

## **Domestic market summary**

**Domestic Market Scenario:** Cotton arrivals are very slow in India almost 91 percent of the cotton has already arrived in the market. 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. 90,200 – Rs. 92,500 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 (161.30 cents/lbs) compared to the ICE Cotton Futures that stood at 143.45 cents/lbs.
- Indian rupee consolidated from Rs. 77.97 per USD.

### **Market Highlights:**

- According to the Agriwatch Sources, some districts of Punjab (Bhatinda, Faridkot, Mansa), Haryana (Sirsa, Hisar) and few border areas (Shri Ganganagar) of Rajasthan has reported Pink Bollworm infestation in Cotton crop. White fly attack was also observed in areas where the crop was sown early and has reached the flowering stage.
- 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 1<sup>st</sup> 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.

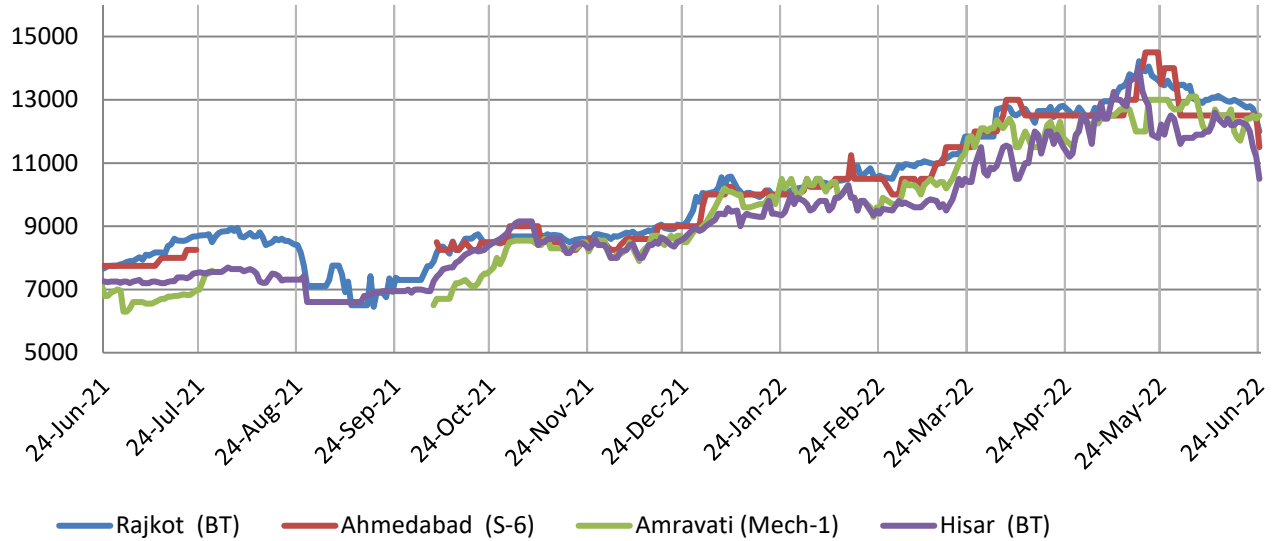
Cotton Sowing (Lakh Hectares) As of 24 <sup>th</sup> June 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	0.330	0.130	-0.2
Karnataka	1.213	1.228	0.015
Gujarat	3.521	5.890	2.36
Maharashtra	2.697	0.533	-2.16
Madhya Pradesh	2.910	1.650	-1.26
Rajasthan	5.284	5.380	0.09
Punjab	2.541	2.480	-0.06
Haryana	6.745	6.505	-0.24
All India	<b>37.34</b>	<b>31.83</b>	<b>-5.51</b>

### Domestic Cotton Prices Scenario

#### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 12851/Qtl compared to previous week's Rs. 13026/Qtl, whereas at Hisar prices stood slightly lower at Rs. 12083/Qtl compared to previous week's price of Rs. 12330/Qtl. For Amravati and Ahmedabad prices were at Rs. 12133Qtl and Rs. 12500/Qtl respectively.

