



KEDIA ADVISORY

DAILY COTTON REPORT

17 May 2024

- COTTON
- COCUDAKL
- KAPAS

Kedia Stock & Commodities Research Pvt. Ltd.

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Cotton Complex

Commodity	Expiry	Open	High	Low	Close	% Change
COTTONCANDY	31-May-24	56280.00	56400.00	55900.00	56080.00	0.18
COCUDAKL	20-Jun-24	2,619.00	2,656.00	2,614.00	2,645.00	1.03
COCUDAKL	19-Jul-24	2,666.00	2,708.00	2,666.00	2,697.00	1.01
KAPAS	30-Apr-25	1,560.00	1,570.00	1,560.00	1,566.50	0.74

International Rates

Commodity	Price	Open	High	Low	% Chg
US COTTON	75.96	75.99	76.14	75.78	-0.11
ZCE COTTON	14965.00	15000.00	15085.00	14790.00	0.00
ZCE COTTON YARN	19930.00	20040.00	20190.00	18930.00	0.00
USDINR	83.50	83.53	83.47	83.53	-0.02

Cottoncandy prices saw a modest increase of 0.18% to settle at 56,080, buoyed by strong demand for Indian cotton from countries like Bangladesh and Vietnam. However, the upside was capped by sluggish milling demand amid muted global demand for yarn. Additionally, prospects of a better crop in countries such as Australia added pressure to prices. The International Cotton Advisory Committee (ICAC) projected increases in cotton-producing area, production, consumption, and trade for the next season, 2024-25. Meanwhile, in India, cotton stocks are expected to plummet by nearly 31% in 2023/24, reaching their lowest level in over three decades, due to lower production and rising consumption. This decrease in stockpiles is expected to limit exports from India, the world's second-largest cotton producer, and support global prices. However, it could also squeeze the margins of local textile companies. Looking ahead, for the marketing year 2024/25, India's cotton production is estimated to decrease by 2% to 25.4 million 480 lb. bales, with farmers potentially shifting acreage to higher-return crops. Mill consumption is forecasted to rise by 2%, driven by improved demand for yarn and textiles in major international markets. Additionally, with the recent removal of import duties on extra-long staple (ELS) cotton, imports are estimated to increase by 20%. Technically, the cotton market experienced short covering, with a 3.76% drop in open interest, settling at 358 contracts, while prices increased by 100 rupees. Currently, cottoncandy has support at 55,860, with potential testing of 55,630 if this level is breached. On the upside, resistance is expected at 56,360, with prices potentially testing 56,630. This technical overview suggests a cautiously optimistic outlook for cottoncandy prices in the near term.

Spot Rates

Commodity	Location	Price	% Chg
29 mm Cotton	राजकोट	27,143.15	-0.39
29 mm Cotton	कादी	27,333.40	0.18

Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
COTTONCANDY	31-May-24	0.18	-3.76	Short Covering

Technical Chart



BUY COTTONCANDY MAY @ 55800 SL 55500 TGT 56200-56600. MCX

Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COTTONCANDY	31-May-24	56080.00	56630.00	56360.00	56130.00	55860.00	55630.00

