

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,180/bale on Thursday. ICE cotton futures closed red on Wednesday.*

**News:** *Cotton yarn prices in India slipped further by up to ₹8 per kg as the market received sluggish demand. According to trade sources, domestic demand did not support market sentiment as production activities remained weak in garment units. Export demand is weak due to uncertainty of geo-political developments after Russia's attack on Ukraine. In Mumbai market, yarn prices fell by ₹2-8 per kg as demand weakened further. 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,910-1,920 and 1,670-1,720 per 5 kg, respectively.*

*Despite the infestation of pink bollworm on cotton crop during the 2021-22 seasons. Punjab has set a target to increase area under cotton by 23 percent in the coming 2022-23 season. Cotton was sown in 2021-22 season at 119.66 lakh hectares as compared to previous season of 128.07 lakh hectares across India.*

*Cotton Association of India has reduced its January estimate of the cotton crop for the 2021-22 season by 5 lakh bales to 343.13 lakh bales from its previous estimate of 348.13 lakh bales. The association has attributed the reduction in crop estimate to the drop in production in States including Gujarat, Telangana, Odisha, Karnataka and Andhra Pradesh. AgriWatch has estimated cotton production for 2021-22 season at 342.60 lakh bales lower from its previous season estimate of 365.00 lakh bales.*

*The total cotton supply for the month of October 2021 to January 2022 remained at 272.20 lakh bales, which consists of the arrivals of 192.20 lakh bales, imports of 5 lakh bales during the month of January 2022 and Opening Stock of 75 lakh bales equivalent to 79.69 lakh running bales at the beginning of the season on 1<sup>st</sup> October 2021. Further, the CAI has estimated cotton consumption for the months of October to January 2022 at 114 lakh bales while export shipment of cotton during the months of October to January 2022 is estimated at 25 lakh bales. Stock at the end of January 2022 is estimated at 113.20 lakh bales.*

*As per the Government's 02nd Advance Estimate, cotton production for 2021-22 have been projected at 340.63 lakh bales, which is 3% lower than the previous year's final production estimate of 352.48 lakh bales. As per AgriWatch estimate based on the arrival pattern, production is expected to be lower at 342.60 lakh bales against the previous season estimate of 365 lakh bales. Production is expected to be lower in the 2021-22 season mainly because of lower sown area in 2021-22 season at 119.66 lakh hectares as compared to previous season of 128.07 lakh hectares.*

*Cotton arrivals from 01<sup>st</sup> October 2021 till 22<sup>nd</sup> February 2022 has reached 3590.09 thousand tonne as compared to previous season arrivals of 2570.19 thousand tonne. For the current 2021-22 season, cotton arrivals were higher from Telangana, Madhya Pradesh and Haryana whereas it was lower from the states of Maharashtra, Gujarat, Punjab and Karnataka. The arrivals were lower mainly because of the late rains caused by the La Nina effect which has affected the yield of cotton.*

*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.*

### Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds at isolated places over Southeast Rajasthan, and with lightning at isolated places over Jammu & Kashmir, Ladakh & Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, East Madhya Pradesh, Gujarat region, Konkan & Goa, Marathwada and Adman & Nicobar Islands is expected.

### International Fundamentals:

The ICE cotton Futures was down by 50 points at 117.47 cents/lb. The Cotlook A index was at 138.7 cents/lb. The AWP for cotton was at 112.71 cents/lb.

The USDA has maintained its outlook for U.S. cotton from February. There were no changes to the domestic balance sheet for cotton, with an average estimated farm price for upland cotton of \$.90 per pound.

The U.S. Department of Agriculture's (USDA's) first 2022-23 world cotton projections anticipate that global consumption will exceed production, reducing world stocks by 2.5 million bales. World cotton production is expected to rise 3.2 percent, with harvested area rising in some countries. Global consumption is expected to grow at about the long-term average rate, as the world economy continues its recovery from the severe downturn in 2020 and supply chain problems in 2021.

According to USDA's February report, the world ending stock is expected to fall further to 84.31 million bales (480 pounds each), the lowest level in 3 years from their January's forecast of 85.01 million bales and 2020-21's ending stock of 88.41 million bales. India's cotton production is estimated at 5.99 million MT in 2021-22 from 6.01 million MT in 2020-21. Cotton production in China is expected to increase in this season at 3.84 million MT from previous season of 3.18 million MT.

Textile exports hit record \$10.93 billion in the first seven months of the current Financial Year as per the data showed on last Wednesday. The textile earnings showed a growth of 24.7 percent over corresponding period of the last fiscal when the country's total textiles sales in international market were of \$8.76 billion.

Bangladesh's cotton production has been low as farmers are opting for other cash crops instead of the white fibre, missing out 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.

