

COTTON WEEKLY RESEARCH REPORT

10th Jul 2023

Domestic market summary
Major Market Highlights:

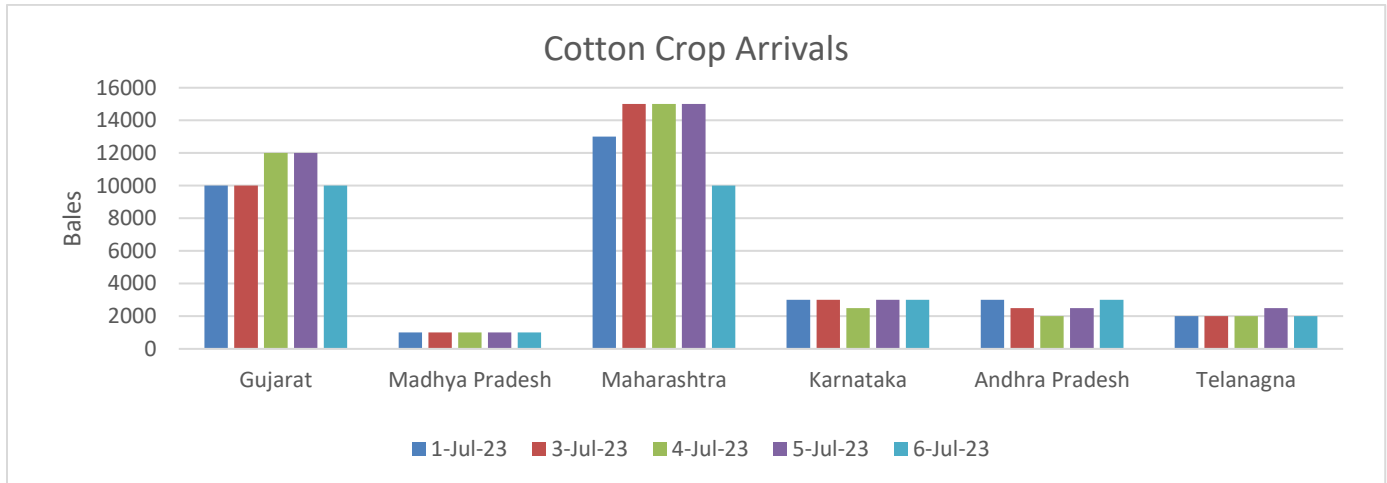
- Daily arrival of cotton in India has declined to 30,000 - 34,000 bales last week.
- There are reports of Pink Bollworm infestation in a few areas of northern states of Punjab, Haryana, and Rajasthan. However, the infestation is below ETL.
- Lack of international demand for yarn and textile products has impacted the prices of raw cotton in India, making it difficult to increase demand in the short run.

Sowing Update:

State	Cotton Sowing progress as on 07th July'23		
	(Lakh Ha)		% Change
	2023	2022	
Andhra. Pradesh	0.57	0.9	-36.67
Gujarat	20.25	15.56	30.14
Haryana	6.54	6.5	0.62
Karnataka	1.571	3.452	-54.49
Madhya. Pradesh	4.58	3.5	30.86
Maharashtra	17.21	27.62	-37.69
Punjab	1.7	2.49	-31.73
Rajasthan	7.52	6.02	24.92
Tamil. Nādu	0.07	0.08	-12.50
Telangana.	10.06	12.12	-17.00
Uttar. Pradesh	0.17	0.25	-32.00
Total	70.55	79.15	-10.87
Source: NFSM			

For the coming week, we expect sowing to get delay as heavy rains are expected in the key growing states of cotton.

Cotton Crop Arrival



All India Cotton Arrivals 2022-23	
This Week	4 Lakh Bales
Cumulative Arrival	277 Lakh Bales
Cotton Consumption	215 Lakh Bales
Exports	12.0 lakh Bales
Import	11.40 lakh Bales

Price Forecast for the coming week

Months	Past Week	Coming week
Price per quintal at Rajkot	7275	7200-7350

We expect prices to increase in the coming week as arrivals have started declining in the market. Daily arrival of cotton in India has declined to approximately 30,000 - 32,000 bales last week.

