

**COTTON WEEKLY RESEARCH REPORT**

09th January 2023

**Domestic market summary****Major Market Highlights:**

Cotton daily arrivals have reduced around 1,00,000-1,20,000 bales per day. Cotton arrivals in the domestic market are not increasing as farmers are holding stock in anticipation of higher prices. Overall weather is favorable for the cotton crop. Cotton third picking is going on in most of the cotton belt. Cottonseed prices remained stable to firm during the last week. Demand is also comparatively lower than the production.

Ginning factories are running with less than 50% of their capacity. Limited stock is available with the ginners. Spinning margin close to zero. Cotton yarn prices are stable. Trade is very slow due to the huge disparity to spinners and ginners. Export demand has improved during the last week.

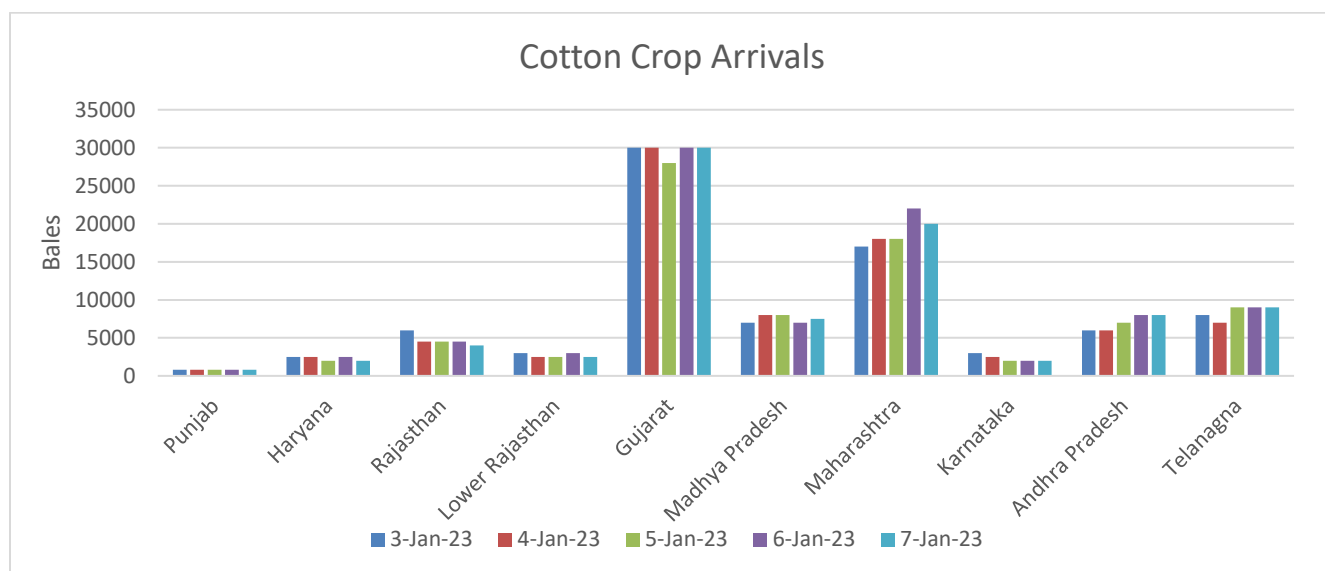
Cotton Corporation of India has started purchasing cotton in Maharashtra, Telangana and Odisha. February cotton contract has been delayed by MCX.

**Domestic Market Scenario:**

- According to Gujcot trade Association, Gujarat has registered arrivals of around 25 lakh bales about 27% of the total estimated crop. This is Gujarat arrivals are lower by around 8 percent because the cotton prices are lower in the domestic market as a result farmers are holding stock. All India arrivals are also lower as compared to the previous season by around 15%.
- All India Kisan Khet Mazdoor Saghatan has urged the Karnataka government to establish cotton procurement centers in Yadgir district as the cotton prices in the domestic market had fallen drastically.
- Telangana farmers have decided to protest the lower prices of cotton. The cotton prices in Telangana have come down to Rs. 6,800 per quintal last week. However, prices are still higher than the minimum support price but comparatively lower from the previous season. About 50 million acres of land is used for cotton cultivation in the state. Farmers were encouraged to grow cotton in 2022, as prices reached record highs in the previous season. Even as heavy rains and floods destroyed crops in many parts of the state, farmers went ahead and planted fiber crops.
- Raw Cotton prices continue to fall in the domestic market in Adilabad district despite efforts made by Cotton Corporation of India to Stabilize the prices. CCI is procuring top quality cotton at Rs. 8,300 per

quintal. With the fluctuation in prices, cotton farmers are holding stock and as result, daily arrivals are lower. As per Cotton Association of India, Cotton arrivals between 01<sup>st</sup> October to 31<sup>st</sup> December 2022 were nearly 82 lakh bales against the 130 lakh bales for the same period last year. However, during the past 2 days prices have recovered, Cotton Shanker-6 prices are currently trading at Rs. 60,000 per candy against Rs. 56,000 per candy last week.

