

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price traded at Rs.32,040/bale on Tuesday. ICE cotton futures closed red on Monday.

News: Cotton daily arrivals have reached around 1,10,000-1,15,000 bales per day. Overall cotton crop condition is good. Cotton First picking has been completed in the major cotton growing belts across India. In some areas of central and northern India second picking has been started. About 35% of the cotton crop has been harvested so far. Cottonseed prices are remained weak to stable. However, the raw cotton prices remained stable. The cotton future market is highly volatile.

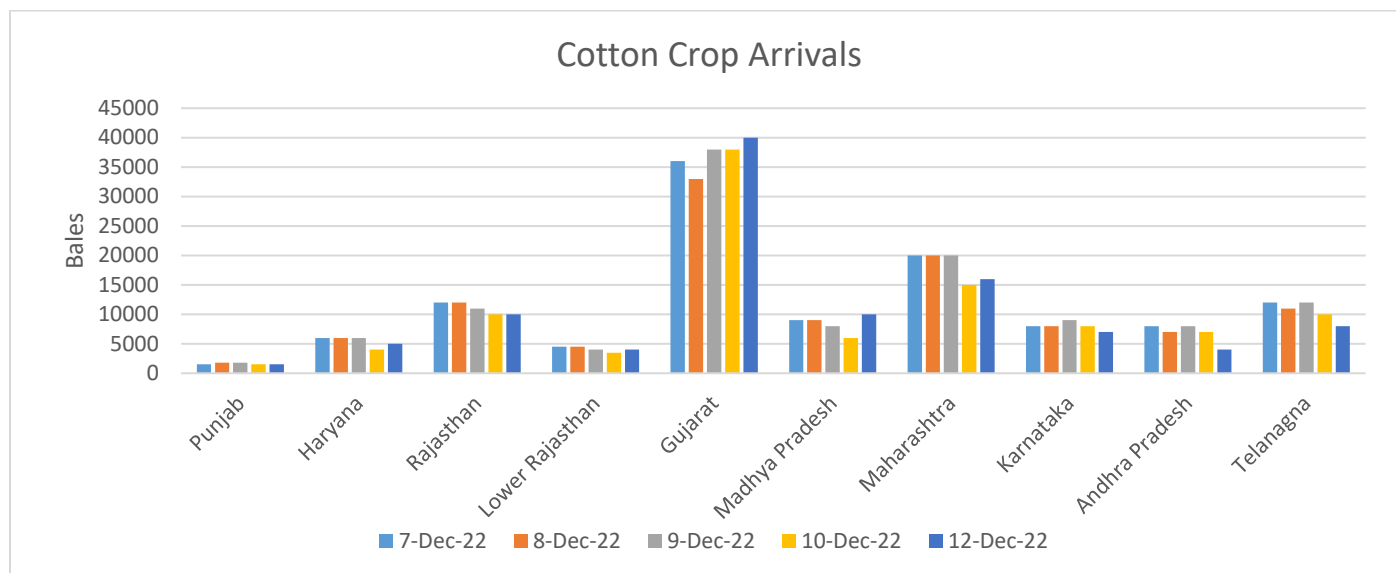
Ginning factories are running slower around less than 50% capacity due to lack of arrivals and disparity. Spinning mills are buying raw cotton but in limited quantities. Cotton yarn prices are stable. International demand for yarn may increase from China and Vietnam in coming month. Trade is very slow due to the huge disparity to spinners and ginners. Export demand is very limited.

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.

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 and Lakshwadeep. Dense fog at isolated places over Himachal Pradesh.

All India New Cotton Crop: BalesMCX Cotton

| | High | Low | Close | Change |
|------------|-------|-------|-------|--------|
| MCX Cotton | 31550 | 31080 | 31430 | +110 |

NCDEX Cottonseed Oilcake

| | Open | High | Low | Close | Change |
|--------|------|------|------|-------|--------|
| Dec-20 | 2858 | 2910 | 2831 | 2852 | -4.00 |
| Jan-23 | 2694 | 2694 | 2640 | 2696 | -37.00 |

International Cotton Fundamentals:

The Cotlook A index was at 98.9 cents/lb. The AWP for cotton was 75.17 cents/lb.

| ICE Cotton Futures (Cents/Lb) | | |
|-------------------------------|-------|--------|
| | Close | Change |
| Dec- 22 | 79.39 | -156 |
| Mar-23 | 79.48 | -142 |
| May-23 | 79.41 | -125 |

The local cotton market in Pakistan remained bearish and trading volume remained lower. The cotton traded at Rs. 14,000 to Rs.17,000 per maund yesterday.

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.

Cotton Yarn

Yarn prices in the northern Indian market eased in Ludhiana due to lower demand While prices remained stable in Delhi. In Delhi, lower demand for cotton yarn was witnessed from domestic and export market.

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.

