

COTTON WEEKLY RESEARCH REPORT

16th January 2023

Domestic market summary**Major Market Highlights:**

Cotton daily arrivals were maintained at around 1,00,000-1,20,000 bales per day. Overall weather is favorable for the cotton crop. Cotton third picking is going on in most of the cotton belt, in some areas fourth picking has also started. Cottonseed prices remained stable during the last week. Cottonseed arrivals had also improved in during the last week.

The situation of Ginners improved in most of the region. Cotton yarn prices are stable although demand has improved during the last week. Trade is very slow due to the huge disparity to spinners and ginners. Export demand has improved comparatively.

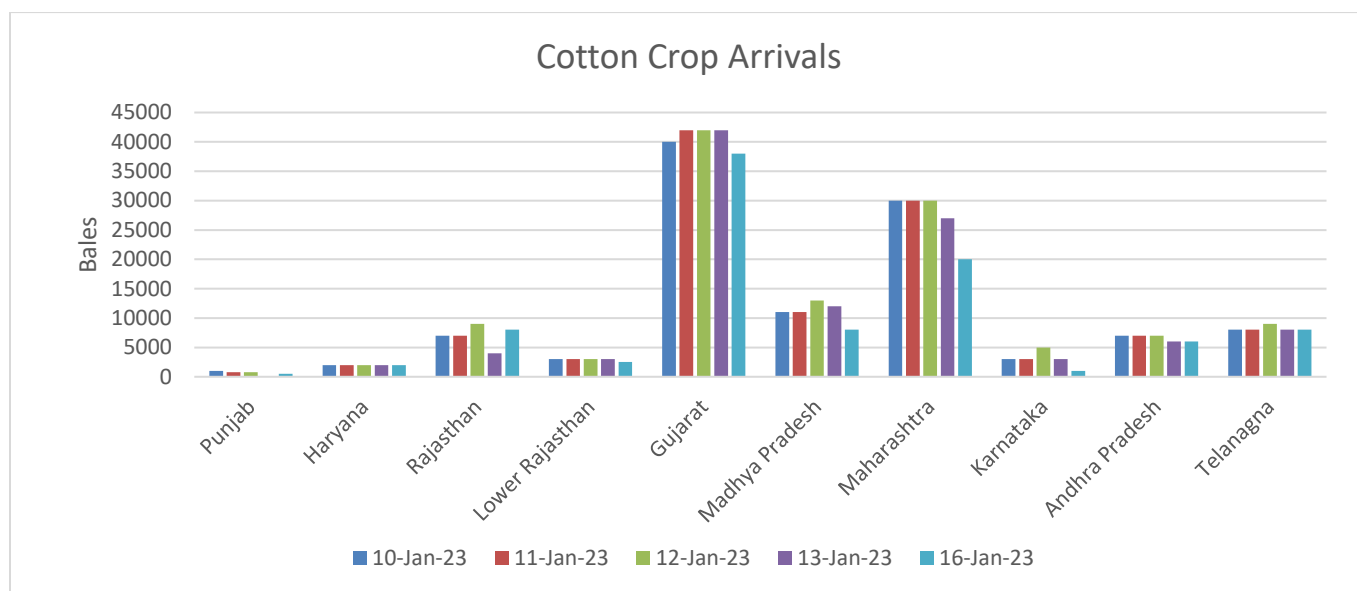
Cotton Corporation of India has started purchasing cotton in Maharashtra, Telangana and Odisha. February cotton contract has been delayed by MCX.

Domestic Market Scenario:

- As per the Cotton Association of India latest estimate of the cotton crop for 2022-23 season. The CAI has reduced its cotton crop estimate at 330.50 lakh bales from the previous 339.75 lakh bales.
- The cotton supply estimated by the CAI till end of the cotton season 2022-23 i.e. upto 30th September 2023 is 374.39 lakh bales. The total cotton supply consists of the opening stock of 31.89 lakh bales at the beginning of the cotton season on 1st October 2022, crop for the season estimated at 330.50 lakh bales and the imports for the season estimated by the CAI at the same level i.e. at 12 lakh bales.
- The domestic consumption for the season is estimated at 300 lakh bales. The exports for the season have been estimated at 30.00 lakh bales i.e. at the same level as estimated previously. The exports estimate for the previous cotton season 2021-22 was 43 lakh bales. The carry-over stock which was earlier estimated at 53.64 lakh bales is now estimated at 44.39 lakh bales.
- 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%.

New Cotton Crop Arrival & Prices:

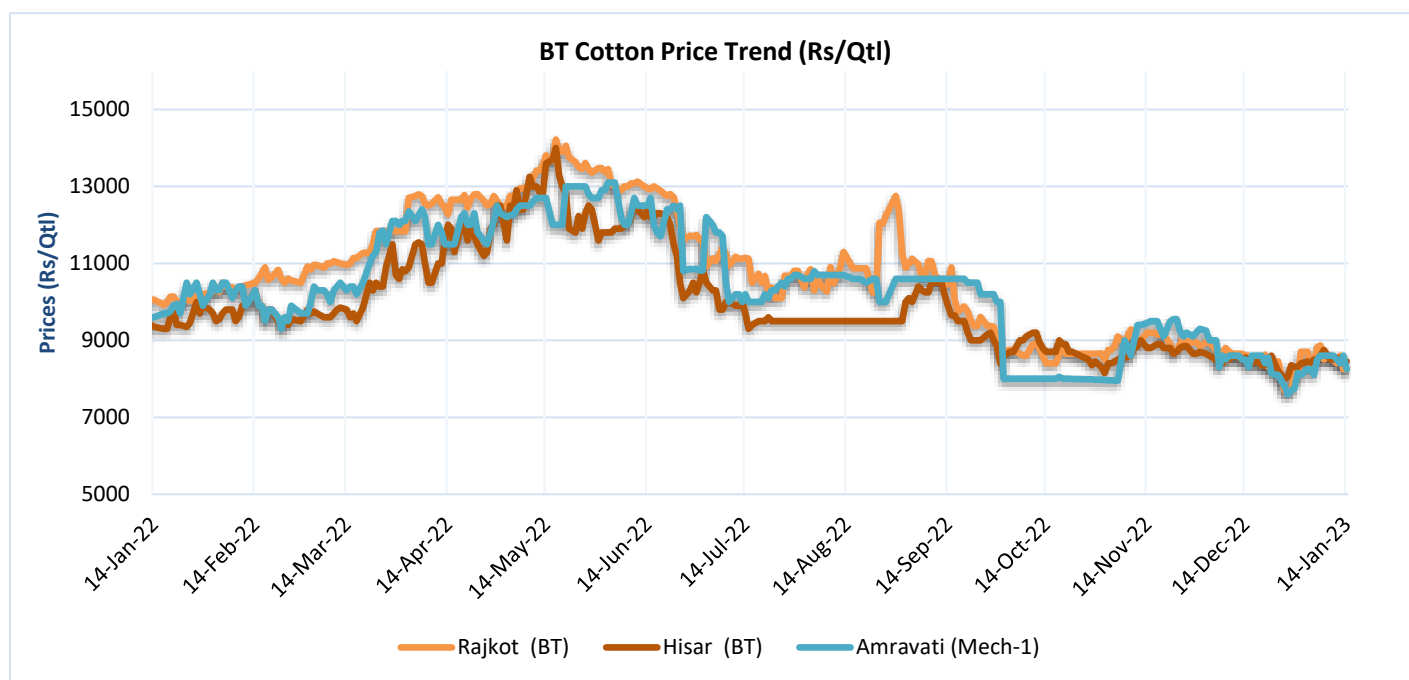


All India Cotton Arrivals 2022-23	
This Week	9 Lakh Bales
Cumulative Arrival	96 Lakh Bales
Cotton Consumption	71 Lakh Bales
Exports	2,00,000 Bales
Import	5,00,000 Bales

Domestic Cotton Prices Scenario

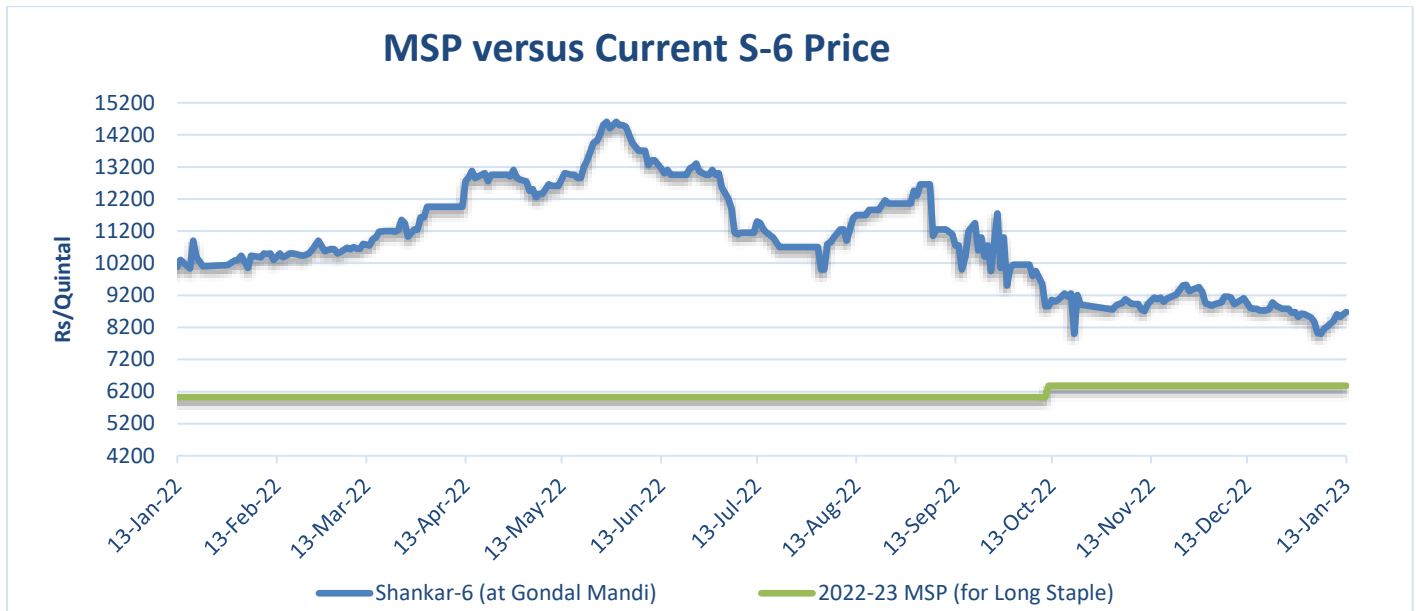
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood lower at Rs. 8,433/Qtl compared to previous week's Rs. 8,598/Qtl. Cotton prices at Amravati traded at Rs. 8,491 per quintal whereas prices in Hisar were slightly higher at Rs. 8,483 per quintal during the past week.



