

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price traded at Rs.31,970/bale on Friday. ICE cotton futures closed red on Thursday.

News: Cotton traded with a steady tone across major spot markets of north India Yesterday. Prices were higher by Rs.20-25 per maund. Along with north India, Southern and central India followed the same steady trend on Friday. Shanker-6 prices in Gujarat traded at Rs. 66,000- 65,000 per candy

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.

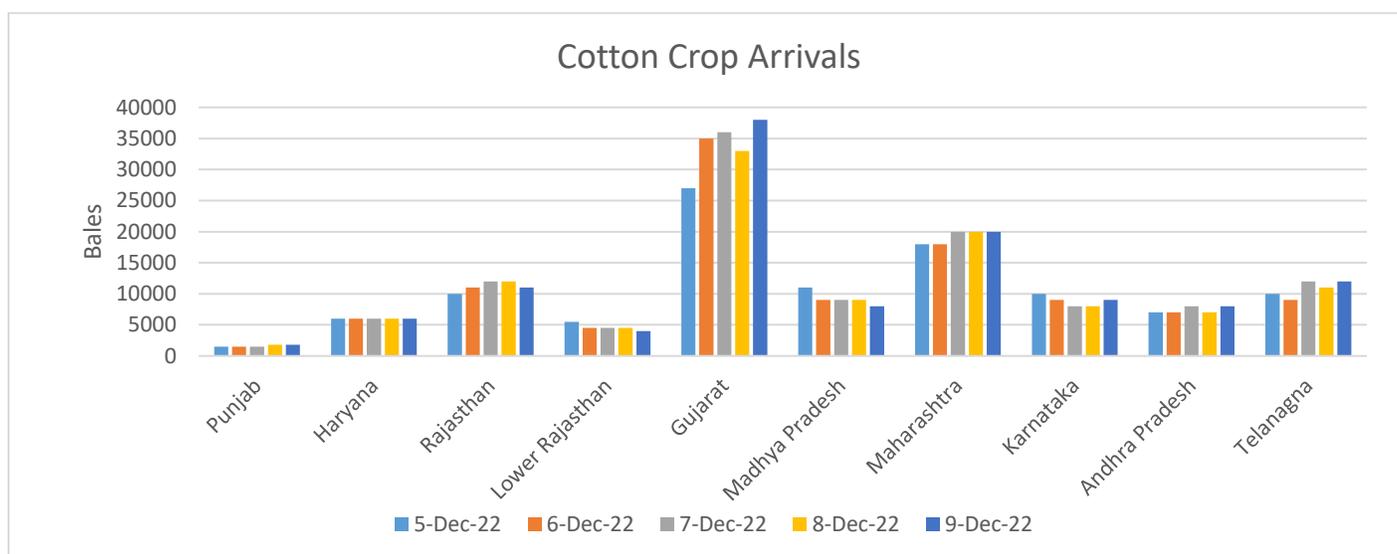
Cotton daily arrivals is around 1,10,000-1,13,000 bales per day. Cottonseed prices are remained week and are further likely to go down due to limited demand in the market. Cottonseed oilcake demand is also lower. Raw cotton prices are fluctuating. The cotton future market is highly volatile.

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.

Weather Forecast

Heavy rainfall at isolated places over north interior Tamil Nadu, Rayalaseema, Coastal Andhra Pradesh and, South Interior Karnataka. Thunderstorms accompanied with lightning at isolated places coastal Andhra Pradesh & Yanam, Tamil Nadu, Pondicherry & Karikal and Kerala & Mahe. Dense fog at isolated places over Punjab and Haryana.

All India New Cotton Crop: Bales

MCX Cotton

	High	Low	Close	Change
MCX Cotton	31540	31220	31410	+200

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2745	2751	2727	2748	-10.00
Jan-23	2643	2665	2636	2641	+3.00

International Cotton Fundamentals:

The Cotlook A index was at 102.10 cents/lb. The AWP for cotton was 75.17 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	80.85	-98
Mar-23	80.65	-104
May-23	80.39	-101

Cotton futures had a volatile week following low US export sales data. The Cotlook 'A' Index finished at 102.20 US cents/lb or A\$756/bales.

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.

Cotton Yarn

Cotton Yarn Exports are likely to go down during the first half of 2023. The higher domestic prices along with weak export demand may impact the yarn export globally. Earlier, the exports in cotton yarn witnessed a downward trend from January 2022 onwards, further aggravating a slowdown in global demand. Furthermore, the second half of 2023 is expected to remain muted for cotton yarn exporters due to the weak demand from the international market.

