

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.40,520/bale on Wednesday. ICE cotton futures closed red on Wednesday.*

**News:** *The Committee on Cotton Production and Consumption has estimated the current cotton season (October 2021 to September 2022) to close with a stock of 45.46 lakh bales. The Committee has estimated that the total consumption by the textile mills to be 329 lakh bales, including 305 lakh bales by non-SSI mills, and exports to be 40 lakh bales. The production is expected to be around 340 lakh bales. As against a total supply of 430.46 lakh bales (including opening stock and imports), and the demand is likely to be 385 lakh bales.*

*The Haryana Agriculture Department has set a target of increasing area under cotton production up to 19.25 lakh acre in the 2022 Kharif season higher from the previous season of 15.90 lakh acre. Cotton is mainly grown in Sirsa, Fatehabad, Hisar, Bhiwani, Jind, Sonapat, Palwal, Gurugram, Faridabad, Rewari, and Charkhi Dadri districts.*

*Cotton yarn prices has increased up to ₹20 per kg in South Indian markets yesterday 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.*

### Weather Forecast:

Thunderstorm accompanied with lightening at isolated pockets over Uttarakhand, and with lightening at isolated places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, and Kerala & Mahe is expected. Heat wave conditions in isolated pockets over Saurashtra & Kutch.

### International Fundamentals:

*The ICE cotton Futures was higher by 43 points at 130.03 cents/lb. The Cotlook A index was at 146.75 cents/lb. The AWP for cotton was at 119.23 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	24-Mar-22	23-Mar-22	
Gujarat	Ahmedabad	Shankar-6	11500	11500	Unch
	Gondal	Shankar-6	Closed	11955	-
	Rajkot	B.T. Cotton	Closed	11840	-
	Patan	B.T. Cotton	10890	11055	-165
	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	10400	10500	-100
	Fatehabad	B.T. Cotton	10400	10600	-200
	Jind	B.T. Cotton	10000	10200	-200
	Uchana	B.T. Cotton	10000	10000	Unch
	Dabwali	B.T. Cotton	10695	10595	100
Rajasthan	Hanumangarh	B.T. Cotton	10900	11200	-300
	Rawatsar	B.T. Cotton	10700	10500	200
Madhya Pradesh	Khandwa	Mech-1	0	NA	-
	Khargaon	Mech-1	0	NA	-
Maharashtra	Amravati	Mech-1	11800	11300	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	0	NA	-
	Hathras	Desi	0	NA	-
Telangana	Adilabad	Un-Ginned	10100	10000	100
Karnataka	Bijapur	Bunny	11960	11592	368
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10200	10300	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Mar-22	23-Mar-22	
Punjab	Bhatinda	J-34	8700	8750	-50
	Abohar	J-34	8750	8750	Unch
	Mansa	J-34	8700	8750	-50
Haryana	Sirsa	J-34	8450	8360	90
Rajasthan	Sri-Ganganagar	J-34	8131	8131	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Mar-22	23-Mar-22	

Gujarat	Ahmedabad	Shankar-6	25500	34000	-8500
	Gondal	Shankar-6	Closed	3222	-
	Rajkot	B.T. Cotton	Closed	3000	-
	Patan	B.T. Cotton	4453	4540	-87
	Kadi	B.T. Cotton	10000	12500	-2500
	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	1700	2210	-510
	Fatehabad	B.T. Cotton	600	600	Unch
	Jind	B.T. Cotton	850	2142	-1292
	Uchana	B.T. Cotton	2000	1500	500
	Dabwali	B.T. Cotton	300	400	-100
Rajasthan	Hanumangarh	B.T. Cotton	1000	1000	Unch
	Rawatsar	B.T. Cotton	1000	2000	-1000
Madhya Pradesh	Khandwa	Mech-1	0	NA	-
	Khargaon	Mech-1	0	NA	-
Maharashtra	Amravati	Mech-1	16000	8000	8000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	0	NA	-
	Hathras	Desi	0	NA	-
Telangana	Adilabad	Un-Ginned	2717.5	3369.3	-651.8
Karnataka	Bijapur	Bunny	502	778	-276
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6	4	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Mar-22	23-Mar-22	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	425	510	-85
Haryana	Sirsa	J-34	850	1360	-510
Rajasthan	Sri-Ganganagar	J-34	300	300	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Mar-22	23-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1505	1545	-40
Delhi	New Delhi	Rs. /10 Kg.	1480	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1525	1565	-40
Maharashtra	Mumbai	Rs. /10 Kg.	1555	1550	5

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Mar-22	23-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3277	3260	17
Maharashtra	Akola	Rs./Qtl	3350	3346	4

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

Index	Unit	23-Mar-22	22-Mar-22	Change
CCIndex(328)	RMB/Ton	22784	22714	70
CCIndex(527)	RMB/Ton	20951	20918	33
CCIndex(229)	RMB/Ton	23221	23176	45
RMB -Renminbi, 1RMB =0.16 \$U.S.				

**China Foreign Cotton (FCE) Index :**

Index	Unit	23-Mar-22	22-Mar-22	Change
FC Index (S)	Cents/lb	148.37	148.37	Unch
FC Index (M)	Cents/lb	146.79	146.79	Unch
FC Index (L)	Cents/lb	145.23	145.23	Unch

**Cotlook Index:**

Cotlook Indices	Unit	23-Mar-22	22-Mar-22	Change
A-Index	Cents/Pound	146.75	146.75	Unch

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Mar-22	22-Mar-22	Bales
Southeast	cents/lb.	132.03	134.29	0
North Delta	cents/lb.	131.03	133.29	0
South Delta	cents/lb.	131.03	133.29	0
East TX-OK	cents/lb.	125.03	127.29	1114
West Texas	cents/lb.	125.03	126.54	9483
Desert SW	cents/lb.	124.53	126.79	0
SJ Valley	cents/lb.	125.03	133.94	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 23-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 Wednesday, Mar 23rd, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">May-22</a>	220323	130.20	132.96	129.86	130.03	-0.01	22,796	98,162	+467
<a href="#">Jul-22</a>	220323	126.47	129.00	126.08	126.26	-0.03	15,412	49,799	+1,712
<a href="#">Oct-22</a>	220323	114.05	114.05	114.05	114.05	+0.59	27	42	+1
<a href="#">Dec-22</a>	220323	108.00	107.85	107.85	108.55	+0.54	7,757	61,354	+1,609
<a href="#">Mar-23</a>	220323	103.49	103.83	103.49	103.91	+0.40	1,337	8,306	+219
<a href="#">May-23</a>	220323	100.64	102.00	99.66	100.83	+0.43	205	2,120	+68
Total Volume and Open Interest							48,363	229,479	+4,252

Source: MRCI

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