

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded at Rs.30,550/bale on Thursday. ICE cotton futures closed green on Wednesday.

**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.

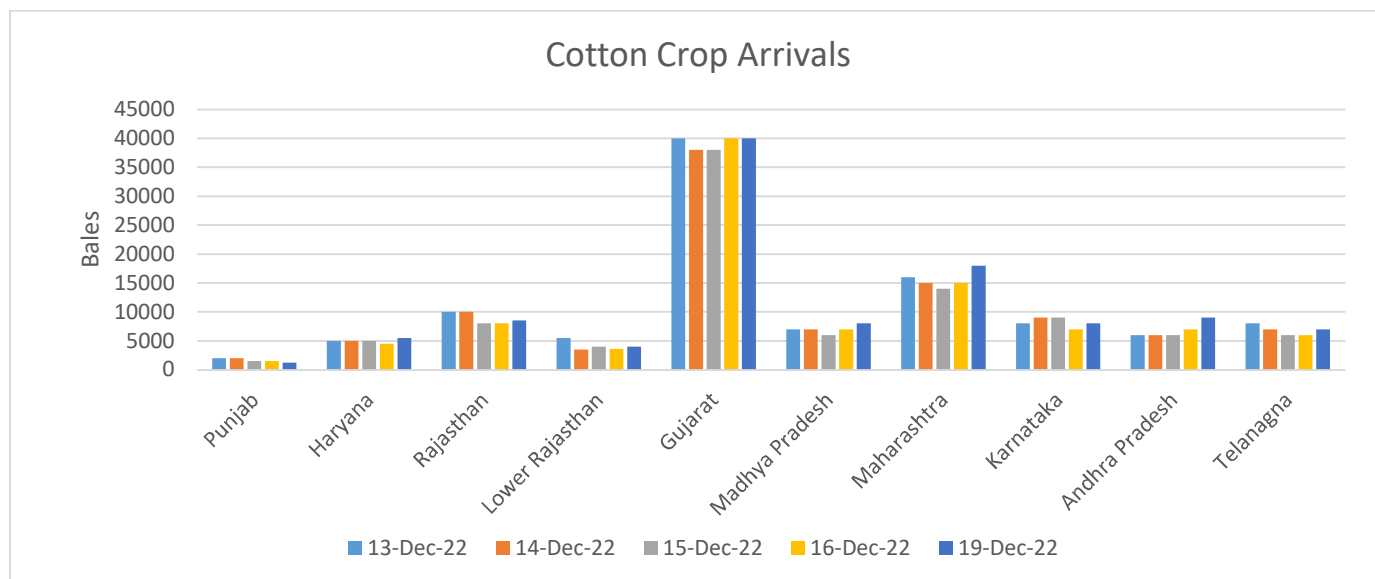
Cotton daily arrivals have reached around 1,10,000-1,15,000 bales per day. Overall cotton crop condition is good. Cotton First picking has been completed in the major cotton growing belts across India. In some areas of central and northern India second picking has been started. About 35% of the cotton 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
<b>MCX Cotton</b>	30300	30040	30100	<b>-190</b>

### NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
<b>Jan-23</b>	2758	2863	2758	2762	<b>+96.00</b>
<b>Feb-23</b>	2674	2756	2674	2673	<b>+83.00</b>

### 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
<b>Dec- 22</b>	86.50	<b>+118</b>
<b>Mar-23</b>	84.73	<b>+101</b>
<b>May-23</b>	83.79	<b>+105</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 State	Kapas		Prices (Rs. /Quintal)		Change
	Centre	Variety	22-Dec-22	21-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8500	8550	-50
	Gondal	Shankar-6	8605	8630	-25
	Rajkot	B.T. Cotton	8300	8300	Unch
	Patan	B.T. Cotton	8670	8650	20
	Kadi	B.T. Cotton	8500	8750	-250
	Deesa	B.T. Cotton	1385	1560	-175
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NR	8300	-
	Bhiwani	Desi	NR	NA	-

