

## Domestic Fundamentals:

### **Market Outlook:**

The cotton physical market showed a firm trend across India today. MCX cotton spot price was lower at Rs.33,150/bale on Tuesday. ICE cotton futures closed red on Monday.

### **Key Highlights:**

- Raw cotton prices during the last week traded firm, demand has also improved in the market. However, the processing of cotton is not enough due to limited arrivals. Raw cotton arrival is lower in the market as the farmers are holding cotton in anticipation of high prices. AgriWatch expects cotton prices to remain firm for the coming week.
- Demand and prices of Yarn have increased, and prices traded stable to firm. World cotton supply is lower and the expectation of consumption is also lower. If the demand will improve globally, consumption is also expected to increase further.

**News:** Cotton Association of India has estimated released its October estimate for the 2022-23 season. CAI has retained its cotton crop estimate at 344 lakh bales. The Association has attributed the increase in production majorly from Gujarat, Punjab, and Haryana. Agriwatch has estimated cotton production during 2022-23 season at 348.16 lakh bales.

Majorly, CAI has reduced its export estimate for the 2022-23 season. The exports for the 2022-23 season are estimated at 30 lakh bales of 170 kgs. each and are less by 13 lakh bales than the exports estimate of 43.00 lakh bales of 170 kgs. each for the crop year 2021-22. Also, domestic consumption has revised to 300 lakh bales as against 320 lakh bales estimated earlier. The previous year's consumption estimate was 318 lakh bales.

During the past week, rainfall was reported from the southern cotton belts of Karnataka, Telangana, and Andhra Pradesh. However, in central and southern India weather is good and overall cotton quality has also improved. Cotton daily arrivals is around 80-90,000 bales per day. Cottonseed prices are stable to firm. However, demand for cottonseed oilcake is not improving in the domestic market.

| Cotton Balance Sheet          | 2021-22 | 2022-23 |
|-------------------------------|---------|---------|
| Opening Stock                 | 71.84   | 31.89   |
| Production                    | 307.05  | 344.00  |
| Imports                       | 14      | 12      |
| Domestic Consumption          | 318     | 300     |
| Exports                       | 43      | 30      |
| Closing Stock                 | 31.89   | 57.89   |
| Source: CAI; unit- Lakh Bales |         |         |

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.

### Northern New Cotton Crop:

| Cotton Arrivals (Quintals) |  |                         |
|----------------------------|--|-------------------------|
|                            | Total Arrivals up to 10 <sup>th</sup> Nov 22 | 14 <sup>th</sup> Nov 22 |
| Punjab                     | 41600  | 1200                    |
| Haryana                    | 280000                                       | 5500                    |
| Lower Rajasthan            | 335500                                       | 7000                    |
| Ganga line                 | 381000                                       | 7000                    |
| <b>Net Total</b>           | <b>1038100</b>                               | <b>20700</b>            |

| Cotton Price (Rs/Quintal) as of 14 <sup>th</sup> Nov'22 |                |
|---|----------------|
|   | Ready Delivery |
| Punjab  | 6725-6825      |
| Haryana   | 6650-6750      |
| Ganga line  | 6875-6925      |

### MCX Cotton

|                   | High  | Low   | Close | Change     |
|-------------------|-------|-------|-------|------------|
| <b>MCX Cotton</b> | 32760 | 32340 | 32690 | <b>+70</b> |

### NCDEX Cottonseed Oilcake

|               | Open | High | Low  | Close | Change       |
|---------------|------|------|------|-------|--------------|
| <b>Dec-20</b> | 2714 | 2747 | 2684 | 2711  | <b>-1.00</b> |
| <b>Jan-23</b> | 2621 | 2650 | 2605 | 2619  | <b>+9.00</b> |

### Weather Forecast:

Heavy rainfall at isolated places over the Andaman & Nicobar Islands.

### International Cotton Fundamentals:

The Cotlook A index was lower at 103.55 cents/lb. The AWP for cotton was 76.74 cents/lb.

| ICE Cotton Futures (Cents/Lb) |       |             |
|-------------------------------|-------|-------------|
|                               | Close | Change      |
| <b>Dec- 22</b>                | 85.28 | <b>-292</b> |
| <b>Mar-23</b>                 | 83.62 | <b>-271</b> |



|        |       |      |
|--------|-------|------|
| May-23 | 82.50 | -306 |
|--------|-------|------|

According to the U.S. Crop progress report, as of 14<sup>th</sup> Nov, 2022. Overall 71 percent of the U.S Cotton Crop is harvested as compared to previous week 62 percent. During the previous season cotton harvested was around 64 percent.

