

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.41,370/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: *As of 13th July 2022, Telangana Cotton sowing has reached 3848420 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 4444255 acres. Average rainfall for the period from 01.06.2022 to 13.07.2022 has reached 484 mm higher as compared to the previous season of 320.6 mm.*

As of 13th July 2022, Andhra Pradesh Cotton sowing has reached 2.04 lakh hectares for the 2022-23 season which is slightly lower compared to the previous season's sowing of 1.14 lakh hectares. Average rainfall for the period from 01.06.2022 to 13.07.2022 has reached 195 mm higher as compared to the previous season of 155 mm.

As of 12th July 2022, cotton sowing in Rajasthan has reached 613.64 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 582.23 hectares.

As of 11th July 2022, Gujarat cotton sowing has reached 20,52,795 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 18,43,266 hectares.

Indian cotton market remained bearish. As mills remains slower in buying due to slow offtake of yarn while limited cotton stock did not allow market to go lower.

As the domestic cotton season is towards its closure the cotton demand has fallen particularly for yarn, mill consumption has also reduced. Agriwatch expects cotton fiber prices to range between Rs. 84,500 – Rs. 92,500 per candy.

Due to heavy rains in Telangana Kharif crops on over 5 lakh acres are affected. Some major affected crops are cotton, maize, and soybean. The Districts of Adilabad, Nizamabad, Warangal, Jayashankar Bhupalpally, Mahabubabad, and Bhadradri Kothagudem are mainly affected because of heavy rains in the last week, the entire crop got submerged in rainwater. Although, the farmers are demanding to assess of the crop loss across the State and are demanding compensation.

As per the Punjab Agriculture Department, white fly attack was observed in 751 fields across the state. In around 370 fields, the white fly presence had crossed the economic threshold level (ETL), i.e. over 50% of the inspected crop is in danger. In the previous season, Pink bollworm infestation has damaged around 4 lakh acres out of 6.22 lakh acres of total cotton area. The major cotton growing belts in Punjab includes Bathinda, Fazilka, Mansa, Mukatsar, Moga, Barnala, Sangrur and Faridkot. As per the market sources, there is a heavy white fly attack in Bathinda and Mansa and around 50% of the crop is under danger. Lack of rain in Mansa and parts of Bathinda, Fazilka and Muktsar is said to be the cause behind this attack.

Earlier, the white fly attack was observed in the Cotton crop in Muktsar only, although at that time the attack was much below the economic threshold level (ETL) and with good rainfall, the whitefly attack was minimized. According to the Punjab Agriculture Department, about 2.47 lakh hectares of area is under cotton cultivation for the 2022-23 season which is 4,000 hectares less than the area in 2021-22 (2.51 lakh hectares). The sowing of cotton was mainly affected because of the poor availability of irrigation in the 2022-23 season.

Weather Forecast:

Thunderstorm accompanied by lightening & gusty winds is very likely at isolated places over Andaman & Nicobar Islands, and thunderstorm accompanied by lightning at isolated places in Gangetic West Bengal, Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Tripura, Coastal Andhra Pradesh, Tamil Nadu, Pondicherry & Karaikal. Heavy rainfall at isolated places Saurashtra & Kutch, Odisha, Madhya Maharashtra, Gujarat region, Konkan & Goa, South interior Karnataka, Himachal Pradesh, Uttarakhand, East Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Andaman & Nicobar Islands, Telangana, Coastal Karnataka, North interior Karnataka, Tamil Nadu, Pondicherry & Karaikal, Telangana.

International Fundamentals:

The ICE cotton Futures was lower by 303 points at 98.00 cents/lb. The Cotlook A index was stable at 132.20 cents/lb. The AWP for cotton was 113.37 cents/lb.

According to the USDA Cotton estimate for the 2021-22 season, Global cotton production is lowered by 725,000 bales due primarily to a decline in Brazil. Global use is estimated lower by 1.9 million bales, and ending stocks are up over 1.0 million bales. Further, Global trade is down with a 1.3-million-bale drop in imports and 1.2-million-bale drop in exports. Notable decreases in imports were seen from Bangladesh, China, India, and Vietnam. Also, exports are down from Australia, India, Mali, and the United States. Overall Global Cotton production is estimated at 121.27 million bales in the 2021-22 season, Imports are estimated at 43.32 million bales, and domestic use at 119.79 million bales. Further global exports for the 2021-22 season are estimated at 43.93 million bales resulting in an ending stock of 84.04 million bales. Stock to use ration for the 2021-22 season is estimated at 51.38 percent.

