

COTTON WEEKLY RESEARCH REPORT25th July 2022**Domestic market summary**

Domestic Market Scenario: Indian cotton market remained stable to firm despite slow buying from mills. Yarn rate is not in parity to mills so production is very slow. Indian cotton sowing has now crossed 105 lakh hectares. Excess rains have been reported in some 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.8000-10,000/Qtl.

Major Market Highlights:

- Indian rupee consolidated from Rs. 79.97 per USD.
- The Cotlook Index stood higher (121.75 cents/lbs) compared to the ICE Cotton Futures that stood at 93.00 cents/lbs.

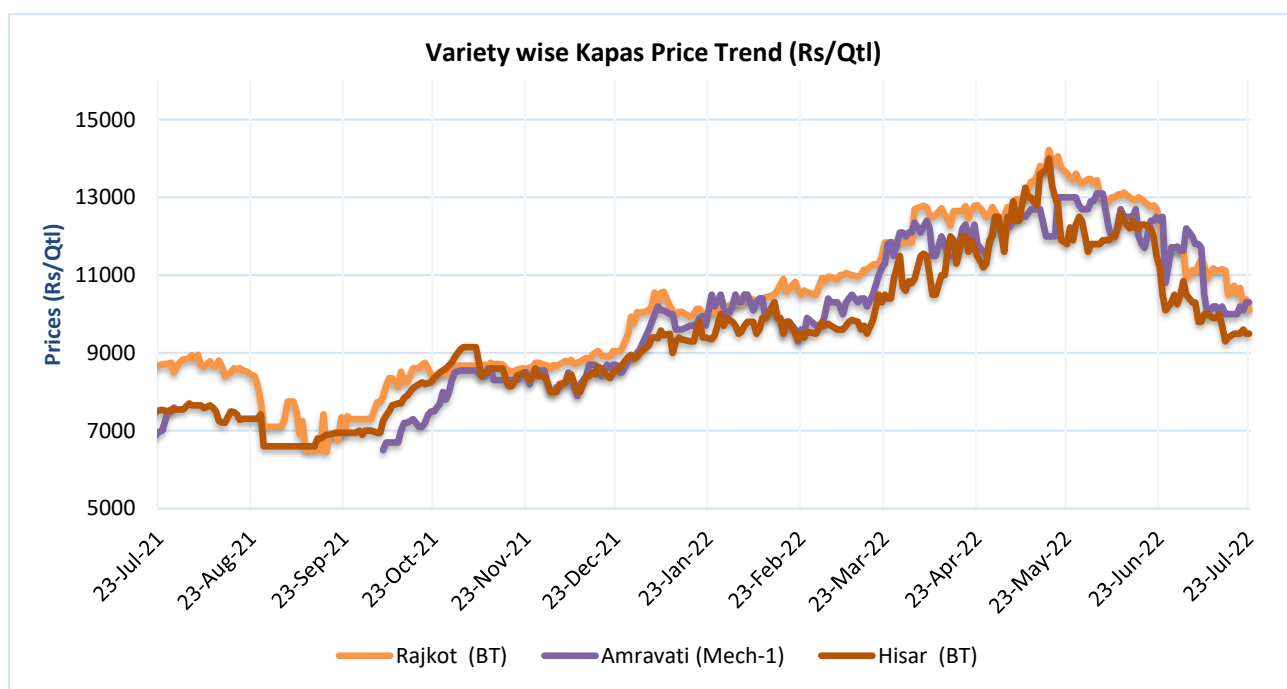
Market Highlights:

- Heavy rains in Central and South Gujarat have resulted in damage to the Kharif crop on over 50,000 hectares. As per the market sources, water logging in the fields has resulted in complete damage to the cotton crop in some areas.
- The areas of Bhadrachalam, Dummaguadem, Cherla, Burgumphad, Manuguru and Pinapaka in Telangana have witnessed heavy rains this week. These rains and floods have damaged around 5,620 acres of cotton fields in 143 villages. Also, around 2,900 farmers have suffered huge losses due to damaged crops. Farmers are demanding compensation for their crop loss.
- As per Agriwatch, for the coming week heavy rains may be witnessed across the key cotton-growing regions. Thunderstorm accompanied by lightning is very likely at isolated places over Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places in Uttarakhand, Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, East Uttar Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh, Bihar, Tamil Nadu, Pondicherry & Karikal. These rains will further likely to affect the cotton crop in Madhya Pradesh, Maharashtra, Andhra Pradesh and Telangana.
- 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 105 lakh hectares as of 15th July 2022.

