

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed overall mixed trend across India today. MCX cotton spot price traded at Rs.30,370/bale on Monday. ICE cotton futures closed green on Friday.

News: Cotton daily arrivals have reduced around 1,00,000-1,20,000 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. Cotton third picking is going on in most of the cotton belt.

Cotton Corporation of India has started purchasing cotton in Maharashtra, Telangana and Odisha. February cotton contract has been delayed by MCX.

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%.

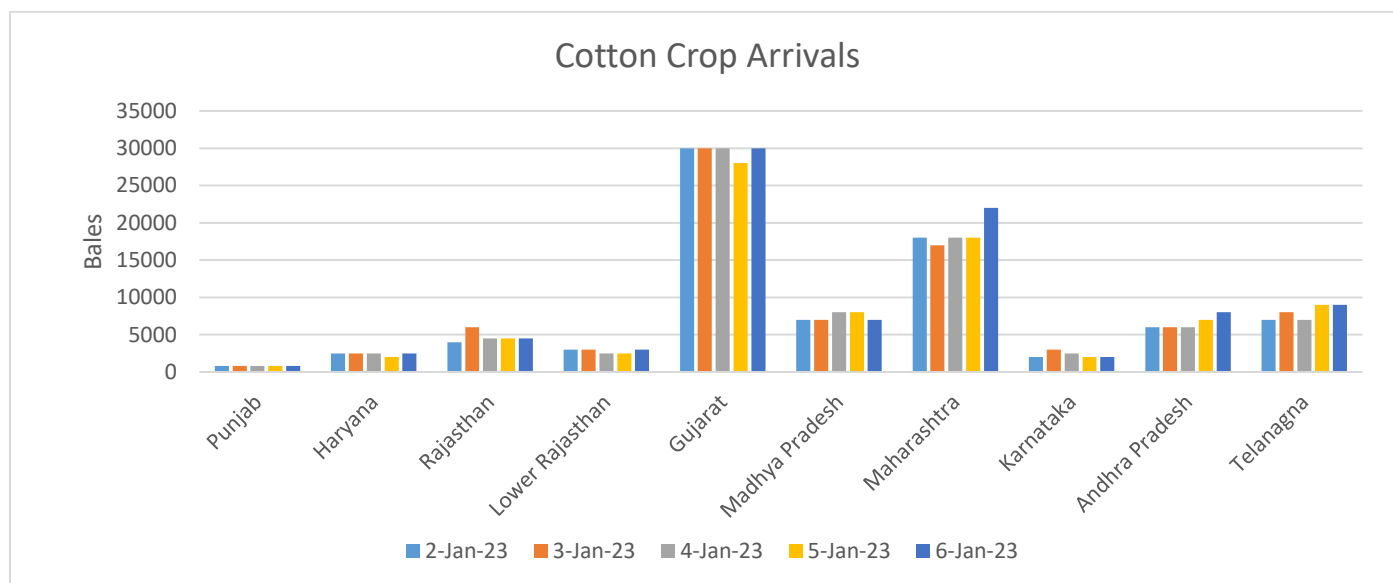
All India Kisan Khet Mazdoor Saghata has urged the Karnataka government to establish cotton procurement centers in Yadgir district as the cotton prices in the domestic market had fallen drastically.

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.

Weather Forecast

Dense to very dense fog very likely in isolated pockets over Uttar Pradesh. Dense fog at isolated places over Jammu division, Uttarakhand, Madhya Pradesh, Punjab, Haryana, Sub-Himalayan West Bengal, Sikkim, Assam 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
All India	2934325	2916800

MCX Cotton

	High	Low	Close	Change
MCX Cotton	-	-	-	-

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	3111	3157	3094	3147	+10.00
Feb-23	2990	3008	2975	3008	-20.00

International Cotton Fundamentals:

The Cotlook A index was at 97.6 cents/lb. The AWP for cotton was 72.98 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	85.68	+310
May-23	85.65	+303
Jul-23	85.53	+297

