



# GUJCOT TRADE ASSOCIATION

## THIRD QUARTERLY RATE MOVEMENT 2022-23



**Dear All Cotton Friends,**

In our mission to give Daily Spot Rate Team Gujcot is getting valuable support from Gujcot broker's panel. We appreciated their humble service to the trade. Gujcot Team is giving daily closing of Indian and foreign futures rates.

In this report we have provided Following Rates during the month.

- Daily Physical Spot Rate
- MCX Cotton Daily Closing Rate
- USD-INR Exchange Rate Closing
- Cotlook Index
- ICE Future Closing
- NCDEX Kapas Rate
- MCX Future Closing
- NCDEX and MCX converted into Rs. Candy Rate

We hope it will be useful to all the stake holders of Textile Value Chain.



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- During the third quarter of the cotton season (April to June) NY July future remained within a range of 77 to 87 cents, while December future remained within a narrow range of 77 to 84.
- The NY Future market attempted to break out of these ranges multiple times but was unable to sustain those breakouts. This suggests that there may have been various attempts to push the market beyond these established price levels, but the momentum was not strong enough to sustain the price movement outside of the given ranges.
- The WASDE report was considered positive, indicating positive prospects, which were expected to support the market.
- There were macroeconomic factors that were depressing the market. One such factor is the Federal Reserve's decision to increase interest rates. When interest rates rise, it can have a cooling effect on economic activity and potentially slow down demand in various sectors, including commodities markets.
- Additionally, slow demand in textile was another factor contributing to the market's depressed state. This could be influenced by various factors such as changes in consumer behavior, global economic conditions, or other market-specific dynamics that are affecting the demand.
- In the upcoming season, US planted acres are estimated at 11.087 million acres which is 19% below this season's area but higher crop yields, leading to an overall increase in crop production in the United States.



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- The current US export sales commitment stands at approximately 14 million bales. Out of this total, around 10.8 million bales have already been shipped.
- The fact that 10.8 million bales have already been shipped indicates that a significant portion of the sales commitments has been fulfilled.
- The physical cotton rates in India remained stable in the range of 61,000 to 63,000 Rs per candy during April. However, from the first week of May, there was a sharp decline in prices, reaching a new seasonal low of 56,200. In the first week of June, there was some recovery due to factors such as a cyclone and improved buying, as buyers saw the prices as being at a bottom level. The Minimum Support Price (MSP) for the new season also played a role in the price recovery.
- However, despite these factors, the recovery in prices was not sustained due to weak demand. By the end of June, the Gujcot Shankar-6 rate reached a new bottom near 55,300 to 55,500 Rs per candy.
- Sowing is currently in progress all over India. Gujarat and northern regions have experienced ample rainfall, which is favorable for agricultural activities. However, Maharashtra and South India have received comparatively lower rainfall, which has resulted in delayed sowing compared to the previous year.
- At the end of Jun the total sowing area in India stands at around 40 lakh hectares. This figure is lower than the corresponding time last year, which had reached 47 lakh hectares.
- The Indian Rupee (INR) had a major trading range of 81 to 83 during the specified quarter.



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- Currency exchange rates are influenced by various factors such as interest rates, inflation, economic indicators, geopolitical events, and market sentiment. Fluctuations within a trading range can be influenced by market forces and the balance of supply and demand for the currency.
- The Indian basis was relatively high, ranging between 1,400 to 1,600 in April. From mid-May to June, the downward trend continued, and the basis remained attractive, dropping below 600. This lower basis level likely attracted market participants and basis players to engage in buying activities.
- The Indian futures market on MCX (Multi Commodity Exchange) has been experiencing a continuous downtrend. This downtrend is accompanied by low trading volumes and limited open interest, indicating that market participants have shown little interest in MCX futures. This could be due to various reasons, including uncertainty in the market, lack of trading opportunities, or a shift in focus to other investment options.



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### Gujarat Spot Rate Changes Jun-2023

Variety	Staple Length	Mic.	31-05-23	30-06-23	30-06-22	Change (M/M)		Change (Y/Y)	
						Rs./Candy	In Per.(%)	Rs./Candy	In Per.(%)
Shankar 6	29 MM	3.8	57,700	55,600	94,750	-2,100	-3.64%	-39,150	-41.32%
V-797	13 % Trash		47,800	45,400	55,900	-2,400	-5.02%	-10,500	-18.78%
MCX Spot Rate			57,720	55,660	45,470	-2,060	-3.57%	10,190	22.41%
USD-INR Exchange			82.72	82.03	78.96	-0.69	-0.83%	3.07	3.89%

### Monthly - Average Spot Rate Jun-2023

Variety	Staple Length	Mic.	Price Range		Average Of 26 Days
			Low	High	
Shankar 6	29	3.8	55,300	59,050	57,312
V-797	13% Trash		45,100	47,950	47,035
MCX Spot Rate			55,360	59,080	57,475
USD Exchange Rate			81.93	82.67	82.21



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### Gujarat Spot Rate Jun-2023

