

**COTTON WEEKLY RESEARCH REPORT**  
**11<sup>th</sup> Apr 2022****Domestic market summary**

**Domestic Market Scenario:** Cotton prices continue to remain firm during the week under review. The raw cotton prices in Ahmedabad market have reached Rs. 13000 per quintal as compared to Rs.11500 per quintal during the last week. The lower cotton production in India along with the US has resulted in price rise. There is a strong demand of cotton globally especially coming in from China supporting prices. Also, Strong demand continues from Pakistan, Bangladesh and Brazil as well. Indian cotton Shanker-6 prices remained stable near Rs 90,200 to 90,500 per candy.

**Weekly Price Outlook:**

The average price of Kapas in Andhra Pradesh is likely to hover around Rs.11,400-11,800/Qtl.

**Major Market Highlights:**

- The Cotlook Index stood higher (151.05 cents/lbs) compared to the ICE Cotton Futures that stood at 137.94 cents/lbs.

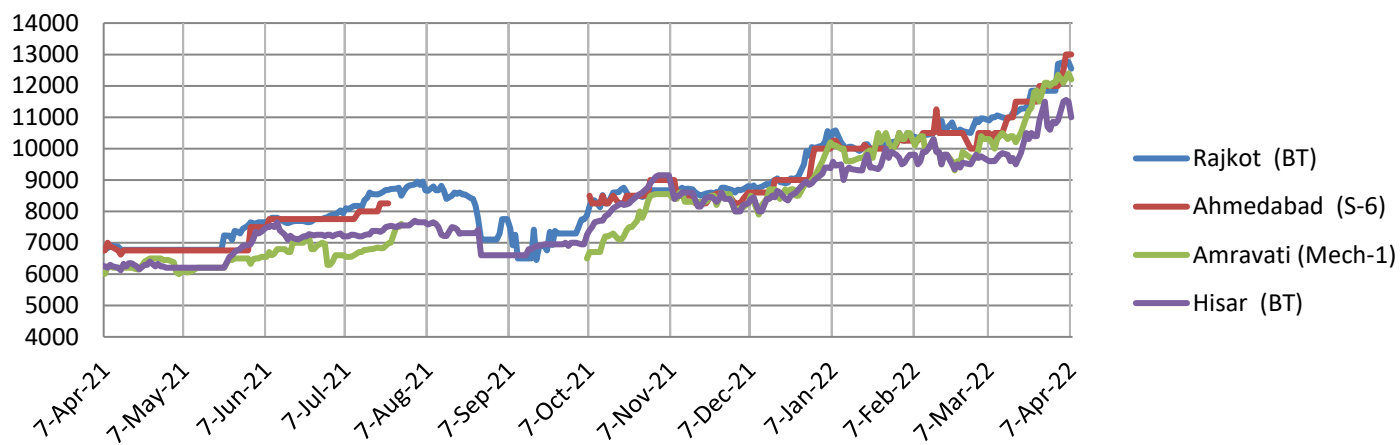
**Market Highlights:**

- The 2021-22 cotton season has almost come to an end in Punjab. Cotton prices in Punjab have reached at Rs.8,200 per quintal, which is around 26 percent higher from the previous Kharif season. This is due to a dip of 47 percent in cotton production as compared to the last season.
- The high demand for cotton has pushed its price to Rs 12,000 per quintal at the Adoni market on 31<sup>st</sup> March 2022 from previous week's price of Rs. 11,219 per quintal. It is for the first time that the Kurnool cotton is in such high demand. Even in November, the fiber crop was being traded at an inflated price of Rs 7,500 per quintal.
- According to All Gujarat Spinners Association, Yarn manufacturers have curtailed the cotton procurement due to rising prices of their basic raw material. Cotton prices have hit a record high of Rs 90,000 a candy, higher by 12.5% in last 40 days. Spinning units have cut procurement by at least 15%. Gujarat is facing decline in international demand of cotton yarn due to the ongoing Russia-Ukraine tension.

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

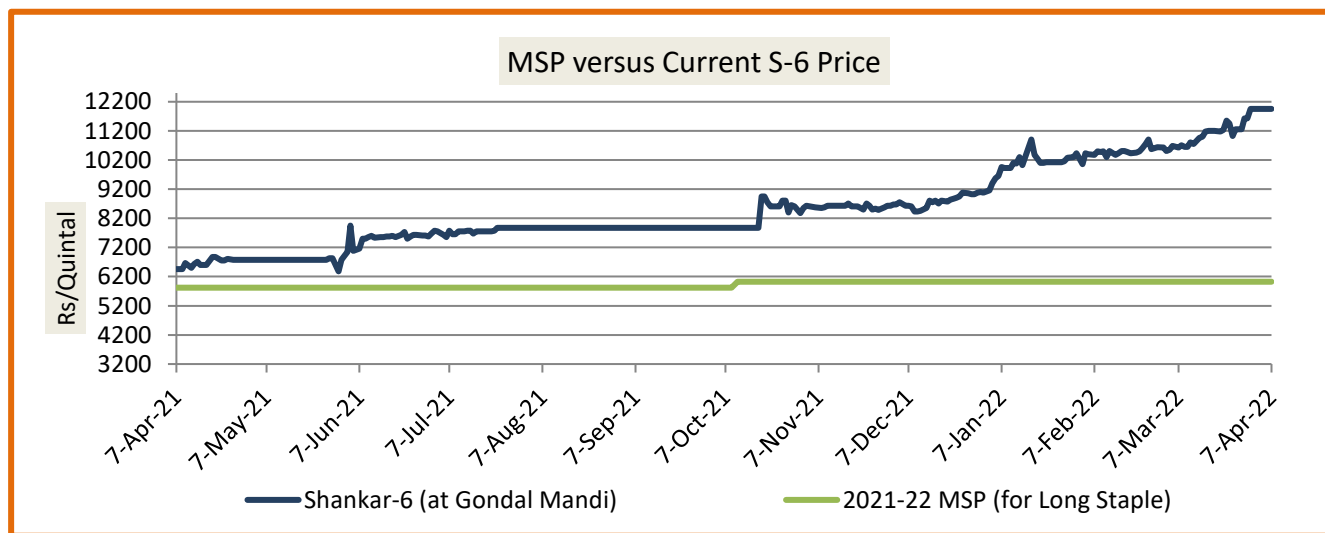
**Weekly Price Review:** Weekly Kapas average prices at Rajkot stood slightly higher at Rs. 12445/Qtl compared to previous week's Rs. 11840/Qtl, whereas at Hisar prices stood higher at Rs. 11183/Qtl compared to previous week price of Rs. 10750/Qtl. For Amravati and Ahmedabad prices were at Rs. 12216/Qtl and Rs. 11183/Qtl respectively.

