

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.40,980/bale on Friday. ICE cotton futures closed green on Thursday.

News: *Cotton prices have crossed Rs. 11,000 a quintal mark in Adoni local market. Earlier cotton had been selling below Rs. 7,000 in the previous year. The previous high was Rs. 6,500/quintal.*

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, and Kerala & Mahe is expected. Heat wave conditions in isolated pockets over Gujarat State.

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	25-Mar-22	24-Mar-22	
Gujarat	Ahmedabad	Shankar-6	11500	11500	Unch
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	11500	10890	610
	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	10400	Unch
	Fatehabad	B.T. Cotton	10800	10400	400
	Jind	B.T. Cotton	10300	10000	300
	Uchana	B.T. Cotton	9950	10000	-50
	Dabwali	B.T. Cotton	10800	10695	105
Rajasthan	Hanumangarh	B.T. Cotton	10900	10900	Unch
	Rawatsar	B.T. Cotton	10800	10700	100
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	11850	11800	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10100	10100	Unch
Karnataka	Bijapur	Bunny	NA	11960	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Mar-22	24-Mar-22	
Punjab	Bhatinda	J-34	8775	8700	75
	Abohar	J-34	8800	8750	50
	Mansa	J-34	8790	8700	90
Haryana	Sirsa	J-34	8480	8450	30
Rajasthan	Sri-Ganganagar	J-34	8225	8131	94

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	25-Mar-22	24-Mar-22	
Gujarat	Ahmedabad	Shankar-6	25500	25500	Unch
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	4780	4453	327
	Kadi	B.T. Cotton	10000	10000	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	1700	1700	Unch
	Fatehabad	B.T. Cotton	500	600	-100
	Jind	B.T. Cotton	578	850	-272
	Uchana	B.T. Cotton	1550	2000	-450
	Dabwali	B.T. Cotton	300	300	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1000	1000	Unch
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	16000	16000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	1275.2	2717.5	-1442.3
Karnataka	Bijapur	Bunny	NA	502	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	6	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	25-Mar-22	24-Mar-22	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	425	425	Unch
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	300	300	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	25-Mar-22	24-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1525	1505	20
Delhi	New Delhi	Rs. /10 Kg.	1500	1480	20
Telangana	Hyderabad	Rs. /10 Kg.	1545	1525	20
Maharashtra	Mumbai	Rs. /10 Kg.	1555	1555	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	25-Mar-22	24-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3302	3277	25
Maharashtra	Akola	Rs./Qtl	3350	3350	Unch

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

Index	Unit	24-Mar-22	23-Mar-22	Change
CCIndex(328)	RMB/Ton	22760	22784	-24
CCIndex(527)	RMB/Ton	20946	20951	-5
CCIndex(229)	RMB/Ton	23207	23221	-14
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	24-Mar-22	23-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	24-Mar-22	23-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
		24-Mar-22	23-Mar-22	Bales
Southeast	cents/lb.	132.9	134.28	0
North Delta	cents/lb.	131.9	133.28	970
South Delta	cents/lb.	131.9	133.28	0
East TX-OK	cents/lb.	125.9	127.28	1600
West Texas	cents/lb.	125.9	126.53	9862
Desert SW	cents/lb.	125.4	126.78	0
SJ Valley	cents/lb.	125.9	133.93	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 24-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 Thursday, Mar 24th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220324	130.04	131.61	129.36	130.90	+0.87	11,117	97,494	-688
Jul-22	220324	126.26	127.77	125.58	127.35	+1.09	7,208	50,790	+991
Oct-22	220324	114.99	114.99	114.99	114.99	+0.94	6	43	+1
Dec-22	220324	108.25	109.58	107.50	109.25	+0.70	4,175	62,101	+747
Mar-23	220324	103.91	105.54	103.45	104.88	+0.97	554	8,292	-14
May-23	220324	100.99	102.89	100.99	101.83	+1.00	167	2,092	-28
Total Volume and Open Interest							23,544	230,557	+1,078

Source: MRCI

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