

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 red on Friday.

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 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 Friday session lower by 0.65 points Oct 20, Cotton is at 71.29. 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	24-Oct-20	23-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5350	5350	Unch
	Gondal	Shankar-6	5560	5580	-20
	Rajkot	B.T. Cotton	5340	5355	-15
	Patan	B.T. Cotton	5280	5265	15
	Kadi	B.T. Cotton	5300	5300	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5340	5200	140
Haryana	Bhiwani	B.T. Cotton	5250	5250	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5300	5350	-50
	Fatehabad	B.T. Cotton	5350	5350	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5725	5725	Unch
Rajasthan	Hanumangarh	B.T. Cotton	5100	Closed	-
	Rawatsar	B.T. Cotton	5300	5300	Unch
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	5500	Unch
Andhra Pradesh	Adoni	Medium Staple	NA	4881	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5759	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5050	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Oct-20	23-Oct-20	
Punjab	Bhatinda	J-34	4240	4240	Unch
	Abohar	J-34	4250	4250	Unch
	Mansa	J-34	4225	4225	Unch
Haryana	Sirsa	J-34	4210	4210	Unch
Rajasthan	Sri-Ganganagar	J-34	3929	3713	216

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	24-Oct-20	23-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	39100	39100	Unch
	Gondal	Shankar-6	3825	4049	-224
	Rajkot	B.T. Cotton	3450	5025	-1575
	Patan	B.T. Cotton	10409	13120	-2711
	Kadi	B.T. Cotton	40000	40000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	176	99	77
Haryana	Bhiwani	B.T. Cotton	20000	20000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	1190	Unch
	Fatehabad	B.T. Cotton	500	500	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1200	1500	-300
Rajasthan	Hanumangarh	B.T. Cotton	1000	Closed	-
	Rawatsar	B.T. Cotton	500	500	Unch
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	200	Unch
	Hathras	Desi	50	50	Unch
Andhra Pradesh	Adoni	Medium Staple	NA	11807	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	1639	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	337	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Oct-20	23-Oct-20	
Punjab	Bhatinda	J-34	15300	18700	-3400
	Abohar	J-34	2380	3060	-680
	Mansa	J-34	2720	3060	-340
Haryana	Sirsa	J-34	2550	2550	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Oct-20	23-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	965	965	Unch
Delhi	New Delhi	Rs. /10 Kg.	950	950	Unch
Telangana	Hyderabad	Rs. /10 Kg.	955	955	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	960	970	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Oct-20	23-Oct-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1861	1882	-21
Maharashtra	Akola	Rs./Qtl	1910	1900	10

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Oct-20	22-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	38800	39000	-200
H-4/ MECH-1	28mm	3.5 - 4.9	27	38800	38800	Unch
Shankar-6	29mm	3.5 - 4.9	28	40600	40300	300
Bunny/ Brahma	31mm	3.5 - 4.9	30	41200	41200	Unch
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	42000	42000	Unch
DCH-32	34mm	3.0 - 3.8	33	56000	56200	-200

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

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
20-Oct	201023	71.7	71.91	71.1	71.29	-0.65	19,935	128,297	198
20-Dec	201023	72.4	72.45	71.7	71.87	-0.64	11,433	67,612	1,129
21-Mar	201023	72.75	72.89	72.27	72.45	-0.64	2,166	14,662	152
21-May	201023	73.19	73.37	72.7	72.86	-0.68	1,481	10,713	-238
21-Jul	201023	71.19	71.19	71.19	71.19	-0.75	0	6	0
21-Oct	201023	70.76	70.94	70.08	70.19	-0.88	1,503	19,100	545
Total Volume and Open Interest							36,536	242,789	1,790

Source: MRCI

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