

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.26,490/bale on Monday. ICE cotton futures closed red on Friday.

News: New Cotton prices are ruling above minimum support price of Rs. 5,726 per quintal. The new cotton crop has started arriving in the northern market, Karnataka, Telangana with prices of raw cotton ruling at least 10 percent higher than the minimum support price of Rs. 5,726 per quintal for 2021-22 season. According to the trade estimates, the daily market arrivals are at over 10,000 bales, majorly from the north. Modal prices of raw cotton are ranging between Rs. 6,400- Rs. 7,000 per quintal across the various markets depending upon the quality and moisture content.

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 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.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Uttar Pradesh, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Madhya Maharashtra, Marathwada, Konkan & Goa, Telangana, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Gujarat region, and heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Andaman & Nicobar Islands, Assam & Meghalaya, Saurashtra & Kutch, Madhya Maharashtra, Marathwada, Konkan & Goa, Telangana, Tamil Nadu, Pondicherry & Karikal.

International Fundamentals:

The ICE cotton Futures was lower by 18 points at 92.33 cents/lb. The Cotlook A index was at 103.05 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	-280	25550	25650	25220	25600	554	1937

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Sep-21	18-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	6900	-
	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	6950	6900	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	7000	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	7225	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	20-Sep-21	18-Sep-21	
Punjab	Bhatinda	J-34	5325	5365	-40
	Abohar	J-34	5330	5340	-10
	Mansa	J-34	5330	5350	-20
Haryana	Sirsa	J-34	5320	5340	-20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Sep-21	18-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	22	-
	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	2000	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	680	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	600	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	100	90	10
	Hathras	Desi	40	50	-10
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	43	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	20-Sep-21	18-Sep-21	
Punjab	Bhatinda	J-34	2040	1700	340
	Abohar	J-34	680	510	170
	Mansa	J-34	340	170	170
Haryana	Sirsa	J-34	850	170	680
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Sep-21	18-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1445	1420	25
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1440	1420	20
Maharashtra	Mumbai	Rs. /10 Kg.	1450	1410	40

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Sep-21	18-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2550	2574	-24
Maharashtra	Akola	Rs./Qtl	2800	2819	-19

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	17-Sep-21	16-Sep-21	Change
A-Index	Cents/Pound	102.3	103.05	-0.75

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		17-Sep-21	16-Sep-21	Bales
Southeast	cents/lb.	92.08	94.91	-2.83
North Delta	cents/lb.	91.08	93.91	0
South Delta	cents/lb.	91.08	93.91	0
East TX-OK	cents/lb.	89.08	92.26	-3.18
West Texas	cents/lb.	88.58	91.41	0
Desert SW	cents/lb.	85.58	89.91	0
SJ Valley	cents/lb.	86.08	95.81	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 18-Sep-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13430
Equivalent	40 Kgs	10074	193	14339

Daily Futures Price Listing Friday, Sep 18th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210918	93.12	93.32	93.11	93.32	-0.09	6	215	-2
Dec-21	210918	92.50	92.89	92.13	92.33	-0.18	8,953	148,165	-270
Mar-22	210918	91.79	91.95	91.49	91.59	-0.21	2,822	68,132	+481
May-22	210918	91.43	91.61	91.11	91.24	-0.19	732	20,878	-35
Jul-22	210918	89.89	89.89	89.50	89.63	-0.14	184	15,391	+1
Oct-22	210918	83.63	83.63	83.63	83.63	-1.01	1	4	-1
Total Volume and Open Interest							12,787	273,386	+194

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.