

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.47,740/bale on Friday. ICE cotton futures closed red on Thursday.

**News:** According to the data released by Agriculture Ministry, as of 19<sup>th</sup> August 2022, Cotton sowing has been reported at 123.088 lakh hectares which was 116.146 lakh hectares in the previous 2021-22 season.

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 15<sup>th</sup> 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 10<sup>th</sup> 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 1<sup>st</sup> week of September 2022).

### **Weather Forecast:**

Heavy rainfall at isolated places over East Madhya Pradesh & Chhattisgarh, and heavy rainfall at isolated places over northeast Odisha, Vidarbha, Jharkhand, and heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, north Haryana, Chandigarh, Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Madhya Maharashtra, Konkan & Goa, Telangana. Thunderstorms accompanied with gusty winds are likely at isolated places over Jharkhand, and with lightening at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Vidarbha, Bihar, Jharkhand, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Marathwada, Tamil Nadu, Pondicherry & Karikal.

### **International Fundamentals:**

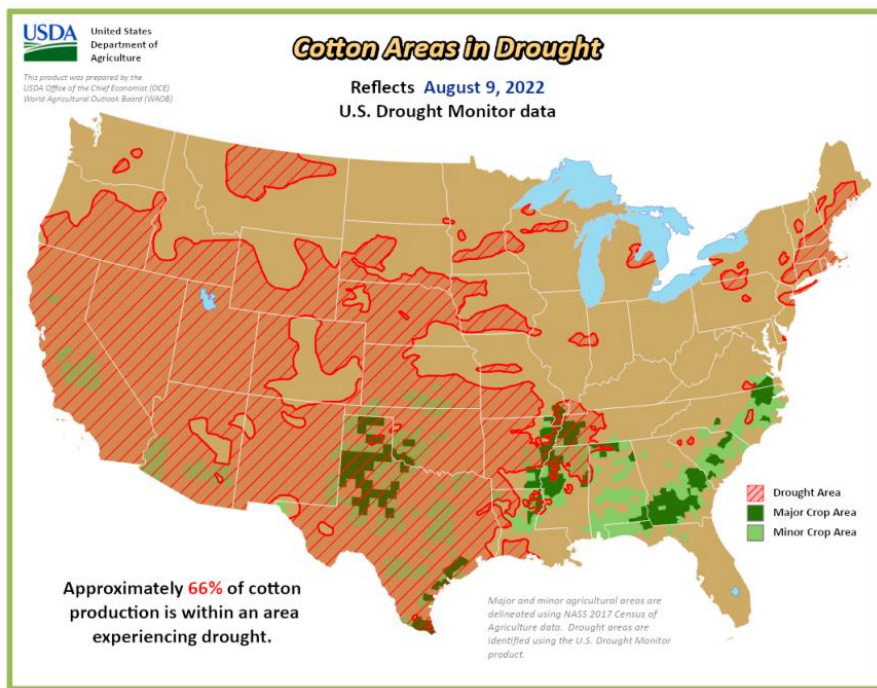
The ICE cotton Futures was higher by 148 points at 118.60 cents/lb. The Cotlook A index was stable at 131.65 cents/lb. The AWP for cotton was 101.90 cents/lb.

According to the U.S. Crop progress report, as of 15<sup>th</sup> Aug 2022, U.S cotton Cotton Bolls opening stands at 15 percent which is higher than that of the previous season (9 percent). In the previous week cotton bolls opening was 9 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 31 percent in good to a fair condition which was 35 percent in the previous week.

According to the USDA WASDE report, World 2022-23 cotton production is forecasted at 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.

The U.S. Department of Agriculture has forecasted for the domestic cotton crop to 12.6 million bales, which would be down by around 28% from last year, and the smallest crop since 2009. Severe drought and some of the hottest weather on record have scorched fields and driven a historically high level of abandonment in the Southwest. Texas, the top cotton-producing state, has been especially hard hit.



## 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	18-Aug-22	17-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	0	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	NA	NA	-
	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	12001	11909	92
Karnataka	Bijapur	Bunny	11709	12190	-481
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12200	12700	-500
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Aug-22	17-Aug-22	
Punjab	Bhatinda	J-34	10700	10600	100
	Abohar	J-34	10800	10700	100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	10000	9800	200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Aug-22	17-Aug-22	
Gujarat	Ahmedabad	Shankar-6	Closed	0	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	NA	NA	-
	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	1121	2199	-1078
Karnataka	Bijapur	Bunny	305	232	73
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	7	Unch

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Aug-22	17-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	18-Aug-22	17-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1470	1470	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1500	1500	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	18-Aug-22	17-Aug-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2797	2778	19
Maharashtra	Akola	Rs./Qtl	2900	2888	12

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	17-Aug-22	16-Aug-22	Change
CCIndex(328)	RMB/Ton	16015	15885	130
CCIndex(527)	RMB/Ton	14697	14596	101
CCIndex(229)	RMB/Ton	16377	16275	102

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	17-Aug-22	16-Aug-22	Change
FC Index (S)	Cents/lb	138.51	135.21	3.30
FC Index (M)	Cents/lb	137.2	133.9	3.30
FC Index (L)	Cents/lb	135.99	132.69	3.30

Cotlook Index:

Cotlook Indices	Unit	17-Aug-22	16-Aug-22	Change
A-Index	Cents/Pound	134.9	131.75	3.15

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		17-Aug-22	17-Aug-22	Bales
Southeast	cents/lb.	128.32	130.57	0
North Delta	cents/lb.	127.32	129.57	0
South Delta	cents/lb.	127.32	129.57	0
East TX-OK	cents/lb.	119.32	121.57	612
West Texas	cents/lb.	119.32	120.82	0
Desert SW	cents/lb.	118.32	120.57	0
SJ Valley	cents/lb.	118.82	127.72	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
				17-Aug-22	16-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	67900	66400	1500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	68600	67100	1500
J-34(202)	26mm	3.5 - 4.9	23	94500	93400	1100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	96000	96000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	99000	99000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	102500	102500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	97500	97500	Unch

#### Pakistan Cotton Spot rates: As on 17-Aug-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	20735
Equivalent	40 Kgs	19291	193	22222

**Daily Futures Price Listing Thursday, Aug 18<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>	220818	118.74	118.75	117.12	117.12	-1.20	73	113	-3
<a href="#">Dec-22</a>	220818	113.90	114.90	111.71	111.71	-0.84	48,281	106,532	+661
<a href="#">Mar-22</a>	220818	110.64	111.62	111.62	108.63	-0.51	17,609	39,818	+2,121
<a href="#">May-23</a>	220818	107.45	108.40	108.40	105.50	-0.13	5,688	15,723	-599
<a href="#">Jul-23</a>	220818	103.00	103.92	103.92	101.06	-0.16	3,874	11,363	-64
<a href="#">Oct-23</a>	220818	94.21	94.21	94.21	94.21	-0.35			
Total Volume and Open Interest							78,635	192,925	+2,460

Source: MRCI

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