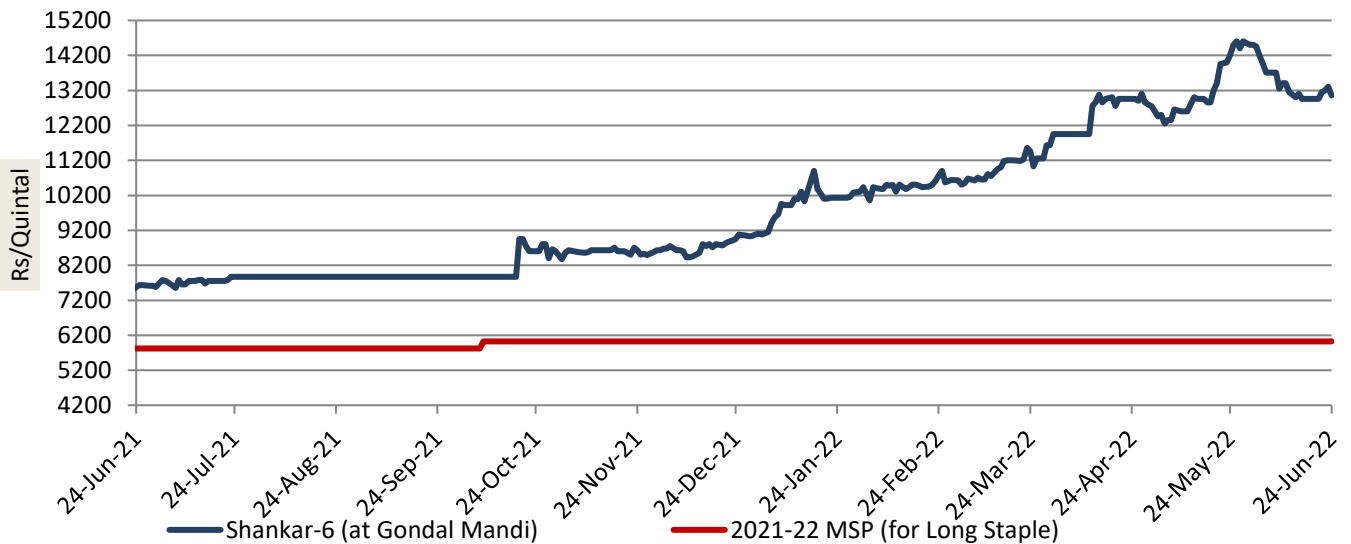
### Variety wise Kapas Price trend (Rs/Qtl)



### Spot Price versus MSP

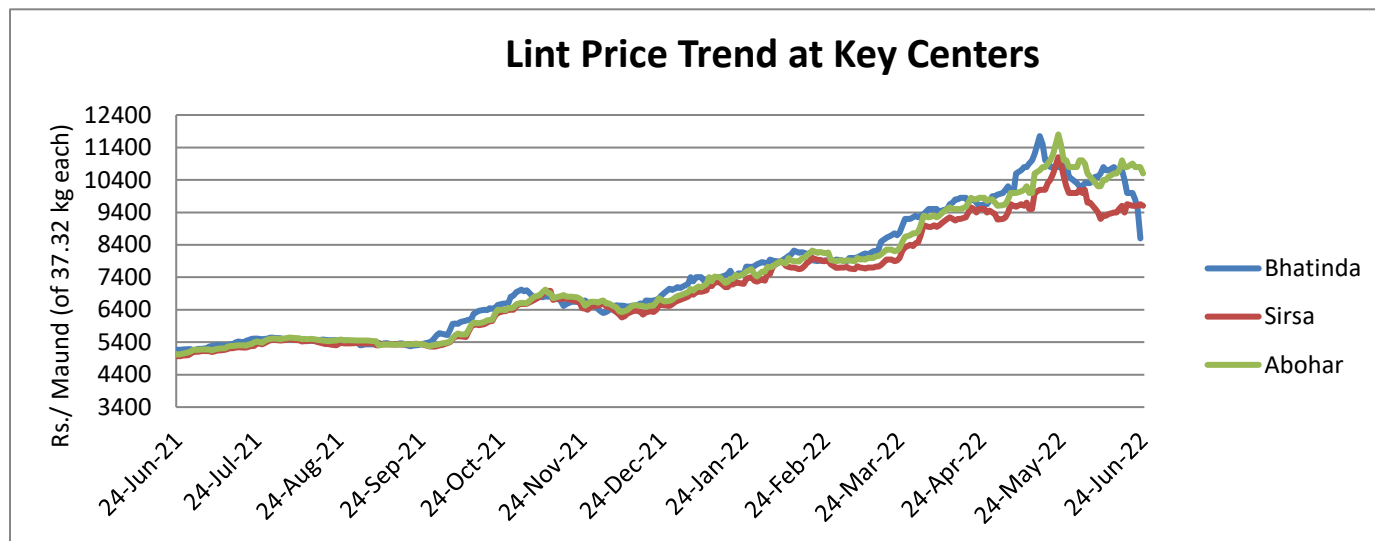
Average Kapas prices at Gondal market have decreased and were at Rs. 13005/Qtl from the previous week of Rs. 13088/q.

