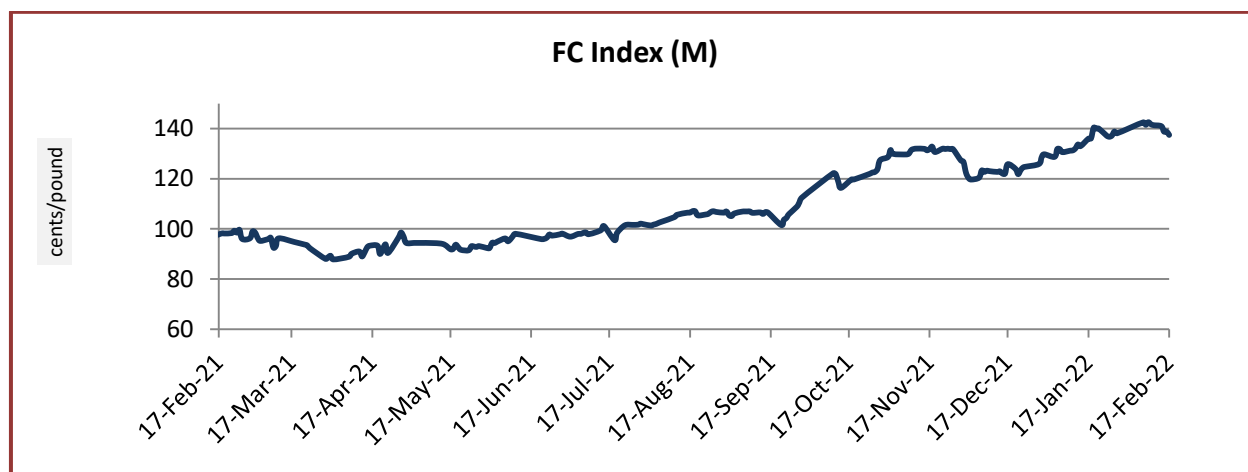


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	16-Feb-22	09-Feb-22	
FC (S)	141.73	143.62	-1.32

FC (M)	140.41	142.24	-1.29
FC (L)	138.84	140.68	-1.31
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	16-Feb-22	09-Feb-22	
CCIndex(328)	22911.40	22817.00	0.41
CCIndex(527)	21103.80	21045.00	0.28
CCIndex(229)	23359.80	23317.67	0.18
Prices in Yuan per ton			

