

COTTON WEEKLY RESEARCH REPORT
28th 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. 84,500 to 88,500 per candy.

Weekly Price Outlook:

The average price of Kapas is likely to remain firm between Rs. 11,200-11,540/Qtl in Rajkot while the prices in Andhra Pradesh are likely to hover around Rs.10,400-11,200/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:

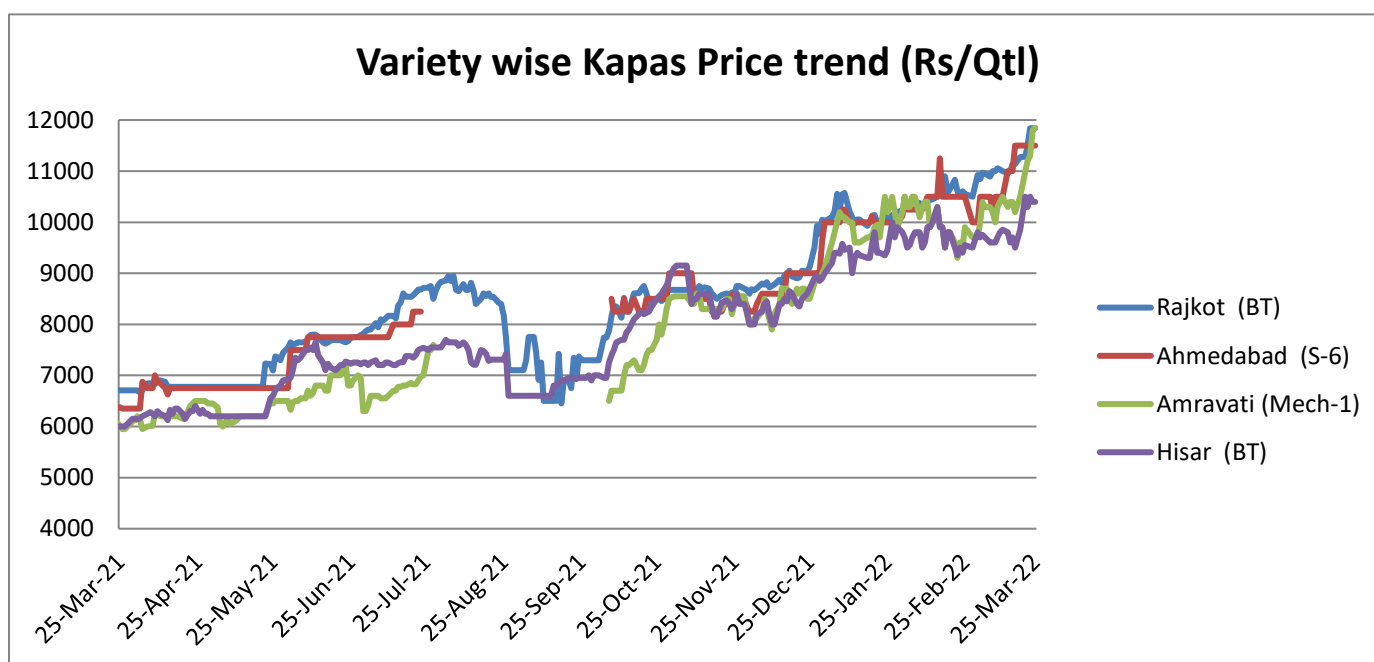
- The Committee on Cotton Production and Consumption has estimated the India's cotton season (October 2021 to September 2022) to close with a stock of 45.46 lakh bales. The Committee has estimated that the total consumption by the textile mills to be 329 lakh bales, including 305 lakh bales by non-SSI mills, and exports to be 40 lakh bales. The production is expected to be around 340 lakh bales. As against a total supply of 430.46 lakh bales (including opening stock and imports), and the demand is likely to be 385 lakh bales.
- The Haryana Agriculture Department has set a target of increasing area under cotton production up to 19.25 lakh acre in the 2022 Kharif season higher from the previous season of 15.90 lakh acre. Cotton is mainly grown in Sirsa, Fatehabad, Hisar, Bhiwani, Jind, Sonapat, Palwal, Gurugram, Faridabad, Rewari, and Charkhi Dadri districts.
- Cotton yarn prices has increased up to ₹20 per kg in South Indian markets this week as cotton extended gains by ₹1,000-1,500 per candy (356 kg). Currently, cotton prices are ruling at ₹82,000-85,000 per candy, and the industry fears that these may go up to ₹90,000 per candy. As a result, domestic industry is stuck in between poor demand and costlier raw material.
- Tamil Nadu government has allocated ₹ 15.32 crore in the budget for enhancing cotton yield. The average cotton yield per hectare in the state is around 585 kg as against the world average of 805 kg while over 20 countries has achieved over 1,500 kg per hectare. Earlier, SIMA Cotton Development & Research Association were closely working with the State's agriculture department in implementing various schemes relating to cotton. The State has the potential to increase cotton production from the current level of five lakh bales to 15 lakh bales in the next five years with the proposed mission.

- 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 Textpreneurs Federation, Cotton quality is a concern. Yarn realisation from cotton is low due to this, forcing higher wastage for spinning mills.

