

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.47,180/bale on Friday. ICE cotton futures closed green on Thursday.

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 Jharkhand, Bihar, Gangetic West Bengal, and with lightening at isolated places over Sub- Himalayan West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Odisha, Coastal & South interior Karnataka, Coastal Andhra Pradesh & Yanam, Rayalaseema, Kerala & Mahe, Tamil Nadu, Pondicherry & Karaikal, Lakshadweep. Heavy to very heavy rainfall with extremely heavy falls at isolated places over Meghalaya, heavy to very heavy rainfall at isolated places over Assam and Arunachal Pradesh, and heavy rainfall at isolated places over Sub- Himalayan West Bengal & Sikkim, South Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal and Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was higher by 305 points at 139.11 cents/lb. The Cotlook A index was at 156.95 cents/lb. The AWP for cotton was at 135.36 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	3-Jun-22	2-Jun-22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	NA	13155	-
	Rajkot	B.T. Cotton	13050	13450	-400
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12750	12625	125
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	13100	13100	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	11911	12163	-252
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13000	13300	-300
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	3-Jun-22	2-Jun-22	
Punjab	Bhatinda	J-34	10300	10200	100
	Abohar	J-34	10400	10200	200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9300	9200	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	3-Jun-22	2-Jun-22	
Gujarat	Ahmedabad	Shankar-6	6800	6800	Unch
	Gondal	Shankar-6	NA	960	-
	Rajkot	B.T. Cotton	650	900	-250
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4	2	2
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	10000	11000	-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	326	358	-32
	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	3-Jun-22	2-Jun-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	3-Jun-22	2-Jun-22	
Gujarat	Rajkot	Rs. /10 Kg.	1550	1520	30
Delhi	New Delhi	Rs. /10 Kg.	1510	1470	40
Telangana	Hyderabad	Rs. /10 Kg.	1515	1485	30
Maharashtra	Mumbai	Rs. /10 Kg.	1535	1530	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	3-Jun-22	2-Jun-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3002	2975	27
Maharashtra	Akola	Rs./Qtl	3040	3034	5

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

Index	Unit	2-Jun-22	1-Jun-22	Change
CCIndex(328)	RMB/Ton	21526	21525	1
CCIndex(527)	RMB/Ton	20154	20147	7
CCIndex(229)	RMB/Ton	22027	22020	7

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

China Foreign Cotton (FCE) Index :

Index	Unit	2-Jun-22	1-Jun-22	Change
FC Index (S)	Cents/lb	154.51	157.1	-2.59
FC Index (M)	Cents/lb	152.87	155.52	-2.65
FC Index (L)	Cents/lb	151.28	153.93	-2.65

Cotlook Index:

Cotlook Indices	Unit	2-Jun-22	1-Jun-22	Change
A-Index	Cents/Pound	156.95	157.45	-0.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		2-Jun-22	2-Jun-22	Bales
Southeast	cents/lb.	139.11	141.36	0
North Delta	cents/lb.	138.11	140.36	0
South Delta	cents/lb.	138.11	140.36	0
East TX-OK	cents/lb.	131.11	133.36	0
West Texas	cents/lb.	131.11	132.61	407
Desert SW	cents/lb.	130.36	132.61	0
SJ Valley	cents/lb.	130.86	139.76	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 02-Jun-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	22180
Equivalent	40 Kgs	21648	193	23770

Daily Futures Price Listing Thursday, Jun 02 nd , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220602	136.10	140.64	134.12	139.11	+3.05	12,501	71,519	-1,581
Oct-22	220602	125.03	130.11	124.48	128.75	+2.15	8	52	+0
Dec-22	220602	118.10	121.37	114.92	120.10	+1.67	8,996	97,049	+1,807
Mar-23	220602	114.00	116.76	111.27	115.77	+1.47	1,750	19,768	+179
May-23	220602	111.02	113.40	108.72	112.55	+1.16	535	6,724	+27
Jul-23	220602	107.92	110.00	106.05	109.10	+0.76	309	6,432	+7
Total Volume and Open Interest							24,485	212,230	+477

Source: MRCI

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