

COTTON WEEKLY RESEARCH REPORT

25th October 2022

Domestic market summary
Major Market Highlights:

Cotton arrivals slowed down during the last week as markets were closed due to Diwali. AgriWatch expects cotton arrivals to increase after Diwali across India. A bumper cotton crop is expected for the 2022-23 season.

Domestic Market Scenario:

Cotton Association of India has released its cotton crop estimate for the 2022-23 season. Overall cotton production is expected to reach 344 lakh bales of cotton in the 2022-23 season. The state-wise break-up of cotton production is mentioned below:

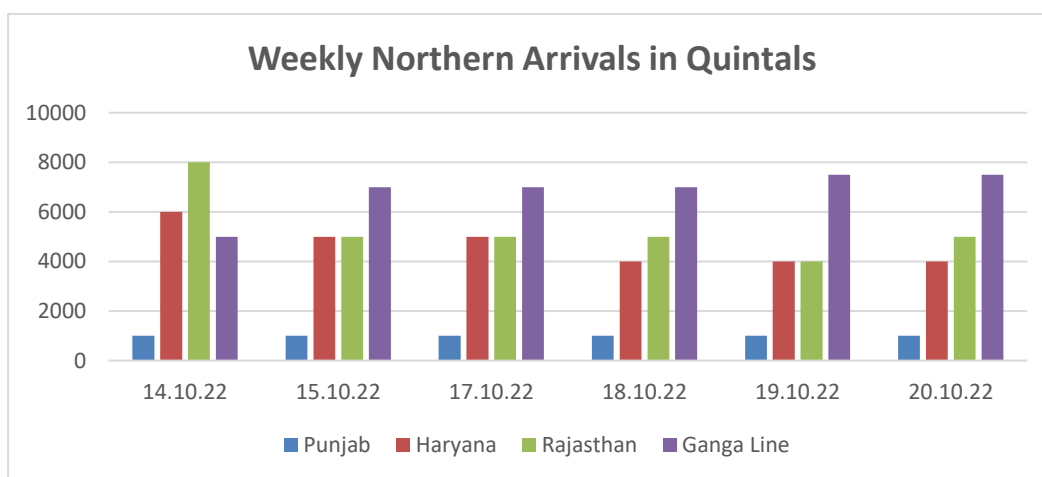
State-wise Cotton Production Estimate			
State	2022-23	2021-22	Percentage Change (%)
Punjab	5	8.5	-41.2
Haryana	16.5	16.1	2.5
Rajasthan	17.33	25.67	-32.5
Gujarat	91	76.3	19.3
Maharashtra	84.5	75	12.7
Madhya Pradesh	20	20	0.0
Telangana	45	15	200.0
Andhra Pradesh	16	35.4	-54.8
Karnataka	25	20.25	23.5
Tamil Nadu	6	9.75	-38.5
Orissa	3	2.08	44.2
Other	3.5	3	16.7
All India	344	307.05	12.0

Source: CAI

Cotton Association of India has estimated the cotton crop for the 2022-23 season at 344 lakh bales from its previous estimate of 307.05 lakh bales. The Association has attributed the increase in production majorly from Gujarat, Rajasthan, Maharashtra, Andhra Pradesh, and Tamil Nadu. Agriwatch has estimated cotton production during 2022-23 season at 348.16 lakh bales.

Cotton Balance Sheet	2021-22	2022-23
Opening Stock	71.84	31.89
Production	307.05	344.00
Imports	14	12
Domestic Consumption	318	320
Exports	43	35
Closing Stock	31.89	32.89
Source: CAI; unit- Lakh Bales		

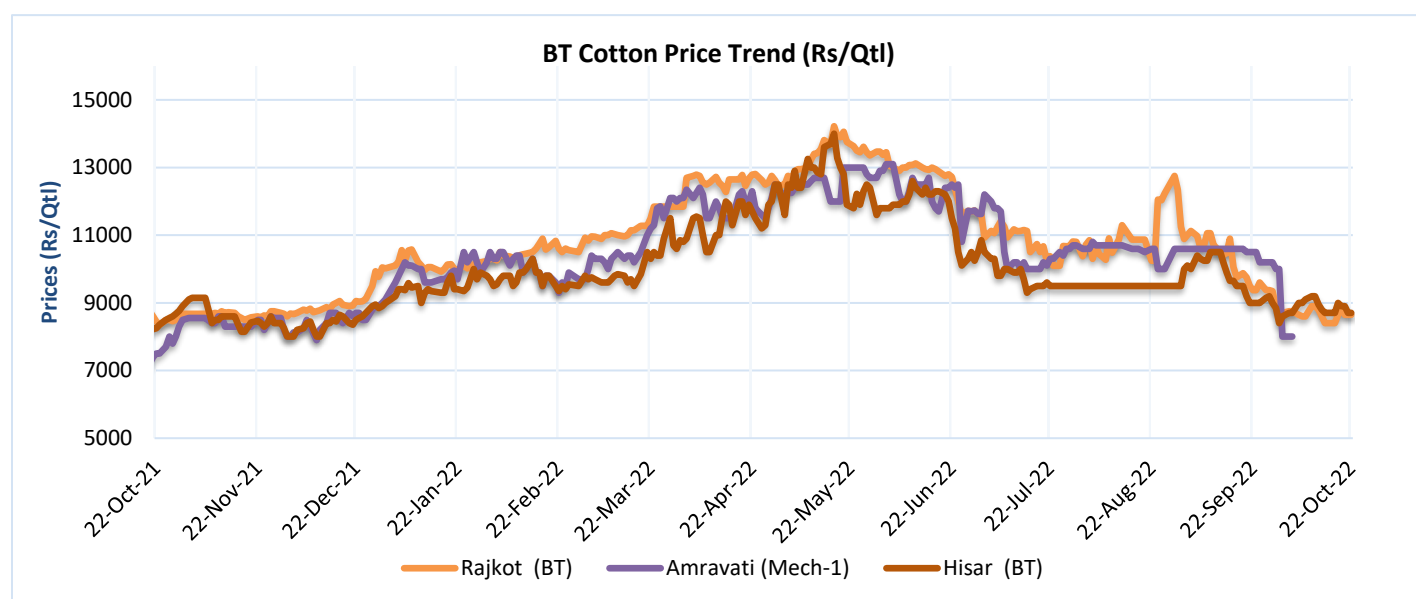
Northern New Cotton Crop Arrival & Prices:



