

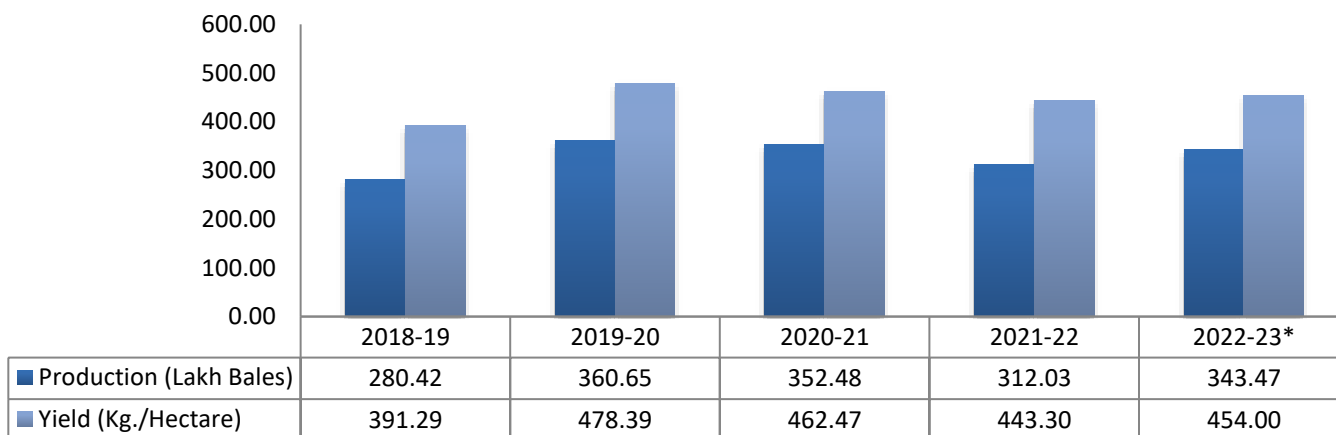
**COTTON WEEKLY RESEARCH REPORT**29<sup>th</sup> May 2023**Domestic market summary****Major Market Highlights:**

- Indian market sentiment remained bearish during the last week due to increased arrivals in the market.
- At Rajkot, cotton traded lower at Rs. 7320 per quintal against the previous price of Rs. 7350 per quintal and in some markets like Mehsana and Gondal price has come down even lower at 7000-7180 per quintal. Daily Arrivals had increased to 1400-1600 quintals per day.
- **Punjab:** The cotton sowing has been affected due to recent rains as the heavy rains during the past week has affected the freshly sown crop in nearly 4,000 hectares of the Muktsar district. The rain has created a hard crust of soil over the crop, thereby affecting the germination of seeds.
- Cotton sowing has increased by around 5-10% in Abohar for the 2023-24 season. Whereas, in Bhatinda acreage is expected to decline by 5% as farmers are switching towards more profitable crops.
- **Haryana:** Cotton sowing in Sirsa is expected to slightly increase for the 2023-24 season. Cotton Sowing in Haryana is likely to be completed by end of the May.
- **Rajasthan:** Around 90% of the cotton sowing has been completed in Rawtsar, cotton acreages for the 2023-24 season have increased by around 5%. However, in some tehsils of Hanumangarh district acreage is likely to remain same as that of previous season.
- Overall, the area under cotton in Punjab is likely to reduce in the 2023-24 season. However, aided by unseasonal rains, farmers are likely to slightly increase area under the cotton crop in the states of Haryana and Rajasthan.
- As per the market sources, in central India i.e., in Maharashtra about 40% of the crop has been damaged due to rains and hailstorm during the ongoing season. However, cotton prices continue to fall at Arvi market and were trading at Rs. 7650 per quintal against the previous week price of Rs. 7700 per quintal.

**Production Estimate:**

- As per the Third Advance Estimates by the Ministry of Agriculture and Farmers Welfare, Cotton production during the 2022-23 season across India is estimated at 343.47 lakh bales higher from previous estimate of 337.23 lakh bales.

