

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed a mixed trend across India today. MCX cotton spot price traded at Rs.31,350/bale on Saturday. ICE cotton futures closed green on Friday.

News: The cotton arrivals shrank by 12.38% in the period between 1st October and 7th December. The market arrivals expectations remained at 49 lakh bales as compared to 95 lakh bales the last season.

This year, an increase of 10 lakh hectares in area is expected in cotton, however experts predict a decline in the production. As per the Cotton Association of India, the country's production is projected at 345 lakh bales during 2022-23. While the market experts are expecting it to be around 300 lakh bales.

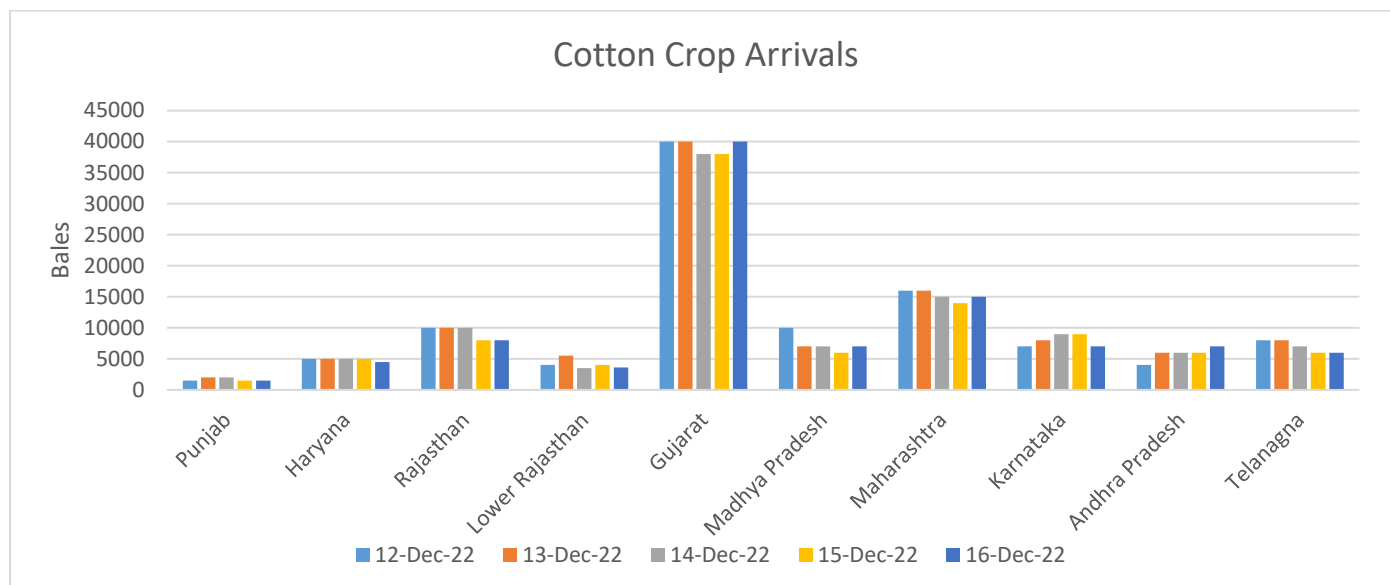
Cotton daily arrivals have reached around 1,10,000-1,15,000 bales per day. Overall cotton crop condition is good. Cotton First picking has been completed in the major cotton growing belts across India. In some areas of central and northern India second picking has been started. About 35% of the cotton 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.

Weather Forecast

Heavy rainfall at isolated places over Tamil Nadu.

All India New Cotton Crop: BalesMCX Cotton

	High	Low	Close	Change
MCX Cotton	31400	30350	30590	-560

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2875	2880	2830	2872	-33.00
Jan-23	2722	2737	2686	2716	-11.00

International Cotton Fundamentals:

The Cotlook A index was at 99.2 cents/lb. The AWP for cotton was 72.25 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	81.92	+89
Mar-23	82.08	+84
May-23	82.03	+78

Cotton Australia has projected cotton production at 5 million bales in 2023. The Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES) has forecasted a 2022-23 gross value of cotton production at

around \$3.4 billion with expectations that exports will reach a value of \$5.1 billion because of prior shipping delays for the 2022 crop. ABARES expects a possible recovery in cotton prices as buyers look for quality sustainable cotton combined with crop decreases and low stock levels in the US.

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

As per market sources, Cotton yarn prices had further declined by Rs.5-8 per kg yesterday in Mumbai market as buyers in the textile value chain were cautious amid speculations of global recession. However, cotton yarn prices remained stable in Tiruppur. Buying of cotton yarn in south India was limited as buyers further tightened their purchases amid uncertainty regarding revival of demand. In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,640-1,680 and Rs.1,550-1,600 per 5 kg respectively. 60 combed warp was priced at Rs.360-365 per kg. 80 carded (weft) cotton yarn was sold at Rs.1,520-1,540 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at Rs.305-310 per kg.

India's polyester and polyester-cotton yarn prices remained steady yesterday, even though trading activities improved as domestic brands were actively buying for the summer season.

