

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed overall mixed trend across India today. MCX cotton spot price traded at Rs.30,140/bale on Thursday. ICE cotton futures closed red on Wednesday.

News: All India Kisan Khet Mazdoor Saghatan has urged the Karnataka government to establish cotton procurement centers in Yadgir district as the cotton prices in the domestic market had fallen drastically.

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.

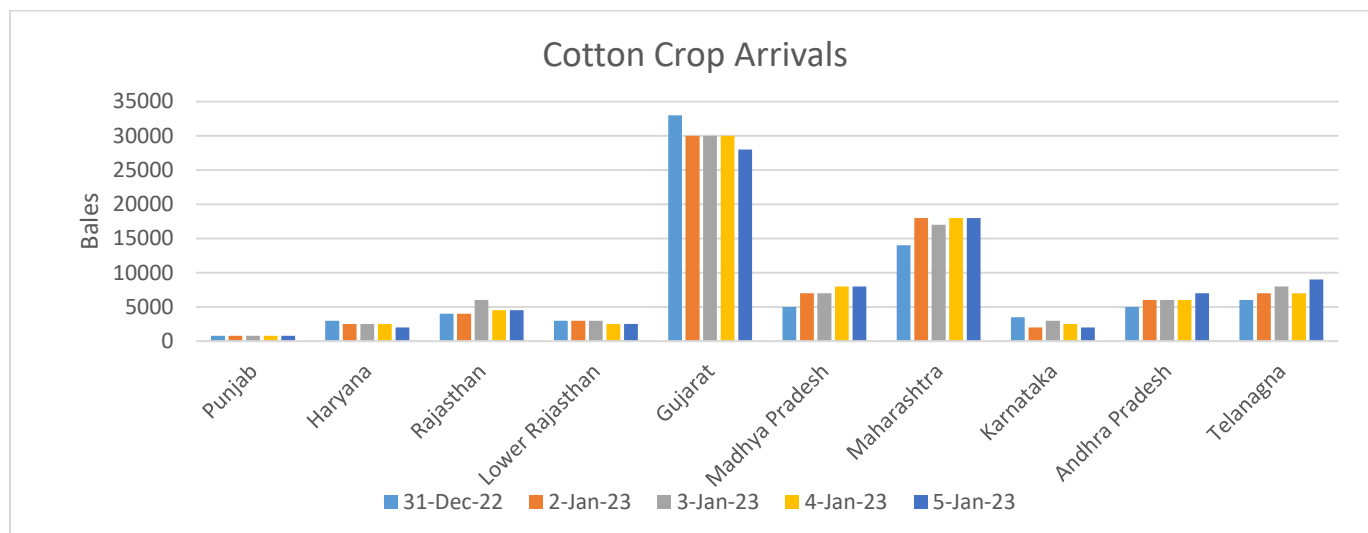
Raw Cotton prices continue to fall in the domestic market in Adilabad district despite efforts made by Cotton Corporation of India to Stabilize the prices. CCI is procuring top quality cotton at Rs. 8,300 per quintal. With the fluctuation in prices, cotton farmers are holding stock and as result, daily 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. Dense fog at isolated places over Rajasthan, north Madhya Pradesh, Assam & Meghalaya, 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	3105	3184	3100	3117	+39
Feb-23	2996	3066	2996	3004	+34

International Cotton Fundamentals:

The Cotlook A index was at 99.25 cents/lb. The AWP for cotton was 74.50 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	80.44	-270
May-23	80.52	-258
Jul-23	80.46	-252

Cotton production in Pakistan has fallen to over 4.6 million bales during 2022 against the 7.3 million bales during the previous season. The heavy rainfall and floods has resulted in the short fall in production of about 37.23 percent.

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:

Cotton Prices at MCX, Spot Markets:					
Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Jan-23	4-Jan-23	
Gujarat	Ahmedabad	Shankar-6	8750	8625	125
	Gondal	Shankar-6	8730	8680	50
	Rajkot	B.T. Cotton	8820	8400	420
	Patan	B.T. Cotton	8750	8705	45
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	6955	8380	-1425
	Dhrol	B.T. Cotton	9005	8755	250
Haryana	Bhiwani	B.T. Cotton	8400	8400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8500	8500	Unch
	Fatehabad	B.T. Cotton	8425	8485	-60
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8536	8467	69
	Dabwali	B.T. Cotton	8400	8450	-50