Domestic Cotton Prices Scenario

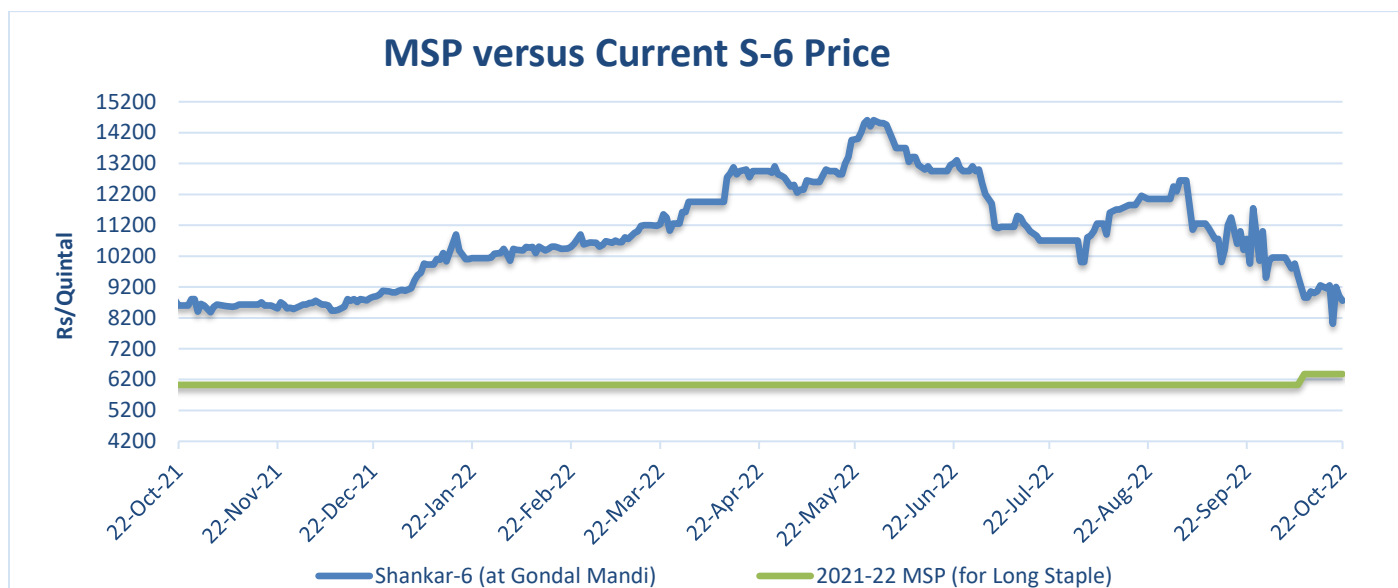
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood slightly lower at Rs. 8,650/Qtl compared to previous week's Rs. 8,666/Qtl. Cotton prices at Amravati traded at Rs. 8,000 per quintal whereas prices in Hisar were slightly lower at Rs. 8,816 per quintal during the past week.



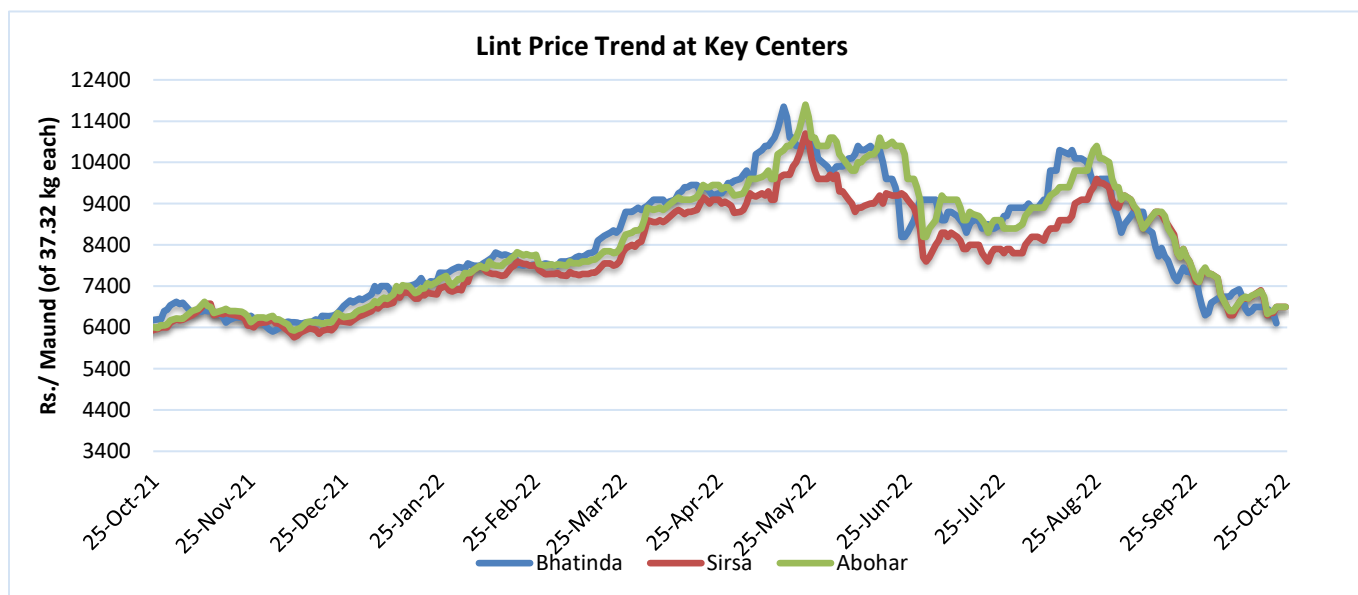
Spot Price Comparison

Cotton shanker-6 at Gondal market traded higher at Rs. 8,930 per quintal against the minimum support price of Rs. 6,380 per quintal.



