

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.44,060/bale on Wednesday. ICE cotton futures closed red on Tuesday.

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

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 have reached a historic high in 2021-22 season. The current market price of cotton per quintal has touched at 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 have started moving upward. Major cotton-producing countries like China and USA has experienced lower 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 lower 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 enhancing 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 West Rajasthan, East Rajasthan, West Uttar Pradesh, East Uttar Pradesh, South Haryana-Delhi, and in isolated pockets over Jammu Division, Himachal Pradesh, Punjab, Madhya Pradesh are expected. Thunderstorm accompanied with lightening very likely at isolated places over Assam & Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Madhya Maharashtra, Konkan & Goa, Sub- Himalayan West Bengal, Sikkim, Tamil Nadu, Pondicherry, Karaikal, and Kerala -Mahe.

International Fundamentals:

The ICE cotton Futures was down by 41 points at 137.53 cents/lb. The Cotlook A index was at 151.05 cents/lb. The AWP for cotton was at 130.89 cents/lb.

According to the U.S. Crop progress report, as on 03rd April 2022, U.S cotton planting stands at 4 percent which 2 percent lower from previous season of 6 percent. U.S. cotton planting is also lower from past 5 years average of 6 percent.

The rate of local cotton in Pakistan remained stable while unprecedented increase was witnessed 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 balse 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	6-Apr-22	5-Apr-22	
Gujarat	Ahmedabad	Shankar-6	13000	13000	Unch
	Gondal	Shankar-6	13080	12880	200
	Rajkot	B.T. Cotton	12750	12790	-40
	Patan	B.T. Cotton	12400	13000	-600
	Kadi	B.T. Cotton	12000	12500	-500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12000	11790	210
Haryana	Bhiwani	B.T. Cotton	11600	11600	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11500	11550	-50
	Fatehabad	B.T. Cotton	11600	11600	Unch
	Jind	B.T. Cotton	11800	12000	-200
	Uchana	B.T. Cotton	10700	10500	200
	Dabwali	B.T. Cotton	11800	12000	-200
Rajasthan	Hanumangarh	B.T. Cotton	12000	11600	400
	Rawatsar	B.T. Cotton	11600	11600	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12400	12250	150
	Jamner	Medium Staple	12000	11900	100
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	10600	-
Karnataka	Bijapur	Bunny	12806	12716	90
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11500	12500	-1000
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	6-Apr-22	5-Apr-22	
Punjab	Bhatinda	J-34	9500	9500	Unch
	Abohar	J-34	9550	9500	50
	Mansa	J-34	9500	9450	50
Haryana	Sirsa	J-34	9250	9200	50
Rajasthan	Sri-Ganganagar	J-34	8742	8742	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-Apr-22	5-Apr-22	
Gujarat	Ahmedabad	Shankar-6	22100	22100	Unch

	Gondal	Shankar-6	2859	2853	6
	Rajkot	B.T. Cotton	4000	4000	Unch
	Patan	B.T. Cotton	4820	3285	1535
	Kadi	B.T. Cotton	5000	5000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	252	346	-94
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	200	300	-100
	Jind	B.T. Cotton	850	935	-85
	Uchana	B.T. Cotton	1200	1000	200
	Dabwali	B.T. Cotton	500	300	200
Rajasthan	Hanumangarh	B.T. Cotton	200	400	-200
	Rawatsar	B.T. Cotton	500	200	300
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	15000	17000	-2000
	Jamner	Medium Staple	30	40	-10
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	761	920	-159
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4	5	-1
Commodity		Lint	Arrivals (Quintal)		Change
State	Centre	Variety	6-Apr-22	5-Apr-22	
Punjab	Bhatinda	J-34	1700	1700	Unch
	Abohar	J-34	255	340	-85
	Mansa	J-34	170	255	-85
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	30	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	6-Apr-22	5-Apr-22	
Gujarat	Rajkot	Rs. /10 Kg.	1580	1555	25
Delhi	New Delhi	Rs. /10 Kg.	1480	1400	80
Telangana	Hyderabad	Rs. /10 Kg.	1575	1550	25
Maharashtra	Mumbai	Rs. /10 Kg.	1570	1545	25

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	6-Apr-22	5-Apr-22	

Gujarat	Mahesana (Kadi)	Rs./Qtl	3211	3232	-21
Maharashtra	Akola	Rs./Qtl	3299	3300	-1

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 04-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	22163

Daily Futures Price Listing Tuesday, Apr 05 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220405	137.93	140.45	136.86	137.53	-0.41	15,922	78,524	-1,694
Jul-22	220405	134.28	136.71	133.26	133.26	-0.31	10,711	63,723	+2,001
Oct-22	220405	121.00	121.63	121.00	121.63	+1.85	10	44	-1
Dec-22	220405	113.42	115.00	113.42	114.82	+1.06	5,038	63,952	+541
Mar-23	220405	109.14	110.50	109.14	110.46	+1.21	859	8,960	+415
May-23	220405	106.00	106.50	105.50	106.46	+0.89	159	2,502	+55
Total Volume and Open Interest							33,203	228,605	+1,443

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.