

**COTTON WEEKLY RESEARCH REPORT**

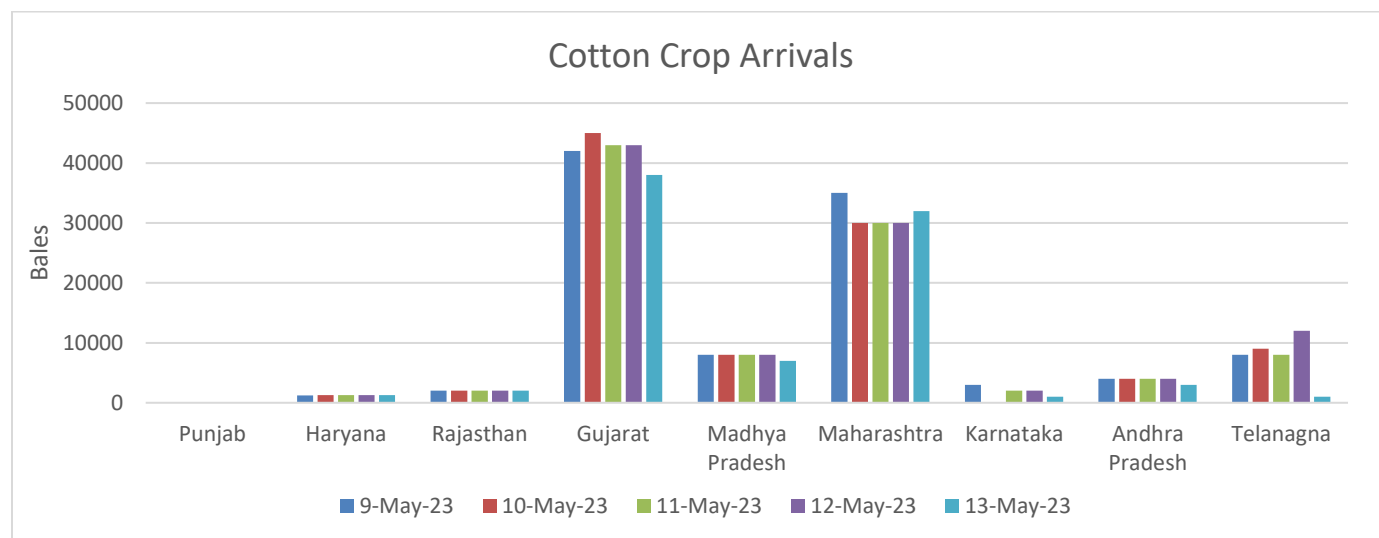
15<sup>th</sup> May 2023

**Domestic market summary**
**Major Market Highlights:**

- Indian market sentiment has turned bearish during the last week and there was fall in cotton as well as cotton seed prices.
- The Cotton Association of India in its latest estimate of the cotton crop for 2022-23 season has reduced its cotton production estimate by 4.65 lakh bales to 298.35 lakh bales from 303 lakh bales with reduction in Maharashtra, Telangana, and Tamil Nadu.
- Cotton imports were estimated at 15 lakh bales whereas exports were reduced to 20 lakh bales from previous estimate of 25 lakh bales. Domestic consumption was estimated at 311 lakh bales. Overall, the ending stock for the 2022-23 season was estimated at 14.24 lakh bales. As per Cotton Association of India, Cotton arrivals between October 2022 to April 2023 were estimated at 224.17 lakh bales.
- AgriWatch has estimated cotton production at 334 lakh bales for the 2022-23 season. We expect that about 20-25% of the cotton stock is still with farmers which may get released in the coming months.
- As per the market sources, cotton is sowing has reached on nearly 9,850 hectares in Muktsar district. Usually, the crop is sown till mid-May, but this year the weather is comparatively colder and sowing may last till May-end.

Cotton Balance Sheet	2021-22	2022-23
Opening Stock	71.84	31.89
Production	307.05	298.35
Imports	14	15
Domestic Consumption	318	311
Exports	43	20
Closing Stock	31.89	14.24
<b>Source: CAI; unit- Lakh Bales</b>		

