

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed bearish trend across India today. MCX cotton spot price traded down at Rs. 29,830/bale on Monday. ICE cotton futures closed red on Friday.

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 prices in Gujarat held steady at ₹61,800-62,400 per 356 kg candy. The cotton arrival season is expected to extend until April and May due to large stocks still held by farmers. Total arrivals in the country reached around 1.5 lakh 170 kg bales.

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.

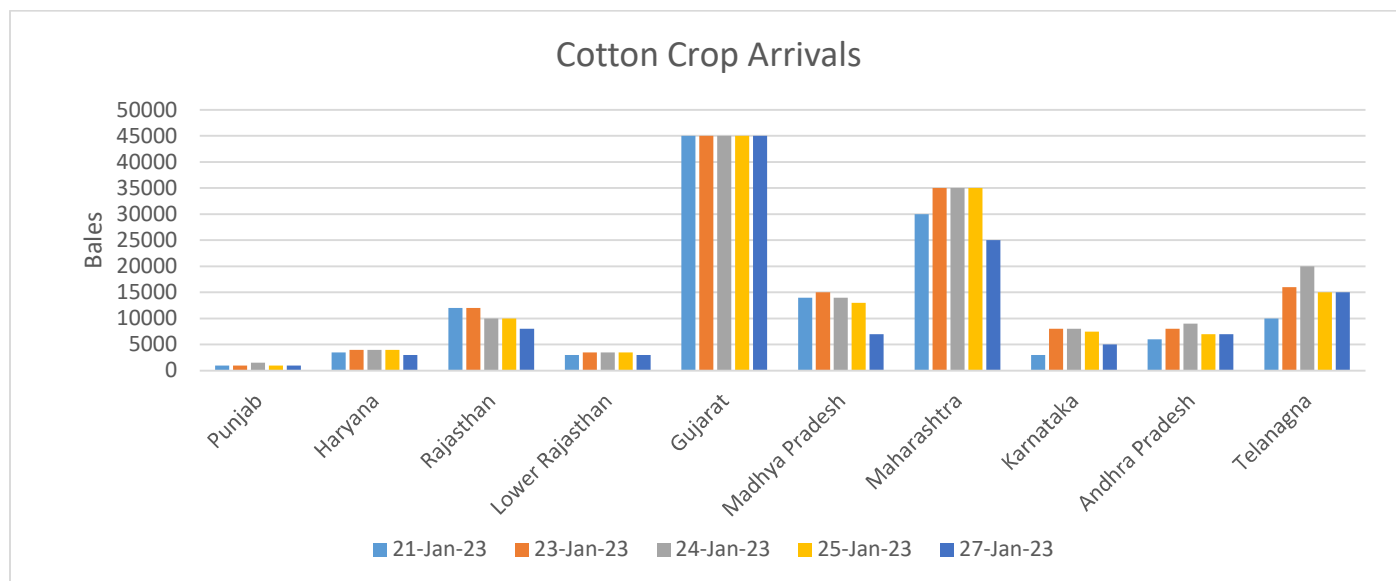
As per the Cotton Association of India latest estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate at 330.50 lakh bales from the previous 339.75 lakh bales. The cotton supply estimated by the CAI till end of the cotton season 2022-23 i.e. upto 30th September 2023 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	2776	2806	2758	2784	-16.00
Mar-23	2727	2748	2708	2728	-17.00

International Cotton Fundamentals:

The Cotlook A index was at 100.95 cents/lb. The AWP for cotton was 75.24 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	85.43	-96
May-23	86.11	-99
Jul-23	86.72	-100

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.

