



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 17-Feb-2024

Market Movement from 12th Feb 2024 to 17th Feb 2024.

- Despite strong buying from funds and speculators, NY futures have faced resistance at the 96 cents level, resulting in a partial retracement of gains. Despite March gains nearing a crucial point, the market remains bullish. Export sales, although lower than previous weeks, are not viewed negatively, contributing to a positive market outlook. The challenge of breaking the 96 cents resistance level has prompted a reassessment of recent developments, but overall, the market sentiment remains optimistic. Ny march ended with weekly gain of 209 points.
- In the latest U. S. Export Sales Report for the week ending 08-Feb-2024, export sales for the 2023-2024 season revealed net upland sales of 1,60,400 bales, with upland shipments totaling 2,76,100 bales. Net Pima sales amounted to 5,300 bales, and Pima shipments reached 5,500 bales, resulting in a total of 1,65,700 bales for the week. Looking ahead to the 2024-2025 season, there were net upland sales of 7,700 bales, while Pima sales remained at zero, bringing the total for the upcoming season to 7,700 bales.



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These figures provide insights into the current trends and projections for U.S. cotton export activities.

- This week, the Gujcot Spot Rate for cotton displayed a dynamic pattern. Starting at 56,650 on Monday, there was a slight decline to 56,550 on Tuesday. However, the market regained momentum on Wednesday, reaching 57,050. The positive trend persisted with a further increase on Thursday to 57,750, followed by a peak on Friday at 57,950. Closing the week, the rate on Saturday remained 57,800 Rs per candy encapsulating the overall fluctuations influenced by factors such as market demand, supply dynamics, and external conditions.
- The arrival of Indian physical cotton has slowed to approximately 1,50,000 bales per day, with Gujarat contributing 42,000 bales daily.
- The Indian physical market exhibited strength with active participation from both merchants and exporters, contributing to a firm market. The attractiveness of Indian prices has stimulated robust buying interest.



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- The attractive Indian basis positions Indian cotton in the most cost-effective range. Given this favorable basis, both raw cotton export and cotton yarn export are considered economically viable.
- In a scenario of sluggish demand, there is a concern that the demand could shift towards alternative fibers, potentially leading to a reduction in cotton consumption.
- Throughout the week, the USD-INR exchange rate demonstrated relative stability, opening at 83.00 on Monday and maintaining this level on Tuesday. A slight uptick was observed on Wednesday, reaching 83.03, with a marginal increase to 83.04 on Thursday. The week concluded with a minor adjustment, as the exchange rate settled at 83.01 on Friday. The overall consistency in the exchange rate suggests a balanced market sentiment and perhaps a limited impact from external factors during this period. Traders and stakeholders may find reassurance in the relatively steady performance of the USD-INR pair throughout the week.
- The Indian basis has consistently remained in negative territory, fluctuating between -347 points to -592 points during the week.
- Hope for better next week.



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Global

US Weekly Export Sales

- Net UPLAND sales of Upland totaling 1,60,500 RB for 2023-2024 were down 44 percent from the previous week and 49 percent from the prior 4-week average. Increases primarily for China (57,800 RB, including 2,200 RB switched from Singapore and decreases of 11,100 RB), Turkey (34,700 RB), Pakistan (28,300 RB, including decreases of 15,300 RB), Bangladesh (12,800 RB), and Vietnam (9,600 RB, including 1,900 RB switched from Macau, 400 RB switched from Malaysia, 400 RB switched from South Korea, and 200 RB switched from Japan), were offset by reductions for Singapore (2,200 RB), Macau (1,900 RB), and Taiwan (300 RB).

US Export Sales	08-Feb-2024
Marketing Year 2023-24	
Upland Gross Sales	1,90,100
Cancellation	29,700
Net Upland Sales	1,60,400
PIMA Gross Sales	5,300
Cancellation	0
Net PIMA Sales	5,300
Total Gross Sales	1,95,400
Total Cancellation	29,700
Total Net Sales	1,65,700
Shipments	
UPLAND	2,76,100
PIMA	5,500
Total Shipment	2,81,600
Marketing Year 2024-25	
Net Upland Sales	7,700
Net PIMA Sales	0
Total Net Sales	7,700
All Figures in US Running Bale	

- Net UPLAND sales of 7,700 RB for 2024-2025 were reported for Turkey (2,200 RB), Pakistan (2,200 RB), Mexico (2,100 RB), and Honduras (1,200 RB).
- UPLAND Exports of 2,76,100 RB were up 11 percent from the previous week and 6 percent from the prior 4-week average. The destinations were primarily to China (1,19,000 RB), Vietnam (38,800 RB), Pakistan (33,300 RB), Mexico (12,800 RB), and Turkey (9,500 RB).
- Net sales of PIMA totaling 5,300 RB for 2023-2024 were down 45 percent from the previous week and 32 percent from the prior 4-week average. Increases were primarily for China (2,600 RB), Thailand (900 RB), India (700 RB), Peru (500 RB), and Vietnam (200 RB).
- PIMA Exports of 5,500 RB were down 53 percent from the previous week and 29 percent from the prior 4-week average. The destinations were primarily to India (2,800 RB), China (1,400 RB), Thailand (500 RB), Portugal (200 RB), and Italy (200 RB).



