

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,730/bale on Wednesday. ICE cotton futures closed red on Monday.

News: Cotton Association of India has released its cotton crop estimate for the 2022-23 season. Overall cotton production is expected to reach 344 lakh bales of cotton in the 2022-23 season higher as compared to previous 307 lakh bales in the 2021-22 season. AgriWatch has estimated cotton production at 348.16 lakh bales for the 2022-23 season, yield is expected to improve mainly from Gujarat and Maharashtra. The state-wise break-up of cotton production is mentioned below:

State-wise Cotton Production Estimate			
State	2022-23	2021-22	Percentage Change (%)
Punjab	5	8.5	-41.2
Haryana	16.5	16.1	2.5
Rajasthan	17.33	25.67	-32.5
Gujarat	91	76.3	19.3
Maharashtra	84.5	75	12.7
Madhya Pradesh	20	20	0.0
Telangana	45	15	200.0
Andhra Pradesh	16	35.4	-54.8
Karnataka	25	20.25	23.5
Tamil Nadu	6	9.75	-38.5
Orissa	3	2.08	44.2
Other	3.5	3	16.7
All India	344	307.05	12.0

Source: CAI

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.

Cotton Balance Sheet	2021-22	2022-23
Opening Stock	71.84	31.89
Production	307.05	344.00
Imports	14	12
Domestic Consumption	318	320
Exports	43	35
Closing Stock	31.89	32.89
Source: CAI; unit- 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.

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.

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 17.10.22	18 th 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 Andaman & Nicobar Islands, South Interior Karnataka, Tamil Nadu, Pondicherry & Karaikal, and Lakshadweep. Thunderstorms accompanied by lightning at isolated places over Madhya Maharashtra, Konkan & Goa, Coastal Andhra Pradesh, Yanam, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe.

International Cotton Fundamentals:

The Cotlook A index was lower by 5 points at 102.6 cents/lb. The AWP for cotton was 77.45 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	82.29	-80
Mar-23	81.44	-55
May-23	80.58	-55

According to the U.S. Crop progress report, as of 17th Oct, 2022, U.S cotton Cotton Bolls opening stands at 97 percent which is higher than that of the previous season (96 percent). In the previous week cotton bolls opening was 96 percent. Overall 5 percent of the U.S Cotton Crop is in excellent condition, 26 percent in good to a fair condition which was 25 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.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	19-Oct-22	18-Oct-22	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	9080	8955	125
	Rajkot	B.T. Cotton	8900	8650	250
	Patan	B.T. Cotton	8860	8855	5
	Kadi	B.T. Cotton	9200	9000	200
	Deesa	B.T. Cotton	1600	1686	-86

	Dhrol	B.T. Cotton	8870	9090	-220
Haryana	Bhiwani	B.T. Cotton	8700	8700	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8900	9000	-100
	Fatehabad	B.T. Cotton	8915	8855	60
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8795	-
	Dabwali	B.T. Cotton	8830	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	8900	8850	50
	Rawatsar	B.T. Cotton	8750	8750	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	8000	8200	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7500	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	9429	-
Karnataka	Bijapur	Bunny	9529	9160	369
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9250	9300	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	19-Oct-22	18-Oct-22	
Punjab	Bhatinda	J-34	6900	6900	Unch
	Abohar	J-34	6900	6900	Unch
	Mansa	J-34	6850	6900	-50
Haryana	Sirsa	J-34	6900	6900	Unch
Rajasthan	Sri-Ganganagar	J-34	6580	6580	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Oct-22	18-Oct-22	
Gujarat	Ahmedabad	Shankar-6	39100	42500	-3400
	Gondal	Shankar-6	8700	8550	150
	Rajkot	B.T. Cotton	3400	5200	-1800
	Patan	B.T. Cotton	13500	14990	-1490
	Kadi	B.T. Cotton	25000	10000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	583	511	72
Haryana	Bhiwani	B.T. Cotton	2000	2000	Unch
	Bhiwani	Desi	NA	NA	-

	Adampur	B.T. Cotton	1360	1190	170
	Fatehabad	B.T. Cotton	200	200	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	1500	NA	-
	Dabwali	B.T. Cotton	1500	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	2000	1000
	Rawatsar	B.T. Cotton	3000	2000	1000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	500	500	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	100	Unch
	Hathras	Desi	30	30	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	5184	-
Karnataka	Bijapur	Bunny	2519	5147	-2628
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	21	22	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Oct-22	18-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	340	340
	Mansa	J-34	119	170	-51
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	19-Oct-22	18-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1420	1365	55
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1425	1355	70
Maharashtra	Mumbai	Rs. /10 Kg.	1380	1365	15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	19-Oct-22	18-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2550	2545	5
Maharashtra	Akola	Rs./Qtl	2700	2690	10

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	19-Oct-22	18-Oct-22	Change
CCIndex(328)	RMB/Ton	NA	15972	-
CCIndex(527)	RMB/Ton	NA	14200	-
CCIndex(229)	RMB/Ton	NA	16235	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	19-Oct-22	18-Oct-22	Change
FC Index (S)	Cents/lb	103.01	103.84	-0.83
FC Index (M)	Cents/lb	101.45	102.22	-0.77
FC Index (L)	Cents/lb	100.11	100.88	-0.77

Cotlook Index:

Cotlook Indices	Unit	18-Oct-22	16-Oct-22	Change
A-Index	Cents/Pound	100.95	N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		18-Oct-22	18-Oct-22	Bales
Southeast	cents/lb.	86.29	88.54	91
North Delta	cents/lb.	85.29	87.54	0
South Delta	cents/lb.	85.29	87.54	0
East TX-OK	cents/lb.	82.79	85.29	0
West Texas	cents/lb.	81.29	82.79	0
Desert SW	cents/lb.	80.29	82.54	0
SJ Valley	cents/lb.	80.79	89.69	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 Tuesday, Oct 19th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221018	83.09	83.75	81.78	82.29	-0.80	12790	107250	1739
23-Mar	221018	82.32	82.56	80.89	81.44	-0.55	4,810	64,225	1290
23-May	221018	81.31	81.56	80.1	80.58	-0.55	2,539	21,220	-243
23-Jul	221018	80.21	80.28	78.92	79.44	-0.55	3399	17,088	675
23-Oct	221018	76.69	76.69	76.69	76.69	-0.54	3	1	0
23-Dec	221018	76.25	76.25	75.05	75.75	-0.25	333	21787	-60
Total Volume and Open Interest							23,936	236,421	3,401

Source: MRCI

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