Domestic Cotton Prices Scenario

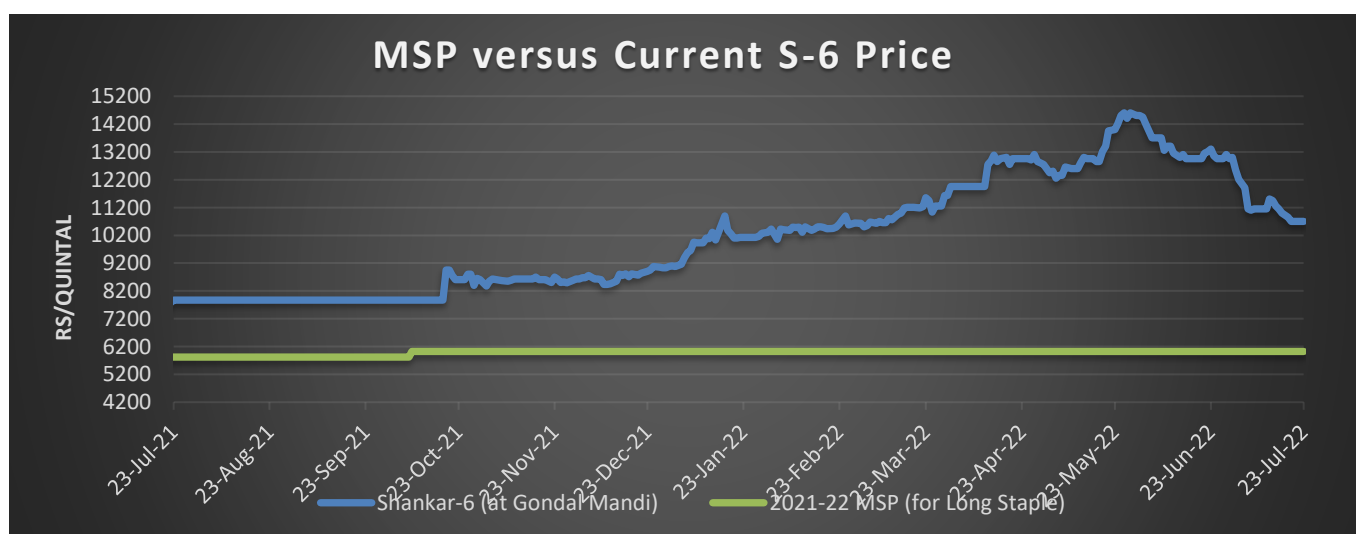
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly Kapas average prices at Rajkot stood slightly lower at Rs. 10438/Qtl compared to previous week's Rs. 11168/Qtl, whereas at Hisar prices stood lower at Rs. 9516/Qtl compared to previous week's price of Rs. 9933/Qtl. For Amravati prices were at Rs. 10150/Qtl.



Spot Price versus MSP

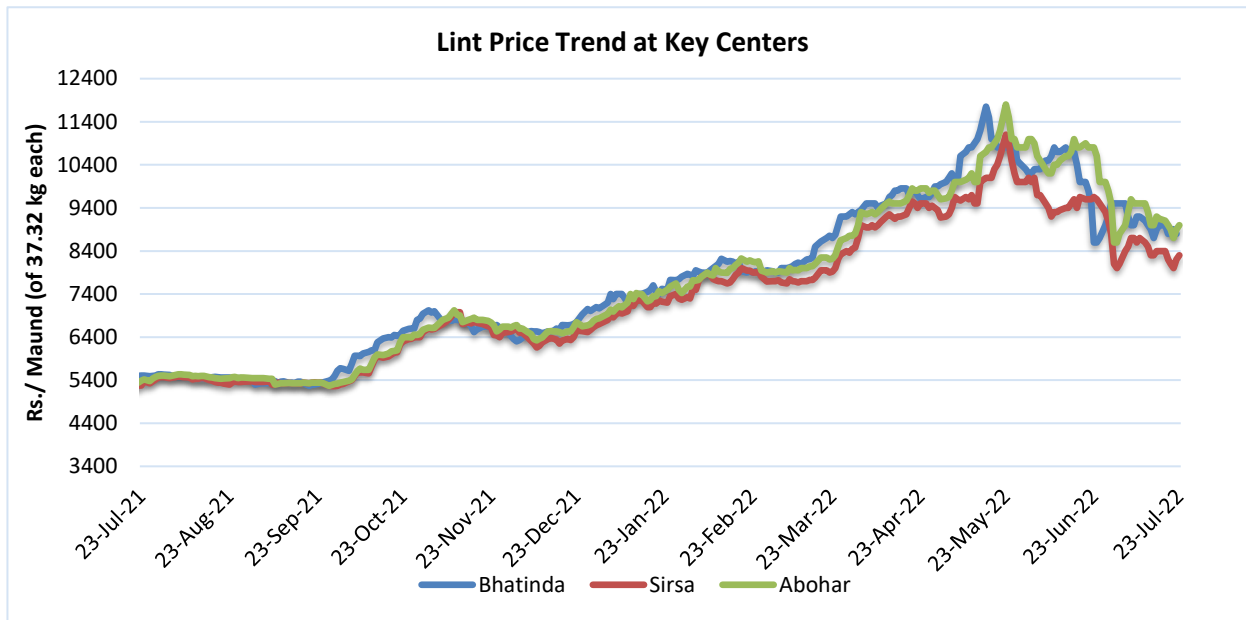
Average Kapas prices at Gondal market have decreased and were at Rs. 10705/Qtl from the previous week of Rs. 10833/q.



