

**Domestic Fundamentals:****Market Outlook:**

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.44,090/bale on Monday. ICE cotton futures closed red on Thursday.*

**News:** *ICE Cotton July 2022 contract has declined by 27.67 percent during the last week. Other contracts also fell up to 18 percent. According to market experts, free fall on Friday was due to sell-off by speculators. According to the Confederation of Indian Textile Industry (CITI), the difference between Indian and ICE cotton is due to a sharp fall in the American market. On 01<sup>st</sup> July 2022, the price difference of MCX June contract and ICE July contract was 47.30 cents per pound. MCX cotton was costlier by 17.26 cents a pound against ICE cotton.*

*The price of India's benchmark Shankar-6 cotton variety is currently ruling at ₹88,000-97,000 per candy in the spot market of Gujarat. In north India, the price of cotton is between ₹84,000 to ₹92,000 per candy depending on the quality.*

*The Committee on Cotton Production and Consumption had estimated the closing stock in the 2021-22 season to be at 41.27 lakh bales, imports are estimated at 15 lakh bales, production at 315.43 lakh bales with opening stock of 71.84 lakh bales. Whereas, textile consumption is estimated at 285 lakh bales.*

*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 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.*

*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.*

**Weather Forecast:**

*Thunderstorm accompanied with lightening & gusty winds is very likely at isolated places over Andaman & Nicobar Islands and thunderstorm accompanied with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, & Muzaffarabad, Himachal Pradesh, Uttarakhand, Rajasthan, Andaman & Nicobar Islands, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Gujarat State, West Madhya Pradesh, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Telangana, and Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal and Kerala & Mahe. Heavy rainfall at isolated places East Madhya Pradesh, Vidarbha, Chhattisgarh, Konkan & Goa, Coastal Karnataka, Kerala & Mahe, and heavy rainfall at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Rajasthan, Andaman & Nicobar Islands, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Gujarat State, West Madhya Pradesh, Madhya Maharashtra, Coastal Andhra Pradesh, & Yanam, Telangana, Interior Karnataka, Tamil Nadu, Pondicherry, Karaikal.*

**International Fundamentals:**

*The ICE cotton Futures was lower by 26 points at 103.68 cents/lb. The Cotlook A index was at 139.30 cents/lb. The AWP for cotton was at 116.83 cents/lb.*

Brazilian cotton planting has increased by nearly 1/3rd for the safrinha (second crop) in Mato Grosso. The Institute for Mato Grosso Economics of Agriculture (IMEA) has forecasted that the Mato Grosso farmers will plant 1.1 million hectares (2.71 million acres) of cotton this spring. The Brazilian Association of Cotton Producers forecast cotton acreage to grow to 1.4 million hectares (3.46 million acres). Mato Grosso accounts for about 88% of Brazil's cotton production.

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       | 4-Jul-22             | 2-Jul-22 |        |
| Gujarat        | Ahmedabad   | Shankar-6     | NA                   | NA       | -      |
|                | Gondal      | Shankar-6     | 11505                | 11555    | -50    |
|                | Rajkot      | B.T. Cotton   | 11130                | 10925    | 205    |
|                | Patan       | B.T. Cotton   | NA                   | NA       | -      |
|                | Kadi        | B.T. Cotton   | NA                   | NA       | -      |
|                | Deesa       | B.T. Cotton   | NA                   | NA       | -      |
|                | Dhrol       | B.T. Cotton   | NA                   | 10140    | -      |
| Haryana        | Bhiwani     | B.T. Cotton   | NA                   | NA       | -      |
|                | Bhiwani     | Desi          | NA                   | NA       | -      |
|                | Adampur     | B.T. Cotton   | 10300                | 10500    | -200   |
|                | 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        | 12000                | 12200    | -200   |
|                | Jamner      | Medium Staple | 10500                | 11400    | -900   |
| Uttar Pradesh  | Hathras     | B.T. Cotton   | NA                   | NA       | -      |
|                | Hathras     | Desi          | NA                   | NA       | -      |
| Telangana      | Adilabad    | Un-Ginned     | NA                   | NA       | -      |
| Karnataka      | Bijapur     | Bunny         | 10415                | 10609    | -194   |
|                | Hubli       | D.C.H.        | NA                   | NA       | -      |

|           | Hubli          | B.T. Cotton | NA                 | NA       | -      |
|-----------|----------------|-------------|--------------------|----------|--------|
|           | Raichur        | H-44 Cotton | 11000              | 11350    | -350   |
| Commodity | Lint           |             | Prices (Rs./Maund) |          | Change |
| State     | Centre         | Variety     | 4-Jul-22           | 2-Jul-22 |        |
| Punjab    | Bhatinda       | J-34        | 9500               | 9500     | Unch   |
|           | Abohar         | J-34        | 9500               | 9500     | Unch   |
|           | Mansa          | J-34        | NA                 | NA       | -      |
| Haryana   | Sirsa          | J-34        | 8700               | 8600     | 100    |
| Rajasthan | Sri-Ganganagar | J-34        | NA                 | NA       | -      |

