



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 09-NOV-2019

Market Movement from 04th Nov 2019 to 09th Nov 2019

- NY December remained in small range. First three days of the week market closed in red and recovered after better weekly sales and with some positive announcement by China on Thursday on US China Trade war front. On Friday USDA released WASDE Report which reduced US crop by nearly 1 million bales and also reduced India, China and Pakistan production. So aggregate reduction for world production is nearly 3 million bales M/M. U S ending stock is still higher and stands at 6.1 M Bales and weigh still on rate but with supportive WASDE report market was able to stay in green with 49 points weekly gain.
- US Weekly export sales was better and commitment crossed 98 lakh bales which shows better demand of US cotton at prevailing rates.
- In India this is the season of cyclone. Cyclone MAHA passed this week without creating big damage to the crop. Still there are reported of scattered rainfall in cotton belts of north and central India.
- Indian physical market remains stable to lower. Arrivals picked up and rate remain under some pressure but in small range. MCX remained under selling pressure due to increasing arrivals.
- Due to rainfall during this week, cotton grade is the major issue for Indian consumers.
- Indian basis remains attractive with steady rupee and firm NY. Despite competitive still very few export order due to slowdown throughout world in textile sector.
- Indian basis remained between 7.53 to 5.33.
- Gujarat 29 mm Cotton sold between 39,500 to 39,050 Rs/Candy.
- All India daily arrivals remained 90,000 bales.
- Daily arrivals in Gujarat were nearly 20,000 to 25,000 bales.
- NY Dec futures w/w gain 0.49 cents.
- Indian Rupee remained stable between 70.69 to 71.29 during this week.



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Global

US Weekly Export Sales

- Net UPLAND sales of 1,64,500 RB for 2019-2020 were up 52 percent from the previous week and 2 percent from the prior 4-week average. Increases primarily for Pakistan (95,100 RB), Vietnam (45,100 RB, including 2,400 RB switched from Hong Kong and decreases of 3,500 RB), Turkey (33,200 RB), China (23,500 MT, including decreases of 2,300 RB), and Bangladesh (14,500 RB, including decreases of 300 RB), were partially offset by reductions primarily for Indonesia (65,900 RB) and Hong Kong (2,400 RB).
- For 2020-2021, net UPLAND sales of 1,18,600 RB were for Indonesia (70,500 RB), Vietnam (44,000 RB), and Japan (4,100 RB).
- UPLAND Exports of 1,29,700 RB were down 13 percent from the previous week and from the prior 4-week average. Exports were primarily to Pakistan (21,600 RB), Vietnam (17,900 RB), China (14,400 RB), Indonesia (12,800 RB), and Mexico (9,800 RB).
- Net sales of PIMA totaling 30,000 RB--a marketing-year high--were up 38 percent from the previous week and up noticeably from the prior 4-week average. Increases primarily for India (22,000 RB), Pakistan (4,900 RB), Vietnam (2,400 RB, including 300 RB switched from Japan), El Salvador (600 RB), and Italy (200 RB), were offset by reductions for Japan (300 RB). For 2020/2021, total net PIMA sales of 32,500 RB were for India.
- PIMA Exports of 5,500 RB were down 27 percent from the previous week and 37 percent from the prior 4-week average. The primary destinations were India (4,300 RB), Indonesia (700 RB), and Turkey (300 RB).

US Export Sales	31-Oct-2019
Marketing Year 2019-20	
Upland Gross Sales	2,44,400
Cancellation	80,000
Net Upland Sales	1,64,400
PIMA Gross Sales	30,000
Cancellation	0
Net PIMA Sales	30,000
Total Gross Sales	2,74,400
Total Cancellation	80,000
Total Net Sales	1,94,400
Shipments	
UPLAND	1,29,700
PIMA	5,500
Total Shipment	1,35,200
Marketing Year 2020-21	
Net Upland Sales	1,18,600
Net PIMA Sales	32,500
Total Net Sales	1,51,100
All Figures in US Running Bale	



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WASDE – Nov – 2019

This month’s 2019/20 U.S. cotton estimates include lower production and ending stocks due to a smaller crop in the Southwest. While the U.S. production forecast is reduced 4 percent, to 20.8 million bales, domestic mill use and exports are unchanged. U.S. ending stocks are now 900,000 bales lower at 6.1 million but, at 31 percent, are still forecast at their highest share of use since 2008/09. The marketing-year average price received by upland producers is forecast at 61 cents per pound, 5 percent (3 cents) above the October forecast, but 13 percent lower than the final 2018/19 price of 70.3 cents.

This month’s 2019/20 world cotton forecasts include lower production, lower ending stocks and higher world trade. World production is reduced nearly 3.0 million bales, with reductions occurring primarily in the United States, Pakistan, India, and China. There are also smaller declines in the production estimates for Turkey and Turkmenistan. World trade is forecast 1.1 million bales higher, with higher imports by Turkey, Pakistan, and India more than offsetting a 200,000-bale decline in Indonesia. Higher exports are projected from Brazil, Malaysia, Benin, Greece, India, and several smaller countries. With little change from the previous month in beginning stocks or consumption, world 2019/20 cotton ending stocks are projected nearly 3.0 million bales lower this month. At 80.8 million bales, world ending stocks in 2019/20 are forecast nearly unchanged from 2018/19.

Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	02-11-2019	09-11-2019	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	39,400	39,050	-350	-0.90%
V-797	13 % Trash		32,300	32,150	-150	-0.47%
MCX Spot Rate			18,850	18,980	130	0.68%
USD-INR Exchange			70.81	71.29	0.48	0.67%



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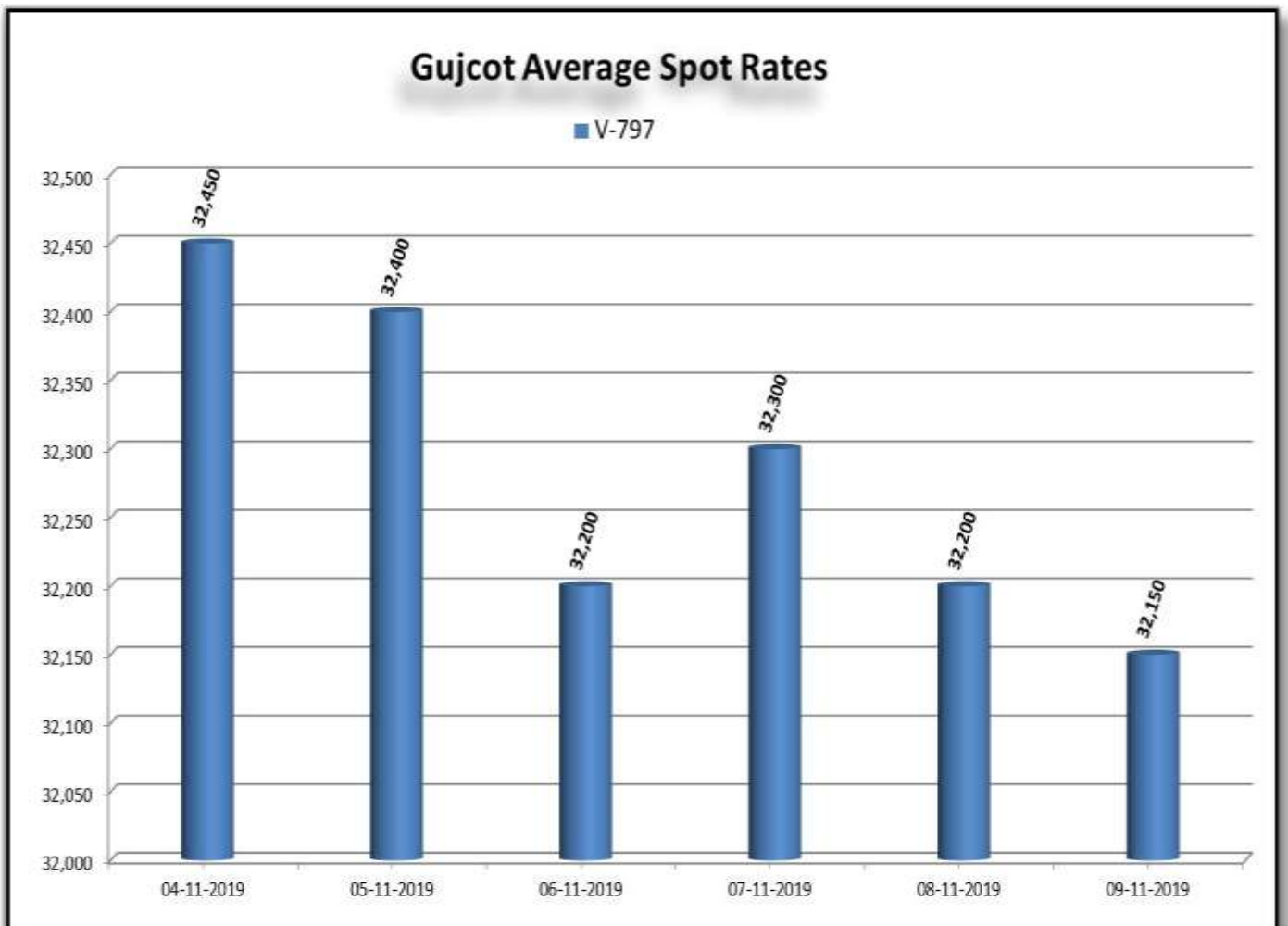
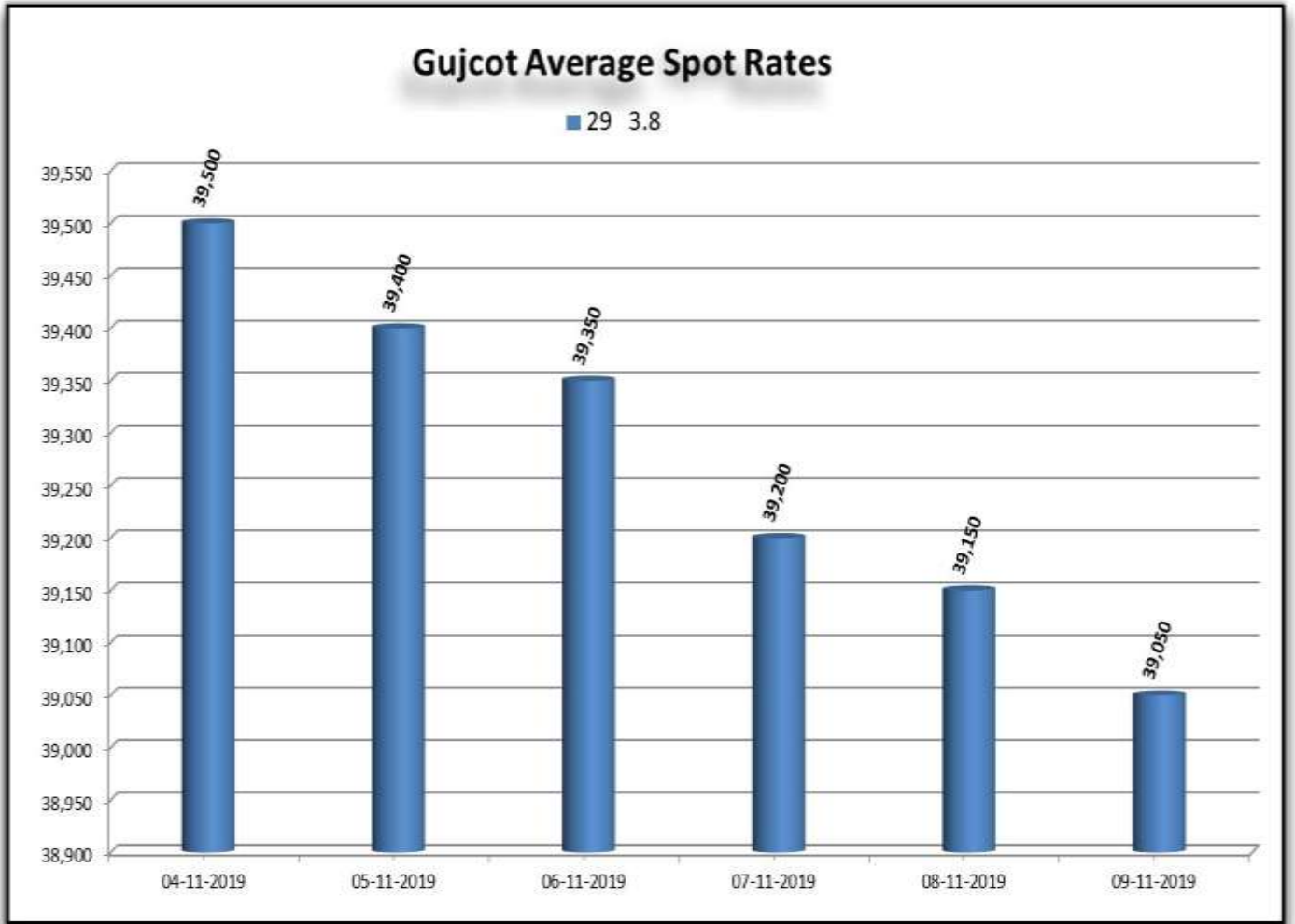
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 4 Days
			Low	High	
Shankar 6	29	3.8	39,050	39,500	39,275
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		32,150	32,450	32,283
MCX Spot Rate			18,970	19,010	18,990
USD Exchange Rate			70.69	71.29	71.00

