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PRESIDENT'S DESK

Brazil

Brazil ended the 2025-26 marketing year in July at a record high, with cotton exports of 3.374 million tonnes, up 19% over the same period last year.

In July, shipments were led by Bangladesh at 30,053 tonnes (19% of total), followed by Turkey at 26,565 tonnes (17%) and Vietnam at 26,565 tonnes (17%).

Together, China, Bangladesh and Turkey accounted for 1.80 million tonnes, or 53% of Brazil's total shipments.

India stood out, with Brazilian cotton exports to the country rising more than 40 times in two years.

Globally, Brazil is expected to remain the third-largest producer in 2026-27 and the world's largest exporter, with projected shipments of 3.33 million tonnes, near the 2025-26 record.

China

Raw cotton imports

The cumulative imports during August-July 2026 stood at about 1.58 million tonnes, compared to 1.13 million in 2024-25.

Egypt

Export sales and shipments

Total export commitments registered for 2025-26 up to 16th August 2026 amounted to 62,689 tonnes, 63% higher than the same period last year.

CAI President Shri. Vinay N. Kotak Felicitated at the 7th Bi Annual All India Cotton Conference, Coimbatore – 21st August 2026

CAI President Shri. Vinay N. Kotak was felicitated by Indian Cotton Federation (ICF) President, Shri. J. Thulasidharan at the 7th Bi Annual All India Cotton Conference, held at Coimbatore on Friday, 21st August 2026.

Addressing the gathering, the CAI President, Shri. Vinay N. Kotak lauded all AICF and Committee members, noting that AICF has done an excellent job of bringing the entire cotton textile value chain together on one platform.

He expressed strong optimism about the future of the Indian cotton industry, stating that it resonates with the Hon'ble Prime Minister's vision and the concerted efforts of Commerce Minister, Shri. Piyush ji Goyal.

He highlighted that with several FTAs concluded, the outlook for textile exports is very promising, in line with the Prime Minister's 5F vision — Farm to Fibre, Factory, Fashion and Foreign.

To realise this vision, including the ambition of achieving USD 100 billion in textile exports by 2030, he called upon all association leaders to join hands and collaborate on a comprehensive draft policy. He assured that CAI would be an active partner in this endeavour and would work jointly with the industry and the Government to take it forward.

All leading Association Presidents should work together and prepare a draft recommendation to the Government for a long-term policy for the entire cotton textile value chain.

Commending the excellent arrangements and insightful deliberations, he extended a warm invitation to all present to join and collaborate at the upcoming CAI conference for an exchange of ideas.

He further extended a special invitation to Shri. J. Thulasidharan ji, ICF President, Shri. Lalit Kumar Gupta, CCI Chairman, and all industry colleagues to grace the conference with their presence.

Technical Analysis

Price outlook for Gujarat-ICS-105, 29mm and ICE cotton futures for the period 07/08/2026 to 05/09/2026

EXPERT'S COLUMN

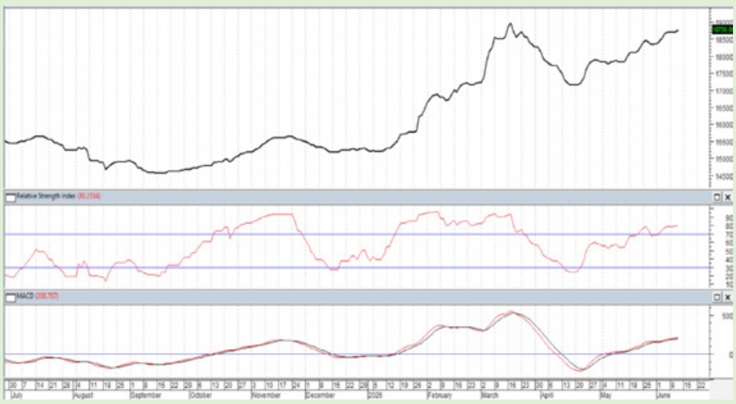
Shri. Gnanasekar Thiagarajan
Director, Commtrendz Research

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.

