

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

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.32,380/bale on Thursday. ICE cotton futures closed red on Wednesday.

**News:** The cabinet committee on economic affairs (CCEA) has approved committed price support of Rs. 17,408.85 crore to Cotton Corporation of India for the cotton season from 2014-15 to 2020-21 (up to 30.09.2021). The CCEA has approved incurring expenditure for reimbursing losses under MSP operation for cotton during the cotton season 2014-15 to 2020-21. This price support operation will help in stabilizing the cotton prices and will also protect cotton farmers from distress sales during any adverse price situation. During the last 2 season CCI has procured around 1/3<sup>rd</sup> of the cotton production in the country i.e. about 200 lakh bales and disbursed more than Rs. 55,000 crore directly in the bank account of around 40 lakh farmers.

**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 01<sup>st</sup> 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 01<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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.

### Weather Forecast:

Thunderstorm accompanied with lightening very likely at isolated places over Andaman & Nicobar Islands, Konkan & Goa, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Tamil Nadu, Pondicherry & Karikal, interior Karnataka and Kerala & Mahe. Heavy rainfall at isolated places over Tamil Nadu & Karikal, coastal Andhra Pradesh & Yanam, Rayalaseema, and heavy rainfall at isolated places over south interior Karnataka, and Kerala & Mahe.

### International Fundamentals:

The ICE cotton Futures was lower by 70 points at 118.68 cents/lb. The Cotlook A index was at 125.75 cents/lb. The AWP for cotton was at 100.99 cents/lb.

According to the USDA'S WASDE November report, the U.S. production was projected slightly higher at 18.2 million bales while the domestic mill use and exports were unchanged. U.S. ending stock were projected higher at 3.4 million which is 250,000 above the previous year.

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 08<sup>th</sup> 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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-380	32840	32890	32190	32910	1499	2940

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Nov-21	10-Nov-21	
Gujarat	Ahmedabad	Shankar-6	8575	8500	75
	Gondal	Shankar-6	Closed	8605	-
	Rajkot	B.T. Cotton	8750	8675	75
	Patan	B.T. Cotton	Closed	8575	-
	Kadi	B.T. Cotton	8000	8500	-500
	Deesa	B.T. Cotton	NA	7980	-
	Dhrol	B.T. Cotton	8860	8495	365
Haryana	Bhiwani	B.T. Cotton	8600	8600	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8600	8500	100
	Fatehabad	B.T. Cotton	8600	8700	-100
	Jind	B.T. Cotton	8300	8670	-370
	Uchana	B.T. Cotton	8550	8675	-125
	Dabwali	B.T. Cotton	8715	8700	15
Rajasthan	Hanumangarh	B.T. Cotton	8800	8600	200
	Rawatsar	B.T. Cotton	8600	8600	Unch
Madhya Pradesh	Khandwa	Mech-1	8400	8300	100
	Khargaon	Mech-1	NA	8980	-
Maharashtra	Amravati	Mech-1	8600	8600	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7300	7250	50
	Hathras	Desi	7200	7100	100
Telangana	Adilabad	Un-Ginned	7800	7900	-100
Karnataka	Bijapur	Bunny	8909	8604	305
	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	11-Nov-21	10-Nov-21	

Punjab	Bhatinda	J-34	6810	6780	30
	Abohar	J-34	6850	6820	30
	Mansa	J-34	6800	6750	50
Haryana	Sirsa	J-34	6760	6720	40
Rajasthan	Sri-Ganganagar	J-34	6392	6392	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Nov-21	10-Nov-21	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	Closed	5094	-
	Rajkot	B.T. Cotton	4500	5000	-500
	Patan	B.T. Cotton	Closed	8924	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	1000	-
	Dhrol	B.T. Cotton	369	278	91
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	300	300	Unch
	Jind	B.T. Cotton	765	680	85
	Uchana	B.T. Cotton	240	220	20
	Dabwali	B.T. Cotton	1275	1100	175
Rajasthan	Hanumangarh	B.T. Cotton	2500	2000	500
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	1300	1200	100
	Khargaon	Mech-1	NA	5770	-
Maharashtra	Amravati	Mech-1	7000	8000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	200	-50
	Hathras	Desi	50	35	15
Telangana	Adilabad	Un-Ginned	164744.6	186277.1	-21532.5
Karnataka	Bijapur	Bunny	7791	6933	858
	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	11-Nov-21	10-Nov-21	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	850	850	Unch
	Mansa	J-34	170	170	Unch
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	1500	2000	-500

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	11-Nov-21	10-Nov-21	
Gujarat	Rajkot	Rs. /10 Kg.	1320	1320	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1290	1290	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1260	1270	-10

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	11-Nov-21	10-Nov-21	
Gujarat	Maheana (Kadi)	Rs./Qtl	2557	2516	41
Maharashtra	Akola	Rs./Qtl	2600	2600	Unch

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

Index	Unit	11-Nov-21	10-Nov-21	Change
CCIndex(328)	RMB/Ton	22571	22471	100
CCIndex(527)	RMB/Ton	21248	21234	14
CCIndex(229)	RMB/Ton	23146	23051	95

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	11-Nov-21	10-Nov-21	Change
FC Index (S)	Cents/lb	133.34	132.94	0.40
FC Index (M)	Cents/lb	131.94	131.52	0.42
FC Index (L)	Cents/lb	130.35	129.94	0.41

**Cotlook Index:**

Cotlook Indices	Unit	8-Nov-21	5-Nov-21	Change
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<b>A-Index</b>	Cents/Pound	125.75	125.45	<b>0.30</b>
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### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		4-Nov-21	2-Nov-21	Bales
Southeast	cents/lb.	115.46	118.5	<b>100</b>
North Delta	cents/lb.	114.46	117.5	<b>0</b>
South Delta	cents/lb.	114.46	117.5	<b>56</b>
East TX-OK	cents/lb.	112.71	116.5	<b>3615</b>
West Texas	cents/lb.	112.71	116.25	<b>8719</b>
Desert SW	cents/lb.	109.71	114	<b>0</b>
SJ Valley	cents/lb.	110.21	119.9	<b>0</b>

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 09-Nov-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32Kgs	9400	180	16180
<b>Equivalent</b>	40 Kgs	10074	193	17340

### Daily Futures Price Listing Wednesday, Nov 10th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Dec-21</a>	211110	118.84	120.75	118.45	118.68	-0.70	19,423	62,232	-6,951
<a href="#">Mar-22</a>	211110	114.40	116.83	114.40	115.05	-0.14	17,933	130,870	+6,061
<a href="#">May-22</a>	211110	113.40	115.05	112.81	113.41	-0.10	3,546	31,743	+729
<a href="#">Jul-22</a>	211110	110.22	111.44	109.59	110.22	Unch	756	24,312	+195
<a href="#">Oct-22</a>	211110	97.42	97.42	97.42	97.42	-0.04	0	35	+0
<a href="#">Dec-22</a>	211110	91.10	91.99	90.80	91.20	-0.11	250	29,122	+49
Total Volume and Open Interest							41,915	281,859	+85

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