

COTTON WEEKLY RESEARCH REPORT09th May 2022**Domestic market summary**

Domestic Market Scenario: Indian physical market prices remained firm but buying activity remained slow. Cotton sowing for the 2022-23 season is progressing well in Punjab, Haryana and some parts of Rajasthan. Cotton Fiber (Shanker-6) prices remained stable during the week.

Weekly Price Outlook:

The average price of Kapas in Andhra Pradesh is likely to hover around Rs.12,800-13,500/Qtl.

Major Market Highlights:

- The Cotlook Index stood higher (166.05 cents/lbs) compared to the ICE Cotton Futures that stood at 150.81 cents/lbs.
- Indian rupee consolidated from Rs. 77.33 per USD.

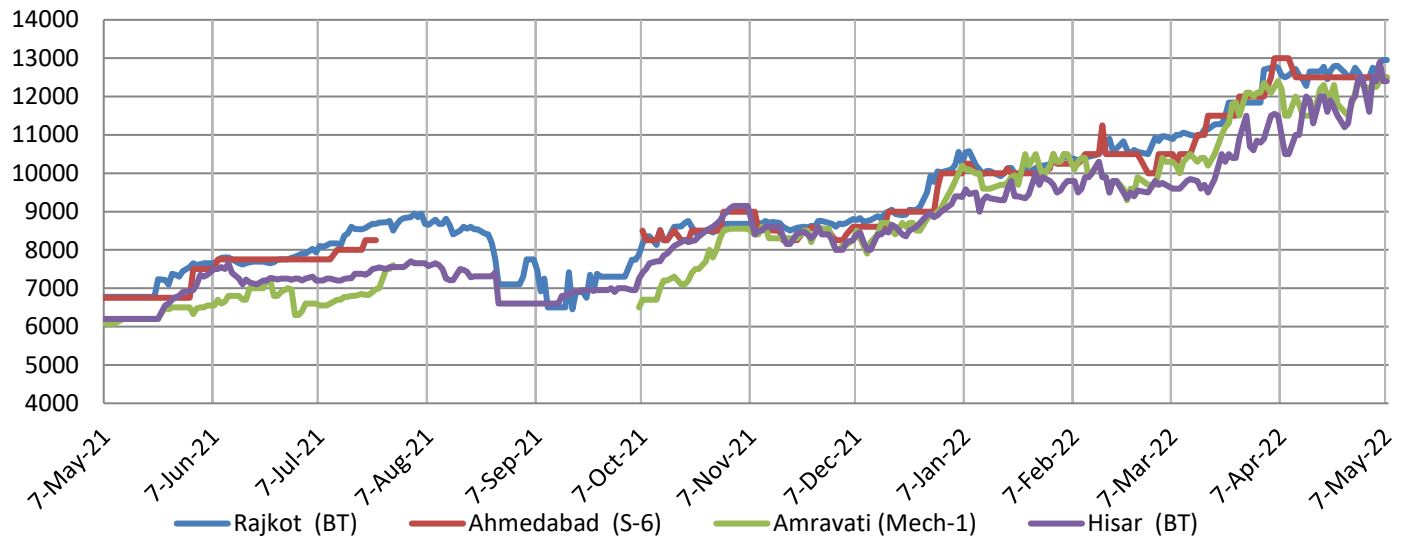
Market Highlights:

- Telangana government is targeting to increase the area under cotton by 55–65 percent to about 28–30 lakh hectares as compared to last year's 18 lakh hectares even as the cottonseed industry pegged the growth in cotton acreage at 15 per cent in the upcoming Kharif season. As per USDA report, the all-cotton planted area for India in the coming season 2022-23 is estimated at 12.2 million acres, higher 9 percent from last year.
- Cotton Association of India (CAI) and International Cotton Association (ICA) have signed a Memorandum of Understanding (MoU) last week to increase the co-operation and address quality issues in cotton.
- The cotton yarn traders in south India are expecting demand to pick up in the coming weeks. Spinning mills are also reducing cotton yarn production which will support prices. Further, downstream manufacturers are likely to increase buying because of possible supply crunch in the market.

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

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 12624/Qtl compared to previous week's Rs. 12657/Qtl, whereas at Hisar prices stood slightly higher at Rs. 12250/Qtl compared to previous week price of Rs. 155830/Qtl. For Amravati and Ahmedabad prices were at Rs. 12266/Qtl and Rs. 12500/Qtl respectively.

