

COTTON WEEKLY RESEARCH REPORT06th Jun 2022**Domestic market summary**

Domestic Market Scenario: Indian domestic market remained stable to downward. There is a supply crunch in the market, ginning mills are closing down. Cotton sowing is under progress in India. 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.

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 (157.45 cents/lbs) compared to the ICE Cotton Futures that stood at 139.42 cents/lbs.
- Indian rupee consolidated from Rs. 77.53 per USD.

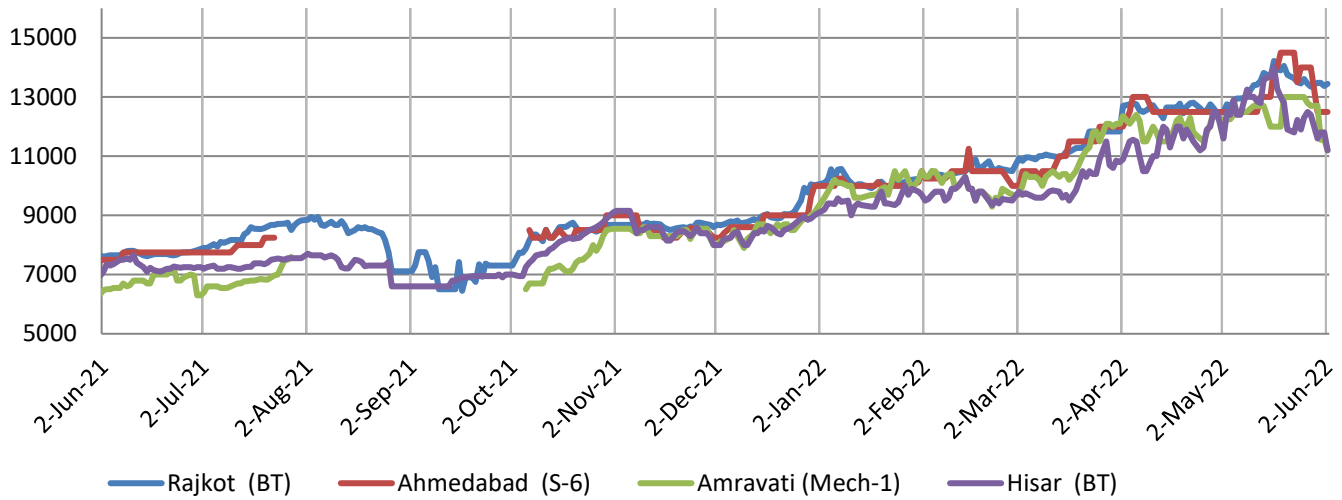
Market Highlights:

- According to the market sources, area under cotton cultivation is expected to grow in 2022-23 season by 7-9 percent on year-on-year basis to 13.2 million hectares on account of a strong demand and sufficient availability of seeds. The farm ministry has estimated cotton acreages at 12.0 million hectares. Agriwatch expects cotton acreages to increase by 9-10 percent in the 2022-23 season. Cotton sowing is still progressing in Punjab, Haryana and Rajasthan and is expected to continue till 15th June 2022.
- 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.

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

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 13456/Qtl compared to previous week's Rs. 13715/Qtl, whereas at Hisar prices stood slightly lower at Rs. 12066/Qtl compared to previous week's price of Rs. 12270/Qtl. For Amravati and Ahmedabad prices were at Rs. 12383Qtl and Rs. 13250/Qtl respectively.

