

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

Domestic Market Scenario: Indian cotton market remained stable due to short supply. Sluggish buying activity from mills due to slow offtake of yarn attributed to the decline in prices. On the other hand, limited cotton stock restricting the price fall to some extent. Indian cotton sowing has now crossed 102 lakh hectares. Good rains have been reported in whole cotton belt. Agriwatch expects cotton fiber prices to range between Rs. 84,500 – Rs. 92,500 per candy.

Weekly Price Outlook:

The average price of Kapas in Andhra Pradesh is likely to hover around Rs.9000-10,200/Qtl.

Major Market Highlights:

- Indian rupee consolidated from Rs. 79.43 per USD.
- The Cotlook Index stood higher (135.95 cents/lbs) compared to the ICE Cotton Futures that stood at 94.84 cents/lbs.

Market Highlights:

- As per the Punjab Agriculture Department, white fly attack was observed in 751 fields across the state. In around 370 fields, the white fly presence had crossed the economic threshold level (ETL). In the previous season, pink bollworm infestation has damaged around 4 lakh acres out of 6.22 lakh acres of total cotton area. The major cotton growing belts in Punjab includes Bathinda, Fazilka, Mansa, Mukatsar, Moga, Barnala, Sangrur and Faridkot. As per the market sources, there is a heavy white fly attack in Bathinda and Mansa and around 50% of the crop is under danger. Lack of rain in Mansa and parts of Bathinda, Fazilka and Muktsar is the main reason behind the whitefly attack.
- Earlier, the white fly attack was observed in the Cotton crop in Muktsar only, although at that time the attack was much below the economic threshold level (ETL) and with good rainfall, the whitefly attack was minimized. According to the Punjab Agriculture Department, about 2.47 lakh hectares of area is under cotton cultivation for the 2022-23 season which is 4,000 hectares less than the area in 2021-22 (2.51 lakh hectares). The sowing of cotton was mainly affected because of the poor availability of irrigation in the 2022-23 season.
- Due to heavy rains in Telangana, Kharif crops on over 5 lakh acres are affected. Some major affected crops are cotton, maize, and soybean. The Districts of Adilabad, Nizamabad, Warangal, Jayashankar Bhupalpally, Mahabubabad, and Bhadradi Kothagudem are mainly affected because of heavy rains in the last week, the entire crop got submerged in rainwater. Although, the farmers are demanding to assess of the crop loss across the State and are demanding compensation.
- With the progress of the monsoon over the southern, central, and western regions Kharif sowing has increased in the country for the 2022-23 season. According to the data released by Agriculture Ministry, Cotton sowing

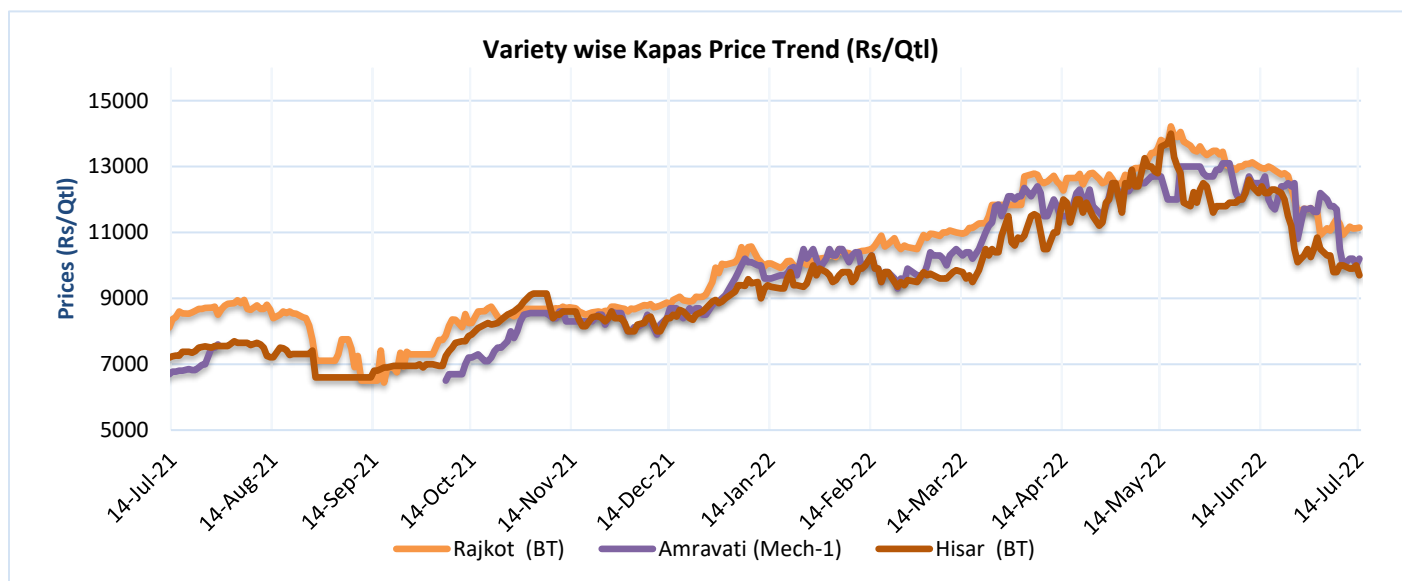
has been reported at 102.79 lakh hectares which were 96.58 lakh hectares in the previous 2021-22 season as of 15th July 2022.

