

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed bearish trend across India today. MCX cotton spot price traded at Rs.27,420/bale on Monday. ICE cotton futures closed green on Friday.

**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.

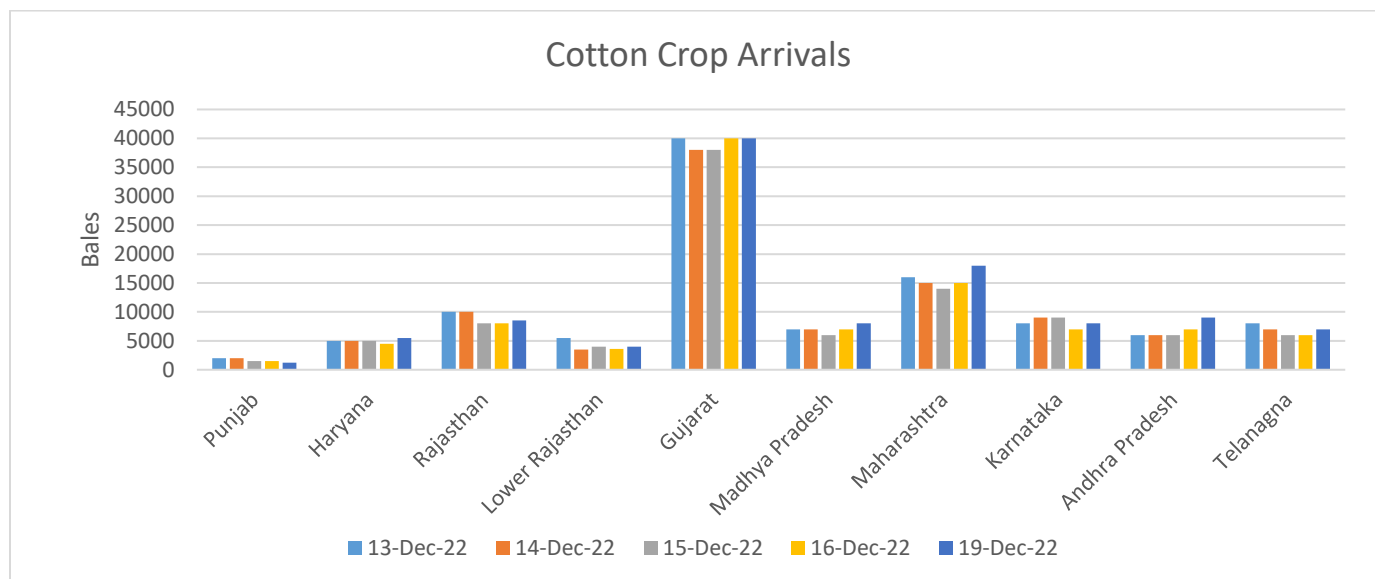
The cotton arrivals shrank by 12.38% in the period between 1st October and 7th December. The market arrivals expectations remained at 49 lakh bales as compared to 95 lakh bales the last season.

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.

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: BalesMCX Cotton

	High	Low	Close	Change
MCX Cotton	29590	29010	29090	-420

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	2865	2865	2820	2882	-34.00
Feb-23	2740	2766	2720	2797	-44.00

International Cotton Fundamentals:

The Cotlook A index was at 105.55 cents/lb. The AWP for cotton was 75.57 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	85.21	+91
May-23	85.18	+133
Jul-23	84.91	+140

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 decline 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.

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	26-Dec-22	24-Dec-22	
Gujarat	Ahmedabad	Shankar-6	7750	8150	-400
	Gondal	Shankar-6	8030	8380	-350
	Rajkot	B.T. Cotton	7700	NA	-
	Patan	B.T. Cotton	7930	8400	-470
	Kadi	B.T. Cotton	8000	8600	-600
	Deesa	B.T. Cotton	1350	1480	-130
	Dhrol	B.T. Cotton	8000	8340	-340
Haryana	Bhiwani	B.T. Cotton	NR	8300	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	8000	8200	-200
	Fatehabad	B.T. Cotton	7650	8050	-400
	Jind	B.T. Cotton	NR	9500	-
	Uchana	B.T. Cotton	8390	8310	80