### New Cotton Crop Arrival & Prices:

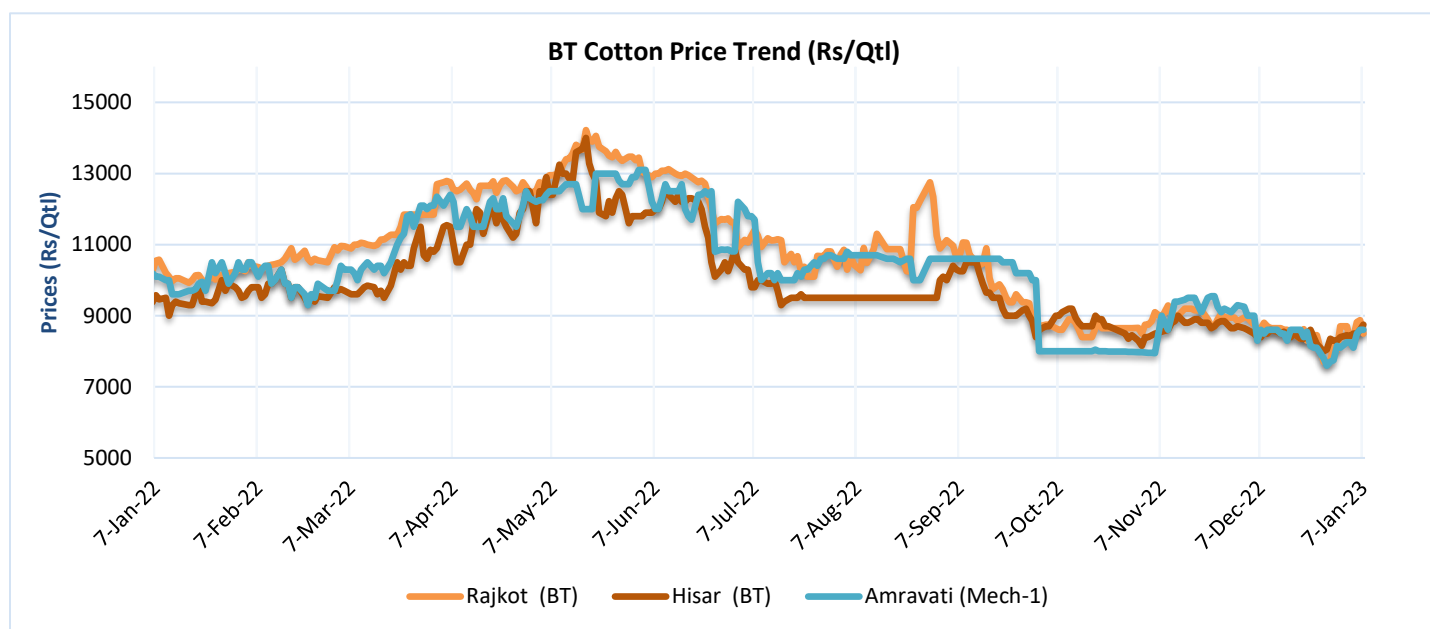


All India Cotton Arrivals 2022-23	
This Week	9 Lakh Bales
Cumulative Arrival	87 Lakh Bales
Cotton Consumption	65 Lakh Bales
Exports	2,00,000 Bales
Import	4,50,000 Bales

## **Domestic Cotton Prices Scenario**

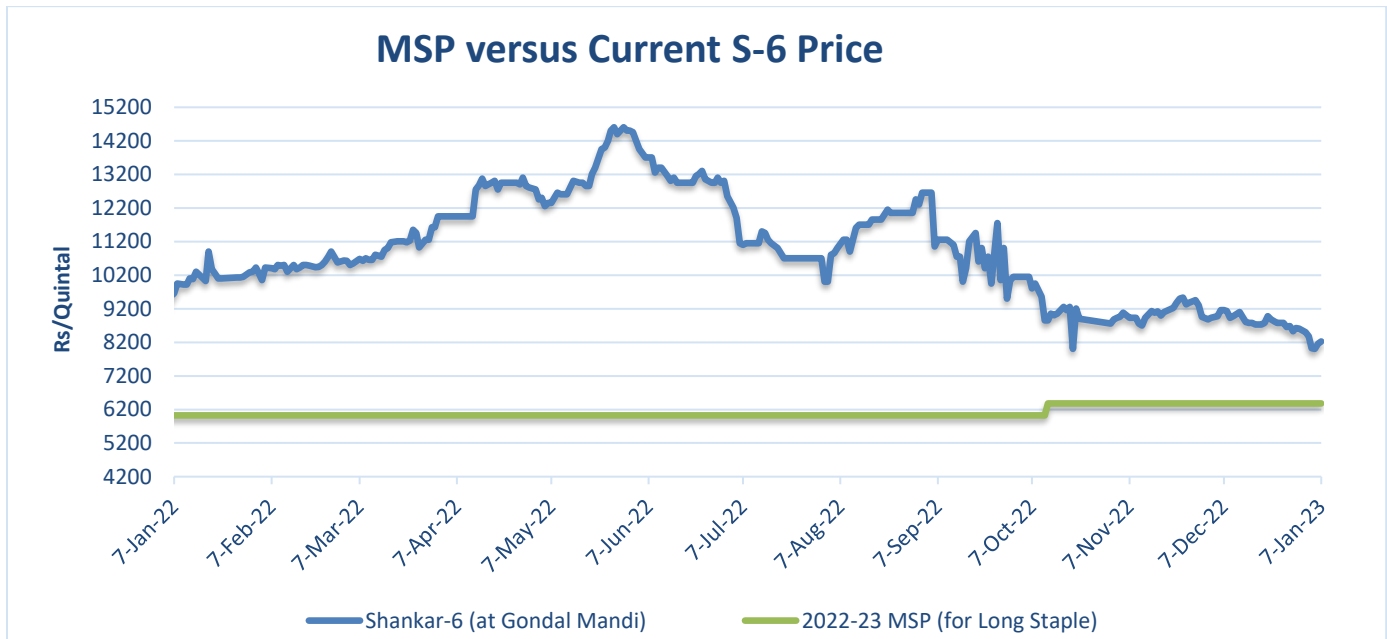
### **Kapas (Raw Cotton) Weekly Price Scenario**

**Weekly Price Review:** Weekly BT Cotton average prices at Rajkot stood higher at Rs. 8,598/Qtl compared to previous week's Rs. 8,008/Qtl. Cotton prices at Amravati traded at Rs. 8,383 per quintal whereas prices in Hisar were slightly higher at Rs. 8,536 per quintal during the past week.