Cotton Sowing (Lakh Hectares) As of 15th July 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	1.14	2.04	0.9
Karnataka	3.30	4.59	1.29
Gujarat	18.43	20.52	2.09
Maharashtra	33.89	38.63	4.73
Madhya Pradesh	5.1	4.76	-0.34
Rajasthan	5.85	6.13	0.28
Punjab	2.54	2.48	-0.06
Haryana	6.88	6.50	-0.37
All India	96.58	102.79	6.21

Domestic Cotton Prices Scenario

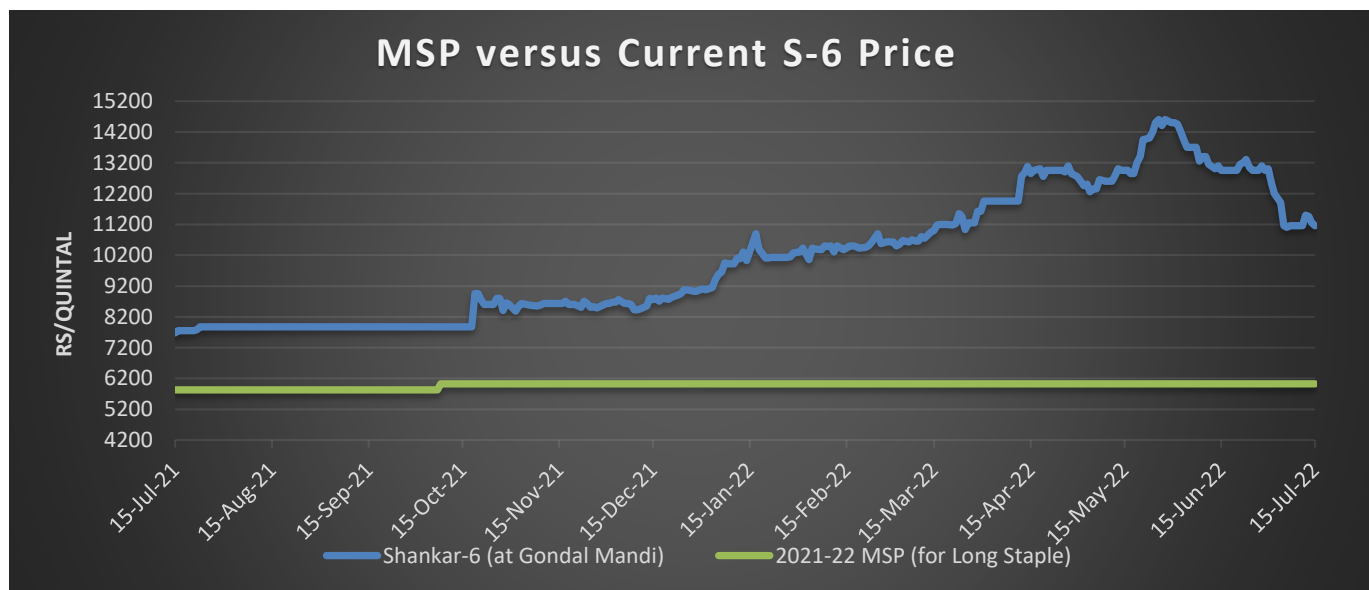
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly higher at Rs. 11168/Qtl compared to previous week's Rs. 11335/Qtl, whereas at Hisar prices stood lower at Rs. 9933/Qtl compared to previous week's price of Rs. 10475/Qtl. For Amravati prices were at Rs. 10433Qtl.



