

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,630/bale on Thursday. ICE cotton futures closed red on Friday.*

**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 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:**

Thunderstorm accompanied with lightening at isolated places is expected over Tamil Nadu, and Pondicherry & Karikal, Kerala & Mahe.

**International Fundamentals:**

The ICE cotton Futures was lower by 38 points at 125.28 cents/lb. The Cotlook A index was at 140.40 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	-	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	12-Feb-22	11-Feb-22	
Gujarat	Ahmedabad	Shankar-6	10500	10500	Unch
	Gondal	Shankar-6	10530	10455	75
	Rajkot	B.T. Cotton	10450	10435	15
	Patan	B.T. Cotton	10505	10490	15
	Kadi	B.T. Cotton	10200	10200	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10250	10120	130
Haryana	Bhiwani	B.T. Cotton	9200	9200	Unch
	Bhiwani	Desi	8800	8800	Unch
	Adampur	B.T. Cotton	10000	9900	100
	Fatehabad	B.T. Cotton	10000	9700	300
	Jind	B.T. Cotton	9500	9200	300
	Uchana	B.T. Cotton	9600	9600	Unch
	Dabwali	B.T. Cotton	10460	10500	-40
Rajasthan	Hanumangarh	B.T. Cotton	10500	10400	100
	Rawatsar	B.T. Cotton	10400	10300	100
Madhya Pradesh	Khandwa	Mech-1	Closed	10500	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	10400	10500	-100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	9510	-
Karnataka	Bijapur	Bunny	NA	10417	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10200	10200	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Feb-22	11-Feb-22	
Punjab	Bhatinda	J-34	8100	8050	50
	Abohar	J-34	8130	8080	50
	Mansa	J-34	8100	8060	40
Haryana	Sirsa	J-34	7900	7850	50
Rajasthan	Sri-Ganganagar	J-34	7520	7520	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Feb-22	11-Feb-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	4557	4860	-303
	Rajkot	B.T. Cotton	5200	4700	500
	Patan	B.T. Cotton	1688	2255	-567
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	713	488	225
Haryana	Bhiwani	B.T. Cotton	2500	3000	-500
	Bhiwani	Desi	2500	3000	-500
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	700	500	200
	Jind	B.T. Cotton	1649	1360	289
	Uchana	B.T. Cotton	3000	2500	500
	Dabwali	B.T. Cotton	1200	800	400
Rajasthan	Hanumangarh	B.T. Cotton	3000	2500	500
	Rawatsar	B.T. Cotton	3000	2000	1000
Madhya Pradesh	Khandwa	Mech-1	Closed	500	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	16000	17000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	14719.1	-
Karnataka	Bijapur	Bunny	NA	1376	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	4	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Feb-22	11-Feb-22	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	680	680	Unch
	Mansa	J-34	680	510	170
Haryana	Sirsa	J-34	1190	1190	Unch
Rajasthan	Sri-Ganganagar	J-34	2500	2000	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Feb-22	11-Feb-22	
Gujarat	Rajkot	Rs. /10 Kg.	1310	1300	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1308	1295	13
Maharashtra	Mumbai	Rs. /10 Kg.	1320	1310	10

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Feb-22	11-Feb-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3216	3216	Unch
Maharashtra	Akola	Rs./Qtl	3291	3291	Unch

**INTERNATIONAL PRICES AND INDICES****China Cotton Index:**

Index	Unit	09-Feb-22	08-Feb-22	Change
CCIndex(328)	RMB/Ton	22843	22846	-3
CCIndex(527)	RMB/Ton	21062	21056	6
CCIndex(229)	RMB/Ton	23324	23331	-7

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	09-Feb-22	08-Feb-22	Change
FC Index (S)	Cents/lb	143.96	142.95	1.01
FC Index (M)	Cents/lb	142.63	141.55	1.08
FC Index (L)	Cents/lb	141.06	139.99	1.07

**Cotlook Index:**

Cotlook Indices	Unit	09-Feb-22	08-Feb-22	Change
A-Index	Cents/Pound	141.05	139.65	1.40

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		09-Feb-22	08-Feb-22	Bales
Southeast	cents/lb.	127.18	130.4	0
North Delta	cents/lb.	126.18	129.15	0
South Delta	cents/lb.	126.18	129.15	0
East TX-OK	cents/lb.	119.43	122.4	2237
West Texas	cents/lb.	119.43	121.65	6948



Desert SW	cents/lb.	119.18	122.15	0
SJ Valley	cents/lb.	119.68	129.3	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 10-Feb-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	9400	180	20380
Equivalent	40 Kgs	10074	193	21841

Daily Futures Price Listing Friday, Feb 11th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220211	125.60	126.41	124.92	125.28	-0.38	22,197	51,183	-10,176
<a href="#">May-22</a>	220211	123.02	123.90	122.50	122.91	-0.29	24,823	100,589	+5,656
<a href="#">Jul-22</a>	220211	120.51	121.00	119.78	120.12	-0.39	6,881	51,914	+2,732
<a href="#">Oct-22</a>	220211	108.41	108.81	108.35	108.91	-0.94	30	48	+0
<a href="#">Dec-22</a>	220211	105.10	105.54	104.60	105.19	-0.08	3,292	48,037	+1,630
<a href="#">Mar-23</a>	220211	102.20	102.30	101.80	102.10	-0.14	429	6,213	+307
Total Volume and Open Interest							57,863	267,089	+303

Source: MRCI

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