

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.32,260/bale on Monday. ICE cotton futures closed red on Friday.

News: Cotton production for 2021-22 is projected at 362 lakh bales. The Committee on Cotton Production and Consumption has projected the cotton production for 2021-22 season at 362 lakh bales, opening stock is projected at 73.20 lakh bales and imports at 10.50 lakh bales, the total availability for this season is likely to be 445.88 lakh bales as against 485.66 bales the previous season. The demand from textile mills including small scale units is estimated at 322 lakh bales, and exports were pegged at 45 lakh bales.

Cotton prices have fallen in Adilabad. Cotton prices in Adilabad have fallen from Rs.8,600 to Rs. 7,910 in past 12 days. Farmers allege that the fall in price is due to the gimmicks of traders.

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 seasons 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 compared 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 stabilize the cotton prices, which have soared to the peak in the last 11 cotton seasons. 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.

Weather Forecast:

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

International Fundamentals:

The ICE cotton Futures was lower by 85 points at 117.69 cents/lb. The Cotlook A index was at 127.55 cents/lb. The AWP for cotton was at 101.56 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	-120	31850	32770	31850	32480	1202	2824



DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Nov-21	13-Nov-21	
Gujarat	Ahmedabad	Shankar-6	8500	8500	Unch
	Gondal	Shankar-6	8630	8705	-75
	Rajkot	B.T. Cotton	8700	8725	-25
	Patan	B.T. Cotton	8610	8570	40
	Kadi	B.T. Cotton	8000	8000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	8500	8280	220
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8600	8600	Unch
	Fatehabad	B.T. Cotton	8600	8600	Unch
	Jind	B.T. Cotton	8225	8225	Unch
	Uchana	B.T. Cotton	8200	8150	50
	Dabwali	B.T. Cotton	8500	8500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8800	8800	Unch
	Rawatsar	B.T. Cotton	8600	8600	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	8400	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	8300	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7300	7300	Unch
	Hathras	Desi	7200	7200	Unch
Telangana	Adilabad	Un-Ginned	NA	7910	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	15-Nov-21	13-Nov-21	
Punjab	Bhatinda	J-34	6780	6800	-20
	Abohar	J-34	6780	6800	-20
	Mansa	J-34	6600	6700	-100
Haryana	Sirsa	J-34	6650	6700	-50
Rajasthan	Sri-Ganganagar	J-34	6345	6486	-141

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Nov-21	13-Nov-21	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	6840	7309	-469
	Rajkot	B.T. Cotton	8000	5600	2400
	Patan	B.T. Cotton	17406	22388	-4982
	Kadi	B.T. Cotton	40000	30000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	2000	3000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	510	340
	Fatehabad	B.T. Cotton	300	300	Unch
	Jind	B.T. Cotton	1100	1100	Unch
	Uchana	B.T. Cotton	100	200	-100
	Dabwali	B.T. Cotton	1000	1500	-500
Rajasthan	Hanumangarh	B.T. Cotton	3000	2500	500
	Rawatsar	B.T. Cotton	2000	3000	-1000
Madhya Pradesh	Khandwa	Mech-1	Closed	1500	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	10000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	250	150	100
	Hathras	Desi	75	50	25
Telangana	Adilabad	Un-Ginned	NA	68597	-
Karnataka	Bijapur	Bunny	NA	NA	-
	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	15-Nov-21	13-Nov-21	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1020	1190	-170
	Mansa	J-34	255	170	85
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	2000	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Nov-21	13-Nov-21	
Gujarat	Rajkot	Rs. /10 Kg.	1300	1300	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1280	1280	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1270	1250	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Nov-21	13-Nov-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2505	2548	-43
Maharashtra	Akola	Rs./Qtl	2600	2615	-15

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

Index	Unit	15-Nov-21	12-Nov-21	Change
CCIndex(328)	RMB/Ton	22657	22600	57
CCIndex(527)	RMB/Ton	21247	21227	20
CCIndex(229)	RMB/Ton	23185	23132	53
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	15-Nov-21	12-Nov-21	Change
FC Index (S)	Cents/lb	133.4	133.47	-0.07
FC Index (M)	Cents/lb	131.98	132.07	-0.09
FC Index (L)	Cents/lb	130.39	130.47	-0.08

Cotlook Index:

Cotlook Indices	Unit	12-Nov-21	10-Nov-21	Change
A-Index	Cents/Pound	127.5	127.55	-0.05

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Nov-21	10-Nov-21	Bales
Southeast	cents/lb.	116.69	117.68	0
North Delta	cents/lb.	115.69	116.68	0
South Delta	cents/lb.	115.69	116.68	0
East TX-OK	cents/lb.	112.44	113.43	6261
West Texas	cents/lb.	113.44	114.43	12640
Desert SW	cents/lb.	110.94	111.93	0
SJ Valley	cents/lb.	111.44	112.43	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 13-Nov-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	16480
Equivalent	40 Kgs	10074	193	17662

Daily Futures Price Listing Friday, Nov 12th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211112	118.65	118.91	116.53	117.69	-0.85	20,208	50,814	-6,192
Mar-22	211112	115.41	116.38	114.02	115.08	-0.33	23,813	141,852	+4,921
May-22	211112	113.89	114.73	112.55	113.35	-0.46	5,254	34,400	+1,648
Jul-22	211112	109.91	111.30	109.56	110.06	-0.37	1,093	24,830	+189
Oct-22	211112	97.23	97.23	97.23	97.23	-0.66	0	35	+0
Dec-22	211112	91.28	92.29	90.90	91.65	+0.09	573	30,362	+226
Total Volume and Open Interest							51,129	285,975	+928

Source: MRCI

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