#### MSP versus Current S-6 Price



### Lint price Outlook

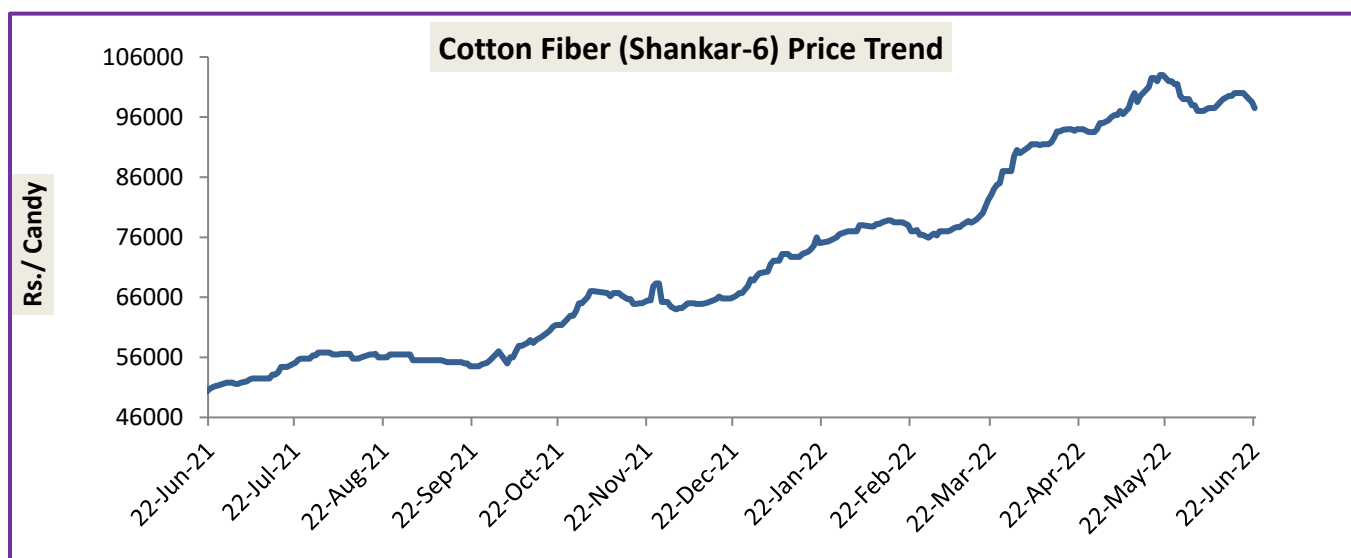
The average price stood slightly higher at Rs. 10333/maund this week compared to Rs.10833/maund previous week in Abohar, in Bhatinda prices were at Rs.10266/maund, and slightly higher in Sirsa at Rs.9458/maund from Rs.9558/maund previous week.



Source: Agriwatch

### Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly corrected and is currently at Rs.99000/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

