

COTTON WEEKLY RESEARCH REPORT
18th Apr 2022**Domestic market summary**

Domestic Market Scenario: Cotton prices continue to remain firm during the week under review. Indian government has given relief to spinners by withdrawing raw cotton import duty till new season. Despite of the removal of import duty overall, the Indian cotton market remained firm. 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 (149.40 cents/lbs) compared to the ICE Cotton Futures that stood at 135.29 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 Indian government on 13th April 2022 has removed the Agriculture Infrastructure and Development Cess (5 percent) and Basic Custom Duty (5 percent) on the imports of cotton. The government has allowed duty free imports of cotton until 30th September 2022 as prices in the local market has increased because of lower production in 2021-22 season. Further, duty free imports will help textile mills to import cotton from Australia, African countries and United States. However, considering the freight and other charges overall landing cost of USA Cotton in India is expected to be higher (appx. 94,000/ candy) while the prevailing Shanker-6 prices in India is Rs. 92,400 – 92,800 /candy, a disparity in imports of Rs. 1,500-1,800 / candy. Agriwatch expects prices to remain firm in the short term.
- Due to higher domestic prices of Cotton, we expect farmers are more inclined to take up cotton cultivation in upcoming Kharif season and if pre-monsoon showers and SW monsoon remains good (IMD predicting normal monsoon in their 1st forecast for SW Monsoon 2022) then it is very likely that sowing may start early in coming Kharif. Overall, there are expectation of 12-15% increase in sown area as of now from last year which may contain the soaring domestic prices.
- Cotton Association of India has reduced its March estimate of the cotton crop for the 2021-22 season by 8 lakh bales to 335.13 lakh bales from its previous estimate of 343.13 lakh bales. The Association has attributed the reduction in crop estimate to the drop in production in states including Gujarat, Maharashtra, Madhya Pradesh, Telangana, Odisha, Karnataka and Andhra Pradesh. Agriwatch has estimated cotton production during 2021-22 season at 335.60 lakh bales.

Cotton Balance Sheet India				
Attribute	2021-22		2020-21	
	(in Lakh bales)	(in'000 Tons)	(in lakh bales)	(in'000 Tons)
Supply				
Opening Stock	75	1275	125	2125
Production	335.13	5697.21	353	6001
Imports	15	255	10	170
Total Supply	425.13	7227.21	488	8296
Demand				
Mill Consumption	300	5100	292	4964
Consumption by SSI Units	25	425	25	425
Non- Mill Consumption	15	255	18	306
Total Domestic Demand	340	5780	335	5695
Available Surplus	85.13	1447.21	153	2601
Exports	45	765	78	1326
Closing Stock	40.13	682.21	75.00	1275

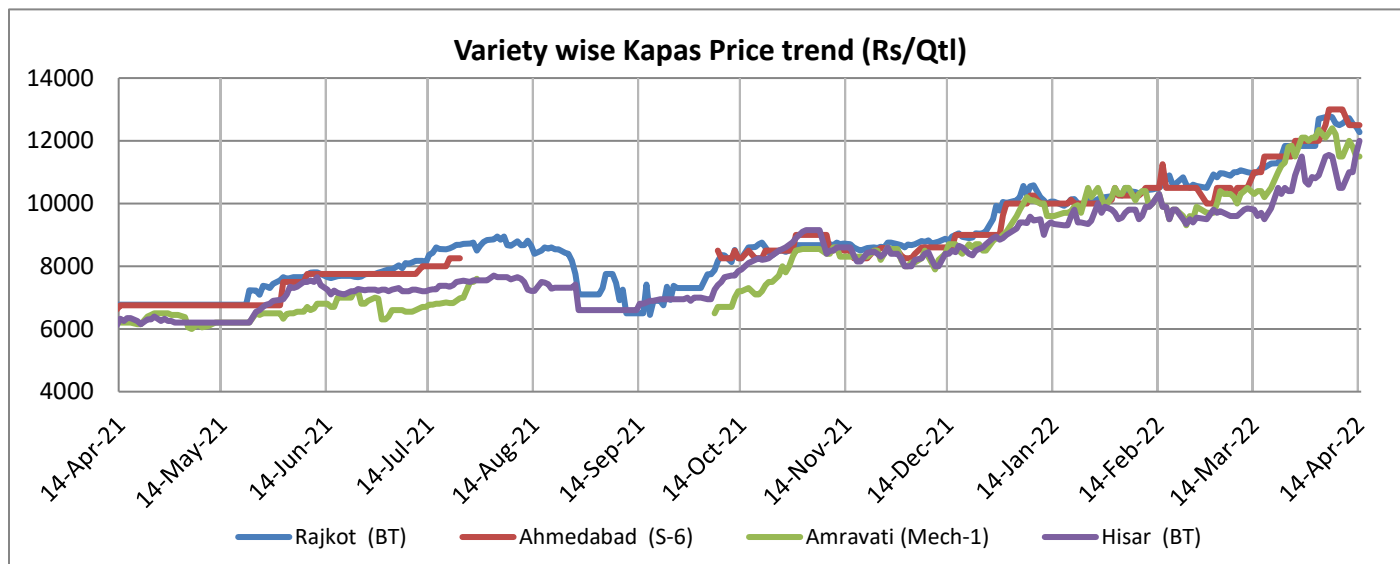
Source: CAI

- The total cotton supply between October 2021 to March 2022 remained at 343.68 lakh bales, which consists of the arrivals of 262.68 lakh bales, imports of 6 lakh bales during the month of March 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 March 2022 at 175 lakh bales while export shipment of cotton during the months of October to March 2022 is estimated at 35 lakh bales. Stock at the end of March 2022 is estimated at 133.68 lakh bales.

