



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT

06-JUL-2019

## Market Movement from 01<sup>st</sup> Jul 2019 to 06<sup>th</sup> Jul 2019

- Week started with positive news of resumption of US-China trade dispute negotiation after Xi-Trump meeting at the G-20 summit in Osaka last weekend. NY Dec future remained higher during first 2-3 days of the week but finally settled at 66.82 cents 74 points higher from last Friday's close.
- Export sales were better but pace of shipment is slower than needed to reach the USDA's export forecast of 14.75 million bales. Market is expecting USDA to revise the export forecast downward which will raise US ending stock for 2018/19.
- Indian cotton futures were in full selling pressure with very low and slow demand in physical market. MCX June expiry was some calculative spec buying and surprised the market with full delivery of certified stocks. current future is not supported by any positive news with very slow demand in cotton and yarn market.
- Government of India announced MSP of kapas 2% higher for the next year, Which would lift the bottom price of cotton by Rs. 1000 candy but current market has ignored all probabilities and remained bearish.
- All India cotton sowing till 4th of July was 45.85 Lakh hectares against 54.60 Lakh Hectares last year on same time. Lower sowing is due to late monsoon but sowing will pick up the pace in next few days and may even go higher than last year.
- Indian basis are till too high so export is on the hold but slow demand in yarn has halted cheaper cotton import also. Indian Mills have reduced consumption to some extent so demand for cotton is very poor.
- Indian basis remain between 16.32 to 17.51.
- Gujarat 29 mm Cotton sold between 44,800 to 45,450 Rs/Candy.
- All India arrival daily arrivals remained between 5,000 to 7,000 bales.
- Daily arrivals in Gujarat were nearly 2,500 to 3,000 bales.
- NY Dec futures w/w gain 0.74 cents.
- Indian Rupee remained strong between 68.94 to 68.42 during this week.



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## Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 01-July-2019			
<b>Kutch</b>	<b>341</b>	<b>Saurashtra</b>	<b>11,854</b>
Kutch	341	Surendranagar	1,167
		Rajkot	1,979
<b>North Gujarat</b>	<b>1,278</b>	Jamnagar	361
Banarsakantha	270	Porbandar	87
Patan	163	Junagadh	736
Mehsana	256	Amreli	3,820
Sabarkantha	289	Bhavnagar	1,688
Gandhinagar	188	Morbi	600
Aravali	112	Botad	1,230
		Gir Somnath	165
<b>Middle Gujarat</b>	<b>604</b>	Devbhumi Dwarka	21
Ahmedabad	99		
Anand	17	<b>South Gujarat</b>	<b>275</b>
Kheda	71	Surat	1
Panchmahal	7	Narmada	107
Dahod	2	Bharuch	142
Vadodara	263	Dang	
Mahisagar	7	Navsari	
Chota Udaipur	138	Valsad	
		Tapi	25
<b>TOTAL</b>			<b>14,352</b>
<b>TOTAL (Last Year)</b>			<b>4,929</b>
<b>All Figures in '00 Hectares</b>			
<b>Source :-</b> Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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## All India Cotton Sowing

All India Cotton Sowing				
As on 04-07-2019				
STATE	(Area in Lakh Hectare)			
	2019-2020	2018-2019	Change	
Punjab	4.020	2.840	1.180	41.55%
Haryana	6.760	6.650	0.110	1.65%
Rajasthan	3.450	4.430	-0.980	-22.12%
<b>North India</b>	<b>14.230</b>	<b>13.920</b>	<b>0.310</b>	<b>2.23%</b>
Gujarat	14.352	4.929	9.423	191.17%
Maharashtra	4.565	19.571	-15.006	-76.67%
Madhya Pradesh	3.010	4.870	-1.860	-38.19%
<b>Central India</b>	<b>21.927</b>	<b>29.370</b>	<b>-7.443</b>	<b>-25.34%</b>
Telangana	7.895	8.018	-0.123	-1.53%
Andhra Pradesh	0.430	0.790	-0.360	-45.57%
Karnataka	0.660	2.220	-1.560	-70.27%
Tamil Nadu	0.031	0.032	-0.001	-3.13%
<b>South Zone</b>	<b>9.016</b>	<b>11.060</b>	<b>-2.044</b>	<b>-18.48%</b>
Orissa	0.406	0.076	0.330	434.21%
Others	0.271	0.172	0.099	57.56%
<b>All India</b>	<b>45.850</b>	<b>54.598</b>	<b>-8.748</b>	<b>-16.02%</b>
<b>Source :-</b> Department of Agriculture Cooperation & Farmer Welfare - Government of India				



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 1,41,500 RB for 2018-2019 were up 96 percent from the previous week and up noticeably from the prior 4-week average. Increases were reported for Vietnam (49,900 RB, including 2,200 RB switched from Japan and decreases of 4,400 RB), India (45,600 RB, including decreases of 100 RB), China (14,900 RB, including 4,700 RB switched from Vietnam and decreases of 2,400 RB), Indonesia (13,200 RB, including 400 RB switched from Japan and decreases of 100 RB), and South Korea (9,900 RB, including 2,000 RB switched from Japan and decreases of 1,700 RB). Reductions were reported for Japan (4,900 RB), Bangladesh (4,500 RB), Mexico (4,000 RB), and Pakistan (2,300 RB).
- For 2019-2020, net UPLAND sales of 55,300 RB primarily for Bangladesh (18,800 RB), Turkey (9,400 RB), Mexico (7,700 RB), and Indonesia (6,900 RB), were partially offset by reductions for China (1,300 RB) and Thailand (900 RB).
- UPLAND Exports of 3,40,400 RB were up 6 percent from the previous week and 4 percent from the prior 4-week average. Exports were primarily to India (83,100 RB), Vietnam (64,700 RB), Turkey (55,400 RB), Indonesia (21,400 RB), and Mexico (16,600 MT).
- Net sales of PIMA totaling 2,500 RB were reported for India (1,400 RB), Bangladesh (400 RB), Pakistan (300 RB), China (200 RB), and Japan (200 RB). For 2019-2020, total net PIMA sales of 100 RB were reported for Indonesia.
- PIMA Exports of 16,300 RB were down 5 percent from the previous week and 6 percent from the prior 4-week average. The destinations were primarily to Vietnam (6,500 RB), India (3,700 RB), China (3,300 RB), Thailand (900 RB), and Egypt (400 RB).

