

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.31,500/bale on Saturday. ICE cotton futures closed green on Friday.

News: Cotton Association of India has released its first estimate of the cotton crop for the 2021-22 season. Cotton Association of India has estimated cotton crop for the 2021-22 season at 360.13 lakh bales. Further, the domestic consumption for the entire crop year i.e. up to 30th September 2022 is estimated at 335 lakh bales same as that of previous season, and exports for the 2021-22 season has been estimated at 48 lakh bales, cotton imports was maintained at 10 lakh bales for the 2021-22 season and closing stock at the end of 30th September'2022 was estimated at 62.13 lakh bales.

According to the Agriwatch market research and analysis, Indian cotton prices are trading at an all-time high in 2021-22 season. The cotton prices in India have gained 64 percent and global prices are higher by around 45 percent. The major reason behind the price rise is the expectation of lower production in 2021-22 season.

Cotton prices have touched 8,105 per quintal mark in Warangal. The cotton prices have touched a record high of Rs. 8,105 per quintal at the Enumamula Agriculture Market on Wednesday. This is the highest price since the start of the procurement season. Also, around 2 lakh bags of cotton has arrived in the market so far.

Domestic cotton prices have increased to Rs. 63,000 per candy as the global market has surged on low production, rising demand, and supply constraints. On the Intercontinental Exchange (ICE), cotton prices have increased over 50 percent year on year rising to 108.67 cents a pound (Rs. 66,025 a candy).

Raw cotton prices have crossed Rs. 8000/quintal mark at Vidarbha. Cotton farmers from Vidarbha are selling raw cotton at a record high of Rs. 8,150 per quintal in the open market. The current price of raw cotton, a level well above the minimum support price (MSP) of Rs 6,025 per quintal fixed by the Government for the 2021-22 seasons. The Cotton Corporation of India has also reportedly running short of carry forward stock. As per the market sources, the corporation has exhausted almost half of its carry forward stock. The cotton harvesting has also been delayed in the 2021-22 season which is also pushing up the prices.

Cotton narma has reached Rs. 9000 per quintal mark. For the 2021-22 season, cotton narma prices have reached Rs. 9036 per quintal in Anupgarh market of Sri Ganganagar. Cotton narma in the major markets is ranging between Rs. 7500-9000 per quintal which is Rs. 2500- 3000 higher than the MSP of the 2021-22 season.

According to the report released by WTO Cell of the Department of Agricultural Economics (DAE) of the Junagadh Agricultural University (JAU) underlined the fact that cotton acreages in India have declined to around 124 lakh hectares in this Kharif 2021-22 season as against 131 lakh hectares in 2020-21 due to variations of the monsoon in the key regions. Also, the heavy rains in September may result in a decline in production this season. According to the first advance estimate released on 21st September 2021, cotton production is estimated at 362 lakh bales slightly more than the last year's 354 lakh bales. But the torrential rain received in the last week of September in Maharashtra, Madhya Pradesh and Gujarat have damaged the crop to the large extent, besides huge damage due to pink bollworm infestation is also feared, this may result in lower production this year. The JAU report states that global cotton production is projected at 1,531 lakh bales in 2021-22, compared to 1,439 bales in 2020-21. However, the consumption of cotton is expected to remain at 1,588 lakh bales which are 57 lakh bales more than last year. Also, the prices are expected to remain firm in the world market in the current year.

Cotton production is expected to remain stable in Gujarat for the 2021-22 season. As per the report released by the WTO Cell of the Department of Agricultural Economics (DAE) of the Junagadh Agricultural University (JAU), Gujarat cotton production is expected to remain stable in the 2021-22 season. For the 2021-22 season, the area under cotton cultivation in Gujarat is estimated at 22.56 lakh ha, same as that of the 2020-21 season, and production is estimated at 80.95 lakh bales, which is about 8 lakh bales more than last year (72.7 lakh bales). But the damage caused in the last week of

September and due to delay in the first picking will result in low yield same as last year. As a result, overall cotton production is expected to remain stable.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over south Konkan & Goa, south Madhya Maharashtra, Tamil Nadu, Pondicherry & Karikal, Lakshadweep and Kerala & Mahe. Heavy rainfall at isolated places over Tamil Nadu, Pondicherry and Karikal and heavy rainfall at isolated places over South Interior Karnataka, Tamil Nadu, Pondicherry & Karikal, and Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was higher by 112 points at 114.85 cents/lb. The Cotlook A index was at 119.95 cents/lb. The AWP for cotton was at 93.3 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	+300	32890	33400	32890	32700	192	529