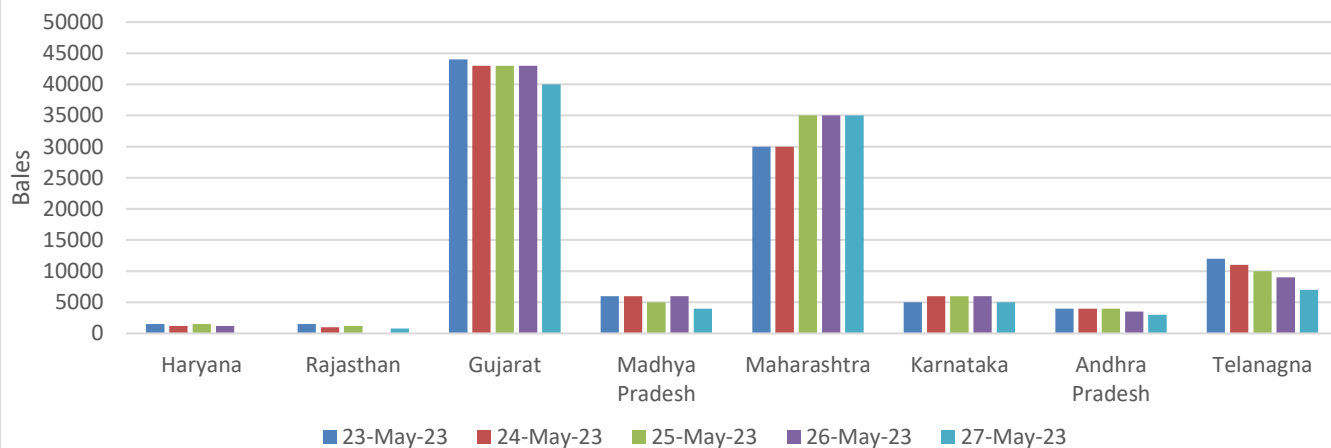
## Production and Yield



Source: Ministry of Agriculture and Farmers Welfare

## Cotton Crop Arrival

### Cotton Crop Arrivals



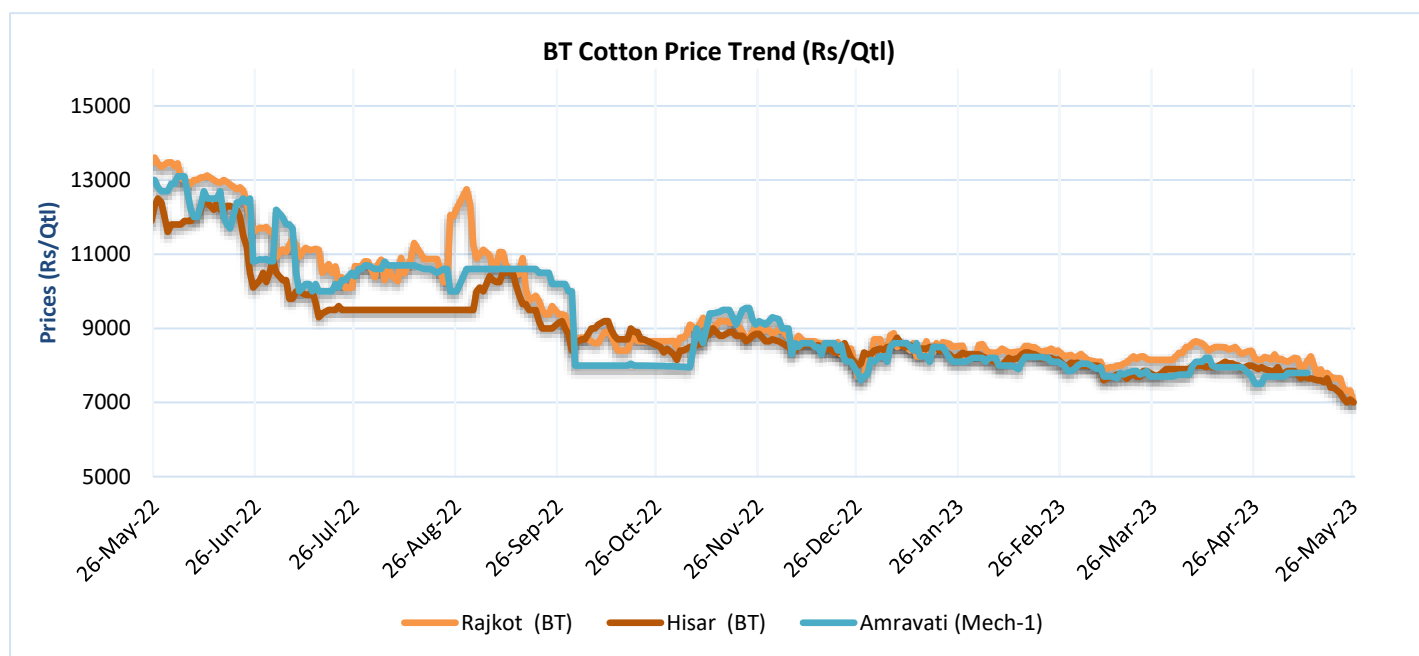
### All India Cotton Arrivals 2022-23

This Week	7 Lakh Bales
Cumulative Arrival	249 Lakh Bales
Cotton Consumption	185 Lakh Bales
Exports	11.50 lakh Bales
Import	10.50 lakh Bales

## Domestic Cotton Prices Scenario

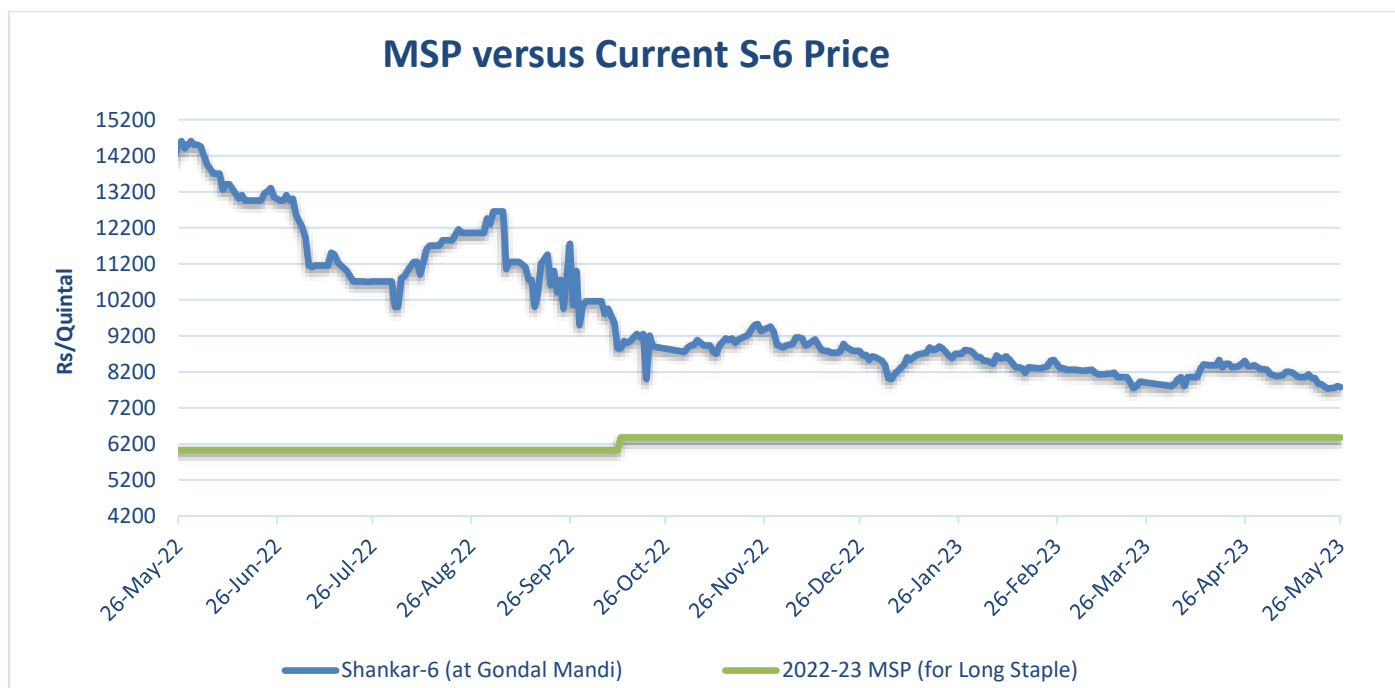
### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly BT Cotton average prices at Rajkot stood slightly lower at Rs. 7,379/Qtl compared to the previous week's Rs. 7,775/Qtl. Cotton prices in Hisar too were lower at Rs. 7138 per quintal during the past week.



