

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was stable at Rs.47,250/bale on Thursday. ICE cotton futures closed green on Wednesday.

**News:** As of 24<sup>th</sup> Aug 2022, Gujarat Cotton sowing has reached 5.72 lakh hectares for the 2022-23 season which is higher compared to the previous season's sowing of 4.46 lakh hectares. Average rainfall reported during the 01.06.2022 to 24.08.2022 is around 384.70 mm against the normal 384.3 mm.

As per Agriwatch, In India heavy rainfalls and pest attacks has damaged 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 1<sup>st</sup> 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.

As of 22<sup>nd</sup> 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 19<sup>th</sup> August 2022, Cotton sowing has been reported at 124.27 lakh hectares which was 116.51 lakh hectares in the previous 2021-22 season. Agriwatch expects cotton sowing to reach 128 lakh hectares in the 2022-23 season. Earlier, due to excess rainfall in July month cotton sowing was affected in central and southern India.

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.

<b>Cotton Sowing (Lakh Hectares) As of 19<sup>th</sup> Aug 2022</b>			
<b>States</b>	<b>2021-22</b>	<b>2022-23</b>	<b>Difference</b>
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
<b>All India</b>	<b>116.51</b>	<b>124.27</b>	<b>7.75</b>

**Weather Forecast:**

Heavy rainfall at isolated places over East Madhya Pradesh, Chhattisgarh, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Rayalaseema, South Interior Karnataka, Kerala & Mahe and Tamil Nadu, Pondicherry, and Karaikal. Thunderstorms accompanied by lightning at isolated places over Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Sub- Himalayan West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalaya, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe and Lakshadweep.

**International Fundamentals:**

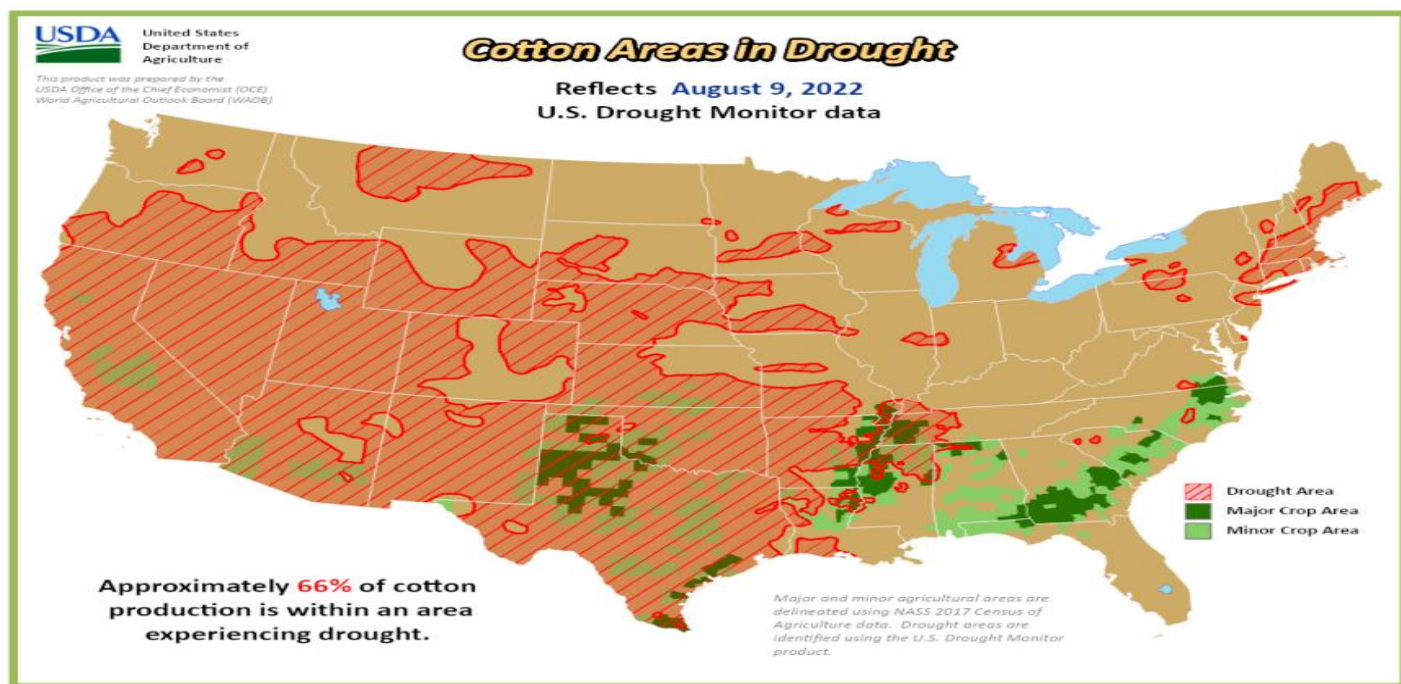
The ICE cotton Futures was higher by 131 points at 117.57 cents/lb. The Cotlook A index was stable at 132.5 cents/lb. The AWP for cotton was 101.90 cents/lb.

