

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 63,080/candy on Wednesday. ICE cotton futures closed red on Tuesday.

News

On Monday, MCX re-launched the cotton futures and now the prices would trade in candy rather than in bales. The relaunch of cotton futures on MCX will help the participants to manage their risks and hedge against price fluctuations.

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 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.

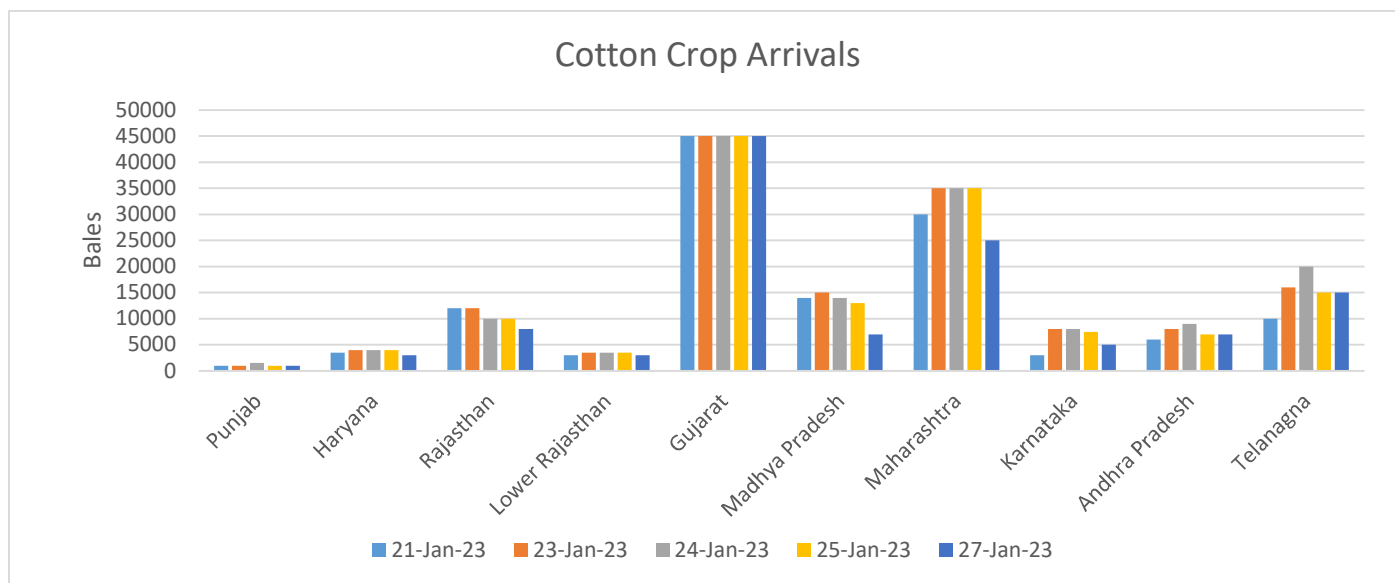
The domestic consumption for the season is estimated at 300 lakh bales. The exports for the season have been estimated at 30.00 lakh bales i.e., at the same level as estimated previously. The exports estimate for the previous cotton season 2021-22 was 43 lakh bales. The carry-over stock which was earlier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

Weather Forecast

Light isolated 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

Expiry Date	Open	High	Low	Close	Change
Feb-23	2839	2847	2825	2831	+7.00
Mar-23	2763	2766	2727	2762	-26.00

International Cotton Fundamentals:

The Cotlook A index was at 100.55 cents/lb. The AWP for cotton was 74.41 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	85.4	-24
May-23	85.7	-9
Jul-23	86.16	-6

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.

The cotton arrivals in Pakistan declined by 35.8% in the current marketing year 2022-23 in Aug-Jan, compared to the same period in the previous marketing season. The decrease is mainly due to heavy rains and floods in the main cotton-producing states last year that affected the current marketing season's crop. However, the arrival increased by 105.29 per cent year-on-year (YoY) in January 2023. The arrival rose from 73,513 bales in January 2022 to 150,922 bales in January 2023. January was a slower month for cotton arrival in Pakistan.