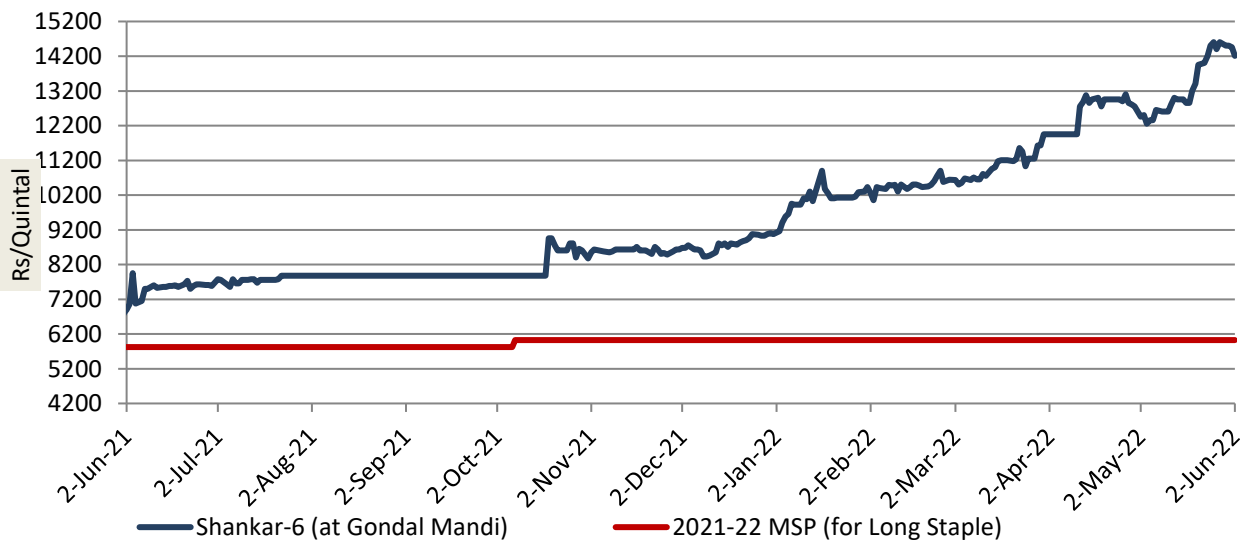
Variety wise Kapas Price trend (Rs/Qtl)



Spot Price versus MSP

Average Kapas prices at Gondal market have decreased and were at Rs. 13621/Qtl from the previous week of Rs. 14446/q.

