

**COTTON WEEKLY RESEARCH REPORT**19<sup>th</sup> Jun 2023**Domestic market summary****Major Market Highlights:**

- Cotton sowing has been progressing for the 2023-24 season. During the 2022-23 season, around 128 lakh hectares was under cotton cultivation across India.
- Daily arrival of cotton in India has declined to approximately 46,000 to 56,000 bales last week.
- **Domestic markets in Gujarat and Rajasthan were closed due to heavy rainfall and landfall of cyclone Biparjoy.**
- As per GujCot Association, despite good production, cotton arrivals in Gujarat till May 2023 have reached 75 lakh bales which is comparatively lower than last year as farmers are holding stock in anticipation of better price. Presently, cotton arrivals are at around 20,000 bales per day. Moreover, around 18 lakh bales are expected to arrive till September 2023.
- Currently, spinning mills in Gujarat are running at about 80% of capacity and yarn prices are around Rs 250 per kg for the 30-comb variety.
- As per the market sources, cotton sowing in Gujarat, has increased by nearly 43% with 60,908 hectares against 42,516 hectares during the previous season.

**Sowing Update:**

- **Punjab:** AgriWatch estimates that cotton sowing in Punjab will reduce in the 2023-24 season despite the state government offering a 33% subsidy on BT cotton seed for the 2023-24 season. Currently, cotton sowing has only covered around 1.75 lakh hectares against 2.48 lakh hectares during the last season at this time, as per data released by the state government.
- Cotton acreages in Punjab has fallen to 1.75 lakh hectares for the 2023-24 season, falling short of the state government's target of 3 lakh hectares by 42%, with the lowest-ever area recorded under cotton farming. The cotton yield in the state has decreased by 45% compared to the previous year.
- **Haryana:** Cotton sowing in Haryana has reached 6.40 lakh hectares as compared to previous 5.75 lakh hectares in 2022-23 season. Cotton sowing has increased this year by around 10% in areas like Adampur, Hisar, Bhiwani, Rewari etc.

- **Andhra Pradesh:** Cotton sowing in Andhra Pradesh has been progressing and had reached 0.13 lakh hectares as on 14<sup>th</sup> June' 23 compared to 0.26 lakh hectares in the 2022-23 season. A.P Cotton sowing targeted area is around 6.18 lakh hectares for the 2023-24 season.

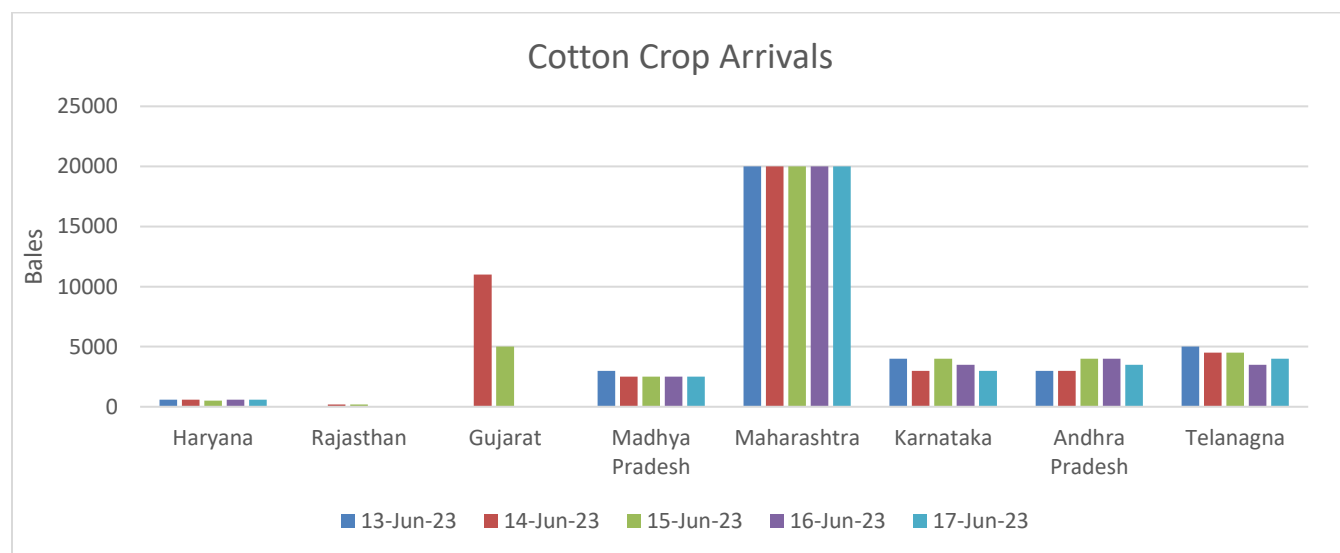
### Production Estimate:

- As per the sources, the Cotton Association of India (CAI) will hold a meeting of cotton stakeholders on 10 July to estimate accurate cotton crop for the 2022-23 season. The decision has come after different agencies, including the CAI, the Ministry of Agriculture and Farmers' Welfare, and the Committee on Cotton Production and Consumption, released sharply differing crop numbers.

Cotton Crop Estimate	2022-23 Season
Committee on Cotton Production and Consumption (CCPC)	337.24
Government of India (GOI)	343.40
Cotton Association of India (CAI)	298.65
AgriWatch	334.10

Unit: Lakh Bales

### Cotton Crop Arrival



All India Cotton Arrivals 2022-23	
This Week	6 Lakh Bales
Cumulative Arrival	268 Lakh Bales

Cotton Consumption	206 Lakh Bales
Exports	12.0 lakh Bales
Import	11.20 lakh Bales