Lint price Outlook

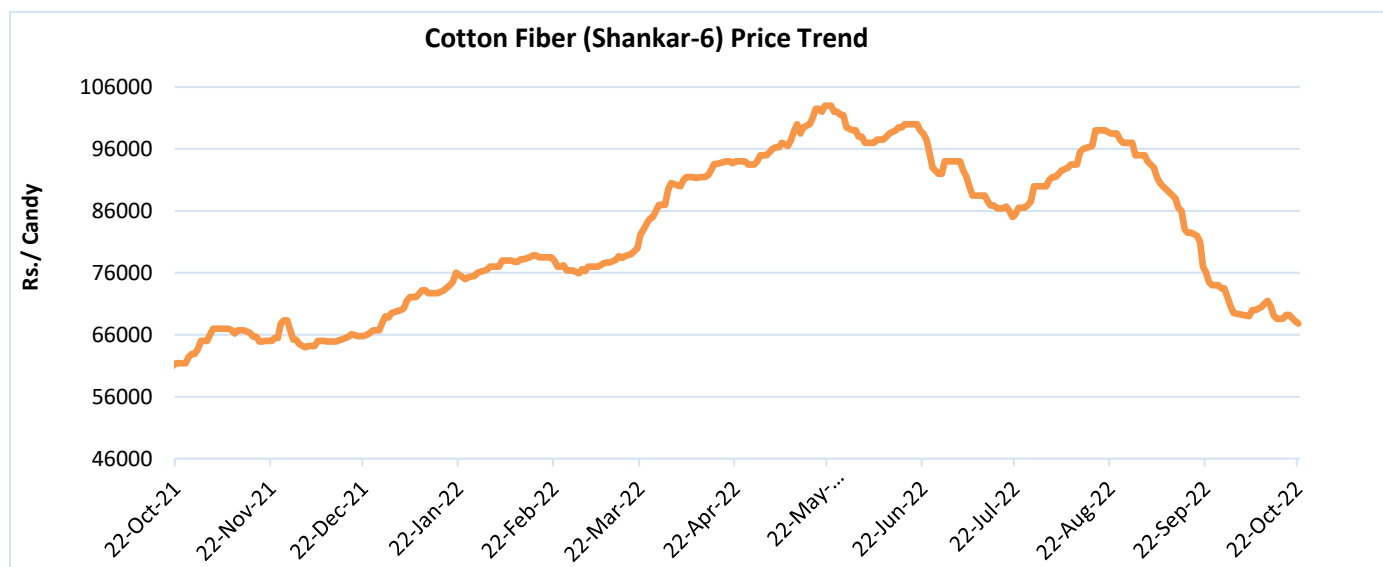
The average price stood slightly lower at Rs. 6841/maund this week compared to Rs.6987/maund previous week in Abohar, in Bhatinda prices were at Rs.6850/maund, and slightly lower in Sirsa at Rs.6833/maund from Rs.6966/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly lower and is currently at Rs.68350/candy and is likely to remain weak in the coming weeks. Prices are falling mainly because of a production cut by the textile mills.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

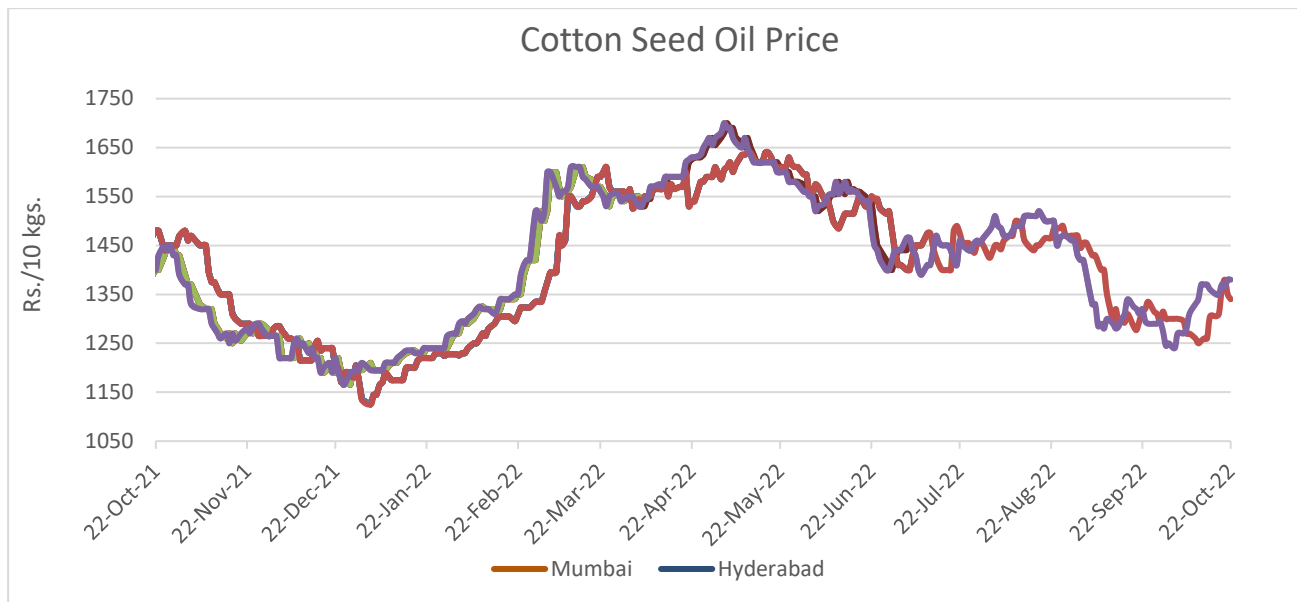
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a strong trend across the major centers during the week ending on 15th Oct'22.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	22-Oct-22	15-Oct-22	
Rajkot	1383	1327	4.18
Hyderabad	1398	1335	4.68
Mumbai	1376	1362	1.02