	Dabwali	B.T. Cotton	7925	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8100	8450	-350
	Rawatsar	B.T. Cotton	8000	8450	-450
Madhya Pradesh	Khandwa	Mech-1	7200	Closed	-
	Khargaon	Mech-1	8131	Closed	-
Maharashtra	Amravati	Mech-1	7800	8100	-300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9400	9400	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	5159	8400	-3241
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	8500	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Dec-22	24-Dec-22	
Punjab	Bhatinda	J-34	5900	6300	-400
	Abohar	J-34	5950	6300	-350
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6100	6100	Unch
Rajasthan	Sri-Ganganagar	J-34	5640	6063	-423

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Dec-22	24-Dec-22	
Gujarat	Ahmedabad	Shankar-6	62900	73100	-10200
	Gondal	Shankar-6	7600	NA	-
	Rajkot	B.T. Cotton	6200	NA	-
	Patan	B.T. Cotton	7030	8120	-1090
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	651	506	145
Haryana	Bhiwani	B.T. Cotton	NR	700	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	150	200	-50
	Jind	B.T. Cotton	NR	1445	-
	Uchana	B.T. Cotton	650	NR	-
	Dabwali	B.T. Cotton	650	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	3000	4000	-1000

Madhya Pradesh	Khandwa	Mech-1	800	Closed	-
	Khargaon	Mech-1	4500	Closed	-
Maharashtra	Amravati	Mech-1	9000	9000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	1211	1262	-51
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	667	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Dec-22	24-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	425	85
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	340	170	170
Rajasthan	Sri-Ganganagar	J-34	1500	2000	-500

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-Dec-22	24-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1245	1250	-5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1235	1240	-5
Maharashtra	Mumbai	Rs. /10 Kg.	1240	1250	-10

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Dec-22	24-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2998	2998	Unch
Maharashtra	Akola	Rs./Qtl	2997	2997	Unch

Cotton Yarn Prices	23-Dec-22	22-Dec-22	Change	23-Dec-22	22-Dec-22	Change
Variety	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	23-Dec-22	22-Dec-22	Change
CCIndex(328)	RMB/Ton	14988	14983	5
CCIndex(527)	RMB/Ton	13497	13496	1
CCIndex(229)	RMB/Ton	15312	15305	7
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	23-Dec-22	22-Dec-22	Change
FC Index (S)	Cents/lb	102.26	106.26	-4.00
FC Index (M)	Cents/lb	101.4	105.43	-4.03
FC Index (L)	Cents/lb	100.43	105.43	-5.00

**Cotlook Index:**

Cotlook Indices	Unit	22-Dec-22	21-Dec-22	Change
A-Index	Cents/Pound	105.55	105.05	0.50

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Dec-22	22-Dec-22	Bales
Southeast	cents/lb.	86.55	88.8	0
North Delta	cents/lb.	85.3	87.55	0
South Delta	cents/lb.	85.3	87.55	0

East TX-OK	cents/lb.	81.55	83.8	<b>4372</b>
West Texas	cents/lb.	82.05	84.05	<b>7974</b>
Desert SW	cents/lb.	81.3	83.55	<b>105</b>
SJ Valley	cents/lb.	81.55	90.45	<b>0</b>

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
				23-Dec-22	22-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63600	62600	<b>1000</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64000	63000	<b>1000</b>
J-34(202)	26mm	3.5 - 4.9	23	60600	60800	<b>-200</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	<b>-</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	61800	63300	<b>-1500</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	64200	65400	<b>-1200</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	65200	66000	<b>-800</b>
DCH-32(107)	34mm	3.0 - 3.8	33	70000	71000	<b>-1000</b>

### Daily Futures Price Listing Tuesday, Dec 23rd 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">23-Mar</a>	221223	84.3	85.79	84.01	85.21	0.91	15,598	99,554	-1071
<a href="#">23-May</a>	221223	83.95	85.61	83.71	85.18	1.33	5,478	36,013	-47
<a href="#">23-Jul</a>	221223	83.42	85.39	83.42	84.91	1.4	2,943	29,583	-491
<a href="#">23-Oct</a>	221223	82.96	82.96	82.96	82.96	1.6	2	26	-2
<a href="#">23-Dec</a>	221223	82.14	82.89	81.24	82.52	1.45	1,572	23,524	-3
<a href="#">24-Mar</a>	221223	82.47	82.47	82.42	82.42	1.4	44	2,867	-23
Total Volume and Open Interest							25,690	194,328	-1,614

Source: MRCI

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