

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was stable at Rs.47,320/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: As of 22nd Aug 2022, Gujarat Cotton sowing has reached 25,38,383 hectares for the 2022-23 season which is higher compared to the previous season's sowing of 22,50,743 hectares.

According to the data released by Agriculture Ministry, as of 19th August 2022, Cotton sowing has been reported at 124.27 lakh hectares which was 116.51 lakh hectares in the previous 2021-22 season.

According to the market sources, Punjab is likely to have a higher production in the 2022-23 season. Despite of the lower acreages in the 2022-23 season, cotton production in Punjab is expected to be at 8 lakh bales as compared to the previous 6.45 lakh bales in the 2021-22 season. However, heavy rainfall and pest attack is likely to affect cotton yields. Further, as per trade associates, prices are expected to trade above than 10,000 per quintal in the 2022-23 season.

According to the Ministry of Agriculture and Farmer's Welfare Fourth Advance estimate, total cotton production in India for the 2021-22 season is expected to be at 312 lakh bales as compared to the previous season of 352 lakh bales in the 2020-21 season. As per Agriwatch, the decrease in production is mainly due to a decrease in area and yield earlier in the 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.

Cotton Sowing (Lakh Hectares) As of 19 th Aug 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	4.20	5.59	1.39
Karnataka	6.10	7.75	1.65
Gujarat	22.48	25.36	2.88
Maharashtra	39.26	41.95	2.68
Madhya Pradesh	6.0	5.9	0.01
Rajasthan	6.28	6.52	0.27
Punjab	2.54	2.48	0.06
Haryana	6.88	6.50	0.37
All India	116.51	124.27	7.75

Weather Forecast:

Heavy rainfall at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Odisha, Tamil Nadu, Kerala & Mahe, Pondicherry, and Karaikal. Thunderstorms accompanied with lightning at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, East Uttar Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Sub- Himalayan West Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Coastal Andhra Pradesh & Yanam, Interior Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe and Lakshadweep.

International Fundamentals:

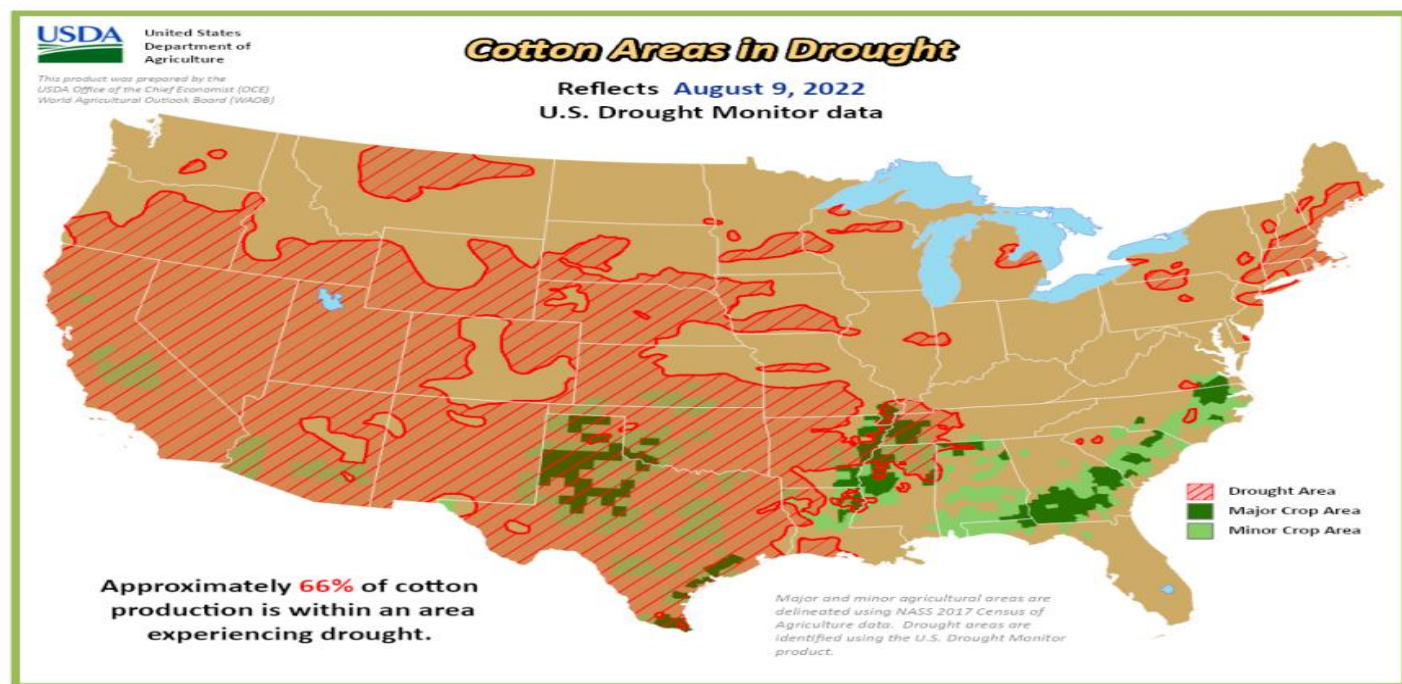
The ICE cotton Futures was lower by 163 points at 116.26 cents/lb. The Cotlook A index was stable at 134.25 cents/lb. The AWP for cotton was 101.90 cents/lb.

