

COTTON WEEKLY RESEARCH REPORT

13th Jun 2022

Domestic market summary

Domestic Market Scenario: Cotton rates are stable to firm. Cotton arrivals are very slow in India. Mills have also reduced their consumption. Indian monsoon is delayed for a week. Sowing has picked up in cotton growing areas. Government has increased the minimum support price of cotton for the 2022-23 season. Agriwatch expects cotton fiber prices to remain range between Rs. 95,000 – Rs. 98,500 per candy.

Weekly Price Outlook:

The average price of Kapas in Andhra Pradesh is likely to hover around Rs.12,200-12,400/Qtl.

Major Market Highlights:

- The Cotlook Index stood higher (156.20 cents/lbs) compared to the ICE Cotton Futures that stood at 137.74 cents/lbs.
- Indian rupee consolidated from Rs. 77.63 per USD.

Market Highlights:

Cotton: Minimum Support Price (Rs. / Quintal)		
Season	2021-22	2022-23
Medium Staple	5726	6080
Long Staple	6025	6380

Source: PIB

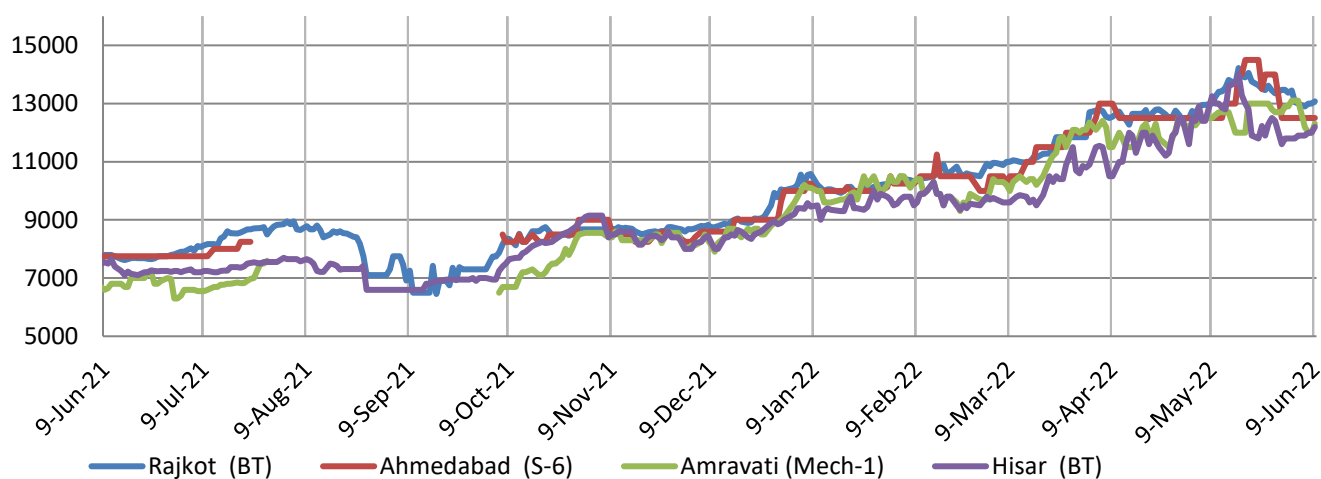
- According to Ministry of Agriculture, latest Kharif sowing report, India's cotton acreage has declined by 2.35 percent to 10.73 lakh hectare till 3rd June 2022. Currently, sowing in northern states of Haryana, Punjab and Rajasthan recorded slow progress due to delay in release of canal water.
- Cotton was sown on around 13.08 lakh hectare during the corresponding period of last year. The area coverage has been reported mainly from the states of Haryana (5.90 lakh ha), Punjab (2.31 lakh ha), Rajasthan (1.54 lakh ha) and Karnataka (0.72 lakh ha).
- Cotton sowing is progressing in Gujarat and as per the State Agriculture Department data, around 42,516 hectares of area has been sown under cotton crop till 06th June 2022 compared to the previous season 14,952 hectares on the corresponding date.

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 13066/Qtl compared to previous week's Rs. 13456/Qtl, whereas at Hisar prices stood slightly lower at Rs. 11900/Qtl compared to previous week's price of Rs. 12066/Qtl. For Amravati and Ahmedabad prices were at Rs. 12583/Qtl and Rs. 12500/Qtl respectively.

