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**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

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## Technical Analysis

Price outlook for Gujarat-ICS-105, 29mm and ICE cotton futures  
for the period 02/02/2021 to 07/03/2021

*(The author is Director of Commtrendz Research and the views expressed in this column are his own and the author is not liable for any loss or damage, including without limitations, any profit or loss which may arise directly or indirectly from the use of following information.)*

We will look into the Gujarat-ICS-105, 29mm prices along with other benchmarks and try to forecast price moves going forward.

As mentioned in the previous update, fundamental analysis involves studying and analysing various reports, data and based on that arriving at some possible direction for prices in the coming months or quarters.

Some of the recent fundamental drivers for the domestic cotton prices are:

- Cotton futures are lower in line with international prices as import duty hikes of raw cotton and waste dented sentiment.
- Our Finance Minister during yesterday's budget speech suggested 10% import duty on cotton (5% basic duty + 5% Agri Infrastructure

& Development Cess) from 0 at present. For raw silk and silk yarn, the import duty is proposed to be raised from 10% to 15%. However, markets remained disenchanted with the update as India barely imports around 10-15 lakh bales of cotton annually.

- Cotton arrivals across the country in Jan reached nearly 4.9 lakh tons, down by 45% M-o-M and 57% Y-o-Y. Huge carry over stock in the country, limited demand by local millers and reduced pace of procurement by CCI, due to rising physical prices, may keep cotton range-bound with negative bias in the short-term. However, the optimism of CCI to scale up exports this season on attractive Indian cotton prices in the world market, falling global cotton inventories and falling supply in physical mandis, may support cotton after some more losses.

### EXPERT'S Column



**Shri Gnanasekar Thiagarajan**  
Director, Commtrendz Research

Some of the fundamental drivers for International cotton prices are:

- ICE cotton futures rose on Tuesday, supported by firmer stock markets and increased optimism surrounding a large fiscal stimulus in the Unites States, although a stronger dollar kept prices in check.

- The global stock markets surged for a second day on Tuesday, spurred by hopes around more U.S. stimulus and swift economic recovery. The Democratic-led U.S. House of Representatives prepared to take the first step forward on President Joe Biden's \$1.9 trillion COVID-19 relief package on Tuesday, with a key vote expected to fast-track the measure through Congress.

- USDA revised lower world cotton inventories estimates for 2020-21 season in Jan WASDE report as vaccine optimism and weakness in dollar helped cotton to touch 83 cents levels last week (highest level since Sept 2018).

- Meanwhile, the dollar rose to a two-month high against key rivals, making greenback-denominated natural fibres costlier for buyers.

### Guj ICS Price Trend

As mentioned in the previous update, we expected the rebound to have the potential to turn into a strong upward move in the coming sessions. Prices have decisively crossed 12,000 levels and are headed even higher towards 13,000 levels in the coming weeks. Supports are at 11,700 followed by 11,300 in the coming sessions.



### MCX Feb Contract Chart

The MCX benchmark Feb cotton moved higher as expected. As mentioned before, any rise above 20,500 could result in a sharper rally higher again. Price could gradually edge higher towards 22,545-600 in the coming sessions. We expect some weakness in the short-term to take it lower to support levels, which are expected to hold and rise higher from there again. Supports are seen at 20,500 followed by 20,200 now.



We will also look at the ICE cotton Dec futures charts for a possible direction in international prices.



As mentioned before, prices are showing extreme bullish tendencies which could lift prices all the way to 90c in the coming weeks with a bright chance of even extending to 94-95c being a long-term resistance where strong resistances could kick in. Prices could now consolidate in the 78-82c zone before breaking higher again towards 90c on the upside. Supports are now seen at 77-78c and while that holds, we expect more upside in the coming months. Only an unexpected fall below 74c could turn the outlook neutral to bearish. Such a fall could see a dip to 65-66c subsequently, which is not our favoured view.

### Conclusion:

The domestic prices are hinting at more upside now, while the international prices are still showing a lot of promise on the upside, but after some near-term price correction. International cotton futures still continue to display strong bullish tendencies for the time being again with possibilities of a corrective dip initially. The domestic prices are inching lower after a bout of profit-booking, and could edge higher again after testing support levels, but it might find it tough to rise relative to the international markets. The international price indicates strong positive momentum in the short-term and medium-term still looks bullish. We believe price could get supported around 78-80c range and gradually edge higher to the levels mentioned above.

