

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 Wednesday. ICE cotton futures closed green on Tuesday.

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 96.75 cents/lb. The AWP for cotton was 73.76 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	78.47	234
Mar-23	77.94	220
May-23	77.16	161

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

Markets were closed due to Diwali

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Oct-22	25-Oct-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	8500	8600	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	8300	Closed	-
	Bhiwani	Desi	NA	Closed	-
	Adampur	B.T. Cotton	Closed	Closed	-
	Fatehabad	B.T. Cotton	Closed	Closed	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8250	-
	Dabwali	B.T. Cotton	Closed	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	Closed	-

	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	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	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Oct-22	25-Oct-22	
Punjab	Bhatinda	J-34	6525	6500	25
	Abohar	J-34	6500	Closed	-
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	6500	Closed	-
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Oct-22	25-Oct-22	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	NA	5000	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	1000	Closed	-
	Bhiwani	Desi	NA	Closed	-
	Adampur	B.T. Cotton	Closed	Closed	-
	Fatehabad	B.T. Cotton	Closed	Closed	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	Closed	Closed	-
	Dabwali	B.T. Cotton	Closed	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	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	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Oct-22	25-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	Closed	-
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	170	Closed	-
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-Oct-22	25-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	Closed	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1425	1415	10
Maharashtra	Mumbai	Rs. /10 Kg.	1390	1370	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Oct-22	25-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	Closed	2550	-
Maharashtra	Akola	Rs./Qtl	2680	2684	-4

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

Index	Unit	26-Oct-22	25-Oct-22	Change
CCIndex(328)	RMB/Ton	15807	15834	-27
CCIndex(527)	RMB/Ton	14120	14135	-15
CCIndex(229)	RMB/Ton	16094	16118	-24
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	26-Oct-22	25-Oct-22	Change
FC Index (S)	Cents/lb	98.6	96.21	2.39
FC Index (M)	Cents/lb	97.05	94.68	2.37
FC Index (L)	Cents/lb	95.71	93.34	2.37

Cotlook Index:

Cotlook Indices	Unit	25-Oct-22	23-Oct-22	Change
-----------------	------	-----------	-----------	--------

A-Index	Cents/Pound	0	#N/A	-
---------	-------------	---	------	---

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-Oct-22	25-Oct-22	Bales
Southeast	cents/lb.	82.47	84.72	0
North Delta	cents/lb.	81.47	83.72	0
South Delta	cents/lb.	81.47	83.72	0
East TX-OK	cents/lb.	78.97	81.47	0
West Texas	cents/lb.	77.47	78.97	0
Desert SW	cents/lb.	76.47	78.72	0
SJ Valley	cents/lb.	76.97	85.87	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
				22-Oct-22	21-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	52700	52900	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53400	53600	-200
J-34(202)	26mm	3.5 - 4.9	23	63300	63800	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	67000	67800	-800
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	78000	78500	-500

Daily Futures Price Listing Tuesday, Oct 25th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221025	76.13	79.09	76.05	78.47	2.34	25078	101640	-1448
23-Mar	221025	75.8	78.64	75.75	77.94	2.20	11,015	69,874	1241
23-May	221025	75.55	78	75.55	77.16	1.61	3,485	22,062	281
23-Jul	221025	74.65	76.71	74.65	76.05	1.40	2074	20,079	315
23-Oct	221025	74.46	74.46	74.46	74.46	0.79	2	2	0
23-Dec	221025	73.27	74.6	72.91	73.68	0.78	1647	21121	-72

Total Volume and Open Interest	43,369	239,716	318
--------------------------------	--------	---------	-----

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.