



# GUJCOT TRADE ASSOCIATION

**WEEKLY REPORT      14-Oct-2023**

## **Market Movement from 09th Oct 2023 to 14th Oct 2023.**

- The NY December future closed at 86.06, recording a weekly loss of 1.08 cents.
- The main highlight of the week was a pronounced pre-WASDE loss on Wednesday, which was followed by a noticeable rebound in prices on Friday. These fluctuations were accompanied by concerns arising from a new conflict in Gaza, which sparked moments of panic within the market.
- The WASDE report had a somewhat neutral tone, marked by a reduction in production. However, this reduction was offset by decreases in both consumption and export figures.
- U.S. export sales for this period were somewhat disappointing, registering just 45,900 bales. In addition, the shipment numbers did not show significant improvement.
- The Indian physical market experienced pressure due to an influx of new cotton arrivals and sluggish demand.



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- Gujcot Spot Rate, starting at 59,200 on Monday and gradually decreasing throughout the week, reaching 58,700 on Tuesday, 58,350 on Wednesday, 57,850 on Thursday, and then slightly rebounding on Friday and Saturday closing the week at 58,350 Rs per candy. Weekly loss of Rs 850 per candy.
- Indian mills are facing difficulties in securing buyers, leading them to operate with reduced inventory levels.
- Crop assessments are currently underway in Gujarat and across India, indicating the possibility of a decrease in crop yields compared to the previous year. However, it is still too early to ascertain specific figures.
- The Indian basis is currently attractive at approximately between 300 to 450 points on to Dec NY. Although some export sales have been recorded, the pace remains quite slow due to sluggish demand.
- Throughout the week, the USD-INR Exchange Rate remained relatively stable, starting at 83.26 on Monday and fluctuating only



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slightly, with rates of 83.24, 83.18, and 83.26 on Tuesday, Wednesday, and Friday, respectively. This indicates a week of minimal currency rate volatility in the USD-INR market.

- We are hopeful for a week of cooler and more favorable weather conditions ahead.



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## Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 09-October-2023			
<b>Kutch</b>	<b>719</b>	<b>Saurashtra</b>	<b>19,143</b>
Kutch	719	Surendranagar	3,973
		Rajkot	2,448
<b>North Gujarat</b>	<b>2,344</b>	Jamnagar	1,782
Banarsakantha	338	Porbandar	114
Patan	476	Junagadh	528
Mehsana	373	Amreli	3,650
Sabarkantha	590	Bhavnagar	2,598
Gandhinagar	223	Morbi	2,193
Aravali	345	Botad	1,596
		Gir Somnath	169
<b>Middle Gujarat</b>	<b>2,940</b>	Devbhumi Dwarka	93
Ahmedabad	514		
Anand	15	<b>South Gujarat</b>	<b>1,678</b>
Kheda	178	Surat	49
Panchmahal	123	Narmada	546
Dahod	10	Bharuch	964
Vadodara	887	Dang	0
Mahisagar	95	Navsari	0
Chota Udaipur	1,118	Valsad	0
		Tapi	119
<b>TOTAL</b>			<b>26,824</b>
<b>TOTAL (Last Year)</b>			<b>25,491</b>
SUMMARY			
Zone	2023-24	2022-23	Change
Kutch	719	675	44
North Gujarat	2,344	2,172	172
Middle Gujarat	2,940	2,789	151
Saurashtra	19,143	18,254	889
South Gujarat	1,678	1,601	77
<b>TOTAL</b>	<b>26,824</b>	<b>25,491</b>	<b>1,333</b>
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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## USDA-WASDE

The 2023/24 U.S. cotton supply and demand estimates show lower production, exports, and ending stocks compared with last month. Production is 315,000 bales lower at 12.8 million bales, down 2 percent from a month earlier as lower yields in Texas offset gains elsewhere. With production projected lower and exports down 100,000 bales to 12.2 million, ending stocks are reduced 200,000 bales. The 2023/24 season-average price for upland cotton is forecast unchanged from last month at 80.0 cents per pound, nearly 5 cents below the final 2022/23 price of 84.8 cents.

World 2023/24 beginning stocks of cotton are 10.3 million bales lower this month than in September, a decline to 82.8 million, entirely attributable to a permanent accounting change in the balance sheet for Brazil back to 2000/01. Ending stocks for the 2023/24 world balance sheet are also down by 10.0 million bales because of this change. To better account for the change in timing of Brazil's harvest, USDA has shifted ahead by one year its 2000/01-2022/23 production estimates. Until this change, USDA's estimated Brazilian and global ending stocks were significantly inflated because they reflected Brazil's entire year's production. See the Foreign Agricultural Service's October 2023 issue of Cotton: World Markets and Trade for further details.

In an additional production change, the estimate for what is now USDA's 2023/24 Brazil crop was increased 160,000 bales to 14.56 million, reflecting an October 10 revision by Brazil's Companhia Nacional de Abastecimento (CONAB).

