

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price was higher at Rs.30,090/bale on Wednesday. ICE cotton futures closed green on Tuesday.

**News:** Cotton prices in Guntur market traded higher yesterday. Prices have gained due to improved demand of quality cotton. Cotton is being sold at Rs. 8,800 to Rs.9,000 per quintal against the minimum support price of Rs. 6,080 per quintal for the 2022-23 season. Cotton Corporation of India has also started procurement operations on around 85 centers across the state.

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 price.

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 Monsoon has withdrawn from major cotton belts across India.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.

### Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 01st Oct 22	02 <sup>nd</sup> Nov 22
Punjab	44000	800
Haryana	255000	5000
Lower Rajasthan	165000	3500
Ganga line	225000	5000
<b>Net Total</b>	<b>689000</b>	<b>13300</b>

Cotton Price (Rs/Quintal) as of 02 <sup>nd</sup> Nov'22	
	Ready Delivery
Punjab	6250-6300
Haryana	6200-6300
Ganga line	6400-6425

### MCX Cotton

	High	Low	Close	Change
<b>MCX Cotton</b>	30,900	30,280	30,620	<b>+880</b>

### NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
<b>Dec-20</b>	2558	2567	2515	2540	<b>-13</b>
<b>Jan-23</b>	2530	2548	2487	2520	<b>-13</b>

### Weather Forecast:

Heavy rainfall at isolated places over the Tamil Nadu, Pondicherry & Karaikal, and Kerala & Mahe. Thunderstorm accompanied with lightening at isolated places over Kerala & Mahe, Tamil Nadu, Pondicherry & Karikal.

### International Cotton Fundamentals:

The Cotlook A index was lower at 89.50 cents/lb. The AWP for cotton was 68.95 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
<b>Dec- 22</b>	75.00	<b>+300</b>
<b>Mar-23</b>	74.64	<b>+300</b>

May-23	74.85	+300
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According to the U.S. Crop progress report, as of 31st Oct, 2022, U.S cotton Cotton Bolls opening stands at 99 percent which is higher than that of the previous season (94 percent). In the previous week cotton bolls opening was 98 percent. Overall 55 percent of the U.S Cotton Crop is harvested as compared to previous week 45 percent. During the previous season cotton harvested was around 44 percent.

### 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 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 ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	2-Nov-22	1-Nov-22	
Gujarat	Ahmedabad	Shankar-6	8900	8500	400
	Gondal	Shankar-6	8930	8705	225
	Rajkot	B.T. Cotton	8750	8500	250
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	1600	1602	-2
	Dhrol	B.T. Cotton	8910	8590	320
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	8400	8150	250
	Fatehabad	B.T. Cotton	8380	7965	415
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	7952	-
	Dabwali	B.T. Cotton	8295	8295	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8300	8300	Unch
	Rawatsar	B.T. Cotton	8450	8300	150
Madhya Pradesh	Khandwa	Mech-1	8800	8700	100
	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	7000	Unch
Telangana	Adilabad	Un-Ginned	7900	7660	240
Andhra Pradesh	Adoni	Un-Ginned	8597	8586	11
Karnataka	Bijapur	Bunny	9412	Closed	-
	Hubli	D.C.H.	NA	Closed	-
	Hubli	B.T. Cotton	NA	Closed	-
	Raichur	H-44 Cotton	8900	Closed	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	2-Nov-22	1-Nov-22	
Punjab	Bhatinda	J-34	6300	6050	250
	Abohar	J-34	6300	6100	200
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	6200	6000	200
Rajasthan	Sri-Ganganagar	J-34	6110	5734	376

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Nov-22	1-Nov-22	

Gujarat	Ahmedabad	Shankar-6	17000	17000	Unch
	Gondal	Shankar-6	8650	8350	300
	Rajkot	B.T. Cotton	3200	2600	600
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	30000	15000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	410	355	55
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	340	1700	-1360
	Fatehabad	B.T. Cotton	250	100	150
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	500	500	Unch
	Dabwali	B.T. Cotton	500	500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000
Madhya Pradesh	Khandwa	Mech-1	600	350	250
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	85	85	Unch
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4390.5	13749.8	-9359.3
Andhra Pradesh	Adoni	Un-Ginned	5022	4911	111
Karnataka	Bijapur	Bunny	7127	Closed	-
	Hubli	D.C.H.	NA	Closed	-
	Hubli	B.T. Cotton	NA	Closed	-
	Raichur	H-44 Cotton	16	Closed	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	2-Nov-22	1-Nov-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	510	-85
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	2-Nov-22	1-Nov-22	
Gujarat	Rajkot	Rs. /10 Kg.	1415	1390	25
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1425	1400	25
Maharashtra	Mumbai	Rs. /10 Kg.	1400	1380	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	2-Nov-22	1-Nov-22	

<b>Gujarat</b>	Mahesana (Kadi)	Rs./Qtl	2986	2963	<b>23</b>
<b>Maharashtra</b>	Akola	Rs./Qtl	2822	2738	<b>84</b>

