

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 Thursday. ICE cotton futures closed red on Wednesday.

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.

The textile industry in Gujarat expects a robust revival in demand due to the stabilization of cotton prices at Rs. 61,500 to 62,500 per candy range. The stability in cotton prices has boosted the confidence of the domestic industry, leading to a significant increase in orders since January 15.

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.

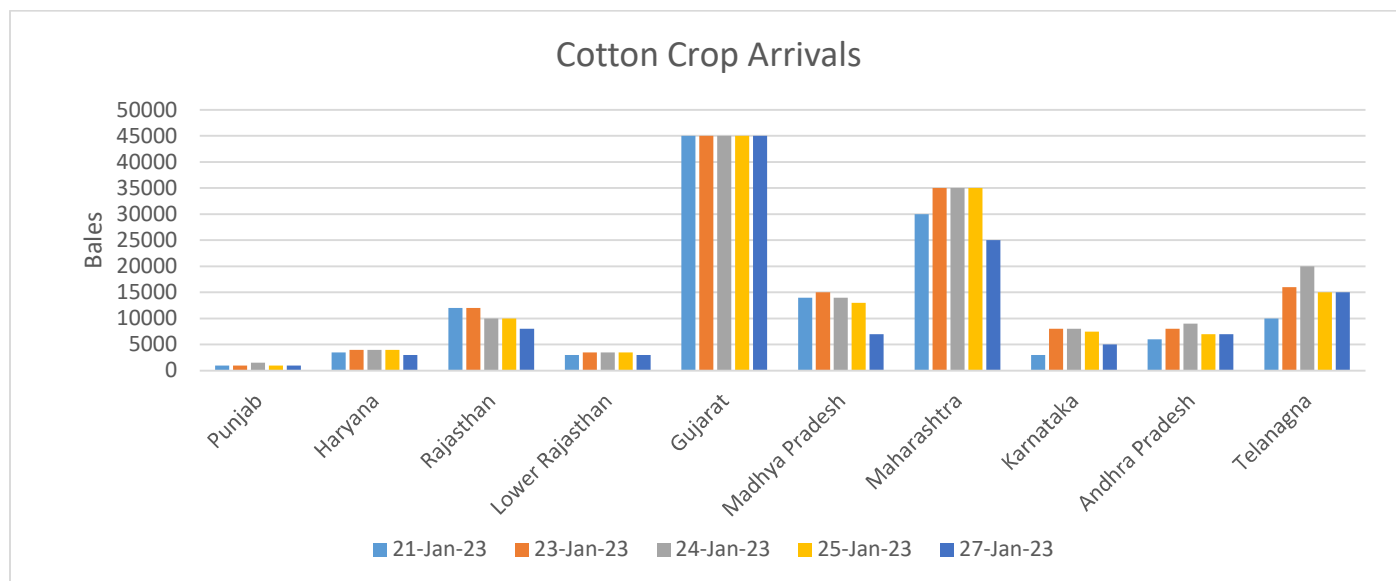
As per the Cotton Association of India latest estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate at 330.50 lakh bales from the previous 339.75 lakh bales. The cotton supply estimated by the CAI till end of the cotton season 2022-23 i.e. upto 30th September 2023 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	2858	2858	2776	2852	-67.00
Mar-23	2780	2780	2719	2777	-48.00

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	85.61	-61
May-23	86.34	-61
Jul-23	86.93	-53

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	2-Feb-23	1-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8550	8550	Unch
	Gondal	Shankar-6	8555	8630	-75
	Rajkot	B.T. Cotton	8570	8560	10
	Patan	B.T. Cotton	8370	8325	45
	Kadi	B.T. Cotton	8400	8500	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8430	8370	60
Haryana	Bhiwani	B.T. Cotton	8100	8050	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8250	8300	-50
	Fatehabad	B.T. Cotton	8220	8300	-80
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NA	8200	-
	Dabwali	B.T. Cotton	8140	8135	5
Rajasthan	Hanumangarh	B.T. Cotton	8350	8200	150
	Rawatsar	B.T. Cotton	8450	8475	-25
Madhya Pradesh	Khandwa	Mech-1	NR	NR	-
	Khargaon	Mech-1	8050	8040	10
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	7710	Unch