US Export Sales	27-Jun-2019
<b>Marketing Year 2018-19</b>	
Upland Gross Sales	1,64,800
Cancellation	23,400
<b>Net Upland Sales</b>	<b>1,41,400</b>
PIMA Gross Sales	2,500
Cancellation	0
<b>Net PIMA Sales</b>	<b>2,500</b>
Total Gross Sales	1,67,300
Total Cancellation	23,400
<b>Total Net Sales</b>	<b>1,43,900</b>
<b>Shipments</b>	
UPLAND	3,40,400
PIMA	16,300
<b>Total Shipment</b>	<b>3,56,700</b>
<b>Marketing Year 2019-20</b>	
Net Upland Sales	55,300
Net PIMA Sales	100
<b>Total Net Sales</b>	<b>55,400</b>
All Figures in US Running Bale	

#### China Cotton Auction

#### Cumulative Update

From May 5 to July 5, the cumulative turnover of reserve cotton was 4,13,000 tons, and the turnover rate was 87.22%. the highest traded price 15,930 Yuan/ton, the lowest turnover of 11,530 Yuan/ton.



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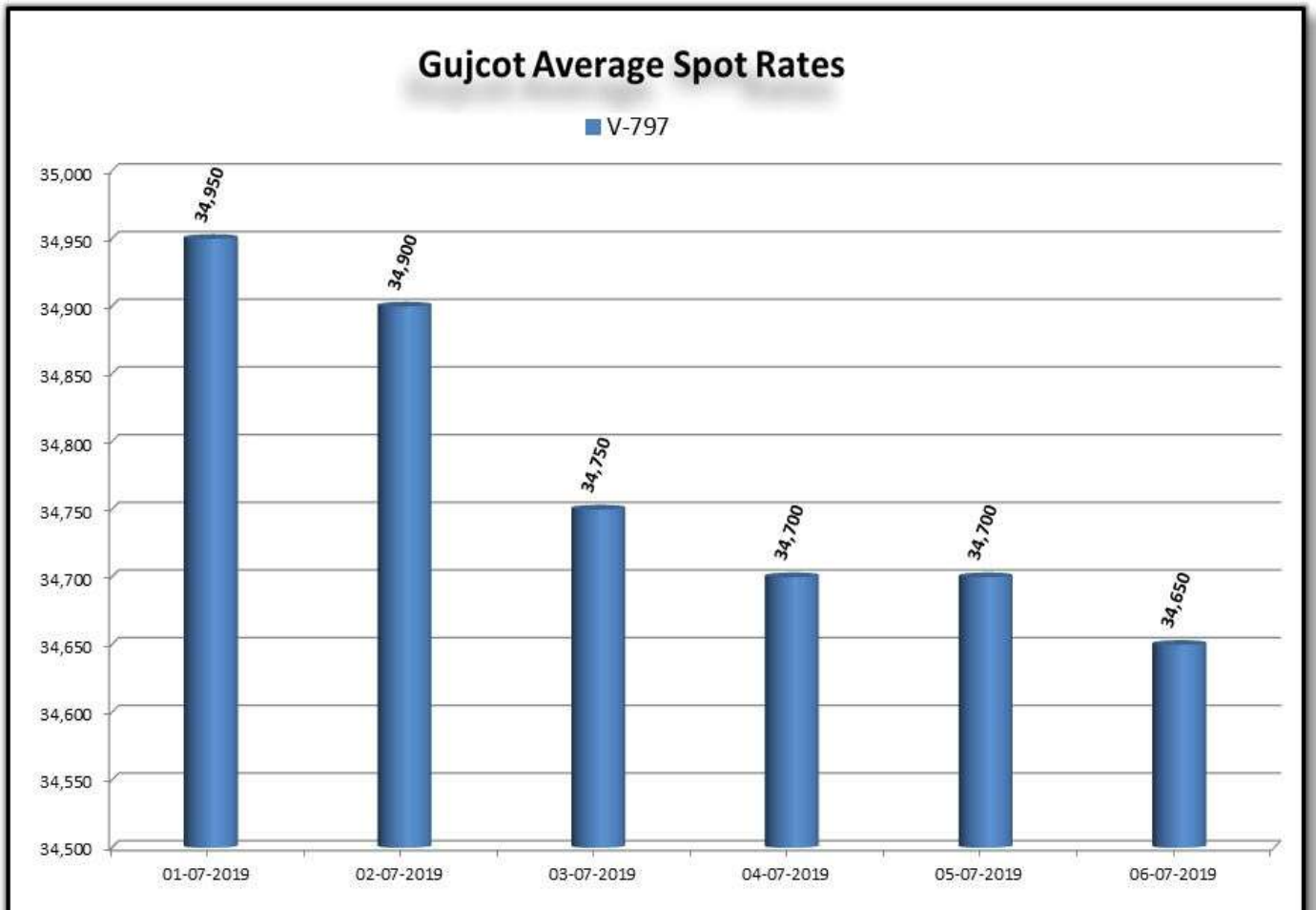
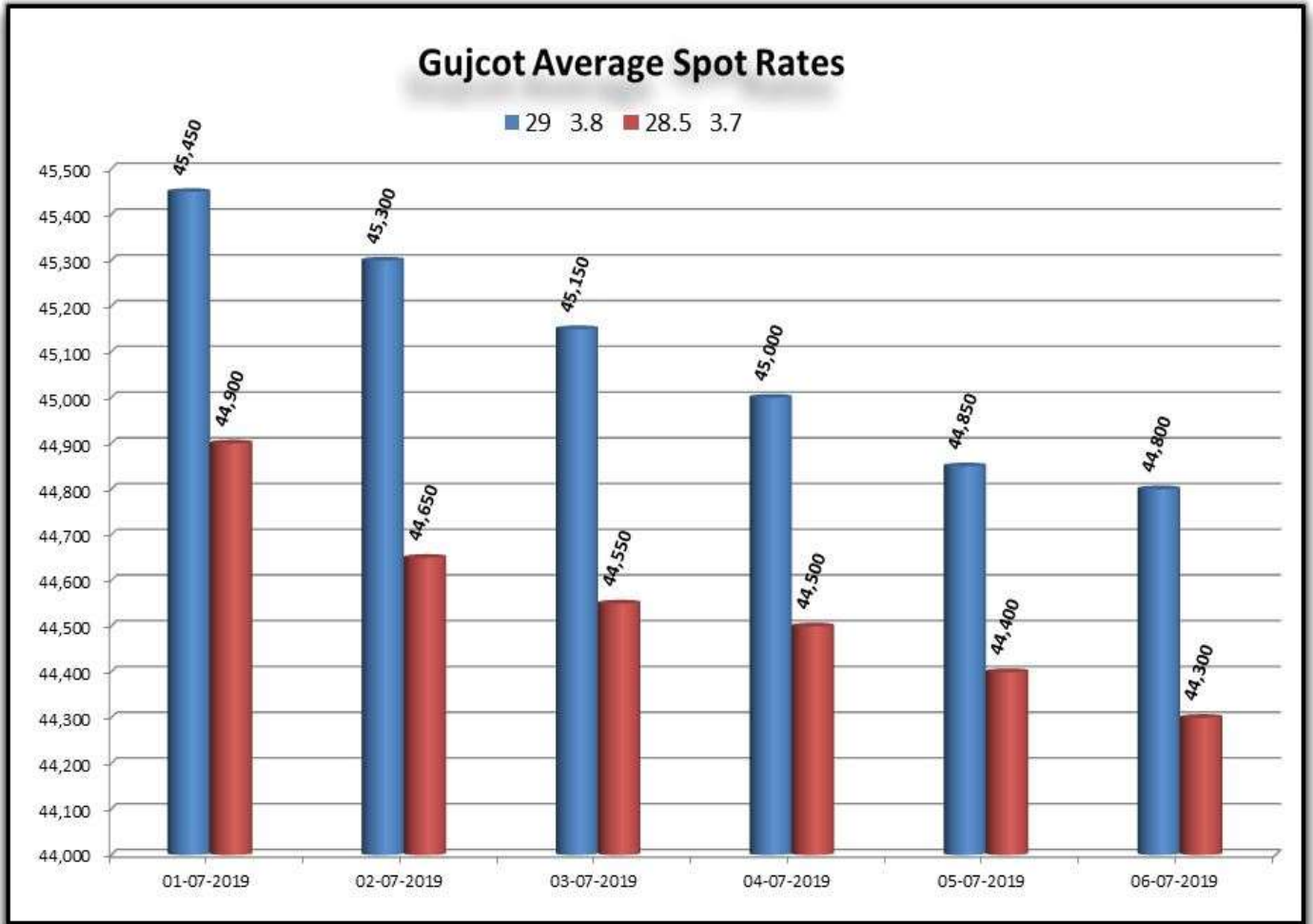
Average Rate Of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	44,800	45,450	45,092
Shankar 6	28.5	3.7	44,300	44,900	44,550
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		34,650	34,950	34,775
MCX Spot Rate			21,720	21,820	21,760
USD Exchange Rate			68.42	68.94	68.69