### MCX Cotton Futures\*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	OI
MXCTNC1	+1.67	37000	37170	36850	36470	187	173048

DOMESTIC PRICES AND ARRIVALS

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Mar-22	09-Mar-22	
Gujarat	Ahmedabad	Shankar-6	10500	10500	Unch
	Gondal	Shankar-6	11205	11205	Unch
	Rajkot	B.T. Cotton	11055	11000	55
	Patan	B.T. Cotton	10325	9900	425
	Kadi	B.T. Cotton	10500	10000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10120	9770	350
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9700	9500	200
	Fatehabad	B.T. Cotton	9450	9350	100
	Jind	B.T. Cotton	9600	9400	200
	Uchana	B.T. Cotton	9000	8850	150
	Dabwali	B.T. Cotton	10175	10175	Unch
Rajasthan	Hanumangarh	B.T. Cotton	10200	10000	Unch
	Rawatsar	B.T. Cotton	10000	10060	-60
Madhya Pradesh	Khandwa	Mech-1	NA	9700	-
	Khargaon	Mech-1	NA	9800	-
Maharashtra	Amravati	Mech-1	10200	10000	200
	Jamner	Medium Staple	9681	9690	-9
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9500	9500	Unch
Karnataka	Bijapur	Bunny	10329	10313	16
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10350	10300	50
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	10-Mar-22	09-Mar-22	
Punjab	Bhatinda	J-34	8050	8020	30
	Abohar	J-34	8050	8040	10
	Mansa	J-34	8050	8030	20
Haryana	Sirsa	J-34	7730	7730	Unch
Rajasthan	Sri-Ganganagar	J-34	7473	7473	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Mar-22	09-Mar-22	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	3991	3588	403
	Rajkot	B.T. Cotton	5600	4000	1600
	Patan	B.T. Cotton	1410	1604	-194
	Kadi	B.T. Cotton	25000	20000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	267	105	162
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2040	1700	340
	Fatehabad	B.T. Cotton	300	300	Unch
	Jind	B.T. Cotton	476	578	-102
	Uchana	B.T. Cotton	500	900	-400
	Dabwali	B.T. Cotton	300	800	-500
Rajasthan	Hanumangarh	B.T. Cotton	800	1000	-200
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	732	Unch
	Khargaon	Mech-1	NA	855	Unch
Maharashtra	Amravati	Mech-1	17000	24000	-7000
	Jamner	Medium Staple	20	30	-10
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	12064	14685	-2620.5
Karnataka	Bijapur	Bunny	435	410	25
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	6	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Mar-22	09-Mar-22	
Punjab	Bhatinda	J-34	1700	3400	-1700
	Abohar	J-34	680	680	Unch
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	1700	1360	340
Rajasthan	Sri-Ganganagar	J-34	1500	1500	Unch



### Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	10-Mar-22	09-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1600	1560	40
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1590	1550	40
Maharashtra	Mumbai	Rs. /10 Kg.	1610	1570	40

### Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	10-Mar-22	09-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3184	3161	23
Maharashtra	Akola	Rs./Qtl	3285	3273	12

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index:

Index	Unit	09-Mar-22	07-Mar-22	Change
CCIndex(328)	RMB/Ton	22727	22684	43
CCIndex(527)	RMB/Ton	20936	20925	11
CCIndex(229)	RMB/Ton	23202	23151	51
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	09-Mar-22	07-Mar-22	Change
FC Index (S)	Cents/lb	136.22	134.73	1.49
FC Index (M)	Cents/lb	134.73	133.24	1.49
FC Index (L)	Cents/lb	133.17	131.68	1.49

#### Cotlook Index:

Cotlook Indices	Unit	08-Mar-22	07-Mar-22	Change
A-Index	Cents/Pound	133.6	133.15	0.45

#### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		08-Mar-22	07-Mar-22	Bales
Southeast	cents/lb.	119.97	121.19	0
North Delta	cents/lb.	118.97	120.19	0
South Delta	cents/lb.	118.97	120.19	0



East TX-OK	cents/lb.	113.72	114.94	<b>665</b>
West Texas	cents/lb.	113.72	114.19	<b>1807</b>
Desert SW	cents/lb.	112.47	113.69	<b>0</b>
SJ Valley	cents/lb.	112.97	120.84	<b>0</b>

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 09-Mar-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32Kgs	20200	180	20180
<b>Equivalent</b>	40 Kgs	21648	193	21627

Daily Futures Price Listing Wednesday, Mar 09th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">Mar-22</a>	220309	121.67	121.67	121.67	121.67	-0.50	47	3	-47
<a href="#">May-22</a>	220309	117.97	119.16	117.14	117.47	-0.50	18,554	104,712	-1,980
<a href="#">Jul-22</a>	220309	113.56	114.66	112.80	112.80	-0.32	9,433	50,464	-2,564
<a href="#">Oct-22</a>	220309	105.79	105.79	105.11	105.11	-0.33	23	31	-4
<a href="#">Dec-22</a>	220309	102.00	102.46	101.27	101.27	-0.38	3,657	57,553	+1,519
<a href="#">Mar-23</a>	220309	98.35	98.50	97.47	97.47	-0.10	201	7,919	+8
Total Volume and Open Interest							31,993	231,446	-3,058

Source: MRCI

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