### Variety wise Kapas Price trend (Rs/Qtl)



### Spot Price versus MSP

Average Kapas prices at Gondal market stood slightly higher at Rs. 12430/Qtl from the previous week of Rs. 11955/q.

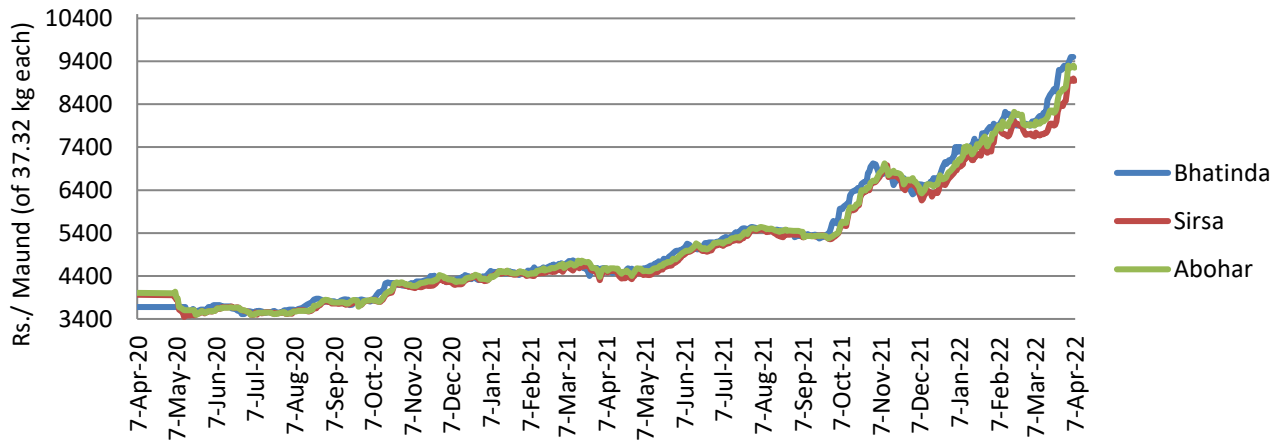


Source: Agriwatch

### Lint price Outlook

The average price stood slightly higher at Rs. 9366/maund this week compared to Rs.9061/maund previous week in Abohar, in Bhatinda prices were at Rs.9366/maund, and slightly higher in Sirsa at Rs.9078/maund from Rs.8755/maund previous week.

### Lint Price Trend at Key Centers

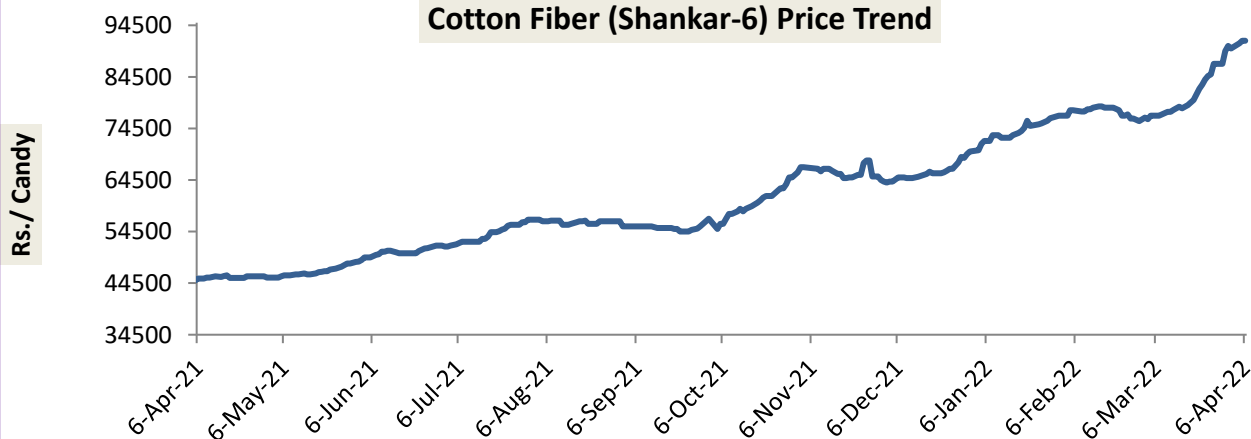


Source: Agriwatch

### Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality were slightly higher at Rs.90900/candy as compared to previous week price of Rs.86700/candy and is likely to remain on a stronger note on the back of firm global outlook amid tight supply.

