

**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 Tuesday. ICE cotton futures closed green on Friday.

**News**

Indian Metrological Department has released its seasonal outlook for hot weather for the coming months, as per that, during the upcoming hot weather season (March to May), above normal maximum temperatures are likely over most parts of northeast India, east and central India and some parts of northwest India. Normal to below normal maximum temperatures are most likely over the remaining parts of the country.

At AgriWatch, we expect that the maximum temperature may affect the early cotton sowing for the coming 2023-24 season in northern and central India. Presently, the 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.

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.

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.

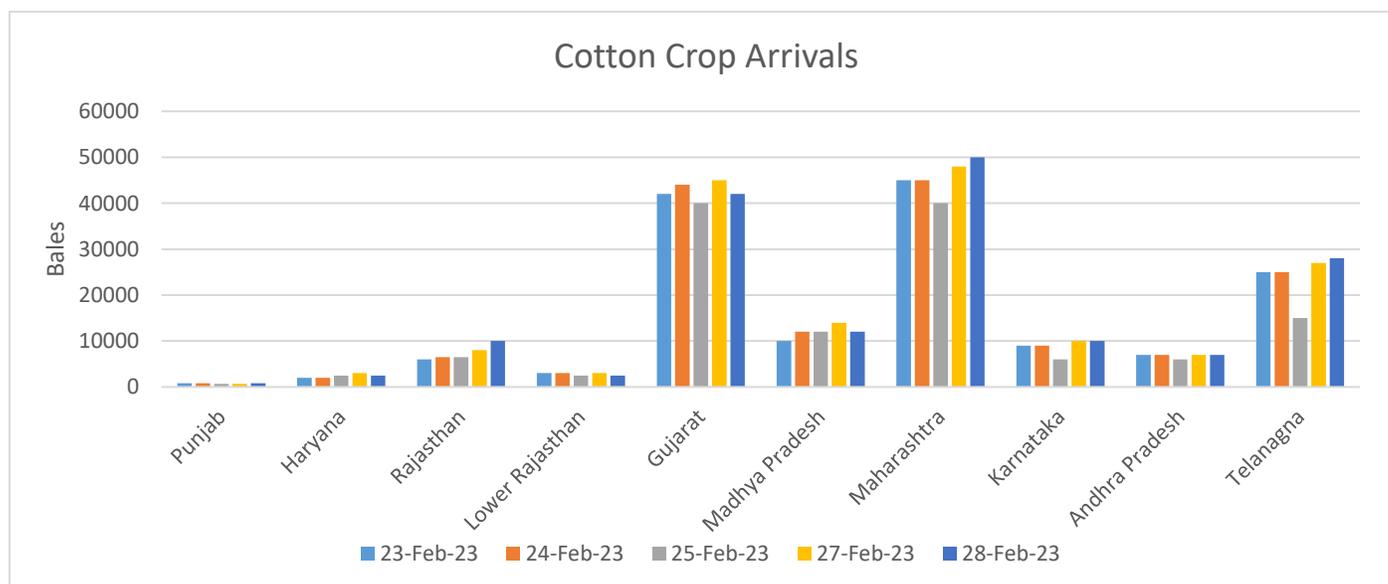
Details	2022-23		2021-22	
	(in lakh bales)	(in Thousand Tons)	(in lakh bales)	(in Thousand Tons)

<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
<b>Total Supply</b>	<b>392.48</b>	<b>6672.16</b>	<b>404.14</b>	<b>6870.38</b>
<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
<b>Total Domestic Demand</b>	<b>346</b>	<b>5882</b>	<b>358.89</b>	<b>6101.13</b>
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>

### Weather Forecast

Heavy rainfall very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad and Himachal Pradesh. Thunderstorm accompanied with lightening at isolated places over Uttarakhand and Himachal Pradesh with lightening and gusty winds at isolated places over Punjab, Haryana and Chandigarh, and with lightening at isolated places over Jammu & Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad and Himachal Pradesh.

### All India New Cotton Crop: Bales



### NCDEX Cottonseed Oilcake

Expiry Date	Open	High	Low	Close	Change
Mar-23	2563	2590	2552	2563	+12.00

<b>Apr-23</b>	2554	2597	2532	2571	<b>+12.00</b>
<b>May-23</b>	2565	2599	2560	2575	<b>+13.00</b>

**International Cotton Fundamentals:**

The Cotlook A index was at 97.35 cents/lb. The AWP for cotton was 79.73 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
<b>Mar-23</b>	85.00	<b>-13</b>
<b>May-23</b>	84.80	<b>-10</b>
<b>Jul-23</b>	85.07	<b>-1.0</b>

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**

According to the market sources, North India's cotton yarn market has turned bearish yesterday due to low demand from the garment industry. Cotton yarn prices have eased by Rs.3-4 per kg in Ludhiana as a result of low demand, while prices remained stable in Delhi market.

