

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.43,090/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: According to the trade sources, Indian cotton production for the 2022-23 season is expected to increase to 375 lakh bales as compared to 312 lakh bales in the 2021-22 season. Prices are further expected to come down in the 2022-23 season. The increase in acreages, good crop with a demand slowdown in the cotton value chain may cause supply pressure thereby triggering a downward price trend in the 2022 year. AgriWatch expects cotton production to reach 348.16 lakh bales in the 2022-23 season.

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.

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

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

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 Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Telangana, Karnataka, Kerala & Mahe, Odisha, Konkan & Goa, Andaman & Nicobar Islands, Arunachal Pradesh, Marathwada, Rayalaseema. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Telangana, East Uttar Pradesh, East Madhya Pradesh, East Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Assam & Meghalaya, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe, Lakshadweep.

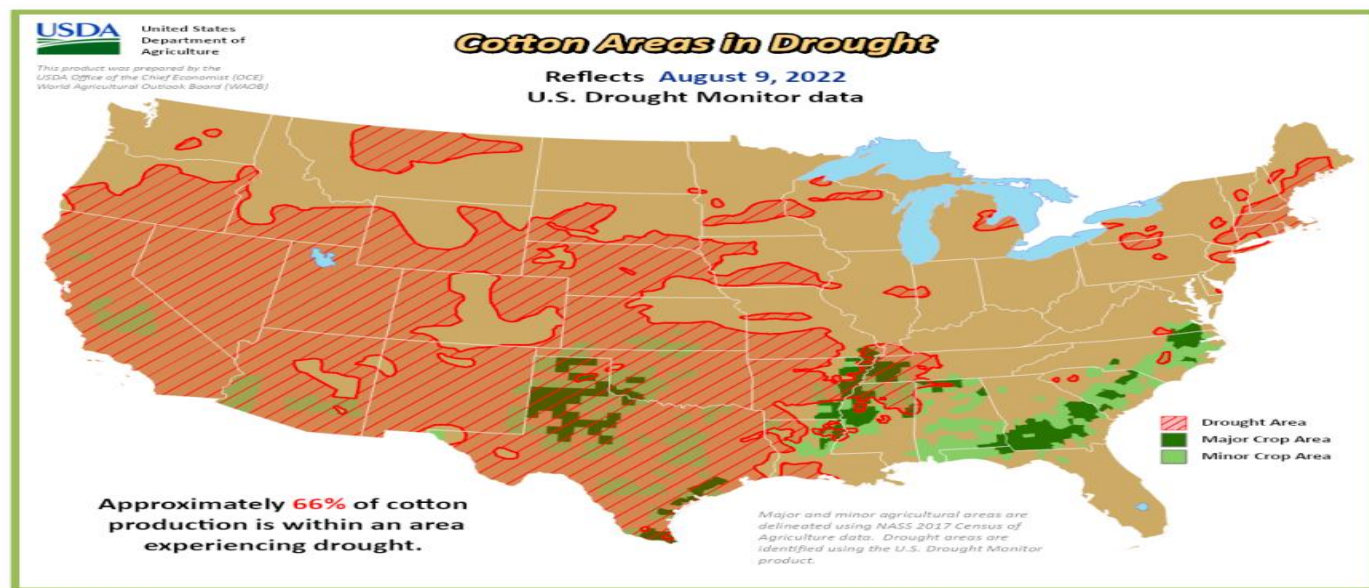
International Fundamentals:

The ICE cotton Futures was higher by 34 points at 103.55 cents/lb. The Cotlook A index was high at 121.6 cents/lb. The AWP for cotton was 104.86 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	7-Sep-22	6-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10405	10005	400
	Rajkot	B.T. Cotton	10700	10625	75
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	1700	-
	Dhrol	B.T. Cotton	NA	9000	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10250	10300	-50
	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	10600	10600	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	10679	10739	-60
Karnataka	Bijapur	Bunny	NA	9789	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10600	10400	200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-Sep-22	6-Sep-22	
Punjab	Bhatinda	J-34	9200	9100	100
	Abohar	J-34	9200	9100	100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9200	9100	100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Sep-22	6-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9050	9250	-200
	Rajkot	B.T. Cotton	60	100	-40
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	3	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	510	340
	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	5766	3784	1982
Karnataka	Bijapur	Bunny	NA	71	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	12	3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	7-Sep-22	6-Sep-22	
Punjab	Bhatinda	J-34	170	170	Unch
	Abohar	J-34	43	NA	-

	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	126	60	66
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	7-Sep-22	6-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1305	1315	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1292	1300	-8
Maharashtra	Mumbai	Rs. /10 Kg.	1280	1290	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	7-Sep-22	6-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2525	2635	-110
Maharashtra	Akola	Rs./Qtl	2662	2707	-45

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

Index	Unit	7-Sep-22	6-Sep-22	Change
CCIndex(328)	RMB/Ton	15840	15862	-22
CCIndex(527)	RMB/Ton	14431	14448	-17
CCIndex(229)	RMB/Ton	16223	16246	-23
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	7-Sep-22	6-Sep-22	Change
FC Index (S)	Cents/lb	124.66	124.36	0.30
FC Index (M)	Cents/lb	123.56	123.32	0.24
FC Index (L)	Cents/lb	122.55	122.25	0.30

Cotlook Index:

Cotlook Indices	Unit	6-Sep-22	5-Sep-22	Change
A-Index	Cents/Pound	121.6	121.6	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		6-Sep-22	6-Sep-22	Bales
Southeast	cents/lb.	112.29	114.54	0
North Delta	cents/lb.	111.29	113.54	0
South Delta	cents/lb.	111.29	113.54	0
East TX-OK	cents/lb.	107.29	109.54	440

West Texas	cents/lb.	108.29	109.79	0
Desert SW	cents/lb.	106.29	108.54	0
SJ Valley	cents/lb.	106.79	115.69	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
				6-Sep-22	5-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	61400	61400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	62100	62100	Unch
J-34(202)	26mm	3.5 - 4.9	23	82000	82000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	83500	84500	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	90500	91500	-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	95500	Unch

Pakistan Cotton Spot rates: As on 06-Sep-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, Sept 06th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220906	110.85	110.85	108.29	108.29	-0.10	29	84	3
22-Dec	220906	103.3	106	102.83	103.55	0.34	17,050	114,134	247
22-Mar	220906	101	102.74	99.64	100.38	0.24	5,893	45,309	74
23-May	220906	98.48	100.38	97.32	98.21	0.42	2173	18,044	-201
23-Jul	220906	95.2	96.93	93.99	95.01	0.56	1262	12,421	-152
23-Oct	220906	85.96	85.96	85.96	85.96	0.59			
Total Volume and Open Interest							27,569	212,431	94

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