

COTTON WEEKLY RESEARCH REPORT20th February 2023**Domestic market summary****Major Market Highlights:**

Cotton daily arrivals were at around 1,20,000-1,15,000 bales per day. During the past week arrivals were around 10 lakh bales. We expect arrivals to increase in the coming week as farmers are likely to release their stock. As per the market sources, many spinning mills are making carded yarn, some mills are coming back to using cotton. Most spinning mills are working with 80-100% of the capacity. The average count of yarn production is down as a result cotton consumption has improved across the country.

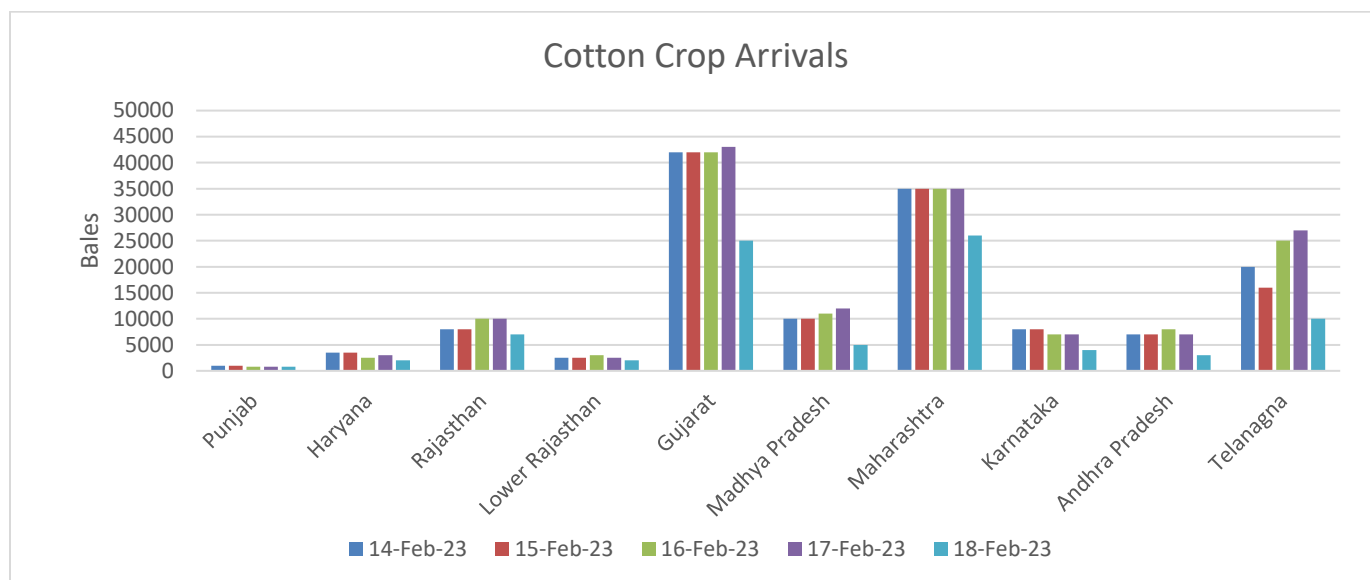
Cottonseed and oilcake remained stable during the last week. However, prices are likely to go down with the pressure of arrivals. The situation of Ginners has not improved and they are still facing disparity.

Domestic Market Scenario:

- During the past week, MCX re-launched the cotton futures and now the prices would trade in candy rather than in bales. The relaunch of cotton futures on MCX will help the participants to manage their risks and hedge against price fluctuations.
- The cotton arrival in the north zone has decreased by a minimum of 10 lakh bales during this season. As per ICAL data, as of January 31st, only 26.17 lakh bales arrived this season, compared to 36.84 lakh bales in the same period last season. This number is also significantly lower than the expected cotton arrival quantity of 40.91 lakh bales for this season.
- Indian spot prices (Shankar-6 quality) decreased slightly over the past month, from 97 to 94 cents/lb. Values eased from ₹62,500 per candy to ₹61,500 per candy. The INR was traded close to 82 per USD over the past month.
- In the Union budget 2022-23, an announcement for adoption of cluster based and value chain approach through Public Private Partnership (PPP) was made so as to enhance the productivity of extra-long staple (ELS) cotton. It will involve the collaboration between farmers, state and industry for input supplies, extension services, and market linkages.
- 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.

New Cotton Crop Arrival & Prices:

