

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a firm trend across India today. MCX cotton spot price traded at Rs.32,190/bale on Tuesday. ICE cotton futures closed green on Monday.

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.

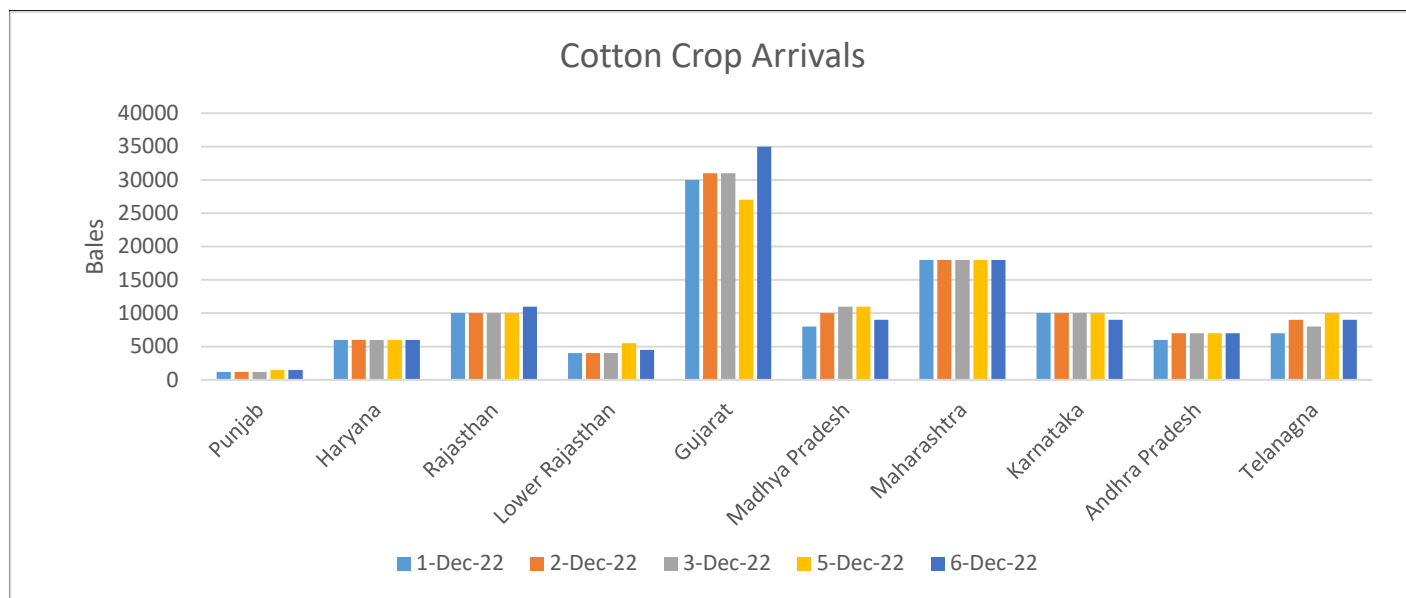
According to the Punjab Mandi Board data, cotton crop has seen the slowest arrival in the last five years even as the average rate is the highest since 2018. Punjab is expected to have produced 20 lakh quintals against 29 lakh quintals produced in the 2021-22 season.

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 Coastal Andhra Pradesh, north coastal Tamil Nadu, Pondicherry & Karaikal. Thunderstorms accompanied with lightening at isolated places over Coastal Andhra Pradesh, Tamil Nadu, Pondicherry, Karaikal and Kerala & Mahe.

All India New Cotton Crop: BalesMCX Cotton

	High	Low	Close	Change
MCX Cotton	31760	31630	31740	-0.09

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2705	2712	2657	2707	-17.00
Jan-23	2618	2640	2601	2628	-9.00

International Cotton Fundamentals:

The Cotlook A index was at 103.10 cents/lb. The AWP for cotton was 73.03 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	84.94	+66
Mar-23	83.86	+66
May-23	83.23	+67

As per the Australian Crop Report, Australian cotton production is forecasted to decrease by 23% in 2022–23 season to 4.3 million bales, as compared to the previous 5.6 million bales in 2021–22 season. Excessively wet conditions and flooding across major production regions in New South Wales during spring have prevented planting. However, improved water storage levels in parts of Queensland are expected to add slightly to cotton production.

		Area (000'hectares)	Yield (Tonne/hectare)	Production (KT)	Area Change	Production Change
Queensland	Cotton Lint	228	1.99	455	6	8
	Cottonseed	228	2.40	547	6	8
New South Wales	Cotton Lint	246	2.04	502	-40	-40
	Cottonseed	246	2.46	604	-40	-40

According to the Pakistan Cotton Ginners Association, cotton production in Pakistan is likely to fall by 40 % in 2022. Cotton production has reached 40.28pc lower than the previous year harvest. During the previous season cotton production was around 7.16 million bales before December 2021 against 4.28 million bales this year. During the period, the export of cotton was 4,900 bales which is 11,100 bales (69.38 pc) less than the export of 16,000 bales in the same period last year. Overall cotton production in Pakistan during 2022 is likely to fall at 4.8 million bales due to heavy rains and floods which have largely affected the crop during the previous months. As per sources, Pakistan may import about 7 million bales to meet the industrial demand.

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.

