



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 09-Mar-2024

Market Movement from 04th Mar 2024 to 09th Mar 2024.

- The past week has been marked by significant volatility in the New York (NY) futures market, experiencing both limit ups and limit downs. Despite dull export sales, the market saw an upswing with improved shipment figures, leading to a limit up and a somewhat bullish World Agricultural Supply and Demand Estimates (WASDE) report. Surprisingly, the market reacted differently to the limit down, resulting in a week characterized by substantial fluctuations. Interestingly, despite the rollercoaster ride, the market closed the week in close proximity to its starting point, with a modest loss of only 29 points in NY futures. However, the July-December inverse stands notably high at 1,093 points.
- In the March World Agricultural Supply and Demand Estimates (WASDE), the USDA made a substantial cut of nearly 3,30,000 bales to U.S. production. This adjustment resulted in a tightening of U.S. ending stocks, bringing them down to just 2.5 million bales. Additionally, global ending stocks saw a notable decrease of 3,60,000 bales. On the surface, these adjustments appear bullish,



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signaling a potential tightening of supply. However, the market reaction was contrary to expectations, exhibiting a bearish response.

- Export sales met expectations, but the standout performance came from the shipment numbers, which exceeded anticipations, indicating a particularly robust performance in that aspect of the market.
- In the latest U. S. Export Sales Report for the week ending 29-Feb-2024, U.S. cotton export sales displayed mixed figures for the 2023-2024 season, with net upland sales reaching 52,000 bales and upland shipments totaling 3,30,800 bales. Net Pima sales accounted for 11,100 bales, with Pima shipments amounting to 6,400 bales, resulting in a combined total sales of 63,100 bales. Looking ahead to the 2024-2025 season, there were 15,100 bales of net upland sales, while Pima sales remained at zero, culminating in an overall total of 15,100 bales for the upcoming period. These statistics provide insights into the current state and future expectations for U.S. cotton exports.



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- Gujcot Spot Rates exhibited a steady upward trend, reflecting market dynamics and price fluctuations. The week commenced with a rate of 60,300 on Monday, followed by incremental increases on subsequent days: 60,650 on Tuesday, 61,000 on Wednesday, 61,250 on Thursday, and a notable jump to 62,500 on Friday. The week concluded with the spot rate reaching 61,750 on Saturday. These daily variations in Gujcot Spot Rates provide a snapshot of the evolving market conditions, offering valuable insights for stakeholders in the cotton industry.
- The daily arrival of Indian cotton was lower, hovering around the one-lakh bales mark. Notably, Gujarat played a significant role, contributing 30,000 bales per day to this overall figure.
- The Indian physical market exhibited strength, driven by farmers who are currently holding their produce and are only willing to sell at higher rates. The influx of lower supply in India has been leading to the crossing of the 62,000 mark in Gujcot Shankar 6 rates. With cotton in strong hands, ginnerers are now facing challenges in obtaining parity.



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- The Indian basis has experienced significant volatility, mirroring the fluctuations in New York (NY) futures. Despite the substantial volatility in NY futures, the Indian basis has remained within the range of -4.90 to 1.02. After long time Indian basis started in positive territory.
- The USD-INR exchange rate remained relatively stable, showing minimal fluctuations throughout the week. The exchange rate started at 82.89 on both Monday and Tuesday, demonstrating consistency at the beginning of the week. Midweek, on Wednesday, a slight decrease was observed as the rate declined to 82.82, followed by a marginal drop to 82.78 on both Thursday and Friday. The week concluded with the USD-INR exchange rate maintaining stability, reflecting a relatively calm period in the foreign exchange market for these currencies.
- It appears that the entire month of March has been characterized by volatility. Wishing you all safety during these uncertain times.



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USDA-WASDE

This month's 2023-24 U.S. cotton forecasts show lower production and ending stocks relative to last month. Production is reduced 3,34,000 bales to 12.1 million, based on the March 8 Cotton Ginnings report. The final estimates for this season's U.S. area, yield, and production will be published in the May 2024 Crop Production report. Ending stocks are 3,00,000 bales lower this month at 2.5 million. At 18 percent, stocks as a share of use are projected their lowest since 2020-21. The projected marketing year average price received by upland producers of 77.0 cents per pound is unchanged from last month.

The global cotton supply and demand estimates for 2023-24 show higher production, consumption, and trade, but lower ending stocks. World production is 1,30,000 bales higher as lower U.S. and Argentine crops are more than offset by a 5,00,000-bale increase in India. Global consumption is almost 5,00,000 bales higher as gains for China and India more than offset lower estimates for Turkey and a number of smaller countries. World trade is about 4,00,000 bales higher as China's 2023-24 imports are raised 9,00,000 bales, more than offsetting lower estimates for Turkey and several smaller countries. Exports are projected higher for India, Australia, and Turkey. Ending stocks are marginally lower, down 3,53,000 bales to 83.3 million.



