

### Domestic Fundamentals:

#### **Market Outlook:**

The cotton physical market showed bearish trend across India today. MCX cotton spot price traded up at Rs. 62,620/candy on Monday. ICE cotton futures closed green on Friday.

#### **News**

The Cotton Corporation of India may stop procuring cotton at MSP after 31<sup>st</sup> March 2023. The raw cotton prices are currently trading at Rs. 8,250 per quintal at Rajkot Market which is much above the minimum support price of Rs. 6,380 per quintal.

Temperature is on the rise in most of the region. The reports of dry spell this year, may affect the standing crop although about 75% of the crop has been harvested. Cotton daily arrivals were at around 1,12,000-1,16,000 bales per day. During the past week, arrivals were around 10 lakh bales. Arrivals has increased during the past week as farmers are releasing their stock.

Cottonseed and oilcake prices remained lower during the last week. However, prices are likely to go down with the pressure of arrivals. There is very limited demand for cottonseed in the market. Prices are further likely to go down due to weak demand.

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 22<sup>nd</sup> 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)
<b>Supply</b>				
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
<b>Demand</b>				
Mill Consumption	275	4675	279.57	4752.69
Consumption by SSI Units	20	340	21.07	358.19

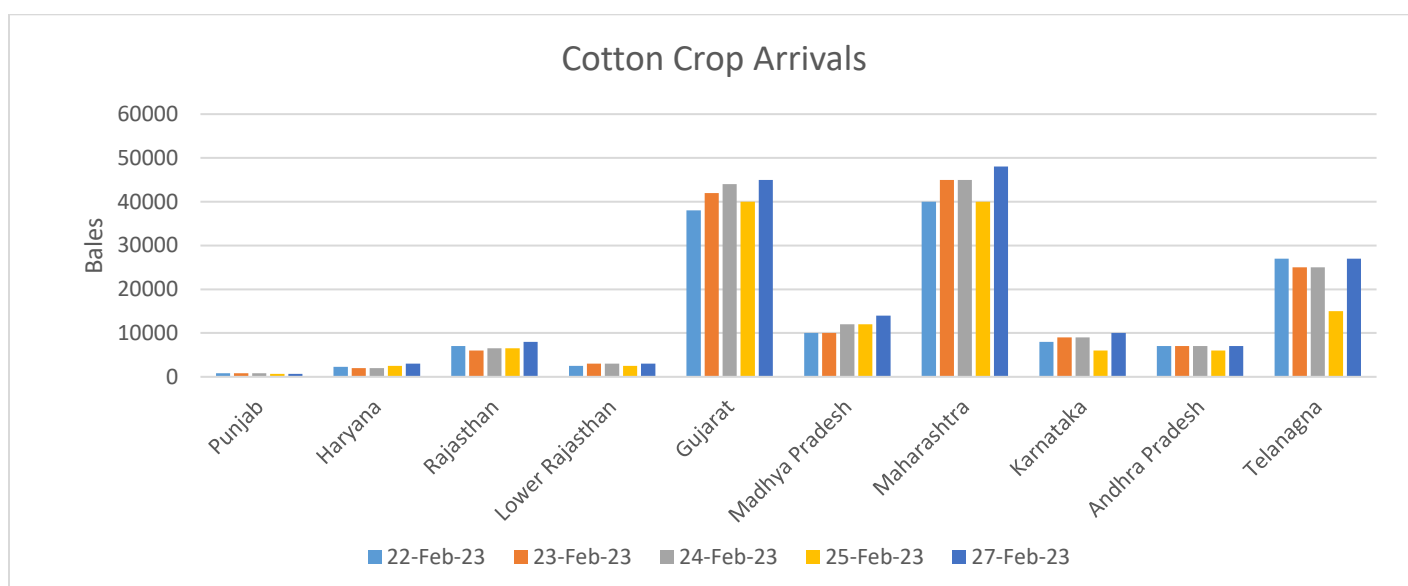
Non- Mill Consumption	16	272	16	272
Total Domestic Demand	346	5882	358.89	6101.13
Exports	35	595	42.25	718.25
<b>Closing Stock</b>	<b>46.48</b>	<b>790.16</b>	<b>45.25</b>	<b>769.25</b>

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.

### Weather Forecast

Thunderstorm accompanied with lightening at isolated places over Punjab.

### All India New Cotton Crop: Bales



### NCDEX Cottonseed Oilcake

Expiry Date	Open	High	Low	Close	Change
<b>Mar-23</b>	2611	2611	2550	2628	<b>-65</b>
<b>Apr-23</b>	2625	2625	2573	2635	<b>-62</b>
<b>May-23</b>	2632	2632	2570	2643	<b>-63</b>

