

COTTON WEEKLY RESEARCH REPORT

27th February 2023

Domestic market summary
Major Market Highlights:

- Cotton prices have registered a dip in prices this week in all three zones.
- Cotton daily arrivals were at around 1,15,000-1,20,000 bales per day. During the past week, arrivals were around 15 lakh bales. We expect arrivals to increase in the coming week as farmers are likely to release their stock.
- Most of the spinning mills are working at 80-100% of the capacity. Yarn demand has also improved both for the export and domestic market.
- Cottonseed and oilcake remained bearish 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.
- The reports of dry spell this year, may affect cotton yield in the coming time.

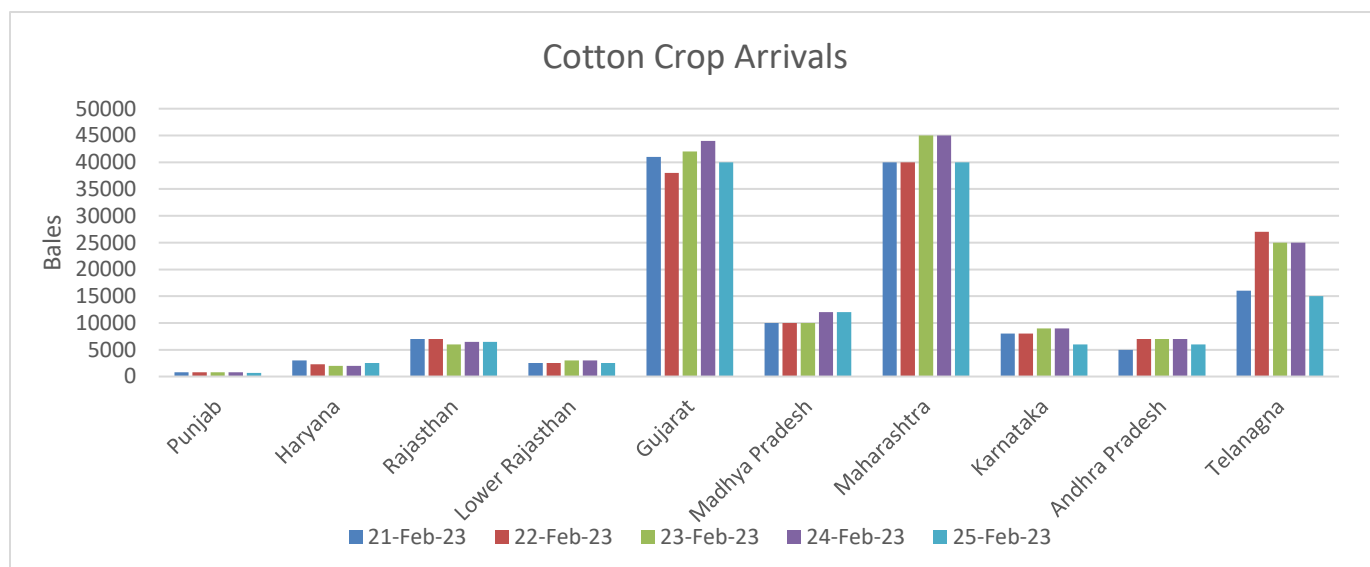
Domestic Market Scenario:

- The Committee on Cotton Production and Consumption in its latest report has estimated cotton production at 337.23 lakh bales for the 2022-23 season comparatively higher from the previous season estimate of 311.17 lakh bales. Cotton imports and exports were estimated at 10 lakh bales and 35 lakh bales respectively. The closing stock is estimated at 46.48 lakh bales slightly higher from previous season of 45.25 lakh bales.

Cotton Balance Sheet	2022-23	2021-22
	(in lakh bales)	(in lakh bales)
Supply		
Opening Stock	45.25	71.84
Crop	337.23	311.17
Imports	10	21.13
Total Supply	392.48	404.14
Demand		
Mill Consumption	275	279.57
Consumption by SSI Units	20	21.07
Non- Mill Consumption	16	16
Total Domestic Demand	346	358.89
Exports	35	42.25
Closing Stock	46.48	45.25

- The government on 22nd February 2023 has approved the Quality Control Order (QCO) for mandatory certification of cotton bales under specification no. IS12171:2019-Cotton Bales to augment the supply of good quality cotton to the textile Industry.
- The Tamil Nadu Agriculture University expects cotton prices to go down to Rs. 7,000 to Rs. 7,500 per quintal in the coming months. While the area under cotton cultivation has increased this year, demand from the domestic textile industry is low and export prices are under pressure. Hence, cotton offtake remains lower. Presently, only about 40% of the textile mills are working in the Tripura-Coimbatore region.

New Cotton Crop Arrival & Prices:

