

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price traded at Rs.32,030/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: Due to huge disparity in the domestic market the various textile mills are running at less than 50% capacity. Market sources suggest that the India needs to allow duty-free imports of cotton as higher raw material prices have reduced textile mills production. Cotton attracts about 10% of import duty, which has made the imports financially unviable

As cotton arrivals have been increasing in the market. The raw cotton prices have started declining in Karimnagar, 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.

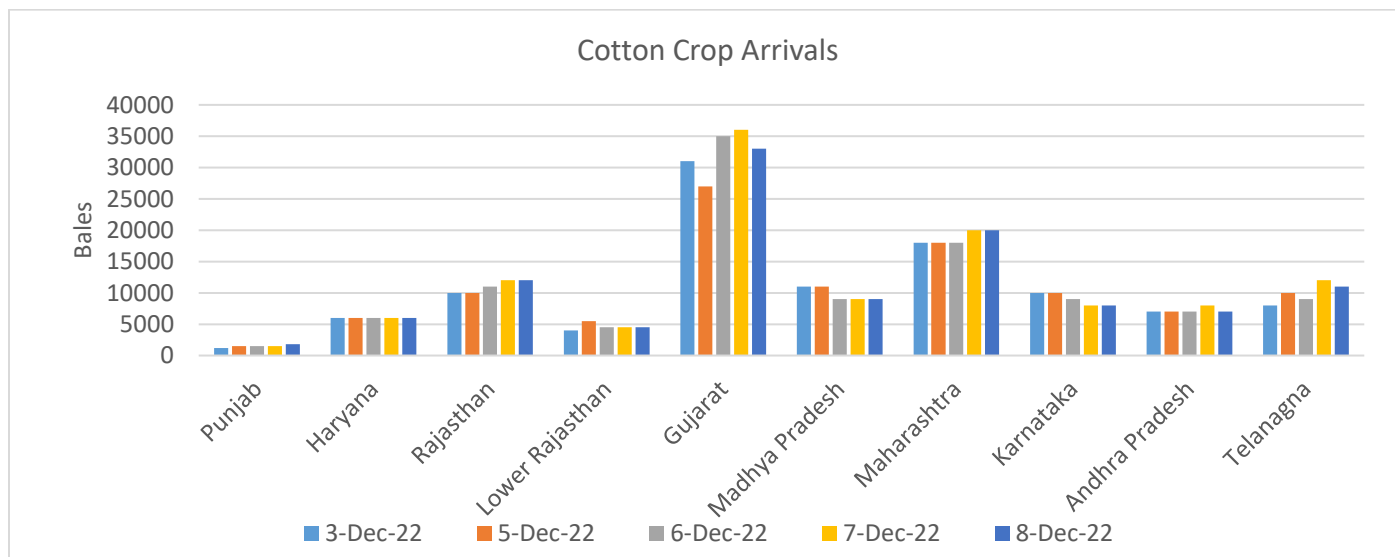
As per the Mandi Board data, Till 30th November 22, 2.22 lakh quintals of raw cotton has arrived from all seven districts of the Malwa belt. Where else, the average rate of cotton is around Rs.8,500 per quintal. All seven cotton-growing districts are reporting the arrival of mere 4,000-8000 quintals 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 north coastal Tamil Nadu, and Pondicherry. Thunderstorms accompanied with lightning, and heavy rainfall at isolated places over north interior Tamil Nadu, adjoining south coastal Andhra Pradesh and Rayalaseema. Heavy rainfall at isolated places over south interior Karnataka and Kerala.

All India New Cotton Crop: Bales



MCX Cotton

	High	Low	Close	Change
MCX Cotton	31650	31310	31500	-140

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2733	2773	2725	2734	+10.00
Jan-23	2655	2663	2637	2658	-18.00

International Cotton Fundamentals:

The Cotlook A index was at 102.10 cents/lb. The AWP for cotton was 73.03 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change