Cotton Stock Summary

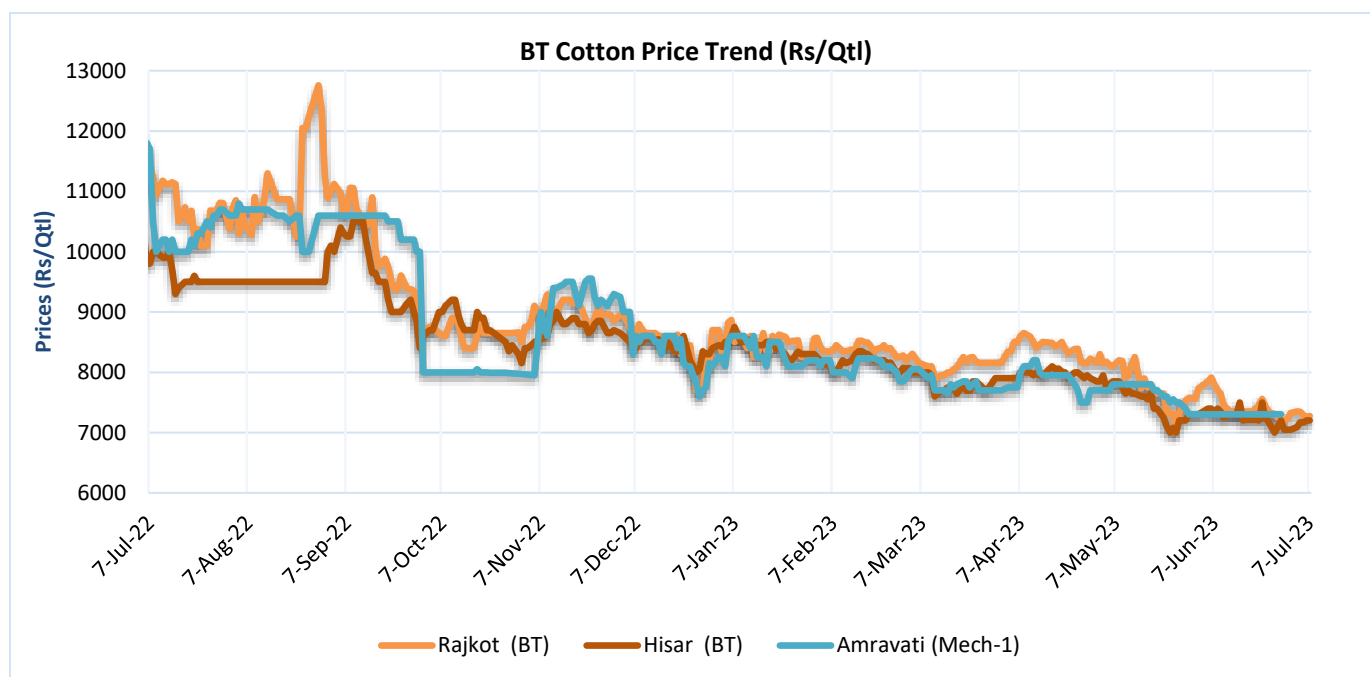
Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
45.00	36.00	81.00

Unit: Lakh Bales

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

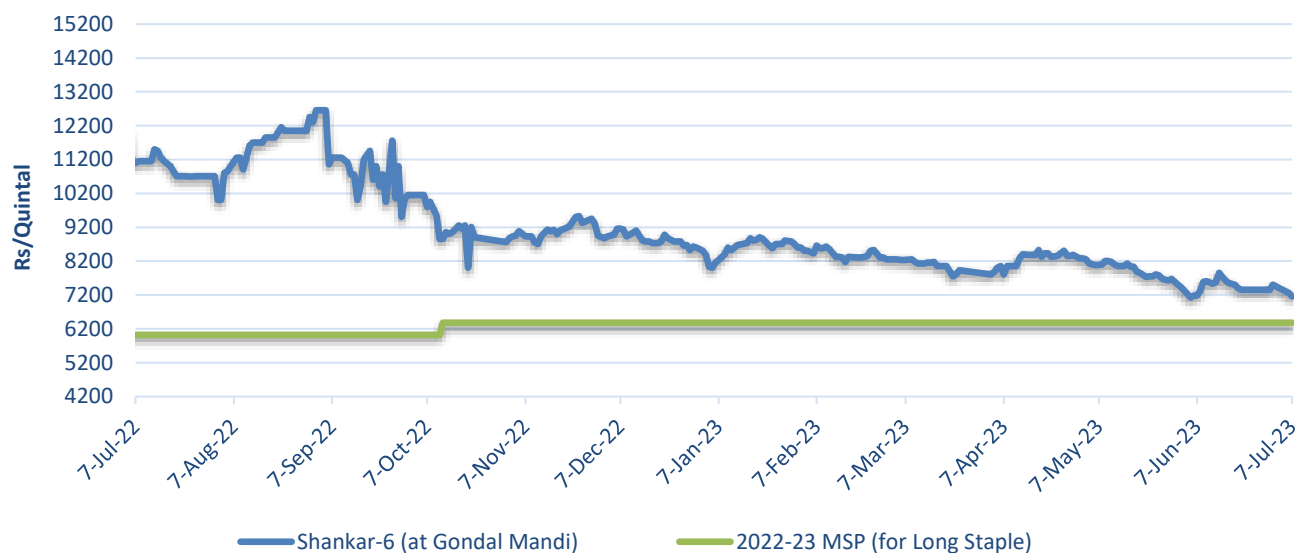
Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood at Rs. 7,302/Qtl compared to the previous week's Rs. 7,250/Qtl. Cotton prices in Hisar too were at Rs. 7166 per quintal during the past week.



Spot Price Comparison

Cotton Shanker-6 at Gondal market was slightly higher at Rs.7,255 per quintal against the previous week price of Rs. 7,146 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.

