

**COTTON WEEKLY RESEARCH REPORT**12<sup>th</sup> December 2022**Domestic market summary****Major Market Highlights:**

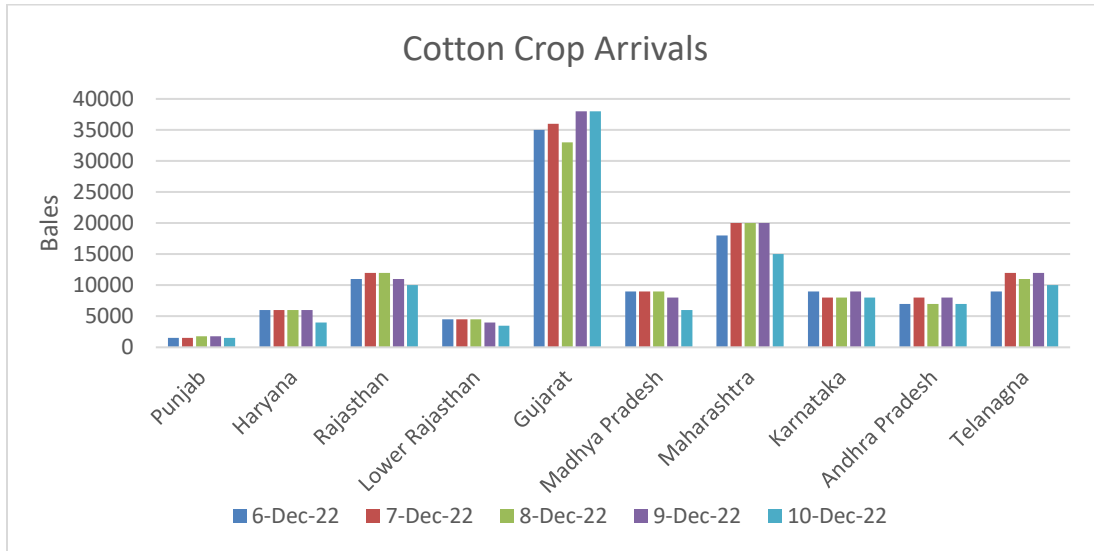
Cotton daily arrivals have reached around 1,10,000-1,15,000 bales per day. Overall cotton crop condition is good. Cotton First picking has been completed in the major cotton growing belts across India. In some areas of central and northern India second picking has been started. About 35% of the cotton crop has been harvested so far. Cottonseed prices are remained weak to stable. However, the raw cotton prices remained stable. The cotton future market is highly volatile.

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.

**Domestic Market Scenario:**

- According to the Punjab Mandi Board data, cotton crop has seen the slowest arrival in the last five years even as the average rate is the highest since 2018. Punjab is expected to have produced 20 lakh quintals against 29 lakh quintals produced in the 2021-22 season.
- As per the Mandi Board data, Till 30<sup>th</sup> November 22, 2.22 lakh quintals of raw cotton has arrived from all seven districts of the Malwa belt. Where else, the average rate of cotton is around Rs.8,500 per quintal. All seven cotton-growing districts are reporting the arrival of mere 4,000-8000 quintals every day.
- As per AgriWatch sources, Arrivals are lower as farmers are holding cotton in anticipation of higher prices in the near term. Also, there are reports of shorter staple length than the prescribed of 27 mm.
- As cotton arrivals have been increasing in the market but still lower from previous season. The raw cotton prices have started declining in Karimnagar, raw cotton prices have fallen by Rs.2,700 during the last fortnight. Through, the price of quintal cotton rose up to Rs.9,000 in the second week of November. All India cotton arrivals during November month were around 2,934,325 bales as compared to previous month arrivals of around 1,335,840 bales in the 2022-23 season.

### New Cotton Crop Arrival & Prices:

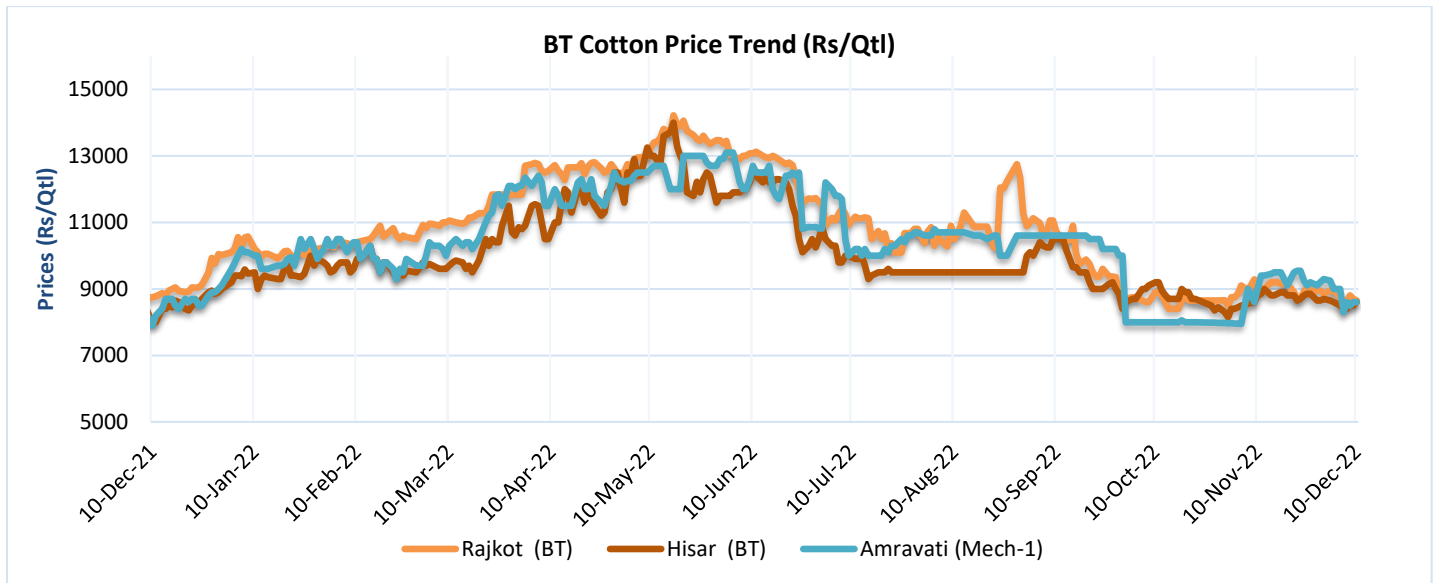


All India Cotton Arrivals 2022-23	
This Week	8 Lakh Bales
Cumulative Arrival	51 Lakh Bales
Cotton Consumption	43 Lakh Bales
Exports	50,000 Bales
Import	200,000 Bales