Domestic Cotton Prices Scenario

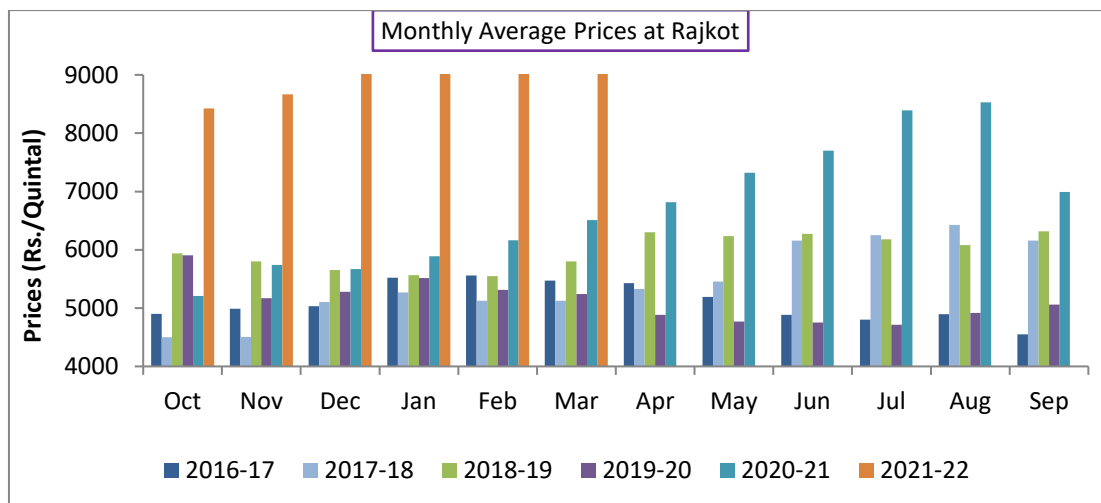
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly higher at Rs. 11407/Qtl compared to previous week's Rs. 11030/Qtl, whereas at Hisar prices stood higher at Rs. 10130/Qtl compared to previous week price of Rs. 9751/Qtl. For Amravati and Ahmedabad prices were at Rs. 10840/Qtl and Rs. 11500/Qtl respectively.



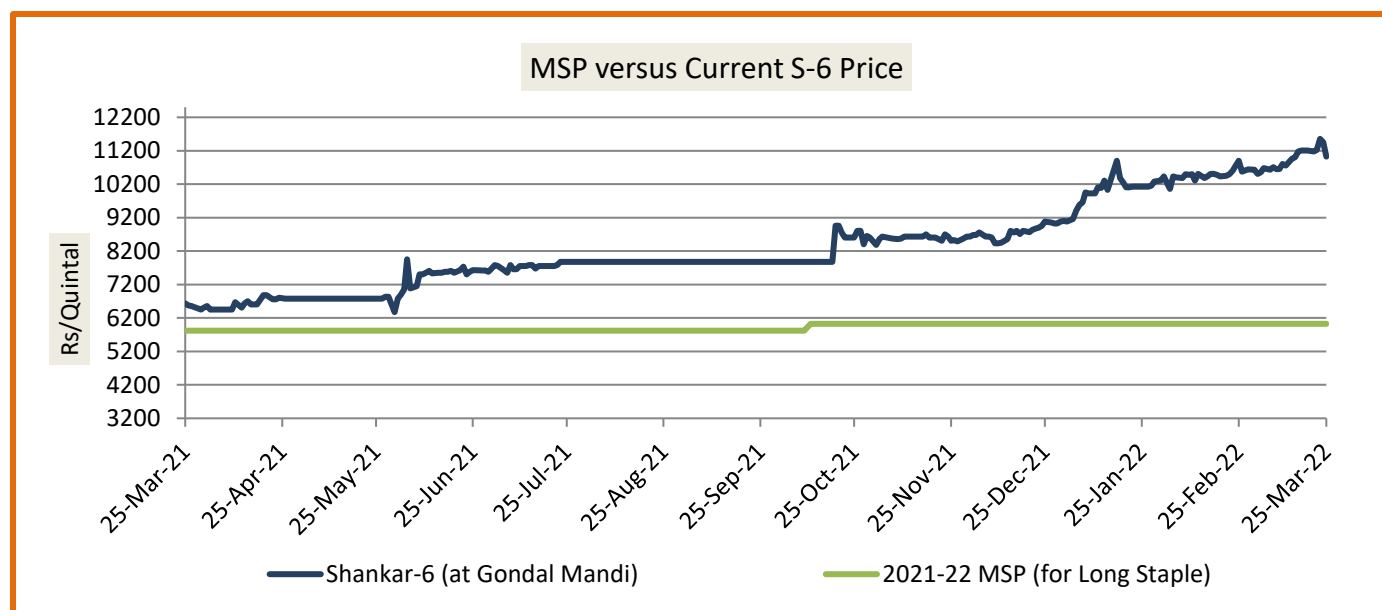
Kapas Monthly M-o-M Price Scenario

The arrivals in the month of March has declined in the market as the season is coming towards its end, whereas the prices continued a steady trend and the monthly average price was at Rs. 11,097.34/Qtl compared to the prices during the corresponding month of the previous season. (Rs. 6511.38/Qtl)



Spot Price versus MSP

Average Kapas prices at Gondal market stood slightly higher at Rs. 11542/Qtl from the previous week of Rs. 11275/q.

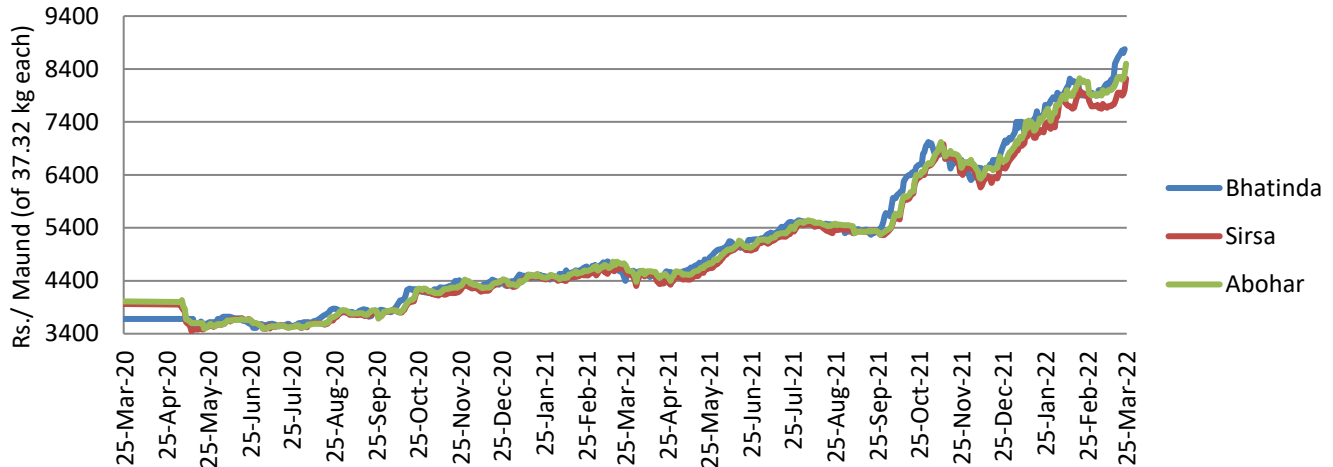


Source: Agriwatch

Lint price Outlook

The average price stood slightly higher at Rs. 8580/maund this week compared to Rs.8178/maund previous week in Abohar, in Bhatinda prices were at Rs.8564/maund, and slightly higher in Sirsa at Rs.8260/maund from Rs.7871/maund previous week.

