

**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 Saturday. ICE cotton futures closed red on Thursday.

**News: Punjab Agriculture University has advised the farmers to monitor their cotton crop.** As the Pink Bollworm infestation was detected in Bhatinda and Mansa, the Punjab Agriculture University has advised the cotton growers to monitor their cotton fields for pink bollworm infestation. The agricultural expert has also advised the farmers that if any incidence occurs on their crop they can contact to PAU.

**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.

### Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Andaman & Nicobar Islands, Uttarakhand, West Uttar Pradesh, Rajasthan, Gangetic West Bengal, Kerala & Mahe. Heavy rainfall at isolated places over Gujarat region, Himachal Pradesh, Uttarakhand, Haryana, West Rajasthan, Uttar Pradesh, West Madhya Pradesh, Chattisgarh, Odisha, Andaman & Nicobar Islands, Coastal Karnataka, Konkan & Goa.

### International Fundamentals:

The ICE cotton Futures was lower by 86 points at 93.22 cents/lb. The Cotlook A index was at 103 cents/lb. The AWP for cotton was at 80.11 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	-160	25800	25870	25210	25870	116	1717

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Sep-21	09-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6500	7255	-755
	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	7100	7000	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6650	6640	10
	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	6700	7000	-300
	Hathras	Desi	6200	6200	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	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	10-Sep-21	09-Sep-21	
Punjab	Bhatinda	J-34	5330	5380	-50
	Abohar	J-34	5330	5325	5
	Mansa	J-34	5370	5370	Unch
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	10-Sep-21	09-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	21	140	-119
	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	2000	2500	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	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	125	100	25
	Hathras	Desi	50	100	-50
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	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	10-Sep-21	09-Sep-21	
Punjab	Bhatinda	J-34	1020	1020	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	85	136	-51
Haryana	Sirsa	J-34	213	170	43
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

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

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	10-Sep-21	09-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	Closed	2676	-
Maharashtra	Akola	Rs./Qtl	Closed	2852	-

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	10-Sep-21	09-Sep-21	Change
CCIndex(328)	RMB/Ton	18416	18391	25
CCIndex(527)	RMB/Ton	17461	17444	17
CCIndex(229)	RMB/Ton	18810	18779	31

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

China Foreign Cotton (FCE) Index :

Index	Unit	10-Sep-21	09-Sep-21	Change
FC Index (S)	Cents/lb	107.57	108.15	-0.58
FC Index (M)	Cents/lb	106.42	106.99	-0.57
FC Index (L)	Cents/lb	105.29	105.86	-0.57

**Cotlook Index:**

Cotlook Indices	Unit	07-Sep-21	06-Sep-21	Change
A-Index	Cents/Pound	103.65	103.65	Unch

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		07-Sep-21	03-Sep-21	Bales
Southeast	cents/lb.	94.66	97.12	0
North Delta	cents/lb.	93.66	96.12	0
South Delta	cents/lb.	93.66	96.12	0
East TX-OK	cents/lb.	90.91	93.97	799
West Texas	cents/lb.	90.66	93.62	0
Desert SW	cents/lb.	88.41	92.12	0
SJ Valley	cents/lb.	88.91	98.02	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 Thursday, Sep 09th, 2021**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Oct-21</a>	210909	95.59	95.59	94.55	94.56	-0.64	9	342	342
<a href="#">Dec-21</a>	210909	94.08	94.67	93.11	93.22	-0.86	10,294	152,346	152,346
<a href="#">Mar-22</a>	210909	93.22	93.73	92.31	92.41	-0.85	4,297	66,985	66,985
<a href="#">May-22</a>	210909	92.96	93.46	92.03	92.10	-0.89	1,313	19,194	19,194
<a href="#">Jul-22</a>	210909	91.06	91.16	90.10	90.15	-0.67	593	15,156	15,156
<a href="#">Oct-22</a>	210909	84.22	84.22	84.22	84.22	-0.68	0	4	4
Total Volume and Open Interest							16,855	273,868	273,868

Source: MRCI

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