

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.37,190/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton Arrivals have been delayed in Gujarat due to heavy rains. The prices for raw cotton have also fallen in the local market to Rs. 5,000-7,000 per candy during the week. The Prices are trading at Rs.75,000-Rs.83,000 per candy in spot market Gujarat. Along with cotton, Yarn prices have also fallen in the market. Cotton yarn prices went down by Rs.3-7 per kg. Today, 30 count combed cotton yarn was traded at Rs. 345-350 per kg (GST extra), 34 count combed at Rs. 357-360- per kg and 40 count combed at Rs. 360-365 per kg.

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 16 th 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 East Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Uttarakhand, Haryana, Chandigarh, Delhi, West Uttar Pradesh, East Madhya Pradesh, Chhattisgarh, Vidarbha Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh, Yanam & Telangana. Thunderstorms accompanied by lightning at isolated places over East Rajasthan, Jammu, Kashmir, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh, Yanam & Telangana.

International Fundamentals:

The ICE cotton Futures was lower by 209 points at 93.95 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 14th 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 20.09.22	21st Sept'22
Punjab	3500	600
Haryana	67500	4000
Lower Rajasthan	7200	1000
Ganga line	2100	1000
Net Total	80300	6600

Cotton Price (Rs./Quintal) as. of 21st Sept'22	
	Ready Delivery
Punjab	7400-7425
Haryana	7400-7425
Ganga line	7400-7425

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Sep-22	20-Sep-22	
Gujarat	Ahmedabad	Shankar-6	9500	9500	Unch
	Gondal	Shankar-6	10055	9505	550
	Rajkot	B.T. Cotton	9500	9750	-250
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1455	1455	Unch
	Dhrol	B.T. Cotton	9450	9450	Unch
Haryana	Bhiwani	B.T. Cotton	NR	8900	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	9000	9200	-200
	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	8600	8900	-300
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10500	10500	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7800	7800	Unch
	Hathras	Desi	8200	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9279	10351	-1072
Karnataka	Bijapur	Bunny	9139	9629	-490
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9200	9600	-400
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	21-Sep-22	20-Sep-22	
Punjab	Bhatinda	J-34	7525	7625	-100
	Abohar	J-34	7500	7600	-100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	7500	7500	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Sep-22	20-Sep-22	
Gujarat	Ahmedabad	Shankar-6	8500	8500	Unch
	Gondal	Shankar-6	9250	9500	-250

	Rajkot	B.T. Cotton	420	300	120
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	2	Unch
Haryana	Bhiwani	B.T. Cotton	NR	2000	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	680	340	340
	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	150	100	50
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9820	8580	1240
Karnataka	Bijapur	Bunny	132	127	5
	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	21-Sep-22	20-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	NA	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Sep-22	20-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1310	1320	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1300	1315	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1295	1320	-25

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	21-Sep-22	20-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2445	2457	-12
Maharashtra	Akola	Rs./Qtl	2745	2806	-61

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	21-Sep-22	20-Sep-22	Change
CCIndex(328)	RMB/Ton	15560	15579	-19
CCIndex(527)	RMB/Ton	14176	14202	-26
CCIndex(229)	RMB/Ton	16013	16031	-18
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	21-Sep-22	20-Sep-22	Change
FC Index (S)	Cents/lb	114.93	117.69	-2.76
FC Index (M)	Cents/lb	113.5	116.26	-2.76
FC Index (L)	Cents/lb	112.43	115.13	-2.70

Cotlook Index:

Cotlook Indices	Unit	20-Sep-22	18-Sep-22	Change
A-Index	Cents/Pound	114.6	N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-Sep-22	20-Sep-22	Bales
Southeast	cents/lb.	97.33	99.58	0
North Delta	cents/lb.	96.33	98.58	0
South Delta	cents/lb.	96.33	98.58	0
East TX-OK	cents/lb.	92.33	94.58	616
West Texas	cents/lb.	92.33	93.83	0
Desert SW	cents/lb.	91.33	93.58	0
SJ Valley	cents/lb.	91.83	100.73	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
				20-Sep-22	19-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	53500	53500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	54200	55660	-1460
J-34(202)	26mm	3.5 - 4.9	23	71200	74700	-3500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	75000	78500	-3500
Shankar-6(105)	29mm	3.5 - 4.9	28	77000	81000	-4000
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	88500	93500	-5000

Pakistan Cotton Spot rates: As on 21-Sep-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	22935
Equivalent	40 Kgs	19291	193	24580

Daily Futures Price Listing Tuesday, Sept 20th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220920	95.39	95.39	93.54	93.54	-4.00	9	67	0
22-Dec	220920	96.05	96.54	93.12	93.33	-2.71	11,894	109,595	345
22-Mar	220920	93.24	93.5	90.25	90.45	-2.60	3,294	46,829	191
23-May	220920	91.25	91.45	88.48	88.58	-2.45	1813	18,828	215
23-Jul	220920	88.45	88.56	86	86.02	-2.12	1540	12,686	81
23-Oct	220920	79.98	79.98	79.98	79.98	-1.61			
Total Volume and Open Interest							19,578	210,936	1,069

Source: MRCI

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