Lint Price Trend at Key Centers

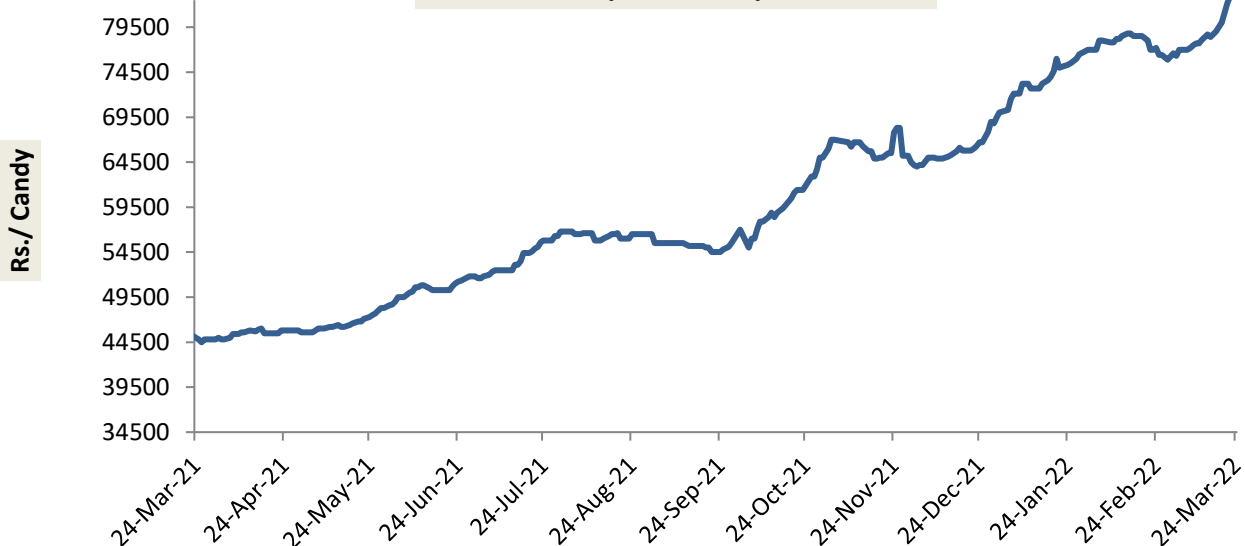


Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fibers (Shankar-6) of premium quality prices were slightly higher at Rs.81640/candy as compared to previous week price of Rs.78216/candy and is likely to remain on a stronger note.

Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

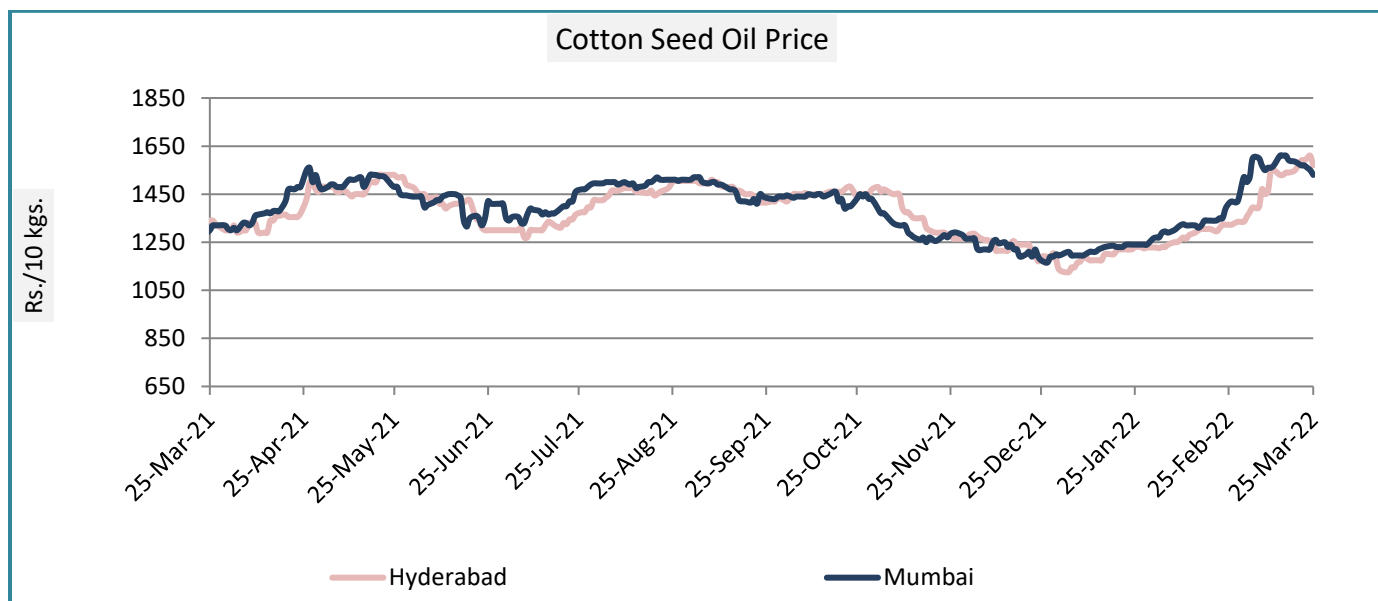
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 23rd Mar'22 due to weak demand in the market.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	23-Mar-22	16-Mar-22	
New Delhi	-	-	-
Rajkot	1544	1577	-2.09
Hyderabad	1558	1587	-1.83
Mumbai	1552	1596	-2.76

