

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

*The Gujarat cotton physical market showed mixed trends today in the market. MCX cotton October contract stood lower at Rs.19250/bale on Monday. 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 rainfall very likely at isolated places over Kerala & Mahe and Tamilnadu, Puducherry & Karaikal. Thunderstorm with lightning very likely at isolated places over Kerala & Mahe and Tamilnadu, Puducherry & Karaikal.***

### International Fundamentals:

**Cotton Futures ended Friday session lower by 0.65 points Oct 20, Cotton is at 71.29.**

**The China have announced that the cotton purchasing for 2020-21 crop would commence from 1st December and continue till 31st March next year with a daily purchasing limit of 40,000 bales and with a target of 2.93 million bales. This will equal nearly 10% of the record Xinjiang crop. As Xinjiang area crop expects a record high as raw cotton yields in almost all areas have exceeded last year which could leave a positive impact on the Chinese market when the purchases of high quality cotton commences.**

**Despite the increasing kapas arrivals, active procurement of CCI could support the market in coming days. At present, CCI is procuring around 60% of the total arrival in north India per day. As of 20th Oct'20, CCI purchases were reported around 2.3 lakh bales in the Northern India. In Telangana, CCI has announced that the MSP will be paid only for 8% moisture, with premiums for 6% and 7% moisture levels. Purchases will be made to a maximum of 12%, with discounts for each 1% of moisture above 8%.**

**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.**

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
20-Oct	-2.98	19760	19860	19240	19240	117	86	134	89
20-Nov	-1.52	19800	19800	19430	19470	488	165	921	83
20-Dec	-	-	-	-	-	-	-	-	-

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

(NB: Spread Basis = Spot- Near Month Future) As updated on 26<sup>th</sup> Oct 2020 @ 5.30 pm

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Oct-20	24-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5400	5350	50
	Gondal	Shankar-6	5480	5560	-80
	Rajkot	B.T. Cotton	5405	5340	65
	Patan	B.T. Cotton	5335	5280	55
	Kadi	B.T. Cotton	5300	5300	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5290	5340	-50
Haryana	Bhiwani	B.T. Cotton	5300	5250	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5250	5300	-50
	Fatehabad	B.T. Cotton	5240	5350	-110
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5725	5725	Unch
Rajasthan	Hanumangarh	B.T. Cotton	5250	5100	150
	Rawatsar	B.T. Cotton	5350	5300	50
Madhya Pradesh	Khandwa	Mech-1	Closed	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	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Oct-20	24-Oct-20	
Punjab	Bhatinda	J-34	4240	4240	Unch
	Abohar	J-34	4240	4250	-10
	Mansa	J-34	4220	4225	-5
Haryana	Sirsa	J-34	4190	4210	-20
Rajasthan	Sri-Ganganagar	J-34	3929	3929	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	26-Oct-20	24-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	37400	39100	-1700
	Gondal	Shankar-6	3975	3825	150
	Rajkot	B.T. Cotton	2650	3450	-800
	Patan	B.T. Cotton	7613	10409	-2796
	Kadi	B.T. Cotton	30000	40000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	163	176	-13
Haryana	Bhiwani	B.T. Cotton	40000	20000	20000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1190	-170
	Fatehabad	B.T. Cotton	500	500	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1700	1200	500
Rajasthan	Hanumangarh	B.T. Cotton	1000	1000	Unch
	Rawatsar	B.T. Cotton	200	500	-300
Madhya Pradesh	Khandwa	Mech-1	Closed	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	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Oct-20	24-Oct-20	
Punjab	Bhatinda	J-34	17000	15300	1700
	Abohar	J-34	5100	2380	2720
	Mansa	J-34	2550	2720	-170
Haryana	Sirsa	J-34	2040	2550	-510
Rajasthan	Sri-Ganganagar	J-34	3000	2000	1000

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-Oct-20	24-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	975	965	10
Delhi	New Delhi	Rs. /10 Kg.	970	950	20
Telangana	Hyderabad	Rs. /10 Kg.	965	955	10
Maharashtra	Mumbai	Rs. /10 Kg.	985	960	25

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Oct-20	24-Oct-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1833	1861	-28
Maharashtra	Akola	Rs./Qtl	1905	1910	-5

**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	38800	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	27	38800	38800	Unch
Shankar-6	29mm	3.5 - 4.9	28	40600	40600	Unch
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	56000	Unch

**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	26-Oct-20	23-Oct-20	Change
FC Index (S)	Cents/lb	80.46	81.05	-0.59
FC Index (M)	Cents/lb	77.69	78.26	-0.57
FC Index (L)	Cents/lb	76.46	77.03	-0.57

**Cotlook Index:**

Cotlook Indices	Unit	23-Oct-20	22-Oct-20	Change
A-Index	Cents/Pound	77.75	76.85	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		24-Oct-20	24-Oct-20	Bales
Southeast	cents/lb.	-	-	-
North Delta	cents/lb.	-	-	-
South Delta	cents/lb.	-	-	-
East TX-OK	cents/lb.	-	-	-
West Texas	cents/lb.	-	-	-
Desert SW	cents/lb.	-	-	-
SJ Valley	cents/lb.	-	-	-

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 Fri Oct 23, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
<a href="#">20-Oct</a>	201023	71.7	71.91	71.1	71.29	-0.65	19,935	128,297	198
<a href="#">20-Dec</a>	201023	72.4	72.45	71.7	71.87	-0.64	11,433	67,612	1,129
<a href="#">21-Mar</a>	201023	72.75	72.89	72.27	72.45	-0.64	2,166	14,662	152
<a href="#">21-May</a>	201023	73.19	73.37	72.7	72.86	-0.68	1,481	10,713	-238
<a href="#">21-Jul</a>	201023	71.19	71.19	71.19	71.19	-0.75	0	6	0
<a href="#">21-Oct</a>	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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