

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.42,080/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: *As of 12th July 2022, cotton sowing in Rajasthan has reached 613.64 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 582.23 hectares.*

As of 11th July 2022, Gujarat cotton sowing has reached 20,52,795 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 18,43,266 hectares.

Indian cotton market looks steady to downward. As mills remain slower in buying due to slow offtake of yarn while limited cotton stock did not allow the market to go lower. Sowing is progressing across India for the ongoing 2022-23 Kharif season. The weaker rupee is unfavorable for imports, the rupee has depreciated to Rs. 79 a dollar.

Due to heavy rains in Telangana Kharif crops on over 5 lakh acres are affected. Some major affected crops are cotton, maize, and soybean. The Districts of Adilabad, Nizamabad, Warangal, Jayashankar Bhupalpally, Mahabubabad, and Bhadrachari Kothagudem are mainly affected because of heavy rains in the last week, the entire crop got submerged in rainwater. Although, the farmers are demanding to assess of the crop loss across the State and are demanding compensation.

Good rains in Punjab had minimized the attack of white flies on cotton. The white fly attack was observed in the Cotton crop in Muktsar, although the attack was much below the economic threshold level (ETL). But with good rainfall in July the whitefly attack has now been minimized. According to the Punjab Agriculture Department, about 2.47 lakh hectares of area is under cotton cultivation for the 2022-23 season which is 4,000 hectares less than the area in 2021-22 (2.51 lakh hectares). The sowing of cotton was mainly affected because of the poor availability of irrigation in the 2022-23 season.

With the progress of the 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 been reported at 84.59 lakh hectares which were 84.74 lakh hectares in the previous 2021-22 season.

Weather Forecast:

Thunderstorm accompanied by lightening & gusty winds is very likely at isolated places over Andaman & Nicobar Islands, and thunderstorm accompanied by lightning at isolated places in Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Gangetic West Bengal, Assam & Meghalaya, Nagaland, Manipur, Meghalaya, Tripura, Coastal Andhra Pradesh, Yanam, Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places Konkan & Goa, Gujarat region, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Odisha, East Rajasthan, West Madhya Pradesh, Vidarbha, Coastal & Delhi, West Rajasthan, East Madhya Pradesh, Chhattisgarh, Assam & Meghalaya, Marathwada, Tamil Nadu, Pondicherry & Karaikal, Telangana.

International Fundamentals:

The ICE cotton Futures was lower by 400 points at 98.44 cents/lb. The Cotlook A index was stable at 132.20 cents/lb. The AWP for cotton was 113.37 cents/lb.

According to the USDA Cotton estimate for the 2021-22 season, Global cotton production is lowered by 725,000 bales due primarily to a decline in Brazil. Global use is estimated lower by 1.9 million bales, and ending stocks are up over 1.0 million bales. Further, Global trade is down with a 1.3-million-bale drop in imports and 1.2-million-bale drop in exports. Notable decreases in imports were seen from Bangladesh, China, India, and Vietnam. Also, exports are down from Australia, India, Mali, and the United States. Overall Global Cotton production is estimated at 121.27 million bales in the 2021-22 season, Imports are estimated at 43.32 million bales, and domestic use at 119.79 million bales. Further global exports for the 2021-22 season are estimated at 43.93 million bales resulting in an ending stock of 84.04 million bales. Stock to use ration for the 2021-22 season is estimated at 51.38 percent.

According to the USDA Cotton estimate for the 2022-23 season, Global production is lowered by 1.2 million bales to just over 120 million bales with a marked decline in the U.S. crop and a slight decline for Brazil. Global use is down 1.6 million bales due primarily to declines in Bangladesh, China, India, and Vietnam, and ending stocks are increased by 1.5 million bales. Global trade is down, with imports and exports decreasing by 1.1 million bales each. The U.S. balance sheet shows lower production, exports, and ending stocks. Abandonment in Texas is expected to surge. The projected U.S. season-average farm price is unchanged at 95 cents per pound.

According to the U.S. Crop progress report, as of 10th July 2022, U.S cotton Squaring stands at 57 percent which is higher than 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 a fair condition which was 33 percent in the previous week.

DOMESTIC PRICES AND ARRIVALS

Cotton arrivals have decreased in the market as the season is close to its end.

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Jul-22	12-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	Closed	10705	-
	Rajkot	B.T. Cotton	11125	11115	10
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10340	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10000	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	10000	10200	-200
	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	9902	10088	-186
	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	13-Jul-22	12-Jul-22	
Punjab	Bhatinda	J-34	9000	9100	-100
	Abohar	J-34	9000	9100	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8200	8400	-200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Jul-22	12-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	Closed	151	-
	Rajkot	B.T. Cotton	20	30	-10
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	NA	-
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	5000	-1000
	Jamner	Medium Staple	24	8	16
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-

Karnataka	Bijapur	Bunny	70	37	33
	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	13-Jul-22	12-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	13-Jul-22	12-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1465	1485	-20
Delhi	New Delhi	Rs. /10 Kg.	1455	1465	-10
Telangana	Hyderabad	Rs. /10 Kg.	1475	1490	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1455	1470	-15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	13-Jul-22	12-Jul-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2717	2666	51
Maharashtra	Akola	Rs./Qtl	2747	2724	23

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

Index	Unit	13-Jul-22	12-Jul-22	Change
CCIndex(328)	RMB/Ton	17408	17559	-151
CCIndex(527)	RMB/Ton	16241	16335	-94
CCIndex(229)	RMB/Ton	17931	18075	-144
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	13-Jul-22	12-Jul-22	Change
FC Index (S)	Cents/lb	112.37	116.37	-4.00
FC Index (M)	Cents/lb	110.89	114.89	-4.00
FC Index (L)	Cents/lb	109.89	113.89	-4.00

Cotlook Index:



Cotlook Indices	Unit	12-Jul-22	11-Jul-22	Change
A-Index	Cents/Pound	135.55	135.95	-0.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Jul-22	12-Jul-22	Bales
Southeast	cents/lb.	108.44	110.69	0
North Delta	cents/lb.	107.44	109.69	0
South Delta	cents/lb.	107.44	109.69	0
East TX-OK	cents/lb.	100.44	102.69	0
West Texas	cents/lb.	100.44	101.94	0
Desert SW	cents/lb.	98.44	100.69	0
SJ Valley	cents/lb.	98.94	107.84	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 Tuesday, July 12th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220712	101.21	101.21	98.44	98.44	-4.00	93	121	-18
Dec-22	220712	94.84	94.90	90.84	90.84	-4.00	26,790	105,563	+365
Mar-22	220712	90.69	90.69	86.68	86.68	-4.00	13,743	31,322	+259
May-23	220712	87.99	88.08	84.60	84.60	-4.00	3,151	12,775	+44
Jul-23	220712	85.84	85.84	82.50	82.50	-4.00	1,465	8,889	+7
Oct-23	220712	77.40	77.40	77.40	77.40	-4.00			
Total Volume and Open Interest							46,854	173,371	+922

Source: MRCI

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