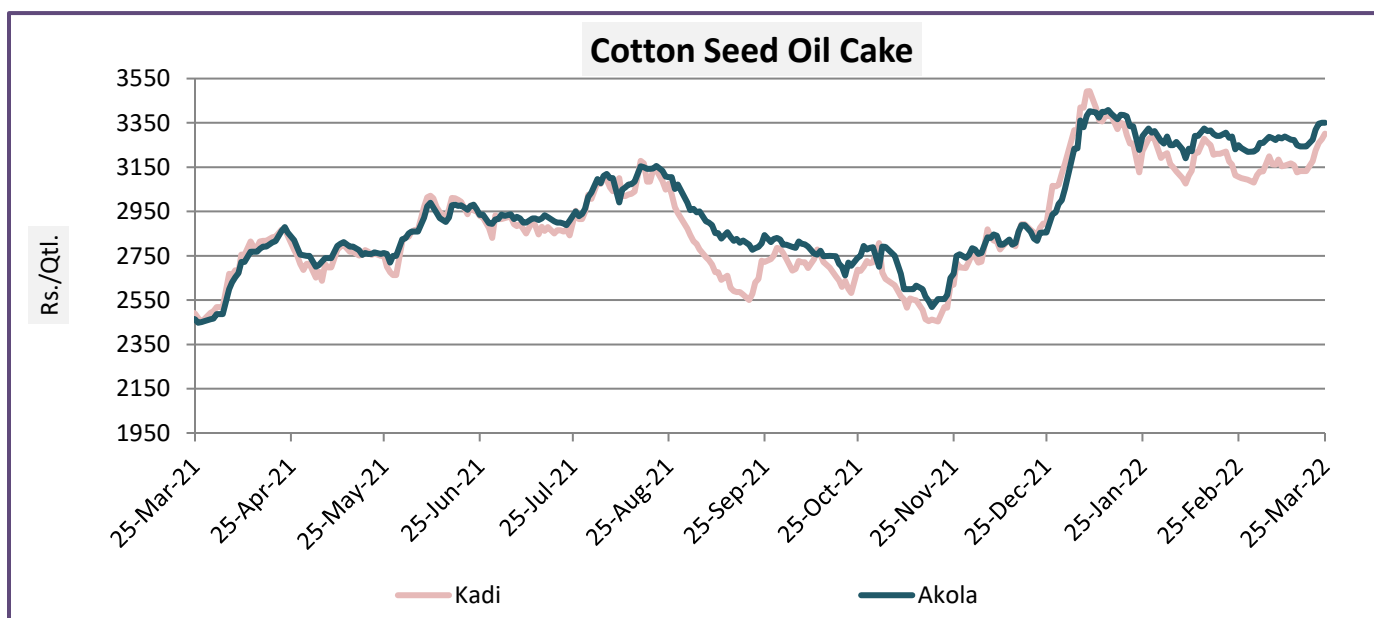
Source: Agriwatch



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. 3186 per quintal from Rs. 3153 per quintal and in Akola prices have increased and were at Rs. 3285 per quintal from Rs. 3273 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	23-Mar-22	16-Mar-22	
Kadi	3186	3153	1.03
Akola	3285	3273	0.37



Source: NCDEX

International Market Scenario

- Cotton prices rose to their highest level, due to prolonged drought in parts of the Central United States. The plant fibre reached \$1.3171 per pound (about 453 grams) on the US futures contract. Rainfall has been exceptionally lower since early January in the Northwest part of Texas which produces about 40 percent of all US cotton production.
- 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.

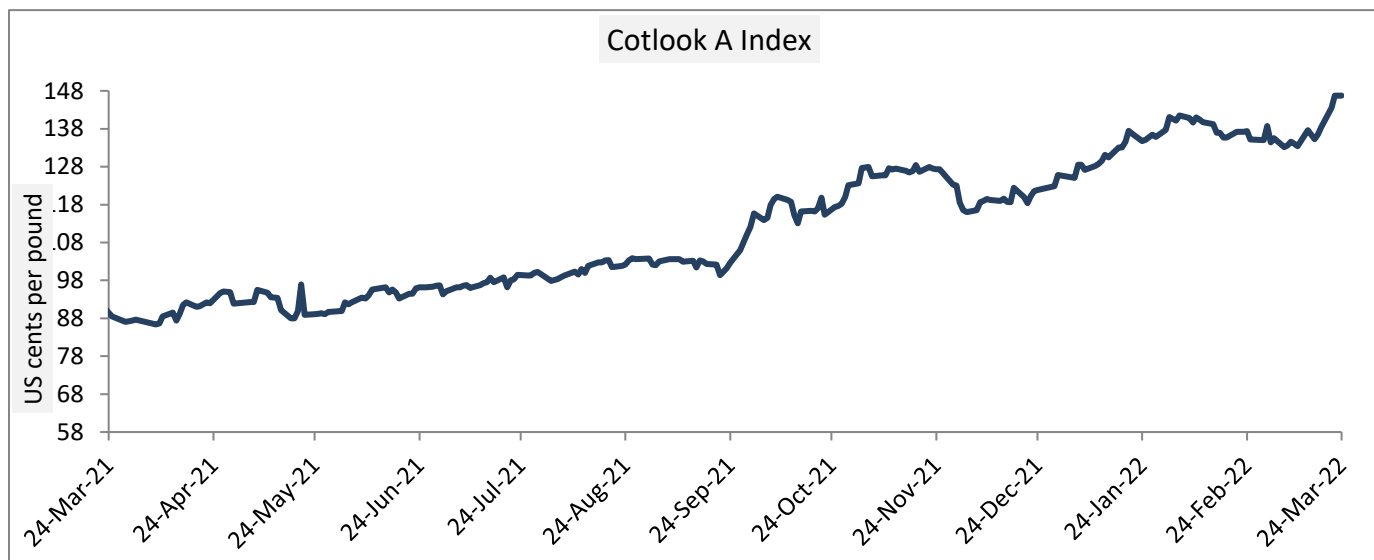
- The ongoing Russia-Ukraine war has made the textile shipments in Bangladesh uncertain as many of the international containers lines have suspended shipping to Russia. Besides, others are also showing reluctance in taking of Russia-bound containers bookings.
- Trading volume in local cotton market in 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 high this week. The Cotlook A Index was at 142.39 cents/lb lower as compared to the previous week (135.09 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-Mar-22	16-Mar-22	
Prices	142.39	135.09	5.40
Prices in US cents per Pound			

