



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 24-Jun-2023

Market Movement from 19th Jun 2023 to 24th Jun 2023.

- The NY July cotton futures closed at 81.46 cents on June 16th and dropped to 78.06 cents on June 23rd, resulting in a weekly loss of 3.40 cents. Similarly, the NY December cotton futures stood at 80.10 cents on June 16th and decreased to 78.67 cents on June 23rd, with a weekly loss of 1.43 cents.
- The cotton market experienced mixed performance throughout the week, with the new crop showing limited loss while spot July prices declined more. So July December inverse square-up. Concerns over the Federal Reserve's hawkish comments from its last meeting contributed to overall market weakness. Weather conditions in West Texas and the Panhandle were expected to bring up to 2 inches of rain in the immediate forecast, but the extended outlook indicated above-normal temperatures and below-normal rainfall. A potential shift in cotton business settlement between China and Brazil to Chinese Yuan was reported, as Brazil aims to increase its cotton exports to China. India's monsoon season faced delays, which could potentially impact this year's crop. The market closed lower on Wednesday and Thursday, influenced by bearish factors such as central banks raising interest rates. Spot July contracts were nearing their



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expiration, adding pressure for participants to exit before the delivery period. The market continued its downward trend on Friday due to collapsing grain prices and a strong U.S. dollar. The weekly U.S. Drought Monitor showed limited improvement in growing conditions for West Texas, with a significant portion of U.S. cotton still experiencing drought conditions. Crude oil prices were also affected by the UK's interest rate hike and concerns over economic growth. Overall, the cotton market ended the week with sharp declines in prices.

- In the week's U.S. export sales report for the 2022-2023 season, net upland cotton sales amounted to 42,700 bales, while upland shipments totaled 236,800 bales. Net Pima cotton sales were reported at 2,000 bales, and Pima shipments amounted to 4,100 bales. The total sales for the week were 44,700 bales. Looking at the 2023-2024 season, net upland sales reached 187,600 bales, while there were no reported net Pima sales, resulting in a total of 187,600 bales for the season.
- During this week, the Gujcot Spot Rate remained gradually in down trend. On Monday, the rate was recorded at 57,350. It remained unchanged on Tuesday and Wednesday, maintaining the same value of 57,350. However, on Thursday, there was a slight decrease, with the spot rate dropping to 57,150. The decline



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continued on Friday, with the spot rate further decreasing to 56,500. Overall, the Gujcot Spot Rate exhibited a sharp downward trend towards the end of the week.

- As of today, the front month for December in New York is now active. The forward A index is currently equal to the current index, indicating that there is no carrying cost involved. Therefore, it suggests a price for the new crop that anyone can book without incurring additional costs for carrying.
- It is predicted that there will be a better crop in machine pick countries such as the US, Brazil, and Australia. The cost and freight (C&F) basis for these crops are currently lower than pre-COVID times. Consequently, mills that heavily rely on imports are receiving lower offers for their products.
- The export of raw cotton is minimal, while the export of cotton yarn faces tough competition in the market.
- The daily arrival of bales in India ranges between 50,000 to 60,000. The main contributors to this arrival is from Maharashtra and Gujarat.
- The arrival in Gujarat has resumed after the cyclone effect and currently is near 20,000 bales per day.
- The monsoon has experienced a delay, but it has now entered the southern regions and parts of Maharashtra.



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- The sowing of cotton is ongoing, and as of 21-Jun, the total sowing in All India stands at approximately 28.569 lakh hectares, with Gujarat accounting for 6.895 lakh hectares of sowing.
- Throughout the week, the USD-INR exchange rate experienced some fluctuations. On Monday, the exchange rate stood at 81.93. It then increased slightly on Tuesday, reaching 82.11. Wednesday saw a minor decrease, with the rate dropping to 82.03. The exchange rate remained stable on Thursday at 81.95 before returning to 82.03 on Friday. Overall, the USD-INR exchange rate exhibited slight variations during the week, but it ended the week at a similar level to where it started.
- We hope for a good monsoon progress.



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 19-June-2023			
Kutch	365	Saurashtra	5,578
Kutch	365	Surendranagar	1,033
		Rajkot	833
North Gujarat	634	Jamnagar	236
Banarsakantha	126	Porbandar	22
Patan	119	Junagadh	142
Mehsana	144	Amreli	1,580
Sabarkantha	95	Bhavnagar	263
Gandhinagar	106	Morbi	798
Aravali	44	Botad	550
		Gir Somnath	119
Middle Gujarat	220	Devbhumi Dwarka	3
Ahmedabad	4		
Anand	3	South Gujarat	99
Kheda	7	Surat	0
Panchmahal	2	Narmada	3
Dahod	0	Bharuch	79
Vadodara	178	Dang	0
Mahisagar	0	Navsari	0
Chota Udaipur	27	Valsad	0
		Tapi	17
TOTAL			6,896
TOTAL (Last Year)			5,890
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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Global

US Weekly Export Sales

- Net UPLAND sales of 42,700 RB for 2022-2023 were down 57 percent from the previous week and 83 percent from the prior 4-week average. Increases primarily for Bangladesh (35,400 RB), China (33,600 RB), Taiwan (6,900 RB), Egypt (2,200 RB), and Malaysia (1,900 RB), were offset by reductions primarily for Turkey (20,300 RB), Pakistan (15,500 RB), and Vietnam (4,300 RB).
- Net UPLAND sales of 1,87,600 RB for 2023-2024 were primarily for China (1,37,300 RB), Turkey (24,400 RB), Honduras (10,900 RB), Singapore (4,400 RB), and Nicaragua (4,200 RB).
- UPLAND Exports of 2,36,800 RB were down 3 percent from the previous week and 15 percent from the prior 4-week average. The destinations were primarily to China (53,500 RB), Vietnam (43,300 RB), Pakistan (43,100 RB), Turkey (28,100 RB), and Mexico (11,600 RB).
- Net sales of PIMA totaling 2,000 RB for 2022-2023 were up 2 percent from the previous week, but down 26 percent from the prior 4-week average. Increases reported for Egypt (1,100 RB), Thailand (900 RB), and Vietnam (200 RB switched from Hong Kong), were offset by reductions for Hong Kong (200 RB).
- PIMA Exports of 4,100 RB were up noticeably from the previous week, but down 68 percent from the prior 4-week average. The destinations were to India (2,600 RB), Peru (900 RB), and Vietnam (600 RB).

