

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 62,040/candy on Tuesday. ICE cotton futures closed red on Friday.

News

India's cotton import bill logged a 200% rise to \$1.34 billion between April 2022 and January 2023 compared to \$450.40 million during the comparable period last financial year.

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. 2nd 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.

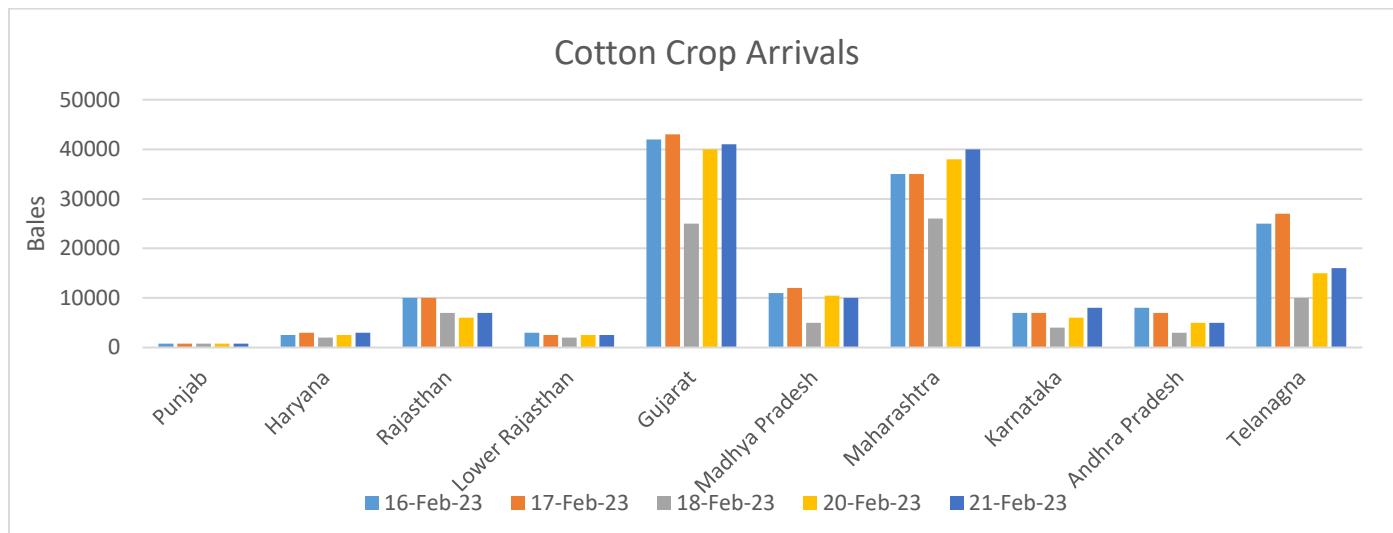
The Brazilian agriculture supply company CONAB has raised its outlook for cotton production by 19.2%, now estimating 13.97 million bales. Meanwhile, the United States Department of Agriculture (USDA) updated its forecast to 13.3 million bales in its latest WASDE update.

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.

Weather Forecast

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

All India New Cotton Crop: Bales



NCDEX Cottonseed Oilcake

Expiry Date	Open	High	Low	Close	Change
Mar-23	2699	2715	2675	2700	-20.00

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
May-23	81.50	-50
Jul-23	82.35	-41

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

As per the market sources, South India's cotton yarn market remained stable yesterday. Trading activities increased in Tiruppur, whereas domestic demand in the Mumbai market was limited. While spinners may be bullish due to high export orders, domestic demand from the downstream industry has not been encouraging and buyers were cautious.

Mumbai market witnessed steady trend in cotton yarn prices. While cotton yarn prices had increased early this week, demand from the domestic industry was average. Buyers were still cautious about new deals. Therefore, the prices did not improve further.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,540-1,570 and Rs.1,470-1,520 per 5 kg (GST extra), respectively. 60 combed warp was priced at Rs.350-355 per kg, 80 carded (weft) cotton yarn was sold at Rs.1,510-1,540 per 4.5 kg, 44/46 count carded cotton yarn (warp) was priced at Rs.285-290 per kg,

