

COTTON WEEKLY RESEARCH REPORT 29th Aug 2022

Domestic market summary

Domestic Market Scenario: New Cotton arrivals has started coming into the market from northern and some parts of central India. All India's cotton sowing area crossed 124 lakh hectares so far. However, Monsoon is well in India till date hope for same up to harvesting. Agriwatch expects cotton fiber prices to range between Rs. 95,500 – Rs. 99,800 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. 79.66 per USD.
- The Cotlook Index stood higher (114.40 cents/lbs) compared to the ICE Cotton Futures that stood at 101.58 cents/lbs.

Market Highlights:

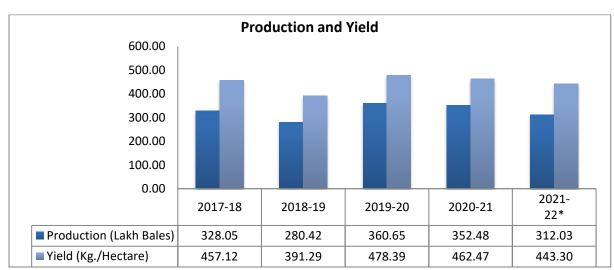
- MCX under the circular no. MCX/TRD/499/2022 has notified that the exchange is in process of modifying the Cotton contract specification. Accordingly, with effect from August 29, 2022, no fresh positions will be permitted in Cotton January 2023 expiry contract which has currently nil open interest. Cotton February 2023 expiry and subsequent expiry contracts will temporarily not be launched for trading till such time the revised contract specification is finalized. Also, No changes for other running Cotton contracts with Open Interest.
- According to the data released by Agriculture Ministry, as of 19th August 2022, Cotton sowing has been reported at 124.27 lakh hectares which was 116.51 lakh hectares same period last year. AgriWatch expects cotton sowing to reach 128 lakh hectares in the 2022-23 season. Earlier, due to excess rainfall in July month cotton sowing was affected in central and southern India.

States	2021-22	2022-23	Difference
Andhra Pradesh	4.20	5.59	1.39
Karnataka	6.10	7.75	1.65
Gujarat	22.48	25.36	2.88
Maharashtra	39.26	41.95	2.68
Madhya Pradesh	6.0	5.9	0.01
Rajasthan	6.28	6.52	0.27
Punjab	2.54	2.48	0.06
Haryana	6.88	6.50	0.37
All India	116.51	124.27	7.75

• According to Punjab Agriculture Department, despite of the lower acreages in the 2022-23 season, cotton production in Punjab is expected to be at 8 lakh bales as compared to the previous 6.45 lakh bales in the 2021-22 season. Further, as per trade associates, overall cotton prices are expected to trade above than 10,000 per quintal in the 2022-23 season as the quality parameters will differ in the coming season in the major cotton growing districts of Mansa, Bhatinda and Fazilika.

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• AgriWatch expects cotton fiber prices to range between Rs. 97,500 – Rs. 99,800 per candy as the textile mills have reduced production amid a supply crunch from the domestic as well as international market.



Domestic Production & Yield

Source: dacnet.nic.in *04th Advance estimate as on 17.08.2022

• As per the 4th Advance Estimate, Cotton output in the country during the season 2021-22 is likely to fall by around 11% to 312.03 lakh bales from 352.48 lakh bales produced during 2020-21. Major reason behind the fall in production is decreased area and yield during the 2021-22 season.

New Cotton Arrivals:

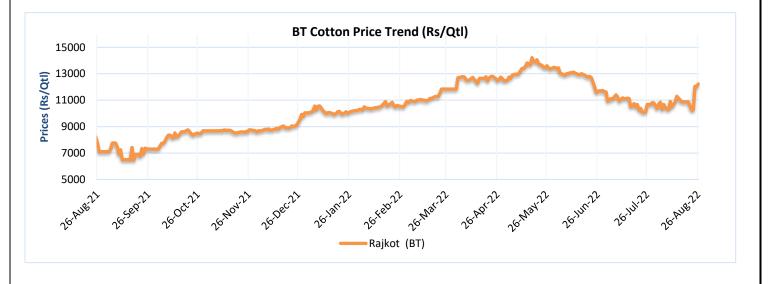
- Northern India: As per Agriwatch, new cotton arrivals are expected to come late in the 1st week of September 2022 from Rajasthan and Haryana. Although, arrivals had started from some districts of Punjab but are very slow. The new cotton prices at Bhatinda are currently at Rs. 9300 per quintal.
- Central India: Arrivals have also started in Gujarat and Madhya Pradesh but are in smaller quantities, prices for the new cotton in Gujarat are currently at Rs. 11,600 to 12,000 per quintal whereas in Madhya Pradesh prices are at Rs. 9,511-11,001 per quintal. Arrivals are currently around 2-3 quintal; overall moisture content in the new cotton crop is around 30-35%.

