

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

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

**News:** Cotton daily arrivals have reached around 1,15,000-1,30,000 bales per day. Overall cotton crop condition is good despite rainfall in southern India and some parts of Maharashtra. In some areas of central and northern India second picking has been started, the cotton crop quality may get affected due to uneven weather. Cottonseed prices are remained volatile during the last week. However, the raw cotton prices remained lower due to improved arrivals in the market.

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.

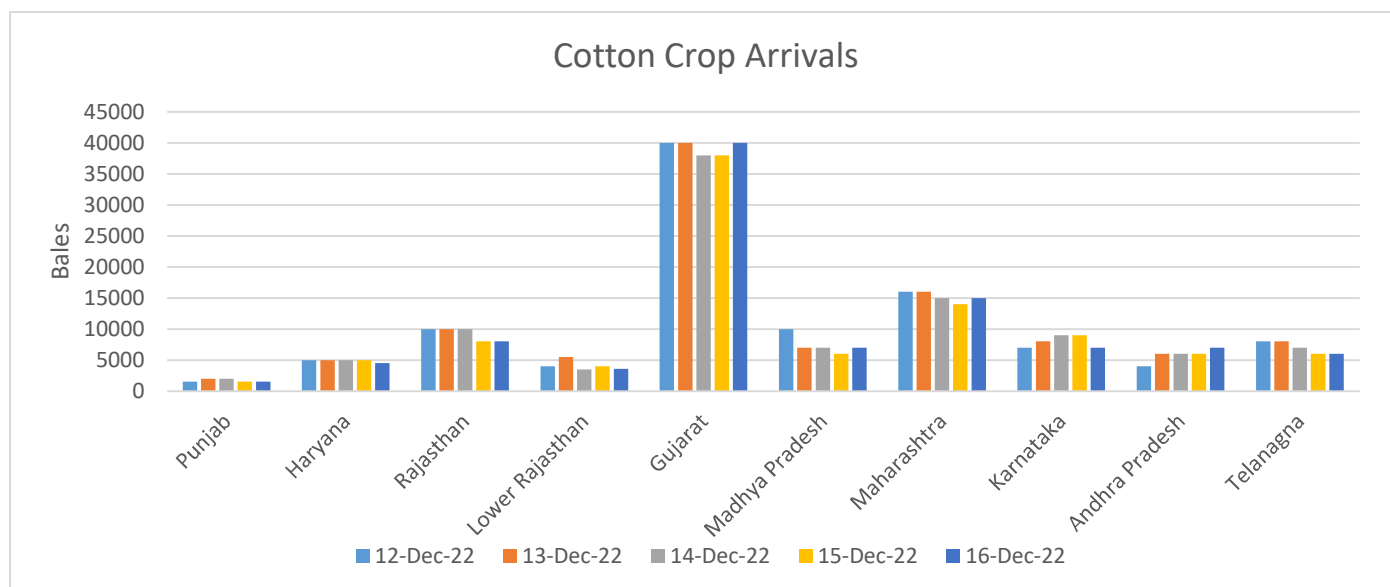
Ginning factories are running slower around less than 50% capacity due to lack of arrivals and disparity. Spinning mills are buying raw cotton but in limited quantities. Cotton yarn prices are stable. International demand for yarn may increase from China and Vietnam in coming month. Trade is very slow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



### MCX Cotton

	High	Low	Close	Change
<b>MCX Cotton</b>	31400	30350	30590	<b>-560</b>

### NCDEX Cottonseed Oilcake

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

### 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
<b>Dec- 22</b>	81.92	<b>+89</b>
<b>Mar-23</b>	82.08	<b>+84</b>
<b>May-23</b>	82.03	<b>+78</b>

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	19-Dec-22	17-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8550	8550	Unch
	Gondal	Shankar-6	8680	8655	25
	Rajkot	B.T. Cotton	8350	8500	-150
	Patan	B.T. Cotton	8635	8650	-15
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	1400	1550	-150