Domestic Cotton Prices Scenario

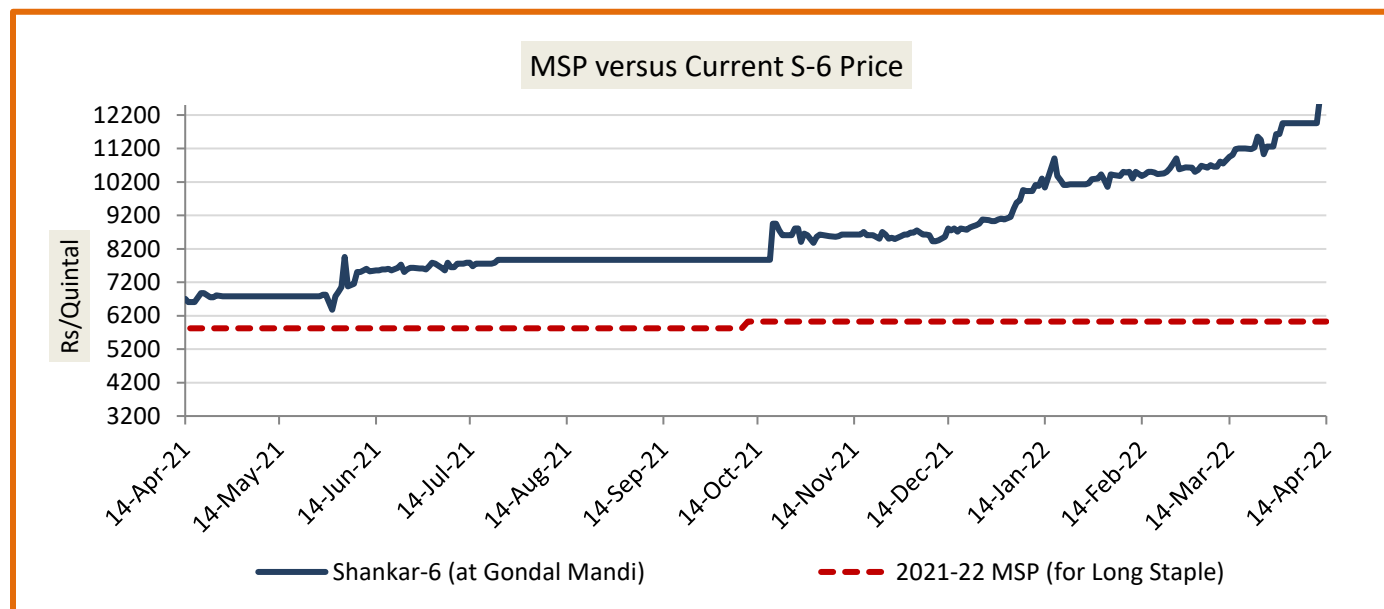
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly higher at Rs. 12553/Qtl compared to previous week's Rs. 12445/Qtl, whereas at Hisar prices stood lower at Rs. 10933/Qtl compared to previous week price of Rs. 11183/Qtl. For Amravati and Ahmedabad prices were at Rs. 11750/Qtl and Rs. 12750/Qtl respectively.



Spot Price versus MSP

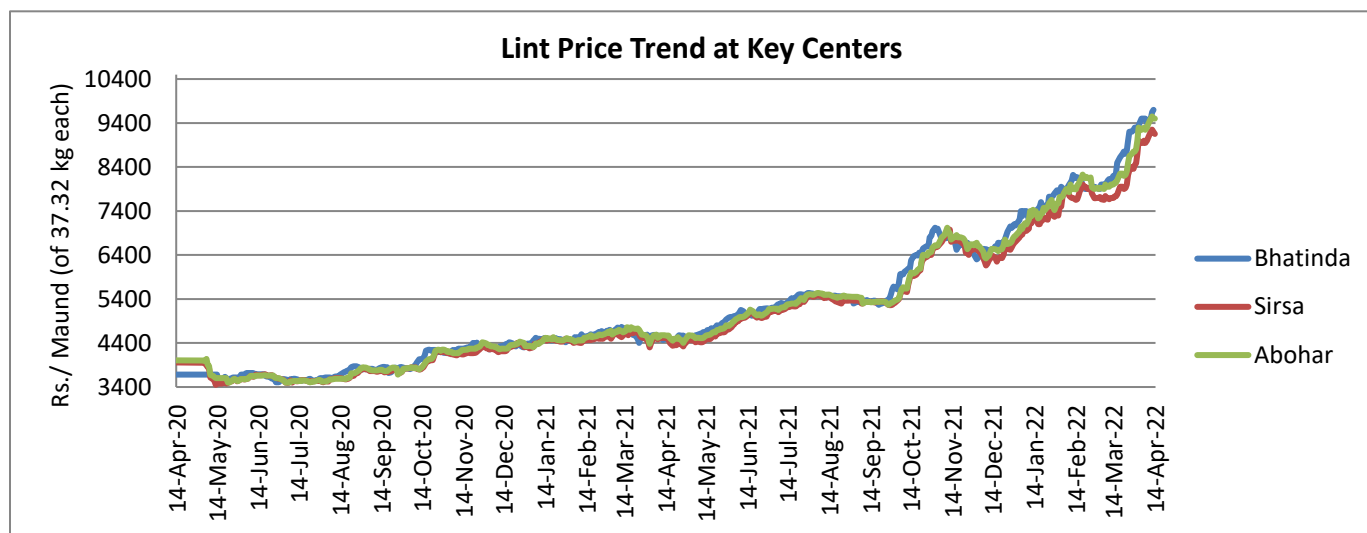
Average Kapas prices at Gondal market stood slightly higher at Rs. 12913/Qtl from the previous week of Rs. 12430/q.