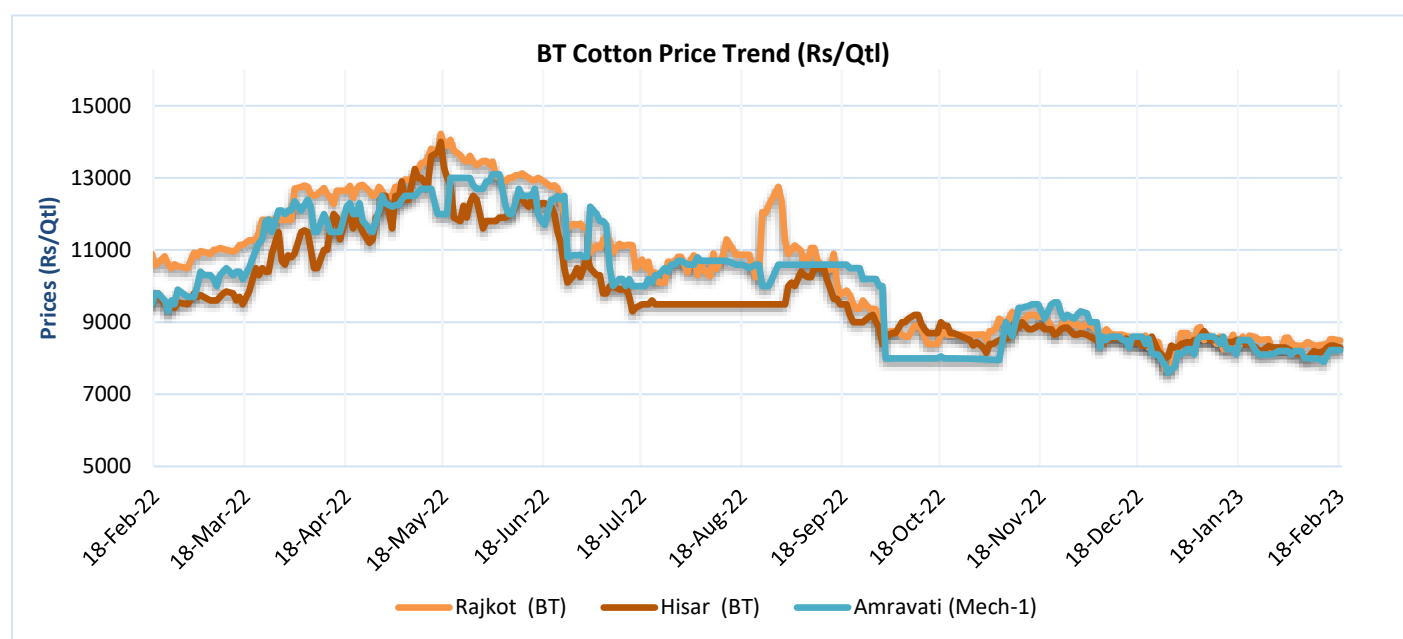


All India Cotton Arrivals 2022-23	
This Week	10 Lakh Bales
Cumulative Arrival	145 Lakh Bales
Cotton Consumption	100 Lakh Bales
Exports	5,00,000 Bales
Import	7,00,000 Bales

Domestic Cotton Prices Scenario

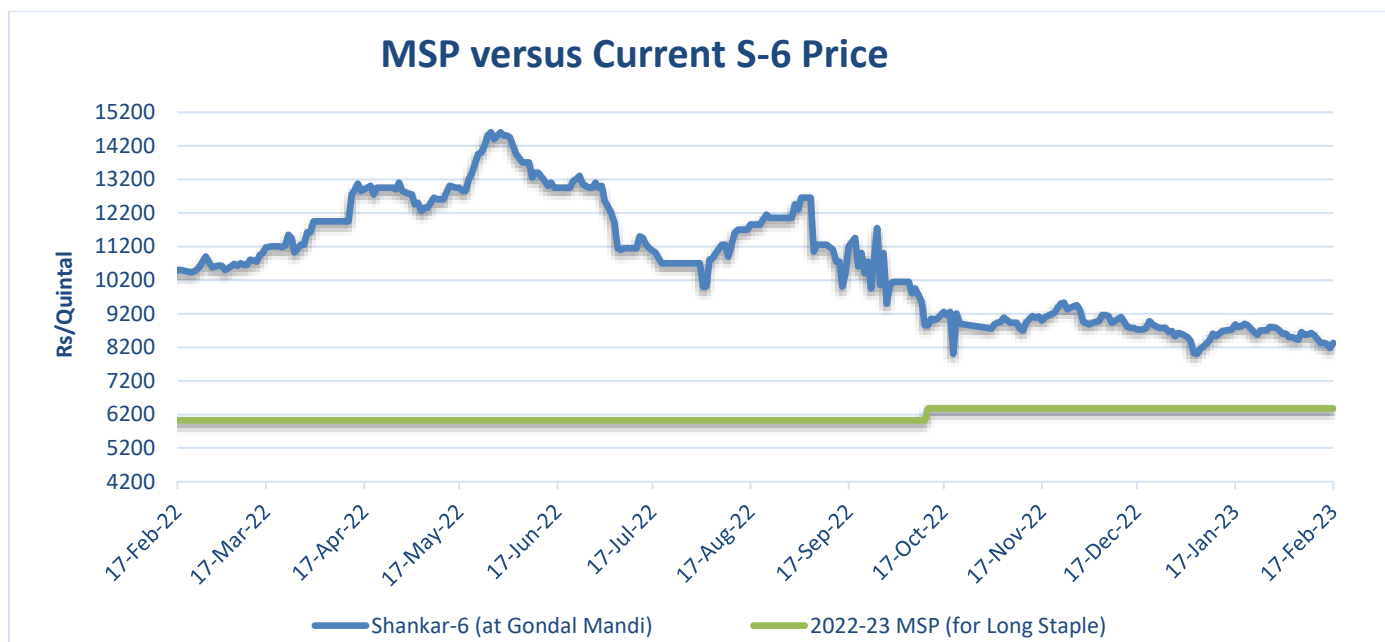
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood higher at Rs. 8,463/Qtl compared to previous week's Rs. 8,377/Qtl. Cotton prices at Amravati traded at Rs. 8,153 per quintal whereas prices in Hisar were lower at Rs. 8,302 per quintal during the past week. Prices have slightly improved during the past week in the major markets across the country.