### Cotton Crop Arrival

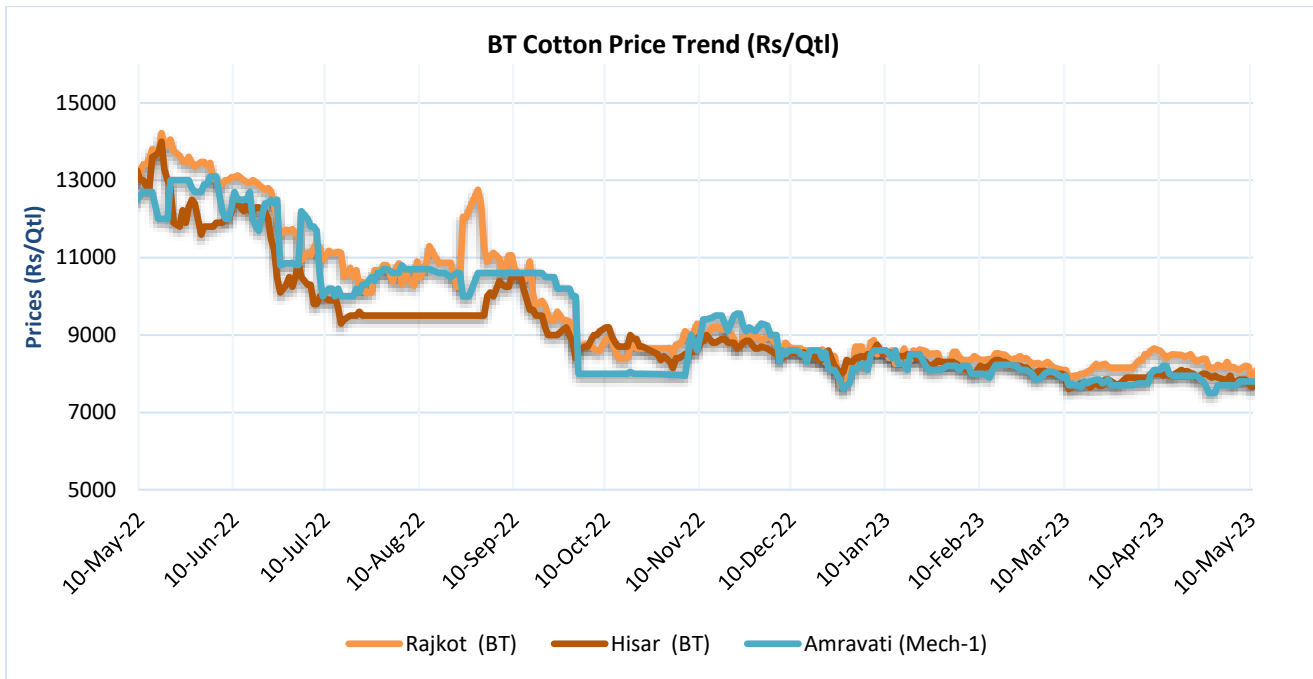


All India Cotton Arrivals 2022-23	
This Week	8 Lakh Bales
Cumulative Arrival	230 Lakh Bales
Cotton Consumption	164 Lakh Bales
Exports	11 lakh Bales
Import	10 lakh Bales

### Domestic Cotton Prices Scenario

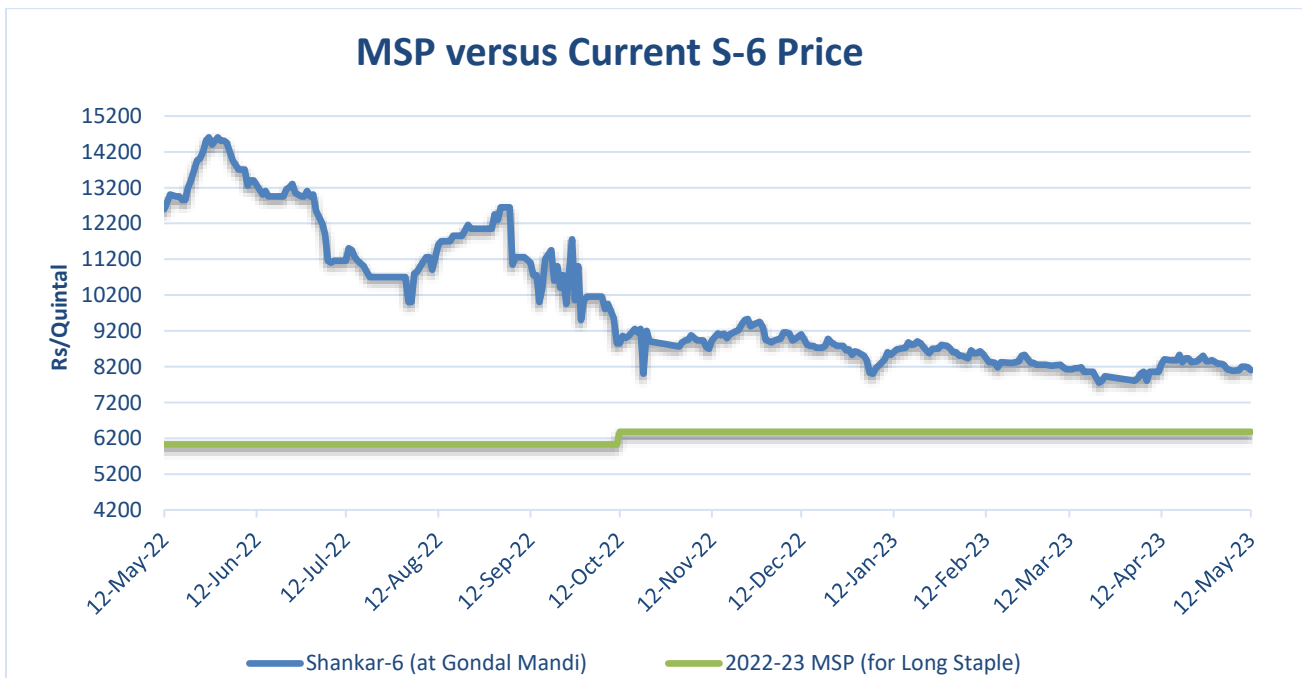
#### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly BT Cotton average prices at Rajkot stood slightly lower at Rs. 8,077/Qtl compared to the previous week's Rs. 8,182/Qtl. Cotton at Amravati traded at Rs. 7800 per quintal whereas prices in Hisar too were higher at Rs. 7720 per quintal during the past week.



