



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 26-Aug-2023

Market Movement from 21st Aug 2023 to 26th Aug 2023.

- New York December cotton futures recorded a value of 83.62 on August 18, which then rose to 87.31 on August 25, resulting in a weekly loss of 3.69 cents.
- The strong demand in China has exerted a significant pull on the commodity market, specifically impacting the Zhengzhou Commodity Exchange (ZCE). As a result of this robust Chinese demand, the ICE December cotton future contract has experienced a substantial gain of 369 points. This positive market movement has occurred in spite of challenges such as lower export sales and a strengthened dollar. The market seems to be overlooking these factors and instead, placing emphasis on the prevailing Chinese demand.
- In the 2023-2024 season, U.S. cotton export sales displayed mixed results, with net Upland sales at 38,900 bales, accompanied by substantial Upland shipments of 204,200 bales, and a moderate contribution from net Pima sales at 1,300 bales, with 9,600 bales



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of Pima shipped. This culminated in a total sales volume of 40,200 bales. Looking ahead to the 2024-2025 season, Upland sales surged significantly to 52,800 bales, although there were no recorded net Pima sales, resulting in a total sales volume of 52,800 bales for the season. These figures reflect the evolving landscape of U.S. cotton exports over the respective periods.

- Throughout the week, the Gujcot Spot Rate demonstrated a fluctuating trend, starting at 60,600 on Monday, slightly dipping to 60,450 on Tuesday, further decreasing to 60,250 on Wednesday, experiencing a marginal drop to 60,100 on Thursday, and finally recovering to 60,200 on Friday.
- A new crop arrival has commenced in Northern India, which is having a notable impact on the market dynamics. The current rate of produce from the North has become a reliable indicator for predicting price movements. Interestingly, even following a significant crash in prices within the span of a day, the rate of Northern produce has managed to stabilize.



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- Both Gujarat and Maharashtra are still making substantial contributions to the overall arrival of cotton.
- The daily cotton arrival in India is approximately 35,000 bales, with Gujarat accounting for nearly 10,000 bales per day.
- The latest All India Cotton Sowing report as of August 25, 2023, highlights diverse trends in cotton cultivation across states. Punjab noted a substantial 32.13% decrease, while Haryana saw a slight rise of 2.23%. Rajasthan's cotton sowing grew by 21.18%, contributing to North India's 4.68% increase. Gujarat's sowing expanded by 5.50%, but Maharashtra dipped by -0.18%. Central India observed a 2.14% rise, while Telangana and Andhra Pradesh decreased by -6.85% and -35.49% respectively. Karnataka and Tamil Nadu also saw declines of -15.90% and -26.04%. Overall, South Zone's sowing fell by -14.00%. Orissa increased by 8.20%, while the "Others" category dropped by -33.46%. Nationally, All India's cotton sowing contracted by -1.82%. Source: Department of Agriculture Cooperation & Farmer Welfare - Government of India.



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- Over the course of the week, the USD-INR exchange rate displayed a series of fluctuations, commencing at 83.10 on Monday, showing a decrease to 82.93 on Tuesday, followed by a further decline to 82.68 on Wednesday. The trend continued with a minor drop to 82.57 on Thursday, before experiencing a slight rebound to 82.64 on Friday.
- The progress of the monsoon has been notably sluggish, and the entire cotton-growing region is in need of substantial rainfall.



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All India Cotton Sowing

All India Cotton Sowing				
As on 25-08-2023				
STATE	(Area in Lakh Hectare)			
	2023-24	2022-23	Change	
Punjab	1.690	2.490	-0.800	-32.13%
Haryana	6.650	6.505	0.145	2.23%
Rajasthan	7.908	6.526	1.382	21.18%
North India	16.248	15.521	0.727	4.68%
Gujarat	26.780	25.384	1.396	5.50%
Maharashtra	41.920	41.994	-0.074	-0.18%
Madhya Pradesh	6.500	6.250	0.250	4.00%
Central India	75.200	73.628	1.572	2.14%
Telangana	18.225	19.566	-1.341	-6.85%
Andra Pradesh	3.690	5.720	-2.030	-35.49%
Karnataka	6.560	7.800	-1.240	-15.90%
Tamil Nadu	0.125	0.169	-0.044	-26.04%
South Zone	28.600	33.255	-4.655	-14.00%
Orissa	2.335	2.158	0.177	8.20%
Others	0.173	0.260	-0.087	-33.46%
All India	122.556	124.822	-2.266	-1.82%
Source :- Department of Agriculture Cooperation & Farmer Welfare - Government of India				



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 21-August-2023			
Kutch	715	Saurashtra	19,110
Kutch	715	Surendranagar	3,925
		Rajkot	2,448
North Gujarat	2,338	Jamnagar	1,781
Banarsakantha	338	Porbandar	114
Patan	470	Junagadh	542
Mehsana	373	Amreli	3,650
Sabarkantha	590	Bhavnagar	2,598
Gandhinagar	223	Morbi	2,193
Aravali	345	Botad	1,596
		Gir Somnath	169
Middle Gujarat	2,939	Devbhumi Dwarka	93
Ahmedabad	514		
Anand	15	South Gujarat	1,678
Kheda	178	Surat	49
Panchmahal	123	Narmada	546
Dahod	10	Bharuch	964
Vadodara	886	Dang	0
Mahisagar	95	Navsari	0
Chota Udaipur	1,118	Valsad	0
		Tapi	119
TOTAL			26,780
TOTAL (Last Year)			25,384
SUMMARY			
Zone	2023-24	2022-23	Change
Kutch	715	664	51
North Gujarat	2,338	2,155	183
Middle Gujarat	2,939	2,769	170
Saurashtra	19,110	18,195	915
South Gujarat	1,678	1,601	77
TOTAL	26,780	25,384	1,396
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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Global

