

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was lower at Rs.26,290/bale on Tuesday. ICE cotton futures closed red on Monday.

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 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.*

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Haryana, Chandigarh & Delhi, Rajasthan, Jharkhand, Coastal Andhra Pradesh & Yanam, Kerala & Mahe, Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Rajasthan, Uttarkhand, West Uttar Pradesh, Madhya Pradesh, Vidarbha, Chattisgarh, Gangetic West Bengal, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Marathwada, Konkan & Goa, Tamil Nadu, Pondicherry & Karikal.

International Fundamentals:

The ICE cotton Futures was lower by 331 points at 89.02 cents/lb. The Cotlook A index was at 102.3 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	25130	25550	25080	25160	358	1905

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Sep-21	20-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	5350	NA	-
Haryana	Bhiwani	B.T. Cotton	7100	7100	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6950	6950	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	7100	7000	100
	Rawatsar	B.T. Cotton	6800	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	NA	7225	-
	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	21-Sep-21	20-Sep-21	
Punjab	Bhatinda	J-34	5270	5325	-55
	Abohar	J-34	5270	5330	-60
	Mansa	J-34	5270	5330	-60
Haryana	Sirsa	J-34	5270	5320	-50
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Sep-21	20-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	4	NA	-
Haryana	Bhiwani	B.T. Cotton	2000	1500	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	100	600	-500
	Rawatsar	B.T. Cotton	300	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	50	40	10
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	43	-
	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	21-Sep-21	20-Sep-21	
Punjab	Bhatinda	J-34	1700	2040	-340
	Abohar	J-34	340	680	-340
	Mansa	J-34	255	340	-85
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Sep-21	20-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1435	1445	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1430	1440	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1440	1450	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	21-Sep-21	20-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2577	2550	27
Maharashtra	Akola	Rs./Qtl	2777	2800	-23

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
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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 20-Sep-2021

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13280
Equivalent	40 Kgs	10074	193	14232

Daily Futures Price Listing Monday, Sep 20th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210920	92.37	92.85	89.89	89.89	-3.43	47	201	-14
Dec-21	210920	92.33	92.42	88.95	89.02	-3.31	13,455	146,289	-1,876
Mar-22	210920	91.58	91.60	88.36	88.39	-3.20	4,396	68,916	+784
May-22	210920	91.25	91.25	88.03	88.10	-3.14	1,764	21,041	+163
Jul-22	210920	89.64	89.64	86.79	86.79	-2.84	335	15,536	+145
Oct-22	210920	84.62	84.62	80.94	81.79	-1.84	0	4	+0
Total Volume and Open Interest							20,234	272,662	-724

Source: MRCI

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