



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 11-Mar-2023

Market Movement from 06th Mar 2023 to 11th Mar 2023.

- Cotton prices experienced a sharp decline in the last week, with NY May futures dropping from 84.17 on 3rd March to 78.18 on 10th March, resulting in a significant week-on-week loss of 5.99 cents.
- The cotton market saw fluctuations in prices throughout the week of 6th March to 10th March, 2023. On Monday, the market was up due to a weaker U.S. dollar and a stronger Dow, with traders anticipating that Fed Chair Powell would be mildly hawkish in his congressional testimony. On Tuesday, Powell's comments about rising interest rates caused the U.S. dollar to strengthen, leading to bearish sentiment in the cotton market. Wednesday saw the market decline further as the U.S. dollar continued to rise, and the March WASDE report showed unchanged domestic numbers. On Thursday, cotton traded both sides of unchanged after export sales were lower than the previous week. The market's fluctuations were influenced by Powell's testimony, the strength of the U.S. dollar, and export sales data.



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- The USDA's WASDE report for March 2023 shows no changes in the 2022/23 U.S. cotton supply and demand forecast, with the projected marketing year average price received by producers remaining at 83 cents per pound. However, the global 2022-23 cotton supply and demand forecast includes lower consumption and trade, and higher production and stocks. World cotton consumption is 5,55,000 bales lower with reductions in Turkey, Pakistan, Indonesia, and Bangladesh. While production is up by over 7,00,000 bales due to larger expected crops in China, Australia, and Uzbekistan. The 2022-23 world ending stocks are projected to be 2.1 million bales higher than the previous month and 5.0 million bales higher than in 2021-22.
- The latest cotton export weekly report showed U.S. Export Sales data for the 2022-2023 season, with net upland sales of 1,14,600 bales and net Pima sales of 3,800 bales. However, looking ahead to the 2023-2024 season, net upland sales were reported to be - 68,300 bales, with no reported net Pima sales. This suggests that the cotton market may face challenges in the coming season. As always, staying informed of market trends and developments will be crucial for investors and industry participants.



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- Gujcot spot rate experienced a downward trend throughout the week, dropping from 62,450 on Monday to 61,000 on Saturday.
- Indian arrival are increasing with farmers now understand the situation. All India arrival continued beyond 1,50,000 bales.
- Consumption also better but daily surplus is putting pressure on prices.
- Yet Indian raw cotton export is limited so cotton price has to move near spinners' viability.
- Indian spinners are getting export and domestic orders and running mills well.
- Fridays limit down close of NY May future brings Indian basis very costly.
- The USD-INR exchange rate remained relatively stable this week, with a range between 81.96 and 82.04. The Indian rupee has been holding steady against the US dollar due to the overall positive outlook for the Indian economy.
- Indian farmers holding huge quantity of kapas but international cotton prices not supporting.
- In next week Indian cotton may see more pressure on price.
- Hope for better next week.



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USDA-WASDE

This month's 2022-23 U.S. cotton supply and demand forecasts are unchanged relative to last month. The projected marketing year average price received by producers is also unchanged at 83 cents per pound.

The global 2022-23 cotton supply and demand forecasts this month include lower consumption and trade, and higher production and stocks. Beginning stocks are almost 9,00,000 bales higher as historical consumption estimates for China and Uzbekistan are updated to align with data from official and other sources. World cotton consumption in 2022-23 is 5,55,000 bales lower this month with reductions in Turkey, Pakistan, Indonesia, and Bangladesh. Projected imports are lower for each of these countries—and for China—while exports are lower for Brazil, India, and Argentina, with world trade totalling 7,85,000 bales lower. Production is more than 7,00,000 bales higher as larger expected crops in China, Australia, and Uzbekistan more than offset reduced prospects for India. At 91.1 million bales, 2022-23 world ending stocks are projected 2.1 million higher than a month earlier and 5.0 million higher than in 2021-22.



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Global

US Weekly Export Sales

- Net UPLAND sales of 1,14,500 RB for 2022-2023 were down 33 percent from the previous week and 57 percent from the prior 4-week average. Increases primarily for Vietnam (44,700 RB, including 400 RB switched from South Korea, 100 RB switched from China, and decreases of 2,300 RB), Turkey (17,400 RB, including decreases of 8,300 RB), China (15,300 RB, including 2,600 RB switched from Singapore and decreases of 18,300 RB), Pakistan (11,900 RB, including decreases of 1,100 RB), and Mexico (9,800 RB, including decreases of 100 RB), were offset by reductions primarily for Singapore (2,600 RB), Bangladesh (800 RB), and Nicaragua (700 RB).
- Net UPLAND sales reductions of 68,300 RB for 2023-2024 resulting in increases primarily for Mexico (8,100 RB) and Japan (5,300 RB), were more than offset by reductions for Pakistan (87,100 RB).
- UPLAND Exports of 2,87,500 RB were up 38 percent from the previous week and 44 percent from the prior 4-week average. The destinations were primarily to Pakistan (75,100 RB), China (54,400 RB), Vietnam (47,500 RB), Turkey (36,100 RB), and Bangladesh (14,200 RB).
- Net sales of PIMA totaling 3,800 RB for 2022-2023 were up noticeably from the previous week and from the prior 4-week average. Increases were primarily for China (1,500 RB), India (900 RB), Thailand (600 RB), Vietnam (400 RB), and Pakistan (300 RB).
- PIMA Exports of 2,900 RB were down 1 percent from the previous week and 41 percent from the prior 4-week average. The destinations were to China (1,700 RB), Peru (900 RB), Bahrain (100 RB), Thailand (100 RB), and Japan (100 RB).

