

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed bullish trend across India today. MCX cotton spot price traded at Rs.28420/bale on Thursday. ICE cotton futures closed red on Wednesday.

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.

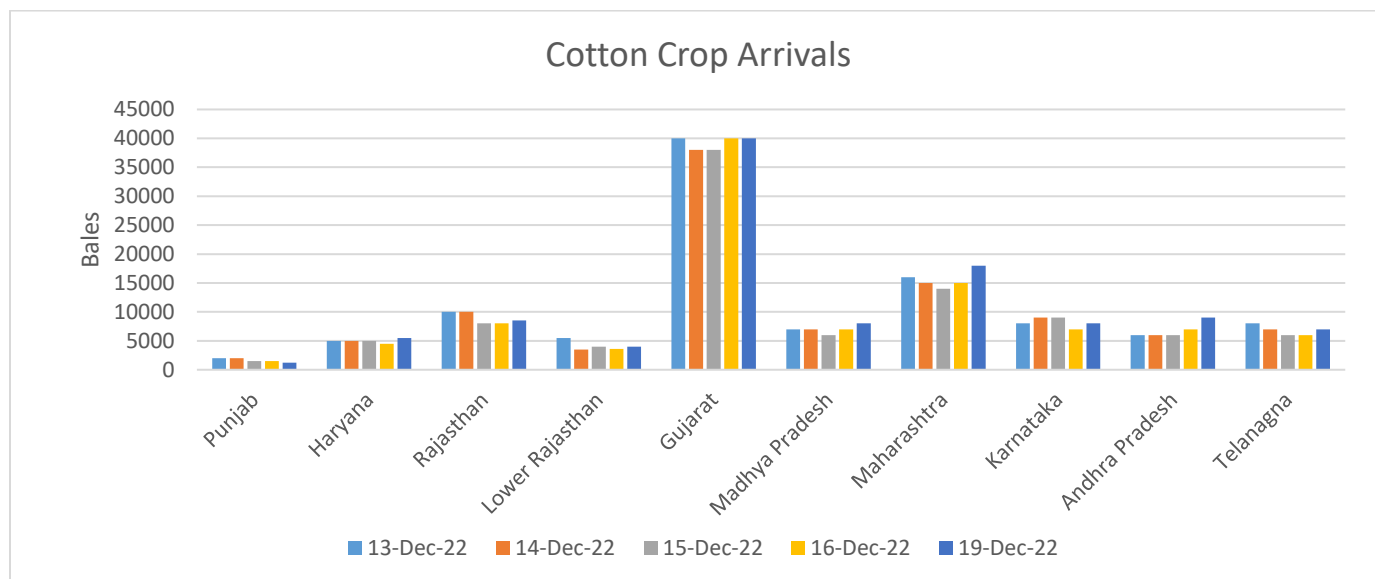
The cotton arrivals shrank by 12.38% in the period between 1st October and 7th December. The market arrivals expectations remained at 49 lakh bales as compared to 95 lakh bales the last season.

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	2878	2900	2863	2881	11.00
Feb-23	2811	2858	2811	2830	3.00

International Cotton Fundamentals:

The Cotlook A index was at 101.55 cents/lb. The AWP for cotton was 75.57 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	83.26	-98
May-23	83.30	-83
Jul-23	83.20	-71

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	29-Dec-22	28-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8400	8125	275
	Gondal	Shankar-6	NA	8155	-
	Rajkot	B.T. Cotton	8200	7700	500
	Patan	B.T. Cotton	8155	8080	75
	Kadi	B.T. Cotton	7900	7750	150
	Deesa	B.T. Cotton	NA	7575	-
	Dhrol	B.T. Cotton	8170	8090	80
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	8300	8350	-50
	Fatehabad	B.T. Cotton	8260	8155	105
	Jind	B.T. Cotton	8000	NR	-
	Uchana	B.T. Cotton	8339	8045	294
	Dabwali	B.T. Cotton	8275	8245	30
Rajasthan	Hanumangarh	B.T. Cotton	8200	8250	-50

