

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.42,740/bale on Friday. ICE cotton futures closed green on Thursday.

News: *Cotton futures rallied back triple digits. The December contract bought above 90 cents/lb, but still has the board 41.91 cents below the contract high. Whereas, Cotton yarn prices further dropped in South India today as weaving and garment industries have slowed down their production in the absence of demand. As per the market, export orders from the US and Europe are fewer, and demand is not likely to improve very soon. Cotton yarn prices have declined by Rs.5-15 per kg in Mumbai and Tiruppur amid weaker demand.*

As of 29th July 2022, Andhra Pradesh cotton sowing has reached 0.60 lakh hectares for the 2022-23 season which is slightly lower as compared to the previous season sowing of 0.39 lakh hectares. Cumulative rainfall as on 29th July has reached 201707 mm lower as compared to the previous season 217034 mm.

As of 06th July 2022, Telangana cotton sowing has reached 31,86,635 acres for the 2022-23 season which is slightly lower as compared to the previous season sowing of 33,94,194 acres. Cumulative rainfall as on 06th July has reached 233.80 mm lower as compared to the previous season 235.40 mm.

Indian Textile producers are witnessing initial signs of a demand slowdown as high energy and food prices have weakened the demand from international market. Due to high inflation in the US, demand has slowed especially for home textile products.

Government of India in a notification has extended exemptions of all custom duty on raw cotton imports till 31st Oct 2022. Extension would benefit the textile industry to get yarn, fabric, garments on relatively lower rates.

As of 04th July 2022, Gujarat cotton sowing has reached 15,56,683 hectares for the 2022-23 season which is slightly lower as compared to the previous season sowing of 16,50,463 hectares.

Indian cotton market looks steady to downward. As mills remains slower in buying due to slow offtake of yarn while limited cotton stock did not allow market to go lower. Weaker rupee is unfavorable for imports, rupee has depreciated to Rs. 79 a dollar.

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 01st 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 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.

Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds is very likely at isolated places over Andaman & Nicobar Islands, and thunderstorm accompanied with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Madhya Pradesh, Vidarbha, Chhattisgarh, West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Meghalaya, Tripura, Coastal Andhra Pradesh & Yanam, Rayalaseema, Coastal Karnataka, and Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places Coastal Karnataka, Madhya Maharashtra, Konkan & Goa, Telangana, Uttarakhand, East Rajasthan, Vidarbha, Chhattisgarh, Gujarat State, Coastal Andhra Pradesh & Yanam, Telangana.

International Fundamentals:

The ICE cotton Futures was higher by 327 points at 91.88 cents/lb. The Cotlook A index was stable at 113.37 cents/lb. The AWP for cotton was at 113.37 cents/lb.

Brazilian cotton planting has increased by nearly 1/3rd for the safrinha (second crop) in Mato Grosso. The Institute for Mato Grosso Economics of Agriculture (IMEA) has forecasted that the Mato Grosso farmers will plant 1.1 million hectares (2.71 million acres) of cotton this spring. The Brazilian Association of Cotton Producers forecast cotton acreage to grow to 1.4 million hectares (3.46 million acres). Mato Grosso accounts for about 88% of Brazil's cotton production.

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.

Bearish trend continued in local Pakistan cotton market. The prices of cotton dropped significantly by Rs. 7,000 per maund, the prices of Phutti dropped by Rs. 3500 per 40kg and the spot rate decreased by Rs. 5300 per maund.

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	8-Jul-22	7-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	11005	11155	-150
	Rajkot	B.T. Cotton	11250	11410	-160
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10000	9800	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	10500	11700	-1200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	10409	10509	-100
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Jul-22	7-Jul-22	
Punjab	Bhatinda	J-34	9000	9000	Unch
	Abohar	J-34	9000	9000	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8300	8300	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Jul-22	7-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	114	255	-141
	Rajkot	B.T. Cotton	30	140	-110
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	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	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	34	99	-65
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Jul-22	7-Jul-22	
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	8-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1390	1390	Unch
Delhi	New Delhi	Rs. /10 Kg.	1395	1395	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1400	1400	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1410	1390	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	8-Jul-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2682	2729	-47
Maharashtra	Akola	Rs./Qtl	2721	2747	-26

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	8-Jul-22	7-Jul-22	Change
CCIndex(328)	RMB/Ton	17703	17720	-17
CCIndex(527)	RMB/Ton	16523	16561	-38
CCIndex(229)	RMB/Ton	18219	18222	-3

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

China Foreign Cotton (FCE) Index :

Index	Unit	8-Jul-22	7-Jul-22	Change
FC Index (S)	Cents/lb	113.37	129.11	-15.74

FC Index (M)	Cents/lb	111.89	127.5	-15.61
FC Index (L)	Cents/lb	110.89	125.91	-15.02

Cotlook Index:

Cotlook Indices	Unit	7-Jul-22	6-Jul-22	Change
A-Index	Cents/Pound	129	134	-5.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		7-Jul-22	7-Jul-22	Bales
Southeast	cents/lb.	109.82	112.07	0
North Delta	cents/lb.	108.82	111.07	0
South Delta	cents/lb.	108.82	111.07	0
East TX-OK	cents/lb.	101.82	104.07	0
West Texas	cents/lb.	101.82	103.32	0
Desert SW	cents/lb.	99.82	102.07	0
SJ Valley	cents/lb.	100.32	109.22	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

Pakistan Cotton Spot rates: As on 07-Jul-2022

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	20200	180	16180
Equivalent	40 Kgs	21648	193	17340

Daily Futures Price Listing Thursday, July 07th 2022

Most Recent Information							Previous Day			
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change	
Jul-22	220707	98.12	98.12	98.12	98.12	+3.43	0	51	-19	
Oct-22	220707	96.54	100.60	96.54	99.82	+3.43	61	114	+2	
Dec-22	220707	88.61	92.40	88.10	91.88	+3.27	19,604	109,924	-1,534	
Mar-23	220707	84.66	88.40	84.22	88.00	+3.32	7,782	29,169	+884	
May-23	220707	82.55	86.34	82.27	85.94	+3.28	2,986	12,252	+580	
Jul-23	220707	80.26	84.29	80.25	83.86	+3.23	2,075	9,020	+333	
Total Volume and Open Interest								33,669	174,319	+711

Source: MRCI

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