



Gujcot Trade Association

Weekly Report

Market Movement from 2nd July 2018 to 7th July 2018

- Gujarat Cotton prices of 29 mm remained between 47,250 to 47,550 Rs./Candy.
- Out state arrival was now negligible.
- All India arrivals remain daily 8,000 to 10,000 bales. With limited arrivals most ginning are closed.
- Gujarat Daily Pressing approximately 3,000 bales.
- NY July future w/w gain 1.00 cents.
- NY December futures w/w gain 0.53 cents.
- Export demand is good. Due to weakness in Indian rupee, Indian prices are competitive.
- Indian Basis are positive so international merchants are squaring off their position.
- As merchants are selling in physical market, supply side got enough liquidity into market.

Cotton Sowing Till 5Th July-2018 - Central Agri Ministry

	2018-19	2017-18	Y-O-Y Change(%)	Normal Area	% of Total sown of Normal area
Punjab	2.84	3.82	-25.65	3.94	72.08
Haryana	6.65	6.3	5.65	5.97	111.39
Rajasthan	4.43	4.61	-3.9	4.5	98.44
North India	13.92	14.73	-5.5	14.41	96.6
Gujarat	4.93	12.68	-61.13	25-79	19.11
Maharashtra	19.57	21.81	-10.27	41.07	47.65
Madhya Pradesh	4.87	4.56	6.8	5.66	86.04
Central India	29.37	39.05	-24.79	72.52	40.5
Andra Pradesh	0.79	2.44	-67.62	6.45	12.25
Telangana	8.02	12.78	-37.26	16-84	47.61
Karnataka	2.22	1.99	11.56	6.35	34.96
Odisha	0.08	0.49	-84.49	1.26	6.03
Tamil Nadu	0.03	0.05	-36	1.5	2.13
Uttar Pradesh	0	0	0	0	0
Other	0.17	0.29	-39.86	0.43	40
Total	54.598	71.82	-23.98	119.76	45.59

All Figure in Lakh Hectares

Note:- As per CAB in 2017-18 Total Cotton sowing Area Project At 122.35 Lakh Hectares.

COTTON SOWING 07-07-18(2018-19)

Pun	Har	Raj	Guj	MH	MP	TL	AP	Kar	TN	Ors	Oth	TOTAL
2.85	6.65	5.61	4.93	19.57	4.87	8.80	0.79	2.22	0.032	0.076	0.172	56.57

Global

US weekly export sale,

- Net sales of 18,000 running bales for this season were down noticeably from the previous week and from the prior 4-week average and net sales of 2,68,200 RB reported for next season.
- Exports of 4,11,600 RB were up 12 percent from the previous week, but down 4 percent from the prior 4-week average.
- Net sales of Pima totaling 1,000 RB for this season were down 55 percent from the previous week and 82 percent from the prior 4-week average.
- For next season, net sales reductions of 33,400 RB resulted as increases for China (11,100 RB), Pakistan (3,000 RB), and India (2,600 RB), were more than offset by reductions for South Korea (50,200 RB).
- Exports of 12,100 RB were down 5 percent from the previous week, but up 28 percent from the prior 4-week average. The primary destinations were China (3,500 RB), India (2,400 RB), and Vietnam (2,200 RB).

US Export Sales 28-June-2018	
Current Marketing Year	
Upland Gross sales	58,200
Cancellation	40,200
Net Upland Sales	18,000
PIMA Gross Sales	8,200
Cancellation	7,200
Net PIMA Sales	1,000
Total Gross Sales	66,400
Total Cancellation	47,400
Total Net Sales	19,000
Shipments	
Upland	4,11,600
PIMA	12,100
Total Shipments	4,23,700
New Marketing Year	
Net Upland Sales	2,68,200
Net PIMA Sales	-33,400
Total Net Sales	2,34,800

Week was continuous in down trend but reverse bounce and gain on Friday with December gain 53 points w/w.

The reason for good Friday are as follow.

- **Open Interest Declines**
- **Could TX/OK Abandonment Be High?**
- **India Raises Minimum Support Prices**
- **What Did Latest Export Sales Report Show?**
- **Trade Tensions Weigh on the Market**
- **Will USDA Lower Production Estimate?**

Independence Day shortened the trading week, but the break did not keep futures from extending last week's decline. December futures marked a high of 85.09 cents per pound for the week at the open of Monday's session then started a steady decline to a low of 81.75 cents Friday morning before bouncing back to 84.73 cents after the release of the weekly Export Sales report this morning. Trading volume was healthy, and total open interest declined 3,245 contracts to 2,53,783 during the week.