US Weekly Export Sales

- Net UPLAND sales of 38,900 RB for 2023-2024 primarily for China (31,700 RB, including 700 RB switched from Macau and decreases of 800 RB), Vietnam (10,800 RB, including 500 RB switched from South Korea and decreases of 100 RB), Bangladesh (5,100 RB), Honduras (3,000 RB), and Costa Rica (2,200 RB), were offset by reductions for Pakistan (14,200 RB), Turkey (2,100 RB), Macau (700 RB), and South Korea (100 RB).
- Net UPLAND sales of 52,800 RB for 2024-2025 were reported for Malaysia (26,400 RB), Pakistan (22,000 RB), and Mexico (4,400 RB).
- UPLAND Exports of 2,04,200 RB were primarily to China (1,12,000 RB), Pakistan (30,300 RB), Vietnam (15,300 RB), Bangladesh (8,200 RB), and Mexico (6,900 RB).
- Net sales of PIMA totaling 1,300 RB for 2023-2024 reported for Thailand (1,100 RB), Vietnam (900 RB switched from Hong Kong), China (100 RB), and Indonesia (100 RB), were offset by reductions for Hong Kong (900 RB).
- PIMA Exports of 9,600 RB were primarily to Vietnam (5,300 RB), India (2,800 RB), Egypt (900 RB), China (400 RB), and Guatemala (100 RB).

US Export Sales	17-Aug-2023
Marketing Year 2023-24	
Upland Gross Sales	68,400
Cancellation	29,500
Net Upland Sales	38,900
PIMA Gross Sales	1,300
Cancellation	0
Net PIMA Sales	1,300
Total Gross Sales	69,700
Total Cancellation	29,500
Total Net Sales	40,200
Shipments	
UPLAND	2,04,200
PIMA	9,600
Total Shipment	2,13,800
Marketing Year 2024-25	
Net Upland Sales	52,800
Net PIMA Sales	0
Total Net Sales	52,800
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	19-08-2023	26-08-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	60,750	60,300	-450	-0.75%
V-797	13% Trash		47,850	47,500	-350	-0.74%
MCX Spot Rate			60,960	60,080	-880	-1.46%
USD-INR Exchange			83.10	82.64	-0.46	-0.56%

