

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was stable at Rs.46,930/bale on Friday. ICE cotton futures closed red on Thursday.

News:

New Cotton Arrivals

Northern India: As per Agriwatch, In India the 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 earlier which has affected the yields particularly in Punjab. 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. The new cotton prices at Bhatinda are currently at Rs. 9300 per quintal.

Central India: Arrivals have also started in Gujarat and Madhya Pradesh but are in smaller quantities, prices for the new cotton in Gujarat are currently at Rs. 11,600 to 12,000 per quintal whereas in Madhya Pradesh prices are at Rs. 9,511-11,001 per quintal. Arrivals are currently around 2-3 quintal; overall moisture content in the new cotton crop is around 30-35%.

As of 24th 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 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. 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 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.

Cotton Sowing (Lakh Hectares) As of 19th 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 Sub-Himalayan West Bengal, Nagaland, Manipur, Mizoram, Tripura, Arunachal Pradesh, Yanam, Rayalaseema, and with lightening at isolated places over Uttarakhand, East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, Odisha, West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Telangana, Karnataka, Tamil Nadu, Pondicherry, Karikal, Kerala & Mahe and Tamil Nadu, Pondicherry, and Karaikal. Thunderstorms accompanied by lightning at isolated places over Uttarakhand, East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, Odisha, West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Telangana, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe.

International Fundamentals:

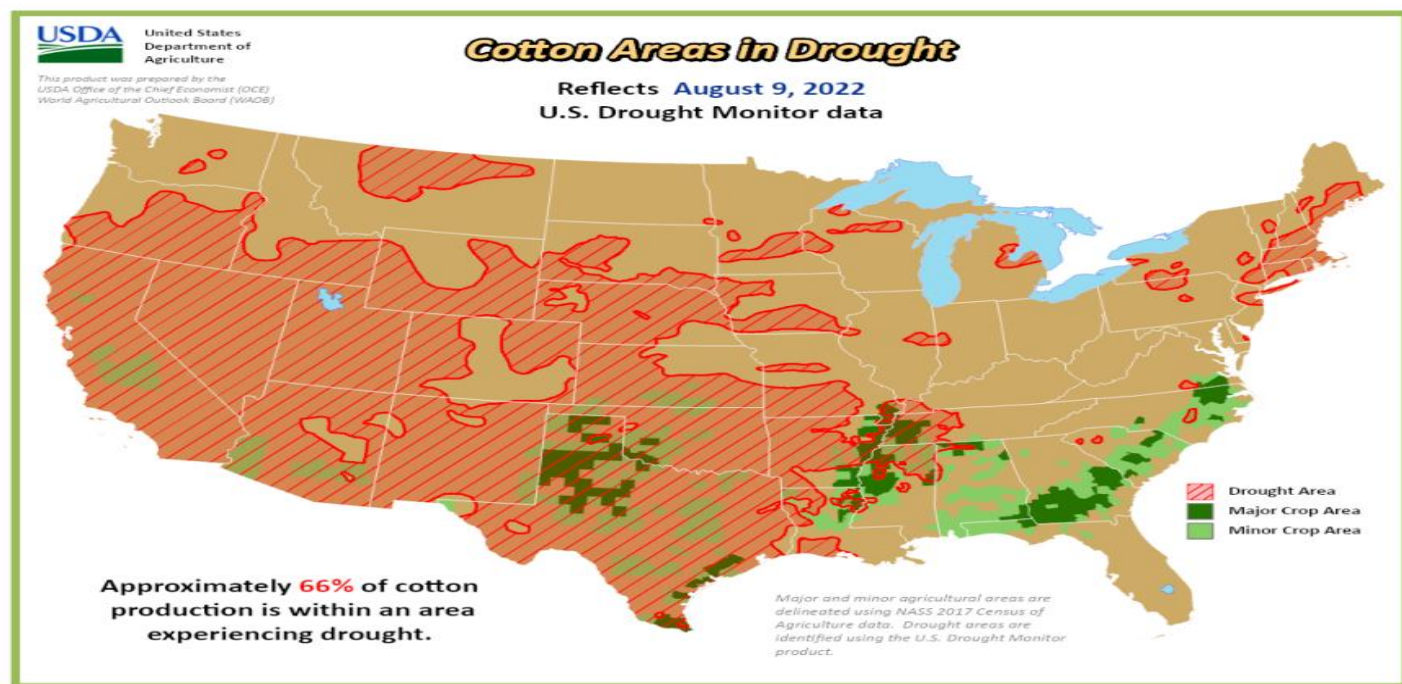
The ICE cotton Futures was higher by 214 points at 117.18 cents/lb. The Cotlook A index was stable at 130.5 cents/lb. The AWP for cotton was 104.48 cents/lb.

