

COTTON WEEKLY RESEARCH REPORT11th July 2022**Domestic market summary**

Domestic Market Scenario: Indian cotton market looks steady to downward. As mills remain slower in buying due to slow offtake of yarn while limited cotton stock did not allow market to go lower. Sowing is progressing across India for the ongoing 2022-23 Kharif season. Weaker rupee is unfavorable for imports, rupee has depreciated to Rs. 79 a dollar. Agriwatch expects cotton fiber prices to remain range between Rs. 92,200 – Rs. 96,500 per candy.

Weekly Price Outlook:

The average price of Kapas in Andhra Pradesh is likely to hover around Rs.10,000-10,600/Qtl.

Major Market Highlights:

- Indian rupee consolidated from Rs. 79.33 per USD.

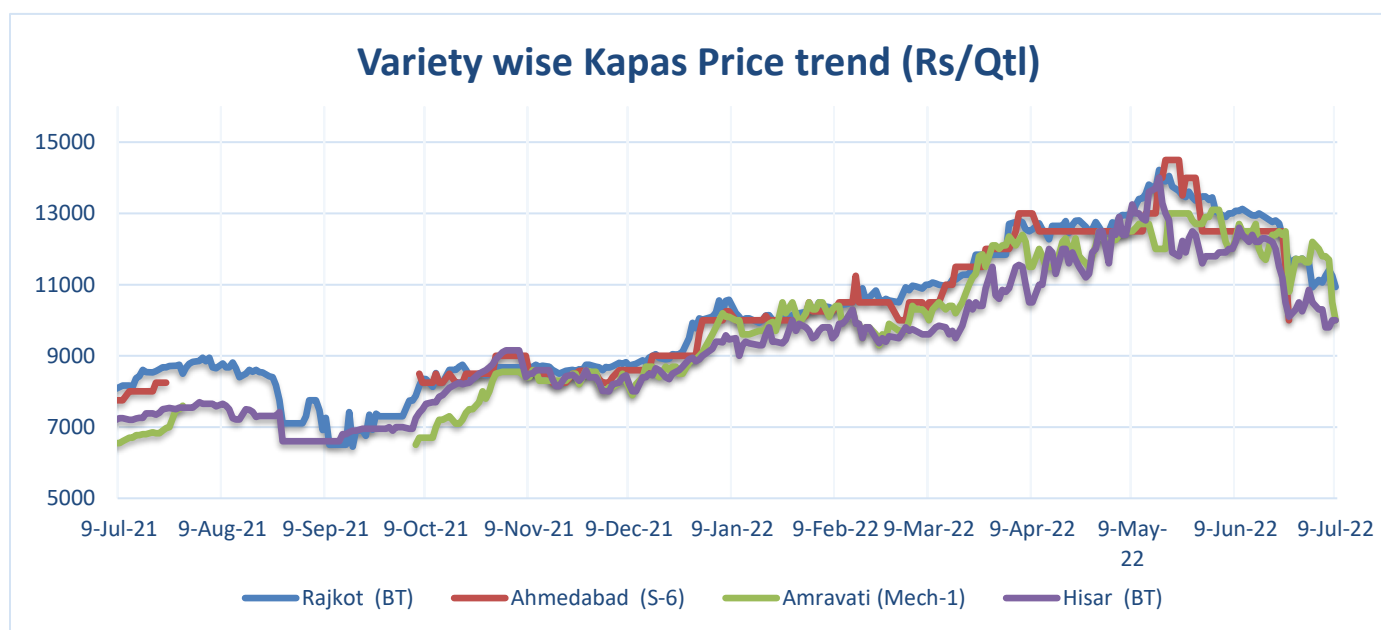
Market Highlights:

- 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.
- The Ministry of Finance (Dept. of Revenue) vide gazette notification no. 38/2022-Customs dated July 4th, 2022 has extended the duty-free imports of raw Cotton till 31st October 2022 which earlier was till 30th September 2022. The move is to provide support to the industry to get cheaper raw materials. The decision on extension is further seen weighing on prices and it is very likely that Cotton prices are likely to remain under pressure on expectation of higher area coverage and extension of duty-free imports from another one month.
- As of 29th July 2022, Andhra Pradesh cotton sowing has reached 0.60 lakh hectares for the 2022-23 season which is slightly lower as compared to the previous season sowing of 0.39 lakh hectares. Cumulative rainfall as on 29th July has reached 201707 mm lower as compared to the previous season 217034 mm.
- As of 06th July 2022, Telangana cotton sowing has reached 31,86,635 acres for the 2022-23 season which is slightly lower as compared to the previous season sowing of 33,94,194 acres. Cumulative rainfall as on 06th July has reached 233.80 mm lower as compared to the previous season 235.40 mm.

