



KEDIA ADVISORY

DAILY COTTON REPORT

7 Mar 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	62100.00	62460.00	61600.00	62320.00	1.17
COCUDAKL	20-Mar-24	2,684.00	2,707.00	2,652.00	2,694.00	0.71
COCUDAKL	19-Apr-24	2,721.00	2,741.00	2,684.00	2,729.00	0.66
KAPAS	30-Apr-24	1,645.00	1,656.00	1,639.00	1,650.00	0.61

International Rates

Commodity	Price	Open	High	Low	% Chg
US COTTON	95.90	95.08	96.59	95.08	0.65
ZCE COTTON	15930.00	15920.00	16000.00	15895.00	0.00
ZCE COTTON YARN	20880.00	20880.00	20880.00	20880.00	0.00
USDINR	82.92	82.94	82.85	82.87	-0.09

Cotton prices surging by 1.17% to settle at 62320 amid a combination of global supply shortages and increased demand has been instrumental in driving this upward momentum. Severe cold weather in China has disrupted the crop cycle, while reduced acreage in the US has further compounded the shortage of cotton in the global market. The latest World Agricultural Supply and Demand Estimates (WASDE) report from the USDA indicates a tightening of the US cotton balance sheet for the 2023/24 season, with lower ending stocks and higher exports. This has prompted concerns among textile mills, with the Southern India Mills' Association (SIMA) advising against panic buying despite rising prices. However, global supply is expected to improve post-July, offering some relief to the market. On the global front, the USDA's February WASDE report forecasts a slight decrease in world cotton production for the 2023/24 season, with reductions in Australia and Benin partly offset by smaller increases elsewhere. Despite this, world cotton ending stocks are expected to decrease due to lower beginning stocks and production. India's cotton exports have surged in February, reaching the highest level in two years, driven by competitive pricing and increased demand from Asian buyers, particularly China, Bangladesh, and Vietnam. From a technical perspective, the market is witnessing short covering, with a drop in open interest by -3.76% while prices continue to rise. Cottoncandy finds support at 61800, with potential testing of 61270 levels below, while resistance is likely at 62660, with a possible move towards 62990 if breached.

