

Domestic market summary

Domestic Market Scenario:

In India cotton arrivals have started in north and MP area. Cyclone Gulab in Telangana, Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh have damaged the standing crop of cotton at many places. New cotton arrivals have started coming in markets. Gujarat Shankar-6 variety cotton spot prices in Cotton Association of India stood high around Rs.55,264/ candy in September'21.

Monthly Price Outlook : The Kapas prices likely to remain firm between Rs. 7100-7400/q in the Rajkot market and the prices of medium staple length in Adoni market are likely to hover around Rs. 7500-7900/q in the coming month.

Major Market Highlights:

The heavy rain caused by Cyclone Gulab in Telangana, Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh have damaged the standing crop of cotton at many places. Excess rainfall in Maharashtra, Gujarat and Telangana could affect yield for cotton which is in the flowering stage. There are specific reports of losses to the cotton crop in the northern Marathwada region of Maharashtra, Srikakulam and Vizianagaram districts of Andhra Pradesh, Sangareddy district of Telangana and Khargone district of Madhya Pradesh. Besides the loss in yield, the arrivals are also expected to get delayed in Maharashtra. Also, the quality of first picking has been affected in all affected places. These losses have caused a bullish impact on prices. Also, the international prices have been strong over the last week of September, but are expected to cool down during October.

Cotton crop get affected in sirsa due to Pink Bollworm. According to the Haryana Agriculture Department, Pink Bollworm has affected the cotton crop in sirsa and adjoining Punjab. Agriculture department officials have advised farmers to take precautions.

Cotton procurement in Maharashtra is likely to begin in November for the 2021-22 seasons. According to the Minister of Cooperation and Marketing, Kharif cotton procurement for 2021-22 seasons should commence from the first week of November to facilitate timely sales and income for farmers. The directives comes in the wake of a delay in the last kharif season due to covid 19 pandemic and lockdown through which cotton procurement centers did not opened on time.

Cotton Corporation of India has procured around 92 lakh bales of cotton during the ongoing 2020-21 season. CCI may be required to procure a minimal amount of cotton in the 2021-22 season, as kapas prices are likely to rule above the minimum support price (MSP). Cotton procurement may be required during the peak arrival season if the prices drop below the MSP.

Cotton ginner across the country are hopeful of a better season in 2021-22 after a couple of lackluster years. Cotton prices are currently ruling high at over Rs 7,000 per quintal and cottonseed prices are hovering around Rs 4,500- 5,000 per quintal. The prices have been increasing as consumption by mills is strong and there is good



demand for yarn. The Centre has fixed an MSP for medium staple cotton at Rs 5,716 per quintal for the 2021-22 season, higher than the previous year's Rs 5,515. For the long-staple cotton, the MSP for 2021-22 has been fixed at Rs 6,025 per quintal, against Rs 5,825 in the previous year.

The cotton crop has been affected due to Pink Bollworm in Bhatinda. As per the State Agriculture Department data, all the 14 blocks of Bhatinda and Mansa have reported the Pink Bollworm infestation in cotton. Around 3.25 lakh hectares area under cotton cultivation in Punjab, out of that nearly 5 percent of the area is under the Bathinda (96,000 hectares) and Mansa (65,000 hectares) is under pest attack. The maiden picking of the three-picking cycle of cotton is expected to begin after September 15 whereas farmers have started harvesting in the early-sown fields.

Unexpected rains during the past few days have affected the cotton crop in Khammam. According to the preliminary estimates of the Agriculture department total of around 1,887 acres of area has been damaged in Bhadradi - Kothagudem districts affecting over 1,393 farmers. In Khammam district, crops mainly paddy and cotton, were inundated by rainwater in around 1,720 acres. In the old Adilabad District, the standing cotton crop is badly affected due to rains, and farmers who have suffered losses due to the inundation of cotton plants are now planning to sow Bengal gram in Rabi season. The farmers are also demanding the state government to order a survey immediately to assess the crop damage and pay compensation to them.

The All India Crop Situation Report issued by the Ministry of Agriculture and Farmer's Welfare shows a decrease in sowing area this year. Cotton acreage till 17th September 2021 stood at 119.66 lakh hectares compared with the corresponding week last year at 126.97 lakh hectares. The higher area was reported from the states of Telangana (20.69 lakh hectares), Karnataka (6.36 lakh hectares), Haryana (6.88 lakh hectares), and Rajasthan (7.08 lakh hectares), Odisha (1.97 lakh hectares), and Tamil Nadu (0.37 lakh hectare). Less area was reported from the states of Gujarat (22.51 lakh hectares), Maharashtra (39.41 lakh hectares), Andhra Pradesh (4.86 lakh hectares), Madhya Pradesh (6.15 lakh hectares), and Punjab (3.03 lakh hectares).

Cotton Production:

(Quantity in Lakh Bales)

Year	2018-19	2019-20	2020-21	2021-22*
State	Production			
Punjab	8.50	9.50	6.78	8.03
Haryana	23.00	25.24	20.02	19.20
Rajasthan	28.00	28.25	29.02	31.08
Gujarat	88.00	95.50	82.86	83.29
Maharashtra	74.09	87.80	88.73	85.04
Madhya Pradesh	23.05	19.79	22.09	21.65
Telangana	36.00	51.05	66.42	56.71
Andhra Pradesh	14.91	14.72	14.78	12.82
Karnataka	15.50	20.77	25.93	23.36
Tamil Nadu	5.00	4.64	3.56	3.15
Orissa	4.00	3.75	4.01	4.64
Others	1.00	1.00	0.83	1.29
TOTAL	321.05	362.01	365.01	350.25

As per the latest estimates by Agriwatch, cotton output in the country during the season 2020-21 would be around 365.01 lakh bales (of 170 kg each). The cotton output in the 2021-22 season is estimated to decrease to around 350.25 lakh bales, as the area sown under cotton has decreased as compared to previous season.

Due to the good export parity in the 2020-21, exports are likely have increased to 75 lakh bales. Whereas, the imports in 2021.22 are likely to around 10 lakh bales same as in 2020-21 season.

The total cotton availability by the end of the season in 2020-21 is estimated at 478.82 lakh bales and an lower availability is expected in 2021-22 season of around 439.07 lakh bales.