According to the U.S. Crop progress report, as of 21<sup>st</sup> 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 1<sup>st</sup> 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	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	25-Aug-22	24-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	12030	12050	-20
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1700	NA	-
	Dhrol	B.T. Cotton	9680	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	0	NA	-
	Rawatsar	B.T. Cotton	0	NA	-
Madhya Pradesh	Khandwa	Mech-1	0	NA	-
	Khargaon	Mech-1	0	NA	-
Maharashtra	Amravati	Mech-1	10000	10000	Unch
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	0	NA	-
	Hathras	Desi	0	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	11839	11991	-152
Karnataka	Bijapur	Bunny	10809	12100	-1291
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10800	10900	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Aug-22	24-Aug-22	
Punjab	Bhatinda	J-34	9900	10100	-200
	Abohar	J-34	9800	10000	-200
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9350	9500	-150
Rajasthan	Sri-Ganganagar	J-34	0	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-Aug-22	24-Aug-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	10500	12050	-1550
	Rajkot	B.T. Cotton	25	20	5
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	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	0	NA	-
	Rawatsar	B.T. Cotton	0	NA	-
Madhya Pradesh	Khandwa	Mech-1	0	NA	-
	Khargaon	Mech-1	0	NA	-
Maharashtra	Amravati	Mech-1	4000	4000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	0	NA	-
	Hathras	Desi	0	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	1540	3177	-1637
Karnataka	Bijapur	Bunny	134	123	11
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10	6	4

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	25-Aug-22	24-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	0	NA	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	25-Aug-22	24-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1510	1510	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1455	1455	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1470	1470	Unch

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	25-Aug-22	24-Aug-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2741	2746	-5
Maharashtra	Akola	Rs./Qtl	2871	2877	-7

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

Index	Unit	25-Aug-22	24-Aug-22	Change
CCIndex(328)	RMB/Ton	15952	15945	7
CCIndex(527)	RMB/Ton	14530	14526	4
CCIndex(229)	RMB/Ton	16320	16311	9
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	25-Aug-22	24-Aug-22	Change
FC Index (S)	Cents/lb	135.71	133.91	1.80
FC Index (M)	Cents/lb	134.4	132.6	1.80
FC Index (L)	Cents/lb	133.1	131.39	1.71

**Cotlook Index:**

Cotlook Indices	Unit	24-Aug-22	23-Aug-22	Change
A-Index	Cents/Pound	130.5	132.25	-1.75

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		24-Aug-22	24-Aug-22	Bales

Southeast	cents/lb.	127.57	129.82	0
North Delta	cents/lb.	126.57	128.82	0
South Delta	cents/lb.	126.57	128.82	0
East TX-OK	cents/lb.	118.57	120.82	270
West Texas	cents/lb.	118.57	120.07	0
Desert SW	cents/lb.	117.57	119.82	0
SJ Valley	cents/lb.	118.07	126.97	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
				24-Aug-22	23-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64900	65900	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65600	66600	-1000
J-34(202)	26mm	3.5 - 4.9	23	90000	93000	-3000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	95000	96000	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	97500	98500	-1000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	103000	103000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	99000	99000	Unch

#### Pakistan Cotton Spot rates: As on 24-Aug-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	22235
Equivalent	40 Kgs	19291	193	23829

**Daily Futures Price Listing Wednesday, Aug 24<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>	220824	117.06	117.93	116.73	117.57	+1.31	4	124	-1
<a href="#">Dec-22</a>	220824	112.57	114.75	111.21	114.07	+1.84	12,883	110,514	+1,609
<a href="#">Mar-22</a>	220824	109.33	111.54	108.15	111.01	+1.94	3,813	42,489	+473
<a href="#">May-23</a>	220824	106.44	108.43	105.34	108.10	+1.91	1,261	16,606	-3
<a href="#">Jul-23</a>	220824	101.63	103.75	100.90	103.52	+1.77	836	12,085	-37
<a href="#">Oct-23</a>	220824	95.57	95.57	95.57	95.57	+1.53			
Total Volume and Open Interest							19,661	204,293	+2,350

Source: MRCI

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