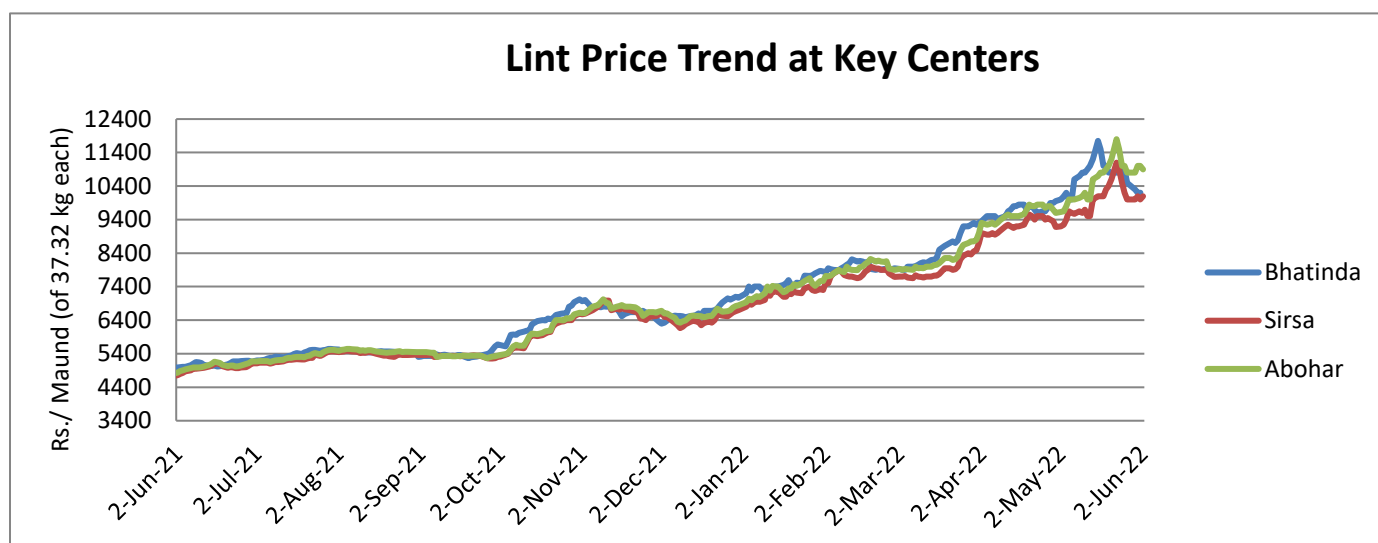
MSP versus Current S-6 Price



Source: Agriwatch

Lint price Outlook

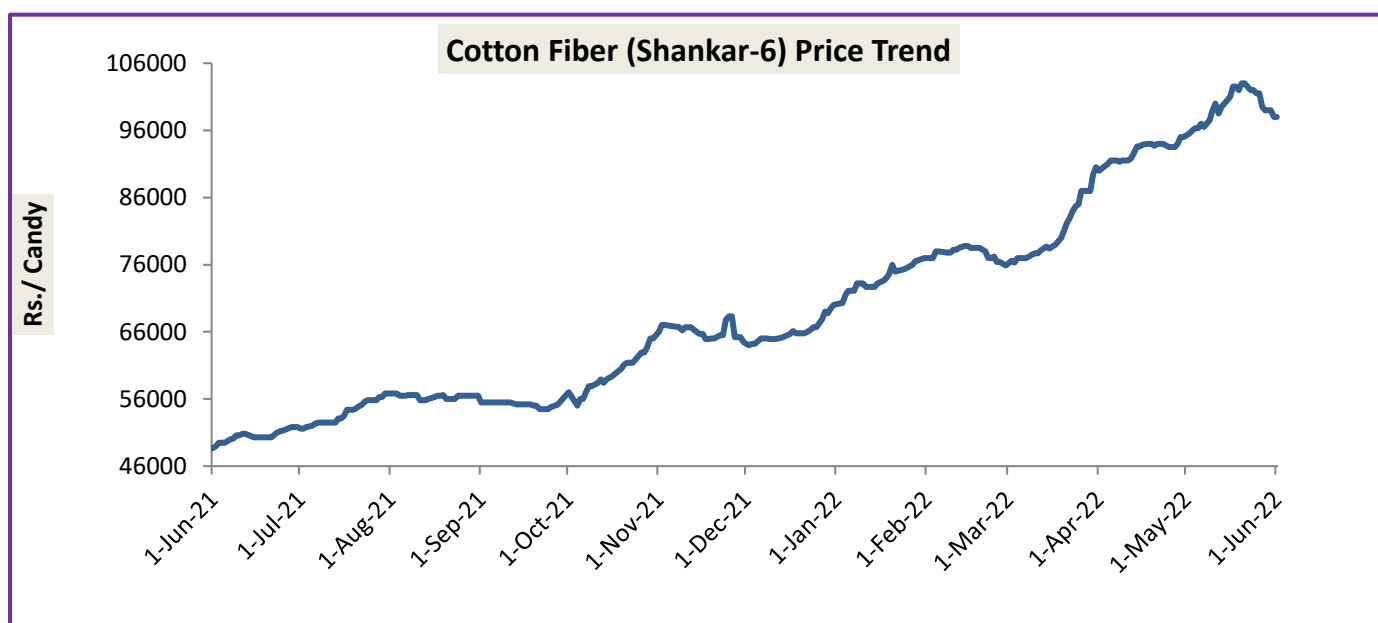
The average price stood slightly lower at Rs. 10500/maund this week compared to Rs.10933/maund previous week in Abohar, in Bhatinda prices were at Rs.10560/maund, and slightly lower in Sirsa at Rs.9680/maund from Rs.10866/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have decreased at Rs.99561/candy and is likely to remain range bound in the coming week amid tight supply.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

