

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.42,850/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: *As of 29th July 2022, Andhra Pradesh cotton sowing has reached 0.60 lakh hectares for the 2022-23 season which is slightly lower as compared to the previous season sowing of 0.39 lakh hectares. Cumulative rainfall as on 29th July has reached 201707 mm lower as compared to the previous season 217034 mm.*

As of 06th July 2022, Telangana cotton sowing has reached 31,86,635 acres for the 2022-23 season which is slightly lower as compared to the previous season sowing of 33,94,194 acres. Cumulative rainfall as on 06th July has reached 233.80 mm lower as compared to the previous season 235.40 mm.

Indian Textile producers are witnessing initial signs of a demand slowdown as high energy and food prices have weakened the demand from international market. Due to high inflation in the US, demand has slowed especially for home textile products.

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. 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 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 Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, West Bengal, Sikkim, Assam & Meghalaya, Coastal Andhra Pradesh & Yanam, Rayalaseema, Coastal Karnataka, and Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places Himachal Pradesh, West Madhya Pradesh, Odisha, Gujarat State, Coastal Andhra Pradesh & Yanam, Telangana, South Interior Karnataka.

International Fundamentals:

The ICE cotton Futures was lower by 499 points at 94.69 cents/lb. The Cotlook A index was stable 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.

Bearish trend continued in local Pakistan cotton market. The prices of cotton dropped significantly by Rs. 7,000 per maund, the prices of Phutti dropped by Rs. 3500 per 40kg and the spot rate decreased by Rs. 5300 per maund.

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	7-Jul-22	6-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	11155	11255	-100
	Rajkot	B.T. Cotton	11410	11250	160
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10175	10175	Unch
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9800	9800	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	11700	11800	-100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10509	10252	257
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	9600	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-Jul-22	6-Jul-22	
Punjab	Bhatinda	J-34	9000	9200	-200
	Abohar	J-34	9000	9300	-300
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8300	8500	-200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Jul-22	6-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	255	121	134
	Rajkot	B.T. Cotton	140	125	15
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	2	Unch
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	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	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	99	43	56
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	7-Jul-22	6-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	7-Jul-22	6-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1390	1400	-10
Delhi	New Delhi	Rs. /10 Kg.	1395	1405	-10
Telangana	Hyderabad	Rs. /10 Kg.	1400	1410	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1390	1400	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	7-Jul-22	6-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2729	2766	-37
Maharashtra	Akola	Rs./Qtl	2747	2782	-35

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

Index	Unit	7-Jul-22	6-Jul-22	Change
CCIndex(328)	RMB/Ton	17720	17919	-199
CCIndex(527)	RMB/Ton	16561	16790	-229
CCIndex(229)	RMB/Ton	18222	18439	-217

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

China Foreign Cotton (FCE) Index :

Index	Unit	7-Jul-22	6-Jul-22	Change
FC Index (S)	Cents/lb	129.11	136.94	-7.83
FC Index (M)	Cents/lb	127.5	135.33	-7.83
FC Index (L)	Cents/lb	125.91	133.74	-7.83

Cotlook Index:

Cotlook Indices	Unit	6-Jul-22	5-Jul-22	Change
A-Index	Cents/Pound	134	138.4	-4.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		6-Jul-22	6-Jul-22	Bales
Southeast	cents/lb.	106.39	108.64	0
North Delta	cents/lb.	105.39	107.64	0
South Delta	cents/lb.	105.39	107.64	0
East TX-OK	cents/lb.	98.39	100.64	7
West Texas	cents/lb.	98.39	99.89	609
Desert SW	cents/lb.	96.39	98.64	0
SJ Valley	cents/lb.	96.89	105.79	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 06-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	17876

Daily Futures Price Listing Wednesday, July 06 th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220706	94.69	94.69	94.69	94.69	-4.99	2	70	-79
Oct-22	220706	101.25	101.25	96.38	96.39	-4.99	38	112	-1
Dec-22	220706	93.45	94.13	88.50	88.61	-4.87	18,250	111,458	-149
Mar-23	220706	89.24	90.00	84.56	84.68	-4.69	9,831	28,285	+132
May-23	220706	87.41	87.55	82.66	82.66	-4.24	4,445	11,672	+496
Jul-23	220706	85.19	85.19	80.57	80.63	-4.07	1,443	8,687	-11
Total Volume and Open Interest							34,668	173,608	+423

Source: MRCI

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