



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 23-MAR-2019

## Market Movement from 18<sup>th</sup> Mar 2019 to 23<sup>rd</sup> Mar 2019

- Global cotton market gives sign of some bullish fundamentals. NY Future settled slightly lower on Friday after previous session's 2 percent rally to three-month highs which was triggered by short covering by specs. Overall NY May Future gained 108 points during this week, its fifth consecutive weekly gain.
- Export sales were as required but pace of shipment is still lagging behind to achieve export target.
- China has reduced VAT on cotton yarn. China also gives some benefit to Pakistan yarn imports. Immediate there is no impact of this move at present but in a long run it will be visible.
- Indian physical market was firm following NY futures. Due to lower arrivals and cotton stock holding by ginners anticipating further price rise, there was very low liquidity in the market. In such sentiment, Indian physical market will remain firm even if NY Futures go down.
- Indian currency remained strong and Indian basis are too high for cotton exports from India. There was no trade in cotton export market but some import business was noted.
- Gujarat 29 mm Cotton sold between 44,350 to 44,800 Rs./Candy.
- All India Daily Arrivals remained between 90,000 to 1,10,000 bales.
- Gujarat Daily Pressing was approximately 35,000 to 38,000 bales.
- NY May futures w/w gained 1.08 cents.
- Indian Rupee remained stable between 68.53 to 68.97 during this week.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 1,25,000 RB for 2018-2019 were reported for Vietnam (84,700 RB, including 35,800 RB switched from China, 400 RB switched from Taiwan, and decreases of 100 RB), Turkey (21,500 RB), India (16,300 RB), Pakistan (10,300 RB), and Bangladesh (5,100 RB). Reductions were reported for China (11,600 RB), Hong Kong (6,600 RB), Malaysia (4,200 RB), Indonesia (4,000 RB).
- For 2019-2020, net UPLAND sales of 32,800 RB were primarily reported for China (15,400 RB), Pakistan (8,800 RB), and Japan (7,300 RB).
- UPLAND Exports of 3,50,100 RB were primarily to Pakistan (79,000 RB), Vietnam (67,300 RB), Indonesia (36,400 RB), China (36,200 RB), and Turkey (32,800 RB).
- Net sales of PIMA totaling 22,100 RB for 2018-2019 were primarily for China (13,700 RB), Vietnam (4,400 RB), and Thailand (1,200 RB). For 2019-2020, total net sales of 1,000 RB were primarily reported for China (500 MT).
- PIMA Exports of 16,600 RB were primarily to India (5,900 RB), China (4,500 RB), Pakistan (2,400 RB), Thailand (1,600 RB), and Indonesia (1,000 RB).

US Export Sales		14-Mar-2019
<b>Marketing Year 2018-19</b>		
Upland Gross Sales		1,51,100
Cancellation		26,100
<b>Net Upland Sales</b>		<b>1,25,000</b>
PIMA Gross Sales		22,100
Cancellation		0
<b>Net PIMA Sales</b>		<b>22,100</b>
Total Gross Sales		1,73,200
Total Cancellation		26,100
<b>Total Net Sales</b>		<b>1,47,100</b>
<b>Shipments</b>		
UPLAND		3,50,100
PIMA		16,600
<b>Total Shipment</b>		<b>3,66,700</b>
<b>Marketing Year 2019-20</b>		
Net Upland Sales		32,800
Net PIMA Sales		1,000
<b>Total Net Sales</b>		<b>33,800</b>
All Figures in US Running Bale		



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### China report from Reinhart weekly report

The ZCE cotton futures market is still stuck in a narrow-ranged consolidation. The short-term technical outlook remains neutral. Based on the May19 contract, support is at 15'000, then at 14'650 and 14'300. Resistance is at 15'500, then 16'000, 16'520.

China-US trade talks are to be continued until early next month; before a clear resolution to the dispute, market participants remain in a defensive mode. ICE stayed at relatively high levels which caused a slowdown of import demand, although spot consignments are sold actively as long they are competitive to domestic cotton. A general problem is quota availability. While ZCE remains in its trading range, prices for physical cotton have increased somewhat, both in Xinjiang and the Eastern provinces.

