

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.39,450/bale on Monday. ICE cotton futures closed green on Friday.

News: *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:

Thunderstorm accompanied with lightening at isolated pockets over South interior Karnataka, coastal Andhra Pradesh and Yanam, Telangana, Rayalaseema, Tamil Nadu, Pondicherry, Karaikal and Kerala & Mahe is expected.

International Fundamentals:

The ICE cotton Futures was higher by 500 points at 126.86 cents/lb. The Cotlook A index was at 135.45 cents/lb. The AWP for cotton was at 113.26 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 ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Mar-22	19-Mar-22	
Gujarat	Ahmedabad	Shankar-6	11500	11500	Unch
	Gondal	Shankar-6	11630	NA	-
	Rajkot	B.T. Cotton	11280	11275	5
	Patan	B.T. Cotton	10310	NA	-
	Kadi	B.T. Cotton	10500	10500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10650	10280	370
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10500	9850	650
	Fatehabad	B.T. Cotton	11000	10300	700
	Jind	B.T. Cotton	10500	9700	800
	Uchana	B.T. Cotton	10200	10000	200
	Dabwali	B.T. Cotton	10540	10400	140
Rajasthan	Hanumangarh	B.T. Cotton	11200	Closed	-
	Rawatsar	B.T. Cotton	10700	Closed	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	11000	10500	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	11012	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11000	10500	500
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	21-Mar-22	19-Mar-22	
Punjab	Bhatinda	J-34	8620	8500	120
	Abohar	J-34	8650	8500	150
	Mansa	J-34	8630	8500	130
Haryana	Sirsa	J-34	8320	8220	100
Rajasthan	Sri-Ganganagar	J-34	8084	7614	470

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Mar-22	19-Mar-22	

Gujarat	Ahmedabad	Shankar-6	37400	37400	Unch
	Gondal	Shankar-6	2683	NA	-
	Rajkot	B.T. Cotton	5600	4100	1500
	Patan	B.T. Cotton	3985	NA	-
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	43	55	-12
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	1700	850
	Fatehabad	B.T. Cotton	700	300	400
	Jind	B.T. Cotton	425	281	145
	Uchana	B.T. Cotton	1100	1200	-100
	Dabwali	B.T. Cotton	900	600	300
Rajasthan	Hanumangarh	B.T. Cotton	500	Closed	-
	Rawatsar	B.T. Cotton	500	Closed	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10000	10000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	270	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	5	Unch
Commodity		Lint	Arrivals (Quintal)		Change
State	Centre	Variety	21-Mar-22	19-Mar-22	
Punjab	Bhatinda	J-34	3400	5100	-1700
	Abohar	J-34	510	680	-170
	Mansa	J-34	255	340	-85
Haryana	Sirsa	J-34	2040	510	1530
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Mar-22	19-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1550	1550	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1560	1560	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1550	1560	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	21-Mar-22	19-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3177	3144	33
Maharashtra	Akola	Rs./Qtl	3274	3254	20

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	16-Mar-22	15-Mar-22	Change
CCIndex(328)	RMB/Ton	22665	22723	-58
CCIndex(527)	RMB/Ton	20906	20955	-49
CCIndex(229)	RMB/Ton	21350	23204	-54

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

China Foreign Cotton (FCE) Index :

Index	Unit	16-Mar-22	15-Mar-22	Change
FC Index (S)	Cents/lb	137.04	137.18	-0.14
FC Index (M)	Cents/lb	135.49	135.64	-0.15
FC Index (L)	Cents/lb	133.93	134.08	-0.15

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	10-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 16-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 18th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220318	121.86	126.86	121.84	126.86	+5.00	10,029	95,344	+27
Jul-22	220318	118.21	123.10	118.10	123.03	+4.93	5,971	45,956	-670
Oct-22	220318	109.50	110.33	109.50	110.33	+1.63	0	32	+0
Dec-22	220318	103.52	105.40	103.28	105.24	+1.72	3,211	59,774	+904
Mar-23	220318	99.57	102.00	99.57	101.54	+1.76	296	8,028	+94
May-23	220318	98.63	99.50	98.63	98.94	+1.86	17	1,944	-4
Total Volume and Open Interest							19,540	220,610	+352

Source: MRCI

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