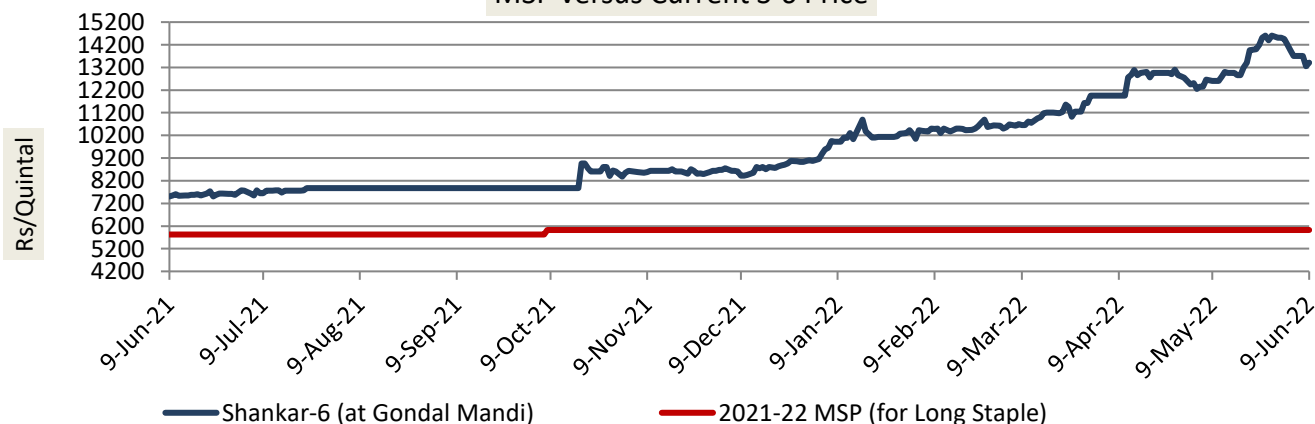
Variety wise Kapas Price trend (Rs/Qtl)



Spot Price versus MSP

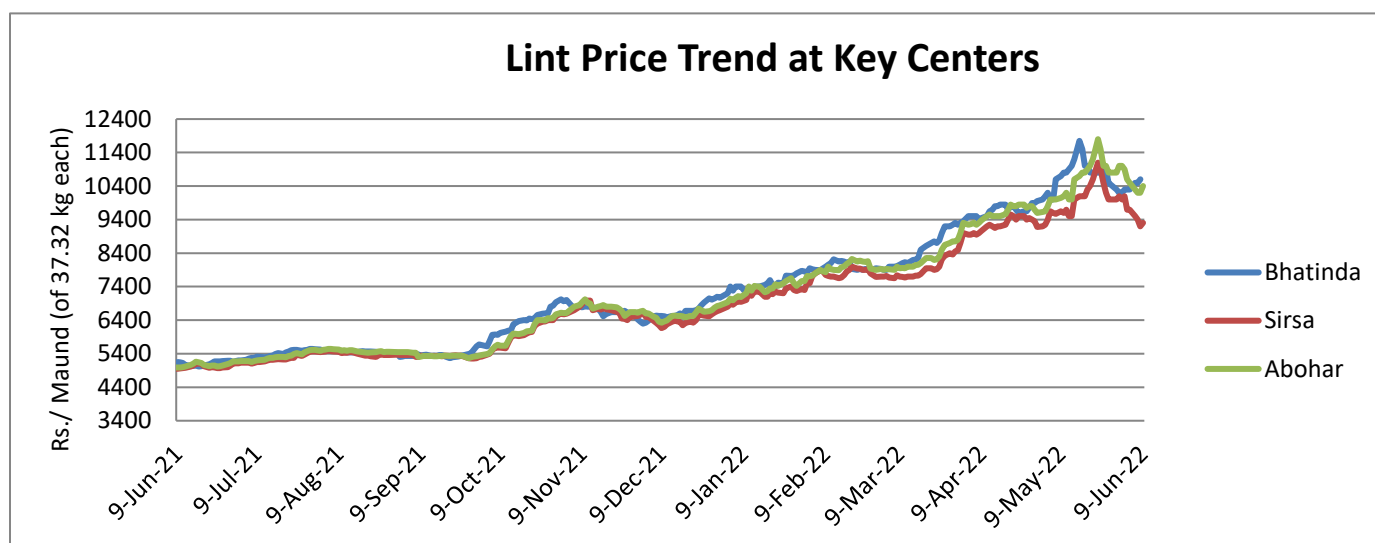
Average Kapas prices at Gondal market have decreased and were at Rs. 13096/Qtl from the previous week of Rs. 13621/q.