Date	29-3.8	V-797	MCX Spot Rate	USD-INR Exchange Rate
01-06-2023	57,900	47,900	57,860	82.40
02-06-2023	58,200	47,900	58,340	82.30
03-06-2023	58,750	47,950	58,340	82.30
05-06-2023	59,050	47,950	59,080	82.67
06-06-2023	58,800	47,900	58,980	82.60
07-06-2023	58,400	47,850	58,460	82.54
08-06-2023	58,150	47,750	58,200	82.56
09-06-2023	58,100	47,700	58,180	82.46
10-06-2023	58,000	47,700	58,180	82.46
12-06-2023	57,900	47,850	58,000	82.43
13-06-2023	57,900	47,850	57,920	82.36
14-06-2023	57,750	47,800	57,920	82.09
15-06-2023	57,350	47,250	57,920	82.17
16-06-2023	57,300	47,100	57,920	81.93
17-06-2023	57,400	47,100	57,920	81.93
19-06-2023	57,350	47,000	57,500	81.93
20-06-2023	57,350	46,950	57,440	82.11
21-06-2023	57,350	46,900	57,440	82.03
22-06-2023	57,150	46,750	57,360	81.95
23-06-2023	56,500	46,500	56,780	82.03
24-06-2023	56,100	46,150	56,780	82.03
26-06-2023	55,700	46,100	55,920	82.04
27-06-2023	55,400	45,400	55,540	82.02
28-06-2023	55,300	45,100	55,360	82.05
29-06-2023	55,350	45,100	55,360	82.05
30-06-2023	55,600	45,400	55,660	82.03



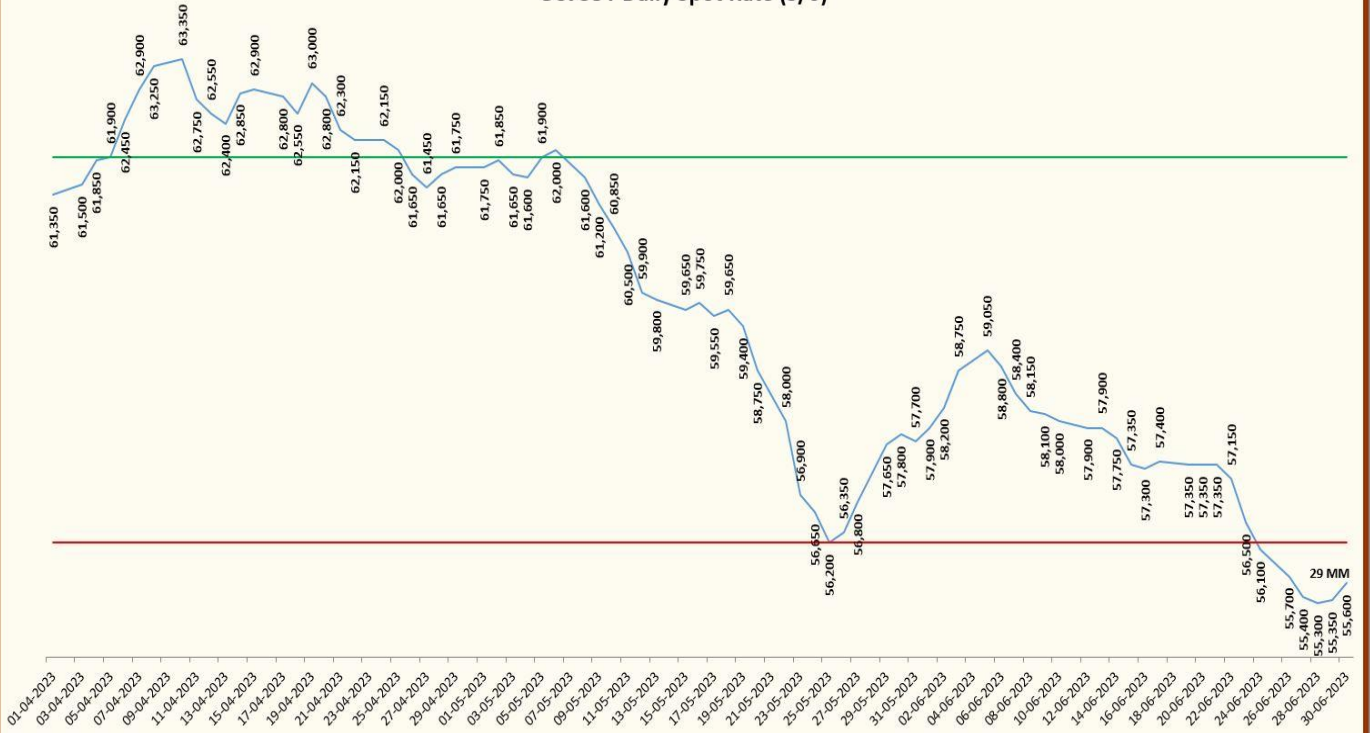
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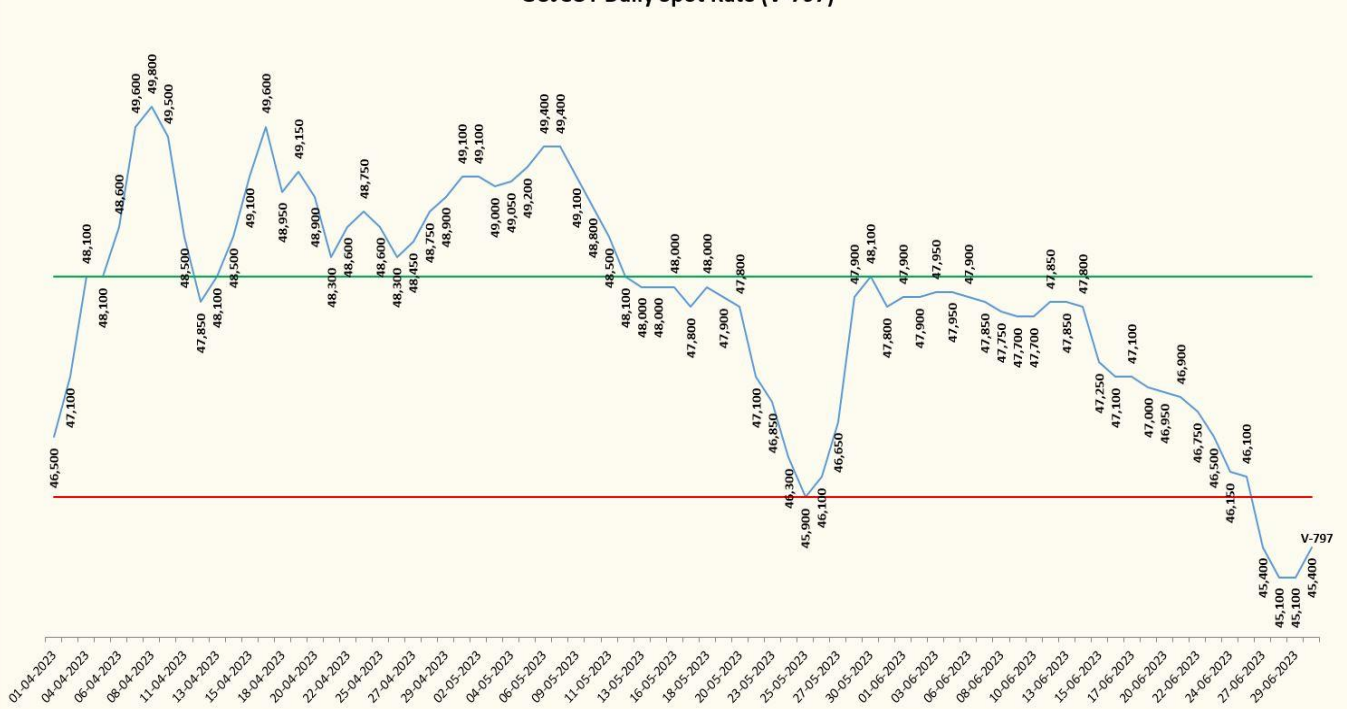
2022-23