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Global

US Weekly Export Sales

- Net sales of UPLAND totaling 52,000 RB for 2023-2024 were up 30 percent from the previous week, but down 66 percent from the prior 4-week average. Increases primarily for Bangladesh (34,300 RB), Vietnam (24,300 RB, including 7,800 RB switched from China, 400 RB switched from Macau, and 100 RB switched from South Korea), Turkey (23,100 RB), Peru (6,700 RB, including decreases of 200 RB), and Mexico (2,600 RB), were offset by reductions for China (30,300 RB), Pakistan (12,500 RB), Hong Kong (1,100 RB), Macau (400 RB), and South Korea (100 RB).
- Net UPLAND sales of 15,100 RB for 2024-2025 reported for Indonesia (13,200 RB), South Korea (5,300 RB), and Mexico (2,400 RB), were offset by reductions for Pakistan (5,800 RB).
- UPLAND Exports of 3,30,800 RB were up 24 percent from the previous week and 26 percent from the prior 4-week average. The destinations were primarily to China (1,30,600 RB), Vietnam (60,900 RB), Pakistan (30,100 RB), Turkey (26,900 RB), and Bangladesh (19,700 RB).
- Net sales of PIMA totaling 11,100 RB for 2023-2024 were up noticeably from the previous week and up 88 percent from the prior 4-week average. Increases were primarily for China (4,100 RB), India (3,300 RB), Peru (1,000 RB), Costa Rica (900 RB), and Turkey (800 RB).
- PIMA Exports of 6,400 RB were up 43 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to China (3,100 RB), India (1,600 RB), Turkey (500 RB), Thailand (400 RB), and Vietnam (300 RB).

US Export Sales	29-Feb-2024
Marketing Year 2023-24	
Upland Gross Sales	1,12,000
Cancellation	60,000
Net Upland Sales	52,000
PIMA Gross Sales	11,100
Cancellation	0
Net PIMA Sales	11,100
Total Gross Sales	1,23,100
Total Cancellation	60,000
Total Net Sales	63,100
Shipments	
UPLAND	3,30,800
PIMA	6,400
Total Shipment	3,37,200
Marketing Year 2024-25	
Net Upland Sales	15,100
Net PIMA Sales	0
Total Net Sales	15,100
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	02-03-2024	09-03-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	60,600	61,750	1,150	1.86%
V-797	13% Trash		41,100	42,900	1,800	4.20%
MCX Spot Rate			61,060	61,340	280	0.46%
USD-INR Exchange			82.90	82.78	-0.12	-0.14%

