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Technical Analysis

Price Outlook for Gujarat-ICS-10, 29mm and ICE Cotton Futures for the Period 07/04/2026 to 06/05/2026

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His columns in The Hindu Business Line have won accolades in the international markets. He also writes a fortnightly column on a blog site for The Economic Times on Global commodities and Forex markets. He is a part an

elite team of experts for moneycontrol.com in providing market insights. He was awarded "The Best Market Analyst", for the category- Commodity markets-Bullion, by then President of India, Mr. Pranab Mukherji.

He is a consultant and advisory board member for leading corporates and commodity exchanges in India and overseas. He is regularly invited by television channels including CNBC and ET NOW and Newswires like Reuters and Bloomberg, to opine on the commodity and forex markets. He has conducted training sessions for markets participants at BSE, NSE, MCX and IIM Bangalore and conducted many internal workshops for corporates exposed to commodity price risk. He has also done several training sessions for investors all over the country and is also a regular speaker at various conferences in India and abroad.

EXPERT'S COLUMN



Shri. Gnanasekar Thiagarajan
Director, Commtrendz Research

Domestic Markets

- Shankar-6 was ruling at 60,000/candy despite softer yarn realizations suggests sellers were in no hurry to retreat, while mills were still willing to absorb cotton at elevated levels rather than wait for a deeper correction. That usually happens when pipeline comfort is not especially high: arrivals are not creating pressure, quality concerns remain in the background in parts of the market, and mills know that replacement values can quickly become uncomfortable if global sentiment firms again.

- India's manmade yarn market witnessed a mixed trend, as polyester-cotton (PC) yarn, polyester yarn, and viscose were influenced by different factors. Over the past week, PC yarn prices have increased by 5-6 per kg due to increasing cotton costs, which have raised production costs. Given that summer has

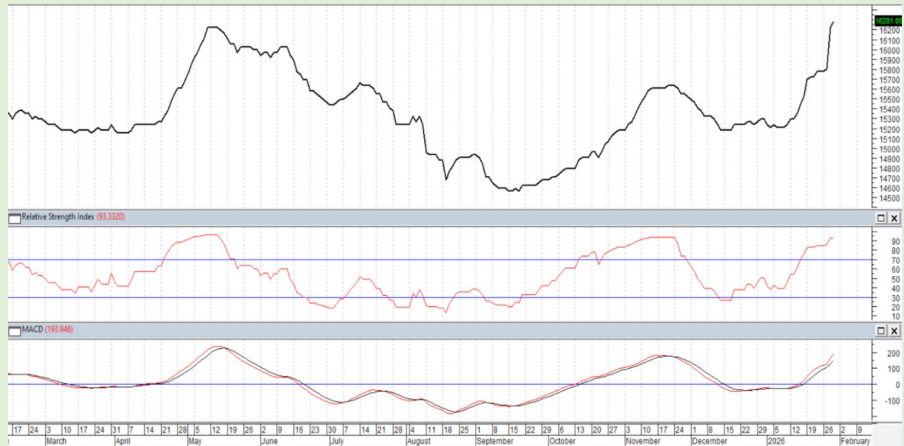
not yet arrived, demand is predicted to stay strong. Despite fluctuations in upstream inputs including PTA, MEG, and crude oil, the price of polyester yarn was steady. However, PSF is now more accessible because to recent drops in crude oil prices, which helps to maintain price stability. PC yarn may continue to be supported by the demand during the Sumer season. Because PC yarn clothing is more affordable, buyers favour it. After a sharp rise in the previous week, the price of crude oil fell. PSF was also more inexpensive due to lower crude oil prices.

International Markets

- ICE cotton futures edged higher on Wednesday, helped by a weaker dollar and drought conditions in key cotton-growing regions of the U.S. The dollar sank to its lowest level in a month against a basket of major currencies, making greenback-priced commodities like cotton less expensive for buyers holding other currencies.
- WTI crude futures jumped more than 2% toward \$97 per barrel on Thursday, recovering part of the prior session's losses as renewed Israeli strikes on Lebanon raised doubts about the durability of a fragile Middle East ceasefire, while the Strait of Hormuz remains largely obstructed. Iranian media reported that oil tanker traffic through the strait had been suspended following the attacks, amid disputes between Tehran and the American-Israeli side over whether the truce extends to Lebanon.
- Conditions across the U.S. cotton belt remain exceptionally hot and dry, with close to 94% of the planted area currently under drought stress. Such widespread moisture deficits during the early crop development phase raise concerns over germination, stand establishment, and eventual yield potential, particularly in key regions like Texas. Seasonally, the market is also entering a period where cotton prices have historically shown strength, with last year's rally peaking around May, reinforcing the idea that the current window is sensitive to weather-driven risk premiums.

