

COTTON WEEKLY RESEARCH REPORT

17th Jul 2023

Domestic market summary
Major Market Highlights:

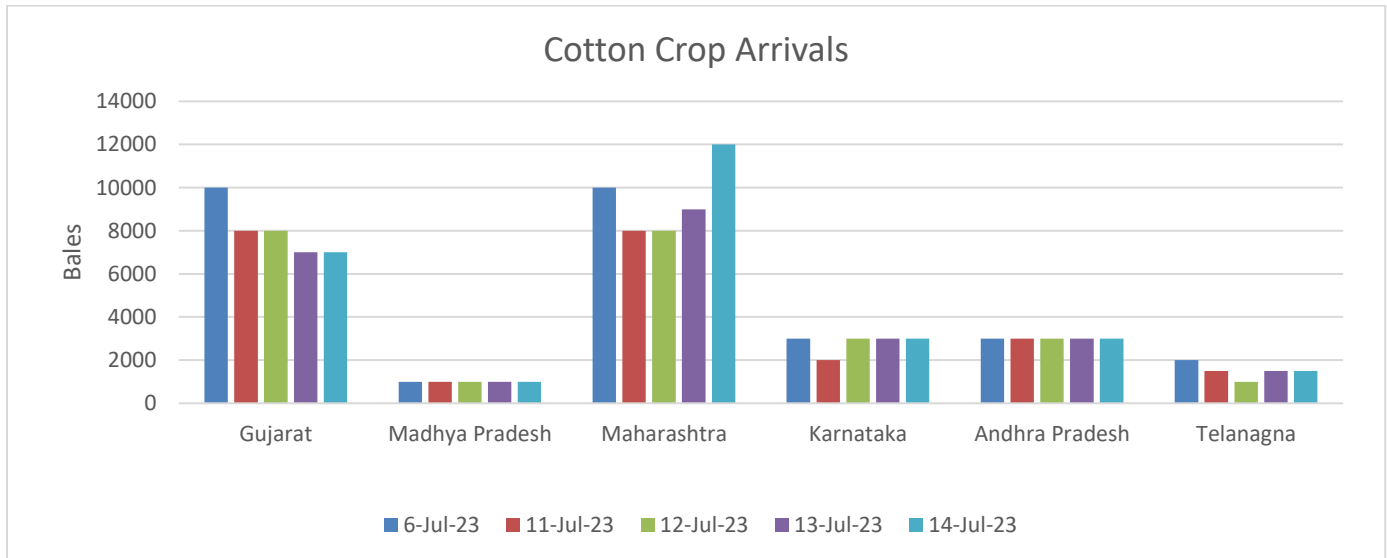
- Daily arrival of cotton in India has declined to 30,000 - 34,000 bales during the last week.
- There are reports of Pink Bollworm infestation in a few areas of northern states of Punjab, Haryana, and Rajasthan. However, the infestation is below ETL.
- Lack of global demand for yarn and textile products has impacted the prices of raw cotton in India, making it difficult to increase demand in the short run.
- Heavy rains have been witnessed in the key growing regions of cotton crop. Presently, sowing is lagging by 10% across India. At AgriWatch, we expect acreage to decrease by around 5-10% for the 2023-24 season. As per NFSM data, sowing has been completed in around 70.55 lakh hectares across India.
- Cotton sowing in Andhra Pradesh is progressing slowly and has reached 0.54 lakh hectares as on 05th July' 23 compared to 0.84 lakh hectares in the 2022-23 season. A.P cotton sowing targeted area is around 6.18 lakh hectares for the 2023-24 season. Cotton sowing has been delayed due to heavy rains during the past week.

Sowing Update:

State	Cotton Sowing progress as on 14th July'23		
	(Lakh Ha)		% Change
	2023	2022	
Andhra. Pradesh	0.96	2.04	-52.94
Gujarat	23.75	20.52	15.74
Haryana	6.54	6.5	0.62
Karnataka	2.44	4.59	-46.84
Madhya. Pradesh	5.39	4.76	13.24
Maharashtra	32.74	36.87	-11.20
Punjab	1.7	2.49	-31.73
Rajasthan	7.72	6.13	25.94
Tamil. Nādu	0.07	0.08	-12.50
Telangana.	12.9	14.81	-12.90
Uttar. Pradesh	0.17	0.25	-32.00
Total	95.29	100.36	-5.05
Source: NFSM			

For the coming week, we expect sowing to be delayed as heavy rainfall has been predicted in the key producing regions.

Cotton Crop Arrival



All India Cotton Arrivals 2022-23	
This Week	4 Lakh Bales
Cumulative Arrival	290 Lakh Bales
Cotton Consumption	235 Lakh Bales
Exports	12.50 lakh Bales
Import	12.00 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. Also, sowing has been delayed due to uneven rainfall.