In further confirmation to the bad business during the first 2 months of 2019, Chinese textile exports have been reported down by 8.1% compared to the same period of last year, whereof yarn/knitwear/garments reduced by 15.4%. Since the Chinese New Year, many spinning mills report a better demand situation; but for now, there is no statistical evidence.

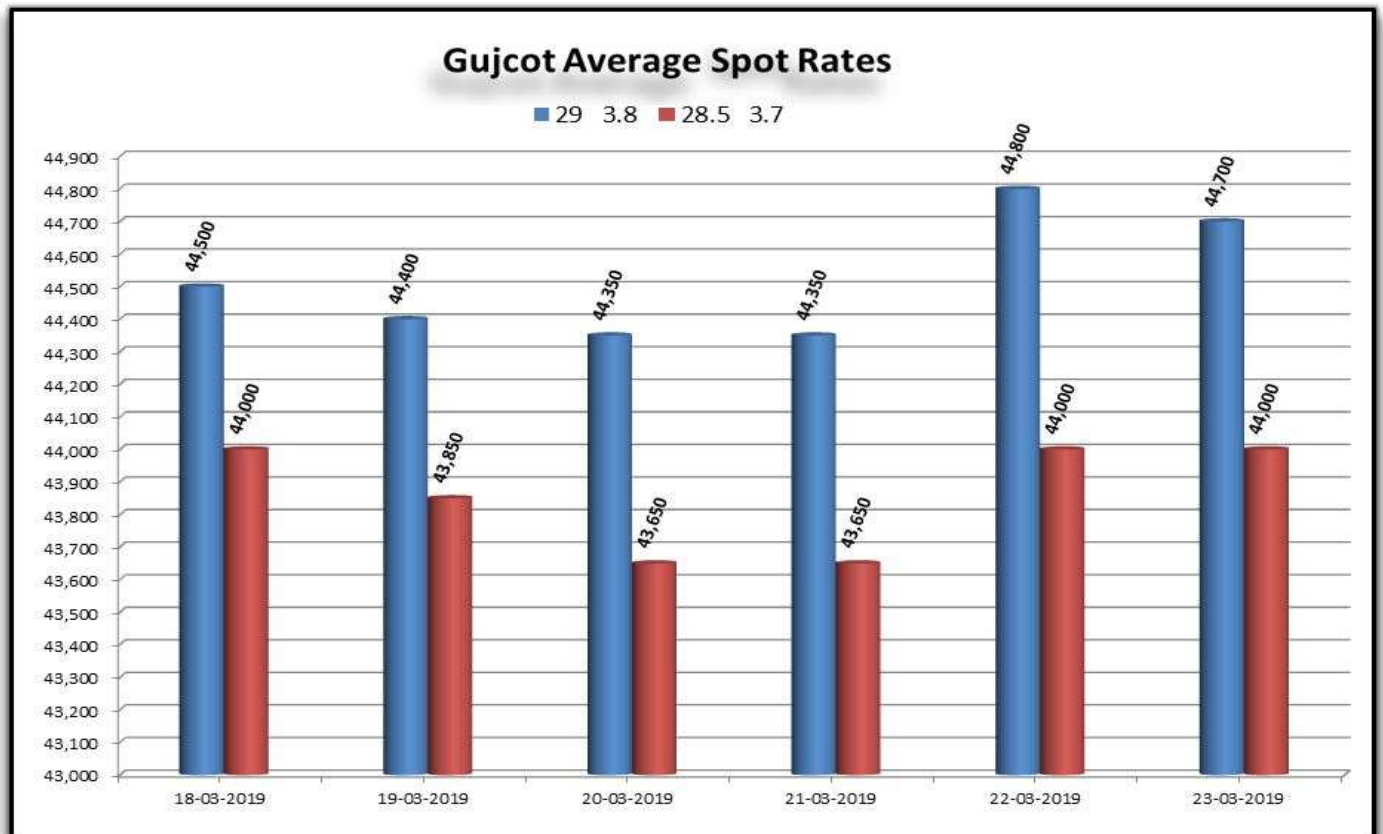
Average Rate Of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	44,350	44,800	44,517
Shankar 6	28.5	3.7	43,650	44,000	43,858
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3	No Quote	No Quote	No Quote
V-797	13% Trash		34,950	35,150	35,017
MCX Spot Rate			21,180	21,390	21,275
USD Exchange Rate			68.53	68.97	68.84