### Domestic Cotton Prices Scenario

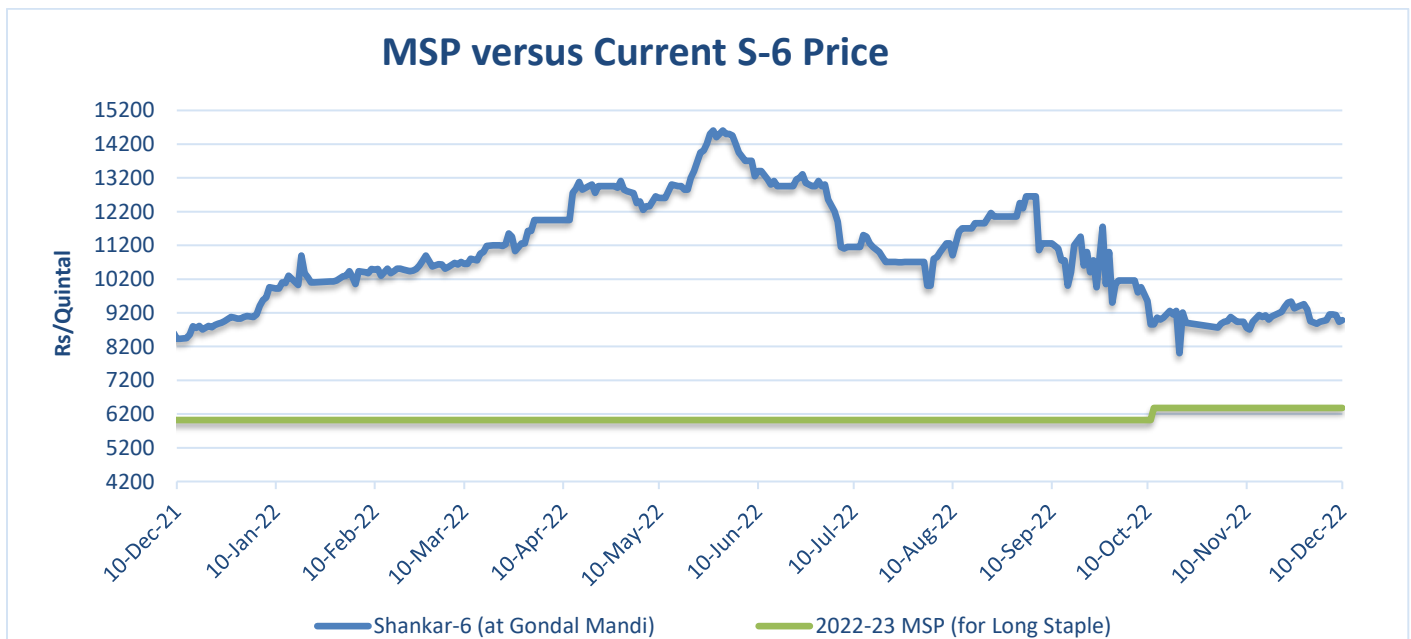
#### Kapas (Raw Cotton) Weekly Price Scenario

**Weekly Price Review:** Weekly BT Cotton average prices at Rajkot stood lower at Rs. 8,691/Qtl compared to previous week's Rs. 8,930/Qtl. Cotton prices at Amravati traded at Rs. 8,600 per quintal whereas prices in Hisar were slightly lower at Rs. 8,491 per quintal during the past week.



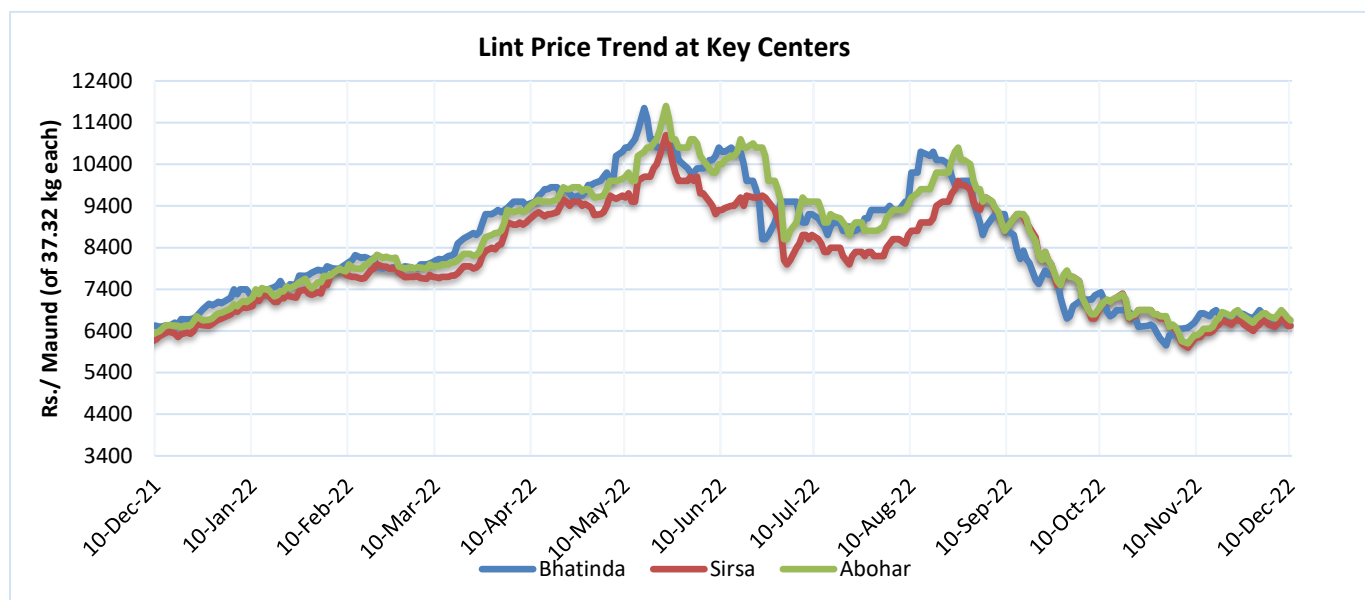
### Spot Price Comparison

Cotton shanker-6 at Gondal market traded slightly lower at Rs. 8,767 per quintal against the minimum support price of Rs. 6,380 per quintal.



