

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded down at Rs. 62,720/candy on Thursday. ICE cotton futures closed red on Thursday.

News

Despite no significant increase in the area under the crop, cotton production in Telangana, the third-largest cotton growing state in the country, increased by 33% to 25 lakh tonnes in 2021-22 from 18.85 lt in 2015-16. The area under cotton grew by 12% to 19 lh from 17 lh during the same period. This surge in output enabled the state to export cotton worth 3,000 crore, nearly five times the 600 crore worth export achieved in 2014-15.

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.

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.

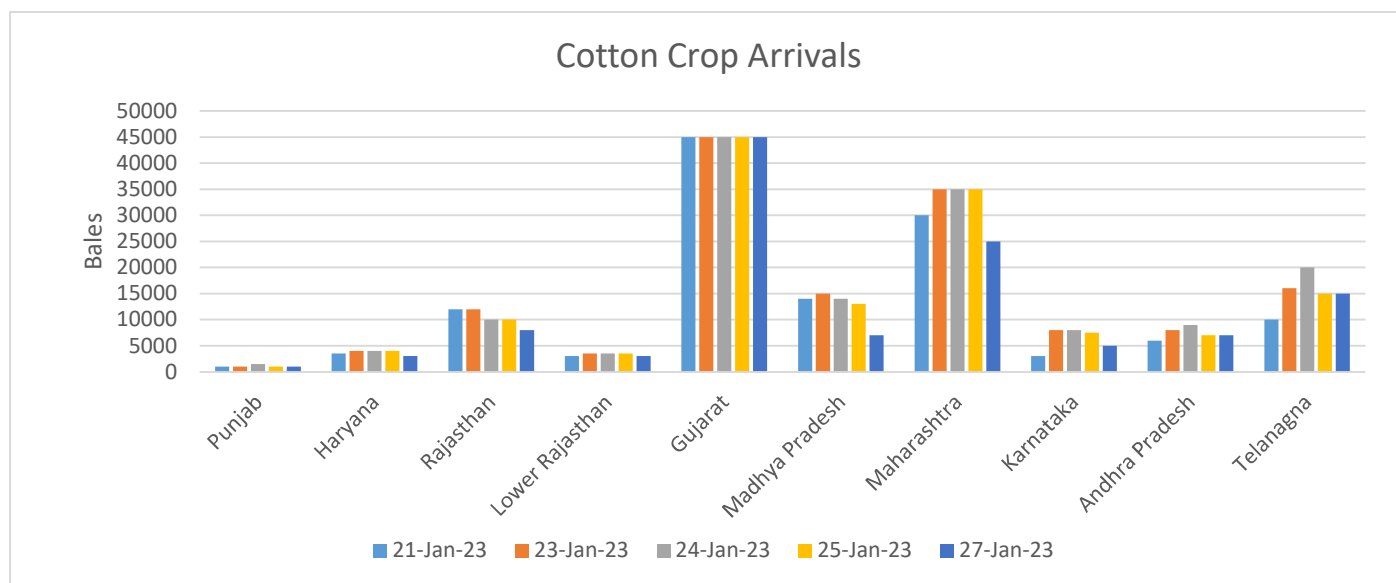
The domestic consumption for the season is estimated at 300 lakh bales. The exports for the season have been estimated at 30.00 lakh bales i.e., at the same level as estimated previously. The exports estimate for the previous cotton season 2021-22 was 43 lakh bales. The carry-over stock which was earlier 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	81.25	-130
May-23	82	-87
Jul-23	82.76	-84

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	17-Feb-23	16-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8400	8550	-150
	Gondal	Shankar-6	8305	8305	Unch
	Rajkot	B.T. Cotton	8490	8525	-35
	Patan	B.T. Cotton	8390	8315	75
	Kadi	B.T. Cotton	8500	8250	250
	Deesa	B.T. Cotton	7500	NA	-
	Dhrol	B.T. Cotton	8360	8475	-115
Haryana	Bhiwani	B.T. Cotton	8100	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	8315	8350	-35
	Fatehabad	B.T. Cotton	8160	8255	-95
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NA	8320	-
	Dabwali	B.T. Cotton	8270	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	8400	8400	Unch
	Rawatsar	B.T. Cotton	8500	NR	-
Madhya Pradesh	Khandwa	Mech-1	8300	8200	100
	Khargaon	Mech-1	8240	8215	25