Source: China Cotton Association



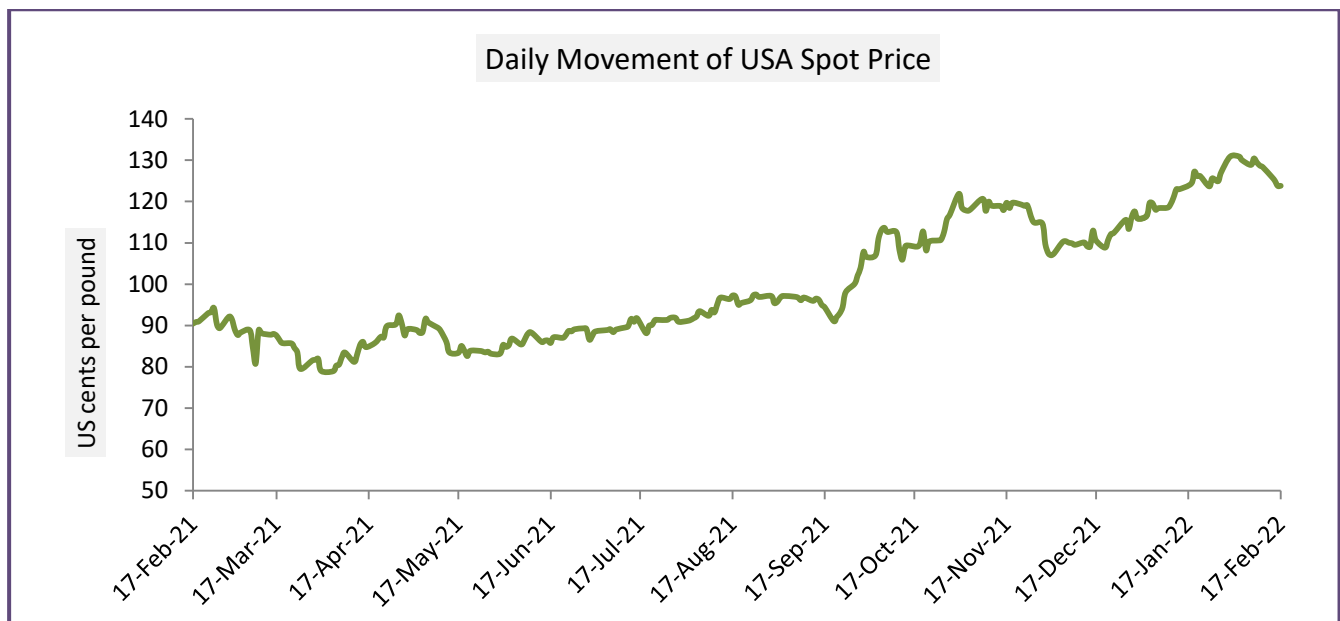
USA Spot Prices

U.S.A spot prices was at 126.33 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	16-Feb-22	09-Feb-22	
Prices	126.33	129.90	-2.75

Prices in US cents per Pound

Source: USDA

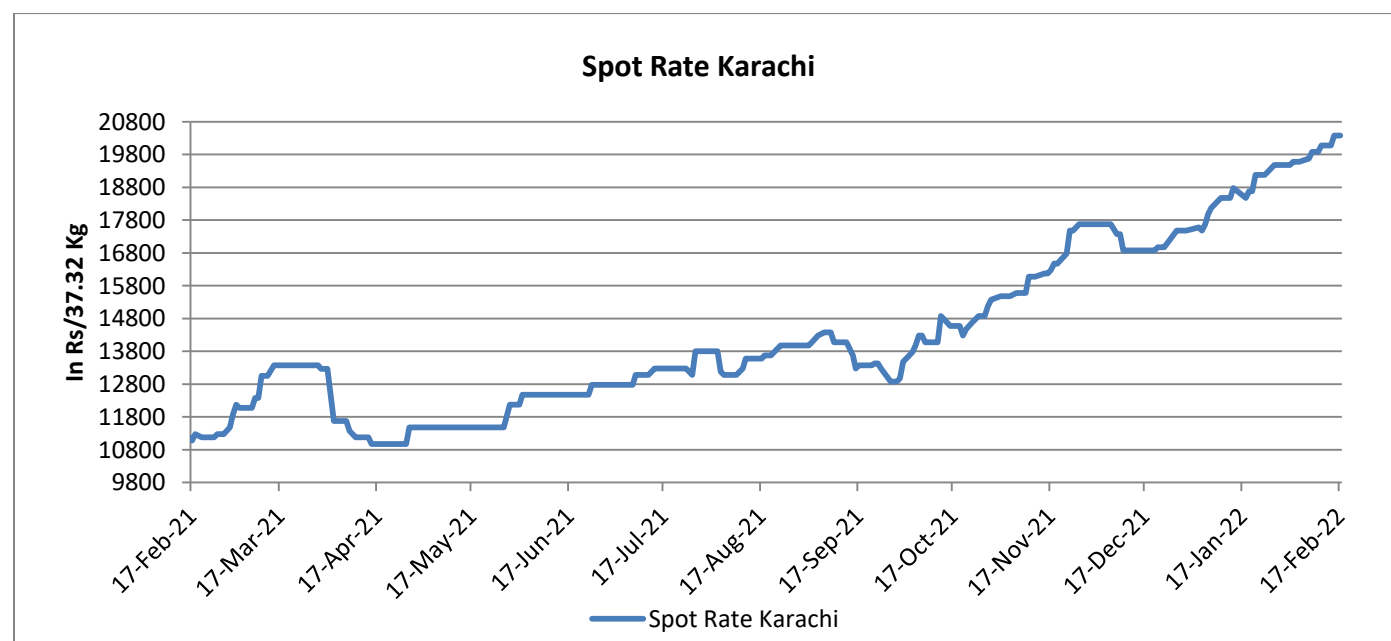


Pakistan Spot Prices

The Karachi spot price stood higher around Rs.20380/q from Rs. 20060/q the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	16-Feb-22	09-Feb-22	
Prices	20380	20060	1.60
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Feb