## Lint price Outlook

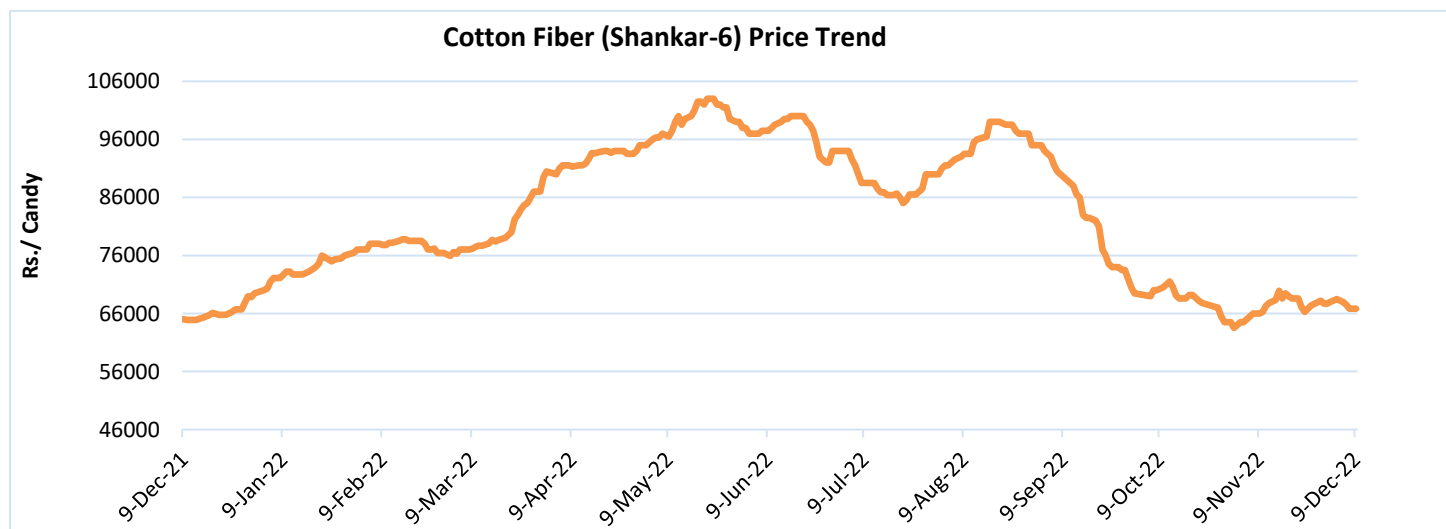
The average price stood slightly lower at Rs. 6616/maund this week compared to Rs.6783/maund previous week in Abohar, in Bhatinda prices were at Rs.6620/maund, and slightly lower in Sirsa at Rs.6483/maund from Rs.6587/maund previous week.



Source: Agriwatch

## Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly lower and is currently at Rs.66,880/candy and is likely to remain higher in the coming weeks.



Source: Cotton Association of India (CAI)

## Cotton Seed Oil and Cotton Seed Oil Cake

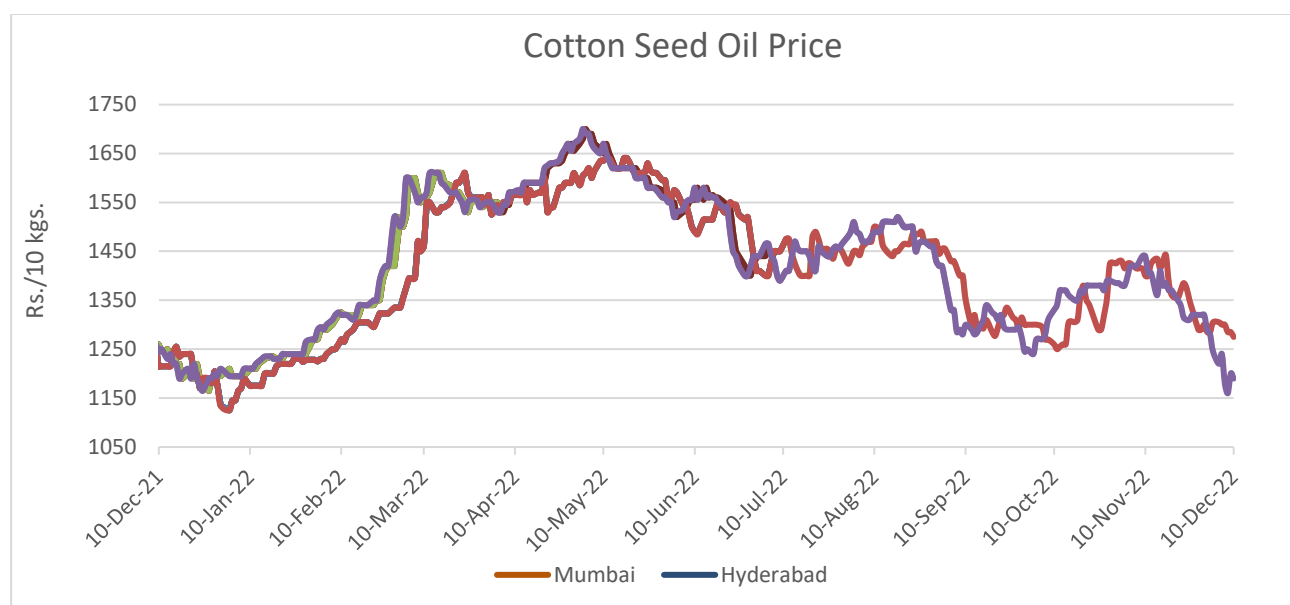
### Cotton Seed Oil weekly

#### Price Scenario

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 10th Dec'22.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	10-Dec-22	03-Dec-22	
<b>Rajkot</b>	1188	1275	<b>-6.80</b>
<b>Hyderabad</b>	1212	1281	<b>-5.41</b>
<b>Mumbai</b>	1185	1266	<b>-6.40</b>

