

**COTTON WEEKLY RESEARCH REPORT**  
**21<sup>st</sup> Mar 2022****Domestic market summary**

**Domestic Market Scenario:** Indian cotton market remained firm during the week. Yarn market was dull so spinners faced tough time to get good quality cotton and sell yarn on the parity. All India daily arrivals decreasing rapidly and tight supply gave strong stand to the Indian market. Russia-Ukraine conflicts remained main focus for speculation. Indian cotton Shanker-6 prices remained stable near Rs. 77,500 to 78,300 per candy.

**Weekly Price Outlook:**

The average price of Kapas is likely to remain firm between Rs. 11,000-11,240/Qtl in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.10,200-10400/Qtl.

**Major Market Highlights:**

- The Cotlook Index stood higher (133.15 cents/lbs) compared to the ICE Cotton Futures that stood at 116.94 cents/lbs.
- Indian rupee remained weak against USD due to ongoing Ukraine-Russia conflict.

**Market Highlights:**

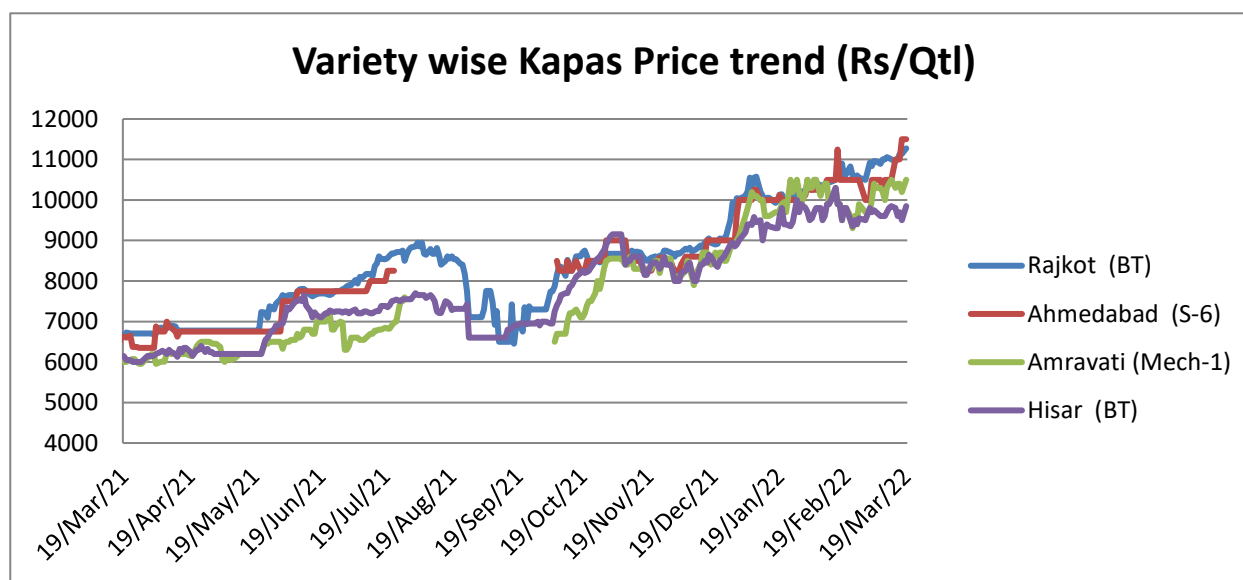
- Cotton prices continue to rule at elevated levels across the country with quality produce of the cotton. Arrival of cotton has dropped to 75,000 bales across the country. As per the local sources, there is a huge variation in the quality of the cotton coming to the markets. According to Indian Texpreneurs Federation, Cotton quality is a concern. Yarn realisation from cotton is low due to this, forcing higher wastage for spinning mills.
- According to the Ministry of Textiles, the production of organic cotton in India has increased in the current season in Madhya Pradesh and Maharashtra. The production of organic cotton in India is 1.23 million tonnes which is 51 percent of global organic cotton production. However, organic cotton production is limited to few states owing to the higher production cost, lower demand and farmers turning to illegal GM seeds.
- Despite the infestation of pink bollworm on cotton crop during the 2021-22 seasons, Punjab has set a target to increase area under cotton by 23 percent in the coming 2022-23 season. Cotton was sown in 2021-22 season at 119.66 lakh hectares as compared to previous seasons of 128.07 lakh hectares across India.
- 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 1<sup>st</sup>

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.

## **Domestic Cotton Prices Scenario**

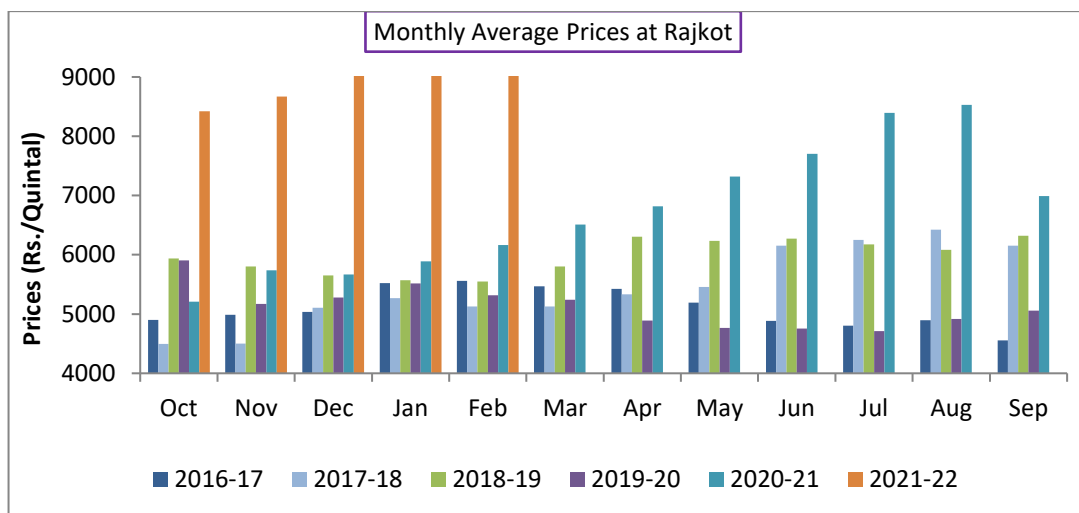
### **Kapas (Raw Cotton) Weekly Price Scenario**

**Weekly Price Review:** Weekly Kapas average prices at Rajkot stood slightly higher at Rs. 11030/Qtl compared to previous week Rs. 10941/Qtl, whereas at Hisar prices stood higher at Rs. 9741/Qtl compared to previous week price of Rs. 9658/Qtl. For Amravati and Ahmedabad prices were at Rs. 10383/Qtl and Rs. 10750/Qtl respectively.



