

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.43,410/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: *The high demand for cotton pushed its price to Rs 12,000 at the Adoni market on 31st March 2022 from previous week price of Rs. 11,219 per quintal. It is for the first time that the Kurnool cotton is in such high demand. Even in November, the fiber crop was being traded at an inflated price of Rs 7,500 per quintal.*

According to All Gujarat Spinners Association, Yarn manufacturers have curtailed the cotton procurement due to rising prices of their basic raw material. Cotton prices have hit a record high of Rs 90,000 a candy, higher by 12.5% in last 40 days. Spinning units have cut procurement by at least 15%.

Cotton prices in Yavatmal has reached a historic high in 2021-22 season. The current market price of cotton per quintal has touched Rs 11,800. It is for the first time that cotton has been sold at such a high price in the local market. The price of cotton in December last year was Rs 6,000. However, due to the global demand the prices has started moving upward. Major cotton-producing countries like China and USA has experienced less production after which the textile industries started buying cotton from India. The price of cotton has increased by Rs1,500 per quintal in the last fortnight.

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.

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.

Weather Forecast:

Heat wave conditions in isolated pockets over Madhya Pradesh, Rajasthan and in isolated pockets over west Uttar Pradesh, Gujrat state, Vidarbha, Chhattisgarh, Gangetic West Bengal, and Jharkhand, Odisha, Madhya Maharashtra and Marathwada and Telangana. Thunderstorm accompanied with lightening & gusty winds 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 303 points at 139.84 cents/lb. The Cotlook A index was at 155.75 cents/lb. The AWP for cotton was at 122.07 cents/lb.

The rate of local cotton in Pakistan remained stable while unprecedented increase was witnessed in the rate of cotton in international cotton markets. The rate of Future Trading of New York Cotton reached at 136 American cents per pound which is at highest level in the past 11 years. Cotton growers demanded that the government should fix the intervention price of cotton at Rs 7500 per maund. Karachi Cotton Association has shown reservation on delay in issuance of permit to the importers of raw cotton by the plant protection department.

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.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-Mar-22	30-Mar-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	12500	13000	-500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10850	10600	250
	Fatehabad	B.T. Cotton	11400	10800	600
	Jind	B.T. Cotton	11500	11000	500
	Uchana	B.T. Cotton	11100	11300	-200
	Dabwali	B.T. Cotton	11000	10960	40
Rajasthan	Hanumangarh	B.T. Cotton	11900	11000	900
	Rawatsar	B.T. Cotton	11200	11500	-300
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12100	12000	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	10355	10600	-245
Karnataka	Bijapur	Bunny	12401	12506	-105
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11000	10700	300
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Mar-22	30-Mar-22	
Punjab	Bhatinda	J-34	9300	9250	50
	Abohar	J-34	9300	9270	30
	Mansa	J-34	9300	9250	50
Haryana	Sirsa	J-34	9000	8950	50
Rajasthan	Sri-Ganganagar	J-34	8601	8601	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Mar-22	30-Mar-22	

Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	5000	5000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1700	-680
	Fatehabad	B.T. Cotton	250	250	Unch
	Jind	B.T. Cotton	850	1105	-255
	Uchana	B.T. Cotton	1300	1000	300
	Dabwali	B.T. Cotton	500	200	300
Rajasthan	Hanumangarh	B.T. Cotton	600	800	-200
	Rawatsar	B.T. Cotton	500	400	100
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	1035.5	1241.5	-206
Karnataka	Bijapur	Bunny	469	467	2
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	8	-3
Commodity		Lint	Arrivals (Quintal)		Change
State	Centre	Variety	31-Mar-22	30-Mar-22	
Punjab	Bhatinda	J-34	2550	3400	-850
	Abohar	J-34	255	340	-85
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	300	400	-100

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	31-Mar-22	30-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1575	1555	20
Delhi	New Delhi	Rs. /10 Kg.	1380	1380	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1565	1550	15
Maharashtra	Mumbai	Rs. /10 Kg.	1550	1550	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	31-Mar-22	30-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3269	3246	23
Maharashtra	Akola	Rs./Qtl	3300	3349	-49

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	29-Mar-22	28-Mar-22	Change
CCIndex(328)	RMB/Ton	22905	22809	96
CCIndex(527)	RMB/Ton	21013	20946	67
CCIndex(229)	RMB/Ton	23280	23210	70
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	29-Mar-22	28-Mar-22	Change
FC Index (S)	Cents/lb	155.18	154.22	0.96
FC Index (M)	Cents/lb	153.60	152.64	0.96
FC Index (L)	Cents/lb	152.04	151.08	0.96

Cotlook Index:

Cotlook Indices	Unit	29-Mar-22	28-Mar-22	Change
A-Index	Cents/Pound	155.75	152.75	3

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Mar-22	28-Mar-22	Bales
Southeast	cents/lb.	138.81	141.07	0
North Delta	cents/lb.	137.81	140.07	0
South Delta	cents/lb.	137.81	140.07	0
East TX-OK	cents/lb.	131.31	133.57	94.00
West Texas	cents/lb.	131.31	133.57	2713
Desert SW	cents/lb.	131.06	133.32	0
SJ Valley	cents/lb.	131.56	133.82	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 30-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 30th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220330	137.04	140.20	136.36	139.84	+3.03	27,201	88,883	-4,192
Jul-22	220330	133.85	136.53	132.81	136.20	+2.95	20,899	55,435	-23
Oct-22	220330	118.64	118.64	118.64	118.64	+1.65	1	44	+1
Dec-22	220330	111.04	112.60	111.00	112.44	+1.40	12,710	62,211	-1,647
Mar-23	220330	106.85	107.60	106.08	107.45	+1.11	1,058	8,767	-67
May-23	220330	103.37	103.88	102.71	103.77	+0.93	241	2,469	+66
Total Volume and Open Interest							62,832	228,317	-5,608

Source: MRCI

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