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Cottonseed Oil Cake (Cocudakl)

360° Technical & Fundamental Review for Long-Horizon and Institutional Participants

Date: 07 August 2026

Kedia Stocks and Commodities Research Pvt. Ltd.
SEBI Registration Number: INH000006156

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Where the Market Stands Today

LTP	WEEKLY CHANGE	1 MONTH
₹4,125	+1.30%	+10.33%

3 MONTH	6 MONTH	1 YEAR
+11.77%	+16.67%	+30.40%

WHY IT RALLIED

Since November 2025, a genuine tightening of the cottonseed crushing pool has driven the move: USDA cut India's 2025-26 cotton crop estimate ~3% to 23.8 million bales on uneven monsoon rain and low-yield unapproved hybrid seed, while cattle-feed demand stayed firm through the winter months.

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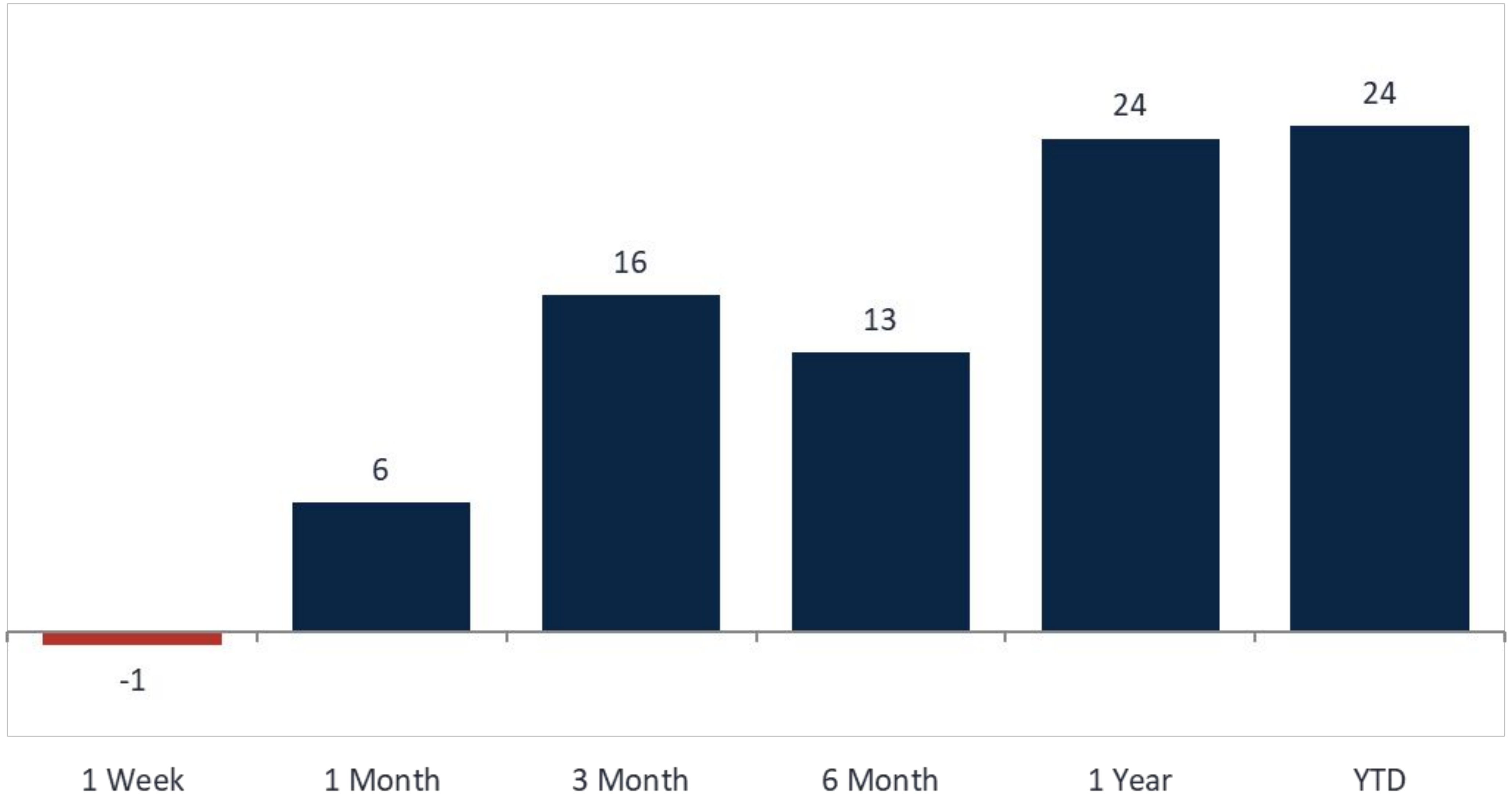
The Rally, Month by Month