Dec- 22	82.61	-278
Mar-23	81.83	-276
May-23	81.69	-249

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.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	8-Dec-22	7-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8875	8875	Unch
	Gondal	Shankar-6	8730	8780	-50
	Rajkot	B.T. Cotton	8800	8650	150
	Patan	B.T. Cotton	8725	8725	Unch
	Kadi	B.T. Cotton	NA	8800	-
	Dhrol	B.T. Cotton	8805	8900	-95
Haryana	Bhiwani	B.T. Cotton	8350	8300	50
	Adampur	B.T. Cotton	8550	8400	150
	Fatehabad	B.T. Cotton	8445	8415	30
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8440	8310	130
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8550	8500	50
	Rawatsar	B.T. Cotton	8500	8600	-100
Madhya Pradesh	Khandwa	Mech-1	8200	NR	-
	Khargaon	Mech-1	8510	8535	-25
Maharashtra	Amravati	Mech-1	8500	8600	-100
Uttar Pradesh	Hathras	B.T. Cotton	9800	9800	Unch
	Hathras	Desi	7500	7800	-300
Telangana	Adilabad	Un-Ginned	8180	8200	-20
Andhra Pradesh	Adoni	Un-Ginned	8466	8600	-134
Karnataka	Bijapur	Bunny	NA	8929	-
	Hubli	D.C.H.	9005	NA	-
	Raichur	H-44 Cotton	8600	8600	Unch
Commodity	Lint		Prices (Rs./Mound)		Change
State	Centre	Variety	8-Dec-22	7-Dec-22	
Punjab	Bhatinda	J-34	6600	6600	Unch
	Abohar	J-34	6600	6600	Unch
	Mansa	J-34	6500	6400	100
Haryana	Sirsa	J-34	6450	6475	-25
Rajasthan	Sri-Ganganagar	J-34	6228	6345	-118

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Dec-22	7-Dec-22	
Gujarat	Ahmedabad	Shankar-6	42500	51000	-8500
	Gondal	Shankar-6	8700	8500	200
	Rajkot	B.T. Cotton	3400	6400	-3000
	Patan	B.T. Cotton	3860	12642	-8782
	Kadi	B.T. Cotton	NA	15000	-
	Dhrol	B.T. Cotton	618	623	-5

Haryana	Bhiwani	B.T. Cotton	400	400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	350	400	-50
Rajasthan	Hanumangarh	B.T. Cotton	1000	1500	-500
	Rawatsar	B.T. Cotton	1000	1500	-500
Madhya Pradesh	Khandwa	Mech-1	4500	NR	-
	Khargaon	Mech-1	4000	5910	-1910
Maharashtra	Amravati	Mech-1	5000	5500	-500
Telangana	Adilabad	Un-Ginned	78729	89443.8	-10714.8
Andhra Pradesh	Adoni	Un-Ginned	2027	3013	-986
Karnataka	Bijapur	Bunny	NA	4120	-
	Hubli	D.C.H.	22	NA	-
	Raichur	H-44 Cotton	15	17	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Dec-22	7-Dec-22	Change
	Abohar	J-34	340	510	-170
	Mansa	J-34	255	340	-85
Haryana	Sirsa	J-34	510	680	-170
Rajasthan	Sri-Ganganagar	J-34	2000	2500	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	8-Dec-22	7-Dec-22	Change
Gujarat	Rajkot	Rs. /10 Kg.	1200	1210	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1220	1230	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1190	1200	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	8-Dec-22	7-Dec-22	Change
Gujarat	Mahesana (Kadi)	Rs./Qtl	2825	2787	38
Maharashtra	Akola	Rs./Qtl	2963	2950	13

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	8-Dec-22	7-Dec-22	Change
CCIndex(328)	RMB/Ton	NR	14887	-
CCIndex(527)	RMB/Ton	NR	13432	-
CCIndex(229)	RMB/Ton	NR	15221	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	7-Dec-22	6-Dec-22	Change
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FC Index (S)	Cents/lb	NR	101.94	-
FC Index (M)	Cents/lb	NR	101.22	-
FC Index (L)	Cents/lb	NR	100.22	-

Cotlook Index:

Cotlook Indices	Unit	7-Dec-22	6-Dec-22	Change
A-Index	Cents/Pound	102.75	102.1	0.65

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		7-Dec-22	7-Dec-22	Bales
Southeast	cents/lb.	83.58	85.83	696
North Delta	cents/lb.	82.58	84.83	550
South Delta	cents/lb.	82.58	84.83	0
East TX-OK	cents/lb.	79.33	81.58	0
West Texas	cents/lb.	79.83	81.33	0
Desert SW	cents/lb.	78.83	81.08	0
SJ Valley	cents/lb.	79.08	87.98	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
				7-Dec-22	6-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	61100	61600	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	66800	66800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	68800	68800	Unch
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 Wednesday, Dec 07th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221207	82.61	82.61	82.61	82.61	-2.78	5	79	-2
23-Mar	221207	84.59	85.08	81.17	81.83	-2.76	10,851	105,649	-299
23-May	221207	84.36	84.58	81.05	81.69	-2.49	4,546	33,270	552
23-Jul	221207	83.65	84.03	80.5	81.4	-2.26	2223	29,135	213
23-Oct	221207	79.61	79.61	79.61	79.61	-1.97	47	11	-6
23-Dec	221207	80.5	80.8	77.85	78.85	-1.65	1078	21844	-82
Total Volume and Open Interest							18,837	195,442	403

Source: MRCI

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