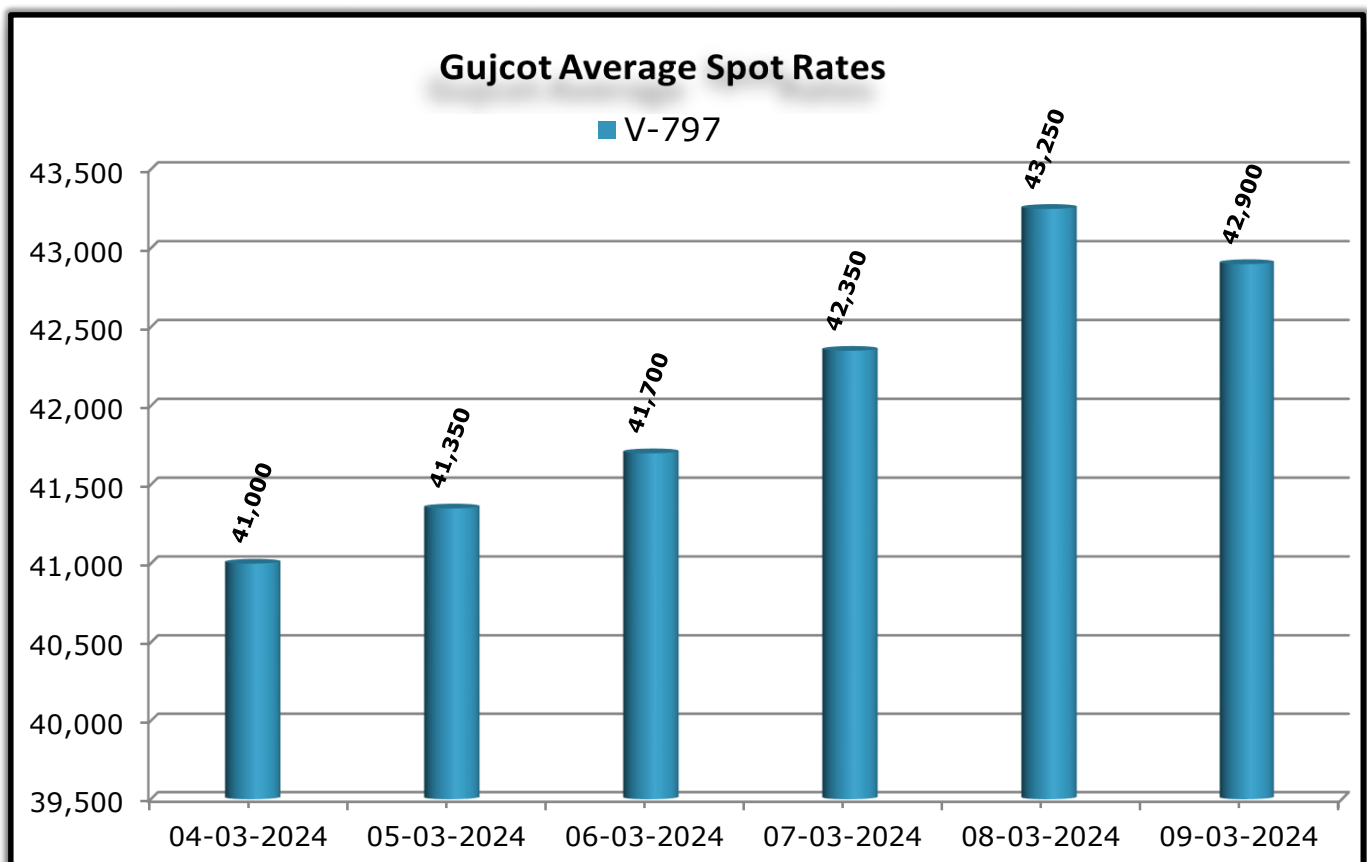
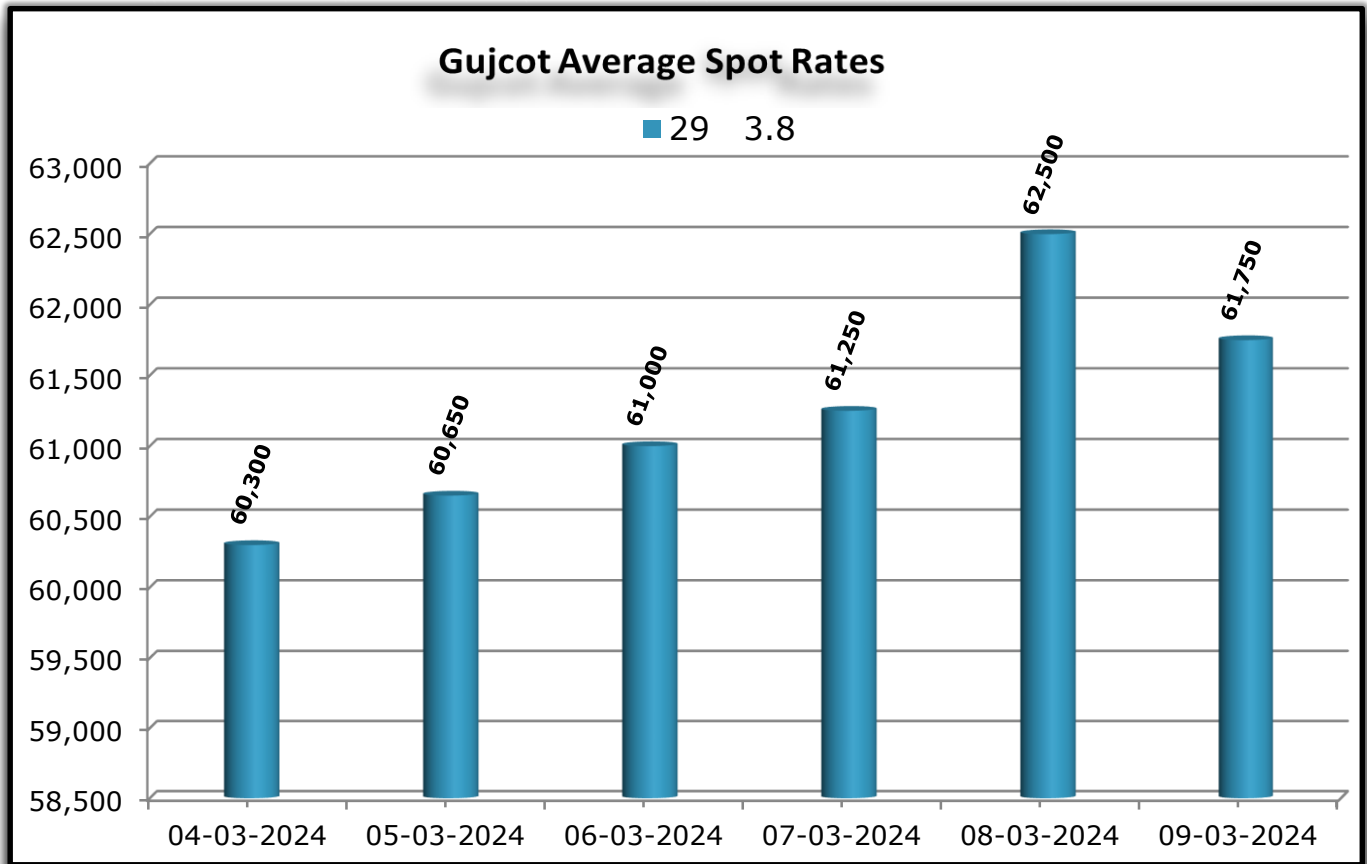
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	60,300	62,500	61,242
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		41,000	43,250	42,092
MCX Spot Rate			60,360	61,340	61,007
USD Exchange Rate			82.78	82.89	82.82

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
04-03-2024	60,300	41,000	60,360	82.89
05-03-2024	60,650	41,350	60,560	82.89
06-03-2024	61,000	41,700	61,100	82.82
07-03-2024	61,250	42,350	61,340	82.78
08-03-2024	62,500	43,250	61,340	82.78
09-03-2024	61,750	42,900	61,340	82.78



