



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 17-AUG-2019

## Market Movement from 12th Aug 2019 to 17th Aug 2019

- This week had many events for NY future to remain volatile. A bearish WASDE, supportive US Export Sales and better Crop progress report.
- On 12<sup>th</sup> Aug USDA released WASDE which was bearish as increase in US opening stock, big new crop of 22.5 M bales and the highest 7.2 M bales ending stock for 2018-19. Also, reduction in world's consumption so world's ending stock increased by 2 M bales MoM.
- US Export Sales was supportive. At lower levels all buyer countries have taken interest to buy more and US sold 3,25,300 for current season (2019-20) and 1,51,200 for new season.
- Crop progress was also better. All these events would not have given big support and market would have remained sideways but US president trump's statement to give relief to some items of Chinese goods supported market.
- Over all during this week market gained 123 points. NY Dec closed above psychological mark of 60 cents with w/w bounce back from it's bottom level.
- There was a good rainfall all over Indian cotton belt. Very good prospects of next season but at this bottom level Stuckists and ginner do not want to sale. Deprecation of rupee and tight sentiment of ginner also supported Indian physical prices.
- Gujcot Spot Rate price gain 1,000 Rs. / Candy W/W.
- Last month of MCX future for season 2018/2019. So there is whole certified stock to come in market from 1st September. new season of North India also will start in September so August is only month of slow supply. At present cotton seed rate touch 700 Rs. 20 Kg. which also give parity for current ginning.
- Over all Indian current physical market sentiment is firm but keep in mind that yet Indian physical is 1,600 on as basis.
- Gujarat 29 mm Cotton sold between 41,800 to 42,800 Rs/Candy.
- All India daily arrivals decline remained between 3,000 to 3,200 bales due to rain.
- Daily arrivals in Gujarat were nearly 1,500 to 1,700 bales due to rain.
- NY Dec futures w/w gain 1.23 cents.
- Indian Rupee remained weaker between 70.80 to 71.40 during this week.



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## Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 13-August-2019			
<b>Kutch</b>	<b>527</b>	<b>Saurashtra</b>	<b>18,591</b>
Kutch	527	Surendranagar	3,417
		Rajkot	2,644
<b>North Gujarat</b>	<b>2,313</b>	Jamnagar	1,508
Banarsakantha	438	Porbandar	93
Patan	356	Junagadh	749
Mehsana	382	Amreli	4,029
Sabarkantha	577	Bhavnagar	2,378
Gandhinagar	236	Morbi	1,861
Aravali	324	Botad	1,637
		Gir Somnath	171
<b>Middle Gujarat</b>	<b>2,989</b>	Devbhumi Dwarka	103
Ahmedabad	1,017		
Anand	30	<b>South Gujarat</b>	<b>1,571</b>
Kheda	191	Surat	44
Panchmahal	116	Narmada	469
Dahod	10	Bharuch	964
Vadodara	796	Dang	0
Mahisagar	64	Navsari	0
Chota Udaipur	766	Valsad	0
		Tapi	94
<b>TOTAL</b>			<b>25,992</b>
<b>TOTAL (Last Year)</b>			<b>26,744</b>
<b>All Figures in '00 Hectares</b>			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 3,29,100 RB for 2019-2020 were primarily for Bangladesh (1,20,400 RB), Vietnam (76,700 RB, including 400 RB switched from Japan), Turkey (41,900 RB, including decreases of 800 RB), Mexico (21,300 RB), and Malaysia (16,900 RB). Reductions were reported for China (13,300 RB).
- UPLAND Exports of 2,74,200 RB were primarily to Vietnam (57,700 RB), India (46,500 RB), Turkey (43,500 RB), Bangladesh (30,500 RB), and Indonesia (21,500 RB).
- For 2020-2021, net UPLAND sales of 1,51,200 RB were primarily for China (1,17,900 RB), Mexico (16,300 RB) and Vietnam (14,500 RB).
- Net sales reductions of PIMA totaling 3,800 RB resulting in increases for Thailand (400 RB), Japan (100 RB), and India (100 RB), were more than offset by reductions for Bangladesh (4,400 RB).
- PIMA Exports of 12,500 RB were primarily to India (4,400 RB), Thailand (2,400 RB), Pakistan (2,000 RB), and Indonesia (1,000 RB).

US Export Sales	08-Aug-2019
<b>Marketing Year 2019-20</b>	
Upland Gross Sales	3,56,900
Cancellation	27,800
<b>Net Upland Sales</b>	<b>3,29,100</b>
PIMA Gross Sales	600
Cancellation	4,400
<b>Net PIMA Sales</b>	<b>-3,800</b>
Total Gross Sales	3,57,500
Total Cancellation	32,200
<b>Total Net Sales</b>	<b>3,25,300</b>
<b>Shipments</b>	
UPLAND	2,74,200
PIMA	12,500
<b>Total Shipment</b>	<b>2,86,700</b>
<b>Marketing Year 2020-21</b>	
Net Upland Sales	1,51,200
Net PIMA Sales	0
<b>Total Net Sales</b>	<b>1,51,200</b>
All Figures in US Running Bale	

#### WASDE – Aug – 2019

This month's 2019/20 U.S. cotton outlook includes higher beginning stocks, production, exports, and ending stocks. Production for the 2019 crop is raised 2 percent to 22.5 million bales, on NASS's first survey-based production forecast. The survey indicates slightly higher area and yield compared with last month's expectations, resulting in the largest crop in 14 years. Beginning stocks are raised 250,000 bales due to lower-than expected 2018/19 exports. Exports for 2019/20 are raised 200,000 bales this month, and ending stocks are raised 500,000 bales to 7.2 million. The 2019/20 season-average price for upland cotton is forecast at 60 cents per pound, down 3 cents from last month.