### **Price Forecast for the coming week**

Months	Past Week	Coming week
Price per quintal at Mehsana	7250	7200-7450

### **Cotton Stock Summary**

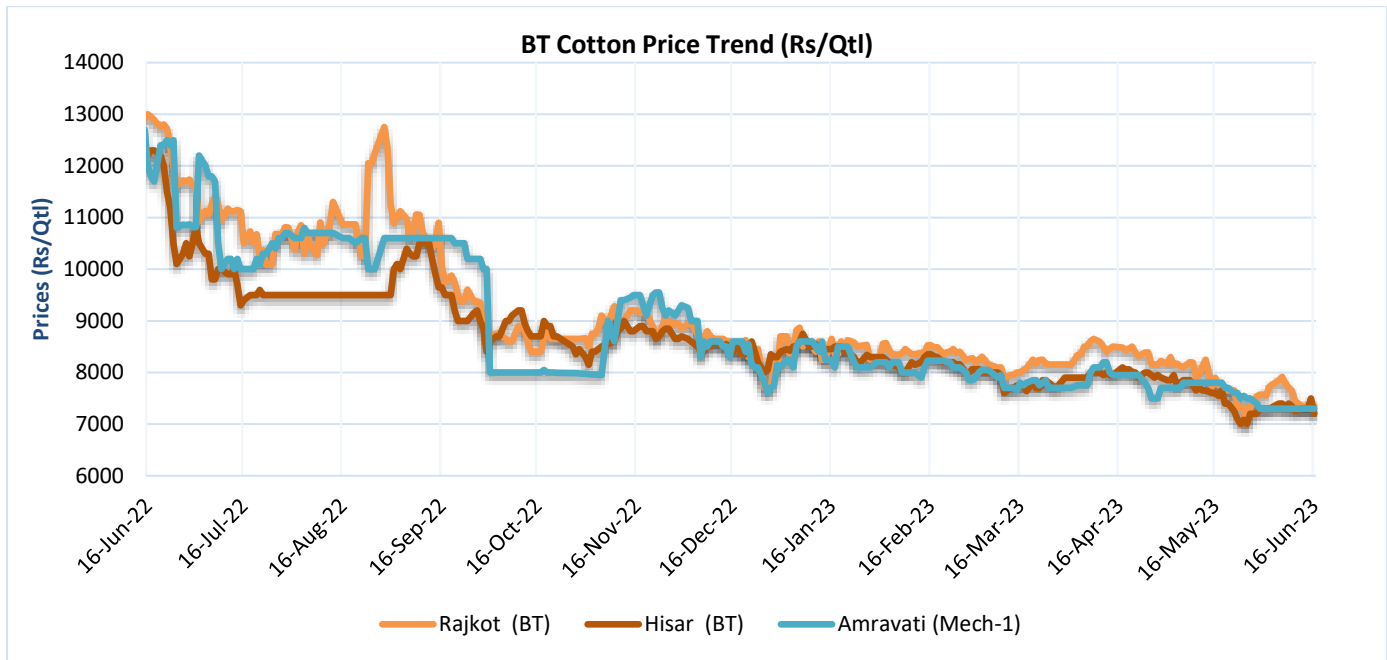
Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
48.00	37.00	85.00

Unit: Lakh Bales

### **Domestic Cotton Prices Scenario**

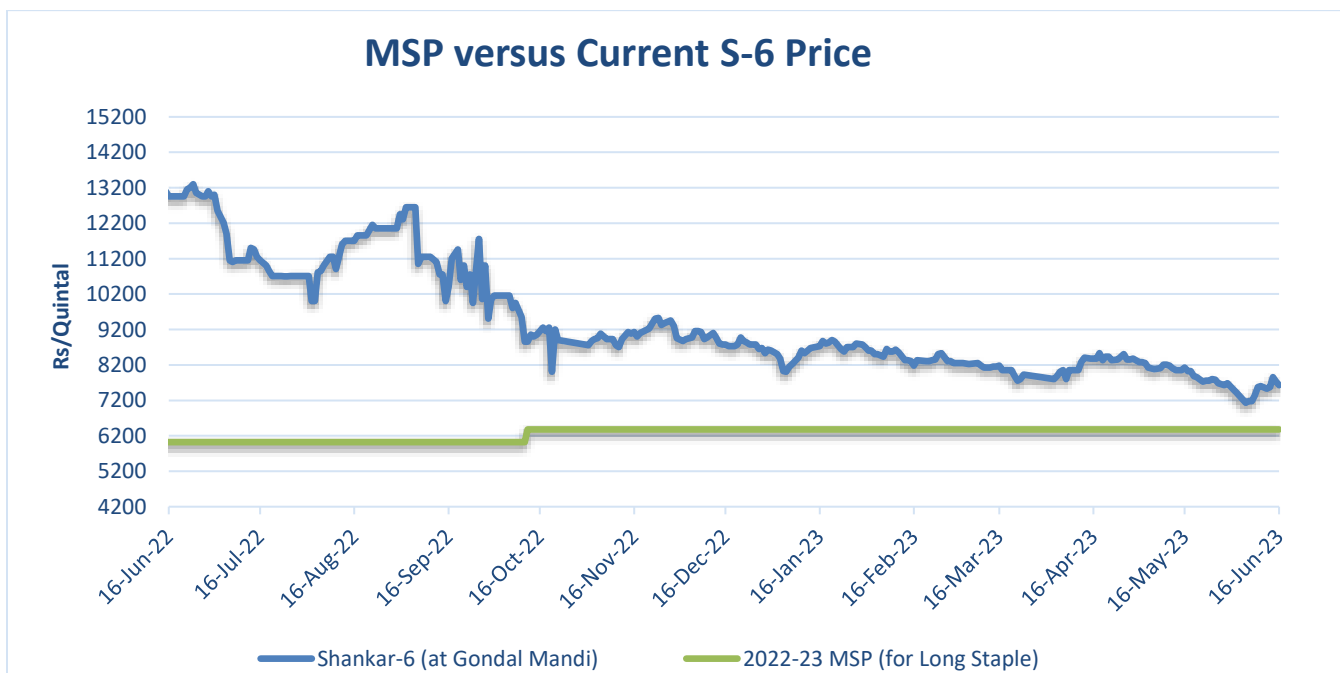
#### **Kapas (Raw Cotton) Weekly Price Scenario**

**Weekly Price Review:** Weekly BT Cotton average prices at Rajkot stood lower at Rs. 7,350/Qtl compared to the previous week's Rs. 7,783/Qtl. Cotton prices in Hisar too were lower at Rs. 7320 per quintal during the past week. Gujarat market was mostly closed during the past week due to Cyclone Biparjoy.



