



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 10-Feb-2024

Market Movement from 05th Feb 2024 to 10th Feb 2024.

- The NY March future experienced a significant surge in a huge bull run, driven by bullish WASDE (World Agricultural Supply and Demand Estimates) for the US current year. Technical indicators showed a notable crossing of the 90 cents mark for the first time in two seasons. This prompted a combination of technical buying, new speculative buying, and some short covering, resulting in a substantial week-over-week gain of 467 points.
- In the latest U. S. Export Sales Report for the week ending 01-Feb-2024, U.S. export sales for the 2023-2024 season showcased robust figures. Net Upland sales reached 2,84,100 bales, with Upland shipments totaling 2,48,500 bales. Net Pima sales amounted to 9,500 bales, accompanied by Pima shipments of 11,900 bales, resulting in a combined total sales of 2,93,600 bales for the specified period. Looking ahead to the 2024-2025 season, there were 34,600 bales of net Upland sales, while Pima sales stood at zero, bringing the overall total to 34,600 bales for the



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upcoming season. These statistics provide valuable insights into the current trends and performance within the U.S. cotton market.

- In the latest USDA-WASDE report for February 2024, the U.S. cotton balance sheet for the 2023-24 season shows lower ending stocks due to increased exports and reduced mill use. U.S. production remains unchanged, and the average price received by producers is projected to be 77 cents per pound. Globally, 2023-24 cotton ending stocks decrease by almost 7,00,000 bales, driven by lower beginning stocks and production. World consumption remains stable, with variations in different countries. World trade decreases by nearly 2,00,000 bales, primarily influenced by changes in China's imports and adjustments in other key cotton-producing and consuming nations.
- Gujcot Spot Rates experienced fluctuations throughout the week. Starting at 55,950 on Monday, the rates declined slightly to 55,700 on Tuesday before rebounding to 55,800 on Wednesday. The trend continued with an increase to 56,000 on Thursday and a further



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rise to 56,150 on Friday. The week concluded with the spot rate reaching 56,650 Rs per candy on Saturday.

- Despite the significant bull run in the NY futures market, the Indian physical market has not responded consistently. Factors such as substantial arrivals, cash crunch, and a considerable stock of cotton seeds with ginners have hindered the rate from surging rapidly. Nevertheless, the Indian physical market remains steady to firm, demonstrating resilience in the face of these challenges.
- The rapid bull run in the NY futures market and smaller increase in Indian physical market, has resulted in an attractive basis for Indian cotton. Saturday basis touched negative 475 points. This favorable scenario will contribute to the enhancement of both raw cotton and cotton yarn exports.
- The USD-INR exchange rate displayed minor fluctuations throughout the week. Starting at 83.05 on Monday and remaining stable on Tuesday, the rate saw a slight decrease to 82.96 on Wednesday, followed by a marginal drop to 82.95 on Thursday.



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The exchange rate then experienced a modest uptick, closing at 83.03 on Friday. These subtle movements in the USD-INR exchange rate reflect the nuanced dynamics of currency markets, influenced by a myriad of factors including economic indicators, geopolitical events, and investor sentiment. Market participants and stakeholders carefully observe these fluctuations to assess currency trends and mitigate associated risks.



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USDA-WASDE

The 2023/24 U.S. cotton balance sheet has lower ending stocks relative to last month, with higher exports and lower mill use, while production is unchanged. The export forecast is raised 200,000 bales to 12.3 million based on a strong pace of shipments and sales to date. Similarly, projected mill use is reduced 150,000 bales as U.S. domestic spinning activity remains low. Ending stocks are now estimated at 2.8 million bales, equivalent to 20 percent of total disappearance. The upland cotton marketing year average price received by producers is projected at 77 cents per pound, 1 cent higher than in January.

World 2023/24 cotton ending stocks are nearly 700,000 bales lower this month, as lower beginning stocks and production reduce supplies. World consumption is virtually unchanged as increases in China and Vietnam are offset by lower consumption in Turkey, the United States, and Thailand. Beginning stocks are 250,000 bales lower than in January largely due to a downward revision in Argentina's 2022/23 cotton crop. Projected 2023/24 world cotton production is 355,000 bales lower this month, with cuts in Australia and Benin partly offset by smaller increases elsewhere. World trade is nearly 200,000 bales lower as a 500,000-bale increase in China's imports is more than offset by reductions for India, Pakistan, Thailand, and Turkey. Exports are higher for the United States, Burkina Faso, and Turkey, and lower for Brazil, Argentina, and Australia.



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Global

US Weekly Export Sales

- Net UPLAND sales of 2,84,100 RB for 2023-2024 were down 19 percent from the previous week and 8 percent from the prior 4-week average. Increases primarily for China (1,18,800 RB, including decreases of 3,500 RB), Turkey (57,100 RB), Vietnam (29,000 RB, including 13,200 RB switched from China, 1,000 RB switched from Japan, and decreases of 1,700 RB), Bangladesh (24,200 RB), and Costa Rica (19,200 RB), were offset by reductions for Mexico (1,100 RB).
- Net UPLAND sales of 34,600 RB for 2024-2025 were primarily for Costa Rica (15,000 RB), Vietnam (5,100 RB), Honduras (4,800 RB), Turkey (4,400 RB), and Mexico (3,100 RB).
- UPLAND Exports of 2,48,500 RB were down 37 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (98,700 RB), Vietnam (46,900 RB), Mexico (18,500 RB), Pakistan (16,600 RB), and Turkey (13,600 RB).
- Net sales of PIMA totaling 9,500 RB for 2023-2024 were down 29 percent from the previous week, but up 61 percent from the prior 4-week average. Increases were primarily for China (4,600 RB), Pakistan (1,800 RB), India (1,100 RB), Peru (1,000 RB), and Italy (800 RB).
- PIMA Exports of 11,900 RB were up 7 percent from the previous week and 3 percent from the prior 4-week average. The destinations were primarily to China (3,800 RB), India (3,500 RB), Peru (1,200 RB), Pakistan (1,200 RB), and Vietnam (1,100 RB).

