

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today as Cotton arrivals have slowed down in the market. MCX cotton spot price was higher at Rs.27,070/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: Around 3000 containers are stuck at Indian port. Over 3000 TEU (twenty foot equivalent units) of import containers bound for Bangladesh are stranded at the Indian port of Krishnapatnam as the route's two sole vessels no longer had permission to berth at the Chittogong port. As per the officials, the permission was expired last March and the feeder vessel operator has not applied for renewal.

Cotton crop gets infected with parawilt in Mansa district. Due to the sudden change in the temperature cotton crop in some villages of Mansa district was affected by parawilt diseases. The disease is mainly caused due to rains when the temperature was high. As per agricultural experts, parawilt is also caused when the crop is sown in saline water. Cotton crops in villages like Jatana Kalan, Naharan, Karandi, Khaira Khurd, Khaira Kalan, Jhanda Khurd, Jhanda Kalan in Mansa district has shown signs of parawilt. The Agriculture Department has asked farmers not to panic over the attack as it could be controlled by spraying insecticides which are distributed free of cost by the government.

According to the government textile industry should use local cotton. According to the Minister of state for finance, 5% basic customs duty and a 5% agriculture infrastructure and development cess was imposed on raw cotton in Financial year 2022 budget to benefit domestic cotton farmers, whereas the cotton import has surged significantly in last few years even though India is the largest producer of cotton in the world. All varieties of cotton, including those which were produced in India were being imported in large quantities. This has impacted the Indian cotton farmer adversely. Cotton is domestically available in excess of demand. Therefore, the garment industry can source the domestically produced cotton including high quality and extra-long staple cotton.

Around 116.17 lakh hectares of area has been sown under cotton. For the coming season 2021-22, Cotton sowing is progressing in all the parts of the country across India. Till 06th Aug'2021, about 116.73 lakh hectares area was sown in India compared to normal of corresponding week 114.22 lakh hectares last year. Thus 1.95 lakh hectare more area has been covered as compared to corresponding week of last year. Higher area was reported from the states of Telangana (4.98 lakh hectares), Karnataka (0.74 lakh hectares), Rajasthan (0.59 lakh hectares), Haryana (0.42 lakh hectares), Odisha (0.36 lakh hectares), Madhya Pradesh (0.11 lakh hectares), and Tamil Nadu (0.01 lakh hectares). Less area was reported from the states of Andhra Pradesh (0.60 lakh hectares), Gujarat (2.39 lakh hectares), Punjab (0.62 lakh hectares) and Maharashtra (1.81 lakh hectares).

ICAR-Cotton research center is going to set up in Adilabad. The central government has said that the plans for setting up research center of ICAR All India Coordinated Research Project on cotton at Warangal and Adilabad has commenced. As per the Union State Textile Minister Darshana Jardosh, the center had initiated a step for the promotion of Indian cotton under the brand name "Kasturi cotton India" through the textile committee.

Cotton sowing across India is expected to continue till August 2021. Cotton sowing has picked up with the revival of monsoon in several states after seeing a lull in the month of July due to dry spell cotton sowing has now picked up. According to ICAR-Central Institute of Cotton Research (CICR), Nagpur the overall acreage could be marginally 2-3% lower than the previous year. Cotton area coverage was reported on 130.37 lakh hectares area last season. The initial estimates were around 130 lakh hectares, but sowing has been completed on 110 lakh hectares until 29th July 2021. Sowing in the north is almost complete with Punjab reporting a slight dip. The sowing has been normal in Haryana while Rajasthan and Gujarat had reported dry spells. There has been a dip in Maharashtra since farmers shifted to other crops like soybean and groundnut, but some pick up is likely in Andhra Pradesh and Tamil Nadu. According to the agriculture ministry's data, cotton acreages till 29th July 21 was 110.73 lakh hectares compared with the previous year's 121.25 lakh hectares, lower by 8.68 %. In north India, the acreage is 17 %, while in central India the deficit is 5.33 %. In the south, the acreage is lower by 12.6%. The lower acreage is largely attributed to delayed rains. But with kapas prices ruling at Rs

8000 per quintal, sowing is expected to continue till August-end across various states including Andhra, Telangana, Gujarat, Karnataka and Tamil Nadu.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Jammu & Kashmir, Gigit- Baltistan & Muzzafarabad, Himachal Pradesh, Uttarakhand, East Uttar Pradesh, Chhattisgarh, Costal Andhra Pradesh, Yanam, Rayalaseema, Tamil Nadu, and Pondicherry & Karikal. Heavy rain falls at isolated places over Jammu & Kashmir, Gigit- Baltistan & Muzzafarabad, Himachal Pradesh, Uttarakhand, East Uttar Pradesh, East Uttar Pradesh, Bihar, Gangetic West Bengal, Arunachal Pradesh, Sub-Himalayana West Bengal & Sikkim, Assam & Meghalaya, Arunachal Pradesh, Tamil Nadu, Pondicherry & Karikal.

International Fundamentals:

The ICE cotton Futures was lower by 110 points at 91.22 cents/lb. The Cotlook A index was 75 points lower at 99.55 cents/lb. The AWP for cotton was at 75.43 cents/lb.

