

COTTON WEEKLY RESEARCH REPORT

27th March 2023

Domestic market summary
Major Market Highlights:

- Cotton prices have witnessed a stable to firm trend during the past week across India.
- Cotton crop was affected due to heavy rainfalls during the last few days. In Nellore, around 129 villages have suffered from untimely rains. Damage to cotton was recorded at around 250 acres. However, over 85% of the cotton crop has been harvested. So, there is minimal damage in cotton.
- Indian Cotton arrivals have started rising to a 3-year high in March 2023. Fiber prices are likely to stabilize between Rs.60,000- Rs.62,000 per candy in view of good quality arrivals.
- Cotton farmers in Tamil Nadu are hopeful that the prices may increase in the coming week as full- pace cotton harvesting is going on in the state. At present, cotton is being sold at Rs.65 per kg while during the same period prices were much higher at Rs. 103 per kg.

Production Update:

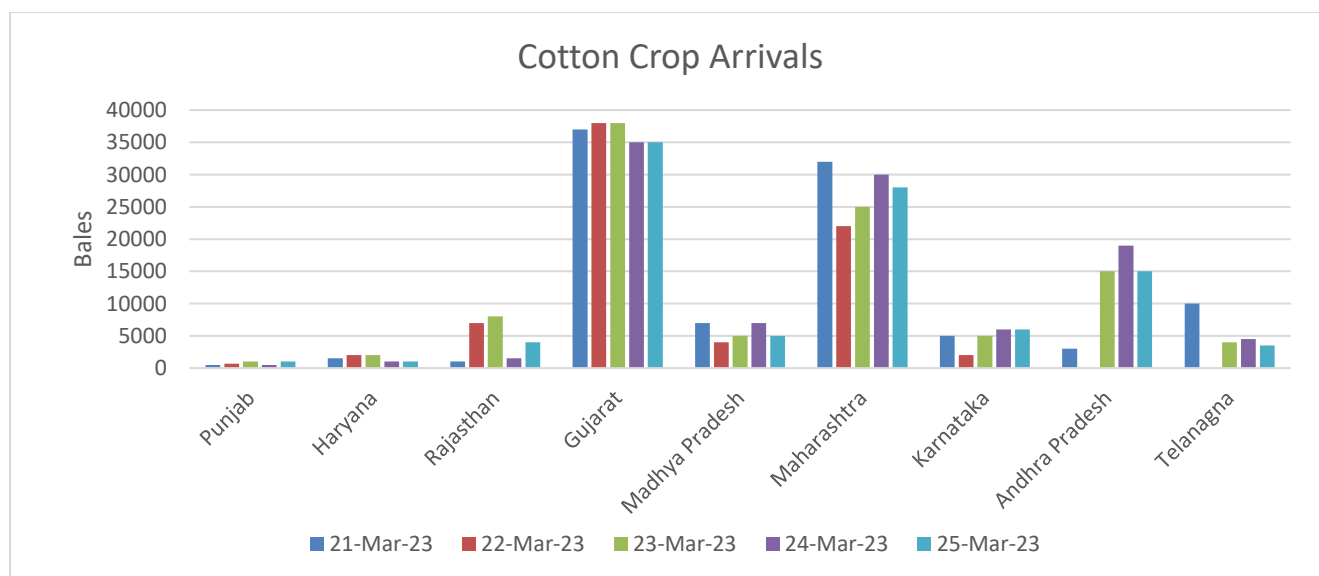
- The Cotton Association of India in its latest estimate of the cotton crop for 2022-23 season has reduced it by 8.50 lakh bales to 313 lakh bales from 321.50 lakh bales with reduction in Punjab, Haryana, Maharashtra, Telangana, Tamil Nadu, and Karnataka.
- Cotton imports were maintained at 12 lakh bales and exports at 30 lakh bales. Domestic consumption was estimated at 300 lakh bales. Overall, the ending stock for the 2022-23 season was estimated at 26.89 lakh bales. As per Cotton Association of India, Cotton arrivals between October 2022 to February 2023 were estimated at 154.84 lakh bales.

Cotton Balance Sheet	2021-22	2022-23
Opening Stock	71.84	31.89
Production	307.05	321.50
Imports	14	12
Domestic Consumption	318	300

Exports	43	30
Closing Stock	31.89	35.39
Source: CAI; unit- Lakh Bales		

- AgriWatch has estimated cotton production at 338 lakh bales for the 2022-23 season. We expect that about 40-45% of the cotton stock is still with farmers which may get released in the coming months. Cotton arrivals are continuously rising from northern and central India. Till February 2023 about 170 lakh bales have arrived in the market so far.

Cotton Crop Arrival & Prices:

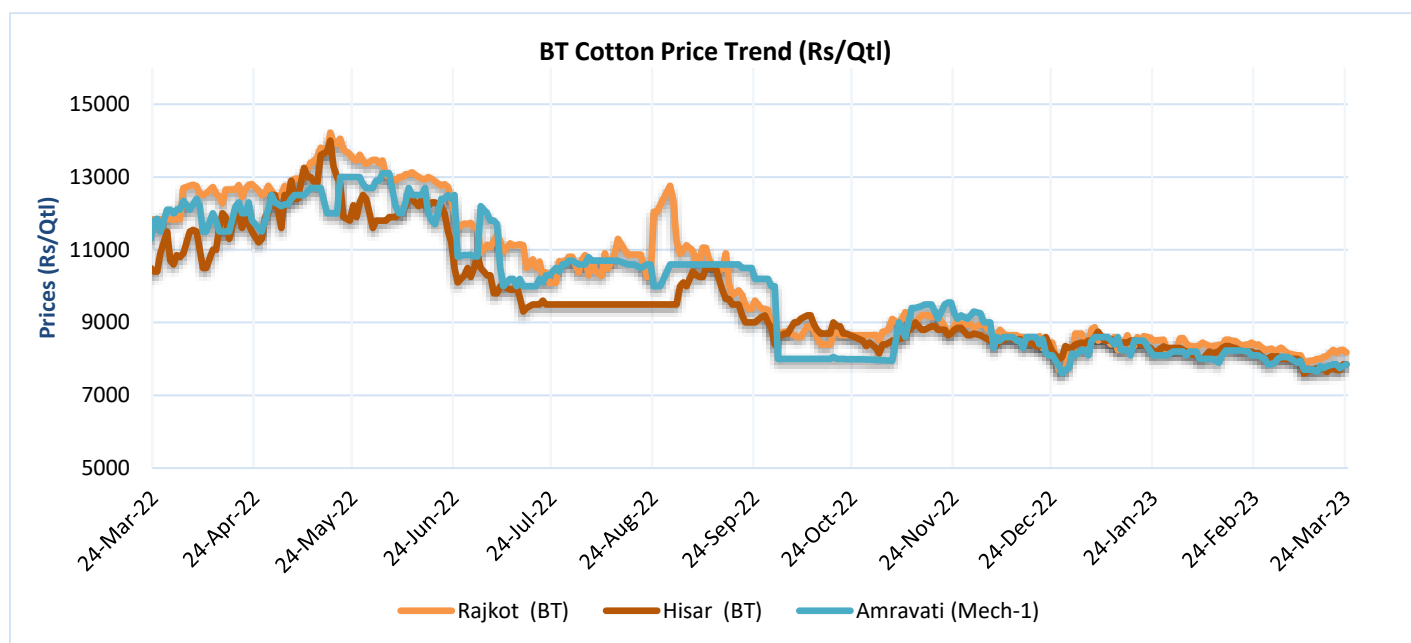


All India Cotton Arrivals 2022-23	
This Week	7 Lakh Bales
Cumulative Arrival	190 Lakh Bales
Cotton Consumption	128 Lakh Bales
Exports	8.5 lakh Bales
Import	8.7 lakh Bales

Domestic Cotton Prices Scenario

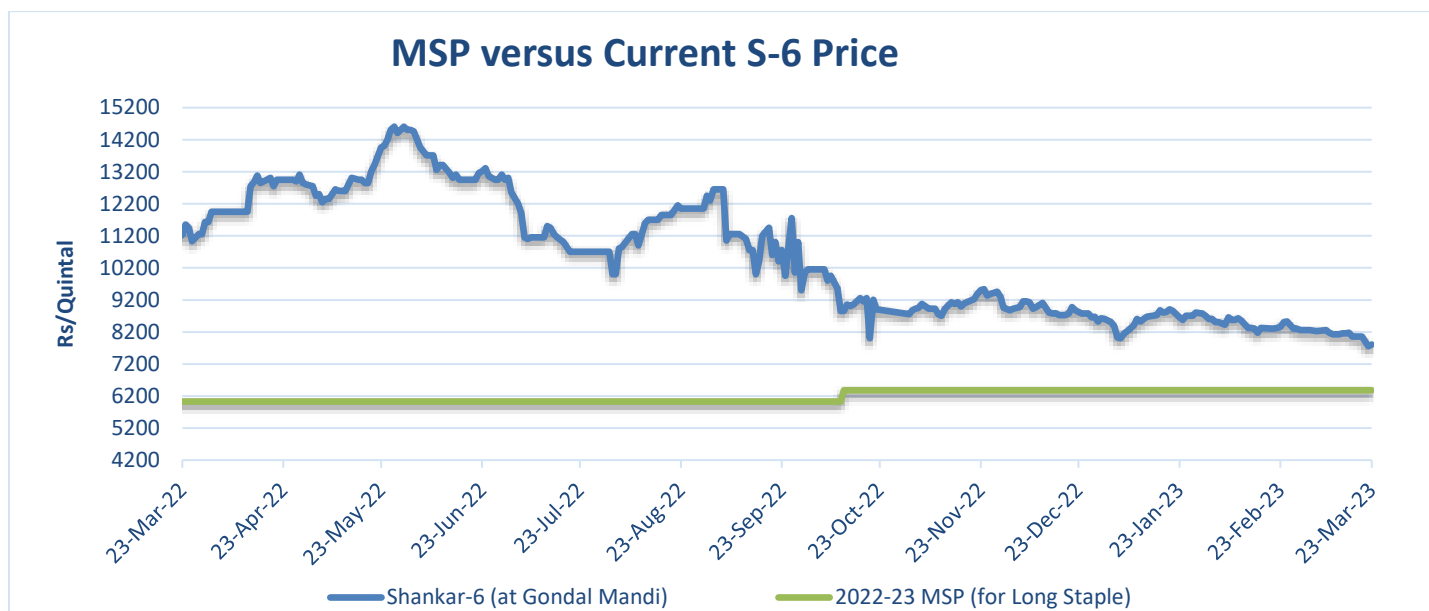
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood higher at Rs. 8,217/Qtl compared to previous week's Rs. 7,991/Qtl. Cotton prices at Amravati traded at Rs. 7,820 per quintal whereas prices in Hisar were lower at Rs. 7,778 per quintal during the past week.