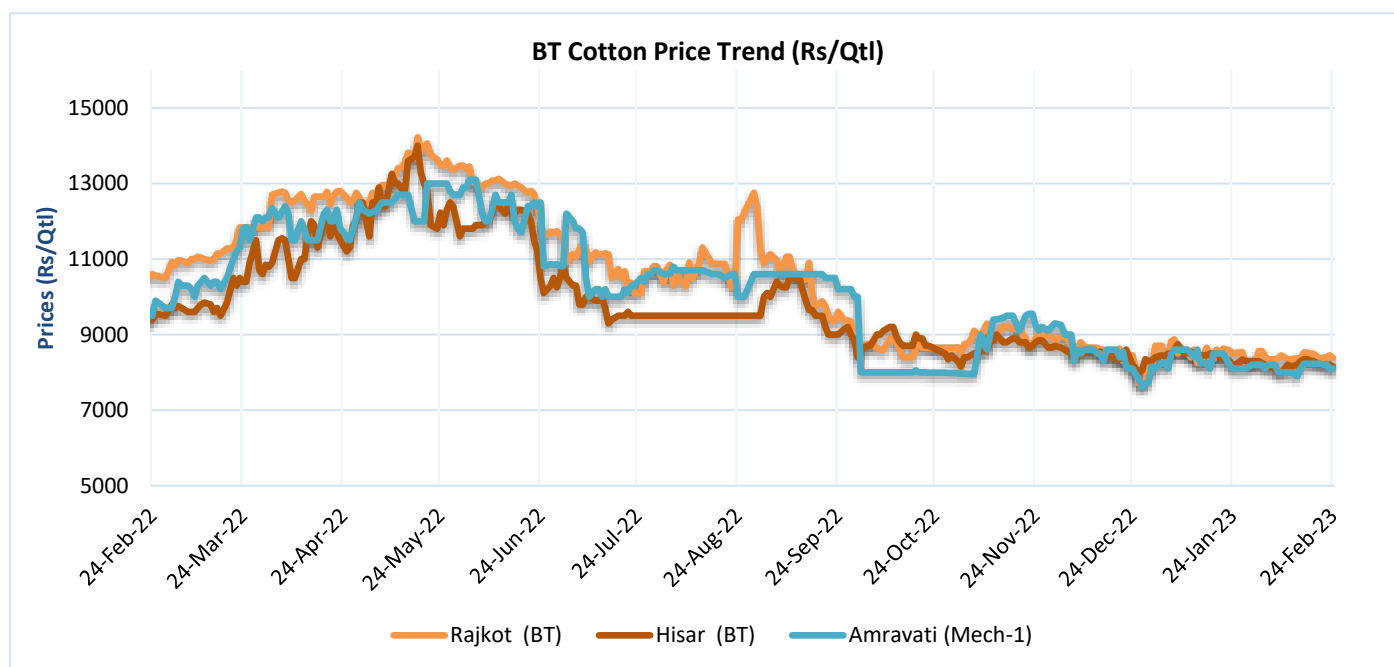


All India Cotton Arrivals 2022-23	
This Week	10 Lakh Bales
Cumulative Arrival	156 Lakh Bales
Cotton Consumption	105 Lakh Bales
Exports	6,00,000 Bales
Import	7,20,000 Bales

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

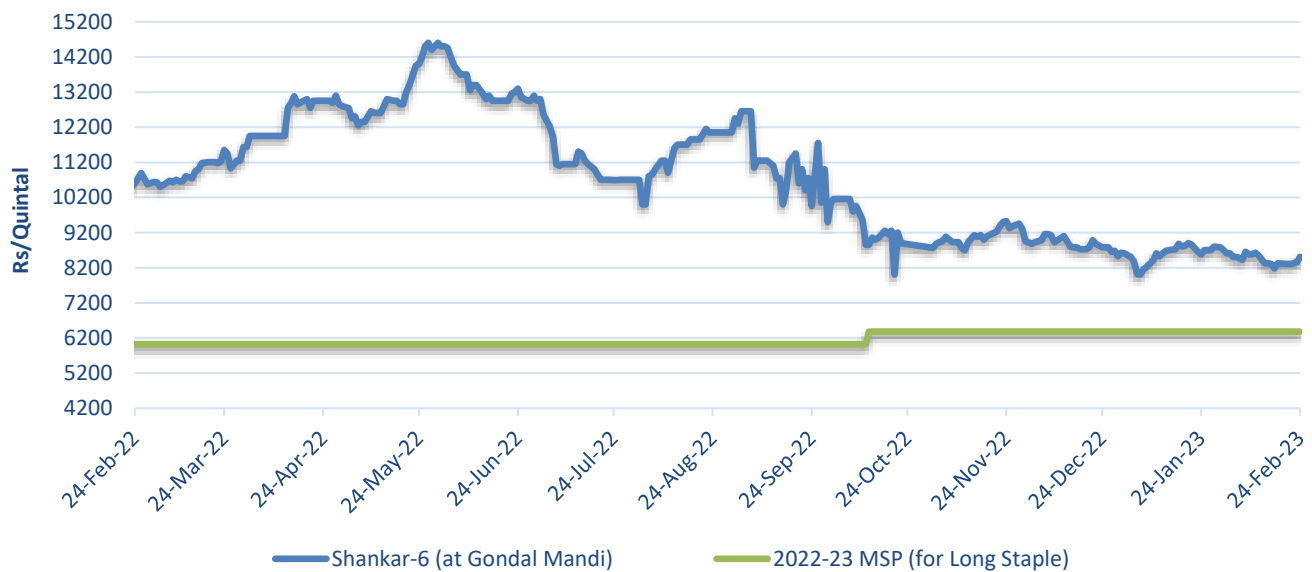
Weekly Price Review: Weekly BT Cotton average prices at Rajkot stood lower at Rs. 8,394/Qtl compared to previous week's Rs. 8,463/Qtl. Cotton prices at Amravati traded at Rs. 8,166 per quintal whereas prices in Hisar were lower at Rs. 8,153 per quintal during the past week. Prices have decreased during the past week in the major markets across the country with the increase in arrivals.



Spot Price Comparison

Cotton shanker-6 at Gondal market traded lower at Rs. 8,250 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.

MSP versus Current S-6 Price



Lint price Outlook

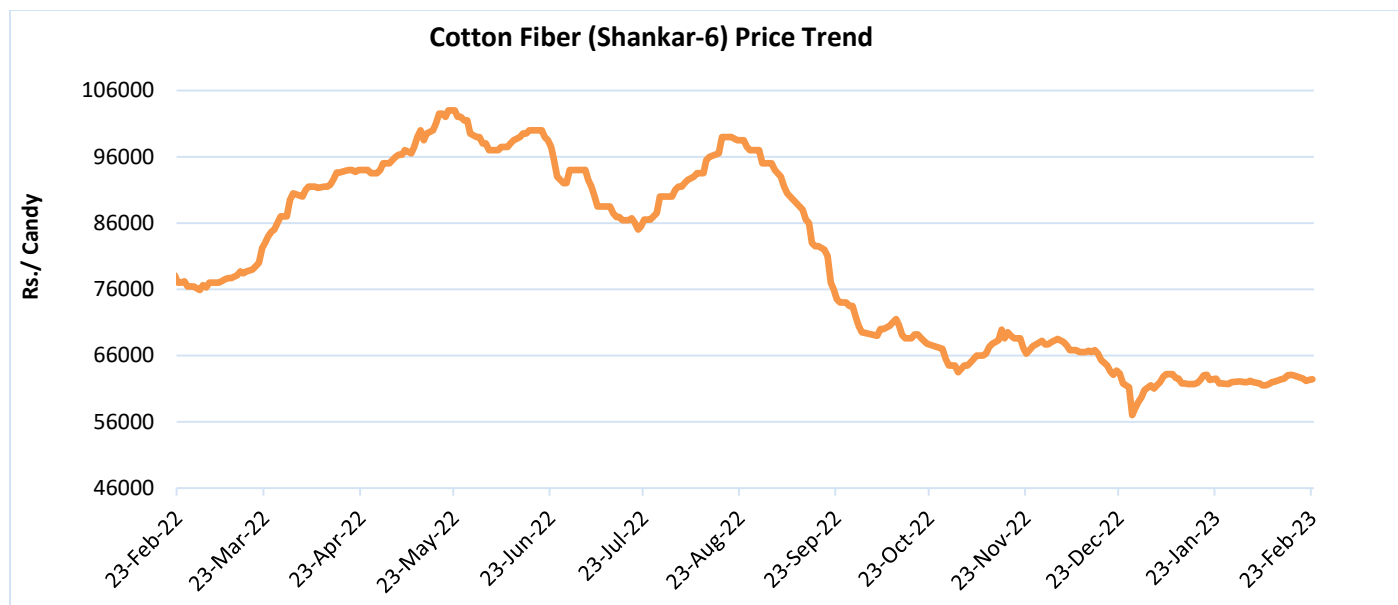
The average price stood lower at Rs. 6440/maund this week compared to Rs. 6475/maund previous week in Abohar, in Bhatinda prices were lower at Rs. 6445/maund, and in Sirsa were at Rs. 6315/maund from Rs. 6329/maund previous week.

