

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.40,000/bale on Tuesday. ICE cotton futures closed green on Tuesday.

News: *Cotton yarn prices has increased up to ₹20 per kg in South Indian markets today as cotton extended gains by ₹1,000-1,500 per candy (356 kg). Currently, cotton prices are ruling at ₹82,000-85,000 per candy, and the industry fears that these may go up to ₹90,000 per candy. As a result, domestic industry is stuck in between poor demand and costlier raw material.*

Tamil Nadu government has allocated ₹ 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's 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 tonne 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.

Weather Forecast:

Thunderstorm accompanied with lightening & hail at isolated pockets over Uttarakhand, and with lightening at isolated places over Himachal Pradesh, Goa, Sub-Himalyana West Bengal & Sikkim, Coastal & South interior Karnataka, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, and Kerala & Mahe is expected.

International Fundamentals:

The ICE cotton Futures was higher by 3 points at 130.04 cents/lb. The Cotlook A index was at 143.50 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 in its March WASDE report has maintained its outlook for U.S. cotton from February report. 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. 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 to be 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	23-Mar-22	22-Mar-22	
Gujarat	Ahmedabad	Shankar-6	11500	11500	Unch
	Gondal	Shankar-6	11955	12130	-175
	Rajkot	B.T. Cotton	11840	11500	340
	Patan	B.T. Cotton	11055	10575	480
	Kadi	B.T. Cotton	11000	11000	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	10500	10300	200
	Fatehabad	B.T. Cotton	10600	11000	-400
	Jind	B.T. Cotton	10200	10200	Unch
	Uchana	B.T. Cotton	10000	10200	-200
	Dabwali	B.T. Cotton	10595	10690	-95
Rajasthan	Hanumangarh	B.T. Cotton	11200	11200	Unch
	Rawatsar	B.T. Cotton	10500	10500	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	11300	11200	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10000	10000	Unch
Karnataka	Bijapur	Bunny	NA	9962	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10500	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Mar-22	22-Mar-22	

Punjab	Bhatinda	J-34	8750	8700	50
	Abohar	J-34	8750	8700	50
	Mansa	J-34	8750	8625	125
Haryana	Sirsa	J-34	8360	8400	-40
Rajasthan	Sri-Ganganagar	J-34	8131	8084	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Mar-22	22-Mar-22	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	3222	3364	-142
	Rajkot	B.T. Cotton	3000	5300	-2300
	Patan	B.T. Cotton	4540	4965	-425
	Kadi	B.T. Cotton	12500	12500	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	2210	1870	340
	Fatehabad	B.T. Cotton	600	700	-100
	Jind	B.T. Cotton	2142	1360	782
	Uchana	B.T. Cotton	1500	1000	500
	Dabwali	B.T. Cotton	400	500	-100
Rajasthan	Hanumangarh	B.T. Cotton	1000	700	300
	Rawatsar	B.T. Cotton	2000	1000	1000
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	8000	8000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	3369.3	6236.8	-2867.5
Karnataka	Bijapur	Bunny	NA	12	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Mar-22	22-Mar-22	
Punjab	Bhatinda	J-34	5100	3400	1700
	Abohar	J-34	340	425	-85
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	1360	1530	-170
Rajasthan	Sri-Ganganagar	J-34	300	400	-100

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	23-Mar-22	22-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1545	1525	20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1565	1545	20
Maharashtra	Mumbai	Rs. /10 Kg.	1550	1530	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	23-Mar-22	22-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3260	3225	35
Maharashtra	Akola	Rs./Qtl	3346	3318	28

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	22-Mar-22	21-Mar-22	Change
CCIndex(328)	RMB/Ton	22714	22697	17
CCIndex(527)	RMB/Ton	20918	20913	5
CCIndex(229)	RMB/Ton	23176	23158	18
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	22-Mar-22	21-Mar-22	Change
FC Index (S)	Cents/lb	148.37	145.26	3.11

FC Index (M)	Cents/lb	146.79	143.69	3.10
FC Index (L)	Cents/lb	145.23	142.13	3.10

Cotlook Index:

Cotlook Indices	Unit	22-Mar-22	21-Mar-22	Change
A-Index	Cents/Pound	146.75	143.5	3.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Mar-22	21-Mar-22	Bales
Southeast	cents/lb.	132.04	134.26	107
North Delta	cents/lb.	131.04	133.26	0
South Delta	cents/lb.	131.04	133.26	0
East TX-OK	cents/lb.	125.04	127.51	1668
West Texas	cents/lb.	125.04	126.76	3231
Desert SW	cents/lb.	124.54	126.76	0
SJ Valley	cents/lb.	125.04	133.91	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 Tuesday, Mar 22nd, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220322	130.26	130.45	128.12	130.04	+0.03	18,974	97,695	+1,424
Jul-22	220322	126.41	126.54	124.23	126.29	+0.08	11,889	48,087	+1,735
Oct-22	220322	113.25	113.81	112.42	113.46	+0.15	2	41	+1
Dec-22	220322	108.00	108.30	106.52	108.01	-0.15	5,375	59,745	-175
Mar-23	220322	103.75	103.90	102.69	103.51	-0.57	1,266	8,087	+17
May-23	220322	101.17	101.17	99.98	100.40	-0.96	341	2,052	+93
Total Volume and Open Interest							38,407	225,227	+3,043

Source: MRCI

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