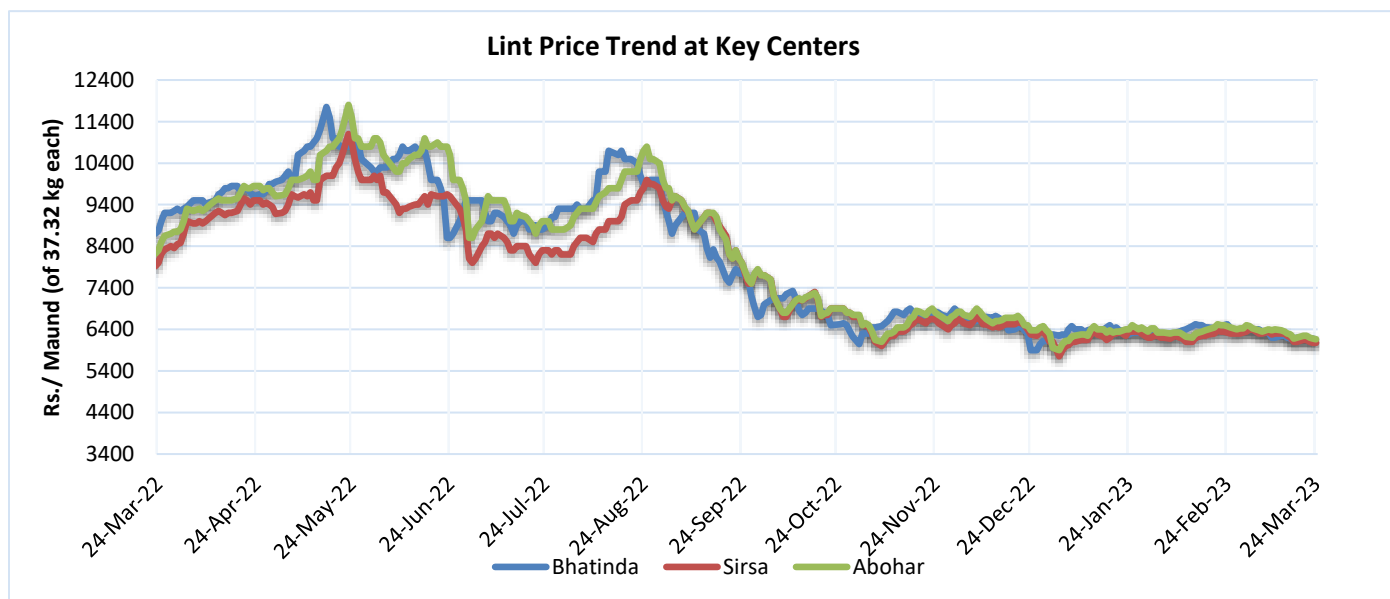
Spot Price Comparison

Cotton Shanker-6 at Gondal market traded slightly higher at Rs. 7,992 per quintal against the previous week prices of Rs. 7,835 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.



Lint price Outlook

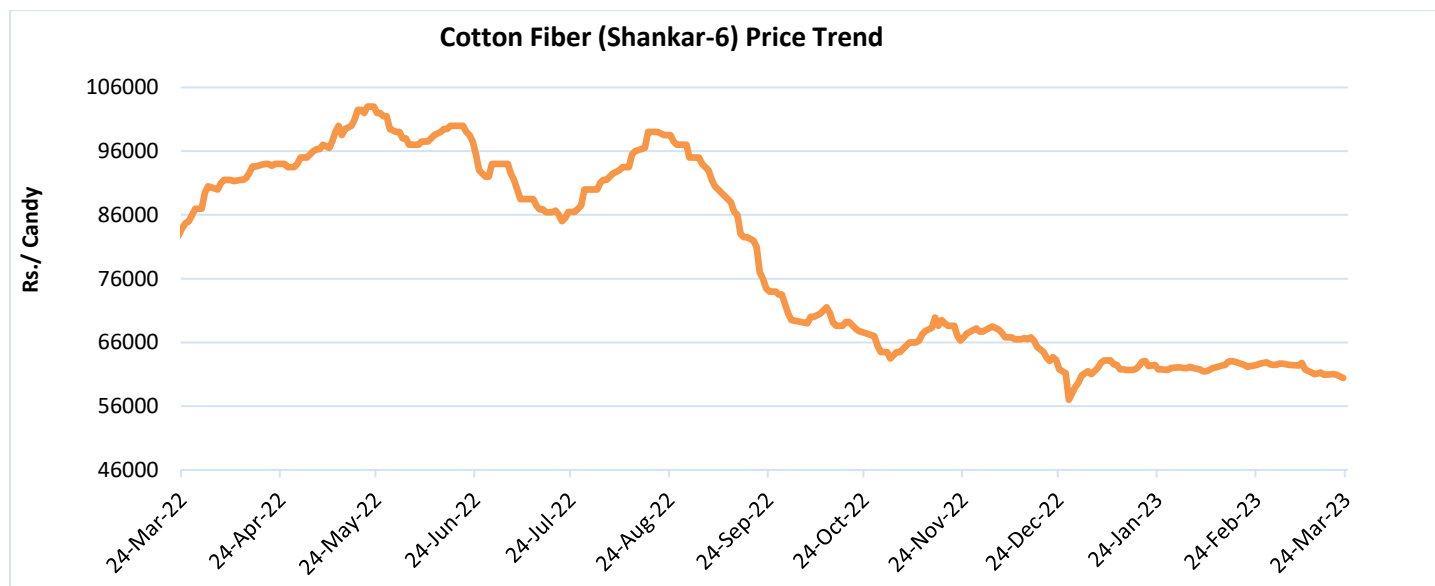
The average price stood lower at Rs. 6181/maund this week compared to Rs. 6215/maund previous week in Abohar, in Bhatinda prices were lower at Rs. 6186/maund, and in Sirsa were at Rs. 6071/maund from Rs. 6115/maund previous week.



