

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,430/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: *Adoni market yard has witnessed a rise in prices this season. The price for each quintal cotton has been at Rs. 10,759. With the season coming towards its end, cotton arrivals have reduced in the market. Moreover, due to increased demand and competition among the traders, the prices have spiked up higher.*

Demand for cotton and cotton yarn has increased due to rains, hailstorm and cloudy weather in the Northern India.

Government has proposed merging the Jute Corporation of India (JCI) and Cotton Corporation of India (CCI) to form a large public sector entity to handle all textile fiber procurement. A Request For Proposal (RFP) has been issued in order to appoint a consultant for the merger of both PSUs under the Ministry of Textiles.

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 17th 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:

Thunderstorm accompanied with lightening & hail at isolated places is expected over Jharkhand, Gangetic West Bengal, Tamil Nadu, and Pondicherry & Karikal. Dense fog in isolated pockets is expected over Assam & Meghalaya.

International Fundamentals:

The ICE cotton Futures was higher by 158 points at 127.15 cents/lb. The Cotlook A index was at 140.80 cents/lb. The AWP for cotton was at 116.10 cents/lb.

Cotton arrivals in Pakistan have increased by 33.91 percent to 7.42 million bales in 2021-22 season. Sindh and Punjab has recorded an increase in cotton production this season.

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 by 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	-	37670	37820	37610	37630	825	77839

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	09-Feb-22	08-Feb-22	
Gujarat	Ahmedabad	Shankar-6	10350	10250	100
	Gondal	Shankar-6	NR	10505	-
	Rajkot	B.T. Cotton	10370	10325	45
	Patan	B.T. Cotton	10395	10365	30
	Kadi	B.T. Cotton	10200	10200	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9940	10025	-85
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	9600	9500	100
	Fatehabad	B.T. Cotton	9600	9500	100
	Jind	B.T. Cotton	9000	8900	100
	Uchana	B.T. Cotton	9500	9700	-200
	Dabwali	B.T. Cotton	9995	10000	-5
Rajasthan	Hanumangarh	B.T. Cotton	10100	10000	100
	Rawatsar	B.T. Cotton	10200	10040	160
Madhya Pradesh	Khandwa	Mech-1	10400	10500	-100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	10400	10300	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9500	9500	Unch
Karnataka	Bijapur	Bunny	NA	10999	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10300	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	09-Feb-22	08-Feb-22	
Punjab	Bhatinda	J-34	7950	7890	60

	Abohar	J-34	7980	7890	90
	Mansa	J-34	7950	7890	60
Haryana	Sirsa	J-34	7670	7650	20
Rajasthan	Sri-Ganganagar	J-34	7238	7238	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	09-Feb-22	08-Feb-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	NR	4274	-
	Rajkot	B.T. Cotton	4300	5000	-700
	Patan	B.T. Cotton	1510	1959	-449
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	535	630	-95
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	2040	1870	170
	Fatehabad	B.T. Cotton	400	600	-200
	Jind	B.T. Cotton	1700	1921	-221
	Uchana	B.T. Cotton	2000	1500	500
	Dabwali	B.T. Cotton	1200	1500	-300
Rajasthan	Hanumangarh	B.T. Cotton	2500	2000	500
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	400	500	-100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	16000	16000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	22983.7	29726.6	-6742.9
Karnataka	Bijapur	Bunny	NA	1805	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	4	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	09-Feb-22	08-Feb-22	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	850	680	170
	Mansa	J-34	850	1020	-170
Haryana	Sirsa	J-34	850	1700	-850
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	09-Feb-22	08-Feb-22	
Gujarat	Rajkot	Rs. /10 Kg.	1315	1315	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1305	1305	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1320	1320	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	09-Feb-22	08-Feb-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3112	3076	36
Maharashtra	Akola	Rs./Qtl	3234	3190	44

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	08-Feb-22	07-Feb-22	Change
CCIndex(328)	RMB/Ton	22846	22762	84
CCIndex(527)	RMB/Ton	21056	21017	39
CCIndex(229)	RMB/Ton	23331	23298	33

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

China Foreign Cotton (FCE) Index :

Index	Unit	08-Feb-22	07-Feb-22	Change
FC Index (S)	Cents/lb	142.95	143.95	-1.00
FC Index (M)	Cents/lb	141.55	142.54	-0.99
FC Index (L)	Cents/lb	139.99	140.98	-0.99



Cotlook Index:

Cotlook Indices	Unit	08-Feb-22	07-Feb-22	Change
A-Index	Cents/Pound	139.65	140.8	-1.15

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		08-Feb-22	07-Feb-22	Bales
Southeast	cents/lb.	128.15	128.82	67
North Delta	cents/lb.	126.9	127.57	0
South Delta	cents/lb.	126.9	127.57	0
East TX-OK	cents/lb.	120.15	120.82	1470
West Texas	cents/lb.	120.15	120.07	18885
Desert SW	cents/lb.	119.9	120.57	0
SJ Valley	cents/lb.	120.4	127.72	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 08-Feb-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	20080
Equivalent	40 Kgs	10074	193	21520

Daily Futures Price Listing Tuesday, Feb 08th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-22	220208	125.57	127.32	125.05	127.15	+1.58	21,676	77,876	-6,770
May-22	220208	122.95	124.49	122.49	124.04	+1.04	17,451	87,911	+5,981
Jul-22	220208	120.16	121.55	119.75	121.32	+1.03	4,090	44,535	+698
Oct-22	220208	109.60	109.60	109.60	109.60	+1.11	1	48	+0
Dec-22	220208	104.27	105.42	103.75	105.35	+0.92	2,929	41,656	+833
Mar-23	220208	101.50	102.47	101.14	102.44	+0.67	931	5,268	+486
Total Volume and Open Interest							47,272	266,056	+1,391

Source: MRCI

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