

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed overall mixed trend across India today. MCX cotton spot price traded higher at Rs.29,910/bale on Saturday. ICE cotton futures closed green on Friday.

News: The cotton prices showed a bullish trend in the physical market yesterday, cotton arrivals have also improved as compared to the previous week.

As per the Cotton Association of India latest estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate at 330.50 lakh bales from the previous 339.75 lakh bales. The cotton supply estimated by the CAI till end of the cotton season 2022-23 i.e. upto 30th September 2023 is 374.39 lakh bales. The total cotton supply consists of the opening stock of 31.89 lakh bales at the beginning of the cotton season on 1st October 2022, crop for the season estimated at 330.50 lakh bales and the imports for the season estimated by the CAI at the same level i.e. at 12 lakh bales.

The domestic consumption for the season is estimated at 300 lakh bales. The exports for the season have been estimated at 30.00 lakh bales i.e. at the same level as estimated previously. The exports estimate for the previous cotton season 2021-22 was 43 lakh bales. The carry-over stock which was earlier estimated at 53.64 lakh bales is now estimated at 44.39 lakh bales.

Cotton prices continue to decline in the domestic market. Also, Cotton Corporation of India has started purchasing cotton in Maharashtra, Telangana, and Odisha. February cotton contract has been delayed by MCX.

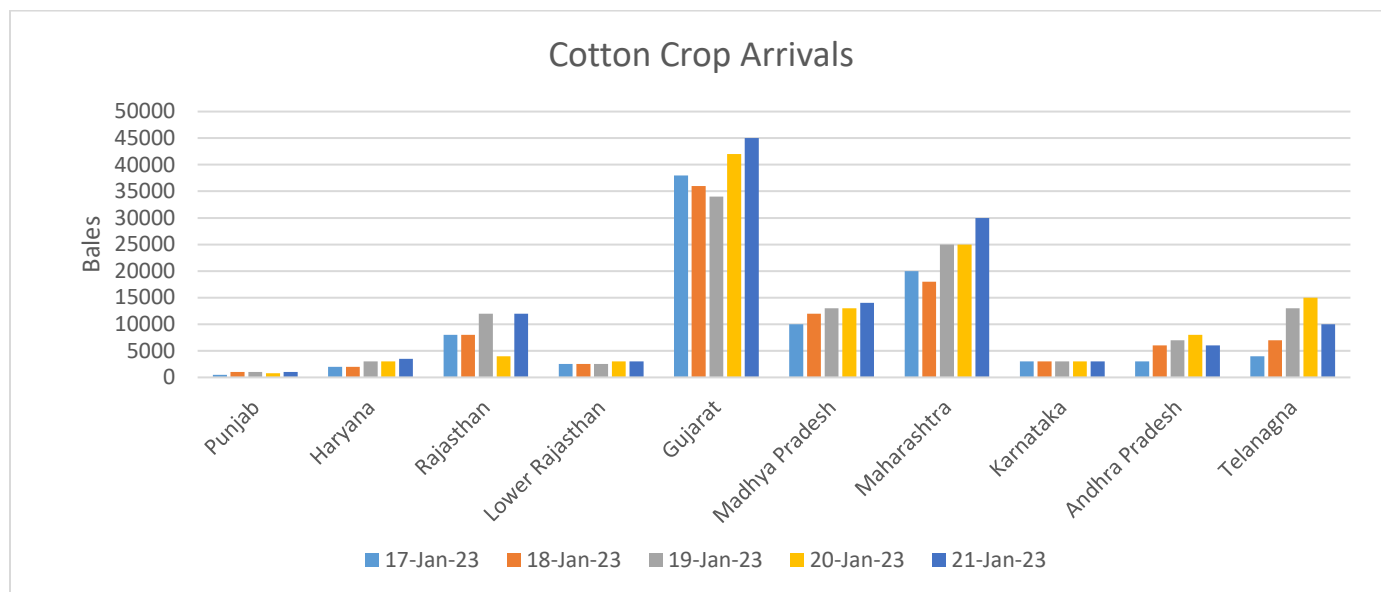
Cotton daily arrivals have reduced around 1,00,000-1,20,000 bales per day. Cotton arrivals in the domestic market are not increasing as farmers are holding stock in anticipation of higher prices. Overall weather is favorable for the cotton crop. Cotton third picking is going on in most of the cotton belt.

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%.

Weather Forecast

Thunderstorm accompanied with lightning at isolated places over Himachal Pradesh and with lightening at isolated places over Punjab, Haryana, Chandigarh, Delhi and Uttar Pradesh.

All India New Cotton Crop: Bales



NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	3100	3118	3067	3106	-26.00
Feb-23	2931	2936	2879	2929	-44.00

International Cotton Fundamentals:

The Cotlook A index was at 98.60 cents/lb. The AWP for cotton was 72.43 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	86.70	+331
May-23	87.06	+320
Jul-23	87.22	+304

According to USDA WASDE January report, the 2022-23 U.S. Cotton Production is estimated 438,000 bales higher, at 14.7 million bales, with yield at 947 pounds per acre, which is higher by 9 % from the December estimate. Exports are forecast 250,000 bales lower, at 12.0 million, with both projected world trade and the U.S. share slightly lower this month. Ending stocks are higher by 700,000 bales to 4.2 million, equal to 30 percent of projected use.

World cotton production is forecasted at 330,000 bales lower than it was in December as lower production in India more than offsets gains in the United States and Brazil. Projected world consumption is 850,000 bales lower this month, at 110.9 million bales.