Lower projected world cotton consumption largely accounts for a 2.0-million-bale increase in 2019/20 global ending stocks from the July forecast. Beginning stocks are higher, largely due to a 500,000-bale decline in 2018/19 consumption. Production in 2019/20 is forecast 200,000 bales lower this month, but higher beginning stocks and a 1.2-million-bale decline in projected consumption are more than offsetting. Consumption is lower in China, India, and Uzbekistan.

Approved by the Secretary of Agriculture and the Acting Chairman of the World Agricultural Outlook Board, Mark Jekanowski, (202) 720-6030. This report was prepared by the Interagency Commodity Estimates Committees.

#### China Cotton Auction

#### **Cumulative Update**

From May 5 to August 14, the cumulative turnover of reserve cotton was 661,500 tons, and the turnover rate was 84.89%. the highest traded price 15930 Yuan/ton, the lowest turnover of 11530 Yuan/ton.



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## WEEKLY REPORT 17-AUG-2019

Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	10-08-2019	17-08-2019	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	41,800	42,800	1,000	2.34%
Shankar 6	28.5 mm	3.6	41,250	42,300	1,050	2.48%
V-797	13 % Trash		32,850	32,950	100	0.30%
MCX Spot Rate			20,100	20,350	250	1.23%
USD-INR Exchange			70.80	71.15	0.35	0.49%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	41,800	42,800	42,242
Shankar 6	28.5	3.7	41,350	42,300	41,775
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		32,700	32,950	32,817
MCX Spot Rate			20,100	20,350	20,242
USD Exchange Rate			70.80	71.40	71.17

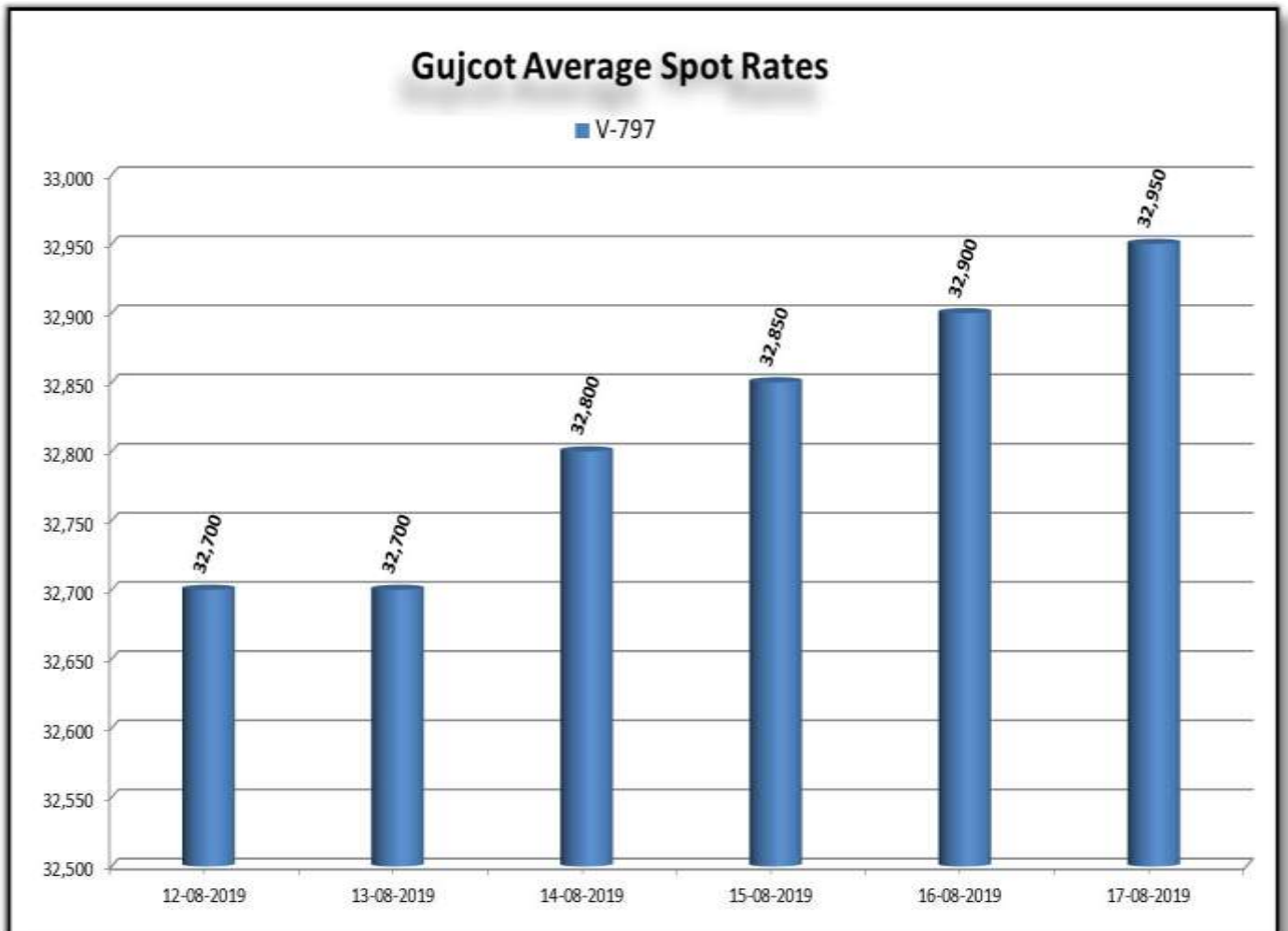
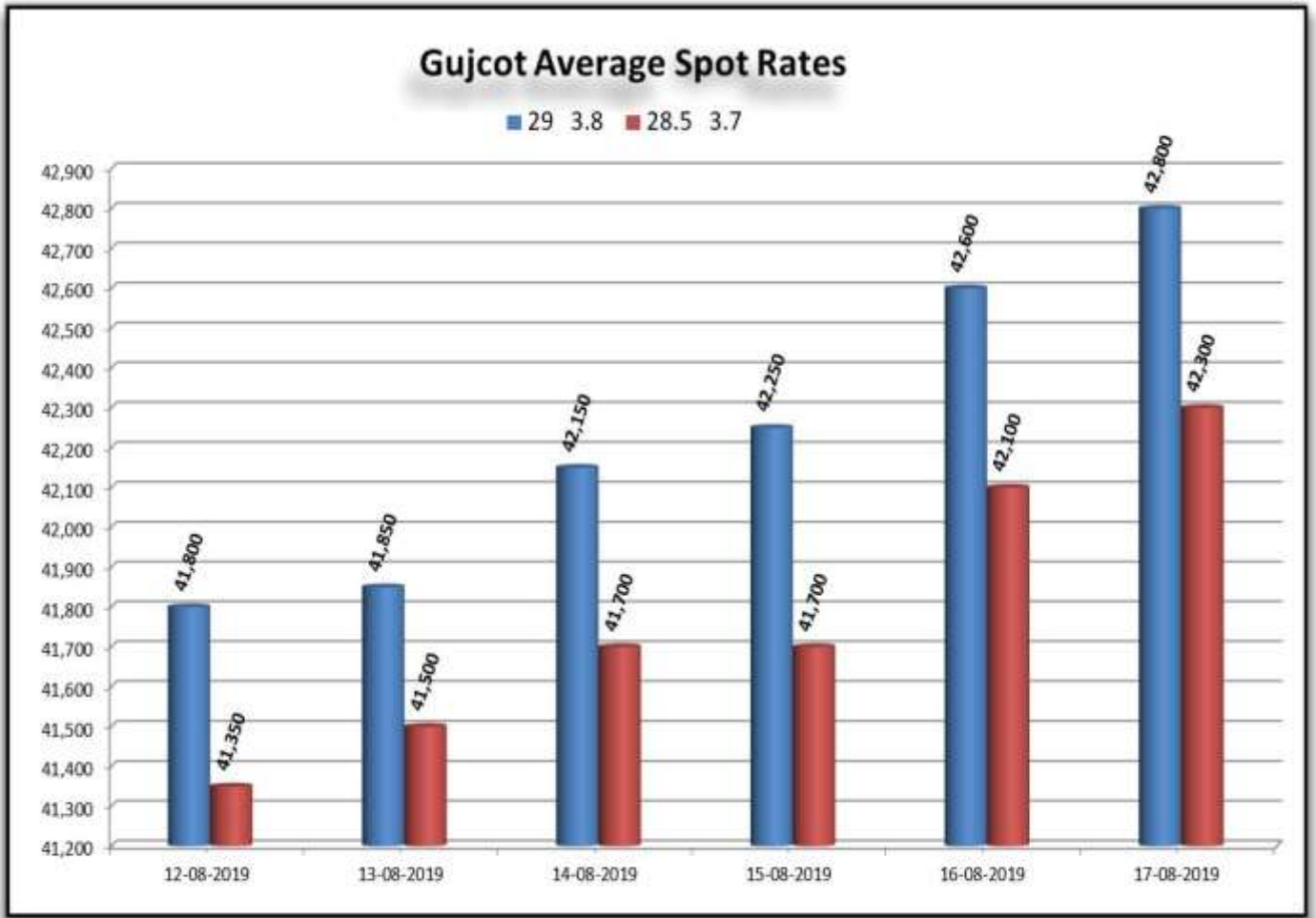
Rate of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
12-08-2019	41,800	41,350	32,700	20,100	70.80
13-08-2019	41,850	41,500	32,700	20,170	71.40
14-08-2019	42,150	41,700	32,800	20,240	71.27
15-08-2019	42,250	41,700	32,850	20,240	71.27
16-08-2019	42,600	42,100	32,900	20,350	71.15
17-08-2019	42,800	42,300	32,950	20,350	71.15