Rate of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
04-11-2019	39,500	32,450	19,010	70.77
05-11-2019	39,400	32,400	18,990	70.69
06-11-2019	39,350	32,200	19,010	70.98
07-11-2019	39,200	32,300	18,970	70.96
08-11-2019	39,150	32,200	18,980	71.29
09-11-2019	39,050	32,150	18,980	71.29



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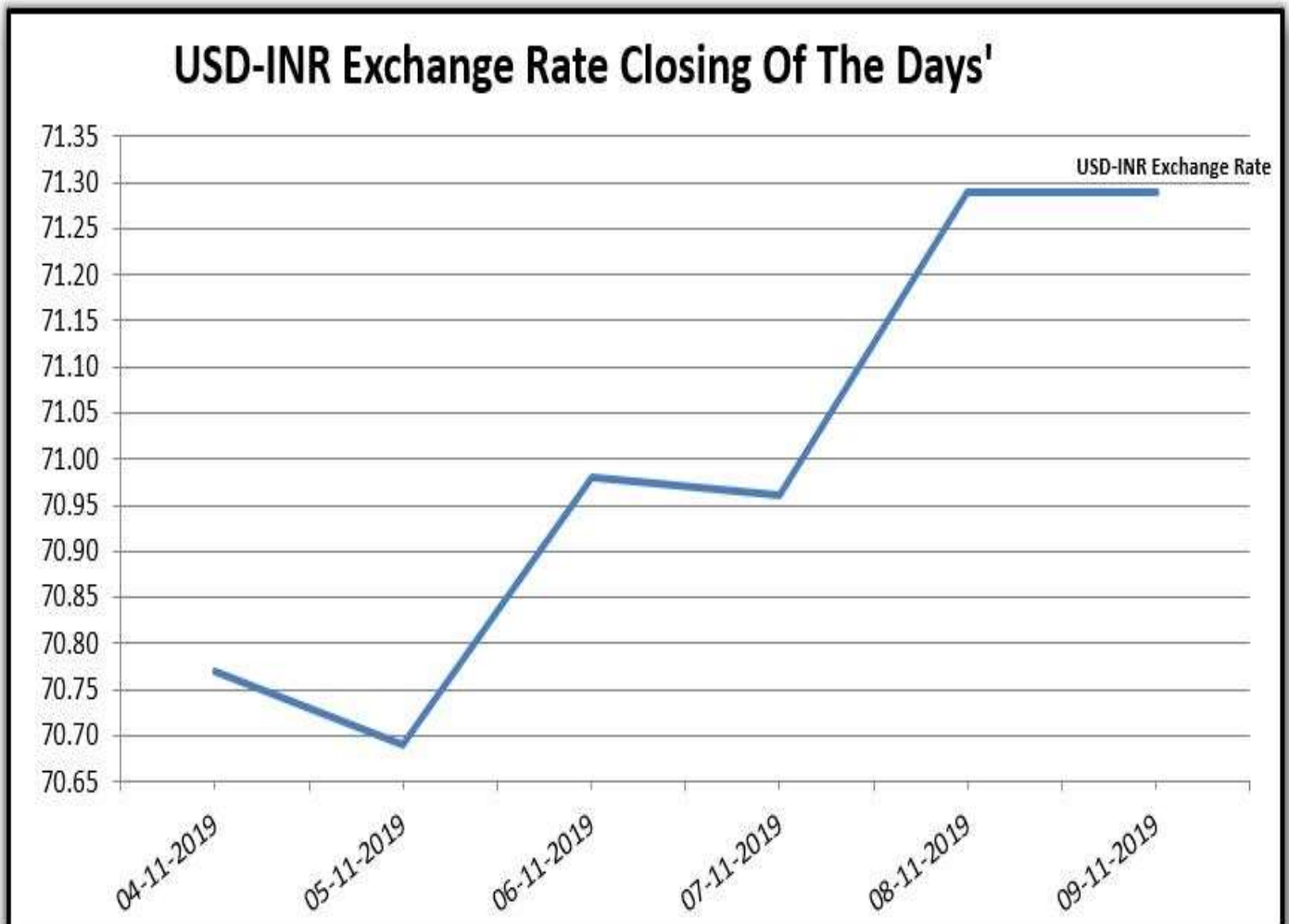
