

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.47,620/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: *According to the market sources, area under cotton cultivation is expected to grow in 2022-23 season by 7-9 percent on year-on-year basis to 13.2 million hectares on account of a strong demand and sufficient availability of seeds. The farm ministry has estimated cotton acreages at 12.0 million hectares. Cotton sowing is still progressing in Punjab, Haryana and Rajasthan and is expected to continue till 15th June 2022.*

Telangana government is planning to launch a single pick cotton pilot project on approximately 50,000 acres.

As per the market sources, government may impose temporary restrictions on cotton exports as the prices are at historic high making the fabric costlier. Although as per the textile industry, restricting cotton exports is unlikely to serve any purpose as the outbound shipments of cotton are unviable now, as domestic prices of the fiber have exceeded the global levels.

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. 1,02,500 to Rs. 1,03,000 per candy in the last week. Agriwatch expects cotton fiber prices to range between Rs. 1,04,000 – 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.

Weather Forecast:

Thunderstorm accompanied with lightening & winds is very likely at isolated places over Andaman & Nicobar Islands, and with lightening & gusty winds at isolated places over Jharkhand, Madhya Maharashtra, Gangetic West Bengal, Coastal Andhra Pradesh, Yanam, Telangana, Konkan & Goa, and with lightening at isolated places over Chhattisgarh, Bihar, Odisha, Arunachal Pradesh, & Yanam, Telangana, Konkan & Goa, and with lightening at isolated places Chhattisgarh, Bihar, Odisha, Arunachala Pradesh, Nagaland, Manipur, Mizoram, Tripura, Kerala & Mahe, Tamil Nadu, Pondicherry & Karaikal, Lakshadweep.

International Fundamentals:

The ICE cotton Futures was lower by 44 points at 138.86 cents/lb. The Cotlook A index was at 157 cents/lb. The AWP for cotton was at 139.86 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 29th May 2022, U.S cotton planting stands at 68 percent which was 54 percent a week ago and around 64 percent in the previous year. The crop is 44 percent in good to excellent condition which was 43 percent a year ago.

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	1-Jun-22	31-May-22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	13405	13255	150
	Rajkot	B.T. Cotton	13375	13475	-100
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11740	11900	-160
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11800	11800	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	12900	12900	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	12659	12523	136
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13400	13989	-589
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	1-Jun-22	31-May-22	
Punjab	Bhatinda	J-34	10200	10300	-100
	Abohar	J-34	10200	10300	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9400	9500	-100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Jun-22	31-May-22	
Gujarat	Ahmedabad	Shankar-6	6800	6800	Unch
	Gondal	Shankar-6	938	1158	-220
	Rajkot	B.T. Cotton	800	950	-150
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6	5	1
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	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	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	341	58	283
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	5	Unch
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Jun-22	31-May-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	85	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Jun-22	31-May-22	
Gujarat	Rajkot	Rs. /10 Kg.	1525	1535	-10
Delhi	New Delhi	Rs. /10 Kg.	1475	1485	-10
Telangana	Hyderabad	Rs. /10 Kg.	1490	1500	-10

Maharashtra	Mumbai	Rs. /10 Kg.	1520	1550	-30
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Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Jun-22	31-May-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2990	2976	14
Maharashtra	Akola	Rs./Qtl	3028	3045	-18

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

Index	Unit	31-May-22	30-May-22	Change
CCIndex(328)	RMB/Ton	22011	22097	-86
CCIndex(527)	RMB/Ton	20151	20207	-56
CCIndex(229)	RMB/Ton	21519	21587	-68

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

China Foreign Cotton (FCE) Index :

Index	Unit	31-May-22	30-May-22	Change
FC Index (S)	Cents/lb	157.58	157.58	Unch
FC Index (M)	Cents/lb	155.98	155.98	Unch
FC Index (L)	Cents/lb	154.42	154.42	Unch

Cotlook Index:

Cotlook Indices	Unit	31-May-22	30-May-22	Change
A-Index	Cents/Pound	0	0	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		31-May-22	30-May-22	Bales
Southeast	cents/lb.	0	0	0
North Delta	cents/lb.	0	0	0
South Delta	cents/lb.	0	0	0
East TX-OK	cents/lb.	0	0	0
West Texas	cents/lb.	0	0	0
Desert SW	cents/lb.	0	0	0
SJ Valley	cents/lb.	0	0	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 01-Jun-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	22680
Equivalent	40 Kgs	21648	193	24306

Daily Futures Price Listing Tuesday, May 31 st , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220531	139.42	142.00	138.98	138.98	-0.44	20,395	74,061	-3,127
Oct-22	220531	131.11	131.11	130.08	130.08	-0.47	37	49	+3
Dec-22	220531	122.00	123.73	121.88	122.45	-0.50	13,968	94,299	+4,956
Mar-23	220531	118.34	119.24	117.73	118.17	-0.56	2,069	19,703	+317
May-23	220531	114.70	115.82	114.55	114.96	-0.48	591	6,633	+77
Jul-23	220531	111.10	112.35	111.02	111.46	-0.45	327	6,375	+30
Total Volume and Open Interest							37,601	211,791	+2,274

Source: MRCI

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