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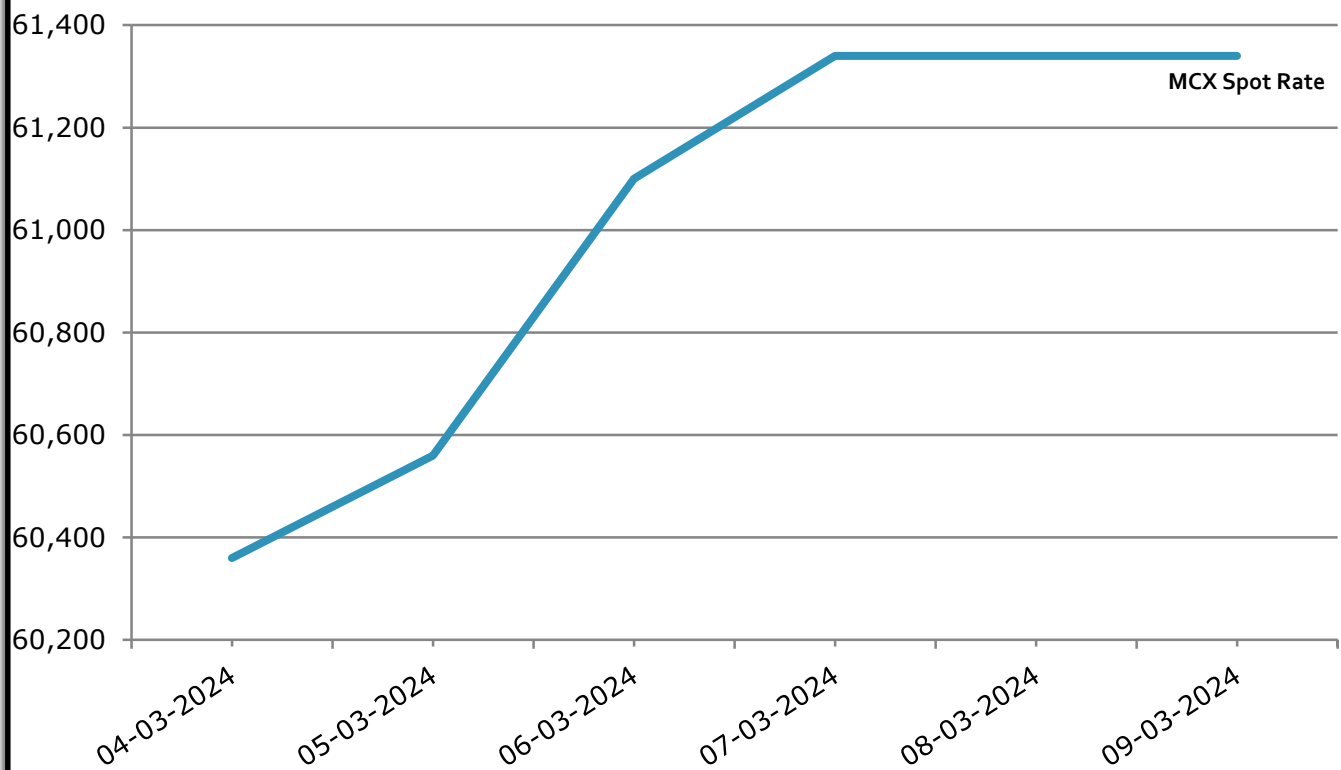




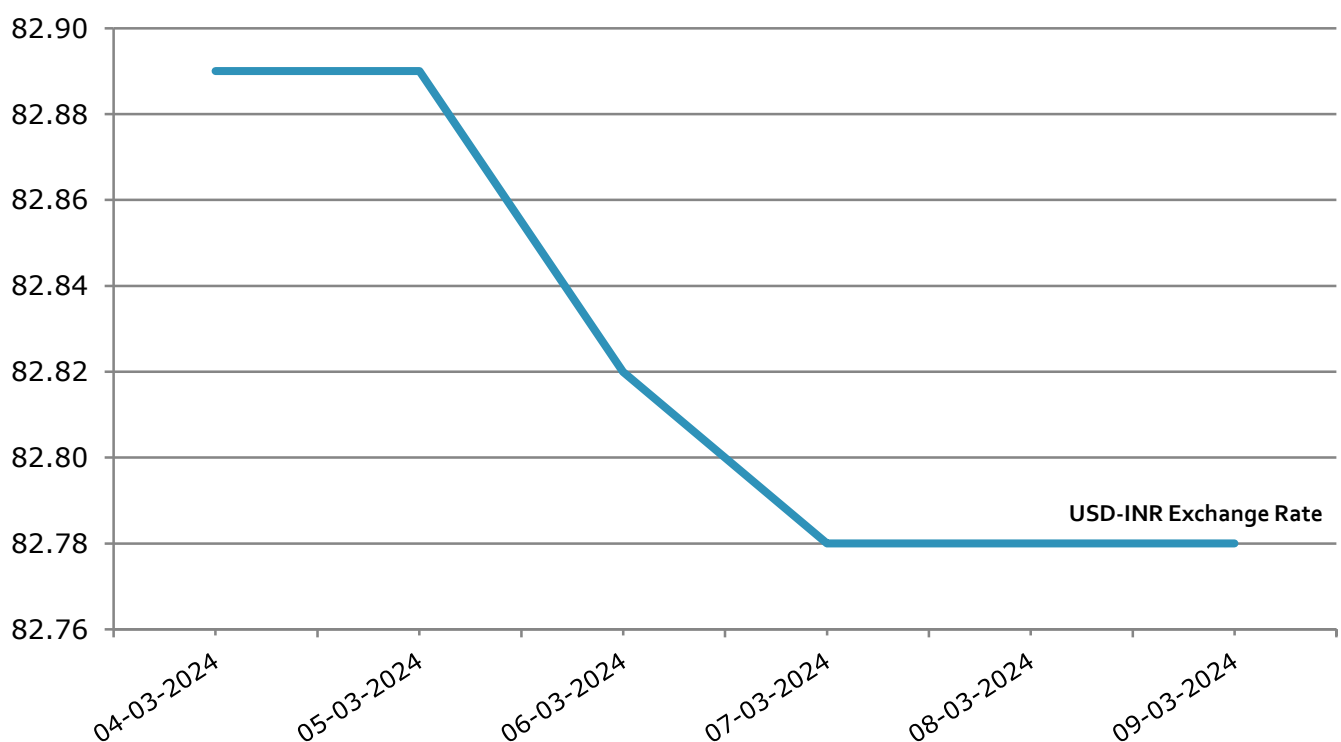
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'