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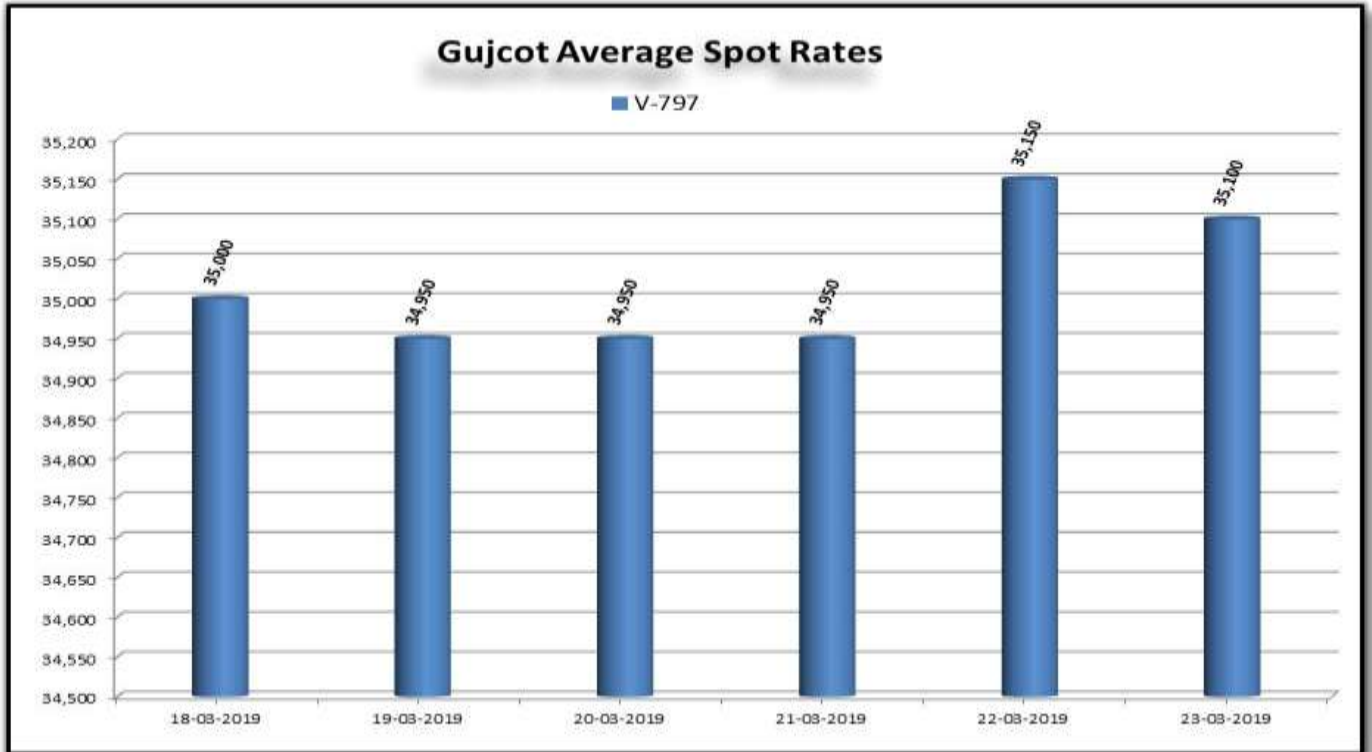
Rate Of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
18-03-2019	44,500	44,000	35,000	21,270	68.53
19-03-2019	44,400	43,850	34,950	21,240	68.97
20-03-2019	44,350	43,650	34,950	21,180	68.82
21-03-2019	44,350	43,650	34,950	21,180	68.82
22-03-2019	44,800	44,000	35,150	21,390	68.95
23-03-2019	44,700	44,000	35,100	21,390	68.95