MSP versus Current S-6 Price



Lint price Outlook

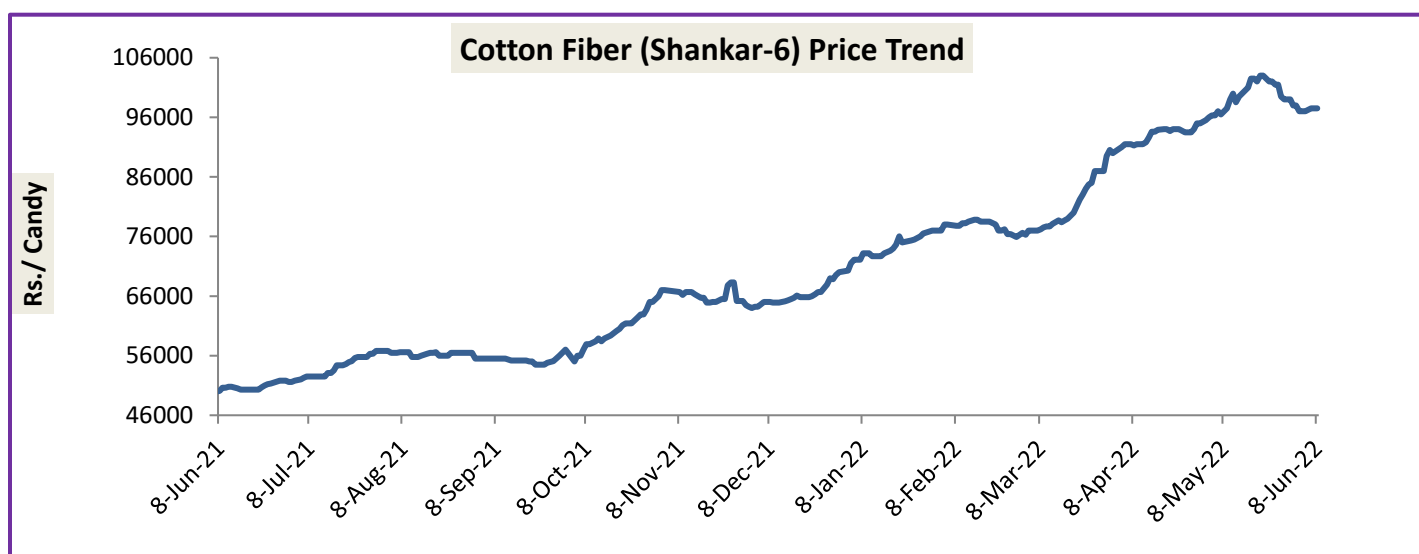
The average price stood slightly lower at Rs. 10450/maund this week compared to Rs.10500/maund previous week in Abohar, in Bhatinda prices were at Rs.10350/maund, and slightly lower in Sirsa at Rs.9325/maund from Rs.9680/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have decreased at Rs.97250/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

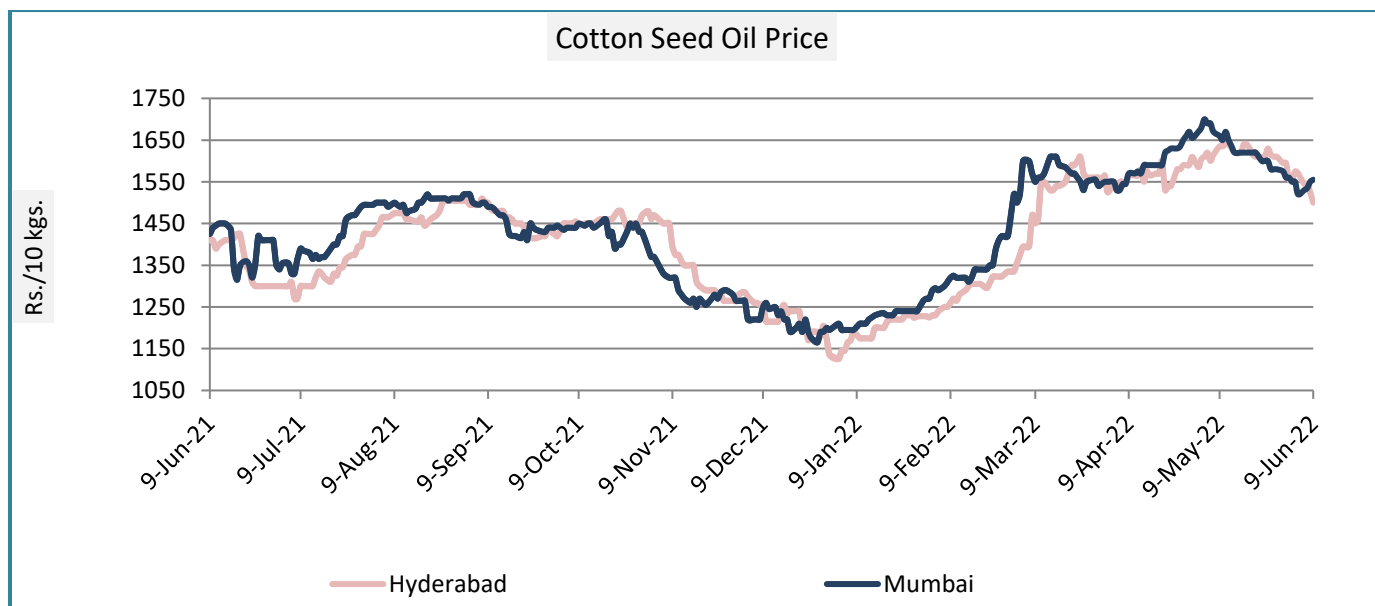
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have decreased across the major centers during the week ending on 08th 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
	08-Jun-22	01-Jun-22	
New Delhi	1507	1504	0.18
Rajkot	1548	1550	-0.16
Hyderabad	1513	1529	-1.02
Mumbai	1551	1553	-0.14