Why the market moved every step of the way — from last year's crop conditions through this year's run to ₹3,988

Nov-25	Dec-25	Jan-26	Feb-26
Base ~2,850–2,900	**+8.56%**	**+12.16%**	**-6.95%**
USDA/CAI flag a smaller 2025-26 cotton crop — uneven monsoon and low-yield unapproved hybrid seed shrink the cottonseed crushing pool.	Fresh buying builds as cattle-feed makers raise winter offtake against thin cottonseed arrivals from growing regions.	Strongest gain of the season — winter fodder scarcity keeps compound-feed demand elevated against a tight stock position.	Fresh selling — a routine corrective pause and profit-booking after January's sharp run-up.

Mar-26	Apr-26	May-26	Jun-26
+9.62%	**-6.50%**	**+7.13%**	**+6.37%**
Torrential rains hit standing crop in Maharashtra and southern states, reviving crop-damage concerns and lifting cake prices.	Long liquidation — existing longs pare back into a seasonal lull ahead of new-season sowing.	Fresh buying resumes as Gujarat, Maharashtra and Punjab crushing units report thinner cottonseed arrivals.	Rally extends to cycle highs — but increasingly on short covering rather than fresh buying, as open interest falls.

The Move Since January



Read-through

A smaller national crop and firm winter feed demand turned a technical breakout into a fully fundamental-backed rally.

Concentrated Recent Acceleration

The 3-month return (16.07%) exceeds the 6-month return (13.36%) — **the gain has come in a sharp recent leg, not a slow grind.**

- USDA cut India's 2025-26 cotton crop 3% to 23.8 million bales on uneven monsoon rain and low-yield unapproved hybrid seed.
- Winter (Dec–Jan) brought the seasonally strongest cattle-feed demand window, against an already tight cottonseed stock position.
- March 2026 torrential rains across Maharashtra and the south revived crop-damage concerns just as the Cup & Handle breakout extended.

Why Prices Moved Up — The Region & Reason

- The move has been driven primarily by a genuine raw-material tightness building through the crushing belt of **Gujarat, Maharashtra and Punjab**, where cottonseed arrivals fell short of normal seasonal volumes even before this season's sowing shortfall became evident.

- This structural, supply-led narrative is what carried the market from the **₹2,850–2,900 zone in November 2025** through the Cup & Handle breakout to this month's high of **₹3,988** — in line with Kedia Advisory original ₹4,000–4,070 target zone.

2026 KHARIF COTTON ACREAGE

98.72

lakh hectares

vs. 102.71 lakh ha last year — a decline of nearly 4 lakh hectares

Steepest declines: Maharashtra, Gujarat, Rajasthan, Haryana, Karnataka, Punjab

Target Achieved — Reversal Signal Emerging

COCUDAKL Weekly — Cup & Handle target (4,070) and emerging bearish harmonic at the top

- **Cup & Handle target achieved**
  High of ₹3,988 vs. the 161.8% extension target of ₹4,011–4,070.
- **Bearish harmonic forming at the top**
  A harmonic structure has completed at the ₹3,988 swing high (point D).
- **Stochastic deeply overbought**
  Reading of 90.84 / 87.91 — every prior instance on this chart preceded a pullback.

