

COTTON WEEKLY RESEARCH REPORT
28th 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 futures MCX was volatile with the highest daily ups and downs but in physical market did not followed the same down fall. With Russian's invasion of Ukraine this week cotton market was in control of bears. With free fall in equity and other market cotton also followed bearish trend. Indian cotton Shanker-6 prices remained stable near Rs. 76,500 to 77,500 per candy.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 10,540-10,680/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:

- Cotton yarn prices was lower last week in South India as demand from both domestic and exports markets dried up because buyers were not keen on taking any risk in view of the looming uncertainty of geo-political developments after Russian attack on Ukraine. Buyers preferred to adopt a wait-and-watch policy while they assess the situation on the trade front. In Mumbai market, yarn prices fell down by ₹5-12 per kg as demand weakened further.
- Cotton Association of India has reduced its January estimate of the cotton crop for the 2021-22 season by 5 lakh bales to 343.13 lakh bales from its previous estimate of 348.13 lakh bales. The association has attributed the reduction in crop estimate to the drop in production in states including Gujarat, Telangana, Odisha, Karnataka and Andhra Pradesh. AgriWatch has estimated cotton production for 2021-22 season at 342.60 lakh bales lower from its previous season estimate of 365.00 lakh bales.
- The total cotton supply between October 2021 to January 2022 remained at 272.20 lakh bales, which consists of the arrivals of 192.20 lakh bales, imports of 5 lakh bales during the month of January 2022 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 January

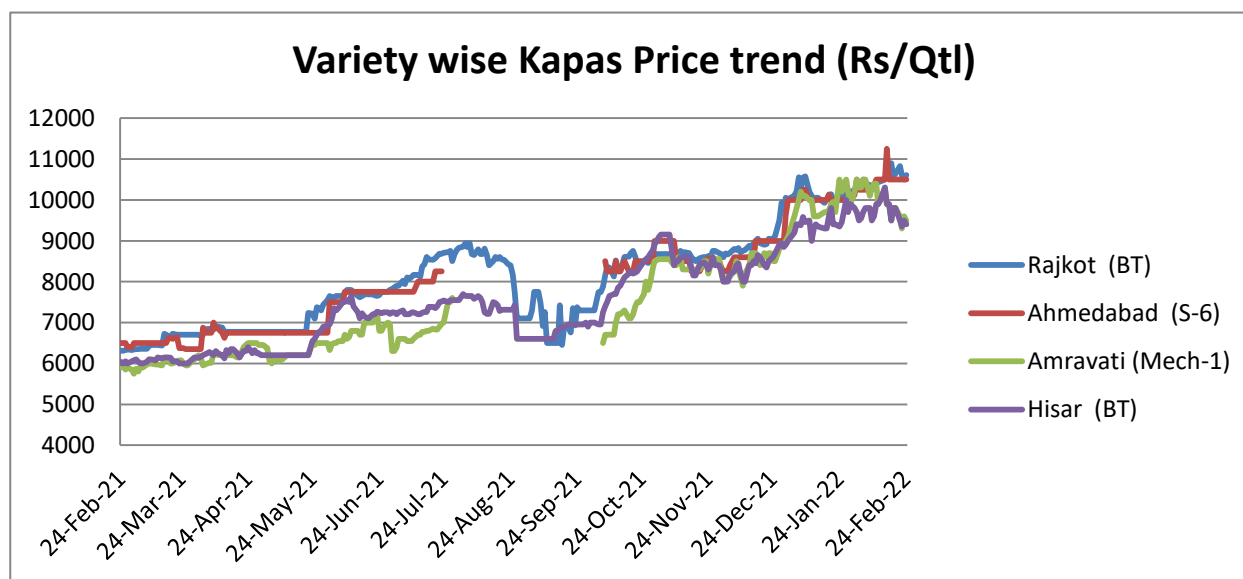
2022 at 114 lakh bales while export shipment of cotton during the months of October to January 2022 is estimated at 25 lakh bales. Stock at the end of January 2022 is estimated at 113.20 lakh bales.

- As per the Government's Second Advance Estimate, cotton production for 2021-22 have been projected at 340.63 lakh bales, which is 3% lower than the previous year's final production estimate of 352.48 lakh bales. As per AgriWatch estimate based on the arrival pattern, production is expected to be 342.60 lakh bales against the previous season estimate of 365 lakh bales. Production is expected to be lower in the 2021-22 season mainly because of lower sown area in 2021-22 season at 119.66 lakh hectares as compared to previous season of 128.07 lakh hectares.
- Cotton arrivals from 01st October 2021 till 22nd February 2022 has reached 3590.09 thousand tonne as compared to previous season arrivals of 2570.19 thousand tonne. For the current 2021-22 season, cotton arrivals were higher from Telangana, Madhya Pradesh and Haryana whereas it was lower from the states of Maharashtra, Gujarat, Punjab and Karnataka. The arrivals were lower mainly because of the late rains caused by La Nina effect which has affected the yield of cotton.

Domestic Cotton Prices Scenario

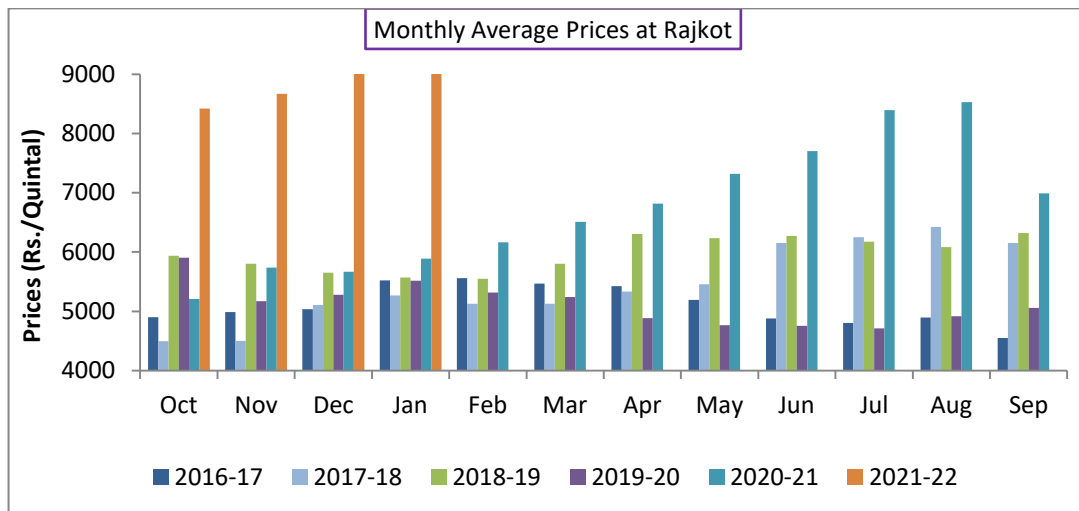
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot stood higher at Rs. 10675/q compared to previous week Rs. 10524/q, whereas at Hisar prices stood higher at Rs. 9575/q compared to previous week price of Rs. 9983/qt. For Amravati and Ahmedabad prices were at Rs. 9600/qt and Rs. 10500/qt respectively.



