

COTTON WEEKLY RESEARCH REPORT30th May 2022**Domestic market summary**

Domestic Market Scenario: Indian domestic market remained stable with slow supply against regular demand, though mills have reduced consumption. Weaker Indian rupee had made imports costly. Cotton fiber (Shanker-6) prices have touched a record high at Rs. 1,01,500 to Rs. 1,02,000 per candy in the last week. Agriwatch expects cotton fiber prices to remain range between Rs. 95,000 – Rs. 1,02,000 per candy in the coming week as many textile mills had stopped working, there are less buyers in the market. Cotton sowing is under progress in North India, some pre monsoon rains has benefitted for early sowing.

Weekly Price Outlook:

The average price of Kapas in Andhra Pradesh is likely to hover around Rs.12,200-12,500/Qtl.

Major Market Highlights:

- The Cotlook Index stood higher (160.60 cents/lbs) compared to the ICE Cotton Futures that stood at 142.75 cents/lbs.
- Indian rupee consolidated from Rs. 77.51 per USD.

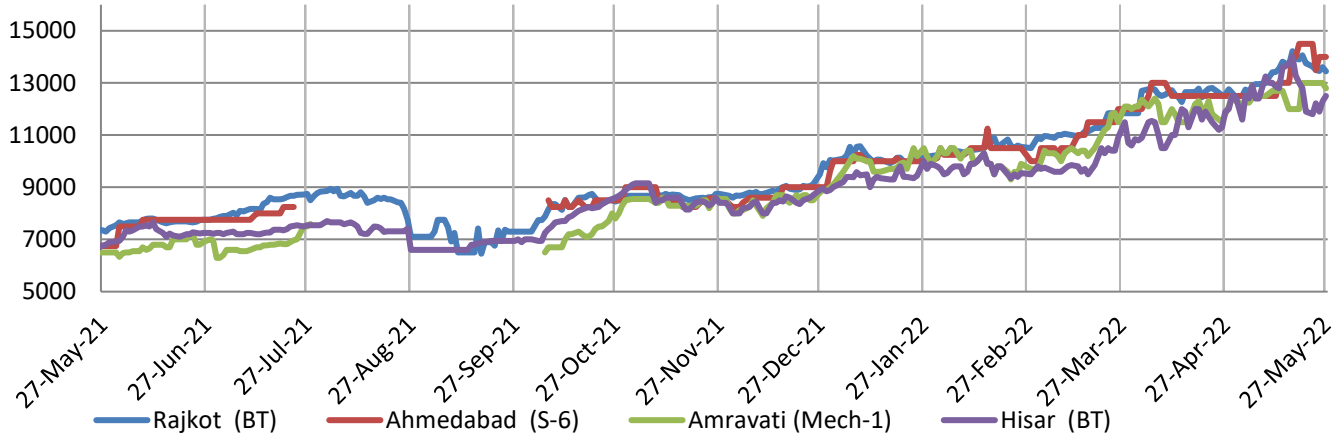
Market Highlights:

- The textile value chain in Gujarat is reducing cotton production by nearly half as textile mills are facing the possibility of shutting down units as raw cotton and cotton yarn prices kept on rising despite the governments steps to remove import duty.
- The South India Spinners Association had announced that it has decided to close all the mills. According to the association, the members will not buy cotton until the cotton price situation is conducive for sustainability of mills. Cotton prices had rose to around 53 percent from January to May and yarn prices around 21 percent.

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

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 13715/Qtl compared to previous week's Rs. 13768/Qtl, whereas at Hisar prices stood slightly lower at Rs. 12270/Qtl compared to previous week's price of Rs. 13373/Qtl. For Amravati and Ahmedabad prices were at Rs. 12833Qtl and Rs. 14250/Qtl respectively.