Source: Agriwatch

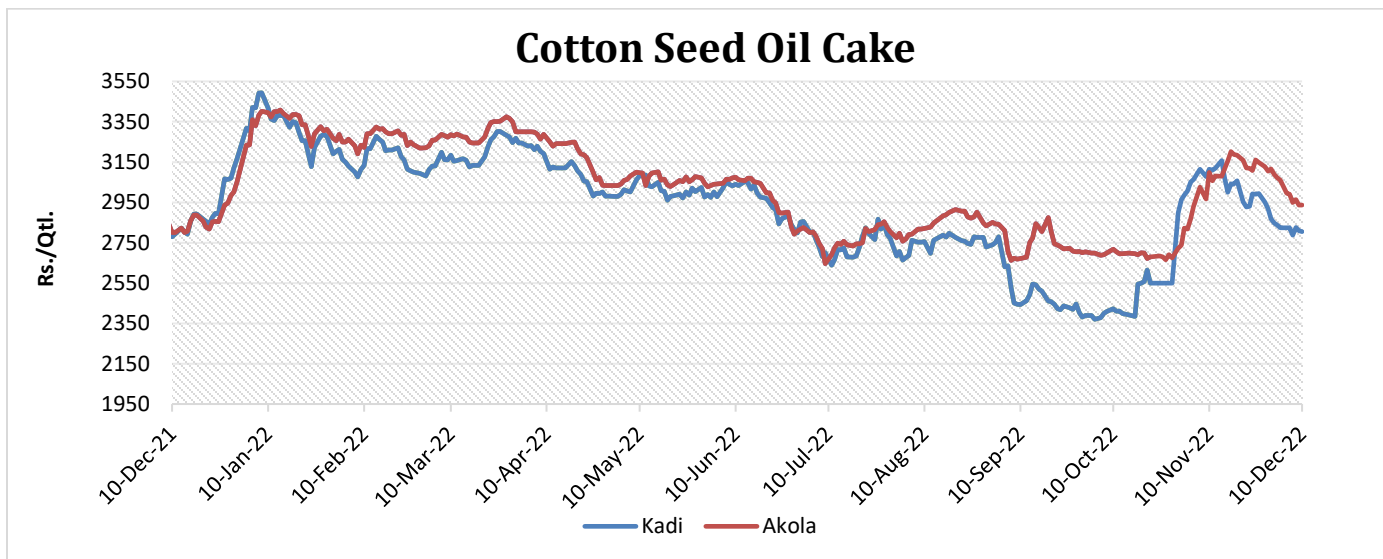


#### Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased slightly due to limited demand as compared to previous week. Prices in Kadi were at Rs. 2812 per quintal from Rs. 2874 per quintal and in

Akola prices were at Rs. 2962 per quintal from Rs. 3095 per quintal the previous week. For the coming week we expect prices to remain weak to stable.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	10-Nov-22	03-Nov-22	
Kadi	2812	2874	-2.15
Akola	2962	3095	-4.29



Source: NCDEX

### Price Forecast for the coming week

Months	Past Week	During the week	Coming week
Price per quintal at Rajkot (Average of the month)	8650	8600-8940	8650-9640

### Stock Summary

Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
28.00	6.50	34.50

### International Market Scenario

As per the Australian Crop Report, Australian cotton production is forecasted to decrease by 23% in 2022–23 season to 4.3 million bales, as compared to the previous 5.6 million bales in 2021–22 season. Excessively wet conditions and flooding across major production regions in New South Wales during spring have prevented planting. However, improved water storage levels in parts of Queensland are expected to add slightly to cotton production.

		Area (000'hectares)	Yield (Tonne/hectare)	Production (KT)	Area Change(%)	Production Change(%)
<b>Queensland</b>	Cotton Lint	228	1.99	455	6	8
	Cottonseed	228	2.40	547	6	8
<b>New South Wales</b>	Cotton Lint	246	2.04	502	-40	-40
	Cottonseed	246	2.46	604	-40	-40

According to the Pakistan Cotton Ginners Association, cotton production in Pakistan is likely to fall by 40% in 2022. Cotton production has reached 40.28pc lower than the previous year harvest. During the previous season cotton production was around 7.16 million bales before December 2021 against 4.28 million bales this year.

During the period, the export of cotton was 4,900 bales which is 11,100 bales (69.38 pc) less than the export of 16,000 bales in the same period last year. Overall cotton production in Pakistan during 2022 is likely to fall at 4.8 million bales due to heavy rains and floods which have largely affected the crop during the previous months. As per sources, Pakistan may import about 7 million bales to meet the industrial demand.

### USDA Balance Sheet

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 bales, 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.

The U.S. balance sheet shows higher production and ending stocks relative to the previous month. Exports and consumption are estimated down this month, and shipments are projected at the lowest level in 7 years.

World Cotton Balance Sheet			
	2020-21	2021-22#	2022-23*
Area Harvested	31,367	32,315	32,064
Yield	773	779	782
Opening Stock	98,393	86,725	85,444
Production	1,11,467	1,15,728	1,15,728
Imports	48,693	42,889	42,271
Exports	48,728	42,863	42,251
Domestic Consumption	1,23,100	1,17,035	1,11,631
Ending Stock	86,725	85,444	89,561