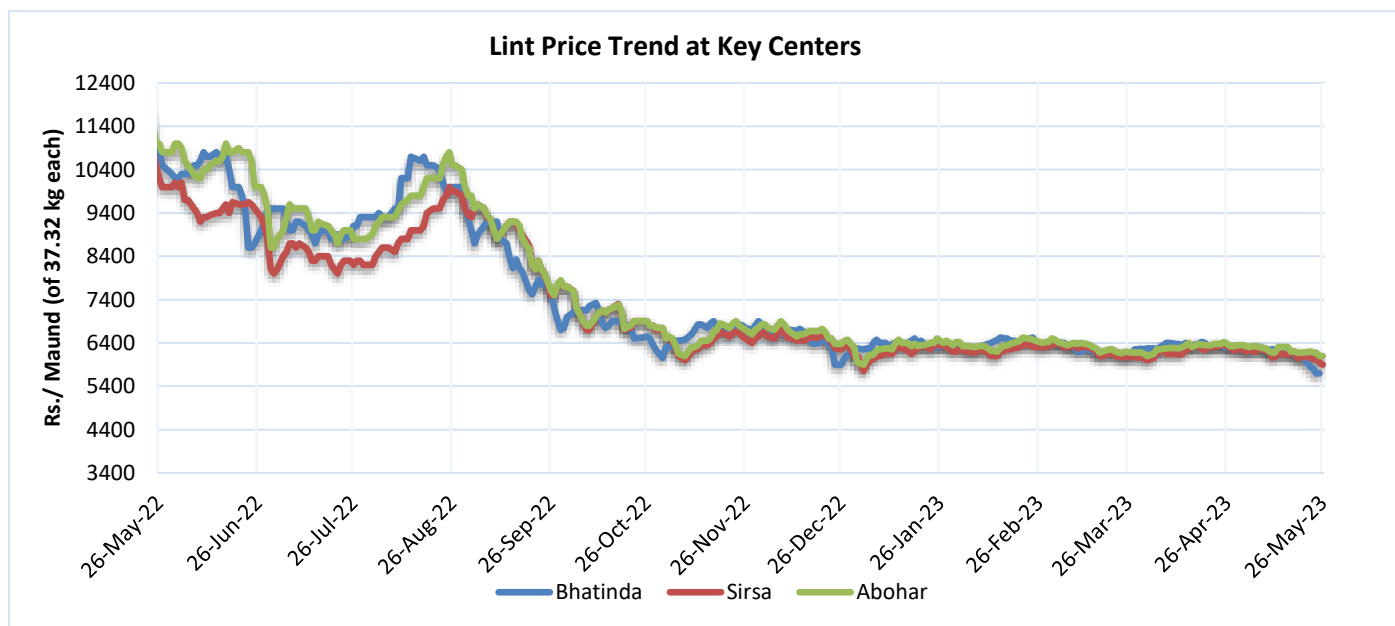
### Spot Price Comparison

Cotton Shanker-6 at Gondal market traded lower at Rs.7,284 per quintal against the previous week price of Rs. 7,730 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.



## Lint price Outlook

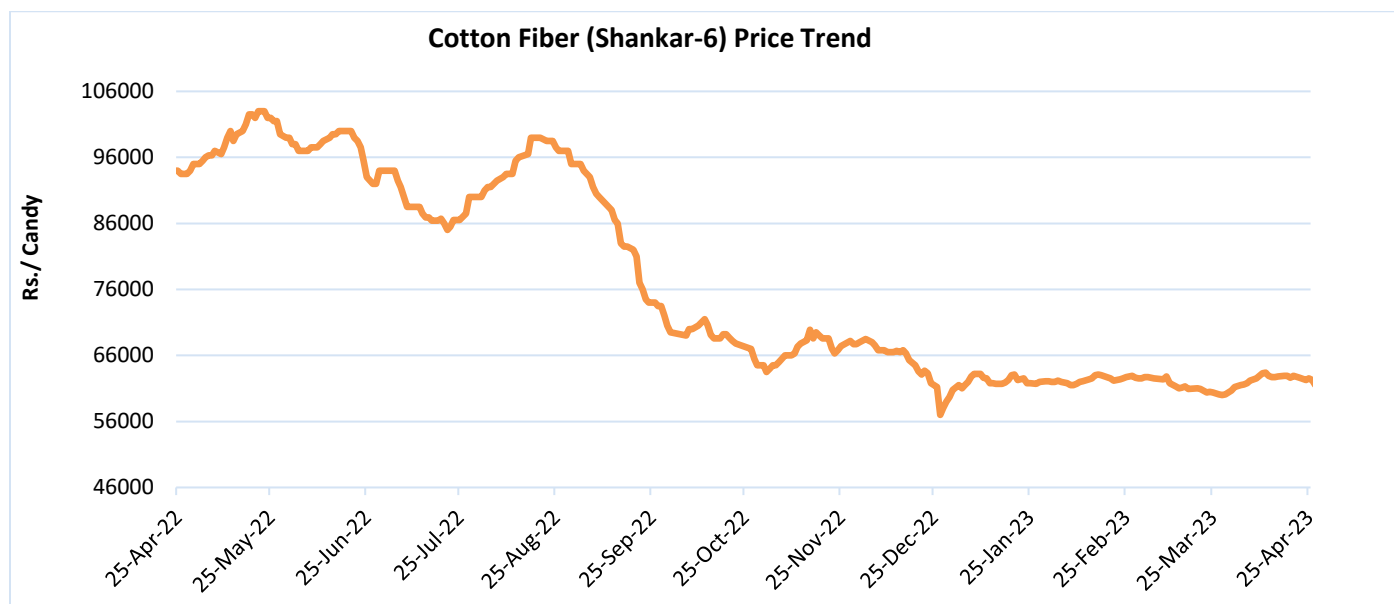
The average price stood lower at Rs. 5805/maund this week compared to Rs. 6165/maund previous week in Abohar, in Bhatinda prices were lower at Rs. 5820/maund, and in Sirsa were at Rs. 5705/maund from Rs. 6035/maund previous week.



