

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.34,600/bale on Tuesday. ICE cotton futures closed green on Monday.

News:

According to the Cotton Corporation of India and ICAC, World cotton supply and demand estimate, overall cotton production is expected to decline in the 2022-23 season to 24.71 MMT as compared to 25.44 MMT in the 2021-22 season. Along with the expectation of a decrease in Consumption from 26.14 to 25.30 MMT in the 2022-23 season. However, Imports and Exports estimates are also lower for the 2022-23 season. Due to the expectation of lower production because of drought, floods and heavy rainfalls in cotton-growing countries of U.S. , China, India and Pakistan. Consequently, the stock to use ration is likely to remain lower than last year (last year itself the stock to use ratio was lower).

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.

According to the Punjab State Agricultural Marketing Board, around 46,000 quintals of cotton has arrived in this season by 04th October 22 which is comparatively lower from 2.33 lakh quintals by 04th 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 Bhadradi- Kothagudem 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.

World Cotton Balance Sheet (MMT)

	2021-22	2022-23
Beginning Stock	20.61	20.37
Production	25.44	24.71
Imports	10.09	9.55
Consumption	26.14	25.30
Exports	9.63	9.55
Ending Stocks	20.37	19.78

As of Sept. 30th, 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.

Weather Forecast:

Heavy rainfall at isolated places over Bihar, Sub- Himalayan West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Konkan & Goa, Rayalaseema, Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied by lightning at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Arunachal Pradesh, Yanam, Telangana, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe.

International Fundamentals:

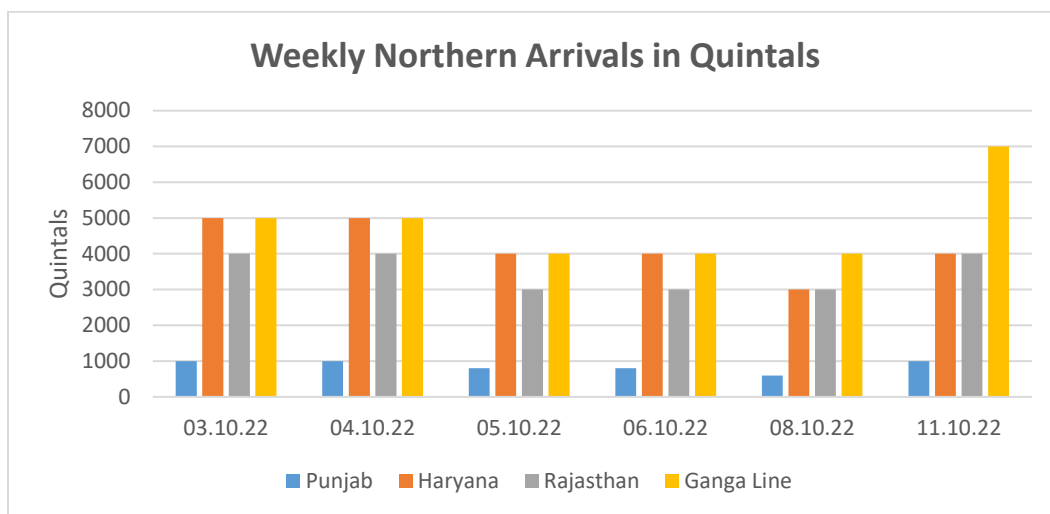
The ICE cotton Futures was higher by 400 points at 88.23 cents/lb. The Cotlook A index was lower at 101.30 cents/lb. The AWP for cotton was 77.19 cents/lb.

According to the U.S. Crop progress report, as of 02nd 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.