US Export Sales	15-Jun-2023
Marketing Year 2022-23	
Upland Gross Sales	90,800
Cancellation	48,100
Net Upland Sales	42,700
PIMA Gross Sales	2,000
Cancellation	0
Net PIMA Sales	2,000
Total Gross Sales	92,800
Total Cancellation	48,100
Total Net Sales	44,700
Shipments	
UPLAND	2,36,800
PIMA	4,100
Total Shipment	2,40,900
Marketing Year 2023-24	
Net Upland Sales	1,87,600
Net PIMA Sales	0
Total Net Sales	1,87,600
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	17-06-2023	24-06-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	57,400	56,100	-1,300	-2.32%
V-797	13% Trash		47,100	46,150	-950	-2.06%
MCX Spot Rate			57,920	56,780	-1,140	-2.01%
USD-INR Exchange			81.93	82.03	0.10	0.12%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	56,100	57,350	56,967
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		46,150	47,000	46,708
MCX Spot Rate			56,780	57,500	57,217
USD Exchange Rate			81.93	82.11	82.01

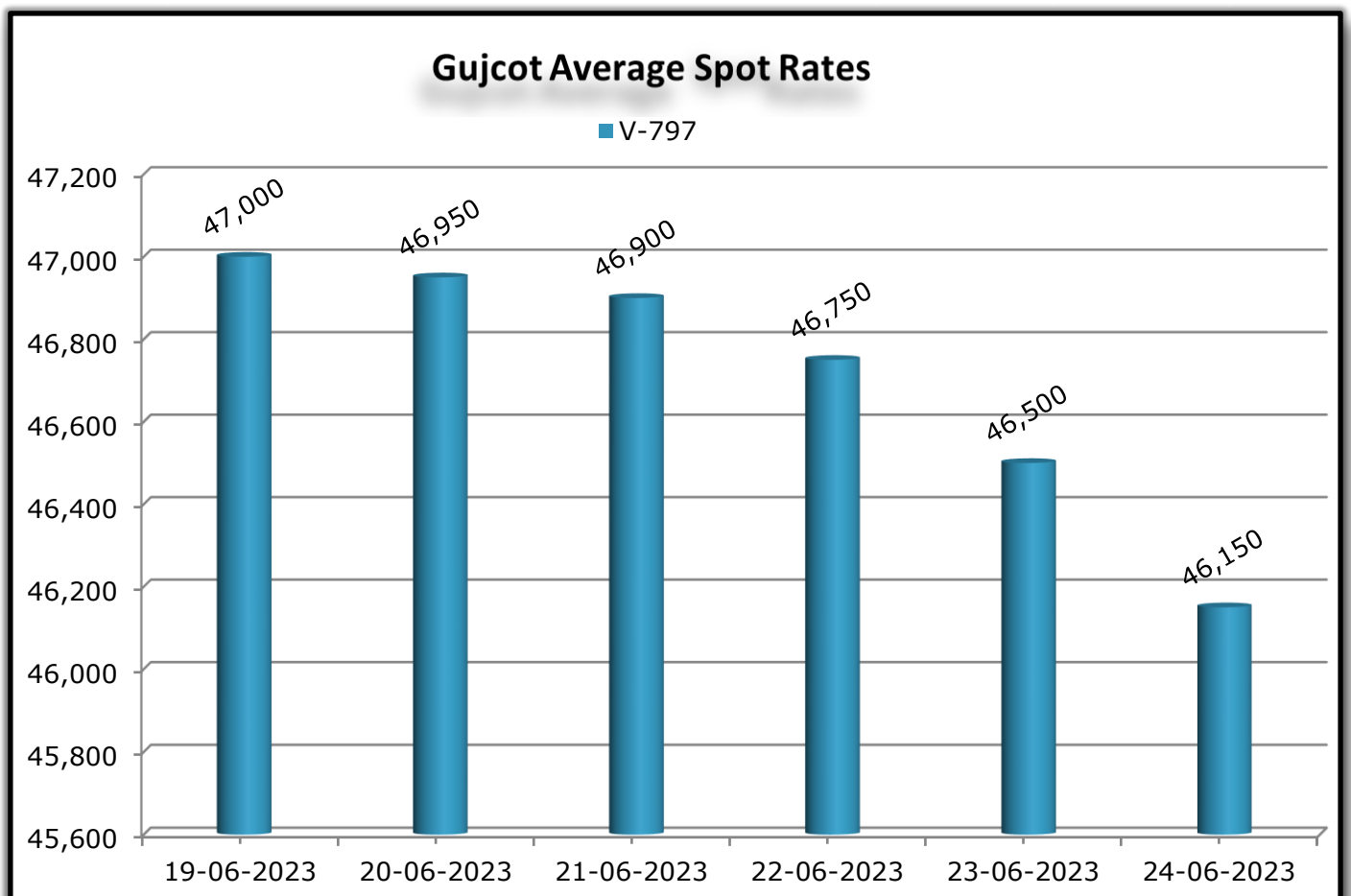
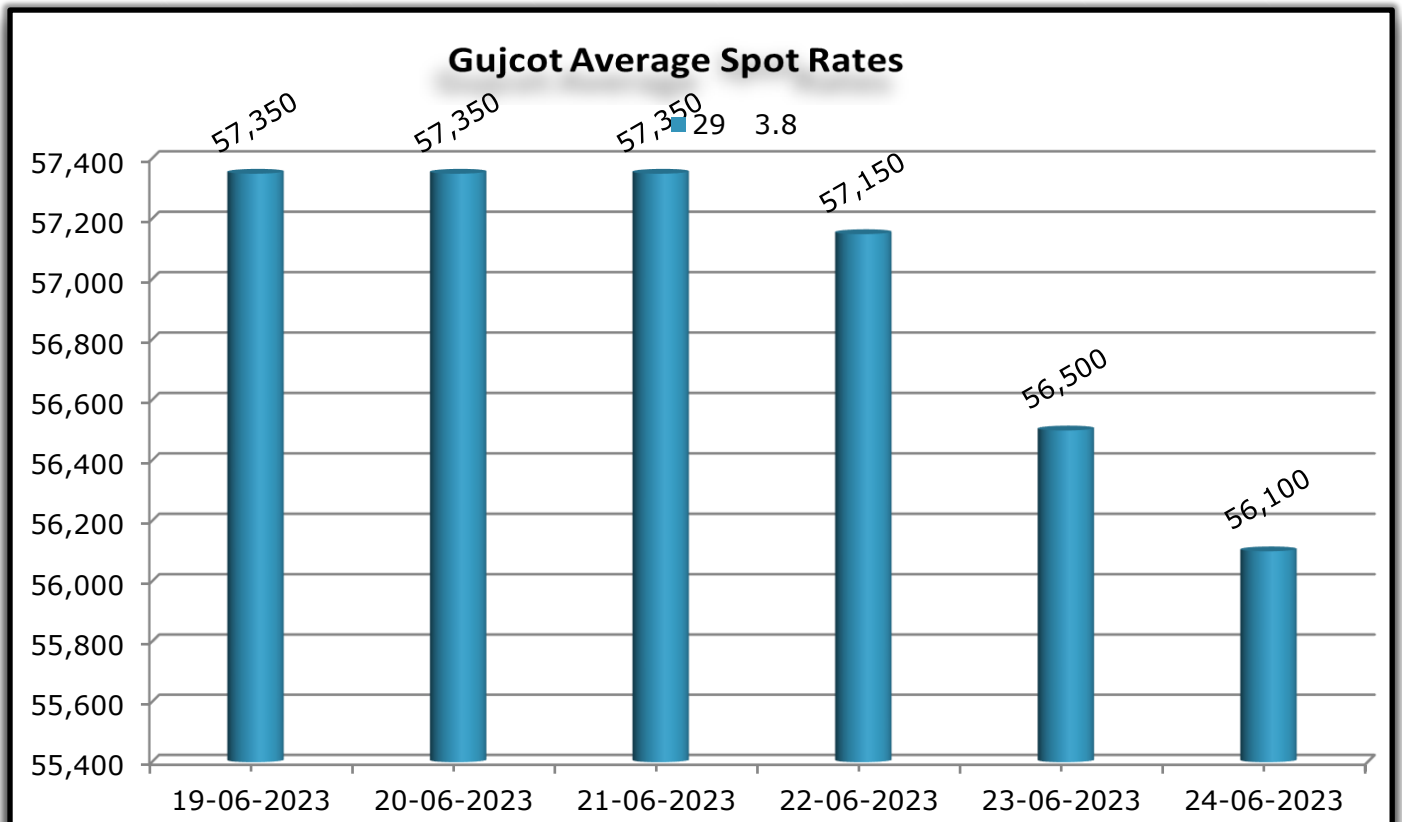
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
19-06-2023	57,350	47,000	57,500	81.93
20-06-2023	57,350	46,950	57,440	82.11
21-06-2023	57,350	46,900	57,440	82.03
22-06-2023	57,150	46,750	57,360	81.95
23-06-2023	56,500	46,500	56,780	82.03
24-06-2023	56,100	46,150	56,780	82.03



