



# GUJCOT TRADE ASSOCIATION

**WEEKLY REPORT      13-Jan-2024**

## **Market Movement from 08th Jan 2024 to 13th Jan 2024.**

- Team Gujcot extends warm wishes for a joyous Makar Sankranti, Happy Lohri, and a delightful Pongal to all our friends in the cotton community. May the festivities bring prosperity, happiness, and abundant success to everyone!
- NY March cotton futures showed a resilient performance, reaching 80.19 on January 5th and further advancing to 81.31 on January 12th, with help of robust export sales and shipments reflecting a noteworthy week-over-week gain of 1.12 cents.
- In the U.S. Cotton Export Weekly Report for the week ending January 4, 2024, export sales for the 2023-2024 season displayed robust figures with net upland sales totaling 2,62,500 bales and upland shipments reaching 2,28,100 bales. Net Pima sales amounted to 2,000 bales, with Pima shipments at 26,700 bales, resulting in a total sales volume of 2,64,500 bales. Looking ahead



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to the 2024-2025 season, there were net upland sales of 22,000 bales, while Pima sales remained at zero, bringing the overall total to 22,000 bales. These numbers underscore the ongoing strength and stability in the U.S. cotton market, pointing towards a positive outlook for the industry in the upcoming season.

- In the USDA's January 2024 WASDE report, the U.S. cotton forecast for the 2023-24 season shows reduced production, exports, and ending stocks, mainly due to lower output in Texas. Global 2023-24 ending stocks are forecasted to be 2.0 million bales higher, driven by increased beginning stocks, production, and lower consumption. The decrease in consumption is attributed to several countries, including India, Indonesia, Pakistan, Uzbekistan, and Turkey. Despite 2,60,000 bales increase in global production, lower U.S. production is offset by higher yields in China and Argentina. World trade remains relatively stable, with China's increased imports balanced by reductions in Indonesia, Pakistan, and other



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smaller countries. The season-average upland price received by U.S. farmers is projected to be 1 cent lower at 76 cents per pound.

- The Gujcot Spot Rate for cotton exhibited subtle fluctuations. Beginning the week at 55,100 on both Monday and Tuesday, there was a marginal decrease to 55,050 on Wednesday, followed by a slightly more noticeable decline to 55,000 on Thursday. However, the market experienced a modest recovery on Friday, with the rate rising to 55,200 and closing the week on Saturday at 55,300.
- The daily arrival of cotton in India approached nearly 2 lakh bales, with Gujarat contributing 45,000 bales per day.
- The Indian basis demonstrated attractiveness, hovering around 300 to 400 in relation to NY March future. Consequently, basis players were actively engaged in purchasing activities.
- Indian mills are facing challenges in raising their yarn rates, leading to a sluggish pace in the purchase of higher rates. However, overall yarn lifting remains satisfactory.



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- Throughout the week, the USD-INR Exchange Rate witnessed a gradual decline. Commencing on Monday at 83.13, the rate dipped slightly to 83.11 on Tuesday, followed by a marginal decrease to 83.03 on Wednesday. The trend continued with a minimal drop to 83.02 on Thursday, culminating in a lower figure of 82.92 on Friday. This week's report suggests a persistent downward trajectory in the USD-INR Exchange Rate, highlighting potential factors influencing the currency pair dynamics during the observed period.
- The upcoming week marks the commencement of festive celebrations. We extend warm wishes for joyful and happy festival days to all.



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## USDA-WASDE

This month's U.S. 2023/24 cotton forecasts include lower production, exports, and ending stocks. Production is 342,000 bales lower, at 12.4 million bales, largely due to reductions in Texas. Exports are 100,000 bales lower, and ending stocks are 200,000 bales lower at 2.9 million. The season-average upland price received by farmers is projected 1 cent lower this month at 76 cents per pound.

World 2023/24 ending stocks are forecast 2.0 million bales higher this month driven by higher beginning stocks and production together with lower consumption. Lower 2022/23 consumption in Uzbekistan accounts for most of this month's 400,000-bale increase in 2023/24 beginning stocks. World consumption in 2023/24 is forecast 1.3 million bales lower than last month due to reductions for India, Indonesia, Pakistan, Uzbekistan, and Turkey. World production is 260,000 bales higher with China's crop up 500,000 bales and Argentina's production higher as well, but lower U.S. production. World trade is little-changed as a 500,000-bale increase in China's projected imports is more than offset by reductions in Indonesia, Pakistan, and several smaller countries.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 2,62,500 RB for 2023-2024 were up noticeably from the previous week and up 49 percent from the prior 4-week average. Increases primarily for China (1,17,900 RB, including decreases of 3,100 RB), Vietnam (1,17,900 RB, including 1,000 RB switched from South Korea, 900 RB switched from Macau, 700 RB switched from Japan, and decreases of 2,900 RB), Bangladesh (18,000 RB), Pakistan (11,300 RB), and South Korea (4,300 RB), were offset by reductions for Turkey (13,100 RB).
- Total net UPLAND sales of 22,000 RB for 2024-2025 were for Turkey.
- UPLAND Exports of 2,28,100 RB were up 7 percent from the previous week and 12 percent from the prior 4-week average. The destinations were primarily to China (1,42,000 RB), Vietnam (21,200 RB), Bangladesh (11,400 RB), Indonesia (7,500 RB), and Turkey (7,200 RB).
- Net sales of PIMA totaling 2,000 RB for 2023-2024 were down 5 percent from the previous week and 59 percent from the prior 4-week average. Increases were reported for India (1,700 RB), China (200 RB), and Turkey (100 RB).
- PIMA Exports of 26,700 RB--a marketing-year high--were up noticeably from the previous week and from the prior 4-week average. The destinations were primarily to China (19,100 RB), Vietnam (2,400 RB), Egypt (2,100 RB), Thailand (1,000 RB), and Pakistan (900 RB).