US Export Sales	01-Feb-2024
Marketing Year 2023-24	
Upland Gross Sales	3,03,700
Cancellation	19,600
Net Upland Sales	2,84,100
PIMA Gross Sales	9,500
Cancellation	0
Net PIMA Sales	9,500
Total Gross Sales	3,13,200
Total Cancellation	19,600
Total Net Sales	2,93,600
Shipments	
UPLAND	2,48,500
PIMA	11,900
Total Shipment	2,60,400
Marketing Year 2024-25	
Net Upland Sales	34,600
Net PIMA Sales	0
Total Net Sales	34,600
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	03-02-2024	10-02-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	55,650	56,650	1,000	1.77%
V-797	13% Trash		36,350	37,350	1,000	2.68%
MCX Spot Rate			55,600	56,200	600	1.07%
USD-INR Exchange			82.91	83.03	0.12	0.14%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	55,700	56,650	56,042
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		35,700	37,350	36,333
MCX Spot Rate			55,780	56,200	55,990
USD Exchange Rate			82.95	83.05	83.01

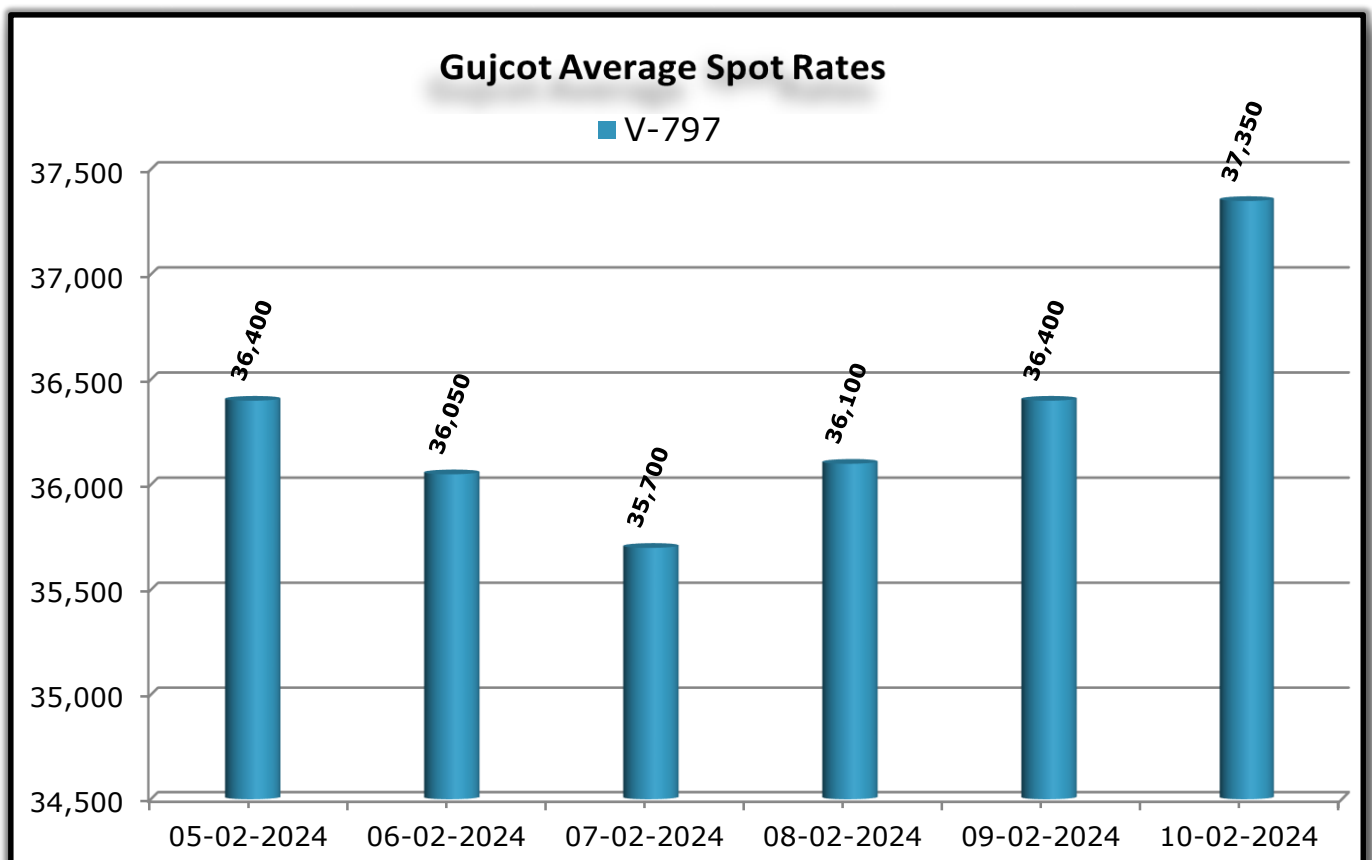
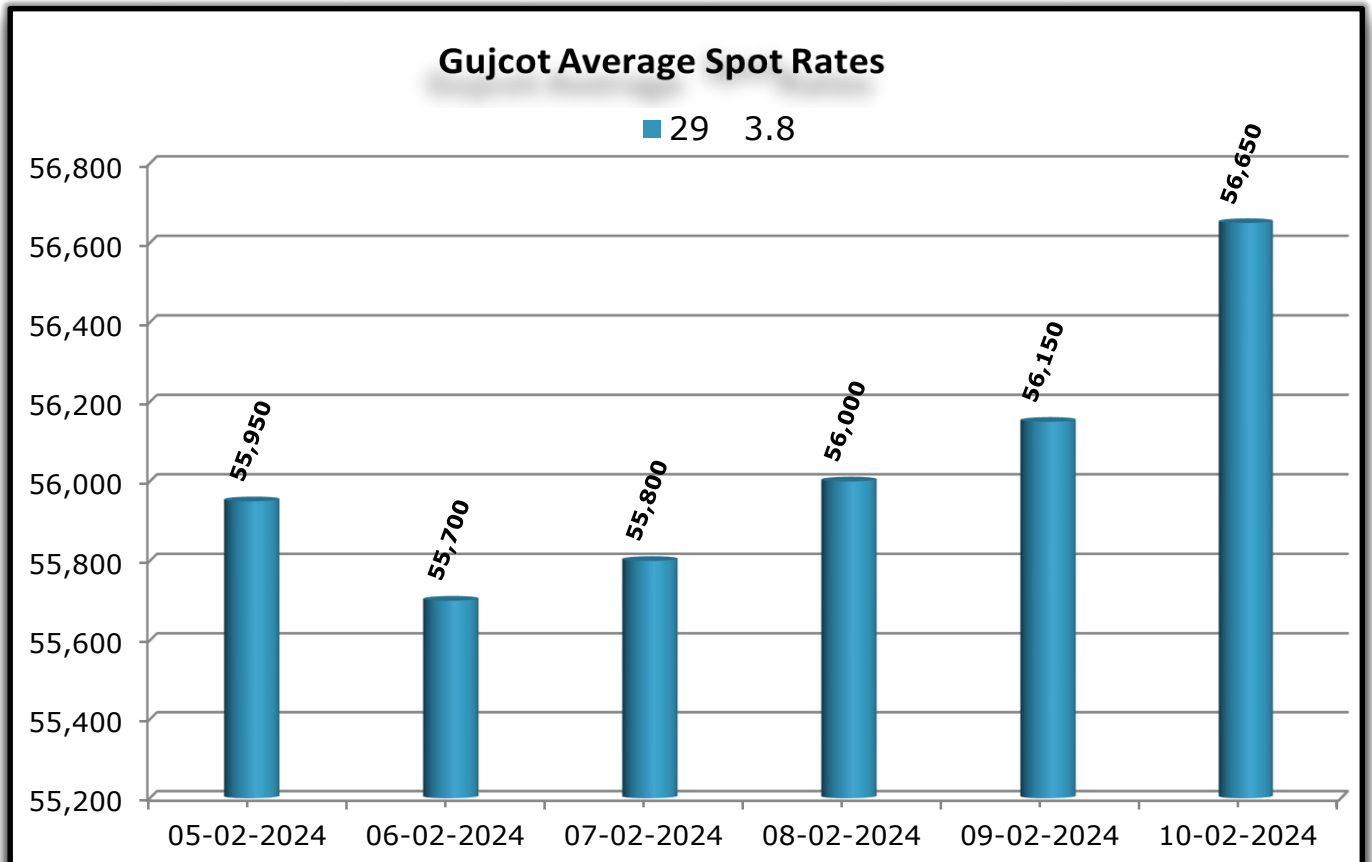
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
05-02-2024	55,950	36,400	56,000	83.05
06-02-2024	55,700	36,050	55,780	83.05
07-02-2024	55,800	35,700	55,780	82.96
08-02-2024	56,000	36,100	55,980	82.95
09-02-2024	56,150	36,400	56,200	83.03
10-02-2024	56,650	37,350	56,200	83.03



