

Weekly Publication of



**Cotton
Association
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COTTON STATISTICS & NEWS

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Director's / Member's Page

Views on Cotton-Value-Chain

Dr. Sharad Kumar Saraf, a merit scholar in IIT Mumbai from where he graduated in 1969, established Technocraft Industries (India) Ltd. in 1973 for manufacture of Drum Closures. Subsequently Technocraft Group diversified into manufacturing of High Precision Scaffolding System and Cotton Yarn Fabrics and Knit Garments.



Dr. Sharad Kumar Saraf
Director, CAI and
Chairman, Technocraft Group

Cotton has shaped the economy of India and several other countries. Western India particularly Gujarat and Maharashtra owe their economy and industrial growth to the cotton cultivation and cotton mills established in 19th century onwards. The British found Indian cotton to be a substantially higher quality. As a result they paid special attention to the cotton business and cotton value chain.

In India several large business houses got created and evolved through cotton supply chain. There were 3 distinct sectors which created enormous wealth. The cultivation and ginning of cotton resulting in flourishing cotton trade where persons like Govind Ramji Seksaria, Khimji Vishram and others become wealthy.

Then there were mill owners who become pioneers by establishing large integrated cotton mills in Mumbai and Ahmedabad. They provided clothing to the Indian population and helped in industrial growth by spawning machinery and equipment manufacturers, various skilled operators and brought in all round prosperity to the country. Finally, the trade which included cotton trade as well as finished fabric and textile trade.

It is heartening to note that all above three sectors namely cotton cultivation and ginning, textile manufacturing, and merchanting have all undergone reengineering and restructuring and have prospered.

Indian cotton production is now 2nd in the world. Indian textile export contributes almost 25% of export basket and cotton value chain emerged as the 2nd largest employer after the agriculture. With this legacy India is now poised to take a quantum jump in making cotton value chain as an important tool for wealth generation and creation.

Having said this, I would also like to draw the attention of the reader to various challenges that have to be faced to have a quantum jump in textile sector. Our cotton yield per hectare is the lowest in the world. Though we are able to grow very fine quality of cotton, careless packing and distribution adds contamination. This has made our cotton as one of the highest contaminated cotton in the world. Both these issues have to be addressed in order to make our cotton value chain efficient and competitive in the world.

CAI has a major role to play in addressing the issue of cotton productivity and handling. As a nationally acclaimed body of cotton stakeholders CAI needs to draw up plans and strategy to address these issues. I am sure CAI will rise to the occasion and come up with viable solution.

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

Technical Analysis

Price Outlook for Gujarat-ICS-10, 29mm and ICE Cotton Futures for the period 01/07/2025 to 04/08/2025

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 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

- The Domestic cotton markets witnessed a significant uptick today. The Shankar-6 CAI spot price also rose by ₹200, reaching ₹54,500 per candy, highlighting firm demand in the physical market. With the 2023-24 crop nearly exhausted and fresh arrivals not expected until October, ginnners are holding limited stocks, firming prices. Mill buying has resumed selectively due to fears of further escalation if monsoon delays affect the next crop. As per CAI, as on June 24 daily arrivals were at 13,300 and cumulative arrivals for 2024-25 season till that date were 2,89,55,800. Arrivals for the month of June came to 4.46,800.

- Although the monsoon has covered most cotton-growing regions, sporadic rainfall in parts of Gujarat and Maharashtra has delayed sowing activities, creating short-term supply anxiety. Any rainfall deficit in July could impact acreage, especially in Gujarat, the primary Shankar-6 producing state.

Crop (lakh hectares)	Area Sown		Percent Change on Week	Percent Change on Year	Planting Completed (Percent of 5-year avg total area)
	2025	2024			
Cotton	54.66	59.97	74.91	(8.85)	42.21

