

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.44,240/bale on Monday. ICE cotton futures closed red on Friday.

News: As the Indian cotton sowing has increased by around 6.61% for the 2022-23 season, the raw cotton prices have started falling in the local market. However, the cotton crop remains under threat due to adverse weather conditions and pest attacks in the major cotton growing states.

Heavy and untimely rainfall has affected the cotton crop in Tamil Nadu. As per sources, around 100 acres of cotton and maize crop is expected to get affected due to heavy rains in some parts of Tamil Nadu.

According to the data released by Agriculture Ministry, as of 02nd September 2022, Cotton sowing has been reported at 125.68 lakh hectares which was 117.67 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.

Indian Cotton Association Limited, expects cotton production in northern India to increase by 23.40% in the coming 2022-23 season. Despite of lower acreages and limited damage in the few areas of Punjab overall production in north is expected to increase attributed to the good progress of the crop. As per AgriWatch, currently, the crop is in good condition and arrivals have also begun in the market, and arrivals are further expected to receive full swing in October month.

Cotton Sowing (Lakh Hectares) As of 02 nd Sept 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	4.81	5.88	1.07
Karnataka	6.27	8.12	1.84
Gujarat	22.51	25.45	2.93
Maharashtra	39.36	42.29	2.92
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	117.67	125.68	8.01

Source: Ministry of Agriculture

New Cotton Arrivals

Northern India: Arrivals had started from Punjab and are likely to increase in the coming week. In Muktsar grain market cotton prices fetched Rs. 10,251 per quintal against the minimum support price of Rs.6,225 per quintal. Due to good demand from cotton factories in the 2022-23 season prices are further expected to increase. In Palwal district of Haryana arrivals had begun during the last week prices for the new cotton are currently at Rs. 9,900- Rs. 10,000 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%.

Where else in southern India, cotton arrivals are expected to come from October first week.

Weather Forecast:

Heavy rainfall at isolated places over Kerala & Mahe, Tamil Nadu, Pondicherry, Karikal, Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Odisha, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Telangana, Rayalaseema, Karnataka, Lakshadweep. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Jammu, Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Madhya Maharashtra, Marathwada, Konkan & Goa, Telangana, Rayalaseema, Karnataka, Kerala & Mahe, Lakshadweep.

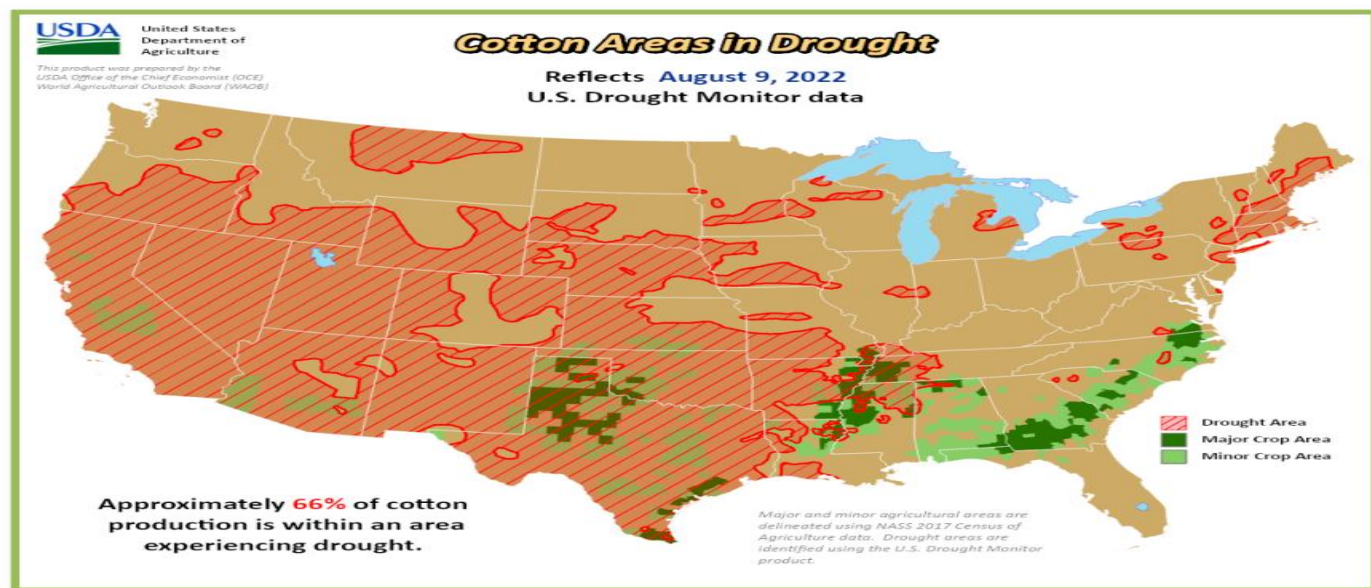
International Fundamentals:

The ICE cotton Futures was lower by 500 points at 103.21 cents/lb. The Cotlook A index was high at 131.6 cents/lb. The AWP for cotton was 104.48 cents/lb.