According to the USDA, World Agriculture Supply Demand Estimate Report, U.S. cotton production is expected to be higher by 1.5%, at 14.0 million bales, as a decrease in the Southwest is more than offset by increases elsewhere. Domestic mill use and exports are unchanged, and ending stocks are 200,000 bales higher at 3.0 million bales. The 2022-23 season average price for upland cotton is reduced 5 cents this month to 85 cents per pound.

The 2022-23 World cotton production is expected to be lower by 1.6 million bales, led by a 700,000-bale cut in Pakistan's crop as gin arrivals there signal the extent of damage from earlier precipitation and flooding. Unusually high precipitation is also driving a 500,000-bale reduction in Australia's 2022-23 crop, and in part accounts for a 630,000-bale decline in West Africa's expected output. Global cotton consumption is projected around 650,000 bales lower, with a 300,000-bale cut to mill use in both Pakistan and Bangladesh.

World trade is 400,000 bales lower, with import reductions for Bangladesh and China only partly offset by Pakistan's increase; West African exporters account for most of the decline in projected exports. At 87.3 million bales, world-ending stocks in 2022-23 are projected 600,000 bales lower than in October, but 1.6 million higher than the year before.

### 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 ARRIVALSCotton Prices at Key Spot Markets:

| Commodity      | Kapas          |               | Prices (Rs./Quintal) |           | Change |
|----------------|----------------|---------------|----------------------|-----------|--------|
| State          | Centre         | Variety       | 15-Nov-22            | 14-Nov-22 |        |
| Gujarat        | Ahmedabad      | Shankar-6     | 9500                 | 9500      | Unch   |
|                | Gondal         | Shankar-6     | 9330                 | 9530      | -200   |
|                | Rajkot         | B.T. Cotton   | 9200                 | 9200      | Unch   |
|                | Patan          | B.T. Cotton   | NA                   | 9400      | -      |
|                | Kadi           | B.T. Cotton   | 9250                 | 9450      | -200   |
|                | Deesa          | B.T. Cotton   | 1718                 | 1701      | 17     |
|                | Dhrol          | B.T. Cotton   | 9410                 | 9575      | -165   |
| Haryana        | Bhiwani        | B.T. Cotton   | 8800                 | 8800      | Unch   |
|                | Bhiwani        | Desi          | NA                   | NA        | -      |
|                | Adampur        | B.T. Cotton   | 8800                 | 8800      | Unch   |
|                | Fatehabad      | B.T. Cotton   | 8850                 | 8900      | -50    |
|                | Jind           | B.T. Cotton   | NA                   | 0         | -      |
|                | Uchana         | B.T. Cotton   | NA                   | NA        | -      |
|                | Dabwali        | B.T. Cotton   | 8795                 | 8840      | -45    |
| Rajasthan      | Hanumangarh    | B.T. Cotton   | 9200                 | 9200      | Unch   |
|                | Rawatsar       | B.T. Cotton   | 9000                 | 9100      | -100   |
| Madhya Pradesh | Khandwa        | Mech-1        | Closed               | 9800      | -      |
|                | Khargaon       | Mech-1        | NA                   | NA        | -      |
| Maharashtra    | Amravati       | Mech-1        | 9500                 | 9450      | 50     |
|                | Jamner         | Medium Staple | NA                   | NA        | -      |
| Uttar Pradesh  | Hathras        | B.T. Cotton   | 7800                 | 7200      | 600    |
|                | Hathras        | Desi          | 7300                 | 7200      | 100    |
| Telangana      | Adilabad       | Un-Ginned     | 8870                 | NA        | -      |
| Andhra Pradesh | Adoni          | Un-Ginned     | 9629                 | 9369      | 260    |
| Karnataka      | Bijapur        | Bunny         | 9932                 | 9789      | 143    |
|                | Hubli          | D.C.H.        | NA                   | NA        | -      |
|                | Hubli          | B.T. Cotton   | NA                   | NA        | -      |
|                | Raichur        | H-44 Cotton   | 9400                 | 9750      | -350   |
| Commodity      | Lint           |               | Prices (Rs./Maund)   |           | Change |
| State          | Centre         | Variety       | 15-Nov-22            | 14-Nov-22 |        |
| Punjab         | Bhatinda       | J-34          | 6750                 | 6825      | -75    |
|                | Abohar         | J-34          | 6750                 | 6825      | -75    |
|                | Mansa          | J-34          | 6700                 | 6725      | -25    |
| Haryana        | Sirsa          | J-34          | 6550                 | 6625      | -75    |
| Rajasthan      | Sri-Ganganagar | J-34          | 6533                 | 6533      | Unch   |

