

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.43,710/bale on Monday. ICE cotton futures closed red on Friday.

News: *Cotton prices in Punjab has reached at Rs.8,200 per quintal, which is around 26 percent higher from the previous kharif season. This is despite the dip of 47 percent in cotton production as compared to the last season. The 2021-22 cotton season has almost come to an end in Punjab.*

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.

Weather Forecast:

Heat wave conditions in isolated pockets over south Haryana-Delhi, Madhya Pradesh, Uttar Pradesh & Jharkhand and Gujarat State. Thunderstorm accompanied with lightening very likely at isolated places over, Arunachal Pradesh, Madhya Maharashtra, Konkan & Goa, Coastal and South interior Karnataka, 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	4-Apr-22	2-Apr-22	
Gujarat	Ahmedabad	Shankar-6	12500	Closed	-
	Gondal	Shankar-6	12755	Closed	-
	Rajkot	B.T. Cotton	12755	12700	55
	Patan	B.T. Cotton	11815	Closed	-
	Kadi	B.T. Cotton	12500	12500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11570	Closed	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11500	10900	600
	Fatehabad	B.T. Cotton	12400	10600	1800
	Jind	B.T. Cotton	11500	11800	-300
	Uchana	B.T. Cotton	10800	10500	300
	Dabwali	B.T. Cotton	11495	11800	-305
Rajasthan	Hanumangarh	B.T. Cotton	11000	Closed	-
	Rawatsar	B.T. Cotton	11200	Closed	-
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	NA	NA	-
Karnataka	Bijapur	Bunny	12649	NR	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12000	NR	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	4-Apr-22	2-Apr-22	
Punjab	Bhatinda	J-34	9350	9300	50
	Abohar	J-34	9380	9300	80
	Mansa	J-34	9330	9280	50
Haryana	Sirsa	J-34	9070	9000	70
Rajasthan	Sri-Ganganagar	J-34	NR	8695	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	4-Apr-22	2-Apr-22	

Gujarat	Ahmedabad	Shankar-6	25500	Closed	-
	Gondal	Shankar-6	2728	Closed	-
	Rajkot	B.T. Cotton	3600	2500	1100
	Patan	B.T. Cotton	3190	Closed	-
	Kadi	B.T. Cotton	5000	5000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	224	Closed	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	300	350	-50
	Jind	B.T. Cotton	765	1105	-340
	Uchana	B.T. Cotton	1400	1500	-100
	Dabwali	B.T. Cotton	400	400	Unch
Rajasthan	Hanumangarh	B.T. Cotton	500	Closed	-
	Rawatsar	B.T. Cotton	200	Closed	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	15000	Unch
	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	1020	NR	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	NR	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	4-Apr-22	2-Apr-22	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	1020	850	170
Rajasthan	Sri-Ganganagar	J-34	NR	200	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	4-Apr-22	2-Apr-22	
Gujarat	Rajkot	Rs. /10 Kg.	1590	1575	15
Delhi	New Delhi	Rs. /10 Kg.	1400	1380	20
Telangana	Hyderabad	Rs. /10 Kg.	1580	1565	15
Maharashtra	Mumbai	Rs. /10 Kg.	1545	1530	15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	4-Apr-22	2-Apr-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	3228	3244	-16
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 02-Apr-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	20680
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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