

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,550/bale on Monday. 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 |

| | | | | |
|------------------|------|-------|-------|-------|
| Rajasthan | 6.52 | 32.05 | 28.85 | 27.27 |
| Total | 15.5 | 58.30 | 51.00 | 52.20 |

Source: ICAL; Agriwatch

Northern New Cotton Crop:

| Cotton Arrivals (Quintals) | | |
|-----------------------------------|--------------------------------------|-------------------------------|
| | Total Arrivals up to 16.10.22 | 17th Oct'22 |
| Punjab | 26000 | 1000 |
| Haryana | 190000 | 5000 |
| Lower Rajasthan | 105000 | 5000 |
| Ganga line | 140000 | 7000 |
| Net Total | 461000 | 18000 |

| Cotton Price (Rs./Quintal) as. of 17.10.22 | |
|---|-----------------------|
| | Ready Delivery |
| Punjab | 6850-6900 |
| Haryana | 6850-6950 |
| Ganga line | 6980-7000 |

Weather Forecast:

Heavy rainfall at isolated places over Andaman & Nicobar Islands, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe, Lakshadweep. Thunderstorms accompanied by lightning at isolated places over Jharkhand, Chhattisgarh, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh, Yanam, Rayalaseema, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Lakshadweep, 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 ARRIVALS

Cotton Prices at Key Spot Markets:

| Cotton Prices at Key Spot Markets: | | | | | |
|------------------------------------|-----------|-------------|----------------------|-----------|--------|
| Commodity | Kapas | | Prices (Rs./Quintal) | | Change |
| State | Centre | Variety | 17-Oct-22 | 15-Oct-22 | |
| Gujarat | Ahmedabad | Shankar-6 | 8625 | 8625 | Unch |
| | Gondal | Shankar-6 | 8930 | 8880 | 50 |
| | Rajkot | B.T. Cotton | 8400 | 8400 | Unch |
| | Patan | B.T. Cotton | 8805 | 8740 | 65 |
| | Kadi | B.T. Cotton | 9000 | 8600 | 400 |
| | Deesa | B.T. Cotton | 1626 | 1550 | 76 |
| | Dhrol | B.T. Cotton | 8750 | 8465 | 285 |
| Haryana | Bhiwani | B.T. Cotton | 8900 | 8700 | 200 |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | NR | 8700 | - |
| | Fatehabad | B.T. Cotton | 8875 | 8615 | 260 |
| | Jind | B.T. Cotton | NA | NA | - |

| | | | | | |
|----------------|----------------|---------------|--------------------|-----------|--------|
| Rajasthan | Uchana | B.T. Cotton | NA | NA | - |
| | Dabwali | B.T. Cotton | NA | NA | - |
| | Hanumangarh | B.T. Cotton | 8900 | 8600 | 300 |
| | Rawatsar | B.T. Cotton | 9000 | 8700 | 300 |
| Madhya Pradesh | Khandwa | Mech-1 | Closed | Closed | - |
| | Khargaon | Mech-1 | Closed | NA | - |
| Maharashtra | Amravati | Mech-1 | 8000 | NA | - |
| | Jamner | Medium Staple | NA | NA | - |
| Uttar Pradesh | Hathras | B.T. Cotton | 7500 | 7800 | -300 |
| | Hathras | Desi | 7200 | 7500 | -300 |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| Andhra Pradesh | Adoni | Un-Ginned | 9399 | 9450 | -51 |
| Karnataka | Bijapur | Bunny | NA | 9329 | - |
| | Hubli | D.C.H. | NA | NA | - |
| | Hubli | B.T. Cotton | NA | NA | - |
| | Raichur | H-44 Cotton | 9300 | 9000 | 300 |
| Commodity | Lint | | Prices (Rs./Maund) | | Change |
| State | Centre | Variety | 17-Oct-22 | 15-Oct-22 | |
| Punjab | Bhatinda | J-34 | 6900 | 6800 | 100 |
| | Abohar | J-34 | 6900 | 6800 | 100 |
| | Mansa | J-34 | 6850 | 6750 | 100 |
| Haryana | Sirsa | J-34 | 6900 | 6750 | 150 |
| Rajasthan | Sri-Ganganagar | J-34 | 6439 | 6439 | Unch |

Cotton Arrivals in Key Centers:

| Commodity | Kapas | | Arrivals (Quintal) | | Change |
|----------------|-------------|---------------|--------------------|-----------|--------|
| State | Centre | Variety | 17-Oct-22 | 15-Oct-22 | |
| Gujarat | Ahmedabad | Shankar-6 | 17000 | 17000 | Unch |
| | Gondal | Shankar-6 | 8260 | 8250 | 10 |
| | Rajkot | B.T. Cotton | 4400 | 4400 | Unch |
| | Patan | B.T. Cotton | 13875 | 7160 | 6715 |
| | Kadi | B.T. Cotton | 5000 | 20000 | -15000 |
| | Deesa | B.T. Cotton | NA | NA | - |
| | Dhrol | B.T. Cotton | 555 | 481 | 74 |
| Haryana | Bhiwani | B.T. Cotton | 2500 | 2000 | 500 |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | NR | 1105 | - |
| | Fatehabad | B.T. Cotton | 200 | 150 | 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 | Closed | Closed | - |
| | Khargaon | Mech-1 | Closed | NA | - |
| Maharashtra | Amravati | Mech-1 | 200 | NA | - |
| | Jamner | Medium Staple | NA | NA | - |