**Cotton Arrivals in Key Centers:**

| Commodity      | Kapas       |               | Arrivals (Quintal) |          | Change |
|----------------|-------------|---------------|--------------------|----------|--------|
| State          | Centre      | Variety       | 4-Jul-22           | 2-Jul-22 |        |
| Gujarat        | Ahmedabad   | Shankar-6     | NA                 | NA       | -      |
|                | Gondal      | Shankar-6     | 238                | 64       | 174    |
|                | Rajkot      | B.T. Cotton   | 40                 | 80       | -40    |
|                | Patan       | B.T. Cotton   | NA                 | NA       | -      |
|                | Kadi        | B.T. Cotton   | NA                 | NA       | -      |
|                | Deesa       | B.T. Cotton   | NA                 | NA       | -      |
|                | Dhrol       | B.T. Cotton   | NA                 | 2        | -      |
| Haryana        | Bhiwani     | B.T. Cotton   | NA                 | NA       | -      |
|                | Bhiwani     | Desi          | NA                 | NA       | -      |
|                | Adampur     | B.T. Cotton   | 357                | 451      | -94    |
|                | 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               | 4000     | Unch   |
|                | Jamner      | Medium Staple | 26                 | 19       | 7      |
| Uttar Pradesh  | Hathras     | B.T. Cotton   | NA                 | NA       | -      |
|                | Hathras     | Desi          | NA                 | NA       | -      |
| Telangana      | Adilabad    | Un-Ginned     | NA                 | NA       | -      |
| Karnataka      | Bijapur     | Bunny         | 140                | 61       | 79     |
|                | 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       | 4-Jul-22           | 2-Jul-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 | NA | - |

**Cotton Seed Oil Prices:**

| Commodity   | Cotton Seed Oil |             | Price    |          | Change |
|-------------|-----------------|-------------|----------|----------|--------|
| State       | Centre          | Unit        | 4-Jul-22 | 2-Jul-22 |        |
| Gujarat     | Rajkot          | Rs. /10 Kg. | 1440     | 1460     | -20    |
| Delhi       | New Delhi       | Rs. /10 Kg. | 1425     | 1450     | -25    |
| Telangana   | Hyderabad       | Rs. /10 Kg. | 1445     | 1475     | -30    |
| Maharashtra | Mumbai          | Rs. /10 Kg. | 1440     | 1465     | -25    |

**Cotton Seed Oil Seed Cake Prices:**

| Commodity   | Cotton Seed Oil Seed Cake |         | Price    |          | Change |
|-------------|---------------------------|---------|----------|----------|--------|
| State       | Centre                    | Unit    | 4-Jul-22 | 2-Jul-22 |        |
| Gujarat     | Mahesana (Kadi)           | Rs./Qtl | 2801     | 2856     | -54    |
| Maharashtra | Akola                     | Rs./Qtl | 2800     | 2825     | -25    |

**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 02-Jul-2022 |          |              |                  | (in Pakistan Rupees) |
|---|----------|--------------|------------------|----------------------|
| Product                                       | Rate for | Ex-Gin Price | Up Country Sales | Spot Rate Karachi    |
| Cotton  | 37.32Kgs | 20200        | 180              | 16880                |
| Equivalent                                    | 40 Kgs   | 21648        | 193              | 18090                |

| Daily Futures Price Listing Friday, July 01 <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>   | 220701 | 109.00 | 109.00 | 103.68 | 103.68 | -0.26  | 3            | 185      | -19    |
| <a href="#">Oct-22</a>   | 220701 | 106.64 | 106.79 | 103.57 | 105.38 | -0.26  | 102          | 182      | -20    |
| <a href="#">Dec-22</a>   | 220701 | 98.84  | 99.00  | 94.90  | 97.48  | -1.36  | 16,329       | 114,121  | -96    |
| <a href="#">Mar-23</a>   | 220701 | 95.00  | 95.00  | 90.85  | 93.37  | -1.41  | 4,389        | 28,817   | -78    |
| <a href="#">May-23</a>   | 220701 | 92.44  | 92.44  | 88.61  | 90.90  | -1.57  | 2,021        | 10,216   | +114   |
| <a href="#">Jul-23</a>   | 220701 | 90.07  | 90.07  | 86.15  | 88.43  | -1.64  | 1,807        | 9,046    | +502   |
| Total Volume and Open Interest                                 |        |        |        |        |        |        | 26,239       | 175,609  | +368   |

Source: MRCI

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