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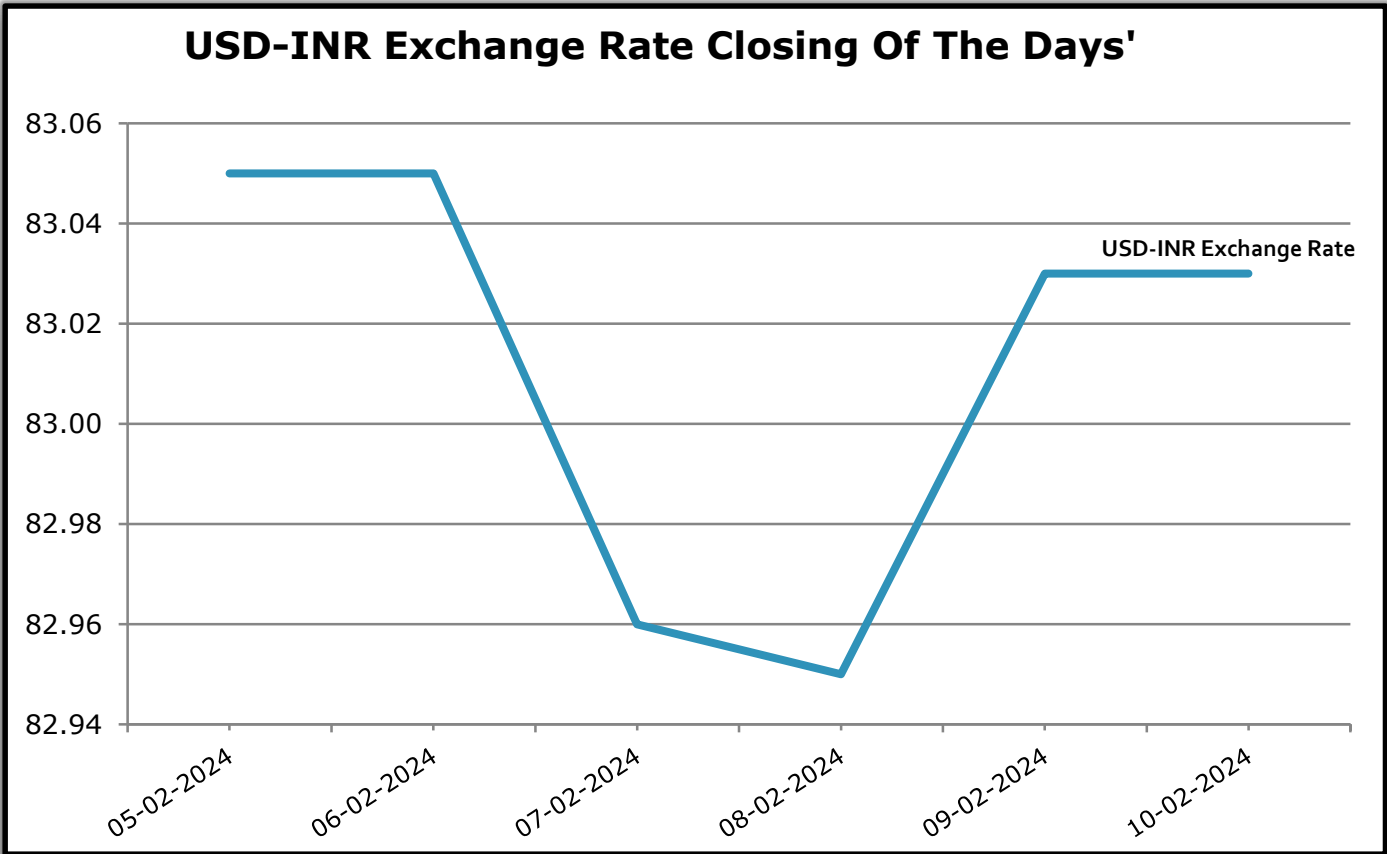
