

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.41,490/bale on Tuesday. MCX cotton prices have reduced over 25 % as compared to the last week mainly because of the expectation of good production in the 2022-23 season. ICE cotton futures closed green on Monday.

News: Domestic cotton arrivals have started in the market and with the increase in arrivals, the cotton prices have reduced from nearly Rs. 1,00,000 to Rs. 90,000 a candy in the market. However, Indian cotton prices are still higher by around 15% to 20% compared to international prices.

As per the Southern India Mills Association, the cotton requirement by the domestic textile industry is likely to be more than the production in the 2022-23 season and duty-free export of cotton that may result in 12% to 15% of good quality raw cotton going out of the country, which may lead to cotton shortage during the off-season.

As per the market sources, the Cotton crop in Kurnool has been affected by Tobacco Streak Virus (TSV) in some of the areas including Gudur, Kodumuru, Emmiganur madals of Kurnool district and Atmakur and Nandyal district. Although the cotton crop is not affected much as of now (the incidence is below TTL) but if rain continues further, the crop yields may get affected.

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. 09th, 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.

Cotton Sowing (Lakh Hectares) As of 09 th 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
All India	117.99	126.62	8.66

Source: Ministry of Agriculture

Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, East Rajasthan, West Madhya Pradesh, Gujarat State, Madhya Maharashtra, Konkan & Goa, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Madhya Pradesh, Bihar, Gangetic West Bengal, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Saurashtra & Kutch, Coastal Karnataka. Thunderstorms accompanied by lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, Rajasthan, Bihar, Jharkhand, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Tamil Nadu, Pondicherry, Karikal.

International Fundamentals:

The ICE cotton Futures was higher by 87 points at 105.71 cents/lb. The Cotlook A index was high at 122.40 cents/lb. The AWP for cotton was 94.92 cents/lb.

According to the U.S. Crop progress report, as of 11th Sep 2022, U.S cotton Cotton Bolls opening stands at 49 percent which is higher than that of the previous season (35 percent). In the previous week cotton bolls opening was 39 percent. Overall 4 percent of the U.S Cotton Crop is in excellent condition, 30 percent in good to a fair condition which was 34 percent in the previous week.

According to USDA, Cotton and product update report, global cotton production is estimated higher at 118.40 million bales, and stocks are projected higher this month. However, Consumption has slightly decreased to 118.60 million bales with lower projected use in Pakistan and Vietnam. Global trade is unchanged as higher U.S. exports more than offset lower Brazil shipments.

Pakistan cotton production is forecasted down by 700,000 bales to 5.5 million bales amid smaller crop estimation due to heavy rains and floods. Cotton consumption is estimated lower by 400,000 bales to 10.5 million bales. Overall cotton imports are likely to increase in the 2022-23 season to 4.8 million bales. However, with a significant decline in production from the United States, The All-Pakistan Textile Mills Association is reported to have asked government officials to consider lifting the country's restriction on imports of Indian cotton. Earlier, Pakistan has restricted India cotton in 2019 due to border disputes and this urgent request underscores Pakistan's dire need for cotton.

DOMESTIC PRICES AND ARRIVALSCotton 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	13-Sep-22	12-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	11005	-
	Rajkot	B.T. Cotton	10420	10500	-80
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1700	1700	Unch
	Dhrol	B.T. Cotton	9750	9000	750
Haryana	Bhiwani	B.T. Cotton	10000	Closed	-
	Bhiwani	Desi	12000	Closed	-
	Adampur	B.T. Cotton	10180	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	9950	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10111	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	8200	8500	-300
	Hathras	Desi	9200	9200	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10729	10699	30
Karnataka	Bijapur	Bunny	NA	9715	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10666	10200	466
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Sep-22	12-Sep-22	
Punjab	Bhatinda	J-34	8700	8800	-100
	Abohar	J-34	8560	8800	-240
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8650	8880	-230
Rajasthan	Sri-Ganganagar	J-34	9024	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Sep-22	12-Sep-22	

Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	8975	8900	75
	Rajkot	B.T. Cotton	130	350	-220
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	3	-1
Haryana	Bhiwani	B.T. Cotton	15000	Closed	-
	Bhiwani	Desi	100	Closed	-
	Adampur	B.T. Cotton	850	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	57	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	85	15
	Hathras	Desi	25	20	5
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	4063	1828	2235
Karnataka	Bijapur	Bunny	NA	30	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	15	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	13-Sep-22	12-Sep-22	
Punjab	Bhatinda	J-34	255	255	Unch
	Abohar	J-34	306	119	187
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	NA	-
Rajasthan	Sri-Ganganagar	J-34	1700	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	13-Sep-22	12-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1330	1300	30
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1315	1295	20
Maharashtra	Mumbai	Rs. /10 Kg.	1300	1285	15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	13-Sep-22	12-Sep-22	

Gujarat	Mahesana (Kadi)	Rs./Qtl	2492	2462	29
Maharashtra	Akola	Rs./Qtl	2750	2678	73

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

Index	Unit	13-Sep-22	12-Sep-22	Change
CCIndex(328)	RMB/Ton	16110	NA	-
CCIndex(527)	RMB/Ton	14286	NA	-
CCIndex(229)	RMB/Ton	15706	NA	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	13-Sep-22	12-Sep-22	Change
FC Index (S)	Cents/lb	127.56	NA	-
FC Index (M)	Cents/lb	126.16	NA	-
FC Index (L)	Cents/lb	124.56	NA	-

Cotlook Index:

Cotlook Indices	Unit	12-Sep-22	10-Sep-22	Change
A-Index	Cents/Pound	123.4	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Sep-22	12-Sep-22	Bales
Southeast	cents/lb.	114.21	116.46	0
North Delta	cents/lb.	113.21	115.46	0
South Delta	cents/lb.	113.21	115.46	0
East TX-OK	cents/lb.	109.71	111.96	2200
West Texas	cents/lb.	110.21	111.71	0
Desert SW	cents/lb.	108.21	110.46	0
SJ Valley	cents/lb.	108.71	117.61	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
				12-Sep-22	10-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	58600	58900	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	59300	59600	-300
J-34(202)	26mm	3.5 - 4.9	23	82700	83200	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	81000	81000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	86500	88000	-1500
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	9550	95500	-85950

Pakistan Cotton Spot rates: As on 12-Sep-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	22735
Equivalent	40 Kgs	19291	193	24365

Daily Futures Price Listing Monday, Sept 12th 2022

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

Source: MRCI

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