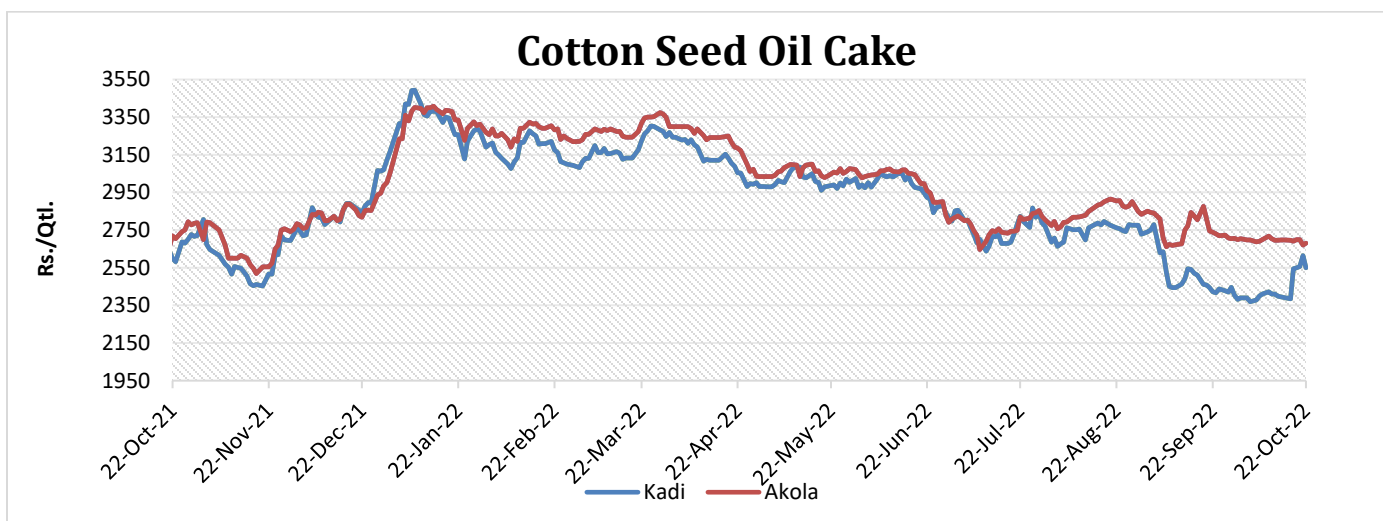
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has increased slightly with improved demand as compared to previous week. Prices in Kadi were at Rs. 2533 per quintal from Rs. 2405 per quintal and in Akola prices were at Rs. 2689 per quintal from Rs. 2701 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	15-Oct-22	15-Oct-22	
Kadi	2533	2405	5.34
Akola	2689	2701	-0.44



Source: NCDEX

Price Forecast for the coming week

Months	Past Week	During the week	Coming week
Price per quintal at Rajkot (Average of the month)	8650	8400-8750	8950-9540

International Market Scenario

According to the U.S. Crop progress report, as of 24th Oct, 2022, U.S cotton Cotton Bolls opening stands at 98 percent which is higher than that of the previous season (96 percent). In the previous week cotton bolls opening was 97 percent. Overall 4 percent of the U.S Cotton Crop is in excellent condition, 25 percent in good to a fair condition which was 26 percent in the previous week.

According to USDA, WASDE Report, the U.S. cotton supply, and demand were projected slightly lower exports and higher ending stocks compared with last month. World trade has been projected lower, the export forecast is 100,000 bales lower at 12.5 million bales, while ending stocks are 100,000 bales higher.

In the 2022-23 world balance sheet, consumption is 3.0 million bales lower and ending stocks are 3.1 million bales higher. World trade is projected nearly 1 million bales lower than it was in September, with declines in imports by China, Pakistan, Mexico, Turkey, and Vietnam. Exports are estimated lower for Australia, Brazil, India, Benin, Cote d'Ivoire, Greece, and Mexico, as well as the United States. World production in 2022-23 is projected nearly 400,000 bales lower than it was a month ago, largely reflecting lower crops in Pakistan and Benin.

USDA Balance Sheet

World Cotton Balance Sheet			
	2020-21	2021-22#	2022-23*
Area Harvested	31,367	32,314	32,510
Yield	772	781	778
Opening Stock	98,392	86,770	85,260
Production	1,11,471	1,15,540	1,18,050
Imports	48,693	42,884	43,621
Total Supply	2,58,556	2,45,194	2,46,931

Exports	48,711	42,935	43,613
Domestic Consumption	1,23,134	1,17,366	1,15,599
Ending Stock	86,770	85,260	87,867

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

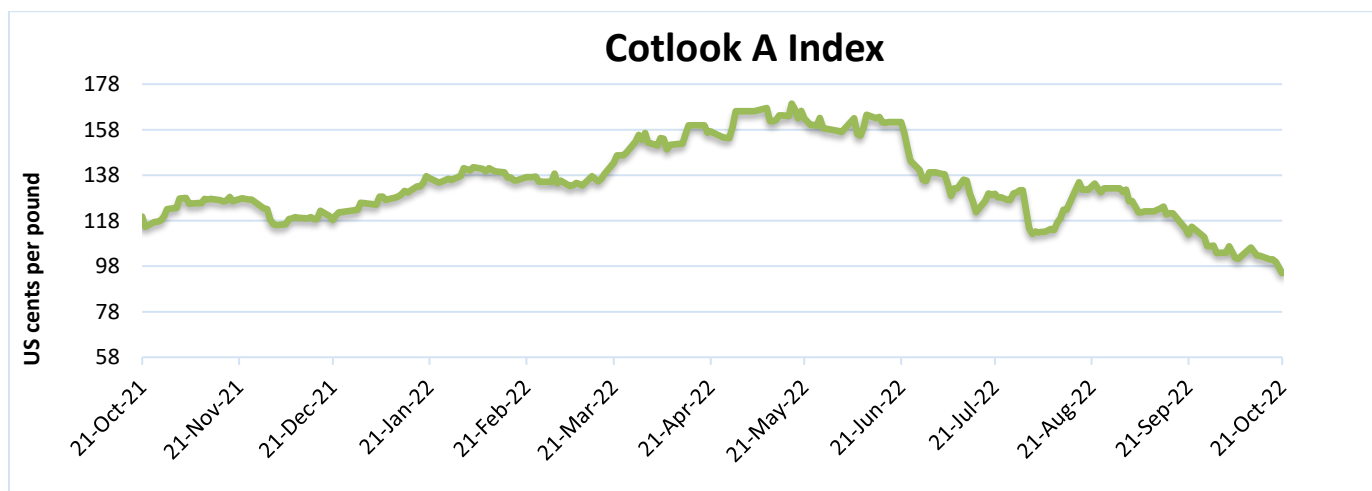
*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 99.18 cents/lb lower as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	21-Oct-22	15-Oct-22	
Prices	99.18	102.63	-3.37
Prices in US cents per Pound			