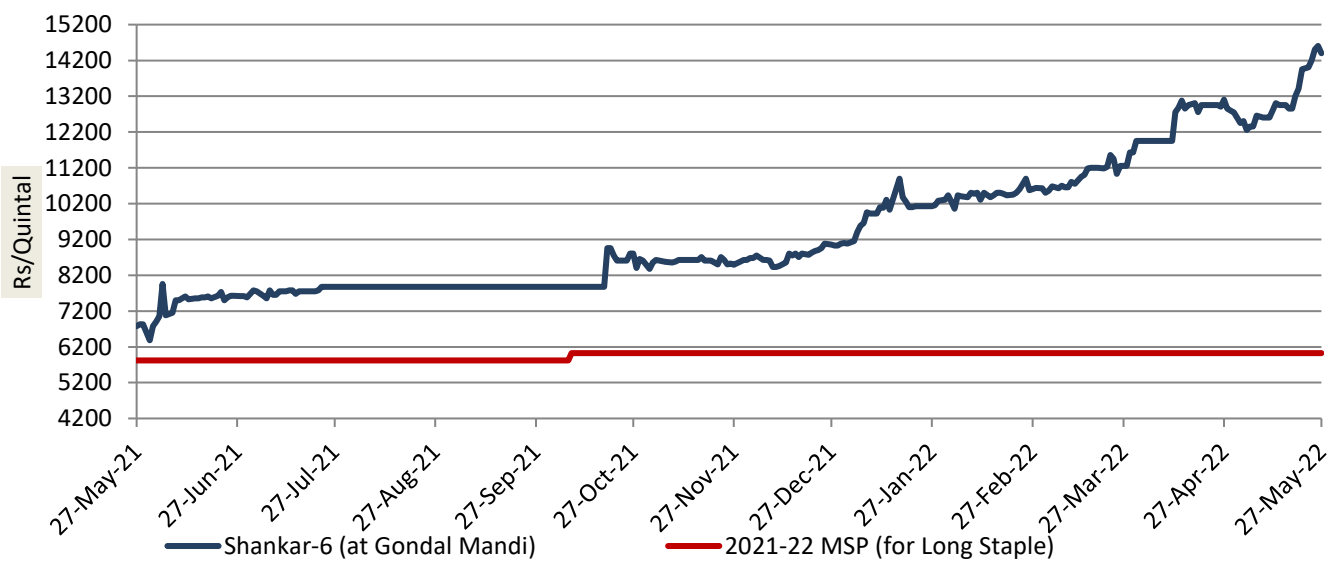
Variety wise Kapas Price trend (Rs/Qtl)



Spot Price versus MSP

Average Kapas prices at Gondal market have increased and were at Rs. 14446/Qtl from the previous week of Rs. 14113/q.