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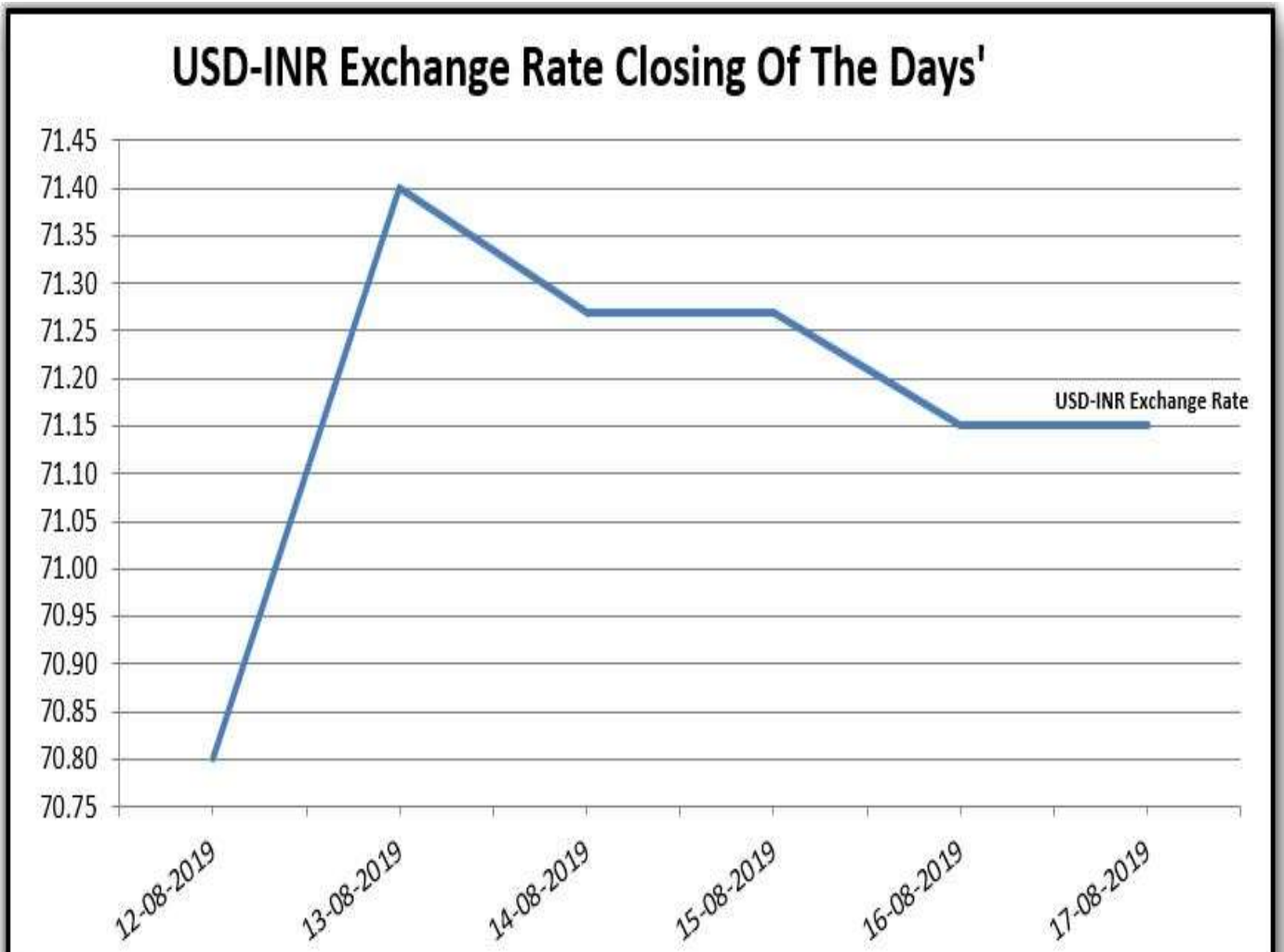