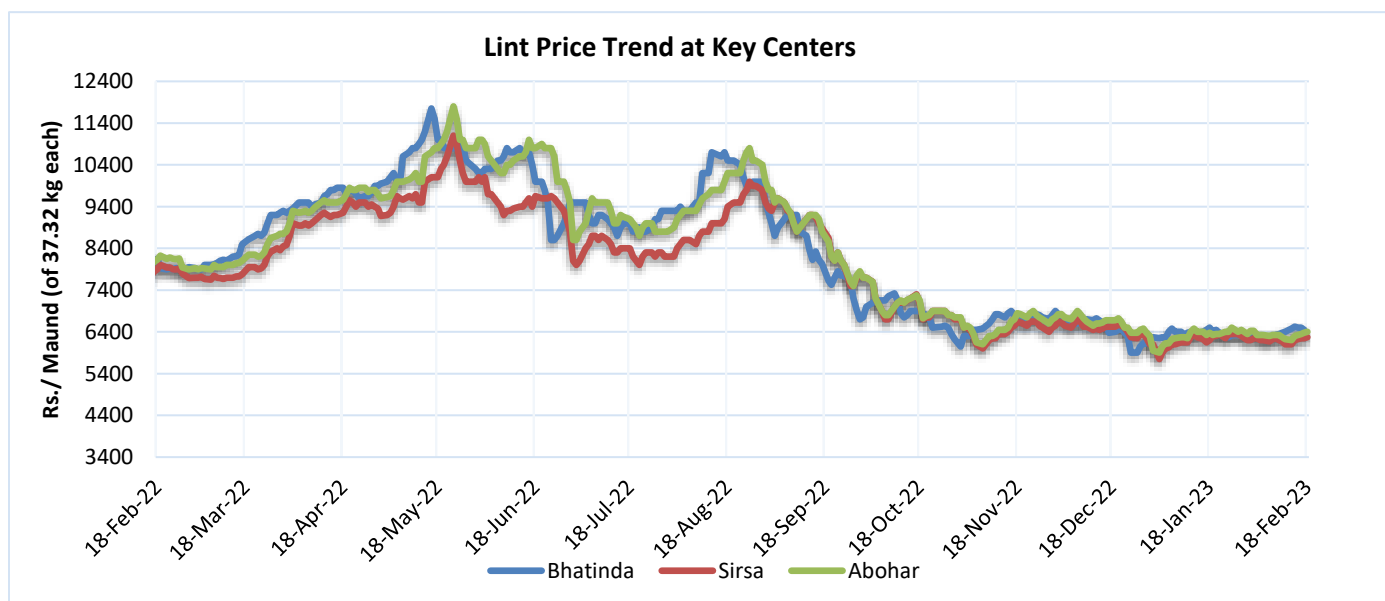
Spot Price Comparison

Cotton shanker-6 at Gondal market traded higher at Rs. 8,400 per quintal against the previous week prices of Rs. 8,293 per quintal. The minimum support price of cotton for the 2022-23 season is at Rs. 6,380 per quintal.



Lint price Outlook

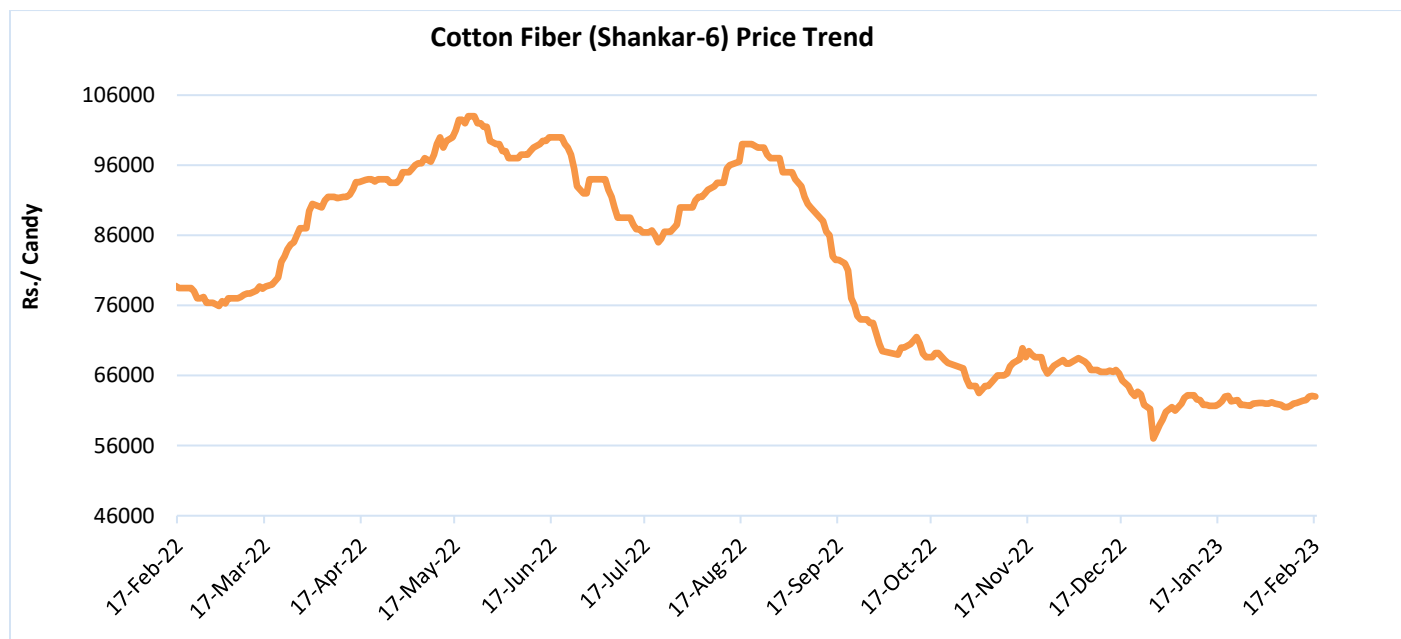
The average price stood higher at Rs. 6475/maund this week compared to Rs. 6296/maund previous week in Abohar, in Bhatinda prices were higher at Rs. 6475/maund, and in Sirsa were at Rs. 6329/maund from Rs. 6188/maund previous week.