Source: Cotlook

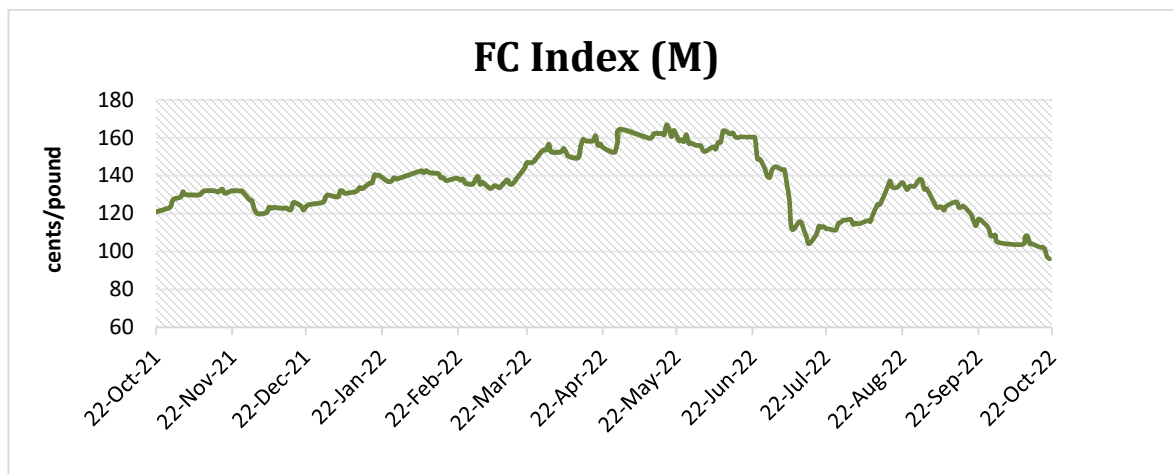


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	21-Oct-22	15-Oct-22	
FC (S)	101.07	107.18	-5.70
FC (M)	99.86	105.51	-5.35

FC (L)	98.52	104.17	-5.42
Prices in US cents per Pound			

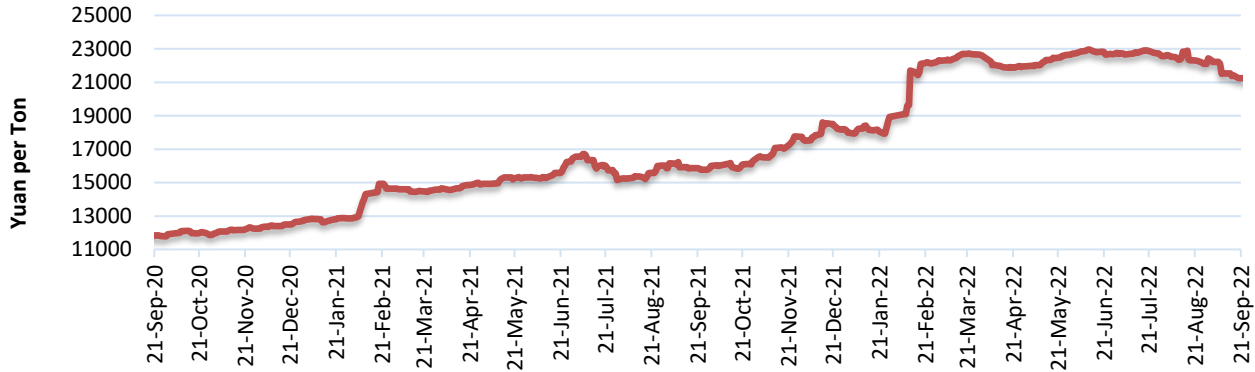
Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	21-Oct-22	15-Oct-22	
CCIndex(328)	15945.80	15741.80	1.30
CCIndex(527)	14197.00	14091.40	0.75
CCIndex(229)	16212.20	16098.60	0.71
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)



USA Spot Prices

U.S.A spot prices was at 83.44 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	21-Oct-22	13-Oct-22	
Prices	83.44	90.70	-8.00
Prices in US cents per Pound			