Source: Agriwatch

Lint price Outlook

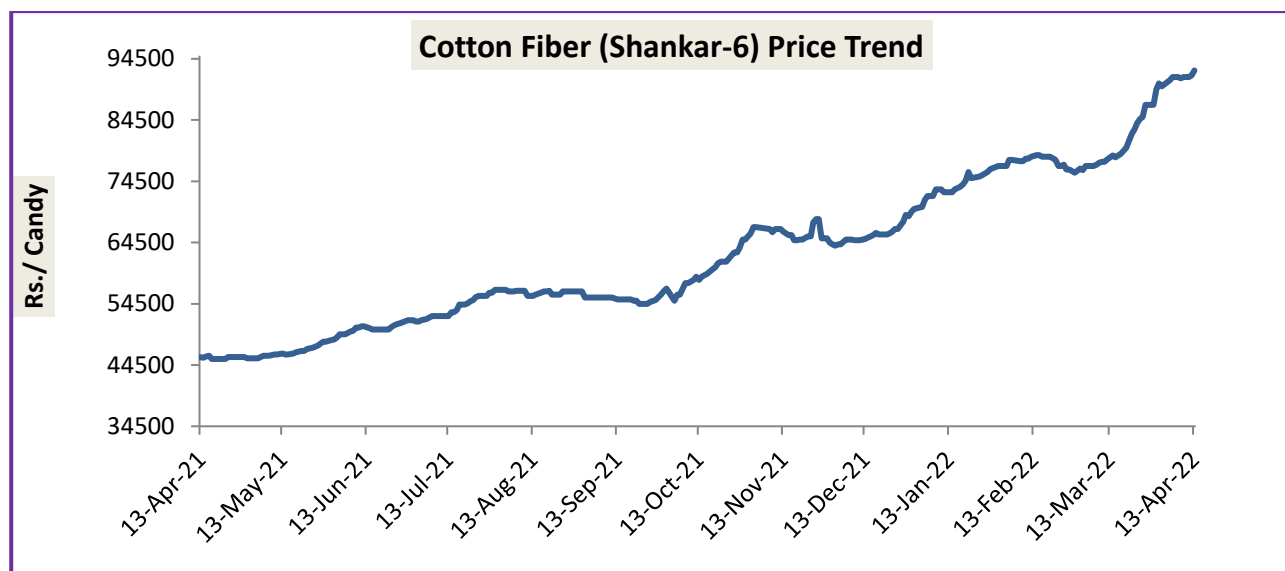
The average price stood slightly higher at Rs. 9543/maund this week compared to Rs.9366/maund previous week in Abohar, in Bhatinda prices were at Rs.9500/maund, and slightly higher in Sirsa at Rs.9543/maund from Rs.9078/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality were slightly higher at Rs.91700/candy as compared to previous week price of Rs.90900/candy and is likely to remain on a stronger note on the back of firm global outlook amid tight supply.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

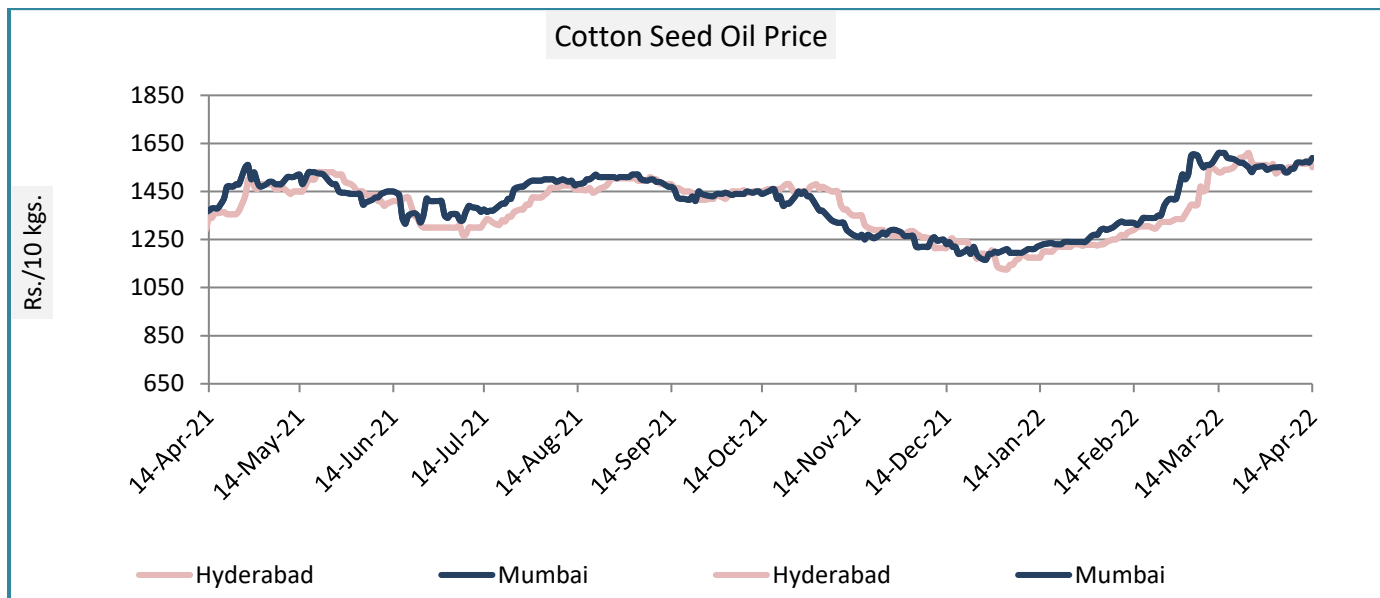
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 13th Apr'22 due to weak demand in the market.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	13-Apr-22	06-Apr-22	
New Delhi	-	-	-
Rajkot	1574	1574	0.12
Hyderabad	1565	1565	-0.16
Mumbai	1541	1541	2.58