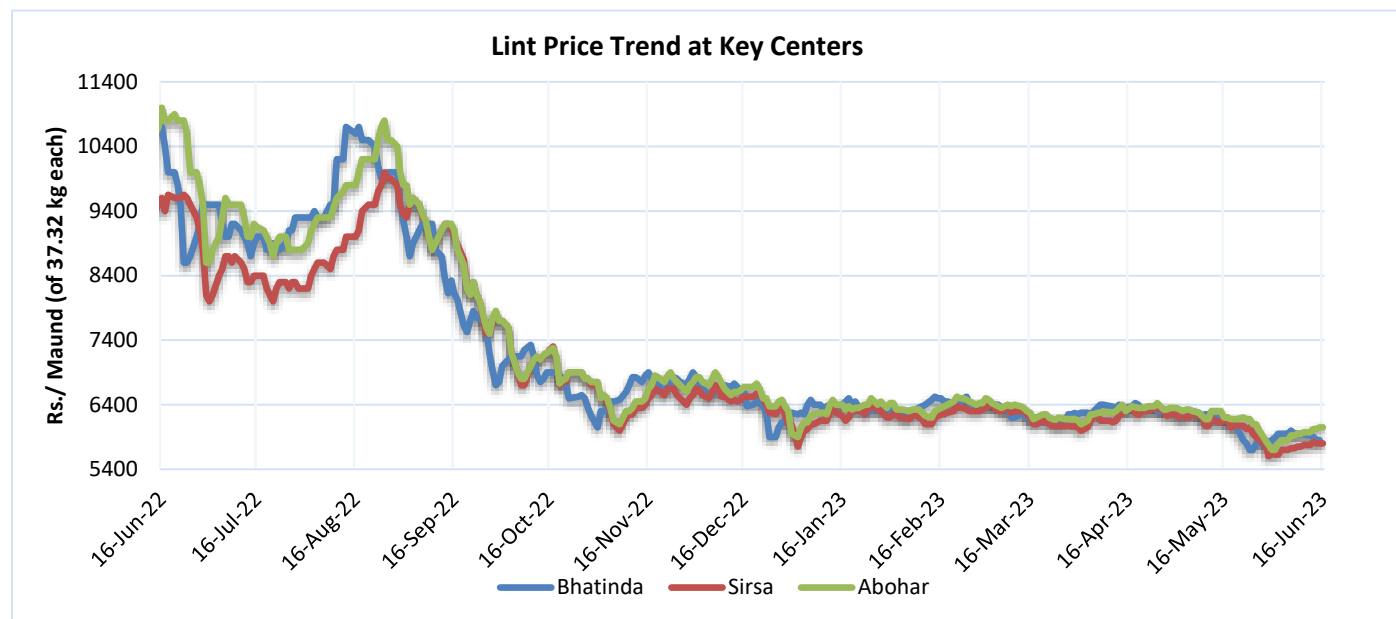
### Spot Price Comparison

Cotton Shanker-6 at Gondal market traded lower at Rs.7,355 per quintal against the previous week price of Rs. 7,655 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.



## Lint price Outlook

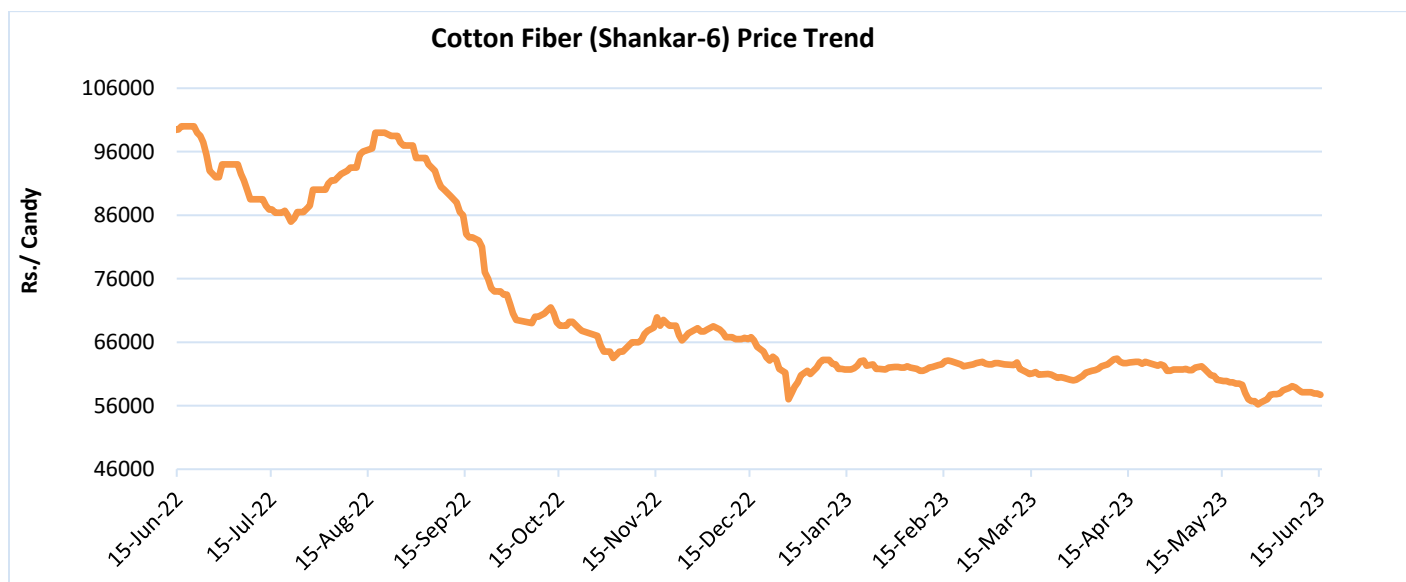
The average price stood almost stable at Rs. 6010/maund unchanged from previous week in Abohar, in Bhatinda prices were lower at Rs. 5895/maund, and in Sirsa were at Rs. 5720/maund from Rs. 5795/maund previous week.