Domestic Cotton Prices Scenario

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Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood slightly higher at Rs. 11363/Qtl compared to previous week's Rs. 11300/Qtl.



Lint price Outlook

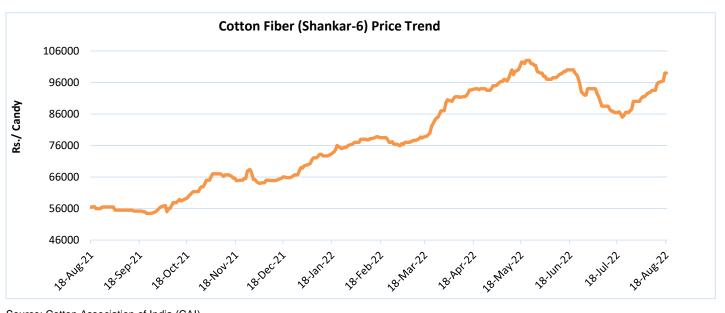
The average price stood slightly lower at Rs. 10000/maund this week compared to Rs.10625/maund previous week in Abohar, in Bhatinda prices were at Rs.10133/maund, and slightly lower in Sirsa at Rs.9558/maund from Rs.9850/maund previous week.





Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly higher and is currently at Rs.97700/candy and is likely to remain range bound in the coming week amid tight supply.



Source: Cotton Association of India (CAI)

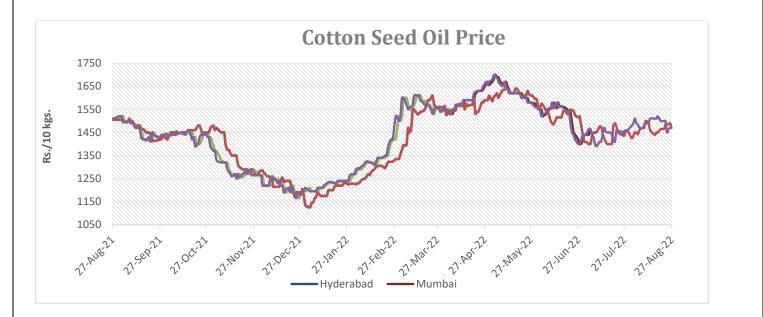
Cotton Seed Oil and Cotton Seed Oil Cake Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have showed a mixed trend across the major centers during the week ending on 27th Aug'22.

Center	Weekly Average Pr	ice as on (Rs/10 kg.)	% Change	
Center	27-Aug-22	20-Aug-22	78 Change	
Rajkot	1499	1495	0.28	
Hyderabad	1448	1477	-2.00	
Mumbai	1463	1505	-2.82	

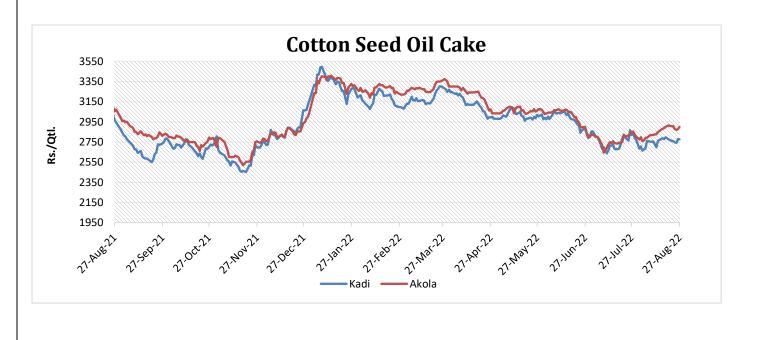
Source: Agriwatch



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. 2760 per quintal from Rs. 2784 per quintal and in Akola prices were at Rs. 2890 per quintal from Rs. 2896 per quintal the previous week.