Source: Agriwatch

## **Cotton Fiber Price Outlook**

The average cotton fiber (Shankar-6) premium quality is currently at trading Rs.57,316/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**

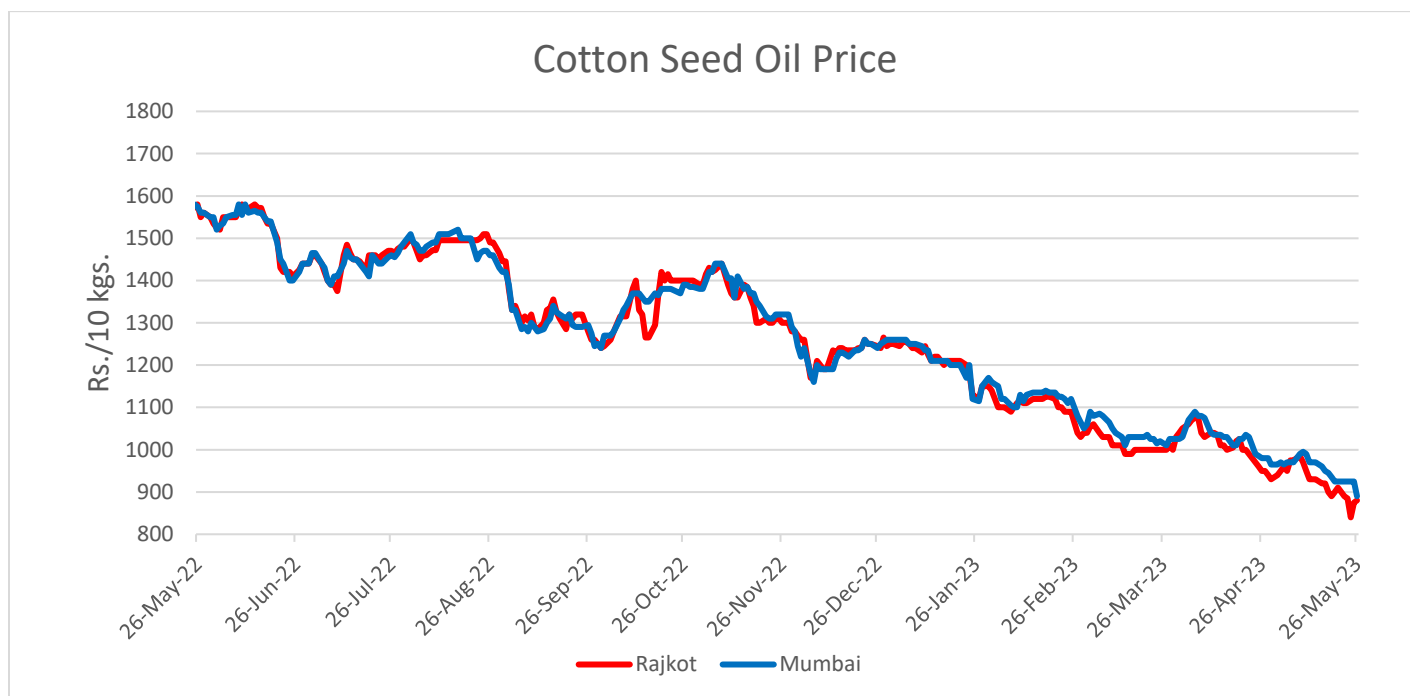
### **Cotton Seed Oil weekly**

#### **Price Scenario**

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 26<sup>th</sup> May 2023.

Centre	Weekly Average Price as on (Rs/10 kg.)		% Change
	26-May-23	20-May-23	
<b>Rajkot</b>	880	910	<b>-3.30</b>
<b>Mumbai</b>	919	948	<b>-3.04</b>

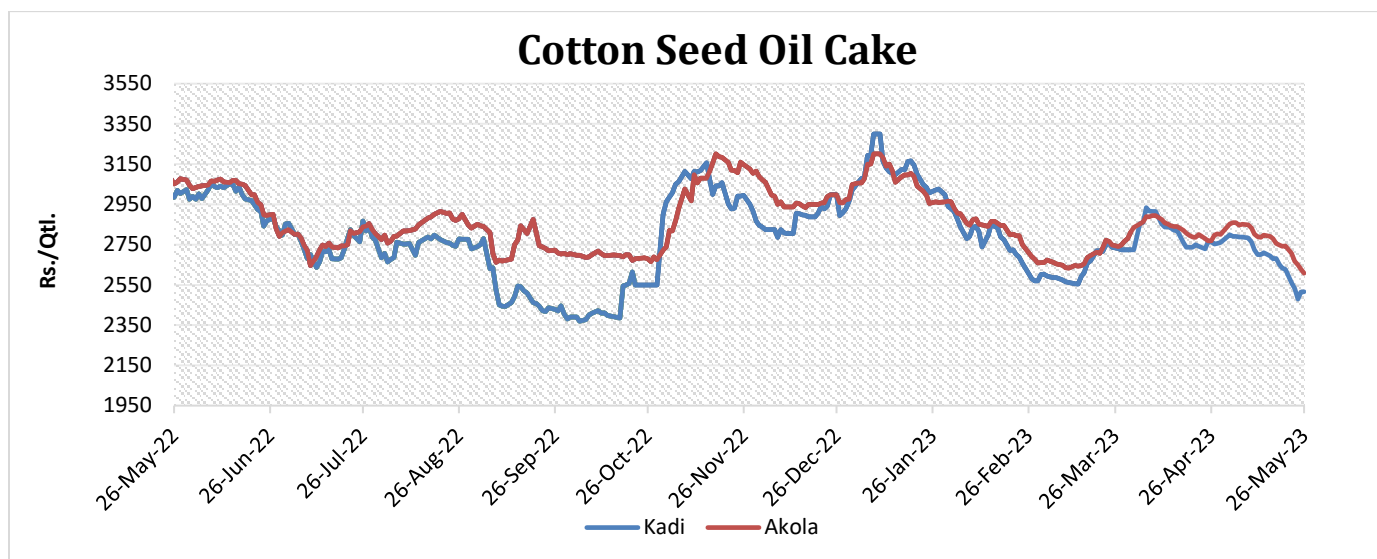
Source: Agriwatch



### Cotton Seed Oil Cake Weekly Price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased due to increased supply as compared to the previous week. Prices in Kadi were at Rs. 2538 per quintal from Rs. 2675 per quintal and in Akola prices were at Rs. 2667 per quintal from Rs. 2769 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	26-May-23	19-May-23	
Kadi	2538	2675	-5.12
Akola	2667	2769	-3.69



Source: Agriwatch

#### NCDEX Cottonseed oilcake

Expiry Date	19.05.23	26.05.23	Change
Jun	2620	2488	-132
Jul	2648	2517	-131

#### Price Forecast for the coming week

Months	Past Week	Coming week
Price per quintal at Rajkot (Average of the month)	7300	7050-7350

#### Cotton Stock Summary

Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
55.00	33.00	88.00

Unit: Lakh Bales

### International Market Scenario

The USDA's crop progress report for the week ending on May 21<sup>st</sup> indicates that 45% of the cotton crop was planted which was 35% in previous week and 52% in previous year.