### Cotton Fiber (Shankar-6) Price Trend



Source: Cotton Association of India (CAI)

## **Cotton Seed Oil and Cotton Seed Oil Cake**

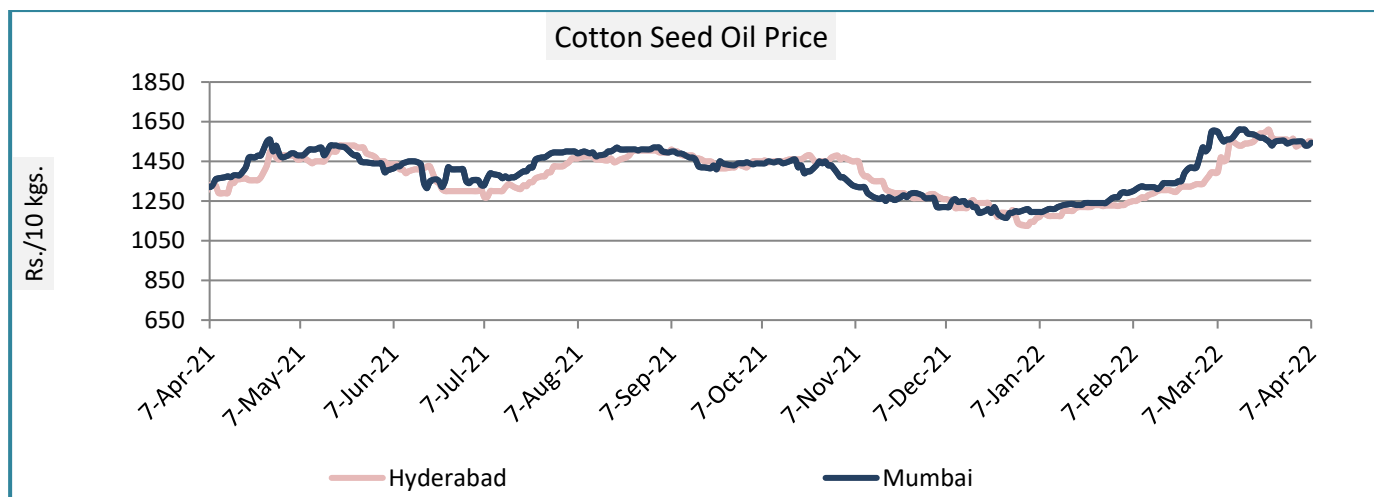
### **Cotton Seed Oil weekly**

#### **Price Scenario**

Cottonseed oil prices have slightly increased across the major centers during the week ending on 06th Apr'22 due to weak demand in the market.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	06-Apr-22	30-Mar-22	
<b>New Delhi</b>	-	-	-
<b>Rajkot</b>	1574	1532	2.74
<b>Hyderabad</b>	1565	1540	1.62
<b>Mumbai</b>	1541	1549	-0.52

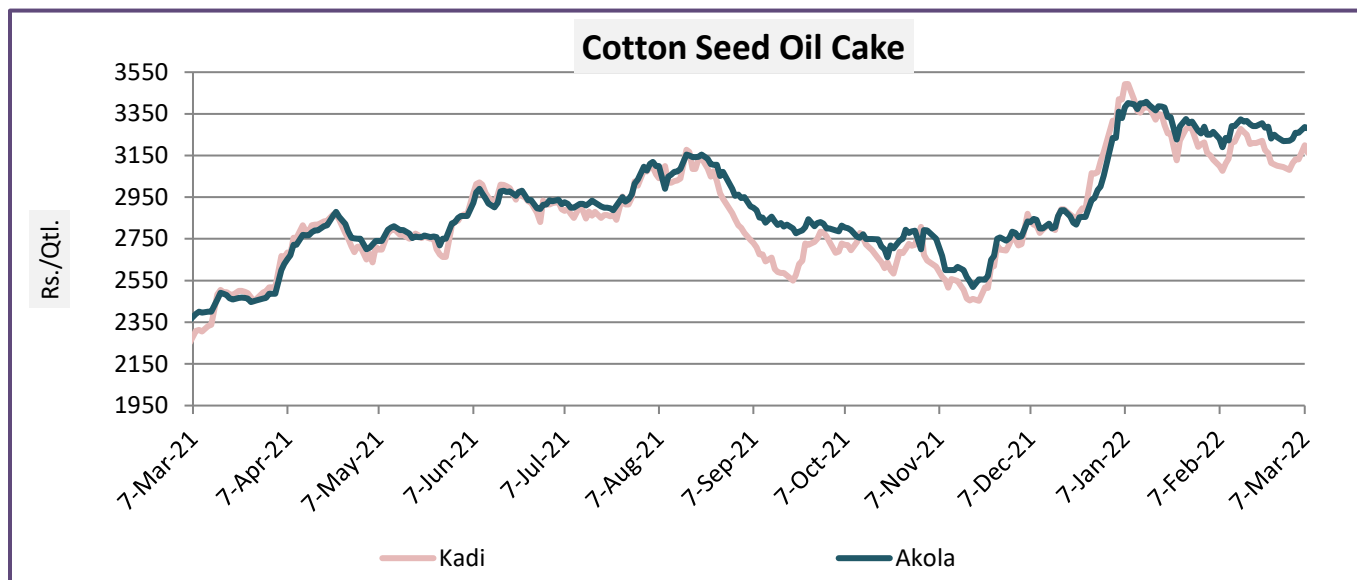
Source: Agriwatch



#### **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. 3246 per quintal from Rs. 3288 per quintal and in Akola prices have increased and were at Rs. 3310 per quintal from Rs. 3359 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	06-Apr-22	30-Mar-22	
<b>Kadi</b>	3246	3288	-1.27
<b>Akola</b>	3310	3359	-1.46



