

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 down at Rs.24,340/bale on Friday. ICE cotton futures closed green on Thursday.

News: Government comes up with Cotton Quality Improvement Mission. With cotton commanding higher prices in the market around 7,500 per quintal, both the Cotton Corporation of India and Cotton Association of India have come together to educate farmers to increase area under cotton cultivation for the coming 2021-22 season. Around 110-120 lakh hectares area comes under cotton cultivation in India. The center has allocated Rs. 440 crore towards Cotton Quality Improvement Mission to improve the quality and yield of cotton in India.

Telangana Government is considering a policy on cotton solvent to encourage ginning mills in the state. According to the Telangana Agriculture Department, the government is committed to encourage ginning mills in the wake of increase in raw cotton production. The by-products of cotton like cotton seed oil, cottonseed oilcake and solvents have a sound demand at the national and international levels.

Government has raised Minimum Support Price for the 2021-22 seasons. The government has increased minimum support price of cotton by Rs. 211 per quintal to Rs. 5,726 for medium staple variety and by Rs. 200 per quintal to Rs. 6,025 for long staple variety of cotton for the 2021-22 crop year.

Cotton cultivation area has increased in Muktsar. According to the State Agriculture Department, area under cotton cultivation has increased in Muktsar from nearly 28,000 hectares last year to 40,000 hectare in this season. The main reason behind the increase in the area is Minimum Support Price on cotton and direct purchase of cotton by Cotton Corporation of India.

Telangana government has set the target of cultivating cotton in over 75 lakh acres. The Telangana Agriculture Department has set a target of cultivating the cotton crop in 75 lakh acres during Vaanakalam (Kharif) season. As per government, it is decided to extend complete cooperation to cotton farmers and promote the crop cultivation on a massive scale, besides bringing the cotton solvent policy to encourage ginning mills in the state. Cotton Corporation of India has already recognized the telagana cotton as a top quality in the country as well as in the International market. Earlier Telangana has cultivated cotton in over 60 lakh acres during Yasangi (Rabi) season this year.

Spurious cotton seeds have arrived in old Adilabad district as the Kharif season is drawing to a close. According to the market sources, Adilabad Police have seized spurious seeds at various places during the raids on shop. Also the illegal transportation of spurious seeds is on the rise in interior villages despite the police and agriculture department trying their best to control the menace.

According to the Punjab Agriculture Department, cotton sowing is delaying in many districts in Punjab. According to the data released by the state agriculture department the target for cotton sowing was around 3.25 lakh hectares for 2021-22 seasons. Despite the delay in cotton sowing the area under cotton sown has increased and till 02nd June'21, in Bhatinda cotton has been sown on an area of around 1.04 lakh hectares and in Muktsar around 39,676 hectares area. These two districts are close to the target of cotton sowing for 2020-21 season where else in other six districts the cotton sowing is stretching beyond the ideal time.

Cotton sowing may get delayed in India. Cotton sowing may get delayed in India as the southwest monsoon is set to reach the mainland two days later than usual. Cotton Corporation of India has increased prices by Rs. 200-500 per candy across all the zones for 2020-21 seasons. Although the cotton crop is at risk due to water shortage mainly in sindh and Punjab. Also, the increasing trend in the rate of cotton was continuing in the international market.

Weather Forecast:

Thunderstorm with lightning & gusty winds is very likely at isolated places over Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, East Rajasthan, Bihar, Jharkhand, Telanaga, Kerala & Mahe and with lightening at isolated places over Jammu & Kahmir, Ladakh, Gilgit- Baltistan & Muzaffarabad, Himachal Pradesh, Madhya Pradesh, Vidarbha, Chattisgarh, Sub- Himalayan West Bengal & Sikkim, Assam & Meghalaya and Coastal Andhra Pradesh & Yanam and Karnataka. Heavy rainfall very likely at isolated places over Chhattisgarh, Konkan, Goa & Odisha and heavy rainfall at isolated places over Odissa, Telangana, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Vidarbha, Bihar, Jharkhand, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Coastal Karnataka, Kerala & Mahe, Jammu & Kahmir, Ladakh, Gilgit- Baltistan & Muzaffarabad, Himachal Pradesh, Punjab, Haryana, Chandigarh, Delhi, Bihar, Jharkhand, West-Bengal & Sikkim, Coastal Andhra Pradesh, & Yanam, South interior Karnataka, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was up by 74 points at 87.36 cents/lb. The Cotlook A index was 85 points up at 94.05 cents/lb. The AWP for cotton was at 72.36 cents/lb.