Other changes in the world 2023/24 cotton balance sheet are small. Production is 210,000 bales higher than in September as larger crops in Brazil, Argentina, and Tanzania offset reductions in the United States, Australia, and Greece. World consumption and trade are virtually unchanged, down 89,000 bales and down 35,000 bales, respectively.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 43,400 RB for 2023-2024 were down 82 percent from the previous week and 63 percent from the prior 4-week average. Increases primarily for China (21,700 RB, including decreases of 1,700 RB), Indonesia (16,700 RB), Mexico (5,000 RB), Bangladesh (4,000 RB, including decreases of 2,800 RB), and Guatemala (3,000 RB), were offset by reductions for Pakistan (8,600 RB), Turkey (1,100 RB), and South Korea (300 RB).
- UPLAND Exports of 1,04,000 RB--a marketing-year low--were down 31 percent from the previous week and 28 percent from the prior 4-week average. The destinations were primarily to China (35,600 RB), Pakistan (17,700 RB), Mexico (14,900 RB), Vietnam (11,100 RB), and Bangladesh (11,100 RB).
- Net sales of PIMA totaling 2,500 RB for 2023-2024 were down 49 percent from the previous week and 56 percent from the prior 4-week average. Increases were reported for India (1,900 RB), Colombia (200 RB), South Korea (200 RB), Japan (100 RB), and China (100 RB).
- PIMA Exports of 3,400 RB were down 32 percent from the previous week and 17 percent from the prior 4-week average. The destinations were to China (2,200 RB), Vietnam (400 RB), Pakistan (400 RB), India (300 RB), and Thailand (100 RB).

US Export Sales	05-Oct-2023
Marketing Year 2023-24	
Upland Gross Sales	61,400
Cancellation	18,000
Net Upland Sales	43,400
PIMA Gross Sales	2,500
Cancellation	0
Net PIMA Sales	2,500
Total Gross Sales	63,900
Total Cancellation	18,000
Total Net Sales	45,900
Shipments	
UPLAND	1,04,000
PIMA	3,400
Total Shipment	1,07,400
Marketing Year 2024-25	
Net Upland Sales	0
Net PIMA Sales	0
Total Net Sales	0
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	07-10-2023	14-10-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	59,200	58,350	-850	-1.46%
V-797	13% Trash		47,750	47,450	-300	-0.63%
MCX Spot Rate			59,760	58,340	-1,420	-2.43%
USD-INR Exchange			83.24	83.26	0.02	0.02%

