

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.46,240/bale on Tuesday. ICE cotton futures closed red on Monday.

News: As of 29th Aug 2022, Gujarat Cotton sowing has reached 25,45,105 hectares for the 2022-23 season which is slightly lower compared to the previous season's sowing of 22,51,170 hectares. As per the state agriculture department, overall production in Gujarat for the 2022-23 season is expected to be 9184.96 bales and yield is likely to be 615.13 kg/hectares.

According to the data released by Agriculture Ministry, as of 26th August 2022, Cotton sowing has been reported at 124.55 lakh hectares which was 116.90 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.

MCX under the circular no. MCX/TRD/499/2022 has notified that the exchange is in process of modifying the Cotton contract specification. Accordingly, with effect from August 29, 2022, no fresh positions will be permitted in Cotton January 2023 expiry contract which has currently nil open interest. Cotton February 2023 expiry and subsequent expiry contracts will temporarily not be launched for trading till such time the revised contract specification is finalized. Also, No changes for other running Cotton contracts with Open Interest.

Cotton Sowing (Lakh Hectares) As of 26th Aug 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	4.46	5.72	1.26
Karnataka	6.11	7.8	1.69
Gujarat	22.50	25.38	2.87
Maharashtra	39.26	41.95	2.68
Madhya Pradesh	6.0	5.99	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	116.90	124.55	7.64

New Cotton Arrivals

Northern India: As per Agriwatch, 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%.

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.

Weather Forecast:

Heavy rainfall at isolated places over Sub-Himalayan West Bengal & Sikkim and Arunachal Pradesh and heavy rainfall at isolated places over Bihar, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Karnataka, Lakshwadeep, Tamil Nadu, Pondicherry, & Karaikal. Thunderstorms accompanied by lightning at isolated places over East Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Marathwada, Konkan & Goa, Telangana, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe and Lakshadweep.

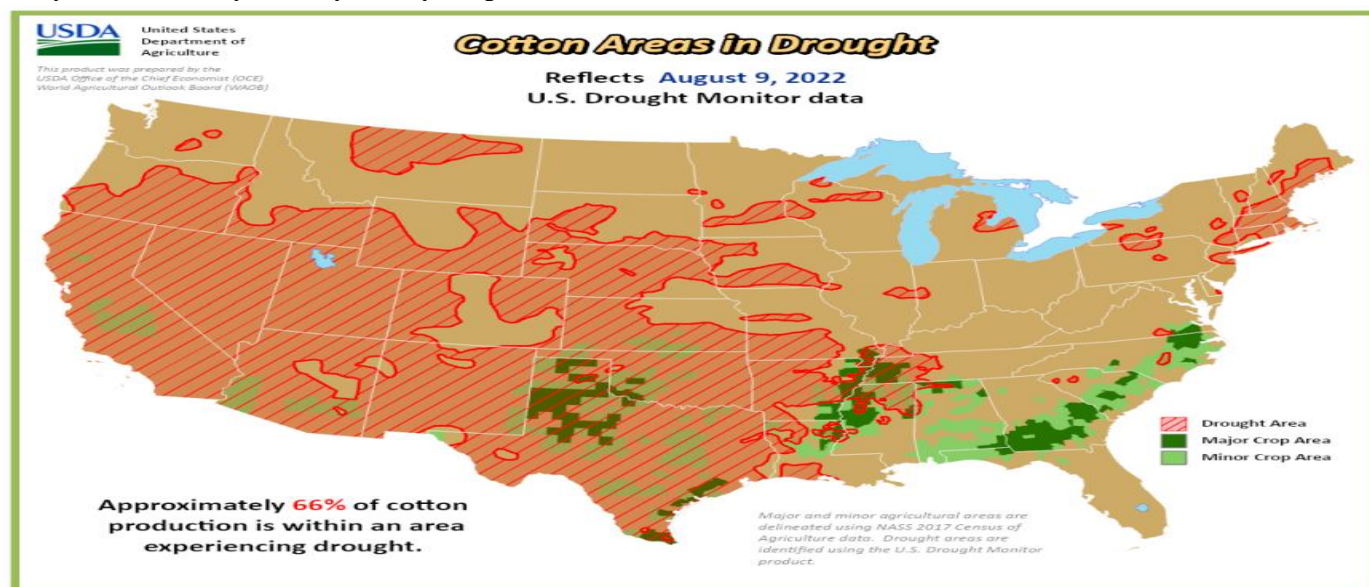
International Fundamentals:

The ICE cotton Futures was higher by 494 points at 122.12 cents/lb. The Cotlook A index was high at 132.25 cents/lb. The AWP for cotton was 104.48 cents/lb.

According to the U.S. Crop progress report, as of 29th Aug 2022, U.S cotton Cotton Bolls opening stands at 28 percent which is higher than that of the previous season (20 percent). In the previous week cotton bolls opening was 19 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 30 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.



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	31-Aug-22	30-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	Closed	11255	-
	Rajkot	B.T. Cotton	11250	12350	-1100
	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	Closed	10600	-
	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	NA	10619	-
Karnataka	Bijapur	Bunny	NA	10059	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Aug-22	30-Aug-22	
Punjab	Bhatinda	J-34	9500	10000	-500
	Abohar	J-34	9350	9500	-150
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9300	9500	-200
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	31-Aug-22	30-Aug-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10500	11625	-1125
	Rajkot	B.T. Cotton	80	51	29
	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	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	NA	3376	-
Karnataka	Bijapur	Bunny	NA	47	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	9	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	31-Aug-22	30-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	31-Aug-22	30-Aug-22	
Gujarat	Rajkot	Rs. /10 Kg.	1445	1445	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	Closed	1400	-
Maharashtra	Mumbai	Rs. /10 Kg.	1420	1420	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake	Price	Change
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State	Centre	Unit	31-Aug-22	30-Aug-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	Closed	2729	-
Maharashtra	Akola	Rs./Qtl	Closed	2833	-

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

Index	Unit	31-Aug-22	30-Aug-22	Change
CCIndex(328)	RMB/Ton	15984	15960	24
CCIndex(527)	RMB/Ton	14545	14539	6
CCIndex(229)	RMB/Ton	16355	16347	8
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	31-Aug-22	30-Aug-22	Change
FC Index (S)	Cents/lb	134.01	138.81	-4.80
FC Index (M)	Cents/lb	132.7	137.5	-4.80
FC Index (L)	Cents/lb	131.49	136.29	-4.80

Cotlook Index:

Cotlook Indices	Unit	30-Aug-22	27-Aug-22	Change
A-Index	Cents/Pound	132.25	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		30-Aug-22	30-Aug-22	Bales
Southeast	cents/lb.	121.47	123.72	0
North Delta	cents/lb.	120.47	122.72	0
South Delta	cents/lb.	120.47	122.72	0
East TX-OK	cents/lb.	117.47	119.72	0
West Texas	cents/lb.	117.47	118.97	0
Desert SW	cents/lb.	116.47	118.72	0
SJ Valley	cents/lb.	116.97	125.87	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
				30-Aug-22	29-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	87000	87000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	92000	92000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	95000	95000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	102000	102000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	98500	99000	-500

Pakistan Cotton Spot rates: As on 30-Aug-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	23235
Equivalent	40 Kgs	19291	193	24901

Daily Futures Price Listing Tuesday, Aug 30th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220830	119.47	119.47	117.13	117.47	-4.55	53	89	-30
22-Dec	220830	116.95	117.01	112.2	112.32	-4.84	12,684	113,605	694
22-Mar	220830	113.6	113.6	109.01	109.27	-4.4	3,745	44,166	41
23-May	220830	109.67	109.67	105.83	106.33	-4.05	958	17,377	191
23-Jul	220830	104.3	104.3	101.11	101.36	-3.73	484	12,373	51
23-Oct	220830	90.95	90.95	90.95	90.95	-3.16			
Total Volume and Open Interest							18,448	210,138	876

Source: MRCI

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