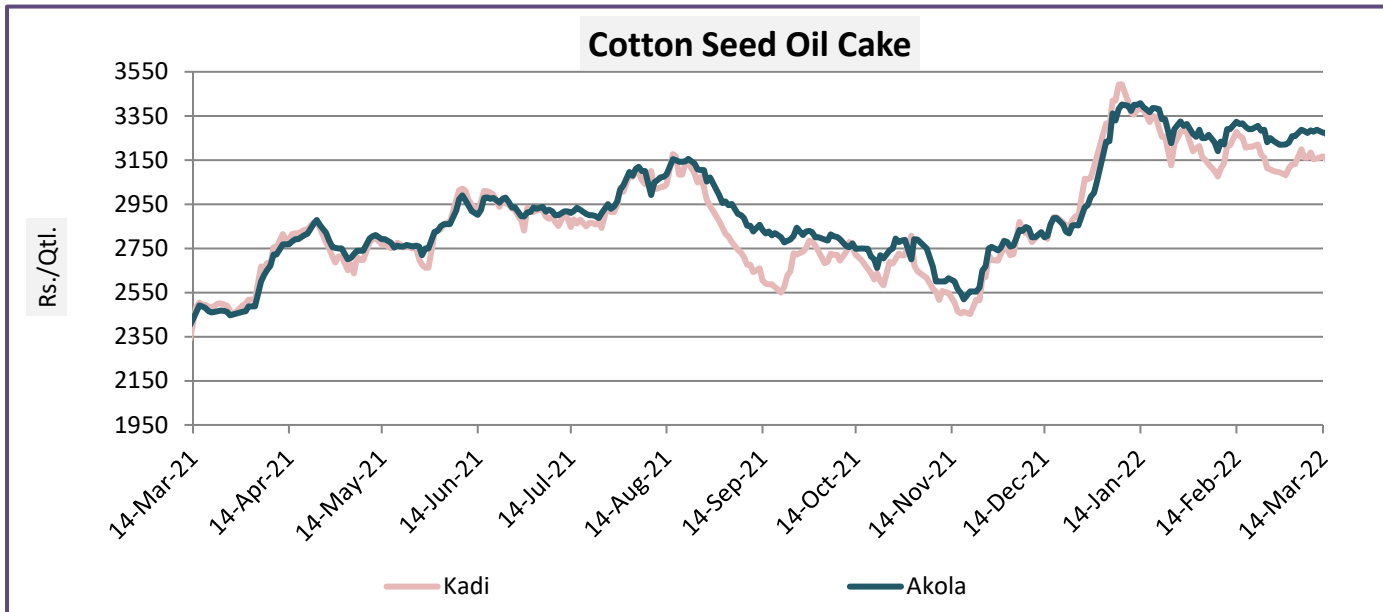
Source: Agriwatch



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. 3146 per quintal from Rs. 3246 per quintal and in Akola prices have increased and were at Rs. 3260 per quintal from Rs. 3310 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	13-Apr-22	06-Apr-22	
Kadi	3146	3246	-2.52
Akola	3260	3310	-1.51



Source: NCDEX

International Market Scenario

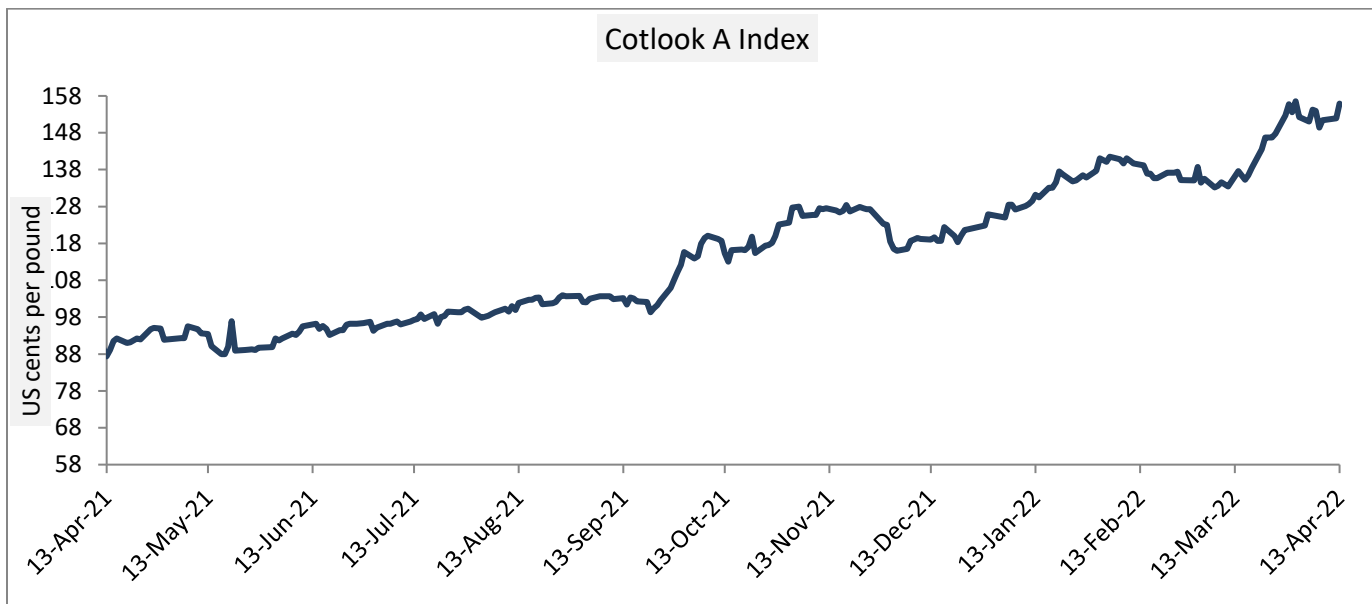
- According to the U.S. Crop progress report, as on 11th April 2022, U.S cotton planting stands at 7 percent which 1 percent lower from previous season. However, the U.S. cotton planting was same as past 5 years average of 7 percent.
- According to USDA WASDE Report, the 2021-22 cotton production is estimated 340,000 bales higher, with increases for Pakistan and Greece. A 500,000-bale decline in China's expected consumption resulted in a similar decline in the global estimate, which now stands at 124.1 million bales. World trade is projected about 450,000 bales lower this month, with exports projected lower for India, Brazil, and Malaysia.
- 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 152.15 cents/lb higher as compared to the previous week (153.63 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	Weekly Average Price change as on		% Change
	13-Apr-22	06-Apr-22	
Prices	152.15	153.63	-0.96
Prices in US cents per Pound			