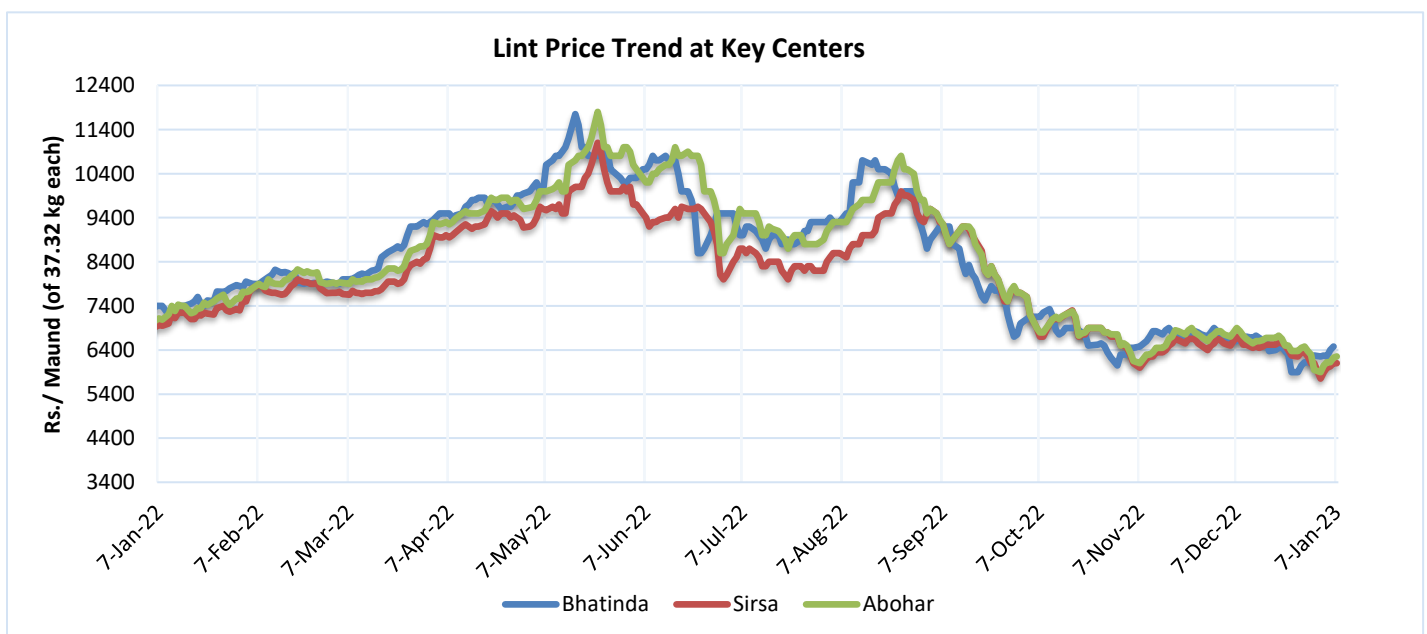
### **Spot Price Comparison**

Cotton shanker-6 at Gondal market traded slightly higher at Rs. 8,705 per quintal against the minimum support price of Rs. 6,380 per quintal.



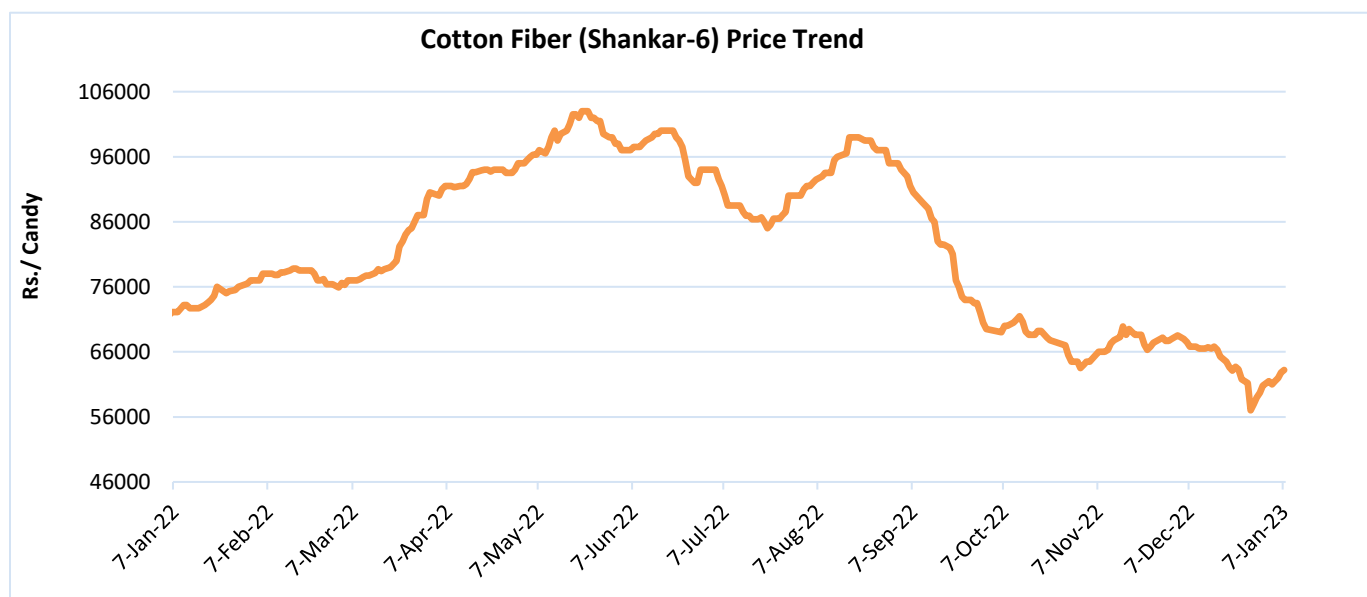
## Lint price Outlook

The average price stood slightly higher at Rs. 6320/maund this week compared to Rs.6062/maund previous week in Abohar, in Bhatinda prices were at Rs.6320/maund, and slightly higher in Sirsa at Rs.6195/maund from Rs.5979/maund previous week.



## Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly higher and is currently at Rs.62,283/candy and is likely to remain rangebound in the coming weeks.



Source: Cotton Association of India (CAI)

