

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.36,560/bale on Friday. ICE cotton futures closed red on Thursday.

News: *Cotton traded steady tone across major spot market of north India on Friday. Cotton prices were higher by Rs. 10-20 per maund compared to yesterday. In Punjab, cotton traded at Rs. 7,310- Rs. 7,380 a maund while in, Haryana prices were at Rs. 7,100- Rs. 7,200 a maund.*

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.

Weather Forecast:

Dense fog at isolated places over Assam & Meghalaya, Nagaland, Manipur, and Mizoram & Tripura is expected.

International Fundamentals:

The ICE cotton Futures was lower by 70 points at 121.63 cents/lb. The Cotlook A index was at 135.1 cents/lb. The AWP for cotton was at 110.44 cents/lb.

Bangladesh cotton imports are likely to cross 9 million bales mark in 2022 as the demand for yarn and fabrics have increased from the local garment exporters.

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	-	36500	36700	36340	36410	230	19314

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Jan-22	27-Jan-22	
Gujarat	Ahmedabad	Shankar-6	10000	10000	Unch
	Gondal	Shankar-6	10405	10430	-25
	Rajkot	B.T. Cotton	10170	10140	30
	Patan	B.T. Cotton	10175	10215	-40
	Kadi	B.T. Cotton	10000	9800	200
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10015	10055	-40
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9700	10000	-300
	Fatehabad	B.T. Cotton	9500	9900	-400
	Jind	B.T. Cotton	8900	9200	-300
	Uchana	B.T. Cotton	9600	9950	-350
	Dabwali	B.T. Cotton	9915	9940	-25
Rajasthan	Hanumangarh	B.T. Cotton	9750	9900	-150
	Rawatsar	B.T. Cotton	9800	10000	-200
Madhya Pradesh	Khandwa	Mech-1	10500	10500	Unch
	Khargaon	Mech-1	NA	10505	-
Maharashtra	Amravati	Mech-1	10200	10500	-300
	Jamner	Medium Staple	9355	9359	-4
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9430	NA	-
Karnataka	Bijapur	Bunny	NA	10509	-
	Hubli	D.C.H.	NA	9300	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Jan-22	27-Jan-22	

Punjab	Bhatinda	J-34	7720	7725	-5
	Abohar	J-34	7710	7720	-10
	Mansa	J-34	7680	7700	-20
Haryana	Sirsa	J-34	7500	7510	-10
Rajasthan	Sri-Ganganagar	J-34	6674	7050	-376

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Jan-22	27-Jan-22	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	5328	6404	-1076
	Rajkot	B.T. Cotton	6800	7200	-400
	Patan	B.T. Cotton	4050	4074	-24
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	611	660	-49
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	3400	2550	850
	Fatehabad	B.T. Cotton	1200	800	400
	Jind	B.T. Cotton	1190	765	425
	Uchana	B.T. Cotton	3700	3000	700
	Dabwali	B.T. Cotton	2000	1515	485
Rajasthan	Hanumangarh	B.T. Cotton	2000	3500	-1500
	Rawatsar	B.T. Cotton	4000	4000	Unch
Madhya Pradesh	Khandwa	Mech-1	700	500	200
	Khargaon	Mech-1	NA	5360	-
Maharashtra	Amravati	Mech-1	23000	18000	5000
	Jamner	Medium Staple	19	77	-58
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	24320	NA	-
Karnataka	Bijapur	Bunny	NA	2965	-
	Hubli	D.C.H.	NA	34	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	NA	5	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Jan-22	27-Jan-22	
Punjab	Bhatinda	J-34	6800	8500	-1700
	Abohar	J-34	1020	1360	-340
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	1700	850	850
Rajasthan	Sri-Ganganagar	J-34	16000	10000	6000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Jan-22	27-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1260	1250	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1250	1240	10
Maharashtra	Mumbai	Rs. /10 Kg.	1270	1265	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Jan-22	27-Jan-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3288	3277	11
Maharashtra	Akola	Rs./Qtl	3305	3325	-20

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	28-Jan-22	27-Jan-22	Change
CCIndex(328)	RMB/Ton	22727	22724	3
CCIndex(527)	RMB/Ton	20982	20988	-6
CCIndex(229)	RMB/Ton	23212	23226	-14

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

China Foreign Cotton (FCE) Index :

Index	Unit	28-Jan-22	27-Jan-22	Change
FC Index (S)	Cents/lb	139.62	140.27	-0.65
FC Index (M)	Cents/lb	138.19	138.91	-0.72
FC Index (L)	Cents/lb	136.62	137.34	-0.72

Cotlook Index:

Cotlook Indices	Unit	27-Jan-22	25-Jan-22	Change
A-Index	Cents/Pound	136.45	135.1	1.35

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Jan-22	25-Jan-22	Bales
Southeast	cents/lb.	122.63	125.58	101
North Delta	cents/lb.	121.38	124.33	0
South Delta	cents/lb.	121.38	124.33	0
East TX-OK	cents/lb.	115.13	118.08	3437
West Texas	cents/lb.	115.13	117.58	15015
Desert SW	cents/lb.	114.88	118.08	0
SJ Valley	cents/lb.	115.38	124.98	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 27-Jan-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	19580
Equivalent	40 Kgs	10074	193	20984

Daily Futures Price Listing Thursday, Jan 27, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-22	220127	121.92	122.14	120.85	121.63	-0.70	13,360	101,108	-2,135
May-22	220127	119.52	119.76	118.65	119.36	-0.56	8,487	63,815	+2,204
Jul-22	220127	116.92	116.92	115.69	116.51	-0.41	2,536	40,387	+508
Oct-22	220127	105.65	105.65	105.65	105.65	-0.26	0	44	+0
Dec-22	220127	99.02	99.37	98.60	98.83	-0.54	926	36,080	+143
Mar-23	220127	95.80	96.09	95.20	95.45	-0.53	239	3,290	+119
Total Volume and Open Interest							25,612	251,988	+854

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