

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 29,870/bale on Wednesday. ICE cotton futures closed green on Tuesday.

News

In the Union budget 2022-23, an announcement for adoption of cluster based and value chain approach through Public Private Partnership (PPP) was made so as to enhance the productivity of extra-long staple (ELS) cotton. It will involve the collaboration between farmers, state and industry for input supplies, extension services, and market linkages.

Cotton daily arrivals had decreased during the last week and were at around 1,15,000-1,30,000 bales per day. There is report of lower crop expectations from northern India. The staple length is expected to be shorter in this season from Punjab, Haryana and Rajasthan. Cotton third picking is going on in most of the cotton belt, in some areas fourth picking has also started.

The cotton farmers of the Palamuru region face a huge loss as they are not able to get the minimum support price for their produce as the market prices are falling downwards, leading to heavy losses to the farmers as they are not able to get back their investment on the crop. While earlier last year, the cotton prices crossed more than Rs 9,000 to 10,000 per quintal and gave good profits for the cotton farmers in the region, however this year the prices of cotton are dwindling in between Rs 6,000 to 8,000 per quintal.

The situation of Ginners improved in most of the region. Cotton yarn prices are steady due to lesser arrivals in the market. Ginning factories are working with 50 percent capacity till last week. Cottonseed oilcake prices remained bearish during the last week.

The cotton prices showed a bearish trend in the physical market yesterday, cotton arrivals have also declined as compared to the previous week.

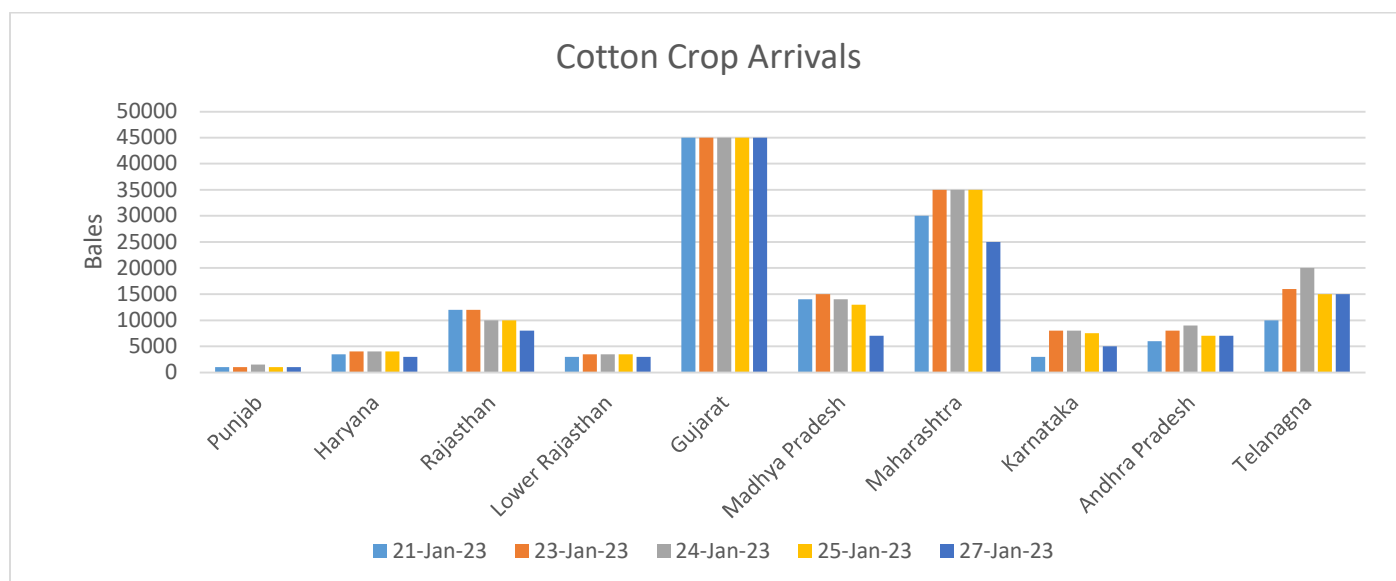
As per the Cotton Association of India latest estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate at 330.50 lakh bales from the previous 339.75 lakh bales. The cotton supply estimated by the CAI till end of the cotton season 2022-23 i.e. upto 30th September 2023 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.

