



**KEDIA** ADVISORY

# DAILY COTTON REPORT

23 Feb 2024

- COTTON
- COCUDAKL
- KAPAS

**Kedia Stock & Commodities Research Pvt. Ltd.**

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## Cotton Complex

Commodity	Expiry	Open	High	Low	Close	% Change
COTTONCANDY	28-Mar-24	60280.00	60780.00	59940.00	60600.00	1.07
COCUDAKL	20-Mar-24	2,616.00	2,634.00	2,575.00	2,593.00	-1.11
COCUDAKL	19-Apr-24	2,654.00	2,667.00	2,611.00	2,627.00	-1.05
KAPAS	30-Apr-24	1,566.00	1,574.50	1,559.00	1,563.50	0.19

## International Rates

Commodity	Price	Open	High	Low	% Chg
US COTTON	94.42	92.77	94.86	92.72	1.26
ZCE COTTON	16170.00	16160.00	16245.00	16115.00	0.00
ZCE COTTON YARN	20295.00	20295.00	20295.00	20295.00	0.00
USDINR	82.98	82.98	82.83	82.86	-0.14

Cotton candy prices surged by 1.07% to settle at 60600, driven by concerns over supply constraints and sustained cotton consumption. The U.S. cotton balance sheet for 2023/24 depicted lower ending stocks, primarily due to increased exports and decreased mill use, while production remained unchanged. The export forecast was raised by 200,000 bales to 12.3 million, supported by strong shipment and sales momentum. Meanwhile, global cotton ending stocks for 2023/24 were lowered, attributed to reduced beginning stocks and production, despite virtually unchanged consumption. India emerged as a significant player in the cotton export market, with a notable increase in exports expected for February, reaching the highest level in two years. The rally in global prices rendered Indian cotton highly competitive, attracting buyers from China, Bangladesh, and Vietnam. This surge in exports is expected to surpass earlier projections, with Indian cotton production forecasted to decrease by 7.7% compared to the previous year, according to the Cotton Association of India. Technically, the cotton candy market witnessed short covering, with a drop in open interest by -1.98% and prices rising by 640 rupees. Support is identified at 60100, with potential testing of 59600 if breached, while resistance is anticipated at 60940, with a possible breakthrough leading to testing of 61280. In summary, cotton candy prices rallied amid supply concerns and robust demand dynamics. The U.S. and global cotton balance sheets reflected tighter stocks, while India emerged as a key exporter due to competitive pricing. The technical overview suggests a short covering trend, with market participants closely monitoring support and resistance levels for potential price movements. Amidst evolving market dynamics, factors such as global economic conditions and trade policies will continue to influence cotton prices in the coming months.

## Spot Rates

Commodity	Location	Price	% Chg
29 mm Cotton	राजकोट	27,725.70	0
29 mm Cotton	कादी	27,727.80	0

## Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
COTTONCANDY	28-Mar-24	1.07	-1.98	Short Covering

## Technical Chart



**BUY COTTONCANDY MAR @ 59800 SL 59500 TGT 60300-60500. MCX**

## Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COTTONCANDY	28-Mar-24	60600.00	61280.00	60940.00	60440.00	60100.00	59600.00

## Spot Rates

Commodity	Location	Price	% Chg
Cotton Seed Oilcake	आकोला	2,628.55	-0.64
Cotton Seed Oilcake	कादी	2,610.65	-0.18

## Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
COCUDAKL	20-Mar-24	-1.11	-2.31	Long Liquidation
COCUDAKL	19-Apr-24	-1.05	21.40	Fresh Selling

## Technical Chart



**BUY COCUDAKL MAR @ 2600 SL 2560 TGT 2650-2680. NCDEX**

## Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COCUDAKL	20-Mar-24	2,593.00	2660.00	2601.00	2601.00	2568.00	2542.00
COCUDAKL	19-Apr-24	2,627.00	2691.00	2635.00	2635.00	2603.00	2579.00