US Export Sales	04-Jan-2024
Marketing Year 2023-24	
Upland Gross Sales	2,81,900
Cancellation	19,400
<b>Net Upland Sales</b>	<b>2,62,500</b>
PIMA Gross Sales	2,000
Cancellation	0
<b>Net PIMA Sales</b>	<b>2,000</b>
Total Gross Sales	2,83,900
Total Cancellation	19,400
<b>Total Net Sales</b>	<b>2,64,500</b>
Shipments	
UPLAND	2,28,100
PIMA	26,700
<b>Total Shipment</b>	<b>2,54,800</b>
Marketing Year 2024-25	
Net Upland Sales	22,000
Net PIMA Sales	0
<b>Total Net Sales</b>	<b>22,000</b>
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	06-12-2023	13-01-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	55,300	55,300	0	0.00%
V-797	13% Trash		42,750	42,150	-600	-1.42%
MCX Spot Rate			55,280	55,300	20	0.04%
USD-INR Exchange			83.15	82.92	-0.23	-0.28%

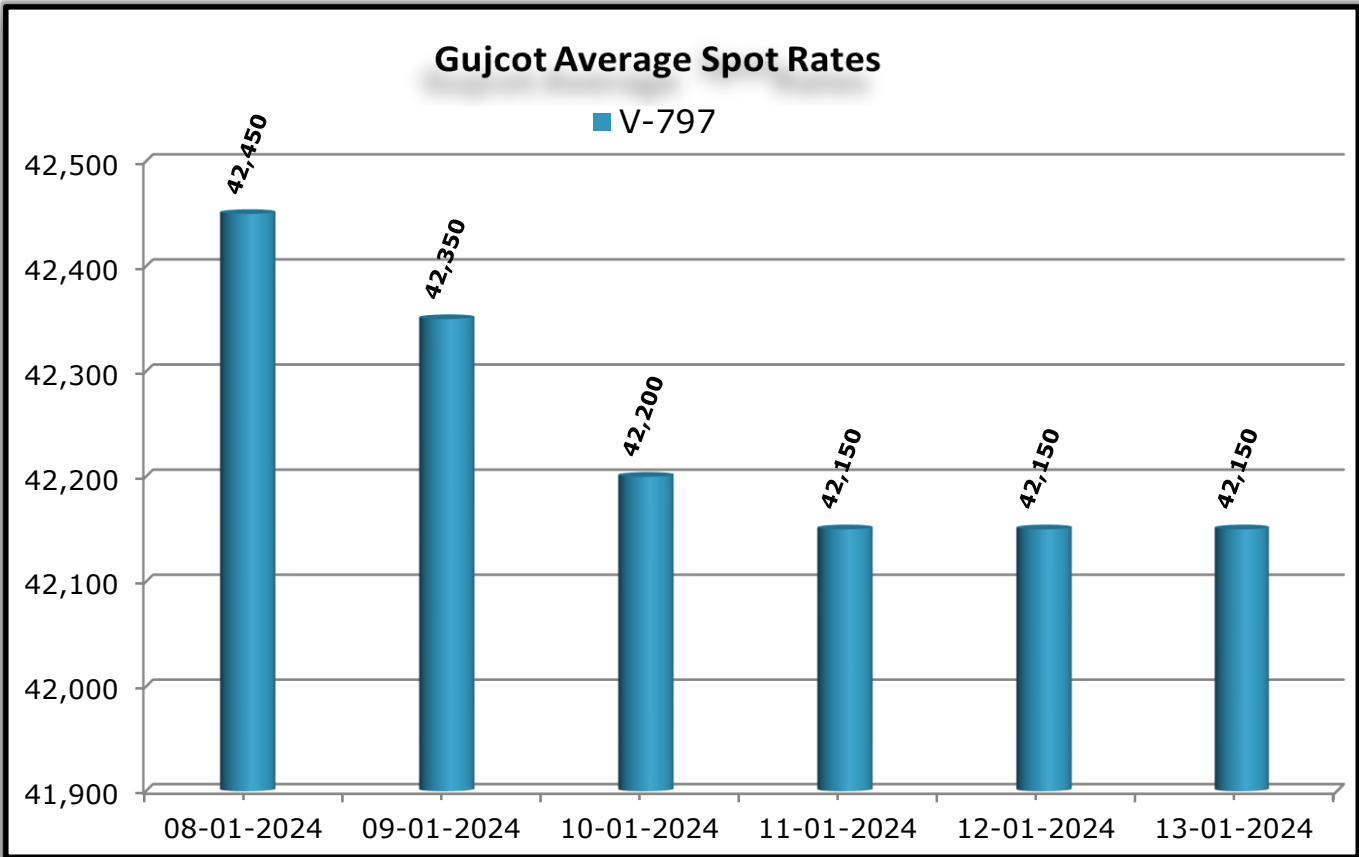
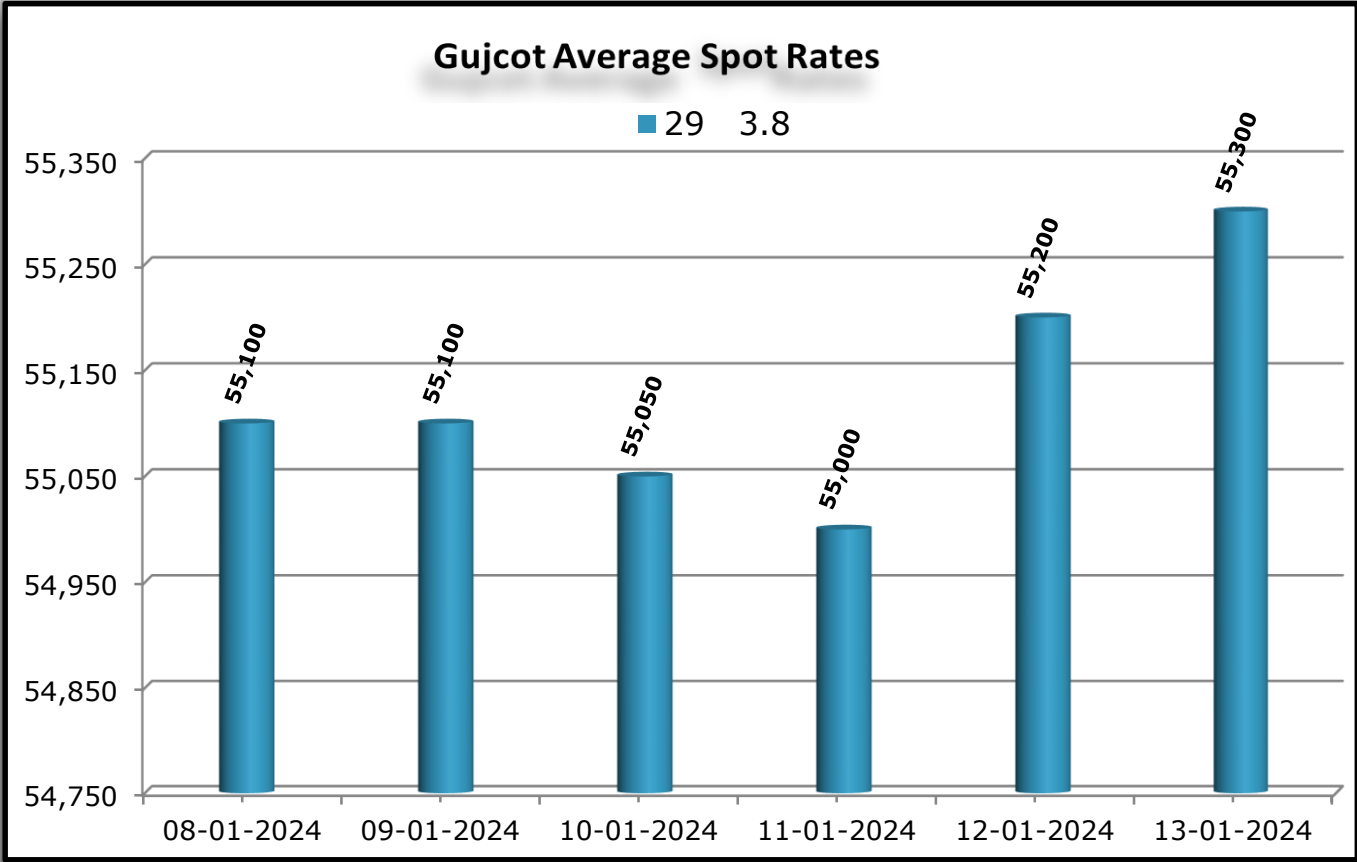
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	55,000	55,300	55,125
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		42,150	42,450	42,242
MCX Spot Rate			55,120	55,300	55,223
USD Exchange Rate			82.92	83.13	83.02