GUJCOT Daily Spot Rate (S/6)



GUJCOT Daily Spot Rate (V-797)



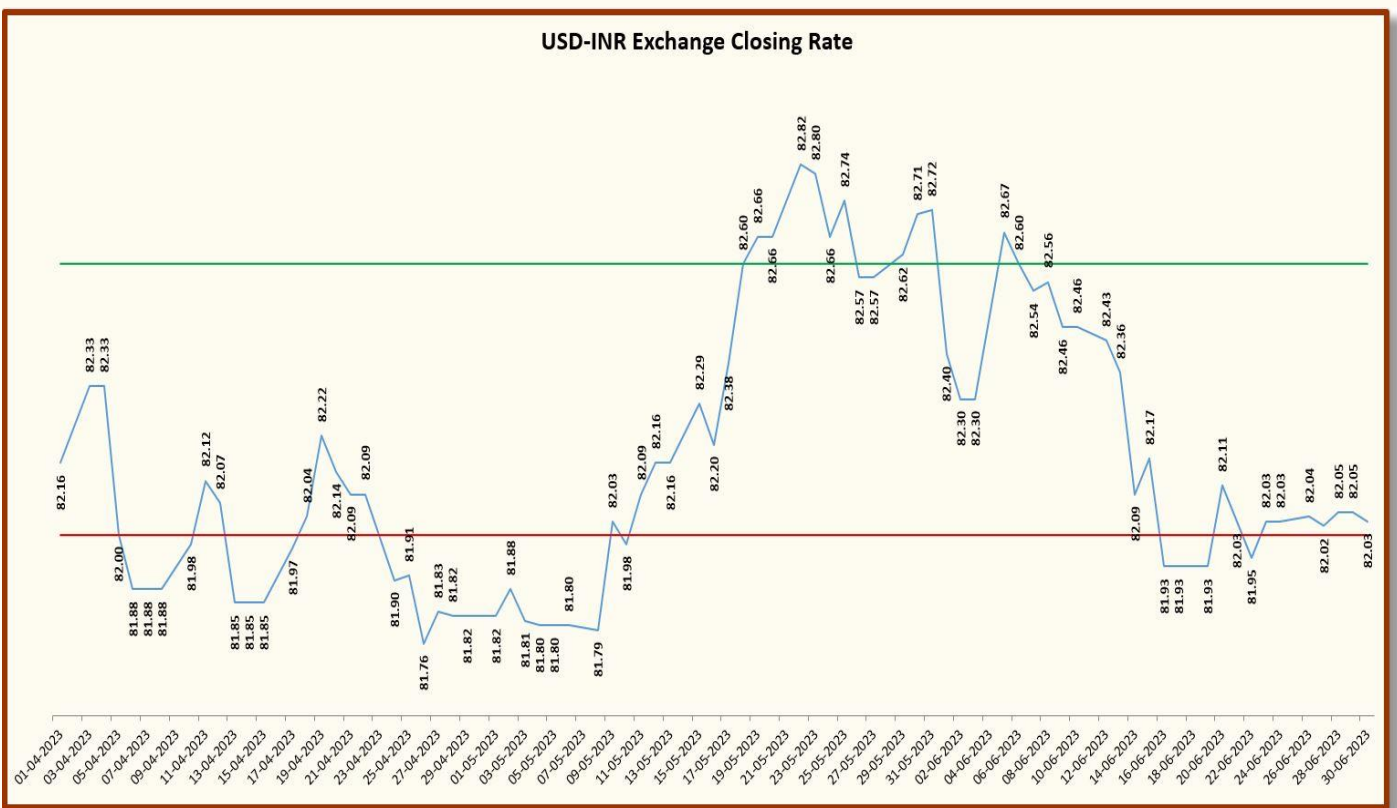
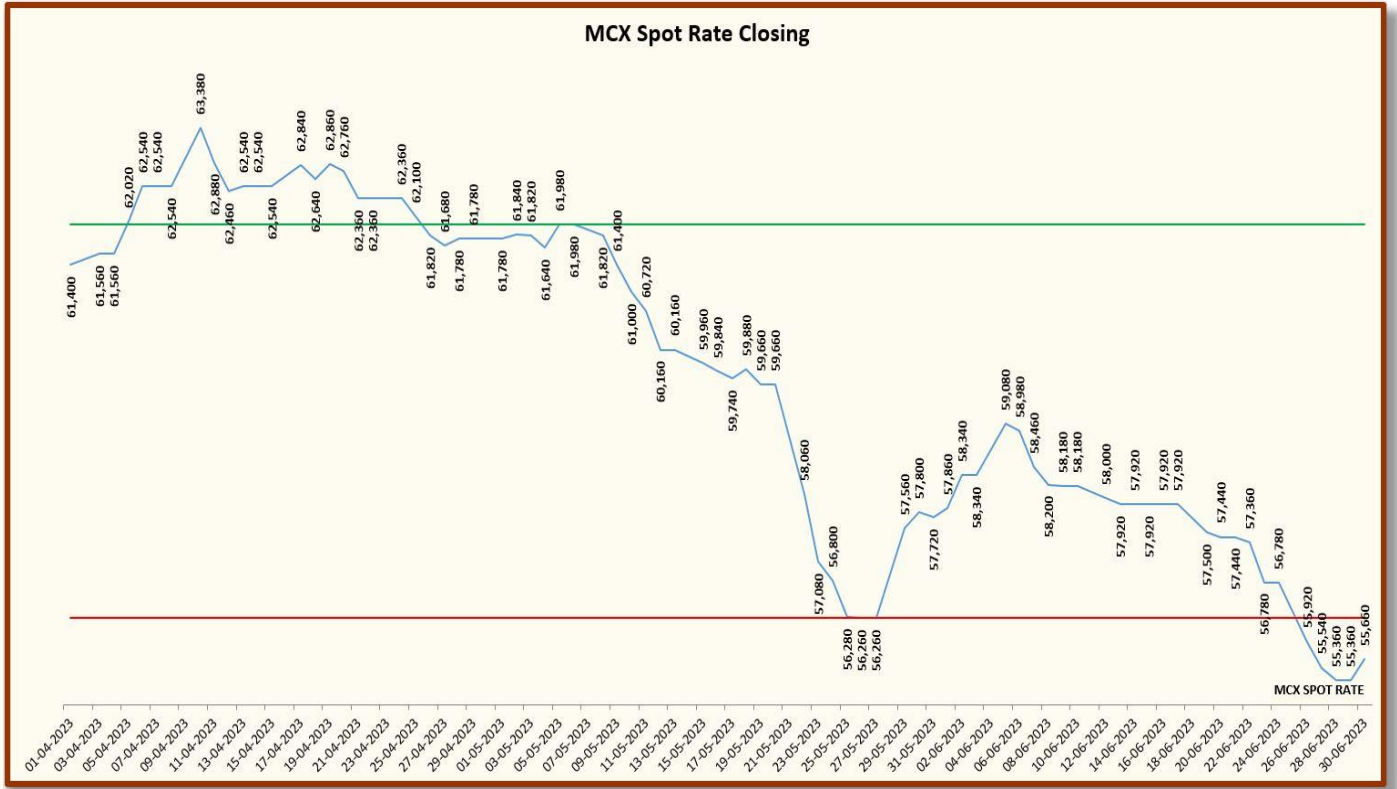




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## THIRD QUARTERLY RATE MOVEMENT

