

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.36,900/bale on Monday. ICE cotton futures closed green on Friday.*

**News:** *Cotton Association of India expects the area under the cotton crop to expand by 20-25 percent in the upcoming 2022-23 season across all the 10 major cotton producing states. Cotton Association of India has also proposed a moderate increase of 3-5 percent in the cotton crop's Minimum Support Price (MSP) to protect cotton growers' interests.*

*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 per maund while in Haryana, prices were at Rs. 7,100- Rs. 7,200 per 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 due 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.*

#### Weather Forecast:

Dense fog at isolated places over Gangetic West Bengal is expected. Thunderstorm accompanied with lightening at isolated places over Arunachal Pradesh and Assam & Meghalaya.

#### International Fundamentals:

The ICE cotton Futures was lower by 213 points at 123.76 cents/lb. The Cotlook A index was at 135 cents/lb. The AWP for cotton was at 112.43 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 tonne 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	-	37000	37170	36850	36470	187	17304

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-Jan-22	29-Jan-22	
Gujarat	Ahmedabad	Shankar-6	10125	10000	125
	Gondal	Shankar-6	10500	10380	120
	Rajkot	B.T. Cotton	10235	10200	35
	Patan	B.T. Cotton	10170	10130	40
	Kadi	B.T. Cotton	10500	10000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10055	10000	55
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9800	9900	-100
	Fatehabad	B.T. Cotton	9700	9750	-50
	Jind	B.T. Cotton	9200	9100	100
	Uchana	B.T. Cotton	9900	9700	200
	Dabwali	B.T. Cotton	9950	10000	-50
Rajasthan	Hanumangarh	B.T. Cotton	10200	10000	200
	Rawatsar	B.T. Cotton	10000	10100	-100
Madhya Pradesh	Khandwa	Mech-1	9800	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10200	9900	300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	9430	-
Karnataka	Bijapur	Bunny	10477	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10050	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Jan-22	29-Jan-22	

Punjab	Bhatinda	J-34	7800	7740	60
	Abohar	J-34	7800	7730	70
	Mansa	J-34	7800	7710	90
Haryana	Sirsa	J-34	7600	7500	100
Rajasthan	Sri-Ganganagar	J-34	7285	6862	423

**Cotton Arrivals in Key Centres:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Jan-22	29-Jan-22	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	5387	4536	851
	Rajkot	B.T. Cotton	4000	5200	-1200
	Patan	B.T. Cotton	2321	2565	-244
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	900	576	324
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	3400	2380	1020
	Fatehabad	B.T. Cotton	1000	900	100
	Jind	B.T. Cotton	1020	850	170
	Uchana	B.T. Cotton	1500	2800	-1300
	Dabwali	B.T. Cotton	1500	1200	300
Rajasthan	Hanumangarh	B.T. Cotton	3000	3200	-200
	Rawatsar	B.T. Cotton	2000	4000	-2000
Madhya Pradesh	Khandwa	Mech-1	700	Closed	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	16000	11500	4500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	23647.2	-
Karnataka	Bijapur	Bunny	1737	NA	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	31-Jan-22	29-Jan-22	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	850	1020	-170
	Mansa	J-34	850	340	510
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	12000	-9000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	31-Jan-22	29-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1275	1260	15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1260	1250	10
Maharashtra	Mumbai	Rs. /10 Kg.	1290	1270	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	31-Jan-22	29-Jan-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	3191	3276	-85
Maharashtra	Akola	Rs./Qtl	3268	3313	-45

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 29-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 Friday, Jan 28, 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220128	121.80	125.60	120.01	123.76	+2.13	12,474	99,395	-1,713
<a href="#">May-22</a>	220128	119.35	122.36	117.71	120.84	+1.48	7,965	66,715	+2,900
<a href="#">Jul-22</a>	220128	116.45	119.12	115.00	117.87	+1.36	2,332	40,476	+89
<a href="#">Oct-22</a>	220128	106.26	106.26	106.26	106.26	+0.61	1	44	+0
<a href="#">Dec-22</a>	220128	98.80	100.00	98.20	99.73	+0.90	1,811	36,386	+306
<a href="#">Mar-23</a>	220128	95.19	96.59	94.88	96.45	+1.00	208	3,409	+119
Total Volume and Open Interest							24,899	253,790	+1,802

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 © 2022 Indian Agribusiness Systems Ltd.