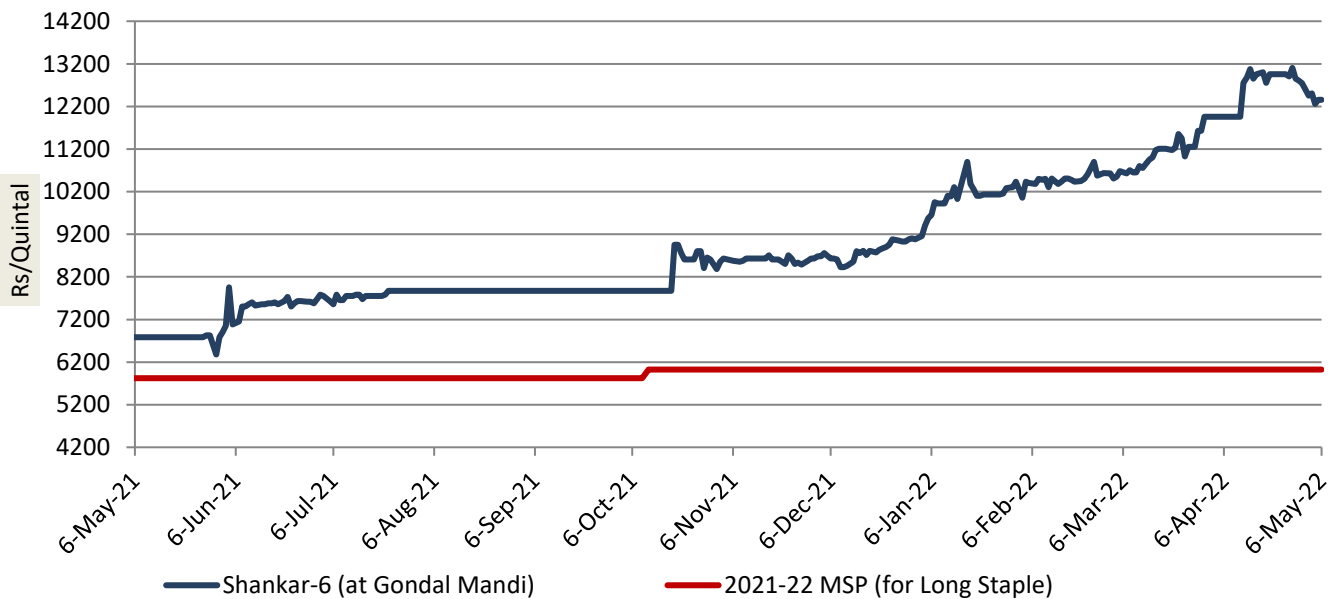
Variety wise Kapas Price trend (Rs/Qtl)



Spot Price versus MSP

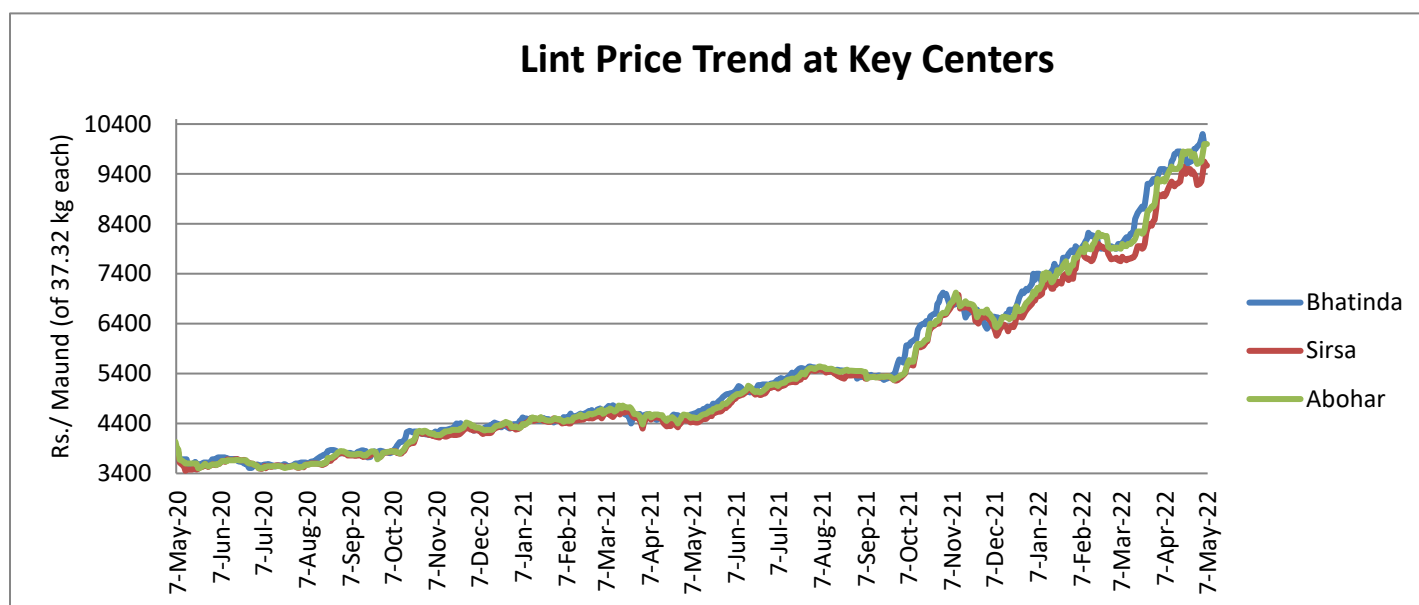
Average Kapas prices at Gondal market have slightly improved at Rs. 12605/Qtl from the previous week of Rs. 12520/q.

