



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 08-AUG-2020

## Market Movement from 03rd Aug 2020 to 08th Aug 2020

- The cotton market finished its Friday session sharply lower. Fears of Chinese economic retaliation over the Trump administration's banning of TikTok and WeChat caused traders to make the leap to anticipating cancellations of U.S. cotton purchases. To that end, trade representatives from the U.S. and China will meet via video conferencing next week to "review" the phase-one trade deal. Whether that means expanding it, canceling it, or holding steady to the agreement, nobody knows. Up to Thursday market gained gradually and made the highest close of 64.85. But all gain wiped off on Friday and NY December closed in red with weekly loss of 30 points.
- U.S. Export for new year was as expected but shipment was decent and supported the market on Thursday. Weaker dollar also is supporting the market.
- Next week's WASDE report will guide the market.
- In India CCI was able to offload handsome quantity of stock cotton. Some traders and merchants also purchased in bulk discount, they are now reseller in the market. Due to low arrivals and good demands sentiment of physical market was firm. Spot rate touched 33,500 levels and godown extra selected quality stock traded at 34,500 levels.
- Indian raw cotton exporters witnessed good and regular demand in low quality cotton as Indian basis are attractive.
- All India cotton sowing till 30th of July was 121.251 lakh hectares against 108.951 lakh hectares last year on the same time.
- Gujarat Cotton sowing reached to 22,48,100 hectares.
- All India daily arrivals was nearly 15,000 to 17,000 bales.
- Daily arrivals in Gujarat was nearly 8,000 to 10,000 bales.
- Indian rupee remained weaker between 74.92 to 75.05 against USD compared to last week.



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## Gujarat District wise Cotton Sowing

| Gujarat Districtwise Cotton Sowing<br>Till 04-August-2020                                   |              |                      |               |
|---------------------------------------------------------------------------------------------|--------------|----------------------|---------------|
| <b>Kutch</b>                                                                                | <b>570</b>   | <b>Saurashtra</b>    | <b>15,330</b> |
| Kutch                                                                                       | 570          | Surendranagar        | 3,283         |
|                                                                                             |              | Rajkot               | 2,001         |
| <b>North Gujarat</b>                                                                        | <b>1,997</b> | Jamnagar             | 933           |
| Banarsakantha                                                                               | 416          | Porbandar            | 43            |
| Patan                                                                                       | 458          | Junagadh             | 343           |
| Mehsana                                                                                     | 356          | Amreli               | 3,313         |
| Sabarkantha                                                                                 | 425          | Bhavnagar            | 2,243         |
| Gandhinagar                                                                                 | 176          | Morbi                | 1,580         |
| Aravali                                                                                     | 166          | Botad                | 1,418         |
|                                                                                             |              | Gir Somnath          | 124           |
| <b>Middle Gujarat</b>                                                                       | <b>3,036</b> | Devbhumi Dwarka      | 48            |
| Ahmedabad                                                                                   | 975          |                      |               |
| Anand                                                                                       | 22           | <b>South Gujarat</b> | <b>1,549</b>  |
| Kheda                                                                                       | 163          | Surat                | 45            |
| Panchmahal                                                                                  | 140          | Narmada              | 479           |
| Dahod                                                                                       | 2            | Bharuch              | 933           |
| Vadodara                                                                                    | 787          | Dang                 | 0             |
| Mahisagar                                                                                   | 48           | Navsari              | 0             |
| Chota Udaipur                                                                               | 900          | Valsad               | 0             |
|                                                                                             |              | Tapi                 | 92            |
| <b>TOTAL</b>                                                                                |              |                      | <b>22,481</b> |
| <b>TOTAL (Last Year)</b>                                                                    |              |                      | <b>24,696</b> |
| <b>All Figures in '00 Hectares</b>                                                          |              |                      |               |
| Source :- Agriculture, Farmers Welfare and Co-operation Department<br>Government of Gujarat |              |                      |               |



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## All India Cotton Sowing

| All India Cotton Sowing |                        |                |               |               |
|-------------------------|------------------------|----------------|---------------|---------------|
| As on 30-07-2020        |                        |                |               |               |
| STATE                   | (Area in Lakh Hectare) |                |               |               |
|                         | 2020-2021              | 2019-2020      | Change        |               |
| Punjab                  | 5.010                  | 4.020          | 0.990         | 24.63%        |
| Haryana                 | 7.370                  | 6.760          | 0.610         | 9.02%         |
| Rajasthan               | 6.737                  | 6.360          | 0.377         | 5.93%         |
| <b>North India</b>      | <b>19.117</b>          | <b>17.140</b>  | <b>1.977</b>  | <b>11.53%</b> |
| Gujarat                 | 22.164                 | 22.505         | -0.341        | -1.52%        |
| Maharashtra             | 41.188                 | 40.631         | 0.557         | 1.37%         |
| Madhya Pradesh          | 6.225                  | 6.000          | 0.225         | 3.75%         |
| <b>Central India</b>    | <b>69.577</b>          | <b>69.136</b>  | <b>0.441</b>  | <b>0.64%</b>  |
| Telangana               | 21.707                 | 15.876         | 5.831         | 36.73%        |
| Andhra Pradesh          | 4.235                  | 2.300          | 1.935         | 84.13%        |
| Karnataka               | 4.688                  | 2.673          | 2.015         | 75.38%        |
| Tamil Nadu              | 0.055                  | 0.035          | 0.020         | 57.14%        |
| <b>South Zone</b>       | <b>30.685</b>          | <b>20.884</b>  | <b>9.801</b>  | <b>46.93%</b> |
| Orissa                  | 1.656                  | 1.520          | 0.136         | 8.95%         |
| Others                  | 0.216                  | 0.271          | -0.055        | -20.30%       |
| <b>All India</b>        | <b>121.251</b>         | <b>108.951</b> | <b>12.300</b> | <b>11.29%</b> |

Source :- Department of Agriculture Cooperation & Farmer Welfare - Government of India