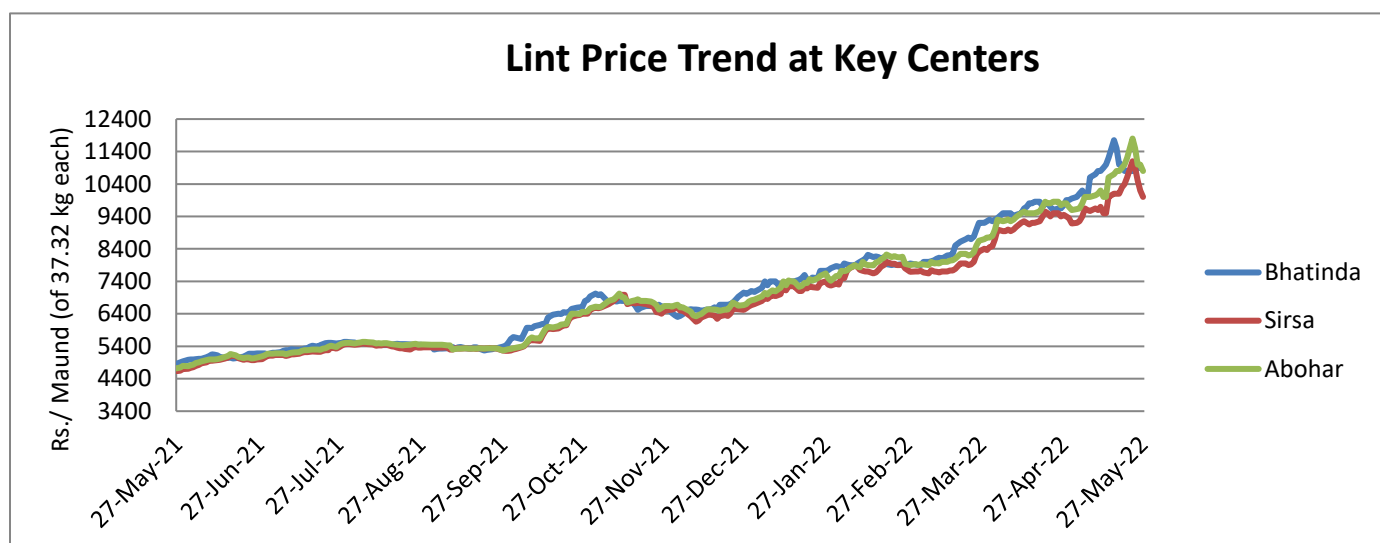
MSP versus Current S-6 Price



Source: Agriwatch

Lint price Outlook

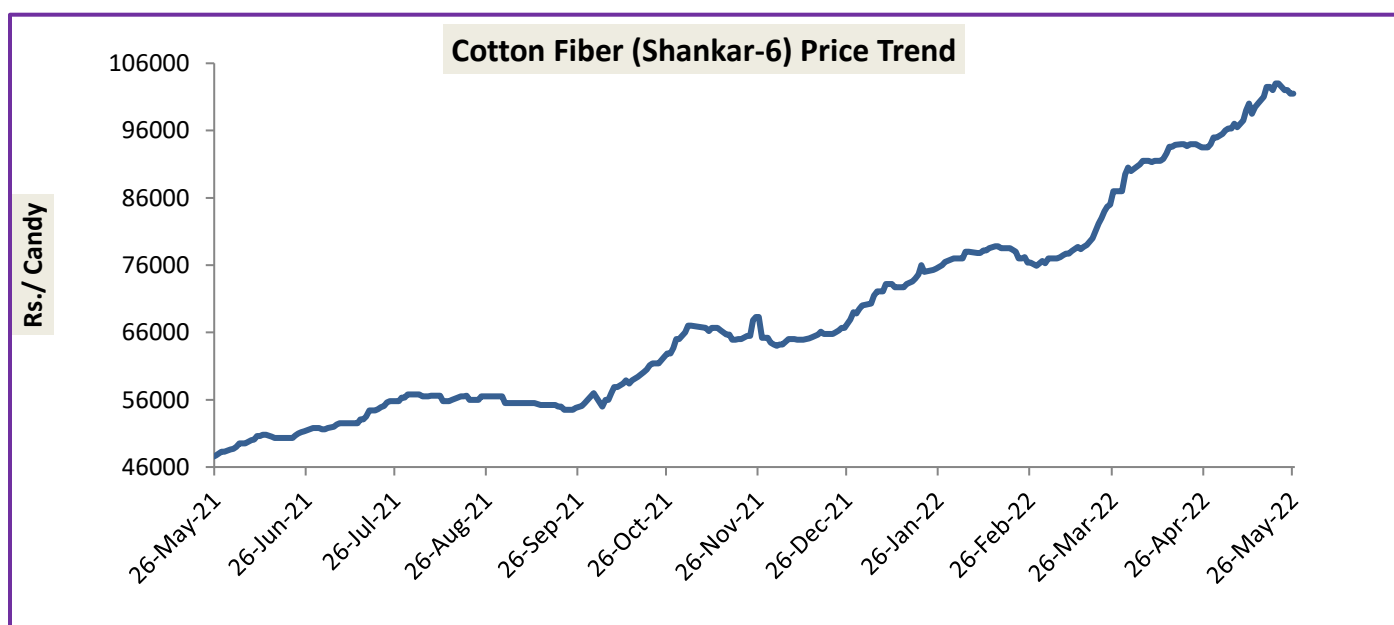
The average price stood slightly lower at Rs. 10933/maund this week compared to Rs.11200/maund previous week in Abohar, in Bhatinda prices were at Rs.10866/maund, and slightly higher in Sirsa at Rs.10866/maund from Rs.10566/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have increased at Rs.102250/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

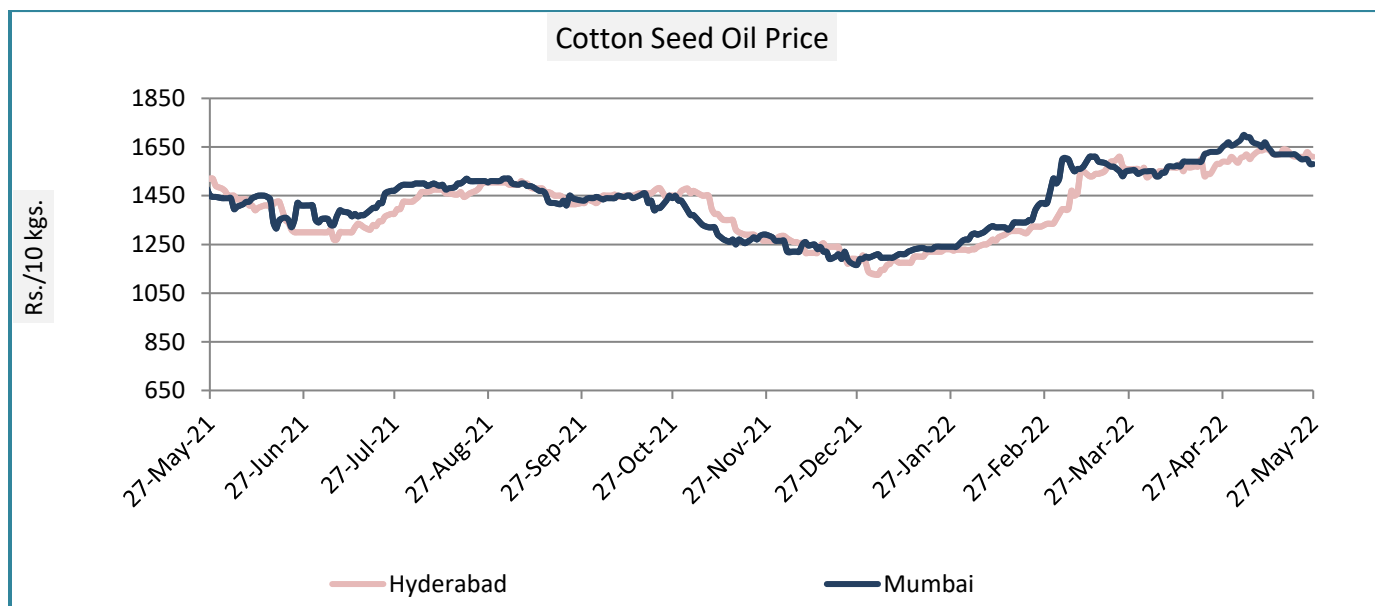
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across the major centers during the week ending on 25th May'22 due to weak demand in the market as compared to the previous week.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	25-May-22	18-May-22	
New Delhi	1541	1567	-1.67
Rajkot	1581	1614	-2.05
Hyderabad	1581	1614	-2.05
Mumbai	1590	1620	-1.85