### 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	27-Feb-23	25-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8350	8350	Unch
	Gondal	Shankar-6	8180	8255	-75
	Rajkot	B.T. Cotton	8250	8400	-150
	Patan	B.T. Cotton	8325	8400	-75
	Kadi	B.T. Cotton	8250	8250	Unch
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	8045	8250	-205
Haryana	Bhiwani	B.T. Cotton	8000	8100	-100
	Bhiwani	Desi	NA	0	-
	Adampur	B.T. Cotton	8000	8160	-160
	Fatehabad	B.T. Cotton	7915	8140	-225
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	NA	8150	-
	Dabwali	B.T. Cotton	7930	8075	-145
Rajasthan	Hanumangarh	B.T. Cotton	8100	8250	-150
	Rawatsar	B.T. Cotton	8225	8400	-175
Madhya Pradesh	Khandwa	Mech-1	7800	Closed	-
	Khargaon	Mech-1	NA	Closed	-
Maharashtra	Amravati	Mech-1	8000	8100	-100
	Jamner	Medium Staple	NA	0	-
Telangana	Adilabad	Un-Ginned	NA	7620	-
Andhra Pradesh	Adoni	Un-Ginned	8012	8091	-79
Karnataka	Bijapur	Bunny	8200	8200	-
	Raichur	H-44 Cotton	8100	8100	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	27-Feb-23	25-Feb-23	
Punjab	Bhatinda	J-34	6425	6525	-100
	Abohar	J-34	6425	6475	-50
	Mansa	J-34	6300	6300	Unch
Haryana	Sirsa	J-34	6400	6400	Unch
Rajasthan	Sri-Ganganagar	J-34	6157	6204	-47

#### Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Feb-23	25-Feb-23	
Gujarat	Ahmedabad	Shankar-6	66300	51000	15300
	Gondal	Shankar-6	7700	7750	-50
	Rajkot	B.T. Cotton	2900	3000	-100
	Patan	B.T. Cotton	4084	3375	709
	Kadi	B.T. Cotton	35000	20000	15000

	Dhrol	B.T. Cotton	461	539	-78
	Bhiwani	B.T. Cotton	500	700	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	850	510
	Fatehabad	B.T. Cotton	400	315	85
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	600	400	200
	Dabwali	B.T. Cotton	600	400	200
<b>Haryana</b>					
	Hanumangarh	B.T. Cotton	1000	7000	-6000
	Rawatsar	B.T. Cotton	1000	7000	-6000
<b>Rajasthan</b>					
	Khandwa	Mech-1	5000	Closed	-
	Khargaon	Mech-1	NA	Closed	-
<b>Madhya Pradesh</b>					
	Amravati	Mech-1	20000	22000	-2000
	Jamner	Medium Staple	NA	NA	-
<b>Maharashtra</b>					
	Adilabad	Un-Ginned	NA	71685.2	-
<b>Telangana</b>					
	Adoni	Un-Ginned	1659	1659	Unch
<b>Andhra Pradesh</b>					
	Bijapur	Bunny	3730	NA	-
	Raichur	H-44 Cotton	18	NA	-
<b>Karnataka</b>					
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>27-Feb-23</b>	<b>25-Feb-23</b>	
	Abohar	J-34	680	680	Unch
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	425	425	Unch
<b>Rajasthan</b>	Sri-Ganganagar	J-34	2500	2500	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	27-Feb-23	25-Feb-23	
<b>Gujarat</b>	Rajkot	Rs. /10 Kg.	1040	1090	-50
<b>Telangana</b>	Hyderabad	Rs. /10 Kg.	1080	1100	-20
<b>Maharashtra</b>	Mumbai	Rs. /10 Kg.	1080	1120	-40

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	27-Feb-23	25-Feb-23	
<b>Gujarat</b>	Maheana (Kadi)	Rs./Qtl	2581	2646	-65
<b>Maharashtra</b>	Akola	Rs./Qtl	2691	2737	-46

**INTERNATIONAL PRICES AND INDICES****China Cotton Index:**

Index	Unit	27-Feb-23	24-Feb-23	Change
CCIndex(328)	RMB/Ton	15439	15514	-75
CCIndex(527)	RMB/Ton	14103	14128	-25
CCIndex(229)	RMB/Ton	15728	15791	-63
RMB -Renminbi, 1RMB =0.16 \$U.S.				



## China Foreign Cotton (FCE) Index :

Index	Unit	27-Feb-23	24-Feb-23	Change
FC Index (S)	Cents/lb	101.06	98.36	2.70
FC Index (M)	Cents/lb	99.82	97.12	2.70
FC Index (L)	Cents/lb	98.82	96.12	2.70

## Cotlook Index:

Cotlook Indices	Unit	25-Feb-23	24-Feb-23	Change
A-Index	Cents/Pound	Closed	98.36	-

## USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-Feb-23	25-Feb-23	Bales
Southeast	cents/lb.	85.4	87.65	0
North Delta	cents/lb.	84.4	86.65	0
South Delta	cents/lb.	84.4	86.65	0
East TX-OK	cents/lb.	81.9	83.65	1589
West Texas	cents/lb.	81.9	83.4	642
Desert SW	cents/lb.	80.9	83.15	1200
SJ Valley	cents/lb.	81.15	90.05	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
				25-Feb-23	24-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	60700	60500	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61300	61100	200
Shankar-6(105)	29mm	3.5 - 4.9	28	62900	62700	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	64000	63800	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64700	64500	200
DCH-32(107)	34mm	3.0 - 3.8	33	72500	72300	200

Daily Futures Price Listing Friday, Feb 24th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
<a href="#">23-Mar</a>	230224	82	85.13	82	85.13	2.72	89	24	-86
<a href="#">23-May</a>	230224	82.34	85.05	81.55	84.9	2.74	14,451	95,716	-30
<a href="#">23-Jul</a>	230224	82.64	85.26	82.12	85.08	2.45	6,168	46,815	325
<a href="#">23-Oct</a>	230224	84.47	84.47	84.47	84.47	2.05	1	17	-1
<a href="#">23-Dec</a>	230224	82.7	84.5	81.95	84.32	2.10	2590	34,753	-153
<a href="#">24-Mar</a>	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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