CONDITIONS DECLINE IN TEXAS AND OKLAHOMA

This week started with a mixed crop progress report. While there was a slight increase in the area rated good or excellent, up one percentage point to 43 percent nationally, the share of the crop rated poor and very poor climbed to 24 percent, up five percentage points. Texas and Oklahoma unfortunately accounted for most of the change. Texas' poor and very poor share climbed six percentage points to 36 percent, while Oklahoma climbed eight percentage points to 23 percent. The figures reflect broad expectations that abandonment will be very high this year. The slide in condition, despite recent precipitation, definitely will have traders closely monitoring Monday's Crop Progress update.

INDIA INCREASES PRICE SUPPORTS

On Wednesday 4th July, the Indian Government announced new minimum support prices (MSPs) for the upcoming harvest. Government companies and agents will purchase crops when spot market prices fall below the published Price levels. MSP increased for all crops as the prime minister made good on a promise to deliver India's 10,00,00,000-plus small farmers returns that are 50 percent above their cost of production. Cotton's support level was raised 28 percent, roughly equivalent to 82.00 cents per pound at today's exchange rate. India's ex gin prices are currently 3.00 to 5.00 cents above the new MSP.

NO CANCELLATIONS BY CHINA IN LATEST EXPORT REPORT

This week's Export Sales report was a pleasant surprise. Most traders had expected further cancellations from China, but the cancelled orders failed to materialize on this report. Large Chinese sales reductions are still a possibility in the coming weeks, and traders may have been hoping for a last minute trade resolution before making a move. Still, the report showed net new sales of 18,000 bales for 2017-18 and 2,68,200 bales for 2018-19. Large orders for next marketing year (i.e. after August 1) came from Indonesia (67,300 bales), Korea (59,100), Mexico (43,900), Vietnam (40,700), and Turkey (26,500). Although the prospect of Chinese cancellations still hangs over the market, this week's report again highlighted that demand for U.S. cotton remains strong.

MARKET STILL FOCUSED ON TRADE TENSIONS

As yet U.S. and China trade war is in progress. So all market player make close eye on political announcements.

Also market is waiting for July WASDE Report to be published on 12th July.

Pakistan

Pakistan's sowing figure for coming season.

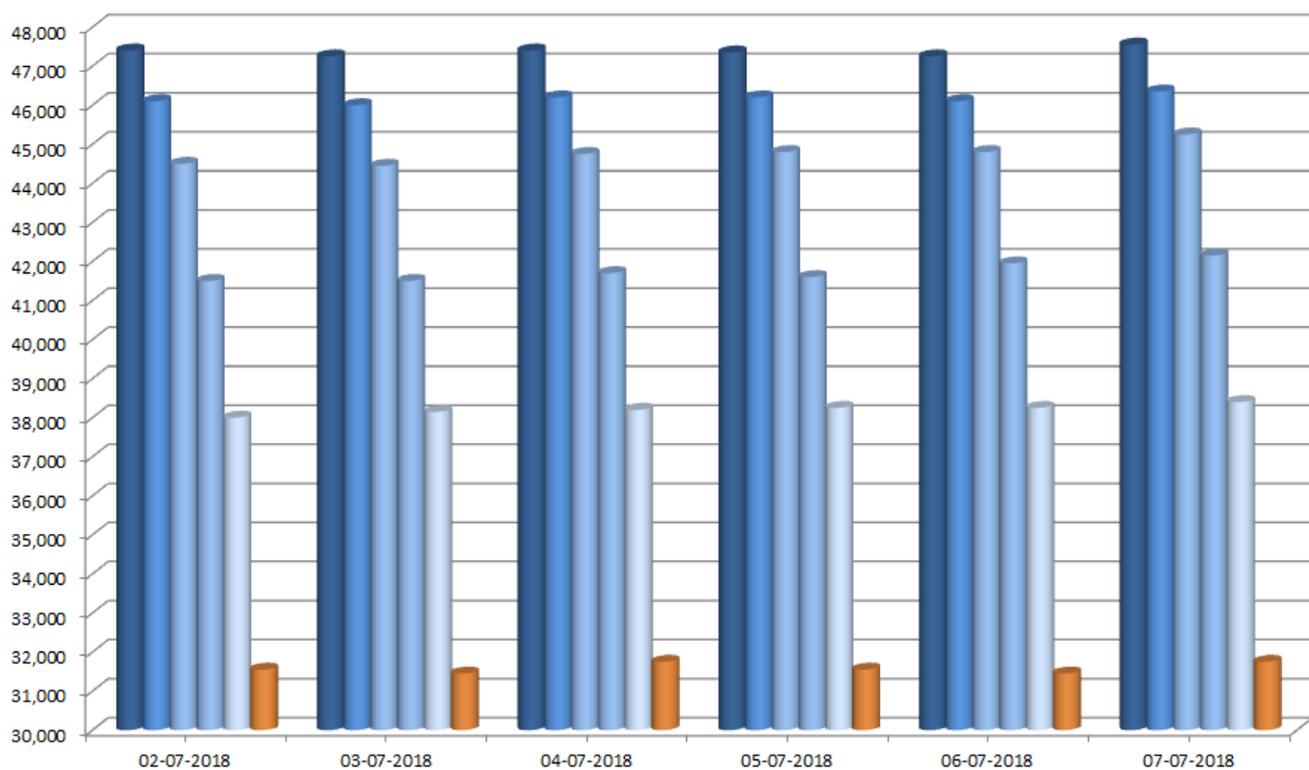
Province	Target 2018-19	Area Sown		% Change Over	
		2018-19	2017-18	Target	Last Year
Punjab	2.31	2.290	2.053	99.30%	+11.5
Sindh	0.62	0.409	0.612	66.00%	-33.2
Pakistan	2.95	2.699	2.665	91.50%	+1.3

