



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 11-MAY-2019

Market Movement from 06th May 2019 to 11th May 2019

- This week was highly bearish beyond expectation of trade people with US tariff on Chinese goods goes into effect from 10th May. Markets suddenly crashed and NY future July lost 723 points while December future lost 505. That is 9.60% and 6.80% respectively. This is the highest weekly loss during the year.
- Weekly Export Sales and shipment both were decent but roller coaster sentiment ignored any bullish news.
- In May WASDE USDA reduced US Export by 3 lakh bales because of slow shipment so current ending stock is raised by 2 lakh bales. USDA estimated new year US production to be 22M bales and the highest ending stock over 6M bales. This bearish WASDE create liquidation of long spec and market lost 178 point on Friday and closed below previous contract low.
- While USDA reduced Indian crop by 1.5 US statistical bale i.e. 19.2 lakh Indian statistical bales of 170 Kg. Low production in India while high production and high ending stock in the world has improved Indian basis.
- Due to US tariff 8 lakh bales of current and 13 lakh bales of new crop purchase by Chinese buyers are under threat of cancellation. With more selling pressure in NY July future against NY December future spread goes into carry from inverse.
- Indian physical market is not as much as back to back down with NY futures but as we stated in last weekly report that sentiment has damaged so we can see regular liquidity in the market. NY future lost nearly 9.6% or more while Indian physical has lost only 2% because of slow and firm selling. Indian basis is now so high that Export will be on hold and increased import viability.
- Gujarat 29 mm Cotton sold between 46,000 to 45,150 Rs/Candy.
- All India Daily Arrivals remained between 35,000 to 45,000 bales.
- Gujarat Daily Pressing was approximately 10,000 to 15,000 bales.
- NY Jul futures w/w lost 7.23 cents.
- Indian Rupee remained stable between 69.41 to 69.94 during this week.



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Global

US Weekly Export Sales

- Net UPLAND sales of 2,35,800 RB for 2018-2019 were up 63 percent from the previous week and 6 percent from the prior 4-week average. Increases were reported for Turkey (78,800 RB, including decreases of 3,900 RB), Vietnam (56,400 RB, including decreases of 100 RB), India (26,900 RB, including decreases of 100 RB), Bangladesh (18,500 RB, including decreases of 100 RB), and China (16,900 RB, including 800 RB switched from Hong Kong). Reductions were reported for Hong Kong (800 RB), Japan (200 RB), Malaysia (100 RB), and Mexico (100 RB).
- For 2019-2020, net UPLAND sales of 56,500 RB were primarily for Mexico (24,300 RB), China (19,800 RB), and Thailand (11,900 RB).
- UPLAND Exports of 3,87,100 RB were up 32 percent from the previous week and 16 percent from the prior 4-week average. Exports were primarily to Vietnam (1,31,100 RB), China (51,800 RB), Turkey (38,200 RB), Pakistan (32,600 RB), and India (29,100 RB).
- Net sales of PIMA totaling 2,100 RB were down 84 percent from the previous week and 88 percent from the prior 4-week average. Increases were primarily for India (700 RB, including decreases of 100 RB), Pakistan (600 RB), Bangladesh (300 RB), and Vietnam (300 RB, switched from Japan).
- For 2019-2020, total net PIMA sales of 5,700 RB were for India. PIMA Exports of 16,600 RB were up 61 percent from the previous week and 24 percent from the prior 4-week average. The destinations were China (9,300 RB), India (3,400 RB), Turkey (2,400 RB), and Egypt (800 RB).

US Export Sales	02-May-2019
Marketing Year 2018-19	
Upland Gross Sales	2,42,200
Cancellation	6,400
Net Upland Sales	2,35,800
PIMA Gross Sales	2,200
Cancellation	100
Net PIMA Sales	2,100
Total Gross Sales	2,44,400
Total Cancellation	6,500
Total Net Sales	2,37,900
Shipments	
UPLAND	3,87,100
PIMA	16,600
Total Shipment	4,03,700
Marketing Year 2019-20	
Net Upland Sales	56,500
Net PIMA Sales	5,700
Total Net Sales	62,200
All Figures in US Running Bale	



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WASDE - May - 2019

Led by higher production, the U.S. cotton forecasts for 2019/20 includes higher exports and ending stocks. Production is forecast at 22.0 million bales, based on 13.8 million planted acres as indicated in the NASS March Prospective Plantings report. While planted area is expected lower in 2019/20, increased precipitation to date in the Southwest suggests abandonment will fall from 2018/19's above-average level and harvested area will rise. With harvested area up, production is projected 20 percent higher than in 2018/19. Domestic mill use is projected unchanged at 3.1 million bales, while exports are expected to rise 15 percent to 17.0 million. At 6.4 million bales, 2019/20 ending stocks are projected 1.8 million higher than the year before, equivalent to 32 percent of use. This would be the highest U.S. stocks-to-use ratio since 2008/09. The marketing year price received by producers is forecast to average 65 cents per pound, 5 cents lower than in 2018/19.

For 2018/19, U.S. cotton production is reduced marginally from last month. The export forecast is reduced 2,50,000 bales to 14.75 million bales as the expected U.S. share of world trade declines, and endings stocks are increased about 2,00,000 bales.

The world 2019/20 cotton projections show a small decline in stocks and rebounding production and consumption. With global harvested area for cotton projected at its highest in 7 years, and yields rebounding in major producing countries, production is expected to rise 7.0 million bales to a near-record 125.5 million. U.S. production is expected to rise the most, closely followed by India, while lower crops are foreseen for Australia and Brazil, and China's crop is projected unchanged. World consumption is expected to rise 2.6 percent to 125.9 million bales, slightly above the previous consumption record realized in 2006/07. Projected world trade is raised from 2018/19 as import-oriented consumers such as Bangladesh and Vietnam are accounting for a larger share of world consumption, and China's imports rise. Global ending stocks are projected down 0.8 million this year, to 75.7 million bales, 60 percent of consumption. An even larger decline is expected in China's stocks, and stocks outside of China are expected to rebound from their decline in 2018/19 to a new record level.

