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Technical Analysis

Price Outlook for Gujarat-ICS-10, 29mm and ICE Cotton Futures for the period 04/11/2025 to 03/12/2025

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His columns in The Hindu Business Line have won accolades in the international markets. He also writes a fortnightly column on a blog site for The Economic Times on Global commodities and Forex markets. He

is a part an elite team of experts for moneycontrol.com in providing market insights. He was awarded "The Best Market Analyst", for the category- Commodity markets- Bullion, by then President of India, Mr. Pranab Mukherji.

He is a consultant and advisory board member for leading corporates and commodity exchanges in India and overseas. He is regularly invited by television channels including CNBC and ET NOW and Newswires like Reuters and Bloomberg, to opine on the commodity and forex markets. He has conducted training sessions for markets participants at BSE, NSE, MCX and IIM Bangalore and conducted many internal workshops for corporates

exposed to commodity price risk. He has also done several training sessions for investors all over the country and is also a regular speaker at various conferences in India and abroad.

EXPERT'S COLUMN



Shri. Gnanasekar Thiagarajan
Director, Commtrendz Research

Domestic Markets

- Domestic cotton markets opened the week on a steady note, with Shankar-6 prices holding firm at ₹53,000 per candy, unchanged from the previous session despite broader softness in global benchmarks. However, moisture levels in fresh arrivals continue to vary, influencing mill purchase patterns.
- So far the CCI has sold around 89.50 lakh bales from prior season procurement. The CCI procurement is yet to get underway in many states. The weekend rainfall was concentrated on Saurashtra, central Gujarat, Coastal and Madhya Maharashtra. Forecasts suggest possibility of light rainfall and Thunderstorms over Madhya Maharashtra.

- Cotton yarn prices remained stable despite increasing arrivals of the natural fibre. Cotton arrivals have improved in north India and other parts of the country. However, spinning mills preferred to maintain current rates, leading to no reduction in cotton yarn prices. Mills are attempting to hold prices at existing levels. Cotton yarn demand is expected to improve once summer garment production gains momentum. Market participants are also hopeful of lower US tariffs as trade talks continue. If India and the US succeed in reaching a trade agreement, the Indian textile and garment industry will receive a significant boost, and cotton yarn demand will likely rise as well.

International Markets

- ICE cotton futures held steady on Monday, as a stronger dollar and flat oil prices offset optimism surrounding China’s demand for the natural fibre. Meanwhile, the U.S. dollar hovered at a three-month high against a basket of peers on Monday, making greenback-priced cotton more expensive for overseas buyers. Still we have no data coming out of the US due to shut down and we are nearing the Christmas month where spending is expected to accelerate.
- WTI crude oil futures fell below \$61 per barrel on Tuesday after a four-day advance as traders weighed OPEC+’s decision to pause output increases early next year against persistent concerns about oversupply. The producer group agreed to a modest production hike in December but will halt further additions from January through March due to seasonal demand fluctuations. The decision comes amid expectations that the oil market could face a surplus next year.
- The White House on Saturday released details about the agreement that U.S. President Donald Trump reached last week with Chinese President Xi Jinping to de-escalate their countries’ trade war, including U.S. tariff reductions and a pause in Beijing’s new restrictions on rare earth minerals and magnets. The deal also included resumption of Chinese purchases of American soybeans, with China agreeing to buy at least 12 million metric tons of U.S. soybeans in the last two months of 2025, as well as at least 25 million metric tons of U.S. soybeans in each of the following three years.
- Several Fed officials further echoed comments from Chair Jerome Powell earlier in the week, who dented expectations the central bank would cut rates at its December meeting following a 25-basis point cut on Wednesday. Markets are pricing in a 65% chance for a 25-basis point cut at the December meeting, down from almost 92% a week ago, according to CME’s Fed Watch Tool. Despite recent dollar strength, it is still under pressure from the ongoing US government shutdown. The longer the shutdown is maintained, the more likely the US economy will suffer and the more likely the Fed will have to cut interest rates. The interest rate differential between the US and other countries point to further downside risks in the long-term for the dollar.

Shankar 6 GUJ ICS PRICE TREND

As cautioned in our previous update, more decline to 14,000 looks likely with some near-term support at 14,700-800 levels. Price bounced from 14,700 levels on extreme oversold conditions in the indicators. Only a move above 15,800 could revive bullish hopes once again.