Expiry: Feb. 28, 2021

Cotton – Technical Outlook

Technical Chart:

COTTON 1st(MXCTNC1)2022/02/20 - Weekly B:37240.00 A:37280.00
O:37650.00 H:37820.00 L:36560.00 C:37240.00 ↑ V:1,525 T:1,417,983 I:4,259 -480 -1.27%



Technical Commentary:

- The Cotton posted loss on sellers interest.
- However, strong resistance can be seen at 37450.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Feb	36820	36900	37240	37450	37570
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Feb	sell	37230	37330	37420	37160

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake

Contract: Feb

Exchange: MCX

Expiry: Feb. 28, 2021

Cottonseed Oilcake

Technical Chart:



Technical Commentary:

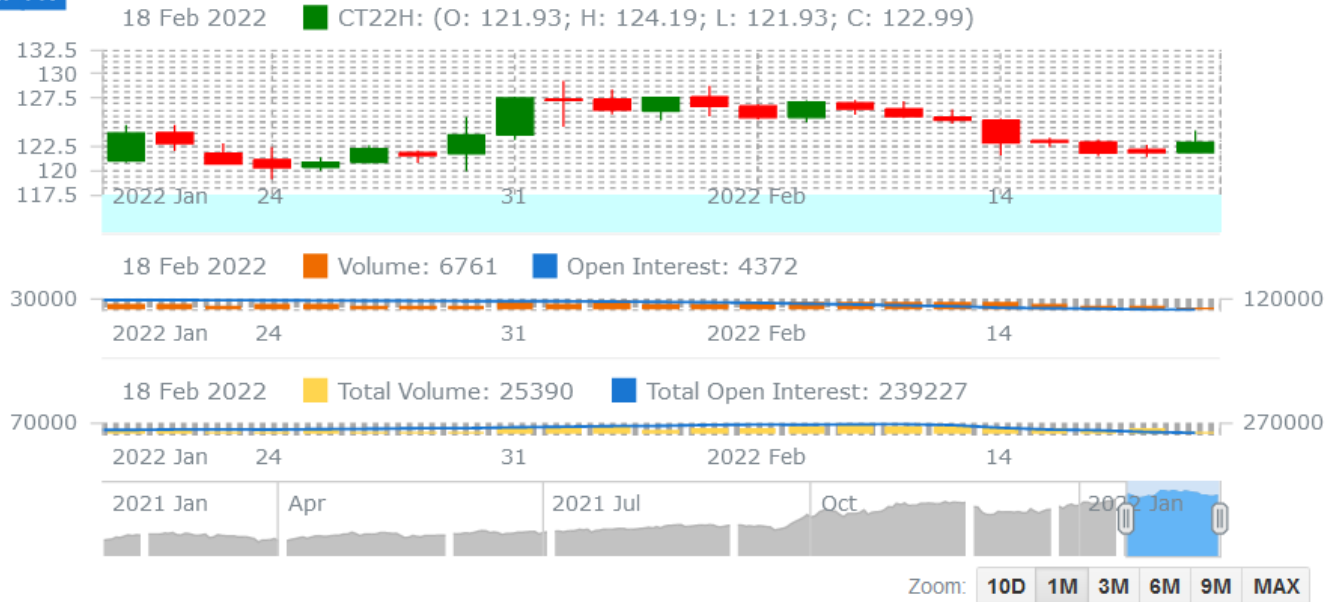
- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 3460.
- MACD, indicating firm momentum.

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

OHLC Candle Line

Mar22 Cotton(ICE)

LT FN



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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.
- 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	122-132