Spot Price versus MSP

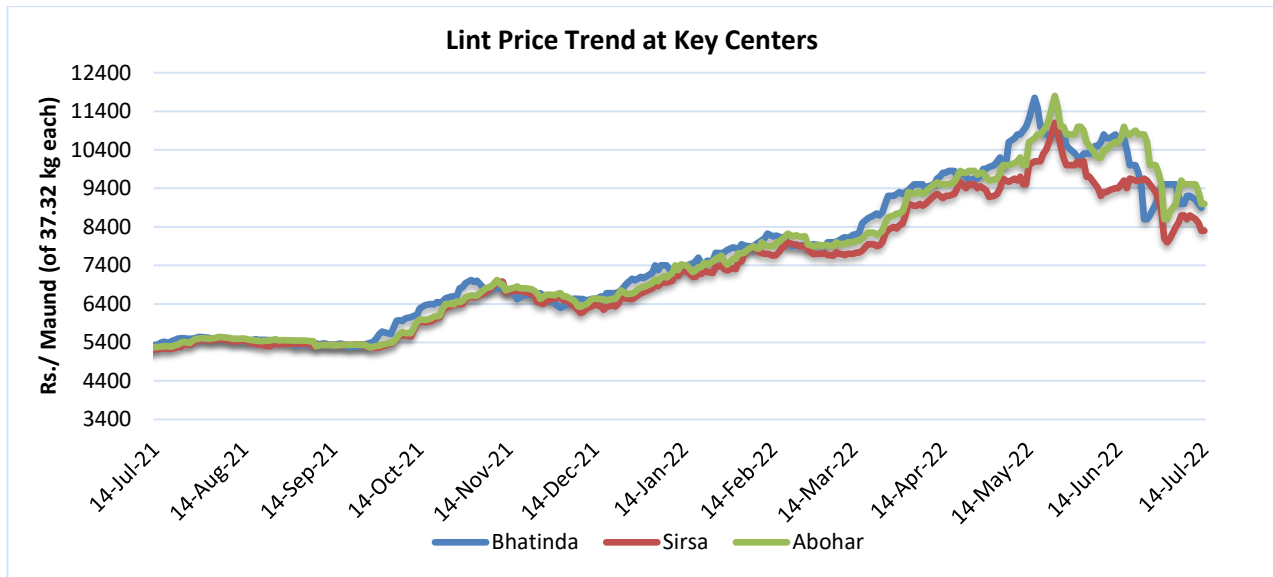
Average Kapas prices at Gondal market have decreased and were at Rs. 10833/Qtl from the previous week of Rs. 11280/q.



Source: Agriwatch

Lint price Outlook

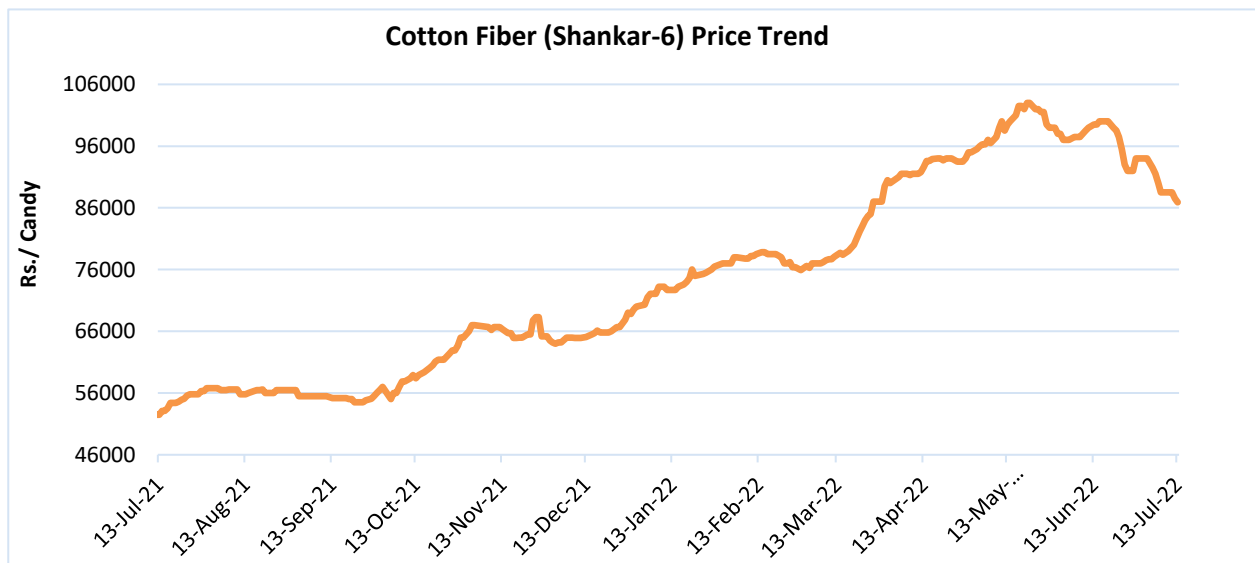
The average price stood slightly higher at Rs. 9075/maund this week compared to Rs.9450/maund previous week in Abohar, in Bhatinda prices were at Rs.9083/maund, and slightly higher in Sirsa at Rs.8333/maund from Rs.8633/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly corrected and is currently at Rs.88066/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

