

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded down at Rs. 29,910/bale on Friday. ICE cotton futures closed firm on Thursday.

#### **News**

The cotton arrival in the north zone has decreased by a minimum of 10 lakh bales during this season. As per ICAL data, as of January 31st, only 26.17 lakh bales arrived this season, compared to 36.84 lakh bales in the same period last season. This number is also significantly lower than the expected cotton arrival quantity of 40.91 lakh bales for this season.

The Brazilian agriculture supply company CONAB has raised its outlook for cotton production by 19.2%, now estimating 13.97 million bales. Meanwhile, the United States Department of Agriculture (USDA) updated its forecast to 13.3 million bales in its latest WASDE update.

Indian spot prices (Shankar-6 quality) decreased slightly over the past month, from 97 to 94 cents/lb. Values eased from ₹62,500 per candy to ₹61,500 per candy. The INR was traded close to 82 per USD over the past month.

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.

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 30<sup>th</sup> 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 1<sup>st</sup> 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.

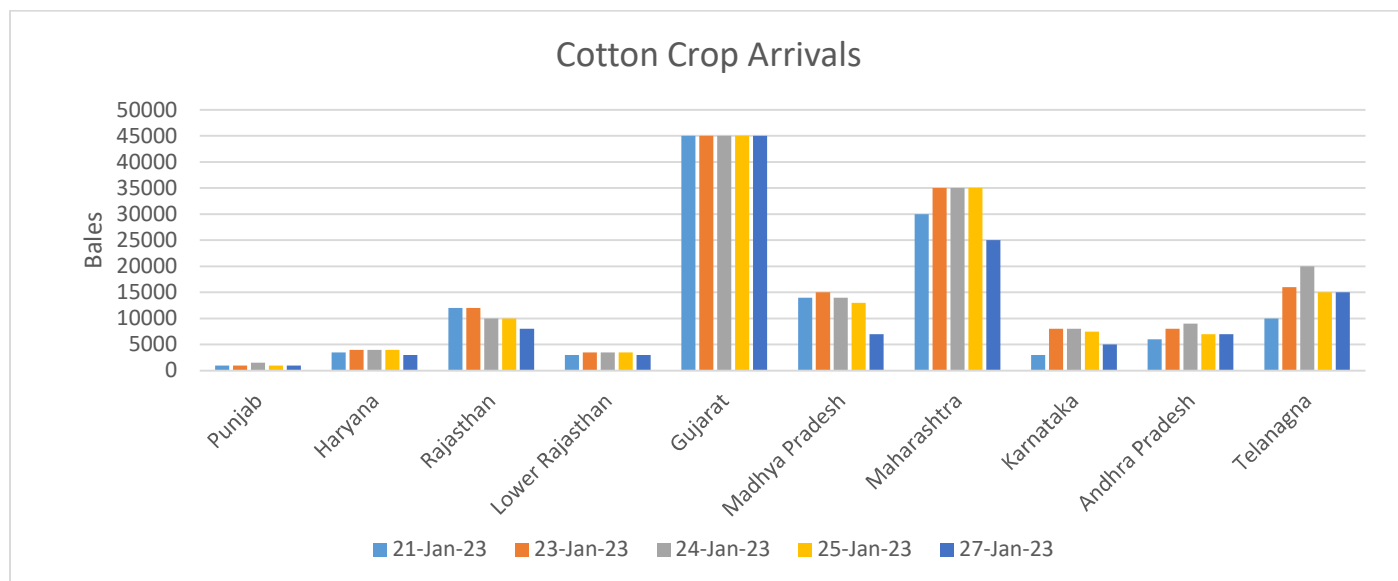
The domestic consumption for the season is estimated at 300 lakh bales. The exports for the season have been estimated at 30.00 lakh bales i.e., at the same level as estimated previously. The exports estimate for the previous cotton season 2021-22 was 43 lakh bales. The carry-over stock which was earlier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

### Weather Forecast

Light isolated to scattered rainfall likely over Western Himalayan region and Arunachal Pradesh. Light isolated to scattered rainfall over Andaman & Nicobar Islands.

Dry weather likely over rest parts of the country.

