

Domestic Fundamentals:

Market Outlook:

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

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.

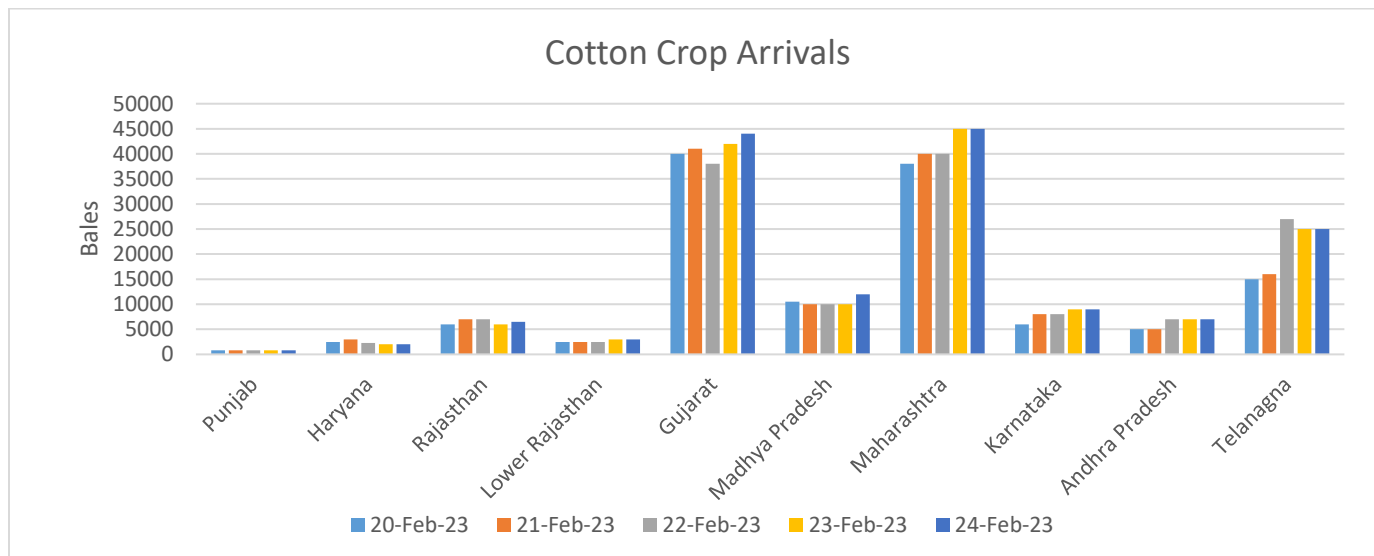
Cotton daily arrivals were at around 1,20,000-1,15,000 bales per day. During the past week arrivals were around 10 lakh bales. We expect arrivals to increase in the coming week as farmers are likely to release their stock. As per the market sources, many spinning mills are making carded yarn, some mills 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	2627	2640	2610	2635	-6.00
Apr-23	2648	2652	2622	2652	-14.00
May-23	2651	2651	2632	2657	-12.00

International Cotton Fundamentals:

The Cotlook A index was at 96.85 cents/lb. The AWP for cotton was 70.78 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	82.41	+16
May-23	82.16	+28
Jul-23	82.63	+11

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	24-Feb-23	23-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8400	8350	50
	Gondal	Shankar-6	8230	NA	-
	Rajkot	B.T. Cotton	8380	8450	-70
	Patan	B.T. Cotton	8350	8395	-45
	Kadi	B.T. Cotton	8250	8300	-50
	Deesa	B.T. Cotton	NA	7500	-
	Dhrol	B.T. Cotton	8255	8310	-55
Haryana	Bhiwani	B.T. Cotton	8050	8050	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8150	8200	-50
	Fatehabad	B.T. Cotton	8020	8000	20
	Jind	B.T. Cotton	NR	8100	-
	Uchana	B.T. Cotton	NA	8170	-
	Dabwali	B.T. Cotton	8020	8150	-130
Rajasthan	Hanumangarh	B.T. Cotton	8300	8300	Unch
	Rawatsar	B.T. Cotton	8400	8400	Unch
Madhya Pradesh	Khandwa	Mech-1	8300	8200	100
	Khargaon	Mech-1	NA	7960	-
Maharashtra	Amravati	Mech-1	8100	8100	Unch
Telangana	Adilabad	Un-Ginned	7620	7650	-30
Andhra Pradesh	Adoni	Un-Ginned	8075	8075	Unch
Karnataka	Bijapur	Bunny	8565	8260	305
	Hubli	D.C.H.	8300	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8000	7900	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Feb-23	23-Feb-23	
Punjab	Bhatinda	J-34	6500	6425	75
	Abohar	J-34	6500	6425	75
	Mansa	J-34	6300	6200	100
Haryana	Sirsa	J-34	6350	6325	25
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Feb-23	23-Feb-23	

Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	7825	7750	75
	Rajkot	B.T. Cotton	2700	2800	-100
	Patan	B.T. Cotton	2793	2005	788
	Kadi	B.T. Cotton	20000	25000	-5000
	Deesa	B.T. Cotton	NA	40	-
	Dhrol	B.T. Cotton	350	400	-50
Haryana	Bhiwani	B.T. Cotton	400	300	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1360	-340
	Fatehabad	B.T. Cotton	200	200	Unch
	Jind	B.T. Cotton	NR	350	-
	Uchana	B.T. Cotton	400	350	50
	Dabwali	B.T. Cotton	400	350	50
Rajasthan	Hanumangarh	B.T. Cotton	2000	2500	-500
	Rawatsar	B.T. Cotton	2000	2500	-500
Madhya Pradesh	Khandwa	Mech-1	4250	4000	250
	Khargaon	Mech-1	NA	5500	-
Maharashtra	Amravati	Mech-1	22000	22000	Unch
Telangana	Adilabad	Un-Ginned	67133.8	74229.3	-7095.5
Andhra Pradesh	Adoni	Un-Ginned	1100	1108	-8
Karnataka	Bijapur	Bunny	4029	3737	292
	Hubli	D.C.H.	48	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	10	6
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Feb-23	23-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	425	255
	Mansa	J-34	170	51	119
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	24-Feb-23	23-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1090	1090	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1100	1100	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	1110	1120	-10

Cotton Seed Oil Seed Cake Prices:



Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Feb-23	23-Feb-23	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2658	2687	-29
Maharashtra	Akola	Rs./Qtl	2750	2795	-45

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	24-Feb-23	23-Feb-23	Change
CCIndex(328)	RMB/Ton	15514	15481	33
CCIndex(527)	RMB/Ton	14128	14116	12
CCIndex(229)	RMB/Ton	15791	15754	37
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	24-Feb-23	23-Feb-23	Change
FC Index (S)	Cents/lb	98.36	98.06	0.30
FC Index (M)	Cents/lb	97.12	96.82	0.30
FC Index (L)	Cents/lb	96.12	95.82	0.30

Cotlook Index:

Cotlook Indices	Unit	22-Feb-23	21-Feb-23	Change
A-Index	Cents/Pound	96.85	97.28	-0.43

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		22-Feb-23	22-Feb-23	Bales
Southeast	cents/lb.	82.38	84.63	1223
North Delta	cents/lb.	81.38	83.63	0
South Delta	cents/lb.	81.38	83.63	0
East TX-OK	cents/lb.	78.88	80.63	0
West Texas	cents/lb.	78.88	80.38	3473
Desert SW	cents/lb.	77.88	80.13	0
SJ Valley	cents/lb.	78.13	87.03	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
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				23-Feb-23	22-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	60300	60200	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60900	60800	100
Shankar-6(105)	29mm	3.5 - 4.9	28	62500	62400	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63600	63500	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64300	64200	100
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72000	Unch

Daily Futures Price Listing Thursday, Feb 23rd 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230223	83.06	83.06	82	82.41	0.16	4284	110	-2918
23-May	230223	81.88	83.38	81.81	82.16	0.28	24,766	95,746	-214
23-Jul	230223	82.87	83.86	82.44	82.63	0.11	10,099	46,490	386
23-Oct	230223	82.42	82.42	82.42	82.42	0.11	0	18	0
23-Dec	230223	82.25	83.34	82.04	82.22	0.14	2625	34,906	190
24-Mar	230223	82.61	83.37	82.33	82.33	0.19	291	4579	0
Total Volume and Open Interest							42,485	185,270	-2,470

Source: MRCI

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