

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed a firm trend across India today. MCX cotton spot price traded at Rs.32,170/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: As cotton arrivals have been increasing in the market. The raw cotton prices have started declining in Karimnagar, raw cotton prices have fallen by Rs.2,700 during the last fortnight. Through, the price of quintal cotton rose up to Rs.9,000 in the second week of November. All India cotton arrivals during November month were around 2,934,325 bales as compared to previous month arrivals of around 1,335,840 bales in the 2022-23 season.

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.

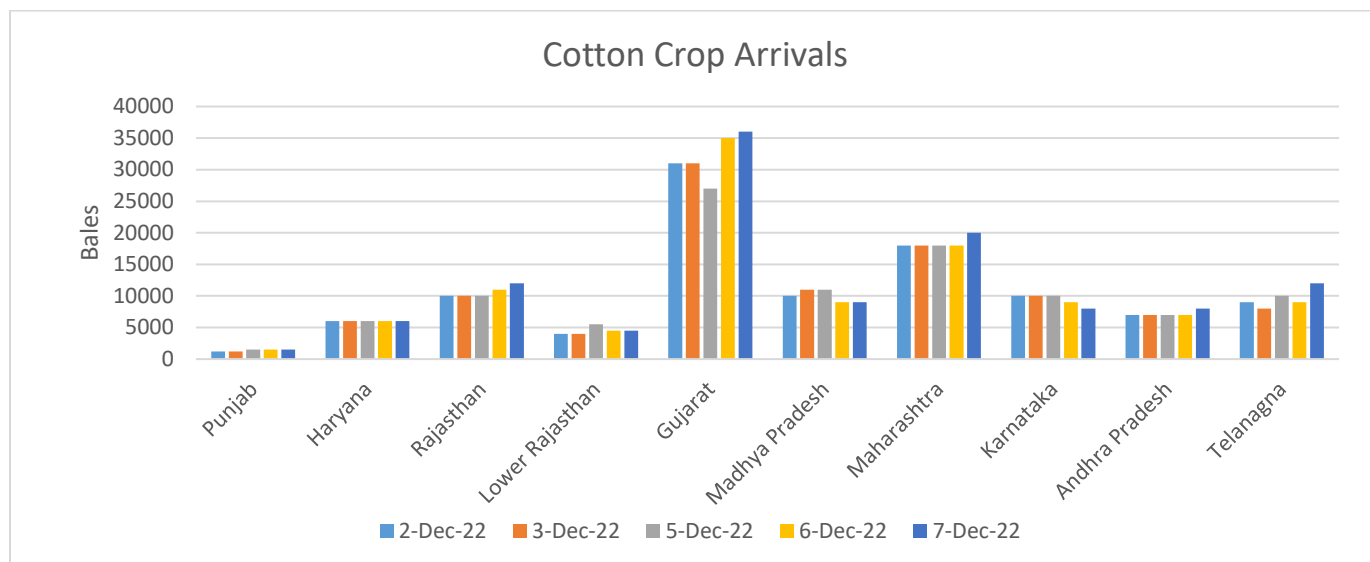
According to the Punjab Mandi Board data, cotton crop has seen the slowest arrival in the last five years even as the average rate is the highest since 2018. Punjab is expected to have produced 20 lakh quintals against 29 lakh quintals produced in the 2021-22 season.

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

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	31790	31460	31730	+40

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2720	2756	2714	2714	+24.00
Jan-23	2645	2671	2643	2642	+17.00

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	85.39	+45
Mar-23	84.59	+73
May-23	84.18	+95

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	7-Dec-22	6-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8875	9000	-125
	Gondal	Shankar-6	8780	8780	Unch
	Rajkot	B.T. Cotton	8650	8600	50
	Patan	B.T. Cotton	8725	8705	20
	Kadi	B.T. Cotton	8800	8750	50
	Dhrol	B.T. Cotton	8900	8875	25
Haryana	Bhiwani	B.T. Cotton	8300	8400	-100
	Adampur	B.T. Cotton	8400	8400	Unch
	Fatehabad	B.T. Cotton	8415	8250	165
	Uchana	B.T. Cotton	8310	8465	-155
	Dabwali	B.T. Cotton	NA	8350	-
Rajasthan	Hanumangarh	B.T. Cotton	8500	8700	-200
	Rawatsar	B.T. Cotton	8600	8600	Unch
Madhya Pradesh	Khandwa	Mech-1	NR	8000	-
	Khargaon	Mech-1	8535	8505	30
Maharashtra	Amravati	Mech-1	8600	8300	300
Uttar Pradesh	Hathras	B.T. Cotton	9800	10000	-200
	Hathras	Desi	7800	7800	Unch
Telangana	Adilabad	Un-Ginned	8200	8350	-150
Andhra Pradesh	Adoni	Un-Ginned	8600	NA	-
Karnataka	Bijapur	Bunny	NA	9626	-
	Raichur	H-44 Cotton	8600	8800	-200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-Dec-22	6-Dec-22	
Punjab	Bhatinda	J-34	6600	6550	50
	Abohar	J-34	6600	6550	50
	Mansa	J-34	6400	6500	-100
Haryana	Sirsa	J-34	6475	6450	25
Rajasthan	Sri-Ganganagar	J-34	6345	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Dec-22	6-Dec-22	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch