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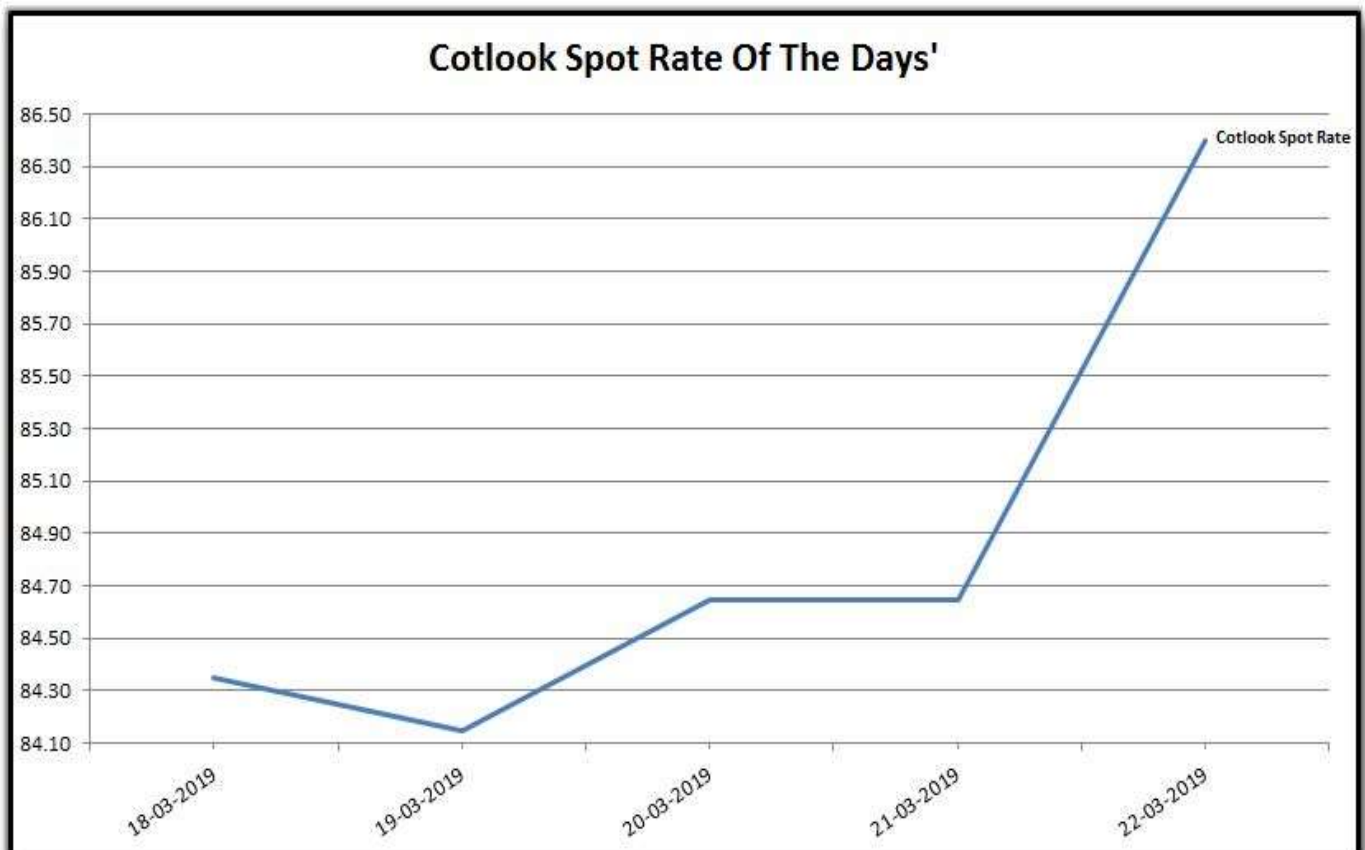