According to the USDA Cotton estimate for the 2022-23 season, Global production is lowered by 1.2 million bales to just over 120 million bales with a marked decline in the U.S. crop and a slight decline for Brazil. Global use is down 1.6 million bales due primarily to declines in Bangladesh, China, India, and Vietnam, and ending stocks are increased by 1.5 million bales. Global trade is down, with imports and exports decreasing by 1.1 million bales each. The U.S. balance sheet shows lower production, exports, and ending stocks. Abandonment in Texas is expected to surge. The projected U.S. season-average farm price is unchanged at 95 cents per pound.

According to the U.S. Crop progress report, as of 10th July 2022, U.S cotton Squaring stands at 57 percent which is higher than that of the previous season (53 percent). In the previous week cotton squaring was 44 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 34 percent in good to a fair condition which was 33 percent in the previous week.

DOMESTIC PRICES AND ARRIVALS

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

Cotton Prices at Key Spot Markets:

Commodity		Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Jul-22	13-Jul-22		
Gujarat	Ahmedabad	Shankar-6	NA	NA	-	
	Gondal	Shankar-6	10705	Closed	-	
	Rajkot	B.T. Cotton	11150	11125	25	
	Patan	B.T. Cotton	NA	NA	-	
	Kadi	B.T. Cotton	NA	NA	-	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	NA	10340	-	
Haryana	Bhiwani	B.T. Cotton	NA	NA	-	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	9700	10000	-300	
	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	10200	10000	200	
	Jamner	Medium Staple	9000	10500	-1500	
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-	
	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	NA	NA	-	
Karnataka	Bijapur	Bunny	9402	9902	-500	
	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	14-Jul-22	13-Jul-22		
Punjab	Bhatinda	J-34	8900	9000	-100	
	Abohar	J-34	8900	9000	-100	
	Mansa	J-34	NA	NA	-	
Haryana	Sirsa	J-34	8100	8200	-100	
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-	

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Jul-22	13-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	29	Closed	-
	Rajkot	B.T. Cotton	15	20	-5
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	2	-
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	40	24	16
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	140	70	70
	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	14-Jul-22	13-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	14-Jul-22	13-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1450	1465	-15
Delhi	New Delhi	Rs. /10 Kg.	1435	1455	-20
Telangana	Hyderabad	Rs. /10 Kg.	1455	1475	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1450	1455	-5

Cotton Seed Oil Seed Cake Prices:

Commodity State	Cotton Seed Oil Seed Cake		Price		Change
	Centre	Unit	14-Jul-22	13-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2715	2717	-1
Maharashtra	Akola	Rs./Qtl	2741	2747	-6

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	14-Jul-22	13-Jul-22	Change
CCIndex(328)	RMB/Ton	16601	17408	-807
CCIndex(527)	RMB/Ton	15554	16241	-687
CCIndex(229)	RMB/Ton	17236	17931	-695

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

China Foreign Cotton (FCE) Index :

Index	Unit	14-Jul-22	13-Jul-22	Change
FC Index (S)	Cents/lb	109.27	112.37	-3.10
FC Index (M)	Cents/lb	107.79	110.89	-3.10
FC Index (L)	Cents/lb	106.79	109.89	-3.10

Cotlook Index:

Cotlook Indices	Unit	13-Jul-22	12-Jul-22	Change
A-Index	Cents/Pound	129.75	135.55	-5.80

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		13-Jul-22	13-Jul-22	Bales
Southeast	cents/lb.	105.41	107.66	0
North Delta	cents/lb.	104.41	106.66	0
South Delta	cents/lb.	104.41	106.66	0
East TX-OK	cents/lb.	97.41	99.66	0
West Texas	cents/lb.	97.41	98.91	0
Desert SW	cents/lb.	95.41	97.66	0
SJ Valley	cents/lb.	95.91	104.81	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 13-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 Wednesday, July 13 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220713	98.00	98.00	94.26	95.41	-3.03	9	120	-1
Dec-22	220713	90.18	90.67	86.20	87.71	-3.13	11,282	105,930	+367
Mar-22	220713	85.75	86.60	82.46	83.83	-2.85	2,898	31,182	-140
May-23	220713	84.04	84.59	80.70	81.86	-2.74	1,982	13,796	+1,021
Jul-23	220713	82.00	82.50	78.78	79.78	-2.72	564	8,773	-116
Oct-23	220713	74.90	74.90	74.90	74.90	-2.50			
Total Volume and Open Interest							17,106	174,728	+1,357

Source: MRCI

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