- **Shankar 6 GUJ ICS-105, 29mm PRICE TREND**



As mentioned previously, the structural uptrend is still intact for 20,000 and above. Presently strong resistances noted in the 19,000 zone. But indicators are not favourable for any further increase from here and shows exhaustion signs. This is likely to result in a correction lower to 18,000 levels in the coming month. But post that correction we still expect 20,000 to be crossed again.

Shankar- 6 GUJ ICS-105, 29mm Candy Spot:

Our projected Guj – ICS-105 – 29mm Staple (Shankar-6): 67,500. Having reached the primary objective, strong momentum on daily oscillators favours an extended rally towards 68600. Supports at 67250 / 67150 should contain minor dips to keep the bullish structure intact. However, a breakdown below critical support at 66900 invalidates immediate upside momentum, threatening a deeper retreat towards 66200 or even lower to 65,000 and shifting the bias to neutral to bearish.

ICE Dec 26 Cotton futures

As mentioned before, we expect a strong revival to the upside again from the 75c region again. On the upside, resistances are placed at 82 & 85c, and only a move above 86 could revive buying interest for 93-95c. We expect good resistances to kick in the 85 zone being a strong resistance zone. However, any adverse weather development could see further extension higher.

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 an 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 also 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:

The rise in crude again from lows of $74, has started supporting cotton prices again thanks to the prevailing continued uncertainty in the US-Iran war situation.

NYMEX CRUDE WTI CHART

Energy prices could once start climbing higher helping MMF prices edge from recent lows. Though weather concerns seem to have moderated, the critical period of August/September is when the peak is expected for El Nino. International prices though have corrected for now due to recent rains, the crop progress needs close monitoring as weather agencies predict the peak El Nino during July, August and September period globally including India.

Important support in ICE is at $80-81c range. 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 return. Prices could then edge higher towards 87.65 or even higher to 97c if momentum sustains. Also, funds profit-taking on the recent long positions 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-105 supports are seen at 65,000 / 65,500 per candy and for ICE July cotton futures at $80-81 now. The domestic technical structure is showing exhaustion signs which could see the current upside of 67,500 capped and some downside correction looking likely. Any dip to support levels, however, is expected to find strong underlying support given the bullish fundamentals.

While short-term correction is possible, the broader market structure is still positive due to weather worries. Strength in energy markets, ongoing domestic supply tightness and weather concerns is likely to underpin prices. Therefore, despite the likelihood of a corrective phase in the near term, the overall bias has is still bullish, with prices expected to resume the uptrend.

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

USDINR Monthly Report: August 2026

USDINR is expected to trade in a wide range of 94.00–96.50

EXPERT'S COLUMN

Shri. Anil Kumar Bhansali, Head of Treasury, Finrex Treasury Advisors LLP, has a rich experience in Banking and Foreign Exchange for the past 36 years. He was a Chief Dealer with an associate bank of SBI.

