

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded at Rs.30,580/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Cotton Association of India has released its November estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate by 4.25 lakh bales for the 2022-23 season to 339.75 lakh bales. Cotton imports were maintained at 12 lakh bales and exports at 30 lakh bales. Domestic consumption was estimated at 300 lakh bales. Overall, the ending stock for the 2022-23 season was estimated at 53.64 lakh bales. AgriWatch has estimated cotton production at 348.16 lakh bales for the 2022-23 season.

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.

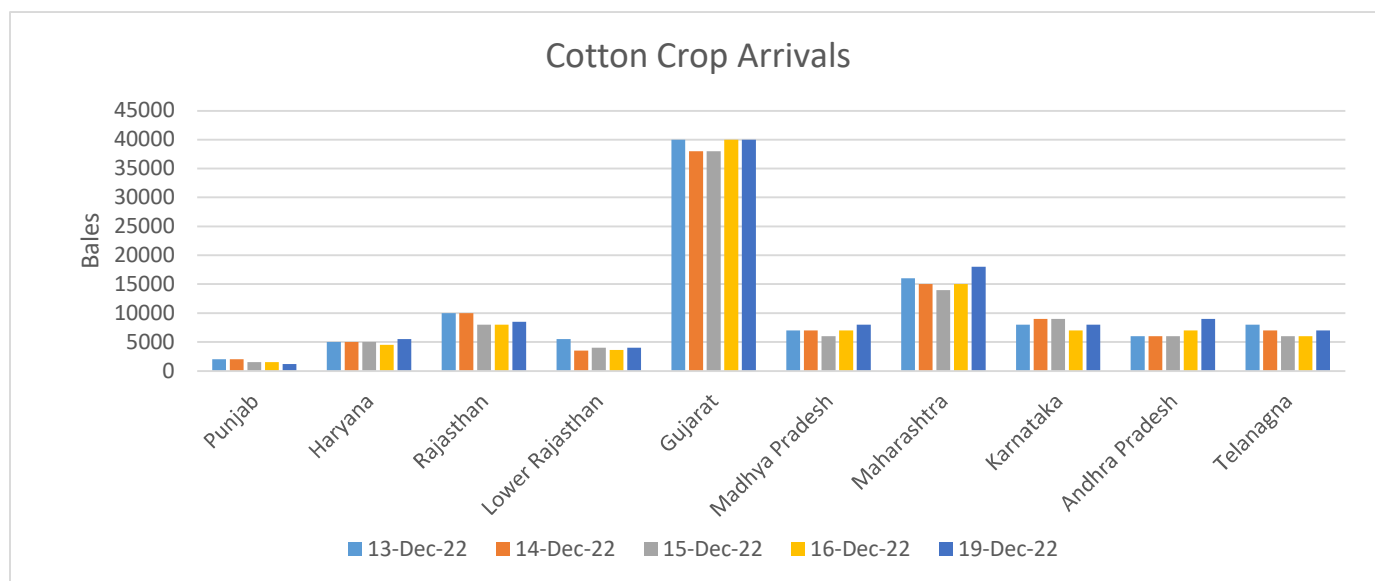
Cotton daily arrivals have reached around 1,10,000-1,15,000 bales per day. Overall cotton crop condition is good. Cotton First picking has been completed in the major cotton growing belts across India. In some areas of central and northern India second picking has been started. About 35% of the cotton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

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	30700	30280	30550	+380

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	2772	2792	2748	2770	-16.00
Feb-23	2699	2735	2654	2689	-20.00

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	21-Dec-22	20-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8550	8550	Unch
	Gondal	Shankar-6	8630	8530	100
	Rajkot	B.T. Cotton	8300	8625	-325
	Patan	B.T. Cotton	8650	8535	115
	Kadi	B.T. Cotton	8750	8500	250
	Deesa	B.T. Cotton	1560	1452	108
	Dhrol	B.T. Cotton	6280	8475	-2195



Haryana	Bhiwani	B.T. Cotton	8300	8300	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8500	8350	150
	Fatehabad	B.T. Cotton	8265	8120	145
	Jind	B.T. Cotton	NR	8700	-
	Uchana	B.T. Cotton	8300	8500	-200
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8500	8350	150
	Rawatsar	B.T. Cotton	8450	8450	Unch
Madhya Pradesh	Khandwa	Mech-1	8200	8300	-100
	Khargaon	Mech-1	8300	8270	30
Maharashtra	Amravati	Mech-1	8550	8400	150
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9400	9400	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	8030	8000	30
Andhra Pradesh	Adoni	Un-Ginned	8421	8450	-29
Karnataka	Bijapur	Bunny	NA	8609	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8500	8400	100
Commodity	Lint		Prices (Rs. /Maund)		Change
State	Centre	Variety	21-Dec-22	20-Dec-22	
Punjab	Bhatinda	J-34	6450	6400	50
	Abohar	J-34	6450	6375	75
	Mansa	J-34	6300	6200	100
Haryana	Sirsa	J-34	6350	6250	100
Rajasthan	Sri-Ganganagar	J-34	6204	6157	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Dec-22	20-Dec-22	
Gujarat	Ahmedabad	Shankar-6	54400	54400	Unch
	Gondal	Shankar-6	8150	8250	-100
	Rajkot	B.T. Cotton	4600	4400	200
	Patan	B.T. Cotton	8175	8885	-710
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	610	710	-100
Haryana	Bhiwani	B.T. Cotton	600	800	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	1360	340

