

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.34,240/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: As per AgriWatch Sources, the rainfall during the last week has affected the quality of cotton in some parts of Gujarat. Overall, the moisture percentage has increased to 30-35% in the new cotton. The market is currently witnessing low demand as textile mills are closed for the 2021-22 season but will soon start operations for the 2022-23 season as the new cotton season is going start from 01st October 2022.

As of 28th Sept 2022, Telangana Cotton sowing has reached 5000724 acres for the 2022-23 season which is slightly higher compared to the previous season's sowing of 4668057 acres. Average rainfall for the period from 01.06.2022 to 28.09.2022 has reached 1075 mm higher as compared to the previous season of 1007 mm across the state.

The heavy rainfall during the past week has affected the cotton crop in Mansa district of Punjab. As per the market sources around 24 villages have been damaged as fields have become inundated. The Agriculture Department is yet to access the loss suffered by farmers. Along with Punjab, farmers from Haryana had also suffered crop loss due to incessant rains during the last week. Farmers from Bhiwani district of Haryana had suffered losses majorly.

The Department of Agriculture, Rajasthan has released its first advance estimate for the 2022-23 season. Overall cotton production in the state is expected to reach 2897428 tonnes during the 2022-23 season. The area under cotton cultivation in the state has increased from 6.28 lakh hectares to 6.83 lakh hectares. The average yield is expected to be 721 kgs per hectare in the 2022-23 season.

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, Gujrat 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.

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.

Cotton Sowing (Lakh Hectares) As of 23rd 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 Andaman & Nicobar Islands, Madhya Maharashtra, Coastal Andhra Pradesh, Yanam, Telangana, Rayalaseema, North Interior Karnataka. Thunderstorms accompanied by lightning at isolated places over Andaman & Nicobar Islands, Jharkhand, West Bengal, Odisha, 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 higher by 40 points at 88.49 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 28.09.22	29 th Sept'22
Punjab	8000	1000
Haryana	87500	5000
Lower Rajasthan	19500	3000
Ganga line	16500	5000
Net Total	131500	14000

Cotton Price (Rs./Quintal) as. of 29 th Sept'22	
	Ready Delivery
Punjab	6900-6925
Haryana	6900-6925
Ganga line	6800-6825

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	29-Sep-22	28-Sep-22	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	9555	9955	-400
	Rajkot	B.T. Cotton	8850	9350	-500
	Patan	B.T. Cotton	8905	9005	-100
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1400	1400	Unch
	Dhrol	B.T. Cotton	9250	9250	Unch
Haryana	Bhiwani	B.T. Cotton	8500	8500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8850	9000	-150
	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	8400	8500	-100
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NR	NR	-
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	5200	7700	-2500
	Hathras	Desi	7700	8000	-300
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9769	9589	180
Karnataka	Bijapur	Bunny	9771	9019	752
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9500	9600	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	29-Sep-22	28-Sep-22	
Punjab	Bhatinda	J-34	6925	7200	-275
	Abohar	J-34	6900	7200	-300
	Mansa	J-34	6800	7200	-400
Haryana	Sirsa	J-34	6900	7200	-300
Rajasthan	Sri-Ganganagar	J-34	6486	8178	-1692

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Sep-22	28-Sep-22	
Gujarat	Ahmedabad	Shankar-6	13600	11900	1700
	Gondal	Shankar-6	8500	9000	-500
	Rajkot	B.T. Cotton	1800	1200	600
	Patan	B.T. Cotton	1680	1263	417
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	18	18	Unch
Haryana	Bhiwani	B.T. Cotton	2500	1500	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	500	300	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	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	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	200	Unch
	Hathras	Desi	25	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	4688	4935	-247
Karnataka	Bijapur	Bunny	179	189	-10
	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	29-Sep-22	28-Sep-22	
Punjab	Bhatinda	J-34	0	0	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	85	129	-44
Haryana	Sirsa	J-34	510	425	85
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	29-Sep-22	28-Sep-22	
Gujarat	Rajkot	Rs. /10 Kg.	1250	1260	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1260	1270	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1250	1245	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	29-Sep-22	28-Sep-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2404	2446	-42
Maharashtra	Akola	Rs./Qtl	2706	2704	2

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	29-Sep-22	28-Sep-22	Change
CCIndex(328)	RMB/Ton	15487	15509	-22
CCIndex(527)	RMB/Ton	14023	14032	-9
CCIndex(229)	RMB/Ton	15936	15948	-12
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	29-Sep-22	28-Sep-22	Change
FC Index (S)	Cents/lb	110.04	109.58	0.46
FC Index (M)	Cents/lb	108.56	108.13	0.43
FC Index (L)	Cents/lb	107.23	106.8	0.43

Cotlook Index:

Cotlook Indices	Unit	28-Sep-22	26-Sep-22	Change
A-Index	Cents/Pound	106.7	110.85	-4.15

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		28-Sep-22	28-Sep-22	Bales
Southeast	cents/lb.	92.49	94.74	0
North Delta	cents/lb.	91.49	93.74	0
South Delta	cents/lb.	91.49	93.74	0
East TX-OK	cents/lb.	88.24	90.74	765
West Texas	cents/lb.	87.49	88.99	0
Desert SW	cents/lb.	86.49	88.74	0
SJ Valley	cents/lb.	86.99	95.89	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
				28-Sep-22	27-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	66000	69500	-3500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	71000	72500	-1500
Shankar-6(105)	29mm	3.5 - 4.9	28	72000	73500	-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	81000	84000	-3000

Daily Futures Price Listing Wednesday, Sept 28th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Oct	220928	90.44	90.44	90.44	90.44	0.40	0	16	-1
22-Dec	220928	88.71	89.34	85.7	88.49	0.40	24,264	108,346	179
22-Mar	220928	85.75	86.57	83.1	85.85	0.46	9,264	51,911	978
23-May	220928	84.4	84.88	81.51	84.26	0.62	4618	21,118	607
23-Jul	220928	82	82.59	79.4	81.99	0.71	2476	13,244	258
23-Oct	220928	77.26	77.26	77.26	77.26	0.87	3	1	0
Total Volume and Open Interest							42,212	218,864	2,423

Source: MRCI

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