



KEDIA ADVISORY

DAILY COTTON REPORT

28 Aug 2024

- COTTON
- COCUDAKL
- KAPAS

Kedia Stock & Commodities Research Pvt. Ltd.

Research Advisory | White Labelling | Digital Marketing



Cotton Complex

| Commodity | Expiry | Open | High | Low | Close | % Change |
|-------------|-----------|----------|----------|----------|----------|----------|
| COTTONCANDY | 30-Sep-24 | 57950.00 | 58100.00 | 57950.00 | 58020.00 | 0.57 |
| COCUDA KL | 20-Sep-24 | 3,669.00 | 3,680.00 | 3,505.00 | 3,515.00 | -0.68 |
| COCUDA KL | 20-Dec-24 | 2,996.00 | 3,050.00 | 2,975.00 | 2,983.00 | 0.61 |
| KAPAS | 30-Apr-25 | 1,639.00 | 1,650.00 | 1,615.00 | 1,618.00 | -0.98 |

International Rates

| Commodity | Price | Open | High | Low | % Chg |
|-----------------|----------|----------|----------|----------|-------|
| US COTTON | 69.74 | 69.92 | 69.96 | 69.60 | -0.43 |
| ZCE COTTON | 13555.00 | 13440.00 | 13650.00 | 13415.00 | 0.74 |
| ZCE COTTON YARN | 19395.00 | 19185.00 | 19565.00 | 19145.00 | 0.86 |
| USDINR | 83.97 | 84.04 | 83.96 | 84.01 | 0.04 |

Cottoncandy prices rose by 0.57% yesterday, closing at ₹58,020, driven by concerns over reduced acreage in the current kharif cropping season. The area under cotton cultivation has decreased by approximately 9% to 110.49 lakh hectares (lh) compared to 121.24 lh last year, with the Cotton Association of India (CAI) projecting an even lower total acreage of around 113 lh for this year, down from 127 lh in the previous year. This reduction is largely attributed to farmers shifting to other crops due to lower yields and high production costs. The CAI has also highlighted a tighter cotton balance sheet for the upcoming season, driven by higher-than-expected exports to Bangladesh, which have surged from 15 lakh bales to 28 lakh bales. India's cotton production and consumption for 2023-24 are both estimated at around 325 lakh bales. However, the gap created by higher exports and imports will tighten the availability of cotton stocks, with an estimated 70 lakh bales available for consumption up to September 30. If the new crop is delayed, this could further strain supply for mills. Globally, the 2024/25 cotton balance sheet shows reductions across production, consumption, and stock levels, with world production down by 2.6 million bales due to lower output in the United States and India. Consumption has also decreased, particularly in China, leading to a reduction in world ending stocks to 77.6 million bales. Technically, the Cottoncandy market is experiencing fresh buying, with open interest increasing by 0.57%. The price finds immediate support at ₹57,940, with further support at ₹57,870. On the upside, resistance is likely at ₹58,090, with potential testing of ₹58,170 if the upward momentum continues.

Spot Rates

| Commodity | Location | Price | % Chg |
|--------------|----------|-----------|-------|
| 29 mm Cotton | राजकोट | 27,343.50 | -0.33 |
| 29 mm Cotton | कादी | 27,201.90 | 0 |

Open Interest Snapshot

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-------------|-----------|----------|-------------|--------------|
| COTTONCANDY | 30-Sep-24 | 0.57 | 0.57 | Fresh Buying |

Technical Chart



BUY COTTONCANDY SEP @ 57800 SL 57400 TGT 58200-58500. MCX

Trading Levels

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-------------|-----------|----------|----------|----------|----------|----------|----------|
| COTTONCANDY | 30-Sep-24 | 58020.00 | 58170.00 | 58090.00 | 58020.00 | 57940.00 | 57870.00 |

Spot Rates

| Commodity | Location | Price | % Chg |
|---------------------|----------|----------|-------|
| Cotton Seed Oilcake | आकोला | 3,255.55 | 1.08 |
| Cotton Seed Oilcake | कादी | 3,156.60 | -0.03 |

Open Interest Snapshot

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-----------|-----------|----------|-------------|----------------|
| COCUDAKL | 20-Sep-24 | -0.68 | 1.02 | Fresh Selling |
| COCUDAKL | 20-Dec-24 | 0.61 | -10.13 | Short Covering |