# GUJCOT TRADE ASSOCIATION

## WEEKLY REPORT

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### Global

#### US Weekly Export Sales

- Net UPLAND sales reductions of 68,500 RB for 2019-2020 were down noticeably from the previous week and from the prior 4-week average. Increases primarily for Egypt (5,800 RB switched from Turkey), Malaysia (1,400 RB switched from Indonesia), and China (600 RB), were more than offset by reductions primarily for Vietnam (61,300 RB), Turkey (5,900 RB), South Korea (3,500 RB), El Salvador (2,100 RB), and Indonesia (1,800 RB).
- For 2020-2021, net UPLAND sales of 1,30,800 RB were primarily for China (46,900 RB), Vietnam (22,100 RB), Indonesia (13,000 RB), Bangladesh (11,000 RB), and Pakistan (8,200 RB).
- UPLAND Exports of 3,46,800 RB were up 8 percent from the previous week and 13 percent from the prior 4-week average. Exports were primarily to China (1,16,700 RB), Vietnam (1,03,300 RB), Pakistan (28,900 RB), Turkey (21,200 RB), and Bangladesh (18,500 RB).
- No net sales of PIMA for 2019-2020 were reported for the week. For 2020-2021, net sales of 13,300 RB were primarily for El Salvador (2,600 RB), India (2,500 RB), Austria (2,100 RB), Pakistan (2,100 RB), and Bangladesh (1,100 RB).
- PIMA Exports of 16,300 RB were up noticeably from the previous week and from the prior 4-week average. The destinations were primarily to India (6,600 RB), China (5,200 RB), Djibouti (2,200 RB), Pakistan (1,000 RB), and Peru (900 RB).

| US Export Sales                | 30-Jul-2020     |
|--------------------------------|-----------------|
| <b>Marketing Year 2019-20</b>  |                 |
| Upland Gross Sales             | 900             |
| Cancellation                   | 69,400          |
| <b>Net Upland Sales</b>        | <b>-68,500</b>  |
| PIMA Gross Sales               | 0               |
| Cancellation                   | 0               |
| <b>Net PIMA Sales</b>          | <b>0</b>        |
| Total Gross Sales              | 900             |
| Total Cancellation             | 69,400          |
| <b>Total Net Sales</b>         | <b>-68,500</b>  |
| <b>Shipments</b>               |                 |
| UPLAND                         | 3,46,800        |
| PIMA                           | 16,300          |
| <b>Total Shipment</b>          | <b>3,63,100</b> |
| <b>Marketing Year 2020-21</b>  |                 |
| Net Upland Sales               | 1,30,800        |
| Net PIMA Sales                 | 13,300          |
| <b>Total Net Sales</b>         | <b>1,44,100</b> |
| All Figures in US Running Bale |                 |



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## WEEKLY REPORT 08-AUG-2020

| Gujarat Spot Rate Weekly Changes |               |      |            |            |        |                  |
|----------------------------------|---------------|------|------------|------------|--------|------------------|
| Variety                          | Staple Length | Mic. | 01-08-2020 | 08-08-2020 | Change | Change (in Per.) |
|                                  |               |      |            |            | W/W    | W/W              |
| Shankar 6                        | 29 mm         | 3.8  | 33,200     | 33,450     | 250    | 0.75%            |
| Shankar 6                        | 28.5 mm       | 3.7  | 32,400     | 32,600     | 200    | 0.61%            |
| V-797                            | 13 % Trash    |      | 20,300     | 20,900     | 600    | 2.87%            |
| MCX Spot Rate                    |               |      | 15,880     | 16,150     | 270    | 1.67%            |
| USD-INR Exchange                 |               |      | 74.81      | 74.92      | 0.11   | 0.15%            |

| Average Rate of Last week |               |      |             |          |                   |
|---------------------------|---------------|------|-------------|----------|-------------------|
| Variety                   | Staple Length | Mic. | Price Range |          | Average Of 6 Days |
|                           |               |      | Low         | High     |                   |
| Shankar 6                 | 29            | 3.8  | 33,200      | 33,500   | 33,350            |
| Shankar 6                 | 28.5          | 3.7  | 32,400      | 32,700   | 32,550            |
| 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     |      | 20,300      | 20,900   | 20,600            |
| MCX Spot Rate             |               |      | 15,880      | 16,150   | 16,028            |
| USD Exchange Rate         |               |      | 74.92       | 75.05    | 74.96             |

