

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,750/bale on Tuesday. ICE cotton futures closed red on Monday.

News: As of 17th Oct 2022, Gujarat Cotton sowing has reached 25,49,117 hectares for the 2022-23 season which is slightly higher compared to the previous season's sowing of 22,54,023 hectares. As per AgriWatch, Overall cotton arrivals had increased in the state for the coming 2022-23 season where else, whereas prices have come down to Rs. 8,400 per Quintal against the minimum support price of Rs. 6,025 per quintal.

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.

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

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 17.10.22	18th Oct'22
Punjab	27000	1000
Haryana	195000	4000
Lower Rajasthan	110000	5000
Ganga line	150000	7000
Net Total	482000	17000



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

Weather Forecast:

Heavy rainfall at isolated places over Kerala & Mahe, Andaman & Nicobar Islands, South Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal, and Lakshadweep. Thunderstorms accompanied by lightning at isolated places over 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 6 points at 83.09 cents/lb. The Cotlook A index was higher at 102.60 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

As per the market sources, cotton yarn prices remained steady in north India as trade activities slowed down. According to market sources there is a little chance of fluctuation in cotton yarn till Diwali. Panipat and Ludhiana market witnessed weak sentiments. The 20 and 25 count combed yarn were traded at Rs. 290-300 per kg and Rs 295- 305 per kg respectively.

South Indian yarn market witnessed a mixed trend yesterday as production cut in mills supported yarn prices in Mumbai. The weaving industry is still uncertain about demand in the absence of market direction.

The Mumbai market witnessed an increase of Rs.3-7 per kg in cotton yarn prices. Buyers turned up in the market after the production halt and partial cuts in yarn production by spinning mills.

In the Mumbai market, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,650-1,690 and Rs.1,590-1,650 per 5 kg (GST extra) respectively. 60 combed warp was priced at Rs.375-385 per kg. 80 carded (weft) cotton yarn was sold at Rs.1,580-1,630 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at Rs.320-325 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.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Oct-22	17-Oct-22	
Gujarat	Ahmedabad	Shankar-6	9000	8625	375
	Gondal	Shankar-6	NA	8930	-
	Rajkot	B.T. Cotton	8650	8400	250
	Patan	B.T. Cotton	8855	8805	50
	Kadi	B.T. Cotton	9000	9000	Unch
	Deesa	B.T. Cotton	1686	1626	60
	Dhrol	B.T. Cotton	9090	8750	340
Haryana	Bhiwani	B.T. Cotton	8700	8900	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	9000	NR	-
	Fatehabad	B.T. Cotton	8855	8875	-20
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	8850	8900	-50
	Rawatsar	B.T. Cotton	8750	9000	-250
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	8200	8000	200
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	7500	7500	Unch
	Hathras	Desi	7500	7200	300
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9429	9399	30
Karnataka	Bijapur	Bunny	9160	9365	-205
	Hubli	D.C.H.	NA	0	-
	Hubli	B.T. Cotton	NA	0	-
	Raichur	H-44 Cotton	9300	9300	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Oct-22	17-Oct-22	
Punjab	Bhatinda	J-34	6900	6900	Unch
	Abohar	J-34	6900	6900	Unch
	Mansa	J-34	6900	6850	50
Haryana	Sirsa	J-34	6900	6900	Unch
Rajasthan	Sri-Ganganagar	J-34	6580	6439	141

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Oct-22	17-Oct-22	
Gujarat	Ahmedabad	Shankar-6	42500	17000	25500
	Gondal	Shankar-6	8550	8260	290
	Rajkot	B.T. Cotton	5200	4400	800
	Patan	B.T. Cotton	14990	13875	1115
	Kadi	B.T. Cotton	10000	5000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	511	555	-44
Haryana	Bhiwani	B.T. Cotton	2000	2500	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	NR	-
	Fatehabad	B.T. Cotton	200	200	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	2000	3000	-1000
	Rawatsar	B.T. Cotton	2000	3000	-1000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	500	200	300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	250	-150
	Hathras	Desi	30	60	-30
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	5184	4561	623
Karnataka	Bijapur	Bunny	5147	3459	1688
	Hubli	D.C.H.	NA	0	-
	Hubli	B.T. Cotton	NA	0	-
	Raichur	H-44 Cotton	22	20	2

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Oct-22	17-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	510	-170
	Mansa	J-34	170	170	Unch
Haryana	Sirsa	J-34	340	680	-340
Rajasthan	Sri-Ganganagar	J-34	3000	2500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	18-Oct-22	17-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1365	1295	70
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1355	1320	35
Maharashtra	Mumbai	Rs. /10 Kg.	1365	1370	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	18-Oct-22	17-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2545	2385	160
Maharashtra	Akola	Rs./Qtl	2690	2695	-5

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	18-Oct-22	17-Oct-22	Change
CCIndex(328)	RMB/Ton	15972	15991	-19
CCIndex(527)	RMB/Ton	14200	14203	-3
CCIndex(229)	RMB/Ton	16235	16234	1

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

China Foreign Cotton (FCE) Index :

Index	Unit	18-Oct-22	17-Oct-22	Change
FC Index (S)	Cents/lb	103.84	103.98	-0.14
FC Index (M)	Cents/lb	102.22	102.29	-0.07
FC Index (L)	Cents/lb	100.88	100.95	-0.07

Cotlook Index:

Cotlook Indices	Unit	17-Oct-22	15-Oct-22	Change
A-Index	Cents/Pound	100.95	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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		17-Oct-22	17-Oct-22	Bales
Southeast	cents/lb.	87.09	89.34	0
North Delta	cents/lb.	86.09	88.34	0
South Delta	cents/lb.	86.09	88.34	0
East TX-OK	cents/lb.	83.59	86.09	0
West Texas	cents/lb.	82.09	83.59	0
Desert SW	cents/lb.	81.09	83.34	0
SJ Valley	cents/lb.	81.59	90.49	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
				17-Oct-22	15-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 Monday, Oct 17th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221017	83.04	84.68	83	83.09	-0.06	21950	105511	-613
23-Mar	221017	81.91	83.42	81.86	81.99	unch	8,555	62,935	1288
23-May	221017	80.95	82.42	80.95	81.13	0.05	3,241	21,463	13
23-Jul	221017	79.73	81.06	79.73	79.99	0.14	1965	16,413	250
23-Oct	221017	77.23	77.23	77.23	77.23	-0.20	0	1	0
23-Dec	221017	75.65	76.63	75.65	76	0.35	871	21847	-203
Total Volume and Open Interest							36,712	233,020	728

Source: MRCI

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