

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.22,010 /bale Friday. ICE cotton futures closed green on Thursday.

News: Cotton Association of India has estimated cotton crop for 2020-21 season at 360 lakh bales. CAI in its March estimates for 2020-21 cotton seasons has estimated production at 360 lakh bales, higher from the previous estimates of 358.50 lakh bales. The total supply from October 2020 to March 2021 was estimated at 459.26 lakh bales, which consist arrivals of 326.76 lakh bales, whereas imports are estimated at 7.50 lakh bales and opening stock at 125 lakh bales. Further Consumption was estimated at 165 lakh bales and exports till 31st March 2021 was around 43 lakh bales, stock at the end of March 2021 was estimated at 251.26 lakh.

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.

Weather Forecast:

Thunderstorm with lightening , hail & gusty winds very likely at isolated places over Uttarakhand, Sub-Himalaya West Bengal & Sikkim and with lightening and gusty winds at isolated pockets over Assam & Meghalaya and with lightening & gusty winds at isolated places over Jammu & Kashmir, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh, Haryana, Chandigarh & Delhi, Punjab, Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura and with lightening at isolated places over Bihar, Andaman & Nicobar Islands, Arunachal Pradesh, Coastal Andhra Pradesh & Yanam and Lakshadweep. Heavy rainfall at isolated places over Arunachal Pradesh and Assam & Meghalaya.

International Fundamentals:

The ICE cotton Futures was up by 82 points at 85.02 cents/lb. The Cotlook A index was up by 170 points at 89.10 cents/lb. The AWP for cotton was at 68.16 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	16-Apr-21	15-Apr-21	
Gujarat	Ahmedabad	Shankar-6	6750	6750	Unch
	Gondal	Shankar-6	6780	6805	-25
	Rajkot	B.T. Cotton	Closed	Closed	-
	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	6400	NA	-
	Bhiwani	Desi	0	0	Unch
	Adampur	B.T. Cotton	6350	6250	100
	Fatehabad	B.T. Cotton	6300	6200	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6350	NA	-
	Rawatsar	B.T. Cotton	6375	6250	125
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6200	6175	25
	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	6924	6877	47
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7100	6600	500
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Apr-21	15-Apr-21	

Punjab	Bhatinda	J-34	4530	4500	30
	Abohar	J-34	4530	4500	30
	Mansa	J-34	4540	4500	40
Haryana	Sirsa	J-34	4425	4350	75
Rajasthan	Sri-Ganganagar	J-34	4324	4324	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Apr-21	15-Apr-21	
Gujarat	Ahmedabad	Shankar-6	8500	3400	5100
	Gondal	Shankar-6	1430	1514	-84
	Rajkot	B.T. Cotton	Closed	Closed	-
	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	255	340	-85
	Fatehabad	B.T. Cotton	100	100	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	90	NA	-
	Rawatsar	B.T. Cotton	100	50	50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	7000	6000	1000
	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	1005	791	214
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	37	15	22
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Apr-21	15-Apr-21	
Punjab	Bhatinda	J-34	340	340	Unch
	Abohar	J-34	51	85	-34
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	10	10	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	16-Apr-21	15-Apr-21	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1500	1430	70
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1420	50

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	16-Apr-21	15-Apr-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2818	2815	3
Maharashtra	Akola	Rs./Qtl	2791	2781	10

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	16-Apr-21	15-Apr-21	Change
CCIndex(328)	RMB/Ton	15551	15353	198
CCIndex(527)	RMB/Ton	14781	14635	146
CCIndex(229)	RMB/Ton	15877	15677	200

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

China Foreign Cotton (FCE) Index :

Index	Unit	16-Apr-21	15-Apr-21	Change
FC Index (S)	Cents/lb	95.52	94.85	0.67



FC Index (M)	Cents/lb	93.31	92.65	0.66
FC Index (L)	Cents/lb	91.76	91.09	0.67

Cotlook Index:

Cotlook Indices	Unit	12-Apr-21	09-Apr-21	Change
A-Index	Cents/Pound	89.5	88.5	1.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Apr-21	09-Apr-21	Bales
Southeast	cents/lb.	78.89	83.4	0
North Delta	cents/lb.	77.89	82.4	0
South Delta	cents/lb.	77.89	82.4	0
East TX-OK	cents/lb.	75.14	80.15	856
West Texas	cents/lb.	75.14	80.15	972
Desert SW	cents/lb.	72.14	77.9	0
SJ Valley	cents/lb.	72.64	83.8	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 15-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 Thursday April 15th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-21	210415	84.17	85.23	83.49	85.02	+0.82	23,102	35,857	-11,269
May-21	210415	85.52	86.52	84.73	86.26	+0.74	27,153	84,250	+6,754
Jul-21	210415	83.32	84.03	83.32	84.03	+0.79	1	29	+0
Oct-21	210415	82.85	83.25	81.98	83.08	+0.37	8,850	81,016	+1,236
Dec-21	210415	82.29	82.90	81.78	82.76	+0.20	1,429	9,339	+704
Mar-22	210415	82.27	82.41	81.59	82.29	-0.06	166	2,382	-16
Total Volume and Open Interest							61,090	222,564	-2,566

Source: MRCI

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