MSP versus Current S-6 Price



Lint price Outlook

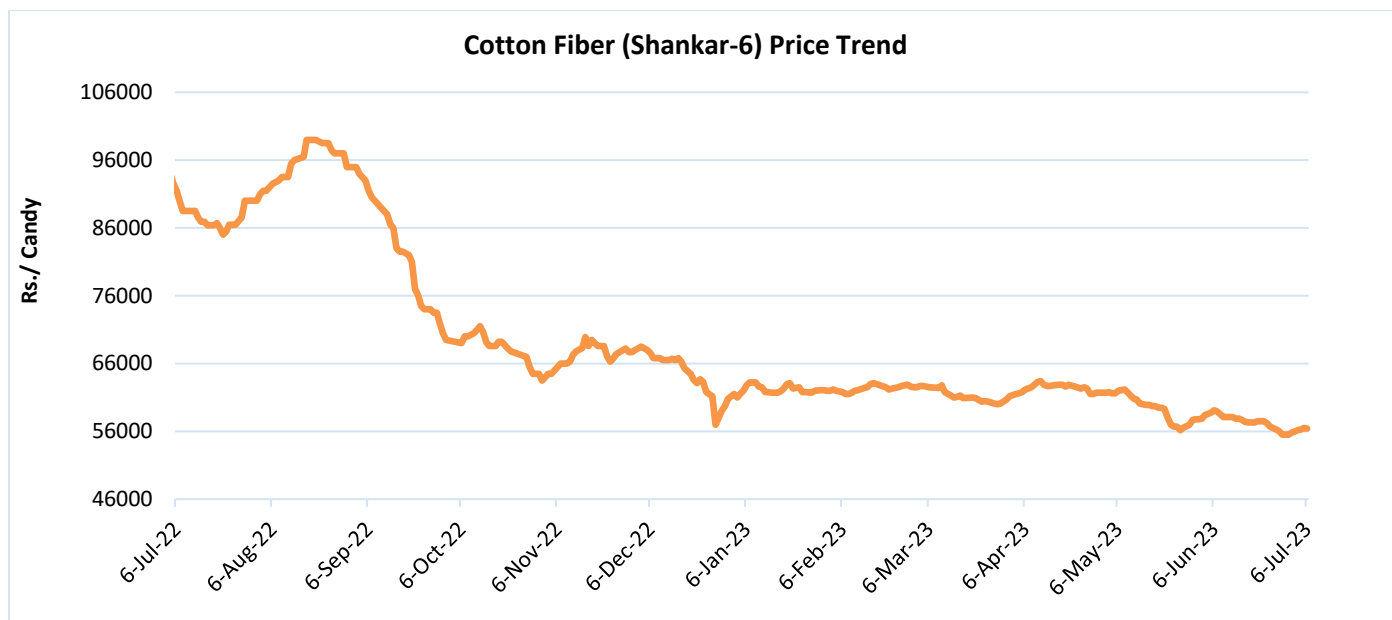
The average price stood at Rs. 5950/maund slightly higher from the previous week in Abohar, in Bhatinda prices were lower at Rs. 5945/maund, and in Sirsa were at Rs. 5603/maund from Rs. 5490/maund previous week.

Lint Price Trend at Key Centers



Cotton Fiber Price Outlook

The average cotton fiber (Shankar-6) premium quality is currently at Rs.56,300/candy and is likely to move rangebound in the coming week as cotton arrivals have decreased in the market.



Source: Cotton Association of India (CAI)

Cotton Seed Oil and Cotton Seed Oil Cake

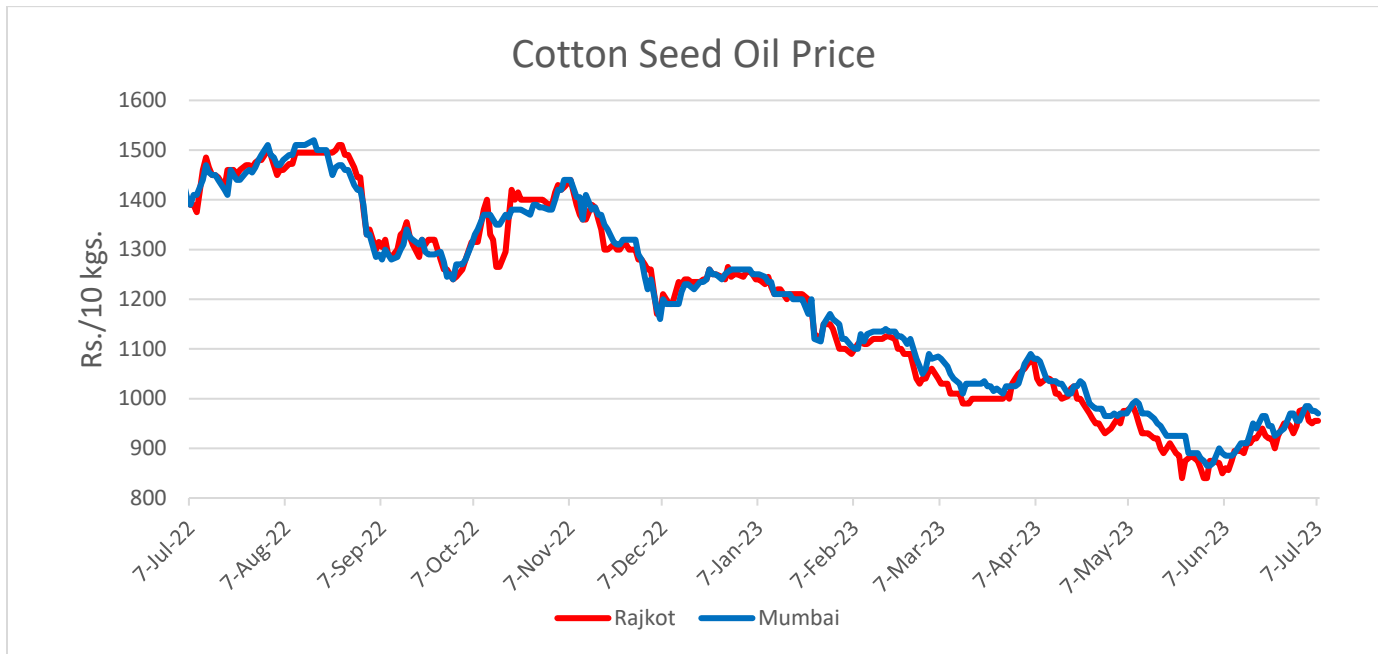
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a bullish trend across the major centers during the week ending on 07th July 2023, following all other edible oils.

