

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.32,980/bale on Friday. ICE cotton futures closed red on Thursday.

**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 20.10.22	21st Oct'22
Punjab	31000	1000
Haryana	209000	4000
Lower Rajasthan	125000	8000
Ganga line	1725000	5000
<b>Net Total</b>	<b>537500</b>	<b>18000</b>

Cotton Price (Rs./Quintal) as. of 21.10.22	
	Ready Delivery
Punjab	6750-6800
Haryana	6800-6900
Ganga line	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, Marathwada, Konkan & Goa, Karnataka, Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe.

### International Cotton Fundamentals:

The Cotlook A index was lower at 99.80 cents/lb. The AWP for cotton was 73.76 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
<b>Dec- 22</b>	77.4	<b>-89</b>
<b>Mar-23</b>	77.26	<b>-71</b>
<b>May-23</b>	77.04	<b>-39</b>

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	21-Oct-22	20-Oct-22		
Gujarat	Ahmedabad	Shankar-6	8750	8750	Unch	
	Gondal	Shankar-6	8930	8930	Unch	
	Rajkot	B.T. Cotton	8650	8650	Unch	
	Patan	B.T. Cotton	8750	8860	-110	
	Kadi	B.T. Cotton	8750	9250	-500	
	Deesa	B.T. Cotton	1627	1658	-31	
	Dhrol	B.T. Cotton	8780	8960	-180	
Haryana	Bhiwani	B.T. Cotton	NR	8700	-	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	8700	8900	-200	
	Fatehabad	B.T. Cotton	8790	8790	Unch	
	Jind	B.T. Cotton	NA	NA	-	

	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8735	8735	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8800	8800	Unch
	Rawatsar	B.T. Cotton	8550	8550	Unch
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	Closed	7500	-
	Hathras	Desi	Closed	7200	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9407	9458	-51
Karnataka	Bijapur	Bunny	9111	9559	-448
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9200	9200	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	21-Oct-22	20-Oct-22	
Punjab	Bhatinda	J-34	6800	6850	-50
	Abohar	J-34	6800	6800	Unch
	Mansa	J-34	6750	6750	Unch
Haryana	Sirsa	J-34	6800	6800	Unch
Rajasthan	Sri-Ganganagar	J-34	6186	6186	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Oct-22	20-Oct-22	
Gujarat	Ahmedabad	Shankar-6	34000	35700	-1700
	Gondal	Shankar-6	8500	8500	Unch
	Rajkot	B.T. Cotton	3600	3600	Unch
	Patan	B.T. Cotton	10326	13455	-3129
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	471	540	-69
Haryana	Bhiwani	B.T. Cotton	NR	2000	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1360	340
	Fatehabad	B.T. Cotton	250	250	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	800	1000	-200
	Dabwali	B.T. Cotton	800	1000	-200
Rajasthan	Hanumangarh	B.T. Cotton	3000	2500	500
	Rawatsar	B.T. Cotton	3000	2500	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	Closed	150	-
	Hathras	Desi	Closed	30	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8237	6920	1317
Karnataka	Bijapur	Bunny	3984	2880	1104
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	18	19	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-Oct-22	20-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	425	-85
	Mansa	J-34	680	136	544
Haryana	Sirsa	J-34	425	510	-85
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Oct-22	20-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1415	1400	15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1430	1425	5
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	21-Oct-22	20-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2615	2557	58
Maharashtra	Akola	Rs./Qtl	2671	2699	-28

**INTERNATIONAL PRICES AND INDICES****China Cotton Index:**

Index	Unit	21-Oct-22	20-Oct-22	Change
CCIndex(328)	RMB/Ton	15889	15930	-41
CCIndex(527)	RMB/Ton	14169	14200	-31
CCIndex(229)	RMB/Ton	16155	16209	-54
RMB -Renminbi, 1RMB =0.16 \$U.S.				

**China Foreign Cotton (FCE) Index :**

Index	Unit	21-Oct-22	20-Oct-22	Change
FC Index (S)	Cents/lb	97.69	96.83	0.86
FC Index (M)	Cents/lb	96.11	97.25	-1.14
FC Index (L)	Cents/lb	94.77	95.91	-1.14

**Cotlook Index:**

Cotlook Indices	Unit	20-Oct-22	18-Oct-22	Change
A-Index	Cents/Pound	0	100.95	-100.95

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-Oct-22	20-Oct-22	Bales
Southeast	cents/lb.	81.4	83.65	0
North Delta	cents/lb.	80.4	82.65	0
South Delta	cents/lb.	80.4	82.65	0
East TX-OK	cents/lb.	77.9	80.4	476
West Texas	cents/lb.	76.4	77.9	0
Desert SW	cents/lb.	75.4	77.65	0
SJ Valley	cents/lb.	75.9	84.8	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
				20-Oct-22	19-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52900	52400	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53600	53100	500
J-34(202)	26mm	3.5 - 4.9	23	64300	64600	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	68200	68700	-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	78500	79000	-500

Daily Futures Price Listing Friday, Oct 20th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221020	78.2	79.66	77.14	77.4	-0.89	15750	105919	323
<a href="#">23-Mar</a>	221020	77.98	79.33	77.05	77.26	-0.71	6,343	66,641	1313
<a href="#">23-May</a>	221020	77.34	78.92	76.83	77.04	-0.39	2,372	20,929	-39
<a href="#">23-Jul</a>	221020	76.45	78.02	75.95	76.24	-0.18	1284	18,132	324
<a href="#">23-Oct</a>	221020	75.46	75.46	75.46	75.46	0.04	0	1	0
<a href="#">23-Dec</a>	221020	75.5	76.04	74.45	74.72	0.29	458	21737	91
Total Volume and Open Interest							26,209	238,208	2,010

Source: MRCI

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