Source: Agriwatch

Cotton Fiber Price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have become slightly lower and is currently at trading Rs.60,600/candy and is likely to remain rangebound in the coming weeks.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

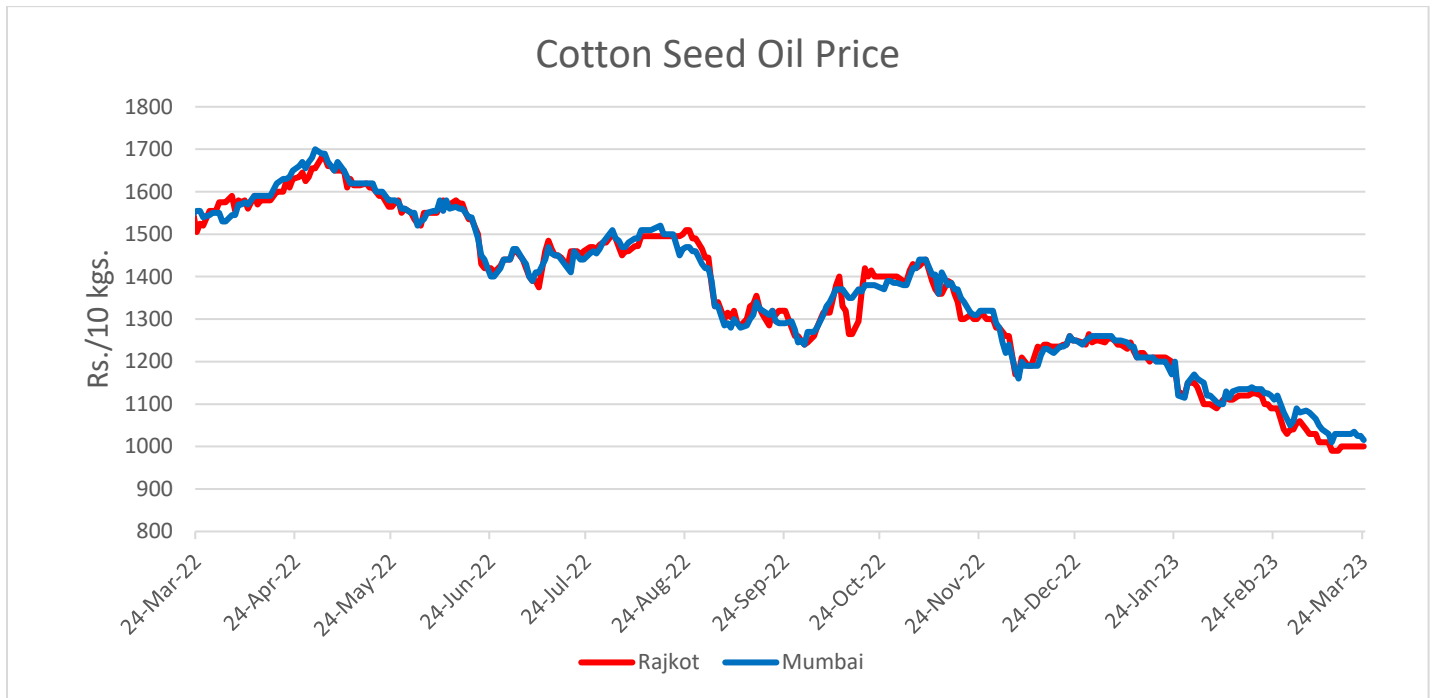
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 24th Mar'23.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	24-Mar-23	17-Mar-23	
Rajkot	1000	998	0.20
Hyderabad	1005	1029	-2.33
Mumbai	1027	1028	-0.13

