

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed sentiments across India today. MCX cotton spot price traded at Rs.3,560/bale on Tuesday. ICE cotton futures closed green on Monday.

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.

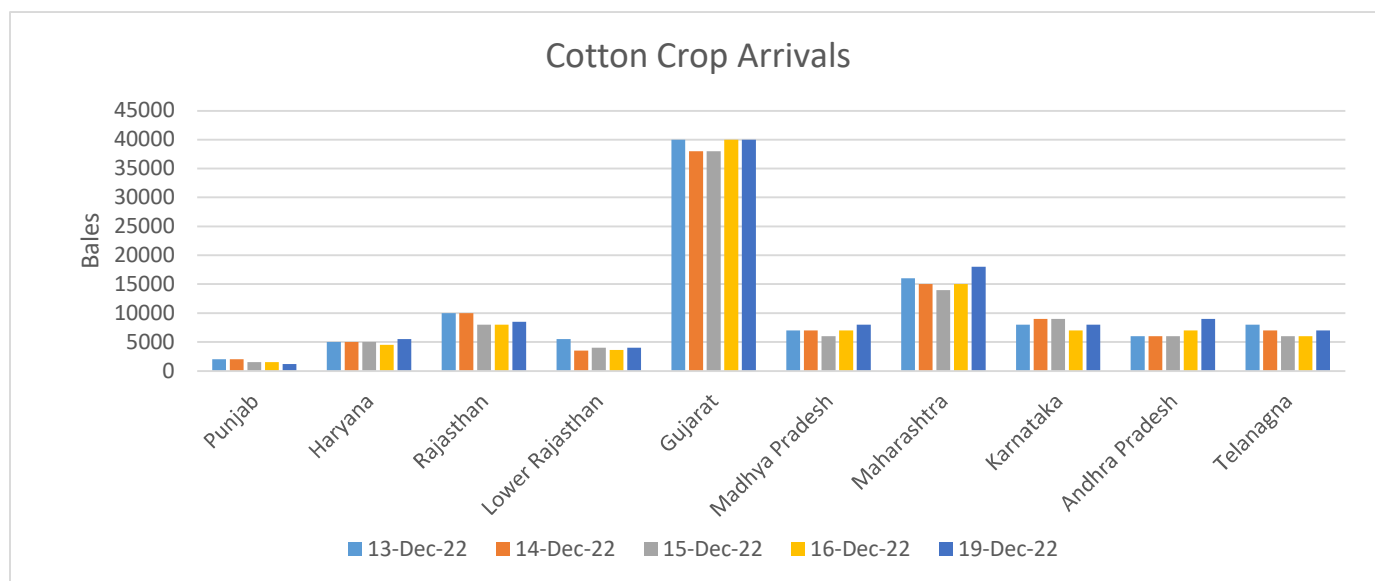
Ginning factories are running slower around less than 50% capacity due to lack of arrivals and disparity. Spinning mills are buying raw cotton but in limited quantities. Cotton yarn prices are stable. International demand for yarn may increase from China and Vietnam in coming month. Trade is very slow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

Cold wave to severe cold wave conditions in isolated places over Punjab, Himachal Pradesh, Haryana, north Rajasthan.

All India New Cotton Crop: Bales



MCX Cotton

	High	Low	Close	Change
MCX Cotton	30270	29860	30090	+250

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Dec-20	2925	3053	2921	2881	+172
Jan-23	2724	2775	2716	2717	+50

International Cotton Fundamentals:

The Cotlook A index was at 104.5 cents/lb. The AWP for cotton was 65.46 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Dec- 22	86.50	+118
Mar-23	84.73	+101
May-23	83.79	+105

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	20-Dec-22	19-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8550	8550	Unch
	Gondal	Shankar-6	8530	8680	-150
	Rajkot	B.T. Cotton	8625	8350	275
	Patan	B.T. Cotton	8535	8635	-100
	Kadi	B.T. Cotton	8500	8500	Unch

	Deesa	B.T. Cotton	1452	1400	52
	Dhrol	B.T. Cotton	8475	8545	-70
Haryana	Bhiwani	B.T. Cotton	8300	8200	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8350	8350	Unch
	Fatehabad	B.T. Cotton	8120	8125	-5
	Jind	B.T. Cotton	8700	NR	-
	Uchana	B.T. Cotton	8500	8600	-100
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8350	8500	-150
	Rawatsar	B.T. Cotton	8450	8450	Unch
Madhya Pradesh	Khandwa	Mech-1	8300	8200	100
	Khargaon	Mech-1	8270	8465	-195
Maharashtra	Amravati	Mech-1	8400	8600	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9400	9400	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	8000	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8450	8459	-9
Karnataka	Bijapur	Bunny	8609	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8400	8500	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Dec-22	19-Dec-22	
Punjab	Bhatinda	J-34	6400	6375	25
	Abohar	J-34	6375	6375	Unch
	Mansa	J-34	6200	NA	-
Haryana	Sirsa	J-34	6250	6275	-25
Rajasthan	Sri-Ganganagar	J-34	6157	6134	24

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Dec-22	19-Dec-22	
Gujarat	Ahmedabad	Shankar-6	54400	51000	3400
	Gondal	Shankar-6	8250	8200	50
	Rajkot	B.T. Cotton	4400	6000	-1600
	Patan	B.T. Cotton	8885	9265	-380
	Kadi	B.T. Cotton	20000	15000	5000
	Deesa	B.T. Cotton	NA	1000	-
	Dhrol	B.T. Cotton	710	617	93
Haryana	Bhiwani	B.T. Cotton	800	350	450