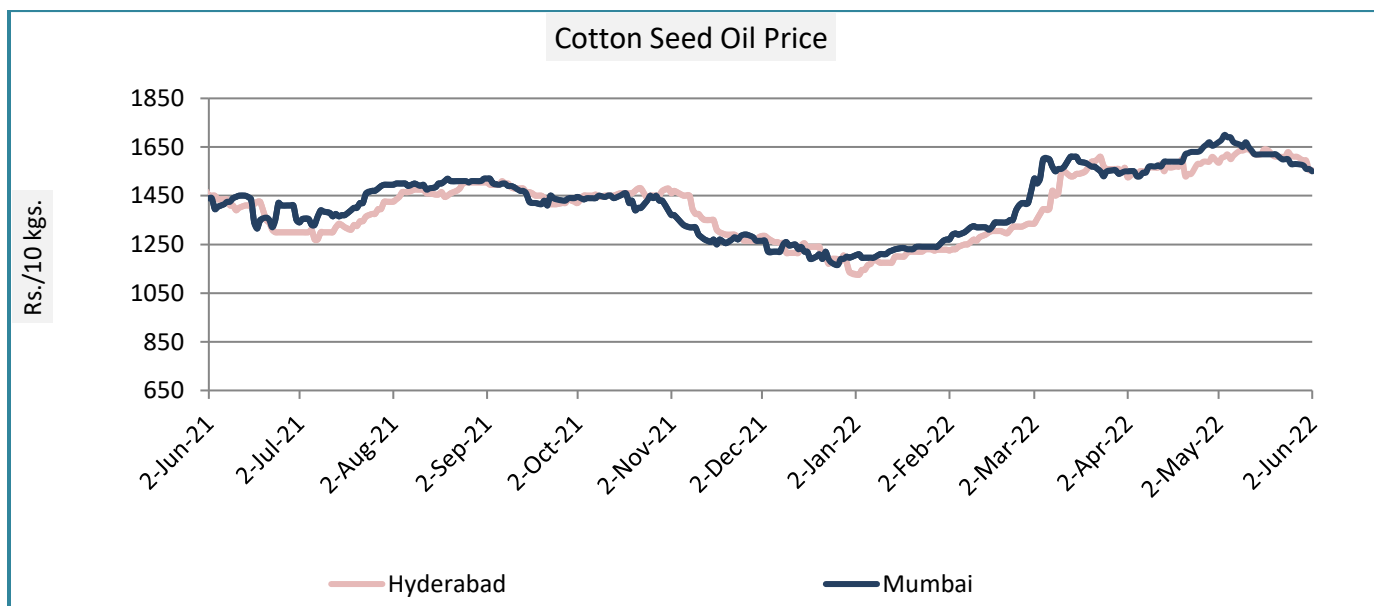
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across the major centers during the week ending on 01st June'22 due to weak demand in the market as compared to the previous week.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	01-Jun-22	25-May-22	
New Delhi	1504	1541	-2.39
Rajkot	1550	1581	-1.96
Hyderabad	1529	1581	-3.28
Mumbai	1553	1590	-2.36

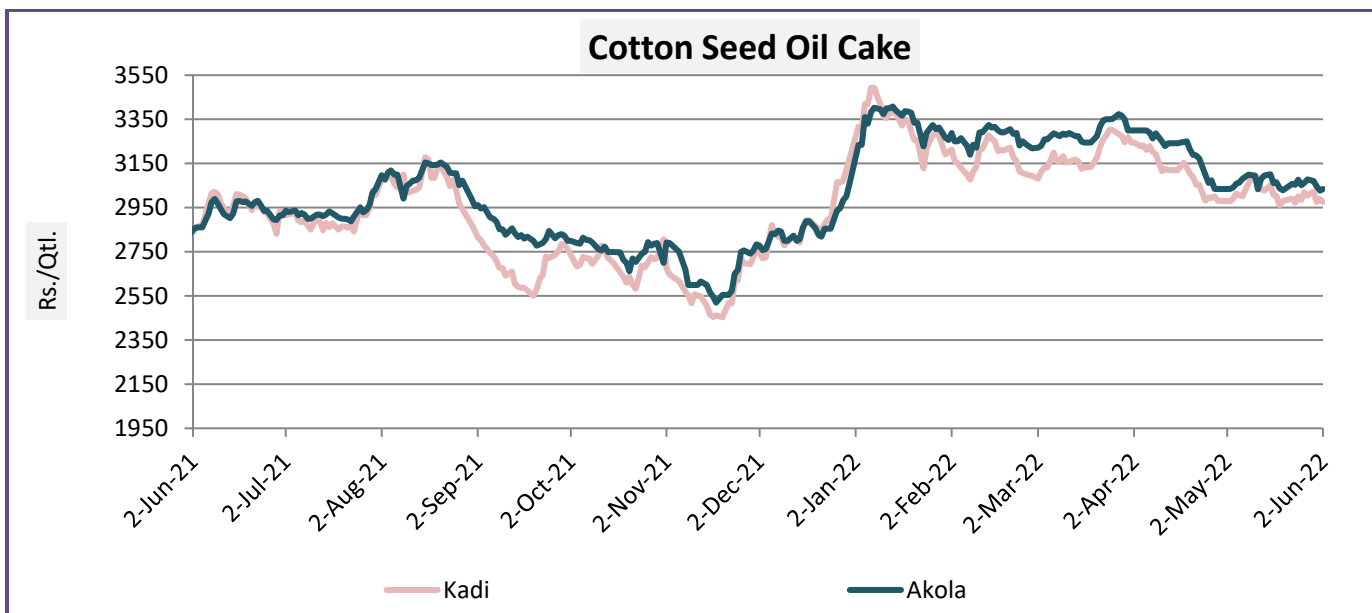
Source: Agriwatch



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. 3000 per quintal from Rs. 2981 per quintal and in Akola prices were at Rs. 3056 per quintal from Rs. 3049 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	01-Jun-22	25-May-22	
Kadi	3000	2981	0.62
Akola	3056	3049	0.22