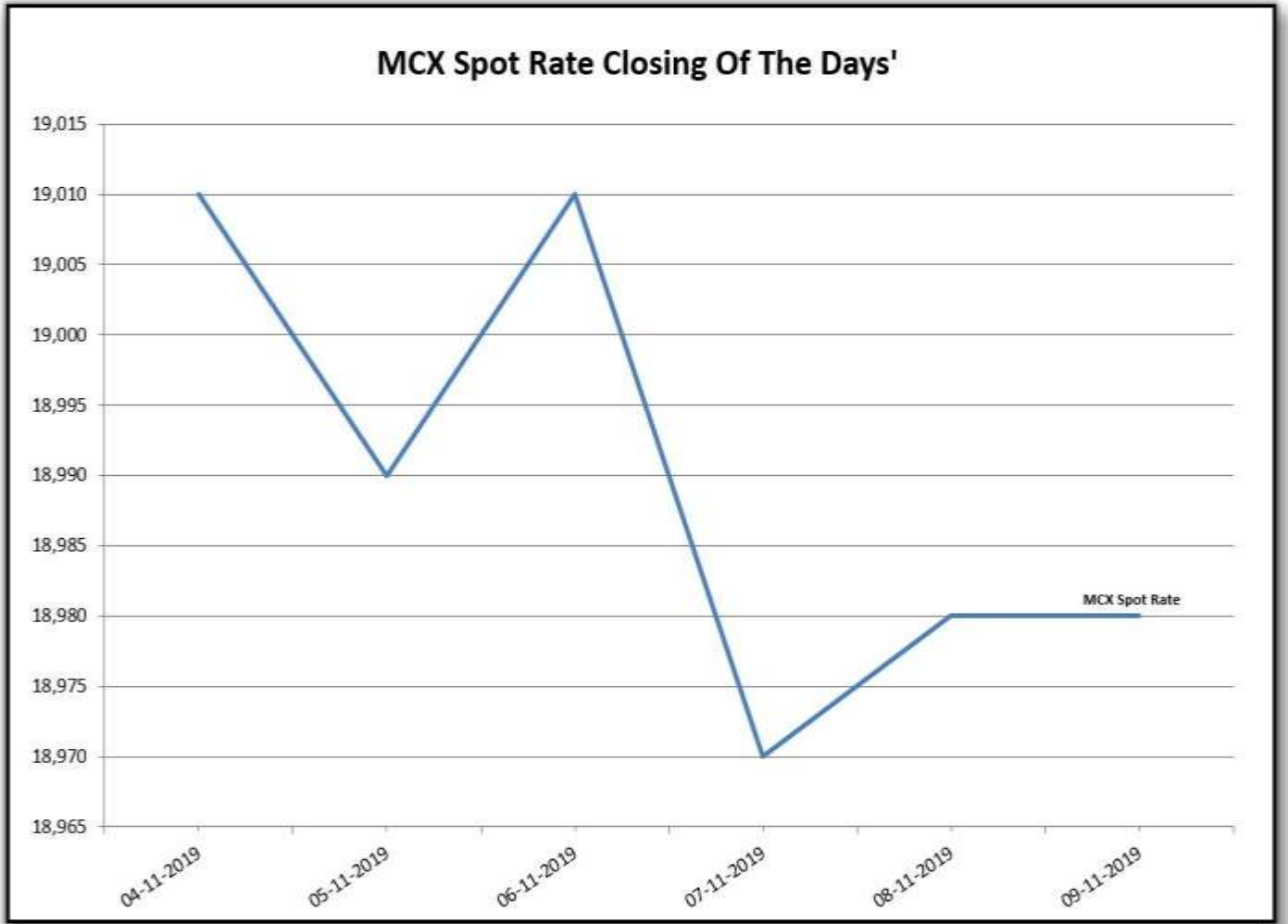
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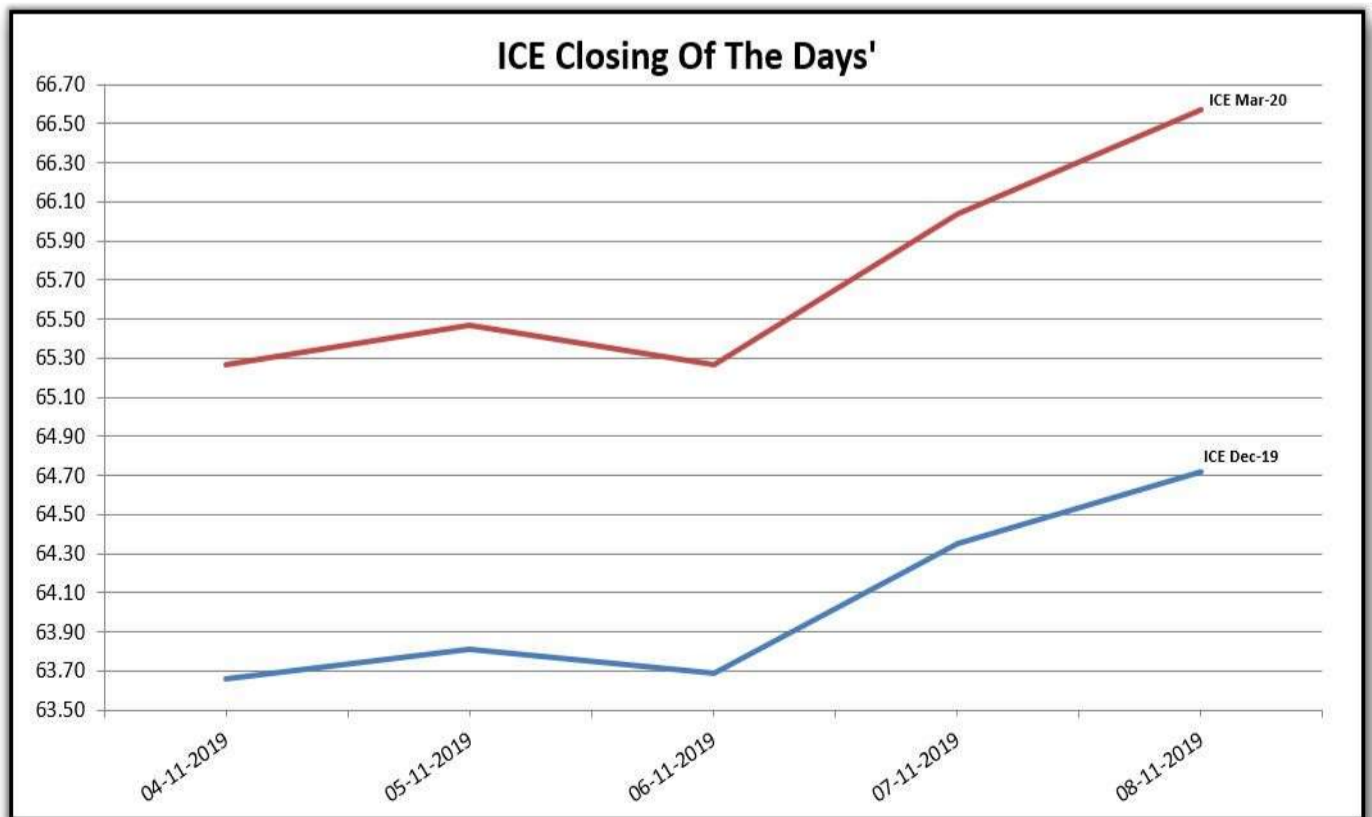
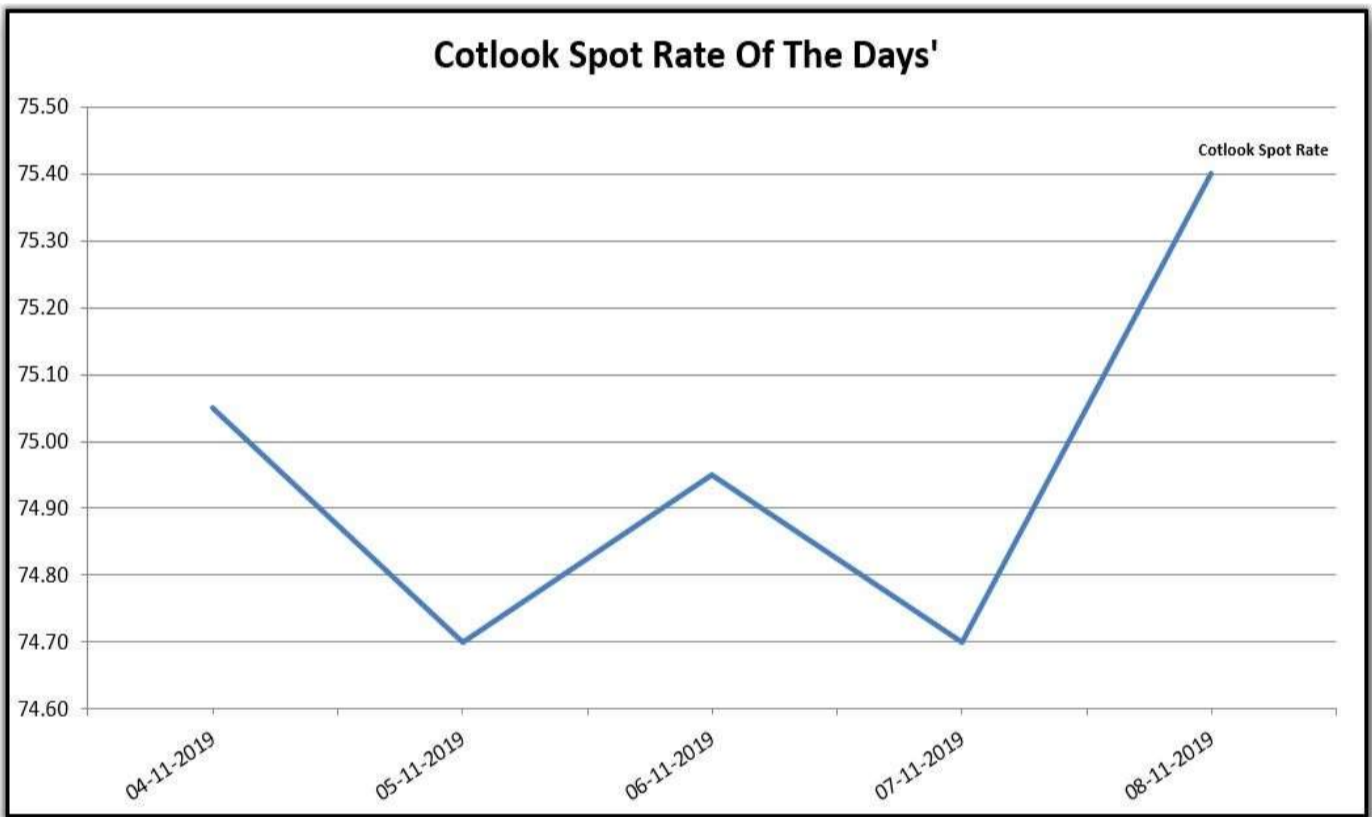