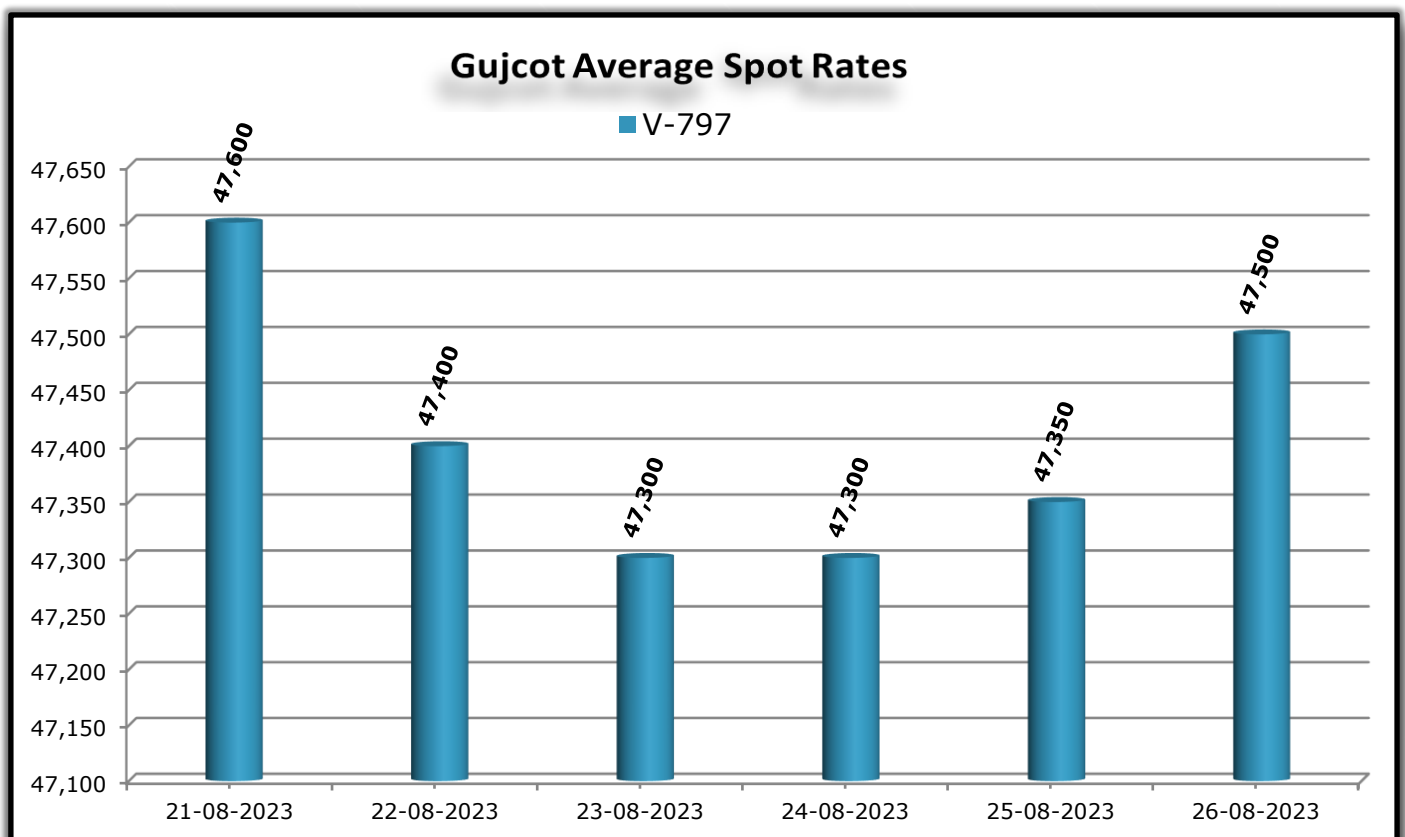
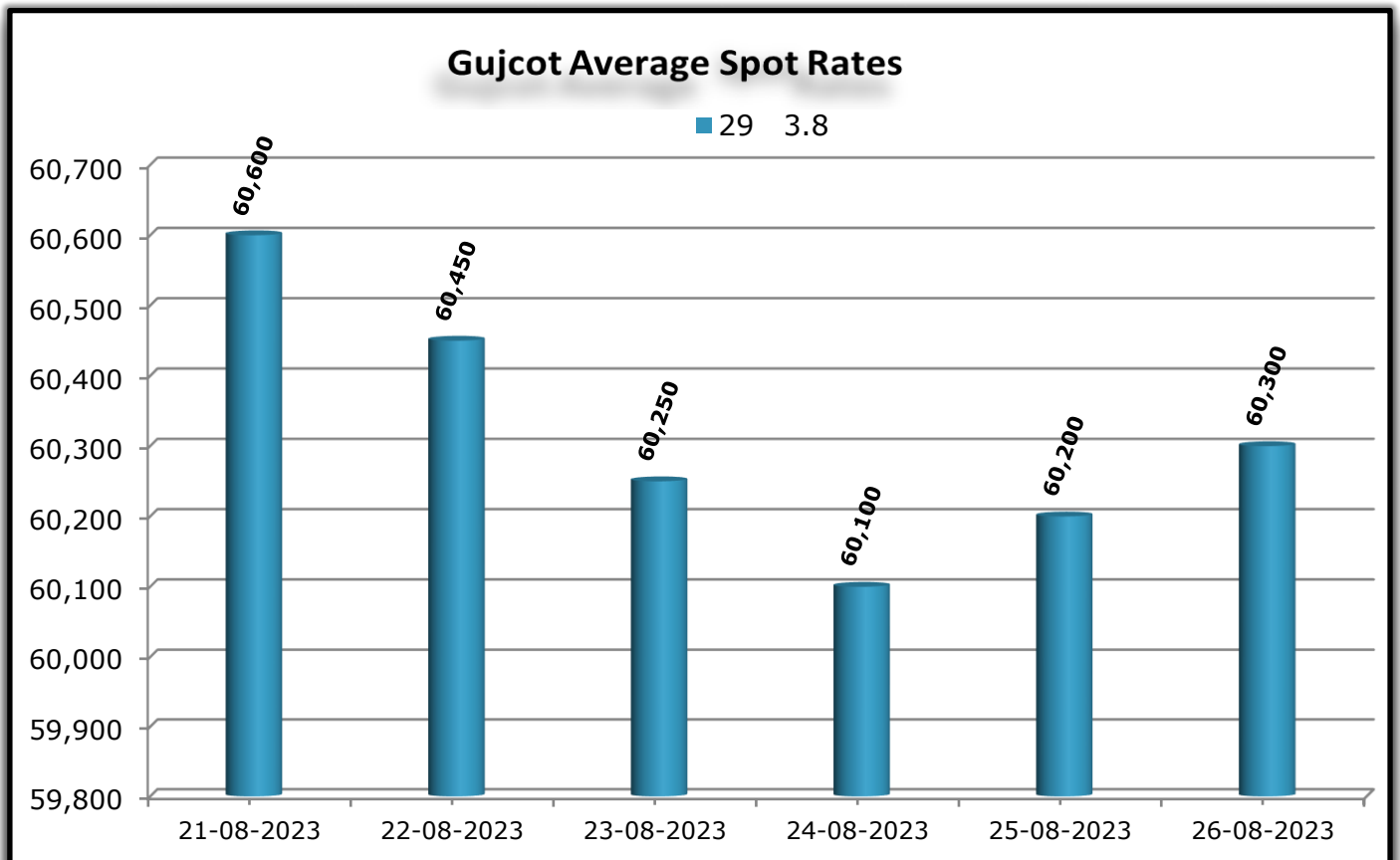
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	60,100	60,600	60,317
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		47,300	47,600	47,408
MCX Spot Rate			60,080	60,720	60,370
USD Exchange Rate			82.57	83.10	82.76