Domestic Cotton Prices Scenario

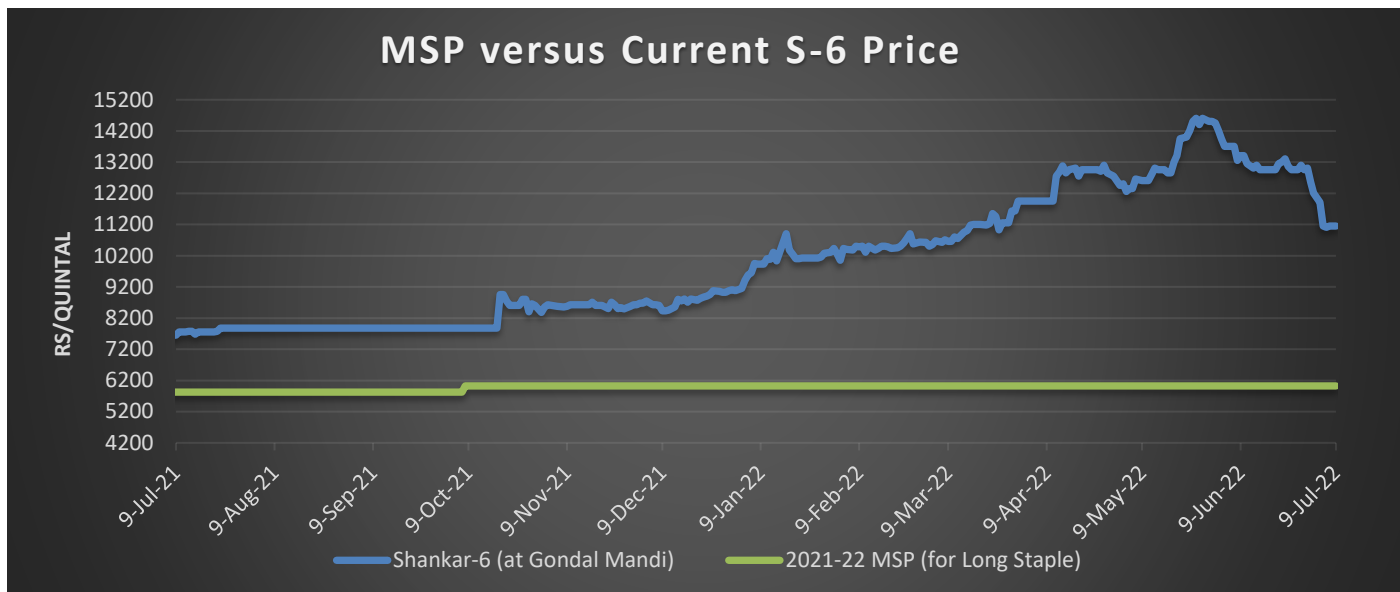
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 11335/Qtl compared to previous week's Rs. 11855/Qtl, whereas at Hisar prices stood slightly lower at Rs. 10475/Qtl compared to previous week's price of Rs. 10357/Qtl. For Amravati prices were at Rs. 11826/Qtl.



Spot Price versus MSP

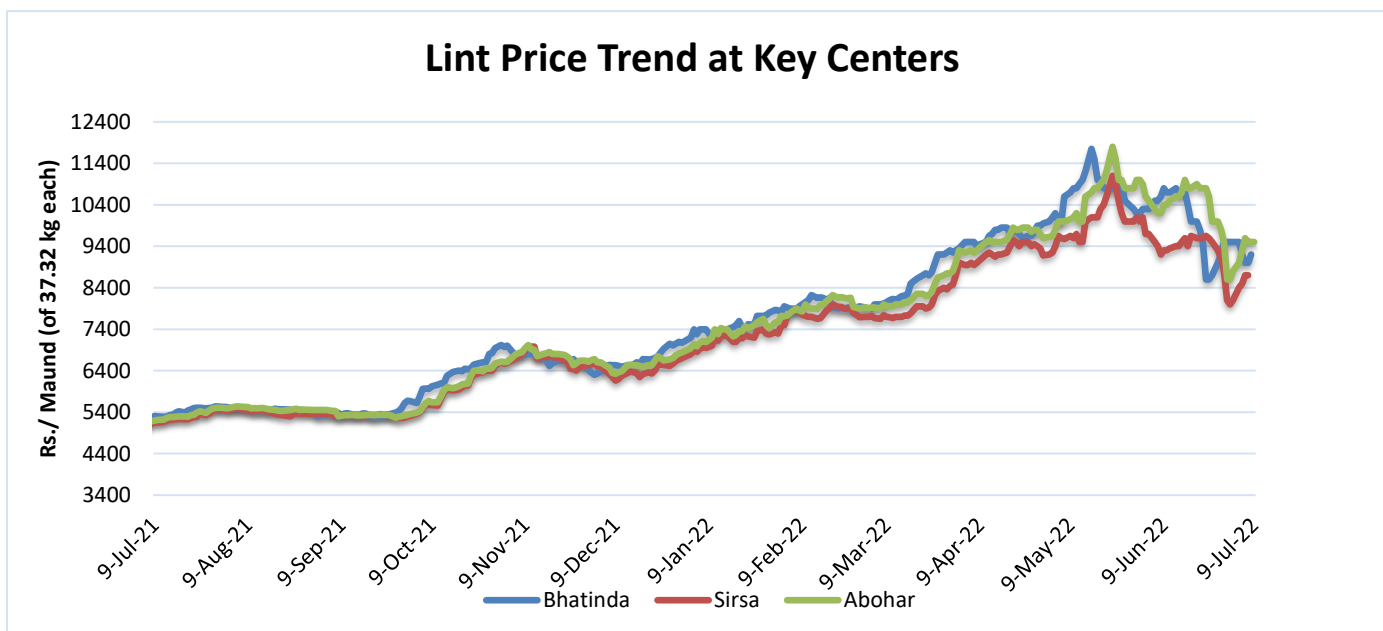
Average Kapas prices at Gondal market have decreased and were at Rs. 11280/Qtl from the previous week of Rs. 11680/q.