India's 2022-23 consumption is estimated 500,000 bales lower, with smaller declines for Indonesia and Vietnam. Projected world trade is down by 600,000 bales, to 41.7 million, as projected exports from the United States, India, and Argentina decline. Imports by China, Indonesia, and Vietnam are also projected lower.

Cotton Yarn

According to the market sources, cotton yarn market in north India witnessed better demand after the recent rise in cotton prices during the week under review. Buyers were anticipating that yarn prices will rise due to costlier cotton. Cotton yarn prices gained Rs. 5-10 per kg in Ludhiana due to better buying, but the prices were stable in Delhi and Panipat market.

Ludhiana market witnessed higher prices of cotton yarn. Demand was better from both exports and domestic consumption. 30 count cotton combed yarn was sold at Rs. 280-290 per kg. 20 and 25 count combed yarn were traded at Rs.270-280 per kg and Rs.275-285 per kg respectively.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Jan-23	20-Jan-23	
Gujarat	Ahmedabad	Shankar-6	8650	8500	150
	Gondal	Shankar-6	8605	8705	-100
	Rajkot	B.T. Cotton	8625	8450	175
	Patan	B.T. Cotton	8450	8475	-25
	Kadi	B.T. Cotton	8750	8750	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8585	8575	10
Haryana	Bhiwani	B.T. Cotton	8400	8400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	8400	-
	Fatehabad	B.T. Cotton	8365	8261	104
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8350	8350	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8400	8400	Unch
	Rawatsar	B.T. Cotton	Closed	8625	-
Madhya Pradesh	Khandwa	Mech-1	Closed	8200	-
	Khargaon	Mech-1	Closed	8251	-
Maharashtra	Amravati	Mech-1	Closed	8500	-

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8030	8030	Unch
Andhra Pradesh	Adoni	Un-Ginned	NA	8913	-
Karnataka	Bijapur	Bunny	NA	8696	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8500	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	21-Jan-23	20-Jan-23	
Punjab	Bhatinda	J-34	6450	6400	50
	Abohar	J-34	6450	6400	50
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6300	6350	-50
Rajasthan	Sri-Ganganagar	J-34	6110	6110	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Jan-23	20-Jan-23	
Gujarat	Ahmedabad	Shankar-6	62900	62900	Unch
	Gondal	Shankar-6	7750	8350	-600
	Rajkot	B.T. Cotton	6000	4200	1800
	Patan	B.T. Cotton	7624	6344	1280
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	925	953	-28
Haryana	Bhiwani	B.T. Cotton	200	200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	1020	-
	Fatehabad	B.T. Cotton	550	200	350
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	250	250	Unch
	Dabwali	B.T. Cotton	250	250	Unch
Rajasthan	Hanumangarh	B.T. Cotton	Closed	3000	-
	Rawatsar	B.T. Cotton	Closed	3000	-
Madhya Pradesh	Khandwa	Mech-1	Closed	7500	-
	Khargaon	Mech-1	Closed	10600	-
Maharashtra	Amravati	Mech-1	Closed	9000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	108258.7	65344.8	42913.9
Andhra Pradesh	Adoni	Un-Ginned	NA	2025	-
Karnataka	Bijapur	Bunny	NA	5674	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	NA	22	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-Jan-23	20-Jan-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	1190	NA	-
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	510	680	-170
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Jan-23	20-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1210	1210	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1230	1230	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1200	1200	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	21-Jan-23	20-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3099	3146	-47
Maharashtra	Akola	Rs./Qtl	3040	3090	-50

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

Index	Unit	21-Jan-23	20-Jan-23	Change
CCIndex(328)	RMB/Ton	Closed	15486	-
CCIndex(527)	RMB/Ton	Closed	13930	-
CCIndex(229)	RMB/Ton	Closed	15717	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	20-Jan-23	18-Jan-23	Change
FC Index (S)	Cents/lb	99.68	99.17	0.51
FC Index (M)	Cents/lb	98.74	98.27	0.47
FC Index (L)	Cents/lb	97.73	97.29	0.44

Cotlook Index:

Cotlook Indices	Unit	19-Jan-23	18-Jan-23	Change
A-Index	Cents/Pound	100.6	98.6	2.00

USDA Cotton Spot Rates:



Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		19-Jan-23	19-Jan-23	Bales
Southeast	cents/lb.	84.89	87.14	245
North Delta	cents/lb.	83.89	86.14	0
South Delta	cents/lb.	83.89	86.14	0
East TX-OK	cents/lb.	80.39	82.64	2397
West Texas	cents/lb.	80.89	82.89	16292
Desert SW	cents/lb.	79.89	82.14	0
SJ Valley	cents/lb.	80.14	89.04	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
				20-Jan-23	19-Jan-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64500	64800	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65000	65300	-300
J-34(202)	26mm	3.5 - 4.9	23	60200	60600	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60600	61200	-600
Shankar-6(105)	29mm	3.5 - 4.9	28	62300	63100	-800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63500	64100	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64500	65000	-500
DCH-32(107)	34mm	3.0 - 3.8	33	67500	67500	Unch

Daily Futures Price Listing Friday, Jan 20th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230120	83.58	86.79	83.57	86.7	3.31	21390	88136	-689
23-May	230120	84.82	87.13	84.09	87.06	3.20	11,897	44,685	72
23-Jul	230120	84.56	87.26	84.41	87.22	3.04	7,642	35,861	-293
23-Oct	230120	84.1	84.68	84.1	84.68	2.40	11	30	0
23-Dec	230120	82.65	84.81	82.6	84.67	2.35	2748	26,180	-10
24-Mar	230120	82.94	84.62	82.94	84.62	2.27	292	4713	-107
Total Volume and Open Interest							44,306	202,359	-931

Source: MRCI

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