## Cotton Seed Oil and Cotton Seed Oil Cake

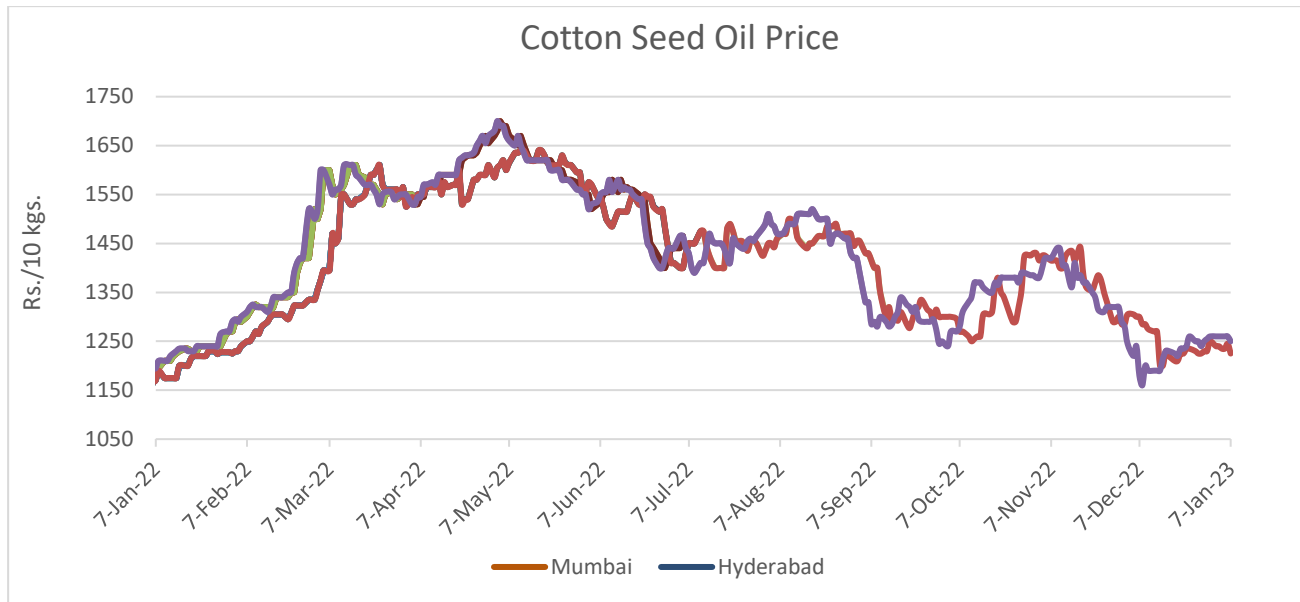
### Cotton Seed Oil weekly

#### Price Scenario

Cottonseed oil prices have shown a higher trend across the major centers during the week ending on 07th Jan'23.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	07-Jan-23	02-Jan-23	
Rajkot	1248	1249	0.12
Hyderabad	1229	1235	-0.55
Mumbai	1255	1254	0.80

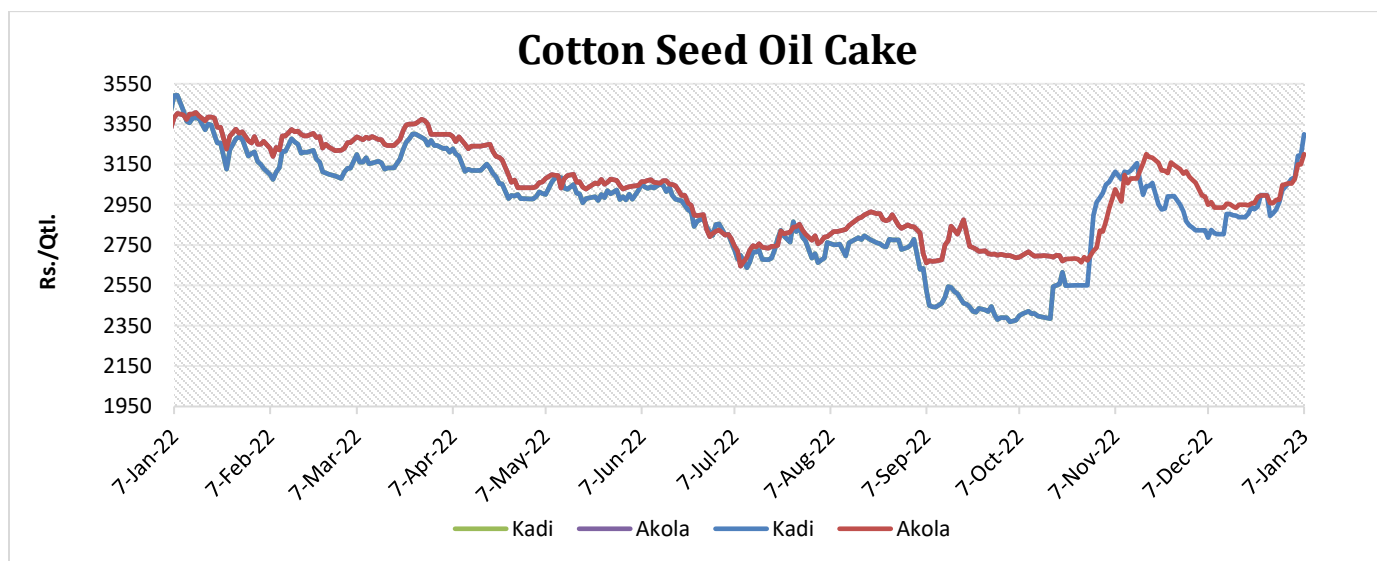
Source: Agriwatch



### Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has increased slightly due to limited demand as compared to previous week. Prices in Kadi were at Rs. 3151 per quintal from Rs. 2953 per quintal and in Akola prices were at Rs. 3116 per quintal from Rs. 2985 per quintal the previous week. For the coming week we expect prices to remain rangebound.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	07-Jan-23	02-Jan-23	
Kadi	3151	2953	6.71
Akola	3116	2985	4.38



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)	8500	8500-8840	8650-9640

### Stock Summary

Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
37.00	12.50	49.50

### International Market Scenario

Australia government can allocate tariff rate quotas (TRQs) to its exporters/producers by giving them TRQ certificates up to the quota fixed for each commodity. Out of the 51,419 MT quota allowed by the Indian government, 419 MT ELS cotton (HS code 52010020) at zero import duty is for the calendar 2022 year. The remaining 51,000 MT will be quota for next year i.e., calendar year 2023.

Indian traders have mixed reactions on allowing duty-free import of cotton amid limited supply and higher prices during the cotton arrival season. Few traders expected easing in cotton prices in domestic market, but others argued that there is little room for easing in cotton prices due to limited quota and matching prices in the Australian market.