Source: USDA \*Global projected 2022-23; #estimated 2021-22

\*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

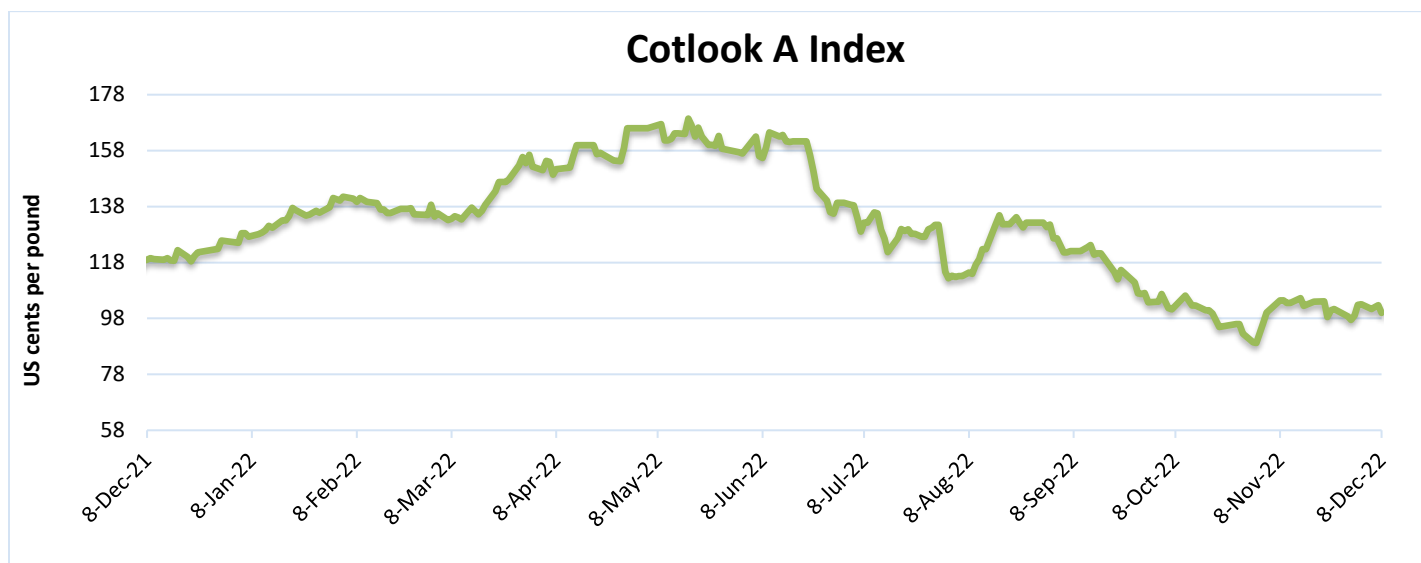
### Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 101.54 cents/lb lower as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	08-Dec-22	02-Dec-22	
Prices	101.54	100.26	1.09
Prices in US cents per Pound			

Source: Cotlook

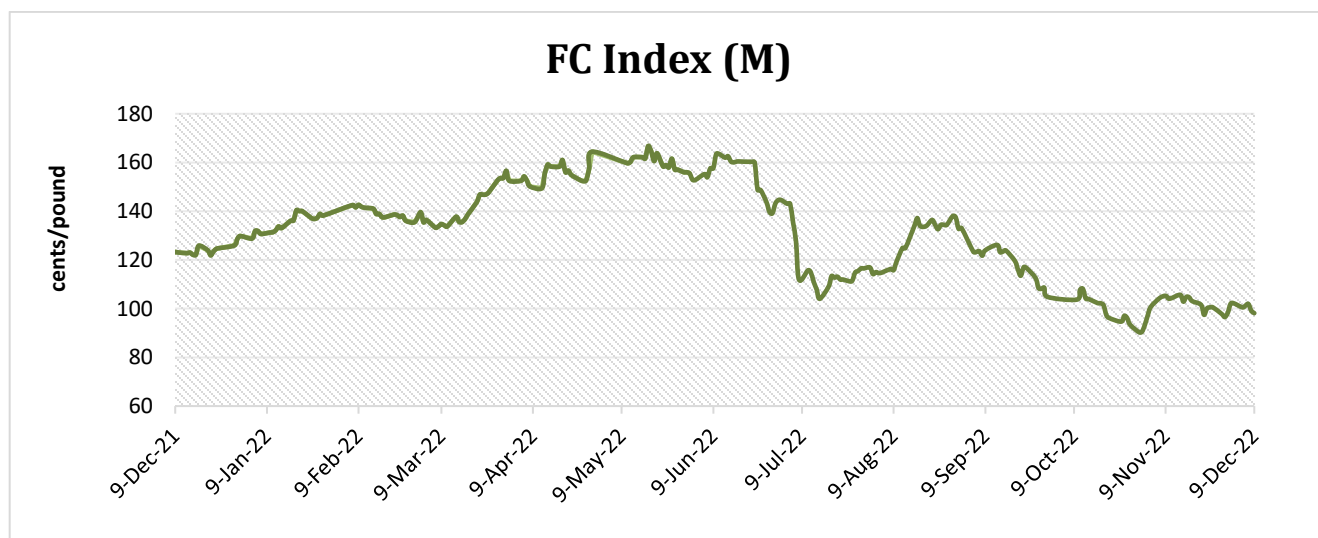




### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	09-Dec-22	04-Dec-22	
FC (S)	100.89	99.32	1.58
FC (M)	100.19	98.63	1.58
FC (L)	99.19	97.63	1.59
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	09-Dec-22	02-Dec-22	
CCIndex(328)	14906.40	14981.20	<b>-0.50</b>
CCIndex(527)	13440.20	13506.40	<b>-0.49</b>
CCIndex(229)	15231.40	15307.60	<b>-0.50</b>
Prices in Yuan per ton			

Source: China Cotton Association

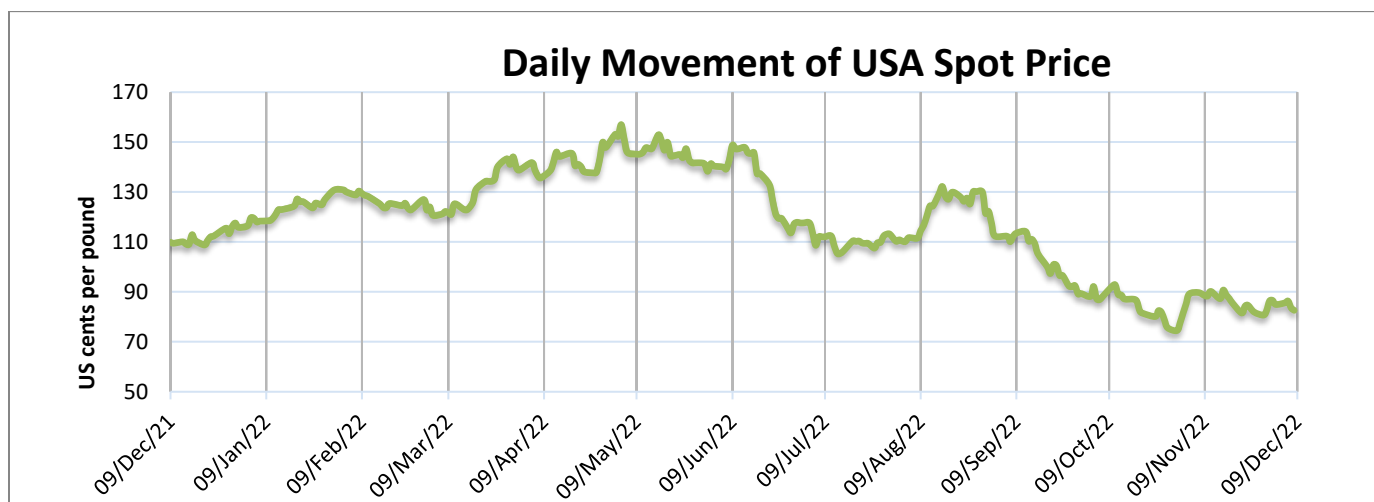


## USA Spot Prices

U.S.A spot prices was at 84.53 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	09-Dec-22	01-Dec-22	
Prices	84.53	83.59	<b>1.13</b>
Prices in US cents per Pound			

