

**Domestic Fundamentals:****Market Outlook:**

The cotton physical market showed a firm trend across India today. MCX cotton spot price traded at Rs.32,960/bale on Saturday. ICE cotton futures closed red on Friday.

**News:** As per AgriWatch sources, Indian cotton prices are rising as farmers are holding stock in anticipation of higher price. Currently, Cotton prices are trading at Rs. 8,900 per quintal in Rajkot market against the minimum support price of Rs. 6,380 per quintal. For the 2022-23 season, cotton crop is lower from north India as the heavy rainfall during the past month has affected the cotton yield.

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 21<sup>st</sup> November 2022 which has further increased to 137,200 bales on 23<sup>rd</sup> 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.



Source: AgriWatch (Crop Survey Report)

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

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		

### All India New Cotton Crop: Bales

	25-Nov-22	26-Nov-22
<b>North</b>		
Punjab	1500	1500
Haryana	4000	4000
Rajasthan	8000	8000
Lower Rajasthan	4000	4000
<b>Central</b>		
Gujarat	33000	35000
Madhya Pradesh	7000	7000
Maharashtra	18000	18000
<b>South</b>		
Karnataka	8000	8000
Andhra Pradesh	5000	5000
Telangana	7000	6000
Tamil Nadu	800	800
Odisha	900	1000
<b>All India</b>	<b>97200</b>	<b>98300</b>

### Weather Forecast

Thunderstorm accompanied with lightening at isolated places over Kerala & Mahe and South Interior Karnataka.

### MCX Cotton

	High	Low	Close	Change
<b>MCX Cotton</b>	31890	31460	31600	<b>-60</b>

### NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
<b>Dec-20</b>	2810	2880	2810	2797	<b>+63</b>
<b>Jan-23</b>	2700	2735	2699	2690	<b>+35</b>

### 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
<b>Dec- 22</b>	81.34	<b>+260</b>
<b>Mar-23</b>	80.18	<b>+272</b>
<b>May-23</b>	79.53	<b>+267</b>

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 21<sup>st</sup> 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	26-Nov-22	25-Nov-22	
Gujarat	Ahmedabad	Shankar-6	9375	9350	25
	Gondal	Shankar-6	9105	9155	-50
	Rajkot	B.T. Cotton	8950	9050	-100
	Patan	B.T. Cotton	9055	9240	-185
	Kadi	B.T. Cotton	9100	9300	-200
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	9025	9115	-90
Haryana	Bhiwani	B.T. Cotton	NR	8800	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	8850	Closed	-
	Fatehabad	B.T. Cotton	8800	8850	-50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	8905	-
	Dabwali	B.T. Cotton	8870	8900	-30
Rajasthan	Hanumangarh	B.T. Cotton	8850	9000	-150
	Rawatsar	B.T. Cotton	8900	9050	-150
Madhya Pradesh	Khandwa	Mech-1	Closed	9000	-
	Khargaon	Mech-1	Closed	9405	-
Maharashtra	Amravati	Mech-1	9200	9100	100
	Jamner	Medium Staple	NA	-	-
Uttar Pradesh	Hathras	B.T. Cotton	9800	9700	100
	Hathras	Desi	7200	7500	-300
Telangana	Adilabad	Un-Ginned	8700	8600	100
Andhra Pradesh	Adoni	Un-Ginned	9201	9035	166
Karnataka	Bijapur	Bunny	NA	9979	-
	Hubli	D.C.H.	NA	9250	-
	Hubli	B.T. Cotton	NA	NA	-



	Raichur	H-44 Cotton	NA	9100	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Nov-22	25-Nov-22	
Punjab	Bhatinda	J-34	6800	6825	-25
	Abohar	J-34	6825	6825	Unch
	Mansa	J-34	6750	6750	Unch
Haryana	Sirsa	J-34	6625	6650	-25
Rajasthan	Sri-Ganganagar	J-34	6392	6298	94

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Nov-22	25-Nov-22	
Gujarat	Ahmedabad	Shankar-6	42500	51000	-8500
	Gondal	Shankar-6	8800	8900	-100
	Rajkot	B.T. Cotton	6400	2600	3800
	Patan	B.T. Cotton	16545	14490	2055
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	654	565	89
Haryana	Bhiwani	B.T. Cotton	NR	900	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	2054	Closed	-
	Fatehabad	B.T. Cotton	250	50	200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	600	800	-200
	Dabwali	B.T. Cotton	600	800	-200
Rajasthan	Hanumangarh	B.T. Cotton	7000	4500	2500
	Rawatsar	B.T. Cotton	7000	4500	2500
Madhya Pradesh	Khandwa	Mech-1	Closed	700	-
	Khargaon	Mech-1	Closed	6840	-
Maharashtra	Amravati	Mech-1	3000	3000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	15238.8	16506.2	-1267.4
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	4472	-
	Hubli	D.C.H.	NA	2	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	17	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Nov-22	25-Nov-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	510	Unch
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-Nov-22	25-Nov-22	
Gujarat	Rajkot	Rs. /10 Kg.	1300	1310	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NA	-
Telangana	Hyderabad	Rs. /10 Kg.	1300	1305	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1320	1320	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Nov-22	25-Nov-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	NA	2991	-
Maharashtra	Akola	Rs./Qtl	NA	3160	-

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	25-Nov-22	24-Nov-22	Change
CCIndex(328)	RMB/Ton	15095	15092	3
CCIndex(527)	RMB/Ton	13592	13590	2
CCIndex(229)	RMB/Ton	15430	15444	-14
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	25-Nov-22	24-Nov-22	Change
FC Index (S)	Cents/lb	101.22	101.22	Unch
FC Index (M)	Cents/lb	100.53	100.52	0.01
FC Index (L)	Cents/lb	99.53	99.53	Unch

Cotlook Index:

Cotlook Indices	Unit	25-Nov-22	24-Nov-22	Change
A-Index	Cents/Pound	101.35	101.35	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Nov-22	23-Nov-22	Bales
Southeast	cents/lb.	84.65	86.9	1144
North Delta	cents/lb.	83.65	85.9	0
South Delta	cents/lb.	83.65	85.9	0
East TX-OK	cents/lb.	80.4	82.65	191
West Texas	cents/lb.	80.65	82.15	1543

Desert SW	cents/lb.	79.9	82.15	0
SJ Valley	cents/lb.	80.15	89.05	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
				25-Nov-22	24-Nov-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64200	63300	900
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64900	64000	900
J-34(202)	26mm	3.5 - 4.9	23	63200	62300	900
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	68200	67400	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	69800	69200	600
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 Friday, Nov 25th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221125	83.6	83.6	81.34	81.34	-2.60	2713	703	-1299
<a href="#">23-Mar</a>	221125	83.1	83.44	80.05	80.18	-2.72	18,367	104,521	-75
<a href="#">23-May</a>	221125	82.21	82.61	79.38	79.53	-2.67	6,255	31,232	1049
<a href="#">23-Jul</a>	221125	81.24	81.5	78.52	78.64	-2.60	2574	28,065	60
<a href="#">23-Oct</a>	221125	77.61	77.61	77.61	77.61	-2.24	4	2	-1
<a href="#">23-Dec</a>	221125	77.46	77.81	75.94	76	-1.93	487	22164	82
Total Volume and Open Interest							30,410	191,947	-183

Source: MRCI

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