

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.43,940/bale on Tuesday. ICE cotton futures closed red on Monday.

News: As of 25th July 2022, Gujarat Cotton sowing has reached 25,04,390 hectares for the 2022-23 season which is higher compared to the previous season's sowing of 22,22,372 hectares.

According to the data released by Agriculture Ministry, as of 29th 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 27th 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 20th 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 South Interior Karnataka, Uttarakhand, Sub-Himalayan, West Bengal, Sikkim, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Telangana, Rayalaseema, North Interior Karnataka, Lakshadweep. Thunderstorm accompanied with gusty winds likely at isolated places over Andaman & Nicobar Islands, and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, Rajasthan, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Lakshadweep.

International Fundamentals:

The ICE cotton Futures was lower by 51 points at 100.36 cents/lb. The Cotlook A index was stable at 114.60 cents/lb. The AWP for cotton was 104.48 cents/lb.

According to the U.S. Crop progress report, as of 25th 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 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	3-Aug-22	2-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10905	10905	Unch
	Rajkot	B.T. Cotton	10850	10720	130
	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	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10600	10600	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10951	10909	42
Karnataka	Bijapur	Bunny	0	NA	-
	Hubli	D.C.H.	0	NA	-
	Hubli	B.T. Cotton	0	NA	-
	Raichur	H-44 Cotton	0	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	3-Aug-22	2-Aug-22	
Punjab	Bhatinda	J-34	NR	9300	-

	Abohar	J-34	9450	9300	150
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8700	8500	200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	3-Aug-22	2-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9455	9000	455
	Rajkot	B.T. Cotton	70	200	-130
	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	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4000	4000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	123	65	58
Karnataka	Bijapur	Bunny	0	NA	-
	Hubli	D.C.H.	0	NA	-
	Hubli	B.T. Cotton	0	NA	-
	Raichur	H-44 Cotton	0	NA	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	3-Aug-22	2-Aug-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	3-Aug-22	2-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1490	1490	-1490
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1490	1490	-1490
Maharashtra	Mumbai	Rs. /10 Kg.	1490	1490	-1490

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	3-Aug-22	2-Aug-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2664	2707	-43
Maharashtra	Akola	Rs./Qtl	2757	2797	-40

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	3-Aug-22	2-Aug-22	Change
CCIndex(328)	RMB/Ton	15674	15778	-104
CCIndex(527)	RMB/Ton	14419	14532	-113
CCIndex(229)	RMB/Ton	16065	16181	-116
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	3-Aug-22	2-Aug-22	Change
FC Index (S)	Cents/lb	116.31	115.51	0.80
FC Index (M)	Cents/lb	115	114.2	0.80
FC Index (L)	Cents/lb	113.79	112.99	0.80

Cotlook Index:

Cotlook Indices	Unit	2-Aug-22	1-Aug-22	Change
A-Index	Cents/Pound	112.3	114.6	-2.30

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		2-Aug-22	2-Aug-22	Bales
Southeast	cents/lb.	110.87	113.12	0
North Delta	cents/lb.	109.87	112.12	0
South Delta	cents/lb.	109.87	112.12	0
East TX-OK	cents/lb.	102.87	105.12	0
West Texas	cents/lb.	102.87	104.37	0
Desert SW	cents/lb.	100.87	103.12	0
SJ Valley	cents/lb.	101.37	110.27	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
				2-Aug-22	1-Aug-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	83200	83200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	88000	87500	500
Shankar-6(105)	29mm	3.5 - 4.9	28	91500	91000	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	95500	95000	500
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 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 Monday, July 01st, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220801	102.38	102.38	99.13	100.29	-2.84	36	131	-21
Dec-22	220801	96.58	96.76	92.80	94.06	-2.68	8,588	108,420	-69
Mar-22	220801	92.91	93.50	89.96	91.47	-2.04	2,868	34,921	+509
May-23	220801	92.05	92.05	88.59	90.04	-1.99	959	15,286	-26
Jul-23	220801	89.70	89.79	86.70	88.23	-1.95	628	8,870	+69
Oct-23	220801	82.75	82.75	82.75	82.75	-1.46			
Total Volume and Open Interest							13,355	185,369	+380

Source: MRCI

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