

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.43,470/bale on Saturday. ICE cotton futures closed red on Friday.

News: *The high demand for cotton pushed its price to Rs 12,000 per quintal 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.

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, Uttar Pradesh & Rajasthan. Thunderstorm accompanied with lightening very likely at isolated places over Assam & Meghalaya, Arunachal Pradesh, Andaman & Nicobar Islands, and Kerala -Mahe is also expected.

International Fundamentals:

The ICE cotton Futures was lower by 114 points at 134.55 cents/lb. The Cotlook A index was at 156.55 cents/lb. The AWP for cotton was at 130.89 cents/lb.

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 is grown in Punjab while the rest is grown in Sindh.

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 | 0 | - |
| | Dhrol | B.T. Cotton | Closed | Closed | - |
| Haryana | Bhiwani | B.T. Cotton | NA | 0 | - |
| | Bhiwani | Desi | NA | 0 | - |
| | 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 | 0 | - |
| | Khargaon | Mech-1 | NA | 0 | - |
| Maharashtra | Amravati | Mech-1 | Closed | 12100 | - |
| | Jamner | Medium Staple | NA | 0 | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NA | 0 | - |
| | Hathras | Desi | NA | 0 | - |
| 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 |

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 | 0 | - |
| | Dhrol | B.T. Cotton | Closed | Closed | - |
| Haryana | Bhiwani | B.T. Cotton | NA | 0 | - |
| | Bhiwani | Desi | NA | 0 | - |
| | 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 | 0 | - |
| | Khargaon | Mech-1 | NA | 0 | - |
| Maharashtra | Amravati | Mech-1 | Closed | 16000 | - |
| | Jamner | Medium Staple | NA | 0 | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NA | 0 | - |
| | Hathras | Desi | NA | 0 | - |
| 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 INDICES**China 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 Friday, Apr 01 st , 2022 | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Month | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Cotton(ICE) | | | | | | | | | |
| May-22 | 220401 | 136.00 | 137.49 | 134.12 | 134.55 | -1.14 | 13,504 | 83,609 | -1,285 |
| Jul-22 | 220401 | 132.28 | 133.89 | 130.60 | 130.93 | -1.14 | 9,749 | 60,126 | +2,403 |
| Oct-22 | 220401 | 116.65 | 116.72 | 116.72 | 116.72 | -0.81 | 0 | 44 | +0 |
| Dec-22 | 220401 | 111.00 | 112.20 | 110.56 | 110.68 | -0.60 | 3,659 | 63,101 | +155 |
| Mar-23 | 220401 | 106.16 | 107.55 | 106.21 | 106.21 | -0.34 | 497 | 8,580 | -78 |
| May-23 | 220401 | 102.83 | 103.91 | 102.73 | 102.73 | -0.44 | 35 | 2,477 | -1 |
| Total Volume and Open Interest | | | | | | | 27,683 | 228,700 | +1,251 |

Source: MRCI

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