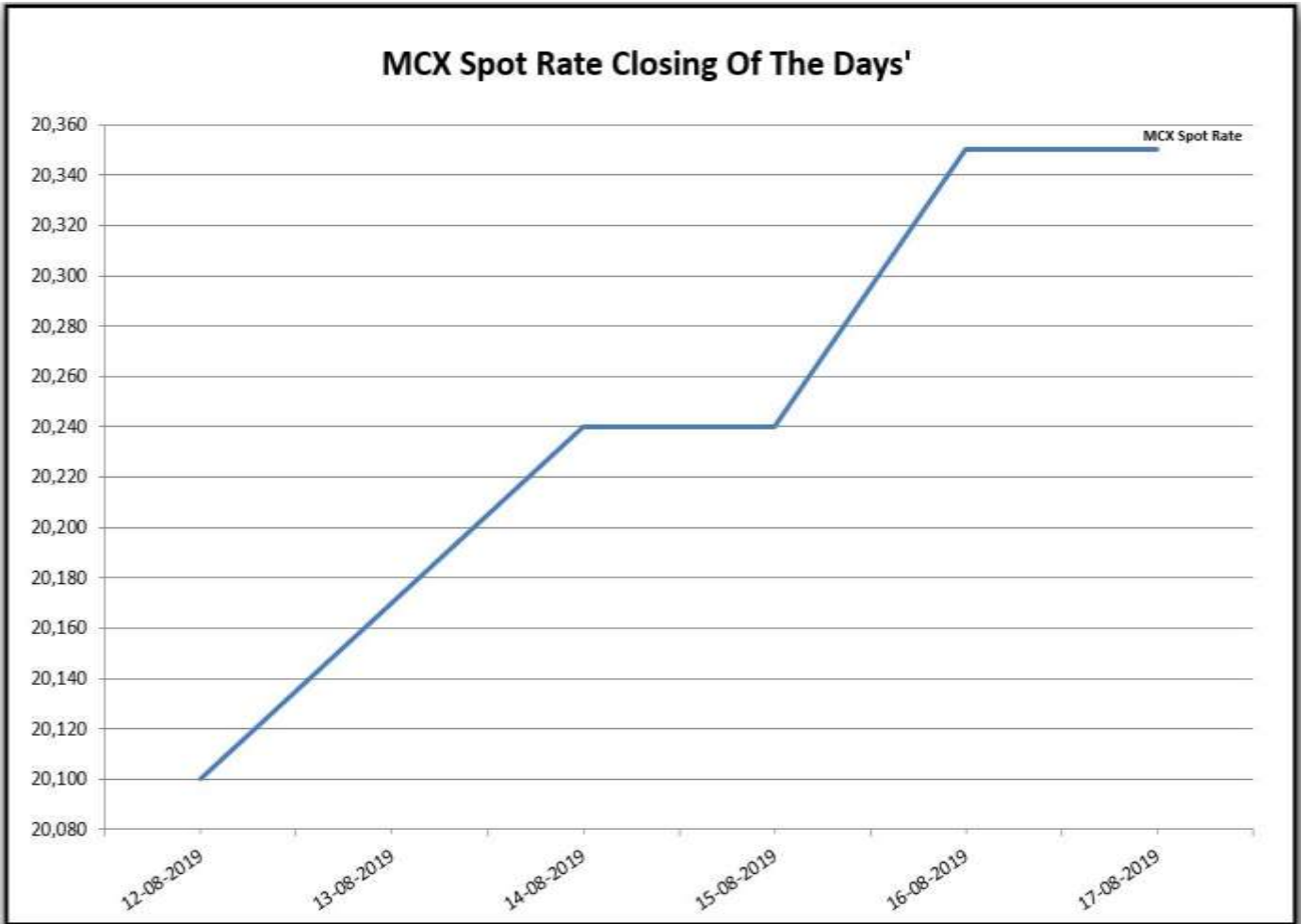
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