

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a firm trend today as CCI procurement has slowed down and major markets are closed due to lockdown restrictions. MCX cotton spot price was up at Rs.23,240/bale on Monday. ICE cotton futures closed red on Friday.

News: Madurai Market Committee has urged cotton farmers to sell their cotton in secret auction. Farmers can bring their produce to Tirumangalam and Usilampatti regulated markets to sell cotton through secret auction during the complete lockdown period. Cotton harvest was under way in Usilampatti, Sedapatti, Tirumangalam, Kallikudi, Peraiyur and Chellampatti blocks, but due to complete lockdown, cotton farmers were finding it difficult to sell their produce in the market. Hence, the farmers can now sell their produce through secret auctions at Tirumangalam and Usilampatti regulated markets. Farmers could also keep their produce at the godowns in the regulated markets treating their produce as collateral; loans would be given to the farmers at a minimum rate of interest.

According to the market sources, area under cotton cultivation in Telangana is likely to remain same in the coming season 2021-22. Cotton production in telangana is estimated at 40 lakh bales in 2020-21 season, out of that Cotton Corporation of India has procured around 34 lakh bales under minimum support price. Government is planning to increase area under cotton cultivation in Telangana for the coming 2021-22 season, but farmers are interested in sowing paddy instead of cotton as in past 2-3 years cotton production was affected due to pink bollworm infestation.

Cotton production is estimated at 36.49 million bales for the 2020-21 season. According to the Third Advance Estimate released by the government on Production Oilseed & Commercial crops. Cotton production is estimated at 36.49 million bales higher by 4.59 million bales than the average cotton production. In the previous season 2019-20 cotton production was estimated at 36.07 million bales.

The AI-Based solution will help India's cotton farmers to fight against pest attacks. According to the Wardhani Institute for Artificial Intelligence, cotton farmers in Maharashtra, Gujarat, and Telangana have seen a reduction in the damage due to pink bollworm attacks and quality improvement in the crop using artificial intelligence. The solution built by the institute works on a simple smart phone and provides real-time localized and accurate pest advisory to the farmers. This AI-Based solution works in 8 different languages and also gives a recommendation for use of pesticides based on the intensity of the pink bollworm attack. The AI Solution is deployed in 4 districts across three states across India.

Punjab Agriculture Department is planning to revive cotton in Moga district of Punjab. In an effort to revive cotton cultivation in Moga, the Punjab agriculture department has now started a unique project in the district under which farmers are being encouraged to sow cotton using 'bed plantation technique' which uses furrow irrigation to save water. Earlier the farmers have slowly weaned away from cotton and were shifted towards paddy. The cotton sowing season is currently underway in Punjab, According to the department officials, Till now 25 acres have been sown in this particular block in different villages with the same technique as a demonstration to encourage other farmers to adopt cotton cultivation instead of paddy.

According to the International Cotton Advisory Committee, Supply and Demand estimate report, India's cotton production is estimated at 6.1 million tonnes for the 2020-21 season. International Cotton Advisory Committee in its Supply and Demand May'21 Report has estimated India's cotton consumption around 5.15 million tonnes where as the imports are estimated at 187,000 tonnes and export around 1.2 million tonnes.

Punjab Agriculture Department has advised farmers to sow the cotton crop till 31st May 2021. The sowing of cotton crop has registered a significant increase in South Punjab due to the incentives given to the farmers by the Punjab Agriculture Department. The Punjab Agriculture Department has issued a schedule for sowing of registered cotton varieties and advised the growers to complete the sowing of registered BT cotton varieties between 1st April 2021 and 31st May 2021.

Weather Forecast:

Thunderstorm with lightning, hail & gusty winds is very likely at isolated places over Vidarbha and with lightening and gusty winds at isolated places over Punjab, Haryana, Chandigarh, Delhi and East Rajasthan, and with lightening & gusty winds at isolated places over Uttar Pradesh, Uttarakhand, Bihar, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh, Yanam, North Interior Karnataka, Kerala & Mahe, and with lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan, & Muzzafarabad, Himachal Pradesh, West Madhya Pradesh, Chhattisgarh, West Bengal & Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Telangana, Rayalaseema, Coastal & South Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall very likely at isolated places over Arunachal Pradesh, Assam & Meghalaya, Odisha, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Telangana, Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal. ,and Kerala & Mahe. Thunderstorm is likely at isolated places over West Rajasthan.