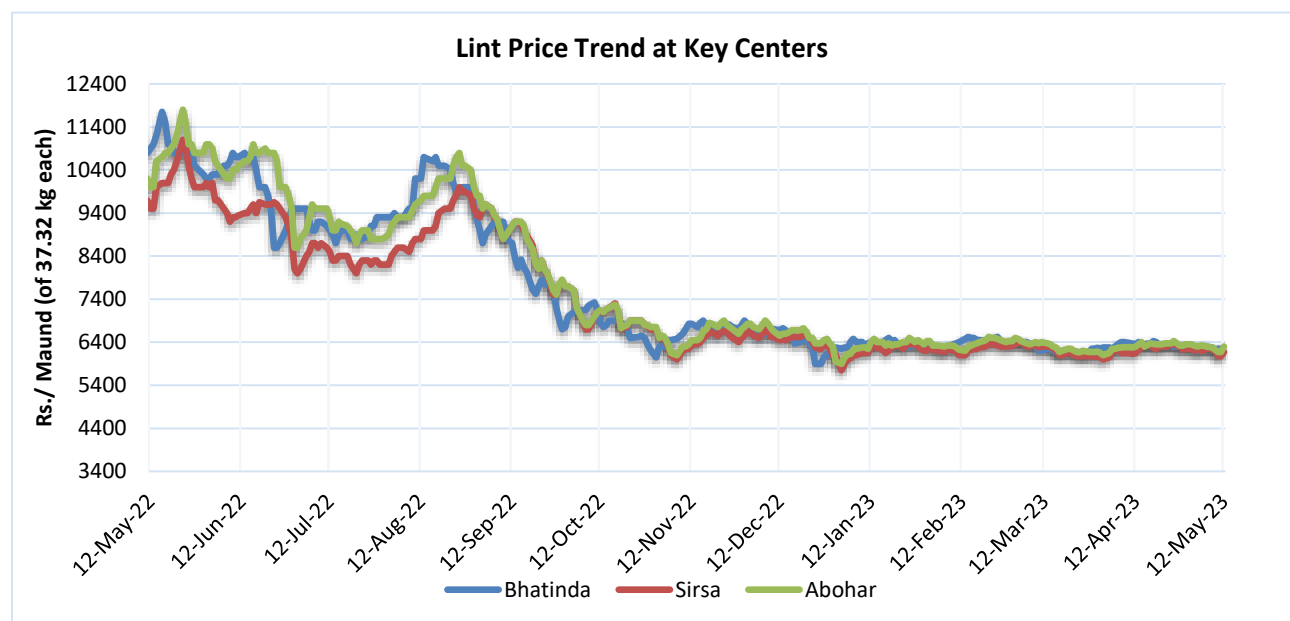
### Spot Price Comparison

Cotton Shanker-6 at Gondal market traded lower at Rs.7,905 per quintal against the previous week price of Rs. 8,098 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.



## **Lint price Outlook**

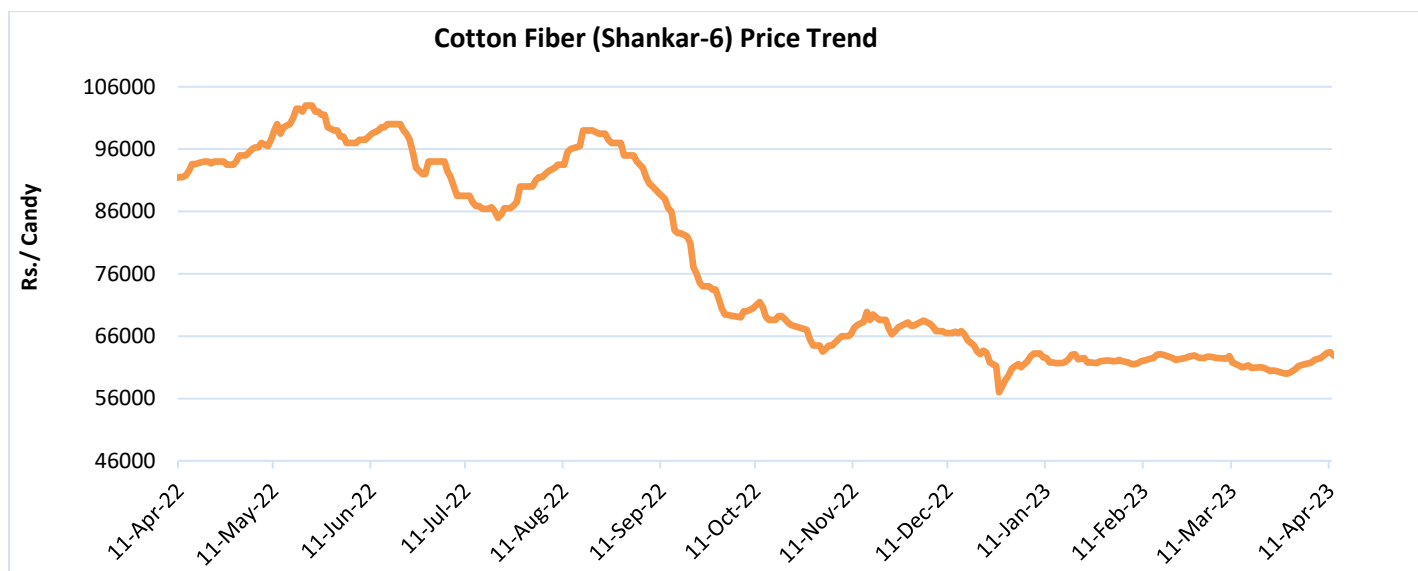
The average price stood lower at Rs. 6235/maund this week compared to Rs. 6230/maund previous week in Abohar, in Bhatinda prices were lower at Rs. 6260/maund, and in Sirsa were at Rs. 6140/maund from Rs. 6175/maund previous week.



Source: Agriwatch

## **Cotton Fiber Price Outlook**

The average cotton fiber (Shankar-6) premium quality is currently at trading Rs.61,150/candy and is likely to trade lower in the coming weeks as cotton arrivals have increased in the market after the farmers are releasing their stock.



