

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed overall mixed trend across India today. MCX cotton spot price traded at Rs.29,440/bale on Tuesday. ICE cotton futures closed green on Monday.

**News:** Raw Cotton prices continue to fall in the domestic market in Adilabad district despite efforts made by Cotton Corporation of India to Stabilize the prices. CCI is procuring top quality cotton at Rs. 8,300 per quintal. With the fluctuation in prices, cotton farmers are holding stock and as result, daily arrivals are lower. As per Cotton Association of India, Cotton arrivals between 01<sup>st</sup> October to 31<sup>st</sup> December 2022 were nearly 82 lakh bales against the 130 lakh bales for the same period last year. However, during the past 2 days prices have recovered, Cotton Shanker-6 prices are currently trading at Rs. 60,000 per candy against Rs. 56,000 per candy last week.

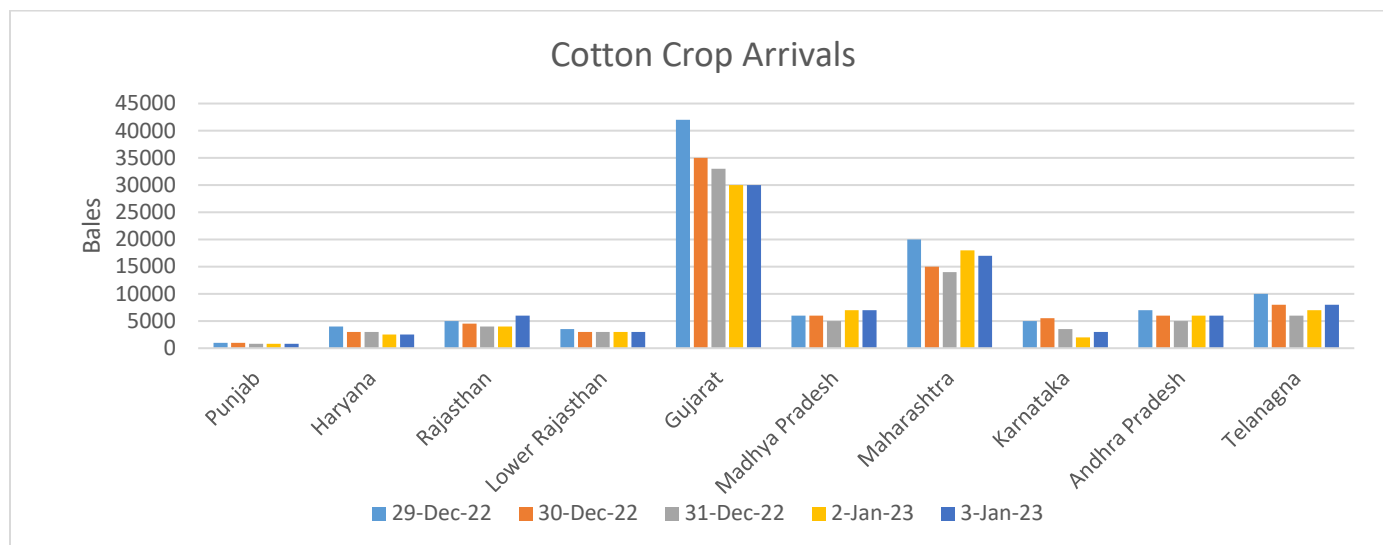
Cotton daily arrivals have reached around 1,20,000-1,30,000 bales per day. Cotton arrivals in the domestic market are not increasing as farmers are holding stock in anticipation of higher prices. Overall weather is favorable for the cotton crop.

Cottonseed prices remained stable to firm during the last week. However, the raw cotton prices remained lower due to improved arrivals in the market. Demand is also comparatively lower than the production. Ginning factories are facing issues of falling prices, lack of arrivals and disparity from past 3 months. Limited stock is available with the ginners. Spinning margin close to zero. Cotton yarn prices are stable. Trade is very slow due to the huge disparity to spinners and ginners. Export demand has improved during the last week.

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.

