

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 lower at Rs.27,020/bale on Saturday. ICE cotton futures closed green on Friday.

News: 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 13th Aug'2021, about 116.17 lakh hectares area was sown in India compared to normal of corresponding week 116.38 lakh hectares last year. Thus 0.21 lakh hectare less area has been covered as compared to corresponding week of last year. Higher area was reported from the states of Telangana (4.71 lakh hectares), Karnataka (0.60 lakh hectares), Haryana (0.42 lakh hectares), Rajasthan (0.59 lakh hectares), Odisha (0.36 lakh hectares), and Tamil Nadu (0.01 lakh hectares). Less area was reported from the states of Andhra Pradesh (1.07 lakh hectares), Madhya Pradesh (0.23 lakh hectares), Gujarat (2.79 lakh hectares), Punjab (0.62 lakh hectares) and Maharashtra (2.31 lakh hectares).

Cotton Association of India has reduced its July estimate for 2020-21 cotton crop by 1.50 lakh bales to 354.50 lakh bales from its previous estimate of 356 lakh bales. The Cotton production estimate for the central zone has been reduced by 0.50 lakh bales to 193.50 lakh bales from 194 lakh bales estimated during the previous month. Cotton crop estimate for the southern zone has been reduced by 1 lakh bales to 90.50 lakh bales compared to the previous estimate of 91.50 lakh bales. Further, the cotton consumption was estimated at around 275 lakh bales, and exports up to 31st July'2021 were estimated to be 70 lakh bales, cotton imports have reached 9 lakh bales till 31st July'2021 and stock at the end of July'2021 was estimated at 137.61 lakh bales.

According to USDA'S Cotton Products update report, For the 2021-22 season India's cotton production is forecasted at 29.0 million bales, unchanged from the last month and up by around 2 percent from the previous year (28.0 million bales). The area harvested is forecasted at 12.9 million hectares marginally down from last month due to the slow progression of the southwest monsoon and competition with other crops such as soybean and pulses. Kharif cotton planting is underway in central and southern India as the two week monsoon delay has been followed by intense rains across the cotton producing states. Mill consumption is good at 25.5 million bales buoyed by strong export orders.

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.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Coastal Andhra Pradesh, Rayalseema, Telangana, Madhya Maharashtra, Marathwada, Madhya Pradesh, Vidarbha and Chhattisgarh. Heavy rain falls at isolated places over Odisha, Sub-Himalayana West Bengal & Sikkim, Assam & Meghalaya, Andaman & Nicobar Islands, Telangana, Jharkhand, Chhattisgarh, Coastal Andhra Pradesh & Yanam.

International Fundamentals:

The ICE cotton Futures was higher by 100 points at 94.32 cents/lb. The Cotlook A index was 100 points lower at 99.95 cents/lb. The AWP for cotton was at 75.43 cents/lb.

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, For 2021-22 U.S. Cotton projection, World cotton production is forecasted 546,000 bales lower (118.84 million) as reduced production in Brazil (12.50 million bales), United States (17.26 million bales) offset higher projection for Australia, Mali and Tanzania. Consumption is forecasted slightly higher up by 170,000 bales and ending stocks are projected at 87.2 million bales, about 500,000 bales lower than in July and 4.6 million lower than in 2020-21.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+280	26150	26400	26020	26010	763	3455

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Aug-21	13-Aug-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	NA	-
	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	7210	7210	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	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Karnataka	Bijapur	Bunny	NA	8209	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	14-Aug-21	13-Aug-21	

Punjab	Bhatinda	J-34	5440	5440	Unch
	Abohar	J-34	5430	5440	-10
	Mansa	J-34	5430	5440	-10
Haryana	Sirsa	J-34	5340	5340	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Aug-21	13-Aug-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	NA	-
	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	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	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Karnataka	Bijapur	Bunny	NA	110	-
	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	14-Aug-21	13-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	14-Aug-21	13-Aug-21	
Gujarat	Rajkot	Rs. /10 Kg.	1475	1475	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1480	1470	10
Maharashtra	Mumbai	Rs. /10 Kg.	1500	1500	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	14-Aug-21	13-Aug-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3040	3030	10
Maharashtra	Akola	Rs./Qtl	3085	3074	11

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	13-Aug-21	12-Aug-21	Change
CCIndex(328)	RMB/Ton	17903	17841	62
CCIndex(527)	RMB/Ton	16852	16787	65
CCIndex(229)	RMB/Ton	18283	18222	61
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	12-Aug-21	11-Aug-21	Change
FC Index (S)	Cents/lb	106.94	105.93	1.01
FC Index (M)	Cents/lb	105.66	104.72	0.94



FC Index (L)	Cents/lb	104.52	103.58	0.94
--------------	----------	--------	--------	------

Cotlook Index:

Cotlook Indices	Unit	12-Aug-21	10-Aug-21	Change
A-Index	Cents/Pound	99.95	99.55	0.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Aug-21	10-Aug-21	Bales
Southeast	cents/lb.	93.02	93.74	0
North Delta	cents/lb.	92.02	92.74	0
South Delta	cents/lb.	92.02	92.74	0
East TX-OK	cents/lb.	89.02	90.74	46
West Texas	cents/lb.	89.02	90.74	0
Desert SW	cents/lb.	86.77	89.24	0
SJ Valley	cents/lb.	87.27	95.14	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 12-Aug-2021

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13680
Equivalent	40 Kgs	10074	193	14125

Daily Futures Price Listing Friday, July 13th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210813	93.20	95.50	93.20	95.21	+1.44	6	329	+0
Dec-21	210813	93.30	94.70	92.65	94.32	+1.00	14,667	159,994	-39
Mar-22	210813	92.49	93.51	91.77	93.19	+0.71	4,931	58,514	-2
May-22	210813	91.86	92.67	91.24	92.41	+0.56	1,713	12,651	+524
Jul-22	210813	90.36	91.09	89.82	90.82	+0.46	682	12,682	+53
Oct-22	210813	85.42	85.42	85.42	85.42	+0.40	0	3	+0
Total Volume and Open Interest							22,226	261,497	+536

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. The 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.