

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed bearish trend across India today. MCX cotton spot price traded down at Rs. 56,260 per candy on Saturday. ICE cotton futures closed green on Friday.

News

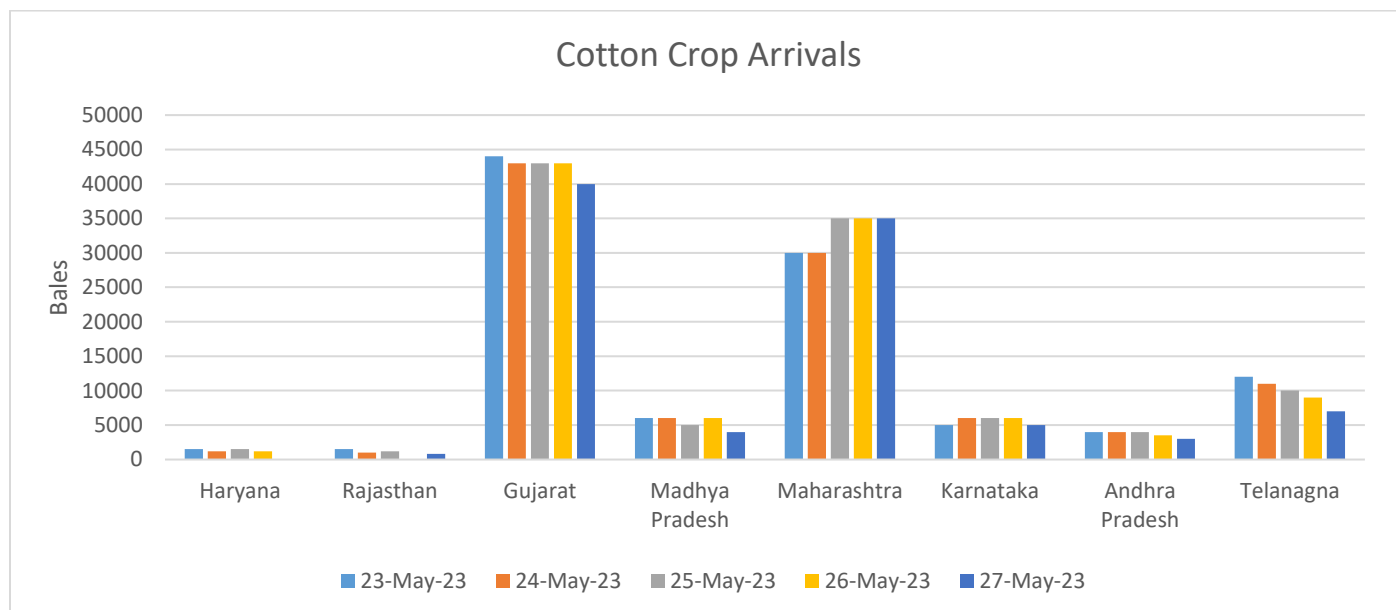
- The cotton sowing has been affected due to recent rains as the heavy rains during the past week has affected the freshly sown crop in nearly 4,000 hectares of the Muktsar district. The rain has created a hard crust of soil over the crop, thereby affecting the germination of seeds.
- However, the area under cotton in Punjab is likely to reduce in the 2023-24 season. However, aided by unseasonal rains, farmers are likely to bring more area under the cotton crop in Haryana and Rajasthan.
- 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.

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 91.95 cents/lb. The AWP for cotton was 69.80 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Jul-23	83.35	+323
Dec-23	80.54	+204
Mar-24	80.66	+202

