

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a steady trend across India today. Cotton prices in the local market has increased to Rs. 500-1000 in a day as due to reduced arrivals in the market as the season is heading towards its end. MCX cotton spot price was higher at Rs.42,960/bale on Monday. ICE cotton futures closed green on Friday.

News: *With cotton Marketing Season heading towards the end, only 44% cotton crop has been procured so far in Punjab as compared to the corresponding period last year. The pink bollworm attack on the cotton crop earlier in the State is the main reason behind the procurement of even less than half quantity than the previous year.*

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), 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 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.

Weather Forecast:

Heat wave to severe heat wave conditions in isolated pockets over West Rajasthan, and Thunderstorm accompanied with lightening very likely at isolated places over Assam & Meghalaya, Nagaland- Manipur- Mizoram, Tripura and with lighting at isolated places over Arunachal Pradesh and Kerala -Mahe is also expected.

International Fundamentals:

The ICE cotton Futures was higher by 5 points at 130.90 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 5,00,000 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 ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Mar-22	26-Mar-22	
Gujarat	Ahmedabad	Shankar-6	Closed	12000	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	11705	-
	Kadi	B.T. Cotton	12500	12000	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11500	10900	600
	Fatehabad	B.T. Cotton	12200	10800	1400
	Jind	B.T. Cotton	11900	10600	1300
	Uchana	B.T. Cotton	10100	NA	-
	Dabwali	B.T. Cotton	12200	10900	1300
Rajasthan	Hanumangarh	B.T. Cotton	11500	11400	100
	Rawatsar	B.T. Cotton	11500	11000	500
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12100	11500	600
	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	12512	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10600	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Mar-22	26-Mar-22	
Punjab	Bhatinda	J-34	9200	9000	200
	Abohar	J-34	9300	9000	300
	Mansa	J-34	9250	9000	250
Haryana	Sirsa	J-34	9000	8700	300
Rajasthan	Sri-Ganganagar	J-34	8554	8202	353

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	28-Mar-22	26-Mar-22	
Gujarat	Ahmedabad	Shankar-6	Closed	25500	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	4503	-
	Kadi	B.T. Cotton	7000	10000	-3000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	8500	-6800
	Fatehabad	B.T. Cotton	500	500	Unch
	Jind	B.T. Cotton	1063	850	213
	Uchana	B.T. Cotton	2000	NA	-
	Dabwali	B.T. Cotton	300	400	-100
Rajasthan	Hanumangarh	B.T. Cotton	500	1000	-500
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	5000	10000
	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	727	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Mar-22	26-Mar-22	
Punjab	Bhatinda	J-34	3400	2550	850
	Abohar	J-34	340	510	-170
	Mansa	J-34	510	425	85
Haryana	Sirsa	J-34	2040	680	1360
Rajasthan	Sri-Ganganagar	J-34	200	300	-100

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Mar-22	26-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1555	1520	35
Delhi	New Delhi	Rs. /10 Kg.	1420	1500	-80
Telangana	Hyderabad	Rs. /10 Kg.	1550	1530	20
Maharashtra	Mumbai	Rs. /10 Kg.	1545	1540	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	28-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3283	3302	-19
Maharashtra	Akola	Rs./Qtl	3374	3353	22

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 25-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 25th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220325	130.90	135.90	130.90	135.90	+5.00	12,688	95,940	-1,554
Jul-22	220325	127.70	132.35	127.31	132.35	+5.00	9,065	52,133	+1,343
Oct-22	220325	117.85	117.85	117.85	117.85	+2.86	0	43	+0
Dec-22	220325	109.25	112.27	109.09	111.74	+2.49	4,048	62,554	+453
Mar-23	220325	104.88	108.25	104.80	107.32	+2.44	750	8,412	+120
May-23	220325	101.85	105.00	101.85	104.02	+2.19	315	2,128	+36
Total Volume and Open Interest							27,440	231,209	+652

Source: MRCI

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