Source: NCDEX

International Market Scenario

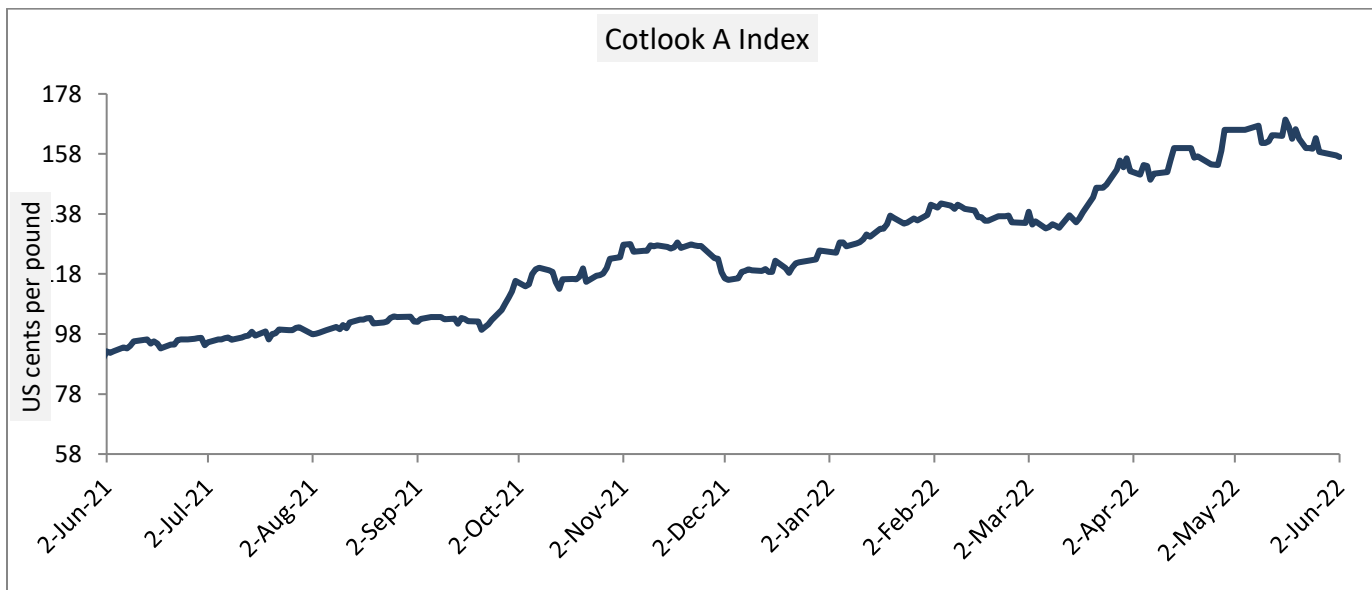
- Pakistan cotton sowing has reached 90 percent in Punjab, over 3.6 million acres of area has been cultivated under cotton crop. As per the agriculture department, cotton sowing is still underway due to good availability of water in the current season.
- According to the U.S. Crop progress report, as on 29th May 2022, U.S cotton planting stands at 68 percent which was 54 percent a week ago and around 64 percent in the previous year. The crop is 44 percent in good to excellent condition which was 43 percent a year ago.

Cotlook A Index

Cotlook A Index was low this week. The Cotlook A Index was at 159.78 cents/lb lower as compared to the previous week (161.98 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	01-Jun-22	25-May-22	
Prices	159.78	161.98	-1.36
Prices in US cents per Pound			

