

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%.

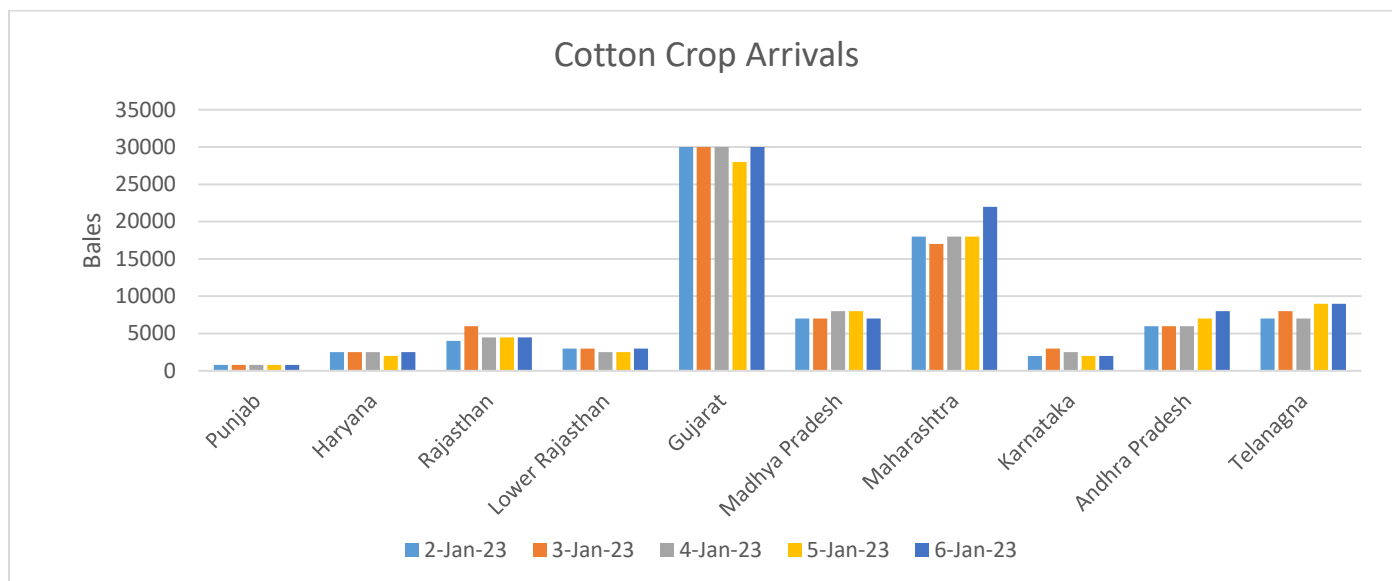
All India Kisan Khet Mazdoor Saghatan has urged the Karnataka government to establish cotton procurement centers in Yadgir district as the cotton prices in the domestic market had fallen drastically.

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.

Weather Forecast

Dense to very dense fog very likely in isolated pockets over Bihar. Dense fog at isolated places over Uttar Pradesh, 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	3141	3150	3064	3141	-61
Feb-23	3015	3015	2917	2988	-53

International Cotton Fundamentals:

The Cotlook A index was at 99.50 cents/lb. The AWP for cotton was 72.98 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	86.22	+54
May-23	86.14	+49
Jul-23	85.96	+43

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

According to the market sources, Mumbai cotton yarn market witnessed a decline in cotton yarn prices yesterday after the demand weakened due to higher prices. Mumbai witnessed a downward trend as cotton yarn prices eased by Rs.7-12 per kg.

Buyers were discouraged as mills increased the prices of yarn. Tiruppur market witnessed a steady trend in cotton yarn prices. However, demand was slightly better even as buyers were cautious.

