

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,300/bale on Friday. ICE cotton futures closed red on Thursday.

News: Indian Cotton Association Limited (ICAL), has revised its cotton production estimates downwards to 51 lakh bales for northern India during the 2022-23 season. The slower growth of the cotton plant is expected to lead to lower productivity. Lower Rajasthan and lower Haryana continue to get rainfall during the last lap of the current monsoon season, the impact of which is yet to be ascertained. If the crop gets affected by the disruption in weather, the output may decline further. Earlier, ICAL had estimated that cotton production may increase by 23.40 per cent to 58.30 lakh bales.

Area and Production Estimate of Northern and NW India States by ICAL:

States	North Indian Area & Production			
	GoI	ICAL		AgriWatch
	Area (lakh hectares)	Production (lakh bales)		Production (lakh bales)
	2022-23	2022-23 (Previous estimate)	2022-23 (Current estimate)	2022-23
Punjab	2.48	6.89	6.89	6.30
Haryana	6.50	19.36	15.26	18.63
Rajasthan	6.52	32.05	28.85	27.27
Total	15.5	58.30	51.00	52.20

Source: ICAL; Agriwatch

As per Andhra Pradesh agricultural department, as on 12th October 2022 Cotton sowing activity completed around 6.65 lakh hectares as compared to last year same period 5.22 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 695.1 mm as against the Normal as on date of 668.5 mm showing by Normal 4.0 percent.

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 ration is likely to remain lower than last year (last year itself the stock to use ratio was lower).

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

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 13th Oct'22	14th Oct'22
Punjab	23000	1000
Haryana	171000	6000
Lower Rajasthan	95000	5000
Ganga line	118000	8000
Net Total	407000	20000

Cotton Price (Rs./Quintal) as. of 14th Oct'22	
	Ready Delivery
Punjab	6730-6750
Haryana	6700-6780
Ganga line	6780-6800

Weather Forecast:

Heavy rainfall at isolated places over Andaman & Nicobar Islands, Telangana, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Vidarbha, Chhattisgarh, Jharkhand, West Bengal & Sikkim, Odisha, Coastal Andhra Pradesh, Yanam, Telangana, Rayalaseema, Karnataka, Kerala & Mahe.

International Cotton Fundamentals:

The ICE cotton Futures was lower by 43 points at 84.49 cents/lb. The Cotlook A index was higher at 106.65 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.

According to USDA, WASDE Report, the U.S. cotton supply, and demand were projected slightly lower exports and higher ending stocks compared with last month. World trade has been projected lower, the export forecast is 100,000 bales lower at 12.5 million bales, while ending stocks are 100,000 bales higher.

In the 2022-23 world balance sheet, consumption is 3.0 million bales lower and ending stocks are 3.1 million bales higher. World trade is projected nearly 1 million bales lower than it was in September, with declines in imports by China, Pakistan, Mexico, Turkey, and Vietnam. Exports are estimated lower for Australia, Brazil, India, Benin, Cote d'Ivoire, Greece, and Mexico, as well as the United States. World production in 2022-23 is projected nearly 400,000 bales lower than it was a month ago, largely reflecting lower crops in Pakistan and Benin.

Cotton Yarn

The Unseasonal rains and buyers' interest have pushed cotton yarn prices higher by Rs.2-10 per kg for various varieties in South India's Mumbai and Tiruppur markets yesterday. Cotton yarn prices in the Mumbai market witnessed a recovery of Rs.2-10 per kg. The recent rise in cotton prices and the fear of possible hike encouraged buyers to come back to the market. As the buyers came back to the market, prices gained up to Rs.10 per kg. However, their buying interest in the coming days will decide the direction of the market.