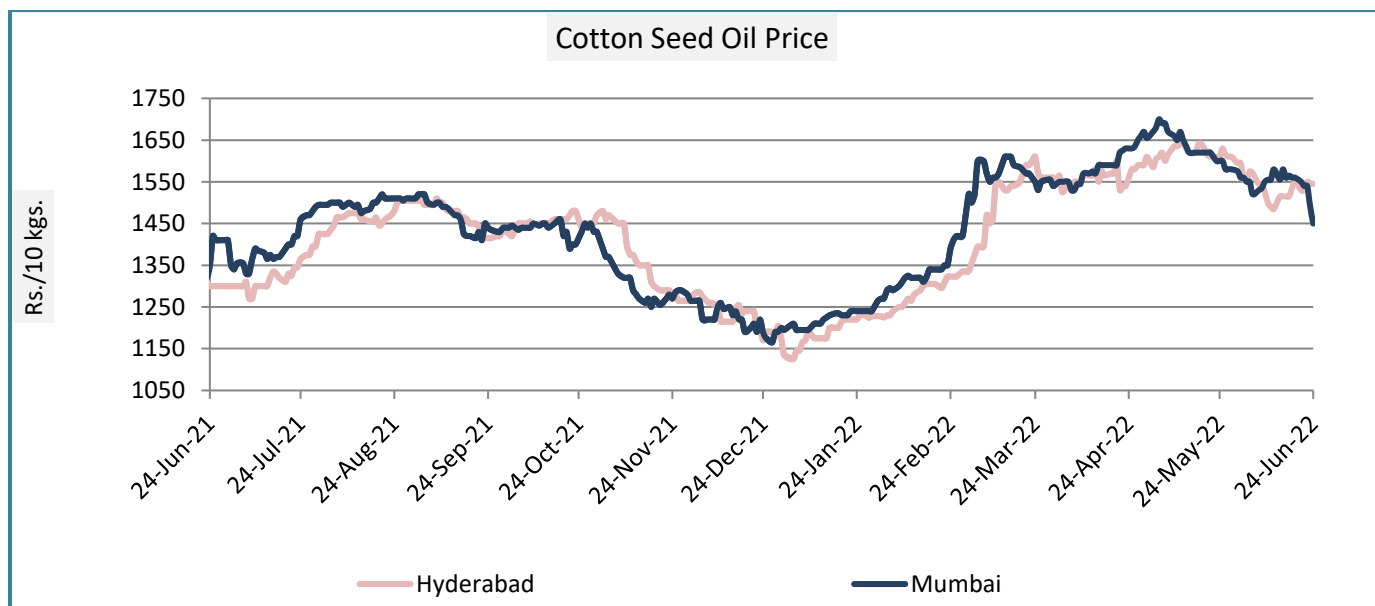
### Cotton Seed Oil weekly

#### Price Scenario

Cottonseed oil prices have slightly improved across the major centers during the week ending on 25th 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
	22-Jun-22	15-Jun-22	
New Delhi	1465	1533	-4.44
Rajkot	1495	1574	-5.02
Hyderabad	1482	1542	-3.91
Mumbai	1502	1563	-3.92

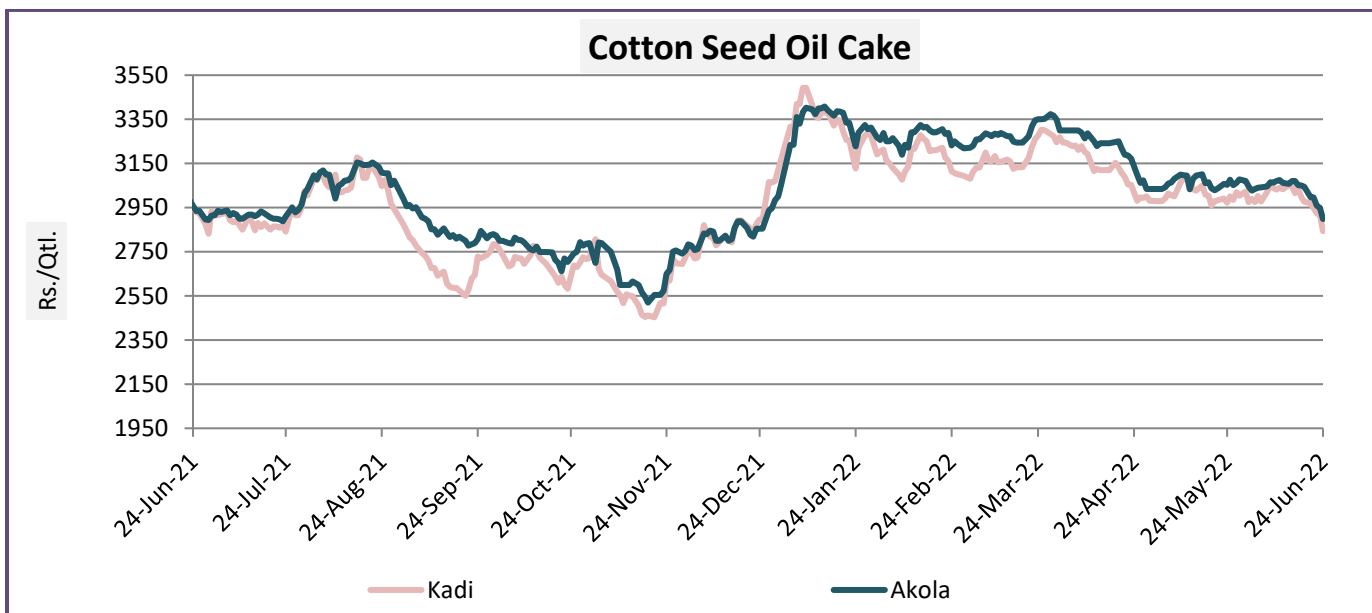
Source: Agriwatch



#### 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. 2975 per quintal from Rs. 3037 per quintal and in Akola prices were at Rs. 3016 per quintal from Rs. 3068 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	24-Jun-22	15-Jun-22	
Kadi	2975	3037	-2.03
Akola	3016	3068	-1.68



Source: NCDEX

## Stock Position

MCX Stock Position as on 22nd June'2022			
Commodity	Location	Unit of Measure	Eligible Quantity
Cotton Bales	YAVATMAL	Bales	1400
Cotton Bales	KADI	Bales	20075
Cotton Bales	RAJKOT	Bales	750
Cotton Bales	JALNA	Bales	25
Cotton Bales	MUNDRA	Bales	0
Cotton Bales	ADILABAD	Bales	0
		<b>Total</b>	<b>22250</b>

