

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.34,430/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: According to the Cotton Association of India, Domestic fiber cotton prices have decreased below 70,000 per candy during the week under review in anticipation of an increase in cotton production in the 2022-23 season and sluggish export demand. Currently, cotton fiber prices are around Rs. 65,000 to 68,000 per candy in the domestic market but are still higher compared to international prices. Domestic fiber prices are further likely to go down with the increase in cotton arrivals after Diwali festival.

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 ratio 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 Bhadradri- Kothagudem districts are expected to adversely affect cotton production. The areas of Enkoor,

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

Konigerla, Errpaleum, Kusumanchi and Kamepalli of Khammam districts have reported heavy rains during the last few days.

Weather Forecast:

Heavy rainfall at isolated places over Arunachal Pradesh, Assam & Meghalaya, Rayalaseema, Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied by lightning at isolated places over Jammu & Kashmir, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh, Yanam, Telangana, Rayalaseema, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was higher by 63 points at 88.86 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 09th Oct, 2022, U.S cotton Cotton Bolls opening stands at 84 percent which is higher than that of the previous season (77 percent). In the previous week cotton bolls opening was 77 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 25 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.

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 11.10.22	12 th Oct'22
Punjab	20000	1000
Haryana	154000	6000
Lower Rajasthan	83500	4500
Ganga line	97000	7500
Net Total	354500	19000

Cotton Price (Rs./Quintal) as. of 12 th Oct'22	
	Ready Delivery
Punjab	7130-7150
Haryana	7050-7125
Ganga line	7050-7125

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Oct-22	11-Oct-22	
Gujarat	Ahmedabad	Shankar-6	9125	9125	Unch
	Gondal	Shankar-6	9205	8005	1200
	Rajkot	B.T. Cotton	8800	8900	-100
	Patan	B.T. Cotton	9145	9285	-140
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	1518	1600	-82
	Dhrol	B.T. Cotton	9055	9055	Unch
Haryana	Bhiwani	B.T. Cotton	8700	8800	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8950	9200	-250
	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	8800	9100	-300
	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	7700	Unch
	Hathras	Desi	7500	7400	100
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9911	9879	32
Karnataka	Bijapur	Bunny	NA	9679	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9750	9850	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Oct-22	11-Oct-22	
Punjab	Bhatinda	J-34	7150	7325	-175
	Abohar	J-34	7150	7275	-125
	Mansa	J-34	7100	7300	-200
Haryana	Sirsa	J-34	7100	7225	-125
Rajasthan	Sri-Ganganagar	J-34	6721	6768	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Oct-22	11-Oct-22	
Gujarat	Ahmedabad	Shankar-6	20400	17000	3400
	Gondal	Shankar-6	8600	8700	-100

	Rajkot	B.T. Cotton	4000	3100	900
	Patan	B.T. Cotton	5035	4428	607
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	448	366	82
Haryana	Bhiwani	B.T. Cotton	1500	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	700	500	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	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	250	150	100
	Hathras	Desi	30	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	7085	4717	2368
Karnataka	Bijapur	Bunny	NA	1561	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	24	22	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Oct-22	11-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	425	85
	Mansa	J-34	255	340	-85
Haryana	Sirsa	J-34	510	255	255
Rajasthan	Sri-Ganganagar	J-34	2500	2000	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Oct-22	11-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1330	1400	-70
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1350	1380	-30
Maharashtra	Mumbai	Rs. /10 Kg.	1350	1370	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Oct-22	11-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2411	2410	1
Maharashtra	Akola	Rs./Qtl	2695	2705	-10

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	12-Oct-22	11-Oct-22	Change
CCIndex(328)	RMB/Ton	15742	15523	219
CCIndex(527)	RMB/Ton	14081	13990	91
CCIndex(229)	RMB/Ton	16103	15962	141
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	12-Oct-22	11-Oct-22	Change
FC Index (S)	Cents/lb	109.86	109.29	0.57
FC Index (M)	Cents/lb	108.18	107.58	0.60
FC Index (L)	Cents/lb	106.84	106.24	0.60

Cotlook Index:

Cotlook Indices	Unit	11-Oct-22	10-Oct-22	Change
A-Index	Cents/Pound	106.15	NA	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		11-Oct-22	11-Oct-22	Bales
Southeast	cents/lb.	92.86	95.11	0
North Delta	cents/lb.	91.86	94.11	0
South Delta	cents/lb.	91.86	94.11	0
East TX-OK	cents/lb.	89.36	91.86	562
West Texas	cents/lb.	87.86	89.36	0
Desert SW	cents/lb.	86.86	89.11	0
SJ Valley	cents/lb.	87.36	96.26	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
				11-Oct-22	10-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52400	52100	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53100	52800	300
J-34(202)	26mm	3.5 - 4.9	23	67400	66900	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	71500	71000	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	79000	Unch

Daily Futures Price Listing Tuesday, Oct 11th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221011	88.64	89.78	87.05	88.86	0.63	17276	109448	-308
23-Mar	221011	87	87.66	85.02	87.31	0.65	6,627	57,111	512
23-May	221011	85.54	86.12	83.58	85.82	0.31	3,130	21,401	277
23-Jul	221011	83.48	84.05	81.93	83.92	unch	1624	15,454	442
23-Oct	221011	80.05	80.05	80.05	80.05	0.18	3	1	0
23-Dec	221011	77.52	78	76.5	77.97	0.22	836	21820	-76
Total Volume and Open Interest							30,233	230,101	1,147

Source: MRCI

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