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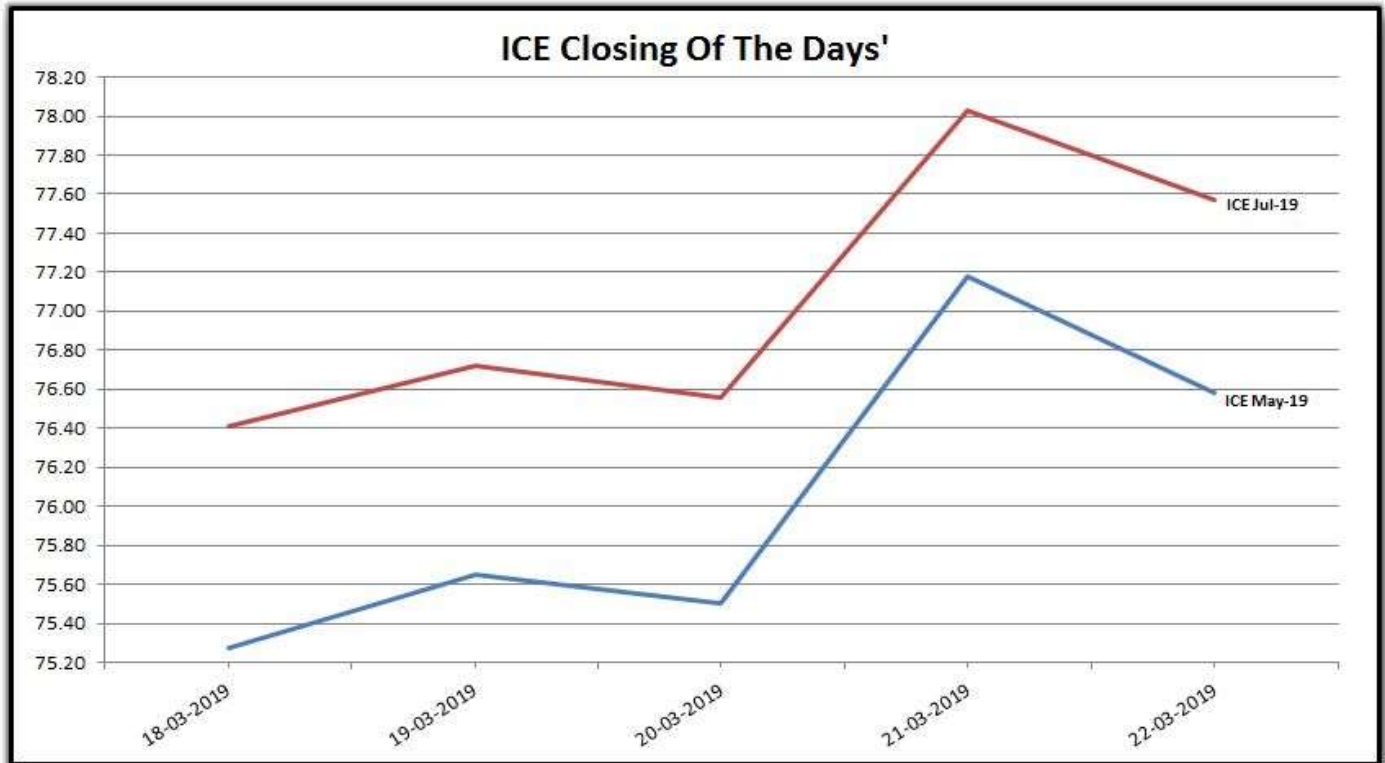
Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	May-19	Jul-19
18-03-2019	84.35	75.27	76.41
19-03-2019	84.15	75.65	76.72
20-03-2019	84.65	75.50	76.56
21-03-2019	84.65	77.18	78.03
22-03-2019	86.40	76.58	77.57