Source: Agriwatch

Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have become slightly higher and is currently at trading Rs.62,820/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

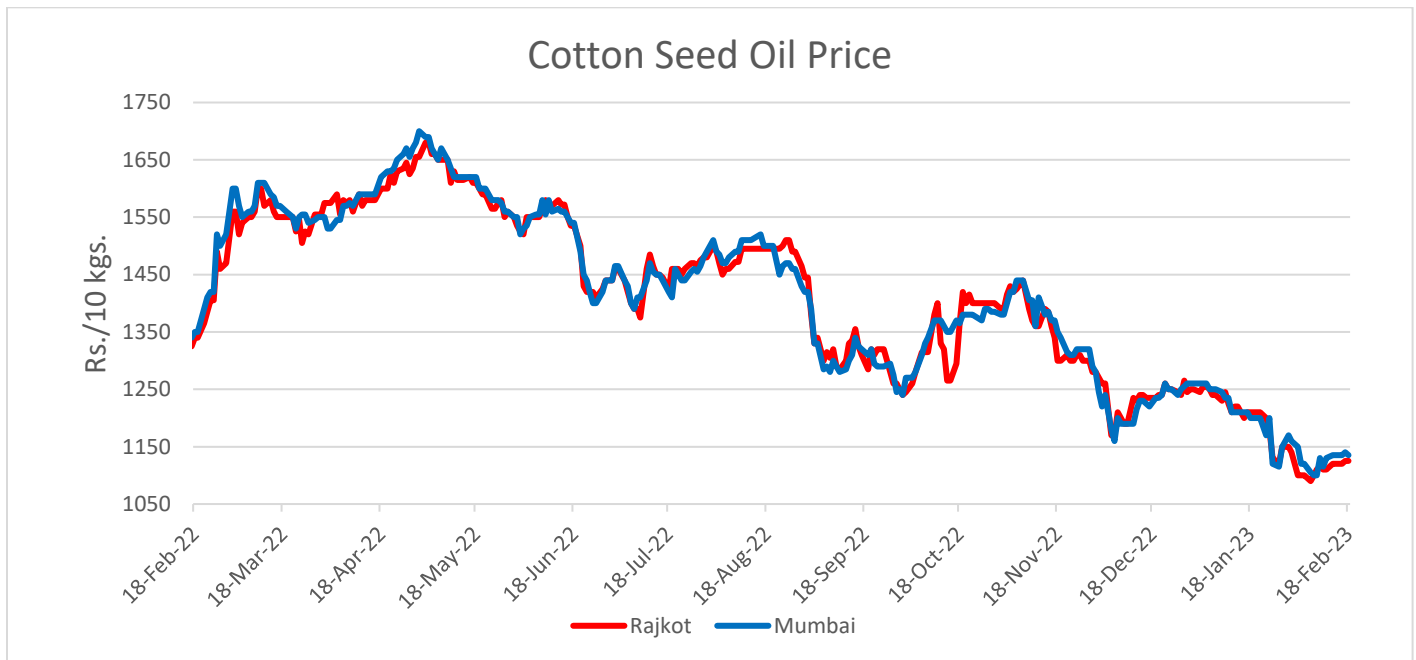
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 18th Feb'23.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	18-Feb-23	11-Feb-23	
Rajkot	1122	1105	1.51
Hyderabad	1200	1200	-
Mumbai	1136	1114	1.96