Source: NCDEX

### International Market Scenario

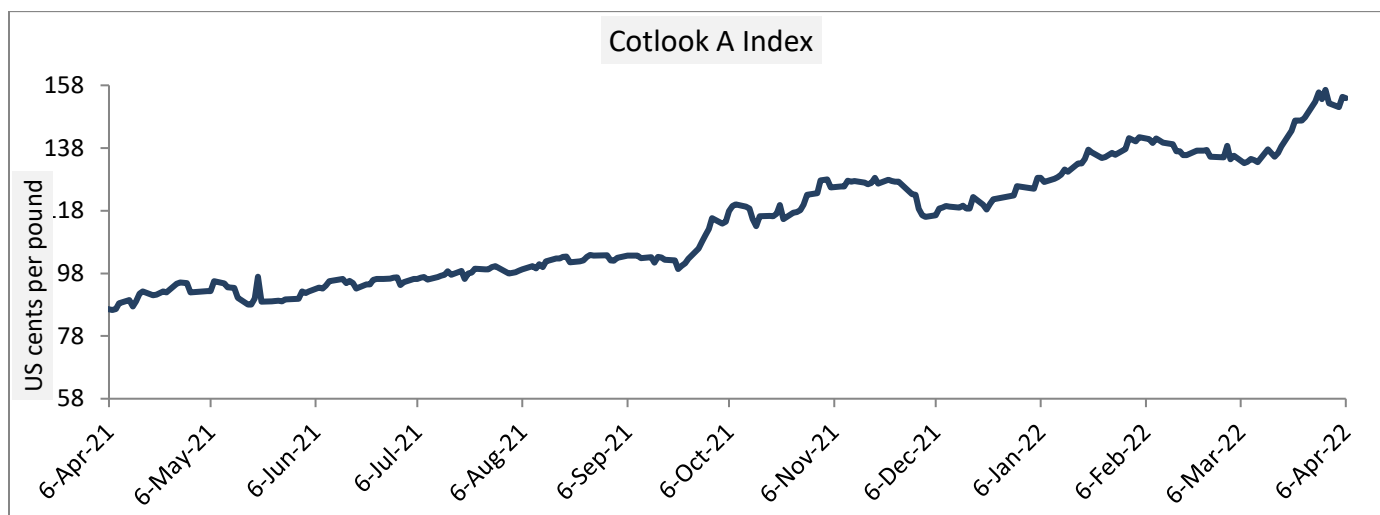
- According to the U.S. Crop progress report, as on 03<sup>rd</sup> April 2022, U.S cotton planting stands at 4 percent which is 2 percent lower from previous season of 6 percent. U.S. cotton planting is also lower from past 5 years average of 6 percent.
- According to International Cotton Advisory Committee Report, Global Consumption for the 2021-22 season is expected to be at 26.16 million tonne whereas production is expected to slightly fall to 26.43 million tonne. Global cotton supply is expected to be at 57.129 million tonne while the global demand is expected at 57.133 million tonne. The current price forecast of the average A Index for the 2021-22 ranges from 106 cents to 126 cents, with a midpoint at 113 cents per pound.

### Cotlook A Index

Cotlook A Index was high this week. The Cotlook A Index was at 153.63 cents/lb higher as compared to the previous week (151.31 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
	06-Apr-22	30-Mar-22	
Prices	153.63	151.31	1.53
Prices in US cents per Pound			