International Fundamentals:

The ICE cotton Futures was down by 49 points at 82.12 cents/lb. The Cotlook A index was 20 points down at 89.10 cents/lb. The AWP for cotton was at 67.77 cents/lb.

Textile sector in turkey seeks global cooperation to boost production. As the global economy recovers from the pandemic, the Turkish textile sector wants to start a new era of collaboration with international companies and brands to exceed its \$ 100 billion production capacity. Turkey is the world's fifth largest supplier of textile, expects to export approximately \$12 billion worth of textile in 2021.

Myanmar is diverting export orders to Bangladesh. Myanmar's deepening political crisis and India's grave coronavirus situation are prompting international retailers and brands to divert work orders to Bangladesh as due to stability in the coronavirus situation; Bangladesh is witnessing a relatively calm situation than many other countries in the region.

Zimbabwe cotton marketing season has started amid high expectation from farmers of early payments from the crop upon delivery at the 773 buying points countrywide. Farmers are ready to deliver cotton bales at the buying points while the cotton-picking is also progressing.

In the latest report released by USDA in May'2021, for the 2020-21 season, global production and consumption have slightly changed from April month. Imports were projected higher in Vietnam(6%), China(13%), and Bangladesh(1%) and more than offset slower demand from Malaysia and Taiwan whereas exports were higher in the U.S(10%) and Brazil(16%). Global ending stock was projected down by 2 percent as larger exports in the United States and Brazil lower their stock and more than offset higher levels in China.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+40	22650	22650	22580	22540	163	1228
MXCTNM1	+60	22850	22900	22760	22770	545	7104

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-May-21	29-May-21	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	7505	7155	350
	Rajkot	B.T. Cotton	7550	7440	110
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6565	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6925	6900	25
	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	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	31-May-21	29-May-21	

Punjab	Bhatinda	J-34	4930	4900	30
	Abohar	J-34	4930	4900	30
	Mansa	J-34	4925	4880	45
Haryana	Sirsa	J-34	4875	4825	50
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-May-21	29-May-21	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	411	507	-96
	Rajkot	B.T. Cotton	2025	2050	-25
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	30	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	170	170	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	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	31-May-21	29-May-21	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	170	-85
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	31-May-21	29-May-21	
Gujarat	Rajkot	Rs. /10 Kg.	1400	1430	-30
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1410	1435	-25
Maharashtra	Mumbai	Rs. /10 Kg.	1440	1440	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	31-May-21	29-May-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2816	2663	153
Maharashtra	Akola	Rs./Qtl	2825	2750	75

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	31-May-21	28-May-21	Change
CCIndex(328)	RMB/Ton	15760	15772	-12
CCIndex(527)	RMB/Ton	15053	15058	-5
CCIndex(229)	RMB/Ton	16153	16163	-10
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	31-May-21	28-May-21	Change
FC Index (S)	Cents/lb	93.62	94.23	-0.61

FC Index (M)	Cents/lb	92.39	93.16	-0.77
FC Index (L)	Cents/lb	91.29	92	-0.71

Cotlook Index:

Cotlook Indices	Unit	27-May-21	25-May-21	Change
A-Index	Cents/Pound	89.1	89.15	-0.05

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-May-21	25-May-21	Bales
Southeast	cents/lb.	81.36	83.71	0
North Delta	cents/lb.	80.36	82.71	0
South Delta	cents/lb.	80.36	82.71	0
East TX-OK	cents/lb.	77.61	80.46	223
West Texas	cents/lb.	77.61	80.46	0
Desert SW	cents/lb.	75.61	79.21	0
SJ Valley	cents/lb.	76.11	85.11	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-May-2021

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	12480
Equivalent	40 Kgs	10074	193	13375

Daily Futures Price Listing Friday, May 28th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Jul-21	210528	82.61	82.91	81.93	82.12	-0.49	10,342	77,245	-1,085
Oct-21	210528	83.89	83.95	83.78	83.78	-0.17	1	96	+1
Dec-21	210528	83.46	83.68	82.99	83.32	-0.14	7,080	107,320	+839
Mar-21	210528	83.59	83.60	82.96	83.31	-0.10	1,349	18,424	+335
May-22	210528	83.52	83.52	82.93	83.27	-0.09	574	2,963	+27
Jul-22	210528	83.25	83.25	82.68	83.03	-0.10	532	6,798	+180
Total Volume and Open Interest							20,301	223,052	+386

Source: MRCI

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