Cotton Arrivals in Key Centers:

| Commodity | Kapas     |           | Arrivals (Quintal) |           | Change |
|-----------|-----------|-----------|--------------------|-----------|--------|
| State     | Centre    | Variety   | 15-Nov-22          | 14-Nov-22 |        |
| Gujarat   | Ahmedabad | Shankar-6 | 51000              | 39100     | 11900  |
|           | Gondal    | Shankar-6 | 9100               | 9100      | Unch   |

|                |                |               |                    |           |        |
|----------------|----------------|---------------|--------------------|-----------|--------|
|                | Rajkot         | B.T. Cotton   | 3400               | 5200      | -1800  |
|                | Patan          | B.T. Cotton   | NA                 | 15361     | -      |
|                | Kadi           | B.T. Cotton   | 40000              | 30000     | 10000  |
|                | Deesa          | B.T. Cotton   | NA                 | NA        | -      |
|                | Dhrol          | B.T. Cotton   | 563                | 756       | -193   |
| Haryana        | Bhiwani        | B.T. Cotton   | 2500               | 2500      | Unch   |
|                | Bhiwani        | Desi          | NA                 | NA        | -      |
|                | Adampur        | B.T. Cotton   | 1700               | 1700      | Unch   |
|                | Fatehabad      | B.T. Cotton   | 200                | 250       | -50    |
|                | Jind           | B.T. Cotton   | NA                 | 0         | -      |
|                | Uchana         | B.T. Cotton   | 800                | 800       | Unch   |
|                | Dabwali        | B.T. Cotton   | 800                | 800       | Unch   |
| Rajasthan      | Hanumangarh    | B.T. Cotton   | 2000               | 2500      | -500   |
|                | Rawatsar       | B.T. Cotton   | 2000               | 2500      | -500   |
| Madhya Pradesh | Khandwa        | Mech-1        | Closed             | 1400      | -      |
|                | Khargaon       | Mech-1        | NA                 | NA        | -      |
| Maharashtra    | Amravati       | Mech-1        | 1300               | 1300      | Unch   |
|                | Jamner         | Medium Staple | NA                 | NA        | -      |
| Uttar Pradesh  | Hathras        | B.T. Cotton   | 60                 | 60        | Unch   |
|                | Hathras        | Desi          | NA                 | 100       | -      |
| Telangana      | Adilabad       | Un-Ginned     | 45041.6            | NA        | -      |
| Andhra Pradesh | Adoni          | Un-Ginned     | 6668               | 4640      | 2028   |
| Karnataka      | Bijapur        | Bunny         | 9237               | 8767      | 470    |
|                | Hubli          | D.C.H.        | NA                 | NA        | -      |
|                | Hubli          | B.T. Cotton   | NA                 | NA        | -      |
|                | Raichur        | H-44 Cotton   | 21                 | 22        | -1     |
| Commodity      | Lint           |               | Arrivals (Quintal) |           | Change |
| State          | Centre         | Variety       | 15-Nov-22          | 14-Nov-22 |        |
| Punjab         | Bhatinda       | J-34          | NA                 | NA        | -      |
|                | Abohar         | J-34          | 255                | 425       | -170   |
|                | Mansa          | J-34          | 85                 | 85        | Unch   |
| Haryana        | Sirsa          | J-34          | 255                | 340       | -85    |
| Rajasthan      | Sri-Ganganagar | J-34          | 3000               | 3000      | Unch   |