Source: Cotlook

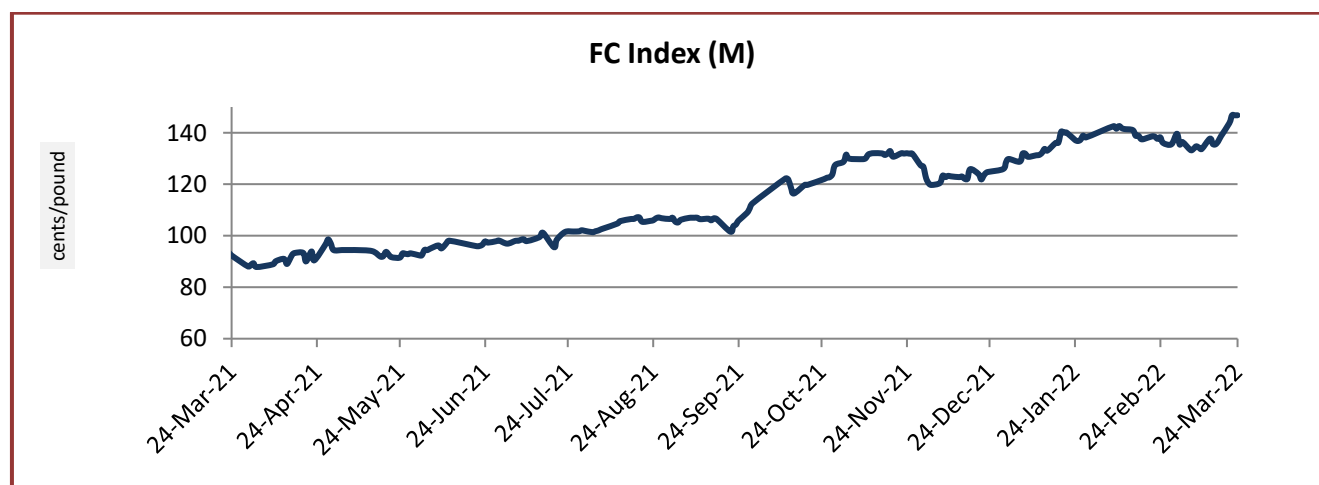


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	23-Mar-22	16-Mar-22	
FC (S)	144.10	136.94	6.00
FC (M)	142.53	135.35	5.30
FC (L)	140.97	133.79	5.37

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	23-Mar-22	16-Mar-22	
CCIndex(328)	22711.00	22716.00	-0.02
CCIndex(527)	20922.80	20942.20	-0.09
CCIndex(229)	23174.00	23202.80	-0.12
Prices in Yuan per ton			

Source: China Cotton Association

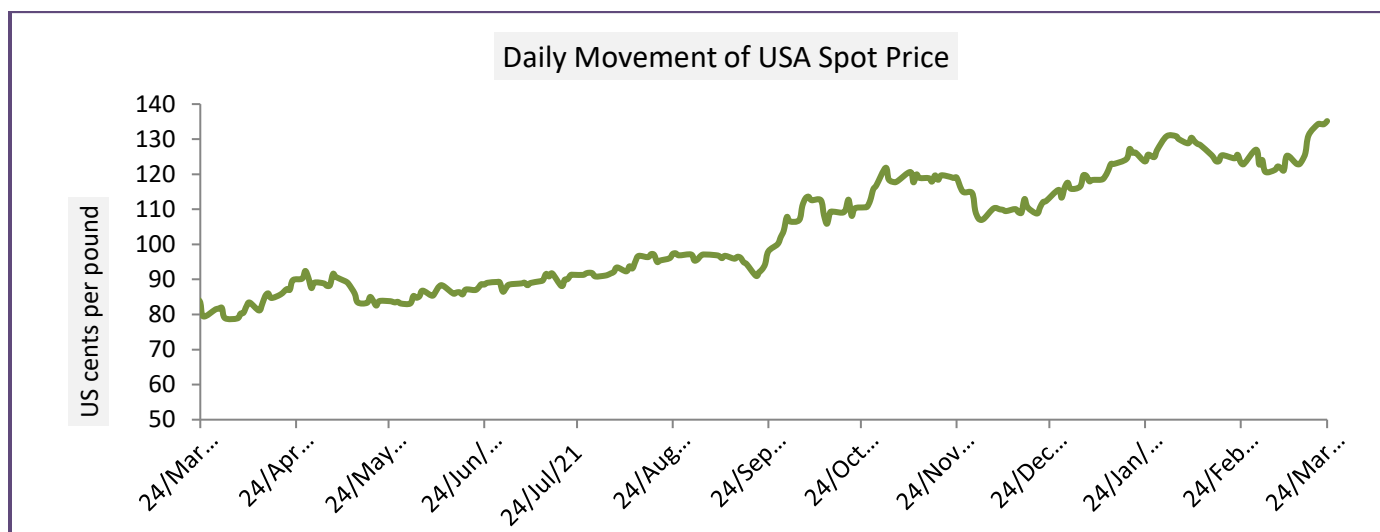


USA Spot Prices

U.S.A spot prices was at 132.01 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	23-Mar-22	16-Mar-22	
Prices	132.01	123.26	7.10
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

