

COTTON WEEKLY RESEARCH REPORT

04th July 2022

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 in the 2021-22 season. Cotton sowing is progressing in India for the coming 2022-23 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.98,000-10,200/Qtl.

Major Market Highlights:

- Indian rupee consolidated from Rs. 78.95 per USD.

Market Highlights:

- The raw cotton prices in the domestic market have currently dropped by around 10 percent across India and by around 20 percent in the International Market. As the domestic cotton season is towards its closure the cotton demand has fallen particularly for yarn, mill consumption has also reduced.
- The Committee on Cotton Production and Consumption had estimated the closing stock in the 2021-22 season to be at 41.27 lakh bales, imports are estimated at 15 lakh bales, production at 315.43 lakh bales with opening stock of 71.84 lakh bales. Whereas, textile consumption is estimated at 285 lakh bales. At Agriwatch we are expecting production to be 318.60 lakh bales for the 2021-22 season.
- The National Food Security Mission has released its latest sowing report, as per that cotton sowing has reached 64.07 lakh tonnes as on 01st July 2022 higher by around 2.34 percent as compared to previous season 61.73 lakh tonnes. Major increase in acreages was from Andhra Pradesh, Gujarat and Maharashtra.

Cotton Sowing (Lakh Hectares) As of 02nd July 2022

States	2021-22	2022-23	Difference
Andhra Pradesh	0.390	0.600	0.21
Karnataka	1.64	2.88	1.24
Gujarat	11.46	10.85	-0.60
Maharashtra	19.58	23.64	4.06
Madhya Pradesh	3.34	1.80	1.54

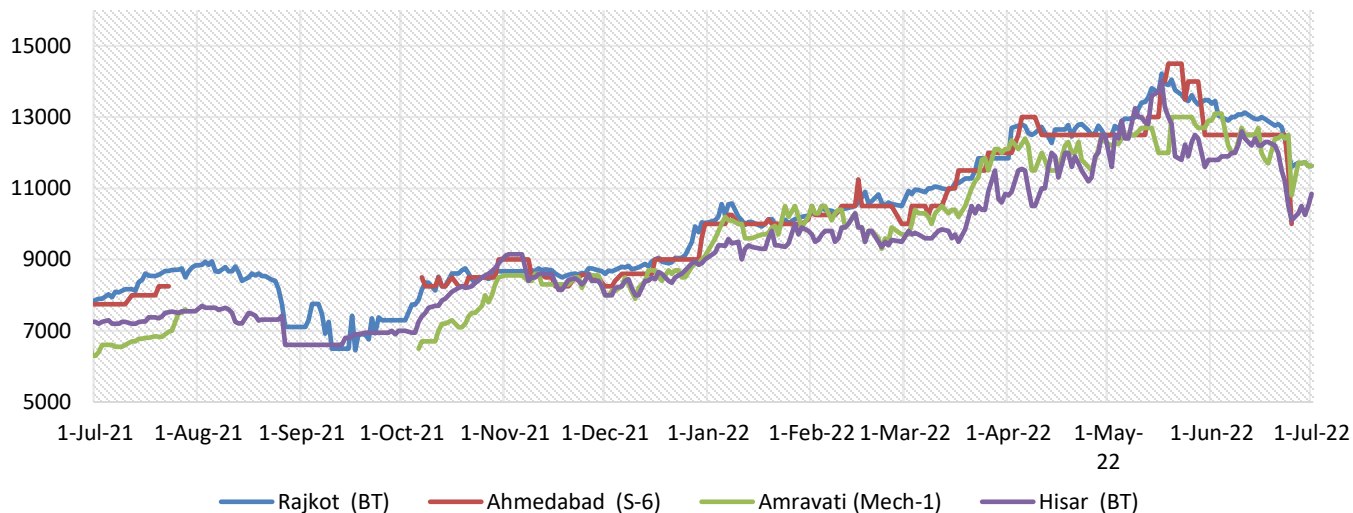
Rajasthan	5.36	5.56	0.20
Punjab	2.54	2.48	0.06
Haryana	6.74	6.50	0.24
All India	64.07	61.73	2.34

