

Domestic Fundamentals:

Market Outlook:

The cotton physical market showed bullish trend across India today. MCX cotton spot price traded at Rs.28110/bale on Wednesday. ICE cotton futures closed red on Tuesday.

News: Cotton Association of India (CAI) has sought the withdrawal of the 11% import duty imposed on cotton last year, saying that the textile industry is working at half its installed capacity. This comes amid a sharp decline in demand for Indian textile products in the West.

Cotton daily arrivals have reached around 1,15,000-1,30,000 bales per day. Overall cotton crop condition is good despite rainfall in southern India and some parts of Maharashtra. In some areas of central and northern India second picking has been started, the cotton crop quality may get affected due to uneven weather. Cottonseed prices are remained volatile during the last week. However, the raw cotton prices remained lower due to improved arrivals in the market.

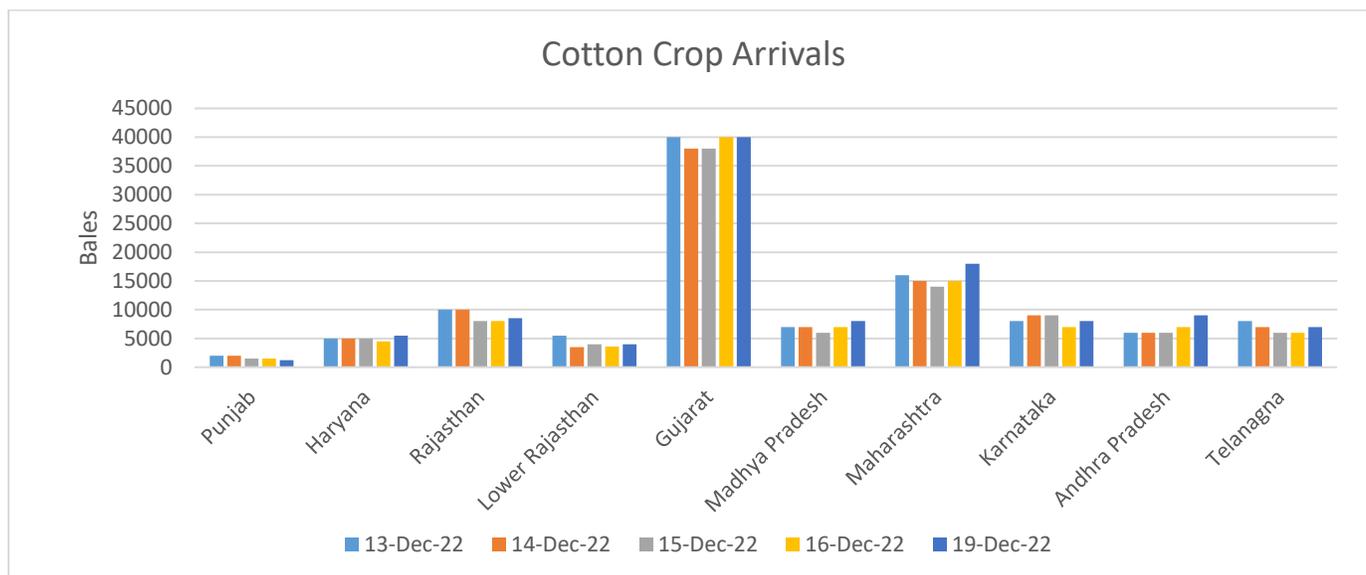
The cotton arrivals shrank by 12.38% in the period between 1st October and 7th December. The market arrivals expectations remained at 49 lakh bales as compared to 95 lakh bales the last season.

This year, an increase of 10 lakh hectares in area is expected in cotton, however experts predict a decline in the production. As per the Cotton Association of India, the country's production is projected at 345 lakh bales during 2022-23. While the market experts are expecting it to be around 300 lakh bales.

Ginning factories are running slower around less than 50% capacity due to lack of arrivals and disparity. Spinning mills are buying raw cotton but in limited quantities. Cotton yarn prices are stable. International demand for yarn may increase from China and Vietnam in coming month. Trade is very slow due to the huge disparity to spinners and ginners. Export demand is very limited.

Weather Forecast

Cold wave to severe cold wave conditions in isolated places over Punjab, Himachal Pradesh, Haryana, north Rajasthan.

All India New Cotton Crop: Bales

MCX Cotton

	High	Low	Close	Change
MCX Cotton	29590	29010	29090	-420

NCDEX Cottonseed Oilcake

	Open	High	Low	Close	Change
Jan-23	2868	2908	2842	2860	29.00
Feb-23	2788	2849	2783	2795	56.00

International Cotton Fundamentals:

The Cotlook A index was at 101.55 cents/lb. The AWP for cotton was 75.57 cents/lb.