Cotton Stock Summary

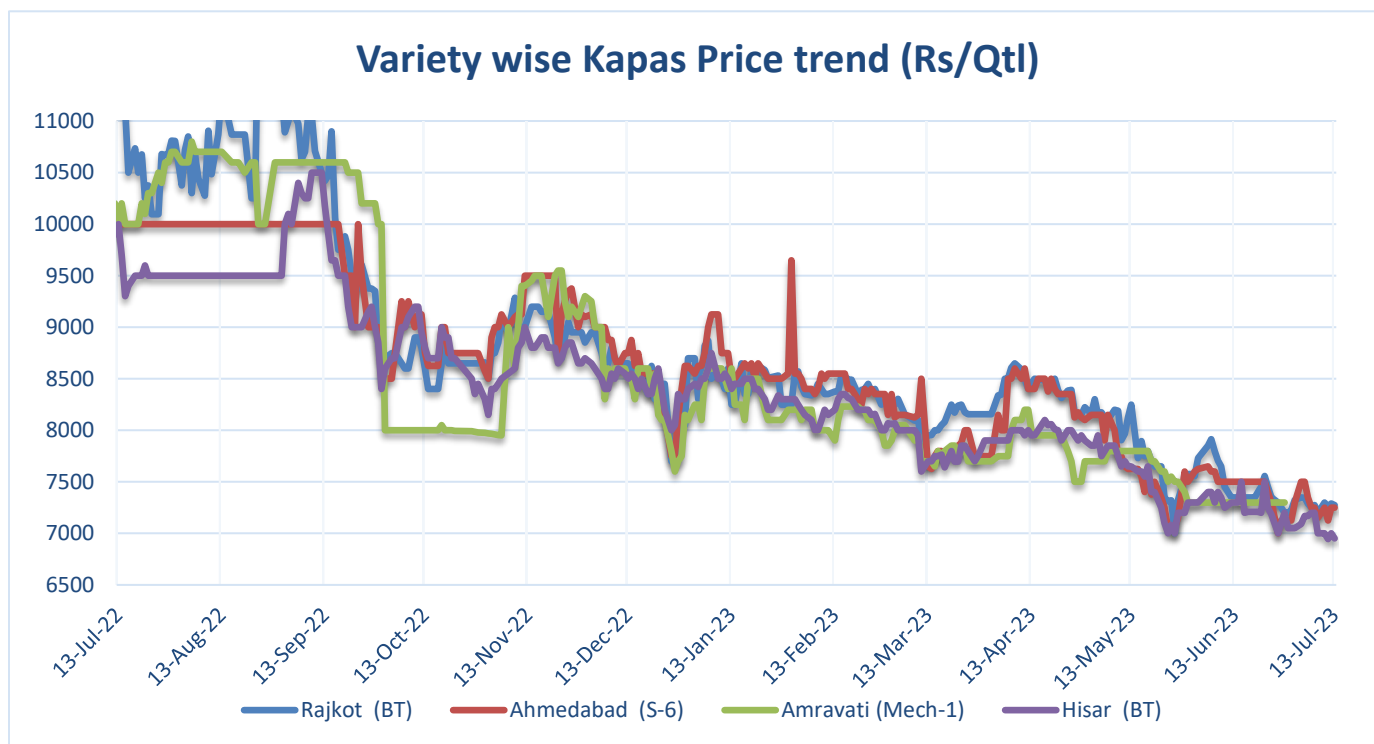
Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
45.00	34.00	79.00

Unit: Lakh Bales

Domestic Cotton Prices Scenario

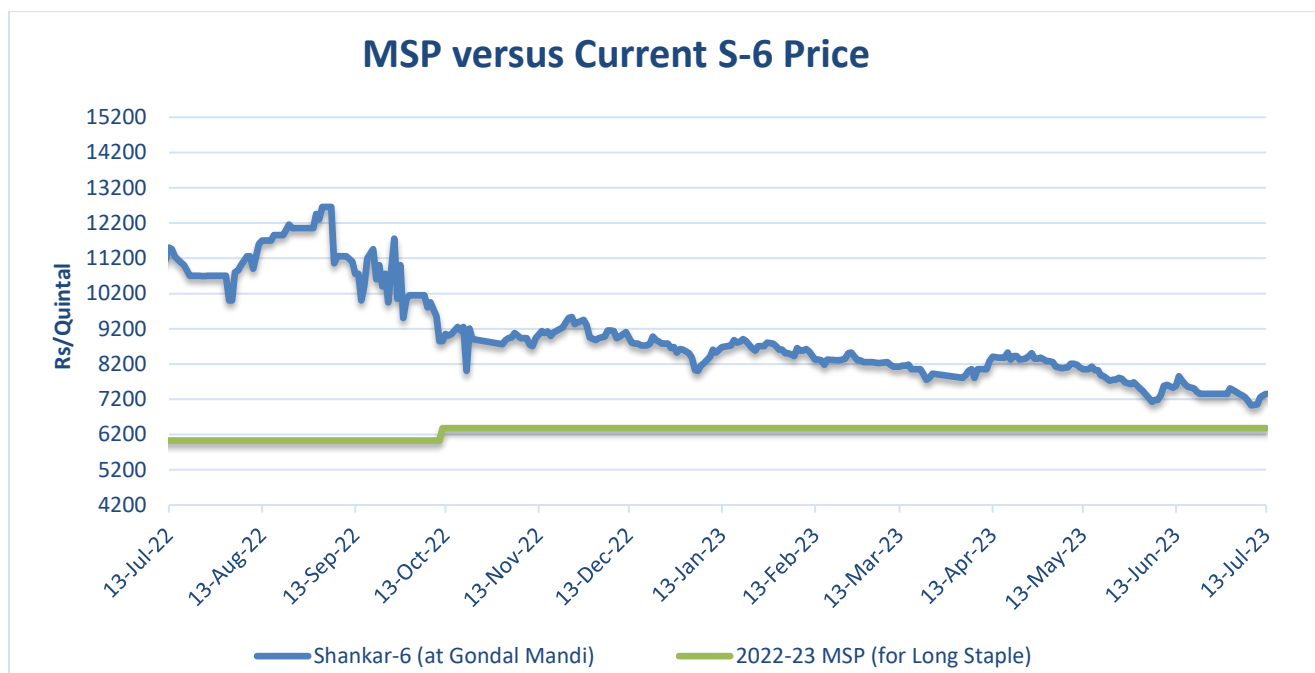
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood lower at Rs. 7,281/Qtl compared to the previous week's Rs. 7,302/Qtl. Cotton prices in Hisar too were at Rs. 6973 per quintal during the past week.