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

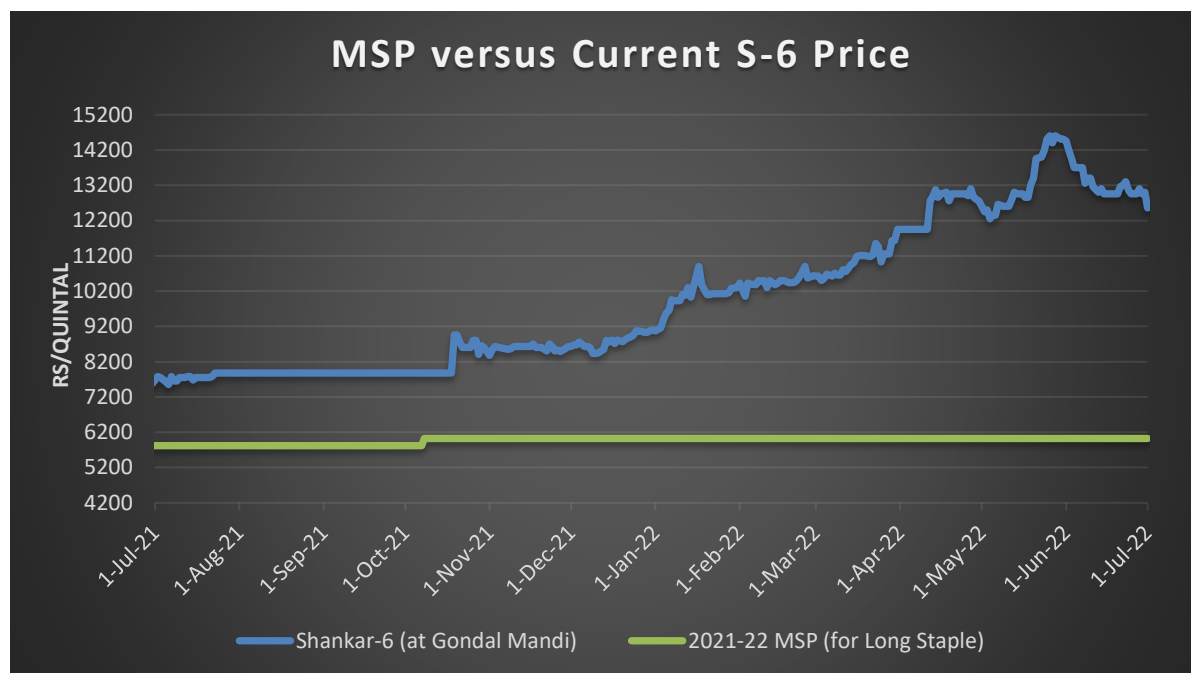
Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 11855/Qtl compared to previous week's Rs. 12851/Qtl, whereas at Hisar prices stood slightly lower at Rs. 10475/Qtl compared to previous week's price of Rs. 12083/Qtl. For Amravati and Ahmedabad prices were at Rs. 11809Qtl and Rs. 11333/Qtl respectively.

Variety wise Kapas Price trend (Rs/Qtl)



Spot Price versus MSP

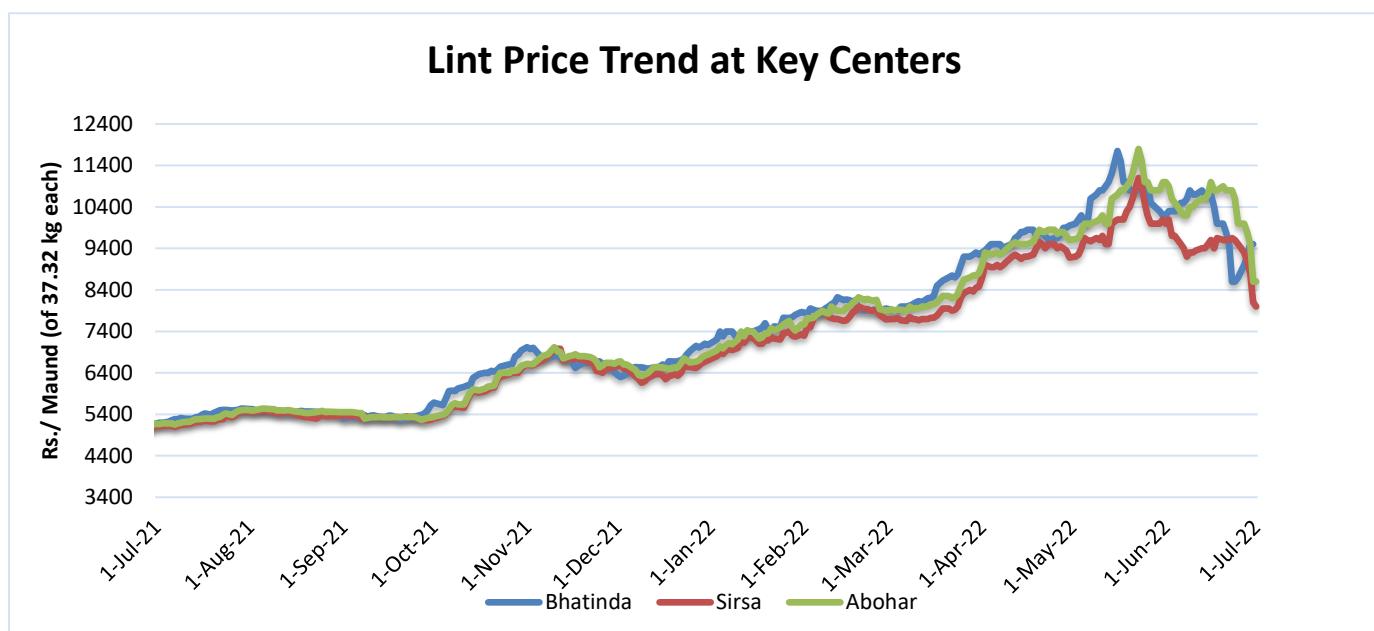
Average Kapas prices at Gondal market have decreased and were at Rs. 11680/Qtl from the previous week of Rs. 13005/q.



