

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded down at Rs. 29,540/bale on Tuesday. ICE cotton futures closed red on Monday.

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.

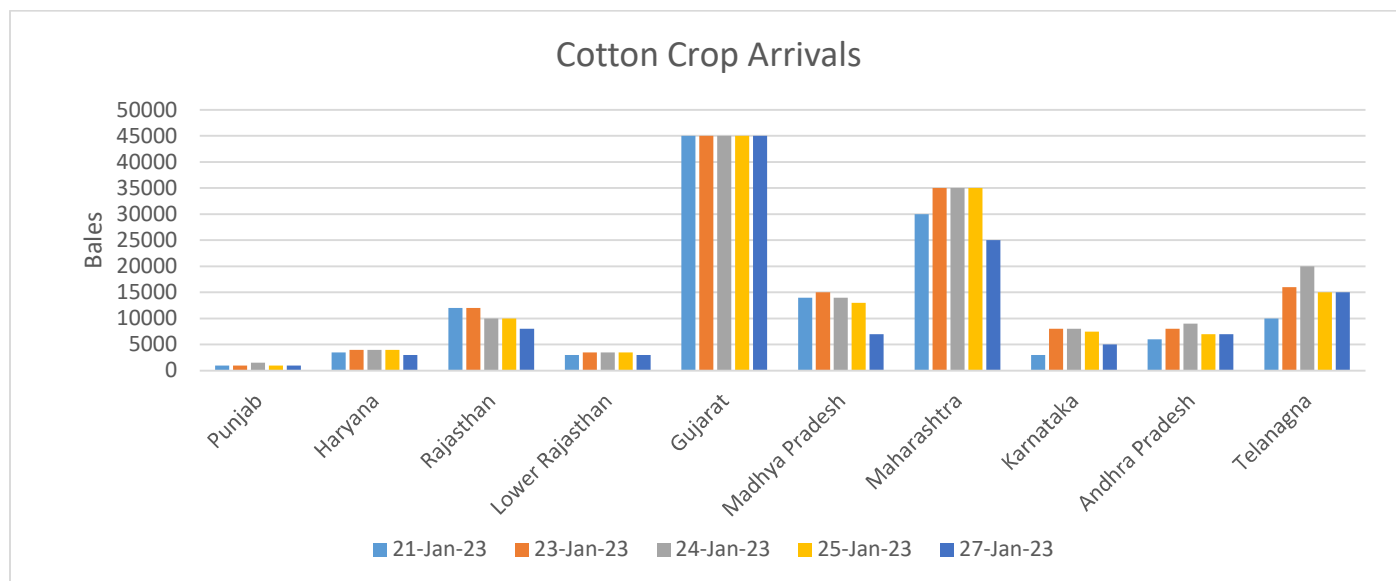
As per the Cotton Association of India latest estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate at 330.50 lakh bales from the previous 339.75 lakh bales. The cotton supply estimated by the CAI till end of the cotton season 2022-23 i.e. upto 30th September 2023 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	2770	2795	2768	2769	+17.00
Mar-23	2710	2738	2795	2701	+31.00

International Cotton Fundamentals:

The Cotlook A index was at 101.70 cents/lb. The AWP for cotton was 75.24 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	83.27	-216
May-23	84.11	-200
Jul-23	84.85	-187

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	7-Feb-23	6-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8350	8400	-50
	Gondal	Shankar-6	8180	8305	-125
	Rajkot	B.T. Cotton	8370	8340	30
	Patan	B.T. Cotton	8250	8240	10
	Kadi	B.T. Cotton	8100	8250	-150
	Deesa	B.T. Cotton	NA	7250	-
	Dhrol	B.T. Cotton	8355	8380	-25
Haryana	Bhiwani	B.T. Cotton	8000	7900	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8000	8100	-100
	Fatehabad	B.T. Cotton	7845	7925	-80
	Jind	B.T. Cotton	8000	NR	-
	Uchana	B.T. Cotton	7985	8000	-15
	Dabwali	B.T. Cotton	NR	7950	-
Rajasthan	Hanumangarh	B.T. Cotton	8200	8100	100
	Rawatsar	B.T. Cotton	8250	8200	50
Madhya Pradesh	Khandwa	Mech-1	7800	8000	-200
	Khargaon	Mech-1	7870	7835	35
Maharashtra	Amravati	Mech-1	8000	8200	-200



	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7400	NA	-
Andhra Pradesh	Adoni	Un-Ginned	7989	8149	-160
Karnataka	Bijapur	Bunny	NA	9519	-
	Hubli	D.C.H.	8500	8500	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-Feb-23	6-Feb-23	
Punjab	Bhatinda	J-34	6200	6225	-25
	Abohar	J-34	6200	6225	-25
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	6100	6100	Unch
Rajasthan	Sri-Ganganagar	J-34	6016	5969	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Feb-23	6-Feb-23	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	7700	7900	-200
	Rajkot	B.T. Cotton	3225	3500	-275
	Patan	B.T. Cotton	4272	4520	-248
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	NA	5	-
	Dhrol	B.T. Cotton	686	905	-219
Haryana	Bhiwani	B.T. Cotton	450	400	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	255	180	75
	Jind	B.T. Cotton	250	NR	-
	Uchana	B.T. Cotton	NR	325	-
	Dabwali	B.T. Cotton	NR	325	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	5000	-2000
	Rawatsar	B.T. Cotton	3000	5000	-2000
Madhya Pradesh	Khandwa	Mech-1	5000	5750	-750
	Khargaon	Mech-1	NA	6000	-
Maharashtra	Amravati	Mech-1	22000	21000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	51877.5	NA	-
Andhra Pradesh	Adoni	Un-Ginned	2166	940	1226
Karnataka	Bijapur	Bunny	NA	4420	-
	Hubli	D.C.H.	90	44	46
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	19	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	7-Feb-23	6-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	680	-170
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	850	1190	-340
Rajasthan	Sri-Ganganagar	J-34	1500	2000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	7-Feb-23	6-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1100	1090	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1100	1105	-5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	7-Feb-23	6-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2791	2780	12
Maharashtra	Akola	Rs./Qtl	2847	2857	-10

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	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 Monday, Feb 06, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230206	85.13	85.6	83.07	83.27	-2.16	16,548	75,781	-1782
23-May	230206	85.86	86.24	83.9	84.11	-2	10,448	59,904	2385
23-Jul	230206	86.72	86.81	84.64	84.85	-1.87	6,013	41,456	103
23-Oct	230206	83.78	83.78	83.78	83.78	-1.48	2	16	-2
23-Dec	230206	84.81	85.15	83.35	83.73	-1.42	4,423	27,269	669
24-Mar	230206	85.13	85.41	83.8	84.16	-1.42	965	4,426	-315
Total Volume and Open Interest							38,879	211,702	1,286

Source: MRCI

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