

**Domestic Fundamentals:****Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price traded at Rs.31,940/bale on Saturday. ICE cotton futures closed green on Friday.

**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.

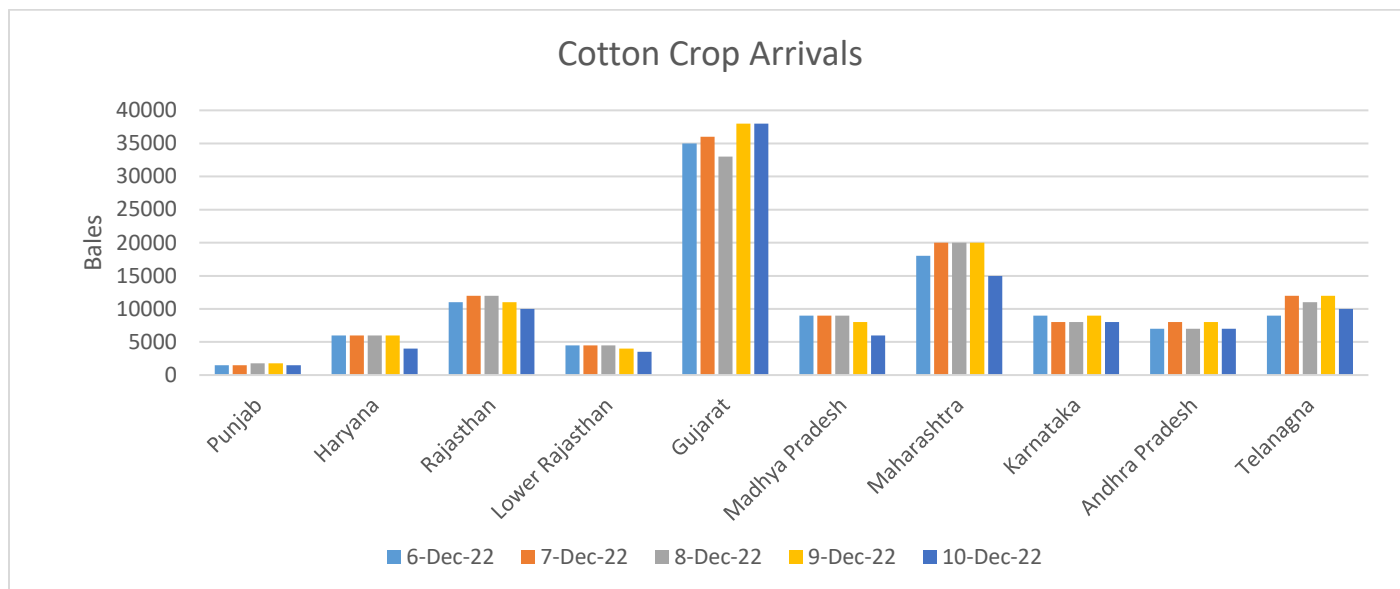
Cotton daily arrivals is around 1,10,000-1,13,000 bales per day. Cottonseed prices are remained week and are further likely to go down due to limited demand in the market. Cottonseed oilcake demand is also lower. Raw cotton prices are fluctuating. The cotton future market is highly volatile.

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 Kerala & Mahe. Thunderstorms accompanied with lightning at isolated places over Vidarbha, Chhattisgarh, Madhya Maharashtra, Marathwada, Konkan & Goa, Telangana, Rayalaseema, coastal Andhra Pradesh & Yanam, Karnataka, Tamil Nadu, Pondicherry & Karaikal and Kerala & Mahe. Dense fog at isolated places over Haryana.

All India New Cotton Crop: BalesMCX 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	80.95	+10
Mar-23	80.90	+25
May-23	80.66	+27

According to USDA, World Cotton and Market Report, Global cotton production is estimated down by 700,000 bales from the previous month to 115.7 million, largely owing to lower production in Pakistan. Pakistan production has fallen due to floods and poor weather. Global stocks are forecasted higher with consumption projected lower more than 3.0 million bales. This is the seventh consecutive monthly decline for global consumption. Global trade is down roughly 1.0 million bales, led by a decline in China, and is now forecast lower compared with the previous year.