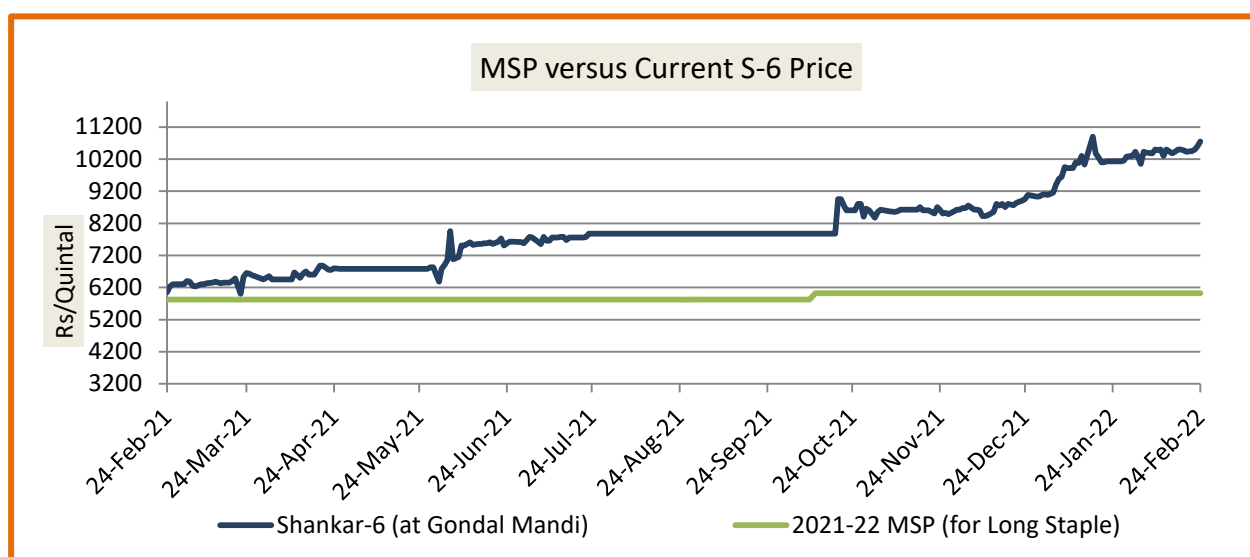
Kapas Monthly M-o-M Price Scenario

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

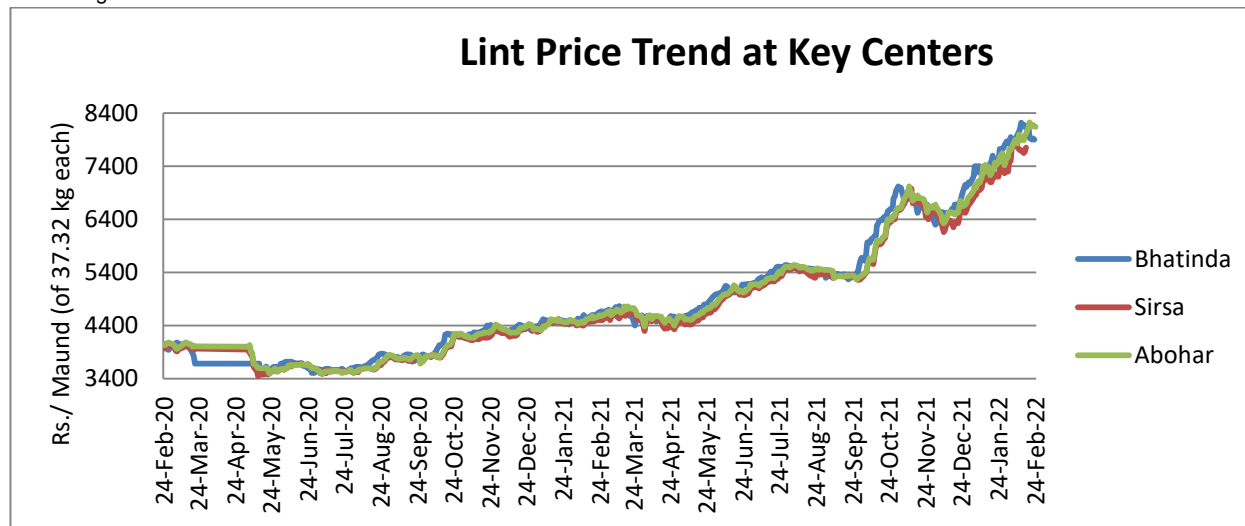
Average kapas price at Gondal market stood slightly higher at Rs. 10634/qt from the previous week at Rs. 10536/q.



