

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 62,560/candy on Thursday. ICE cotton futures closed green on Wednesday.

News

The government on 22nd February 2023 has approved the Quality Control Order (QCO) for mandatory certification of cotton bales under specification no. IS12171:2019-Cotton Bales to augment the supply of good quality cotton to the textile Industry.

The Committee on Cotton Production and Consumption in its latest report has estimated cotton production at 337.23 lakh bales for the 2022-23 season comparatively higher from the previous season estimate of 311.17 lakh bales. Cotton imports and exports were estimated at 10 lakh bales and 35 lakh bales respectively. The closing stock is estimated at 46.48 lakh bales slightly higher from previous season of 45.25 lakh bales.

Details	2022-23		2021-22	
	(in lakh bales)	(in thousand Tons)	(in lakh bales)	(in thousand Tons)
Supply				
Opening Stock	45.25	769.25	71.84	1221.28
Crop	337.23	5732.91	311.17	5289.89
Imports	10	170	21.13	359.21
Total Supply	392.48	6672.16	404.14	6870.38
Demand				
Mill Consumption	275	4675	279.57	4752.69
Consumption by SSI Units	20	340	21.07	358.19
Non- Mill Consumption	16	272	16	272
Total Domestic Demand	346	5882	358.89	6101.13
Exports	35	595	42.25	718.25
Closing Stock	46.48	790.16	45.25	769.25

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.

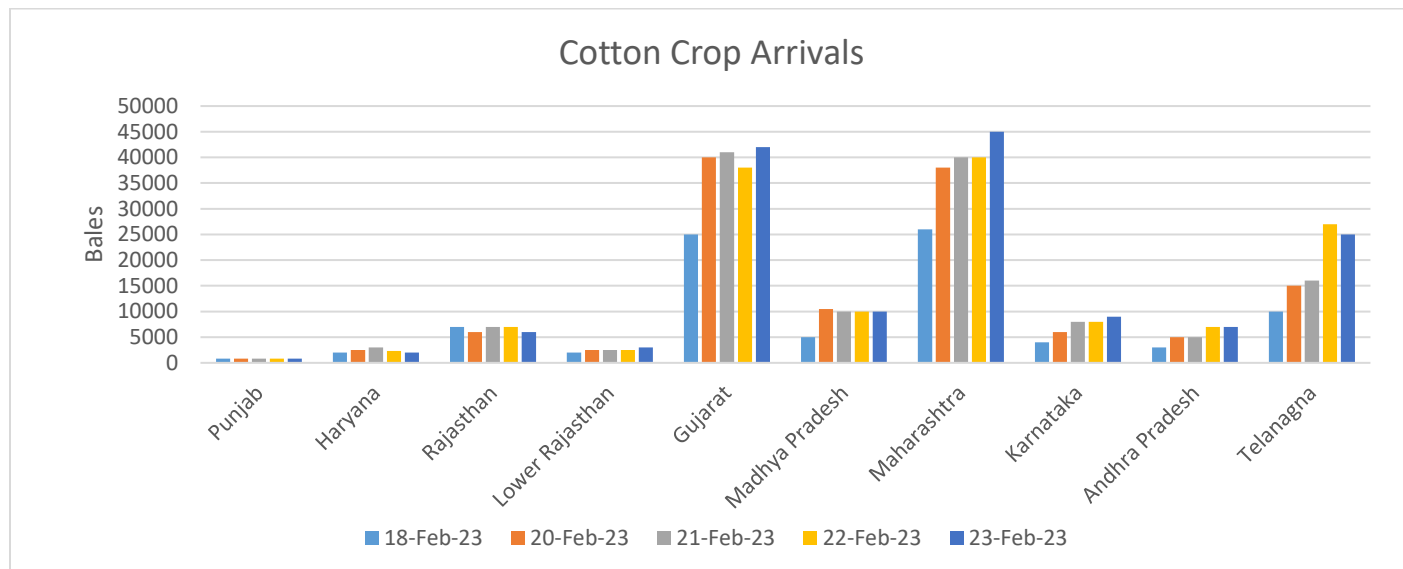
Cotton daily arrivals were at around 1,20,000-1,15,000 bales per day. During the past week arrivals were around 10 lakh bales. We expect arrivals to increase in the coming week as farmers are likely to release their stock. As per the market sources, many spinning mills are making carded yarn, some mills 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.

Weather Forecast

Thunderstorm accompanied with lightening at isolated places over Sub-Himalayan West Bengal and Sikkim.

