

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.50,350/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton fiber prices have touched a record high at Rs. 1,15,000 to Rs. 1,70,000 per candy in the last two days. The lack of quality produce is pushing up the prices despite higher pressing of raw cotton.

Cotton Association of India has reduced its April estimate of the cotton crop for the 2021-22 season by 11.50 lakh bales to 323.63 lakh bales from its previous estimate of 335.13 lakh bales. The Association has attributed the reduction in crop estimate due to the drop in production in states including Gujarat, Maharashtra, Madhya Pradesh, Telangana, Tamil Nadu, Karnataka. Agriwatch has estimated cotton production at 320.60 lakh bales in the 2021-22 season.

For the coming 2022-23 season, cotton sowing is being progressing in northern states along with some parts of Madhya Pradesh and Gujarat. As per Agriwatch market sources, around 5 percent of the cotton sowing is done in Gujarat where water availability was there. Also, In Madhya Pradesh sowing is progressing in Khandwa region.

The Tamil Nadu government is planning to establish procurement centers like Cotton Corporation of India in the state, to procure cotton directly from farmers across the state.

Weather Forecast:

Thunderstorm accompanied with lightening winds & hail is very likely at isolated places over Andaman & Nicobar Islands, and Rayalaseema, and gusty winds at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan, Muzaffarabad, Jharkhand, Gangetic West Bengal, Odisha, Telangana and with lightening at isolated places over Vidarbha, Chhattisgarh, Bihar, Sub- Himalayan West Bengal, Sikkim, Odisha, Madhya Maharashtra, Konkan & Goa, Marathwada, Coastal Andhra Pradesh, Yanam, Karnataka, Tamil Nadu, Kerala & Mahe, Pondicherry & Karikal.

International Fundamentals:

The ICE cotton Futures was lower by 219 points at 148.46 cents/lb. The Cotlook A index was at 163.95 cents/lb. The AWP for cotton was at 140.82 cents/lb.

According to the U.S. Crop progress report, as on 15th May 2022, U.S cotton planting stands at 37 percent which is 1 percent lower as that of the previous season. Also, U.S. cotton planting was same as that of past 5 years average.

According to the USDA WASDE May Report, the 2021-22 global cotton production was lowered by 1.8 million bales to 118.4 million bales. This was primarily a result of a 1.0 million bales reduction for India at 25.5 million bales and a 650,000 bales reduction for Uzbekistan at 2.8 million bales. World mill use in 2021-22 season, was lowered by 1.1 million bales to 122.9 million bales. The reduction in Consumption was primarily a result of lowered estimate for china to 500,000 bales to 38.5 million bales. The U.S. export forecast was unchanged, but the Chinese import number dropped to 400,000 bales at 8.8 million tonnes. Also, India's export forecast was lowered by 500,000 bales to 4.44 million bales.

DOMESTIC PRICES AND ARRIVALS

Cotton arrivals have decreased in the market as the season is close towards its end.

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-May-22	17-May-22	
Gujarat	Ahmedabad	Shankar-6	14000	14000	Unch
	Gondal	Shankar-6	14605	14505	100
	Rajkot	B.T. Cotton	13935	14220	-285
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12650	11500	1150
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	13285	14000	-715
	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	13500	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	12000	12000	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	14209	14169	40
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	14000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-May-22	17-May-22	
Punjab	Bhatinda	J-34	11500	11750	-250
	Abohar	J-34	11500	11800	-300
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	10900	11100	-200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	18-May-22	17-May-22	
Gujarat	Ahmedabad	Shankar-6	15300	15300	Unch
	Gondal	Shankar-6	1272	1348	-76
	Rajkot	B.T. Cotton	1200	1300	-100
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	13	4	9
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3740	1020	2720
	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	12	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	14000	13000	1000
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	235	339	-104
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-May-22	17-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	170	340	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	18-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1610	1610	Unch
Delhi	New Delhi	Rs. /10 Kg.	1570	1570	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1610	1615	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1620	1620	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
			18-May-22	17-May-22	
State	Centre	Unit			
Gujarat	Mahesana (Kadi)	Rs./Qtl	3004	3008	-4
Maharashtra	Akola	Rs./Qtl	3065	3061	4

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	18-May-22	17-May-22	Change
CCIndex(328)	RMB/Ton	NR	22245	-
CCIndex(527)	RMB/Ton	NR	20515	-
CCIndex(229)	RMB/Ton	NR	22551	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	18-May-22	17-May-22	Change
FC Index (S)	Cents/lb	NR	168.43	-
FC Index (M)	Cents/lb	NR	166.76	-
FC Index (L)	Cents/lb	NR	165.2	-

Cotlook Index:

Cotlook Indices	Unit	17-May-22	16-May-22	Change
A-Index	Cents/Pound	169.45	163.95	5.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		17-May-22	16-May-22	Bales
Southeast	cents/lb.	148.46	152.9	0
North Delta	cents/lb.	147.46	151.9	0
South Delta	cents/lb.	147.46	151.9	0
East TX-OK	cents/lb.	140.46	144.9	453
West Texas	cents/lb.	140.46	144.15	0
Desert SW	cents/lb.	139.71	144.15	0
SJ Valley	cents/lb.	140.21	151.3	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 17-May-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 Tuesday, May 17 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220517	150.52	151.95	148.25	148.46	-2.19	11,409	84,975	-1,032
Oct-22	220517	140.47	140.47	139.01	139.01	-0.60	1	33	+0
Dec-22	220517	132.71	133.79	131.79	132.36	-0.60	6,729	80,527	-817
Mar-23	220517	127.00	127.80	125.81	126.79	-0.46	925	15,764	+112
May-23	220517	121.51	121.87	120.36	121.22	-0.33	349	5,421	+150
Jul-23	220517	115.90	116.54	115.00	115.65	-0.21	133	5,367	+60
Total Volume and Open Interest							19,833	202,258	-1,678

Source: MRCI

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