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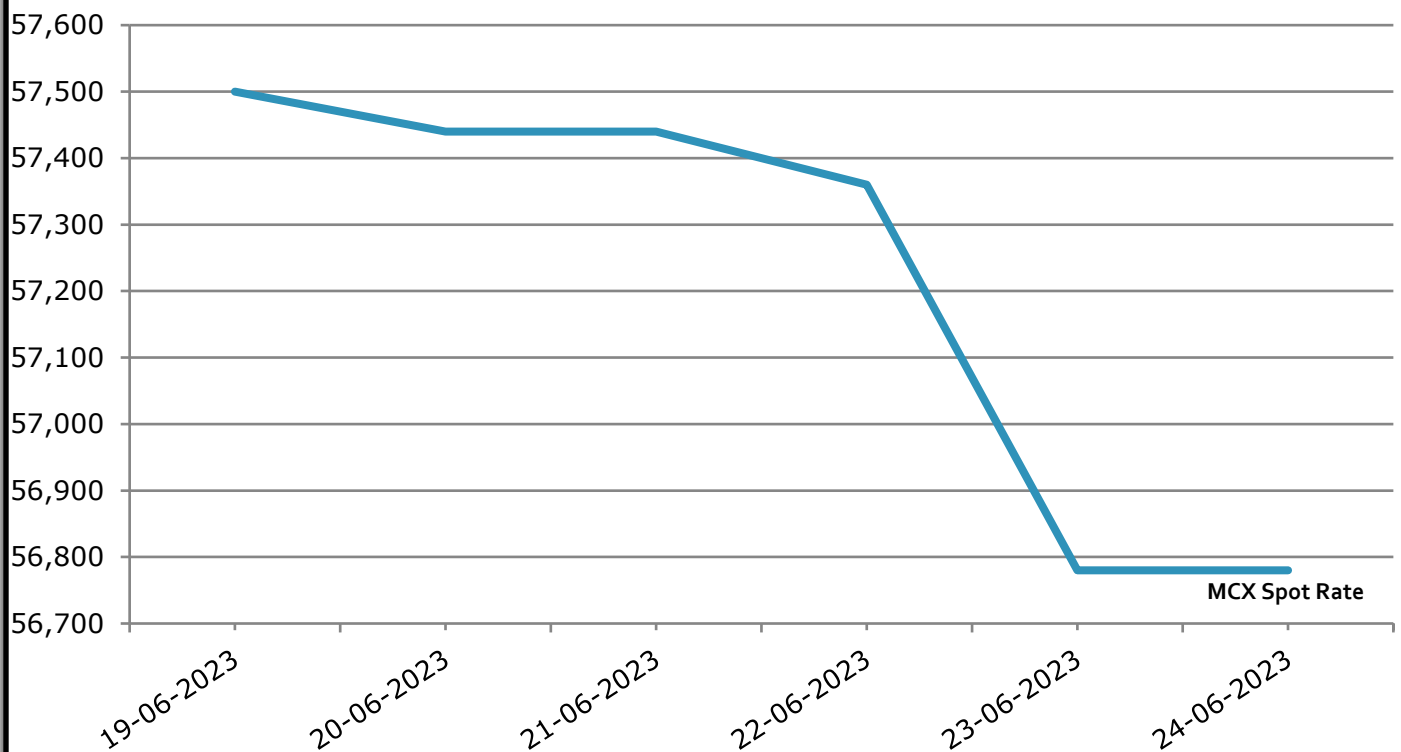