### Cotton Yarn Prices:

Cotton Yarn Prices	1-Nov-22	31-Oct-22	Change	1-Nov-22	31-Oct-22	Change
Variety	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.96	3.02	<b>-0.06</b>	244	249	<b>-5.00</b>
Ne 20/1 Combed Hosiery Yarn	3.08	3.14	<b>-0.06</b>	254	259	<b>-5.00</b>
Ne 21/1 Carded Weaving Yarn	2.96	3.02	<b>-0.06</b>	244	249	<b>-5.00</b>
Ne 26/1 Combed Hosiery Yarn	3.2	3.26	<b>-0.06</b>	264	269	<b>-5.00</b>
Ne 30/1 Carded Hosiery Yarn	3.12	3.18	<b>-0.06</b>	257	262	<b>-5.00</b>
Ne 30/1 Combed Hosiery Yarn	3.26	3.32	<b>-0.06</b>	269	274	<b>-5.00</b>
Ne 32/1 Carded Weaving Yarn	3.26	3.32	<b>-0.06</b>	269	274	<b>-5.00</b>
Ne 34/1 Combed Hosiery Yarn	3.44	3.5	<b>-0.06</b>	284	289	<b>-5.00</b>
Ne 40/1 Combed Hosiery Yarn	3.62	3.68	<b>-0.06</b>	299	304	<b>-5.00</b>
Ne 40/1 Carded Weaving Yarn	3.44	3.5	<b>-0.06</b>	284	289	<b>-5.00</b>
Ne 30/2 Carded Hosiery Yarn	3.44	3.5	<b>-0.06</b>	284	289	<b>-5.00</b>
Ne 32/2 Combed Knitting Yarn	3.75	3.81	<b>-0.06</b>	309	314	<b>-5.00</b>
Ne 32/2 Carded Hosiery Yarn	3.44	3.5	<b>-0.06</b>	284	289	<b>-5.00</b>
Ne 40/2 Combed Hosiery Yarn	4.17	4.23	<b>-0.06</b>	344	349	<b>-5.00</b>
Ne 30/1 Combed Compact Weaving Yarn	3.44	3.5	<b>-0.06</b>	284	289	<b>-5.00</b>
Ne 40/1 Combed Compact Weaving Yarn	3.81	3.92	<b>-0.11</b>	314	323	<b>-9.00</b>
Ne 50/1 Combed Compact Weaving Yarn	4.17	4.23	<b>-0.06</b>	344	349	<b>-5.00</b>
Ne 16/1 Open End Yarn	2.17	2.17	<b>Unch</b>	179	179	<b>Unch</b>
Ne 21/1 Open End Yarn	2.35	2.35	<b>Unch</b>	194	194	<b>Unch</b>
Ne 24/1 Open End Yarn	2.65	2.65	<b>Unch</b>	219	219	<b>Unch</b>

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index:

Index	Unit	2-Nov-22	1-Nov-22	Change
CCIndex(328)	RMB/Ton	15375	15420	<b>-45</b>
CCIndex(527)	RMB/Ton	13817	13854	<b>-37</b>
CCIndex(229)	RMB/Ton	15744	15790	<b>-46</b>
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	2-Nov-22	1-Nov-22	Change
FC Index (S)	Cents/lb	94.85	91.95	<b>2.90</b>

FC Index (M)	Cents/lb	93.4	90.47	2.93
FC Index (L)	Cents/lb	92.06	89.13	2.93

**Cotlook Index:**

Cotlook Indices	Unit	1-Nov-22	31-Oct-22	Change
A-Index	Cents/Pound	89.2	89.5	-0.30

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		1-Nov-22	1-Nov-22	Bales
Southeast	cents/lb.	77.5	79.75	100
North Delta	cents/lb.	77	79.25	0
South Delta	cents/lb.	77	79.25	0
East TX-OK	cents/lb.	75.5	78	72
West Texas	cents/lb.	74	75.5	522
Desert SW	cents/lb.	73	75.25	0
SJ Valley	cents/lb.	73.5	82.4	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
				1-Nov-22	31-Oct-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	55800	56300	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	56500	57000	-500
J-34(202)	26mm	3.5 - 4.9	23	57900	58400	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	64000	63500	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	78000	78000	Unch

Daily Futures Price Listing Tuesday, Nov 01st 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221101	72.15	75	72	75	3.00	16486	100921	-260
<a href="#">23-Mar</a>	221101	71.95	74.64	71.69	74.64	3.00	12,664	76,056	2206
<a href="#">23-May</a>	221101	71.85	74.85	71.85	74.85	3.00	5,685	22,791	98
<a href="#">23-Jul</a>	221101	72.38	74.98	72.33	74.98	3.00	3348	24,200	636
<a href="#">23-Oct</a>	221101	74.08	74.08	74.08	74.08	3.00	2	2	0
<a href="#">23-Dec</a>	221101	71.12	73.92	70.92	73.92	3.00	1569	22083	80
Total Volume and Open Interest							40,100	251,214	2,929

Source: MRCI

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