

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,360/bale on Saturday. ICE cotton futures closed green on Friday.*

**News:** *According to the Ministry of Textiles, the production of organic cotton in India has increased in the current season in Madhya Pradesh and Maharashtra. The production of organic cotton in India is 1.23 million tonnes which is 51 percent of global organic cotton production. However, organic cotton production is limited to few states owing to the higher production cost, lower demand and farmers turning to illegal GM seeds.*

*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.*

### Weather Forecast:

Heat wave conditions very likely in isolated places over Sauarashtra-Kutch.

### International Fundamentals:

The ICE cotton Futures was down by 18 points at 113.03 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.

In the world 2021-22 cotton balance sheet, ending stocks are 1.7 million bales lower than a month earlier. A 300,000-bale decrease in production accounts for some of this change, but most of the decline stems from lower beginning stocks, reflecting updated Indian consumption estimates for 2019-20 and 2020-21 to reflect Indian government sources. Projected world 2021-22 consumption is marginally higher this month, up 111,000 bales. But with a 1-million-bale increase in the 2020-21 global estimates, March's projected consumption growth rate is lower this month. World consumption is now expected to grow 2.1% from a year earlier, below the 2.8% rate forecast in February. Production is projected lower as a 500,000-bale reduction in India's crop more than offsets a 150,000-bale increase for Mexico.

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.

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.

### 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 ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Mar-22	11-Mar-22	
Gujarat	Ahmedabad	Shankar-6	10500	10500	Unch
	Gondal	Shankar-6	11230	11180	50
	Rajkot	B.T. Cotton	11000	11030	-30
	Patan	B.T. Cotton	10250	10240	10
	Kadi	B.T. Cotton	10500	10000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	9845	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9850	9800	50
	Fatehabad	B.T. Cotton	9800	9650	150
	Jind	B.T. Cotton	9800	9800	Unch
	Uchana	B.T. Cotton	9200	9200	Unch
	Dabwali	B.T. Cotton	10200	10200	Unch
Rajasthan	Hanumangarh	B.T. Cotton	10400	10400	Unch
	Rawatsar	B.T. Cotton	10500	10500	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10500	10400	100
	Jamner	Medium Staple	NA	9685	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9700	9550	150
Karnataka	Bijapur	Bunny	NA	10389	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10300	10380	-80
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Mar-22	11-Mar-22	
Punjab	Bhatinda	J-34	8130	8100	30
	Abohar	J-34	8250	8100	150

	Mansa	J-34	8100	8100	Unch
Haryana	Sirsa	J-34	7950	7780	170
Rajasthan	Sri-Ganganagar	J-34	7708	7473	235

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Mar-22	11-Mar-22	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	2755	4171	-1416
	Rajkot	B.T. Cotton	4000	4800	-800
	Patan	B.T. Cotton	2099	1699	400
	Kadi	B.T. Cotton	20000	15000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	251	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3400	3400	Unch
	Fatehabad	B.T. Cotton	500	500	Unch
	Jind	B.T. Cotton	680	774	-94
	Uchana	B.T. Cotton	800	870	-70
	Dabwali	B.T. Cotton	500	500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	500	500	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12000	12000	Unch
	Jamner	Medium Staple	NA	20	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9875	8304	1571.3
Karnataka	Bijapur	Bunny	NA	396	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4	6	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Mar-22	11-Mar-22	
Punjab	Bhatinda	J-34	3400	1700	1700

	Abohar	J-34	680	680	Unch
	Mansa	J-34	340	255	85
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	1500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Mar-22	11-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1570	1600	-30
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1600	1590	10
Maharashtra	Mumbai	Rs. /10 Kg.	1610	1610	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Mar-22	11-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3157	3154	3
Maharashtra	Akola	Rs./Qtl	3288	3279	9

INTERNATIONAL PRICES AND INDICESChina 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	665
West Texas	cents/lb.	113.72	114.19	1807
Desert SW	cents/lb.	112.47	113.69	0
SJ Valley	cents/lb.	112.97	120.84	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 09-Mar-2022**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	20180
Equivalent	40 Kgs	21648	193	21627

**Daily Futures Price Listing Friday, Mar 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>	220311	117.10	121.73	116.92	121.03	+4.17	10,646	100,484	-2,016
<a href="#">May-22</a>	220311	113.24	117.19	113.09	116.79	+3.76	6,019	48,751	-422
<a href="#">Jul-22</a>	220311	108.19	108.19	108.19	108.19	+3.40	1	32	+0
<a href="#">Oct-22</a>	220311	101.23	104.45	101.23	104.24	+2.80	2,687	58,877	+493
<a href="#">Dec-22</a>	220311	98.17	100.94	98.11	100.40	+2.65	454	7,867	-62
<a href="#">Mar-23</a>	220311	95.31	97.63	95.31	97.63	+2.58	370	1,427	+199
Total Volume and Open Interest							20,463	226,892	-1,873

Source: MRCI

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