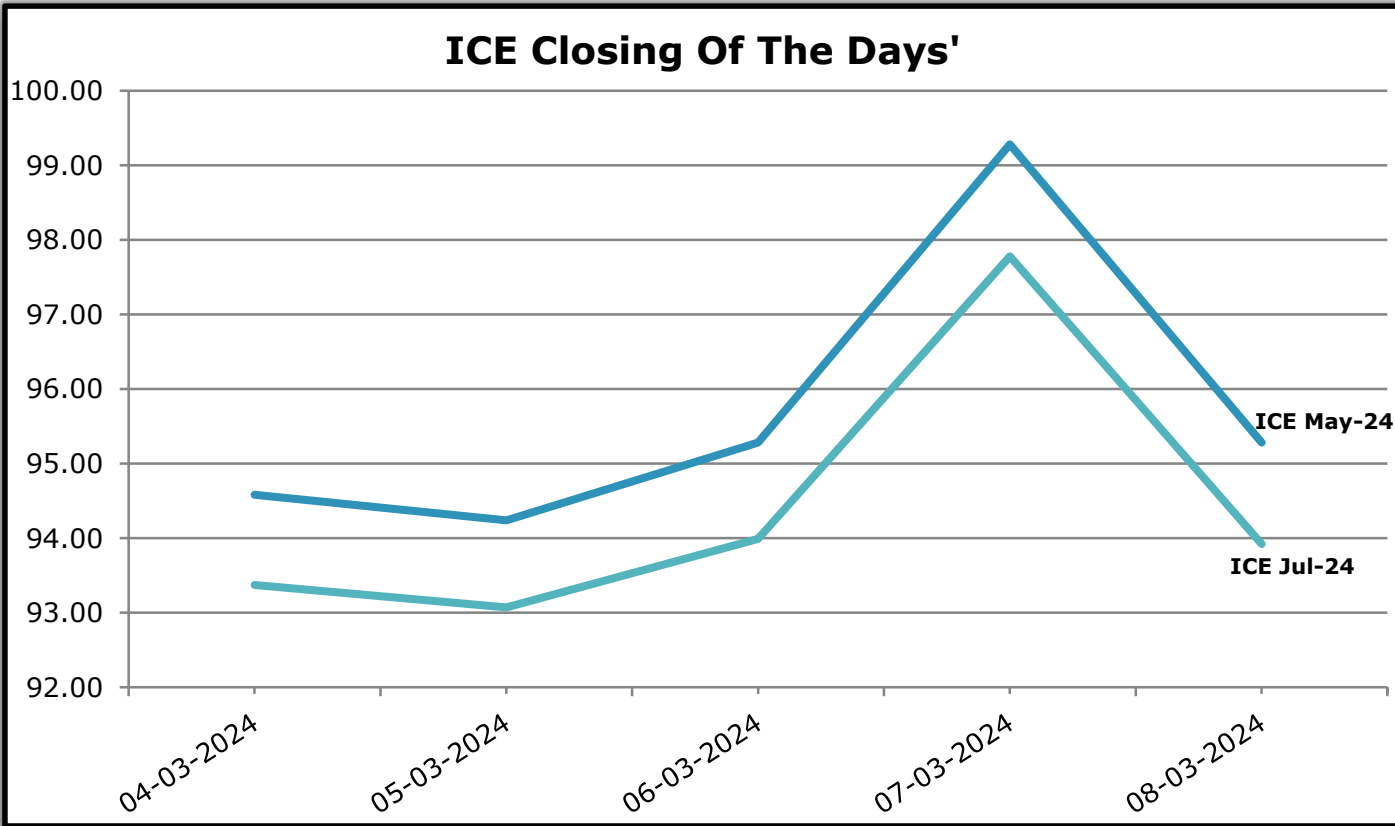
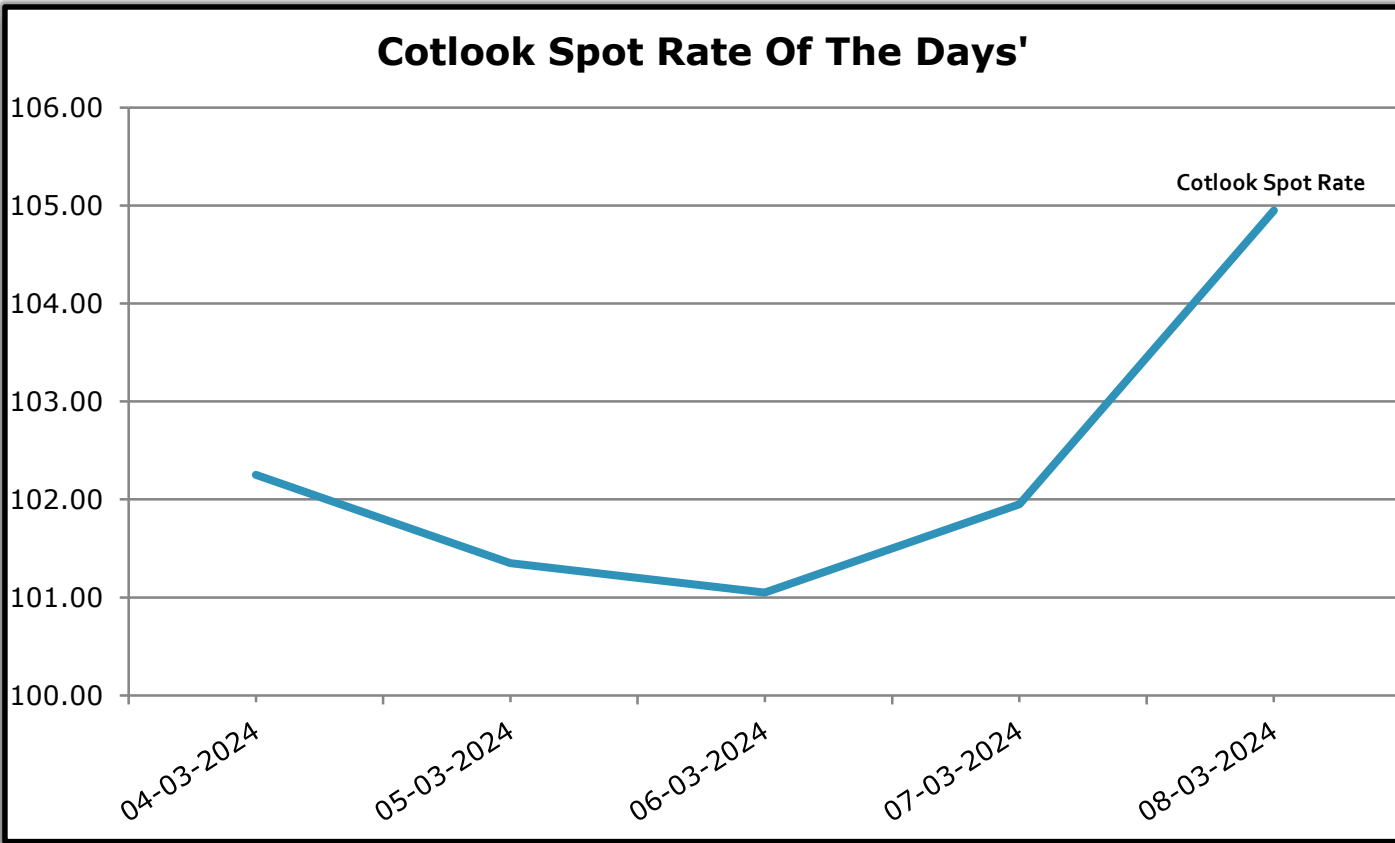