Source: Agriwatch

Lint price Outlook

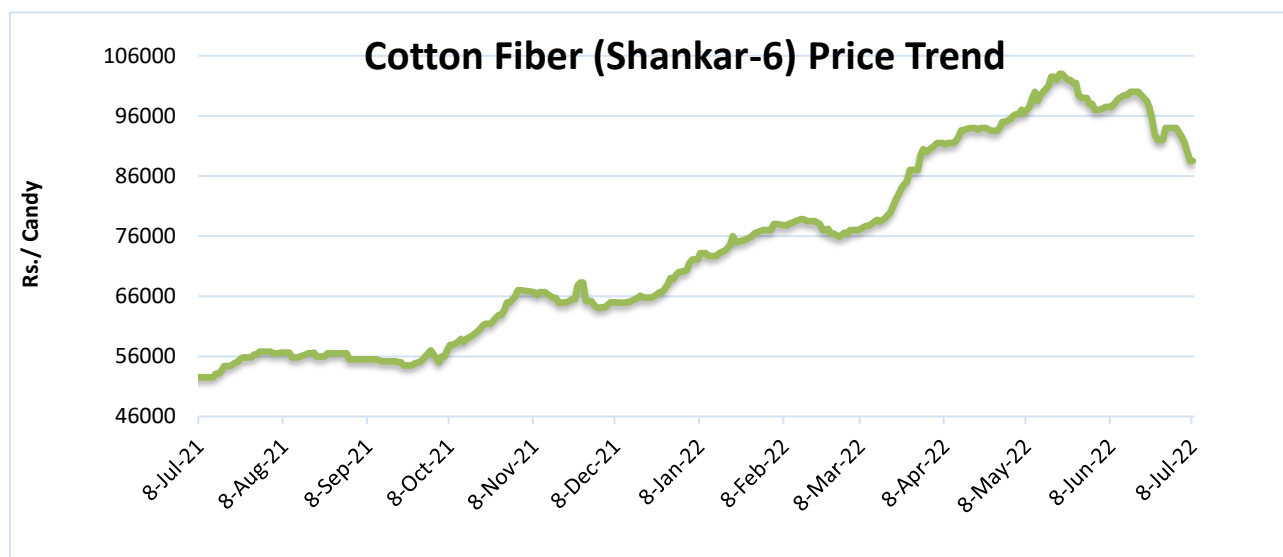
The average price stood slightly higher at Rs. 9450/maund this week compared to Rs.8966/maund previous week in Abohar, in Bhatinda prices were at Rs.9450/maund, and slightly higher in Sirsa at Rs.8633/maund from Rs.8316/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly corrected and is currently at Rs.93200/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

