

**Domestic Fundamentals:**

**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.44,940/bale on Friday. ICE cotton futures closed red on Thursday.

**News:** ICE Cotton July 2022 contract has declined by 27.67 percent during the last week. Other contracts also fell up to 18 percent. According to market experts, free fall on Friday was due to sell-off by speculators. According to the Confederation of Indian Textile Industry (CITI), the difference between Indian and ICE cotton is due to a sharp fall in the American market. On 01<sup>st</sup> July 2022, the price difference of MCX June contract and ICE July contract was 47.30 cents per pound. MCX cotton was costlier by 17.26 cents a pound against ICE cotton.

The price of India’s benchmark Shankar-6 cotton variety is currently ruling at ₹88,000-97,000 per candy in the spot market of Gujarat. In north India, the price of cotton is between ₹84,000 to ₹92,000 per candy depending on the quality.

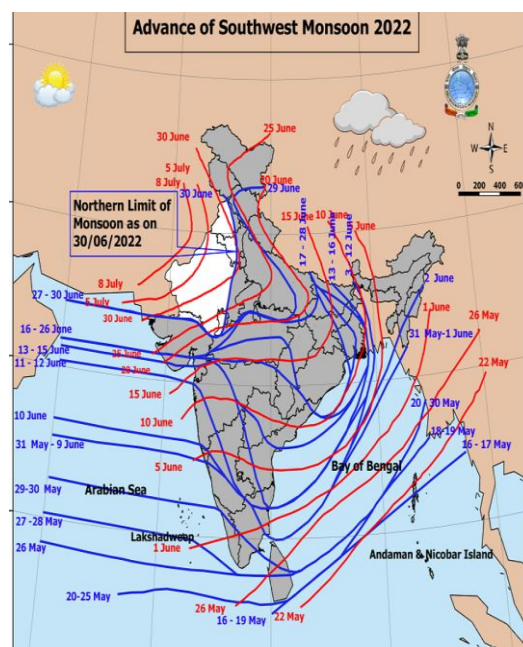
The Committee on Cotton Production and Consumption had estimated the closing stock in the 2021-22 season to be at 41.27 lakh bales, imports are estimated at 15 lakh bales, production at 315.43 lakh bales with opening stock of 71.84 lakh bales. Whereas, textile consumption is estimated at 285 lakh bales.

MCX Cotton market has revised upward today, Cotton MXCTNC1 contract was trading higher at 52410, market has broken a previous high of 50325. RSI has moved upward indicating strong buying strength. MACD indicates bullish Crossover. As per Agriwatch, the market has moved upward in anticipation of the slower progress of monsoon and the uneven rainfall may affect the Cotton sowing in India. Also, there is a slack demand for yarn in the market.

The National Food Security Mission has released its latest sowing report, as per that cotton sowing has reached 64.07 lakh tonnes as on 01<sup>st</sup> July 2022 higher by around 2.34 percent as compared to previous season 61.73 lakh tonnes. Major increase in acreages was from Andhra Pradesh, Gujarat and Maharashtra.

**Weather Forecast:**

Thunderstorm accompanied with lightening & gusty winds is very likely at isolated places over Himachal Pradesh, East Uttar Pradesh, Madhya Pradesh, Vidarbha, Bihar, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Gujarat State, Madhya Maharashtra, Coastal and South Interior Karnataka, and Kerala & Mahe. Heavy rainfall at isolated places over Chhattisgarh, Odisha, Konkan & Goa, East Madhya Pradesh, Vidarbha, Bihar, Assam & Meghalaya, Nagaland, Manipur, Meghalaya & Tripura, Gujarat State, Madhya Maharashtra, Coastal & South Interior Karnataka, Kerala & Mahe.



**International Fundamentals:**

The ICE cotton Futures was lower by 26 points at 103.68 cents/lb. The Cotlook A index was at 139.30 cents/lb. The AWP for cotton was at 116.83 cents/lb.

The area under cotton cultivation in Brazil is estimated to be 15 percent higher at 1.58 million hectares in the 2022 season. With the increase area, production is estimated to reach 2.82 million tonnes. Yield is expected to grow by 3.8 percent at 1,785 kg/ha in the 2022 season.

