

**Domestic Fundamentals:****Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.30.850/bale on Monday. ICE cotton futures closed red on Friday.

**News:** The heavy rainfalls during the last week have affected the cotton crop in Khammam, as a result the cotton production is likely to get affected. Around 2.21 lakh acres of area is under the cotton cultivation this year and the cotton farmers are mainly concerned about the prices for their produce in coming weeks. Crop yield has also declined this time due to excessive rains. Currently, in local market prices are trading at Rs. 8,500 per quintal against the minimum support price of Rs. 6,080 per quintal.

During the past week, cotton arrivals had slowed down due to Diwali festival. AgriWatch expects cotton arrivals to increase in the coming week across India. Monsoon has withdrawn from major cotton belts across India. Although there were issues reported from some areas as the crop was affected due to rains previously. With lack of demand and downtrend in future market, cotton prices in physical market had fallen during the last week.

Due to disparity, ginning factories are not running regularly. Cottonseed prices are stable to firm. Demand, and supply both are limited. Raw cotton prices have fallen during the last week as a result ginners, spinners, and traders all are waiting for market to become stable. As per the Agriwatch sources, farmers may stock cotton if prices further fell in coming week.

Export demand has also fallen, as buyers from Bangladesh are facing issues of the gas shortage and limitation of forex fund. Due to war between Russia and Ukraine supply of gas, crude and so many commodities are disturbed globally. Inflation has increased in most of the countries.

Cotton farmers from Telangana are planning to protest on 29, 30 and 31<sup>st</sup> October 2022. Cotton farmers are demanding to increase the minimum support price (MSP) up to 12,000 per quintal for the 2022-23 season. They have claimed that the current MSP of Rs. 6,080 per quintal is not enough for them to meet the cost of production as it has raised to Rs. 8,000 per quintal. Along with increase in cost of production, the cotton yield has declined to 4-5 quintals per acre in Telangana.

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 the 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

### Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 30 <sup>th</sup> Oct 22	31st Oct 22
Punjab	41900	800
Haryana	244500	5000
Lower Rajasthan	157500	3500
Ganga line	210500	5500
<b>Net Total</b>	<b>654400</b>	<b>14800</b>

Cotton Price (Rs/Quintal) as of 31 <sup>st</sup> Oct'22	
	Ready Delivery
Punjab	6200-6225
Haryana	6200-6250
Ganga line	6300-6325

### MCX Cotton

	High	Low	Close	Change
<b>MCX Cotton</b>	29600	29010	29530	<b>-1.22%</b>

### NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
<b>Dec-20</b>	2417	2487	2402	2407	<b>60</b>
<b>Jan-23</b>	2412	2474	2404	2410	<b>50</b>

### Weather Forecast:

Heavy rainfall at isolated places over the Tamil Nadu, Pondicherry & Karaikal, Kerala & Mahe, Rayalaseema, Coastal Andhra Pradesh & Yanam, South Interior Karnataka. Thunderstorm accompanied with lightening at isolated places over Coastal Andhra Pradesh & Yanam, South Interior Karnataka, Rayalaseema, Kerala & Mahe, Tamil Nadu, Pondicherry & Karikal.

### International Cotton Fundamentals:

The Cotlook A index was higher at 95.25 cents/lb. The AWP for cotton was 68.95 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
<b>Dec- 22</b>	72.11	<b>-300</b>
<b>Mar-23</b>	72.07	<b>-274</b>
<b>May-23</b>	72.30	<b>-223</b>

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.

### Cotton Yarn

With demand for yarn yet to pick up some millers have urged the government to extend the window for duty-free import of cotton until 31<sup>st</sup> March 2023. As per Indian Texpreneurs Federation, mills have declared an extended holiday for Diwali and are planning to run at a lower level of utilization in the range of 50 percent for some more period to rebalance the demand supply trend. Also, there is a slowdown in the arrival of cotton as farmers are unwilling to sell cotton at low price. The arrivals could pick by 10-15<sup>th</sup> November 2022 and it may exceed to one lakh bales further.

