

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a firm trend across India today. MCX cotton spot price was lower at Rs.33,100/bale on Saturday. ICE cotton futures closed red on Friday.

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 prices rises in Telangana. Cotton has been sold at Rs. 8,960 per quintal with a moisture content of 9.5% in the Jangaon district. Around, 7,513 quintals of cotton have arrived in the Enumamula market yesterday. The cotton acreage has slightly increased in the 2022-23 Kharif season although, the yield is likely to go down due to significant crop damage caused by intense rains during the last week.

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 and are less by 13 lakh bales than the exports estimate of 43.00 lakh bales for the 2021-22 season. Exports has been revised down due to weak demand as Indian cotton prices have again increased in the domestic market. 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		

Northern New Cotton Crop:

Cotton Arrivals (Quintals)		
	Total Arrivals up to 18 th Nov 22	19 th Nov 22
Punjab	53200	1200
Haryana	341000	6000
Lower Rajasthan	401000	8000
Ganga line	445000	8000
Net Total	1250200	23200

Cotton Price (Rs/Quintal) as of 19 th Nov'22	
	Ready Delivery
Punjab	6650-6750
Haryana	6550-6650
Ganga line	6800-6850

MCX Cotton

	High	Low	Close	Change
MCX Cotton	32800	32200	32240	-530

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2685	2715	2618	2674	-49
Jan-23	2669	2725	2634	2687	-32

Weather Forecast:

Thunderstorms accompanied with lightning at isolated places over Tamil Nadu, Pondicherry & Karaikal.

International Cotton Fundamentals:

The Cotlook A index was lower at 105.40 cents/lb. The AWP for cotton was 77.78 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	85.16	-188
Mar-23	83.78	-150
May-23	83.07	-132

According to the U.S. Crop progress report, as of 14th 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

Cotton yarn prices has increased by Rs.10 per kg in Delhi market as spinning mills were not willing to sell at lower prices. Mills are facing a disparity of Rs.10-15 per kg as higher kapas prices had led to a rise in cotton prices. However, cotton prices eased this week as cotton's future slipped due to macro dynamic change.

Cotton yarn prices in the Ludhiana market remained steady as mills were not inclined to reduce prices to lure buyers. In Ludhiana, 30 count cotton combed yarn was sold at Rs.285-295 per kg. 20 and 25 count combed yarn were traded at Rs.275-285 per kg and Rs.280-290 per kg respectively. Carded yarn of 30 count steady at Rs.260-270 per kg.

South Indian cotton yarn prices witnessed a stable trend. Prices for various varieties and counts remained steady in Mumbai.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	19-Nov-22	18-Nov-22	
Gujarat	Ahmedabad	Shankar-6	9500	9750	-250
	Gondal	Shankar-6	NA	9305	-
	Rajkot	B.T. Cotton	9150	9150	Unch
	Patan	B.T. Cotton	NA	9325	-
	Kadi	B.T. Cotton	9250	9250	Unch
	Deesa	B.T. Cotton	1211	1702	-491
	Dhrol	B.T. Cotton	9135	9280	-145
Haryana	Bhiwani	B.T. Cotton	8700	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8800	8900	-100
	Fatehabad	B.T. Cotton	8750	8880	-130
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8800	8870	-70
Rajasthan	Hanumangarh	B.T. Cotton	9000	9200	-200
	Rawatsar	B.T. Cotton	8950	9000	-50
Madhya Pradesh	Khandwa	Mech-1	9000	9200	-200
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	9100	9300	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9500	9300	200
	Hathras	Desi	7400	7200	200
Telangana	Adilabad	Un-Ginned	8800	8910	-110
Andhra Pradesh	Adoni	Un-Ginned	NA	9519	-
Karnataka	Bijapur	Bunny	9494	9522	-28
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9250	9300	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	19-Nov-22	18-Nov-22	
Punjab	Bhatinda	J-34	6750	6800	-50
	Abohar	J-34	6750	6800	-50
	Mansa	J-34	6700	6750	-50
Haryana	Sirsa	J-34	6550	6650	-100
Rajasthan	Sri-Ganganagar	J-34	6392	6392	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Nov-22	18-Nov-22	
Gujarat	Ahmedabad	Shankar-6	42500	51000	-8500
	Gondal	Shankar-6	9050	9050	Unch

	Rajkot	B.T. Cotton	6600	6600	Unch
	Patan	B.T. Cotton	NA	16647	-
	Kadi	B.T. Cotton	12500	25000	-12500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	617	691	-74
Haryana	Bhiwani	B.T. Cotton	700	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	NA	200	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	600	500	100
	Dabwali	B.T. Cotton	600	500	100
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000
Madhya Pradesh	Khandwa	Mech-1	1000	1300	-300
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	2400	2200	200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	100	-70
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	35840.1	32015.4	3824.7
Andhra Pradesh	Adoni	Un-Ginned	NA	6341	-
Karnataka	Bijapur	Bunny	5823	7944	-2121
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	24	22	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Nov-22	18-Nov-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	510	-170
	Mansa	J-34	85	85	Unch
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	19-Nov-22	18-Nov-22	
Gujarat	Rajkot	Rs. /10 Kg.	1300	1300	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1290	1290	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1340	1350	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	19-Nov-22	18-Nov-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3058	3042	16
Maharashtra	Akola	Rs./Qtl	3184	3188	-4

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	19-Nov-22	18-Nov-22	Change
CCIndex(328)	RMB/Ton	Closed	15183	-
CCIndex(527)	RMB/Ton	Closed	13645	-
CCIndex(229)	RMB/Ton	Closed	15537	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	19-Nov-22	18-Nov-22	Change
FC Index (S)	Cents/lb	Closed	103.92	-
FC Index (M)	Cents/lb	Closed	103.08	-
FC Index (L)	Cents/lb	Closed	102.08	-

Cotlook Index:

Cotlook Indices	Unit	18-Nov-22	17-Nov-22	Change
A-Index	Cents/Pound	104	NA	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		17-Nov-22	17-Nov-22	Bales
Southeast	cents/lb.	87.28	89.53	0
North Delta	cents/lb.	86.53	88.78	0
South Delta	cents/lb.	86.53	88.78	0
East TX-OK	cents/lb.	82.78	85.03	2000
West Texas	cents/lb.	83.03	84.53	474
Desert SW	cents/lb.	82.28	84.53	0
SJ Valley	cents/lb.	82.53	91.43	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
				18-Nov-22	17-Nov-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64100	64800	-700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64800	65500	-700

J-34(202)	26mm	3.5 - 4.9	23	63500	64200	-700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	68600	69000	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	70800	NA	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	77000	77500	-500

Daily Futures Price Listing Friday, Nov 18th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221118	87.04	87.13	84.18	85.16	-1.88	9021	13777	-5154
23-Mar	221118	85.2	85.29	82.15	83.78	-1.50	22,840	99,421	362
23-May	221118	83.99	84.36	81.46	83.07	-1.32	5,488	28,351	653
23-Jul	221118	82.67	83.29	80.69	82.02	-1.27	2153	27,827	-200
23-Oct	221118	79.21	79.21	79.21	79.21	-0.17	0	3	0
23-Dec	221118	78.45	78.96	77.06	78.96	-0.21	693	21488	-12
Total Volume and Open Interest							40,269	196,112	-4,299

Source: MRCI

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