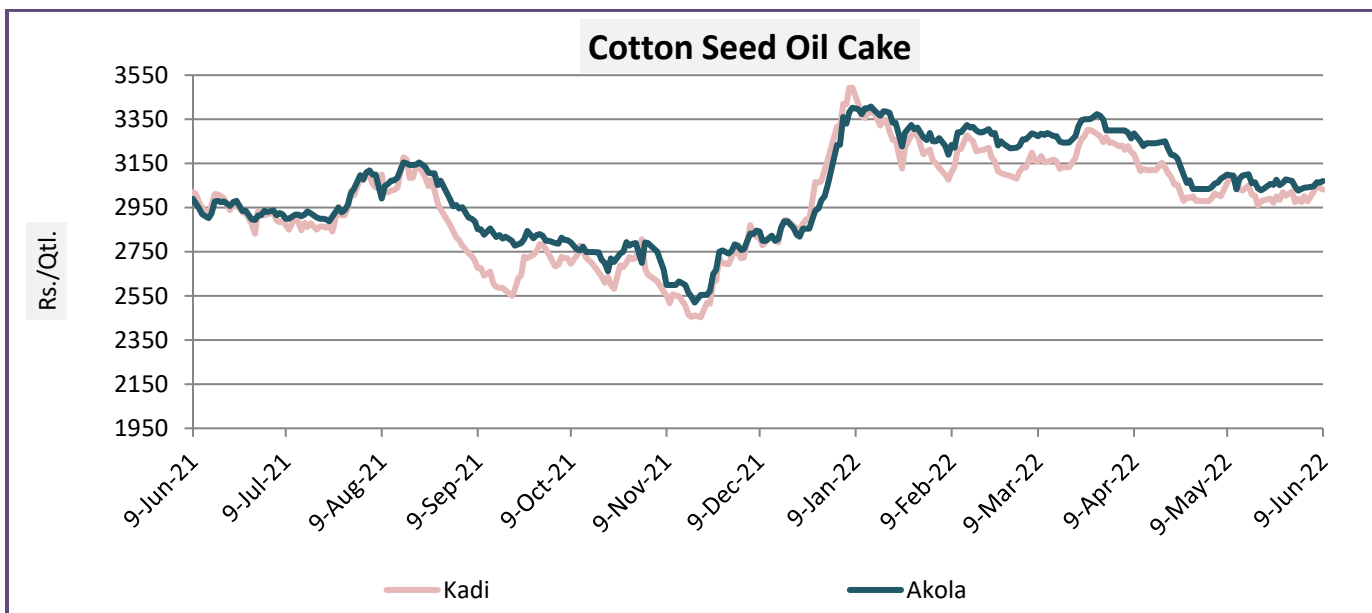
Source: Agriwatch



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. 3011 per quintal from Rs. 3000 per quintal and in Akola prices were at Rs. 3048 per quintal from Rs. 3056 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	08-Jun-22	02-Jun-22	
Kadi	3011	3000	0.38
Akola	3063	3056	-0.25