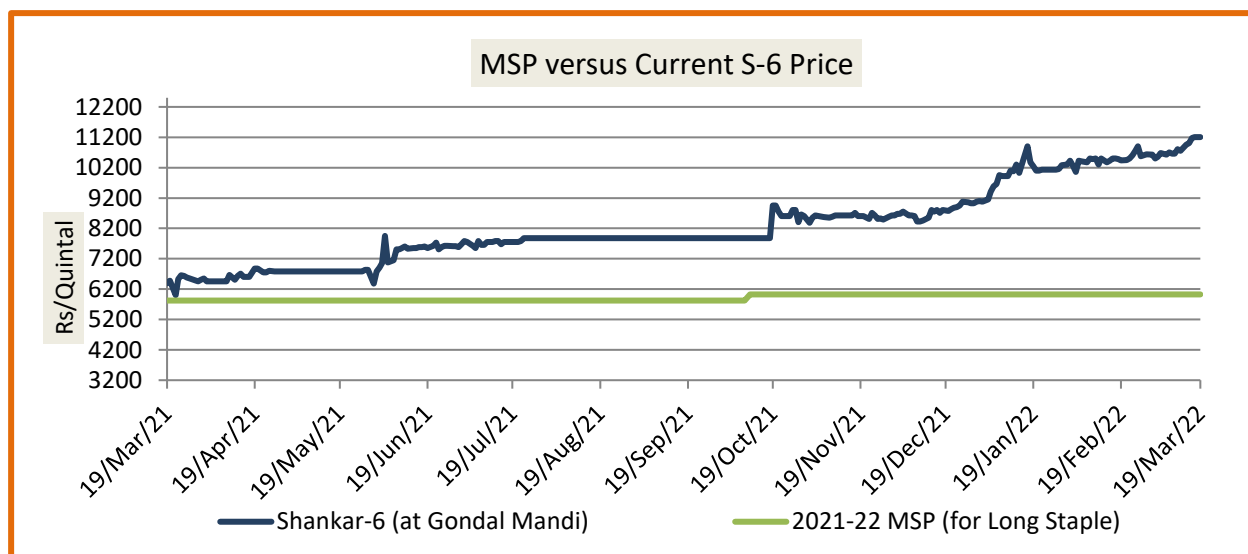
### **Kapas Monthly M-o-M Price Scenario**

The arrivals in the month of February were higher in the market and the monthly average price was at Rs. 10,519/Qtl compared to the prices during the corresponding month of the previous season. (Rs. 11, 4150/Qtl)



### Spot Price versus MSP

Average Kapas prices at Gondal market stood slightly higher at Rs. 11275/Qtl from the previous week of Rs. 10984/q.

