

**Domestic Fundamentals:**

**Market Outlook:**

The cotton physical market showed a steady trend across India today. MCX cotton spot price was higher at Rs.31,930/bale on Wednesday. ICE cotton futures closed green on Tuesday.

**Key Highlights:**

- Raw cotton Arrival is lower in the market as the farmers are holding cotton in anticipation of high price.
- Cotton Ginners face huge disparity, only 30% of ginning factories are running and cotton bales availability is very less. Cotton Ginning factories will operate in full swing after 25th November.
- Cotton Spinner faces huge disparity as there is very less Yarn and garment demand ahead. If this scenario continues ahead then it will be difficult for the whole chain from cotton ginning to garments industries.
- Overseas demand very less from cotton fibers to finish garments. Due to war and worldwide economic recession situation seems totally difficult ahead.
- ICE Cotton Future has been strong within 3-4 trading session by 13-14 cent (from 71 level to 86 cent level) so it's difficult for the short seller.
- All major buyers in wait and watch situation as the market is very volatile so they have not started buying for their consumption yet.
- Maharashtra / Telangana / AP State - Current Cotton quality is poor due to the last rain.

**News:** During the past week, Monsoon has completely withdrawn from major cotton belts across India. Few Spinning mills had started operating. Further, Cotton prices are expected to remain firm for the coming week. Due to disparity, ginning factories are not running regularly. Cottonseed prices are firm. There is shortage of cottonseed in market due to lesser ginning process. Raw cotton prices went up sharply due to shooting up of ICE futures.

| State-Wise Cotton Arrivals (MT) (October Month) |                 |               |                |
|---|-----------------|---------------|----------------|
| Month   | 2022-23         | 2021-22       | % Change       |
| Andhra Pradesh                                  | 7,969           | 14,923        | -0.5           |
| Gujarat   | 59,468          | 190,121       | -0.7           |
| Haryana   | 8,541           | 9,329         | -0.1           |
| Karnataka                                       | 8,094           | 10,480        | -0.2           |
| Madhya Pradesh                                  | 29,229          | 74,094        | -0.6           |
| Maharashtra                                     | 396             | 24,963        | -1.0           |
| Odisha  | 0               | 10            | 0.0            |
| Punjab  | 2,272           | 20,323        | -0.9           |
| Rajasthan                                       | 94,489          | 115,854       | -0.2           |
| Tamil Nadu                                      | 707             | 1,200         | -0.4           |
| Telangana                                       | 10,546          | 75,580        | -0.9           |
| Uttar Pradesh                                   | 70              | 1,669         | -1.0           |
| <b>All India</b>                                | <b>221781.4</b> | <b>538545</b> | <b>-0.5882</b> |

Source: Agmarknet

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.

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.

### Northern New Cotton Crop:

| Cotton Arrivals (Quintals) |  |              |
|----------------------------|--|--------------|
|                            | Total Arrivals up to 08 <sup>th</sup> Nov 22 | 09th Nov 22  |
| Punjab                     | 40800  | 800          |
| Haryana                    | 275000                                       | 5000         |
| Lower Rajasthan            | 329000                                       | 6500         |
| Ganga line                 | 374000                                       | 7000         |
| <b>Net Total</b>           | <b>1018800</b>                               | <b>19300</b> |

| Cotton Price (Rs/Quintal) as of 09 <sup>th</sup> Nov'22 |                |
|---|----------------|
|   | Ready Delivery |
| Punjab  | 6350-6475      |
| Haryana   | 6350-6450      |
| Ganga line  | 6625-6675      |

### MCX Cotton

|                   | High  | Low   | Close | Change      |
|-------------------|-------|-------|-------|-------------|
| <b>MCX Cotton</b> | 32870 | 31940 | 32700 | <b>+450</b> |

### NCDEX Cottonseed Oilcake

|               | Open | High | Low  | Close | Change     |
|---------------|------|------|------|-------|------------|
| <b>Dec-20</b> | 2630 | 2693 | 2607 | 2644  | <b>+36</b> |
| <b>Jan-23</b> | 2580 | 2634 | 2558 | 2581  | <b>+47</b> |

**Weather Forecast:**

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

**International Cotton Fundamentals:**

The Cotlook A index was lower at 104.10 cents/lb. The AWP for cotton was 65.46 cents/lb.

| ICE Cotton Futures (Cents/Lb) |       |        |
|-------------------------------|-------|--------|
|                               | Close | Change |
| Dec- 22                       | 87.68 | +19    |
| Mar-23                        | 85.74 | -9     |
| May-23                        | 84.84 | +23    |

Bangladesh textile mills association has urged the government to discourage yarn imports amid the ongoing dollar crisis as the local spinning mill owners have huge stock piles due to a decline in demand.