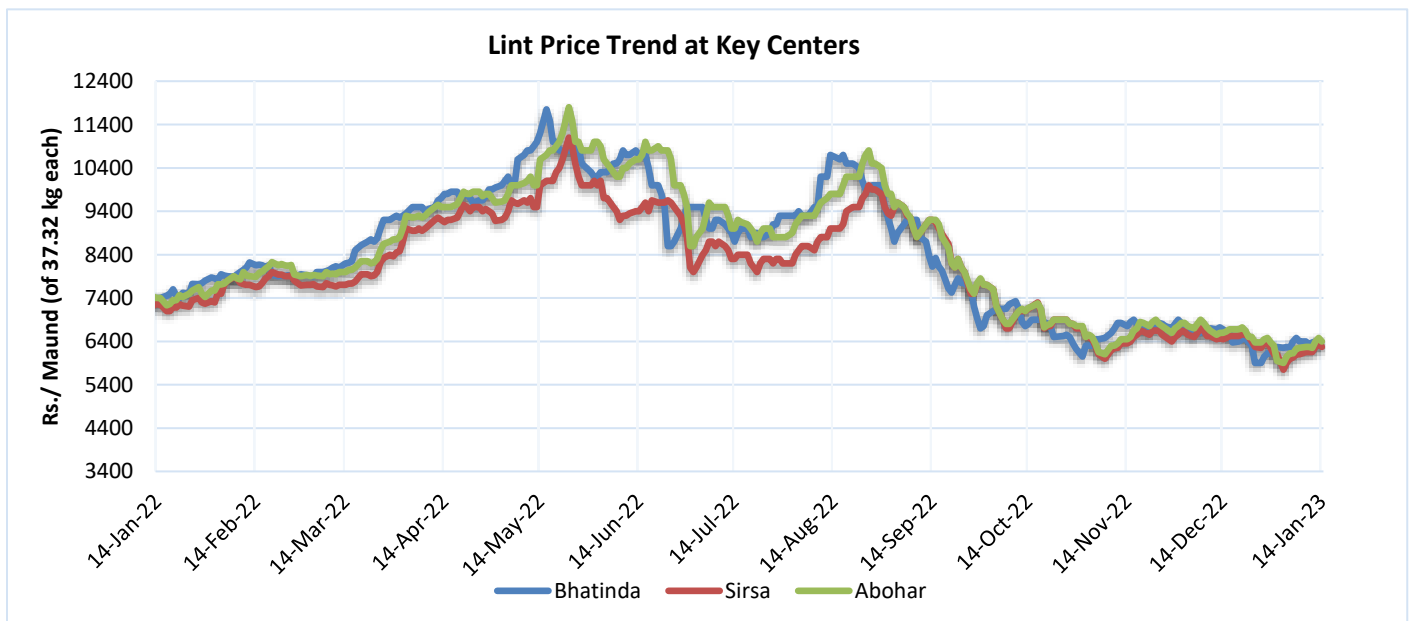
Spot Price Comparison

Cotton shanker-6 at Gondal market traded slightly higher at Rs. 8,765 per quintal against the minimum support price of Rs. 6,380 per quintal.



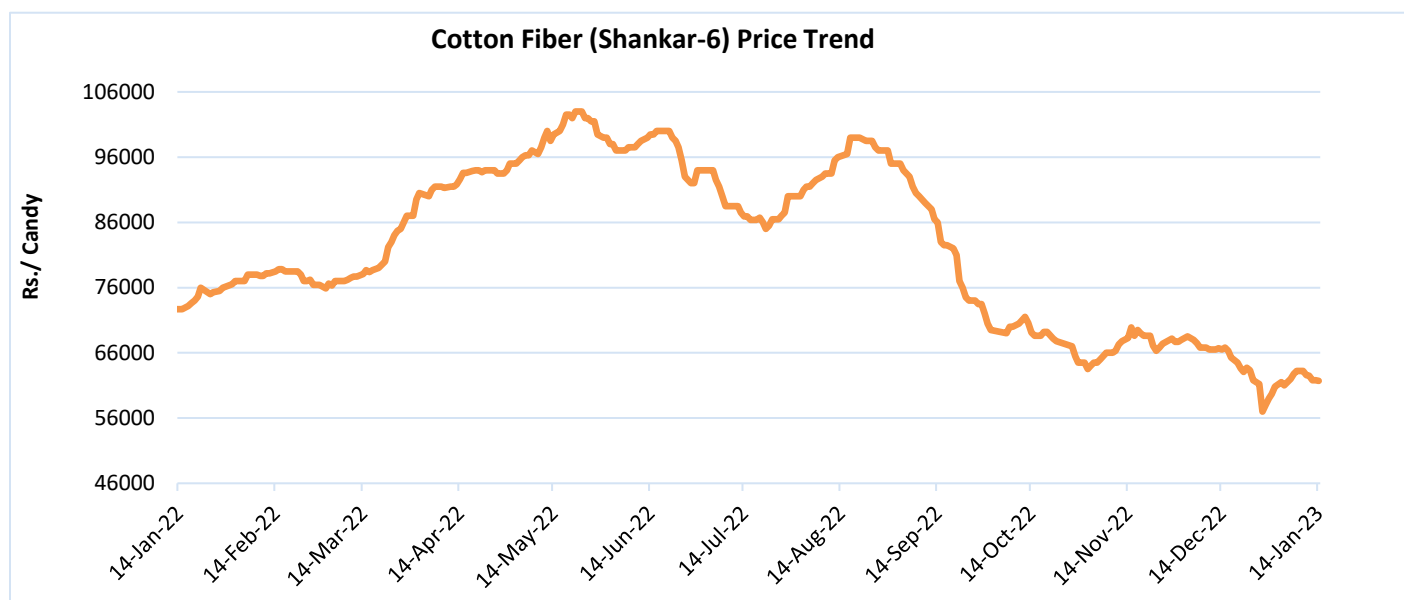
Lint price Outlook

The average price stood slightly higher at Rs. 6362/maund this week compared to Rs.6320/maund previous week in Abohar, in Bhatinda prices were at Rs.6375/maund, and slightly higher in Sirsa at Rs.6241/maund from Rs.6195/maund previous week.



Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have slightly lower and is currently at Rs.62,016/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

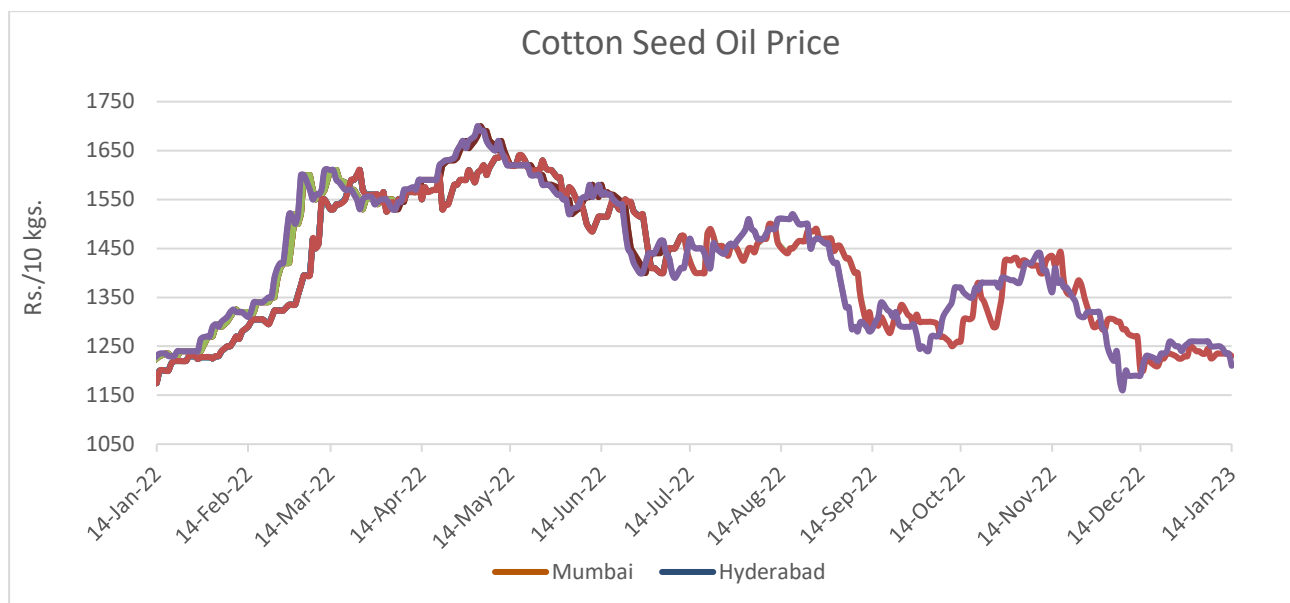
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 14th Jan'23.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	14-Jan-23	07-Jan-23	
Rajkot	1225	1248	-1.84
Hyderabad	1199	1229	-2.43
Mumbai	1224	1255	-2.46

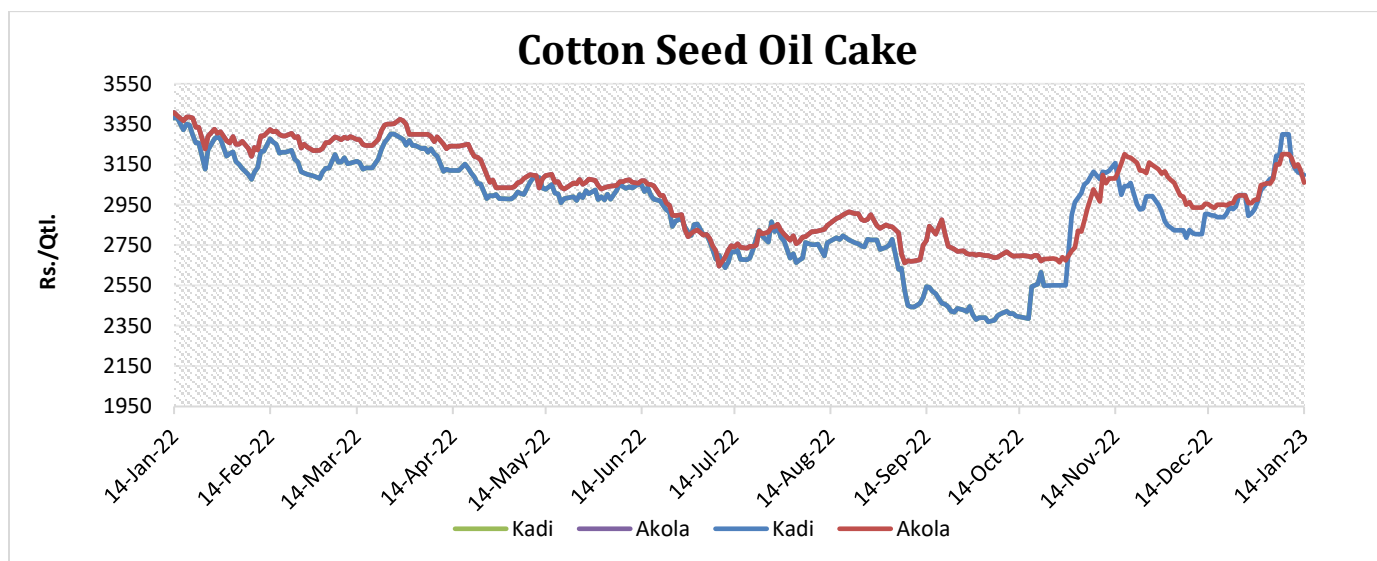
Source: Agriwatch



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. 3152 per quintal from Rs. 3151 per quintal and in Akola prices were at Rs. 3142 per quintal from Rs. 3116 per quintal the previous week. For the coming week we expect prices to remain rangebound.