The U.S. balance sheet shows higher production and ending stocks relative to the previous month. Exports and consumption are estimated down this month, and shipments are projected at the lowest level in 7 years.

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.

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

### 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 ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Dec-22	9-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8625	8700	-75
	Gondal	Shankar-6	8780	8730	50
	Rajkot	B.T. Cotton	8650	8700	-50
	Patan	B.T. Cotton	8850	8670	180
	Kadi	B.T. Cotton	8750	8750	Unch
	Dhrol	B.T. Cotton	8775	8750	25
Haryana	Bhiwani	B.T. Cotton	8500	8500	Unch
	Adampur	B.T. Cotton	8600	8500	100
	Fatehabad	B.T. Cotton	8475	8450	25
	Uchana	B.T. Cotton	8500	8500	Unch
	Dabwali	B.T. Cotton	8490	8490	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8550	8550	Unch
	Rawatsar	B.T. Cotton	8750	8700	50
	Khargaon	Mech-1	Closed	8550	-
Maharashtra	Amravati	Mech-1	8600	8600	Unch
Uttar Pradesh	Hathras	B.T. Cotton	9800	NR	-
	Hathras	Desi	7500	NR	-
Telangana	Adilabad	Un-Ginned	8160	8150	10
Andhra Pradesh	Adoni	Un-Ginned	8585	8489	96
Karnataka	Bijapur	Bunny	NA	8919	-
	Hubli	D.C.H.	8725	8700	25
	Raichur	H-44 Cotton	8600	8500	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Dec-22	9-Dec-22	
Punjab	Bhatinda	J-34	6675	6650	25
	Abohar	J-34	6675	6625	50
	Mansa	J-34	6500	6500	Unch
Haryana	Sirsa	J-34	6525	6475	50
Rajasthan	Sri-Ganganagar	J-34	6298	6298	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Dec-22	9-Dec-22	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	8550	8600	-50
	Rajkot	B.T. Cotton	3600	3400	200
	Patan	B.T. Cotton	10760	8150	2610
	Kadi	B.T. Cotton	10000	15000	-5000
	Dhrol	B.T. Cotton	692	398	294
Haryana	Bhiwani	B.T. Cotton	2500	2500	Unch
	Bhiwani	Desi	NA	NA	-

	Adampur	B.T. Cotton	1360	1360	Unch
	Fatehabad	B.T. Cotton	550	500	50
	Jind	B.T. Cotton	NA	850	-
	Uchana	B.T. Cotton	600	600	Unch
	Dabwali	B.T. Cotton	600	600	Unch
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-
	Khargaon	Mech-1	Closed	8200	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
Telangana	Adilabad	Un-Ginned	39951.2	81093.7	-41142.5
Andhra Pradesh	Adoni	Un-Ginned	1827	1643	184
Karnataka	Bijapur	Bunny	NA	2463	-
	Hubli	D.C.H.	38	10	28
	Raichur	H-44 Cotton	14	16	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Dec-22	9-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	2000	1500	500

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	10-Dec-22	9-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1190	1190	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1210	1210	Unch
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	10-Dec-22	9-Dec-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2805	2809	-4
Maharashtra	Akola	Rs./Qtl	2937	2937	Unch

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

Index	Unit	10-Dec-22	9-Dec-22	Change
CCIndex(328)	RMB/Ton	Closed	14915	-
CCIndex(527)	RMB/Ton	Closed	13435	-
CCIndex(229)	RMB/Ton	Closed	15243	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

**China Foreign Cotton (FCE) Index :**

Index	Unit	9-Dec-22	8-Dec-22	Change
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FC Index (S)	Cents/lb	98.82	99.82	<b>-1.00</b>
FC Index (M)	Cents/lb	98.15	99.12	<b>-0.97</b>
FC Index (L)	Cents/lb	97.15	98.12	<b>-0.97</b>