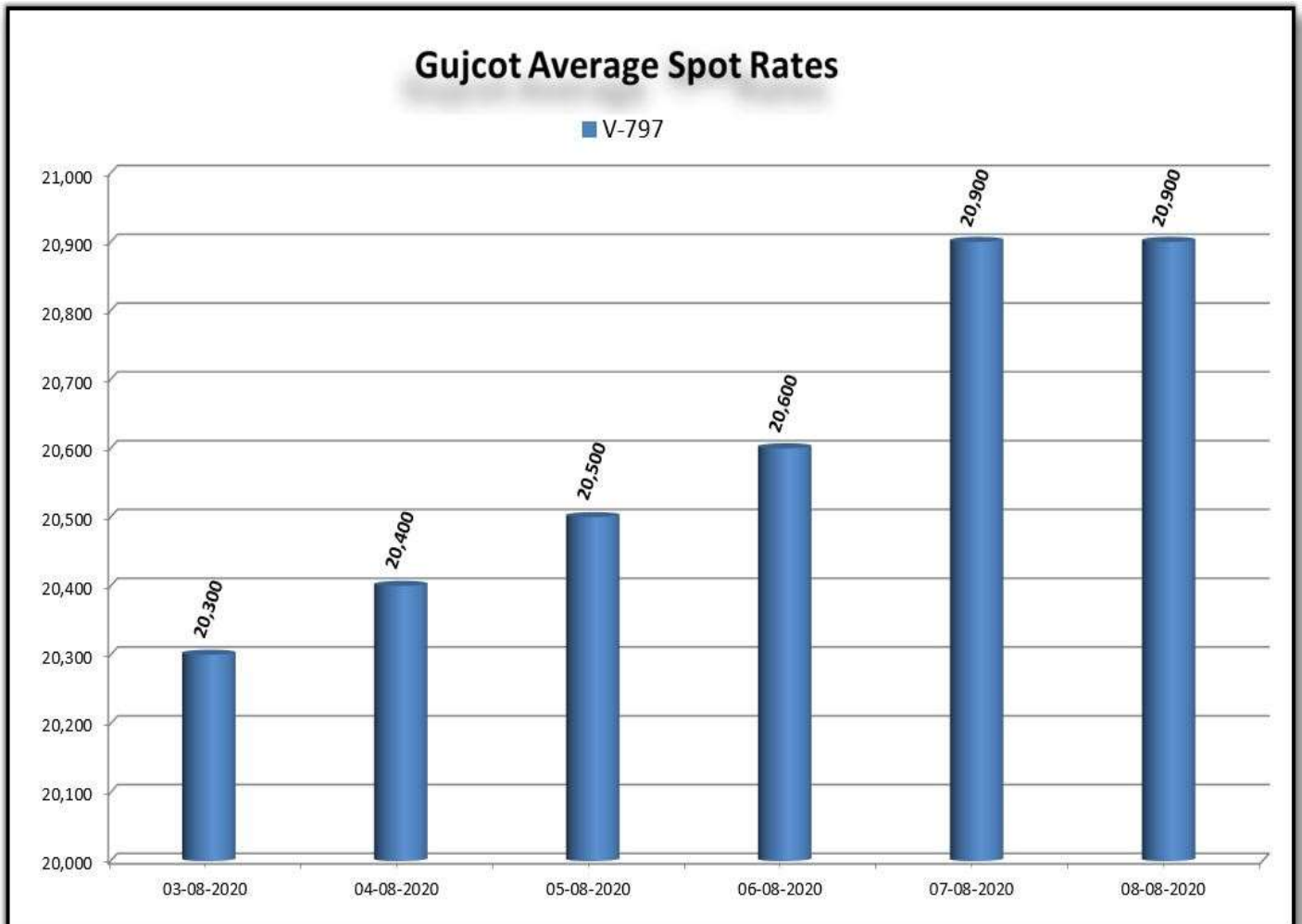
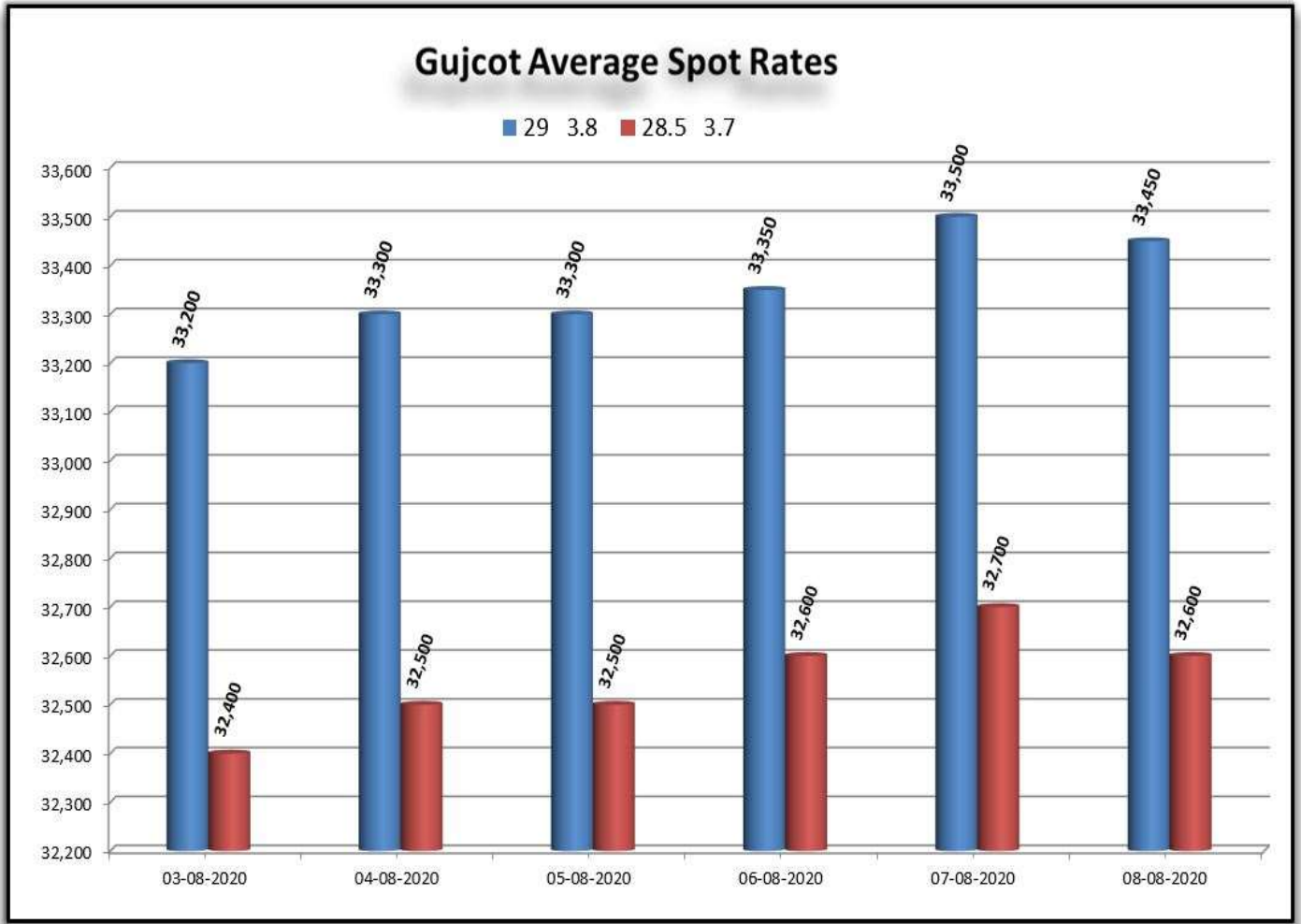
| Rate of Last Week |        |          |        |               |                  |
|-------------------|--------|----------|--------|---------------|------------------|
| Date              | 29 3.8 | 28.5 3.7 | V-797  | MCX Spot Rate | USD-INR Exchange |
| 03-08-2020        | 33,200 | 32,400   | 20,300 | 15,880        | 75.01            |
| 04-08-2020        | 33,300 | 32,500   | 20,400 | 15,930        | 75.05            |
| 05-08-2020        | 33,300 | 32,500   | 20,500 | 15,970        | 74.94            |
| 06-08-2020        | 33,350 | 32,600   | 20,600 | 16,090        | 74.93            |
| 07-08-2020        | 33,500 | 32,700   | 20,900 | 16,150        | 74.92            |
| 08-08-2020        | 33,450 | 32,600   | 20,900 | 16,150        | 74.92            |



