

## Domestic Fundamentals:

### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.33,560/bale on Friday. ICE cotton futures closed red on Thursday.

**News:** Textile mills across India are waiting for the prices to stabilize to revive production. Several textile mills that use cotton as raw material are operating at less than 50% capacity at present because cotton prices had gone up to Rs.1 lakh a candy during the previous season and now have come down to Rs. 70,000 per candy.

Cotton crop is expected to get affected due to heavy rains in Telangana. The incessant rains in Khammam and Bhadrachalam districts are expected to adversely affect cotton production. The areas of Enkoor, Konigerla, Errpaleum, Kusumanchi and Kamepalli of Khammam districts have reported heavy rains during the last few days.

As of 03<sup>rd</sup> Oct 2022, Gujarat Cotton sowing has reached 25,48,968 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 22,53,933 hectares. As per AgriWatch, Overall cotton arrivals had increased in the state for the coming 2022-23 season where else, prices have come down to Rs. 8,750 per Quintal against the minimum support price of Rs. 6,025 per quintal.

North Indian cotton prices had corrected by Rs. 200-250 per maund as arrival had increased amid limited buying. Buyers including MNCs were very selective about new deals. According to the traders, they were waiting for the cotton prices to fall further to avoid losses.

Daily arrival in north India comprising Punjab, Haryana, upper Rajasthan and lower Rajasthan increased to 14,000 bales of 170 kg. Cotton was traded at Rs. 6,900-7,050 per maund of 37.20 kg for September and early October delivery deals. Forward cotton for the full month of October was traded at Rs. 6,500-7,550 per maund for October delivery.

According to the market sources, the Haryana Agriculture Department's preliminary survey report, cotton crop has been affected in the state on over 39,000 hectares due to heavy rainfall during September month. For the 2022-23 cotton season, around 6.50 lakh hectares of land was sown under cotton cultivation which was comparatively lower than the previous season's sowing of 6.88 lakh hectares. As per AgriWatch sources, around 15-20% loss is expected across the state.

As of 28<sup>th</sup> Sept 2022, Andhra Pradesh Cotton sowing has reached 6.53 lakh hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 5 lakh hectares during the corresponding period. Average rainfall for the period from 01.06.2022 to 28.09.2022 has reached 563.2 mm against the normal of 562 mm in the state.

| Cotton Sowing (Lakh Hectares) As of 23 <sup>rd</sup> 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       |
| <b>All India</b>   | <b>118.56</b> | <b>127.39</b> | <b>8.83</b> |

**Weather Forecast:**

Heavy rainfall at isolated places over Uttarakhand, West Uttar Pradesh, East Uttar Pradesh, Haryana, Chandigarh, Delhi, East Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Sub-Himalayan West Bengal & Sikkim, Arunachala Pradesh, Assam & Meghalaya, Gujarat region, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied by lightning at isolated places over Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Odisha, Andaman & Nicobar Islands,

**International Fundamentals:**

\*Gujarat cotton crop Oct'2022

The ICE cotton Futures was lower by 33 points at 82.9 cents/lb. The Cotlook A index was lower at 106 cents/lb. The AWP for cotton was 82.42 cents/lb.

According to the U.S. Crop progress report, as of 02<sup>nd</sup> Oct, 2022, U.S cotton Cotton Bolls opening stands at 77 percent which is higher than that of the previous season (67 percent). In the previous week cotton bolls opening was 69 percent. Overall 4 percent of the U.S Cotton Crop is in excellent condition, 27 percent in good to a fair condition which was 27 percent in the previous week.

The raw cotton prices in Pakistan have decreased in the local market along with the decrease in the international market. The rate of quality cotton has decreased by Rs.3,000 per maund. The rate of Putti was decreased by Rs. 800 to Rs. 1,000 per 40 kg. however, the cotton production has also been affected in Pakistan mainly due to heavy rainfalls.