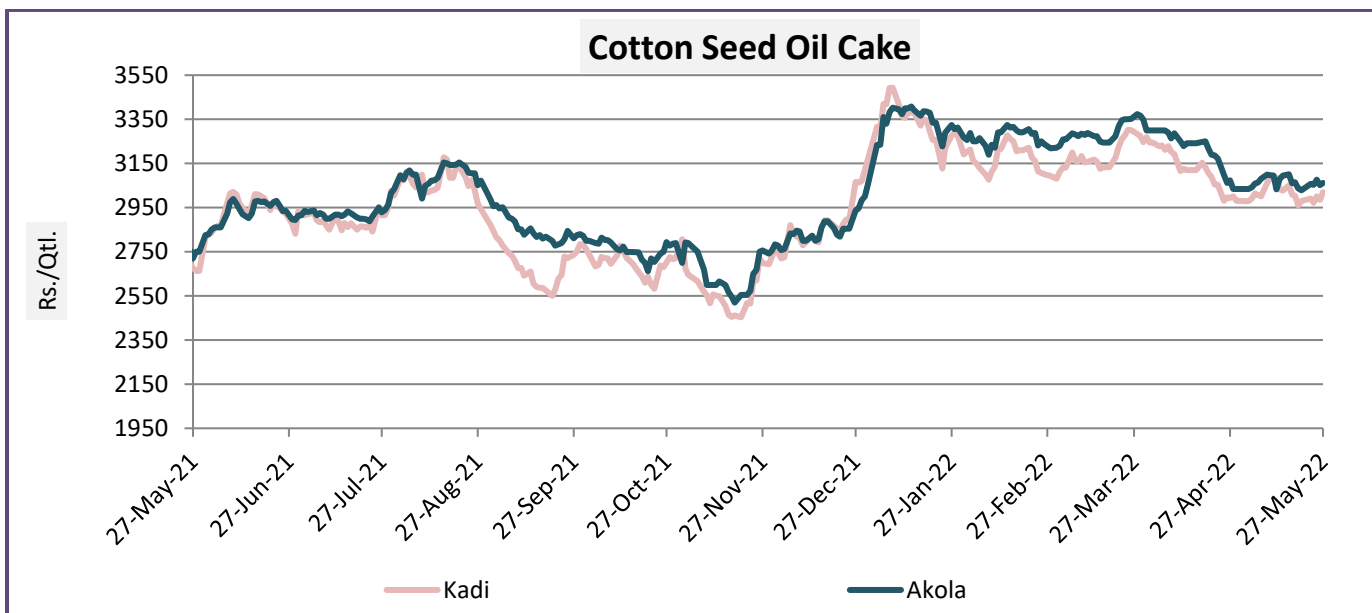
Source: Agriwatch



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. 2981 per quintal from Rs. 3034 per quintal and in Akola prices were at Rs. 3049 per quintal from Rs. 3073 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	25-May-22	18-May-22	
Kadi	2981	3034	-1.74
Akola	3049	3073	-0.80



Source: NCDEX

International Market Scenario

- Pakistan cotton sowing has reached 90 percent in Punjab, over 3.6 million acres of area has been cultivated under cotton crop. As per the agriculture department, cotton sowing is still underway due to good availability of water in the current season.
- According to the U.S. Crop progress report, as on 23rd May 2022, U.S cotton planting stands at 54 percent which is 17 percent higher as that of the previous season and 3 percent ahead of the 5 years average this week. Double-digit percentage increases in cotton planting were reported in 13 of the country's 15 cotton-producing states, led by Missouri (up 38 percent), Kansas and Tennessee (both up 29 percent), Mississippi (up 26 percent), Arkansas and North Carolina (both up 21 percent), and Alabama, Georgia, and Virginia (all up 20 percent).