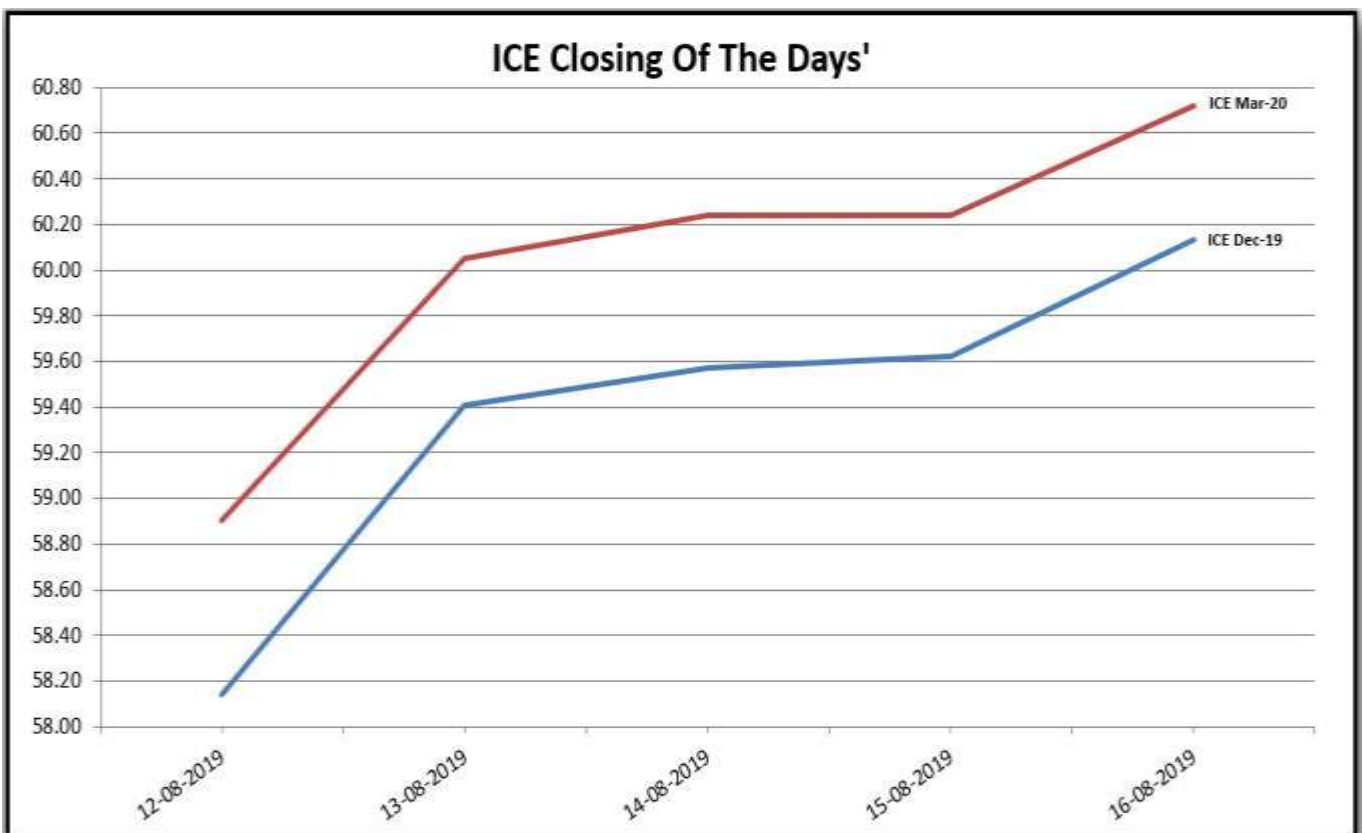
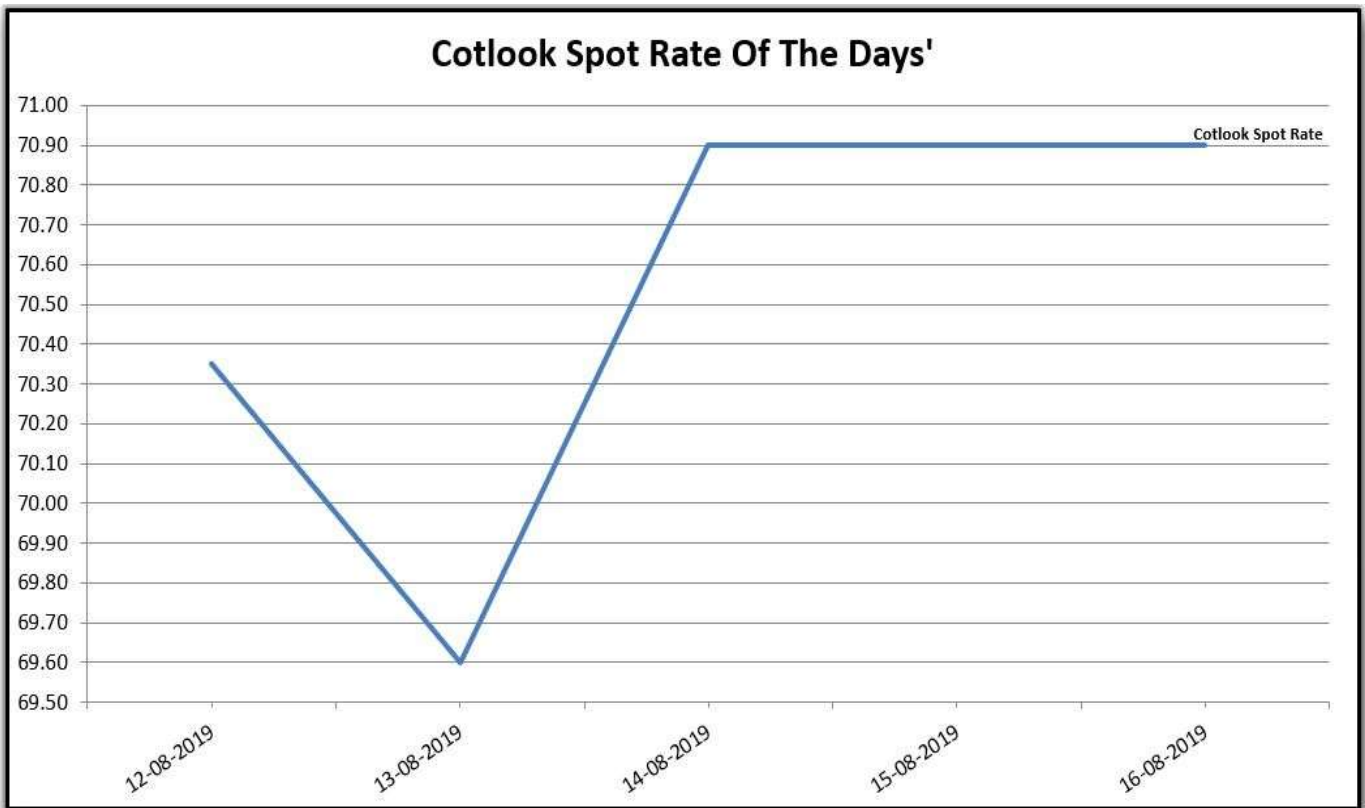