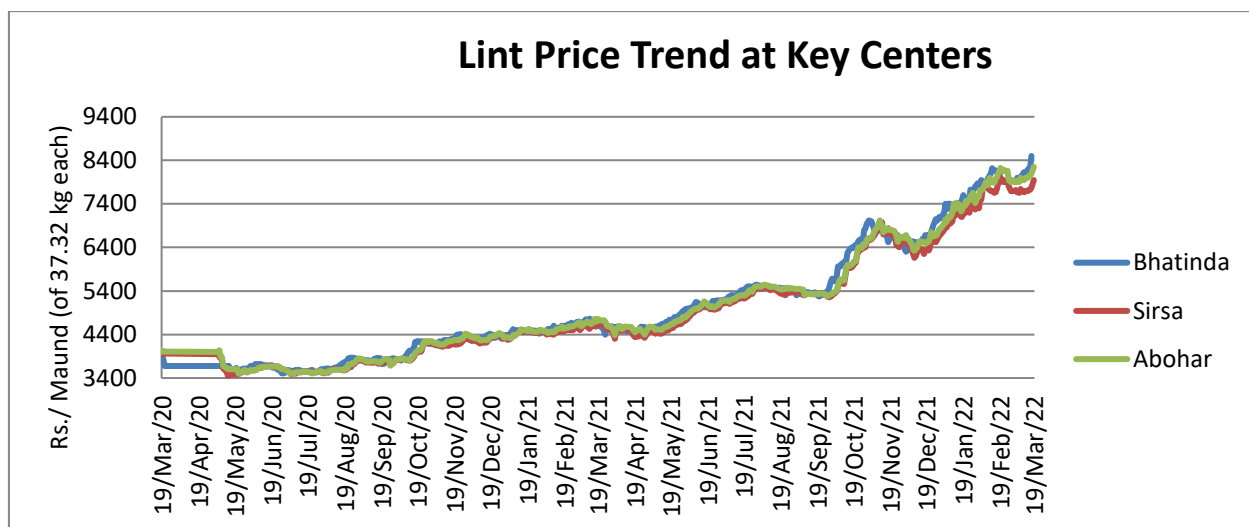


Source: Agriwatch

### Lint price Outlook

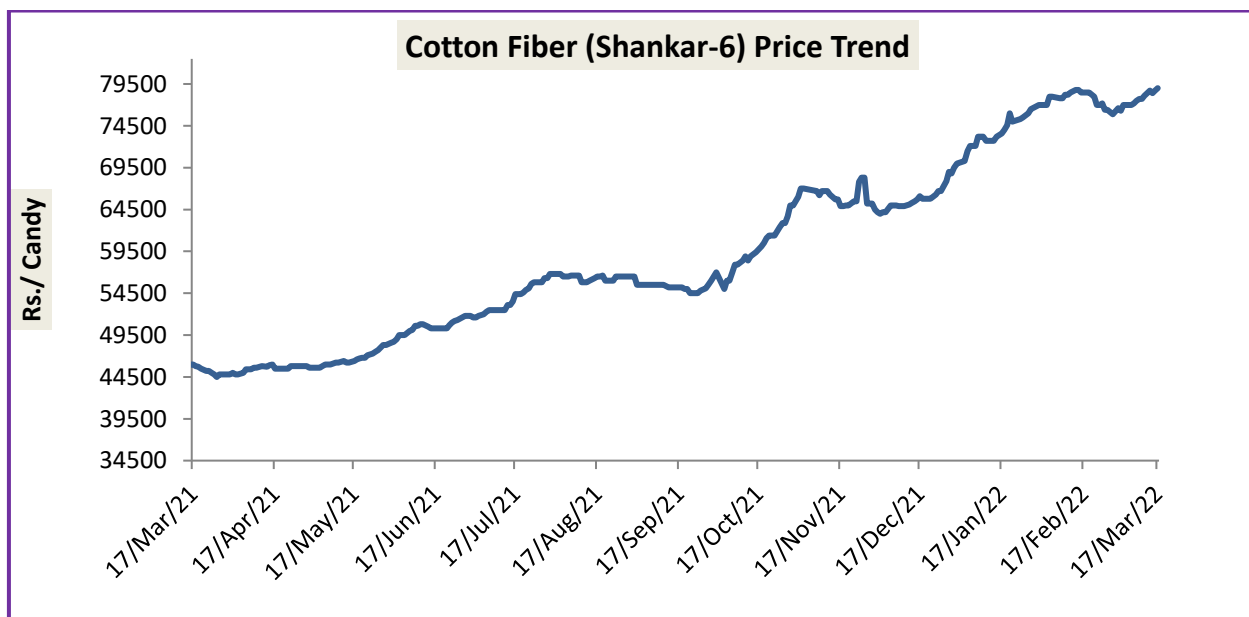
The average price stood slightly higher at Rs. 8178/maund this week compared to Rs.7983/maund previous week in Abohar, in Bhatinda prices were at Rs.8131/maund, and slightly higher in Sirsa at Rs.7871/maund from Rs.7698/maund previous week.

Source: Agriwatch



### Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.78216/candy as compared to previous week price of Rs.77000/candy and is likely to remain on a stronger note.



Source: Cotton Association of India (CAI)

### Cotton Seed Oil and Cotton Seed Oil Cake

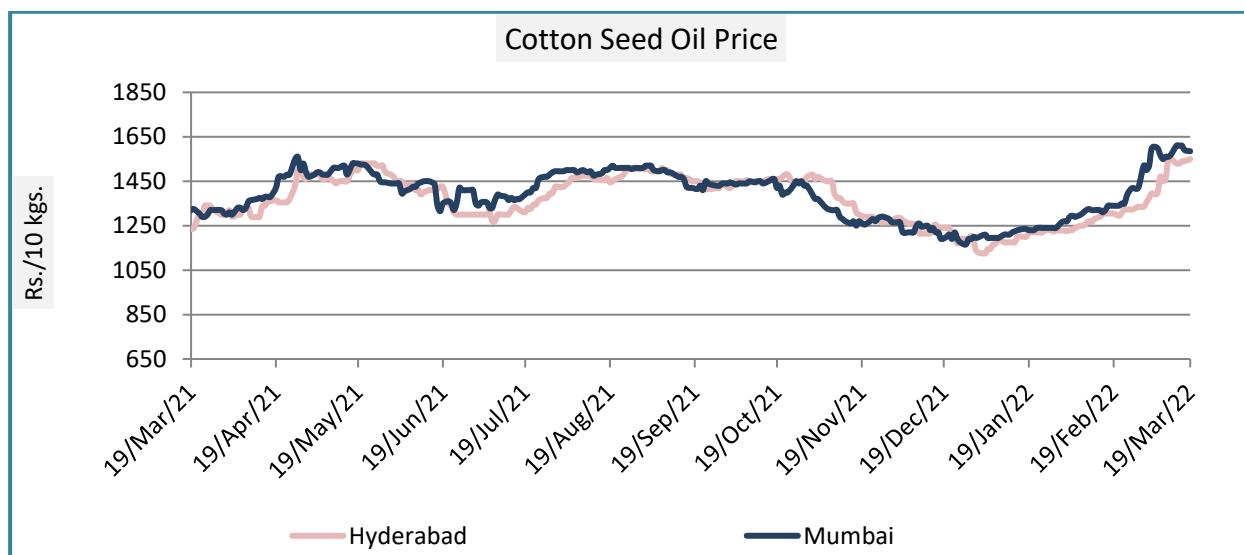
#### Cotton Seed Oil weekly

#### Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 16th Mar'22 and expected to continue to increase in the coming week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	16-Mar-22	09-Mar-22	
<b>New Delhi</b>	-	-	-
<b>Rajkot</b>	1577	1547	1.92
<b>Hyderabad</b>	1587	1540	3.03
<b>Mumbai</b>	1596	1568	1.78

