

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was lower at Rs.30,790/bale on Tuesday. ICE cotton futures closed red on Monday.

News: According to AgriWatch sources, cotton prices have decreased amid poor demand from the spinning industry. Cotton arrival are still limited as farmers are not interested in selling at current prices. The higher prices during the previous season raised the expectations of farmers regarding cotton prices. Farmers in Northern India has put their cotton produce in stock and are not willing to sell it at lower produce.

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 Monsoon has withdrawn from major cotton belts across India.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 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 31st Oct 22	01st Nov 22
Punjab	42700	800
Haryana	249500	4000
Lower Rajasthan	161000	3500
Ganga line	216000	5000
Net Total	669200	13300

Cotton Price (Rs/Quintal) as of 01 st Nov'22	
	Ready Delivery
Punjab	6025-6050
Haryana	6000-6050
Ganga line	6180-6200

MCX Cotton

	High	Low	Close	Change
MCX Cotton	29,740	28,500	29,740	+1,140

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2484	2548	2461	2469	+70
Jan-23	2467	2525	2465	2462	+59

Weather Forecast:

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

International Cotton Fundamentals:

The Cotlook A index was higher at 92.50 cents/lb. The AWP for cotton was 68.95 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	72.00	-11
Mar-23	71.64	-43
May-23	71.85	-45

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

Cotton Yarn prices had declined today as market remained weak. The prices dropped by Rs.10-15 per kg in Ludhiana and Delhi due weak demand in the market. Cotton prices had fallen by Rs. 300-350 per maund of 37.2 kg in north India. Panipat's recycled yarn also witnessed a bearish trend despite possible supply disruption. In Ludhiana, 30 count cotton combed yarn was sold at Rs.300-310 per kg, 20 and 25 count combed yarn were traded at Rs.290-300 per kg and Rs.295-305 per kg respectively. Carded yarn of 30 count remained steady at Rs.275-285 per kg. In Delhi, demand remained weak as buyers and sellers were waiting for buying to improve from the downstream industry. Cotton yarn eased by Rs.5 per kg for major counts and varieties.

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 31st 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 10-15th November 2022 and it may exceed to one lakh bales further.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	1-Nov-22	31-Oct-22	
Gujarat	Ahmedabad	Shankar-6	8500	8575	-75
	Gondal	Shankar-6	8705	Closed	-
	Rajkot	B.T. Cotton	8500	8660	-160
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	8500	8600	-100
	Deesa	B.T. Cotton	1602	1525	77
	Dhrol	B.T. Cotton	8590	8510	80
Haryana	Bhiwani	B.T. Cotton	NR	8400	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8150	8300	-150
	Fatehabad	B.T. Cotton	7965	8200	-235
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8295	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	8300	8300	Unch
	Rawatsar	B.T. Cotton	8300	8400	-100
Madhya Pradesh	Khandwa	Mech-1	8700	8500	200
	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	7000	7200	-200
Telangana	Adilabad	Un-Ginned	7660	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8586	8549	37
Karnataka	Bijapur	Bunny	Closed	8711	-
	Hubli	D.C.H.	Closed	NA	-
	Hubli	B.T. Cotton	Closed	NA	-
	Raichur	H-44 Cotton	Closed	8800	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Nov-22	31-Oct-22	
Punjab	Bhatinda	J-34	6050	6225	-175
	Abohar	J-34	6100	6150	-50
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	6000	6100	-100
Rajasthan	Sri-Ganganagar	J-34	5734	5969	-235

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Nov-22	31-Oct-22	
Gujarat	Ahmedabad	Shankar-6	17000	13600	3400
	Gondal	Shankar-6	8350	8220	130
	Rajkot	B.T. Cotton	2600	5100	-2500

	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	15000	10000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	355	617	-262
Haryana	Bhiwani	B.T. Cotton	NR	1000	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1360	340
	Fatehabad	B.T. Cotton	100	100	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	500	Closed	-
	Dabwali	B.T. Cotton	500	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	4000	3000	1000
	Rawatsar	B.T. Cotton	4000	3000	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	85	50	35
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	13749.8	NA	-
Andhra Pradesh	Adoni	Un-Ginned	4911	3063	1848
Karnataka	Bijapur	Bunny	Closed	752	-
	Hubli	D.C.H.	Closed	NA	-
	Hubli	B.T. Cotton	Closed	NA	-
	Raichur	H-44 Cotton	Closed	20	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Nov-22	31-Oct-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	340	170
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	3000	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Nov-22	31-Oct-22	
Gujarat	Rajkot	Rs. /10 Kg.	1390	1390	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1400	1400	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	1-Nov-22	31-Oct-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2963	2899	64
Maharashtra	Akola	Rs./Qtl	2738	2722	16

