

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.32,500/bale on Monday. ICE cotton futures closed green on Friday.

News: *Cotton yarn prices of major varieties remained stable today in north Indian markets due to weaker demand. But Panipat market saw price rise of ₹5-10 per kg for optical yarn. Panipat is prominent market for recycled yarn used for furnishing textile. Traders expect muted trend in cotton yarn market this week, ahead of the implementation of GST hike.*

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.

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, and north Rajasthan. Thunderstorm accompanied with lightening & hail at isolated places over East & adjoining West Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh and Marathwada.

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 | -0.03 | 32710 | 32850 | 32520 | 32650 | 847 | 69280 |

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

| Commodity | Kapas | | Prices (Rs./Quintal) | | Change |
|----------------|-------------|---------------|----------------------|-----------|--------|
| State | Centre | Variety | 27-Dec-21 | 25-Dec-21 | |
| Gujarat | Ahmedabad | Shankar-6 | 9000 | 9000 | Unch |
| | Gondal | Shankar-6 | 9405 | 9155 | 250 |
| | Rajkot | B.T. Cotton | 9500 | 9120 | 380 |
| | Patan | B.T. Cotton | 9150 | Closed | - |
| | Kadi | B.T. Cotton | 8500 | 8500 | Unch |
| | Deesa | B.T. Cotton | 8125 | 7955 | 170 |
| | Dhrol | B.T. Cotton | 8990 | 8875 | 115 |
| Haryana | Bhiwani | B.T. Cotton | 8000 | NA | - |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | 8900 | 8700 | 200 |
| | Fatehabad | B.T. Cotton | 8800 | 8600 | 200 |
| | Jind | B.T. Cotton | 8900 | 8650 | 250 |
| | Uchana | B.T. Cotton | 8750 | 8600 | 150 |
| | Dabwali | B.T. Cotton | 9100 | 8900 | 200 |
| Rajasthan | Hanumangarh | B.T. Cotton | 9100 | 8950 | 150 |
| | Rawatsar | B.T. Cotton | 9100 | 8875 | 225 |
| Madhya Pradesh | Khandwa | Mech-1 | 8600 | Closed | - |
| | Khargaon | Mech-1 | NA | NA | - |
| Maharashtra | Amravati | Mech-1 | 8800 | 8500 | 300 |
| | Jamner | Medium Staple | 8025 | NA | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NA | NA | - |
| | Hathras | Desi | NA | NA | - |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| Karnataka | Bijapur | Bunny | 9369 | NA | - |
| | Hubli | D.C.H. | 8020 | NA | - |
| | Hubli | B.T. Cotton | NA | NA | - |
| | Raichur | H-44 Cotton | NA | NA | - |
| Commodity | Lint | | Prices (Rs./Maund) | | Change |

| State | Centre | Variety | 27-Dec-21 | 25-Dec-21 | |
|-----------|----------------|---------|-----------|-----------|-----|
| Punjab | Bhatinda | J-34 | 6925 | 6840 | 85 |
| | Abohar | J-34 | 6940 | 6840 | 100 |
| | Mansa | J-34 | 6920 | 6820 | 100 |
| Haryana | Sirsa | J-34 | 6800 | 6700 | 100 |
| Rajasthan | Sri-Ganganagar | J-34 | 6580 | 6533 | 47 |

Cotton Arrivals in Key Centers:

| Commodity | Kapas | | Arrivals (Quintal) | | Change |
|----------------|-------------|---------------|--------------------|-----------|--------|
| State | Centre | Variety | 27-Dec-21 | 25-Dec-21 | |
| Gujarat | Ahmedabad | Shankar-6 | 51000 | 51000 | Unch |
| | Gondal | Shankar-6 | 1778 | 1352 | 426 |
| | Rajkot | B.T. Cotton | 3450 | 3300 | 150 |
| | Patan | B.T. Cotton | 7625 | Closed | - |
| | Kadi | B.T. Cotton | 30000 | 30000 | Unch |
| | Deesa | B.T. Cotton | 400 | 500 | -100 |
| | Dhrol | B.T. Cotton | 419 | 302 | 117 |
| Haryana | Bhiwani | B.T. Cotton | 1200 | NA | - |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | 1870 | 2550 | -680 |
| | Fatehabad | B.T. Cotton | 700 | 1000 | -300 |
| | Jind | B.T. Cotton | 1700 | 1190 | 510 |
| | Uchana | B.T. Cotton | 300 | 800 | -500 |
| | Dabwali | B.T. Cotton | 2500 | 1500 | 1000 |
| Rajasthan | Hanumangarh | B.T. Cotton | 2000 | 4000 | -2000 |
| | Rawatsar | B.T. Cotton | 4000 | 3500 | 500 |
| Madhya Pradesh | Khandwa | Mech-1 | 1300 | Closed | - |
| | Khargaon | Mech-1 | NA | NA | - |
| Maharashtra | Amravati | Mech-1 | 13000 | 17000 | -4000 |
| | Jamner | Medium Staple | 70 | NA | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NA | NA | - |
| | Hathras | Desi | NA | NA | - |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| Karnataka | Bijapur | Bunny | 3317 | NA | - |
| | Hubli | D.C.H. | 38 | NA | - |

| | Hubli | B.T. Cotton | NA | NA | - |
|-----------|----------------|-------------|--------------------|-----------|--------|
| | Raichur | H-44 Cotton | NA | NA | - |
| Commodity | Lint | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 27-Dec-21 | 25-Dec-21 | |
| Punjab | Bhatinda | J-34 | 10200 | 10200 | Unch |
| | Abohar | J-34 | 850 | 1360 | -510 |
| | Mansa | J-34 | 340 | 340 | Unch |
| Haryana | Sirsa | J-34 | 1020 | 1360 | -340 |
| Rajasthan | Sri-Ganganagar | J-34 | 1000 | 900 | 100 |

Cotton Seed Oil Prices:

| Commodity | Cotton Seed Oil | | Price | | Change |
|-------------|-----------------|-------------|-----------|-----------|--------|
| State | Centre | Unit | 27-Dec-21 | 25-Dec-21 | |
| Gujarat | Rajkot | Rs. /10 Kg. | 1170 | 1150 | 20 |
| Delhi | New Delhi | Rs. /10 Kg. | NR | NR | - |
| Telangana | Hyderabad | Rs. /10 Kg. | 1165 | 1145 | 20 |
| Maharashtra | Mumbai | Rs. /10 Kg. | 1200 | 1190 | 10 |

Cotton Seed Oil Seed Cake Prices:

| Commodity | Cotton Seed Oil Seed Cake | | Price | | Change |
|-------------|---------------------------|---------|-----------|-----------|--------|
| State | Centre | Unit | 27-Dec-21 | 25-Dec-21 | |
| Gujarat | Mahesana (Kadi) | Rs./Qtl | 3066 | 2894 | 172 |
| Maharashtra | Akola | Rs./Qtl | 2937 | 2855 | 82 |

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

| Index | Unit | 27-Dec-21 | 24-Dec-21 | Change |
|--------------|---------|-----------|-----------|--------|
| CCIndex(328) | RMB/Ton | 21984 | 21959 | 25 |
| CCIndex(527) | RMB/Ton | 20382 | 20389 | -7 |
| CCIndex(229) | RMB/Ton | 22625 | 22622 | 3 |

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 |
|--------------|----------|--------|--------|------|

Cotlook Index:

| Cotlook Indices | Unit | 24-Dec-21 | 23-Dec-21 | Change |
|-----------------|-------------|-----------|-----------|--------|
| A-Index | Cents/Pound | 121.85 | 121.6 | 0.25 |

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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