

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a firm trend across India today. MCX cotton spot price traded at Rs.32,370/bale on Thursday. ICE cotton futures closed green on Wednesday.

News: Cotton exports are getting affected despite of higher production in India. In anticipation of an increase in prices in the near term, cotton farmers are holding their stock. Indian traders so far in the new season have contracted about 70,000 bales for exports, significantly lower than the 500,000 bales contracted during the same period the previous season. Bangladesh, Vietnam and China are the major buyers of Indian Cotton. Further, Exports are unlikely to gain momentum unless local prices fall or global prices move higher.

MCX Cotton has fallen by around 3% on a week-on-week basis and has raised around 10% month-on-month basis. MCX Nov- 22 contract traded lower at 31700 and Dec-22 contract traded at 30800. Prices have mainly fallen due to increased arrivals in the market. Cotton arrivals were around 132,300 bales on 21st November 2022 which has further increased to 137,200 bales on 23rd November 2022.

Daily arrivals in Gujarat arrivals were around 45000 bales, Maharashtra 25000 bales, Telangana 18000 bales, Madhya Pradesh 15000 bales and in Karnataka 12000 bales. Cotton Shanker-6 prices were trading at Rs. 66,000-66,500 per candy.

India's cotton crop is in good condition and overall cotton quality has also improved. Cotton daily arrivals is around 90-1,00,000 bales per day. Cottonseed prices are remained week and are further likely to go down due to limited demand in the market. Demand for yarn has improved on weekly basis. Cotton yarn prices are stable to lightly firm.



Source: AgriWatch (Crop Survey Report)

(Overall crop quality is good and yield is expected to improve)

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.

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 23rd Nov 22	24th Nov 22
Punjab	61500	1500
Haryana	370000	5000
Lower Rajasthan	443000	8000
Ganga line	497000	7000
Net Total	1371500	21500

Cotton Price (Rs/Quintal) as of 24th Nov'22	
	Ready Delivery
Punjab	6700-6750
Haryana	6550-6650
Ganga line	6800-6850

MCX Cotton

	High	Low	Close	Change
MCX Cotton	32350	31950	32320	+410

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2775	2820	2752	2769	+31
Jan-23	2667	2712	2660	2659	+35

International Cotton Fundamentals:

The Cotlook A index was lower at 98.45 cents/lb. The AWP for cotton was 77.78 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	83.94	+72
Mar-23	82.90	+48
May-23	82.20	+43

Australian government has signed a free trade agreement with India to boost garment exports. As per the Apparel Export Promotion Council, the duty-free access to Australia under the trade pact will bring domestic exporters at par with global competitors and make local product competitive.

According to the U.S. Crop progress report, as of 21st Nov, 2022. Overall 79 percent of the U.S Cotton Crop is harvested as compared to previous week 71 percent. During the previous season cotton harvested was around 74 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.

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 ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Nov-22	23-Nov-22	
Gujarat	Ahmedabad	Shankar-6	9250	9125	125
	Gondal	Shankar-6	8980	8930	50
	Rajkot	B.T. Cotton	8900	8700	200
	Patan	B.T. Cotton	9090	9000	90
	Kadi	B.T. Cotton	9100	9000	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9155	9210	-55
Haryana	Bhiwani	B.T. Cotton	8800	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	8800	8700	100
	Fatehabad	B.T. Cotton	8750	8680	70
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8660	-
	Dabwali	B.T. Cotton	NR	8600	-
Rajasthan	Hanumangarh	B.T. Cotton	8850	8800	50
	Rawatsar	B.T. Cotton	9000	8900	100
Madhya Pradesh	Khandwa	Mech-1	9000	Closed	-
	Khargaon	Mech-1	9190	Closed	-
Maharashtra	Amravati	Mech-1	9250	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9700	9700	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	NA	8370	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	9777	9096	681
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	9400	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Nov-22	23-Nov-22	
Punjab	Bhatinda	J-34	6750	6700	50
	Abohar	J-34	6750	6700	50
	Mansa	J-34	6650	6650	Unch

Haryana	Sirsa	J-34	6550	6500	50
Rajasthan	Sri-Ganganagar	J-34	6345	6345	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Nov-22	23-Nov-22	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	8700	8600	100
	Rajkot	B.T. Cotton	4600	6000	-1400
	Patan	B.T. Cotton	13565	13565	Unch
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	631	697	-66
Haryana	Bhiwani	B.T. Cotton	900	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1700	1530	170
	Fatehabad	B.T. Cotton	200	200	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	500	-
	Dabwali	B.T. Cotton	NR	500	-
Rajasthan	Hanumangarh	B.T. Cotton	2500	4000	-1500
	Rawatsar	B.T. Cotton	2500	4000	-1500
Madhya Pradesh	Khandwa	Mech-1	1000	Closed	-
	Khargaon	Mech-1	6180	Closed	-
Maharashtra	Amravati	Mech-1	2100	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	29260.9	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3355	2598	757
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Nov-22	23-Nov-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	170	170
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	697	850	-153
Rajasthan	Sri-Ganganagar	J-34	2000	2500	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Nov-22	23-Nov-22	
Gujarat	Rajkot	Rs. /10 Kg.	1310	1300	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-

Telangana	Hyderabad	Rs. /10 Kg.	1305	1285	20
Maharashtra	Mumbai	Rs. /10 Kg.	1320	1310	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Nov-22	23-Nov-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	3108	2931	177
Maharashtra	Akola	Rs./Qtl	2992	3119	-127

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	24-Nov-22	23-Nov-22	Change
CCIndex(328)	RMB/Ton	15092	15090	2
CCIndex(527)	RMB/Ton	13590	13585	5
CCIndex(229)	RMB/Ton	15444	15461	-17
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	24-Nov-22	23-Nov-22	Change
FC Index (S)	Cents/lb	101.22	100.81	0.41
FC Index (M)	Cents/lb	100.52	100.1	0.42
FC Index (L)	Cents/lb	99.53	99.1	0.43

Cotlook Index:

Cotlook Indices	Unit	22-Nov-22	21-Nov-22	Change
A-Index	Cents/Pound	98.45	104.05	-5.60

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Nov-22	22-Nov-22	Bales
Southeast	cents/lb.	84.17	86.42	83
North Delta	cents/lb.	83.17	85.42	0
South Delta	cents/lb.	83.17	85.42	0
East TX-OK	cents/lb.	79.92	82.17	114
West Texas	cents/lb.	80.17	81.67	508
Desert SW	cents/lb.	79.42	81.67	0
SJ Valley	cents/lb.	79.67	88.57	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
				23-Nov-22	22-Nov-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62900	62100	800
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63600	62800	800
J-34(202)	26mm	3.5 - 4.9	23	62800	61000	1800
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	66800	66300	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	6800	68800	-62000
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	75000	75000	Unch

Daily Futures Price Listing Wednesday, Nov 23rd 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221123	83.57	84.02	82	83.94	0.72	7984	2002	-3737
23-Mar	221123	82.2	83.18	80.33	82.9	0.48	18,008	104,596	2347
23-May	221123	81.77	82.41	79.82	82.2	0.43	5,144	30,183	528
23-Jul	221123	80.19	81.43	79	81.24	0.46	3452	28,005	355
23-Oct	221123	79.85	79.85	79.85	79.85	0.43	0	3	0
23-Dec	221123	77.05	78.13	76.42	77.93	0.31	1101	22082	221
Total Volume and Open Interest							35,748	192,130	-278

Source: MRCI

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