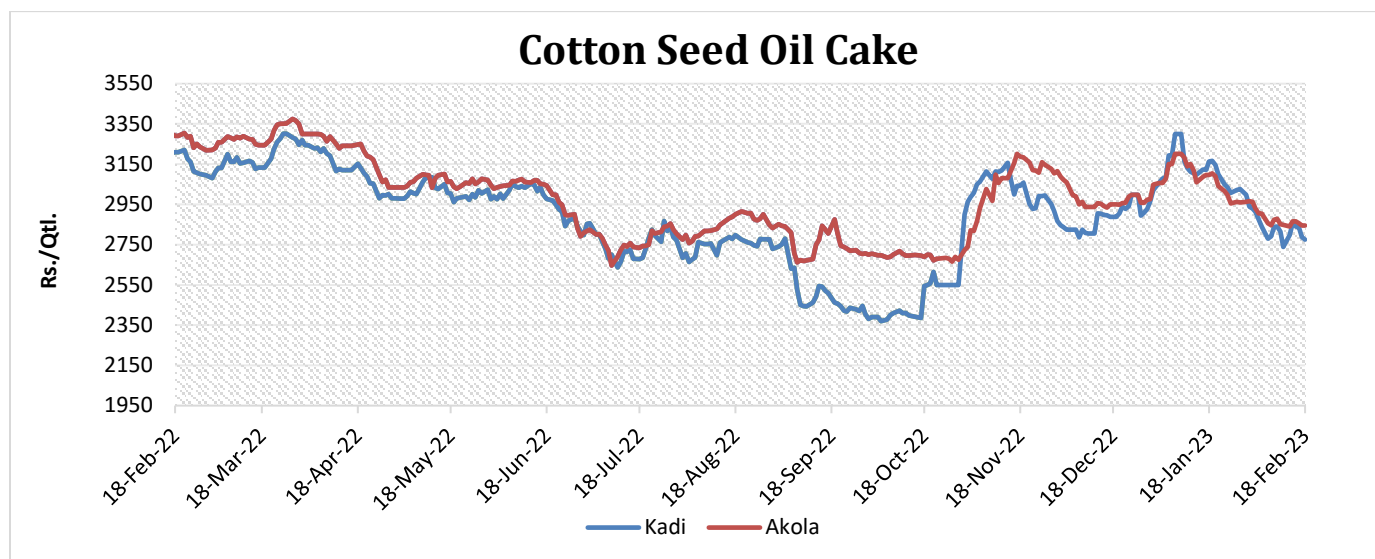
Source: Agriwatch



Cotton Seed Oil Cake weekly price Scenario

The average price of cottonseed oilcake in the Kadi market has decreased due to limited demand as compared to previous week. However, prices in Kadi have slightly improved during the past week and were at Rs. 2815 per quintal from Rs. 2800 per quintal and in Akola prices were at Rs. 2853 per quintal from Rs. 2859 per quintal the previous week. For the coming week we expect prices to remain rangebound.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	18-Feb-23	11-Feb-23	
Kadi	2815	2800	0.55
Akola	2853	2859	-0.21



vSource: NCDEX

Price Forecast for the coming week

Months	Past Week	During the week	Coming week
Price per quintal at Rajkot (Average of the month)	8490	8400-8640	8650-9640

Stock Summary

Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
50.00	22.00	72.00

International Market Scenario

The Brazilian agriculture supply company CONAB has raised its outlook for cotton production by 19.2%, now estimating 13.97 million bales. Meanwhile, the United States Department of Agriculture (USDA) updated its forecast to 13.3 million bales in its latest WASDE update.

According to USDA WASDE January report, the 2022-23 U.S. Cotton Production is estimated 438,000 bales higher, at 14.7 million bales, with yield at 947 pounds per acre, which is higher by 9 % from the December estimate. Exports are forecast 250,000 bales lower, at 12.0 million, with both projected world trade and the

U.S. share slightly lower this month. Ending stocks are higher by 700,000 bales to 4.2 million, equal to 30 percent of projected use.

World cotton production is forecasted at 330,000 bales lower than it was in December as lower production in India more than offsets gains in the United States and Brazil. Projected world consumption is 850,000 bales lower this month, at 110.9 million bales.

India's 2022-23 consumption is estimated 500,000 bales lower, with smaller declines for Indonesia and Vietnam. Projected world trade is down by 600,000 bales, to 41.7 million, as projected exports from the United States, India, and Argentina decline. Imports by China, Indonesia, and Vietnam are also projected lower.

USDA Balance Sheet

World Cotton Balance Sheet			
	2020-21	2021-22#	2022-23*
Area Harvested	31,366	32,313	31,916
Yield	773	779	787
Opening Stock	98,406	86,733	85,340
Production	1,11,489	1,15,715	1,15,396
Imports	48,693	42,889	41,626
Exports	48,726	42,863	41,656
Domestic Consumption	1,23,129	1,17,134	1,10,773
Ending Stock	86,733	85,340	89,933

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 99.57 cents/lb, lower by 1% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	17-Feb-23	09-Feb-23	
Prices	99.57	100.58	-1.00
Prices in US cents per Pound			

Source: Cotlook

Cotlook A Index

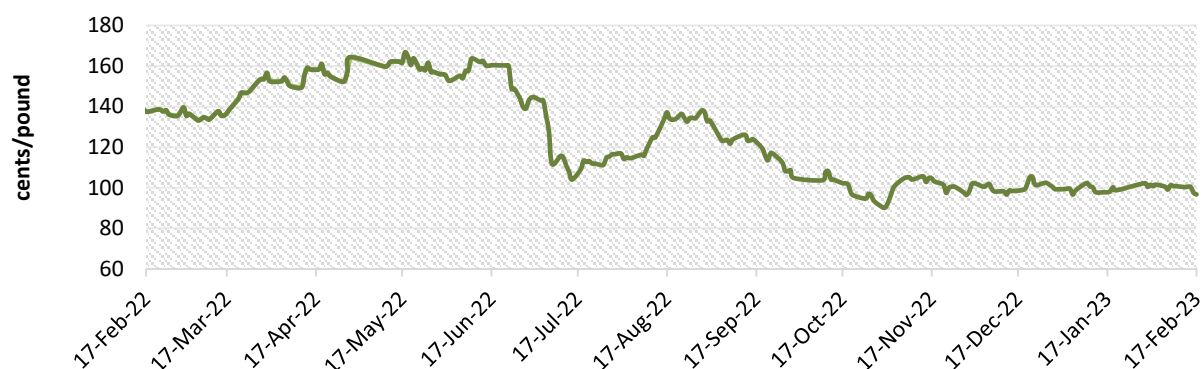


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	17-Feb-23	10-Feb-23	
FC (S)	100.16	101.32	-1.14
FC (M)	99.10	100.50	-1.39
FC (L)	98.10	99.50	-1.41
Prices in US cents per Pound			