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	May-24	Jul-24
04-03-2024	102.25	94.58	93.37
05-03-2024	101.35	94.24	93.07
06-03-2024	101.05	95.28	93.99
07-03-2024	101.95	99.28	97.78
08-03-2024	104.95	95.28	93.92



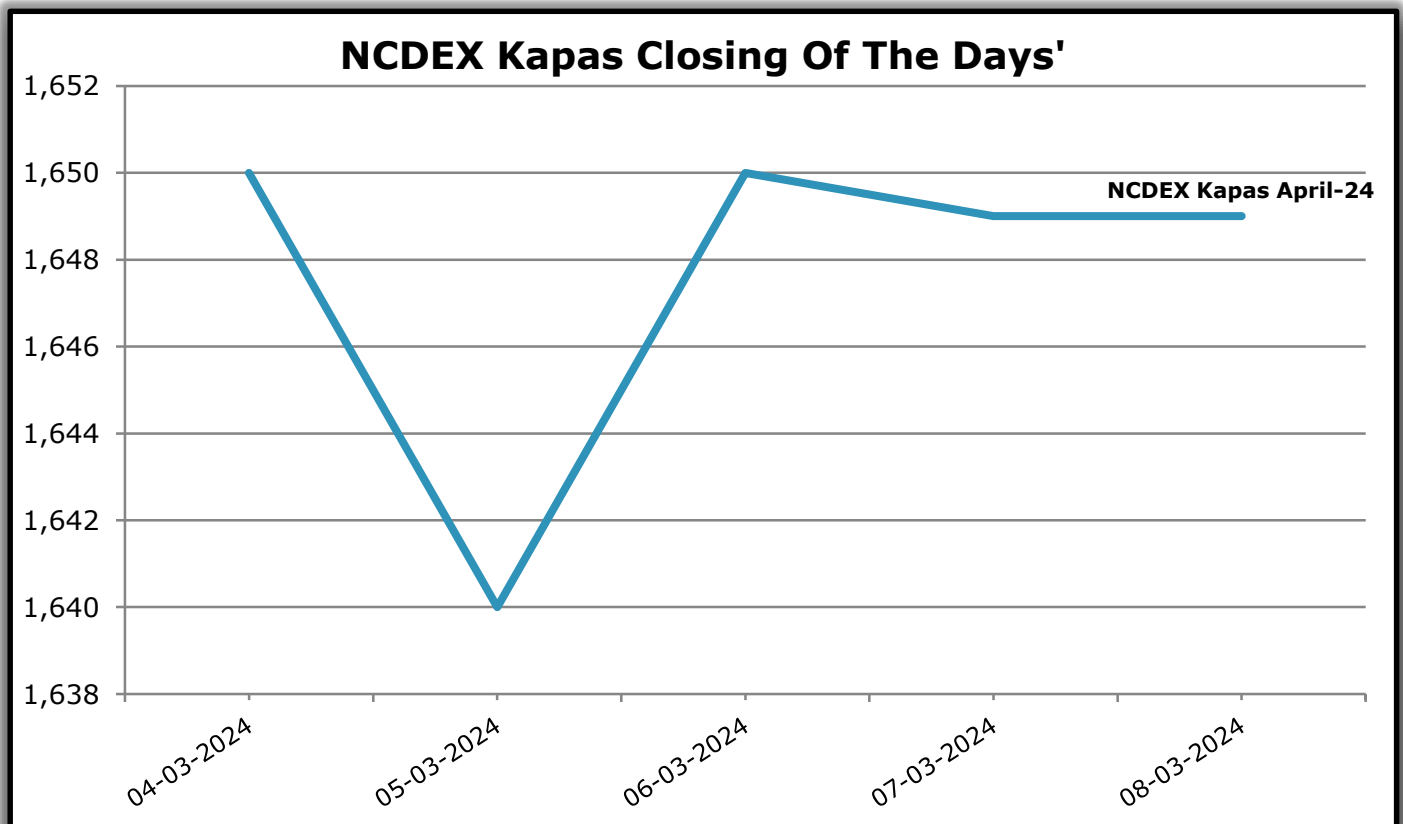


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Indian Indices	
Date	NCDEX Kapas
	April-24
04-03-2024	1,650.00
05-03-2024	1,640.00
