

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 62,160/candy on Monday. ICE cotton futures closed red on Friday.

#### **News**

Cotton daily arrivals were at around 1,20,000-1,15,000 bales per day. During the past week arrivals were around 10 lakh bales. We expect arrivals to increase in the coming week as farmers are likely to release their stock. As per the market sources, many spinning mills are making carded yarn, some mills are coming back to using cotton. Most spinning mills are working with 80-100% of the capacity. The average count of yarn production is down as a result cotton consumption has improved across the country.

Cottonseed and oilcake remained stable during the last week. However, prices are likely to go down with the pressure of arrivals. The situation of Ginners has not improved and they are still facing disparity.

As per govt. 2<sup>nd</sup> Adv. estimates, the total cotton production in the country for the 2022-23 year will reach a record high of 337.23 lakh bales, representing an increase of 26.05 lakh bales from previous year production of 311.18 lakh bales.

As the cotton prices have not increased as per the expectation, some cotton farmers from Adilabad are selling their stock in Maharashtra where the prices are currently higher than the Adilabad market. Traders in Maharashtra are offering around Rs.8,500 per quintal for cotton.

During the past week, 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.

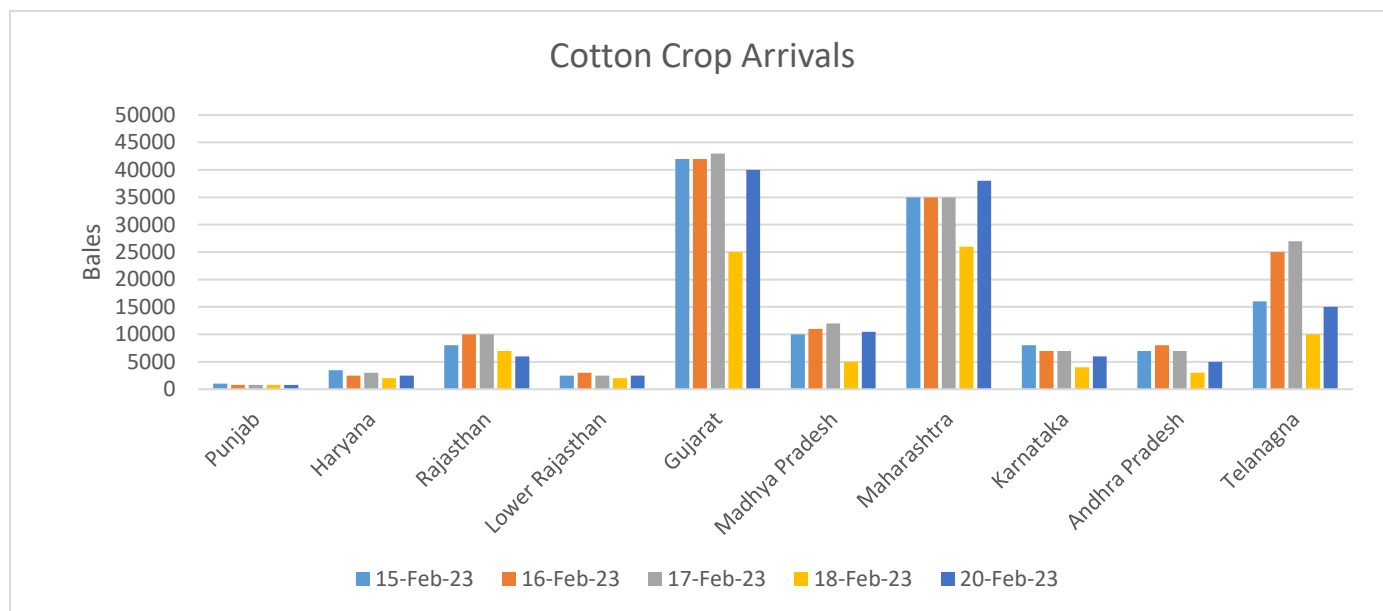
In the Union budget 2022-23, an announcement for adoption of cluster based and value chain approach through Public Private Partnership (PPP) was made so as to enhance the productivity of extra-long staple (ELS) cotton. It

will involve the collaboration between farmers, state and industry for input supplies, extension services, and market linkages.

### Weather Forecast

Light Heavy rainfall at isolated places over Arunachal Pradesh. Thunderstorm accompanied with lightening at isolated places over Arunachal Pradesh, Nagaland, Assam and Meghalaya.