Center	Weekly Average Price as on (Rs/quintal.)*		% Change
	14-Jan-23	07-Jan-23	
Kadi	3152	3151	0.03
Akola	3142	3116	0.83



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
39.00	14.00	53.00

International Market Scenario

Cotton production in Pakistan has fallen to over 4.6 million bales during 2022 season against the 7.3 million bales during the previous season. The heavy rainfall and floods has resulted in the short fall in production of about 37.23 percent.

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.

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

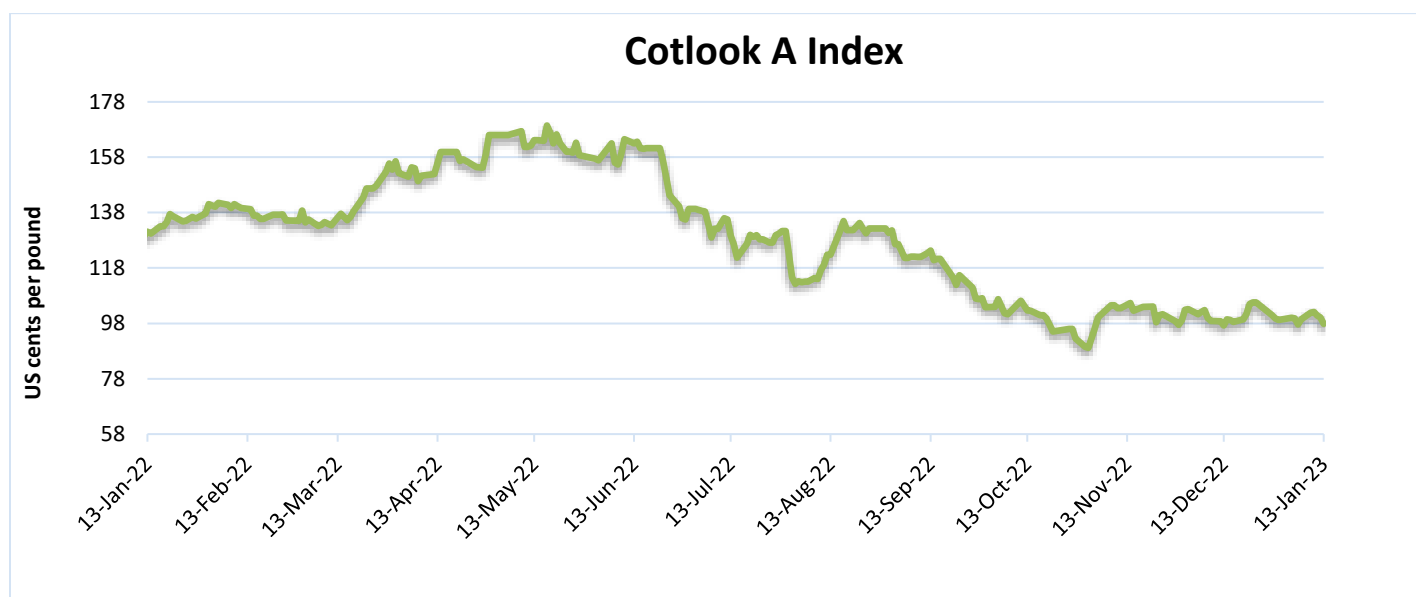
*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 100.55 cents/lb lower as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	13-Jan-23	06-Jan-23	
Prices	100.55	99.23	1.33
Prices in US cents per Pound			

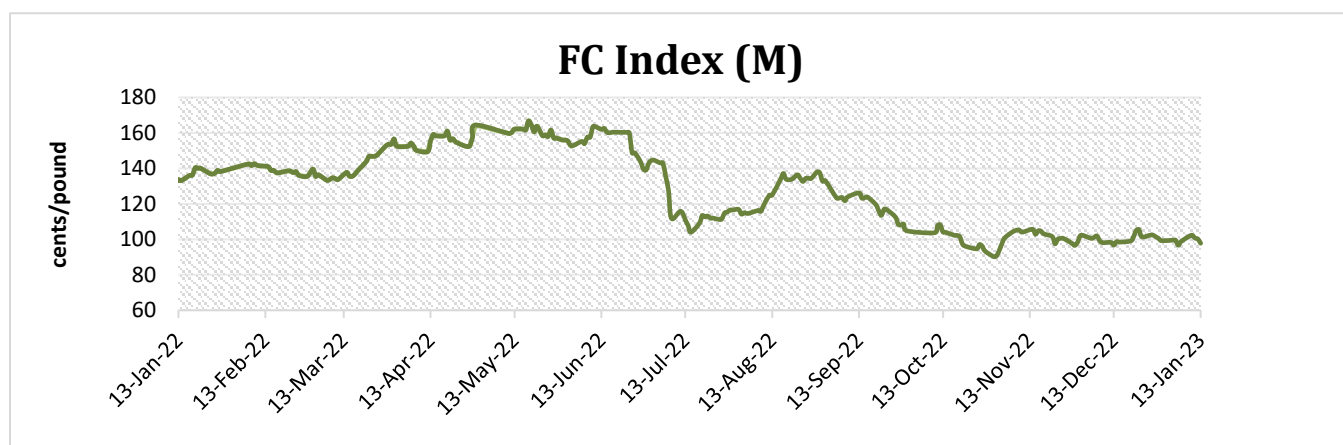
Source: Cotlook



China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	13-Jan-23	06-Jan-23	
FC (S)	101.50	99.72	1.78
FC (M)	100.57	98.63	1.97
FC (L)	99.53	97.62	1.96
Prices in US cents per Pound			