Lint Price Trend at Key Centers



Cotton Fiber price Outlook

The average cotton fiber (Shankar-6) prices of premium quality have become slightly lower and is currently at trading Rs.62,350/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

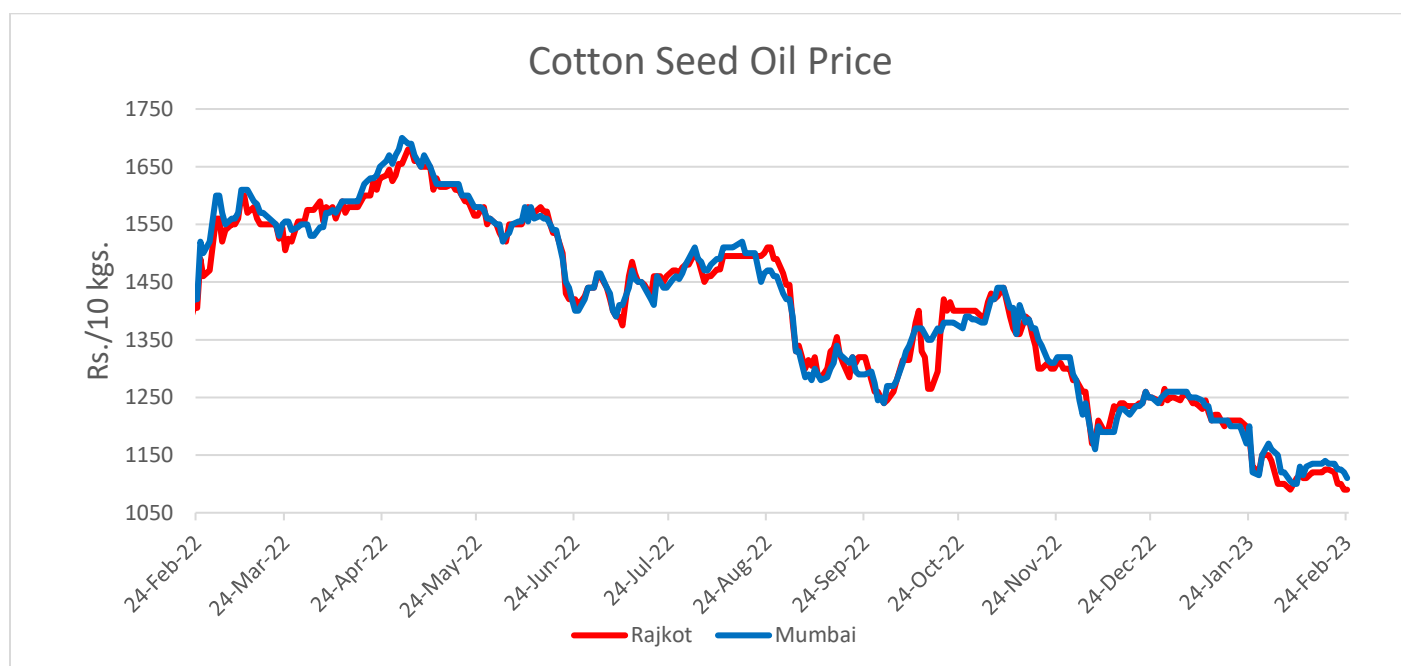
Cotton Seed Oil weekly

Price Scenario

Cottonseed oil prices have shown a weak trend across the major centers during the week ending on 24th Feb'23.

Center	Weekly Average Price as on (Rs/10 kg.)		% Change
	24-Feb-23	18-Feb-23	
Rajkot	1100	1122	-1.96
Hyderabad	1117	1200	-6.94
Mumbai	1123	1136	-1.14

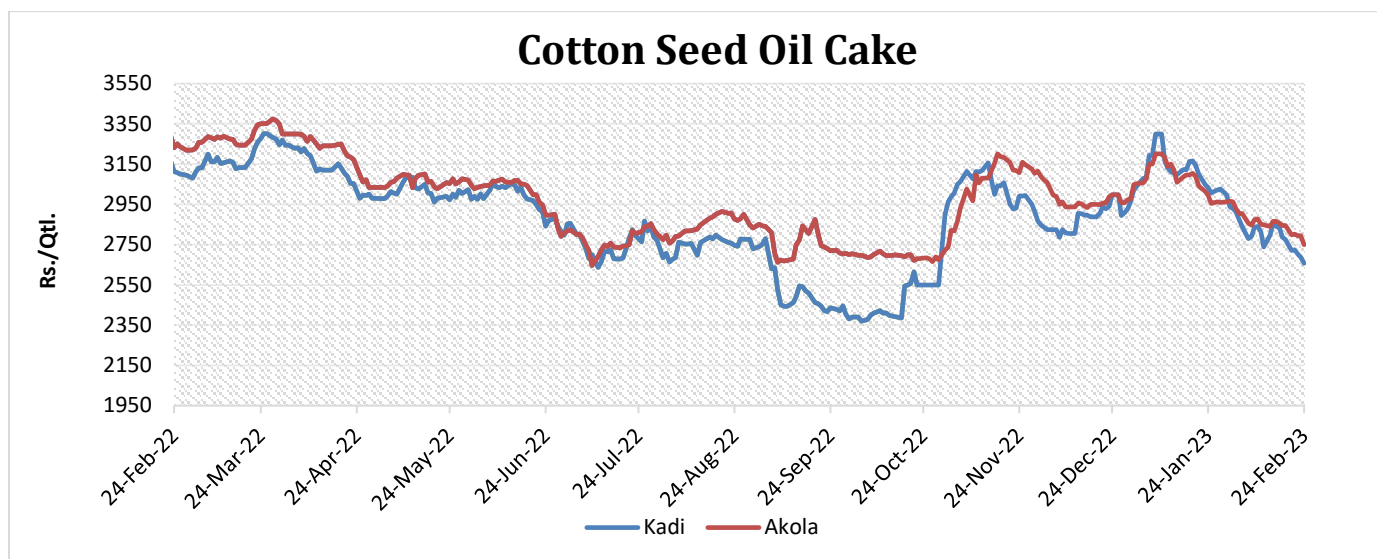
Source: Agriwatch



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. Prices in Kadi were at Rs. 2699 per quintal from Rs. 2815 per quintal and in Akola prices were at Rs. 2788 per quintal from Rs. 2853 per quintal the previous week. For the coming week we expect prices to remain weak as with increased pressure of arrivals.