Source: Agriwatch

Lint price Outlook

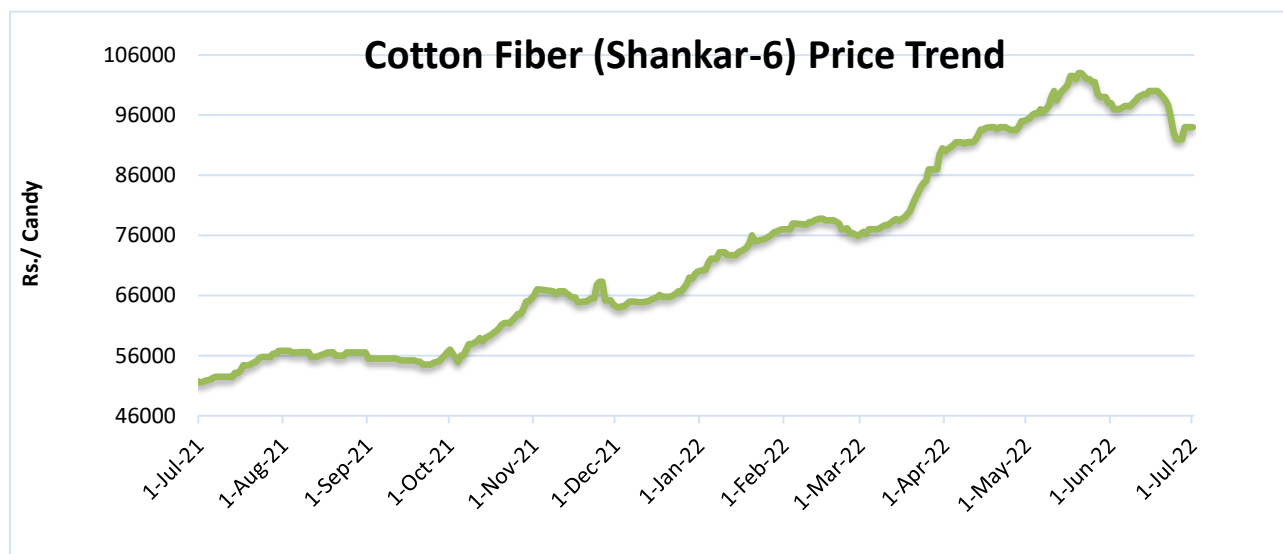
The average price stood slightly lower at Rs. 8966/maund this week compared to Rs.10333/maund previous week in Abohar, in Bhatinda prices were at Rs.8933/maund, and slightly lower in Sirsa at Rs.8316/maund from Rs.9458/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly corrected and is currently at Rs.93416/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