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 ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity		Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Dec-22	8-Dec-22		
Gujarat	Ahmedabad	Shankar-6	8700	8875	-175	
	Gondal	Shankar-6	8730	8730	Unch	
	Rajkot	B.T. Cotton	8700	8800	-100	
	Patan	B.T. Cotton	8670	8725	-55	
	Kadi	B.T. Cotton	8750	NA	-	
	Dhrol	B.T. Cotton	8750	8805	-55	
Haryana	Bhiwani	B.T. Cotton	8500	8350	150	
	Adampur	B.T. Cotton	8500	8550	-50	
	Fatehabad	B.T. Cotton	8450	8445	5	
	Jind	B.T. Cotton	8500	NR	-	
	Uchana	B.T. Cotton	8500	8440	60	
	Dabwali	B.T. Cotton	8490	NR	-	
Rajasthan	Hanumangarh	B.T. Cotton	8550	8550	Unch	
	Rawatsar	B.T. Cotton	8700	8500	200	
Madhya Pradesh	Khandwa	Mech-1	NR	8200	-	
	Khargaon	Mech-1	8550	8510	40	
Maharashtra	Amravati	Mech-1	8600	8500	100	
Uttar Pradesh	Hathras	B.T. Cotton	NR	9800	-	
	Hathras	Desi	NR	7500	-	
Telangana	Adilabad	Un-Ginned	8150	8180	-30	
Andhra Pradesh	Adoni	Un-Ginned	8489	8466	23	
Karnataka	Bijapur	Bunny	8919	8939	-20	
	Hubli	D.C.H.	8700	9005	-305	
	Raichur	H-44 Cotton	8500	8600	-100	
Commodity		Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Dec-22	8-Dec-22		
Punjab	Bhatinda	J-34	6650	6600	50	
	Abohar	J-34	6625	6600	25	
	Mansa	J-34	6500	6500	Unch	
Haryana	Sirsa	J-34	6475	6450	25	
Rajasthan	Sri-Ganganagar	J-34	6298	6228	71	

Cotton Arrivals in Key Centers:

Commodity		Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Dec-22	8-Dec-22		
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch	
	Gondal	Shankar-6	8600	8700	-100	
	Rajkot	B.T. Cotton	3400	3400	Unch	
	Patan	B.T. Cotton	8150	3860	4290	
	Kadi	B.T. Cotton	15000	NA	-	

	Dhrol	B.T. Cotton	398	618	-220
Haryana	Bhiwani	B.T. Cotton	2500	400	2100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	500	350	150
	Jind	B.T. Cotton	850	NR	-
	Uchana	B.T. Cotton	600	NR	-
	Dabwali	B.T. Cotton	600	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	4000	1000	3000
	Rawatsar	B.T. Cotton	4000	1000	3000
Madhya Pradesh	Khandwa	Mech-1	NR	4500	-
	Khargaon	Mech-1	8200	4000	4200
Maharashtra	Amravati	Mech-1	5000	5000	Unch
Telangana	Adilabad	Un-Ginned	81093.7	78729	2364.7
Andhra Pradesh	Adoni	Un-Ginned	1643	2027	-384
Karnataka	Bijapur	Bunny	2463	3406	-943
	Hubli	D.C.H.	10	22	-12
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	15	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Dec-22	8-Dec-22	
	Abohar	J-34	340	340	Unch
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	2000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	9-Dec-22	
Gujarat	Rajkot	Rs./10 Kg.	1190	1200	-10
Telangana	Hyderabad	Rs./10 Kg.	1210	1220	-10
Maharashtra	Mumbai	Rs./10 Kg.	1190	1190	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	9-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2809	2825	-16
Maharashtra	Akola	Rs./Qtl	2937	2963	-26

INTERNATIONAL PRICES AND INDICES
China Cotton Index:

Index	Unit	9-Dec-22	8-Dec-22	Change
CCIndex(328)	RMB/Ton	14915	14914	1
CCIndex(527)	RMB/Ton	13435	13446	-11
CCIndex(229)	RMB/Ton	15243	15252	-9

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

China Foreign Cotton (FCE) Index :

Index	Unit	8-Dec-22	7-Dec-22	Change
FC Index (S)	Cents/lb	99.82	102.63	-2.81
FC Index (M)	Cents/lb	99.12	101.92	-2.80
FC Index (L)	Cents/lb	98.12	100.92	-2.80

Cotlook Index:

Cotlook Indices	Unit	8-Dec-22	7-Dec-22	Change
A-Index	Cents/Pound	99.95	102.75	-2.80

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		8-Dec-22	8-Dec-22	Bales
Southeast	cents/lb.	82.6	84.85	1000
North Delta	cents/lb.	81.6	83.85	0
South Delta	cents/lb.	81.6	83.85	0
East TX-OK	cents/lb.	78.35	80.6	3770
West Texas	cents/lb.	78.85	80.85	3591
Desert SW	cents/lb.	77.85	80.1	0
SJ Valley	cents/lb.	78.1	87	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
				8-Dec-22	7-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	61400	61100	300
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 Thursday, Dec 08th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221208	82.15	84.1	80.76	80.85	-0.98	11774	105154	-495
23-Mar	221208	82	83.73	80.57	80.65	-1.04	5,920	33,071	-199
23-May	221208	81.65	83.03	80.31	80.39	-1.01	2,749	29,463	328
23-Jul	221208	79.08	79.08	79.08	79.08	-0.53	33	13	2
23-Oct	221208	79.47	80.35	77.9	78.03	-0.82	1277	21,908	64
23-Dec	221208	78.25	78.25	77.73	77.78	-0.74	419	2630	-112
Total Volume and Open Interest							22,825	194,946	-496

Source: MRCI

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