

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

*The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.42,040/bale on Wednesday. ICE cotton futures closed green on Tuesday.*

**News:** *As of 27<sup>th</sup> July 2022, Telangana Cotton sowing has reached 4453529 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 4955115 acres. Average rainfall for the period from 01.06.2022 to 27.07.2022 has reached 675.8 mm higher as compared to the previous season of 546.6 mm.*

*Cotton Crop has been damaged due to excessive rains in Gujarat, Maharashtra, and Telangana. Also, If rains continue to hit the state for the next few days more crop is likely to get damaged. Cotton sowing in Maharashtra is expected to cross 4.2 million hectares. In Gujarat, it would be around 2.7 million hectares. Overall, the cotton acreage in the north is expected to be around 1.5 million hectares and the same for southern states is likely to remain at around 3.5-4.0 million hectares. Agriwatch expects area under cotton cultivation to be 137 lakh hectares in the 2022-23 season.*

*Also, In Punjab, the area under cotton cultivation is the lowest since 2010, also the Cotton crop is on the radar for a second straight year as attacks of whitefly and pink bollworm have been witnessed in Punjab.*

*As per Agriwatch, for the coming week heavy rains may be witnessed across the key cotton-growing regions such as Maharashtra, Marathwada, Vidarbha, Telangana, Gujarat, Saurashtra, Kutch, Rajasthan, Karnataka, Punjab, and Haryana. These rains will further likely to affect the cotton crop in the coming week. Also, Due to these heavy rains cotton sowing has been affected and we expect that cotton farmers from Telangana may shift towards chilies if these rains continue to affect the crop.*

*The areas of Adilabad, Karimnagar, Nizamabad, Warangal, Khammam, Medak, and other some districts in Telangana have witnessed heavy rains this week. These rains and floods have damaged around 20 lakh acres of cotton fields, in the previous season around 25 lakh acres of cotton crop was destroyed due to heavy rains. In the Vanakulam (Kharif) season this year, farmers had sown cotton in around 43 lakh acres, but incessant rains have damaged around 20 percent of the crop. The cotton farmers are worried over the sowing in the rainy season as delay in sowing would adversely affect the yield.*

*As of 25<sup>th</sup> July 2022, Gujarat Cotton sowing has reached 24,495 hectares for the 2022-23 season which is higher compared to the previous season's sowing of 21,772 hectares.*

*As of 20<sup>th</sup> July 2022, Andhra Pradesh Cotton sowing has reached 3.11 lakh hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 2.40 lakh hectares. Average rainfall for the period from 01.06.2022 to 20.07.2022 has reached 222 mm higher as compared to the previous season of 192 mm.*

*As of 19<sup>th</sup> July 2022, Rajasthan Cotton sowing has reached 627.98 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 591.51 hectares. Average rainfall for the period from 01.06.2022 to 19.07.2022 has reached 233.23 mm higher as compared to the previous season of 111.29 mm.*

*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.*

### Weather Forecast:

*Heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Rajasthan, Sub Himalayan, West Bengal, Sikkim, and heavy rainfall at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Uttarakhand, West Uttar Pradesh, East Uttar Pradesh, Bihar, Jharkhand, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Telangana, Tamil Nadu, Pondicherry, Karikal. Thunderstorms accompanied with lightning very likely over Uttar Pradesh, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Coastal Andhra Pradesh, Yanam, Telangana, Tamil Nadu, Pondicherry, Karikal, Kerala & Mahe.*