Lint price Outlook

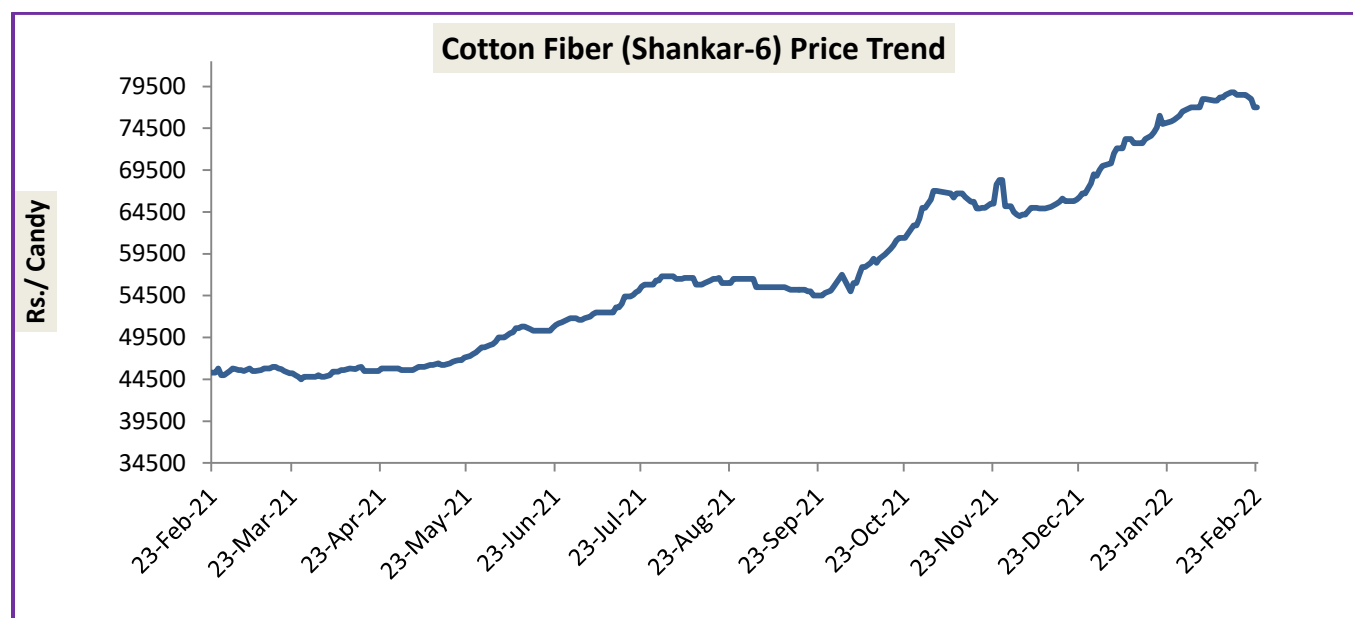
The average price stood lower at Rs. 8036/maund this week compared to Rs.8129/maund previous week in Abohar, in Bhatinda prices were at Rs.8025/ maund, and slightly higher in Sirsa at Rs.7919/ maund from Rs.7896/maund previous week.

Source: Agriwatch



Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly lower at Rs.77916/ candy as compared to previous week price of Rs.78500/candy and is likely to go higher this week.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

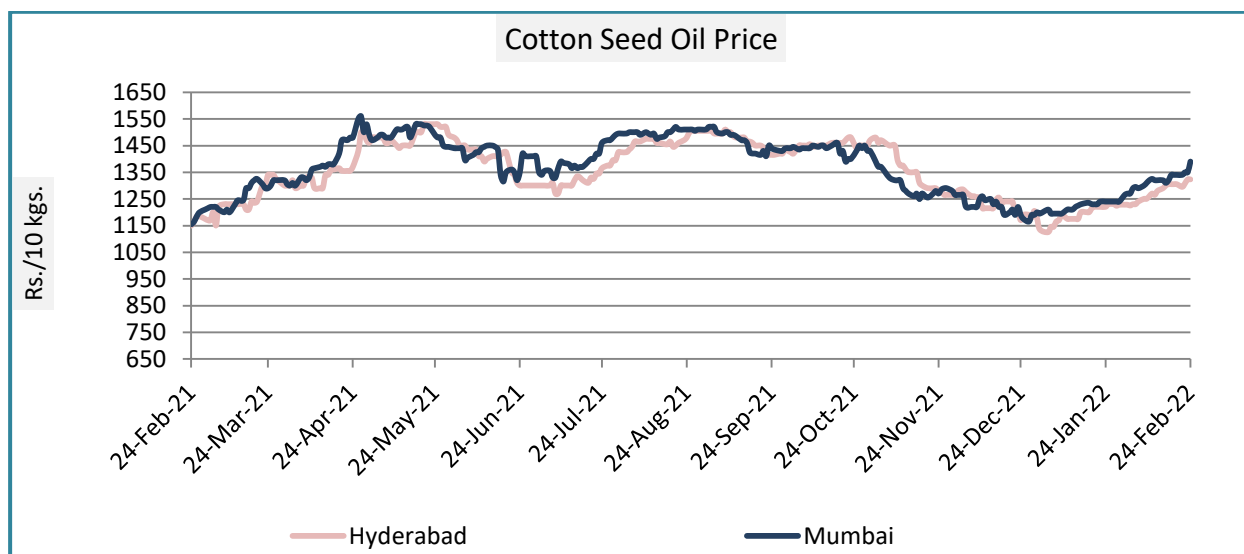
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 23rd Feb'22 and expected to continue to increase in the coming week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	23-Feb-22	16-Feb-22	
New Delhi	-	-	-
Rajkot	1360	1317	3.26
Hyderabad	1353	1313	3.05
Mumbai	1377	1328	3.66