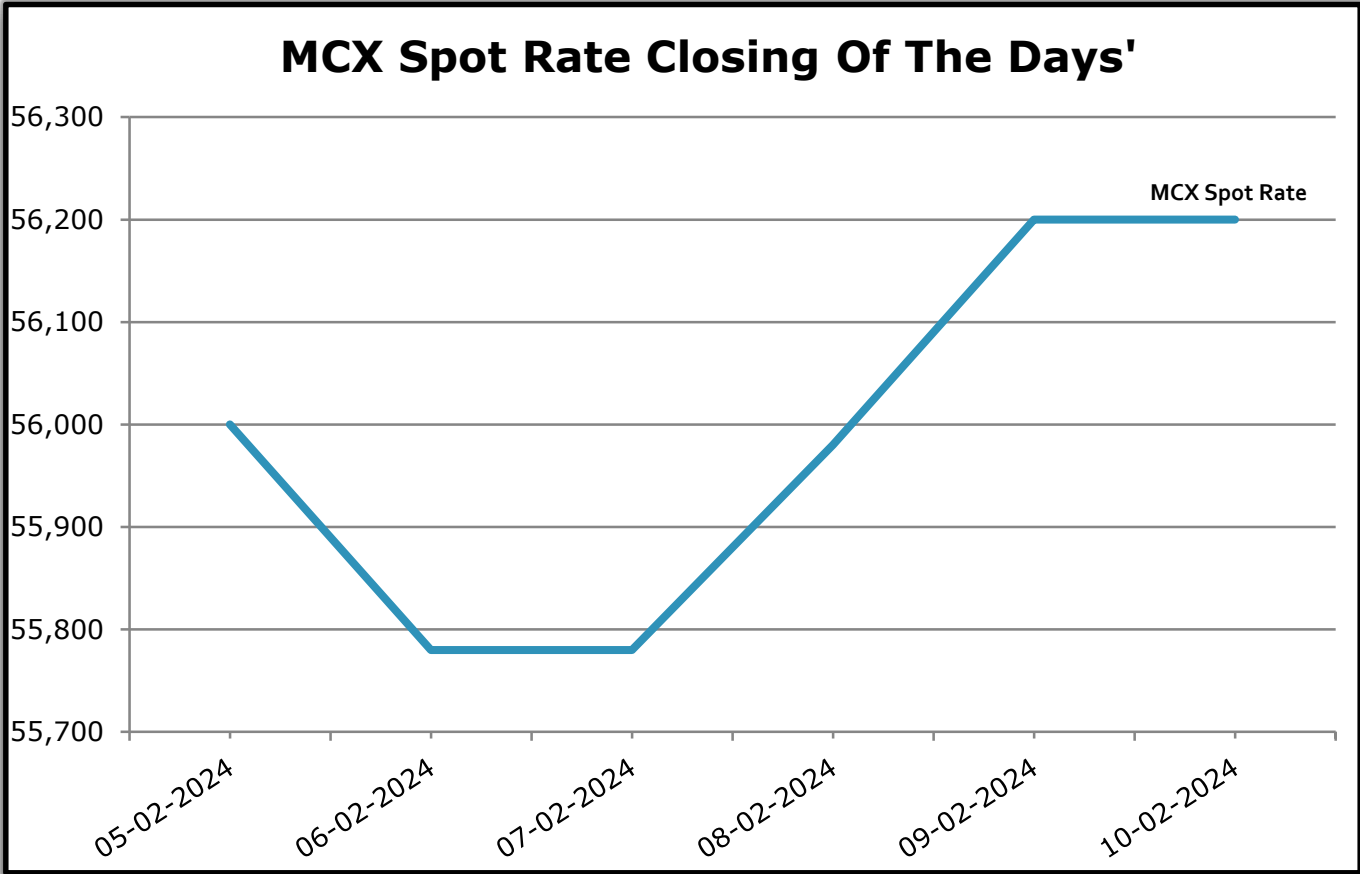
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