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.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	17-Dec-22	16-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8550	8750	-200
	Gondal	Shankar-6	8655	8780	-125
	Rajkot	B.T. Cotton	8500	8550	-50
	Patan	B.T. Cotton	8650	8800	-150
	Kadi	B.T. Cotton	8500	8750	-250
	Dhrol	B.T. Cotton	8850	8850	Unch
Haryana	Bhiwani	B.T. Cotton	8500	8600	-100
	Adampur	B.T. Cotton	8500	8400	100

	Fatehabad	B.T. Cotton	8225	8265	-40
	Uchana	B.T. Cotton	8685	8535	150
	Dabwali	B.T. Cotton	NR	8465	-
Rajasthan	Hanumangarh	B.T. Cotton	8700	8700	Unch
	Rawatsar	B.T. Cotton	8600	8700	-100
Madhya Pradesh	Khandwa	Mech-1	Closed	8600	-
	Khargaon	Mech-1	Closed	8470	-
Maharashtra	Amravati	Mech-1	8600	8600	Unch
Uttar Pradesh	Hathras	B.T. Cotton	9500	9800	-300
	Hathras	Desi	7500	7800	-300
Telangana	Adilabad	Un-Ginned	8160	8210	-50
Andhra Pradesh	Adoni	Un-Ginned	8569	8400	169
Karnataka	Bijapur	Bunny	NA	8993	-
	Hubli	D.C.H.	8525	8400	125
	Raichur	H-44 Cotton	8350	8700	-350
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	17-Dec-22	16-Dec-22	
Punjab	Bhatinda	J-34	6625	6625	Unch
	Abohar	J-34	6500	6500	Unch
	Mansa	J-34	6450	6550	-100
Haryana	Sirsa	J-34	6400	6500	-100
Rajasthan	Sri-Ganganagar	J-34	6204	6251	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	17-Dec-22	16-Dec-22	
Gujarat	Ahmedabad	Shankar-6	51000	56100	-5100
	Gondal	Shankar-6	8350	8400	-50
	Rajkot	B.T. Cotton	4000	4400	-400
	Patan	B.T. Cotton	10170	11570	-1400
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	3400	-
	Dhrol	B.T. Cotton	697	700	-3
Haryana	Bhiwani	B.T. Cotton	600	1000	-400
	Adampur	B.T. Cotton	1020	1530	-510
	Fatehabad	B.T. Cotton	600	450	150
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NR	450	-
	Dabwali	B.T. Cotton	NR	450	-
Rajasthan	Hanumangarh	B.T. Cotton	2000	4000	-2000
	Rawatsar	B.T. Cotton	2000	4000	-2000
Madhya Pradesh	Khandwa	Mech-1	Closed	400	-

	Khargaon	Mech-1	Closed	2100	-
Maharashtra	Amravati	Mech-1	7000	7000	Unch
Telangana	Adilabad	Un-Ginned	45220	39920	5300
Andhra Pradesh	Adoni	Un-Ginned	1832	1288	544
Karnataka	Bijapur	Bunny	NA	3519	-
	Hubli	D.C.H.	26	5	21
	Raichur	H-44 Cotton	15	20	-5
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	17-Dec-22	16-Dec-22	
	Abohar	J-34	595	340	255
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	2500	3000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	17-Dec-22	16-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1235	1235	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1225	1230	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1220	1225	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	17-Dec-22	16-Dec-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2888	2896	-8
Maharashtra	Akola	Rs./Qtl	2950	2934	16

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

Index	Unit	16-Dec-22	15-Dec-22	Change
CCIndex(328)	RMB/Ton	14989	14982	7
CCIndex(527)	RMB/Ton	13484	13473	11
CCIndex(229)	RMB/Ton	15301	15298	3
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	15-Dec-22	14-Dec-22	Change
FC Index (S)	Cents/lb	99.26	99.56	-0.30
FC Index (M)	Cents/lb	98.43	98.73	-0.30
FC Index (L)	Cents/lb	97.43	97.73	-0.30

Cotlook Index:

Cotlook Indices	Unit	16-Dec-22	15-Dec-22	Change
A-Index	Cents/Pound	NA	99.2	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		15-Dec-22	15-Dec-22	Bales
Southeast	cents/lb.	83.28	85.53	2098
North Delta	cents/lb.	82.03	84.28	1584
South Delta	cents/lb.	82.03	84.28	0
East TX-OK	cents/lb.	78.78	81.03	0
West Texas	cents/lb.	79.28	81.28	2269
Desert SW	cents/lb.	78.03	80.28	0
SJ Valley	cents/lb.	78.28	87.18	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
				16-Dec-22	15-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62500	64000	-1500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	62900	64400	-1500
J-34(202)	26mm	3.5 - 4.9	23	62400	62600	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	65300	66300	-1000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	66800	67500	-700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	68000	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72500	-500

Daily Futures Price Listing Friday, Dec 16th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221216	81.03	82.3	79.8	81.92	0.89	10979	104545	95
23-Mar	221216	81.29	82.35	79.95	82.08	0.84	5,687	35,801	-25
23-May	221216	81.64	82.17	79.96	82.03	0.78	3,462	30,390	1
23-Jul	221216	80.35	80.68	80.34	80.68	0.83	0	18	0
23-Oct	221216	79.94	80.33	78.43	80.22	0.58	1010	22,584	325
23-Dec	221216	79.6	80.17	79.6	80.17	0.45	106	2857	30
Total Volume and Open Interest							21,245	198,914	425

Source: MRCI

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