

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.50,080/bale on Saturday. ICE cotton futures closed red on Friday.

News: *The textile value chain in Gujarat is reducing cotton production by nearly half as textile mills are facing the possibility of shutting down units as raw cotton and cotton yarn prices kept on rising despite the governments steps to remove import duty.*

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.

Weather Forecast:

Thunderstorm accompanied with lightening winds & hail is very likely at isolated places over Uttarakhand, Sub- Himalayan West Bengal, Sikkim, and with lightening at isolated places over Himachal Pradesh and Punjab, and with lightening & gusty winds at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan, Muzaffarabad, and with lightening at isolated places over Gangetic West Bengal, Andaman & Nicobar Islands, and thunderstorm at isolated places over Haryana, Chandigarh & Delhi, and Jharkhand and with lightening at isolated places over Uttar Pradesh, Madhya Pradesh, Chhattisgarh and Bihar and with lightening at isolated places over Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Telangana, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Lakshadweep, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was lower by 543 points at 142.27 cents/lb. The Cotlook A index was at 163 cents/lb. The AWP for cotton was at 143 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	21-May-22	20-May-22	
Gujarat	Ahmedabad	Shankar-6	14500	14500	Unch
	Gondal	Shankar-6	14505	14605	-100
	Rajkot	B.T. Cotton	13755	14055	-300
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12500	11005	1495
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11900	12800	-900
	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	13000	13000	Unch
	Jamner	Medium Staple	NR	13000	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	14109	14050	59
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13800	13800	Unch
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	21-May-22	20-May-22	
Punjab	Bhatinda	J-34	10800	11000	-200
	Abohar	J-34	10800	11000	-200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	10000	10200	-200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-May-22	20-May-22	
Gujarat	Ahmedabad	Shankar-6	13600	13600	Unch
	Gondal	Shankar-6	1302	1204	98
	Rajkot	B.T. Cotton	1000	1300	-300
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10	8	2
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	4250	-3400
	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	5000	5000	Unch
	Jamner	Medium Staple	NR	20	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	164	116	48
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	6	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-May-22	20-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-May-22	20-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1590	1590	Unch
Delhi	New Delhi	Rs. /10 Kg.	1550	1550	Unch
Telangana	Hyderabad	Rs. /10 Kg.	11595	1595	10000

Maharashtra	Mumbai	Rs. /10 Kg.	1600	1600	Unch
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Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	21-May-22	20-May-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2983	2980	3
Maharashtra	Akola	Rs./Qtl	3038	3029	9

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

Index	Unit	21-May-22	20-May-22	Change
CCIndex(328)	RMB/Ton	Closed	22105	-
CCIndex(527)	RMB/Ton	Closed	20432	-
CCIndex(229)	RMB/Ton	Closed	22464	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	21-May-22	20-May-22	Change
FC Index (S)	Cents/lb	Closed	165.47	-
FC Index (M)	Cents/lb	Closed	163.8	-
FC Index (L)	Cents/lb	Closed	162.25	-

Cotlook Index:

Cotlook Indices	Unit	20-May-22	19-May-22	Change
A-Index	Cents/Pound	Closed	163	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-May-22	19-May-22	Bales
Southeast	cents/lb.	NR	149.95	0
North Delta	cents/lb.	NR	148.95	0
South Delta	cents/lb.	NR	148.95	0
East TX-OK	cents/lb.	NR	141.95	0
West Texas	cents/lb.	NR	141.2	528
Desert SW	cents/lb.	NR	141.2	0
SJ Valley	cents/lb.	NR	148.35	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 19-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 Friday, May 20 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220520	147.35	148.00	141.86	142.27	-5.43	16,384	80,066	-1,180
Oct-22	220520	134.56	134.56	131.78	131.78	-3.19	2	38	+2
Dec-22	220520	127.90	128.68	124.29	125.29	-3.04	9,428	84,211	+614
Mar-23	220520	123.93	124.31	120.46	120.84	-3.09	2,426	16,619	+370
May-23	220520	119.11	120.00	116.52	116.76	-2.95	687	5,722	+111
Jul-23	220520	115.47	115.47	112.55	112.69	-2.78	377	5,805	+181
Total Volume and Open Interest							29,651	202,925	+187

Source: MRCI

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