

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed bearish trend across India today. MCX cotton spot price traded down at Rs. 56,040 per candy on Friday. ICE cotton futures closed red on Thursday.

News

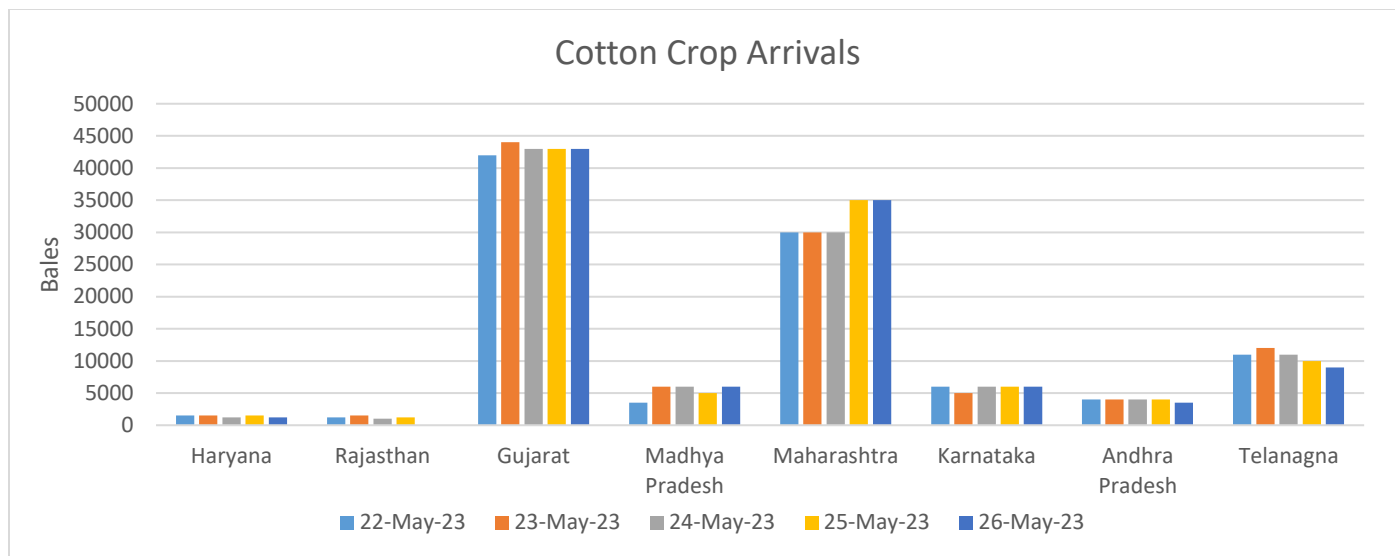
- As per the Third Advance Estimates by the Ministry of Agriculture and Farmers Welfare, Cotton production during the 2022-23 season across India is estimated at 343.47 lakh bales higher from previous estimate of 337.23 lakh bales.
- Around 90% of the cotton sowing has been completed in Rawtsar, cotton acreages for the 2023-24 season have increased by around 5%. However, in some tehsil of Hanumangarh district acreage is likely to remain same as that of previous season.
- In Punjab, Cotton sowing has increased by around 5-10% in Abohar for the 2023-24 season. Whereas, in Bhatinda acreages is expected to decline by 5% as farmers are switching towards more profitable crops.
- In Haryana, Cotton sowing in Sirsa is expected to slightly increase for the 2023-24 season. Cotton Sowing in Haryana is likely to get completed by end of the May.
- Overall, a slight increase in acreages was observed in the states of Haryana and Rajasthan during the ongoing week.
- Indian cotton market sentiment remained bearish today. The cotton prices continue to fall in the domestic market today. At Rajkot, cotton prices were traded lower at Rs. 7320 per quintal against the previous price of Rs. 7350 per quintal. Although, in some market like Mehsana and Gondal price has come down to 7000-7180 per quintal yesterday. Daily Arrivals had increased to 1400-1600 quintals per day.

Weather Forecast

As per Indian Metrological Department latest press release, Southwest monsoon seasonal (June to September) rainfall over the country is most likely to be normal (96 to 104% of Long Period Average (LPA)). Quantitatively, the southwest monsoon seasonal (June to September) rainfall over the country is likely to be 96% of the LPA with a model error of $\pm 4\%$.

