

**Domestic Fundamentals:****Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.27,620/bale on Saturday. ICE cotton futures closed red on Friday.

**News: The heavy rain and flash floods triggered by Cyclone Gulab have damaged the standing crops** including paddy, groundnut, banana, custard apple, lemon trees in more than 1 lakh acres in Vizianagaram and Srikakulam districts. Paddy crops in 22,000 acres, maize in 12,700 acres and cotton in 4,950 acres has been inundated in the district. As per initial reports, standing crops in nearly 45,000 acres in Vizianagaram and around 55,000 acres in Srikakulam have been damaged.

**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 1/3<sup>rd</sup> 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 1/3<sup>rd</sup> 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 21<sup>st</sup> 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.

### Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Uttarkhand, East Uttar Pradesh, Rajasthan, Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Marathwada, Konkan & Goa, South interior Karnataka, Kerala & Mahe, Lakshadweep, Tamil Nadu, and Pondicherry & Karikal. Heavy rainfall at isolated places over Sub- Himalayna West Bengal & Sikkim, Meghalaya, Kerala & Mahe, Tamil nadu, Pondicherry & Karikal and heavy rainfall at isolated places over Bihar, Arunachal Pradesh, West Assam, South Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal & South Interior Karnataka.

### International Fundamentals:

The ICE cotton Futures was higher by 127 points at 104.53 cents/lb. The Cotlook A index was at 112.15 cents/lb. The AWP for cotton was at 83.92 cents/lb.

According to the International Cotton Advisory Committee October Report, cotton production and stock projections for the 2021-22 season, the International Cotton Advisory Committee (ICAC) has indicated that the global output of the fibre crop will be around 25.7 million tonnes (mt), which would be higher by six per cent over previous year, but still be lower than the pre-pandemic levels. The ending stocks for 2020-21 has been revised downward to 20 mt, leading to the world cotton supply to be around 45.8 mt for the 2021-22 season. The global consumption is estimated at 25.9 mt.

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 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	+670	28300	29090	28180	28140	974	2148

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	02-Oct-21	01-Oct-21	
Gujarat	Ahmedabad	Shankar-6	Closed	NA	-
	Gondal	Shankar-6	Closed	NA	-
	Rajkot	B.T. Cotton	Closed	NA	-
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	6500	6750	-250
	Deesa	B.T. Cotton	Closed	NA	-
	Dhrol	B.T. Cotton	Closed	NA	-
Haryana	Bhiwani	B.T. Cotton	Closed	7500	-
	Bhiwani	Desi	Closed	NA	-
	Adampur	B.T. Cotton	Closed	7000	-
	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	7300	7300	Unch
	Rawatsar	B.T. Cotton	7200	7200	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6750	6750	Unch
	Hathras	Desi	6300	6300	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	7909	-
	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	02-Oct-21	01-Oct-21	
Punjab	Bhatinda	J-34	5680	5620	60
	Abohar	J-34	5670	5620	50
	Mansa	J-34	5660	5620	40
Haryana	Sirsa	J-34	Closed	5580	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	02-Oct-21	01-Oct-21	
Gujarat	Ahmedabad	Shankar-6	Closed	NA	-
	Gondal	Shankar-6	Closed	NA	-
	Rajkot	B.T. Cotton	Closed	NA	-
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	2500	2000	500
	Deesa	B.T. Cotton	Closed	NA	-
	Dhrol	B.T. Cotton	Closed	NA	-
Haryana	Bhiwani	B.T. Cotton	Closed	1200	-
	Bhiwani	Desi	Closed	NA	-
	Adampur	B.T. Cotton	Closed	850	-
	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	1500	1500	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	200	Unch
	Hathras	Desi	30	30	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	47	-
	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	02-Oct-21	01-Oct-21	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	2890	2890	Unch
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	Closed	1700	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	02-Oct-21	01-Oct-21	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	1460	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	Closed	1450	-
Maharashtra	Mumbai	Rs. /10 Kg.	Closed	1440	-

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	02-Oct-21	01-Oct-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2736	2762	-26
Maharashtra	Akola	Rs./Qtl	2800	2800	Unch

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

Index	Unit	30-Sep-21	29-Sep-21	Change
CCIndex(328)	RMB/Ton	19104	18935	169
CCIndex(527)	RMB/Ton	18197	17969	228
CCIndex(229)	RMB/Ton	19522	19232	290
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	30-Sep-21	28-Sep-21	Change
A-Index	Cents/Pound	112.15	108.15	4.00

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		30-Sep-21	28-Sep-21	Bales
Southeast	cents/lb.	105.55	102.03	0
North Delta	cents/lb.	104.55	101.03	0
South Delta	cents/lb.	104.55	101.03	0
East TX-OK	cents/lb.	103.3	100.63	1193
West Texas	cents/lb.	102.05	99.03	674
Desert SW	cents/lb.	99.05	96.78	0
SJ Valley	cents/lb.	99.55	102.68	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 30-Sep-2021**

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	14280
Equivalent	40 Kgs	10074	193	15304

**Daily Futures Price Listing Friday, Oct 01st, 2021**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Oct-21</a>	211001	106.53	106.53	106.53	106.53	-1.27	2	48	-1
<a href="#">Dec-21</a>	211001	105.80	107.28	104.35	104.53	-1.27	32,916	142,540	+733
<a href="#">Mar-22</a>	211001	103.88	104.70	101.23	101.44	-2.44	15,320	78,324	+2,733
<a href="#">May-22</a>	211001	102.94	103.50	100.17	100.44	-2.51	6,666	24,451	+1,233
<a href="#">Jul-22</a>	211001	100.53	100.75	97.42	97.71	-2.39	2,050	17,842	+512
<a href="#">Oct-22</a>	211001	90.90	90.90	88.08	88.66	-1.94	0	5	+0
Total Volume and Open Interest							59,618	289,362	+5,937

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