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-19	Mar-20
12-08-2019	70.35	58.14	58.90
13-08-2019	69.60	59.41	60.05
14-08-2019	70.90	59.57	60.24
15-08-2019	70.90	59.62	60.24
16-08-2019	70.90	60.13	60.72

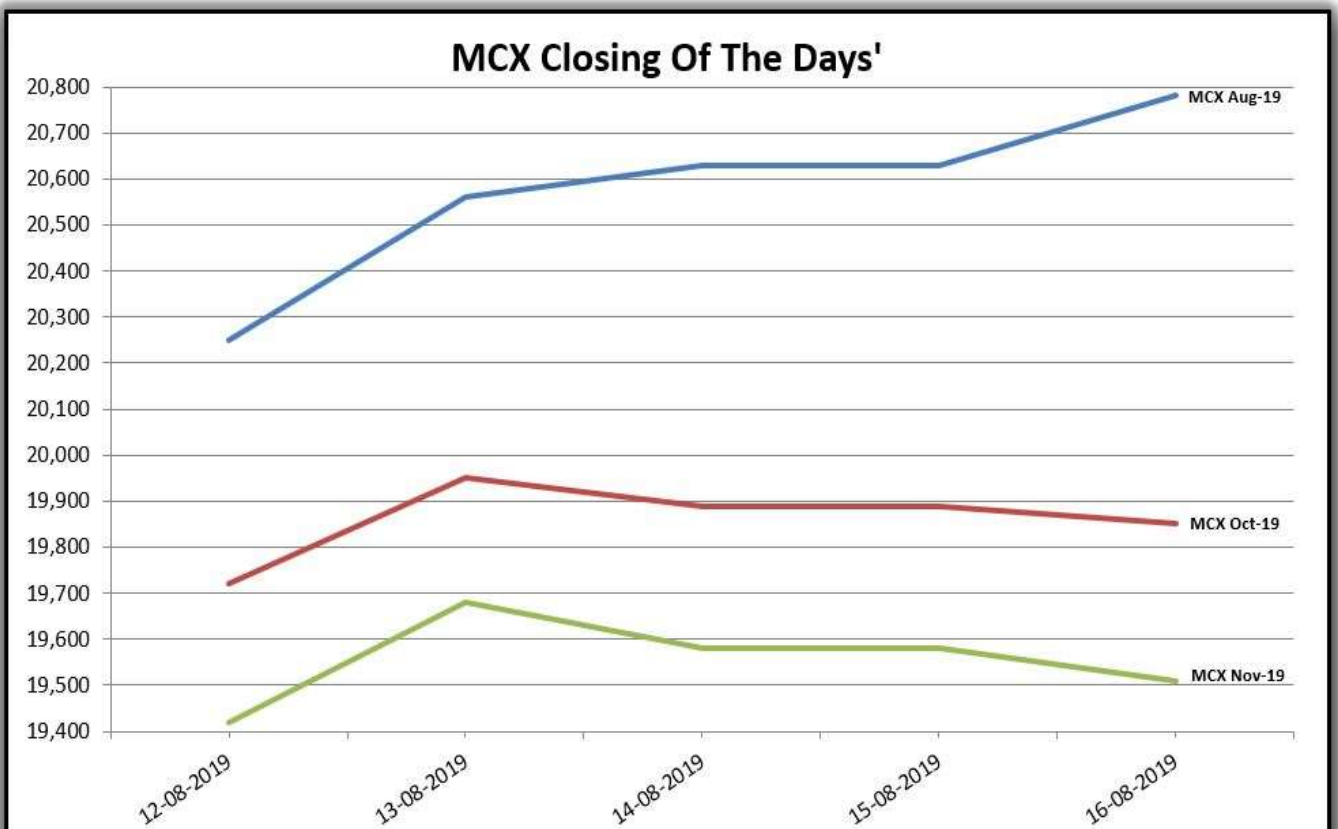
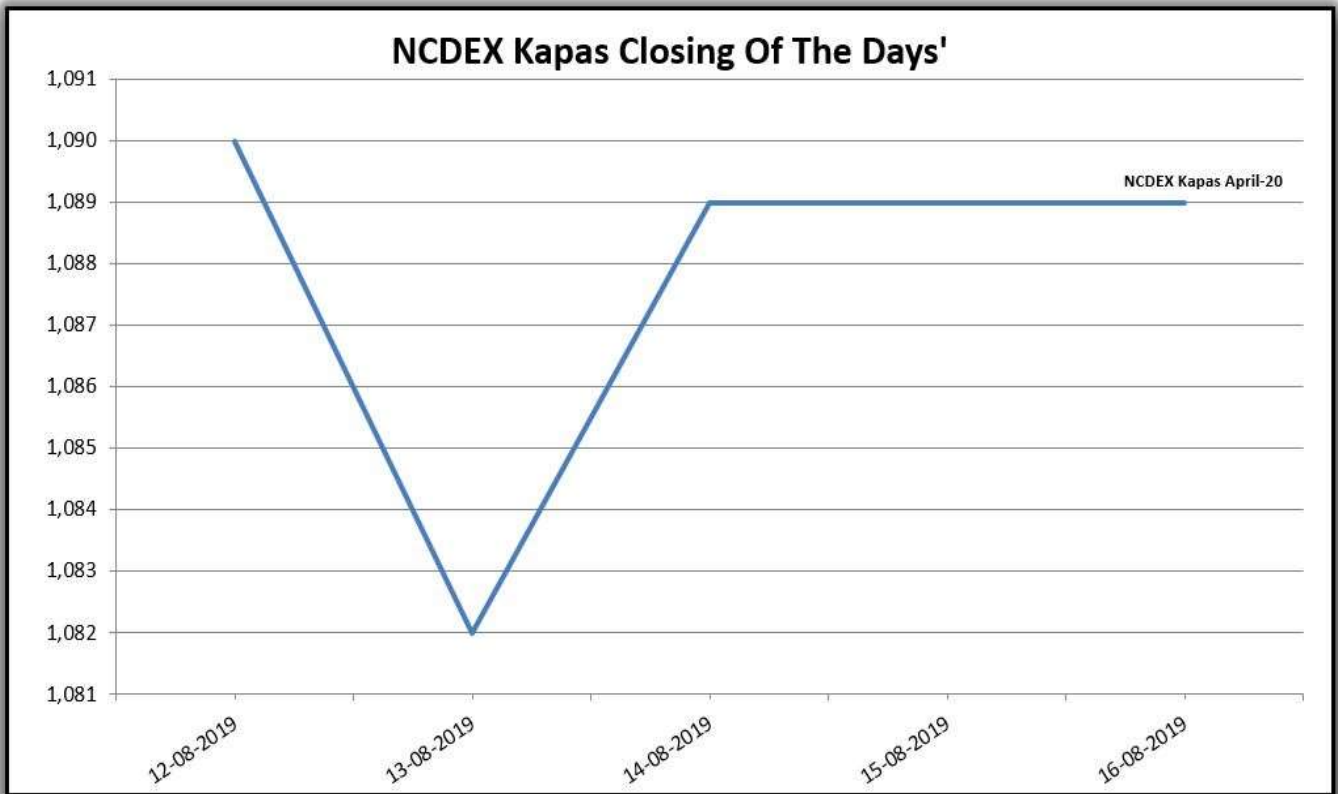