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
21-08-2023	60,600	47,600	60,720	83.10
22-08-2023	60,450	47,400	60,660	82.93
23-08-2023	60,250	47,300	60,420	82.68
24-08-2023	60,100	47,300	60,260	82.57
25-08-2023	60,200	47,350	60,080	82.64
26-08-2023	60,300	47,500	60,080	82.64



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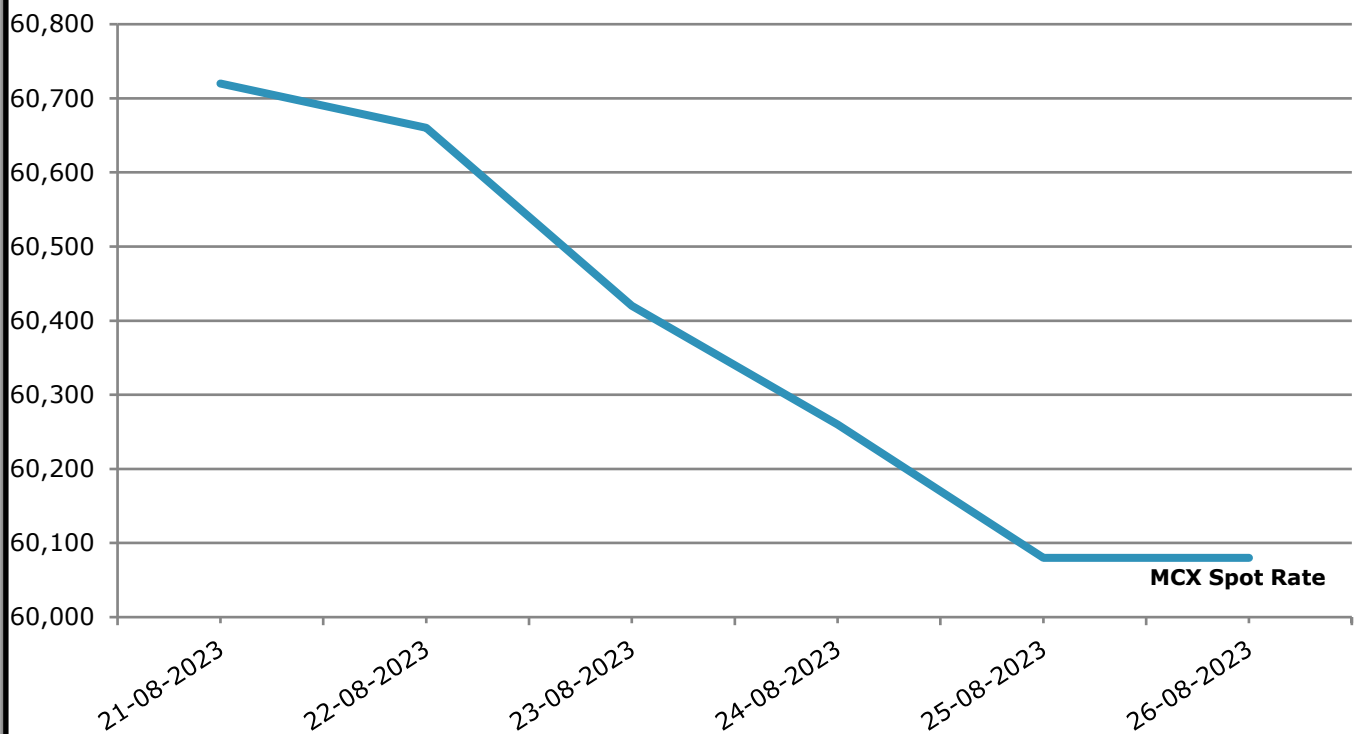




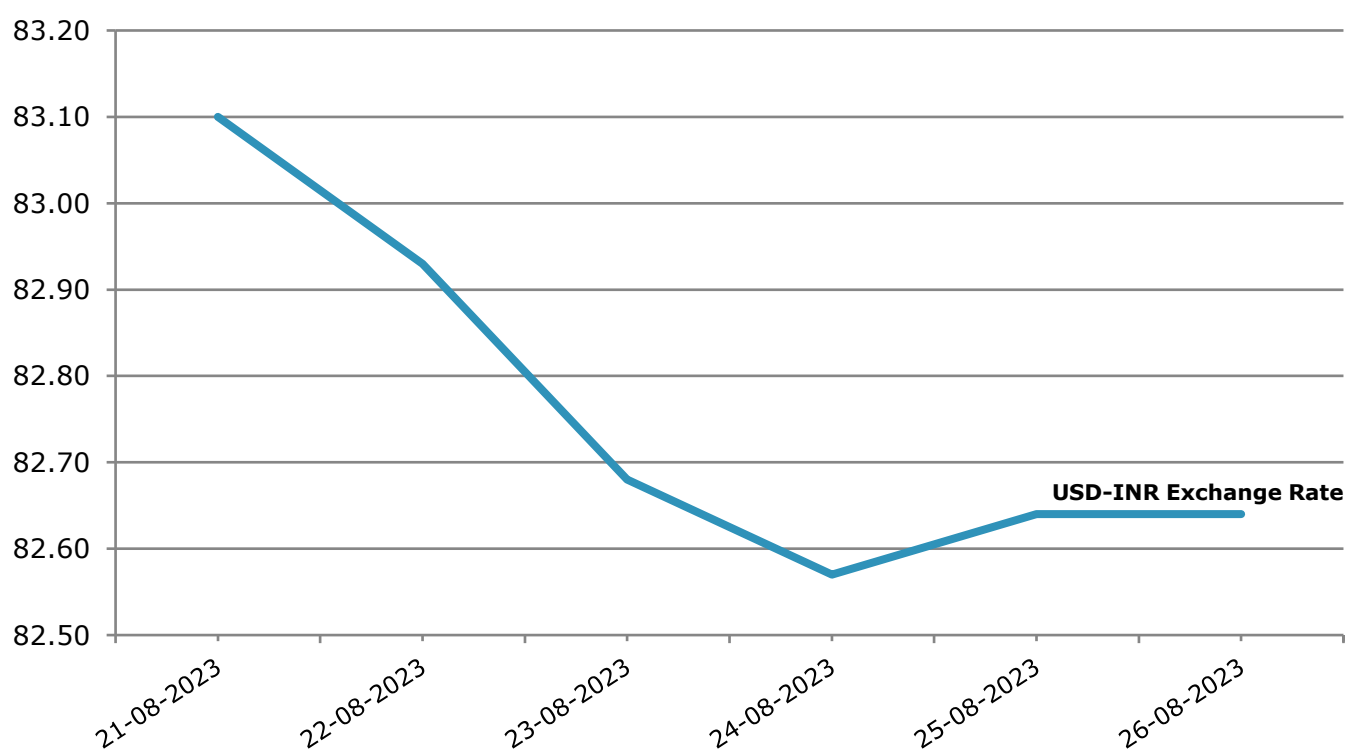
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'



