

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

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.44,920/bale on Tuesday. ICE cotton futures closed red on Monday.

**News:** In Rajasthan, Cotton Sowing gained by nearly 7.99 percent to 647.1 thousand hectares as against 599.22 thousand hectares in 2021. As per Agriwatch, for the coming week heavy rains may be witnessed across the key cotton-growing regions such as Maharashtra, Marathwada, Vidarbha, Telangana, and Madhya Pradesh. These rains will further likely to affect the cotton crop in the coming week.

As per AgriWatch sources, the Cotton crop has been affected in the northern states of Punjab, Haryana and Rajasthan due to excessive rains in July month. The cotton crop has been affected in terms of yield and pest incidence as a result of that the cotton crop arrivals are expected to come late in the 2022-23 season (it is expected to come from 1<sup>st</sup> week of September 2022).

According to the data released by Agriculture Ministry, as of 05<sup>th</sup> August 2022, Cotton sowing has been reported at 121.125 lakh hectares which was 113.505 lakh hectares in the previous 2021-22 season.

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 25<sup>th</sup> 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 03<sup>rd</sup> 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.

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.

### Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, Vidarbha, Gujarat region, Odisha, Madhya Maharashtra, Konkan & Goa, Madhya Pradesh, Chhattisgarh, Saurashtra & Kutch, Marathwada, Telangana, with lightening at isolated places over Himachal Pradesh, East Rajasthan, Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram, Tripura, Karnataka, Kerala & Mahe. Thunderstorms accompanied with gusty winds likely at isolated places over Gangetic West Bengal, Coastal Andhra Pradesh & Yanam, Andaman & Nicobar Islands, Rayalaseema, Telangana, and with lightning at isolated places over Himachal Pradesh, Uttarakhand, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Bihar, Jharkhand, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Rayalaseema, Tamil Nadu, Pondicherry & Karikal, Kerala & Mahe.

### International Fundamentals:

The ICE cotton Futures was lower by 10 points at 101.58 cents/lb. The Cotlook A index was stable at 113.10 cents/lb. The AWP for cotton was 89.44 cents/lb.

According to the U.S. Crop progress report, as on 07<sup>th</sup> Aug 2022, U.S cotton Squaring stands at 95 percent, a bit ahead of the 93 percent 5 years average. Bolls setting were at 69 percent, ahead of the 64 percent 5 years average. Cotton Crop condition took a notable drop, mostly in Texas, Oklahoma and Tennessee.

**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 ratio 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	9-Aug-22	8-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	10905	10275	630
	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	NA	NA	-
	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	NA	11282	-
Karnataka	Bijapur	Bunny	NA	10909	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10500	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Aug-22	8-Aug-22	
Punjab	Bhatinda	J-34	9500	9300	200
	Abohar	J-34	10000	9800	200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9100	9000	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	9-Aug-22	8-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9555	5000	4555
	Rajkot	B.T. Cotton	80	5	75
	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	NA	NA	-
	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	NA	124	-
Karnataka	Bijapur	Bunny	NA	150	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Aug-22	8-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	9-Aug-22	8-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1472	1472	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1465	1465	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1490	1490	Unch

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price	Change
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State	Centre	Unit	9-Aug-22	8-Aug-22	
Gujarat	Maheana (Kadi)	Rs./Qtl	Closed	2752	-
Maharashtra	Akola	Rs./Qtl	Closed	2818	-

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

Index	Unit	9-Aug-22	8-Aug-22	Change
CCIndex(328)	RMB/Ton	15676	15629	47
CCIndex(527)	RMB/Ton	14437	14378	59
CCIndex(229)	RMB/Ton	16093	16026	67
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	9-Aug-22	8-Aug-22	Change
FC Index (S)	Cents/lb	117.11	117.61	-0.50
FC Index (M)	Cents/lb	115.8	116.3	-0.50
FC Index (L)	Cents/lb	114.59	115.09	-0.50

**Cotlook Index:**

Cotlook Indices	Unit	8-Aug-22	6-Aug-22	Change
A-Index	Cents/Pound	114.4	Closed	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		8-Aug-22	8-Aug-22	Bales
Southeast	cents/lb.	111.58	113.83	0
North Delta	cents/lb.	110.58	112.83	0
South Delta	cents/lb.	110.58	112.83	0
East TX-OK	cents/lb.	102.58	104.83	314
West Texas	cents/lb.	102.58	104.08	0
Desert SW	cents/lb.	101.58	103.83	0
SJ Valley	cents/lb.	102.08	110.98	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
				8-Aug-22	6-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62000	61500	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	62700	62200	500
J-34(202)	26mm	3.5 - 4.9	23	87700	86700	1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	91500	91000	500
Shankar-6(105)	29mm	3.5 - 4.9	28	93500	93000	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	99000	98500	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	96000	96000	Unch

**Pakistan Cotton Spot rates: As on 05-Aug-2022**

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	17235
Equivalent	40 Kgs	19291	193	18471

**Daily Futures Price Listing Monday, Aug 08<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>	220808	101.48	102.38	101.39	101.58	-0.10	5	116	-4
<a href="#">Dec-22</a>	220808	96.04	97.40	95.14	95.59	-0.54	9,086	107,060	-1,586
<a href="#">Mar-22</a>	220808	93.71	95.00	92.85	93.33	-0.47	2,940	36,862	+363
<a href="#">May-23</a>	220808	92.46	93.48	91.43	91.97	-0.38	700	15,144	+100
<a href="#">Jul-23</a>	220808	91.12	91.52	89.58	90.19	-0.24	428	9,849	+115
<a href="#">Oct-23</a>	220808	85.36	85.36	85.36	85.36	+0.34			
Total Volume and Open Interest							13,417	187,179	-907

Source: MRCI

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