US Export Sales	02-Mar-2023
Marketing Year 2022-23	
Upland Gross Sales	1,47,200
Cancellation	32,600
Net Upland Sales	1,14,600
PIMA Gross Sales	3,900
Cancellation	100
Net PIMA Sales	3,800
Total Gross Sales	1,51,100
Total Cancellation	32,700
Total Net Sales	1,18,400
Shipments	
UPLAND	2,87,500
PIMA	2,900
Total Shipment	2,90,400
Marketing Year 2023-24	
Net Upland Sales	-68,300
Net PIMA Sales	0
Total Net Sales	-68,300
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	04-03-2023	11-03-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	62,250	61,000	-1,250	-2.05%
V-797	13% Trash		47,650	45,200	-2,450	-5.42%
MCX Spot Rate			62,580	62,120	-460	-0.74%
USD-INR Exchange			81.96	82.04	0.08	0.10%

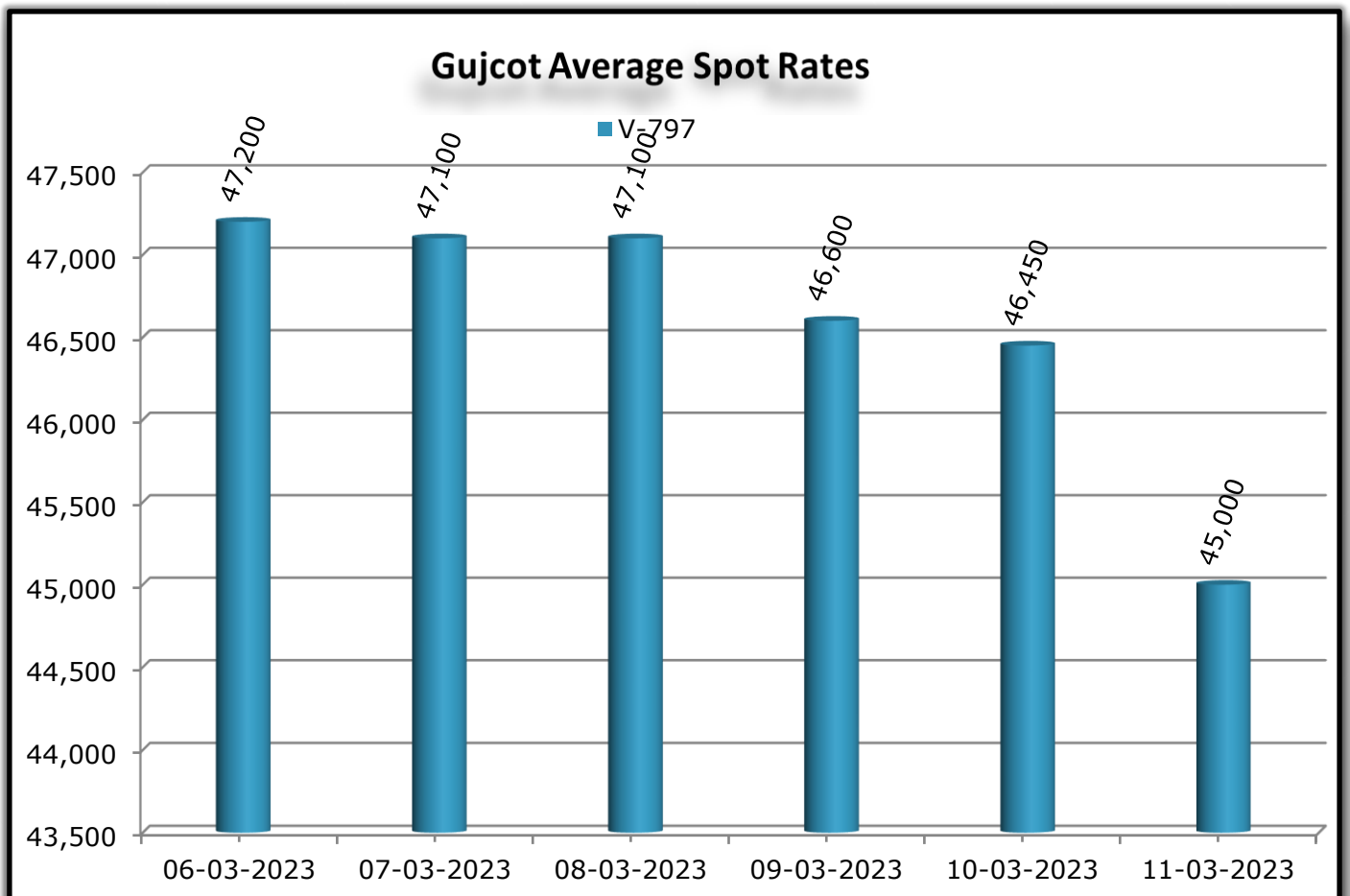
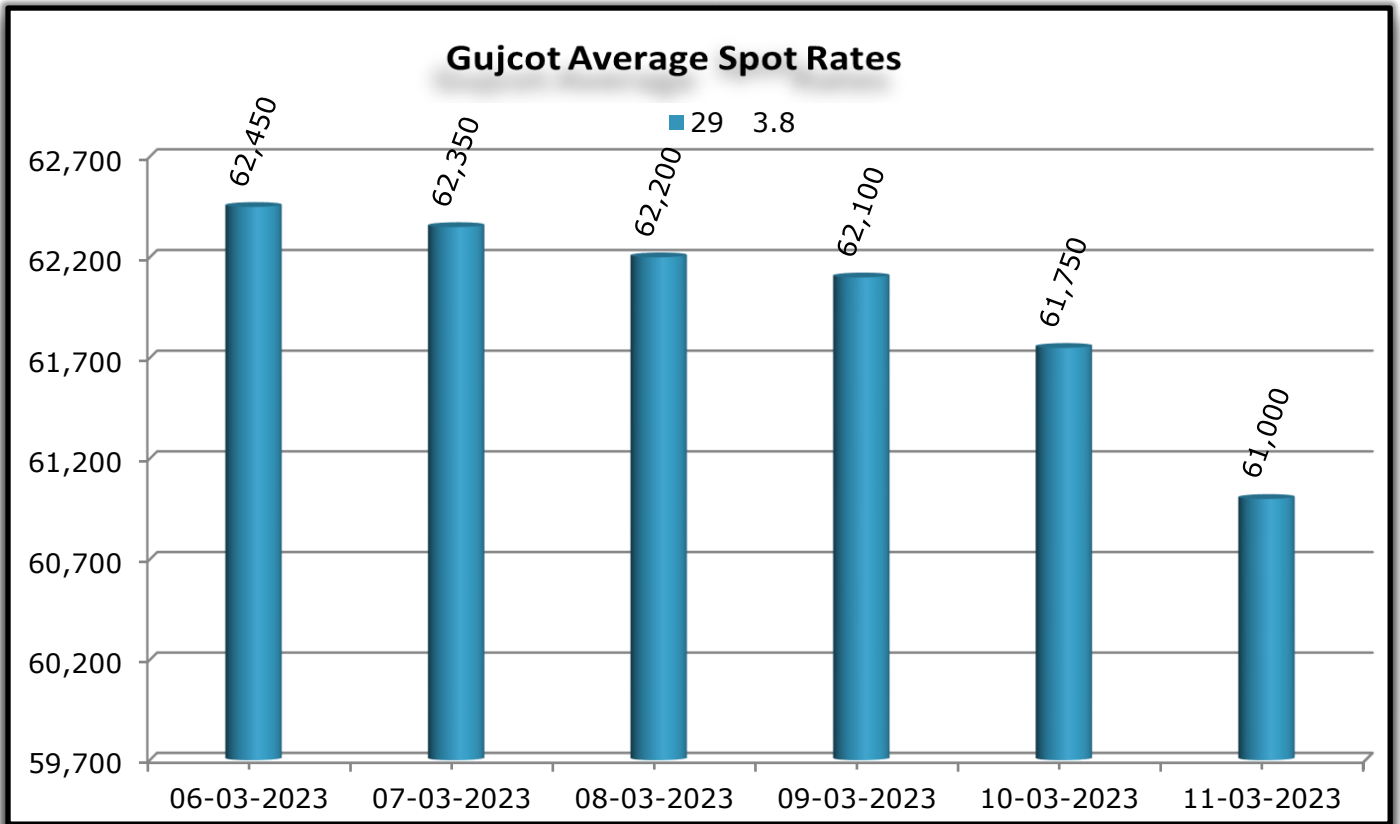
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	61,000	62,450	61,975
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		45,000	47,200	46,575
MCX Spot Rate			62,120	62,580	62,383
USD Exchange Rate			81.91	82.05	81.99

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
06-03-2023	62,450	47,200	62,580	81.91
07-03-2023	62,350	47,100	62,580	81.91
08-03-2023	62,200	47,100	62,580	82.05
09-03-2023	62,100	46,600	62,320	81.97
10-03-2023	61,750	46,450	62,120	82.04
11-03-2023	61,000	45,000	62,120	82.04