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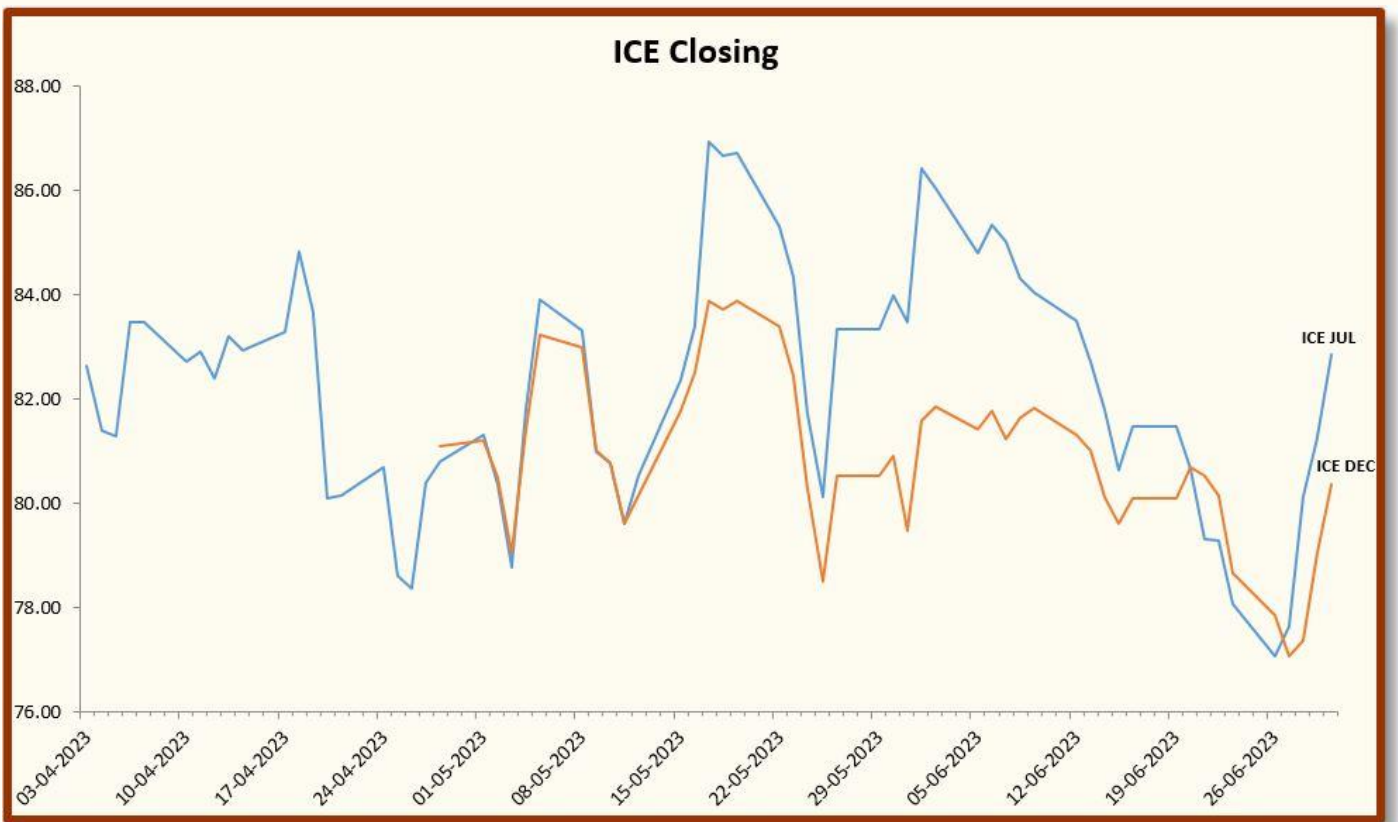
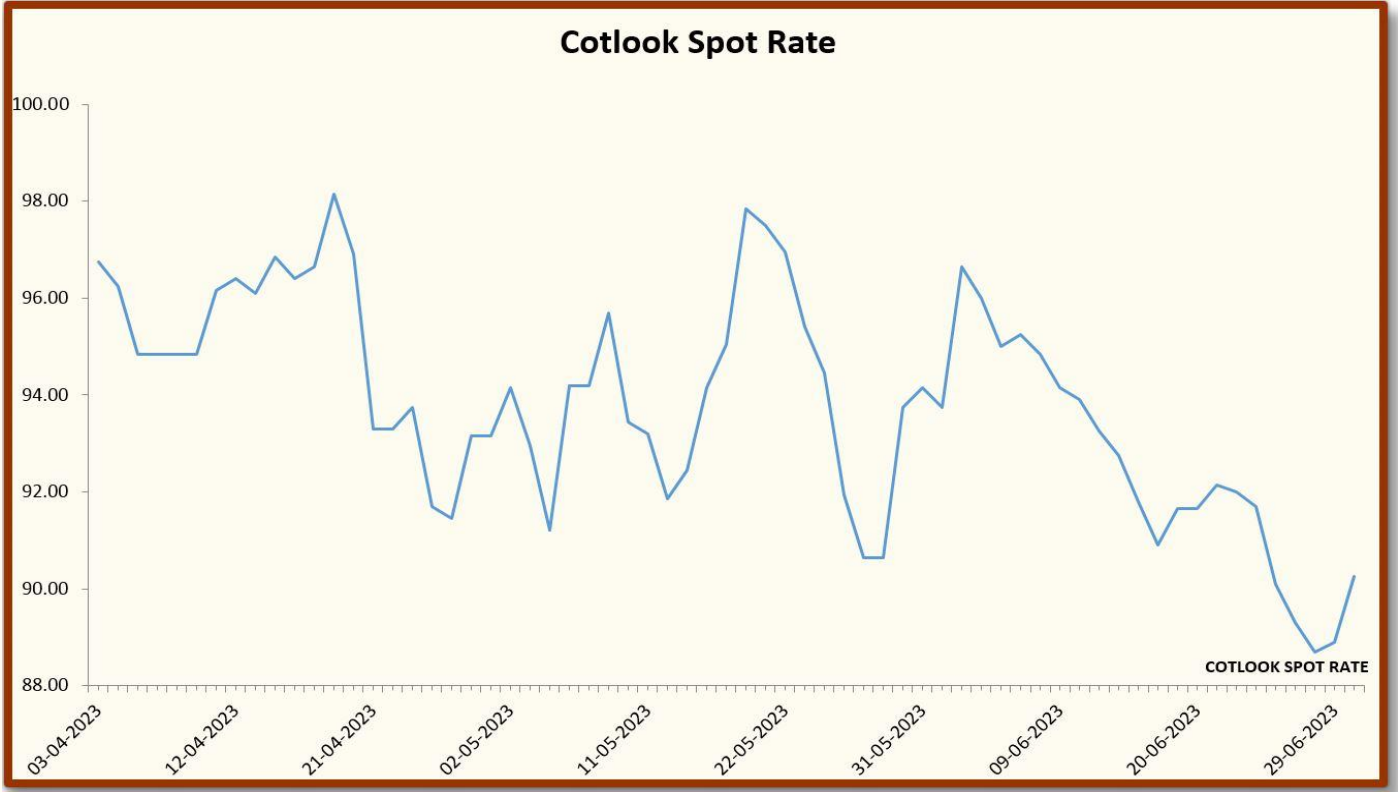
### Foreign Cotton Indices & Futures