Expected Support and Resistance

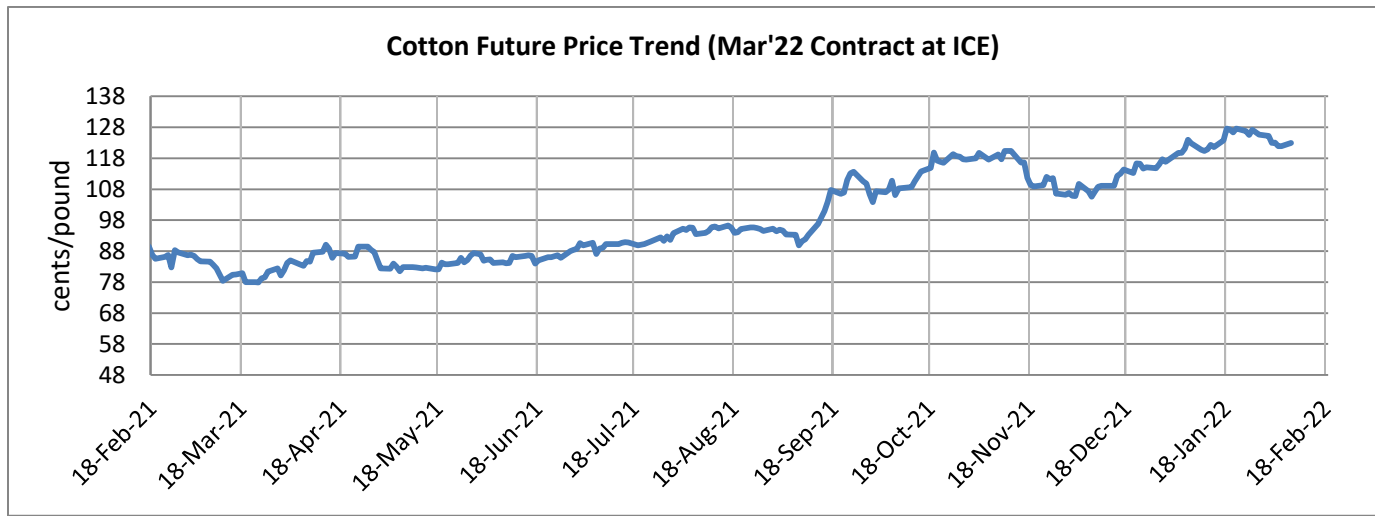
Support 1	Support 2	Resistance 1	Resistance 2
120	115	125	130

Figures in US cents/pound

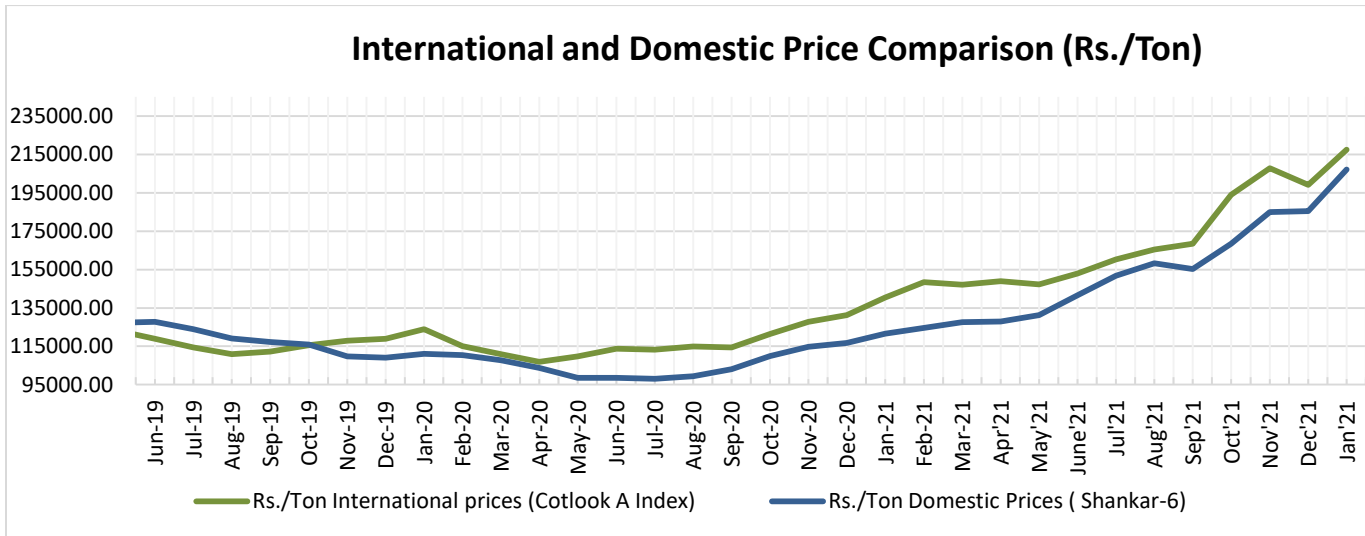
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	18-Feb-22	19-Jan-22 (1 month ago)	20-Nov-21 (3 months ago)	22-Aug-21 (6 months ago)	18-Feb-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	122.98	123.95	117.71	94.54	95.52	-0.78	28.75
May-22	121.16	120.45	115.97	93.36	94.83	0.59	27.77
Jul-22	118.13	117.31	114.38	92.69	93.95	0.70	25.74
Dec-22	107.06	104.77	110.38	92.15	93.31	2.19	14.74
Mar-23	102.79	99.18	97.26	90.65	91.64	3.64	12.17