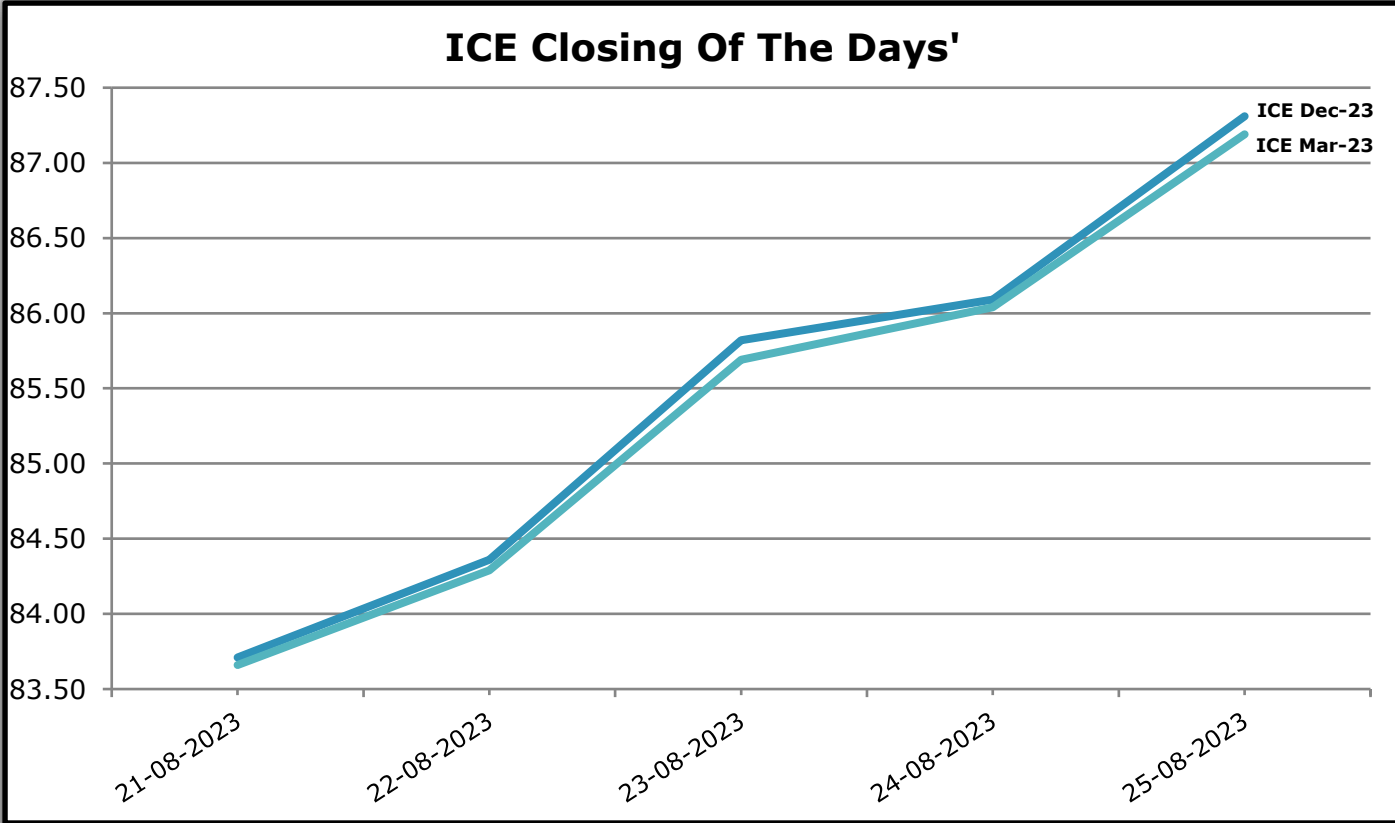
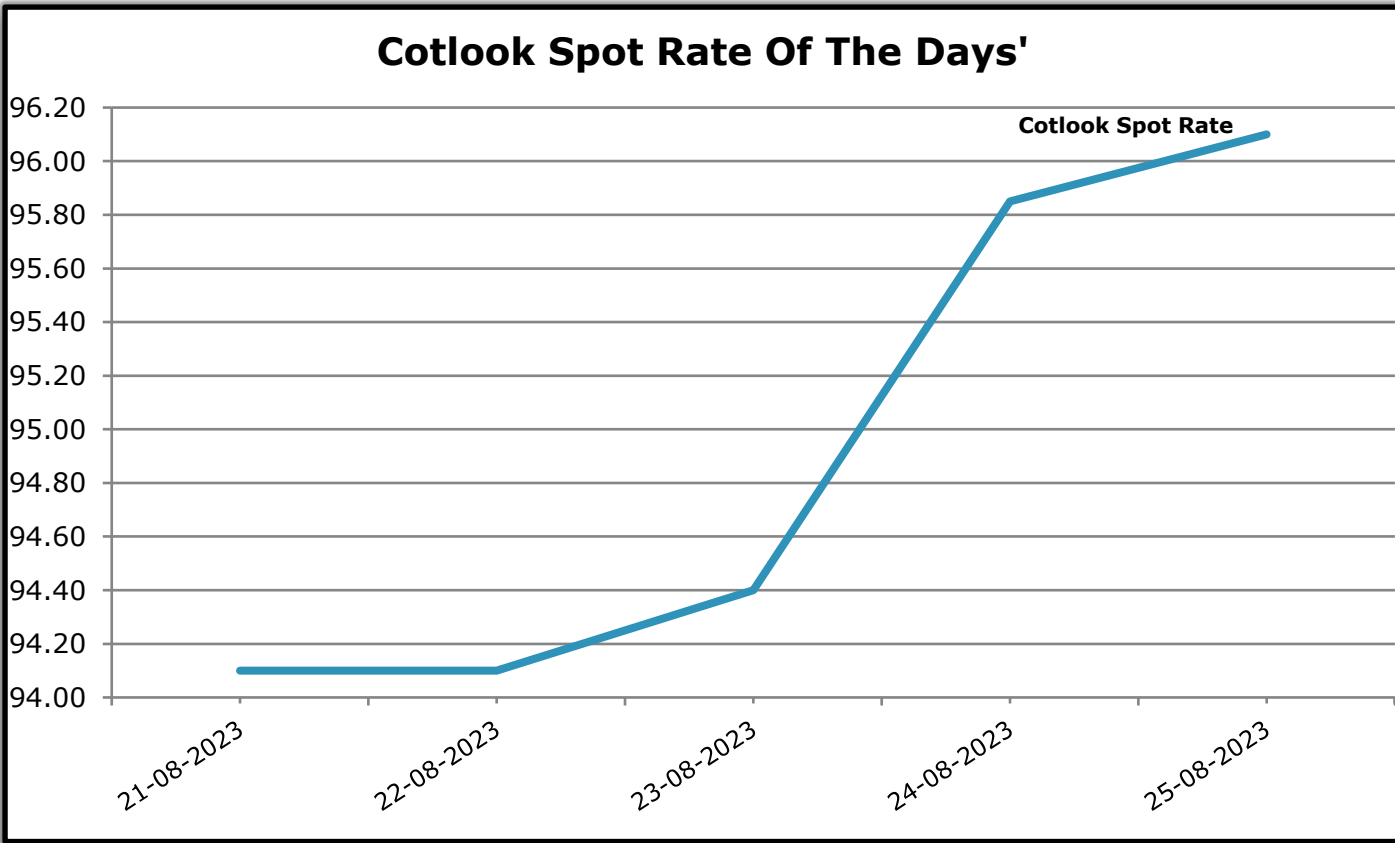