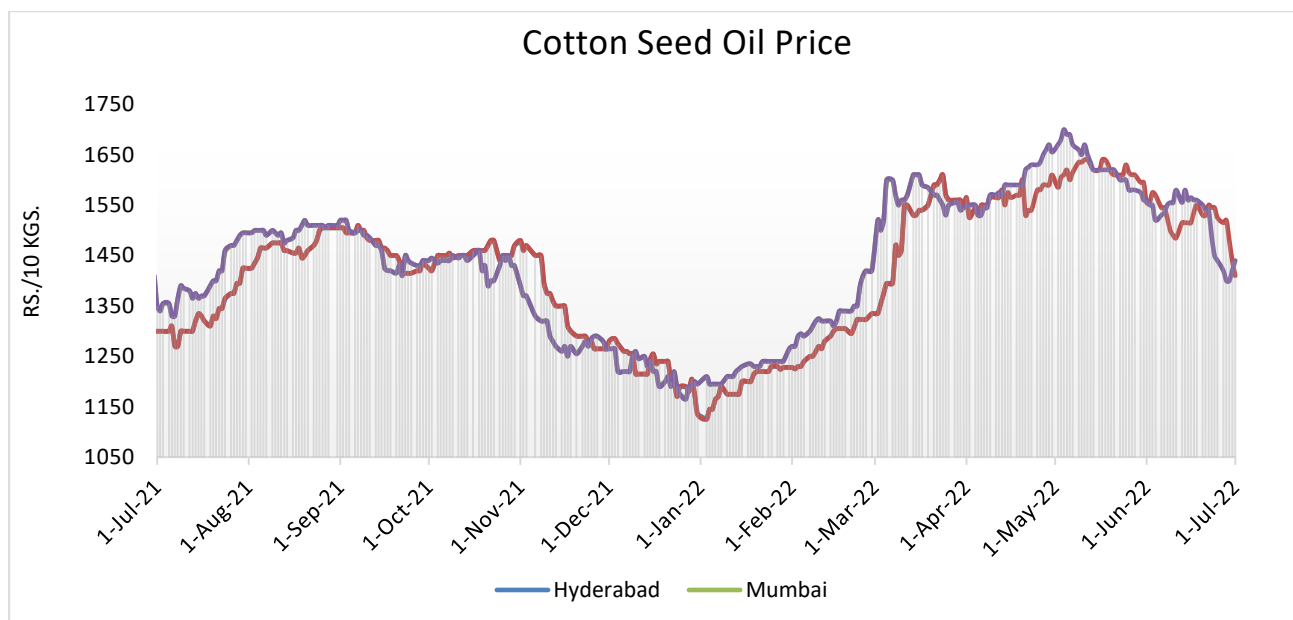
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 29th 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
	29-Jun-22	22-Jun-22	
New Delhi	1413	1465	-3.58
Rajkot	1426	1495	-4.63
Hyderabad	1423	1482	-3.96
Mumbai	1420	1502	-5.46

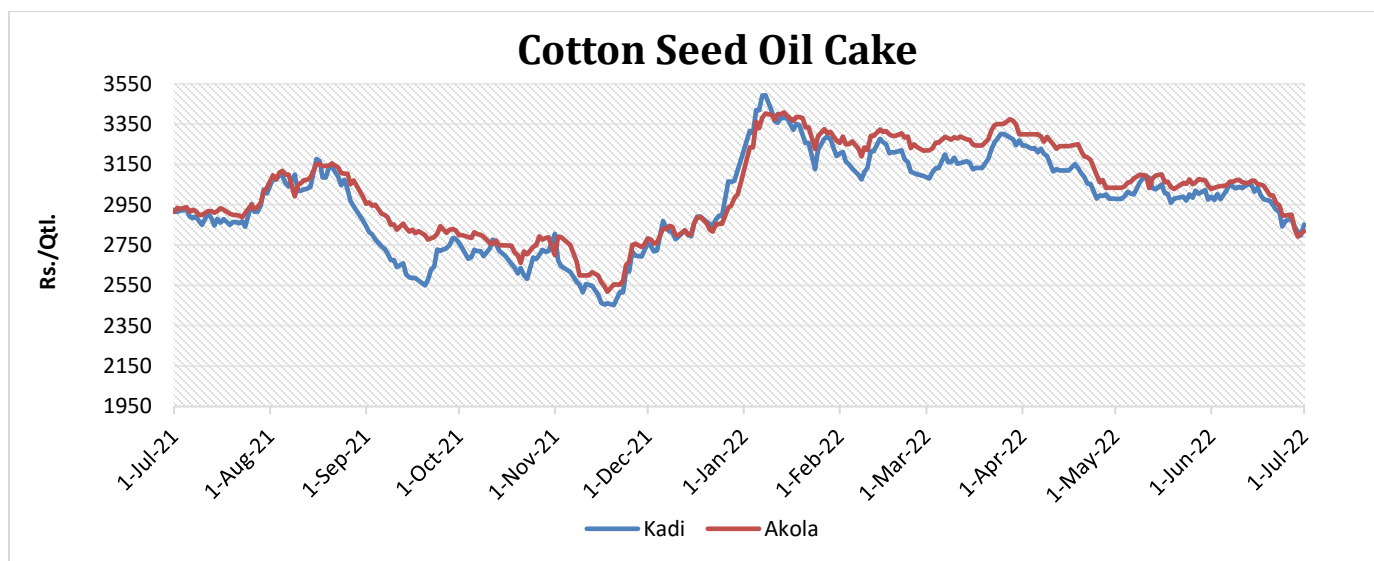
Source: Agriwatch



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. 2861 per quintal from Rs. 2975 per quintal and in Akola prices were at Rs. 2877 per quintal from Rs. 3016 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	29-Jun-22	24-Jun-22	
Kadi	2861	2975	-3.84
Akola	2877	3016	-4.60



