

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.42,280/bale on Saturday. ICE cotton futures closed green on Friday.

**News:** According to AgriWatch sources, overall cotton crop is in good condition across the country. Although, coming 15-20 days are crucial for the crop in terms of adverse weather and pest attack in major cotton growing states.

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>

#### **New Cotton Arrivals**

Source: Ministry of Agriculture

**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 Uttarakhand, Gangetic West Bengal, Gujarat State, Madhya Maharashtra, Konkan & Goa, Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Odisha, Sub-Himalayan West Bengal, Sikkim, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Telangana, Marathwada, Coastal & North Interior Karnataka, and Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Telangana, Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Haryana, Chandigarh, Delhi, Uttarakhand, Uttar Pradesh, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Sub-Himalayan West Bengal, Sikkim, Gujarat region, Marathwada, Coastal Andhra Pradesh & Yanam, Kerala & Mahe.

### **International Fundamentals:**

The ICE cotton Futures was higher by 100 points at 104.84 cents/lb. The Cotlook A index was high at 120.15 cents/lb. The AWP for cotton was 94.92 cents/lb.

Pakistan Textile Exporters Association has proposed its government to allow the import of cotton from India due to the dire condition of the textile industry in the country following devastating floods during the past month.

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 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.

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	10-Sep-22	9-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10605	11455	-850
	Rajkot	B.T. Cotton	10710	11055	-345
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1900	1924	-24
	Dhrol	B.T. Cotton	10050	10290	-240
Haryana	Bhiwani	B.T. Cotton	10300	NA	-
	Bhiwani	Desi	12000	NA	-
	Adampur	B.T. Cotton	Closed	10500	-
	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	10500	-
	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	8200	NA	-
	Hathras	Desi	9200	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10639	10559	80
Karnataka	Bijapur	Bunny	NA	9669	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11000	10900	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Sep-22	9-Sep-22	
Punjab	Bhatinda	J-34	9200	9200	Unch
	Abohar	J-34	9100	9200	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	9000	9150	-150
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas	Arrivals (Quintal)	Change
-----------	-------	--------------------	--------

State	Centre	Variety	10-Sep-22	9-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9050	9000	50
	Rajkot	B.T. Cotton	150	280	-130
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	4	-2
Haryana	Bhiwani	B.T. Cotton	1200	NA	-
	Bhiwani	Desi	100	NA	-
	Adampur	B.T. Cotton	Closed	680	-
	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	3500	4000	-500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	15	NA	-
	Hathras	Desi	4	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	3027	3618	-591
Karnataka	Bijapur	Bunny	NA	59	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12	15	-3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Sep-22	9-Sep-22	
Punjab	Bhatinda	J-34	34	34	Unch
	Abohar	J-34	60	51	9
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	153	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	10-Sep-22	9-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1284	1290	-6
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1277	1285	-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	10-Sep-22	9-Sep-22	
Gujarat	Maheana (Kadi)	Rs./Qtl	2443	2444	-1
Maharashtra	Akola	Rs./Qtl	2672	2669	3

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	10-Sep-22	9-Sep-22	Change
CCIndex(328)	RMB/Ton	Closed	15769	-
CCIndex(527)	RMB/Ton	Closed	14346	-
CCIndex(229)	RMB/Ton	Closed	16170	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	10-Sep-22	9-Sep-22	Change
FC Index (S)	Cents/lb	Closed	125.29	-
FC Index (M)	Cents/lb	Closed	123.93	-
FC Index (L)	Cents/lb	Closed	122.59	-

Cotlook Index:

Cotlook Indices	Unit	9-Sep-22	7-Sep-22	Change
A-Index	Cents/Pound	122.04	122.05	-0.01

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 08-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 Friday, Sept 09th 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Oct</a>	220909	109.52	109.52	109.52	109.52	1.20	17	76	-8
<a href="#">22-Dec</a>	220909	104	105.83	103.96	104.84	1.00	18,293	112,297	-879
<a href="#">22-Mar</a>	220909	100.89	102.74	100.79	101.45	0.70	6,173	46,156	565
<a href="#">23-May</a>	220909	99.25	100.5	98.83	99.28	0.71	1946	17,708	-198
<a href="#">23-Jul</a>	220909	95.85	97.42	95.83	96.27	0.80	1247	12,507	190
<a href="#">23-Oct</a>	220909	86.34	86.34	86.34	86.34	0.47			
Total Volume and Open Interest							27,997	211,217	-331

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.