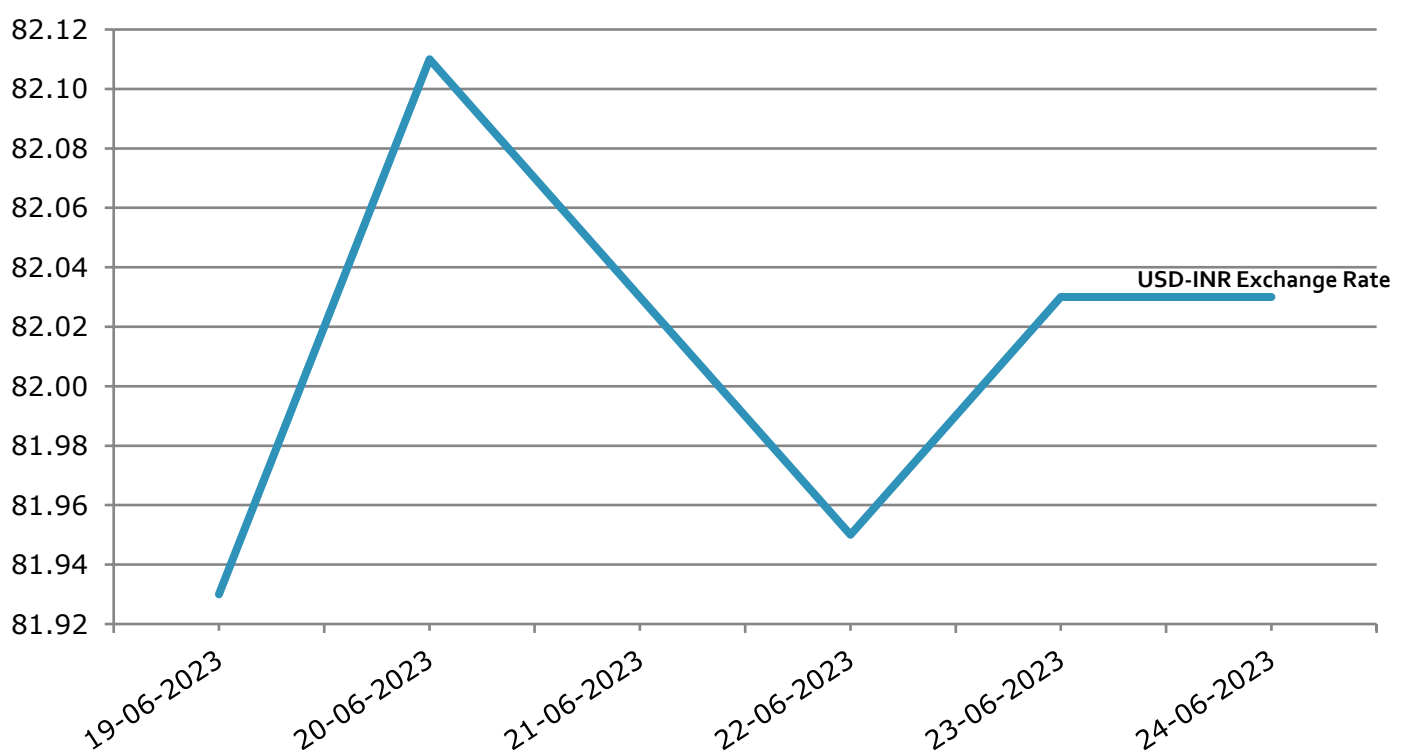
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'



