

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.26,470/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton crop has been destroyed due to heavy rains in old Adilabad. Unexpected rains during the past few days have affected to the cotton and soya crop in old Adilabad. The standing cotton crop is badly affected in the area and farmers who have suffered losses due to inundation of cotton plants are now planning to sow Bengal gram. The farmers are also demanding the state government to order a survey immediately to access the crop damage and pay compensation to them.

Cotton production is expected to increase up to 12 percent in Gujarat. The cotton production in Gujarat is expected to rise by 10-12 percent in the new cotton season beginning October. Despite the lower acreages around 22.51 lakh hectares under the cotton crop this kharif, the cotton output is expected to increase up 105 lakh bales in 2021-22 season due to the improved yield following recent spell of rains and favorable climatic conditions.

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 Bhadradri -Kothagudem districts. According to the preliminary estimates of the Agriculture department around 1,887 acres of area has been damaged in Bhadradri -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 8th 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.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarkhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, Rajasthan, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura and north Konkan. Heavy rainfall at isolated places over Haryana, Chandigarh, West Uttar Pradesh, East Rajasthan, West Madhya Pradesh and heavy rainfall at isolated places over Uttarkhand, Delhi, East Uttar Pradesh, West Rajasthan, East Madhya Pradesh, Gujarat state, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, north Konkan.

International Fundamentals:

The ICE cotton Futures was higher by 85 points at 93.66 cents/lb. The Cotlook A index was at 103 cents/lb. The AWP for cotton was at 80.11 cents/lb.

According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, World 2021/22 production is higher this month as increases for the United States, Australia, and Argentina offset declines in India, Greece, and several countries in West Africa's Zone. World trade in 2021/22 is still projected down from the previous year's record 48.5 million bales, but is projected 500,000 bales higher than in August, at 46.8 million bales.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-40	25590	25620	25550	25580	146	1802

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Sep-21	14-Sep-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	7100	7100	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	6800	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	7000	6850	150
	Hathras	Desi	6700	6300	400
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	15-Sep-21	14-Sep-21	
Punjab	Bhatinda	J-34	5340	5335	5
	Abohar	J-34	5340	5330	10
	Mansa	J-34	5370	5370	Unch
Haryana	Sirsa	J-34	5340	5330	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Sep-21	14-Sep-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	1500	1800	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	340	340
	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	90	70	20
	Hathras	Desi	50	20	30
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	15-Sep-21	14-Sep-21	
Punjab	Bhatinda	J-34	1190	850	340
	Abohar	J-34	510	510	Unch
	Mansa	J-34	221	255	-34
Haryana	Sirsa	J-34	119	85	34
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Sep-21	14-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1400	1400	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1415	1415	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1420	1420	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Sep-21	14-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2590	2605	-15
Maharashtra	Akola	Rs./Qtl	3817	2834	982

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	15-Sep-21	14-Sep-21	Change
CCIndex(328)	RMB/Ton	18128	18156	-28
CCIndex(527)	RMB/Ton	17081	17137	-56
CCIndex(229)	RMB/Ton	18531	18550	-19
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	15-Sep-21	14-Sep-21	Change
FC Index (S)	Cents/lb	107.91	107.11	0.80
FC Index (M)	Cents/lb	106.77	105.97	0.80

FC Index (L)	Cents/lb	105.63	104.83	0.80
--------------	----------	--------	--------	------

Cotlook Index:

Cotlook Indices	Unit	13-Sep-21	10-Sep-21	Change
A-Index	Cents/Pound	103.15	102.9	0.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		13-Sep-21	10-Sep-21	Bales
Southeast	cents/lb.	93.66	96.73	0
North Delta	cents/lb.	92.66	95.73	0
South Delta	cents/lb.	92.66	95.73	0
East TX-OK	cents/lb.	90.16	94.08	-3.9
West Texas	cents/lb.	89.66	93.23	0
Desert SW	cents/lb.	87.41	91.73	0
SJ Valley	cents/lb.	87.91	97.63	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 13-Sep-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13380
Equivalent	40 Kgs	10074	193	14339

Daily Futures Price Listing Tuesday, Sep 14th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210914	94.51	95.10	93.72	94.96	+0.55	32	227	-9
Dec-21	210914	92.95	93.84	92.66	93.66	+0.85	22,862	149,248	-1,241
Mar-22	210914	92.15	92.96	91.83	92.83	+0.87	5,531	67,857	+1,126
May-22	210914	91.96	92.50	91.50	92.48	+0.88	2,843	20,043	+100
Jul-22	210914	90.10	90.75	89.95	90.67	+0.81	787	15,190	+148
Oct-22	210914	84.62	84.62	84.62	84.62	+0.86	0	4	+0
Total Volume and Open Interest							32,798	273,007	+289

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.