Source: Cotlook

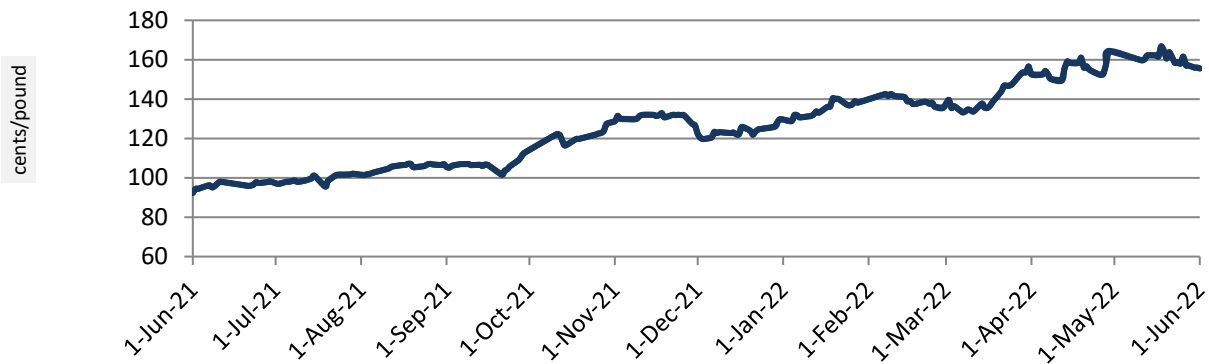


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	01-Jun-22	25-May-22	
FC (S)	162.35	162.35	-1.15
FC (M)	160.70	160.70	-0.87
FC (L)	159.15	159.15	-0.88
Prices in US cents per Pound			

Source: China Cotton Association

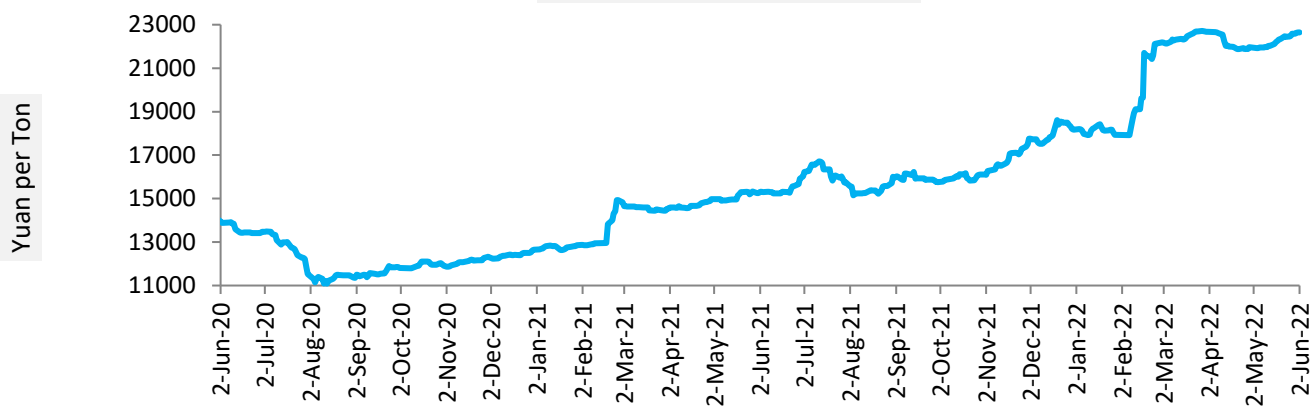
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	01-Jun-22	25-May-22	
CCIndex(328)	22019.86	22238.80	7.80
CCIndex(527)	20221.00	20411.33	-9.00
CCIndex(229)	21819.83	22221.67	-1.81
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