Cotton Yarn

Yarn prices in the northern Indian market witnessed a bearish trend as cotton prices were not feasible for the textile industry. Yarn prices declined in Delhi as the weaving industry was cautious about buying. Panipat's recycled yarn traded stable, but cotton comber and recycled fiber eased.

In Delhi, lower demand for cotton yarn was witnessed from domestic and export market. Cotton yarn eased by Rs.5 per kg for most of the counts and varieties.

In the Delhi market, 30 count combed yarn was traded at Rs.290-295 per kg (GST extra), 40 count combed at Rs.320-325 per kg, 30 count carded at Rs.270-275 per kg and 40 count carded at Rs.305-310 per kg.

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.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	6-Dec-22	5-Dec-22	
Gujarat	Ahmedabad	Shankar-6	9000	9000	Unch
	Gondal	Shankar-6	8780	8805	-25
	Rajkot	B.T. Cotton	8600	8750	-150
	Patan	B.T. Cotton	8705	Closed	-
	Kadi	B.T. Cotton	8750	8900	-150
	Dhrol	B.T. Cotton	8875	8960	-85
Haryana	Bhiwani	B.T. Cotton	8400	8450	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8400	8500	-100
	Fatehabad	B.T. Cotton	8250	8195	55
	Uchana	B.T. Cotton	8465	8591	-126
	Dabwali	B.T. Cotton	8350	8425	-75
Rajasthan	Hanumangarh	B.T. Cotton	8700	8700	Unch
	Rawatsar	B.T. Cotton	8600	8500	100
Madhya Pradesh	Khandwa	Mech-1	9000	9000	-
	Khargaon	Mech-1	8505	8715	-210
Maharashtra	Amravati	Mech-1	8300	9000	-700
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	10000	10000	Unch
	Hathras	Desi	7800	7800	Unch
Telangana	Adilabad	Un-Ginned	8350	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	8889	-
Karnataka	Bijapur	Bunny	NA	9662	-
	Hubli	D.C.H.	NA	9175	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8800	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	6-Dec-22	5-Dec-22	
Punjab	Bhatinda	J-34	6550	6650	-100
	Abohar	J-34	6550	6650	-100
	Mansa	J-34	6500	6500	Unch
Haryana	Sirsa	J-34	6450	6525	-75
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-Dec-22	5-Dec-22	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	8400	8650	-250
	Rajkot	B.T. Cotton	6000	6600	-600
	Patan	B.T. Cotton	7240	Closed	-
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	729	903	-174
Haryana	Bhiwani	B.T. Cotton	400	600	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	2040	-680
	Fatehabad	B.T. Cotton	400	515	-115
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	550	900	-350
	Dabwali	B.T. Cotton	550	900	-350
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	1000	1200	-200
	Khargaon	Mech-1	7000	6420	580
Maharashtra	Amravati	Mech-1	6000	4500	1500
Telangana	Adilabad	Un-Ginned	74268.7	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	2356	-
Karnataka	Bijapur	Bunny	NA	6846	-
	Hubli	D.C.H.	NA	24	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	19	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	6-Dec-22	5-Dec-22	
	Abohar	J-34	510	510	Unch
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	6-Dec-22	5-Dec-22	
Gujarat	Rajkot	Rs./10 Kg.	1170	1170	Unch
Telangana	Hyderabad	Rs./10 Kg.	1200	1200	Unch
Maharashtra	Mumbai	Rs./10 Kg.	1160	1180	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	6-Dec-22	5-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2824	2824	Unch
Maharashtra	Akola	Rs./Qtl	2990	2996	-6

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	6-Dec-22	5-Dec-22	Change
CCIndex(328)	RMB/Ton	14911	14905	6
CCIndex(527)	RMB/Ton	13444	13444	Unch
CCIndex(229)	RMB/Ton	15223	15218	5
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	5-Dec-22	3-Dec-22	Change
FC Index (S)	Cents/lb	101.25	Closed	-
FC Index (M)	Cents/lb	100.52	Closed	-
FC Index (L)	Cents/lb	99.52	Closed	-

Cotlook Index:

Cotlook Indices	Unit	5-Dec-22	3-Dec-22	Change
A-Index	Cents/Pound	101.35	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		5-Dec-22	5-Dec-22	Bales
Southeast	cents/lb.	85.61	87.86	2106
North Delta	cents/lb.	84.61	86.86	0
South Delta	cents/lb.	84.61	86.86	0
East TX-OK	cents/lb.	81.36	83.61	17
West Texas	cents/lb.	81.86	83.36	2217
Desert SW	cents/lb.	80.86	83.11	0
SJ Valley	cents/lb.	81.11	90.01	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
				5-Dec-22	3-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62900	63900	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63600	64600	-1000
J-34(202)	26mm	3.5 - 4.9	23	61600	62600	-1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	67500	68000	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	69800	70300	-500
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 Monday, Dec 05th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221205	84.8	85.35	84.72	84.94	0.66	39	81	-36
23-Mar	221205	83.29	85.36	82.75	83.86	0.66	18,529	105,391	-1116
23-May	221205	82.86	84.5	82.22	83.23	0.67	5,921	32,540	203
23-Jul	221205	82.2	83.82	81.76	82.59	0.60	2785	28,594	131
23-Oct	221205	80.84	80.84	80.84	80.84	-0.87	106	6	4
23-Dec	221205	79.9	80.74	78.75	79.62	0.19	1310	21888	3
Total Volume and Open Interest							28,850	193,922	-854

Source: MRCI

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