Center	Weekly Average Pric		
Center	27-Aug-22	22-Aug-22	% Change
Kadi	2760	2784	-0.85
Akola	2890	2896	-0.21





Source: NCDEX

Stock Position

	MCX Stock Position as on 27 th Aug'2022						
Commodity	Location	Unit of Measure	Eligible Quantity				
Cotton Bales	YAVATMAL	Bales	3325				
Cotton Bales	KADI	Bales	300				
Cotton Bales	RAJKOT	Bales	550				
Cotton Bales	JALNA	Bales	-				
Cotton Bales	MUNDRA	Bales	-				
Cotton Bales	ADILABAD	Bales	1475				
	Total 5650						

International Market Scenario

World Cotton Balance Sheet						
	2020-21	2021-22#	2022-23*			
Area Harvested	31,420	32,310	32,758			
Opening Stock	97,646	88,074	84,721			
Production	1,11,481	1,15,955	1,17,013			
Imports	49,078	42,977	44,574			
Total Supply	2,58,205	2,47,045	2,46,308			
Exports	48,514	43,286	44,580			
Domestic Consumption	1,21,617	1,19,218	1,19,085			
Ending Stock	88,074	84,721	82,778			
Yield	772	781	778			

Source: USDA *Global projected 2022-23; #estimated 2021-22

*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

- According to the U.S. Crop progress report, as of 21st Aug 2022, U.S cotton Cotton Bolls opening stands at 19 percent which is higher than that of the previous season (13 percent). In the previous week cotton bolls opening was 15 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 26 percent in good to a fair condition which was 29 percent in the previous week.
- Overall, the cotton crop is likely to get affected in the 2022-23 season due to adverse weather in the major cotton-producing countries. As the U.S. cotton crop is being affected due to drought. The U.S.

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Department of Agriculture has forecasted for the domestic cotton crop to 12.6 million bales, which would be down by around 28% from last year. Severe drought and some of the hottest weather have scorched fields and driven a historically high level of abandonment in the Southwest.

• China is also likely to have a lower production in the 2022-23 season as the crop is getting affected due to severe heat waves. Also, one of the largest cotton exporters Brazil is battling with extreme heat and drought that have already reduced the yields by nearly 30 percent in the 2022-23 season.

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 132.30 cents/lb lower as compared to the previous week (132.49 cents/lb).

Cotlook A Index	Weekly Average Price change as on		% Change		
	27-Aug-22				
Prices	132.30				
	Prices in US cents per Pound				

Source: Cotlook

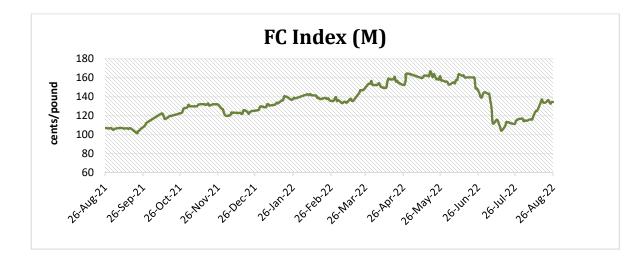


China Cotton Index and Foreign Cotton Index

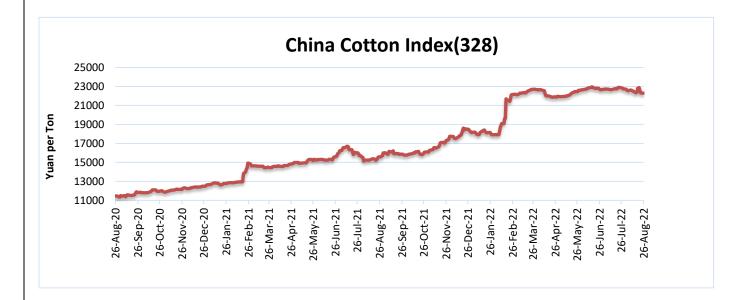
Cotton Index	Weekly Average Price as on		% Change
	27-Aug-22	20-Aug-22	
FC (S)	135.77	136.04	-0.19
FC (M)	134.46	134.73	-0.20
FC (L)	133.23	133.52	-0.21
			Prices in US cents per Pound



Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	27-Aug-22	20-Aug-22	
CCIndex(328)	15947.40	15916.50	0.19
CCIndex(527)	14533.00	14605.75	-0.50
CCIndex(229)	16313.40	16298.00	0.09
e: China Cotton Association			Prices in Yuan per ton