For 2018/19, both world production and consumption is decreased about 5,00,000 bales from last month, leaving ending stocks virtually unchanged. Production is lower in India, more than offsetting an increase in Brazil. Use is reduced in Indonesia and Vietnam.

China

China has start auction from their reserve stock daily turnover were 100% from 5th May Except one day of 92%.



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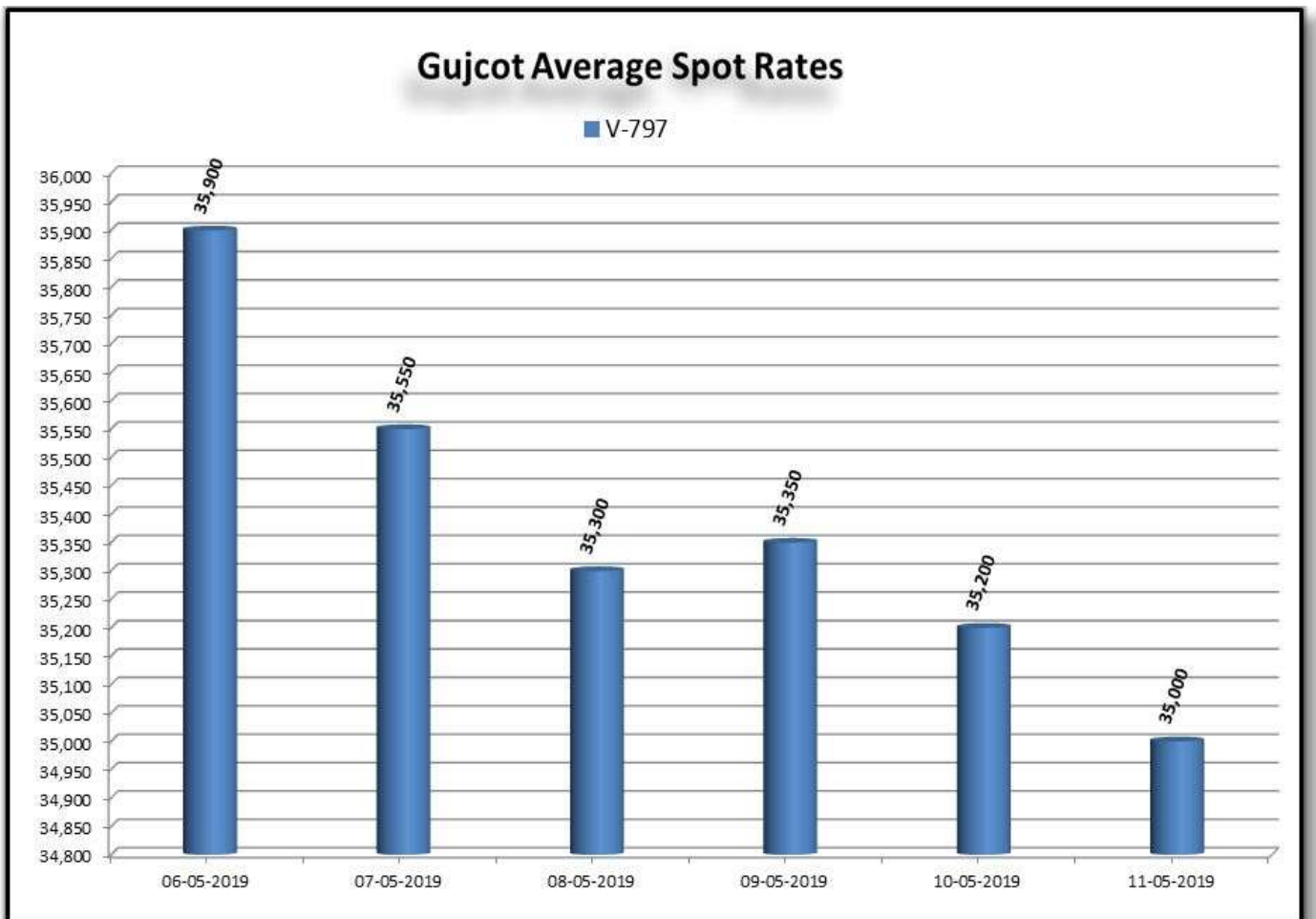
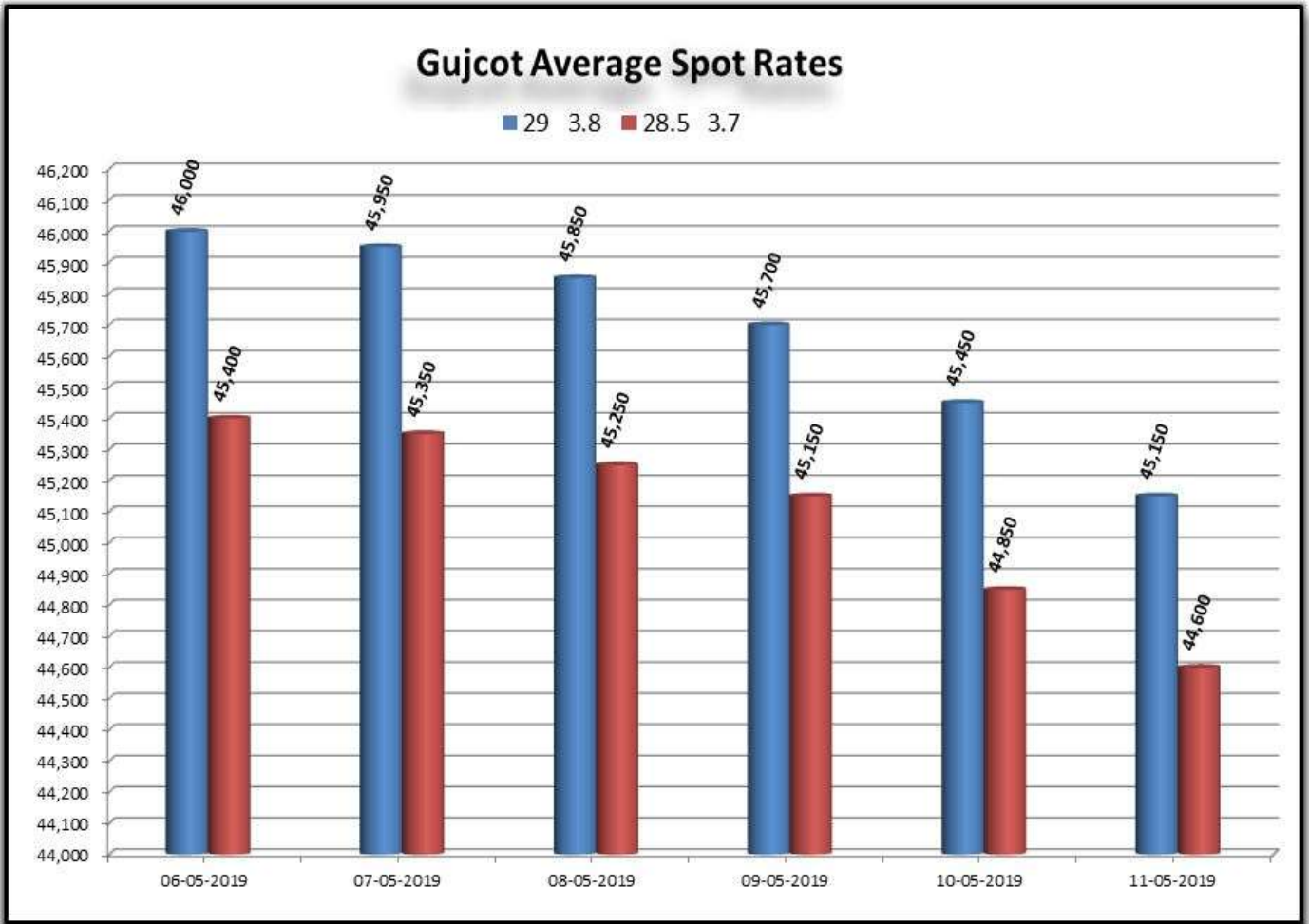
Average Rate Of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	45,150	46,000	45,683
Shankar 6	28.5	3.7	44,600	45,400	45,100
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3	No Quote	No Quote	No Quote
V-797	13% Trash		35,000	35,900	35,383
MCX Spot Rate			21,960	22,170	22,055
USD Exchange Rate			69.41	69.94	69.72