Weather Forecast

Light isolated rainfall very likely at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, West Uttar Pradesh, and with lightening at isolated places over East Uttar Pradesh, West Madhya Pradesh, Tamil Nadu, Pondicherry & Karaikal.

All India New Cotton Crop: Bales



NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Feb-23	2830	2870	2826	2838	+11.00
Mar-23	2768	2797	2766	2765	+14.00

International Cotton Fundamentals:

The Cotlook A index was at 102 cents/lb. The AWP for cotton was 75.05 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	86.22	+112
May-23	86.95	+121
Jul-23	87.46	+127

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

North India's cotton yarn market remained steady as the region witnesses cloudy weather and another cold wave. The demand was average, and the prices remained stable today. Cloudy weather coupled with extended winter is dampening market sentiments.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
	State	Centre	Variety	1-Feb-23	31-Jan-23
Gujarat		Ahmedabad	Shankar-6	8550	9650
		Gondal	Shankar-6	8630	8580
		Rajkot	B.T. Cotton	8560	NA
		Patan	B.T. Cotton	8325	8280
		Kadi	B.T. Cotton	8500	8250
		Deesa	B.T. Cotton	NA	NA
		Dhrol	B.T. Cotton	8370	8480
Haryana		Bhiwani	B.T. Cotton	8050	8100
		Bhiwani	Desi	NA	NA
		Adampur	B.T. Cotton	8300	8300
		Fatehabad	B.T. Cotton	8300	8195
		Jind	B.T. Cotton	NR	NR
		Uchana	B.T. Cotton	8200	8000
		Dabwali	B.T. Cotton	8135	8135
Rajasthan		Hanumangarh	B.T. Cotton	8200	Closed
		Rawatsar	B.T. Cotton	8475	8400
Madhya Pradesh		Khandwa	Mech-1	NR	NR



	Khargaon	Mech-1	8040	8010	30
Maharashtra	Amravati	Mech-1	8200	8200	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7710	7750	-40
Andhra Pradesh	Adoni	Un-Ginned	8126	8075	51
Karnataka	Bijapur	Bunny	NA	8283	-
	Hubli	D.C.H.	8500	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8200	8100	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Feb-23	31-Jan-23	
Punjab	Bhatinda	J-34	6325	6300	25
	Abohar	J-34	6325	6300	25
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6225	6175	50
Rajasthan	Sri-Ganganagar	J-34	6110	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Feb-23	31-Jan-23	
Gujarat	Ahmedabad	Shankar-6	49300	47600	1700
	Gondal	Shankar-6	8000	NA	-
	Rajkot	B.T. Cotton	6000	NA	-
	Patan	B.T. Cotton	5157	3615	1542
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	778	718	60
Haryana	Bhiwani	B.T. Cotton	600	500	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1360	-340
	Fatehabad	B.T. Cotton	280	150	130
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	225	225	Unch
	Dabwali	B.T. Cotton	225	225	Unch
Rajasthan	Hanumangarh	B.T. Cotton	2000	1000	1000
	Rawatsar	B.T. Cotton	2000	1000	1000
Madhya Pradesh	Khandwa	Mech-1	NR	NR	-
	Khargaon	Mech-1	4100	4100	Unch
Maharashtra	Amravati	Mech-1	22000	20000	2000
	Jamner	Medium Staple	NA	NA	-



Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	36938	33437.6	3500.4
Andhra Pradesh	Adoni	Un-Ginned	1696	2503	-807
Karnataka	Bijapur	Bunny	NA	3816	-
	Hubli	D.C.H.	72	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	16	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Feb-23	31-Jan-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Feb-23	31-Jan-23	
Gujarat	Rajkot	Rs. /10 Kg.	1120	1140	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1155	1160	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Feb-23	31-Jan-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2929	2939	-10
Maharashtra	Akola	Rs./Qtl	2964	2965	-2