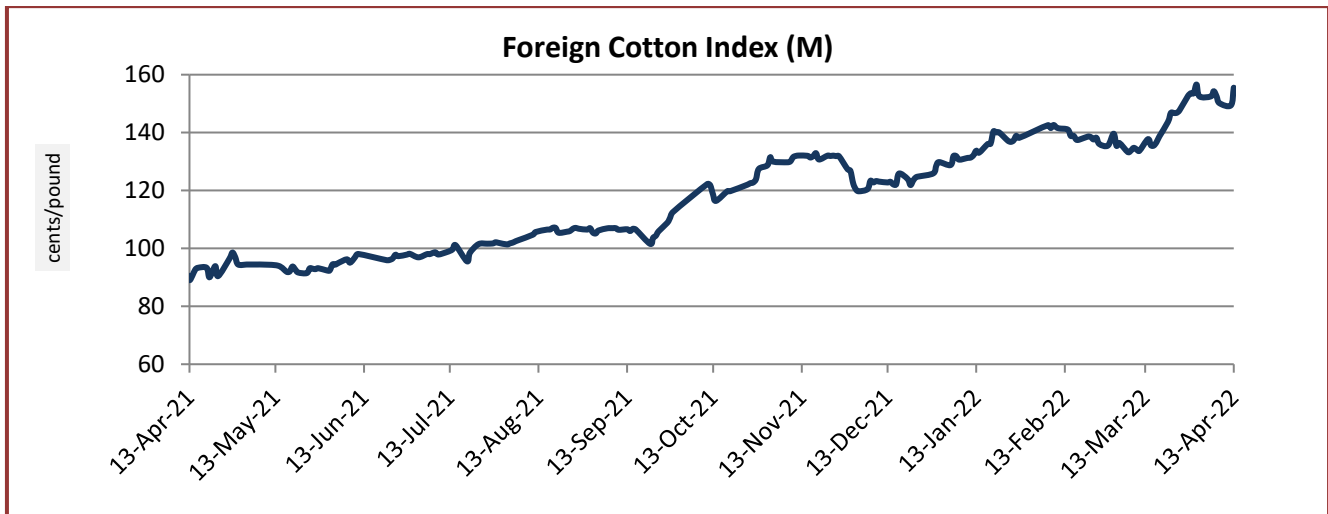
Source: Cotlook



China Cotton Index and Foreign Cotton Index

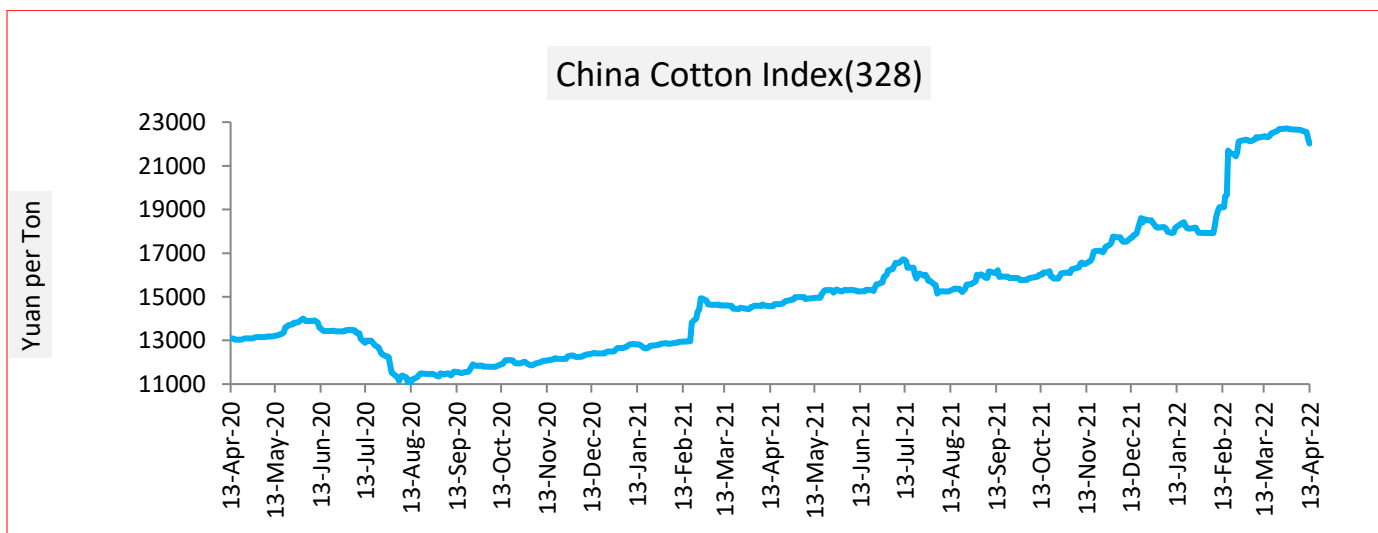
Cotton Index	Weekly Average Price as on		% Change
	13-Apr-22	06-Apr-22	
FC (S)	153.47	152.43	-1.33
FC (M)	151.89	150.85	-1.36
FC (L)	150.36	149.30	-1.36
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	13-Apr-22	06-Apr-22	
CCIndex(328)	22750.00	22871.00	-0.53
CCIndex(527)	20930.20	21030.67	-0.48
CCIndex(229)	23163.40	23250.67	-0.38
Prices in Yuan per ton			

