

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

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.43,370/bale on Monday. ICE cotton futures closed green on Friday.

**News:** According to the data released by Agriculture Ministry, as of 29<sup>th</sup> July 2022, Cotton sowing has been reported at 110.73 lakh hectares which was 119 lakh hectares in the previous 2021-22 season.

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 Vanakalam (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.

### Weather Forecast:

Heavy rainfall at isolated places over Kerala & Mahe, Tamil Nadu, Pondicherry, Karaikal, and heavy rainfall at isolated places over Coastal & South Interior Karnataka, Uttarakhand, Uttar Pradesh, Jharkhand, Bihar, Sub-Himalayan, West Bengal, Odisha, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Nagaland, North Interior Karnataka, Lakshadweep. Thunderstorm accompanied with gusty winds likely at isolated places over Andaman & Nicobar Islands, and with lightening at isolated places over Uttarakhand, Uttar Pradesh, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, North Interior Karnataka, Lakshadweep.

### International Fundamentals:

The ICE cotton Futures was higher by 76 points at 103.13 cents/lb. The Cotlook A index was stable at 130.4 cents/lb. The AWP for cotton was 104.28 cents/lb.

According to the U.S. Crop progress report, as of 25<sup>th</sup> July 2022, U.S cotton Squaring stands at 80 percent which is higher than that of the previous season (77 percent). In the previous week cotton squaring was 74 percent. Overall 4 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.

**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.

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	1-Aug-22	30-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	closed	11255	-
	Rajkot	B.T. Cotton	10375	10805	-430
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1750	NA	-
	Dhrol	B.T. Cotton	9300	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	10600	10700	-100
	Jamner	Medium Staple	9000	9000	Unch
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10888	10897	-9
Karnataka	Bijapur	Bunny	NA	9449	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10800	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Aug-22	30-Jul-22	
Punjab	Bhatinda	J-34	9300	9300	Unch
	Abohar	J-34	9300	9300	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8600	8600	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Aug-22	30-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	8950	8955	-5

	Rajkot	B.T. Cotton	150	60	90
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1	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	3500	500
	Jamner	Medium Staple	35	35	Unch
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Andhra Pradesh	Adoni	Un-Ginned	34	137	-103
Karnataka	Bijapur	Bunny	NA	99	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Aug-22	30-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	1-Aug-22	30-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1500	1480	20
Delhi	New Delhi	Rs. /10 Kg.	NA	1445	-
Telangana	Hyderabad	Rs. /10 Kg.	1500	1470	30
Maharashtra	Mumbai	Rs. /10 Kg.	1510	1490	20

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Aug-22	30-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2685	2771	-86
Maharashtra	Akola	Rs./Qtl	2774	2804	-30

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	1-Aug-22	30-Jul-22	Change
CCIndex(328)	RMB/Ton	15857	Closed	-
CCIndex(527)	RMB/Ton	14605	Closed	-
CCIndex(229)	RMB/Ton	16239	Closed	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	1-Aug-22	30-Jul-22	Change
FC Index (S)	Cents/lb	118.21	Closed	-
FC Index (M)	Cents/lb	116.9	Closed	-
FC Index (L)	Cents/lb	115.69	Closed	-

Cotlook Index:

Cotlook Indices	Unit	30-Jul-22	30-Jul-22	Change
A-Index	Cents/Pound	Closed	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		28-Jul-22	28-Jul-22	Bales
Southeast	cents/lb.	112.37	114.62	0
North Delta	cents/lb.	111.37	113.62	0
South Delta	cents/lb.	111.37	113.62	0
East TX-OK	cents/lb.	104.37	106.62	0
West Texas	cents/lb.	104.37	105.87	0
Desert SW	cents/lb.	102.37	104.62	0
SJ Valley	cents/lb.	102.87	111.77	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
				30-Jul-22	29-Jul-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	61000	61000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	61700	61700	Unch
J-34(202)	26mm	3.5 - 4.9	23	82200	82200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	86100	86100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	90000	90000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	93800	93800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	99500	99500	Unch

**Pakistan Cotton Spot rates: As on 29-Jul-2022**

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	19380
Equivalent	40 Kgs	19291	193	20770

**Daily Futures Price Listing Friday, July 29<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>	220729	103.05	104.06	103.05	103.13	+0.76	36	152	+2
<a href="#">Dec-22</a>	220729	96.55	97.65	95.40	96.74	+0.53	10,537	108,489	+887
<a href="#">Mar-22</a>	220729	92.91	94.19	92.00	93.51	+0.84	2,390	34,412	+15
<a href="#">May-23</a>	220729	91.35	92.56	90.47	92.03	+0.88	773	15,312	+3
<a href="#">Jul-23</a>	220729	89.49	90.70	88.63	90.18	+0.87	706	8,801	+260
<a href="#">Oct-23</a>	220729	84.21	84.21	84.21	84.21	+0.79			
Total Volume and Open Interest							14,631	184,989	+1,141

Source: MRCI

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