

Weekly Publication of



Cotton
Association
of India

COTTON STATISTICS & NEWS

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Technical Analysis

Price outlook for Gujarat-ICS-10, 29mm and ICE cotton futures
for the period 05/05/2026 to 06/06/2026

Shri. Gnanasekar Thiagarajan is currently the head of Commtrendz Research, an organization which, specializes in commodity research and advisory to market participants in India and overseas. He works closely with mostly Agri-Business, base metals and precious metals business corporates in India and across the globe helping them in managing their commodity and currency price risk. Further to his completing a post graduate in software engineering, he did a long stint with DowJones, promoters of "The Wall Street Journal" and had the opportunity of closely working with some of the legends in Technical Analysis history in the U.S.

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

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 IIM Bangalore and conducted many internal workshops for corporates exposed to commodity price risk. He has

Domestic Markets

- Shankar-6 advanced to ₹64,500/candy, reflecting a panic in the domestic market. The move is notable as it occurred despite a pullback in ICE futures, indicating that internal supply dynamics are currently exerting greater influence than global cues. The ₹2,900/candy increase in CCI auction prices has effectively reset replacement costs higher. At this stage, the market is not being led by aggressive demand expansion, but by tightening access to lower-priced cotton and elevated procurement costs for mills. This provides strong near-term support to spot prices; however, it also introduces a risk that downstream participants may slow procurement if yarn price pass-through becomes inconsistent.

- India's cotton yarn market is expected to remain firm through June, following the cost-led uptrend seen in April-May. Rising raw cotton prices pushed mills to increase yarn rates, supported by steady export demand, particularly from China, which helped maintain utilisation levels. For the month ahead,

the market is likely to stay cost-supported but demand-constrained, with mills holding prices firm but actual trade remaining moderate. Price hikes may continue in phases, though acceptance is expected to be selective. Ongoing uncertainty around the Strait of Hormuz remains a key variable, as elevated crude prices and potential shipping disruptions could increase polyester costs and logistics expenses, indirectly supporting cotton yarn pricing while adding volatility to global trade flows.

International Markets

- ICE cotton futures eased on 4th May after hitting a two-year high earlier in the session, pressured by a firmer dollar and expectations of higher cotton acreage. The U.S. dollar rose 0.3% against a basket of currencies. A stronger dollar makes dollar-priced cotton more expensive for overseas buyers. However, we expect the downside to be limited and only corrective in nature. The structural uptrend remains intact.

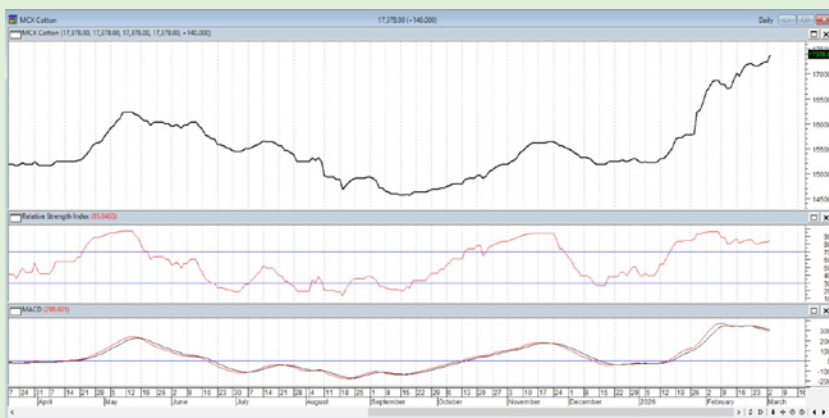
- WTI crude futures hovered near \$105 per barrel on Tuesday, following a surge of more than 4% in the prior session, as Middle East tensions intensified sharply. The US and Iran exchanged fire in the Strait of Hormuz, raising uncertainty over the durability of the four-week ceasefire.

- On the speculative positioning front, CFTC CoT report for the week to April 28 showed further extension of net long positions. Specs turned net long for the first time in two years, in the second week of April 2026. CFTC CoT net long positions were at 38355 lots up 3891 lots on week.

- In March, U.S. Department of Agriculture’s prospective planting report showed U.S. farmers are expected to plant more cotton in 2026, with acreage seen rising 4% to 9.64 million acres from 9.28 million acres last year. However approximately 98% of cotton production is within an area experiencing drought. The drought is a key supportive factor for cotton since persistent dryness due to a super El-Nino and a lack of fertilizers due to the uncertainty in Hormuz strait will keep supply uncertain and ICE cotton prices elevated in May.