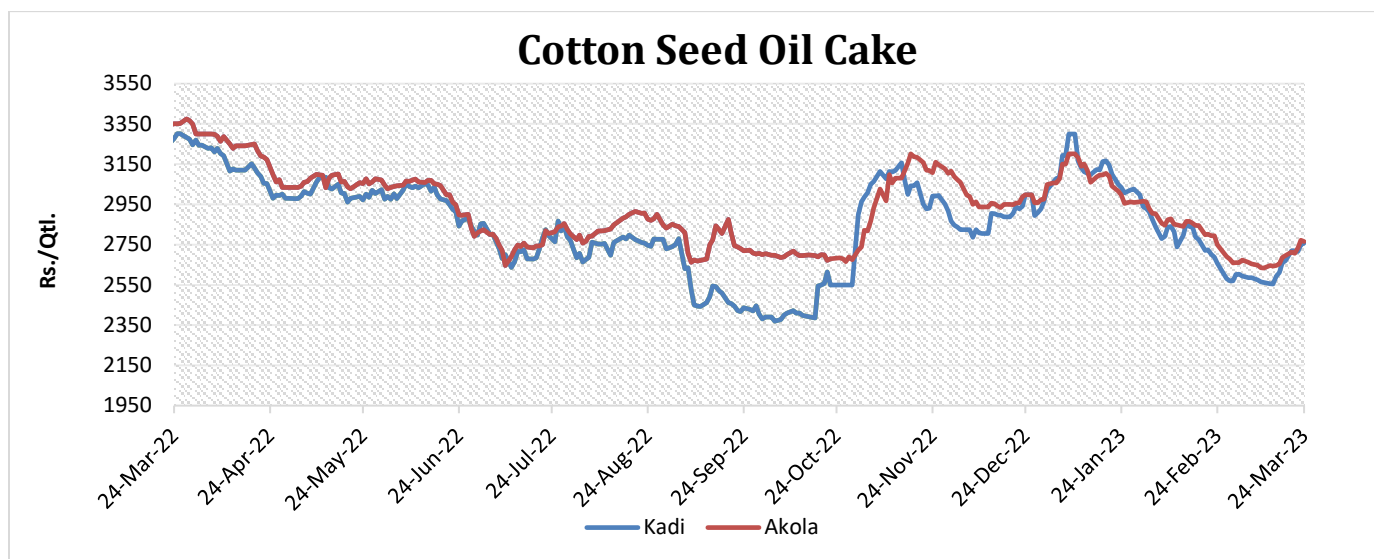
Source: Agriwatch



Cotton Seed Oil Cake Weekly Price Scenario

The average price of cottonseed oilcake in the Kadi market has increased due to tight supply as compared to previous week. Prices in Kadi were at Rs. 2722 per quintal from Rs. 2589 per quintal and in Akola prices were at Rs. 2731 per quintal from Rs. 2651 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	24-Mar-23	17-Mar-23	
Kadi	2722	2589	5.15
Akola	2731	2651	3.02



Source: NCDEX

NCDEX Cottonseed oilcake

Expiry Date	17.03.23	24.03.23	Change
April	2680	2665	-15
May	2690	2698	8

Price Forecast for the coming week

Months	Past Week	Coming week
Price per quintal at Rajkot (Average of the month)	8000	8050-8250

Stock Summary

Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
64.00	21.25	85.25

International Market Scenario

According to the National Food Security and Research (NFSR), Pakistan cotton production is expected to fall to 4.78 million bales against the target of 9 million bales. The floods last year have affected the standing cotton crop. Lower cotton production has also hampered the textile industry. NFSR has proposed to fix the cotton intervention price at PKR 8,500/40kg to revive cotton production, bring about stability in the domestic cotton market.

According to USDA WASDE report, U.S. cotton supply and demand forecasts for the 2022-23 season are unchanged since last month. The global 2022-23 cotton supply and demand forecasts for march month include lower consumption and trade, and higher production and stocks. Beginning stocks are almost 900,000 bales higher. World cotton consumption in 2022-23 season is 555,000 bales lower this month with reductions in Turkey, Pakistan, Indonesia, and Bangladesh.

Projected exports are lower for Brazil, India, and Argentina, with world trade totaling 785,000 bales lower. Production is more than 700,000 bales higher as larger expected crops in China, Australia, and Uzbekistan more than offset reduced prospects for India. At 91.1 million bales, 2022/23 world-ending stocks are projected 2.1 million higher than a month earlier and 5.0 million higher than in 2021/22.

USDA Balance Sheet

World Cotton Balance Sheet			
	2020-21	2021-22#	2022-23*
Area Harvested	31,366	32,533	31,611
Yield	773	775	792
Opening Stock	98,184	86,283	86,113
Production	1,11,494	1,15,901	1,15,090
Imports	48,677	42,691	39,576
Exports	48,833	42,858	39,596
Domestic Consumption	1,23,239	1,15,904	1,10,038
Ending Stock	86,283	86,113	91,145

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

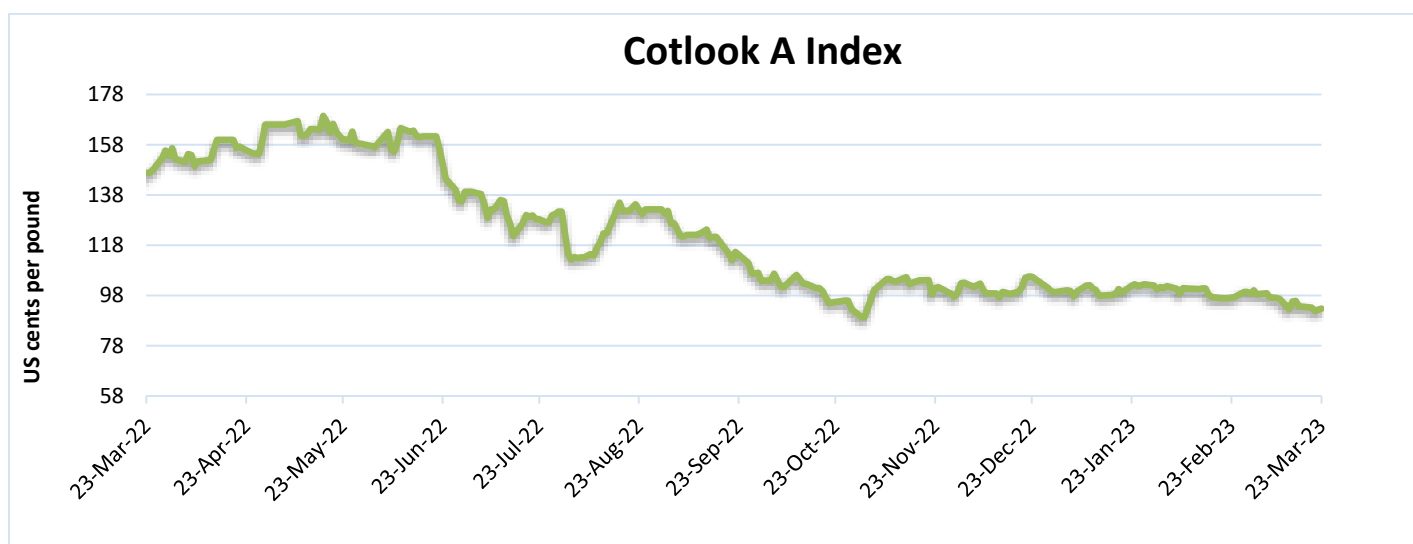
*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 92.73 cents/lb lower by 2% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	23-Mar-23	16-Mar-23	
Prices	92.73	94.80	-2.18
Prices in US cents per Pound			