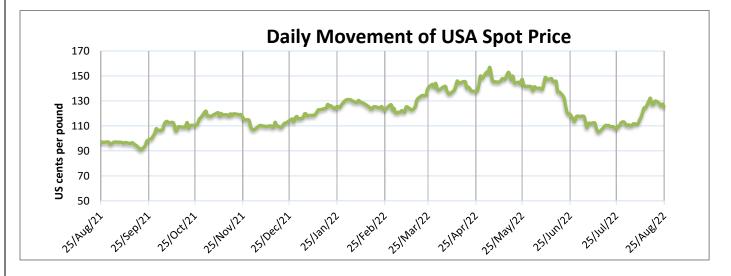


USA Spot Prices

U.S.A spot prices was at 126.73 cents per pound last week.

USA Spot Prices	Monthly Avera	% Change		
	27-Aug-22	20-Aug-22		
Prices	126.73	5		
Prices in US cents per Pound				

Source: USDA

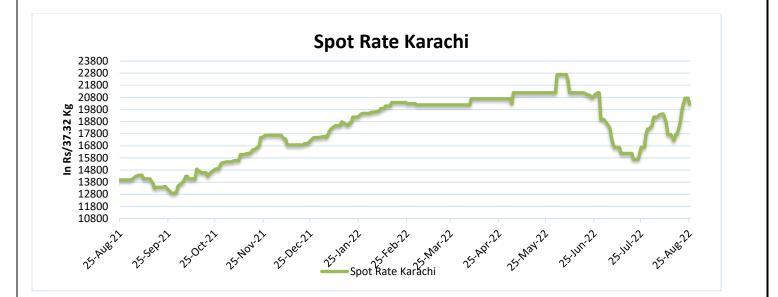


Pakistan Spot Prices

The Karachi spot price had increased at Rs.22509/q same as the previous week.

Karachi Spot Prices	Weekly Avera	% Change	
	27-Aug-22	20-Aug-22	
Prices	22509		
		•	Prices in Rs per 37.32 Kg

Source: Fibre2fashion.com





Commodity: Cotton

Exchange: MCX

Contract: Sep

Expiry: Sep. 30, 2021



Technical Commentary:

- As depicted in the above chart, the overall trend remains up and intact. However, prices may take support at 47000 level and can retrace back.
- MACD may crossover which further indicates bearish momentum while oscillator RSI pointing down in the neutral zone. Both indicators point for a range-bound market with a slightly weak bias.
- Overall, the prices are expected to remain range-bound to slightly weak in the coming days.

Intraday Supports & Resistances		S1	S2	РСР	R 1	R2	
Cotton MCX Sep		48180	48260	48600	48810	48930	
Intraday Trade Call		Call	Entry	T1	T2	SL	
Cotton	MCX	Sep	Buy	48590	48690	48780	48520

* Do not carryforward the position the next day.

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Commodity: Cotton seed oilcake

Exchange: MCX





Technical Commentary:

- As evident from the above chart overall upward trend was followed in the last week.
- Currently market is trading below 50 DMA; the market has broken up to 61% Fibonacci retracement level.
- RSI indicating weak buying strength.
- Market is expected to remain elevated in the coming week.

Intraday Supports & Resistances		S1	S2	РСР	R 1	R2	
Cottonseed oilcake NCDEX Sep			2561	2631	2751	2891	2951
Intraday Trade Call		Call	Entry	T1	T2	SL	
Cottonseed oilcake	NCDEX	Sep	Buy	2741	2841	2861	2671

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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 Trend	Expected Trading Band
Firm	118-140

Expected Support and Resistance							
Support 1	Support 2	Resistance 1	Resistance 2				
115	108	125	132				

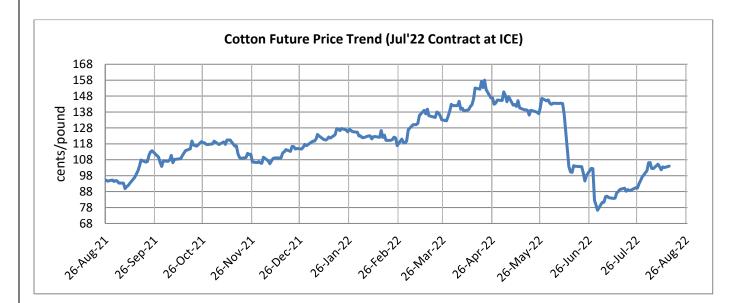
Figures in US cents/pound



Cotton Future Prices at ICE

	Cottor	Prices in cents/Lb					
Contracts	26-Aug-22	27-Jul-22	28-May-22	27-Feb-22	26-Aug-21	% Change over a month	% Change over previous year
Jul-22	103.97	88.01	139.42	119.22	91.08	18.13	14.15
Oct-22	95.30	82.58	130.55	107.23	95.36	15.40	-0.06
Dec-22	114.20	95.07	122.55	103.03	94.16	20.12	21.28
Mar-23	111.41	91.46	121.78	126.35	93.20	21.81	19.54
May-23	108.43	89.31	117.99	122.75	92.66	21.41	17.02

