

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed overall mixed trend across India today. MCX cotton spot price traded at Rs.30,390/bale on Friday. ICE cotton futures closed green on Thursday.

**News:** According to Gujcot trade Association, Gujarat has registered arrivals of around 25 lakh bales about 27% of the total estimated crop. This is Gujarat arrivals are lower by around 8 percent because the cotton prices are lower in the domestic market as a result farmers are holding stock. All India arrivals are also lower as compared to the previous season by around 15%.

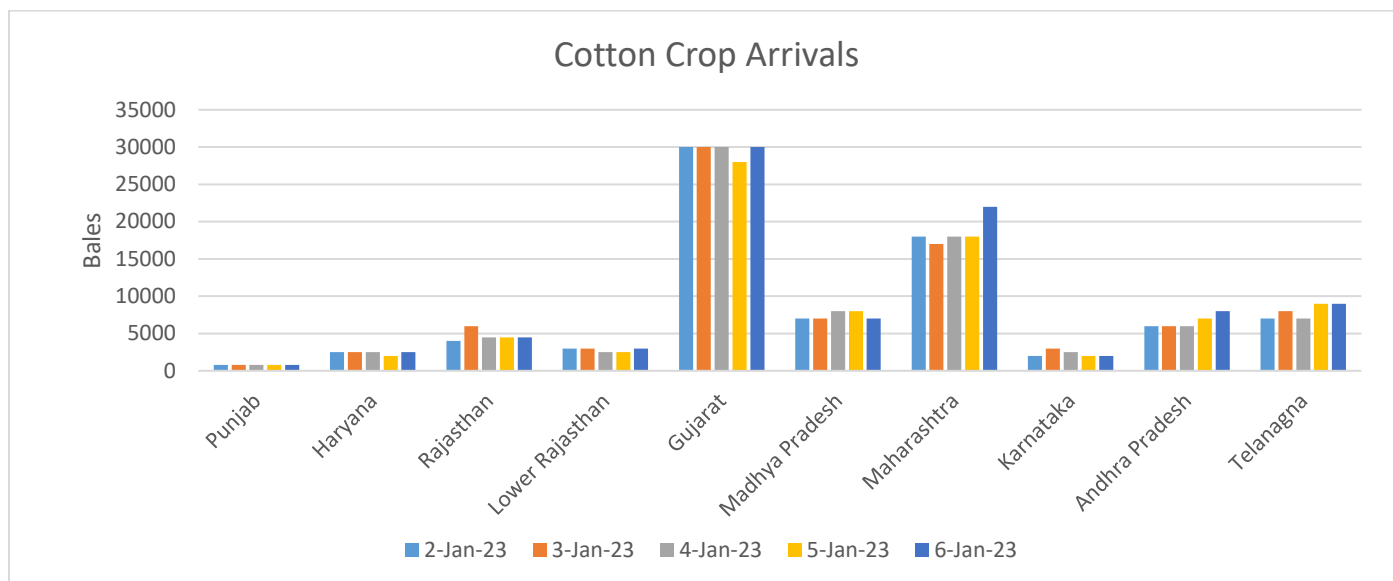
All India Kisan Khet Mazdoor Saghatan has urged the Karnataka government to establish cotton procurement centers in Yadgir district as the cotton prices in the domestic market had fallen drastically.

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 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.

### 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: Bales

All India Cotton Arrivals		
State	November	December
Punjab	36277	34900
Haryana	145783	131500
Rajasthan	314082	228500
Lower Rajasthan	216483	105100
Gujarat	966000	1001000
Madhya Pradesh	244000	213000
Maharashtra	353000	485000
Karnataka	259000	208500
Andhra Pradesh	150500	188000
Telangana	202000	248000
Tamil Nadu	29200	20800
Odisha	13000	42500
Others	5000	10000
<b>All India</b>	<b>2934325</b>	<b>2916800</b>

MCX Cotton

	High	Low	Close	Change
MCX Cotton	-	-	-	-

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	3149	3209	3145	3154	+6.00

<b>Feb-23</b>	3035	3066	3021	3040	<b>-14.00</b>
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### 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
<b>Mar-23</b>	82.58	<b>+214</b>
<b>May-23</b>	82.62	<b>+210</b>
<b>Jul-23</b>	82.56	<b>+210</b>