Source: Agriwatch

Lint price Outlook

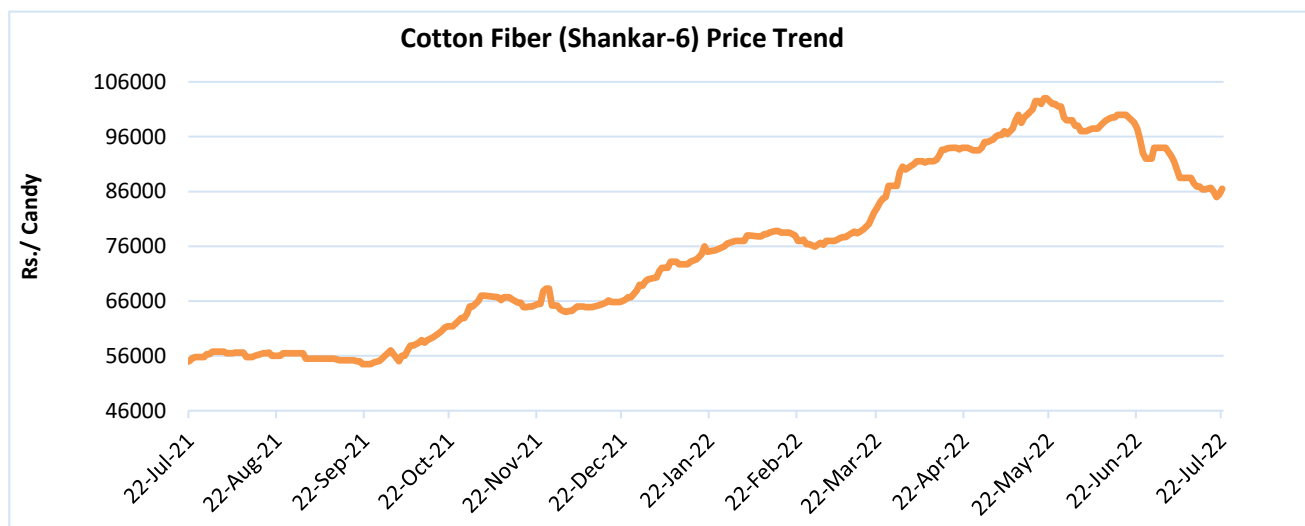
The average price stood slightly lower at Rs. 8866/maund this week compared to Rs.9075/maund previous week in Abohar, in Bhatinda prices were at Rs.8900/maund, and slightly higher in Sirsa at Rs.8266/maund from Rs.8333/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly corrected and is currently at Rs.85940/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