Source: NCDEX

International Market Scenario

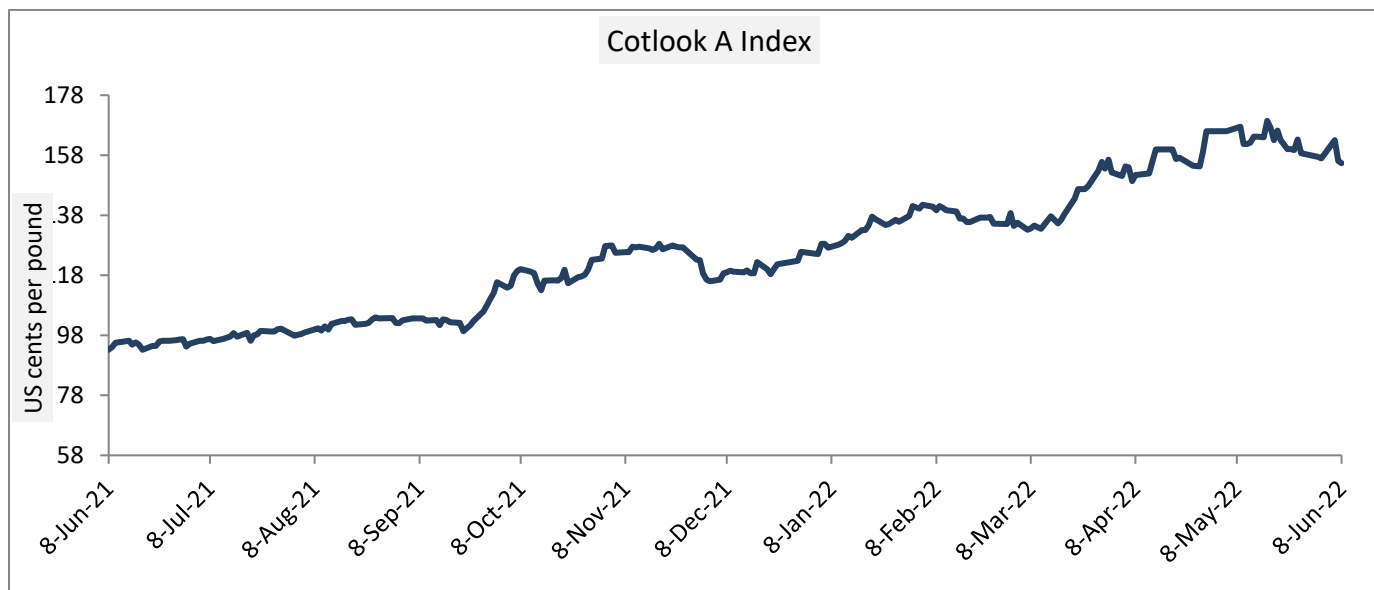
- According to the U.S. Crop progress report, as on 05th June 2022, U.S cotton planting stands at 84 percent which was 68 percent a week ago and around 70 percent in the previous year.
- Pakistan local cotton market remained steady and the trading volume remained low. Cotton has been trading in Sindh between Rs 22000 to Rs. 23,000 per maund.

Cotlook A Index

Cotlook A Index was low this week. The Cotlook A Index was at 157.87 cents/lb lower as compared to the previous week (159.78 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	08-Jun-22	01-Jun-22	
Prices	157.87	159.78	-1.20
Prices in US cents per Pound			

Source: Cotlook

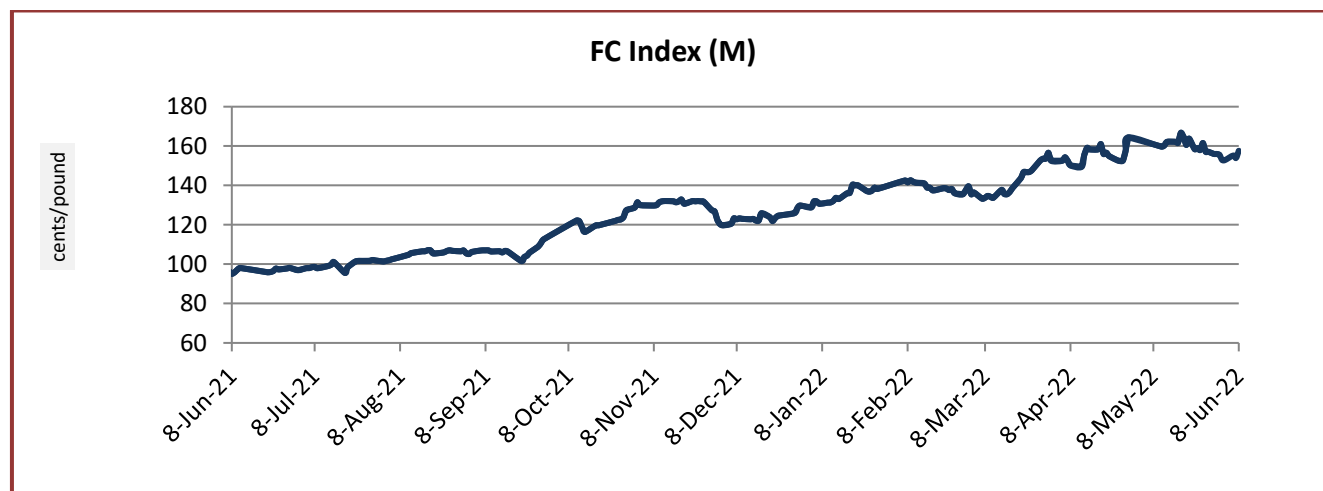


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	08-Jun-22	01-Jun-22	
FC (S)	156.12	162.35	-3.84
FC (M)	154.49	160.70	-3.86
FC (L)	152.90	159.15	-3.92