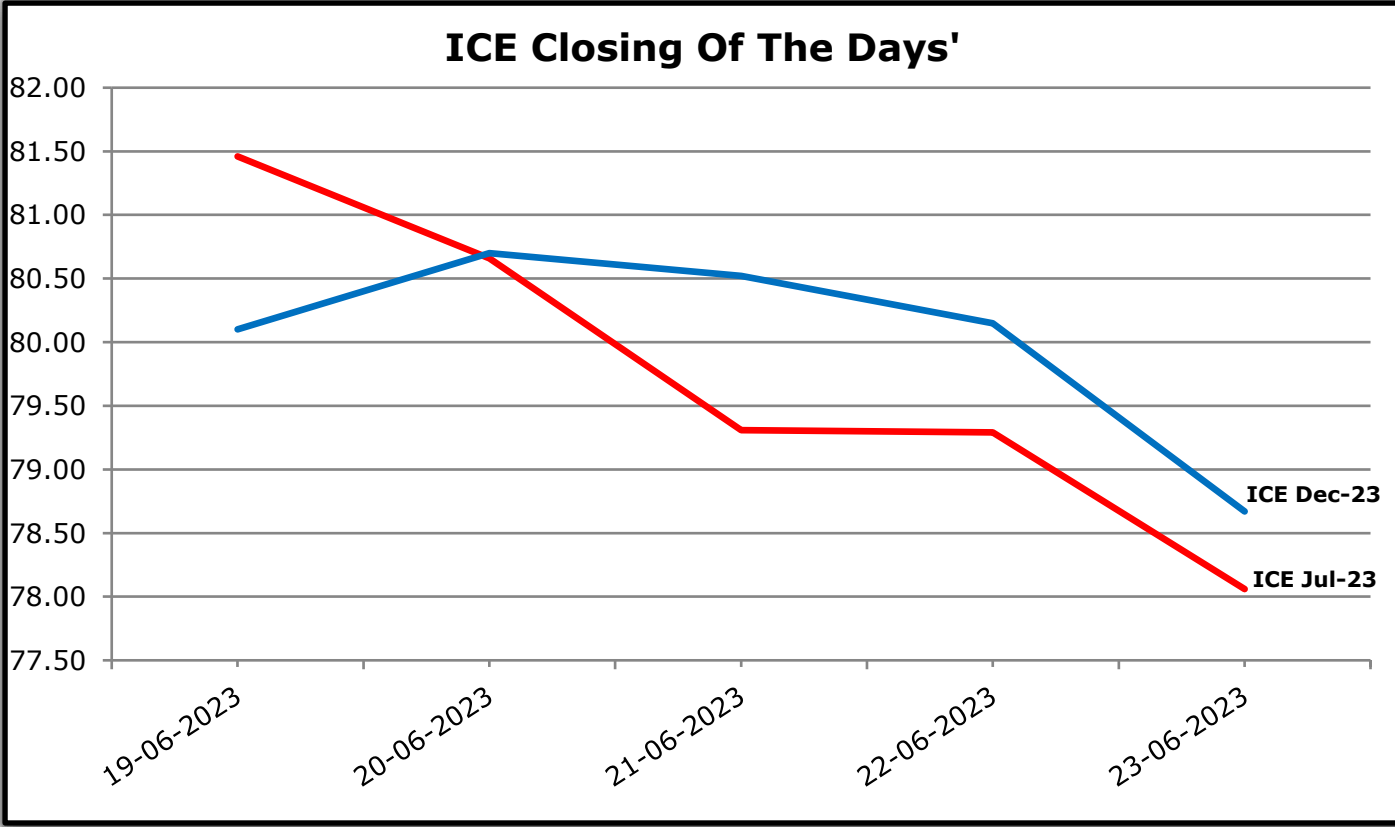
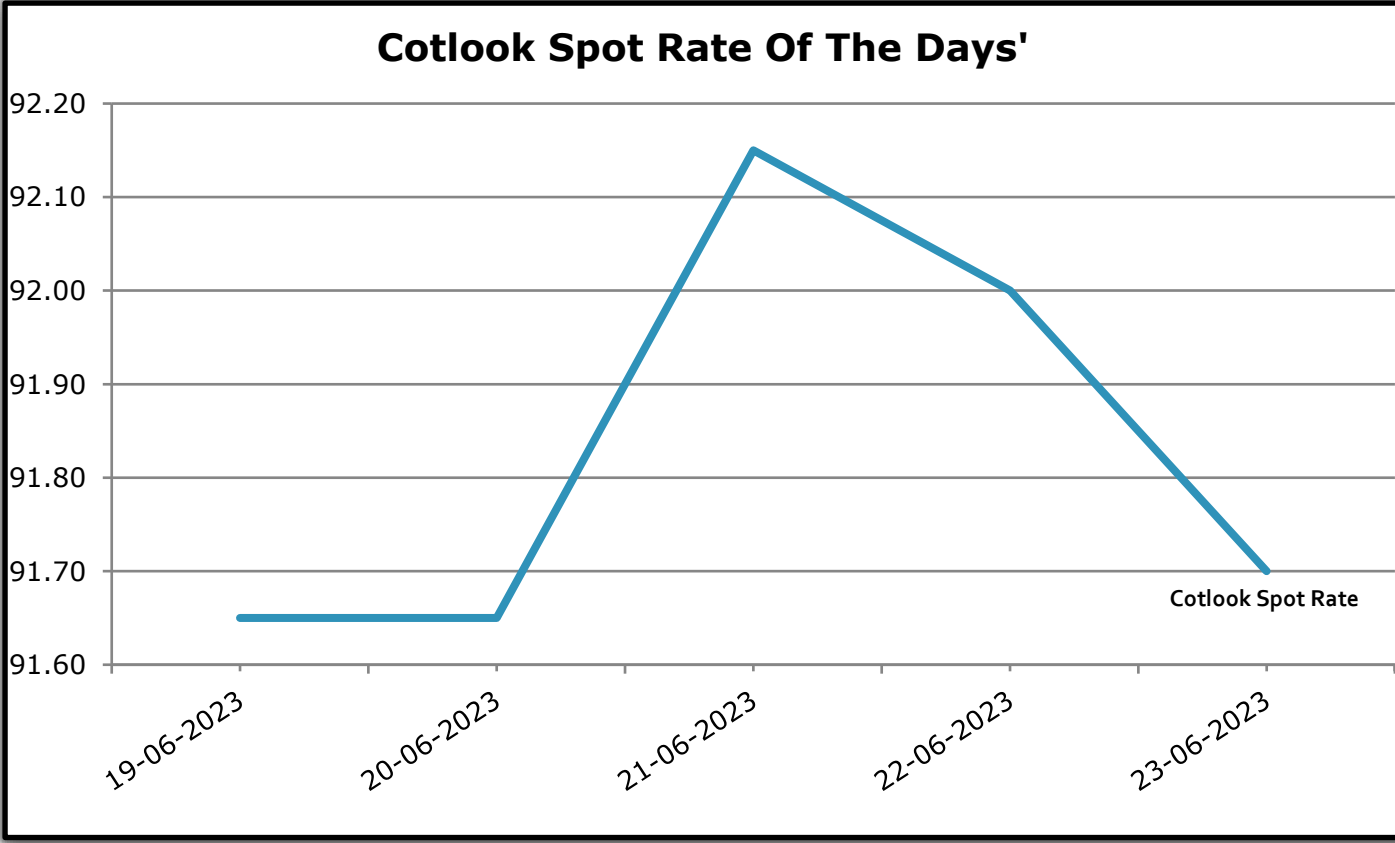