Source: China Cotton Association



Cotton Index	Weekly Average Price as on		% Change
	12-Jan-23	06-Jan-23	
CCIndex(328)	15186.75	15083.25	0.69
CCIndex(527)	13671.50	13568.00	0.76
CCIndex(229)	15511.75	15410.00	0.66
Prices in Yuan per ton			

Source: China Cotton Association

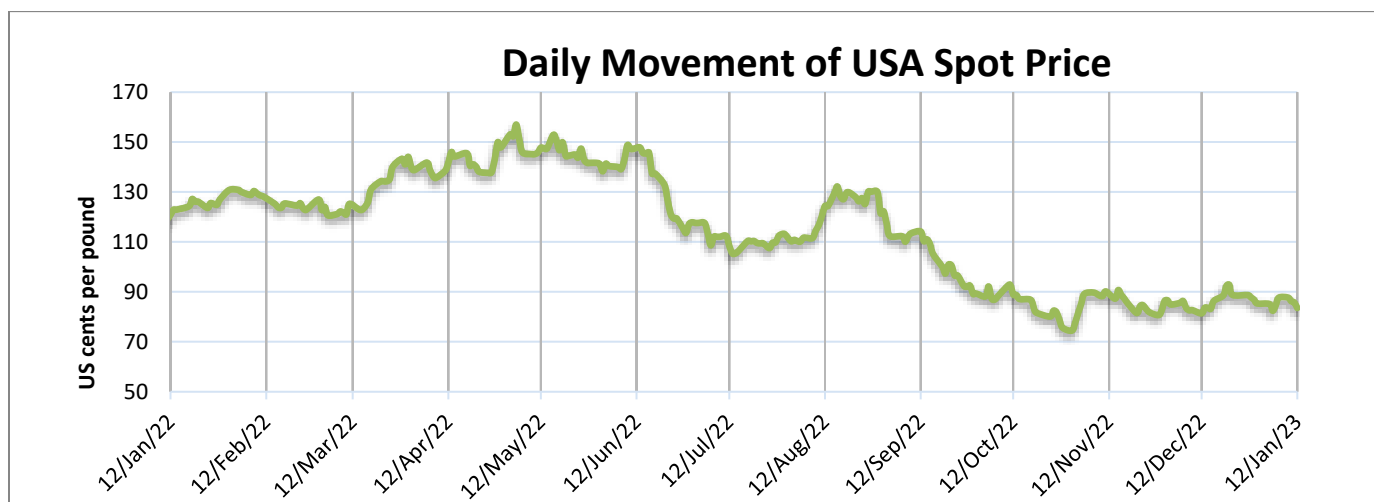


USA Spot Prices

U.S.A spot prices was at 86.19 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	12-Jan-23	05-Jan-23	
Prices	86.19	84.38	2.15
Prices in US cents per Pound			

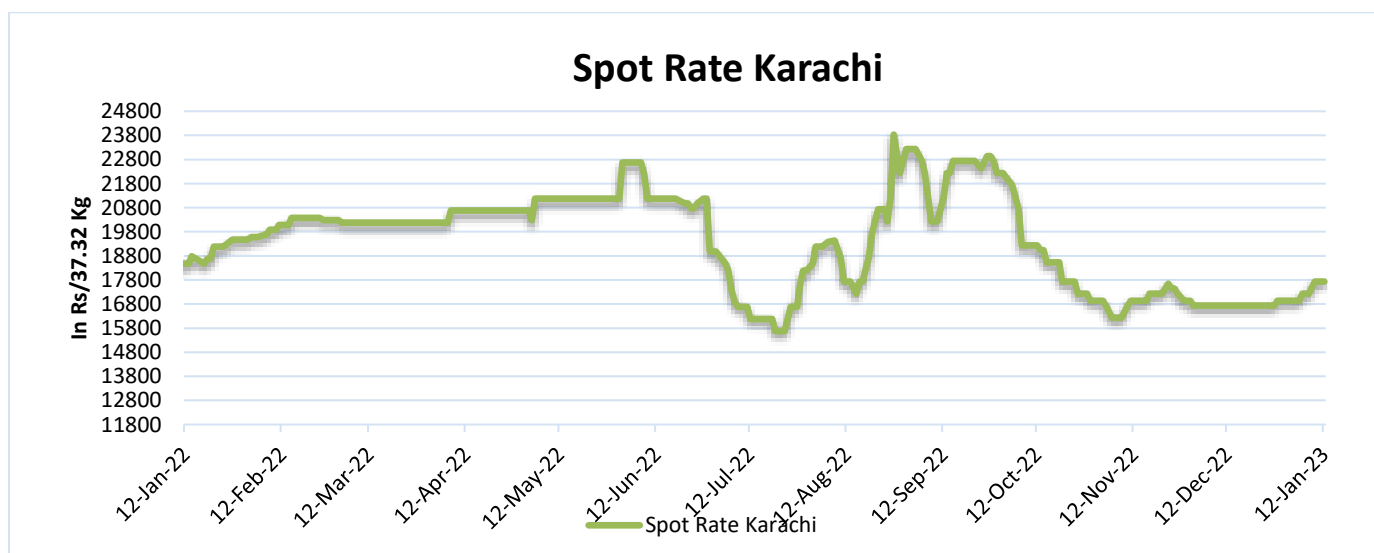
Source: USDA



Pakistan Spot Prices

The Karachi spot price remained higher at Rs.18985/q from the previous week. Prices have increased mainly due to improved demand and lower production anticipation in Pakistan.