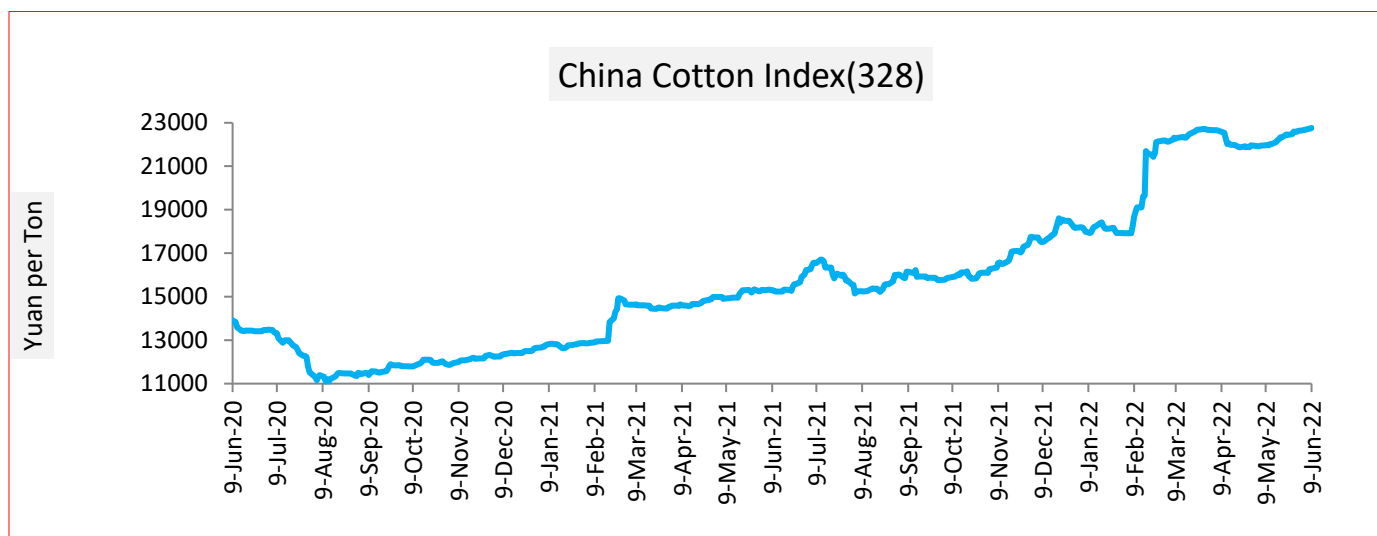
Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	08-Jun-22	01-Jun-22	
CCIndex(328)	21391.17	22019.86	-2.86
CCIndex(527)	20034.50	20221.00	-0.92
CCIndex(229)	21895.67	21819.83	0.35
Prices in Yuan per ton			

Source: China Cotton Association



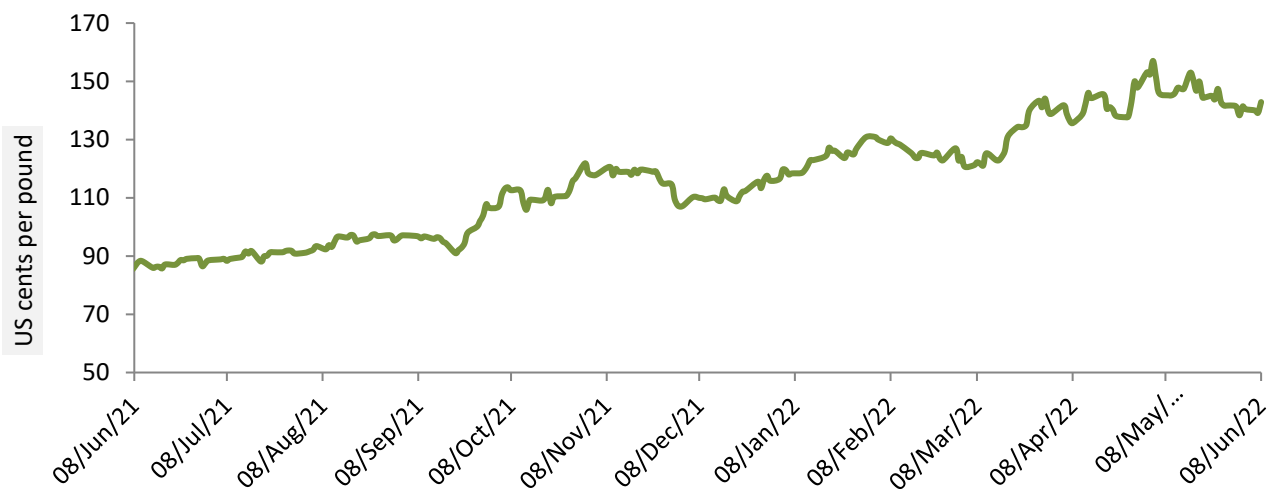
USA Spot Prices

U.S.A spot prices was at 140 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	08-Jun-22	01-Jun-22	
Prices	140.77	141.24	-0.33
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price



