

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed overall mixed trend across India today. MCX cotton spot price traded at Rs.29,890/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News: Telangana farmers have decided to protest the lower prices of cotton. The cotton prices in Telangana have come down to Rs. 6,800 per quintal last week. However, prices are still higher than the minimum support price but comparatively lower from the previous season. About 50 million acres of land is used for cotton cultivation in the state. Farmers were encouraged to grow cotton in 2022, as prices reached record highs in the previous season. Even as heavy rains and floods destroyed crops in many parts of the state, farmers went ahead and planted fiber crops.

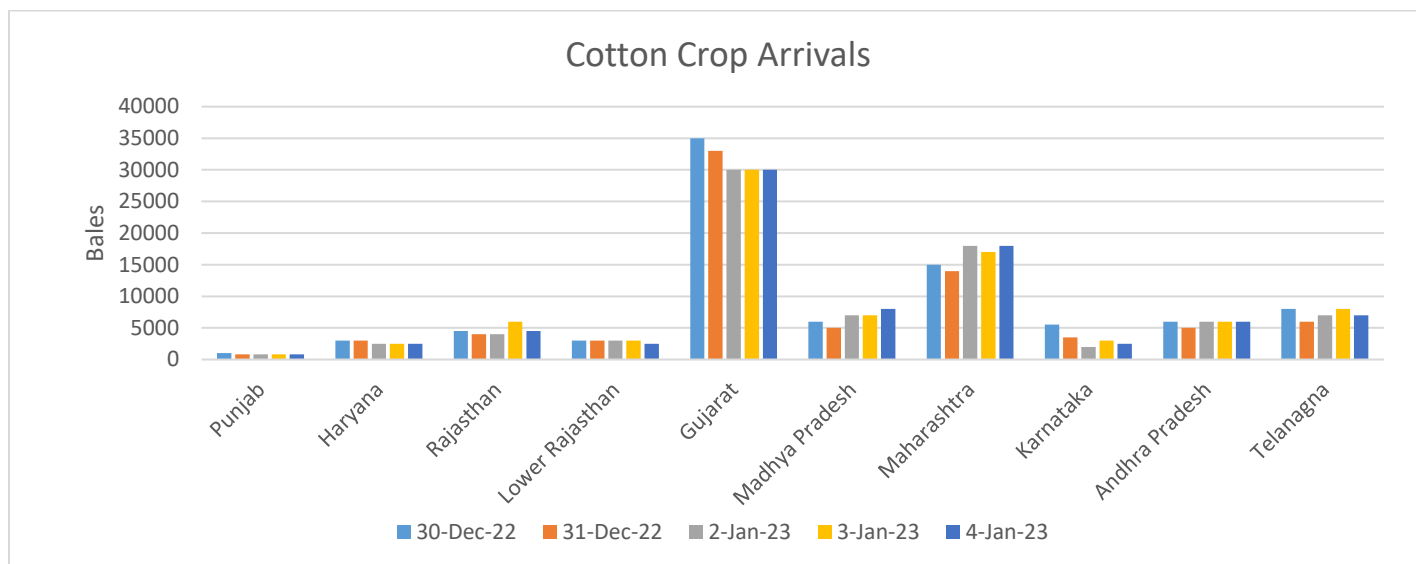
Raw Cotton prices continue to fall in the domestic market in Adilabad district despite efforts made by Cotton Corporation of India to Stabilize the prices. CCI is procuring top quality cotton at Rs. 8,300 per quintal. With the fluctuation in prices, cotton farmers are holding stock and as result, daily arrivals are lower. As per Cotton Association of India, Cotton arrivals between 01st October to 31st 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.

Weather Forecast

Dense to very dense fog very likely in isolated pockets over Punjab, Haryana, Chandigarh, Delhi and Uttar Pradesh, Uttarakhand. Dense fog at isolated places over Jammu, Himachal Pradesh, north Rajasthan, Madhya Pradesh, Chhattisgarh, Bihar, Assam & Meghalaya, Nagaland, Manipur, Mizoram 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	3071	3139	3041	3053	+66
Feb-23	2950	3020	2934	2960	+49

International Cotton Fundamentals:

The Cotlook A index was at 99.25 cents/lb. The AWP for cotton was 77.54 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	83.14	-23
May-23	83.10	-35
Jul-23	82.98	-40

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

North India's cotton yarn market witnessed limited trade yesterday. Prices were slightly lower than last week, but there was an improvement in cotton yarn exports. Mills can increase production if they do not face a disparity due to the costly natural fibre. Prices of recycled yarn in Panipat remained steady amid thin trade.