Pakistan cotton prices increases amid low yield and delayed imports. The cotton prices are increasing in the local market amid a fall in the local production delay in cotton shipments from abroad and rising dollar rupee disparity. The Karachi cotton Association quoted Rs. 13,580 per maund as the spot rate for white lint, while the seed cotton prices were between Rs. 5200 – Rs. 6200 per maund.

Global production is expected to increase by 3 percent in 2021-22. According to the International Cotton Advisory Committee Report, after a 7 percent decrease in 2020-21, production is projected to increase by 3 percent in 2021-22 season to 25 million tonnes. Global Consumption has also recovered from 2019-20, to post a 12.4 percent increase to 25.5 million tonnes in 2020-21 and is projected to improve further to 25.8 million tonnes in 2021-22. Also, the concerns remain due to Covid 19 stubbornness with threats from factory closings and logistical problems looming in Bangladesh and Vietnam.

According to the Food and Agriculture Outlook Report, India is expected to be the world's largest cotton producer till 2030. Despite the challenges including land constraints, water shortage, climate change and crop's susceptibility to pest and disease attacks, India will continue to be the World's largest cotton producer till 2030. India's cotton production is expected to expand to 7.2 million tonnes (approximately 43 million bales of 170 kg each) compared with the current output of 6 MT equivalent to roughly 36 million bales. India will contribute to as much as 40 percent global increase in cotton production during the outlook period.

According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, export projection for US cotton for the season 2021-22 shows a higher production, exports and ending stock compared with last month. While the 30th June 2021 U.S. cotton acreage report shows 300,000 fewer planted acres for U.S. cotton than NASS's previous survey, a rainfall driven reduction is projected. Texas abandonment means U.S. harvested area is projected 9 percent higher. While the 2021-22 production is estimated 800,000 bales higher, consumption is unchanged and exports and ending stock are each projected 400,000 bales higher.

According to USDA's Cotton and Wool Outlook report, World 2021-22 ending stock of cotton are projected 1.6 million bales lower than in June as largely offsetting changes in production and consumption do little to offset lower estimated beginning stocks. Beginning stocks are 1.5 million bales lower, largely due to reduced 2020-21 Brazilian and Indian production and higher Indian consumption. World production for 2021-22 is projected about 500,000 bales higher this month as a larger U.S. crop more than offsets a 300,000 bales decline for Pakistan. Although, consumption is slightly more than 600,000 bales higher largely due to an increase for India. World trade is projected 670,000 bales lower with China's import 1 million lower and Brazil's Export 1.1 million bales lower.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-10	26210	26450	26130	26220	500	4083

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Aug-21	11-Aug-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	8675	-
	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	7250	7500	-250
	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	NA	NA	-
	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	8206	-
	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	12-Aug-21	11-Aug-21	
Punjab	Bhatinda	J-34	5450	5460	-10
	Abohar	J-34	5450	5460	-10
	Mansa	J-34	5450	5460	-10
Haryana	Sirsa	J-34	5360	5385	-25
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Aug-21	11-Aug-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	55	-
	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	102	85	17
	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	NA	NA	-
	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	157	-
	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	12-Aug-21	11-Aug-21	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Aug-21	11-Aug-21	
Gujarat	Rajkot	Rs. /10 Kg.	1465	1455	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1460	1450	10
Maharashtra	Mumbai	Rs. /10 Kg.	1485	1480	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Aug-21	11-Aug-21	
Gujarat	Mahešana (Kadi)	Rs./Qtl	3027	3020	7
Maharashtra	Akola	Rs./Qtl	3072	3058	14

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	12-Aug-21	11-Aug-21	Change
CCIndex(328)	RMB/Ton	17841	17830	11
CCIndex(527)	RMB/Ton	16787	16778	9
CCIndex(229)	RMB/Ton	18222	18193	29

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

China Foreign Cotton (FCE) Index :

Index	Unit	11-Aug-21	06-Aug-21	Change
FC Index (S)	Cents/lb	105.93	103.9	2.03
FC Index (M)	Cents/lb	104.72	102.85	1.87
FC Index (L)	Cents/lb	103.58	101.71	1.87

Cotlook Index:

Cotlook Indices	Unit	10-Aug-21	06-Aug-21	Change
A-Index	Cents/Pound	99.55	99.3	0.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		10-Aug-21	05-Aug-21	Bales
Southeast	cents/lb.	91.49	92.17	0
North Delta	cents/lb.	90.49	91.17	0
South Delta	cents/lb.	90.49	91.17	0
East TX-OK	cents/lb.	87.99	89.17	0
West Texas	cents/lb.	87.99	89.17	0
Desert SW	cents/lb.	85.74	87.67	0
SJ Valley	cents/lb.	86.24	93.57	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 11-Aug-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13580
Equivalent	40 Kgs	10074	193	14125

Daily Futures Price Listing Wednesday, July 11th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210811	92.63	92.69	91.64	91.64	-1.10	46	329	-22
Dec-21	210811	92.00	92.50	91.06	91.22	-1.10	12,588	157,774	-668
Mar-22	210811	91.60	91.93	90.55	90.66	-1.13	4,110	57,643	-193
May-22	210811	90.80	91.15	89.84	90.05	-1.05	1,372	11,558	+637
Jul-22	210811	89.40	89.68	88.47	88.68	-1.02	390	12,598	+77
Oct-22	210811	83.50	83.50	83.50	83.50	-0.96	0	3	+0
Total Volume and Open Interest							18,636	257,145	-156

Source: MRCI

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