

**Domestic Fundamentals:**

**Market Outlook:**

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.36,330/bale on Tuesday. ICE cotton futures closed red on Monday.*

**News:** *According to the market sources, Indian cotton spinners are likely to report a double-digit revenue growth and all-time high profit in 2021-22 season mainly because of the high demand of raw cotton from spinning and ginning mills.*

*Southern India Mills Association has again urged the government to remove the import duty of 10 percent on cotton to ease the cotton price in the domestic market.*

*Cottonseed prices in Gujarat had increased in the last week amid improved demand in the market mainly from spinning and ginning mills. Cottonseed prices are currently ranging between Rs. 8,500 to Rs. 10,500 per quintal. As per AgriWatch estimate, cotton production in Gujarat is expected to be lower in 2021-22 season because of lower sown area around 22.53 lakh hectares as compared to 25.53 lakh hectares in the previous season.*

*Tamil Nadu government has urged the central government to remove the 10 percent import duty on cotton and has also asked the government to control the rising price of cotton and yarn. As, if the cotton and yarn prices kept on rising than the large number of power looms and apparel and home textile units may soon become unviable resulting in closure and consequent large scale unemployment and industrial unrest in the state.*

*Cotton Association of India has reduced its December estimate of the cotton crop for the 2021-22 season by 12 lakh bales to 348.12 lakh bales from its previous estimate of 360.13 lakh bales. The association has attributed the reduction in crop estimate to the drop in production in states including Punjab, Haryana, Rajasthan, Gujarat, Telangana, Odisha and Karnataka. AgriWatch has estimated cotton production for 2021-22 season at 350.60 lakh bales lower from its previous season estimate of 365.00 lakh bales.*

*The textile hub of Tirupur incurred a production loss of more than Rs. 200 crore on last Monday (the first day of the 2-day strike called by textile firms against steep increase in yarn prices). Yarn prices have increased abnormally over the last one year causing disastrous impact on the textile sector. The prices have increased by Rs. 30 per kg with the start of 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 10 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 the need for removal of 10% import duty on cotton with the Ministry of Finance. Textile Secretary held a meeting with representatives of the textiles and clothing sector 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. The proposed GST hike has been put on hold for time being.*

*Cotton arrivals were around 39 percent lower as compared to 2020-21 season. According to the market sources, total cotton arrivals in India till 3<sup>1st</sup> 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.*

**Weather Forecast:**

*Dense fog at isolated places over Odisha is expected.*

**International Fundamentals:**

*The ICE cotton Futures was lower by 35 points at 120.4 cents/lb. The Cotlook A index was at 136.70 cents/lb. The AWP for cotton was at 110.44 cents/lb.*

*With the goal of attracting local and foreign investment and to modernize and reopen closed textile mills, Bangladesh government has opened international tenders for 4 out of 16 textile mills through Public Private Partnership. Earlier, Bangladesh Textile Mills Corporation has initiated a process of handing over two textile mills through Public- Private Partnership.*

*Cotton Prices in Brazilian local market may continue to firm up as most of the 2020-21 crop has already been traded. Brazil's National Supply Company (CONAB) estimates cotton production at 2.7 million tonnes in the 2021-22 season, which is around 11 percent higher as compared to the previous season. The planted area may increase to 1.542 million hectares in the second cotton crop of 2021-22 season. Brazil cotton production is expected to increase because of regular rains early in the season.*

*According to USDA's January 2022 report, US cotton production is estimated at 17.62 million bales for the 2021-22 season, about 660,000 bales lower than the previous month estimate, bringing its ending stock estimate at 200,000 bales lower to 3.20 million bales. The USDA has also cut its global output estimate by about 610,000 bales to 120.96 million bales, bringing ending stocks forecast to 85.01 million bales from 85.73 million bales last month. However, USDA has trimmed US exports estimate by 500,000 bales to 15.0 million bales on lower US crop and continuing logistical issues.*

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

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	-	36110	36500	36090	36100	219	19309