International Markets

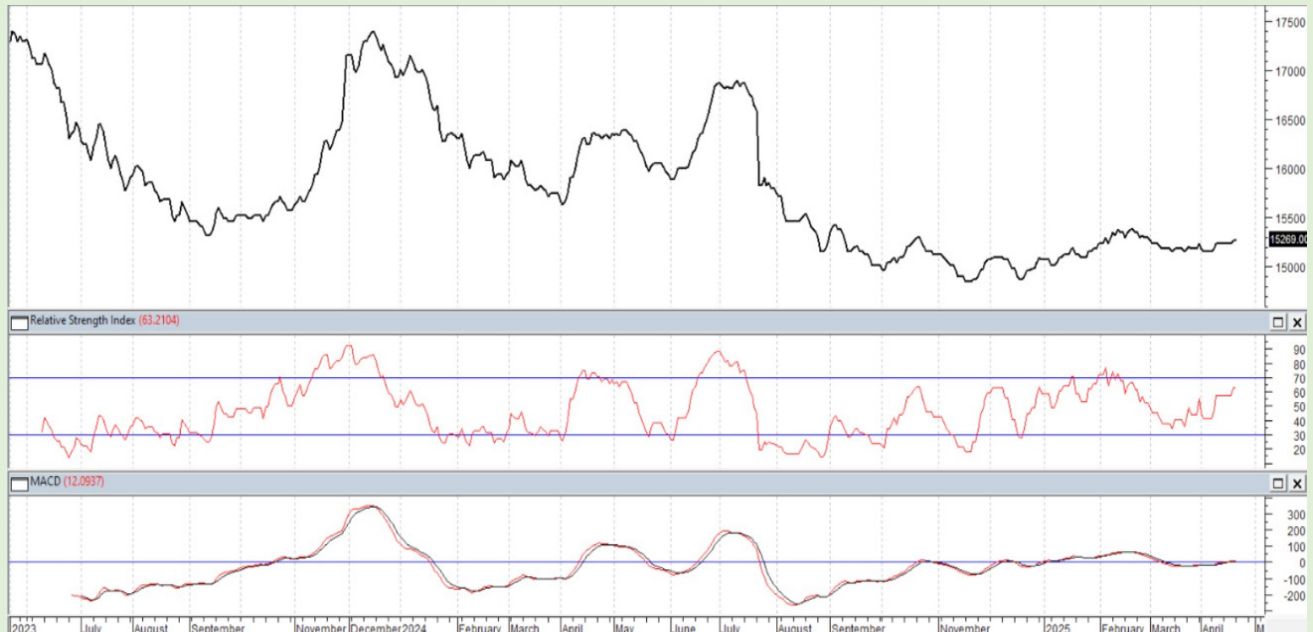
- ICE cotton futures snapped a five-session winning streak on Monday, as market participants engaged in profit-taking ahead of the U.S. Department of Agriculture's (USDA) prospective plantings report. The dollar fell to more than three-year lows, as market optimism over U.S. trade deals bolstered bets for earlier interest rate cuts by the Federal Reserve. A weaker dollar makes greenback-priced cotton cheaper for overseas buyers. The S&P 500 and Nasdaq scaled new heights, as optimism over the U.S. striking trade deals with its key partners fuelled the bullish momentum that has kept indexes on track for gains this quarter.

- WTI crude oil futures fell to around \$64.9 per barrel on Tuesday, marking a second consecutive day of losses amid worries of excess supply as OPEC+ plans to ramp up production. The group was reportedly set to increase output by 411,000 bpd in August, following similar hikes for May, June, and July. Prices also declined as the geopolitical risk premium faded, with the ceasefire between Israel and Iran continuing to hold. Moreover, sluggish manufacturing activity in China, the world's top oil importer, raised concerns over slowing demand.

- Crop Progress data showed 95% of the US cotton crop planted (98% on average), with 40% squaring (3 points ahead of normal and 9% setting bolls. All cotton planted for 2025 is estimated at 10.1 million acres, down 10 percent from last year. Upland area is estimated at 9.95 million acres, down 9 percent from 2024. American Pima area is estimated at 171,000 acres, down 17% from 2024.

Shankar 6 GUJ ICS PRICE TREND

As mentioned earlier, highly oversold indications hint at a pullback higher. Prices are languishing without any follow-through around 54,000-54,500/candy levels. Failure to sustain and push forward could pressure prices even again. For now, price is struggling to cross 16,000 levels and well supported at around 15,000 levels. If a duty cut materializes which is looking very unlikely now, more downside can be expected temporarily before it finds traction due to rising international prices.



MCX Cotton Candy Jul:



No change in view. As mentioned earlier, the technical picture has finally exited the downtrend reviving hopes for a bullish reversal now. But it is struggling to gain momentum and traction as good weather has increased hopes of decent crop size amid poor ongoing global and domestic demand. As anticipated, in our previous update, it can rise to 56,800/900 next while 52,000 hold any attempts to decline.

