

COTTON WEEKLY RESEARCH REPORT18th Jun 2022**Domestic market summary**

Domestic Market Scenario: Cotton rates are stable to firm across the major cash markets of the country. Cotton arrivals are very slow in India almost 91 percent of the cotton has already arrived in the market. Mills are running slow and not able to compete imported yarn. Indian monsoon is little late so yet sowing pace is slow but due to higher price farmers are planning to sow more cotton in the 2021-22 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 (163.05 cents/lbs) compared to the ICE Cotton Futures that stood at 145.66 cents/lbs.
- Indian rupee consolidated from Rs. 78.03 per USD.

Market Highlights:

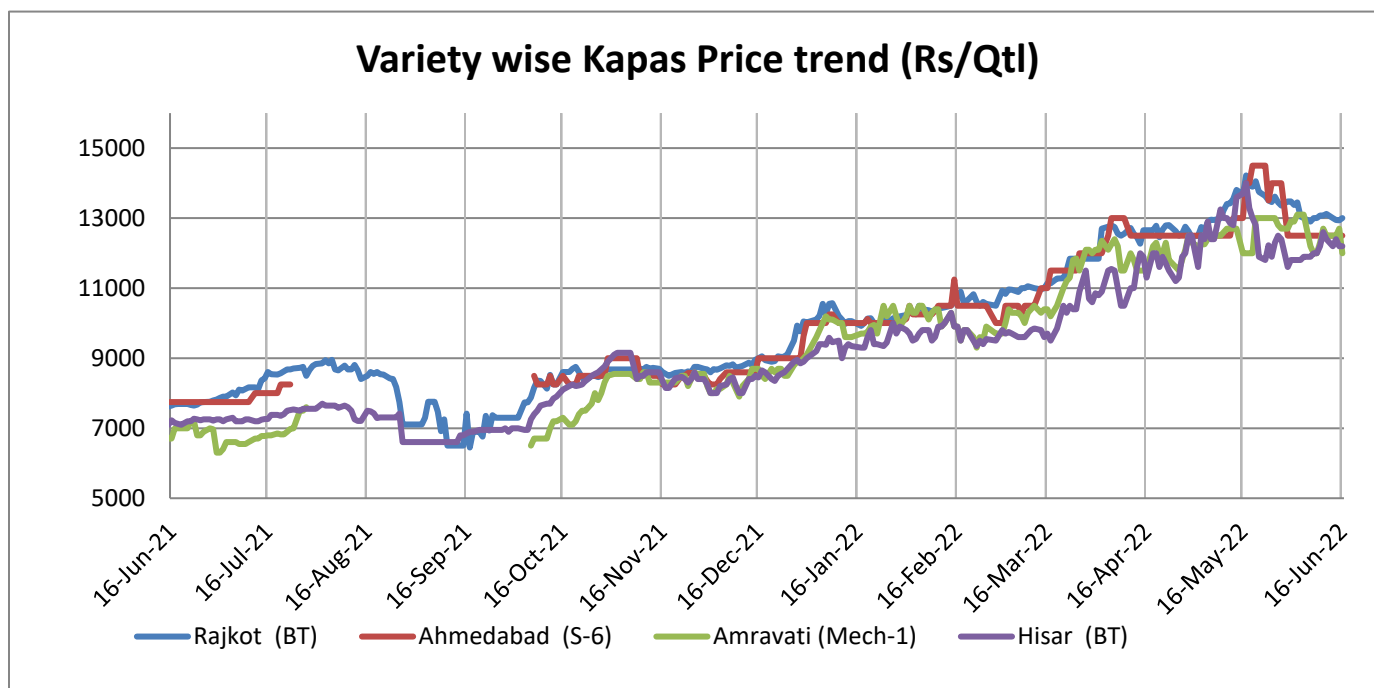
- Cotton Association of India has reduced its May estimate for the cotton crop for the 2021-22 season by 8.31 lakh bales to 315.32 lakh bales from its previous estimate of 323.63 lakh bales. The association has attributed the reduction in crop estimate to the drop in production in states including Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Telangana, Karnataka and Andhra Pradesh. Agriwatch has estimated cotton production for 2021-22 season at 315.32 lakh bales lower from its previous season estimate of 323.63 lakh bales.
- The total cotton supply between October 2021 and May 2022 remained at 367.22 lakh bales, which consists of the arrivals of 288.38 lakh bales, imports of 7 lakh bales during the month of May 2022 and Opening Stock is now estimated at 71.84 lakh bales at the beginning of the season on 1st October 2022. Further, the CAI has estimated cotton consumption for the months of October to May 2022 at 225 lakh bales while export shipment of cotton during the months of October to May 2022 is estimated at 38 lakh bales. Stock at the end of May 2022 is estimated at 34.22 lakh bales.
- Cotton sowing is being progressing in Andhra Pradesh. Around 22,560 hectares of area has been sown under cotton as of 15th June 2022 which was 5,444 hectares corresponding period last year.
- Cotton sowing is progressing in Gujarat and as per the State Agriculture Department data, around 1,33,093 hectares of area has been sown under cotton crop till 13th June 2022 compared to same period last year's 99,382 hectares.
- Cotton sowing in Punjab has decreased by 18 percent as compared to last year. Currently, sowing in northern states of Haryana, Punjab and Rajasthan recorded slow progress due to delay in release of canal water. The

area coverage has been reported mainly from the states of Haryana (5.90 lakh ha), Punjab (2.48 lakh ha), Rajasthan (1.54 lakh ha) and Karnataka (1.21 lakh ha).