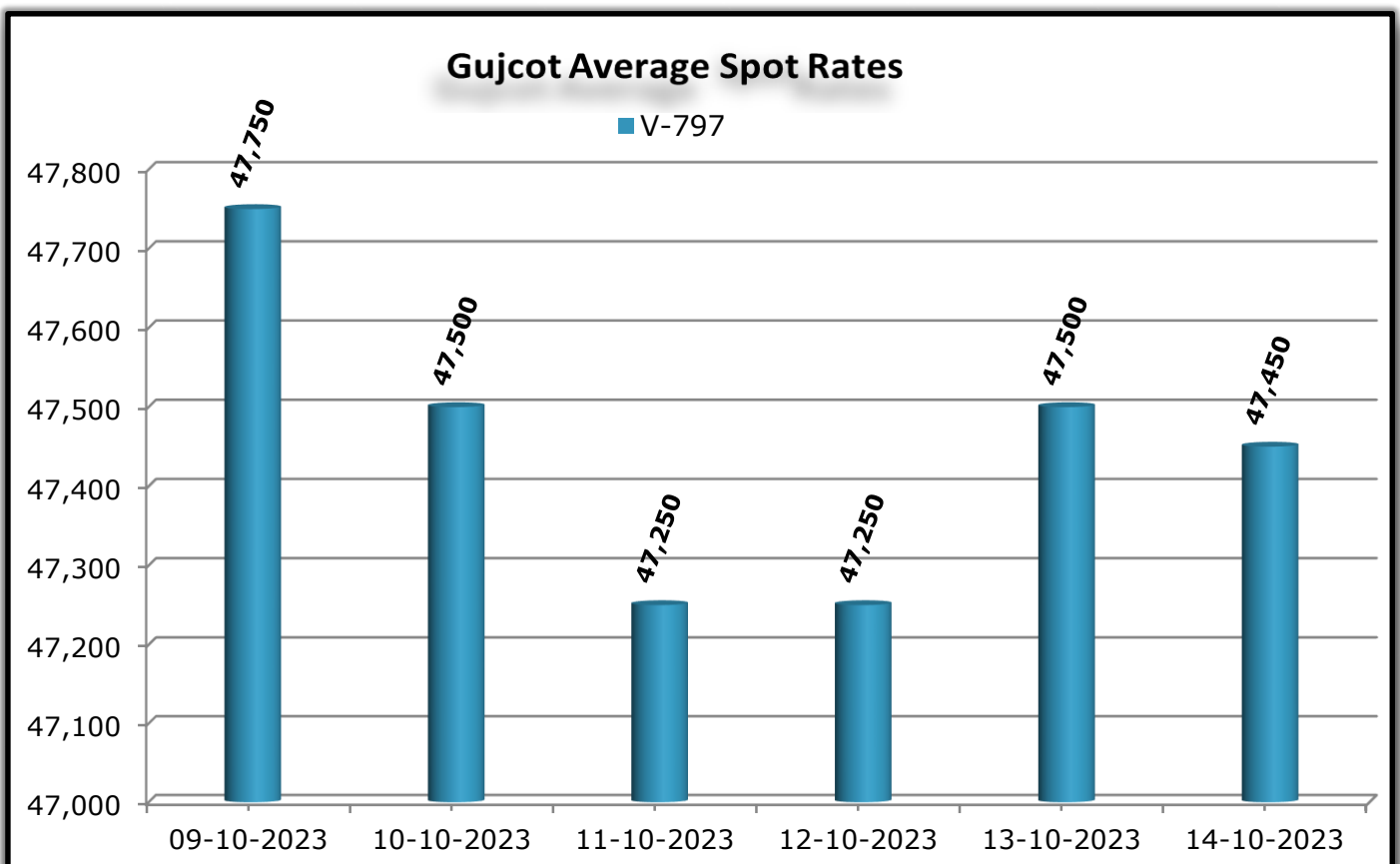
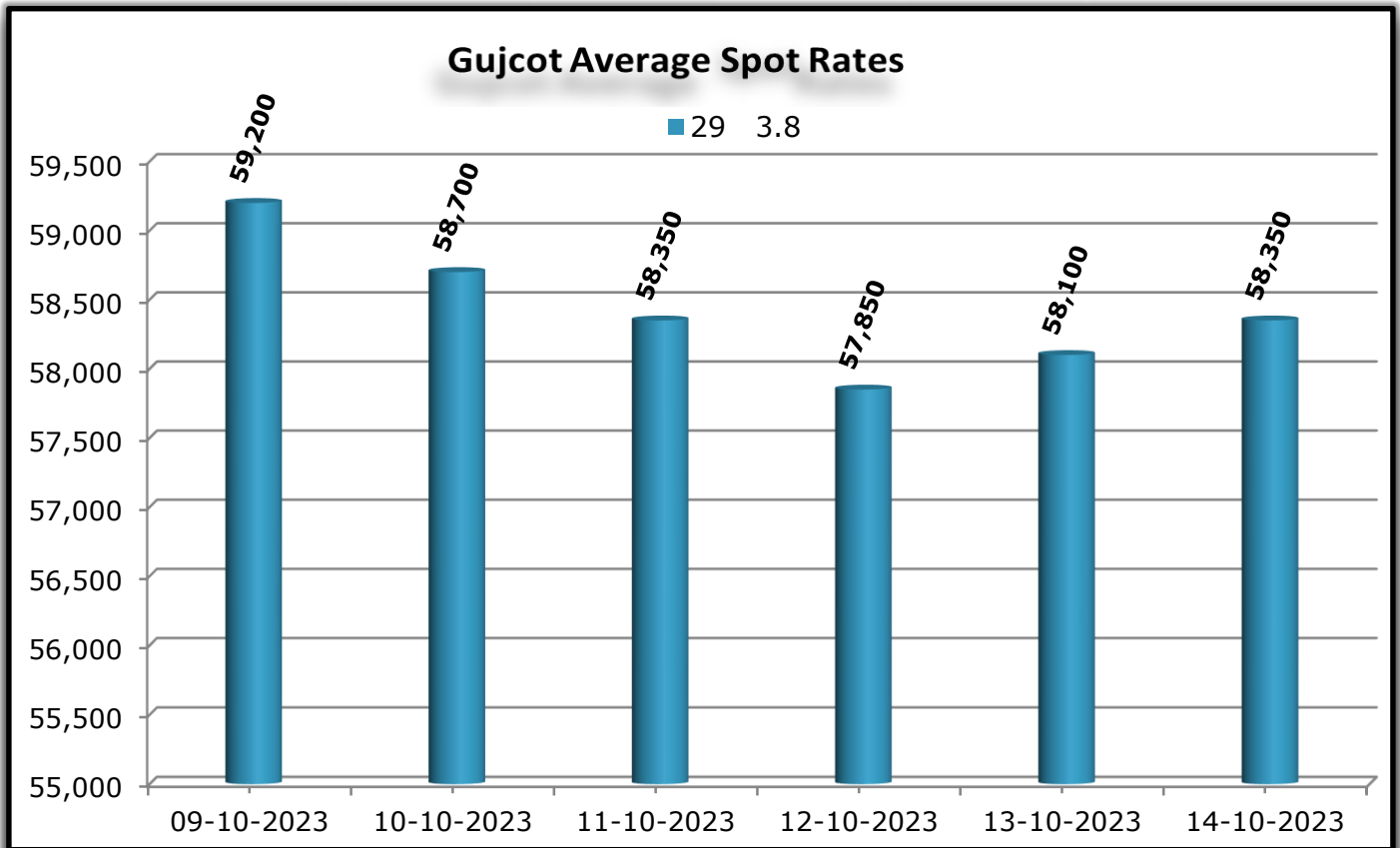
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	57,850	59,200	58,425
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		47,250	47,750	47,450
MCX Spot Rate			58,340	59,220	58,753
USD Exchange Rate			83.18	83.26	83.24

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
09-10-2023	59,200	47,750	59,220	83.26
10-10-2023	58,700	47,500	59,060	83.24
11-10-2023	58,350	47,250	59,060	83.18
12-10-2023	57,850	47,250	58,500	83.24
13-10-2023	58,100	47,500	58,340	83.26
14-10-2023	58,350	47,450	58,340	83.26



