

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 higher at Rs.26,620/bale on Friday. ICE cotton futures closed red on Thursday.

News: Pink Bollworm infestation spreads to Sangrur. After Bhatinda and Mansa, pink bollworm spread has now been reported in cotton crop in Sunam and Lehragaga subdivision of Sangrur in Punjab. The Punjab agriculture department on Wednesday directed all eight cotton-growing districts to immediately start a drive to check the spread of pink bollworm after an extensive infestation of the disease was reported in adjoining districts of Haryana and parts of Rajasthan. According to the Punjab Agriculture Department the next three weeks are crucial for the spread of the infestation. All cotton growing villages will be surveyed twice in the next three weeks. Experts have also asked the farmers to follow the guidelines issued by the department.

The All India Crop Situation Report issued by the Ministry of Agriculture and Farmer's Welfare shows a decrease in sowing area this year. Cotton acreage till 10th September 2021 stood at 119.46 lakh hectares compared with the normal of the corresponding week last year at 119.33 lakh hectares. Thus 0.01 lakh hectares less area has been covered compared to normal of corresponding week. The higher area was reported from the states of Telangana (2.29 lakh hectares), Karnataka (0.89 lakh hectares), Haryana (0.37 lakh hectares), and Rajasthan (1.69 lakh hectares), Odisha (0.41 lakh hectares), and Tamil Nadu (0.01 lakh hectare). Less area was reported from the states of Gujarat (2.83 lakh hectares), Maharashtra (2.09 lakh hectares), Andhra Pradesh (0.49 lakh hectares), Madhya Pradesh (0.15 lakh hectares), and Punjab (0.12 lakh hectares).

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 assess 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 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.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarkhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Gujarat region, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over East Rajasthan and heavy rainfall at isolated places over West Rajasthan, West Madhya Pradesh, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Gujarat region, Tamil Nadu, Pondicherry & Karikal.

International Fundamentals:

The ICE cotton Futures was lower by 86 points at 92.51 cents/lb. The Cotlook A index was at 103.30 cents/lb. The AWP for cotton was at 79.53 cents/lb.

According to the International Cotton Advisory Committee September Report, after a 7 percent decrease in 2020-21, production is projected to increase by 3 percent in 2021-22 season to 25.20 million tonnes. Global Consumption has also recovered from 2019-20, to post a 12.4 percent increase to 25.6 million tonnes in 2020-21 and is projected to improve further to 25.9 million tonnes in 2021-22. World Exports for 2021-22 are estimated at 10.31 million tonnes.

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 | -10.00 | 25600 | 25640 | 25500 | 25610 | 41 | 1817 |

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

| Commodity | Kapas | | Prices (Rs./Quintal) | | Change |
|----------------|-------------|---------------|----------------------|-----------|--------|
| State | Centre | Variety | 17-Sep-21 | 16-Sep-21 | |
| Gujarat | Ahmedabad | Shankar-6 | NA | NA | - |
| | Gondal | Shankar-6 | NA | NA | - |
| | Rajkot | B.T. Cotton | NA | 7420 | - |
| | 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 | 6900 | 6850 | 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 | 7000 | 7000 | Unch |
| | Hathras | Desi | 6700 | 6700 | Unch |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| Karnataka | Bijapur | Bunny | 7067 | 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 | 17-Sep-21 | 16-Sep-21 | |
| Punjab | Bhatinda | J-34 | 5365 | 5330 | 35 |
| | Abohar | J-34 | 5340 | 5340 | Unch |
| | Mansa | J-34 | 5360 | 5360 | Unch |
| Haryana | Sirsa | J-34 | 5340 | 5350 | -10 |
| Rajasthan | Sri-Ganganagar | J-34 | NA | NA | - |

Cotton Arrivals in Key Centers:

| Commodity | Kapas | | Arrivals (Quintal) | | Change |
|----------------|-------------|---------------|--------------------|-----------|--------|
| State | Centre | Variety | 17-Sep-21 | 16-Sep-21 | |
| Gujarat | Ahmedabad | Shankar-6 | NA | NA | - |
| | Gondal | Shankar-6 | NA | NA | - |
| | Rajkot | B.T. Cotton | NA | 25 | - |
| | 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 | 1500 | Unch |
| | 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 | 90 | Unch |
| | Hathras | Desi | 50 | 50 | Unch |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| Karnataka | Bijapur | Bunny | 59 | 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 | 17-Sep-21 | 16-Sep-21 | |
| Punjab | Bhatinda | J-34 | 1700 | 1700 | Unch |
| | Abohar | J-34 | 510 | 425 | 85 |
| | Mansa | J-34 | 221 | 204 | 17 |
| Haryana | Sirsa | J-34 | 340 | 340 | Unch |
| Rajasthan | Sri-Ganganagar | J-34 | NA | NA | - |