Region wise, the southwest monsoon seasonal rainfall is most likely to be below normal over Northwest India (<92% of LPA) and normal over other three broad homogeneous regions, central India (94-106% of LPA), north east India (94-106% of LPA) and south Peninsular India (94-106% of LPA).

All India Cotton Crop: Bales



Source: Agriwatch

NCDEX Cottonseed Oilcake

Expiry Date	Open	High	Low	Close	Change
Jun-23	2462	2504	2442	2467	+21
Jul-23	2489	2530	2471	2492	+25

International Cotton Fundamentals:

The Cotlook A index was at 94.45 cents/lb. The AWP for cotton was 69.80 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Jul-23	80.12	-160
Dec-23	78.50	-178

- The USDA's crop progress report for the week ending on May 21st indicates that 45% of cotton crops was planted which was 35% in previous week and 52% in previous year.
- According to USDA Cotton and Product outlook report, Global cotton production is up from the previous month to 116.5 million bales and attributed to higher production in China, Mexico, and Uzbekistan.

Although, Consumption is lowered more than 500,000 bales to 109.6 million and attributed to lower use in Bangladesh.

Cotton Yarn

- The prices of cotton yarn in south India have declined further. Major markets in south India, i.e. Tiruppur and Mumbai, have experienced a significant drop in demand. This situation has raised concerns about substantial losses for spinning mills.
- Spinning mills are offering significant discounts to lure buyers but are still facing losses. The overall textile sector is expected to continue struggling with poor demand.
- Cotton yarn prices continue to fall in the northern India. In Ludhiana market prices have fallen by Rs. 5 per kg due to sluggish demand, indicating a bearish trend. A similar trend was observed in Delhi market as well.

DOMESTIC COTTON PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-May-23	25-May-23	
Gujarat	Ahmedabad	Shankar-6	7050	7050	Unch
	Gondal	Shankar-6	7180	7180	Unch
	Rajkot	B.T. Cotton	7000	7320	-320
	Patan	B.T. Cotton	7250	7230	20
	Kadi	B.T. Cotton	7000	7000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6760	6850	-90
Haryana	Bhiwani	B.T. Cotton	7000	7000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7000	7080	-80
	Fatehabad	B.T. Cotton	6800	6880	-80
Rajasthan	Hanumangarh	B.T. Cotton	7100	7100	Unch
	Rawatsar	B.T. Cotton	6950	7050	-100
Madhya Pradesh	Khandwa	Mech-1	7200	7100	100
	Khargaon	Mech-1	7000	7110	-110
Maharashtra	Amravati	Mech-1	NR	NR	-
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	6600	-
Andhra Pradesh	Adoni	Un-Ginned	6681	6686	-5

Karnataka	Bijapur	Bunny	7340	7419	-79
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	6900	7000	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-May-23	25-May-23	
Punjab	Bhatinda	J-34	5700	5700	Unch
	Abohar	J-34	5700	5700	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	5625	5650	-25
Rajasthan	Sri-Ganganagar	J-34	5546	5593	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-May-23	25-May-23	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	6900	6900	Unch
	Rajkot	B.T. Cotton	NA	1450	-
	Patan	B.T. Cotton	1690	1985	-295
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	40	77	-37
Haryana	Bhiwani	B.T. Cotton	300	400	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	510	340	170
	Fatehabad	B.T. Cotton	25	20	5
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	500	-
	Rawatsar	B.T. Cotton	NA	500	-
Madhya Pradesh	Khandwa	Mech-1	1500	1250	250
	Khargaon	Mech-1	4500	6800	-2300
Maharashtra	Amravati	Mech-1	NR	NR	-
	Jamner	Medium Staple	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	16104.5	-
Andhra Pradesh	Adoni	Un-Ginned	1074	2029	-955
Karnataka	Bijapur	Bunny	2132	1501	631
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	11	8	3
Commodity	Lint		Arrivals (Quintal)		Change



State	Centre	Variety	26-May-23	25-May-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	51	68	-17
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	170	-85
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	26-May-23	25-May-23	
Gujarat	Rajkot	Rs. /10 Kg.	880	875	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	845	840	5
Maharashtra	Mumbai	Rs. /10 Kg.	890	925	-35

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-May-23	25-May-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2515	2514	1
Maharashtra	Akola	Rs./Qtl	2608	2629	-22