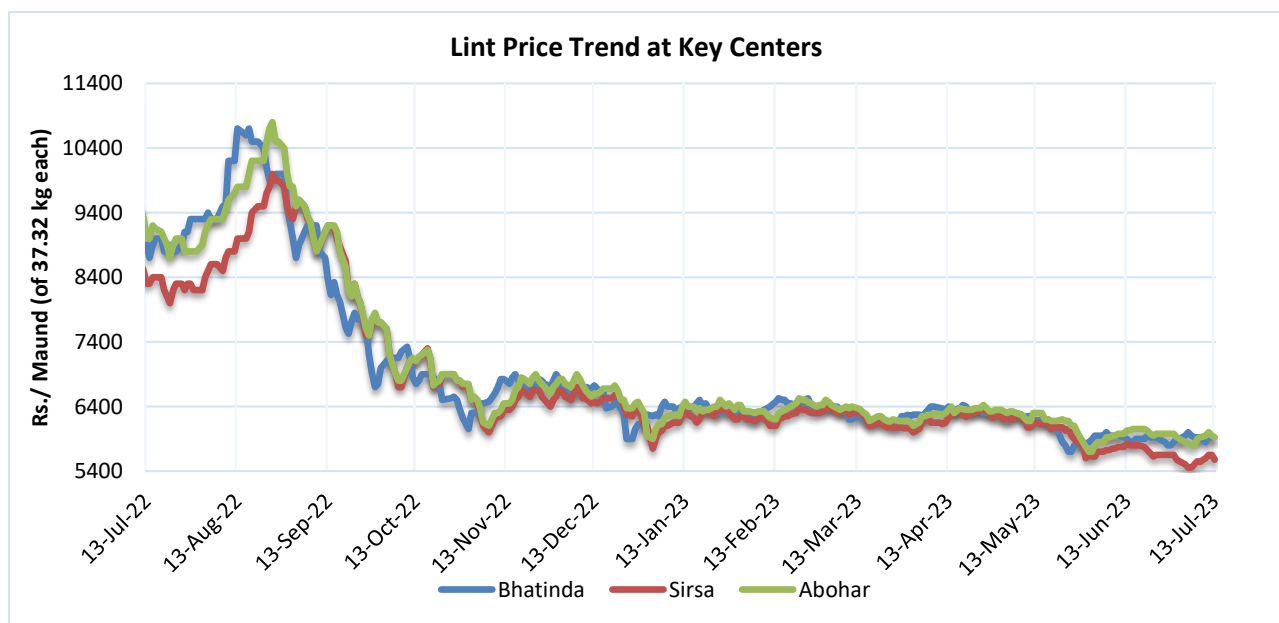
Spot Price Comparison

Cotton Shanker-6 at Gondal market was slightly lower at Rs.7,203 per quintal against the previous week price of Rs. 7,255 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.



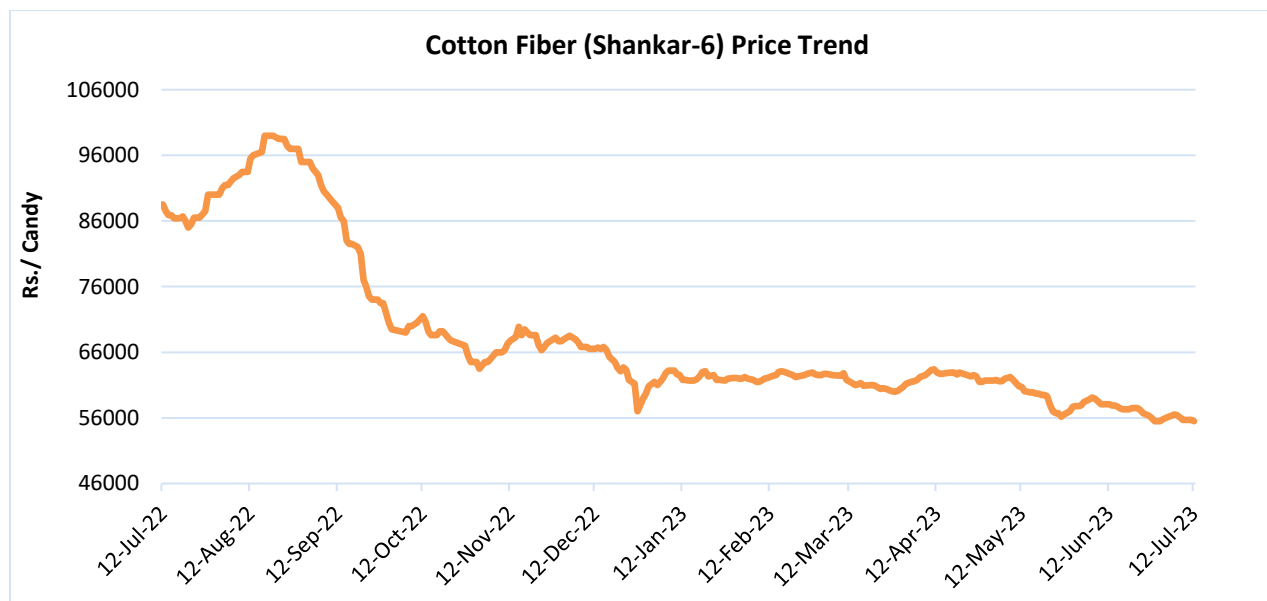
Lint price Outlook

The average price stood at Rs. 5918/maund slightly higher from the previous week in Abohar, in Bhatinda prices were lower at Rs. 5906/maund, and in Sirsa were at Rs. 5593/maund from Rs. 5603/maund previous week.



Cotton Fiber Price Outlook

The average cotton fiber (Shankar-6) premium quality is currently at Rs.55,700/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