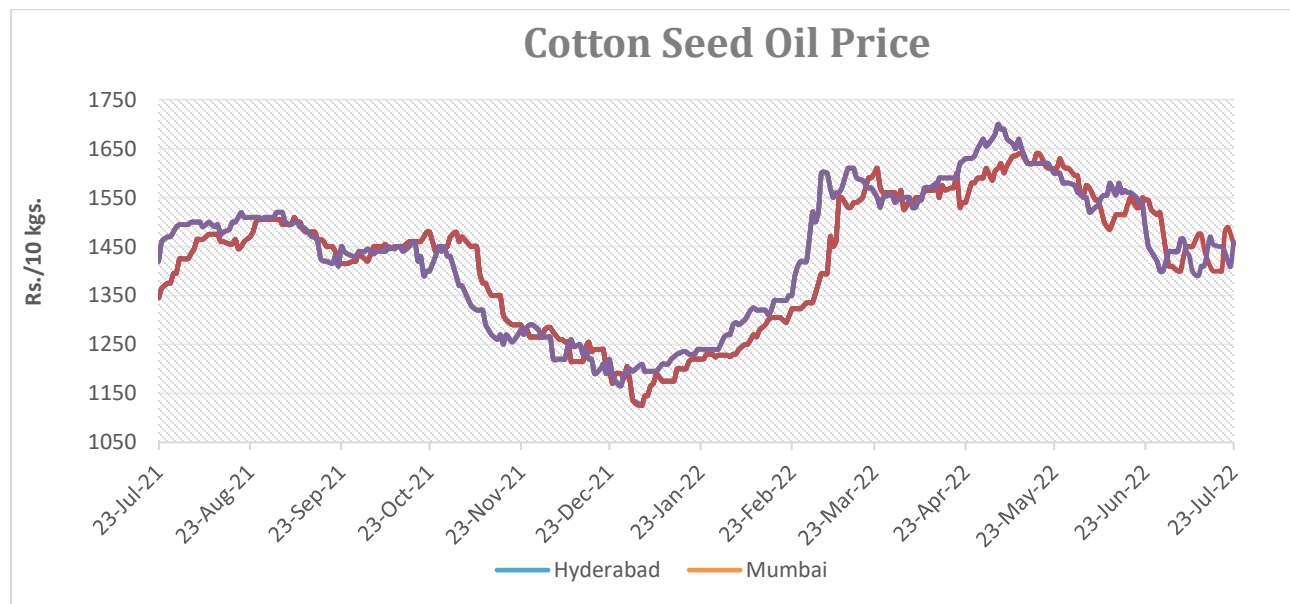
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have slightly increased across the major centers during the week ending on 23th June'22.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	23-Jul-22	13-Jul-22	
New Delhi	1422	1421	0.09
Rajkot	1453	1428	1.72
Hyderabad	1443	1441	0.10
Mumbai	1437	1429	0.54