Source: Agriwatch

## Cotton Fiber Price Outlook

The average cotton fiber (Shankar-6) premium quality is currently at trading Rs.57,725/candy and is likely to trade rangebound in the coming weeks as cotton arrivals have decreased in the market.



Source: Cotton Association of India (CAI)

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

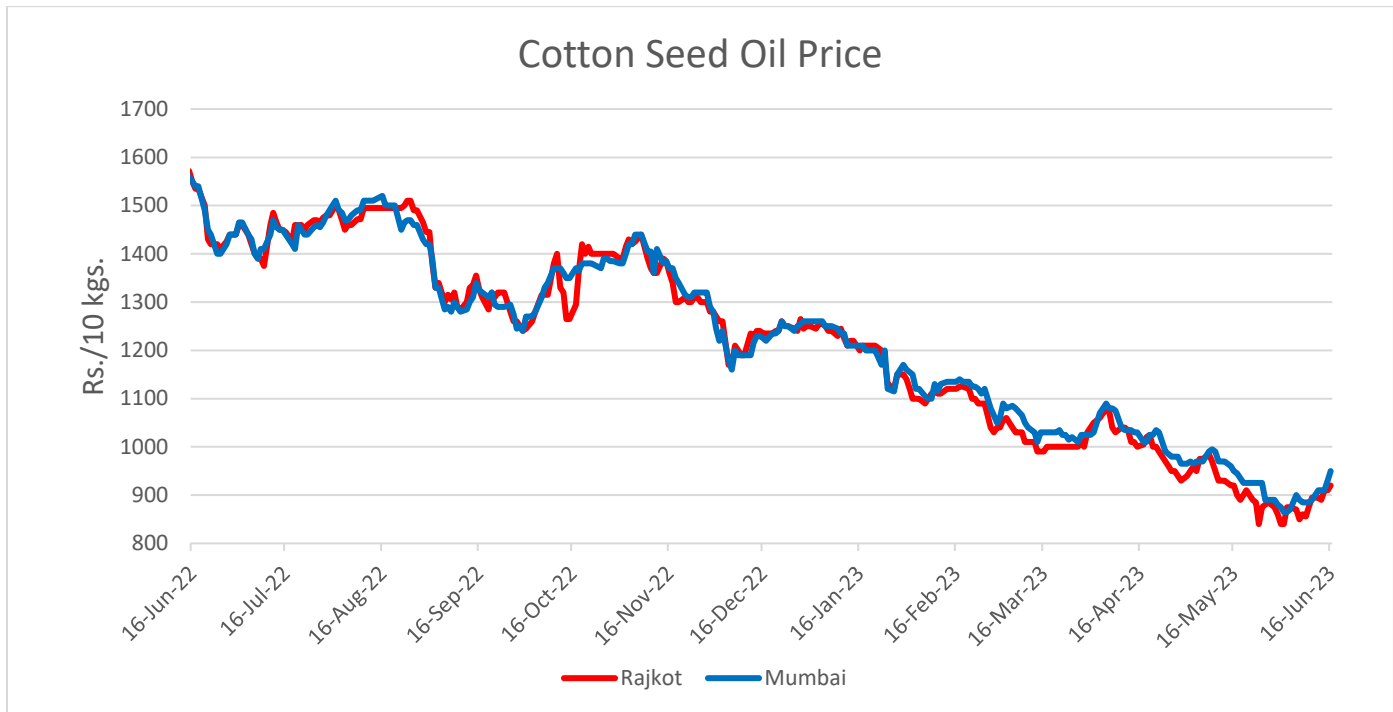
### **Cotton Seed Oil weekly**

#### **Price Scenario**

Cottonseed oil prices have shown a bullish trend across the major centers during the week ending on 16<sup>th</sup> June 2023 in tandem with all the edible oils. The demand during the past week has improved due to cyclone Biparjoy situation.

Centre	Weekly Average Price as on (Rs/10 kg.)		% Change
	16-Jun-23	08-Jun-23	
<b>Rajkot</b>	903	864	<b>4.55</b>
<b>Mumbai</b>	917	883	<b>3.81</b>