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	10-02-2024	17-02-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	56,650	57,800	1,150	1.99%
V-797	13% Trash		37,350	38,650	1,300	3.36%
MCX Spot Rate			56,200	57,860	1,660	2.87%
USD-INR Exchange			83.03	83.01	-0.02	-0.02%

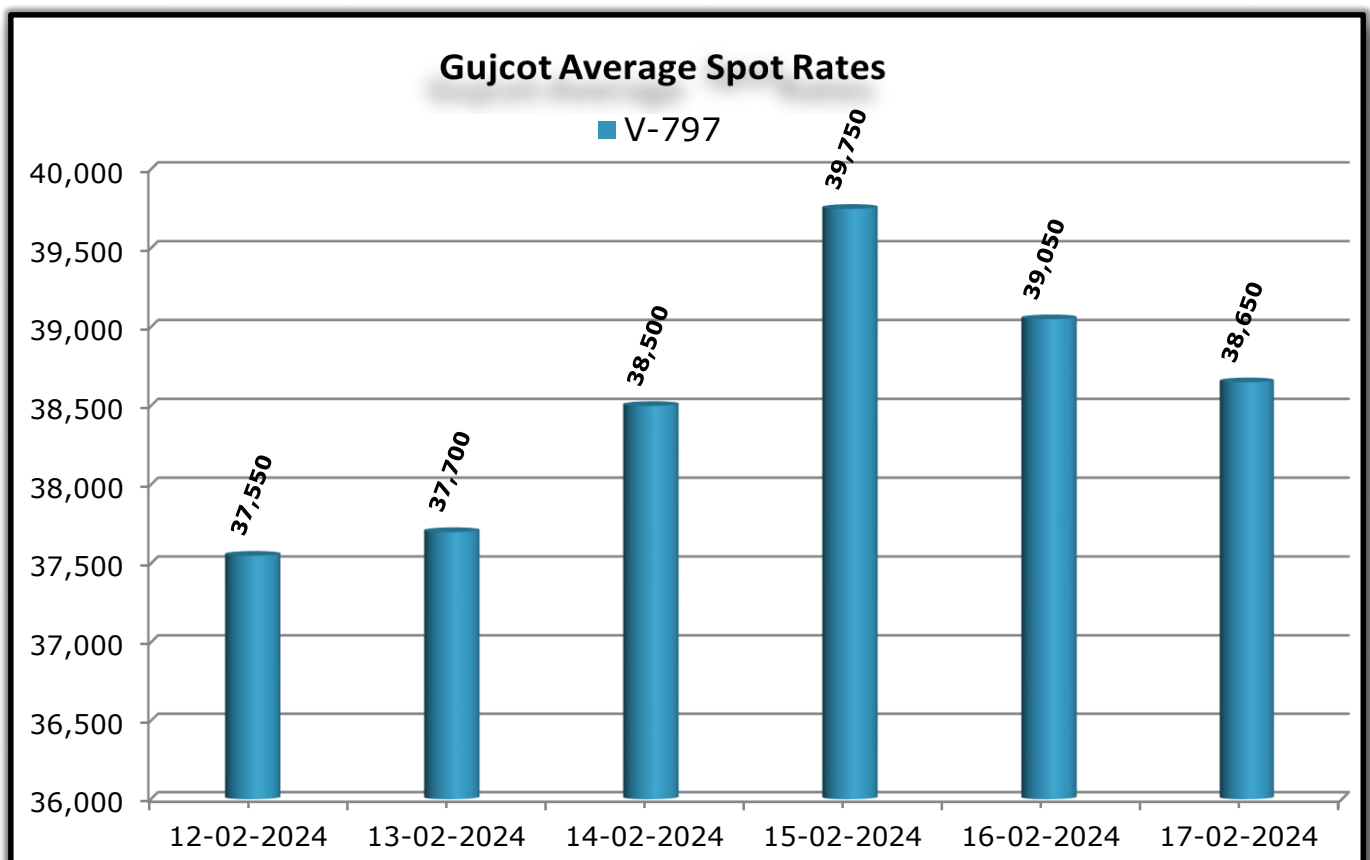
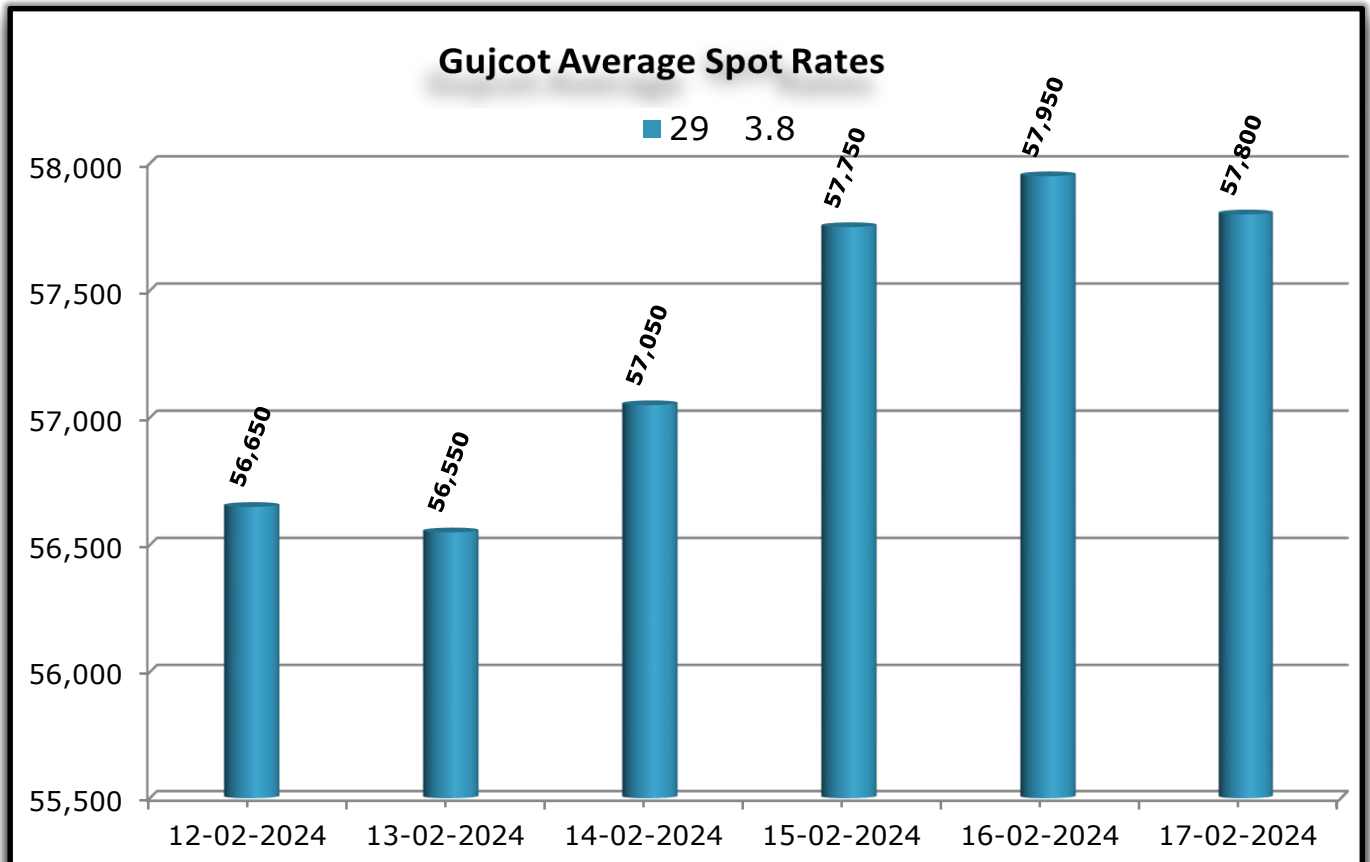
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	56,550	57,950	57,292
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		37,550	39,750	38,533
MCX Spot Rate			56,540	57,860	57,177
USD Exchange Rate			83.00	83.04	83.02