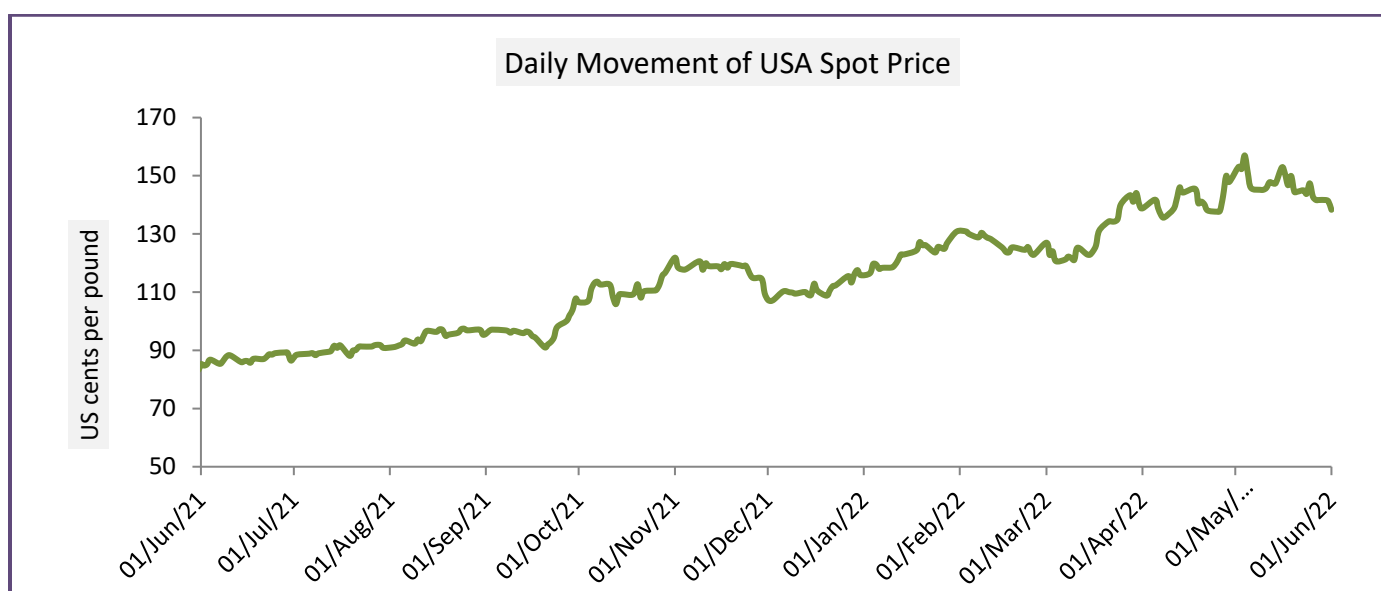


USA Spot Prices

U.S.A spot prices was at 141 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	01-Jun-22	25-May-22	
Prices	141.24	145.99	-2.19
Prices in US cents per Pound			

Source: USDA

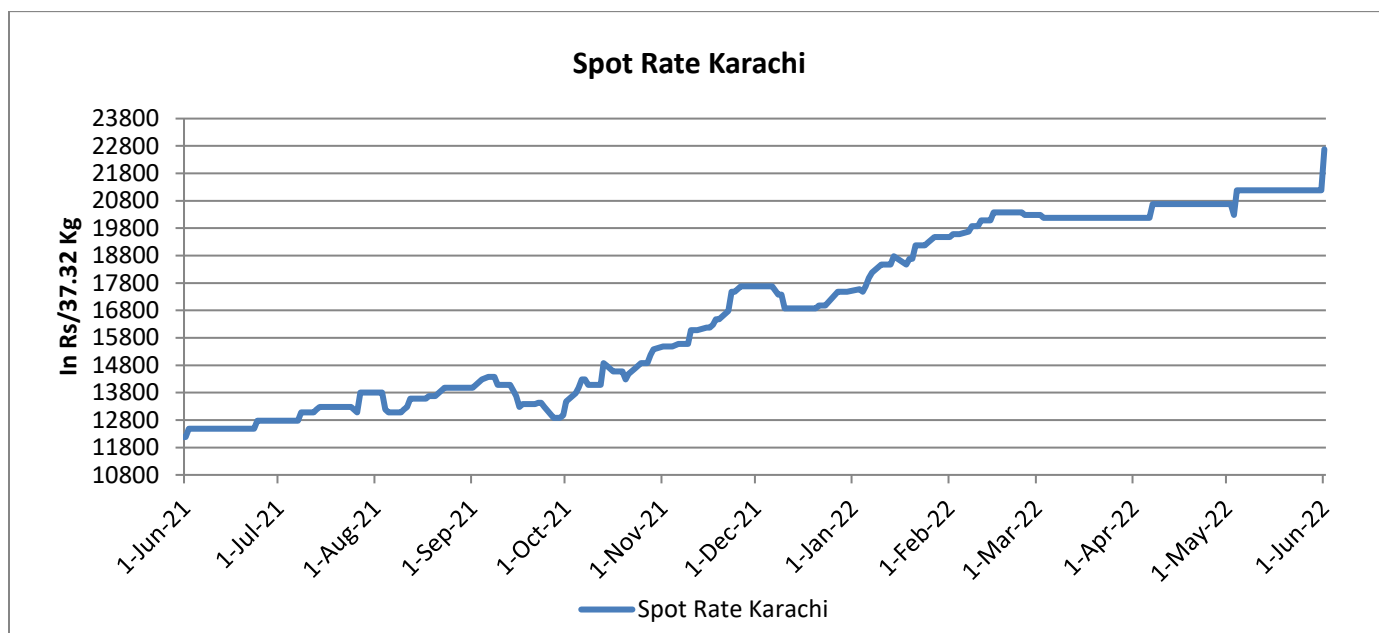


Pakistan Spot Prices

The Karachi spot price had slightly increased at Rs.22430/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	01-Jun-22	25-May-22	
Prices	22430	21180	5.90
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