According to the U.S. Crop progress report, as of 06<sup>th</sup> Nov, 2022. Overall 62 percent of the U.S Cotton Crop is harvested as compared to previous week 55 percent. During the previous season cotton harvested was around 54 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.

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 Yarn**

South Indian cotton yarn prices witnessed a mixed trend today. Prices for various varieties and counts increased in Mumbai but remained steady in Tripura. The demand has improved in the last week as costlier cotton encouraged buyers.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,620-1,650 and Rs.1,550-1,570 per 5 kg respectively. 60 combed warp was priced at Rs.350-355 per kg. 80 carded (weft) cotton yarn was sold at Rs.1,450-1,480 per 4.5 kg.

In the Tiruppur market, cotton yarn prices remained stable, but demand improved due to an increase in cotton prices. Today, 30 count combed cotton yarn was traded at Rs.305-310 per kg, 34 count combed at Rs.315-320 per kg and 40 count combed at Rs.320-325 per kg in the Tiruppur market.

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

| Commodity      | Kapas          |               | Prices (Rs./Quintal) |          | Change |
|----------------|----------------|---------------|----------------------|----------|--------|
| State          | Centre         | Variety       | 9-Nov-22             | 7-Nov-22 |        |
| Gujarat        | Ahmedabad      | Shankar-6     | 9100                 | 9000     | 100    |
|                | Gondal         | Shankar-6     | 9105                 | 9080     | 25     |
|                | Rajkot         | B.T. Cotton   | 9285                 | 8950     | 335    |
|                | Patan          | B.T. Cotton   | 9055                 | 8930     | 125    |
|                | Kadi           | B.T. Cotton   | 9300                 | 9125     | 175    |
|                | Deesa          | B.T. Cotton   | 1688                 | 1650     | 38     |
|                | Dhrol          | B.T. Cotton   | 8940                 | 8955     | -15    |
| Haryana        | Bhiwani        | B.T. Cotton   | 8600                 | NR       | -      |
|                | Bhiwani        | Desi          | NR                   | NR       | -      |
|                | Adampur        | B.T. Cotton   | 8600                 | 8550     | 50     |
|                | Fatehabad      | B.T. Cotton   | 8625                 | NA       | -      |
|                | Jind           | B.T. Cotton   | NA                   | NA       | -      |
|                | Uchana         | B.T. Cotton   | NA                   | NA       | -      |
|                | Dabwali        | B.T. Cotton   | 8585                 | 8690     | -105   |
| Rajasthan      | Hanumangarh    | B.T. Cotton   | 8800                 | 8550     | 250    |
|                | Rawatsar       | B.T. Cotton   | 8800                 | 8850     | -50    |
| Madhya Pradesh | Khandwa        | Mech-1        | 9000                 | 8800     | 200    |
|                | Khargaon       | Mech-1        | NA                   | 8835     | -      |
| Maharashtra    | Amravati       | Mech-1        | 8600                 | 9000     | -400   |
|                | Jamner         | Medium Staple | NA                   | NA       | -      |
| Uttar Pradesh  | Hathras        | B.T. Cotton   | 7500                 | 7500     | Unch   |
|                | Hathras        | Desi          | 7200                 | 7200     | Unch   |
| Telangana      | Adilabad       | Un-Ginned     | NA                   | NA       | -      |
| Andhra Pradesh | Adoni          | Un-Ginned     | 9499                 | 9047     | 452    |
| Karnataka      | Bijapur        | Bunny         | 9990                 | 9930     | 60     |
|                | Hubli          | D.C.H.        | NA                   | NA       | -      |
|                | Hubli          | B.T. Cotton   | NA                   | NA       | -      |
|                | Raichur        | H-44 Cotton   | 9500                 | 9550     | -50    |
| Commodity      | Lint           |               | Prices (Rs./Maund)   |          | Change |
| State          | Centre         | Variety       | 9-Nov-22             | 7-Nov-22 |        |
| Punjab         | Bhatinda       | J-34          | 6475                 | 6450     | 25     |
|                | Abohar         | J-34          | 6500                 | 6450     | 50     |
|                | Mansa          | J-34          | 6500                 | 6450     | 50     |
| Haryana        | Sirsa          | J-34          | 6400                 | 6350     | 50     |
| Rajasthan      | Sri-Ganganagar | J-34          | 6251                 | 6204     | 47     |

