

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.44,940/bale on Friday. ICE cotton futures closed red on Thursday.

**News:** The National Food Security Mission has released its latest sowing report, as per that cotton sowing has reached 64.07 lakh tonnes as on 01<sup>st</sup> July 2022 higher by around 2.34 percent as compared to previous season 61.73 lakh tonnes. Major increase in acreages was from Andhra Pradesh, Gujarat and Maharashtra.

As of 29<sup>th</sup> June 2022, Andhra Pradesh cotton sowing has reached 0.60 lakh hectares for the 2022-23 season which is slightly higher as compared to the previous season sowing of 0.39 lakh hectares. Whereas, Telangana Cotton sowing has reached 22,75,551 acres under cotton lower as compared to previous season 24,88,377 acres.

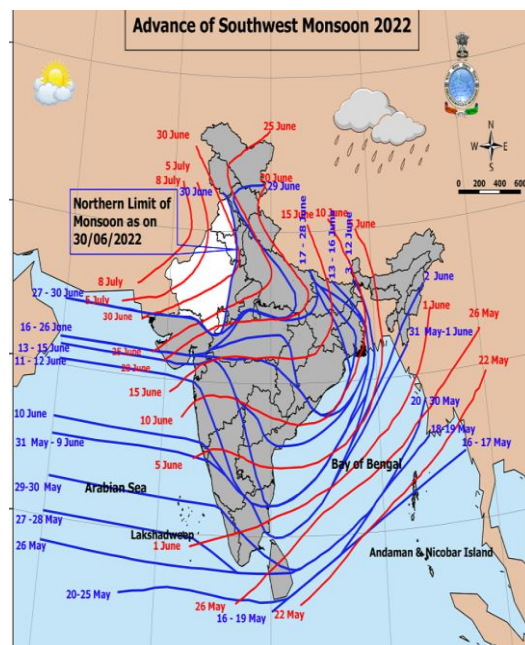
The raw cotton prices in the domestic market have currently dropped by around 10 percent across India and by around 20 percent in the International Market. As the domestic cotton season is towards its closure the cotton demand has fallen particularly for yarn, mill consumption has also reduced.

The area under cotton cultivation in Tamil Nadu has increased by more than 40 percent this year compared to last year. Farmers in Trichy Tiruvarur, Nagappattinam and Thanjavur have raised the cotton crop on about 84,000 acres in 2022-23 season, higher from 50,000 acres during 2021-22 season.

MCX Cotton market has revised upward today, Cotton MXCTNC1 contract was trading higher at 52410, market has broken a previous high of 50325. RSI has moved upward indicating strong buying strength. MACD indicates bullish Crossover. As per Agriwatch, the market has moved upward in anticipation of lower monsoon as of now in India, the slower progress of monsoon and the uneven rainfall may affect the Cotton sowing in India. Also, there is a slack demand for yarn in the market.

### Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds is very likely at isolated places over Andaman & Nicobar Islands, Punjab, Haryana, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Coastal Andhra Pradesh & Yanam, Coastal Karnataka, Tamil Nadu, Pondicherry, Karaikal, and Kerala & Mahe. Heavy rainfall at isolated places over Gujarat region, Konkan & Goa, Kerala & Mahe, Uttarakhand, East Uttar Pradesh, West Rajasthan, East Rajasthan, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, Sub-Himalayan West Bengal, Sikkim, Odisha, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Coastal Andhra Pradesh & Yanam, Telangana, Coastal Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe.



### International Fundamentals:

The ICE cotton Futures was lower by 34 points at 103.94 cents/lb. The Cotlook A index was at 135.50 cents/lb. The AWP for cotton was at 116.83 cents/lb.

July cotton futures faded by 34 points on lower on Thursday. The other near by were up 126 to 145 points after seeing the acreage report. December prices were still down by 23.6 cents for the month.

The area under cotton cultivation in Brazil is estimated to be 15 percent higher at 1.58 million hectares in the 2022 season. With the increase area, production is estimated to reach 2.82 million tonnes. Yield is expected to grow by 3.8 percent at 1,785 kg/ha in the 2022 season.