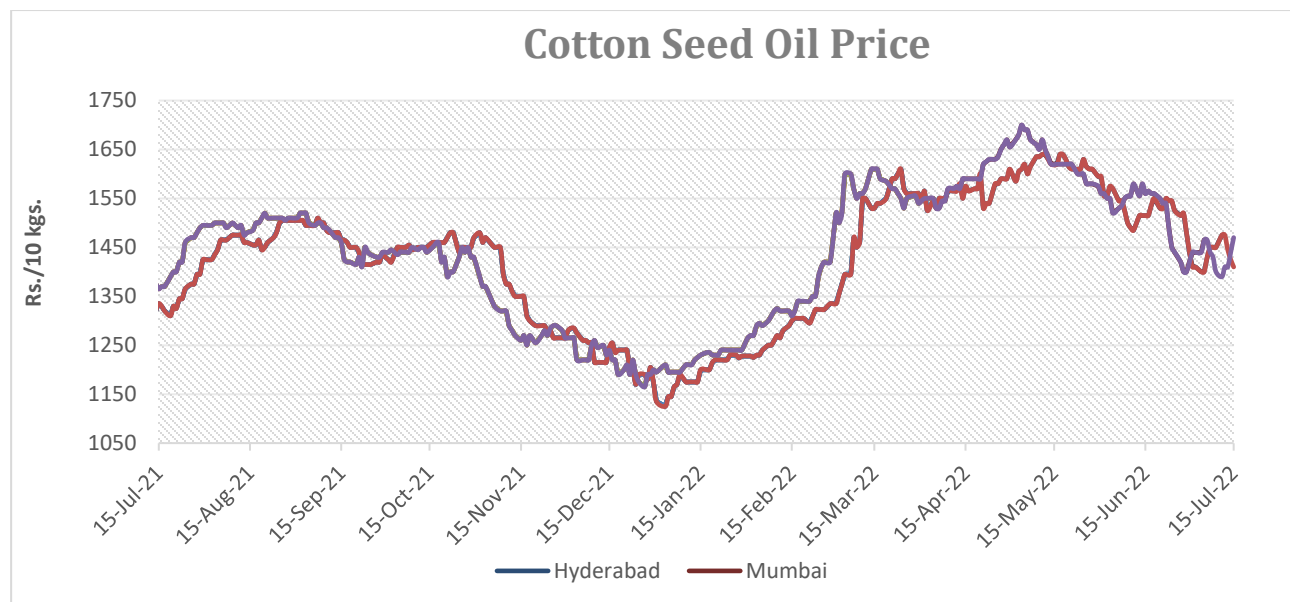
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly decreased across the major centers during the week ending on 13th 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
	13-Jul-22	05-Jul-22	
New Delhi	1421	1433	-0.85
Rajkot	1428	1437	-0.66
Hyderabad	1441	1447	-0.43
Mumbai	1429	1440	-0.75

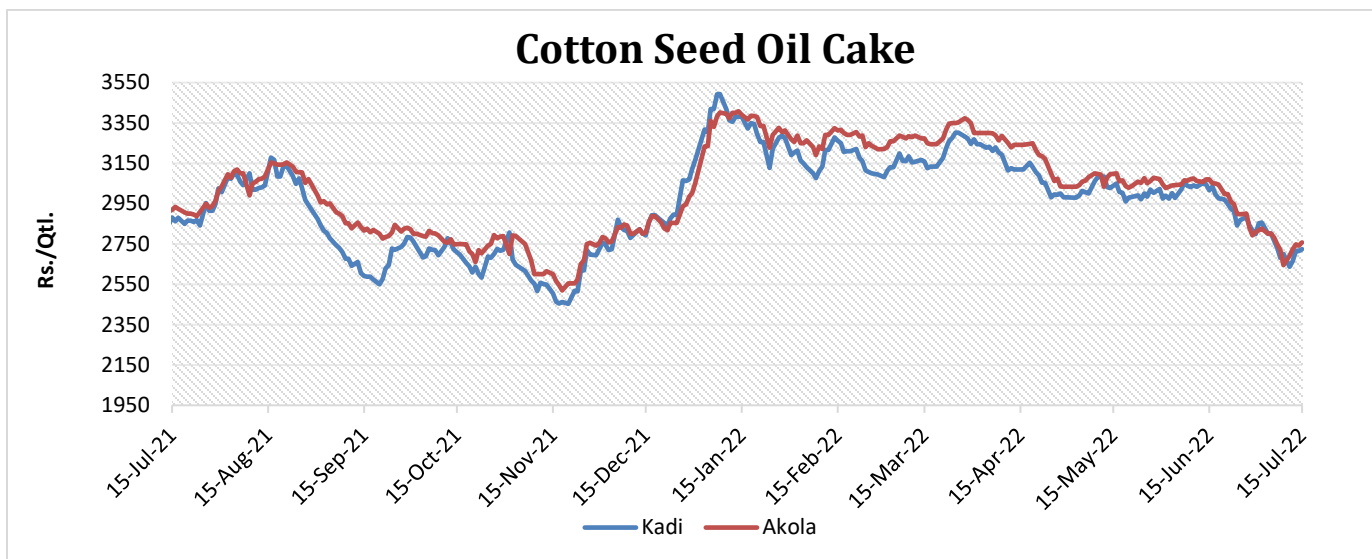
Source: Agriwatch



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. 2688 per quintal from Rs. 2813 per quintal and in Akola prices were at Rs. 2713 per quintal from Rs. 2806 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	13-Jul-22	05-Jul-22	
Kadi	2688	2813	-4.43
Akola	2713	2806	-3.33