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-23	Mar-24
21-08-2023	94.10	83.71	83.66
22-08-2023	94.10	84.36	84.29
23-08-2023	94.40	85.82	85.69
24-08-2023	95.85	86.09	86.04
25-08-2023	96.10	87.31	87.19



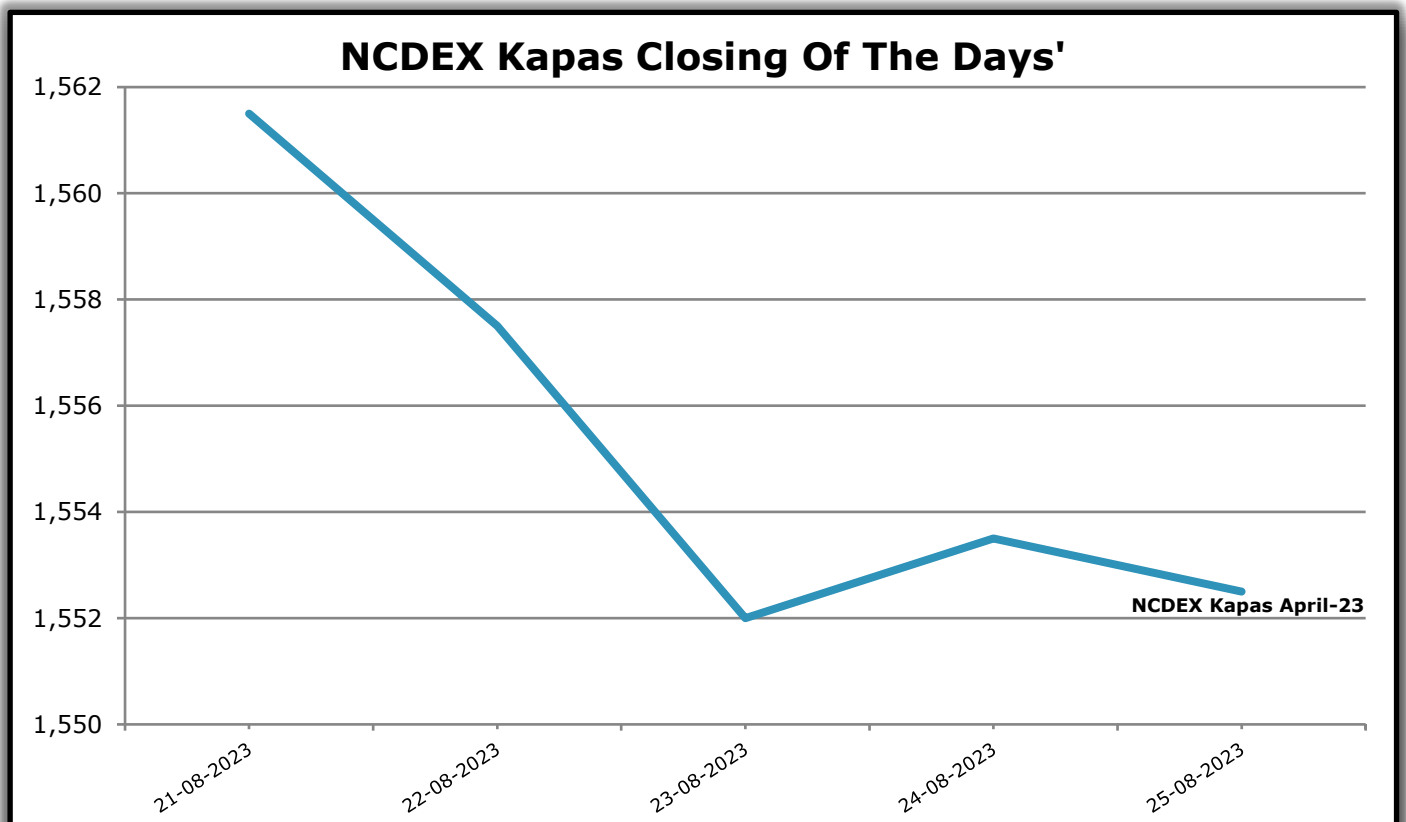


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Indian Indices	
Date	NCDEX Kapas
	April-24
14-08-2023	1,586.50
15-08-2023	1,586.50
16-08-2023	1,578.00
17-08-2023	1,580.50
18-08-2023	1,576.50

