

**Domestic Fundamentals:****Market Outlook:**

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.41,140/bale on Tuesday. ICE cotton futures closed green on Monday.*

**News:** *Indian cotton market remained stable due to short supply. Sluggish buying activity from mills due to slow offtake of yarn attributed to the decline in prices. On the other hand, limited cotton stock restricting the price fall to some extent. Indian cotton sowing has now crossed 102 lakh hectares. Good rains have been reported in whole cotton belt. Agriwatch expects cotton fiber prices to range between Rs. 84,500 – Rs. 92,500 per candy.*

*Heavy rains in Central and South Gujarat have resulted in damage to the Kharif crop on over 50,000 hectares. As per the market sources, stagnation of water in the fields has resulted in complete damage to the cotton crop in some areas. Yield is further expected to fall.*

*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, Cotton sowing has been reported at 102.79 lakh hectares which were 96.58 lakh hectares in the previous 2021-22 season as of 15<sup>th</sup> July 2022.*

*As of 13<sup>th</sup> July 2022, Telangana Cotton sowing has reached 3848420 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 4444255 acres. Average rainfall for the period from 01.06.2022 to 13.07.2022 has reached 484 mm higher as compared to the previous season of 320.6 mm.*

*As of 13<sup>th</sup> July 2022, Andhra Pradesh Cotton sowing has reached 2.04 lakh hectares for the 2022-23 season which is slightly lower compared to the previous season's sowing of 1.14 lakh hectares. Average rainfall for the period from 01.06.2022 to 13.07.2022 has reached 195 mm higher as compared to the previous season of 155 mm.*

*As the domestic cotton season is towards its closure the cotton demand has fallen particularly for yarn, mill consumption has also reduced. Agriwatch expects cotton fiber prices to range between Rs. 84,500 – Rs. 92,500 per candy.*

*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 Bhadrachalam 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.*

*As per the Punjab Agriculture Department, white fly attack was observed in 751 fields across the state. In around 370 fields, the white fly presence had crossed the economic threshold level (ETL), i.e. over 50% of the inspected crop is in danger. In the previous season, Pink bollworm infestation has damaged around 4 lakh acres out of 6.22 lakh acres of total cotton area. The major cotton growing belts in Punjab includes Bathinda, Fazilka, Mansa, Mukatsar, Moga, Barnala, Sangrur and Faridkot. As per the market sources, there is a heavy white fly attack in Bathinda and Mansa and around 50% of the crop is under danger. Lack of rain in Mansa and parts of Bathinda, Fazilka and Muktsar is said to be the cause behind this attack.*

### Weather Forecast:

*Thunderstorm accompanied by lightning is very likely at isolated places over Uttarakhand, Himachal Pradesh, Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, West Madhya Pradesh, Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Sub-Himalayan West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Coastal Karnataka, Tamil Nadu, Pondicherry & Karikal, Kerala & Mahe. Heavy rainfall at isolated places in Uttarakhand, Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Tamil Nadu, Pondicherry & Karikal.*

### International Fundamentals:

*The ICE cotton Futures was higher by 401 points at 100.42 cents/lb. The Cotlook A index was stable at 121.75 cents/lb. The AWP for cotton was 109.10 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 17<sup>th</sup> July 2022, U.S cotton Squaring stands at 74 percent which is higher than that of the previous season (67 percent). In the previous week cotton squaring was 57 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 35 percent in good to a fair condition which was 34 percent in the previous week.*

DOMESTIC PRICES AND ARRIVALSCotton 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	19-Jul-22	18-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10705	10705	Unch
	Rajkot	B.T. Cotton	10500	10735	-235
	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	NR	9500	-
	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	10000	Unch
	Jamner	Medium Staple	9000	9000	Unch
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	9269	10029	-760
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9600	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	19-Jul-22	18-Jul-22	
Punjab	Bhatinda	J-34	9000	9000	Unch
	Abohar	J-34	9000	9000	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8300	8300	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Jul-22	18-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	50	91	-41
	Rajkot	B.T. Cotton	80	100	-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	NR	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	3000	4000	-1000
	Jamner	Medium Staple	59	39	20
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	15	145	-130
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Jul-22	18-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	19-Jul-22	18-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1425	35
Delhi	New Delhi	Rs. /10 Kg.	1430	1415	15
Telangana	Hyderabad	Rs. /10 Kg.	1455	1435	20
Maharashtra	Mumbai	Rs. /10 Kg.	1410	1420	-10

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	19-Jul-22	18-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2685	2678	7
Maharashtra	Akola	Rs./Qtl	2744	2734	10

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

Index	Unit	19-Jul-22	18-Jul-22	Change
CCIndex(328)	RMB/Ton	16101	15917	184
CCIndex(527)	RMB/Ton	15093	14963	130
CCIndex(229)	RMB/Ton	16565	16458	107

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	19-Jul-22	18-Jul-22	Change
FC Index (S)	Cents/lb	114.57	110.27	4.30
FC Index (M)	Cents/lb	113.33	109.03	4.30
FC Index (L)	Cents/lb	112.09	107.79	4.30

**Cotlook Index:**

Cotlook Indices	Unit	18-Jul-22	16-Jul-22	Change
A-Index	Cents/Pound	126.75	Closed	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		18-Jul-22	18-Jul-22	Bales
Southeast	cents/lb.	110.42	112.67	0
North Delta	cents/lb.	109.42	111.67	0
South Delta	cents/lb.	109.42	111.67	0
East TX-OK	cents/lb.	102.42	104.67	0
West Texas	cents/lb.	102.42	103.92	0
Desert SW	cents/lb.	100.42	102.67	0
SJ Valley	cents/lb.	100.92	109.82	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 18-Jul-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	15680
Equivalent	40 Kgs	21648	193	16804

Daily Futures Price Listing Monday, July 18 <sup>th</sup> , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">Oct-22</a>	220718	97.07	100.82	97.07	100.42	+4.01	57	135	+6
<a href="#">Dec-22</a>	220718	89.01	93.50	88.80	93.00	+4.29	23,701	105,854	+491
<a href="#">Mar-22</a>	220718	85.32	89.75	84.99	89.29	+4.44	7,508	32,907	+817
<a href="#">May-23</a>	220718	83.20	88.11	83.20	87.30	+4.13	4,019	14,835	+157
<a href="#">Jul-23</a>	220718	81.30	86.00	81.30	85.26	+4.00	3,811	8,208	-425
<a href="#">Oct-23</a>	220718	79.62	79.62	79.62	79.62	+3.19			
Total Volume and Open Interest							41,470	179,034	+2,024

Source: MRCI

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.