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
08-01-2024	55,100	42,450	55,180	83.13
09-01-2024	55,100	42,350	55,300	83.11
10-01-2024	55,050	42,200	55,140	83.03
11-01-2024	55,000	42,150	55,120	83.02
12-01-2024	55,200	42,150	55,300	82.92
13-01-2024	55,300	42,150	55,300	82.92



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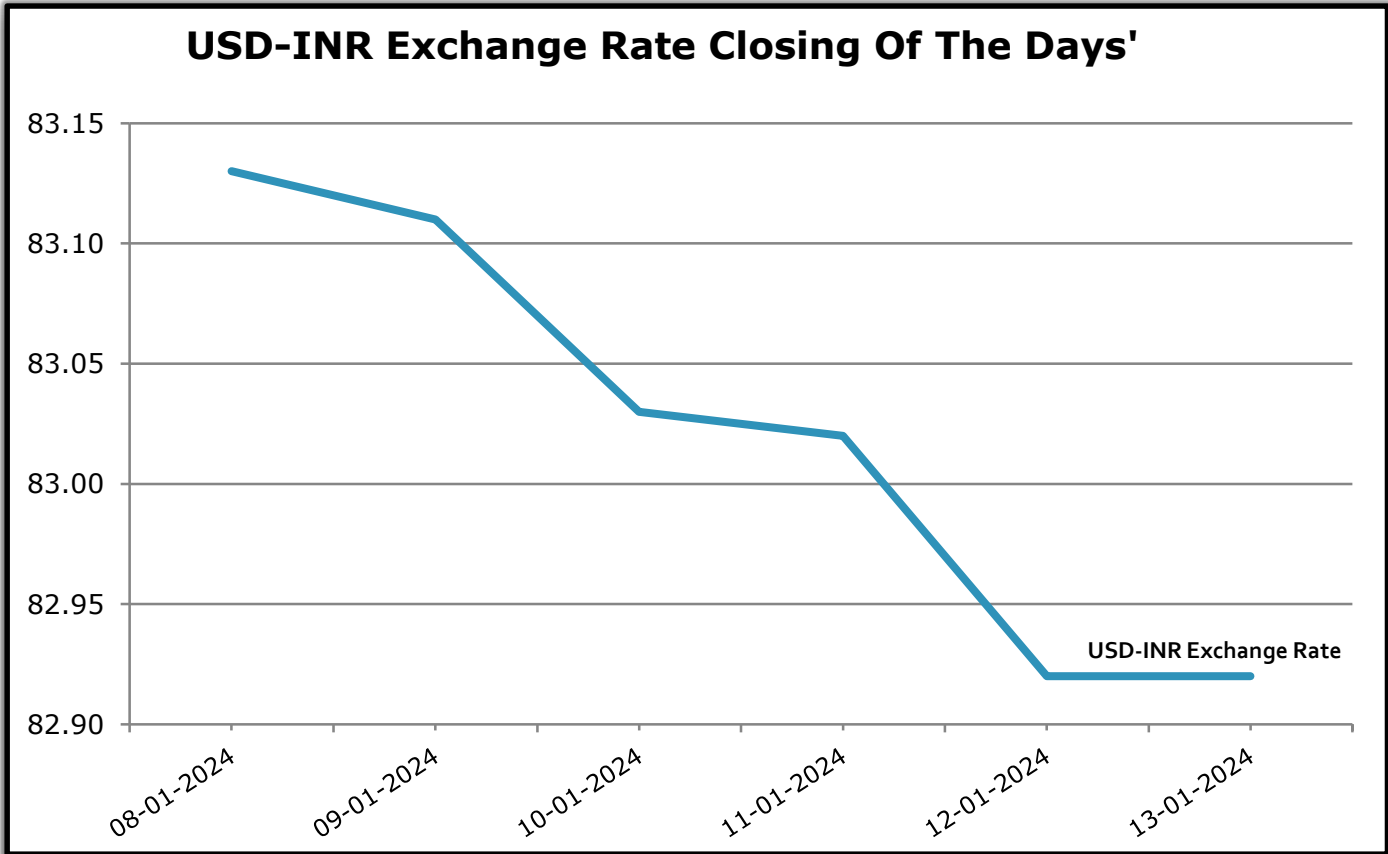
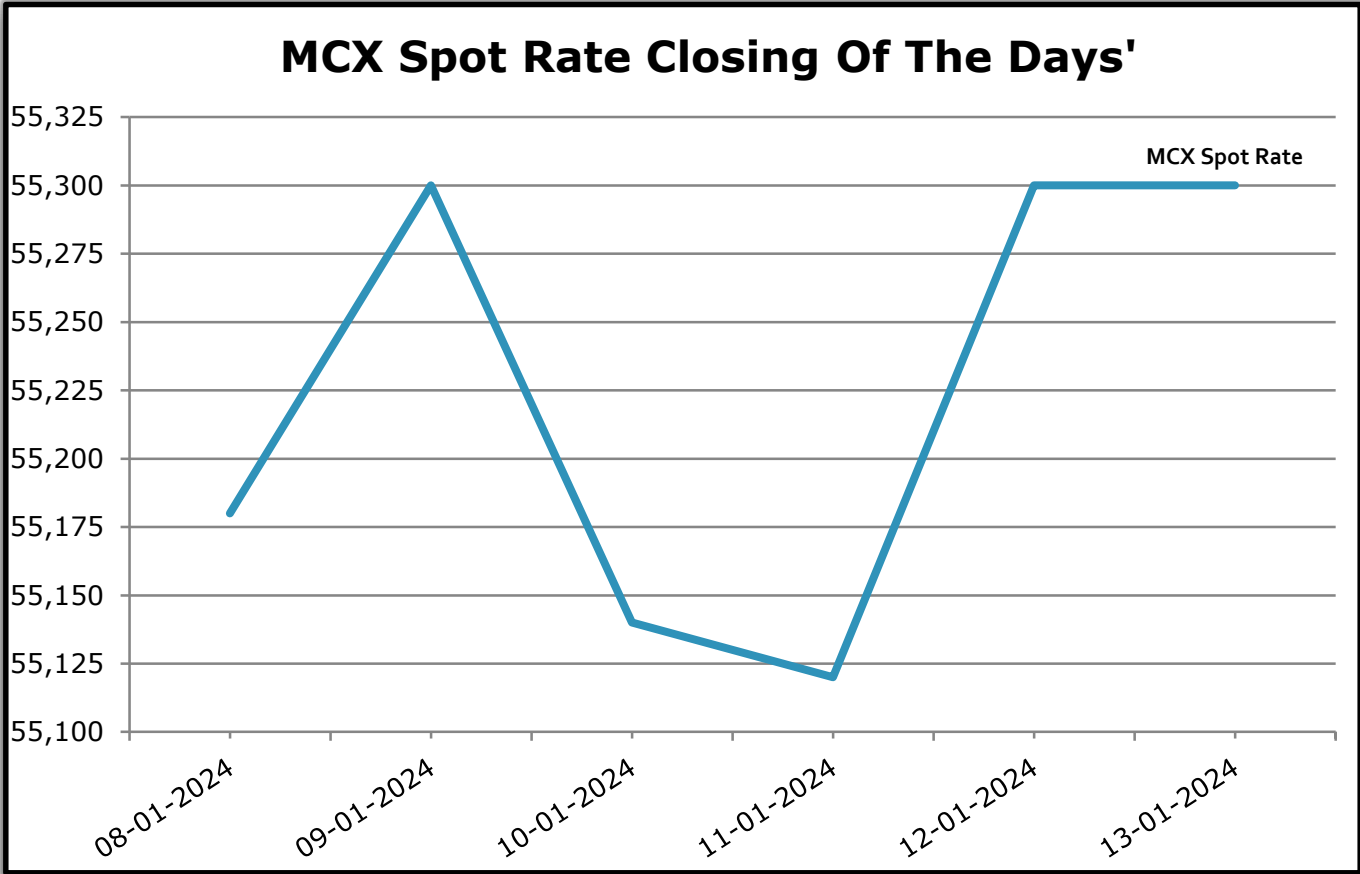