Centre	Weekly Average Price as on (Rs/10 kg.)		% Change
	07-Jul-23	29-Jun-23	
Rajkot	962	933	3.07
Mumbai	974	948	2.76

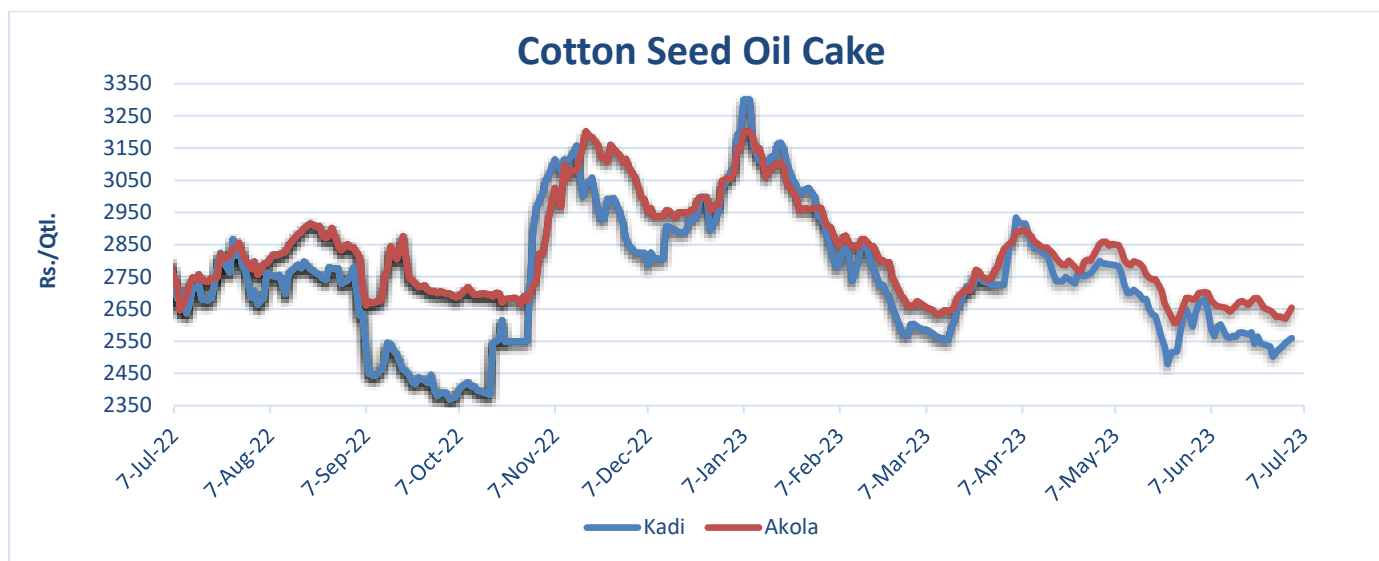
Source: Agriwatch



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. 2530 per quintal from Rs. 2537 per quintal and in Akola prices were at Rs. 2634 per quintal from Rs. 2643 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	07-Jul-23	29-Jun-23	
Kadi	2530	2527	0.12
Akola	2634	2643	-0.33



Source: Agriwatch

NCDEX Cottonseed oilcake

Expiry Date	08.06.23	30.06.23	Change
Jul	2429	2518	-89
Aug	2457	2543	-86

International Market Scenario

- As per the Center for Advanced Studies on Applied Economics (CEPEA), Cotton prices have significantly decreased in the Brazilian spot market towards the end of June. This reduction was aligned with trends in the international market, which were influenced by the forecast of favorable weather conditions in the United States, a decrease in oil prices, and a slow pace of US cotton sales.
- From May 31 to June 30, the CEPEA/ESALQ Index for cotton decreased by 12.51%, closing at BRL 3.5984 per pound on 30th June.
- The USDA's crop progress report for the week ending on 02nd July '23 indicates that Cotton squaring stands at 42% which was 28% the previous week. Around 41% of the crop is in good condition as compared to previous week 31%, around 14% of the crop is in poor condition.