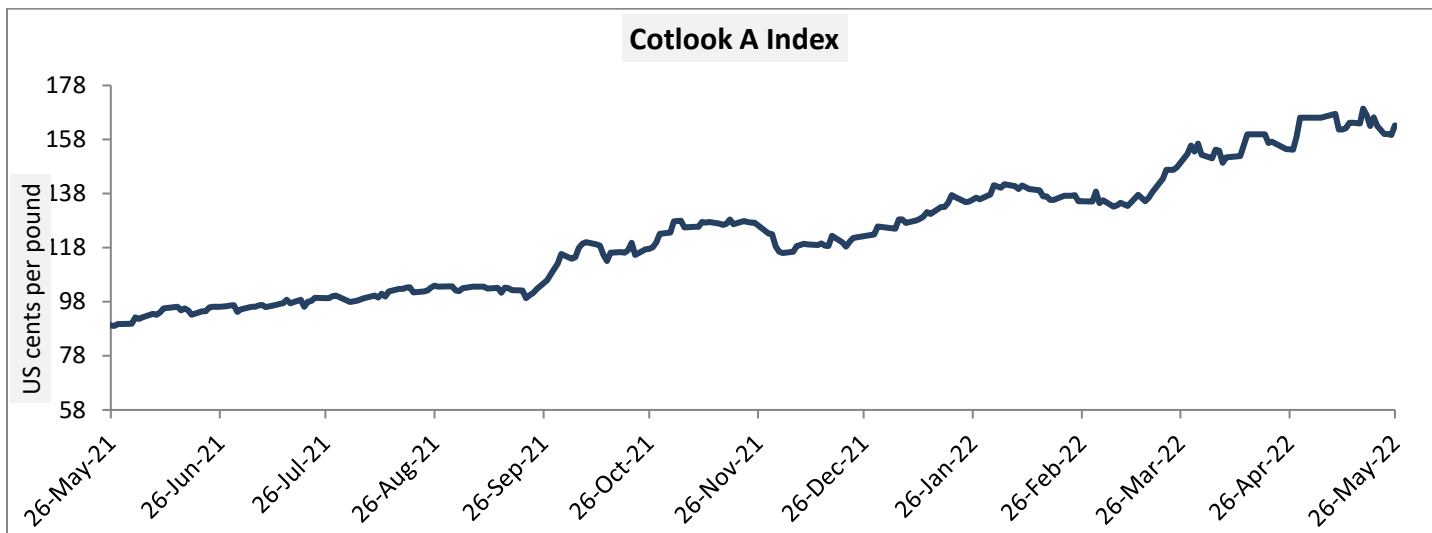
Cotlook A Index

Cotlook A Index was low this week. The Cotlook A Index was at 161.98 cents/lb lower as compared to the previous week (165.17 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
	25-May-22	18-May-22	
Prices	161.98	165.17	-1.93

Prices in US cents per Pound

Source: Cotlook



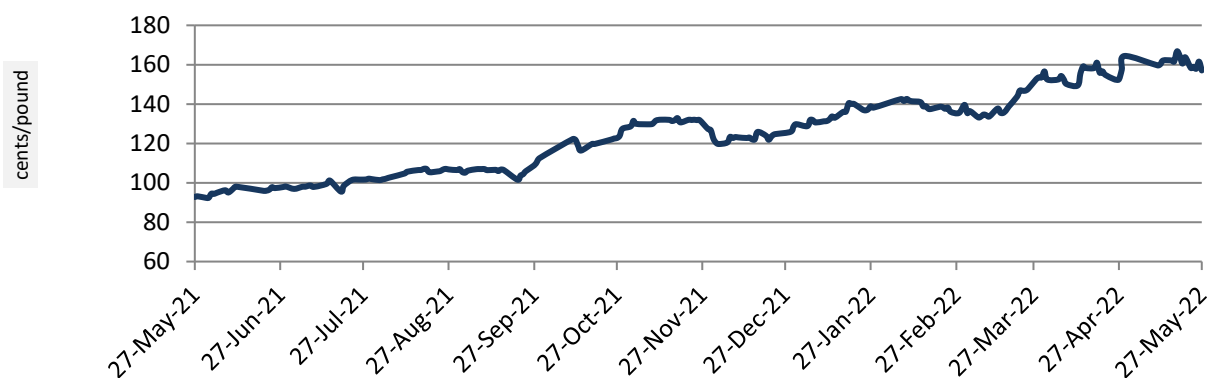
China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	25-May-22	18-May-22	
FC (S)	162.35	164.24	-1.15
FC (M)	160.70	162.11	-0.87
FC (L)	159.15	160.55	-0.88

Prices in US cents per Pound

Source: China Cotton Association

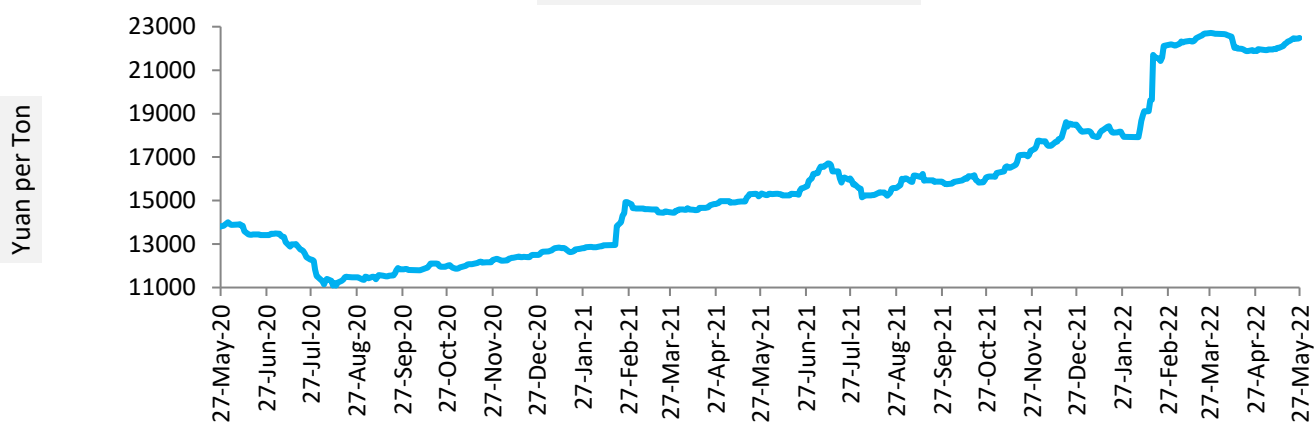
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	25-May-22	18-May-22	
CCIndex(328)	22238.80	22266.60	-0.12
CCIndex(527)	20411.33	20531.00	-0.58
CCIndex(229)	22221.67	22574.80	-1.56
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