## Spot Rates

Commodity	Location	Price	% Chg
Kapas	राजकोट	1,423.35	-0.44
Kapas	कादी	1,437.65	-0.09

## Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
KAPAS	30-Apr-24	0.19	2.65	Fresh Selling

## Technical Chart

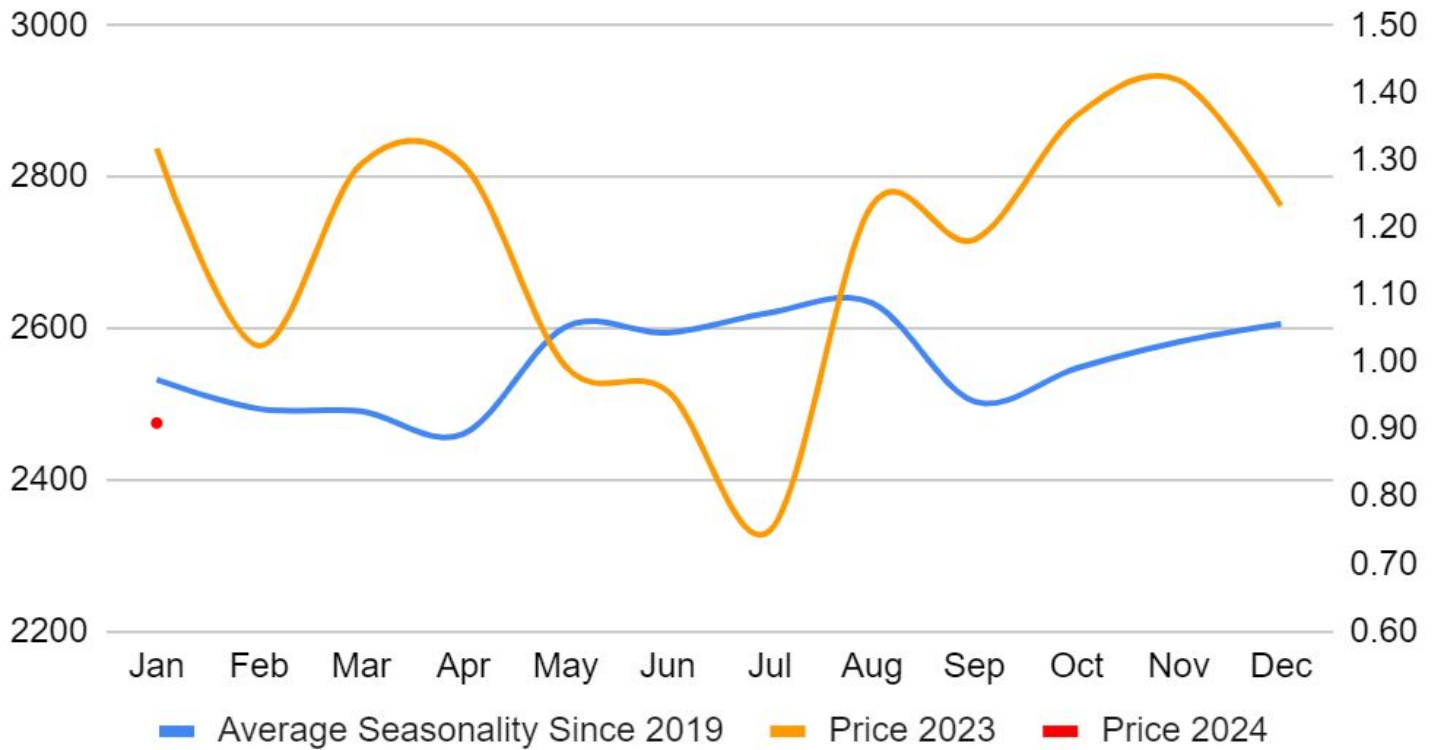