### International Market Scenario

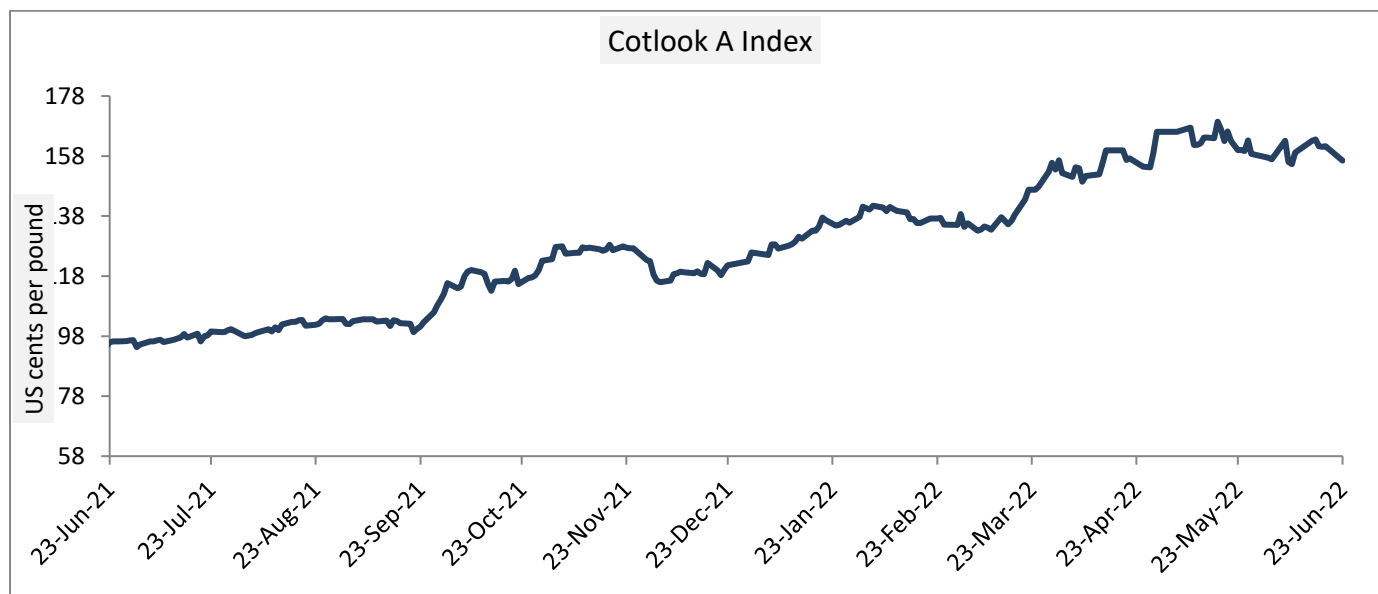
- The area under cotton cultivation in Brazil is estimated to be 15 percent higher at 1.58 million hectares in the 2022 season. With the increase area, production is estimated to reach 2.82 million tonnes. Yield is expected to grow by 3.8 percent at 1,785 kg/ha in the 2022 season.
- According to the U.S. Crop progress report, as on 19<sup>th</sup> May 2022, U.S cotton planting stands at 96 percent which is same as that of the previous season. Also, U.S. cotton planting was around 1 percent higher from previous week.

### Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 161.18 cents/lb lower as compared to the previous week (161.75 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	22-Jun-22	15-Jun-22	
<b>Prices</b>	161.18	161.75	-0.36
Prices in US cents per Pound			

