

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.35,370/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: The Directorate of Agriculture, Gujarat has released its first advance estimate for the 2022-23 season. Overall cotton production in Gujarat is expected to reach 9184.96 bales (170kg each) during the 2022-23 season. The area under cotton cultivation in the state has increased from 22.53 lakh hectares to 25.48 lakh hectares. The average yield is expected to increase in the 2022-23 season to 615 kgs per hectare due to favorable weather conditions.

According to the Indian Cotton Federation (ICF), the cotton scenario for the 2022-23 season remains unpredictable. The overall estimates of cotton area and production are changing almost on a daily basis. Further, Textile mills are demanding contamination-free cotton with just 8 % moisture level. The Central government is considering a model cotton contract along with arbitration norms for dispute resolution.

As of 26th Sept 2022, Gujarat Cotton sowing has reached 25,48.932 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 22,53,933 hectares. 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 last week.

North India Cotton arrival has been delayed during the last week due to heavy rainfalls. Spot rate was improved despite fall in future markets. Despite some rain predicted in cotton belt of central and southern India otherwise crop conditions looks quite good. Also, India is heading towards higher yield this year.

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.

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

Weather Forecast:

Heavy rainfall at isolated places over Odisha, Andaman & Nicobar Islands, Coastal Andhra Pradesh, Yanam, Telangana, Rayalaseema, North Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Vidarbha, Chhattisgarh, Jharkhand, West Bengal, Odisha, Assam & Meghalaya, Madhya Maharashtra, Marathwada, Konkan, Goa, Coastal Andhra Pradesh, Yanam, Telangana, Rayalaseema, North Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal.

International Fundamentals:

The ICE cotton Futures was lower by 28 points at 88.09 cents/lb. The Cotlook A index was lower at 110.85 cents/lb. The AWP for cotton was 88.88 cents/lb.

According to the U.S. Crop progress report, as of 26th Sep 2022, U.S cotton Cotton Bolls opening stands at 67 percent which is higher than that of the previous season (59 percent). In the previous week cotton bolls opening was 58 percent. Overall 4 percent of the U.S Cotton Crop is in excellent condition, 27 percent in good to a fair condition which was 28 percent in the previous week.

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 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.

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 27.09.22	28 th Sept'22
Punjab	7000	1000
Haryana	82500	5000
Lower Rajasthan	16500	3000
Ganga line	12000	4500
Net Total	118000	13500

Cotton Price (Rs./Quintal) as. of 28 th Sept'22	
	Ready Delivery
Punjab	7000-7200
Haryana	7000-7200
Ganga line	7000-7200

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Sep-22	27-Sep-22	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	9955	9805	150
	Rajkot	B.T. Cotton	9350	9375	-25
	Patan	B.T. Cotton	9005	9060	-55
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1400	1570	-170
	Dhrol	B.T. Cotton	9250	9360	-110
Haryana	Bhiwani	B.T. Cotton	8500	8750	-250
	Bhiwani	Desi	NA	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	8500	8700	-200
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NR	10200	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7700	7700	Unch
	Hathras	Desi	8000	8000	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9589	9456	133
Karnataka	Bijapur	Bunny	NA	8989	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9700	9700	Unch

Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Sep-22	27-Sep-22	
Punjab	Bhatinda	J-34	7200	7625	-425
	Abohar	J-34	7200	7600	-400
	Mansa	J-34	7200	7600	-400
Haryana	Sirsa	J-34	7200	7600	-400
Rajasthan	Sri-Ganganagar	J-34	8178	7144	1034

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Sep-22	27-Sep-22	
Gujarat	Ahmedabad	Shankar-6	11900	11900	Unch
	Gondal	Shankar-6	9000	9200	-200
	Rajkot	B.T. Cotton	1200	750	450
	Patan	B.T. Cotton	1263	1571	-308
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	18	24	-6
Haryana	Bhiwani	B.T. Cotton	1500	2000	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	300	250	50
	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	NR	1400	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	60	140
	Hathras	Desi	NA	5	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	4935	2716	2219
Karnataka	Bijapur	Bunny	NA	162	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	18	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Sep-22	27-Sep-22	
Punjab	Bhatinda	J-34	0	0	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	129	170	-41
Haryana	Sirsa	J-34	425	170	255
Rajasthan	Sri-Ganganagar	J-34	2000	200	1800

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Sep-22	27-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1260	1260	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1270	1270	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1245	1275	-30

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Sep-22	27-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2446	2420	26
Maharashtra	Akola	Rs./Qtl	2704	2708	-4

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	28-Sep-22	27-Sep-22	Change
CCIndex(328)	RMB/Ton	15509	15501	8
CCIndex(527)	RMB/Ton	14032	14059	-27
CCIndex(229)	RMB/Ton	15948	15930	18
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	28-Sep-22	27-Sep-22	Change
FC Index (S)	Cents/lb	109.58	109.91	-0.33
FC Index (M)	Cents/lb	108.13	108.46	-0.33
FC Index (L)	Cents/lb	106.8	107.13	-0.33

Cotlook Index:

Cotlook Indices	Unit	27-Sep-22	26-Sep-22	Change
A-Index	Cents/Pound	106.95	110.85	-3.90

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Sep-22	27-Sep-22	Bales
Southeast	cents/lb.	92.09	94.34	0
North Delta	cents/lb.	91.09	93.34	0
South Delta	cents/lb.	91.09	93.34	0
East TX-OK	cents/lb.	87.84	90.34	1000
West Texas	cents/lb.	87.09	88.59	0
Desert SW	cents/lb.	86.09	88.34	0

SJ Valley	cents/lb.	86.59	95.49	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
				27-Sep-22	26-Sep-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52500	52500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53200	53200	Unch
J-34(202)	26mm	3.5 - 4.9	23	69500	70000	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	72500	72500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	73500	73500	Unch
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	84000	84000	Unch

Daily Futures Price Listing Tuesday, Sept 27th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220927	90.04	90.04	90.04	90.04	-0.28	2	17	-1
22-Dec	220927	88.75	91.85	87.55	88.09	-0.28	10,112	108,167	-12
22-Mar	220927	86.35	89.31	85.1	85.39	-0.55	5,522	50,933	706
23-May	220927	84.59	87.45	83.56	83.64	-0.53	2911	20,511	792
23-Jul	220927	82.01	84.73	81.25	81.28	-0.36	1935	12,986	299
23-Oct	220927	76.39	76.39	76.39	76.39	-0.34	1	1	1
Total Volume and Open Interest							21,745	216,441	1,911

Source: MRCI

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