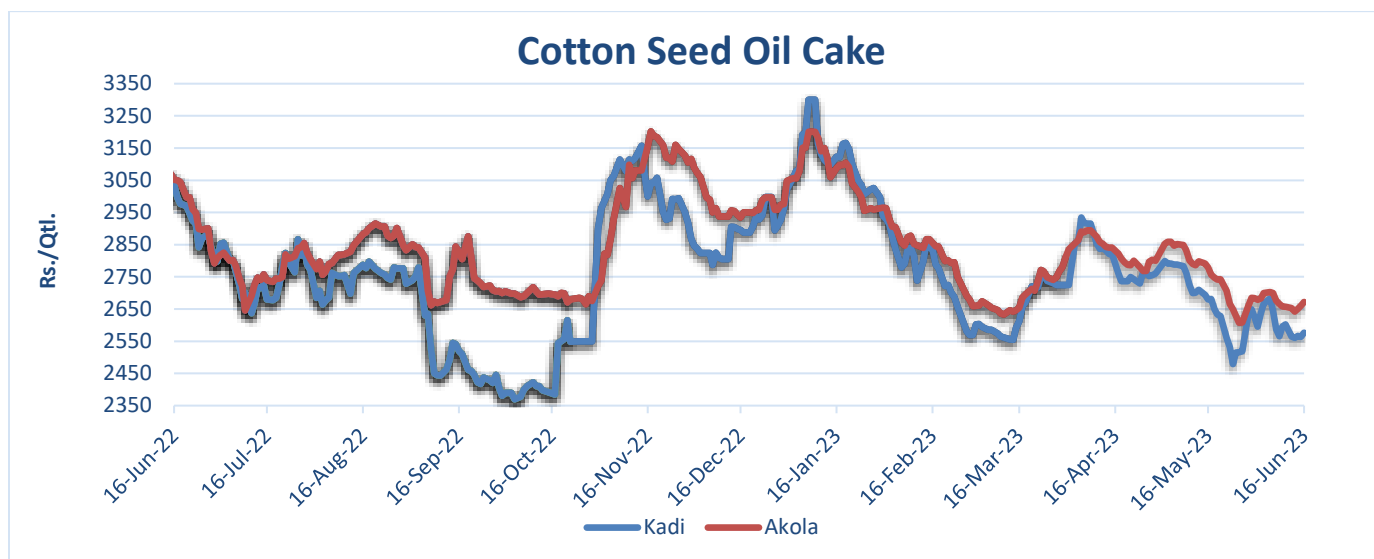
Source: Agriwatch



### Cotton Seed Oil Cake Weekly Price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased due to weak demand as compared to the previous week. Prices in Kadi were at Rs. 2572 per quintal from Rs. 2631 per quintal and in Akola prices were at Rs. 2656 per quintal from Rs. 2688 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	16-Jul-23	08-Jul-23	
Kadi	2572	2631	-2.23
Akola	2656	2688	-1.20



Source: Agriwatch

### NCDEX Cottonseed oilcake

Expiry Date	16.06.23	09.06.23	Change
<b>Jun</b>	2593	2506	87
<b>Jul</b>	2590	2530	60
<b>Aug</b>	2624	2563	61

### International Market Scenario

- The USDA's crop progress report for the week ending on 11<sup>th</sup> June '23 indicates that 81% of the cotton crop was planted which was 71% in previous week and 89% in previous year. Cotton squaring stands at 11% which was 6% previous season. Around 43% of the crop is in good condition as compared to previous week 40%, around 13% of the crop is in poor condition.
- According to USDA WASDE Report, for the 2022-23 season, global cotton production is unchanged at 116.3 million bales as lower crops across West Africa (including Benin, Mali, and Cote d'Ivoire) are offset by higher production in India and Brazil. Consumption is projected down 500,000 bales this month to 109.1 million with lower use in Bangladesh, Indonesia, and the United States.
- Global imports are forecast down at 37.1 million. Imports are lowered for Bangladesh, China, and Indonesia, reflecting trade-to-date and mostly lower consumption prospects. Exports are down as



lower Brazil, India, Argentina, and West Africa shipments offset higher U.S. exports which are raised 400,000 bales to 13.0 million.

- Global ending stocks are up slightly to 92.9 million bales, nearly 7.0 million higher compared with the previous year.

### **USDA Balance Sheet**

<b>World Cotton Balance Sheet</b>			
	<b>2020-21</b>	<b>2021-22#</b>	<b>2022-23*</b>
<b>Area Harvested</b>	31,299	32,486	31,724
<b>Yield</b>	774	775	798
<b>Opening Stock</b>	98,234	86,217	86,159
<b>Production</b>	1,11,273	1,15,780	1,16,315
<b>Imports</b>	48,561	42,620	37,132
<b>Exports</b>	48,872	42,998	37,783
<b>Domestic Consumption</b>	1,23,118	1,15,899	1,09,093
<b>Ending Stock</b>	86,217	86,159	92,887

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 93.17 cents/lb lower by 2.27% as compared to the previous week.

<b>Cotlook A Index</b>	<b>Weekly Average Price change as on</b>		<b>% Change</b>
	<b>15-Jun-23</b>	<b>07-Jun-23</b>	
<b>Prices</b>	93.17	95.33	<b>-2.27</b>
Prices in US cents per Pound			

Source: Cotlook

### Cotlook A Index

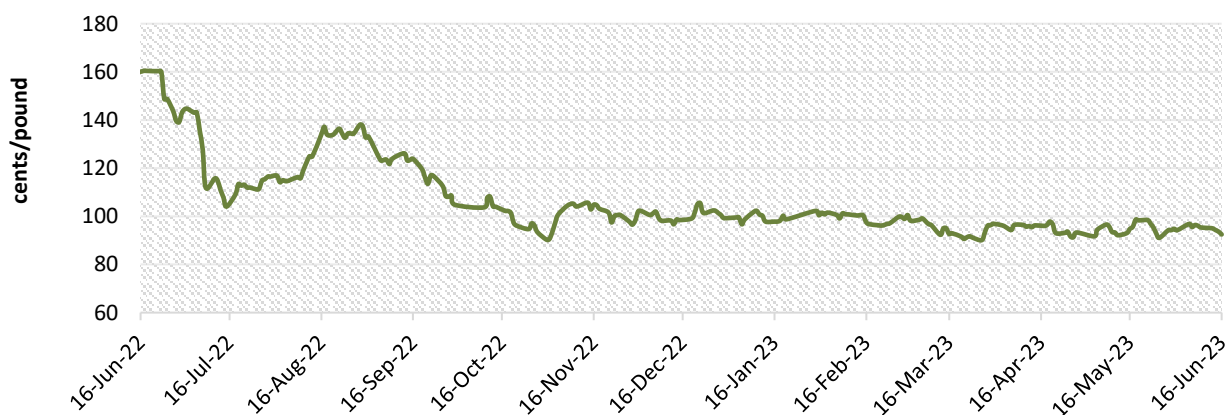


### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	16-Jun-23	08-Jun-23	
FC (S)	96.11	97.67	-1.60
FC (M)	94.08	95.81	-1.80
FC (L)	93.08	94.79	-1.80
Prices in US cents per Pound			

