

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.32,440/bale on Monday. ICE cotton futures closed green on Friday.

News: cotton prices are 30 percent above than the MSP of 2021-22 Season. The raw cotton prices continued to soar probably for the first time in last one decade with the agriculture produce marketing committee (APMC) recording over Rs. 8,500 per quintal prices for the raw cotton which is around 30 percent higher than the MSP for 2021-22 season.

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.

Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Madhya Maharashtra, Telangana, south Konkan & Goa, Coastal Andhra Pradesh & Yanam, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry & Karikal, Lakshadweep and Kerala & Mahe. Heavy rainfall at isolated places over south interior & coastal Tamil Nadu, Pondicherry and Karikal and heavy rainfall at isolated places over north Interior Tamil Nadu, Coastal Andhra Pradesh & Yanam, Rayalaseema, Coastal Karnataka, south Interior Karnataka, 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 ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	1-Nov-21	30-Oct-21	
Gujarat	Ahmedabad	Shankar-6	9000	8500	500
	Gondal	Shankar-6	Closed	8630	-
	Rajkot	B.T. Cotton	Closed	8800	-
	Patan	B.T. Cotton	Closed	8625	-
	Kadi	B.T. Cotton	8500	8000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	8750	-
Haryana	Bhiwani	B.T. Cotton	8600	8800	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9100	8900	200
	Fatehabad	B.T. Cotton	9180	8900	280
	Jind	B.T. Cotton	9200	9200	Unch
	Uchana	B.T. Cotton	8850	8825	25
	Dabwali	B.T. Cotton	8900	8865	35
Rajasthan	Hanumangarh	B.T. Cotton	9250	9100	150
	Rawatsar	B.T. Cotton	9400	9300	100
Madhya Pradesh	Khandwa	Mech-1	8750	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8550	8500	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7000	500
	Hathras	Desi	7500	7100	400
Telangana	Adilabad	Un-Ginned	NA	8030	-
Karnataka	Bijapur	Bunny	NA	8830	-
	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	1-Nov-21	30-Oct-21	
Punjab	Bhatinda	J-34	6940	6830	110
	Abohar	J-34	6940	6850	90
	Mansa	J-34	6850	6750	100
Haryana	Sirsa	J-34	6875	6800	75
Rajasthan	Sri-Ganganagar	J-34	6486	6439	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Nov-21	30-Oct-21	

Gujarat	Ahmedabad	Shankar-6	73100	56100	17000
	Gondal	Shankar-6	Closed	6804	-
	Rajkot	B.T. Cotton	Closed	8200	-
	Patan	B.T. Cotton	Closed	18150	-
	Kadi	B.T. Cotton	40000	30000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	1077	-
Haryana	Bhiwani	B.T. Cotton	2000	2500	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1105	255
	Fatehabad	B.T. Cotton	400	600	-200
	Jind	B.T. Cotton	340	306	34
	Uchana	B.T. Cotton	500	400	100
	Dabwali	B.T. Cotton	1000	960	40
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	6000	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4000	3000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	250	-150
	Hathras	Desi	300	100	200
Telangana	Adilabad	Un-Ginned	NA	59102	-
Karnataka	Bijapur	Bunny	NA	2826	-
	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	1-Nov-21	30-Oct-21	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	1190	1020	170
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	850	680	170
Rajasthan	Sri-Ganganagar	J-34	2000	3000	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Nov-21	30-Oct-21	
Gujarat	Rajkot	Rs. /10 Kg.	1350	1380	-30
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1360	1375	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1330	1370	-40

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Nov-21	30-Oct-21	

Gujarat	Mahesana (Kadi)	Rs./Qtl	2807	2721	86
Maharashtra	Akola	Rs./Qtl	2700	2789	-89

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

Index	Unit	1-Nov-21	29-Oct-21	Change
CCIndex(328)	RMB/Ton	22318	22301	17
CCIndex(527)	RMB/Ton	21161	21147	14
CCIndex(229)	RMB/Ton	22833	22800	33

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

China Foreign Cotton (FCE) Index :

Index	Unit	1-Nov-21	29-Oct-21	Change
FC Index (S)	Cents/lb	130	128.84	1.16
FC Index (M)	Cents/lb	128.7	127.45	1.25
FC Index (L)	Cents/lb	127.23	125.92	1.31

Cotlook Index:

Cotlook Indices	Unit	29-Oct-21	27-Oct-21	Change
A-Index	Cents/Pound	123.1	118.2	4.90

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Oct-21	27-Oct-21	Bales
Southeast	cents/lb.	114.6	112.52	69
North Delta	cents/lb.	113.6	111.52	0
South Delta	cents/lb.	113.6	111.52	0
East TX-OK	cents/lb.	111.6	110.27	1413
West Texas	cents/lb.	111.6	110.02	6682
Desert SW	cents/lb.	108.1	107.27	0
SJ Valley	cents/lb.	108.6	113.17	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-Oct-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	15580
Equivalent	40 Kgs	10074	193	16697

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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