Source: Cotlook

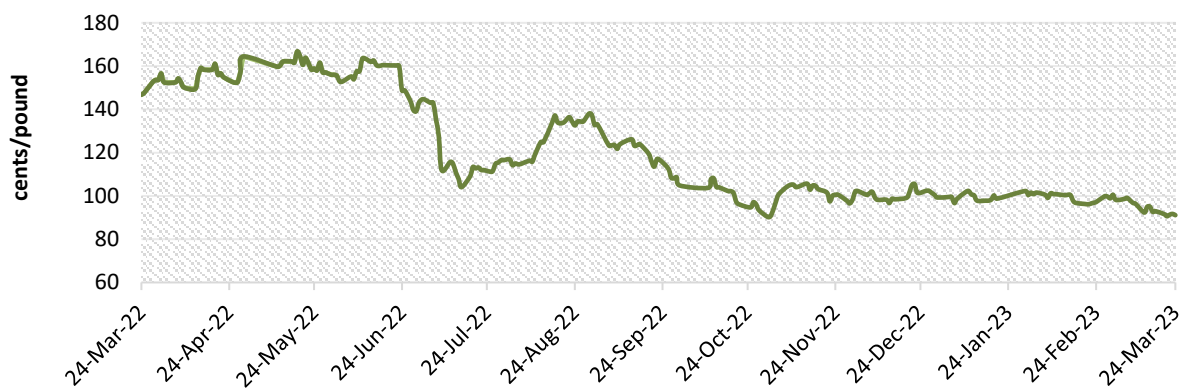


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	24-Mar-23	17-Mar-23	
FC (S)	92.51	94.72	-2.33
FC (M)	91.26	93.56	-2.46
FC (L)	90.26	92.56	-2.49
Prices in US cents per Pound			

Source: China Cotton Association

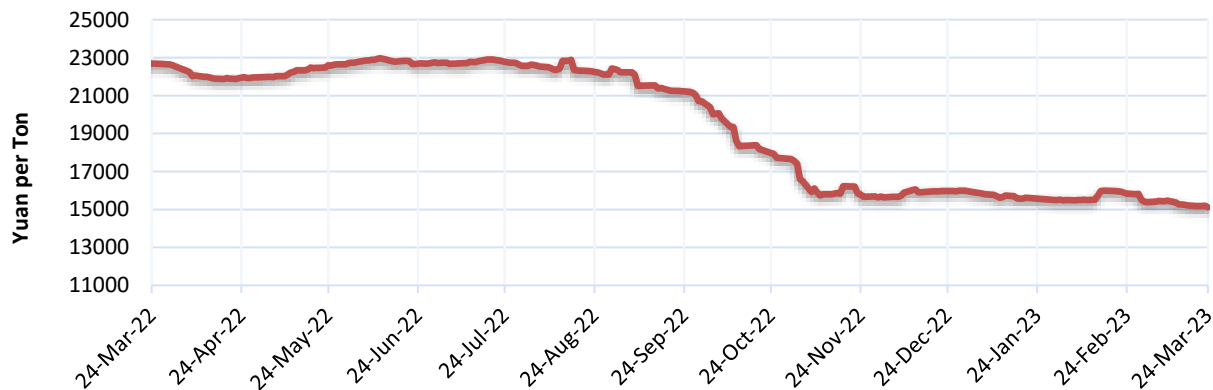
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	24-Mar-23	18-Mar-23	
CCIndex(328)	15221.80	15447.60	-1.47
CCIndex(527)	13905.80	14141.40	-1.67
CCIndex(229)	15538.00	15768.60	-1.45
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