Source: China Cotton Association

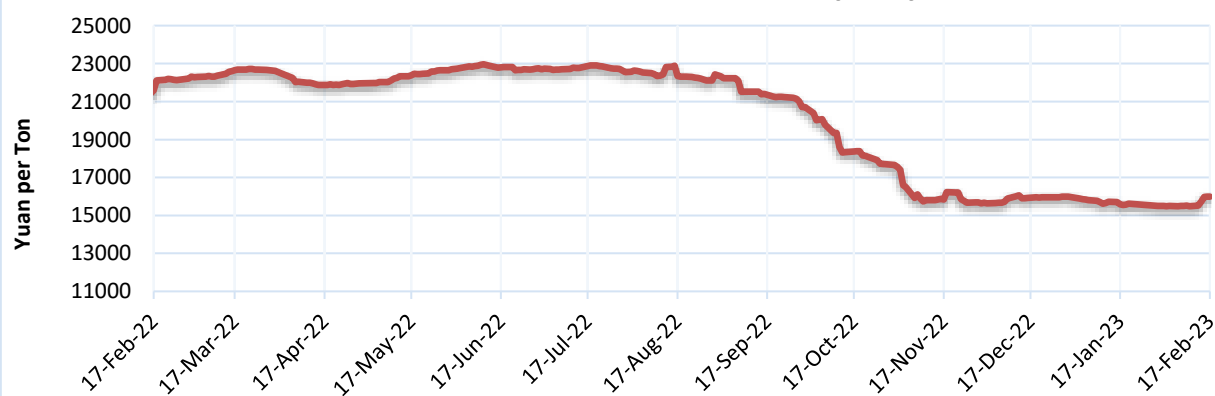
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	17-Feb-23	10-Feb-23	
CCIndex(328)	15686.20	15939.80	-1.59
CCIndex(527)	14279.80	14412.60	-0.92
CCIndex(229)	15940.80	16172.60	-1.43
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

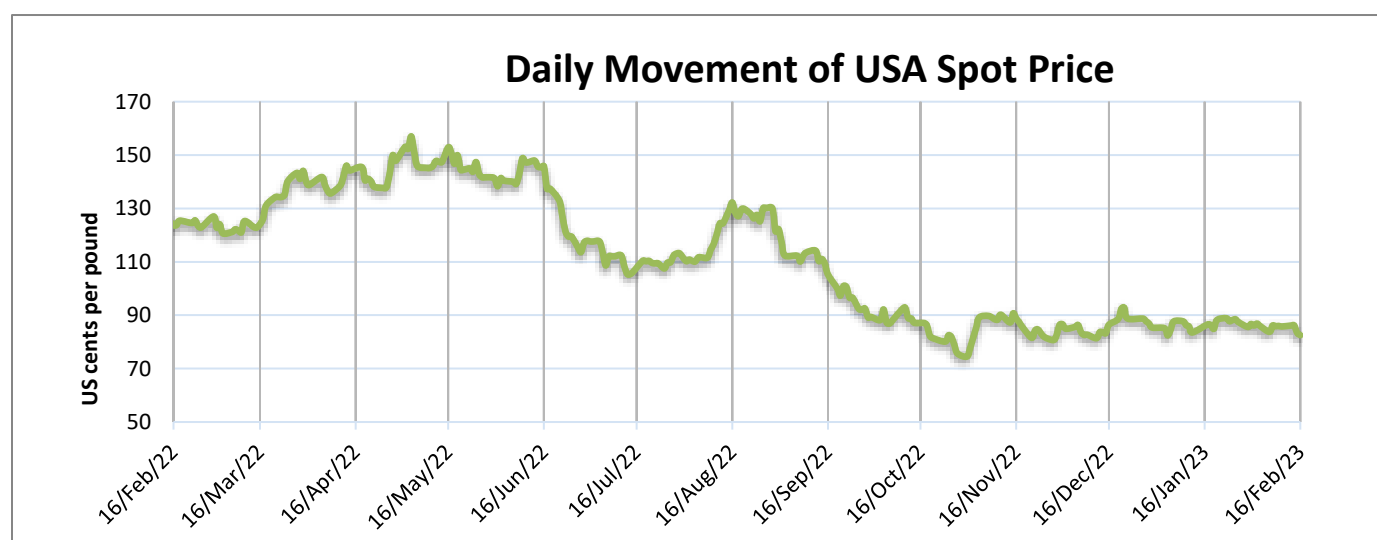


USA Spot Prices

U.S.A spot prices was at 84.55 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	16-Feb-23	09-Feb-23	
Prices	84.55	85.54	-1.15
Prices in US cents per Pound			

Source: USDA

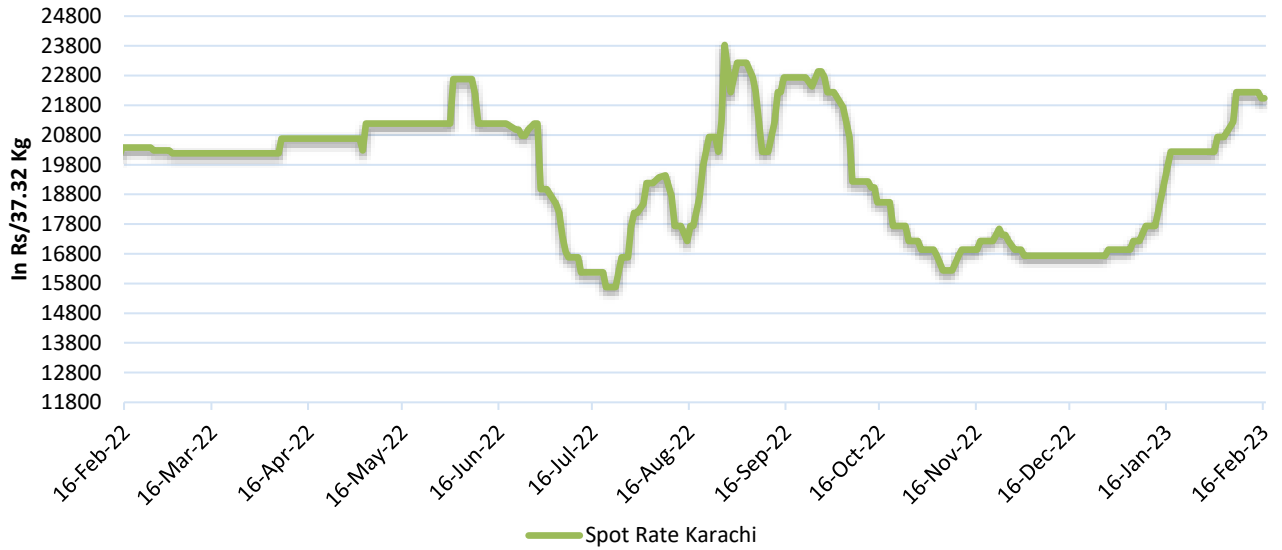


Pakistan Spot Prices

The Karachi spot price went lower at Rs. 21510/q from the previous week. Prices have slightly corrected during the past week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	16-Feb-23	9-Feb-23	
Prices	21510	22235	-3.26
Prices in Rs per 37.32 Kg			