Rajasthan	Hanumangarh	B.T. Cotton	8600	8600	Unch
	Rawatsar	B.T. Cotton	8750	8750	Unch
Madhya Pradesh	Khandwa	Mech-1	8500	8600	-100
	Khargaon	Mech-1	8845	8335	510
Maharashtra	Amravati	Mech-1	8500	8100	400
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8000	8150	-150
Andhra Pradesh	Adoni	Un-Ginned	8366	8250	116
Karnataka	Bijapur	Bunny	NA	9001	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8800	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Jan-23	4-Jan-23	
Punjab	Bhatinda	J-34	6250	6275	-25
	Abohar	J-34	6250	6275	-25
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6150	6150	Unch
Rajasthan	Sri-Ganganagar	J-34	6063	6040	24

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Jan-23	4-Jan-23	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	7850	8300	-450
	Rajkot	B.T. Cotton	2600	3200	-600
	Patan	B.T. Cotton	2655	3783	-1128
	Kadi	B.T. Cotton	30000	20000	10000
	Deesa	B.T. Cotton	400	300	100
	Dhrol	B.T. Cotton	476	446	30
Haryana	Bhiwani	B.T. Cotton	600	600	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	850	510
	Fatehabad	B.T. Cotton	170	180	-10
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	300	300	Unch
	Dabwali	B.T. Cotton	300	300	Unch
Rajasthan	Hanumangarh	B.T. Cotton	2000	2000	Unch
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	3000	2500	500
	Khargaon	Mech-1	4000	4000	Unch
Maharashtra	Amravati	Mech-1	9500	9000	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	99029.9	84315.1	14714.8
Andhra Pradesh	Adoni	Un-Ginned	699	866	-167
Karnataka	Bijapur	Bunny	NA	4197	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	15	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Jan-23	4-Jan-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	510	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	5-Jan-23	4-Jan-23	
Gujarat	Rajkot	Rs./10 Kg.	1250	1255	-5
Delhi	New Delhi	Rs./10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs./10 Kg.	1230	1235	-5
Maharashtra	Mumbai	Rs./10 Kg.	1250	1260	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	5-Jan-23	4-Jan-23	
Gujarat	Mahešana (Kadi)	Rs./Qtl	3193	3083	110
Maharashtra	Akola	Rs./Qtl	3151	3078	73

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	5-Jan-23	4-Jan-23	Change
CCIndex(328)	RMB/Ton	15106	15074	32
CCIndex(527)	RMB/Ton	13596	13565	31
CCIndex(229)	RMB/Ton	15436	15403	33
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	4-Jan-23	3-Jan-23	Change
FC Index (S)	Cents/lb	100.75	100.76	-0.01
FC Index (M)	Cents/lb	99.58	99.51	0.07
FC Index (L)	Cents/lb	98.58	98.51	0.07

Cotlook Index:

Cotlook Indices	Unit	4-Jan-23	3-Jan-23	Change
A-Index	Cents/Pound	99.8	100	-0.20

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		4-Jan-23	4-Jan-23	Bales
Southeast	cents/lb.	82.44	84.69	0
North Delta	cents/lb.	81.44	83.69	0
South Delta	cents/lb.	81.44	83.69	0
East TX-OK	cents/lb.	77.44	79.69	843
West Texas	cents/lb.	77.94	79.94	795
Desert SW	cents/lb.	77.44	79.69	0
SJ Valley	cents/lb.	77.69	86.59	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
				4-Jan-23	3-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	59100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60700	60200	500
Shankar-6(105)	29mm	3.5 - 4.9	28	62000	61500	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63400	63000	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64400	64000	400
DCH-32(107)	34mm	3.0 - 3.8	33	67000	67000	Unch



Daily Futures Price Listing Wednesday, Jan 04th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230104	83.17	84.25	80.37	80.44	-2.70	7527	96686	198
23-May	230104	83.35	83.96	80.46	80.52	-2.58	2,614	35,884	197
23-Jul	230104	83.11	83.58	80.4	80.46	-2.52	1,703	31,794	1063
23-Oct	230104	79.9	79.9	78.52	78.52	-2.25	2	27	0
23-Dec	230104	80.89	81.19	78.59	78.63	-2.25	580	24,009	125
24-Mar	230104	81.04	81.04	78.7	78.7	-2.40	1976	4752	1871
Total Volume and Open Interest							14,405	195,880	3,454

Source: MRCI

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