

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.46,980/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton Association of India is bullish about the sowing progress for the 2022-23 season. Despite the decline in cotton acreages in northern states, the area under cotton crop is expected to grow by 8-12 percent to about 135 lakh hectares in the 2021-22 season across India. Major increase in area is expected from southern and central India.

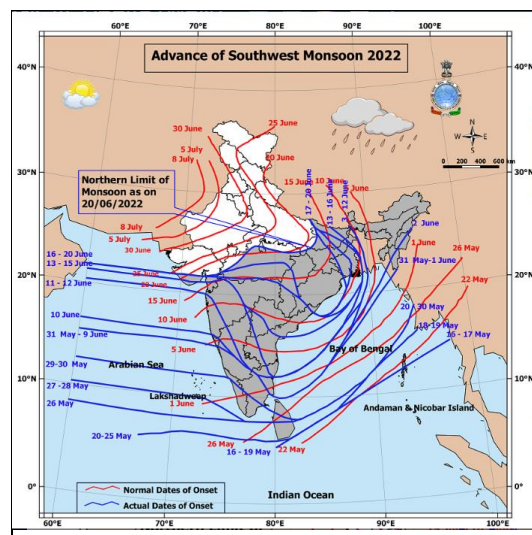
The prices of cotton yarn remained stable in south Indian markets of Mumbai and Tiruppur due to muted demand. The poor demand of fabric has led to temporary closure of more power looms. Also, The Cotton fiber shanker-6 prices have again touched a high of Rs. 1,00,000 per candy in the market, during the previous week prices were ranging between 95,000 to 98,500 per candy. Arrivals although are very slow in the market, almost 90 percent of the cotton has already arrived in the market till May 2022.

Cotton Association of India has reduced its May estimate for the cotton crop for the 2021-22 season by 8.31 lakh bales to 315.32 lakh bales from its previous estimate of 323.63 lakh bales. The association has attributed the reduction in crop estimate to the drop in production in states including Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Telangana, Karnataka and Andhra Pradesh. AgriWatch has estimated cotton production for 2021-22 season at 315.32 lakh bales lower from its previous season estimate of 323.63 lakh bales.

The total cotton supply between October 2021 and May 2022 remained at 367.22 lakh bales, which consists of the arrivals of 288.38 lakh bales, imports of 7 lakh bales during the month of May 2022 and Opening Stock is now estimated at 71.84 lakh bales at the beginning of the season on 1st October 2022. Further, the CAI has estimated cotton consumption for the months of October to May 2022 at 225 lakh bales while export shipment of cotton during the months of October to May 2022 is estimated at 38 lakh bales. Stock at the end of May 2022 is estimated at 34.22 lakh bales.

Weather Forecast:

Thunderstorm accompanied with lightening & winds is very likely at isolated places East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Odisha, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Rayalaseema, Telangana, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe, Lakshadweep. Heavy rainfall at isolated places over Konkan & Goa, Coastal Karnataka, and heavy rainfall at isolated places over Vidarbha, Chhattisgarh, Sub- Himalayan West Bengal & Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Kerala & Mahe.



International Fundamentals:

The ICE cotton Futures was higher by 6 points at 143.51 cents/lb. The Cotlook A index was at 161.30 cents/lb. The AWP for cotton was at 140.47 cents/lb.

According to the U.S. Crop progress report, as on 13th June 2022, U.S cotton planting stands at 90 percent which was 84 percent a week ago and around 87 percent in the previous year.

According to the USDA, WASDE Report, cotton production in the US may reduce in the coming 2022-23 season (August-July) to 35.92 lakh MT from 38.15 lakh MT of 2021-22. The production was 31.81 lakh MT in 2020-21. Cotton production is expected to increase in India, China, Brazil and Pakistan in 2022-23 season. Global production is projected to increase to 264.03 lakh MT in next season from 254.61 lakh MT of 2021-22.

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 State	Kapas		Prices (Rs./Quintal)		Change
	Centre	Variety	22-Jun-22	21-Jun-22	
Gujarat	Ahmedabad	Shankar-6	12500	12500	Unch
	Gondal	Shankar-6	NA	12955	-
	Rajkot	B.T. Cotton	12720	12800	-80
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12450	12000	450
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11500	12000	-500
	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	12500	12400	100
	Jamner	Medium Staple	11500	11500	Unch
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11839	12159	-320

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	13050	12390	660
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Jun-22	21-Jun-22	
Punjab	Bhatinda	J-34	9800	10000	-200
	Abohar	J-34	9800	10000	-200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9200	9300	-100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Jun-22	21-Jun-22	
Gujarat	Ahmedabad	Shankar-6	3400	3400	Unch
	Gondal	Shankar-6	NA	326	-
	Rajkot	B.T. Cotton	800	720	80
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5	4	1
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	255	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	4000	5000	-1000
	Jamner	Medium Staple	26	17	9
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	195	220	-25
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6	5	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Jun-22	21-Jun-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-

	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	0	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	22-Jun-22	21-Jun-22	
Gujarat	Rajkot	Rs. /10 Kg.	1420	1430	-10
Delhi	New Delhi	Rs. /10 Kg.	1400	1420	-20
Telangana	Hyderabad	Rs. /10 Kg.	1410	1440	-30
Maharashtra	Mumbai	Rs. /10 Kg.	1440	1450	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	22-Jun-22	21-Jun-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2924	2948	-23
Maharashtra	Akola	Rs./Qtl	2959	2997	-38

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

Index	Unit	22-Jun-22	21-Jun-22	Change
CCIndex(328)	RMB/Ton	20074	20020	54
CCIndex(527)	RMB/Ton	18899	18885	14
CCIndex(229)	RMB/Ton	20515	20514	1

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

China Foreign Cotton (FCE) Index :

Index	Unit	22-Jun-22	21-Jun-22	Change
FC Index (S)	Cents/lb	161.91	161.93	-0.02
FC Index (M)	Cents/lb	160.28	160.31	-0.03
FC Index (L)	Cents/lb	158.69	158.72	-0.03

Cotlook Index:

Cotlook Indices	Unit	22-Jun-22	21-Jun-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
		21-Jun-22	21-Jun-22	Bales
Southeast	cents/lb.	130.66	132.91	0

North Delta	cents/lb.	129.66	131.91	0
South Delta	cents/lb.	129.66	131.91	0
East TX-OK	cents/lb.	121.66	123.91	0
West Texas	cents/lb.	121.66	123.16	0
Desert SW	cents/lb.	120.66	122.91	0
SJ Valley	cents/lb.	121.16	130.06	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 22-Jun-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	20980
Equivalent	40 Kgs	21648	193	224840

Daily Futures Price Listing Tuesday, Jun 21st, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220621	143.50	146.00	143.40	143.51	+0.06	6,840	18,551	-3,348
Oct-22	220621	123.86	123.87	120.04	120.66	-4.48	35	299	+3
Dec-22	220621	117.50	117.93	113.27	113.85	-4.44	14,095	127,716	+1,294
Mar-23	220621	114.16	114.16	109.57	109.67	-4.48	2,415	24,504	+497
May-23	220621	110.98	110.88	106.57	107.01	-3.86	624	7,758	+168
Jul-23	220621	106.63	106.73	103.89	104.30	-3.24	241	7,439	+66
Total Volume and Open Interest							24,364	197,929	-1,302

Source: MRCI

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