### USDA Balance Sheet

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

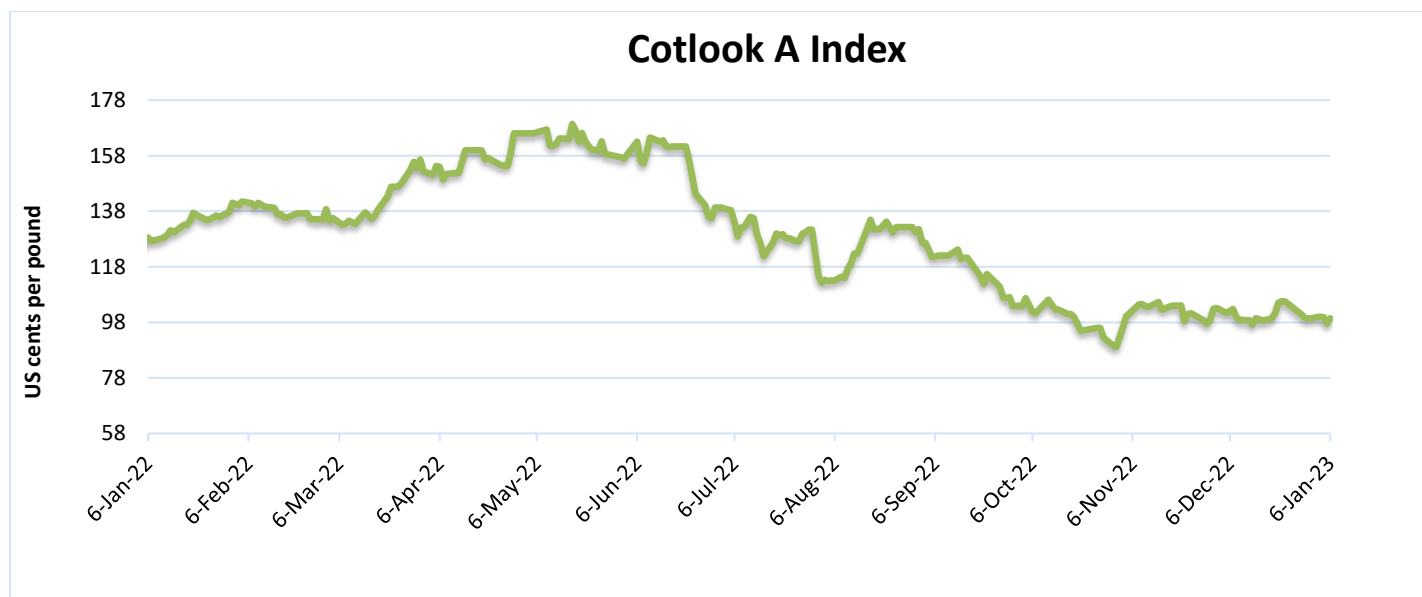
### Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 99.23 cents/lb lower as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	06-Jan-23	02-Jan-23	
Prices	99.23	101.40	-2.14
Prices in US cents per Pound			

Source: Cotlook

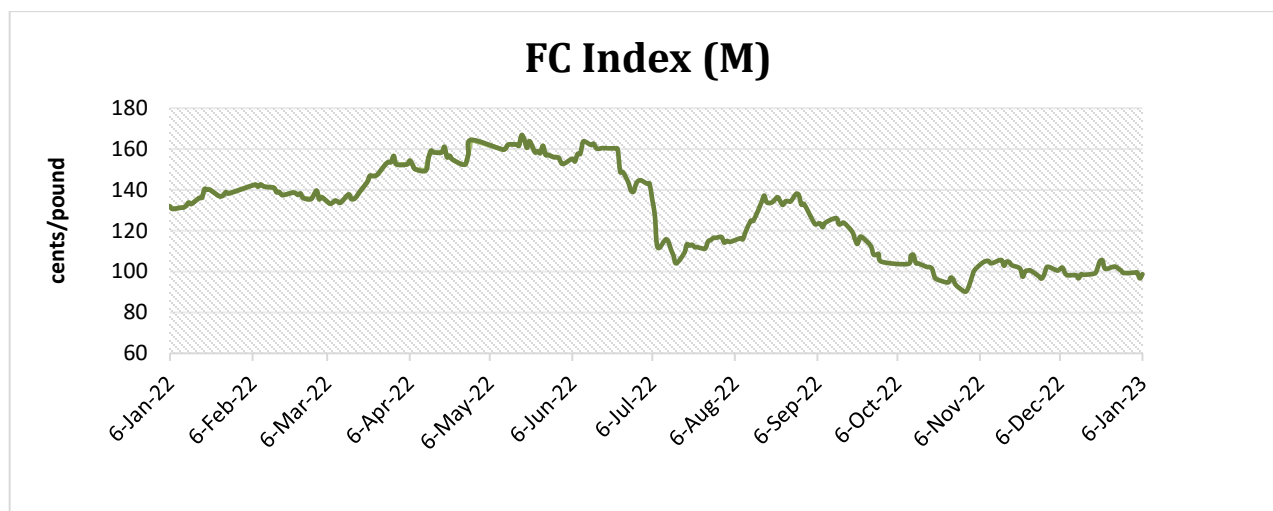




### China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	06-Jan-23	02-Jan-23	
FC (S)	99.72	102.08	-2.31
FC (M)	98.63	102.42	-3.71
FC (L)	97.62	101.63	-3.95
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	06-Jan-23	30-Dec-22	
CCIndex(328)	15083.25	15013.20	0.47
CCIndex(527)	13568.00	13505.20	0.47
CCIndex(229)	15410.00	15320.00	0.59
Prices in Yuan per ton			

Source: China Cotton Association

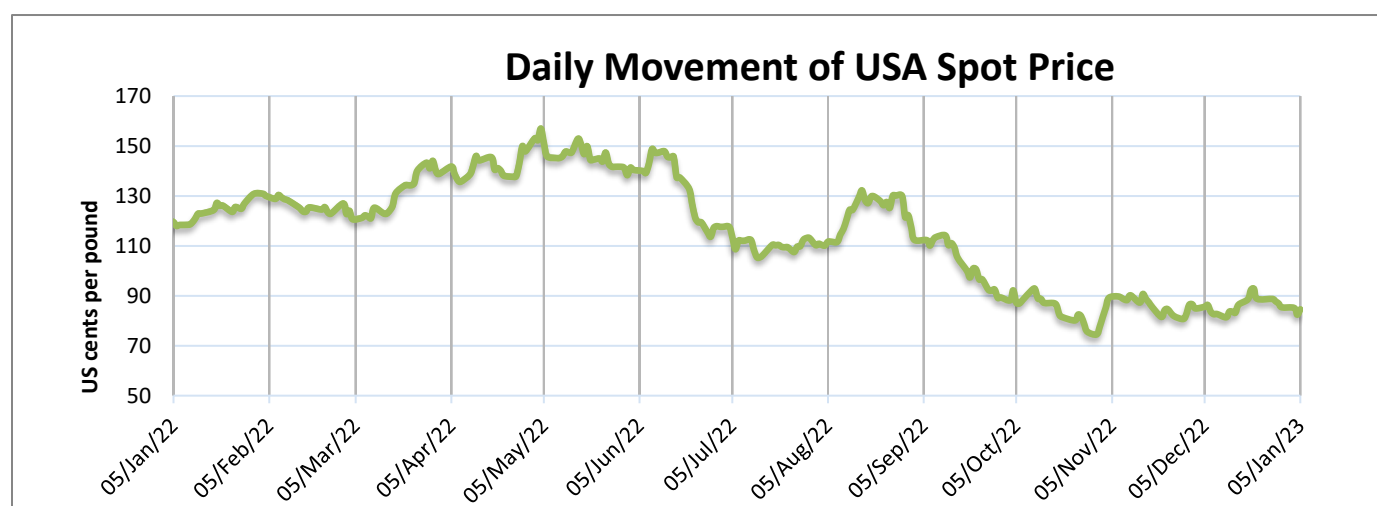


## USA Spot Prices

U.S.A spot prices was at 84.38 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	05-Jan-23	29-Dec-22	
Prices	84.38	87.80	-3.89
Prices in US cents per Pound			