**Cotlook Index:**

Cotlook Indices	Unit	9-Dec-22	8-Dec-22	Change
A-Index	Cents/Pound	Closed	99.95	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		9-Dec-22	9-Dec-22	Bales
Southeast	cents/lb.	Closed	Closed	Closed
North Delta	cents/lb.	Closed	Closed	Closed
South Delta	cents/lb.	Closed	Closed	Closed
East TX-OK	cents/lb.	Closed	Closed	Closed
West Texas	cents/lb.	Closed	Closed	Closed
Desert SW	cents/lb.	Closed	Closed	Closed
SJ Valley	cents/lb.	Closed	Closed	Closed

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
				9-Dec-22	8-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	26900	62900	<b>-36000</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	23600	63600	<b>-40000</b>
J-34(202)	26mm	3.5 - 4.9	23	62100	61400	<b>700</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	66500	66800	<b>-300</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	67800	68800	<b>-1000</b>
DCH-32(107)	34mm	3.0 - 3.8	33	74000	75000	<b>-1000</b>

Cotton Yarn Prices	9-Dec-22	8-Dec-22	Change	9-Dec-22	8-Dec-22	Change
Varieti y	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	3.06	3.06	Unch	249	249	Unch
Ne 20/1 Combed Hosiery Yarn	3.19	3.19	Unch	259	259	Unch
Ne 21/1 Carded Weaving Yarn	3.06	3.06	Unch	249	249	Unch
Ne 26/1 Combed Hosiery Yarn	3.27	3.27	Unch	266	266	Unch
Ne 30/1 Carded Hosiery Yarn	3.22	3.22	Unch	262	262	Unch
Ne 30/1 Combed Hosiery Yarn	3.35	3.35	Unch	272	272	Unch
Ne 32/1 Carded Weaving Yarn	3.31	3.31	Unch	269	269	Unch
Ne 34/1 Combed Hosiery Yarn	3.56	3.56	Unch	289	289	Unch
Ne 40/1 Combed Hosiery Yarn	3.74	3.74	Unch	304	304	Unch
Ne 40/1 Carded Weaving Yarn	3.5	3.5	Unch	284	284	Unch
Ne 30/2 Carded Hosiery Yarn	3.5	3.5	Unch	284	284	Unch
Ne 32/2 Combed Knitting Yarn	3.93	3.93	Unch	319	319	Unch
Ne 32/2 Carded Hosiery Yarn	3.56	3.56	Unch	289	289	Unch
Ne 40/2 Combed Hosiery Yarn	4.36	4.36	Unch	354	354	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.56	3.56	Unch	289	289	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.99	3.99	Unch	324	324	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.36	4.36	Unch	354	354	Unch
Ne 16/1 Open End Yarn	2.26	2.26	Unch	184	184	Unch
Ne 21/1 Open End Yarn	2.45	2.45	Unch	199	199	Unch
Ne 24/1 Open End Yarn	2.76	2.76	Unch	224	224	Unch

Daily Futures Price Listing Friday, Dec 09th 2022									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">22-Dec</a>	221209	80.9	83.75	80.1	80.95	0.10	17226	104850	-304
<a href="#">23-Mar</a>	221209	81	83.57	79.99	80.9	0.25	7,278	33,306	235
<a href="#">23-May</a>	221209	81.46	83.26	79.83	80.66	0.27	4,549	29,991	528
<a href="#">23-Jul</a>	221209	79.19	79.19	79.19	79.19	0.11	8	13	0
<a href="#">23-Oct</a>	221209	78.5	80.53	77.54	78.32	0.29	1724	21,986	78
<a href="#">23-Dec</a>	221209	78.3	80.49	77.5	78.17	0.39	202	2558	-72
Total Volume and Open Interest							31,301	195,464	518

Source: MRCI

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