Domestic Cotton Prices Scenario

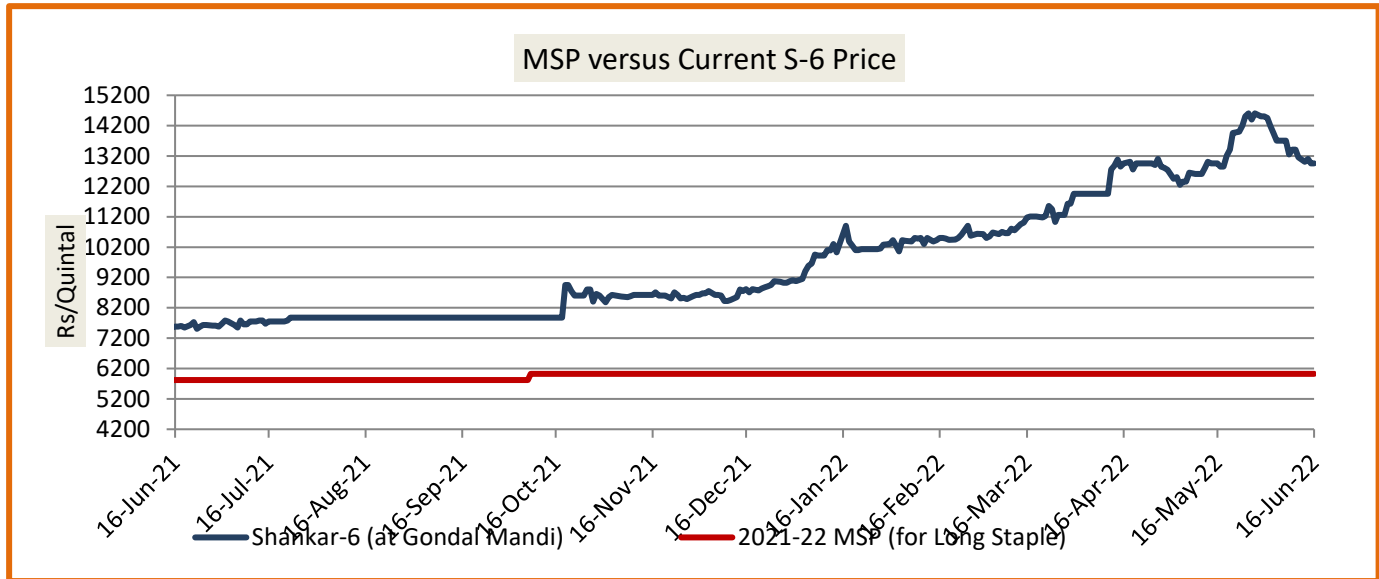
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 13026/Qtl compared to previous week's Rs. 13066/Qtl, whereas at Hisar prices stood slightly higher at Rs. 12330/Qtl compared to previous week's price of Rs. 11900/Qtl. For Amravati and Ahmedabad prices were at Rs. 12533/Qtl and Rs. 12500/Qtl respectively.



Spot Price versus MSP

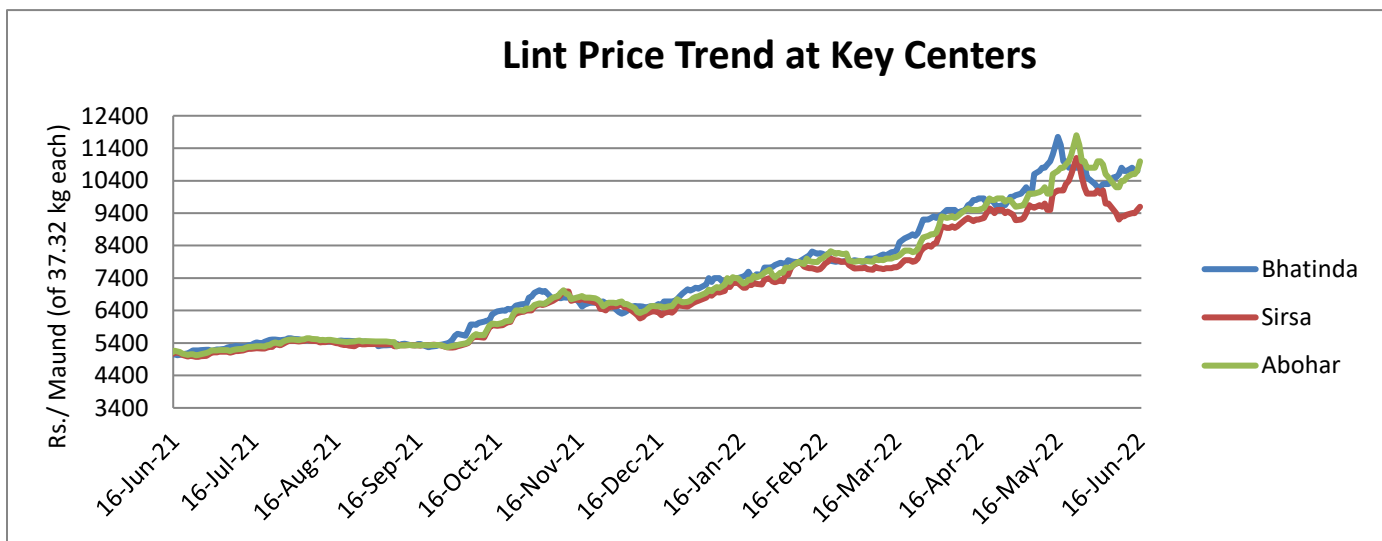
Average Kapas prices at Gondal market have decreased and were at Rs. 13088/Qtl from the previous week of Rs. 13096/q.