Source: USDA

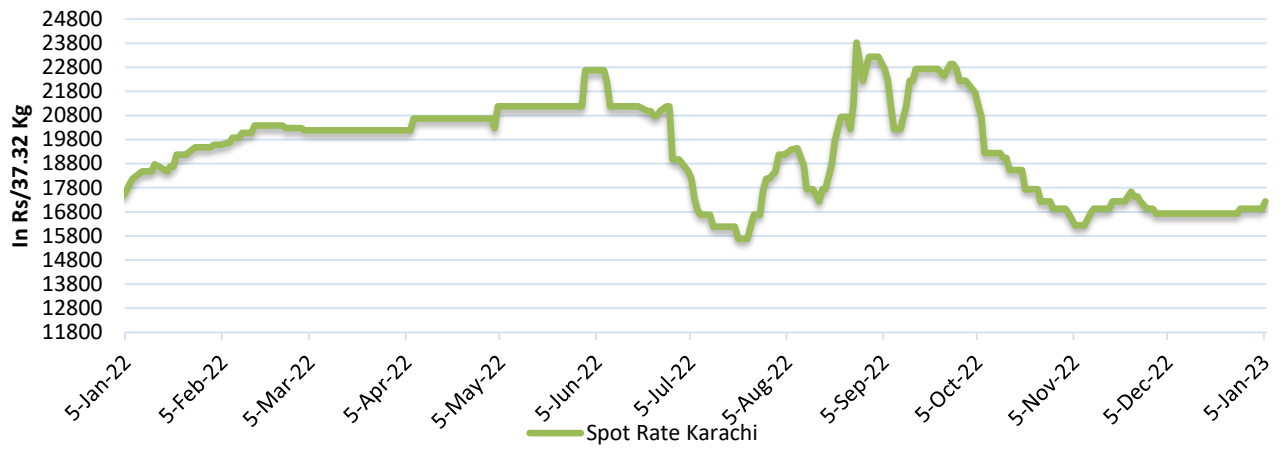


## Pakistan Spot Prices

The Karachi spot price remained higher at Rs.17352/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	05-Jan-23	30-Dec-22	
Prices	17352	16935	2.46
Prices in Rs per 37.32 Kg			

### Spot Rate Karachi



Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Jan

Expiry: Jan. 30, 2023

### Cottonseed Oilcake

#### Technical Chart:



#### Technical Commentary:

- As evident from the above, overall trend remained up and intact.
- Currently trading above 18, and 9 DMA. RSI indicates slight buying strength.
- Market is expected further to remain bullish in the coming week.

#### Intraday Supports & Resistances

			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jan	2958	3028	3148	3288	3348

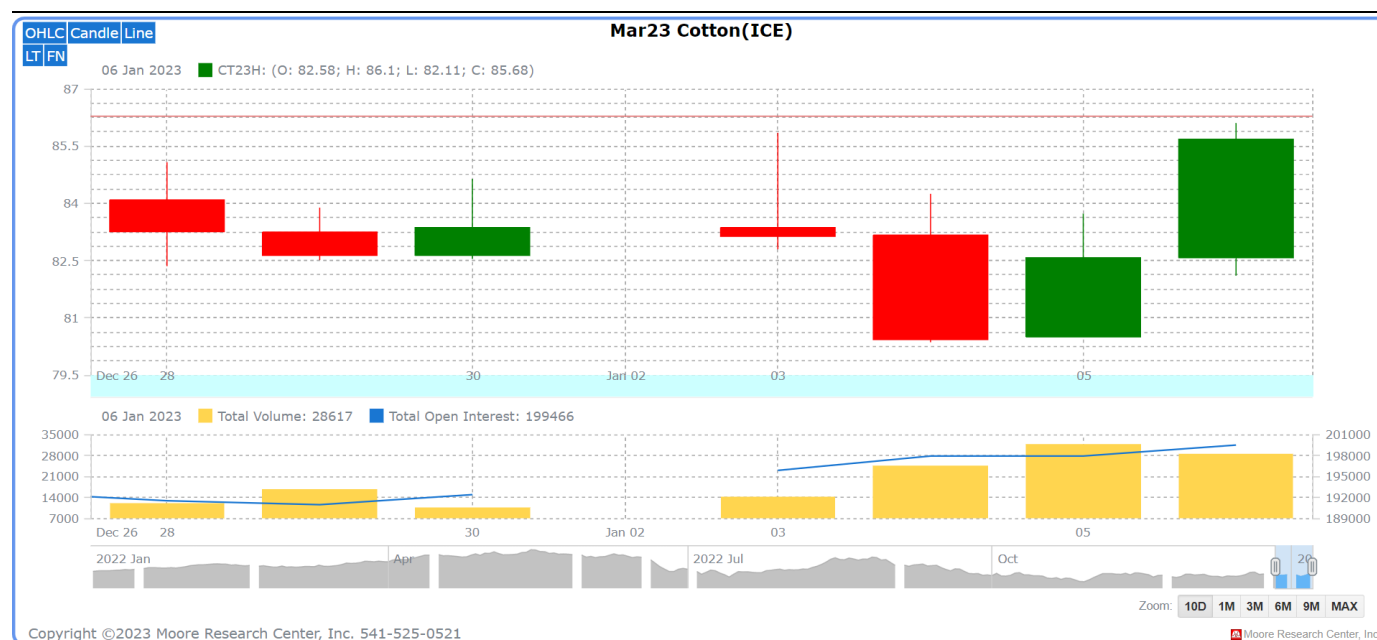
#### Intraday Trade Call

			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jan	Buy	3138	3238	3258	3068

## Currencies Weekly Prices

Currencies Weekly Change					
Date	INR/USD	Dollar Index	INR/Yuan	Yuan/Dollar	USD/Yuan
30-12-2022	82.74	103.23	11.994	0.1450	6.898
06-01-2023	82.28	103.64	12.031	0.146	6.838
Changes in points	-0.46	0.415	0.036	0.001	-0.059
% Change	-0.56	0.40	0.30	0.83	-0.87

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



- The Mar'23 contract remained sideways.
- Total volume increased & Open Interest slightly increased 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	85-96