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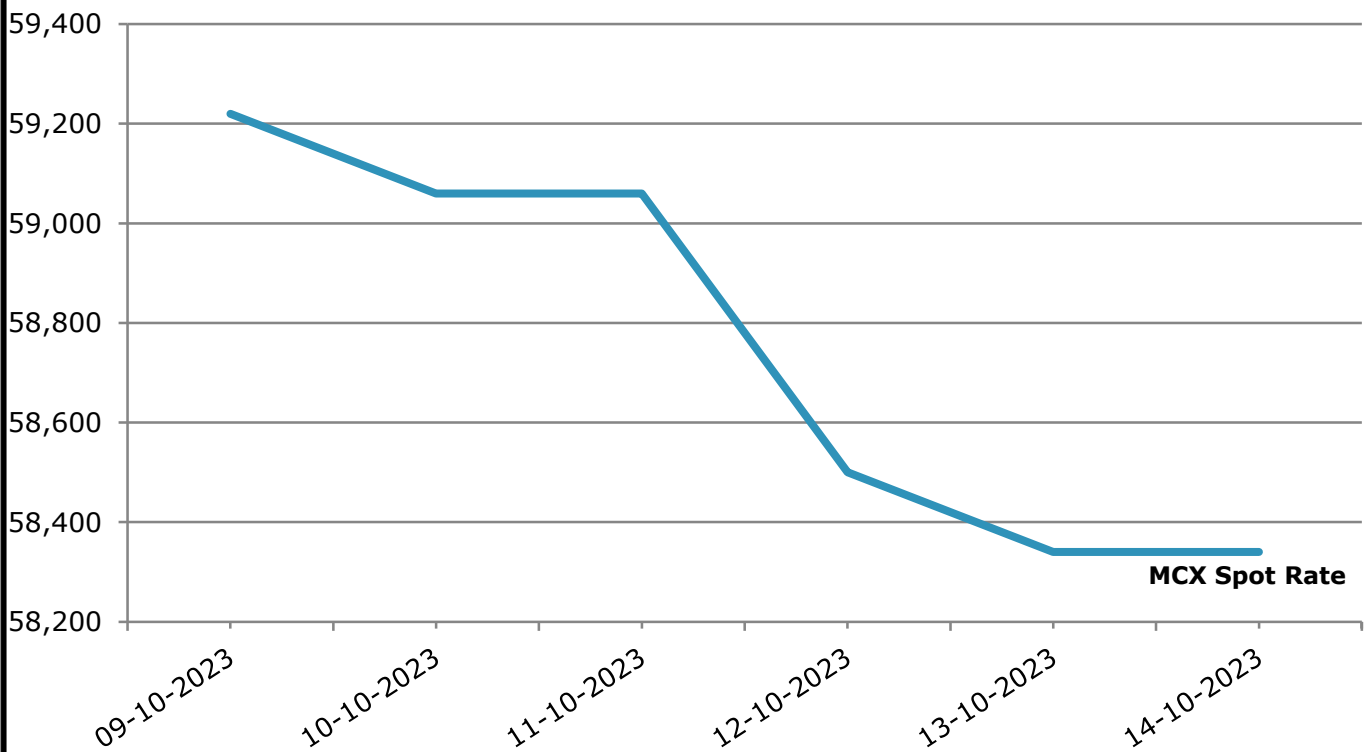




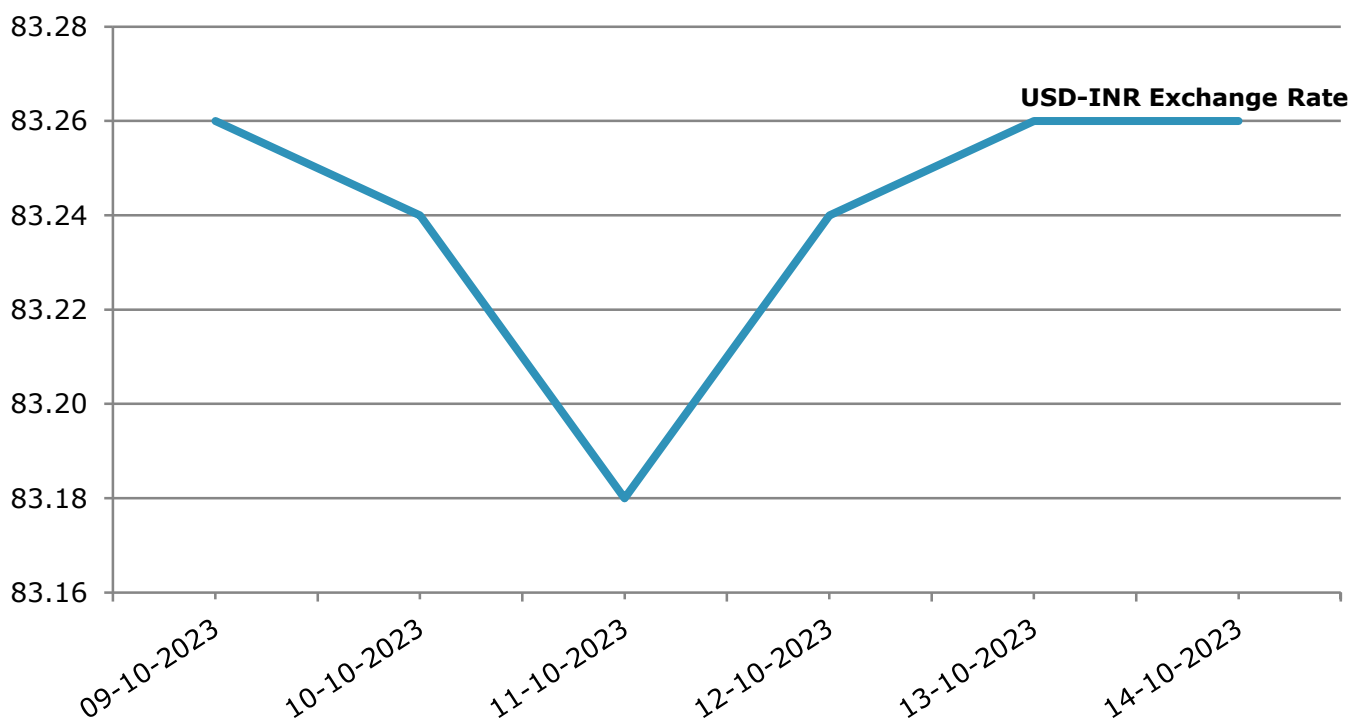
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'