According to the U.S. Crop progress report, as on 19<sup>th</sup> May 2022, U.S cotton Squaring stands at 33 percent which is higher as that of the previous season (30 percent).

**DOMESTIC PRICES AND ARRIVALS**

**Cotton arrivals have decreased in the market as the season is close towards its end.**

**Cotton Prices at Key Spot Markets:**

Commodity State	Kapas		Prices (Rs./Quintal)		Change
	Centre	Variety	2-Jul-22	1-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	11555	Closed	-
	Rajkot	B.T. Cotton	10925	Closed	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10140	Closed	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10500	10850	<b>-350</b>
	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	12200	12200	<b>Unch</b>
	Jamner	Medium Staple	NA	11500	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10609	11048	-439
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	11350	11000	350
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>2-Jul-22</b>	<b>1-Jul-22</b>	
Punjab	Bhatinda	J-34	9500	9500	Unch
	Abohar	J-34	9500	9500	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8600	8700	-100
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Jul-22	1-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	64	Closed	-
	Rajkot	B.T. Cotton	80	Closed	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	Closed	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	451	510	-60
	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	4000	4000	Unch
	Jamner	Medium Staple	NA	22	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-

Karnataka	Bijapur	Bunny	61	89	-28
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6	5	1
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>2-Jul-22</b>	<b>1-Jul-22</b>	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	2-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1460	1460	Unch
Delhi	New Delhi	Rs. /10 Kg.	1450	1450	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1475	1475	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1465	1465	Unch

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	2-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2856	2852	3
Maharashtra	Akola	Rs./Qtl	2825	2818	7

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

Index	Unit	1-Jul-22	30-Jun-22	Change
CCIndex(328)	RMB/Ton	18384	18369	15
CCIndex(527)	RMB/Ton	17212	17201	11
CCIndex(229)	RMB/Ton	18906	18885	21

RMB -Renminbi, 1RMB =0.16 \$U.S.

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

Index	Unit	1-Jul-22	30-Jun-22	Change
FC Index (S)	Cents/lb	146.1	144.62	1.48
FC Index (M)	Cents/lb	144.56	143.12	1.44

FC Index (L)	Cents/lb	142.94	141.54	<b>1.40</b>
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**Cotlook Index:**

Cotlook Indices	Unit	1-Jul-22	30-Jun-22	Change
A-Index	Cents/Pound	0	0	<b>Unch</b>

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		30-Jun-22	30-Jun-22	Bales
Southeast	cents/lb.	115.64	117.89	<b>0</b>
North Delta	cents/lb.	114.64	116.89	<b>0</b>
South Delta	cents/lb.	114.64	116.89	<b>0</b>
East TX-OK	cents/lb.	107.64	109.89	<b>0</b>
West Texas	cents/lb.	107.64	109.14	<b>792</b>
Desert SW	cents/lb.	105.64	107.89	<b>0</b>
SJ Valley	cents/lb.	106.14	115.04	<b>0</b>

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

**Pakistan Cotton Spot rates: As on 30-Jun-2022**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32Kgs	20200	180	17380
<b>Equivalent</b>	40 Kgs	21648	193	18626

**Daily Futures Price Listing Friday, July 01<sup>th</sup> 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">Jul-22</a>	220701	109.00	109.00	103.68	103.68	-0.26	3	185	-19
<a href="#">Oct-22</a>	220701	106.64	106.79	103.57	105.38	-0.26	102	182	-20
<a href="#">Dec-22</a>	220701	98.84	99.00	94.90	97.48	-1.36	16,329	114,121	-96
<a href="#">Mar-23</a>	220701	95.00	95.00	90.85	93.37	-1.41	4,389	28,817	-78
<a href="#">May-23</a>	220701	92.44	92.44	88.61	90.90	-1.57	2,021	10,216	+114
<a href="#">Jul-23</a>	220701	90.07	90.07	86.15	88.43	-1.64	1,807	9,046	+502
Total Volume and Open Interest							26,239	175,609	+368

Source: MRCI

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