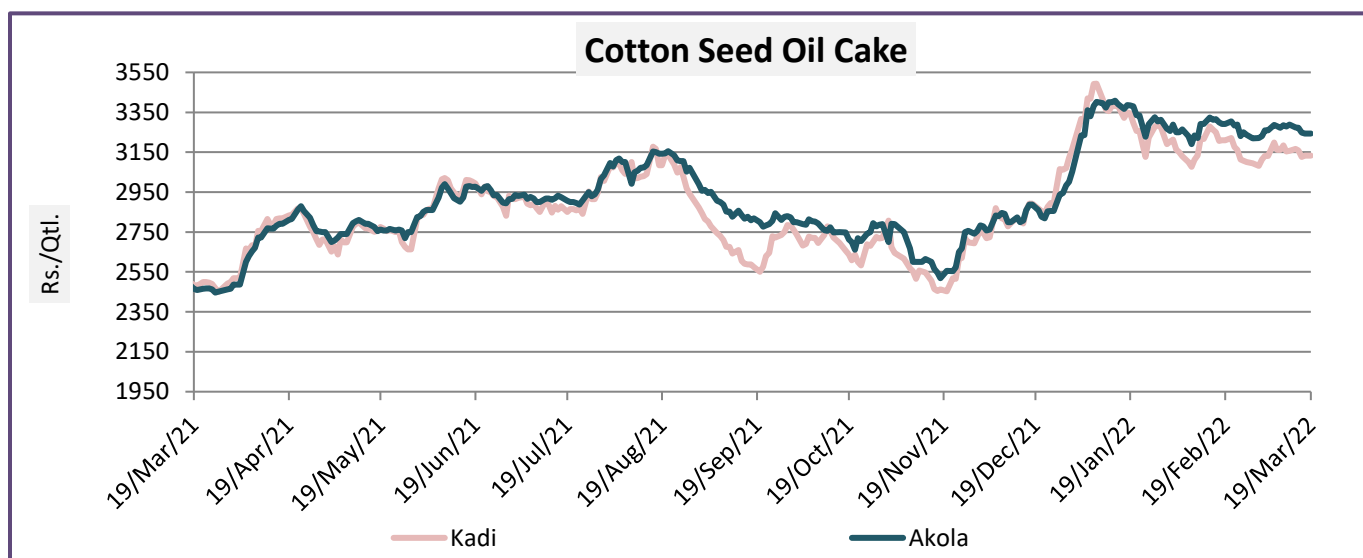
Source: Agriwatch



#### 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. 3153 per quintal from Rs. 3167 per quintal and in Akola prices have decreased and were at Rs. 3273 per quintal from Rs. 3277 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	16-Mar-22	09-Mar-22	
Kadi	3153	3167	-0.46
Akola	3273	3277	-0.13



Source: NCDEX

### **International Market Scenario**

- The US Department of Agriculture (USDA) has pegged India's cotton production at 5,770 MT lower from its previous month estimate of 5,879 MT. The USDA has stated though the area under cotton had dropped to a five-year low of 124 lakh hectares, a higher yield of 465 kg/ha had helped bridge the gap a bit. Last month, the Cotton Association of India (CAI), has also reduced its crop estimates to 343.13 lakh bales from its earlier projection of 348.13 lakh bales.
- The ongoing Russia-Ukraine war has made the textile shipments in Bangladesh uncertain as many of the international containers lines have suspended shipping to Russia. Besides, others are also showing reluctance in taking of Russia-bound containers bookings.
- Trading volume in local cotton market in Pakistan remained low. A bearish trend was witnessed after fluctuation in international cotton market. Negative effect of war between Russia and Ukraine are seen over market sentiments. The rate of cotton in Sindh is ranging between Rs. 18000 to Rs. 20,000 per maund.
- The USDA in its March WASDE report has maintained its outlook for U.S. cotton from February report. There were no changes to the domestic balance sheet for cotton, with an average estimated farm price for upland cotton of \$.90 per pound.

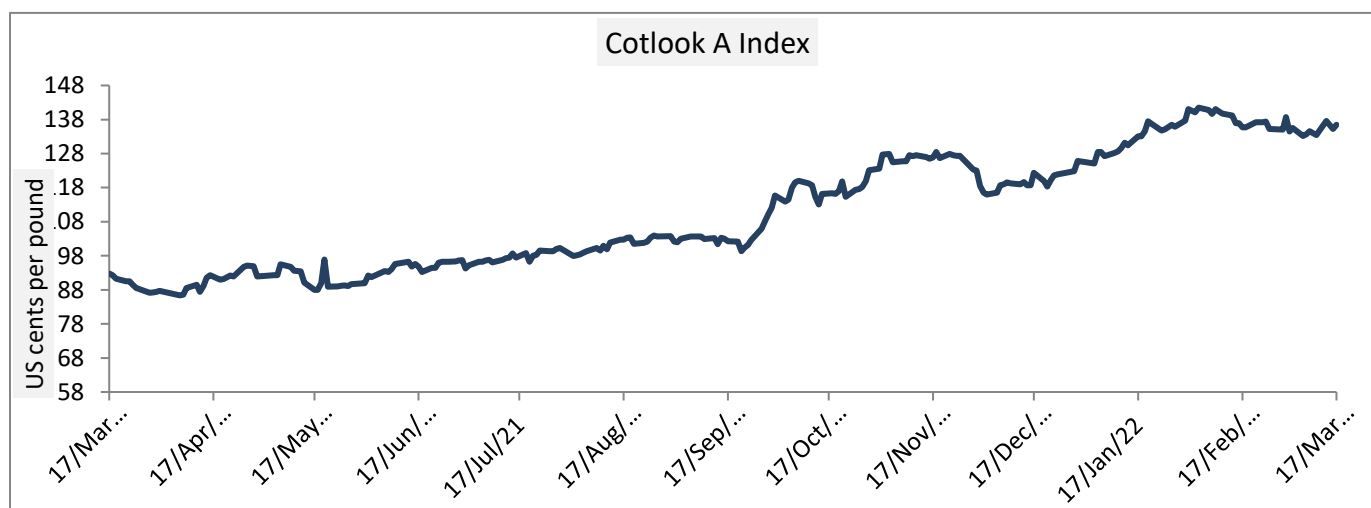
- In the world 2021-22 cotton balance sheet, ending stocks are 1.7 million bales lower than a month earlier (18,355 MT). A 300,000-bale decrease in production accounts for some of this change, but most of the decline stems from lower beginning stocks, reflecting updated Indian consumption estimates for 2019-20 and 2020-21 to reflect Indian government sources. Projected world 2021-22 consumption is marginally higher this month, up 111,000 bales. But with a 1-million-bale increase in the 2020-21 global estimates, March's projected consumption growth rate is lower this month. World consumption is now expected to grow 2.1% from a year earlier, below the 2.8% rate forecast in February. Production is projected lower as a 500,000-bale reduction in India's crop more than offsets a 150,000-bale increase for Mexico.

### Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 135.09 cents/lb lower as compared to the previous week (134.18 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-Mar-22	09-Mar-22	
Prices	135.09	134.18	0.68
Prices in US cents per Pound			

Source: Cotlook

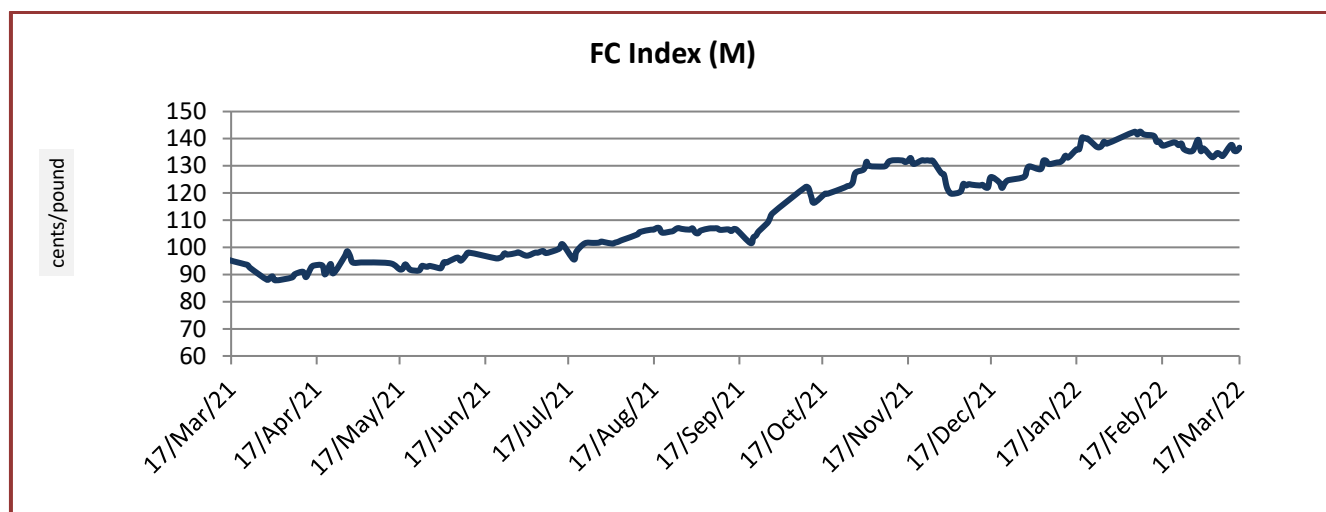


### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on	% Change
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	16-Mar-22	09-Mar-22	
FC (S)	136.94	136.19	0.55
FC (M)	135.35	134.71	0.48
FC (L)	133.79	133.15	0.48
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	09-Mar-22	09-Mar-22	
CCIndex(328)	22716.00	22698.00	0.08
CCIndex(527)	20942.20	20915.00	0.13
CCIndex(229)	23202.80	23156.40	0.20
Prices in Yuan per ton			

Source: China Cotton Association





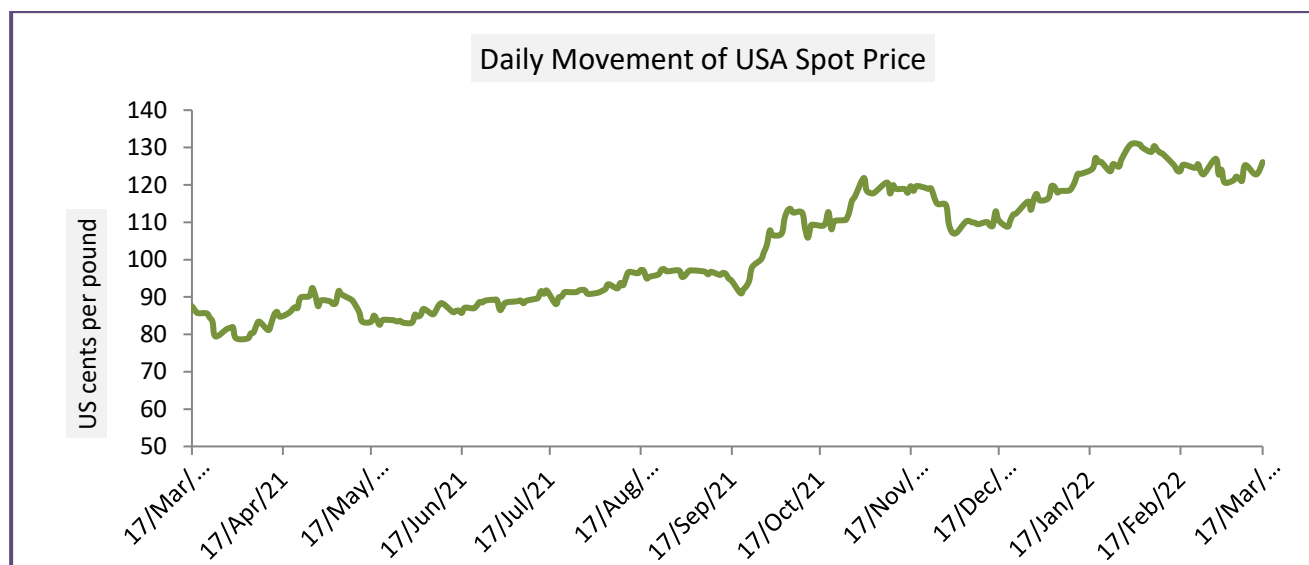
### USA Spot Prices

U.S.A spot prices was at 123.26 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	14-Mar-22	09-Mar-22	
Prices	123.26	121.97	1.06