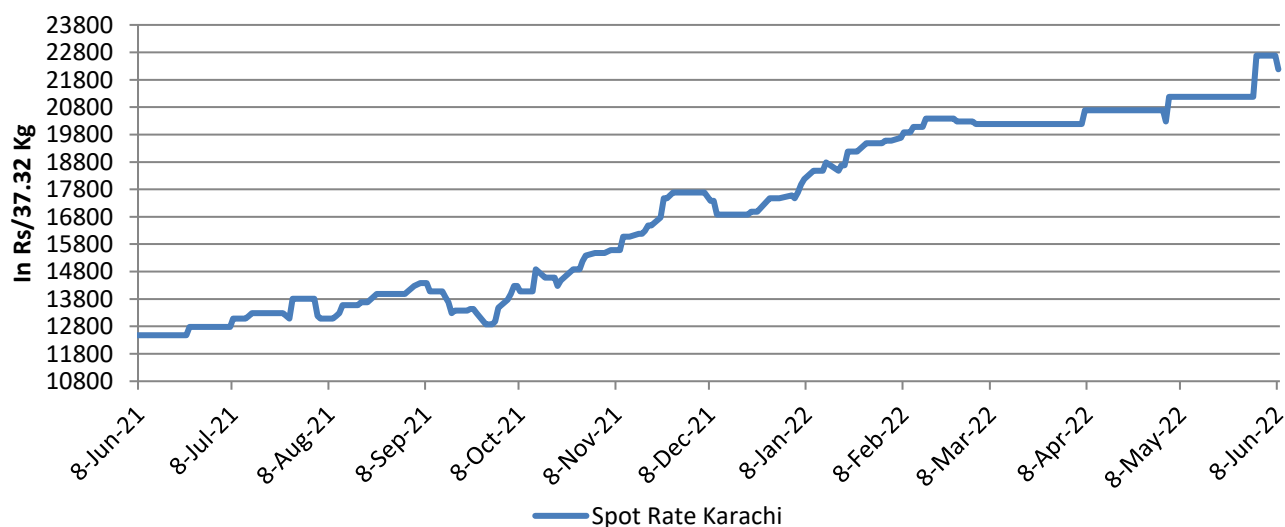
Pakistan Spot Prices

The Karachi spot price had slightly increased at Rs.21380/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	08-Jun-22	01-Jun-22	
Prices	21380	22430	0.94
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:

- 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	46550	46630	46970	47180	47300
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Buy	46960	47060	47150	46890

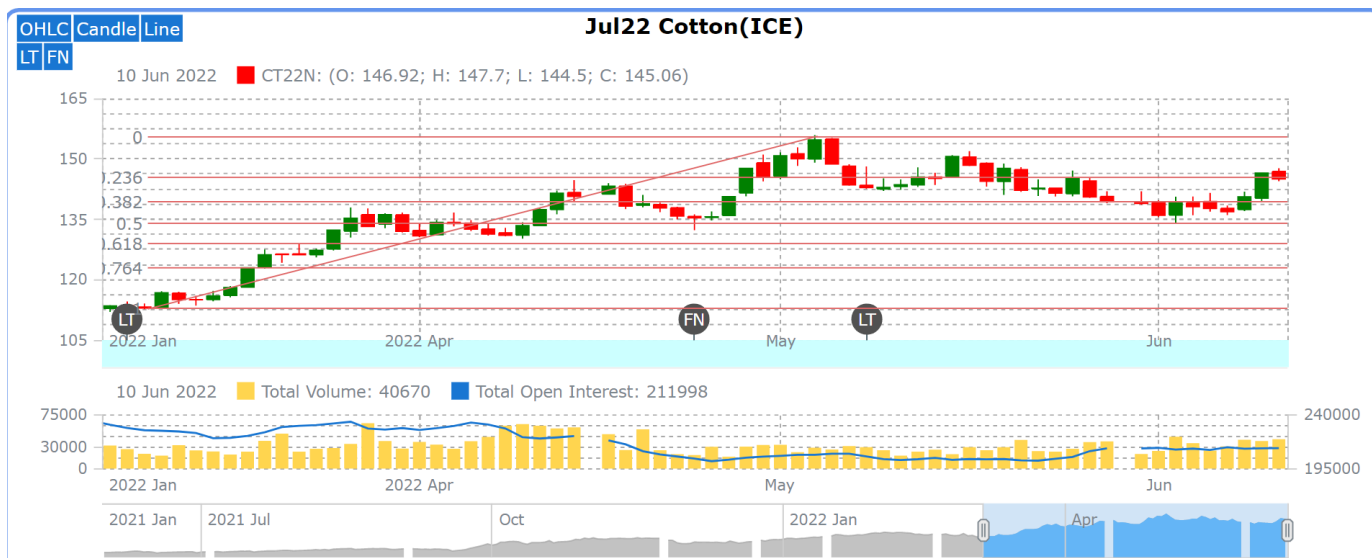
* Do not carryforward the position the next day.

