

Domestic Fundamentals:**Market Outlook:**

The Gujarat cotton physical market showed mixed trends today in the market. MCX cotton October contract stood higher at Rs.19410/bale on Tuesday. ICE cotton futures closed in green on Monday.

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 Monday session higher by 0.82 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	+0.83	19350	19600	19350	19410	91	26	118	16
20-Nov	+1.33	19510	19790	19510	19740	440	48	990	69
20-Dec	-	-	-	-	-	-	-	-	-

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

(NB: Spread Basis = Spot- Near Month Future) As updated on 27th Oct 2020 @ 5.30 pm

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Oct-20	26-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5400	5400	Unch
	Gondal	Shankar-6	5405	5480	-75
	Rajkot	B.T. Cotton	5305	5405	-100
	Patan	B.T. Cotton	5290	5335	-45
	Kadi	B.T. Cotton	5300	5300	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5290	-
Haryana	Bhiwani	B.T. Cotton	5275	5300	-25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5300	5250	50
	Fatehabad	B.T. Cotton	5300	5240	60
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5725	5725	Unch
Rajasthan	Hanumangarh	B.T. Cotton	5300	5250	50
	Rawatsar	B.T. Cotton	5375	5350	25
Madhya Pradesh	Khandwa	Mech-1	5000	Closed	-
	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	4880	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	5000	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	27-Oct-20	26-Oct-20	
Punjab	Bhatinda	J-34	4200	4240	-40
	Abohar	J-34	4200	4240	-40
	Mansa	J-34	4195	4220	-25
Haryana	Sirsa	J-34	4170	4190	-20
Rajasthan	Sri-Ganganagar	J-34	3995	3929	66

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	27-Oct-20	26-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	40800	37400	3400
	Gondal	Shankar-6	4619	3975	644
	Rajkot	B.T. Cotton	3850	2650	1200
	Patan	B.T. Cotton	11940	7613	4327
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	163	-
Haryana	Bhiwani	B.T. Cotton	40000	40000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	400	500	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1200	1700	-500
Rajasthan	Hanumangarh	B.T. Cotton	1000	1000	Unch
	Rawatsar	B.T. Cotton	200	200	Unch
Madhya Pradesh	Khandwa	Mech-1	800	Closed	-
	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	300	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	315	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Oct-20	26-Oct-20	
Punjab	Bhatinda	J-34	18700	17000	1700
	Abohar	J-34	1700	5100	-3400
	Mansa	J-34	850	2550	-1700
Haryana	Sirsa	J-34	1700	2040	-340
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	27-Oct-20	26-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	980	975	5
Delhi	New Delhi	Rs. /10 Kg.	975	970	5
Telangana	Hyderabad	Rs. /10 Kg.	970	965	5
Maharashtra	Mumbai	Rs. /10 Kg.	1005	985	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	27-Oct-20	26-Oct-20	
Gujarat	Mahešana (Kadi)	Rs./Qtl	1833	1833	Unch
Maharashtra	Akola	Rs./Qtl	1924	1905	19

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	38000	37700	300
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	38600	38300	300
J-34	27mm	3.5 - 4.9	23	39100	38800	300
H-4/ MECH-1	28mm	3.5 - 4.9	27	38700	38800	-100
Shankar-6	29mm	3.5 - 4.9	28	40500	40600	-100
Bunny/ Brahma	31mm	3.5 - 4.9	30	41100	41200	-100
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	41900	42000	-100
DCH-32	34mm	3.0 - 3.8	33	56000	56000	Unch

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

Index	Unit	27-Oct-20	26-Oct-20	Change
CCIndex(328)	RMB/Ton	14636	14636	Unch
CCIndex(527)	RMB/Ton	13596	13589	7
CCIndex(229)	RMB/Ton	14881	14879	2
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	27-Oct-20	26-Oct-20	Change
FC Index (S)	Cents/lb	81.21	80.46	0.75
FC Index (M)	Cents/lb	78.44	77.69	0.75
FC Index (L)	Cents/lb	77.2	76.46	0.74

Cotlook Index:

Cotlook Indices	Unit	26-Oct-20	23-Oct-20	Change
A-Index	Cents/Pound	77.4	77.75	-0.35

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		26-Oct-20	26-Oct-20	Bales
Southeast	cents/lb.	69.36	71.61	-
North Delta	cents/lb.	68.61	70.86	-
South Delta	cents/lb.	68.61	70.86	-
East TX-OK	cents/lb.	66.36	68.86	905
West Texas	cents/lb.	66.36	69.11	1966
Desert SW	cents/lb.	64.61	68.61	-
SJ Valley	cents/lb.	65.11	74.01	-

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 27-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 Mon Oct 26, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
20-Oct	201026	71.35	72.38	71.22	72.11	0.82	16,513	129,086	789
20-Dec	201026	71.78	72.95	71.78	72.72	0.85	7,470	69,497	1,885
21-Mar	201026	72.54	73.46	72.42	73.22	0.77	1,882	15,226	564
21-May	201026	72.77	73.83	72.77	73.58	0.72	878	10,992	279
21-Jul	201026	71.81	71.81	71.81	71.81	0.62	-	6	-
21-Oct	201026	70	71.07	70	70.76	0.57	661	19,348	248
Total Volume and Open Interest							27,609	246,610	3,821

Source: MRCI

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