Source: Cotton Association of India (CAI)

## **Cotton Seed Oil and Cotton Seed Oil Cake**

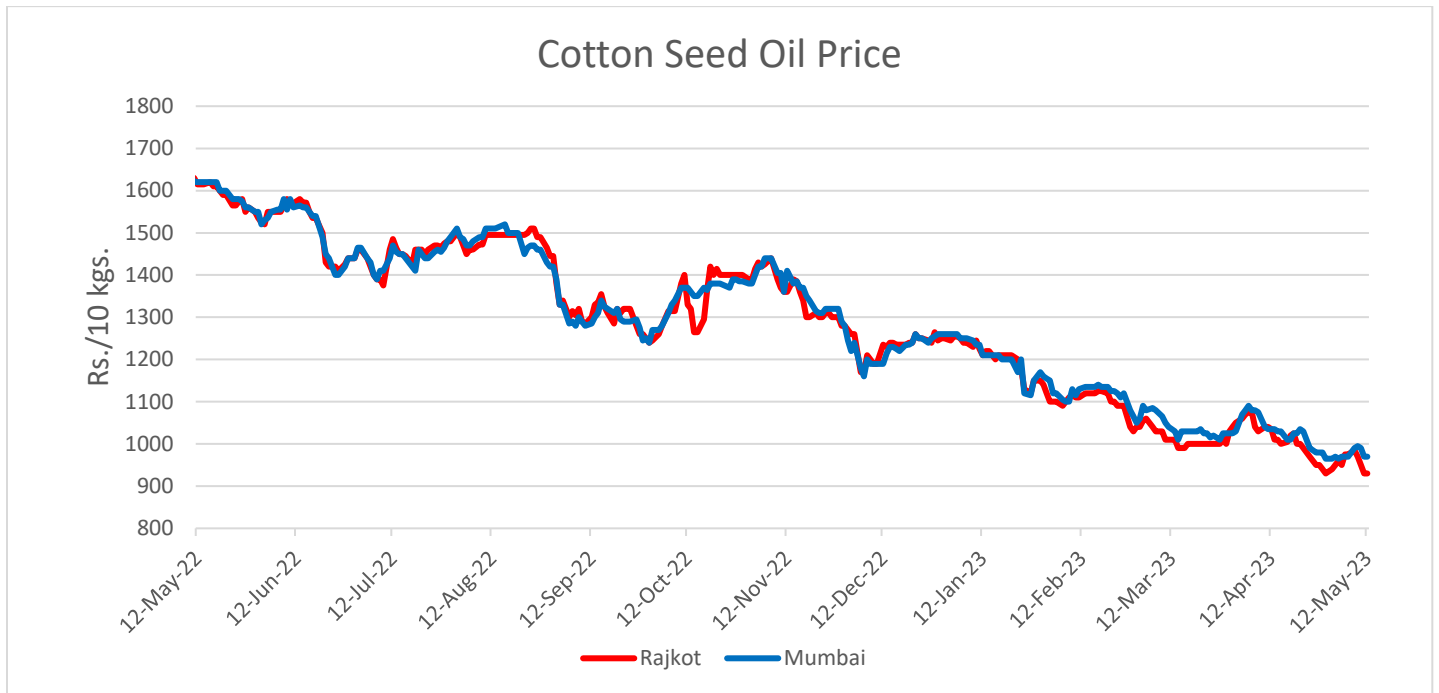
### **Cotton Seed Oil weekly**

#### **Price Scenario**

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 12<sup>th</sup> May 2023.

Centre	Weekly Average Price as on (Rs/10 kg.)		% Change
	12-May-23	05-May-23	
<b>Rajkot</b>	957	951	<b>0.60</b>
<b>Hyderabad</b>	1000	1000	<b>-</b>
<b>Mumbai</b>	981	968	<b>1.33</b>