Shankar 6 Guj ICS Price Trend

As mentioned earlier, only a move above 15,800 could revive bullish hopes once again. It is on its way up now towards 17,500 initially. Due to the overbought conditions we can expect some correction to 15,800 levels where good supports are noted.



Shankar- 6 Candy spot:

As mentioned in the previous update, a sustained rise above 55400 would suggest that the correction has ended and revive bullish potential. Severely overdone daily indicators warn that the next move can be a corrective dip. However, there is still some scope to test 60200 or even 60900 as achievable before a deeper pullback sets in. Supports are raised to 59400 and 59200. A fall below 59200 may open the way towards 58850.



ICE May 26 Cotton futures

An unexpected rise above 64.90c has altered the chart to bullish. Price came close to testing the long-term resistance at 74.55c. While staying below 72.80, the price may incline to drift towards 70.90 or lower. A push above 72.90 can increase the chances of targeting 75.50/76.00. Shorter-term charts indicate that supports near 71.35/71.15 may hold dips for a recovery towards 71.95 or higher. A fall below 70.85 would attract intraday selling towards 67/68c. The chart looks set to make multi year highs once it crosses 75c decisively.



As mentioned before, using ICE futures and Options for mitigating prices risk especially when prices are at elevated levels helps cushion the fall and manage high priced inventory of cotton and yarn is ideal for the industry, but to take that leap of faith is a humungous task for this industry where raw material price moves make or break the profit margins.

Hedging low priced ICE futures against domestic prices by buying plain vanilla Call options by paying a premium that could mitigate any upside price risk that can be caused by weather risk or any other event. Also, once price reach a unsustainable level higher, then the high-priced inventories in a falling market could help offset some losses using Put options.

A container of yarn roughly uses 150 bales of raw material cotton. That much of raw material price risk is what one is exposed to till the yarn is sold. The OPTION Is ICE futures; USA helps in inventory management. MCX Candy contracts recently launched should be a good testing ground for mills and exporters desirous of hedging their price risk in ICE futures and options.

CONCLUSION:

As cautioned earlier, MMF feedstock prices is likely to shoot up due to the rise in crude oil prices. That could be mildly supportive for cotton. The present tight supply situation and pick up in exports is seen boosting domestic prices. International prices are also receiving tailwinds due to possible El Nino situation for the upcoming crop.

Important support in ICE is at \$67c range followed by \$66c on the downside. Prices could find a lot of buying interest in the above-mentioned support zones. We expect prices to be capped in the 74-75c range for now. Also, funds are quite short so far and need a good fundamental reason to change their stance.

For Shankar 6 Guj ICS supports are seen at 57,500-58,000 per candy and for ICE Mar cotton futures at \$68c now. The domestic technical picture looks mildly weak and dips could find strong support. Therefore, we can expect international prices to consolidate in the near-term with chances of falling further in the short-term and then rising higher. Broader picture has turned bullish now. Energy markets and supply tightness and a weaker Rupee to support prices strongly.

Therefore, though we remain overall bearish, and feel prices are just beginning to turn bullish and more scope exists for further upside in coming months.

(The views expressed in this column are of the author and not that of Cotton Association of India)

ICAC – Global Production Expected to Decline in 2026/27 as Policy Shifts and Weak Demand Reshape Trade

Early projections for the 2026/27 season indicate that global cotton lint production will decline by 4% to 24.9 million tonnes, while world consumption is expected to remain stable at approximately 25 million tonnes, according to the April 2026 issue of Cotton This Month.

The anticipated production decline is driven primarily by lower cotton prices, weak demand, and reduced planting intentions, particularly in major producing countries such as Brazil and Australia. In the United States, early planting surveys also suggest a shift away from cotton toward competing crops such as corn and soybeans. Global cotton production in 2026/27 will continue to be led by China,

followed by India, Brazil, and the United States.

World cotton lint trade is projected to decline by 2.5% to 9.6 million tonnes, reflecting lower production levels and evolving global demand. Trade flows are expected to remain highly sensitive to tariffs, trade agreements, and geopolitical developments, including recent disruptions to global shipping routes.