MSP versus Current S-6 Price



Lint price Outlook

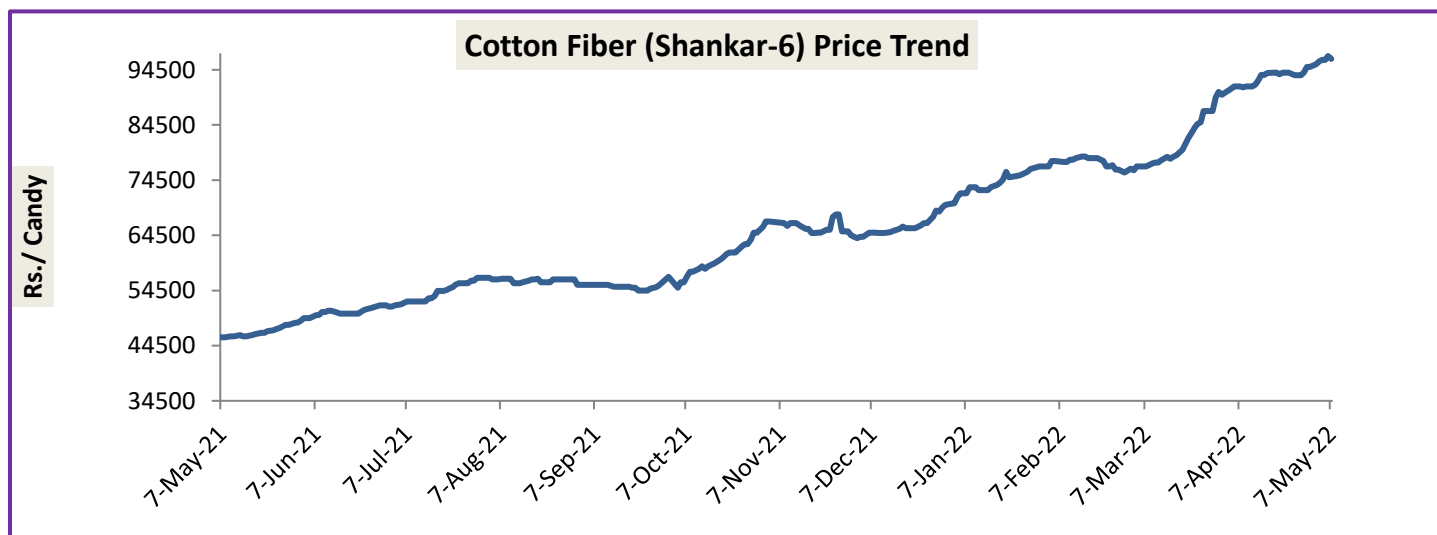
The average price stood slightly higher at Rs. 9991/maund this week compared to Rs.9695/maund previous week in Abohar, in Bhatinda prices were at Rs.9933/maund, and slightly higher in Sirsa at Rs.9578/maund from Rs.9305/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality has increased at Rs.95300/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

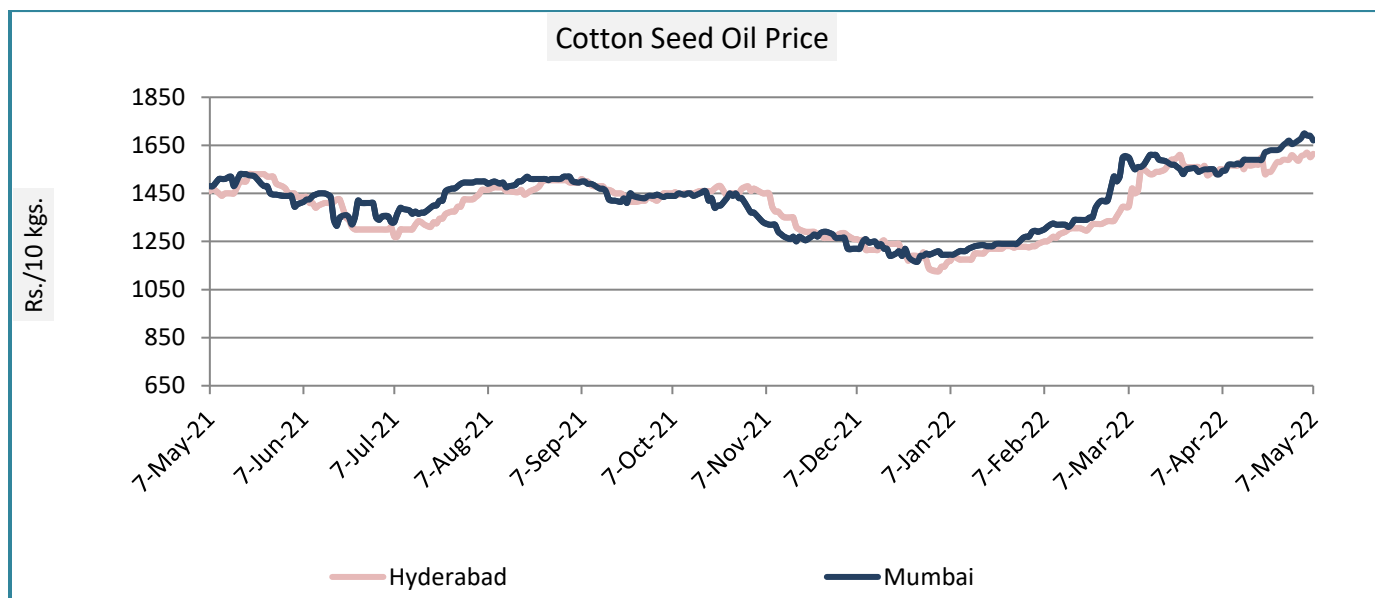
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 04th May'22 due to slight improvement in the demand as compared to the previous week.

