

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 63,000/candy on Thursday. ICE cotton futures closed red on Wednesday.

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.

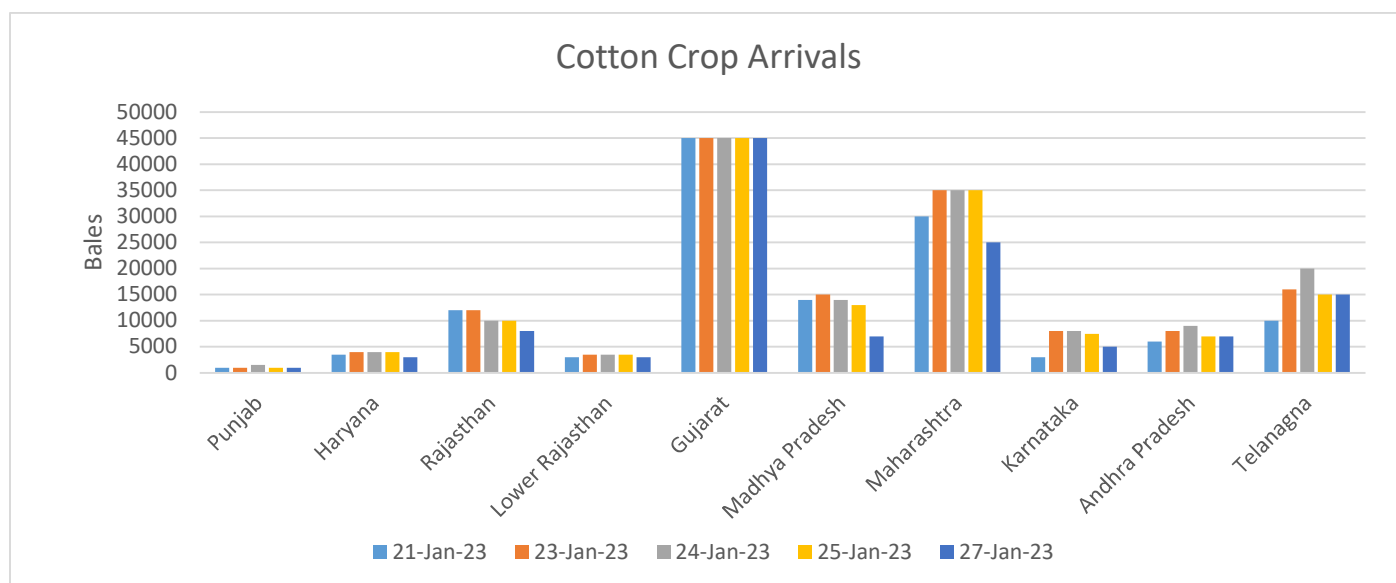
The domestic consumption for the season is estimated at 300 lakh bales. The exports for the season have been estimated at 30.00 lakh bales i.e., at the same level as estimated previously. The exports estimate for the previous cotton season 2021-22 was 43 lakh bales. The carry-over stock which was earlier 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 100.85 cents/lb. The AWP for cotton was 74.41 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	82.55	-285
May-23	82.87	-283
Jul-23	83.6	-256

According to USDA WASDE February report, the 2022-23 U.S. Cotton Production has decreased by 1.0 million bales to 114.4 million, mainly because of reduced yields in the Franc zone and India. Consumption is expected to decrease slightly from the previous month due to lower usage in Pakistan, Indonesia, and Vietnam, which offset the higher consumption in China. The global trade is projected to decrease by 1.2 million bales from the previous month, primarily due to lower worldwide consumption, including Bangladesh, Egypt, Indonesia, and Pakistan. The ending stocks have decreased by 850,000 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.