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
12-02-2024	56,650	37,550	56,560	83.00
13-02-2024	56,550	37,700	56,540	83.00
14-02-2024	57,050	38,500	56,780	83.03
15-02-2024	57,750	39,750	57,460	83.04
16-02-2024	57,950	39,050	57,860	83.01
17-02-2024	57,800	38,650	57,860	83.01



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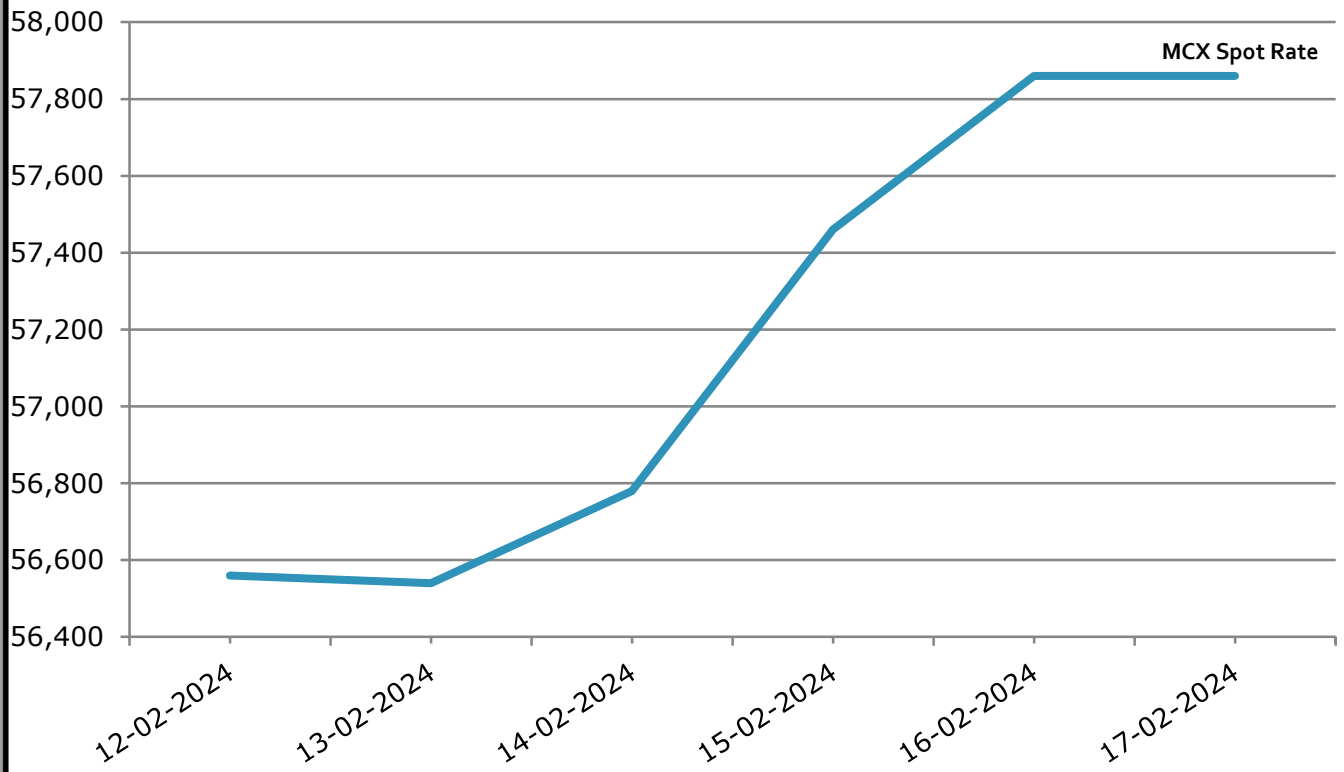