Shankar- 6 Candy spot:

As cautioned earlier, charts are looking more bearish and further downside to 51,000 on the cards as the arrival season begins and imports continue to dominate. Price came close to 52,000 and bounced from there. Chances exist for a pullback to 53,500 levels before edging lower again towards 51,000. Unexpected close above 54,300 could revive bullish hopes again higher.



Dec 25 Cotton futures

As mentioned in the earlier update, crucial long-term support lies at 60-61c. price came close to it and bounced higher on short-covering. Failure to sustain and follow-through higher above 66-67c could put prices at a risk of a sell-off again. Such a fall could also see lower levels like 56/57c where the long-term support kicks in.



As mentioned before, using ICE futures and Options for mitigating prices risk especially when prices are at elevated levels helps cushion the fall and manage high priced inventory of cotton and yarn is ideal for the industry, but to take that leap of faith is a humungous task for this industry where raw material price moves make or break the profit margins. Hedging low priced ICE futures against domestic prices by buying plain vanilla Call options by paying a premium that could mitigate any upside price risk

that can be caused by weather risk or any other event. Also, once price reach a unsustainable level higher, then the high-priced inventories in a falling market could help offset some losses using Put options.

A container of yarn roughly uses 150 bales of raw material cotton. That much of raw material price risk is what one is exposed to till the yarn is sold. The OPTION Is ICE futures; USA helps in inventory management. MCX Candy contracts recently launched should be a good testing ground for mills and exporters desirous of hedging their price risk in ICE futures and options.

CONCLUSION:

As cautioned earlier, prices look unsustainable at 56.000 levels and prices could come under pressure again. Prices have been moving perfectly in line with our expectations. Though uncertainties persist on the tariff situation as it remains remains unsolved, some blips of hope of a trade deal have kept the markets hope alive. Add to that weather has also added to supply woes. But, since the demand remains hazy markets have not yet responded to the supply situation. Important support in ICE is at \$60-61c range followed by \$57c on the downside. Prices could find a lot of buying interest below 60c. We expect prices to break be capped in the 66-67c range. The international price still indicates that a bearish H&S pattern is in play where more downside to 57c could be on the cards.

For Shankar 6 Guj ICS supports are seen at 51,000 per candy and for ICE Mar cotton futures at \$60c now. The domestic technical picture looks bearish, but a strong pullback to \$67 or even higher is likely before the fall. Therefore, we can expect international prices to consolidate and push higher in the near-term with chances of further declines subsequently looking likely. Broader picture is still weak and a rangebound trade is expected with a bearish bias going forward. Energy prices are looking strong and that could support the cotton complex temporarily as MMF prices could rise and rub off on cotton as well.

The Trump Xi meeting was a game changer for grains complex, but has yet to see any desired impact on the cotton complex. The interest rates scenario is also not that clear with the Fed chair sounding dovish and job losses and US Government shutdown adding to the existing problems. Therefore, though we remain overall bearish, extreme caution should be exercised on getting excessively bearish.

(The views expressed in this column are of the author and not that of Cotton Association of India)

