

**Domestic Fundamentals:****Market Outlook:**

*The Gujarat cotton physical market showed weak trends at various trading centers today in the market. MCX cotton October contract stood higher at Rs.1940/bale on Thursday. ICE cotton futures closed in green on Thursday.*

**News: Cotton Corporation of India (CCI) procurement under MSP have been increased gradually in North India (Punjab, Haryana, and Rajasthan).** According to the sources, CCI procured a total of 2.36 lakh bales of cotton till 20th October 2020.

***The crop in Khammam district of Telangana has been adversely affected with the recent rains that resulted in high moisture content in the produce brought by the farmers in the procurement centres. Even there are issues with the colour of the cotton not meeting the standards of CCI procurement. Therefore, the farmers are forced to sell their produce to the private traders below MSP. Some farmers brought the cotton that was kept in cold storage last year and are selling it at Rs 4,825 per quintal. The farmers claims that they can get MSP price if the moisture content is reduced if the mandi officials could provide a space for drying cotton.***

***Telangana state Agriculture Minister said that the government will issue tokens to the farmers for purchase of cotton to prevent crowd near the procurement centres. CCI has established the procurement centres at 300 ginning mills and 9 market yards across the state.***

***The heavy rainfall since last two days in Telangana, crop damage is expected in some regions in Warangal and Adilabad region. And the main cotton growing regions; Guntur, Krishna and Prakasam districts in Andhra Pradesh likely to have affected with heavy rainfall and expects a damage in the quality of cotton and resulting in the yield loss. As this year, the farmers were expecting higher yield as there were no pink bollworm infestation. However, after 17th October, rains will be reducing and clear weather is expected in Southern regions of India with scattered rains only.***

***According to Cotton Association of India (CAI), the cotton production in 2019-20 is expected to have reached 360 lakh bales up from 354.5 lakh bales as estimated earlier and declined imports by 50,000 bales to 15.5 lakh bales from the previous estimates. The exports and consumption figures remained unchanged at 50 lakh bales and 250 lakh bales, respectively. Till 6th October'20, 3.12 lakh bales of new crop of raw cotton had arrived in the market. Out of which, CCI could procure 2,311 bales in Haryana, Punjab and Rajasthan as against zero procurement in the corresponding period of last year.***

***The cotton textile ministry assures that Kasturi, the first national brand of Indian cotton can get at least 5% premium prices. Kasturi brand represents Whiteness, Brightness, Softness, Purity, and Luster. This premium cotton would be suitable for trade in the world cotton market.***

**Weather Forecast for tomorrow:**

***Heavy to very heavy rainfall with extremely falls at isolated places likely over Nagaland, Manipur, Mizoram & Tripura; heavy to very heavy rainfall at isolated places over Assam & Meghalaya; heavy rainfall at isolated places over Odisha and Coastal Karnataka. Thunderstorm with lightning likely at isolated places over Jharkhand, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura.***

### International Fundamentals:

**Cotton Futures ended Wednesday session higher by 0.02 points Oct 20, Cotton is at 71.04. The cotlook index closed higher by 0.05 points to 76.85 cents/lb against 76.8 cents/lb.**

**U.S. Export Sales were 51% from the prior 4- week average. Net UPLAND sales of 2,27,800 RB for 2020- 2021** primarily sold to Pakistan 93,300 RB, China 47,500 RB, Mexico 33,800 RB, Vietnam 30,100 RB, Bangladesh 9,000 RB and reductions were from Japan 1,000 RB and Indonesia 800 RB.

**The Cotton Development Board (CDB), Bangladesh reported that the country has imported 7.1 million bales of cotton in the 2019-20 financial year.** The Bangladesh Ministry of Agriculture has set a target of producing 2 million bales of cotton in the country by 2041. In 2019-20, cotton was cultivated on around 44,000 ha land and the production was over 0.17 million bales. And the average yield in the country during last fiscal year 2019-20 was 6.15 bales/ha. However, according to USDA the production is expected to increase to around 0.2 million bales with 9.34 million bales of imports in 2020-21.

**According to USDA latest report, the 2020-21 world cotton supply and demand forecasts lower production, higher consumption and trade, and lower ending stocks compared with last month.** Production is lowered more than 900,000 bales with declines in Mali, Pakistan, and Greece offsetting a larger expected crop in Nigeria. Consumption is 1.5 million US bales higher, reflecting revisions for China and India. World ending stocks in 2020-21 are now projected 2.7 million US bales lower than in September, at 101.1 million bales.

**The escalated trade war between the US and China likely to be beneficial for Indian cotton textile exports. US recently issued Withhold Release Order on cotton and apparel imports from Xinjiang region in China.** China exported around 20% of the total apparel exports to US during first quarter of the financial year. This could lead to the lower purchases of raw material by China from US. Therefore, the buyers would divert to other countries and the major suppliers after US are India and Brazil. However, against Brazil, India could get opportunity because of low cost raw material availability and India has established companies that are committed for a long time in US and China.