Source: NCDEX

Stock Position

MCX Stock Position as on 14th July'2022			
Commodity	Location	Unit of Measure	Eligible Quantity
Cotton Bales	YAVATMAL	Bales	250
Cotton Bales	KADI	Bales	6250
Cotton Bales	RAJKOT	Bales	500
Cotton Bales	JALNA	Bales	25
Cotton Bales	MUNDRA	Bales	-
Cotton Bales	ADILABAD	Bales	-
Total			7025

International Market Scenario

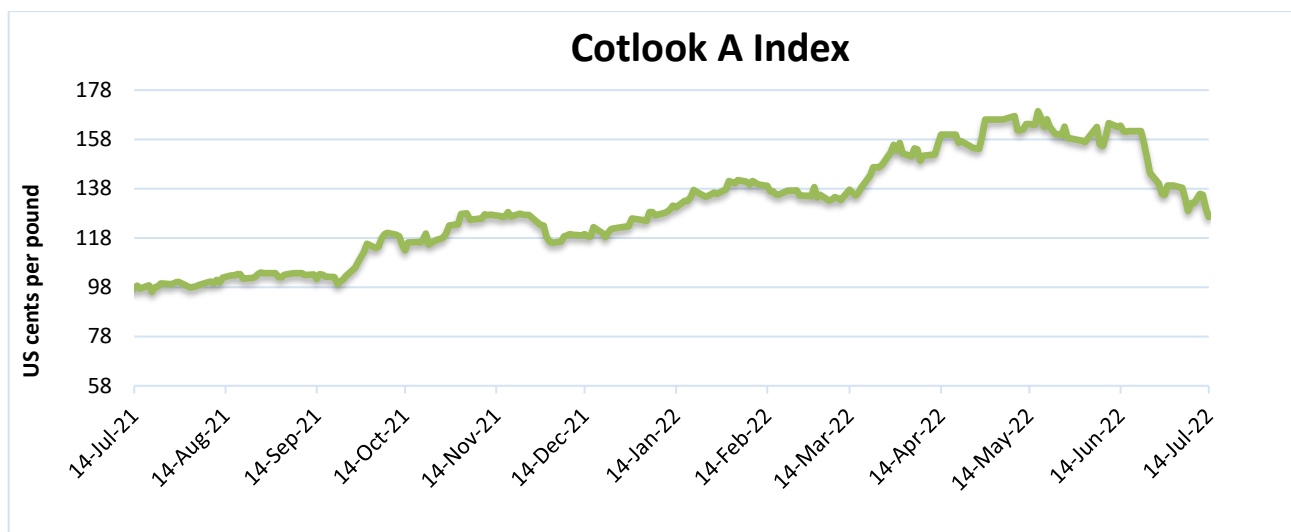
- According to the U.S. Crop progress report, as of 10th July 2022, U.S cotton Squaring stands at 57 percent which is higher than that of the previous season (53 percent). In the previous week cotton squaring was 44 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 34 percent in good to fair condition which was 33 percent in the previous week.
- According to the USDA Cotton estimate for the 2021-22 season, Global cotton production is lowered by 725,000 bales due primarily to a decline in Brazil. Global use is estimated lower by 1.9 million bales, and ending stocks are up over 1.0 million bales. Further, Global trade is down with a 1.3-million-bale drop in imports and a 1.2-million-bale drop in exports. Notable decreases in imports were seen from Bangladesh, China, India, and Vietnam. Also, exports are down from Australia, India, Mali, and the United States.
- Overall Global Cotton production is estimated at 121.27 million bales in the 2021-22 season, Imports are estimated at 43.32 million, bales and domestic use at 119.79 million bales. Further global exports for the 2021-22 season are estimated at 43.93 million bales resulting in an ending stock of 84.04 million bales. Stock to use ration for the 2021-22 season is estimated at 51.38 percent.
- According to the USDA WASDE Report, Cotton estimate for the 2022-23 season, Global production is lowered by 1.2 million bales to just over 120 million bales with a marked decline in the U.S. crop and a slight decline for Brazil. Global use is down 1.6 million bales due primarily to declines in Bangladesh, China, India, and Vietnam, and ending stocks are increased by 1.5 million bales. Global trade is down, with imports and exports decreasing by 1.1 million bales each.

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 132.03 cents/lb lower as compared to the previous week (138.15 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	13-Jul-22	05-Jul-22	
Prices	132.03	138.15	-4.43
Prices in US cents per Pound			