Rate Of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
01-07-2019	45,450	44,900	34,950	21,810	68.94
02-07-2019	45,300	44,650	34,900	21,730	68.92
03-07-2019	45,150	44,550	34,750	21,720	68.91
04-07-2019	45,000	44,500	34,700	21,820	68.50
05-07-2019	44,850	44,400	34,700	21,740	68.42
06-07-2019	44,800	44,300	34,650	21,740	68.42



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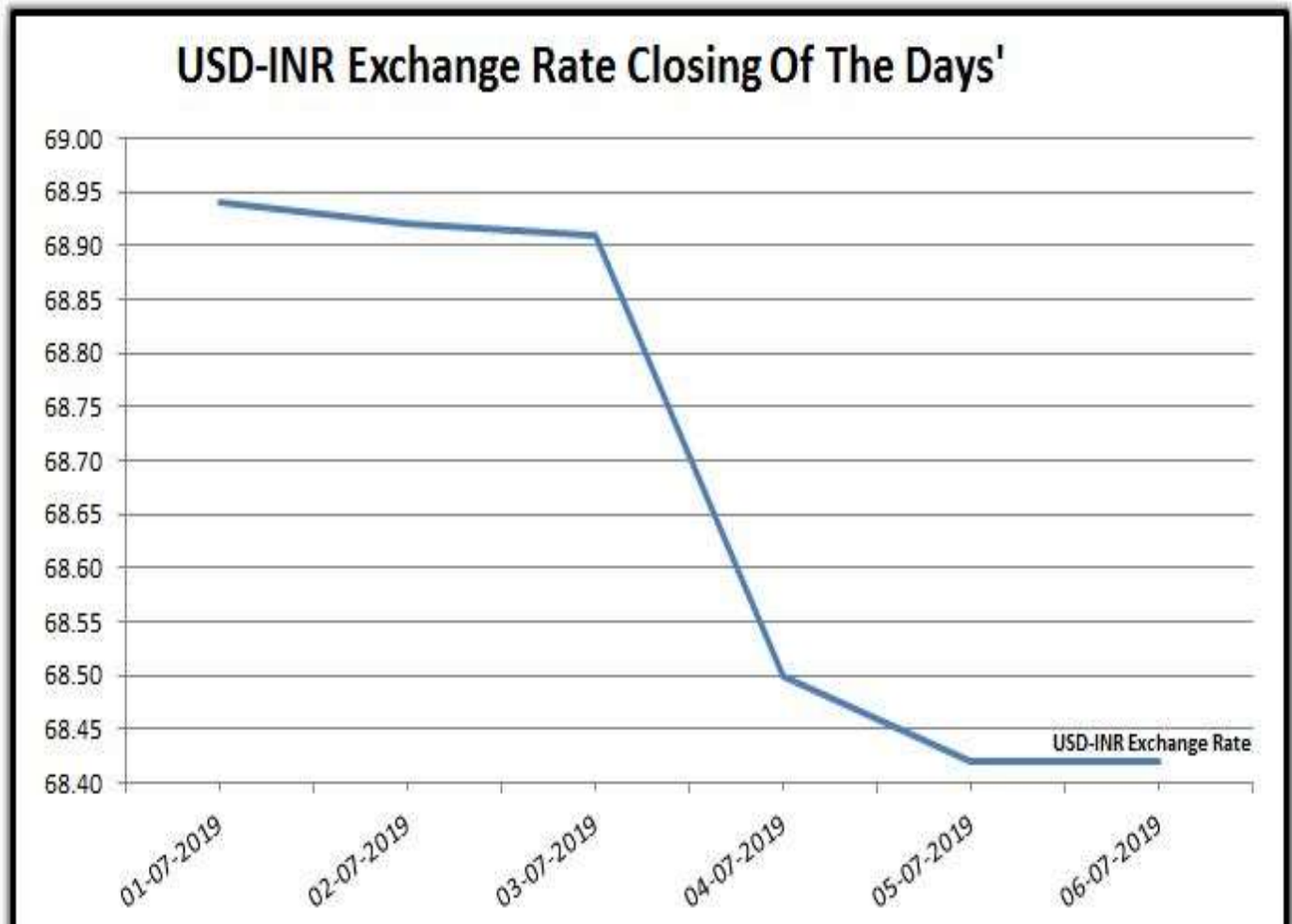
