

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 Saturday. ICE cotton futures closed red on Friday.

News: *With the expectation of increase in cotton acreages for the 2022-23 season, the central government may hike the minimum support price of cotton by 10-15 percent in the coming Kharif season. During the 2021-22 season, the government had fixed minimum support price of Rs. 6025 per quintal for cotton.*

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 Bihar, Gangetic West Bengal, Odisha, Madhya Maharashtra, Marathwada, Rayalaseema, Karnataka, Kerala & Mahe, Tamil Nadu, Pondicherry & Karaikal, Lakshadweep. Heavy to very heavy rainfall with extremely heavy falls at isolated places over Sub- Himalayan West Bengal & Sikkim, Assam & Meghalaya, heavy to very heavy rainfall at isolated places over Assam and Arunachal Pradesh.

International Fundamentals:

The ICE cotton Futures was lower by 93 points at 138.18 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 ARRIVALSCotton 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	4-Jun-22	3-Jun-22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	NR	13005	-
	Rajkot	B.T. Cotton	13000	13050	-50
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11625	12750	-1125
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11900	11800	100
	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	NA	12500	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11512	11911	-399
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12500	13000	-500
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	4-Jun-22	3-Jun-22	
Punjab	Bhatinda	J-34	10300	10300	Unch

	Abohar	J-34	10400	10400	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9300	9300	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	4-Jun-22	3-Jun-22	
Gujarat	Ahmedabad	Shankar-6	6800	6800	Unch
	Gondal	Shankar-6	NR	602	-
	Rajkot	B.T. Cotton	450	650	-200
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9	4	5
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	15000	10000	5000
	Jamner	Medium Staple	NA	20	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	131	326	-195
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	7	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	4-Jun-22	3-Jun-22	

Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	170	85	85
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	4-Jun-22	3-Jun-22	
Gujarat	Rajkot	Rs. /10 Kg.	1550	1550	Unch
Delhi	New Delhi	Rs. /10 Kg.	1510	1510	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1515	1515	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1550	1535	15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	4-Jun-22	3-Jun-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2978	3002	-24
Maharashtra	Akola	Rs./Qtl	3042	3040	3

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

Index	Unit	3-Jun-22	2-Jun-22	Change
CCIndex(328)	RMB/Ton	Closed	21526	-
CCIndex(527)	RMB/Ton	Closed	20154	-
CCIndex(229)	RMB/Ton	Closed	22027	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	3-Jun-22	2-Jun-22	Change
FC Index (S)	Cents/lb	Closed	154.51	-
FC Index (M)	Cents/lb	Closed	152.87	-
FC Index (L)	Cents/lb	Closed	151.28	-

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 Friday, Jun 03rd, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220603	139.14	140.70	136.06	138.06	-0.93	20,895	70,305	-1,214
Oct-22	220603	126.00	128.25	126.00	126.66	-2.09	10	57	+5
Dec-22	220603	120.10	120.38	116.92	117.90	-2.20	17,827	96,148	-901
Mar-23	220603	115.27	115.53	112.60	113.45	-2.32	3,426	20,200	+432
May-23	220603	111.47	111.90	109.56	110.30	-2.25	972	6,919	+195
Jul-23	220603	108.16	108.44	106.51	107.18	-1.92	570	6,397	-35
Total Volume and Open Interest							44,292	210,800	-1,430

Source: MRCI

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