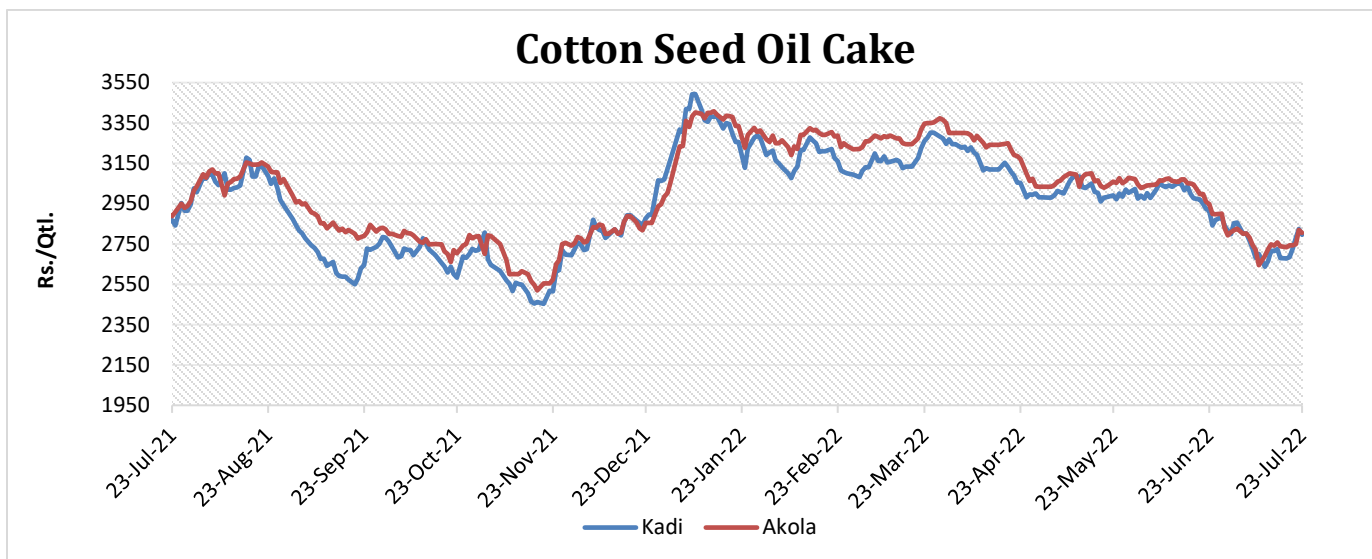
Source: Agriwatch



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. 2749 per quintal from Rs. 2688 per quintal and in Akola prices were at Rs. 2766 per quintal from Rs. 2713 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	23-Jul-22	13-Jul-22	
Kadi	2749	2688	2.25
Akola	2766	2713	1.96



Source: NCDEX

Stock Position

MCX Stock Position as on 21 st July'2022			
Commodity	Location	Unit of Measure	Eligible Quantity
Cotton Bales	YAVATMAL	Bales	225
Cotton Bales	KADI	Bales	3975
Cotton Bales	RAJKOT	Bales	375
Cotton Bales	JALNA	Bales	25
Cotton Bales	MUNDRA	Bales	-
Cotton Bales	ADILABAD	Bales	-
Total			4600

International Market Scenario

- According to the U.S. Crop progress report, as of 17th July 2022, U.S cotton Squaring stands at 74 percent which is higher than that of the previous season (67 percent). In the previous week cotton squaring was 57 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 35 percent in good to a fair condition which was 34 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 ratio for the 2021-22 season is estimated at 51.38 percent.

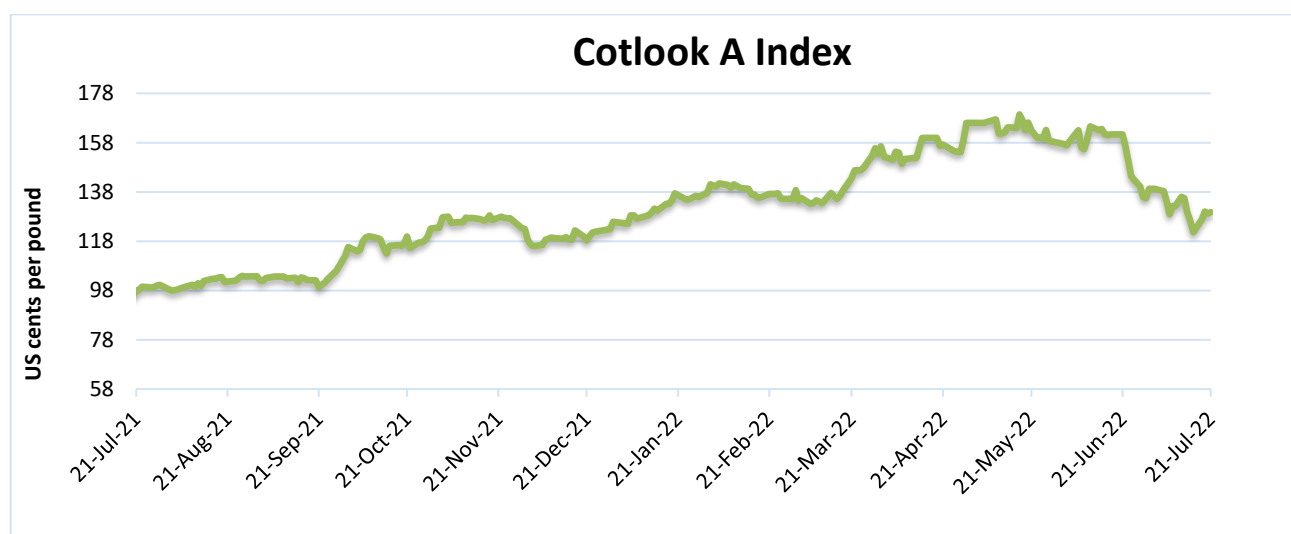
Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 127.52 cents/lb lower as compared to the previous week (132.03 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change
	21-Jul-22	13-Jul-22	
Prices	127.52	132.03	-3.42