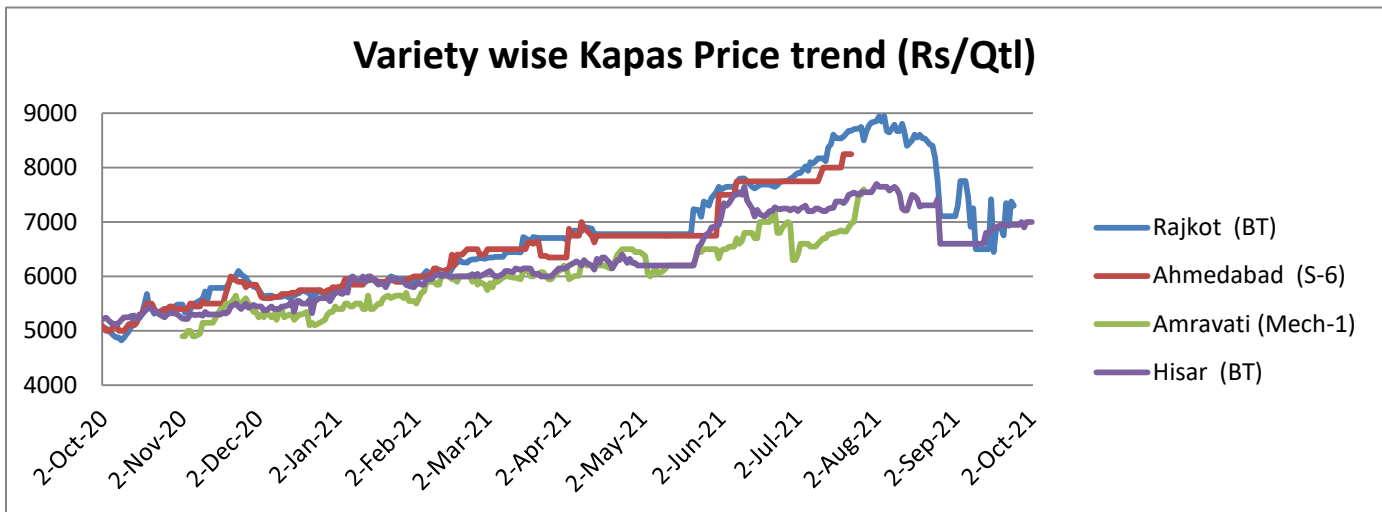
Total domestic mill consumption (excluding non- mill consumption) in 2021-22 is expected to increase to 278.00 lakh bales in 2020-21, with the coming of festivals and also due to relaxation in lockdown restrictions in several states across the country.

So, the increase in consumption has result in lowering ending stocks of around 78.82 lakh bales in 2020-21 and is likely to occur this year too, the endingstocks by the end of 2021-22 season is estimated to be 49.07 lakh bales.

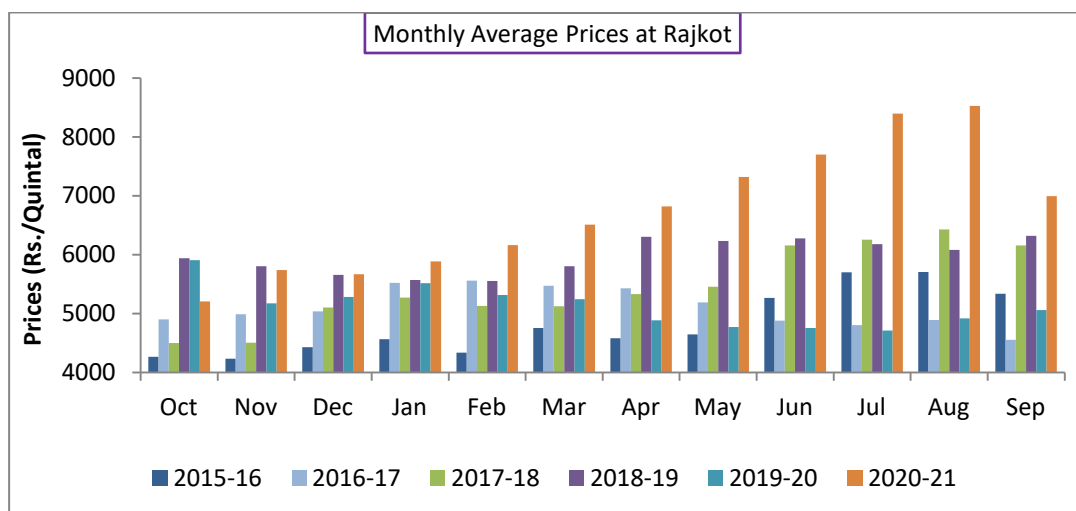
Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Monthly Price Scenario

Monthly Price Review: Monthly kapas average price at Rajkot and other markets were significantly lower and stood at Rs.7024/quintal in Rajkot and Rs. 6784/quintal in Hisar.



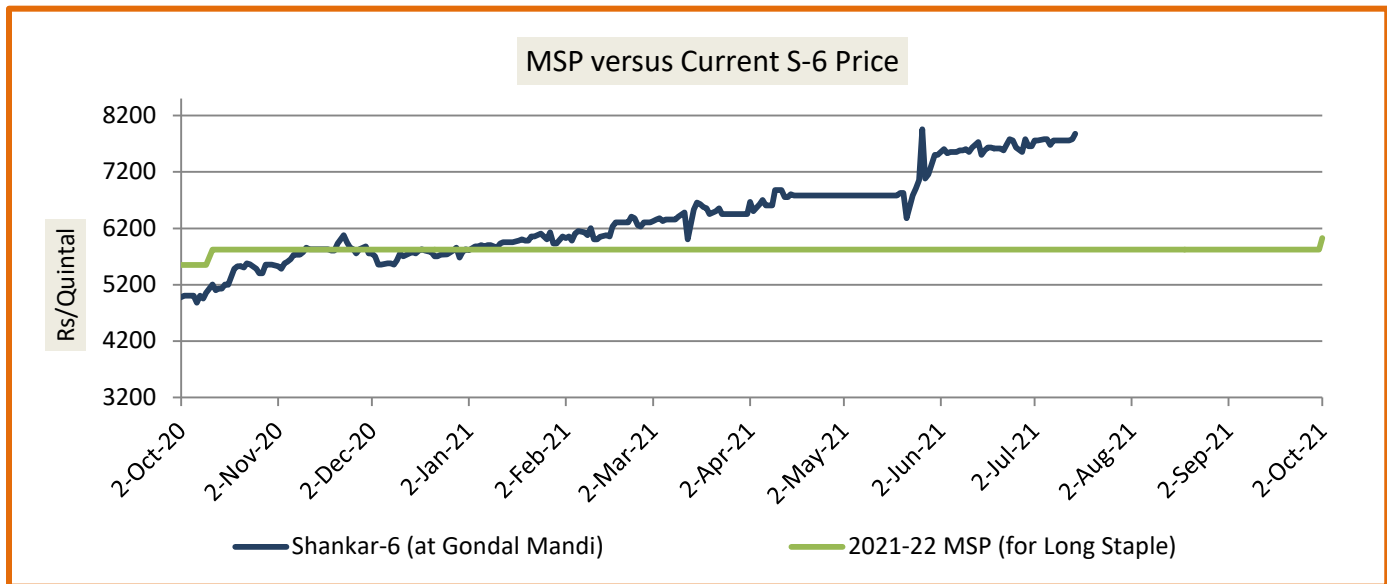
Kapas Monthly M-o-M Price Scenario



The arrivals in the month of September were higher in the market but the monthly average price were lower at Rs. 6991/q compared to the prices during the corresponding month of the previous season.(Rs. 5058/q)