Karachi Spot Prices	Weekly Average Price as on		% Change
	05-Jan-23	05-Jan-23	
Prices	18985	17352	9.41
Prices in Rs per 37.32 Kg			



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. However, prices have corrected during the last week, but may take support at 2950 and can retrace back.
- 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	2730	2800	2920	3060	3057
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jan	Buy	2910	3010	3030	2840

Currencies Weekly Prices

Currencies Weekly Change					
Date	INR/USD	Dollar Index	INR/Yuan	Yuan/Dollar	USD/Yuan
06-01-2023	82.28	103.64	12.031	0.146	6.838
13-01-2023	81.28	101.96	12.126	0.149	6.703
Changes in points	-1.00	-1.68	0.095	0.003	-0.13
% Change	-1.22	-1.62	0.79	2.05	-1.98

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	82-95

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
80	72	84	86

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	13-Jan-23	14-Dec-22	15-Oct-22	17-Jul-22	13-Jan-22	% Change over a month	% Change over previous year
Oct-22	80.86	79.77	77.43	97.07	101.98	1.37	-20.71
Dec-22	80.79	79.43	83.15	88.80	96.34	1.71	-16.14
Mar-23	82.29	81.37	81.99	84.99	84.99	1.13	-30.05
May-23	82.60	81.43	81.13	83.20	83.20	1.44	-28.16
Jul-23	82.87	82.37	81.30	81.30	81.30	1.84	-26.34

Future Price Trend (Active Contract):



Cotton Yarn

According to the market sources, cotton yarn market in north India witnessed better demand after the recent rise in cotton prices during the week under review. Buyers were anticipating that yarn prices will rise due to costlier cotton. Cotton yarn prices gained Rs. 5-10 per kg in Ludhiana due to better buying, but the prices were stable in Delhi and Panipat market.

Ludhiana market witnessed higher prices of cotton yarn. Demand was better from both exports and domestic consumption. 30 count cotton combed yarn was sold at Rs. 280-290 per kg. 20 and 25 count combed yarn were traded at Rs.270-280 per kg and Rs.275-285 per kg respectively.

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	09th Jan'22 to 14th Jan'22	02nd Jan'22 to 07th Jan'22	
Gujarat	Ahmedabad	Shankar-6	8688	8779	-92
	Gondal	Shankar-6	8765	8705	60
	Rajkot	B.T. Cotton	8470	8598	-128
	Patan	B.T. Cotton	8635	8747	-112
	Kadi	B.T. Cotton	8640	8500	140
	Deesa	B.T. Cotton	1397	1503	-105
	Dhrol	B.T. Cotton	8614	8741	-127
Haryana	Bhiwani	B.T. Cotton	8483	8450	33
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8483	8537	-53
	Fatehabad	B.T. Cotton	8376	8476	-100
	Jind	B.T. Cotton	7930	8550	-620
	Uchana	B.T. Cotton	8674	8571	103
	Dabwali	B.T. Cotton	NA	8650	-
Rajasthan	Hanumangarh	B.T. Cotton	8663	8640	23
	Rawatsar	B.T. Cotton	8642	8805	-163
Madhya Pradesh	Khandwa	Mech-1	8400	8467	-67
	Khargaon	Mech-1	8263	8385	-122
Maharashtra	Amravati	Mech-1	8430	8383	47
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8040	8200	-160
Andhra Pradesh	Adoni	Un-Ginned	8599	8183	416
Karnataka	Bijapur	Bunny	8932	8930	2
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8533	8000	533
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change

State	Centre	Variety	09th Jan'22 to 14th Jan'22	02nd Jan'22 to 07th Jan'22	
Punjab	Bhatinda	J-34	6375	6321	54
	Abohar	J-34	6363	6321	42
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	6242	6192	50
Rajasthan	Sri-Ganganagar	J-34	6071	6099	-27

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	09th Jan'22 to 14th Jan'22	02nd Jan'22 to 07th Jan'22	Change
Gujarat	Ahmedabad	Shankar-6	251600	317900	-66300
	Gondal	Shankar-6	41250	48700	-7450
	Rajkot	B.T. Cotton	17800	16700	1100
	Patan	B.T. Cotton	21532	19071	2461
	Kadi	B.T. Cotton	115000	135000	-20000
	Deesa	B.T. Cotton	1300	3000	-1700
	Dhrol	B.T. Cotton	2976	2798	178
Haryana	Bhiwani	B.T. Cotton	4400	3100	1300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	13218	10489	2729
	Fatehabad	B.T. Cotton	850	1050	-200
	Jind	B.T. Cotton	990	1405	-415
	Uchana	B.T. Cotton	NA	1300	-
	Dabwali	B.T. Cotton	NA	1300	-
Rajasthan	Hanumangarh	B.T. Cotton	18000	21000	-3000
	Rawatsar	B.T. Cotton	18000	21000	-3000
Madhya Pradesh	Khandwa	Mech-1	22500	17000	5500
	Khargaon	Mech-1	29900	18600	11300
Maharashtra	Amravati	Mech-1	44000	54500	-10500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	310589	434816	-124227