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### Indian Indices

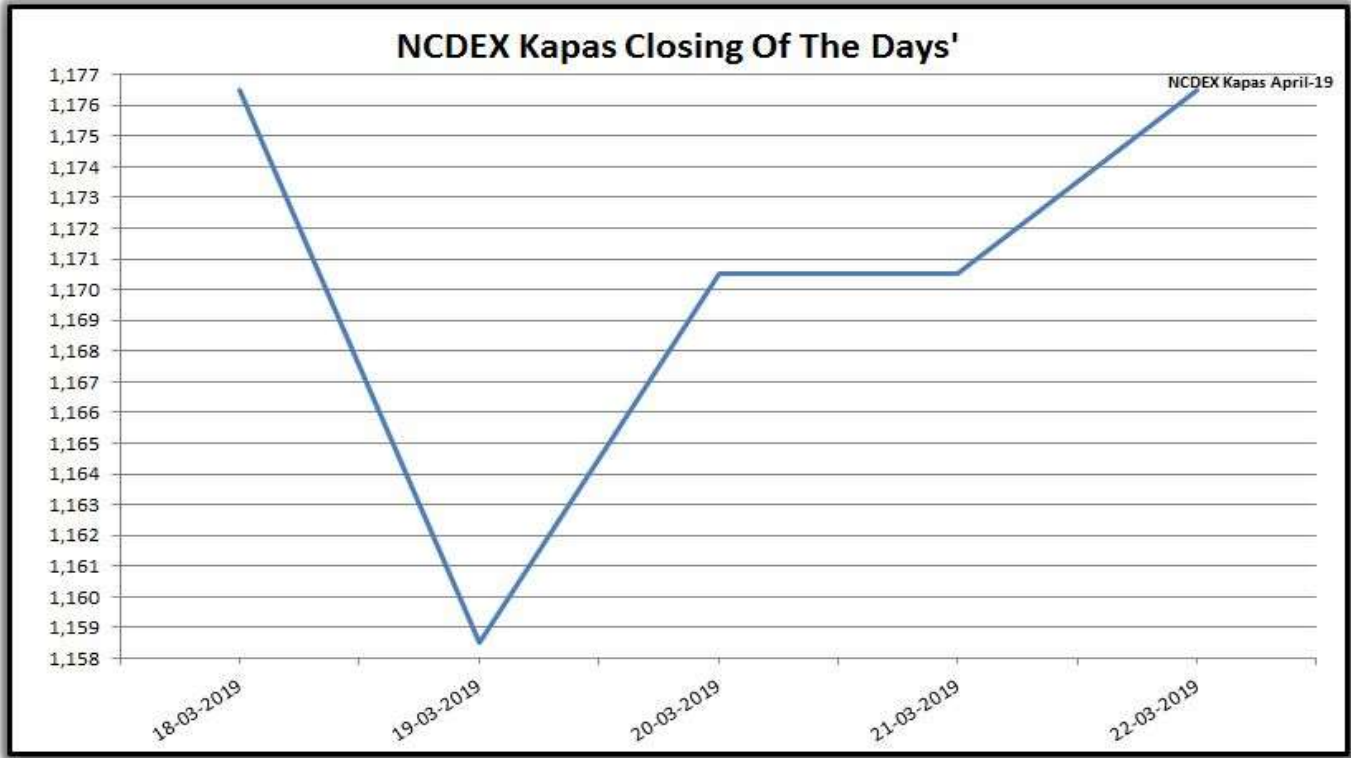
Date	NCDEX Kapas	MCX		
	30-Apr-19	Mar-19	Apr-19	May-19
18-03-2019	1176.5	21,290	21,580	21,820
19-03-2019	1158.5	21,170	21,480	21,740
20-03-2019	1170.5	21,200	21,530	21,800
21-03-2019	1170.5	21,290	21,610	21,870
22-03-2019	1176.5	21,360	21,690	21,960