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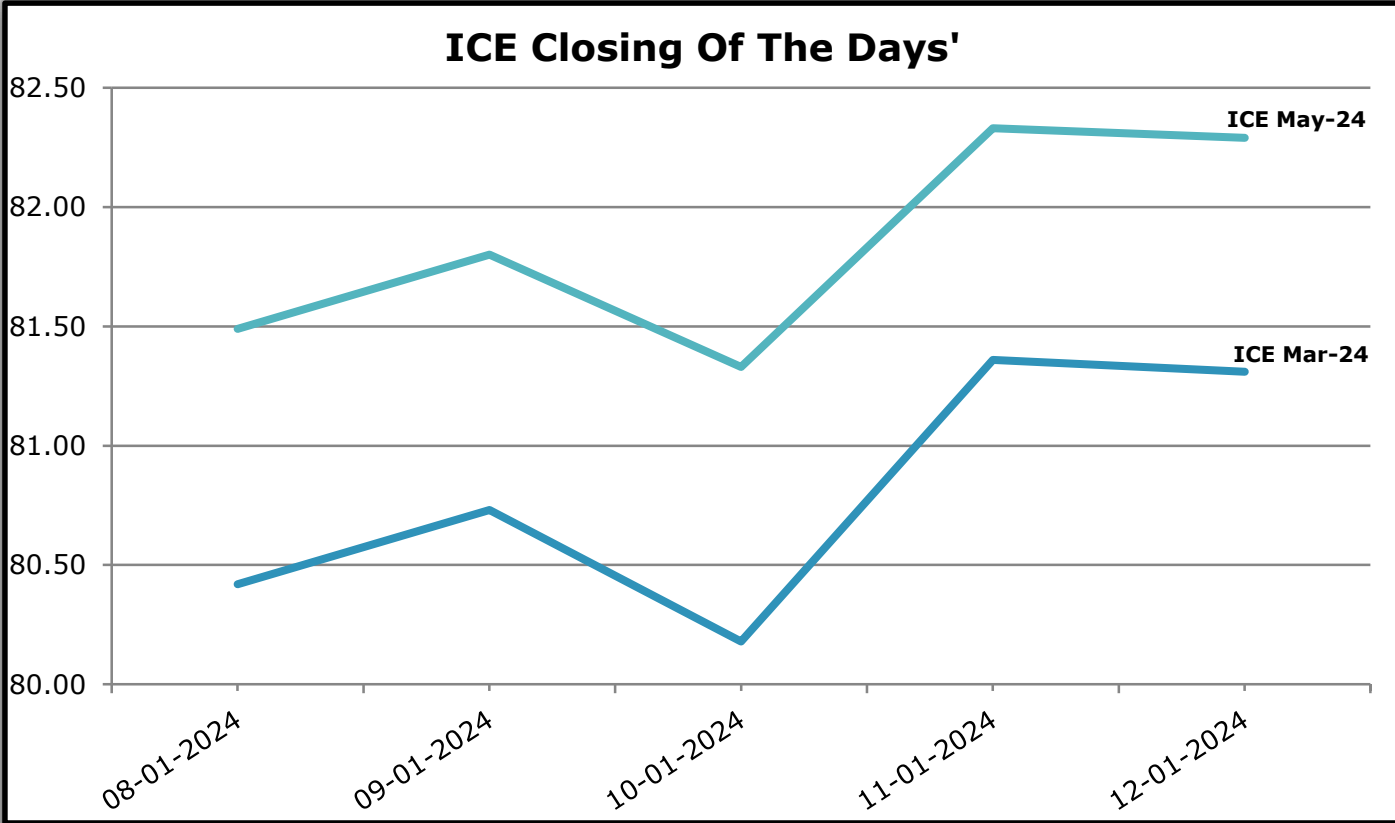
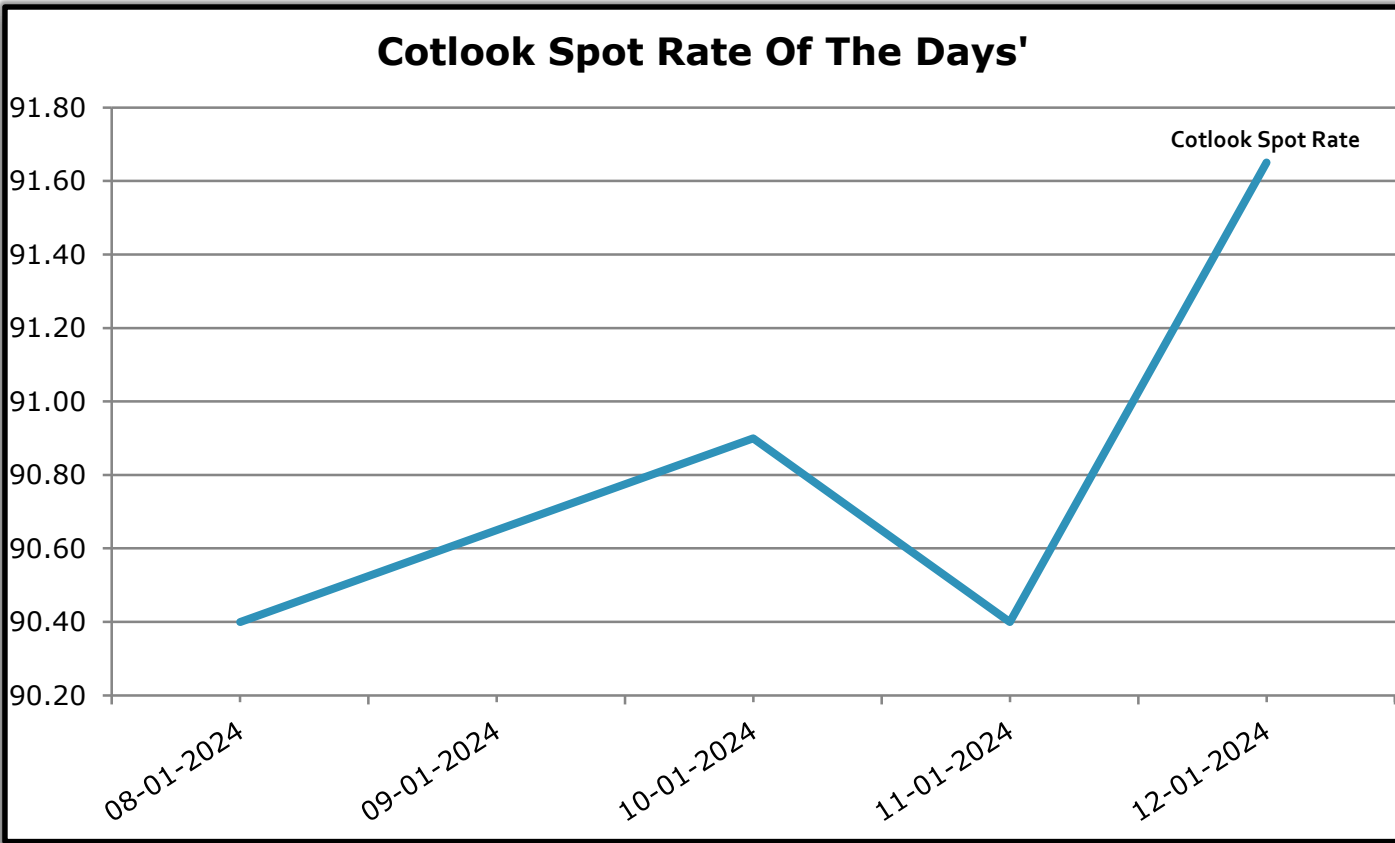