Average Rate Of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	47,250	47,550	47,367
Shankar 6	28.5	3.7	46,000	46,350	46,158
Shankar 6	28	3.6	44,450	45,250	44,758
Shankar 6	27	3.2	41,500	42,150	41,733
Shankar 6	26	3	38,000	38,400	38,208
V-797	13% Trash		31,450	31,750	31,583
MCX Spot Rate			22,610	22,700	22,662
USD Exchange Rate			68.57	68.94	68.80

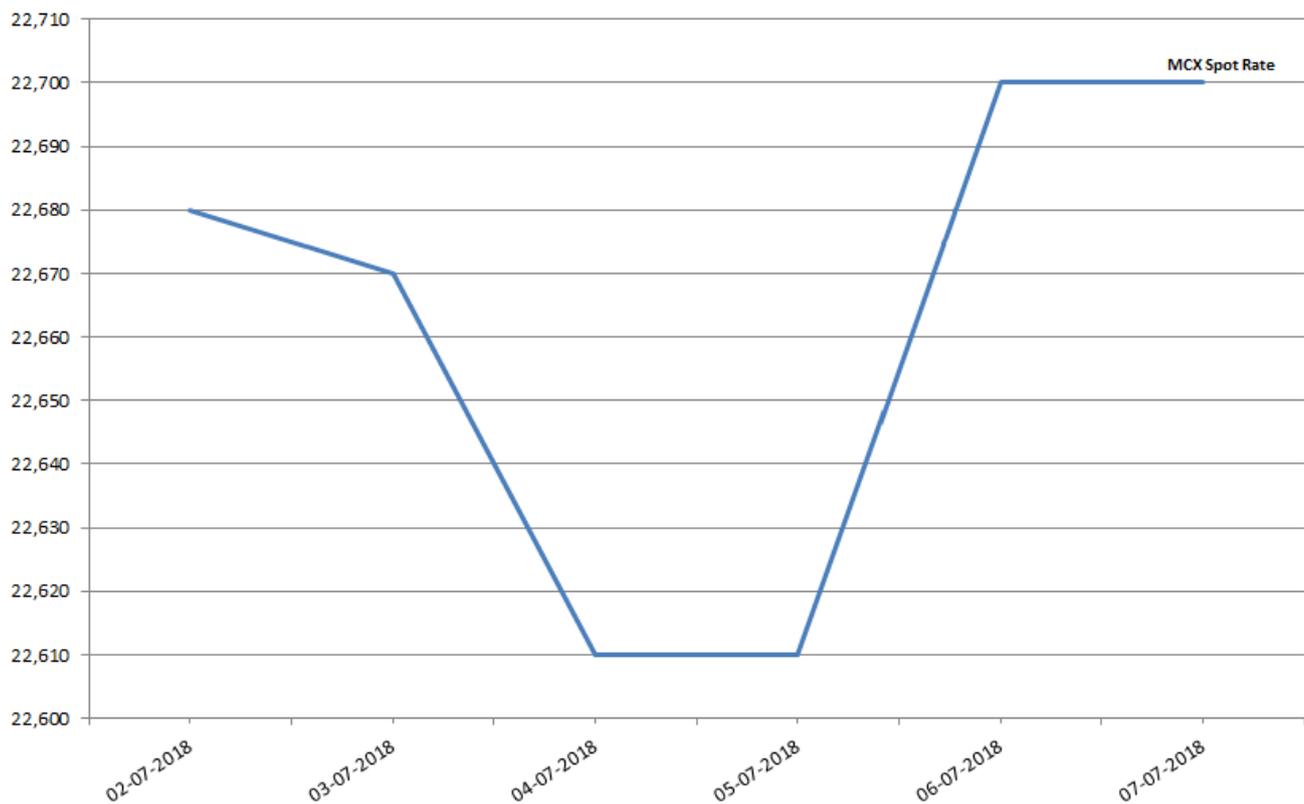
Rate Of Last Week								
Date	29 3.8	28.5 3.7	28 3.6	27 3.2	26 3.0	V-797	MCX Spot Rate	USD-INR Exchange
02-07-2018	47,400	46,100	44,500	41,500	38,000	31,550	22,680	68.80
03-07-2018	47,250	46,000	44,450	41,500	38,150	31,450	22,670	68.57
04-07-2018	47,400	46,200	44,750	41,700	38,200	31,750	22,610	68.73
05-07-2018	47,350	46,200	44,800	41,600	38,250	31,550	22,610	68.94
06-07-2018	47,250	46,100	44,800	41,950	38,250	31,450	22,700	68.89
07-07-2018	47,550	46,350	45,250	42,150	38,400	31,750	22,700	68.88