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WEEKLY REPORT

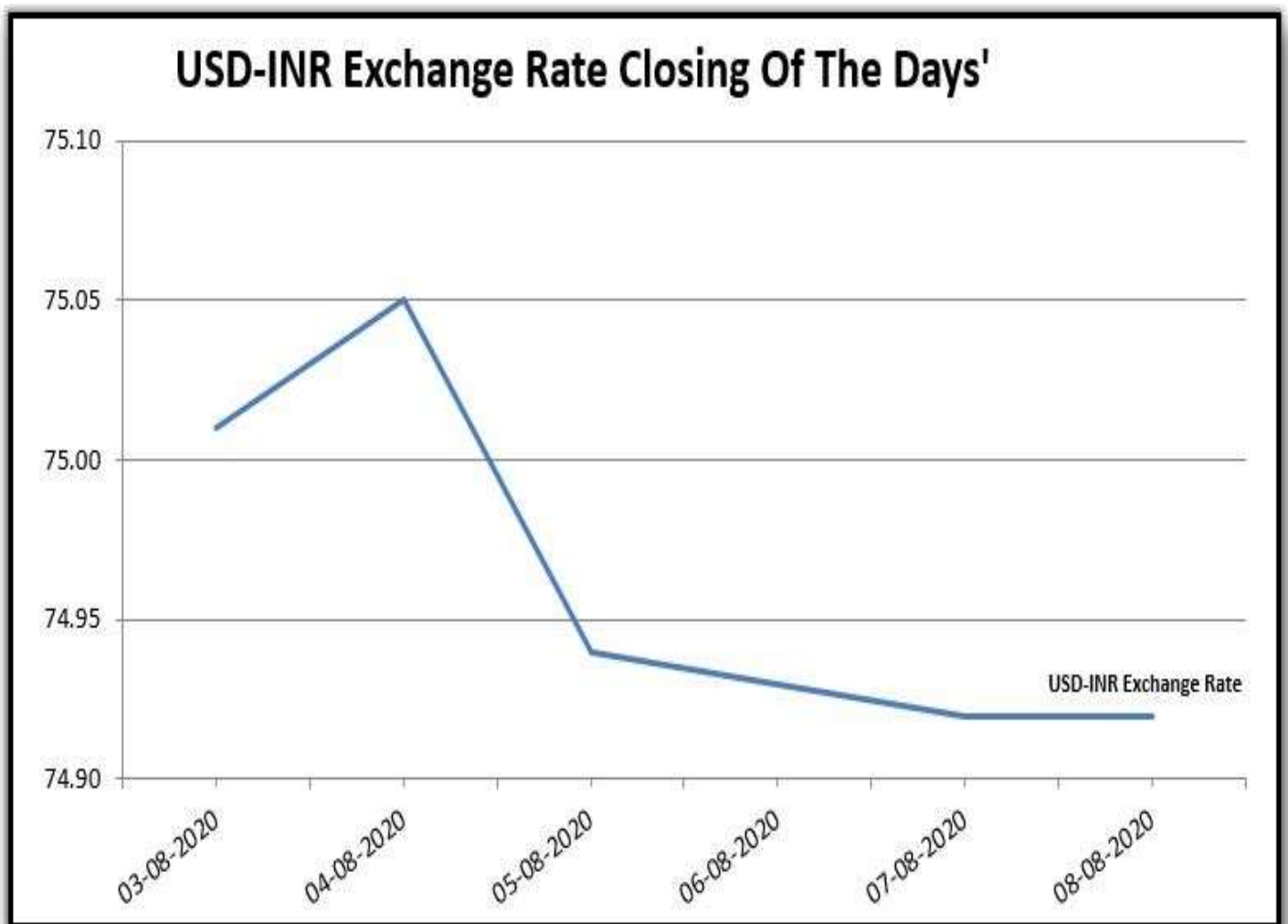
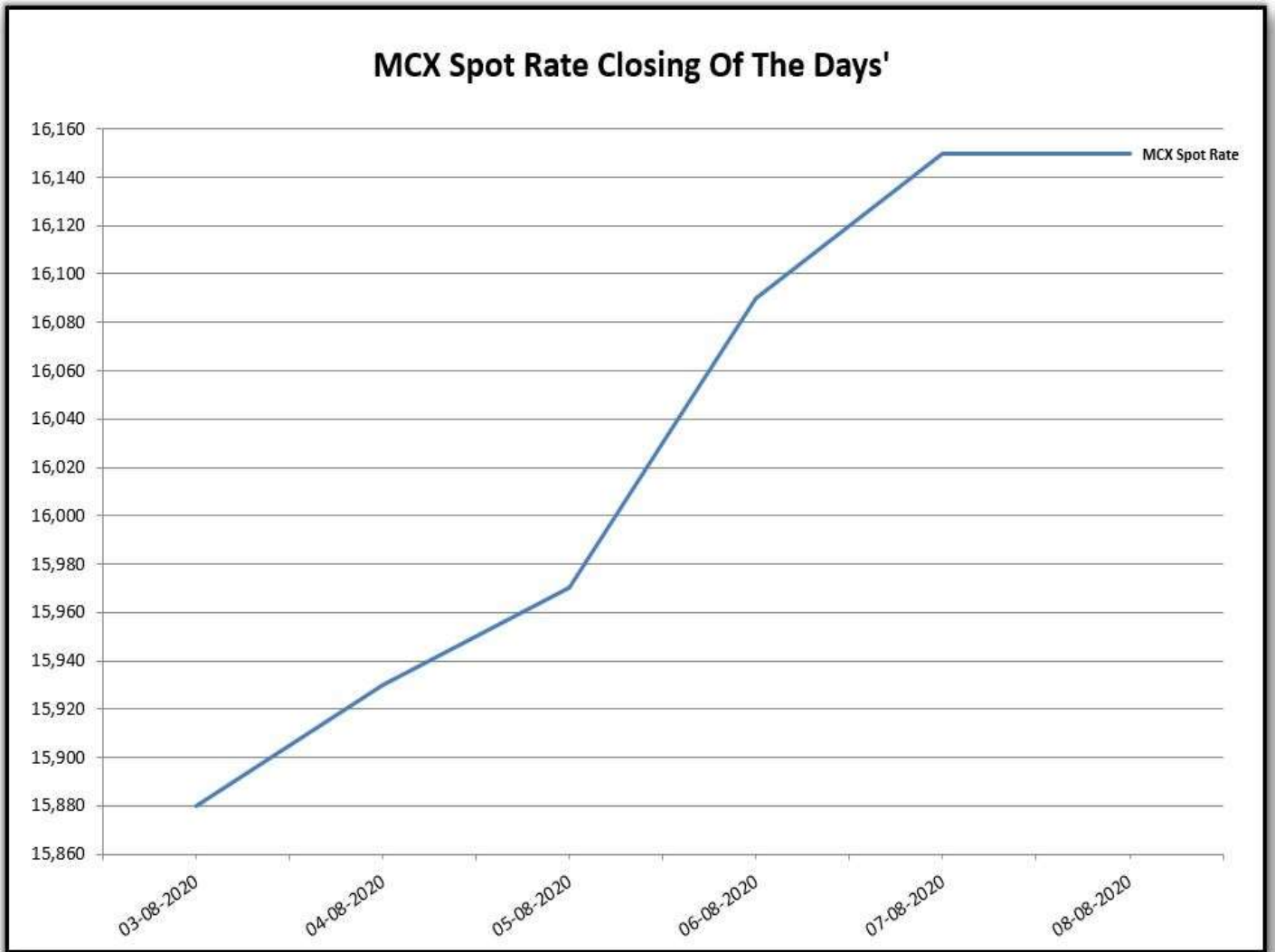
