

**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.26,820/bale on Tuesday. ICE cotton futures closed green on Monday.

**News: Modified cotton fabric which absorbs air pollutants has been developed by IIT Delhi.** Researcher from IIT Delhi had developed a modified cotton fabric that is capable of absorbing harmful air pollutants like benzene, aniline, styrene etc. The modified cotton has been named as Zeolite Imidazolate Framework (ZIF) - 8@CM cotton and ZIF-67@CM cotton.

**Adilabad farmers had decided to shift to commercial crops during the ongoing Kharif season.** Paddy farmers in old Adilabad district who suffered huge losses due to pest attack on their crops are shifting to commercial crops like cotton and soya during the ongoing kharif season.

**Cotton acreages are expected to come down by 15 percent.** According to the cottonseed industry, the cotton acreages are expected to come down of about 15 percent with farmers shifting to oilseeds and pulses cultivation in several parts of the country. It may go down from the previous year's area of 129 lakh hectares.

**Maharashtra has completed sowing on 139.10 lakh hectares for the current kharif season.** Farmers from Maharashtra have completed 92 % of the kharif sowing operations. The average area under Kharif is around 139.10 lakh hectares along with sugarcane in the state. The state had completed sowing on nearly 137.23 lakh hectares by 10<sup>th</sup> August 2021. Excluding sugarcane, the sown area was around 136.01 lakh hectares, accounting for nearly 95.80% of the total sowing operations. Due to long breaks in monsoon and subsequent heavy rains, there has been attack of various pests and diseases. Some cotton fields in Marathwada and Vidarbha have reported pest infestation.

**Cotton Corporation of India may not require procuring more than 30 lakh bales in 2021-22 season.** Cotton Corporation of India has procured around 92 lakh bales of cotton during the ongoing 2020-21 season. CCI may be required to procure minimal amount of cotton in the 2021-22 season, as kapas prices are likely to rule above the minimum support price (MSP) for a better part of the season. Cotton procurement may be required during the peak season if the prices drop below the MSP.

**Gujarat textile sector expects boost in cotton exports.** With the center announcing the new rate under the Rebate on Duties and Taxes on export Products (RoDTEP) scheme, textile exporter are expecting a boost in order volumes backed by better cost competitiveness. As per the new rates, RoDTEP extends incentives of 2.5% to 4.5% on the export of yarn and fabric of different kinds.

**Cotton has been purchased at Rs. 6,500 per quintal in Mansa.** Cotton arrivals have started coming in Mansa and has been purchased at a price of Rs. 6,500 per quintal against the minimum selling price of Rs. 6,025 per quintal. As per the market sources, the rise in prices is due to the competitive bidding amongst the private players including the cotton traders and factories which are placing bids and quoting higher price to purchase the produce.

The Cotton Textile Export Promotion Council (TEXPROCIL) has welcomed the issuance of government notification on the continuation of scheme for Refunding State and Central Taxes and Levies (RoSCTL) for the garments and madeup sectors.

**Cotton exporters may get duty refund scheme this week.** The government is set to notify the new duty refund scheme for exporters by this week, with a final clearance from commerce and industry. The scheme is meant to replace the World Trade Organization non-compliant incentives, that was implemented in January but exporters have been waiting to get their dues for taxes paid by them for the last eight months. In the last week, the government had notified the Rebate of State and Central Taxes and Levies scheme.

**According to the Ministry of Agriculture advance estimate for 2020-21 season.** Total food grain production in the country is estimated at 308.65 million tonnes which is higher by 11.14 million tonnes than the 2019-20 season. The

production during 2020-21 is higher by 29.77 million tonnes than the previous five years' (2015-16 to 2019-20) average production of foodgrains. As per the 4<sup>th</sup> advance estimate the estimated production for cotton is around 35.38 million bales higher by 3.49 million bales than the average cotton production.

#### **Weather Forecast:**

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Uttar Pradesh, Gangetic West Bengal, Odisha, Coastal Andhra Pradesh & Yanam, Telangana, Kerala & Mahe and Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Uttarakhand, Sub-Himalayan, West Bengal & Sikkim, Bihar, Odisha, Arunachal Pradesh, Assam & Meghalaya, East Uttar Pradesh.

#### **International Fundamentals:**

The ICE cotton Futures was higher by 26 points at 93.36 cents/lb. The Cotlook A index was at 101.50 cents/lb. The AWP for cotton was at 79.3 cents/lb.

**Cotton picking has started in Pakistan.** Cotton picking has commenced in Pakistan, as per the Agriculture Department, quality of cotton is good and no major pest attack was observed. The farmers are not only achieving good production but are also getting good price for their produce in the market.

**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	-150	25650	25700	25340	25790	830	1477

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Aug-21	23-Aug-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	8425	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	7005	7025	-20
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7230	7280	-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	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	8056	-
	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	24-Aug-21	23-Aug-21	
Punjab	Bhatinda	J-34	5460	5465	-5
	Abohar	J-34	5450	5460	-10
	Mansa	J-34	5450	5460	-10
Haryana	Sirsa	J-34	5370	5365	5
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Aug-21	23-Aug-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	100	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	1	1
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	136	170	-34
	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	146	-
	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	24-Aug-21	23-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	24-Aug-21	23-Aug-21	
Gujarat	Rajkot	Rs. /10 Kg.	1490	1500	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1495	1505	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1505	1510	-5

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Aug-21	23-Aug-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3048	3088	-40
Maharashtra	Akola	Rs./Qtl	3108	3134	-26

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

Index	Unit	24-Aug-21	23-Aug-21	Change
CCIndex(328)	RMB/Ton	18309	18384	-75
CCIndex(527)	RMB/Ton	17304	17346	-42
CCIndex(229)	RMB/Ton	18640	18703	-63

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	24-Aug-21	23-Aug-21	Change
FC Index (S)	Cents/lb	107.23	107	0.23
FC Index (M)	Cents/lb	106.01	105.78	0.23
FC Index (L)	Cents/lb	104.87	104.64	0.23



### Cotlook Index:

Cotlook Indices	Unit	23-Aug-21	20-Aug-21	Change
A-Index	Cents/Pound	101.8	101.5	0.30

### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Aug-21	20-Aug-21	Bales
Southeast	cents/lb.	93.79	95.4	0
North Delta	cents/lb.	92.79	94.4	0
South Delta	cents/lb.	92.79	94.4	0
East TX-OK	cents/lb.	90.04	92.15	520
West Texas	cents/lb.	89.79	91.9	0
Desert SW	cents/lb.	87.54	90.4	0
SJ Valley	cents/lb.	88.04	96.3	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 23-Aug-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13980
Equivalent	40 Kgs	10074	193	14982

### **Daily Futures Price Listing Monday, July 23rd, 2021**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Oct-21</a>	210823	94.87	95.02	94.37	94.54	+0.64	21	335	+0
<a href="#">Dec-21</a>	210823	93.10	93.96	92.91	93.36	+0.26	18,976	157,736	-991
<a href="#">Mar-22</a>	210823	92.09	93.10	92.09	92.69	+0.43	4,641	61,641	+16
<a href="#">May-22</a>	210823	91.80	92.49	91.73	92.15	+0.46	2,007	15,945	+459
<a href="#">Jul-22</a>	210823	90.05	90.96	90.65	90.65	+0.45	770	13,744	+121
<a href="#">Oct-22</a>	210823	85.65	85.65	85.65	85.65	+0.20	0	3	+0
Total Volume and Open Interest							26,756	267,386	-366

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