Shankar 6 GUJ ICS Price Trend

As mentioned previously, price can be seen testing 17,500 and is likely to edge even higher towards 19000. Due to overbought conditions, we can expect some slight correction to 16,800/16700 levels where good supports are noted. The dip is only corrective in nature and the structural uptrend is still intact for 20,000 and above.



Shankar- 6 Candy spot:

Weekly chart indicates the next projected target near 68700(50%retracement level). Daily charts also show next projected upside targets near 65400 or even higher to 66000. Supports are raised to 63600/63100. Only an unexpected dip below 62900 will be the first warning sign about the start of a corrective phase.



ICE July 26 Cotton futures

Last week’s rally from 79.38c reached a high of 84.27, approaching

the projected upside levels. Our bullish outlook targets further extensions toward 85.75 and 87.65. Due to price being in overbought levels and facing temporary exhaustion we could see a temporary correction towards supports observed at 81.00/80.75 where dips can hold to preserve this upside momentum. A break below 80 warns of some downside, while falling under 79.25 serves as the risk point, likely inviting sellers toward critical support levels at 74.25/74.00.



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 have shot up due to the rise in crude oil prices and the prevailing uncertainty in the US-Iran war situation continues to support. That and a mix of weather and active net long positioning from speculative funds is likely to support cotton near term. The present tight supply situation and pick up in exports, especially to China, is seen boosting domestic prices as well. Also, good quality cotton availability which is mainly in the hands of CCI has created some tightness as well. International prices are also receiving tailwinds due to possible El Nino situation for the upcoming crop and increase in costs mainly for fertilizers.

Important support in ICE is at \$80c range followed by \$77c on the downside. Prices could find a lot of buying interest in the above-mentioned support zones. We expect prices to correct lower towards support levels where buyers could likely intervene. Prices could then edge higher towards 87.65 or even higher to 97c if momentum sustains. Also, funds are net long again after 2 years of being net short since April 2024, which is a very bullish sign for cotton prices going forward.

For Shankar 6 Guj ICS supports are seen at 62,000-63,000 per candy and for ICE Jul cotton futures at \$77-81c now. The domestic technical structure is showing signs of near-term fatigue after the recent sharp rally, and a mild correction cannot be ruled out as prices digest gains. Any dip, however, is expected to find strong underlying support given the bullish fundamentals.

While short-term pressure may persist, the broader market structure has turned constructive. Strength in energy markets, ongoing supply tightness and a weaker Rupee continue to provide a supportive backdrop for prices. Therefore, despite the likelihood of a brief consolidation or corrective phase in the near term, the overall bias has shifted decisively bullish, with prices expected to resume their uptrend and only move higher over the coming month with chances of intermittent corrections.

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



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Dr. Robert Jiang from ICA Business Operations & Development Manager
Mr. Jamie Welsh from DJW Cotton Consulting Ltd.
Mr. Raman Bhalla from Louis Dreyfus Company India Pvt. Ltd. (LDC)
(for Ahmedabad) on Risk Management
Mr. R. Srikanta from Ecom Agro India Pvt. Ltd. (for Coimbatore) on Risk Management
Mr. Pankaj D. Mevani, Director, CAI on Role of Cotton Association of India (CAI)

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| • Instrument Testing | |
| • ICA Value Differences | |

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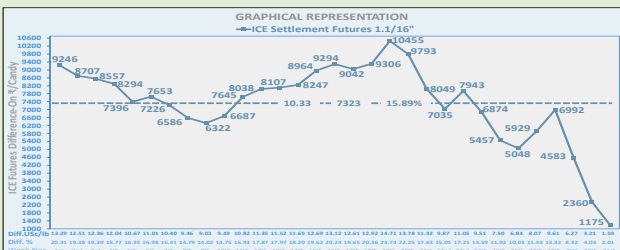
Tel.: 8657442944 Email: cai@caionline.in

