

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.47,670/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: According to Cotton Association of India, despite the increased acreage of cotton across the country, prices are unlikely to go below Rs 70,000 per candy even after the new cotton season arrives in October as cotton crop output in the US and China is likely to remain low. Apart from this, the Cotton Corporation of India (CCI) has not been able to purchase much cotton in the previous season as farmers are preferring to sell their yield in the open market as they fetch higher than MSP prices. Hence, there would be extremely low carry forward stock for the upcoming 2022-23 cotton season.

The lower rates of December futures (103 cents) at the US-based Intercontinental Exchange (ICE), Indian cotton rates would come down to Rs 62,000 to Rs 67,000 per candy around December.

As of 15th Aug 2022, Gujarat Cotton sowing has reached 25,36,925 hectares for the 2022-23 season which is higher compared to the previous season's sowing of 22,48,902 hectares.

According to Agriwatch Sources, New Cotton arrivals are very slow in Northern India. Also, due to supply crunch new crop market advanced to Rs. 9300 per maund from Rs. 8011 per maund. All India cotton sowing area has crossed 123 lakh hectares so far. Monsoon is well in India till date hope for same up to harvesting.

As of 10th Aug 2022, Telangana Cotton sowing has reached 4759870 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 5022915 acres. Average rainfall for the period from 01.06.2022 to 10.08.2022 has reached 806 mm higher as compared to the previous season of 559 mm.

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 1st week of September 2022).

According to the data released by Agriculture Ministry, as of 05th 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.

Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Saurashtra & Kutch, Tamil Nādu, Pondicherry & Karikal. Thunderstorms accompanied with gusty winds are likely at isolated places over West Rajasthan, Bihar, West Bengal, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was higher by 281 points at 122.25 cents/lb. The Cotlook A index was stable at 126.75 cents/lb. The AWP for cotton was 88.15 cents/lb.

The USDA WASDE Global 2022/23 production is forecast 3.1 million bales lower this month, and consumption is 800,000 bales lower, resulting in a decrease in projected ending stocks of 1.5 million bales. In addition to the U.S. crop change, world production is reduced an additional 100,000 bales as extreme heat in Uzbekistan reduced yield prospects there.

World trade is 1.8 million bales lower this month, with reductions in U.S. exports and imports by China as the largest changes. Projected imports are also lower this month for India, Pakistan, Vietnam, Turkey, and Bangladesh. Consumption in 2022-23 season is projected lower than a month ago in the United States, Pakistan, Vietnam, Turkey, and Bangladesh.

According to the U.S. Crop progress report, as on 07th 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 noteable drop, mostly in Texas, Oklahoma and Tennessee.

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	17-Aug-22	16-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	NA	Closed	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	0	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	0	0	Unch
Andhra Pradesh	Adoni	Un-Ginned	11909	11897	12
Karnataka	Bijapur	Bunny	12190	11521	669
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12700	12000	700
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	17-Aug-22	16-Aug-22	
Punjab	Bhatinda	J-34	10600	10700	-100
	Abohar	J-34	10700	10500	200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9800	9700	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	17-Aug-22	16-Aug-22	

Gujarat	Ahmedabad	Shankar-6	Closed	NA	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	NA	Closed	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	0	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	2199	324	1875
Karnataka	Bijapur	Bunny	232	185	47
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	5	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	17-Aug-22	16-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	17-Aug-22	16-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1470	1490	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1500	1520	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	17-Aug-22	16-Aug-22	

Gujarat	Mahesana (Kadi)	Rs./Qtl	2778	2787	-10
Maharashtra	Akola	Rs./Qtl	2888	2882	6

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	16-Aug-22	15-Aug-22	Change
CCIndex(328)	RMB/Ton	15885	15715	170
CCIndex(527)	RMB/Ton	14596	14440	156
CCIndex(229)	RMB/Ton	16275	16143	132
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	16-Aug-22	13-Aug-22	Change
FC Index (S)	Cents/lb	135.21	Closed	-
FC Index (M)	Cents/lb	133.9	Closed	-
FC Index (L)	Cents/lb	132.69	Closed	-

Cotlook Index:

Cotlook Indices	Unit	16-Aug-22	13-Aug-22	Change
A-Index	Cents/Pound	131.75	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		15-Aug-22	15-Aug-22	Bales
Southeast	cents/lb.	129.44	131.69	1
North Delta	cents/lb.	128.44	130.69	15
South Delta	cents/lb.	128.44	130.69	7
East TX-OK	cents/lb.	120.44	122.69	0
West Texas	cents/lb.	120.44	121.94	0
Desert SW	cents/lb.	119.44	121.69	0
SJ Valley	cents/lb.	119.94	128.84	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
				16-Aug-22	13-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	66400	65500	900
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	67100	66200	900
J-34(202)	26mm	3.5 - 4.9	23	93400	91400	2000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	96000	93600	2400
Shankar-6(105)	29mm	3.5 - 4.9	28	99000	96500	2500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	102500	101500	1000
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	97500	95500	2000

Pakistan Cotton Spot rates: As on 16-Aug-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	19735
Equivalent	40 Kgs	19291	193	21150

Daily Futures Price Listing Tuesday, Aug 16th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220816	120.21	125.00	120.21	122.25	+2.81	20	114	-3
Dec-22	220816	117.03	119.59	114.60	116.85	+3.26	16,928	106,460	+189
Mar-22	220816	113.57	116.49	111.29	113.35	+2.71	6,148	37,299	+514
May-23	220816	112.03	113.51	108.74	110.32	+1.45	2,618	15,961	-72
Jul-23	220816	109.00	111.08	105.20	106.20	+0.05	2,191	11,045	+346
Oct-23	220816	97.07	97.07	97.07	97.07	-1.20			
Total Volume and Open Interest							32,688	189,459	+1,250

Source: MRCI

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