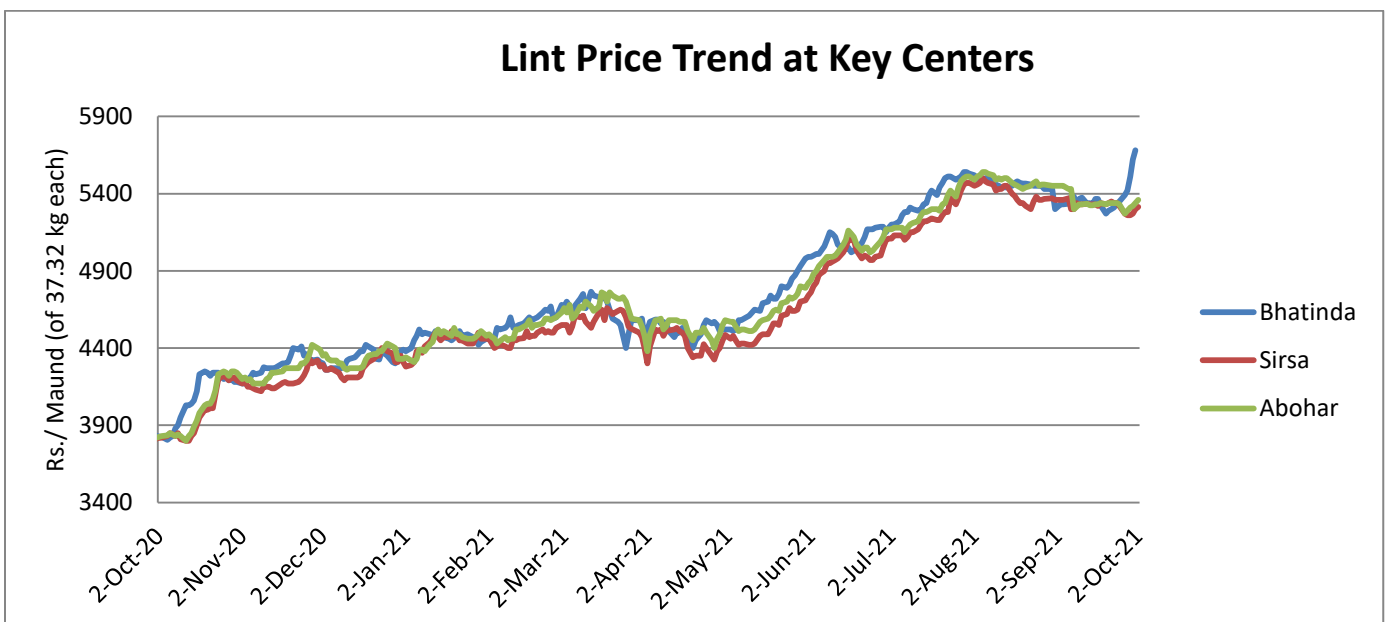
Spot Price versus MSP

There were no arrivals during the past month.



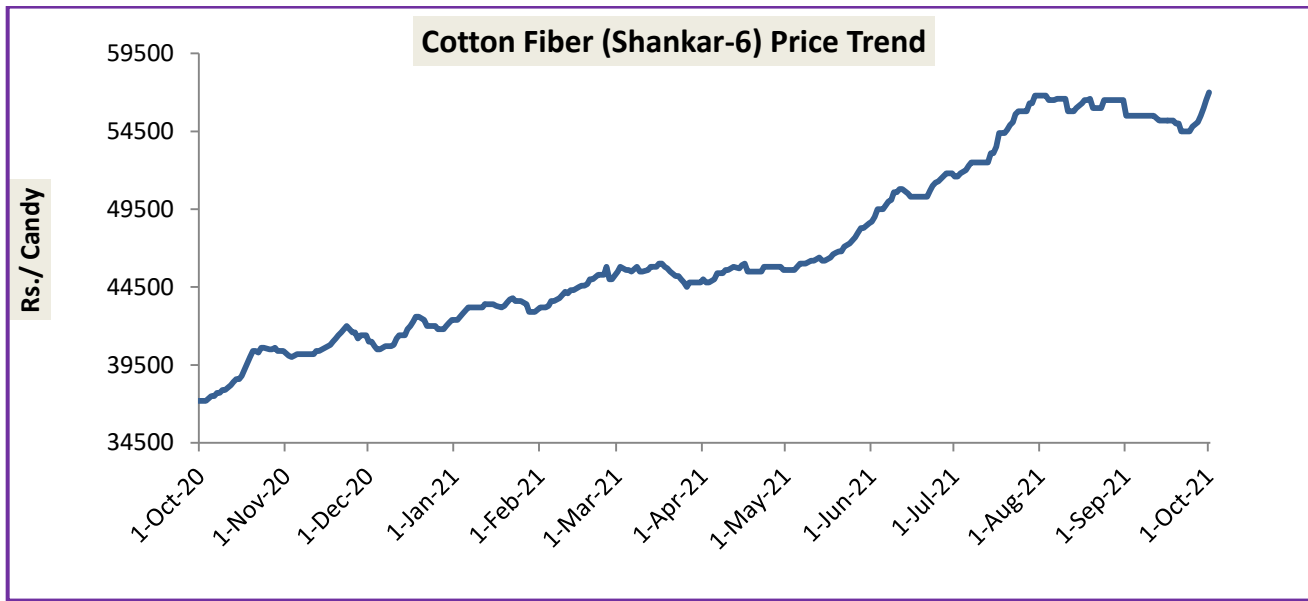
Lint price Outlook

The prices in the northern states were firm during September. Monthly average price of Lint at Sirsa stood slightly lower at Rs.5328 per maund of 37.32 kg each in September whereas in Bhatinda market the prices have increased and were at Rs. 5350 per maund of 37.32 kg each.



Cotton Fiber price Outlook

The average spot price quoted for Shankar-6 (29mm) by CAI was Rs.55253 per candy (of 355.6 kg each) during September, down by Rs.56368 per candy from previous month. While the prices during the same month last year were low around Rs. 36700 per candy. Agriwatch expects cotton fiber to remain range-bound around of Rs.54,500-60,000 per candy in the coming month amid increase in kapas MSP.

