

**Domestic Fundamentals:****Market Outlook:**

The cotton physical market showed a mixed trend today as Cotton arrivals have slowed down in the market as the season is coming to an end. Although, the new cotton arrivals have started coming in the northern market. MCX cotton spot price was lower at Rs.26,600/bale on Thursday. ICE cotton futures closed red on Wednesday.

**News: Cotton crop has been affected due to heavy rains in Khammam.** The heavy rains during the past few days have affected the cotton and paddy crop in Khammam and Bhadrachalam -Kothagudem districts. According to the preliminary estimates of the Agriculture department around 1,887 acres of area has been damaged in Bhadrachalam -Kothagudem districts affecting over 1,393 farmers. In Khammam district, crops mainly paddy and cotton, were inundated by rainwater in around 1,720 acres.

**Cabinet has approved Production Linked Incentives scheme.** The cabinet has approved the PLI scheme for textiles for MMF (man-made fibre) apparel, MMF fabrics and ten segments of technical textiles with a budgetary outlay of ₹10,683 crore that will be provided over 5 years.

**Cotton sowing in Telangana is expected to decrease compared to previous season.** Telangana plans to touch the 28.32 lakh hectares mark in cotton has fallen as the farmers have sown the cotton crop only on over 20.23 lakh hectares as on 8<sup>th</sup> September 2021. Also, the sowing is coming to an end; it is highly unlikely that there will be any improvement in acreages.

**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 30<sup>th</sup> 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 7<sup>th</sup> September 2021 to decide the strategy to minimize the pest infestation.

### Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Andaman & Nicobar Islands, Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Punjab, Haryana, Chandigarh, Delhi, Rajasthan, Uttar Pradesh, Kerala & Mahe. Heavy rainfall at isolated places over Gujarat region, Himachal Pradesh, Uttarakhand, East Rajasthan, Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Punjab, Haryana, West Rajasthan, West Madhya Pradesh, Odisha, Pradesh, Odisha, Andaman & Nicobar Islands, Coastal Karnataka, Konkan & Goa.

### International Fundamentals:

The ICE cotton Futures was higher by 3 points at 94.08 cents/lb. The Cotlook A index was at 103 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	+20	25970	25970	25820	25870	156	1720

### DOMESTIC PRICES AND ARRIVAL

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	09-Sep-21	08-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	7255	6915	340
	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	7000	7000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6640	6600	40
	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	6811	-
	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	7000	7000	Unch
	Hathras	Desi	6200	6200	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	7228	-
	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	09-Sep-21	08-Sep-21	
Punjab	Bhatinda	J-34	5380	5380	Unch
	Abohar	J-34	5325	5325	Unch

	Mansa	J-34	5370	5335	35
Haryana	Sirsa	J-34	5330	5330	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	09-Sep-21	08-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	140	200	-60
	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	2500	3000	-500
	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	NA	5	-
	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	100	100	Unch
	Hathras	Desi	100	100	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	143	-
	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	09-Sep-21	08-Sep-21	
Punjab	Bhatinda	J-34	1020	1020	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	136	170	-34

Haryana	Sirsa	J-34	170	85	85
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	09-Sep-21	08-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1445	1455	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1450	1460	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1485	-15

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	09-Sep-21	08-Sep-21	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2676	2710	-34
Maharashtra	Akola	Rs./Qtl	2852	2888	-36

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

Index	Unit	09-Sep-21	08-Sep-21	Change
CCIndex(328)	RMB/Ton	18391	18245	146
CCIndex(527)	RMB/Ton	17444	17313	131
CCIndex(229)	RMB/Ton	18779	18624	155

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

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

Index	Unit	09-Sep-21	08-Sep-21	Change
FC Index (S)	Cents/lb	108.15	108.15	Unch
FC Index (M)	Cents/lb	106.99	106.99	Unch
FC Index (L)	Cents/lb	105.86	105.86	Unch

**Cotlook Index:**

Cotlook Indices	Unit	06-Sep-21	03-Sep-21	Change
A-Index	Cents/Pound	103.65	103	0.65

**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	1.38
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 07-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 Wednesday, Sep 08th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Oct-21</a>	210908	95.84	96.12	95.20	95.20	-0.21	7	343	-6
<a href="#">Dec-21</a>	210908	94.05	95.17	93.70	94.08	+0.03	12,414	153,176	+810
<a href="#">Mar-22</a>	210908	93.26	94.11	92.84	93.26	Unch	6,713	66,573	+2,352
<a href="#">May-22</a>	210908	92.77	93.78	92.54	92.99	+0.24	2,660	19,018	+782
<a href="#">Jul-22</a>	210908	91.02	91.47	90.36	90.82	-0.21	1,314	15,036	+379
<a href="#">Oct-22</a>	210908	84.90	84.90	84.90	84.90	-0.17	0	4	+0
Total Volume and Open Interest							24,076	273,832	+4,544

Source: MRCI

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