

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, 910 /bale Thursday. ICE cotton futures closed green on Wednesday.

News: CCI procurement reached 91, 86,678 cotton bales. Procurement operations of seed cotton under MSP are going on smoothly in the states of Punjab, Haryana, Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Telangana, Andhra Pradesh, Odisha and Karnataka, CCI has procured around 91,86,678 cotton bales valuing Rs. 26,719.51 crore has been procured benefitting 18,97,002 farmers.

Cotton stock at MCX warehouse reached highest on export demand. Cotton stock in MCX accredited warehouse has touched a new high of 2, 16,600 bales as on March 5 against previous high of 2,14,700 bales logged on March 30, 2019. The rising stock at warehouse was on the back of increasing hedging activities as the export demand, especially from China, has hit a new high. Also, Cotton prices have gained over 10 per cent so far and showed the firm trend in the global cotton trade. Cotton production globally is projected to touch a four-year low and imports by China are estimated higher. The Centre's decision to impose a ten per cent duty on imported cotton is seen as supporting domestic price.

Indian Cotton prices increase 5 percent in a month. Prices of Indian cotton have increased 5% in the past month, following the bullish trend in the international market. Although, cotton exports are strong as Indian cotton is cheaper than the overseas varieties. Cotton prices have increased to Rs 46,000 per candy of 356 kg from Rs 44,000 over the past month as the domestic cotton production is expected to be much lower than expected earlier. As against the earlier estimate of 40 million bales, the industry now expects the 2020-21 cotton production to be about 33 million bales. Projection of lower output in the next cotton crop as the major cotton producing nations including US and Brazil, farmers are shifting to maize and soyabean, which have given better returns, have also supported domestic price. Cotton prices are 13 percent cheaper than the prevailing global cotton prices.

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.

Weather Forecast:

Thunderstorm with lightening & gusty winds very likely in isolated places over Haryana, Chandigarh & Delhi and at isolated places over Uttrakhand, Uttar Pradesh and East Rajasthan with lightening and hail at isolated places over Madhya Pradesh, Chattisgarh, with lightening and gusty winds over Punjab and West Rajasthan and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan & Muzaffarabad, Himachal Pradesh, Vidarbha, Bihar and Jarkhand.

International Fundamentals:

The ICE cotton Futures was up by 90 points at 85.22 cents/lb. The Cotlook A index was up by 50 points at 93.65 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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+180	22080	22170	22040	22110	479	7258
MXCTNJ1	+220	22420	22530	22380	22250	325	4022

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Mar-21	09-Mar-21	
Gujarat	Ahmedabad	Shankar-6	6500	6500	Unch
	Gondal	Shankar-6	6405	6355	50
	Rajkot	B.T. Cotton	6450	6450	Unch
	Patan	B.T. Cotton	6395	6450	-55
	Kadi	B.T. Cotton	6500	6500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	6200	6200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6080	6100	-20
	Fatehabad	B.T. Cotton	5950	6050	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	5950	5970	-20
Rajasthan	Hanumangarh	B.T. Cotton	6250	6300	-50
	Rawatsar	B.T. Cotton	6175	6200	-25
Madhya Pradesh	Khandwa	Mech-1	6300	6300	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6000	6000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	NA	6759	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6701	6683	18
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6000	6000	Unch
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	10-Mar-21	09-Mar-21	
Punjab	Bhatinda	J-34	4660	4750	-90
	Abohar	J-34	4700	4750	-50
	Mansa	J-34	4680	4730	-50
Haryana	Sirsa	J-34	4580	4650	-70
Rajasthan	Sri-Ganganagar	J-34	4465	4465	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Mar-21	09-Mar-21	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	842	1523	-681
	Rajkot	B.T. Cotton	2300	1900	400
	Patan	B.T. Cotton	1419	1566	-147
	Kadi	B.T. Cotton	20000	15000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	2000	1000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1360	-510
	Fatehabad	B.T. Cotton	150	100	50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	100	70	30
Rajasthan	Hanumangarh	B.T. Cotton	400	1000	-600
	Rawatsar	B.T. Cotton	1000	500	500
Madhya Pradesh	Khandwa	Mech-1	200	200	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10000	9000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	NA	3036	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1262	761	501

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	15	Unch
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Mar-21	09-Mar-21	
Punjab	Bhatinda	J-34	4250	5100	-850
	Abohar	J-34	425	340	85
	Mansa	J-34	425	425	Unch
Haryana	Sirsa	J-34	510	340	170
Rajasthan	Sri-Ganganagar	J-34	1500	2000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	10-Mar-21	09-Mar-21	
Gujarat	Rajkot	Rs. /10 Kg.	1220	1210	10
Delhi	New Delhi	Rs. /10 Kg.	1210	1190	20
Telangana	Hyderabad	Rs. /10 Kg.	1240	1235	5
Maharashtra	Mumbai	Rs. /10 Kg.	1245	1245	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	10-Mar-21	09-Mar-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2306	2313	-7
Maharashtra	Akola	Rs./Qtl	2396	2400	-4

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	10-Mar-21	08-Mar-21	Change
CCIndex(328)	RMB/Ton	16018	16339	-321
CCIndex(527)	RMB/Ton	15192	15488	-296
CCIndex(229)	RMB/Ton	16367	16672	-305

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

China Foreign Cotton (FCE) Index :

Index	Unit	10-Mar-21	08-Mar-21	Change
FC Index (S)	Cents/lb	96.53	99.92	-3.39

FC Index (M)	Cents/lb	92.57	95.97	-3.40
FC Index (L)	Cents/lb	91.18	94.58	-3.40

Cotlook Index:

Cotlook Indices	Unit	08-Mar-21	05-Mar-21	Change
A-Index	Cents/Pound	93.15	92.6	0.55

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		08-Mar-21	08-Mar-21	Bales
Southeast	cents/lb.	86.57	88.82	2224
North Delta	cents/lb.	85.57	87.82	2200
South Delta	cents/lb.	85.57	87.82	1432
East TX-OK	cents/lb.	82.82	85.57	1
West Texas	cents/lb.	82.82	85.57	1221
Desert SW	cents/lb.	80.32	83.82	0
SJ Valley	cents/lb.	80.82	89.72	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 09-Mar-2021

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	12480
Equivalent	40 Kgs	10074	193	13375

Daily Futures Price Listing Wednesday March 10th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-21	210310	84.32	86.59	82.87	85.22	+0.90	12,054	104,564	-827
May-21	210310	85.30	87.35	83.88	86.05	+0.76	7,804	54,518	-1,580
Jul-21	210310	83.14	83.22	83.14	83.22	+0.93	54	17	-1
Oct-21	210310	81.40	83.07	80.44	81.42	+1.02	5,141	62,300	+1,372
Dec-21	210310	80.80	82.12	80.02	81.59	+0.74	160	6,714	+58
Mar-22	210310	80.47	81.59	79.76	81.09	+0.59	51	1,201	+13
Total Volume and Open Interest							25,348	236,750	-926

Source: MRCI

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