Andhra Pradesh	Adoni	Un-Ginned	8131	8126	5
Karnataka	Bijapur	Bunny	8309	8665	-356
	Hubli	D.C.H.	8500	8500	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8000	8200	-200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	2-Feb-23	1-Feb-23	
Punjab	Bhatinda	J-34	6325	6325	Unch
	Abohar	J-34	6325	6325	Unch
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6250	6225	25
Rajasthan	Sri-Ganganagar	J-34	6110	6110	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Feb-23	1-Feb-23	
Gujarat	Ahmedabad	Shankar-6	51000	49300	1700
	Gondal	Shankar-6	8025	8000	25
	Rajkot	B.T. Cotton	4700	6000	-1300
	Patan	B.T. Cotton	4018	5157	-1139
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	777.5	778	-0.5
Haryana	Bhiwani	B.T. Cotton	800	600	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	400	280	120
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	510	225	285
	Dabwali	B.T. Cotton	510	225	285
Rajasthan	Hanumangarh	B.T. Cotton	1000	2000	-1000
	Rawatsar	B.T. Cotton	1000	2000	-1000
Madhya Pradesh	Khandwa	Mech-1	NR	NR	-
	Khargaon	Mech-1	5700	4100	1600
Maharashtra	Amravati	Mech-1	24000	22000	2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	34656.2	36938	-2281.8
Andhra Pradesh	Adoni	Un-Ginned	935	1696	-761
Karnataka	Bijapur	Bunny	4491	3589	902
	Hubli	D.C.H.	46	72	-26



	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	18	15	3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	2-Feb-23	1-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	340	340
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	680	340	340
Rajasthan	Sri-Ganganagar	J-34	2000	1500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	2-Feb-23	1-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1100	1120	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1150	1155	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	2-Feb-23	1-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2913	2929	-16
Maharashtra	Akola	Rs./Qtl	2929	2964	-35

Cotton Yarn Prices	31-Jan-23	27-Jan-23	Change	31-Jan-23	27-Jan-23	Change
Variety	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	2-Feb-23	1-Feb-23	Change
CCIndex(328)	RMB/Ton	15985	15923	62
CCIndex(527)	RMB/Ton	14381	14337	44
CCIndex(229)	RMB/Ton	16181	16131	50
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	2-Feb-23	1-Feb-23	Change
FC Index (S)	Cents/lb	101.69	102.17	-0.48
FC Index (M)	Cents/lb	100.81	101.51	-0.70
FC Index (L)	Cents/lb	99.79	100.5	-0.71

Cotlook Index:

Cotlook Indices	Unit	1-Feb-23	30-Jan-23	Change
A-Index	Cents/Pound	101.35	102	-0.65

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		1-Feb-23	1-Feb-23	Bales
Southeast	cents/lb.	86.11	88.36	1581
North Delta	cents/lb.	85.11	87.36	0
South Delta	cents/lb.	85.11	87.36	0
East TX-OK	cents/lb.	82.36	84.11	352
West Texas	cents/lb.	82.36	83.61	4190
Desert SW	cents/lb.	81.36	83.61	399
SJ Valley	cents/lb.	81.61	90.51	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
				1-Feb-23	31-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	59600	59300	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	59800	59800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	62000	62000	Unch
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, Feb 01, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230201	86.01	87	85.3	85.61	-0.61	18,477	82,206	-2237
23-May	230201	86.7	87.65	86	86.34	-0.61	10,238	54,384	1884
23-Jul	230201	87.41	88.08	86.46	86.93	-0.53	3,866	39,718	179
23-Oct	230201	85.38	85.38	85.38	85.38	-0.36	3	27	0
23-Dec	230201	85.5	85.95	84.46	85.26	-0.21	1,853	26,641	16
24-Mar	230201	85.82	85.91	84.72	85.59	-0.06	148	4,951	130
Total Volume and Open Interest							34,742	210,481	50

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Ltd.