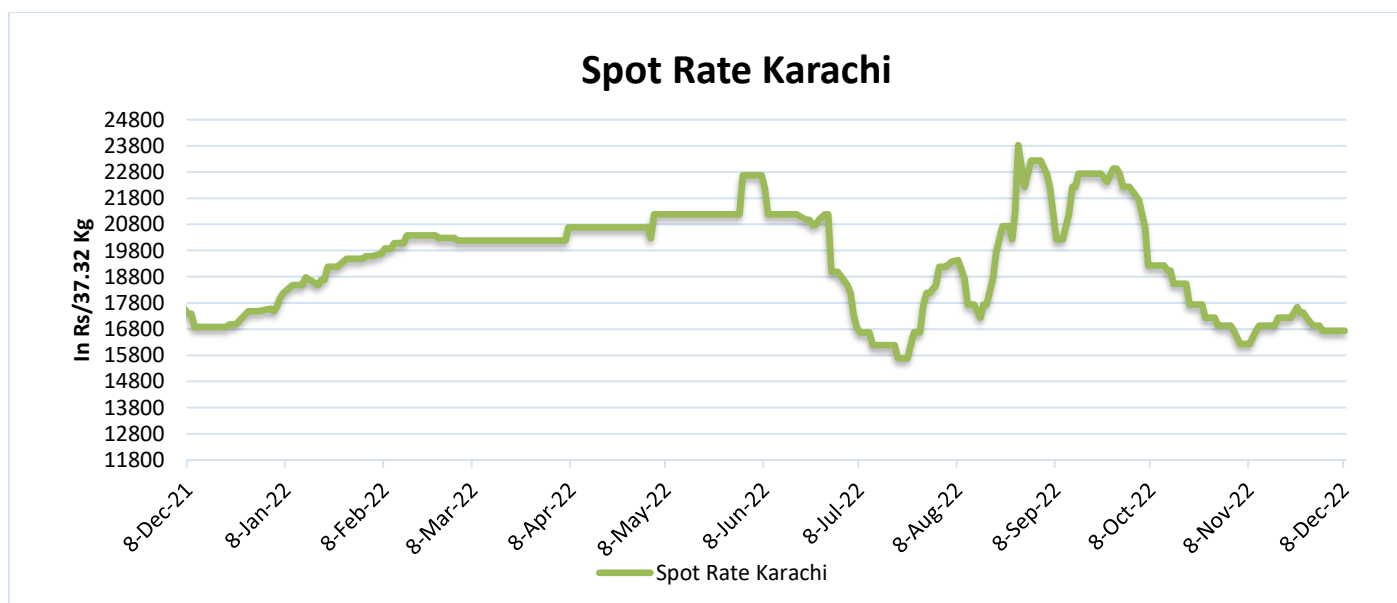
Source: USDA



## Pakistan Spot Prices

The Karachi spot price remained stable at Rs.16735/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	08-Dec-22	02-Dec-22	
Prices	16735	16735	-
Prices in Rs per 37.32 Kg			



**Commodity: Cotton**
**Exchange: MCX**
**Contract: Dec**
**Expiry: Dec. 30, 2021**

### Cotton – Technical Outlook

#### Technical Chart:



#### Technical Commentary:

- As depicted in the above chart, market is currently trading at 31700 level.
- Technically, now Cotton has consolidated during the last week, although prices may take support at 30000 level.
- Market is currently above 9 DMA. RSI indicates slight buying strength.
- Overall, the prices are expected to remain range-bound in the coming weeks.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cotton	MCX	Dec	31300	31380	31700	31930	32050
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Wait	31710	31590	31490	31782

Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Dec

Expiry: Dec. 30, 2021

## Cottonseed Oilcake

### Technical Chart:



### Technical Commentary:

- As evident from the above chart, market remained sideways during the last week.
- Currently market is trading above 9 and 18 DMA, Resistance is likely to be at 2800 level.
- RSI indicating weak buying strength.
- Market is expected to remain rangebound in the coming week.

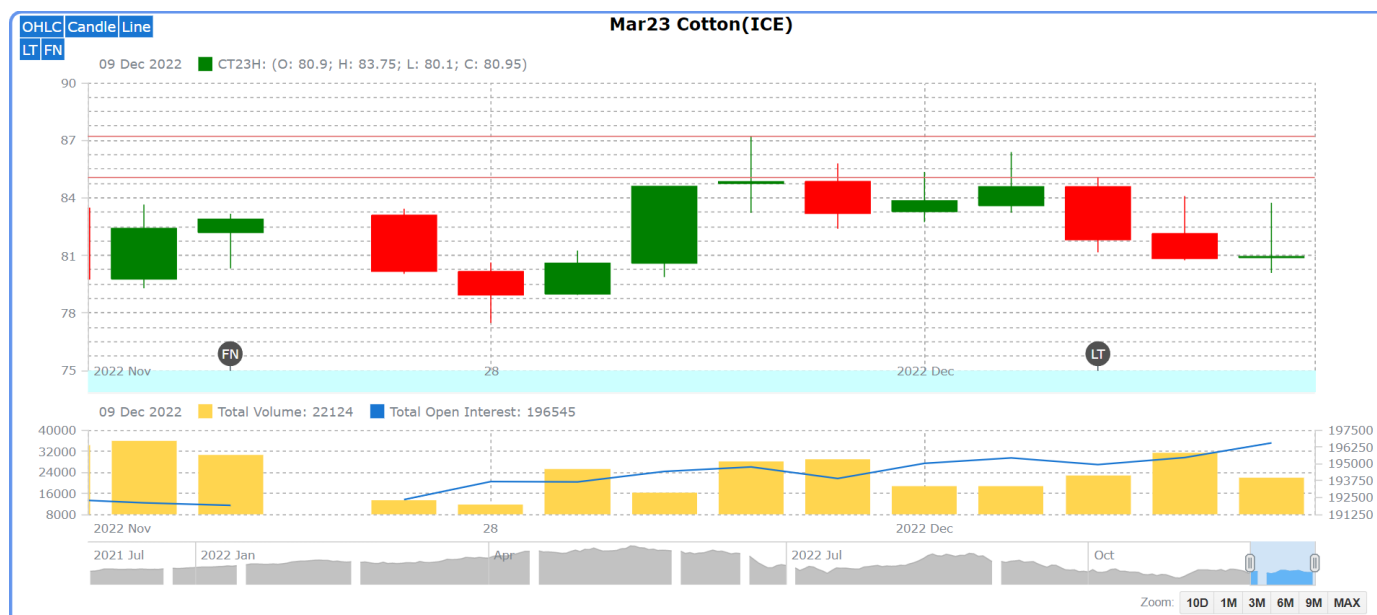
Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Dec	2661	2711	2777	2937	2952
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Dec	Buy	2787	2752	2727	2808