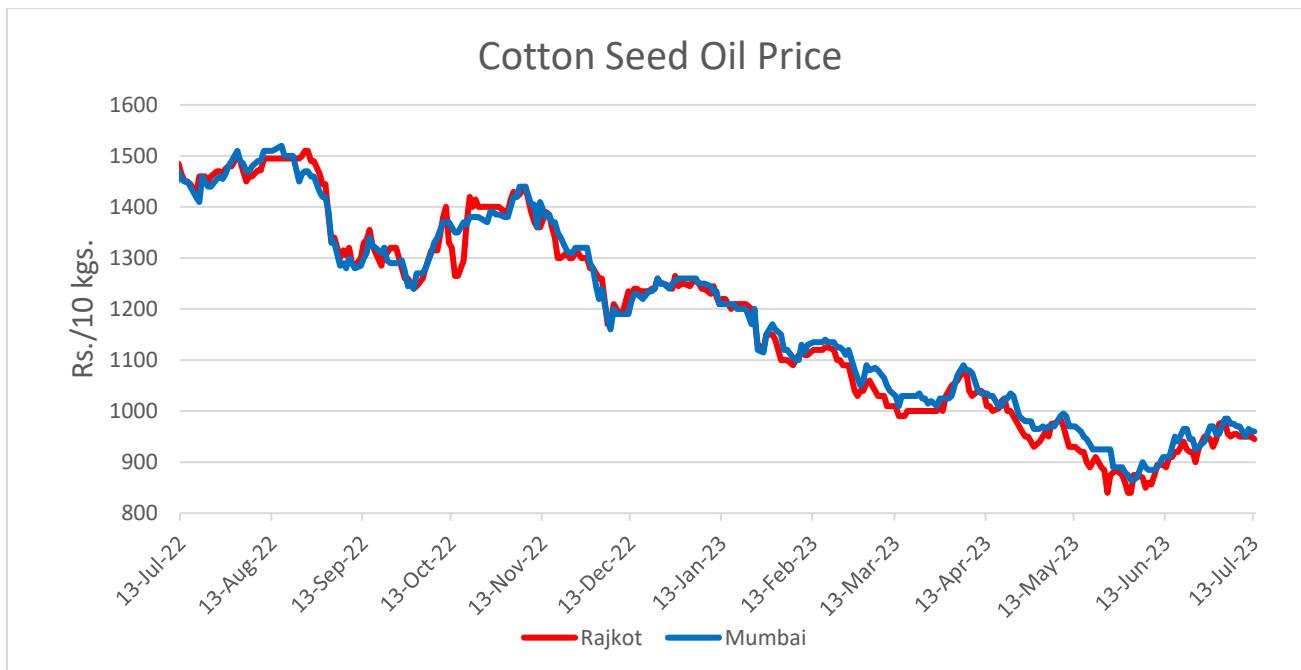
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a bearish trend across the major centers during the week ending on 13th July 2023, following all other edible oils.

Centre	Weekly Average Price as on (Rs/10 kg.)		% Change
	13-Jul-23	07-Jul-23	
Rajkot	950	962	-1.25
Mumbai	963	974	-1.18

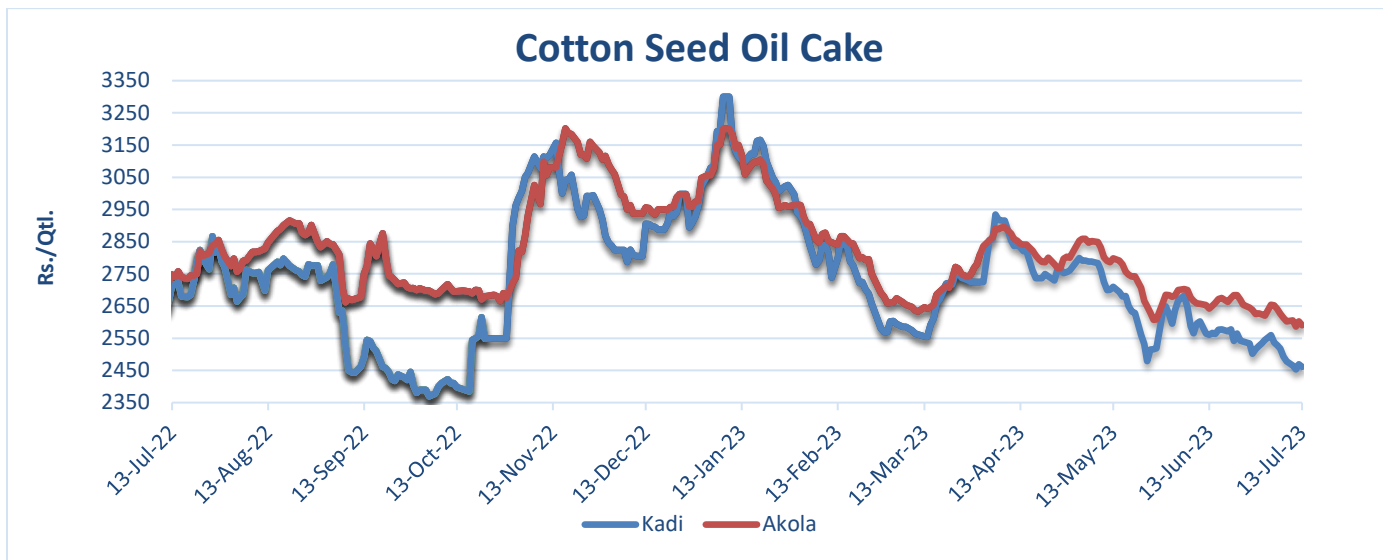
Source: Agriwatch



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. 2470 per quintal from Rs. 2530 per quintal and in Akola prices were at Rs. 2600 per quintal from Rs. 2634 per quintal the previous week.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	13-Jul-23	07-Jul-23	
Kadi	2470	2530	-2.37
Akola	2600	2634	-1.29



Source: Agriwatch

NCDEX Cottonseed oilcake

Expiry Date	30.06.23	23.06.23	Change
Jul	2518	2522	-4
Aug	2543	2557	-14

International Market Scenario

- As per **USDA's Cotton World market and trade report**, 2022-23 cotton production is estimated up by more than 1.7 million bales this month to 118.0 million bales, as larger crops in Brazil, India, and Australia more than offset slightly lower production in Argentina. Consumption is projected up by more than 500,000 bales this month to 109.7 million bales with higher use in India supported by stronger operating rates. Global trade is mostly unchanged relative to last month. Global ending stocks are up more than 1.0 million bales to 93.8 million bales due to higher production in Southern Hemisphere countries.
- For the 2023-24 season** cotton production is projected at 116.8 million bales as higher Pakistan production offsets lower crops in Argentina and Australia.