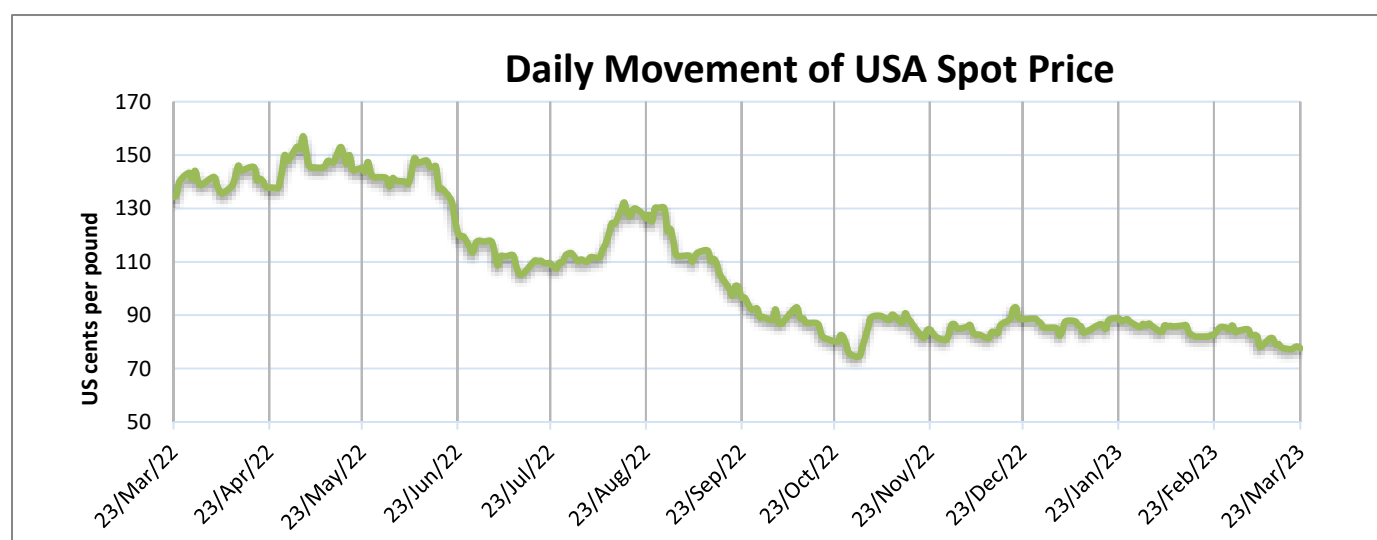


USA Spot Prices

U.S.A spot prices was at 77.75 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	23-Mar-23	16-Mar-23	
Prices	77.75	79.80	-2.57
Prices in US cents per Pound			

Source: USDA



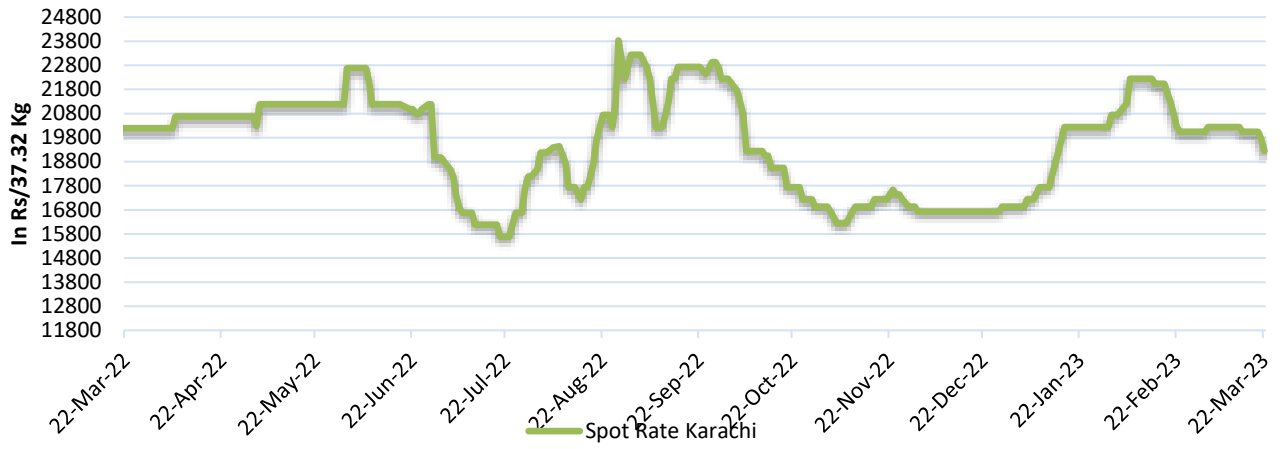
Pakistan Spot Prices

The Karachi spot price remained weak and were at Rs. 19175/q from the previous week. The local cotton market remained bearish and trading volume remained low.

Karachi Spot Prices	Weekly Average Price as on		% Change
	22-Mar-23	16-Mar-23	
Prices	19175	19975	-4.01
Prices in Rs per 37.32 Kg			



Spot Rate Karachi



Commodity: Cotton seed oilcake
Exchange: MCX
Contract: Mar
Expiry: Mar 30, 2023
Cottonseed Oilcake
Technical Chart:

Technical Commentary:

- As evident from the above, overall trend remained bearish. Although, Prices have taken support at 2650 level and had retraced back during the last week.
- Currently trading below 18, and 9 DMA. RSI indicates slight buying strength.
- Prices have broken to more than 23% Fibonacci retracement level.
- Market is expected further to remain rangebound in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	April	2560	2604	2670	2830	2845
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	April	Sell	2680	2645	2620	2701

Technical Analysis of Cotton Future (Mar'23 Contract) at ICE



- The Mar'23 contract showed downtrend during the past week.
- Total volume increased & Open Interest slightly decreased compared to past week.
- We expect cotton prices to remain sideways in the coming week.

Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	76-81

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
78	72	82	84

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	23-Mar-23	21-Feb-23	23-Dec-22	24-Sep-22	23-Mar-22	% Change over a month	% Change over previous year
May-23	77.58	81.53	85.18	87.49	130.03	-4.84	-40.34
Jul-23	78.19	82.37	84.91	84.78	126.26	-5.07	-38.07
Oct-23	79.26	82.10	82.96	94.49	114.05	-3.46	-30.50
Dec-23	79.26	82.12	82.52	92.54	108.55	-3.48	-26.98
Mar-23	79.03	80.92	85.21	89.67	103.91	-2.34	-23.94

Future Price Trend (Active Contract):



Cotton Yarn

Indian Yarn market is witnessing a rise in demand from Turkey and Europe since February 2023. The Turkey textile spinning sector has been affected due to the devastating earthquake earlier therefore the country is importing yarn from India. Similarly, since Europe is also not able to import cotton from Turkey, it is importing cotton from India. The share of Turkey and Europe in India's total cotton exports has increased to 30% in past two months against 15% earlier.

Cotton yarn exports reduced to 31 million kg in October 2022 but have increased to 68 million kg in January 2023. The exports demand is likely to increase in the coming months.

Cotton Yarn prices have also come down to Rs. 266 per kg from 275 per Kg. Similarly, cotton prices have decreased to Rs. 60,500 per candy. Steady price of cotton is likely to increase the demand from the international market.