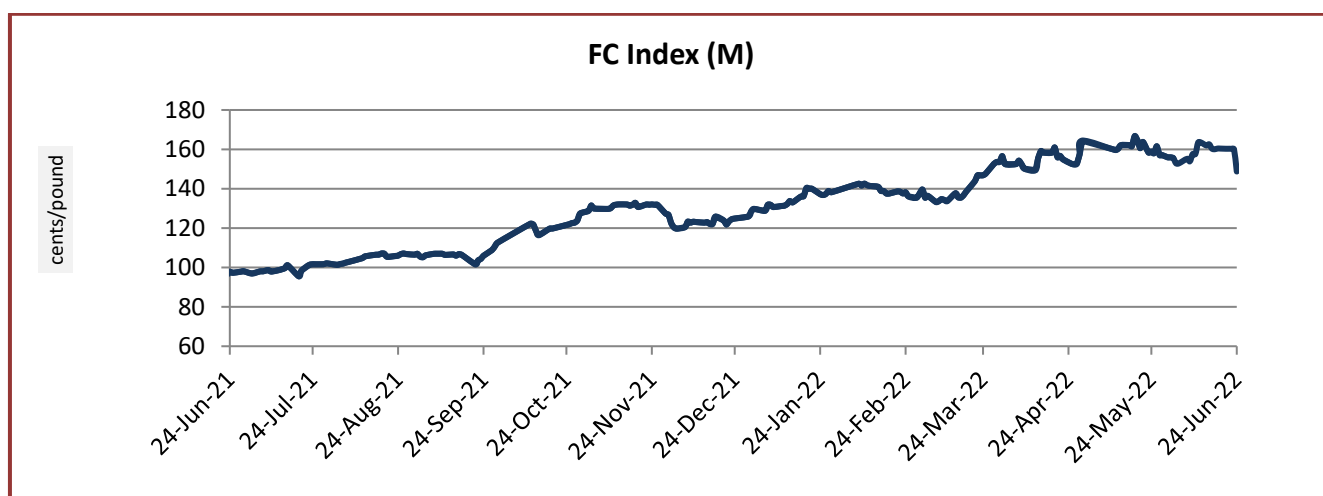
Source: Cotlook



### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	22-Jun-22	15-Jun-22	
FC (S)	161.92	163.21	-0.79
FC (M)	160.30	161.59	-0.80
FC (L)	158.71	160.00	-0.81
Prices in US cents per Pound			

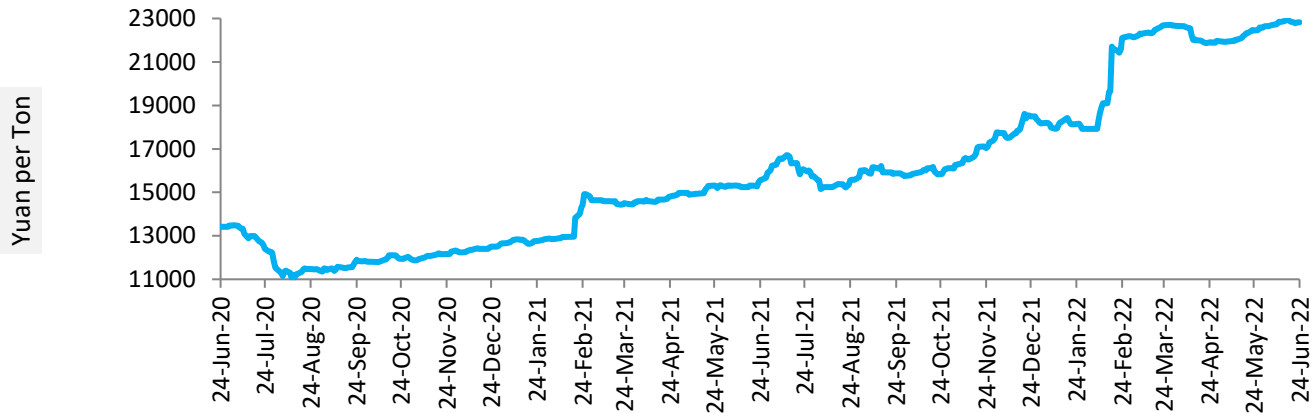
Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	22-Jun-22	15-Jun-22	
CCIndex(328)	20569.20	21215.20	-3.04
CCIndex(527)	19311.40	19871.60	-2.82
CCIndex(229)	20965.17	21708.00	-3.42
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)