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-19	Mar-20
04-11-2019	75.05	63.66	65.27
05-11-2019	74.70	63.81	65.47
06-11-2019	74.95	63.69	65.27
07-11-2019	74.70	64.35	66.04
08-11-2019	75.40	64.72	66.57

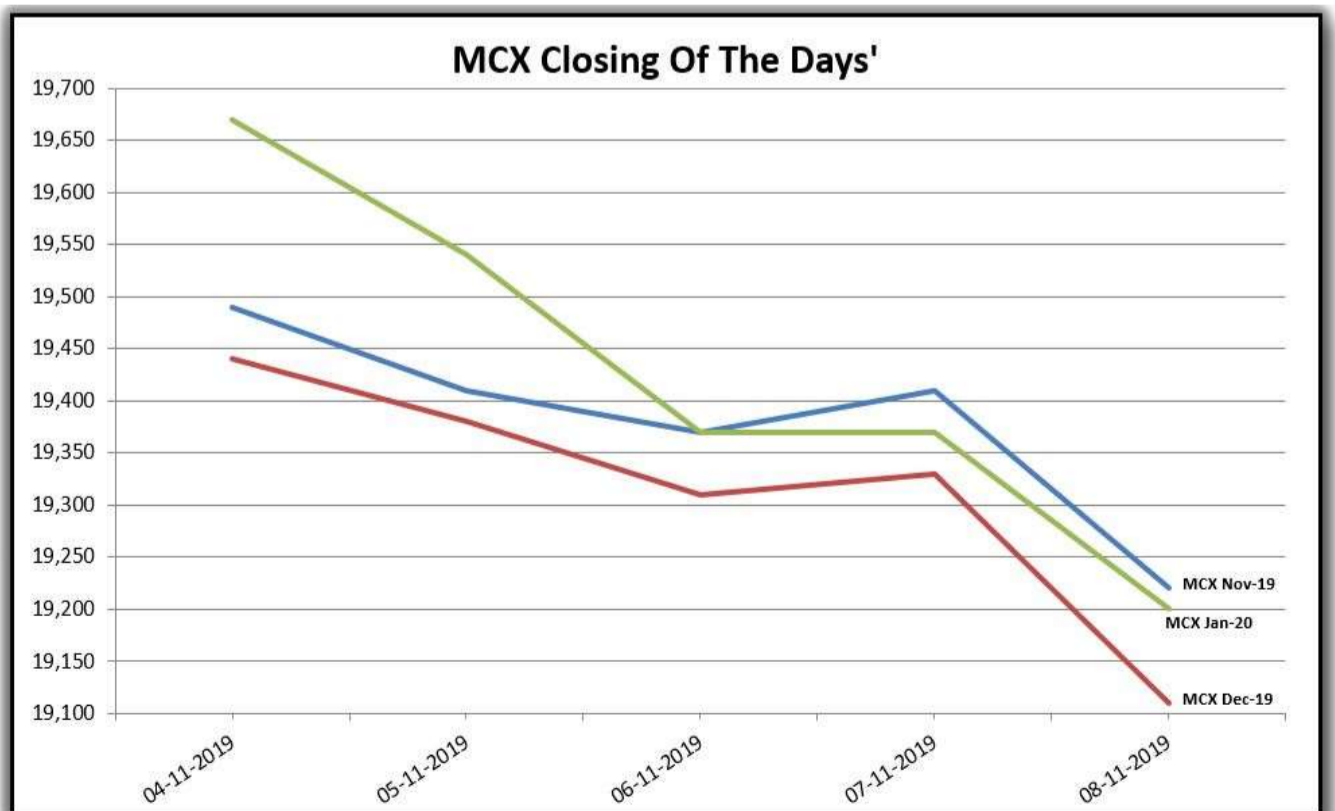
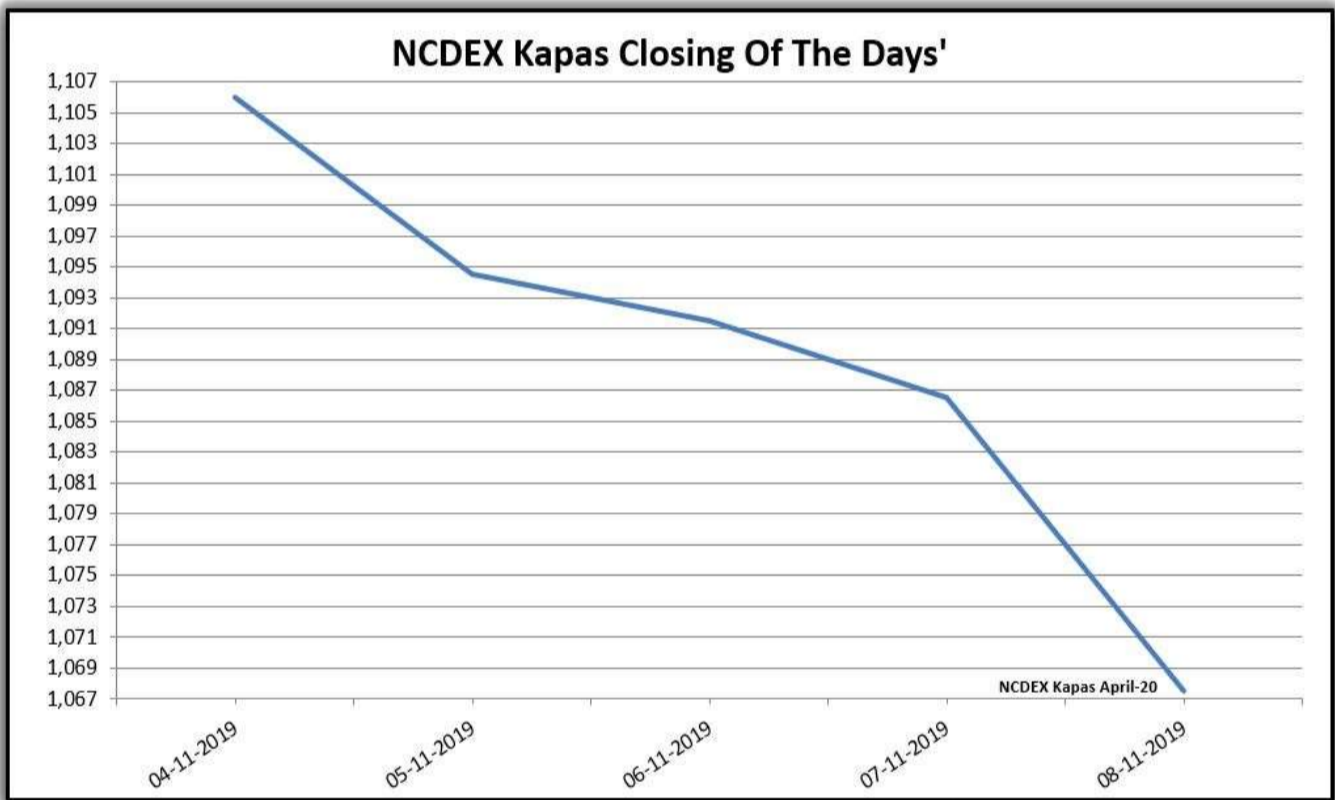




