

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was lower at Rs.26,300/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: Cotton procurement in Maharashtra is likely to begin in November for the 2021-22 seasons. According to the Minister of Cooperation and Marketing, Kharif cotton procurement for 2021-22 seasons should commence from the first week of November to facilitate timely sales and income for farmers. The directives comes in the wake of a delay in the last kharif season due to covid 19 pandemic and lockdown through which cotton procurement centers did not opened on time.

Pink bollworm attack in Punjab is at alarming stage. The Pink Bollworm attack on cotton crop in Punjab has increased from previous week of 10-15 percent. Major damage was reported from Bhatinda and Mansa. The pest has also caused damaged to the crop in border areas of Fazilka and Muktsar but with less intensity. In some of the districts in Bhatinda, Maur, Sangat blocks the damage is found to be above 50 percent and at some places reaching up to 60-70 percent.

According to the Ministry of Agriculture and farmer's welfare, India's food grain production in Kharif 2021-22 seasons has estimated at a record of 150.5 million tonnes. Last year's Kharif production was estimated at 149.56 million tonnes for 2020-21 seasons. Among the Cash crops, Cotton production for this year is estimated at 36.22 million bales higher by 2.4 percent from last year.

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 access the crop damage and pay compensation to them.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Rajasthan, Jharkhand, Coastal Andhra Pradesh & Yanam, Kerala & Mahe, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over East Rajasthan, Uttarakhand, West Madhya Pradesh, Andaman & Nicobar Islands, Odisha, Gujarat state, and Coastal Andhra Pradesh & Yanam.

International Fundamentals:

The ICE cotton Futures was higher by 84 points at 90.87 cents/lb. The Cotlook A index fell by 280 points and was at 99.35 cents/lb. The AWP for cotton was at 79.53 cents/lb.

The Cotton Crop Assessment Committee had revised the Pakistan's cotton production target downward by 19 percent from 10.5 million to 8.46 million bales. Apart from lowest area under cotton cultivation i.e. 1.871 million hectares, some major biotic constraints including cotton leaf curl virus, mealybug, and whitefly attacks have also forced the government to cut the estimates. According to Syed Fakhar Imam, Federal Minister for National Food Security and Research, cotton production may exceed the estimate of 8.46 million bales, as 2.69 million bales of cotton have been transferred to the ginning factories till September 15, compared to 1.04 million bales in same period of last year. Whereas last year, the cotton production was around 5.57 million bales.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+280	25410	25770	25370	25420	336	1882

DOMESTIC PRICES AND ARRIVAL
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	23-Sep-21	22-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	6000	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6175	5705	470
Haryana	Bhiwani	B.T. Cotton	7050	7050	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	6800	7100	-300
	Rawatsar	B.T. Cotton	6800	6800	Unch
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	6850	6850	Unch
	Hathras	Desi	6350	6350	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	7305	-
	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	23-Sep-21	22-Sep-21	
Punjab	Bhatinda	J-34	5300	5290	10
	Abohar	J-34	5310	5290	20
	Mansa	J-34	5270	5290	-20
Haryana	Sirsa	J-34	5260	5260	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Sep-21	22-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	300	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1	3	-2
Haryana	Bhiwani	B.T. Cotton	6000	6000	Unch
	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	150	80	70
	Rawatsar	B.T. Cotton	500	300	200
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	60	100	-40
	Hathras	Desi	50	30	20
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	19	-
	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	23-Sep-21	22-Sep-21	
Punjab	Bhatinda	J-34	1700	1700	Unch
	Abohar	J-34	340	255	85
	Mansa	J-34	170	170	Unch
Haryana	Sirsa	J-34	170	255	-85
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	23-Sep-21	22-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1425	1430	-5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1420	1425	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1430	1435	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	23-Sep-21	22-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2645	2629	16
Maharashtra	Akola	Rs./Qtl	2790	2784	6

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	23-Sep-21	22-Sep-21	Change
CCIndex(328)	RMB/Ton	17928	18045	-117
CCIndex(527)	RMB/Ton	16861	17033	-172
CCIndex(229)	RMB/Ton	18328	18436	-108

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

China Foreign Cotton (FCE) Index :

Index	Unit	23-Sep-21	22-Sep-21	Change
FC Index (S)	Cents/lb	105.52	104.71	0.81
FC Index (M)	Cents/lb	104.37	103.61	0.76
FC Index (L)	Cents/lb	103.24	102.48	0.76

Cotlook Index:

Cotlook Indices	Unit	21-Sep-21	20-Sep-21	Change
A-Index	Cents/Pound	99.35	102.15	-2.80

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Sep-21	20-Sep-21	Bales
Southeast	cents/lb.	89.78	91.02	0
North Delta	cents/lb.	88.78	90.02	0
South Delta	cents/lb.	88.78	90.02	0
East TX-OK	cents/lb.	86.78	88.87	2651
West Texas	cents/lb.	86.28	88.02	0
Desert SW	cents/lb.	83.28	85.77	0
SJ Valley	cents/lb.	83.78	91.67	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 21-Sep-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	12880
Equivalent	40 Kgs	10074	193	13804

Daily Futures Price Listing Wednesday, Sep 22nd, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210922	92.04	92.11	91.78	91.83	+0.65	56	192	-10
Dec-21	210922	90.03	91.13	89.95	90.87	+0.84	37,623	136,400	-9,338
Mar-22	210922	89.44	90.30	89.20	90.11	+0.77	9,918	69,706	+200
May-22	210922	89.00	89.87	89.00	89.77	+0.76	2,782	21,359	+168
Jul-22	210922	87.70	87.70	87.70	88.39	+0.73	1,871	15,542	+125
Oct-22	210922	82.39	82.39	82.39	82.39	-0.02	4	5	+1
Total Volume and Open Interest							53,632	263,976	-8,727

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