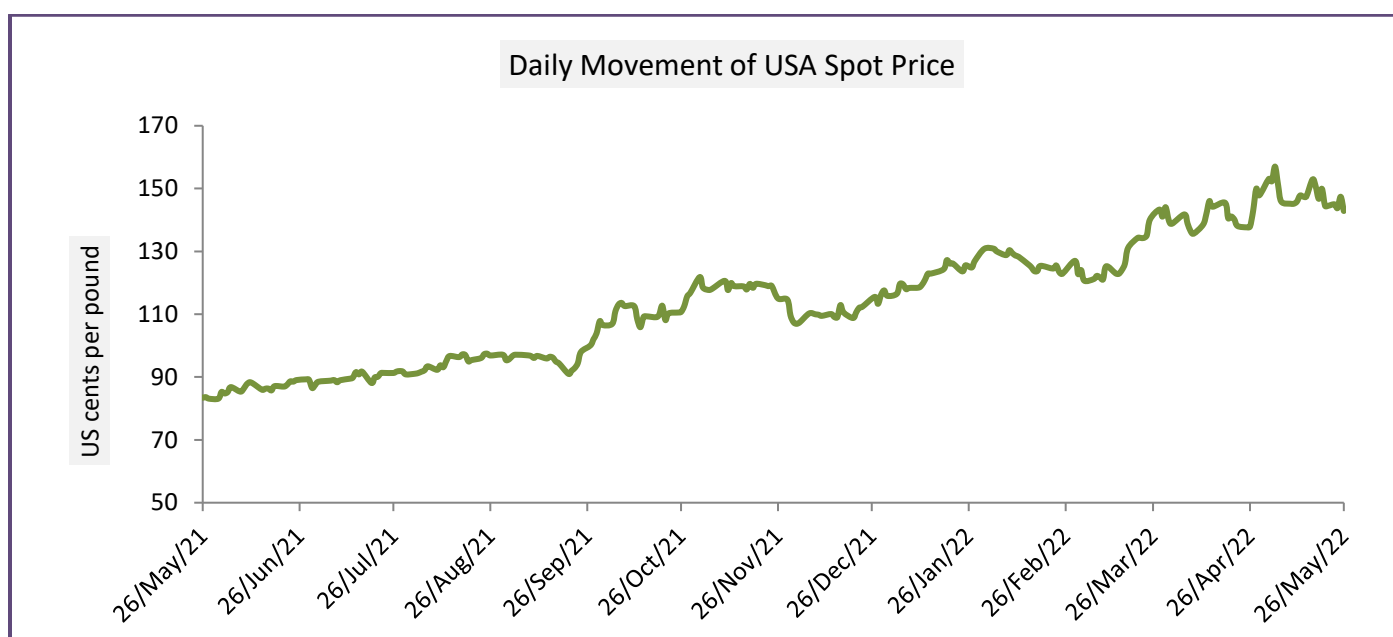


USA Spot Prices

U.S.A spot prices was at 145 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	25-May-22	18-May-22	
Prices	145.99	149.26	-2.19
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