Prices in US cents per Pound

Source: Cotlook

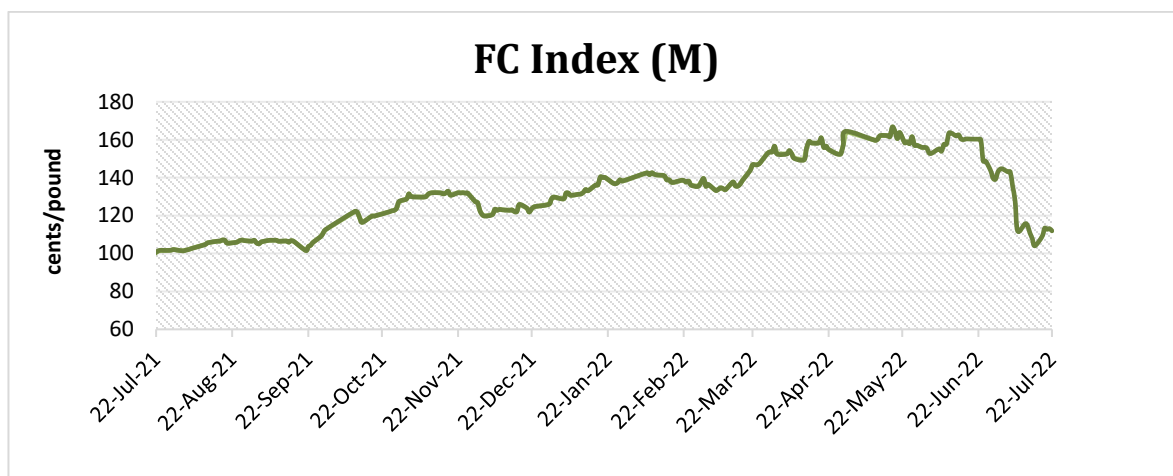


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	23-Jul-22	13-Jul-22	
FC (S)	113.27	112.30	0.86

FC (M)	112.03	110.86	1.51
FC (L)	110.79	109.82	0.88
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	22-Jul-22	13-Jul-22	
CCIndex(328)	15890.20	17235.83	-7.81
CCIndex(527)	14844.60	16098.67	-7.79
CCIndex(229)	16576.00	17788.50	-6.82
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)



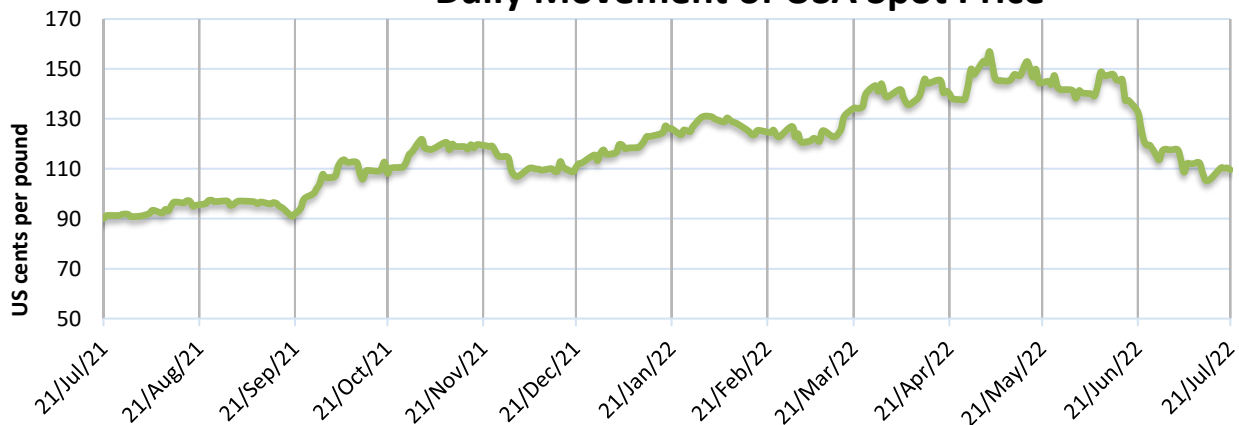
USA Spot Prices

U.S.A spot prices was at 109 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	13-Jul-22	13-Jul-22	
Prices	109.40	108.75	0.60
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price