	Weekly Average Price as on (Rs/10 kg.)		% Change
	04-May-22	27-Apr-22	
New Delhi	-	-	-
Rajkot	1661	1628	2.02
Hyderabad	1633	1605	1.71
Mumbai	1683	1650	2.02

Source: Agriwatch

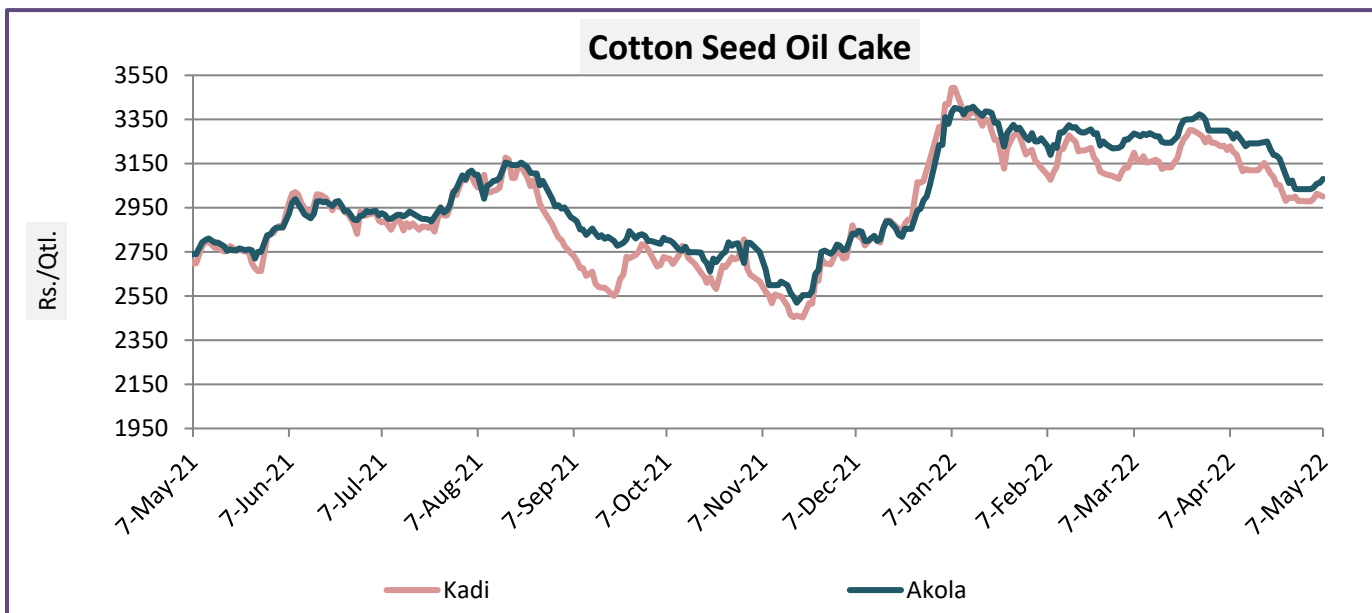


Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased slightly as compared to previous week. Prices in Kadi were at Rs. 2985 per quintal from Rs. 3028 per quintal and in Akola prices were at Rs. 3035 per quintal from Rs. 3130 per quintal the previous week.

	Weekly Average Price as on (Rs/quintal.)*		% Change
	04-May-22	27-Apr-22	
Kadi	3028	3028	-1.41

