

## Domestic Fundamentals:

### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,280/bale on Saturday. ICE cotton futures closed red on Friday.

**News:** Cotton Association of India has reduced its September estimate of the cotton crop for the 2021-22 season by 8.27 lakh bales to 307.05 lakh bales from its previous estimate of 315.32 lakh bales. The Association has attributed the reduction in crop estimate to the drop in production in states including Punjab, Gujarat, Lower Rajasthan, Maharashtra, Andhra Pradesh and Tamil Nadu. Agriwatch has estimated cotton production during 2021-22 season at 315.60 lakh bales.

The total cotton supply between October 2021 to September 2022 remained at 392.89 lakh bales, which is lower by 9.27 lakh bales compared to 402.16 lakh bales estimated previously, imports are estimated at 14 lakh bales that is lower by 1 lakh bales as estimated earlier. Further, the CAI has estimated cotton consumption at 318 lakh bales while export shipment of cotton during the months of October to September 2022 is estimated at 43 lakh bales. Stock at the end of September 2022 is estimated at 31.89 lakh bales.

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.

Cotton Balance Sheet 2021-22	(Lakh bales)
Opening Stock	71.84
Production	307.05
Imports	14
Total Supply	392.89
Mill Consumption	293
Consumption by SSI Units	19
Non- Mill Consumption	6
Total Domestic Demand	318
Available Surplus	74.89
Exports	43
Closing Stock	31.89

### **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

<b>Rajasthan</b>	6.52	32.05	28.85	27.27
<b>Total</b>	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.

### Northern New Cotton Crop:

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

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

### Weather Forecast:

Heavy rainfall at isolated places over Andaman & Nicobar Islands, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Chhattisgarh, Madhya Maharashtra, Marathwada, Konkan & Goa, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe.

### International Cotton Fundamentals:

The ICE cotton Futures was lower by 164 points at 83.15 cents/lb. The Cotlook A index was higher at 106.65 cents/lb. The AWP for cotton was 77.45 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	15-Oct-22	14-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8625	8625	Unch
	Gondal	Shankar-6	8880	8760	120
	Rajkot	B.T. Cotton	8400	8400	Unch
	Patan	B.T. Cotton	8740	8825	-85
	Kadi	B.T. Cotton	8600	8500	100
	Deesa	B.T. Cotton	1550	1583	-33
	Dhrol	B.T. Cotton	8465	8475	-10
Haryana	Bhiwani	B.T. Cotton	8700	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8700	8700	Unch
	Fatehabad	B.T. Cotton	8615	8650	-35
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	8600	8500	100
	Rawatsar	B.T. Cotton	8700	8700	Unch
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	9450	9799	-349
Karnataka	Bijapur	Bunny	9329	9916	-587
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9000	9600	-600
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Oct-22	14-Oct-22	
Punjab	Bhatinda	J-34	6800	6750	50
	Abohar	J-34	6800	6775	25
	Mansa	J-34	6750	6750	Unch
Haryana	Sirsa	J-34	6750	6750	Unch
Rajasthan	Sri-Ganganagar	J-34	6439	6392	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Oct-22	14-Oct-22	
Gujarat	Ahmedabad	Shankar-6	17000	17000	Unch

	Gondal	Shankar-6	8250	8250	Unch
	Rajkot	B.T. Cotton	4400	4400	Unch
	Patan	B.T. Cotton	7160	6275	885
	Kadi	B.T. Cotton	20000	12500	7500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	481	465	16
Haryana	Bhiwani	B.T. Cotton	2000	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1105	1190	-85
	Fatehabad	B.T. Cotton	150	100	50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
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	9390	8582	808
Karnataka	Bijapur	Bunny	3523	1885	1638
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	18	22	-4
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Oct-22	14-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	340	170
	Mansa	J-34	213	340	-128
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	2500	2500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Oct-22	14-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1265	1265	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1290	1290	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1350	1350	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Oct-22	14-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2392	2395	-3

Maharashtra	Akola	Rs./Qtl	2698	2697	1
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**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	105.59	105.78	-0.19
FC Index (M)	Cents/lb	103.95	104.12	-0.17
FC Index (L)	Cents/lb	102.61	102.78	-0.17

**Cotlook Index:**

Cotlook Indices	Unit	14-Oct-22	13-Oct-22	Change
A-Index	Cents/Pound	102.6	102.65	-0.05

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		14-Oct-22	14-Oct-22	Bales
Southeast	cents/lb.	NA	NA	NA
North Delta	cents/lb.	NA	NA	NA
South Delta	cents/lb.	NA	NA	NA
East TX-OK	cents/lb.	NA	NA	NA
West Texas	cents/lb.	NA	NA	NA
Desert SW	cents/lb.	NA	NA	NA
SJ Valley	cents/lb.	NA	NA	NA

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
				14-Oct-22	13-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	51400	51400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	52100	52100	Unch
J-34(202)	26mm	3.5 - 4.9	23	64200	65200	-1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	68600	69100	-500
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 Friday, Oct 16th 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221014	84.79	85.86	83	83.15	-1.64	21059	106124	-1494
<a href="#">23-Mar</a>	221014	82.81	84.38	81.8	81.99	-1.50	9,816	61,647	1319
<a href="#">23-May</a>	221014	81.63	83.27	80.76	81.08	-1.26	3,135	21,450	10
<a href="#">23-Jul</a>	221014	80.12	81.69	79.31	79.85	-0.98	2893	16,163	178
<a href="#">23-Oct</a>	221014	77.43	77.43	77.43	77.43	-0.80	0	1	0
<a href="#">23-Dec</a>	221014	75.75	76.5	75.16	75.65	-0.56	437	22050	58
Total Volume and Open Interest							37,471	232,292	80

Source: MRCI

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