- Consumption is roughly 600,000 bales lower at 116.4 million bales, led by weaker consumption prospects in China, Bangladesh, Vietnam, and Turkey more than offsetting stronger use in Pakistan. Domestic use is now forecasted at 6.7 million bales, higher compared with the previous year.
- Global trade is forecast to go down slightly to 43.5 million bales, but over 6.0 million bales higher when compared with the previous year. Higher exportable supplies in Brazil more than offset lower U.S., Australia, and India shipments. Global ending stocks are up by more than 1.7 million bales to 94.5 million bales.
- **U.S.:** Hot weather has prevailed across the cotton belt. Drought conditions expanded in Texas and the Memphis territory during the week ending July 4th, while cotton growing areas across most of the Southeast, Desert Southwest, and the Far West remained drought-free.
- **China:** Beijing Cotton Outlook has reduced its production estimate by 90,000, to 5.96 million tonnes. Imported cotton were estimated at 263,000 tonnes, up by 21,000 tonnes from a month earlier.

USDA Balance Sheet

World Cotton Balance Sheet			
	2021-22	2022-23#	2023-24*
Area Harvested	32,487	31,750	32,357
Yield	775.12	808.95	786.21
Opening Stock	86,319	86,036	93,949
Production	1,15,655	1,17,965	1,16,841
Imports	42,620	37,114	43,488
Exports	42,857	37,558	43,510
Domestic Consumption	1,15,999	1,09,768	1,16,448
Ending Stock	86,036	93,949	94,515

Source: USDA *Global projected 2023-24; #estimated 2022-23

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

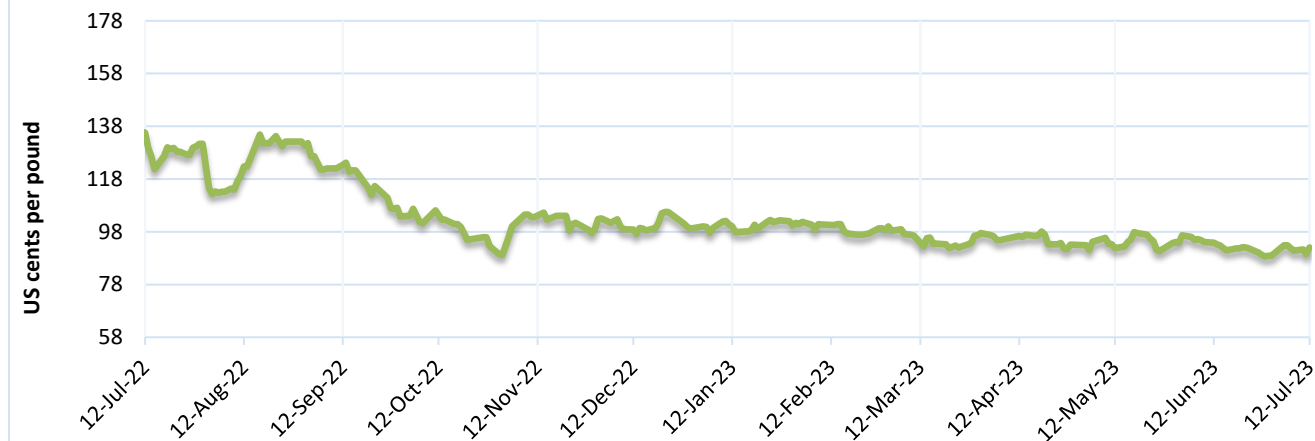
Cotlook A Index

Cotlook A Index was at 91.10 cents/lb lower by 0.65% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	13-Jul-23	06-Jul-23	
Prices	91.10	91.70	-0.65
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
	13-Jul-23	07-Jul-23	
FC (S)	95.07	94.66	0.43
FC (M)	92.72	92.56	0.18
FC (L)	91.72	91.56	0.18
Prices in US cents per Pound			

Source: China Cotton Association

FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	13-Jul-23	07-Jul-23	
CCIndex(328)	17565.50	17420.75	0.83
CCIndex(527)	16240.20	16116.80	0.77
CCIndex(229)	17794.60	17660.60	0.76
Prices in Yuan per ton			

Source: China Cotton Association

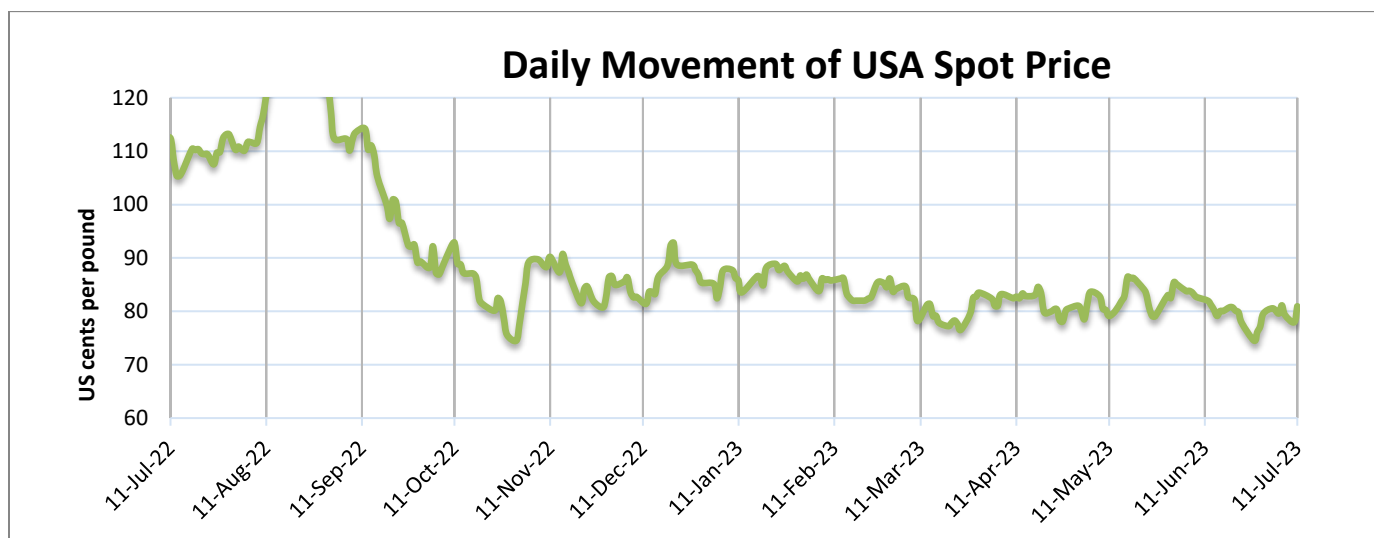


USA Spot Prices

U.S.A spot prices was at 79.40 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	11-Jul-23	06-Jul-23	
Prices	79.40	79.61	-0.26
Prices in US cents per Pound			