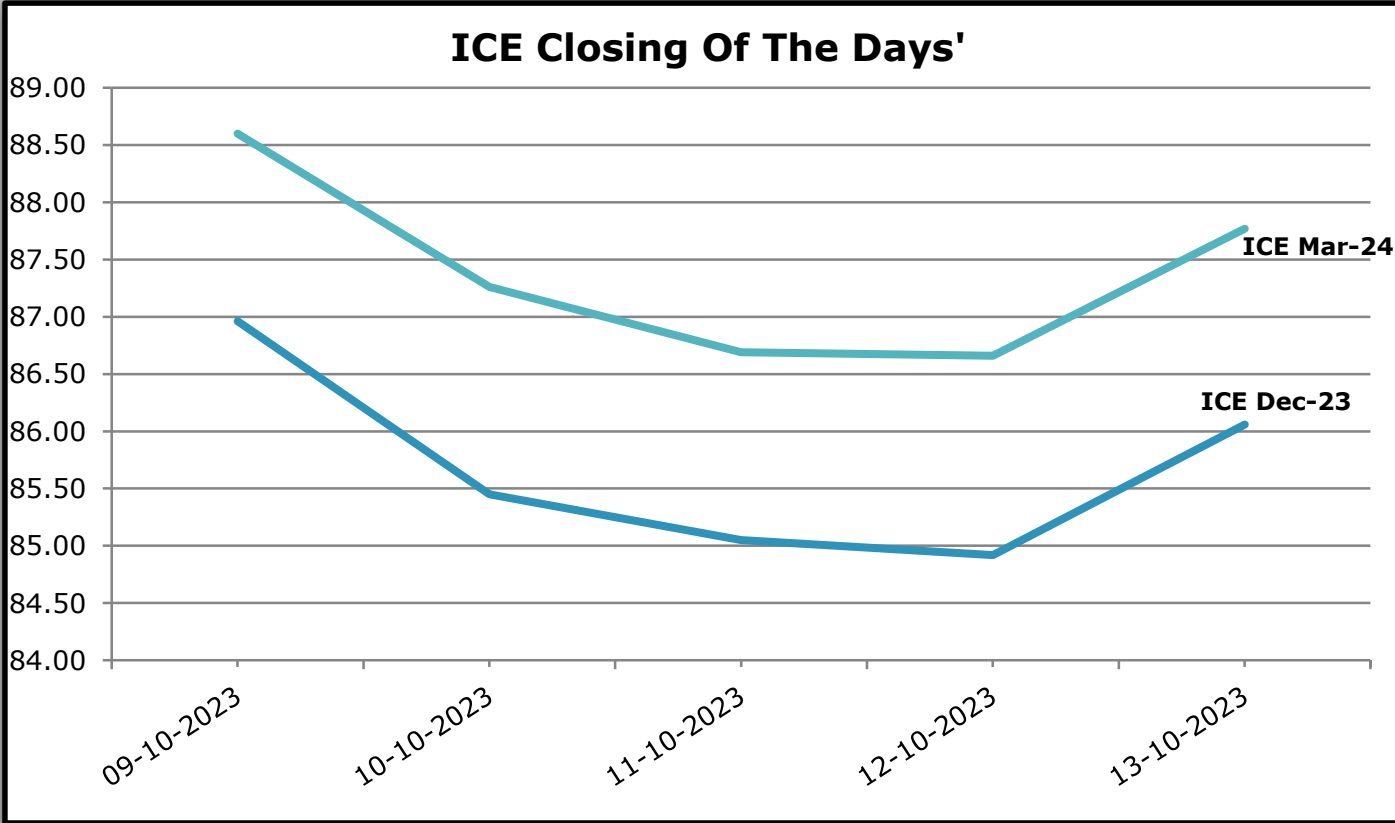
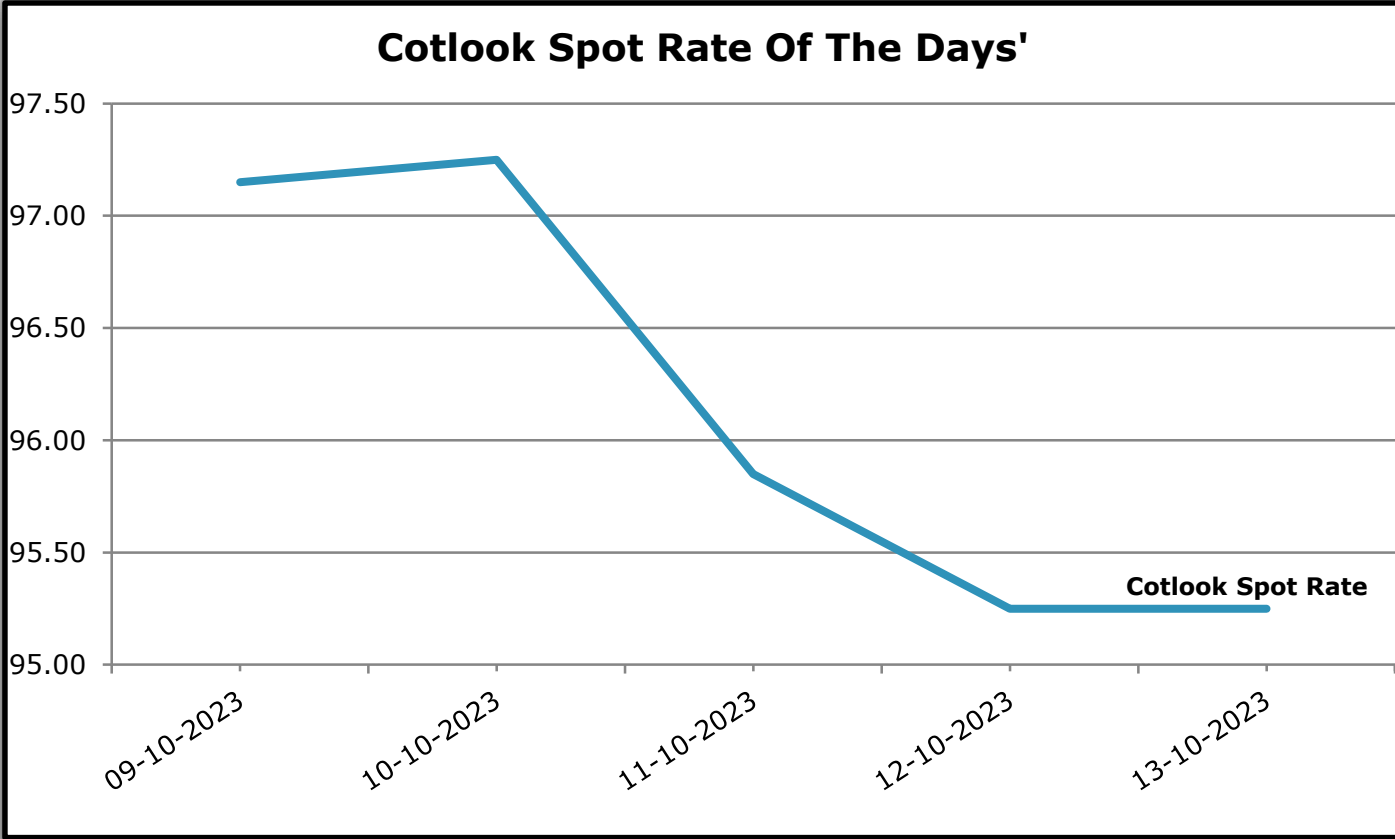