Akola	3035	3130	-3.02
-------	------	------	-------



Source: NCDEX

International Market Scenario

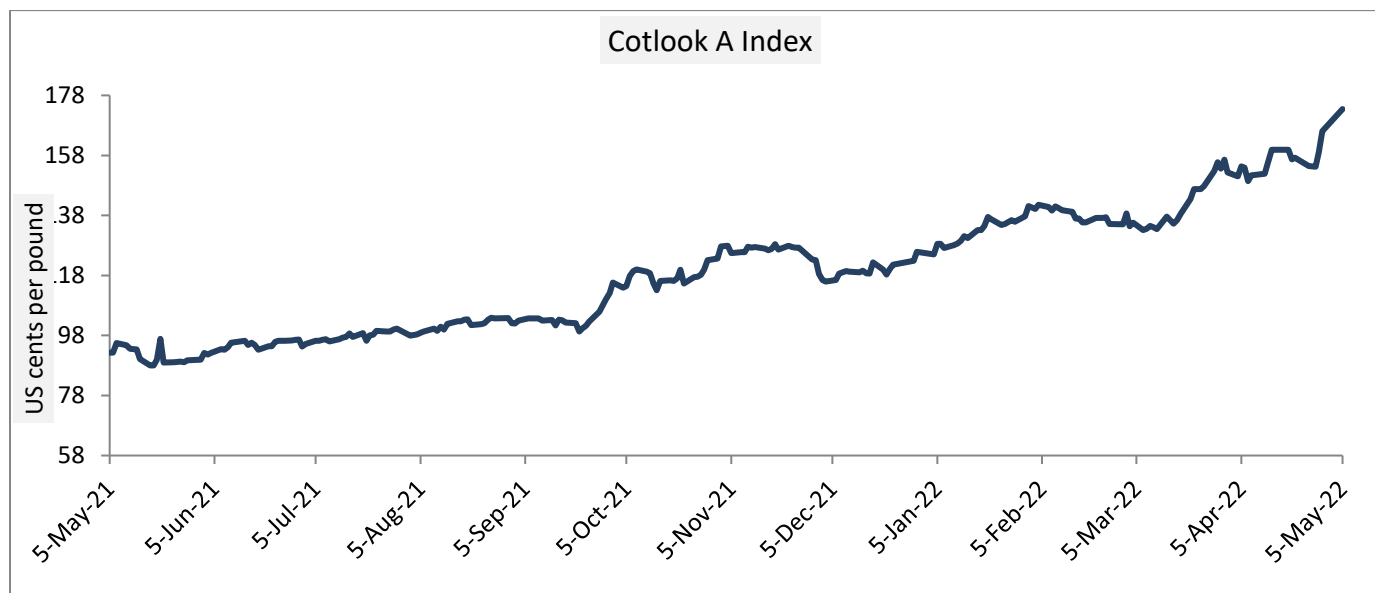
- As the 2021-22 cotton season is coming towards its closure, the production and consumption both are on higher side. Global cotton production is higher by 8.4 percent from 24.39 million tonnes to 26.43 million tonnes in 2021-22 season. While the global cotton production is on the higher side, India (3.7%) and china (3.1%) cotton production is on its lower side as compared to the previous season mainly because of the lesser sown area. Further, Global cotton consumption has increased by 1.9 percent to 26.16 million tonnes as compared to the previous season. Global cotton trade was down from the previous season. The drop is mainly due to logistical complications and supply chain disruptions over the course of the 2021-22 season.
- According to the U.S. Crop progress report, as on 01st May 2022, U.S cotton planting stands at 16 percent which is 1 percent higher as that of previous season of 15 percent. U.S. cotton planting was same as that of past 5 years average.

Cotlook A Index

Cotlook A Index was high this week. The Cotlook A Index was at 162.55 cents/lb higher as compared to the previous week (155.61 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
	04-May-22	27-Apr-22	
Prices	162.55	155.61	4.46
Prices in US cents per Pound			

Source: Cotlook

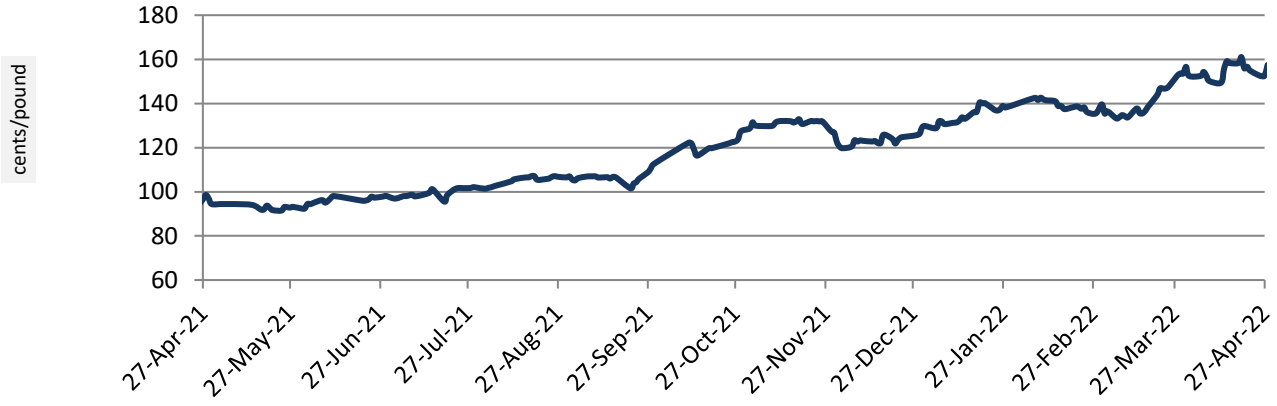


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	27-Apr-22	20-Apr-22	
FC (S)	155.44	160.17	-2.95
FC (M)	153.85	158.56	-2.97
FC (L)	152.31	157.02	-3.00
Prices in US cents per Pound			

Source: China Cotton Association

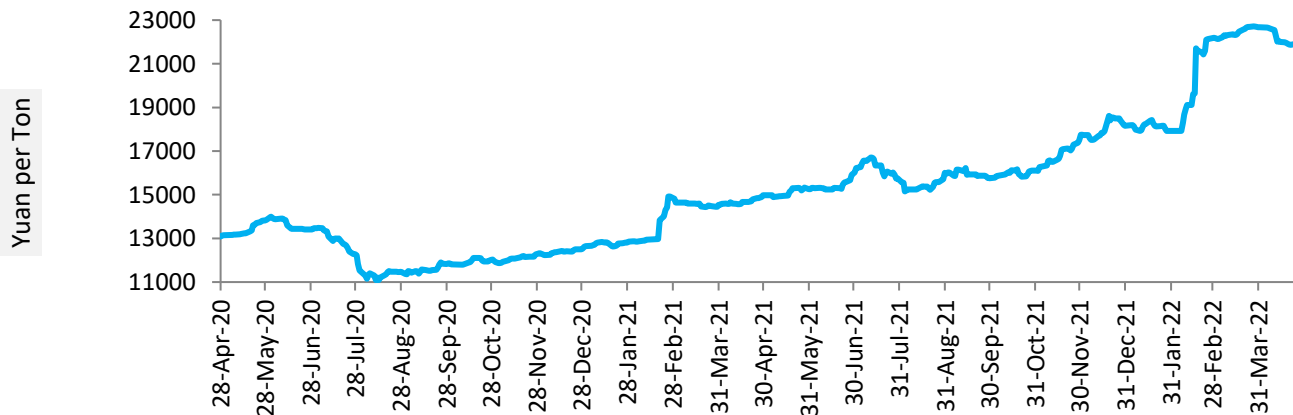
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	30-Apr-22	25-Apr-22	
CCIndex(328)	22480.00	22596.80	-0.52
CCIndex(527)	20787.20	20840.60	-0.26
CCIndex(229)	22892.40	23076.40	-0.80
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