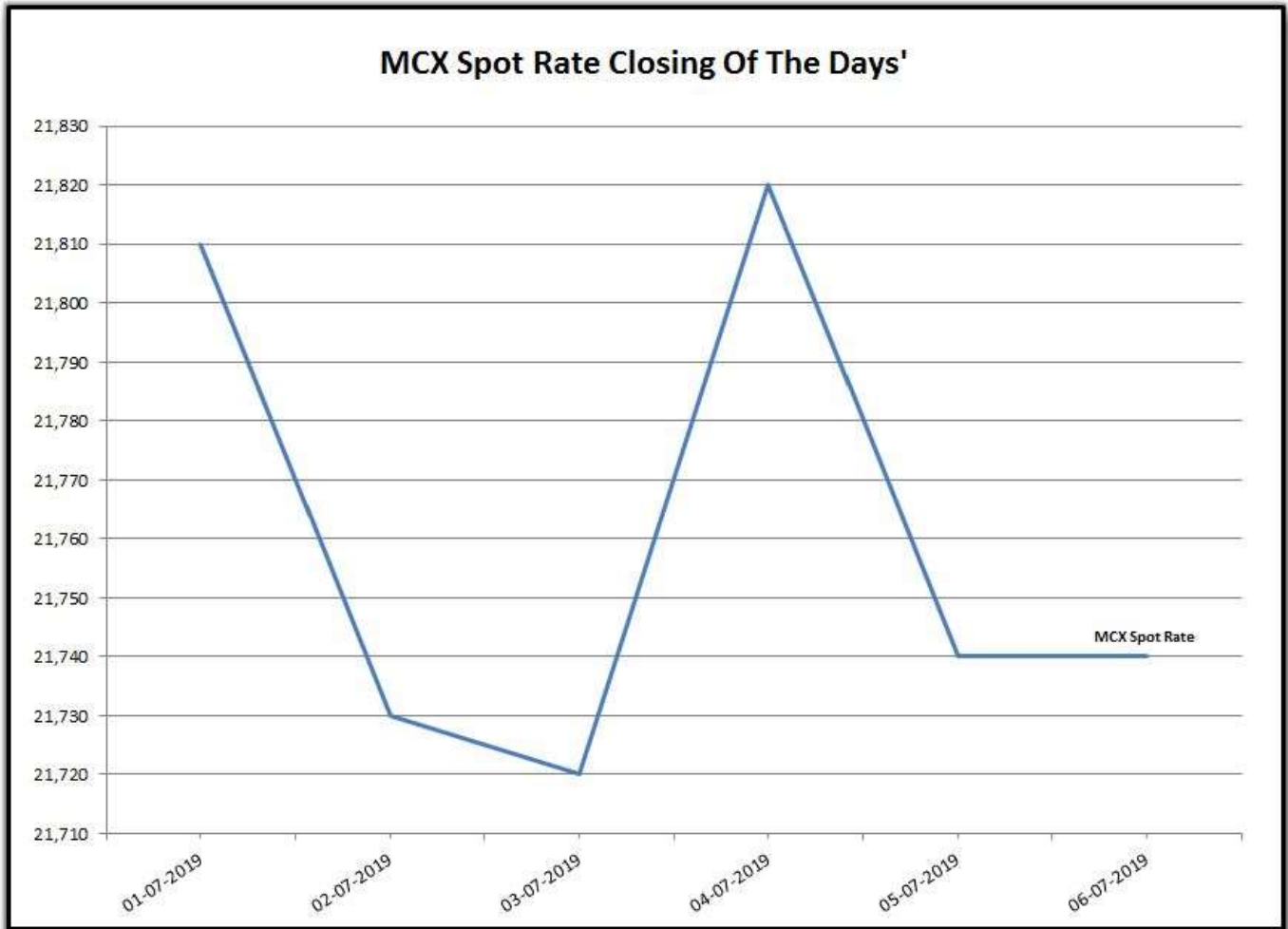
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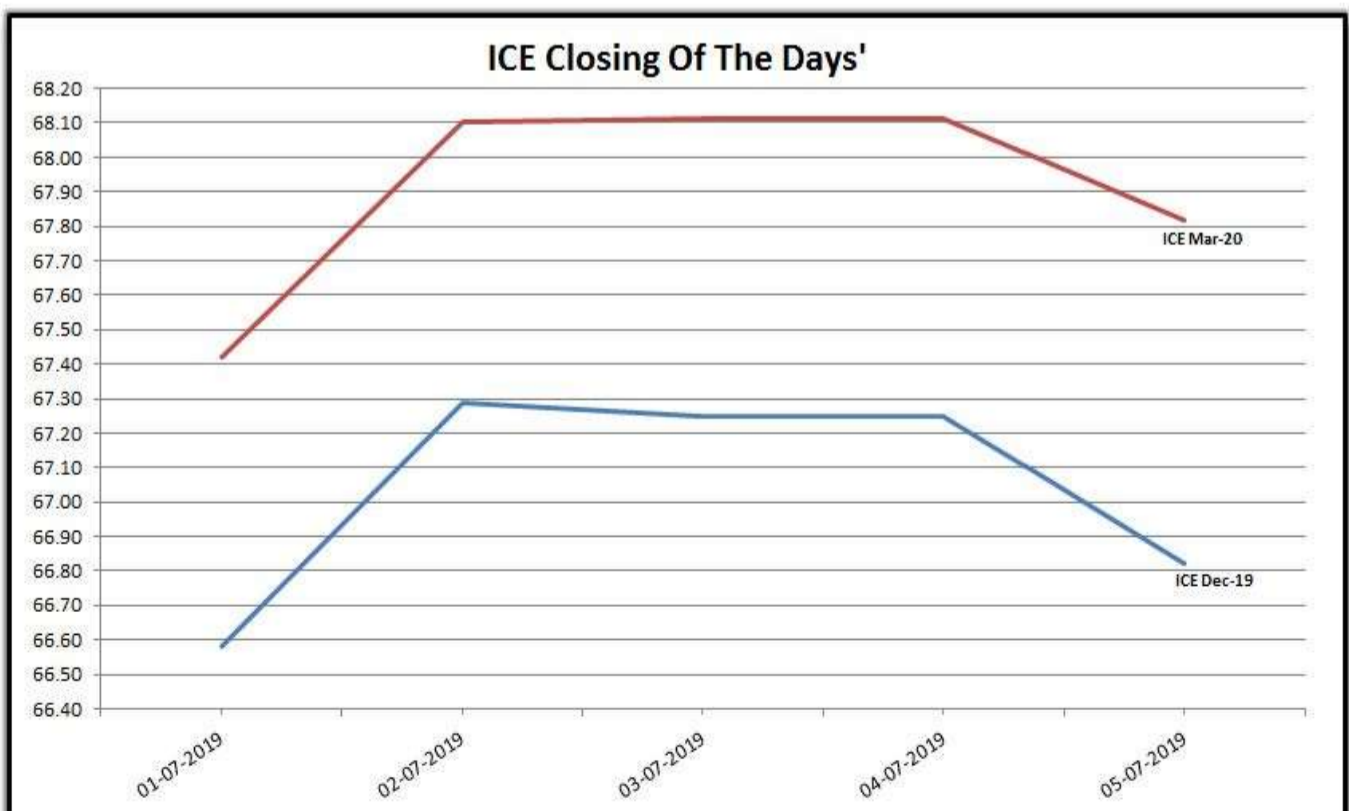
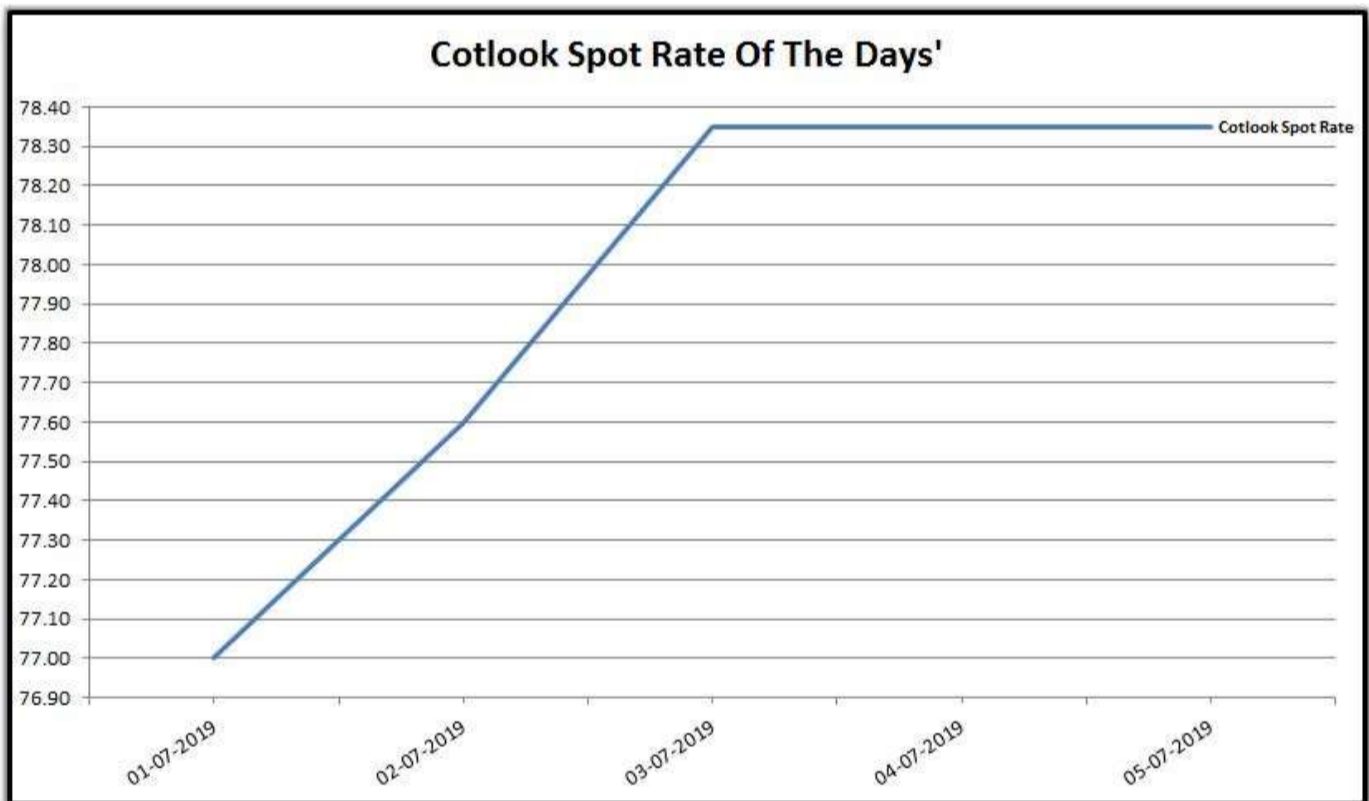