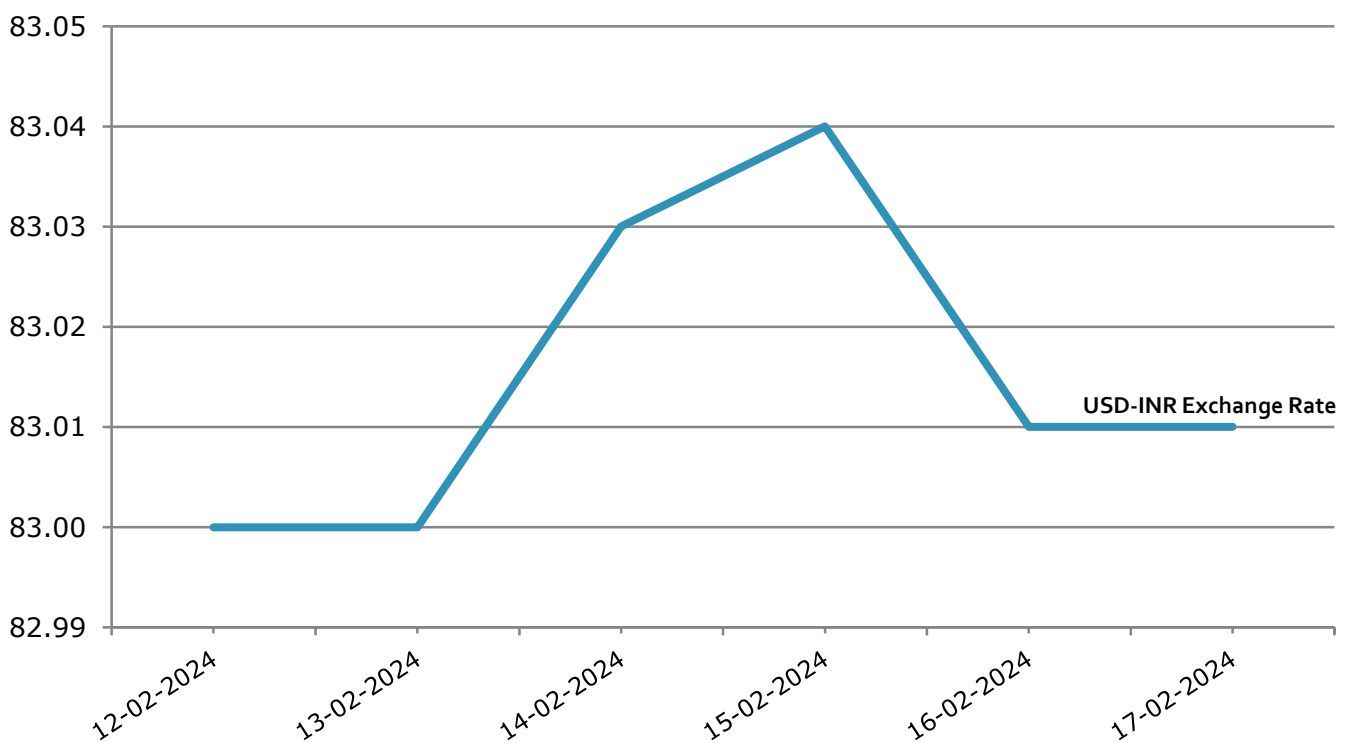
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'