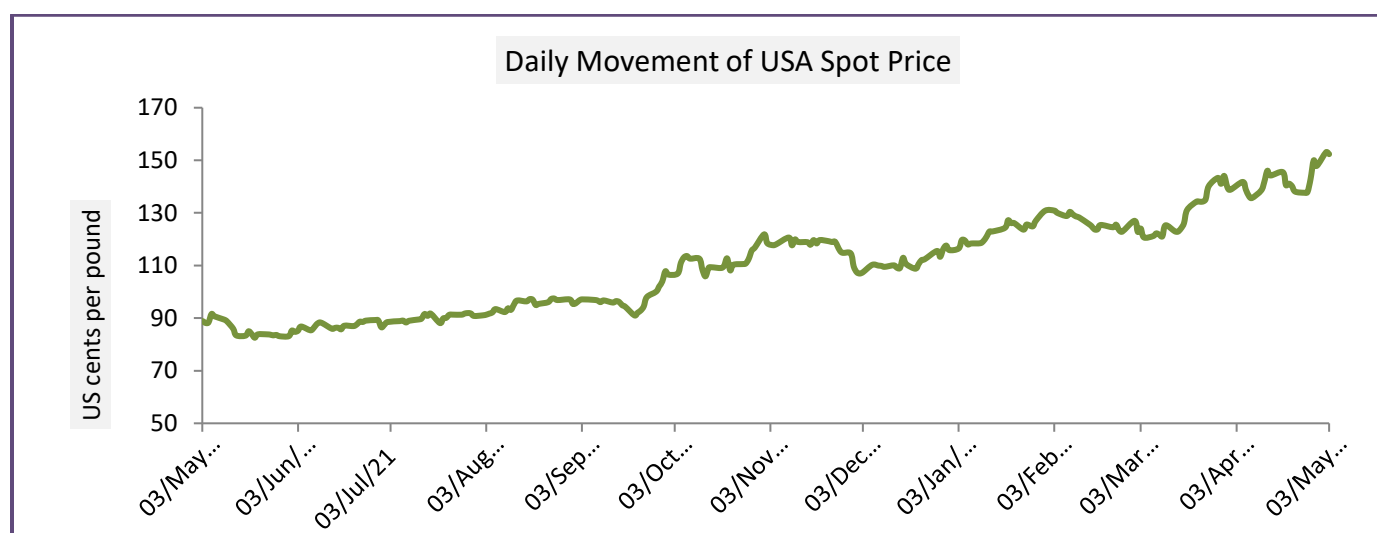


USA Spot Prices

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

USA Spot Prices	Monthly Average Price as on		% Change
	27-Apr-22	27-Apr-22	
Prices	150.80	139.35	8.22
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

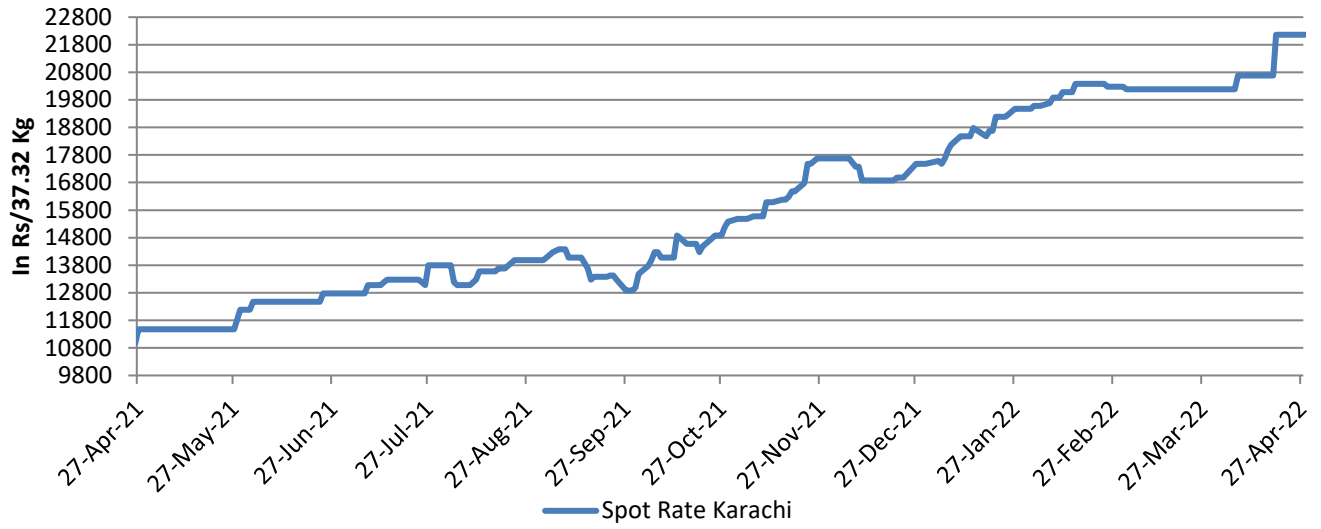
The Karachi spot price had slightly increased at Rs.22270/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	27-Apr-22	20-Apr-22	
Prices	22270	22163	0.48
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Spot Rate Karachi