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Oct-21	29-Oct-21	
Gujarat	Ahmedabad	Shankar-6	8500	8500	Unch
	Gondal	Shankar-6	8630	8580	50
	Rajkot	B.T. Cotton	8800	8675	125
	Patan	B.T. Cotton	8625	8330	295
	Kadi	B.T. Cotton	8000	8050	-50
	Deesa	B.T. Cotton	NA	7805	-
	Dhrol	B.T. Cotton	8750	8605	145
Haryana	Bhiwani	B.T. Cotton	8800	8700	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8900	8760	140
	Fatehabad	B.T. Cotton	8900	8600	300
	Jind	B.T. Cotton	9200	8900	300
	Uchana	B.T. Cotton	8825	8630	195
	Dabwali	B.T. Cotton	8865	8715	150
Rajasthan	Hanumangarh	B.T. Cotton	9100	9000	100
	Rawatsar	B.T. Cotton	9300	9100	200
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8500	8300	200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7000	7000	Unch
	Hathras	Desi	7100	7100	Unch
Telangana	Adilabad	Un-Ginned	8030	8120	-90
Karnataka	Bijapur	Bunny	8830	8840	-10
	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	30-Oct-21	29-Oct-21	

Punjab	Bhatinda	J-34	6830	6800	30
	Abohar	J-34	6850	6800	50
	Mansa	J-34	6750	6650	100
Haryana	Sirsa	J-34	6800	6700	100
Rajasthan	Sri-Ganganagar	J-34	6439	6298	141

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Oct-21	29-Oct-21	
Gujarat	Ahmedabad	Shankar-6	56100	54400	1700
	Gondal	Shankar-6	6804	6212	592
	Rajkot	B.T. Cotton	8200	8000	200
	Patan	B.T. Cotton	18150	19455	-1305
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	200	-
	Dhrol	B.T. Cotton	1077	653	424
Haryana	Bhiwani	B.T. Cotton	2500	3000	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1105	1360	-255
	Fatehabad	B.T. Cotton	600	600	Unch
	Jind	B.T. Cotton	306	503	-197
	Uchana	B.T. Cotton	400	355	45
	Dabwali	B.T. Cotton	960	1140	-180
Rajasthan	Hanumangarh	B.T. Cotton	4000	4000	Unch
	Rawatsar	B.T. Cotton	3000	2000	1000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	3000	3000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	250	250	Unch
	Hathras	Desi	100	100	Unch
Telangana	Adilabad	Un-Ginned	59102	53930.5	5171.5
Karnataka	Bijapur	Bunny	2826	3947	-1121
	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	30-Oct-21	29-Oct-21	
Punjab	Bhatinda	J-34	6800	8500	-1700
	Abohar	J-34	1020	1360	-340
	Mansa	J-34	510	340	170
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	30-Oct-21	29-Oct-21	
Gujarat	Rajkot	Rs. /10 Kg.	1380	1380	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1375	1375	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1370	1370	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	30-Oct-21	29-Oct-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2721	2717	4
Maharashtra	Akola	Rs./Qtl	2789	2786	3

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

Index	Unit	29-Oct-21	29-Oct-21	Change
CCIndex(328)	RMB/Ton	22301	22301	Unch
CCIndex(527)	RMB/Ton	21147	21147	Unch
CCIndex(229)	RMB/Ton	22800	22800	Unch

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

China Foreign Cotton (FCE) Index :

Index	Unit	29-Oct-21	29-Oct-21	Change
FC Index (S)	Cents/lb	128.84	128.84	Unch
FC Index (M)	Cents/lb	127.45	127.45	Unch
FC Index (L)	Cents/lb	125.92	125.92	Unch

Cotlook Index:

Cotlook Indices	Unit	27-Oct-21	25-Oct-21	Change
A-Index	Cents/Pound	118.2	117.4	0.80

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Oct-21	25-Oct-21	Bales
Southeast	cents/lb.	110.27	110.54	0
North Delta	cents/lb.	109.27	109.54	0
South Delta	cents/lb.	109.27	109.54	0
East TX-OK	cents/lb.	107.27	108.29	4232
West Texas	cents/lb.	107.27	108.04	4959
Desert SW	cents/lb.	103.77	105.29	0
SJ Valley	cents/lb.	104.27	111.19	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-Oct-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	15480
Equivalent	40 Kgs	10074	193	16590

Daily Futures Price Listing Friday, Oct 29th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211029	113.75	115.15	112.15	114.85	+1.12	16,856	104,282	-1,619
Mar-22	211029	111.75	112.91	110.28	111.22	-0.61	11,301	101,376	+2,171
May-22	211029	110.69	111.28	108.99	109.67	-0.73	2,525	28,289	+318
Jul-22	211029	108.77	109.09	107.07	107.74	-0.74	1,642	21,863	+418
Oct-22	211029	97.87	97.87	97.87	97.87	-0.61	1	23	+1
Dec-22	211029	91.75	92.00	90.80	91.00	-0.72	896	28,214	+161
Total Volume and Open Interest							33,426	286,727	+1,616

Source: MRCI

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