	Gondal	Shankar-6	8500	8400	100
	Rajkot	B.T. Cotton	6400	6000	400
	Patan	B.T. Cotton	12642	7240	5402
	Kadi	B.T. Cotton	15000	15000	Unch
	Dhrol	B.T. Cotton	623	729	-106
Haryana	Bhiwani	B.T. Cotton	400	400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1360	340
	Fatehabad	B.T. Cotton	400	400	Unch
	Uchana	B.T. Cotton	NA	550	-
	Dabwali	B.T. Cotton	NA	550	-
Rajasthan	Hanumangarh	B.T. Cotton	1500	3000	-1500
	Rawatsar	B.T. Cotton	1500	3000	-1500
Madhya Pradesh	Khandwa	Mech-1	NR	1000	-
	Khargaon	Mech-1	8200	7000	1200
Maharashtra	Amravati	Mech-1	5500	6000	-500
Telangana	Adilabad	Un-Ginned	89443.8	74268.7	15175.1
Andhra Pradesh	Adoni	Un-Ginned	3013	NA	-
Karnataka	Bijapur	Bunny	NA	8911	-
	Raichur	H-44 Cotton	17	20	-3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	7-Dec-22	6-Dec-22	
	Abohar	J-34	510	510	Unch
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	680	510	170
Rajasthan	Sri-Ganganagar	J-34	2500	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	7-Dec-22	6-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1210	1170	40
Telangana	Hyderabad	Rs. /10 Kg.	1230	1200	30
Maharashtra	Mumbai	Rs. /10 Kg.	1200	1160	40

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	7-Dec-22	6-Dec-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2787	2824	-37
Maharashtra	Akola	Rs./Qtl	2950	2990	-40

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	7-Dec-22	6-Dec-22	Change
CCIndex(328)	RMB/Ton	14887	14911	-24
CCIndex(527)	RMB/Ton	13432	13444	-12
CCIndex(229)	RMB/Ton	15221	15223	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	6-Dec-22	5-Dec-22	Change
FC Index (S)	Cents/lb	101.94	101.25	0.69
FC Index (M)	Cents/lb	101.22	100.52	0.70
FC Index (L)	Cents/lb	100.22	99.52	0.70

Cotlook Index:

Cotlook Indices	Unit	6-Dec-22	5-Dec-22	Change
A-Index	Cents/Pound	101.1	101.35	-0.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		6-Dec-22	6-Dec-22	Bales
Southeast	cents/lb.	86.34	88.59	5204
North Delta	cents/lb.	85.34	87.59	26
South Delta	cents/lb.	85.34	87.59	0
East TX-OK	cents/lb.	82.09	84.34	2719
West Texas	cents/lb.	82.59	84.09	3853
Desert SW	cents/lb.	81.59	83.84	0
SJ Valley	cents/lb.	81.84	90.74	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
				6-Dec-22	5-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62900	62900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63600	63600	Unch
J-34(202)	26mm	3.5 - 4.9	23	61600	61600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	66800	67500	-700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	68800	69800	-1000
DCH-32(107)	34mm	3.0 - 3.8	33	75000	75000	Unch

Daily Futures Price Listing Tuesday, Dec 06th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221206	85.28	86.06	85.28	85.39	0.45	39	81	0
23-Mar	221206	83.6	86.39	83.24	84.59	0.73	11,247	105,948	557
23-May	221206	82.78	85.76	82.78	84.18	0.95	4,231	32,718	178
23-Jul	221206	82.16	84.99	82.16	83.66	1.07	2137	28,922	328
23-Oct	221206	80.99	81.58	80.99	81.58	0.74	20	17	11
23-Dec	221206	80	81.37	78.95	80.5	0.88	871	21926	38
Total Volume and Open Interest							18,575	195,039	1,117

Source: MRCI

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