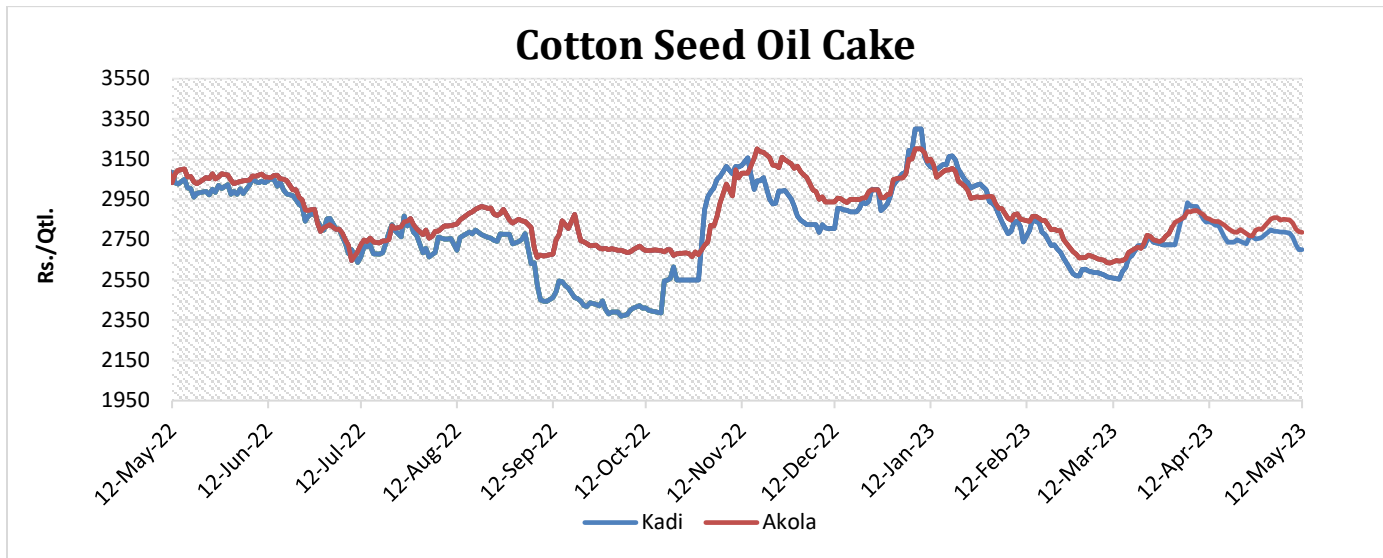
Source: Agriwatch



### Cotton Seed Oil Cake Weekly Price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased due to tight supply as compared to the previous week. Prices in Kadi were at Rs. 2743 per quintal from Rs. 2781 per quintal and in Akola prices were at Rs. 2818 per quintal from Rs. 2837 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	12-May-23	05-May-23	
Kadi	2743	2781	-1.37
Akola	2818	2837	-0.66



Source: Agriwatch

#### NCDEX Cottonseed oilcake

Expiry Date	05.05.23	12.05.23	Change
May	2827	2704	-123
Jun	2859	2730	-129

#### Price Forecast for the coming week

Months	Past Week	Coming week
Price per quintal at Rajkot (Average of the month)	8100	8050-8250

#### Cotton Stock Summary

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

Unit: Lakh Bales

### International Market Scenario

USDA has estimated India's cotton exports to decline by 5,00,000 bales this month to 1.8 million bales, roughly equal to its import forecast. Whereas, Industry experts have projected export to be under 20- 24 lakh bales during 2022-23. At Agriwatch, we expect cotton exports to reach 25 lakh bales in the 2022-23 season.

The International Cotton Advisory Committee has projected the season's average price range between 96.1 cents and 111.3 cents, with a midpoint of 102.77 cents per pound. This is lower than the midpoint of 115 cents projected in December 2022.

According to the US Cotton crop progress report, cotton sowing has reached around 15 percent till 30<sup>th</sup> April 2023 same as that of previous season sowing. But was higher than the past 5 years average of 14 percent.

### USDA Balance Sheet

World Cotton Balance Sheet			
	2020-21	2021-22#	2022-23*
Area Harvested	31,353	32,567	31,636
Yield	774	775	797
Opening Stock	98,209	86,300	86,226
Production	1,11,498	1,16,014	1,15,919
Imports	48,677	42,694	38,861
Exports	48,833	42,858	38,861
Domestic Consumption	1,23,310	1,16,291	1,10,173
Ending Stock	86,300	86,226	92,012

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 slightly lower this week at 93.35 cents/lb lower by 1% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	11-May-23	04-May-23	
Prices	93.55	92.09	1.59
Prices in US cents per Pound			

Source: Cotlook



### Cotlook A Index

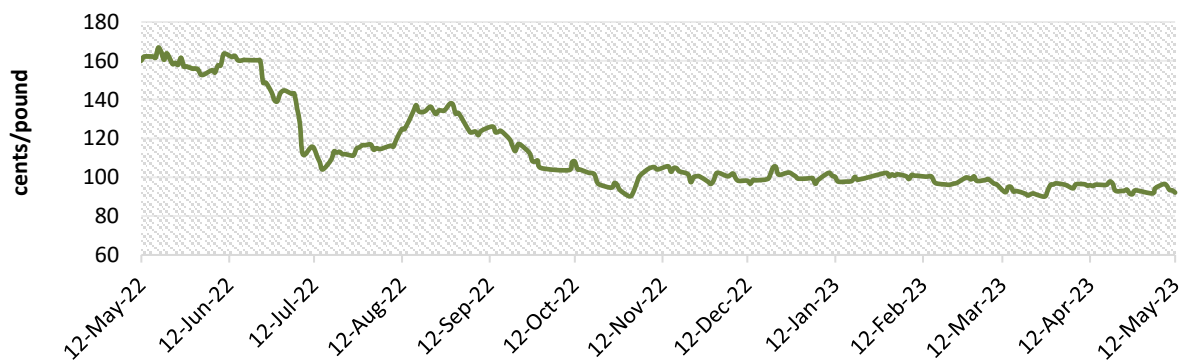


### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	12-May-23	05-May-23	
FC (S)	95.83	93.73	2.24
FC (M)	94.25	92.46	1.94
FC (L)	93.25	91.46	1.95
Prices in US cents per Pound			

Source: China Cotton Association

### FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	12-May-23	05-May-23	
CCIndex(328)	16349.80	16006.50	2.14
CCIndex(527)	14989.20	14622.00	2.51
CCIndex(229)	16628.00	16284.50	2.11
Prices in Yuan per ton			