As per the Trade sources spinning mills received export orders from Bangladesh, Turkey, Egypt and Latin America. In Delhi, 30 count combed cotton yarn was traded at Rs. 260-265 per kg for exports. Export deals were carried out at around \$3.05 per kg (FOB). 30 count combed yarn was traded at Rs.280-285 per kg (GST extra), 40 count combed at Rs.305-310 per kg, 30 count carded at Rs. 255-260 per kg and 40 count carded at Rs.280-285 per kg,

Domestic demand is unlikely to improve, but high export demand can provide the much-needed support to cotton yarn.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	4-Jan-23	3-Jan-23	
Gujarat	Ahmedabad	Shankar-6	8625	8625	Unch
	Gondal	Shankar-6	8680	8605	75
	Rajkot	B.T. Cotton	8400	8300	100
	Patan	B.T. Cotton	8705	8805	-100
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	7250	8290	-1040
	Dhrol	B.T. Cotton	8755	8530	225
Haryana	Bhiwani	B.T. Cotton	8400	8400	Unch
	Adampur	B.T. Cotton	8500	8420	80
	Fatehabad	B.T. Cotton	8485	8350	135
Rajasthan	Hanumangarh	B.T. Cotton	8600	8500	100
	Rawatsar	B.T. Cotton	8750	8700	50
Madhya Pradesh	Khandwa	Mech-1	8600	8500	100
	Khargaon	Mech-1	8335	8410	-75
Maharashtra	Amravati	Mech-1	8100	8250	-150
	Jamner	Medium Staple	NA	NA	-

Telangana	Adilabad	Un-Ginned	8150	8080	70
Andhra Pradesh	Adoni	Un-Ginned	8250	8109	141
Karnataka	Bijapur	Bunny	9001	NA	-
	Raichur	H-44 Cotton	NA	8200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	4-Jan-23	3-Jan-23	
Punjab	Bhatinda	J-34	6275	6250	25
	Abohar	J-34	6275	6250	25
Haryana	Sirsa	J-34	6150	6100	50
Rajasthan	Sri-Ganganagar	J-34	6040	6063	-24

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	4-Jan-23	3-Jan-23	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	8300	8200	100
	Rajkot	B.T. Cotton	3200	3000	200
	Patan	B.T. Cotton	3783	3585	198
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	300	200	100
	Dhrol	B.T. Cotton	446	491	-45
Haryana	Bhiwani	B.T. Cotton	600	800	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1020	-170
	Fatehabad	B.T. Cotton	180	150	30
	Uchana	B.T. Cotton	300	NR	-
	Dabwali	B.T. Cotton	300	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	2000	1500	500
	Rawatsar	B.T. Cotton	2000	1500	500
Madhya Pradesh	Khandwa	Mech-1	2500	2500	Unch
	Khargaon	Mech-1	4000	2800	1200
Maharashtra	Amravati	Mech-1	9000	9500	-500
Telangana	Adilabad	Un-Ginned	84315.1	71467.2	12847.9
Andhra Pradesh	Adoni	Un-Ginned	866	866	Unch
Karnataka	Bijapur	Bunny	4197	NA	-
	Raichur	H-44 Cotton	NA	9	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	4-Jan-23	3-Jan-23	
	Abohar	J-34	510	340	170
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	4-Jan-23	3-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1255	1255	Unch
Telangana	Hyderabad	Rs. /10 Kg.	1235	1235	Unch

Maharashtra	Mumbai	Rs. /10 Kg.	1260	1260	Unch
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Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	4-Jan-23	3-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3083	3079	4
Maharashtra	Akola	Rs./Qtl	3078	3056	22

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	4-Jan-23	3-Jan-23	Change
CCIndex(328)	RMB/Ton	15074	15050	24
CCIndex(527)	RMB/Ton	13565	13532	33
CCIndex(229)	RMB/Ton	15403	15368	35

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	3-Jan-23	2-Jan-23	Change
A-Index	Cents/Pound	100	NA	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		3-Jan-23	3-Jan-23	Bales
Southeast	cents/lb.	85.14	87.39	0
North Delta	cents/lb.	84.14	86.39	0
South Delta	cents/lb.	84.14	86.39	0
East TX-OK	cents/lb.	80.14	82.39	595
West Texas	cents/lb.	80.64	82.64	0
Desert SW	cents/lb.	80.14	82.39	0
SJ Valley	cents/lb.	80.39	89.29	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
				3-Jan-23	2-Jan-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63900	63900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64400	64400	Unch
J-34(202)	26mm	3.5 - 4.9	23	59100	58700	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60200	60000	200
Shankar-6(105)	29mm	3.5 - 4.9	28	61500	61000	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63000	62800	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64000	63800	200
DCH-32(107)	34mm	3.0 - 3.8	33	67000	67000	Unch

Cotton Yarn Prices	4-Jan-23	3-Jan-23	Change	4-Jan-23	3-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 nd , 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	221230	82.64	84.64	82.55	83.37	0.73	10367	95720	-812
23-May	221230	82.73	84.68	82.73	83.45	0.72	4,150	35,452	-442
23-Jul	221230	82.63	84.55	82.63	83.38	0.75	1,673	30,291	503
23-Oct	221230	80.74	80.74	80.74	80.74	0.63	0	27	0
23-Dec	221230	80.1	81.84	80.1	80.88	0.64	501	23,873	180
24-Mar	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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