Source: USDA

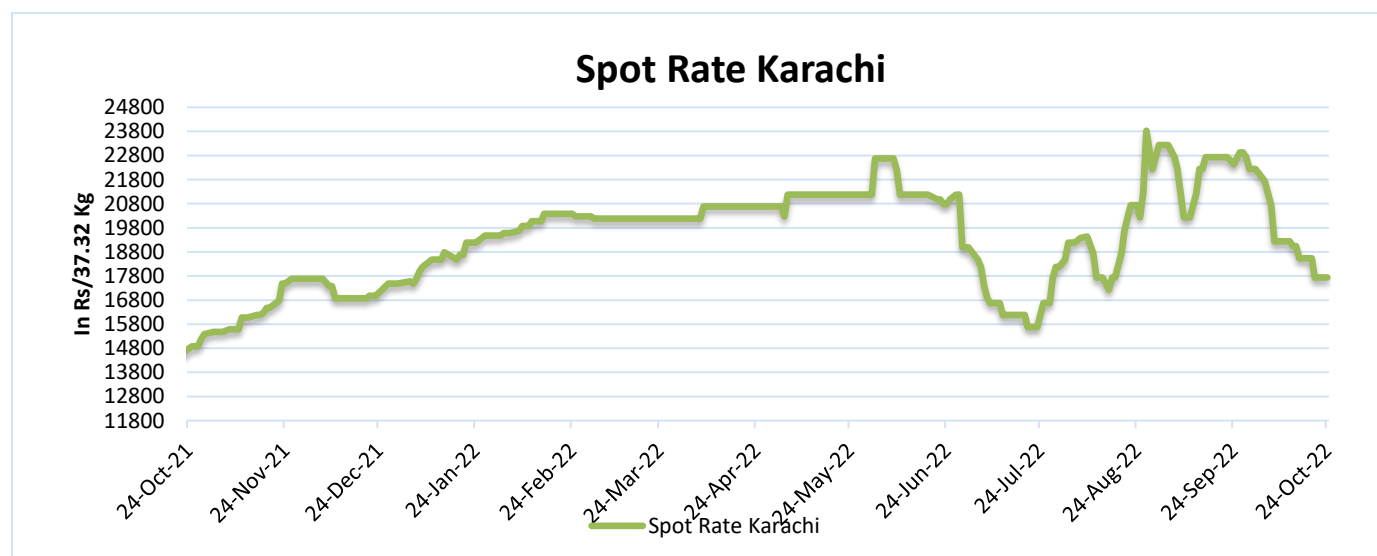
Daily Movement of USA Spot Price



Pakistan Spot Prices

The Karachi spot price had decreased at Rs.17485/q from the previous week. With the expectation of lower production the country due to heavy rainfalls, overall cotton quality is expected to be affected.

Karachi Spot Prices	Weekly Average Price as on		% Change
	21-Oct-22	15-Oct-22	
Prices	17485	18485	-5.41
Prices in Rs per 37.32 Kg			



Commodity: Cotton
Exchange: MCX
Contract: Oct
Expiry: Oct. 30, 2021

Cotton – Technical Outlook

Technical Chart:



Technical Commentary:

- As depicted in the above chart, market is currently trading at 33430 level.
- Technically, now Cotton has taken a support at 33010 and resistance is now likely to be seen at 33640, a move above could see prices testing .
- Market is currently below 9 and 18 DMA. RSI indicates slight buying strength.
- Overall, the prices are expected to remain range-bound in the coming weeks.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Oct	33010	33090	33430	33640	33760
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Oct	Buy	33420	33520	33610	33350

* Do not carryforward the position the next day.

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

COTTON SEED OIL 2209(NCCOUU2)2022/10/16 - Weekly B:2550.00 A:2544.00

O 2591.00 H 2591.00 L 2591.00 C 2591.00 ↑ V 14,100 I 100 0 +0.00%

SMA(9) 2639.1 (18) 2651.7 (50) 0.00000 (100) 0.00000


Technical Commentary:

- As evident from the above chart, overall stable trend was followed during the last week.
- Currently market is trading below 9 and 50 DMA, market may rise after a recent support of 2380 level. Resistance is likely to be at 2475 level.
- RSI indicating slight buying strength.
- Market is expected to firm in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Oct	2401	2471	2591	2731	2791
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Oct	Buy	2581	2681	2701	2511

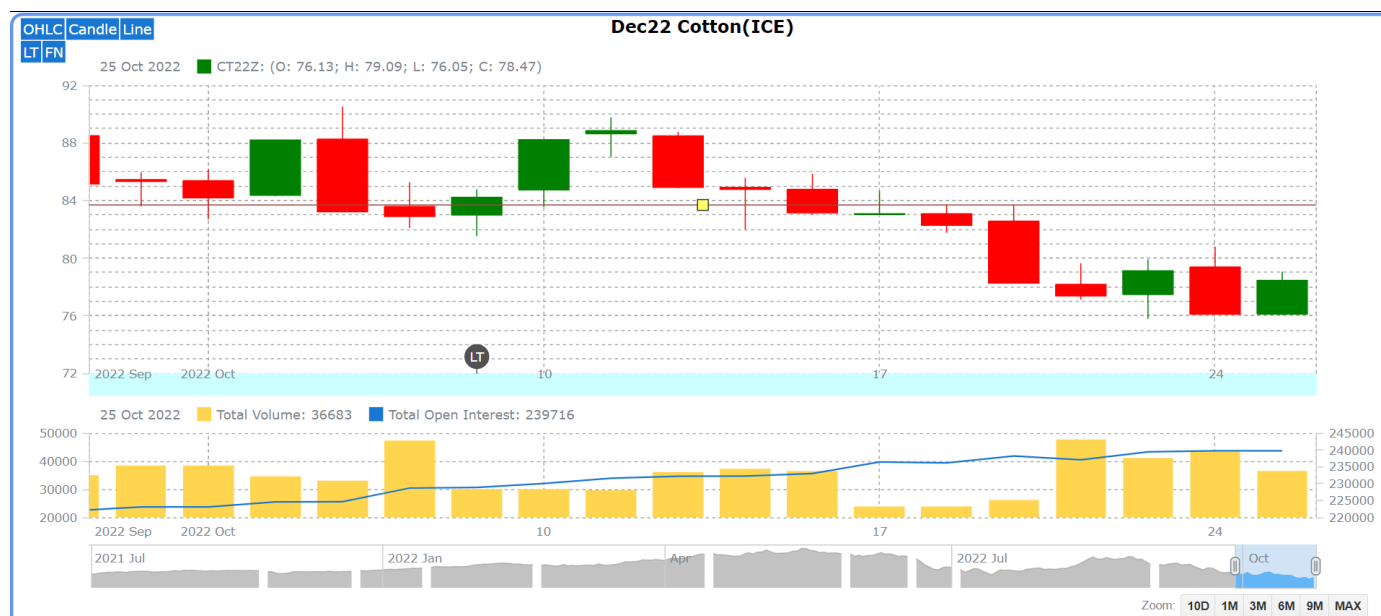
MCX and NCDEX Weekly Prices

Indian Indices in Candy				
Date	NCDEX Kapas	MCX		
	April	Oct-22	Nov-22	Dec-22
03-10-2022	61,550	65,889	61,391	61,015
04-09-2022	63,616	68,524	63,609	62,416
05-09-2022	63,694	67,039	61,182	62,416
06-09-2022	63,694	68,440	61,496	61,036
07-10-2022	63,825	69,737	62,437	61,287

*NCDEX Kapas seed rate 700/20 kg to convert it in to candy.

