

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 Friday. ICE cotton futures closed green on Thursday.

News: Punjab Mandi has witnessed 50-fold increase in new cotton arrivals. According to the Punjab Mandi Board, about 80,000 quintals of cotton crop has been purchased at various mandis in Punjab till 21st September 2021. Cotton is being bought for rates as high as Rs. 7,010/quintal and around 98% of the produce has been purchased at rates above the minimum support price (MSP) of Rs. 5,925/quintal.

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).

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarakhand, Uttar Pradesh, East Rajasthan, Odisha, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Telangana, Kerala & Mahe, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over Gujarat region, South Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Saurashtra & Kutuch, Konkan & Goa, Andaman & Nicobar Islands, Kerala & Mahe, Coastal Andhra Pradesh & Yanam, Tamil Nadu, and Pondicherry & Karikal.

International Fundamentals:

The ICE cotton Futures was higher by 159 points at 92.46 cents/lb. The Cotlook A index was at 100.35 cents/lb. The AWP for cotton was at 77.59 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	-80	25900	25900	25710	25810	203	1820

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Sep-21	23-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	6500	6000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5610	6175	-565
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	6800	Unch
	Rawatsar	B.T. Cotton	7200	6800	400
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	7325	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	24-Sep-21	23-Sep-21	
Punjab	Bhatinda	J-34	5310	5300	10

	Abohar	J-34	5320	5310	10
	Mansa	J-34	5300	5270	30
Haryana	Sirsa	J-34	5270	5260	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Sep-21	23-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	1200	300	900
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	28	1	27
Haryana	Bhiwani	B.T. Cotton	4000	6000	-2000
	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	300	150	150
	Rawatsar	B.T. Cotton	700	500	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	60	Unch
	Hathras	Desi	50	50	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	44	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	24-Sep-21	23-Sep-21	
Punjab	Bhatinda	J-34	1700	1700	Unch
	Abohar	J-34	1020	340	680
	Mansa	J-34	170	170	Unch
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Sep-21	23-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1425	35
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1450	1420	30
Maharashtra	Mumbai	Rs. /10 Kg.	1430	1430	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Sep-21	23-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2728	2645	83
Maharashtra	Akola	Rs./Qtl	2806	2790	16

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	24-Sep-21	23-Sep-21	Change
CCIndex(328)	RMB/Ton	17922	17928	-6
CCIndex(527)	RMB/Ton	16860	16861	-1
CCIndex(229)	RMB/Ton	18324	18328	-4

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 Thursday, Sep 23rd, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210923	92.14	93.31	93.31	93.31	+1.48	48	198	+6
Dec-21	210923	90.85	92.69	92.46	92.46	+1.49	16,412	134,737	-1,663
Mar-22	210923	90.11	91.69	91.50	91.50	+1.39	4,449	69,472	-234
May-22	210923	89.68	91.20	90.99	90.99	+1.22	1,406	21,342	-17
Jul-22	210923	88.31	89.70	89.52	89.52	+1.13	780	15,738	+196
Oct-22	210923	83.34	83.34	83.34	83.34	+0.95	0	5	+0
Total Volume and Open Interest							23,773	262,583	-1,393

Source: MRCI

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