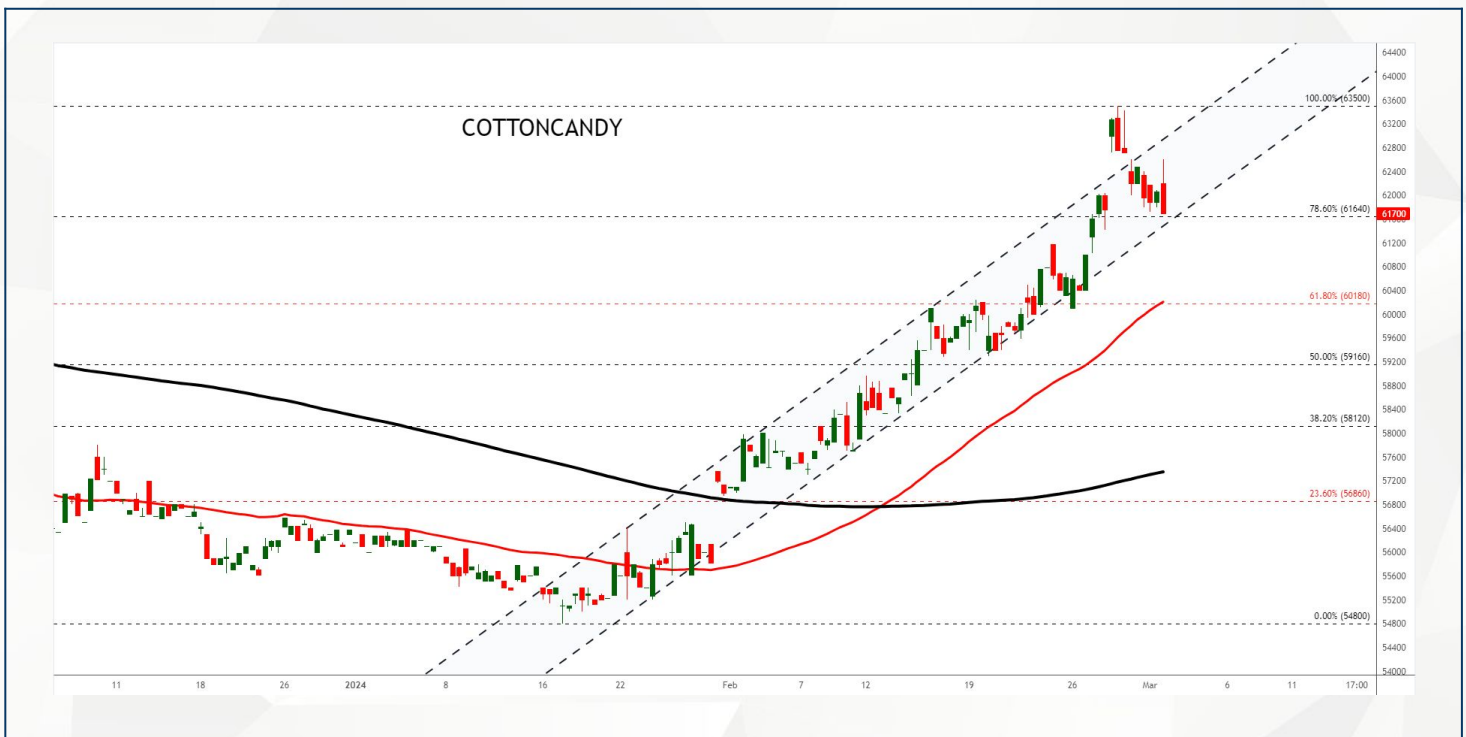
Spot Rates

Commodity	Location	Price	% Chg
29 mm Cotton	राजकोट	29,027.00	-0.19
29 mm Cotton	कादी	29,156.65	0.56

Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
COTTONCANDY	28-Mar-24	1.17	-3.76	Short Covering

Technical Chart



BUY COTTONCANDY MAR @ 62000 SL 61800 TGT 62400-62600. MCX

Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COTTONCANDY	28-Mar-24	62320.00	62990.00	62660.00	62130.00	61800.00	61270.00

Spot Rates

Commodity	Location	Price	% Chg
Cotton Seed Oilcake	आकोला	2,705.25	0.16
Cotton Seed Oilcake	कादी	2,720.25	0.22

Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
COCUDAKL	20-Mar-24	0.71	-10.40	Short Covering
COCUDAKL	19-Apr-24	0.66	8.72	Fresh Buying

Technical Chart



BUY COCUDAKL MAR @ 2680 SL 2640 TGT 2730-2760. NCDEX

Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COCUDAKL	20-Mar-24	2,694.00	2739.00	2684.00	2684.00	2661.00	2629.00
COCUDAKL	19-Apr-24	2,729.00	2775.00	2718.00	2718.00	2695.00	2661.00

Spot Rates

Commodity	Location	Price	% Chg
Kapas	राजकोट	1,500.70	-0.36
Kapas	कादी	1,515.65	0.74

Open Interest Snapshot

Commodity	Expiry	% Change	% Oi Change	Oi Status
KAPAS	30-Apr-24	0.61	4.51	Fresh Buying

