

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 down at Rs.21,950 /bale Monday. ICE cotton futures closed green on Friday.

News: Telangana becomes the second biggest state under cotton area. Telangana ahead of Gujarat and becomes a second biggest state in the cotton acreages. Telangana is now looking forward to increase the cotton cultivation area by another 15-20 lakh acres in the coming kharif season. This will take the total cotton area to 75-80 lakh acres.

Cotton cultivation area is likely to increase in North India. According to the official sources sowing of cotton crop would increase in Punjab, Haryana and Rajasthan by 2 percent as in the current season prices of raw cotton are much higher than the MSP. Where else in Maharashtra the area will drop by 2 percent as farmers are likely to shift to pulses in view of kapas price ruling around MSP level, while in, Madhya Pradesh demand for edible oils could see growers switching over to Soybean.

According to Shetkari Sanghatana, the apex farmer's body in Maharashtra has claimed that 50 percent of the cotton sown in the state is under HTBT Cotton. About 42.86 lakh hectares area in Maharashtra was under cotton cultivation in 2020 kharif season, that is 29 percent of the total land under Kharif Cultivation in the State, 25-35 percent of the area has been reportedly been put under HTBT (Herbicide tolerant Bt cotton). Although the Cultivation of HTBT is banned in India and only Bt cotton has been approved for commercial cultivation.

Cotton farmers from Guntur are planning to increase area under cultivation for Cotton. Cotton sowing area is expected to increase in the state in 2021-22 Kharif Season, as cotton prices in the local market are much higher around Rs. 6500 per quintal than the MSP of Rs. 5825 per quintal. At present farmers in Guntur are sowing cotton in 15 lakh acres, but it is expected that the area may expand to 18-20 lakh acres in the coming kharif season.

Cotton farmers may face seed shortage. As cotton farmers are planning to increase the area under cotton cultivation the supply of cottonseeds might become tight in the coming kharif season if farmers decide to expand the area going by the high price that prevailed during the current season to September. Cottonseed production and quality were affected last year due to excessive rains in the key producing state of telangana and some parts of Tamil Nadu.

Genetically modified cotton seed prices have been increased by 5 percent. India has raised the prices for genetically modified cotton seed by 5 percent for the fiscal year that began in March. The prices are now at Rs 767 for a 450 gram packet and are up from 730 rupees.

Cotton farmers have gained this season as the cotton prices are above MSP. During the cotton season of 2020-21, Cotton Corporation of India has procured around 92 lakh bales under minimum support price operation. For the last six weeks, cotton prices have been ruling much above MSP, and currently they are 15-20% above MSP. As a result farmers are getting Rs 6,400 to Rs 6,500 per quintal as against the MSP of Rs 5,825 per quintal. Initially, it was expected by the trade and market sources that CCI may be required to buy at least 1.5 crore bales but since the farmers are getting good price from the market forces itself, MSP intervention is not required now. This cotton season is almost at an end and has been a good year for CCI.

Telangana Farmers are planning to increase area under cotton cultivation. Telangana is planning to add another 15-20 lakh acres in the upcoming kharif season, taking the area under the fibre crop to 75-80 lakh acres. The state had experimented with the Regulated Cropping System last year, had dramatically increased the cotton area to 60 lakh acres from the previous record of 46 lakh acres in 2019. As they achieved the target of 60 lakh acres, the Telangana farmers had surpassed Gujarat, which grows cotton on about 56 lakh acres.

Cotton production has been decreased by 2 percent for the 2020-21 season. According to the Ministry of Agriculture and farmer's welfare, cotton production has been lowered by two percent from its first estimate to 28.5 million 480-lb. bales but is 13 percent higher than the 5 year average.

Weather Forecast:

Thunderstorm with lightening , hail & squall very likely at isolated places over Madhya Maharashtra, Marathwada and with lightening and gusty winds at isolated pockets over Andaman & Nicobar Islands and Kerala & Mahe and with lightening at isolated places over Arunachal Pradesh, Madhya Pradesh, Odisha, Konkan, Goa, Telangana, Vidarbha, Chhattisgarh, Gangetic West Bengal ,Tamil Nadu, Karnataka and Lakshadweep. Heavy rainfall at isolated places over Coastal Karnataka, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was up by 99 points at 82.4 cents/lb. The Cotlook A index was 25 points higher at 86.60 cents/lb. The AWP for cotton was at 64.92 cents/lb.

Australian cotton exports are expected to grow in 2021. Cotton production in Australia is expected to increase in 2021 as the country's normal weather replenishes reservoirs essential for irrigation. The monthly average cotton production is expected to grow 312.70 percent in 2020-21 to 0.22 million where else in 2019-20 season it was 0.05 million.