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	10-Jan-23	9-Jan-23	
Gujarat	Ahmedabad	Shankar-6	8750	NR	-
	Gondal	Shankar-6	8905	8830	75
	Rajkot	B.T. Cotton	8500	8600	-100
	Patan	B.T. Cotton	8560	8705	-145
	Kadi	B.T. Cotton	8750	8750	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8785	8850	-65
Haryana	Bhiwani	B.T. Cotton	8400	8500	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8500	8500	Unch
	Fatehabad	B.T. Cotton	8425	8450	-25
	Jind	B.T. Cotton	7900	7900	Unch
	Uchana	B.T. Cotton	8685	8850	-165
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8550	8600	-50
	Rawatsar	B.T. Cotton	8650	8750	-100
Madhya Pradesh	Khandwa	Mech-1	8300	8500	-200
	Khargaon	Mech-1	8200	8500	-300
Maharashtra	Amravati	Mech-1	8550	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8210	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	9111	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8700	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Jan-23	9-Jan-23	
Punjab	Bhatinda	J-34	6400	6400	Unch
	Abohar	J-34	6400	6400	Unch
	Mansa	J-34	NR	NR	-

Haryana	Sirsa	J-34	6225	6275	-50
Rajasthan	Sri-Ganganagar	J-34	6063	6110	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jan-23	9-Jan-23	
Gujarat	Ahmedabad	Shankar-6	59500	NR	-
	Gondal	Shankar-6	8350	8450	-100
	Rajkot	B.T. Cotton	4000	3800	200
	Patan	B.T. Cotton	5425	4150	1275
	Kadi	B.T. Cotton	30000	40000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	197	596	-399
Haryana	Bhiwani	B.T. Cotton	500	700	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	3001	-1300.5
	Fatehabad	B.T. Cotton	150	200	-50
	Jind	B.T. Cotton	300	300	Unch
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	4000	5000	-1000
	Rawatsar	B.T. Cotton	4000	5000	-1000
Madhya Pradesh	Khandwa	Mech-1	5000	4500	500
	Khargaon	Mech-1	7400	4000	3400
Maharashtra	Amravati	Mech-1	8000	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	93022.2	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5471	-
	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	10-Jan-23	9-Jan-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	170	170
	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	10-Jan-23	9-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1245	1230	15
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-

Telangana	Hyderabad	Rs. /10 Kg.	1215	1210	5
Maharashtra	Mumbai	Rs. /10 Kg.	1235	1245	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	10-Jan-23	9-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3165	3300	-135
Maharashtra	Akola	Rs./Qtl	3182	3201	-19

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

Index	Unit	10-Jan-23	9-Jan-23	Change
CCIndex(328)	RMB/Ton	15167	15114	53
CCIndex(527)	RMB/Ton	13652	13589	63
CCIndex(229)	RMB/Ton	15497	15446	51
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	9-Jan-23	7-Jan-23	Change
FC Index (S)	Cents/lb	102.74	Closed	-
FC Index (M)	Cents/lb	101.81	Closed	-
FC Index (L)	Cents/lb	100.77	Closed	-

Cotlook Index:

Cotlook Indices	Unit	9-Jan-23	7-Jan-23	Change
A-Index	Cents/Pound	101.9	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		9-Jan-23	9-Jan-23	Bales
Southeast	cents/lb.	87.72	89.97	196
North Delta	cents/lb.	86.72	88.97	176
South Delta	cents/lb.	86.72	88.97	264
East TX-OK	cents/lb.	83.22	85.47	1770
West Texas	cents/lb.	83.72	85.72	7525
Desert SW	cents/lb.	82.72	84.97	575
SJ Valley	cents/lb.	82.97	91.87	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

Daily Futures Price Listing Monday, Jan 09th, 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230109	85.67	87.97	84.58	86.22	0.54	16637	95476	-1572
23-May	230109	85.68	87.58	84.55	86.14	0.49	6,669	37,068	608
23-Jul	230109	85.54	87.21	84.44	85.96	0.43	3,565	34,219	1791
23-Oct	230109	83.2	83.2	83.2	83.2	0.06	0	28	1
23-Dec	230109	82.83	84.04	81.8	83.14	0.51	1693	25,316	848
24-Mar	230109	83.56	84	83.18	83.18	0.50	51	4629	-137
Total Volume and Open Interest							28,617	199,466	1,542

Source: MRCI

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