

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was lower at Rs.32,850/bale on Tuesday. ICE cotton futures closed green on Monday.

News: Cotton traded strong tone across major spot markets of north India on Tuesday. Prices were up by 20-30 per maund compare to yesterday evening. In Punjab, cotton traded at Rs. 6,700-6,800 a maund and in Haryana, prices were at Rs. 6,700-6,750 a maund while in Upper Rajasthan cotton quoted at Rs. 6,730-6,780 a maund.

Southern India mills association has urged the prime minister to stabilize the cotton price. In a memorandum to prime minister, the southern India mills association has urged the government to stabilize cotton prices, particularly when the country had over 100 lakh bales of opening stock this 2021-22 season.

Cotton prices in Punjab have crossed Rs. 10,000 level. The cotton crop has touched Rs. 10,500 per quintal mark on the 01st November 2021. According to the Punjab Mandi Board the cotton prices are 77 percent higher than the minimum support price (MSP) of Rs. 5,925 for the 2021-22 season. With the increasing demand for Indian yarn in the global market, cotton prices are likely to further increase. About 2,080 quintals of cotton has been procured by private buyers till 01st November 2021 in Muktsar. In the previous 2020-21 season, Punjab has procured about 50 lakh quintals of cotton. For the pink bollworm affected districts i.e. Bhatinda and Mansa the cotton prices are between Rs. 9,600 and Rs. 9,330 per quintal respectively.

Confederation of Indian textile Industry (CITI) has urged the prime minister to stabilise the cotton prices, which have soared to the peak in the last 11 cotton season. CITI has also urged for a cotton price stabilization fund scheme comprising 5 percent interest subvention or loan at NABARD rate of interest, reduction in money margin from 25 percent to 10 percent and increase in the cotton working capital limit from 3 to 9 months.

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.

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.

Weather Forecast:

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

International Fundamentals:

The ICE cotton Futures was lower by 32 points at 116.55 cents/lb. The Cotlook A index was at 125.45 cents/lb. The AWP for cotton was at 100.99 cents/lb.

The cotton harvest season in Xinjiang is expected to last until mid-November this year, with the output expected to reach 5.2 million tonnes. The region has contributed nearly 90 percent of china's cotton production capacity and about 20 percent of the global cotton production.

According to USDA, as of 08th November 2021, US crop progress report, open bolls are now reported in 98 percent of the crop, same as that of the 5 year average of 98 percent. Cotton harvested was at 55 percent, than 5 years average of 57 percentage, and was up by 10 percentage points from last week.

China cotton index (CCI) is expected to move down in the next few months as Chinese monetary and financial regulatory agencies begin supporting various departments to control the prices of cotton, while farmers are looking to sell their cotton due to bad weather and poor financial conditions. The cotton demand may also reduce in the coming months, which will further support the expected drop in cotton prices. The monthly average of CCI was 15,690 RMB per metric ton in first quarter of 2021 and 15,830 RMB per metric ton in second quarter of 2021. During the third quarter the monthly average surged by 12.19 percent to 17,760 RMB per metric ton. For the fourth quarter of 2021, CCI may drop significantly as the monthly average is expected to decline by 15.70 percent to 17,990 RMB per metric tonne in December 2021 from 21,340 RMB per metric tonne in October 2021.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-440	32540	32610	31710	32650	1382	3282