Spot Rate Karachi



Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Feb

Expiry: Feb 28, 2023

Cottonseed Oilcake

Technical Chart:



Technical Commentary:

- As evident from the above, overall trend remained downward. Prices have corrected during the last week, but may take support at 2600 and can retrace back.
- Currently trading below 18, and 9 DMA. RSI indicates weak buying strength.
- Market is expected further to remain rangebound to weak in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Jan	2549	2599	2665	2825	2840
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Jan	Sell	2675	2640	2615	2696

Currencies Weekly Prices

	Currencies Weekly Change				
Date	INR/USD	Dollar Index	INR/Yuan	Yuan/Dollar	USD/Yuan
10-02-2023	82.52	103.470	12.118	0.146	6.809
17-02-2023	82.77	103.830	12.051	0.145	6.867
Changes in points	0.25	0.36	-0.671	-0.0013	0.0582
% Change	0.30	0.35	-0.55	-0.88	0.85

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



- The Mar'23 contract remained bearish during the past week.
- Total volume increased & Open Interest slightly decreased compared to last month,
- We expect cotton prices to remain sideways in the coming week.

Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	80-82

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
80.12	75.00	80.55	80.92

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	17-Feb-23	18-Jan-23	19-Nov-22	21-Aug-22	17-Feb-22	% Change over a month	% Change over previous year
Mar-23	80.25	84.81	83.78	111.24	121.93	-5.38	-34.18
May-23	81.50	85.18	83.07	108.24	119.52	-4.32	-31.81
Jul-23	82.35	85.40	82.02	103.65	116.68	-3.57	-29.42
Oct-23	82.16	83.25	79.21	95.30	106.19	-1.31	-22.63
Dec-23	82.25	83.20	78.96	114.14	102.31	-1.14	-19.61

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)		
State	Centre	Variety	13th Feb'23 to 18th Feb'23	06th Feb'23 to 11th Feb'23	Change
Gujarat	Ahmedabad	Shankar-6	8513	8458	54
	Gondal	Shankar-6	8400	8290	110
	Rajkot	B.T. Cotton	8479	8377	102
	Patan	B.T. Cotton	8374	8261	113
	Kadi	B.T. Cotton	8360	8167	193
	Deesa	B.T. Cotton	1432	1399	33
	Dhrol	B.T. Cotton	8130	8374	-244
Haryana	Bhiwani	B.T. Cotton	8125	8000	125
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8303	8092	211
	Fatehabad	B.T. Cotton	8226	8056	170
	Jind	B.T. Cotton	8200	8030	170
	Uchana	B.T. Cotton	8250	8028	222
	Dabwali	B.T. Cotton	8283	8020	263
Rajasthan	Hanumangarh	B.T. Cotton	8350	8225	125
	Rawatsar	B.T. Cotton	8450	8316	134
Madhya Pradesh	Khandwa	Mech-1	8120	7875	245
	Khargaon	Mech-1	8193	7950	243
Maharashtra	Amravati	Mech-1	8077	8050	27
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7825	7530	295
Andhra Pradesh	Adoni	Un-Ginned	8059.4	7942.5	117
Karnataka	Bijapur	Bunny	8405	8449	-45
	Hubli	D.C.H.	NA	8448	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	8230	7967	263
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	13th Feb'23 to 18th Feb'23	06th Feb'23 to 11th Feb'23	
Punjab	Bhatinda	J-34	6475	6296	179
	Abohar	J-34	6475	6296	179
	Mansa	J-34	6404	6290	114
Haryana	Sirsa	J-34	6329	6188	142
Rajasthan	Sri-Ganganagar	J-34	6110	6071	39

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13th Feb'23 to 18th Feb'23	06th Feb'23 to 11th Feb'23	
Gujarat	Ahmedabad	Shankar-6	53975	56950	-2975
	Gondal	Shankar-6	7706	7775	-69
	Rajkot	B.T. Cotton	2863	3271	-408
	Patan	B.T. Cotton	3447	4354	-907
	Kadi	B.T. Cotton	30000	20833	9167
	Deesa	B.T. Cotton	10	38	-28
	Dhrol	B.T. Cotton	597	723	-126
Haryana	Bhiwani	B.T. Cotton	688	525	163
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1388	963	425
	Fatehabad	B.T. Cotton	226	258	-33
	Jind	B.T. Cotton	NA	425	-
	Uchana	B.T. Cotton	238	275	-38
	Dabwali	B.T. Cotton	238	275	-38
Rajasthan	Hanumangarh	B.T. Cotton	1750	2667	-917
	Rawatsar	B.T. Cotton	1750	2667	-917
Madhya Pradesh	Khandwa	Mech-1	3700	5313	-1613
	Khargaon	Mech-1	3680	5500	-1820
Maharashtra	Amravati	Mech-1	20000	21750	-1750
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	56232	43837	12395
Andhra Pradesh	Adoni	Un-Ginned	632	1261	-629
Karnataka	Bijapur	Bunny	3401	4187	-786
	Hubli	D.C.H.	NA	92	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	16	17	-1
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	13th Feb'23 to 18th Feb'23	06th Feb'23 to 11th Feb'23	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	340	425	-85
	Mansa	J-34	85	NA	-
Haryana	Sirsa	J-34	397	609	-213
Rajasthan	Sri-Ganganagar	J-34	2250	1667	583