Heavy rains and floods have severely damaged the cotton crop in Pakistan in the 2022-23 season. The areas of Punjab, Sindh, and Baluchistan has been damaged severely. As per the sources, about 40-45 percent of the cotton crop is expected to have been affected due to floods which may further result in an increase in the imports during the 2022-23 season. In the previous season, Pakistan imports has increased to 8.19 lakh bales in 2021 from 7.50 lakh bales in 2020. For current 2022-23 season, Pakistan has already imported 2.16 lakh bales of cotton during January to April 2022.

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.



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	5-Sep-22	3-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10755	10755	Unch
	Rajkot	B.T. Cotton	10975	11125	-150
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1950	1950	Unch
	Dhrol	B.T. Cotton	10500	10500	Unch
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10400	10000	400
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
	Hanumangarh	B.T. Cotton	NA	10600	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
	Khandwa	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
	Amravati	Mech-1	10600	10600	Unch
Maharashtra	Jamner	Medium Staple	NA	NA	-
	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
	Adilabad	Un-Ginned	NA	NA	-
Telangana					

Andhra Pradesh	Adoni	Un-Ginned	10762	10721	41
Karnataka	Bijapur	Bunny	NA	10006	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10555	10400	155
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Sep-22	3-Sep-22	
Punjab	Bhatinda	J-34	8900	8700	200
	Abohar	J-34	8900	8800	100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8900	8800	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Sep-22	3-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9500	9500	Unch
	Rajkot	B.T. Cotton	110	50	60
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	2	Unch
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	200	200	Unch
	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	1626	2021	-395
Karnataka	Bijapur	Bunny	NA	45	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10	9	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Sep-22	3-Sep-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-

	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	34	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	5-Sep-22	3-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1300	1340	-40
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1290	1320	-30
Maharashtra	Mumbai	Rs. /10 Kg.	1285	1330	-45

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	5-Sep-22	3-Sep-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2630	2779	-149
Maharashtra	Akola	Rs./Qtl	2810	2841	-31

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

Index	Unit	5-Sep-22	3-Sep-22	Change
CCIndex(328)	RMB/Ton	15883	Closed	-
CCIndex(527)	RMB/Ton	14465	Closed	-
CCIndex(229)	RMB/Ton	16272	Closed	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	5-Sep-22	3-Sep-22	Change
FC Index (S)	Cents/lb	124.36	Closed	-
FC Index (M)	Cents/lb	123.32	Closed	-
FC Index (L)	Cents/lb	122.25	Closed	-

Cotlook Index:

Cotlook Indices	Unit	3-Sep-22	2-Sep-22	Change
A-Index	Cents/Pound	Closed	126.6	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		2-Sep-22	2-Sep-22	Bales
Southeast	cents/lb.	112.39	114.64	0
North Delta	cents/lb.	111.39	113.64	0
South Delta	cents/lb.	111.39	113.64	0

East TX-OK	cents/lb.	107.39	109.64	1680
West Texas	cents/lb.	108.39	109.89	0
Desert SW	cents/lb.	106.39	108.64	0
SJ Valley	cents/lb.	106.89	115.79	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
				3-Sep-22	2-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	61900	62900	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	62600	63600	-1000
J-34(202)	26mm	3.5 - 4.9	23	82000	82000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	87000	90000	-3000
Shankar-6(105)	29mm	3.5 - 4.9	28	93000	94000	-1000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	NA	NA	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	95500	97500	-2000

Pakistan Cotton Spot rates: As on 02-Sep-2022

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	20235
Equivalent	40 Kgs	19291	193	21686

Daily Futures Price Listing Friday, Sept 02nd 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220902	113.27	113.79	108.39	108.39	-4.90	12	81	-4
22-Dec	220902	108.1	108.7	103.21	103.21	-5.00	12,381	113,887	-553
22-Mar	220902	104.73	105.36	100.14	100.14	-5.00	4,283	45,235	93
23-May	220902	102.35	102.64	97.56	97.79	-4.58	1402	18,245	464
23-Jul	220902	98.12	98.3	94.35	94.45	-3.32	630	12,573	20
23-Oct	220902	85.37	85.37	85.37	85.37	-2.74			
Total Volume and Open Interest							19,032	212,337	60

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.