According to the U.S. Crop progress report, as on 19<sup>th</sup> May 2022, U.S cotton Squaring stands at 33 percent which is higher as that of the previous season (30 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	1-Jul-22	30-Jun-22	
Gujarat	Ahmedabad	Shankar-6	NA	0	-
	Gondal	Shankar-6	Closed	11555	-
	Rajkot	B.T. Cotton	Closed	11625	-
	Patan	B.T. Cotton	NA	0	-
	Kadi	B.T. Cotton	NA	0	-
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	Closed	10980	-
Haryana	Bhiwani	B.T. Cotton	NA	0	-
	Bhiwani	Desi	NA	0	-
	Adampur	B.T. Cotton	10850	10500	350
	Fatehabad	B.T. Cotton	NA	0	-
	Jind	B.T. Cotton	NA	0	-
	Uchana	B.T. Cotton	NA	0	-
	Dabwali	B.T. Cotton	NA	0	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	-
	Rawatsar	B.T. Cotton	NA	0	-
Madhya Pradesh	Khandwa	Mech-1	NA	0	-
	Khargaon	Mech-1	NA	0	-
Maharashtra	Amravati	Mech-1	12200	12800	-600
	Jamner	Medium Staple	11500	11400	100
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	-
	Hathras	Desi	NA	0	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	11048	11108	-60

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11000	11000	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Jul-22	30-Jun-22	
Punjab	Bhatinda	J-34	9500	9500	Unch
	Abohar	J-34	9500	9600	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8700	8700	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	0	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Jul-22	30-Jun-22	
Gujarat	Ahmedabad	Shankar-6	NA	0	-
	Gondal	Shankar-6	Closed	240	-
	Rajkot	B.T. Cotton	Closed	325	-
	Patan	B.T. Cotton	NA	0	-
	Kadi	B.T. Cotton	NA	0	-
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	Closed	1	-
Haryana	Bhiwani	B.T. Cotton	NA	0	-
	Bhiwani	Desi	NA	0	-
	Adampur	B.T. Cotton	510	1360	-850
	Fatehabad	B.T. Cotton	NA	0	-
	Jind	B.T. Cotton	NA	0	-
	Uchana	B.T. Cotton	NA	0	-
	Dabwali	B.T. Cotton	NA	0	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	0	-
	Rawatsar	B.T. Cotton	NA	0	-
Madhya Pradesh	Khandwa	Mech-1	NA	0	-
	Khargaon	Mech-1	NA	0	-
Maharashtra	Amravati	Mech-1	4000	3000	1000
	Jamner	Medium Staple	22	20	2
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	-
	Hathras	Desi	NA	0	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	89	143	-54
	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	1-Jul-22	30-Jun-22	
Punjab	Bhatinda	J-34	NA	NA	-

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

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Jul-22	30-Jun-22	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1440	20
Delhi	New Delhi	Rs. /10 Kg.	1450	1430	20
Telangana	Hyderabad	Rs. /10 Kg.	1475	1450	25
Maharashtra	Mumbai	Rs. /10 Kg.	1465	1440	25

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Jul-22	30-Jun-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2852	2798	54
Maharashtra	Akola	Rs./Qtl	2818	2808	10

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

Index	Unit	1-Jul-22	30-Jun-22	Change
CCIndex(328)	RMB/Ton	18384	18369	15
CCIndex(527)	RMB/Ton	17212	17201	11
CCIndex(229)	RMB/Ton	18906	18885	21

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	1-Jul-22	30-Jun-22	Change
FC Index (S)	Cents/lb	146.1	144.62	1.48
FC Index (M)	Cents/lb	144.56	143.12	1.44
FC Index (L)	Cents/lb	142.94	141.54	1.40

**Cotlook Index:**

Cotlook Indices	Unit	1-Jul-22	30-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
		30-Jun-22	30-Jun-22	Bales
Southeast	cents/lb.	115.64	117.89	0

North Delta	cents/lb.	114.64	116.89	0
South Delta	cents/lb.	114.64	116.89	0
East TX-OK	cents/lb.	107.64	109.89	0
West Texas	cents/lb.	107.64	109.14	792
Desert SW	cents/lb.	105.64	107.89	0
SJ Valley	cents/lb.	106.14	115.04	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 30-Jun-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	17380
Equivalent	40 Kgs	21648	193	18626

Daily Futures Price Listing Thursday, Jun 30 <sup>th</sup> 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">Jul-22</a>	220630	104.00	105.00	103.94	103.94	-0.37	6	204	-16
<a href="#">Oct-22</a>	220630	104.71	106.94	103.13	105.64	+0.66	197	202	-7
<a href="#">Dec-22</a>	220630	98.01	99.49	95.56	98.84	+1.36	34,629	114,217	-2,911
<a href="#">Mar-23</a>	220630	94.08	95.37	91.45	94.78	+1.38	12,338	28,895	+369
<a href="#">May-23</a>	220630	91.95	92.88	89.07	92.47	+1.45	4,834	10,102	+37
<a href="#">Jul-23</a>	220630	89.59	90.62	86.81	90.07	+1.26	3,093	8,544	+357
Total Volume and Open Interest							56,410	175,241	-2,072

Source: MRCI

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