

Domestic Fundamentals:**Market Outlook:**

The cotton physical market showed mixed trend across India today. MCX cotton spot price traded up at Rs. 62,600/candy on Thursday. ICE cotton futures closed green on Tuesday.

News

Cotton prices in Gujarat market traded with weak sentiments. Cotton arrivals had increased comparatively in Gujarat market, daily arrivals are around 35000 bales whereas prices are trading at Rs.8200 per quintal.

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.

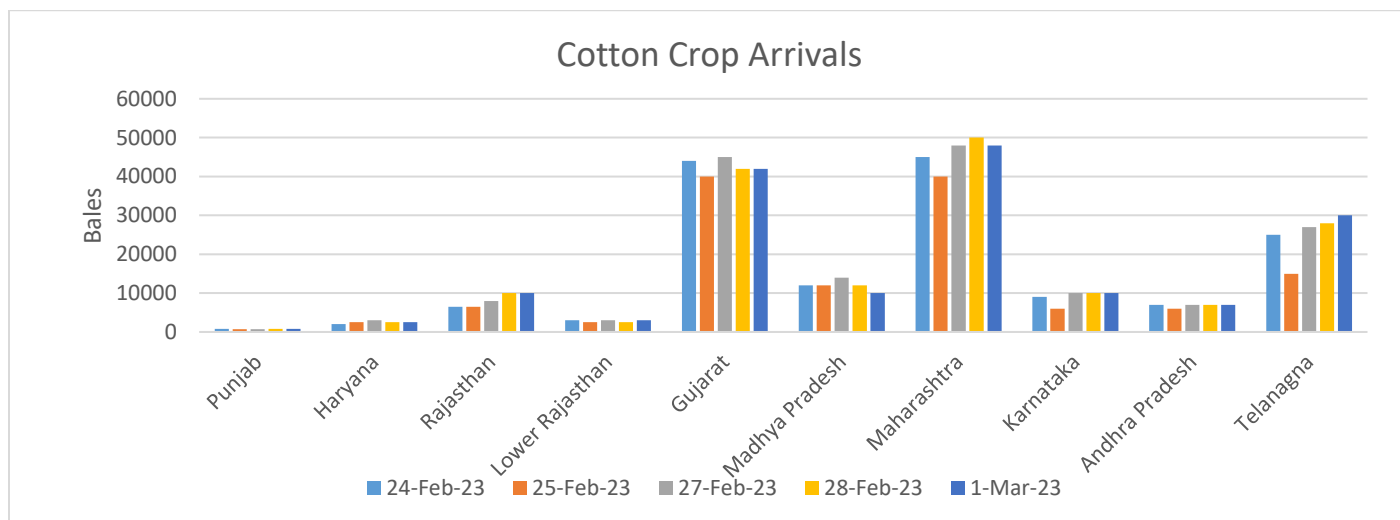
The Committee on Cotton Production and Consumption in its latest report has estimated cotton production at 337.23 lakh bales for the 2022-23 season comparatively higher from the previous season estimate of 311.17 lakh bales. Cotton imports and exports were estimated at 10 lakh bales and 35 lakh bales 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	2600	2631	2580	2596	-8.0
Apr-23	2620	2650	2602	2620	-10.0

May-23	2630	2661	2617	2627	-10.0
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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	85.66	+163
May-23	86.01	+155
Jul-23	85.27	+144