According to USDA Cotton and Product outlook report, May 2023 report, global cotton production is up from the previous month to 116.5 million bales and attributed to higher production in China, Mexico, and Uzbekistan. However, consumption maybe lower by 500,000 bales to 109.6 million and attributed to lower use in Bangladesh.

### USDA Balance Sheet

World Cotton Balance Sheet			
	2020-21	2021-22#	2022-23*
Area Harvested	31,299	32,486	31,855
Yield	774	775	795
Opening Stock	98,234	86,217	86,159
Production	1,11,273	1,15,780	1,16,355
Imports	48,561	42,620	37,867
Exports	48,872	42,997	38,274
Domestic Consumption	1,23,118	1,15,900	1,09,631
Ending Stock	86,217	86,159	92,633

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

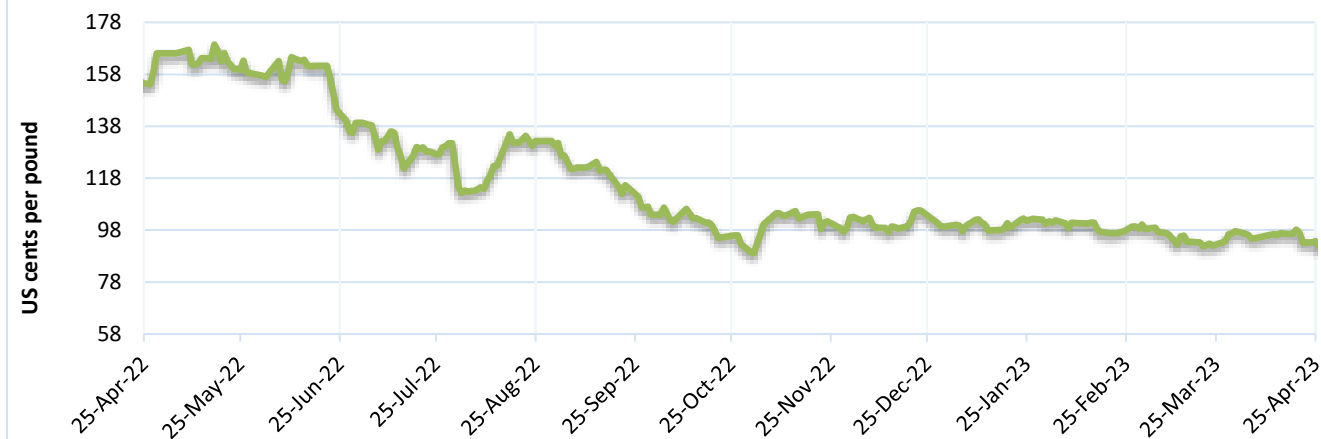
Cotlook A Index was slightly higher this week at 95.11 cents/lb lower by 1% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	25-May-23	18-May-23	
Prices	95.11	94.27	0.89
Prices in US cents per Pound			

Source: Cotlook



### Cotlook A Index

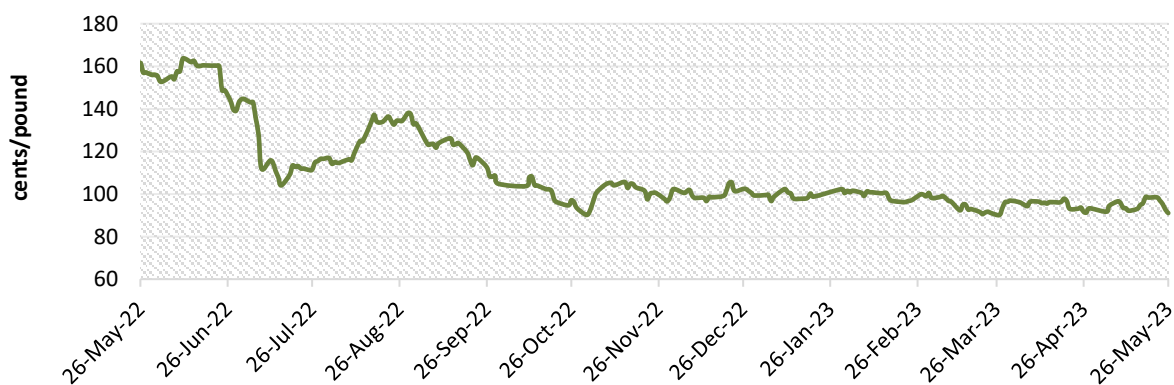


### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	26-May-23	19-May-23	
FC (S)	96.60	97.70	-1.13
FC (M)	94.88	96.08	-1.25
FC (L)	93.86	95.07	-1.27
Prices in US cents per Pound			

Source: China Cotton Association

### FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	26-May-23	18-May-23	
CCIndex(328)	16570.40	16304.80	1.63
CCIndex(527)	15224.00	14984.00	1.60
CCIndex(229)	16815.40	16567.60	1.50
Prices in Yuan per ton			