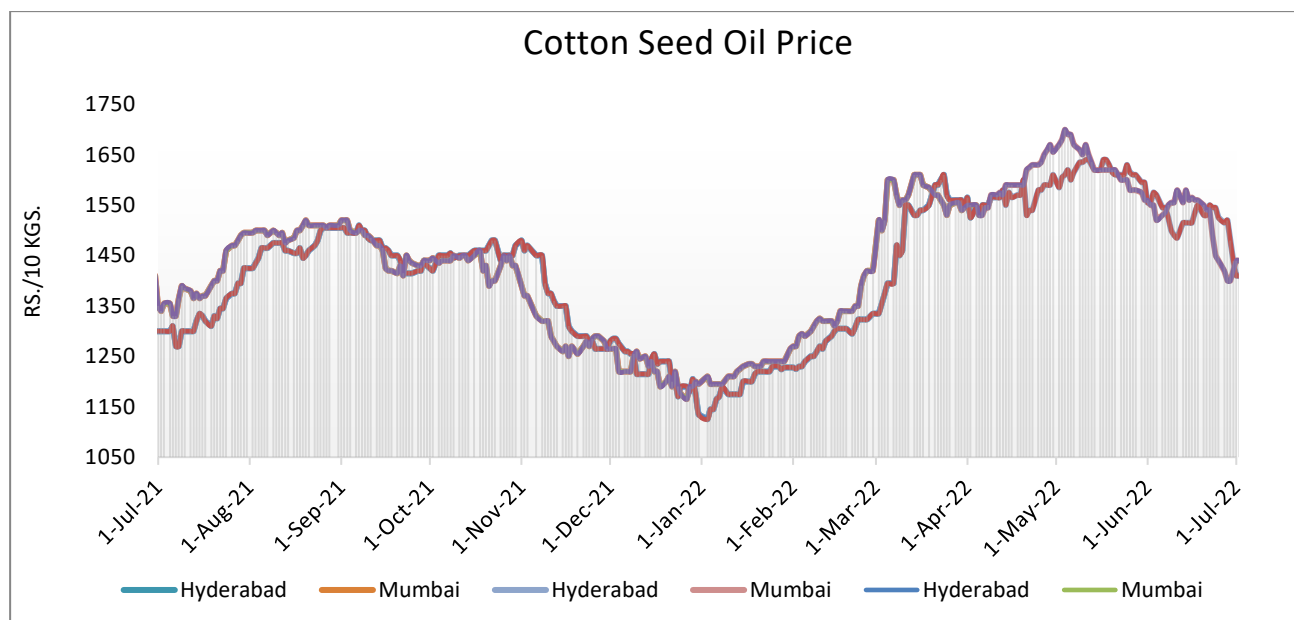
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 05th 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
	05-Jul-22	29-Jun-22	
New Delhi	1413	1413	-3.58
Rajkot	1426	1426	-4.63
Hyderabad	1423	1423	-3.96
Mumbai	1420	1420	-5.46

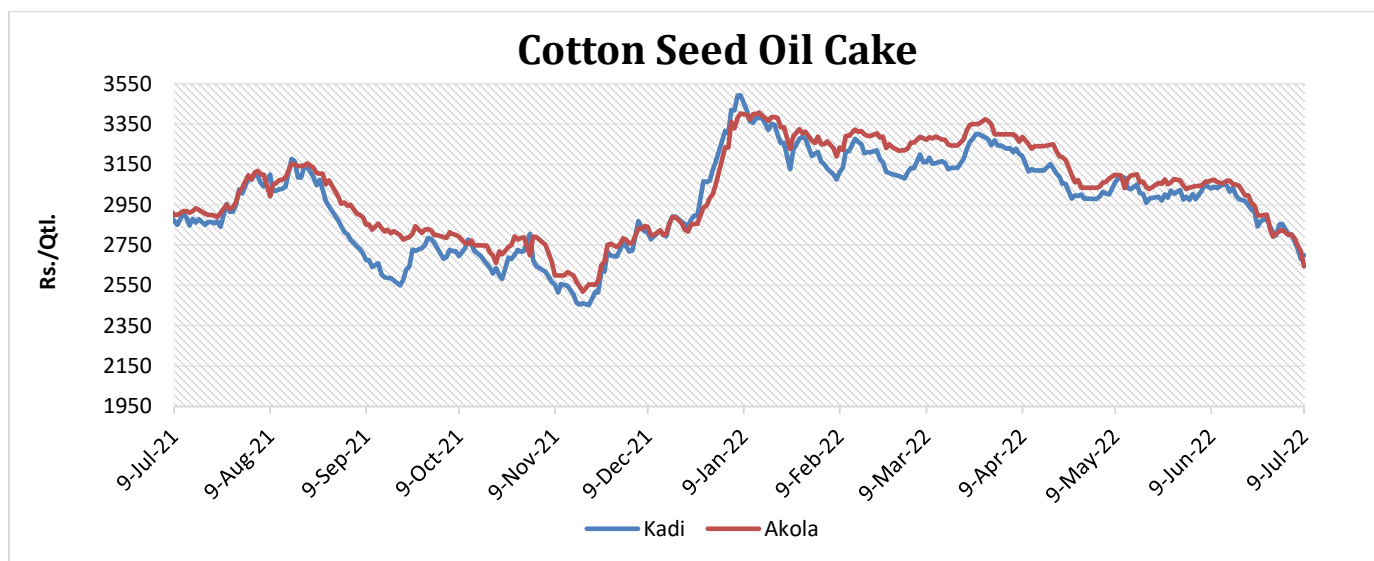
Source: Agriwatch



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. 2813 per quintal from Rs. 2861 per quintal and in Akola prices were at Rs. 2806 per quintal from Rs. 2877 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	05-Jul-22	29-Jun-22	
Kadi	2813	2861	-1.69
Akola	2806	2877	-2.47



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

- 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.