Gujcot Average Spot Rates

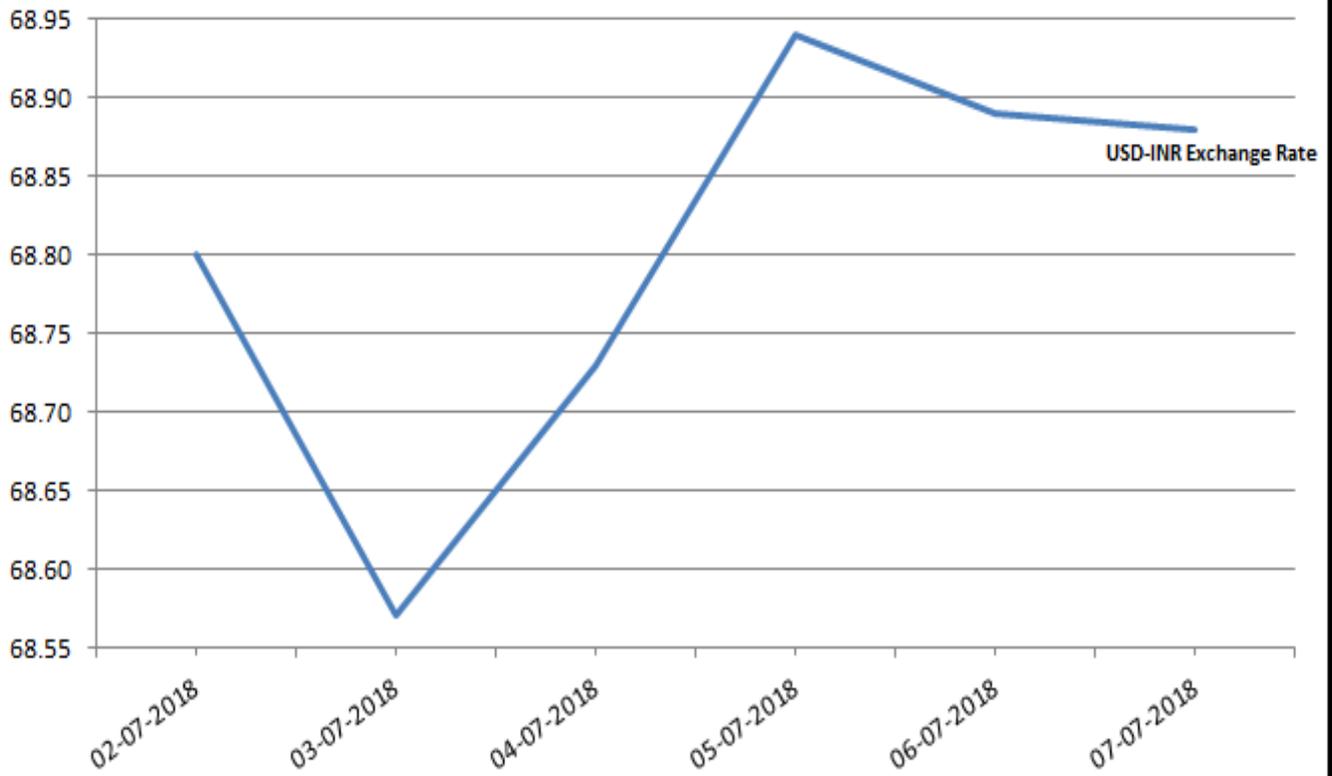
■ 29 ■ 28.50 ■ 28 ■ 27 ■ 26 ■ V797



MCX Spot Rate Closing Of The Days'