Source: Agriwatch

Lint price Outlook

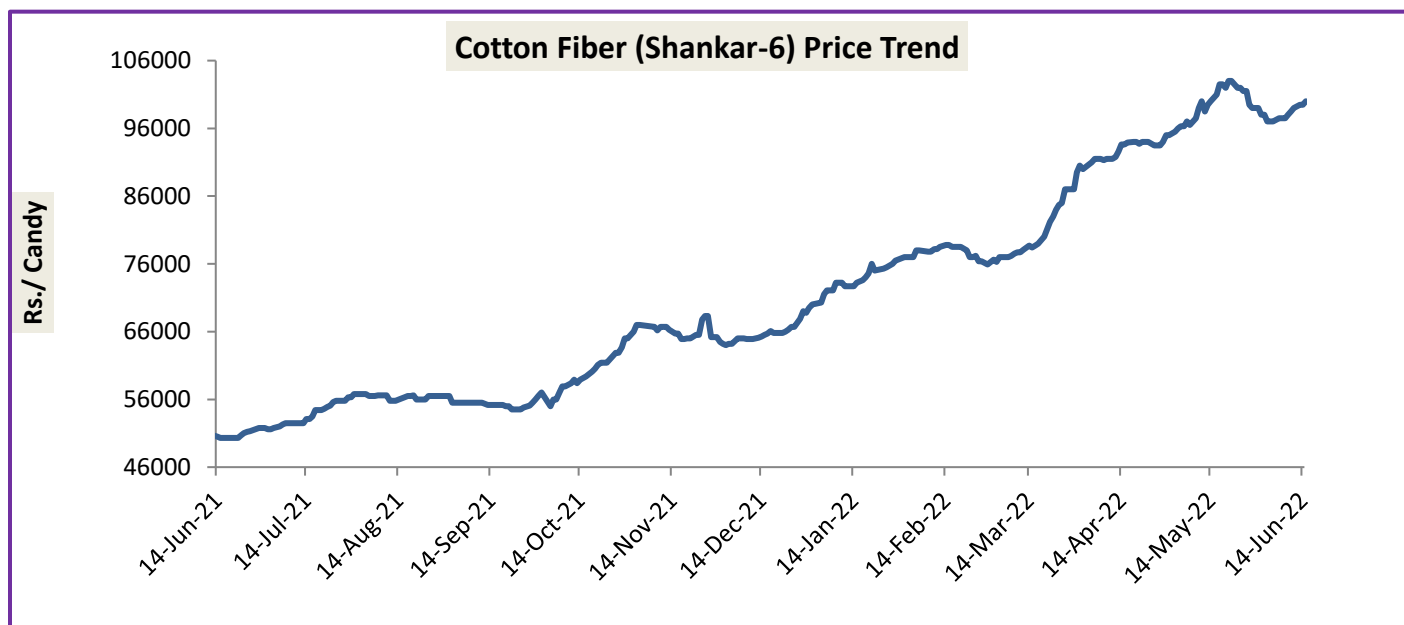
The average price stood slightly higher at Rs. 10833/maund this week compared to Rs.10450/maund previous week in Abohar, in Bhatinda prices were at Rs.10716/maund, and slightly higher in Sirsa at Rs.9558/maund from Rs.9325/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have increased at Rs.99083/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