On the import side, Bangladesh is projected to remain the world’s largest cotton importer at 1.8 million tonnes, followed by Vietnam, China, Pakistan, Türkiye, and India, together accounting for approximately 80% of global imports.

Basis Comparison of ICS 105 with ICE Futures – 4th April 2026

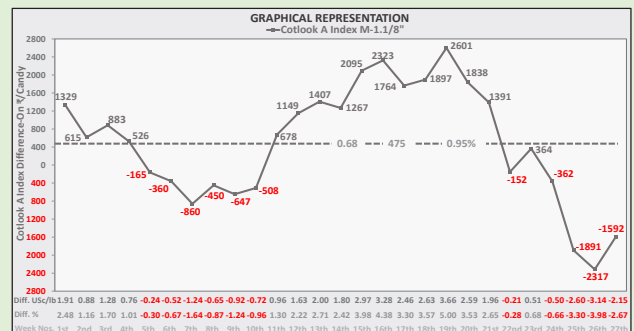
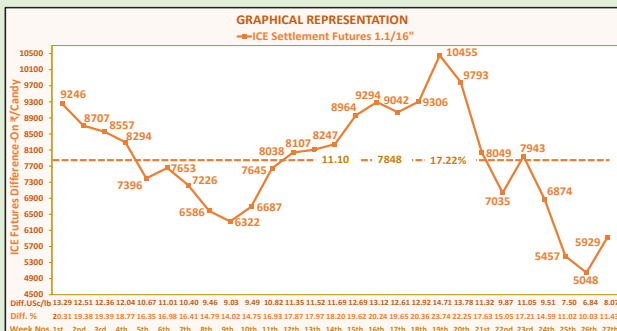
SEASON 2025-2026							
Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3.5%, Str./GPT 28 with ICE Futures							
Date	CAI (₹/Candy)	Conversion Rate (US\$ = ₹)	CAI (US\$/lb.)	ICE Settlement Futures 1.1/16" Front Mth. May'26 (US\$/lb.)	Difference-ON/OFF ICE Futures		
					US\$/lb.	₹/Candy	%
A	B	C	D	E	F	G	H
Cotton Year Week No-27 th							
30 th Mar	56700	94.81	76.28	70.19	6.09	4527	8.68
31 st Mar	57500	94.81	77.36	70.00	7.36	5471	10.51
1 st Apr	57800	93.40	78.93	70.76	8.17	5983	11.55
2 nd Apr	58600	93.10	80.28	70.92	9.36	6832	13.20
3 rd Apr	58600	93.10	80.28	70.92	9.36	6832	13.20
Weekly Avg.	57840	93.84	78.63	70.56	8.07	5929	11.43
Total Avg. frm 1 st Wk to 27 th Wk (Weekly Basis)	53693	90.33	75.81	64.72	11.10	7848	17.22

Note:- Weeks taken as per Cotton Year (October To September).
 Values in BLUE Indicates Previous Close Considered due to HOLIDAY'S Resp.
 31st Mar 2026 - RBI remain CLOSED due to Mahavir Jayanti.
 3rd Apr 2026 - Domestic & International Futures markets remain CLOSED due to Good Friday.

Basis Comparison of ICS 105 with Cotlook A Index – 4th April 2026

SEASON 2025-2026							
Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3.5%, Str./GPT 28 with Cotlook A Index							
Date	CAI (₹/Candy)	Conversion Rate (US\$ = ₹)	*CAI (US\$/lb.)	Cotlook A Index M-1.1/8" C & F FE Ports	Difference-ON/OFF Cotlook A Index		
					US\$/lb.	₹/Candy	%
A	B	C	D	E	F	G	H
Cotton Year Week No-27 th							
30 th Mar	56700	94.81	76.48	80.20	-3.72	-2765	-4.64
31 st Mar	57500	94.81	77.56	80.95	-3.39	-2520	-4.19
1 st Apr	57800	93.40	79.13	80.75	-1.62	-1186	-2.01
2 nd Apr	58600	93.10	80.48	81.50	-1.02	-744	-1.25
3 rd Apr	58600	93.10	80.48	81.50	-1.02	-744	-1.25
Weekly Avg.	57840	93.84	78.83	80.98	-2.15	-1592	-2.67
Total Avg. frm 1 st Wk to 27 th Wk (Weekly Basis)	53693	90.33	76.01	75.33	0.68	475	0.95