U.S. cotton exports has fallen to \$28.362 million in July 2022 from \$1062.59 million in June 2022. Although, U.S. had exported large quantities till June 2022 due to the scarcity of cotton fibre along with higher prices in the international market. On a quarterly basis, cotton shipments from the U.S. rose to \$3.328 billion in the second quarter from \$2,820 billion in the first quarter. However, exports have fallen in the fourth quarter of last year to \$1.002 billion from \$1.254 billion in the third quarter of 2021. The U.S new cotton marketing season has begun from August 2022, however, the exports had reduced as compared to the previous 2021-22 season.

Northern New Cotton Crop:

| Cotton Arrivals (Quintals) |                               |                         |
|----------------------------|-------------------------------|-------------------------|
|                            | Total Arrivals up to 05.10.22 | 07 <sup>th</sup> Oct'22 |
| Punjab                     | 14600                         | 800                     |
| Haryana                    | 119500                        | 4000                    |
| Lower Rajasthan            | 42500                         | 7500                    |
| Ganga line                 | 48500                         | 4000                    |
| <b>Net Total</b>           | <b>225100</b>                 | <b>16300</b>            |

| Cotton Price (Rs./Quintal) as. of 07 <sup>th</sup> Oct'22 |                |
|---|----------------|
|   | Ready Delivery |
| Punjab  | 7100-7150      |
| Haryana   | 7100-7150      |
| Ganga line  | 7100-7150      |

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

| Commodity      | Kapas       |             | Prices (Rs./Quintal) |          | Change |
|----------------|-------------|-------------|----------------------|----------|--------|
| State          | Centre      | Variety     | 7-Oct-22             | 6-Oct-22 |        |
| Gujarat        | Ahmedabad   | Shankar-6   | 9000                 | 9250     | -250   |
|                | Gondal      | Shankar-6   | 9255                 | 9055     | 200    |
|                | Rajkot      | B.T. Cotton | 8600                 | 8650     | -50    |
|                | Patan       | B.T. Cotton | 9095                 | 9030     | 65     |
|                | Kadi        | B.T. Cotton | NA                   | NA       | -      |
|                | Deesa       | B.T. Cotton | 1528                 | 1589     | -61    |
|                | Dhrol       | B.T. Cotton | 8720                 | 8775     | -55    |
| Haryana        | Bhiwani     | B.T. Cotton | 8800                 | 8750     | 50     |
|                | Bhiwani     | Desi        | NA                   | NA       | -      |
|                | Adampur     | B.T. Cotton | 9000                 | 9000     | Unch   |
|                | 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 | 9050                 | 9000     | 50     |
|                | Rawatsar    | B.T. Cotton | NA                   | NA       | -      |
| Madhya Pradesh | Khandwa     | Mech-1      | NA                   | NA       | -      |
|                | Khargaon    | Mech-1      | NA                   | NA       | -      |

|                |                |               |                    |          |        |
|----------------|----------------|---------------|--------------------|----------|--------|
| Maharashtra    | Amravati       | Mech-1        | NA                 | NA       | -      |
|                | Jamner         | Medium Staple | NA                 | NA       | -      |
| Uttar Pradesh  | Hathras        | B.T. Cotton   | 7700               | 7500     | 200    |
|                | Hathras        | Desi          | 7400               | 7700     | -300   |
| Telangana      | Adilabad       | Un-Ginned     | NA                 | NA       | -      |
| Andhra Pradesh | Adoni          | Un-Ginned     | 9285               | NA       | -      |
| Karnataka      | Bijapur        | Bunny         | NA                 | NA       | -      |
|                | Hubli          | D.C.H.        | NA                 | NA       | -      |
|                | Hubli          | B.T. Cotton   | NA                 | NA       | -      |
|                | Raichur        | H-44 Cotton   | 9500               | 9200     | 300    |
| Commodity      | Lint           |               | Prices (Rs./Maund) |          | Change |
| State          | Centre         | Variety       | 7-Oct-22           | 6-Oct-22 |        |
| Punjab         | Bhatinda       | J-34          | 7150               | 7150     | Unch   |
|                | Abohar         | J-34          | 7100               | 7150     | -50    |
|                | Mansa          | J-34          | 7150               | 7150     | Unch   |
| Haryana        | Sirsa          | J-34          | 7100               | 7100     | Unch   |
| Rajasthan      | Sri-Ganganagar | J-34          | 6674               | 6862     | -188   |

