

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.42,670/bale on Friday. ICE cotton futures closed green on Thursday.

**News:** As of Sept. 09<sup>th</sup>, 2022 Cotton sowing has reached 126.62 Lakh Ha. Vs 117.99 Lakh Ha. same period last year. Agriwatch expects overall cotton sowing to reach 128

Lakh Ha. in 2022-23 season. Earlier, due to excess rainfall in July month cotton sowing was affected in central and southern India.

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 6-8% 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.

Cotton Sowing (Lakh Hectares) As of 09 <sup>th</sup> Sept 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	4.85	6.06	1.21
Karnataka	6.35	8.15	1.79
Gujarat	22.51	25.45	2.93
Maharashtra	39.37	42.33	2.95
Madhya Pradesh	6.0	5.99	0.01
Rajasthan	6.28	6.83	0.54
Punjab	2.54	2.48	0.06
Haryana	6.88	6.50	0.37
<b>All India</b>	<b>117.99</b>	<b>126.62</b>	<b>8.66</b>

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 Odisha, Konkan & Goa, Madhya Maharashtra, Coastal Andhra Pradesh, Yanam, Telangana, Uttarakhand, Chhattisgarh, Gangetic West Bengal, Assam & Meghalaya, Gujarat state, Marathwada, Coastal & North Interior Karnataka, Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Telangana, Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Karnataka, Tamil Nadu, Pondicherry, Karaikal, Kerala & Mahe.

**International Fundamentals:**

The ICE cotton Futures was higher by 222 points at 103.84 cents/lb. The Cotlook A index was high at 122.05 cents/lb. The AWP for cotton was 104.86 cents/lb.

According to the U.S. Crop progress report, as of 06<sup>th</sup> Sep 2022, U.S cotton Cotton Bolls opening stands at 39 percent which is higher than that of the previous season (28 percent). In the previous week cotton bolls opening was 28 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 34 percent in good to a fair condition which was 30 percent in the previous week.

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.

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	9-Sep-22	8-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	11455	11205	250
	Rajkot	B.T. Cotton	11055	11060	-5
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1924	1800	124
	Dhrol	B.T. Cotton	10290	9900	390
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10500	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	10500	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	10559	10651	-92
Karnataka	Bijapur	Bunny	NA	9959	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10900	10650	250
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Sep-22	8-Sep-22	
Punjab	Bhatinda	J-34	9200	9200	Unch
	Abohar	J-34	9200	9200	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9200	9200	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Sep-22	8-Sep-22	

Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9000	10075	-1075
	Rajkot	B.T. Cotton	280	240	40
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4	1	3
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	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	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	3618	3673	-55
Karnataka	Bijapur	Bunny	NA	89	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	14	1
Commodity		Lint	Arrivals (Quintal)		Change
State	Centre	Variety	9-Sep-22	8-Sep-22	
Punjab	Bhatinda	J-34	34	170	-136
	Abohar	J-34	51	17	34
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	153	153	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	9-Sep-22	8-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1290	1320	-30
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1285	1310	-25
Maharashtra	Mumbai	Rs. /10 Kg.	1290	1300	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	9-Sep-22	8-Sep-22	

Gujarat	Mahesana (Kadi)	Rs./Qtl	2444	2451	-6
Maharashtra	Akola	Rs./Qtl	2669	2673	-4

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

Index	Unit	9-Sep-22	8-Sep-22	Change
CCIndex(328)	RMB/Ton	15769	15798	-29
CCIndex(527)	RMB/Ton	14346	14384	-38
CCIndex(229)	RMB/Ton	16170	16196	-26
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	9-Sep-22	8-Sep-22	Change
FC Index (S)	Cents/lb	125.29	123.09	2.20
FC Index (M)	Cents/lb	123.93	121.73	2.20
FC Index (L)	Cents/lb	122.59	120.39	2.20

**Cotlook Index:**

Cotlook Indices	Unit	8-Sep-22	6-Sep-22	Change
A-Index	Cents/Pound	NA	121.6	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		8-Sep-22	8-Sep-22	Bales
Southeast	cents/lb.	112.32	114.57	0
North Delta	cents/lb.	111.32	113.57	0
South Delta	cents/lb.	111.32	113.57	0
East TX-OK	cents/lb.	107.32	109.57	441
West Texas	cents/lb.	108.32	109.82	0
Desert SW	cents/lb.	106.32	108.57	0
SJ Valley	cents/lb.	106.82	115.72	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
				8-Sep-22	7-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	59900	61900	-2000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	60600	62600	-2000
J-34(202)	26mm	3.5 - 4.9	23	83200	82500	700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	82000	83000	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	89000	90000	-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 07-Sep-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 Thursday, Sept 08th 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Oct</a>	220908	106.61	108.5	106.61	108.32	2.22	8	84	-2
<a href="#">22-Dec</a>	220908	101.51	105.18	101.5	103.84	2.22	17,854	113,176	-1341
<a href="#">22-Mar</a>	220908	98.65	101.95	98.35	100.75	2.20	8,617	45,591	-301
<a href="#">23-May</a>	220908	97.11	99.6	96.3	98.57	2.07	2609	17,906	-65
<a href="#">23-Jul</a>	220908	93.94	96.33	93.5	95.47	1.81	1356	12,317	89
<a href="#">23-Oct</a>	220908	85.87	85.87	85.87	85.87	0.94			
Total Volume and Open Interest							30,794	211,548	-1,667

Source: MRCI

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