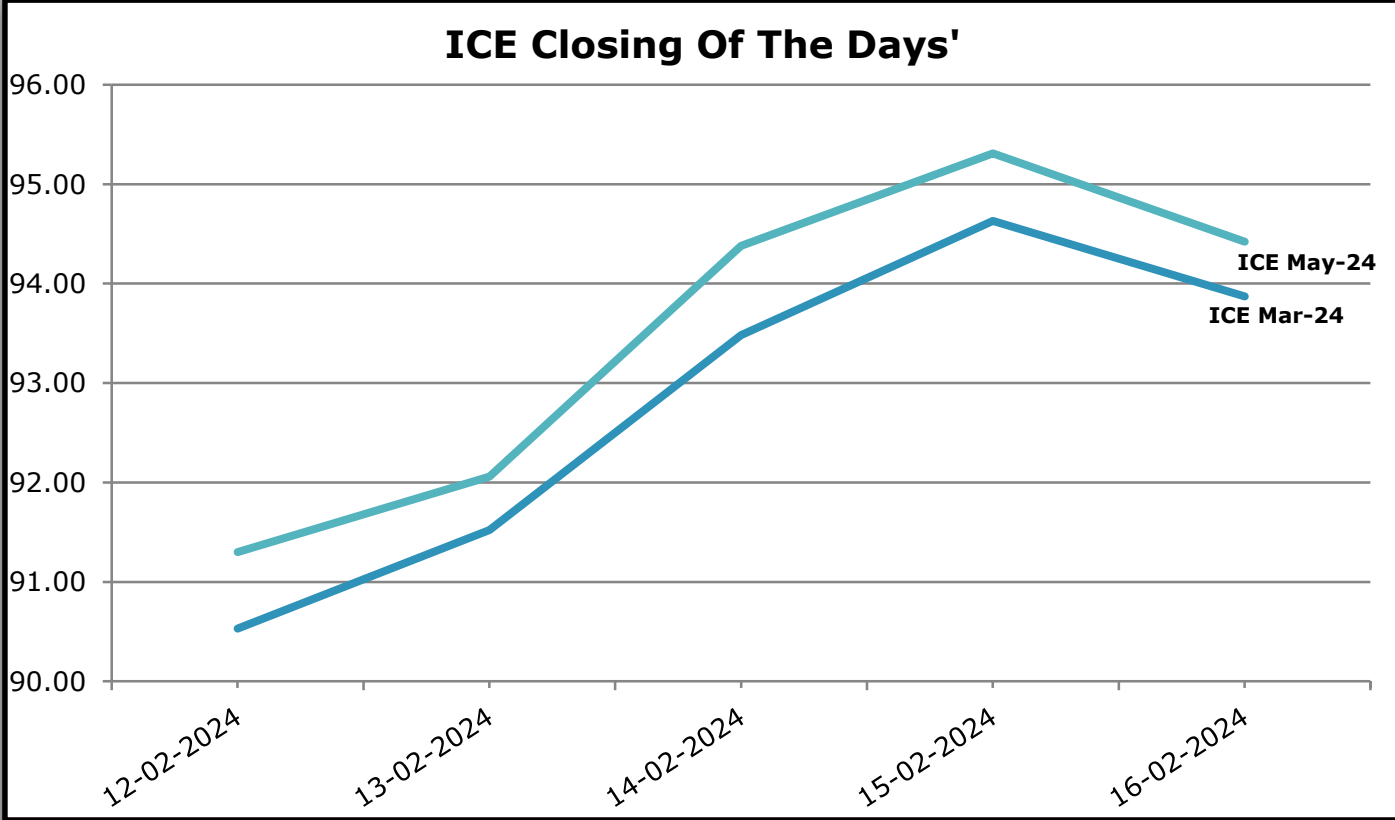
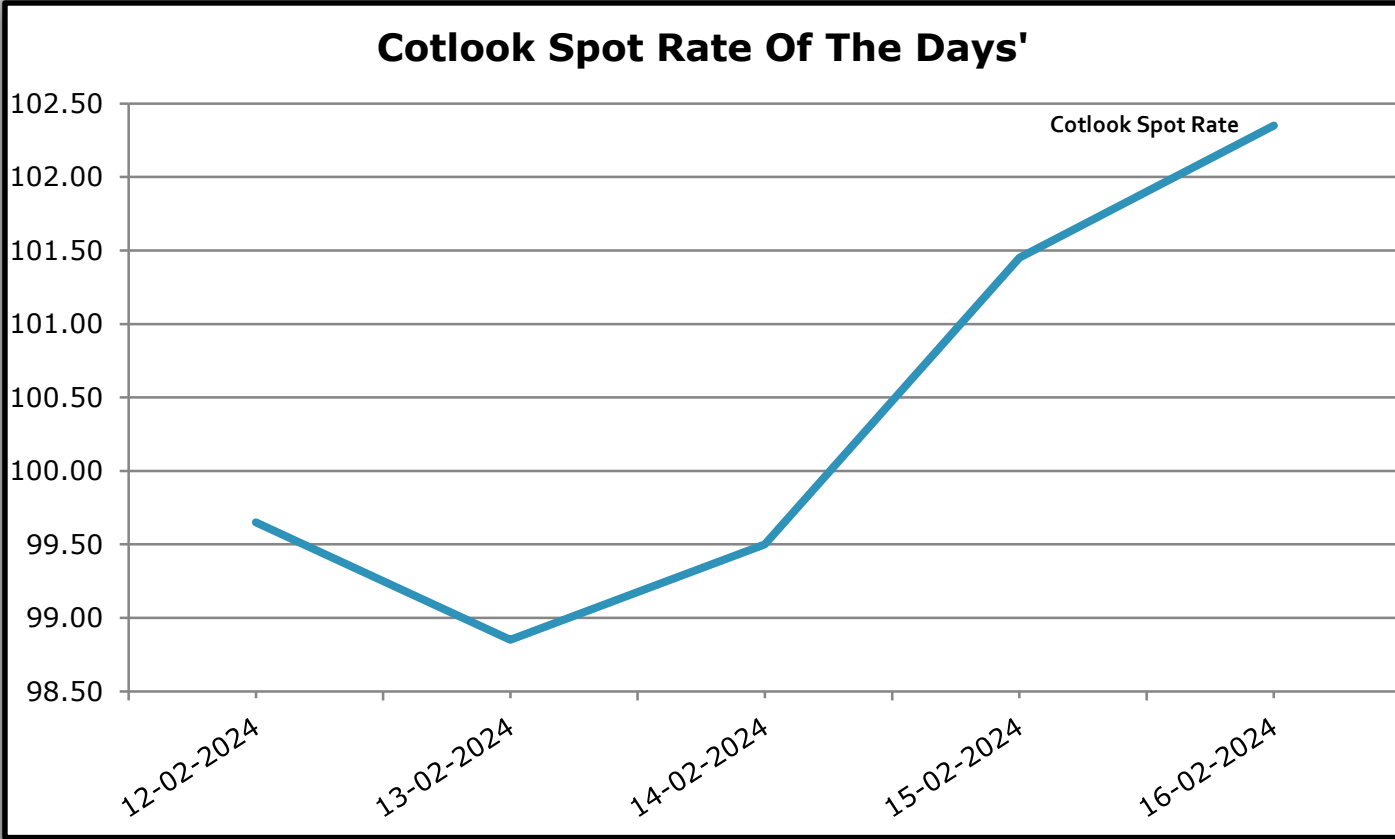