### Expected Support and Resistance

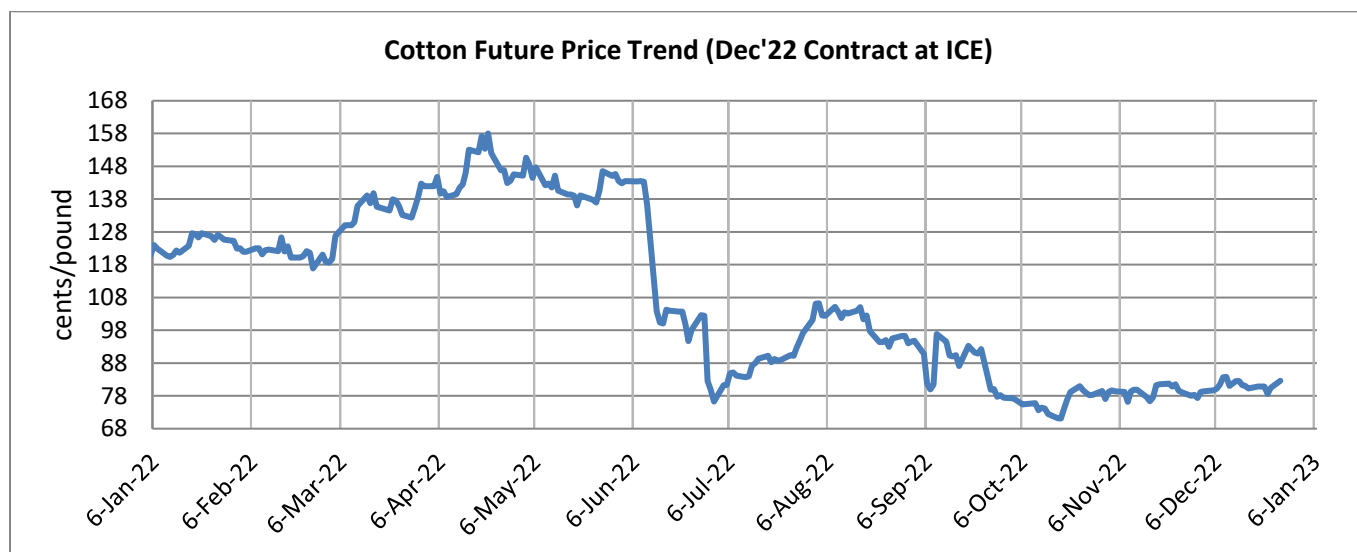
Support 1	Support 2	Resistance 1	Resistance 2
80	72	87	85

Figures in US cents/pound

### Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	06-Jan-23	07-Dec-22	08-Oct-22	10-Jul-22	06-Jan-22	% Change over a month	% Change over previous year
Oct-22	83.14	79.61	92.23	94.84	98.99	4.43	-16.01
Dec-22	82.63	82.61	84.23	90.68	93.99	0.02	-12.09
Mar-23	85.68	81.83	82.66	88.60	114.72	4.70	-25.31
May-23	85.65	81.69	81.51	86.50	112.28	4.85	-23.72
Jul-23	85.53	81.40	79.94	102.44	109.41	5.07	-21.83

### Future Price Trend (Active Contract):



### Cotton Yarn

North India's cotton yarn market witnessed limited trade during the last week. Prices were slightly lower than last week, but there was an improvement in cotton yarn exports. Mills can increase production if they do not face a disparity due to the costly natural fibre. Prices of recycled yarn in Panipat remained steady amid thin trade.

As per the Trade sources spinning mills received export orders from Bangladesh, Turkey, Egypt and Latin America. In Delhi, 30 count combed cotton yarn was traded at Rs. 260-265 per kg for exports. Export deals were carried out at around \$3.05 per kg (FOB). 30 count combed yarn was traded at Rs.280-285 per kg (GST extra), 40 count combed at Rs.305-310 per kg, 30 count carded at Rs. 255-260 per kg and 40 count carded at Rs.280-285 per kg,

Domestic demand is unlikely to improve, but high export demand can provide the much-needed support to cotton yarn.



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	02nd Jan'22 to 07th Jan'22	26th Dec'22 to 31st Dec'22	
Gujarat	Ahmedabad	Shankar-6	8779	8213	567
	Gondal	Shankar-6	8705	8238	467
	Rajkot	B.T. Cotton	8598	8008	590
	Patan	B.T. Cotton	8747	8145	602
	Kadi	B.T. Cotton	8500	8050	450
	Deesa	B.T. Cotton	1503	1390	113
	Dhrol	B.T. Cotton	8741	8194	547
Haryana	Bhiwani	B.T. Cotton	8450	8200	250
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8537	8233	303
	Fatehabad	B.T. Cotton	8476	8074	402
	Jind	B.T. Cotton	8550	8000	550
	Uchana	B.T. Cotton	8571	8331	240
	Dabwali	B.T. Cotton	8650	8250	400
Rajasthan	Hanumangarh	B.T. Cotton	8640	8320	320
	Rawatsar	B.T. Cotton	8805	8463	343
Madhya Pradesh	Khandwa	Mech-1	8467	7800	667
	Khargaon	Mech-1	8385	7977	408
Maharashtra	Amravati	Mech-1	8383	7850	533
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	9400	-
	Hathras	Desi	NA	7500	-
Telangana	Adilabad	Un-Ginned	8200	7975	225
Andhra Pradesh	Adoni	Un-Ginned	8183	7735.333333	448
Karnataka	Bijapur	Bunny	8930	8307	623
	Hubli	D.C.H.	NA	7555	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8000	8000	Unch
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change

State	Centre	Variety	02nd Jan'22 to 07th Jan'22	26th Dec'22 to 31st Dec'22	
Punjab	Bhatinda	J-34	6321	6054	267
	Abohar	J-34	6321	6063	258
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	6192	5979	213
Rajasthan	Sri-Ganganagar	J-34	6099	5836	262