Indian Basis					
Date	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
03-10-2022	68,750	81.87	107.11	84.20	22.91
04-09-2022	69,250	81.52	108.35	88.20	20.15
05-09-2022	70,250	81.52	109.92	83.23	26.69
06-09-2022	70,000	81.88	109.04	82.90	26.14
07-10-2022	70,250	82.32	108.85	84.23	24.62

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



- The Dec'22' contract has showed a weak movement during the week under review. Prices have broken more than 61% Fibonacci retracement level.
- Total volume decreased & Open Interest decreased compared to last week.
- Market is expected to remain elevated in the coming week.
- Market expects weak buying strength.

Expected Price Range During Coming week

Expected Trend	Expected Trading Band
weak	74-82

Expected Support and Resistance

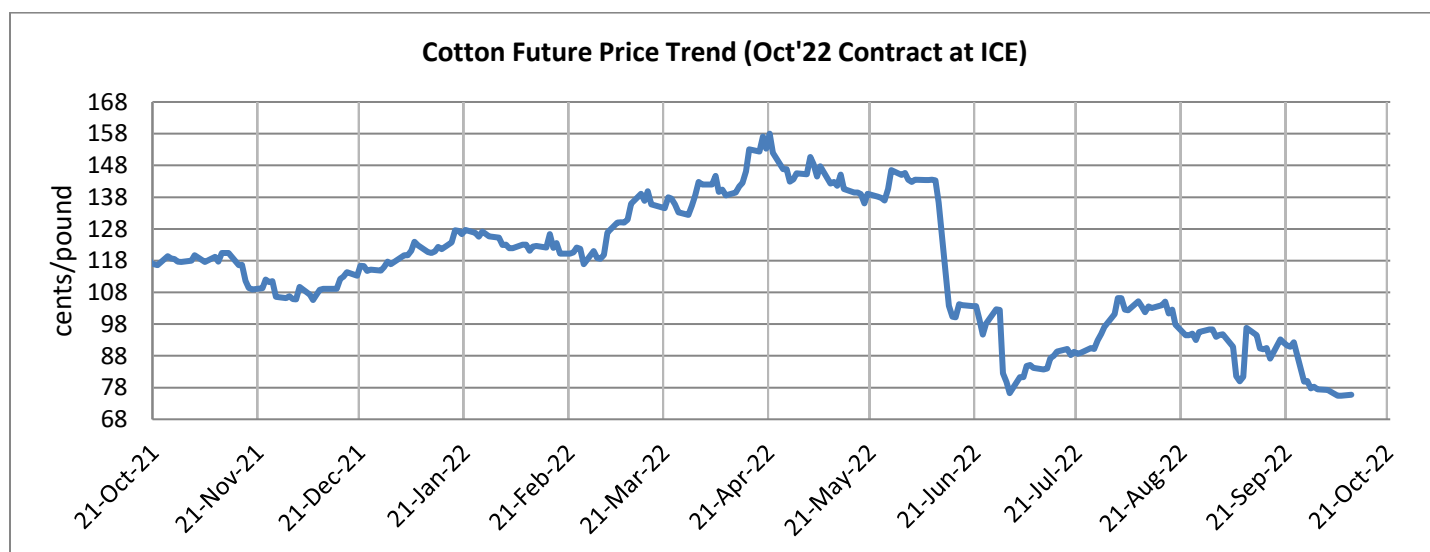
Support 1	Support 2	Resistance 1	Resistance 2
75	72	78	84

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	21-Oct-22	21-Sep-22	23-Jul-22	24-Apr-22	21-Oct-21	% Change over a month	% Change over previous year
Oct-22	75.78	81.42	99.43	124.35	93.57	-6.93	-19.01
Dec-22	74.57	96.92	90.89	119.16	106.14	-23.06	-29.74
Mar-23	78.55	94.06	87.30	115.57	104.15	-16.49	-24.58
May-23	78.15	91.84	85.60	139.46	103.24	-14.91	-24.30
Jul-23	77.08	89.09	83.73	135.85	101.91	-13.43	-24.36

Future Price Trend (Active Contract):



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	17th Oct'22 to 22nd Oct'22	10th Oct'22 to 15th Oct'22	
Gujarat	Ahmedabad	Shankar-6	8813	8875	-63
	Gondal	Shankar-6	8930	8835	95
	Rajkot	B.T. Cotton	8650	8667	-17
	Patan	B.T. Cotton	8826	9009	-183
	Kadi	B.T. Cotton	8992	8617	375
	Deesa	B.T. Cotton	1639	1559	81
	Dhrol	B.T. Cotton	8890	8836	54
Haryana	Bhiwani	B.T. Cotton	8750	8700	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8840	8925	-85
	Fatehabad	B.T. Cotton	8836	8638	198
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	8850	NA	-
	Dabwali	B.T. Cotton	8759	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	8831	8810	21
	Rawatsar	B.T. Cotton	8723	7313	1410
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8040	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7740	-240
	Hathras	Desi	7350	7460	-110
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9423.25	9822	-399
Karnataka	Bijapur	Bunny	9404	9761	-357
	Hubli	D.C.H.	1881	3266	-1385
	Hubli	B.T. Cotton	1881	3266	-1385
	Raichur	H-44 Cotton	9291	9740	-448
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	17th Oct'22 to 22nd Oct'22	10th Oct'22 to 15th Oct'22	
Punjab	Bhatinda	J-34	6850	7021	-171
	Abohar	J-34	6842	6988	-146
	Mansa	J-34	6820	6967	-147
Haryana	Sirsa	J-34	6833	6971	-138