**Cotton Arrivals in Key Centers:**

| Commodity      | Kapas       |               | Arrivals (Quintal) |          | Change |
|----------------|-------------|---------------|--------------------|----------|--------|
| State          | Centre      | Variety       | 7-Oct-22           | 6-Oct-22 |        |
| Gujarat        | Ahmedabad   | Shankar-6     | 18700              | 18700    | Unch   |
|                | Gondal      | Shankar-6     | 8350               | 8400     | -50    |
|                | Rajkot      | B.T. Cotton   | 1700               | 3300     | -1600  |
|                | Patan       | B.T. Cotton   | 1730               | 1490     | 240    |
|                | Kadi        | B.T. Cotton   | NA                 | NA       | -      |
|                | Deesa       | B.T. Cotton   | NA                 | NA       | -      |
|                | Dhrol       | B.T. Cotton   | 191                | 156      | 35     |
| Haryana        | Bhiwani     | B.T. Cotton   | 2000               | 3000     | -1000  |
|                | Bhiwani     | Desi          | NA                 | NA       | -      |
|                | Adampur     | B.T. Cotton   | 500                | 600      | -100   |
|                | 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        | NA                 | NA       | -      |
|                | Jamner      | Medium Staple | NA                 | NA       | -      |
| Uttar Pradesh  | Hathras     | B.T. Cotton   | 150                | 100      | 50     |
|                | Hathras     | Desi          | NA                 | NA       | -      |
| Telangana      | Adilabad    | Un-Ginned     | NA                 | NA       | -      |
| Andhra Pradesh | Adoni       | Un-Ginned     | 3306               | NA       | -      |
| Karnataka      | Bijapur     | Bunny         | NA                 | NA       | -      |
|                | Hubli       | D.C.H.        | NA                 | NA       | -      |

|           | Hubli          | B.T. Cotton | NA                 | NA       | -      |
|-----------|----------------|-------------|--------------------|----------|--------|
|           | Raichur        | H-44 Cotton | 12                 | 14       | -2     |
| Commodity | Lint           |             | Arrivals (Quintal) |          | Change |
| State     | Centre         | Variety     | 7-Oct-22           | 6-Oct-22 |        |
| Punjab    | Bhatinda       | J-34        | NA                 | NA       | -      |
|           | Abohar         | J-34        | 425                | 340      | 85     |
|           | Mansa          | J-34        | 340                | 204      | 136    |
| Haryana   | Sirsa          | J-34        | 425                | 170      | 255    |
| Rajasthan | Sri-Ganganagar | J-34        | 1500               | 1500     | Unch   |

**Cotton Seed Oil Prices:**

| Commodity   | Cotton Seed Oil |             | Price    |          | Change |
|-------------|-----------------|-------------|----------|----------|--------|
| State       | Centre          | Unit        | 7-Oct-22 | 6-Oct-22 |        |
| Gujarat     | Rajkot          | Rs. /10 Kg. | 1315     | 1315     | Unch   |
| Delhi       | New Delhi       | Rs. /10 Kg. | NR       | NR       | -      |
| Telangana   | Hyderabad       | Rs. /10 Kg. | 1305     | 1305     | Unch   |
| Maharashtra | Mumbai          | Rs. /10 Kg. | 1330     | 1310     | 20     |

**Cotton Seed Oil Seed Cake Prices:**

| Commodity   | Cotton Seed Oil Seed Cake |         | Price    |          | Change |
|-------------|---------------------------|---------|----------|----------|--------|
| State       | Centre                    | Unit    | 7-Oct-22 | 6-Oct-22 |        |
| Gujarat     | Mahesana (Kadi)           | Rs./Qtl | 2400     | 2377     | 23     |
| Maharashtra | Akola                     | Rs./Qtl | 2690     | 2687     | 3      |

