

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed bullish trend across India today. MCX cotton spot price traded at Rs.28810/bale on Friday. ICE cotton futures closed red on Thursday.

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.

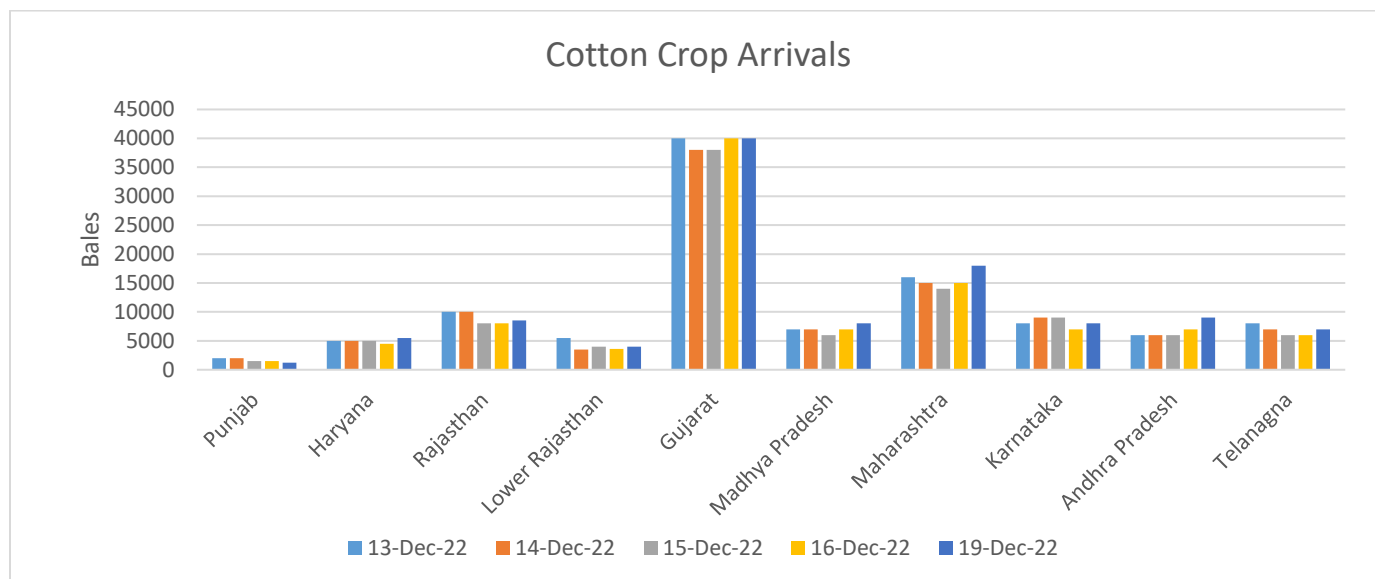
This year, an increase of 10 lakh hectares in area is expected in cotton, however experts predict a decline in the production. As per the Cotton Association of India, the country's production is projected at 345 lakh bales during 2022-23. While the market experts are expecting it to be around 300 lakh 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: Bales



MCX Cotton

	High	Low	Close	Change
MCX Cotton	28400	28300	28260	-60

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	2921	2974	2921	2916	65.00
Feb-23	2860	2898	2860	2846	59.00

International Cotton Fundamentals:

The Cotlook A index was at 101 cents/lb. The AWP for cotton was 74.50 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	82.64	-62
May-23	82.73	-57
Jul-23	82.63	-57

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	30-Dec-22	29-Dec-22	
Gujarat	Ahmedabad	Shankar-6	8625	8400	225
	Gondal	Shankar-6	8405	8230	175
	Rajkot	B.T. Cotton	8050	8200	-150
	Patan	B.T. Cotton	8240	8155	85
	Kadi	B.T. Cotton	8400	7900	500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8205	8170	35
Haryana	Bhiwani	B.T. Cotton	8100	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	8300	8300	Unch
	Fatehabad	B.T. Cotton	8250	8260	-10
	Jind	B.T. Cotton	8000	8000	Unch
	Uchana	B.T. Cotton	8346	8339	7
	Dabwali	B.T. Cotton	8250	8275	-25
Rajasthan	Hanumangarh	B.T. Cotton	8350	8200	150