Center	Weekly Average Price as on (Rs/quintal.) *		% Change
	24-Feb-23	18-Feb-23	
Kadi	2699	2815	-4.13
Akola	2788	2853	-2.29



Source: NCDEX

NCDEX Cottonseed oilcake

Expiry Date	03.02.23	10.02.23	17.02.23	24.02.23	Change
Mar-23	2711	2706	2699	2626	-73
Apr-23	2706	2706	2690	2635	-55

Price Forecast for the coming week

Months	Past Week	During the week	Coming week
Price per quintal at Rajkot (Average of the month)	8400	8420-8640	8250-8640

Stock Summary

Stock with Spinners	Stock with Government, MCX, MNC, Traders, Ginners etc	Total
54.00	22.50	76.50

International Market Scenario

The Pakistan local cotton market during the past week remained bearish and the trading volume remained low. The rate of cotton in Sindh is in between Rs 17,500 to Rs 20,000 per maund. The rate of cotton in Punjab ranges between Rs 18,000 to Rs 20,000 per maund.

According to USDA WASDE February report, the 2022-23 U.S. Cotton Production was revised lower by 1.0 million bales to 114.4 million, mainly because of reduced yields in the Franc zone and India. Consumption is expected to decrease slightly from the previous month due to lower usage in Pakistan, Indonesia, and Vietnam, which offset the higher consumption in China.

The global trade is projected to decrease by 1.2 million bales from the previous month, primarily due to lower worldwide consumption, including Bangladesh, Egypt, Indonesia, and Pakistan. The ending stocks have decreased by 850,000 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	31,381
Yield	773	779	793
Opening Stock	98,406	86,698	85,235
Production	1,11,494	1,15,710	1,14,371
Imports	48,693	42,664	40,441
Exports	48,776	42,863	40,381
Domestic Consumption	1,23,119	1,16,974	1,10,583
Ending Stock	86,698	85,235	89,083

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

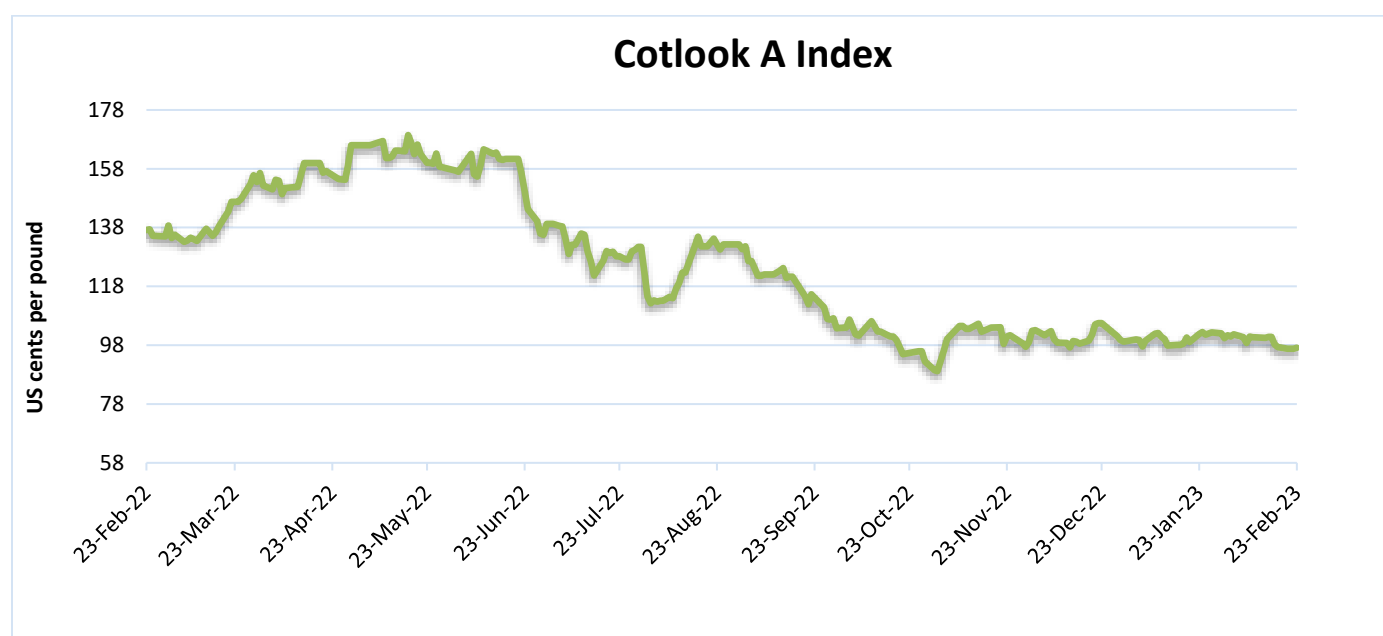
*Attribute Unit Description: Area in 1000 Ha; Yield of Cotton in Kg/Ha; Quantity of Cotton in 1000 480-lb Bales

Cotlook A Index

Cotlook A Index was lower this week. The Cotlook A Index was at 96.91 cents/lb, lower by 2% as compared to the previous week.

Cotlook A Index	Weekly Average Price change as on		% Change
	25-Feb-23	17-Feb-23	
Prices	96.91	99.57	-2.67
Prices in US cents per Pound			

Source: Cotlook

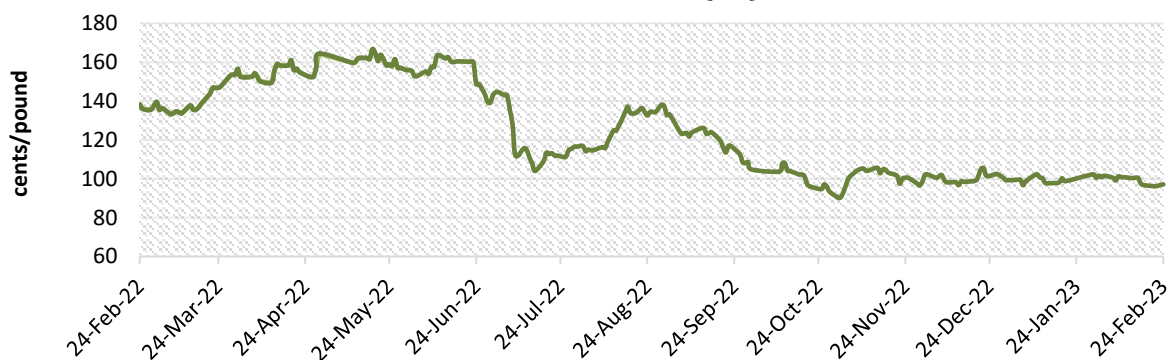


China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	24-Feb-23	17-Feb-23	
FC (S)	97.75	100.16	-2.40
FC (M)	96.54	99.10	-2.58
FC (L)	95.54	98.10	-2.61
Prices in US cents per Pound			

