

Domestic Fundamentals:**Market Outlook:**

The Gujarat cotton physical market showed mixed trends today in the market. MCX cotton October contract stood higher at Rs.19620/bale on Wednesday. ICE cotton futures closed in red on Tuesday.

News: *According to the trade sources, India is expected to have exported around 5 lakh bales in September 2020. China and Bangladesh has imported notable quantity of raw cotton from India of around 2 lakh bales each at an average FOB of \$1.41/kg and \$1.49/kg, respectively. Vietnam was also a major importing country after China & Bangladesh buying around 54,000 bales at \$1.34/kg FOB followed by Mauritius (3,500 bales at \$1.42/kg), and Oman (2,450 bales at \$1.42/kg). The demand from China has increased significantly in September surpassing the demand from Bangladesh. The demand for organic cotton has also risen during September especially from Bangladesh, China and Indonesia.*

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.*

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 Tuesday session lower by 0.08 points Oct 20, Cotton is at 72.03. The cotlook index stood lower by 0.35 points to 77.4 cents/lb against 77.75 cents/lb.

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	+1.08	19800	19800	19620	19620	33	84	110	24
20-Nov	-0.41	19760	19940	19650	19660	416	72	1069	148
20-Dec	-	-	-	-	-	-	-	-	-

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

(NB: Spread Basis = Spot- Near Month Future) As updated on 28th Oct 2020 @ 5.30 pm

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Oct-20	27-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5450	5400	50
	Gondal	Shankar-6	5405	5405	Unch
	Rajkot	B.T. Cotton	5355	5305	50
	Patan	B.T. Cotton	NR	5290	-
	Kadi	B.T. Cotton	5400	5300	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5250	5275	-25
	Bhiwani	Desi	6000	NA	-
	Adampur	B.T. Cotton	5325	5300	25
	Fatehabad	B.T. Cotton	5325	5300	25
	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	5300	Unch
	Rawatsar	B.T. Cotton	5375	5375	Unch
Madhya Pradesh	Khandwa	Mech-1	5200	5000	200
	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	4871	4880	-9
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5000	5000	Unch
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5396	5000	396
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Oct-20	27-Oct-20	
Punjab	Bhatinda	J-34	4210	4200	10
	Abohar	J-34	4210	4200	10
	Mansa	J-34	4200	4195	5
Haryana	Sirsa	J-34	4180	4170	10
Rajasthan	Sri-Ganganagar	J-34	3901	3995	-94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	28-Oct-20	27-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	39100	40800	-1700
	Gondal	Shankar-6	4567	4619	-52
	Rajkot	B.T. Cotton	3450	3850	-400
	Patan	B.T. Cotton	NR	11940	-
	Kadi	B.T. Cotton	20000	30000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	30000	40000	-10000
	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	1900	1200	700
Rajasthan	Hanumangarh	B.T. Cotton	500	1000	-500
	Rawatsar	B.T. Cotton	300	200	100
Madhya Pradesh	Khandwa	Mech-1	800	800	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	200	-100
	Hathras	Desi	50	50	Unch
Andhra Pradesh	Adoni	Medium Staple	11500	300	11200
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	337	315	22
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	375	315	60
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Oct-20	27-Oct-20	
Punjab	Bhatinda	J-34	17000	18700	-1700
	Abohar	J-34	3400	1700	1700
	Mansa	J-34	2550	850	1700
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	3000	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Oct-20	27-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	970	980	-10
Delhi	New Delhi	Rs. /10 Kg.	965	975	-10
Telangana	Hyderabad	Rs. /10 Kg.	960	970	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1000	1005	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Oct-20	27-Oct-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1832	1833	-1
Maharashtra	Akola	Rs./Qtl	1948	1924	24

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Oct-20	26-Oct-20	
Bengal Deshi (RG)/Assam Comilla	Below 22mm	5.0 - 7.0	15	38200	38000	200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	38800	38600	200
J-34	27mm	3.5 - 4.9	23	39100	39100	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	27	38700	38700	Unch
Shankar-6	29mm	3.5 - 4.9	28	40500	40500	Unch
Bunny/ Brahma	31mm	3.5 - 4.9	30	41100	41100	Unch
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	41900	41900	Unch
DCH-32	34mm	3.0 - 3.8	33	56000	56000	Unch

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

Index	Unit	28-Oct-20	27-Oct-20	Change
CCIndex(328)	RMB/Ton	14639	14636	3
CCIndex(527)	RMB/Ton	13598	13596	2
CCIndex(229)	RMB/Ton	14886	14881	5
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	28-Oct-20	27-Oct-20	Change
FC Index (S)	Cents/lb	81.45	81.21	0.24
FC Index (M)	Cents/lb	78.66	78.44	0.22
FC Index (L)	Cents/lb	77.47	77.2	0.27

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 Tue Oct 27, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
20-Oct	201027	72	72.53	71.76	72.03	-0.08	15,318	127,400	-1,686
20-Dec	201027	72.72	73.15	72.41	72.73	0.01	6,800	71,274	1,777
21-Mar	201027	73.24	73.57	72.89	73.28	0.06	1,207	15,264	38
21-May	201027	73.65	73.95	73.28	73.65	0.07	683	10,970	-22
21-Jul	201027	71.82	71.82	71.82	71.82	0.01	0	6	0
21-Oct	201027	70.94	71	70.45	70.62	-0.14	714	19,532	184
Total Volume and Open Interest							24,752	246,898	288

Source: MRCI

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