

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.39,840/bale on Monday. ICE cotton futures closed green on Monday.

News: *Tamil Nadu government has allocated Rs 15.32 crore in the budget for enhance cotton yield. The average cotton yield per hectare in the state is around 585 kg as against the world average of 805 kg while over 20 countries has achieved over 1,500 kg per hectare. Earlier, SIMA Cotton Development & Research Association were closely working with the state agriculture department in implementing various schemes relating to cotton. The state has the potential to increase cotton production from the current level of five lakh bales to 15 lakh bales in the next five years with the proposed mission.*

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 Jammu & Kashmir, Ladakh, Gilgit- Baltistan, Muzaffarabad, Himachal Pradesh, Sub-Himalyana West Bengal & Sikkim, Coastal & South interior Karnataka, coastal Andhra Pradesh and Yanam, Telangana, Rayalaseema, 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.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Mar-22	21-Mar-22	
Gujarat	Ahmedabad	Shankar-6	11500	11500	Unch
	Gondal	Shankar-6	12130	11630	500
	Rajkot	B.T. Cotton	11500	11280	220
	Patan	B.T. Cotton	10575	10310	265
	Kadi	B.T. Cotton	11000	10500	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	10650	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10300	10500	-200
	Fatehabad	B.T. Cotton	11000	11000	Unch
	Jind	B.T. Cotton	10200	10500	-300
	Uchana	B.T. Cotton	10200	10200	Unch
	Dabwali	B.T. Cotton	10690	10540	150
Rajasthan	Hanumangarh	B.T. Cotton	11200	11200	Unch
	Rawatsar	B.T. Cotton	10500	10700	-200
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	11200	11000	200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10000	NA	-
Karnataka	Bijapur	Bunny	NA	11156	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10500	11000	-500
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Mar-22	21-Mar-22	
Punjab	Bhatinda	J-34	8700	8620	80
	Abohar	J-34	8700	8650	50
	Mansa	J-34	8625	8630	-5
Haryana	Sirsa	J-34	8400	8320	80
Rajasthan	Sri-Ganganagar	J-34	8084	8084	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Mar-22	21-Mar-22	
Gujarat	Ahmedabad	Shankar-6	34000	37400	-3400

	Gondal	Shankar-6	3364	2683	681
	Rajkot	B.T. Cotton	5300	5600	-300
	Patan	B.T. Cotton	4965	3985	980
	Kadi	B.T. Cotton	12500	15000	-2500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	43	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1870	2550	-680
	Fatehabad	B.T. Cotton	700	700	Unch
	Jind	B.T. Cotton	1360	425	935
	Uchana	B.T. Cotton	1000	1100	-100
	Dabwali	B.T. Cotton	500	900	-400
Rajasthan	Hanumangarh	B.T. Cotton	700	500	200
	Rawatsar	B.T. Cotton	1000	500	500
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	6236.8	NA	-
Karnataka	Bijapur	Bunny	NA	346	-
	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	22-Mar-22	21-Mar-22	
Punjab	Bhatinda	J-34	3400	3400	Unch
	Abohar	J-34	425	510	-85
	Mansa	J-34	510	255	255
Haryana	Sirsa	J-34	1530	2040	-510
Rajasthan	Sri-Ganganagar	J-34	400	500	-100

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	22-Mar-22	21-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1525	1550	-25
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1545	1560	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1530	1550	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price	Change
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State	Centre	Unit	22-Mar-22	21-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3225	3177	48
Maharashtra	Akola	Rs./Qtl	3318	3274	44

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

Index	Unit	21-Mar-22	18-Mar-22	Change
CCIndex(328)	RMB/Ton	22697	22683	14
CCIndex(527)	RMB/Ton	20913	20912	1
CCIndex(229)	RMB/Ton	23158	23155	3

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

China Foreign Cotton (FCE) Index :

Index	Unit	21-Mar-22	18-Mar-22	Change
FC Index (S)	Cents/lb	145.26	140.24	5.02
FC Index (M)	Cents/lb	143.69	138.69	5.00
FC Index (L)	Cents/lb	142.13	137.13	5.00

Cotlook Index:

Cotlook Indices	Unit	21-Mar-22	18-Mar-22	Change
A-Index	Cents/Pound	143.5	138.5	5.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Mar-22	18-Mar-22	Bales
Southeast	cents/lb.	132.01	131.11	6136
North Delta	cents/lb.	131.01	130.11	0
South Delta	cents/lb.	131.01	130.11	0
East TX-OK	cents/lb.	125.26	124.36	687
West Texas	cents/lb.	125.26	123.61	5432
Desert SW	cents/lb.	124.51	123.61	0
SJ Valley	cents/lb.	125.01	130.76	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 21-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 Monday, Mar 21st, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220321	127.34	131.71	127.10	130.01	+3.15	11,660	96,271	+927
Jul-22	220321	123.10	127.55	122.77	126.21	+3.18	7,694	46,352	+396
Oct-22	220321	110.60	113.31	110.18	113.31	+2.98	11	40	+8
Dec-22	220321	105.00	108.18	108.16	108.16	+2.92	3,578	59,920	+146
Mar-23	220321	101.60	104.08	104.08	104.08	+2.54	383	8,070	+42
May-23	220321	98.94	101.36	101.36	101.36	+2.42	41	1,959	+15
Total Volume and Open Interest							23,475	222,475	+1,574

Source: MRCI

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