

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed trend today due to the commencement of CCI procurement on large scale. MCX cotton spot price was lower at Rs.21,980 /bale Friday. ICE cotton futures closed red on Thursday.

News: Cotton farmers in Khammam are getting the prices above MSP. Farmers from Khammam are selling their cotton at Rs. 6,300 per quintal above minimum support price of Rs. 5,820 per quintal. Farmers are selling their cotton in local market instead of going at the CCI purchase centers.

Cotton exports from India are likely to rise 50 percent this year to 75 lakh bales in the 2020-21 crop year beginning October with revival in global demand from China and Bangladesh in last one month, amid the decline in cotton production in Pakistan, the textile exporters are urging the government to allow import of cotton from neighboring India.

Indian Cotton export may get a boost with rising global consumption. According to the International Cotton Advisory Committee, global consumption is estimated at 24.5 million tonnes for 2020-21 against 22.8 million tonnes in previous year. The rise in global consumption may boost prospects for Indian cotton exports. CAI has projected India's cotton export at 54 lakh bales for the current season against 50 lakh bales in the previous season, exports are likely to increase by the end of the season in September 2021.

High quality cotton exported to Bangladesh. Cotton Corporation of India has exported high quality cotton to Bangladesh through a goods train from Junagarh Road Railway Station in the district. The goods train has started its journey from Junagarh Road station in Kalahandi district to Benapol station of Bangladesh. The current consignment is of 6,500 bales of cotton weighing around 2,471 tonnes. The bales were packed into 42 wagons and sent to the neighbouring country via Kolkata.

Private players buy cotton above MSP in Punjab. Private players in Punjab are paying Rs. 6,240 per quintal to farmers which are Rs. 515 above the minimum support price; as a result CCI has steps aside in Punjab. According to the Punjab State Agriculture Marketing Board, 35.55 lakh quintal crops was sold in various places of the states till February 18, the CCI has purchased a record of 23.99 lakh quintal on MSP in 2020-21. Private players meanwhile have brought more than 12 lakh quintals and most of the purchase was at higher than MSP of Rs. 5,725 per quintal fixed for long staple.

Cotton Corporation of India has granted a subsidy of Rs. 300 per candy to cooperative spinning mills in Maharashtra. The Corporation has also waived off the security deposit of 2 lakh that the mills have to pay before participating in the e-auction process of the cotton. The mills however are demanding a subsidy of Rs. 2,500 per candy.

Procurement operations of seed cotton under minimum support price are going smooth in almost all the states across India. Around 91,68,064 cotton bales has been procured by CCI valuing about Rs. 26,705.19 crore by benefitting around 18,95,966 farmers.

Cotton exports may increase 30 percent as global market surges. India's cotton export may increase by 30 percent for the current crop year as rising global prices have made the fiber competitive. According to trade experts, cotton exports could be between 65- 70 lakh bales compared with 50 lakh bales the previous year.

CCI has purchased 18, 17,627 quintals of cotton at 30 cotton purchasing centres in Andhra Pradesh. Cotton Corporation of India has paid Rs. 1,050 crore to the farmers for purchasing cotton, CCI has purchased the quality cotton at Rs. 5,850 per quintal, while traders are purchasing the quality cotton at Rs. 6,400 per quintal at the doorsteps of the farmers, as a

result farmers are selling cotton to private traders to avoid loading and unloading charges. Demand for quality cotton has increased due to reduction of quality cotton supply in the market.

Telangana got the maximum benefit of CCI procurement program. Telangana, Punjab and Odisha are amongst the top three states that have got maximum benefit of cotton procurement by the Cotton Corporation of India. In Punjab CCI has procured around 33.33 lakh bales in Telangana and a total of about 90.87 lakh bales in India till 6th February'21.

Weather Forecast:

Thunderstorm with lightening & hail very likely in isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh and Utrakhand and with lightening at isolated places over Arunachal Pradesh, Assam, Meghalaya, Nagaland, Manipur, Mizoram & Tripura.

International Fundamentals:

The ICE cotton Futures was down by 131 points at 85.59 cents/lb. The Cotlook A index was up by 60 points at 96.15 cents/lb. The AWP for cotton is 73.95 cents/lb.

Cotton prices in Pakistan are highest in 11 years. Cotton prices in Pakistan were pushed to an 11 years high because of a decline in production. Cotton traded at Rs. 12,000/ maund, while its spot rate moved up to Rs. 11, 700/ maund, increase of Rs. 400 was recorded in the spot rate. The shortfall in production has resulted in the price rise. Cotton production in Pakistan is 5.6 million bales only for the current season, which is the lowest in the past 30 years.

China cotton imports rise 16.8 percent in 2020. The total cotton imports by china has increased by 16.8 percent year-on-year to 2.16 million tonnes in 2020, Cotton imports have declined during the first half of the year due to the impact of covid-19 pandemic, but imports soared in the second half as production resumed and consumption recovered. In the six months of 2020, China's cotton imports decreased by 23.7 percent year-on-year to 900,000 tonnes. However, cotton imports surged 88.1 percent to 1.26 million tonnes during July-December 2020.