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas Weekly Average Prices (Rs./Quintal)				
State	Centre	Variety	22nd Aug'22 to 27th Aug'22	15th Aug'22 to 20th Aug'22	Change
	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	11641	NA	-
Gujarat	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
Haryana	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
D	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhara Daadaah	Khandwa	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
	Amravati	Mech-1	NA	NA	-
Maharashtra	Jamner	Medium Staple	NA	NA	-
	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10522	10516	6
	Bijapur	Bunny	11570	11861	-291
Vometel	Hubli	D.C.H.	NA	NA	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Li	nt	Prices (Rs. 37.32kg	/Maund of g each)	Change



State	Centre	Variety	22nd Aug'22 to 27th Aug'22	15th Aug'22 to 20th Aug'22	
	Bhatinda	J-34	NA	NA	-
Punjab	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9558	9850	-292
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	K	Kapas	Weekly Sum Arrivals (Quintal)			
State	Centre	Variety	22nd Aug'22 to 27th Aug'22	15th Aug'22 to 20th Aug'22	Change	
	Ahmedabad	Shankar-6	NA	NA	-	
	Gondal	Shankar-6	NA	NA	-	
	Rajkot	B.T. Cotton	NA	NA	-	
Gujarat	Patan	B.T. Cotton	NA	NA	-	
	Kadi	B.T. Cotton	NA	NA	-	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	NA	NA	-	
	Bhiwani	B.T. Cotton	NA	NA	-	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	NA	NA	-	
Haryana	Fatehabad	B.T. Cotton	NA	NA	-	
	Jind	B.T. Cotton	NA	NA	-	
	Uchana	B.T. Cotton	NA	NA	-	
	Dabwali	B.T. Cotton	NA	NA	-	
D: 4	Hanumangarh	B.T. Cotton	NA	NA	-	
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-	
	Khandwa	Mech-1	NA	NA	-	
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-	
	Amravati	Mech-1	NA	NA	-	
Maharashtra	Jamner	Medium Staple	NA	NA	-	
	Hathras	B.T. Cotton	NA	NA	-	
Uttar Pradesh	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	NA	NA	-	
Andhra Pradesh	Adoni	Un-Ginned	3177	5268	-2091	

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	Bijapur	Bunny	1182	937	245	
Karnataka	Hubli	D.C.H.	NA	NA	-	
Кагнацака	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	NA	NA	-	
Commodity	I	<i>_</i> int	•	Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	22nd Aug'22 to 27th Aug'22	15th Aug'22 to 20th Aug'22	Change	
	Bhatinda	J-34	NA	NA	-	
Punjab	Abohar	J-34	NA	NA	-	
	Mansa	J-34	NA	NA	-	
Haryana	Sirsa	J-34	NA	NA	-	
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-	

Week on Week Price: Scenario of Cotton:							
Commodity	K	apas	Today	Week Ago	Month Ago	Year Ago	
State	Centre	Variety	27-Aug- 22	20-Aug- 22	28-Jul-22	27-Aug- 21	
	Ahmedabad	Shankar-6	NA	NA	NA	NA	
	Gondal	Shankar-6	NA	Closed	10855	0	
	Rajkot	B.T. Cotton	Closed	NA	10680	7105	
Gujarat	Patan	B.T. Cotton	NA	NA	NA	NA	
	Kadi	B.T. Cotton	NA	NA	NA	NA	
	Deesa	B.T. Cotton	NA	NA	NA	1150	
	Dhrol	B.T. Cotton	NA	NA	NA	7500	
	Bhiwani	B.T. Cotton	NA	NA	NA	NA	
	Bhiwani	Desi	NA	NA	NA	NA	
	Adampur	B.T. Cotton	NA	NA	9500	6600	
Haryana	Fatehabad	B.T. Cotton	NA	NA	NA	NA	
	Jind	B.T. Cotton	NA	NA	NA	NA	
	Uchana	B.T. Cotton	NA	NA	NA	NA	
	Dabwali	B.T. Cotton	NA	NA	NA	NA	
D: 4	Hanumangarh	B.T. Cotton	NA	NA	NA	NA	
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	NA	NA	
Madhya	Khandwa	Mech-1	NA	NA	NA	NA	
Pradesh	Khargaon	Mech-1	NA	NA	NA	NA	