USDA Balance Sheet

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

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

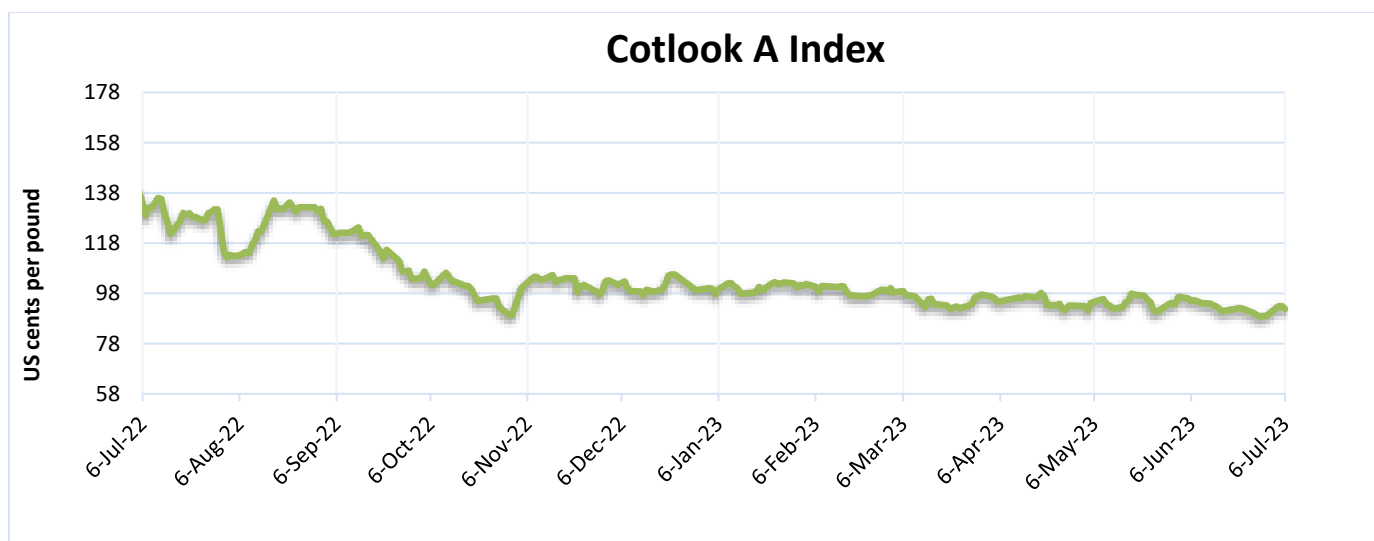
*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

Cotlook A Index

Cotlook A Index was at 91.70 cents/lb higher by 1.48% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	06-Jul-23	28-Jun-23	
Prices	91.70	90.36	1.48
Prices in US cents per Pound			

Source: Cotlook

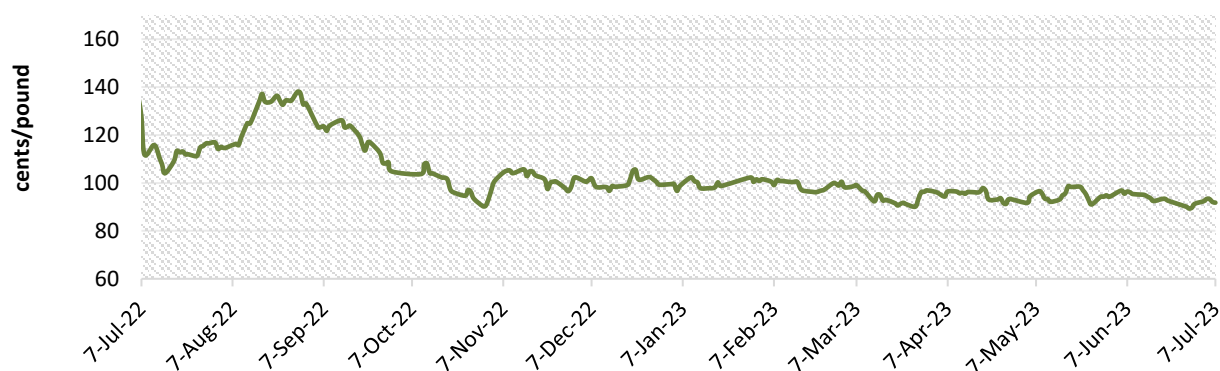


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	07-Jul-23	27-Jun-23	
FC (S)	94.66	91.94	2.96
FC (M)	92.56	89.74	3.14
FC (L)	91.56	88.72	3.20
Prices in US cents per Pound			

Source: China Cotton Association

FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	07-Jul-23	29-Jun-23	
CCIndex(328)	17420.75	17331.25	0.52
CCIndex(527)	16116.80	16042.60	0.46
CCIndex(229)	17660.60	17584.00	0.44
Prices in Yuan per ton			

