

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend today. MCX cotton spot price was lower at Rs.31,370/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: Rising price of cotton bales have posed a huge threat to Karur textile manufacturing and export industries, which are gearing up for the annual international textile fair, which is set to take place in Germany as majority of the trade depends on foreign orders received during the expo.

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 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.

Weather Forecast:

Thunderstorm accompanied with lightening at isolated places over Gujarat state, West Madhya Pradesh, Rajasthan, Madhya Maharashtra, Konkan & Goa, Telangana, Tamil Nadu, Pondicherry & Karikal, and Kerala & Mahe, Rayalaseema, Karnataka, and Coastal Andhra Pradesh & Yanam. Heavy rainfall at isolated places over Tamil Nadu, Coastal Andhra Pradesh & Yanam, Rayalaseema, and heavy rainfall at isolated places over Kerala & Mahe, interior Karnataka, and Telangana.

International Fundamentals:

The ICE cotton Futures was higher by 172 points at 119.7 cents/lb. The Cotlook A index was at 126.45 cents/lb. The AWP for cotton was at 101.56 cents/lb.

The United States is now looking to enhance its stake in cotton exports to Bangladesh to strengthen the US foothold in Bangladesh's market, the US exporters and their representative put an emphasis on resolving issues, such as obligation to fumigate US cotton after imports, not being able to send cotton laden ships directly to Bangladesh in the absence of a deep seaport, a hike in shipping costs and other logistic costs.

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	-520	31400	32170	30780	31610	1782	2161

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Nov-21	17-Nov-21	
Gujarat	Ahmedabad	Shankar-6	8250	8250	Unch
	Gondal	Shankar-6	8490	8530	-40
	Rajkot	B.T. Cotton	8500	8550	-50
	Patan	B.T. Cotton	NA	8350	-
	Kadi	B.T. Cotton	8000	8000	Unch
	Deesa	B.T. Cotton	NA	7850	-
	Dhrol	B.T. Cotton	NA	8350	-
Haryana	Bhiwani	B.T. Cotton	8200	8200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8150	8150	Unch
	Fatehabad	B.T. Cotton	8100	8100	Unch
	Jind	B.T. Cotton	8125	8250	-125
	Uchana	B.T. Cotton	7885	8100	-215
	Dabwali	B.T. Cotton	8300	8380	-80
Rajasthan	Hanumangarh	B.T. Cotton	8500	8200	300
	Rawatsar	B.T. Cotton	8400	8150	250
Madhya Pradesh	Khandwa	Mech-1	8000	8150	-150
	Khargaon	Mech-1	NA	8405	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7400	7400	Unch
	Hathras	Desi	7300	7300	Unch
Telangana	Adilabad	Un-Ginned	7620	7800	-180
Karnataka	Bijapur	Bunny	NA	8189	-
	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	18-Nov-21	17-Nov-21	
Punjab	Bhatinda	J-34	6520	6650	-130
	Abohar	J-34	6530	6670	-140
	Mansa	J-34	6510	6620	-110
Haryana	Sirsa	J-34	6440	6450	-10
Rajasthan	Sri-Ganganagar	J-34	5922	6204	-282

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Nov-21	17-Nov-21	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	4550	4377	173
	Rajkot	B.T. Cotton	6000	5600	400
	Patan	B.T. Cotton	NA	17008	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	1400	-
	Dhrol	B.T. Cotton	NA	381	-
Haryana	Bhiwani	B.T. Cotton	2500	2800	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1360	-510
	Fatehabad	B.T. Cotton	200	500	-300
	Jind	B.T. Cotton	1071	935	136
	Uchana	B.T. Cotton	1040	505	535
	Dabwali	B.T. Cotton	1700	1400	300
Rajasthan	Hanumangarh	B.T. Cotton	2000	2500	-500
	Rawatsar	B.T. Cotton	10000	2000	8000
Madhya Pradesh	Khandwa	Mech-1	1200	1400	-200
	Khargaon	Mech-1	NA	6125	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	100	Unch
	Hathras	Desi	100	100	Unch
Telangana	Adilabad	Un-Ginned	64554.4	52498.7	12055.7
Karnataka	Bijapur	Bunny	NA	5873	-
	Hubli	D.C.H.	116	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Nov-21	17-Nov-21	
Punjab	Bhatinda	J-34	10200	6800	3400
	Abohar	J-34	1360	1190	170
	Mansa	J-34	680	340	340
Haryana	Sirsa	J-34	1190	680	510
Rajasthan	Sri-Ganganagar	J-34	2500	3000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	18-Nov-21	17-Nov-21	
Gujarat	Rajkot	Rs. /10 Kg.	1275	1275	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1265	1265	Unch

Maharashtra	Mumbai	Rs. /10 Kg.	1280	1270	10
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Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	18-Nov-21	17-Nov-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2462	2455	7
Maharashtra	Akola	Rs./Qtl	2519	2546	-27

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

Index	Unit	18-Nov-21	17-Nov-21	Change
CCIndex(328)	RMB/Ton	22713	22687	26
CCIndex(527)	RMB/Ton	21298	21260	38
CCIndex(229)	RMB/Ton	23208	23197	11

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

China Foreign Cotton (FCE) Index :

Index	Unit	18-Nov-21	17-Nov-21	Change
FC Index (S)	Cents/lb	134.34	133.31	1.03
FC Index (M)	Cents/lb	132.88	131.88	1.00
FC Index (L)	Cents/lb	131.29	130.29	1.00

Cotlook Index:

Cotlook Indices	Unit	16-Nov-21	15-Nov-21	Change
A-Index	Cents/Pound	126.45	126.95	-0.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		16-Nov-21	15-Nov-21	Bales
Southeast	cents/lb.	115.63	118.87	0
North Delta	cents/lb.	114.63	117.87	0
South Delta	cents/lb.	114.63	117.87	0
East TX-OK	cents/lb.	109.88	114.87	1251
West Texas	cents/lb.	110.88	115.87	5648
Desert SW	cents/lb.	109.63	114.37	0
SJ Valley	cents/lb.	110.13	120.27	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 16-Nov-2021				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	16780
Equivalent	40 Kgs	10074	193	17983

Daily Futures Price Listing Wednesday, Nov 17th, 2021									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211117	117.91	121.63	117.61	119.70	+1.72	9,018	21,781	-8,387
Mar-22	211117	115.13	118.50	114.79	116.92	+1.79	16,722	150,869	+1,354
May-22	211117	113.46	116.67	113.14	115.28	+1.76	3,812	37,052	+742
Jul-22	211117	110.12	112.39	109.73	111.49	+1.46	935	25,059	+72
Oct-22	211117	97.98	97.98	97.98	97.98	+0.70	0	35	+0
Dec-22	211117	91.50	92.40	91.93	91.93	+0.05	505	30,703	+187
Total Volume and Open Interest							31,148	270,279	-5,884

Source: MRCI

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