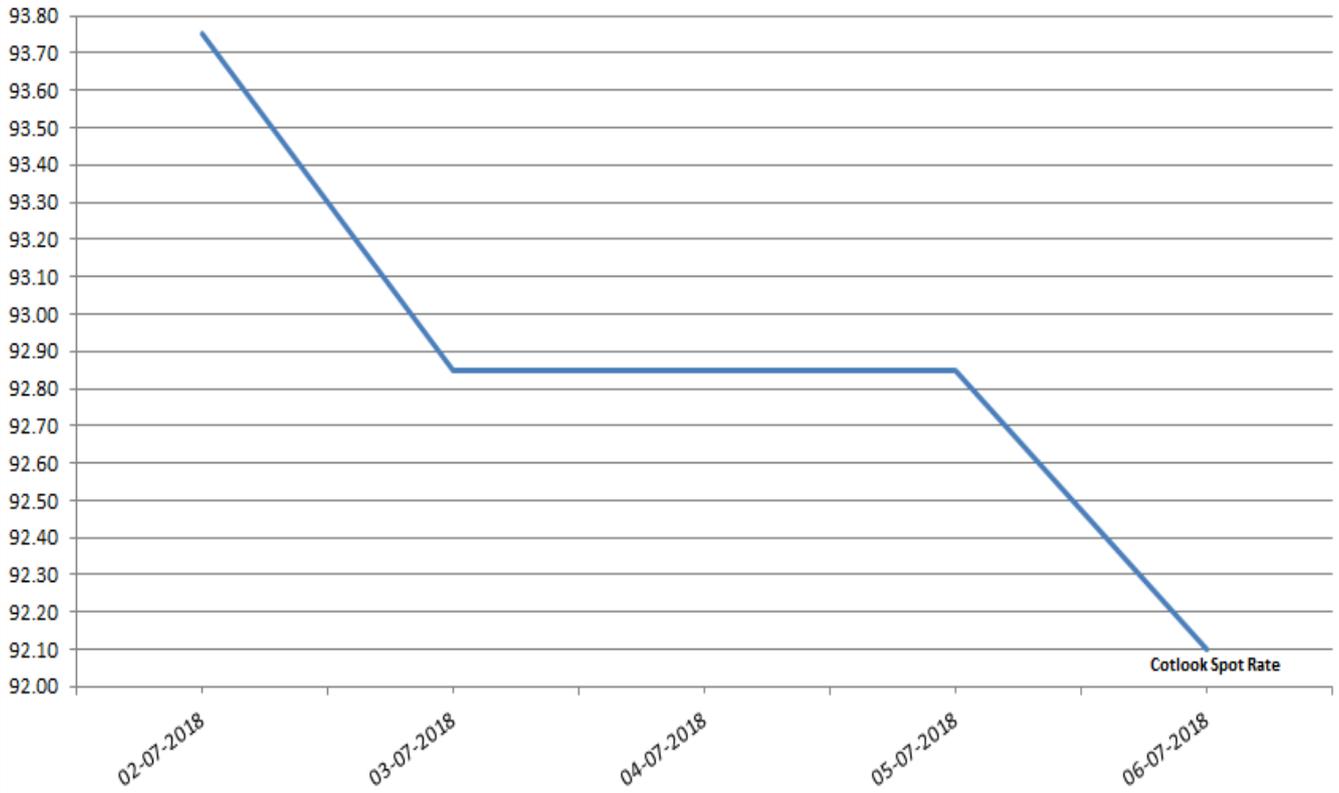
USD-INR Exchange Rate Closing Of The Days'