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Basis Comparison of ICS 105 with ICE Futures – 2nd May 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 (USc/lb.) | ICE Settlement Futures 1.1/16" Front Mth. Jul'26 (USc/lb.) | Difference-ON/OFF ICE Futures | | |
| | | | | | USc/lb. | ₹ /Candy | % |
| A | B | C | D | E | F | G | H |
| Cotton Year Week No-31 st | | | | | | | |
| 27 th Apr 2026 | 61000 | 94.19 | 82.61 | 79.58 | 3.03 | 2238 | 3.81 |
| 28 th Apr 2026 | 61100 | 94.55 | 82.43 | 79.67 | 2.76 | 2046 | 3.46 |
| 29 th Apr 2026 | 61100 | 94.85 | 82.17 | 79.20 | 2.97 | 2209 | 3.75 |
| 30 th Apr 2026 | 61600 | 94.92 | 82.78 | 82.20 | 0.58 | 432 | 0.71 |
| 1 st May 2026 | 61600 | 94.92 | 82.78 | 84.19 | -1.41 | -1049 | -1.67 |
| Weekly Avg. | 61280 | 94.69 | 82.55 | 80.97 | 1.59 | 1175 | 2.01 |
| Total Avg. frm 1 st Wk to 31 st Wk (Weekly Basis) | 54554 | 90.76 | 76.64 | 66.31 | 10.33 | 7323 | 15.89 |

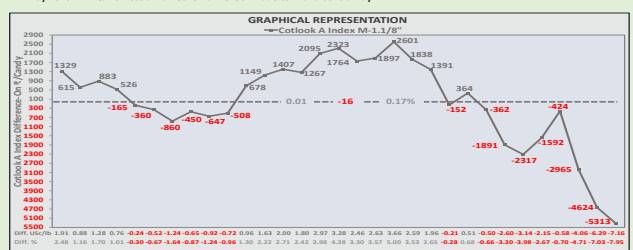
Note:- Weeks taken as per Cotton Year (October To September).
Values in BLUE Indicates Previous Close Considered due to HOLIDAY's Resp.
1st May 2026 - RBI & Domestic market remain CLOSED due to Maharashtra Day.



Basis Comparison of ICS 105 with Cotlook A Index – 2nd May 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 (USc/lb.) | Cotlook A Index M-1.1/8" C & F FE Ports | Difference-ON/OFF Cotlook A Index | | |
| | | | | | USc/lb. | ₹ /Candy | % |
| A | B | C | D | E | F | G | H |
| Cotton Year Week No-31 st | | | | | | | |
| 27 th Apr 2026 | 61000 | 94.19 | 82.81 | 89.35 | -6.54 | -4829 | -7.32 |
| 28 th Apr 2026 | 61100 | 94.55 | 82.63 | 89.55 | -6.92 | -5130 | -7.73 |
| 29 th Apr 2026 | 61100 | 94.85 | 82.37 | 89.55 | -7.18 | -5339 | -8.02 |
| 30 th Apr 2026 | 61600 | 94.92 | 82.98 | 89.05 | -6.07 | -4517 | -6.82 |
| 1 st May 2026 | 61600 | 94.92 | 82.98 | 92.05 | -9.07 | -6750 | -9.85 |
| Weekly Avg. | 61280 | 94.69 | 82.75 | 89.91 | -7.16 | -5313 | -7.95 |
| Total Avg. frm 1 st Wk to 31 st Wk (Weekly Basis) | 54554 | 90.76 | 76.84 | 76.83 | 0.01 | -16 | 0.17 |

Note:- Weeks taken as per Cotton Year (October To September).
*Converted to C & F FE Ports by adding 20c/lb. to CAI spot rates.
Values in BLUE Indicates Previous Close Considered due to HOLIDAY's Resp.
1st May 2026 - RBI & Domestic market remain CLOSED due to Maharashtra Day.





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Website : www.caionline.in

Inauguration of India's First Cotton Contamination Estimation Laboratory, Mumbai, 30th April 2026