**Cotton Seed Oil Prices:**

| Commodity   | Cotton Seed Oil |             | Price     |           | Change |
|-------------|-----------------|-------------|-----------|-----------|--------|
| State       | Centre          | Unit        | 15-Nov-22 | 14-Nov-22 |        |
| Gujarat     | Rajkot          | Rs. /10 Kg. | 1385      | 1390      | -5     |
| Delhi       | New Delhi       | Rs. /10 Kg. | NR        | NR        | -      |
| Telangana   | Hyderabad       | Rs. /10 Kg. | 1375      | 1385      | -10    |
| Maharashtra | Mumbai          | Rs. /10 Kg. | 1385      | 1380      | 5      |

**Cotton Seed Oil Seed Cake Prices:**

| Commodity   | Cotton Seed Oil Seed Cake |         | Price     |           | Change |
|-------------|---------------------------|---------|-----------|-----------|--------|
| State       | Centre                    | Unit    | 15-Nov-22 | 14-Nov-22 |        |
| Gujarat     | Mahesana (Kadi)           | Rs./Qtl | 3071      | 3157      | -86    |
| Maharashtra | Akola                     | Rs./Qtl | 3116      | 3080      | 36     |

Cotton Yarn Prices:

| Cotton Yarn Prices                  | 12-Nov-22       | 9-Nov-22 | Change | 12-Nov-22             | 9-Nov-22 | Change |
|-------------------------------------|-----------------|----------|--------|-----------------------|----------|--------|
| Variety                             | Prices FOB ,USD |          |        | Prices Kg Indian Port |          |        |
| Ne 20/1 Carded Hosiery Yarn         | 3.13            | 3.02     | 0.11   | 254                   | 249      | 5.00   |
| Ne 20/1 Combed Hosiery Yarn         | 3.25            | 3.14     | 0.11   | 264                   | 259      | 5.00   |
| Ne 21/1 Carded Weaving Yarn         | 3.13            | 3.02     | 0.11   | 254                   | 249      | 5.00   |
| Ne 26/1 Combed Hosiery Yarn         | 3.34            | 3.26     | 0.08   | 271                   | 269      | 2.00   |
| Ne 30/1 Carded Hosiery Yarn         | 3.29            | 3.18     | 0.11   | 267                   | 262      | 5.00   |
| Ne 30/1 Combed Hosiery Yarn         | 3.41            | 3.32     | 0.09   | 277                   | 274      | 3.00   |
| Ne 32/1 Carded Weaving Yarn         | 3.37            | 3.32     | 0.05   | 274                   | 274      | Unch   |
| Ne 34/1 Combed Hosiery Yarn         | 3.62            | 3.5      | 0.12   | 294                   | 289      | 5.00   |
| Ne 40/1 Combed Hosiery Yarn         | 3.8             | 3.68     | 0.12   | 309                   | 304      | 5.00   |
| Ne 40/1 Carded Weaving Yarn         | 3.56            | 3.5      | 0.06   | 289                   | 289      | Unch   |
| Ne 30/2 Carded Hosiery Yarn         | 3.56            | 3.5      | 0.06   | 289                   | 289      | Unch   |
| Ne 32/2 Combed Knitting Yarn        | 3.99            | 3.87     | 0.12   | 324                   | 319      | 5.00   |
| Ne 32/2 Carded Hosiery Yarn         | 3.62            | 3.5      | 0.12   | 294                   | 289      | 5.00   |
| Ne 40/2 Combed Hosiery Yarn         | 4.42            | 4.29     | 0.13   | 359                   | 354      | 5.00   |
| Ne 30/1 Combed Compact Weaving Yarn | 3.62            | 3.5      | 0.12   | 294                   | 289      | 5.00   |
| Ne 40/1 Combed Compact Weaving Yarn | 4.05            | 3.93     | 0.12   | 329                   | 324      | 5.00   |
| Ne 50/1 Combed Compact Weaving Yarn | 4.42            | 4.29     | 0.13   | 359                   | 354      | 5.00   |
| Ne 16/1 Open End Yarn               | 2.33            | 2.23     | 0.10   | 189                   | 184      | 5.00   |
| Ne 21/1 Open End Yarn               | 2.51            | 2.41     | 0.10   | 204                   | 199      | 5.00   |
| Ne 24/1 Open End Yarn               | 2.82            | 2.72     | 0.10   | 229                   | 224      | 5.00   |