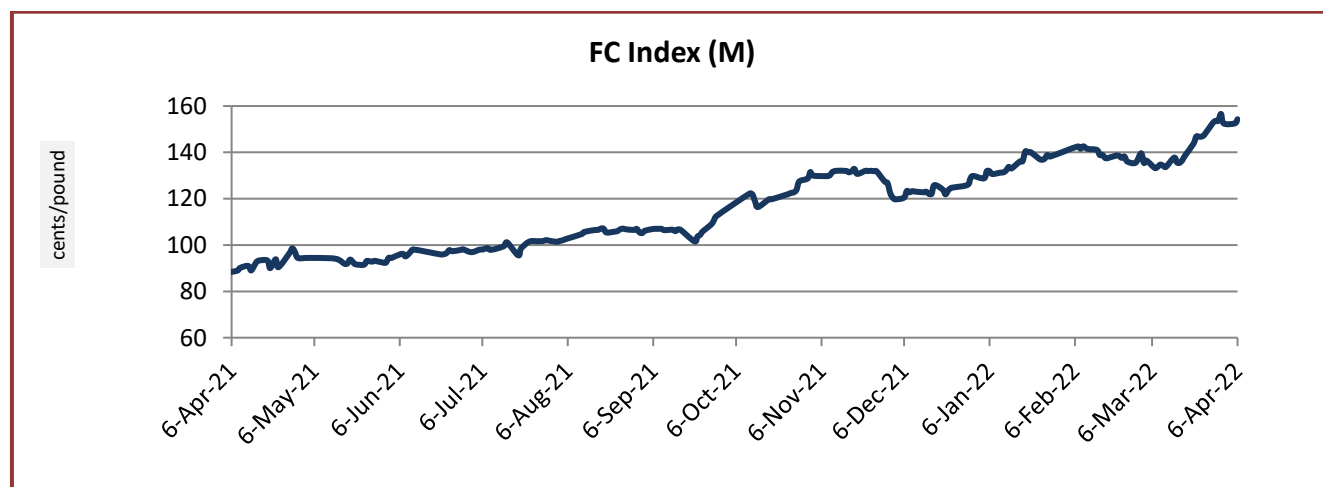
Source: Cotlook



### China Cotton Index and Foreign Cotton Index

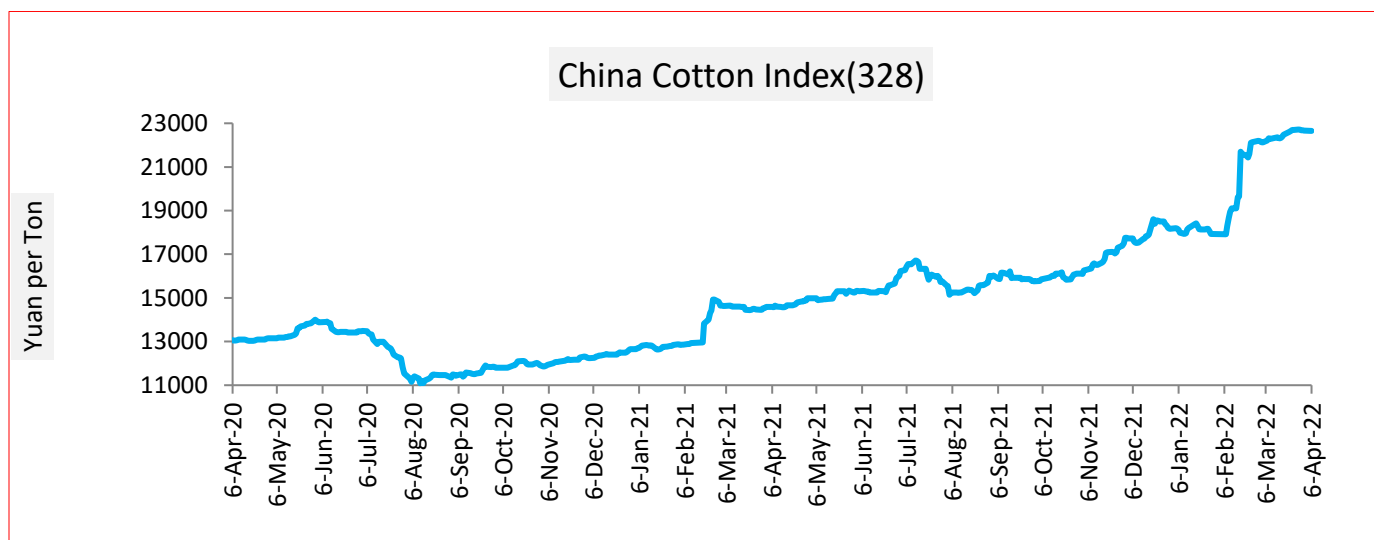
Cotton Index	Weekly Average Price as on		% Change
	06-Apr-22	30-Mar-22	
FC (S)	152.43	152.43	2.04
FC (M)	150.85	150.85	2.07
FC (L)	149.30	149.30	2.10
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	06-Apr-22	30-Mar-22	
CCIndex(328)	22871.00	22827.80	0.19
CCIndex(527)	21030.67	20976.40	0.26
CCIndex(229)	23250.67	23236.60	0.06
Prices in Yuan per ton			

Source: China Cotton Association

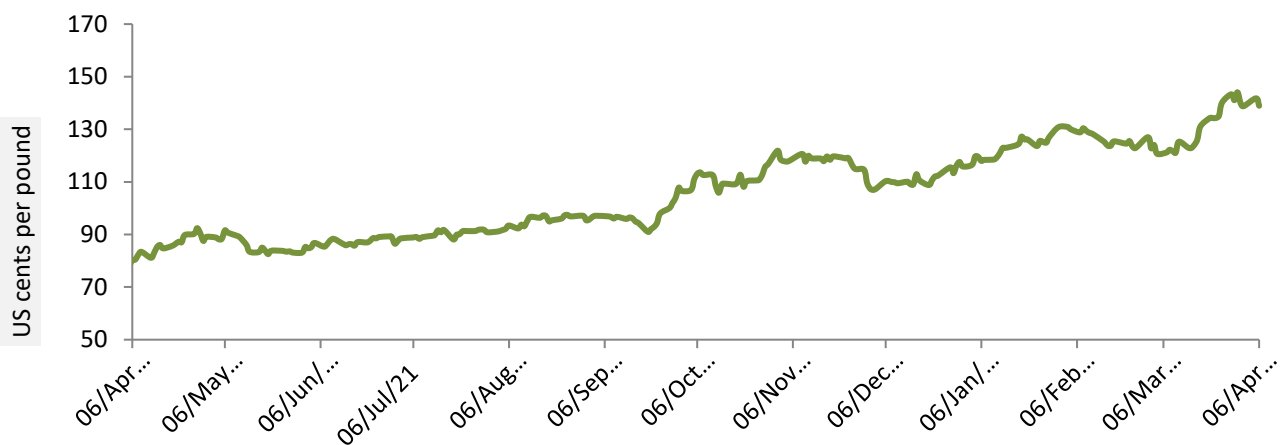


## USA Spot Prices

U.S.A spot prices was at 139 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	06-Apr-22	30-Mar-22	
Prices	139.87	148.99	-0.63
Prices in US cents per Pound			