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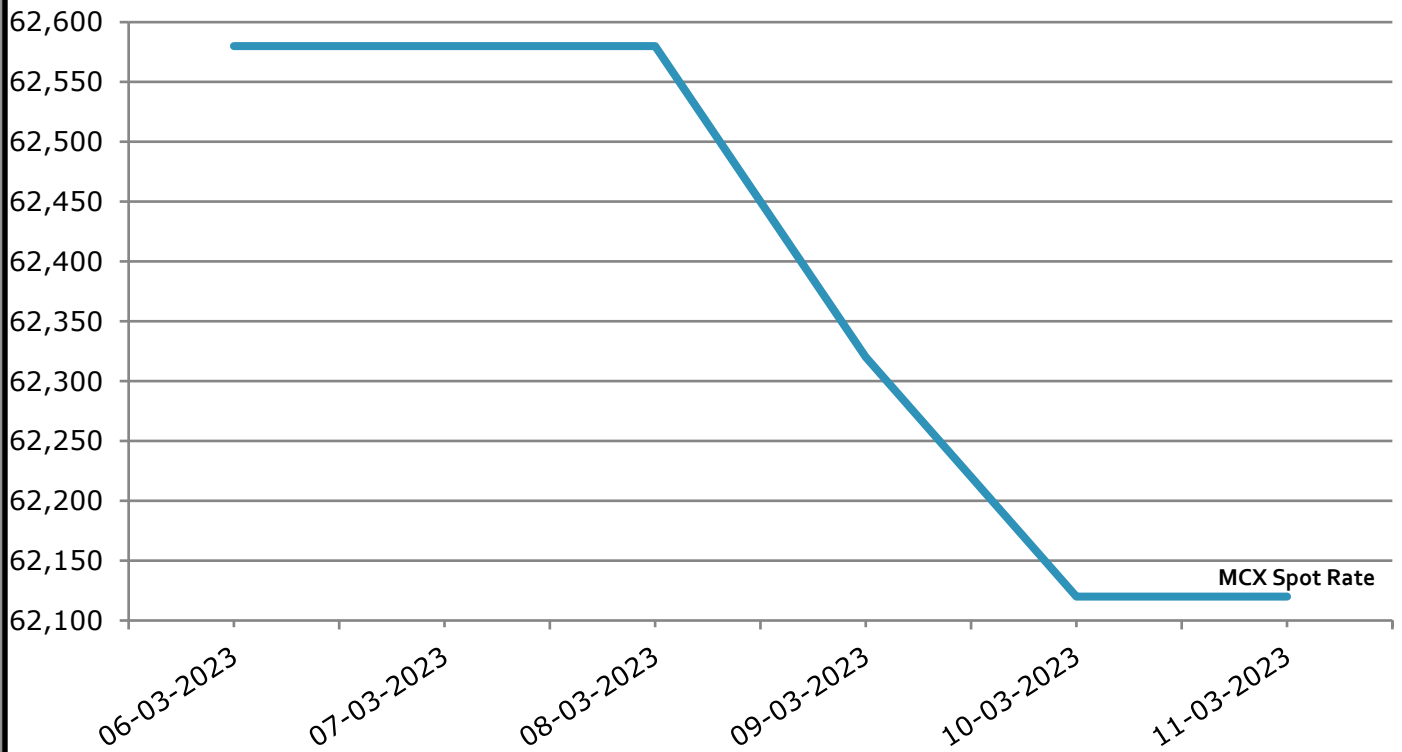




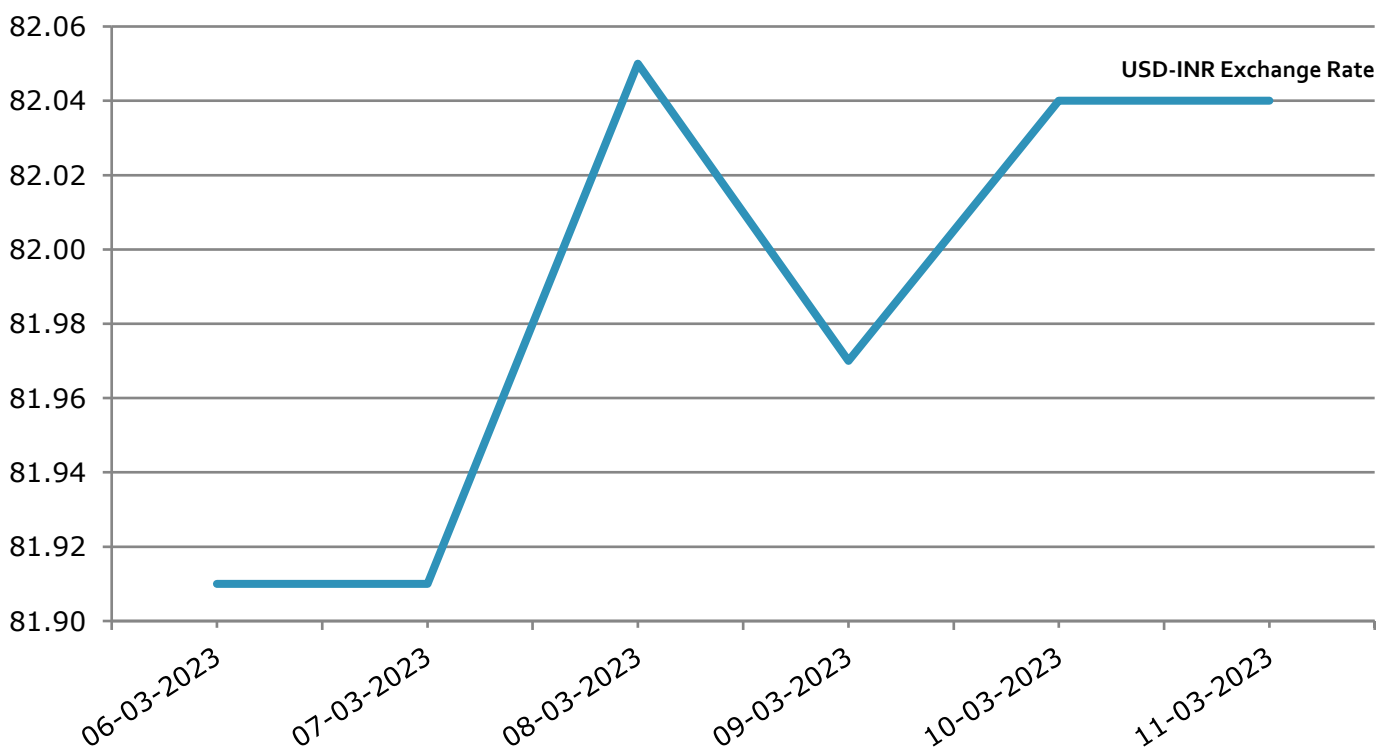
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'