	Rawatsar	B.T. Cotton	8450	8450	Unch
Madhya Pradesh	Khandwa	Mech-1	8200	8000	200
	Khargaon	Mech-1	8270	8030	240
Maharashtra	Amravati	Mech-1	8150	7750	400
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	9400	-
	Hathras	Desi	NA	7500	-
Telangana	Adilabad	Un-Ginned	7900	7700	200
Karnataka	Bijapur	Bunny	NA	8736	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	7900	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Dec-22	29-Dec-22	
Punjab	Bhatinda	J-34	6125	6125	Unch
	Abohar	J-34	6125	6125	Unch
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6025	6000	25
Rajasthan	Sri-Ganganagar	J-34	5922	5922	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Dec-22	29-Dec-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	2205	2401	-196
	Rajkot	B.T. Cotton	3200	3600	-400
	Patan	B.T. Cotton	2760	3915	-1155
	Kadi	B.T. Cotton	12500	20000	-7500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	428	577	-149
Haryana	Bhiwani	B.T. Cotton	NA	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	85	125	-40
	Jind	B.T. Cotton	765	765	Unch
	Uchana	B.T. Cotton	370	320	50
	Dabwali	B.T. Cotton	300	300	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1000	1500	-500
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	2000	2500	-500

	Khargaon	Mech-1	1990	2200	-210
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	17960	30090	-12130
Karnataka	Bijapur	Bunny	NA	3092	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	12	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	30-Dec-22	29-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	1360	340	1020
	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	30-Dec-22	29-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1250	1245	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1235	1225	10
Maharashtra	Mumbai	Rs. /10 Kg.	1260	1260	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	30-Dec-22	29-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2965	2927	38
Maharashtra	Akola	Rs./Qtl	2976	2974	2

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	30-Dec-22	29-Dec-22	Change
CCIndex(328)	RMB/Ton	15046	15045	1
CCIndex(527)	RMB/Ton	13527	13530	-3
CCIndex(229)	RMB/Ton	15358	15340	18

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

China Foreign Cotton (FCE) Index :

Index	Unit	30-Dec-22	29-Dec-22	Change
FC Index (S)	Cents/lb	100.66	101.26	-0.60
FC Index (M)	Cents/lb	99.26	100.49	-1.23
FC Index (L)	Cents/lb	98.26	99.49	-1.23

Cotlook Index:

Cotlook Indices	Unit	29-Dec-22	28-Dec-22	Change
A-Index	Cents/Pound	99.8	101	-1.20

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Dec-22	28-Dec-22	Bales
Southeast	cents/lb.	84.64	87.76	0
North Delta	cents/lb.	83.64	86.51	0
South Delta	cents/lb.	83.64	86.51	0
East TX-OK	cents/lb.	79.64	82.76	84

West Texas	cents/lb.	80.14	83.01	854
Desert SW	cents/lb.	79.64	82.51	0
SJ Valley	cents/lb.	79.89	89.41	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
				29-Dec-22	28-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63000	40400	22600
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63400	40900	22500
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	59700	42200	17500
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	67500	50000	17500

Daily Futures Price Listing Tuesday, Dec 29th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	221229	83.25	83.89	82.52	82.64	-0.62	7,355	96,532	-858
23-May	221229	83.3	83.62	82.62	82.73	-0.57	3,149	35,894	-156
23-Jul	221229	83.28	83.34	82.5	82.63	-0.57	1,168	29,788	-257
23-Oct	221229	80.11	80.11	80.11	80.11	-0.89	1	27	1
23-Dec	221229	80.91	80.94	80.04	80.24	-0.82	450	23,693	115
24-Mar	221229	81.00	81.10	80.40	80.44	-0.75	9	2,889	5
Total Volume and Open Interest							12,142	191,552	-1,147

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2022 Indian Agribusiness Systems Ltd.