| 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 April - May 2026 | | | | | |
| Sr. No. | Growth | Grade Standard | Grade | Staple | Micronaire | Gravimetric Trash | Strength /GPT | 27th | 28th | 29th | 30th | 1st | 2nd |
| 1 | P/H/R | ICS-101 | Fine | Below 22mm | 5.0 – 7.0 | 4% | 15 | 14172 (50400) | 14116 (50200) | 14116 (50200) | 14229 (50600) | | 14622 (52000) |
| 2 | GUJ | ICS-102 | Fine | 22mm | 4.0 – 6.0 | 15% | 20 | 11445 (40700) | 11473 (40800) | 11585 (41200) | 11670 (41500) | H | 11923 (42400) |
| 3 | M/M (P) | ICS-104 | Fine | 23mm | 4.5 – 7.0 | 4% | 22 | 14538 (51700) | 14538 (51700) | 14482 (51500) | 14538 (51700) | | 14904 (53000) |
| 4* | P/H/R (U) | ICS-202 (SG) | Fine | 27mm | 3.5 – 4.9 | 4.5% | 26 | 15747 (56000) | 15691 (55800) | 15775 (56100) | 15775 (56100) | | - - |
| 5 | P/H/R(U) | ICS-105 | Fine | 27mm | 3.5 – 4.9 | 4% | 26 | 16056 (57100) | 16000 (56900) | 16000 (56900) | 16000 (56900) | O | 16422 (58400) |
| 6 | M/M(P)/ SA/TL/GUJ | ICS-105 | Fine | 27mm | 3.0 – 3.4 | 4% | 25 | 14847 (52800) | 14847 (52800) | 14847 (52800) | 14847 (52800) | | 15185 (54000) |
| 7 | M/M(P)/ SA/TL | ICS-105 | Fine | 27mm | 3.5 – 4.9 | 3.5% | 26 | 16253 (57800) | 16281 (57900) | 16281 (57900) | 16338 (58100) | | 16675 (59300) |
| 8 | P/H/R(U) | ICS-105 | Fine | 28mm | 3.5 – 4.9 | 4% | 27 | 16535 (58800) | 16563 (58900) | 16619 (59100) | 16731 (59500) | L | 17181 (61100) |
| 9 | M/M(P) | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3.5% | 27 | 16759 (59600) | 16788 (59700) | 16788 (59700) | 16844 (59900) | | 17181 (61100) |
| 10 | SA/TL/K | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3.5% | 27 | 16619 (59100) | 16647 (59200) | 16647 (59200) | 16703 (59400) | | 17041 (60600) |
| 11 | GUJ | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3% | 27 | 16900 (60100) | 16928 (60200) | 16928 (60200) | 17013 (60500) | I | 17434 (62000) |
| 12 | R(L) | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3.5% | 27 | 16535 (58800) | 16563 (58900) | 16563 (58900) | 16647 (59200) | | 16984 (60400) |
| 13 | R(L) | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3.5% | 28 | 17013 (60500) | 17041 (60600) | 17041 (60600) | 17125 (60900) | | 17462 (62100) |
| 14 | M/M(P) | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3.5% | 28 | 17153 (61000) | 17181 (61100) | 17181 (61100) | 17322 (61600) | | 17716 (63000) |
| 15 | SA/TL/K | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3% | 28 | 16872 (60000) | 16844 (59900) | 16844 (59900) | 17069 (60700) | D | 17434 (62000) |
| 16 | GUJ | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3% | 28 | 17209 (61200) | 17238 (61300) | 17238 (61300) | 17378 (61800) | | 17856 (63500) |
| 17 | M/M(P) | ICS-105 | Fine | 30mm | 3.7 – 4.9 | 3% | 29 | 17491 (62200) | 17519 (62300) | 17519 (62300) | 17631 (62700) | | 18137 (64500) |
| 18 | SA/TL/K/O | ICS-105 | Fine | 30mm | 3.7 – 4.9 | 3% | 29 | 17294 (61500) | 17322 (61600) | 17322 (61600) | 17434 (62000) | | 17997 (64000) |
| 19 | M/M(P) | ICS-105 | Fine | 31mm | 3.7 – 4.9 | 3% | 30 | 17772 (63200) | 17772 (63200) | 17772 (63200) | 17884 (63600) | A | 18278 (65000) |
| 20 | SA/TL/K/ TN/O | ICS-105 | Fine | 31mm | 3.7 – 4.9 | 3% | 30 | 17631 (62700) | 17631 (62700) | 17631 (62700) | 17744 (63100) | | 18165 (64600) |
| 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 | 22496 (80000) | 22496 (80000) | 22496 (80000) | 22496 (80000) | Y | 23058 (82000) |
| 23 | K/TN | ICS-107 | Fine | 34mm | 2.8 - 3.7 | 3.5% | 34 | 22777 (81000) | 22777 (81000) | 22777 (81000) | 22777 (81000) | | 23340 (83000) |
| 24 | M/M(P) | ICS-107 | Fine | 35mm | 2.8 - 3.7 | 4% | 35 | 23340 (83000) | 23340 (83000) | 23340 (83000) | 23340 (83000) | | 23621 (84000) |
| 25 | K/TN | ICS-107 | Fine | 35mm | 2.8 - 3.7 | 3.5% | 35 | 23340 (83000) | 23340 (83000) | 23621 (84000) | 23621 (84000) | | 23902 (85000) |

Note: * Sr. No.4, P/H/R(U) ICS-202 (SG) is lower by Rs. 800/pc
Note: Figures in bracket indicate prices in Rs./Candy