	Fatehabad	B.T. Cotton	350	400	-50
	Jind	B.T. Cotton	NR	595	-
	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	700	800	-100
	Khargaon	Mech-1	5040	7900	-2860
Maharashtra	Amravati	Mech-1	7500	7000	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	69470	83770	-14300
Andhra Pradesh	Adoni	Un-Ginned	1704	2093	-389
Karnataka	Bijapur	Bunny	NA	5345	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12	15	-3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-Dec-22	20-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	425	-85
	Mansa	J-34	340	NR	-
Haryana	Sirsa	J-34	340	510	-170
Rajasthan	Sri-Ganganagar	J-34	2500	2500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Dec-22	20-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1240	1240	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1230	1230	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1240	1235	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	21-Dec-22	20-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2939	2906	33
Maharashtra	Akola	Rs./Qtl	2957	2948	9

Cotton Yarn Prices	20-Dec-22	19-Dec-22	Change	20-Dec-22	19-Dec-22	Change
Varietiy	Prices FOB, USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.91	2.91	Unch	239	239	Unch
Ne 20/1 Combed Hosiery Yarn	3.03	3.03	Unch	249	249	Unch
Ne 21/1 Carded Weaving Yarn	2.91	2.91	Unch	239	239	Unch
Ne 26/1 Combed Hosiery Yarn	3.11	3.11	Unch	256	256	Unch
Ne 30/1 Carded Hosiery Yarn	3.06	3.06	Unch	252	252	Unch
Ne 30/1 Combed Hosiery Yarn	3.19	3.19	Unch	262	262	Unch
Ne 32/1 Carded Weaving Yarn	3.15	3.15	Unch	259	259	Unch
Ne 34/1 Combed Hosiery Yarn	3.39	3.39	Unch	279	279	Unch
Ne 40/1 Combed Hosiery Yarn	3.64	3.64	Unch	299	299	Unch
Ne 40/1 Carded Weaving Yarn	3.33	3.33	Unch	274	274	Unch
Ne 30/2 Carded Hosiery Yarn	3.33	3.33	Unch	274	274	Unch
Ne 32/2 Combed Knitting Yarn	3.76	3.76	Unch	309	309	Unch
Ne 32/2 Carded Hosiery Yarn	3.39	3.39	Unch	279	279	Unch
Ne 40/2 Combed Hosiery Yarn	4.18	4.18	Unch	344	344	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.39	3.39	Unch	279	279	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.82	3.82	Unch	314	314	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.18	4.18	Unch	344	344	Unch
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	20-Dec-22	19-Dec-22	Change
CCIndex(328)	RMB/Ton	14977	14999	-22
CCIndex(527)	RMB/Ton	13492	13504	-12
CCIndex(229)	RMB/Ton	15291	15312	-21

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

China Foreign Cotton (FCE) Index :

Index	Unit	20-Dec-22	19-Dec-22	Change
FC Index (S)	Cents/lb	102.05	99.85	2.20
FC Index (M)	Cents/lb	101.23	99.06	2.17
FC Index (L)	Cents/lb	100.23	98.06	2.17

Cotlook Index:



Cotlook Indices	Unit	19-Dec-22	16-Dec-22	Change
A-Index	Cents/Pound	99.5	98.5	1.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		19-Dec-22	19-Dec-22	Bales
Southeast	cents/lb.	86.33	88.58	0
North Delta	cents/lb.	85.08	87.33	0
South Delta	cents/lb.	85.08	87.33	0
East TX-OK	cents/lb.	81.83	84.08	510
West Texas	cents/lb.	82.33	84.33	4251
Desert SW	cents/lb.	81.08	83.33	100
SJ Valley	cents/lb.	81.33	90.23	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
				19-Dec-22	16-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	61800	62500	-700
Bengal Deshi (SG) (201)	Below 22mm	5.0 - 7.0	15	62200	62900	-700
J-34(202)	26mm	3.5 - 4.9	23	60500	62400	-1900
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	63600	65300	-1700
Bunny/ Brahma (105)	31mm	3.5 - 4.9	30	65500	66800	-1300
MCU-5/ Surabhi (106)	32mm	3.3 - 4.9	31	66500	68000	-1500
DCH-32(107)	34mm	3.0 - 3.8	33	70500	72000	-1500

Daily Futures Price Listing Tuesday, Dec 20th 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	221220	84.08	88.08	83.63	87.84	3.76	13,485	103,709	-1002
23-May	221220	84.01	87.38	83.64	87.15	3.19	4,125	36,244	412
23-Jul	221220	83.75	86.72	83.54	86.49	2.74	2,277	30,271	-103
23-Oct	221220	81.8	84.18	81.8	84.18	2.02	2	21	-1



23-Dec	221220	81.64	83.83	81.45	83.66	2.25	1,045	23,690	197
24-Mar	221220	81.88	83.64	81.85	83.64	2.17	3	2,825	1
Total Volume and Open Interest							20,943	199,515	-496

Source: MRCI

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