Andhra Pradesh	Adoni	Un-Ginned	3394	3777	-383
Karnataka	Bijapur	Bunny	22859	15352	7507
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	99	70	29
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	09th Jan'22 to 14th Jan'22	02nd Jan'22 to 07th Jan'22	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	1955	2635	-680
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	1530	1190	340
Rajasthan	Sri-Ganganagar	J-34	8000	9000	-1000

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	14-Jan-23	7-Jan-23	15-Dec-22	14-Jan-22
Gujarat	Ahmedabad	Shankar-6	Closed	9125	8625	0
	Gondal	Shankar-6	Closed	8805	8780	0
	Rajkot	B.T. Cotton	Closed	8500	8600	0
	Patan	B.T. Cotton	Closed	8850	8800	0
	Kadi	B.T. Cotton	Closed	8600	8600	0
	Deesa	B.T. Cotton	Closed	1572	1551	0
	Dhrol	B.T. Cotton	Closed	9020	8850	0
Haryana	Bhiwani	B.T. Cotton	8400	8600	8500	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	8450	8750	8500	9350
	Fatehabad	B.T. Cotton	8345	8615	8410	9200
	Jind	B.T. Cotton	7400	0	8300	9400
	Uchana	B.T. Cotton	8562	8780	8610	9000
	Dabwali	B.T. Cotton	NR	8600	8480	0
Rajasthan	Hanumangarh	B.T. Cotton	Closed	8800	8700	0
	Rawatsar	B.T. Cotton	Closed	8850	8770	9400

Madhya Pradesh	Khandwa	Mech-1	Closed	8500	8600	0
	Khargaon	Mech-1	Closed	8445	8480	0
Maharashtra	Amravati	Mech-1	8200	8600	8300	9600
	Jamner	Medium Staple	NA	0	0	0
Uttar Pradesh	Hathras	B.T. Cotton	Closed	0	9800	0
	Hathras	Desi	Closed	0	7800	0
Telangana	Adilabad	Un-Ginned	NA	8250	8180	0
Andhra Pradesh	Adoni	Un-Ginned	NA	0	8379	0
Karnataka	Bijapur	Bunny	NA	8931	8969	0
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	8500	8600	8700	0
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	14-Jan-23	7-Jan-23	15-Dec-22	14-Jan-22
Punjab	Bhatinda	J-34	6350	6475	6675	7300
	Abohar	J-34	6350	6475	6650	7350
	Mansa	J-34	NR	0	6500	0
Haryana	Sirsa	J-34	6300	6350	6550	7180
Rajasthan	Sri-Ganganagar	J-34	6063	6157	6411	0

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	14-Jan-23	7-Jan-23	15-Dec-22	14-Jan-22
Gujarat	Ahmedabad	Shankar-6	Closed	42500	42500	0
	Gondal	Shankar-6	Closed	8350	8500	0
	Rajkot	B.T. Cotton	Closed	2800	4000	0
	Patan	B.T. Cotton	Closed	3038	10470	0
	Kadi	B.T. Cotton	Closed	35000	25000	0
	Deesa	B.T. Cotton	Closed	200	2700	0
	Dhrol	B.T. Cotton	Closed	566	318	0
Haryana	Bhiwani	B.T. Cotton	600	400	1500	0
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	2499	2499	1700	1700
	Fatehabad	B.T. Cotton	100	180	500	600

	Jind	B.T. Cotton	750	0	1360	1360
	Uchana	B.T. Cotton	NR	300	700	0
	Dabwali	B.T. Cotton	NR	300	700	0
Rajasthan	Hanumangarh	B.T. Cotton	Closed	10000	4000	4000
	Rawatsar	B.T. Cotton	Closed	10000	4000	4000
Madhya Pradesh	Khandwa	Mech-1	Closed	3000	3000	0
	Khargaon	Mech-1	Closed	3200	1650	0
Maharashtra	Amravati	Mech-1	9000	9000	8000	16000
	Jamner	Medium Staple	NA	0	0	NA
Uttar Pradesh	Hathras	B.T. Cotton	Closed	0	0	NA
	Hathras	Desi	Closed	0	0	NA
Telangana	Adilabad	Un-Ginned	NA	80557	26150	NA
Andhra Pradesh	Adoni	Un-Ginned	NA	0	1023	NA
Karnataka	Bijapur	Bunny	NA	3604	3527	NA
	Hubli	D.C.H.	NA	0	0	NA
	Hubli	B.T. Cotton	NA	0	0	NA
	Raichur	H-44 Cotton	10	18	14	NA
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	14-Jan-23	7-Jan-23	15-Dec-22	14-Jan-22
Punjab	Bhatinda	J-34	NA	0	0	8500
	Abohar	J-34	170	510	680	850
	Mansa	J-34	NR	0	255	0
Haryana	Sirsa	J-34	340	340	510	1190
Rajasthan	Sri-Ganganagar	J-34	1000	1500	2000	0

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				09th Jan'22 to 14th Jan'22	02nd Jan'22 to 07th Jan'22	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63480	64040	-560
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	63980	64540	-560
J-34(202)	26mm	3.5 - 4.9	23	59540	59140	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60240	60720	-480
Shankar-6(105)	29mm	3.5 - 4.9	28	62080	62100	-20
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63100	63440	-340
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64140	64320	-180
DCH-32(107)	34mm	3.0 - 3.8	33	66300	67000	-700

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