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 ARRIVALSCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	6-Jan-23	5-Jan-23	
Gujarat	Ahmedabad	Shankar-6	9000	8750	250
	Gondal	Shankar-6	8880	8730	150
	Rajkot	B.T. Cotton	8870	8820	50
	Patan	B.T. Cotton	8810	8750	60
	Kadi	B.T. Cotton	8500	8500	Unch
	Deesa	B.T. Cotton	NA	8055	-
	Dhrol	B.T. Cotton	8805	9005	-200
Haryana	Bhiwani	B.T. Cotton	8500	8400	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8600	8500	100
	Fatehabad	B.T. Cotton	8595	8425	170
	Jind	B.T. Cotton	8700	8460	240
	Uchana	B.T. Cotton	8635	8536	99
	Dabwali	B.T. Cotton	8700	8400	300
Rajasthan	Hanumangarh	B.T. Cotton	8700	8600	100
	Rawatsar	B.T. Cotton	8870	8750	120
Madhya Pradesh	Khandwa	Mech-1	8500	8500	Unch
	Khargaon	Mech-1	8390	8345	45
Maharashtra	Amravati	Mech-1	8600	8500	100
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	8150	8000	150
Andhra Pradesh	Adoni	Un-Ginned	8479	8366	113
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	6-Jan-23	5-Jan-23	
Punjab	Bhatinda	J-34	6400	6250	150
	Abohar	J-34	6400	6250	150
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6275	6150	125
Rajasthan	Sri-Ganganagar	J-34	6157	6063	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-Jan-23	5-Jan-23	
Gujarat	Ahmedabad	Shankar-6	42500	59500	-17000
	Gondal	Shankar-6	8000	7850	150

	Rajkot	B.T. Cotton	2400	2600	-200
	Patan	B.T. Cotton	2560	2655	-95
	Kadi	B.T. Cotton	15000	30000	-15000
	Deesa	B.T. Cotton	NA	400	-
	Dhrol	B.T. Cotton	586	476	110
Haryana	Bhiwani	B.T. Cotton	400	600	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3060	1360	1700
	Fatehabad	B.T. Cotton	225	170	55
	Jind	B.T. Cotton	935	90	845
	Uchana	B.T. Cotton	400	300	100
	Dabwali	B.T. Cotton	400	300	100
Rajasthan	Hanumangarh	B.T. Cotton	4000	2000	2000
	Rawatsar	B.T. Cotton	4000	2000	2000
Madhya Pradesh	Khandwa	Mech-1	4000	3000	1000
	Khargaon	Mech-1	4600	4000	600
Maharashtra	Amravati	Mech-1	8500	9500	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	99446.8	99029.9	416.9
Andhra Pradesh	Adoni	Un-Ginned	881	699	182
Karnataka	Bijapur	Bunny	NA	3968	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	20	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	6-Jan-23	5-Jan-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	510	-85
	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	6-Jan-23	5-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1240	1250	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1220	1230	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1250	1250	Unch

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	6-Jan-23	5-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3193	3193	-
Maharashtra	Akola	Rs./Qtl	3151	3151	

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	6-Jan-23	5-Jan-23	Change
CCIndex(328)	RMB/Ton	15103	15106	-3
CCIndex(527)	RMB/Ton	13579	13596	-17
CCIndex(229)	RMB/Ton	15433	15436	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	5-Jan-23	4-Jan-23	Change
FC Index (S)	Cents/lb	97.63	100.75	-3.12
FC Index (M)	Cents/lb	96.68	99.58	-2.90
FC Index (L)	Cents/lb	95.64	98.58	-2.94

Cotlook Index:

Cotlook Indices	Unit	5-Jan-23	4-Jan-23	Change
A-Index	Cents/Pound	97.6	99.8	-2.20

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		5-Jan-23	5-Jan-23	Bales
Southeast	cents/lb.	84.58	86.83	0
North Delta	cents/lb.	83.58	85.83	0
South Delta	cents/lb.	83.58	85.83	0
East TX-OK	cents/lb.	79.58	81.83	1513
West Texas	cents/lb.	80.08	82.08	698
Desert SW	cents/lb.	79.58	81.83	181
SJ Valley	cents/lb.	79.83	88.73	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
				5-Jan-23	4-Jan-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64100	63900	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64600	64400	200
J-34(202)	26mm	3.5 - 4.9	23	59100	59100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61200	60700	500
Shankar-6(105)	29mm	3.5 - 4.9	28	62800	62000	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63600	63400	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64400	64400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	67000	67000	Unch

**Daily Futures Price Listing Thursday, Jan 05th 2023**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">23-Mar</a>	230105	80.51	83.73	80.5	82.58	2.14	13015	97048	362
<a href="#">23-May</a>	230105	80.78	83.67	80.64	82.62	2.10	6,145	36,460	576
<a href="#">23-Jul</a>	230105	80.55	83.52	80.55	82.56	2.10	3,711	32,428	634
<a href="#">23-Oct</a>	230105	80.51	80.51	80.51	80.51	1.99	2	27	0
<a href="#">23-Dec</a>	230105	78.84	81.13	78.76	80.48	1.85	1658	24,468	459
<a href="#">24-Mar</a>	230105	78.85	80.61	78.85	80.44	1.74	68	4766	14
Total Volume and Open Interest							24,604	197,924	2,044

Source: MRCI

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