In Ludhiana, 30 count cotton combed yarn was sold at Rs.283-293 per kg; 20 and 25 count combed yarn were traded at Rs.273-283 per kg and Rs.278-288 per kg, respectively; carded yarn of 30 count steadied at Rs.262-272 per kg.

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Feb-23	27-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8350	8350	Unch
	Gondal	Shankar-6	8130	8180	-50
	Rajkot	B.T. Cotton	8260	8250	10
	Patan	B.T. Cotton	8190	8325	-135
	Kadi	B.T. Cotton	8000	8250	-250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8115	8045	70
Haryana	Bhiwani	B.T. Cotton	8000	8000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8000	8000	Unch
	Fatehabad	B.T. Cotton	7835	7915	-80
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	7990	NA	-
	Dabwali	B.T. Cotton	7800	7930	-130
Rajasthan	Hanumangarh	B.T. Cotton	8200	8100	100
	Rawatsar	B.T. Cotton	8150	8225	-75
Madhya Pradesh	Khandwa	Mech-1	7800	7800	Unch
	Khargaon	Mech-1	7795	NA	-
Maharashtra	Amravati	Mech-1	7850	8000	-150
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	7881	8012	-131
Karnataka	Bijapur	Bunny	8100	8200	-100
	Hubli	D.C.H.	NA	8300	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8000	8100	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Feb-23	27-Feb-23	
Punjab	Bhatinda	J-34	6375	6425	-50
	Abohar	J-34	6375	6425	-50
	Mansa	J-34	6325	6300	25
Haryana	Sirsa	J-34	6300	6400	-100

Rajasthan	Sri-Ganganagar	J-34	6157	6157	Unch
-----------	----------------	------	------	------	------

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Feb-23	27-Feb-23	
Gujarat	Ahmedabad	Shankar-6	59500	66300	-6800
	Gondal	Shankar-6	7700	7700	Unch
	Rajkot	B.T. Cotton	3400	2900	500
	Patan	B.T. Cotton	4785	4084	701
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	485	461	24
Haryana	Bhiwani	B.T. Cotton	500	500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1360	-510
	Fatehabad	B.T. Cotton	300	400	-100
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	350	600	-250
	Dabwali	B.T. Cotton	350	600	-250
Rajasthan	Hanumangarh	B.T. Cotton	1500	1000	500
	Rawatsar	B.T. Cotton	1500	1000	500
Madhya Pradesh	Khandwa	Mech-1	3500	5000	-1500
	Khargaon	Mech-1	9500	NA	-
Maharashtra	Amravati	Mech-1	20000	20000	Unch
	Jamner	Medium Staple	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	1639	1659	-20
Karnataka	Bijapur	Bunny	3001	3730	-729
	Hubli	D.C.H.	NA	22	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	17	18	-1
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Feb-23	27-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	510	680	-170
	Mansa	J-34	85	170	-85
Haryana	Sirsa	J-34	340	425	-85
Rajasthan	Sri-Ganganagar	J-34	2000	2500	-500

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Feb-23	27-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1030	1040	-10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	1080	-
Maharashtra	Mumbai	Rs. /10 Kg.	1065	1080	-15

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	28-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2569	2581	-11
Maharashtra	Akola	Rs./Qtl	2679	2691	-12

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index:

Index	Unit	28-Feb-23	27-Feb-23	Change
CCIndex(328)	RMB/Ton	15390	15439	-49
CCIndex(527)	RMB/Ton	14039	14103	-64
CCIndex(229)	RMB/Ton	15691	15728	-37

RMB -Renminbi, 1RMB =0.16 \$U.S.

#### China Foreign Cotton (FCE) Index :

Index	Unit	28-Feb-23	27-Feb-23	Change
FC Index (S)	Cents/lb	100.96	101.06	-0.10
FC Index (M)	Cents/lb	99.72	99.82	-0.10
FC Index (L)	Cents/lb	98.72	98.82	-0.10

#### Cotlook Index:

Cotlook Indices	Unit	27-Feb-23	25-Feb-23	Change
A-Index	Cents/Pound	99.35	Closed	-

#### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Feb-23	27-Feb-23	Bales
Southeast	cents/lb.	85.3	87.55	0
North Delta	cents/lb.	84.3	86.55	0
South Delta	cents/lb.	84.3	86.55	0
East TX-OK	cents/lb.	81.55	83.3	590
West Texas	cents/lb.	81.55	83.05	2062
Desert SW	cents/lb.	80.8	83.05	375
SJ Valley	cents/lb.	81.05	89.95	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
				27-Feb-23	25-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	60700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	61000	61300	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	62600	62900	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63700	64000	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64700	64700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	71500	72500	-1000

## 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

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness, and correctness. The use of data and information contained in this report is at your own risk. This document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed, or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors, and employees may have positions in any commodities

mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Ltd.