Prices in US cents per Pound

Source: USDA

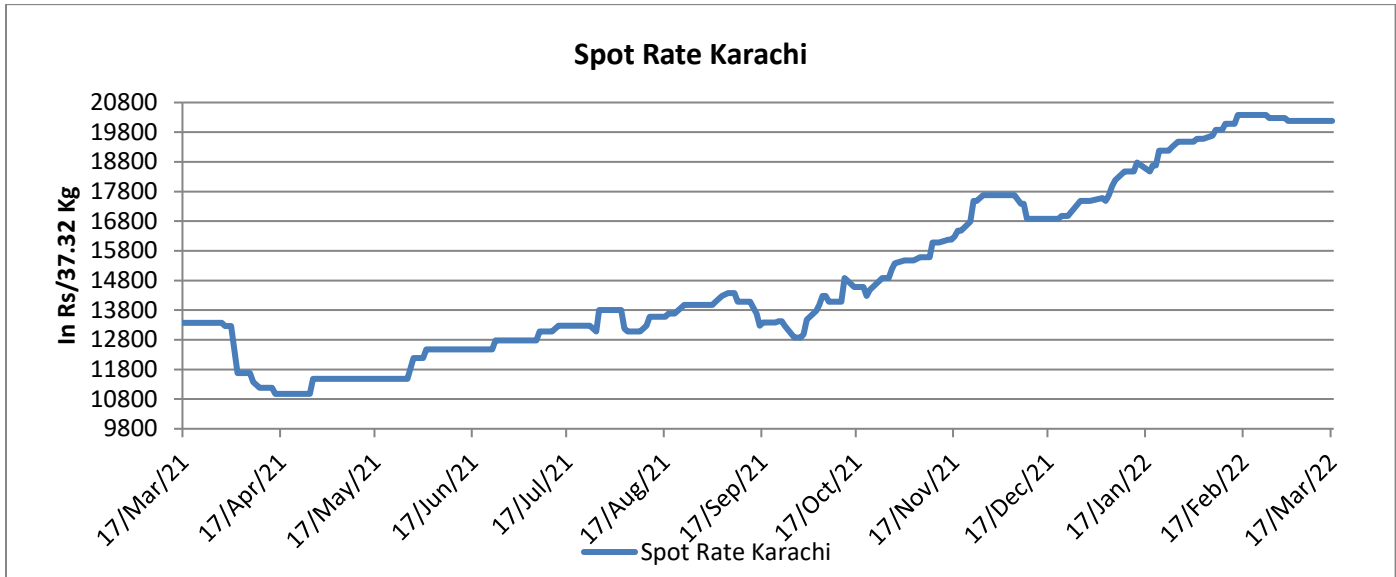


### Pakistan Spot Prices

The Karachi spot price was stable at Rs.20180/q same as the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	14-Mar-22	09-Mar-22	
Prices	20180	20180	-
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar

Expiry: Mar. 30, 2021

## Cotton – Technical Outlook

### Technical Chart:



### Technical Commentary:

- MACD, indicating bullish momentum.
- RSI is indicating strong buying strength, currently in oversold zone.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Mar	38790	38870	39210	39420	39540
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Mar	Buy	39200	39300	39390	39130

\* Do not carryforward the position the next day.

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

**Technical Commentary:**

- Currently trading above 50 DMA.
- RSI indicating good buying strength.
- MACD crossover indicating firm tone.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Mar	2939	3009	3129	3269	3329
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Mar	Buy	3119	3219	3239	3049



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

- The Mar'22' contract closed high by the end of the week.
- Total volume increased & Open Interest decreased compared to last week.
- We expect cotton prices to remain firm in the coming week.

#### Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	126-134

#### Expected Support and Resistance

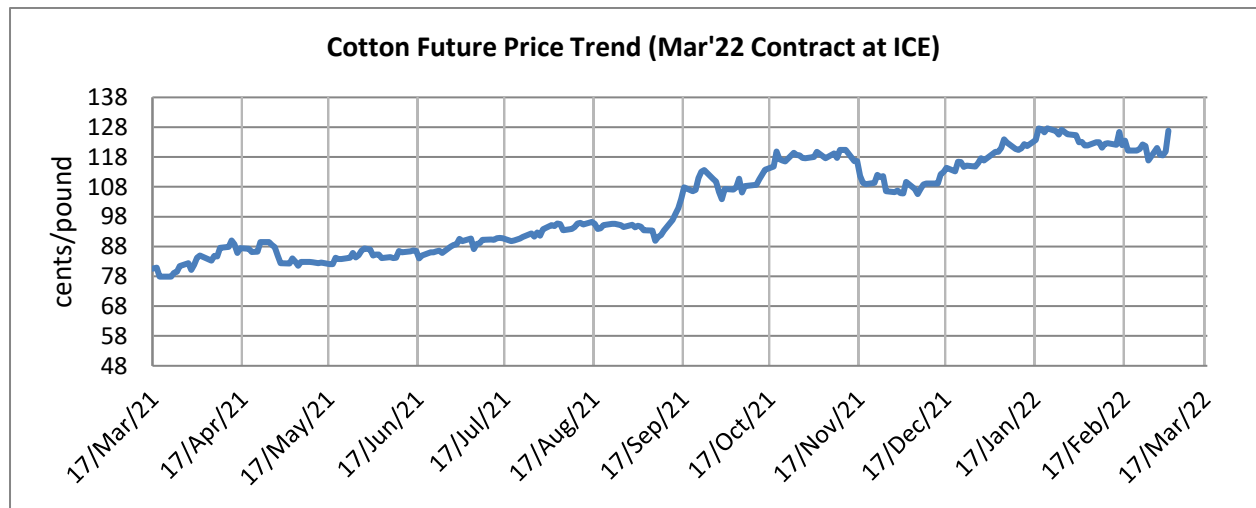
Support 1	Support 2	Resistance 1	Resistance 2
120	115	128	132

