

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

The cotton physical market showed a firm trend across India today. MCX cotton spot price traded at Rs.32,890/bale on Monday. ICE cotton futures closed red on Friday.

**News:** The Haryana government has approved the Haryana Aatmanirbhar Textile Policy 2022-25 with an estimated budget of Rs 1,500 crore with capping for capital incentive cases. The policy and related schemes will come into operation from the date of its notification and will remain in force for three years from the date of its notification.

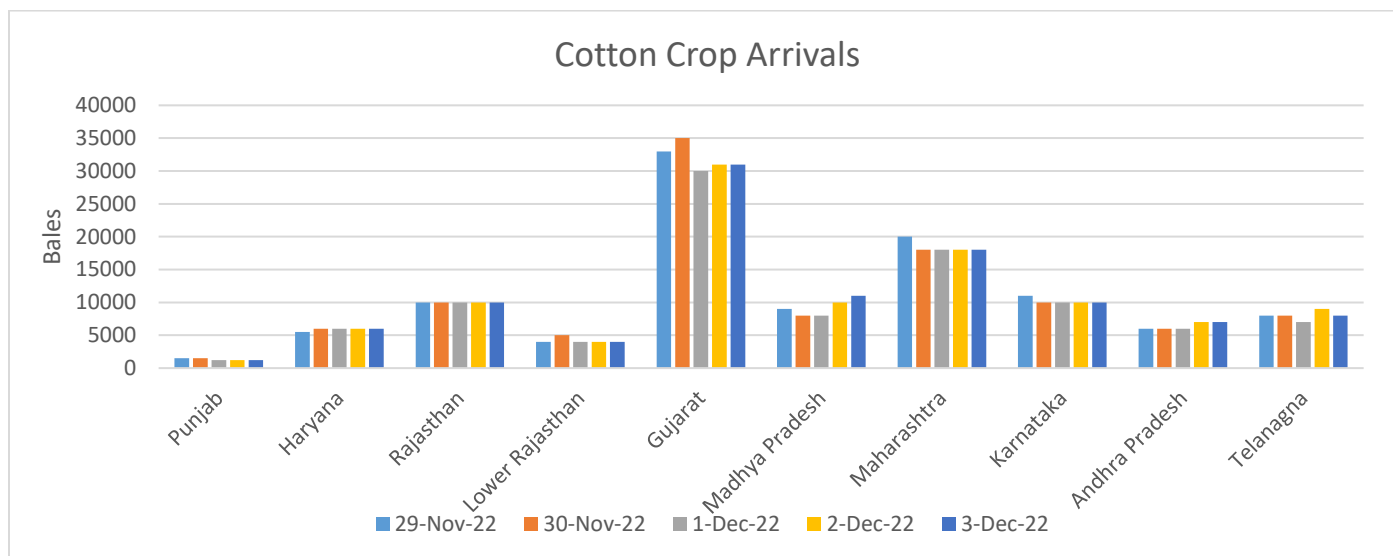
According to the Punjab Mandi Board data, cotton crop has seen the slowest arrival in the last five years even as the average rate is the highest since 2018. Punjab is expected to have produced 20 lakh quintals against 29 lakh quintals produced in the 2021-22 season.

As per the Mandi Board data, Till 30<sup>th</sup> November 22, 2.22 lakh quintals of raw cotton has arrived from all seven districts of the Malwa belt. Where else, the average rate of cotton is around Rs.8,500 per quintal. All seven cotton-growing districts are reporting the arrival of mere 4,000-8000 quintals every day.

As per AgriWatch sources, Arrivals are lower as farmers are holding cotton in anticipation of higher prices in the near term. Also, there are reports of shorter staple length than the prescribed of 27 mm.



Source: AgriWatch (Crop Survey Report); Cotton arrivals at Bhatinda Market (29.11.22)

All India New Cotton Crop: BalesWeather Forecast

Dense Fog at isolated places over Himachal Pradesh and Punjab. Heavy rainfall at isolated places over Andaman & Nicobar Islands.

MCX Cotton

	High	Low	Close	Change
MCX Cotton	32570	31900	32130	-250

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2760	2800	2738	2756	-11.00
Jan-23	2652	2675	2625	2657	-26.00

International Cotton Fundamentals:

The Cotlook A index was at 99.10 cents/lb. The AWP for cotton was 73.03 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	84.28	-165
Mar-23	83.20	-165
May-23	82.56	-159

The Pakistan local cotton market on Thursday remained steady and the trading volume remained low. The rate of cotton in Sindh is in between Rs 14,500 to Rs 17,000 per maund.

Cotton production in China is expected to increase by 5% in the 2022 season mainly due to an increase in acreages under the cotton crop. Cotton production in northwest China's Gansu province and Xinjiang is expected to increase by 22% and 7% respectively.

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

As per the market sources, In South India's cotton yarn market buying has improved due to the ongoing wedding season. Cotton yarn prices of some counts and varieties rose in Mumbai. Cotton prices were also high because of strong futures and limited arrival.

Cotton yarn prices in the Mumbai market had increased by Rs. 3 per kg for 60 and 44 counts. Improved buying has supported cotton yarn and other items in the textile value chain. In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,710-1,760 and Rs.1,620-1,640 per 5 kg (GST extra), respectively. 60 combed warp was priced at Rs.362-367 per kg. 80 carded (weft) cotton yarn was sold at Rs.1,540-1,580 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at Rs.315-320 per kg.