Cotton Yarn Prices	31-Jan-23	27-Jan-23	Change	31-Jan-23	27-Jan-23	Change
Varietiy	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.85	2.85	Unch	232	232	Unch
Ne 20/1 Combed Hosiery Yarn	3.03	3.03	Unch	247	247	Unch
Ne 21/1 Carded Weaving Yarn	2.85	2.85	Unch	232	232	Unch
Ne 26/1 Combed Hosiery Yarn	3.14	3.14	Unch	256	256	Unch
Ne 30/1 Carded Hosiery Yarn	3.06	3.06	Unch	249	249	Unch
Ne 30/1 Combed Hosiery Yarn	3.21	3.21	Unch	262	262	Unch
Ne 32/1 Carded Weaving Yarn	3.18	3.18	Unch	259	259	Unch
Ne 34/1 Combed Hosiery Yarn	3.42	3.42	Unch	279	279	Unch
Ne 40/1 Combed Hosiery Yarn	3.61	3.61	Unch	294	294	Unch

Ne 40/1 Carded Weaving Yarn	3.36	3.36	Unch	274	274	Unch
Ne 30/2 Carded Hosiery Yarn	3.36	3.36	Unch	274	274	Unch
Ne 32/2 Combed Knitting Yarn	3.73	3.73	Unch	304	304	Unch
Ne 32/2 Carded Hosiery Yarn	3.42	3.42	Unch	279	279	Unch
Ne 40/2 Combed Hosiery Yarn	4.16	4.16	Unch	339	339	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.42	3.42	Unch	279	279	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.73	3.73	Unch	304	304	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.04	4.04	Unch	329	329	Unch
Ne 16/1 Open End Yarn	2.32	2.32	Unch	189	189	Unch
Ne 21/1 Open End Yarn	2.5	2.5	Unch	204	204	Unch
Ne 24/1 Open End Yarn	2.81	2.81	Unch	229	229	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	1-Feb-23	31-Jan-23	Change
CCIndex(328)	RMB/Ton	15923	15872	51
CCIndex(527)	RMB/Ton	14337	14266	71
CCIndex(229)	RMB/Ton	16131	16094	37

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	1-Feb-23	31-Jan-23	Change
FC Index (S)	Cents/lb	102.17	101.3	0.87
FC Index (M)	Cents/lb	101.51	100.44	1.07
FC Index (L)	Cents/lb	100.5	99.43	1.07

Cotlook Index:

Cotlook Indices	Unit	31-Jan-23	28-Jan-23	Change
A-Index	Cents/Pound	100.4	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		31-Jan-23	31-Jan-23	Bales
Southeast	cents/lb.	86.72	88.97	907
North Delta	cents/lb.	85.72	87.97	0
South Delta	cents/lb.	85.72	87.97	0
East TX-OK	cents/lb.	82.72	84.47	1061
West Texas	cents/lb.	82.97	84.22	2796
Desert SW	cents/lb.	81.97	84.22	570
SJ Valley	cents/lb.	82.22	91.12	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
				31-Jan-23	30-Jan-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64900	64900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65400	65400	Unch
J-34(202)	26mm	3.5 - 4.9	23	59300	59600	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	59800	60000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	62000	62100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63400	63400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64500	64500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	68000	68000	Unch

Daily Futures Price Listing Tuesday, Jan 31st 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230131	85.3	86.85	85.01	86.22	1.12	17,023	84,443	-1870
23-May	230131	85.95	87.52	85.72	86.95	1.21	6,939	52,500	899
23-Jul	230131	86.57	87.93	86.26	87.46	1.27	4,066	39,539	-255
23-Oct	230131	85.43	85.74	85.43	85.74	1.58	1	27	0
23-Dec	230131	84.7	85.88	84.64	85.47	1.11	3,387	26,625	-130
24-Mar	230131	85.47	85.94	84.85	85.65	1.11	447	4,821	-87
Total Volume and Open Interest							32,146	210,431	-1,443

Source: MRCI

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