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:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Jan-23	7-Jan-23	
Gujarat	Ahmedabad	Shankar-6	NR	9125	-
	Gondal	Shankar-6	8830	8805	25
	Rajkot	B.T. Cotton	8600	8500	100
	Patan	B.T. Cotton	8705	8850	-145
	Kadi	B.T. Cotton	8750	8600	150
	Deesa	B.T. Cotton	NA	7855	-
	Dhrol	B.T. Cotton	8850	9020	-170
Haryana	Bhiwani	B.T. Cotton	8500	8600	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8500	8750	-250
	Fatehabad	B.T. Cotton	8450	8615	-165
	Jind	B.T. Cotton	7900	NR	-
	Uchana	B.T. Cotton	8850	8780	70
	Dabwali	B.T. Cotton	NR	8600	-
Rajasthan	Hanumangarh	B.T. Cotton	8600	8800	-200
	Rawatsar	B.T. Cotton	8750	8850	-100
Madhya Pradesh	Khandwa	Mech-1	8500	8500	Unch
	Khargaon	Mech-1	8500	8445	55
Maharashtra	Amravati	Mech-1	NR	8600	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	8250	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	8931	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8600	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Jan-23	7-Jan-23	
Punjab	Bhatinda	J-34	6400	6475	-75
	Abohar	J-34	6400	6475	-75
	Mansa	J-34	NR	NR	-

Haryana	Sirsa	J-34	6275	6350	-75
Rajasthan	Sri-Ganganagar	J-34	6110	6157	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jan-23	7-Jan-23	
Gujarat	Ahmedabad	Shankar-6	NR	42500	-
	Gondal	Shankar-6	8450	8350	100
	Rajkot	B.T. Cotton	3800	2800	1000
	Patan	B.T. Cotton	4150	3038	1112
	Kadi	B.T. Cotton	40000	35000	5000
	Deesa	B.T. Cotton	NA	200	-
	Dhrol	B.T. Cotton	596	566	30
Haryana	Bhiwani	B.T. Cotton	700	400	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3001	2499	501.5
	Fatehabad	B.T. Cotton	200	180	20
	Jind	B.T. Cotton	300	NR	-
	Uchana	B.T. Cotton	NR	300	-
	Dabwali	B.T. Cotton	NR	300	-
Rajasthan	Hanumangarh	B.T. Cotton	5000	10000	-5000
	Rawatsar	B.T. Cotton	5000	10000	-5000
Madhya Pradesh	Khandwa	Mech-1	4500	3000	1500
	Khargaon	Mech-1	4000	3200	800
Maharashtra	Amravati	Mech-1	NR	9000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	80557	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	3604	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	18	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jan-23	7-Jan-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	170	510	-340
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	1500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	9-Jan-23	7-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1230	1240	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-

Telangana	Hyderabad	Rs. /10 Kg.	1210	1220	-10
Maharashtra	Mumbai	Rs. /10 Kg.	1245	1250	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	9-Jan-23	7-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3300	3300	Unch
Maharashtra	Akola	Rs./Qtl	3201	3201	Unch

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

Index	Unit	9-Jan-23	7-Jan-23	Change
CCIndex(328)	RMB/Ton	15114	Closed	-
CCIndex(527)	RMB/Ton	13589	Closed	-
CCIndex(229)	RMB/Ton	15446	Closed	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	9-Jan-23	6-Jan-23	Change
FC Index (S)	Cents/lb	102.74	99.73	3.01
FC Index (M)	Cents/lb	101.81	98.73	3.08
FC Index (L)	Cents/lb	100.77	97.74	3.03

Cotlook Index:

Cotlook Indices	Unit	6-Jan-23	7-Jan-23	Change
A-Index	Cents/Pound	99.5	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		6-Jan-23	6-Jan-23	Bales
Southeast	cents/lb.	87.68	89.93	0
North Delta	cents/lb.	86.68	88.93	0
South Delta	cents/lb.	86.68	88.93	0
East TX-OK	cents/lb.	82.68	84.93	1702
West Texas	cents/lb.	83.18	85.18	1080
Desert SW	cents/lb.	82.68	84.93	0
SJ Valley	cents/lb.	82.93	91.83	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
				7-Jan-23	6-Jan-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64400	64400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64900	64900	Unch
J-34(202)	26mm	3.5 - 4.9	23	59700	59700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61500	61500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	63200	63200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	64400	64400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	65000	65000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	67000	67000	Unch

Daily Futures Price Listing Friday, Jan 06th 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230106	82.58	86.1	82.11	85.68	3.10	18860	97048	0
23-May	230106	82.82	85.87	82.14	85.65	3.03	7,175	36,460	0
23-Jul	230106	82.8	85.67	82.07	85.53	2.97	4,007	32,428	0
23-Oct	230106	83.14	83.14	83.14	83.14	2.63	1	27	0
23-Dec	230106	80.87	82.89	80.05	82.63	2.15	1628	24,468	0
24-Mar	230106	80.9	82.68	80.3	82.68	2.24	184	4766	0
Total Volume and Open Interest							31,864	197,924	0

Source: MRCI

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