06-03-2024	1,650.00
07-03-2024	1,649.00
08-03-2024	1,649.00

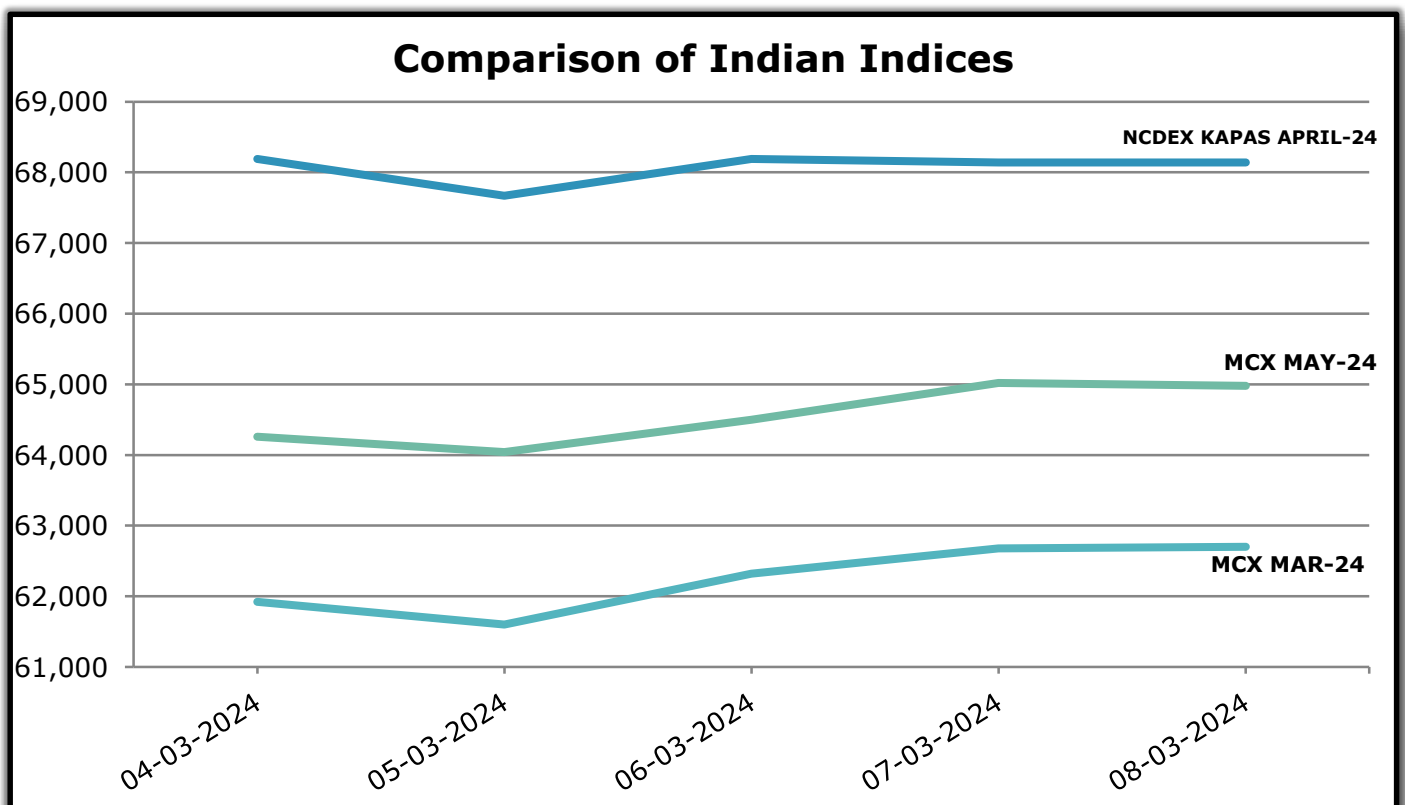




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Mar-24	May-24
04-03-2024	68,192	61,920	64,260
05-03-2024	67,669	61,600	64,040
06-03-2024	68,192	62,320	64,500
07-03-2024	68,139	62,680	65,020
08-03-2024	68,139	62,700	64,980
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