Cotton Seed Oil Prices:

| Commodity | Cotton Seed Oil | | Price | | Change |
|-------------|-----------------|-------------|-----------|-----------|--------|
| State | Centre | Unit | 17-Sep-21 | 16-Sep-21 | |
| Gujarat | Rajkot | Rs. /10 Kg. | 1420 | 1400 | 20 |
| Delhi | New Delhi | Rs. /10 Kg. | NR | NR | - |
| Telangana | Hyderabad | Rs. /10 Kg. | 1420 | 1415 | 5 |
| Maharashtra | Mumbai | Rs. /10 Kg. | 1430 | 1415 | 15 |

Cotton Seed Oil Seed Cake Prices:

| Commodity | Cotton Seed Oil Seed Cake | | Price | | Change |
|-------------|---------------------------|---------|-----------|-----------|--------|
| State | Centre | Unit | 17-Sep-21 | 16-Sep-21 | |
| Gujarat | Mahesana (Kadi) | Rs./Qtl | 2569 | 2587 | -18 |
| Maharashtra | Akola | Rs./Qtl | 2809 | 2826 | -17 |

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

| Index | Unit | 17-Sep-21 | 16-Sep-21 | Change |
|--------------|---------|-----------|-----------|--------|
| CCIndex(328) | RMB/Ton | 18164 | 18142 | 22 |
| CCIndex(527) | RMB/Ton | 17115 | 17083 | 32 |
| CCIndex(229) | RMB/Ton | 18566 | 18539 | 27 |

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

China Foreign Cotton (FCE) Index :

| Index | Unit | 16-Sep-21 | 15-Sep-21 | Change |
|--------------|----------|-----------|-----------|--------|
| FC Index (S) | Cents/lb | 107.63 | 107.91 | -0.28 |
| FC Index (M) | Cents/lb | 106.49 | 106.77 | -0.28 |
| FC Index (L) | Cents/lb | 105.35 | 105.63 | -0.28 |

Cotlook Index:

| Cotlook Indices | Unit | 15-Sep-21 | 14-Sep-21 | Change |
|-----------------|-------------|-----------|-----------|--------|
| A-Index | Cents/Pound | 103.3 | 101.4 | 1.90 |

USDA Cotton Spot Rates:

| Growth Area | Unit | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|-----------|---------------------|---------------------|----------|
| | | 15-Sep-21 | 13-Sep-21 | Bales |
| Southeast | cents/lb. | 93.92 | 95.91 | 0 |
| North Delta | cents/lb. | 92.92 | 94.91 | 0 |
| South Delta | cents/lb. | 92.92 | 94.91 | 0 |
| East TX-OK | cents/lb. | 90.42 | 93.26 | 1246 |
| West Texas | cents/lb. | 89.92 | 92.41 | 0 |
| Desert SW | cents/lb. | 87.67 | 90.91 | 0 |
| SJ Valley | cents/lb. | 88.17 | 96.81 | 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 15-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 Thursday, Sep 16th, 2021

| Most Recent Information | | | | | | | Previous Day | | |
|--------------------------------|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Month | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Cotton(ICE) | | | | | | | | | |
| Oct-21 | 210916 | 95.54 | 95.54 | 93.40 | 93.41 | -1.26 | 60 | 217 | -9 |
| Dec-21 | 210916 | 93.35 | 93.97 | 92.36 | 92.51 | -0.86 | 10,728 | 148,435 | +1,008 |
| Mar-22 | 210916 | 92.74 | 93.18 | 91.66 | 91.80 | -0.82 | 4,340 | 67,651 | -239 |
| May-22 | 210916 | 92.30 | 92.81 | 91.32 | 91.43 | -0.80 | 2,058 | 20,913 | +800 |
| Jul-22 | 210916 | 90.61 | 91.00 | 89.67 | 89.77 | -0.77 | 470 | 15,390 | +59 |
| Oct-22 | 210916 | 84.64 | 84.64 | 84.64 | 84.64 | -0.15 | 0 | 5 | +0 |
| Total Volume and Open Interest | | | | | | | 17,965 | 273,192 | +1,744 |

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