

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.35,160/bale on Tuesday. ICE cotton futures closed green on Monday.*

**News:** *Tripura Exporters Association (TEA) has asked the government to ban export of cotton due to the price rise in cotton and cotton yarn. Earlier, TEA has urged the industry to remove 11 percent import duty on cotton. The price in the international market has been lower than that of India according to the previous month data.*

*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.*

*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 Sub- Himalayan West Bengal & Sikkim, Telangana and with lightening at isolated places over Vidarbha, Chattisgarh, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Coastal Andhra Pradesh.*

### International Fundamentals:

The ICE cotton Futures was higher by 10 points at 115.22 cents/lb. The Cotlook A index was at 127.2 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	-	34720	35180	34460	34740	1847	16065

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Jan-22	10-Jan-22	
Gujarat	Ahmedabad	Shankar-6	10000	10000	Unch
	Gondal	Shankar-6	10105	10250	-145
	Rajkot	B.T. Cotton	10100	10205	-105
	Patan	B.T. Cotton	10005	10215	-210
	Kadi	B.T. Cotton	9700	9800	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9625	NA	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9000	9500	-500
	Fatehabad	B.T. Cotton	9300	9200	100
	Jind	B.T. Cotton	9500	9700	-200
	Uchana	B.T. Cotton	9200	9500	-300
	Dabwali	B.T. Cotton	9500	9645	-145
Rajasthan	Hanumangarh	B.T. Cotton	9500	9800	-300
	Rawatsar	B.T. Cotton	9300	9600	-300
Madhya Pradesh	Khandwa	Mech-1	9800	10000	-200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10000	10000	Unch
	Jamner	Medium Staple	9300	9200	100
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9300	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	7029	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Jan-22	10-Jan-22	

Punjab	Bhatinda	J-34	7200	7400	-200
	Abohar	J-34	7230	7400	-170
	Mansa	J-34	7280	7400	-120
Haryana	Sirsa	J-34	7100	7250	-150
Rajasthan	Sri-Ganganagar	J-34	6909	6909	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Jan-22	10-Jan-22	
Gujarat	Ahmedabad	Shankar-6	42500	39100	3400
	Gondal	Shankar-6	4855	4775	80
	Rajkot	B.T. Cotton	7400	7100	300
	Patan	B.T. Cotton	7250	5070	2180
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	575	NA	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1700	2040	-340
	Fatehabad	B.T. Cotton	1000	900	100
	Jind	B.T. Cotton	850	680	170
	Uchana	B.T. Cotton	1000	1000	Unch
	Dabwali	B.T. Cotton	1200	2200	-1000
Rajasthan	Hanumangarh	B.T. Cotton	4000	1000	3000
	Rawatsar	B.T. Cotton	2000	5000	-3000
Madhya Pradesh	Khandwa	Mech-1	2000	1000	1000
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	15000	Unch
	Jamner	Medium Staple	31	108	-77
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	13011.3	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	3	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Jan-22	10-Jan-22	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	850	340	510
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	1190	1360	-170
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	11-Jan-22	10-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1215	1210	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1220	1215	5
Maharashtra	Mumbai	Rs. /10 Kg.	1225	1220	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	11-Jan-22	10-Jan-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3364	3417	-53
Maharashtra	Akola	Rs./Qtl	3373	3396	-23

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	10-Jan-22	07-Jan-22	Change
CCIndex(328)	RMB/Ton	22374	22333	41
CCIndex(527)	RMB/Ton	20668	20633	35
CCIndex(229)	RMB/Ton	22901	22887	14
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	10-Jan-22	07-Jan-22	Change
A-Index	Cents/Pound	128.15	127.2	0.95

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		10-Jan-22	07-Jan-22	Bales
Southeast	cents/lb.	116.22	118.37	0
North Delta	cents/lb.	114.72	116.87	0
South Delta	cents/lb.	114.72	116.87	0
East TX-OK	cents/lb.	109.72	111.87	1629
West Texas	cents/lb.	109.97	112.12	7015
Desert SW	cents/lb.	108.72	111.37	0
SJ Valley	cents/lb.	109.22	118.02	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 10-Jan-2022**

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	18780
Equivalent	40 Kgs	10074	193	20127

**Daily Futures Price Listing Monday, Jan 10, 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220110	115.13	116.38	114.82	115.22	+0.10	12,438	119,305	-844
<a href="#">May-22</a>	220110	112.90	114.03	112.72	113.07	+0.19	5,994	55,716	+1,219
<a href="#">Jul-22</a>	220110	110.73	111.37	110.37	110.68	+0.40	2,532	28,448	+506
<a href="#">Oct-22</a>	220110	100.33	100.33	100.33	100.33	+0.76	0	45	+0
<a href="#">Dec-22</a>	220110	94.50	95.00	94.47	94.92	+0.40	1,092	34,692	+413
<a href="#">Mar-23</a>	220110	90.95	91.51	90.95	91.51	+0.59	63	2,759	+50
Total Volume and Open Interest							22,119	245,382	+1,344

Source: MRCI

### **Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2021 Indian Agribusiness Systems Pvt. Ltd.