Technical Chart

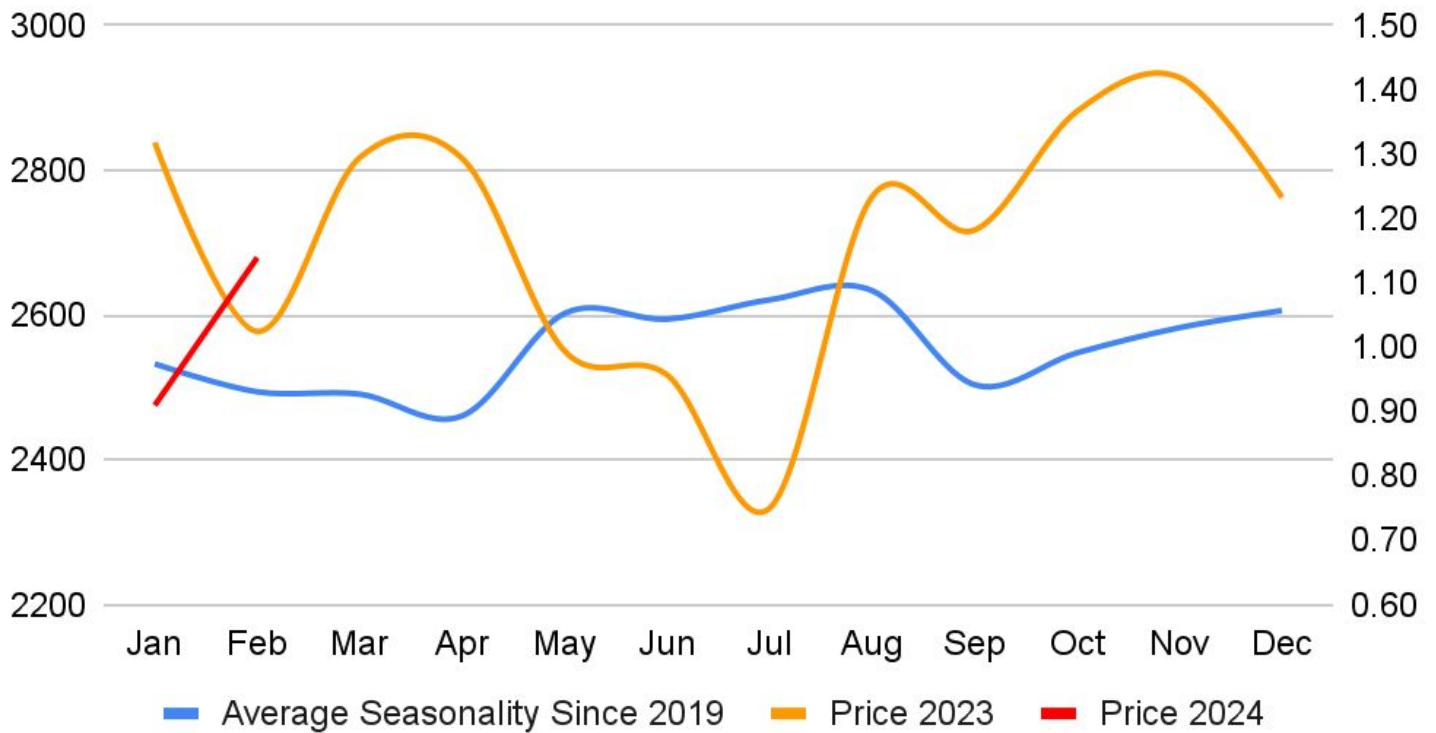


BUY KAPAS APR @ 1640 SL 1620 TGT 1660-1675. NCDEX

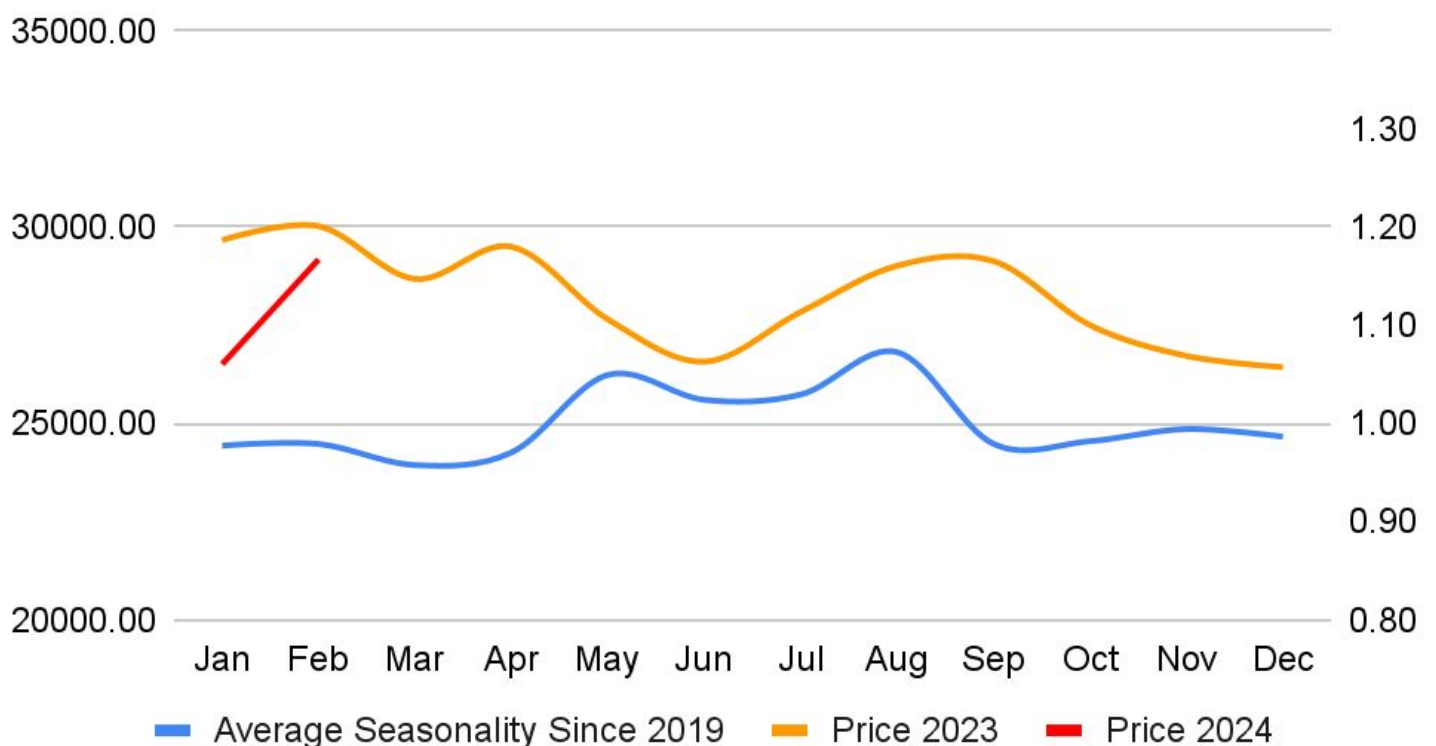
Trading Levels

Commodity	Expiry	Close	R2	R1	PP	S1	S2
KAPAS	30-Apr-24	1,650.00	1665.00	1657.00	1648.00	1640.00	1631.00

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Cotton Seasonality





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