The technical objective set at the start of this move has been met — the near-term risk/reward now favours a corrective phase.

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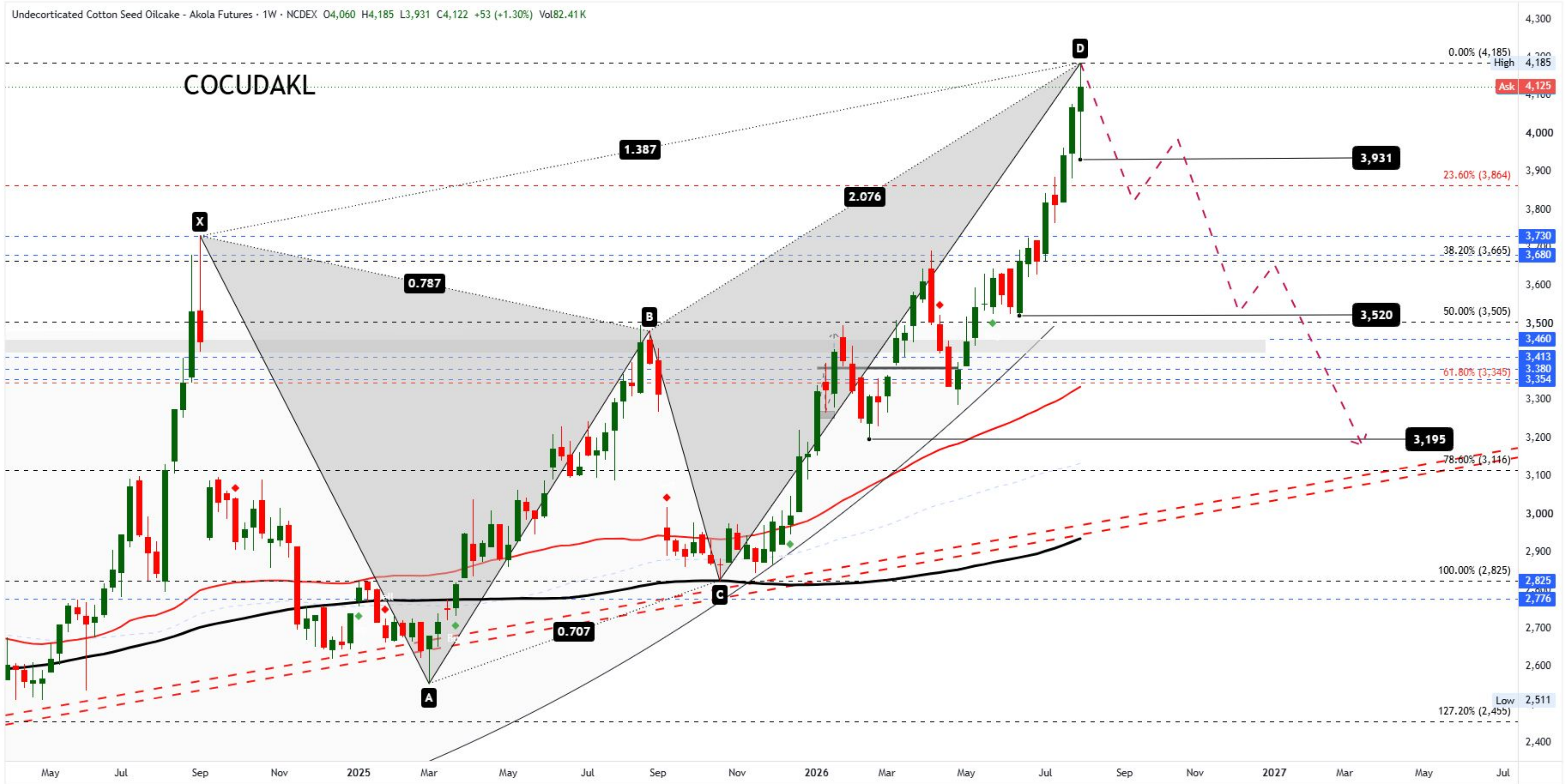
Reversal Signal Emerging