Source: NCDEX

Stock Position

MCX Stock Position as on 30th June'2022			
Commodity	Location	Unit of Measure	Eligible Quantity
Cotton Bales	YAVATMAL	Bales	775
Cotton Bales	KADI	Bales	15150
Cotton Bales	RAJKOT	Bales	550
Cotton Bales	JALNA	Bales	25
Cotton Bales	MUNDRA	Bales	0
Cotton Bales	ADILABAD	Bales	0
		Total	16500

International Market Scenario

- According to the U.S. Crop progress report, as on 27th June 2022, U.S cotton Squaring stands at 33 percent which is higher as that of the previous season (30 percent).
- Bearish trend continued in local Pakistan cotton market. The prices of cotton dropped significantly by Rs. 7,000 per maund, the prices of Phutti dropped by Rs. 3500 per 40kg and the spot rate decreased by Rs. 5300 per maund. As per, Pakistan Textile Mills Association, exports are likely to be affected due to suspension of gas supply to the industry.
- 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.

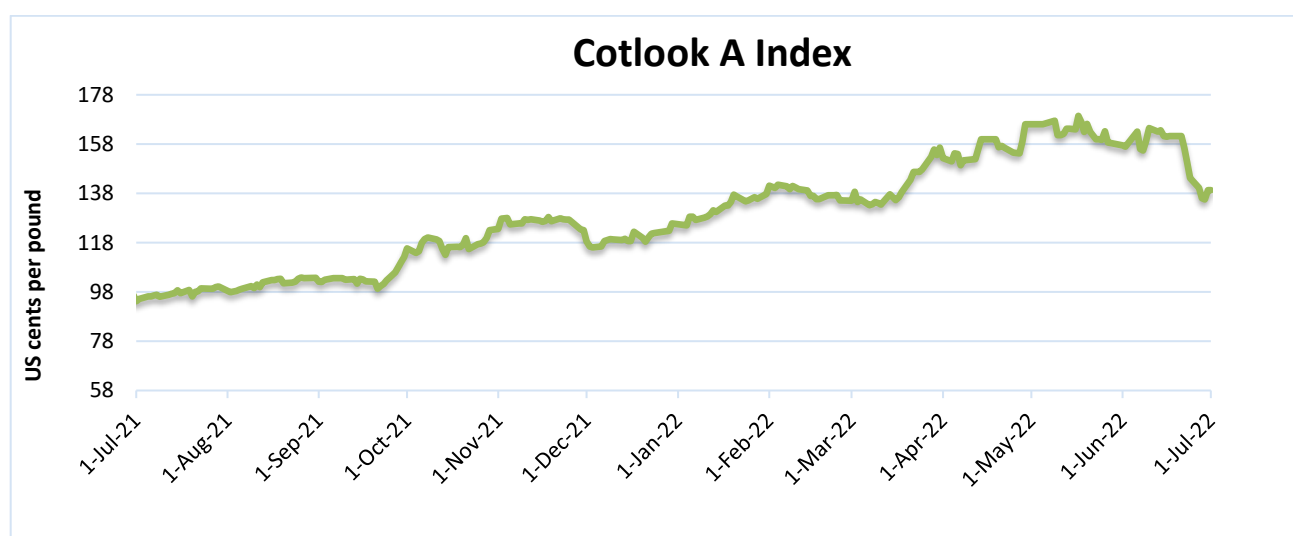
Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 143.83 cents/lb lower as compared to the previous week (161.18 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	29-Jun-22	22-Jun-22	
Prices	143.83	161.18	-10.76