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	02nd Jan'22 to 07th Jan'22	26th Dec'22 to 31st Dec'22	Change
Gujarat	Ahmedabad	Shankar-6	317900	355300	-37400
	Gondal	Shankar-6	48700	46450	2250
	Rajkot	B.T. Cotton	16700	26200	-9500
	Patan	B.T. Cotton	19071	26861	-7790
	Kadi	B.T. Cotton	135000	87500	47500
	Deesa	B.T. Cotton	3000	2500	500
	Dhrol	B.T. Cotton	2798	3452	-654
Haryana	Bhiwani	B.T. Cotton	3100	400	2700
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	10489	9010	1479
	Fatehabad	B.T. Cotton	1050	660	390
	Jind	B.T. Cotton	1405	1530	-125
	Uchana	B.T. Cotton	1300	2050	-750
	Dabwali	B.T. Cotton	1300	2050	-750
Rajasthan	Hanumangarh	B.T. Cotton	21000	11000	10000
	Rawatsar	B.T. Cotton	21000	11000	10000
Madhya Pradesh	Khandwa	Mech-1	17000	14750	2250
	Khargaon	Mech-1	18600	17190	1410
Maharashtra	Amravati	Mech-1	54500	56500	-2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	434816	205788	229028
Andhra Pradesh	Adoni	Un-Ginned	3777	13277	-9500

<b>Karnataka</b>	Bijapur	Bunny	15352	23025	<b>-7673</b>
	Hubli	D.C.H.	NA	26	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	70	74	<b>-4</b>
<b>Commodity</b>	<b>Lint</b>		<b>Weekly Sum Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>02nd Jan'22 to 07th Jan'22</b>	<b>26th Dec'22 to 31st Dec'22</b>	
<b>Punjab</b>	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	2635	2125	<b>510</b>
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	1190	1190	<b>Unch</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	9000	10000	<b>-1000</b>

**Week on Week Price: Scenario of Cotton:**

<b>Commodity</b>	<b>Kapas</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Jan-23</b>	<b>31-Dec-22</b>	<b>8-Dec-22</b>	<b>7-Jan-22</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	9125	8625	8875	10250
	Gondal	Shankar-6	8805	8605	8730	10900
	Rajkot	B.T. Cotton	8500	8700	8800	10550
	Patan	B.T. Cotton	8850	8505	8725	10360
	Kadi	B.T. Cotton	8600	8250	0	9700
	Deesa	B.T. Cotton	1572	1450	1495	0
	Dhrol	B.T. Cotton	9020	8750	8805	0
<b>Haryana</b>	Bhiwani	B.T. Cotton	8600	8300	8350	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	8750	8400	8550	9580
	Fatehabad	B.T. Cotton	8615	8350	8445	9000
	Jind	B.T. Cotton	NR	0	0	0
	Uchana	B.T. Cotton	8780	8330	8440	0
	Dabwali	B.T. Cotton	8600	0	0	9650
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	8800	8600	8550	0
	Rawatsar	B.T. Cotton	8850	8700	8500	9700
<b>Madhya Pradesh</b>	Khandwa	Mech-1	8500	Closed	8200	10000

	Khargaon	Mech-1	8445	Closed	8510	11205
<b>Maharashtra</b>	Amravati	Mech-1	8600	8100	8500	10100
	Jamner	Medium Staple	NA	0	0	0
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	9800	0
	Hathras	Desi	NA	0	7500	0
<b>Telangana</b>	Adilabad	Un-Ginned	8250	8050	8180	0
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	NA	7681	8466	0
<b>Karnataka</b>	Bijapur	Bunny	NA	8689	8939	0
	Hubli	D.C.H.	NA	6809	9005	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	8500	8600	10100
<b>Commodity</b>	<b>Lint</b>		<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Jan-23</b>	<b>31-Dec-22</b>	<b>8-Dec-22</b>	<b>7-Jan-22</b>
<b>Punjab</b>	Bhatinda	J-34	6475	6225	6600	7400
	Abohar	J-34	6475	6225	6600	7425
	Mansa	J-34	NR	0	6500	7400
<b>Haryana</b>	Sirsa	J-34	6350	6100	6450	7250
<b>Rajasthan</b>	Sri-Ganganagar	J-34	6157	6016	6228	6674

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Jan-23</b>	<b>31-Dec-22</b>	<b>8-Dec-22</b>	<b>7-Jan-22</b>
<b>Gujarat</b>	Ahmedabad	Shankar-6	42500	54400	42500	42500
	Gondal	Shankar-6	8350	8000	8700	7500
	Rajkot	B.T. Cotton	2800	2800	3400	2500
	Patan	B.T. Cotton	3038	3105	3860	1038
	Kadi	B.T. Cotton	35000	10000	0	20000
	Deesa	B.T. Cotton	NA	0	0	0
	Dhrol	B.T. Cotton	566	557	618	0
<b>Haryana</b>	Bhiwani	B.T. Cotton	400	400	400	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	2499	1360	1700	1700
	Fatehabad	B.T. Cotton	180	150	350	300
	Jind	B.T. Cotton	NR	0	0	0

	Uchana	B.T. Cotton	300	0	0	400
	Dabwali	B.T. Cotton	300	0	0	400
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	10000	3000	1000	2000
	Rawatsar	B.T. Cotton	10000	3000	1000	2000
<b>Madhya Pradesh</b>	Khandwa	Mech-1	3000	Closed	4500	1300
	Khargaon	Mech-1	3200	Closed	4000	6690
<b>Maharashtra</b>	Amravati	Mech-1	9000	10000	5000	14000
	Jamner	Medium Staple	NA	0	0	0
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	0	0	0
	Hathras	Desi	NA	0	0	0
<b>Telangana</b>	Adilabad	Un-Ginned	80557	19436.8	78729	0
<b>Andhra Pradesh</b>	Adoni	Un-Ginned	NA	700	2027	0
<b>Karnataka</b>	Bijapur	Bunny	NA	1826	3406	0
	Hubli	D.C.H.	NA	2	22	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	NA	12	15	5
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>	<b>Arrivals (Quintal)</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Jan-23</b>	<b>31-Dec-22</b>	<b>8-Dec-22</b>	<b>7-Jan-22</b>
<b>Punjab</b>	Bhatinda	J-34	NA	0	0	6800
	Abohar	J-34	510	255	340	170
	Mansa	J-34	NR	0	255	170
<b>Haryana</b>	Sirsa	J-34	340	170	510	170
<b>Rajasthan</b>	Sri-Ganganagar	J-34	1500	1500	2000	2700

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				02nd Jan'22 to 07th Jan'22	26th Dec'22 to 31st Dec'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	64040	61820	<b>2220</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64540	62220	<b>2320</b>
J-34(202)	26mm	3.5 - 4.9	23	59140	56560	<b>2580</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60720	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	62100	58900	<b>3200</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63440	60600	<b>2840</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64320	61600	<b>2720</b>
DCH-32(107)	34mm	3.0 - 3.8	33	67000	66900	<b>100</b>

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