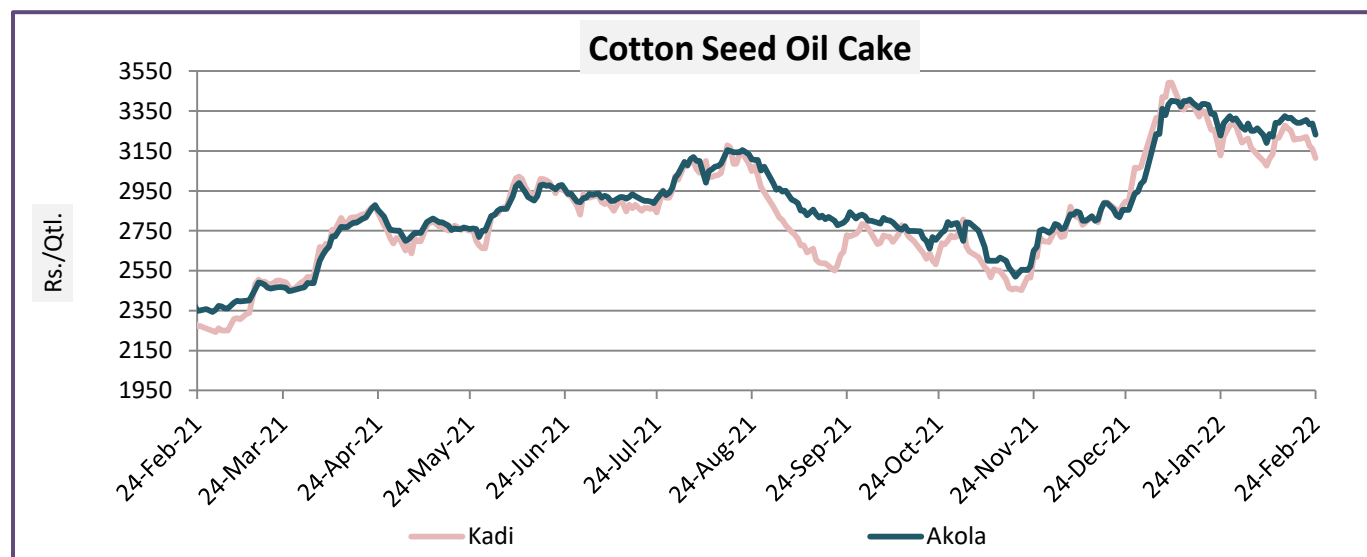
Source: Agriwatch



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. 3228 per quintal from Rs. 3191 per quintal and in Akola prices have increased and were at Rs. 3302 per quintal from Rs. 3272 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	23-Feb-22	16-Feb-22	
Kadi	3228	3191	1.15
Akola	3302	3272	0.92



Source: NCDEX

International Market Scenario

- The U.S. Department of Agriculture's (USDA's) first 2022-23 world cotton projections estimates that global consumption will exceed production, reducing world stocks by 2.5 million bales. World cotton production is expected to rise 3.2 percent, with harvested area rising in some countries. Global consumption is expected to grow at about the long-term average rate, as the world economy continues its recovery from the severe downturn in 2020 and supply chain problems in 2021.
- According to USDA's February report, the world ending stock is expected to fall further to 84.31 million bales (480 pounds each), the lowest level in 3 years from their January's forecast of 85.01 million bales and

2020-21's ending stock of 88.41 million bales. India's cotton production is estimated at 5.99 million MT in 2021-22 from previous season of 6.01 million MT in 2020-21. Cotton production in China is expected to increase in this season at 3.84 million MT from previous season of 3.18 million MT.

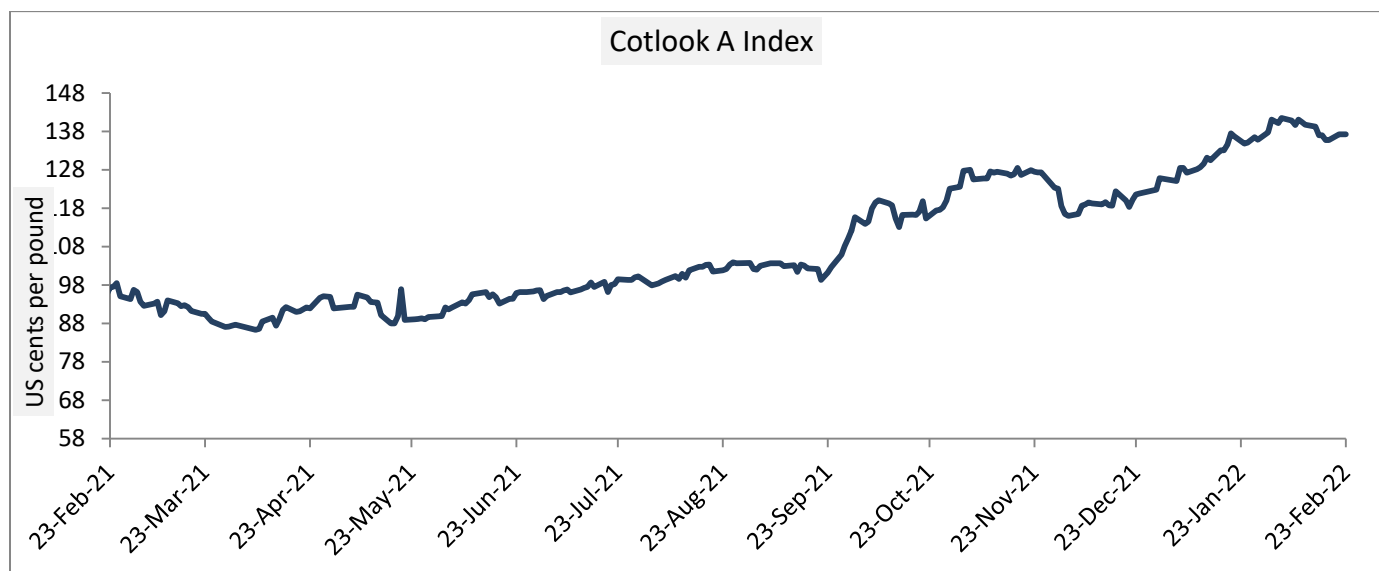
- According to USDA's World Agricultural Supply and Demand Estimate, February 2022 report, Tanzania's cotton crop is estimated to be lower 345,000 bales based on updated government data on planted area. World beginning stocks for 2021-22 season are 240,000 bales higher as several years of historical revisions for Iran and Syria raise global beginning stocks and consumption slightly.
- Projected consumption is nearly 200,000 bales higher this month. World trade is 120,000 bales lower as China's imports are reduced 250,000 bales, partly offset by an increase for India's imports. Falling U.S., Brazilian, and Indian exports are partly offset by a higher export forecast for Australia.
- 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.