Source: China Cotton Association

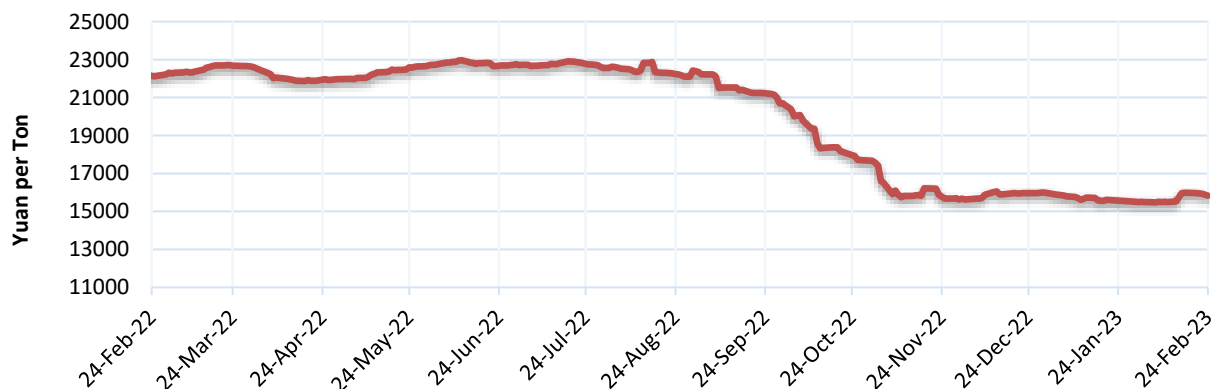
FC Index (M)



Cotton Index	Weekly Average Price as on		% Change
	24-Feb-23	17-Feb-23	
CCIndex(328)	15490.20	15686.20	-1.25
CCIndex(527)	14139.40	14279.80	-0.98
CCIndex(229)	15774.80	15940.80	-1.04
Prices in Yuan per ton			

Source: China Cotton Association

China Cotton Index(328)

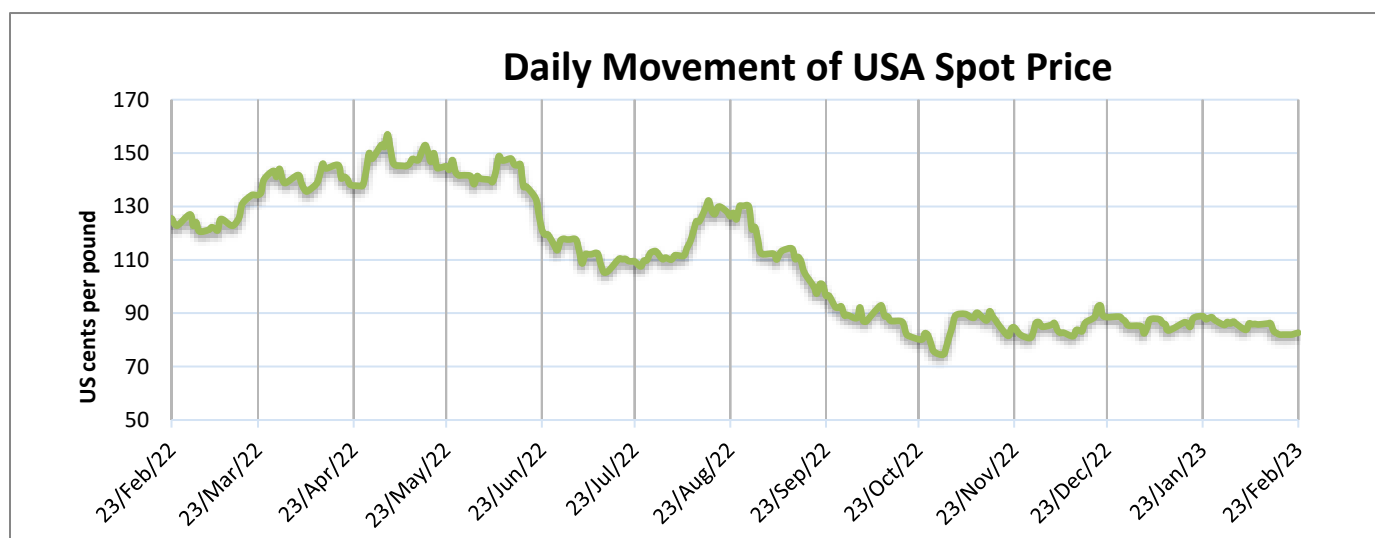


USA Spot Prices

U.S.A spot prices was at 82.27 cents per pound last week.

USA Spot Prices	Monthly Average Price as on		% Change
	23-Feb-23	16-Feb-23	
Prices	82.27	84.55	-2.70
Prices in US cents per Pound			

