

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a firm trend across India today. MCX cotton spot price traded at Rs.32,420/bale on Tuesday. ICE cotton futures closed red on Friday.

News: Cotton daily arrivals is around 1,10,000-1,13,000 bales per day. Cottonseed prices are remained week and are further likely to go down due to limited demand in the market. Cottonseed oilcake demand is also lower. Raw cotton prices are fluctuating. The cotton future market is highly volatile.

Ginning factories are running but less than 50% capacity due to lack of arrivals and disparity. Spinning mills are buying raw cotton but in limited quantities. Cotton yarn prices are stable to firm whereas buying demand is limited. International demand for yarn may increase from China and Vietnam in coming week. Trade is very slow due to the huge disparity to spinners and ginners. Export is very limited.

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.

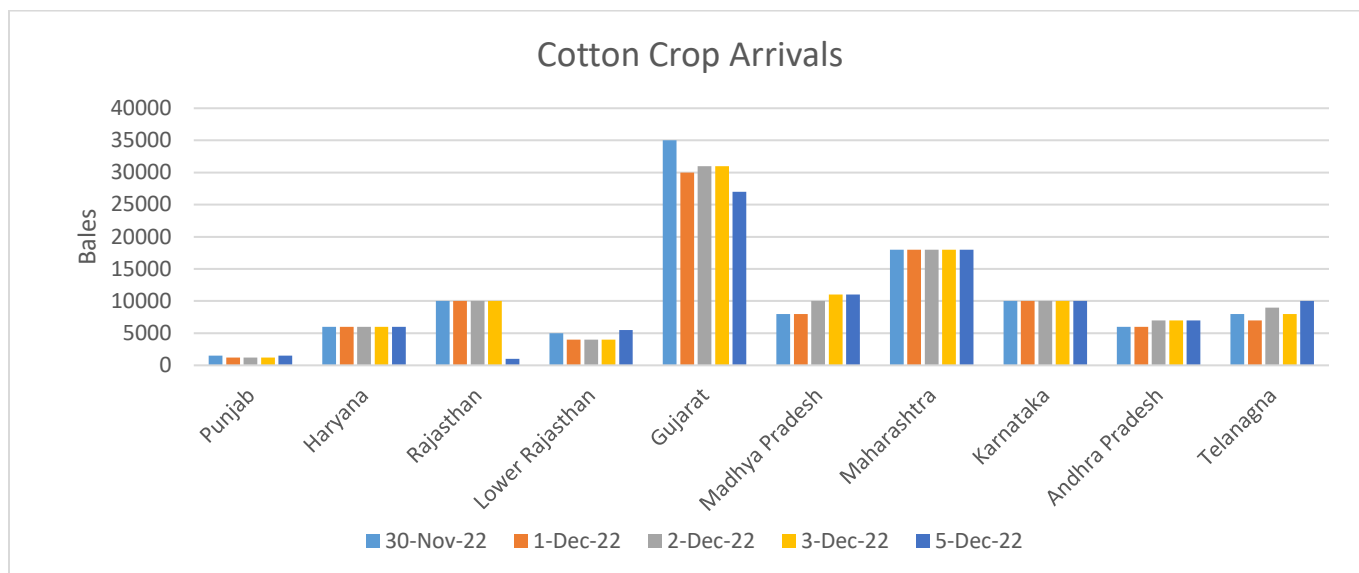
According to the Punjab Mandi Board data, cotton crop has seen the slowest arrival in the last five years even as the average rate is the highest since 2018. Punjab is expected to have produced 20 lakh quintals against 29 lakh quintals produced in the 2021-22 season.

As per the Mandi Board data, Till 30th 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.

Weather Forecast

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

All India New Cotton Crop: BalesMCX Cotton

	High	Low	Close	Change
MCX Cotton	31760	31630	31680	-90

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2705	2712	2657	2707	-20.00
Jan-23	2618	2640	2607	2628	-12.00

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

According to the U.S. Crop progress report, as of 29th Nov, 2022. Overall 84 percent of the U.S Cotton Crop is harvested as compared to previous week 79 percent. During the previous season cotton harvested was around 84 percent.