Date	Cotlook	ICE	
	Spot Rate	Jul-23	Dec-23
01-06-2023	93.75	86.42	81.58
02-06-2023	96.65	86.05	81.85
05-06-2023	96.00	84.79	81.42
06-06-2023	95.00	85.34	81.78
07-06-2023	95.25	85.01	81.23
08-06-2023	94.85	84.31	81.63
09-06-2023	94.15	84.04	81.82
12-06-2023	93.90	83.49	81.32
13-06-2023	93.25	82.72	81.02
14-06-2023	92.75	81.79	80.11
15-06-2023	91.80	80.64	79.60
16-06-2023	90.90	81.46	80.10
19-06-2023	91.65	81.46	80.10
20-06-2023	91.65	80.66	80.70
21-06-2023	92.15	79.31	80.52
22-06-2023	92.00	79.29	80.15
23-06-2023	91.70	78.06	78.67
26-06-2023	90.10	77.07	77.86
27-06-2023	89.30	77.64	77.06
28-06-2023	88.70	80.12	77.36
29-06-2023	88.90	81.25	79.03
30-06-2023	90.25	82.84	80.37



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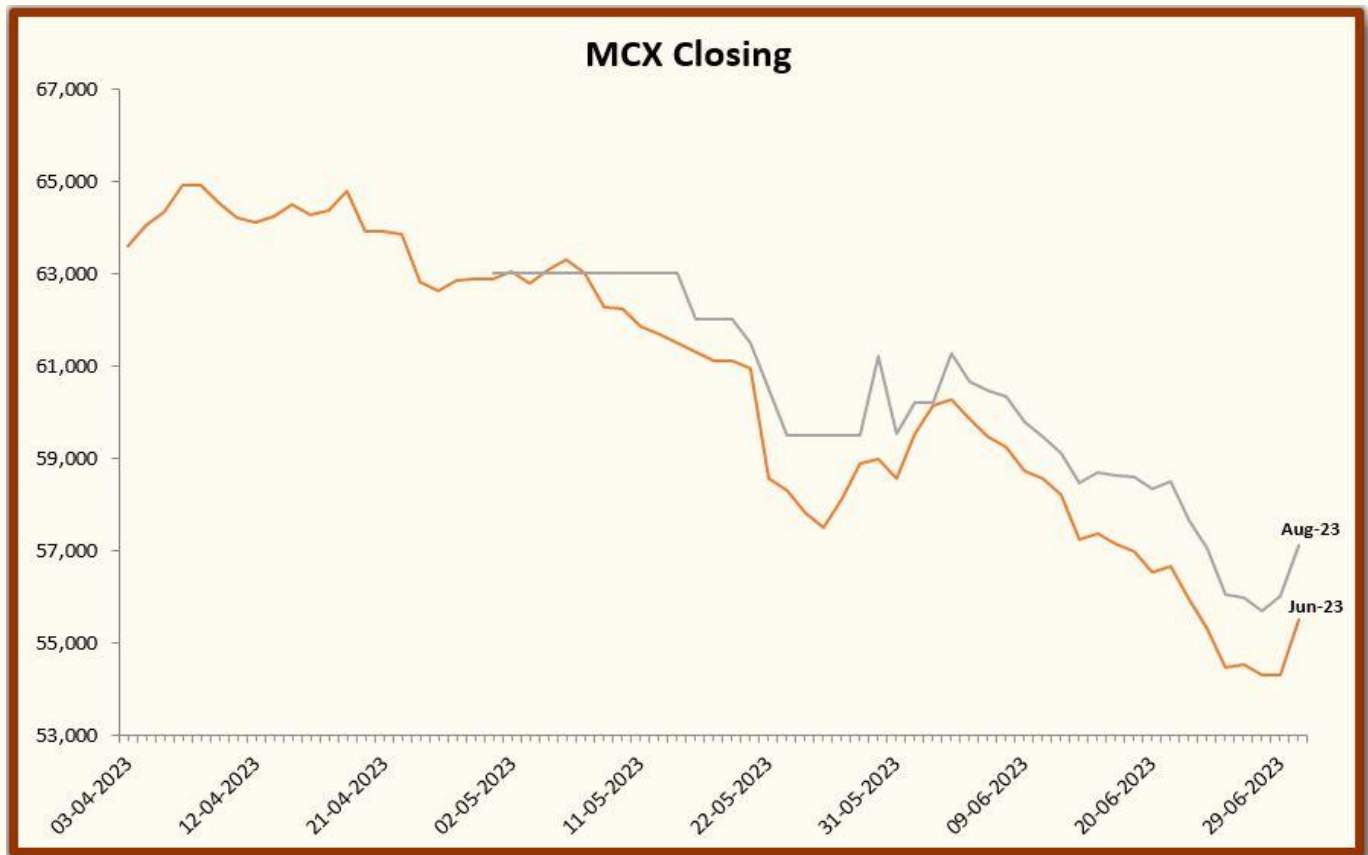