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-23	Dec-23
19-06-2023	91.65	81.46	80.10
20-06-2023	91.65	80.66	80.70
21-06-2023	92.15	79.31	80.52
22-06-2023	92.00	79.29	80.15
23-06-2023	91.70	78.06	78.67



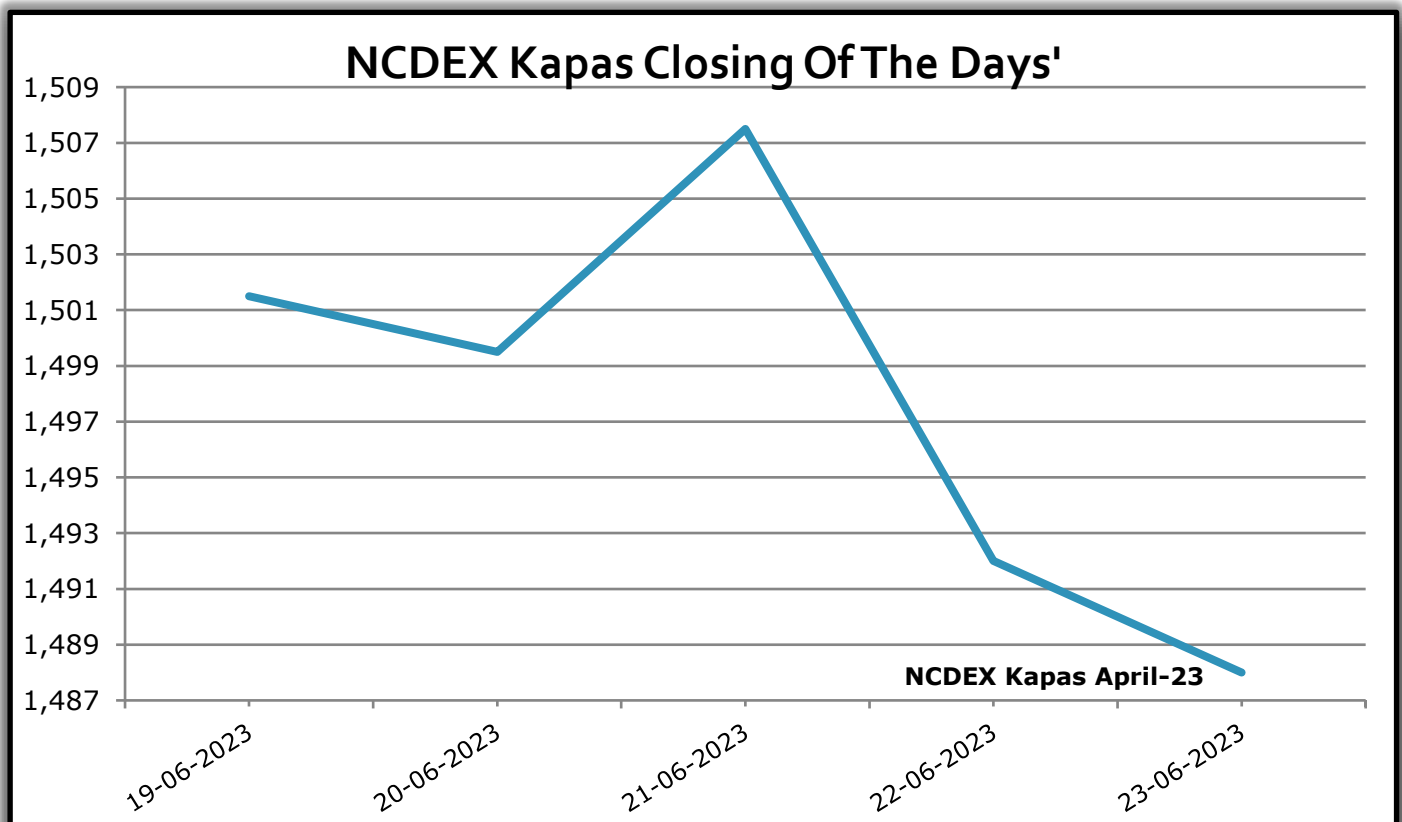


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Indian Indices	
Date	NCDEX Kapas
	April-24
19-06-2023	1,501.50
20-06-2023	1,499.50
21-06-2023	1,507.50
22-06-2023	1,492.00
23-06-2023	1,488.00

