

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.43,340/bale on Friday. ICE cotton futures closed red on Thursday.

News: *The Pakistan Federal Committee has fixed the cotton production target at 11 million bales for the 2022-23 season. The committee has reported that the 65 percent of cotton was grown in Punjab while the rest was grown in Sindh.*

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 Himachal Pradesh, southwest Uttar Pradesh, south Haryana-Delhi, Gujrat state, Vidarbha, Jharkhand, Chhattisgarh, and Telangana. Thunderstorm accompanied with lightening very likely at isolated places over Assam & Meghalaya, Nagaland- Manipur- Mizoram, Tripura, Arunachal Pradesh, Andaman & Nicobar Islands, and Kerala -Mahe is also expected.

International Fundamentals:

The ICE cotton Futures was lower by 415 points at 135.69 cents/lb. The Cotlook A index was at 153.55 cents/lb. The AWP for cotton was at 130.89 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	1-Apr-22	31-Mar-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	12580	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	12500	12500	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	10800	10850	-50
	Fatehabad	B.T. Cotton	11100	11400	-300
	Jind	B.T. Cotton	11700	11500	200
	Uchana	B.T. Cotton	10380	11100	-720
	Dabwali	B.T. Cotton	11635	11000	635
Rajasthan	Hanumangarh	B.T. Cotton	Closed	11900	-
	Rawatsar	B.T. Cotton	11000	11200	-200
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	12100	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	10355	-
Karnataka	Bijapur	Bunny	NR	12401	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NR	11000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Apr-22	31-Mar-22	
Punjab	Bhatinda	J-34	9250	9300	-50
	Abohar	J-34	9250	9300	-50
	Mansa	J-34	9250	9300	-50
Haryana	Sirsa	J-34	8950	9000	-50

Rajasthan	Sri-Ganganagar	J-34	8601	8601	Unch
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Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Apr-22	31-Mar-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	870	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	7000	5000	2000
	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	1700	1020	680
	Fatehabad	B.T. Cotton	300	250	50
	Jind	B.T. Cotton	1020	850	170
	Uchana	B.T. Cotton	700	1300	-600
	Dabwali	B.T. Cotton	500	500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	Closed	600	-
	Rawatsar	B.T. Cotton	200	500	-300
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	16000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	1035.5	-
Karnataka	Bijapur	Bunny	NR	469	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NR	5	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Apr-22	31-Mar-22	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	255	255	Unch
	Mansa	J-34	340	255	85
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	300	300	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Apr-22	31-Mar-22	
Gujarat	Rajkot	Rs. /10 Kg.	1575	1575	Unch
Delhi	New Delhi	Rs. /10 Kg.	1380	1380	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1565	1565	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1530	1550	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Apr-22	31-Mar-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3244	3269	-25
Maharashtra	Akola	Rs./Qtl	3300	3300	Unch

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	31-Mar-22	30-Mar-22	Change
CCIndex(328)	RMB/Ton	22899	22897	96
CCIndex(527)	RMB/Ton	21037	21033	67
CCIndex(229)	RMB/Ton	22899	23276	70

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	31-Mar-22	30-Mar-22	Change
FC Index (S)	Cents/lb	158.15	155.18	0.96
FC Index (M)	Cents/lb	156.60	153.60	0.96
FC Index (L)	Cents/lb	155.04	152.04	0.96

Cotlook Index:

Cotlook Indices	Unit	31-Mar-22	30-Mar-22	Change
A-Index	Cents/Pound	156.55	153.55	3

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		31-Mar-22	30-Mar-22	Bales
Southeast	cents/lb.	137.69	141.84	0
North Delta	cents/lb.	136.69	140.84	0
South Delta	cents/lb.	136.69	140.84	0



East TX-OK	cents/lb.	129.69	134.34	72.00
West Texas	cents/lb.	129.69	134.34	837
Desert SW	cents/lb.	129.94	134.09	0
SJ Valley	cents/lb.	130.44	130.44	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 31-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 31 st , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220331	139.84	140.67	135.36	135.69	-4.15	17,765	84,894	-3,989
Jul-22	220331	136.15	136.72	131.36	132.07	-4.13	14,512	57,723	+2,288
Oct-22	220331	120.47	120.47	117.53	117.53	-1.11	0	44	+0
Dec-22	220331	112.00	112.62	110.50	111.28	-1.16	4,763	62,946	+735
Mar-23	220331	107.33	107.60	105.83	106.55	-0.90	625	8,658	-109
May-23	220331	102.96	103.37	102.29	103.17	-0.60	240	2,478	+9
Total Volume and Open Interest							38,266	227,449	-868

Source: MRCI

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