### Weather Forecast

Dense to very dense fog very likely in isolated pockets over Punjab, Haryana, Chandigarh, and Uttar Pradesh, Bihar. Dense fog at isolated places over Assam & Meghalaya, Nagaland, Manipur and Tripura.

All India New Cotton Crop: BalesMCX Cotton

	High	Low	Close	Change
MCX Cotton	-	-	-	-

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	2994	3080	2985	2985	+71
Feb-23	2935	2981	2927	2926	+41

International Cotton Fundamentals:

The Cotlook A index was at 99.80 cents/lb. The AWP for cotton was 74.50 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	83.37	+73
May-23	83.45	+72
Jul-23	83.38	+75

Australia government can allocate tariff rate quotas (TRQs) to its exporters/producers by giving them TRQ certificates up to the quota fixed for each commodity. Out of the 51,419 MT quota allowed by the Indian

government, 419 MT ELS cotton (HS code 52010020) at zero import duty is for the calendar 2022 year. The remaining 51,000 MT will be quota for next year i.e., calendar year 2023.

Indian traders have mixed reactions on allowing duty-free import of cotton amid limited supply and higher prices during the cotton arrival season. Few traders expected easing in cotton prices in domestic market, but others argued that there is little room for easing in cotton prices due to limited quota and matching prices in the Australian market.

### 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.

## DOMESTIC PRICES AND ARRIVALS

### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	3-Jan-23	2-Jan-23	
Gujarat	Ahmedabad	Shankar-6	8625	8550	75
	Gondal	Shankar-6	8605	8530	75
	Rajkot	B.T. Cotton	8300	8700	-400
	Patan	B.T. Cotton	8805	8560	245
	Kadi	B.T. Cotton	8500	8400	100
	Deesa	B.T. Cotton	NA	8050	-
	Dhrol	B.T. Cotton	8530	8330	200
Haryana	Bhiwani	B.T. Cotton	8400	8400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8420	8450	-30
	Fatehabad	B.T. Cotton	8350	8385	-35
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NA	8438	-
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	8700	-
	Rawatsar	B.T. Cotton	8700	8700	Unch
Madhya Pradesh	Khandwa	Mech-1	8500	8200	300
	Khargaon	Mech-1	8410	NA	-

Maharashtra	Amravati	Mech-1	8250	8250	Unch
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	8080	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8109	7711	398
Karnataka	Bijapur	Bunny	NA	8807	-
	Raichur	H-44 Cotton	8200	8500	-300
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	3-Jan-23	2-Jan-23	
Punjab	Bhatinda	J-34	6250	6275	-25
	Abohar	J-34	6250	6275	-25
Haryana	Sirsa	J-34	6100	6125	-25
Rajasthan	Sri-Ganganagar	J-34	6063	6110	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	3-Jan-23	2-Jan-23	
Gujarat	Ahmedabad	Shankar-6	59500	54400	5100
	Gondal	Shankar-6	8200	8000	200
	Rajkot	B.T. Cotton	3000	2700	300
	Patan	B.T. Cotton	3585	3450	135
	Kadi	B.T. Cotton	20000	15000	5000
	Deesa	B.T. Cotton	NA	300	-
	Dhrol	B.T. Cotton	491	233	258
Haryana	Bhiwani	B.T. Cotton	800	300	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1700	-680
	Fatehabad	B.T. Cotton	150	145	5
Rajasthan	Hanumangarh	B.T. Cotton	1500	1500	Unch
	Rawatsar	B.T. Cotton	1500	1500	Unch
Madhya Pradesh	Khandwa	Mech-1	2500	2000	500
	Khargaon	Mech-1	2800	NA	-
Maharashtra	Amravati	Mech-1	9500	9000	500
Telangana	Adilabad	Un-Ginned	71467.2	NA	-
Andhra Pradesh	Adoni	Un-Ginned	866	465	401
Karnataka	Bijapur	Bunny	NA	2681	-
	Raichur	H-44 Cotton	9	11	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	3-Jan-23	2-Jan-23	
	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	3-Jan-23	2-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1255	1245	10
Telangana	Hyderabad	Rs. /10 Kg.	1235	1235	Unch
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	3-Jan-23	2-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3079	3059	20
Maharashtra	Akola	Rs./Qtl	3056	3057	-1