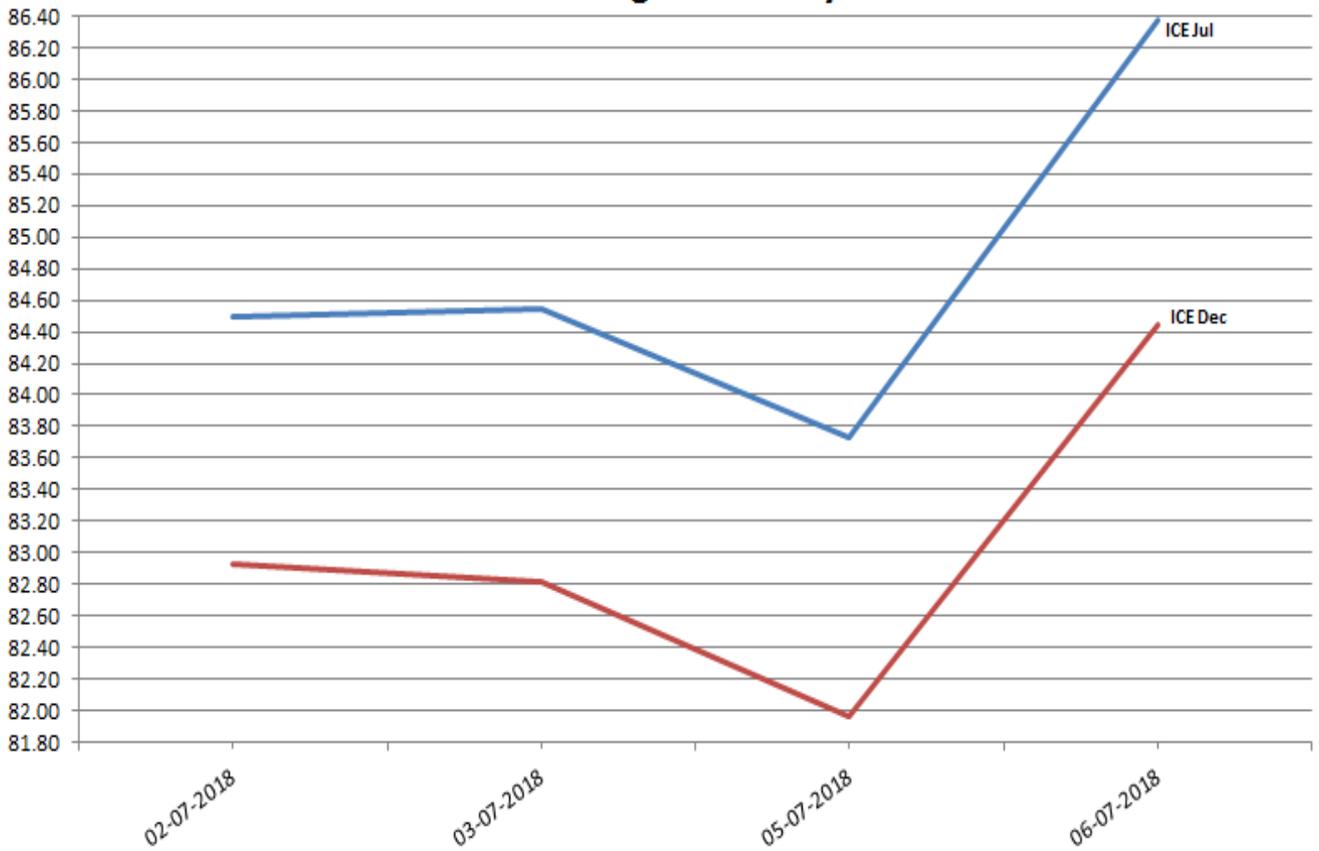
Foreign Indices

Date	Cotlook	ICE	
	Spot Rate	Jul	Dec
02-07-2018	93.75	84.50	82.93
03-07-2018	92.85	84.54	82.81
04-07-2018	92.85		
05-07-2018	92.85	83.73	81.96
06-07-2018	92.10	86.38	84.45

Cotlook Spot Rate Of The Days'