Rate Of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
06-05-2019	46,000	45,400	35,900	22,170	69.41
07-05-2019	45,950	45,350	35,550	22,140	69.43
08-05-2019	45,850	45,250	35,300	22,060	69.71
09-05-2019	45,700	45,150	35,350	22,040	69.94
10-05-2019	45,450	44,850	35,200	21,960	69.91
11-05-2019	45,150	44,600	35,000	21,960	69.91



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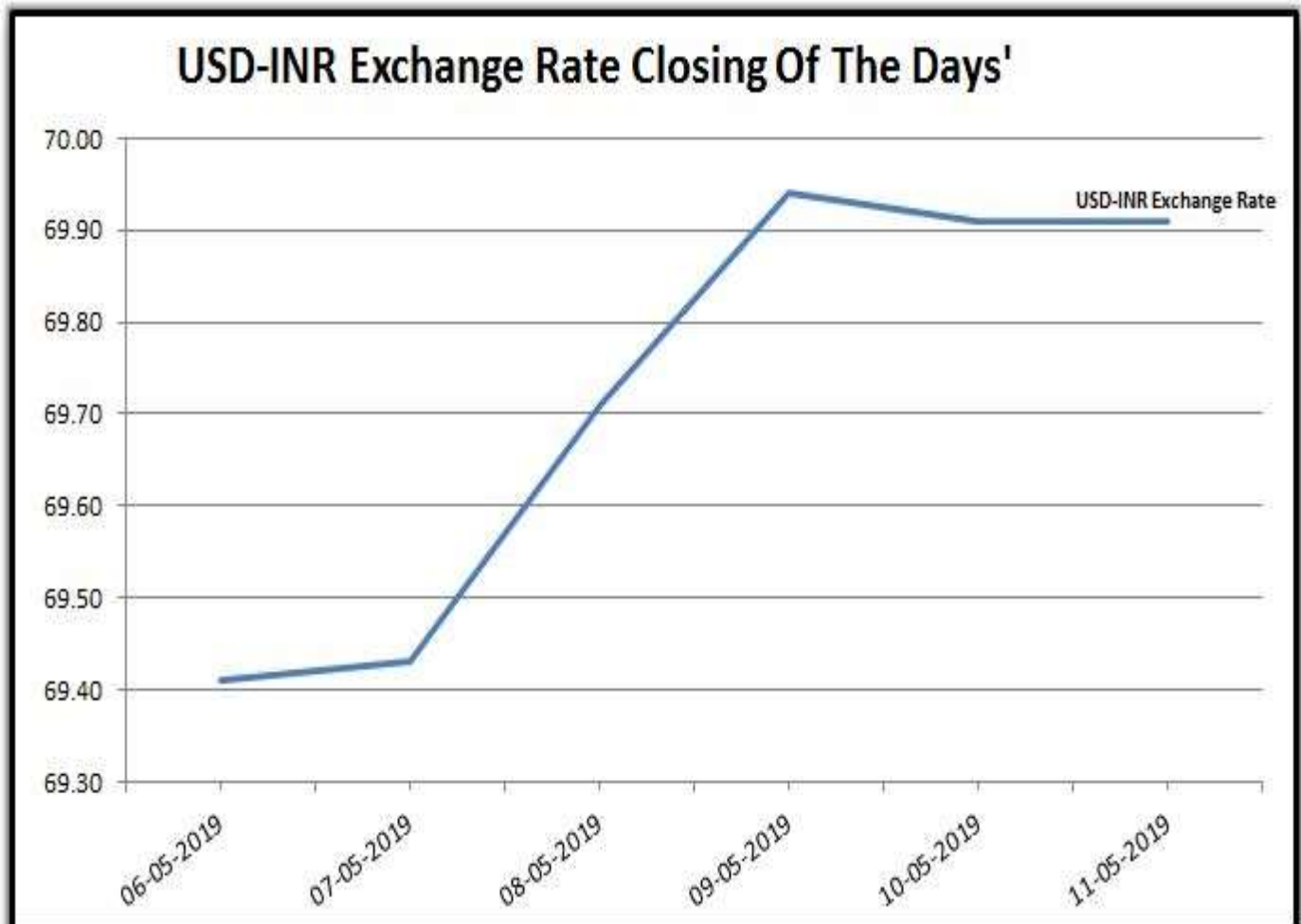