- **Our ₹2,850 long call achieved ₹4,000**, delivering approximately 40% gains for disciplined investors.
- **Bearish Harmonic completion** near ₹4,185 signals exhaustion and raises the probability of reversal.
- Existing long positions should consider profit-booking, as risk-reward has turned unfavourable at current levels.
- A break below ₹3,930 may accelerate declines towards ₹3,860 and ₹3,665 support zones.
- Deeper correction could extend towards ₹3,520–₹3,195 if bearish momentum strengthens in coming weeks.

COCUDAKL Hits Target as Bearish Harmonic Signals Reversal
After achieving our ₹4,000 target, bearish harmonic completion signals reversal, favouring profit-booking as downside risks increase significantly near ₹4,185.

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Open Interest — Build-Up, Then a Warning Sign

COCUDAKL OPEN INTEREST ANALYSIS

Date	Open	High	Low	Close	% Change	Cumulative OI	% OI Change	OI Status
Jun-26	3688.00	3988.00	3630.00	3923.00	6.37	64350	-5.41	Short Covering
Jun-26	3632.00	3726.00	3520.00	3688.00	1.91	68030	-4.56	Short Covering
May-26	3390.00	3645.00	3390.00	3619.00	7.13	71280	16.68	Fresh Buying
Apr-26	3634.00	3693.00	3287.00	3378.00	-6.50	61090	-7.96	Long Liquidation
Mar-26	3310.00	3624.00	3266.00	3613.00	9.62	66370	0.08	Fresh Buying
Feb-26	3451.00	3451.00	3195.00	3296.00	-6.95	66320	2.82	Fresh Selling
Jan-26	3164.45	3542.00	3156.00	3542.00	12.16	64500	11.26	Fresh Buying
Dec-25	2902.00	3220.00	2868.00	3158.00	8.56	57970	72.12	Fresh Buying
Nov-25	2950.00	2974.00	2845.00	2909.00	-1.52	33680	23.42	Fresh Selling
Oct-25	2935.00	2977.00	2825.00	2954.00	0.51	27290	73.27	Fresh Buying
Sep-25	3403.00	3435.00	2860.00	2939.00	-13.74	15750	-52.08	Long Liquidation
Aug-25	3215.00	3495.00	3205.00	3407.00	5.25	32870	-59.78	Short Covering
Jul-25	3132.00	3244.00	3089.00	3237.00	3.52	81720	-19.70	Short Covering

Month-wise OHLC and cumulative Open Interest — NCDEX Cocudakl

JAN–MAY 2026

Fresh Buying

Cumulative OI rose from ~57,970 (Dec-25) to a peak of 71,280 contracts (May-26) — the healthiest signature for an uptrend.

MAY–JUNE 2026

Short Covering

OI fell -4.56% and -5.41% even as price hit new highs — a rally on falling OI is a classic late-stage signature.

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A Decade of Price History — September Is the Weak Month