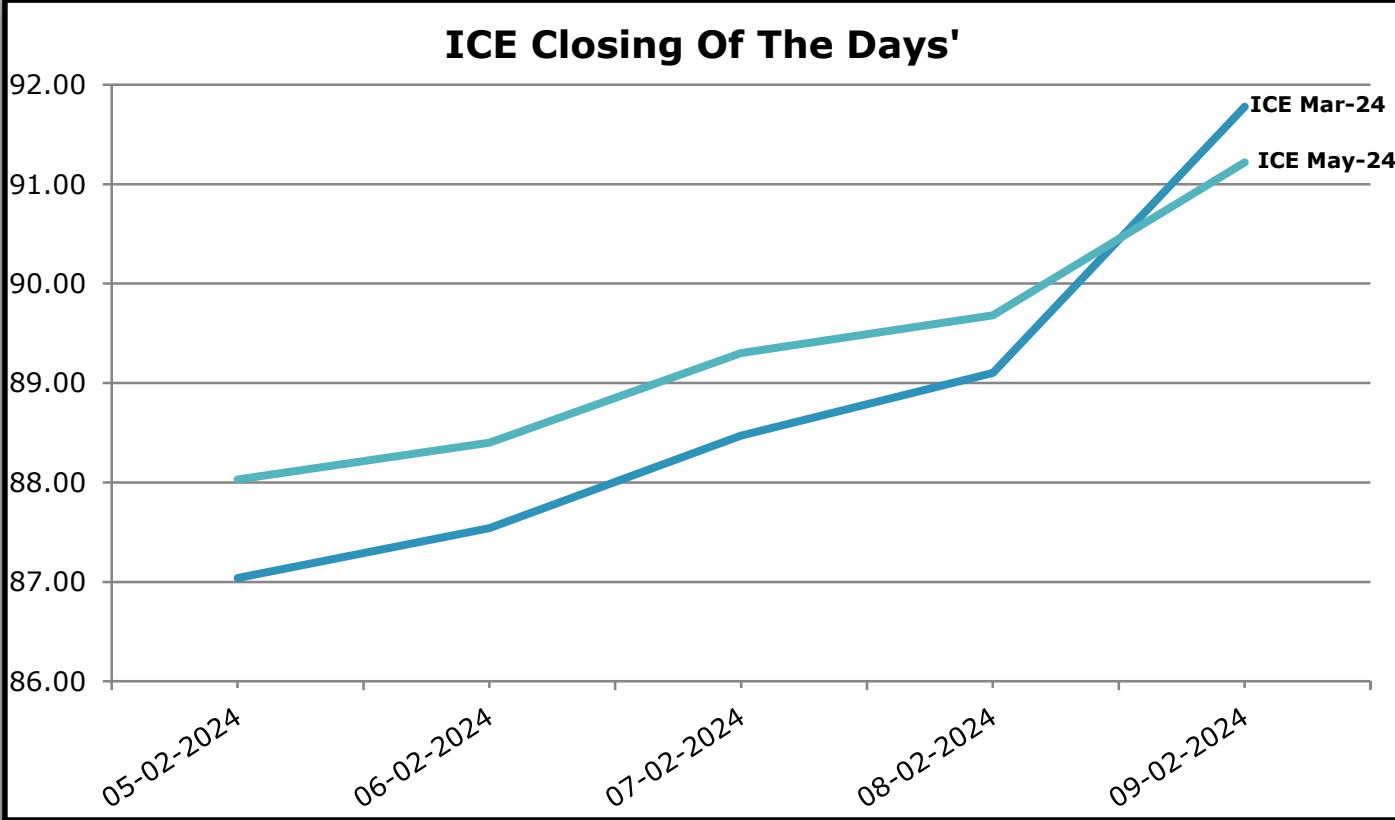
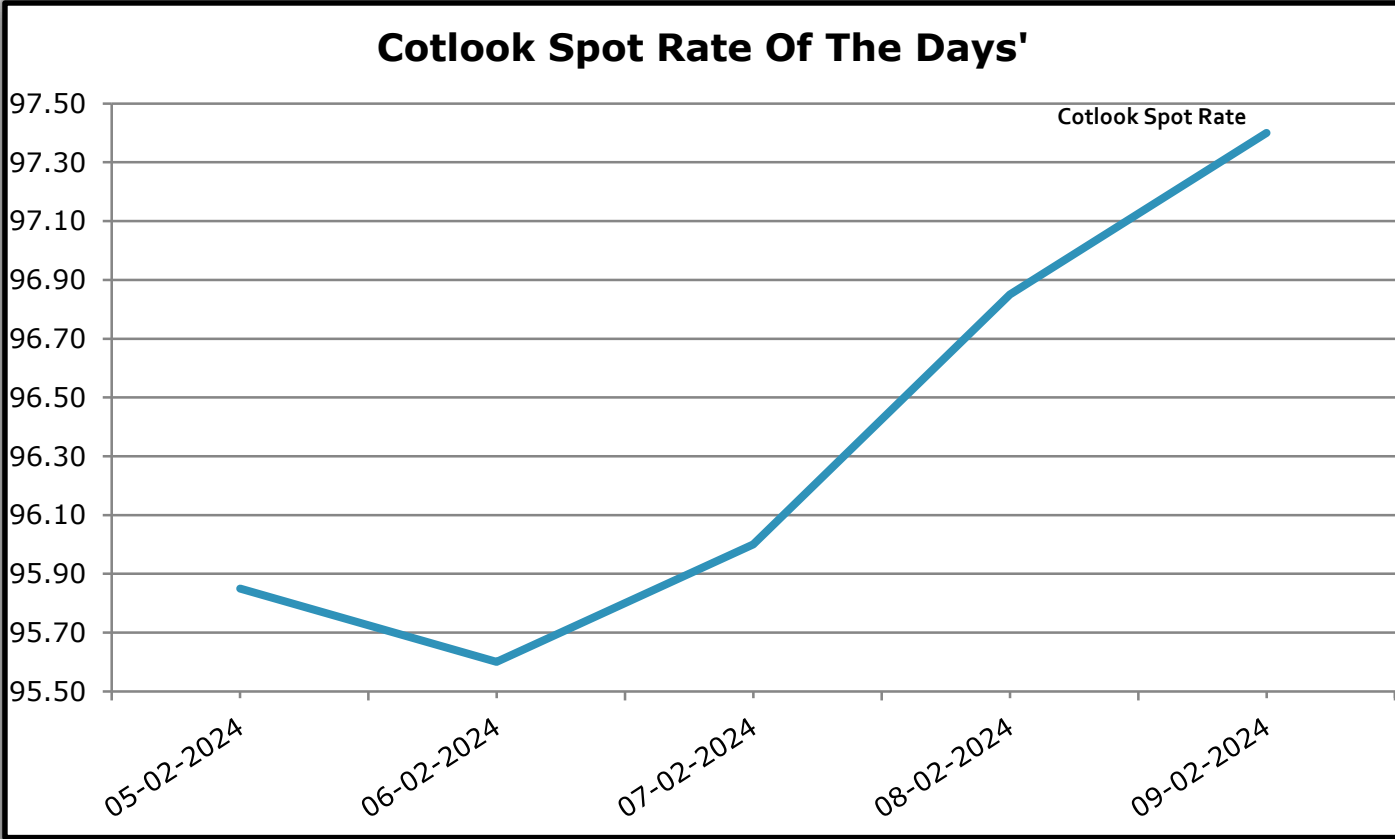