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

| Index                            | Unit    | 29-Sep-22 | 30-Sep-22 | Change |
|----------------------------------|---------|-----------|-----------|--------|
| CCIndex(328)                     | RMB/Ton | 15487     | 15502     | -15    |
| CCIndex(527)                     | RMB/Ton | 14023     | 14023     | Unch   |
| CCIndex(229)                     | RMB/Ton | 15936     | 15946     | -10    |
| RMB -Renminbi, 1RMB =0.16 \$U.S. |         |           |           |        |

**China Foreign Cotton (FCE) Index :**

| Index        | Unit     | 29-Sep-22 | 30-Sep-22 | Change |
|--------------|----------|-----------|-----------|--------|
| FC Index (S) | Cents/lb | 110.04    | 106.38    | 3.66   |
| FC Index (M) | Cents/lb | 108.56    | 104.85    | 3.71   |
| FC Index (L) | Cents/lb | 107.23    | 103.51    | 3.72   |

**Cotlook Index:**

| Cotlook Indices | Unit        | 6-Oct-22 | 4-Oct-22 | Change |
|-----------------|-------------|----------|----------|--------|
| A-Index         | Cents/Pound | 101.7    | 106.7    | -5.00  |

**USDA Cotton Spot Rates:**

| Growth Area | Unit      | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|-----------|---------------------|---------------------|----------|
|             |           | 6-Oct-22            | 6-Oct-22            | Bales    |
| Southeast   | cents/lb. | 86.9                | 89.15               | 0        |
| North Delta | cents/lb. | 85.9                | 88.15               | 0        |
| South Delta | cents/lb. | 85.9                | 88.15               | 0        |
| East TX-OK  | cents/lb. | 83.4                | 85.9                | 1200     |
| West Texas  | cents/lb. | 81.9                | 83.4                | 0        |
| Desert SW   | cents/lb. | 80.9                | 83.15               | 0        |
| SJ Valley   | cents/lb. | 81.4                | 90.3                | 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/<br>GPT | Rs. Per Candy | Rs. Per Candy | Change |
|---------------------------------------|------------|------------|------------------|---------------|---------------|--------|
|                                       |            |            |                  | 6-Oct-22      | 4-Oct-22      |        |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0  | 15               | 51300         | 51300         | Unch   |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 52000         | 52000         | Unch   |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 65900         | 65600         | 300    |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | NA            | NA            | -      |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 70000         | 69000         | 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               | 80500         | 82000         | -1500  |

#### Daily Futures Price Listing Thursday, Oct 06th 2022

| Most Recent Information        |        |       |       |       |       |        | Previous Day |          |        |
|--------------------------------|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Month                          | Date   | Open  | High  | Low   | Close | Change | Volume       | Open Int | Change |
| <a href="#">22-Oct</a>         | 221006 | 90.9  | 90.9  | 90.9  | 90.9  | -0.33  |              |          |        |
| <a href="#">22-Dec</a>         | 221006 | 83.6  | 85.28 | 82.1  | 82.9  | -0.33  | 20,436       | 107,993  | 189    |
| <a href="#">22-Mar</a>         | 221006 | 82.02 | 83.63 | 80.63 | 81.44 | -0.30  | 7,369        | 54,854   | 109    |
| <a href="#">23-May</a>         | 221006 | 80.62 | 82.39 | 79.51 | 80.3  | -0.32  | 1985         | 21,575   | -36    |
| <a href="#">23-Jul</a>         | 221006 | 80.58 | 80.66 | 78    | 78.75 | -0.27  | 1917         | 14,359   | -31    |
| <a href="#">23-Oct</a>         | 221006 | 75.5  | 75.5  | 75.5  | 75.5  | -0.15  | 0            | 1        | 0      |
| Total Volume and Open Interest |        |       |       |       |       |        | 33,021       | 224,735  | 54     |

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