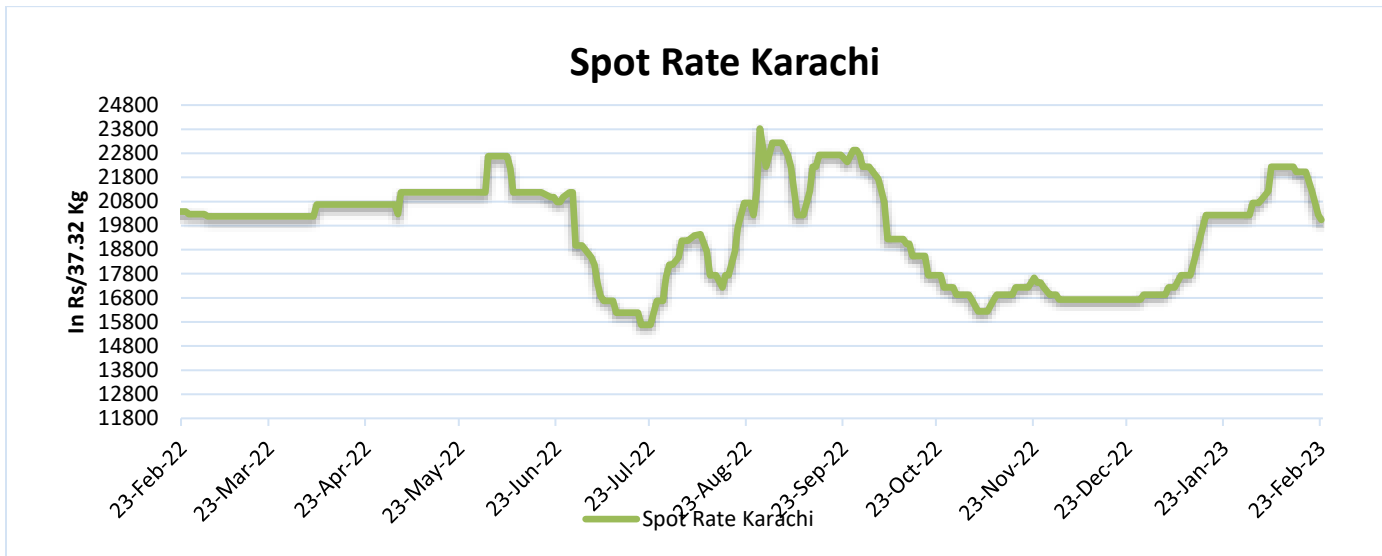
Source: USDA



Pakistan Spot Prices

The local cotton market during the past week remained bearish and the trading volume remained low. The rate of cotton in Sindh is in between Rs 17,500 to Rs 20,000 per maund. The Karachi spot price went lower at Rs. 20035/q from the previous week.

Karachi Spot Prices	Weekly Average Price as on		% Change
	23-Feb-23	16-Feb-23	
Prices	20035	21510	-6.86
Prices in Rs per 37.32 Kg			



Commodity: Cotton seed oilcake

Exchange: MCX

Contract: Mar

Expiry: Mar 30, 2023

Cottonseed Oilcake

Technical Chart:



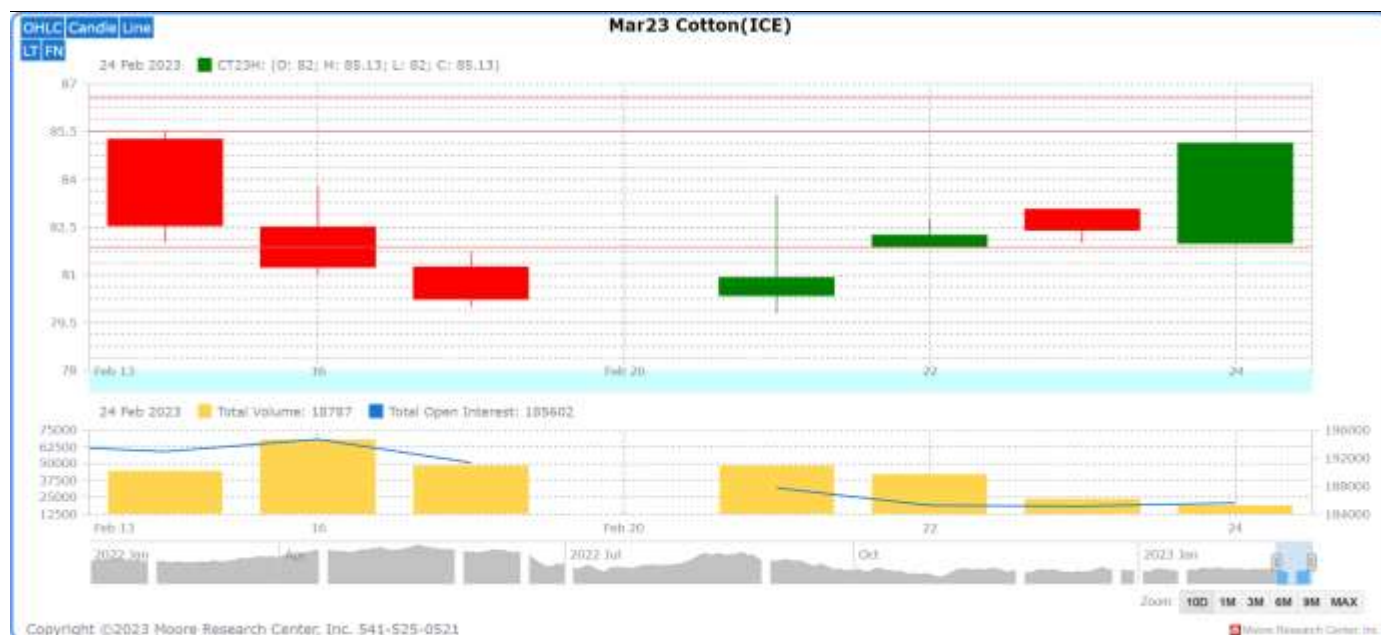
Technical Commentary:

- As evident from the above, overall trend remained bearish. Prices have corrected during the last week, but may take a support at 2620 and can retrace back.
- Currently trading below 18, and 9 DMA. RSI indicates weak buying strength.

- Prices have broken to more than 61% Fibonacci retracement level.
- Market is expected further to remain rangebound to weak in the coming week.

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Cottonseed oilcake	NCDEX	Mar	2512	2562	2628	2788	2803
Intraday Trade Call			Call	Entry	T1	T2	SL
Cottonseed oilcake	NCDEX	Mar	Sell	2638	2603	2578	2659

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



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

Expected Price Range During Coming week

Expected Trend	Expected Trading Band
Range bound	82-85

Expected Support and Resistance

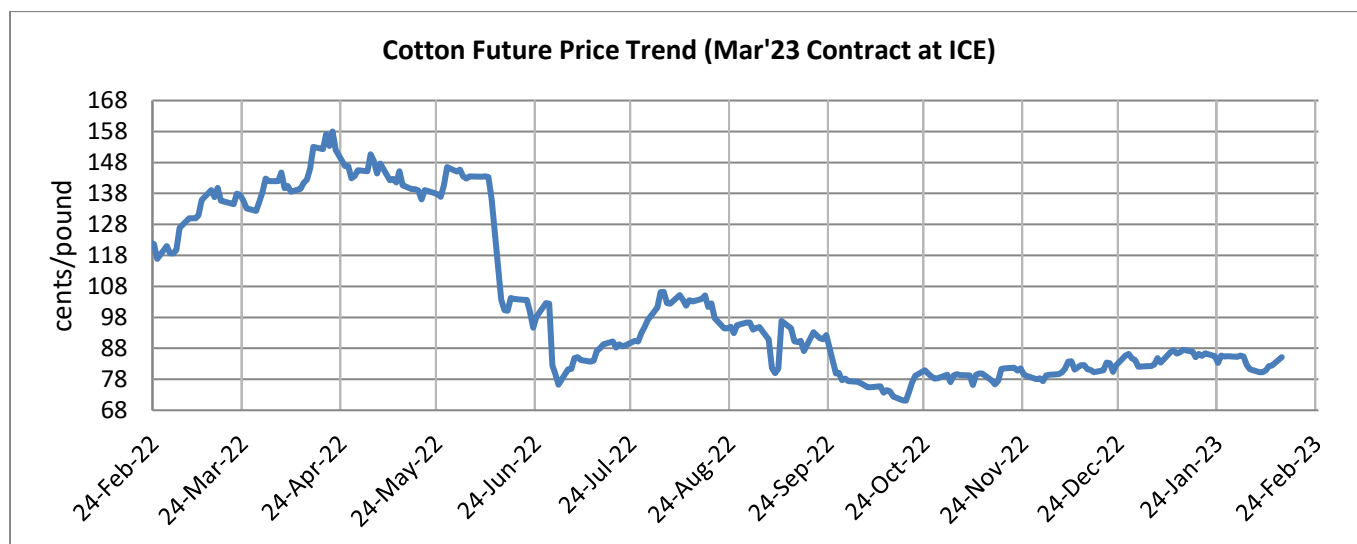
Support 1	Support 2	Resistance 1	Resistance 2
82.5	80.00	85	87