Basis Comparison of ICS 105 with ICE Futures – 1st November 2025

Basis Comparison of ICS 105 with Cotlook A Index – 1st November 2025

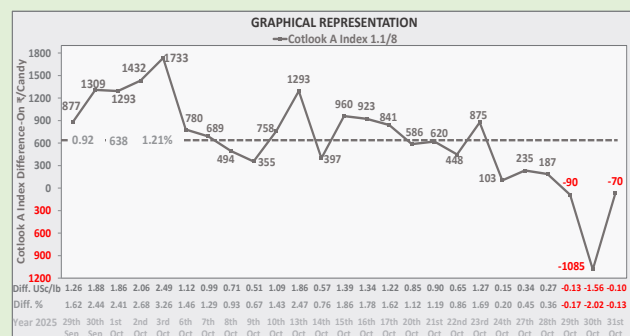
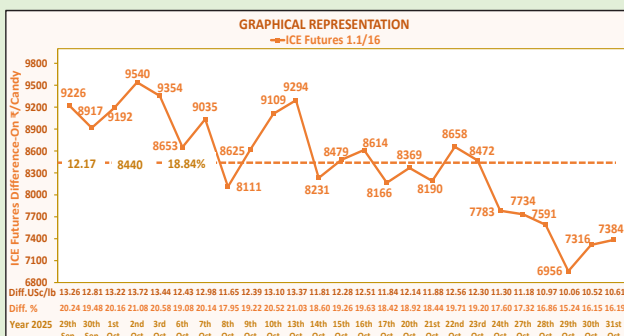
SEASON 2025-2026							
Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3.5%, Str./GPT 28 with ICE Futures							
CAI Price for October Compared with ICE December Settlement Futures							
Date	CAI (₹/Candy)	Conversion Rate (US\$ = ₹)	CAI (USc/lb.)	ICE Settlement Futures 1.1/16" Front Mth. Dec.'25 (USc/lb.)	Difference-ON/OFF ICE Futures		
					USc/lb.	₹/Candy	%
A	B	C	D	E	F	G	H
Cotton Year Week No-5 th							
27 th Oct 2025	52400	88.24	75.74	64.56	11.18	7734	17.32
28 th Oct 2025	52600	88.26	76.02	65.05	10.97	7591	16.86
29 th Oct 2025	52600	88.20	76.07	66.01	10.06	6956	15.24
30 th Oct 2025	52600	88.70	75.64	65.12	10.52	7316	16.15
31 st Oct 2025	53000	88.77	76.15	65.54	10.61	7384	16.19
Weekly Avg.	52640	88.43	75.92	65.26	10.67	7396	16.35
Total Avg. (Daily Basis)	53248	88.43	76.81	64.63	12.17	8440	18.84

SEASON 2025-2026								
Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3.5%, Str./GPT 28 with Cotlook A Index								
Date	CAI (₹/Candy)	Conversion Rate (US\$ = ₹)	*CAI (USc/lb.)	Cotlook A Index M-1.1/8" C & F FE Ports	Difference-ON/OFF Cotlook A Index			
					USc/lb.	₹/Candy	%	
A	B	C	D	E	F	G	H	
Cotton Year Week No-5 th								
27 th Oct 2025	52400	88.24	75.94	75.60	0.34	235	0.45	
28 th Oct 2025	52600	88.26	76.22	75.95	0.27	187	0.36	
29 th Oct 2025	52600	88.20	76.27	76.40	-0.13	-90	-0.17	
30 th Oct 2025	52600	88.70	75.84	77.40	-1.56	-1085	-2.02	
31 st Oct 2025	53000	88.77	76.35	76.45	-0.10	-70	-0.13	
Weekly Avg.	52640	88.43	76.12	76.36	-0.24	-165	-0.30	
Total Avg. (Daily Basis)	53248	88.43	77.01	76.09	0.92	638	1.21	

Note:- Weeks taken as per Cotton Year (October To September).

Note:- Weeks taken as per Cotton Year (October To September).

*Converted to C & F FE Ports by adding 20c/lb. to CAI spot rates.