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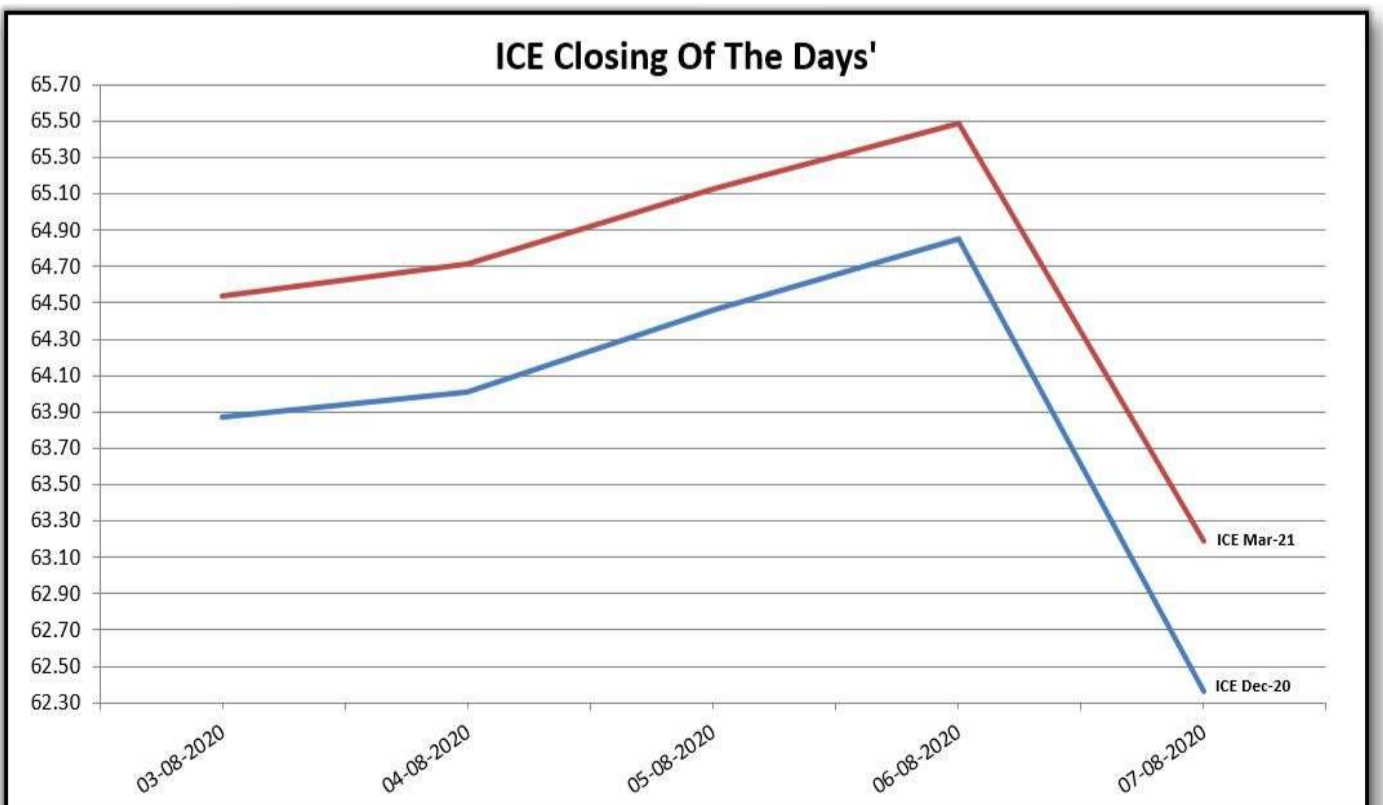
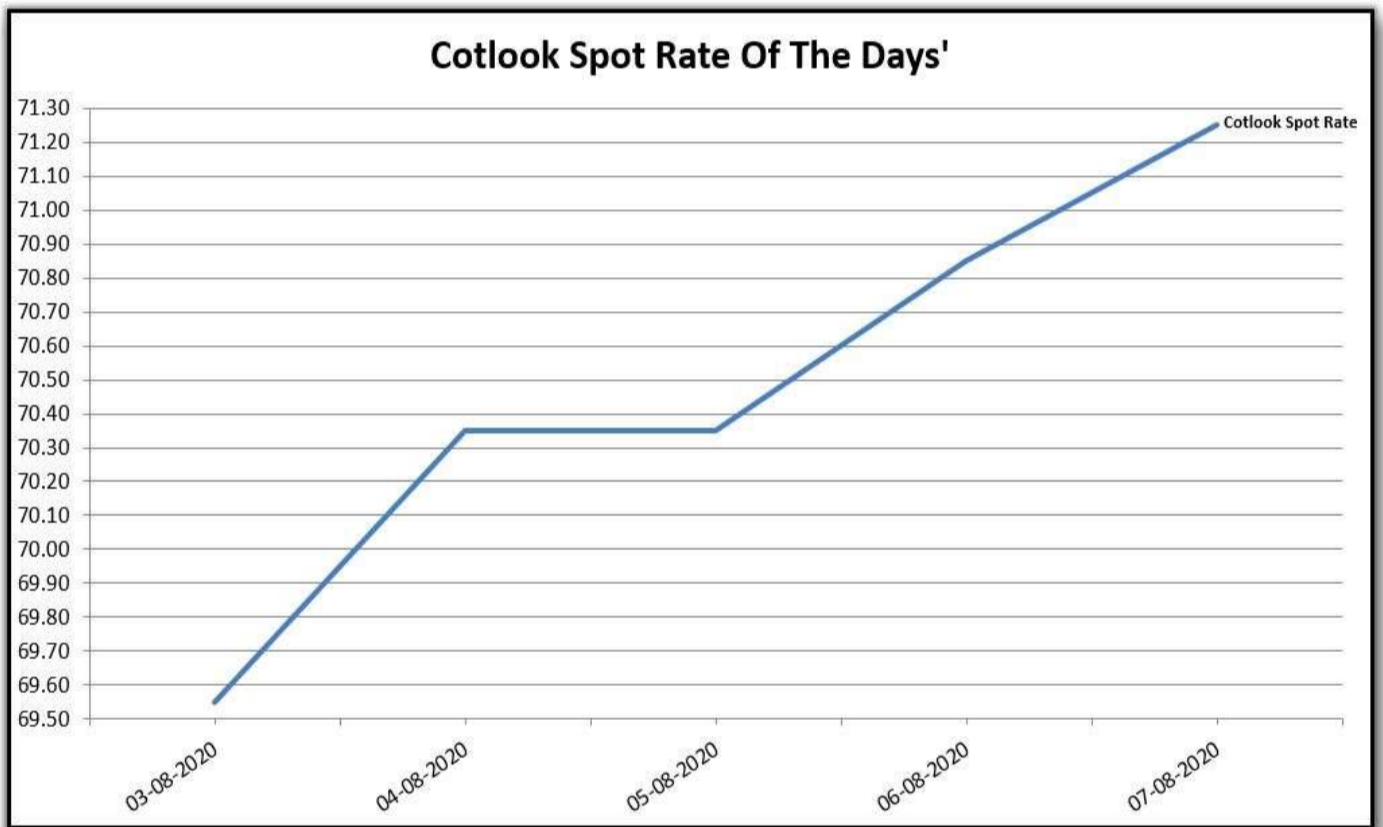




