

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.35,480/bale on Friday. ICE cotton futures closed red on Thursday.

News: Cotton arrivals were around 39 percent lower as compared to 2020-21 season. According to the market sources, total cotton arrivals in India till 31st December 2021 were around 1,20,78,900 bales as compared to previous season arrivals of 1,97,85,000 bales. Cotton arrivals in 2021-22 season are lower mainly because of lesser sown area and crop damage due to heavy rainfalls earlier in the season.

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 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.

Weather Forecast:

Thunderstorm accompanied with lightening at isolated places very likely Coastal Andhra Pradesh & Yanam and Tamil Nadu, Pondicherry & Karaikal and Telangana. Dense to very dense fog at isolated places over East Uttar Pradesh, north Rajasthan and in isolated places pockets over West Uttar Pradesh, and dense fog at isolated places over Punjab, Haryana, Chandigarh & Delhi, Bihar and Sub- Himalayan West Bengal & Sikkim.

International Fundamentals:

The ICE cotton Futures was lower by 80 points at 116.84 cents/lb. The Cotlook A index was at 129.55 cents/lb. The AWP for cotton was at 105.58 cents/lb

According to USDA January 2022 report, India's Cotton production is estimated at 5,987 MT in January 2022 lower from the previous month estimate of 6,096 MT. Domestic cotton consumption was estimated at 5,661 MT higher from previous estimate of 5,617 MT. Further, Cotton exports were at 1,263 MT. Ending stock for the 2021-22 season is estimated at 2,208 MT.

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 Ugyur 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.

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-	35010	35560	34670	35440	1609	14215

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Jan-22	13-Jan-22	
Gujarat	Ahmedabad	Shankar-6	Closed	10000	-
	Gondal	Shankar-6	Closed	10130	-
	Rajkot	B.T. Cotton	Closed	10055	-
	Patan	B.T. Cotton	Closed	9880	-
	Kadi	B.T. Cotton	Closed	9800	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	9705	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9350	9400	-50
	Fatehabad	B.T. Cotton	9200	9300	-100
	Jind	B.T. Cotton	9400	9400	Unch
	Uchana	B.T. Cotton	9000	9000	Unch
	Dabwali	B.T. Cotton	Closed	9500	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	9650	-
	Rawatsar	B.T. Cotton	9400	9500	-100
Madhya Pradesh	Khandwa	Mech-1	Closed	9500	-
	Khargaon	Mech-1	Closed	NA	-
Maharashtra	Amravati	Mech-1	9600	9600	Unch
	Jamner	Medium Staple	NA	9225	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	9250	-
Karnataka	Bijapur	Bunny	NA	10444	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	9900	-
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	14-Jan-22	13-Jan-22	
Punjab	Bhatinda	J-34	7300	7300	Unch
	Abohar	J-34	7350	7350	Unch
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	7180	7200	-20
Rajasthan	Sri-Ganganagar	J-34	Closed	6862	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Jan-22	13-Jan-22	
Gujarat	Ahmedabad	Shankar-6	Closed	37400	-
	Gondal	Shankar-6	Closed	5468	-
	Rajkot	B.T. Cotton	Closed	5000	-
	Patan	B.T. Cotton	Closed	3533	-
	Kadi	B.T. Cotton	Closed	30000	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	511	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1700	2040	-340
	Fatehabad	B.T. Cotton	600	1000	-400
	Jind	B.T. Cotton	1360	1360	Unch
	Uchana	B.T. Cotton	1000	1200	-200
	Dabwali	B.T. Cotton	Closed	500	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	3000	-
	Rawatsar	B.T. Cotton	4000	5000	-1000
Madhya Pradesh	Khandwa	Mech-1	Closed	1200	-
	Khargaon	Mech-1	Closed	NA	-
Maharashtra	Amravati	Mech-1	16000	17000	-1000
	Jamner	Medium Staple	NA	37	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	11532.5	-
Karnataka	Bijapur	Bunny	NA	3925	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	19	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Jan-22	13-Jan-22	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	850	850	Unch
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	1190	1190	Unch
Rajasthan	Sri-Ganganagar	J-34	Closed	3000	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	14-Jan-22	13-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	1225	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	Closed	Closed	-
Maharashtra	Mumbai	Rs. /10 Kg.	1235	1235	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	14-Jan-22	13-Jan-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	NR	3381	-
Maharashtra	Akola	Rs./Qtl	3391	3408	-17

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	12-Jan-22	11-Jan-22	Change
CCIndex(328)	RMB/Ton	22443	22471	-28
CCIndex(527)	RMB/Ton	20726	20719	7
CCIndex(229)	RMB/Ton	22940	22981	-41

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

China Foreign Cotton (FCE) Index :

Index	Unit	12-Jan-22	11-Jan-22	Change
FC Index (S)	Cents/lb	133.59	132.78	0.81
FC Index (M)	Cents/lb	132.15	131.35	0.80

FC Index (L)	Cents/lb	130.59	129.79	0.80
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Cotlook Index:

Cotlook Indices	Unit	12-Jan-22	11-Jan-22	Change
A-Index	Cents/Pound	129.55	128.65	0.90

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Jan-22	11-Jan-22	Bales
Southeast	cents/lb.	118.64	119.27	6
North Delta	cents/lb.	117.14	117.77	60
South Delta	cents/lb.	117.14	117.77	25
East TX-OK	cents/lb.	112.14	112.77	3170
West Texas	cents/lb.	112.39	112.77	15485
Desert SW	cents/lb.	111.14	112.27	398
SJ Valley	cents/lb.	111.64	118.92	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 12-Jan-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	18680
Equivalent	40 Kgs	10074	193	20019

Daily Futures Price Listing Thursday, Jan 13, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-22	220113	117.65	118.45	116.44	116.84	-0.80	10,672	112,320	-2,529
May-22	220113	114.84	115.91	114.13	114.47	-0.51	6,938	55,627	+168
Jul-22	220113	112.44	113.55	111.83	111.83	-0.37	4,145	33,522	+2,075
Oct-22	220113	101.62	101.62	101.62	101.62	-0.36	0	44	+0
Dec-22	220113	96.20	97.25	95.50	95.68	-0.66	1,665	35,079	+50
Mar-23	220113	92.66	93.50	92.00	92.17	-0.58	137	2,898	+91
Total Volume and Open Interest							23,577	244,451	-136

Source: MRCI

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