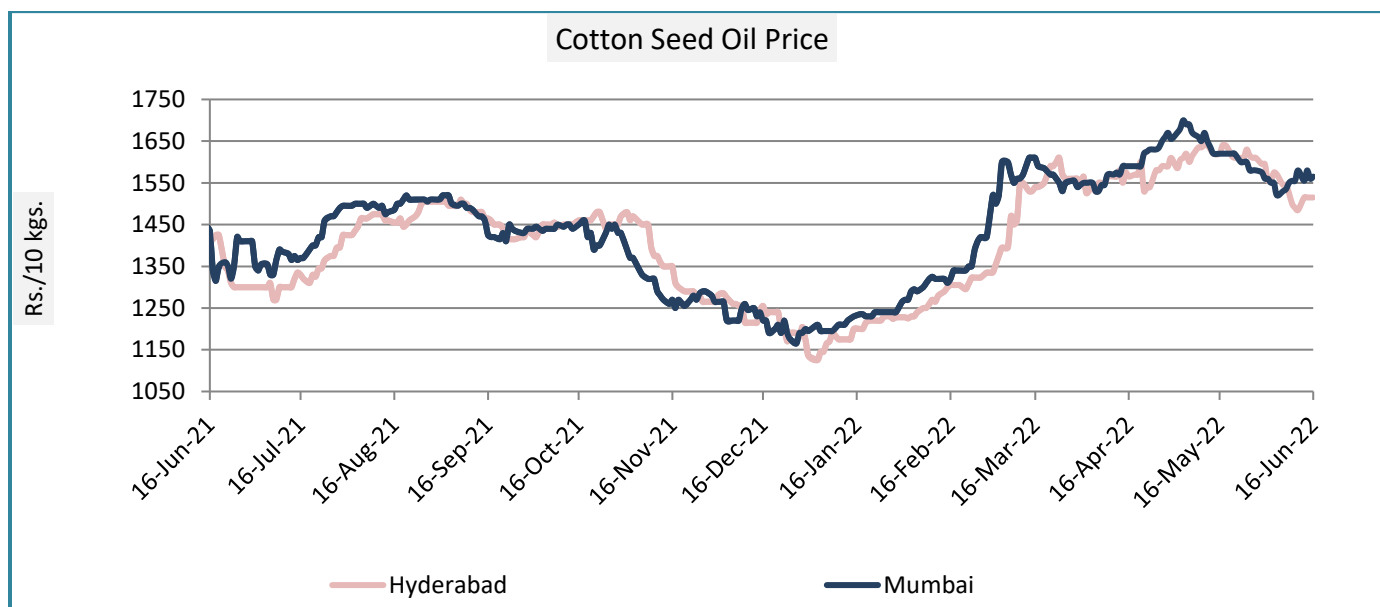
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly improved across the major centers during the week ending on 15th 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
	15-Jun-22	08-Jun-22	
New Delhi	1533	1507	1.69
Rajkot	1574	1548	1.68
Hyderabad	1542	1513	0.83
Mumbai	1563	1551	0.80

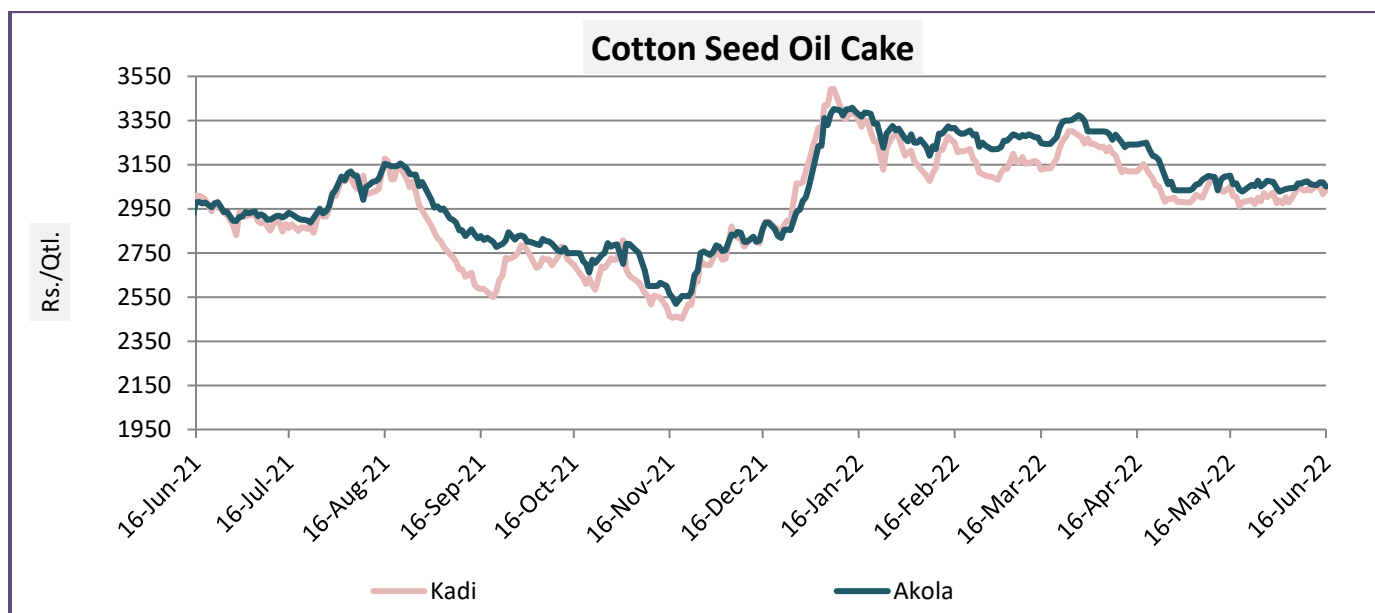
Source: Agriwatch



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. 3037 per quintal from Rs. 3011 per quintal and in Akola prices were at Rs. 3068 per quintal from Rs. 3048 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	15-Jun-22	08-Jun-22	
Kadi	3037	3011	0.83
Akola	3068	3063	0.64



Source: NCDEX

Stock Position

MCX Stock Position as on 16th June'2022			
Commodity	Location	Unit of Measure	Eligible Quantity
Cotton Bales	YAVATMAL	Bales	1800
Cotton Bales	KADI	Bales	24750
Cotton Bales	RAJKOT	Bales	1100
Cotton Bales	JALNA	Bales	450
Cotton Bales	MUNDRA	Bales	0
Cotton Bales	ADILABAD	Bales	0
Total			28100

