

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.31,900/bale on Tuesday. ICE cotton futures closed red on Monday.

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
Net Total	537500	18000

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 the coastal district of west Bengal, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Mizoram, Manipur, Tripura, and Coastal Odisha. 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
Dec- 22	77.4	-89
Mar-23	77.26	-71
May-23	77.04	-39

According to the U.S. Crop progress report, as of 24th Oct, 2022, U.S cotton Cotton Bolls opening stands at 98 percent which is higher than that of the previous season (96 percent). In the previous week cotton bolls opening was 97 percent. Overall 4 percent of the U.S Cotton Crop is in excellent condition, 25 percent in good to a fair condition which was 26 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	22-Oct-22	21-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8750	8750	Unch
	Gondal	Shankar-6	8755	8930	-175
	Rajkot	B.T. Cotton	8650	8650	Unch
	Patan	B.T. Cotton	NA	8750	-
	Kadi	B.T. Cotton	8750	8750	Unch
	Deesa	B.T. Cotton	NA	1627	-
	Dhrol	B.T. Cotton	NA	8780	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8700	8700	Unch
	Fatehabad	B.T. Cotton	8790	8790	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8795	-
	Dabwali	B.T. Cotton	8735	8735	Unch
Rajasthan	Hanumangarh	B.T. Cotton	Closed	8800	-
	Rawatsar	B.T. Cotton	Closed	8550	-

Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaoon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	Closed	8000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	Closed	Closed	-
	Hathras	Desi	Closed	Closed	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	9371	9407	-36
Karnataka	Bijapur	Bunny	NA	9111	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	9200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Oct-22	21-Oct-22	
Punjab	Bhatinda	J-34	6750	6800	-50
	Abohar	J-34	6750	6800	-50
	Mansa	J-34	Closed	6750	-
Haryana	Sirsa	J-34	6700	6800	-100
Rajasthan	Sri-Ganganagar	J-34	Closed	6186	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Oct-22	21-Oct-22	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	8500	8500	Unch
	Rajkot	B.T. Cotton	3600	3600	Unch
	Patan	B.T. Cotton	NA	10326	-
	Kadi	B.T. Cotton	20000	25000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	471	-
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	250	250	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	800	800	Unch
	Dabwali	B.T. Cotton	800	800	Unch
Rajasthan	Hanumangarh	B.T. Cotton	Closed	3000	-
	Rawatsar	B.T. Cotton	Closed	3000	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaoon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	Closed	500	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	Closed	Closed	-
	Hathras	Desi	Closed	Closed	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8015	8237	-222

Karnataka	Bijapur	Bunny	NA	3984	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	18	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Oct-22	21-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	Closed	680	-
Haryana	Sirsa	J-34	170	425	-255
Rajasthan	Sri-Ganganagar	J-34	Closed	3000	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	22-Oct-22	21-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1400	1415	-15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1430	1430	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	22-Oct-22	21-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2549	2615	-66
Maharashtra	Akola	Rs./Qtl	2680	2671	9

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	25-Oct-22	21-Oct-22	Change
CCIndex(328)	RMB/Ton	15834	15889	-55
CCIndex(527)	RMB/Ton	14135	14169	-34
CCIndex(229)	RMB/Ton	16118	16155	-37
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	25-Oct-22	21-Oct-22	Change
FC Index (S)	Cents/lb	96.21	97.69	-1.48
FC Index (M)	Cents/lb	94.68	96.11	-1.43
FC Index (L)	Cents/lb	93.34	94.77	-1.43

Cotlook Index:

Cotlook Indices	Unit	21-Oct-22	20-Oct-22	Change
A-Index	Cents/Pound	95	NA	-

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
				21-Oct-22	20-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52900	52900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53600	53600	Unch
J-34(202)	26mm	3.5 - 4.9	23	63800	64300	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	67800	68200	-400
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	78500	Unch

Daily Futures Price Listing Monday, Oct 24th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221024	79.4	80.8	76.13	76.13	-3.00	21487	103088	-664
23-Mar	221024	78.93	79.99	75.55	75.74	-2.81	10,872	68,633	1601
23-May	221024	78.69	79.44	75.31	75.55	-2.60	3,984	21,781	413
23-Jul	221024	77.76	78.28	74.5	74.65	-2.43	3440	19,764	927
23-Oct	221024	73.67	73.67	73.67	73.67	-2.11	0	2	0
23-Dec	221024	75	75.4	72.75	72.9	-1.67	1158	21193	-30
Total Volume and Open Interest							41,028	239,398	2,294

Source: MRCI

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