

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.22,090 /bale Friday. ICE cotton futures closed green on Thursday.

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 mean while 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 Gangetic West Bengal, with lightening and hail at isolated places over Jharkhand, Sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Kerala & Mahe and with lightening at isolated places over East Uttar Pradesh, East Madhya Pradesh, Vidarbha, Chattisgarh, Bihar, Odisha and Arunachal Pradesh.

International Fundamentals:

The ICE cotton Futures was up by 13 points at 85.56 cents/lb. The Cotlook A index was down by 350 points at 90.15 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 ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Mar-21	10-Mar-21	
Gujarat	Ahmedabad	Shankar-6	6500	6500	Unch
	Gondal	Shankar-6	6480	6405	75
	Rajkot	B.T. Cotton	6450	6450	Unch
	Patan	B.T. Cotton	6520	6395	125
	Kadi	B.T. Cotton	6500	6500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6040	NA	-
Haryana	Bhiwani	B.T. Cotton	6225	6200	25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6150	6080	70
	Fatehabad	B.T. Cotton	6050	5950	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	6000	5950	50
Rajasthan	Hanumangarh	B.T. Cotton	6400	6250	150
	Rawatsar	B.T. Cotton	6250	6175	75
Madhya Pradesh	Khandwa	Mech-1	6500	6300	200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5975	6000	-25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	0	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	6701	-
	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	12-Mar-21	10-Mar-21	
Punjab	Bhatinda	J-34	4765	4660	105
	Abohar	J-34	4760	4700	60
	Mansa	J-34	4750	4680	70

Haryana	Sirsa	J-34	4660	4580	80
Rajasthan	Sri-Ganganagar	J-34	4465	4465	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Mar-21	10-Mar-21	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	1372	842	530
	Rajkot	B.T. Cotton	2450	2300	150
	Patan	B.T. Cotton	1195	1419	-224
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	100	NA	-
Haryana	Bhiwani	B.T. Cotton	2000	2000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	850	510
	Fatehabad	B.T. Cotton	125	150	-25
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	50	100	-50
Rajasthan	Hanumangarh	B.T. Cotton	500	400	100
	Rawatsar	B.T. Cotton	700	1000	-300
Madhya Pradesh	Khandwa	Mech-1	150	200	-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	-
Andhra Pradesh	Adoni	Medium Staple	0	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	1262	-
	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	12-Mar-21	10-Mar-21	
Punjab	Bhatinda	J-34	3400	4250	-850
	Abohar	J-34	425	425	Unch
	Mansa	J-34	340	425	-85

Haryana	Sirsa	J-34	170	510	-340
Rajasthan	Sri-Ganganagar	J-34	2000	1500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Mar-21	10-Mar-21	
Gujarat	Rajkot	Rs. /10 Kg.	1250	1220	30
Delhi	New Delhi	Rs. /10 Kg.	1210	1210	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1300	1240	60
Maharashtra	Mumbai	Rs. /10 Kg.	1290	1245	45

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Mar-21	10-Mar-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2332	2306	26
Maharashtra	Akola	Rs./Qtl	2400	2396	4

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	12-Mar-21	09-Mar-21	Change
CCIndex(328)	RMB/Ton	15986	16339	-353
CCIndex(527)	RMB/Ton	15213	15487	-274
CCIndex(229)	RMB/Ton	16358	16667	-309

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

China Foreign Cotton (FCE) Index :

Index	Unit	12-Mar-21	09-Mar-21	Change
FC Index (S)	Cents/lb	100.17	100.42	-0.25
FC Index (M)	Cents/lb	96.25	96.47	-0.22
FC Index (L)	Cents/lb	94.87	95.08	-0.21

Cotlook Index:

Cotlook Indices	Unit	09-Mar-21	08-Mar-21	Change
A-Index	Cents/Pound	93.65	93.15	0.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		09-Mar-21	09-Mar-21	Bales
Southeast	cents/lb.	82.57	84.82	0



North Delta	cents/lb.	81.57	83.82	7629
South Delta	cents/lb.	81.57	83.82	0
East TX-OK	cents/lb.	78.82	81.57	1041
West Texas	cents/lb.	78.82	81.57	1091
Desert SW	cents/lb.	76.32	79.82	0
SJ Valley	cents/lb.	76.82	85.72	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 11-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 Thursday March 11th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-21	210311	85.22	88.56	85.01	88.35	+3.13	23,885	101,639	-2,925
May-21	210311	85.70	89.35	85.70	89.20	+3.15	14,123	52,069	-2,449
Jul-21	210311	85.79	85.79	85.79	85.79	+2.57	2	17	+0
Oct-21	210311	82.32	85.00	82.19	84.89	+2.47	9,480	63,806	+1,506
Dec-21	210311	82.04	84.45	82.04	83.89	+2.30	601	6,705	-9
Mar-22	210311	81.61	83.50	81.61	83.06	+1.97	436	1,304	+103
Total Volume and Open Interest							49,043	233,086	-3,664

Source: MRCI

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