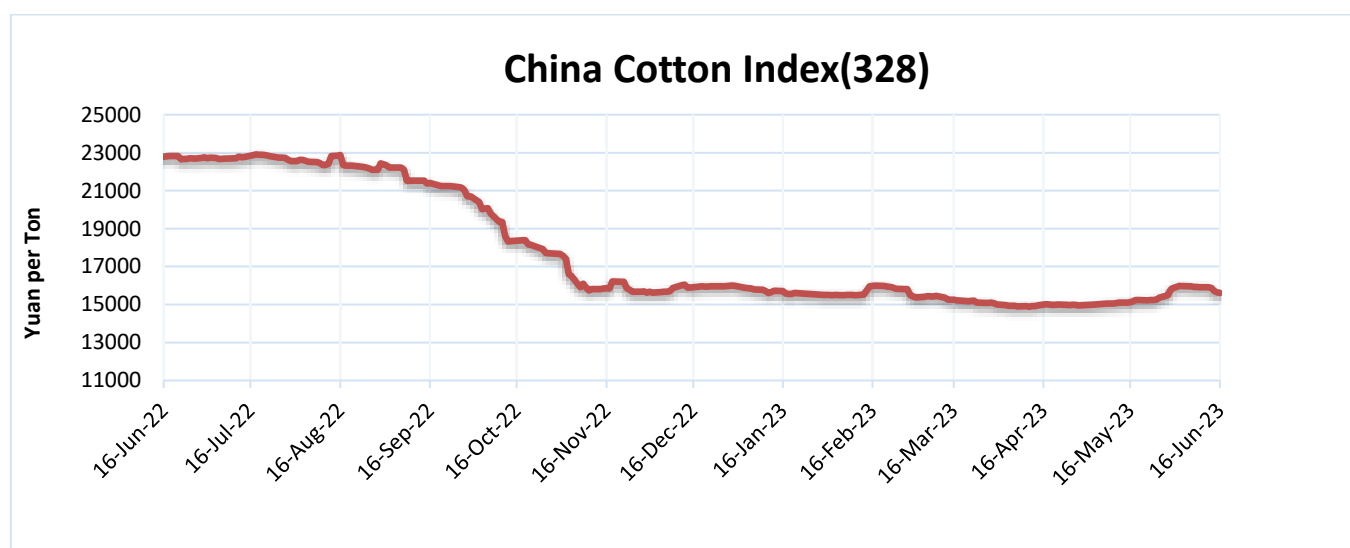
Source: China Cotton Association

### FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	16-Jun-23	08-Jun-23	
CCIndex(328)	17480.00	17058.80	2.47
CCIndex(527)	16104.20	15735.40	2.34
CCIndex(229)	17705.60	17295.00	2.37
Prices in Yuan per ton			

Source: China Cotton Association

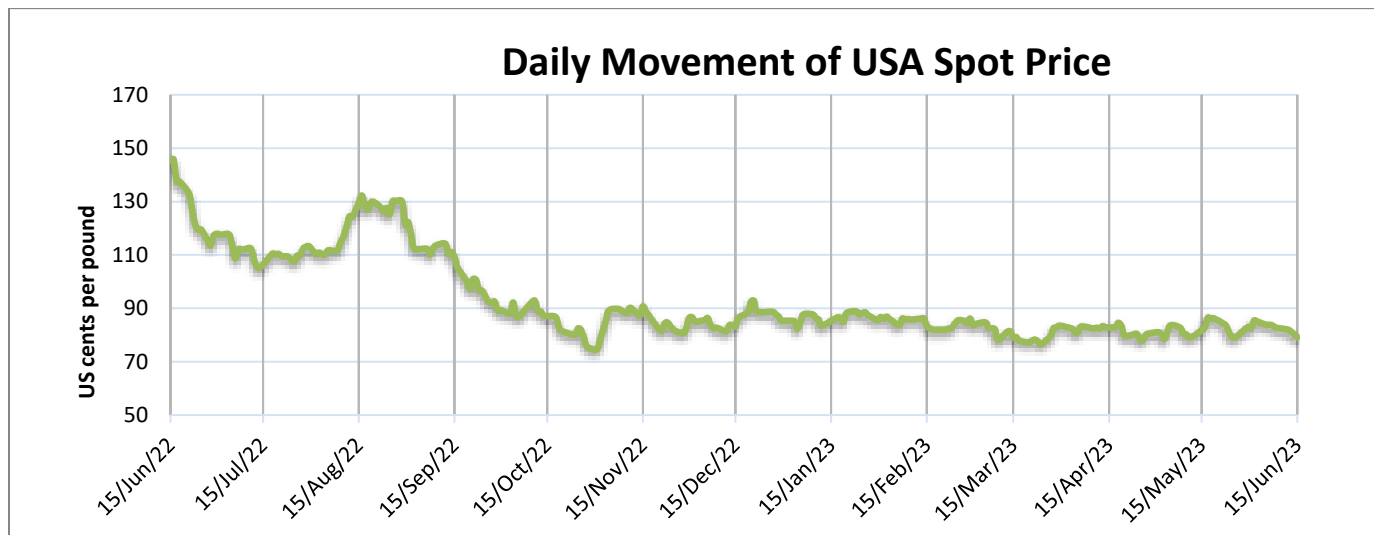


## USA Spot Prices

U.S.A spot prices was at 81.04 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	15-Jun-23	07-Jun-23	
Prices	81.04	84.32	-3.89
Prices in US cents per Pound			