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	16-Feb-23	15-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8550	8550	Unch
	Gondal	Shankar-6	8305	8530	-225
	Rajkot	B.T. Cotton	8525	8525	Unch
	Patan	B.T. Cotton	8315	8470	-155
	Kadi	B.T. Cotton	8250	8400	-150
	Deesa	B.T. Cotton	NA	7500	-
	Dhrol	B.T. Cotton	8475	7100	1375
Haryana	Bhiwani	B.T. Cotton	NR	8200	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	8350	8350	Unch
	Fatehabad	B.T. Cotton	8255	8265	-10

	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8320	NA	-
	Dabwali	B.T. Cotton	NR	8360	-
Rajasthan	Hanumangarh	B.T. Cotton	8400	8500	-100
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	8200	8000	200
	Khargaon	Mech-1	8215	8200	15
Maharashtra	Amravati	Mech-1	8230	8100	130
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	8105	8139	-34
Karnataka	Bijapur	Bunny	8400	8680	-280
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8700	8100	600
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Feb-23	15-Feb-23	
Punjab	Bhatinda	J-34	6500	6525	-25
	Abohar	J-34	6500	6525	-25
	Mansa	J-34	6450	6475	-25
Haryana	Sirsa	J-34	6350	6375	-25
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Feb-23	15-Feb-23	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	7750	7725	25
	Rajkot	B.T. Cotton	2800	2650	150
	Patan	B.T. Cotton	2884	3590	-706
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	507	604	-97
Haryana	Bhiwani	B.T. Cotton	NR	800	-
	Bhiwani	Desi	NR	NA	-
	Adampur	B.T. Cotton	1360	2040	-680
	Fatehabad	B.T. Cotton	250	200	50
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NR	200	-
	Dabwali	B.T. Cotton	NR	200	-



Rajasthan	Hanumangarh	B.T. Cotton	NR	NR	-
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	3000	4000	-1000
	Khargaon	Mech-1	4100	4200	-100
Maharashtra	Amravati	Mech-1	20000	20000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	622	1107	-485
Karnataka	Bijapur	Bunny	2781	3430	-649
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	14	16	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Feb-23	15-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	340	510	-170
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	16-Feb-23	15-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	16-Feb-23	15-Feb-23	
Gujarat	Mahesana (Kadi)	Rs. /Qtl	2836	2841	-5
Maharashtra	Akola	Rs. /Qtl	2856	2866	-10

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	16-Feb-23	15-Feb-23	Change
CCIndex(328)	RMB/Ton	15607	64500	-48893
CCIndex(527)	RMB/Ton	0	65000	-65000
CCIndex(229)	RMB/Ton	0	60500	-60500

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

China Foreign Cotton (FCE) Index :

Index	Unit	16-Feb-23	15-Feb-23	Change
FC Index (S)	Cents/lb	98.7	101.5	-2.80
FC Index (M)	Cents/lb	97.56	100.36	-2.80
FC Index (L)	Cents/lb	96.56	99.36	-2.80

Cotlook Index:

Cotlook Indices	Unit	15-Feb-23	14-Feb-23	Change
A-Index	Cents/Pound	100.85	101.51	-0.66

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		15-Feb-23	15-Feb-23	Bales
Southeast	cents/lb.	83.37	85.62	0



North Delta	cents/lb.	82.37	84.62	0
South Delta	cents/lb.	82.37	84.62	0
East TX-OK	cents/lb.	79.87	81.62	727
West Texas	cents/lb.	79.87	81.37	4089
Desert SW	cents/lb.	78.87	81.12	600
SJ Valley	cents/lb.	79.12	88.02	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
				15-Feb-23	14-Feb-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64500	64300	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	65000	64800	200
J-34(202)	26mm	3.5 - 4.9	23	60500	60300	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61500	61000	500
Shankar-6(105)	29mm	3.5 - 4.9	28	63100	63000	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	64100	63700	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64600	64500	100
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72000	Unch

Daily Futures Price Listing Wednesday, Feb 15, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230214	85.25	85.5	82.03	82.55	-2.85	16,690	21,686	-6755
23-May	230214	85.58	85.9	82.5	82.87	-2.83	22,840	87,029	3491
23-Jul	230214	86.16	86.17	83.12	83.6	-2.56	9,655	44,970	575
23-Oct	230214	82.9	82.9	82.9	82.9	-2.31	0	15	0
23-Dec	230214	85.08	85.1	82.53	83	-2.07	3,128	32,649	491
24-Mar	230214	84.58	84.8	83.06	83.14	-2.01	206	4,575	-59
Total Volume and Open Interest							52,959	193,935	-2,126

Source: MRCI

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