	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	400	415	-15
	Jind	B.T. Cotton	595	NR	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	800	800	Unch
	Khargaon	Mech-1	7900	3800	4100
Maharashtra	Amravati	Mech-1	7000	6500	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	83771.8	NA	-
Andhra Pradesh	Adoni	Un-Ginned	2093	1106	987
Karnataka	Bijapur	Bunny	5345	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	16	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Dec-22	19-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	510	-85
	Mansa	J-34	NR	NA	-
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	2500	2000	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Dec-22	19-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1240	1235	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1230	1225	5
Maharashtra	Mumbai	Rs. /10 Kg.	1235	1235	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Dec-22	19-Dec-22	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2906	2888	18
Maharashtra	Akola	Rs./Qtl	2948	2950	-2

Cotton Yarn Prices	19-Dec-22	16-Dec-22	Change	19-Dec-22	16-Dec-22	Change
Variety	Prices FOB, USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.91	2.97	-0.06	239	244	-5.00
Ne 20/1 Combed Hosiery Yarn	3.03	3.09	-0.06	249	254	-5.00
Ne 21/1 Carded Weaving Yarn	2.91	2.97	-0.06	239	244	-5.00
Ne 26/1 Combed Hosiery Yarn	3.11	3.17	-0.06	256	261	-5.00
Ne 30/1 Carded Hosiery Yarn	3.06	3.12	-0.06	252	257	-5.00
Ne 30/1 Combed Hosiery Yarn	3.19	3.25	-0.06	262	267	-5.00
Ne 32/1 Carded Weaving Yarn	3.15	3.21	-0.06	259	264	-5.00
Ne 34/1 Combed Hosiery Yarn	3.39	3.45	-0.06	279	284	-5.00
Ne 40/1 Combed Hosiery Yarn	3.64	3.64	Unch	299	299	Unch
Ne 40/1 Carded Weaving Yarn	3.33	3.39	-0.06	274	279	-5.00
Ne 30/2 Carded Hosiery Yarn	3.33	3.39	-0.06	274	279	-5.00
Ne 32/2 Combed Knitting Yarn	3.76	3.82	-0.06	309	314	-5.00
Ne 32/2 Carded Hosiery Yarn	3.39	3.45	-0.06	279	284	-5.00
Ne 40/2 Combed Hosiery Yarn	4.18	4.24	-0.06	344	349	-5.00
Ne 30/1 Combed Compact Weaving Yarn	3.39	3.45	-0.06	279	284	-5.00
Ne 40/1 Combed Compact Weaving Yarn	3.82	3.88	-0.06	314	319	-5.00
Ne 50/1 Combed Compact Weaving Yarn	4.18	4.24	-0.06	344	349	-5.00
Ne 16/1 Open End Yarn	2.24	2.24	Unch	184	184	Unch
Ne 21/1 Open End Yarn	2.42	2.42	Unch	199	199	Unch
Ne 24/1 Open End Yarn	2.72	2.72	Unch	224	224	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	19-Dec-22	16-Dec-22	Change
CCIndex(328)	RMB/Ton	14999	14989	10
CCIndex(527)	RMB/Ton	13504	13484	20
CCIndex(229)	RMB/Ton	15312	15301	11

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

China Foreign Cotton (FCE) Index :

Index	Unit	19-Dec-22	13-Dec-22	Change
FC Index (S)	Cents/lb	99.85	97.38	2.47
FC Index (M)	Cents/lb	99.06	96.69	2.37
FC Index (L)	Cents/lb	98.06	95.69	2.37

Cotlook Index:



Cotlook Indices	Unit	16-Dec-22	15-Dec-22	Change
A-Index	Cents/Pound	98.5	99.2	-0.70

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		14-Dec-22	14-Dec-22	Bales
Southeast	cents/lb.	83.62	85.87	3324
North Delta	cents/lb.	82.37	84.62	1
South Delta	cents/lb.	82.37	84.62	0
East TX-OK	cents/lb.	79.12	81.37	515
West Texas	cents/lb.	79.62	81.62	4081
Desert SW	cents/lb.	78.37	80.62	0
SJ Valley	cents/lb.	78.62	87.52	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
				17-Dec-22	15-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62800	64000	-1200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63200	64400	-1200
J-34(202)	26mm	3.5 - 4.9	23	61400	62600	-1200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	64500	66300	-1800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	66300	67500	-1200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	67500	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	71500	72500	-1000

Daily Futures Price Listing Monday, Dec 19th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
22-Dec	221219	81.92	85.75	81.33	84.08	2.16	11576	104711	166
23-Mar	221219	81.99	85.56	81.37	83.96	1.88	5,256	35,832	31
23-May	221219	81.53	85.16	81.28	83.75	1.72	4,506	30,374	-16
23-Jul	221219	82.16	82.16	82.16	82.16	1.48	4	22	4



23-Oct	221219	79.69	82.75	79.42	81.41	1.19	1755	23,493	909
23-Dec	221219	80.53	82.14	79.96	81.47	1.30	53	2824	-33
Total Volume and Open Interest							23,187	200,011	1,097

Source: MRCI

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