

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.32,170/bale on Friday. ICE cotton futures closed green on Thursday.

News: As Indian cotton price continue to rule high, the trade fears a decline in export for the current season to September 2022. According to the Cotton Association of India estimates, exports were 7 lakh bales during the first 2 months of the season compared with 12 lakh bales in the same period last year. If the prices continue to remain high it would be difficult to achieve the export target of 48 lakh bales. Presently, cotton prices are rulling high across the country and growers are seen holding back their produce, anticipating better prices.

Despite the concerns expressed by the industry, the government is unlikely to defer implementation of higher goods and service tax on certain textile products as the decision was taken by the GST council.

Cotton yarn prices of major varieties remained steady in north India amid weak demand from fabric manufacturers. Fabrics manufactures were hesitant for new buying due to the proposed hike in GST from January 1. On 17th December 2021, cotton yarn of 20 and 30 counts in combed variety were traded at Rs.320-330 and Rs.350-355 per kg respectively in Ludhiana, while carded yarn in 30 counts was quoted at Rs.315-330 per kg. In Delhi market, cotton yarn of 30 count combed was sold at Rs.325-345, 40 count combed at Rs.360-380, 30 count carded at Rs.295-315, and 40 count carded at Rs.330-350 per kg. 10 count weaving yarn was quoted at Rs.120-125, while 16 count weaving at Rs.160-165 per kg. Panipat, which is known for recycled cotton yarn, also recorded muted trend. According to trade sources, cotton yarn prices increased by around 3-4 per cent so their manufacturing cost went up. However, sluggish market conditions forced them to sell cotton yarn at the previous prices. Therefore, trading activities slowed down in current market conditions.

The Indian cotton federation has estimated cotton production during 2021-22 to be above 350 lakh bales. As per the federation the increase in the minimum support price had encouraged farmers to take cotton crop this year. On the export front too, the demand was robust.

CAI has estimated total cotton supply at 154.76 lakh bales, which consists of the arrivals of 77.76 lakh bales, imports of 2 lakh bales during the month of November 2021 and Opening Stock of 75 lakh bales equivalent to 79.69 lakh running bales at the beginning of the season on 1st October 2021. Further, the CAI has estimated cotton consumption for the months of October and November 2021 at 55.83 lakh bales while export shipment of cotton during the months of October and November 2021 is estimated at 7.00 lakh bales. Stock at the end of November 2021 is estimated at 91.93 lakh bales. The cotton stock held by mills in their godown on 30th November 2021 is estimated at 56.00 lakh bales of 170 kgs. each. The mills have on an average 60 days stock in their godown.

The United States Department of Agriculture's Foreign Agricultural Services has predicted India's cotton output for the season at 28 million bales, which works out to about 359 lakh bales. The output estimate are consistent with the Cotton Association of India's (CAI) prediction of 360.13 lakh bales for 2021-22 season which is around 7 lakh bales higher from the 353 lakh bales estimated for 2020-21 season.

Weather Forecast:

Dense fog very likely at isolated places over Punjab, Haryana, Northwest Rajasthan, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura.

International Fundamentals:

The ICE cotton Futures was higher by 29 points at 109.12 cents/lb. The Cotlook A index was at 120.20 cents/lb. The AWP for cotton was at 96.27 cents/lb

According to the National Bureau of Statistics, cotton output in northwest china's Xinjiang Ugyur region has reached to 5.1 million tonnes. Xinjiang has ranked first in China for more than 20 consecutive years in terms of total cotton output, per unit yield, planting area and commodity allocation. During the 2021 cotton planting area in Xinjiang has reached 2.5 million hectares, accounting for 82.8 percent of the national planting area.

Earlier, the US has banned imports of products made with Xinjiang cotton, alleging human rights violation in the Chinese province. Products made with Xinjiang cotton have been illegal in the US since January 2021, but despite the US ban, exports of textile and garments from Xinjiang increased by 53 percent in the first nine months of the 2021 season. China's exports of semi-finished cotton products are destined for countries within Asia such as Bangladesh, Vietnam, Indonesia and Cambodia.

According to USDA, cotton imports to Bangladesh may drop in the 2021-22 season (June 2021- May 2022) despite a rise in its consumption by the garment industry. Cotton imports may fall to 8.2 million bales in the 2022 season from 8.75 million in 2021 season.

The USDA has increased its 2021 production estimate for upland cotton. The crop is now seen at 17.91 million bales, up 58,000 from November with a slightly higher average yield estimate, now at 877 pounds per acre, compared to 874 last month.

