

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.26,720/bale on Tuesday. ICE cotton futures closed green on Monday.

News: Pink Bollworm infestation in Bhatinda. As per the State Agriculture Department data, all the 14 blocks of Bhatinda and Mansa have reported the Pink Bollworm infestation in cotton. Around 3.25 lakh hectares is under cotton cultivation in Punjab, out of that nearly 5 percent of the area is under the Bathinda (96,000 hectares) and Mansa (65,000 hectares) is under pest attack. According to the agricultural officials, there is no serious threat to cotton production. The maiden picking of the three-picking cycle of cotton is expected to begin after September 15 whereas farmers have started harvesting in the early-sown fields.

Tamil Nadu has removed 1 percent cotton cess on purchase of cotton and cotton waste. The Southern India Mills Association lauded the decision on the revoking of the tax as it would benefit 200k farmers and help increase cotton production from 500k bales to 2.5 million bales by 2030. Also, this would encourage farmers to switch over to cotton crop from other cash crops and may benefit 1 million farmers in the long run.

According the Agriwatch estimates, till 02nd September '2021, about 118.13 lakh hectares area was sown in India compared to normal of corresponding week 126.45 lakh hectares last year. Higher area was reported from the states of Maharashtra (39.37 lakh hectares), Telangana (20.51 lakh hectares), Karnataka (6.28 lakh hectares), Rajasthan (6.17 lakh hectares), Haryana (6.88 lakh hectares), Madhya Pradesh (6.15 lakh hectares), and Gujarat (22.51 lakh hectares). Less area was reported from the states of Andhra Pradesh (4.81 lakh hectares), Tamil Nadu (0.10 lakh hectares), Punjab (3.03 lakh hectares) and Odisha (1.95 lakh hectares).

Bathinda Cotton purchase for 2021-22 Kharif season is picking up in the markets. Mansa, Bathinda, Fazilka, and Muktsar with farmers being paid up to Rs. 6,711 per quintal, higher than this season's expected MSP (Minimum Support Price) of Rs. 5,925. According to the Punjab Mandi Board, 17,000 quintal cotton has been purchased over the past 10 days till 30th August'21, with private players buying the entire production.

Cotton crop has been affected due to Pink Bollworm infestation. The area of Sirsa, Fatehabad, Hisar, Mahendargarh, and Jind of Haryana, along with Bhatinda and Mansa of Punjab has been affected by the pest infestation. According to the Central Institute of Cotton Research, pink bollworm was spotted in central and south India during the previous seasons but this time infestation has been reported in some areas of Punjab and Haryana. Also, a meeting is scheduled between top cotton scientist from the Punjab, Haryana and Rajasthan on 7th September 2021 to decide the strategy to minimize the pest infestation.

The purchase of new cotton has started at the abohar new grain market. Around 1,500 quintals of narma cotton was purchased from different farmers at the rate of Rs. 6,721. According to the local farmers, the areas under cotton is likely to give more produce this time if the rain does not affect plants in the coming days.

New cotton arrivals have started in Bathinda Mandi. Around 19 quintals of raw cotton has arrived in Bathinda grain market on Monday. The cotton prices are higher and farmers are getting Rs.300-400 per quintal more than the MSP. Prices are fixed at Rs. 5,925 per quintal for 27.5-28.5 mm long staple, farmers are getting Rs. 6,200- Rs.6,400 per quintal. Cotton Corporation of India is expected to enter the market in October for the new season.

Cotton ginners are expecting a good season in 2020-21. Cotton ginners across the country are hopeful of a better season in 2021-22 after a couple of lacklustre years. Cotton prices are currently ruling high at over Rs 7,000 per quintal. And cottonseed prices are hovering around Rs 4,500- 5,000 per quintal. The prices have been increasing as consumption by mills is strong and there is good demand for yarn. The Centre has fixed an MSP for medium staple cotton at Rs 5,716 per quintal for the 2021-22 season, higher than the previous year's Rs 5,515. For the long-staple cotton, the MSP for 2021-22 has been fixed at Rs 6,025 per quintal, against Rs 5,825 in the previous year.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Punjab, Haryana, Chandigarh, East Rajasthan, Madhya Pradesh, Coastal Andhra Pradesh & Yanam, Kerala & Mahe. Heavy rainfall at isolated places over north Konkan & Goa, Vidarbha, Gujarat region, Madhya Maharashtra, Marathwada, Himachal Pradesh, Uttarakhand, Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Punjab, Haryana, Chandigarh, East Rajasthan, Madhya Pradesh, Andaman & Nicobar Islands, Marathwada, Telangana, Coastal Karnataka.