Figures in US cents/pound

Cotton Future Prices at ICE

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	24-Feb-23	25-Jan-23	26-Nov-22	28-Aug-22	24-Feb-22	% Change over a month	% Change over previous year
Mar-23	85.13	86.66	80.18	113.67	122.59	-1.77	-30.56
May-23	84.90	87.24	79.53	110.38	119.16	-2.68	-28.75
Jul-23	85.08	87.71	78.64	105.09	116.22	-3.00	-26.79
Oct-23	84.47	85.54	77.61	94.11	105.22	-1.25	-19.72
Dec-23	84.32	85.53	76.00	117.16	101.27	-1.41	-16.74

Future Price Trend (Active Contract):



Cotton Yarn

As per the market sources, During the past week south India's cotton yarn market remained stable. Trading activities increased in Tiruppur, whereas domestic demand in the Mumbai market was limited. While spinners may be bullish due to high export orders, domestic demand from the downstream industry has not been encouraging and buyers were cautious.

Mumbai market witnessed steady trend in cotton yarn prices. While cotton yarn prices had increased early this week, demand from the domestic industry was average. Buyers were still cautious about new deals. Therefore, the prices did not improve further.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at Rs.1,540-1,570 and Rs.1,470-1,520 per 5 kg, respectively. 60 combed warp was priced at Rs.350-355 per kg, 80 carded (weft) cotton yarn was sold at Rs.1,510-1,540 per 4.5 kg, 44/46 count carded cotton yarn (warp) was priced at Rs.285-290 per kg.

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	20th Feb'23 to 25th Feb'23	13th Feb'23 to 18th Feb'23	
Gujarat	Ahmedabad	Shankar-6	8342	8513	-171
	Gondal	Shankar-6	8249	8400	-151
	Rajkot	B.T. Cotton	8395	8479	-84
	Patan	B.T. Cotton	8366	8374	-8
	Kadi	B.T. Cotton	8225	8360	-135
	Deesa	B.T. Cotton	1410	1432	-22
	Dhrol	B.T. Cotton	8309	8130	179
Haryana	Bhiwani	B.T. Cotton	8033	8125	-92
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8177	8303	-126
	Fatehabad	B.T. Cotton	8027	8226	-199
	Jind	B.T. Cotton	8150	8200	-50
	Uchana	B.T. Cotton	8184	8250	-66
	Dabwali	B.T. Cotton	8088	8283	-195
Rajasthan	Hanumangarh	B.T. Cotton	8242	8350	-108
	Rawatsar	B.T. Cotton	8383	8450	-67
Madhya Pradesh	Khandwa	Mech-1	8225	8120	105
	Khargaon	Mech-1	7983	8193	-210
Maharashtra	Amravati	Mech-1	8140	8077	63
	Jamner	Medium Staple	#DIV/0!	NA	-
Telangana	Adilabad	Un-Ginned	7635	7825	-190
Andhra Pradesh	Adoni	Un-Ginned	8078.6	8059.4	19
Karnataka	Bijapur	Bunny	8345	8405	-60
	Hubli	D.C.H.	7405	NA	-
	Raichur	H-44 Cotton	8000	8230	-230
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change

State	Centre	Variety	20th Feb'23 to 25th Feb'23	13th Feb'23 to 18th Feb'23	
Punjab	Bhatinda	J-34	6458	6475	-17
	Abohar	J-34	6446	6475	-29
	Mansa	J-34	6233	6404	-171
Haryana	Sirsa	J-34	6329	6329	Unch
Rajasthan	Sri-Ganganagar	J-34	6204	6110	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	20th Feb'23 to 25th Feb'23	13th Feb'23 to 18th Feb'23	Change
Gujarat	Ahmedabad	Shankar-6	58083	53975	4108
	Gondal	Shankar-6	7725	7706	19
	Rajkot	B.T. Cotton	3117	2863	254
	Patan	B.T. Cotton	3211	3447	-236
	Kadi	B.T. Cotton	2416	3000	-583
	Deesa	B.T. Cotton	40	10	30
	Dhrol	B.T. Cotton	523	597	-74
Haryana	Bhiwani	B.T. Cotton	467	688	-221
	Adampur	B.T. Cotton	1048	1388	-340
	Fatehabad	B.T. Cotton	257	226	31
	Jind	B.T. Cotton	525	NA	-
	Uchana	B.T. Cotton	442	238	204
	Dabwali	B.T. Cotton	442	238	204
Rajasthan	Hanumangarh	B.T. Cotton	2583	1750	833
	Rawatsar	B.T. Cotton	2583	1750	833
Madhya Pradesh	Khandwa	Mech-1	4063	3700	363
	Khargaon	Mech-1	4510	3680	830
Maharashtra	Amravati	Mech-1	21200	20000	1200
Telangana	Adilabad	Un-Ginned	8173	5623	2549
Andhra Pradesh	Adoni	Un-Ginned	1200	632	568
Karnataka	Bijapur	Bunny	3522	3401	121
	Hubli	D.C.H.	29	NA	-
	Raichur	H-44 Cotton	15	16	-1
Commodity	Lint		Weekly Sum Arrivals (Quintal)		
State	Centre	Variety	20th Feb'23 to 25th Feb'23	13th Feb'23 to 18th Feb'23	Change

Punjab	Abohar	J-34	524	340	184
	Mansa	J-34	85	85	Unch
Haryana	Sirsa	J-34	439	397	43
Rajasthan	Sri-Ganganagar	J-34	2500	2250	250