Source: China Cotton Association

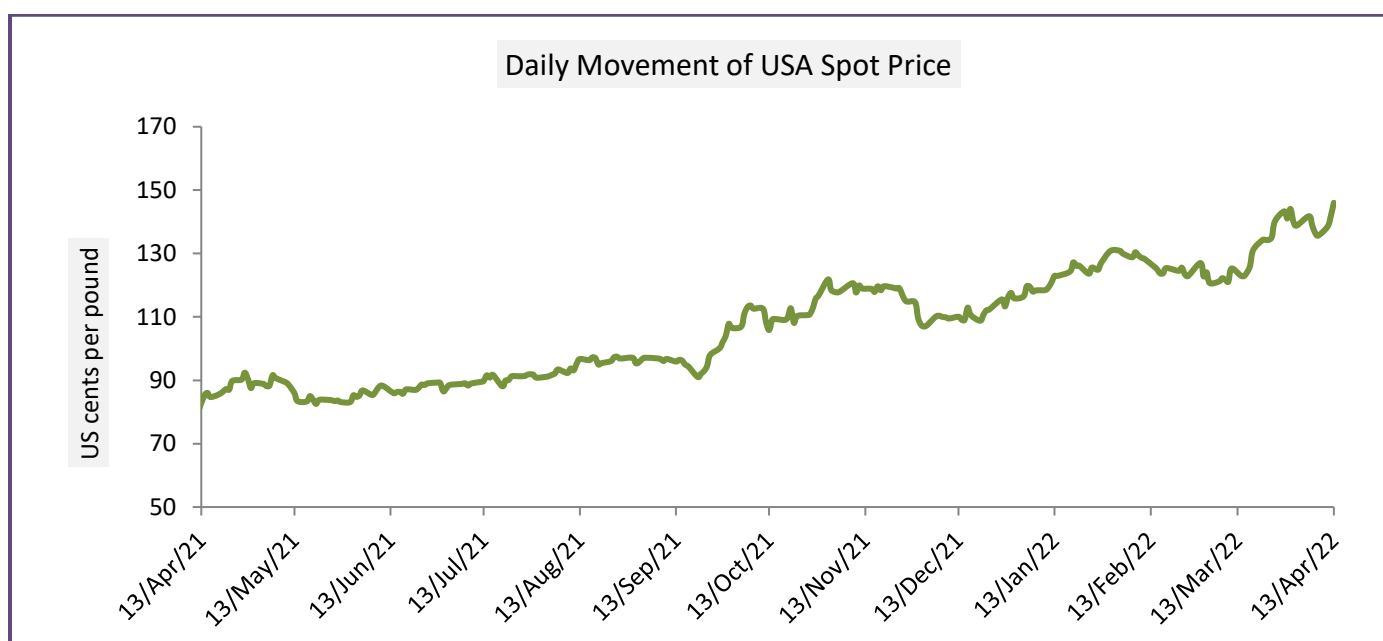


USA Spot Prices

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

USA Spot Prices	Monthly Average Price as on		% Change
	13-Apr-22	06-Apr-22	
Prices	139.69	139.87	-0.13
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

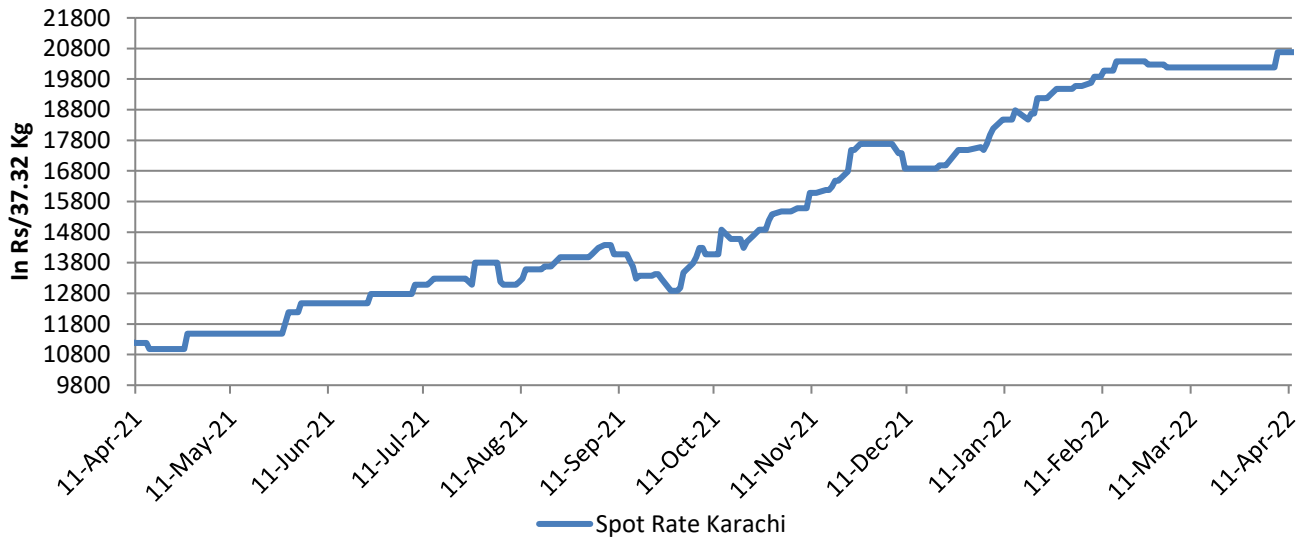
The Karachi spot price had slightly increased at Rs.21273/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	06-Apr-22	06-Apr-22	
Prices	21273	20680	2.87
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:

- According to the above chart, prices are likely to correct towards the upper wedge line.
- RSI is in overbought zone and there is negative divergence between RSI and prices indicating possible correction in prices.
- Momentum indicator MACD has made bearish crossover further indicating easing in prices from current levels.
- Overall, prices are expected to correct from the current level in the coming week and it is advisable to book some profit for long position.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Apr	43650	43730	44050	44280	44400
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Apr	sell	44060	43940	43840	44132

