

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.22,000 /bale Friday. ICE cotton futures closed red on Thursday.

News: Cotton cultivation delays in Malwa region of Punjab. Cotton farmers in the malwa region are worried as the cotton cultivation for the coming season has been delayed due to acute shortage of water. The sirhind canal and kotla canal of the region have been running dry for over a month now. These two canal supply water for irrigation to majority of Malwa districts.

Punjab has decreased the cotton cultivation target for 2021-22 seasons. Despite of high cotton prices in the current season, the cotton cultivation target has decreased for the coming season 2021-22 to 3.25 lakh hectares. Whereas in the 2020-21 seasons the Punjab government had claimed that they have increased the area under cotton cultivation to 5 lakh hectares. Although, now the government has said that the last year's area was inflated by almost two times, in revenue assessment in 2020-21 the area is found to be 2.51 lakh hectares and not 5 lakh hectares.

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.

Weather Forecast:

Thunderstorm with lightening, hail & gusty winds very likely at isolated places over Madhya Maharashtra & Marathwada and with lightening & squall at isolated places over Gangetic West Bengal and with lightening & gusty winds at isolated places over Assam & Meghalaya, and Jharkhand and with lightening & gusty winds at isolated places over Vidarbha, Chhattisgarh, Bihar, Sub- Himalaya West Bengal & Sikkim, Odisha, Nagaland, Manipur, Mizoram & Tripura and Telangana, Kerala & Mahe and with lightening at isolated places over Uttarakhand, Uttar Pradesh, Arunachal Pradesh, Gujarat state, Konkan, Goa, Coastal Andhra Pradesh, Yanam, Karnataka & Lakshadweep. Thunderstorm / Duststorm very likely at isolated places over Rajasthan. Heavy Rainfall very likely at isolated places over Assam & Meghalaya.

International Fundamentals:

The ICE cotton Futures was down by 285 points at 85.89 cents/lb. The Cotlook A index was up by 180 points at 96.90 cents/lb. The AWP for cotton was at 73.71 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 also produce GMO cotton.

China will soon launch its own version of Better Cotton Initiative (BCI) standards. This cotton program will mainly focus on improving production efficiency through digitalization, a fully traceable cotton production process, low carbon production and high quality cotton farming.

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.

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 ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Apr-21	29-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	6200	6250	-50
	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	6350	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	6450	6450	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	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change



State	Centre	Variety	30-Apr-21	29-Apr-21	
Punjab	Bhatinda	J-34	4510	4550	-40
	Abohar	J-34	4510	4540	-30
	Mansa	J-34	4500	4500	Unch
Haryana	Sirsa	J-34	4420	4450	-30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Apr-21	29-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	680	-170
	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	50	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	3500	3000	500
	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	30-Apr-21	29-Apr-21	
Punjab	Bhatinda	J-34	85	170	-85
	Abohar	J-34	NA	NA	-
	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	30-Apr-21	29-Apr-21	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1450	1470	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1490	1480	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	30-Apr-21	29-Apr-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2713	2686	27
Maharashtra	Akola	Rs./Qtl	2750	2752	-2

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

Index	Unit	30-Apr-21	29-Apr-21	Change
CCIndex(328)	RMB/Ton	15872	16021	-149
CCIndex(527)	RMB/Ton	15098	15222	-124
CCIndex(229)	RMB/Ton	16234	16361	-127

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

China Foreign Cotton (FCE) Index :

Index	Unit	30-Apr-21	29-Apr-21	Change
FC Index (S)	Cents/lb	96.46	98.9	-2.44
FC Index (M)	Cents/lb	94.43	96.95	-2.52

FC Index (L)	Cents/lb	93.28	95.44	-2.16
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Cotlook Index:

Cotlook Indices	Unit	26-Apr-21	23-Apr-21	Change
A-Index	Cents/Pound	94.7	91.95	2.75

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		26-Apr-21	23-Apr-21	Bales
Southeast	cents/lb.	87.97	89.8	616
North Delta	cents/lb.	86.97	88.8	0
South Delta	cents/lb.	86.97	88.8	0
East TX-OK	cents/lb.	84.22	86.55	1560
West Texas	cents/lb.	84.22	86.55	748
Desert SW	cents/lb.	82.22	85.3	0
SJ Valley	cents/lb.	82.72	91.2	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 29-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 Thursday April 29th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-21	210429	88.25	88.25	85.89	85.89	-2.85	7	71	-3
Jul-21	210429	89.71	90.27	86.05	86.54	-2.98	15,772	106,722	-187
Oct-21	210429	85.23	86.06	84.51	85.44	-2.40	10	36	+4
Dec-21	210429	86.00	86.55	83.26	83.84	-2.23	8,929	86,399	+2,012
Mar-22	210429	85.36	85.36	82.46	82.97	-1.98	1,158	12,848	+452
May-22	210429	84.37	84.37	82.08	82.23	-1.74	297	2,469	+6
Total Volume and Open Interest							27,269	220,804	+2,831

Source: MRCI

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