

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.30,510/bale on Tuesday. ICE cotton futures closed green on Monday.

News: Cotton narma has reached Rs. 9000 per quintal mark. For the 2021-22 season, cotton narma prices has reached Rs. 9036 per quintal in Anupgarh market of Sri ganganagar. Minimum support price fixed by the government for medium stable is Rs. 5726 and for long stable Rs. 6025 per quintal. Cotton narma is the major market is ranging between Rs. 7500-9000 per quintal which is Rs. 2500- 3000 higher from the MSP of 2021-22 season.

Raw cotton price have crossed Rs. 8000/quintal mark at Vidarbha. Cotton farmers from Vidarbha are selling raw cotton at record high of Rs. 8,150 per quintal in the open market.

Punjab government will reassess the pink bollworm infestation. The Punjab government on 24th October 2021 has ordered a re-assessment of losses to the cotton crop due to pink bollworm infestation after the doubts were raised over the field inspection reports. Also, as per market sources the trend of cotton arrivals in different mandi's of southern districts was not indicative of major crop loss.

Cotton procurement in Telangana will begin on 25th October 2021. The state government is all set to begin cotton procurement from the 25th October 2021. The district administration has made all elaborate arrangements at all purchasing centers. The Central government has fixed the minimum support price of Rs. 6025 per quintal but the actual open market price is around Rs. 7,000 per quintal.

Cotton growers from Bhatinda are holding back the produce. With the cotton prices ruling higher in the market around Rs. 8,300 per quintal farmers and traders are anticipating a price hike in the future due to this arrivals in the mandis across Bhatinda has delayed. According to the tribune from the Cotton Corporation of India, till 20th October 2021, only 3.75 lakh quintals has been purchased at mandis against 7 lakh quintals purchased during the previous season around the same time.

Cotton Association of India has released its final estimate of the cotton crop for the 2020-21 season. Cotton Association of India has reduced its final estimate for the 2020-21 cotton crop by 1.50 lakh bales to 353.00 lakh bales from its previous estimate of 354.50 lakh bales due to the lower production expected from the central zone. The Cotton production estimate for the central zone has been reduced by 2.50 lakh bales to 191.00 lakh bales from 193.50 lakh bales estimated earlier. Whereas, the cotton crop estimate for the southern zone has been increased by 1 lakh bales to 91.50 lakh bales compared to the previous estimate of 90.50 lakh bales. Further, the domestic consumption for the entire crop year i.e. up to 30th September is higher by 5 lakh bales to 335 lakh bales, and exports for the 2020-21 season has been increased by 1 lakh bales to 78 lakh bales from its previous estimate of 77 lakh bales, cotton imports was maintained at 10 lakh bales during 2020-21 season and stock at the end of 30th September'2021 was estimated at 75 lakh bales.

Cotton procurement in Maharashtra will start from 1st November 2021. According to the State government data, Cotton sowing in the current kharif season was done on 39.37 lakh hectares compared to 42.08 lakh hectares last season. Cotton cultivation has dipped as farmers have shifted to soya cultivation. Also, farmers are expecting high prices for the produce this season.

Cotton prices are rising in the northern market. The pink bollworm pest has adversely affected yield of the cotton crop in Bathinda and Mansa districts of Punjab, but the crop is being sold for a premium in grain markets, with the selling price touching an all-time high of Rs 8,060 per quintal. Previously, the cotton crop had touched an all-time high of Rs 7,000 per quintal last week. Usually, the crop does not sell for more than Rs 6,000 per quintal. Though a considerable portion of cotton has been damaged by pink bollworm in Bathinda and Mansa this year, farmers are still bringing the cotton that could be salvaged from their fields to grain markets. The cotton crop at Bhuchho mandi in Bhatinda is traded at Rs. 8060 per quintal whereas, less quality cotton was traded between Rs. 6,000 – Rs. 6,500 per quintal. According to Agriwatch, the rise in prices is due to delayed arrivals