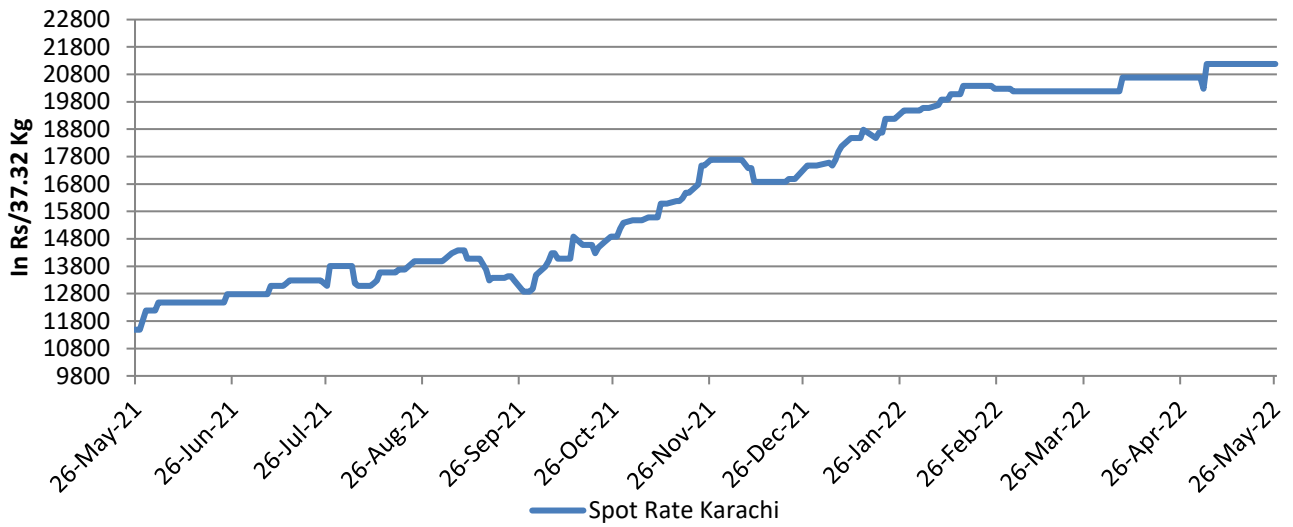
The Karachi spot price had slightly increased at Rs.21180/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	25-May-22	18-May-22	
Prices	21180	21180	-
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Spot Rate Karachi



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

Technical Commentary:

- Profit booking is evident from the candlestick chart formation in the above chart.
- Oscillator RSI is moving down in the over bought zone indicating further decline in prices.
- Momentum indicator MACD is converging and moving down and is about to make bearish cross over, pointing for a possible decline in prices.
- Overall, prices are expected to correct slightly in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jun	47520	47600	47920	48150	48270
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Sell	47930	47810	47710	48002

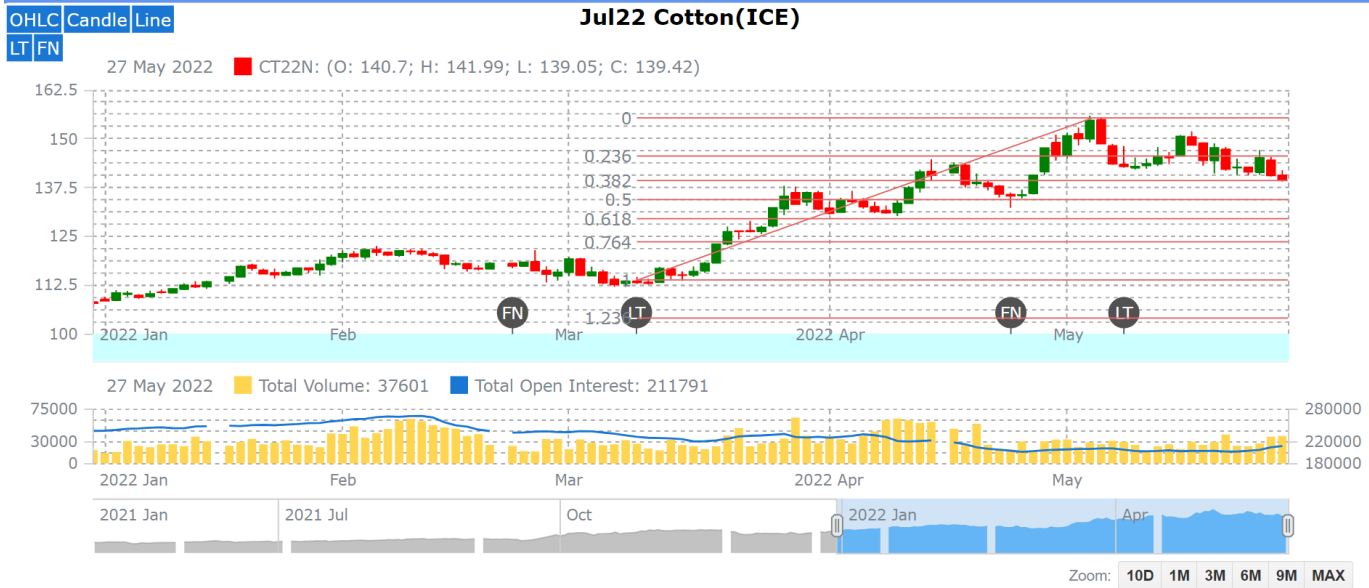
* Do not carryforward the position the next day.