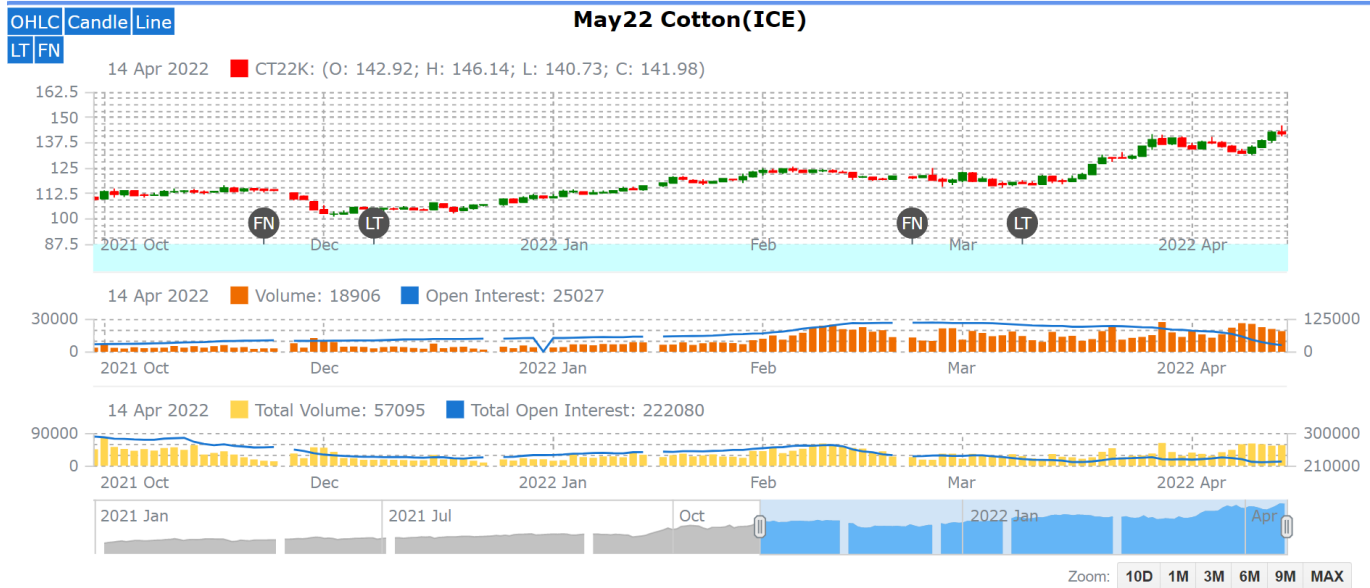
* Do not carryforward the position the next day.

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

Technical Commentary:

- Currently trading at 50 DMA which can be categorized as support, prices may correct to 100 DMA in the coming week.
- RSI indicating weak buying strength.
- Market is expected to remain firm.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Apr	2895	2965	3085	3225	3285
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Apr	Buy	3075	3175	3195	3005



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, correction in prices may be seen.
- We expect cotton prices to remain firm in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	140-162

Expected Support and Resistance

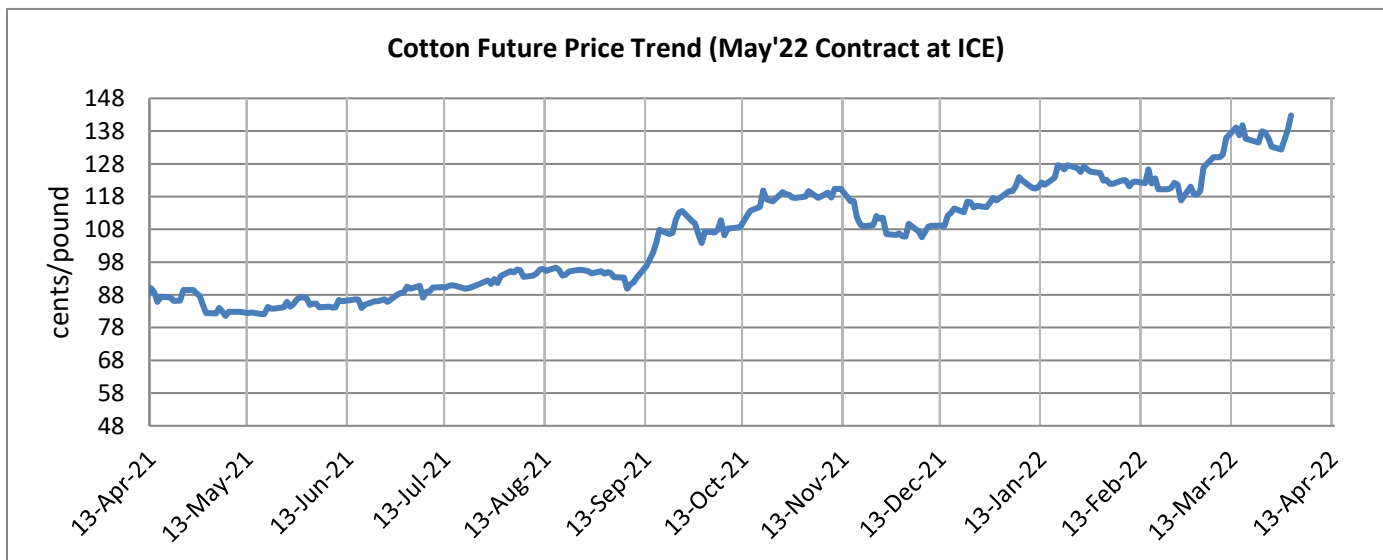
Support 1	Support 2	Resistance 1	Resistance 2
136	128	148	164

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	13-Apr-22	14-Mar-22 (1 month ago)	13-Jan-21 (3 months ago)	15-Oct-21 (6 months ago)	13-Apr-21 (a year ago)	% Change over a month	% Change over previous year
May-22	142.77	118.77	116.84	107.33	81.82	20.21	74.49
Jul-22	141.51	115.12	114.47	105.00	83.19	22.92	70.10
Oct-22	128.18	106.31	112.14	103.97	81.91	20.57	56.49
Dec-22	122.18	102.22	101.62	102.34	81.46	19.53	49.99
Mar-23	117.93	98.70	95.68	94.60	81.41	19.48	44.86

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	07th Apr'22 to 13th Apr'22	31st Mar'22 to 06th Apr'22	
Gujarat	Ahmedabad	Shankar-6	12750	13667	-917
	Gondal	Shankar-6	12922	12824	98
	Rajkot	B.T. Cotton	12553	12749	-195
	Patan	B.T. Cotton	12028	12405	-378
	Kadi	B.T. Cotton	12167	12417	-250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11584	11787	-203
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9233	11183	-1950
	Fatehabad	B.T. Cotton	11033	11450	-417
	Jind	B.T. Cotton	10700	11717	-1017
	Uchana	B.T. Cotton	10508	10663	-155
	Dabwali	B.T. Cotton	11417	11622	-205
Rajasthan	Hanumangarh	B.T. Cotton	8893	11625	-2732
	Rawatsar	B.T. Cotton	11490	11320	170
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	11750	12170	-420
	Jamner	Medium Staple	NA	11800	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10550	10518	32
Karnataka	Bijapur	Bunny	12364	12643	-279
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11367	11750	-383
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	07th Apr'22 to 13th Apr'22	31st Mar'22 to 06th Apr'22	
Punjab	Bhatinda	J-34	9500	9367	133