For Guj ICS supports are seen at 11,500-700 /qtl followed by 11,000/qtl, and for ICE Mar cotton futures at 78c followed by 76c. The domestic technical picture looks strong now, and the international prices are relatively more bullish compared to the domestic prices. We expect domestic prices to edge higher slowly from current levels. Therefore, though we expect more bullishness ahead in international markets, domestic prices might struggle to cope up with it.

## Charitable Dispensary at Cotton Green Re-opens

The Charitable Dispensary at Cotton Green, run by the Bombay Cotton Merchant and Muccadam Association and Rotary Club of Bombay, Opposite Ram Mandir, Near Cotton Green Railway Station, Mumbai 400 033, which was closed due to lockdown since March 2020, has reopened from 6th October 2020.

This Dispensary runs the following Clinics and provides almost all treatments for free:-

Clinics	Open on	TIMING
Dr. Batra's Homeopathic Clinic	Tuesdays & Fridays	9 a.m. to 5 p.m.
Eye Clinic	Tuesdays & Fridays	9 a.m. to 5 p.m.
Dental Clinic	Tuesdays & Fridays	9 a.m. to 5 p.m.
Child Care & G.P. Clinic	Tuesdays & Fridays	2 p.m. to 5 p.m.
Gastroenterology	Tuesdays	2 p.m. to 4 p.m.

**Blood Testing (Pathology) will also restart soon.**

*Kindly take advantage of the services offered by the Charitable Dispensary.*



## Since 1921, we are dedicated to the cause of Indian cotton.

Just one of the reasons, you should use our Laboratory Testing Services.

The Cotton Association of India (CAI) is respected as the chief trade body in the hierarchy of the Indian cotton economy. Since its origin in 1921, CAI's contribution has been unparalleled in the development of cotton across India.

The CAI is setting benchmarks across a wide spectrum of services targeting the entire cotton value chain. These range from research and development at the grass root level to education, providing an arbitration mechanism, maintaining Indian cotton grade standards, issuing Certificates of Origin to collecting and disseminating statistics and information. Moreover, CAI is an autonomous organization portraying professionalism and reliability in cotton testing.

The CAI's network of independent cotton testing & research laboratories are strategically spread across major cotton centres in India and are equipped with:

- State-of-the-art technology & world-class Premier and MAG cotton testing machines
- HVI test mode with trash% tested gravimetrically

### LABORATORY LOCATIONS

**Current locations :** • **Maharashtra :** Mumbai; Yavatmal; Aurangabad; Jalgaon • **Gujarat :** Rajkot; Ahmedabad • **Andhra Pradesh :** Adoni  
• **Madhya Pradesh :** Khargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana :** Warangal, Adilabad



### COTTON ASSOCIATION OF INDIA

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UPCOUNTRY SPOT RATES

January 2021  
2019-20 Crop

(₹ \ Quintal)

Growth	P/H/R (SG)	P/H/R (SG)	P/H/R (SG)	M/MP/ SA/TL	M/MP/ SA/TL	P/H/R (SG)	M/MP/ SA/TL	M/MP/ SA/TL	P/H/R (SG)	M/MP/ SA/TL	M/MP/ SA/TL	P/H/R (SG)	M/MP/ SA/TL	M/MP/ SA/TL	G/TL/K	G/TL/K	M/MP/ SA/TL	M/MP/ SA/TL	R(L)	M/MP/ SA/TL	M/MP/ SA/TL	G/TL/K	M/MP/ SA/TL	M/MP/ SA/TL	G/TL/K	M/MP/ SA/TL	M/MP/ SA/TL	K/TLN		
																													ICS-201	ICS-202
Grade Standard	ICS-101	ICS-201	ICS-102	ICS-103	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-107	
Grade	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	
Staple	Below 22 mm	Below 22 mm	22 mm	23 mm	24 mm	27 mm	26 mm	27 mm	27 mm	27 mm	27 mm	28 mm	28 mm	28 mm	28 mm	28 mm	28 mm	29 mm	29 mm	29 mm	29 mm	29 mm	29 mm	29 mm	29 mm	29 mm	29 mm	30 mm	34 mm	
Micronaire	5.0-7.0	5.0-7.0	4.0-6.0	4.0-5.5	4.0-5.5	3.5-4.9	3.0-3.4	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.7-4.9	3.8-4.2	3.8-4.2	3.8-4.2	3.8-4.2	3.8-4.2	3.8-4.2	3.8-4.2	3.8-4.2	3.8-4.2	3.0-3.8	
Gravimetric Trash	4%	4.5%	13%	4.5%	4%	4.5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	3.5%	
Strength/GPT	15	15	20	21	23	26	25	26	26	25	26	25	26	25	27	27	27	27	28	28	28	28	28	28	28	29	30	31	34	
1	-	-	7536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	-	-	7480	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	-	-	7536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	-	-	7536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	-	-	7592	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	-	-	7592	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	-	-	7677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	-	-	7761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	-	-	7761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	-	-	7761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	-	-	7789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	-	-	7817	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	-	-	7930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	-	-	7930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	-	-	7930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	-	-	-	-	-	H	-	-	O	L	-	I	D	-	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	-	-	8014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	-	-	8099	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	-	-	8183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	-	-	8267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H	0	0	8267	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
L	0	0	7480	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	0	0	7797	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