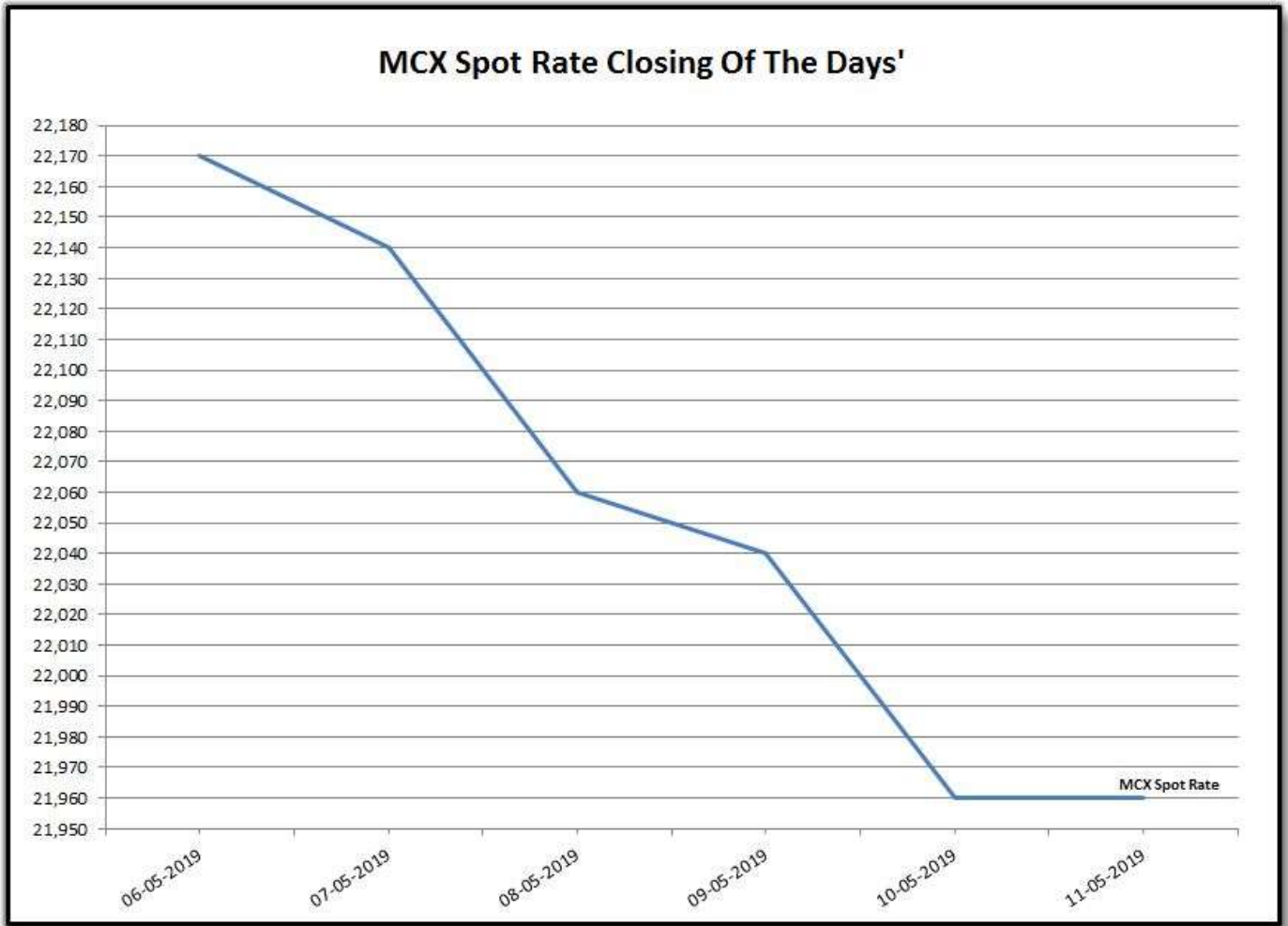
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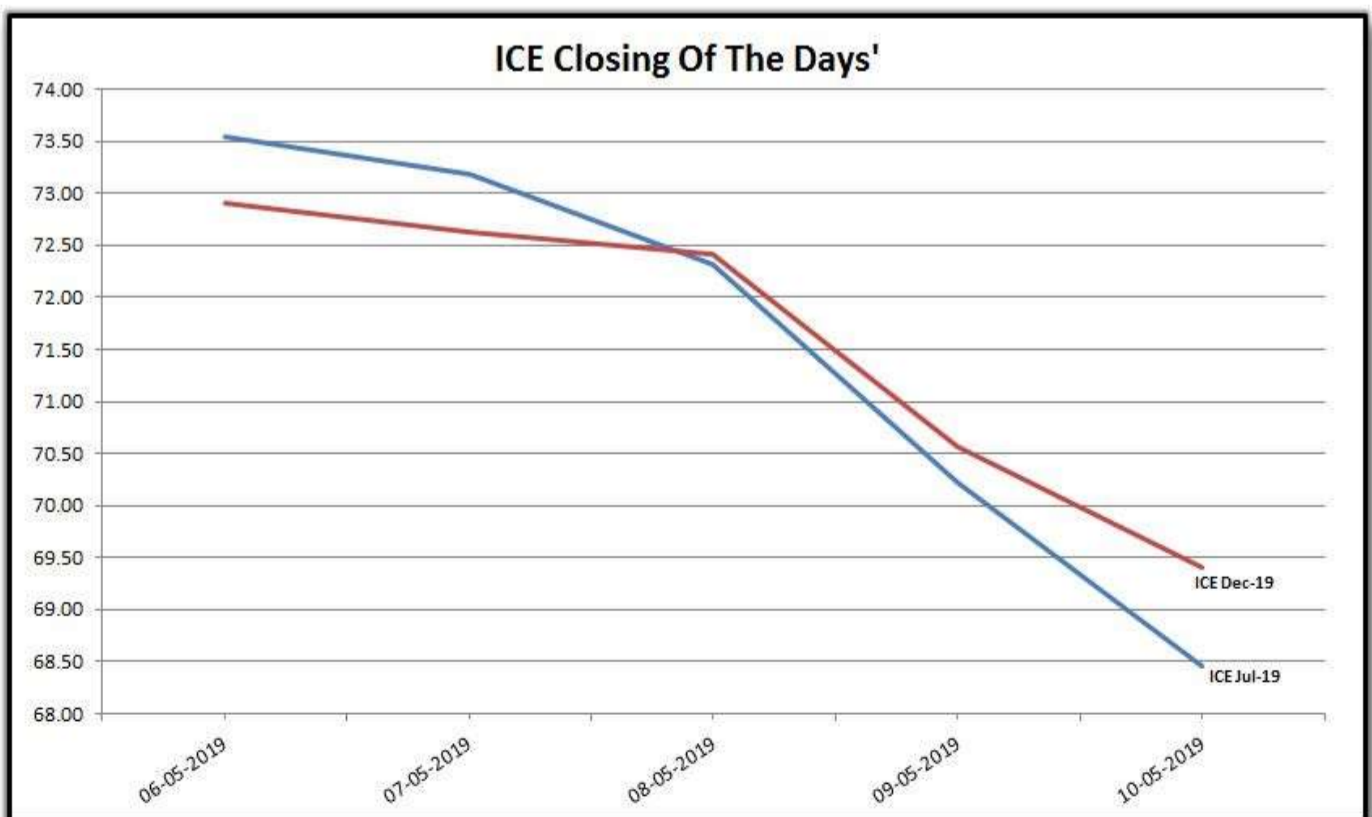
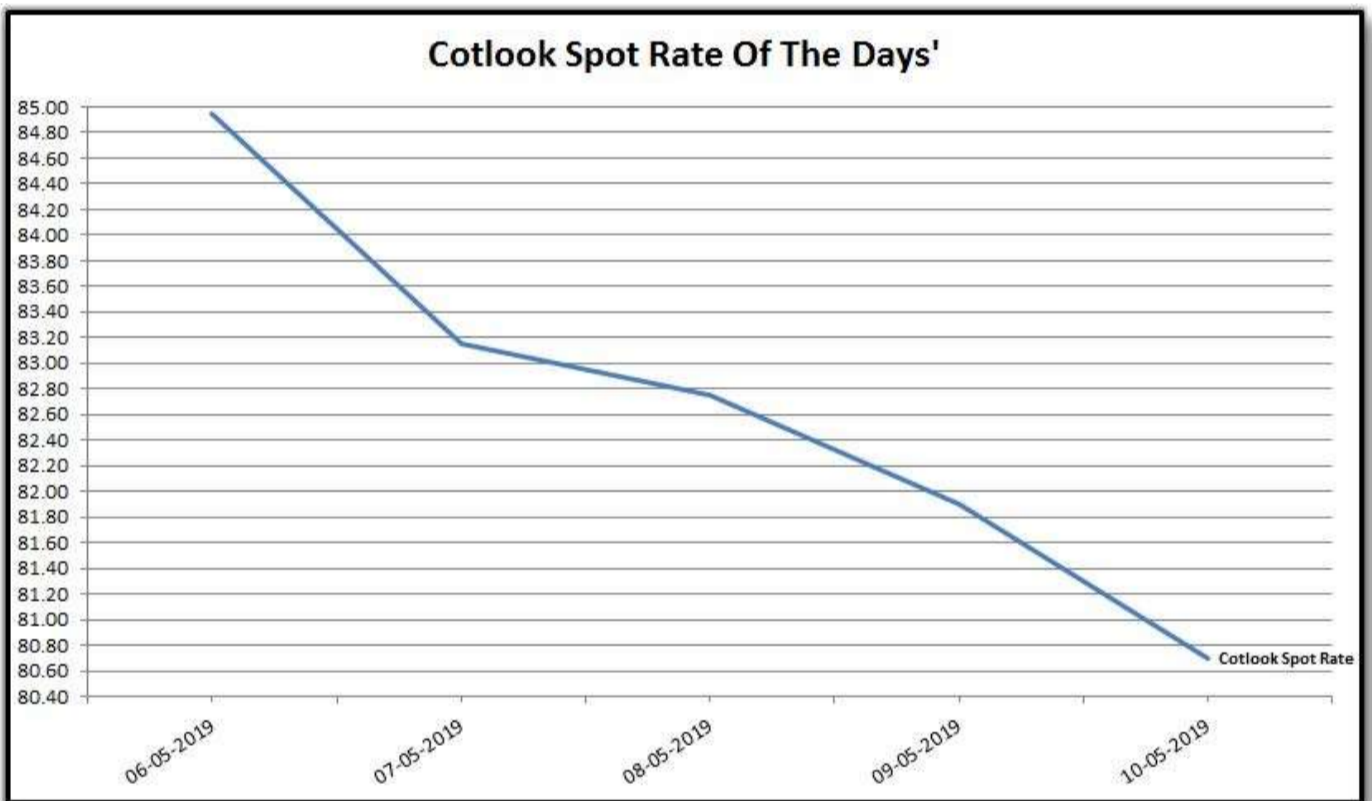




