

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.42,370/bale on Monday. ICE cotton futures closed green on Friday.

News: *Cotton futures rallied back triple digits. The December contract bought above 90 cents/lb, but still has the board 41.91 cents below the contract high. Whereas, Cotton yarn prices further dropped in South India today as weaving and garment industries have slowed down their production in the absence of demand. As per the market, export orders from the US and Europe are fewer, and demand is not likely to improve very soon. Cotton yarn prices have declined by Rs.5-15 per kg in Mumbai and Tiruppur amid weaker demand.*

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.

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 Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Meghalaya, Tripura, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places Konkan & Goa, Gujarat region, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, North Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal, Telangana.

International Fundamentals:

The ICE cotton Futures was higher by 279 points at 102.61 cents/lb. The Cotlook A index was stable at 129 cents/lb. The AWP for cotton was at 113.37 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. 500 per maund, and closed at Rs. 16000 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	11-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10705	10855	-150
	Rajkot	B.T. Cotton	11175	10935	240
	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	9900	10000	-100
	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	10200	10000	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	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Jul-22	9-Jul-22	
Punjab	Bhatinda	J-34	9200	9200	Unch
	Abohar	J-34	9150	9200	-50
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8400	8400	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
	State	Centre	Variety	11-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	151	31	120
	Rajkot	B.T. Cotton	50	40	10
	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	204	204	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	5000	5000	Unch
	Jamner	Medium Staple	NA	12	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Jul-22	9-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	11-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1375	85
Delhi	New Delhi	Rs. /10 Kg.	1450	1395	55
Telangana	Hyderabad	Rs. /10 Kg.	1480	1400	80
Maharashtra	Mumbai	Rs. /10 Kg.	1440	1410	30

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	11-Jul-22	
Gujarat	Maheana (Kadi)	Rs./Qtl	2638	2700	-63
Maharashtra	Akola	Rs./Qtl	2691	2646	45

INTERNATIONAL PRICES AND INDICES
China Cotton Index:

Index	Unit	8-Jul-22	7-Jul-22	Change
CCIndex(328)	RMB/Ton	17703	17720	-17
CCIndex(527)	RMB/Ton	16523	16561	-38
CCIndex(229)	RMB/Ton	18219	18222	-3

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

China Foreign Cotton (FCE) Index :

Index	Unit	8-Jul-22	7-Jul-22	Change
FC Index (S)	Cents/lb	113.37	129.11	-15.74
FC Index (M)	Cents/lb	111.89	127.5	-15.61
FC Index (L)	Cents/lb	110.89	125.91	-15.02

Cotlook Index:

Cotlook Indices	Unit	7-Jul-22	6-Jul-22	Change
A-Index	Cents/Pound	129	134	-5.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		7-Jul-22	7-Jul-22	Bales
Southeast	cents/lb.	109.82	112.07	0
North Delta	cents/lb.	108.82	111.07	0
South Delta	cents/lb.	108.82	111.07	0
East TX-OK	cents/lb.	101.82	104.07	0
West Texas	cents/lb.	101.82	103.32	0
Desert SW	cents/lb.	99.82	102.07	0
SJ Valley	cents/lb.	100.32	109.22	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 07-Jul-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	16180
Equivalent	40 Kgs	21648	193	17340

Daily Futures Price Listing Friday, July 08 th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220708	100.35	102.78	98.76	102.61	+2.79	73	131	+17
Oct-22	220708	92.50	95.85	89.55	95.63	+3.75	31,589	106,637	-3,287
Dec-22	220708	88.50	92.00	85.37	91.81	+3.81	10,824	30,635	+1,466
Mar-23	220708	86.60	89.94	83.50	89.73	+3.79	3,673	12,478	+226
May-23	220708	84.48	87.86	81.51	87.62	+3.76	2,710	8,993	-27
Jul-23	220708	82.64	82.64	82.64	82.64	+3.04			
Total Volume and Open Interest							51,017	173,261	-1,058

Source: MRCI

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