Shri. Anil Kumar Bhansali
Head of Treasury,
Finrex Treasury Advisors LLP

USDINR

The Indian rupee fell from a high of 94.59 to 96.6725 before recovering back to 95.38 in the month of July exhibiting huge volatility during the month of July-2026. The main reasons for the fall and rise were the oil prices which rose a whopping 42.85% to more than $ 100 per barrel before falling back to $ 89 per barrel amid heightened Middle East tensions. The dollar index too rose above 101.50 before retreating back to around 100 levels as the FOMC retained its rates at 3.50-3.75% but the guidance looked like more dovish in nature. The US GDP growth figures also came lower than expected at 1.5% which enabled the strong dollar index to fall to 99.95 levels in the last week of July-2026. The fragile ceasefire between US and Iran continued as talks on the process to allow safe movement of Ships in the Strait of Hormuz. The RBI announced that Banks had mobilized $ 32 billion under the FCNR/ECB route announced in the month of June-2026. RBI was in the forefront selling dollars when rupee fell to 96.67 to curb the fall in rupee and the appreciation was also supported by RBI intervention through state-owned banks to smooth volatility, foreign portfolio inflows into Indian equities and debt, and improving global risk sentiment following the US Federal Reserve's decision to keep interest rates unchanged. By the end of the month, the combination of a weaker US dollar, easing crude oil prices and sustained capital inflows helped the rupee close at ₹95.38 per US dollar, despite intermittent importer demand for dollars and lingering geopolitical risks. The Governor in one of his interviews said that rupee was undervalued to some extent. FPI inflows were to the extent of $4.2 billion during the month of July-2026 with $ 2.1 billion coming in the equity segment while the balance in the debt segment. On the last day of the month Bloomberg Index Services deferred the inclusion of Indian government bonds in its flagship Global Aggregate Index, citing the need for recent tax and market reforms to become more firmly established in daily practice.

For the month of August 2026, the rupee is expected to remain within the range 94.00–96.50 range, with risks balanced.

Following the rupee's strong appreciation in July-from around ₹96.67 to ₹95.38 August is likely to see higher volatility rather than a one-way move. The rupee's direction will depend on whether the supportive factors from July continue. The FCNR flows have been supportive for the rupee as they ensure improvement in the BOP situation of India. SBI expects flows of $ 70-80 billion in the coming two months. Factors that could support the rupee are:

1. A weaker US Dollar Index, especially if it remains around 100 or falls below that level;
2. Continued foreign portfolio inflows into Indian equities and debt;
3. Lower or stable Brent crude oil prices, particularly if they remain below US$90 per barrel;
4. RBI's continued management of excessive volatility, which has helped stabilize the currency in recent weeks;
5. Expectations that the Federal Reserve may begin easing policy later in 2026, reducing support for the US dollar.

Risks that could weaken the rupee are:

1. A rebound in Brent crude back above US$95 per barrel, increasing India's import bill;
2. Stronger-than-expected US economic data (especially inflation and employment), which could push the Dollar Index higher;
3. Renewed geopolitical tensions in the Middle East, particularly any disruption to shipping routes;
4. A slowdown or reversal in foreign portfolio inflows into Indian markets.

The bias for August 2026 is mildly positive for the rupee, but the pace of appreciation is likely to slow after July's strong gains. A sustained move below ₹95.00 would probably require a combination of a Dollar Index below 100, Brent crude below US$85, and continued strong foreign capital inflows. Conversely, a sharp rise in oil prices or a rebound in the US dollar could push USDINR back towards ₹96.00–96.50. The most likely outcome is that the rupee consolidates with a modest appreciation bias rather than extending July's rally at the same pace.

Key support lies at 94.80 below which the pair may drop to 94.20. While immediate resistance is at 96.00, and a break above this level could lead to an upside move towards 96.60 levels.

Key Triggers :

US DOLLAR INDEX (DXY)

The US Dollar Index (DXY) weakened during July 2026, declining from above 101.5 at the beginning of the month to around 100.0 by month-end, a fall of roughly 1.5–2.0%. The decline was driven by expectations that the Federal Reserve is nearing the end of its tightening cycle, softer US inflation and growth data, and improving global risk sentiment, which encouraged investors to reduce long-dollar positions. Stronger performances by the euro, British pound and several emerging-market currencies also contributed to the dollar's decline. All Major Central Banks kept their interest rates under hold with FED being in a slight dovish mood despite the desent by 3 participants for increasing the rates. However, the fall in the DXY was not linear. The index briefly strengthened during the month amid heightened geopolitical tensions in the Middle East, a surge in oil prices and higher US Treasury yields, before resuming its downward trend after the Fed's policy meeting and softer macroeconomic data as also a fragile ceasefire in the Gulf. The Dollar Index is likely to remain under pressure during August, but volatility is expected to remain high because of key US economic releases.