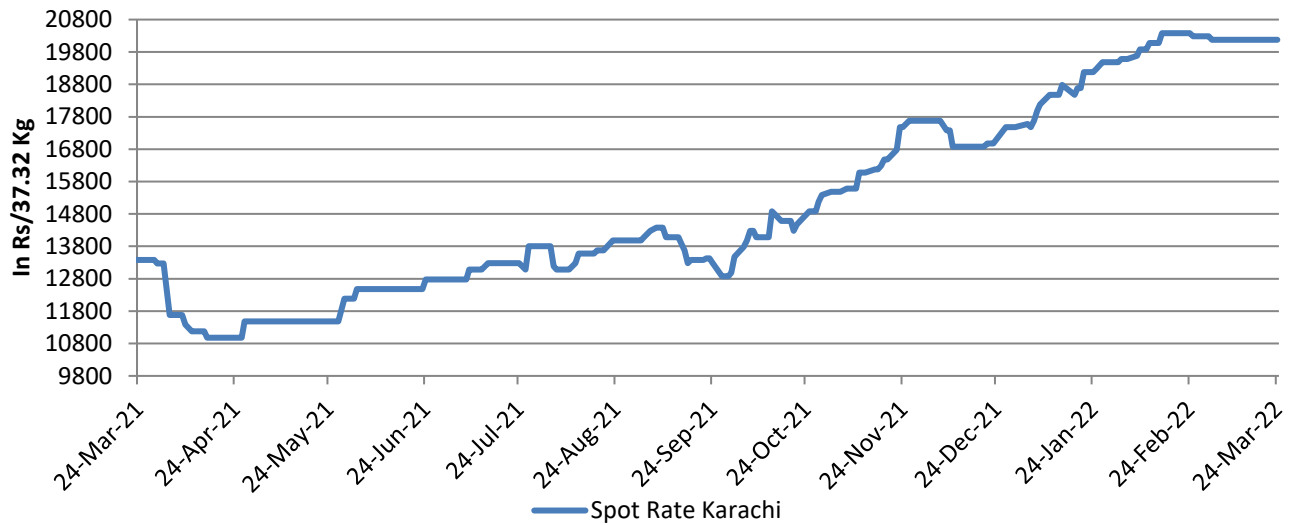
The Karachi spot price was stable at Rs.20180/q same as the previous week.

Karachi Spot Prices	WeeklyAverage Price as on		% Change
	23-Mar-22	16-Mar-22	
Prices	20180	20180	-
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Spot Rate Karachi



Commodity: Cotton
Exchange: MCX
Contract: Mar
Expiry: Mar. 30, 2021
Cotton – Technical Outlook
Technical Chart:

Technical Commentary:

- MACD, indicating bullish momentum.
- Currently trading at 40460
- RSI is indicating strong buying strength, currently in oversold zone.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Mar	40040	40120	40460	40670	40790
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Mar	Buy	40450	40550	40640	40380

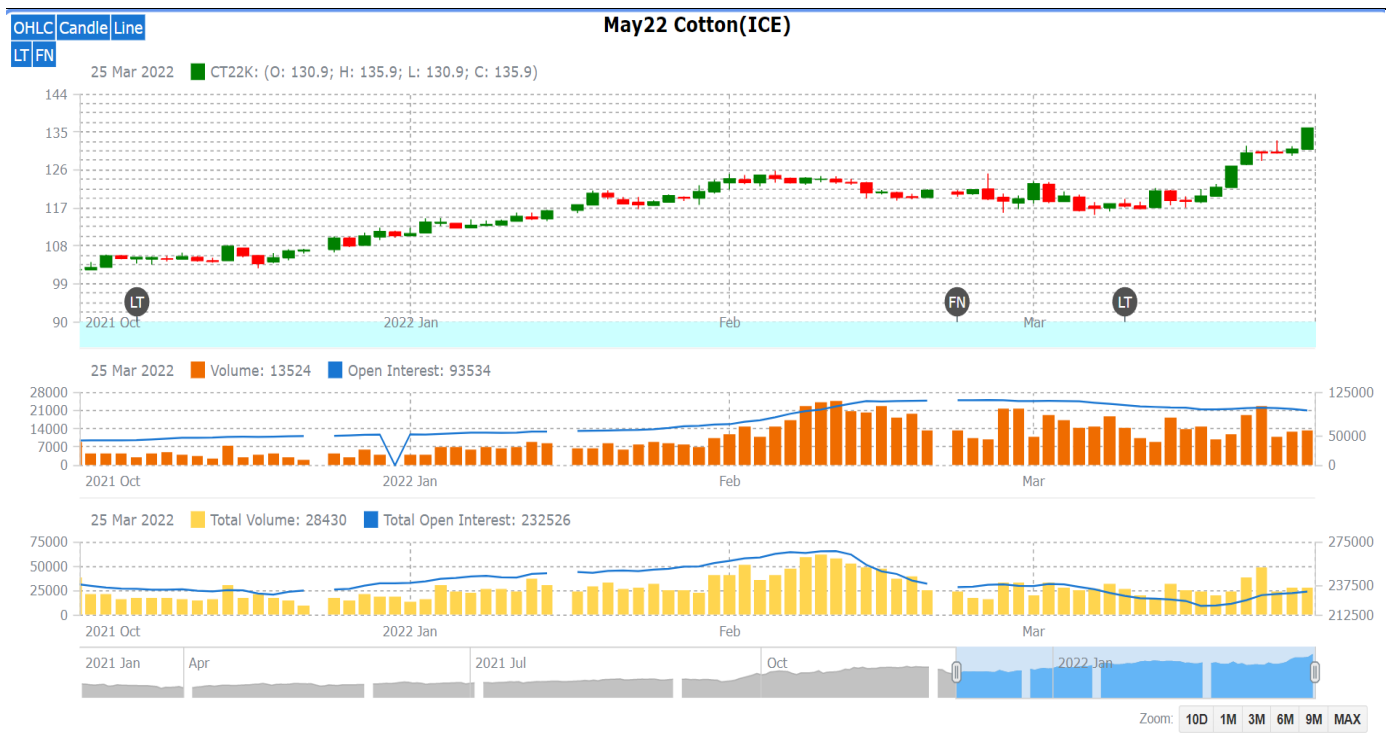
* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Apr
Expiry: Apr. 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	Apr	3096	3166	3286	3426	3486
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Apr	Buy	3276	3376	3396	3206