Cotton yarn prices in South India remained stable due to weak demand from the weaving industry. However, traders expect prices to stay the same. Meanwhile, trade sources from Mumbai suggest that cotton yarn prices may see support from increased buying from the garment industry.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	6-Feb-23	4-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8400	8400	Unch
	Gondal	Shankar-6	8305	8330	-25
	Rajkot	B.T. Cotton	8340	8350	-10
	Patan	B.T. Cotton	8240	8250	-10
	Kadi	B.T. Cotton	8250	8250	Unch
	Deesa	B.T. Cotton	6910	NA	-
	Dhrol	B.T. Cotton	8380	8375	5
Haryana	Bhiwani	B.T. Cotton	7900	8100	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8100	8150	-50
	Fatehabad	B.T. Cotton	7925	8000	-75
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8000	NA	-
	Dabwali	B.T. Cotton	7950	8120	-170
Rajasthan	Hanumangarh	B.T. Cotton	8100	8100	Unch
	Rawatsar	B.T. Cotton	8200	Closed	-
Madhya Pradesh	Khandwa	Mech-1	8000	Closed	-
	Khargaon	Mech-1	7835	Closed	-
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	NA	7530	-
Andhra Pradesh	Adoni	Un-Ginned	8149	8120	29
Karnataka	Bijapur	Bunny	9519	8220	1299
	Hubli	D.C.H.	8500	8500	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8000	8000	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	6-Feb-23	4-Feb-23	
Punjab	Bhatinda	J-34	6225	6280	-55
	Abohar	J-34	6225	6275	-50
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6100	6175	-75
Rajasthan	Sri-Ganganagar	J-34	5969	6063	-94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-Feb-23	4-Feb-23	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	7900	7750	150
	Rajkot	B.T. Cotton	3500	4500	-1000
	Patan	B.T. Cotton	4520	3920	600
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	5	NA	-
	Dhrol	B.T. Cotton	905	903	2
Haryana	Bhiwani	B.T. Cotton	400	400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	850	170
	Fatehabad	B.T. Cotton	180	650	-470
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	325	250	75
	Dabwali	B.T. Cotton	325	250	75
Rajasthan	Hanumangarh	B.T. Cotton	5000	Closed	-
	Rawatsar	B.T. Cotton	5000	Closed	-
Madhya Pradesh	Khandwa	Mech-1	5750	Closed	-
	Khargaon	Mech-1	6000	Closed	-
Maharashtra	Amravati	Mech-1	21000	21000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NA	45014.3	-
Andhra Pradesh	Adoni	Un-Ginned	940	940	Unch
Karnataka	Bijapur	Bunny	4420	3452	968
	Hubli	D.C.H.	44	73	-29
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	19	17	2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	6-Feb-23	4-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	850	-170
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	1190	1190	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	6-Feb-23	4-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1090	1100	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1105	1120	-15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	6-Feb-23	4-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2780	2838	-58
Maharashtra	Akola	Rs./Qtl	2857	2905	-48

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	3-Feb-23	31-Jan-23	Change
CCIndex(328)	RMB/Ton	15963	15872	91
CCIndex(527)	RMB/Ton	14419	14266	153
CCIndex(229)	RMB/Ton	16196	16094	102
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	3-Feb-23	31-Jan-23	Change
FC Index (S)	Cents/lb	102.4	101.3	1.10
FC Index (M)	Cents/lb	101.54	100.44	1.10
FC Index (L)	Cents/lb	100.52	99.43	1.09

Cotlook Index:

Cotlook Indices	Unit	4-Feb-23	2-Feb-23	Change
A-Index	Cents/Pound	Closed	100.95	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		3-Feb-23	3-Feb-23	Bales
Southeast	cents/lb.	85.93	88.18	2991
North Delta	cents/lb.	84.93	87.18	0
South Delta	cents/lb.	84.93	87.18	0
East TX-OK	cents/lb.	82.18	83.93	1234
West Texas	cents/lb.	82.18	83.68	5890
Desert SW	cents/lb.	81.18	83.43	0
SJ Valley	cents/lb.	81.43	90.33	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
				3-Feb-23	2-Feb-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	59800	59800	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	59500	59800	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	62000	62200	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63000	63200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	64500	-
DCH-32(107)	34mm	3.0 - 3.8	33	68500	68000	500

Daily Futures Price Listing Friday, Feb 03, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230203	86.15	86.45	85.05	85.43	-0.96	17,239	77,563	-1439
23-May	230203	86.62	87.15	85.77	86.11	-0.99	11,412	57,519	832
23-Jul	230203	87.72	87.72	86.41	86.72	-1	5,114	41,353	912
23-Oct	230203	85.26	85.26	85.26	85.26	-0.94	1	18	1
23-Dec	230203	85.52	85.95	84.8	85.15	-0.85	3,111	26,600	23
24-Mar	230203	85.96	86.13	85.14	85.58	-0.87	949	4,741	-247
Total Volume and Open Interest							37,882	210,416	81

Source: MRCI

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