Source: China Cotton Association

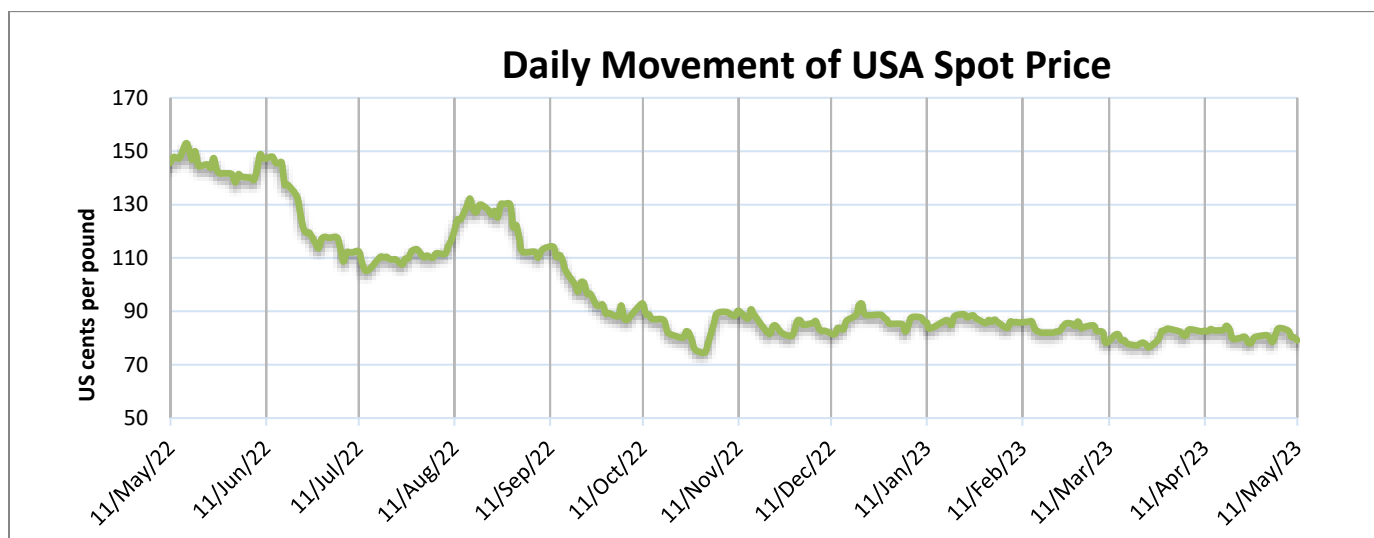


## USA Spot Prices

U.S.A spot prices was at 81.26 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	11-May-23	05-May-23	
Prices	81.26	80.35	1.14
Prices in US cents per Pound			

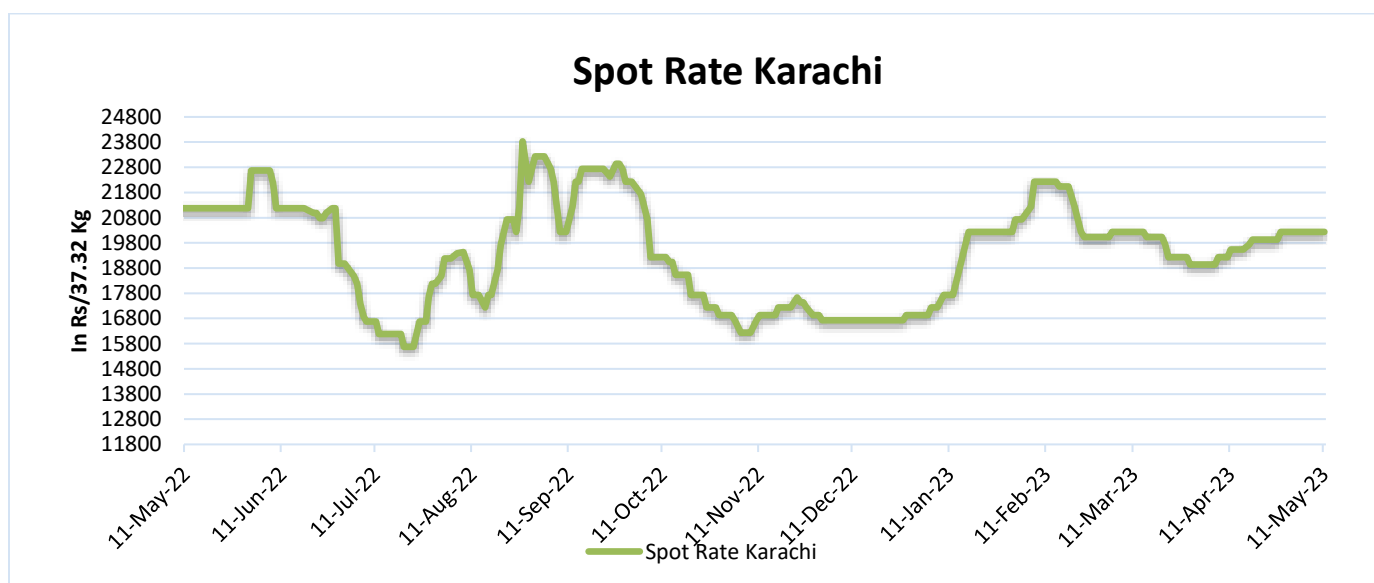
Source: USDA



## Pakistan Spot Prices

The Karachi spot price remained weak and were at Rs. 20235/q from the previous week. The local cotton market remained bullish and trading volume remained low.

Karachi Spot Prices	Weekly Average Price as on		% Change
	11-May-23	04-May-23	
Prices	20235	20235	-
Prices in Rs per 37.32 Kg			



**Commodity: Cotton seed oilcake**
**Exchange: MCX**
**Contract: May**
**Expiry: May 30, 2023**

### Cottonseed Oilcake

#### Technical Chart:



#### Technical Commentary:

- As evident from the above, prices has moved up and intact during the last week. However, prices had take support at 2710 level but had moved range bound.
- Currently trading above 18, and 9 DMA. RSI indicates weak buying strength.
- Market is expected further to remain rangebound in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	May	2613	2663	2729	2889	2904
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	May	<b>Sell</b>	2739	2704	2679	2760

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



- The May'23 contract has corrected during the last week.
- Total volume decreased & Open Interest slightly increased 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	78-88