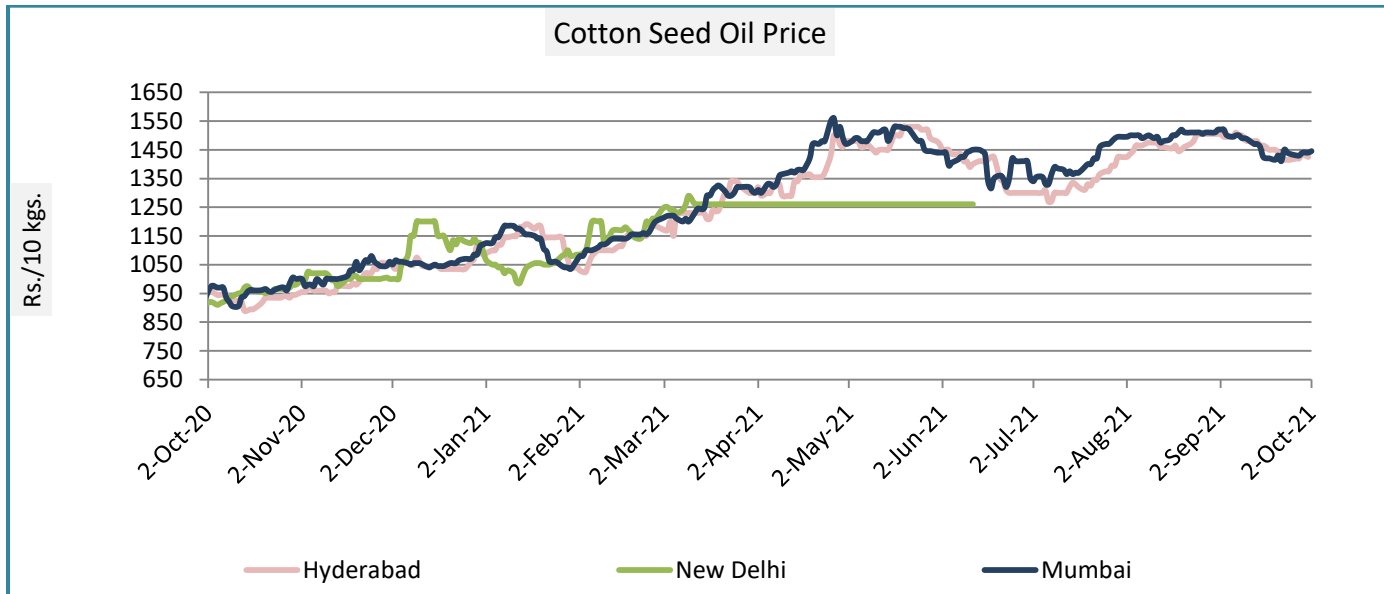


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil monthly Price Scenario

The monthly average price in Hyderabad stood at Rs.1445 per 10 Kg, and followed by Rs. 1444 kg in Rajkot and Rs.1453 per 10 kg in Mumbai.

Centers	Monthly Average Price as on (Rs/10 kg.)		% Change
	September	August	
New Delhi	-	-	-
Rajkot	1444	1483	-2.63
Hyderabad	1445	1483	-2.56
Mumbai	1453	1503	-3.36

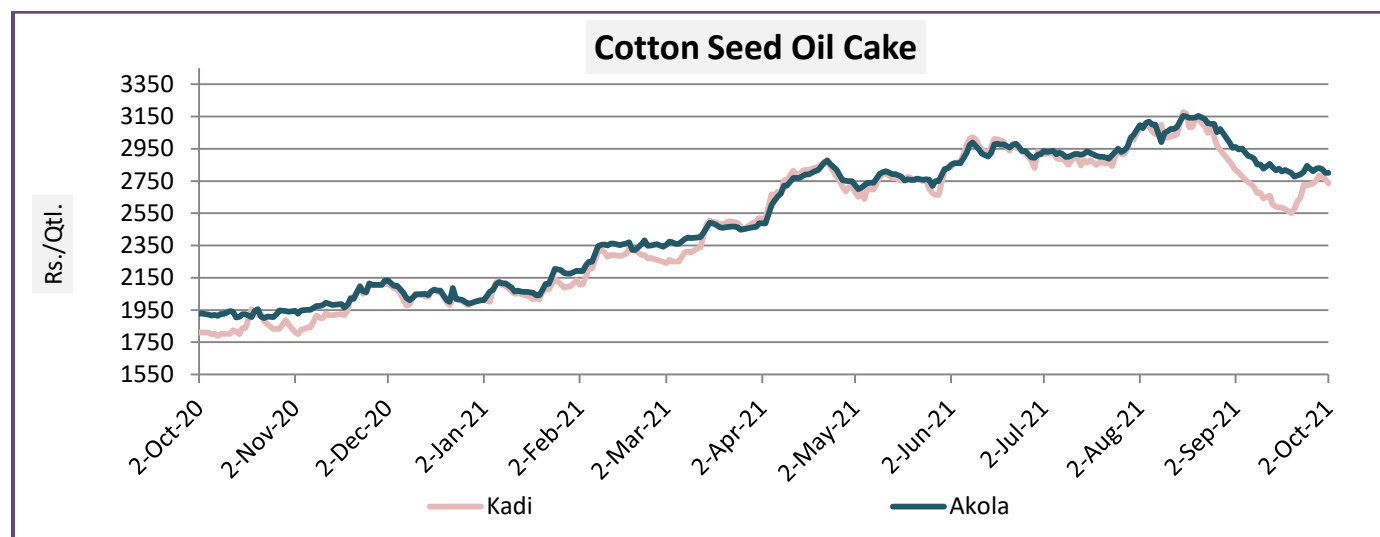


Cotton Seed Oil Cake monthly Price Scenario

The cottonseed oilcake prices have decreased from the previous month. The average price of cottonseed oilcake in the Kadi market was Rs. 2689 per quintal from Rs. 3060 per quintal and in Akola was at Rs. 2850 per quintal from Rs. 3095 per quintal the previous month. The cottonseed oilcake market is expected to see new demand after October and prices are also expected to remain range bound in the coming month due to weak demand in the market.

Centers	Monthly Average Price as on (Rs/quintal.)*		% Change
	September	Aug	
Kadi	2689	3060	-12.11
Akola	2850	3095	-7.93

*Source: NCDEX



International Market Scenario

ICE front month futures were up by around 13 % in Oct'21 month compared in Sep'21. The average of ICE Oct contract stood high around 106.53 cents/lbs in Oct, up by 13.15 percent compared to the average price that stood in September around 94.15 cents/lbs.