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 136.60 cents/lb higher as compared to the previous week (139.04 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
	23-Feb-22	16-Feb-22	
Prices	136.60	139.04	-1.75
Prices in US cents per Pound			

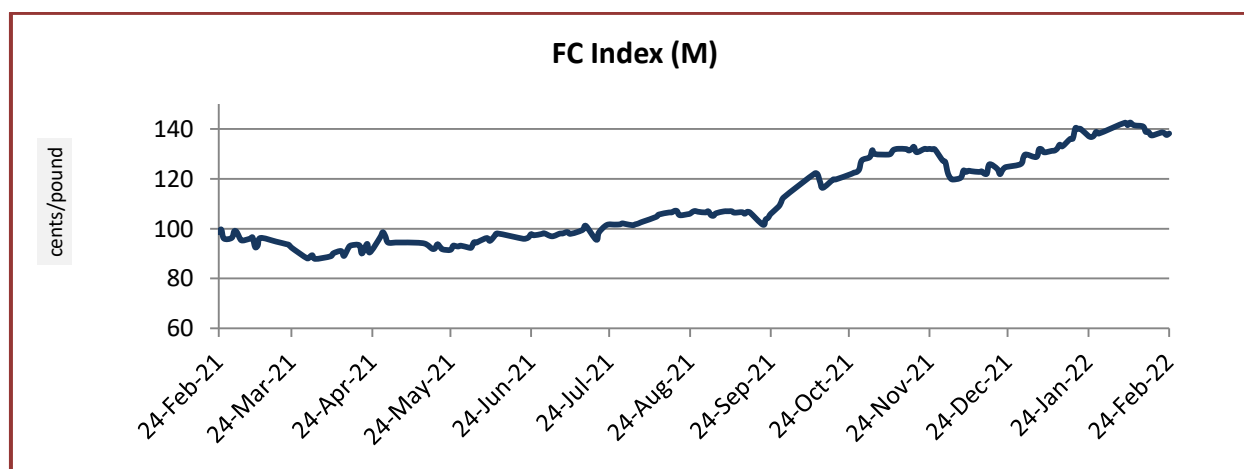
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	23-Feb-22	16-Feb-22	
FC (S)	139.30	141.73	-1.71
FC (M)	140.41	140.41	-1.75
FC (L)	136.38	138.84	-1.77
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	23-Feb-22	16-Feb-22	
CCIndex(328)	22815.40	22911.40	-0.42
CCIndex(527)	21026.60	21103.80	-0.37
CCIndex(229)	23270.40	23359.80	-0.38
Prices in Yuan per ton			

Source: China Cotton Association

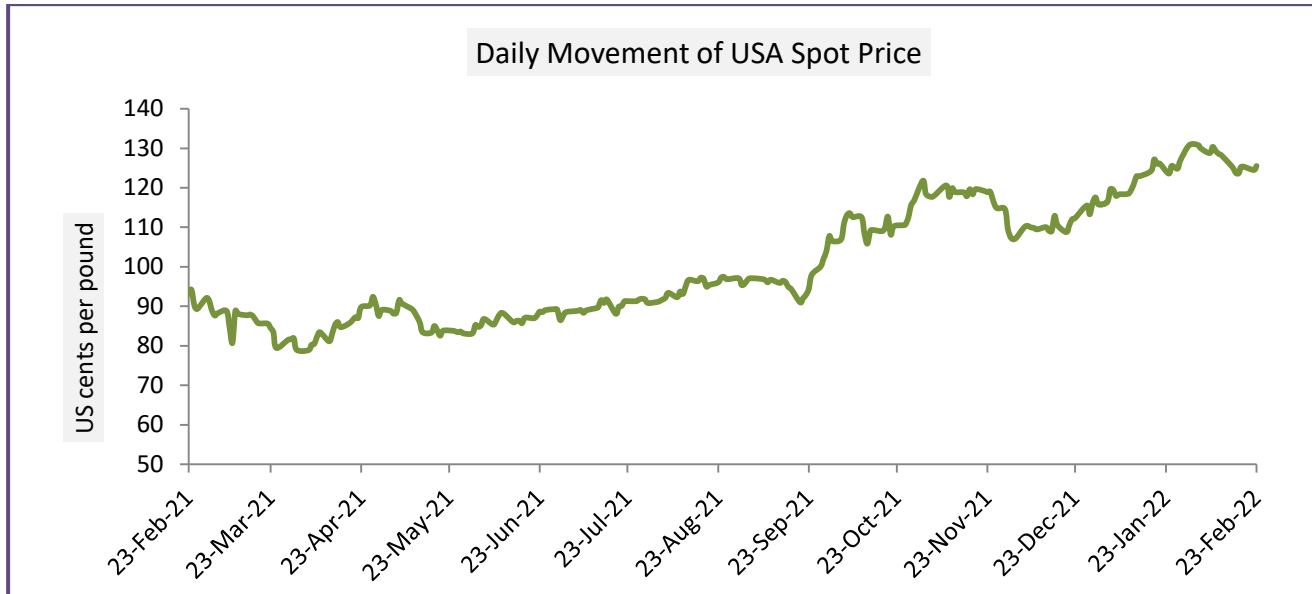


USA Spot Prices

U.S.A spot prices was at 124.82 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	23-Feb-22	16-Feb-22	
Prices	124.82	126.33	-1.20
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

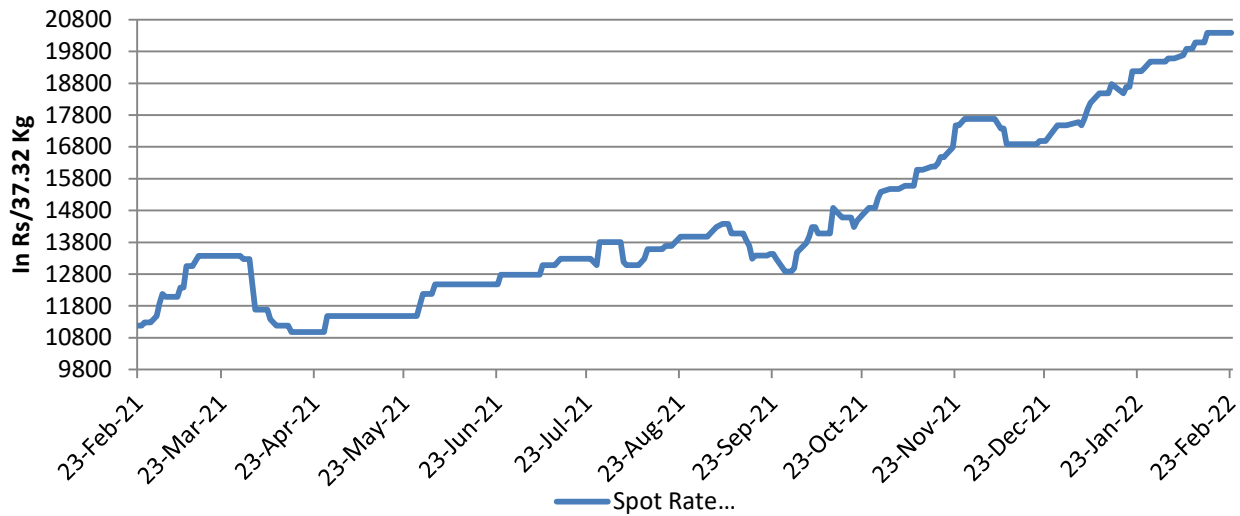
The Karachi spot price stood lower around Rs.20305/q from Rs. 20380/q the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	23-Feb-22	16-Feb-22	
Prices	20305	20380	-0.37
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Spot Rate Karachi



