

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 62,680/candy on Saturday. ICE cotton futures closed green on Friday.

News

The Tamil Nadu Agriculture University expects cotton prices to go down to Rs. 7,000 to Rs. 7,500 per quintal in the coming months. While the area under cotton cultivation has increased this year, demand from the domestic textile industry is low and export prices are under pressure. Hence, cotton offtake remains lower. Presently, only about 40% of the textile mills are working in the Tripura-Coimbatore region.

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.

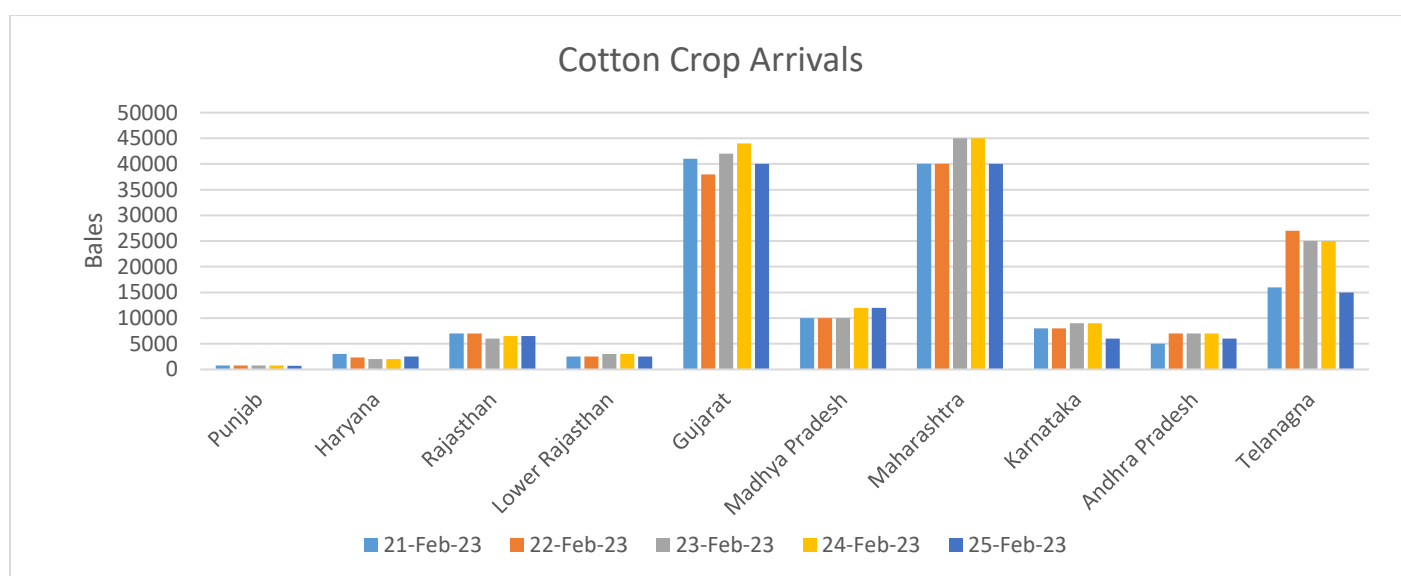
Most spinning mills are working with 80-100% of the capacity. The average count of yarn production is down as a result cotton consumption has improved across the country.

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 97.10 cents/lb. The AWP for cotton was 70.78 cents/lb.



ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	85.13	+272
May-23	84.90	+274
Jul-23	85.08	+245

The local cotton market during the past week remained bearish and the trading volume remained low. The rate of cotton in Sindh is in between Rs 17,500 to Rs 20,000 per maund. The rate of cotton in Punjab is in between Rs 18,000 to Rs 20,000 per maund. The rate of Phutti in Sindh is between Rs 6,500 to Rs 8,500 per 40 kg. The rate of Phutti in Punjab is in between Rs 7,500 to Rs 9,500 per 40 kg.

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.