Major Market Highlights:

- According to the International Cotton Advisory Committee October Report, cotton production and stock projections for the 2021-22 season, the International Cotton Advisory Committee (ICAC) has indicated that the global output of the fibre crop will be around 25.7 million tonnes (mt), which would be higher by six per cent over previous year, but still be lower than the pre-pandemic levels. The ending stocks for 2020-21 has been revised downward to 20 mt, leading to the world cotton supply to be around 45.8 mt for the 2021-22 season. The global consumption is estimated at 25.9 mt.
- The Cotton Crop Assessment Committee had revised the Pakistan's cotton production target downward by 19 percent from 10.5 million to 8.46 million bales. Apart from lowest area under cotton cultivation i.e. 1.871 million hectares, some major biotic constraints including cotton leaf curl virus, mealybug, and whitefly attacks have also forced the government to cut the estimates. According to Syed Fakhar Imam, Federal Minister for National Food Security and Research, cotton production may exceed the estimate of 8.46 million bales, as 2.69 million bales of cotton have been transferred to the ginning factories till September 15, compared to 1.04 million bales in same period of last year. Whereas last year, the cotton production was around 5.57 million bales.
- According to USDA'S World Agriculture Supply and Demand Estimate (WASDE) report, for the 2021-22 season, India's cotton area is projected at 12.7 million hectares lowest in past 3 years. The erratic monsoon



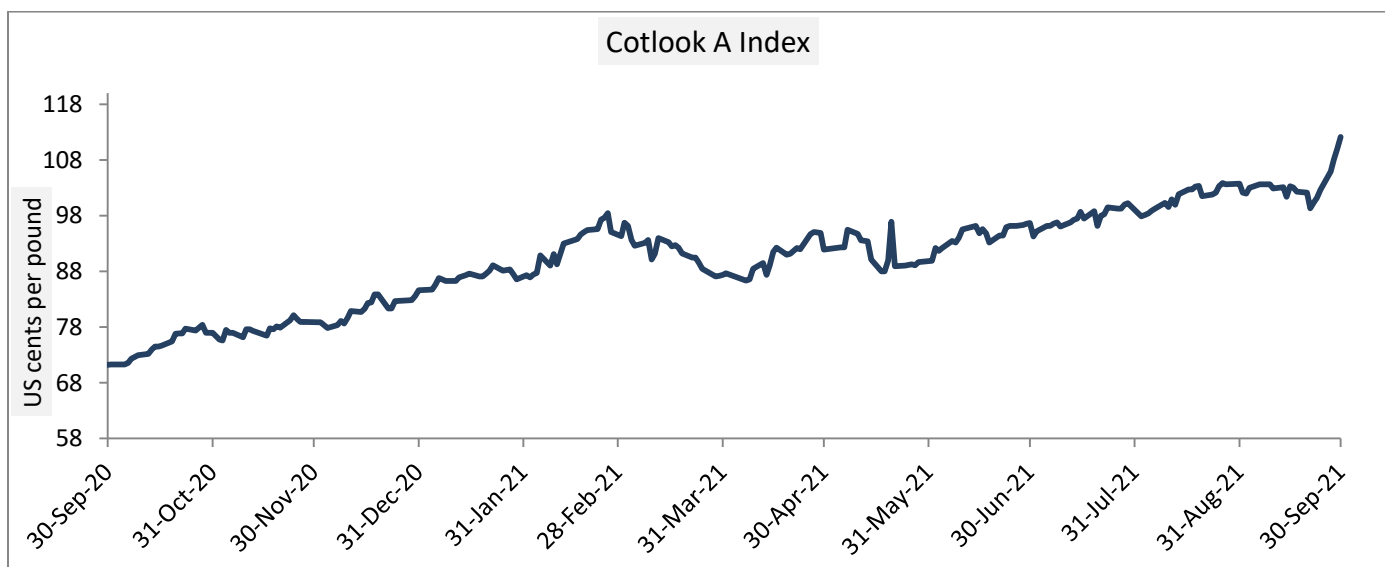
has affected the cotton planting in the major growing regions. Although, the national yield is projected at 489 kg per hectares. As a result, cotton crop is projected at 28.5 million bales in 2021-22 which is slightly above the year before production. India is expected to account for 24 percent of the global cotton crop in 2021-22.

- Egyptian cotton production and exports may rise in 2021-22. The rising global demand and the recent rise in prices of cotton are increasing cotton production. As the area under cotton harvest has increased to 85,000 hectares from the previous year's 65,000 hectares. The cotton production is likely to increase by 30.23 percent from 215,000 lb bales in 2020-21 to 280,000 lb bales in 2021-22. Further, exports are likely to increase by 28 percent to reach 320,000 lb bales in 2021-22 compared to 250,000 lb bales in 2020-21. Imports are expected to decline by 12.70 percent to 550,000 lb bales in 2021-22 compared to the previous year's 630,000 lb bales in 2020-21.

Cotlook A Index

The average CotlookA Index stood higher at 103.64 US cents per lb in September month and increased by 2 percent from previous month.

Cotlook A Index	MonthlyAverage Price as on		% Change
	September	Aug	
Prices	103.64	101.30	2.31
Prices in US cents per Pound			



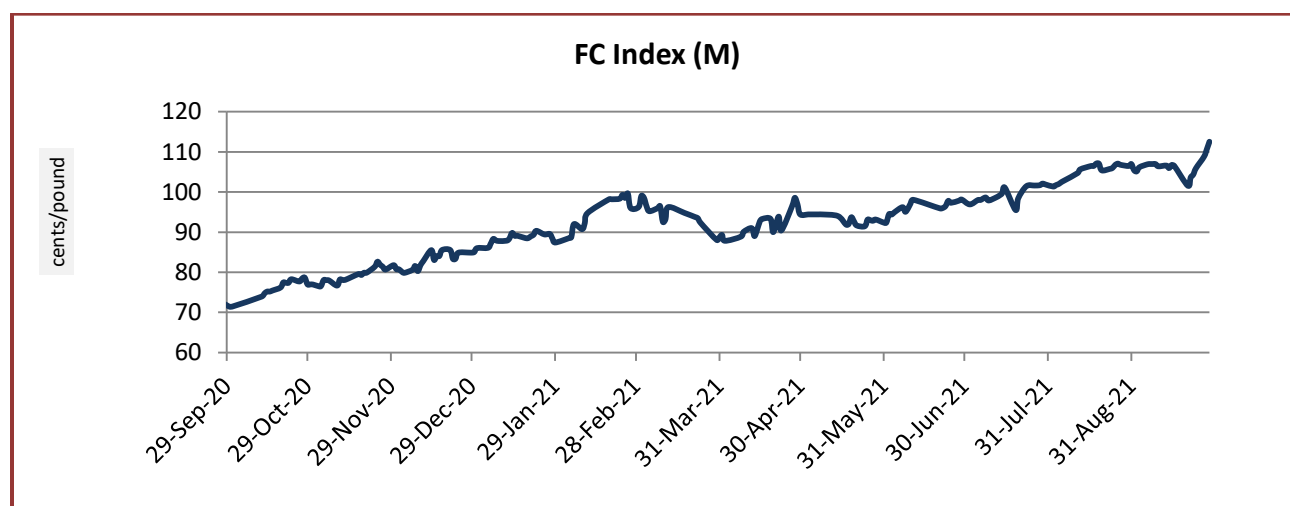
Source: Cotlook

China Cotton Index and Foreign Cotton Index

The China cotton Index prices has increased from previous month around 5 percent in August 2021.