Commodity: Cotton
Exchange: MCX
Contract: Mar
Expiry: Mar. 20, 2021
Cotton – Technical Outlook
Technical Chart:

Technical Commentary:

- The Cotton posted loss on sellers interest.
- However, strong support can be seen at 36550.
- MACD, indicating steady momentum.
- RSI is indicating steady to firm buying strength.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Mar	35920	36000	36340	38000	380200
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Mar	sell	36330	36430	36520	36260

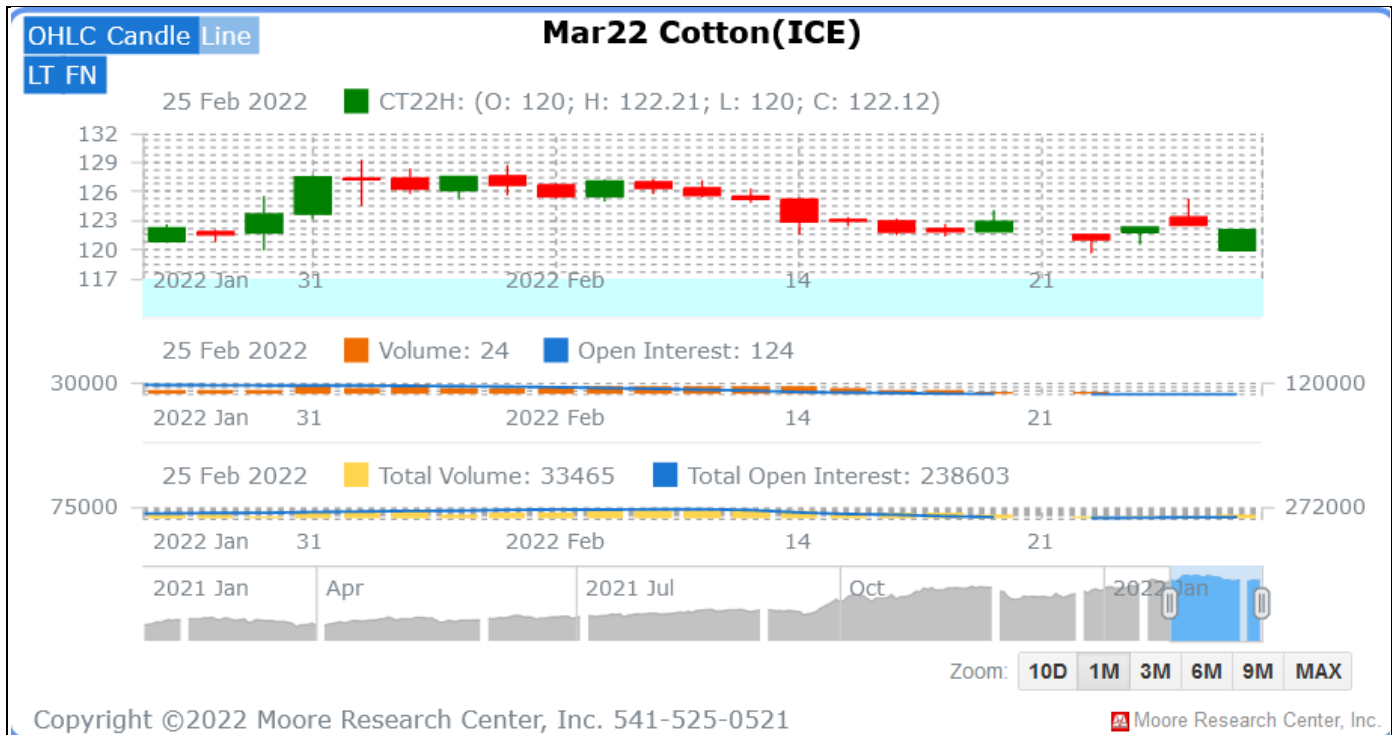
* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Mar
Expiry: Mar. 16, 2021
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- The Cottonseed oilcake posted gain on buyers interest.
- However, strong resistance can be seen at 3207.
- MACD, indicating firm momentum.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Mar	2877	2947	3067	3207	3267
Intraday Trade Call			Call	Entry	Call	Entry	T1
Cottonseed oilcake	NCDEX	Mar	Sell	3057	3157	3177	2987