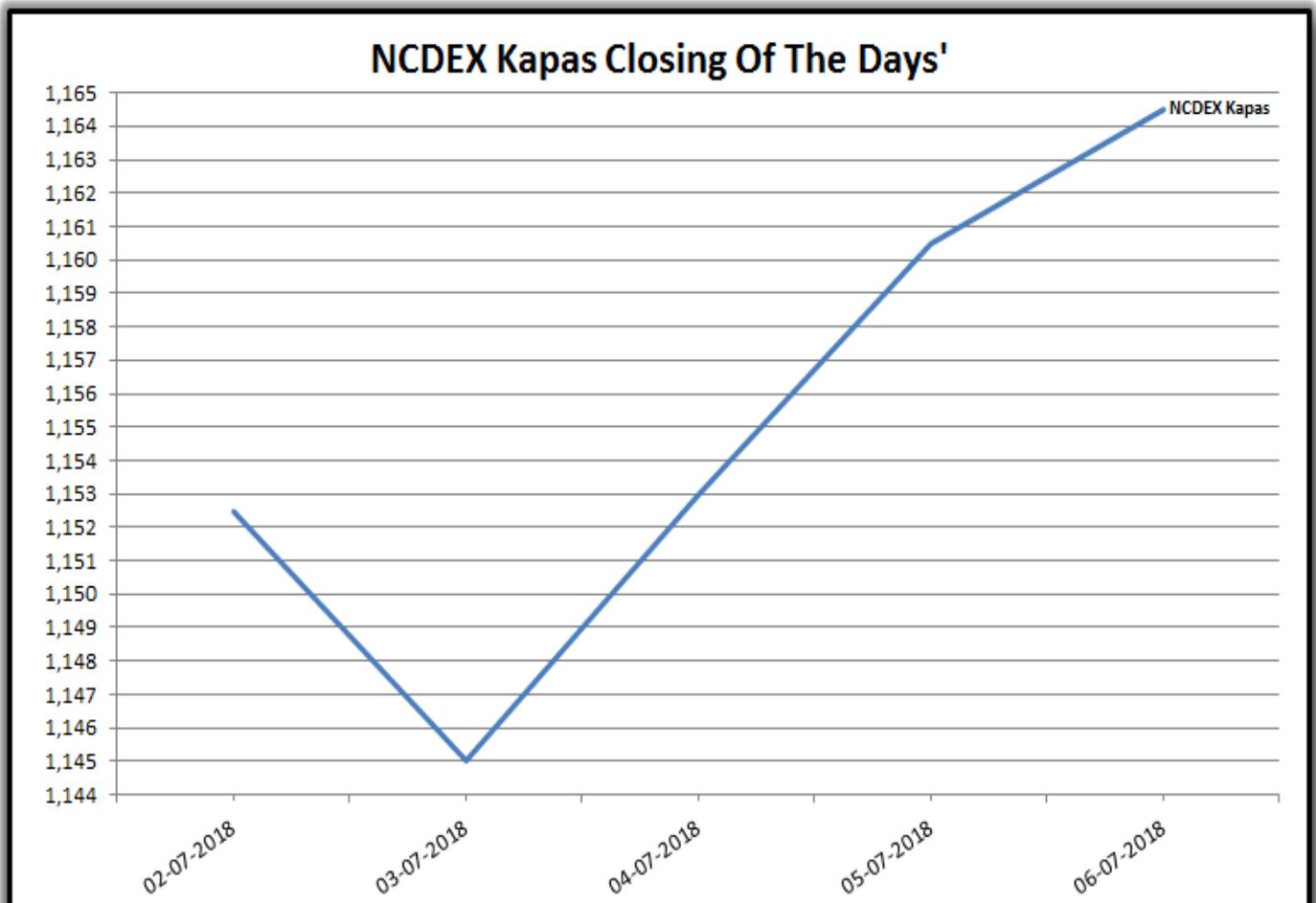


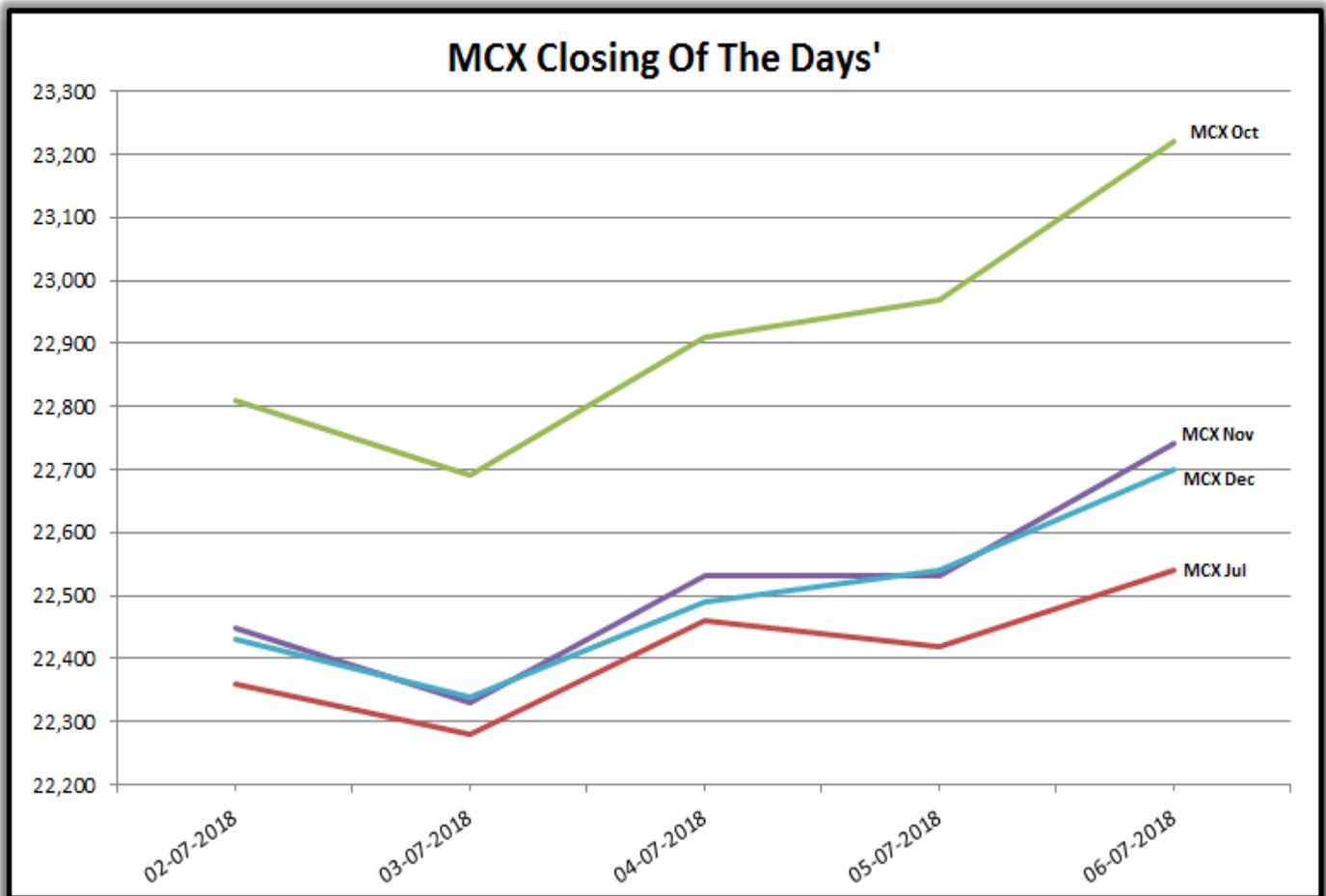
ICE Closing Of The Days'