Maharashtra	Amravati	Mech-1	NR	8230	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7800	7850	-50
Andhra Pradesh	Adoni	Un-Ginned	8091	8105	-14
Karnataka	Bijapur	Bunny	NA	8400	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8100	8700	-600
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	17-Feb-23	16-Feb-23	
Punjab	Bhatinda	J-34	6500	6500	Unch
	Abohar	J-34	6500	6500	Unch
	Mansa	J-34	6425	6450	-25
Haryana	Sirsa	J-34	6350	6350	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	17-Feb-23	16-Feb-23	
Gujarat	Ahmedabad	Shankar-6	54400	59500	-5100
	Gondal	Shankar-6	7725	7750	-25
	Rajkot	B.T. Cotton	2800	2800	Unch
	Patan	B.T. Cotton	2230	2884	-654
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	10	NA	-
	Dhrol	B.T. Cotton	679	507	172
Haryana	Bhiwani	B.T. Cotton	800	NR	-
	Bhiwani	Desi	NA	NR	-
	Adampur	B.T. Cotton	1360	1360	Unch
	Fatehabad	B.T. Cotton	200	250	-50
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	300	NR	-
	Dabwali	B.T. Cotton	300	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	2000	NR	-
	Rawatsar	B.T. Cotton	2000	NR	-
Madhya Pradesh	Khandwa	Mech-1	4000	3000	1000
	Khargaon	Mech-1	5100	4100	1000
Maharashtra	Amravati	Mech-1	NR	20000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-



	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	77603.1	58606.9	18996.2
Andhra Pradesh	Adoni	Un-Ginned	674	622	52
Karnataka	Bijapur	Bunny	NA	2781	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	17	14	3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	17-Feb-23	16-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	85	NA	-
Haryana	Sirsa	J-34	255	340	-85
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	17-Feb-23	16-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1125	1120	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1140	1135	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	17-Feb-23	16-Feb-23	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2788	2836	-48
Maharashtra	Akola	Rs./Qtl	2844	2856	-12

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	17-Feb-23	16-Feb-23	Change
CCIndex(328)	RMB/Ton	15596	64200	-48604
CCIndex(527)	RMB/Ton	0	64700	-64700
CCIndex(229)	RMB/Ton	0	60400	-60400

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

China Foreign Cotton (FCE) Index :

Index	Unit	17-Feb-23	16-Feb-23	Change
FC Index (S)	Cents/lb	97.9	98.7	-0.80
FC Index (M)	Cents/lb	96.73	97.56	-0.83
FC Index (L)	Cents/lb	95.72	96.56	-0.84

Cotlook Index:

Cotlook Indices	Unit	16-Feb-23	15-Feb-23	Change
A-Index	Cents/Pound	98.25	101.5	-3.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		16-Feb-23	16-Feb-23	Bales
Southeast	cents/lb.	82.5	84.75	0
North Delta	cents/lb.	81.5	83.75	0
South Delta	cents/lb.	81.5	83.75	0
East TX-OK	cents/lb.	79	80.75	461
West Texas	cents/lb.	79	80.5	1217
Desert SW	cents/lb.	78	80.25	467
SJ Valley	cents/lb.	78.25	87.15	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
				16-Feb-23	15-Feb-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64200	64500	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64700	65000	-300
J-34(202)	26mm	3.5 - 4.9	23	60400	60500	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61400	61500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	63000	63100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63900	64100	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64500	64600	-100
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72000	Unch

Daily Futures Price Listing Thursday, Feb 16, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230216	82.5	83.79	81	81.25	-1.3	9,372	18,095	-3591
23-May	230216	82.87	84.2	81.21	82	-0.87	20,410	89,141	2112
23-Jul	230216	83.69	84.92	82	82.76	-0.84	8,640	44,866	-104
23-Oct	230216	82.35	82.35	82.35	82.35	-0.55	0	15	0
23-Dec	230216	83	84.25	81.61	82.47	-0.53	4,451	33,018	369
24-Mar	230216	82.94	82.94	81.81	82.66	-0.48	250	4,517	-58
Total Volume and Open Interest							44,822	192,913	-1,022

Source: MRCI

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