Rajasthan	Sri-Ganganagar	J-34	6445	6695	-250
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Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Oct'22 to 22nd Oct'22	10th Oct'22 to 15th Oct'22	
Gujarat	Ahmedabad	Shankar-6	202300	115600	86700
	Gondal	Shankar-6	51010	50900	110
	Rajkot	B.T. Cotton	23800	23700	100
	Patan	B.T. Cotton	66146	31743	34403
	Kadi	B.T. Cotton	115000	47500	67500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2660	2507	153
Haryana	Bhiwani	B.T. Cotton	8500	5300	3200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7310	6715	595
	Fatehabad	B.T. Cotton	1350	500	850
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	4100	NA	-
	Dabwali	B.T. Cotton	4100	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	13500	10000	3500
	Rawatsar	B.T. Cotton	13500	10000	3500
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	2200	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	600	1450	-850
	Hathras	Desi	150	180	-30
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	32917	39603	-6686
Karnataka	Bijapur	Bunny	17989	13420	4569
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	100	124	-24
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	17th Oct'22 to 22nd Oct'22	10th Oct'22 to 15th Oct'22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	2635	2635	Unch
	Mansa	J-34	1275	1573	-298

Haryana	Sirsa	J-34	2465	2465	Unch
Rajasthan	Sri-Ganganagar	J-34	14500	14500	Unch

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	22-Oct-22	15-Oct-22	22-Sep-22	22-Oct-21
Gujarat	Ahmedabad	Shankar-6	8750	8625	9000	8500
	Gondal	Shankar-6	8755	8880	10155	8605
	Rajkot	B.T. Cotton	8650	8400	9375	8450
	Patan	B.T. Cotton	NA	8740	0	8210
	Kadi	B.T. Cotton	8750	8600	0	8000
	Deesa	B.T. Cotton	NA	1550	1345	1180
	Dhrol	B.T. Cotton	NA	8465	8500	8190
Haryana	Bhiwani	B.T. Cotton	NR	8700	0	8270
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	8700	8700	Closed	8250
	Fatehabad	B.T. Cotton	8790	8615	0	8070
	Jind	B.T. Cotton	NA	0	0	8500
	Uchana	B.T. Cotton	NA	8700	0	8400
	Dabwali	B.T. Cotton	8735	0	0	8250
Rajasthan	Hanumangarh	B.T. Cotton	Closed	8600	8900	8500
	Rawatsar	B.T. Cotton	Closed	8700	0	8200
Madhya Pradesh	Khandwa	Mech-1	Closed	0	0	8825
	Khargaon	Mech-1	Closed	0	0	8115
Maharashtra	Amravati	Mech-1	Closed	NA	10500	7500
	Jamner	Medium Staple	NA	0	0	0
Uttar Pradesh	Hathras	B.T. Cotton	Closed	7800	0	7000
	Hathras	Desi	Closed	7500	0	7200
Telangana	Adilabad	Un-Ginned	NA	0	0	0
Andhra Pradesh	Adoni	Un-Ginned	9371	9450	9251	8290
Karnataka	Bijapur	Bunny	NA	9329	8949	8510
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	9000	9400	0
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	22-Oct-22	15-Oct-22	22-Sep-22	22-Oct-21
Punjab	Bhatinda	J-34	6750	6800	7700	6430

	Abohar	J-34	6750	6800	7750	6450
	Mansa	J-34	Closed	6750	0	6350
Haryana	Sirsa	J-34	6700	6750	7700	6400
Rajasthan	Sri-Ganganagar	J-34	Closed	6439	0	5969

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	22-Oct-22	15-Oct-22	22-Sep-22	22-Oct-21
Gujarat	Ahmedabad	Shankar-6	34000	17000	3400	51000
	Gondal	Shankar-6	8500	8250	9150	5250
	Rajkot	B.T. Cotton	3600	4400	320	7500
	Patan	B.T. Cotton	NA	7160	0	12270
	Kadi	B.T. Cotton	20000	20000	0	35000
	Deesa	B.T. Cotton	NA	0	0	3500
	Dhrol	B.T. Cotton	NA	481	9	611
Haryana	Bhiwani	B.T. Cotton	NR	2000	0	6000
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	1700	1105	Closed	1190
	Fatehabad	B.T. Cotton	250	150	0	600
	Jind	B.T. Cotton	NA	0	0	1020
	Uchana	B.T. Cotton	800	0	0	3000
	Dabwali	B.T. Cotton	800	0	0	3000
Rajasthan	Hanumangarh	B.T. Cotton	Closed	3000	0	6000
	Rawatsar	B.T. Cotton	Closed	3000	0	6000
Madhya Pradesh	Khandwa	Mech-1	Closed	0	0	800
	Khargaon	Mech-1	Closed	0	0	5025
Maharashtra	Amravati	Mech-1	Closed	NA	1000	1500
	Jamner	Medium Staple	NA	0	0	0
Uttar Pradesh	Hathras	B.T. Cotton	Closed	300	0	250
	Hathras	Desi	Closed	50	0	100
Telangana	Adilabad	Un-Ginned	NA	0	0	0
Andhra Pradesh	Adoni	Un-Ginned	8015	9390	6919	10777
Karnataka	Bijapur	Bunny	NA	3523	151	2382
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	18	16	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	22-Oct-22	15-Oct-22	22-Sep-22	22-Oct-21

Punjab	Bhatinda	J-34	NA	0	0	8500
	Abohar	J-34	340	510	425	1700
	Mansa	J-34	Closed	213	0	510
Haryana	Sirsa	J-34	170	340	0	850
Rajasthan	Sri-Ganganagar	J-34	Closed	2500	0	2500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				17th Oct'22 to 22nd Oct'22	10th Oct'22 to 15th Oct'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52450	43283	9167
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53150	43867	9283
J-34(202)	26mm	3.5 - 4.9	23	64200	55067	9133
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	68350	58467	9883
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	NA	NA	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	78667	65833	12833

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