### International Fundamentals:

*The ICE cotton Futures was lower by 217 points at 99.69 cents/lb. The Cotlook A index was stable at 128.3 cents/lb. The AWP for cotton was 103.96 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 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	27-Jul-22	26-Jul-22		
Gujarat	Ahmedabad	Shankar-6	NA	NA	-	
	Gondal	Shankar-6	10805	8705	2100	
	Rajkot	B.T. Cotton	10670	10680	-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	9500	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	0	-	
	Rawatsar	B.T. Cotton	NA	0	-	
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-	
	Khargaon	Mech-1	NA	NA	-	
Maharashtra	Amravati	Mech-1	10600	10400	200	
	Jamner	Medium Staple	9000	9000	Unch	
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-	
	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	NA	NA	-	
Andhra Pradesh	Adoni	Un-Ginned	10109	10692	-583	
Karnataka	Bijapur	Bunny	9309	9231	78	
	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	27-Jul-22	26-Jul-22		
Punjab	Bhatinda	J-34	9100	8900	200	
	Abohar	J-34	9100	8900	200	
	Mansa	J-34	NA	NA	-	
Haryana	Sirsa	J-34	8400	8200	200	
Rajasthan	Sri-Ganganagar	J-34	NA	0	-	

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Jul-22	26-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	7500	8850	-1350
	Rajkot	B.T. Cotton	60	90	-30
	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	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	0	-
	Rawatsar	B.T. Cotton	NA	0	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4000	4000	Unch
	Jamner	Medium Staple	80	68	12
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	76	122	-46
Karnataka	Bijapur	Bunny	97	69	28
	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	27-Jul-22	26-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	0	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	27-Jul-22	26-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1465	1470	-5
Delhi	New Delhi	Rs. /10 Kg.	1418	1425	-7
Telangana	Hyderabad	Rs. /10 Kg.	1442	1450	-8
Maharashtra	Mumbai	Rs. /10 Kg.	1455	1460	-5

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	27-Jul-22	26-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2817	2867	-50
Maharashtra	Akola	Rs./Qtl	2841	2839	2

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	27-Jul-22	26-Jul-22	Change
CCIndex(328)	RMB/Ton	15837	15865	-28
CCIndex(527)	RMB/Ton	14630	14685	-55
CCIndex(229)	RMB/Ton	16222	16243	-21
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	27-Jul-22	26-Jul-22	Change
FC Index (S)	Cents/lb	116.07	112.67	3.40
FC Index (M)	Cents/lb	114.83	111.43	3.40
FC Index (L)	Cents/lb	113.59	110.19	3.40

Cotlook Index:

Cotlook Indices	Unit	26-Jul-22	25-Jul-22	Change
A-Index	Cents/Pound	127.2	127.2	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		26-Jul-22	26-Jul-22	Bales
Southeast	cents/lb.	109.69	111.94	0
North Delta	cents/lb.	108.69	110.94	0
South Delta	cents/lb.	108.69	110.94	0
East TX-OK	cents/lb.	101.69	103.94	0
West Texas	cents/lb.	101.69	103.19	0
Desert SW	cents/lb.	99.69	101.94	0
SJ Valley	cents/lb.	100.19	109.09	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

## Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Jul-22	25-Jul-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	59000	58500	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	59700	59200	500
J-34(202)	26mm	3.5 - 4.9	23	78800	78800	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	83600	83300	300
Shankar-6(105)	29mm	3.5 - 4.9	28	87500	87000	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	89800	89800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	98500	98500	Unch

## Pakistan Cotton Spot rates: As on 26-Jul-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	18180
Equivalent	40 Kgs	19291	193	19484

Daily Futures Price Listing Tuesday, July 26<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>	220726	97.51	99.84	95.02	99.69	+2.17	8	152	+1
<a href="#">Dec-22</a>	220726	91.45	94.90	90.30	94.48	+3.42	8,918	106,858	-114
<a href="#">Mar-22</a>	220726	87.43	90.94	86.65	90.74	+3.38	2,366	34,102	+413
<a href="#">May-23</a>	220726	85.79	89.14	85.07	89.12	+3.36	864	15,063	+77
<a href="#">Jul-23</a>	220726	83.71	87.46	83.26	87.26	+3.30	773	8,370	+82
<a href="#">Oct-23</a>	220726	81.73	81.73	81.73	81.73	+3.34			
Total Volume and Open Interest							13,522	182,431	+784

Source: MRCI

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