Source: China Cotton Association

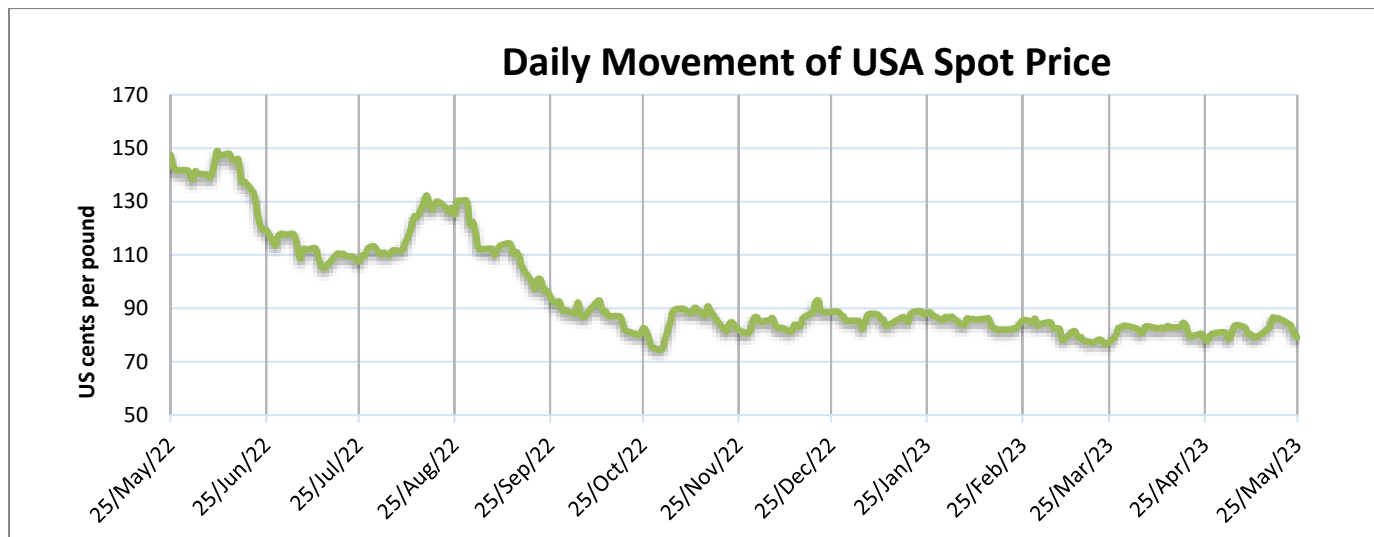


## USA Spot Prices

U.S.A spot prices was at 82.75 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	25-May-23	18-May-23	
Prices	82.75	83.48	-0.88
Prices in US cents per Pound			

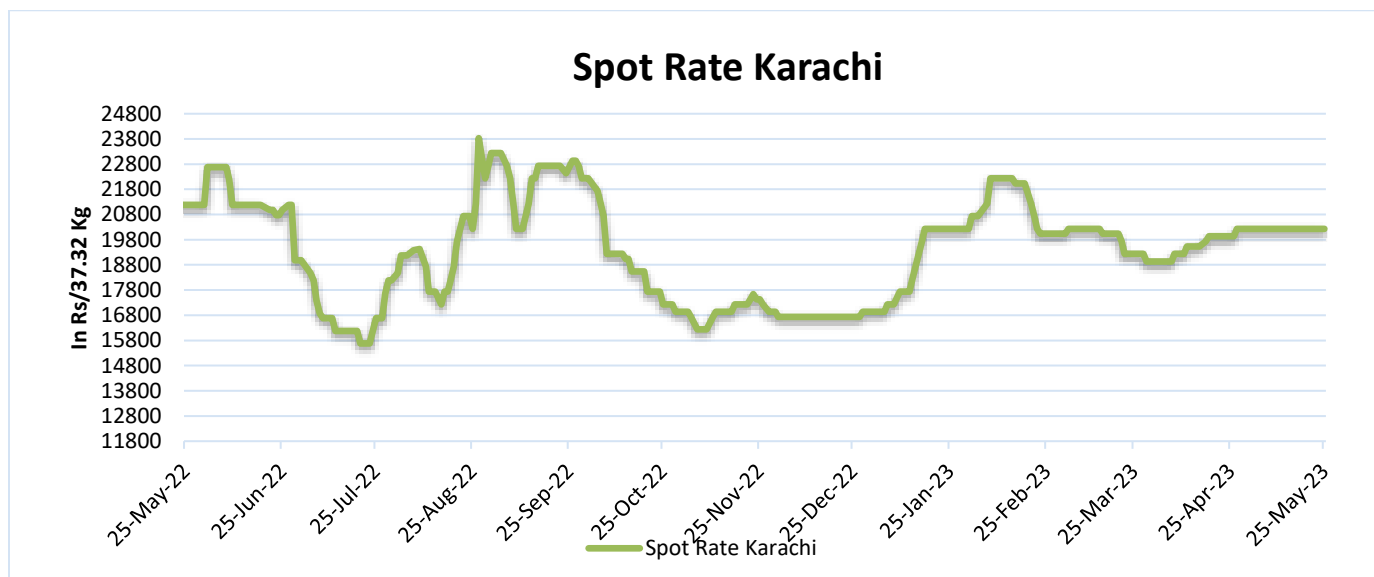
Source: USDA



## Pakistan Spot Prices

The Karachi spot price remained stable and were at Rs. 20235/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	25-May-23	18-May-23	
Prices	20235	20235	-
Prices in Rs per 37.32 Kg			



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

### Cottonseed Oilcake

#### Technical Chart:

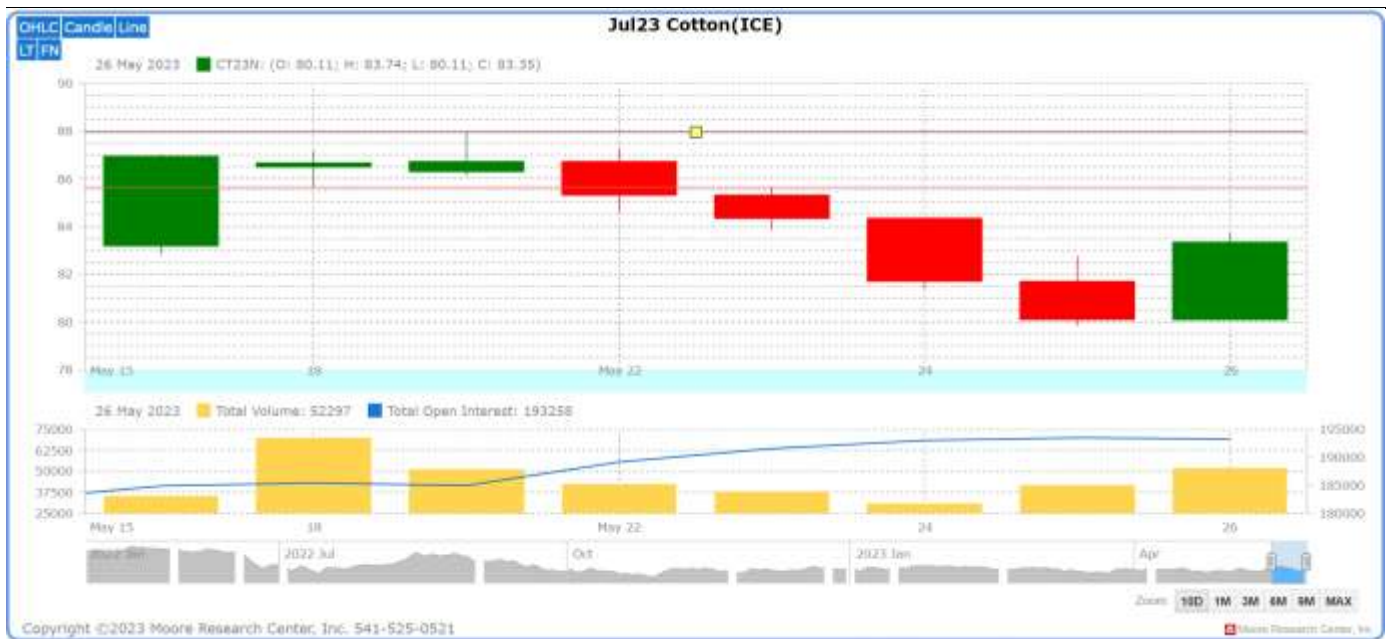


#### Technical Commentary:

- As evident from the chart, candlestick formation indicates weak market condition.
- Prices may take a support at 2440 level and can move sideways in the coming week.
- Both momentum indicator MACD and Oscillator RSI further pointing towards a weak market condition.
- We expect prices to trade sideways.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jun	2375	2425	2491	2651	2666
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	<b>Sell</b>	2501	2466	2441	2522