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Indian Indices				
Date	NCDEX Kapas	MCX		
	30-Apr-20	Aug-19	Oct-19	Nov-19
12-08-2019	1090.00	20,250	19,720	19,420
13-08-2019	1082.00	20,560	19,950	19,680
14-08-2019	1089.00	20,630	19,890	19,580
15-08-2019	1089.00	20,630	19,890	19,580
16-08-2019	1089.00	20,780	19,850	19,510





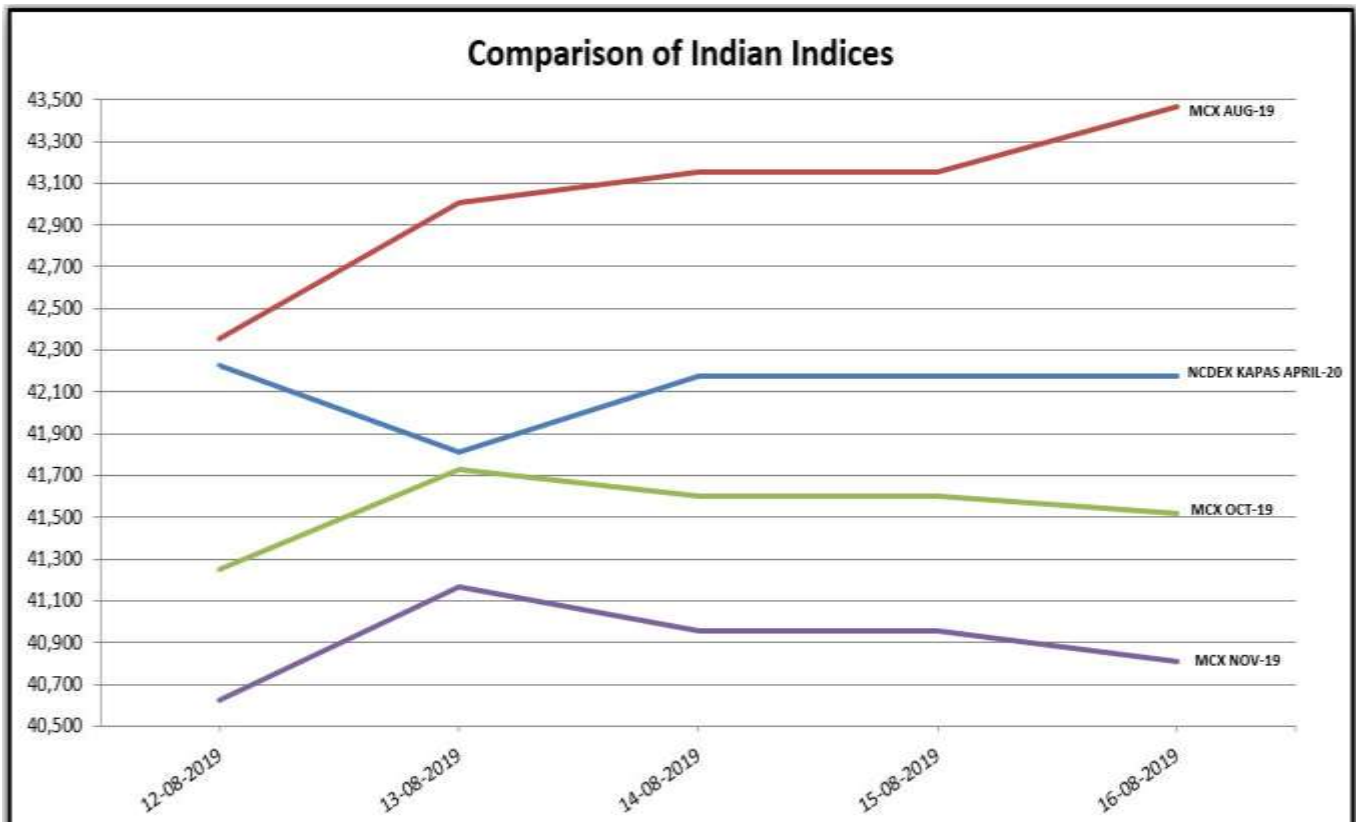


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Aug-19	Oct-19	Nov-19
12-08-2019	42,228	42,357	41,248	40,621
13-08-2019	41,809	43,005	41,729	41,165
14-08-2019	42,175	43,152	41,604	40,955
15-08-2019	42,175	43,152	41,604	40,955
16-08-2019	42,175	43,466	41,520	40,809

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

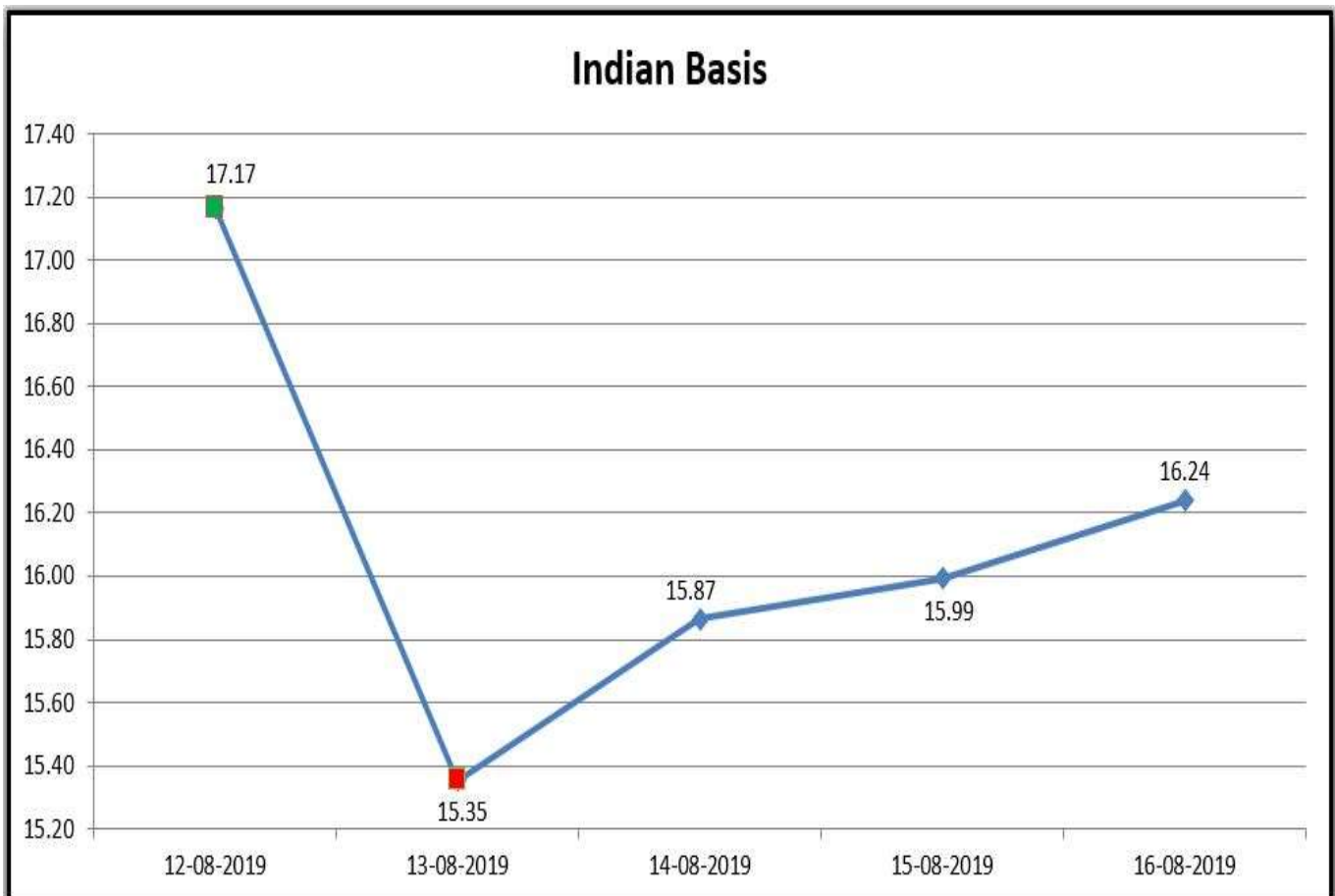




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
12-08-2019	41,800	70.80	75.31	58.14	17.17
13-08-2019	41,850	71.40	74.76	59.41	15.35
14-08-2019	42,150	71.27	75.44	59.57	15.87
15-08-2019	42,250	71.27	75.61	59.62	15.99
16-08-2019	42,600	71.15	76.37	60.13	16.24





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## IN THE WEEK AHEAD

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

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