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-24	May-24
12-02-2024	99.65	90.53	91.30
13-02-2024	98.85	91.52	92.06
14-02-2024	99.50	93.48	94.38
15-02-2024	101.45	94.63	95.31
16-02-2024	102.35	93.87	94.42



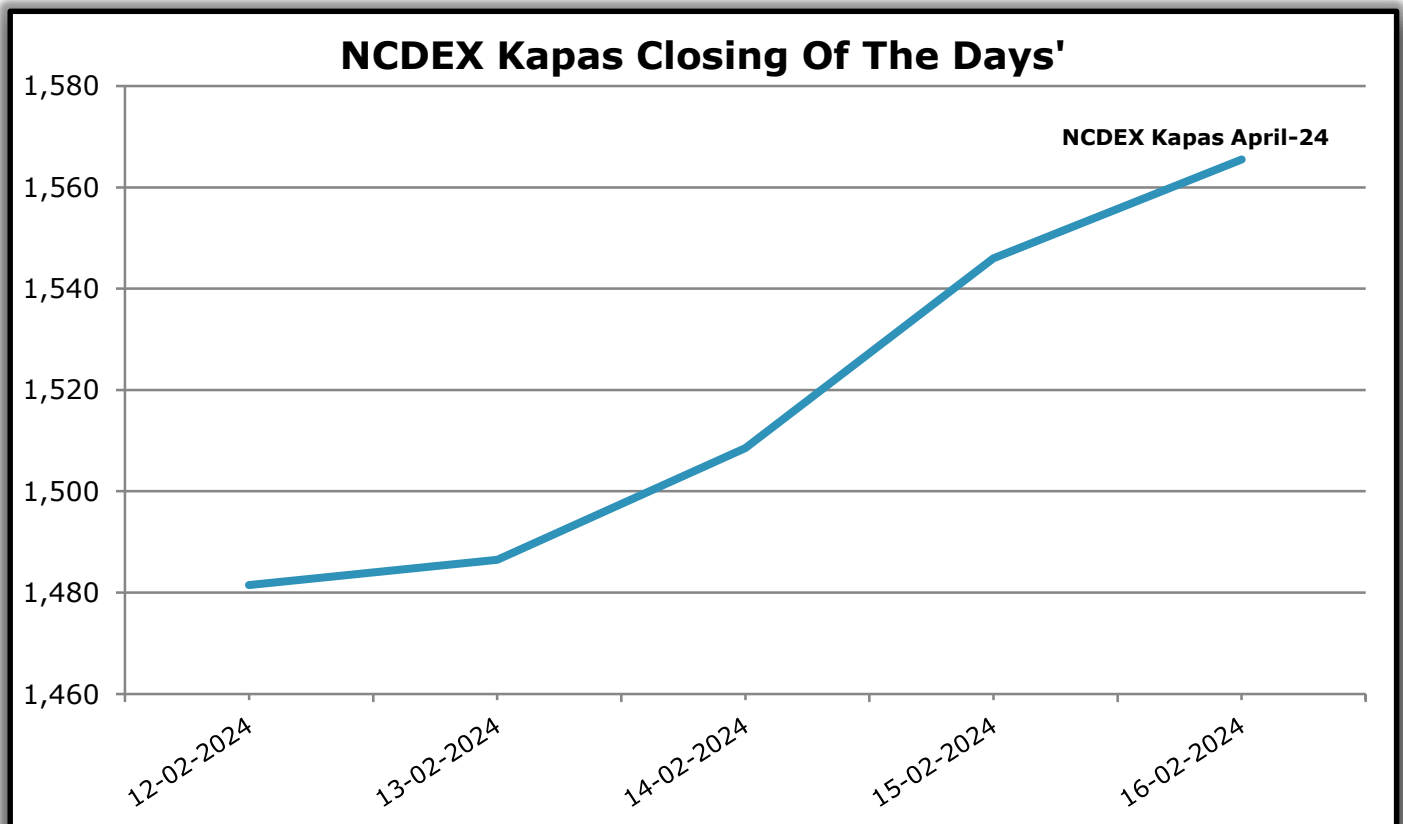


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Indian Indices	
Date	NCDEX Kapas
	April-24
12-02-2024	1,481.50
13-02-2024	1,486.50