Technical Chart



SELL COCUDAKL SEP @ 3550 SL 3600 TGT 3500-3450. NCDEX

Trading Levels

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-----------|-----------|----------|---------|---------|---------|---------|---------|
| COCUDAKL | 20-Sep-24 | 3,515.00 | 3742.00 | 3567.00 | 3567.00 | 3454.00 | 3392.00 |
| COCUDAKL | 20-Dec-24 | 2,983.00 | 3078.00 | 3003.00 | 3003.00 | 2956.00 | 2928.00 |

Spot Rates

| Commodity | Location | Price | % Chg |
|-----------|----------|----------|-------|
| Kapas | राजकोट | 1,546.50 | -0.61 |
| Kapas | कादी | 1,530.15 | 0 |

Open Interest Snapshot

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-----------|-----------|----------|-------------|---------------|
| KAPAS | 30-Apr-25 | -0.98 | 6.17 | Fresh Selling |

Technical Chart

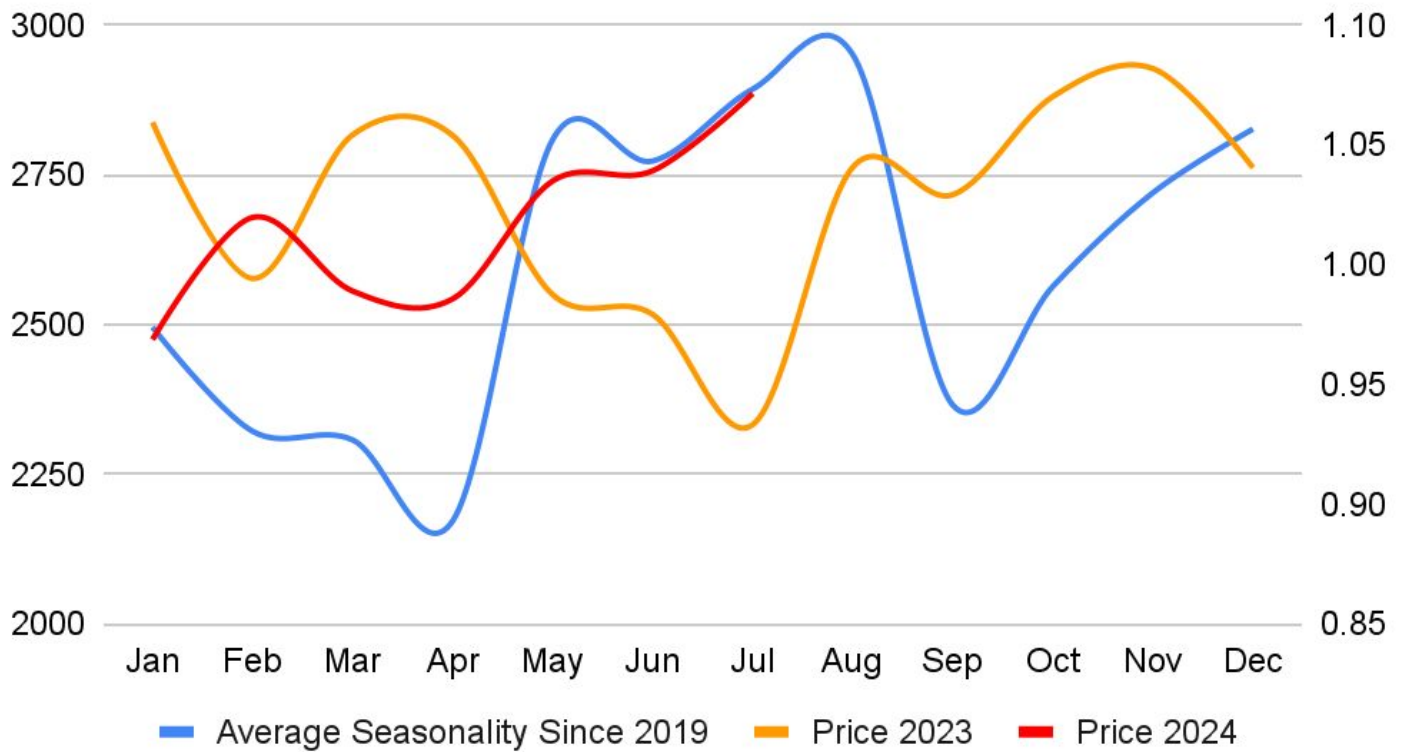


SELL KAPAS APR @ 1625 SL 1635 TGT 1605-1590. NCDEX

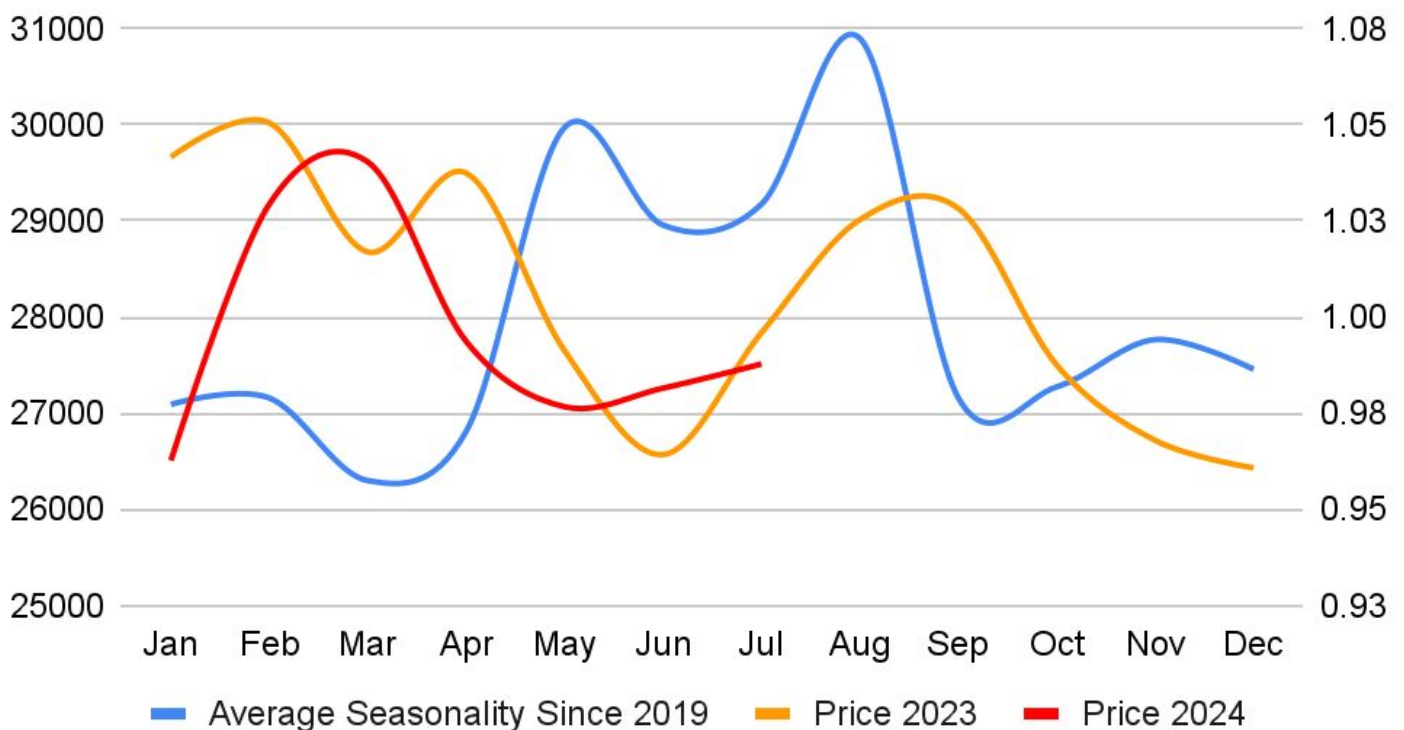
Trading Levels

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-----------|-----------|----------|---------|---------|---------|---------|---------|
| KAPAS | 30-Apr-25 | 1,618.00 | 1663.00 | 1641.00 | 1628.00 | 1606.00 | 1593.00 |

Cocudaki Seasonlity



Cotton Seasonality (Rajkot - 29 mm)





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