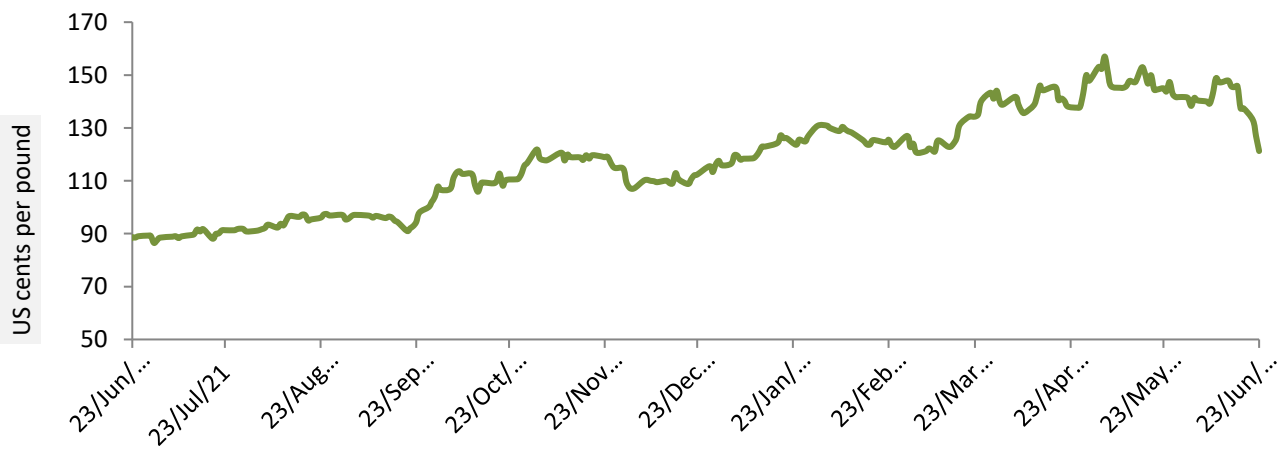
## USA Spot Prices

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

USA Spot Prices	Monthly Average Price as on		% Change
	22-Jun-22	15-Jun-22	
Prices	139.78	147.40	-5.17
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price

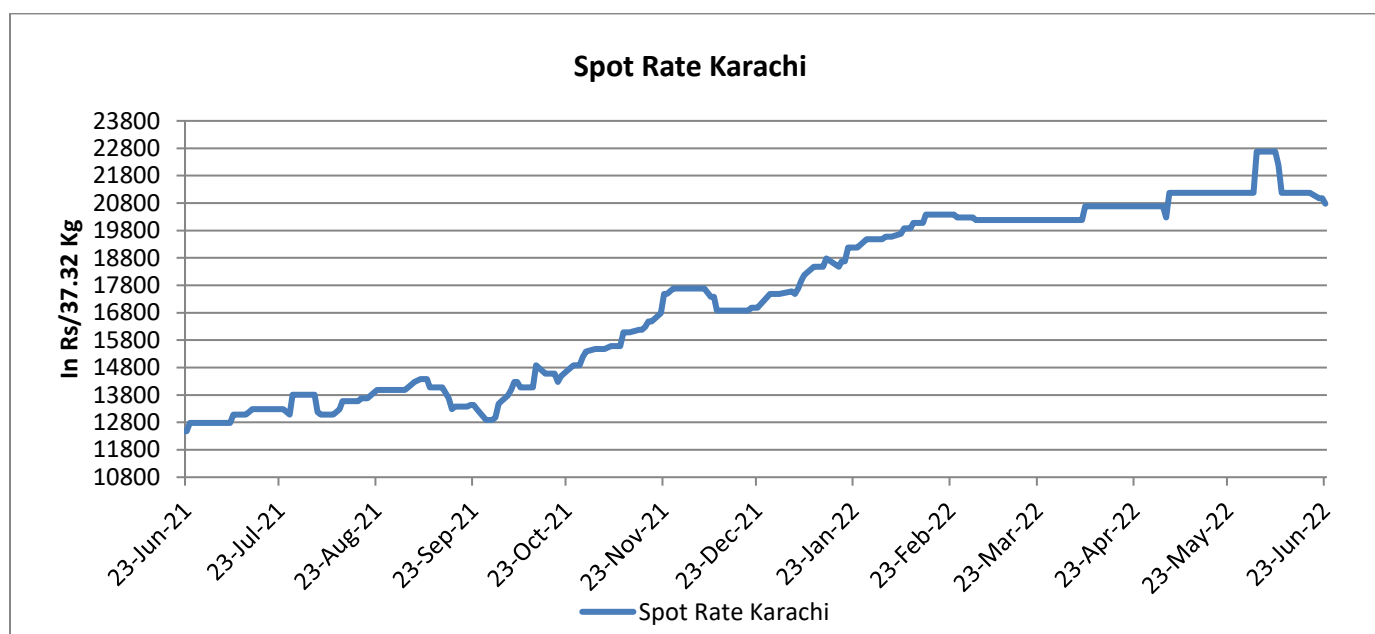


## Pakistan Spot Prices

The Karachi spot price had slightly decreased at Rs.20900/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	22-Jun-22	15-Jun-22	
Prices	20900	21180	-1.32
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 corrected in the last week. Prices have broken 9 DMA. But a small candle indicates that prices may go upward.
- Oscillator RSI is moving down in the overbought zone indicating further decline in prices.
- Momentum indicator MACD is diverging.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jun	43580	43660	44000	44210	44330
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Buy	43990	44090	44180	43920

\* 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	2489	2539	2605	3102	2780
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	<b>Sell</b>	2615	2580	2555	2636



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

- The Jul'22' contract has corrected more than expected 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 1.23% 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	85-120