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Feb-23	20-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8250	8300	-50
	Gondal	Shankar-6	8325	8255	+70
	Rajkot	B.T. Cotton	8390	8350	40
	Patan	B.T. Cotton	NA	8360	-
	Kadi	B.T. Cotton	8050	8250	-200
	Deesa	B.T. Cotton	NA	7685	-
	Dhrol	B.T. Cotton	8345	8370	-25
Haryana	Bhiwani	B.T. Cotton	8000	8000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8200	8150	50
	Fatehabad	B.T. Cotton	7935	8105	-170
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8200	NA	-
	Dabwali	B.T. Cotton	8085	8095	-10
Rajasthan	Hanumangarh	B.T. Cotton	8200	8200	Unch
	Rawatsar	B.T. Cotton	8400	8350	50
Madhya Pradesh	Khandwa	Mech-1	8200	Closed	-
	Khargaon	Mech-1	8020	Closed	-
Maharashtra	Amravati	Mech-1	8200	Closed	-
Andhra Pradesh	Adoni	Un-Ginned	8107	NA	-
Karnataka	Bijapur	Bunny	8300	8310	-10
	Hubli	D.C.H.	6510	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8100	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	21-Feb-23	20-Feb-23	
Punjab	Bhatinda	J-34	6425	6450	-25
	Abohar	J-34	6400	6450	-50
	Mansa	J-34	6200	6200	Unch
Haryana	Sirsa	J-34	6300	6300	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Feb-23	20-Feb-23	

Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	8325	7650	25
	Rajkot	B.T. Cotton	4300	3600	-700
	Patan	B.T. Cotton	NA	3910	-
	Kadi	B.T. Cotton	30000	25000	5000
	Deesa	B.T. Cotton	NA	40	-
	Dhrol	B.T. Cotton	563	887	-324
Haryana	Bhiwani	B.T. Cotton	500	400	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	350	225	125
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	500	600	-100
	Dabwali	B.T. Cotton	500	600	-100
Rajasthan	Hanumangarh	B.T. Cotton	1000	1500	-500
	Rawatsar	B.T. Cotton	1000	1500	-500
Madhya Pradesh	Khandwa	Mech-1	4000	Closed	-
	Khargaon	Mech-1	1430	Closed	-
Maharashtra	Amravati	Mech-1	20000	Closed	-
Andhra Pradesh	Adoni	Un-Ginned	751	NA	-
Karnataka	Bijapur	Bunny	2557	3769	-1212
	Hubli	D.C.H.	9	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	17	NA	-
Commodity		Lint	Arrivals (Quintal)		Change
State	Centre	Variety	21-Feb-23	20-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	340	170
	Mansa	J-34	51	102	-51
Haryana	Sirsa	J-34	425	425	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	Closed	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	21-Feb-23	20-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1100	1120	-20
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1125	1135	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price	Change
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State	Centre	Unit	21-Feb-23	20-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2724	2721	3
Maharashtra	Akola	Rs./Qtl	2801	2799	2

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	21-Feb-23	20-Feb-23	Change
CCIndex(328)	RMB/Ton	15475	63800	-48325
CCIndex(527)	RMB/Ton	0	64300	-64300
CCIndex(229)	RMB/Ton	0	60100	-60100
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	21-Feb-23	20-Feb-23	Change
FC Index (S)	Cents/lb	97.28	97.49	-0.21
FC Index (M)	Cents/lb	96.13	96.29	-0.16
FC Index (L)	Cents/lb	95.12	95.29	-0.17

Cotlook Index:

Cotlook Indices	Unit	20-Feb-23	18-Feb-23	Change
A-Index	Cents/Pound	NA	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-Feb-23	18-Feb-23	Bales
Southeast	cents/lb.	NA	NA	NA
North Delta	cents/lb.	NA	NA	NA
South Delta	cents/lb.	NA	NA	NA
East TX-OK	cents/lb.	NA	NA	NA
West Texas	cents/lb.	NA	NA	NA
Desert SW	cents/lb.	NA	NA	NA
SJ Valley	cents/lb.	NA	NA	NA

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
				20-Feb-23	18-Feb-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63800	NA	-
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64300	NA	-
J-34(202)	26mm	3.5 - 4.9	23	60100	NA	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60700	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	62200	NA	-
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63300	NA	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64000	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	72000	NA	-

Daily Futures Price Listing Friday, Feb 17th 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230217	81.25	81.75	80	80.25	-1.00	14275	11924	-6171
23-May	230217	81.99	82.42	80.88	81.5	-0.50	36,914	94,952	5811
23-Jul	230217	82.76	83.08	81.7	82.35	-0.41	12,509	46,319	1453
23-Oct	230217	82.16	82.16	82.16	82.16	-0.19	0	15	0
23-Dec	230217	82.38	82.89	81.5	82.25	-0.22	3579	33,622	604
24-Mar	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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