Source: USDA

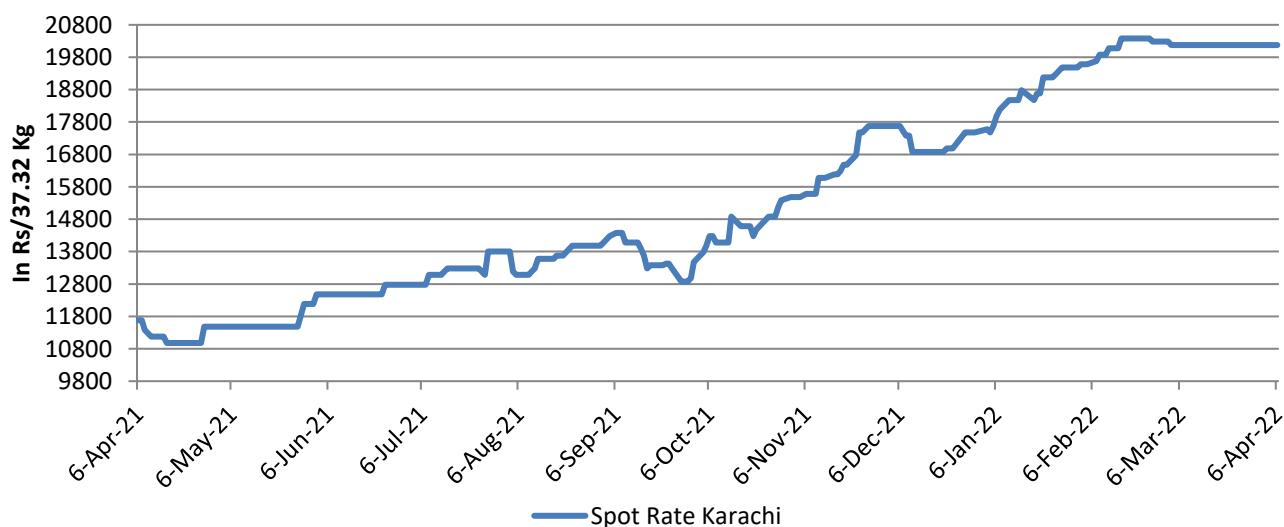
**Daily Movement of USA Spot Price**


### Pakistan Spot Prices

The Karachi spot price was stable at Rs.20680/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	06-Apr-22	31-Mar-22	
Prices	20680	20180	2.48
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com

**Spot Rate Karachi**




Commodity: Cotton

Exchange: MCX

Contract: Apr

Expiry: Apr. 30, 2021

### Cotton – Technical Outlook

#### Technical Chart:



#### Technical Commentary:

- Currently trading at 43310
- RSI is indicating strong buying strength, currently in overbought zone.
- Market is expected to remain steady in the coming week.
- MACD indicating bullish momentum.
- RSI and Prices have showed a negative divergence whereas MACD is converging. We suggest to wait as some corrections cannot be ruled out.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Apr	42890	42970	43310	43520	43640
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Apr	Buy	43300	43400	43490	43230

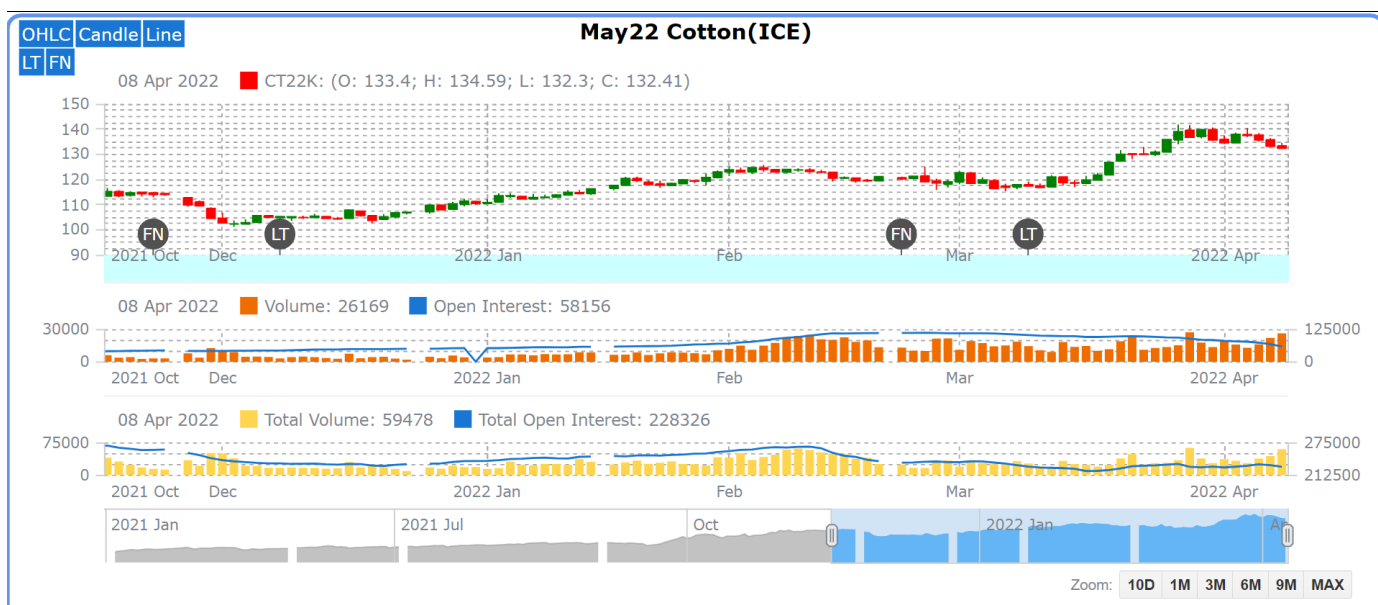
\* Do not carryforward the position the next day.