Source: China Cotton Association

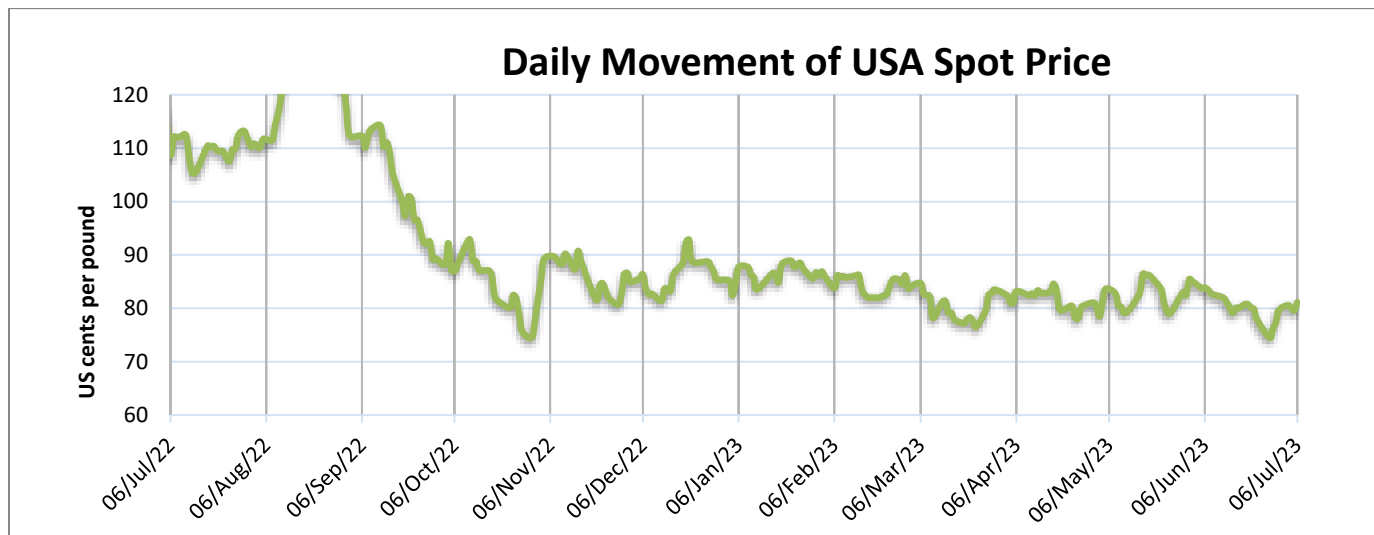


USA Spot Prices

U.S.A spot prices was at 79.61 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	06-Jul-23	28-Jun-23	
Prices	79.61	77.66	2.51
Prices in US cents per Pound			

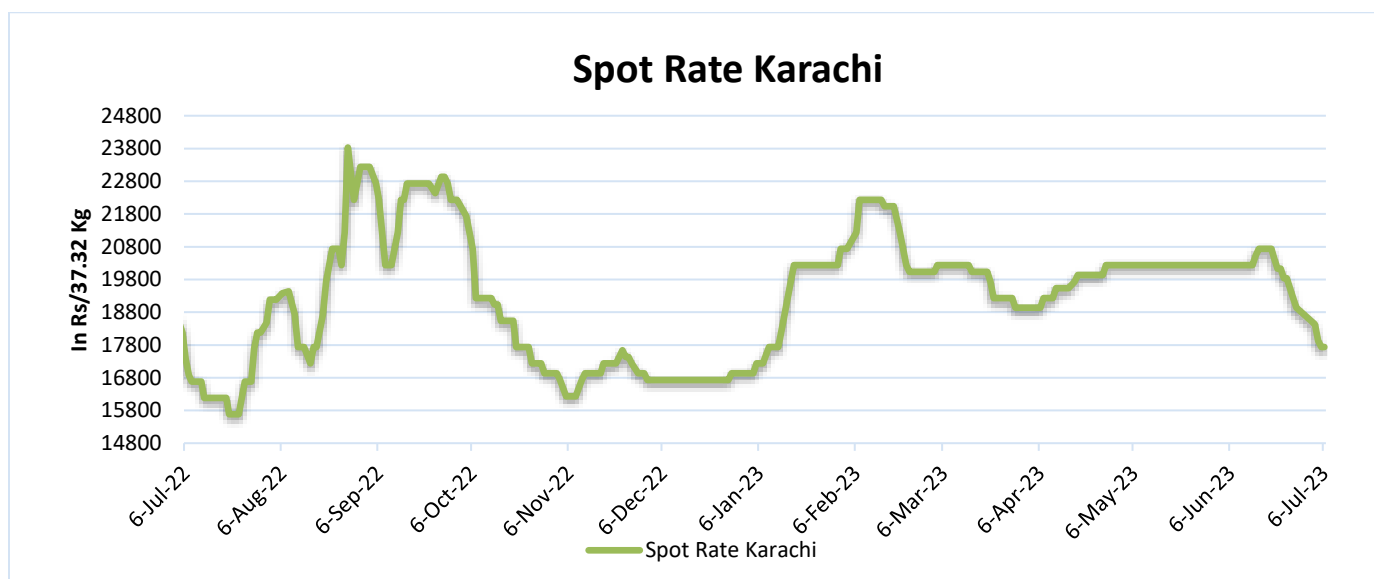
Source: USDA



Pakistan Spot Prices

The Karachi spot price traded lower and were at Rs. 16735/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	06-Jul-23	27-Jun-23	
Prices	16735	17960	-6.82
Prices in Rs per 37.32 Kg			



Commodity: Cotton seed oilcake
Exchange: MCX
Contract: July
Expiry: Jul 30, 2023

Cottonseed Oilcake

Technical Chart:



Technical Commentary:

- As evident from the chart, candlestick formation indicates correction in prices 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	Jul	2282	2332	2398	2558	2573
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jul	Sell	2408	2373	2348	2429

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



- Total volume decreased & Open Interest slightly decreased compared to the previous week.
- We expect cotton prices to correct in the coming week.

Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	80-82

Expected Support and Resistance

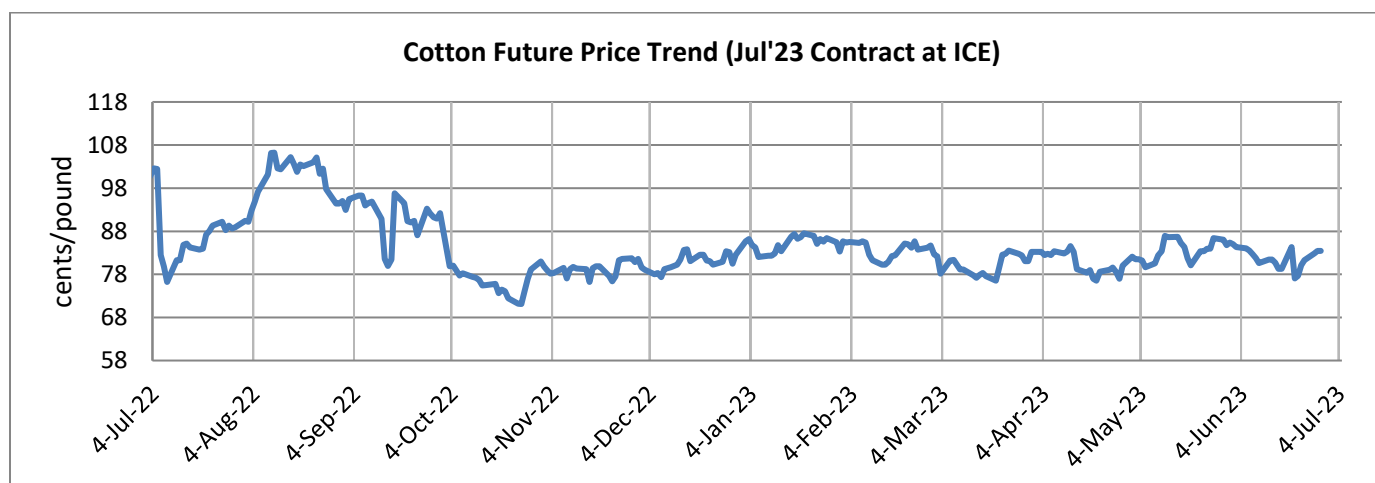
Support 1	Support 2	Resistance 1	Resistance 2
80.20	78.35	80.50	82.80

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	04-Jul-23	04-Jun-23	05-Apr-23	05-Jan-22	04-Jul-22	% Change over a month	% Change over previous year
Jul-23	83.43	84.79	81.29	82.56	103.68	-1.60	-19.53
Oct-23	82.56	82.42	82.42	80.51	103.57	0.17	-20.29
Dec-23	81.41	81.42	81.42	80.48	94.90	-0.01	-14.21
Mar-23	81.24	81.21	81.21	82.58	90.85	0.04	-10.58
May-24	81.34	81.11	81.11	82.62	88.61	0.28	-8.20

Future Price Trend (Active Contract):



Cotton Yarn

- Cotton yarn prices remained steady in north India during the week. In Delhi market, 30 count combed yarn was traded at Rs. 260-265 per kg, 40 count combed at Rs.285-290 per kg, 30 count carded at Rs.232-237 per kg and 40 count carded at Rs.262-267 per kg.
- Recycled yarn and raw materials like cotton comber and recycled polyester fiber remained stable amid poor demand.

Cotton Domestic Weekly Price:

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	26th Jun'23 to 01st July'23	
Gujarat	Ahmedabad	Shankar-6	7370	7135	235
	Gondal	Shankar-6	7255	7150	105
	Rajkot	B.T. Cotton	7302	7250	52
	Patan	B.T. Cotton	7537	7131	406
	Kadi	B.T. Cotton	7255	6988	268
	Deesa	B.T. Cotton	1055	1062	-7
	Dhrol	B.T. Cotton	7087	6701	386
Haryana	Bhiwani	B.T. Cotton	7000	7117	-117
	Adampur	B.T. Cotton	7166	7075	91
Rajasthan	Hanumangarh	B.T. Cotton	7100	6967	133
	Rawatsar	B.T. Cotton	7183	7080	103
	Khargaon	Mech-1	-	7100	-
Andhra Pradesh	Adoni	Un-Ginned	7191.5	6587.75	604
Karnataka	Bijapur	Bunny	7285	7154	131
	Raichur	H-44 Cotton	7375	7055	320
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	26th Jun'23 to 01st July'23	
Punjab	Bhatinda	J-34	5945	5850	95
	Abohar	J-34	5950	5846	104
Haryana	Sirsa	J-34	5603	5500	103
Rajasthan	Sri-Ganganagar	J-34	5499	5531	-31

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	26th Jun'23 to 01st July'23	

Gujarat	Ahmedabad	Shankar-6	23800	25160	-1360
	Gondal	Shankar-6	6931	6996	-65
	Rajkot	B.T. Cotton	858	960	-102
	Patan	B.T. Cotton	2503	607	1895
	Kadi	B.T. Cotton	6800	6100	700
	Dhrol	B.T. Cotton	36	44	-8
Haryana	Bhiwani	B.T. Cotton	313	183	129
	Adampur	B.T. Cotton	317	374	-57
Rajasthan	Hanumangarh	B.T. Cotton	350	483	-133
	Rawatsar	B.T. Cotton	350	483	-133
Andhra Pradesh	Adoni	Un-Ginned	625	580	46
Karnataka	Bijapur	Bunny	1043	634	409
	Raichur	H-44 Cotton	9	6	2
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	26th Jun'23 to 01st July'23	
Haryana	Sirsa	J-34	51	170	