Future Price Trend (Active Contract):



International and Domestic Price Comparision



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Gujarat	Ahmedabad	Shankar-6	10650	10267	383
	Gondal	Shankar-6	10560	10425	135
	Rajkot	B.T. Cotton	10479	10370	109
	Patan	B.T. Cotton	10461	10362	99
	Kadi	B.T. Cotton	10320	10150	170
	Deesa	B.T. Cotton	5755	NA	-
	Dhrol	B.T. Cotton	10113	9962	151
Haryana	Bhiwani	B.T. Cotton	9200	NA	-
	Bhiwani	Desi	8800	NA	-
	Adampur	B.T. Cotton	9983	9658	325
	Fatehabad	B.T. Cotton	9933	9590	343
	Jind	B.T. Cotton	9400	8840	560
	Uchana	B.T. Cotton	9770	9740	30
	Dabwali	B.T. Cotton	10448	9981	467
Rajasthan	Hanumangarh	B.T. Cotton	10467	10033	434

	Rawatsar	B.T. Cotton	10433	10140	293
Madhya Pradesh	Khandwa	Mech-1	10450	10150	300
	Khargaon	Mech-1	10265	10185	80
Maharashtra	Amravati	Mech-1	10408	10350	58
	Jamner	Medium Staple	9470	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9557	9600	-43
Karnataka	Bijapur	Bunny	10602	10923	-321
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10267	10260	7
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Punjab	Bhatinda	J-34	8115	7905	210
	Abohar	J-34	8129	7920	209
	Mansa	J-34	8113	7873	239
Haryana	Sirsa	J-34	7897	7668	228
Rajasthan	Sri-Ganganagar	J-34	7560	7278	282

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Gujarat	Ahmedabad	Shankar-6	357000	357000	Unch
	Gondal	Shankar-6	23301	21294	2007
	Rajkot	B.T. Cotton	27500	28100	-600
	Patan	B.T. Cotton	10813	8281	2532
	Kadi	B.T. Cotton	150000	160000	-10000
	Deesa	B.T. Cotton	100	NA	-
	Dhrol	B.T. Cotton	2731	2808	-77
Haryana	Bhiwani	B.T. Cotton	21500	NA	-
	Bhiwani	Desi	21500	NA	-
	Adampur	B.T. Cotton	9860	13090	-3230
	Fatehabad	B.T. Cotton	3100	2300	800

	Jind	B.T. Cotton	9175	70	9105
	Uchana	B.T. Cotton	13600	6000	7600
	Dabwali	B.T. Cotton	7200	6900	300
Rajasthan	Hanumangarh	B.T. Cotton	14400	13500	900
	Rawatsar	B.T. Cotton	11400	6000	5400
Madhya Pradesh	Khandwa	Mech-1	1500	3400	-1900
	Khargaon	Mech-1	7905	12125	-4220
Maharashtra	Amravati	Mech-1	97000	97000	Unch
	Jamner	Medium Staple	72	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	55062	197576	-142514
Karnataka	Bijapur	Bunny	6893	11021	-4128
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	27	26	1
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Punjab	Bhatinda	J-34	45900	45900	Unch
	Abohar	J-34	4080	3910	170
	Mansa	J-34	2975	3910	-935
Haryana	Sirsa	J-34	6120	5950	170
Rajasthan	Sri-Ganganagar	J-34	15500	13000	2500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Feb-22	12-Feb-22	20-Jan-22	19-Feb-21
Gujarat	Ahmedabad	Shankar-6	10500	10500	10000	6400
	Gondal	Shankar-6	10655	10530	10430	5500
	Rajkot	B.T. Cotton	10640	10450	10140	5530
	Patan	B.T. Cotton	10330	10505	10205	5515
	Kadi	B.T. Cotton	10500	10200	10000	5550
	Deesa	B.T. Cotton	NA	0	10000	NA