Cotton Index	Monthly Average Price as on		% Change
	September	August	
FC (S)	107.76	106.42	1.26
FC (M)	106.55	105.23	1.26
FC (L)	105.42	104.09	1.27
Prices in US cents per Pound			

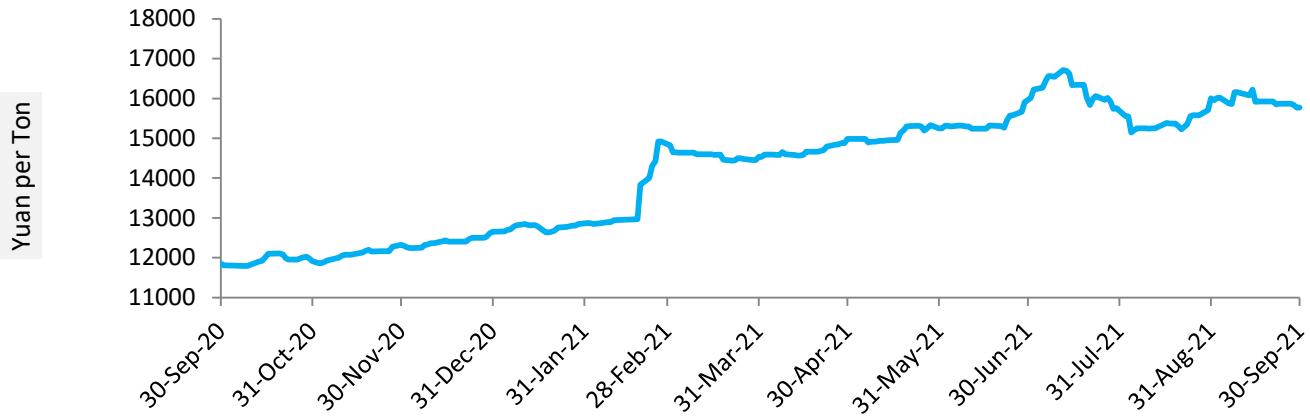
Source: China Cotton Association



Cotton Index	Monthly Average Price as on		% Change
	September	August	
CCIndex(328)	18247.14	18066.22	1.00
CCIndex(527)	17254.10	17023.13	1.36
CCIndex(229)	18634.76	18388.96	1.34
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)



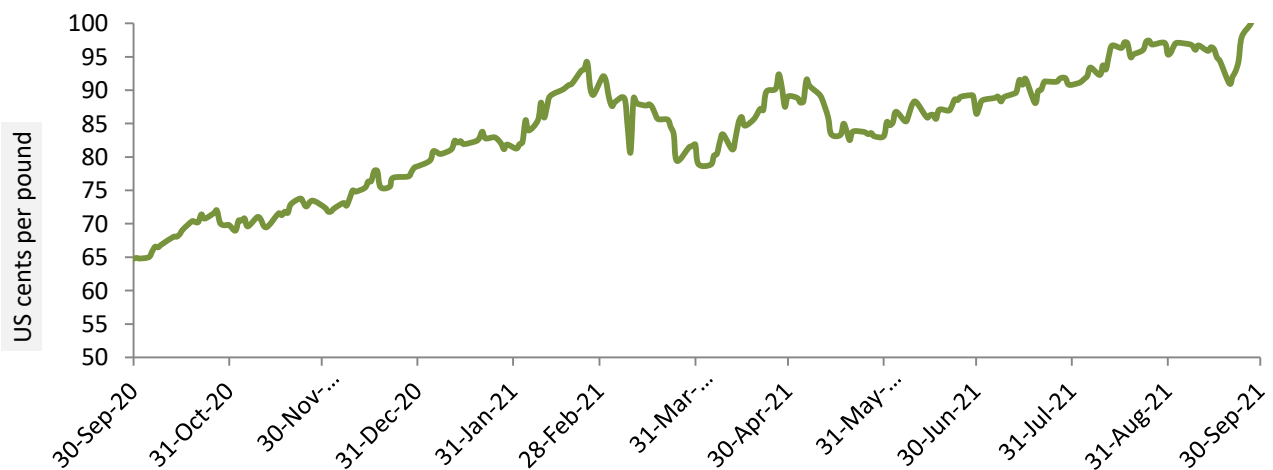
USA Spot Prices

U.S.A Spot price for this month was at 96.94 cents/ pound higher from previous month price by 2 percent.

USA Spot Prices	Monthly Average Price as on		% Change
	September	August	
Prices	96.94	94.85	2.21
Prices in US cents per Pound			

