

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: *With the progress of monsoon over the southern, central and western regions kharif sowing has increased in the country for the 2022-23 season. According to the data released by Agriculture Ministry, Kharif crops have been sown in 40.66 million hectares which is about 9 percent less than the corresponding period last year. Cotton sowing has reported at 84.59 lakh hectares which was 84.74 lakh hectares in the previous 2021-22 season.*

The North Indian yarn market continued to decline due to poor demand. Cotton yarn prices have come down by Rs.5 per kg in Ludhiana but steadied in Delhi. The price of cotton comber too declined to Rs.100 per kg in Ludhiana. Cotton yarn prices slipped by Rs.5 per kg in Ludhiana, and most varieties were sold at lower prices.

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.

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 lower by 17 points at 102.44 cents/lb. The Cotlook A index was stable at 132.20 cents/lb. The AWP for cotton was at 113.37 cents/lb.

According to the U.S. Crop progress report, as on 10th July 2022, U.S cotton Squaring stands at 57 percent which is higher as that of the previous season (53 percent). In the previous week cotton squaring was 44 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 34 percent in good to fair condition which was 33 percent in the previous week.

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 State	Kapas		Prices (Rs./Quintal)		Change
	Centre	Variety	12-Jul-22	11-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10705	10705	Unch
	Rajkot	B.T. Cotton	11115	11175	-60
	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	NA	9900	-
	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	10200	Unch
	Jamner	Medium Staple	10500	10500	Unch
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10088	10168	-80
	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	12-Jul-22	11-Jul-22	
Punjab	Bhatinda	J-34	9100	9200	-100
	Abohar	J-34	9100	9150	-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	12-Jul-22	11-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	151	151	Unch
	Rajkot	B.T. Cotton	30	50	-20
	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	NA	204	-
	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	8	23	-15
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	37	123	-86
	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	12-Jul-22	11-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	12-Jul-22	11-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1485	1460	25
Delhi	New Delhi	Rs. /10 Kg.	1465	1450	15
Telangana	Hyderabad	Rs. /10 Kg.	1490	1480	10
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1440	30

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Jul-22	11-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2666	2638	28
Maharashtra	Akola	Rs./Qtl	2724	2691	34

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

Index	Unit	12-Jul-22	11-Jul-22	Change
CCIndex(328)	RMB/Ton	17559	17664	-105
CCIndex(527)	RMB/Ton	16335	16462	-127
CCIndex(229)	RMB/Ton	18075	18171	-96

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

China Foreign Cotton (FCE) Index :

Index	Unit	12-Jul-22	11-Jul-22	Change
FC Index (S)	Cents/lb	116.37	117.17	-0.80
FC Index (M)	Cents/lb	114.89	115.69	-0.80
FC Index (L)	Cents/lb	113.89	114.69	-0.80

Cotlook Index:

Cotlook Indices	Unit	11-Jul-22	9-Jul-22	Change
A-Index	Cents/Pound	135.95	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		11-Jul-22	11-Jul-22	Bales

Southeast	cents/lb.	112.44	114.69	0
North Delta	cents/lb.	111.44	113.69	0
South Delta	cents/lb.	111.44	113.69	0
East TX-OK	cents/lb.	104.44	106.69	0
West Texas	cents/lb.	104.44	105.94	0
Desert SW	cents/lb.	102.44	104.69	0
SJ Valley	cents/lb.	102.94	111.84	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 11 th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Jul-22	220711	104.00	104.09	101.20	102.44	-0.17	57	139	+8
Oct-22	220711	95.88	96.69	92.70	94.84	-0.79	18,429	105,198	-1,439
Dec-22	220711	91.89	92.65	88.85	90.68	-1.13	4,027	31,063	+428
Mar-23	220711	89.76	90.53	86.87	88.60	-1.13	1,435	12,731	+253
May-23	220711	87.63	88.37	84.79	86.50	-1.12	1,233	8,882	-111
Jul-23	220711	81.40	81.40	81.40	81.40	-1.24			
Total Volume and Open Interest							25,788	172,449	-812

Source: MRCI

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