

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,470/bale on Wednesday. ICE cotton futures closed red on Tuesday.*

**News:** *Cotton traded steady tone across major spot market of North India on Wednesday. Cotton prices were lower by Rs. 10-20 per maund compared to yesterday. In Punjab, cotton traded at Rs. 7,750- Rs. 7,850 per maund while in Haryana, prices were at Rs. 7,500- Rs. 7,600 per maund.*

*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.*

*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.*

*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 17<sup>th</sup> January (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:**

*Heavy rainfall at isolated places very likely over Himachal Pradesh and Uttarakhand. Thunderstorm accompanied with lightening at isolated places over Himachal Pradesh, Uttarakhand, North Chhattisgarh and with lightening at isolated places over Jammu division, Punjab, Haryana, Uttar Pradesh, East Madhya Pradesh, Bihar, Jharkhand, West Bengal & Sikkim and Odisha is expected.*

### International Fundamentals:

The ICE cotton Futures was lower by 24 points at 127.33 cents/lb. The Cotlook A index was at 137.70 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 ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	02-Feb-22	01-Feb-22	
Gujarat	Ahmedabad	Shankar-6	10250	10500	-250
	Gondal	Shankar-6	10500	10480	20
	Rajkot	B.T. Cotton	10305	10300	5
	Patan	B.T. Cotton	10350	10345	5
	Kadi	B.T. Cotton	10500	10500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10180	9960	220
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9500	9700	-200
	Fatehabad	B.T. Cotton	9400	9600	-200
	Jind	B.T. Cotton	8600	8900	-300
	Uchana	B.T. Cotton	9600	9900	-300
	Dabwali	B.T. Cotton	10050	10550	-500
Rajasthan	Hanumangarh	B.T. Cotton	10175	10300	-125
	Rawatsar	B.T. Cotton	10100	10200	-100
Madhya Pradesh	Khandwa	Mech-1	9700	10000	-300
	Khargaon	Mech-1	NA	10380	-
Maharashtra	Amravati	Mech-1	10300	10500	-200
	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	10731	10519	212
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10400	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	02-Feb-22	01-Feb-22	

Punjab	Bhatinda	J-34	7850	7870	-20
	Abohar	J-34	7850	7900	-50
	Mansa	J-34	7850	7880	-30
Haryana	Sirsa	J-34	7600	7650	-50
Rajasthan	Sri-Ganganagar	J-34	7144	7332	-188

**Cotton Arrivals in Key Centres:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	02-Feb-22	01-Feb-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	5435	6141	-706
	Rajkot	B.T. Cotton	6200	6500	-300
	Patan	B.T. Cotton	1582	2866	-1284
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	660	655	5
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	2550	1870	680
	Fatehabad	B.T. Cotton	800	600	200
	Jind	B.T. Cotton	1700	1360	340
	Uchana	B.T. Cotton	2200	2000	200
	Dabwali	B.T. Cotton	2000	1500	500
Rajasthan	Hanumangarh	B.T. Cotton	2500	2500	Unch
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	1000	600	400
	Khargaon	Mech-1	NA	6090	-
Maharashtra	Amravati	Mech-1	21000	17000	4000
	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	1416	651	765
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	5	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	02-Feb-22	01-Feb-22	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	1020	850	170
	Mansa	J-34	1190	850	340
Haryana	Sirsa	J-34	1020	1190	-170
Rajasthan	Sri-Ganganagar	J-34	3000	2500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	02-Feb-22	01-Feb-22	
Gujarat	Rajkot	Rs. /10 Kg.	1272	1280	-8
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1265	1270	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1290	1295	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	02-Feb-22	01-Feb-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3213	3204	9
Maharashtra	Akola	Rs./Qtl	3288	3256	32

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
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**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 01-Feb-2022**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	19680
Equivalent	40 Kgs	10074	193	21091

**Daily Futures Price Listing Tuesday, Feb 01st, 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220201	127.45	129.37	124.60	127.33	-0.24	22,800	96,142	-1,412
<a href="#">May-22</a>	220201	123.00	125.06	121.38	123.89	+0.82	10,543	69,532	+1,988
<a href="#">Jul-22</a>	220201	119.66	121.40	118.39	120.57	+0.91	4,051	42,381	+1,130
<a href="#">Oct-22</a>	220201	106.18	108.09	106.18	108.09	+1.22	1	44	+0
<a href="#">Dec-22</a>	220201	100.53	102.50	100.50	102.43	+1.56	3,192	37,501	+995
<a href="#">Mar-23</a>	220201	98.07	99.48	97.98	99.44	+1.88	260	3,572	+10
Total Volume and Open Interest							41,113	256,899	+2,907

Source: MRCI

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