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	6-Jul-23	29-Jun-23	6-Jun-23	6-Jul-22
Gujarat	Ahmedabad	Shankar-6	7250	Closed	7600	0
	Gondal	Shankar-6	7180	Closed	7730	11255
	Rajkot	B.T. Cotton	7250	7200	0	11250
	Patan	B.T. Cotton	7280	7225	7780	0
	Kadi	B.T. Cotton	7125	7000	7500	0
	Deesa	B.T. Cotton	1100	1060	1300	1735
	Dhrol	B.T. Cotton	7185	6905	7560	10175
Haryana	Bhiwani	B.T. Cotton	7000	7100	7450	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	7200	7050	7400	9800
Rajasthan	Hanumangarh	B.T. Cotton	7100	7000	7400	0
	Rawatsar	B.T. Cotton	7200	7000	0	0

Madhya Pradesh	Khandwa	Mech-1	NA	NA	0	0
	Khargaon	Mech-1	NA	NA	7450	0
Maharashtra	Amravati	Mech-1	NA	NA	0	11800
	Jamner	Medium Staple	NA	NA	0	0
Telangana	Adilabad	Un-Ginned	NA	NA	7100	0
Andhra Pradesh	Adoni	Un-Ginned	7229	0	0	10677
Karnataka	Bijapur	Bunny	7280	0	7951	10252
	Raichur	H-44 Cotton	7200	0	7300	9600
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	6-Jul-23	29-Jun-23	6-Jun-23	6-Jul-22
Punjab	Bhatinda	J-34	5950	5800	5950	9200
	Abohar	J-34	5950	5800	5975	9300
Haryana	Sirsa	J-34	5650	5450	5775	8500
Rajasthan	Sri-Ganganagar	J-34	5499	5452	0	0

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	6-Jul-23	29-Jun-23	6-Jun-23	6-Jul-22
Gujarat	Ahmedabad	Shankar-6	17000	Closed	51000	0
	Gondal	Shankar-6	6905	7000	0	9000
	Rajkot	B.T. Cotton	250	1000	0	125
	Patan	B.T. Cotton	3585	400	1356	0
	Kadi	B.T. Cotton	7000	NA	10000	0
	Deesa	B.T. Cotton	NA	0	0	0
	Dhrol	B.T. Cotton	54	45	42	2
Haryana	Bhiwani	B.T. Cotton	300	0	300	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	408	0	442	0
Rajasthan	Hanumangarh	B.T. Cotton	250	250	0	0
	Rawatsar	B.T. Cotton	250	250	0	0
Madhya Pradesh	Khandwa	Mech-1	NA	0	0	0
	Khargaon	Mech-1	NA	0	3200	0
Maharashtra	Amravati	Mech-1	NA	0	0	4000
	Jamner	Medium Staple	NA	0	0	0

Telangana	Adilabad	Un-Ginned	NA	0	721.5	0
Andhra Pradesh	Adoni	Un-Ginned	638	0	0	59
Karnataka	Bijapur	Bunny	755	0	1598	43
	Raichur	H-44 Cotton	10	0	7	5
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	6-Jul-23	29-Jun-23	6-Jun-23	6-Jul-22
Haryana	Sirsa	J-34	43	425	43	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				03rd Jul'23 to 08th July'23	26th Jun'23 to 01st July'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63675	62400	1275
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64175	62900	1275
J-34(202)	26mm	3.5 - 4.9	23	53750	52300	1450
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	55175	53700	1475
Shankar-6(105)	29mm	3.5 - 4.9	28	56325	55660	665
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	57825	56700	1125
DCH-32(107)	34mm	3.0 - 3.8	33	72000	70600	1400

Cottonseed and oilcake Prices:

Cotton Seed & Oil Cake Weekly

Cotton Seed Oil Cake Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	03rd Jul'23 to 08th Jul'23	26th Jun'23 to 01st Jul'23	
Punjab	Bhatinda (Pakki)	3300	3300	Unch
Punjab	Ludiana	3670	3673	-3
Haryana	Sirsa	3018	2984	33
Haryana	Hisar	3038	3004	33

Rajasthan	Hanumangarh	2938	2904	33
Rajasthan	Vijaynagar	2988	2954	33
Madhya Pradesh	Indore	2958	2911	48
Madhya Pradesh	Khargone	2908	2887	22
Maharastra	Wani	2983	2920	63
Maharastra	Malkapur	2913	2845	68
Telegana	Warangal	2805	2800	5
Telegana	Adilabad	2800	2792	8
Karnatka	Dharwad	2800	2800	Unch
Karnatka	Hubli	3050	3050	Unch
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2756	2769	-14

Cotton Seed Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	03rd Jul'23 to 08th Jul'23	26th Jun'23 to 01st Jul'23	
Punjab	Mansa	3150	3150	Unch
Punjab	Bhatinda	3150	3150	Unch
Haryana	Adampur	3268	3238	29
Haryana	Charkhi Dadari	3118	3088	29
Rajasthan	Hanumangarh	3313	3283	29
Rajasthan	Bikaner	3363	3317	46
Madhya Pradesh	Sendhwa	2888	2792	96
Madhya Pradesh	Barwaha	2892	2867	25
Maharastra	Malkapur	2900	2851	49
Maharastra	Akot	3017	2980	37
Telegana	Madnoor	3150	3013	138
Telegana	Jangaon	1575	3000	-1425
Karnatka	Bijapur	2783	2717	67
Karnatka	Hubli	2783	2717	67
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2900	2867	33
Gujarat	Kadi	2900	2813	88

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