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Indian Indices				
Date	NCDEX Kapas	MCX		
	30-Apr-20	Nov-19	Dec-19	Jan-20
04-11-2019	1106.00	19,490	19,440	19,670
05-11-2019	1094.50	19,410	19,380	19,540
06-11-2019	1091.50	19,370	19,310	19,370
07-11-2019	1086.50	19,410	19,330	19,370
08-11-2019	1067.50	19,220	19,110	19,200



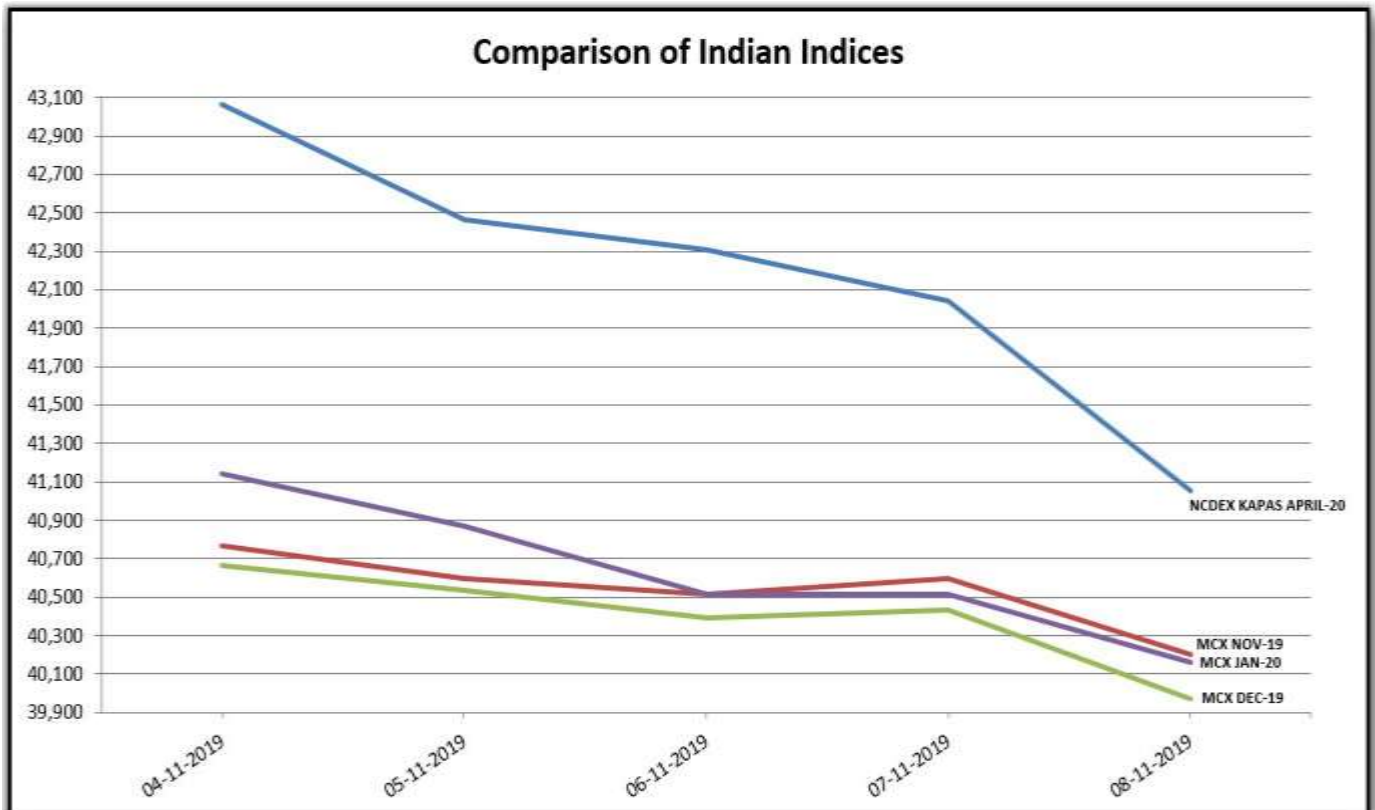


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Nov-19	Dec-19	Jan-20
04-11-2019	43,064	40,767	40,663	41,144
05-11-2019	42,463	40,600	40,537	40,872
06-11-2019	42,306	40,516	40,391	40,516
07-11-2019	42,044	40,600	40,433	40,516