As mentioned in the earlier update, strong support was seen at 65-66c and bounce from there looks positive for cotton futures. Prices could aim for 73c followed by 77c presently. But the 70c resistance is presently being a very tough resistance to cross. Markets are bracing for a break above 70c eventually. We expect prices to hold around the 65-66c zone and bounce back and move higher due to short-covering by funds as we enter into planting season and weather risks.



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.

As cautioned previously the peak arrival season is coming to an end and a pullback can be seen in local prices to 55,000-56,000. But it looks unsustainable here and prices could come under pressure again. Prices have been moving perfectly in line with our expectations. Strong resistance is presently noticed there and may find it tough to cross that in the near-term. More uncertainties are increasing as the weather so far has been friendly. Weather is likely to lead prices slightly higher in the coming months.

Important support in ICE is at \$65c range followed by \$63c on the downside. Prices could find a lot of buying interest again on dips now. We expect prices to break be capped in the 73-77c range. The international price still indicates that a bearish H&S pattern is in play.

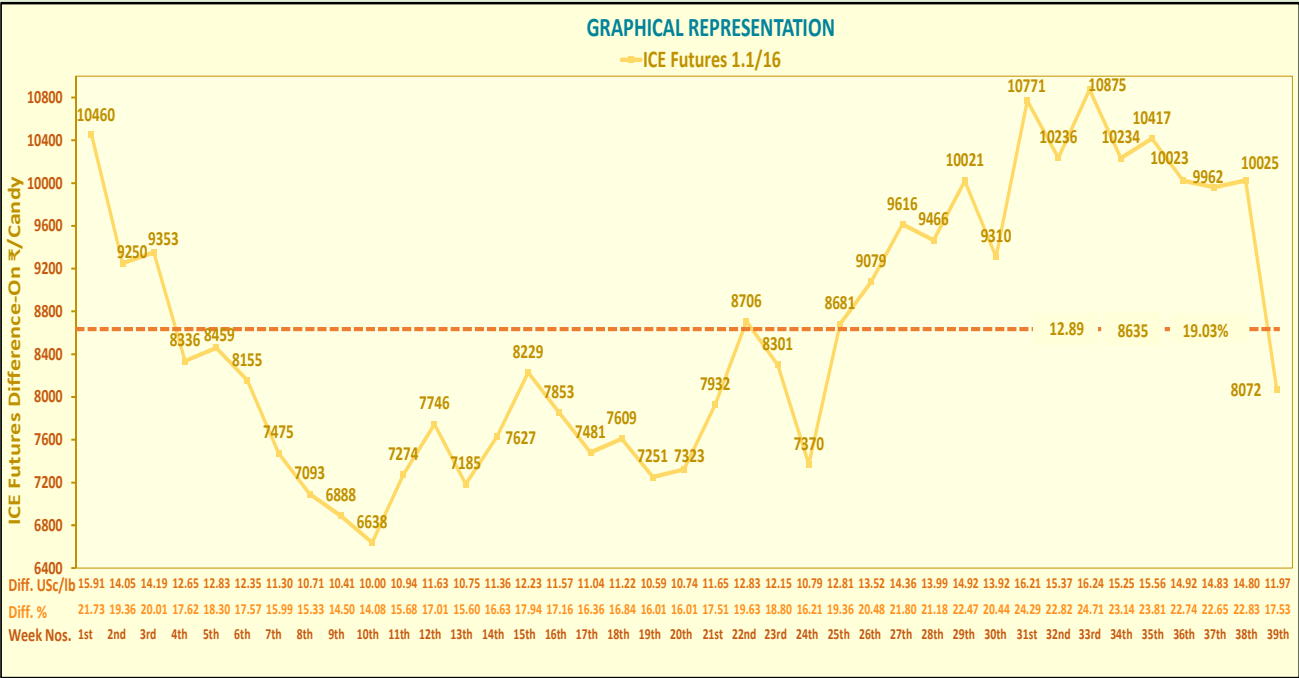
For Shankar 6 Guj ICS supports are seen at 52,000 per candy and for ICE Mar cotton futures at \$65c now. The domestic technical picture looks neutral to mildly bullish, but any major upside from here could be limited. Therefore, we can expect international prices to consolidate in the near-term with chances of pullbacks and retracements higher. But broader picture is not clear and a rangebound trade is expected going forward. However, with lots of hurricanes expected in the coming season, sharp spikes can be expected.