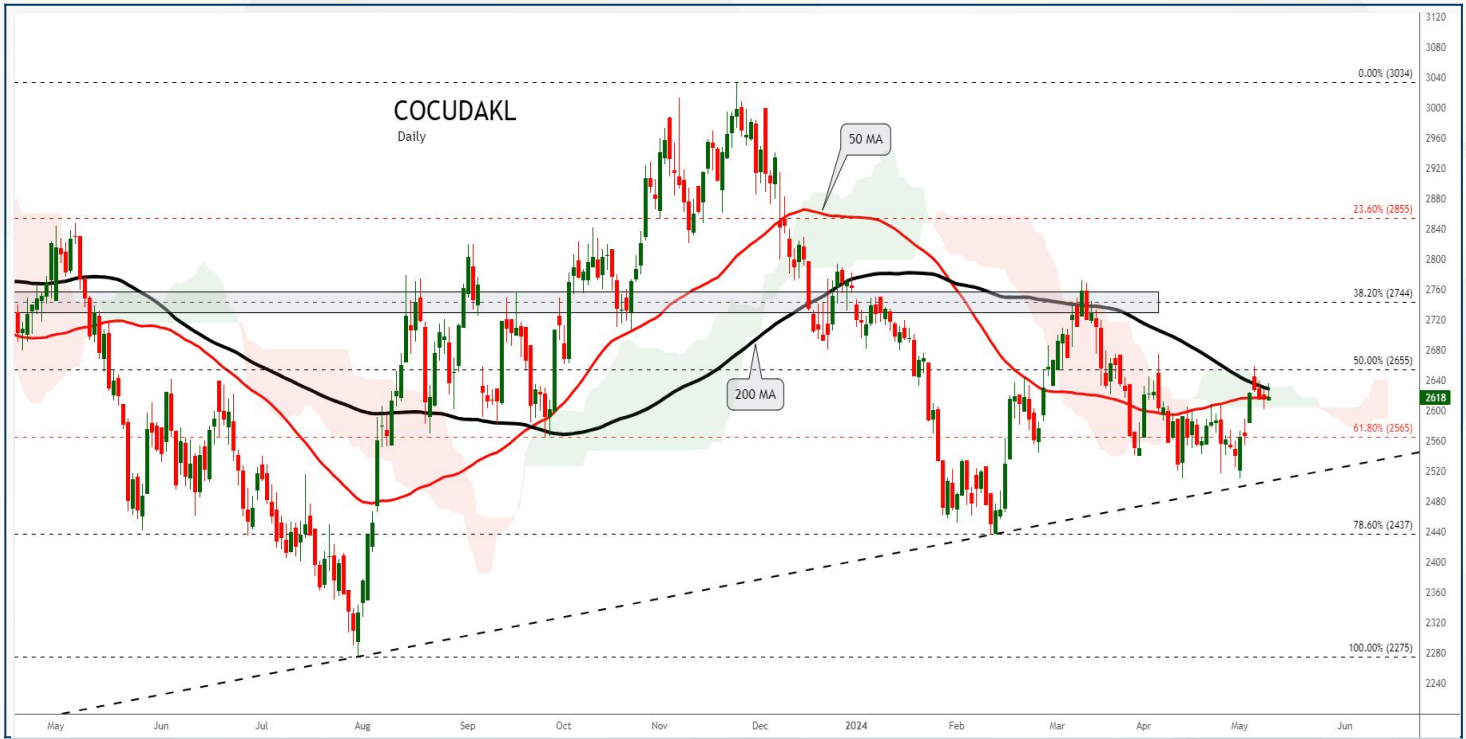
Spot Rates

Commodity	Location	Price	% Chg
Cotton Seed Oilcake	आकोला	2,739.10	0.21
Cotton Seed Oilcake	कादी	2,792.65	-0.7

Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
COCUDAKL	20-Jun-24	1.03	-0.54	Short Covering
COCUDAKL	19-Jul-24	1.01	2.03	Fresh Buying

Technical Chart



BUY COCUDAKL JUN @ 2620 SL 2580 TGT 2660-2690. NCDEX

Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COCUDAKL	20-Jun-24	2,645.00	2680.00	2638.00	2638.00	2620.00	2596.00
COCUDAKL	19-Jul-24	2,697.00	2732.00	2690.00	2690.00	2672.00	2648.00

Spot Rates

Commodity	Location	Price	% Chg
Kapas	राजकोट	1,449.90	-0.24
Kapas	कादी	1,463.00	0.46

Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
KAPAS	30-Apr-25	0.74	-0.37	Fresh Buying

