

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,420/bale on Tuesday. ICE cotton futures closed green on Monday.*

**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 Odisha is expected. Thunderstorm accompanied with lightening at isolated places over Jammu division and Himachal Pradesh expected.*

**International Fundamentals:**

*The ICE cotton Futures was higher by 381 points at 127.57 cents/lb. The Cotlook A index was at 135.85 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	01-Feb-22	31-Jan-22	
Gujarat	Ahmedabad	Shankar-6	10500	10125	375
	Gondal	Shankar-6	10480	10500	-20
	Rajkot	B.T. Cotton	10300	10235	65
	Patan	B.T. Cotton	10345	10170	175
	Kadi	B.T. Cotton	10500	10500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9960	10055	-95
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9700	9800	-100
	Fatehabad	B.T. Cotton	9600	9700	-100
	Jind	B.T. Cotton	8900	9200	-300
	Uchana	B.T. Cotton	9900	9900	Unch
	Dabwali	B.T. Cotton	10550	9950	600
Rajasthan	Hanumangarh	B.T. Cotton	10300	10200	100
	Rawatsar	B.T. Cotton	10200	10000	200
Madhya Pradesh	Khandwa	Mech-1	10000	9800	200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10500	10200	300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10519	10477	42
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10050	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	01-Feb-22	31-Jan-22	
Punjab	Bhatinda	J-34	7870	7800	70
	Abohar	J-34	7900	7800	100
	Mansa	J-34	7880	7800	80
Haryana	Sirsa	J-34	7650	7600	50
Rajasthan	Sri-Ganganagar	J-34	7332	7285	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	01-Feb-22	31-Jan-22	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	6141	5387	754
	Rajkot	B.T. Cotton	6500	4000	2500
	Patan	B.T. Cotton	2866	2321	545
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	655	900	-245
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1870	3400	-1530
	Fatehabad	B.T. Cotton	600	1000	-400
	Jind	B.T. Cotton	1360	1020	340
	Uchana	B.T. Cotton	2000	1500	500
	Dabwali	B.T. Cotton	1500	1500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	700	-100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	17000	16000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	651	1737	-1086
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	7	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	01-Feb-22	31-Jan-22	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	850	850	Unch
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1190	1700	-510
Rajasthan	Sri-Ganganagar	J-34	2500	3000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	01-Feb-22	31-Jan-22	
Gujarat	Rajkot	Rs. /10 Kg.	1280	1275	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1270	1260	10
Maharashtra	Mumbai	Rs. /10 Kg.	1295	1290	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	01-Feb-22	31-Jan-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3204	3191	13
Maharashtra	Akola	Rs./Qtl	3256	3268	-12

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	<b>3437</b>
West Texas	cents/lb.	115.13	117.58	<b>15015</b>
Desert SW	cents/lb.	114.88	118.08	<b>0</b>
SJ Valley	cents/lb.	115.38	124.98	<b>0</b>

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
<b>Cotton</b>	37.32Kgs	9400	180	19580
<b>Equivalent</b>	40 Kgs	10074	193	20984

### Daily Futures Price Listing Monday, Jan 31, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220131	123.76	127.71	123.25	127.57	+3.81	10,742	97,554	-1,841
<a href="#">May-22</a>	220131	120.82	123.69	120.42	123.07	+2.23	6,952	67,544	+829
<a href="#">Jul-22</a>	220131	117.87	120.40	117.50	117.50	+1.79	2,468	41,251	+775
<a href="#">Oct-22</a>	220131	107.35	107.36	105.69	105.69	+0.61	0	44	+0
<a href="#">Dec-22</a>	220131	99.72	101.25	99.53	99.53	+1.14	1,469	36,506	+120
<a href="#">Mar-23</a>	220131	96.45	97.75	96.45	96.45	+1.11	354	3,562	+153
Total Volume and Open Interest							22,186	253,992	+202

Source: MRCI

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