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-19	Mar-20
01-07-2019	77.00	66.58	67.42
02-07-2019	77.60	67.29	68.10
03-07-2019	78.35	67.25	68.11
04-07-2019	78.35	67.25	68.11
05-07-2019	78.35	66.82	67.82



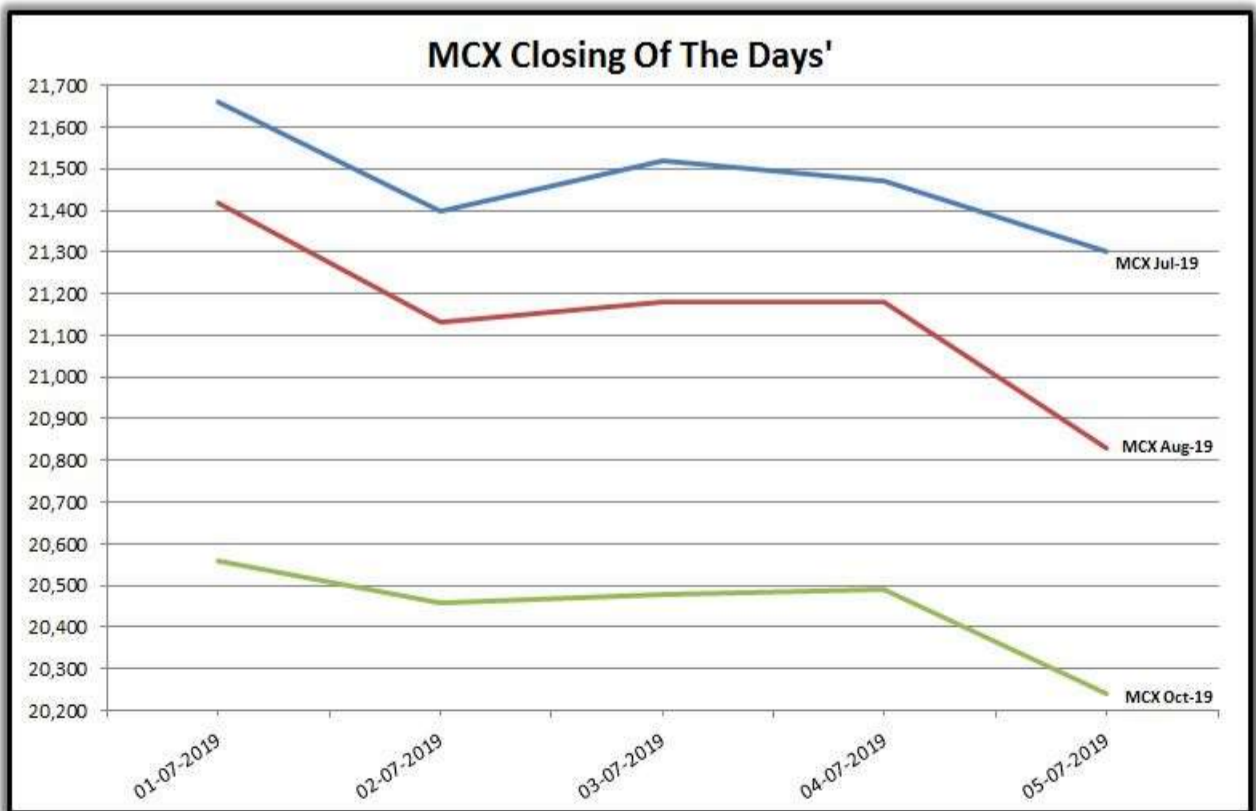
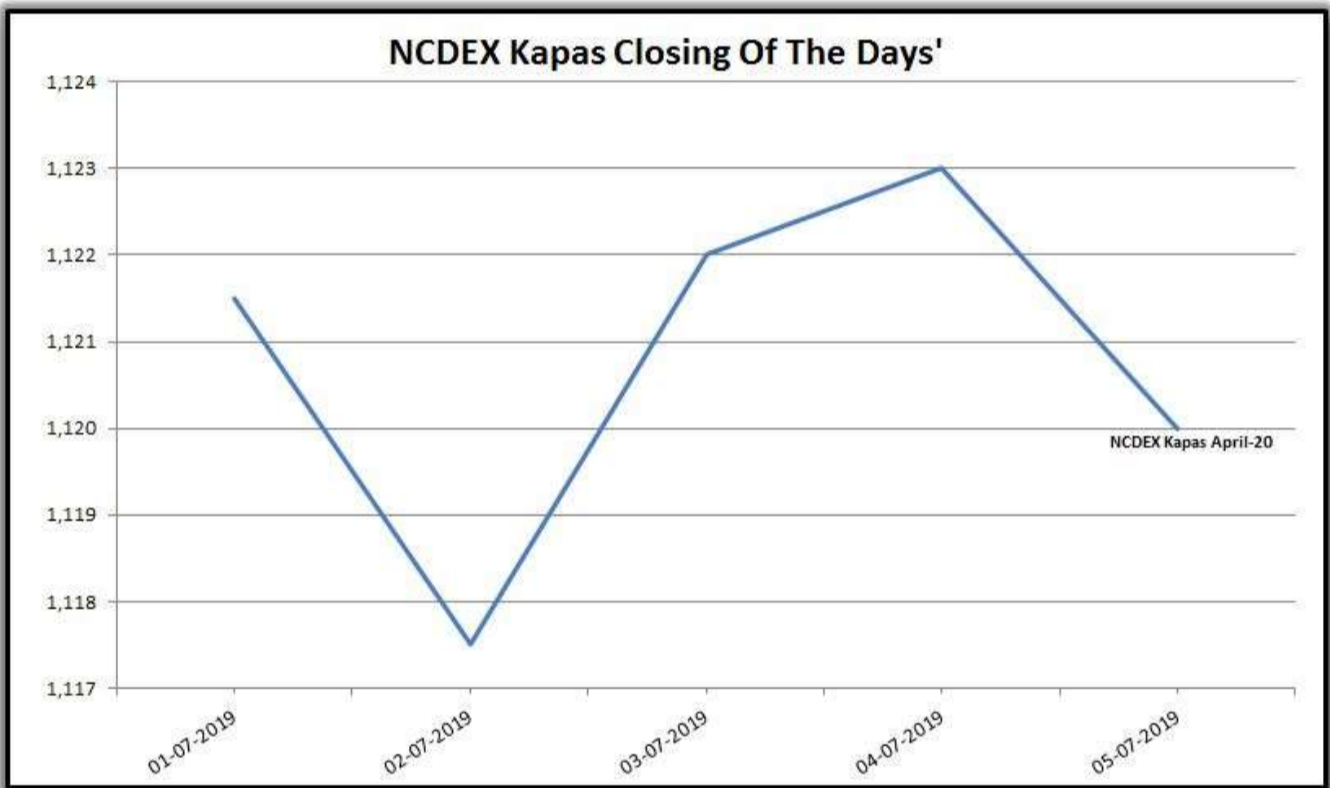