According to the USDA February forecast shows higher production in China and Australia. Production in China is raised sharply on the higher than normal last season ginning; Consumption has also risen in China and India on stronger expected recovery in mill demand. Global trade has reflected these changes and is raised slightly on higher imports for china.

Cotton Production in Pakistan witnessed a massive decline of about 35 percent to 5.57 million bales by the end of January 2021, which is the lowest in 30 years. The decline in cotton production is mainly due to pest's infestation and drought, seed degradation, reduction of planting area. There are multiple reasons this year for the decreasing production as white fly has also caused serious impact on cotton, even higher than those pink bollworm earlier.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-40	22070	22160	21880	22180	1416	8049
MXCTNH1	-20	22340	22500	22470	22510	544	3045

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	05-Mar-21	04-Mar-21	
Gujarat	Ahmedabad	Shankar-6	6500	6500	Unch
	Gondal	Shankar-6	6330	6380	-50
	Rajkot	B.T. Cotton	6360	6360	Unch
	Patan	B.T. Cotton	NR	6490	-
	Kadi	B.T. Cotton	6500	6500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	6130	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6000	6000	Unch
	Fatehabad	B.T. Cotton	5900	5950	-50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	610	5950	-5340
Rajasthan	Hanumangarh	B.T. Cotton	6250	6250	Unch
	Rawatsar	B.T. Cotton	6150	6150	Unch
Madhya Pradesh	Khandwa	Mech-1	6300	6300	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5925	5800	125
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6579	6689	-110
	Hubli	D.C.H.	NA	3809	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6000	6000	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	05-Mar-21	04-Mar-21	
Punjab	Bhatinda	J-34	4620	4670	-50

	Abohar	J-34	4640	4670	-30
	Mansa	J-34	4630	4660	-30
Haryana	Sirsa	J-34	4530	4570	-40
Rajasthan	Sri-Ganganagar	J-34	4348	4418	-71

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	05-Mar-21	04-Mar-21	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	1644	1603	41
	Rajkot	B.T. Cotton	2900	3120	-220
	Patan	B.T. Cotton	NR	1585	-
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	120	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1190	-170
	Fatehabad	B.T. Cotton	200	300	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	125	500	-375
Rajasthan	Hanumangarh	B.T. Cotton	700	600	100
	Rawatsar	B.T. Cotton	800	1000	-200
Madhya Pradesh	Khandwa	Mech-1	200	150	50
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10000	10000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1195	1576	-381
	Hubli	D.C.H.	NA	1	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	22	15	7
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	05-Mar-21	04-Mar-21	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	510	510	Unch
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	05-Mar-21	04-Mar-21	
Gujarat	Rajkot	Rs. /10 Kg.	1173	1173	Unch
Delhi	New Delhi	Rs. /10 Kg.	1140	1145	-5
Telangana	Hyderabad	Rs. /10 Kg.	1210	1230	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1210	1200	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	05-Mar-21	04-Mar-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2251	2250	1
Maharashtra	Akola	Rs./Qtl	2361	2371	-10

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

Index	Unit	05-Mar-21	04-Mar-21	Change
CCIndex(328)	RMB/Ton	16336	16633	-297
CCIndex(527)	RMB/Ton	15487	15663	-176
CCIndex(229)	RMB/Ton	16667	16933	-266

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	05-Mar-21	04-Mar-21	Change
FC Index (S)	Cents/lb	99.22	100.45	-1.23
FC Index (M)	Cents/lb	95.22	96.34	-1.12
FC Index (L)	Cents/lb	93.9	94.95	-1.05

Cotlook Index:



Cotlook Indices	Unit	03-Mar-21	02-Mar-21	Change
A-Index	Cents/Pound	96.15	96.75	-0.60

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		03-Mar-21	02-Mar-21	Bales
Southeast	cents/lb.	86.7	91.49	2992
North Delta	cents/lb.	85.7	90.49	0
South Delta	cents/lb.	85.7	90.49	0
East TX-OK	cents/lb.	82.7	87.99	0
West Texas	cents/lb.	82.7	87.99	1799
Desert SW	cents/lb.	80.45	86.49	0
SJ Valley	cents/lb.	80.95	92.39	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 04-Mar-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	12380
Equivalent	40 Kgs	10074	193	13268

Daily Futures Price Listing Thursday March 04th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-21	210304	85.59	85.59	85.59	85.59	-1.31	1	10	-3
May-21	210304	88.71	89.39	86.63	87.14	-1.31	14,340	112,016	-1,459
Jul-21	210304	89.79	90.27	87.59	88.13	-1.28	6,589	57,063	+204
Oct-21	210304	84.60	85.90	84.53	84.53	-0.73	0	18	+0
Dec-21	210304	85.05	85.85	84.00	84.00	-1.01	3,756	56,178	-135
Mar-22	210304	83.40	84.71	83.07	83.07	-0.60	632	6,653	+54
Total Volume and Open Interest							25,634	240,280	-1,267

Source: MRCI

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