Cotton Domestic Weekly Price

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	20th Mar'23 to 25th Mar'23	13th Mar'23 to 18th Mar'23	
Gujarat	Ahmedabad	Shankar-6	7855	7729	126
	Gondal	Shankar-6	7993	7863	129
	Rajkot	B.T. Cotton	8207	8006	201
	Patan	B.T. Cotton	8039	7931	108
	Kadi	B.T. Cotton	7883	7767	117
	Deesa	B.T. Cotton	1334	1326	8
	Dhrol	B.T. Cotton	7708	7780	-73
Haryana	Bhiwani	B.T. Cotton	7717	7646	71
	Adampur	B.T. Cotton	7799	7711	88
	Fatehabad	B.T. Cotton	7708	7663	45
Rajasthan	Hanumangarh	B.T. Cotton	7783	7730	53
	Rawatsar	B.T. Cotton	7863	7866	-4
Madhya Pradesh	Khandwa	Mech-1	7800	7920	-120
	Khargaon	Mech-1	7795	7623	172
Maharashtra	Amravati	Mech-1	7800	7733	67
Telangana	Adilabad	Un-Ginned	7310	7370	-60
Andhra Pradesh	Adoni	Un-Ginned	7531.333333	7520	11
Karnataka	Bijapur	Bunny	7935	8514	-580
	Raichur	H-44 Cotton	7700	7800	-100
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	20th Mar'23 to 25th Mar'23	13th Mar'23 to 18th Mar'23	
Punjab	Bhatinda	J-34	6180	6208	-28
	Abohar	J-34	6176	6207	-31
	Mansa	J-34	6146	6000	146
Haryana	Sirsa	J-34	6068	6108	-41
Rajasthan	Sri-Ganganagar	J-34	6024	6035	-11

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th Mar'23 to 25th Mar'23	13th Mar'23 to 18th Mar'23	
Gujarat	Ahmedabad	Shankar-6	47600	56667	-9067
	Gondal	Shankar-6	7367	7050	317
	Rajkot	B.T. Cotton	2767	2250	517
	Patan	B.T. Cotton	3579	3459	120
	Kadi	B.T. Cotton	24167	17500	6667
	Dhrol	B.T. Cotton	410	140	270
Haryana	Bhiwani	B.T. Cotton	817	417	400
	Adampur	B.T. Cotton	710	482	228
	Fatehabad	B.T. Cotton	196	271	-75
Rajasthan	Hanumangarh	B.T. Cotton	540	917	-377
	Rawatsar	B.T. Cotton	540	917	-377
Madhya Pradesh	Khandwa	Mech-1	2750	2000	750
	Khargaon	Mech-1	6500	2507	3993
Maharashtra	Amravati	Mech-1	20667	20667	Unch
Telangana	Adilabad	Un-Ginned	49781	52593	-2812
Andhra Pradesh	Adoni	Un-Ginned	725	646	80
Karnataka	Bijapur	Bunny	1074	1964	-890
	Raichur	H-44 Cotton	12	14	-2
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	20th Mar'23 to 25th Mar'23	13th Mar'23 to 18th Mar'23	
	Abohar	J-34	524	652	-128
	Mansa	J-34	102	99	3
Haryana	Sirsa	J-34	241	439	-198
Rajasthan	Sri-Ganganagar	J-34	500	2000	-1500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				20th Mar'23 to 25th Mar'23	13th Mar'23 to 18th Mar'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	65000	64140	860
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65500	64640	860

J-34(202)	26mm	3.5 - 4.9	23	58550	58900	-350
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	57950	58240	-290
Shankar-6(105)	29mm	3.5 - 4.9	28	60550	61060	-510
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	61475	61700	-225
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	#DIV/0!	#DIV/0!	-
DCH-32(107)	34mm	3.0 - 3.8	33	71500	71500	Unch

Cottonseed and oilcake Prices:

Cotton Seed Oil Cake Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	20th Mar'23 to 25th Mar'22	13th Mar'23 to 18th Mar'22	
Punjab	Bhatinda (Pakki)	3227	3153	73
Punjab	Ludiana	3727	3653	73
Haryana	Sirsa	3225	3163	63
Haryana	Hisar	3250	3188	63
Rajasthan	Hanumangarh	3175	3138	38
Rajasthan	Vijaynagar	3175	3138	38
Madhya Pradesh	Indore	3183	3067	117
Madhya Pradesh	Khargone	3067	2942	125
Maharastra	Wani	3075	2942	133
Maharastra	Malkapur	3142	2892	250
Telegana	Warangal	2850	2783	67
Telegana	Adilabad	2813	2742	72
Karnatka	Dharwad	2833	2800	33
Karnatka	Hubli	3050	3058	-8
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2997	2864	133

Cotton Seed Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	20th Mar'23 to 25th Mar'22	13th Mar'23 to 18th Mar'22	
Punjab	Mansa	3360	3313	47
Punjab	Bhatinda	3333	3313	20
Haryana	Adampur	3525	3488	38
Haryana	Charkhi Dadari	3425	3388	38
Rajasthan	Hanumangarh	3500	3463	38
Rajasthan	Bikaner	3575	3538	38

Madhya Pradesh	Sendhwa	3154	3083	71
Madhya Pradesh	Barwaha	3133	3012	122
Maharastra	Malkapur	3122	3103	18
Maharastra	Akot	3288	3253	36
Telegana	Madnoor	3150	3073	78
Telegana	Jangaon	3075	3045	30
Karnatka	Bijapur	2983	2925	58
Karnatka	Hubli	2983	2925	58
Gujarat	Mahuva,Rajula,S.Kundla,UNA	3017	2917	100
Gujarat	Kadi	3158	2996	163

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Ltd.