

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed a steady trend across India today. MCX cotton spot price was lower at Rs.31,360/bale on Saturday. ICE cotton futures closed green on Friday.

**News:** Cotton production is expected to fall dramatically in Telangana due to heavy rains and pest attack during the past month. Cotton Quality has also been affected and farmers are demanding a higher MSP from the government.

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 Monsoon has withdrawn from major cotton belts across India.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.

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 04 <sup>th</sup> Nov 22	05th Nov 22
Punjab	47000	1000
Haryana	267000	4000
Lower Rajasthan	177000	5000
Ganga line	241500	6000
<b>Net Total</b>	<b>732500</b>	<b>15000</b>

Cotton Price (Rs/Quintal) as of 05 <sup>th</sup> Nov'22	
	Ready Delivery
Punjab	6425-6450
Haryana	6350-6450
Ganga line	6625-6650

MCX Cotton

	High	Low	Close	Change
<b>MCX Cotton</b>	32000	30760	31560	<b>+570</b>

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
<b>Dec-20</b>	2532	2612	2523	2532	<b>+67</b>
<b>Jan-23</b>	2551	2621	2551	2524	<b>+96</b>

Weather Forecast:

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

International Cotton Fundamentals:

The Cotlook A index was lower at 92.20 cents/lb. The AWP for cotton was 65.46 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
<b>Dec- 22</b>	86.93	<b>+393</b>



<b>Mar-23</b>	85.67	<b>+350</b>
<b>May-23</b>	84.63	<b>+263</b>

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 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	5-Nov-22	4-Nov-22	
Gujarat	Ahmedabad	Shankar-6	9125	9000	125
	Gondal	Shankar-6	NA	9080	-
	Rajkot	B.T. Cotton	9100	8850	250
	Patan	B.T. Cotton	9025	8850	175
	Kadi	B.T. Cotton	9250	8500	750
	Deesa	B.T. Cotton	1626	1631	-5
	Dhrol	B.T. Cotton	9030	8910	120
Haryana	Bhiwani	B.T. Cotton	NR	0	-
	Bhiwani	Desi	NR	0	-
	Adampur	B.T. Cotton	8500	8450	50
	Fatehabad	B.T. Cotton	8300	8300	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8575	8575	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8800	8600	200
	Rawatsar	B.T. Cotton	8800	8200	600
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	7200	7200	Unch
Telangana	Adilabad	Un-Ginned	8400	8220	180
Andhra Pradesh	Adoni	Un-Ginned	8888	8729	159
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	8350	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9500	9250	250
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Nov-22	4-Nov-22	
Punjab	Bhatinda	J-34	6450	6300	150
	Abohar	J-34	6450	6350	100
	Mansa	J-34	6300	6200	100
Haryana	Sirsa	J-34	6350	6250	100
Rajasthan	Sri-Ganganagar	J-34	6157	6110	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Nov-22	4-Nov-22	
Gujarat	Ahmedabad	Shankar-6	37400	25500	11900
	Gondal	Shankar-6	8950	8700	250
	Rajkot	B.T. Cotton	3400	3000	400
	Patan	B.T. Cotton	12187	13115	-928
	Kadi	B.T. Cotton	40000	30000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	366	396	-30
Haryana	Bhiwani	B.T. Cotton	NR	0	-
	Bhiwani	Desi	NR	0	-
	Adampur	B.T. Cotton	1020	1360	-340
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	600	600	Unch
	Dabwali	B.T. Cotton	600	600	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1500	2500	-1000
	Rawatsar	B.T. Cotton	1500	2500	-1000
Madhya Pradesh	Khandwa	Mech-1	600	600	Unch
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	40	60	-20
	Hathras	Desi	40	NA	-
Telangana	Adilabad	Un-Ginned	1681.7	9467.9	-7786.2
Andhra Pradesh	Adoni	Un-Ginned	4852	3701	1151
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	20	-5
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Nov-22	4-Nov-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	510	Unch
	Mansa	J-34	170	170	Unch
Haryana	Sirsa	J-34	340	425	-85
Rajasthan	Sri-Ganganagar	J-34	2500	2500	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	5-Nov-22	4-Nov-22	
Gujarat	Rajkot	Rs. /10 Kg.	1425	1420	5

Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1430	1415	15
Maharashtra	Mumbai	Rs. /10 Kg.	1440	1420	20

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	5-Nov-22	4-Nov-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3063	3051	12
Maharashtra	Akola	Rs./Qtl	2931	2868	63

**Cotton Yarn Prices:**

Cotton Yarn Prices	3-Nov-22	2-Nov-22	Change	3-Nov-22	2-Nov-22	Change
Varietiy	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.96	2.96	Unch	244	244	Unch
Ne 20/1 Combed Hosiery Yarn	3.08	3.08	Unch	254	254	Unch
Ne 21/1 Carded Weaving Yarn	2.96	2.96	Unch	244	244	Unch
Ne 26/1 Combed Hosiery Yarn	3.2	3.2	Unch	264	264	Unch
Ne 30/1 Carded Hosiery Yarn	3.12	3.12	Unch	257	257	Unch
Ne 30/1 Combed Hosiery Yarn	3.26	3.26	Unch	269	269	Unch
Ne 32/1 Carded Weaving Yarn	3.26	3.26	Unch	269	269	Unch
Ne 34/1 Combed Hosiery Yarn	3.44	3.44	Unch	284	284	Unch
Ne 40/1 Combed Hosiery Yarn	3.62	3.62	Unch	299	299	Unch
Ne 40/1 Carded Weaving Yarn	3.44	3.44	Unch	284	284	Unch
Ne 30/2 Carded Hosiery Yarn	3.44	3.44	Unch	284	284	Unch
Ne 32/2 Combed Knitting Yarn	3.75	3.75	Unch	309	309	Unch
Ne 32/2 Carded Hosiery Yarn	3.44	3.44	Unch	284	284	Unch
Ne 40/2 Combed Hosiery Yarn	4.17	4.17	Unch	344	344	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.44	3.44	Unch	284	284	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.81	3.81	Unch	314	314	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.17	4.17	Unch	344	344	Unch
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	5-Nov-22	4-Nov-22	Change
CCIndex(328)	RMB/Ton	Closed	15448	-
CCIndex(527)	RMB/Ton	Closed	13881	-
CCIndex(229)	RMB/Ton	Closed	15787	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	5-Nov-22	4-Nov-22	Change
FC Index (S)	Cents/lb	Closed	102.39	-
FC Index (M)	Cents/lb	Closed	100.72	-
FC Index (L)	Cents/lb	Closed	99.37	-

Cotlook Index:

Cotlook Indices	Unit	5-Nov-22	3-Nov-22	Change
A-Index	Cents/Pound	Closed	96.2	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		5-Nov-22	5-Nov-22	Bales
Southeast	cents/lb.	Closed	Closed	Closed
North Delta	cents/lb.	Closed	Closed	Closed
South Delta	cents/lb.	Closed	Closed	Closed
East TX-OK	cents/lb.	Closed	Closed	Closed
West Texas	cents/lb.	Closed	Closed	Closed
Desert SW	cents/lb.	Closed	Closed	Closed
SJ Valley	cents/lb.	Closed	Closed	Closed

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
				4-Nov-22	3-Nov-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	57300	56800	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	58000	57500	500
J-34(202)	26mm	3.5 - 4.9	23	59100	85600	-26500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	65000	64500	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 Friday, Nov 04th 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221104	83.45	87.87	81.25	86.93	3.93	31098	92961	-5291
<a href="#">23-Mar</a>	221104	82.2	86.25	79.4	85.67	3.50	20,088	81,368	481
<a href="#">23-May</a>	221104	82.14	85.76	79.37	84.63	2.63	6,901	24,375	411
<a href="#">23-Jul</a>	221104	80.63	84.55	79.26	83.26	2.10	5810	25,680	777
<a href="#">23-Oct</a>	221104	80.96	80.96	80.96	80.96	1.80	0	2	0
<a href="#">23-Dec</a>	221104	77.38	79.15	75	78.37	1.11	2167	22193	0
Total Volume and Open Interest							66,450	251,742	-3,716

Source: MRCI

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