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

**Technical Commentary:**

- Currently trading at 100 DMA which can be categorized as support.
- RSI indicating weak buying strength.
- Market is expected to remain firm.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Apr	3014	3064	3130	3255	3305
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Apr	<b>Sell</b>	3140	3105	3080	3161



### 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	132-162

#### Expected Support and Resistance

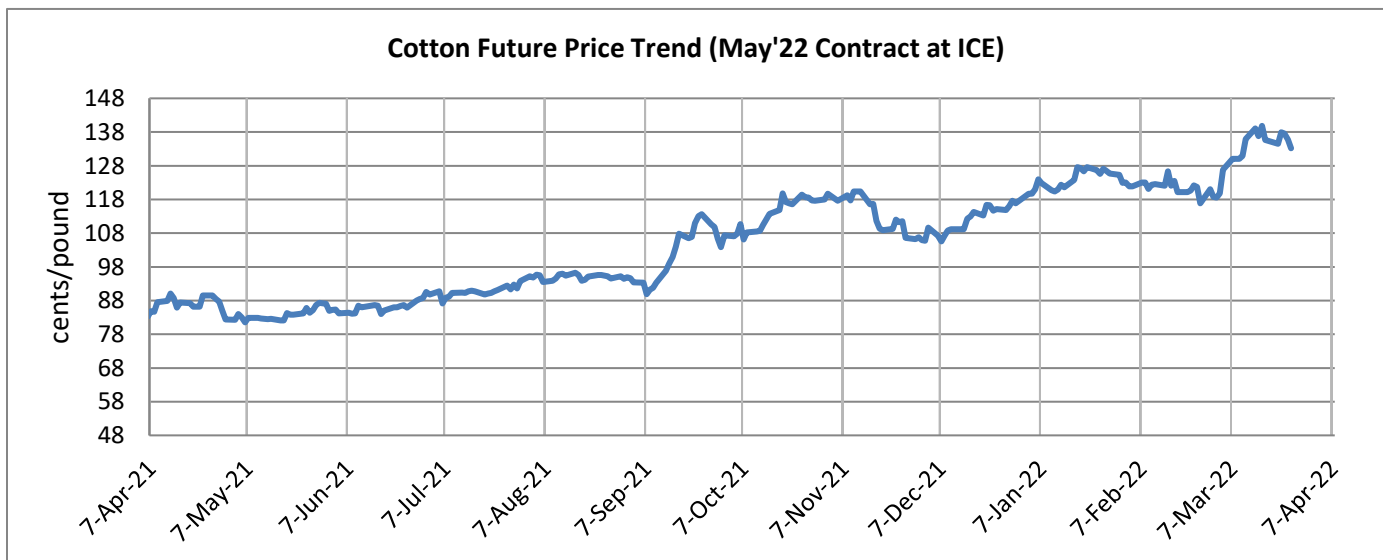
Support 1	Support 2	Resistance 1	Resistance 2
126	115	140	152

Figures in US cents/pound

### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	07-Apr-22	08-Mar-22 (1 month ago)	07-Jan-21 (3 months ago)	09-Oct-21 (6 months ago)	07-Apr-21 (a year ago)	% Change over a month	% Change over previous year
May-22	133.20	117.97	112.88	110.60	79.50	12.91	67.55
Jul-22	131.40	113.54	110.28	107.91	80.84	15.74	62.54
Oct-22	120.54	105.44	99.57	106.77	80.39	14.32	49.94
Dec-22	114.69	102.07	94.52	104.7	80.04	12.36	43.29
Mar-23	109.91	98.19	90.92	93.53	79.77	11.94	37.78

### Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	31st Mar'22 to 06th Apr'22	24th Mar'22 to 30th Mar'22	
Gujarat	Ahmedabad	Shankar-6	13667	11667	2000
	Gondal	Shankar-6	12824	NA	-
	Rajkot	B.T. Cotton	12749	NA	-
	Patan	B.T. Cotton	12405	11365	1040
	Kadi	B.T. Cotton	12417	12083	333
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11787	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11183	10750	433
	Fatehabad	B.T. Cotton	11450	10967	483
	Jind	B.T. Cotton	11717	10833	883
	Uchana	B.T. Cotton	10663	10470	193
	Dabwali	B.T. Cotton	11622	11179	443
Rajasthan	Hanumangarh	B.T. Cotton	11625	11283	342
	Rawatsar	B.T. Cotton	11320	11167	153
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12170	11892	278
	Jamner	Medium Staple	11800	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10518	10288	231
Karnataka	Bijapur	Bunny	12643	12340	303
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11750	10767	983
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	31st Mar'22 to 06th Apr'22	24th Mar'22 to 30th Mar'22	
Punjab	Bhatinda	J-34	9367	9021	346
	Abohar	J-34	9380	9062	318
	Mansa	J-34	9352	9032	320
Haryana	Sirsa	J-34	9078	8755	323
Rajasthan	Sri-Ganganagar	J-34	8688	8386	302