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, Cotton yarn prices remained steady yesterday in south India amid average buying. There has been no movement in the prices of cotton yarn in Tiruppur and Mumbai as the demand has weakened, though it is still better than last month. Mumbai has noted weaker demand for cotton yarn, while prices have remained steady.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,525-1,540 and Rs.1,430-1,470 per 5 kg respectively. 60 combed warp was priced at Rs.342-345 per kg, 80 carded (weft) cotton yarn was sold at Rs.1,440-1,480 per 4.5 kg.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	2-Mar-23	1-Mar-23	
Gujarat	Ahmedabad	Shankar-6	8350	8150	200
	Gondal	Shankar-6	8155	8130	25
	Rajkot	B.T. Cotton	8200	8280	-80
	Patan	B.T. Cotton	8170	8090	80
	Kadi	B.T. Cotton	8125	8250	-125
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	8000	8150	-150
Haryana	Bhiwani	B.T. Cotton	8050	8000	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8060	8070	-10
	Fatehabad	B.T. Cotton	7955	7890	65
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	7900	7930	-30
	Dabwali	B.T. Cotton	7920	7800	120
Rajasthan	Hanumangarh	B.T. Cotton	8150	8100	50
	Rawatsar	B.T. Cotton	8250	8150	100
Madhya Pradesh	Khandwa	Mech-1	8000	8000	Unch
	Khargaon	Mech-1	7755	7765	-10
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	7849	7921	-72
Karnataka	Bijapur	Bunny	8560	8060	500
	Hubli	D.C.H.	NA	8150	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8000	7900	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	2-Mar-23	1-Mar-23	
Punjab	Bhatinda	J-34	6400	6375	25
	Abohar	J-34	6400	6350	50
	Mansa	J-34	6400	6325	75
Haryana	Sirsa	J-34	6350	6300	50
Rajasthan	Sri-Ganganagar	J-34	6157	6157	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Mar-23	1-Mar-23	
Gujarat	Ahmedabad	Shankar-6	51000	68000	-17000
	Gondal	Shankar-6	7720	7820	-100
	Rajkot	B.T. Cotton	2800	3200	-400
	Patan	B.T. Cotton	3520	3403	117
	Kadi	B.T. Cotton	30000	30000	Unch

	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	323	528	-205
Haryana	Bhiwani	B.T. Cotton	400	700	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	250	200	50
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	250	300	-50
	Dabwali	B.T. Cotton	250	300	-50
Rajasthan	Hanumangarh	B.T. Cotton	1000	1000	Unch
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	3500	4000	-500
	Khargaon	Mech-1	7300	8800	-1500
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Adoni	Un-Ginned	975	1733	-758
Karnataka	Bijapur	Bunny	2722	3162	-440
	Hubli	D.C.H.	NA	38	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	12	15	-3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	2-Mar-23	1-Mar-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	680	680	Unch
	Mansa	J-34	119	85	34
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	3000	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	2-Mar-23	1-Mar-23	
Gujarat	Rajkot	Rs. /10 Kg.	1040	1040	Unch
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	NA	NA	-
Maharashtra	Mumbai	Rs. /10 Kg.	1060	1050	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	2-Mar-23	1-Mar-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2602	2569	33
Maharashtra	Akola	Rs./Qtl	2660	2659	1

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	2-Mar-23	1-Mar-23	Change
CCIndex(328)	RMB/Ton	15412	15390	22



CCIndex(527)	RMB/Ton	14043	14039	4
CCIndex(229)	RMB/Ton	15702	15691	11
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	2-Mar-23	1-Mar-23	Change
FC Index (S)	Cents/lb	101.77	100.17	1.60
FC Index (M)	Cents/lb	100.52	98.92	1.60
FC Index (L)	Cents/lb	99.52	97.92	1.60

Cotlook Index:

Cotlook Indices	Unit	1-Mar-23	28-Feb-23	Change
A-Index	Cents/Pound	98.6	100.96	-2.36

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		1-Mar-23	1-Mar-23	Bales
Southeast	cents/lb.	86.16	88.41	65
North Delta	cents/lb.	85.16	87.41	873
South Delta	cents/lb.	85.16	87.41	0
East TX-OK	cents/lb.	81.91	83.66	1217
West Texas	cents/lb.	82.16	83.66	1576
Desert SW	cents/lb.	81.66	83.91	81
SJ Valley	cents/lb.	81.91	90.81	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
				1-Mar-23	28-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	60200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60500	60500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	62500	62500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63200	63200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NA	NA	-
DCH-32(107)	34mm	3.0 - 3.8	33	71500	71500	Unch

Daily Futures Price Listing Tuesday, Mar 01st 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	230301	84.57	84.57	84.57	84.57	0.38	0	10	0
23-May	230301	84.03	86.08	83.8	85.66	1.63	13,870	94,462	-520
23-Jul	230301	84.81	86.43	84.3	86.01	1.55	5,970	47,663	579
23-Oct	230301	85.57	85.57	85.57	85.57	1.22	0	15	0
23-Dec	230301	84.09	85.5	84.09	85.27	1.44	2338	35,619	24
24-Mar	230301	84.44	85.33	84.29	85.14	1.24	290	4383	-13
Total Volume and Open Interest							22,536	185,565	65

Source: MRCI

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