	Dhrol	B.T. Cotton	10055	10250	9850	NR
Haryana	Bhiwani	B.T. Cotton	NR	9200	0	5600
	Bhiwani	Desi	NR	8800	0	NA
	Adampur	B.T. Cotton	9800	10000	9800	5350
	Fatehabad	B.T. Cotton	9900	10000	9300	5350
	Jind	B.T. Cotton	9500	9500	9400	5700
	Uchana	B.T. Cotton	10200	9600	9500	5385
	Dabwali	B.T. Cotton	10295	10460	9930	NR
Rajasthan	Hanumangarh	B.T. Cotton	10400	10500	9900	Closed
	Rawatsar	B.T. Cotton	NR	10400	9900	Closed
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	10700	5491
	Khargaon	Mech-1	NA	10405	11000	5427
Maharashtra	Amravati	Mech-1	10400	10400	9900	5300
	Jamner	Medium Staple	NA	NA	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA
Telangana	Adilabad	Un-Ginned	10000	NA	9570	5400
Karnataka	Bijapur	Bunny	NA	NA	11107	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	NA	10200	10200	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Feb-22	12-Feb-22	20-Jan-22	19-Feb-21
Punjab	Bhatinda	J-34	8150	8100	7600	4590
	Abohar	J-34	8160	8130	7650	4590
	Mansa	J-34	Closed	8100	7700	4590
Haryana	Sirsa	J-34	7920	7900	7400	4500
Rajasthan	Sri-Ganganagar	J-34	NR	7520	7144	4305

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	19-Feb-22	12-Feb-22	20-Jan-22	19-Feb-21
Gujarat	Ahmedabad	Shankar-6	54400	59500	42500	51000
	Gondal	Shankar-6	3742	4557	3986	#N/A

	Rajkot	B.T. Cotton	4350	5200	4400	#N/A
	Patan	B.T. Cotton	1303	1688	2774	3450
	Kadi	B.T. Cotton	25000	20000	30000	#N/A
	Deesa	B.T. Cotton	NA	0	600	#N/A
	Dhrol	B.T. Cotton	543	713	546	#N/A
Haryana	Bhiwani	B.T. Cotton	NR	2500	0	1200
	Bhiwani	Desi	NR	2500	0	#N/A
	Adampur	B.T. Cotton	2550	1700	1700	#N/A
	Fatehabad	B.T. Cotton	450	700	600	#N/A
	Jind	B.T. Cotton	1523.2	1649	850	#N/A
	Uchana	B.T. Cotton	2150	3000	2230	#N/A
	Dabwali	B.T. Cotton	400	1200	1800	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	1500	3000	2500	#N/A
	Rawatsar	B.T. Cotton	NR	3000	5000	200
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	800	#N/A
	Khargaon	Mech-1	NA	2230	7975	#N/A
Maharashtra	Amravati	Mech-1	16000	16000	15000	#N/A
	Jamner	Medium Staple	NA	NA	0	#N/A
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	#N/A
	Hathras	Desi	NA	0	0	#N/A
Telangana	Adilabad	Un-Ginned	36081.7	NA	52894.2	0
Karnataka	Bijapur	Bunny	NA	NA	3138	1244
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	5	5	22
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	19-Feb-22	12-Feb-22	20-Jan-22	19-Feb-21
Punjab	Bhatinda	J-34	8500	8500	6800	5100
	Abohar	J-34	340	680	1020	510
	Mansa	J-34	Closed	680	510	510
	Sirsa	J-34	680	1190	2550	170
	Sri-Ganganagar	J-34	NR	2500	800	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				10th Feb'22 to 16th Feb'22	03rd Feb'22 to 09th Feb'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	55033	54200	833
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	55633	54800	833
J-34(202)	26mm	3.5 - 4.9	23	74633	72680	1953
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	78500	77720	780
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	82833	82020	813
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	108833	110200	-1367

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