The global 2020-21 cotton supply and demand estimates shows lower production and ending stocks, but higher mill use and trade. Estimated global production is reduced nearly 830,000 bales largely due to lower Brazilian and U.S. production. Cotton imports pace and indications of recovering global consumption has helped boost consumption estimates for Turkey, Bangladesh, Pakistan and Vietnam, more than offsetting lower projections for U.S. and Taiwan. The forecast for 2020-21 world trade is more than 600,000 bales. On export side, higher Indian exports accounts for most of the increase as auctions by Cotton Corporation of India have released much of the cotton purchased during last year under the MSP program.

According to US Department of Agriculture, global cotton consumption is expected to grow by 4.1 percent in 2021-22 seasons, substantially above the long term average rate of 1.7 percent. World cotton stocks are expected to reduce by 3.2 million bales. Also, World cotton production is expected to rise 4.7 percent with the most significant year-over-year growth in Pakistan, Australia, Brazil, the United States and West Africa. Overall, strong cotton consumption growth in 2021-22 and tightening stocks are expected to support prices with the A-Index forecast up 7 cents to 90 cents/pound for the marketing year.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-200	21680	21810	21540	21850	974	6759

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Apr-21	10-Apr-21	
Gujarat	Ahmedabad	Shankar-6	6750	6850	-100
	Gondal	Shankar-6	6880	6880	Unch
	Rajkot	B.T. Cotton	6875	6900	-25
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NR	-
	Bhiwani	Desi	0	0	Unch
	Adampur	B.T. Cotton	6200	6250	-50
	Fatehabad	B.T. Cotton	6180	6200	-20
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6380	6300	80
	Rawatsar	B.T. Cotton	6300	6300	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6200	Closed	-
	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	NA	NA	-
	Hubli	D.C.H.	NA	5500	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	6400	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Apr-21	10-Apr-21	
Punjab	Bhatinda	J-34	4510	4560	-50
	Abohar	J-34	4510	4570	-60
	Mansa	J-34	4500	4550	-50
Haryana	Sirsa	J-34	4400	4480	-80

Rajasthan	Sri-Ganganagar	J-34	4324	4324	Unch
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Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Apr-21	10-Apr-21	
Gujarat	Ahmedabad	Shankar-6	10200	13600	-3400
	Gondal	Shankar-6	825	565	260
	Rajkot	B.T. Cotton	1400	2380	-980
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NR	-
	Bhiwani	Desi	0	0	Unch
	Adampur	B.T. Cotton	850	850	Unch
	Fatehabad	B.T. Cotton	50	100	-50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	25	200	-175
	Rawatsar	B.T. Cotton	100	500	-400
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	7000	Closed	-
	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	NA	NA	-
	Hubli	D.C.H.	NA	18	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	37	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Apr-21	10-Apr-21	
Punjab	Bhatinda	J-34	510	340	170
	Abohar	J-34	255	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	200	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Apr-21	10-Apr-21	
Gujarat	Rajkot	Rs. /10 Kg.	1380	1380	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1355	1355	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1380	1370	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Apr-21	10-Apr-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2815	2754	61
Maharashtra	Akola	Rs./Qtl	2769	2722	47

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	12-Apr-21	09-Apr-21	Change
CCIndex(328)	RMB/Ton	15371	15369	2
CCIndex(527)	RMB/Ton	14666	14659	7
CCIndex(229)	RMB/Ton	15733	15727	6

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

China Foreign Cotton (FCE) Index :

Index	Unit	12-Apr-21	09-Apr-21	Change
FC Index (S)	Cents/lb	93.11	92.17	0.94
FC Index (M)	Cents/lb	91	90.08	0.92
FC Index (L)	Cents/lb	89.44	88.53	0.91

Cotlook Index:

Cotlook Indices	Unit	09-Apr-21	08-Apr-21	Change
A-Index	Cents/Pound	88.5	86.6	1.90

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		09-Apr-21	07-Apr-21	Bales
Southeast	cents/lb.	81.15	80.5	0
North Delta	cents/lb.	80.15	79.5	0
South Delta	cents/lb.	80.15	79.5	0



East TX-OK	cents/lb.	77.4	77.25	0
West Texas	cents/lb.	77.4	77.25	3480
Desert SW	cents/lb.	74.4	75	0
SJ Valley	cents/lb.	74.9	80.9	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 10-Apr-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	10980
Equivalent	40 Kgs	10074	193	11767

Daily Futures Price Listing Friday April 09th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-21	210409	81.33	83.43	81.27	82.40	+0.99	18,192	73,090	-6,077
May-21	210409	82.66	84.70	82.53	83.74	+1.08	16,103	63,620	+4,488
Jul-21	210409	82.00	82.26	82.00	82.26	+0.60	3	27	+0
Oct-21	210409	81.13	82.00	80.80	81.78	+0.66	5,682	75,029	+2,606
Dec-21	210409	81.40	81.71	80.62	81.59	+0.75	223	7,977	+93
Mar-22	210409	81.31	81.71	80.75	81.60	+0.81	103	2,121	+19
Total Volume and Open Interest							40,455	230,799	+1,207

Source: MRCI

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