#### Cotton Arrivals in Key Centers:

| Commodity | Kapas     |           | Arrivals (Quintal) |          | Change |
|-----------|-----------|-----------|--------------------|----------|--------|
| State     | Centre    | Variety   | 9-Nov-22           | 7-Nov-22 |        |
| Gujarat   | Ahmedabad | Shankar-6 | 37400              | 34000    | 3400   |
|           | Gondal    | Shankar-6 | 8375               | 8750     | -375   |

|                       |                |                |                           |                 |               |
|-----------------------|----------------|----------------|---------------------------|-----------------|---------------|
|                       | Rajkot         | B.T. Cotton    | 4000                      | 3600            | <b>400</b>    |
|                       | Patan          | B.T. Cotton    | 15356                     | 14710           | <b>646</b>    |
|                       | Kadi           | B.T. Cotton    | 30000                     | 30000           | <b>Unch</b>   |
|                       | Deesa          | B.T. Cotton    | NA                        | NA              | <b>-</b>      |
|                       | Dhrol          | B.T. Cotton    | 735                       | 482             | <b>253</b>    |
| <b>Haryana</b>        | Bhiwani        | B.T. Cotton    | 2000                      | NR              | <b>-</b>      |
|                       | Bhiwani        | Desi           | NR                        | NR              | <b>-</b>      |
|                       | Adampur        | B.T. Cotton    | 1700                      | 1360            | <b>340</b>    |
|                       | Fatehabad      | B.T. Cotton    | 200                       | NA              | <b>-</b>      |
|                       | Jind           | B.T. Cotton    | NA                        | NA              | <b>-</b>      |
|                       | Uchana         | B.T. Cotton    | 200                       | 800             | <b>-600</b>   |
|                       | Dabwali        | B.T. Cotton    | 200                       | 800             | <b>-600</b>   |
| <b>Rajasthan</b>      | Hanumangarh    | B.T. Cotton    | 2500                      | 3000            | <b>-500</b>   |
|                       | Rawatsar       | B.T. Cotton    | 2500                      | 3000            | <b>-500</b>   |
| <b>Madhya Pradesh</b> | Khandwa        | Mech-1         | 1200                      | 1300            | <b>-100</b>   |
|                       | Khargaon       | Mech-1         | NA                        | 1320            | <b>-</b>      |
| <b>Maharashtra</b>    | Amravati       | Mech-1         | 500                       | 500             | <b>Unch</b>   |
|                       | Jamner         | Medium Staple  | NA                        | NA              | <b>-</b>      |
| <b>Uttar Pradesh</b>  | Hathras        | B.T. Cotton    | 60                        | 40              | <b>20</b>     |
|                       | Hathras        | Desi           | NA                        | 40              | <b>-</b>      |
| <b>Telangana</b>      | Adilabad       | Un-Ginned      | NA                        | NA              | <b>-</b>      |
| <b>Andhra Pradesh</b> | Adoni          | Un-Ginned      | 4190                      | 3174            | <b>1016</b>   |
| <b>Karnataka</b>      | Bijapur        | Bunny          | 8773                      | 6143            | <b>2630</b>   |
|                       | Hubli          | D.C.H.         | NA                        | NA              | <b>-</b>      |
|                       | Hubli          | B.T. Cotton    | NA                        | NA              | <b>-</b>      |
|                       | Raichur        | H-44 Cotton    | 16                        | 22              | <b>-6</b>     |
| <b>Commodity</b>      | <b>Lint</b>    |                | <b>Arrivals (Quintal)</b> |                 | <b>Change</b> |
| <b>State</b>          | <b>Centre</b>  | <b>Variety</b> | <b>9-Nov-22</b>           | <b>7-Nov-22</b> |               |
| <b>Punjab</b>         | Bhatinda       | J-34           | NA                        | NA              | <b>-</b>      |
|                       | Abohar         | J-34           | 510                       | 680             | <b>-170</b>   |
|                       | Mansa          | J-34           | 255                       | 255             | <b>Unch</b>   |
| <b>Haryana</b>        | Sirsa          | J-34           | 170                       | 340             | <b>-170</b>   |
| <b>Rajasthan</b>      | Sri-Ganganagar | J-34           | 2500                      | 3000            | <b>-500</b>   |

