

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was higher at Rs.32,040/bale on Tuesday. ICE cotton futures closed red on Monday.

News: Cotton prices have dropped by 8-10 percent in Telangana. The prices have dropped from the maximum level after 10 days. Prices have dropped to Rs. 7,830 per quintal from a high of Rs. 8,710 in a few mandis. Prices in other parts of the country have also dropped by some three percent, while on the multi commodity exchange, cotton futures fell 5 percent on Monday.

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.

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 44 points at 114.64 cents/lb. The Cotlook A index was at 127.50 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, US crop progress report of 14th November 2021, and cotton harvest had advanced 10 percent points to 65 percent complete as of 11/14. The average is to be 64 percent harvested. Most of the Delta and southeast states were behind, while the rest of the states were generally ahead.

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 ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Nov-21	15-Nov-21	
Gujarat	Ahmedabad	Shankar-6	8250	8500	-250
	Gondal	Shankar-6	8505	8630	-125
	Rajkot	B.T. Cotton	8605	8700	-95
	Patan	B.T. Cotton	8340	8430	-90
	Kadi	B.T. Cotton	8000	8000	Unch
	Deesa	B.T. Cotton	NA	7950	-
	Dhrol	B.T. Cotton	8405	8505	-100
Haryana	Bhiwani	B.T. Cotton	8400	8500	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8350	8600	-250
	Fatehabad	B.T. Cotton	8150	8600	-450
	Jind	B.T. Cotton	8400	8225	175
	Uchana	B.T. Cotton	8515	8200	315
	Dabwali	B.T. Cotton	8600	8500	100
Rajasthan	Hanumangarh	B.T. Cotton	8800	8800	Unch
	Rawatsar	B.T. Cotton	8500	8600	-100
Madhya Pradesh	Khandwa	Mech-1	8300	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7400	7300	100
	Hathras	Desi	7300	7200	100
Telangana	Adilabad	Un-Ginned	7880	NA	-
Karnataka	Bijapur	Bunny	NA	8689	-
	Hubli	D.C.H.	8150	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Nov-21	15-Nov-21	

Punjab	Bhatinda	J-34	6740	6780	-40
	Abohar	J-34	6740	6780	-40
	Mansa	J-34	6640	6600	40
Haryana	Sirsa	J-34	6630	6650	-20
Rajasthan	Sri-Ganganagar	J-34	6345	6345	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Nov-21	15-Nov-21	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	4562	6840	-2278
	Rajkot	B.T. Cotton	6400	8000	-1600
	Patan	B.T. Cotton	19110	16289	2821
	Kadi	B.T. Cotton	40000	40000	Unch
	Deesa	B.T. Cotton	NA	1400	-
	Dhrol	B.T. Cotton	419	293	126
Haryana	Bhiwani	B.T. Cotton	2200	2000	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	850	-170
	Fatehabad	B.T. Cotton	350	300	50
	Jind	B.T. Cotton	765	1105	-340
	Uchana	B.T. Cotton	365	100	265
	Dabwali	B.T. Cotton	1900	1000	900
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	1800	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	250	-150
	Hathras	Desi	100	75	25
Telangana	Adilabad	Un-Ginned	43518.1	NA	-
Karnataka	Bijapur	Bunny	NA	9411	-
	Hubli	D.C.H.	91	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change



State	Centre	Variety	16-Nov-21	15-Nov-21	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1190	1020	170
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	2700	3000	-300

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	16-Nov-21	15-Nov-21	
Gujarat	Rajkot	Rs. /10 Kg.	1275	1300	-25
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1265	1280	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1255	1270	-15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	16-Nov-21	15-Nov-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2464	2505	-41
Maharashtra	Akola	Rs./Qtl	2566	2600	-34

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	16-Nov-21	15-Nov-21	Change
CCIndex(328)	RMB/Ton	22692	22657	35
CCIndex(527)	RMB/Ton	21261	21247	14
CCIndex(229)	RMB/Ton	23215	23185	30

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

China Foreign Cotton (FCE) Index :

Index	Unit	16-Nov-21	15-Nov-21	Change
FC Index (S)	Cents/lb	132.85	133.4	-0.55
FC Index (M)	Cents/lb	131.38	131.98	-0.60
FC Index (L)	Cents/lb	129.79	130.39	-0.60

Cotlook Index:

Cotlook Indices	Unit	12-Nov-21	11-Nov-21	Change
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A-Index	Cents/Pound	127.5	127.25	0.25
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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 15-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 Monday, Nov 15th, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211115	117.65	118.19	116.50	117.62	-0.07	18,162	45,588	-5,226
Mar-22	211115	114.99	115.63	113.61	114.64	-0.44	20,653	146,370	+4,518
May-22	211115	113.25	114.08	112.10	113.02	-0.33	3,703	35,703	+1,303
Jul-22	211115	109.49	110.90	109.04	109.85	-0.21	789	24,895	+65
Oct-22	211115	97.45	97.45	97.45	97.45	+0.22	0	35	+0
Dec-22	211115	91.50	92.39	91.40	92.10	+0.45	647	30,677	+315
Total Volume and Open Interest							44,007	286,951	+976

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