

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,970/bale on Monday. 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 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:

Fairly widespread to widespread rainfall very likely over Andaman and Nicobar islands during next 5 days with Thunderstorm accompanied with lightening on 16th-17th February, 2022.

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 plantings in the United States are likely to increase as a result of strong international demand, increasing input prices for farmers, and a prolonged drought in Texas. Cotton futures in New York hit a new decade high at the end of January, signalling a potential increase for the world's largest cotton provider. Last year, expectations for a second worldwide shortfall pushed the fibre up 44 percent.

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	-	38330	38630	38110	38270	1332	6162

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Feb-22	12-Feb-22	
Gujarat	Ahmedabad	Shankar-6	10500	10500	Unch
	Gondal	Shankar-6	10680	10530	150
	Rajkot	B.T. Cotton	10500	10450	50
	Patan	B.T. Cotton	10500	10505	-5
	Kadi	B.T. Cotton	10500	10200	300
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	10250	-
Haryana	Bhiwani	B.T. Cotton	9200	9200	Unch
	Bhiwani	Desi	8800	8800	Unch
	Adampur	B.T. Cotton	10300	10000	300
	Fatehabad	B.T. Cotton	10400	10000	400
	Jind	B.T. Cotton	9800	9500	300
	Uchana	B.T. Cotton	9800	9600	200
	Dabwali	B.T. Cotton	10490	10460	30
Rajasthan	Hanumangarh	B.T. Cotton	10700	10500	200
	Rawatsar	B.T. Cotton	10600	10400	200
Madhya Pradesh	Khandwa	Mech-1	10500	Closed	-
	Khargaon	Mech-1	NA	10405	-
Maharashtra	Amravati	Mech-1	10250	10400	-150
	Jamner	Medium Staple	9453	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10529	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10300	10200	100
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	14-Feb-22	12-Feb-22	
Punjab	Bhatinda	J-34	8220	8100	120
	Abohar	J-34	8225	8130	95
	Mansa	J-34	8215	8100	115
Haryana	Sirsa	J-34	8000	7900	100
Rajasthan	Sri-Ganganagar	J-34	7614	7520	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Feb-22	12-Feb-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	4206	4557	-351
	Rajkot	B.T. Cotton	5600	5200	400
	Patan	B.T. Cotton	1876	1688	188
	Kadi	B.T. Cotton	30000	20000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	713	-
Haryana	Bhiwani	B.T. Cotton	10000	2500	7500
	Bhiwani	Desi	10000	2500	7500
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	300	700	-400
	Jind	B.T. Cotton	1105	1649	-544
	Uchana	B.T. Cotton	1800	3000	-1200
	Dabwali	B.T. Cotton	1500	1200	300
Rajasthan	Hanumangarh	B.T. Cotton	2400	3000	-600
	Rawatsar	B.T. Cotton	2000	3000	-1000
Madhya Pradesh	Khandwa	Mech-1	200	Closed	-
	Khargaon	Mech-1	NA	2230	-
Maharashtra	Amravati	Mech-1	17000	16000	1000
	Jamner	Medium Staple	25	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1845	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4	5	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Feb-22	12-Feb-22	
Punjab	Bhatinda	J-34	6800	8500	-1700
	Abohar	J-34	850	680	170
	Mansa	J-34	340	680	-340
Haryana	Sirsa	J-34	1190	1190	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	2500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil	Price	Change
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State	Centre	Unit	14-Feb-22	12-Feb-22	
Gujarat	Rajkot	Rs. /10 Kg.	1325	1310	15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1323	1308	15
Maharashtra	Mumbai	Rs. /10 Kg.	1340	1320	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	14-Feb-22	12-Feb-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3278	3216	62
Maharashtra	Akola	Rs./Qtl	3324	3291	33

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

Index	Unit	11-Feb-22	10-Feb-22	Change
CCIndex(328)	RMB/Ton	22886	22875	11
CCIndex(527)	RMB/Ton	21089	21080	9
CCIndex(229)	RMB/Ton	23335	23319	16
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	11-Feb-22	10-Feb-22	Change
FC Index (S)	Cents/lb	142.74	143.13	-0.39
FC Index (M)	Cents/lb	141.43	141.81	-0.38
FC Index (L)	Cents/lb	139.86	140.24	-0.38

Cotlook Index:

Cotlook Indices	Unit	11-Feb-22	10-Feb-22	Change
A-Index	Cents/Pound	139.7	140.4	-0.70

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		11-Feb-22	10-Feb-22	Bales
Southeast	cents/lb.	126.03	128.66	1
North Delta	cents/lb.	125.03	127.66	8
South Delta	cents/lb.	125.03	127.66	11
East TX-OK	cents/lb.	118.28	120.91	1075
West Texas	cents/lb.	118.28	120.16	7702



Desert SW	cents/lb.	118.03	120.66	0
SJ Valley	cents/lb.	118.53	127.81	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	20200	180	20380
Equivalent	40 Kgs	21648	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)									
Mar-22	220211	125.60	126.41	124.92	125.28	-0.38	22,197	51,183	-10,176
May-22	220211	123.02	123.90	122.50	122.91	-0.29	24,823	100,589	+5,656
Jul-22	220211	120.51	121.00	119.78	120.12	-0.39	6,881	51,914	+2,732
Oct-22	220211	108.41	108.81	108.35	108.91	-0.94	30	48	+0
Dec-22	220211	105.10	105.54	104.60	105.19	-0.08	3,292	48,037	+1,630
Mar-23	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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