14-02-2024	1,508.50
15-02-2024	1,546.00
16-02-2024	1,565.50

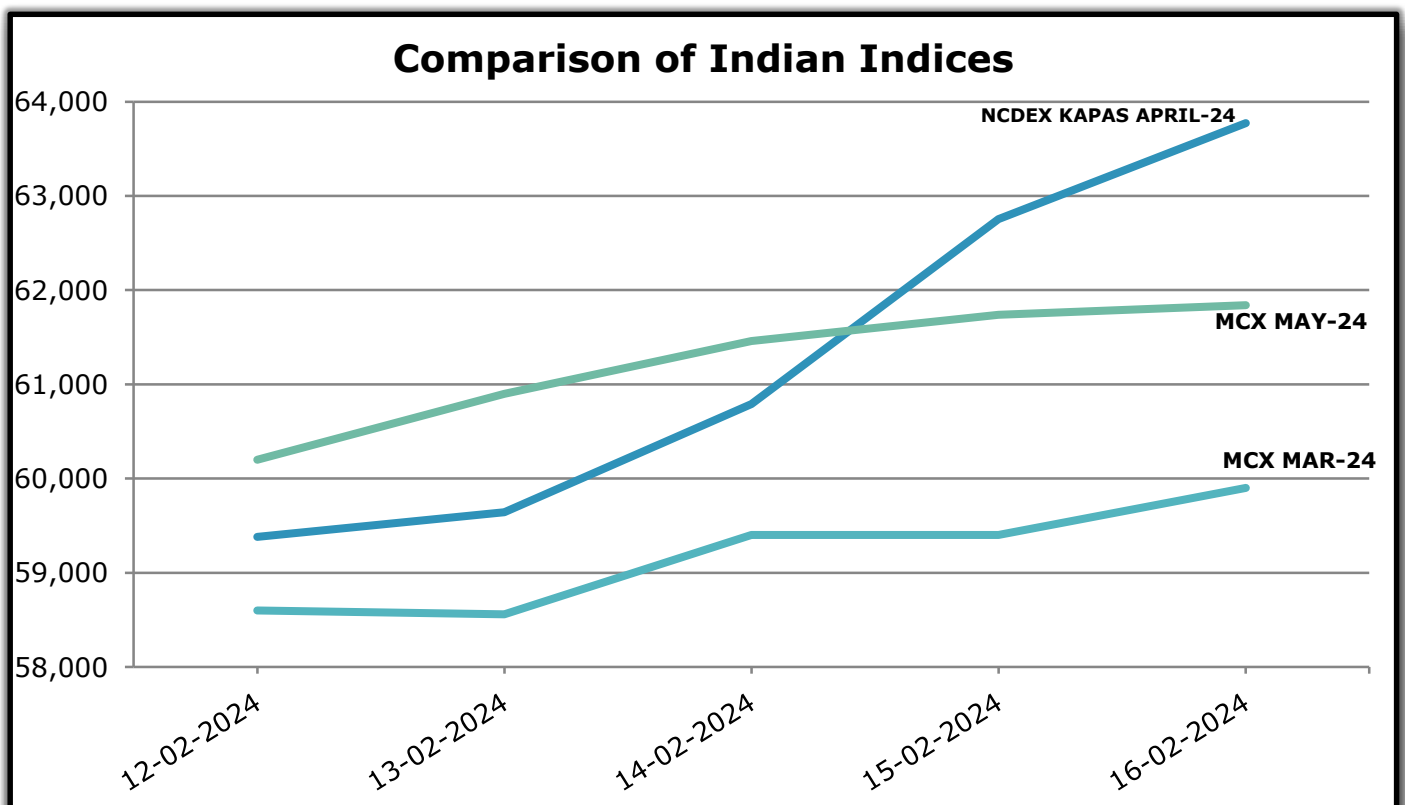




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Mar-24	May-24
12-02-2024	59,380	58,600	60,200
13-02-2024	59,641	58,560	60,900
14-02-2024	60,792	59,400	61,460
15-02-2024	62,753	59,400	61,740
16-02-2024	63,773	59,900	61,840
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