Prices in US cents per Pound

Source: Cotlook

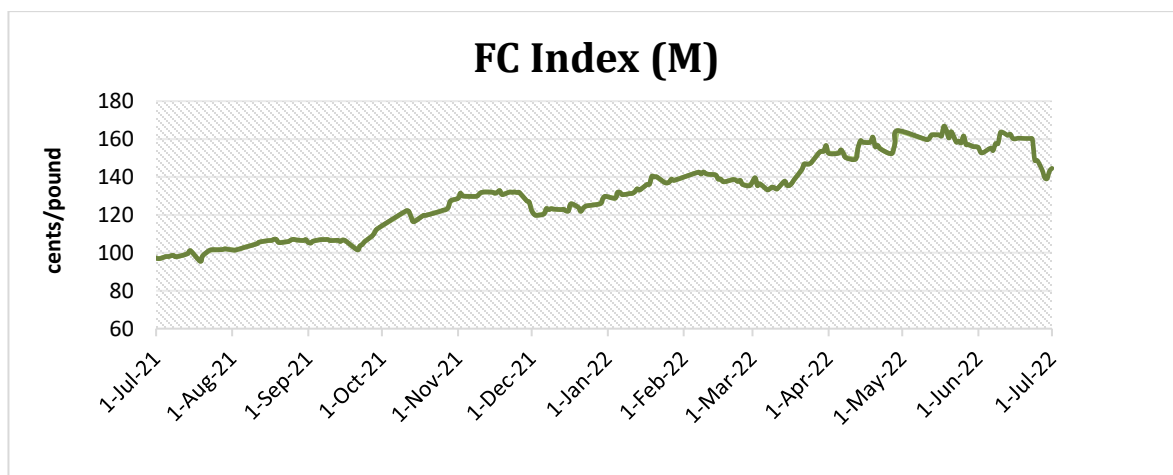


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	29-Jun-22	22-Jun-22	
FC (S)	148.30	161.92	-8.41
FC (M)	146.68	160.30	-8.50
FC (L)	145.10	158.71	-8.58

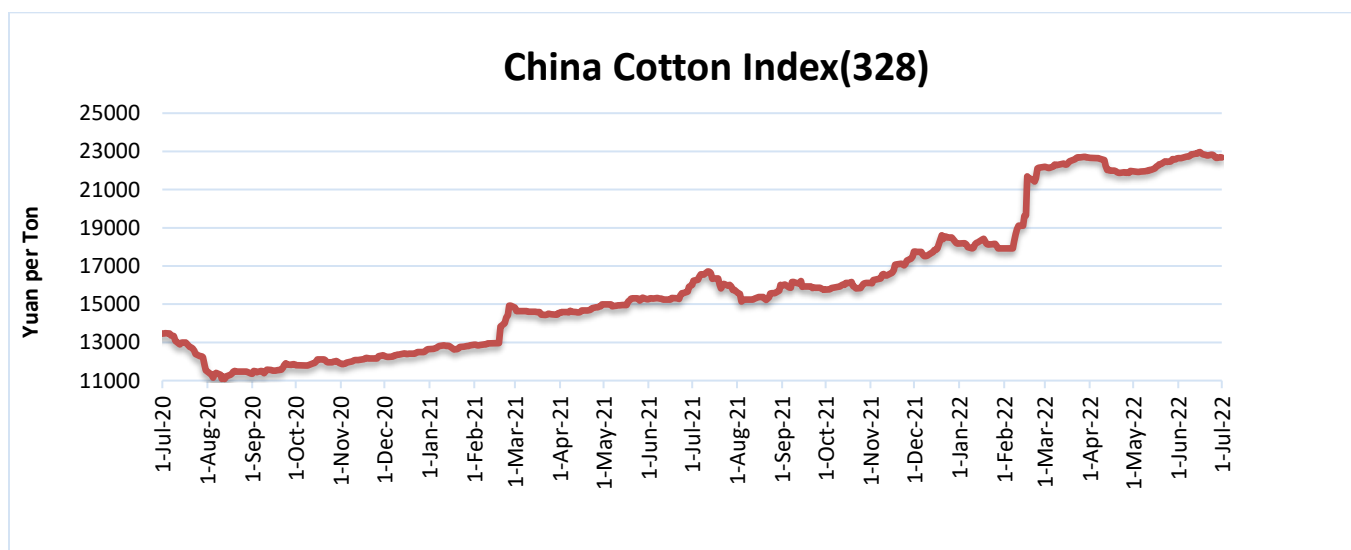
Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	22-Jun-22	22-Jun-22	
CCIndex(328)	18959.17	20569.20	-7.83
CCIndex(527)	17792.17	19311.40	-7.87
CCIndex(229)	19475.50	20965.17	-7.11
Prices in Yuan per ton			

