

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.42,090/bale on Tuesday. ICE cotton futures closed red on Monday.

News: *As of 20th July 2022, Andhra Pradesh Cotton sowing has reached 3.11 lakh hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 2.40 lakh hectares. Average rainfall for the period from 01.06.2022 to 20.07.2022 has reached 222 mm higher as compared to the previous season of 192 mm.*

As of 20th July 2022, Telangana Cotton sowing has reached 4261799 acres for the 2022-23 season which is slightly lower compared to the previous season's sowing of 4854975 acres. Average rainfall for the period from 01.06.2022 to 20.07.2022 has reached 569.9 mm higher as compared to the previous season of 405.1 mm

As of 18th July 2022, Gujarat Cotton sowing has reached 23,11,800 hectares for the 2022-23 season which is higher compared to the previous season's sowing of 20,91,596 hectares.

As of 19th July 2022, Rajasthan Cotton sowing has reached 627.98 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 591.51 hectares. Average rainfall for the period from 01.06.2022 to 19.07.2022 has reached 233.23 mm higher as compared to the previous season of 111.29 mm.

Indian cotton market remained stable due to short supply. Sluggish buying activity from mills due to slow offtake of yarn attributed to the decline in prices. On the other hand, limited cotton stock restricting the price fall to some extent. Indian cotton sowing has now crossed 102 lakh hectares. Good rains have been reported in whole cotton belt. Agriwatch expects cotton fiber prices to range between Rs. 84,500 – Rs. 92,500 per candy.

Heavy rains in Central and South Gujarat have resulted in damage to the Kharif crop on over 50,000 hectares. As per the market sources, stagnation of water in the fields has resulted in complete damage to the cotton crop in some areas. Yield is further expected to fall.

With the progress of the monsoon over the southern, central, and western regions Kharif sowing has increased in the country for the 2022-23 season. According to the data released by Agriculture Ministry, Cotton sowing has been reported at 102.79 lakh hectares which were 96.58 lakh hectares in the previous 2021-22 season as of 15th July 2022.

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.

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.

Weather Forecast:

Heavy rainfall at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh, Delhi, Rajasthan, Sub Himalayana, West Bengal, Sikkim, Assam & Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Tamil Nadu, Pondicherry, Karikal, South Interior Karnataka, Telanagna. Thunderstorm accompanied with lightning very likely over Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, West Bengal, Sikkim, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Tamil Nadu, Pondicherry, Karikal, Kerala & Mahe.

International Fundamentals:

The ICE cotton Futures was lower by 191 points at 97.52 cents/lb. The Cotlook A index was stable at 128.3 cents/lb. The AWP for cotton was 103.96 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 17th July 2022, U.S cotton Squaring stands at 74 percent which is higher than that of the previous season (67 percent). In the previous week cotton squaring was 57 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 35 percent in good to a fair condition which was 34 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	26-Jul-22	25-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	8705	10005	-1300
	Rajkot	B.T. Cotton	10680	9500	1180
	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	9500	-
	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	0	0	Unch
	Rawatsar	B.T. Cotton	0	0	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	10400	10500	-100
	Jamner	Medium Staple	NA	9000	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	9099	-
	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	26-Jul-22	25-Jul-22	
Punjab	Bhatinda	J-34	8900	8800	100
	Abohar	J-34	8900	8800	100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	8200	8200	Unch

Rajasthan	Sri-Ganganagar	J-34	0	0	Unch
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Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Jul-22	25-Jul-22	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	31	108	-77
	Rajkot	B.T. Cotton	90	10	80
	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	0	0	Unch
	Rawatsar	B.T. Cotton	0	0	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4000	4000	Unch
	Jamner	Medium Staple	NA	40	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	377	-
	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	26-Jul-22	25-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	0	0	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	26-Jul-22	
Gujarat	Rajkot	Rs. /10 Kg.	1470	1470	Unch
Delhi	New Delhi	Rs. /10 Kg.	1425	1425	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1450	1450	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1460	1455	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	26-Jul-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2867	2765	103
Maharashtra	Akola	Rs./Qtl	2839	2814	26

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	26-Jul-22	25-Jul-22	Change
CCIndex(328)	RMB/Ton	15865	15842	23
CCIndex(527)	RMB/Ton	14685	14677	8
CCIndex(229)	RMB/Ton	16243	16228	15

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

China Foreign Cotton (FCE) Index :

Index	Unit	26-Jul-22	25-Jul-22	Change
FC Index (S)	Cents/lb	112.67	112.47	0.20
FC Index (M)	Cents/lb	111.43	111.23	0.20
FC Index (L)	Cents/lb	110.19	109.99	0.20

Cotlook Index:

Cotlook Indices	Unit	25-Jul-22	24-Jul-22	Change
A-Index	Cents/Pound	127.2	#N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-Jul-22	25-Jul-22	Bales
Southeast	cents/lb.	107.52	109.77	0
North Delta	cents/lb.	106.52	108.77	0
South Delta	cents/lb.	106.52	108.77	0

East TX-OK	cents/lb.	99.52	101.77	0
West Texas	cents/lb.	99.52	101.02	0
Desert SW	cents/lb.	97.52	99.77	0
SJ Valley	cents/lb.	98.02	106.92	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 25-Jul-2022				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32Kgs	18000	180	18180
Equivalent	40 Kgs	19291	193	19484

Daily Futures Price Listing Monday, July 25 th , 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Oct-22	220725	98.94	98.99	97.32	97.52	-1.91	80	151	+28
Dec-22	220725	90.91	92.15	89.50	91.06	+0.17	9,295	106,972	+446
Mar-22	220725	87.65	88.32	85.97	87.36	+0.06	2,703	33,689	+274
May-23	220725	85.10	86.63	84.36	85.76	+0.16	1,024	14,986	+175
Jul-23	220725	83.20	84.72	82.56	83.96	+0.23	922	8,288	+386
Oct-23	220725	78.39	78.39	78.39	78.39	+0.01			
Total Volume and Open Interest							14,686	181,647	+1,528

Source: MRCI

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