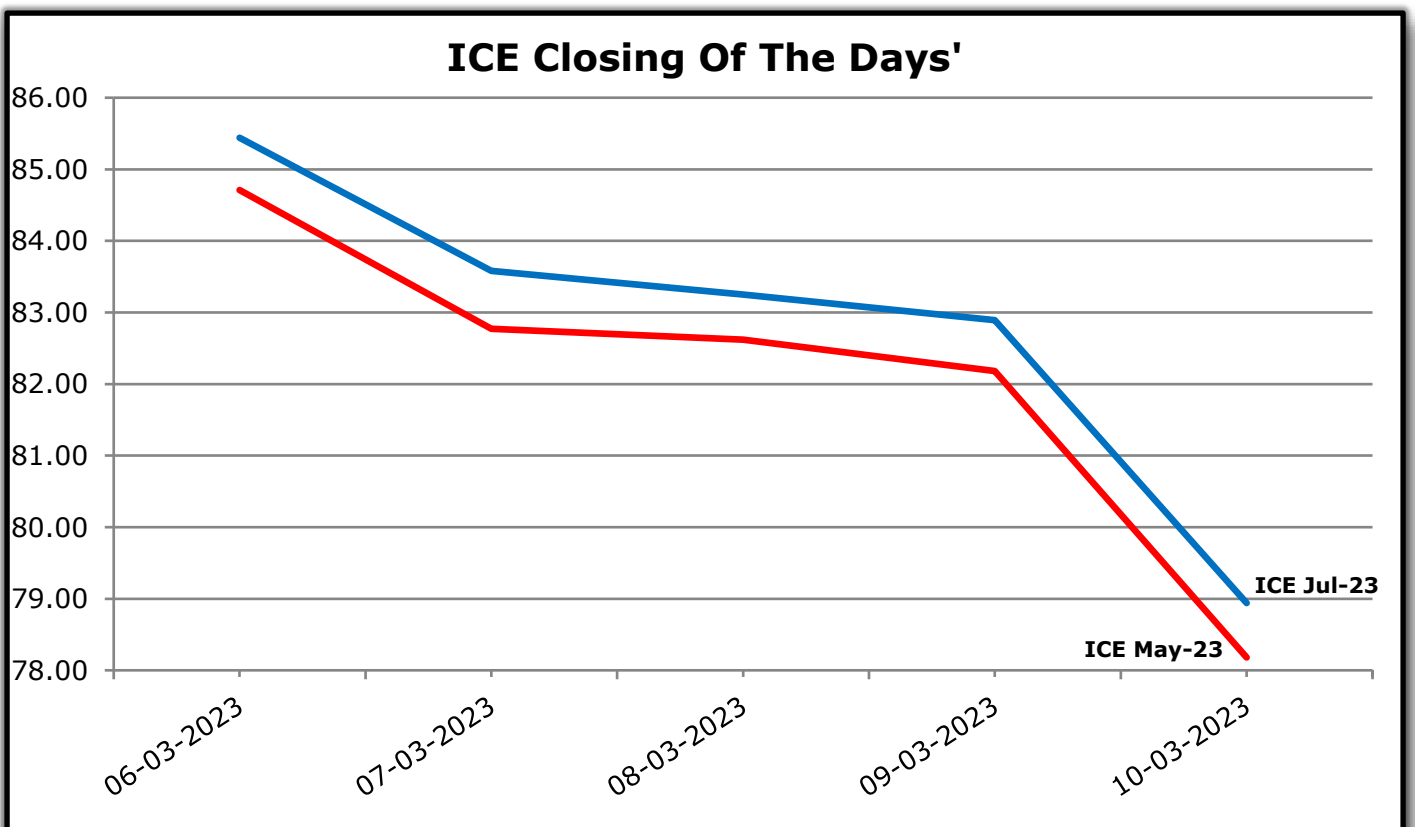
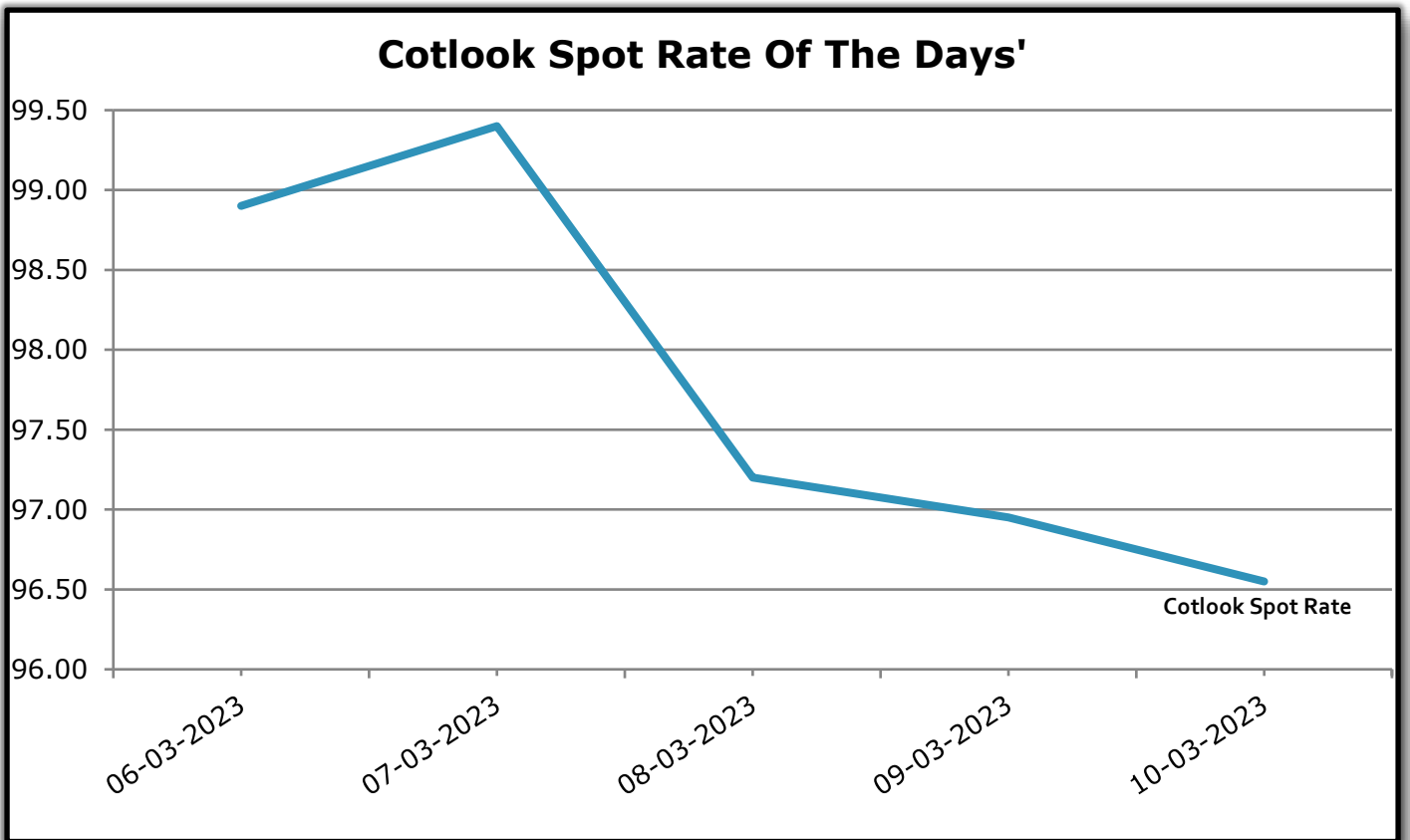