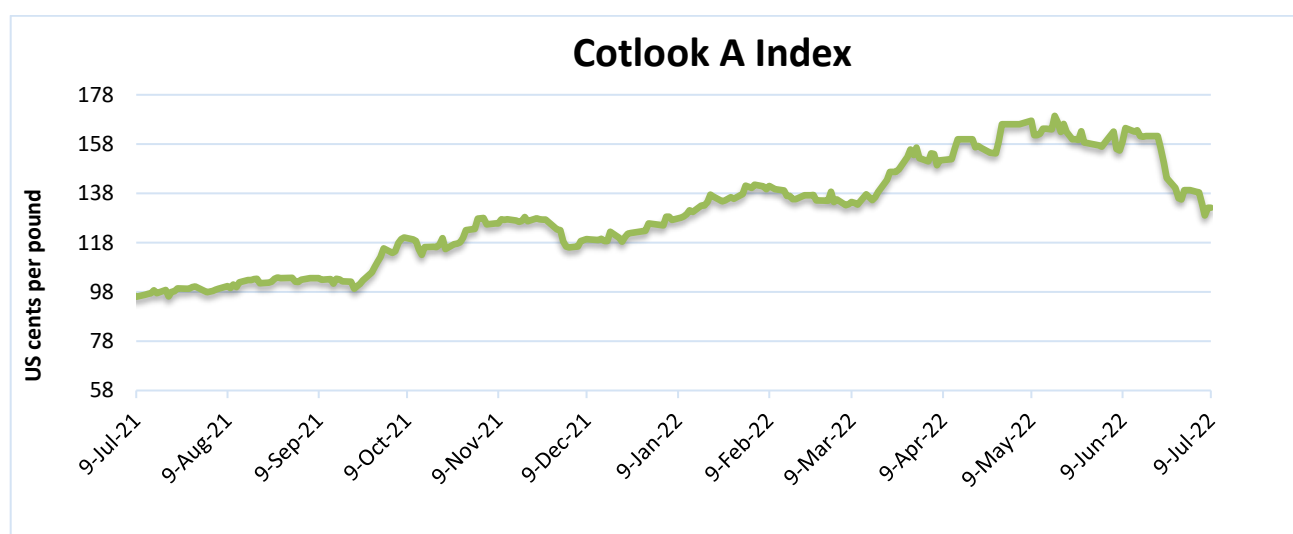
Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 138.15 cents/lb lower as compared to the previous week (143.83 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	05-Jul-22	29-Jun-22	
Prices	143.83	143.83	-3.95

Prices in US cents per Pound

Source: Cotlook

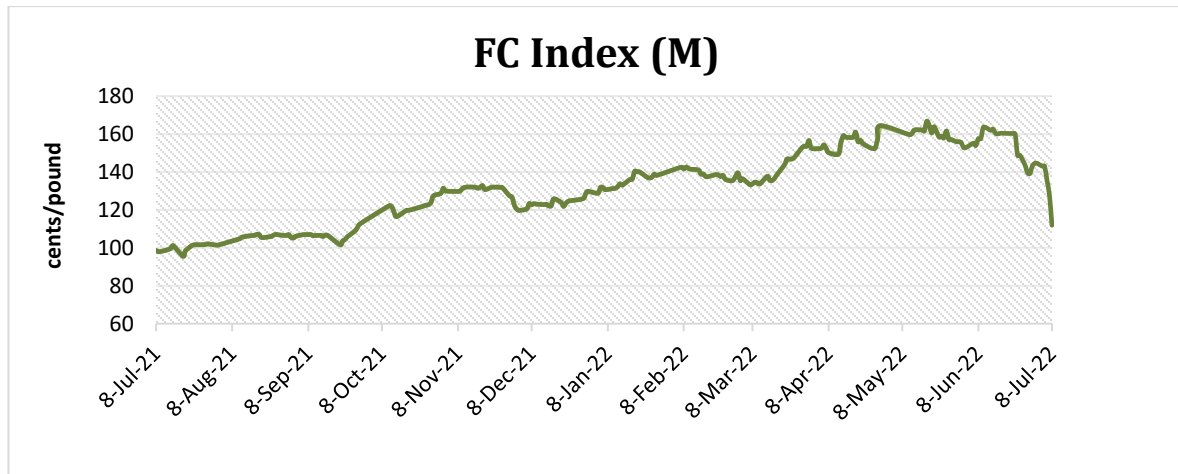


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	05-Jul-22	29-Jun-22	
FC (S)	144.36	148.30	-2.66
FC (M)	142.28	146.68	-3.00
FC (L)	140.71	145.10	-3.03

