

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.22,160 /bale Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton Yarn prices have dropped as second wave of corona hits the demand. Cotton yarn prices have dropped from the peak seen at the beginning of this year and could decline further from May when a revision in rates is due to slack demand. Prices of almost of all counts of yarn have dropped by at least Rs.10 a kg as demand is low due to second wave of corona virus. Production in textile mills has dropped and it is impacting yarn off take where as the last six months were good period for Indian spinning mills because there was a huge shortage of cotton yarn due to last year's lockdown and huge demand for yarn came from domestic and International market as a result mill during that period performed well. But again with the second wave of corona virus many states have announced lockdowns and production in textile mills have slowed down.

Cotton farmers were assured for the payment. According to the Lands, Agriculture, Fisheries, Water and Rural settlement, Cotton farmers have been assured that they will be paid their outstanding dues in full by next month for the crop which they have delivered in the last season.

Over 90 percent of the cotton has already arrived in the market till March 2021. According to Cotton Association of India, the total cotton supplies in the first six months of the season stood at 459.26 lakh bales. Besides the market arrivals, the supplies included 7.50 lakh bales of imports and a record opening stock of 125 lakh bales at the beginning of the season. Also, with the ongoing semi- lockdown situation in various parts of India and strict curfew in Maharashtra, reports are also coming in regard of supply tightness and panic buying in the domestic market.

Cotton Association of India has estimated cotton exports around 60 lakh bales. CAI has estimated cotton exports to increase by 20 percent to 60 lakh bales in the 2020-21 seasons due to higher prices of cotton in the international market compared to the Indian market. The average price difference between the Indian and International prices was 10-13 percent last month which is now 3-4 percent. In previous season 2019-20, cotton export stood at 50 lakh bales.

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.

Weather Forecast:

Thunderstorm with lightening, hail & squall very likely at isolated places over Assam & Meghalaya and with lightening, hail & gusty winds at isolated places over Sub Himalyan West Bengal & Sikkim and with lightening & gusty winds at isolated places over Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Gujarat State, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam and Telangana, Kerala & Mahe and with lightening at isolated places over Uttarakhand, Chhattisgarh, Bihar, Odisha, Arunachal Pradesh, Konkan, Goa, Karnataka & Lakshadweep. Heat wave condition very likely in isolated places over Rajasthan.

International Fundamentals:

The ICE cotton Futures was up by 221 points at 90.07 cents/lb. The Cotlook A index was up by 275 points at 94.70 cents/lb. The AWP for cotton was at 70.49 cents/lb.

Bangladesh apparel export improved year- on- year in March 2021. Bangladesh apparel export was at 2.450 billion USD, up by 8.8 percent on year-on- year basis but has slowed down on month on month basis by 6.5 percent. During January to March, Bangladesh apparel export has reached 7.94 billion USD which was down by 1.7 percent year on year; where else the cumulative export volume was 299 million USD.

Kenya aims to increase its commercial production of GMO cotton by 10 times next year. The target of Kenyan government is to involve over 200,000 farmers to boost production from 20,000 bales currently to 200,000 bales by 2022. Controlled farming of GMO cotton was approved by the Kenyan government in 2019 after successful field trials, and it identified 1,000 farmers last year to receive the first GMO cotton seeds. Overall the country has a demand of 38,000 tonnes of cotton lint, but produces only 5,300 tonnes. Besides Kenya, African countries like Sudan, South Africa, Ethiopia, Nigeria, Malawi and Eswatini also produce GMO cotton.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+220	21620	21720	21620	21500	244	474

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Apr-21	27-Apr-21	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	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	NA	NA	-
	Adampur	B.T. Cotton	6250	6325	-75
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6500	6500	Unch
	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	6900	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Apr-21	27-Apr-21	

Punjab	Bhatinda	J-34	4570	4560	10
	Abohar	J-34	4570	4570	Unch
	Mansa	J-34	4540	4540	Unch
Haryana	Sirsa	J-34	4480	4460	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Apr-21	27-Apr-21	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	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	NA	NA	-
	Adampur	B.T. Cotton	510	510	Unch
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6000	4000	2000
	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	15	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Apr-21	27-Apr-21	
Punjab	Bhatinda	J-34	170	170	Unch
	Abohar	J-34	34	34	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	170	340	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Apr-21	27-Apr-21	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1460	1460	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1490	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Apr-21	27-Apr-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2714	2750	-36
Maharashtra	Akola	Rs./Qtl	2755	2785	-30

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	28-Apr-21	27-Apr-21	Change
CCIndex(328)	RMB/Ton	16016	15953	63
CCIndex(527)	RMB/Ton	15219	15131	88
CCIndex(229)	RMB/Ton	16360	16262	98
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	28-Apr-21	27-Apr-21	Change
FC Index (S)	Cents/lb	100.69	98.59	2.10

FC Index (M)	Cents/lb	98.58	96.5	2.08
FC Index (L)	Cents/lb	96.94	95.24	1.70

Cotlook Index:

Cotlook Indices	Unit	23-Apr-21	22-Apr-21	Change
A-Index	Cents/Pound	91.95	92.2	-0.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Apr-21	21-Apr-21	Bales
Southeast	cents/lb.	87.55	87.23	0
North Delta	cents/lb.	86.55	86.23	0
South Delta	cents/lb.	86.55	86.23	0
East TX-OK	cents/lb.	83.8	83.98	392
West Texas	cents/lb.	83.8	83.98	39
Desert SW	cents/lb.	81.8	82.73	0
SJ Valley	cents/lb.	82.3	88.63	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 27-Apr-2021

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	11480
Equivalent	40 Kgs	10074	193	12303

Daily Futures Price Listing Tuesday April 27th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-21	210427	87.64	90.07	87.64	90.07	+2.21	1,703	78	-1,214
Jul-21	210427	89.20	91.66	88.72	91.42	+2.20	21,090	106,786	+2,731
Oct-21	210427	87.09	89.21	86.11	89.21	+2.42	1	32	+0
Dec-21	210427	84.95	87.43	84.82	87.20	+2.25	11,281	83,666	+931
Mar-22	210427	84.95	86.42	84.68	86.25	+1.66	710	12,191	+192
May-22	210427	84.45	84.32	84.32	85.33	+1.20	105	2,401	-5
Total Volume and Open Interest							35,499	216,792	+3,029

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2021 Indian Agribusiness Systems Pvt. Ltd.