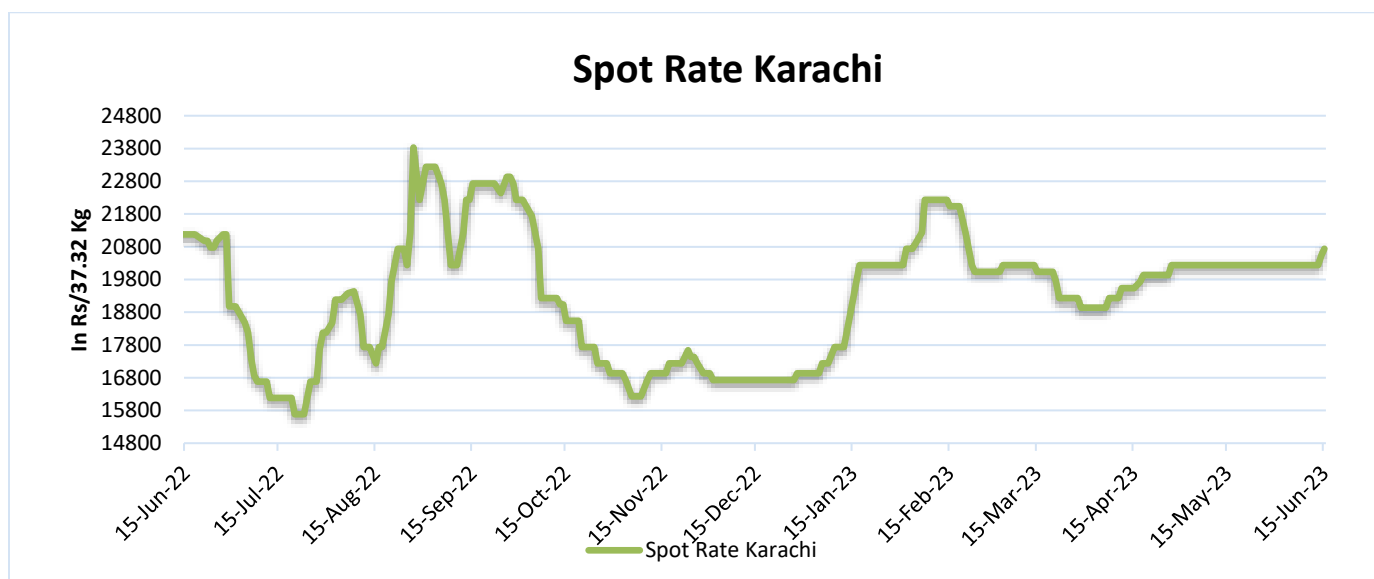
Source: USDA



## Pakistan Spot Prices

The Karachi spot price traded higher and were at Rs. 20660/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	15-Jun-23	08-Jun-23	
Prices	20660	20235	2.10
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 sideways market condition during the last week.
- Both momentum indicator MACD and Oscillator RSI further pointing towards a weak market condition.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jun	2478	2528	2594	2754	2769
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jun	Wait	2604	2569	2544	2625

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



- The Jul'23 contract has corrected during the last week.
- Total volume decreased & Open Interest slightly decreased 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	80-82

### Expected Support and Resistance

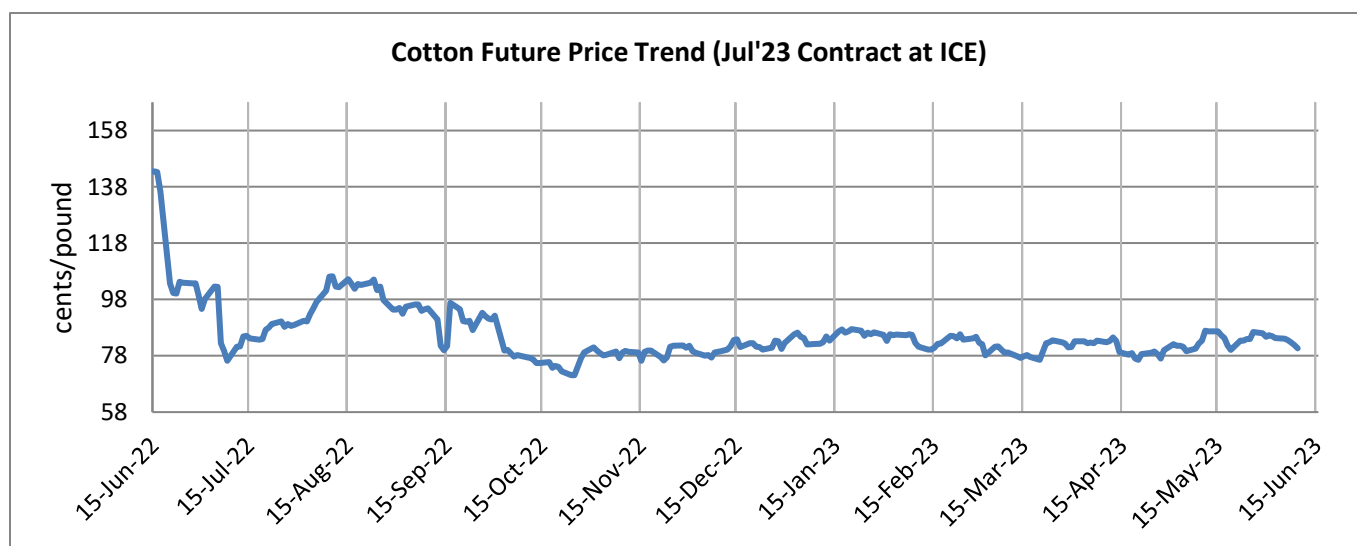
Support 1	Support 2	Resistance 1	Resistance 2
81.40	80.35	82.50	83.75

Figures in US cents/pound

## Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	15-Jun-23	16-May-23	17-Mar-22	17-Dec-22	15-Jun-22	% Change over a month	% Change over previous year
Jul-23	80.64	83.38	78.44	82.03	142.82	-3.29	-43.54
Oct-23	81.88	83.51	79.56	80.68	125.31	-1.95	-34.66
Dec-23	79.60	82.50	79.51	80.22	118.07	-3.52	-32.58
Mar-24	79.71	82.30	79.00	81.92	113.60	-3.15	-29.83
May-24	80.06	82.11	77.83	82.08	110.23	-2.50	-27.37

## Future Price Trend (Active Contract):



## Cotton Yarn

- As per the market sources, Polyester-cotton (PC) and poly spun yarn prices remained steady in the Indian markets as demand remained bearish. The markets in Ludhiana and Surat witnessed lower-than-average demand, causing buyers to remain silent.
- Market sentiments were further dampened due to the fear of cyclone Biparjoy. The production activities in Gujarat slowed down due to precautionary restrictions imposed by the local administration.
- Cotton yarn prices in south India remain stable, with increased demand potentially signaling gains next week. Whereas, Mumbai and Tiruppur markets held steady.

