

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed bearish trend across India today. MCX cotton spot price traded up at Rs. 62,600/candy on Wednesday. ICE cotton futures closed red on Monday.

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 31st 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 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.

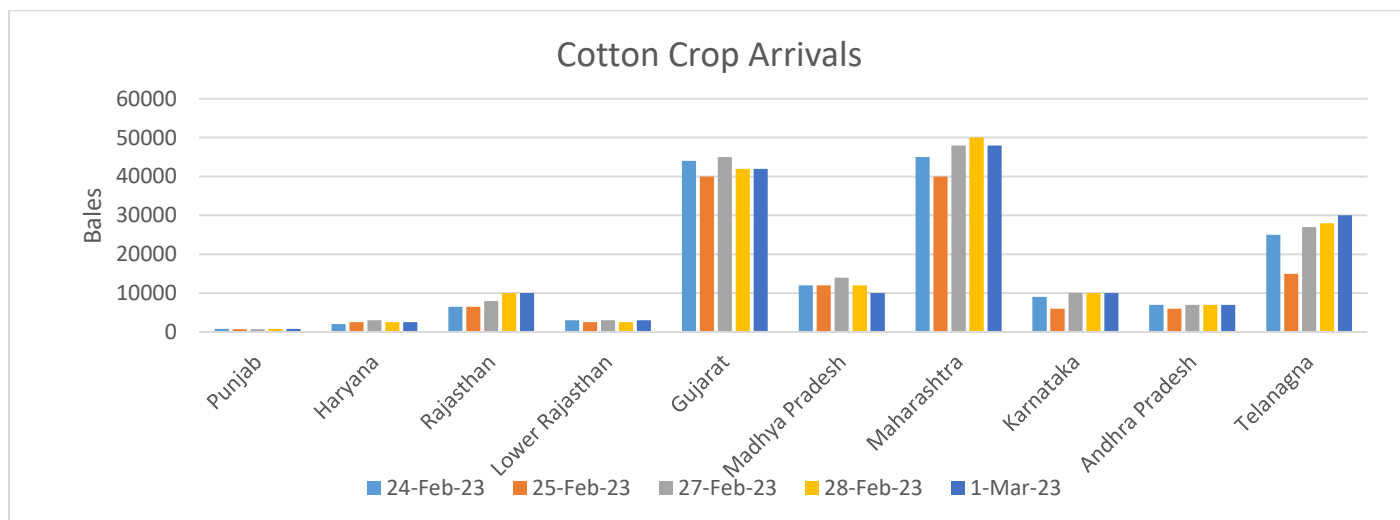
The Committee on Cotton Production and Consumption in its latest report has estimated cotton production at 337.23 lakh bales for the 2022-23 season comparatively higher from the previous season estimate of 311.17 lakh bales. Cotton imports and exports were estimated at 10 lakh bales and 35 lakh bales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

Weather Forecast

Heavy rainfall very likely 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	2577	2610	2565	2577	+20
Apr-23	2595	2628	2576	2587	+31

May-23	2571	2630	2571	2589	+41
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International Cotton Fundamentals:

The Cotlook A index was at 99.35 cents/lb. The AWP for cotton was 70.78 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	84.03	-77
May-23	84.46	-61
Jul-23	83.83	-43

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	1-Mar-23	28-Feb-23	
Gujarat	Ahmedabad	Shankar-6	8150	8350	-200
	Gondal	Shankar-6	8130	8130	Unch
	Rajkot	B.T. Cotton	8280	8260	20
	Patan	B.T. Cotton	8090	8190	-100
	Kadi	B.T. Cotton	8250	8000	250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8150	8115	35
Haryana	Bhiwani	B.T. Cotton	8000	8000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8070	8000	70
	Fatehabad	B.T. Cotton	7890	7835	55
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	7930	7990	-60
	Dabwali	B.T. Cotton	7800	7800	Unch
Rajasthan	Hanumangarh	B.T. Cotton	8100	8200	-100
	Rawatsar	B.T. Cotton	8150	8150	Unch
Madhya Pradesh	Khandwa	Mech-1	8000	7800	200
	Khargaon	Mech-1	7765	7795	-30
Maharashtra	Amravati	Mech-1	NR	7850	-
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	7450	-
Andhra Pradesh	Adoni	Un-Ginned	7921	7881	40
Karnataka	Bijapur	Bunny	NA	8100	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7900	8000	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Mar-23	28-Feb-23	
Punjab	Bhatinda	J-34	6375	6375	Unch
	Abohar	J-34	6350	6375	-25
	Mansa	J-34	6325	6325	Unch
Haryana	Sirsa	J-34	6300	6300	Unch
Rajasthan	Sri-Ganganagar	J-34	6157	6157	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Mar-23	28-Feb-23	
Gujarat	Ahmedabad	Shankar-6	68000	59500	8500
	Gondal	Shankar-6	7820	7700	120
	Rajkot	B.T. Cotton	3200	3400	-200