### All India New Cotton Crop: Bales



### NCDEX Cottonseed Oilcake

|               | Open | High | Low  | Close | Change        |
|---------------|------|------|------|-------|---------------|
| <b>Feb-23</b> | 2752 | 2755 | 2723 | 2760  | <b>-33.00</b> |
| <b>Mar-23</b> | 2739 | 2740 | 2706 | 2740  | <b>-34.00</b> |

### International Cotton Fundamentals:

The Cotlook A index was at 95 cents/lb. The AWP for cotton was 74.41 cents/lb.

| ICE Cotton Futures (Cents/Lb) |       |            |
|-------------------------------|-------|------------|
|                               | Close | Change     |
| <b>Mar-23</b>                 | 85.50 | <b>+13</b> |
| <b>May-23</b>                 | 85.94 | <b>-6</b>  |
| <b>Jul-23</b>                 | 86.45 | <b>-19</b> |

According to USDA WASDE February report, the 2022-23 U.S. Cotton Production is estimated 438,000 bales at 14.7 million bales, with yield at 947 pounds per acre, which is same as the January 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 lower by 8,50,000 bales to 4.2 million, equal to 30 percent of projected use.

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       | 10-Feb-23             | 9-Feb-23 |        |
| Gujarat        | Ahmedabad   | Shankar-6     | 8500                  | 8550     | -50    |
|                | Gondal      | Shankar-6     | NA                    | 8305     | -      |
|                | Rajkot      | B.T. Cotton   | 8350                  | 8400     | -50    |
|                | Patan       | B.T. Cotton   | 8250                  | 8315     | -65    |
|                | Kadi        | B.T. Cotton   | 8150                  | 8000     | 150    |
|                | Deesa       | B.T. Cotton   | 7000                  | 7400     | -400   |
|                | Dhrol       | B.T. Cotton   | 8335                  | 8350     | -15    |
| Haryana        | Bhiwani     | B.T. Cotton   | 8000                  | 8000     | Unch   |
|                | Bhiwani     | Desi          | NA                    | NA       | -      |
|                | Adampur     | B.T. Cotton   | 8200                  | 8100     | 100    |
|                | Fatehabad   | B.T. Cotton   | 8180                  | 8115     | 65     |
|                | Jind        | B.T. Cotton   | NR                    | NR       | -      |
|                | Uchana      | B.T. Cotton   | 8060                  | 8035     | 25     |
|                | Dabwali     | B.T. Cotton   | 8095                  | 8030     | 65     |
| Rajasthan      | Hanumangarh | B.T. Cotton   | 8300                  | 8250     | 50     |
|                | Rawatsar    | B.T. Cotton   | 8350                  | 8370     | -20    |
| Madhya Pradesh | Khandwa     | Mech-1        | 7900                  | NR       | -      |
|                | Khargaon    | Mech-1        | NA                    | 8095     | -      |
| Maharashtra    | Amravati    | Mech-1        | NR                    | 8000     | -      |
|                | Jamner      | Medium Staple | NA                    | NA       | -      |
| Uttar Pradesh  | Hathras     | B.T. Cotton   | NA                    | NA       | -      |
|                | Hathras     | Desi          | NA                    | NA       | -      |
| Telangana      | Adilabad    | Un-Ginned     | 7600                  | 7600     | Unch   |