COCUDAKL PRICE MOVEMENT SINCE 2015

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Growth
2015	1446.00	1524.00	1707.00	1798.00	1828.00	1798.00	1953.00	2043.00	1560.00	1657.00	1712.00	2085.00	663.00
	1.69%	5.39%	12.01%	5.33%	1.67%	-1.64%	8.62%	4.61%	-23.64%	6.22%	3.32%	21.79%	46.62%
2016	2038.00	2209.00	2236.00	2296.00	2334.00	2548.00	2576.00	2600.00	1971.00	1909.00	1960.00	2012.00	-73.00
	-2.25%	8.39%	1.22%	2.68%	1.66%	9.17%	1.10%	0.93%	-24.19%	-3.15%	2.67%	2.65%	-3.50%
2017	2268.00	2301.00	2168.00	2014.00	1848.00	1652.00	1477.00	1560.00	1519.00	1507.00	1629.50	1792.50	-219.50
	12.72%	1.46%	-5.78%	-7.10%	-8.24%	-10.61%	-10.59%	5.62%	-2.63%	-0.79%	8.13%	10.00%	-10.91%
2018	1742.50	1569.00	1405.00	1196.00	1359.50	1570.50	1852.50	1668.00	1660.00	1794.00	1907.00	1926.00	133.50
	-2.79%	-9.96%	-10.45%	-14.88%	13.67%	15.52%	17.96%	-9.96%	-0.48%	8.07%	6.30%	1.00%	7.45%
2019	2045.50	1936.00	2281.00	2486.00	2788.00	2767.00	3338.00	3251.00	2135.00	2280.50	1974.00	2139.00	213.00
	6.20%	-5.35%	17.82%	8.99%	12.15%	-0.75%	20.64%	-2.61%	-34.33%	6.81%	-13.44%	8.36%	11.06%
2020	1783.00	1598.00	2064.00	1905.00	1949.00	1961.00	1775.00	1880.00	1806.00	1851.00	2164.00	2003.00	-136.00
	-16.64%	-10.38%	29.16%	-7.70%	2.31%	0.62%	-9.48%	5.92%	-3.94%	2.49%	16.91%	-7.44%	-6.36%
2021	2079.00	2220.00	2388.00	2522.00	2755.00	2841.00	3057.00	2630.00	2507.00	2614.00	2747.00	3111.00	1108.00
	3.79%	6.78%	7.57%	5.61%	9.24%	3.12%	7.60%	-13.97%	-4.68%	4.27%	5.09%	13.25%	55.32%
2022	3142.00	3026.00	3175.00	2791.00	2802.00	2648.00	2598.00	2752.00	2325.00	2469.00	2760.00	2985.00	-126.00
	1.00%	-3.69%	4.92%	-12.09%	0.39%	-5.50%	-1.89%	5.93%	-15.52%	6.19%	11.79%	8.15%	-4.05%
2023	2838.00	2577.00	2817.00	2816.00	2550.00	2517.00	2333.00	2763.00	2717.00	2881.00	2916.00	2762.00	-223.00
	-4.92%	-9.20%	9.31%	-0.04%	-9.45%	-1.29%	-7.31%	18.43%	-1.66%	6.04%	1.21%	-5.28%	-7.47%
2024	2475.00	2656.00	2556.00	2543.00	2739.00	2854.00	2886.00	3520.00	3008.00	2946.00	2727.00	2692.00	-70.00
	-10.39%	7.31%	-3.77%	-0.51%	7.71%	4.20%	1.12%	21.97%	-14.55%	-2.06%	-7.43%	-1.28%	-2.53%
2025	2684.00	2644.00	2818.00	2907.00	2987.00	3127.00	3237.00	3407.00	2936.00	2954.00	2909.00	3158.00	466.00
	-0.30%	-1.49%	6.58%	3.16%	2.75%	4.69%	3.52%	5.25%	-13.82%	0.61%	-1.52%	8.56%	17.31%
2026	3460.00	3296.00	3615.00	3378.00	3622.00	3698.00	3925.00						767.00
	9.56%	-4.74%	9.68%	-6.56%	7.22%	2.10%	6.14%						24.29%
Average	-1.08%	-0.98%	6.24%	-1.50%	3.08%	1.59%	2.84%	3.83%	-12.68%	3.16%	3.00%	5.43%	Average

Month-wise closing levels and year-on-year growth, 2015–2026

AVG SEPTEMBER CHANGE

-12.68%

The steepest average monthly decline anywhere in the ten-year dataset — historically coinciding with fresh kharif arrivals.

