

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded at Rs.27,630/bale on Tuesday. ICE cotton futures closed green on Monday.

**News:** Cotton Association of India (CAI) has sought the withdrawal of the 11% import duty imposed on cotton last year, saying that the textile industry is working at half its installed capacity. This comes amid a sharp decline in demand for Indian textile products in the West.

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.

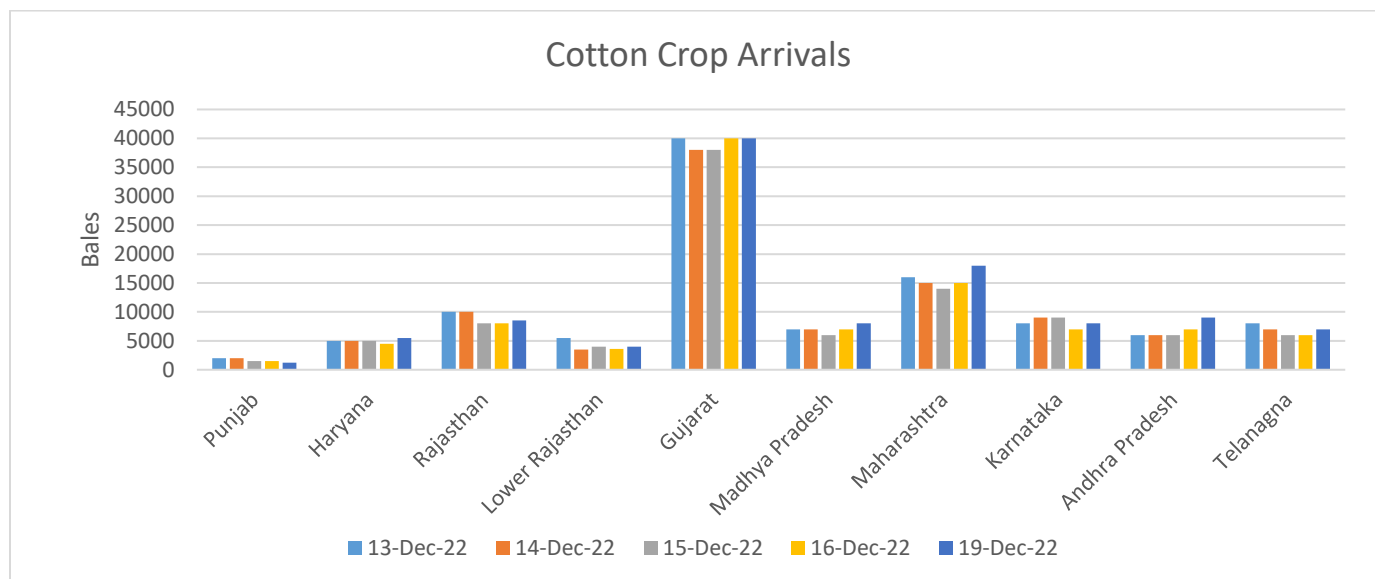
The cotton arrivals shrank by 12.38% in the period between 1st October and 7th December. The market arrivals expectations remained at 49 lakh bales as compared to 95 lakh bales the last season.

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	2835	2887	2835	2846	24.00
Feb-23	2752	2823	2752	2753	56.00

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

North India's cotton yarn trade slowed down in the last week of this year as there was holiday mood in the market. Buyers remained absent in all major markets of north India, and prices remained unchanged. However, cotton prices crashed in spot markets of north India because of steep fall in futures, mainly attributed to rise in COVID cases in China. Meanwhile, cotton prices have declined by Rs.500-600 per maund of 37.2 kg in northern India mainly because of decline in domestic futures.

Yarn prices in the northern Indian market remain steady in Ludhiana due to absence of trader's interest. While prices remained stable in Delhi.

In the Delhi market, 30 count combed yarn was traded at Rs.285-290 per kg (GST extra), 40 count combed at Rs.315-320 per kg, 30 count carded at Rs.260-65 per kg and 40 count carded at Rs.295-300 per kg.