### 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 98.25 cents/lb. The AWP for cotton was 74.05 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	80.25	-100



<b>May-23</b>	81.50	<b>-50</b>
<b>Jul-23</b>	82.35	<b>-41</b>

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	20-Feb-23	18-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8300	Closed	-
	Gondal	Shankar-6	8255	Closed	-
	Rajkot	B.T. Cotton	8350	Closed	-
	Patan	B.T. Cotton	NA	Closed	-
	Kadi	B.T. Cotton	8250	Closed	-
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	8370	Closed	-
Haryana	Bhiwani	B.T. Cotton	8000	Closed	-
	Bhiwani	Desi	NA	Closed	-
	Adampur	B.T. Cotton	8150	8300	-150
	Fatehabad	B.T. Cotton	8105	8175	-70
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	8095	8185	-90
Rajasthan	Hanumangarh	B.T. Cotton	8200	8100	100
	Rawatsar	B.T. Cotton	8350	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	Closed	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	8310	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Feb-23	18-Feb-23	
Punjab	Bhatinda	J-34	6450	6450	Unch
	Abohar	J-34	6450	6475	-25
	Mansa	J-34	6200	6350	-150
Haryana	Sirsa	J-34	6300	6325	-25
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Feb-23	18-Feb-23	

Gujarat	Ahmedabad	Shankar-6	59500	Closed	-
	Gondal	Shankar-6	7650	Closed	-
	Rajkot	B.T. Cotton	3600	Closed	-
	Patan	B.T. Cotton	NA	Closed	-
	Kadi	B.T. Cotton	25000	Closed	-
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	887	Closed	-
Haryana	Bhiwani	B.T. Cotton	400	Closed	-
	Bhiwani	Desi	NA	Closed	-
	Adampur	B.T. Cotton	1020	850	170
	Fatehabad	B.T. Cotton	225	200	25
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	600	150	450
	Dabwali	B.T. Cotton	600	150	450
Rajasthan	Hanumangarh	B.T. Cotton	1500	Closed	-
	Rawatsar	B.T. Cotton	1500	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	Closed	Closed	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
	Jamner	Medium Staple	NA	Closed	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3769	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Feb-23	18-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	102	85	17
Haryana	Sirsa	J-34	425	255	170
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Feb-23	18-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1120	Closed	-
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-



Maharashtra	Mumbai	Rs. /10 Kg.	1135	1135	Unch
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### Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Feb-23	18-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2721	2776	-54
Maharashtra	Akola	Rs./Qtl	2799	2844	-45

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index:

Index	Unit	20-Feb-23	18-Feb-23	Change
CCIndex(328)	RMB/Ton	15489	NA	-
CCIndex(527)	RMB/Ton	0	NA	-
CCIndex(229)	RMB/Ton	0	NA	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	20-Feb-23	18-Feb-23	Change
FC Index (S)	Cents/lb	97.49	Closed	-
FC Index (M)	Cents/lb	96.29	Closed	-
FC Index (L)	Cents/lb	95.29	Closed	-

#### Cotlook Index:

Cotlook Indices	Unit	18-Feb-23	17-Feb-23	Change
A-Index	Cents/Pound	NA	97.9	-

#### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		17-Feb-23	15-Feb-23	Bales
Southeast	cents/lb.	82	85.62	0
North Delta	cents/lb.	81	84.62	0
South Delta	cents/lb.	81	84.62	0
East TX-OK	cents/lb.	78.5	81.62	727
West Texas	cents/lb.	78.5	81.37	4089
Desert SW	cents/lb.	77.5	81.12	600
SJ Valley	cents/lb.	77.75	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
				18-Feb-23	17-Feb-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	NA	63900	-
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	NA	64400	-
J-34(202)	26mm	3.5 - 4.9	23	NA	60500	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	61100	-
Shankar-6(105)	29mm	3.5 - 4.9	28	NA	62500	-
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	NA	63700	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	64400	-
DCH-32(107)	34mm	3.0 - 3.8	33	NA	72000	-

**Daily Futures Price Listing Friday, Feb 17th 2023**

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">23-Mar</a>	230217	81.25	81.75	80	80.25	-1.00	14275	11924	-6171
<a href="#">23-May</a>	230217	81.99	82.42	80.88	81.5	-0.50	36,914	94,952	5811
<a href="#">23-Jul</a>	230217	82.76	83.08	81.7	82.35	-0.41	12,509	46,319	1453
<a href="#">23-Oct</a>	230217	82.16	82.16	82.16	82.16	-0.19	0	15	0
<a href="#">23-Dec</a>	230217	82.38	82.89	81.5	82.25	-0.22	3579	33,622	604
<a href="#">24-Mar</a>	230217	81.85	82.72	81.76	82.47	-0.19	75	4516	-1
Total Volume and Open Interest							67,531	194,648	1,735

Source: MRCI

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