

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a steady trend across India today. MCX cotton spot price was lower at Rs.31,170/bale on Thursday. ICE cotton futures closed green on Wednesday.

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 Monsoon has withdrawn from major cotton belts across India.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 02 nd Nov 22	03 rd Nov 22
Punjab	45000	1000
Haryana	259000	4000
Lower Rajasthan	168500	3500
Ganga line	230000	5500
Net Total	702500	14000

Cotton Price (Rs/Quintal) as of 03 rd Nov'22	
	Ready Delivery
Punjab	6250-6300
Haryana	6200-6300
Ganga line	6400-6425

MCX Cotton

	High	Low	Close	Change
MCX Cotton	31,280	30,270	30,300	-620

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2540	2574	2525	2536	24
Jan-23	2509	2539	2497	2509	17

Weather Forecast:

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

International Cotton Fundamentals:

The Cotlook A index was lower at 89.20 cents/lb. The AWP for cotton was 68.95 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	79.00	+400



Mar-23	78.64	+400
May-23	78.85	+400

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.

The Australian cotton industry is expecting a large cotton crop despite the rains which had already damaged the crop in the country. In some areas, cotton picking has been affected due to rains, particularly in Narrabri and Moree.

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 Textpreneurs 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	3-Nov-22	2-Nov-22	
Gujarat	Ahmedabad	Shankar-6	9000	8900	100
	Gondal	Shankar-6	9130	8930	200
	Rajkot	B.T. Cotton	8750	8750	Unch
	Patan	B.T. Cotton	NA	8755	-
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	1627	1600	27
	Dhrol	B.T. Cotton	8860	8910	-50
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	Closed	8400	-
	Fatehabad	B.T. Cotton	8350	8380	-30
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8175	-
	Dabwali	B.T. Cotton	8440	8295	145
Rajasthan	Hanumangarh	B.T. Cotton	8600	8300	300
	Rawatsar	B.T. Cotton	8500	8450	50
Madhya Pradesh	Khandwa	Mech-1	8500	8800	-300
	Khargaon	Mech-1	NA	8505	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	7500	7500	Unch
	Hathras	Desi	7200	7000	200
Telangana	Adilabad	Un-Ginned	8060	7900	160
Andhra Pradesh	Adoni	Un-Ginned	NA	8597	-
Karnataka	Bijapur	Bunny	9393	9412	-19
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9100	8900	200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	3-Nov-22	2-Nov-22	
Punjab	Bhatinda	J-34	6300	6300	Unch
	Abohar	J-34	6300	6300	Unch
	Mansa	J-34	6350	Closed	-
Haryana	Sirsa	J-34	6250	6200	50
Rajasthan	Sri-Ganganagar	J-34	6110	6110	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	3-Nov-22	2-Nov-22	
Gujarat	Ahmedabad	Shankar-6	25500	17000	8500
	Gondal	Shankar-6	8650	8650	Unch
	Rajkot	B.T. Cotton	3000	3200	-200

	Patan	B.T. Cotton	0	16281	-16281
	Kadi	B.T. Cotton	40000	30000	10000
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	369	410	-41
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	Closed	340	-
	Fatehabad	B.T. Cotton	100	250	-150
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	700	500	200
	Dabwali	B.T. Cotton	700	500	200
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	600	Unch
	Khargaon	Mech-1	NA	10200	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	60	85	-25
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8668.4	4390.5	4277.9
Andhra Pradesh	Adoni	Un-Ginned	NA	5022	-
Karnataka	Bijapur	Bunny	7579	7127	452
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	22	16	6
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	3-Nov-22	2-Nov-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	425	Unch
	Mansa	J-34	51	Closed	-
Haryana	Sirsa	J-34	425	340	85
Rajasthan	Sri-Ganganagar	J-34	2500	2000	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	3-Nov-22	2-Nov-22	
Gujarat	Rajkot	Rs./10 Kg.	1430	1415	15
Delhi	New Delhi	Rs./10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs./10 Kg.	1435	1425	10
Maharashtra	Mumbai	Rs./10 Kg.	1420	1400	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	3-Nov-22	2-Nov-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3007	2986	21
Maharashtra	Akola	Rs./Qtl	2818	2822	-4

Cotton Yarn Prices:

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

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	3-Nov-22	2-Nov-22	Change
CCIndex(328)	RMB/Ton	15410	15375	35
CCIndex(527)	RMB/Ton	13872	13817	55
CCIndex(229)	RMB/Ton	15756	15744	12
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	3-Nov-22	2-Nov-22	Change
FC Index (S)	Cents/lb	98.83	94.85	3.98
FC Index (M)	Cents/lb	97.37	93.4	3.97
FC Index (L)	Cents/lb	96.02	92.06	3.96

Cotlook Index:

Cotlook Indices	Unit	2-Nov-22	31-Oct-22	Change
A-Index	Cents/Pound	0	89.5	-89.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		2-Nov-22	2-Nov-22	Bales
Southeast	cents/lb.	81.5	83.75	0
North Delta	cents/lb.	81	83.25	0
South Delta	cents/lb.	81	83.25	0
East TX-OK	cents/lb.	79.5	82	357
West Texas	cents/lb.	78	79.5	0
Desert SW	cents/lb.	77	79.25	0
SJ Valley	cents/lb.	77.5	86.4	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
				2-Nov-22	1-Nov-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	56800	55800	1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	57500	56500	1000
J-34(202)	26mm	3.5 - 4.9	23	59000	57900	1100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	64500	64000	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 Wednesday, Nov 02nd 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221102	78.4	79	76.52	79	4.00	22708	99711	-1210
23-Mar	221102	77	78.64	75.5	78.64	4.00	15,758	80,217	4161
23-May	221102	77.27	78.85	75.41	78.85	4.00	5,564	23,114	323
23-Jul	221102	76.2	78.94	75	78.72	3.74	3457	25,078	878
23-Oct	221102	76.97	76.97	76.97	76.97	2.89	0	2	0
23-Dec	221102	73.72	76	73.45	75.88	1.96	1428	22005	-78
Total Volume and Open Interest							49,087	255,400	4,186

Source: MRCI

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