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

Technical Commentary:

- As evident from the above chart overall the trend remains up and intact.
- Momentum indicator MACD also indicating firmness in prices.
- Oscillator RSI is moving up in overbought zone for a longer period of time, so, some profit booking cannot be ruled out.
- Overall, prices are expected to remain firm.
- Buy on dips is advisable as per the current trend.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	May	46740	46820	47160	47370	47490
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	May	Buy	47150	47250	47340	47080

* Do not carryforward the position the next day.

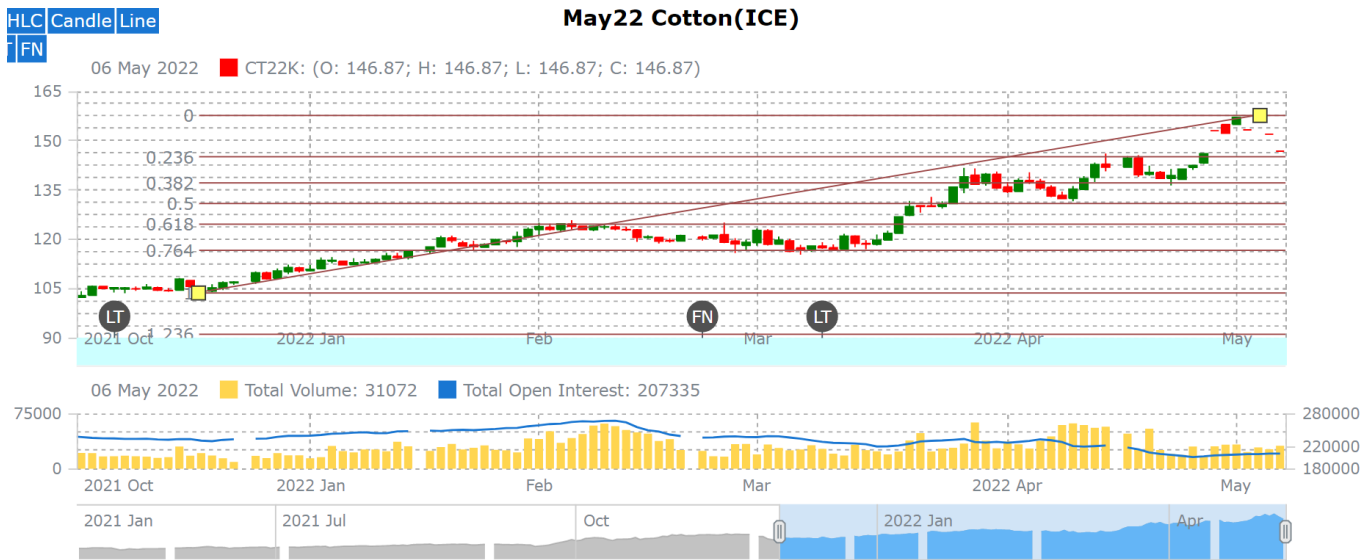
Commodity: Cotton seed oilcake
Exchange: MCX
Contract: May
Expiry: May. 30, 2021
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- As evident from the above chart overall the trend remains up, prices have slightly corrected in the last week but have taken trendline support and have again moved up.
- Currently trading at 50 DMA which can be categorized as support.
- RSI indicating weak buying strength.
- Volume has decreased over the last week.

Intraday Supports & Resistances

			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	May	2736	2806	2926	3066	3126
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	May	Buy	2916	3016	3036	2846



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

- The May'22' contract has shown some slight correction in the last week.
- Total volume increased & Open Interest decreased compared to last week.
- As depicted in the above chart, there is a trend breakdown, market has broken 23% and 38% Fibonacci retracement level next support is 50% Fibonacci retracement level.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	150-162