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	17-Feb-23	10-Feb-23	17-Jan-23	17-Feb-22
Gujarat	Ahmedabad	Shankar-6	8400	8500	8650	10500
	Gondal	Shankar-6	8305	0	8705	10555
	Rajkot	B.T. Cotton	8490	8350	8350	10900
	Patan	B.T. Cotton	8390	8250	8635	10360
	Kadi	B.T. Cotton	8500	8150	8400	10500
	Deesa	B.T. Cotton	1434	1436	1450	1695
	Dhrol	B.T. Cotton	8360	8335	8550	10000
Haryana	Bhiwani	B.T. Cotton	8100	8000	8400	9800
	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	8315	8200	8500	9500
	Fatehabad	B.T. Cotton	8160	8180	8445	9680
	Jind	B.T. Cotton	NR	0	0	9000
	Uchana	B.T. Cotton	NA	8060	8525	10200

	Dabwali	B.T. Cotton	8270	8095	8495	10435
Rajasthan	Hanumangarh	B.T. Cotton	8400	8300	8550	10400
	Rawatsar	B.T. Cotton	8500	8350	8650	10600
Madhya Pradesh	Khandwa	Mech-1	8300	7900	8400	10500
	Khargaon	Mech-1	8240	0	8195	10255
Maharashtra	Amravati	Mech-1	NR	0	8100	10200
	Jamner	Medium Staple	NA	0	0	9504
Uttar Pradesh	Hathras	B.T. Cotton	NA	0	0	0
	Hathras	Desi	NA	0	0	0
Telangana	Adilabad	Un-Ginned	7800	7600	0	0
Andhra Pradesh	Adoni	Un-Ginned	8091	7852	8689	10480
Karnataka	Bijapur	Bunny	8400	8190	8610	10727
	Hubli	D.C.H.	NA	0	0	0
	Hubli	B.T. Cotton	NA	0	0	0
	Raichur	H-44 Cotton	8100	8000	8400	10550
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	17-Feb-23	10-Feb-23	17-Jan-23	17-Feb-22
Punjab	Bhatinda	J-34	6500	6350	6400	8150
	Abohar	J-34	6500	6350	6400	8150
	Mansa	J-34	6425	6280	0	8150
Haryana	Sirsa	J-34	6350	6250	6250	7900
Rajasthan	Sri-Ganganagar	J-34	NR	6110	6110	7614

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	17-Feb-23	10-Feb-23	17-Jan-23	17-Feb-22
Gujarat	Ahmedabad	Shankar-6	54400	57800	42500	51000
	Gondal	Shankar-6	7725	7800	8250	8710
	Rajkot	B.T. Cotton	2800	3200	3000	3600
	Patan	B.T. Cotton	2230	4270	4790	895
	Kadi	B.T. Cotton	25000	20000	5000	20000
	Deesa	B.T. Cotton	10	20	0	0
	Dhrol	B.T. Cotton	679	578	612	390
Haryana	Bhiwani	B.T. Cotton	800	700	500	2500

	Bhiwani	Desi	NA	0	0	0
	Adampur	B.T. Cotton	1360	850	3001	1700
	Fatehabad	B.T. Cotton	200	225	380	500
	Jind	B.T. Cotton	NR	0	0	1615
	Uchana	B.T. Cotton	300	250	725	700
	Dabwali	B.T. Cotton	300	250	725	700
Rajasthan	Hanumangarh	B.T. Cotton	2000	1500	2000	1000
	Rawatsar	B.T. Cotton	2000	1500	2000	1000
Madhya Pradesh	Khandwa	Mech-1	4000	4500	6000	400
	Khargaon	Mech-1	5100	0	7300	3915
Maharashtra	Amravati	Mech-1	NR	NR	9000	17000
	Jamner	Medium Staple	NA	NA	0	46
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	NA
	Hathras	Desi	NA	NA	NA	NA
Telangana	Adilabad	Un-Ginned	77603.1	33991.5	0	0
Andhra Pradesh	Adoni	Un-Ginned	674	1077	1104	616
Karnataka	Bijapur	Bunny	3160	3840	3350	1004
	Raichur	H-44 Cotton	17	15	15	5
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	17-Feb-23	10-Feb-23	17-Jan-23	17-Feb-22
Punjab	Bhatinda	J-34	NA	NA	NA	8500
	Abohar	J-34	340	255	680	340
	Mansa	J-34	85	NA	NA	510
Haryana	Sirsa	J-34	255	340	510	850
Rajasthan	Sri-Ganganagar	J-34	NR	1500	1000	2500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				13th Feb'23 to 18th Feb'23	06th Feb'23 to 11th Feb'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	53533	52483	1050
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	53950	52900	1050
J-34(202)	26mm	3.5 - 4.9	23	50283	49633	650
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	50917	49833	1083
Shankar-6(105)	29mm	3.5 – 4.9	28	52350	51467	883
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	53067	52333	733
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	53667	53167	500
DCH-32(107)	34mm	3.0 - 3.8	33	59917	58000	1917

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2023 Indian Agribusiness Systems Ltd.