FPI

July 2026 marked a turnaround in foreign portfolio flows, with overseas investors returning as net buyers in Indian equities being small buyers in June-2026 and earlier months of consistent selling. Improved domestic macroeconomic indicators, a strengthening rupee during the second half of the month, expectations that the RBI would maintain a supportive policy stance, and easing concerns over US monetary policy all helped revive foreign investor sentiment. FPIs bought $ 2.1 billion of equiteis during the month and an equivalent amount in debt with most inflows in the General limit of the debt segment.

FX Reserves

India's FOREX reserves increased by $ 15 billion during the month of July-2026 from $ 667 billion to $ 682 billion (24/07/2026) with most increases coming in the Foreign Currency Assets as RBI may have bought dollars as also flows coming in the form of FCNR deposits/ ECB.

Brent Oil

Brent crude experienced one of its most volatile months of 2026, driven primarily by geopolitical developments in the Middle East. Prices began July around US$73–74 per barrel before surging sharply to above US$100 per barrel during the month as tensions escalated, raising fears of supply disruptions and risks to shipping through the Strait of Hormuz and other key Middle East trade routes. The sharp increase also lifted the Indian crude oil basket significantly, increasing concerns over India's import bill, inflation and current account deficit.

As the month progressed, oil prices gave up part of their gains after fears of an immediate supply disruption eased, OPEC+ maintained adequate supply expectations, and markets shifted their focus towards global demand concerns. Brent ended July with the October futures contract around US$87.50 per barrel, well below the month's peak but still above the levels seen at the beginning of the month.

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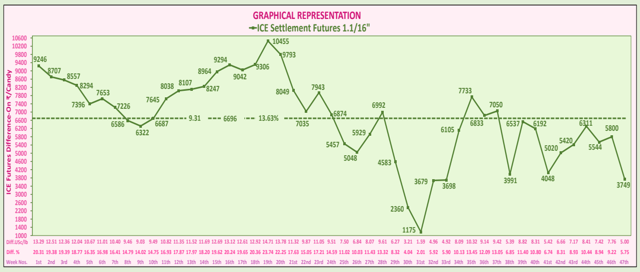
Basis Comparison of ICS 105 with ICE Futures – 24th August 2026

SEASON 2025-2026

Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3%, Str./GPT 28 with ICE Futures

Date	CAI (₹ /Candy)	Conversion Rate (US$ = ₹)	CAI (USc/lb.)	ICE Settlement Futures 1.1/16" Front Mth. Dec'26 (USc/lb.)	Difference-ON/OFF ICE Futures		
					USc/lb.	₹ /Candy	%
A	B	C	D	E	F	G	H
Cotton Year Week No-47th							
17th Aug 2026	68900	95.61	91.92	85.48	6.44	4827	7.53
18th Aug 2026	68900	95.68	91.85	85.41	6.44	4831	7.54
19th Aug 2026	69000	95.76	91.91	88.35	3.56	2673	4.03
20th Aug 2026	69500	95.71	92.62	88.34	4.28	3212	4.84
21st Aug 2026	69500	95.71	92.62	88.35	4.27	3204	4.83
Weekly Avg.	**69160**	**95.69**	**92.18**	**87.19**	**5.00**	**3749**	**5.75**
Total Avg. frm 1st Wk to 47th Wk (Weekly Basis)	**58295**	**92.36**	**80.37**	**71.06**	**9.31**	**6696**	**13.63**