According to the U.S. Crop progress report, as of 21st Aug 2022, U.S cotton Cotton Bolls opening stands at 19 percent which is higher than that of the previous season (13 percent). In the previous week cotton bolls opening was 15 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 26 percent in good to a fair condition which was 29 percent in the previous week.

Overall, the cotton crop is likely to get affected in the 2022-23 season due to adverse weather in the major cotton-producing countries. As the U.S. cotton crop is being affected due to drought. 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. Severe drought and some of the hottest weather have scorched fields and driven a historically high level of abandonment in the Southwest.

China is also likely to have a lower production in the 2022-23 season as the crop is getting affected due to severe heat waves. Also, one of the largest cotton exporters Brazil is battling with extreme heat and drought that have already reduced the yields by nearly 30 percent in the 2022-23 season.

As per Agriwatch, In India too, the heavy rainfalls and pest attacks are affecting the cotton crop. In the northern states of Punjab, Haryana, and Rajasthan cotton crop has been affected due to pink bollworm infestation. As a result, new cotton arrivals are expected to come late in the 1st week of September 2022 from Rajasthan and Haryana. Although, arrivals had started from some districts of Punjab but are very slow. Whereas else in Maharashtra and Telangana excess rainfall in July, over the major cotton-growing districts has affected the crop.



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 State	Kapas		Prices (Rs./Quintal)		Change
	Centre	Variety	24-Aug-22	23-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	12050	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	10000	10600	-600
	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	11991	12171	-180
Karnataka	Bijapur	Bunny	NA	12019	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10900	11500	-600
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Aug-22	23-Aug-22	
Punjab	Bhatinda	J-34	10100	10400	-300
	Abohar	J-34	10000	10400	-400
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9500	9800	-300
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Aug-22	23-Aug-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	12050	NA	-
	Rajkot	B.T. Cotton	20	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	3177	2507	670
Karnataka	Bijapur	Bunny	NA	175	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6	10	-4

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Aug-22	23-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	24-Aug-22	23-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1510	1500	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1455	1445	10
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1465	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Aug-22	23-Aug-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2746	2757	-11
Maharashtra	Akola	Rs./Qtl	2877	2907	-30

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

Index	Unit	24-Aug-22	23-Aug-22	Change
CCIndex(328)	RMB/Ton	15945	15958	-13
CCIndex(527)	RMB/Ton	14526	14550	-24
CCIndex(229)	RMB/Ton	16311	16317	-6

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

China Foreign Cotton (FCE) Index :

Index	Unit	24-Aug-22	23-Aug-22	Change
FC Index (S)	Cents/lb	133.91	135.81	-1.90
FC Index (M)	Cents/lb	132.6	134.5	-1.90
FC Index (L)	Cents/lb	131.39	133.29	-1.90

Cotlook Index:

Cotlook Indices	Unit	23-Aug-22	18-Aug-22	Change
A-Index	Cents/Pound	132.25	131.65	0.60

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		23-Aug-22	23-Aug-22	Bales
Southeast	cents/lb.	126.26	128.51	0
North Delta	cents/lb.	125.26	127.51	0
South Delta	cents/lb.	125.26	127.51	0
East TX-OK	cents/lb.	117.26	119.51	665
West Texas	cents/lb.	117.26	118.76	0
Desert SW	cents/lb.	116.26	118.51	0
SJ Valley	cents/lb.	116.76	125.66	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
				23-Aug-22	20-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	65900	67900	-2000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	66600	68600	-2000
J-34(202)	26mm	3.5 - 4.9	23	93000	95000	-2000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	96000	96000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	98500	98500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	103000	102000	1000
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	99000	97000	2000

Pakistan Cotton Spot rates: As on 22-Aug-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	21235
Equivalent	40 Kgs	19291	193	22758



Daily Futures Price Listing Tuesday, Aug 23rd, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220824	116.00	116.69	116.26	116.26	-1.63	11	125	-1
Dec-22	220824	114.02	114.02	112.23	112.23	-1.91	16,331	108,905	+2,171
Mar-22	220824	111.13	111.13	108.46	109.07	-2.17	4,441	42,016	+888
May-23	220824	108.17	108.18	105.75	106.19	-2.05	966	16,609	-4
Jul-23	220824	103.68	103.68	101.60	101.75	-1.90	470	12,122	+93
Oct-23	220824	94.04	94.04	94.04	94.04	-1.26			
Total Volume and Open Interest							23,011	201,943	+3,227

Source: MRCI

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