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

Basis Comparison of ICS 105 with ICE Futures – 30th June 2025

SEASON 2024-2025							
Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3.5%, Str./GPT 28 with ICE Futures							
CAI Price for June Compared with ICE Settlement Futures December							
Year 2024/2025	*CAI (₹ /Candy)	Conversion Rate (US\$ = ₹)	CAI (USc/lb.)	ICE Settlement Futures 1.1/16" Front Mth. Dec.'25 (USc/lb.)	Difference-ON/OFF ICE Futures		
					USc/lb.	₹ /Candy	%
A	B	C	D	E	F	G	H
Cotton Year Week No-39 th							
23 rd Jun	54000	86.75	79.40	67.41	11.99	8155	17.79
24 th Jun	54000	85.97	80.12	67.79	12.33	8310	18.19
25 th Jun	54100	86.09	80.15	68.32	11.83	7985	17.32
26 th Jun	54300	85.71	80.81	68.80	12.01	8070	17.46
27 th Jun	54300	85.49	81.02	69.32	11.70	7842	16.88
Weekly Avg.	54140	86.00	80.30	68.33	11.97	8072	17.53
Total Avg. From 1st Oct 2024	54154	85.51	80.80	67.92	12.89	8635	19.03

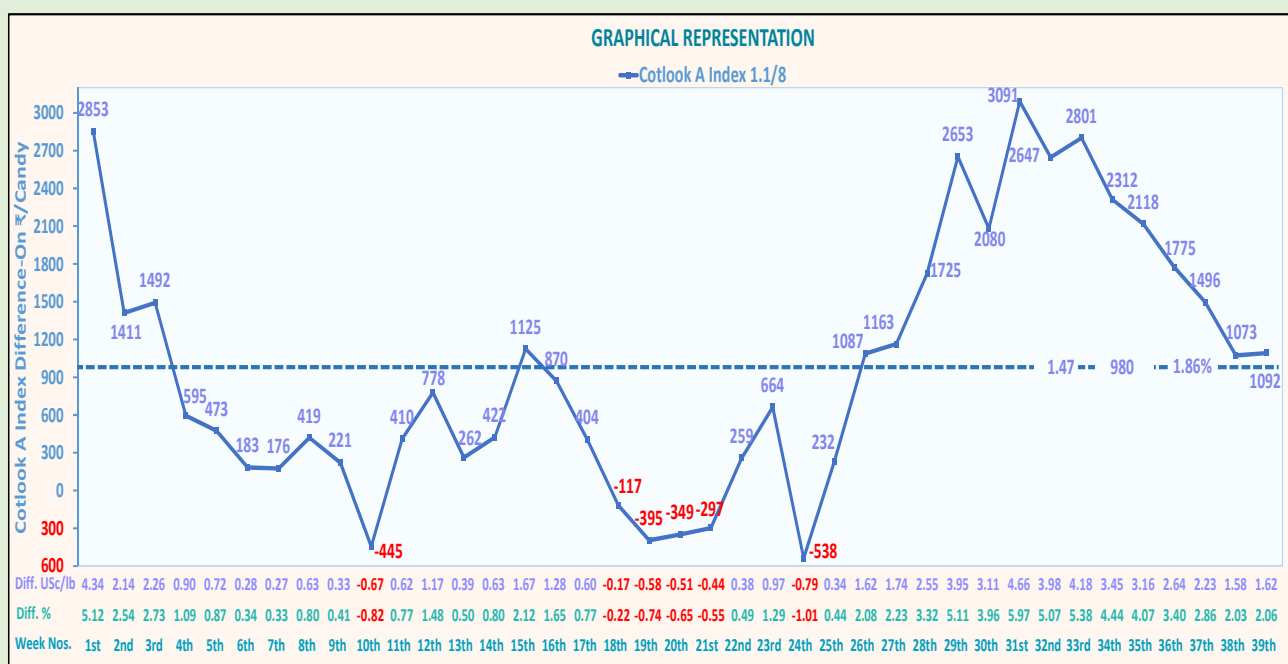
Note:- Weeks taken as per Cotton Year (October To September).