Source: USDA

Daily Movement of USA Spot Price

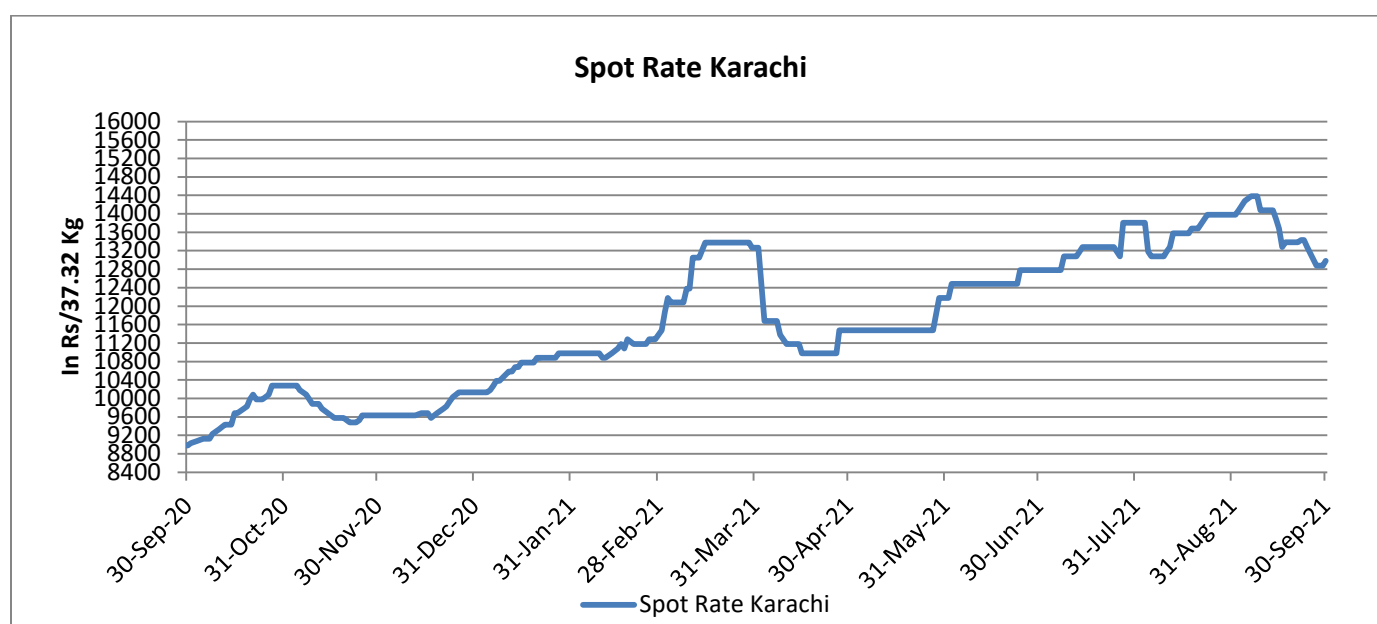


Pakistan Spot Prices

The Karachi spot pricestood around Rs.13420/q slightly lower compared to the previous month. (Rs. 13733/q).

Karachi Spot Prices	Monthly Average Price as on		% Change
	September	August	
Prices	13420	13733	-0.95
Prices in Rs per 37.32 Kg			

Source: Fibre2fashion.com



Commodity: Cotton

Exchange: MCX

Contract: Mar.

Expiry: October. 30, 2021

Cotton

COTTON 1st(MXCTNC1)2021/10/03 - Weekly B:28560.00 A:28580.00
 O 28820.00 H 28830.00 L 28440.00 C 28570.00 ↑ V 114 T 62,203 I 2,129 -240 -0.83%



Technical Commentary:

- Therecenttrendincottonhasbeenbullish.
- Asupportingtrendlineispassingthrough22000, while mild resistance is seen around 29000.
- If the market tests the support at 25000, intraday long positions may be created.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MC X	Mar	25000	25470	28810	29000	29400
			Call	Entry	T1	T2	SL
Cotton	MC X	Mar	Buy	28820	28780	28740	28810

* Do not carry-forward the position next day.

Commodity: Cotton Seed oil Cake
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20th, 2021

Cottonseed Oilcake



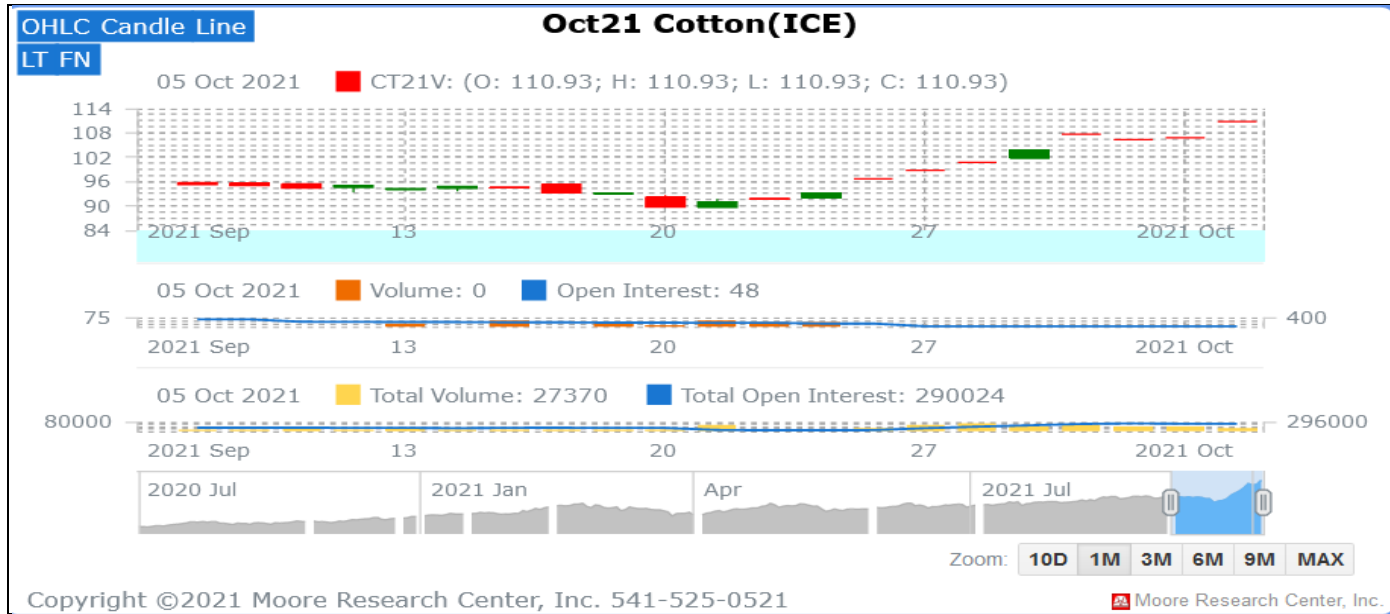
Technical Commentary:

- Cottonseedoilcakeonthe weekly chartlooksbullish.
- On the intra-day chart, there exists a consolidation zone(support)at 2175andthenatrendlinesupportat 2800. Strong resistance is seen at 2600.

Strategy: **Sell**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	2400	2460	2482	2600	2650
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Sell	2482	2520	2580	2460

* Do not carry-forward the position next day.

**Monthly Technical Outlook:****Technical Analysis of Cotton Future (Oct'21 Contract) at ICE**

- Candlesticks showed firm trend in the market during July month.
- Volume&Open Interest have increased over a month.
- We expect cotton prices to remain steady to firm in the coming month.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Range bound to Bullish Momentum	110-120