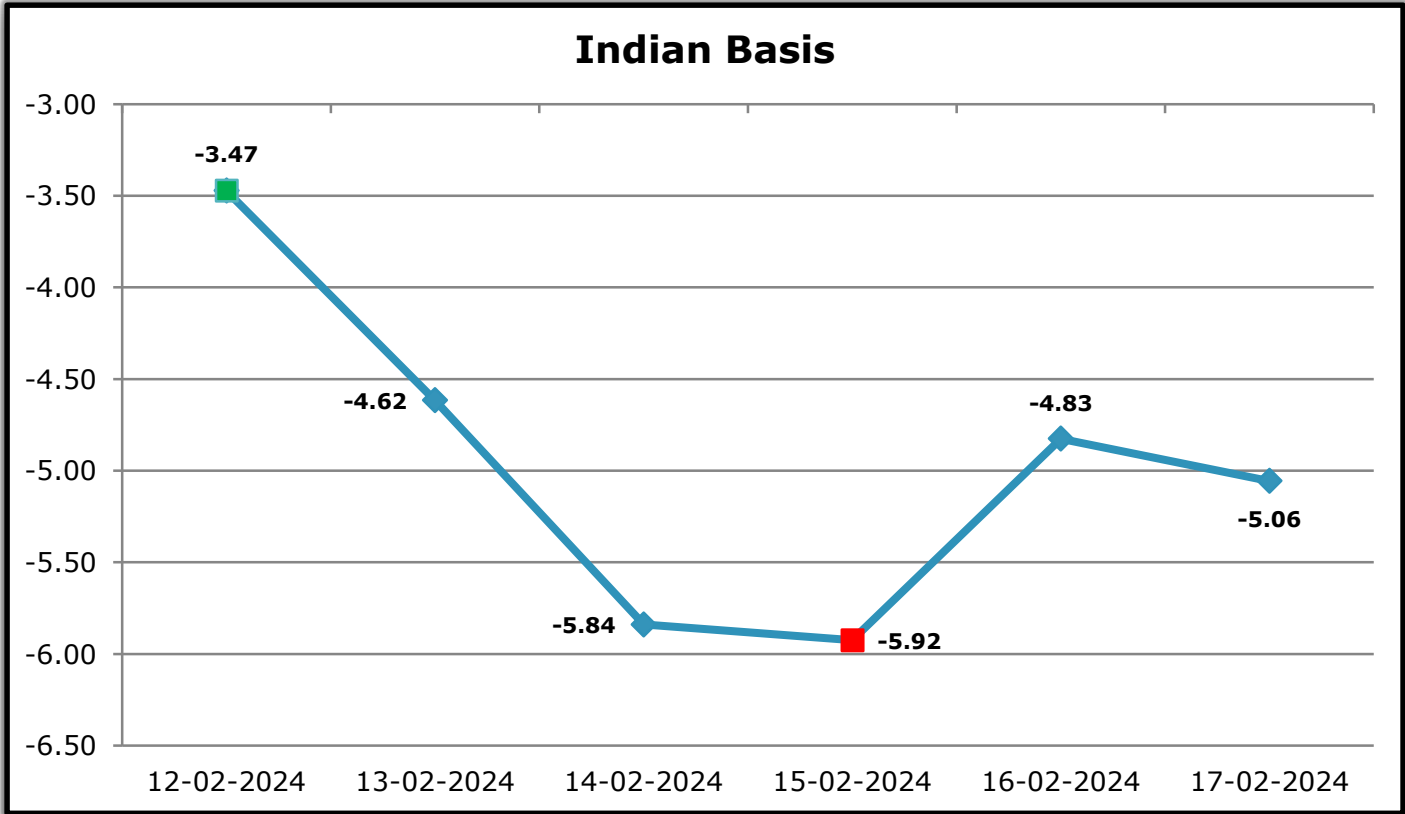




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
12-02-2024	56,650	83.00	87.06	90.53	-3.47
13-02-2024	56,550	83.00	86.90	91.52	-4.62
14-02-2024	57,050	83.03	87.64	93.48	-5.84
15-02-2024	57,750	83.04	88.71	94.63	-5.92
16-02-2024	57,950	83.01	89.04	93.87	-4.83
17-02-2024	57,800	83.01	88.81	93.87	-5.06





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IN THE WEEK AHEAD

- Merchants will be focused on winding down the last bit of their March futures next week, given First Notice Day for March Futures is Friday, February 23.
- Buyers in East Asia should return to the market next week after taking a week-long break for the New Year festivals.
- The National Cotton Council's Annual Meeting takes place this weekend. They will release their Economic Outlook and Planting Intentions for the 2024/25 crop on Sunday, February 18.

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Axita Cotton Limited

Report prepared by

Kalpesh Patel

Manager

Gujcot Trade Association