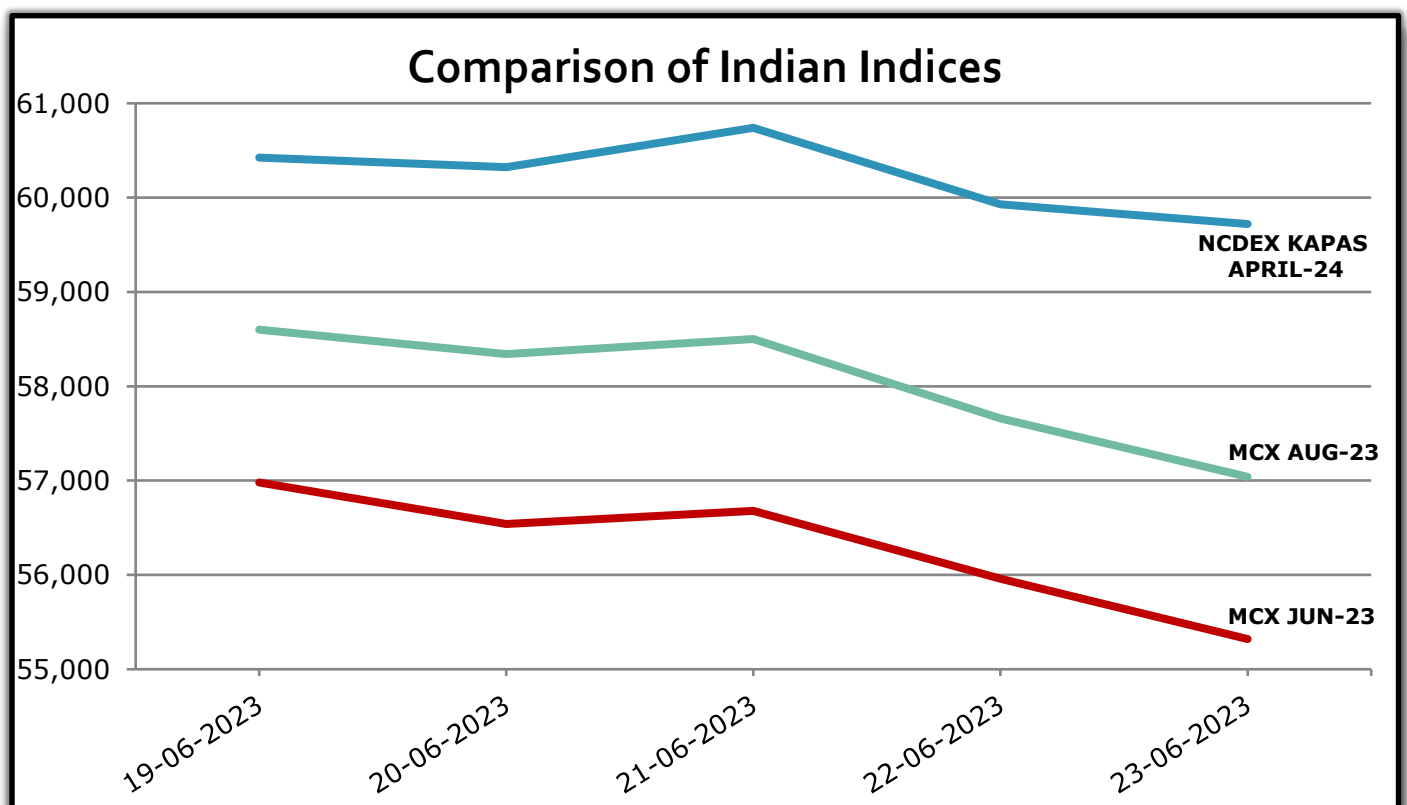




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Jun-23	Aug-23
19-06-2023	60,426	56,980	58,600
20-06-2023	60,321	56,540	58,340
21-06-2023	60,740	56,680	58,500
22-06-2023	59,929	55,960	57,660
23-06-2023	59,720	55,320	57,040
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