- 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	27-May-23	26-May-23	
Gujarat	Ahmedabad	Shankar-6	7150	7050	100
	Gondal	Shankar-6	7330	7180	150
	Rajkot	B.T. Cotton	7320	7000	320
	Patan	B.T. Cotton	7435	7250	185
	Kadi	B.T. Cotton	7125	7000	125
	Dhrol	B.T. Cotton	7000	6760	240
Haryana	Bhiwani	B.T. Cotton	7000	7000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7200	7000	200
	Fatehabad	B.T. Cotton	6875	6800	75
Rajasthan	Hanumangarh	B.T. Cotton	7100	7100	Unch
	Rawatsar	B.T. Cotton	6950	6950	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	7200	-
	Khargaon	Mech-1	Closed	7000	-
Telangana	Adilabad	Un-Ginned	6620	6530	90
Andhra Pradesh	Adoni	Un-Ginned	6600	6681	-81
Karnataka	Bijapur	Bunny	NR	7340	-
	Raichur	H-44 Cotton	NR	6900	-
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	27-May-23	26-May-23	
Punjab	Bhatinda	J-34	5800	5700	100
	Abohar	J-34	5800	5700	100
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	5625	5625	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	5546	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-May-23	26-May-23	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	6900	6900	Unch
	Rajkot	B.T. Cotton	1550	NA	-
	Patan	B.T. Cotton	2175	1690	485
	Kadi	B.T. Cotton	12000	15000	-3000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	73	40	33
Haryana	Bhiwani	B.T. Cotton	NA	300	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	510	-170
	Fatehabad	B.T. Cotton	25	25	Unch
	Jind	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	Closed	1500	-
	Khargaon	Mech-1	Closed	4500	-
Telangana	Adilabad	Un-Ginned	10298	17894.5	-7596.5
Andhra Pradesh	Adoni	Un-Ginned	860	1074	-214
Karnataka	Bijapur	Bunny	NR	2132	-
	Raichur	H-44 Cotton	NR	11	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-May-23	26-May-23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	34	51	-17
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	85	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	27-May-23	26-May-23	
Gujarat	Rajkot	Rs. /10 Kg.	885	880	5
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	845	845	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	890	890	Unch



Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	27-May-23	26-May-23	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2519	2515	3
Maharashtra	Akola	Rs./Qtl	2609	2608	1

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	27-May-23	26-May-23	Change
CCIndex(328)	RMB/Ton	Closed	16501	-
CCIndex(527)	RMB/Ton	Closed	15145	-
CCIndex(229)	RMB/Ton	Closed	16730	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	27-May-23	26-May-23	Change
FC Index (S)	Cents/lb	Closed	92.86	-
FC Index (M)	Cents/lb	Closed	91.04	-
FC Index (L)	Cents/lb	Closed	90.03	-

Cotlook Index:

Cotlook Indices	Unit	25-May-23	24-May-23	Change
A-Index	Cents/Pound	91.25	97.07	-5.82

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-May-23	25-May-23	Bales
Southeast	cents/lb.	79.12	81.37	0
North Delta	cents/lb.	78.37	80.62	0
South Delta	cents/lb.	78.37	80.62	0
East TX-OK	cents/lb.	74.12	75.87	490
West Texas	cents/lb.	74.87	76.37	0
Desert SW	cents/lb.	74.12	76.62	0
SJ Valley	cents/lb.	74.37	83.27	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
				26-May-23	25-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	53800	53300	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	54700	54500	200
Shankar-6(105)	29mm	3.5 - 4.9	28	56500	56200	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	58000	57800	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NR	NR	-
DCH-32(107)	34mm	3.0 - 3.8	33	72000	72000	Unch

Cottonseed and Oilcake Prices

Cotton Seed Oil Cake Prices		Prices (Rs./Quintal)		Change
State	Market	27-May-23	26-May-23	
Punjab	Bhatinda (Pakki)	3350	3350	Unch
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	2783	2717	67

Cotton Seed Prices		Prices (Rs./Quintal)		Change
State	Market	27-May-23	26-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	2750	2700	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	2800	Unch
Karnatka	Hubli	2800	2800	Unch
Gujarat	Mahuva,Rajula,S.Kundla,UNA	2700	2650	50
Gujarat	Kadi	2775	2700	75

Daily Futures Price Listing Friday, May 26th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Jul	230526	80.11	83.74	80.11	83.35	3.23	22721	78502	-1537
23-Oct	230526	81.03	81.03	81.03	81.03	2.14	13	23	5
23-Dec	230526	78.7	80.89	78.5	80.54	2.04	13,024	85,310	1236
24-Mar	230526	78.9	80.99	78.69	80.66	2.02	2955	13,366	237
24-May	230526	79.04	81.05	78.84	80.8	2.01	1759	4,854	77
24-Jul	230526	79.53	81.1	79.16	80.85	1.98	827	3487	562
Total Volume and Open Interest							41,653	193,480	499

Source: MRCI

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