Figures in US cents/pound

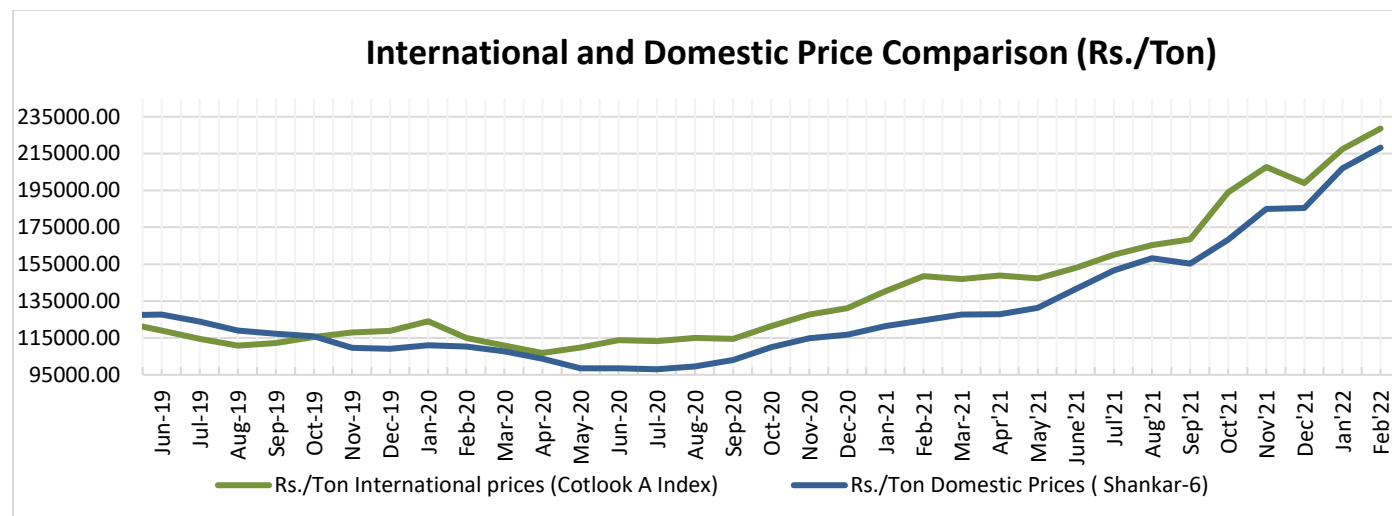
### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	17-Mar-22	15-Feb-22 (1 month ago)	17-Dec-21 (3 months ago)	18-Sep-21 (6 months ago)	17-Mar-21 (a year ago)	% Change over a month	% Change over previous year
May-22	126.86	123.04	107.30	93.32	86.51	3.10	46.64
Jul-22	123.03	120.78	105.70	92.33	87.51	1.86	40.59
Oct-22	110.33	118.03	103.35	91.59	84.33	-6.52	30.83
Dec-22	105.24	107.64	94.87	91.24	83.72	-2.23	25.70
Mar-23	101.54	104.08	90.04	89.63	82.67	-2.44	22.83

### 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	10th Mar'22 to 16th Mar'22	03th Mar'22 to 09th Mar'22	
Gujarat	Ahmedabad	Shankar-6	10750	10458	292
	Gondal	Shankar-6	11276	10984	292
	Rajkot	B.T. Cotton	11031	10942	89
	Patan	B.T. Cotton	10194	10097	97
	Kadi	B.T. Cotton	10333	10317	17
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10322	10008	314
Haryana	Bhiwani	B.T. Cotton	NA	8400	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9742	9642	100
	Fatehabad	B.T. Cotton	9650	9446	204
	Jind	B.T. Cotton	9633	9543	90
	Uchana	B.T. Cotton	9450	9008	442
	Dabwali	B.T. Cotton	10157	10084	73
Rajasthan	Hanumangarh	B.T. Cotton	10383	10017	366
	Rawatsar	B.T. Cotton	10340	10080	260
Madhya Pradesh	Khandwa	Mech-1	NA	9753	-



	Khargaon	Mech-1	NA	10008	-
<b>Maharashtra</b>	Amravati	Mech-1	10383	10200	183
	Jamner	Medium Staple	10383	9574	809
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	9660	9475	185
<b>Karnataka</b>	Bijapur	Bunny	10560	10245	316
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10372	10240	132
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund of 37.32kg each)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>10th Mar'22 to 16th Mar'22</b>	<b>03th Mar'22 to 09th Mar'22</b>	
<b>Punjab</b>	Bhatinda	J-34	8132	7976	156
	Abohar	J-34	8178	7958	221
	Mansa	J-34	8145	7985	160
<b>Haryana</b>	Sirsa	J-34	7872	7698	173
<b>Rajasthan</b>	Sri-Ganganagar	J-34	8117	7462	655

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>10th Mar'22 to 16th Mar'22</b>	<b>03th Mar'22 to 09th Mar'22</b>	
<b>Gujarat</b>	Ahmedabad	Shankar-6	248200	255000	-6800
	Gondal	Shankar-6	19901	22144	-2243
	Rajkot	B.T. Cotton	26200	29700	-3500
	Patan	B.T. Cotton	10424	9647	777
	Kadi	B.T. Cotton	130000	80000	1220000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	753	2173	-1420
<b>Haryana</b>	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	15980	12070	3910
	Fatehabad	B.T. Cotton	2500	1400	1100
	Jind	B.T. Cotton	8840	3721	5119
	Uchana	B.T. Cotton	6830	5000	1830