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-24	May-24
08-01-2024	90.40	80.42	81.49
09-01-2024	90.65	80.73	81.80
10-01-2024	90.90	80.18	81.33
11-01-2024	90.40	81.36	82.33
12-01-2024	91.65	81.31	82.29



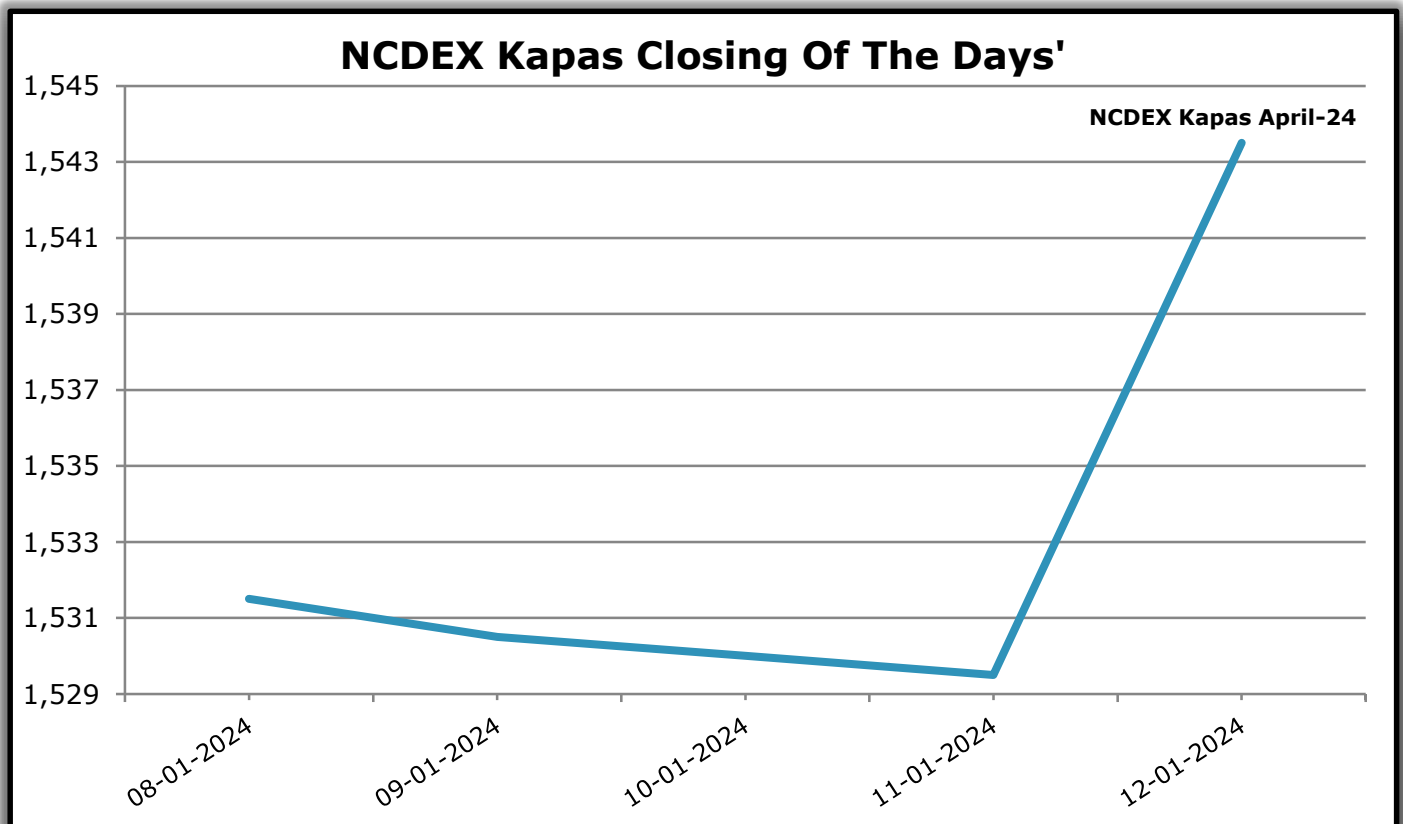


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Indian Indices	
Date	NCDEX Kapas
	April-24
08-01-2024	1,531.50
09-01-2024	1,530.50
10-01-2024	1,530.00
11-01-2024	1,529.50
12-01-2024	1,543.50