**BUY KAPAS APR @ 1550 SL 1530 TGT 1575-1590. NCDEX**

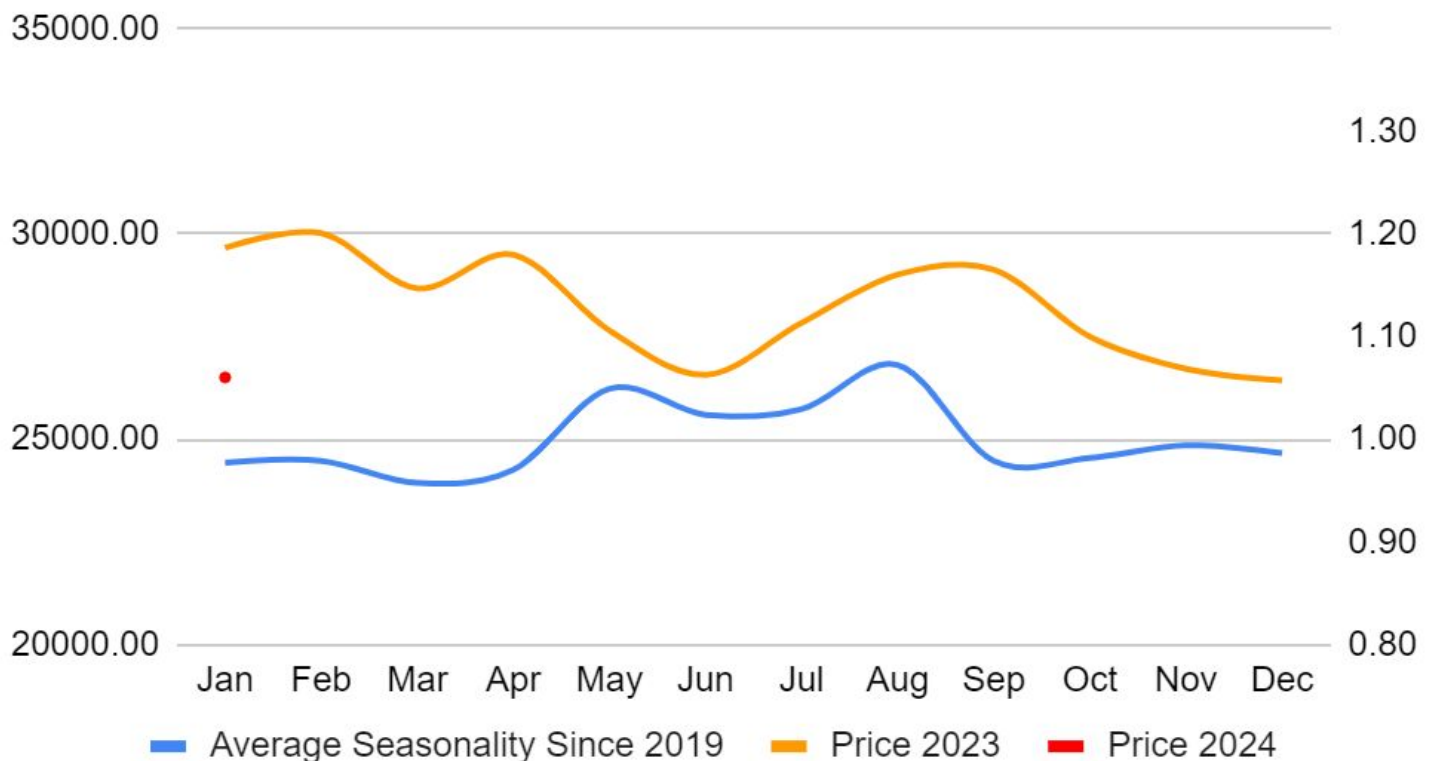
## Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
KAPAS	30-Apr-24	1,563.50	1581.00	1573.00	1566.00	1558.00	1551.00

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### Cotton Seasonality





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