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.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

| Commodity | Kapas | | Prices (Rs./Quintal) | | Change |
|---------------|-------------|-------------|----------------------|-----------|--------|
| State | Centre | Variety | 13-Dec-22 | 12-Dec-22 | |
| Gujarat | Ahmedabad | Shankar-6 | 8750 | 8750 | Unch |
| | Gondal | Shankar-6 | 8880 | 8980 | -100 |
| | Rajkot | B.T. Cotton | 8650 | 8650 | Unch |
| | Patan | B.T. Cotton | 8780 | 8925 | -145 |
| | Kadi | B.T. Cotton | 8750 | 8750 | Unch |
| | Dhrol | B.T. Cotton | 8920 | 8885 | 35 |
| Haryana | Bhiwani | B.T. Cotton | 8700 | 8700 | Unch |
| | Adampur | B.T. Cotton | 8500 | 8550 | -50 |
| | Fatehabad | B.T. Cotton | 8365 | 8465 | -100 |
| | Jind | B.T. Cotton | 8500 | NR | - |
| | Uchana | B.T. Cotton | 8570 | 8600 | -30 |
| | Dabwali | B.T. Cotton | 8610 | NR | - |
| Rajasthan | Hanumangarh | B.T. Cotton | 8750 | 8850 | -100 |
| | Rawatsar | B.T. Cotton | 8750 | 8750 | Unch |
| | Khargaon | Mech-1 | 8600 | 8450 | 150 |
| Maharashtra | Amravati | Mech-1 | 8500 | 8600 | -100 |
| Uttar Pradesh | Hathras | B.T. Cotton | NA | 9800 | - |
| | Hathras | Desi | NA | 7500 | - |
| Telangana | Adilabad | Un-Ginned | 8170 | NA | - |

| | | | | | |
|----------------|----------------|-------------|--------------------|-----------|--------|
| Andhra Pradesh | Adoni | Un-Ginned | 8469 | 8449 | 20 |
| Karnataka | Bijapur | Bunny | 8907 | 8889 | 18 |
| | Hubli | D.C.H. | NA | 8700 | - |
| | Raichur | H-44 Cotton | 8200 | 8600 | -400 |
| Commodity | Lint | | Prices (Rs./Maund) | | Change |
| State | Centre | Variety | 13-Dec-22 | 12-Dec-22 | |
| Punjab | Bhatinda | J-34 | 6675 | 6700 | -25 |
| | Abohar | J-34 | 6675 | 6675 | Unch |
| | Mansa | J-34 | 6600 | 6600 | Unch |
| Haryana | Sirsa | J-34 | 6525 | 6525 | Unch |
| Rajasthan | Sri-Ganganagar | J-34 | 6392 | 6392 | Unch |

Cotton Arrivals in Key Centers:

| Commodity | Kapas | | Arrivals (Quintal) | | Change |
|----------------|----------------|-------------|--------------------|-----------|--------|
| State | Centre | Variety | 13-Dec-22 | 12-Dec-22 | |
| Gujarat | Ahmedabad | Shankar-6 | 45900 | 45900 | Unch |
| | Gondal | Shankar-6 | 8550 | 8550 | Unch |
| | Rajkot | B.T. Cotton | 5800 | 6000 | -200 |
| | Patan | B.T. Cotton | 11795 | 10795 | 1000 |
| | Kadi | B.T. Cotton | 30000 | 25000 | 5000 |
| | Dhrol | B.T. Cotton | 653 | 773 | -120 |
| Haryana | Bhiwani | B.T. Cotton | 1200 | 1200 | Unch |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | 1020 | 1700 | -680 |
| | Fatehabad | B.T. Cotton | 400 | 550 | -150 |
| | Jind | B.T. Cotton | 850 | NR | - |
| | Uchana | B.T. Cotton | 750 | NR | - |
| | Dabwali | B.T. Cotton | 750 | NR | - |
| Rajasthan | Hanumangarh | B.T. Cotton | 6000 | 3000 | 3000 |
| | Rawatsar | B.T. Cotton | 6000 | 3000 | 3000 |
| | Khargaon | Mech-1 | 4900 | 3780 | 1120 |
| Maharashtra | Amravati | Mech-1 | 5000 | 5000 | Unch |
| Telangana | Adilabad | Un-Ginned | 32229.7 | NA | - |
| Andhra Pradesh | Adoni | Un-Ginned | 1158 | 1241 | -83 |
| Karnataka | Bijapur | Bunny | 3150 | 3090 | 60 |
| | Hubli | D.C.H. | NA | 10 | - |
| | Raichur | H-44 Cotton | 12 | 13 | -1 |
| Commodity | Lint | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 13-Dec-22 | 12-Dec-22 | |
| | Abohar | J-34 | 680 | 340 | 340 |
| | Mansa | J-34 | 578 | 510 | 68 |
| 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 | 13-Dec-22 | 12-Dec-22 | |

| | | | | | |
|-------------|-----------|-------------|------|------|------|
| Gujarat | Rajkot | Rs. /10 Kg. | 1230 | 1235 | -5 |
| Telangana | Hyderabad | Rs. /10 Kg. | 1225 | 1225 | Unch |
| Maharashtra | Mumbai | Rs. /10 Kg. | 1215 | 1190 | 25 |