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	24-Feb-23	17-Feb-23	24-Jan-23	24-Feb-22
Gujarat	Ahmedabad	Shankar-6	8400	8400	8500	10500
	Gondal	Shankar-6	8230	8305	8505	10680
	Rajkot	B.T. Cotton	8380	8490	8500	10605
	Patan	B.T. Cotton	8350	8390	8330	9995
	Kadi	B.T. Cotton	8250	8500	8250	10200
	Deesa	B.T. Cotton	1400	1434	1400	1580
	Dhrol	B.T. Cotton	8255	8360	8350	9930
Haryana	Bhiwani	B.T. Cotton	8050	8100	0	8600
	Adampur	B.T. Cotton	8150	8315	8200	9400
	Fatehabad	B.T. Cotton	8020	8160	8100	8800
	Jind	B.T. Cotton	NR	NA	NA	8700
	Uchana	B.T. Cotton	NA	0	8045	9775
	Dabwali	B.T. Cotton	8020	8270	8250	9800
Rajasthan	Hanumangarh	B.T. Cotton	8300	8400	8250	10000
	Rawatsar	B.T. Cotton	8400	8500	8340	9500
Madhya Pradesh	Khandwa	Mech-1	8300	8300	NR	9800
	Khargaon	Mech-1	NA	8240	7940	9915
Maharashtra	Amravati	Mech-1	8100	0	8100	10000
	Jamner	Medium Staple	NA	0	0	9725
Telangana	Adilabad	Un-Ginned	7620	7800	7800	0
Andhra Pradesh	Adoni	Un-Ginned	8075	8091	8508	10529
Karnataka	Bijapur	Bunny	8565	8400	8959	10369
	Raichur	H-44 Cotton	8000	8100	8200	10400
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	24-Feb-23	17-Feb-23	24-Jan-23	24-Feb-22

Punjab	Bhatinda	J-34	6500	6500	6350	7900
	Abohar	J-34	6500	6500	6425	7900
	Mansa	J-34	6300	6425	NA	7880
Haryana	Sirsa	J-34	6350	6350	6200	7700

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	24-Feb-23	17-Feb-23	24-Jan-23	24-Feb-22
Gujarat	Ahmedabad	Shankar-6	59500	54400	56100	51000
	Gondal	Shankar-6	7825	7725	7750	8500
	Rajkot	B.T. Cotton	2700	2800	5000	4300
	Patan	B.T. Cotton	2793	2230	5660	1465
	Kadi	B.T. Cotton	20000	25000	20000	30000
	Deesa	B.T. Cotton	NA	10	NA	200
	Dhrol	B.T. Cotton	350	679	904	530
Haryana	Bhiwani	B.T. Cotton	400	800	NA	500
	Bhiwani	Desi	NA	NA	NA	0
	Adampur	B.T. Cotton	1020	1360	935	1020
	Fatehabad	B.T. Cotton	200	200	350	300
	Jind	B.T. Cotton	NR	0	0	876
	Uchana	B.T. Cotton	400	300	600	350
	Dabwali	B.T. Cotton	400	300	600	350
Rajasthan	Hanumangarh	B.T. Cotton	2000	2000	1500	200
	Rawatsar	B.T. Cotton	2000	2000	1500	200
Madhya Pradesh	Khandwa	Mech-1	4250	4000	NR	300
	Khargaon	Mech-1	NA	5100	7600	3130
Maharashtra	Amravati	Mech-1	22000	0	9000	17000
Telangana	Adilabad	Un-Ginned	67133.8	77603.1	126925.3	0
Andhra Pradesh	Adoni	Un-Ginned	1100	674	3819	795
Karnataka	Bijapur	Bunny	4029	3160	6448	454
	Hubli	D.C.H.	48	0	0	0
	Raichur	H-44 Cotton	16	17	22	7
Commodity	Lint		Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)	Arrivals (Quintal)
State	Centre	Variety	24-Feb-23	17-Feb-23	24-Jan-23	24-Feb-22

Punjab	Bhatinda	J-34	NA	NA	NA	8500
	Abohar	J-34	680	340	850	510
	Mansa	J-34	170	85	0	255
Haryana	Sirsa	J-34	340	255	1020	340

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				20th Feb'23 to 25th Feb'23	13th Feb'23 to 18th Feb'23	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	63880	64240	-360
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	64380	64740	-360
J-34(202)	26mm	3.5 - 4.9	23	60260	60340	-80
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	60860	61100	-240
Shankar-6(105)	29mm	3.5 - 4.9	28	62420	62820	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	63520	63680	-160
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	64220	64400	-180
DCH-32(107)	34mm	3.0 - 3.8	33	72060	71900	160

Cotton Yarn Prices	24-Feb-23	23-Feb-23	Change	24-Feb-23	23-Feb-23	Change
Varieti y	Prices FOB ,USD			Prices Kg Indian Port		
Ne 20/1 Carded Hosiery Yarn	2.9	2.9	Unch	239	239	Unch
Ne 20/1 Combed Hosiery Yarn	3.14	3.14	Unch	259	259	Unch
Ne 21/1 Carded Weaving Yarn	2.9	2.9	Unch	239	239	Unch
Ne 26/1 Combed Hosiery Yarn	3.2	3.2	Unch	264	264	Unch
Ne 30/1 Carded Hosiery Yarn	3.12	3.12	Unch	257	257	Unch
Ne 30/1 Combed Hosiery Yarn	3.27	3.27	Unch	270	270	Unch
Ne 32/1 Carded Weaving Yarn	3.18	3.18	Unch	262	262	Unch
Ne 34/1 Combed Hosiery Yarn	3.48	3.48	Unch	287	287	Unch
Ne 40/1 Combed Hosiery Yarn	3.62	3.62	Unch	299	299	Unch
Ne 40/1 Carded Weaving Yarn	3.38	3.38	Unch	279	279	Unch
Ne 30/2 Carded Hosiery Yarn	3.38	3.38	Unch	279	279	Unch
Ne 32/2 Combed Knitting Yarn	3.78	3.78	Unch	312	312	Unch
Ne 32/2 Carded Hosiery Yarn	3.44	3.44	Unch	284	284	Unch
Ne 40/2 Combed Hosiery Yarn	4.17	4.17	Unch	344	344	Unch

Ne 30/1 Combed Compact Weaving Yarn	3.44	3.44	Unch	284	284	Unch
Ne 40/1 Combed Compact Weaving Yarn	3.75	3.75	Unch	309	309	Unch
Ne 50/1 Combed Compact Weaving Yarn	4.05	4.05	Unch	334	334	Unch
Ne 16/1 Open End Yarn	2.35	2.35	Unch	194	194	Unch
Ne 21/1 Open End Yarn	2.53	2.53	Unch	209	209	Unch
Ne 24/1 Open End Yarn	NA	2.84	-	NA	234	-

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