

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 up at Rs.21,920 /bale Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton Corporation of India has procured around 92 lakh bales of cotton till March'2021 under Minimum Support Price program from various states like Punjab, Haryana, Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Telangana, Andhra Pradesh, Odisha, and Karnataka. Cotton arrivals have slowed down in CCI purchase centers from March as currently the prices in the local market are higher than the minimum support price of cotton. Cotton arrivals were around 90,000 bales a day in February and have come down to below 30,000 bales till last week.

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.

Weather Forecast:

Thunderstorm with lightening , hail & gusty winds very likely at isolated places over Jammu & Kahmir, Ladakh, Gilgit-Baltistan & Muzzaffarabad and with lightening and gusty winds at isolated pockets over Assam & Meghalaya, and with lightening& gusty winds at isolated places over Himachal Pradesh, Punjab, Rajasthan, Chattisgarh, Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Telangana, Tamil nadu, Puducherry & Karaikal and kerala & Mahe and with lightening at isolated places over East Madhya Pradesh, Vidarbha, Sub- Himalayana West Bengal & Sikkim, Madhya Mahrashtra, Marathwada, Odisha, Coastal Andhra Pradesh & Yanam, Rayalaseema , Arunachal Pradesh, Andaman & Nicobar Islands, Karnataka and Lakshadweep. Heavy rainfall at isolated places over Coastal & South Interior Karnataka, Kerala & Mahe and Tamil nadu, Puducherry & Karaikal.

International Fundamentals:

The ICE cotton Futures was up by 168 points at 81.82 cents/lb. The Cotlook A index was at 89.50 cents/lb. The AWP for cotton was at 64.92 cents/lb.

According to the 2020-21 U.S. cotton supply and demand forecast, higher exports and lower ending stock was observed as compared to last month. Production and domestic mill use are unchanged; where else the export forecast has been raised to 250,000 bales to 15.75 million, based on the increase in recent sales and shipments. Ending stock has now forecasted at 3.9 million bales, which is equivalent to 22 percent of total disappearance. The projected global production is around 276,000 bales lower than March month, led by decline in Australia and Turkmenistan and also the rising textile demand in china accounts for much of the 387,000 bales increase in projected 2020-21 world cotton consumption. World trade has also raised about 935,000 bales.

Pakistan is planning to import cotton from Uzbekistan. The Pakistan government is considering an option to import cotton from Uzbekistan via land route after it took back a decision of its import from India, as textile exporters want government to take decision regarding the 40 percent drop in the crop output.

China's cotton production is projected at 6.30 million tonnes in 2020-21 seasons, up by 8.7 percent from 2019-20 seasons, a new high since 2014-15. The cotton consumption along with the ending stock is also high this season, indicating the ample domestic cotton supply. If some cotton restriction is made by the government then, it is bound to increase the supply and Chinese cotton with high prices will be replaced by the imported cotton and Chinese cotton prices are supposed to come down.

The global 2020-21 cotton supply and demand estimates shows lower stocks and production. The April 2020-21 forecast shows marginal increase in consumption in Bangladesh and Mexico compared to March 2021. Global trade has boosted by greater import demand from China and Bangladesh. Also, higher exports are expected from Brazil, United States and Egypt.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+180	21510	21720	21510	21450	719	6408

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Apr-21	13-Apr-21	
Gujarat	Ahmedabad	Shankar-6	6750	6625	125
	Gondal	Shankar-6	6755	6755	Unch
	Rajkot	B.T. Cotton	NR	6775	-
	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	NA	-
	Bhiwani	Desi	0	0	Unch
	Adampur	B.T. Cotton	6325	6125	200
	Fatehabad	B.T. Cotton	6200	6150	50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6200	6380	-180
	Rawatsar	B.T. Cotton	6250	6300	-50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	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	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	14-Apr-21	13-Apr-21	
Punjab	Bhatinda	J-34	4500	4470	30
	Abohar	J-34	4500	4450	50
	Mansa	J-34	4450	4450	Unch

Haryana	Sirsa	J-34	4350	4340	10
Rajasthan	Sri-Ganganagar	J-34	4324	4324	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Apr-21	13-Apr-21	
Gujarat	Ahmedabad	Shankar-6	3400	10200	-6800
	Gondal	Shankar-6	2318	2031	287
	Rajkot	B.T. Cotton	NR	2380	-
	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	NA	-
	Bhiwani	Desi	0	0	Unch
	Adampur	B.T. Cotton	510	680	-170
	Fatehabad	B.T. Cotton	70	100	-30
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	25	25	Unch
	Rawatsar	B.T. Cotton	50	100	-50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	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	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Apr-21	13-Apr-21	
Punjab	Bhatinda	J-34	340	510	-170
	Abohar	J-34	170	170	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	255	170	85

Rajasthan	Sri-Ganganagar	J-34	10	10	Unch
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Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	14-Apr-21	13-Apr-21	
Gujarat	Rajkot	Rs. /10 Kg.	1390	1380	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1370	1355	15
Maharashtra	Mumbai	Rs. /10 Kg.	1380	1380	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	14-Apr-21	13-Apr-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	Closed	2788	-
Maharashtra	Akola	Rs./Qtl	Closed	2768	-

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

Index	Unit	14-Apr-21	13-Apr-21	Change
CCIndex(328)	RMB/Ton	15221	15293	-72
CCIndex(527)	RMB/Ton	14535	14590	-55
CCIndex(229)	RMB/Ton	15542	15628	-86

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

China Foreign Cotton (FCE) Index :

Index	Unit	14-Apr-21	13-Apr-21	Change
FC Index (S)	Cents/lb	92.68	91.09	1.59
FC Index (M)	Cents/lb	90.58	89.01	1.57
FC Index (L)	Cents/lb	89.03	87.45	1.58

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 13-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 Tuesday April 13th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-21	210413	80.14	81.97	79.84	81.82	+1.68	20,738	58,366	-8,521
May-21	210413	81.56	83.34	81.20	83.19	+1.68	20,560	74,202	+7,054
Jul-21	210413	81.39	81.91	81.39	81.91	+0.99	2	28	+1
Oct-21	210413	80.50	81.58	80.23	81.46	+1.02	5,597	77,100	+523
Dec-21	210413	80.33	81.50	80.16	81.41	+1.08	846	8,495	+373
Mar-22	210413	80.41	81.43	80.20	81.43	+1.04	294	2,311	+55
Total Volume and Open Interest							48,430	229,931	-306

Source: MRCI

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