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	May-23	Jul-23
06-03-2023	98.90	84.71	85.44
07-03-2023	99.40	82.77	83.58
08-03-2023	97.20	82.62	83.25
09-03-2023	96.95	82.18	82.89
10-03-2023	96.55	78.18	78.94



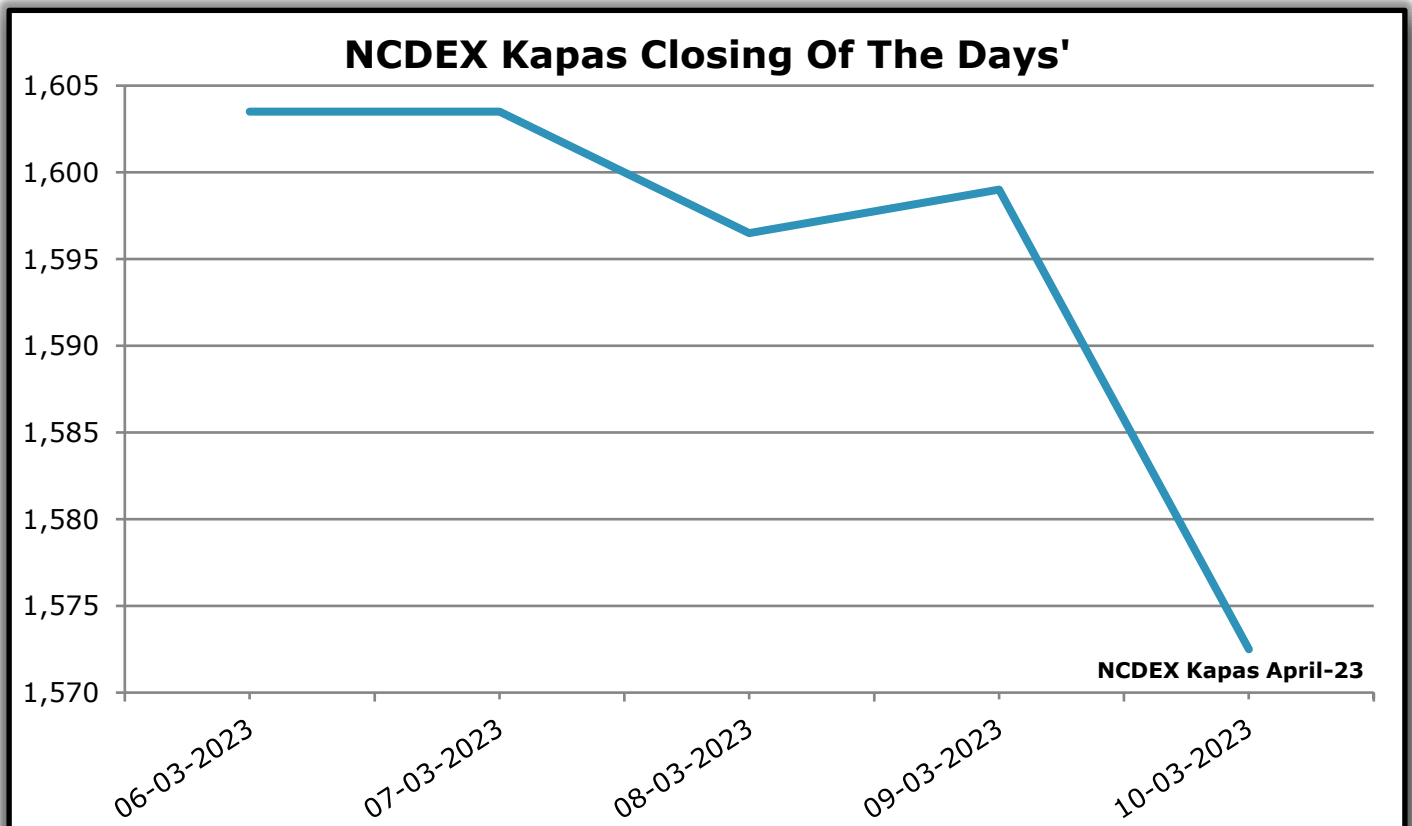


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Indian Indices	
Date	NCDEX Kapas
	April
06-03-2023	1,603.50
07-03-2023	1,603.50
08-03-2023	1,596.50
09-03-2023	1,599.00
10-03-2023	1,572.50