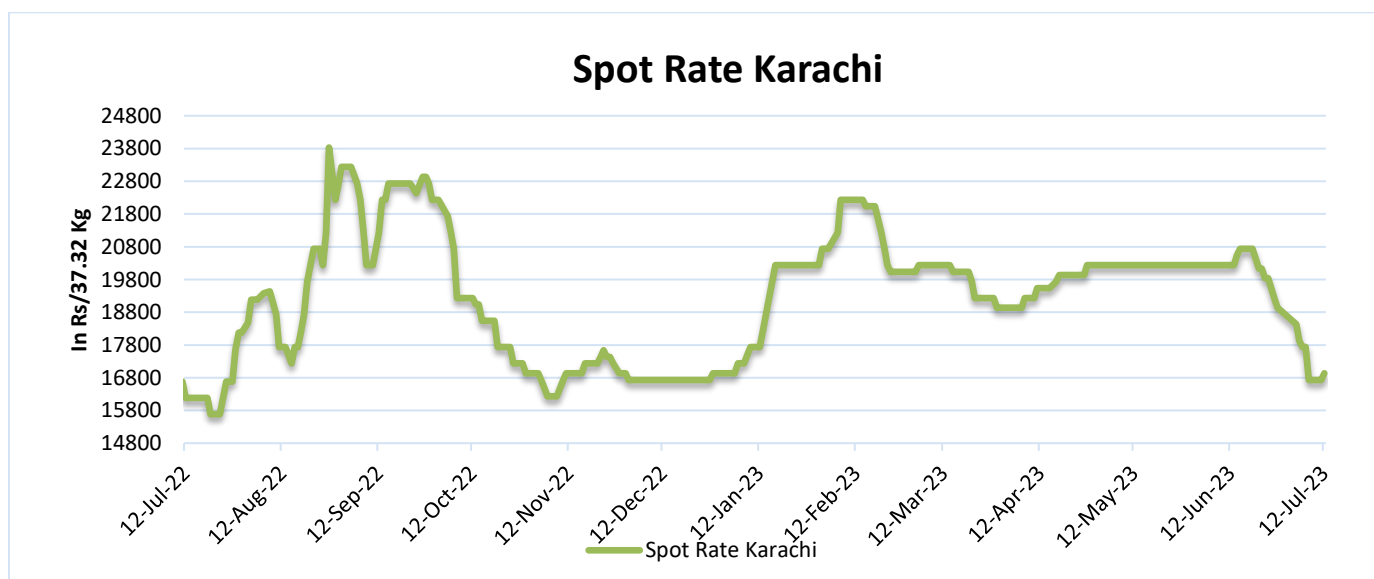
Source: USDA



Pakistan Spot Prices

The Karachi spot price traded higher and were at Rs. 17235/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	12-Jul-23	06-Jul-23	
Prices	17235	16735	2.99
Prices in Rs per 37.32 Kg			



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

Cottonseed Oilcake

Technical Chart:

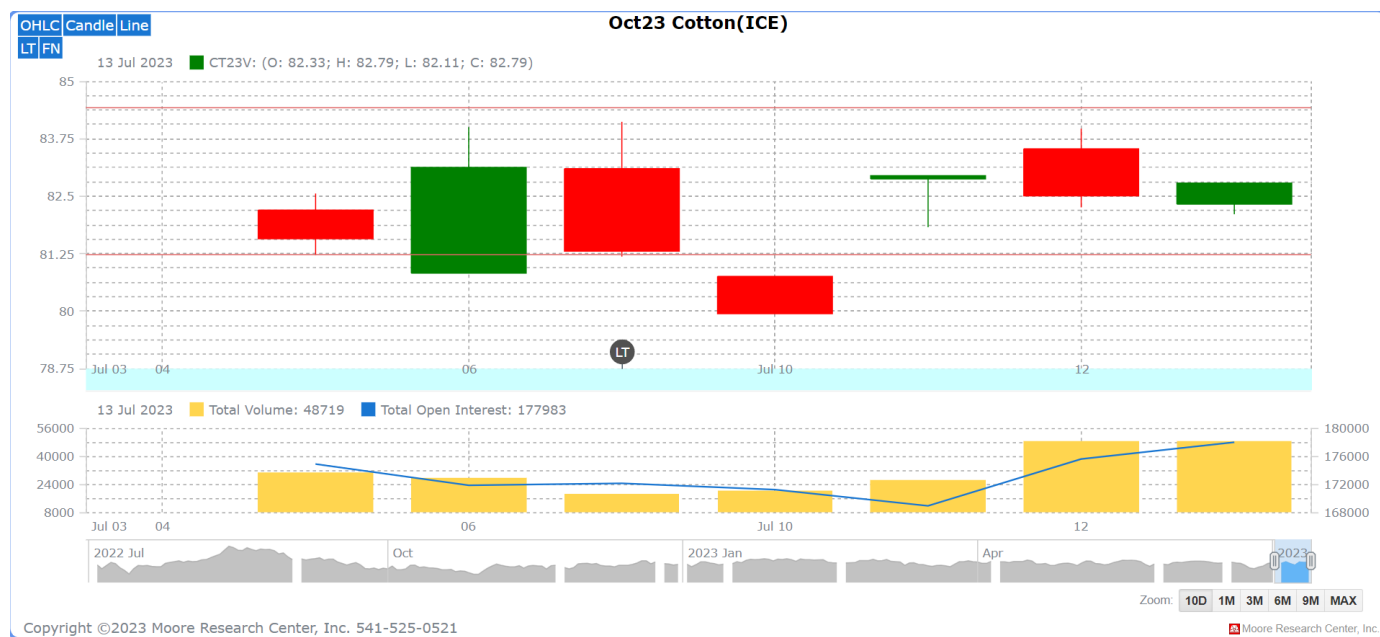


Technical Commentary:

- As evident from the chart, candlestick formation indicates correction in prices during the last week. However, prices have taken a support at 2500 and may retrace back in the coming week.
- Further, momentum indicator MACD pointing towards a weak market condition.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jul	2340	2390	2456	2616	2631
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jul	Sell	2466	2431	2406	2487

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 move sideways in the coming week.

Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	82-84

Expected Support and Resistance

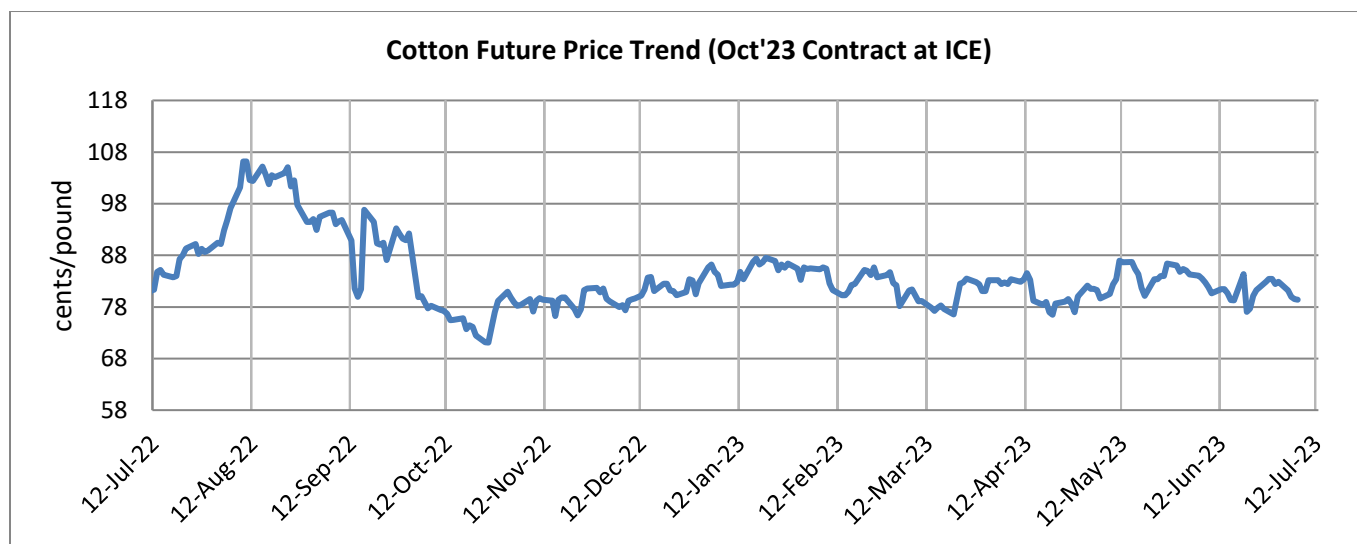
Support 1	Support 2	Resistance 1	Resistance 2
80.20	78.35	82.60	83.60

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contra cts	12- Jul-23	12- Jun-23	13- Apr-23	13- Jan-22	12- Jul-22	% Change over a month	% Change over previous year
Oct-23	79.39	83.64	83.55	80.86	98.44	-5.08	-19.35
Dec-23	81.65	81.32	82.88	80.79	90.84	0.41	-10.12
Mar- 24	81.73	81.36	82.49	82.29	86.68	0.45	-5.71
May- 24	81.77	81.51	83.45	82.60	84.60	0.32	-3.35
Jun-24	81.67	83.49	83.19	82.87	82.50	-2.18	-1.01

Future Price Trend (Active Contract):



Cotton Yarn

- According to the May 2023 provisional trade data published by the Ministry of Commerce, exports of cotton yarn/fabric/made-ups and handloom products (by value) decreased by 12 percent (by value) as compared to last year. Cumulatively, exports between April 2023 and May 2023 also declined by 18 percent on a year-over-year basis.
- The north Indian cotton yarn market witnessed mixed trends amidst average buying activity. Prices eased by Rs.2 per kg in Ludhiana yet remained steady in the Delhi market.

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	03rd Jul'23 to 08th July'23	
Gujarat	Ahmedabad	Shankar-6	7219	7370	-151
	Gondal	Shankar-6	7204	7255	-51
	Rajkot	B.T. Cotton	7281	7302	-21
	Patan	B.T. Cotton	7537	7537	-
	Kadi	B.T. Cotton	7108	7255	-147
	Deesa	B.T. Cotton	1098	1055	43
	Dhrol	B.T. Cotton	6917	7087	-170
Haryana	Bhiwani	B.T. Cotton	6950	7000	-50
	Adampur	B.T. Cotton	6974	7166	-192
Rajasthan	Hanumangarh	B.T. Cotton	6800	7100	-300
	Rawatsar	B.T. Cotton	7000	7183	-183
Andhra Pradesh	Adoni	Un-Ginned	7200	7191.5	9
Karnataka	Bijapur	Bunny	-	7285	-
	Raichur	H-44 Cotton	7113	7375	-263
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	03rd Jul'23 to 08th July'23	
Punjab	Bhatinda	J-34	5906	5945	-39
	Abohar	J-34	5919	5950	-31
Haryana	Sirsa	J-34	5594	5603	-9
Rajasthan	Sri-Ganganagar	J-34	5535	5499	35

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	03rd Jul'23 to 08th July'23	
Gujarat	Ahmedabad	Shankar-6	23375	23800	-425
	Gondal	Shankar-6	6926	6931	-5
	Rajkot	B.T. Cotton	913	858	55