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

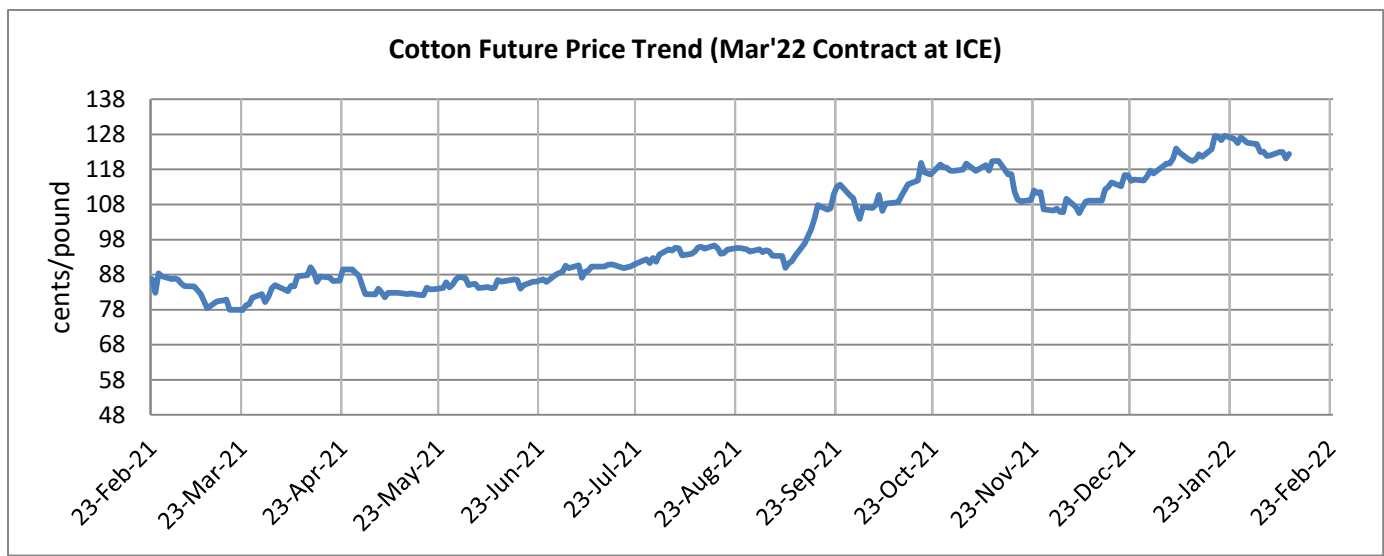
Support 1	Support 2	Resistance 1	Resistance 2
120	115	125	130

Figures in US cents/pound

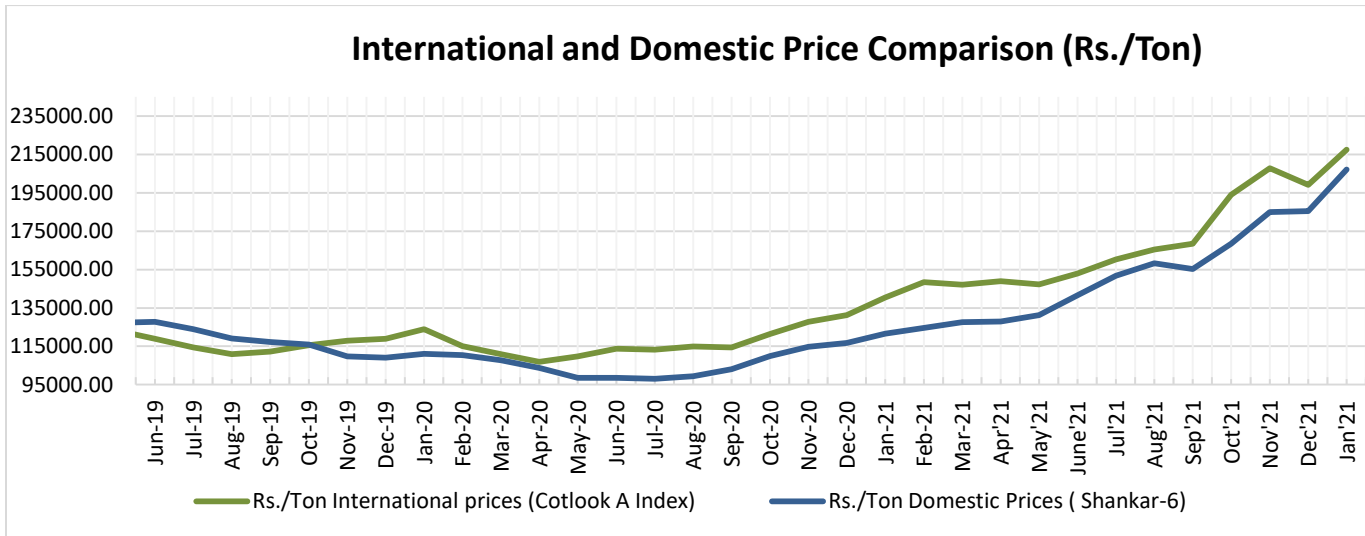
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	23-Feb-22	22-Jan-22 (1 month ago)	25-Nov-21 (3 months ago)	27-Aug-21 (6 months ago)	23-Feb-21 (a year ago)	% Change over a month	% Change over previous year
Mar-22	122.40	120.4	120.38	96.27	91.37	1.66	33.96
May-22	121.30	117.80	115.78	94.84	92.67	2.97	30.89
Jul-22	118.41	115.20	115.20	93.84	93.33	2.79	26.87
Dec-22	106.80	104.09	104.09	93.18	88.40	2.60	20.81
Mar-23	102.48	98.23	98.23	91.55	86.75	4.33	18.13

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	17th Feb'22 to 23rd Feb'22	10th Feb'22 to 16th Feb'22	
Gujarat	Ahmedabad	Shankar-6	10500	10650	-150
	Gondal	Shankar-6	10584	10560	24
	Rajkot	B.T. Cotton	10675	10479	196
	Patan	B.T. Cotton	10233	10461	-229
	Kadi	B.T. Cotton	10400	10320	80
	Deesa	B.T. Cotton	8005	5755	2250
	Dhrol	B.T. Cotton	10040	10113	-73
Haryana	Bhiwani	B.T. Cotton	8900	9200	-300
	Bhiwani	Desi	NA	8800	-
	Adampur	B.T. Cotton	9575	9983	-408
	Fatehabad	B.T. Cotton	9513	9933	-420
	Jind	B.T. Cotton	9167	9400	-233
	Uchana	B.T. Cotton	9858	9770	88
	Dabwali	B.T. Cotton	10253	10448	-195
Rajasthan	Hanumangarh	B.T. Cotton	10250	10467	-217

	Rawatsar	B.T. Cotton	10025	10433	-408
Madhya Pradesh	Khandwa	Mech-1	10240	10450	-210
	Khargaon	Mech-1	10321	10265	56
Maharashtra	Amravati	Mech-1	10200	10408	-208
	Jamner	Medium Staple	9558	9470	88
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA'	-
Telangana	Adilabad	Un-Ginned	9903	9557	347
Karnataka	Bijapur	Bunny	10565	10602	-38
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10408	10267	142
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	17th Feb'22 to 23rd Feb'22	10th Feb'22 to 16th Feb'22	
Punjab	Bhatinda	J-34	8026	8115	-89
	Abohar	J-34	8037	8129	-93
	Mansa	J-34	8014	8113	-99
Haryana	Sirsa	J-34	7818	7897	-78
Rajasthan	Sri-Ganganagar	J-34	7502	7560	-58

