

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, Sub-Himalayan West Bengal, Sikkim, Himachal Pradesh, Bihar, 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, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Tamil Nadu, Pondicherry & Karikal.

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 23.09.22	24 th Sept'22
Punjab	5200	100
Haryana	75500	-
Lower Rajasthan	11200	500
Ganga line	5100	500
Net Total	97000	1100

Cotton Price (Rs./Quintal) as. of 24 th Sept'22	
	Ready Delivery
Punjab	7700-7750
Haryana	7700-7750
Ganga line	7700-7750

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Sep-22	23-Sep-22	
Gujarat	Ahmedabad	Shankar-6	9500	10000	-500
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	9605	9375	230
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1568	1300	268
	Dhrol	B.T. Cotton	8990	7800	1190
Haryana	Bhiwani	B.T. Cotton	9100	9100	Unch
	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	9100	NR	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-

Maharashtra	Amravati	Mech-1	10200	10500	-300
	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	9479	9393	86
Karnataka	Bijapur	Bunny	NA	8905	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	9600	-
Commodity		Lint	Prices (Rs./Maund)		Change
State	Centre	Variety	24-Sep-22	23-Sep-22	
Punjab	Bhatinda	J-34	7750	7850	-100
	Abohar	J-34	7700	7850	-150
	Mansa	J-34	7800	7900	-100
Haryana	Sirsa	J-34	7700	7800	-100
Rajasthan	Sri-Ganganagar	J-34	7238	7332	-94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Sep-22	23-Sep-22	
Gujarat	Ahmedabad	Shankar-6	4420	4080	340
	Gondal	Shankar-6	8000	9150	-1150
	Rajkot	B.T. Cotton	540	220	320
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8	3	5
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	1400	1000	400
	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	6384	6612	-228
Karnataka	Bijapur	Bunny	NA	142	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	15	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Sep-22	23-Sep-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	170	340	-170
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	150	150	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Sep-22	23-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	24-Sep-22	23-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2437	2417	20
Maharashtra	Akola	Rs./Qtl	2719	2730	-11

INTERNATIONAL PRICES AND INDICESChina 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	21-Sep-22	Change
A-Index	Cents/Pound	115.35	111.95	3.40

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
				23-Sep-22	22-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	53000	52000	1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53700	52700	1000
J-34(202)	26mm	3.5 - 4.9	23	70000	70200	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	73000	74000	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	74000	74500	-500
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	85000	86000	-1000

Pakistan Cotton Spot rates: As on 23-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 Friday, Sept 23rd 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220923	98.26	98.26	94.19	94.49	-2.34	44	42	-14
22-Dec	220923	96.3	96.5	92.54	92.54	-4.00	22,187	108,727	-996
22-Mar	220923	93.7	93.7	89.67	89.67	-4.00	10,363	49,756	210
23-May	220923	91.38	91.42	87.49	87.49	-4.00	3093	19,454	-354
23-Jul	220923	88.7	88.7	84.78	84.78	-4.00	1712	12,642	-50
23-Oct	220923	81.01	81.01	80.24	80.24	-2.17			
Total Volume and Open Interest							38,667	214,256	-1,227

Source: MRCI

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