

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.37,940/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: *Prices of cotton yaran remained stable in north Indian market yesterday as demand slowed ahead of the Holi festival and upcoming annual financial year closing.*

All India daily arrivals are decreasing rapidly and tight supply gave strong stand to the Indian market. Russia Ukraine conflicts remained main focus for speculation. Indian cotton Shanker-6 prices remained stable near Rs. 76,500 to 77,300 per candy.

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.

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 1st 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.

Weather Forecast:

Heat wave conditions very likely in isolated places over West Rajasthan. Heat wave conditions in isolated pockets over East Rajasthan, Odisha, Gujarat, West Madhya Pradesh is expected.

International Fundamentals:

The ICE cotton Futures was lower by 17 points at 118.6 cents/lb. The Cotlook A index was at 133.45 cents/lb. The AWP for cotton was at 111.71 cents/lb.

The ongoing Russia-Ukraine war has made the textile shipments in Bangladesh uncertain as many of the international containers lines have suspended shipping to Russia. Besides, others are also showing reluctance in taking of Russia-bound containers bookings.

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.

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

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Mar-22	15-Mar-22	
Gujarat	Ahmedabad	Shankar-6	11000	11000	Unch
	Gondal	Shankar-6	11030	11455	-425
	Rajkot	B.T. Cotton	11140	11000	140
	Patan	B.T. Cotton	NR	10060	-
	Kadi	B.T. Cotton	10500	10500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9700	9600	100
	Fatehabad	B.T. Cotton	9900	9600	300
	Jind	B.T. Cotton	9600	9500	100
	Uchana	B.T. Cotton	9900	9800	100
	Dabwali	B.T. Cotton	10000	10125	-125
Rajasthan	Hanumangarh	B.T. Cotton	10300	10500	-200
	Rawatsar	B.T. Cotton	Closed	10200	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10400	10400	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9800	9750	50
Karnataka	Bijapur	Bunny	10803	10711	92
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10300	10400	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Mar-22	15-Mar-22	

Punjab	Bhatinda	J-34	8210	8200	10
	Abohar	J-34	8220	8200	20
	Mansa	J-34	8270	8250	20
Haryana	Sirsa	J-34	7920	7900	20
Rajasthan	Sri-Ganganagar	J-34	7708	7708	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Mar-22	15-Mar-22	
Gujarat	Ahmedabad	Shankar-6	42500	39100	3400
	Gondal	Shankar-6	3414	2730	684
	Rajkot	B.T. Cotton	4000	3900	100
	Patan	B.T. Cotton	NR	2760	-
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	2040	510
	Fatehabad	B.T. Cotton	600	300	300
	Jind	B.T. Cotton	986	1122	-136
	Uchana	B.T. Cotton	1580	1380	200
	Dabwali	B.T. Cotton	750	900	-150
Rajasthan	Hanumangarh	B.T. Cotton	900	800	100
	Rawatsar	B.T. Cotton	Closed	1000	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8000	10000	-2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7371	11365.2	-3994.2
Karnataka	Bijapur	Bunny	494	336	158
	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	16-Mar-22	15-Mar-22	
Punjab	Bhatinda	J-34	3400	5100	-1700
	Abohar	J-34	680	680	Unch
	Mansa	J-34	510	850	-340
Haryana	Sirsa	J-34	1190	850	340
Rajasthan	Sri-Ganganagar	J-34	1000	1000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	16-Mar-22	15-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1550	1560	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1560	1570	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1570	1585	-15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	16-Mar-22	15-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3126	3159	-33
Maharashtra	Akola	Rs./Qtl	3249	3273	-24

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	14-Mar-22	12-Mar-22	Change
CCIndex(328)	RMB/Ton	NR	Closed	-
CCIndex(527)	RMB/Ton	NR	Closed	-
CCIndex(229)	RMB/Ton	NR	Closed	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	14-Mar-22	12-Mar-22	Change
FC Index (S)	Cents/lb	NR	Closed	-
FC Index (M)	Cents/lb	NR	Closed	-



FC Index (L)	Cents/lb	NR	Closed	-
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Cotlook Index:

Cotlook Indices	Unit	11-Mar-22	10-Mar-22	Change
A-Index	Cents/Pound	133.45	134.05	-0.60

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		11-Mar-22	11-Mar-22	Bales
Southeast	cents/lb.	123.03	125.28	0
North Delta	cents/lb.	122.03	124.28	0
South Delta	cents/lb.	122.03	124.28	0
East TX-OK	cents/lb.	116.78	119.03	520
West Texas	cents/lb.	116.78	118.28	1810
Desert SW	cents/lb.	115.53	117.78	0
SJ Valley	cents/lb.	116.03	124.93	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 15-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 Tuesday, Mar 15th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220315	118.77	119.76	117.05	118.60	-0.17	18,291	98,488	-1,057
Jul-22	220315	115.12	116.05	113.61	115.06	-0.06	8,954	47,510	-658
Oct-22	220315	106.06	106.06	106.06	106.06	-0.25	1	31	+0
Dec-22	220315	102.00	102.50	100.85	101.75	-0.47	4,334	60,903	+1,009
Mar-23	220315	98.20	98.75	97.40	98.33	-0.37	198	7,917	+3
May-23	220315	95.64	96.13	95.64	95.85	-0.28	113	1,447	+24
Total Volume and Open Interest							32,402	225,831	-624

Source: MRCI

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