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| Foreign Indices |           |        |        |
|-----------------|-----------|--------|--------|
| Date            | Cotlook   | ICE    |        |
|                 | Spot Rate | Dec-20 | Mar-21 |
| 03-08-2020      | 69.55     | 63.87  | 64.54  |
| 04-08-2020      | 70.35     | 64.01  | 64.71  |
| 05-08-2020      | 70.35     | 64.46  | 65.13  |
| 06-08-2020      | 70.85     | 64.85  | 65.49  |
| 07-08-2020      | 71.25     | 62.36  | 63.19  |







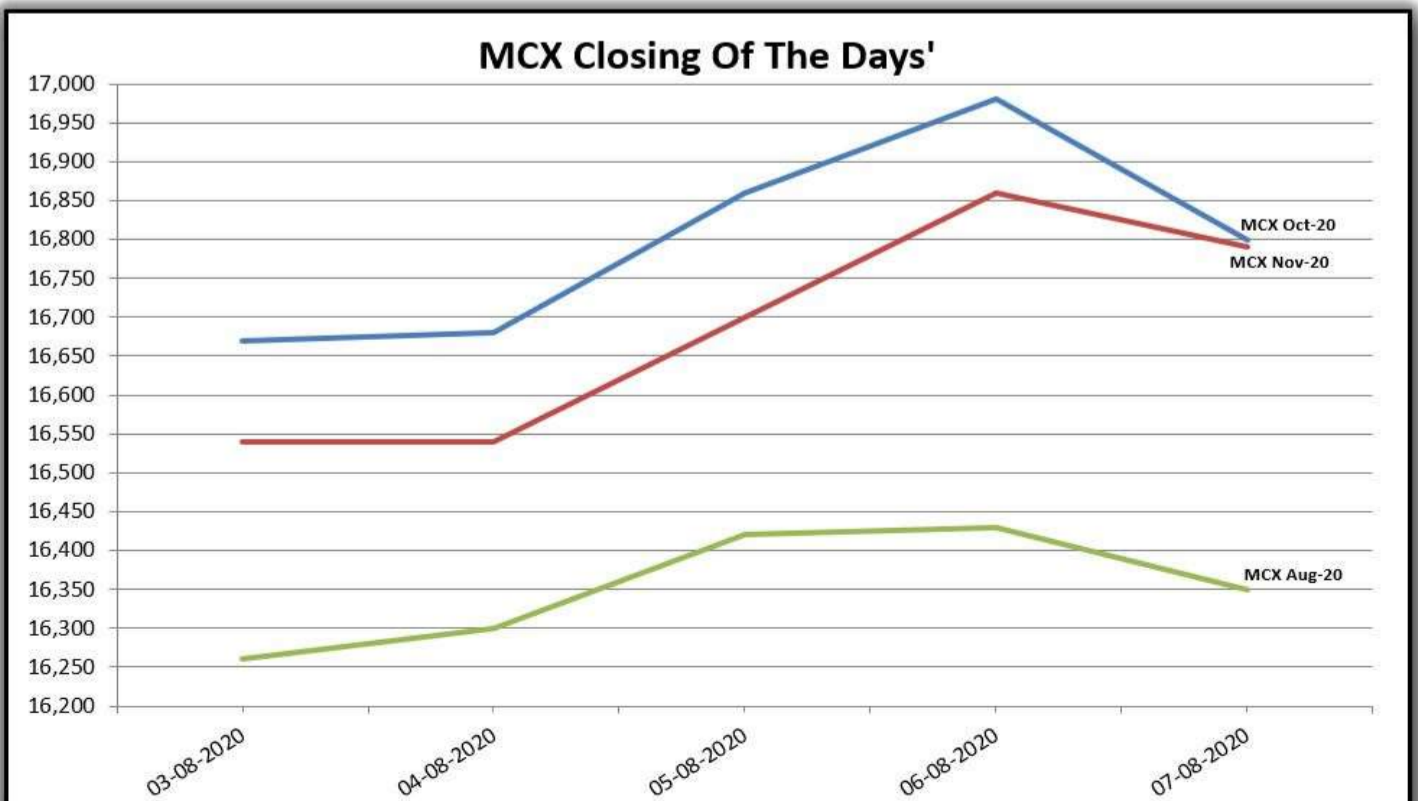
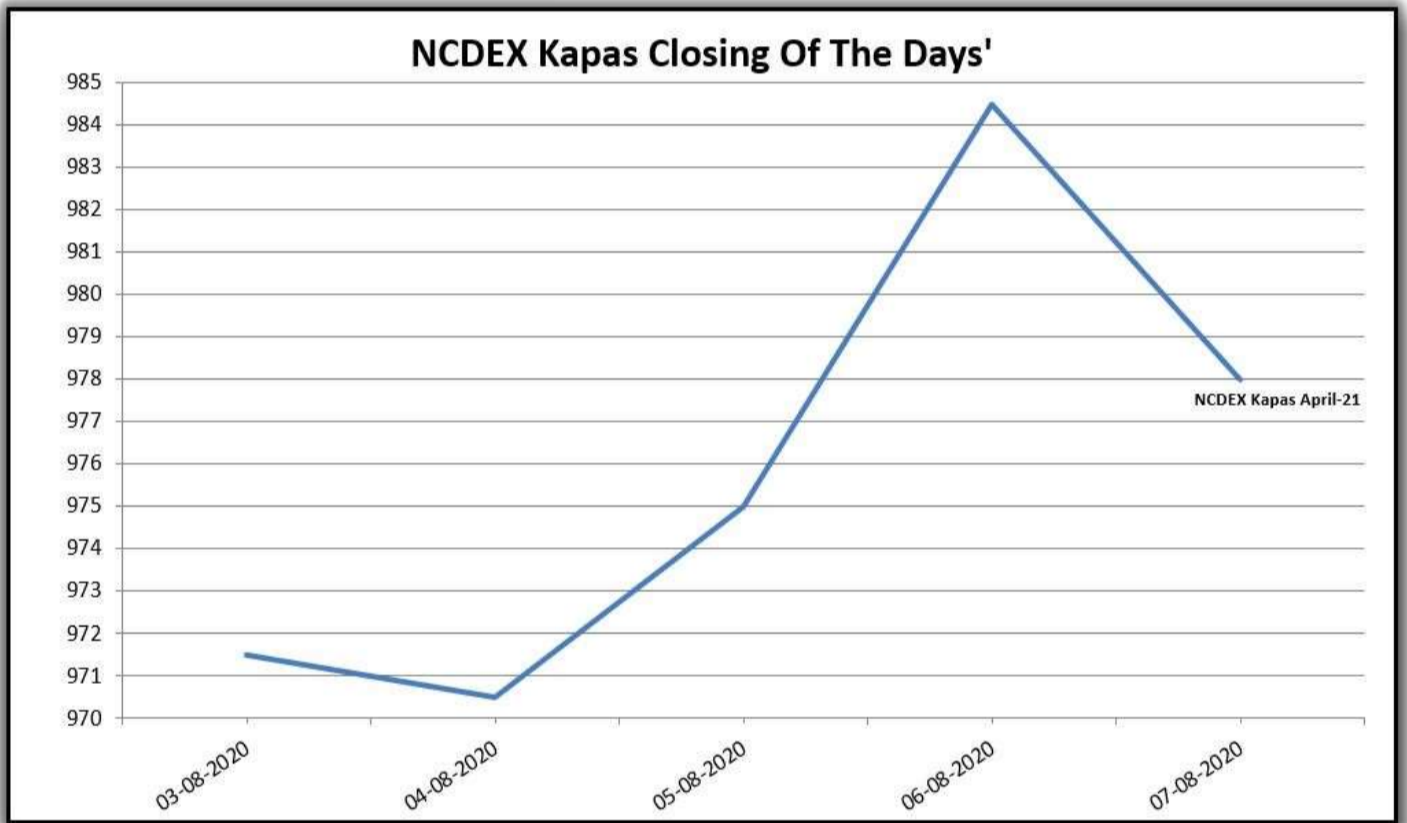
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## Indian Indices