08-11-2019	41,051	40,202	39,972	40,161

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

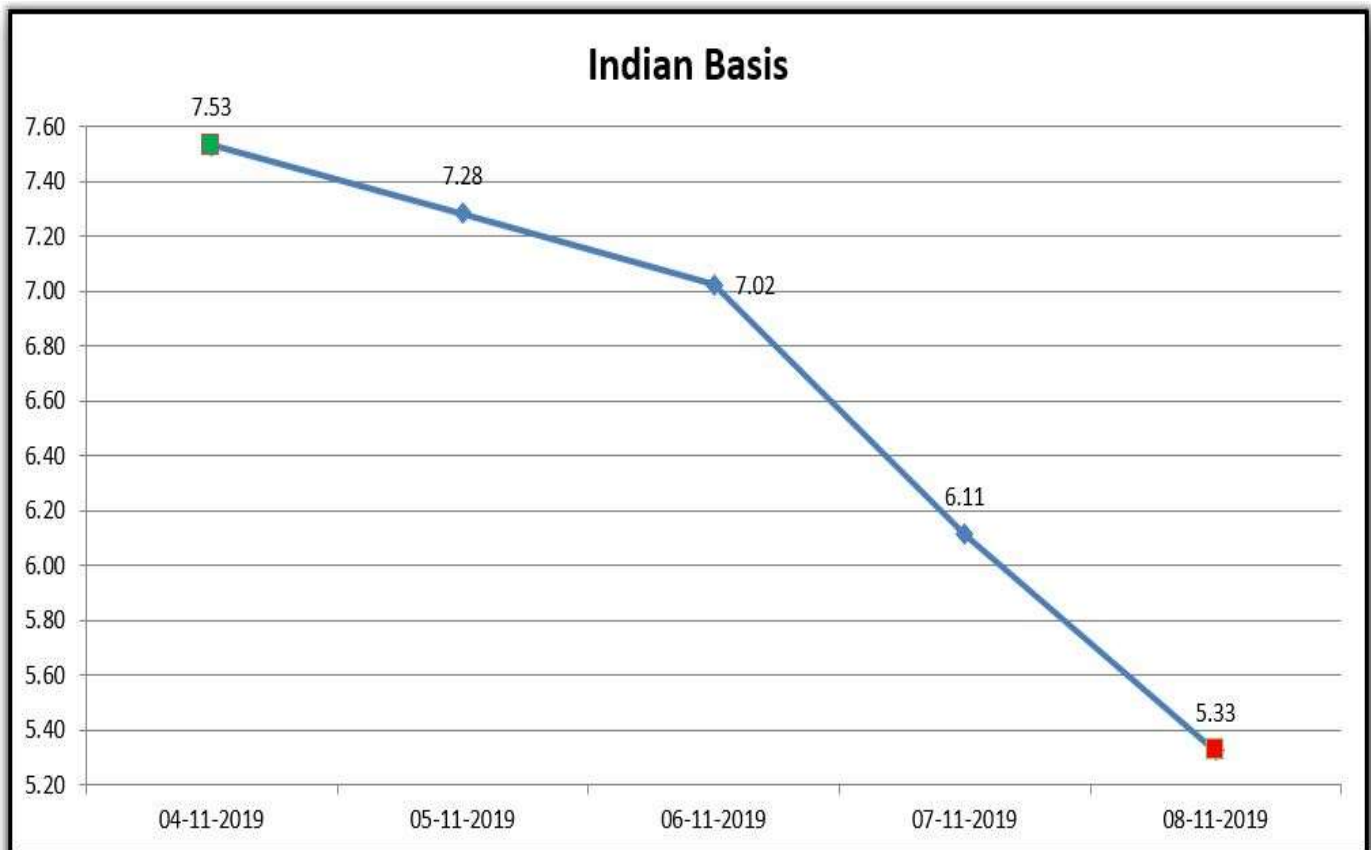




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
04-11-2019	39,500	70.77	71.19	63.66	7.53
05-11-2019	39,400	70.69	71.09	63.81	7.28
06-11-2019	39,350	70.98	70.71	63.69	7.02
07-11-2019	39,200	70.96	70.46	64.35	6.11
08-11-2019	39,150	71.29	70.05	64.72	5.33





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IN THE WEEK AHEAD

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

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