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	3-Jan-23	2-Jan-23	Change
CCIndex(328)	RMB/Ton	15050	NA	-
CCIndex(527)	RMB/Ton	13532	NA	-
CCIndex(229)	RMB/Ton	15368	NA	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	3-Jan-23	2-Jan-23	Change
FC Index (S)	Cents/lb	100.76	NA	-
FC Index (M)	Cents/lb	99.51	NA	-
FC Index (L)	Cents/lb	98.51	NA	-

Cotlook Index:

Cotlook Indices	Unit	2-Jan-23	31-Dec-22	Change
A-Index	Cents/Pound	NA	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		2-Jan-23	2-Jan-23	Bales
Southeast	cents/lb.	NA	NA	NA
North Delta	cents/lb.	NA	NA	NA
South Delta	cents/lb.	NA	NA	NA
East TX-OK	cents/lb.	NA	NA	NA
West Texas	cents/lb.	NA	NA	NA

Desert SW	cents/lb.	NA	NA	NA
SJ Valley	cents/lb.	NA	NA	NA

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 Yarn Prices	3-Jan-23	2-Jan-23	Change	3-Jan-23	2-Jan-23	Change
Varietiy	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.85	2.85	Unch	236	236	Unch
Ne 20/1 Combed Hosiery Yarn	2.97	2.97	Unch	246	246	Unch
Ne 21/1 Carded Weaving Yarn	2.85	2.85	Unch	236	236	Unch
Ne 26/1 Combed Hosiery Yarn	3.05	3.05	Unch	252	252	Unch
Ne 30/1 Carded Hosiery Yarn	3.01	3.01	Unch	249	249	Unch
Ne 30/1 Combed Hosiery Yarn	3.13	3.13	Unch	259	259	Unch
Ne 32/1 Carded Weaving Yarn	3.09	3.09	Unch	256	256	Unch
Ne 34/1 Combed Hosiery Yarn	3.34	3.34	Unch	276	276	Unch
Ne 40/1 Combed Hosiery Yarn	3.58	3.58	Unch	296	296	Unch
Ne 40/1 Carded Weaving Yarn	3.27	3.27	Unch	271	271	Unch
Ne 30/2 Carded Hosiery Yarn	3.27	3.27	Unch	271	271	Unch
Ne 32/2 Combed Knitting Yarn	3.7	3.7	Unch	306	306	Unch
Ne 32/2 Carded Hosiery Yarn	3.34	3.34	Unch	276	276	Unch
Ne 40/2 Combed Hosiery Yarn	4.12	4.12	Unch	341	341	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.34	3.34	Unch	276	276	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.76	3.76	Unch	311	311	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.1	4.1	Unch	339	339	Unch
Ne 16/1 Open End Yarn	2.22	2.22	Unch	184	184	Unch
Ne 21/1 Open End Yarn	2.4	2.4	Unch	199	199	Unch
Ne 24/1 Open End Yarn	2.71	2.71	Unch	224	224	Unch

Daily Futures Price Listing Monday, Jan 02<sup>nd</sup>, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">23-Mar</a>	221230	82.64	84.64	82.55	83.37	0.73	10367	95720	-812
<a href="#">23-May</a>	221230	82.73	84.68	82.73	83.45	0.72	4,150	35,452	-442
<a href="#">23-Jul</a>	221230	82.63	84.55	82.63	83.38	0.75	1,673	30,291	503
<a href="#">23-Oct</a>	221230	80.74	80.74	80.74	80.74	0.63	0	27	0
<a href="#">23-Dec</a>	221230	80.1	81.84	80.1	80.88	0.64	501	23,873	180
<a href="#">24-Mar</a>	221230	80.4	81.82	80.4	81.02	0.58	31	2897	8
Total Volume and Open Interest							16,725	190,988	-564

Source: MRCI

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