	Abohar	J-34	9543	9380	163
	Mansa	J-34	9500	9352	148
Haryana	Sirsa	J-34	9233	9078	155
Rajasthan	Sri-Ganganagar	J-34	8893	8688	205

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	07th Apr'22 to 13th Apr'22	31st Mar'22 to 06th Apr'22	
Gujarat	Ahmedabad	Shankar-6	124100	69700	54400
	Gondal	Shankar-6	16338	9310	7028
	Rajkot	B.T. Cotton	20750	14100	6650
	Patan	B.T. Cotton	31533	11295	20238
	Kadi	B.T. Cotton	26000	32000	-6000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	793	822	-29
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9690	9180	510
	Fatehabad	B.T. Cotton	1450	1700	-250
	Jind	B.T. Cotton	3995	5525	-1530
	Uchana	B.T. Cotton	3050	7100	-4050
	Dabwali	B.T. Cotton	2600	2600	Unch
Rajasthan	Hanumangarh	B.T. Cotton	200	1700	-1500
	Rawatsar	B.T. Cotton	4500	1600	2900
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	85000	78000	7000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10794	3619	7175
Karnataka	Bijapur	Bunny	4522	3170	1352
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	35	21	14

Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	07th Apr'22 to 13th Apr'22	31st Mar'22 to 06th Apr'22	Change
Punjab	Bhatinda	J-34	9520	13600	-4080
	Abohar	J-34	1700	1785	-85
	Mansa	J-34	595	1530	-935
Haryana	Sirsa	J-34	4760	4930	-170
Rajasthan	Sri-Ganganagar	J-34	70	880	-810

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	16-Apr-22	9-Apr-22	17-Mar-22	16-Apr-21
Gujarat	Ahmedabad	Shankar-6	Closed	13000	11500	6750
	Gondal	Shankar-6	Closed	13005	11255	5500
	Rajkot	B.T. Cotton	NR	12550	Closed	5530
	Patan	B.T. Cotton	Closed	12120	Closed	5515
	Kadi	B.T. Cotton	NA	12000	10500	5550
	Deesa	B.T. Cotton	NA	0	0	NA
	Dhrol	B.T. Cotton	NA	11180	0	NR
Haryana	Bhiwani	B.T. Cotton	NA	11500	0	5600
	Bhiwani	Desi	NA	0	0	NA
	Adampur	B.T. Cotton	11300	10500	9500	5350
	Fatehabad	B.T. Cotton	10800	10600	10000	5350
	Jind	B.T. Cotton	10200	10500	9400	5700
	Uchana	B.T. Cotton	NA	11300	9800	5385
	Dabwali	B.T. Cotton	11500	11400	10000	NR
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	Closed	Closed
	Rawatsar	B.T. Cotton	NA	11500	Closed	Closed
Madhya Pradesh	Khandwa	Mech-1	NA	0	0	5491
	Khargaon	Mech-1	NA	0	0	5427
Maharashtra	Amravati	Mech-1	Closed	11500	10200	5300
	Jamner	Medium Staple	NA	0	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	NA
	Hathras	Desi	NA	0	0	NA

Telangana	Adilabad	Un-Ginned	NA	0	9800	5400
Karnataka	Bijapur	Bunny	NA	NA	10869	5929
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	NA	11500	10300	5470
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	16-Apr-22	9-Apr-22	17-Mar-22	16-Apr-21
Punjab	Bhatinda	J-34	9800	9400	8250	4530
	Abohar	J-34	9800	9500	8300	4530
	Mansa	J-34	NA	9500	8300	4540
Haryana	Sirsa	J-34	9400	9200	8000	4425
Rajasthan	Sri-Ganganagar	J-34	8977	NR	7708	4324

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	16-Apr-22	9-Apr-22	17-Mar-22	16-Apr-21
Gujarat	Ahmedabad	Shankar-6	Closed	22100	37400	8500
	Gondal	Shankar-6	Closed	2794	2714	#N/A
	Rajkot	B.T. Cotton	NR	3000	Closed	#N/A
	Patan	B.T. Cotton	Closed	4704	Closed	3450
	Kadi	B.T. Cotton	NA	5000	12500	#N/A
	Deesa	B.T. Cotton	NA	0	0	#N/A
	Dhrol	B.T. Cotton	NA	97	0	#N/A
Haryana	Bhiwani	B.T. Cotton	NA	NA	0	1200
	Bhiwani	Desi	NA	0	0	#N/A
	Adampur	B.T. Cotton	1190	1700	850	#N/A
	Fatehabad	B.T. Cotton	100	300	400	#N/A
	Jind	B.T. Cotton	510	595	816	#N/A
	Uchana	B.T. Cotton	NA	500	1800	#N/A
	Dabwali	B.T. Cotton	200	400	500	#N/A
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	Closed	#N/A
	Rawatsar	B.T. Cotton	NA	500	Closed	100
Madhya Pradesh	Khandwa	Mech-1	NA	0	0	#N/A
	Khargaon	Mech-1	NA	0	0	#N/A
Maharashtra	Amravati	Mech-1	Closed	15000	15000	#N/A

	Jamner	Medium Staple	NA	0	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	NA	0	8229.5	0
Karnataka	Bijapur	Bunny	NA	NA	449	1005
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	10	4	37
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	16-Apr-22	9-Apr-22	17-Mar-22	16-Apr-21
Punjab	Bhatinda	J-34	340	1360	3400	340
	Abohar	J-34	170	255	680	51
	Mansa	J-34	NA	85	510	0
	Sirsa	J-34	510	850	1020	340
	Sri-Ganganagar	J-34	NA	NR	1000	10

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/GPT	Weekly Average Prices		+/- Change
				07th Apr'22 to 13th Apr'22	31st Mar'22 to 06th Apr'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	57350	56800	550
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	58050	54700	3350
J-34(202)	26mm	3.5 - 4.9	23	87133	85720	1413
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	89467	87940	1527
Shankar-6(105)	29mm	3.5 – 4.9	28	91700	90900	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	98833	98600	233
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	112750	112600	150

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