Source: Cotlook

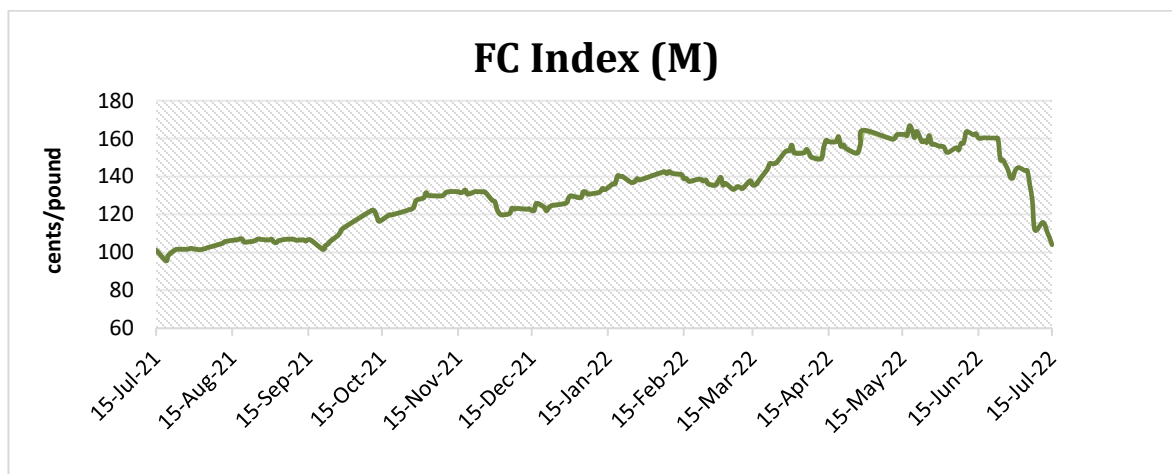


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	13-Jul-22	05-Jul-22	
FC (S)	112.30	144.36	-22.21
FC (M)	110.86	142.28	-22.08
FC (L)	109.82	140.71	-21.95

Prices in US cents per Pound

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	13-Jul-22	05-Jul-22	
CCIndex(328)	17235.83	18226.50	-5.44
CCIndex(527)	16098.67	17072.67	-5.71
CCIndex(229)	17788.50	18746.00	-5.12
Prices in Yuan per ton			

Source: China Cotton Association

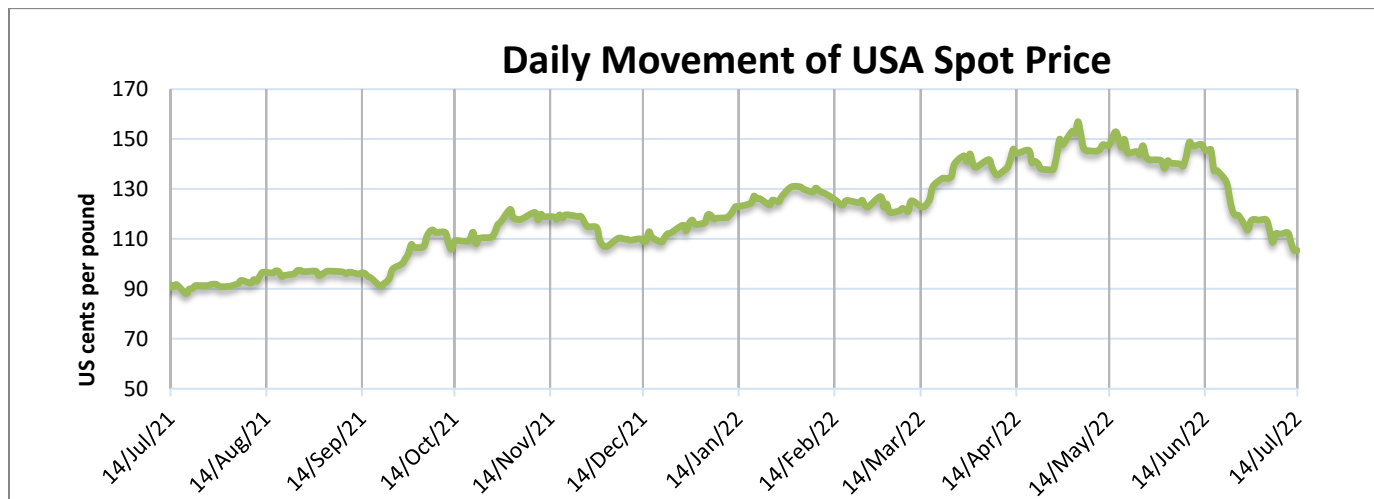


USA Spot Prices

U.S.A spot prices was at 108 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	13-Jul-22	05-Jul-22	
Prices	108.75	112.81	-3.60
Prices in US cents per Pound			