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
78.80	75.35	80.50	86.75

Figures in US cents/pound

## Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	11-May-23	11-Apr-23	10-Feb-22	12-Nov-22	11-May-22	% Change over a month	% Change over previous year
May-23	79.86	82.75	85.58	85.56	143.60	-3.49	-44.39
Jul-23	79.62	82.91	86.07	84.87	131.05	-3.97	-39.24
Oct-23	80.15	83.16	84.97	79.50	124.75	-3.62	-35.75
Dec-23	79.60	82.90	84.86	79.56	119.59	-3.98	-33.44
Mar-23	79.75	82.60	85.27	86.33	114.44	-3.45	-30.31

## Future Price Trend (Active Contract):



## Cotton Yarn

- As per the market sources, north Indian cotton yarn traded lower by Rs.2-4 per kg due to reduced demand from the weaving industry. With export demand remaining weak, the market showed no signs of improvement.
- In Delhi, 30 count combed yarn traded at Rs. 270-280 per kg (GST extra), 40 count combed at Rs. 300-305 per kg, 30 count carded at Rs.248-255 per kg, and 40 count carded at Rs.280-285 per kg.

## Cotton Domestic Weekly Price

### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	08th May'23 to 13th May'23	01st May'23 to 06th May'23	
Gujarat	Ahmedabad	Shankar-6	7733	8100	-367
	Gondal	Shankar-6	7880	8095	-215
	Rajkot	B.T. Cotton	8106	8168	-63
	Patan	B.T. Cotton	7887	8059	-172
	Kadi	B.T. Cotton	8025	8042	-17
	Deesa	B.T. Cotton	1097	1299	-203
	Dhrol	B.T. Cotton	7513	7896	-383
Haryana	Bhiwani	B.T. Cotton	7700	7930	-230
	Adampur	B.T. Cotton	7708	7842	-133
	Fatehabad	B.T. Cotton	7508	7579	-72
Rajasthan	Hanumangarh	B.T. Cotton	7717	7560	157
	Rawatsar	B.T. Cotton	7734	7858	-124
Madhya Pradesh	Khandwa	Mech-1	7778	7860	-82
	Khargaon	Mech-1	7690	7753	-63
Maharashtra	Amravati	Mech-1	7800	7733	67
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	7272	7260	12
Andhra Pradesh	Adoni	Un-Ginned	7659.5	7529.25	130
Karnataka	Bijapur	Bunny	8146	8263	-117
	Raichur	H-44 Cotton	7800	7830	-30
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	08th May'23 to 13th May'23	01st May'23 to 06th May'23	
Punjab	Bhatinda	J-34	6250	6367	-117
	Abohar	J-34	6225	6367	-142
	Mansa	J-34	NA	6575	-
Haryana	Sirsa	J-34	6129	6313	-183
Rajasthan	Sri-Ganganagar	J-34	6024	6240	-215

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	08th May'23 to 13th May'23	01st May'23 to 06th May'23	Change
Gujarat	Ahmedabad	Shankar-6	54683	48620	6063
	Gondal	Shankar-6	7640	7600	40
	Rajkot	B.T. Cotton	1815	1175	640
	Patan	B.T. Cotton	3364	2824	540
	Kadi	B.T. Cotton	30833	20833	10000
	Dhrol	B.T. Cotton	71	53	18
Haryana	Bhiwani	B.T. Cotton	400	620	-220
	Adampur	B.T. Cotton	595	561	34
	Fatehabad	B.T. Cotton	37	41	-4
Rajasthan	Hanumangarh	B.T. Cotton	800	540	260
	Rawatsar	B.T. Cotton	800	540	260
Madhya Pradesh	Khandwa	Mech-1	2500	Closed	-
	Khargaon	Mech-1	8450	Closed	-
Maharashtra	Amravati	Mech-1	28000	20000	8000
Telangana	Adilabad	Un-Ginned	11064	3941	7123
Andhra Pradesh	Adoni	Un-Ginned	1403	1280	124
Karnataka	Bijapur	Bunny	4362	1378	2984
	Raichur	H-44 Cotton	9	10	-1
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	08th May'23 to 13th May'23	01st May'23 to 06th May'23	Change
Punjab	Abohar	J-34	159	156	3
Haryana	Sirsa	J-34	453	227	227

### Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	12-May-23	5-May-23	12-Apr-23	12-May-22
Gujarat	Ahmedabad	Shankar-6	7625	8150	8400	12500



	Gondal	Shankar-6	7730	0	8330	13405
	Rajkot	B.T. Cotton	8125	8125	8405	13420
	Patan	B.T. Cotton	7750	8025	0	13000
	Kadi	B.T. Cotton	8000	8000	8400	0
	Deesa	B.T. Cotton	1060	1250	0	1620
	Dhrol	B.T. Cotton	7300	7770	0	11810
<b>Haryana</b>	Bhiwani	B.T. Cotton	7700	0	8050	0
	Bhiwani	Desi	NR	0	0	0
	Adampur	B.T. Cotton	7650	7800	8000	12855
	Fatehabad	B.T. Cotton	7375	7525	7825	0
	Jind	B.T. Cotton	NA	0	0	0
	Uchana	B.T. Cotton	NA	0	0	0
	Dabwali	B.T. Cotton	NR	0	0	0
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	7800	7600	8200	0
	Rawatsar	B.T. Cotton	7700	0	8090	0
<b>Madhya Pradesh</b>	Khandwa	Mech-1	7700	7825	8300	0
	Khargaon	Mech-1	7485	7800	8200	0
<b>Maharashtra</b>	Amravati	Mech-1	NR	0	8200	12700
	Jamner	Medium Staple	NA	0	0	0
<b>Telangana</b>	Adilabad	Un-Ginned	7200	0	7700	0
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	NA	7519	8189	13046
<b>Karnataka</b>	Bijapur	Bunny	7980	8070	8360	13491
	Raichur	H-44 Cotton	7800	7750	8200	11500
<b>Commodity</b>	<b>Lint</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>12-May-23</b>	<b>5-May-23</b>	<b>12-Apr-23</b>	<b>12-May-22</b>
<b>Punjab</b>	Bhatinda	J-34	6250	6250	6370	10800
	Abohar	J-34	6175	6175	6360	10800
	Mansa	J-34	NR	0	6200	0
<b>Haryana</b>	Sirsa	J-34	6050	6075	6270	10100
<b>Rajasthan</b>	Sri-Ganganagar	J-34	5969	6063	6157	0

