

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.44,270/bale on Tuesday. ICE cotton futures closed red on Friday.

News: *Government of India in a notification has extended exemptions of all custom duty on raw cotton imports till 31st Oct 2022. Extension would benefit the textile industry to get yarn, fabric, garments on relatively lower rates.*

As of 04th July 2022, Gujarat cotton sowing has reached 15,56,683 hectares for the 2022-23 season which is slightly lower as compared to the previous season sowing of 16,50,463 hectares.

Indian cotton market looks steady to downward. As mills remains slower in buying due to slow offtake of yarn while limited cotton stock did not allow market to go lower. Sowing is in progress but due to some weaker monsoon sowing pace is low. Weaker rupee is unfavorable for imports, rupee has depreciated to Rs. 79 a dollar.

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 01st 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.

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, West Rajasthan, West Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Sub- Himalaya West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Gujarat State, Coastal Andhra Pradesh & Yanam, Telangana, and Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places Konkan & Goa, Madhya Maharashtra, and heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, Gujarat region, Telangana, Coastal Karnataka, East Rajasthan, East Madhya Pradesh, Vidarbha, Chhattisgarh, Odisha, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Saurashtra, Kutch, Marathwada, Coastal Andhra Pradesh, & Yanam, North Interior Karnataka, Tamil Nadu, Karaikal and Kerala & Mahe.

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 19th 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	5-Jul-22	4-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	11455	11505	-50
	Rajkot	B.T. Cotton	11060	11130	-70
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10300	10300	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	11800	12000	-200
	Jamner	Medium Staple	NA	10500	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10222	10415	-193
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10359	11000	-641
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Jul-22	4-Jul-22	
Punjab	Bhatinda	J-34	9500	9500	Unch
	Abohar	J-34	9500	9500	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8600	8700	-100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Jul-22	4-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	106	238	-132
	Rajkot	B.T. Cotton	45	40	5
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	357	357	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	4000	Unch
	Jamner	Medium Staple	NA	26	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	44	140	-96
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6	7	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Jul-22	4-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	5-Jul-22	4-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1420	1440	-20
Delhi	New Delhi	Rs. /10 Kg.	1415	1425	-10
Telangana	Hyderabad	Rs. /10 Kg.	1425	1445	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1430	1440	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	5-Jul-22	4-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2803	2801	1
Maharashtra	Akola	Rs./Qtl	2803	2800	2

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

Index	Unit	5-Jul-22	4-Jul-22	Change
CCIndex(328)	RMB/Ton	18131	18172	-41
CCIndex(527)	RMB/Ton	16979	17042	-63
CCIndex(229)	RMB/Ton	18649	18709	-60

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

China Foreign Cotton (FCE) Index :

Index	Unit	5-Jul-22	4-Jul-22	Change
FC Index (S)	Cents/lb	147.7	144.7	3.00
FC Index (M)	Cents/lb	143.05	143.05	Unch
FC Index (L)	Cents/lb	141.54	141.54	Unch

Cotlook Index:

Cotlook Indices	Unit	5-Jul-22	4-Jul-22	Change
A-Index	Cents/Pound	0	138.6	-138.60

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		5-Jul-22	5-Jul-22	Bales
Southeast	cents/lb.	0	0	0
North Delta	cents/lb.	0	0	0

South Delta	cents/lb.	0	0	0
East TX-OK	cents/lb.	0	0	0
West Texas	cents/lb.	0	0	0
Desert SW	cents/lb.	0	0	0
SJ Valley	cents/lb.	0	0	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 04-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	17831

Daily Futures Price Listing Friday, July 01 th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220701	109.00	109.00	103.68	103.68	-0.26	3	185	-19
Oct-22	220701	106.64	106.79	103.57	105.38	-0.26	102	182	-20
Dec-22	220701	98.84	99.00	94.90	97.48	-1.36	16,329	114,121	-96
Mar-23	220701	95.00	95.00	90.85	93.37	-1.41	4,389	28,817	-78
May-23	220701	92.44	92.44	88.61	90.90	-1.57	2,021	10,216	+114
Jul-23	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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