Source: China Cotton Association

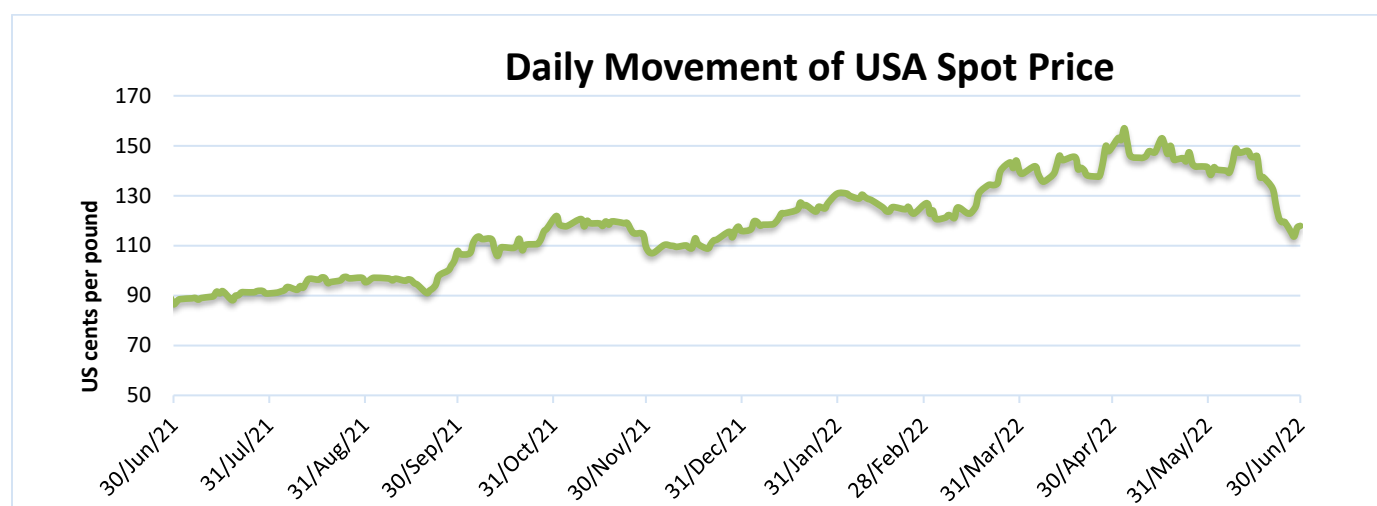


USA Spot Prices

U.S.A spot prices was at 120 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	29-Jun-22	22-Jun-22	
Prices	120.47	139.78	-13.81
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

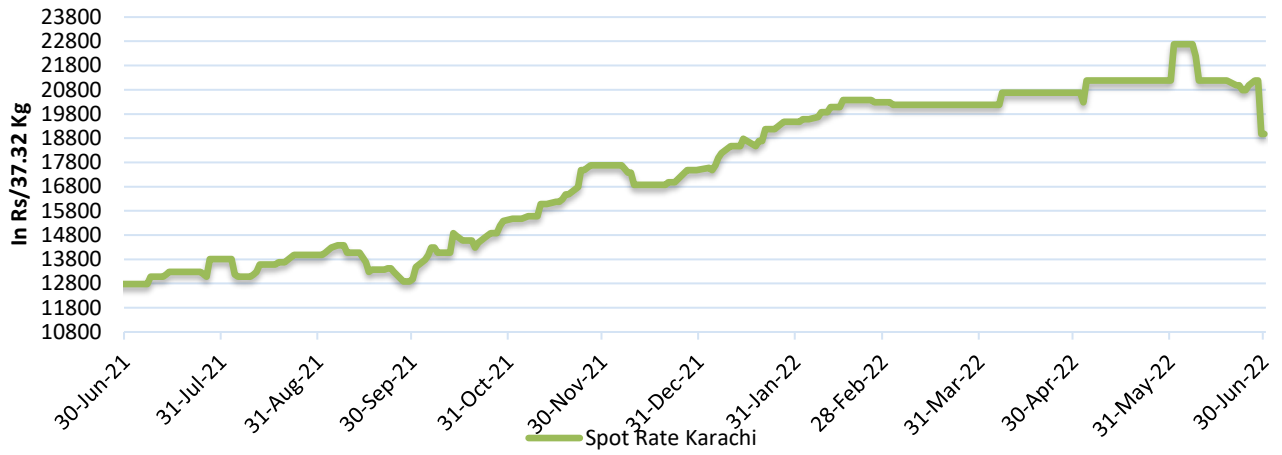
The Karachi spot price had decreased at Rs.19130/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	29-Jun-22	22-Jun-22	
Prices	19130	20900	-8.47
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 slightly corrected in the last week. Prices have broken 9 DMA to 18 DMA.
- Market has broken up to 38.2 percent Fibonacci retracement.
- Oscillator RSI indicating further decline in prices.
- Momentum indicator MACD is diverging.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jun	40350	40430	40750	40980	41100
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Sell	40760	40640	40540	40832

* 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 downward trend was followed in the last week.
- Currently market is trading below 50 DMA, Market has taken a support of 100 DMA and had retraced back
- 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	2466	2536	2656	2796	2856
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Buy	2646	2746	2766	2576



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 broken to 1.23% Fibonacci retracement level and had retraced back. The next resistance is likely to be 1 percent Fibonacci retracement.
- 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

