

Domestic Fundamentals:**Market Outlook:**

The Gujarat cotton physical market showed mixed trends at various trading centers today in the market. MCX cotton October contract stood higher at Rs.19700/bale on Friday. 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 dryng 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 Assam & Meghalaya and heavy to very heavy rainfall at isolated places over Nagaland, Manipur, Mizoram & Tripura. Thunderstorm with lightning likely at isolated places over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura.

International Fundamentals:

Cotton Futures ended Thursday session higher by 0.9 points Oct 20, Cotton is at 71.94. The cotlook index closed steady at 76.85 cents/lb.

Bangladesh cotton imports for September were 4.57 tonnes, an increase of 43% from the prior month, but a decline of 22% year over year. During August to September the imports were 7.76 tonnes, down from the last two years, a 30% reduction.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
20-Oct	-0.71	19760	19840	19570	19700	203	113	223	67
20-Nov	-1.20	20010	20020	19610	19760	323	181	838	17
20-Dec	-	-	-	-	-	-	-	-	-

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

(NB: Spread Basis = Spot- Near Month Future) As updated on 23rd Oct 2020 @ 5.30 pm

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	23-Oct-20	22-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5350	5400	-50
	Gondal	Shankar-6	5580	5505	75
	Rajkot	B.T. Cotton	5355	5315	40
	Patan	B.T. Cotton	5265	5330	-65
	Kadi	B.T. Cotton	5300	5300	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5245	-
Haryana	Bhiwani	B.T. Cotton	5250	5300	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5350	5350	Unch
	Fatehabad	B.T. Cotton	5350	5450	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5725	5725	Unch
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	5300	5325	-25
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	6000	Unch
	Hathras	Desi	5500	5200	300
Andhra Pradesh	Adoni	Medium Staple	4881	4977	-96
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5759	5609	150
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5050	5000	50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Oct-20	22-Oct-20	
Punjab	Bhatinda	J-34	4240	4220	20
	Abohar	J-34	4250	4220	30

	Mansa	J-34	4225	4200	25
Haryana	Sirsa	J-34	4210	4190	20
Rajasthan	Sri-Ganganagar	J-34	3713	3713	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	23-Oct-20	22-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	39100	39100	Unch
	Gondal	Shankar-6	4049	3987	62
	Rajkot	B.T. Cotton	5025	3725	1300
	Patan	B.T. Cotton	13120	13563	-443
	Kadi	B.T. Cotton	40000	20000	20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	68	-
Haryana	Bhiwani	B.T. Cotton	20000	47000	-27000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	1020	170
	Fatehabad	B.T. Cotton	500	500	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1500	1600	-100
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	500	300	200
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	50	150
	Hathras	Desi	50	50	Unch
Andhra Pradesh	Adoni	Medium Staple	11807	13345	-1538
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1639	1266	373
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	337	390	-53
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Oct-20	22-Oct-20	
Punjab	Bhatinda	J-34	18700	18700	Unch
	Abohar	J-34	3060	3400	-340

	Mansa	J-34	3060	2040	1020
Haryana	Sirsa	J-34	2550	1360	1190
Rajasthan	Sri-Ganganagar	J-34	2000	3000	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	23-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	965	955	10
Delhi	New Delhi	Rs. /10 Kg.	950	940	10
Telangana	Hyderabad	Rs. /10 Kg.	955	945	10
Maharashtra	Mumbai	Rs. /10 Kg.	970	970	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	23-Oct-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1882	1926	-44
Maharashtra	Akola	Rs./Qtl	1900	1910	-10

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				22-Oct-20	21-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	39000	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	27	38800	38800	Unch
Shankar-6	29mm	3.5 - 4.9	28	40300	40400	-100
Bunny/ Brahma	31mm	3.5 - 4.9	30	41200	41300	-100
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	42000	42000	Unch
DCH-32	34mm	3.0 - 3.8	33	56200	56500	-300

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

Index	Unit	23-Oct-20	22-Oct-20	Change
CCIndex(328)	RMB/Ton	14643	14643	Unch
CCIndex(527)	RMB/Ton	13592	13591	1
CCIndex(229)	RMB/Ton	14891	14889	2

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	23-Oct-20	22-Oct-20	Change
FC Index (S)	Cents/lb	81.05	80.14	0.91
FC Index (M)	Cents/lb	78.26	77.37	0.89
FC Index (L)	Cents/lb	77.03	76.03	1.00

Cotlook Index:

Cotlook Indices	Unit	22-Oct-20	21-Oct-20	Change
A-Index	Cents/Pound	76.85	76.85	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Oct-20	22-Oct-20	Bales
Southeast	cents/lb.	69.19	71.44	2339
North Delta	cents/lb.	68.19	70.44	0
South Delta	cents/lb.	68.19	70.44	0
East TX-OK	cents/lb.	66.19	68.69	453
West Texas	cents/lb.	66.19	68.94	4347
Desert SW	cents/lb.	64.44	68.44	0
SJ Valley	cents/lb.	64.94	73.84	0

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 22-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 Thu Oct 22, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
20-Oct	201022	71	72.1	70.82	71.94	0.9	18,384	128,099	-597
20-Dec	201022	71.56	72.64	71.5	72.51	0.78	8,362	66,483	-558
21-Mar	201022	72.26	73.14	72.26	73.09	0.75	3,090	14,510	-155
21-May	201022	72.75	73.6	72.75	73.54	0.73	1,022	10,951	220
21-Jul	201022	71.94	71.94	71.94	71.94	0.58	0	6	0
21-Oct	201022	70.51	71.2	70.51	71.07	0.56	538	18,555	170
Total Volume and Open Interest							37,935	241,919	4,697

Source: MRCI

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