Why it matters now

This seasonal pattern reinforces the technical reversal signal — the calendar itself has historically turned against the contract in exactly this window.

Demand Side — Softening at Elevated Prices

1 Physical offtake cooling

At prevailing elevated levels, feed compounders and dairies are moderating fresh purchases — a routine price-elasticity response once cake trades well above its multi-year average.

Cake is trading ~43% above its 2023-24 average of ~₹2,750/quintal.

2 Cheaper substitute meals

Guar gum and guar seed fell through mid-July 2026 on weak oilfield demand and ample supply, making guar churi/korma a cheaper substitute protein source for feed formulators.

Guar gum -1.76% to ₹12,080/quintal; guar seed -0.53% to ₹5,997/quintal.

3 Monsoon fodder relief

Improved monsoon rainfall across Central and Western India has lifted green fodder and pasture availability, easing dairy farmers' reliance on purchased compound feed.

IMD flags a monsoon revival across Central & Western India in late July 2026.

4 Soft dairy-feed economics

India's skimmed milk powder segment remains oversupplied after strong flush-season output, limiting how much of the higher raw-material cost dairies can pass through.

India's SMP market: ~9-11 lakh tonnes/yr, with only 0.8-1.5 lakh tonnes of lean-season imports.

Supply Side — Tight Now, Easing With the New Crop

1 Cotton sowing shortfall

National acreage stood at 98.72 lakh ha as of 24 July 2026, down 3.99 lakh ha from 102.71 lakh ha a year earlier, led by Maharashtra, Gujarat and Rajasthan.

USDA cuts India's MY2025-26 crop 3% to 23.8 mn bales (yield ~463 kg/ha).

2 Crushing capacity constrained

Solvent extraction units across Gujarat, Maharashtra and Punjab are processing lower seed volumes, compressing crushing margins in hubs like Unjha and Kadi.

India crushes cottonseed into ~75-90 lakh MT of oilcake annually.

3 Policy support in place

The government has exempted cotton imports from the 11% duty (Jun–Oct 2026) and continued the ELS cotton waiver, alongside the ₹5,659-crore, five-year Cotton Productivity Mission.

Mission for Cotton Productivity: ₹5,659 crore outlay, FY27-FY31.

4 New-crop watch ahead

The 2026-27 crop begins arriving from October; government targets sharply higher production — fresh supply should progressively ease today's tightness.

Target: 498 lakh bales by 2030-31 vs. ~297 lakh bales currently.

CONCLUSION & POSITIONING

In Line With Expectation — Now a Signal to Correct

- Both the technical and fundamental frameworks have played out in line with the original expectation: the Cup & Handle target of ₹4,000–4,070 has been all but achieved, and the tightness thesis around lower cotton sowing has been validated by the ~24% YTD gain.

- However, the bearish harmonic pattern at the ₹3,988 top, an overbought weekly stochastic, and open interest declining into the recent highs are all early signs the market is due for a correction — a picture reinforced by a decade of September seasonality (avg. -12.68%).

- Net view: the long-term structural tightness argument remains intact, but the near-term setup favours booking profits and positioning for a corrective phase into the September–October window, before reassessing on new-crop arrival.

Corrective Bias — Key Levels

COTTONSEED OIL CAKE — CORRECTIVE BIAS

SELL ON BREACH

View	**Negative bias into Sep–Oct, then reassess on new-crop arrival**
Trigger	**Breach of ₹3,930**
Stop Loss	**₹4,200**
Immediate Target / Support	**₹3,520**
Existing Longs	**Book profits into current strength**
Review Trigger	**Fresh 2026-27 cotton / cottonseed crop arrivals (Oct onward)**

Once ₹3,520 is approached, review against incoming new-crop data — a stronger harvest reinforces the corrective case, while a continued sowing shortfall could shorten the correction and bring the structural tightness thesis back into play sooner.

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