**Cotton Seed Oil Prices:**

| Commodity          | Cotton Seed Oil |             | Price |          | Change     |
|--------------------|-----------------|-------------|-------|----------|------------|
|                    | State           | Centre      | Unit  | 9-Nov-22 |            |
| <b>Gujarat</b>     | Rajkot          | Rs. /10 Kg. | 1390  | 1440     | <b>-50</b> |
| <b>Delhi</b>       | New Delhi       | Rs. /10 Kg. | NR    | NR       | <b>-</b>   |
| <b>Telangana</b>   | Hyderabad       | Rs. /10 Kg. | 1385  | 1442     | <b>-57</b> |
| <b>Maharashtra</b> | Mumbai          | Rs. /10 Kg. | 1405  | 1440     | <b>-35</b> |

**Cotton Seed Oil Seed Cake Prices:**

| Commodity          | Cotton Seed Oil Seed Cake |         | Price |          | Change     |
|--------------------|---------------------------|---------|-------|----------|------------|
|                    | State                     | Centre  | Unit  | 9-Nov-22 |            |
| <b>Gujarat</b>     | Mahesana (Kadi)           | Rs./Qtl | 3078  | 3114     | <b>-36</b> |
| <b>Maharashtra</b> | Akola                     | Rs./Qtl | 2967  | 3026     | <b>-59</b> |

Cotton Yarn Prices:

| Cotton Yarn Prices<br>Variety       | 9-Nov-22        | 3-Nov-22 | Change | 9-Nov-22              | 3-Nov-22 | Change |
|-------------------------------------|-----------------|----------|--------|-----------------------|----------|--------|
|                                     | Prices FOB ,USD |          |        | Prices Kg Indian Port |          |        |
| Ne 20/1 Carded Hosiery Yarn         | 3.02            | 2.96     | 0.06   | 249                   | 244      | 5.00   |
| Ne 20/1 Combed Hosiery Yarn         | 3.14            | 3.08     | 0.06   | 259                   | 254      | 5.00   |
| Ne 21/1 Carded Weaving Yarn         | 3.02            | 2.96     | 0.06   | 249                   | 244      | 5.00   |
| Ne 26/1 Combed Hosiery Yarn         | 3.26            | 3.2      | 0.06   | 269                   | 264      | 5.00   |
| Ne 30/1 Carded Hosiery Yarn         | 3.18            | 3.12     | 0.06   | 262                   | 257      | 5.00   |
| Ne 30/1 Combed Hosiery Yarn         | 3.32            | 3.26     | 0.06   | 274                   | 269      | 5.00   |
| Ne 32/1 Carded Weaving Yarn         | 3.32            | 3.26     | 0.06   | 274                   | 269      | 5.00   |
| Ne 34/1 Combed Hosiery Yarn         | 3.5             | 3.44     | 0.06   | 289                   | 284      | 5.00   |
| Ne 40/1 Combed Hosiery Yarn         | 3.68            | 3.62     | 0.06   | 304                   | 299      | 5.00   |
| Ne 40/1 Carded Weaving Yarn         | 3.5             | 3.44     | 0.06   | 289                   | 284      | 5.00   |
| Ne 30/2 Carded Hosiery Yarn         | 3.5             | 3.44     | 0.06   | 289                   | 284      | 5.00   |
| Ne 32/2 Combed Knitting Yarn        | 3.87            | 3.75     | 0.12   | 319                   | 309      | 10.00  |
| Ne 32/2 Carded Hosiery Yarn         | 3.5             | 3.44     | 0.06   | 289                   | 284      | 5.00   |
| Ne 40/2 Combed Hosiery Yarn         | 4.29            | 4.17     | 0.12   | 354                   | 344      | 10.00  |
| Ne 30/1 Combed Compact Weaving Yarn | 3.5             | 3.44     | 0.06   | 289                   | 284      | 5.00   |
| Ne 40/1 Combed Compact Weaving Yarn | 3.93            | 3.81     | 0.12   | 324                   | 314      | 10.00  |
| Ne 50/1 Combed Compact Weaving Yarn | 4.29            | 4.17     | 0.12   | 354                   | 344      | 10.00  |
| Ne 16/1 Open End Yarn               | 2.23            | 2.17     | 0.06   | 184                   | 179      | 5.00   |
| Ne 21/1 Open End Yarn               | 2.41            | 2.35     | 0.06   | 199                   | 194      | 5.00   |
| Ne 24/1 Open End Yarn               | 2.72            | 2.65     | 0.07   | 224                   | 219      | 5.00   |