| | | | | | |
|----------------|----------------|-------------|--------------------|-----------|--------|
| Uttar Pradesh | Hathras | B.T. Cotton | 250 | 300 | -50 |
| | Hathras | Desi | 60 | 50 | 10 |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| Andhra Pradesh | Adoni | Un-Ginned | 4561 | 9390 | -4829 |
| Karnataka | Bijapur | Bunny | NA | 3523 | - |
| | Hubli | D.C.H. | NA | NA | - |
| | Hubli | B.T. Cotton | NA | NA | - |
| | Raichur | H-44 Cotton | 20 | 18 | 2 |
| Commodity | Lint | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 17-Oct-22 | 15-Oct-22 | |
| Punjab | Bhatinda | J-34 | NA | 0 | - |
| | Abohar | J-34 | 510 | 510 | Unch |
| | Mansa | J-34 | 170 | 213 | -43 |
| Haryana | Sirsa | J-34 | 680 | 340 | 340 |
| Rajasthan | Sri-Ganganagar | J-34 | 2500 | 2500 | Unch |

Cotton Seed Oil Prices:

| | | | | | |
|-------------|-----------------|-------------|-----------|-----------|--------|
| Commodity | Cotton Seed Oil | | Price | | Change |
| State | Centre | Unit | 17-Oct-22 | 15-Oct-22 | |
| Gujarat | Rajkot | Rs. /10 Kg. | 1295 | 1265 | 30 |
| Delhi | New Delhi | Rs. /10 Kg. | NR | NR | - |
| Telangana | Hyderabad | Rs. /10 Kg. | 1320 | 1290 | 30 |
| Maharashtra | Mumbai | Rs. /10 Kg. | 1370 | 1350 | 20 |

Cotton Seed Oil Seed Cake Prices:

| | | | | | |
|-------------|---------------------------|---------|-----------|-----------|--------|
| Commodity | Cotton Seed Oil Seed Cake | | Price | | Change |
| State | Centre | Unit | 17-Oct-22 | 15-Oct-22 | |
| Gujarat | Mahesana (Kadi) | Rs./Qtl | 2385 | 2392 | -7 |
| Maharashtra | Akola | Rs./Qtl | 2695 | 2698 | -3 |

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

| Index | Unit | 17-Oct-22 | 15-Oct-22 | Change |
|----------------------------------|---------|-----------|-----------|--------|
| CCIndex(328) | RMB/Ton | 15991 | Closed | - |
| CCIndex(527) | RMB/Ton | 14203 | Closed | - |
| CCIndex(229) | RMB/Ton | 16234 | Closed | - |
| RMB -Renminbi, 1RMB =0.16 \$U.S. | | | | |

China Foreign Cotton (FCE) Index :

| Index | Unit | 17-Oct-22 | 15-Oct-22 | Change |
|--------------|----------|-----------|-----------|--------|
| FC Index (S) | Cents/lb | 103.98 | Closed | - |
| FC Index (M) | Cents/lb | 102.29 | Closed | - |
| FC Index (L) | Cents/lb | 100.95 | Closed | - |

Cotlook Index:

| Cotlook Indices | Unit | 15-Oct-22 | 14-Oct-22 | Change |
|-----------------|-------------|-----------|-----------|--------|
| A-Index | Cents/Pound | Closed | 102.6 | - |

USDA Cotton Spot Rates:

| Growth Area | Unit | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|-----------|---------------------|---------------------|----------|
| | | 15-Oct-22 | 15-Oct-22 | Bales |
| Southeast | cents/lb. | Closed | Closed | Closed |
| North Delta | cents/lb. | Closed | Closed | Closed |
| South Delta | cents/lb. | Closed | Closed | Closed |
| East TX-OK | cents/lb. | Closed | Closed | Closed |
| West Texas | cents/lb. | Closed | Closed | Closed |
| Desert SW | cents/lb. | Closed | Closed | Closed |
| SJ Valley | cents/lb. | Closed | Closed | Closed |

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 |
|---------------------------------------|------------|------------|------------------|---------------|---------------|--------|
| | | | | 15-Oct-22 | 14-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 | 64200 | Unch |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | NA | NA | - |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 68600 | 68600 | Unch |
| 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 |
| 22-Dec | 221014 | 84.79 | 85.86 | 83 | 83.15 | -1.64 | 21059 | 106124 | -1494 |
| 23-Mar | 221014 | 82.81 | 84.38 | 81.8 | 81.99 | -1.50 | 9,816 | 61,647 | 1319 |
| 23-May | 221014 | 81.63 | 83.27 | 80.76 | 81.08 | -1.26 | 3,135 | 21,450 | 10 |
| 23-Jul | 221014 | 80.12 | 81.69 | 79.31 | 79.85 | -0.98 | 2893 | 16,163 | 178 |
| 23-Oct | 221014 | 77.43 | 77.43 | 77.43 | 77.43 | -0.80 | 0 | 1 | 0 |
| 23-Dec | 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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