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



- The Jul'23 contract has changed direction last week.
- Total volume decreased & Open Interest slightly increased compared to the previous week.
- We expect cotton prices to trade sideways in the coming week.

### Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	84-90

### Expected Support and Resistance

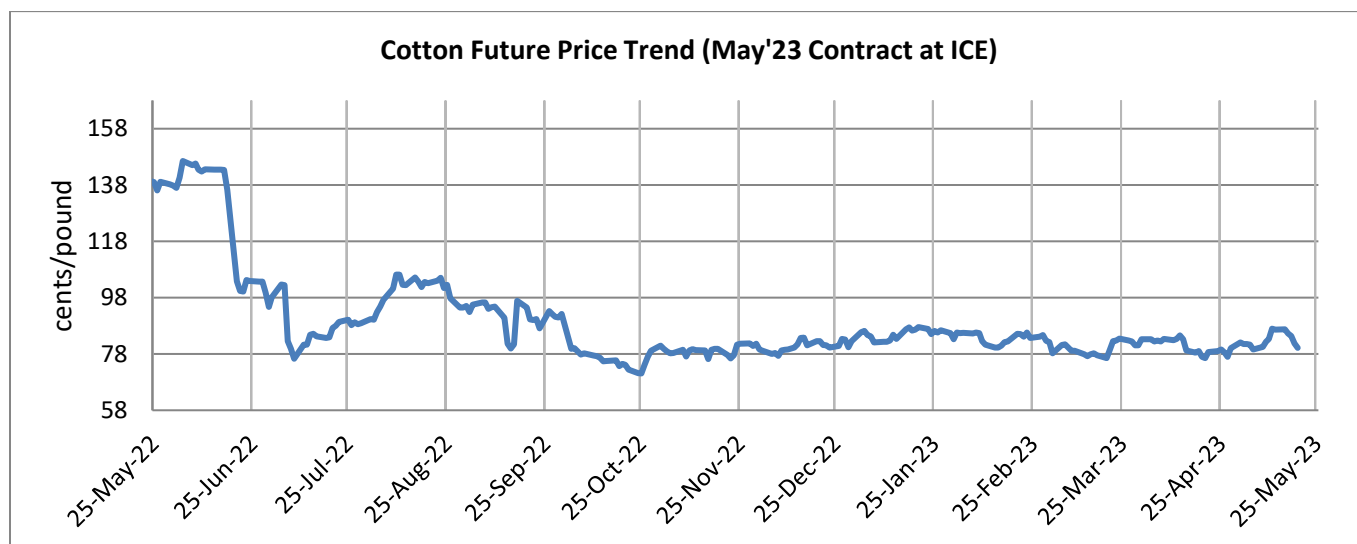
Support 1	Support 2	Resistance 1	Resistance 2
80.80	78.35	84.50	88.75

Figures in US cents/pound

## Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	25-May-23	25-Apr-23	24-Feb-22	26-Nov-22	25-May-22	% Change over a month	% Change over previous year
May-23	80.12	78.62	85.08	78.64	145.16	1.91	-44.81
Jul-23	78.89	79.87	84.47	77.61	133.76	-1.23	-41.02
Oct-23	78.50	79.37	84.32	76.00	124.61	-1.10	-37.00
Dec-23	78.64	79.51	85.13	80.18	119.95	-1.09	-34.44
Mar-23	78.79	77.00	84.90	79.53	116.53	2.32	-32.39

## Future Price Trend (Active Contract):



## Cotton Yarn

- The prices of cotton yarn in south India have declined further. Major markets in India, i.e. Tiruppur and Mumbai, have experienced a significant drop in demand. This situation has raised concerns about substantial losses for spinning mills.
- Spinning mills are offering significant discounts to lure buyers but are still facing losses. The overall textile sector is expected to continue struggling with poor demand.

## Cotton Domestic Weekly Price

### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Gujarat	Ahmedabad	Shankar-6	7150	7513	-363
	Gondal	Shankar-6	7292	7722	-430
	Rajkot	B.T. Cotton	7324	7754	-430
	Patan	B.T. Cotton	7298	7796	-498
	Kadi	B.T. Cotton	7146	7708	-563
	Deesa	B.T. Cotton	1006	1096	-90
	Dhrol	B.T. Cotton	6948	7233	-285
Haryana	Bhiwani	B.T. Cotton	7050	7525	-475
	Adampur	B.T. Cotton	7105	7533	-428
	Fatehabad	B.T. Cotton	6913	7266	-353
Rajasthan	Hanumangarh	B.T. Cotton	7167	7592	-425
	Rawatsar	B.T. Cotton	7010	7529	-519
Madhya Pradesh	Khandwa	Mech-1	7200	7438	-238
	Khargaon	Mech-1	7055	7365	-310
Telangana	Adilabad	Un-Ginned	6646	7150	-504
Andhra Pradesh	Adoni	Un-Ginned	6936.5	7543	-607
Karnataka	Bijapur	Bunny	7526	7880	-354
	Raichur	H-44 Cotton	7140	7620	-480
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Punjab	Bhatinda	J-34	5817	6150	-333
	Abohar	J-34	5804	6154	-350
Haryana	Sirsa	J-34	5692	6013	-321
Rajasthan	Sri-Ganganagar	J-34	5605	5969	-364