ICE Cotton Futures (Cents/Lb)		
	Close	Change
Mar-23	84.24	-97
May-23	84.13	-105
Jul-23	83.91	-100

Cotton Australia has projected cotton production at 5 million bales in 2023. The Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES) has forecasted a 2022-23 gross value of cotton production at around \$3.4 billion with expectations that exports will reach a value of \$5.1 billion because of prior shipping

delays for the 2022 crop. ABARES expects a possible recovery in cotton prices as buyers look for quality sustainable cotton combined with crop decreases and low stock levels in the US.

According to USDA, World Cotton and Market Report, Global cotton production is estimated down by 700,000 bales from the previous month to 115.7 million, largely owing to lower production in Pakistan. Pakistan production has fallen due to floods and poor weather. Global stocks are forecasted higher with consumption projected lower more than 3.0 million bales. This is the seventh consecutive monthly decline for global consumption. Global trade is down roughly 1.0 million bales, led by a decline in China, and is now forecast lower compared with the previous year.

Cotton Yarn

North India's cotton yarn trade slowed down in the last week of this year as there was holiday mood in the market. Buyers remained absent in all major markets of north India, and prices remained unchanged. However, cotton prices crashed in spot markets of north India because of steep fall in futures, mainly attributed to rise in COVID cases in China. Meanwhile, cotton prices have declined by Rs.500-600 per maund of 37.2 kg in northern India mainly because of decline in domestic futures.

Yarn prices in the northern Indian market remain steady in Ludhiana due to absence of trader's interest. While prices remained stable in Delhi.

In the Delhi market, 30 count combed yarn was traded at Rs.285-290 per kg (GST extra), 40 count combed at Rs.315-320 per kg, 30 count carded at Rs.260-65 per kg and 40 count carded at Rs.295-300 per kg.

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity		Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Dec-22	27-Dec-22		
Gujarat	Ahmedabad	Shankar-6	8125	7750	375	
	Gondal	Shankar-6	8155	8005	150	
	Rajkot	B.T. Cotton	7700	7700	Unch	
	Patan	B.T. Cotton	8080	7960	120	
	Kadi	B.T. Cotton	7750	8000	-250	
	Deesa	B.T. Cotton	NA	7825	-	
	Dhrol	B.T. Cotton	8090	7950	140	
Haryana	Bhiwani	B.T. Cotton	NR	NR	-	
	Bhiwani	Desi	NR	NR	-	
	Adampur	B.T. Cotton	8350	8050	300	
	Fatehabad	B.T. Cotton	8155	7780	375	
	Jind	B.T. Cotton	NR	NR	-	
	Uchana	B.T. Cotton	8045	8535	-490	
	Dabwali	B.T. Cotton	8245	8150	95	
Rajasthan	Hanumangarh	B.T. Cotton	8250	8200	50	

	Rawatsar	B.T. Cotton	8250	8200	50
Madhya Pradesh	Khandwa	Mech-1	7800	7800	Unch
	Khargaon	Mech-1	7785	7670	115
Maharashtra	Amravati	Mech-1	7700	7600	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	9400	NA	-
	Hathras	Desi	7500	NA	-
Telangana	Adilabad	Un-Ginned	7510	7400	110
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	7700	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Dec-22	27-Dec-22	
Punjab	Bhatinda	J-34	6050	5900	150
	Abohar	J-34	6050	5900	150
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	5900	5750	150
Rajasthan	Sri-Ganganagar	J-34	5828	5687	141

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Dec-22	27-Dec-22	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	3474	3341	133
	Rajkot	B.T. Cotton	5200	5200	Unch
	Patan	B.T. Cotton	4740	5311	-571
	Kadi	B.T. Cotton	10000	15000	-5000
	Deesa	B.T. Cotton	NA	600	-
	Dhrol	B.T. Cotton	528	711	-183
Haryana	Bhiwani	B.T. Cotton	NR	NR	-
	Bhiwani	Desi	NR	NR	-
	Adampur	B.T. Cotton	1360	1530	-170
	Fatehabad	B.T. Cotton	100	50	50
	Jind	B.T. Cotton	NR	NR	-
	Uchana	B.T. Cotton	470	480	-10
	Dabwali	B.T. Cotton	400	400	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1000	2000	-1000
	Rawatsar	B.T. Cotton	1500	1500	Unch
Madhya Pradesh	Khandwa	Mech-1	550	700	-150

	Khargaon	Mech-1	3600	4900	-1300
Maharashtra	Amravati	Mech-1	9500	9000	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	64320	73970	-9650
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	14	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Dec-22	27-Dec-22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	340	Unch
	Mansa	J-34	NR	NR	-
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	2500	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
	State	Centre	Unit	28-Dec-22	
Gujarat	Rajkot	Rs. /10 Kg.	1265	1240	25
Delhi	New Delhi	Rs. /10 Kg.	NR	NR	-
Telangana	Hyderabad	Rs. /10 Kg.	1245	1235	10
Maharashtra	Mumbai	Rs. /10 Kg.	1255	1250	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
	State	Centre	Unit	28-Dec-22	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2908	2895	13
Maharashtra	Akola	Rs./Qtl	2958	2958	Unch