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	25-Feb-23	24-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8350	8400	-50
	Gondal	Shankar-6	8255	8230	25
	Rajkot	B.T. Cotton	8400	8380	20
	Patan	B.T. Cotton	NA	8350	-
	Kadi	B.T. Cotton	8250	8250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8250	8255	-5
Haryana	Bhiwani	B.T. Cotton	8100	8050	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8160	8150	10
	Fatehabad	B.T. Cotton	8140	8020	120
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	8150	NA	-
	Dabwali	B.T. Cotton	8075	8020	55
Rajasthan	Hanumangarh	B.T. Cotton	8250	8300	-50
	Rawatsar	B.T. Cotton	8400	8400	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	8300	-
	Khargaon	Mech-1	Closed	NA	-
Maharashtra	Amravati	Mech-1	8100	8100	Unch
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	7620	7620	Unch
Andhra Pradesh	Adoni	Un-Ginned	8091	8075	16
Karnataka	Bijapur	Bunny	NA	8565	-
	Hubli	D.C.H.	NA	8300	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	8000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Feb-23	24-Feb-23	
Punjab	Bhatinda	J-34	6525	6500	25
	Abohar	J-34	6475	6500	-25
	Mansa	J-34	6300	6300	Unch



Haryana	Sirsa	J-34	6400	6350	50
Rajasthan	Sri-Ganganagar	J-34	6204	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-Feb-23	24-Feb-23	
Gujarat	Ahmedabad	Shankar-6	51000	59500	-8500
	Gondal	Shankar-6	7750	7825	-75
	Rajkot	B.T. Cotton	3000	2700	300
	Patan	B.T. Cotton	NA	2793	-
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	539	350	189
Haryana	Bhiwani	B.T. Cotton	700	400	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1020	-170
	Fatehabad	B.T. Cotton	315	200	115
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	400	400	Unch
	Dabwali	B.T. Cotton	400	400	Unch
Rajasthan	Hanumangarh	B.T. Cotton	7000	2000	5000
	Rawatsar	B.T. Cotton	7000	2000	5000
Madhya Pradesh	Khandwa	Mech-1	Closed	4250	-
	Khargaon	Mech-1	Closed	NA	-
Maharashtra	Amravati	Mech-1	22000	22000	Unch
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	71685.2	67133.8	4551.4
Andhra Pradesh	Adoni	Un-Ginned	1659	1100	559
Karnataka	Bijapur	Bunny	NA	4029	-
	Hubli	D.C.H.	NA	48	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	16	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	25-Feb-23	24-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	680	Unch
	Mansa	J-34	NA	170	-
Haryana	Sirsa	J-34	425	340	85
Rajasthan	Sri-Ganganagar	J-34	2500	NR	-



Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	25-Feb-23	24-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.	1120	1110	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	25-Feb-23	24-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2646	2658	-12
Maharashtra	Akola	Rs./Qtl	2737	2750	-13

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	23-Feb-23	22-Feb-23	Change
A-Index	Cents/Pound	97.1	97.57	-0.47

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Feb-23	23-Feb-23	Bales
Southeast	cents/lb.	82.66	84.91	0
North Delta	cents/lb.	81.66	83.91	0
South Delta	cents/lb.	81.66	83.91	0

East TX-OK	cents/lb.	79.16	80.91	55
West Texas	cents/lb.	79.16	80.66	4936
Desert SW	cents/lb.	78.16	80.41	0
SJ Valley	cents/lb.	78.41	87.31	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
				24-Feb-23	23-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	60500	60300	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61100	60900	200
Shankar-6(105)	29mm	3.5 - 4.9	28	62700	62500	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63800	63600	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64500	64300	200
DCH-32(107)	34mm	3.0 - 3.8	33	72300	72000	300

Daily Futures Price Listing Friday, Feb 24th 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230224	82	85.13	82	85.13	2.72	89	24	-86
23-May	230224	82.34	85.05	81.55	84.9	2.74	14,451	95,716	-30
23-Jul	230224	82.64	85.26	82.12	85.08	2.45	6,168	46,815	325
23-Oct	230224	84.47	84.47	84.47	84.47	2.05	1	17	-1
23-Dec	230224	82.7	84.5	81.95	84.32	2.10	2590	34,753	-153
24-Mar	230224	82.86	84.5	82.17	84.34	2.01	404	4423	-156
Total Volume and Open Interest							23,825	185,136	-134

Source: MRCI

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