The cotton Business of Thailand has started to recover as global economy recovers. With improving health condition and global economy the cotton business has started recovering, the cotton imports of the country were 700 thousand 480 lb bales in 2019-20 which have dropped to 550 thousand 480 lb bales in 2020-21 but is now likely to rise by 9.09 percent to 600 thousand lb bales in 2021-22.

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	-350	24490	24560	24140	24500	1349	5118

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Jun-21	10-Jun-21	
Gujarat	Ahmedabad	Shankar-6	7750	7750	Unch
	Gondal	Shankar-6	7555	7605	-50
	Rajkot	B.T. Cotton	7800	7800	Unch
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	7085	7000	85
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7650	7500	150
	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	6800	6650	150
	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	11-Jun-21	10-Jun-21	
Punjab	Bhatinda	J-34	5140	5150	-10
	Abohar	J-34	5140	5160	-20
	Mansa	J-34	5140	5140	Unch
Haryana	Sirsa	J-34	5100	5100	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Jun-21	10-Jun-21	
Gujarat	Ahmedabad	Shankar-6	2550	3400	-850
	Gondal	Shankar-6	312	408	-96
	Rajkot	B.T. Cotton	1000	950	50
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9	11	-2
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	255	85
	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	1600	1300	300
	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	11-Jun-21	10-Jun-21	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	85	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	11-Jun-21	10-Jun-21	
Gujarat	Rajkot	Rs. /10 Kg.	1385	1435	-50
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1350	1425	-75
Maharashtra	Mumbai	Rs. /10 Kg.	1445	1450	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	11-Jun-21	10-Jun-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2970	3010	-40
Maharashtra	Akola	Rs./Qtl	2935	2967	-32

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	11-Jun-21	10-Jun-21	Change
CCIndex(328)	RMB/Ton	16166	16111	55
CCIndex(527)	RMB/Ton	15349	15286	63
CCIndex(229)	RMB/Ton	16536	16472	64

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

China Foreign Cotton (FCE) Index :

Index	Unit	11-Jun-21	10-Jun-21	Change
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FC Index (S)	Cents/lb	99.07	98.16	0.91
FC Index (M)	Cents/lb	98.07	97.16	0.91
FC Index (L)	Cents/lb	97.04	96.1	0.94

Cotlook Index:

Cotlook Indices	Unit	07-Jun-21	04-Jun-21	Change
A-Index	Cents/Pound	93.5	92.2	1.30

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		07-Jun-21	03-Jun-21	Bales
Southeast	cents/lb.	83.11	85.21	0
North Delta	cents/lb.	82.11	84.21	0
South Delta	cents/lb.	82.11	84.21	0
East TX-OK	cents/lb.	79.36	81.96	88
West Texas	cents/lb.	79.36	81.96	0
Desert SW	cents/lb.	77.36	80.71	0
SJ Valley	cents/lb.	77.86	86.61	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 10-June-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 Wednesday, June 10th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Jul-21	210610	86.55	87.45	85.79	87.36	+0.74	15,852	53,950	-4,584
Oct-21	210610	88.66	89.37	87.88	89.26	+1.08	66	141	-26
Dec-21	210610	87.14	88.29	86.55	88.21	+0.87	16,945	125,090	+2,245
Mar-21	210610	86.85	88.16	86.47	88.07	+0.85	3,037	25,090	+1,490
May-22	210610	86.57	87.78	86.21	87.74	+0.82	549	4,963	+118
Jul-22	210610	85.83	86.90	85.57	86.85	+0.70	383	8,077	+46
Total Volume and Open Interest							37,166	228,847	-623

Source: MRCI

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