#### Expected Support and Resistance

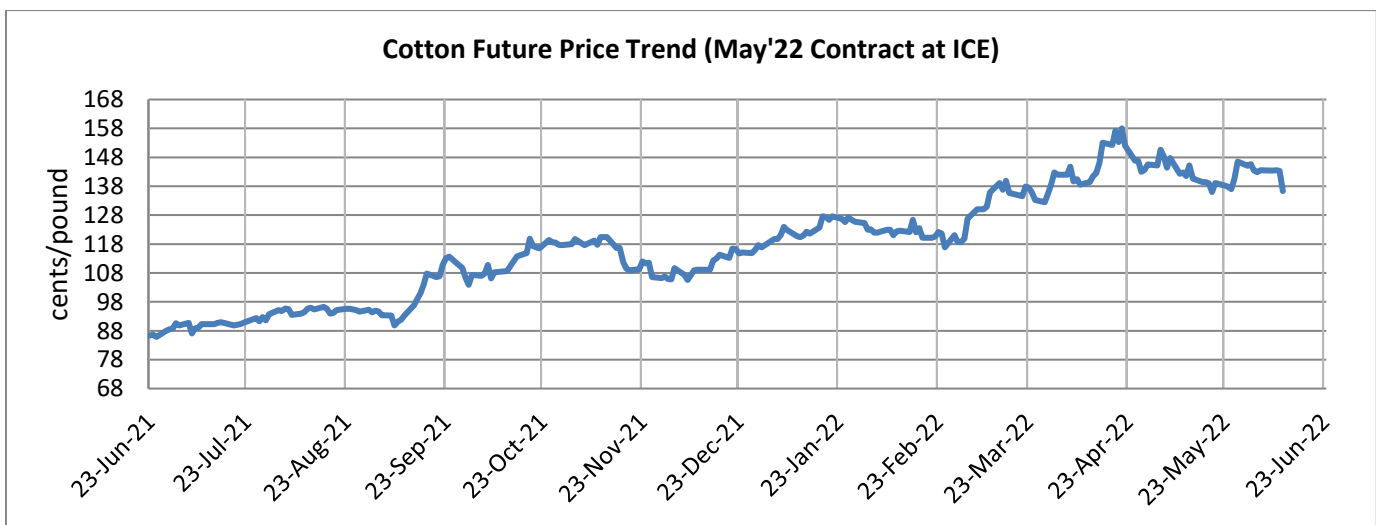
Support 1	Support 2	Resistance 1	Resistance 2
108	86	115	135

Figures in US cents/pound

### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	23-Jun-22	24-May-22 (1 month ago)	25-Mar-21 (3 months ago)	25-Dec-21 (6 months ago)	23-Jun-21 (a year ago)	% Change over a month	% Change over previous year
Jul-22	136.32	141.54	135.90	109.12	86.46	-3.69	57.67
Oct-22	109.01	130.51	132.35	107.05	87.63	-16.47	24.40
Dec-22	102.01	123.78	117.85	104.30	86.94	-17.59	17.33
Mar-23	97.73	119.50	111.74	95.59	86.43	-18.22	13.07
May-23	95.33	115.95	107.32	90.71	85.96	-17.78	10.90

### Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	16th Jun'22 to 22nd Jun'22	09th Jun'22 to 15th Jun'22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	13005	13095	-90
	Rajkot	B.T. Cotton	12852	13017	-165
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12148	11880	268
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12083	9558	2525
	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	12133	12533	-400
	Jamner	Medium Staple	11583	12000	-417
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11887	11679	208
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12580	12825	-245
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	16th Jun'22 to 22nd Jun'22	09th Jun'22 to 15th Jun'22	
Punjab	Bhatinda	J-34	10267	10717	-450

	Abohar	J-34	10333	10833	<b>-500</b>
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	9458	9558	<b>-100</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	16th Jun'22 to 22nd Jun'22	09th Jun'22 to 15th Jun'22	
<b>Gujarat</b>	Ahmedabad	Shankar-6	24650	43350	<b>-18700</b>
	Gondal	Shankar-6	2041	1512	<b>529</b>
	Rajkot	B.T. Cotton	3920	3205	<b>715</b>
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	25	16	<b>9</b>
<b>Haryana</b>	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2584	1870	<b>714</b>
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	28000	50000	<b>-22000</b>
	Jamner	Medium Staple	139	119	<b>20</b>
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	919	955	<b>-36</b>
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	23	<b>-7</b>

Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	16th Jun'22 to 22nd Jun'22	09th Jun'22 to 15th Jun'22	Change
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				16th Jun'22 to 22nd Jun'22	09th Jun'22 to 15th Jun'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	71517	71617	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	72217	72317	-100
J-34(202)	26mm	3.5 - 4.9	23	90700	92283	-1583
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	96850	96833	17
Shankar-6(105)	29mm	3.5 - 4.9	28	99167	99083	83
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	106417	108917	-2500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	111750	112500	-750

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