

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.48,860/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: *Indian domestic market remained stable with slow supply against regular demand, through mills have reduced consumption. Weaker Indian rupee had made imports costly. Cotton fiber (Shanker-6) prices have touched a record high at Rs. 1,03,000 to Rs. 1,02,000 per candy in the last week. Agriwatch expects cotton fiber prices to range between Rs. 98,000 – Rs. 1,06,000 per candy in the coming week.*

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 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 Himachal Pradesh & Uttarakhand and with lightening & gusty winds at isolated places over Gangetic West Bengal, and with lightening at isolated places over Jammu & Kashmir, Uttar Pradesh, East Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, Nagaland, Manipur, Mizoram, Tripura, Assam & Meghalaya, Coastal Andhra Pradesh, Telangana, Tamil Nadu, Pondicherry & Karaikal, Lakshadweep, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was higher by 362 points at 145.16 cents/lb. The Cotlook A index was at 163 cents/lb. The AWP for cotton was at 143 cents/lb.

Pakistan cotton sowing has reached 90 percent in Punjab, over 3.6 million acres of area has been cultivated under cotton crop. As per the agriculture department, cotton sowing is still underway due to good availability of water in the current season.

According to the U.S. Crop progress report, as on 23rd May 2022, U.S cotton planting stands at 54 percent which is 17 percent higher as that of the previous season and 3 percent ahead of the 5 years average this week. Double-digit percentage increases in cotton planting were reported in 13 of the country's 15 cotton-producing states, led by Missouri (up 38 percent), Kansas and Tennessee (both up 29 percent), Mississippi (up 26 percent), Arkansas and North Carolina (both up 21 percent), and Alabama, Georgia, and Virginia (all up 20 percent).

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	26-May-22	25-May-22	
Gujarat	Ahmedabad	Shankar-6	14000	14000	Unch
	Gondal	Shankar-6	13955	14205	-250
	Rajkot	B.T. Cotton	13610	13455	155
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12400	12175	225
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	12299	11900	399
	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	NA	13000	-
	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	12969	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13850	13699	151
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	26-May-22	25-May-22	
Punjab	Bhatinda	J-34	10900	10800	100
	Abohar	J-34	10900	11000	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	10100	10000	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-May-22	25-May-22	
Gujarat	Ahmedabad	Shankar-6	8500	10200	-1700
	Gondal	Shankar-6	1461	1869	-408
	Rajkot	B.T. Cotton	700	1050	-350
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	10	-8
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	3400	-850
	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	NA	11000	-
	Jamner	Medium Staple	NR	23	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NA	587	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	9	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-May-22	25-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	340	-255
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-May-22	25-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1580	1575	5
Delhi	New Delhi	Rs. /10 Kg.	1535	1535	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1570	1575	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1575	1580	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-May-22	25-May-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2985	3001	-16
Maharashtra	Akola	Rs./Qtl	3052	3077	-25

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	159.58	160.53	-0.95
FC Index (M)	Cents/lb	157.98	158.9	-0.92
FC Index (L)	Cents/lb	156.42	157.35	-0.93

Cotlook Index:

Cotlook Indices	Unit	25-May-22	24-May-22	Change
A-Index	Cents/Pound	159.7	160	-0.30

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-May-22	24-May-22	Bales
Southeast	cents/lb.	145.16	143.79	0
North Delta	cents/lb.	144.16	142.79	0
South Delta	cents/lb.	144.16	142.79	0
East TX-OK	cents/lb.	137.16	135.79	0
West Texas	cents/lb.	137.16	135.04	1049
Desert SW	cents/lb.	136.41	135.04	0
SJ Valley	cents/lb.	136.91	142.19	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 25-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 Wednesday, May 25 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220525	141.40	147.14	140.75	145.16	+3.62	12,400	76,708	-528
Oct-22	220525	131.05	134.67	131.05	133.76	+3.25	11	46	+7
Dec-22	220525	123.29	125.28	121.77	124.61	+0.83	7,366	85,205	+1,485
Mar-23	220525	118.81	120.35	117.59	119.95	+0.45	1,582	18,361	+420
May-23	220525	115.03	116.53	114.07	116.53	+0.58	876	6,217	+166
Jul-23	220525	111.39	112.92	110.55	112.92	+0.62	859	5,956	-43
Total Volume and Open Interest							23,374	203,150	+1,570

Source: MRCI

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