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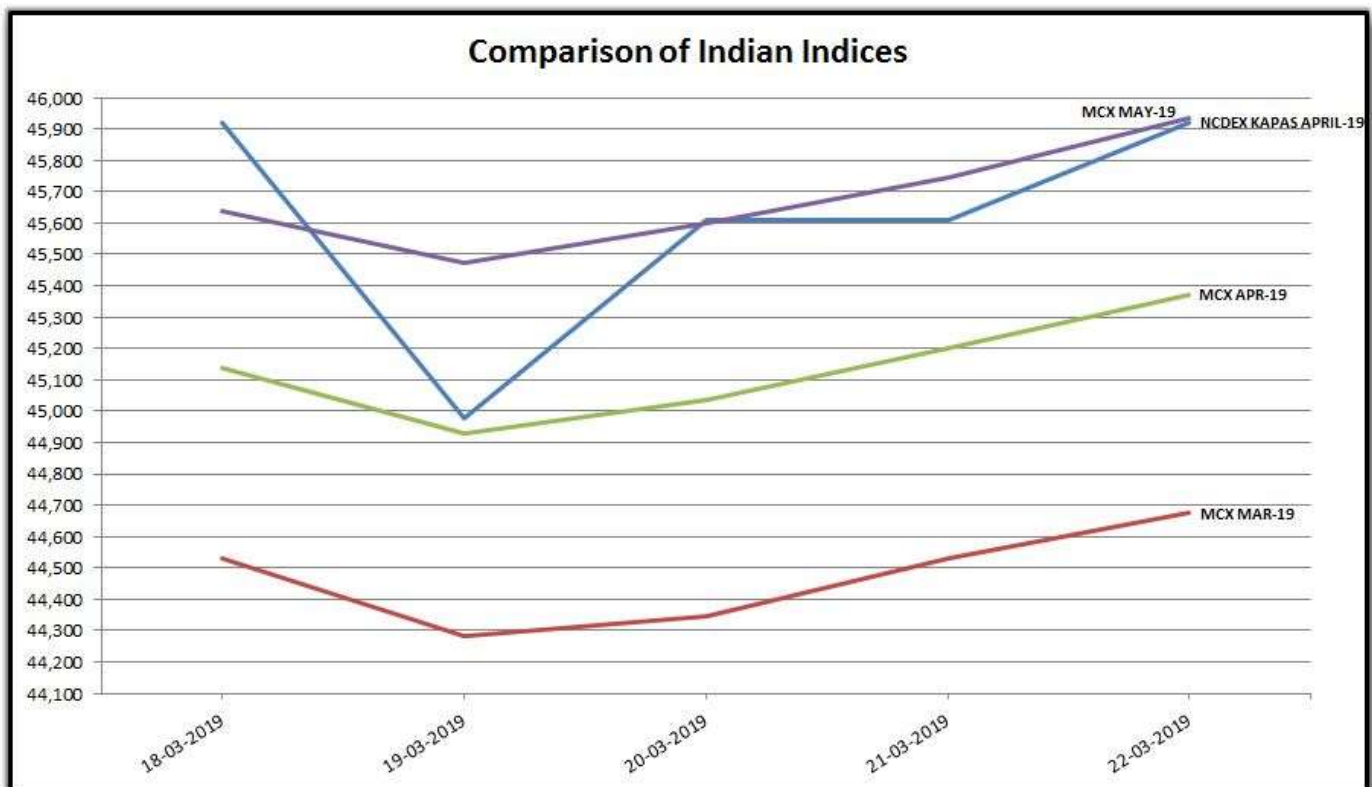


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Mar-19	Apr-19	May-19
18-03-2019	45,921	44,532	45,139	45,641
19-03-2019	44,979	44,281	44,930	45,474
20-03-2019	45,607	44,344	45,034	45,599
21-03-2019	45,607	44,532	45,202	45,745
22-03-2019	45,921	44,679	45,369	45,934

**Remark :- For NCDEX Kapas we have taken seed rate 525/20 Kg to convert in Candy.**





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