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-19	Dec-19
06-05-2019	84.95	73.55	72.91
07-05-2019	83.15	73.18	72.63
08-05-2019	82.75	72.31	72.42
09-05-2019	81.90	70.23	70.57
10-05-2019	80.70	68.45	69.40

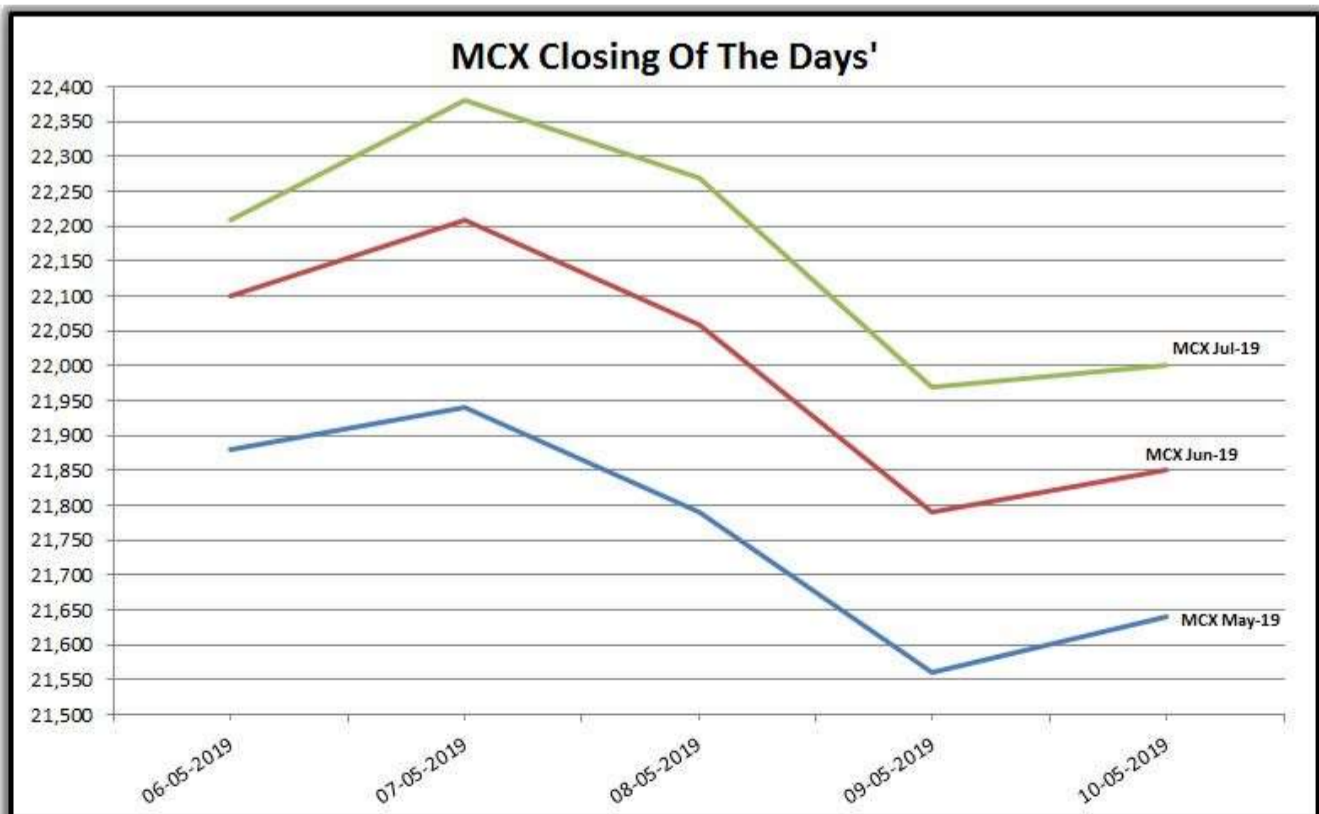
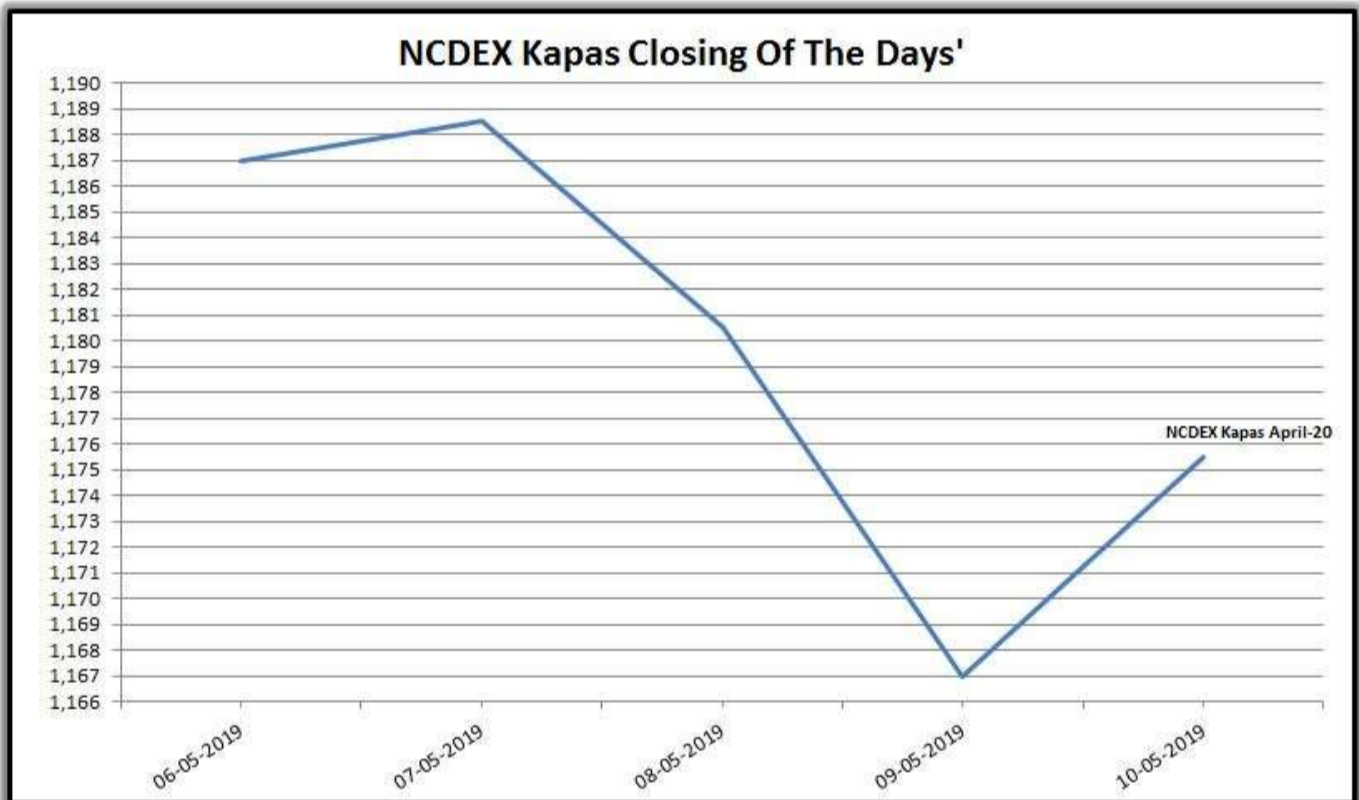




