

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.44,560/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: Cotton farmers from Haryana are expecting a crop loss due to heavy rains in the past week. The Hisar district of Haryana has received above the average rainfall which poses a threat to the cotton crop. Although no major damage has been received so far but water-logged fields may further result in pest attack and yield losses. The Agriculture Department has asked the farmers to drain out the standing water from the cotton fields and also alerted the farmers to keep observation on the crop about attack by any pest. Overall, around 18-19 lakh acres of area is estimated to be in under cotton cultivation in the state for the 2022-23 season.

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.

As of 03rd Aug 2022, Telangana Cotton sowing has reached 4542355 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 4985895 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.

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.

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.

Weather Forecast:

Heavy rainfall at isolated places over Coastal and South Interior Karnataka, and heavy rainfall at isolated places over Chhattisgarh, Madhya Maharashtra, Konkan & Goa, North Interior Karnataka, Tamil Nadu, Pondicherry, Karikal, Kerala & Mahe, Himachal Pradesh, Uttarakhand, West Uttar Pradesh, Rajasthan, Madhya Pradesh, Sub-Himalayan West Bengal, Sikkim, Odisha, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Gujarat region, Telangana, Rayalaseema, Marathwada. Thunderstorm accompanied with gusty winds likely at isolated places over Andaman & Nicobar Islands, and with lightening at isolated places over Jammu & Kashmir, Uttarakhand, Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Rajasthan, Madhya Maharashtra, Chhattisgarh, Jharkhand, Gangetic west Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram, & Tripura, Gujarat region, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Rayalaseema, Interior Karnataka, Kerala & Mahe, Tamil Nadu, Pondicherry & Karaikal.

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 31st July 2022, U.S cotton Squaring stands at 89 percent which is higher than that of the previous season (81 percent). In the previous week cotton squaring was 80 percent. Overall 6 percent of the U.S Cotton Crop is in excellent condition, 34 percent in good to a fair condition which was 32 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.

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	4-Aug-22	3-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	11705	11605	100
	Rajkot	B.T. Cotton	10300	10850	-550
	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	0	-
	Khargaon	Mech-1	NA	0	-
Maharashtra	Amravati	Mech-1	10800	10600	200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	-
	Hathras	Desi	NA	0	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Andhra Pradesh	Adoni	Un-Ginned	11359	10951	408
Karnataka	Bijapur	Bunny	10809	10606	203
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10700	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	4-Aug-22	3-Aug-22	
Punjab	Bhatinda	J-34	9400	NR	-
	Abohar	J-34	9600	9450	150
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8800	8700	100
Rajasthan	Sri-Ganganagar	J-34	NA	0	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	4-Aug-22	3-Aug-22	

Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9535	9455	80
	Rajkot	B.T. Cotton	25	70	-45
	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	0	-
	Khargaon	Mech-1	NA	0	-
Maharashtra	Amravati	Mech-1	3500	4000	-500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	-
	Hathras	Desi	NA	0	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	96	123	-27
Karnataka	Bijapur	Bunny	78	123	-45
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	15	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	4-Aug-22	3-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	0	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	4-Aug-22	3-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1450	1470	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1440	1460	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1485	-15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	4-Aug-22	3-Aug-22	

Gujarat	Mahesana (Kadi)	Rs./Qtl	2676	2664	13
Maharashtra	Akola	Rs./Qtl	2768	2757	11

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	4-Aug-22	3-Aug-22	Change
CCIndex(328)	RMB/Ton	15683	15674	9
CCIndex(527)	RMB/Ton	14414	14419	-5
CCIndex(229)	RMB/Ton	16082	16065	17
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	4-Aug-22	3-Aug-22	Change
FC Index (S)	Cents/lb	115.91	116.31	-0.40
FC Index (M)	Cents/lb	114.6	115	-0.40
FC Index (L)	Cents/lb	113.39	113.79	-0.40

Cotlook Index:

Cotlook Indices	Unit	3-Aug-22	2-Aug-22	Change
A-Index	Cents/Pound	113.25	112.3	0.95

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		3-Aug-22	3-Aug-22	Bales
Southeast	cents/lb.	110.36	112.61	0
North Delta	cents/lb.	109.36	111.61	0
South Delta	cents/lb.	109.36	111.61	0
East TX-OK	cents/lb.	102.36	104.61	135
West Texas	cents/lb.	102.36	103.86	176
Desert SW	cents/lb.	100.36	102.61	0
SJ Valley	cents/lb.	100.86	109.76	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
				3-Aug-22	2-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	60500	61000	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	61200	61700	-500
J-34(202)	26mm	3.5 - 4.9	23	83700	83200	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	88000	88000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	91500	91500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	95500	95500	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 03-Aug-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	18735
Equivalent	40 Kgs	19291	193	20078

Daily Futures Price Listing Wednesday, Aug 03rd, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220803	100.86	100.86	100.36	100.36	-0.51	33	129	+0
Dec-22	220803	94.00	95.58	93.70	94.43	-0.38	15,710	109,059	+928
Mar-22	220803	91.68	93.05	91.32	92.05	-0.53	5,806	36,025	+722
May-23	220803	90.93	91.55	89.76	90.54	-0.60	1,664	15,099	-226
Jul-23	220803	89.00	89.75	87.85	88.62	-0.66	677	9,188	+146
Oct-23	220803	83.40	83.40	83.40	83.40	-0.69			
Total Volume and Open Interest							24,517	187,401	+1,693

Source: MRCI

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