Basis Comparison of ICS 105 with Cotlook A Index – 30th June 2025

SEASON 2024-2025							
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							
Year 2024/2025	CAI (₹ /Candy)	Conversion Rate (US\$ = ₹)	CAI (US\$/lb.)	Cotlook A Index M- 1.1/8"	Difference-ON/OFF Cotlook A Index		
					US\$/lb.	₹/Candy	%
A	B	C	D	E	F	G	H
Cotton Year Week No-39 th							
23 rd Jun	54000	86.75	79.40	77.55	1.85	1258	2.39
24 th Jun	54000	85.97	80.12	78.40	1.72	1159	2.19
25 th Jun	54100	86.09	80.15	78.65	1.50	1012	1.91
26 th Jun	54300	85.71	80.81	79.15	1.66	1115	2.10
27 th Jun	54300	85.49	81.02	79.65	1.37	918	1.72
Weekly Avg.	54140	86.00	80.30	78.68	1.62	1092	2.06
Total Avg. From 1st Oct 2024							
	54154	85.51	80.80	79.34	1.47	980	1.86

Note:- Weeks taken as per Cotton Year (October To September).



(₹/ Quintal)

2024-25 Crop

[illegible]

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) 2024-25 Crop June 2025					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	23th	24th	25th	26th	27th	28th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	13554 (48200)	13554 (48200)	13554 (48200)	13554 (48200)	13723 (48800)	
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	10742 (38200)	10714 (38100)	10714 (38100)	10714 (38100)	10742 (38200)	H
3	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	13301 (47300)	13244 (47100)	13244 (47100)	13244 (47100)	13244 (47100)	
4	P/H/R (U)	ICS-202 (SG)	Fine	27mm	3.5 – 4.9	4.5%	26	14875 (52900)	14875 (52900)	14875 (52900)	14904 (53000)	14932 (53100)	
5	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	15044 (53500)	15044 (53500)	15044 (53500)	15072 (53600)	15100 (53700)	O
6	M/M(P)/ SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	12851 (45700)	12710 (45200)	12654 (45000)	12654 (45000)	12654 (45000)	
7	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	14538 (51700)	14538 (51700)	14538 (51700)	14594 (51900)	14594 (51900)	
8	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	15410 (54800)	15438 (54900)	15438 (54900)	15466 (55000)	15550 (55300)	L
9	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14875 (52900)	14875 (52900)	14904 (53000)	14960 (53200)	14960 (53200)	
10	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14904 (53000)	14875 (52900)	14875 (52900)	14932 (53100)	14932 (53100)	
11	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3%	27	14960 (53200)	14960 (53200)	14960 (53200)	14988 (53300)	14988 (53300)	I
12	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	15241 (54200)	15241 (54200)	15269 (54300)	15297 (54400)	15325 (54500)	
13	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	15353 (54600)	15353 (54600)	15382 (54700)	15410 (54800)	15466 (55000)	
14	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	15185 (54000)	15185 (54000)	15213 (54100)	15269 (54300)	15269 (54300)	D
15	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	15213 (54100)	15185 (54000)	15185 (54000)	15241 (54200)	15241 (54200)	
16	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	15241 (54200)	15241 (54200)	15241 (54200)	15269 (54300)	15269 (54300)	
17	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	15438 (54900)	15438 (54900)	15466 (55000)	15522 (55200)	15522 (55200)	A
18	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	15466 (55000)	15438 (54900)	15438 (54900)	15494 (55100)	15494 (55100)	
19	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	15888 (56500)	15888 (56500)	15888 (56500)	15888 (56500)	15803 (56200)	
20	SA/TL/K/ TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	15888 (56500)	15888 (56500)	15888 (56500)	15888 (56500)	15803 (56200)	Y
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	20949 (74500)	20949 (74500)	20949 (74500)	20949 (74500)	20949 (74500)	
23	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	22215 (79000)	22215 (79000)	22215 (79000)	22215 (79000)	22215 (79000)	
24	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	21568 (76700)	21568 (76700)	21568 (76700)	21568 (76700)	21568 (76700)	
25	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	23058 (82000)	23058 (82000)	23058 (82000)	23058 (82000)	23058 (82000)	

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