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>12-May-23</b>	<b>5-May-23</b>	<b>12-Apr-23</b>	<b>12-May-22</b>

<b>Gujarat</b>	Ahmedabad	Shankar-6	54400	51000	51000	15300
	Gondal	Shankar-6	7755	7600	7705	10125
	Rajkot	B.T. Cotton	2850	1200	3600	1330
	Patan	B.T. Cotton	2822	3025	0	258
	Kadi	B.T. Cotton	30000	10000	30000	0
	Deesa	B.T. Cotton	NA	0	0	0
	Dhrol	B.T. Cotton	41	31	0	16
<b>Haryana</b>	Bhiwani	B.T. Cotton	300	0	800	0
	Bhiwani	Desi	NR	0	0	0
	Adampur	B.T. Cotton	340	816	408	5100
	Fatehabad	B.T. Cotton	45	50	90	0
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	500	0	500	0
	Rawatsar	B.T. Cotton	500	0	500	0
<b>Madhya Pradesh</b>	Khandwa	Mech-1	3000	NA	7000	0
	Khargaon	Mech-1	8600	NA	7400	0
<b>Maharashtra</b>	Amravati	Mech-1	NR	0	21000	12000
	Jamner	Medium Staple	NA	0	0	0
<b>Telangana</b>	Adilabad	Un-Ginned	11213	0	65597.3	0
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	NA	890	1070	400
<b>Karnataka</b>	Bijapur	Bunny	727	1424	3461	489
	Raichur	H-44 Cotton	9	10	15	8
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>12-May-23</b>	<b>5-May-23</b>	<b>12-Apr-23</b>	<b>12-May-22</b>
<b>Punjab</b>	Abohar	J-34	102	170	0	34
	Mansa	J-34	NR	0	102	0
<b>Haryana</b>	Sirsa	J-34	340	255	170	510

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				08th Apr'23 to 13th Apr'23	01st May'23 to 06th May'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	65320	65525	<b>-205</b>

Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65820	66025	<b>-205</b>
J-34(202)	26mm	3.5 - 4.9	23	58480	58625	<b>-145</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	58860	59850	<b>-990</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	60940	61750	<b>-810</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	61920	62900	<b>-980</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	#DIV/0!	#DIV/0!	<b>-</b>
DCH-32(107)	34mm	3.0 - 3.8	33	75400	75000	<b>400</b>

### Cottonseed and oilcake Prices:

#### Cotton Seed & Oil Cake Weekly

Cotton Seed Oil Cake Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	08th May'23 to 13th May'23	01st May'23 to 06th May'23	
Punjab	Bhatinda (Pakki)	3450	3450	<b>Unch</b>
Punjab	Ludiana	3812	3820	<b>-8</b>
Haryana	Sirsa	3195	3184	<b>11</b>
Haryana	Hisar	3215	3204	<b>11</b>
Rajasthan	Hanumangarh	3115	3104	<b>11</b>
Rajasthan	Vijaynagar	3165	3154	<b>11</b>
Madhya Pradesh	Indore	3158	3200	<b>-42</b>
Madhya Pradesh	Khargone	3048	3075	<b>-27</b>
Maharastra	Wani	3108	3150	<b>-42</b>
Maharastra	Malkapur	3058	3100	<b>-42</b>
Telegana	Warangal	2900	2887	<b>13</b>
Telegana	Adilabad	2880	2870	<b>10</b>
Karnatka	Dharwad	2850	2833	<b>17</b>
Karnatka	Hubli	3050	3050	<b>Unch</b>
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2960	3050	<b>-90</b>

Cotton Seed Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	08th May'23 to 13th May'23	01st May'23 to 06th May'23	
Punjab	Mansa	3358	3400	<b>-42</b>
Punjab	Bhatinda	3458	3500	<b>-42</b>
Haryana	Adampur	3472	3484	<b>-13</b>

Haryana	Charkhi Dadari	3372	3384	<b>-13</b>
Rajasthan	Hanumangarh	3517	3529	<b>-13</b>
Rajasthan	Bikaner	3567	3579	<b>-13</b>
Madhya Pradesh	Sendhwa	3046	3200	<b>-154</b>
Madhya Pradesh	Barwaha	2983	3100	<b>-117</b>
Maharastra	Malkapur	3113	3225	<b>-113</b>
Maharastra	Akot	3263	3350	<b>-88</b>
Telegana	Madnoor	3090	3190	<b>-100</b>
Telegana	Jangaon	3125	3170	<b>-45</b>
Karnatka	Bijapur	2980	2995	<b>-15</b>
Karnatka	Hubli	2980	2995	<b>-15</b>
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2996	3117	<b>-121</b>
Gujarat	Kadi	3050	3188	<b>-138</b>

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