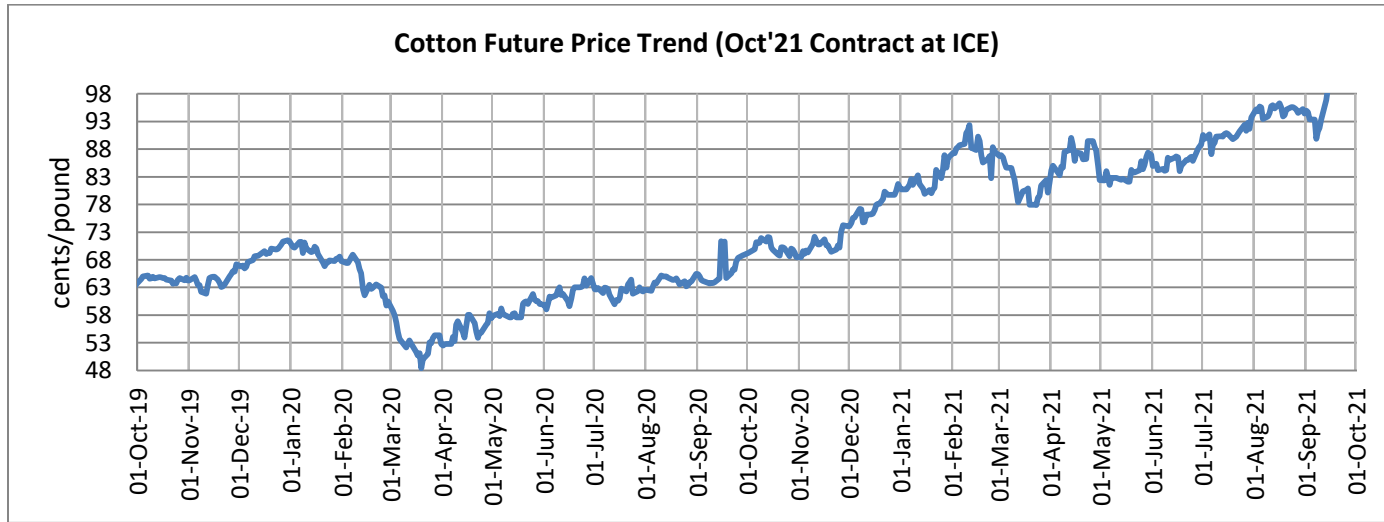
Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
100	96	113	115

Figures in US cents/pound

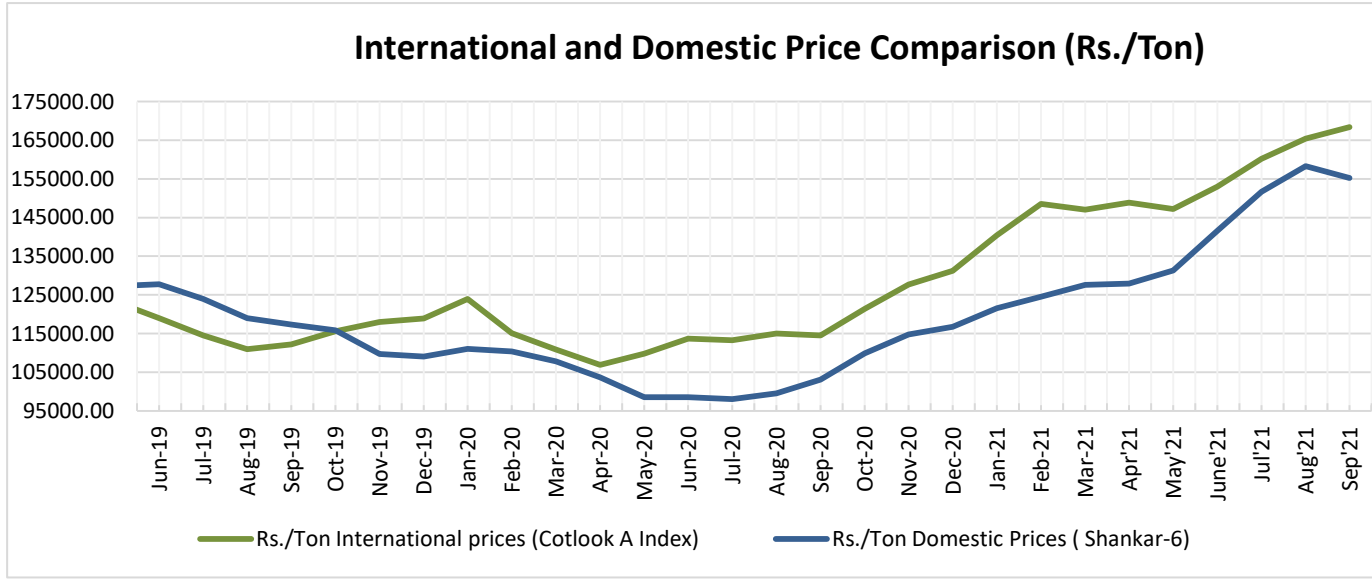
Cotton Future Prices at ICE

Future Price Trend (Active Contract):



Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	01-Oct-21	01-Sep-21	03-Jul-21	04-Apr-21	01-Oct-20	% Change over a month	% Change over previous year
Oct-21	106.53	94.15	86.03	77.95	66.63	13.15	59.88
Dec-21	104.53	92.30	87.51	79.27	67.27	13.25	55.39
Mar-22	101.44	91.66	86.97	78.22	67.84	10.67	49.53
May-22	100.44	91.19	86.76	77.91	64.52	10.14	55.67
Jul-22	97.71	89.75	86.29	77.61	65.82	8.87	48.45

International and Domestic Price Comparison



Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Montly Prices Average (Rs./Quintal)		Change
State	Centre	Variety	Sep'21	Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6991	8527	-1536
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5807	7194	-1387
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6784	7346	-561
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-

	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6931	NA	-
	Rawatsar	B.T. Cotton	7106	NA	-
Madhya Pradesh	Khandwa	Mech-1	5651	NA	-
	Khargaon	Mech-1	6134	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6842	NA	-
	Hathras	Desi	6396	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	7923	7744	179
Karnataka	Bijapur	Bunny	7286	8114	-828
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	Sep'21	Aug'21	
Punjab	Bhatinda	J-34	5350	5469	-119
	Abohar	J-34	5343	5467	-123
	Mansa	J-34	5348	5466	-118
Haryana	Sirsa	J-34	5331	5382	-51
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	Sep'21	Aug'21	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	4363	2925	1438
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	90	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-

	Adampur	B.T. Cotton	10965	3978	6987
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	7460	NA	-
	Rawatsar	B.T. Cotton	11300	NA	-
Madhya Pradesh	Khandwa	Mech-1	1276	NA	-
	Khargaon	Mech-1	36370	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	2345	NA	-
	Hathras	Desi	1324	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	59873	2252	57621
Karnataka	Bijapur	Bunny	902	1716	-814
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	Sep'21	Aug'21	
Punjab	Bhatinda	J-34	35870	NA	-
	Abohar	J-34	20400	NA	-
	Mansa	J-34	4913	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Cotton Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				Sep'21	Aug'21	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41424	43052	-1628
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42036	43744	-1708
J-34(202)	27mm	3.5 - 4.9	23	49240	50308	-1068
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	51380	53008	-1628
Shankar-6(105)	29mm	3.5 - 4.9	28	55264	56348	-1084
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	56052	57556	-1504
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	58416	-
DCH-32(107)	34mm	3.0 - 3.8	33	97040	96820	220

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