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

| Index        | Unit    | 7-Nov-22 | 4-Nov-22 | Change |
|--------------|---------|----------|----------|--------|
| CCIndex(328) | RMB/Ton | 15426    | 15448    | -22    |
| CCIndex(527) | RMB/Ton | 13883    | 13881    | 2      |
| CCIndex(229) | RMB/Ton | 15775    | 15787    | -12    |

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

| Index        | Unit     | 7-Nov-22 | 4-Nov-22 | Change |
|--------------|----------|----------|----------|--------|
| FC Index (S) | Cents/lb | 106.29   | 102.39   | 3.90   |
| FC Index (M) | Cents/lb | 104.34   | 100.72   | 3.62   |
| FC Index (L) | Cents/lb | 103      | 99.37    | 3.63   |

**Cotlook Index:**

| Cotlook Indices | Unit        | 7-Nov-22 | 4-Nov-22 | Change |
|-----------------|-------------|----------|----------|--------|
| A-Index         | Cents/Pound | NA       | 100.1    | -      |

**USDA Cotton Spot Rates:**

| Growth Area | Unit      | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|-----------|---------------------|---------------------|----------|
|             |           | 7-Nov-22            | 7-Nov-22            | Bales    |
| Southeast   | cents/lb. | 89.74               | 89.74               | 199      |
| North Delta | cents/lb. | 88.74               | 88.74               | 0        |
| South Delta | cents/lb. | 88.74               | 88.74               | 0        |
| East TX-OK  | cents/lb. | 86.24               | 86.24               | 888      |
| West Texas  | cents/lb. | 86.24               | 86.24               | 2        |
| Desert SW   | cents/lb. | 85.49               | 85.49               | 0        |
| SJ Valley   | cents/lb. | 85.99               | 85.99               | 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/<br>GPT | Rs. Per Candy | Rs. Per Candy | Change |
|---------------------------------------|------------|------------|------------------|---------------|---------------|--------|
|                                       |            |            |                  | 7-Nov-22      | 5-Nov-22      |        |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0  | 15               | 57500         | 57800         | -300   |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 58200         | 58500         | -300   |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 60300         | 59600         | 700    |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | NA            | NA            | -      |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 66000         | 66000         | 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               | 76500         | 78000         | -1500  |

| Daily Futures Price Listing Tuesday, Nov 08th 2022 |        |       |       |       |       |        |              |          |        |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information                            |        |       |       |       |       |        | Previous Day |          |        |
| Month  | Date   | Open  | High  | Low   | Close | Change | Volume       | Open Int | Change |
| <a href="#">22-Dec</a>                             | 221108 | 87.46 | 89.31 | 86.25 | 87.68 | 0.19   | 36848        | 88567    | -4163  |
| <a href="#">23-Mar</a>                             | 221108 | 85.35 | 87.15 | 84.57 | 85.74 | -0.09  | 28,418       | 85,680   | 1435   |
| <a href="#">23-May</a>                             | 221108 | 84.64 | 86.11 | 83.9  | 84.84 | -0.23  | 11,682       | 25,370   | 394    |
| <a href="#">23-Jul</a>                             | 221108 | 83.7  | 84.93 | 83.24 | 83.85 | -0.28  | 4333         | 25,458   | -311   |
| <a href="#">23-Oct</a>                             | 221108 | 78.91 | 78.91 | 78.91 | 78.91 | -0.92  | 0            | 2        | 0      |
| <a href="#">23-Dec</a>                             | 221108 | 78.5  | 79.29 | 77.8  | 78.51 | -0.21  | 1896         | 21818    | -566   |
| Total Volume and Open Interest                     |        |       |       |       |       |        | 83,219       | 252,071  | -3,222 |

Source: MRCI

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