

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,510/bale on Thursday. ICE cotton futures closed red on Wednesday.

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.

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

Weather Forecast:

Heavy rainfall at isolated places over Coastal Andhra Pradesh, Yanam, Telangana, South Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Chhattisgarh, Jharkhand, West Bengal & Sikkim, Odisha, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram, Tripura, Madhya Maharashtra, Konkan & Goa, Coastal Andhra Pradesh, Yanam, Telangana, Rayalaseema, Interior Karnataka, 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 12.10.22	13 th Oct'22
Punjab	22000	1000
Haryana	165000	6000
Lower Rajasthan	90000	5000
Ganga line	110000	8000
Net Total	387000	20000

Cotton Price (Rs./Quintal) as. of 13 th Oct'22	
	Ready Delivery
Punjab	6820-6850
Haryana	6750-6850
Ganga line	6880-6900

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Oct-22	12-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8750	9125	-375
	Gondal	Shankar-6	8905	9205	-300
	Rajkot	B.T. Cotton	8600	8800	-200
	Patan	B.T. Cotton	8885	9145	-260
	Kadi	B.T. Cotton	8750	NA	-
	Deesa	B.T. Cotton	1500	1518	-18
	Dhrol	B.T. Cotton	8910	9055	-145
Haryana	Bhiwani	B.T. Cotton	8500	8700	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8800	8950	-150
	Fatehabad	B.T. Cotton	8650	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	8500	8800	-300
	Rawatsar	B.T. Cotton	8550	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	7800	7700	100
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9922	9911	11
Karnataka	Bijapur	Bunny	NA	9715	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9600	9750	-150
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Oct-22	12-Oct-22	
Punjab	Bhatinda	J-34	6850	7150	-300
	Abohar	J-34	6725	7150	-425
	Mansa	J-34	6700	7100	-400
Haryana	Sirsa	J-34	6800	7100	-300
Rajasthan	Sri-Ganganagar	J-34	6768	6721	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Oct-22	12-Oct-22	
Gujarat	Ahmedabad	Shankar-6	34000	20400	13600

	Gondal	Shankar-6	8400	8600	-200
	Rajkot	B.T. Cotton	4400	4000	400
	Patan	B.T. Cotton	5308	5035	273
	Kadi	B.T. Cotton	15000	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	381	448	-67
Haryana	Bhiwani	B.T. Cotton	1800	1500	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1190	170
	Fatehabad	B.T. Cotton	250	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4000	NA	-
	Rawatsar	B.T. Cotton	4000	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	300	250	50
	Hathras	Desi	50	30	20
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	7195	7085	110
Karnataka	Bijapur	Bunny	NA	1931	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	18	24	-6
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	13-Oct-22	12-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	510	-170
	Mansa	J-34	170	255	-85
Haryana	Sirsa	J-34	850	510	340
Rajasthan	Sri-Ganganagar	J-34	3000	2500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	13-Oct-22	12-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1320	1330	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1340	1350	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1360	1370	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	13-Oct-22	12-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2398	2411	-13

Maharashtra	Akola	Rs./Qtl	2696	2695	1
-------------	-------	---------	------	------	---

INTERNATIONAL PRICES AND INDICES**China 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
				12-Oct-22	11-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52400	52400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53100	53100	Unch
J-34(202)	26mm	3.5 - 4.9	23	66700	67400	-700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	70600	71500	-900
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 Wednesday, Oct 12th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221012	88.49	88.76	84.86	84.92	-3.94	16061	109861	413
23-Mar	221012	86.7	87.17	83.31	83.47	-3.84	7,069	57,949	838
23-May	221012	85.2	85.34	82.1	82.32	-3.50	3,150	21,310	-91
23-Jul	221012	83.32	83.32	80.48	80.67	-3.25	2433	15,773	319
23-Oct	221012	77.74	77.74	77.74	77.74	-2.31	0	1	0
23-Dec	221012	77.49	77.83	75.5	75.99	-1.98	917	21904	84
Total Volume and Open Interest							29,707	231,651	1,550

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.