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-24	May-24
05-02-2024	95.85	87.04	88.03
06-02-2024	95.60	87.54	88.40
07-02-2024	96.00	88.47	89.30
08-02-2024	96.85	89.10	89.68
09-02-2024	97.40	91.78	91.22



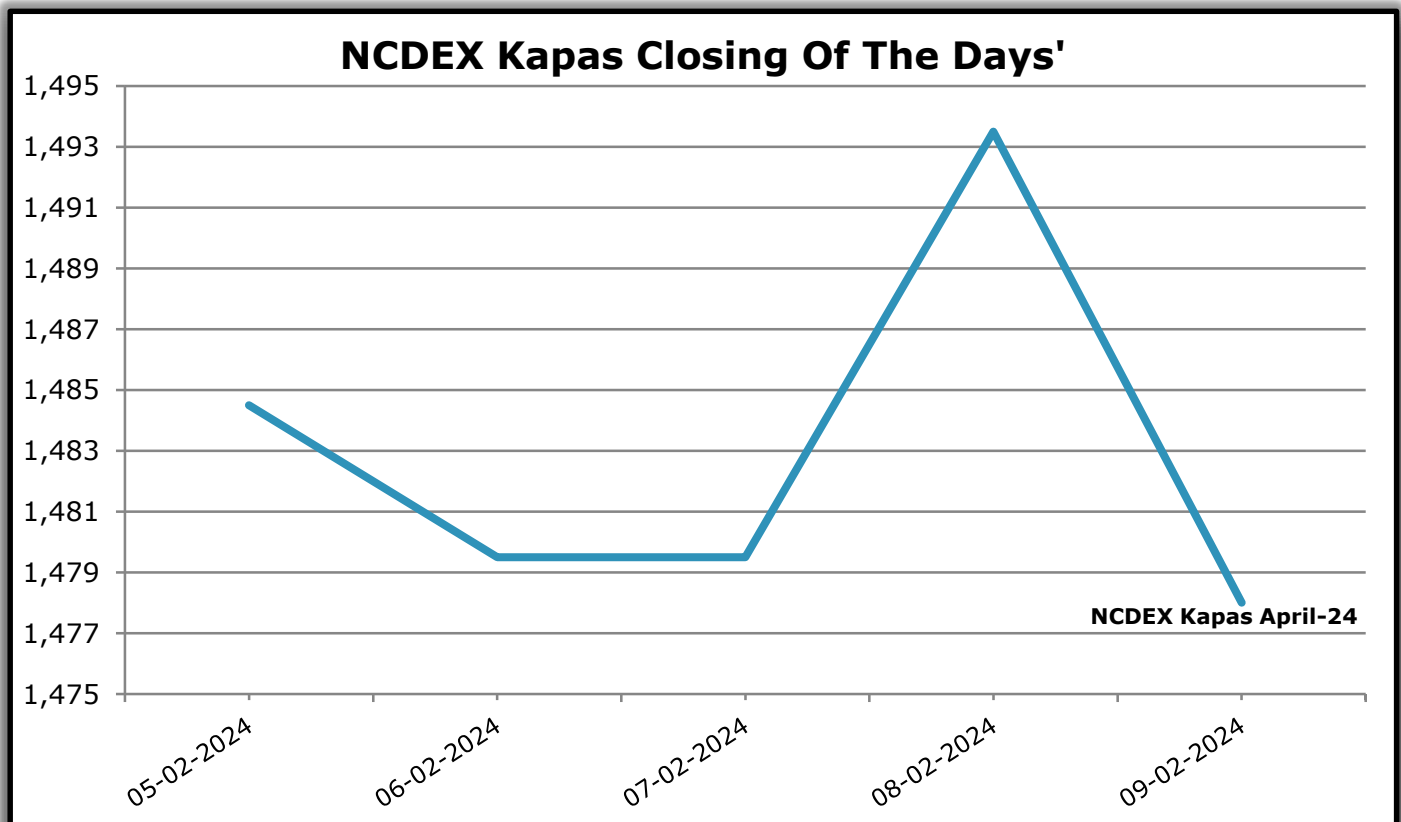


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Indian Indices	
Date	NCDEX Kapas
	April-24
05-02-2024	1,484.50
06-02-2024	1,479.50
07-02-2024	1,479.50
08-02-2024	1,493.50
09-02-2024	1,478.00

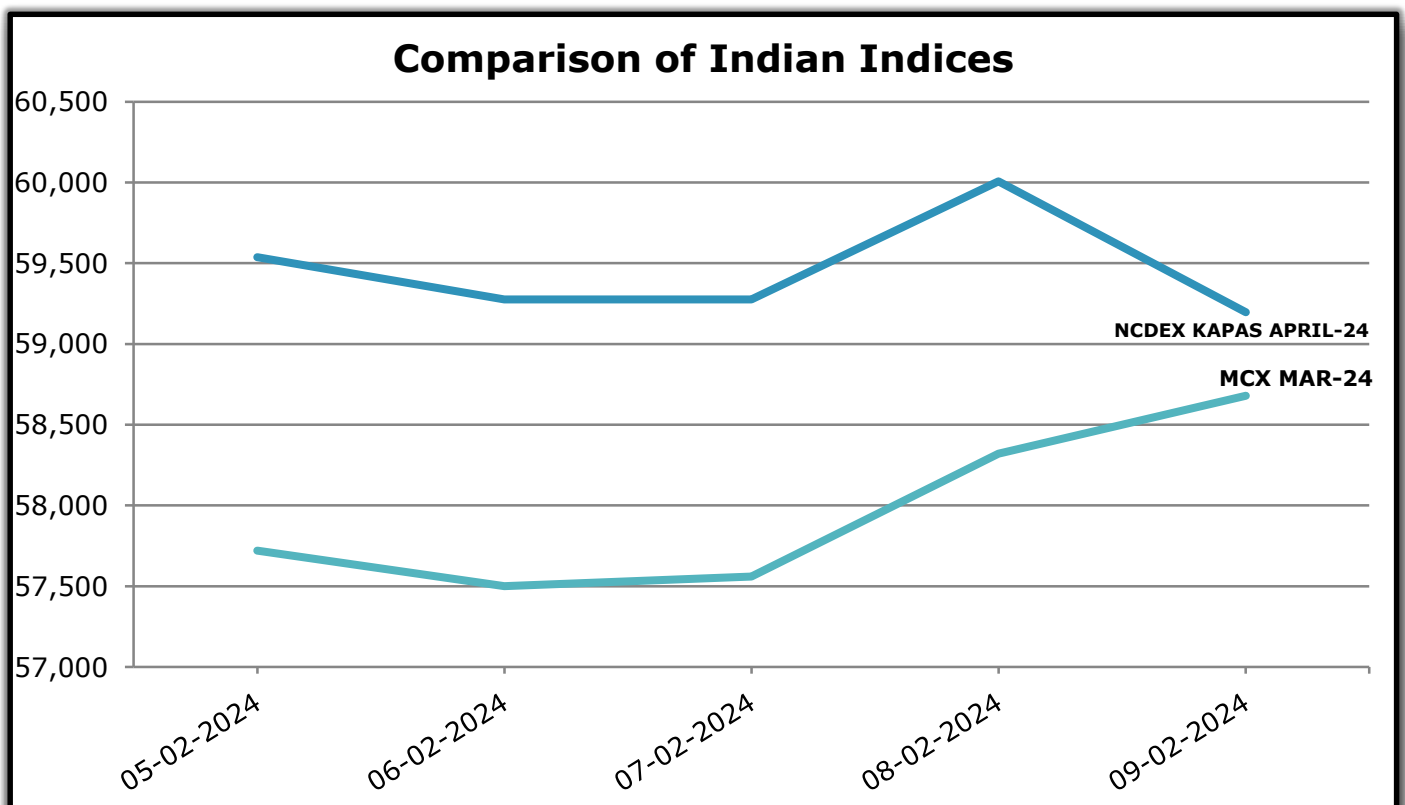




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Indian Indices in Candy Rate		
Date	NCDEX Kapas	MCX
	April-24	Mar-24
05-02-2024	59,537	57,720
06-02-2024	59,275	57,500
07-02-2024	59,275	57,560
08-02-2024	60,008	58,320
09-02-2024	59,197	58,680
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.		