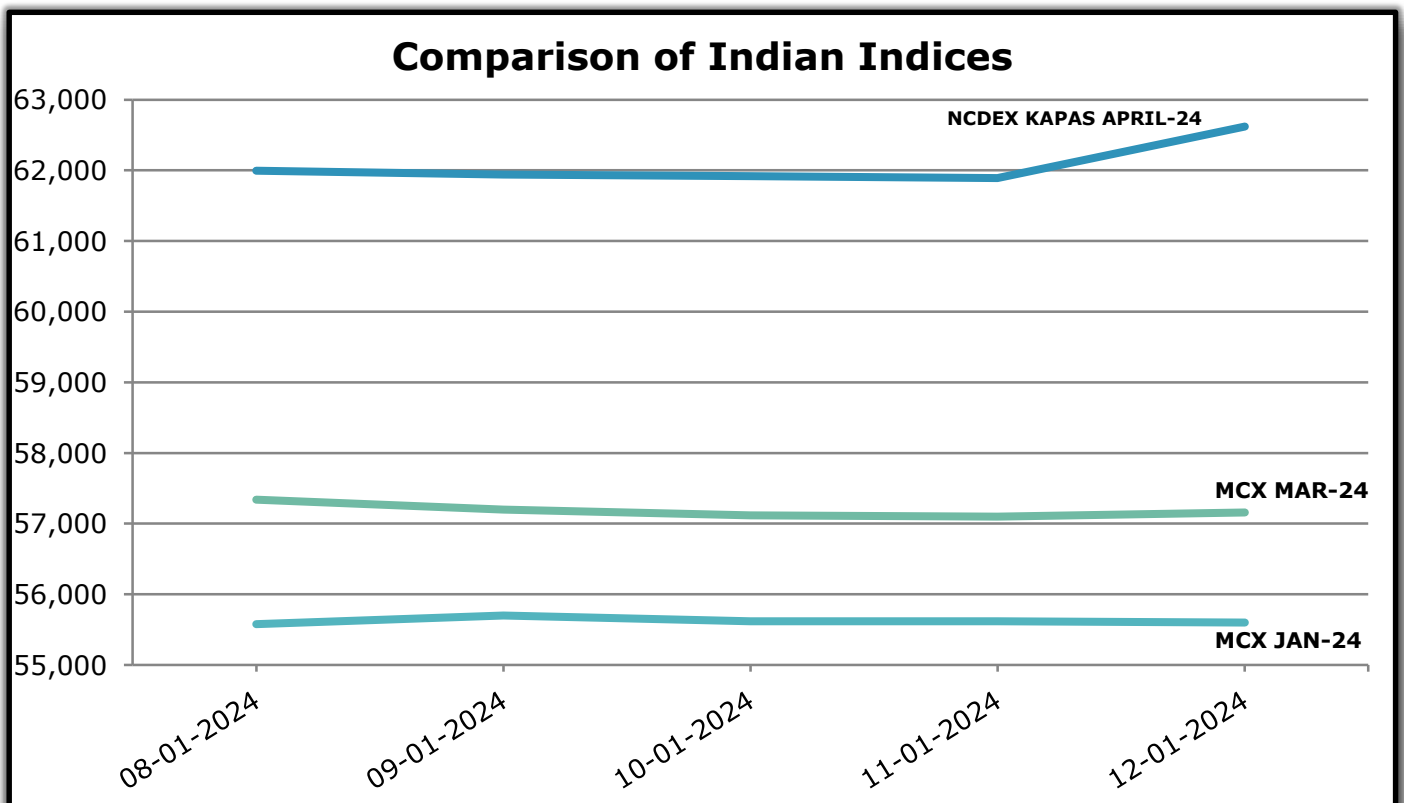




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Jan-24	Mar-24
08-01-2024	61,995	55,580	57,340
09-01-2024	61,942	55,700	57,200
10-01-2024	61,916	55,620	57,120
11-01-2024	61,890	55,620	57,100
12-01-2024	62,622	55,600	57,160
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

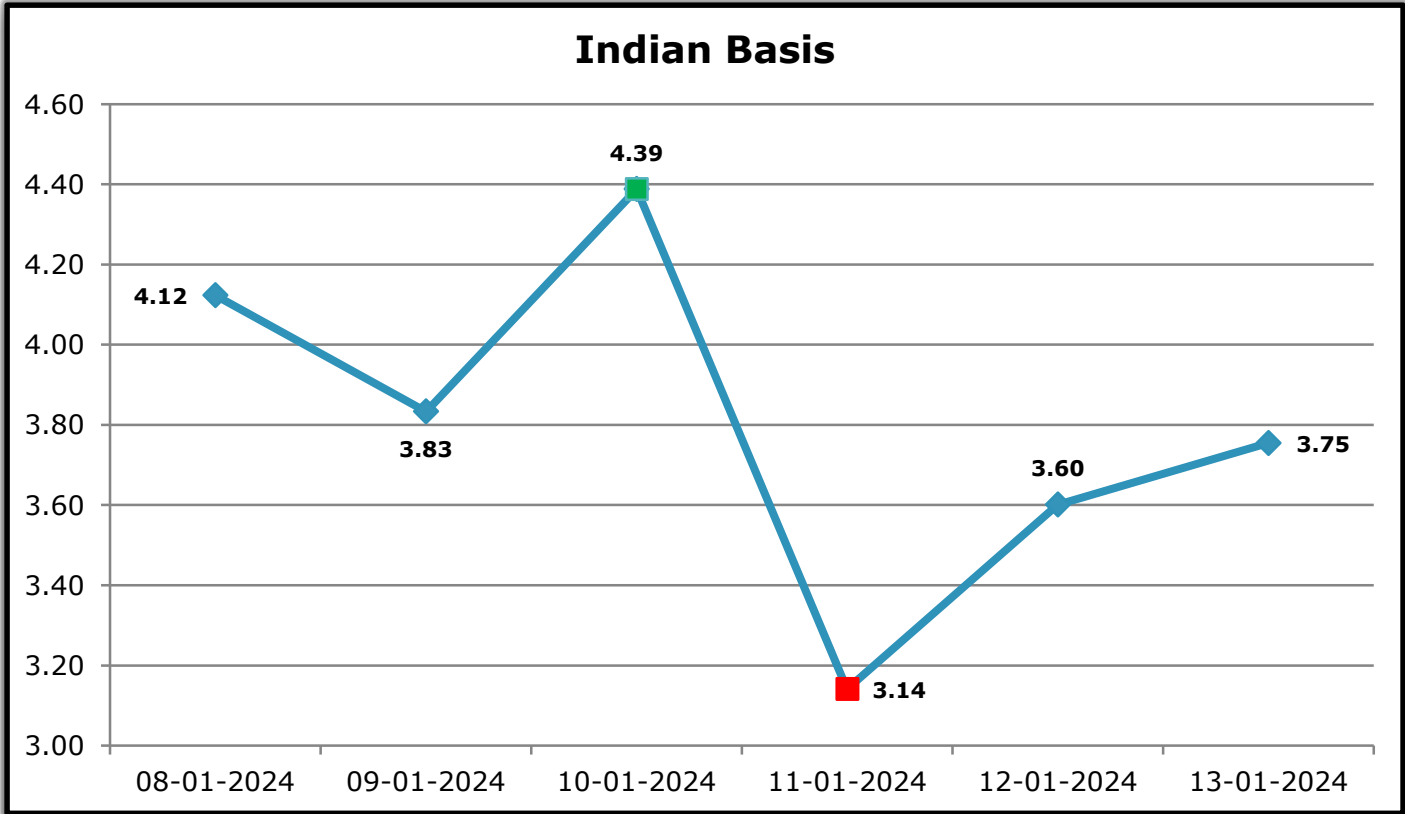




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
08-01-2024	55,100	83.13	84.54	80.42	4.12
09-01-2024	55,100	83.11	84.56	80.73	3.83
10-01-2024	55,050	83.03	84.57	80.18	4.39
11-01-2024	55,000	83.02	84.50	81.36	3.14
12-01-2024	55,200	82.92	84.91	81.31	3.60
13-01-2024	55,300	82.92	85.06	81.31	3.75





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### IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Monday (all day) – Market Closed for MLK Day
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton On-Call

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- China Cotton Auction Update
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