Cotton Yarn Prices:

Cotton Yarn Prices	31-Oct-22	28-Oct-22	Change	31-Oct-22	28-Oct-22	Change
Variety	Prices FOB , USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	3.02	3.24	-0.22	249	264	-15.00
Ne 20/1 Combed Hosiery Yarn	3.14	3.36	-0.22	259	274	-15.00
Ne 21/1 Carded Weaving Yarn	3.02	3.24	-0.22	249	264	-15.00
Ne 26/1 Combed Hosiery Yarn	3.26	3.48	-0.22	269	284	-15.00
Ne 30/1 Carded Hosiery Yarn	3.18	3.4	-0.22	262	277	-15.00
Ne 30/1 Combed Hosiery Yarn	3.32	3.55	-0.23	274	289	-15.00
Ne 32/1 Carded Weaving Yarn	3.32	3.48	-0.16	274	284	-10.00
Ne 34/1 Combed Hosiery Yarn	3.5	3.73	-0.23	289	304	-15.00
Ne 40/1 Combed Hosiery Yarn	3.68	3.91	-0.23	304	319	-15.00
Ne 40/1 Carded Weaving Yarn	3.5	3.67	-0.17	289	299	-10.00
Ne 30/2 Carded Hosiery Yarn	3.5	3.67	-0.17	289	299	-10.00
Ne 32/2 Combed Knitting Yarn	3.81	4.04	-0.23	314	329	-15.00
Ne 32/2 Carded Hosiery Yarn	3.5	3.73	-0.23	289	304	-15.00
Ne 40/2 Combed Hosiery Yarn	4.23	4.47	-0.24	349	364	-15.00
Ne 30/1 Combed Compact Weaving Yarn	3.5	3.73	-0.23	289	304	-15.00
Ne 40/1 Combed Compact Weaving Yarn	3.92	4.47	-0.55	323	364	-41.00
Ne 50/1 Combed Compact Weaving Yarn	4.23	4.83	-0.60	349	394	-45.00
Ne 16/1 Open End Yarn	2.17	2.32	-0.15	179	189	-10.00
Ne 21/1 Open End Yarn	2.35	2.5	-0.15	194	204	-10.00
Ne 24/1 Open End Yarn	2.65	2.81	-0.16	219	229	-10.00

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	1-Nov-22	31-Oct-22	Change
CCIndex(328)	RMB/Ton	15420	15496	-76
CCIndex(527)	RMB/Ton	13854	13893	-39
CCIndex(229)	RMB/Ton	15790	15846	-56
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	1-Nov-22	31-Oct-22	Change
FC Index (S)	Cents/lb	91.95	91.75	0.20
FC Index (M)	Cents/lb	90.47	90.33	0.14
FC Index (L)	Cents/lb	89.13	89	0.13

Cotlook Index:

Cotlook Indices	Unit	31-Oct-22	29-Oct-22	Change
A-Index	Cents/Pound	89.5	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		31-Oct-22	31-Oct-22	Bales
Southeast	cents/lb.	74.5	76.75	418
North Delta	cents/lb.	74	76.25	0
South Delta	cents/lb.	74	76.25	0
East TX-OK	cents/lb.	72.5	75	18
West Texas	cents/lb.	71	72.5	0
Desert SW	cents/lb.	70	72.25	0
SJ Valley	cents/lb.	70.5	79.4	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
				31-Oct-22	29-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	56300	56300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	57000	57000	Unch
J-34(202)	26mm	3.5 - 4.9	23	58400	59700	-1300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	63500	64500	-1000
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 Monday, Oct 31st 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221031	72.11	73.22	70.21	72	-0.11	18100	101181	-391
23-Mar	221031	72.1	73	70.1	71.64	-0.43	10,270	73,850	-121
23-May	221031	72.3	73.12	70.4	71.85	-0.45	4,234	22,693	401
23-Jul	221031	72.36	73.11	70.5	71.98	-0.38	3503	23,564	651
23-Oct	221031	71.08	71.08	71.08	71.08	-0.07	0	2	0
23-Dec	221031	71.6	71.85	69.91	70.92	-0.24	953	22003	363
Total Volume and Open Interest							37,100	248,285	912

Source: MRCI

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