Indian Cotton Futures		
Date	MCX	
	Jun-23	Aug-23
01-06-2023	59,540	60,220
02-06-2023	60,140	60,220
05-06-2023	60,280	61,280
06-06-2023	59,840	60,660
07-06-2023	59,480	60,480
08-06-2023	59,240	60,340
09-06-2023	58,740	59,800
12-06-2023	58,580	59,460
13-06-2023	58,200	59,120
14-06-2023	57,260	58,480
15-06-2023	57,380	58,680
16-06-2023	57,140	58,620
19-06-2023	56,980	58,600
20-06-2023	56,540	58,340
21-06-2023	56,680	58,500
22-06-2023	55,960	57,660
23-06-2023	55,320	57,040
26-06-2023	54,460	56,060
27-06-2023	54,540	56,000
28-06-2023	54,320	55,700
29-06-2023	54,320	56,020
30-06-2023	55,520	57,100



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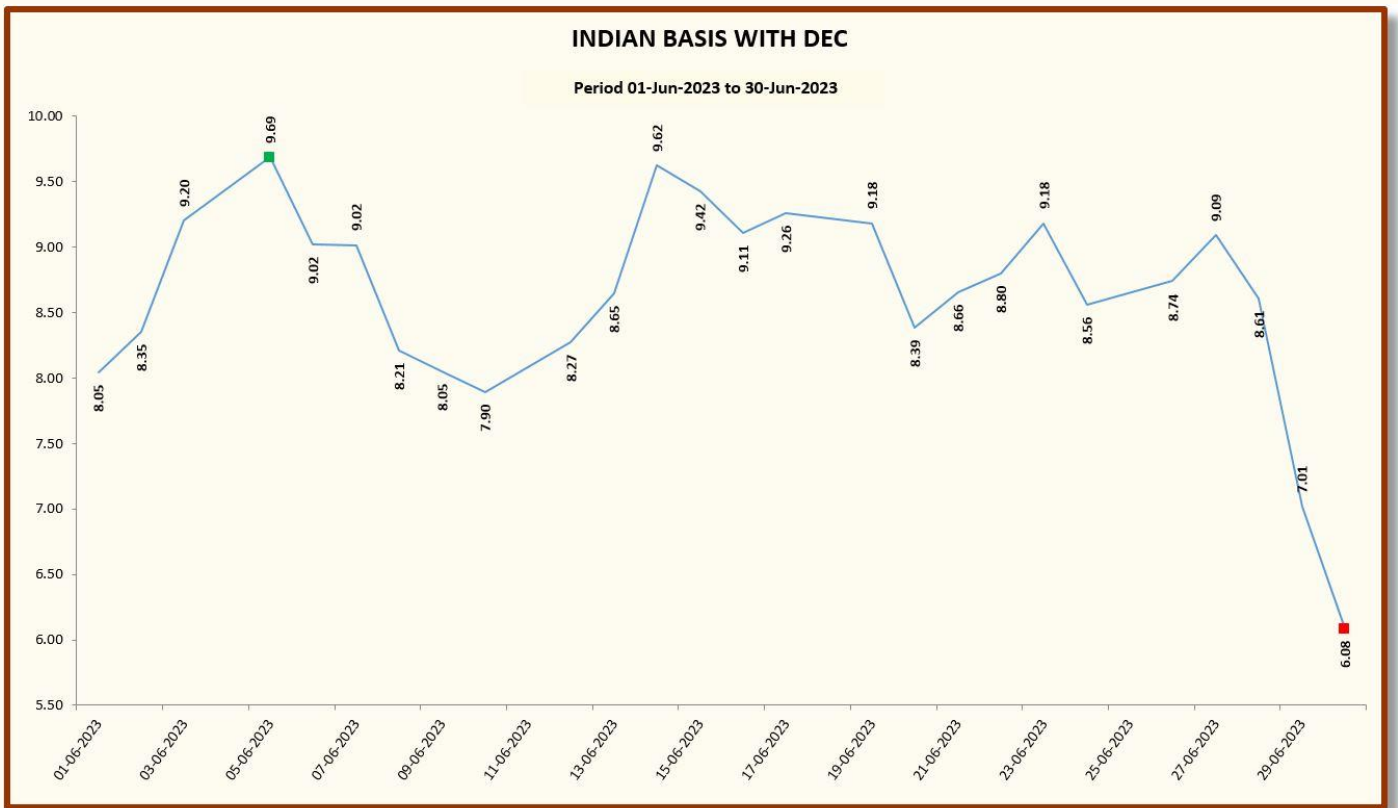
### INDIAN BASIS

