

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 Saturday. ICE cotton futures closed red on Friday.

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 Kerala & Mahe, and with lightening and gusty winds at isolated places over Gangetic West Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Coastal Andhra Pradesh, Yanam, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal, and with heavy rainfall at isolated places over Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Coastal Andhra Pradesh, Yanam, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal.

International Fundamentals:

The ICE cotton Futures was lower by 515 points at 143.61 cents/lb. The Cotlook A index was at 173.45 cents/lb. The AWP for cotton was at 147cents/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	7-May-22	6-May-22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	12955	13005	-50
	Rajkot	B.T. Cotton	12950	12955	-5
	Patan	B.T. Cotton	11955	11845	110
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11290	11500	-210
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12400	12400	Unch
	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	12500	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	13066	13209	-143
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12000	12500	-500
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-May-22	6-May-22	
Punjab	Bhatinda	J-34	10000	10000	Unch
	Abohar	J-34	10000	10000	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9500	9500	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	7-May-22	6-May-22	
Gujarat	Ahmedabad	Shankar-6	13600	13600	Unch
	Gondal	Shankar-6	2304	1795	509
	Rajkot	B.T. Cotton	2300	2100	200
	Patan	B.T. Cotton	381	760	-379
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	68	15	53
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	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	334	489	-155
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10200	10	10190
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	7-May-22	6-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	34	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	7-May-22	6-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1650	1650	Unch
Delhi	New Delhi	Rs. /10 Kg.	1520	1520	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1640	1620	20
Maharashtra	Mumbai	Rs. /10 Kg.	1670	1650	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	7-May-22	6-May-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3001	3006	-5
Maharashtra	Akola	Rs./Qtl	3081	3063	18

INTERNATIONAL PRICES AND INDICESChina 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

Pakistan Cotton Spot rates: As on 30-Apr-2022				(in Pakistan Rupees)
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 Friday, May 06th, 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-22	220506	146.87	146.87	146.87	146.87	-5.15			
Jul-22	220506	148.22	148.72	143.36	143.61	-5.15	14,833	94,685	-282
Oct-22	220506	129.14	130.44	129.14	130.18	-3.01	3	41	+1
Dec-22	220506	126.00	126.47	121.75	123.74	-2.70	8,023	78,470	+1,302
Mar-23	220506	119.68	120.15	116.67	118.34	-2.31	2,068	14,649	-224
May-23	220506	114.53	114.53	111.55	113.19	-1.63	756	4,460	+138
Total Volume and Open Interest							26,327	207,335	+944

Source: MRCI

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