| Date       | NCDEX Kapas | MCX    |        |        |
|------------|-------------|--------|--------|--------|
|            | 30-Apr-2021 | Aug-20 | Oct-20 | Nov-20 |
| 03-08-2020 | 971.50      | 16,260 | 16,670 | 16,540 |
| 04-08-2020 | 970.50      | 16,300 | 16,680 | 16,540 |
| 05-08-2020 | 975.00      | 16,420 | 16,860 | 16,700 |
| 06-08-2020 | 984.50      | 16,430 | 16,980 | 16,860 |
| 07-08-2020 | 978.00      | 16,350 | 16,800 | 16,790 |



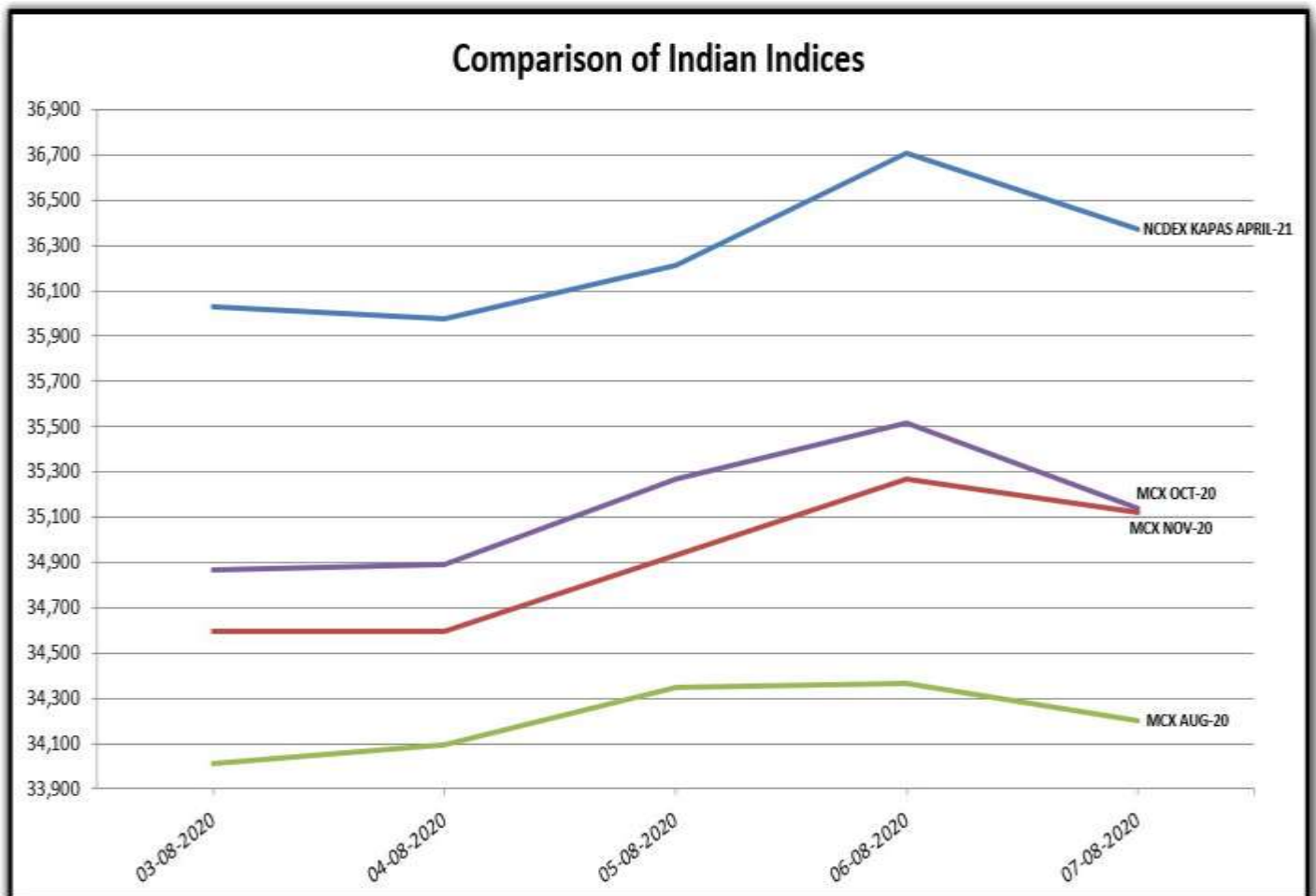


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| Indian Indices in Candy Rate |             |        |        |        |
|------------------------------|-------------|--------|--------|--------|
| Date                         | NCDEX Kapas | MCX    |        |        |
|                              | April       | Aug-20 | Oct-20 | Nov-20 |
| 03-08-2020                   | 36,031      | 34,011 | 34,869 | 34,597 |
| 04-08-2020                   | 35,978      | 34,095 | 34,890 | 34,597 |
| 05-08-2020                   | 36,214      | 34,346 | 35,266 | 34,931 |
| 06-08-2020                   | 36,710      | 34,367 | 35,517 | 35,266 |
| 07-08-2020                   | 36,371      | 34,199 | 35,141 | 35,120 |

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