International Fundamentals:

The ICE cotton Futures was higher by 73 points at 94.02 cents/lb. The Cotlook A index was at 102 cents/lb. The AWP for cotton was at 79.51 cents/lb.

Egyptian cotton production and exports may rise in the marketing year 2021-22 as the country's area under cotton harvest is likely to increase to 85,000 hectares, a 30.77 percent growth over the previous MY's area of 65,000 hectares. The expected increase in cotton production coupled with the rising demand across the world will boost the country's exports.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-30	25630	25770	25540	25700	279	1708

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	07-Sep-21	06-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7470	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	6900	6900	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6650	6600	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	6811	6811	Unch
	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	6800	6800	Unch
	Hathras	Desi	6000	6000	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	7165	-
	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	07-Sep-21	06-Sep-21	
Punjab	Bhatinda	J-34	5335	5330	5
	Abohar	J-34	5335	5330	5
	Mansa	J-34	5335	5330	5
Haryana	Sirsa	J-34	5380	5330	50
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	07-Sep-21	06-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	160	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	1300	1500	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	170	170
	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	5	5	Unch
	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	50	50	Unch
	Hathras	Desi	50	50	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	62	-
	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	07-Sep-21	06-Sep-21	
Punjab	Bhatinda	J-34	255	255	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	170	255	-85
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	07-Sep-21	06-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1460	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1465	1465	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1490	1490	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	07-Sep-21	06-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2731	2744	-13
Maharashtra	Akola	Rs./Qtl	2900	2906	-6

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	07-Sep-21	06-Sep-21	Change
CCIndex(328)	RMB/Ton	18213	18131	82
CCIndex(527)	RMB/Ton	17295	17196	99
CCIndex(229)	RMB/Ton	18593	18524	69

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

China Foreign Cotton (FCE) Index :

Index	Unit	07-Sep-21	06-Sep-21	Change
FC Index (S)	Cents/lb	108.14	108.17	-0.03
FC Index (M)	Cents/lb	106.99	106.93	0.06



FC Index (L)	Cents/lb	105.86	105.79	0.07
--------------	----------	--------	--------	------

Cotlook Index:

Cotlook Indices	Unit	03-Sep-21	02-Sep-21	Change
A-Index	Cents/Pound	103	102	1.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		03-Sep-21	01-Sep-21	Bales
Southeast	cents/lb.	94.87	95.65	993
North Delta	cents/lb.	93.87	94.65	0
South Delta	cents/lb.	93.87	94.65	0
East TX-OK	cents/lb.	91.12	92.5	2324
West Texas	cents/lb.	90.87	92.15	0
Desert SW	cents/lb.	88.62	90.65	0
SJ Valley	cents/lb.	89.12	96.55	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 06-Sep-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	14080
Equivalent	40 Kgs	10074	193	15197

Daily Futures Price Listing Monday, Sep 06th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210906	95.50	95.62	95.38	95.62	+0.48	36	349	+4
Dec-21	210906	93.21	94.60	93.01	94.02	+0.73	15,452	152,722	-1,742
Mar-22	210906	92.52	92.52	92.52	93.26	+0.62	4,538	63,090	+304
May-22	210906	92.01	92.01	91.95	92.67	+0.60	1,203	17,830	-216
Jul-22	210906	90.46	91.32	90.46	90.98	+0.50	636	14,338	+224
Oct-22	210906	85.58	85.58	85.58	85.58	+0.42	0	4	+0
Total Volume and Open Interest							22,189	267,868	-1,265

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.