

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.27,260/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton crop get affected in sirsa due to Pink Bollworm. According to the Haryana Agriculture Department, Pink Bollworm has affected the cotton crop in sirsa and adjoining Punjab. Agriculture department officials have advised farmers to take precautions.

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.

Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Uttarkhand, East Uttar Pradesh, East Rajasthan, Bihar, Jharkhand, Coastal Andhra Pradesh & Yanam, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over Saurashtra & Kutuch and heavy rainfall at isolated places over Uttarakhand, Gangetic West Bengal, Jharkhand, Odisha, Gujarat region, Tamil Nadu, Pondicherry & Karaikal.

International Fundamentals:

The ICE cotton Futures was higher by 198 points at 100.03 cents/lb. The Cotlook A index was at 105.95 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	+1220	27410	28760	27320	27450	1534	1962

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	29-Sep-21	28-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	6750	-250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5700	-
Haryana	Bhiwani	B.T. Cotton	7200	7000	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6900	7000	-100
	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	7000	Unch
	Rawatsar	B.T. Cotton	7400	7250	150
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	6340	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6750	6900	-150
	Hathras	Desi	6300	6400	-100
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	7525	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	29-Sep-21	28-Sep-21	
Punjab	Bhatinda	J-34	5420	5390	30
	Abohar	J-34	5420	5390	30
	Mansa	J-34	5400	5370	30
Haryana	Sirsa	J-34	5400	5370	30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Sep-21	28-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	1500	-300
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	13	-
Haryana	Bhiwani	B.T. Cotton	2500	3000	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	850	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	2000	2000	Unch
	Rawatsar	B.T. Cotton	2000	5000	-3000
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	2930	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	150	50
	Hathras	Desi	30	100	-70
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	59	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	29-Sep-21	28-Sep-21	
Punjab	Bhatinda	J-34	2890	4250	-1360
	Abohar	J-34	2550	5100	-2550
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	1360	1700	-340
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	29-Sep-21	28-Sep-21	
Gujarat	Rajkot	Rs. /10 Kg.	1465	1460	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1455	1450	5
Maharashtra	Mumbai	Rs. /10 Kg.	1445	1440	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	29-Sep-21	28-Sep-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2785	2751	34
Maharashtra	Akola	Rs./Qtl	2830	2826	4

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	29-Sep-21	28-Sep-21	Change
CCIndex(328)	RMB/Ton	18935	18675	260
CCIndex(527)	RMB/Ton	17969	17700	269
CCIndex(229)	RMB/Ton	19232	19001	231

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

China Foreign Cotton (FCE) Index :

Index	Unit	29-Sep-21	28-Sep-21	Change
FC Index (S)	Cents/lb	114.09	112.08	2.01
FC Index (M)	Cents/lb	112.56	110.62	1.94

FC Index (L)	Cents/lb	111.37	109.5	1.87
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Cotlook Index:

Cotlook Indices	Unit	27-Sep-21	24-Sep-21	Change
A-Index	Cents/Pound	105.95	102.65	3.30

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Sep-21	24-Sep-21	Bales
Southeast	cents/lb.	97.8	97.99	0
North Delta	cents/lb.	96.8	96.99	0
South Delta	cents/lb.	96.8	96.99	0
East TX-OK	cents/lb.	95.55	96.59	4099
West Texas	cents/lb.	94.3	94.99	363
Desert SW	cents/lb.	91.3	92.74	0
SJ Valley	cents/lb.	91.8	98.64	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 28-Sep-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	13780
Equivalent	40 Kgs	10074	193	14768

Daily Futures Price Listing Tuesday, Sep 28th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Oct-21	210928	100.91	100.91	100.91	100.91	+2.00	3	49	-115
Dec-21	210928	98.00	101.55	97.60	100.03	+1.98	40,664	138,306	+4,650
Mar-22	210928	96.77	99.83	96.58	98.70	+1.88	12,358	72,224	+1,552
May-22	210928	95.66	98.75	95.56	97.81	+2.02	4,421	21,681	+529
Jul-22	210928	93.35	95.83	93.35	95.49	+1.96	2,524	16,578	+678
Oct-22	210928	86.03	88.20	86.03	88.03	+1.06	4	5	+0
Total Volume and Open Interest							62,536	271,571	+8,283

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