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Indian Indices				
Date	NCDEX Kapas	MCX		
	30-Apr-19	May-19	Jun-19	Jul-19
06-05-2019	1187.00	21,880	22,100	22,210
07-05-2019	1188.50	21,940	22,210	22,380
08-05-2019	1180.50	21,790	22,060	22,270
09-05-2019	1167.00	21,560	21,790	21,970
10-05-2019	1175.50	21,640	21,850	22,000



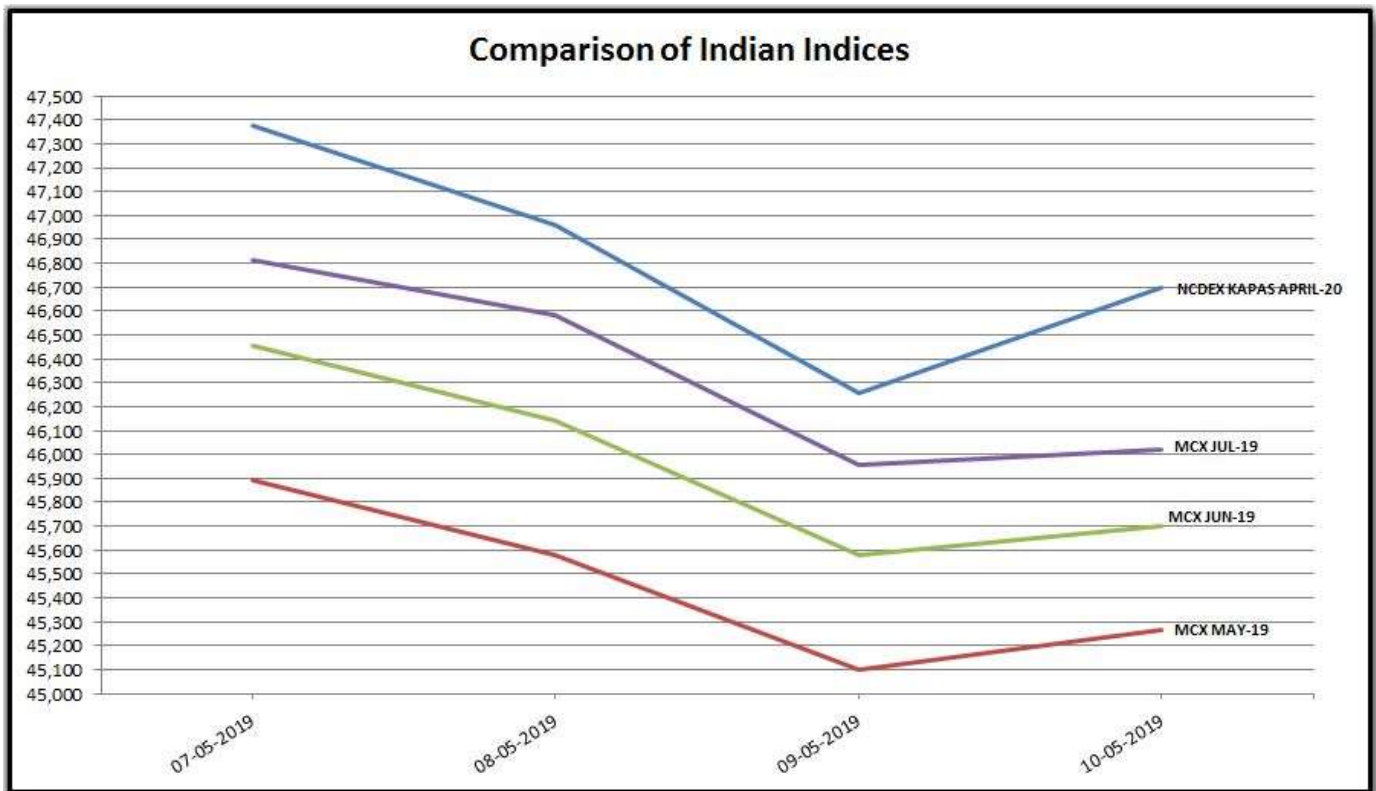


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	May-19	Jun-19	Jul-19
06-05-2019	47,300	45,766	46,227	46,457
07-05-2019	47,378	45,892	46,457	46,812