because of bad weather and also due to decrease in area under cotton cultivation, yield loss due to rains and a speculative swing in the international market. The Prices may come down to some extent after Diwali when arrivals will increase, prices would remain firm up in the long run.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Coastal Andhra Pradesh & Yanam, South interior Karnataka, Tamil Nadu, Pondicherry & Karikal, and Kerala & Mahe. Heavy rainfall at isolated places over Tamil Nadu, Pondicherry, Karikal and heavy rainfall at isolated places over Tamil Nadu, Pondicherry & Karikal, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was higher by 28 points at 108.54 cents/lb. The Cotlook A index was at 115.35 cents/lb. The AWP for cotton was at 92.8 cents/lb.

Cotton harvest continues to pick up, as all cotton producing states showed a significant increase in field activity in the past week. According to USDA, as on 24th October 2021, open bolls are now reported in 91 percent of the crop, with 8 states at or above their respective 5 years average. Cotton harvested was at 35 percent, behind the 5 years average by 6 percentage points and was up by 7 percentage points from last week. However, crop condition remained steady. The good and excellent categories were at 64 percent, 30 percent rated fair and 6 percent rated poor.

Due to the high prices of Indian cotton fibres in the global market and with the increasing export demand for cotton yarn and textile products, India's domestic cotton consumption is expected to rise in the 2021-22 season. The area of cotton harvested is expected to decrease as the area under Rabi crop in South India is increasing. According to the textile and apparel (texpro) data, cotton area harvested in India was 13.40 million hectares in the year 2019-20, which dropped by 2.99 per cent to 13 million hectares in 2020-21. It is expected to decline further by 4.62 per cent to 12.40 million hectares in 2021-22 season. India's cotton production was 28.80 million bales in 2019-20 and 27.90 million bales in 2020-21. However, it is expected to rise slightly by 0.36 per cent to 28 million bales in 2021-22. Also, imports went down by 62.72 per cent from 2.28 million bales in 2019-20 to 0.85 million bales in 2020-21. It is expected to rise again by 17.65 per cent to reach 1 million bales in the 2021-22 season. India has exported 3.20 million bales in 2019-20 and 6.20 million bales in the 2020-21 season. For the 2021-22 season exports are estimated same as that of previous season. Further, consumption is expected to increase to 26 million bales as compared to 24.20 million bales in 2020-21 season.

Cotton consumption in China is expected to increase in the 2021-22 season. Due to the rising demand for textile and clothing from the domestic and overseas market, cotton consumption is expected to move up in 2021-22. However, cotton production in china may decrease as the area under cotton harvest has dropped in the yellow river and Yangtze river region of the country although it remained stable in Xinjiang. The share of Xinjiang cotton in china's cotton production is expected to surge to 92 percent in the 2021-22 season.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+160	31900	32000	31900	31840	80	969

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Oct-21	25-Oct-21	
Gujarat	Ahmedabad	Shankar-6	8500	8500	Unch
	Gondal	Shankar-6	8630	8555	75
	Rajkot	B.T. Cotton	8500	8500	Unch
	Patan	B.T. Cotton	8375	8380	-5
	Kadi	B.T. Cotton	8500	8000	500
	Deesa	B.T. Cotton	7200	NA	-
	Dhrol	B.T. Cotton	8435	8585	-150
Haryana	Bhiwani	B.T. Cotton	8600	8300	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8550	8500	50
	Fatehabad	B.T. Cotton	8650	8500	150
	Jind	B.T. Cotton	8900	8800	100
	Uchana	B.T. Cotton	8820	8700	120
	Dabwali	B.T. Cotton	8635	8500	135
Rajasthan	Hanumangarh	B.T. Cotton	8800	8850	-50
	Rawatsar	B.T. Cotton	8600	8500	100
Madhya Pradesh	Khandwa	Mech-1	8000	8050	-50
	Khargaon	Mech-1	8320	7500	820
Maharashtra	Amravati	Mech-1	8000	7700	300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7000	7200	-200
	Hathras	Desi	7300	7400	-100
Telangana	Adilabad	Un-Ginned	8020	NA	-
Karnataka	Bijapur	Bunny	NA	8762	-
	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	26-Oct-21	25-Oct-21	
Punjab	Bhatinda	J-34	6590	6550	40
	Abohar	J-34	6620	6570	50
	Mansa	J-34	6500	6520	-20
Haryana	Sirsa	J-34	6600	6520	80
Rajasthan	Sri-Ganganagar	J-34	6392	6110	282