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Dec-22	26-Dec-22	
Gujarat	Ahmedabad	Shankar-6	7750	7750	Unch
	Gondal	Shankar-6	8005	8030	-25
	Rajkot	B.T. Cotton	7700	7700	Unch
	Patan	B.T. Cotton	7960	7930	30
	Kadi	B.T. Cotton	8000	8000	Unch
	Deesa	B.T. Cotton	NA	8000	-
	Dhrol	B.T. Cotton	7950	8000	-50
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	8050	8000	50
	Fatehabad	B.T. Cotton	7780	7650	130
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8535	8390	145
	Dabwali	B.T. Cotton	8150	7925	225
Rajasthan	Hanumangarh	B.T. Cotton	8200	8100	100

	Rawatsar	B.T. Cotton	8200	8000	200
Madhya Pradesh	Khandwa	Mech-1	7800	7200	600
	Khargaon	Mech-1	7670	8131	-461
Maharashtra	Amravati	Mech-1	7600	7800	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	9400	-
	Hathras	Desi	NA	7500	-
Telangana	Adilabad	Un-Ginned	7400	NA	-
Karnataka	Bijapur	Bunny	NA	8039	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7700	8200	-500
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	27-Dec-22	26-Dec-22	
Punjab	Bhatinda	J-34	5900	5900	Unch
	Abohar	J-34	5900	5950	-50
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	5750	6100	-350
Rajasthan	Sri-Ganganagar	J-34	5687	5640	47

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Dec-22	26-Dec-22	
Gujarat	Ahmedabad	Shankar-6	59500	62900	-3400
	Gondal	Shankar-6	3341	3605	-264
	Rajkot	B.T. Cotton	5200	6200	-1000
	Patan	B.T. Cotton	5311	7030	-1719
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	400	-
	Dhrol	B.T. Cotton	711	651	60
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1530	1700	-170
	Fatehabad	B.T. Cotton	50	150	-100
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	480	360	120
	Dabwali	B.T. Cotton	400	650	-250
Rajasthan	Hanumangarh	B.T. Cotton	2000	1500	500
	Rawatsar	B.T. Cotton	1500	3000	-1500
Madhya Pradesh	Khandwa	Mech-1	700	800	-100

	Khargaoon	Mech-1	4900	4500	400
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	73970	NA	-
Karnataka	Bijapur	Bunny	NA	6345	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	14	12	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Dec-22	26-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	510	-170
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	170	340	-170
Rajasthan	Sri-Ganganagar	J-34	2500	1500	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	27-Dec-22	26-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1240	1245	-5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1235	1235	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1250	1240	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	27-Dec-22	26-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2895	2998	-103
Maharashtra	Akola	Rs./Qtl	2958	2997	-39

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	27-Dec-22	26-Dec-22	Change
CCIndex(328)	RMB/Ton	14998	14958	40
CCIndex(527)	RMB/Ton	13501	13452	49
CCIndex(229)	RMB/Ton	15306	15264	42

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

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

Index	Unit	27-Dec-22	26-Dec-22	Change
FC Index (S)	Cents/lb	103.16	103.16	Unch
FC Index (M)	Cents/lb	102.36	102.36	Unch
FC Index (L)	Cents/lb	101.36	101.36	Unch

**Cotlook Index:**

Cotlook Indices	Unit	26-Dec-22	23-Dec-22	Change
A-Index	Cents/Pound	NA	105.55	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		26-Dec-22	23-Dec-22	Bales
Southeast	cents/lb.	NA	89.71	0
North Delta	cents/lb.	NA	88.46	0
South Delta	cents/lb.	NA	88.46	0
East TX-OK	cents/lb.	NA	84.71	528

West Texas	cents/lb.	NA	84.96	1327
Desert SW	cents/lb.	NA	84.46	0
SJ Valley	cents/lb.	NA	91.36	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
				26-Dec-22	23-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	59900	40400	19500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	60300	40900	19400
J-34(202)	26mm	3.5 - 4.9	23	54400	41200	13200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	40600	-
Shankar-6(105)	29mm	3.5 - 4.9	28	57000	42200	14800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	59100	43300	15800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	60100	44500	15600
DCH-32(107)	34mm	3.0 - 3.8	33	59500	50000	9500

#### Daily Futures Price Listing Tuesday, Dec 26<sup>th</sup>, 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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