Cotton Seed Oil Seed Cake Prices:

| Commodity | Cotton Seed Oil Seed Cake | | Price | | Change |
|-------------|---------------------------|---------|-----------|-----------|--------|
| State | Centre | Unit | 13-Dec-22 | 12-Dec-22 | |
| Gujarat | Mahesana (Kadi) | Rs./Qtl | 2905 | 2805 | 100 |
| Maharashtra | Akola | Rs./Qtl | 2956 | 2937 | 19 |

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

| Index | Unit | 12-Dec-22 | 9-Dec-22 | Change |
|----------------------------------|---------|-----------|----------|--------|
| CCIndex(328) | RMB/Ton | 14959 | 14915 | 44 |
| CCIndex(527) | RMB/Ton | 13471 | 13435 | 36 |
| CCIndex(229) | RMB/Ton | 15274 | 15243 | 31 |
| RMB -Renminbi, 1RMB =0.16 \$U.S. | | | | |

China Foreign Cotton (FCE) Index :

| Index | Unit | 12-Dec-22 | 9-Dec-22 | Change |
|--------------|----------|-----------|----------|--------|
| FC Index (S) | Cents/lb | 98.92 | 98.82 | 0.10 |
| FC Index (M) | Cents/lb | 98.25 | 98.15 | 0.10 |
| FC Index (L) | Cents/lb | 97.25 | 97.15 | 0.10 |

Cotlook Index:

| Cotlook Indices | Unit | 12-Dec-22 | 10-Dec-22 | Change |
|-----------------|-------------|-----------|-----------|--------|
| A-Index | Cents/Pound | 98.8 | Closed | - |

USDA Cotton Spot Rates:

| Growth Area | Unit | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|-----------|---------------------|---------------------|----------|
| | | 12-Dec-22 | 12-Dec-22 | Bales |
| Southeast | cents/lb. | 81.39 | 83.64 | 2224 |
| North Delta | cents/lb. | 80.39 | 82.64 | 1584 |
| South Delta | cents/lb. | 80.39 | 82.64 | NA |
| East TX-OK | cents/lb. | 76.89 | 79.14 | NA |
| West Texas | cents/lb. | 77.39 | 79.39 | 1598 |
| Desert SW | cents/lb. | 76.39 | 78.64 | NA |
| SJ Valley | cents/lb. | 76.64 | 85.54 | NA |

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 |
|---------------------------------------|------------|------------|------------------|------------------|------------------|--------|
| | | | | 12-Dec-22 | 10-Dec-22 | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 63400 | 62900 | 500 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 64100 | 63600 | 500 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 62300 | 62100 | 200 |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 66700 | 66500 | 200 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 67800 | 67800 | Unch |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 74000 | 74000 | Unch |

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Cotlook Index:

| Cotlook Indices | Unit | 12-Dec-22 | 9-Dec-22 | Change |
|-----------------|-------------|-----------|----------|--------|
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| South Delta | cents/lb. | 80.39 | 82.64 | - |
| East TX-OK | cents/lb. | 76.89 | 79.14 | - |
| West Texas | cents/lb. | 77.39 | 79.39 | 1598 |

| | | | | |
|-----------|-----------|-------|-------|---|
| Desert SW | cents/lb. | 76.39 | 78.64 | - |
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| Daily Futures Price Listing Monday, Dec 12th 2022 | | | | | | | | | |
|---|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Month | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| 22-Dec | 221212 | 80.95 | 81.88 | 79.03 | 79.39 | -1.56 | 13719 | 104987 | 137 |
| 23-Mar | 221212 | 80.93 | 81.77 | 79.15 | 79.48 | -1.42 | 4,653 | 34,119 | 813 |
| 23-May | 221212 | 80.76 | 81.56 | 79.04 | 79.41 | -1.25 | 2,042 | 30,043 | 52 |
| 23-Jul | 221212 | 78.27 | 78.27 | 78.27 | 78.27 | -0.92 | 12 | 15 | 2 |
| 23-Oct | 221212 | 78.46 | 79.2 | 76.96 | 77.37 | -0.95 | 1240 | 22,008 | 22 |
| 23-Dec | 221212 | 78 | 78.29 | 77.2 | 77.51 | -0.66 | 174 | 2627 | 69 |
| Total Volume and Open Interest | | | | | | | 22,124 | 196,545 | 1,081 |

Source: MRCI

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