International Market Scenario

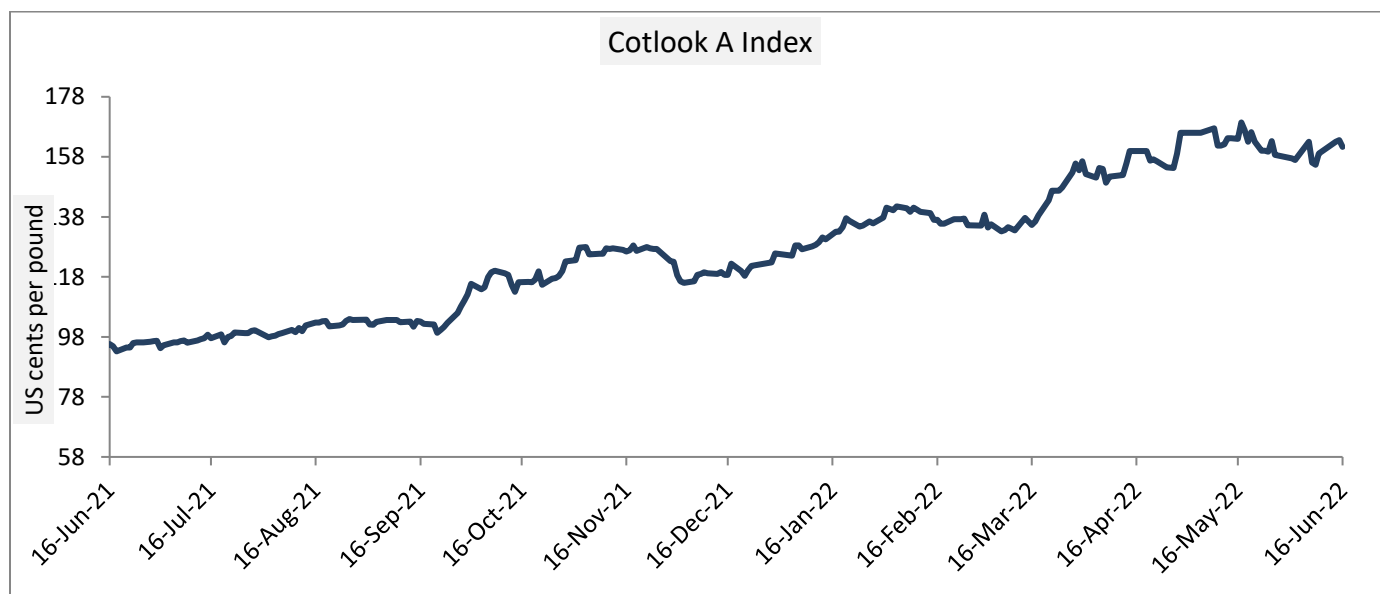
- According to the U.S. Crop progress report, as on 13th June 2022, U.S cotton planting stands at 90 percent which was 84 percent a week ago and around 87 percent in the previous year.
- According to the USDA, WASDE Report, cotton production in the US may reduce in the coming 2022-23 season (August-July) to 35.92 lakh MT from 38.15 lakh MT of 2021-22. The production was 31.81 lakh MT in 2020-21. Cotton production is expected to increase in India, China, Brazil and Pakistan in 2022-23 season. Global production is projected to increase to 264.03 lakh MT in next season from 254.61 lakh MT of 2021-22.

Cotlook A Index

Cotlook A Index was higher this week. The Cotlook A Index was at 161.75 cents/lb lower as compared to the previous week (157.87 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	08-Jun-22	08-Jun-22	
Prices	161.75	157.87	2.46
Prices in US cents per Pound			

Source: Cotlook

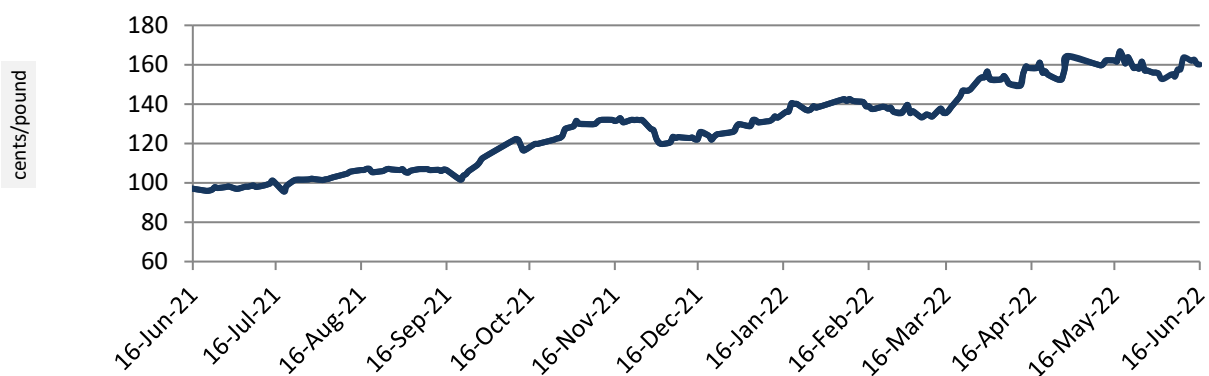


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	15-Jun-22	08-Jun-22	
FC (S)	163.21	156.12	4.54
FC (M)	161.59	154.49	4.59
FC (L)	160.00	152.90	4.64
Prices in US cents per Pound			