	Patan	B.T. Cotton	2503	2503	-
	Kadi	B.T. Cotton	3000	6800	-3800
	Dhrol	B.T. Cotton	28	36	-8
Haryana	Bhiwani	B.T. Cotton	267	313	-46
	Adampur	B.T. Cotton	893	317	575
Rajasthan	Hanumangarh	B.T. Cotton	133	350	-217
	Rawatsar	B.T. Cotton	133	350	-217
Andhra Pradesh	Adoni	Un-Ginned	880	625	254
Karnataka	Bijapur	Bunny	-	1043	-
	Raichur	H-44 Cotton	8	9	-1
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	03rd Jul'23 to 08th July'23	03rd Jul'23 to 08th July'23	
Haryana	Sirsa	J-34	36	51	-15

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	13-Jul-23	6-Jul-23	13-Jun-23	13-Jul-22
Gujarat	Ahmedabad	Shankar-6	7250	7250	0	0
	Gondal	Shankar-6	7205	7180	0	0
	Rajkot	B.T. Cotton	7275	7250	7350	11125
	Patan	B.T. Cotton	NA	7280	7490	0
	Kadi	B.T. Cotton	NA	7125	0	0
	Deesa	B.T. Cotton	NA	1100	0	1600
	Dhrol	B.T. Cotton	NA	7185	0	10340
Haryana	Bhiwani	B.T. Cotton	6950	7000	7300	0
	Adampur	B.T. Cotton	6950	7200	7300	10000
	Fatehabad	B.T. Cotton	NA	0	7100	0
Rajasthan	Hanumangarh	B.T. Cotton	6800	7100	7700	0
	Rawatsar	B.T. Cotton	7000	7200	7450	0
	Khargaon	Mech-1	NA	0	7330	0
Telangana	Adilabad	Un-Ginned	NA	0	6930	0
Andhra Pradesh	Adoni	Un-Ginned	NA	7229	7290	10366
Karnataka	Bijapur	Bunny	NA	7280	7710	9902
	Raichur	H-44 Cotton	7100	7200	7250	0

Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	13-Jul-23	6-Jul-23	13-Jun-23	13-Jul-22
Punjab	Bhatinda	J-34	5925	5950	5925	9000
	Abohar	J-34	5950	5950	6050	9000
Haryana	Sirsa	J-34	5625	5650	5775	8200
Rajasthan	Sri-Ganganagar	J-34	5570	5499	0	0

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	13-Jul-23	6-Jul-23	13-Jun-23	13-Jul-22
Gujarat	Ahmedabad	Shankar-6	25500	17000	0	0
	Gondal	Shankar-6	6900	6905	6750	8625
	Rajkot	B.T. Cotton	1200	250	250	20
	Patan	B.T. Cotton	NA	3585	1172	0
	Kadi	B.T. Cotton	NA	7000	0	0
	Dhrol	B.T. Cotton	NA	54	0	2
Haryana	Bhiwani	B.T. Cotton	300	300	600	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	1360	408	340	0
Rajasthan	Hanumangarh	B.T. Cotton	100	250	500	0
	Rawatsar	B.T. Cotton	100	250	500	0
Madhya Pradesh	Khandwa	Mech-1	NA	0	0	0
	Khargaon	Mech-1	NA	0	3500	0
Andhra Pradesh	Adoni	Un-Ginned	NA	638	445	60
Karnataka	Bijapur	Bunny	NA	755	1927	70
	Raichur	H-44 Cotton	7	10	8	0
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	13-Jul-23	6-Jul-23	13-Jun-23	13-Jul-22
Haryana	Sirsa	J-34	43	43	119	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				03rd Jul'23 to 08th July'23	03rd Jul'23 to 08th July'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62867	63675	-808
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63367	64175	-808
J-34(202)	26mm	3.5 - 4.9	23	53400	53750	-350
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	53967	55175	-1208
Shankar-6(105)	29mm	3.5 - 4.9	28	55633	56325	-692
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	57267	57825	-558
DCH-32(107)	34mm	3.0 - 3.8	33	71667	72000	-333

Cottonseed and oilcake Prices:

Cotton Seed & Oil Cake Weekly

Cotton Seed Oil Cake Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	10th Jul'23 to 15th Jul'23	03rd Jul'23 to 08th Jul'23	
Punjab	Bhatinda (Pakki)	3300	3300	Unch
Punjab	Ludiana	3670	3670	Unch
Haryana	Sirsa	2997	3018	-21
Haryana	Hisar	3017	3038	-21
Rajasthan	Hanumangarh	2917	2938	-21
Rajasthan	Vijaynagar	2967	2988	-21
Madhya Pradesh	Indore	2908	2958	-50
Madhya Pradesh	Khargone	2858	2908	-50
Maharastra	Wani	2950	2983	-33
Maharastra	Malkapur	2896	2913	-17
Telegana	Warangal	2810	2805	5
Telegana	Adilabad	2775	2800	-25
Karnatka	Dharwad	2825	2800	25
Karnatka	Hubli	3050	3050	Unch
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2692	2756	-64

Cotton Seed Prices		Weekly Average Prices (Rs./Quintal)		Change
State	Market	10th Jul'23 to 15th Jul'23	03rd Jul'23 to 08th Jul'23	
Punjab	Mansa	3150	3150	Unch
Punjab	Bhatinda	3150	3150	Unch
Haryana	Adampur	3247	3268	-21
Haryana	Charkhi Dadari	3097	3118	-21
Rajasthan	Hanumangarh	3292	3313	-21
Rajasthan	Bikaner	3342	3363	-21
Madhya Pradesh	Sendhwa	2858	2888	-29
Madhya Pradesh	Barwaha	2817	2892	-75
Maharastra	Malkapur	2888	2900	-13
Maharastra	Akot	2967	3017	-50
Telegana	Madnoor	3063	3150	-88
Telegana	Jangaon	3150	1575	1575
Karnatka	Bijapur	2777	2783	-7
Karnatka	Hubli	2777	2783	-7
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2808	2900	-92
Gujarat	Kadi	2825	2900	-75

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