## MCX Weekly Prices

MCX Cotton Futures	
Date	Dec-22
02-12-2022	66,730
09-12-2022	65,810
Changes in points	<b>-920</b>
% Change	<b>-1.38</b>

Currencies Weekly Change					
Date	INR/USD	Dollar Index	INR/Yuan	Yuan/Dollar	USD/Yuan
02-12-2022	81.44	104.44	11.593	0.142	7.024
09-12-2022	82.42	104.90	11.845	0.143	6.957
Changes in points	<b>0.98</b>	<b>0.46</b>	<b>0.25</b>	<b>0.001</b>	<b>-0.066</b>
% Change	<b>1.20</b>	<b>0.44</b>	<b>2.18</b>	<b>0.91</b>	<b>-0.95</b>

## Technical Analysis of Cotton Future (Mar'23 Contract) at ICE



- The Mar'23 contract remained up and intact.
- Total volume increased & Open Interest decreased compared to last month,
- We expect cotton prices to remain sideways in the coming month.

### Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	80-87

### Expected Support and Resistance

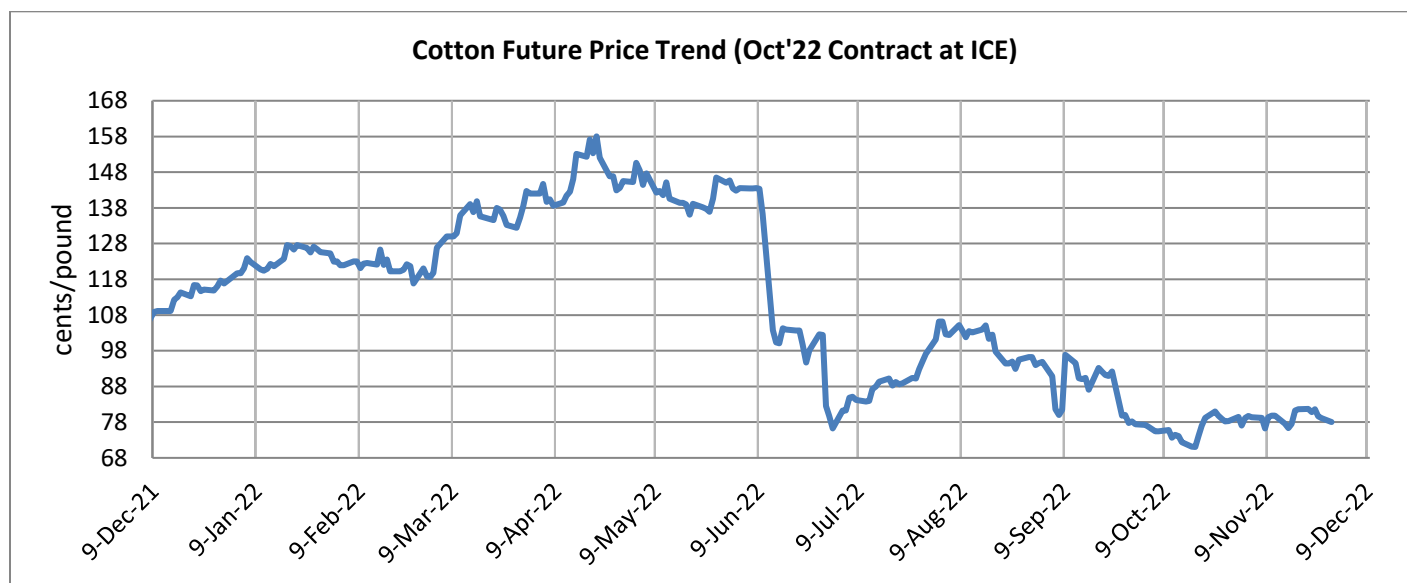
Support 1	Support 2	Resistance 1	Resistance 2
78	80	85	90

Figures in US cents/pound

### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	09-Dec-22	09-Nov-22	10-Sep-22	12-Jun-22	09-Dec-21	% Change over a month	% Change over previous year
Oct-22	78.00	78.19	109.52	98.44	94.19	-0.24	-17.19
Dec-22	79.17	78.15	104.84	90.84	89.84	0.03	-12.99
Mar-23	81.00	84.56	101.45	106.72	106.72	-4.21	-24.10
May-23	81.00	83.97	99.28	105.32	105.32	-3.54	-23.09
Jul-23	79.19	83.34	96.27	103.22	103.22	-4.98	-23.28

### Future Price Trend (Active Contract):



### Cotton Yarn

Cotton Yarn Exports are likely to go down during the first half of 2023. The higher domestic prices along with weak export demand may impact the yarn export globally. Earlier, the exports in cotton yarn witnessed a downward trend from January 2022 onwards, further aggravating a slowdown in global demand. Furthermore, the second half of 2023 is expected to remain muted for cotton yarn exporters due to the weak demand from the international market.

Yarn prices in the northern Indian market witnessed a bearish trend as cotton prices were not feasible for the textile industry. Yarn prices declined in Delhi as the weaving industry was cautious about buying. Panipat's recycled yarn traded stable, but cotton comber and recycled fiber eased.

In Delhi, lower demand for cotton yarn was witnessed from domestic and export market. Cotton yarn eased by Rs.5 per kg for most of the counts and varieties.