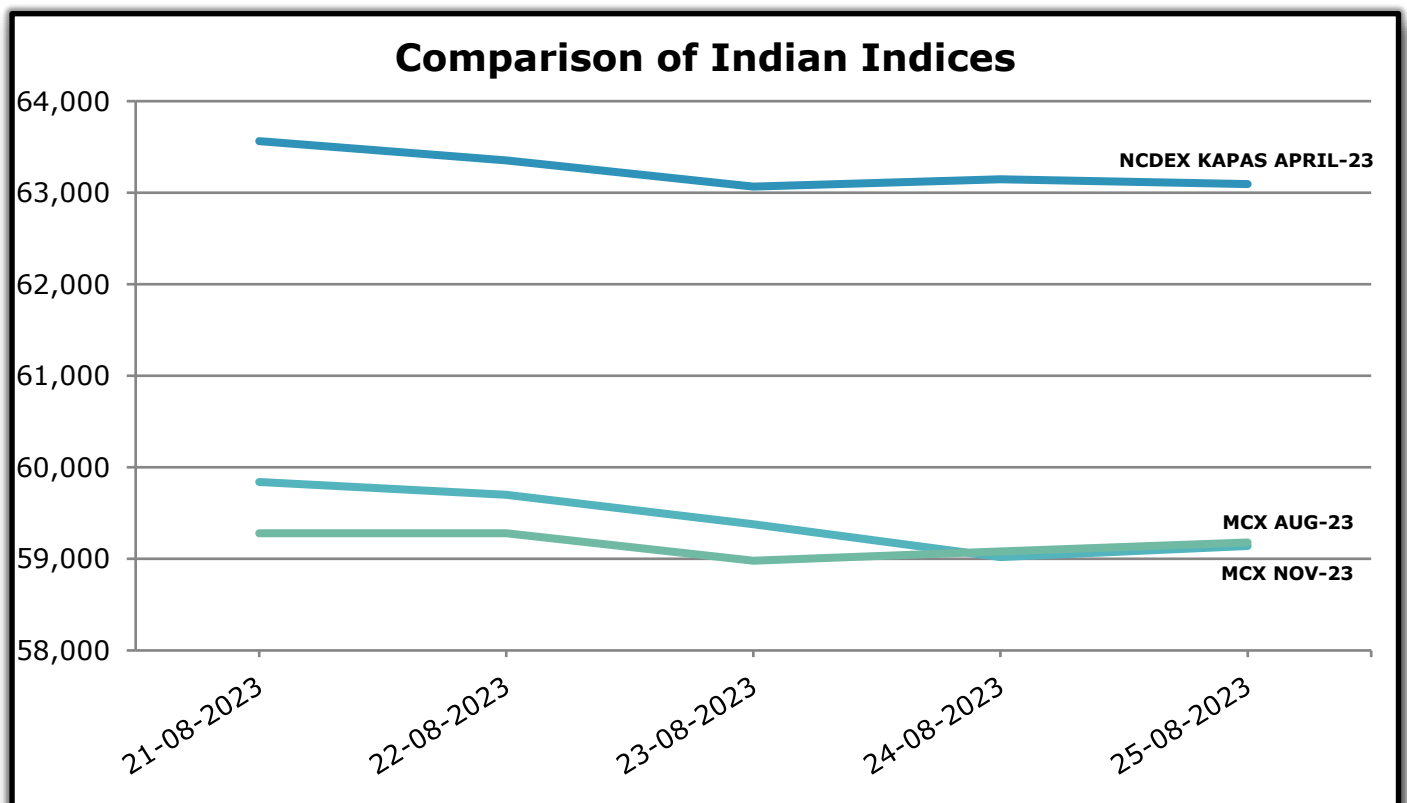




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Aug-23	Nov-23
21-08-2023	63,564	59,840	59,280
22-08-2023	63,354	59,700	59,280
23-08-2023	63,067	59,380	58,980
24-08-2023	63,145	59,020	59,080
25-08-2023	63,093	59,140	59,180
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

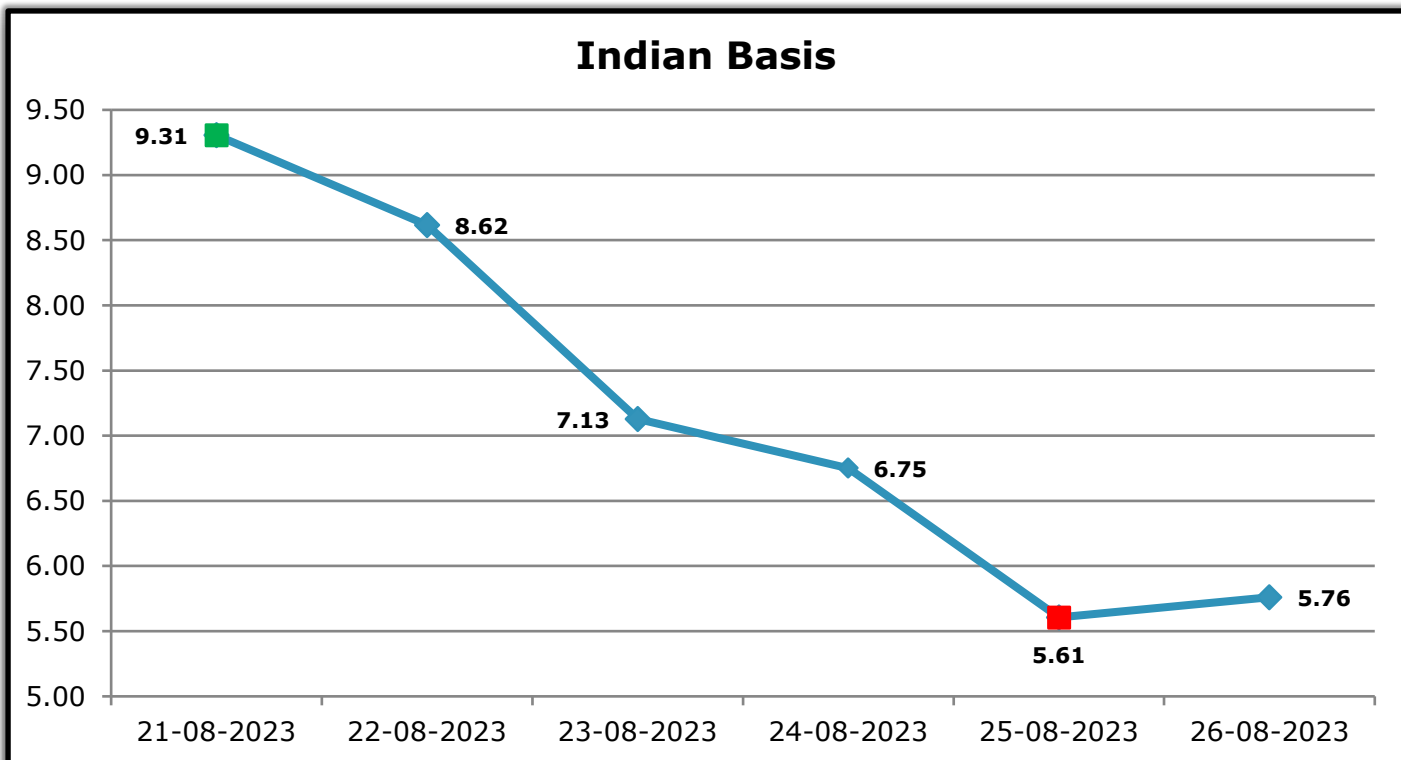




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
21-08-2023	60,600	83.10	93.02	83.71	9.31
22-08-2023	60,450	82.93	92.98	84.36	8.62
23-08-2023	60,250	82.68	92.95	85.82	7.13
24-08-2023	60,100	82.57	92.84	86.09	6.75
25-08-2023	60,200	82.64	92.92	87.31	5.61
26-08-2023	60,300	82.64	93.07	87.31	5.76





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IN THE WEEK AHEAD

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

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