All India New Cotton Crop: Bales



NCDEX Cottonseed Oilcake

Expiry Date	Open	High	Low	Close	Change
Mar-23	2684	2695	2614	2679	-47.00
Apr-23	2684	2695	2633	2683	-33.00
May-23	2690	2709	2651	2690	-39.00

International Cotton Fundamentals:

The Cotlook A index was at 96.85 cents/lb. The AWP for cotton was 74.05 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	82.25	+133
May-23	81.88	+35
Jul-23	82.52	+15

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	23-Feb-23	22-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8350	8400	-50
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	8450	8400	50
	Patan	B.T. Cotton	8395	8400	-5
	Kadi	B.T. Cotton	8300	8250	50
	Deesa	B.T. Cotton	7000	NA	-
	Dhrol	B.T. Cotton	8310	8325	-15
Haryana	Bhiwani	B.T. Cotton	8050	8000	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8200	8200	Unch
	Fatehabad	B.T. Cotton	8000	7960	40
	Jind	B.T. Cotton	8100	8200	-100
	Uchana	B.T. Cotton	NA	8200	-
	Dabwali	B.T. Cotton	8150	8100	50
Rajasthan	Hanumangarh	B.T. Cotton	8300	8200	100
	Rawatsar	B.T. Cotton	8400	8350	50
Madhya Pradesh	Khandwa	Mech-1	8200	8200	Unch
	Khargaon	Mech-1	NA	7970	-
Maharashtra	Amravati	Mech-1	8100	8200	-100
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	7650	7650	Unch
Andhra Pradesh	Adoni	Un-Ginned	8075	8045	30
Karnataka	Bijapur	Bunny	8260	8290	-30
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Feb-23	22-Feb-23	
Punjab	Bhatinda	J-34	6425	6425	Unch
	Abohar	J-34	6425	6425	Unch
	Mansa	J-34	6200	6200	Unch
Haryana	Sirsa	J-34	6325	6300	25
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Feb-23	22-Feb-23	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	7750	7700	50
	Rajkot	B.T. Cotton	2800	3400	-600
	Patan	B.T. Cotton	2005	3048	-1043
	Kadi	B.T. Cotton	25000	25000	Unch
	Deesa	B.T. Cotton	40	NA	-
	Dhrol	B.T. Cotton	400	399	1
Haryana	Bhiwani	B.T. Cotton	300	500	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1020	340
	Fatehabad	B.T. Cotton	200	250	-50
	Jind	B.T. Cotton	350	700	-350
	Uchana	B.T. Cotton	350	400	-50
	Dabwali	B.T. Cotton	350	400	-50
Rajasthan	Hanumangarh	B.T. Cotton	2500	1500	1000
	Rawatsar	B.T. Cotton	2500	1500	1000
Madhya Pradesh	Khandwa	Mech-1	4000	4000	Unch
	Khargaon	Mech-1	NA	6600	-
Maharashtra	Amravati	Mech-1	22000	20000	2000
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	74229.3	113876	-39646.7
Andhra Pradesh	Adoni	Un-Ginned	1108	1382	-274
Karnataka	Bijapur	Bunny	3737	3516	221
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	18	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Feb-23	22-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	425	510	-85
	Mansa	J-34	51	51	Unch
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	23-Feb-23	22-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1090	1100	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-



Maharashtra	Mumbai	Rs. /10 Kg.	1120	1125	-5
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Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	23-Feb-23	22-Feb-23	
Gujarat	Maheana (Kadi)	Rs./Qtl	2687	2702	-15
Maharashtra	Akola	Rs./Qtl	2795	2794	1

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	23-Feb-23	22-Feb-23	Change
CCIndex(328)	RMB/Ton	15481	15492	-11
CCIndex(527)	RMB/Ton	14116	14143	-27
CCIndex(229)	RMB/Ton	15754	15768	-14
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	23-Feb-23	22-Feb-23	Change
FC Index (S)	Cents/lb	98.06	97.57	0.49
FC Index (M)	Cents/lb	96.82	96.36	0.46
FC Index (L)	Cents/lb	95.82	95.36	0.46

Cotlook Index:

Cotlook Indices	Unit	21-Feb-23	20-Feb-23	Change
A-Index	Cents/Pound	96.85	97.49	-0.64

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Feb-23	21-Feb-23	Bales
Southeast	cents/lb.	82.03	84.28	0
North Delta	cents/lb.	81.03	83.28	0
South Delta	cents/lb.	81.03	83.28	0
East TX-OK	cents/lb.	78.53	80.28	431
West Texas	cents/lb.	78.53	80.03	625
Desert SW	cents/lb.	77.53	79.78	0
SJ Valley	cents/lb.	77.78	86.68	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
				22-Feb-23	21-Feb-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63900	63900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64400	64400	Unch
J-34(202)	26mm	3.5 - 4.9	23	60200	60200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60800	60800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	62400	62300	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63500	63400	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64200	64100	100
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72000	Unch

Daily Futures Price Listing Wednesday, Feb 22nd 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230222	81.87	82.78	81.87	82.25	1.33	7681	3028	-3752
23-May	230222	81.7	82.9	81.08	81.88	0.35	28,033	95,960	-238
23-Jul	230222	82.58	83.68	81.96	82.52	0.15	8,890	46,104	-19
23-Oct	230222	82.31	82.31	82.31	82.31	0.21	2	18	1
23-Dec	230222	82.35	83.31	81.85	82.08	-0.04	3639	34,716	333
24-Mar	230222	82.87	83.38	82.02	82.14	-0.22	32	4579	59
Total Volume and Open Interest							48,347	187,740	-3,589

Source: MRCI

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