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Indian Indices				
Date	NCDEX Kapas	MCX		
	30-Apr-20	Jul-19	Aug-19	Oct-19
01-07-2019	1121.50	21,660	21,420	20,560
02-07-2019	1117.50	21,400	21,130	20,460
03-07-2019	1122.00	21,520	21,180	20,480
04-07-2019	1123.00	21,470	21,180	20,490
05-07-2019	1120.00	21,300	20,830	20,240



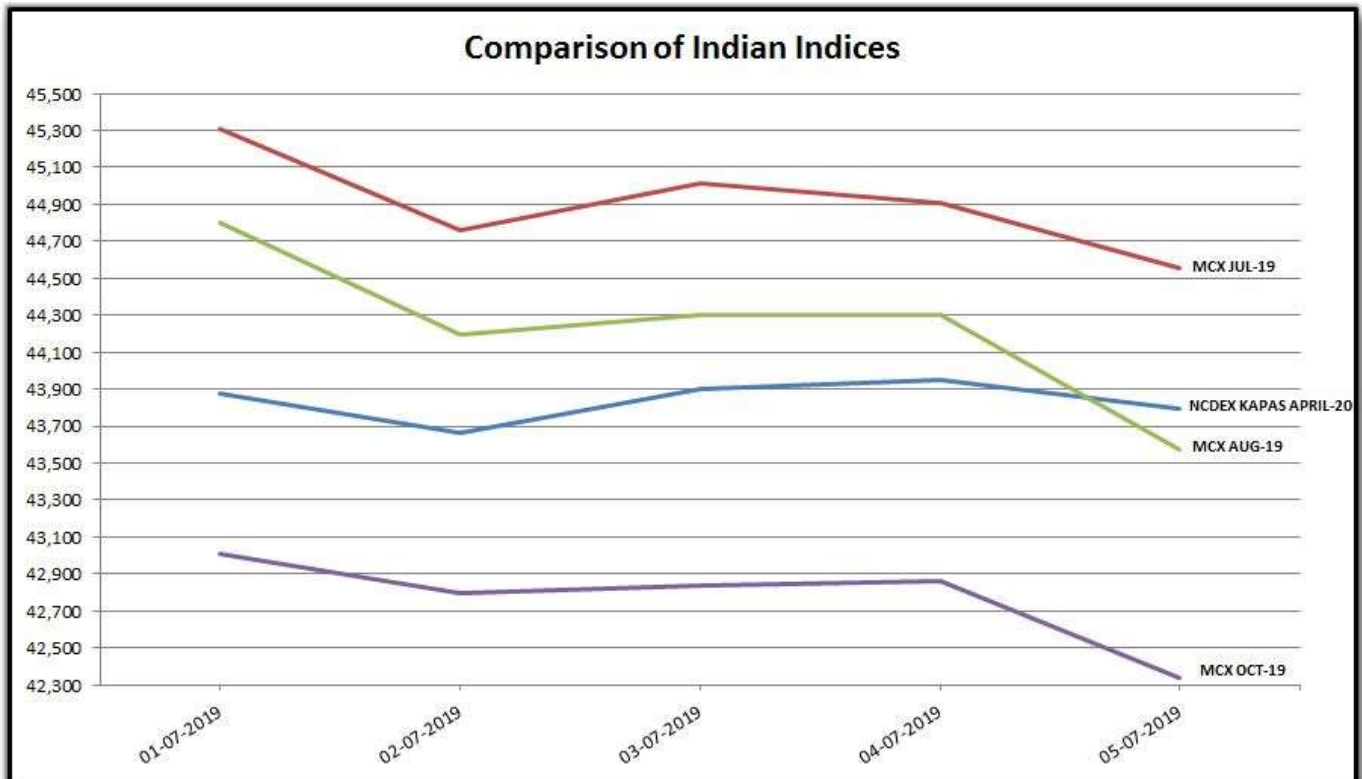


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Jul-19	Aug-19	Oct-19
01-07-2019	43,875	45,306	44,804	43,005
02-07-2019	43,666	44,762	44,198	42,796
03-07-2019	43,901	45,013	44,302	42,838
04-07-2019	43,953	44,909	44,302	42,859
05-07-2019	43,796	44,553	43,570	42,336

Remark :- For NCDEX Kapas we have taken seed rate 500/20 Kg to convert in Candy.

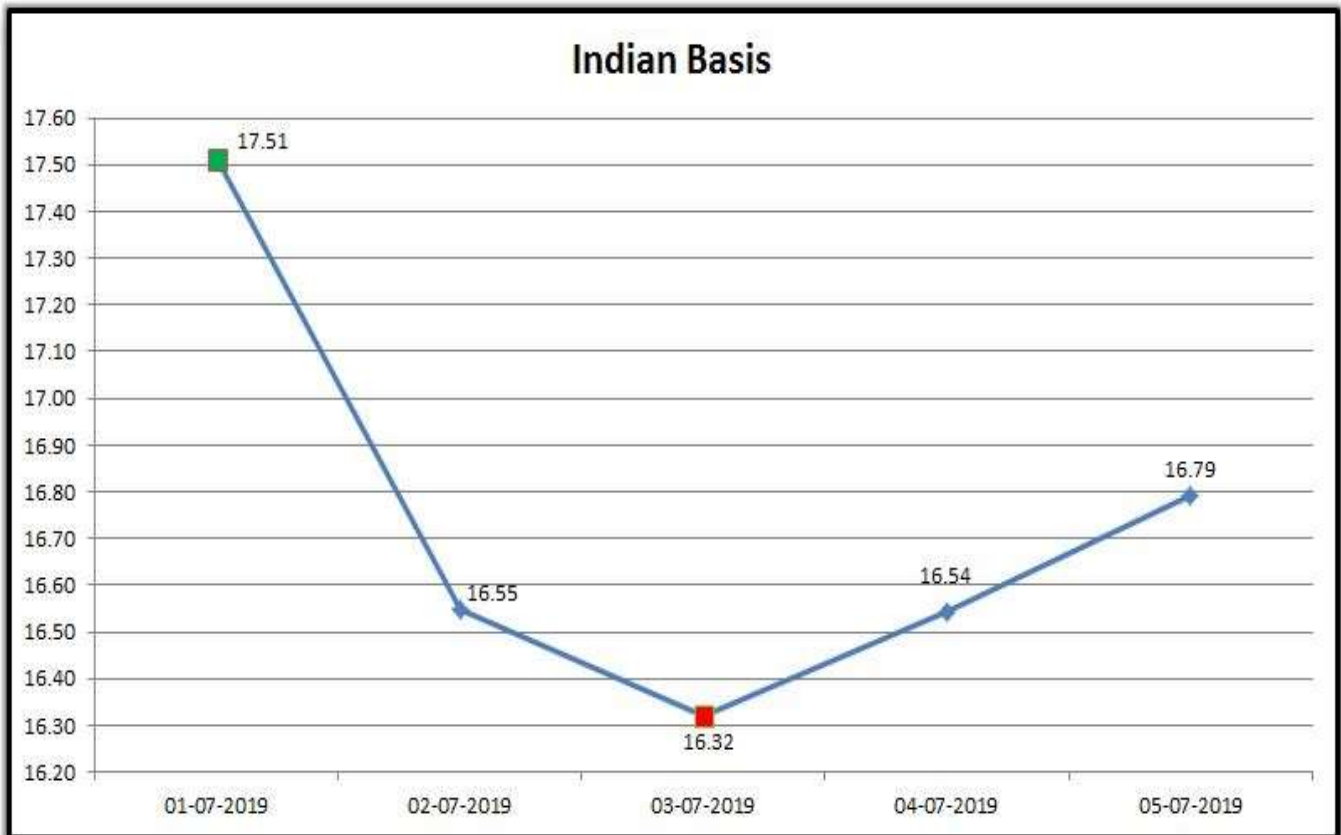




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
01-07-2019	45,450	68.94	84.09	66.58	17.51
02-07-2019	45,300	68.92	83.84	67.29	16.55
03-07-2019	45,150	68.91	83.57	67.25	16.32
04-07-2019	45,000	68.50	83.79	67.25	16.54
05-07-2019	44,850	68.42	83.61	66.82	16.79





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## IN THE WEEK AHEAD

- Monday at 3:00 p.m. Central – Crop Progress and Condition
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 11:00 a.m. Central – WASDE
- Thursday at 2:30 p.m. Central – Cotton-On-Call
- Friday at 2:30 p.m. Central – Commitments of Traders

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Kalpesh Patel

Manager

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