Cotton Yarn Prices	23-Dec-22	22-Dec-22	Change	23-Dec-22	22-Dec-22	Change
	Prices FOB ,USD			Prices Kg Indian Port		
Variety						
Ne 20/1 Carded Hosiery Yarn	2.91	2.91	Unch	239	239	Unch
Ne 20/1 Combed Hosiery Yarn	3.03	3.03	Unch	249	249	Unch
Ne 21/1 Carded Weaving Yarn	2.91	2.91	Unch	239	239	Unch
Ne 26/1 Combed Hosiery Yarn	3.11	3.11	Unch	256	256	Unch
Ne 30/1 Carded Hosiery Yarn	3.06	3.06	Unch	252	252	Unch
Ne 30/1 Combed Hosiery Yarn	3.19	3.19	Unch	262	262	Unch

Ne 32/1 Carded Weaving Yarn	3.15	3.15	Unch	259	259	Unch
Ne 34/1 Combed Hosiery Yarn	3.39	3.39	Unch	279	279	Unch
Ne 40/1 Combed Hosiery Yarn	3.64	3.64	Unch	299	299	Unch
Ne 40/1 Carded Weaving Yarn	3.33	3.33	Unch	274	274	Unch
Ne 30/2 Carded Hosiery Yarn	3.33	3.33	Unch	274	274	Unch
Ne 32/2 Combed Knitting Yarn	3.76	3.76	Unch	309	309	Unch
Ne 32/2 Carded Hosiery Yarn	3.39	3.39	Unch	279	279	Unch
Ne 40/2 Combed Hosiery Yarn	4.18	4.18	Unch	344	344	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.39	3.39	Unch	279	279	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.82	3.82	Unch	314	314	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.18	4.18	Unch	344	344	Unch
Ne 16/1 Open End Yarn	2.24	2.24	Unch	184	184	Unch
Ne 21/1 Open End Yarn	2.42	2.42	Unch	199	199	Unch
Ne 24/1 Open End Yarn	2.72	2.72	Unch	224	224	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	28-Dec-22	27-Dec-22	Change
CCIndex(328)	RMB/Ton	15019	14998	21
CCIndex(527)	RMB/Ton	13516	13501	15
CCIndex(229)	RMB/Ton	15332	15306	26

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

China Foreign Cotton (FCE) Index :

Index	Unit	28-Dec-22	27-Dec-22	Change
FC Index (S)	Cents/lb	102.17	103.16	-0.99
FC Index (M)	Cents/lb	101.39	102.36	-0.97
FC Index (L)	Cents/lb	100.37	101.36	-0.99

Cotlook Index:

Cotlook Indices	Unit	27-Dec-22	24-Dec-22	Change
A-Index	Cents/Pound	NA	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Dec-22	24-Dec-22	Bales
Southeast	cents/lb.	86.49	Closed	Closed
North Delta	cents/lb.	85.24	Closed	Closed
South Delta	cents/lb.	85.24	Closed	Closed
East TX-OK	cents/lb.	81.49	Closed	Closed

West Texas	cents/lb.	81.99	Closed	Closed
Desert SW	cents/lb.	81.24	Closed	Closed
SJ Valley	cents/lb.	81.49	Closed	Closed

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-Dec-22	24-Dec-22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	61100	40400	20700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	61500	40900	20600
J-34(202)	26mm	3.5 - 4.9	23	56300	41200	15100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	40600	-
Shankar-6(105)	29mm	3.5 - 4.9	28	58000	42200	15800
Bunny/ Brahma (105)	31mm	3.5 - 4.9	30	60100	43300	16800
MCU-5/ Surabhi (106)	32mm	3.3 - 4.9	31	61100	44500	16600
DCH-32(107)	34mm	3.0 - 3.8	33	70500	50000	20500

Daily Futures Price Listing Monday, Dec 26th, 2022

Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
23-Mar	221223	84.3	85.79	84.01	85.21	0.91	15,598	99,554	-1071
23-May	221223	83.95	85.61	83.71	85.18	1.33	5,478	36,013	-47
23-Jul	221223	83.42	85.39	83.42	84.91	1.4	2,943	29,583	-491
23-Oct	221223	82.96	82.96	82.96	82.96	1.6	2	26	-2
23-Dec	221223	82.14	82.89	81.24	82.52	1.45	1,572	23,524	-3
24-Mar	221223	82.47	82.47	82.42	82.42	1.4	44	2,867	-23
Total Volume and Open Interest							25,690	194,328	-1,614

Source: MRCI

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