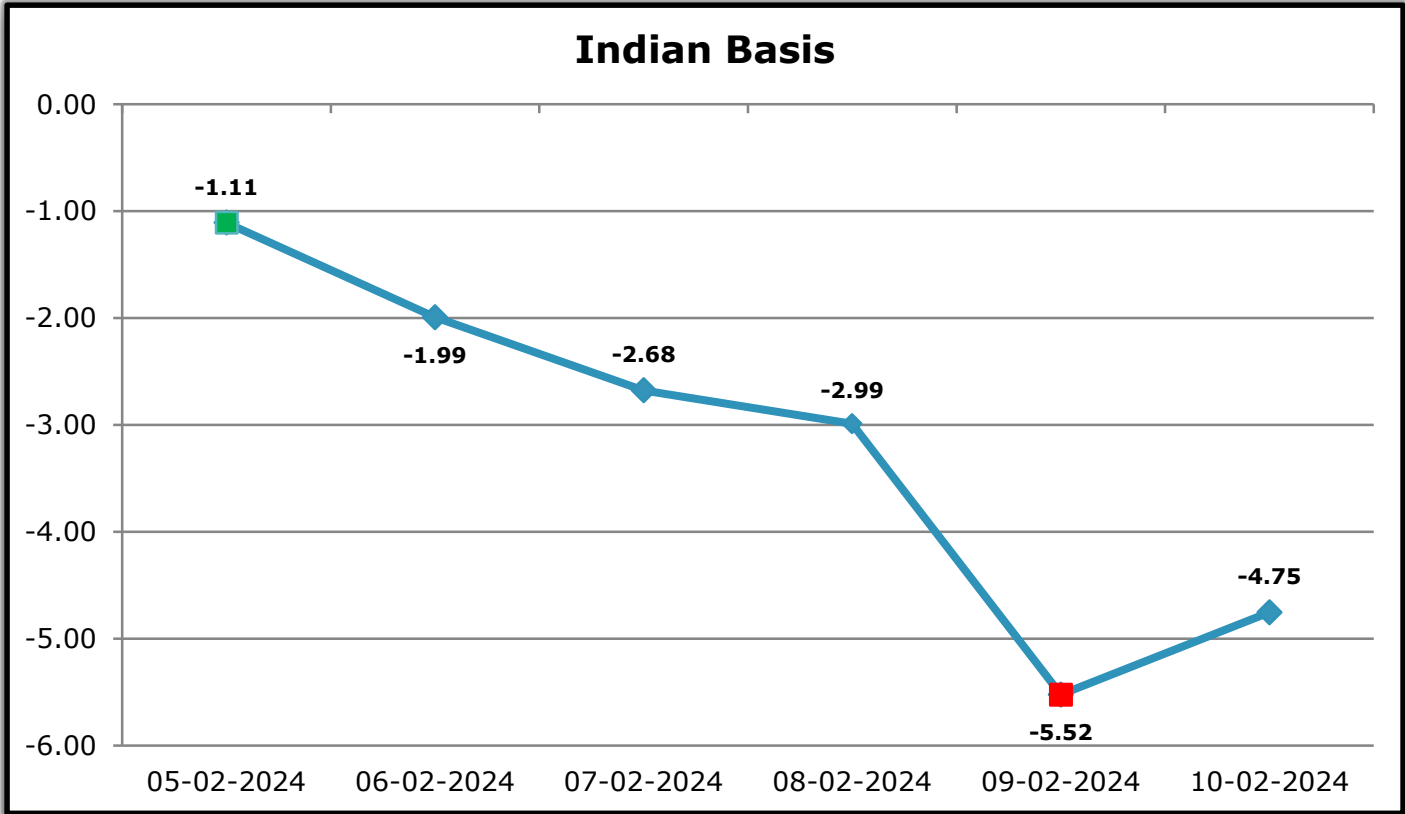




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
05-02-2024	55,950	83.05	85.93	87.04	-1.11
06-02-2024	55,700	83.05	85.55	87.54	-1.99
07-02-2024	55,800	82.96	85.79	88.47	-2.68
08-02-2024	56,000	82.95	86.11	89.10	-2.99
09-02-2024	56,150	83.03	86.26	91.78	-5.52
10-02-2024	56,650	83.03	87.03	91.78	-4.75





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IN THE WEEK AHEAD

- The quantity of trading and new information that became available this week will likely continue into next week.
- USDA's Annual Agricultural Outlook Forum will be held next Thursday and Friday. This will provide the only look at USDA's expectations for the 2024/25 crop until the first balance sheet is posted in May.
- The National Cotton Council's Annual Meeting will also take place next week. They will release their Economic Outlook and Planting Intentions for the 2024/25 crop on Sunday, February 18.

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