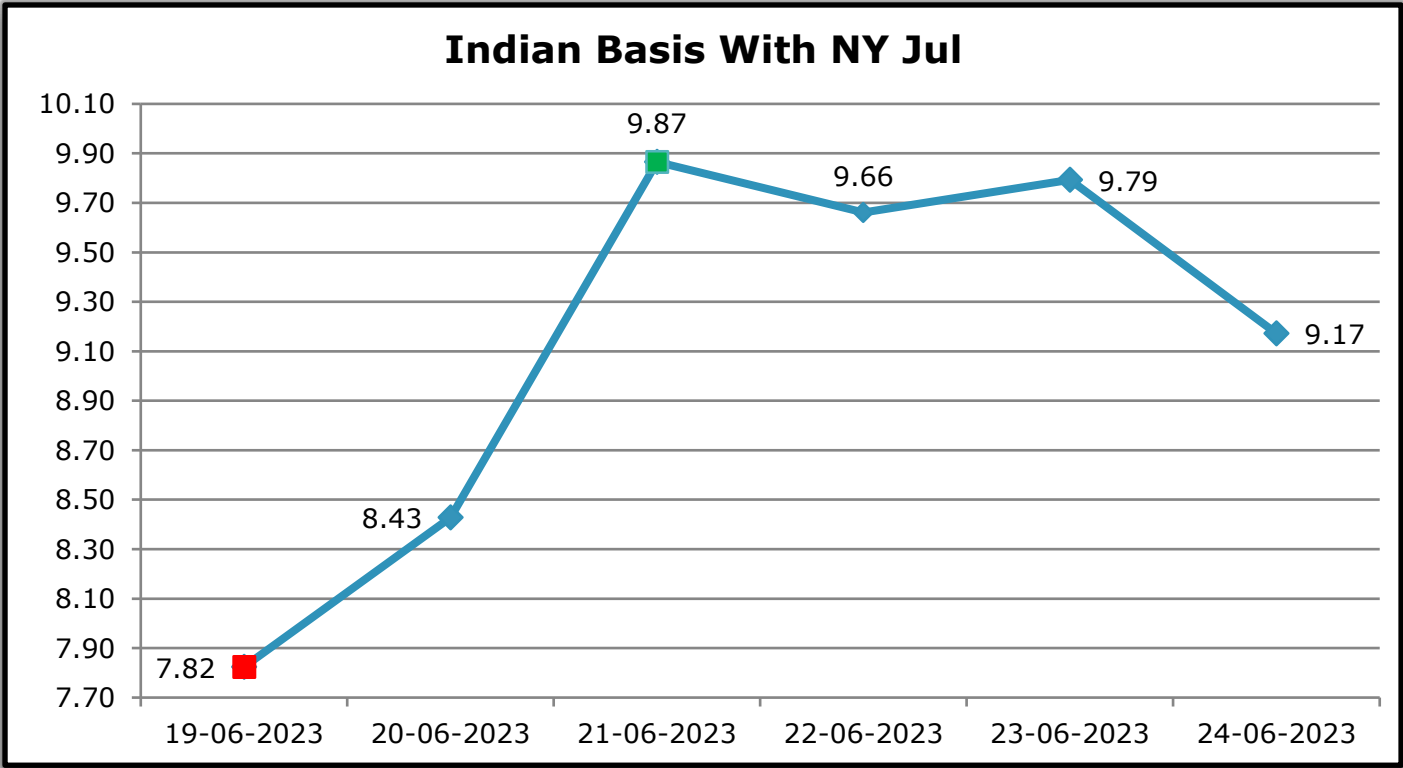




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Indian Basis With NY Jul					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
19-06-2023	57,350	81.93	89.28	81.46	7.82
20-06-2023	57,350	82.11	89.09	80.66	8.43
21-06-2023	57,350	82.03	89.18	79.31	9.87
22-06-2023	57,150	81.95	88.95	79.29	9.66
23-06-2023	56,500	82.03	87.85	78.06	9.79
24-06-2023	56,100	82.03	87.23	78.06	9.17

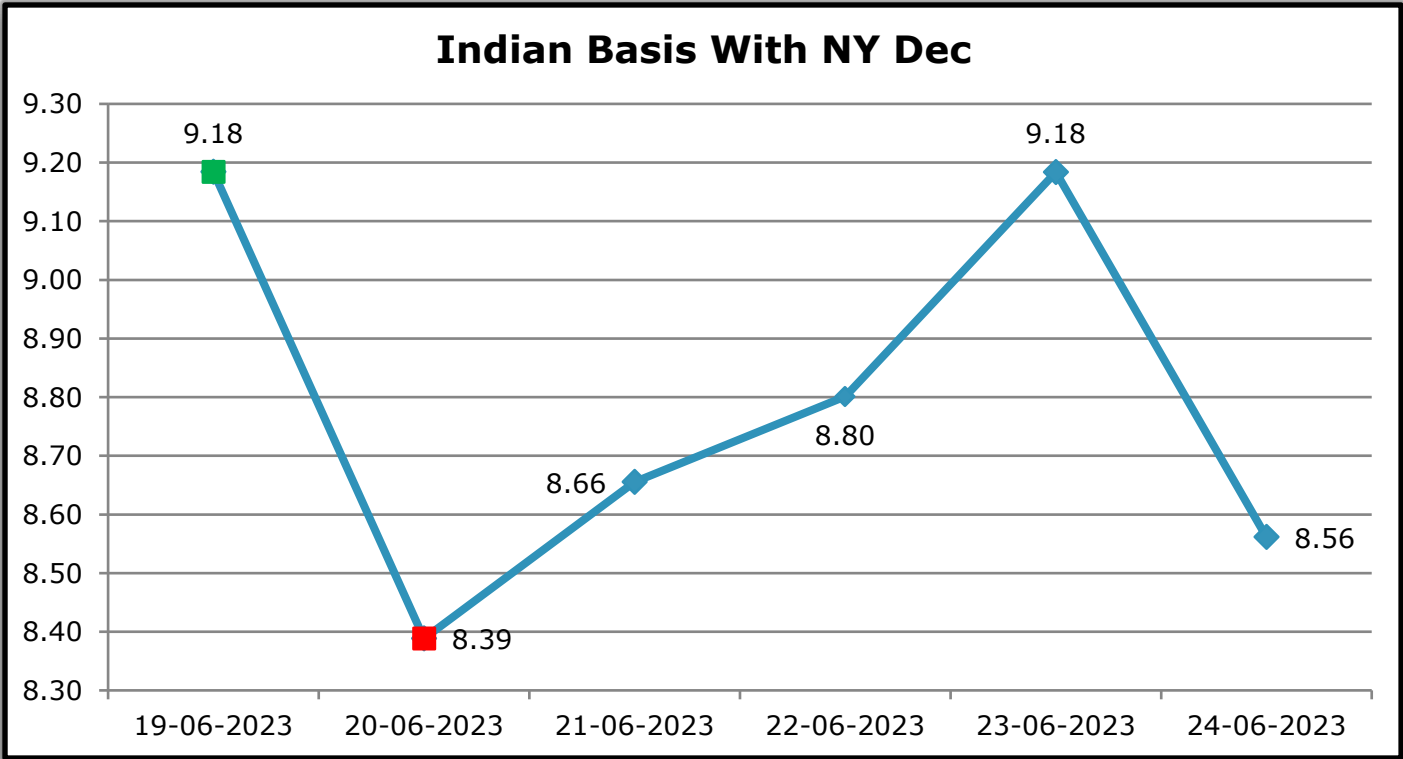




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Indian Basis With NY Dec					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
19-06-2023	57,350	81.93	89.28	80.10	9.18
20-06-2023	57,350	82.11	89.09	80.70	8.39
21-06-2023	57,350	82.03	89.18	80.52	8.66
22-06-2023	57,150	81.95	88.95	80.15	8.80
23-06-2023	56,500	82.03	87.85	78.67	9.18
24-06-2023	56,100	82.03	87.23	78.67	8.56





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IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Monday 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
- Friday (June 30) at 11:00 a.m. Central – Acreage Report

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