Source: China Cotton Association

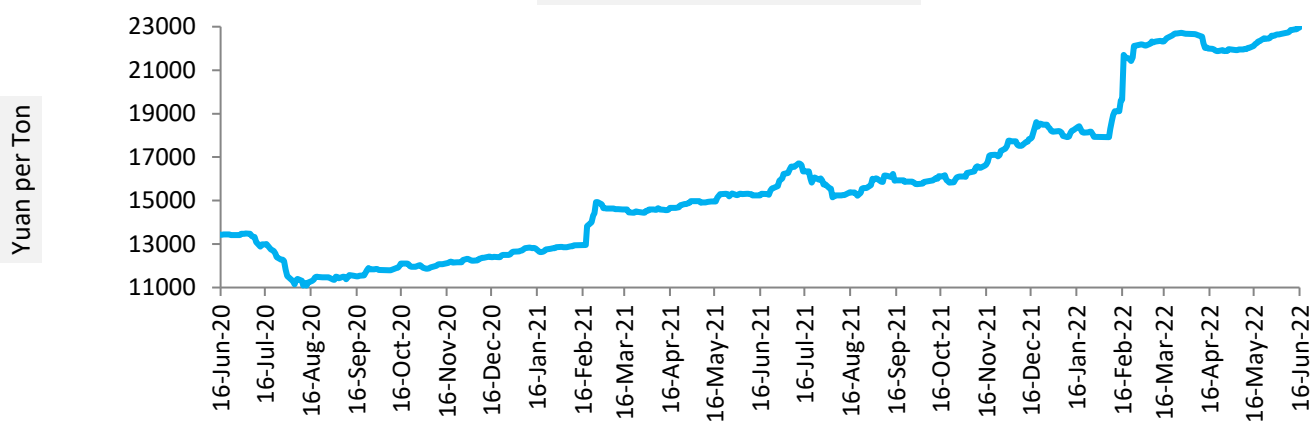
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	15-Jun-22	08-Jun-22	
CCIndex(328)	21215.20	21391.17	-0.82
CCIndex(527)	19871.60	20034.50	-0.81
CCIndex(229)	21708.00	21895.67	-0.86
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

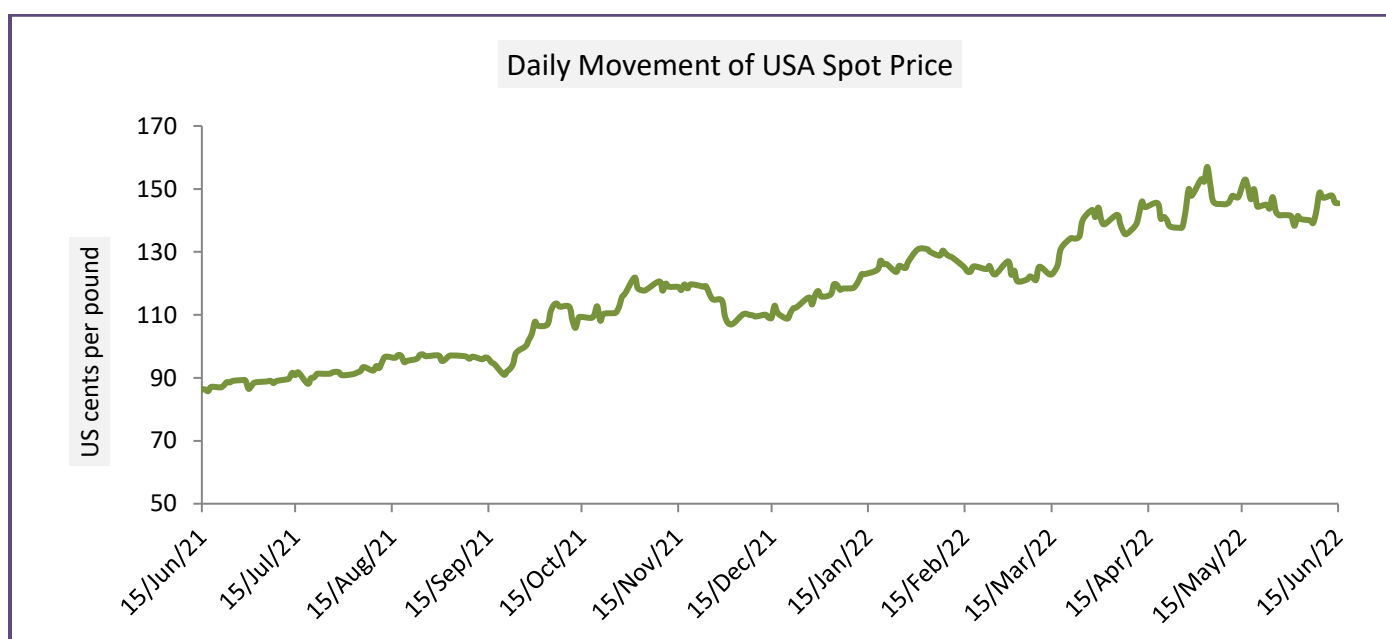


USA Spot Prices

U.S.A spot prices was at 147 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	15-Jun-22	08-Jun-22	
Prices	147.40	140.77	4.71
Prices in US cents per Pound			