Note:- Weeks taken as per Cotton Year (October To September).
 *Converted to C & F FE Ports by adding 20¢/lb. to CAI spot rates.
 Values in BLUE Indicates Previous Close Considered due to HOLIDAY'S Resp.
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COTTON ASSOCIATION OF INDIA



**COTTON
ASSOCIATION
OF INDIA**
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**A CHILD'S CHILDHOOD IS FOR LEARNING
DON'T USE THEIR CHILDHOOD FOR EARNING
SAY NO TO CHILD LABOUR**

UPCOUNTRY SPOT RATES (Rs./Qtl)													
Standard Descriptions with Basic Grade & Staple in Millimeters based on Upper Half Mean Length As per CAI By-laws								Spot Rate (Upcountry) 2025-26 Crop March - April 2026					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	30th	31st	1st	2nd	3rd	4th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	13694 (48700)	13694 (48700)	13835 (49200)	13835 (49200)		13751 (48900)
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	15%*	20	10742 (38200)	10826 (38500)	10939 (38900)	10854 (38600)	H	10882 (38700)
3	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	13863 (49300)	13863 (49300)	13919 (49500)	14060 (50000)		14060 (50000)
4	P/H/R (U)	ICS-202 (SG)	Fine	27mm	3.5 – 4.9	4.5%	26	14735 (52400)	14847 (52800)	14960 (53200)	15100 (53700)		15100 (53700)
5	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	14988 (53300)	15100 (53700)	15213 (54100)	15353 (54600)	O	15353 (54600)
6	M/M(P)/ SA/TL/GUJ	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	14060 (50000)	14060 (50000)	14060 (50000)	14201 (50500)		14201 (50500)
7	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	15325 (54500)	15466 (55000)	15550 (55300)	15691 (55800)		15803 (56200)
8	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	15522 (55200)	15635 (55600)	15747 (56000)	16028 (57000)	L	15944 (56700)
9	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	15663 (55700)	15888 (56500)	15972 (56800)	16197 (57600)		16310 (58000)
10	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	15550 (55300)	15550 (55300)	15775 (56100)	16000 (56900)		16113 (57300)
11	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3%	27	15916 (56600)	15972 (56800)	16113 (57300)	16338 (58100)	I	16422 (58400)
12	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	15466 (55000)	15747 (56000)	15832 (56300)	15888 (56500)		15888 (56500)
13	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	15888 (56500)	16028 (57000)	16113 (57300)	16169 (57500)		16253 (57800)
14	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	15944 (56700)	16169 (57500)	16253 (57800)	16478 (58600)		16591 (59000)
15	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	15775 (56100)	15775 (56100)	16056 (57100)	16281 (57900)	D	16394 (58300)
16	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	16225 (57700)	16281 (57900)	16422 (58400)	16647 (59200)		16731 (59500)
17	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	16225 (57700)	16310 (58000)	16478 (58600)	16703 (59400)		16816 (59800)
18	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	16141 (57400)	16141 (57400)	16310 (58000)	16535 (58800)		16647 (59200)
19	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	16731 (59500)	16731 (59500)	16872 (60000)	17153 (61000)	A	17238 (61300)
20	SA/TL/K/ TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	16675 (59300)	16675 (59300)	16816 (59800)	17097 (60800)		17181 (61100)
21	SA/TL/K / TN/O	ICS-106	Fine	32mm	3.5 – 4.9	3%	31	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)		N.A. (N.A.)
22	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	21006 (74700)	21006 (74700)	21146 (75200)	21427 (76200)	Y	21568 (76700)
23	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	21231 (75500)	21231 (75500)	21371 (76000)	21652 (77000)		21793 (77500)
24	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	21512 (76500)	21512 (76500)	21652 (77000)	21934 (78000)		22074 (78500)
25	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	21793 (77500)	21793 (77500)	21934 (78000)	22215 (79000)		22355 (79500)

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

Note-2: *For Sr.No.2, Growth- Guj, (V797), Grade Standard-ICS-102, Grade-Fine, Staple-22mm, Micronaire-4.0-6.0, Gravimetric Trash-15%*, Strength/ GPT-20 Trash to be considered 13% for 30th March 2026 to 1st April 2026 and Trash 15% from 2nd April 2026 onwards.