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

COTTON 1st(MXCTNC1)2022/05/29 - Weekly B:46100.00 A:46170.00
 O 48500.00 H 49500.00 L 43890.00 C 46220.00 ↑ V 5,470 T 6,200,751 I 2,720 -2350 -4.84%
 SMA(9) 46197 (18) 42458 (50) 34305 (100) 27177


Technical Commentary:

- As depicted in the above chart, market has corrected in the last week. Prices have taken a support of 9 DMA.
- Oscillator RSI is moving down in the overbought 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.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jun	45820	45900	46220	46450	46570
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Sell	46230	46110	46010	46302

* 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 market is trading below 50 DMA.
- RSI indicating weak buying strength.
- Market is expected to remain elevated in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jun	2705	2755	2821	3102	2996
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Sell	2831	2796	2771	2852



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

- The Jul'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, market has taken have a support of 38% Fibonacci retracement level and may take support of 50% Fibonacci retracement level in the coming week.
- Market is further expected to remain elevated in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	140-162

Expected Support and Resistance

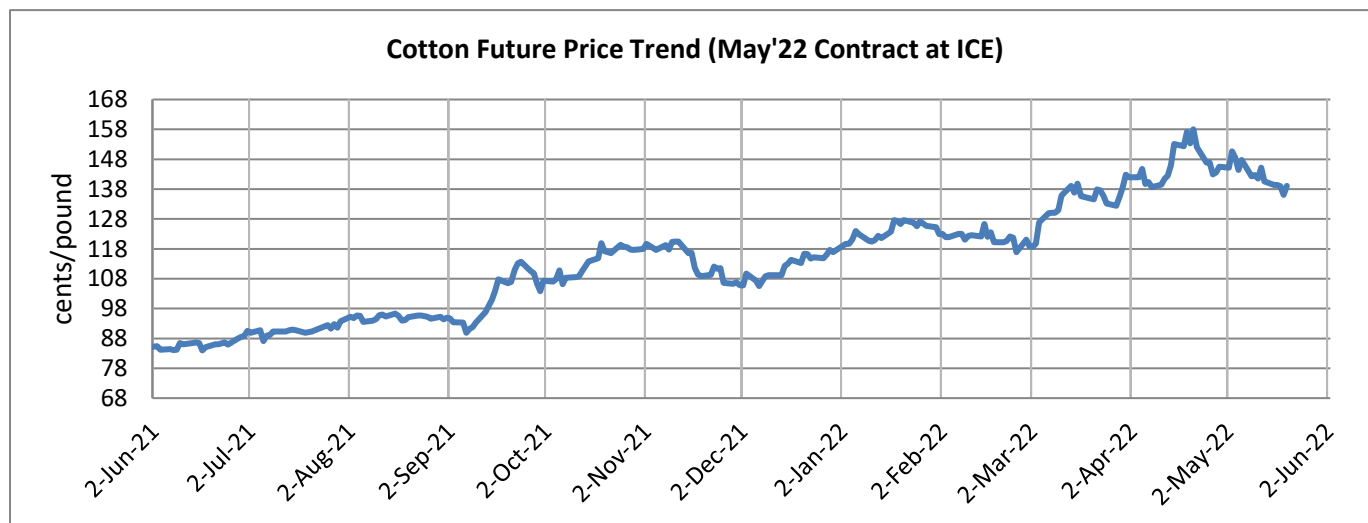
Support 1	Support 2	Resistance 1	Resistance 2
138	128	148	156

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	02-Jun-22	03-May-22 (1 month ago)	04-Mar-21 (3 months ago)	04-Dec-21 (6 months ago)	02-Jun-21 (a year ago)	% Change over a month	% Change over previous year
Jul-22	139.11	153.33	120.20	109.30	83.77	-9.27	66.06
Oct-22	128.75	150.08	116.42	104.20	84.84	-14.21	51.76
Dec-22	120.10	133.40	113.11	102.91	84.66	-9.97	41.86
Mar-23	115.77	126.18	104.31	101.01	84.61	-8.25	36.83
May-23	112.55	120.87	100.65	91.85	84.50	-6.88	33.20

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	-
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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

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