

**Domestic Fundamentals:****Market Outlook:**

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.32,910/bale on Tuesday. ICE cotton futures closed green on Monday.*

**News:** *According to the commerce ministry data, India's exports have increased 36.2 percent to \$23.82 billion during 1<sup>st</sup>-21<sup>st</sup> December (year-on-year). In the third week of December 2021, exports increased 20.83 percent to \$7.36 billion indicating a declaration in growth.*

*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 1<sup>st</sup> 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 30<sup>th</sup> 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 Madhya Pradesh, Vidarbha, and Chhattisgarh.*

### International Fundamentals:

The ICE cotton Futures was higher by 316 points at 112.28 cents/lb. The Cotlook A index was at 121.85 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 Uygur 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	+1.46	33090	33450	33090	32970	83	63275

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Dec-21	27-Dec-21	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	9580	9405	175
	Rajkot	B.T. Cotton	9930	9500	430
	Patan	B.T. Cotton	9225	9150	75
	Kadi	B.T. Cotton	9000	8500	500
	Deesa	B.T. Cotton	NA	8125	-
	Dhrol	B.T. Cotton	9090	8990	100
Haryana	Bhiwani	B.T. Cotton	8000	8000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8950	8900	50
	Fatehabad	B.T. Cotton	9000	8800	200
	Jind	B.T. Cotton	9000	8900	100
	Uchana	B.T. Cotton	8700	8750	-50
	Dabwali	B.T. Cotton	9100	9100	Unch
Rajasthan	Hanumangarh	B.T. Cotton	9200	9100	100
	Rawatsar	B.T. Cotton	9200	9100	100
Madhya Pradesh	Khandwa	Mech-1	8700	8600	100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8900	8800	100
	Jamner	Medium Staple	NA	8025	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8520	NA	-
Karnataka	Bijapur	Bunny	9709	9369	340
	Hubli	D.C.H.	8270	8020	250
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	28-Dec-21	27-Dec-21	
Punjab	Bhatinda	J-34	7050	6925	125
	Abohar	J-34	7040	6940	100
	Mansa	J-34	7050	6920	130
Haryana	Sirsa	J-34	6900	6800	100
Rajasthan	Sri-Ganganagar	J-34	6580	6580	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Dec-21	27-Dec-21	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2136	1778	358
	Rajkot	B.T. Cotton	3200	3450	-250
	Patan	B.T. Cotton	3728	7625	-3897
	Kadi	B.T. Cotton	35000	30000	5000
	Deesa	B.T. Cotton	NA	400	-
	Dhrol	B.T. Cotton	453	419	34
Haryana	Bhiwani	B.T. Cotton	1200	1200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	1870	680
	Fatehabad	B.T. Cotton	1200	700	500
	Jind	B.T. Cotton	1700	1700	Unch
	Uchana	B.T. Cotton	1200	300	900
	Dabwali	B.T. Cotton	2000	2500	-500
Rajasthan	Hanumangarh	B.T. Cotton	2500	2000	500
	Rawatsar	B.T. Cotton	3000	4000	-1000
Madhya Pradesh	Khandwa	Mech-1	1300	1300	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12000	13000	-1000
	Jamner	Medium Staple	NA	70	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	138625.6	NA	-
Karnataka	Bijapur	Bunny	3463	3317	146
	Hubli	D.C.H.	14	38	-24

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Dec-21	27-Dec-21	
Punjab	Bhatinda	J-34	10200	10200	Unch
	Abohar	J-34	1190	850	340
	Mansa	J-34	850	340	510
Haryana	Sirsa	J-34	850	1020	-170
Rajasthan	Sri-Ganganagar	J-34	1000	1000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Dec-21	27-Dec-21	
Gujarat	Rajkot	Rs. /10 Kg.	1185	1170	15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1170	1165	5
Maharashtra	Mumbai	Rs. /10 Kg.	1195	1200	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Dec-21	27-Dec-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3063	3066	-3
Maharashtra	Akola	Rs./Qtl	2946	2937	9

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	28-Dec-21	27-Dec-21	Change
CCIndex(328)	RMB/Ton	21968	21984	-16
CCIndex(527)	RMB/Ton	20374	20382	-8
CCIndex(229)	RMB/Ton	22610	22625	-15

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

China Foreign Cotton (FCE) Index :

Index	Unit	24-Dec-21	22-Dec-21	Change
FC Index (S)	Cents/lb	126.26	124.9	1.36
FC Index (M)	Cents/lb	124.86	123.53	1.33



FC Index (L)	Cents/lb	123.29	121.96	1.33
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### 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 Monday, Nov 27, 2021**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Dec-21</a>	211227	108.91	112.69	108.51	112.28	+3.16	9,278	118,611	+1,564
<a href="#">Mar-22</a>	211227	107.19	110.25	106.47	109.83	+2.78	2,908	49,484	+665
<a href="#">May-22</a>	211227	104.45	106.98	103.88	106.72	+2.42	1,127	24,859	-1
<a href="#">Jul-22</a>	211227	96.92	96.97	96.87	96.87	+1.28	1	38	+0
<a href="#">Oct-22</a>	211227	90.70	92.00	90.60	91.94	+1.23	834	32,754	+114
<a href="#">Dec-22</a>	211227	87.41	88.73	87.41	88.73	+1.22	34	2,258	+1
Total Volume and Open Interest							14,194	232,268	+2,344

Source: MRCI

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