Cotton Sowing (Lakh Hectares) As of 30 th 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
All India	118.59	127.50	8.91

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 10.10.22	11 th Oct'22
Punjab	19000	1000
Haryana	150000	4000
Lower Rajasthan	79500	4000
Ganga line	90000	7000
Net Total	338500	16000

Cotton Price (Rs./Quintal) as. of 11 th Oct'22	
	Ready Delivery
Punjab	7250-7325
Haryana	7250-7325
Ganga line	7250-7325

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Oct-22	10-Oct-22	
Gujarat	Ahmedabad	Shankar-6	9125	9000	125
	Gondal	Shankar-6	8005	9255	-1250
	Rajkot	B.T. Cotton	8900	8900	Unch
	Patan	B.T. Cotton	9285	9175	110
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1600	1600	Unch
	Dhrol	B.T. Cotton	9055	9055	Unch
Haryana	Bhiwani	B.T. Cotton	8800	8800	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9200	9200	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	9100	9150	-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	0	7700	-7700
	Hathras	Desi	0	7400	-7400
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9879	9599	280
Karnataka	Bijapur	Bunny	9679	9889	-210
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9850	9700	150
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Oct-22	10-Oct-22	
Punjab	Bhatinda	J-34	7325	7250	75
	Abohar	J-34	7275	7200	75
	Mansa	J-34	7300	7200	100
Haryana	Sirsa	J-34	7225	7200	25
Rajasthan	Sri-Ganganagar	J-34	6768	6768	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Oct-22	10-Oct-22	
Gujarat	Ahmedabad	Shankar-6	17000	10200	6800
	Gondal	Shankar-6	8700	8700	Unch

	Rajkot	B.T. Cotton	3100	3400	-300
	Patan	B.T. Cotton	4428	3537	891
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	366	366	Unch
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	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	0	150	-150
	Hathras	Desi	0	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	4717	2634	2083
Karnataka	Bijapur	Bunny	1561	1683	-122
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	22	20	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Oct-22	10-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	510	-85
	Mansa	J-34	340	255	85
Haryana	Sirsa	J-34	255	170	85
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	11-Oct-22	10-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1400	1380	20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1380	1360	20
Maharashtra	Mumbai	Rs. /10 Kg.	1370	1370	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	11-Oct-22	10-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2410	2422	-12
Maharashtra	Akola	Rs./Qtl	2705	2717	-12

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	11-Oct-22	10-Oct-22	Change
CCIndex(328)	RMB/Ton	15523	15492	31
CCIndex(527)	RMB/Ton	13990	13975	15
CCIndex(229)	RMB/Ton	15962	15935	27
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	11-Oct-22	10-Oct-22	Change
FC Index (S)	Cents/lb	109.29	105.38	3.91
FC Index (M)	Cents/lb	107.58	103.71	3.87
FC Index (L)	Cents/lb	106.24	102.37	3.87

Cotlook Index:

Cotlook Indices	Unit	10-Oct-22	8-Oct-22	Change
A-Index	Cents/Pound	-	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		10-Oct-22	10-Oct-22	Bales
Southeast	cents/lb.	92.23	94.48	0
North Delta	cents/lb.	91.23	93.48	0
South Delta	cents/lb.	91.23	93.48	0
East TX-OK	cents/lb.	88.73	91.23	88
West Texas	cents/lb.	87.23	88.73	0
Desert SW	cents/lb.	86.23	88.48	0
SJ Valley	cents/lb.	86.73	95.63	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
				10-Oct-22	8-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52100	51600	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52800	52300	500
J-34(202)	26mm	3.5 - 4.9	23	66900	66900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	71000	70500	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	79000	78500	500

Daily Futures Price Listing Monday, Oct 10th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221010	84.75	88.23	83.55	88.23	4.00	18132	109756	-214
23-Mar	221010	83.18	86.66	82.1	86.66	4.00	7,229	56,599	-32
23-May	221010	81.51	85.51	81.15	85.51	4.00	1,867	21,124	50
23-Jul	221010	80.45	83.94	79.63	83.92	3.98	1282	15,012	223
23-Oct	221010	79.87	79.87	79.87	79.87	3.46	0	1	0
23-Dec	221010	75.66	78.13	75.66	77.75	2.09	803	21896	-185
Total Volume and Open Interest							29,910	228,954	204

Source: MRCI

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