	Dabwali	B.T. Cotton	3750	3250	500
Rajasthan	Hanumangarh	B.T. Cotton	4500	7000	-2500
	Rawatsar	B.T. Cotton	11400	6000	5400
Madhya Pradesh	Khandwa	Mech-1	NA	5068	-
	Khargaon	Mech-1	NA	12731	-
Maharashtra	Amravati	Mech-1	69000	109000	-40000
	Jamner	Medium Staple	20	160	-140
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	48979	70928	-21949
Karnataka	Bijapur	Bunny	2602	2845	-243
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	29	23	6
<b>Commodity</b>	<b>Lint</b>		<b>Weekly Sum Arrivals (Quintal)</b>		
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>10th Mar'22 to 16th Mar'22</b>	<b>03th Mar'22 to 09th Mar'22</b>	<b>Change</b>
Punjab	Bhatinda	J-34	18700	33150	-14450
	Abohar	J-34	4250	3570	680
	Mansa	J-34	2550	1700	850
Haryana	Sirsa	J-34	8840	5950	2890
Rajasthan	Sri-Ganganagar	J-34	7200	5500	1700

**Week on Week Price: Scenario of Cotton:**

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	19-Mar-22	12-Mar-22	18-Feb-22	19-Mar-21
Gujarat	Ahmedabad	Shankar-6	11500	10500	10500	6625
	Gondal	Shankar-6	NR	11230	10605	6555
	Rajkot	B.T. Cotton	11275	11000	10575	6725
	Patan	B.T. Cotton	NR	10250	10500	6665
	Kadi	B.T. Cotton	10500	10500	10500	6300
	Deesa	B.T. Cotton	NA	0	8005	0
	Dhrol	B.T. Cotton	10280	0	10050	0
Haryana	Bhiwani	B.T. Cotton	NA	0	9800	6250

	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	9850	9850	9800	6050
	Fatehabad	B.T. Cotton	10300	9800	9800	6025
	Jind	B.T. Cotton	9700	9800	9500	0
	Uchana	B.T. Cotton	10000	9200	10200	0
	Dabwali	B.T. Cotton	10400	10200	10585	5825
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	Closed	10400	10400	6550
	Rawatsar	B.T. Cotton	Closed	10500	0	6400
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	Closed	10500	6400
	Khargaon	Mech-1	NA	0	10505	0
<b>Maharashtra</b>	Amravati	Mech-1	10500	10500	10500	6000
	Jamner	Medium Staple	NA	0	9554	0
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	0	0
	Hathras	Desi	NA	0	0	0
<b>Telangana</b>	Adilabad	Un-Ginned	NA	9700	9900	0
<b>Karnataka</b>	Bijapur	Bunny	11012	NA	10569	6775
	Hubli	D.C.H.	NA	0	0	5000
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	10300	10400	6000
<b>Commodity</b>	<b>Lint</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>19-Mar-22</b>	<b>12-Mar-22</b>	<b>18-Feb-22</b>	<b>19-Mar-21</b>
<b>Punjab</b>	Bhatinda	J-34	8500	8130	8100	4650
	Abohar	J-34	8500	8250	8140	4650
	Mansa	J-34	8500	8100	8125	4640
<b>Haryana</b>	Sirsa	J-34	8220	7950	7900	4600
<b>Rajasthan</b>	Sri-Ganganagar	J-34	7614	7708	7614	4362

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>19-Mar-22</b>	<b>12-Mar-22</b>	<b>18-Feb-22</b>	<b>19-Mar-21</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	37400	42500	56100	25500
	Gondal	Shankar-6	NR	2755	3565	1766
	Rajkot	B.T. Cotton	4100	4000	4200	2300
	Patan	B.T. Cotton	NR	2099	1400	1377

	Kadi	B.T. Cotton	15000	20000	30000	10000
	Deesa	B.T. Cotton	NA	0	100	0
	Dhrol	B.T. Cotton	55	0	423	0
<b>Haryana</b>	Bhiwani	B.T. Cotton	NA	0	2500	1000
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	1700	3400	2550	850
	Fatehabad	B.T. Cotton	300	500	500	100
	Jind	B.T. Cotton	280.5	680	1215.5	0
	Uchana	B.T. Cotton	1200	800	2300	0
	Dabwali	B.T. Cotton	600	500	700	350
	Hanumangarh	B.T. Cotton	Closed	500	2000	150
	Rawatsar	B.T. Cotton	Closed	3000	0	300
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	Closed	450	50
	Khargaon	Mech-1	NA	0	2690	0
<b>Maharashtra</b>	Amravati	Mech-1	10000	12000	15000	15000
	Jamner	Medium Staple	NA	0	55	0
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	0	0
	Hathras	Desi	NA	0	0	0
<b>Telangana</b>	Adilabad	Un-Ginned	NA	9875.2	22671.2	0
<b>Karnataka</b>	Bijapur	Bunny	270	NA	1708	1031
	Hubli	D.C.H.	NA	0	0	4
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	4	4	15
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>19-Mar-22</b>	<b>12-Mar-22</b>	<b>18-Feb-22</b>	<b>19-Mar-21</b>
<b>Punjab</b>	Bhatinda	J-34	5100	3400	8500	3400
	Abohar	J-34	680	680	340	340
	Mansa	J-34	340	340	340	340
	Sirsa	J-34	510	1700	680	340
	Sri-Ganganagar	J-34	500	1500	2500	1500

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices	+/- Change
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				10th Mar'22 to 16th Mar'22	03th Mar'22 to 09th Mar'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	54267	54117	150
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	54767	54617	150
J-34(202)	26mm	3.5 - 4.9	23	74433	72683	1750
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	77317	76133	1183
Shankar-6(105)	29mm	3.5 – 4.9	28	78217	77000	1217
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	82450	81633	817
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	101333	100833	500

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