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	31st Mar'22 to 06th Apr'22	24th Mar'22 to 30th Mar'22	
Gujarat	Ahmedabad	Shankar-6	69700	76500	-6800
	Gondal	Shankar-6	9310	NA	-
	Rajkot	B.T. Cotton	14100	NA	-
	Patan	B.T. Cotton	11295	13736	-2441
	Kadi	B.T. Cotton	32000	47000	-15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	822	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9180	16660	-7480
	Fatehabad	B.T. Cotton	1700	2700	-1000
	Jind	B.T. Cotton	5525	5636	-111
	Uchana	B.T. Cotton	7100	9050	-1950
	Dabwali	B.T. Cotton	2600	1750	850
Rajasthan	Hanumangarh	B.T. Cotton	1700	5300	-3600
	Rawatsar	B.T. Cotton	1600	4900	-3300
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	78000	83000	-5000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	3619	6541	-2922
Karnataka	Bijapur	Bunny	3170	2793	377
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	21	30	-9
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	31st Mar'22 to 06th Apr'22	24th Mar'22 to 30th Mar'22	
Punjab	Bhatinda	J-34	13600	22950	-9350
	Abohar	J-34	1785	2210	-425
	Mansa	J-34	1530	2380	-850
Haryana	Sirsa	J-34	4930	5950	-1020
Rajasthan	Sri-Ganganagar	J-34	880	1900	-1020

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

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	8-Apr-22	1-Apr-22	9-Mar-22	8-Apr-21
Gujarat	Ahmedabad	Shankar-6	13000	Closed	10500	7000
	Gondal	Shankar-6	12955	12580	11205	5500
	Rajkot	B.T. Cotton	12500	Closed	11000	5530
	Patan	B.T. Cotton	12180	Closed	10180	5515
	Kadi	B.T. Cotton	12000	12500	10000	5550
	Deesa	B.T. Cotton	NA	0	0	NA
	Dhrol	B.T. Cotton	NA	Closed	9770	NR
Haryana	Bhiwani	B.T. Cotton	11500	0	0	5600
	Bhiwani	Desi	NA	0	0	NA
	Adampur	B.T. Cotton	10500	10800	9500	5350
	Fatehabad	B.T. Cotton	10600	11100	9350	5350
	Jind	B.T. Cotton	10500	11700	9400	5700
	Uchana	B.T. Cotton	11350	10380	8850	5385
	Dabwali	B.T. Cotton	11400	11635	10175	NR
Rajasthan	Hanumangarh	B.T. Cotton	NA	Closed	10000	Closed
	Rawatsar	B.T. Cotton	11500	11000	10060	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	9700	5491
	Khargaon	Mech-1	NA	0	9800	5427
Maharashtra	Amravati	Mech-1	11500	Closed	10000	5300
	Jamner	Medium Staple	NA	11500	9690	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA
Telangana	Adilabad	Un-Ginned	10600	10600	9500	5400
Karnataka	Bijapur	Bunny	12209	NR	10313	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	11000	NR	10300	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	8-Apr-22	1-Apr-22	9-Mar-22	8-Apr-21
Punjab	Bhatinda	J-34	9500	9250	8020	4560

	Abohar	J-34	9500	9250	8040	4570
	Mansa	J-34	9500	9250	8030	4560
<b>Haryana</b>	Sirsa	J-34	9150	8950	7730	4510
<b>Rajasthan</b>	Sri-Ganganagar	J-34	8836	8601	7473	4324

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	8-Apr-22	1-Apr-22	9-Mar-22	8-Apr-21
<b>Gujarat</b>	Ahmedabad	Shankar-6	20400	Closed	42500	13600
	Gondal	Shankar-6	3190	870	3588	#N/A
	Rajkot	B.T. Cotton	4400	Closed	4000	#N/A
	Patan	B.T. Cotton	6015	Closed	1604	3450
	Kadi	B.T. Cotton	5000	7000	20000	#N/A
	Deesa	B.T. Cotton	NA	0	0	#N/A
	Dhrol	B.T. Cotton	NA	Closed	105	#N/A
<b>Haryana</b>	Bhiwani	B.T. Cotton	NA	0	0	1200
	Bhiwani	Desi	NA	0	0	#N/A
	Adampur	B.T. Cotton	1700	1700	1700	#N/A
	Fatehabad	B.T. Cotton	350	300	300	#N/A
	Jind	B.T. Cotton	680	1020	578	#N/A
	Uchana	B.T. Cotton	600	700	900	#N/A
	Dabwali	B.T. Cotton	400	500	800	#N/A
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	Closed	1000	#N/A
	Rawatsar	B.T. Cotton	500	200	2000	300
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	0	1000	#N/A
	Khargaon	Mech-1	NA	0	855	#N/A
<b>Maharashtra</b>	Amravati	Mech-1	16000	Closed	24000	#N/A
	Jamner	Medium Staple	NA	30	30	#N/A
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	0	#N/A
	Hathras	Desi	NA	0	0	#N/A
<b>Telangana</b>	Adilabad	Un-Ginned	714	1136.5	14684.6	0
<b>Karnataka</b>	Bijapur	Bunny	937	NR	410	902
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	6	NR	6	15
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)



State	Centre	Variety	8-Apr-22	1-Apr-22	9-Mar-22	8-Apr-21
Punjab	Bhatinda	J-34	1700	2550	3400	850
	Abohar	J-34	255	255	680	212.5
	Mansa	J-34	255	340	255	170
	Sirsa	J-34	1190	680	1360	340
	Sri-Ganganagar	J-34	10	300	1500	200

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				31st Mar'22 to 06th Apr'22	24th Mar'22 to 30th Mar'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	56800	55500	1300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	54700	56000	-1300
J-34(202)	26mm	3.5 - 4.9	23	85720	81817	3903
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	87940	85900	2040
Shankar-6(105)	29mm	3.5 - 4.9	28	90900	81312	9588
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	98600	94200	4400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	112600	108667	3933

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