DATE	29 MM	USD-INR	Cents/lb	ICE DEC FUTURE	BASIS
01-06-2023	57,900	82.40	89.63	81.58	8.05
02-06-2023	58,200	82.30	90.20	81.85	8.35
03-06-2023	58,750	82.30	91.05	81.85	9.20
05-06-2023	59,050	82.67	91.11	81.42	9.69
06-06-2023	58,800	82.60	90.80	81.78	9.02
07-06-2023	58,400	82.54	90.25	81.23	9.02
08-06-2023	58,150	82.56	89.84	81.63	8.21
09-06-2023	58,100	82.46	89.87	81.82	8.05
10-06-2023	58,000	82.46	89.72	81.82	7.90
12-06-2023	57,900	82.43	89.59	81.32	8.27
13-06-2023	57,900	82.36	89.67	81.02	8.65
14-06-2023	57,750	82.09	89.73	80.11	9.62
15-06-2023	57,350	82.17	89.02	79.60	9.42
16-06-2023	57,300	81.93	89.21	80.10	9.11
17-06-2023	57,400	81.93	89.36	80.10	9.26
19-06-2023	57,350	81.93	89.28	80.10	9.18
20-06-2023	57,350	82.11	89.09	80.70	8.39
21-06-2023	57,350	82.03	89.18	80.52	8.66
22-06-2023	57,150	81.95	88.95	80.15	8.80
23-06-2023	56,500	82.03	87.85	78.67	9.18
24-06-2023	56,100	82.03	87.23	78.67	8.56
26-06-2023	55,700	82.04	86.60	77.86	8.74
27-06-2023	55,400	82.02	86.15	77.06	9.09
28-06-2023	55,300	82.05	85.97	77.36	8.61
29-06-2023	55,350	82.05	86.04	79.03	7.01
30-06-2023	55,600	82.03	86.45	80.37	6.08



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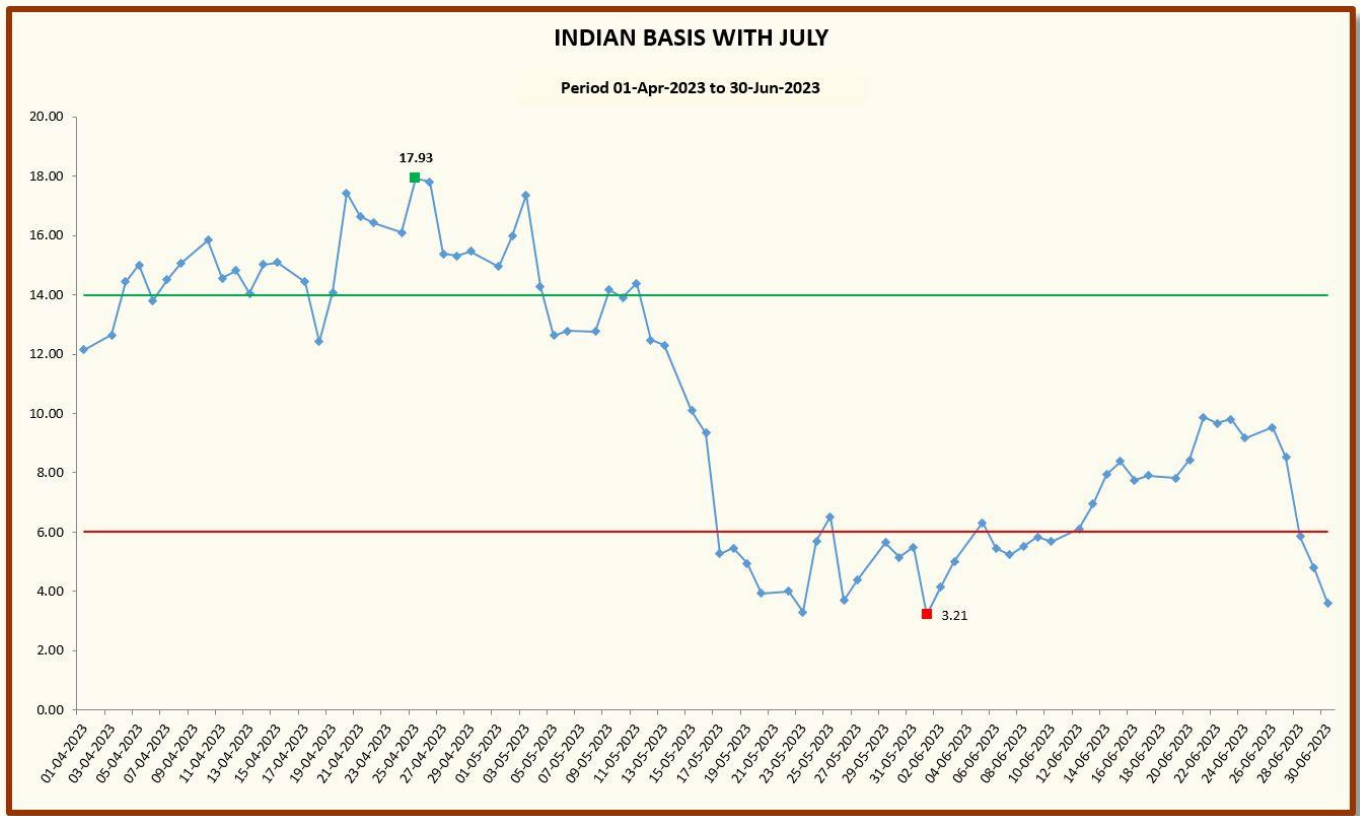






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Team Gujcot thanks the Broker Panel

Shri Sujalbhay, Shri Jagdishbhay, Shri Sandipbhay, Shri Ananbhay, Shri Ajaybhay, Shri Jatinbhay, Shri Manishbhay, Shri Anilbhay, Shri Niravbhay, Shri Divyeshbhay and Shri Mukeshbhay Purohit.

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