Expected Support and Resistance

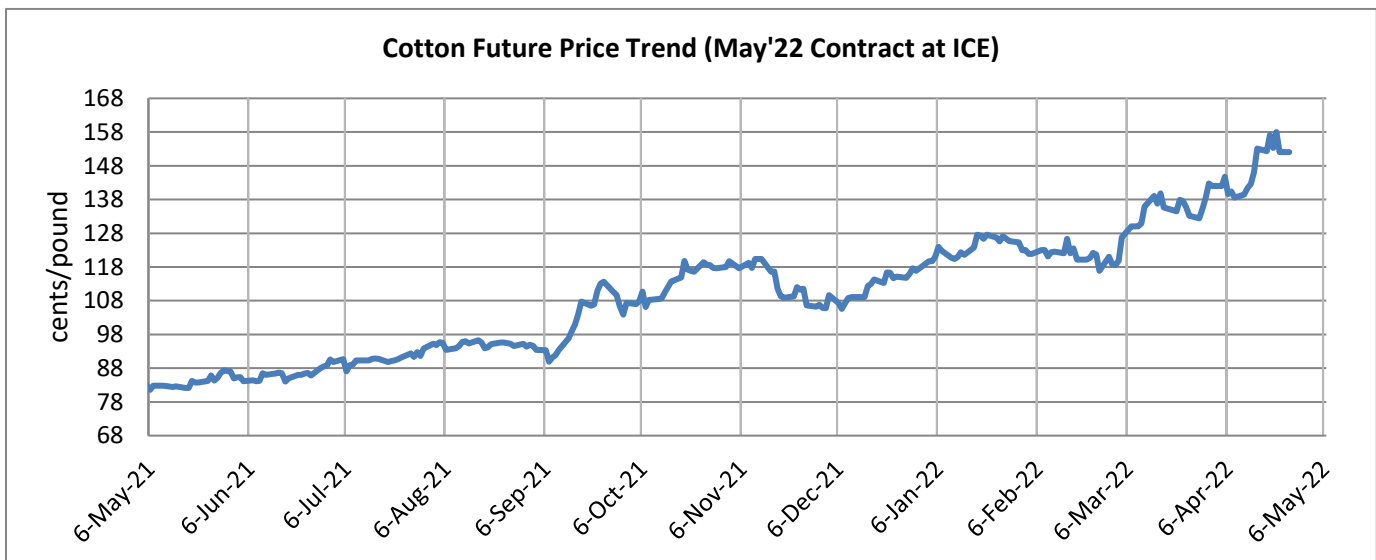
Support 1	Support 2	Resistance 1	Resistance 2
146	138	155	164

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	06-May-22	06-Apr-22 (1 month ago)	05-Feb-21 (3 months ago)	07-Nov-21 (6 months ago)	06-May-21 (a year ago)	% Change over a month	% Change over previous year
May-22	146.87	135.77	126.74	116.55	89.48	8.18	64.14
Jul-22	143.61	132.73	123.99	113.29	90.58	8.20	58.54
Oct-22	130.18	121.63	120.96	111.72	88.72	7.03	46.73
Dec-22	123.74	114.49	108.46	108.90	86.72	8.08	42.69
Mar-23	118.34	110.16	103.81	96.50	85.82	7.43	37.89

Future Price Trend (Active Contract):



**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	21st Apr'22 to 27th Apr'22	14th Apr'22 to 20th Apr'22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	12521	12955	-434
	Rajkot	B.T. Cotton	12658	12628	30
	Patan	B.T. Cotton	11993	11827	166
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11163	11137	27
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11583	11760	-177
	Fatehabad	B.T. Cotton	11200	10960	240
	Jind	B.T. Cotton	NA	10300	-
	Uchana	B.T. Cotton	NA	9500	-
	Dabwali	B.T. Cotton	NA	11525	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	11780	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	11833	12167	-333
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10500	10500	Unch
Karnataka	Bijapur	Bunny	12615	12532	83
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11800	10233	1567
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	21st Apr'22 to 27th Apr'22	14th Apr'22 to 20th Apr'22	
Punjab	Bhatinda	J-34	9700	9783	-83
	Abohar	J-34	9696	9817	-121
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9305	9460	-155
Rajasthan	Sri-Ganganagar	J-34	NA	8970	-

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	28th Apr'22 to 04th May'22	21st Apr'22 to 27th Apr'22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	12605	12521	84
	Rajkot	B.T. Cotton	12624	12658	-34
	Patan	B.T. Cotton	12022	11993	30
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	11163	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12250	11583	667
	Fatehabad	B.T. Cotton	NA	11200	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10735	11833	-1098
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	10500	-
Karnataka	Bijapur	Bunny	12833	12615	218
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12433	11800	633
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	28th Apr'22 to 04th May'22	21st Apr'22 to 27th Apr'22	

Punjab	Bhatinda	J-34	9933	9700	233
	Abohar	J-34	9992	9696	296
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9578	9305	273
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	28th Apr'22 to 04th May'22	21st Apr'22 to 27th Apr'22	
Gujarat	Ahmedabad	Shankar-6	85000	102000	-17000
	Gondal	Shankar-6	6942	5286	1656
	Rajkot	B.T. Cotton	10495	12762	-2267
	Patan	B.T. Cotton	6387	14060	-7673
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	84	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5610	6715	-1105
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	54000	65000	-11000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	138	-
Karnataka	Bijapur	Bunny	1947	3727	-1780
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	23	36	-13
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	28th Apr'22 to 04th May'22	21st Apr'22 to 27th Apr'22	Change
Punjab	Bhatinda	J-34	264	850	-587
	Abohar	J-34	221	544	-323
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	2380	2380	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				28th Apr'22 to 04th May'22	21st Apr'22 to 27th Apr'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64383	58500	5883
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65083	59200	5883
J-34(202)	26mm	3.5 - 4.9	23	90867	88966	1901
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	93333	91833	1500
Shankar-6(105)	29mm	3.5 - 4.9	28	95300	93750	1550
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	101333	99466	1867
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	112583	113333	-750

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.