

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.46,400/bale on Friday. ICE cotton futures closed red on Thursday.

News: *Cotton Association of India (CAI) and International Cotton Association (ICA) have signed a Memorandum of Understanding (MoU) to increase co-operation and address quality issues in cotton.*

The cotton yarn traders in south India are expecting demand to pick up in the coming weeks. Spinning mills are also reducing cotton yarn production which will support prices. Further, downstream manufacturers are likely to increase buying because of possible supply crunch in the market.

According to the market sources, government may impose a temporary ban on cotton exports if cotton prices continue to surge. Cotton prices are currently around Rs. 93,500 per candy for Shanker-6 variety. Although, prices for some varieties have even touched Rs. 1,00,00 per candy. As a result a ban could ease the prices in the domestic market. In the past week, the government had removed 10 percent import duty on cotton.

According to the market sources, Telangana government is targeting to increase the area under cotton by 55–65 percent to about 28–30 lakh hectares as compared to last year's 18 lakh hectares even as the cottonseed industry pegged the growth in cotton acreage at 15 per cent in the upcoming Kharif season. As per USDA report, the all-cotton planted area for the coming season (2022) is estimated at 12.2 million acres, higher 9 percent from last year.

Weather Forecast:

Thunderstorm accompanied with lightening winds & hail is very likely at isolated places over Andaman & Nicobar Islands, and with lightening and gusty winds at isolated places over Kerala & Mahe, with lightening at isolated places over Chhattisgarh, Sub- Himalayan West Bengal, Sikkim, Odisha, Assam & Meghalaya, Coastal Andhra Pradesh, Yanam, Rayalaseema, Coastal & South Interior Karnataka, and Tamil Nadu, Pondicherry & Karikal. Heavy rainfall at isolated places over Andaman & Nicobar Islands.

International Fundamentals:

The ICE cotton Futures was lower by 600 points at 148.76 cents/lb. The Cotlook A index was at 168.70 cents/lb. The AWP for cotton was at 148.76 cents/lb.

As the 2021-22 cotton season is coming towards its closure, the production and consumption both are on higher side. Global cotton production is higher by 8.4 percent from 24.39 million tonnes to 26.43 million tonnes in 2021-22 season. While the global cotton production is on the higher side, India (3.7%) and china(3.1%) cotton production is on its lower side as compared to the previous season mainly because of the lesser sown area. Further, Global cotton consumption has increased by 1.9 percent to 26.16 million tonnes as compared to the previous season. Global cotton trade was down from the previous season. The drop is mainly due to logistical complications and supply chain disruptions over the course of the 2021-22 season.

According to the U.S. Crop progress report, as on 01st May 2022, U.S cotton planting stands at 16 percent which is 1 percent higher as that of previous season of 15 percent. U.S. cotton planting was same as that of past 5 years average.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	6-May-22	5-May-22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	13005	12955	50
	Rajkot	B.T. Cotton	12955	12880	75
	Patan	B.T. Cotton	11845	11755	90
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11500	11275	225
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12400	12900	-500
	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	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12500	12400	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	13209	13269	-60
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12500	12400	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	6-May-22	5-May-22	
Punjab	Bhatinda	J-34	10000	10200	-200
	Abohar	J-34	10000	10200	-200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9500	9700	-200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-May-22	5-May-22	
Gujarat	Ahmedabad	Shankar-6	13600	15300	-1700

	Gondal	Shankar-6	1795	1823	-28
	Rajkot	B.T. Cotton	2100	1150	950
	Patan	B.T. Cotton	760	857	-97
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	15	22	-7
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	850	170
	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	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	14000	14000	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	489	473	16
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10	5	5
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	6-May-22	5-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	6-May-22	5-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1650	1660	-10
Delhi	New Delhi	Rs. /10 Kg.	1520	1520	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1620	1620	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1650	1660	-10

Cotton Seed Oil Seed Cake Prices:

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

Gujarat	Mahesana (Kadi)	Rs./Qtl	3006	3014	-7
Maharashtra	Akola	Rs./Qtl	3063	3060	4

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	29-Apr-22	28-Apr-22	Change
CCIndex(328)	RMB/Ton	22426	22357	69
CCIndex(527)	RMB/Ton	20715	20692	23
CCIndex(229)	RMB/Ton	22827	22753	74

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

China Foreign Cotton (FCE) Index :

Index	Unit	29-Apr-22	28-Apr-22	Change
FC Index (S)	Cents/lb	166.04	159.04	7.00
FC Index (M)	Cents/lb	164.44	157.44	7.00
FC Index (L)	Cents/lb	162.9	155.9	7.00

Cotlook Index:

Cotlook Indices	Unit	29-Apr-22	28-Apr-22	Change
A-Index	Cents/Pound	166.05	159.05	7.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Apr-22	28-Apr-22	Bales
Southeast	cents/lb.	145.63	149.93	-
North Delta	cents/lb.	144.63	148.93	-
South Delta	cents/lb.	144.63	148.93	-
East TX-OK	cents/lb.	137.63	141.93	-
West Texas	cents/lb.	137.63	141.18	-
Desert SW	cents/lb.	136.88	141.18	-
SJ Valley	cents/lb.	137.38	148.33	-

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

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	21180
Equivalent	40 Kgs	21648	193	22699

Daily Futures Price Listing Thursday, May 05th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220505	152.02	152.02	152.02	152.02	-6.00	18	0	-18
Jul-22	220505	154.95	155.24	148.76	148.76	-6.00	16,257	94,967	-562
Oct-22	220505	135.26	135.75	132.60	133.19	-3.02	3	40	+0
Dec-22	220505	129.58	129.78	124.70	126.44	-3.34	7,965	77,168	+265
Mar-23	220505	123.06	123.37	119.34	120.66	-3.00	2,652	14,883	+220
May-23	220505	116.58	117.21	113.76	114.82	-2.43	759	4,322	+194
Total Volume and Open Interest							28,865	206,391	-61

Source: MRCI

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