According to the International Cotton Advisory Committee December report, India's cotton production for the 2021-22 season is projected at 5.90 million metric tons lower from the previous season estimate of 6.00 million metric tonnes. While consumption is estimated at 5.70 million metric tonnes. Global cotton production is projected at 25.73 million metric tonnes higher from previous season of 24.30 million metric tons.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+0.16	32290	32350	32130	32250	986	7942

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Dec-21	23-Dec-21	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	9080	9105	-25
	Rajkot	B.T. Cotton	9045	9035	10
	Patan	B.T. Cotton	8885	8885	Unch
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	8725	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8600	8550	50
	Fatehabad	B.T. Cotton	8600	8500	100
	Jind	B.T. Cotton	8650	8600	50
	Uchana	B.T. Cotton	8600	8565	35
	Dabwali	B.T. Cotton	8900	8900	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8900	8800	100
	Rawatsar	B.T. Cotton	8900	8800	100
Madhya Pradesh	Khandwa	Mech-1	8500	8500	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8500	8700	-200
	Jamner	Medium Staple	NA	8025	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	6000	Unch
	Hathras	Desi	6300	6300	Unch
Telangana	Adilabad	Un-Ginned	8200	8100	100
Karnataka	Bijapur	Bunny	NA	9029	-
	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	24-Dec-21	23-Dec-21	
Punjab	Bhatinda	J-34	6750	6700	50
	Abohar	J-34	6820	6775	45
	Mansa	J-34	6800	6725	75
Haryana	Sirsa	J-34	6670	6630	40
Rajasthan	Sri-Ganganagar	J-34	6533	6486	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Dec-21	23-Dec-21	
Gujarat	Ahmedabad	Shankar-6	51000	54400	-3400
	Gondal	Shankar-6	1698	1981	-283
	Rajkot	B.T. Cotton	3550	2900	650
	Patan	B.T. Cotton	6345	5144	1201
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	320	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	2210	340
	Fatehabad	B.T. Cotton	1000	1000	Unch
	Jind	B.T. Cotton	1360	1700	-340
	Uchana	B.T. Cotton	1080	970	110
	Dabwali	B.T. Cotton	1500	2000	-500
Rajasthan	Hanumangarh	B.T. Cotton	4000	3500	500
	Rawatsar	B.T. Cotton	4000	3000	1000
Madhya Pradesh	Khandwa	Mech-1	1700	1600	100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	17000	15000	2000
	Jamner	Medium Staple	NA	49	-
Uttar Pradesh	Hathras	B.T. Cotton	70	70	Unch
	Hathras	Desi	90	90	Unch
Telangana	Adilabad	Un-Ginned	108397	44007.8	64389.2
Karnataka	Bijapur	Bunny	NA	5315	-
	Hubli	D.C.H.	32	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Dec-21	23-Dec-21	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	1700	1360	340
	Mansa	J-34	510	850	-340
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	1400	2000	-600

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Dec-21	23-Dec-21	
Gujarat	Rajkot	Rs. /10 Kg.	1150	1130	20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1145	1125	20
Maharashtra	Mumbai	Rs. /10 Kg.	1190	1165	25

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Dec-21	23-Dec-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2896	2877	19
Maharashtra	Akola	Rs./Qtl	2855	2854	1

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

Index	Unit	24-Dec-21	23-Dec-21	Change
CCIndex(328)	RMB/Ton	21959	21947	12
CCIndex(527)	RMB/Ton	20389	20380	9
CCIndex(229)	RMB/Ton	22622	22592	30

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

China Foreign Cotton (FCE) Index :

Index	Unit	24-Dec-21	23-Dec-21	Change
FC Index (S)	Cents/lb	126.26	126.02	0.24
FC Index (M)	Cents/lb	124.86	124.62	0.24



FC Index (L)	Cents/lb	123.29	123.04	0.25
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Cotlook Index:

Cotlook Indices	Unit	23-Dec-21	22-Dec-21	Change
A-Index	Cents/Pound	121.6	120.2	1.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Dec-21	22-Dec-21	Bales
Southeast	cents/lb.	110.12	112.08	628
North Delta	cents/lb.	108.87	110.83	0
South Delta	cents/lb.	108.87	110.83	0
East TX-OK	cents/lb.	104.12	106.08	5399
West Texas	cents/lb.	104.62	106.33	22383
Desert SW	cents/lb.	103.12	105.58	517
SJ Valley	cents/lb.	103.62	112.23	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 23-Dec-2021

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	17580
Equivalent	40 Kgs	10074	193	18841

Daily Futures Price Listing Thursday, Nov 23rd, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-21	211223	108.65	109.45	108.21	109.12	+0.29	9,671	117,047	-114
Mar-22	211223	106.80	107.33	106.20	107.05	+0.25	4,537	48,819	+301
May-22	211223	103.84	104.59	103.45	104.30	+0.40	3,097	24,860	-1,120
Jul-22	211223	95.59	95.59	95.59	95.59	+0.64	0	38	+0
Oct-22	211223	90.14	91.20	90.00	90.71	+0.72	604	32,640	-31
Dec-22	211223	87.00	87.51	87.00	87.51	+0.77	17	2,257	+0
Total Volume and Open Interest							17,926	229,924	-964

Source: MRCI

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