

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.32,430/bale on Friday. ICE cotton futures closed red on Thursday.

News: In a bid to provide financial relief to cotton farm labourers, the Punjab Cabinet has approved the policy formulated for extending relief to the families of cotton-picking farm labourers affected by the damage caused to the crop by the pink bollworm disease. With this decision, 10 per cent of total compensation to be given to the farmers on this count would be provided to the families of cotton-picking farm labourers affected by the pest attack on cotton crop.

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 1/3rd 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 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.

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, and Kerala & Mahe. Heavy rainfall at isolated places over Odisha, Andaman & Nicobar Islands, Tamil Nadu, Pondicherry & Karikal, and heavy rainfall at isolated places over south interior Karnataka, and Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was lower by 14 points at 118.54 cents/lb. The Cotlook A index was at 127.55 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 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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-50	31850	32770	31850	32480	913	2863

DOMESTIC PRICES AND ARRIVAL
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Nov-21	11-Nov-21	
Gujarat	Ahmedabad	Shankar-6	8575	8575	Unch
	Gondal	Shankar-6	8505	Closed	-
	Rajkot	B.T. Cotton	8700	8750	-50
	Patan	B.T. Cotton	8570	Closed	-
	Kadi	B.T. Cotton	8000	8000	Unch
	Deesa	B.T. Cotton	8025	NA	-
	Dhrol	B.T. Cotton	8675	8860	-185
Haryana	Bhiwani	B.T. Cotton	8280	8600	-320
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8600	8600	Unch
	Fatehabad	B.T. Cotton	8600	8600	Unch
	Jind	B.T. Cotton	8225	8300	-75
	Uchana	B.T. Cotton	8150	8550	-400
	Dabwali	B.T. Cotton	8500	8715	-215
Rajasthan	Hanumangarh	B.T. Cotton	8800	8800	Unch
	Rawatsar	B.T. Cotton	8600	8600	Unch
Madhya Pradesh	Khandwa	Mech-1	8400	8400	Unch
	Khargaon	Mech-1	NA	8670	-
Maharashtra	Amravati	Mech-1	8300	8600	-300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7300	7300	Unch
	Hathras	Desi	7200	7200	Unch
Telangana	Adilabad	Un-Ginned	7900	7800	100
Karnataka	Bijapur	Bunny	8475	8909	-434
	Hubli	D.C.H.	8100	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Nov-21	11-Nov-21	
Punjab	Bhatinda	J-34	6800	6810	-10

	Abohar	J-34	6800	6850	-50
	Mansa	J-34	6800	6800	Unch
Haryana	Sirsa	J-34	6730	6760	-30
Rajasthan	Sri-Ganganagar	J-34	6486	6392	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Nov-21	11-Nov-21	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	7250	Closed	-
	Rajkot	B.T. Cotton	6000	4500	1500
	Patan	B.T. Cotton	22388	Closed	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	2400	NA	-
	Dhrol	B.T. Cotton	306	369	-63
Haryana	Bhiwani	B.T. Cotton	3000	1000	2000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	300	300	Unch
	Jind	B.T. Cotton	1105	765	340
	Uchana	B.T. Cotton	265	240	25
	Dabwali	B.T. Cotton	1400	1275	125
Rajasthan	Hanumangarh	B.T. Cotton	2500	2500	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	1400	1300	100
	Khargaon	Mech-1	NA	5760	-
Maharashtra	Amravati	Mech-1	10000	7000	3000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	50	50	Unch
Telangana	Adilabad	Un-Ginned	116755.1	164744.6	-47989.5
Karnataka	Bijapur	Bunny	8509	7791	718
	Hubli	D.C.H.	1	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	12-Nov-21	11-Nov-21	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	1190	850	340
	Mansa	J-34	170	170	Unch
Haryana	Sirsa	J-34	850	680	170
Rajasthan	Sri-Ganganagar	J-34	2500	1500	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Nov-21	11-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.	1270	1260	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Nov-21	11-Nov-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2552	2557	-5
Maharashtra	Akola	Rs./Qtl	2600	2600	Unch

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

Index	Unit	12-Nov-21	11-Nov-21	Change
CCIndex(328)	RMB/Ton	22600	22571	29
CCIndex(527)	RMB/Ton	21227	21248	-21
CCIndex(229)	RMB/Ton	23132	23146	-14

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

China Foreign Cotton (FCE) Index :

Index	Unit	12-Nov-21	11-Nov-21	Change
FC Index (S)	Cents/lb	133.47	133.34	0.13
FC Index (M)	Cents/lb	132.07	131.94	0.13
FC Index (L)	Cents/lb	130.47	130.35	0.12

Cotlook Index:

Cotlook Indices	Unit	9-Nov-21	8-Nov-21	Change
A-Index	Cents/Pound	125.75	125.75	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		9-Nov-21	5-Nov-21	Bales
Southeast	cents/lb.	118.38	118.12	0
North Delta	cents/lb.	117.38	117.12	0
South Delta	cents/lb.	117.38	117.12	0
East TX-OK	cents/lb.	114.63	116.12	736
West Texas	cents/lb.	115.63	115.87	5060
Desert SW	cents/lb.	112.63	113.62	0
SJ Valley	cents/lb.	113.13	119.52	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 11-Nov-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	16280
Equivalent	40 Kgs	10074	193	17447

Daily Futures Price Listing Thursday, Nov 11th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211111	118.82	119.21	117.54	118.54	-0.14	22,188	57,006	-5,226
Mar-22	211111	115.06	115.97	114.23	115.41	+0.36	20,172	136,752	+6,061
May-22	211111	113.62	114.25	112.62	113.81	+0.40	3,770	32,752	+1,009
Jul-22	211111	110.42	110.82	109.36	110.36	+0.21	1,279	24,641	+329
Oct-22	211111	97.89	97.89	97.89	97.89	+0.47	0	35	+0
Dec-22	211111	91.25	91.93	91.04	91.56	+0.36	1,481	30,136	+1,014
Total Volume and Open Interest							48,900	285,047	+3,188

Source: MRCI

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