According to the commerce ministry data, cotton yarn exports from India were down by 71% in September 2022. Cotton yarn exports have shrunk to US \$ 129.28 million in September'22 from US \$ 442.80 million a year ago. Cotton yarn shipments to Bangladesh are set to fall by 71.21% to USD 51.38 million in September 2022, while shipments to Egypt and Portugal were down by 57.55% and 79.24 % respectively. (year-on-year basis)

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	3-Dec-22	2-Dec-22	
Gujarat	Ahmedabad	Shankar-6	9000	9125	-125
	Gondal	Shankar-6	8955	9105	-150
	Rajkot	B.T. Cotton	8950	8950	Unch
	Patan	B.T. Cotton	8875	9000	-125
	Kadi	B.T. Cotton	8900	9000	-100
	Dhrol	B.T. Cotton	8890	9175	-285
Haryana	Bhiwani	B.T. Cotton	8500	8800	-300
	Adampur	B.T. Cotton	8600	8550	50
	Fatehabad	B.T. Cotton	8300	8485	-185
	Jind	B.T. Cotton	NR	9200	-
	Uchana	B.T. Cotton	8690	8755	-65
	Dabwali	B.T. Cotton	8515	8615	-100
Rajasthan	Hanumangarh	B.T. Cotton	8800	8800	Unch
	Rawatsar	B.T. Cotton	8560	8700	-140
Madhya Pradesh	Khandwa	Mech-1	Closed	9000	-
	Khargaon	Mech-1	Closed	8940	-
Maharashtra	Amravati	Mech-1	9000	9200	-200
Uttar Pradesh	Hathras	B.T. Cotton	9800	9800	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	8450	8550	-100
Andhra Pradesh	Adoni	Un-Ginned	9080	9089	-9
Karnataka	Bijapur	Bunny	NA	9361	-
	Raichur	H-44 Cotton	9000	9200	-200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	3-Dec-22	2-Dec-22	
Punjab	Bhatinda	J-34	6725	6825	-100
	Abohar	J-34	6725	6825	-100
	Mansa	J-34	6600	6700	-100
Haryana	Sirsa	J-34	6525	6650	-125

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	3-Dec-22	2-Dec-22	
Gujarat	Ahmedabad	Shankar-6	51000	42500	8500
	Gondal	Shankar-6	8850	8850	Unch
	Rajkot	B.T. Cotton	4600	5000	-400
	Patan	B.T. Cotton	13445	11485	1960
	Kadi	B.T. Cotton	15000	20000	-5000
	Dhrol	B.T. Cotton	585	556	29
Haryana	Bhiwani	B.T. Cotton	700	1500	-800
	Adampur	B.T. Cotton	2210	2380	-170



	Fatehabad	B.T. Cotton	600	550	50
	Jind	B.T. Cotton	NR	680	-
	Uchana	B.T. Cotton	750	800	-50
	Dabwali	B.T. Cotton	750	800	-50
Rajasthan	Hanumangarh	B.T. Cotton	4000	2000	2000
	Rawatsar	B.T. Cotton	4000	2000	2000
Madhya Pradesh	Khandwa	Mech-1	Closed	1400	-
	Khargaon	Mech-1	Closed	8430	-
Maharashtra	Amravati	Mech-1	5000	4300	700
Telangana	Adilabad	Un-Ginned	54870	44774.7	10095.3
Andhra Pradesh	Adoni	Un-Ginned	4244	4134	110
Karnataka	Bijapur	Bunny	NA	6756	-
	Raichur	H-44 Cotton	17	20	-3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	3-Dec-22	2-Dec-22	
	Abohar	J-34	680	510	170
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	1020	765	255

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	3-Dec-22	2-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1260	1260	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1270	1270	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1240	1220	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	3-Dec-22	2-Dec-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2824	2837	-13
Maharashtra	Akola	Rs./Qtl	3060	3072	-12

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	2-Dec-22	1-Dec-22	Change
CCIndex(328)	RMB/Ton	14942	14932	10
CCIndex(527)	RMB/Ton	13470	13470	Unch
CCIndex(229)	RMB/Ton	15264	15250	14

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

China Foreign Cotton (FCE) Index :

Index	Unit	1-Dec-22	30-Nov-22	Change
FC Index (S)	Cents/lb	102.76	98.78	3.98
FC Index (M)	Cents/lb	102.02	98.17	3.85
FC Index (L)	Cents/lb	101.02	97.17	3.85

**Cotlook Index:**

Cotlook Indices	Unit	2-Dec-22	1-Dec-22	Change
A-Index	Cents/Pound	103.1	102.9	0.20

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		1-Dec-22	1-Dec-22	Bales
Southeast	cents/lb.	86.6	88.85	297
North Delta	cents/lb.	85.6	87.85	895
South Delta	cents/lb.	85.6	87.85	0
East TX-OK	cents/lb.	82.35	84.6	1304
West Texas	cents/lb.	82.85	84.35	3409
Desert SW	cents/lb.	81.85	84.1	0
SJ Valley	cents/lb.	82.1	91	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
				2-Dec-22	1-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	NA	64900	-
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	NA	65600	-
J-34(202)	26mm	3.5 - 4.9	23	63600	64100	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	68500	68500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	70300	70300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	75000	75000	Unch

Daily Futures Price Listing Friday, Dec 02nd 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221202	84.28	84.28	84.28	84.28	-1.65	37	117	-25
<a href="#">23-Mar</a>	221202	84.86	85.8	82.4	83.2	-1.65	15,439	106,507	606
<a href="#">23-May</a>	221202	84.53	84.96	81.83	82.56	-1.59	5,680	32,337	-304
<a href="#">23-Jul</a>	221202	83.5	84	81.22	81.99	-1.38	3545	28,463	223
<a href="#">23-Oct</a>	221202	81.71	81.71	81.71	81.71	0.13	0	2	0
<a href="#">23-Dec</a>	221202	80.4	80.65	78.4	79.43	-0.82	2507	21885	-236
Total Volume and Open Interest							27,991	194,776	339

Source: MRCI

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