Glimpses of Sneh Sammelan held at CAI on October 27, 2025



UPCOUNTRY SPOT RATES (Rs./Qtl)													
Standard Descriptions with Basic Grade & Staple in Millimeters based on Upper Half Mean Length As per CAI By-laws								Spot Rate (Upcountry) 2024-25 Crop October - November 2025					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	27th	28th	29th	30th	31st	1st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	-	-	-	-	-	-
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	11023 (39200)	11051 (39300)	11079 (39400)	11079 (39400)	11079 (39400)	11079 (39400)
3	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
4	P/H/R (U)	ICS-202 (SG)	Fine	27mm	3.5 – 4.9	4.5%	26	-	-	-	-	-	-
5	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	-	-	-	-	-	-
6	M/M(P)/ SA/TL/GUJ	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
7	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	N.A. (N.A.)	.-	.-	.-	.-	.-
8	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	-	-	-	-	-	-
9	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14707 (52300)	14763 (52500)	14763 (52500)	14679 (52200)	14679 (52200)	14679 (52200)
10	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14257 (50700)	14313 (50900)	14313 (50900)	14313 (50900)	14313 (50900)	14313 (50900)
11	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3%	27	14622 (52000)	14679 (52200)	14707 (52300)	14707 (52300)	14707 (52300)	14707 (52300)
12	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	-	-	-	-	-	-
13	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	-	-	-	-	-	-
14	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	14707 (52300)	14763 (52500)	14763 (52500)	14763 (52500)	14904 (53000)	14904 (53000)
15	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	14594 (51900)	14650 (52100)	14650 (52100)	14650 (52100)	14650 (52100)	14650 (52100)
16	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	14735 (52400)	14791 (52600)	14819 (52700)	14847 (52800)	14904 (53000)	14904 (53000)
17	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	14904 (53000)	15016 (53400)	15016 (53400)	15016 (53400)	15072 (53600)	15072 (53600)
18	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	14763 (52500)	14819 (52700)	14819 (52700)	14819 (52700)	14819 (52700)	14819 (52700)
19	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	N.A. (N.A.)	N.A. (N.A.)	-	-	-	-
20	SA/TL/K/ TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
21	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.9	3%	31	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
22	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	20528 (73000)	20528 (73000)	20528 (73000)	20387 (72500)	20387 (72500)	20387 (72500)
23	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	-	-	-	-	-	-
24	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	21034 (74800)	21034 (74800)	20949 (74500)	20809 (74000)	20809 (74000)	20809 (74000)
25	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	-	-	-	-	-	-

Note: (Figures in bracket indicate prices in Rs./Candy)

UPCOUNTRY SPOT RATES (Rs./Qtl)													
Standard Descriptions with Basic Grade & Staple in Millimeters based on Upper Half Mean Length As per CAI By-laws								Spot Rate (Upcountry) 2025-26 Crop October - November 2025					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	27th	28th	29th	30th	31st	1st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	12907 (45900)	12907 (45900)	12907 (45900)	12907 (45900)	12823 (45600)	12823 (45600)
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	-	-	-	-	-	-
3	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	-	-	-	-	-	-
4	P/H/R (U)	ICS-202 (SG)	Fine	27mm	3.5 – 4.9	4.5%	26	13469 (47900)	13498 (48000)	13526 (48100)	13582 (48300)	13582 (48300)	13582 (48300)
5	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	13666 (48600)	13694 (48700)	13723 (48800)	13779 (49000)	13779 (49000)	13779 (49000)
6	M/M(P)/ SA/TL/GUJ	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	-	-	-	-	-	-
7	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)
8	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	13976 (49700)	14032 (49900)	14060 (50000)	14116 (50200)	14116 (50200)	14116 (50200)
9	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14341 (51000)	14397 (51200)	14397 (51200)	14397 (51200)	14538 (51700)	14538 (51700)
10	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14060 (50000)	14116 (50200)	14116 (50200)	14116 (50200)	14116 (50200)	14116 (50200)
11	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3%	27	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
12	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14510 (51600)	14566 (51800)	14594 (51900)	14679 (52200)	14538 (51700)	14538 (51700)
13	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	14650 (52100)	14707 (52300)	14735 (52400)	14819 (52700)	14679 (52200)	14679 (52200)
14	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	14735 (52400)	14791 (52600)	14791 (52600)	14791 (52600)	14904 (53000)	14904 (53000)
15	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	14397 (51200)	14454 (51400)	14510 (51600)	14510 (51600)	14510 (51600)	14510 (51600)
16	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	14763 (52500)	14819 (52700)	14875 (52900)	14904 (53000)	14904 (53000)	14904 (53000)
17	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	14791 (52600)	14847 (52800)	14847 (52800)	14875 (52900)	14988 (53300)	14988 (53300)
18	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	14622 (52000)	14622 (52000)	14622 (52000)	14622 (52000)	14622 (52000)	14622 (52000)
19	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	-	-	15044 (53500)	15044 (53500)	15157 (53900)	15157 (53900)
20	SA/TL/K/ TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	-	-	-	-	-	-
21	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.9	3%	31	-	-	-	-	-	-
22	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	-	-	-	-	-	-
23	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	20668 (73500)	20668 (73500)	20809 (74000)	20809 (74000)	20809 (74000)	20809 (74000)
24	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	-	-	-	-	-	-
25	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	21371 (76000)	21371 (76000)	21371 (76000)	21371 (76000)	21371 (76000)	21371 (76000)

Note: (Figures in bracket indicate prices in Rs./Candy)