

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.36,490/bale on Friday. ICE cotton futures closed red on Thursday.

News: As of Sept. 23rd, 2022 Cotton sowing has reached 127.39 Lakh Ha. Vs 118.56 Lakh Ha. same period last year. Agriwatch expects overall the 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 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 Sowing (Lakh Hectares) As of 23 rd Sept 2022			
States	2021-22	2022-23	Difference
Andhra Pradesh	4.93	6.47	+1.54
Karnataka	6.43	8.21	+1.78
Gujarat	22.53	25.48	+2.95
Maharashtra	39.57	42.29	+2.72
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	118.56	127.39	8.83

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.

Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, Uttar Pradesh, Himachal Pradesh, Haryana, Chandigarh, Delhi, East Rajasthan, Sub-Himalayan West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura. Thunderstorms accompanied by lightning at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Rajasthan, Uttar Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Madhya Pradesh, Bihar, West Bengal, Sikkim, Andaman & Nicobar Islands, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura.

International Fundamentals:

The ICE cotton Futures was lower by 38 points at 96.54 cents/lb. The Cotlook A index was lower at 111.95 cents/lb. The AWP for cotton was 88.88 cents/lb.

Cotton production in Pakistan has reached 2.19 million bales till 15th September 2022, which is around 19% lower from the previous season. The production has fallen mainly due to heavy rainfalls. As a result, Pakistan may import 5.5-6 million bales of cotton to overcome the shortfall in the 2022-23 season.

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.

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 22.09.22	23 rd Sept'22
Punjab	4700	500
Haryana	75500	-
Lower Rajasthan	9200	2000
Ganga line	4100	1000
Net Total	93500	3500

Cotton Price (Rs./Quintal) as. of 23 rd Sept'22	
	Ready Delivery
Punjab	7800-7850
Haryana	7800-7850
Ganga line	7700-7750

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	23-Sep-22	22-Sep-22	
Gujarat	Ahmedabad	Shankar-6	10000	9000	1000
	Gondal	Shankar-6	NA	10155	-
	Rajkot	B.T. Cotton	9375	9375	Unch
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1300	1345	-45
	Dhrol	B.T. Cotton	7800	8500	-700
Haryana	Bhiwani	B.T. Cotton	9100	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	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	NR	8900	-
	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	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9393	9251	142
Karnataka	Bijapur	Bunny	NA	8949	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9600	9400	200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Sep-22	22-Sep-22	
Punjab	Bhatinda	J-34	7850	7700	150
	Abohar	J-34	7850	7750	100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	7800	7700	100
Rajasthan	Sri-Ganganagar	J-34	7332	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Sep-22	22-Sep-22	
Gujarat	Ahmedabad	Shankar-6	4080	3400	680
	Gondal	Shankar-6	9150	9150	Unch
	Rajkot	B.T. Cotton	220	320	-100
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	3	9	-6
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	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	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	6612	6919	-307
Karnataka	Bijapur	Bunny	NA	151	-

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	16	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Sep-22	22-Sep-22	
Punjab	Bhatinda	J-34	-	-	-
	Abohar	J-34	340	425	-85
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	150	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	23-Sep-22	22-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1320	1320	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1300	1300	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1290	1290	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	23-Sep-22	22-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2417	2423	-6
Maharashtra	Akola	Rs./Qtl	2730	2739	-9

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

Index	Unit	23-Sep-22	22-Sep-22	Change
CCIndex(328)	RMB/Ton	15615	15562	53
CCIndex(527)	RMB/Ton	14178	14164	14
CCIndex(229)	RMB/Ton	16053	16008	45

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	23-Sep-22	22-Sep-22	Change
FC Index (S)	Cents/lb	118.07	118.46	-0.39
FC Index (M)	Cents/lb	116.63	117.03	-0.40
FC Index (L)	Cents/lb	115.36	115.89	-0.53

Cotlook Index:

Cotlook Indices	Unit	22-Sep-22	20-Sep-22	Change
A-Index	Cents/Pound	115.35	114.6	0.75

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Sep-22	22-Sep-22	Bales
Southeast	cents/lb.	100.54	102.79	0
North Delta	cents/lb.	99.54	101.79	0
South Delta	cents/lb.	99.54	101.79	0
East TX-OK	cents/lb.	95.79	98.04	600
West Texas	cents/lb.	95.54	97.04	0
Desert SW	cents/lb.	94.54	96.79	0
SJ Valley	cents/lb.	95.04	103.94	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
				22-Sep-22	21-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52000	52500	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52700	53200	-500
J-34(202)	26mm	3.5 - 4.9	23	70200	70200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	74000	74000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	74500	76000	-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	86000	87000	-1000

Pakistan Cotton Spot rates: As on 22-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 Thursday, Sept 22nd 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220922	97.45	98.7	96.56	96.83	-0.42	14	56	-10
22-Dec	220922	96.44	97.77	95.03	96.54	-0.38	19,944	109,723	137
22-Mar	220922	93.34	94.78	92.1	93.67	-0.39	8,821	49,546	1338
23-May	220922	91.14	92.6	90.03	91.49	-0.35	3130	19,808	350
23-Jul	220922	88.45	89.83	87.36	88.78	-0.31	1976	12,692	190
23-Oct	220922	82.41	82.41	82.41	82.41	0.99			
Total Volume and Open Interest							34,947	215,483	2,278

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.