Maharashtra	Amravati	Mech-1	Closed	10500	Closed	NA
Manarasnira	Jamner	Medium Staple	NA	NA	9000	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	6600
	Hathras	Desi	NA	NA	NA	NA
Telangana	Adilabad	Un-Ginned	NA	0	NA	NA
Andhra Pradesh	Adoni	Un-Ginned	NA	12179	NA	8136
	Bijapur	Bunny	NA	12025	10111	7676
Karnataka	Hubli	D.C.H.	NA	NA	NA	NA
Кагнацака	Hubli	B.T. Cotton	NA	NA	NA	NA
	Raichur	H-44 Cotton	NA	11500	0	0
Commodity	Li	nt	Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	27-Aug- 22	20-Aug- 22	28-Jul-22	27-Aug- 21
	Bhatinda	J-34	10000	10500	9100	5450
Punjab	Abohar	J-34	9500	10500	9200	5450
	Mansa	J-34	NA	0	0	5450
Haryana	Sirsa	J-34	9500	9900	8500	5360
Rajasthan	Sri-Ganganagar	J-34	NA	0	0	0

Cotton Arrivals in Key Centers:							
Commodity	Kaj	pas	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	
State	Centre	Variety	27-Aug- 22	20-Aug- 22	28-Jul-22	27-Aug- 21	
	Ahmedabad	Shankar-6	NA	0	0	0	
	Gondal	Shankar-6	Closed	Closed	7350	5000	
	Rajkot	B.T. Cotton	Closed	NA	80	30	
Gujarat	Patan	B.T. Cotton	NA	NA	NA	NA	
	Kadi	B.T. Cotton	NA	NA	NA	NA	
	Deesa	B.T. Cotton	NA	NA	NA	NA	
	Dhrol	B.T. Cotton	NA	0	0	1	
	Bhiwani	B.T. Cotton	NA	NA	NA	NA	
	Bhiwani	Desi	NA	NA	NA	NA	
**	Adampur	B.T. Cotton	NA	0	0	170	
Haryana	Fatehabad	B.T. Cotton	NA	NA	NA	NA	
	Jind	B.T. Cotton	NA	NA	NA	NA	
	Uchana	B.T. Cotton	NA	NA	NA	NA	



	Dabwali	B.T. Cotton	NA	NA	NA	NA
Datasthan	Hanumangarh	B.T. Cotton	NA	NA	NA	NA
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	NA	NA
Madhya	Khandwa	Mech-1	NA	NA	0	0
Pradesh	Khargaon	Mech-1	NA	NA	0	0
Maharashtra	Amravati	Mech-1	Closed	3000	Closed	0
Manarasitra	Jamner	Medium Staple	NA	0	35	0
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	0	100
Uttar Frauesh	Hathras	Desi	NA	NA	0	0
Telangana	Adilabad	Un-Ginned	NA	0	0	0
Andhra Pradesh	Adoni	Un-Ginned	NA	935	0	79
	Bijapur	Bunny	NA	215	40	102
Karnataka	Hubli	D.C.H.	NA	0	0	0
Kainataka	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	6	0	0
Commodity	Li	nt	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	27-Aug- 22	20-Aug- 22	28-Jul-22	27-Aug- 21
	Bhatinda	J-34	NA	NA	NA	NA
Punjab	Abohar	J-34	NA	NA	NA	NA
	Mansa	J-34	NA	NA	NA	NA
Haryana	Sirsa	J-34	NA	NA	NA	NA
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	NA

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/-
				22nd Aug'22 to 27th Aug'22	15th Aug'22 to 20th Aug'22	Change
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	65100	67525	-2425
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65800	68225	-2425
J-34(202)	26mm	3.5 - 4.9	23	90800	94475	-3675
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	95000	96000	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	97700	98875	-1175
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	103000	102375	625
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	99000	97250	1750

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