

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

*The Gujarat cotton physical market showed mixed trends today in the market. MCX cotton October contract stood lower at Rs.19160/bale on Friday. ICE cotton futures closed in red on Thursday.*

**News: The exponential rise in raw cotton and fiber demand from the overseas has led to the rise in the cotton exports.**

*According to Cotton Association of India, India have exported around 6 lakh bales and 25,000 to 50,000 bales of cotton are lined up at the Indian ports from the beginning of the new season (October'20). But the lack of availability of containers at the port are causing delay in exports. The traders claims that groundnut oil and castor shipments are getting priority against cotton because of higher demand from China.*

***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 Tamilnadu, Puducherry & Karaikal. Thunderstorm with lightning very likely at isolated places over Nagaland, Manipur, Mizoram & Tripura, Kerala & Mahe and Tamilnadu, Puducherry & Karaikal.*

### International Fundamentals:

**Cotton Futures ended Thursday session lower by 0.35 points Oct 20, Cotton is at 69.82. The cotlook index stood lower by 1.45 points to 76.9 cents/lb against 78.4 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	-1.64	19230	19370	19160	19160	4	2	58	52
20-Nov	-0.66	19560	19590	19420	19430	225	61	1065	22
20-Dec	-	-	-	-	-	-	-	-	-

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

(NB: Spread Basis = Spot- Near Month Future) As updated on 30<sup>th</sup> Oct 2020 @ 5.30 pm

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Oct-20	29-Oct-20	
Gujarat	Ahmedabad	Shankar-6	5400	5450	-50
	Gondal	Shankar-6	Closed	5555	-
	Rajkot	B.T. Cotton	NR	5375	-
	Patan	B.T. Cotton	5280	5275	5
	Kadi	B.T. Cotton	5400	5300	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5300	5300	Unch
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	5320	5325	-5
	Fatehabad	B.T. Cotton	5300	5300	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5700	5700	Unch
Rajasthan	Hanumangarh	B.T. Cotton	5300	5250	50
	Rawatsar	B.T. Cotton	5300	5300	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	5500	-
	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	4903	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5359	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4950	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Oct-20	29-Oct-20	
Punjab	Bhatinda	J-34	4200	4190	10
	Abohar	J-34	4200	4190	10
	Mansa	J-34	4190	4220	-30
Haryana	Sirsa	J-34	4150	4150	Unch
Rajasthan	Sri-Ganganagar	J-34	3901	3901	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		NA
State	Centre	Variety	30-Oct-20	29-Oct-20	-
Gujarat	Ahmedabad	Shankar-6	42500	39100	3400
	Gondal	Shankar-6	Closed	4587	-
	Rajkot	B.T. Cotton	NR	3250	-
	Patan	B.T. Cotton	11122	11740	-618
	Kadi	B.T. Cotton	30000	20000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	25000	28000	-3000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	850	340
	Fatehabad	B.T. Cotton	500	600	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	1500	2000	-500
Rajasthan	Hanumangarh	B.T. Cotton	500	300	200
	Rawatsar	B.T. Cotton	500	500	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	800	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	20	20	Unch
Andhra Pradesh	Adoni	Medium Staple	NA	12503	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	465	-
	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	30-Oct-20	29-Oct-20	
Punjab	Bhatinda	J-34	17000	17000	Unch
	Abohar	J-34	5950	2550	3400
	Mansa	J-34	1700	2040	-340
Haryana	Sirsa	J-34	2550	2040	510
Rajasthan	Sri-Ganganagar	J-34	2000	3000	-1000

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	30-Oct-20	29-Oct-20	
Gujarat	Rajkot	Rs. /10 Kg.	970	970	Unch
Delhi	New Delhi	Rs. /10 Kg.	955	960	-5
Telangana	Hyderabad	Rs. /10 Kg.	960	960	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	975	1000	-25

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	30-Oct-20	29-Oct-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1887	1859	28
Maharashtra	Akola	Rs./Qtl	1943	1946	-3

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Oct-20	28-Oct-20	
Bengal Deshi (RG)/Assam Comilla	Below 22mm	5.0 - 7.0	15	38200	38200	Unch
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	38800	38800	Unch
J-34	27mm	3.5 - 4.9	23	39100	39100	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	27	38600	38800	-200
Shankar-6	29mm	3.5 - 4.9	28	40400	40600	-200
Bunny/ Brahma	31mm	3.5 - 4.9	30	41000	41200	-200
MCU-5/ Surabhi	32mm	3.3 - 4.9	31	41800	42000	-200
DCH-32	34mm	3.0 - 3.8	33	56000	56000	Unch

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

Index	Unit	30-Oct-20	29-Oct-20	Change
CCIndex(328)	RMB/Ton	14599	14641	-42
CCIndex(527)	RMB/Ton	13596	13601	-5
CCIndex(229)	RMB/Ton	14859	14892	-33
RMB -Renminbi, 1RMB =0.16 \$U.S.				

**China Foreign Cotton (FCE) Index :**

Index	Unit	30-Oct-20	29-Oct-20	Change
FC Index (S)	Cents/lb	79.55	79.77	-0.22
FC Index (M)	Cents/lb	76.95	76.98	-0.03
FC Index (L)	Cents/lb	75.68	75.72	-0.04

**Cotlook Index:**

Cotlook Indices	Unit	29-Oct-20	28-Oct-20	Change
A-Index	Cents/Pound	76.95	78.4	-1.45

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Oct-20	29-Oct-20	Bales
Southeast	cents/lb.	67.57	69.82	0
North Delta	cents/lb.	66.82	69.07	0
South Delta	cents/lb.	66.82	69.07	0
East TX-OK	cents/lb.	64.32	66.82	40
West Texas	cents/lb.	64.32	67.07	610
Desert SW	cents/lb.	62.57	66.57	388
SJ Valley	cents/lb.	63.07	71.97	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 29-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 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int.	Change
Cotton(ICE)									
<a href="#">20-Oct</a>	201029	70.15	70.46	69.58	69.82	-0.35	17,287	123,856	-2,677
<a href="#">20-Dec</a>	201029	71.03	71.36	70.53	70.8	-0.23	11,852	76,315	2,952
<a href="#">21-Mar</a>	201029	71.64	71.95	71.16	71.49	-0.21	2,734	14,956	-358
<a href="#">21-May</a>	201029	72.12	72.43	71.63	71.99	-0.17	1,484	10,813	52
<a href="#">21-Jul</a>	201029	70.23	70.23	70.23	70.23	-0.19	0	6	0
<a href="#">21-Oct</a>	201029	69.55	69.6	68.75	69.03	-0.19	376	19,704	25
Total Volume and Open Interest							33,733	248,102	-6

Source: MRCI

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