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Gujarat	Ahmedabad	Shankar-6	52417	54683	-2267
	Gondal	Shankar-6	6850	7217	-367
	Rajkot	B.T. Cotton	1540	2005	-465
	Patan	B.T. Cotton	2305	3115	-810
	Kadi	B.T. Cotton	15333	15000	333
	Dhrol	B.T. Cotton	60	45	14
Haryana	Bhiwani	B.T. Cotton	340	567	-227
	Adampur	B.T. Cotton	425	567	-142
	Fatehabad	B.T. Cotton	30	30	Unch
Rajasthan	Hanumangarh	B.T. Cotton	667	750	-83
	Rawatsar	B.T. Cotton	667	750	-83
Madhya Pradesh	Khandwa	Mech-1	1438	1938	-500
	Khargaon	Mech-1	5650	7250	-1600
Telangana	Adilabad	Un-Ginned	16541	13125	3415
Andhra Pradesh	Adoni	Un-Ginned	1423	1204	219
Karnataka	Bijapur	Bunny	2023	1535	488
	Raichur	H-44 Cotton	10	12	-2
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Punjab	Abohar	J-34	111	111	Unch
Haryana	Sirsa	J-34	272	368	-96

**Week on Week Price: Scenario of Cotton:**

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	26-May-23	19-May-23	26-Apr-23	26-May-22
Gujarat	Ahmedabad	Shankar-6	7050	7375	8125	14000
	Gondal	Shankar-6	7180	7630	8080	13955
	Rajkot	B.T. Cotton	7000	7700	8175	13610
	Patan	B.T. Cotton	7250	7750	8000	0



	Kadi	B.T. Cotton	7000	7750	8000	0
	Deesa	B.T. Cotton	1060	1015	1325	1850
	Dhrol	B.T. Cotton	6760	6950	7960	12400
<b>Haryana</b>	Bhiwani	B.T. Cotton	7000	7500	8000	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	7000	7400	7950	12299
	Fatehabad	B.T. Cotton	6800	7160	7760	0
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	7100	7500	7900	0
	Rawatsar	B.T. Cotton	6950	7390	7890	0
<b>Madhya Pradesh</b>	Khandwa	Mech-1	7200	Closed	7900	0
	Khargaon	Mech-1	7000	Closed	7680	0
<b>Telangana</b>	Adilabad	Un-Ginned	6530	0	7310	0
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	6681	0	7939	13529
<b>Karnataka</b>	Bijapur	Bunny	7340	7869	0	12827
	Raichur	H-44 Cotton	6900	0	8070	13850
<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>26-May-23</b>	<b>19-May-23</b>	<b>26-Apr-23</b>	<b>26-May-22</b>
<b>Punjab</b>	Bhatinda	J-34	5700	6100	6300	10900
	Abohar	J-34	5700	6100	6325	10900
<b>Haryana</b>	Sirsa	J-34	5625	5950	6200	10100
<b>Rajasthan</b>	Sri-Ganganagar	J-34	5546	0	0	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>26-May-23</b>	<b>19-May-23</b>	<b>26-Apr-23</b>	<b>26-May-22</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	51000	59500	51000	8500
	Gondal	Shankar-6	6900	7350	7500	10100
	Rajkot	B.T. Cotton	NA	1700	2100	700
	Patan	B.T. Cotton	1690	2866	5733	0
	Kadi	B.T. Cotton	15000	15000	20000	0
	Dhrol	B.T. Cotton	40	35	86	2
<b>Haryana</b>	Bhiwani	B.T. Cotton	300	300	500	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	510	680	408	2550

	Fatehabad	B.T. Cotton	25	20	125	0
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	1000	100	0
	Rawatsar	B.T. Cotton	NA	1000	100	0
<b>Madhya Pradesh</b>	Khandwa	Mech-1	1500	Closed	0	0
	Khargaon	Mech-1	4500	Closed	9200	0
<b>Maharashtra</b>	Amravati	Mech-1	NR	0	26000	0
	Jamner	Medium Staple	NA	0	0	0
<b>Telangana</b>	Adilabad	Un-Ginned	17894.5	0	15489.5	0
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	1074	0	2088	313
<b>Karnataka</b>	Bijapur	Bunny	2132	1149	0	318
	Raichur	H-44 Cotton	11	0	10	7
<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>26-May-23</b>	<b>19-May-23</b>	<b>26-Apr-23</b>	<b>26-May-22</b>
<b>Punjab</b>	Bhatinda	J-34	NA	0	0	0
	Abohar	J-34	51	68	102	0
<b>Haryana</b>	Sirsa	J-34	85	170	170	85

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63000	64840	<b>-1840</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63500	65340	<b>-1840</b>
J-34(202)	26mm	3.5 - 4.9	23	54280	57500	<b>-3220</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	55060	57620	<b>-2560</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	56880	59660	<b>-2780</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	58260	60860	<b>-2600</b>
DCH-32(107)	34mm	3.0 - 3.8	33	72540	75200	<b>-2660</b>

### Cottonseed and oilcake Prices:

#### Cotton Seed & Oil Cake Weekly

Cotton Seed Oil Cake Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Punjab	Bhatinda (Pakki)	3310	3408	-98
Punjab	Ludiana	3712	3785	-73
Haryana	Sirsa	3055	3134	-79
Haryana	Hisar	3075	3154	-79
Rajasthan	Hanumangarh	2975	3054	-79
Rajasthan	Vijaynagar	3025	3104	-79
Madhya Pradesh	Indore	2973	3090	-118
Madhya Pradesh	Khargone	2914	2998	-84
Maharastra	Wani	3039	3073	-34
Maharastra	Malkapur	2948	3015	-68
Telegana	Warangal	2787	2850	-63
Telegana	Adilabad	2800	2850	-50
Karnatka	Dharwad	2850	2850	Unch
Karnatka	Hubli	3050	3050	Unch
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2725	2858	-133

Cotton Seed Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	22nd May'23 to 27th May'23	15th May'23 to 20th May'23	
Punjab	Mansa	3252	3325	-73
Punjab	Bhatinda	3218	3408	-190
Haryana	Adampur	3330	3409	-79
Haryana	Charkhi Dadari	3230	3309	-79
Rajasthan	Hanumangarh	3375	3454	-79
Rajasthan	Bikaner	3408	3504	-96
Madhya Pradesh	Sendhwa	2746	2975	-229
Madhya Pradesh	Barwaha	2758	2875	-117
Maharastra	Malkapur	2858	2983	-125
Maharastra	Akot	3017	3167	-150
Telegana	Madnoor	2867	3015	-148
Telegana	Jangaon	2879	3042	-163

Karnatka	Bijapur	2767	2905	-138
Karnatka	Hubli	2767	2905	-138
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2704	2867	-163
Gujarat	Kadi	2754	2900	-146

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