	Patan	B.T. Cotton	3403	4785	-1382
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	528	485	43
Haryana	Bhiwani	B.T. Cotton	700	500	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	850	170
	Fatehabad	B.T. Cotton	200	300	-100
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	300	350	-50
	Dabwali	B.T. Cotton	300	350	-50
Rajasthan	Hanumangarh	B.T. Cotton	1000	1500	-500
	Rawatsar	B.T. Cotton	1000	1500	-500
Madhya Pradesh	Khandwa	Mech-1	4000	3500	500
	Khargaon	Mech-1	8800	9500	-700
Maharashtra	Amravati	Mech-1	NR	20000	-
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	91628.6	-
Andhra Pradesh	Adoni	Un-Ginned	1733	1639	94
Karnataka	Bijapur	Bunny	NA	3001	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	15	17	-2
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Mar-23	28-Feb-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	510	170
	Mansa	J-34	85	85	Unch
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	2000	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Mar-23	28-Feb-23	
Gujarat	Rajkot	Rs. /10 Kg.	1040	1030	10
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1050	1065	-15

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Mar-23	28-Feb-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2569	2569	0
Maharashtra	Akola	Rs./Qtl	2659	2679	-19



INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	1-Mar-23	28-Feb-23	Change
CCIndex(328)	RMB/Ton	15390	15390	Unch
CCIndex(527)	RMB/Ton	14039	14039	Unch
CCIndex(229)	RMB/Ton	15691	15691	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	1-Mar-23	28-Feb-23	Change
FC Index (S)	Cents/lb	100.17	100.96	-0.79
FC Index (M)	Cents/lb	98.92	99.72	-0.80
FC Index (L)	Cents/lb	97.92	98.72	-0.80

Cotlook Index:

Cotlook Indices	Unit	28-Feb-23	27-Feb-23	Change
A-Index	Cents/Pound	99.35	101.06	-1.71

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		28-Feb-23	28-Feb-23	Bales
Southeast	cents/lb.	84.53	86.78	1732
North Delta	cents/lb.	83.53	85.78	0
South Delta	cents/lb.	83.53	85.78	0
East TX-OK	cents/lb.	80.28	82.03	493
West Texas	cents/lb.	80.53	82.03	3307
Desert SW	cents/lb.	80.03	82.28	200
SJ Valley	cents/lb.	80.28	89.18	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
				28-Feb-23	27-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	60700	-500

H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	60500	61000	-500
Shankar-6(105)	29mm	3.5 – 4.9	28	62500	62600	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63200	63700	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	64700	-
DCH-32(107)	34mm	3.0 - 3.8	33	71500	71500	Unch

Daily Futures Price Listing Monday, Feb 28th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230228	84.75	84.75	83.75	84.19	-0.81	15	10	-4
23-May	230228	84.47	84.98	83.5	84.03	-0.77	12,200	94,982	-808
23-Jul	230228	84.67	85.3	83.98	84.46	-0.61	4,583	47,084	95
23-Oct	230228	84	84.35	84	84.35	-0.11	1	15	-1
23-Dec	230228	83.8	84.52	83.34	83.83	-0.43	1904	35,595	599
24-Mar	230228	83.97	84.53	83.6	83.9	-0.40	74	4396	-10
Total Volume and Open Interest							18,795	185,500	-102

Source: MRCI

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