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-23	Mar-24
09-10-2023	97.15	86.96	88.60
10-10-2023	97.25	85.45	87.26
11-10-2023	95.85	85.05	86.69
12-10-2023	95.25	84.92	86.66
13-10-2023	95.25	86.06	87.77



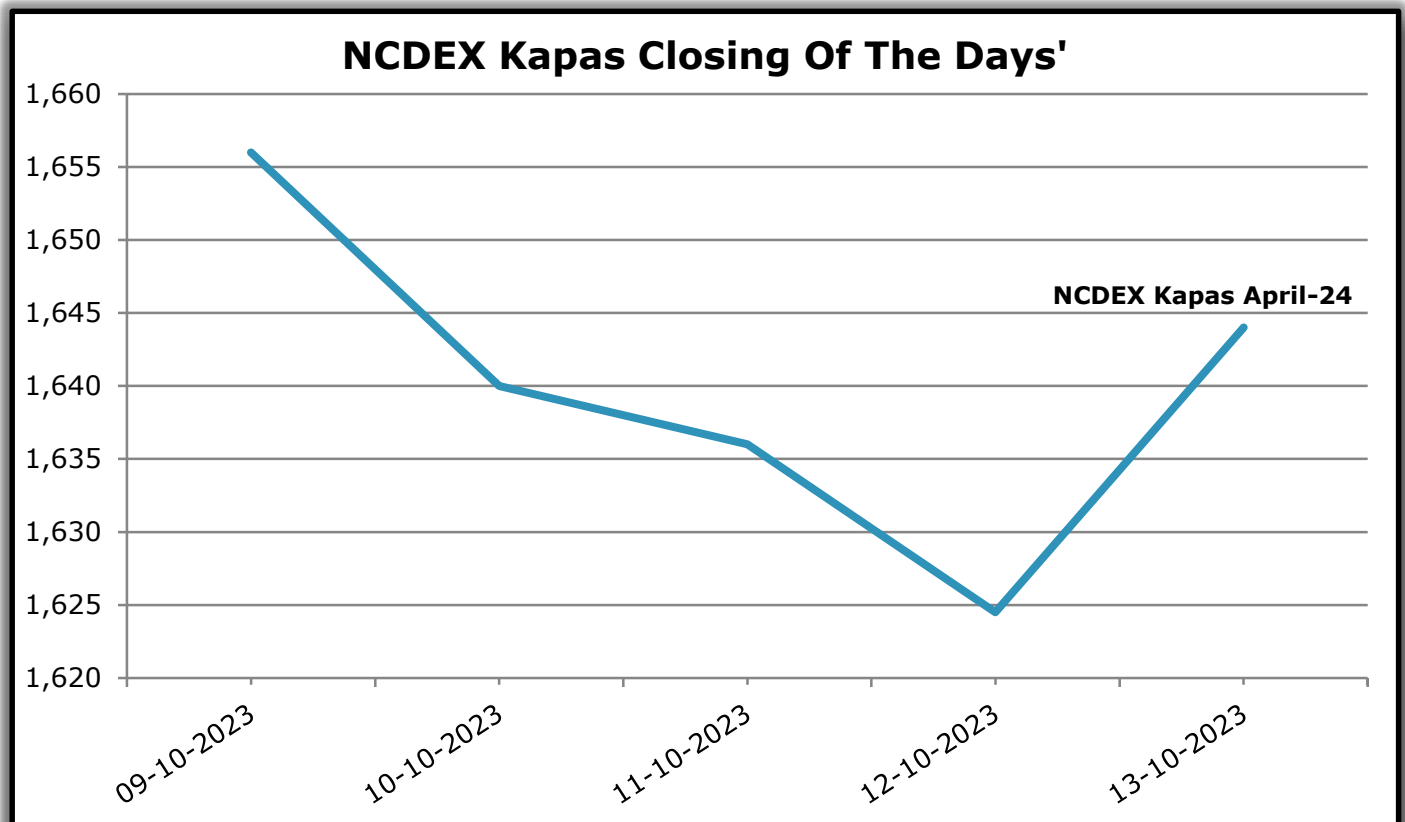


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Indian Indices	
Date	NCDEX Kapas
	April-24
09-10-2023	1,656.00
10-10-2023	1,640.00
11-10-2023	1,636.00
12-10-2023	1,624.50
13-10-2023	1,644.00