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	26-May-23	25-May-23	Change
CCIndex(328)	RMB/Ton	16501	16620	-119
CCIndex(527)	RMB/Ton	15145	15263	-118
CCIndex(229)	RMB/Ton	16730	16859	-129
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	26-May-23	25-May-23	Change
FC Index (S)	Cents/lb	92.86	94.46	-1.60
FC Index (M)	Cents/lb	91.04	92.67	-1.63
FC Index (L)	Cents/lb	90.03	91.66	-1.63

Cotlook Index:

Cotlook Indices	Unit	24-May-23	23-May-23	Change
A-Index	Cents/Pound	94.45	98.55	-4.10

USDA Cotton Spot Rates:



Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		24-May-23	24-May-23	Bales
Southeast	cents/lb.	80.72	82.97	416
North Delta	cents/lb.	79.97	82.22	0
South Delta	cents/lb.	79.97	82.22	0
East TX-OK	cents/lb.	75.72	77.47	7107
West Texas	cents/lb.	76.47	77.97	1957
Desert SW	cents/lb.	75.72	78.22	0
SJ Valley	cents/lb.	75.97	84.87	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-May-23	24-May-23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	62600	62600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63100	63100	Unch
J-34(202)	26mm	3.5 - 4.9	23	53300	53600	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	54500	54900	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	56200	56700	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	57800	58100	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NR	NR	-
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72900	-900

Cottonseed and Oilcake Prices

Cotton Seed Oil Cake Prices		Prices (Rs./Quintal)		Change
State	Market	26-May-23	25-May-23	
Punjab	Bhatinda (Pakki)	3350	3150	200
Punjab	Ludiana	3710	3710	Unch
Haryana	Sirsa	3030	3030	Unch
Haryana	Hisar	3050	3050	Unch
Rajasthan	Hanumangarh	2950	2950	Unch
Rajasthan	Vijaynagar	3000	3000	Unch
Madhya Pradesh	Indore	2950	2950	Unch
Madhya Pradesh	Khargone	2900	2900	Unch
Maharashtra	Wani	3025	3025	Unch

Maharashtra	Malkapur	2925	2925	Unch
Telegana	Warangal	2780	2780	Unch
Telegana	Adilabad	2780	2780	Unch
Karnataka	Dharwad	2850	2850	Unch
Karnatka	Hubli	3050	3050	Unch
Gujarat	Dhasa ,Damnagar,Babra Good Qlty	2717	2717	Unch

Cotton Seed Prices		Prices (Rs./Quintal)		Change
State	Market	26-May-23	25-May-23	
Punjab	Mansa	3250	3250	Unch
Punjab	Bhatinda	3200	3200	Unch
Haryana	Adampur	3305	3305	Unch
Haryana	Charkhi Dadari	3205	3205	Unch
Rajasthan	Hanumangarh	3350	3350	Unch
Rajasthan	Bikaner	3400	3400	Unch
Madhya Pradesh	Sendhwa	2700	2750	-50
Madhya Pradesh	Barwaha	2750	2750	Unch
Maharastra	Malkapur	2850	2850	Unch
Maharastra	Akot	3000	3000	Unch
Telegana	Madnoor	2850	2850	Unch
Telegana	Jangaon	2875	2875	Unch
Karnatka	Bijapur	2800	2700	100
Karnatka	Hubli	2800	2700	100
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2650	2650	Unch
Gujarat	Kadi	2700	2725	-25

Daily Futures Price Listing Thursday, May 25th, 2023

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
23-Jul	230525	25.4	25.45	24.61	24.83	-0.66	60,572	387,747	657
23-Oct	230525	25.16	25.18	24.37	24.6	-0.61	36,918	253,766	598
24-Mar	230525	24.78	24.78	24	24.29	-0.51	12,990	155,798	3300
24-May	230525	23.2	23.2	22.5	22.79	-0.42	5,962	55,389	502
24-Jul	230525	22.36	22.36	21.77	22.07	-0.29	5,322	55,418	726
24-Oct	230525	21.7	21.73	21.27	21.59	-0.12	2655	35,507	341
25-Mar	230525	21.39	21.42	21	21.35	-0.02	1247	22,482	121
25-May	230525	20.26	20.27	19.88	20.24	0.03	304	6,120	41
Total Volume and Open Interest							126,617	983,887	6,203

Source: MRCI

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