## DOMESTIC PRICES AND ARRIVALS

### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-Oct-22	29-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8575	NR	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	8660	Closed	-
	Patan	B.T. Cotton	NA	Closed	-
	Kadi	B.T. Cotton	8600	8500	100
	Deesa	B.T. Cotton	1525	1598	-73
	Dhrol	B.T. Cotton	8510	8540	-30
Haryana	Bhiwani	B.T. Cotton	8400	8400	Unch

	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8300	8450	-150
	Fatehabad	B.T. Cotton	8200	8200	Unch
	Jind	B.T. Cotton	NA	0	-
	Uchana	B.T. Cotton	NA	0	-
	Dabwali	B.T. Cotton	Closed	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	8300	8300	Unch
	Rawatsar	B.T. Cotton	8400	8450	-50
Madhya Pradesh	Khandwa	Mech-1	8500	8500	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7500	Unch
	Hathras	Desi	7200	7200	Unch
Telangana	Adilabad	Un-Ginned	NA	7330	-
Andhra Pradesh	Adoni	Un-Ginned	8549	8699	-150
Karnataka	Bijapur	Bunny	8711	8566	145
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8800	8600	200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Oct-22	29-Oct-22	
Punjab	Bhatinda	J-34	6225	6350	-125
	Abohar	J-34	6150	6350	-200
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	6100	6300	-200
Rajasthan	Sri-Ganganagar	J-34	5969	5969	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Oct-22	29-Oct-22	
Gujarat	Ahmedabad	Shankar-6	13600	NR	-
	Gondal	Shankar-6	8220	Closed	-
	Rajkot	B.T. Cotton	5100	Closed	-
	Patan	B.T. Cotton	NA	Closed	-
	Kadi	B.T. Cotton	10000	2500	7500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	617	468	149
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1020	340
	Fatehabad	B.T. Cotton	100	100	Unch
	Jind	B.T. Cotton	NA	0	-
	Uchana	B.T. Cotton	Closed	Closed	-
	Dabwali	B.T. Cotton	Closed	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000

Madhya Pradesh	Khandwa	Mech-1	350	350	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	50	50	Unch
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	8484	-
Andhra Pradesh	Adoni	Un-Ginned	3063	5726	-2663
Karnataka	Bijapur	Bunny	752	6897	-6145
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	20	18	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	31-Oct-22	29-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	Closed	Closed	-
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	31-Oct-22	29-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1390	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1400	1415	-15
Maharashtra	Mumbai	Rs. /10 Kg.	1380	1385	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	31-Oct-22	29-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2899	Closed	-
Maharashtra	Akola	Rs./Qtl	2722	2675	47

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	31-Oct-22	28-Oct-22	Change
CCIndex(328)	RMB/Ton	15496	NA	-
CCIndex(527)	RMB/Ton	13893	NA	-
CCIndex(229)	RMB/Ton	15846	NA	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	29-Oct-22	28-Oct-22	Change
FC Index (S)	Cents/lb	Closed	94.85	-

FC Index (M)	Cents/lb	Closed	93.4	-
FC Index (L)	Cents/lb	Closed	92.07	-

**Cotlook Index:**

Cotlook Indices	Unit	28-Oct-22	28-Oct-22	Change
A-Index	Cents/Pound	92.5	92.5	Unch

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		28-Oct-22	28-Oct-22	Bales
Southeast	cents/lb.	75.61	77.86	0
North Delta	cents/lb.	75.11	77.36	0
South Delta	cents/lb.	75.11	77.36	0
East TX-OK	cents/lb.	72.61	75.11	283
West Texas	cents/lb.	71.11	72.61	880
Desert SW	cents/lb.	70.11	72.36	0
SJ Valley	cents/lb.	70.61	79.51	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
				29-Oct-22	28-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	56300	55300	1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	57000	56000	1000
J-34(202)	26mm	3.5 - 4.9	23	59700	60800	-1100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	64500	64500	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	78000	78000	Unch

Daily Futures Price Listing Friday, Oct 28th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221028	74.74	75.37	72.11	72.11	-3.00	12697	101572	-773
<a href="#">23-Mar</a>	221028	74.63	75.02	71.81	72.07	-2.74	6,859	73,971	1651
<a href="#">23-May</a>	221028	74.22	74.77	71.56	72.3	-2.23	4,904	22,292	171
<a href="#">23-Jul</a>	221028	74	74	71.75	72.36	-1.42	2852	22,913	79
<a href="#">23-Oct</a>	221028	71.15	71.15	71.15	71.15	-1.28	0	2	0
<a href="#">23-Dec</a>	221028	71.85	71.85	70.5	71.16	-0.47	472	21640	258
Total Volume and Open Interest							27,786	247,373	1,386

Source: MRCI

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