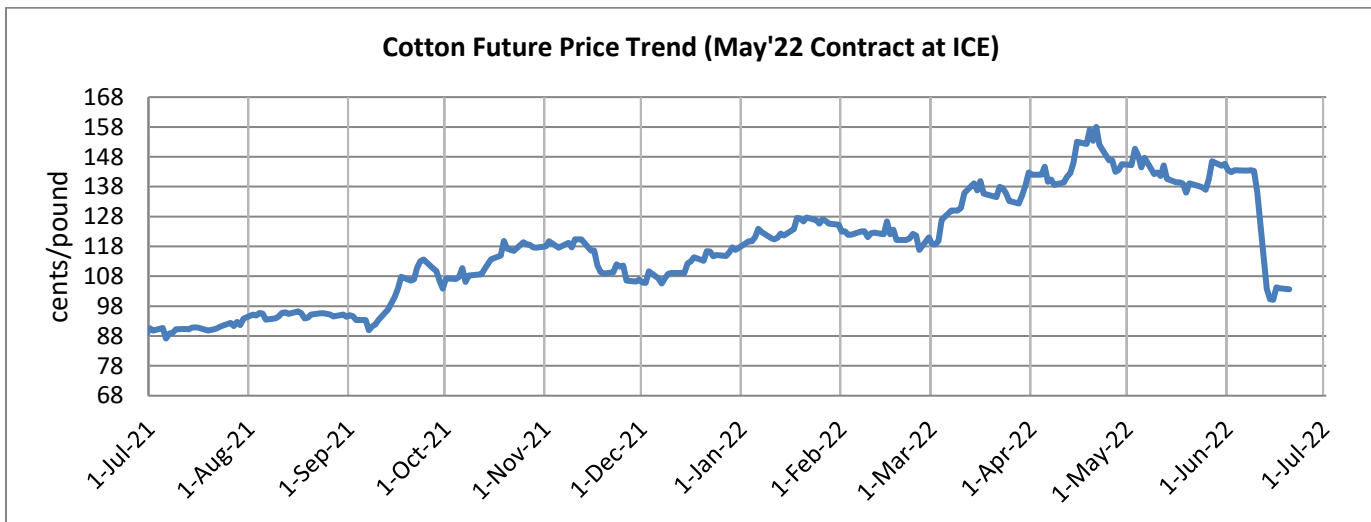
Support 1	Support 2	Resistance 1	Resistance 2
108	86	115	135

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	01-Jul-22	01-Jun-22 (1 month ago)	02-Apr-22 (3 months ago)	02-Jan-22 (6 months ago)	01-Jul-21 (a year ago)	% Change over a month	% Change over previous year
Jul-22	103.68	136.06	134.55	113.23	85.01	-23.80	21.96
Oct-22	105.38	126.60	130.93	110.91	86.49	-16.76	21.84
Dec-22	97.48	118.43	116.72	108.50	85.90	-17.69	13.48
Mar-23	93.37	114.30	110.68	97.90	85.79	-18.31	8.84
May-23	90.9	111.39	106.21	92.95	85.56	-18.39	6.24

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	23rd Jun'22 to 29th Jun'22	16th Jun'22 to 22nd Jun'22	
Gujarat	Ahmedabad	Shankar-6	11625	12500	-875
	Gondal	Shankar-6	11869	13005	-1136
	Rajkot	B.T. Cotton	11979	12852	-873
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8	12148	-12140
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10475	12083	-1608
	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	12520	12133	387
	Jamner	Medium Staple	11417	11583	-166
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11055	11887	-833
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11220	12580	-1361
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	23rd Jun'22 to 29th Jun'22	16th Jun'22 to 22nd Jun'22	
Punjab	Bhatinda	J-34	8933	10267	-1333

	Abohar	J-34	8967	10333	-1367
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8316	9458	-1142
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	23rd Jun'22 to 29th Jun'22	16th Jun'22 to 22nd Jun'22	
Gujarat	Ahmedabad	Shankar-6	10200	24650	-14450
	Gondal	Shankar-6	2259	2041	218
	Rajkot	B.T. Cotton	2225	3920	-1695
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	35	25	10
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3128	2584	544
	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	22000	28000	-6000
	Jamner	Medium Staple	152	139	13
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	462	919	-457
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10	16	-6

Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	23rd Jun'22 to 29th Jun'22	16th Jun'22 to 22nd 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
				23rd Jun'22 to 29th Jun'22	16th Jun'22 to 22nd Jun'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64000	71517	-7517
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64700	72217	-7517
J-34(202)	26mm	3.5 - 4.9	23	80866	90700	-9834
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	90500	96850	-6350
Shankar-6(105)	29mm	3.5 – 4.9	28	93417	99167	-5750
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	99167	106417	-7250
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	107000	111750	-4750

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