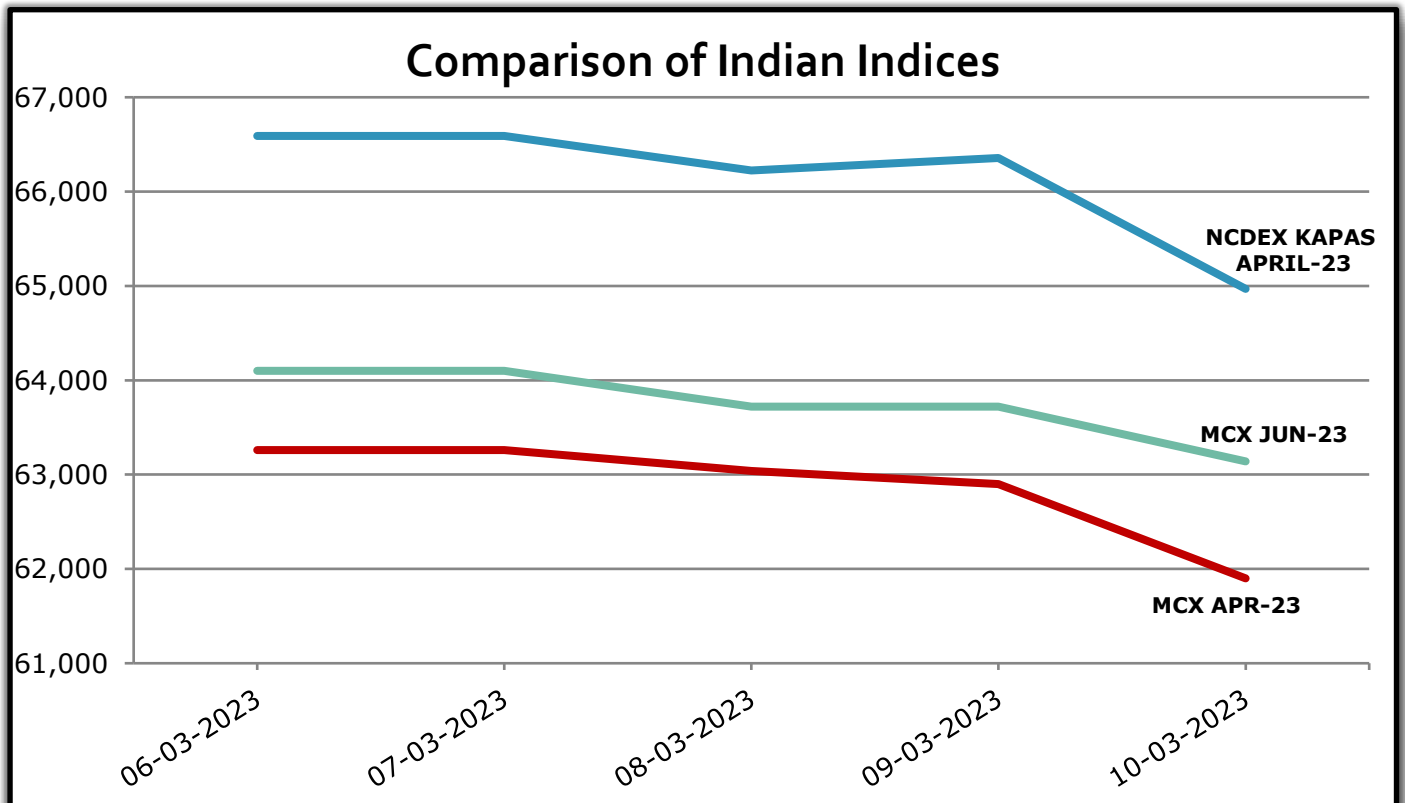


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April	Apr-23	Jun-23
06-03-2023	66,590	63,260	64,100
07-03-2023	66,590	63,260	64,100
08-03-2023	66,224	63,040	63,720
09-03-2023	66,355	62,900	63,720
10-03-2022	64,969	61,900	63,140

Remark :- For NCDEX Kapas we have taken seed rate 575/20 Kg to convert in Candy.

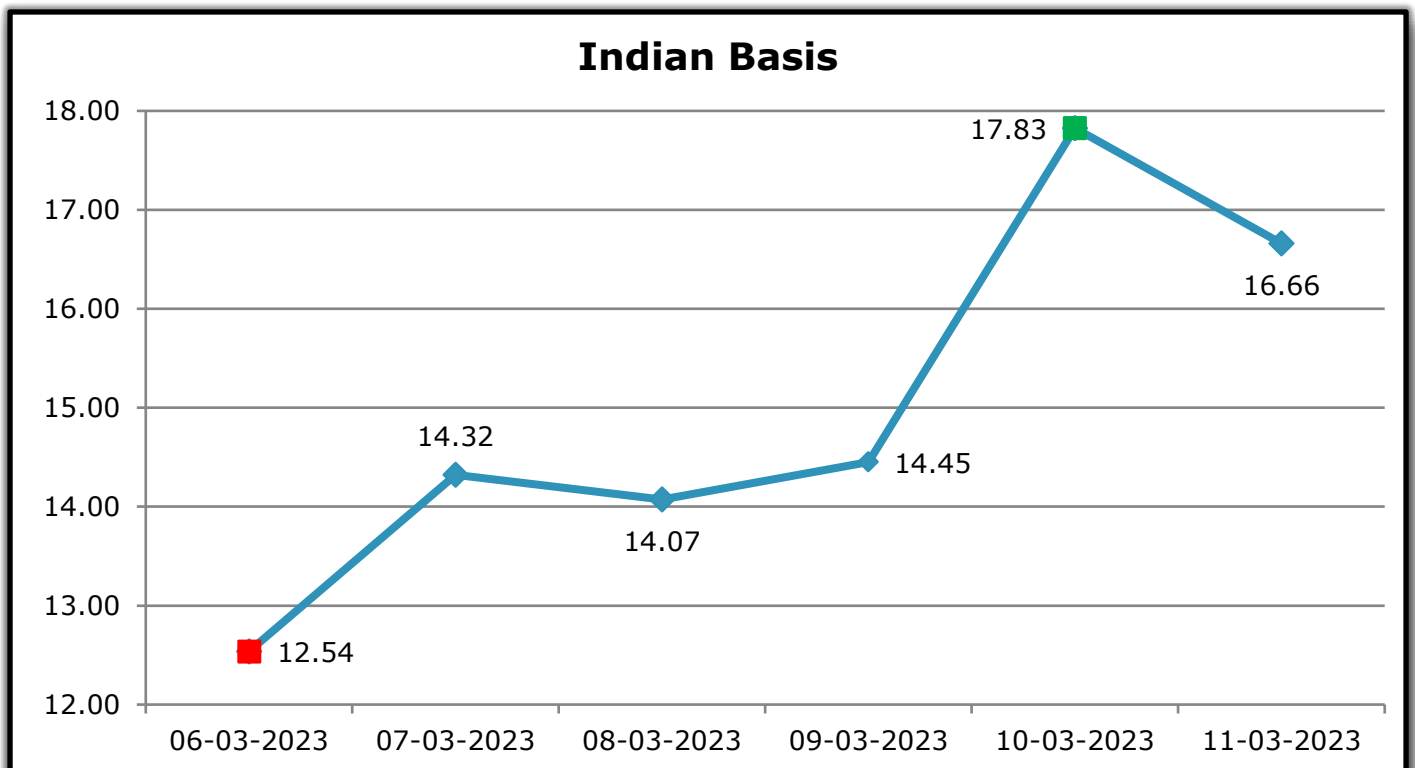




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAY	BASIS
06-03-2023	62,450	81.91	97.25	84.71	12.54
07-03-2023	62,350	81.91	97.09	82.77	14.32
08-03-2023	62,200	82.05	96.69	82.62	14.07
09-03-2023	62,100	81.97	96.63	82.18	14.45
10-03-2023	61,750	82.04	96.01	78.18	17.83
11-03-2023	61,000	82.04	94.84	78.18	16.66





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IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton On-Call

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Gujcot Trade Association