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	15-Feb-23	14-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8550	8550	Unch
	Gondal	Shankar-6	8530	8505	25
	Rajkot	B.T. Cotton	8525	NA	-
	Patan	B.T. Cotton	8470	8320	150
	Kadi	B.T. Cotton	8400	8400	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	8460	-
Haryana	Bhiwani	B.T. Cotton	8200	8100	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8350	8300	50
	Fatehabad	B.T. Cotton	8265	8330	-65
	Jind	B.T. Cotton	NR	8200	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8360	8315	45
Rajasthan	Hanumangarh	B.T. Cotton	8500	8400	100



	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	8000	8000	Unch
	Khargaon	Mech-1	8200	8150	50
Maharashtra	Amravati	Mech-1	8100	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	7800	-
Andhra Pradesh	Adoni	Un-Ginned	8139	8071	68
Karnataka	Bijapur	Bunny	NA	8353	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8100	8250	-150
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Feb-23	14-Feb-23	
Punjab	Bhatinda	J-34	6525	6475	50
	Abohar	J-34	6525	6450	75
	Mansa	J-34	6475	6400	75
Haryana	Sirsa	J-34	6375	6300	75
Rajasthan	Sri-Ganganagar	J-34	NR	6110	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Feb-23	14-Feb-23	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	7725	NA	-
	Rajkot	B.T. Cotton	2650	NA	-
	Patan	B.T. Cotton	3590	3900	-310
	Kadi	B.T. Cotton	35000	30000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	604	615	-11
Haryana	Bhiwani	B.T. Cotton	800	600	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2040	1360	680
	Fatehabad	B.T. Cotton	200	285	-85
	Jind	B.T. Cotton	NR	NA	-
	Uchana	B.T. Cotton	200	300	-100
	Dabwali	B.T. Cotton	200	300	-100
Rajasthan	Hanumangarh	B.T. Cotton	NR	NR	-
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	4000	3500	500
	Khargaon	Mech-1	4200	1500	2700

Maharashtra	Amravati	Mech-1	20000	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	43358.2	-
Andhra Pradesh	Adoni	Un-Ginned	1107	378	729
Karnataka	Bijapur	Bunny	NA	3195	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	15	1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Feb-23	14-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	2000	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Feb-23	14-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1120	1120	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1135	1135	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Feb-23	14-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2841	2854	-14
Maharashtra	Akola	Rs./Qtl	2866	2866	0

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	15-Feb-23	14-Feb-23	Change
CCIndex(328)	RMB/Ton	15643	64300	-48657
CCIndex(527)	RMB/Ton	0	64800	-64800
CCIndex(229)	RMB/Ton	0	60300	-60300

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

China Foreign Cotton (FCE) Index :

Index	Unit	15-Feb-23	13-Feb-23	Change
FC Index (S)	Cents/lb	101.5	101.21	0.29
FC Index (M)	Cents/lb	100.36	100.33	0.03
FC Index (L)	Cents/lb	99.36	99.33	0.03

Cotlook Index:

Cotlook Indices	Unit	14-Feb-23	13-Feb-23	Change
A-Index	Cents/Pound	100.85	101.21	-0.36

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		14-Feb-23	14-Feb-23	Bales
Southeast	cents/lb.	86.2	88.45	0
North Delta	cents/lb.	85.2	87.45	0
South Delta	cents/lb.	85.2	87.45	0
East TX-OK	cents/lb.	82.7	84.45	2288
West Texas	cents/lb.	82.7	84.2	8072

Desert SW	cents/lb.	81.7	83.95	1575
SJ Valley	cents/lb.	81.95	90.85	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
				14-Feb-23	13-Feb-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64300	64300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64800	64800	Unch
J-34(202)	26mm	3.5 - 4.9	23	60300	60000	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61000	60500	500
Shankar-6(105)	29mm	3.5 - 4.9	28	63000	62500	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63700	63000	700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64500	64000	500
DCH-32(107)	34mm	3.0 - 3.8	33	72000	71500	500

Daily Futures Price Listing Monday, Feb 13, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230214	85.5	85.9	84.4	85.4	-0.24	27,192	28,441	-10556
23-May	230214	85.55	86.09	84.5	85.7	-0.09	26,324	83,538	3046
23-Jul	230214	86.01	86.47	85	86.16	-0.06	7,893	44,395	123
23-Oct	230214	85.21	85.21	85.21	85.21	0.15	2	15	-4
23-Dec	230214	84.57	85.45	84.17	85.07	0.1	4,663	32,158	182
24-Mar	230214	84.7	85.42	84.43	85.15	-0.03	773	4,634	11
Total Volume and Open Interest							66,941	196,061	-7,196

Source: MRCI

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