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

- The May'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	135-162

Expected Support and Resistance

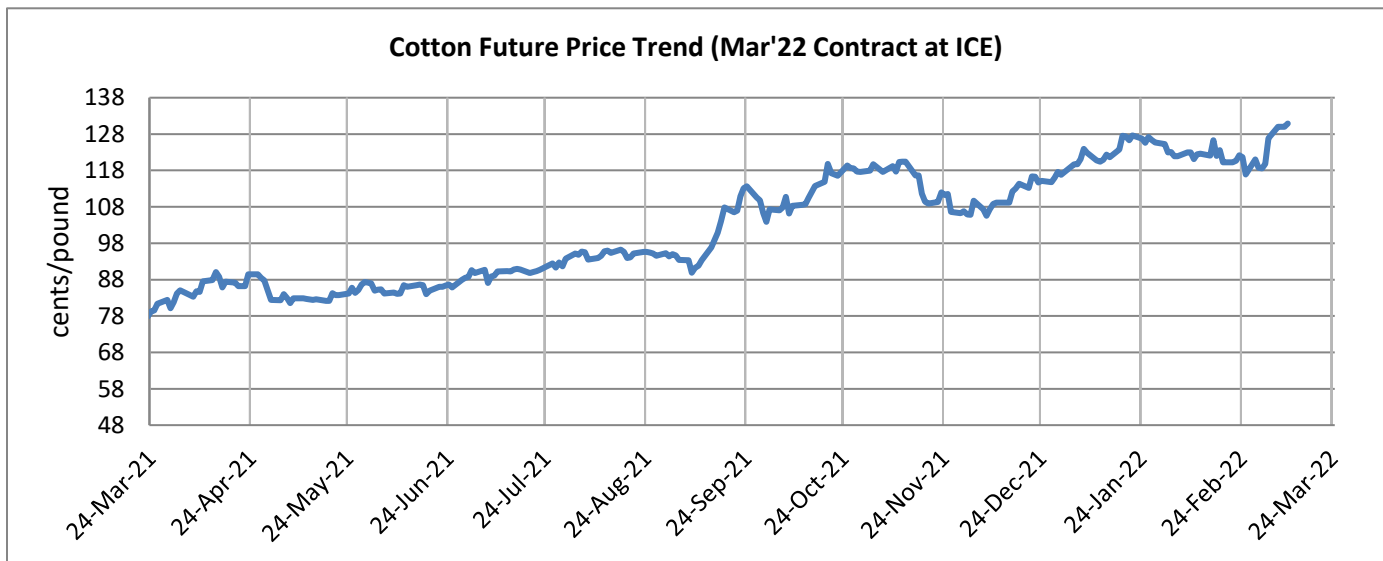
Support 1	Support 2	Resistance 1	Resistance 2
120	115	140	152

Figures in US cents/pound

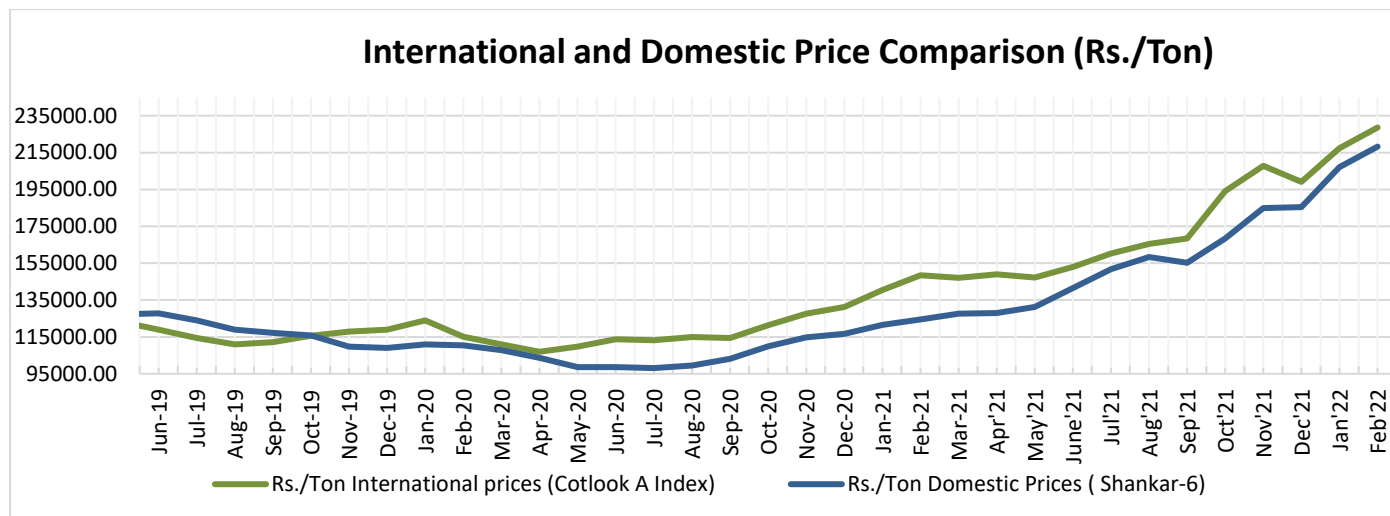
Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	24-Mar-22	22-Feb-22 (1 month ago)	24-Dec-21 (3 months ago)	25-Sep-21 (6 months ago)	24-Mar-21 (a year ago)	% Change over a month	% Change over previous year
May-22	130.90	121.11	109.12	96.85	82.44	8.08	58.78
Jul-22	127.35	120.29	107.05	95.99	83.52	5.87	52.48
Oct-22	114.99	117.42	104.30	94.57	81.12	2.07	41.75
Dec-22	109.25	105.88	95.59	93.74	80.38	3.18	35.92
Mar-23	104.88	101.66	90.17	91.84	80.00	3.17	31.10

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 Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Gujarat	Ahmedabad	Shankar-6	11500	10750	750
	Gondal	Shankar-6	11743	11276	467
	Rajkot	B.T. Cotton	11474	11031	443
	Patan	B.T. Cotton	10647	10194	453
	Kadi	B.T. Cotton	10700	10333	367
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10465	10322	143
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10130	9742	388
	Fatehabad	B.T. Cotton	10580	9650	930
	Jind	B.T. Cotton	10000	9633	367
	Uchana	B.T. Cotton	10040	9450	590
	Dabwali	B.T. Cotton	10445	10157	288
Rajasthan	Hanumangarh	B.T. Cotton	11200	10383	817
	Rawatsar	B.T. Cotton	10567	10340	227
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-