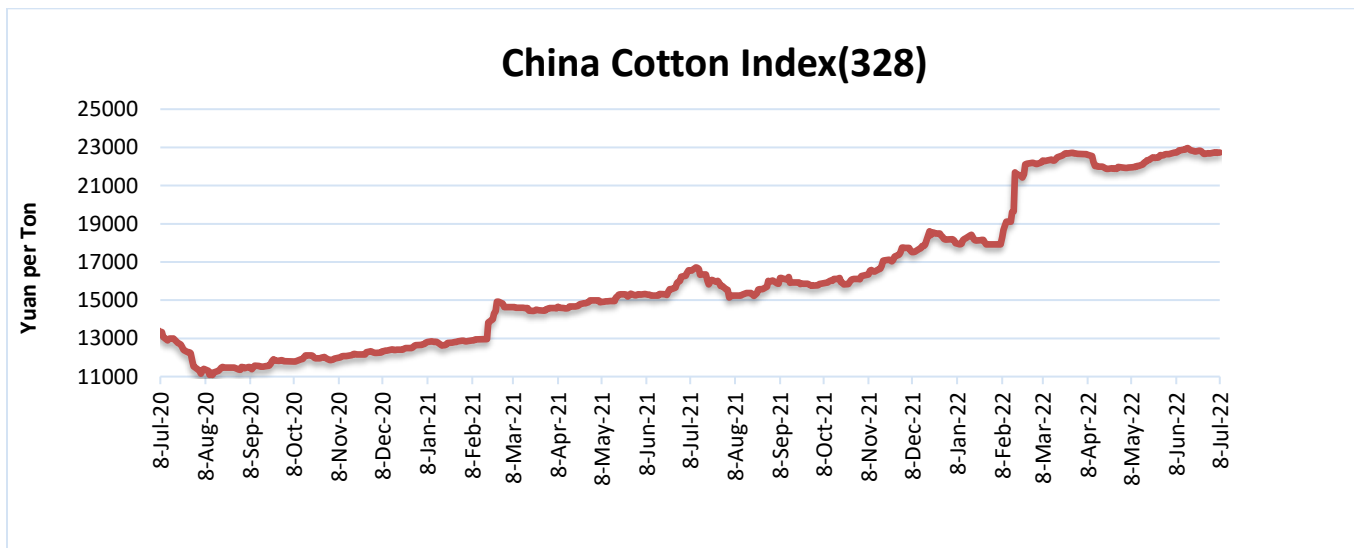
Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	05-Jul-22	29-Jun-22	
CCIndex(328)	18226.50	18959.17	-3.86
CCIndex(527)	17072.67	17792.17	-4.04
CCIndex(229)	18746.00	19475.50	-3.73
Prices in Yuan per ton			

Source: China Cotton Association

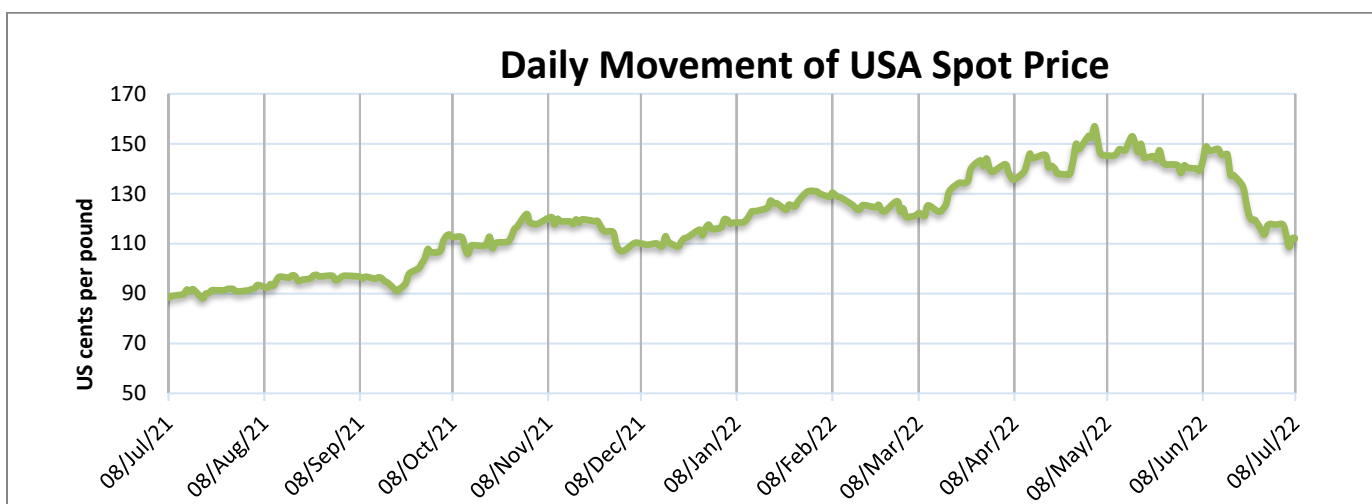


USA Spot Prices

U.S.A spot prices was at 116 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	29-Jun-22	29-Jun-22	
Prices	116.80	120.47	-3.04
Prices in US cents per Pound			