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Oct-21	25-Oct-21	
Gujarat	Ahmedabad	Shankar-6	59500	56100	3400
	Gondal	Shankar-6	5196	5274	-78

	Rajkot	B.T. Cotton	7900	9300	-1400
	Patan	B.T. Cotton	18200	17949	251
	Kadi	B.T. Cotton	40000	30000	10000
	Deesa	B.T. Cotton	2400	NA	-
	Dhrol	B.T. Cotton	1061	908	153
Haryana	Bhiwani	B.T. Cotton	2200	2500	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1360	-340
	Fatehabad	B.T. Cotton	550	500	50
	Jind	B.T. Cotton	425	765	-340
	Uchana	B.T. Cotton	200	400	-200
	Dabwali	B.T. Cotton	1350	2500	-1150
Rajasthan	Hanumangarh	B.T. Cotton	2500	3500	-1000
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	6500	700	5800
	Khargaon	Mech-1	12630	65	12565
Maharashtra	Amravati	Mech-1	2000	2000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	350	150	200
	Hathras	Desi	90	50	40
Telangana	Adilabad	Un-Ginned	10810	NA	-
Karnataka	Bijapur	Bunny	NA	5438	-
	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	26-Oct-21	25-Oct-21	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	1530	1530	Unch
	Mansa	J-34	510	340	170
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-Oct-21	25-Oct-21	
Gujarat	Rajkot	Rs. /10 Kg.	1455	1475	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1450	1470	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1430	1450	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Oct-21	25-Oct-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2681	2688	-7
Maharashtra	Akola	Rs./Qtl	2750	2741	9



INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	26-Oct-21	25-Oct-21	Change
CCIndex(328)	RMB/Ton	22214	22126	88
CCIndex(527)	RMB/Ton	21029	20996	33
CCIndex(229)	RMB/Ton	22718	22600	118
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	26-Oct-21	25-Oct-21	Change
FC Index (S)	Cents/lb	123.81	123.25	0.56
FC Index (M)	Cents/lb	122.52	122	0.52
FC Index (L)	Cents/lb	120.99	120.84	0.15

Cotlook Index:

Cotlook Indices	Unit	22-Oct-21	21-Oct-21	Change
A-Index	Cents/Pound	115.35	119.85	-4.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Oct-21	20-Oct-21	Bales
Southeast	cents/lb.	108.01	112.73	0
North Delta	cents/lb.	107.01	111.73	0
South Delta	cents/lb.	107.01	111.73	0
East TX-OK	cents/lb.	105.01	110.48	1920
West Texas	cents/lb.	105.01	110.23	3089
Desert SW	cents/lb.	101.51	107.48	0
SJ Valley	cents/lb.	102.01	113.38	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-Oct-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	15380
Equivalent	40 Kgs	10074	193	16483

Daily Futures Price Listing Monday, Oct 25th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211025	107.84	110.14	107.70	108.54	+0.28	20,954	110,082	-2,305
Mar-22	211025	105.70	108.04	105.70	106.56	+0.37	8,209	95,042	+40
May-22	211025	105.04	106.92	104.96	105.51	+0.34	2,836	27,525	+56
Jul-22	211025	103.60	105.40	103.60	104.17	+0.43	1,633	20,345	+171
Oct-22	211025	95.11	95.11	95.11	95.11	+0.62	0	20	+0
Dec-22	211025	89.00	90.99	89.00	89.76	+0.49	679	27,705	+1
Total Volume and Open Interest							34,314	283,191	-2,037

Source: MRCI

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