Source: USDA

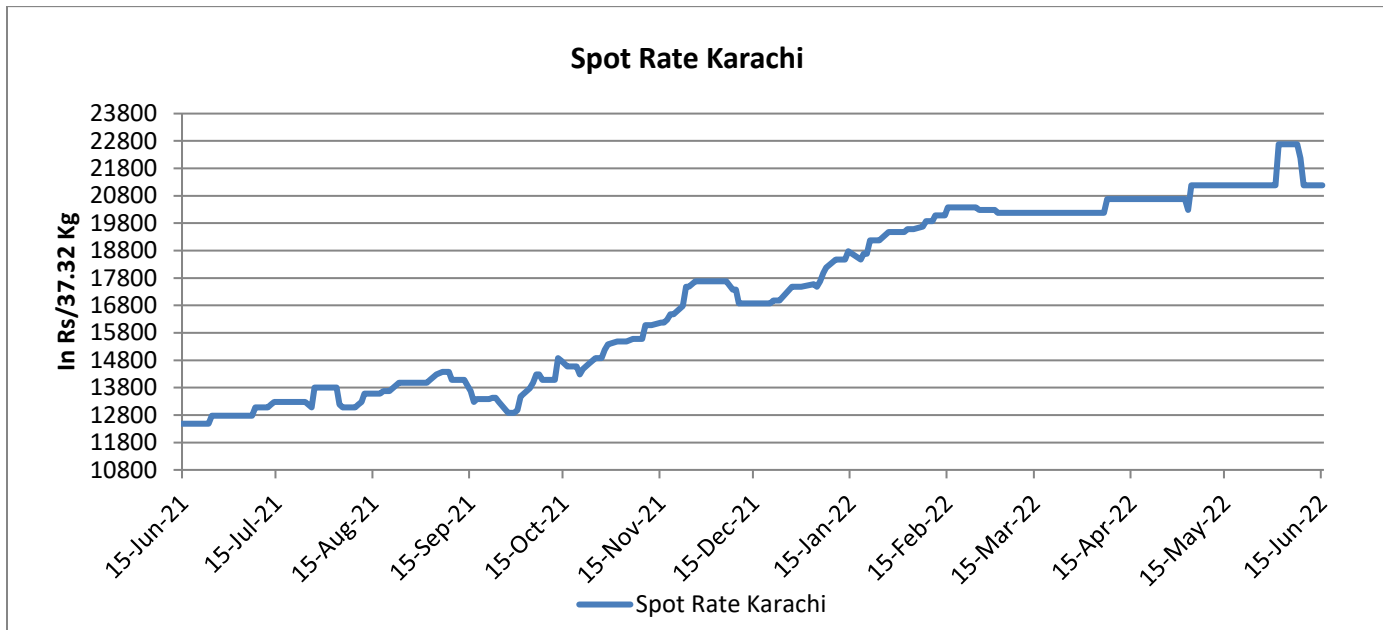


Pakistan Spot Prices

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
	15-Jun-22	08-Jun-22	
Prices	21180	21380	-0.94
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:



Technical Commentary:

- As depicted in the above chart, market has slightly gained in the last week. Prices have broken 9 DMA which was acting as a support.
- 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	46430	46510	46850	47060	47180
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Buy	46840	46940	47030	46770

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Jun

Expiry: Jun. 30, 2021

Cottonseed Oilcake

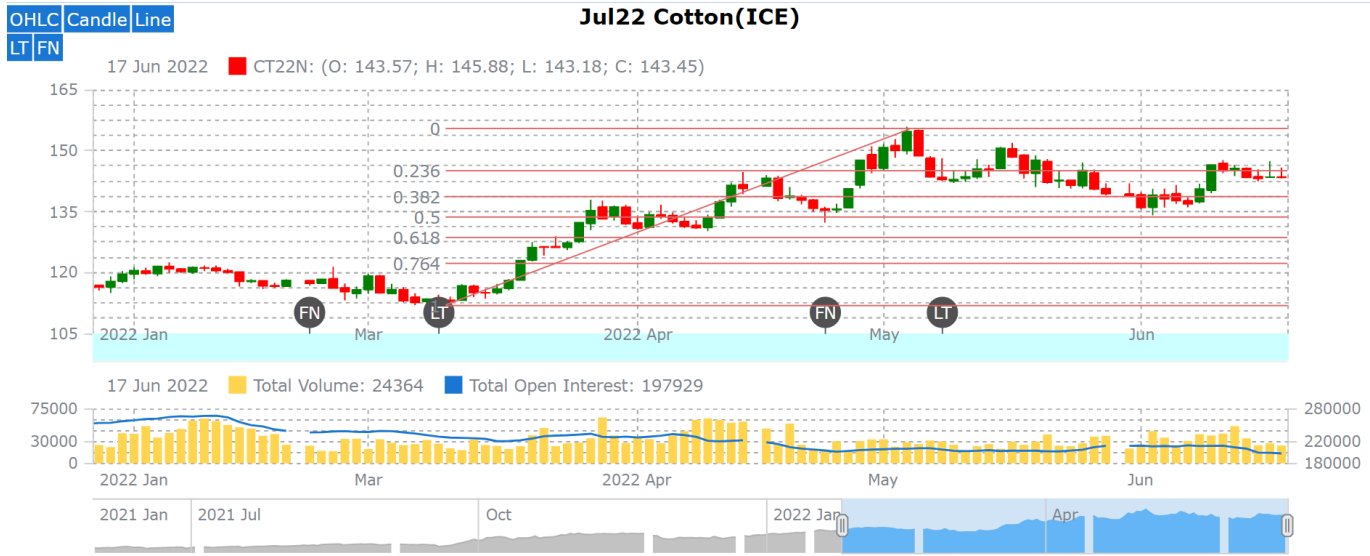
Technical Chart:



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	2609	2659	2725	3102	2900
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Sell	2735	2700	2675	2756



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

- The Jul'22' contract has gained in the last week.
- Total volume increased & Open Interest decreased compared to last week.
- As depicted in the above chart, market has taken has broken 23% Fibonacci retracement level.
- 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

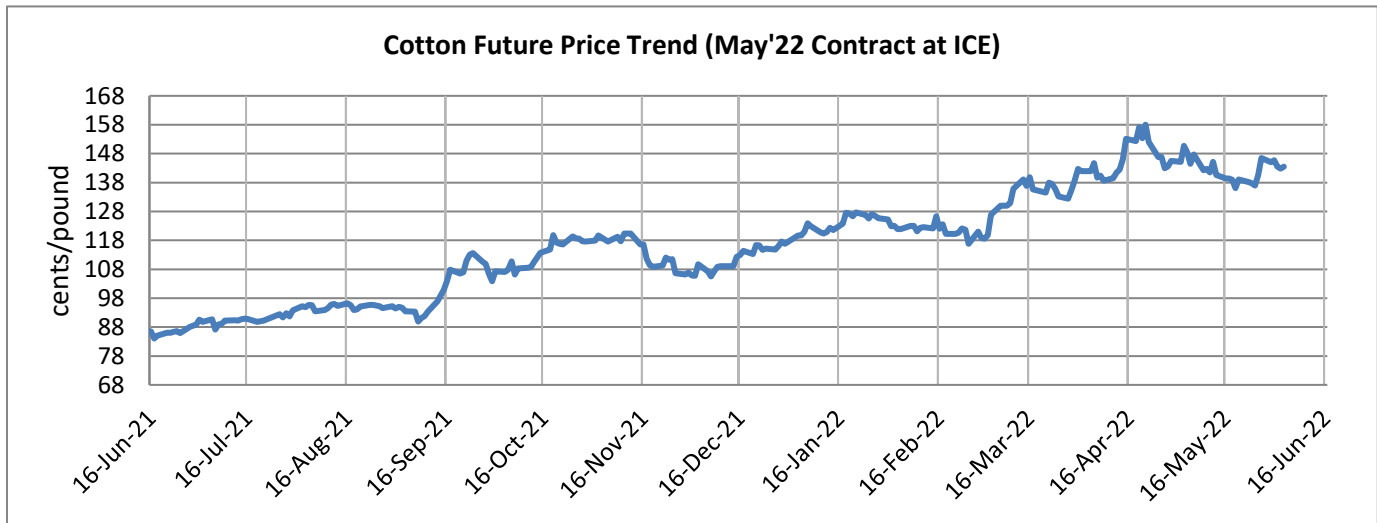
Support 1	Support 2	Resistance 1	Resistance 2
138	128	148	156

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	16-Jun-22	17-May-22 (1 month ago)	18-Mar-21 (3 months ago)	18-Dec-21 (6 months ago)	16-Jun-21 (a year ago)	% Change over a month	% Change over previous year
Jul-22	143.53	148.46	126.86	107.30	85.33	-3.32	68.21
Oct-22	126.13	139.01	123.03	105.70	86.66	-9.27	45.55
Dec-22	119.23	132.36	110.33	103.35	85.95	-9.92	38.72
Mar-23	114.88	126.79	105.24	94.87	85.86	-9.39	33.80
May-23	111.48	121.22	101.54	90.04	85.63	-8.03	30.19

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	09th Jun'22 to 15th Jun'22	02nd Jun'22 to 08th Jun'22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	13095	13030	65
	Rajkot	B.T. Cotton	13017	13067	-50
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11880	12180	-300
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9558	11850	-2292
	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	12533	12583	-50
	Jamner	Medium Staple	12000	12200	-200
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11679	11759	-80
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12825	12900	-75
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	09th Jun'22 to 15th Jun'22	02nd Jun'22 to 08th Jun'22	
Punjab	Bhatinda	J-34	10717	10350	367

	Abohar	J-34	10833	10450	383
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9558	9325	233
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	09th Jun'22 to 15th Jun'22	02nd Jun'22 to 08th Jun'22	
Gujarat	Ahmedabad	Shankar-6	43350	41650	1700
	Gondal	Shankar-6	1512	4196	-2684
	Rajkot	B.T. Cotton	3205	3350	-145
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	16	30	-14
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1870	2040	-170
	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	50000	69000	-19000
	Jamner	Medium Staple	119	100	19
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	955	1432	-477
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	23	38	-15

Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	09th Jun'22 to 15th Jun'22	02nd Jun'22 to 08th Jun'22	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	450	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				09th Jun'22 to 15th Jun'22	02nd Jun'22 to 08th Jun'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	71617	70500	1117
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	72317	71200	1117
J-34(202)	26mm	3.5 - 4.9	23	92283	89917	2367
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	96833	95000	1833
Shankar-6(105)	29mm	3.5 - 4.9	28	99083	97250	1833
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	108917	108833	83
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	112500	112500	Unch

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