

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.37,890/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 red on Monday.

News: Cotton Corporation of India has estimated cotton production to increase by 15% at 370 lakh bales in the 2022-23 season. With the increase in area, yields are also expected to increase due to good weather conditions. Further production is expected to rise in the 2022-23 season. As per CCI, If the weather remains conducive in the coming months, the production can increase to 370-375 lakh bales. However, if not, then the production can fall to 325-330 lakh bales.

As of Sept. 16th, 2022 Cotton sowing has reached 127.14 Lakh Ha. Vs 118.23 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.

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.

Cotton Sowing (Lakh Hectares) As of 16th Sept 2022

States	2021-22	2022-23	Difference
Andhra Pradesh	4.86	6.37	+1.51
Karnataka	6.43	8.21	+1.78
Gujarat	22.51	25.48	+2.97
Maharashtra	39.41	42.27	+2.86
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	118.23	127.14	8.91

Weather Forecast:

Heavy rainfall at isolated places over Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, East Uttar Pradesh, East Madhya Pradesh, Chhattisgarh, Vidarbha & Telangana. Thunderstorms accompanied by lightning at isolated places over Uttarakhand, Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Bengal, Sikkim, Madhya Maharashtra, Marathwada, Telangana, and Coastal Andhra Pradesh, Yanam.

International Fundamentals:

The ICE cotton Futures was lower by 325 points at 96.04 cents/lb. The Cotlook A index was high at 121.75 cents/lb. The AWP for cotton was 95.17 cents/lb.

According to the U.S. Crop progress report, as of 18th Sep 2022, U.S cotton Cotton Bolls opening stands at 59 percent which is higher than that of the previous season (46 percent). In the previous week cotton bolls opening was 49 percent. Overall 4 percent of the U.S Cotton Crop is in excellent condition, 30 percent in good to a fair condition which was 28 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 14 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 (Quintals)		
	Total Arrivals up to 19.09.22	20 th Sept'22
Punjab	3000	500
Haryana	65000	2500
Lower Rajasthan	6200	1000
Ganga line	1400	700
Net Total	75600	4700

Cotton Price (Rs./Quintal) as. of 20 th Sept'22	
	Ready Delivery
Punjab	7600-7625
Haryana	7600-7625
Ganga line	7500-7525

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Sep-22	19-Sep-22	
Gujarat	Ahmedabad	Shankar-6	9500	9500	Unch
	Gondal	Shankar-6	9505	11005	-1500
	Rajkot	B.T. Cotton	9750	9880	-130
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1455	NA	-
	Dhrol	B.T. Cotton	9450	NA	-
Haryana	Bhiwani	B.T. Cotton	8900	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	9200	Closed	-
	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	8900	8900	Unch
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10500	10600	-100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7800	8500	-700
	Hathras	Desi	NA	9200	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	10351	10379	-28
Karnataka	Bijapur	Bunny	NA	9615	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9600	10000	-400
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Sep-22	19-Sep-22	
Punjab	Bhatinda	J-34	7625	8025	-400
	Abohar	J-34	7600	8000	-400
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	7500	8000	-500
Rajasthan	Sri-Ganganagar	J-34	NR	8225	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Sep-22	19-Sep-22	
Gujarat	Ahmedabad	Shankar-6	8500	8500	Unch

	Gondal	Shankar-6	9500	8500	1000
	Rajkot	B.T. Cotton	300	230	70
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	NA	-
Haryana	Bhiwani	B.T. Cotton	2000	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	340	Closed	-
	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	1000	1000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	12	88
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8580	3943	4637
Karnataka	Bijapur	Bunny	NA	117	-
	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	20-Sep-22	19-Sep-22	
Punjab	Bhatinda	J-34	0	0	Unch
	Abohar	J-34	255	255	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NR	200	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Sep-22	19-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1320	1285	35
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1315	1294	21
Maharashtra	Mumbai	Rs. /10 Kg.	1320	1310	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Sep-22	19-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2457	2461	-4



Maharashtra	Akola	Rs./Qtl	2806	2875	-69
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INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	20-Sep-22	19-Sep-22	Change
CCIndex(328)	RMB/Ton	15579	15706	-127
CCIndex(527)	RMB/Ton	14202	14269	-67
CCIndex(229)	RMB/Ton	16031	16121	-90
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	20-Sep-22	19-Sep-22	Change
FC Index (S)	Cents/lb	117.69	121.05	-3.36
FC Index (M)	Cents/lb	116.26	119.63	-3.37
FC Index (L)	Cents/lb	115.13	118.49	-3.36

Cotlook Index:

Cotlook Indices	Unit	17-Sep-22	16-Sep-22	Change
A-Index	Cents/Pound	Closed	121.75	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		16-Sep-22	16-Sep-22	Bales
Southeast	cents/lb.	105.24	107.49	0
North Delta	cents/lb.	104.24	106.49	0
South Delta	cents/lb.	104.24	106.49	0
East TX-OK	cents/lb.	100.24	102.49	1789
West Texas	cents/lb.	100.24	101.74	0
Desert SW	cents/lb.	99.24	101.49	0
SJ Valley	cents/lb.	99.74	108.64	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
				19-Sep-22	17-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	53500	53800	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	55660	54500	1160
J-34(202)	26mm	3.5 - 4.9	23	74700	76200	-1500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	78500	79500	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	81000	82000	-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	93500	94000	-500

Pakistan Cotton Spot rates: As on 20-Sep-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	22435
Equivalent	40 Kgs	19291	193	24044

Daily Futures Price Listing Monday, Sept 19th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220919	97.54	97.54	97.54	97.54	-3.70	9	67	-1
22-Dec	220919	99.1	99.74	94.35	96.04	-3.25	11,187	109,250	63
22-Mar	220919	95.93	96.47	91.4	93.05	-3.10	3,326	46,638	108
23-May	220919	93.82	94.27	89.51	91.03	-2.87	884	18,613	-95
23-Jul	220919	91.03	91.36	86.9	88.14	-2.84	556	12,605	-8
23-Oct	220919	81.59	81.59	81.59	81.59	-1.39			
Total Volume and Open Interest							16,348	209,867	134

Source: MRCI

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