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

Technical Commentary:

- As evident from the above chart overall sidewise trend was followed in the last week.
- Currently trading at 50 DMA which can be categorized as support.
- RSI indicating weak buying strength.
- Volume has slightly increased over the last week.
- Range bound movement is expected in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jun	2754	2804	2870	3102	3045
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Sell	2880	2845	2820	2901



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, prices have corrected in the last week, market has taken have a support of 38% Fibonacci retracement level.
- Market is further expected to remain range bound in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	140-162

Expected Support and Resistance

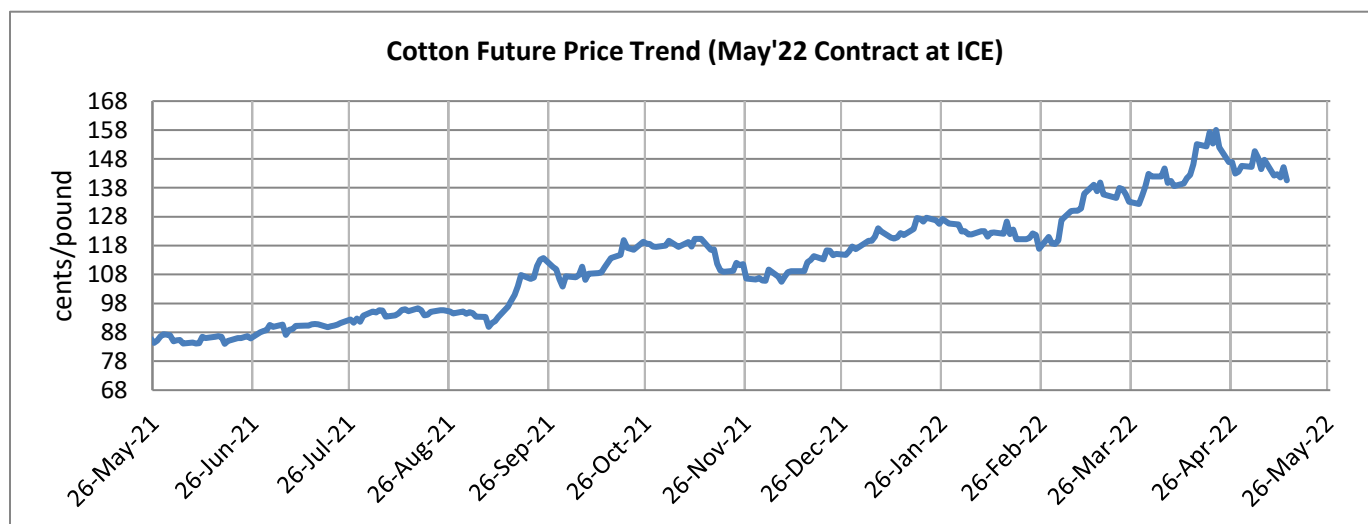
Support 1	Support 2	Resistance 1	Resistance 2
138	128	148	156

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	26-May-22	26-Apr-22 (1 month ago)	25-Feb-21 (3 months ago)	27-Nov-21 (6 months ago)	26-May-21 (a year ago)	% Change over a month	% Change over previous year
Jul-22	140.61	142.53	122.12	116.60	82.44	-1.35	70.56
Oct-22	131.52	135.68	118.63	111.78	83.66	-3.07	57.21
Dec-22	124.33	124.83	115.34	109.93	83.23	-0.40	49.38
Mar-23	119.54	118.71	104.34	106.85	83.16	0.70	43.75
May-23	116.05	114.84	100.33	94.77	83.06	1.05	39.72

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	19th May'22 to 25th May'22	12th May'22 to 18th May'22	
Gujarat	Ahmedabad	Shankar-6	14250	13250	1000
	Gondal	Shankar-6	14447	14113	333
	Rajkot	B.T. Cotton	13716	13768	-53
	Patan	B.T. Cotton	NA	12237	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12076	11949	127
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12271	13373	-1103
	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	11107	12350	-1243
	Jamner	Medium Staple	12442	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	13521	13893	-372
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13807	12060	1747
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	19th May'22 to 25th May'22	12th May'22 to 18th May'22	
Punjab	Bhatinda	J-34	10867	11192	-325
	Abohar	J-34	10933	11200	-267
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	10133	10567	-434

Rajasthan	Sri-Ganganagar	J-34	NA	NA	-
-----------	----------------	------	----	----	---

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	19th May'22 to 25th May'22	12th May'22 to 18th May'22	Change
Gujarat	Ahmedabad	Shankar-6	74800	88400	-13600
	Gondal	Shankar-6	9186	7159	2027
	Rajkot	B.T. Cotton	6550	8480	-1930
	Patan	B.T. Cotton	NA	884	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	75	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12359	18360	-6001
	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	59000	72300	-13300
	Jamner	Medium Staple	97	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1830	1769	61
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	52	33	19
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	19th May'22 to 25th May'22	12th May'22 to 18th May'22	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	128	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	935	2040	-1105

Rajasthan	Sri-Ganganagar	J-34	NA	NA	-
-----------	----------------	------	----	----	---

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				19th May'22 to 25th May'22	12th May'22 to 18th May'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	74367	71017	3350
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	75067	71717	3350
J-34(202)	26mm	3.5 - 4.9	23	98667	97133	1533
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	101883	99383	2500
Shankar-6(105)	29mm	3.5 – 4.9	28	102250	100667	1583
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	109333	106583	2750
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	117250	116583	667

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.