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Feb'22 to 23rd Feb'22	10th Feb'22 to 16th Feb'22	
Gujarat	Ahmedabad	Shankar-6	324700	357000	-32300
	Gondal	Shankar-6	22326	23301	-975
	Rajkot	B.T. Cotton	27750	27500	250
	Patan	B.T. Cotton	8206	10813	-2607
	Kadi	B.T. Cotton	145000	150000	-5000
	Deesa	B.T. Cotton	100	100	Unch
	Dhrol	B.T. Cotton	3096	2731	365
Haryana	Bhiwani	B.T. Cotton	17000	21500	-4500
	Bhiwani	Desi	NA	21500	-
	Adampur	B.T. Cotton	10880	9860	1020
	Fatehabad	B.T. Cotton	2750	3100	-350



	Jind	B.T. Cotton	8468	9175	-707
	Uchana	B.T. Cotton	12660	13600	-940
	Dabwali	B.T. Cotton	3500	7200	-3700
Rajasthan	Hanumangarh	B.T. Cotton	11200	14400	-3200
	Rawatsar	B.T. Cotton	2000	11400	-9400
Madhya Pradesh	Khandwa	Mech-1	2350	1500	850
	Khargaon	Mech-1	11515	7905	3610
Maharashtra	Amravati	Mech-1	101000	97000	4000
	Jamner	Medium Staple	174	72	102
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	89447	55062	34385
Karnataka	Bijapur	Bunny	4990	6893	-1903
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	27	27	Unch
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Feb'22 to 23rd Feb'22	10th Feb'22 to 16th Feb'22	
Punjab	Bhatinda	J-34	44200	45900	-1700
	Abohar	J-34	2380	4080	-1700
	Mansa	J-34	1700	2975	-1275
Haryana	Sirsa	J-34	3910	6120	-2210
Rajasthan	Sri-Ganganagar	J-34	12000	15500	-3500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	23-Feb-22	16-Feb-22	24-Jan-22	23-Feb-21
Gujarat	Ahmedabad	Shankar-6	10500	10500	10000	6500
	Gondal	Shankar-6	10555	10655	10255	5500
	Rajkot	B.T. Cotton	10500	10750	10120	5530
	Patan	B.T. Cotton	9950	10500	10345	5515
	Kadi	B.T. Cotton	10200	10500	9800	5550

	Deesa	B.T. Cotton	NA	0	8055	NA
	Dhrol	B.T. Cotton	9900	10080	9850	NR
Haryana	Bhiwani	B.T. Cotton	8600	10000	0	5600
	Bhiwani	Desi	NA	0	0	NA
	Adampur	B.T. Cotton	9500	9900	9350	5350
	Fatehabad	B.T. Cotton	9300	10000	9200	5350
	Jind	B.T. Cotton	9000	9300	9500	5700
	Uchana	B.T. Cotton	9500	10100	9800	5385
	Dabwali	B.T. Cotton	10000	10585	9570	NR
Rajasthan	Hanumangarh	B.T. Cotton	10200	10500	9750	Closed
	Rawatsar	B.T. Cotton	9800	10600	9700	Closed
Madhya Pradesh	Khandwa	Mech-1	10000	Closed	9800	5491
	Khargaon	Mech-1	NA	0	10000	5427
Maharashtra	Amravati	Mech-1	10100	10400	10000	5300
	Jamner	Medium Staple	9605	9500	9360	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA
Telangana	Adilabad	Un-Ginned	NA	9600	0	5400
Karnataka	Bijapur	Bunny	NA	10727	0	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	10400	10300	10200	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	23-Feb-22	16-Feb-22	24-Jan-22	23-Feb-21
Punjab	Bhatinda	J-34	7925	8170	7520	4650
	Abohar	J-34	7930	8180	7570	4660
	Mansa	J-34	7900	8170	7560	4660
Haryana	Sirsa	J-34	7700	7940	7330	4550
Rajasthan	Sri-Ganganagar	J-34	NR	7614	7050	4305

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	23-Feb-22	16-Feb-22	24-Jan-22	23-Feb-21
Gujarat	Ahmedabad	Shankar-6	54400	59500	51000	44200

	Gondal	Shankar-6	4239	2282	3922	59500
	Rajkot	B.T. Cotton	5000	3400	3400	#N/A
	Patan	B.T. Cotton	1436	1421	2074	3450
	Kadi	B.T. Cotton	30000	30000	30000	#N/A
	Deesa	B.T. Cotton	NA	0	100	#N/A
	Dhrol	B.T. Cotton	567	417	411	#N/A
Haryana	Bhiwani	B.T. Cotton	500	2000	0	1200
	Bhiwani	Desi	NA	0	0	#N/A
	Adampur	B.T. Cotton	1020	1700	1700	#N/A
	Fatehabad	B.T. Cotton	500	600	500	#N/A
	Jind	B.T. Cotton	935	1541.9	1700	#N/A
	Uchana	B.T. Cotton	2130	2500	500	#N/A
	Dabwali	B.T. Cotton	500	700	1000	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	1500	2000	700	#N/A
	Rawatsar	B.T. Cotton	500	400	500	500
Madhya Pradesh	Khandwa	Mech-1	300	Closed	700	#N/A
	Khargaon	Mech-1	NA	0	2155	#N/A
Maharashtra	Amravati	Mech-1	16000	17000	8000	#N/A
	Jamner	Medium Staple	29	33	86	#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	21365.9	0	0
Karnataka	Bijapur	Bunny	NA	1022	0	1402
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	5	4	5	22
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	23-Feb-22	16-Feb-22	24-Jan-22	23-Feb-21
Punjab	Bhatinda	J-34	6800	6800	6800	5100
	Abohar	J-34	340	340	680	680
	Mansa	J-34	170	510	510	850
	Sirsa	J-34	850	850	510	340
	Sri-Ganganagar	J-34	NR	2000	10000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				17th Feb'22 to 23rd Feb'22	10th Feb'22 to 16th Feb'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	55133	55033	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	55683	55633	50
J-34(202)	26mm	3.5 - 4.9	23	74150	74633	-483
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	77917	78500	-583
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	82450	82833	-383
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	103000	108833	-5833

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