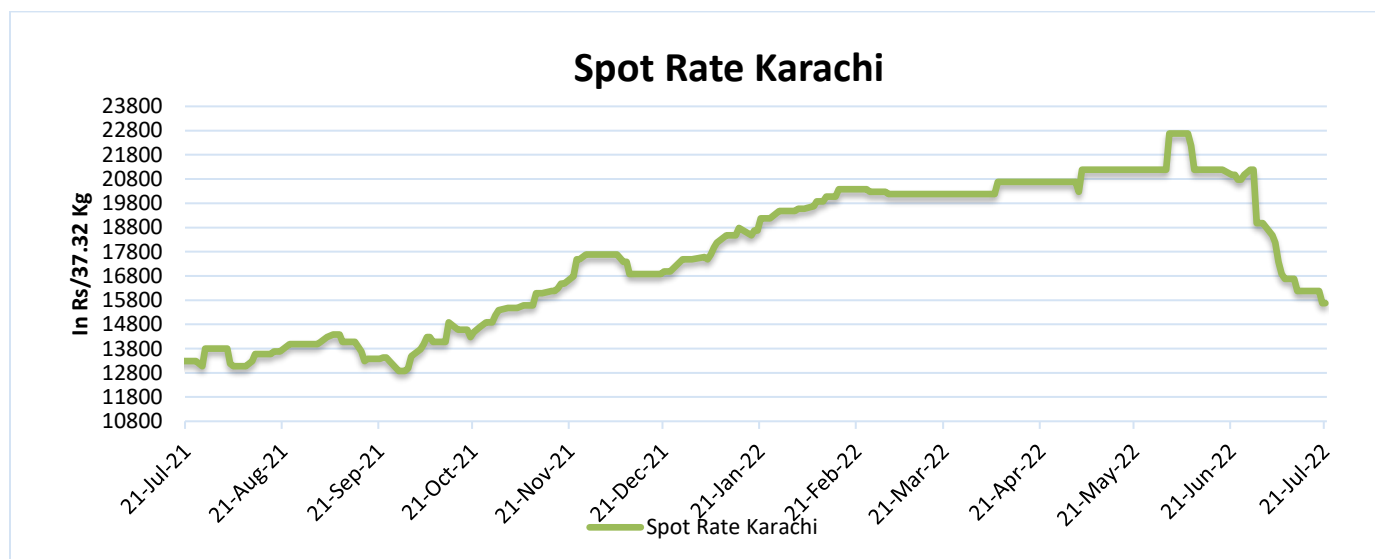


Pakistan Spot Prices

The Karachi spot price had decreased at Rs.16013/q same as the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	21-Jul-22	13-Jul-22	
Prices	16013	16097	-0.52
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 had then retraced back after taken a support of 4000 level.
- Market has moved upward indicating some buying strength.
- Momentum indicator MACD is diverging.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Jul	44080	44160	44500	44710	44830
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Jul	Buy	44490	44590	44680	44420

* Do not carryforward the position the next day.

Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Jul

Expiry: Jul. 30, 2021

Cottonseed Oilcake

Technical Chart:

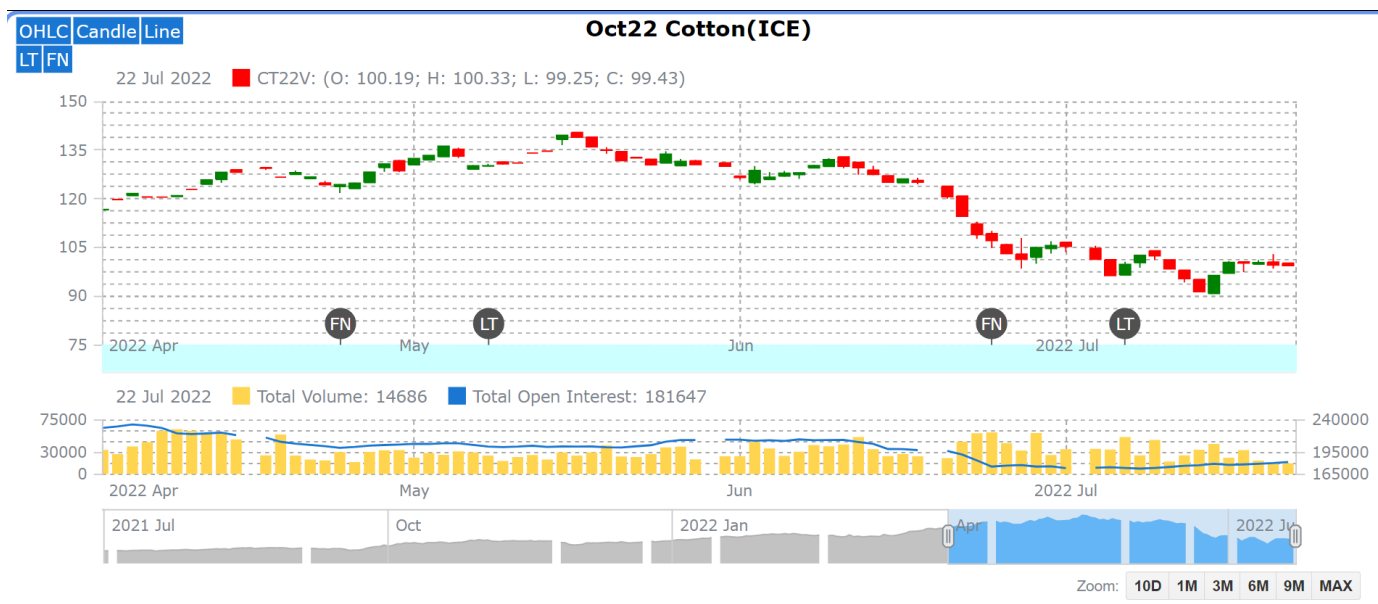


Technical Commentary:

- 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	Jul	2485	2555	2675	2815	2875
Intraday Trade Call			Call	Entry	T1	T2	SL

Cottonseed oilcake	NCDEX	Jul	Buy	2665	2765	2785	2595
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Technical Analysis of Cotton Future (Oct'22Contract) at ICE

- The Oct'22' contract has showed a range bound movement 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	96-120

Expected Support and Resistance

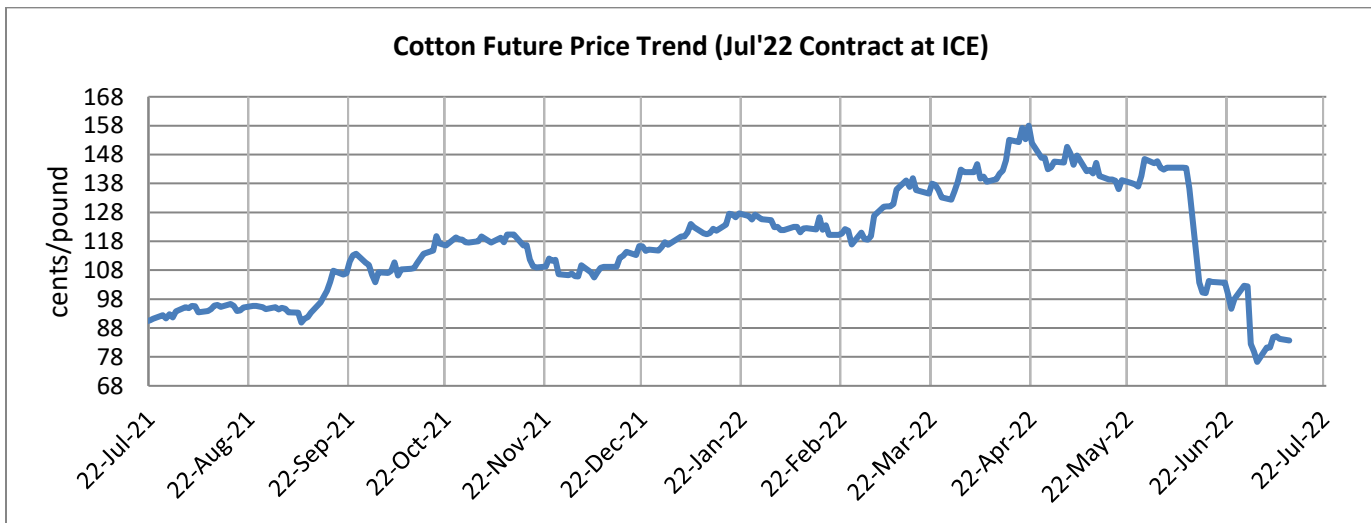
Support 1	Support 2	Resistance 1	Resistance 2
90	78	115	135

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	22-Jul-22	22-Jun-22	23-Apr-22	23-Jan-22	22-Jul-21	% Change over a month	% Change over previous year
Jul-22	83.73	143.32	135.85	126.26	87.07	-41.58	-3.84
Oct-22	99.43	114.66	124.35	114.05	90.27	-13.28	10.15
Dec-22	90.89	108.07	119.16	108.55	89.86	-15.90	1.15
Mar-23	87.30	103.67	115.57	103.91	89.41	-15.79	-2.36
May-23	85.60	101.01	139.46	130.04	88.49	-15.26	-3.27

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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