08-05-2019	46,960	45,578	46,143	46,582
09-05-2019	46,254	45,097	45,578	45,955
10-05-2019	46,699	45,264	45,704	46,017

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

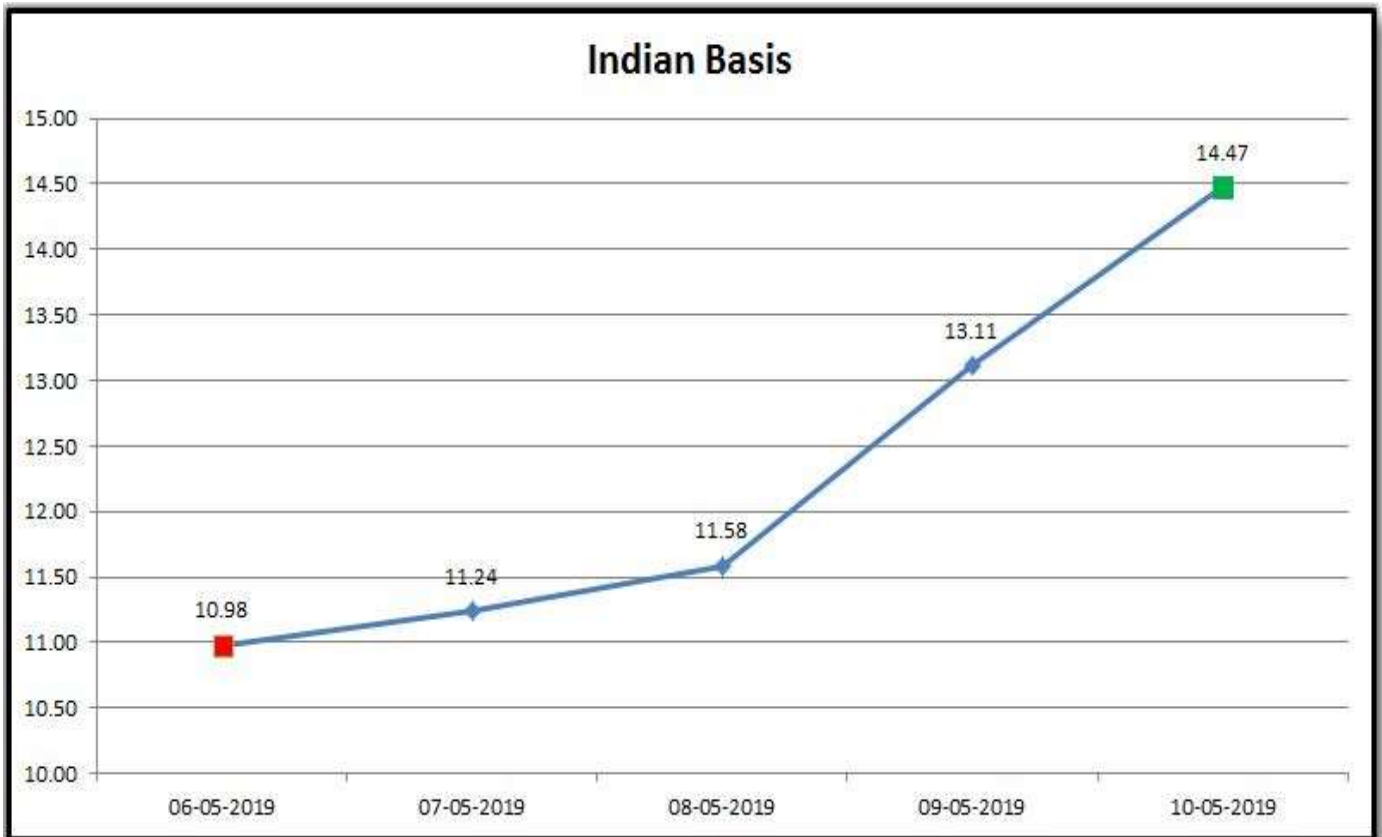




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
06-05-2019	46,000	69.41	84.53	73.55	10.98
07-05-2019	45,950	69.43	84.42	73.18	11.24
08-05-2019	45,850	69.71	83.89	72.31	11.58
09-05-2019	45,700	69.94	83.34	70.23	13.11
10-05-2019	45,450	69.91	82.92	68.45	14.47





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