

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,530/bale on Thursday. ICE cotton futures closed green on Wednesday.*

**News:** *Cotton prices have touched a record high of Rs. 8,715 per quintal for superior quality at the Enumamula agriculture market of Warangal district and Rs. 8,500 per quintal at the Jammikunta agriculture market in Karimnagar district. As per the official sources this is the highest price the cotton has got in the last three years due to less production following heavy rains that lashed the state four months back. The high demand for the produce in the international market has also triggered the hike in the prices. Earlier in the beginning of the season, cotton was selling at Rs 6,000 per quintal. However, for the last two months, prices have started increasing and ranged between Rs 7,500 and Rs 8,000 per quintal at the end of November.*

*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 ruling 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.*

**Weather Forecast:**

*Dense fog very likely at isolated places over Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim and Odisha, Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya. Thunderstorm accompanied with lightening & hail at isolated places over Coastal Andhra Pradesh & Yanam and Tamil Nadu, Pondicherry & Karikal.*

### International Fundamentals:

The ICE cotton Futures was higher by 294 points at 112.99 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	+0.51	33770	33770	33490	33330	124	10428

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Dec-21	29-Dec-21	
Gujarat	Ahmedabad	Shankar-6	9625	9000	625
	Gondal	Shankar-6	9955	9655	300
	Rajkot	B.T. Cotton	10050	9770	280
	Patan	B.T. Cotton	9590	9420	170
	Kadi	B.T. Cotton	9000	9000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9580	9260	320
Haryana	Bhiwani	B.T. Cotton	8500	8500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8900	8850	50
	Fatehabad	B.T. Cotton	8900	8700	200
	Jind	B.T. Cotton	8500	8300	200
	Uchana	B.T. Cotton	8500	8500	Unch
	Dabwali	B.T. Cotton	9200	9170	30
Rajasthan	Hanumangarh	B.T. Cotton	9350	9100	250
	Rawatsar	B.T. Cotton	9300	9200	100
Madhya Pradesh	Khandwa	Mech-1	9200	8800	400
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	9000	8900	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8650	8520	130
Karnataka	Bijapur	Bunny	9972	10009	-37
	Hubli	D.C.H.	9050	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Dec-21	29-Dec-21	
Punjab	Bhatinda	J-34	7050	7010	40

	Abohar	J-34	7070	6990	80
	Mansa	J-34	7060	6970	90
Haryana	Sirsa	J-34	6930	6860	70
Rajasthan	Sri-Ganganagar	J-34	6533	6533	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Dec-21	29-Dec-21	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2150	1597	553
	Rajkot	B.T. Cotton	3450	2400	1050
	Patan	B.T. Cotton	3920	2088	1832
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	285	169	116
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2040	2550	-510
	Fatehabad	B.T. Cotton	1000	1800	-800
	Jind	B.T. Cotton	2040	1360	680
	Uchana	B.T. Cotton	1500	1500	Unch
	Dabwali	B.T. Cotton	1500	1800	-300
Rajasthan	Hanumangarh	B.T. Cotton	4000	3500	500
	Rawatsar	B.T. Cotton	2500	3000	-500
Madhya Pradesh	Khandwa	Mech-1	1400	1200	200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10000	10000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	38029.9	86215.7	-48185.8
Karnataka	Bijapur	Bunny	3673	3901	-228
	Hubli	D.C.H.	74	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	30-Dec-21	29-Dec-21	

Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	1360	1360	Unch
	Mansa	J-34	850	1190	-340
Haryana	Sirsa	J-34	1700	1020	680
Rajasthan	Sri-Ganganagar	J-34	2500	2500	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	30-Dec-21	29-Dec-21	
Gujarat	Rajkot	Rs. /10 Kg.	1185	1200	-15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1175	1190	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1195	1210	-15

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	30-Dec-21	29-Dec-21	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3121	3070	51
Maharashtra	Akola	Rs./Qtl	3001	2984	17

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

Index	Unit	30-Dec-21	29-Dec-21	Change
CCIndex(328)	RMB/Ton	22029	22027	2
CCIndex(527)	RMB/Ton	20402	20397	5
CCIndex(229)	RMB/Ton	22661	22397	264

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	30-Dec-21	29-Dec-21	Change
FC Index (S)	Cents/lb	129.96	127.33	2.63
FC Index (M)	Cents/lb	128.54	125.93	2.61
FC Index (L)	Cents/lb	126.96	124.36	2.60

**Cotlook Index:**

Cotlook Indices	Unit	29-Dec-21	24-Dec-21	Change
A-Index	Cents/Pound	122.85	121.85	1.00



### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Dec-21	28-Dec-21	Bales
Southeast	cents/lb.	113.99	113.3	0
North Delta	cents/lb.	112.74	112.05	142
South Delta	cents/lb.	112.74	112.05	226
East TX-OK	cents/lb.	107.74	107.3	9464
West Texas	cents/lb.	108.24	107.55	13631
Desert SW	cents/lb.	106.99	106.8	439
SJ Valley	cents/lb.	107.49	113.45	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 29-Dec-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	17680
Equivalent	40 Kgs	10074	193	18948

### Daily Futures Price Listing Wednesday, Nov 29, 2021

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Dec-21</a>	211229	110.05	113.96	110.00	112.99	+2.94	11,076	119,636	+487
<a href="#">Mar-22</a>	211229	108.20	111.17	108.06	110.06	+2.33	4,530	50,149	+227
<a href="#">May-22</a>	211229	105.39	107.93	105.31	107.32	+2.01	1,191	25,302	+301
<a href="#">Jul-22</a>	211229	96.75	96.75	96.65	96.65	+0.78	8	44	+6
<a href="#">Oct-22</a>	211229	91.40	92.19	90.91	91.65	+0.35	703	32,703	-77
<a href="#">Dec-22</a>	211229	88.59	88.90	88.44	88.44	+0.34	25	2,276	-3
Total Volume and Open Interest							17,559	234,366	+933

Source: MRCI

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