Source: USDA

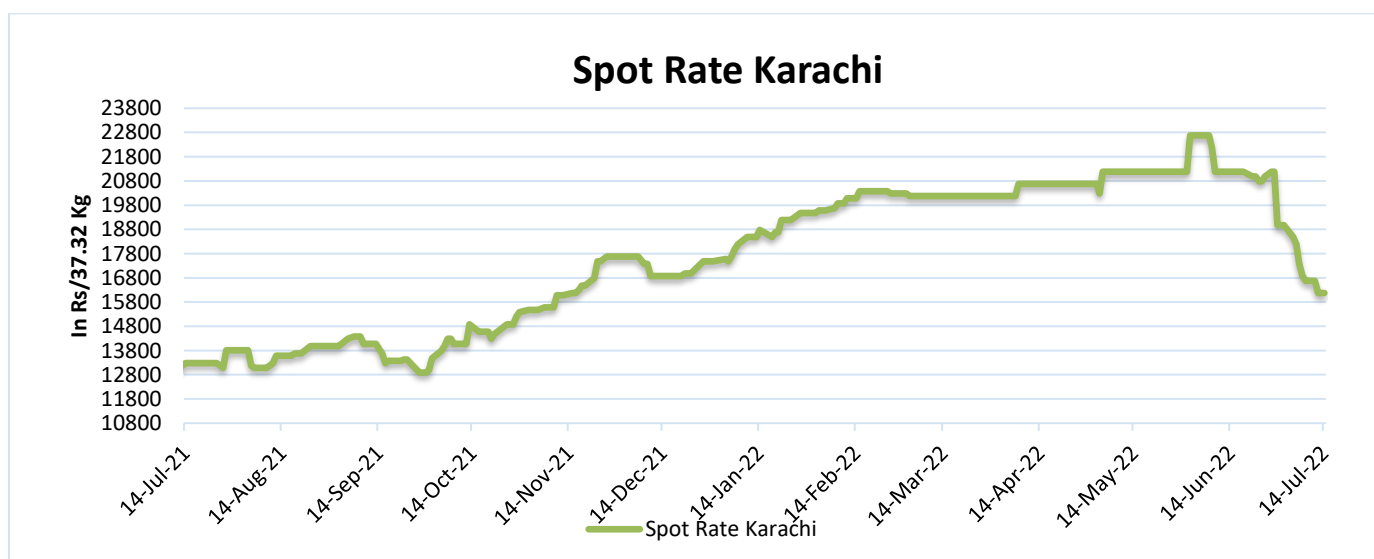


Pakistan Spot Prices

The Karachi spot price had decreased at Rs.16097/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	13-Jul-22	05-Jul-22	
Prices	16097	16747	-3.88
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton
Exchange: MCX
Contract: Jul
Expiry: Jul. 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 4100 level.
- Market has currently broken up to 23.6 percent Fibonacci retracement.
- Momentum indicator MACD is diverging.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jul	42020	42100	42440	42650	42770
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jul	Sell	42430	42310	42210	42502

* Do not carryforward the position the next day.

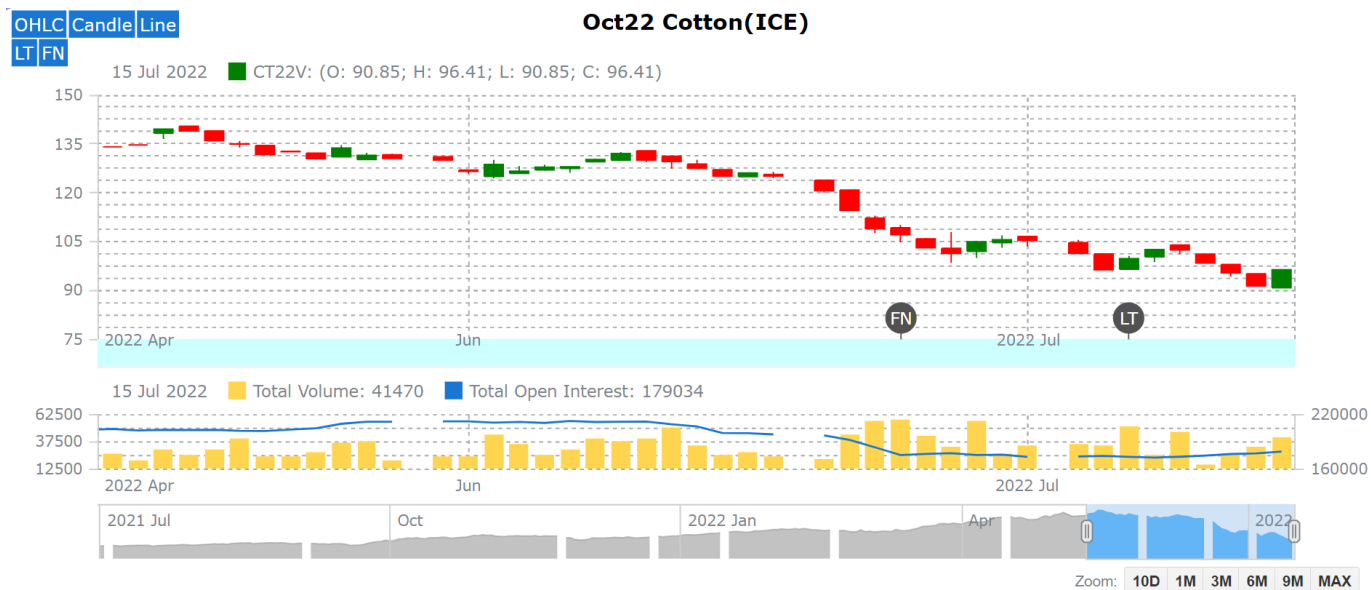
Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Jul
Expiry: Jul. 30, 2021
Cottonseed Oilcake
Technical Chart:

COTTON SEED OIL 1st(NCCOUC1)2022/07/10 - Weekly B:2512.00 A:2549.00
 O 2506.00 H 2645.00 L 2495.00 C 2521.00 ↑ V 252,550 I 58,970 +55 +2.23%
 SMA(9) 2709.4 (18) 2870.4 (50) 2856.9 (100) 2575.0


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	Jul	2331	2401	2521	2661	2721
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jul	Buy	2511	2611	2631	2441



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

- The Oct'22' contract has slightly gained in the last week.
- Total volume increased & Open Interest decreased compared to last week.
- Market is further expected to remain elevated in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Firm	95-120

Expected Support and Resistance

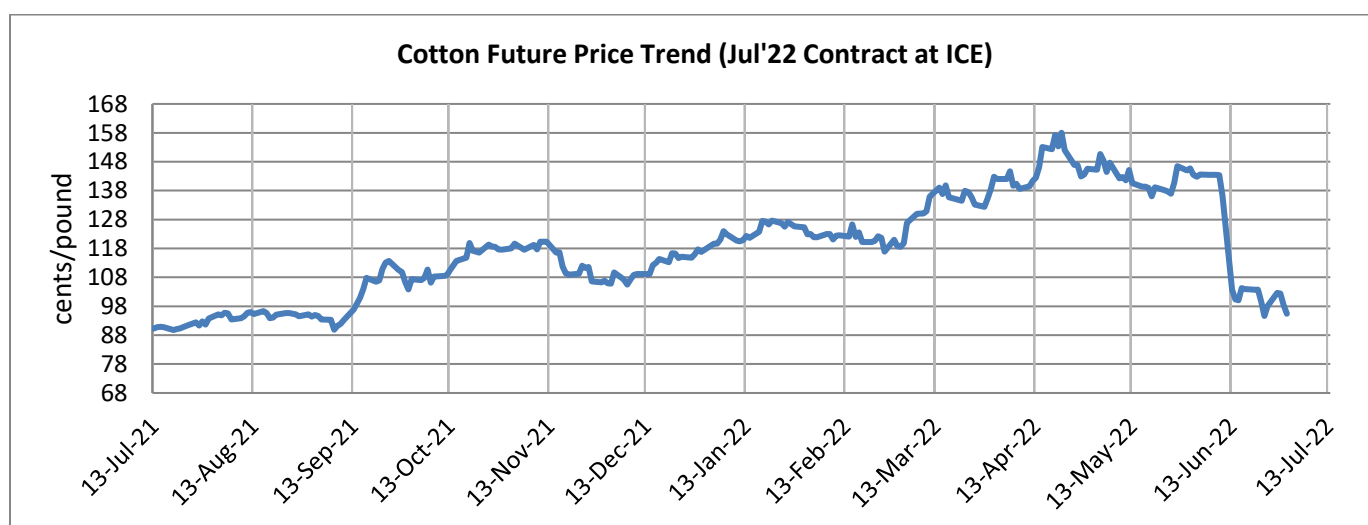
Support 1	Support 2	Resistance 1	Resistance 2
90	78	115	135

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	13-Jul-22	13-Jun-22	14-Apr-22	14-Jan-22	13-Jul-21	% Change over a month	% Change over previous year
Jul-22	95.41	145.66	141.98	119.70	88.77	-34.50	7.48
Oct-22	87.71	129.63	140.71	116.34	88.46	-32.34	-0.85
Dec-22	83.83	122.81	128.19	113.36	88.04	-31.74	-4.78
Mar-23	81.86	118.21	122.48	102.73	87.30	-30.75	-6.23
May-23	79.78	114.3	117.89	96.83	86.05	-30.20	-7.29

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	06th Jul'22 to 13th Jul'22	30th Jun'22 to 05th Jul'22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10947	11518	-571
	Rajkot	B.T. Cotton	11189	11185	4
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9940	10490	-550
	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	10433	12200	-1767
	Jamner	Medium Staple	10169	11200	-1031
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10215	10680	-465
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10942	-
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	06th Jul'22 to 13th Jul'22	30th Jun'22 to 05th Jul'22	
Punjab	Bhatinda	J-34	9083	9500	-417
	Abohar	J-34	9075	9520	-445
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8333	8660	-327
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th Jul'22 to 13th Jul'22	30th Jun'22 to 05th Jul'22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	702	648	54
	Rajkot	B.T. Cotton	310	490	-180
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	3	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	408	3035	-2627
	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	27000	19000	8000
	Jamner	Medium Staple	113	87	26
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	363	550	-187
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	25	-
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	06th Jul'22 to 13th Jul'22	30th Jun'22 to 05th Jul'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
				06th Jul'22 to 13th Jul'22	30th Jun'22 to 05th Jul'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62417	65000	-2583
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63117	65700	-2583
J-34(202)	26mm	3.5 - 4.9	23	78967	83200	-4233
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	84783	88900	-4117
Shankar-6(105)	29mm	3.5 – 4.9	28	88067	93200	-5133
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	92833	99000	-6167
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	101500	104900	-3400

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