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Nov-21	8-Nov-21	
Gujarat	Ahmedabad	Shankar-6	8500	Closed	-
	Gondal	Shankar-6	8705	Closed	-
	Rajkot	B.T. Cotton	8700	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	8600	8500	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8500	8400	100
	Fatehabad	B.T. Cotton	8500	8300	200
	Jind	B.T. Cotton	8600	8600	Unch
	Uchana	B.T. Cotton	8650	8700	-50
	Dabwali	B.T. Cotton	8500	8500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8800	8850	-50
	Rawatsar	B.T. Cotton	8800	8800	Unch
Madhya Pradesh	Khandwa	Mech-1	8300	8300	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8400	8400	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7500	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	8759	-
	Hubli	D.C.H.	NA	8500	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	9-Nov-21	8-Nov-21	
Punjab	Bhatinda	J-34	6800	6750	50
	Abohar	J-34	6800	6750	50
	Mansa	J-34	6650	6600	50
Haryana	Sirsa	J-34	6750	6700	50
Rajasthan	Sri-Ganganagar	J-34	6345	6251	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Nov-21	8-Nov-21	
Gujarat	Ahmedabad	Shankar-6	51000	Closed	-
	Gondal	Shankar-6	6540	Closed	-

	Rajkot	B.T. Cotton	6000	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	10000	10000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	900	1200	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	850	170
	Fatehabad	B.T. Cotton	300	200	100
	Jind	B.T. Cotton	340	340	Unch
	Uchana	B.T. Cotton	500	700	-200
	Dabwali	B.T. Cotton	1000	1500	-500
Rajasthan	Hanumangarh	B.T. Cotton	3000	2000	1000
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	2000	1500	500
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	300	300	Unch
	Hathras	Desi	50	50	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	6907	-
	Hubli	D.C.H.	NA	1	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Nov-21	8-Nov-21	
Punjab	Bhatinda	J-34	6800	5100	1700
	Abohar	J-34	1020	850	170
	Mansa	J-34	340	170	170
Haryana	Sirsa	J-34	850	1700	-850
Rajasthan	Sri-Ganganagar	J-34	2200	2500	-300

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	9-Nov-21	8-Nov-21	
Gujarat	Rajkot	Rs. /10 Kg.	1330	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1300	1310	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1280	1290	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	9-Nov-21	8-Nov-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2553	2568	-15

Maharashtra	Akola	Rs./Qtl	2600	2668	-68
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INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	9-Nov-21	8-Nov-21	Change
CCIndex(328)	RMB/Ton	22372	22318	54
CCIndex(527)	RMB/Ton	21173	21158	15
CCIndex(229)	RMB/Ton	22971	22905	66

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

China Foreign Cotton (FCE) Index :

Index	Unit	9-Nov-21	8-Nov-21	Change
FC Index (S)	Cents/lb	131.42	131.16	0.26
FC Index (M)	Cents/lb	130.02	129.74	0.28
FC Index (L)	Cents/lb	128.42	128.14	0.28

Cotlook Index:

Cotlook Indices	Unit	5-Nov-21	4-Nov-21	Change
A-Index	Cents/Pound	125.45	127.95	-2.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		5-Nov-21	4-Nov-21	Bales
Southeast	cents/lb.	115.87	117.71	0
North Delta	cents/lb.	114.87	116.71	40
South Delta	cents/lb.	114.87	116.71	0
East TX-OK	cents/lb.	113.12	115.71	2101
West Texas	cents/lb.	113.12	115.46	7696
Desert SW	cents/lb.	110.12	113.21	0
SJ Valley	cents/lb.	110.62	119.11	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



Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	16080
Equivalent	40 Kgs	10074	193	17233

Daily Futures Price Listing Monday, Nov 08th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211108	117.20	118.38	116.32	116.32	-0.32	20,157	77,480	-4,887
Mar-22	211108	113.40	114.50	112.94	112.29	+0.05	15,588	118,552	+2,716
May-22	211108	111.68	112.94	111.45	111.45	+0.03	4,042	30,245	+297
Jul-22	211108	109.35	109.50	108.77	108.77	-0.10	1,226	23,958	+360
Oct-22	211108	96.50	96.50	96.50	96.50	-0.20	0	35	+0
Dec-22	211108	91.45	91.90	90.66	90.84	-0.41	428	28,940	-134
Total Volume and Open Interest							41,469	282,589	-1,620

Source: MRCI

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