

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.48,850/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: *The Textile and garment manufacturer have approached the government to ban the future trading of cotton as it is adding to market speculation and further driving up the prices of the cotton in the market.*

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 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.

Weather Forecast:

Thunderstorm accompanied with lightening winds & hail is very likely at isolated places over East Madhya Pradesh, Andaman & Nicobar Islands, Coastal Andhra Pradesh, and with lightening at isolated places over Vidarbha, Chhattisgarh, Jharkhand, West Bengal and Sikkim, Odisha, Assam & Meghalaya, Telangana, 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	25-May-22	24-May-22	
Gujarat	Ahmedabad	Shankar-6	14000	13500	500
	Gondal	Shankar-6	14205	14455	-250
	Rajkot	B.T. Cotton	13455	13500	-45
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12175	12350	-175
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11900	12225	-325
	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	NA	12863	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13699	13600	99
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-May-22	24-May-22	
Punjab	Bhatinda	J-34	10800	10800	Unch
	Abohar	J-34	11000	11000	Unch
	Mansa	J-34	NA	NA	-

Haryana	Sirsa	J-34	10000	10100	-100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-May-22	24-May-22	
Gujarat	Ahmedabad	Shankar-6	10200	10200	Unch
	Gondal	Shankar-6	1869	1825	44
	Rajkot	B.T. Cotton	1050	1000	50
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10	26	-16
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3400	2499	901
	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	11000	12000	-1000
	Jamner	Medium Staple	NR	19	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NA	228	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9	7	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	25-May-22	24-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	340	85	255

Rajasthan	Sri-Ganganagar	J-34	NA	NA	-
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Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	25-May-22	24-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1575	1565	10
Delhi	New Delhi	Rs. /10 Kg.	1535	1520	15
Telangana	Hyderabad	Rs. /10 Kg.	1575	1555	20
Maharashtra	Mumbai	Rs. /10 Kg.	1580	1580	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	25-May-22	24-May-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3001	2972	29
Maharashtra	Akola	Rs./Qtl	3077	3053	24

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

Index	Unit	25-May-22	24-May-22	Change
CCIndex(328)	RMB/Ton	22335	22388	-53
CCIndex(527)	RMB/Ton	20335	20381	-46
CCIndex(229)	RMB/Ton	21888	21966	-78

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

China Foreign Cotton (FCE) Index :

Index	Unit	25-May-22	24-May-22	Change
FC Index (S)	Cents/lb	0	160.53	-160.53
FC Index (M)	Cents/lb	0	158.9	-158.90
FC Index (L)	Cents/lb	0	157.35	-157.35

Cotlook Index:

Cotlook Indices	Unit	18-May-22	21-May-22	Change
A-Index	Cents/Pound	167	163	4.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		18-May-22	18-May-22	Bales
Southeast	cents/lb.	144.47	146.72	0

North Delta	cents/lb.	143.47	145.72	0
South Delta	cents/lb.	143.47	145.72	0
East TX-OK	cents/lb.	136.47	138.72	0
West Texas	cents/lb.	136.47	137.97	0
Desert SW	cents/lb.	135.72	137.97	0
SJ Valley	cents/lb.	136.22	145.12	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 24-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 24 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220524	142.75	142.82	140.68	141.54	-1.21	13,619	77,236	-986
Oct-22	220524	132.20	132.20	130.26	130.51	-2.10	8	39	+0
Dec-22	220524	125.75	125.91	122.60	123.78	-2.20	7,430	83,720	+401
Mar-23	220524	121.50	121.56	118.47	119.50	-2.28	1,757	17,941	-34
May-23	220524	117.60	117.76	114.92	115.95	-2.04	684	6,051	+130
Jul-23	220524	113.75	113.75	111.10	112.30	-1.72	498	5,999	+100
Total Volume and Open Interest							24,270	201,580	-271

Source: MRCI

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