In the Delhi market, 30 count combed yarn was traded at Rs.290-295 per kg (GST extra), 40 count combed at Rs.320-325 per kg, 30 count carded at Rs.270-275 per kg and 40 count carded at Rs.305-310 per kg.



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	05th Dec'22 to 10th Dec'22	28th Nov'22 to 03rd Dec'22	
Gujarat	Ahmedabad	Shankar-6	8846	9070	-224
	Gondal	Shankar-6	8768	9020	-253
	Rajkot	B.T. Cotton	8692	8930	-238
	Patan	B.T. Cotton	8735	8943	-208
	Kadi	B.T. Cotton	8790	8983	-193
	Deesa	B.T. Cotton	1540	1636	-96
	Dhrol	B.T. Cotton	8844	9021	-177
Haryana	Bhiwani	B.T. Cotton	8417	8690	-273
	Bhiwani	Desi	NA	9000	-
	Adampur	B.T. Cotton	8492	8633	-142
	Fatehabad	B.T. Cotton	8372	8489	-118
	Jind	B.T. Cotton	8500	4840	3660
	Uchana	B.T. Cotton	8468	8691	-223
	Dabwali	B.T. Cotton	8490	8565	-75
Rajasthan	Hanumangarh	B.T. Cotton	8570	8800	-230
	Rawatsar	B.T. Cotton	8638	8778	-140
Madhya Pradesh	Khandwa	Mech-1	8400	9000	-600
	Khargaon	Mech-1	8563	9040	-477
Maharashtra	Amravati	Mech-1	8600	9175	-575
Uttar Pradesh	Hathras	B.T. Cotton	9880	9833	47
	Hathras	Desi	7680	7600	80
Telangana	Adilabad	Un-Ginned	8155	8500	-345
Andhra Pradesh	Adoni	Un-Ginned	8605.8	9120.5	-515
Karnataka	Bijapur	Bunny	9215	9459	-244
	Hubli	D.C.H.	8901	5688	3213
	Raichur	H-44 Cotton	8650	9067	-417
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	05th Dec'22 to 10th Dec'22	28th Nov'22 to 03rd Dec'22	
Punjab	Bhatinda	J-34	6621	6783	-163
	Abohar	J-34	6617	6783	-167
	Mansa	J-34	6483	6650	-167
Haryana	Sirsa	J-34	6483	6588	-104
Rajasthan	Sri-Ganganagar	J-34	6292	6392	-100

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th Dec'22 to 10th Dec'22	28th Nov'22 to 03rd Dec'22	
Gujarat	Ahmedabad	Shankar-6	280500	229500	51000
	Gondal	Shankar-6	51400	43900	7500
	Rajkot	B.T. Cotton	29400	28700	700
	Patan	B.T. Cotton	42652	86276	-43624
	Kadi	B.T. Cotton	75000	110000	-35000
	Dhrol	B.T. Cotton	3963	3245	718
Haryana	Bhiwani	B.T. Cotton	6800	4300	2500
	Adampur	B.T. Cotton	9520	12920	-3400
	Fatehabad	B.T. Cotton	2715	2965	-250
	Jind	B.T. Cotton	850	1105	-255
	Uchana	B.T. Cotton	2650	1550	1100
	Dabwali	B.T. Cotton	2650	1550	1100
Rajasthan	Hanumangarh	B.T. Cotton	15500	11500	4000
	Rawatsar	B.T. Cotton	15500	11500	4000
Madhya Pradesh	Khandwa	Mech-1	6700	6800	-100
	Khargaon	Mech-1	31530	40200	-8670
Maharashtra	Amravati	Mech-1	31000	22800	8200
Uttar Pradesh	Hathras	B.T. Cotton	NA	100	-
Telangana	Adilabad	Un-Ginned	421430	172550	248880
Andhra Pradesh	Adoni	Un-Ginned	10866	16315	-5449
Karnataka	Bijapur	Bunny	25746	34293	-8547
	Hubli	D.C.H.	94	94	Unch
	Raichur	H-44 Cotton	101	112	-11
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	05th Dec'22 to 10th Dec'22	28th Nov'22 to 03rd Dec'22	
Punjab	Abohar	J-34	2550	3145	-595
	Mansa	J-34	1785	1530	255
Haryana	Sirsa	J-34	3570	4845	-1275
Rajasthan	Sri-Ganganagar	J-34	8000	6000	2000

**Cotton Yarn Prices:**

Cotton Yarn Prices	9-Dec-22	8-Dec-22	Change	9-Dec-22	8-Dec-22	Change
Variety	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	3.06	3.06	Unch	249	249	Unch
Ne 20/1 Combed Hosiery Yarn	3.19	3.19	Unch	259	259	Unch
Ne 21/1 Carded Weaving Yarn	3.06	3.06	Unch	249	249	Unch
Ne 26/1 Combed Hosiery Yarn	3.27	3.27	Unch	266	266	Unch
Ne 30/1 Carded Hosiery Yarn	3.22	3.22	Unch	262	262	Unch
Ne 30/1 Combed Hosiery Yarn	3.35	3.35	Unch	272	272	Unch
Ne 32/1 Carded Weaving Yarn	3.31	3.31	Unch	269	269	Unch
Ne 34/1 Combed Hosiery Yarn	3.56	3.56	Unch	289	289	Unch
Ne 40/1 Combed Hosiery Yarn	3.74	3.74	Unch	304	304	Unch
Ne 40/1 Carded Weaving Yarn	3.5	3.5	Unch	284	284	Unch
Ne 30/2 Carded Hosiery Yarn	3.5	3.5	Unch	284	284	Unch
Ne 32/2 Combed Knitting Yarn	3.93	3.93	Unch	319	319	Unch
Ne 32/2 Carded Hosiery Yarn	3.56	3.56	Unch	289	289	Unch
Ne 40/2 Combed Hosiery Yarn	4.36	4.36	Unch	354	354	Unch
Ne 30/1 Combed Compact Weaving Yarn	3.56	3.56	Unch	289	289	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.99	3.99	Unch	324	324	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.36	4.36	Unch	354	354	Unch
Ne 16/1 Open End Yarn	2.26	2.26	Unch	184	184	Unch
Ne 21/1 Open End Yarn	2.45	2.45	Unch	199	199	Unch
Ne 24/1 Open End Yarn	2.76	2.76	Unch	224	224	Unch

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