

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.26,860/bale on Tuesday. ICE cotton futures closed green on Monday.

News: SIMA will promote cotton cultivation in Tamil Nadu. The Southern India Mills Association will work with the state government to increase the area under cotton cultivation in Tamil Nadu. Earlier Tamil Nadu was one of the major cotton producing State in India. Though it is a leading textile producer now, the industry purchased cotton from the other States. The association had developed a common infrastructure at Cuddalore with an investment of ₹96 crore, and two units had expressed willingness to put up plants there. The Union government would support establishing one mega textile park in each southern State. The Tamil Nadu government had expressed willingness to have three parks - at Dharmapuri, Thoothukudi, and Virudhunagar. The other focus areas of the Association is working with the Union government and urging it to sign free trade agreements with select countries soon. Further, the import duty on cotton should be removed and the hank yarn obligation should be reduced to 20 %.

The price for the raw cotton has increased in Karnataka. With the textile industry bouncing back, the price of raw cotton has increased from Rs 5,000-6,000 per quintal to Rs 11,500 and Rs 13,000 per quintal in different parts of the state. This season has been a good for cotton growers with agents and traders from neighboring states making a beeline to villages in HD Kote, Saragur, Nanjangud, Hunsur and Gundlupet taluks in the Old Mysuru region where farmers are commanding the prices. Most of the buyers are from Tamil Nadu as a majority of textile industries are situated in Tirupur and Erode where raw cotton is processed and the yarn exported to Bangladesh. Villages in HD Kote region witness early monsoon and hence, sowing and harvest start early. Usually, about 47,000 hectares comes under cotton cultivation in the region, but it had dropped to about 30,000 hectares this season.

Around 1/3rd of the cotton area is affected due to Pink Bollworm. Out of the total 3.25 lakh hectares area under cotton cultivation in Punjab about 33 percent i.e 1/3rd of the total area has been affected due to pink bollworm. The pest is spreading its tentacles rapidly as it is above the economic threshold level in many districts

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.

Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Gangetic West Bengal, Uttar Pradesh, East Rajasthan, Odisha, Madhya Maharashtra, Andaman & Nicobar Islands, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over Gujarat region, Konkan & Goa, and heavy rainfall at isolated places over Marthwada, Saurashtra & Kutuch, West Bengal, Odisha, Jharkhand and Madhya Maharashtra.

International Fundamentals:

The ICE cotton Futures was higher by 206 points at 98.05 cents/lb. The Cotlook A index was at 102.65 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	27250	27290	26970	27110	248	2067

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Sep-21	27-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	7300	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	6750	6500	250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5700	6300	-600
Haryana	Bhiwani	B.T. Cotton	7000	7000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7000	Closed	-
	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	Closed	-
	Rawatsar	B.T. Cotton	7250	Closed	-
Madhya Pradesh	Khandwa	Mech-1	NA	5800	-
	Khargaon	Mech-1	NA	5500	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6900	6800	100
	Hathras	Desi	6400	6350	50
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	7511	-
	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	28-Sep-21	27-Sep-21	

Punjab	Bhatinda	J-34	5390	5350	40
	Abohar	J-34	5390	5360	30
	Mansa	J-34	5370	5340	30
Haryana	Sirsa	J-34	5370	5315	55
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Sep-21	27-Sep-21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NA	1850	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	1500	1000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	13	41	-28
Haryana	Bhiwani	B.T. Cotton	3000	3000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	Closed	-
	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	2000	Closed	-
	Rawatsar	B.T. Cotton	5000	Closed	-
Madhya Pradesh	Khandwa	Mech-1	NA	240	-
	Khargaon	Mech-1	NA	190	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	100	50
	Hathras	Desi	100	100	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	54	-
	Hubli	D.C.H.	NA	NA	-

Commodity	Lint		Arrivals (Quintal)		Change
	State	Centre	Variety	28-Sep-21	
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Punjab	Bhatinda	J-34	4250	NA	-
	Abohar	J-34	5100	NA	-
	Mansa	J-34	340	NA	-
Haryana	Sirsa	J-34	1700	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	28-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1460	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1450	1450	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1440	1440	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	28-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2751	2735	16
Maharashtra	Akola	Rs./Qtl	2826	2811	15

INTERNATIONAL PRICES AND INDICES
China Cotton Index:

Index	Unit	28-Sep-21	27-Sep-21	Change
CCIndex(328)	RMB/Ton	18675	18295	380
CCIndex(527)	RMB/Ton	17700	17155	545
CCIndex(229)	RMB/Ton	19001	18680	321

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

China Foreign Cotton (FCE) Index :

Index	Unit	28-Sep-21	27-Sep-21	Change
FC Index (S)	Cents/lb	112.08	110.25	1.83

FC Index (M)	Cents/lb	110.62	108.84	1.78
FC Index (L)	Cents/lb	109.5	107.71	1.79

Cotlook Index:

Cotlook Indices	Unit	24-Sep-21	23-Sep-21	Change
A-Index	Cents/Pound	102.65	101.25	1.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		24-Sep-21	22-Sep-21	Bales
Southeast	cents/lb.	95.74	92.87	0
North Delta	cents/lb.	94.74	91.87	0
South Delta	cents/lb.	94.74	91.87	0
East TX-OK	cents/lb.	93.49	90.72	1475
West Texas	cents/lb.	92.24	89.87	0
Desert SW	cents/lb.	89.24	87.62	0
SJ Valley	cents/lb.	89.74	93.52	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 25-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 Monday, Sep 27th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210927	98.91	98.91	98.91	98.91	+2.06	3	164	-1
Dec-21	210927	96.02	99.86	96.02	98.05	+2.06	16,772	133,656	-639
Mar-22	210927	94.69	98.00	94.57	96.82	+2.25	6,942	70,672	+879
May-22	210927	93.95	96.73	93.95	95.79	+2.05	2,212	21,152	-104
Jul-22	210927	92.00	94.88	91.86	93.53	+1.69	1,354	15,900	+40
Oct-22	210927	86.20	86.99	86.20	86.97	+1.39	0	5	+0
Total Volume and Open Interest							28,026	263,288	+503

Source: MRCI

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