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	25-Jan-22	24-Jan-22	
<b>Gujarat</b>	Ahmedabad	Shankar-6	10000	10000	Unch
	Gondal	Shankar-6	10355	10255	100
	Rajkot	B.T. Cotton	10015	10120	-105
	Patan	B.T. Cotton	10140	10345	-205
	Kadi	B.T. Cotton	9800	9800	Unch
	Deesa	B.T. Cotton	NA	8055	-
	Dhrol	B.T. Cotton	9755	9850	-95
<b>Haryana</b>	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9450	9350	100
	Fatehabad	B.T. Cotton	9200	9200	Unch
	Jind	B.T. Cotton	9400	9500	-100
	Uchana	B.T. Cotton	9900	9800	100
	Dabwali	B.T. Cotton	9600	9570	30
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	9700	9750	-50
	Rawatsar	B.T. Cotton	9700	9700	Unch
<b>Madhya Pradesh</b>	Khandwa	Mech-1	9900	9800	100
	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	9900	10000	-100
	Jamner	Medium Staple	NA	9360	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	9400	NA	-
<b>Karnataka</b>	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9950	10200	-250
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Jan-22	24-Jan-22	
<b>Punjab</b>	Bhatinda	J-34	7500	7520	-20

	Abohar	J-34	7570	7570	Unch
	Mansa	J-34	7550	7560	-10
Haryana	Sirsa	J-34	7300	7330	-30
Rajasthan	Sri-Ganganagar	J-34	7050	7050	Unch

**Cotton Arrivals in Key Centres:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-Jan-22	24-Jan-22	
Gujarat	Ahmedabad	Shankar-6	47600	51000	-3400
	Gondal	Shankar-6	3911	3922	-11
	Rajkot	B.T. Cotton	3600	3400	200
	Patan	B.T. Cotton	2802	2074	728
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	100	-
	Dhrol	B.T. Cotton	604	411	193
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	700	500	200
	Jind	B.T. Cotton	1360	1700	-340
	Uchana	B.T. Cotton	1000	500	500
	Dabwali	B.T. Cotton	1200	1000	200
Rajasthan	Hanumangarh	B.T. Cotton	2500	700	1800
	Rawatsar	B.T. Cotton	1000	500	500
Madhya Pradesh	Khandwa	Mech-1	600	700	-100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	16000	8000	8000
	Jamner	Medium Staple	NA	86	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	29982.1	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	5	2

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	25-Jan-22	24-Jan-22	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	680	680	Unch
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	850	510	340
Rajasthan	Sri-Ganganagar	J-34	10000	10000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	25-Jan-22	24-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1245	1245	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1230	1230	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1240	1240	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	25-Jan-22	24-Jan-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3222	3127	95
Maharashtra	Akola	Rs./Qtl	3290	3227	63

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	24-Jan-22	21-Jan-22	Change
CCIndex(328)	RMB/Ton	22642	22645	-3
CCIndex(527)	RMB/Ton	20937	20928	9
CCIndex(229)	RMB/Ton	23164	23158	6

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

China Foreign Cotton (FCE) Index :

Index	Unit	24-Jan-22	21-Jan-22	Change
FC Index (S)	Cents/lb	138.61	141.38	-2.77
FC Index (M)	Cents/lb	137.23	140.05	-2.82
FC Index (L)	Cents/lb	135.67	138.49	-2.82

## Cotlook Index:

Cotlook Indices	Unit	24-Jan-22	21-Jan-22	Change
A-Index	Cents/Pound	134.8	136.7	-1.90

### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-Jan-22	19-Jan-22	Bales
Southeast	cents/lb.	123.87	127.2	23
North Delta	cents/lb.	122.62	125.95	0
South Delta	cents/lb.	122.62	125.95	0
East TX-OK	cents/lb.	116.87	120.2	6450
West Texas	cents/lb.	116.87	120.2	22982
Desert SW	cents/lb.	116.12	119.95	135
SJ Valley	cents/lb.	116.62	126.6	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 24-Jan-2022

Pakistan Cotton Spot rates: As on 24-Jan-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	19480
Equivalent	40 Kgs	10074	193	20877

## Daily Futures Price Listing Monday, Jan 24, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									



<a href="#">Mar-22</a>	220124	121.20	122.50	119.20	120.40	-0.35	13,288	107,091	-1,357
<a href="#">May-22</a>	220124	118.32	119.61	116.72	117.80	-0.18	6,218	60,088	+567
<a href="#">Jul-22</a>	220124	115.69	116.81	114.20	115.20	-0.24	3,941	38,359	+513
<a href="#">Oct-22</a>	220124	104.09	104.09	104.09	104.09	-0.68	7	44	+0
<a href="#">Dec-22</a>	220124	99.00	99.25	97.30	98.23	-0.62	1,790	35,214	-64
<a href="#">Mar-23</a>	220124	96.04	96.04	94.45	95.37	-0.48	79	3,094	-27
Total Volume and Open Interest							26,139	250,503	+333

Source: MRCI

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