H = Highest L = Lowest A = Average



UPCOUNTRY SPOT RATES													
								(Rs./Qtl)					
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [ By law 66 (A) (a) (4) ]								Spot Rate (Upcountry) 2019-20 Crop January 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	25th	26th	27th	28th	29th	30th
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	7930 (28200)		8014 (28500)	8099 (28800)	8183 (29100)	8267 (29400)
Spot Rate (Upcountry) 2020-21 Crop													
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	10826 (38500)		10826 (38500)	10742 (38200)	10742 (38200)	10742 (38200)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	10967 (39000)	H	10967 (39000)	10882 (38700)	10882 (38700)	10882 (38700)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	-		-	-	-	-
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	8577 (30500)		8577 (30500)	8492 (30200)	8436 (30000)	8492 (30200)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	10601 (37700)		10601 (37700)	10517 (37400)	10461 (37200)	10461 (37200)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	11754 (41800)	O	11698 (41600)	11614 (41300)	11614 (41300)	11614 (41300)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	9533 (33900)		9476 (33700)	9392 (33400)	9336 (33200)	9336 (33200)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	11923 (42400)		11867 (42200)	11782 (41900)	11782 (41900)	11782 (41900)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	10123 (36000)	L	10067 (35800)	9983 (35500)	9926 (35300)	9926 (35300)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	10967 (39000)		10911 (38800)	10826 (38500)	10770 (38300)	10770 (38300)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	11979 (42600)		11923 (42400)	11838 (42100)	11838 (42100)	11838 (42100)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	11895 (42300)		11838 (42100)	11754 (41800)	11698 (41600)	11698 (41600)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	11923 (42400)	I	11867 (42200)	11782 (41900)	11726 (41700)	11726 (41700)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	11951 (42500)		11895 (42300)	11810 (42000)	11754 (41800)	11754 (41800)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	11951 (42500)		11895 (42300)	11810 (42000)	11810 (42000)	11810 (42000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12232 (43500)	D	12176 (43300)	12092 (43000)	12035 (42800)	12035 (42800)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12260 (43600)		12204 (43400)	12120 (43100)	12063 (42900)	12063 (42900)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12260 (43600)		12204 (43400)	12120 (43100)	12063 (42900)	12063 (42900)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	12626 (44900)	A	12570 (44700)	12485 (44400)	12429 (44200)	12429 (44200)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	12654 (45000)		12598 (44800)	12513 (44500)	12457 (44300)	12457 (44300)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	12963 (46100)		12907 (45900)	12823 (45600)	12823 (45600)	12823 (45600)
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	12991 (46200)	Y	12935 (46000)	12851 (45700)	12851 (45700)	12851 (45700)
23	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	13160 (46800)		13104 (46600)	13020 (46300)	13020 (46300)	13020 (46300)
24	M/M(P)	ICS-107	Fine	34mm	3.0 - 3.8	4%	33	18334 (65200)		18278 (65000)	18278 (65000)	18278 (65000)	18278 (65000)
25	K/TN	ICS-107	Fine	34mm	3.0 - 3.8	3.5%	34	18897 (67200)		18840 (67000)	18840 (67000)	18840 (67000)	18840 (67000)

(Note: Figures in bracket indicate prices in Rs./Candy)