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



Basis Comparison of ICS 105 with Cotlook A Index – 24th August 2026

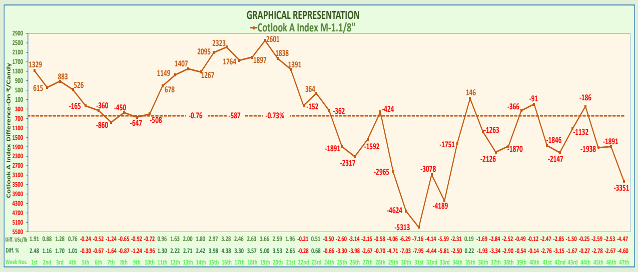
SEASON 2025-2026

Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3%, 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-47th							
17th Aug 2026	68900	95.61	92.12	95.25	-3.13	-2346	-3.29
18th Aug 2026	68900	95.68	92.05	96.00	-3.95	-2963	-4.11
19th Aug 2026	69000	95.76	92.11	95.90	-3.79	-2845	-3.95
20th Aug 2026	69500	95.71	92.82	98.90	-6.08	-4562	-6.15
21st Aug 2026	69500	95.71	92.82	98.20	-5.38	-4037	-5.48
Weekly Avg.	**69160**	**95.69**	**92.38**	**96.85**	**-4.47**	**-3351**	**-4.60**
Total Avg. frm 1st Wk to 47th Wk (Weekly Basis)	**58295**	**92.36**	**80.57**	**81.33**	**-0.76**	**-587**	**-0.73**

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

*Converted to C & F FE Ports by adding 20c/lb. to CAI spot rates.



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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 August 2026					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	17th	18th	19th	20th	21st	22nd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	14904 (53000)	14904 (53000)	14904 (53000)	15044 (53500)	15044 (53500)	
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	15%	20	13554 (48200)	13498 (48000)	13554 (48200)	13779 (49000)	13835 (49200)	H
3	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	15044 (53500)	15044 (53500)	15185 (54000)	15325 (54500)	15325 (54500)	
4	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	17772 (63200)	17772 (63200)	17772 (63200)	18025 (64100)	18053 (64200)	
5	M/M(P)/ SA/TL/GUJ	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	15466 (55000)	15466 (55000)	15494 (55100)	15494 (55100)	15494 (55100)	
6	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	17631 (62700)	17631 (62700)	17659 (62800)	17800 (63300)	17800 (63300)	O
7	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	18447 (65600)	18447 (65600)	18447 (65600)	18700 (66500)	18728 (66600)	
8	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	19093 (67900)	19037 (67700)	19065 (67800)	19206 (68300)	19206 (68300)	
9	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	18812 (66900)	18756 (66700)	18812 (66900)	18953 (67400)	18953 (67400)	L
10	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	18953 (67400)	18981 (67500)	19037 (67700)	19178 (68200)	19178 (68200)	
11	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	4%	27	18419 (65500)	18419 (65500)	18419 (65500)	18615 (66200)	18700 (66500)	
12	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	18981 (67500)	18981 (67500)	19009 (67600)	19206 (68300)	19262 (68500)	
13	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19375 (68900)	19375 (68900)	19403 (69000)	19543 (69500)	19543 (69500)	I
14	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19037 (67700)	19037 (67700)	19093 (67900)	19234 (68400)	19234 (68400)	
15	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19262 (68500)	19262 (68500)	19318 (68700)	19459 (69200)	19459 (69200)	
16	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	19656 (69900)	19656 (69900)	19684 (70000)	19825 (70500)	19825 (70500)	D
17	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	19375 (68900)	19318 (68700)	19375 (68900)	19515 (69400)	19515 (69400)	
18	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	19909 (70800)	19909 (70800)	19965 (71000)	20106 (71500)	20106 (71500)	
19	SA/TL/K/ TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	A
20	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.)	
21	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	25477 (90600)	25477 (90600)	25645 (91200)	25786 (91700)	25786 (91700)	
22	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	25589 (91000)	25589 (91000)	25758 (91600)	25870 (92000)	25870 (92000)	Y
23	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	25898 (92100)	25898 (92100)	26067 (92700)	26208 (93200)	26208 (93200)	
24	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	26152 (93000)	26152 (93000)	26320 (93600)	26320 (93600)	26320 (93600)	

Note:

a) P/H/R(U) ICS-202(SG) is lower by Rs.1000/- pc than Sr. No.4.
b) Figures in bracket indicate prices in Rs./Candy