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	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Aug-22	25-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	12235	12030	205
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	1700	-
	Dhrol	B.T. Cotton	NA	9680	-
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	Closed	10000	-
	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	11359	11839	-480
Karnataka	Bijapur	Bunny	10866	10809	57
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10600	10800	-200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Aug-22	25-Aug-22	
Punjab	Bhatinda	J-34	9900	9900	Unch
	Abohar	J-34	9800	9800	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9300	9350	-50
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Aug-22	25-Aug-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	10500	10500	Unch
	Rajkot	B.T. Cotton	50	25	25
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	2	-
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	Closed	4000	-
	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	2191	1540	651
Karnataka	Bijapur	Bunny	152	134	18
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11	10	1

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Aug-22	25-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	26-Aug-22	25-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1490	1510	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1430	1455	-25
Maharashtra	Mumbai	Rs. /10 Kg.	1460	1470	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Aug-22	25-Aug-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2779	2741	38
Maharashtra	Akola	Rs./Qtl	2878	2871	7

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

Index	Unit	26-Aug-22	25-Aug-22	Change
CCIndex(328)	RMB/Ton	15963	15952	11
CCIndex(527)	RMB/Ton	14521	14530	-9
CCIndex(229)	RMB/Ton	16336	16320	16
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	26-Aug-22	25-Aug-22	Change
FC Index (S)	Cents/lb	135.71	135.71	Unch
FC Index (M)	Cents/lb	134.4	134.4	Unch
FC Index (L)	Cents/lb	133.19	133.1	0.09

Cotlook Index:

Cotlook Indices	Unit	25-Aug-22	24-Aug-22	Change
A-Index	Cents/Pound	132.25	130.5	1.75

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		25-Aug-22	25-Aug-22	Bales
Southeast	cents/lb.	125.18	127.43	0
North Delta	cents/lb.	124.18	126.43	0
South Delta	cents/lb.	124.18	126.43	0
East TX-OK	cents/lb.	117.18	119.43	110
West Texas	cents/lb.	117.18	118.68	0
Desert SW	cents/lb.	116.18	118.43	0
SJ Valley	cents/lb.	116.68	125.58	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
				25-Aug-22	24-Aug-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63900	64900	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64600	65600	-1000
J-34(202)	26mm	3.5 - 4.9	23	89000	90000	-1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	94000	95000	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	97000	97500	-500
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 25-Aug-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	22735
Equivalent	40 Kgs	19291	193	24365

Daily Futures Price Listing Thursday, Aug 25th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220825	117.18	117.18	117.18	117.18	-0.39	8	121	-3
Dec-22	220825	114.00	117.36	113.31	114.11	+0.04	13,069	111,648	+1,134
Mar-22	220825	111.01	113.97	110.17	110.83	-0.18	3,804	43,180	+691
May-23	220825	108.81	110.61	107.53	107.82	-0.28	838	16,825	+219
Jul-23	220825	103.57	105.53	102.53	103.11	-0.41	493	12,219	+134
Oct-23	220825	95.04	95.04	95.04	95.04	-0.53			
Total Volume and Open Interest							18,924	206,585	+2,292

Source: MRCI

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