

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.35,450/bale on Monday. ICE cotton futures closed green on Friday.*

**News:** *Cotton traded steady tone across major spot market of north India on Monday. Prices were down Rs. 10-20 per maund.*

*The Textile Ministry has taken up with the Ministry of Finance the need for removal of 10% import duty on cotton. Textile Secretary Upendra Prasad Singh held a meeting with representatives of the textiles and clothing sector on Thursday to discuss the issue of rising raw cotton and yarn prices. The Confederation of All India Traders has urged the government to withdraw proposed GST hike on textiles from 5 to 12 percent. As, it would put a big financial burden on over 85 percent of the people.*

*High cotton prices this season has become a subject of concern to the domestic textile industry as the units are facing not only spike in raw material prices but also shortage in availability. According to the Southern Indian Mills Association, the 2021-22 season started with a comfortable opening stock of 75 lakh bales and estimated crop of 360 lakh bales, the cotton prices started increasing from the beginning. There was a pent-up demand for the cotton in the post-COVID period. As per the various market sources, MCX and NCDEX dominated by the large traders are also fuelling the market. At present, Indian cotton prices are higher than the international prices, affecting the competitiveness of the industry. As a result, government should immediately remove the import duty on cotton.*

*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.*

*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 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.*

**Weather Forecast:**

Thunderstorm accompanied with lightening & hail at isolated places very likely over Jharkhand, Chhattisgarh, Bihar, Gangetic West Bengal, Odisha and with lightening at isolated places over Vidarbha, Assam & Meghalaya, and Telangana. Heavy rainfall at isolated places over Odisha.

**International Fundamentals:**

The ICE cotton Futures was lower by 40 points at 115.12 cents/lb. The Cotlook A index was at 128.5 cents/lb. The AWP for cotton was at 103.85 cents/lb

According to the USDA's Cotton and Products Update, Indonesia's cotton consumption is forecasted to increase to 2.5 million bales in 2021-22 season which is higher around 2 percent from 2.45 million bales in 2020-2021 season. The United States is losing market share in Indonesia mainly due to price and lead time uncompetitive compared to other major suppliers.

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	-	35680	35800	34600	35400	3041	26801

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Jan-22	08-Jan-22	
Gujarat	Ahmedabad	Shankar-6	10000	10250	-250
	Gondal	Shankar-6	10250	10380	-130
	Rajkot	B.T. Cotton	10205	10575	-370
	Patan	B.T. Cotton	10215	10185	30
	Kadi	B.T. Cotton	9800	9700	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9500	9456	44
	Fatehabad	B.T. Cotton	9200	9000	200
	Jind	B.T. Cotton	9700	NR	-
	Uchana	B.T. Cotton	9500	NR	-
	Dabwali	B.T. Cotton	9645	9650	-5
Rajasthan	Hanumangarh	B.T. Cotton	9800	NR	-
	Rawatsar	B.T. Cotton	9600	9700	-100
Madhya Pradesh	Khandwa	Mech-1	10000	10000	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10000	10100	-100
	Jamner	Medium Staple	NA	9050	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10150	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Jan-22	08-Jan-22	

Punjab	Bhatinda	J-34	7400	7400	Unch
	Abohar	J-34	7400	7400	Unch
	Mansa	J-34	7400	7400	Unch
Haryana	Sirsa	J-34	7250	7250	Unch
Rajasthan	Sri-Ganganagar	J-34	6909	6674	235

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jan-22	08-Jan-22	
Gujarat	Ahmedabad	Shankar-6	39100	42500	-3400
	Gondal	Shankar-6	4775	3051	1724
	Rajkot	B.T. Cotton	7100	3000	4100
	Patan	B.T. Cotton	5070	491	4579
	Kadi	B.T. Cotton	30000	20000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	2040	2550	-510
	Fatehabad	B.T. Cotton	900	300	600
	Jind	B.T. Cotton	680	NR	-
	Uchana	B.T. Cotton	1000	NR	-
	Dabwali	B.T. Cotton	2200	400	1800
Rajasthan	Hanumangarh	B.T. Cotton	1000	NR	-
	Rawatsar	B.T. Cotton	5000	1200	3800
Madhya Pradesh	Khandwa	Mech-1	1000	1500	-500
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	14000	1000
	Jamner	Medium Staple	NA	116	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	NA	7	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jan-22	08-Jan-22	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	340	255	85
	Mansa	J-34	510	170	340
Haryana	Sirsa	J-34	1360	170	1190
Rajasthan	Sri-Ganganagar	J-34	2000	2700	-700

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	10-Jan-22	08-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1210	1200	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1215	1200	15
Maharashtra	Mumbai	Rs. /10 Kg.	1220	1210	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	10-Jan-22	08-Jan-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	3417	3493	-76
Maharashtra	Akola	Rs./Qtl	3396	3402	-6

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	07-Jan-22	06-Jan-22	Change
CCIndex(328)	RMB/Ton	22333	22326	7
CCIndex(527)	RMB/Ton	20633	20637	-4
CCIndex(229)	RMB/Ton	22887	22878	9

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

China Foreign Cotton (FCE) Index :

Index	Unit	07-Jan-22	06-Jan-22	Change
FC Index (S)	Cents/lb	132.28	133.29	-1.01
FC Index (M)	Cents/lb	130.65	131.86	-1.21
FC Index (L)	Cents/lb	130.85	130.3	0.55



### Cotlook Index:

Cotlook Indices	Unit	07-Jan-22	06-Jan-22	Change
A-Index	Cents/Pound	127.2	128.5	-1.30

### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		07-Jan-22	06-Jan-22	Bales
Southeast	cents/lb.	116.12	117.97	234
North Delta	cents/lb.	114.62	116.47	0
South Delta	cents/lb.	114.62	116.47	0
East TX-OK	cents/lb.	109.62	111.47	2800
West Texas	cents/lb.	110.12	111.72	10450
Desert SW	cents/lb.	108.62	110.97	392
SJ Valley	cents/lb.	109.12	117.62	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 08-Jan-2021

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	18480
Equivalent	40 Kgs	10074	193	19805

### Daily Futures Price Listing Friday, Dec 07, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220107	114.96	116.86	114.80	115.12	+0.40	12,212	120,149	-644
<a href="#">May-22</a>	220107	112.31	114.28	112.28	112.88	+0.60	6,807	54,497	+1,077
<a href="#">Jul-22</a>	220107	109.59	111.11	109.40	100.28	+0.87	3,175	27,942	-390
<a href="#">Oct-22</a>	220107	98.99	99.57	98.99	99.57	+0.58	2	45	+1
<a href="#">Dec-22</a>	220107	93.88	94.60	93.72	94.52	+0.53	1,381	34,279	+391
<a href="#">Mar-23</a>	220107	90.80	90.95	90.36	90.92	+0.35	397	2,709	+215
Total Volume and Open Interest							24,033	244,038	+643

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