Sentiments remained weak in north India's cotton yarn market as combed yarn prices witnessed another fall of Rs. 5-10 per kg in the Ludhiana market. But carded yarn gained Rs.10 per kg to maintain the average spread with combed yarn. Cotton yarn remained stable in Delhi and Panipat

Cotton combed yarn prices in Ludhiana declined due to a fall in the natural fiber and muted demand, while the prices of cotton carded yarn gained as the spread with combed yarn came down to its normal level of Rs. 25 per kg. Cotton yarn prices remained under pressure as importers are buying cotton apparel from China due to lower prices.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Oct-22	13-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8625	8750	-125
	Gondal	Shankar-6	8760	8905	-145
	Rajkot	B.T. Cotton	8400	8600	-200
	Patan	B.T. Cotton	8825	8885	-60
	Kadi	B.T. Cotton	8500	8750	-250
	Deesa	B.T. Cotton	1583	1500	83
	Dhrol	B.T. Cotton	8475	8910	-435
Haryana	Bhiwani	B.T. Cotton	NR	8500	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8700	8800	-100
	Fatehabad	B.T. Cotton	8650	8650	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	8500	8500	Unch
	Rawatsar	B.T. Cotton	8700	8550	150
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	7800	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9799	9922	-123
Karnataka	Bijapur	Bunny	NA	9721	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9600	9600	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	14-Oct-22	13-Oct-22	
Punjab	Bhatinda	J-34	6750	6850	-100
	Abohar	J-34	6775	6725	50
	Mansa	J-34	6750	6700	50
Haryana	Sirsa	J-34	6750	6800	-50
Rajasthan	Sri-Ganganagar	J-34	6392	6768	-376

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Oct-22	13-Oct-22	
Gujarat	Ahmedabad	Shankar-6	17000	34000	-17000
	Gondal	Shankar-6	8250	8400	-150

	Rajkot	B.T. Cotton	4400	4400	Unch
	Patan	B.T. Cotton	6275	5308	967
	Kadi	B.T. Cotton	12500	15000	-2500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	465	381	84
Haryana	Bhiwani	B.T. Cotton	NR	1800	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	1360	-170
	Fatehabad	B.T. Cotton	100	250	-150
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000
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	300	Unch
	Hathras	Desi	50	50	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8582	7195	1387
Karnataka	Bijapur	Bunny	NA	2837	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	220	18	202
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Oct-22	13-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	340	170	170
Haryana	Sirsa	J-34	340	850	-510
Rajasthan	Sri-Ganganagar	J-34	2500	3000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	14-Oct-22	13-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1265	1320	-55
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1290	1340	-50
Maharashtra	Mumbai	Rs. /10 Kg.	1350	1360	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	14-Oct-22	13-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2395	2398	-3
Maharashtra	Akola	Rs./Qtl	2697	2696	1



INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	14-Oct-22	13-Oct-22	Change
CCIndex(328)	RMB/Ton	15986	15966	20
CCIndex(527)	RMB/Ton	14208	14203	5
CCIndex(229)	RMB/Ton	16255	16238	17
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	14-Oct-22	13-Oct-22	Change
FC Index (S)	Cents/lb	NA	105.78	-
FC Index (M)	Cents/lb	NA	104.12	-
FC Index (L)	Cents/lb	NA	102.78	-

Cotlook Index:

Cotlook Indices	Unit	13-Oct-22	11-Oct-22	Change
A-Index	Cents/Pound	0	106.15	-106.15

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		13-Oct-22	13-Oct-22	Bales
Southeast	cents/lb.	88.79	91.04	0
North Delta	cents/lb.	87.79	90.04	0
South Delta	cents/lb.	87.79	90.04	0
East TX-OK	cents/lb.	85.29	87.79	0
West Texas	cents/lb.	83.79	85.29	0
Desert SW	cents/lb.	82.79	85.04	0
SJ Valley	cents/lb.	83.29	92.19	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
				13-Oct-22	12-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	51400	52400	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52100	53100	-1000
J-34(202)	26mm	3.5 - 4.9	23	65200	66700	-1500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	69100	70600	-1500
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 Thursday, Oct 13th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221013	84.92	85.58	82	84.79	-0.13	19677	107618	-2243
23-Mar	221013	83.2	84.13	80.57	83.49	0.02	9,861	60,328	2379
23-May	221013	82	82.72	79.47	82.34	0.02	3,950	21,440	130
23-Jul	221013	80.59	81.13	78	80.83	0.16	2018	15,985	212
23-Oct	221013	78.23	78.23	78.23	78.23	0.49	0	1	0
23-Dec	221013	75.99	76.62	74.13	76.21	0.22	590	21992	88
Total Volume and Open Interest							36,313	232,212	561

Source: MRCI

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