

## Domestic Fundamentals:

### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.34,500/bale on Monday. ICE cotton futures closed red on Friday.

### **News:**

As per Andhra Pradesh agricultural department, as on 06th October 2022 Cotton sowing activity completed around 6.64 lakh hectares as compared to last year same period 5.08 lakh hectares in the 2021-22 season. Overall, the average rainfall received in Andhra Pradesh from 01.06.2022 to 06.10.2022 is recorded as 638.1 mm as against the Normal as on date of 625.1 mm showing by Normal 2.1 percent.

As of Sept. 30<sup>th</sup>, 2022 Cotton sowing has reached 127.50 Lakh Ha. Vs 118.59 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. As per AgriWatch the recent rains during the last week in Northern and Central India is likely to affect the cotton crop which is currently in the flowering state.

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, 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.

**Cotton Sowing (Lakh Hectares) As of 30<sup>th</sup> Sept 2022**

States	2021-22	2022-23	Difference
Andhra Pradesh	4.93	6.53	+1.60
Karnataka	6.44	8.22	+1.78
Gujarat	22.54	25.49	+2.95
Maharashtra	39.57	42.29	+2.72
Madhya Pradesh	6.0	5.99	-0.01
Rajasthan	6.29	6.83	+0.55
Punjab	2.54	2.48	-0.06
Haryana	6.88	6.50	-0.38
<b>All India</b>	<b>118.59</b>	<b>127.50</b>	<b>8.91</b>

**Weather Forecast:**

Heavy rainfall at isolated places over Arunachal Pradesh, East Uttar Pradesh, Bihar, Sub- Himalayan West Bengal, Sikkim, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Telangana, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied by lightning at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh, Bihar, Sub- Himalayan West Bengal, Sikkim, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, 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	10-Oct-22	8-Oct-22	
Gujarat	Ahmedabad	Shankar-6	9000	9250	-250
	Gondal	Shankar-6	9255	9155	100
	Rajkot	B.T. Cotton	8900	8600	300
	Patan	B.T. Cotton	9175	9155	20
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1600	1450	150
	Dhrol	B.T. Cotton	9055	8680	375
Haryana	Bhiwani	B.T. Cotton	8800	8800	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9200	9100	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	9150	9100	50
	Rawatsar	B.T. Cotton	NA	0	-

Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	0	-
	Jamner	Medium Staple	NA	0	-
Uttar Pradesh	Hathras	B.T. Cotton	7700	7700	Unch
	Hathras	Desi	7400	7400	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9599	9300	299
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9700	9600	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Oct-22	8-Oct-22	
Punjab	Bhatinda	J-34	7250	7150	100
	Abohar	J-34	7200	7170	30
	Mansa	J-34	7200	7150	50
Haryana	Sirsa	J-34	7200	7150	50
Rajasthan	Sri-Ganganagar	J-34	6768	6768	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Oct-22	8-Oct-22	
Gujarat	Ahmedabad	Shankar-6	10200	15300	-5100
	Gondal	Shankar-6	8700	8350	350
	Rajkot	B.T. Cotton	3400	1700	1700
	Patan	B.T. Cotton	3537	1641	1896
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	366	234	132
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	600	600	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	NA	0	-
	Rawatsar	B.T. Cotton	NA	0	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	0	-
	Jamner	Medium Staple	NA	0	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	2634	1176	1458
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	20	15	5
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Oct-22	8-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	340	170
	Mansa	J-34	255	340	-85
Haryana	Sirsa	J-34	170	340	-170
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	10-Oct-22	8-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1380	1315	65
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1360	1310	50
Maharashtra	Mumbai	Rs. /10 Kg.	1370	1340	30

**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/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Oct-22	7-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	51600	51600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52300	52300	Unch
J-34(202)	26mm	3.5 - 4.9	23	66900	65900	1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	70500	70000	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	78500	78500	Unch

**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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