Maharashtra	Amravati	Mech-1	10840	10383	457
	Jamner	Medium Staple	NA	10383	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9933	9660	273
Karnataka	Bijapur	Bunny	10918	10560	358
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10520	10372	148
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Punjab	Bhatinda	J-34	8564	8132	432
	Abohar	J-34	8580	8178	402
	Mansa	J-34	8561	8145	416
Haryana	Sirsa	J-34	8260	7872	388
Rajasthan	Sri-Ganganagar	J-34	7925	8117	-192

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Gujarat	Ahmedabad	Shankar-6	180200	248200	-68000
	Gondal	Shankar-6	11983	19901	-7918
	Rajkot	B.T. Cotton	18000	26200	-8200
	Patan	B.T. Cotton	13490	10424	3066
	Kadi	B.T. Cotton	67500	1300000	-1232500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	98	753	-655
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9180	15980	-6800
	Fatehabad	B.T. Cotton	2700	2500	200
	Jind	B.T. Cotton	5024	8840	-3817
	Uchana	B.T. Cotton	6600	6830	-230
	Dabwali	B.T. Cotton	2900	3750	-850
Rajasthan	Hanumangarh	B.T. Cotton	2200	4500	-2300
	Rawatsar	B.T. Cotton	3500	11400	-7900
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-

Maharashtra	Amravati	Mech-1	51000	69000	-18000
	Jamner	Medium Staple	NA	20	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	17836	48979	-31143
Karnataka	Bijapur	Bunny	1855	2602	-747
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	23	29	-6
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Punjab	Bhatinda	J-34	20400	18700	1700
	Abohar	J-34	2635	4250	-1615
	Mansa	J-34	2125	2550	-425
Haryana	Sirsa	J-34	6460	8840	-2380
Rajasthan	Sri-Ganganagar	J-34	2700	7200	-4500

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Mar-22	19-Mar-22	25-Feb-22	26-Mar-21
Gujarat	Ahmedabad	Shankar-6	12000	11500	10500	6350
	Gondal	Shankar-6	Closed	NA	10630	5500
	Rajkot	B.T. Cotton	Closed	11275	10775	5530
	Patan	B.T. Cotton	11705	NA	10350	5515
	Kadi	B.T. Cotton	12000	10500	10200	5550
	Deesa	B.T. Cotton	NA	0	0	NA
	Dhrol	B.T. Cotton	NA	10280	9990	NR
Haryana	Bhiwani	B.T. Cotton	NA	0	8300	5600
	Bhiwani	Desi	NA	0	0	NA
	Adampur	B.T. Cotton	10900	9850	9550	5350
	Fatehabad	B.T. Cotton	10800	10300	9300	5350
	Jind	B.T. Cotton	10600	9700	9200	5700
	Uchana	B.T. Cotton	NA	10000	9600	5385
	Dabwali	B.T. Cotton	10900	10400	10100	NR
Rajasthan	Hanumangarh	B.T. Cotton	11400	Closed	10300	Closed
	Rawatsar	B.T. Cotton	11000	Closed	10000	Closed

Madhya Pradesh	Khandwa	Mech-1	NA	0	9500	5491
	Khargaon	Mech-1	NA	0	10000	5427
Maharashtra	Amravati	Mech-1	11500	10500	9900	5300
	Jamner	Medium Staple	NA	0	9600	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA
Telangana	Adilabad	Un-Ginned	NA	NA	9500	5400
Karnataka	Bijapur	Bunny	NA	11012	10419	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	NA	10500	10300	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-Mar-22	19-Mar-22	25-Feb-22	26-Mar-21
Punjab	Bhatinda	J-34	9000	8500	7925	4400
	Abohar	J-34	9000	8500	7930	4380
	Mansa	J-34	9000	8500	7950	4345
Haryana	Sirsa	J-34	8700	8220	7720	4300
Rajasthan	Sri-Ganganagar	J-34	8202	7614	0	4324

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Mar-22	19-Mar-22	25-Feb-22	26-Mar-21
Gujarat	Ahmedabad	Shankar-6	25500	37400	51000	17000
	Gondal	Shankar-6	Closed	NA	3999	#N/A
	Rajkot	B.T. Cotton	Closed	4100	4000	#N/A
	Patan	B.T. Cotton	4503	NA	1439	3450
	Kadi	B.T. Cotton	10000	15000	5000	#N/A
	Deesa	B.T. Cotton	NA	0	0	#N/A
	Dhrol	B.T. Cotton	NA	55	517	#N/A
Haryana	Bhiwani	B.T. Cotton	NA	0	500	1200
	Bhiwani	Desi	NA	0	0	#N/A
	Adampur	B.T. Cotton	8500	1700	1700	#N/A
	Fatehabad	B.T. Cotton	500	300	125	#N/A
	Jind	B.T. Cotton	850	280.5	552.5	#N/A
	Uchana	B.T. Cotton	NA	1200	1275	#N/A
	Dabwali	B.T. Cotton	400	600	550	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	1000	Closed	2500	#N/A
	Rawatsar	B.T. Cotton	1000	Closed	500	400

Madhya Pradesh	Khandwa	Mech-1	NA	0	250	#N/A
	Khargaon	Mech-1	NA	0	2810	#N/A
Maharashtra	Amravati	Mech-1	5000	10000	16000	#N/A
	Jamner	Medium Staple	NA	0	25	#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	NA	24123.8	0
Karnataka	Bijapur	Bunny	NA	270	811	1117
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	5	6	22
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	26-Mar-22	19-Mar-22	25-Feb-22	26-Mar-21
Punjab	Bhatinda	J-34	2550	5100	8500	2550
	Abohar	J-34	510	680	850	340
	Mansa	J-34	NA	340	255	255
	Sirsa	J-34	680	510	255	510
	Sri-Ganganagar	J-34	300	500	0	500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				17th Mar'22 to 23rd Mar'22	10th Mar'22 to 16th Mar'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	53680	54267	-587
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	54180	54767	-587
J-34(202)	26mm	3.5 - 4.9	23	77600	74433	3167
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	80720	77317	3403
Shankar-6(105)	29mm	3.5 – 4.9	28	81640	78217	3423
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	86000	82450	3550
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	102400	101333	1067

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