	Dhrol	B.T. Cotton	8545	8850	<b>-305</b>
<b>Haryana</b>	Bhiwani	B.T. Cotton	8200	8500	<b>-300</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8350	8500	<b>-150</b>
	Fatehabad	B.T. Cotton	8125	8225	<b>-100</b>
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8600	8685	<b>-85</b>
	Dabwali	B.T. Cotton	NR	NR	-
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	8500	8700	<b>-200</b>
	Rawatsar	B.T. Cotton	8450	8600	<b>-150</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	8200	Closed	-
	Khargaon	Mech-1	8465	Closed	-
<b>Maharashtra</b>	Amravati	Mech-1	8600	8600	<b>Unch</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	9400	9500	<b>-100</b>
	Hathras	Desi	7500	7500	<b>Unch</b>
<b>Telangana</b>	Adilabad	Un-Ginned	NA	8160	-
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	8459	8569	<b>-110</b>
<b>Karnataka</b>	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	8525	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8500	8350	<b>150</b>
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>19-Dec-22</b>	<b>17-Dec-22</b>	
<b>Punjab</b>	Bhatinda	J-34	6375	6625	<b>-250</b>
	Abohar	J-34	6375	6500	<b>-125</b>
	Mansa	J-34	NA	6450	-
<b>Haryana</b>	Sirsa	J-34	6275	6400	<b>-125</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	6134	6204	<b>-71</b>

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>19-Dec-22</b>	<b>17-Dec-22</b>	
<b>Gujarat</b>	Ahmedabad	Shankar-6	51000	51000	<b>Unch</b>
	Gondal	Shankar-6	8200	8350	<b>-150</b>
	Rajkot	B.T. Cotton	6000	4000	<b>2000</b>
	Patan	B.T. Cotton	9265	10170	<b>-905</b>
	Kadi	B.T. Cotton	15000	20000	<b>-5000</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	617	697	<b>-80</b>
<b>Haryana</b>	Bhiwani	B.T. Cotton	350	600	<b>-250</b>
	Bhiwani	Desi	NA	NA	-



	Adampur	B.T. Cotton	1700	1020	680
	Fatehabad	B.T. Cotton	415	600	-185
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	2000	1000
	Rawatsar	B.T. Cotton	3000	2000	1000
Madhya Pradesh	Khandwa	Mech-1	800	Closed	-
	Khargaon	Mech-1	3800	Closed	-
Maharashtra	Amravati	Mech-1	6500	7000	-500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	45220	-
Andhra Pradesh	Adoni	Un-Ginned	1106	1832	-726
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	26	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	15	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Dec-22	17-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	595	-85
	Mansa	J-34	NA	340	-
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	Sri-Ganganagar	J-34	2000	2500	-500

### Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	19-Dec-22	17-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1235	1235	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1225	1225	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1235	1220	15

### Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	19-Dec-22	17-Dec-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2888	2888	Unch
Maharashtra	Akola	Rs./Qtl	2950	2950	Unch



### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index:

Index	Unit	18-Dec-22	16-Dec-22	Change
CCIndex(328)	RMB/Ton	#N/A	14989	-
CCIndex(527)	RMB/Ton	#N/A	13484	-
CCIndex(229)	RMB/Ton	#N/A	15301	-

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

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

Index	Unit	18-Dec-22	16-Dec-22	Change
FC Index (S)	Cents/lb	#N/A	NA	-
FC Index (M)	Cents/lb	#N/A	NA	-
FC Index (L)	Cents/lb	#N/A	NA	-

#### Cotlook Index:

Cotlook Indices	Unit	17-Dec-22	16-Dec-22	Change
A-Index	Cents/Pound	Closed	98.5	-

#### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		17-Dec-22	17-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
				17-Dec-22	16-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62800	62500	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63200	62900	300
J-34(202)	26mm	3.5 - 4.9	23	61400	62400	-1000

H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 – 4.9	28	64500	65300	-800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	66300	66800	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	67500	68000	-500
DCH-32(107)	34mm	3.0 - 3.8	33	71500	72000	-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
<a href="#">22-Dec</a>	221216	81.03	82.3	79.8	81.92	0.89	10979	104545	95
<a href="#">23-Mar</a>	221216	81.29	82.35	79.95	82.08	0.84	5,687	35,801	-25
<a href="#">23-May</a>	221216	81.64	82.17	79.96	82.03	0.78	3,462	30,390	1
<a href="#">23-Jul</a>	221216	80.35	80.68	80.34	80.68	0.83	0	18	0
<a href="#">23-Oct</a>	221216	79.94	80.33	78.43	80.22	0.58	1010	22,584	325
<a href="#">23-Dec</a>	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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