Source: USDA



Pakistan Spot Prices

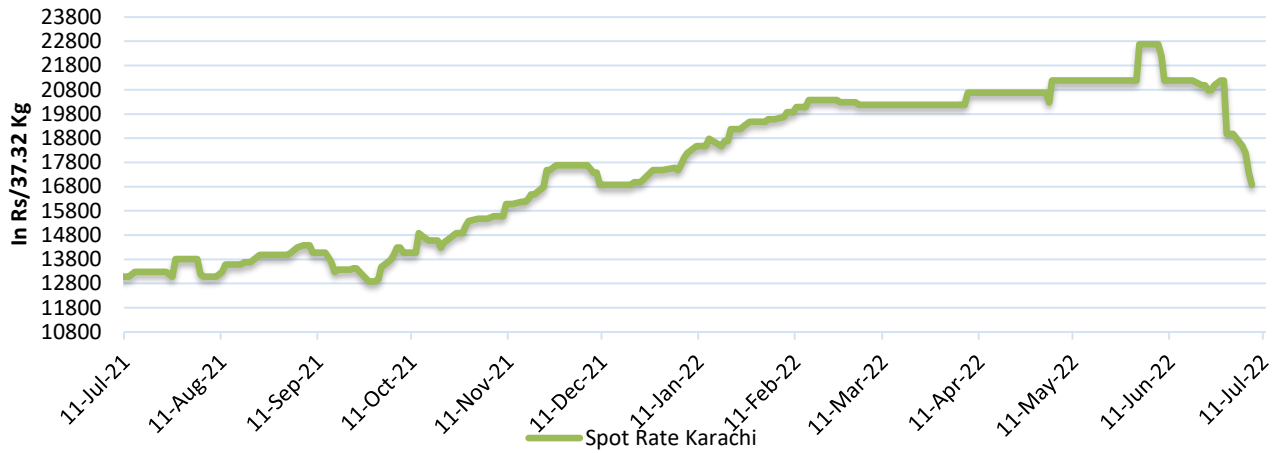
The Karachi spot price had decreased at Rs.16747/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	29-Jun-22	29-Jun-22	
Prices	16747	19130	-12.46
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 till 38.2 percent Fibonacci retracement. And had then retraced back after taken a support of 38 percent Fibonacci retracement.
- Market has broken up to 38.2 percent Fibonacci retracement.
- Momentum indicator MACD is diverging.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jun	42430	42510	42850	43060	43180
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jun	Buy	42840	42940	43030	42770

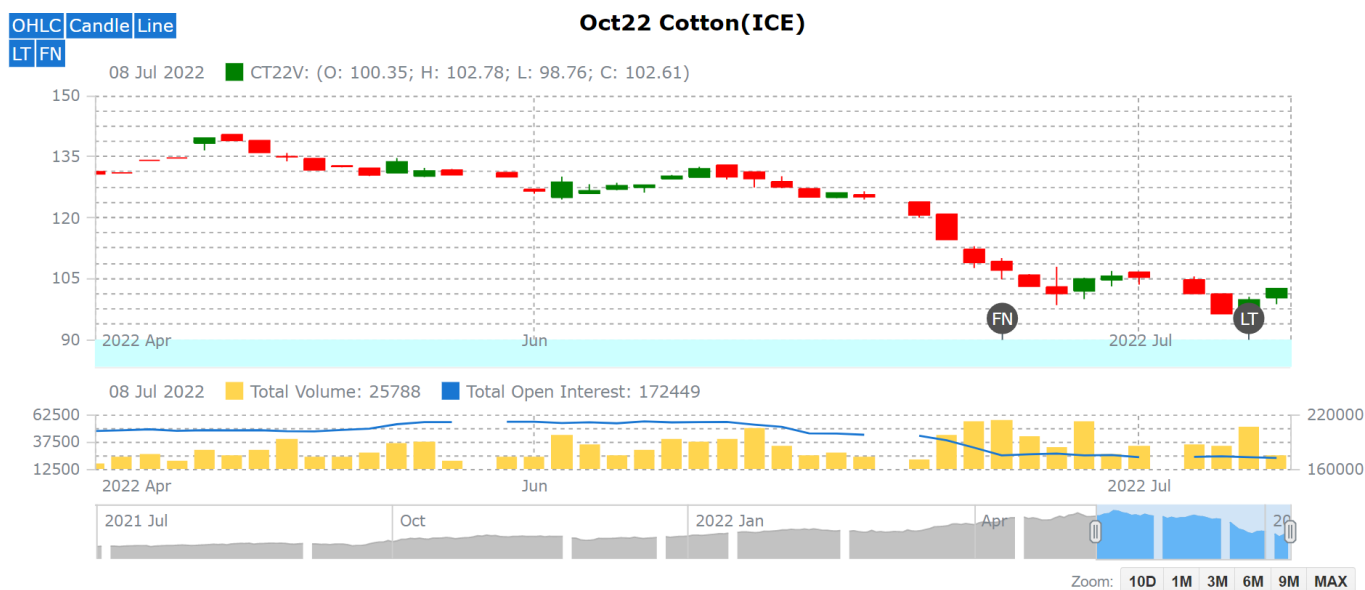
* Do not carryforward the position the next day.