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

| Index                            | Unit    | 15-Nov-22 | 14-Nov-22 | Change |
|----------------------------------|---------|-----------|-----------|--------|
| CCIndex(328)                     | RMB/Ton | 15213     | 15247     | -34    |
| CCIndex(527)                     | RMB/Ton | 13701     | 13707     | -6     |
| CCIndex(229)                     | RMB/Ton | 15593     | 15618     | -25    |
| RMB -Renminbi, 1RMB =0.16 \$U.S. |         |           |           |        |

China Foreign Cotton (FCE) Index :

| Index        | Unit     | 15-Nov-22 | 14-Nov-22 | Change |
|--------------|----------|-----------|-----------|--------|
| FC Index (S) | Cents/lb | 104.48    | 107.37    | -2.89  |
| FC Index (M) | Cents/lb | 102.85    | 105.66    | -2.81  |
| FC Index (L) | Cents/lb | 101.51    | 104.31    | -2.80  |

**Cotlook Index:**

| Cotlook Indices | Unit        | 14-Nov-22 | 12-Nov-22 | Change |
|-----------------|-------------|-----------|-----------|--------|
| A-Index         | Cents/Pound | 105.3     | Closed    | -      |

**USDA Cotton Spot Rates:**

| Growth Area | Unit      | Leaf 4 to Staple<br>34 | Leaf 3 to Staple<br>35 | Arrivals |
|-------------|-----------|------------------------|------------------------|----------|
|             |           | 14-Nov-22              | 14-Nov-22              | Bales    |
| Southeast   | cents/lb. | 87.28                  | 89.53                  | 43       |
| North Delta | cents/lb. | 86.53                  | 88.78                  | 629      |
| South Delta | cents/lb. | 86.53                  | 88.78                  | 0        |
| East TX-OK  | cents/lb. | 83.03                  | 85.28                  | 3753     |
| West Texas  | cents/lb. | 83.03                  | 84.53                  | 0        |
| Desert SW   | cents/lb. | 82.78                  | 85.03                  | 0        |
| SJ Valley   | cents/lb. | 83.28                  | 92.18                  | 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<br>Candy | Rs. Per<br>Candy | Change |
|---------------------------------------|------------|------------|------------------|------------------|------------------|--------|
|                                       |            |            |                  | 14-Nov-22        | 12-Nov-22        |        |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0  | 15               | 60300            | 60300            | Unch   |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 61000            | 61000            | Unch   |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 63200            | 62500            | 700    |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | NA               | NA               | -      |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 69900            | 68300            | 1600   |
| 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               | 77500            | 77500            | Unch   |

| Daily Futures Price Listing Monday, Nov 14th 2022 |        |       |       |       |       |        |              |          |        |
|---|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information                           |        |       |       |       |       |        | Previous Day |          |        |
| Month   | Date   | Open  | High  | Low   | Close | Change | Volume       | Open Int | Change |
| <a href="#">22-Dec</a>                            | 221114 | 88.2  | 88.4  | 85.12 | 85.28 | -2.92  | 18529        | 48147    | -8993  |
| <a href="#">23-Mar</a>                            | 221114 | 86.5  | 86.52 | 83.33 | 83.62 | -2.71  | 17,624       | 95,781   | 2948   |
| <a href="#">23-May</a>                            | 221114 | 85.76 | 85.79 | 82.33 | 82.5  | -3.06  | 4,528        | 26,972   | -16    |
| <a href="#">23-Jul</a>                            | 221114 | 85.1  | 85.1  | 81.41 | 81.57 | -3.30  | 2357         | 28,054   | 544    |
| <a href="#">23-Oct</a>                            | 221114 | 77.08 | 77.08 | 77.08 | 77.08 | -2.42  | 0            | 3        | 0      |
| <a href="#">23-Dec</a>                            | 221114 | 79.75 | 79.75 | 77    | 77.06 | -2.50  | 382          | 21196    | 28     |
| Total Volume and Open Interest                    |        |       |       |       |       |        | 43,420       | 225,343  | -5,489 |

Source: MRCI

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