

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.36,620/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: According to the First Advance Estimates for 2022-23, total foodgrain production in the country is estimated at 149.92 million tonnes which is higher by 6.98 million tonnes than the average foodgrain production of previous five years' (2016-17 to 2020-21). Cotton production is estimated at 34.19 million bales (of 170 kg each) for the 2022-23 season.

As of 21st Sept 2022, Andhra Pradesh Cotton sowing has reached 6.47 lakh hectares for the 2022-23 season which is higher compared to the previous season's sowing of 4.93 lakh hectares. Average rainfall for the period from 01.06.2022 to 21.09.2022 has reached 544 mm across the state.

As of 21st Sept 2022, Telangana Cotton sowing has reached 4998082 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 4668057 acres. Average rainfall for the period from 01.06.2022 to 21.09.2022 has reached 1051 mm higher as compared to the previous season of 910 mm across the state.

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.

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

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).

Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Bihar, Sub-Himalayan West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya. Thunderstorms accompanied by lightning at isolated places over East Rajasthan, Madhya Pradesh, Bihar, West Bengal, Sikkim, Odisha, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat region, Coastal Andhra Pradesh, Yanam & Telangana.

International Fundamentals:

The ICE cotton Futures was higher by 359 points at 96.92 cents/lb. The Cotlook A index was high at 114.60 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 21.09.22	22 nd Sept'22
Punjab	4100	600
Haryana	71500	4000
Lower Rajasthan	8200	1000
Ganga line	3100	1000
Net Total	80300	6600

Cotton Price (Rs./Quintal) as. of 22 nd Sept'22	
	Ready Delivery
Punjab	7700
Haryana	7700
Ganga line	7600

DOMESTIC PRICES AND ARRIVALS**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Sep-22	21-Sep-22	
Gujarat	Ahmedabad	Shankar-6	9000	9500	-500
	Gondal	Shankar-6	10155	10055	100
	Rajkot	B.T. Cotton	9375	9500	-125
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1345	1455	-110
	Dhrol	B.T. Cotton	8500	9450	-950
Haryana	Bhiwani	B.T. Cotton	NA	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	Closed	9000	-
	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	8600	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	NA	7800	-
	Hathras	Desi	NA	8200	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9251	9279	-28
Karnataka	Bijapur	Bunny	8949	9139	-190
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9400	9200	200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Sep-22	21-Sep-22	
Punjab	Bhatinda	J-34	7700	7525	175
	Abohar	J-34	7750	7500	250
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	7700	7500	200
Rajasthan	Sri-Ganganagar	J-34	NR	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Sep-22	21-Sep-22	
Gujarat	Ahmedabad	Shankar-6	3400	8500	-5100
	Gondal	Shankar-6	9150	9250	-100

	Rajkot	B.T. Cotton	320	420	-100
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9	2	7
Haryana	Bhiwani	B.T. Cotton	NA	NR	-
	Bhiwani	Desi	NA	NR	-
	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	1000	1000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	150	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	6919	9820	-2901
Karnataka	Bijapur	Bunny	151	132	19
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	17	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Sep-22	21-Sep-22	
Punjab	Bhatinda	J-34	0	0	Unch
	Abohar	J-34	425	255	170
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NR	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	22-Sep-22	21-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1320	1310	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1300	1300	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1290	1295	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	22-Sep-22	21-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2423	2445	-22
Maharashtra	Akola	Rs./Qtl	2739	2745	-6

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	22-Sep-22	21-Sep-22	Change
CCIndex(328)	RMB/Ton	15562	15560	2
CCIndex(527)	RMB/Ton	14164	14176	-12
CCIndex(229)	RMB/Ton	16008	16013	-5
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	22-Sep-22	21-Sep-22	Change
FC Index (S)	Cents/lb	118.46	114.93	3.53
FC Index (M)	Cents/lb	117.03	113.5	3.53
FC Index (L)	Cents/lb	115.89	112.43	3.46

Cotlook Index:

Cotlook Indices	Unit	21-Sep-22	19-Sep-22	Change
A-Index	Cents/Pound	111.95	NA	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Sep-22	21-Sep-22	Bales
Southeast	cents/lb.	100.92	103.17	0
North Delta	cents/lb.	99.92	102.17	0
South Delta	cents/lb.	99.92	102.17	0
East TX-OK	cents/lb.	95.92	98.17	0
West Texas	cents/lb.	95.92	97.42	0
Desert SW	cents/lb.	94.92	97.17	0
SJ Valley	cents/lb.	95.42	104.32	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
				21-Sep-22	20-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52500	53500	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53200	54200	-1000
J-34(202)	26mm	3.5 - 4.9	23	70200	71200	-1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	74000	75000	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	76000	77000	-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	87000	88500	-1500

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 Wednesday, Sept 21st, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220921	94.31	97.54	94.31	97.25	3.71	3	66	-1
22-Dec	220921	93.24	97.33	92.38	96.92	3.59	25,704	109,586	-9
22-Mar	220921	90.34	94.45	89.53	94.06	3.61	9,615	48,208	1379
23-May	220921	88.54	92.46	87.78	91.84	3.26	5055	19,458	630
23-Jul	220921	86.03	89.7	85.3	89.09	3.07	2877	12,502	-184
23-Oct	220921	81.42	81.42	81.42	81.42	1.44			
Total Volume and Open Interest							44,503	213,205	2,269

Source: MRCI

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