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.

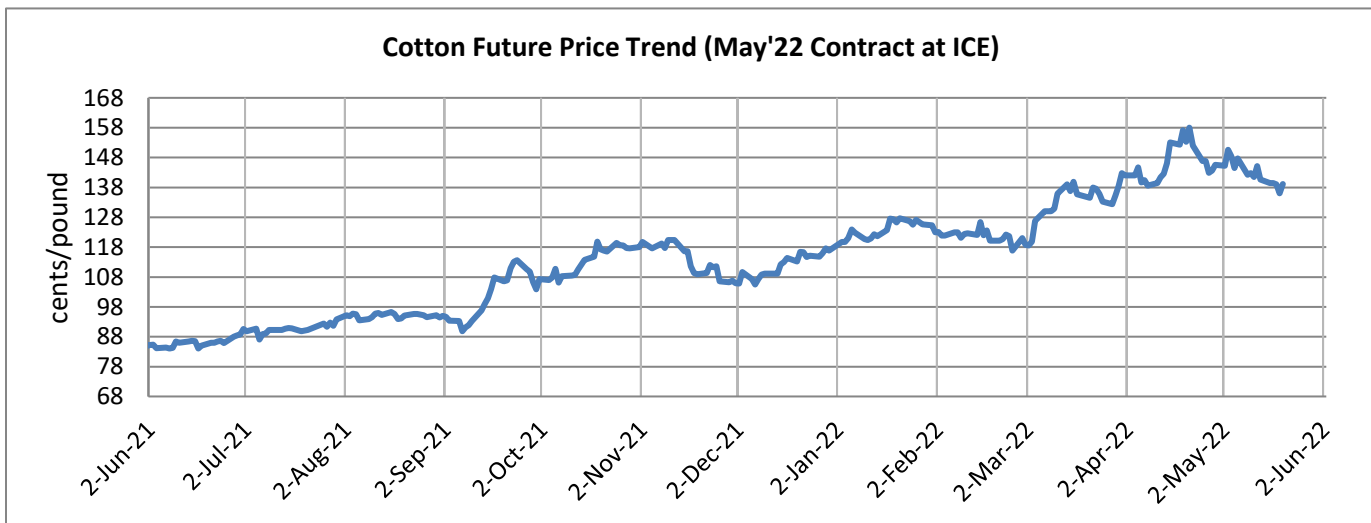
Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jun	2663	2733	2853	2993	3053
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Buy	2843	2943	2963	2773



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	02nd Jun'22 to 08th Jun'22	26th May'22 to 01st Jun'22	
Gujarat	Ahmedabad	Shankar-6	12500	13250	-750
	Gondal	Shankar-6	13030	13622	-592
	Rajkot	B.T. Cotton	13067	13457	-390
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12180	11748	433
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11850	12067	-217
	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	12583	12880	-297
	Jamner	Medium Staple	12200	12800	-600
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11759	12552	-793
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12900	13860	-960
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	02nd Jun'22 to 08th Jun'22	26th May'22 to 01st Jun'22	

Punjab	Bhatinda	J-34	10350	10500	-150
	Abohar	J-34	10450	10500	-50
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9325	9700	-375
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	02nd Jun'22 to 08th Jun'22	26th May'22 to 01st Jun'22	Change
Gujarat	Ahmedabad	Shankar-6	41650	46750	-5100
	Gondal	Shankar-6	4196	7368	-3172
	Rajkot	B.T. Cotton	3350	4550	-1200
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	30	48	-18
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2040	4505	-2465
	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	69000	54000	15000
	Jamner	Medium Staple	100	145	-45
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1432	1158	274
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	38	26	12
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	02nd Jun'22 to 08th Jun'22	26th May'22 to 01st Jun'22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	450	510	-60
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				02nd Jun'22 to 08th Jun'22	26th May'22 to 01st Jun'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	70500	71983	-1483
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	71200	72683	-1483
J-34(202)	26mm	3.5 - 4.9	23	89917	94167	-4250
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	95000	98500	-3500
Shankar-6(105)	29mm	3.5 - 4.9	28	97250	99167	-1917
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	108833	108167	667
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	112500	113333	-833

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