	Rawatsar	B.T. Cotton	8500	8250	250
Madhya Pradesh	Khandwa	Mech-1	8000	7800	200
	Khargaon	Mech-1	8030	7785	245
Maharashtra	Amravati	Mech-1	7750	7700	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9400	9400	Unch
	Hathras	Desi	7500	7500	Unch
Telangana	Adilabad	Un-Ginned	7700	7510	190
Karnataka	Bijapur	Bunny	8736	8085	651
	Hubli	D.C.H.	NA	8300	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7900	7500	400
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	29-Dec-22	28-Dec-22	
Punjab	Bhatinda	J-34	6125	6050	75
	Abohar	J-34	6125	6050	75
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6000	5900	100
Rajasthan	Sri-Ganganagar	J-34	5922	5828	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Dec-22	28-Dec-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	NA	3474	-
	Rajkot	B.T. Cotton	3600	5200	-1600
	Patan	B.T. Cotton	3915	4740	-825
	Kadi	B.T. Cotton	20000	10000	10000
	Deesa	B.T. Cotton	NA	600	-
	Dhrol	B.T. Cotton	577	528	49
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1700	1360	340
	Fatehabad	B.T. Cotton	125	100	25
	Jind	B.T. Cotton	765	NR	-
	Uchana	B.T. Cotton	320	470	-150
	Dabwali	B.T. Cotton	300	400	-100
Rajasthan	Hanumangarh	B.T. Cotton	1500	1000	500
	Rawatsar	B.T. Cotton	1000	1500	-500
Madhya Pradesh	Khandwa	Mech-1	2500	2750	-250

	Khargaoon	Mech-1	2200	3600	-1400
Maharashtra	Amravati	Mech-1	9500	9500	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	300090	64320	235770
Karnataka	Bijapur	Bunny	3092	4396	-1304
	Hubli	D.C.H.	NA	24	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12	11	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	29-Dec-22	28-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	1500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	29-Dec-22	28-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1245	1265	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1225	1245	-20
Maharashtra	Mumbai	Rs. /10 Kg.	1260	1255	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	29-Dec-22	28-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2927	2908	19
Maharashtra	Akola	Rs./Qtl	2974	2958	16

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	29-Dec-22	28-Dec-22	Change
CCIndex(328)	RMB/Ton	15045	15019	26
CCIndex(527)	RMB/Ton	13530	13516	14
CCIndex(229)	RMB/Ton	15340	15332	8

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

China Foreign Cotton (FCE) Index :

Index	Unit	29-Dec-22	28-Dec-22	Change
FC Index (S)	Cents/lb	101.26	102.17	-0.91
FC Index (M)	Cents/lb	100.49	101.39	-0.90
FC Index (L)	Cents/lb	99.49	100.37	-0.88

Cotlook Index:

Cotlook Indices	Unit	28-Dec-22	27-Dec-22	Change
A-Index	Cents/Pound	101	NA	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		28-Dec-22	27-Dec-22	Bales
Southeast	cents/lb.	85.51	88.74	0
North Delta	cents/lb.	84.26	87.49	0
South Delta	cents/lb.	84.26	87.49	0

East TX-OK	cents/lb.	80.51	83.74	0
West Texas	cents/lb.	81.01	83.99	109
Desert SW	cents/lb.	80.26	83.49	0
SJ Valley	cents/lb.	80.51	90.39	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
				28-Dec-22	27-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62100	40400	21700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	62500	40900	21600
J-34(202)	26mm	3.5 - 4.9	23	57300	41200	16100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	NA	40600	-
Shankar-6(105)	29mm	3.5 – 4.9	28	59000	42200	16800
Bunny/ Brahma (105)	31mm	3.5 - 4.9	30	61100	43300	17800
MCU-5/ Surabhi (106)	32mm	3.3 - 4.9	31	62100	44500	17600
DCH-32(107)	34mm	3.0 - 3.8	33	69500	50000	19500

Daily Futures Price Listing Tuesday, Dec 28th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	221228	84.09	85.08	82.36	83.26	-0.98	9,295	97,390	-569
23-May	221228	84.21	85.04	82.46	83.3	-0.83	4,635	36,050	227
23-Jul	221228	83.88	84.79	82.35	83.2	-0.71	2,174	30,045	460
23-Oct	221228	81.00	81.00	81.00	81.00	-0.5	2	26	0
23-Dec	221228	81.09	81.9	80.22	81.06	-0.15	522	23,578	143
24-Mar	221228	81.04	81.19	80.19	81.19	-0.11	2	2,884	-1
Total Volume and Open Interest							16,717	192,699	261

Source: MRCI

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