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.
- 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	2332	2402	2522	2662	2722
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Buy	2512	2612	2632	2442



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

- The Oct'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 had taken a support in last week and had retraced back.
- Market is further expected to remain upward in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	85-120

Expected Support and Resistance

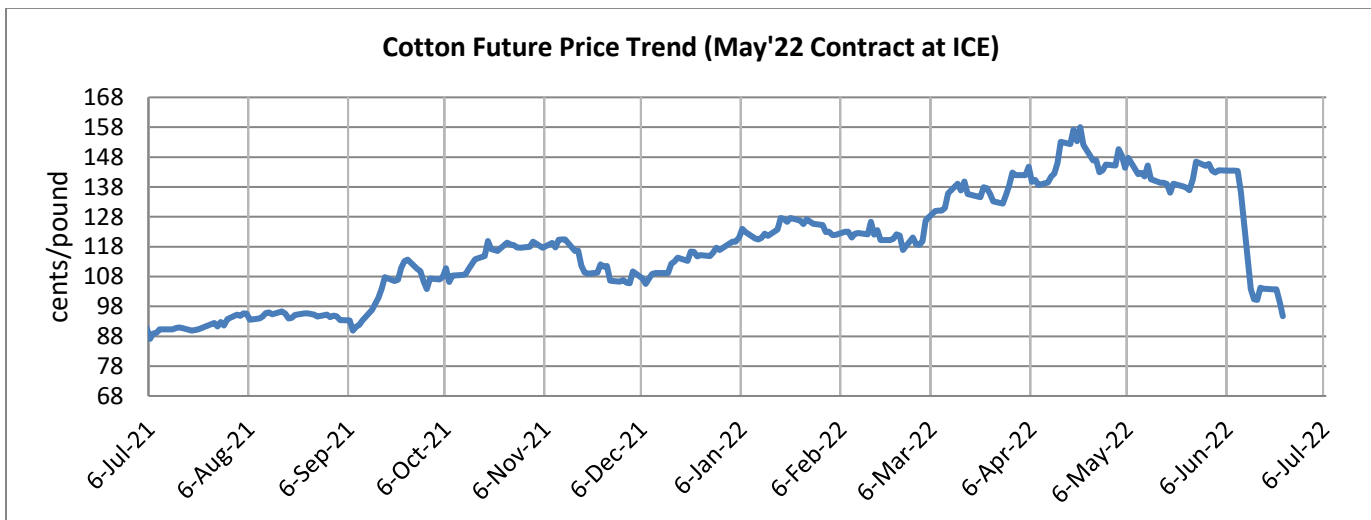
Support 1	Support 2	Resistance 1	Resistance 2
100	86	115	135

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	6-Jul-22	6-Jun-22	7-Apr-22	7-Jan-22	6-Jul-21	% Change over a month	% Change over previous year
Jul-22	94.69	137.74	133.20	115.12	86.38	-31.25	9.62
Oct-22	96.39	127.92	131.40	112.88	87.86	-24.65	9.71
Dec-22	88.61	119.80	120.54	110.28	87.4	-26.04	1.38
Mar-23	84.68	115.11	114.69	99.57	87.22	-26.44	-2.91
May-23	82.66	111.92	109.91	94.52	86.67	-26.14	-4.63

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	30th Jun'22 to 05th Jul'22	23rd Jun'22 to 29th Jun'22	
Gujarat	Ahmedabad	Shankar-6	NA	11625	-
	Gondal	Shankar-6	11518	11869	-351
	Rajkot	B.T. Cotton	11185	11979	-794
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	8	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10490	10475	15
	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	12200	12520	-320
	Jamner	Medium Staple	11200	11417	-217
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10680	11055	-375
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10942	11220	-278
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	30th Jun'22 to 05th Jul'22	23rd Jun'22 to 29th Jun'22	
Punjab	Bhatinda	J-34	9500	8933	567
	Abohar	J-34	9520	8967	553
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8660	8316	344
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30th Jun'22 to 05th Jul'22	23rd Jun'22 to 29th Jun'22	
Gujarat	Ahmedabad	Shankar-6	NA	10200	-
	Gondal	Shankar-6	648	2259	-1611
	Rajkot	B.T. Cotton	490	2225	-1735
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	3	35	-32
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3035	3128	-94
	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	19000	22000	-3000
	Jamner	Medium Staple	87	152	-65
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	550	462	88
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	25	10	15
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	30th Jun'22 to 05th Jul'22	23rd Jun'22 to 29th Jun'22	
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
				30th Jun'22 to 05th Jul'22	23rd Jun'22 to 29th Jun'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	65000	64000	1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65700	64700	1000
J-34(202)	26mm	3.5 - 4.9	23	83200	80866	2334
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	88900	90500	-1600
Shankar-6(105)	29mm	3.5 – 4.9	28	93200	93417	-217
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	99000	99167	-167
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	104900	107000	-2100

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