Technical Chart

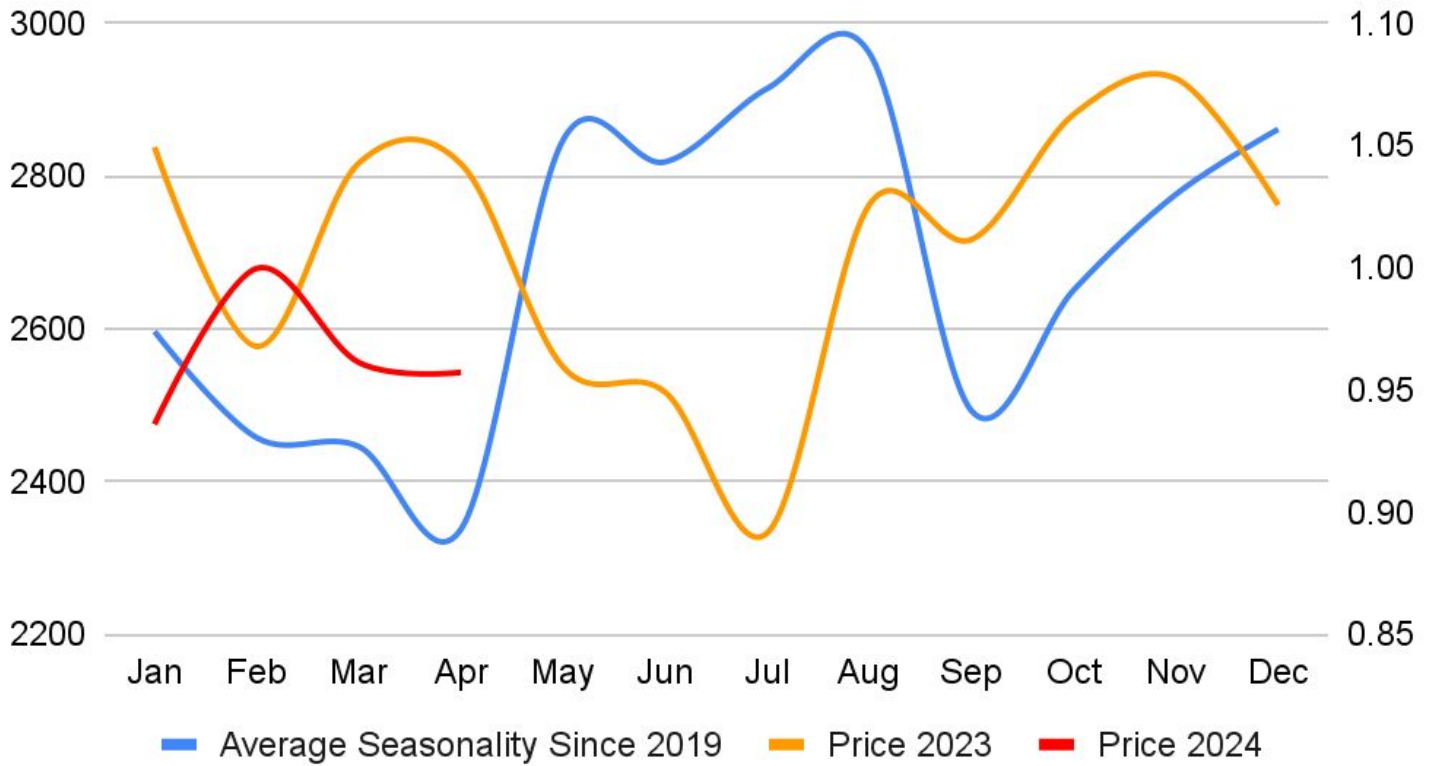


BUY KAPAS APR @ 1560 SL 1545 TGT 1575-1585. NCDEX

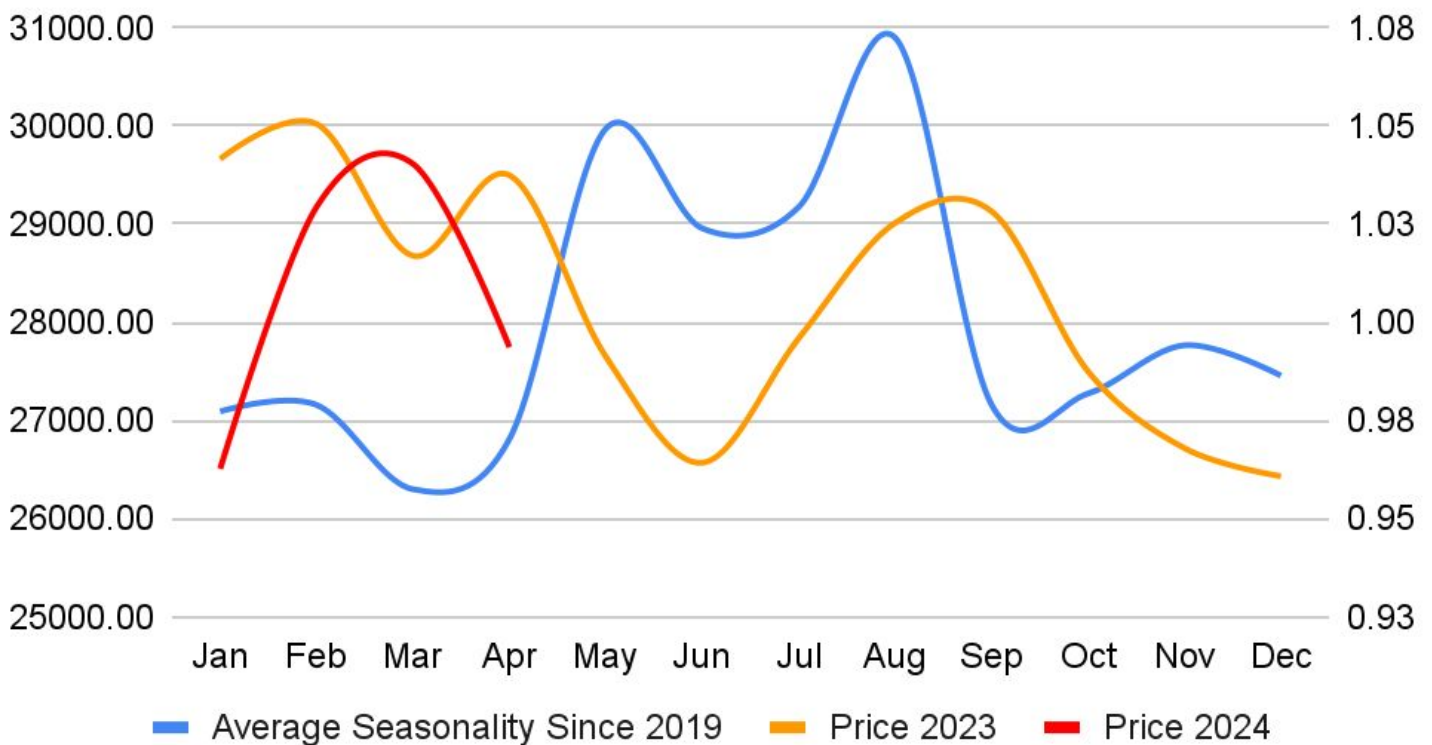
Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
KAPAS	30-Apr-25	1,566.50	1576.00	1572.00	1566.00	1562.00	1556.00

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Cotton Seasonality





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