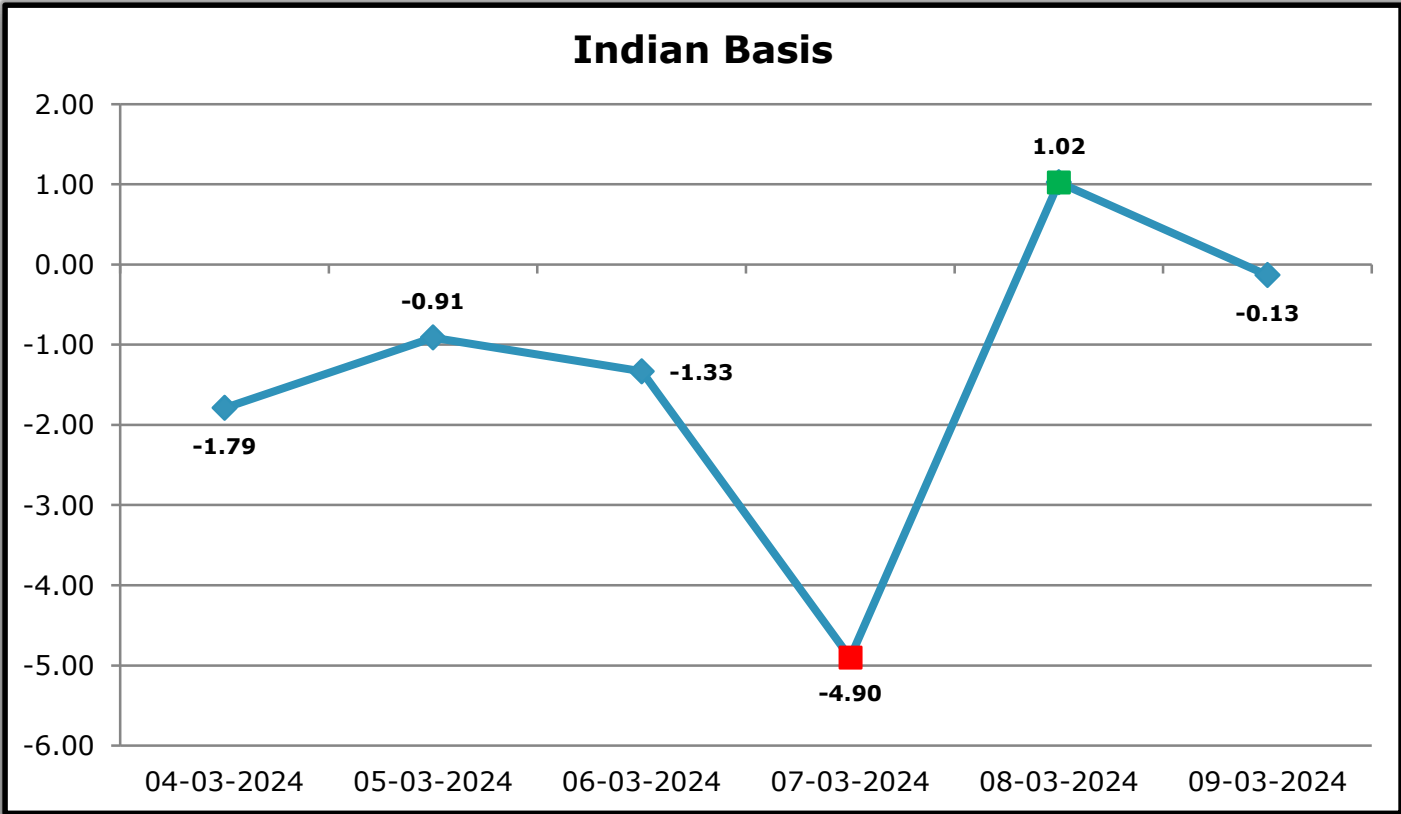




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAY	BASIS
04-03-2024	60,300	82.89	92.79	94.58	-1.79
05-03-2024	60,650	82.89	93.33	94.24	-0.91
06-03-2024	61,000	82.82	93.95	95.28	-1.33
07-03-2024	61,250	82.78	94.38	99.28	-4.90
08-03-2024	62,500	82.78	96.30	95.28	1.02
09-03-2024	61,750	82.78	95.15	95.28	-0.13





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IN THE WEEK AHEAD

- Now that planting has started in South Texas, weather will become the central focus as many traders' attention has begun to pivot to next season's crop.
- From a fundamental standpoint, next week should be quiet in the cotton market. The weekly Export Sales Report and growing certificated stock will continue to be monitored.

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- All India Cotton Sowing data
- Gujarat Cotton Sowing District wise Report
- US Export Sales Report
- US Crop Progress Report
- China Cotton Auction Update
- International Cotton Indices and Spot Rates.
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