|                |                |             |                     |          |        |
|----------------|----------------|-------------|---------------------|----------|--------|
| Andhra Pradesh | Adoni          | Un-Ginned   | 7852                | 7921     | -69    |
| Karnataka      | Bijapur        | Bunny       | NA                  | 8169     | -      |
|                | Hubli          | D.C.H.      | NA                  | 8350     | -      |
|                | Hubli          | B.T. Cotton | NA                  | NA       | -      |
|                | Raichur        | H-44 Cotton | 8000                | 8100     | -100   |
| Commodity      | Lint           |             | Prices (Rs. /Maund) |          | Change |
| State          | Centre         | Variety     | 10-Feb-23           | 9-Feb-23 |        |
| Punjab         | Bhatinda       | J-34        | 6350                | 6325     | 25     |
|                | Abohar         | J-34        | 6350                | 6325     | 25     |
|                | Mansa          | J-34        | 6280                | 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       | 10-Feb-23          | 9-Feb-23 |        |
| Gujarat        | Ahmedabad   | Shankar-6     | 57800              | 54400    | 3400   |
|                | Gondal      | Shankar-6     | 7800               | 7800     | Unch   |
|                | Rajkot      | B.T. Cotton   | 3200               | 3600     | -400   |
|                | Patan       | B.T. Cotton   | 4270               | 4360     | -90    |
|                | Kadi        | B.T. Cotton   | 20000              | 15000    | 5000   |
|                | Deesa       | B.T. Cotton   | 20                 | 20       | Unch   |
|                | Dhrol       | B.T. Cotton   | 578                | 779      | -201   |
| Haryana        | Bhiwani     | B.T. Cotton   | 700                | 600      | 100    |
|                | Bhiwani     | Desi          | NA                 | NA       | -      |
|                | Adampur     | B.T. Cotton   | 850                | 850      | Unch   |
|                | Fatehabad   | B.T. Cotton   | 225                | 300      | -75    |
|                | 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   | 1500               | 1500     | Unch   |
|                | Rawatsar    | B.T. Cotton   | 1500               | 1500     | Unch   |
| Madhya Pradesh | Khandwa     | Mech-1        | 4500               | NR       | -      |
|                | Khargaon    | Mech-1        | NA                 | 4600     | -      |
| Maharashtra    | Amravati    | Mech-1        | NR                 | 22000    | -      |
|                | Jamner      | Medium Staple | NA                 | NA       | -      |
| Uttar Pradesh  | Hathras     | B.T. Cotton   | NA                 | NA       | -      |
|                | Hathras     | Desi          | NA                 | NA       | -      |
| Telangana      | Adilabad    | Un-Ginned     | 33991.5            | 50444.5  | -16453 |
| Andhra Pradesh | Adoni       | Un-Ginned     | 1077               | 1090     | -13    |
| Karnataka      | Bijapur     | Bunny         | NA                 | 4259     | -      |
|                | Hubli       | D.C.H.        | NA                 | 116      | -      |

|           | Hubli          | B.T. Cotton | NA                 | NA       | -      |
|-----------|----------------|-------------|--------------------|----------|--------|
|           | Raichur        | H-44 Cotton | 15                 | 19       | -4     |
| Commodity | Lint           |             | Arrivals (Quintal) |          | Change |
| State     | Centre         | Variety     | 10-Feb-23          | 9-Feb-23 |        |
| Punjab    | Bhatinda       | J-34        | NA                 | NA       | -      |
|           | Abohar         | J-34        | 255                | 340      | -85    |
|           | Mansa          | J-34        | NA                 | NR       | -      |
| Haryana   | Sirsa          | J-34        | 340                | 340      | Unch   |
| Rajasthan | Sri-Ganganagar | J-34        | 1500               | 2000     | -500   |

### Cotton Seed Oil Prices:

| Commodity   | Cotton Seed Oil |             | Price     |          | Change |
|-------------|-----------------|-------------|-----------|----------|--------|
| State       | Centre          | Unit        | 10-Feb-23 | 9-Feb-23 |        |
| Gujarat     | Rajkot          | Rs. /10 Kg. | 1110      | 1115     | -5     |
| Delhi       | New Delhi       | Rs. /10 Kg. | NR        | NR       | -      |
| Telangana   | Hyderabad       | Rs. /10 Kg. | NA        | NA       | -      |
| Maharashtra | Mumbai          | Rs. /10 Kg. | 1115      | 1130     | -15    |

### Cotton Seed Oil Seed Cake Prices:

| Commodity   | Cotton Seed Oil Seed Cake |          | Price     |          | Change |
|-------------|---------------------------|----------|-----------|----------|--------|
| State       | Centre                    | Unit     | 10-Feb-23 | 9-Feb-23 |        |
| Gujarat     | Mahesana (Kadi)           | Rs. /Qtl | 2815      | 2840     | -25    |
| Maharashtra | Akola                     | Rs. /Qtl | 2852      | 2878     | -26    |

| 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    | 10-Feb-23 | 8-Feb-23 | Change |
|----------------------------------|---------|-----------|----------|--------|
| CCIndex(328)                     | RMB/Ton | 15920     | 62900    | -46980 |
| CCIndex(527)                     | RMB/Ton | 0         | 63400    | -63400 |
| CCIndex(229)                     | RMB/Ton | 0         | 59600    | -59600 |
| RMB -Renminbi, 1RMB =0.16 \$U.S. |         |           |          |        |