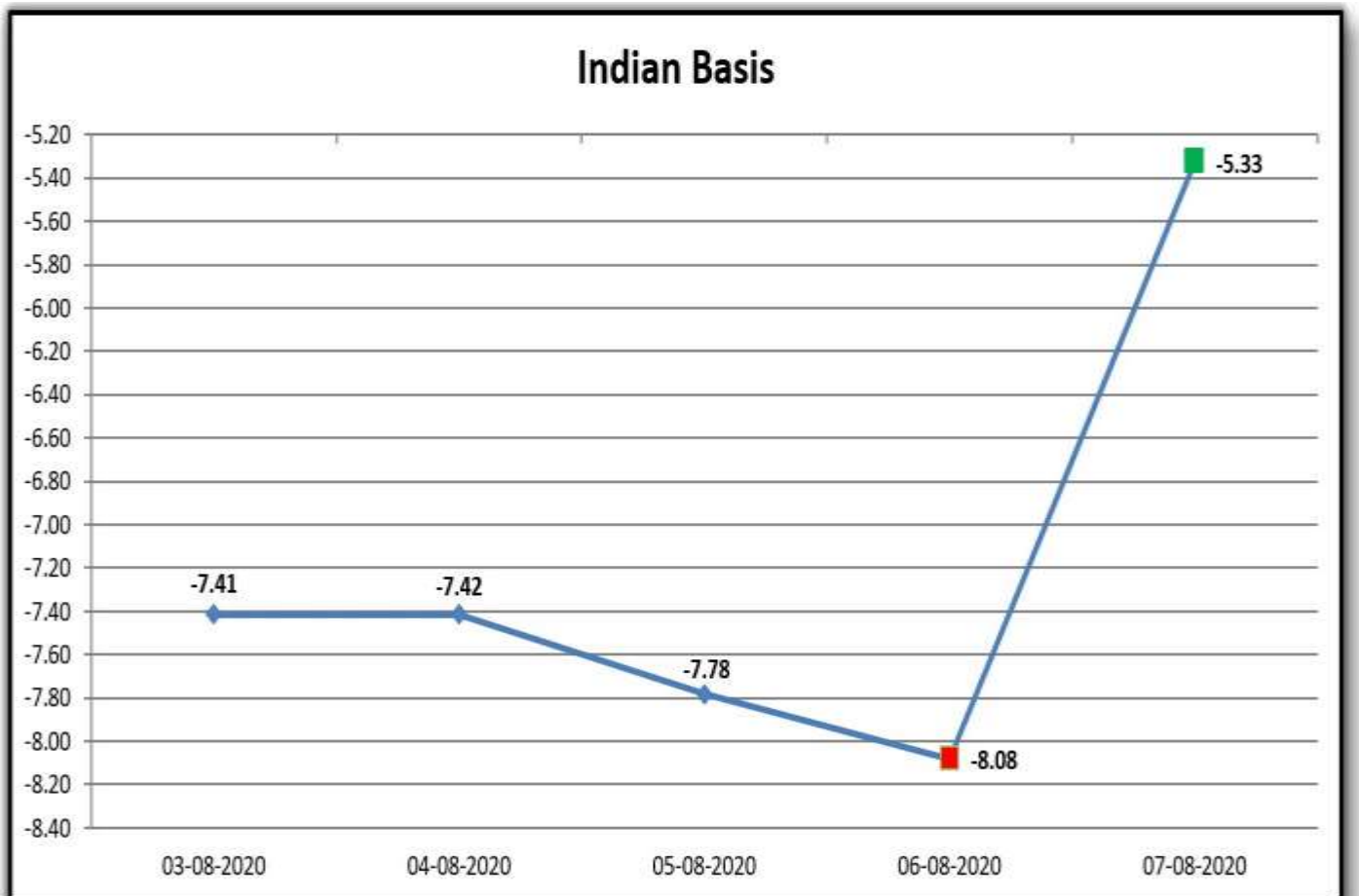




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| Indian Basis |        |         |          |         |       |
|--------------|--------|---------|----------|---------|-------|
| DATE         | 29 MM  | USD-INR | CENTS/LB | ICE DEC | BASIS |
| 03-08-2020   | 33,200 | 75.01   | 56.46    | 63.87   | -7.41 |
| 04-08-2020   | 33,300 | 75.05   | 56.59    | 64.01   | -7.42 |
| 05-08-2020   | 33,300 | 74.94   | 56.68    | 64.46   | -7.78 |
| 06-08-2020   | 33,350 | 74.93   | 56.77    | 64.85   | -8.08 |
| 07-08-2020   | 33,500 | 74.92   | 57.03    | 62.36   | -5.33 |





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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 Report
- Wednesday at 11:00 a.m. Central – WASDE 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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- Cotton Advisory Board Balance sheet and Area, Production, Yield reports from cotton season 1991-1992 to 2017-2018 estimate available from Menu->Reports
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- All India Cotton Sowing data
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- US Export Sales Report
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