

## Domestic Fundamentals:

### Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,870/bale on Saturday. ICE cotton futures closed green on Thursday.

**News:** According to the Punjab State Agricultural Marketing Board, around 46,000 quintals of cotton has arrived in this season by 04<sup>th</sup> October 22 which is comparatively lower from 2.33 lakh quintals by 04<sup>th</sup> October 21. Cotton prices have also dropped from Rs.9,050 per quintal to Rs.8,400 against the minimum support price (MSP) for cotton at Rs.6,380 per quintal.

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, Konigera, Errpalem, 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

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>

AgriWatch sources, around 15-20% loss is expected across the state.

### Weather Forecast:

Heavy rainfall at isolated places over Uttarakhand, Uttar Pradesh, West Madhya Pradesh, Odisha, Arunachala Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Gujarat Region, Rayalaseema, Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied by lightning at isolated places over Uttarakhand, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Rajasthan, West Madhya Pradesh, Madhya Maharashtra, Konkan & Goa, Coastal Andhra Pradesh, & Yanam, Telangana, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal.



### International Fundamentals:

\*Gujarat cotton crop Oct'2022

The ICE cotton Futures was higher by 133 points at 84.23 cents/lb. The Cotlook A index was lower at 101 cents/lb. The AWP for cotton was 77.19 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	8-Oct-22	7-Oct-22	
Gujarat	Ahmedabad	Shankar-6	9250	9000	250
	Gondal	Shankar-6	9155	9255	-100
	Rajkot	B.T. Cotton	8600	8600	Unch
	Patan	B.T. Cotton	9155	9095	60
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1450	1528	-78
	Dhrol	B.T. Cotton	8680	8720	-40
Haryana	Bhiwani	B.T. Cotton	8800	8800	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9100	9000	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	9100	9050	50
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	0	-

	Khargaon	Mech-1	NA	0	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7700	7700	Unch
	Hathras	Desi	7400	7400	Unch
Telangana	Adilabad	Un-Ginned	NA	0	-
Andhra Pradesh	Adoni	Un-Ginned	9300	9285	15
Karnataka	Bijapur	Bunny	NA	9141	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9600	9500	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Oct-22	7-Oct-22	
Punjab	Bhatinda	J-34	7150	7150	Unch
	Abohar	J-34	7170	7100	70
	Mansa	J-34	7150	7150	Unch
Haryana	Sirsa	J-34	7150	7100	50
Rajasthan	Sri-Ganganagar	J-34	6768	6674	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Oct-22	7-Oct-22	
Gujarat	Ahmedabad	Shankar-6	15300	18700	-3400
	Gondal	Shankar-6	8350	8350	Unch
	Rajkot	B.T. Cotton	1700	1700	Unch
	Patan	B.T. Cotton	1641	1730	-89
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	234	191	43
Haryana	Bhiwani	B.T. Cotton	NA	2000	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	600	500	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	0	-
	Khargaon	Mech-1	NA	0	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	0	-
Andhra Pradesh	Adoni	Un-Ginned	1176	3306	-2130
Karnataka	Bijapur	Bunny	NA	368	-

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	12	3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Oct-22	7-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	425	-85
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	340	425	-85
Rajasthan	Sri-Ganganagar	J-34	2000	1500	500

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	8-Oct-22	7-Oct-22	
Gujarat	Rajkot	Rs./10 Kg.	1315	1315	Unch
Delhi	New Delhi	Rs./10 Kg.	NR	0	-
Telangana	Hyderabad	Rs./10 Kg.	1310	1305	5
Maharashtra	Mumbai	Rs./10 Kg.	1340	1330	10

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	8-Oct-22	7-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2410	2400	10
Maharashtra	Akola	Rs./Qtl	2700	2690	10

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Oct-22	6-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	51600	51300	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52300	52000	300
J-34(202)	26mm	3.5 - 4.9	23	65900	65900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	70000	70000	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	78500	80500	-2000

INTERNATIONAL PRICES AND INDICESChina 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

Daily Futures Price Listing Friday, Oct 07th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Oct</a>	221007	92.23	92.23	92.23	92.23	1.33			
<a href="#">22-Dec</a>	221007	83.01	84.79	81.55	84.23	1.33	25,912	109,970	1977
<a href="#">22-Mar</a>	221007	81.86	83.05	80.1	82.66	1.22	12,761	56,631	1777
<a href="#">23-May</a>	221007	80.43	81.77	79	81.51	1.21	4498	21,074	-501
<a href="#">23-Jul</a>	221007	78.9	80.16	77.58	79.94	1.19	2355	14,789	430
<a href="#">23-Oct</a>	221007	76.41	76.41	76.41	76.41	0.91	0	1	0
Total Volume and Open Interest							47,436	228,750	4,015

Source: MRCI

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