#### China Foreign Cotton (FCE) Index :

| Index        | Unit     | 10-Feb-23 | 8-Feb-23 | Change |
|--------------|----------|-----------|----------|--------|
| FC Index (S) | Cents/lb | 101.61    | 102.02   | -0.41  |
| FC Index (M) | Cents/lb | 100.8     | 101.23   | -0.43  |
| FC Index (L) | Cents/lb | 99.8      | 100.23   | -0.43  |

#### Cotlook Index:

| Cotlook Indices | Unit        | 9-Feb-23 | 8-Feb-23 | Change |
|-----------------|-------------|----------|----------|--------|
| A-Index         | Cents/Pound | 100.75   | 102.02   | -1.27  |

#### USDA Cotton Spot Rates:

| Growth Area | Unit      | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|-----------|---------------------|---------------------|----------|
|             |           | 9-Feb-23            | 9-Feb-23            | Bales    |
| Southeast   | cents/lb. | 86                  | 88.25               | 1000     |
| North Delta | cents/lb. | 85                  | 87.25               | 0        |
| South Delta | cents/lb. | 85                  | 87.25               | 0        |
| East TX-OK  | cents/lb. | 82.25               | 84                  | 958      |
| West Texas  | cents/lb. | 82.25               | 83.75               | 808      |
| Desert SW   | cents/lb. | 81.25               | 83.5                | 75       |
| SJ Valley   | cents/lb. | 81.5                | 90.4                | 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/<br>GPT | Rs. Per<br>Candy | Rs. Per<br>Candy | Change |
|---------------------------------------|------------|------------|------------------|------------------|------------------|--------|
|                                       |            |            |                  | 9-Feb-23         | 8-Feb-23         |        |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0  | 15               | 63000            | 62900            | 100    |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 63500            | 63400            | 100    |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 59600            | 59600            | Unch   |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | 60200            | 59700            | 500    |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 62000            | 61700            | 300    |
| Bunny/ Brahma (105)                   | 31mm       | 3.5 - 4.9  | 30               | 63000            | 62700            | 300    |
| MCU-5/ Surabhi (106)                  | 32mm       | 3.3 - 4.9  | 31               | 64000            | 63500            | 500    |
| DCH-32(107)                           | 34mm       | 3.0 - 3.8  | 33               | 70500            | 69000            | 1500   |

**Daily Futures Price Listing Thursday, Feb 09, 2023**

| Most Recent Information        |        |       |       |       |       |        | Previous Day |          |        |
|--------------------------------|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Month                          | Date   | Open  | High  | Low   | Close | Change | Volume       | Open Int | Change |
| <a href="#">23-Mar</a>         | 230209 | 85.32 | 86.3  | 85.1  | 85.5  | 0.13   | 32,551       | 60,072   | -10062 |
| <a href="#">23-May</a>         | 230209 | 86    | 86.89 | 85.66 | 85.94 | -0.06  | 25,159       | 68,851   | 5192   |
| <a href="#">23-Jul</a>         | 230209 | 86.64 | 87.41 | 86.17 | 86.45 | -0.19  | 11,702       | 43,295   | -127   |
| <a href="#">23-Oct</a>         | 230209 | 85.28 | 85.28 | 85.28 | 85.28 | 0.08   | 0            | 16       | 0      |
| <a href="#">23-Dec</a>         | 230209 | 85.3  | 85.95 | 84.73 | 85.27 | -0.03  | 8,738        | 30,589   | 1151   |
| <a href="#">24-Mar</a>         | 230209 | 85.88 | 86    | 84.88 | 85.47 | -0.13  | 1195         | 5,222    | 564    |
| Total Volume and Open Interest |        |       |       |       |       |        | 79,850       | 210,928  | -3,242 |

Source: MRCI

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