Indian Indices

Date	NCDEX Kapas	MCX			
	April	Jul	Oct	Nov	Dec
02-07-2018	1152.5	22,360	22,810	22,450	22,430
03-07-2018	1145	22,280	22,690	22,330	22,340
04-07-2018	1153	22,460	22,910	22,530	22,490
05-07-2018	1160.5	22,420	22,970	22,530	22,540
06-07-2018	1164.5	22,540	23,220	22,740	22,700



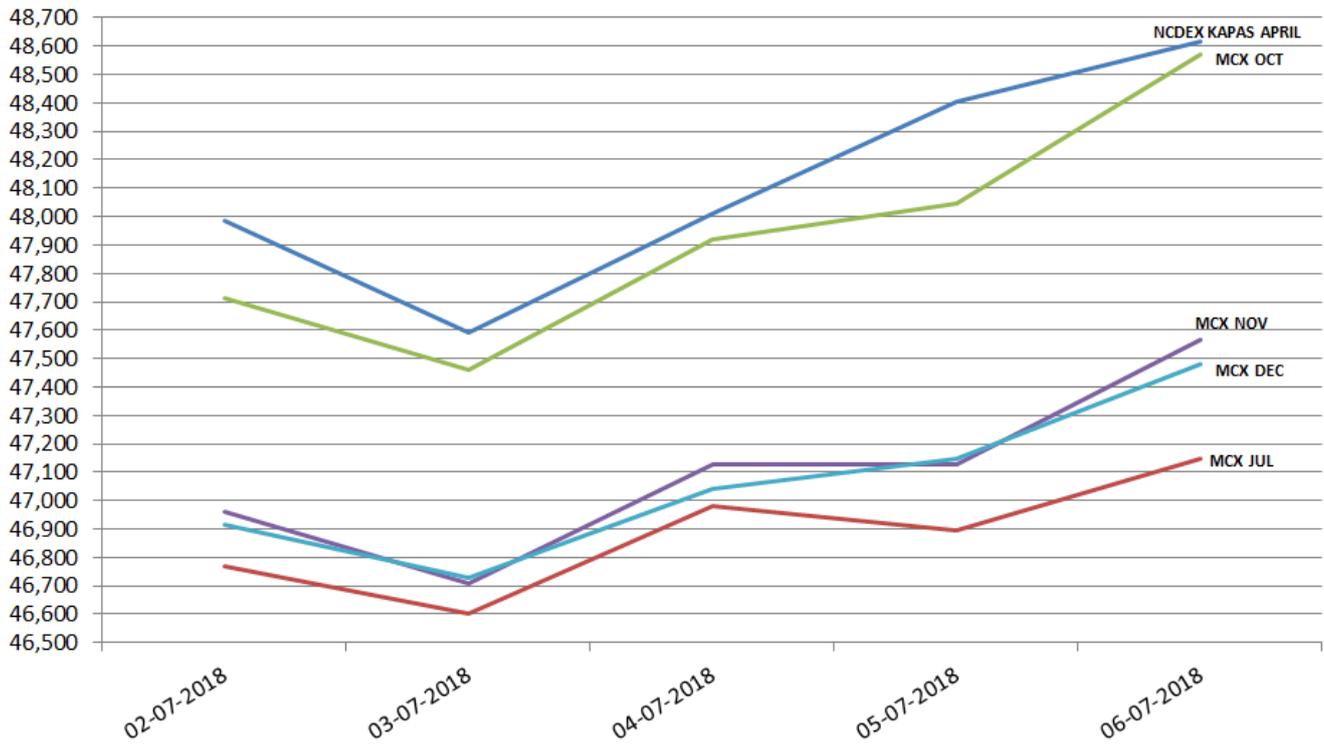


Indian Indices in Candy Rate

Date	NCDEX Kapas	MCX			
	April	Jul	Oct	Nov	Dec
02-07-2018	47,986	46,770	47,712	46,959	46,917
03-07-2018	47,594	46,603	47,461	46,708	46,729
04-07-2018	48,013	46,980	47,921	47,126	47,042
05-07-2018	48,405	46,896	48,046	47,126	47,147
06-07-2018	48,614	47,147	48,569	47,565	47,482

Remark :- For NCDEX Kapas we have taken seed rate 425/20KG to convert in candy

Comperison of indian indices



Report prepared by

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Manager

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