

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.40,380/bale on Thursday. 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 Wednesday.

News: AgriWatch expects that the coming 2-3 weeks are very crucial for the cotton crop. The ongoing heavy rains in Maharashtra and Gujarat may affect the cotton arrivals in the coming weeks. Also, if rain continues the cotton yield and quality may get affected adversely, currently the crop is in flowering stage in most of the key producing regions. In the coming days, raw cotton prices may see an uptrend if rains continue as predicted by Indian Metrological Department (IMD).

As of 14th Sept 2022, Telangana Cotton sowing has reached 4979225 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 5095678 acres. Average rainfall for the period from 01.06.2022 to 14.09.2022 has reached 1028 mm higher as compared to the previous season of 881 mm across the state.

Andhra Pradesh Cotton sowing has reached 6.37 lakh hectares for the 2022-23 season which is slightly higher as compared to the previous season's sowing of 4.86 lakh hectares, till 14th Sept 2022. Average rainfall for the period from 01.06.2022 to 14.09.2022 has reached 528 mm higher as compared to the previous season of 484 mm across the state.

Cotton arrivals have also started from Warangal around one month before the new 2022-23 season. However, arrivals are very slow in the market. Cotton prices in Warangal are trading at Rs. 8,199 per quintal. As per Agriwatch Sources, the overall quality of cotton is good in the market.

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.

Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, Uttar Pradesh, East Rajasthan, Gujarat State, Madhya Maharashtra, Konkan & Goa, Haryana, Madhya Pradesh, Bihar, Sub-Himalayan West Bengal, Sikkim, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Saurashtra & Kutch. Thunderstorms accompanied by lightning at isolated places over Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Odisha, Assam & Meghalaya, Gujarat State, Interior Karnataka, Tamil Nadu, Pondicherry, Karikal.

Cotton Sowing (Lakh Hectares) As of 09th 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

International Fundamentals:

The ICE cotton Futures was higher by 39 points at 102.71 cents/lb. The Cotlook A index was high at 124.25 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.

MCX Stock Position:

MCX Stock Position as on 13 th Sep'2022			
Commodity	Location	Unit of Measure	Eligible Quantity
Cotton Bales	YAVATMAL	Bales	3700
Cotton Bales	KADI	Bales	300
Cotton Bales	RAJKOT	Bales	550
Cotton Bales	JALNA	Bales	NA
Cotton Bales	MUNDRA	Bales	NA
Cotton Bales	ADILABAD	Bales	1475
		Total	6025

Northern New Cotton Crop:

Cotton Arrivals		
	Total Arrivals up to 13.09.22	15 th Sept'22
Punjab	1500	200
Haryana	48500	5000
Lower Rajasthan	2500	700
Gang line	500	100
Net Total	53000	6000

Cotton Price (Rs./Quintal) as. of 15 th Sept'22	
	Ready Delivery
Punjab	8100-8125
Haryana	8100-8125
Gang line	8000-8025

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Sep-22	14-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	9955	10755	-800
	Rajkot	B.T. Cotton	10900	10470	430
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	1525	-
	Dhrol	B.T. Cotton	NA	9640	-
Haryana	Bhiwani	B.T. Cotton	9600	9900	-300
	Bhiwani	Desi	12500	12000	500
	Adampur	B.T. Cotton	9650	9900	-250
	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	9600	10000	-400
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7800	8200	-400
	Hathras	Desi	8700	9150	-450
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10810	10870	-60
Karnataka	Bijapur	Bunny	NA	9579	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10660	11000	-340
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Sep-22	14-Sep-22	
Punjab	Bhatinda	J-34	8125	8350	-225
	Abohar	J-34	8100	8200	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8100	8200	-100
Rajasthan	Sri-Ganganagar	J-34	NR	9024	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Sep-22	14-Sep-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	10750	9055	1695

	Rajkot	B.T. Cotton	240	80	160
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	4	-
Haryana	Bhiwani	B.T. Cotton	8000	14000	-6000
	Bhiwani	Desi	100	100	Unch
	Adampur	B.T. Cotton	680	680	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	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	200	-50
	Hathras	Desi	45	50	-5
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	4622	6137	-1515
Karnataka	Bijapur	Bunny	NA	27	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	17	16	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Sep-22	14-Sep-22	
Punjab	Bhatinda	J-34	170	238	-68
	Abohar	J-34	102	136	-34
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	425	340	85
Rajasthan	Sri-Ganganagar	J-34	NR	1700	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Sep-22	14-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1355	1335	20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1335	1320	15
Maharashtra	Mumbai	Rs. /10 Kg.	1340	1310	30

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Sep-22	14-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2541	2545	-4
Maharashtra	Akola	Rs./Qtl	2844	2773	71

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	15-Sep-22	14-Sep-22	Change
CCIndex(328)	RMB/Ton	15657	15612	45
CCIndex(527)	RMB/Ton	14230	14224	6
CCIndex(229)	RMB/Ton	16086	16033	53
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	15-Sep-22	14-Sep-22	Change
FC Index (S)	Cents/lb	124.82	124.6	0.22
FC Index (M)	Cents/lb	123.43	123.23	0.20
FC Index (L)	Cents/lb	122.09	121.56	0.53

Cotlook Index:

Cotlook Indices	Unit	14-Sep-22	12-Sep-22	Change
A-Index	Cents/Pound	120.85	123.4	-2.55

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		14-Sep-22	14-Sep-22	Bales
Southeast	cents/lb.	111.09	113.34	0
North Delta	cents/lb.	110.09	112.34	0
South Delta	cents/lb.	110.09	112.34	0
East TX-OK	cents/lb.	106.59	108.84	681
West Texas	cents/lb.	107.09	108.59	0
Desert SW	cents/lb.	105.09	107.34	0
SJ Valley	cents/lb.	105.59	114.49	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
				14-Sep-22	13-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	57800	58100	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	58500	58800	-300
J-34(202)	26mm	3.5 - 4.9	23	78200	81200	-3000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	78000	81000	-3000
Shankar-6(105)	29mm	3.5 - 4.9	28	83000	86000	-3000
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	94000	95500	-1500

Pakistan Cotton Spot rates: As on 14-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 Wednesday, Sept 14th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220914	105.98	107.09	105.98	107.09	0.77	9	75	3
22-Dec	220914	102.73	103.25	101.61	102.71	0.39	15,388	110,584	-796
22-Mar	220914	99.06	99.96	98.45	99.58	0.57	5,301	46,363	64
23-May	220914	96.88	97.8	96.34	97.43	0.55	1592	18,068	26
23-Jul	220914	93.58	94.77	93.47	94.56	0.56	585	12,607	-59
23-Oct	220914	85.75	85.75	85.75	85.75	0.96			
Total Volume and Open Interest							23,534	210,185	-699

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.