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.

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 ARRIVALS

Cotton Prices at Key Spot Markets:

Cotton Prices at Key Spot Markets:					
Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Dec-22	3-Dec-22	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	8805	8955	-150
	Rajkot	B.T. Cotton	8750	8950	-200
	Patan	B.T. Cotton	NR	8875	-
	Kadi	B.T. Cotton	8900	8900	Unch
	Dhrol	B.T. Cotton	8960	8890	70
Haryana	Bhiwani	B.T. Cotton	8450	8500	-50
	Adampur	B.T. Cotton	8500	8600	-100
	Fatehabad	B.T. Cotton	8195	8300	-105
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8591	8690	-99

	Dabwali	B.T. Cotton	8425	8515	-90
Rajasthan	Hanumangarh	B.T. Cotton	8700	8800	-100
	Rawatsar	B.T. Cotton	8500	8560	-60
Madhya Pradesh	Khandwa	Mech-1	9000	Closed	-
	Khargaon	Mech-1	8715	8905	-190
Maharashtra	Amravati	Mech-1	9000	9000	Unch
	Jamner	Medium Staple	NA	0	-
Uttar Pradesh	Hathras	B.T. Cotton	10000	9800	200
	Hathras	Desi	7800	7500	300
Telangana	Adilabad	Un-Ginned	NA	8450	-
Andhra Pradesh	Adoni	Un-Ginned	8889	9080	-191
Karnataka	Bijapur	Bunny	NA	9233	-
	Raichur	H-44 Cotton	NA	9000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Dec-22	3-Dec-22	
Punjab	Bhatinda	J-34	6650	6725	-75
	Abohar	J-34	6650	6725	-75
	Mansa	J-34	6500	6600	-100
Haryana	Sirsa	J-34	6525	6525	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Dec-22	3-Dec-22	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	8650	8850	-200
	Rajkot	B.T. Cotton	6600	4600	2000
	Patan	B.T. Cotton	NR	13445	-
	Kadi	B.T. Cotton	20000	15000	5000
	Dhrol	B.T. Cotton	903	585	318
Haryana	Bhiwani	B.T. Cotton	600	700	-100
	Adampur	B.T. Cotton	2040	2210	-170
	Fatehabad	B.T. Cotton	515	600	-85
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	900	750	150
	Dabwali	B.T. Cotton	900	750	150
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000
Madhya Pradesh	Khandwa	Mech-1	1200	Closed	-
	Khargaon	Mech-1	8710	8710	-
Maharashtra	Amravati	Mech-1	4500	5000	-500
Telangana	Adilabad	Un-Ginned	NA	54870	-
Andhra Pradesh	Adoni	Un-Ginned	2356	4244	-1888
Karnataka	Bijapur	Bunny	NA	6165	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	17	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Dec-22	3-Dec-22	
	Abohar	J-34	510	680	-170
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	850	1020	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	5-Dec-22	3-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1170	1260	-90
Telangana	Hyderabad	Rs. /10 Kg.	1200	1270	-70
Maharashtra	Mumbai	Rs. /10 Kg.	1180	1240	-60

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	5-Dec-22	3-Dec-22	Change
CCIndex(328)	RMB/Ton	14905	Closed	-
CCIndex(527)	RMB/Ton	13444	Closed	-
CCIndex(229)	RMB/Ton	15218	Closed	-
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	1-Dec-22	29-Nov-22	Change
A-Index	Cents/Pound	102.9	97.5	5.40

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
				3-Dec-22	2-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63900	NA	-
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64600	NA	-
J-34(202)	26mm	3.5 - 4.9	23	62600	63600	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	68000	68500	-500
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
22-Dec	221202	84.28	84.28	84.28	84.28	-1.65	37	117	-25
23-Mar	221202	84.86	85.8	82.4	83.2	-1.65	15,439	106,507	606
23-May	221202	84.53	84.96	81.83	82.56	-1.59	5,680	32,337	-304
23-Jul	221202	83.5	84	81.22	81.99	-1.38	3545	28,463	223
23-Oct	221202	81.71	81.71	81.71	81.71	0.13	0	2	0
23-Dec	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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