

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.33,360/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: AgriWatch expects cotton arrivals to increase after Diwali across India. A bumper cotton crop is expected for the 2022-23 season. Currently, as markets are closed arrivals had slowed down.

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		

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 19.10.22	20th Oct'22
Punjab	30000	1000
Haryana	205000	4000
Lower Rajasthan	120000	5000
Ganga line	165000	7500
Net Total	520000	17500

Cotton Price (Rs./Quintal) as. of 20.10.22	
	Ready Delivery
Punjab	6800-6850
Haryana	6800-6900
Ganga line	6880-6900

Weather Forecast:

Heavy rainfall at isolated places over Andaman & Nicobar Islands, Tamil Nadu, Pondicherry & Karaikal, and Kerala & Mahe. Thunderstorms accompanied by lightning at isolated places over Madhya Maharashtra, Konkan & Goa, Coastal Andhra Pradesh, Yanam, Telangana, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe.

International Cotton Fundamentals:

The Cotlook A index was lower at 100.95 cents/lb. The AWP for cotton was 77.45 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	78.29	-400
Mar-23	77.97	-347
May-23	77.43	-315

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 State	Kapas		Prices (Rs./Quintal)		Change
	Centre	Variety	20-Oct-22	19-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8750	9000	-250
	Gondal	Shankar-6	8930	9080	-150
	Rajkot	B.T. Cotton	8650	8900	-250
	Patan	B.T. Cotton	8860	8860	Unch
	Kadi	B.T. Cotton	9250	9200	50
	Deesa	B.T. Cotton	1658	1600	58
	Dhrol	B.T. Cotton	8960	8870	90
Haryana	Bhiwani	B.T. Cotton	8700	8700	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8900	8900	Unch
	Fatehabad	B.T. Cotton	8790	8915	-125

	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8805	-
	Dabwali	B.T. Cotton	8735	8830	-95
Rajasthan	Hanumangarh	B.T. Cotton	8800	8900	-100
	Rawatsar	B.T. Cotton	8550	8750	-200
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	8000	8000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7500	Unch
	Hathras	Desi	7200	7500	-300
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9458	NA	-
Karnataka	Bijapur	Bunny	9559	9529	30
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9200	9250	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Oct-22	19-Oct-22	
Punjab	Bhatinda	J-34	6850	6900	-50
	Abohar	J-34	6800	6900	-100
	Mansa	J-34	6750	6850	-100
Haryana	Sirsa	J-34	6800	6900	-100
Rajasthan	Sri-Ganganagar	J-34	6186	6580	-395

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Oct-22	19-Oct-22	
Gujarat	Ahmedabad	Shankar-6	35700	39100	-3400
	Gondal	Shankar-6	8500	8700	-200
	Rajkot	B.T. Cotton	3600	3400	200
	Patan	B.T. Cotton	13455	13500	-45
	Kadi	B.T. Cotton	30000	25000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	540	583	-43
Haryana	Bhiwani	B.T. Cotton	2000	2000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1360	Unch
	Fatehabad	B.T. Cotton	250	200	50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	1000	1500	-500
	Dabwali	B.T. Cotton	1000	1500	-500
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	2500	3000	-500
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	150	100	50
	Hathras	Desi	30	30	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	6920	NA	-
Karnataka	Bijapur	Bunny	2880	2519	361
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	19	21	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Oct-22	19-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	680	-255
	Mansa	J-34	136	119	17
Haryana	Sirsa	J-34	510	340	170
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Oct-22	19-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1400	1420	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1425	1425	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1380	1380	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Oct-22	19-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2557	2550	7
Maharashtra	Akola	Rs./Qtl	2699	2700	-1

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	20-Oct-22	19-Oct-22	Change
CCIndex(328)	RMB/Ton	15930	15947	-17
CCIndex(527)	RMB/Ton	14200	14213	-13
CCIndex(229)	RMB/Ton	16209	16228	-19
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	20-Oct-22	19-Oct-22	Change
FC Index (S)	Cents/lb	96.83	103.01	-6.18
FC Index (M)	Cents/lb	97.25	101.45	-4.20
FC Index (L)	Cents/lb	95.91	100.11	-4.20

Cotlook Index:

Cotlook Indices	Unit	19-Oct-22	17-Oct-22	Change
A-Index	Cents/Pound	99.8	100.95	-1.15

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		19-Oct-22	19-Oct-22	Bales
Southeast	cents/lb.	82.29	84.54	253
North Delta	cents/lb.	81.29	83.54	0
South Delta	cents/lb.	81.29	83.54	0
East TX-OK	cents/lb.	78.79	81.29	315
West Texas	cents/lb.	77.29	78.79	0
Desert SW	cents/lb.	76.29	78.54	0
SJ Valley	cents/lb.	76.79	85.69	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
				19-Oct-22	18-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52400	51900	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53100	52600	500
J-34(202)	26mm	3.5 - 4.9	23	64600	64600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	68700	69200	-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 Wednesday, Oct 20th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221019	82.58	83.69	78.29	78.29	-4.00	13029	105596	-1654
23-Mar	221019	82.17	82.72	77.78	77.97	-3.47	6,242	65,328	1103
23-May	221019	81.13	81.8	77.21	77.43	-3.15	2,707	20,968	-252
23-Jul	221019	80.08	80.59	76.4	76.42	-3.02	1636	17,808	720
23-Oct	221019	75.88	75.88	75.42	75.42	-1.27	0	1	0
23-Dec	221019	76.39	76.47	74.2	74.43	-1.32	347	21646	-141
Total Volume and Open Interest							23,962	236,198	-223

Source: MRCI

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