### MCX Cotton Futures\*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
20-Oct	+0.20	19840	19870	19700	19840	90	152	290	1
20-Nov	-0.10	19990	20000	19850	19960	142	141	855	11
20-Dec	-	-	-	-	-	-	-	-	-

Spread	20-Aug	20-Sep	20-Oct	--	--	--
Spot				-	-	-
20-Aug	-	-	-	-	-	-
20-Sep	-	-	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 22<sup>nd</sup> Oct 2020 @ 5.30 pm

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Oct-20	21-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5400	5500	-100
	Gondal	Shankar-6	5505	5530	-25
	Rajkot	B.T. Cotton	5315	5400	-85
	Patan	B.T. Cotton	NR	5330	-
	Kadi	B.T. Cotton	5300	5400	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5300	5350	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5350	5400	-50
	Fatehabad	B.T. Cotton	5450	5600	-150
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5725	5700	25
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	5325	5325	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	5725	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	6000	Unch
	Hathras	Desi	5200	5200	Unch
Andhra Pradesh	Adoni	Medium Staple	NA	5004	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5459	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5000	5100	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Oct-20	21-Oct-20	
Punjab	Bhatinda	J-34	4220	4240	-20
	Abohar	J-34	4220	4240	-20
	Mansa	J-34	4200	4235	-35
Haryana	Sirsa	J-34	4190	4210	-20
Rajasthan	Sri-Ganganagar	J-34	3713	3939	-226

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	22-Oct-20	21-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	39100	39100	Unch
	Gondal	Shankar-6	3987	2760	1227
	Rajkot	B.T. Cotton	3725	3350	375
	Patan	B.T. Cotton	NR	12805	-
	Kadi	B.T. Cotton	20000	25000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	47000	50000	-3000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	500	400	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1600	2000	-400
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	300	300	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	2725	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	50	50	Unch
	Hathras	Desi	50	50	Unch
Andhra Pradesh	Adoni	Medium Staple	NA	23595	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	690	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	390	40	350
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Oct-20	21-Oct-20	
Punjab	Bhatinda	J-34	18700	20400	-1700
	Abohar	J-34	3400	3400	Unch
	Mansa	J-34	2040	2550	-510
Haryana	Sirsa	J-34	1360	2550	-1190
Rajasthan	Sri-Ganganagar	J-34	3000	2000	1000

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	22-Oct-20	21-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	955	960	-5
Delhi	New Delhi	Rs. /10 Kg.	940	935	5
Telangana	Hyderabad	Rs. /10 Kg.	945	945	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	970	962	8

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	22-Oct-20	21-Oct-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1926	1918	8
Maharashtra	Akola	Rs./Qtl	1910	1955	-45

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Oct-20	19-Oct-20	
Bengal Deshi (RG)/Assam Comilla	Below 22mm	5.0 - 7.0	15	37700	37700	Unch
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	38300	38300	Unch
J-34	27mm	3.5 - 4.9	23	39000	39100	-100
H-4/ MECH-1	28mm	3.5 - 4.9	27	38800	38800	Unch
Shankar-6	29mm	3.5 - 4.9	28	40400	40400	Unch
Bunny/ Brahma	31mm	3.5 - 4.9	30	41300	41400	-100
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	42000	42000	Unch
DCH-32	34mm	3.0 - 3.8	33	56500	57000	-500

**INTERNATIONAL PRICES AND INDICES****China Cotton Index:**

Index	Unit	22-Oct-20	21-Oct-20	Change
CCIndex(328)	RMB/Ton	14643	14822	-179
CCIndex(527)	RMB/Ton	13591	13699	-108
CCIndex(229)	RMB/Ton	14889	15058	-169
RMB -Renminbi, 1RMB =0.16 \$U.S.				

**China Foreign Cotton (FCE) Index :**

Index	Unit	22-Oct-20	21-Oct-20	Change
FC Index (S)	Cents/lb	80.14	80.14	Unch
FC Index (M)	Cents/lb	77.37	77.37	Unch
FC Index (L)	Cents/lb	76.03	76.03	Unch

**Cotlook Index:**

Cotlook Indices	Unit	21-Oct-20	20-Oct-20	Change
A-Index	Cents/Pound	76.85	76.8	0.05

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Oct-20	21-Oct-20	Bales
Southeast	cents/lb.	68.04	70.29	-
North Delta	cents/lb.	67.29	69.54	-
South Delta	cents/lb.	67.29	69.54	-
East TX-OK	cents/lb.	65.29	67.79	1173
West Texas	cents/lb.	65.04	67.54	2394
Desert SW	cents/lb.	63.54	67.54	256
SJ Valley	cents/lb.	64.04	72.94	-

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots.  
Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

**Pakistan Cotton Spot rates: As on 21-Oct-2020**

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	10100	180	10280
Equivalent	40 Kgs	10824	193	11017

Daily Futures Price Listing Wed Oct 21, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
<a href="#">20-Oct</a>	201021	70.81	72.13	70.57	71.04	0.02	22,482	128,696	2,579
<a href="#">20-Dec</a>	201021	71.48	72.8	71.27	71.73	0.03	9,205	67,041	1,691
<a href="#">21-Mar</a>	201021	72.14	73.3	71.83	72.34	0.05	3,296	14,665	-22
<a href="#">21-May</a>	201021	72.64	73.7	72.4	72.81	0.03	1,392	10,731	167
<a href="#">21-Jul</a>	201021	71.36	71.36	71.36	71.36	-0.06	2	6	1
<a href="#">21-Oct</a>	201021	70.48	71.24	70.24	70.51	-0.06	1,449	18,385	246
Total Volume and Open Interest							37,935	241,919	4,697

Source: MRCI

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