

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.34,550/bale on Friday. ICE cotton futures closed green on Monday.

News: *According to the Tripura Exporters Association (TEA), the 11 per cent total import duty existing on cotton has been the reason for the cartelisation of players to increase the domestic cotton prices and make an abnormal profit. The Association said that the price hike of cotton does heavily impact the garment- exporting units and leads to loss of exports, including employment. Moreover, the sustainability of the MSME garment units will also be doubtful. Also, the association said that the removal of the import duty imposed on cotton will protect the garment sector. Necessary steps have to be taken to break the cartelisation and also see the possibility of imposing ban on cotton exports.*

Despite less area under cotton cultivation, over 5.168 bales were produced in Punjab and average production remained at 23.9 maund per acre. The 21 percent increase in per acre production of cotton in Punjab.

Cotton prices at Adoni traded at Rs. 9,611 per quintal at gondal market. Cotton traded steady tone across major spot market of north India on Monday. Prices were down Rs. 20-30 per maund compared to Saturday.

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 1st-21st 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.

Weather Forecast:

Thunderstorm accompanied with lightening & hail at isolated places very likely over Uttarakhand, Haryana, Chandigarh & Delhi, Punjab, and Rajasthan and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, & Muzaffarabad, Himachal Pradesh, West Uttar Pradesh and West Madhya Pradesh.

International Fundamentals:

The ICE cotton Futures was higher by 63 points at 113.23 cents/lb. The Cotlook A index was at 127.20 cents/lb. The AWP for cotton was at 99.12 cents/lb

As per the Cotton Ginners Association, over 7.3 million of seed cotton have reached the ginning factories across the country till first of January 2022, registering increase of 36.81 percent as compared to corresponding period of last year.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+1.16	33650	33950	33600	33520	95	62502

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	04-Jan-22	03-Jan-22	
Gujarat	Ahmedabad	Shankar-6	10000	10000	Unch
	Gondal	Shankar-6	10085	10105	-20
	Rajkot	B.T. Cotton	10215	10100	115
	Patan	B.T. Cotton	10270	10005	265
	Kadi	B.T. Cotton	9500	9500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9630	10255	-625
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9400	9200	200
	Fatehabad	B.T. Cotton	9200	9150	50
	Jind	B.T. Cotton	9500	9100	400
	Uchana	B.T. Cotton	9300	9000	300
	Dabwali	B.T. Cotton	9565	9400	165
Rajasthan	Hanumangarh	B.T. Cotton	9800	9400	400
	Rawatsar	B.T. Cotton	9500	9300	200
Madhya Pradesh	Khandwa	Mech-1	9500	9100	400
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	9800	9600	200
	Jamner	Medium Staple	8200	8060	140
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8208	NA	-
Karnataka	Bijapur	Bunny	10611	10211	400
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	04-Jan-22	03-Jan-22	

Punjab	Bhatinda	J-34	7200	7070	130
	Abohar	J-34	7200	7090	110
	Mansa	J-34	7170	7070	100
Haryana	Sirsa	J-34	7000	6950	50
Rajasthan	Sri-Ganganagar	J-34	6674	6674	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	04-Jan-22	03-Jan-22	
Gujarat	Ahmedabad	Shankar-6	47600	47600	Unch
	Gondal	Shankar-6	2527	2972	-445
	Rajkot	B.T. Cotton	3600	3200	400
	Patan	B.T. Cotton	4345	3940	405
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	677	697	-20
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	2550	2550	Unch
	Fatehabad	B.T. Cotton	1100	1100	Unch
	Jind	B.T. Cotton	2550	1700	850
	Uchana	B.T. Cotton	1200	800	400
	Dabwali	B.T. Cotton	1800	3000	-1200
Rajasthan	Hanumangarh	B.T. Cotton	3500	4000	-500
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	1200	1500	-300
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	15000	Unch
	Jamner	Medium Staple	37	47	-10
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	36109.6	NA	-
Karnataka	Bijapur	Bunny	4470	691	3779
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	04-Jan-22	03-Jan-22	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	850	1190	-340
	Mansa	J-34	510	680	-170
Haryana	Sirsa	J-34	1360	1360	Unch
Rajasthan	Sri-Ganganagar	J-34	3500	4000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	04-Jan-22	03-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1185	1185	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1175	1175	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1195	1195	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	04-Jan-22	03-Jan-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3304	3317	-13
Maharashtra	Akola	Rs./Qtl	3235	3234	1

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 Monday, Dec 03, 2022

Most Recent Information	Previous Day
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Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-22	220103	112.76	114.61	112.76	113.23	+0.63			
May-22	220103	110.48	112.26	110.43	110.91	+0.43			
Jul-22	220103	108.88	109.55	109.55	108.50	+0.62			
Oct-22	220103	97.64	97.90	97.64	97.90	+0.51			
Dec-22	220103	92.50	93.00	92.50	92.95	+0.30			
Mar-23	220103	89.36	89.76	89.30	89.70	+0.28			
Total Volume and Open Interest									

Source: MRCI

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