

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,990/bale on Tuesday. ICE cotton futures closed green on Tuesday.

News: *The Government had set the date of submission of online application under the Rs 10,683 crore PLI scheme for textiles to January 31, 2022 which in late January was extended till February 14, 2022. As per the prescribed norms, the scheme will be in operation from September 24, 2021 to March 31, 2030 and the incentive under the scheme will be payable for five years.*

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.

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 115.72 cents/lb. The Cotlook A index was at 139.20 cents/lb. The AWP for cotton was at 117.60 cents/lb.

Bangladesh's cotton production has been low as farmers are opting for other cash crops to the white fibre, missing out on at least a \$3-billion domestic market.

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	-	37920	38310	37840	38060	1338	5918

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Feb-22	14-Feb-22	
Gujarat	Ahmedabad	Shankar-6	11250	10500	750
	Gondal	Shankar-6	10655	10680	-25
	Rajkot	B.T. Cotton	10605	10500	105
	Patan	B.T. Cotton	10415	10500	-85
	Kadi	B.T. Cotton	10500	10500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10125	NA	-
Haryana	Bhiwani	B.T. Cotton	9200	9200	Unch
	Bhiwani	Desi	8800	8800	Unch
	Adampur	B.T. Cotton	9900	10300	-400
	Fatehabad	B.T. Cotton	9900	10400	-500
	Jind	B.T. Cotton	9600	9800	-200
	Uchana	B.T. Cotton	9900	9800	100
	Dabwali	B.T. Cotton	10500	10490	10
Rajasthan	Hanumangarh	B.T. Cotton	10500	10700	-200
	Rawatsar	B.T. Cotton	10500	10600	-100
Madhya Pradesh	Khandwa	Mech-1	10400	10500	-100
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10500	10250	250
	Jamner	Medium Staple	NA	9453	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9560	NA	-
Karnataka	Bijapur	Bunny	10669	10529	140
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10200	10300	-100
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	15-Feb-22	14-Feb-22	
Punjab	Bhatinda	J-34	8150	8220	-70
	Abohar	J-34	8150	8225	-75
	Mansa	J-34	8130	8215	-85
Haryana	Sirsa	J-34	7940	8000	-60
Rajasthan	Sri-Ganganagar	J-34	7614	7614	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Feb-22	14-Feb-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	4573	4206	367
	Rajkot	B.T. Cotton	4600	5600	-1000
	Patan	B.T. Cotton	2092	1876	216
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	570	NA	-
Haryana	Bhiwani	B.T. Cotton	4000	10000	-6000
	Bhiwani	Desi	4000	10000	-6000
	Adampur	B.T. Cotton	1700	1360	340
	Fatehabad	B.T. Cotton	500	300	200
	Jind	B.T. Cotton	1479	1105	374
	Uchana	B.T. Cotton	2000	1800	200
	Dabwali	B.T. Cotton	2000	1500	500
Rajasthan	Hanumangarh	B.T. Cotton	2500	2400	100
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	400	200	200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	17000	-2000
	Jamner	Medium Staple	NA	25	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	18977	NA	-
Karnataka	Bijapur	Bunny	862	1845	-983
	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	15-Feb-22	14-Feb-22	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	680	850	-170
	Mansa	J-34	425	340	85
Haryana	Sirsa	J-34	850	1190	-340
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

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

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Feb-22	14-Feb-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3262	3278	-16
Maharashtra	Akola	Rs./Qtl	3313	3324	-11

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

Index	Unit	14-Feb-22	11-Feb-22	Change
CCIndex(328)	RMB/Ton	22941	22886	55
CCIndex(527)	RMB/Ton	21135	21089	46
CCIndex(229)	RMB/Ton	23391	23335	56

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

China Foreign Cotton (FCE) Index :

Index	Unit	14-Feb-22	11-Feb-22	Change
FC Index (S)	Cents/lb	142.34	142.74	-0.40
FC Index (M)	Cents/lb	141.03	141.43	-0.40
FC Index (L)	Cents/lb	139.46	139.86	-0.40

Cotlook Index:

Cotlook Indices	Unit	14-Feb-22	11-Feb-22	Change
A-Index	Cents/Pound	139.2	139.7	-0.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		14-Feb-22	11-Feb-22	Bales
Southeast	cents/lb.	123.68	128.28	0
North Delta	cents/lb.	122.68	127.28	0
South Delta	cents/lb.	122.68	127.28	0
East TX-OK	cents/lb.	115.93	120.53	1170
West Texas	cents/lb.	115.93	119.78	7851
Desert SW	cents/lb.	115.68	120.28	0



SJ Valley

cents/lb.

116.18

127.43

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 Tuesday, Feb 15th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-22	220215	123.19	123.45	122.50	123.04	+0.11	22,279	26,510	-15,681
May-22	220215	120.61	121.25	120.23	120.78	+0.17	20,280	109,671	+4,440
Jul-22	220215	117.85	118.45	117.47	118.03	+0.14	3,795	52,695	+774
Oct-22	220215	107.64	107.64	107.64	107.64	+0.06	5	214	+170
Dec-22	220215	103.50	104.31	103.13	104.08	+0.54	2,661	50,690	+1,497
Mar-23	220215	100.69	101.21	100.40	101.05	+0.56	230	6,348	+58
Total Volume and Open Interest							49,366	255,330	-8,703

Source: MRCI

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