### Cotton Domestic Weekly Price:

**Few markets in Gujarat and Rajasthan were closed due to Cyclone Biparjoy**

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	12th Jun'23 to 17th June'23	05th Jun'23 to 10th June'23	
Gujarat	Ahmedabad	Shankar-6	7500	7558	-58
	Gondal	Shankar-6	7355	7613	-258
	Rajkot	B.T. Cotton	7400	7731	-331
	Patan	B.T. Cotton	7490	7730	-240
	Kadi	B.T. Cotton	7250	7500	-250
	Deesa	B.T. Cotton	Closed	1102	-
	Dhrol	B.T. Cotton	Closed	7508	-
Haryana	Bhiwani	B.T. Cotton	7325	7350	-25
	Adampur	B.T. Cotton	7292	7363	-71
	Fatehabad	B.T. Cotton	7138	7116	21
Rajasthan	Hanumangarh	B.T. Cotton	7550	7383	167
	Rawatsar	B.T. Cotton	5970	7340	-1370
Telangana	Adilabad	Un-Ginned	6820	7033	-212
Andhra Pradesh	Adoni	Un-Ginned	7239.8	7328.4	-89
Karnataka	Bijapur	Bunny	7622	7898	-276
	Raichur	H-44 Cotton	7170	7263	-93
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	12th Jun'23 to 17th June'23	05th Jun'23 to 10th June'23	
Punjab	Bhatinda	J-34	5896	5958	-63
	Abohar	J-34	6004	6013	-8
Haryana	Sirsa	J-34	5708	5796	-88
Rajasthan	Sri-Ganganagar	J-34	5687	5687	Unch

#### Cotton Arrivals in Key Centers:



Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th Jun'23 to 17th June'23	05th Jun'23 to 10th June'23	
<b>Gujarat</b>	Ahmedabad	Shankar-6	34000	49867	<b>-15867</b>
	Gondal	Shankar-6	6875	7025	<b>-150</b>
	Rajkot	B.T. Cotton	600	1274	<b>-674</b>
	Patan	B.T. Cotton	1172	1081	<b>91</b>
	Kadi	B.T. Cotton	15000	12500	<b>2500</b>
<b>Haryana</b>	Bhiwani	B.T. Cotton	425	400	<b>25</b>
	Adampur	B.T. Cotton	374	425	<b>-51</b>
	Fatehabad	B.T. Cotton	25	23	<b>3</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	280	400	<b>-120</b>
	Rawatsar	B.T. Cotton	280	400	<b>-120</b>
<b>Telangana</b>	Adilabad	Un-Ginned	749	1075	<b>-326</b>
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	884	391	<b>493</b>
<b>Karnataka</b>	Bijapur	Bunny	2226	1520	<b>706</b>
	Raichur	H-44 Cotton	7	11	<b>-3</b>
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	12th Jun'23 to 17th June'23	05th Jun'23 to 10th June'23	
<b>Punjab</b>	Bhatinda	J-34	Closed	Closed	-
	Abohar	J-34	58	82	<b>-24</b>
<b>Haryana</b>	Sirsa	J-34	84	78	<b>6</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	Closed	Closed	-

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				12th Jun'23 to 17th June'23	05th Jun'23 to 10th June'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64080	64360	<b>-280</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64580	64860	<b>-280</b>
J-34(202)	26mm	3.5 - 4.9	23	54920	55000	<b>-80</b>

H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	55620	57140	<b>-1520</b>
Shankar-6(105)	29mm	3.5 – 4.9	28	57640	58540	<b>-900</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	58580	60180	<b>-1600</b>
DCH-32(107)	34mm	3.0 - 3.8	33	71760	72140	<b>-380</b>

### **Cottonseed and oilcake Prices:**

Cotton Seed Oil Cake Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	12th Jun'23 to 17th Jun'23	05th Jun'23 to 10th Jun'23	
Punjab	Bhatinda (Pakki)	3358	3403	<b>-45</b>
Punjab	Ludiana	3725	3753	<b>-28</b>
Haryana	Sirsa	3005	3055	<b>-50</b>
Haryana	Hisar	3025	3075	<b>-50</b>
Rajasthan	Hanumangarh	2925	2975	<b>-50</b>
Rajasthan	Vijaynagar	2975	3025	<b>-50</b>
Madhya Pradesh	Indore	3025	3060	<b>-35</b>
Madhya Pradesh	Khargone	2950	2985	<b>-35</b>
Maharastra	Wani	3075	3123	<b>-48</b>
Maharastra	Malkapur	2975	3010	<b>-35</b>
Telegana	Warangal	2820	2870	<b>-50</b>
Telegana	Adilabad	2780	2780	<b>Unch</b>
Karnatka	Dharwad	2800	2800	<b>Unch</b>
Karnatka	Hubli	3050	3050	<b>Unch</b>
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2831	2828	<b>3</b>

Cotton Seed Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	12th Jun'23 to 17th Jun'23	05th Jun'23 to 10th Jun'23	
Punjab	Mansa	3208	3253	<b>-45</b>
Punjab	Bhatinda	3175	3303	<b>-128</b>
Haryana	Adampur	3271	3330	<b>-59</b>
Haryana	Charkhi Dadari	3138	3230	<b>-92</b>
Rajasthan	Hanumangarh	3325	3375	<b>-50</b>
Rajasthan	Bikaner	3375	3425	<b>-50</b>
Madhya Pradesh	Sendhwa	2846	2913	<b>-67</b>

Madhya Pradesh	Barwaha	2917	2933	-17
Maharashtra	Malkapur	2972	2950	22
Maharashtra	Akot	3072	3092	-20
Telegana	Madnoor	2950	3067	-117
Telegana	Jangaon	2900	3046	-146
Karnatka	Bijapur	2793	2942	-148
Karnatka	Hubli	2793	2942	-148
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2767	2813	-46
Gujarat	Kadi	2800	2825	-25

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