	Adampur	B.T. Cotton	8600	8500	100
	Fatehabad	B.T. Cotton	8255	8265	-10
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8500	8300	200
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8600	8500	100
	Rawatsar	B.T. Cotton	8600	8450	150
Madhya Pradesh	Khandwa	Mech-1	8200	8200	Unch
	Khargaon	Mech-1	8305	8300	5
Maharashtra	Amravati	Mech-1	8150	8550	-400
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9400	9400	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	8050	8030	20
Andhra Pradesh	Adoni	Un-Ginned	8469	8421	48
Karnataka	Bijapur	Bunny	9429	8585	844
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8300	8500	-200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Dec-22	21-Dec-22	
Punjab	Bhatinda	J-34	6475	6450	25
	Abohar	J-34	6475	6450	25
	Mansa	J-34	6300	6300	Unch
Haryana	Sirsa	J-34	6350	6350	Unch
Rajasthan	Sri-Ganganagar	J-34	6110	6204	-94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Dec-22	21-Dec-22	
Gujarat	Ahmedabad	Shankar-6	56100	54400	1700
	Gondal	Shankar-6	8150	8150	Unch
	Rajkot	B.T. Cotton	4400	4600	-200
	Patan	B.T. Cotton	7300	8175	-875
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	700	-
	Dhrol	B.T. Cotton	604	610	-6
Haryana	Bhiwani	B.T. Cotton	NR	600	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	325	350	-25
	Jind	B.T. Cotton	NR	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	700	700	Unch
	Khargaon	Mech-1	4200	5040	-840
Maharashtra	Amravati	Mech-1	7000	7500	-500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	55770	69470	-13700
Andhra Pradesh	Adoni	Un-Ginned	1286	1704	-418
Karnataka	Bijapur	Bunny	3347	3036	311
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10	12	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Dec-22	21-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	2500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	22-Dec-22	21-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1260	1240	20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1250	1230	20
Maharashtra	Mumbai	Rs. /10 Kg.	1260	1240	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	22-Dec-22	21-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2928	2939	-11
Maharashtra	Akola	Rs./Qtl	2958	2957	1

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	22-Dec-22	21-Dec-22	Change
CCIndex(328)	RMB/Ton	14983	14960	23
CCIndex(527)	RMB/Ton	13496	13471	25
CCIndex(229)	RMB/Ton	15305	15268	37

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

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

Index	Unit	22-Dec-22	21-Dec-22	Change
FC Index (S)	Cents/lb	106.26	105.85	0.41
FC Index (M)	Cents/lb	105.43	104.99	0.44
FC Index (L)	Cents/lb	105.43	103.99	1.44

#### Cotlook Index:



Cotlook Indices	Unit	20-Dec-22	19-Dec-22	Change
A-Index	Cents/Pound	101.45	99.5	1.95

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-Dec-22	20-Dec-22	Bales
Southeast	cents/lb.	90.09	92.34	0
North Delta	cents/lb.	88.84	91.09	0
South Delta	cents/lb.	88.84	91.09	0
East TX-OK	cents/lb.	85.59	87.84	1623
West Texas	cents/lb.	86.09	88.09	6891
Desert SW	cents/lb.	84.84	87.09	425
SJ Valley	cents/lb.	85.09	93.99	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
				21-Dec-22	20-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62100	61500	600
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	62500	61900	600
J-34(202)	26mm	3.5 - 4.9	23	60800	60200	600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	63700	63100	600
Bunny/ Brahma (105)	31mm	3.5 - 4.9	30	65400	64900	500
MCU-5/ Surabhi (106)	32mm	3.3 - 4.9	31	66200	65700	500
DCH-32(107)	34mm	3.0 - 3.8	33	71000	70000	1000

**Daily Futures Price Listing Tuesday, Dec 21st 2022**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">23-Mar</a>	221221	87.8	89.65	87.36	88.3	0.46	16,981	102,640	-1069
<a href="#">23-May</a>	221221	87.2	88.8	86.57	87.63	0.48	6,987	36,219	-25
<a href="#">23-Jul</a>	221221	86.45	87.93	85.79	86.77	0.28	2,853	30,339	68
<a href="#">23-Oct</a>	221221	84.19	84.19	84.19	84.19	0.01	2	22	1



<a href="#">23-Dec</a>	221221	83.3	84.44	82.55	83.79	0.13	1,565	23,667	-23
<a href="#">24-Mar</a>	221221	83.64	84.16	83.2	83.76	0.12	94	2,828	3
Total Volume and Open Interest							28,523	198,471	-1,044

Source: MRCI

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