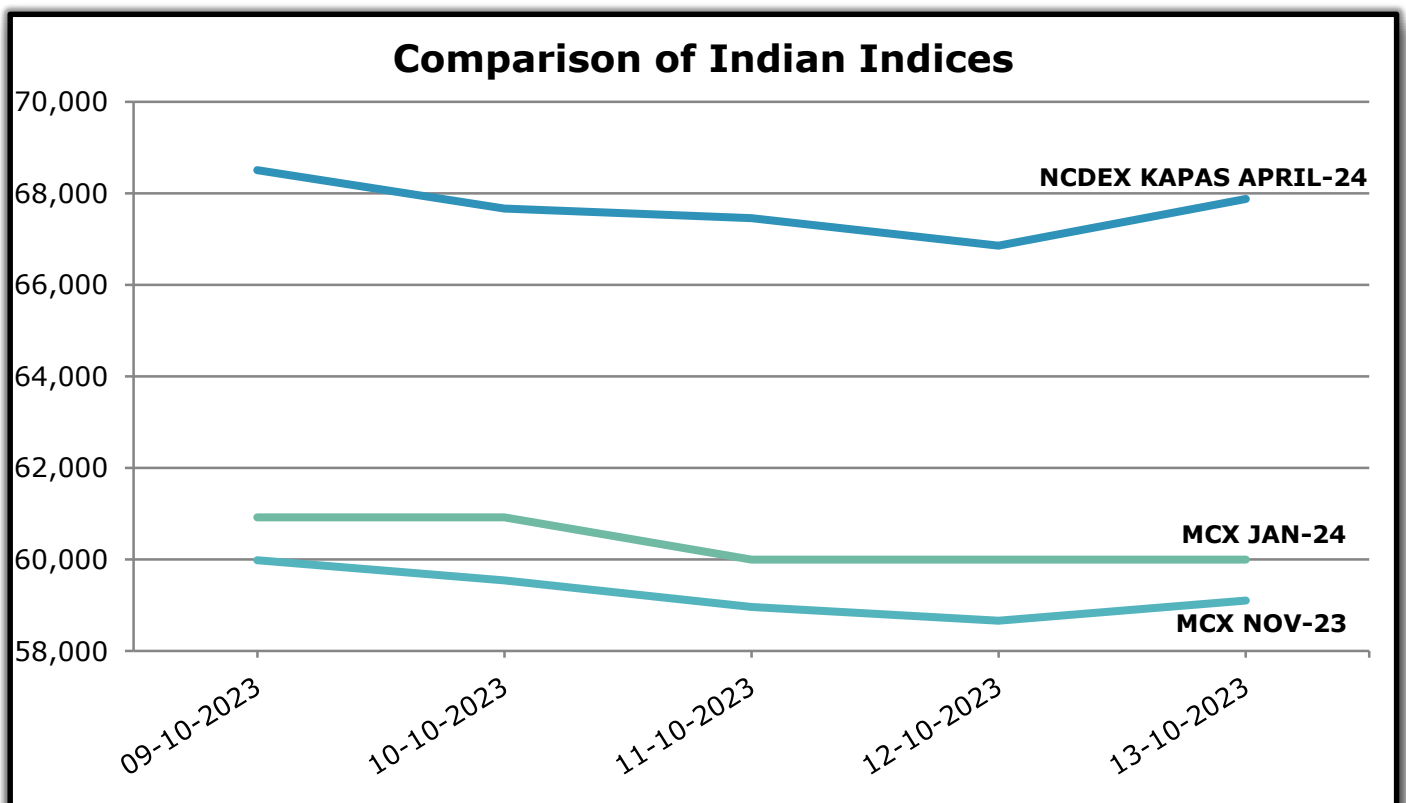




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Nov-23	Jan-24
09-10-2023	68,505	59,980	60,920
10-10-2023	67,669	59,540	60,920
11-10-2023	67,459	58,960	60,000
12-10-2023	66,858	58,660	60,000
13-10-2023	67,878	59,100	60,000
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

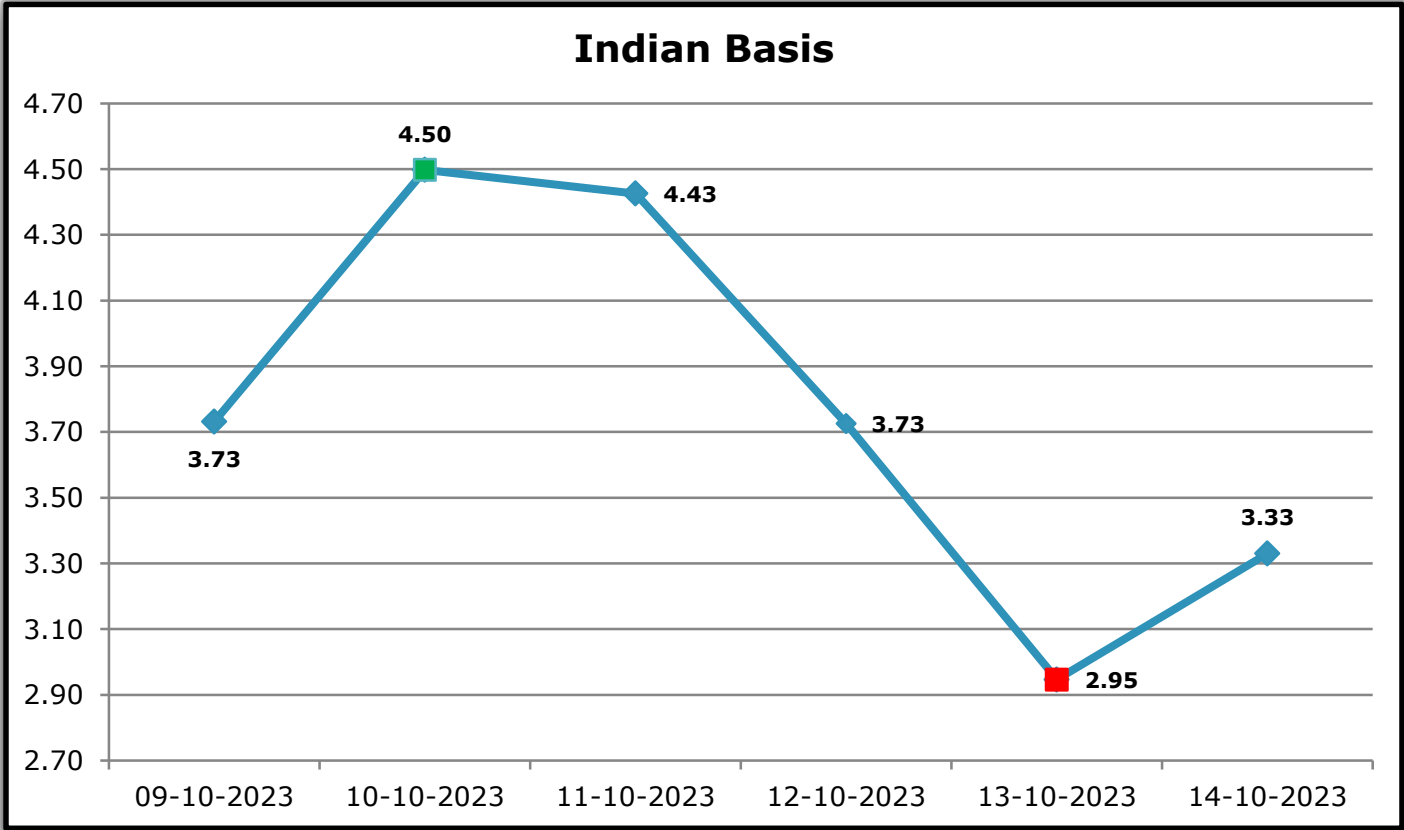




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
09-10-2023	59,200	83.26	90.69	86.96	3.73
10-10-2023	58,700	83.24	89.95	85.45	4.50
11-10-2023	58,350	83.18	89.48	85.05	4.43
12-10-2023	57,850	83.24	88.65	84.92	3.73
13-10-2023	58,100	83.26	89.01	86.06	2.95
14-10-2023	58,350	83.26	89.39	86.06	3.33





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### IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Tuesday at 3:00 p.m. Central – Crop Progress and Condition Report
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton On-Call

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