



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 30-Sep-2023

Market Movement from 25th Sep 2023 to 30th Sep 2023.

- The ICE December cotton futures traded at 87.15 cents per pound, reflecting an increase from its value of 85.91 cents on September 22nd. Throughout the week, there was a notable uptick in cotton prices, reaching a high of 89.89 cents per pound on September 28th, resulting in a week-to-week change of 1.24 cents to the upside. However, when comparing the monthly changes, the cotton futures showed a decrease. At the end of August, the price stood at 87.82 cents per pound, while at the end of September, it had declined to 87.15 cents per pound, indicating a decrease of 0.67 cents to the downside over the course of the month.
- U.S. Export sales for the 2023-2024 season showcased robust activity, with net upland sales reaching 55,300 bales and upland shipments totaling 1,59,400 bales. Additionally, net Pima sales amounted to 15,600 bales, with Pima shipments reaching 2,100 bales, resulting in a total of 70,900 bales sold for this season. Looking ahead to the 2024-2025 season, net upland sales



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amounted to 11,000 bales, while there were no reported net pima sales, bringing the total sales for the season to 11,000 bales.

- The Gujcot Spot Rates displayed a generally stable trend throughout the week. The week began with rates at 60,550 on Monday, followed by slight increments as the week progressed. Tuesday saw rates at 60,700, Wednesday at 60,850, and Thursday reaching 60,900. As the trading week concluded, there was a slight dip to 60,850 on Friday. This pattern indicates a relatively steady and consistent performance in the cotton market over the course of the week.
- It's important to note that in Gujarat, there is the arrival of both the current cotton crop (referred to as the old crop) and the new cotton crop. Currently, cotton bales are being sold in three different varieties:
 1. Old stock cotton bales
 2. Old-New Kapas mix ginning
 3. Pure new Kapas ginning



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- The prices for these varieties vary accordingly.
- The Indian physical cotton market has witnessed distinct trends across different regions:

1. North India: This region has experienced a downward trend in cotton prices. This decline can be attributed to the increased pressure from cotton arrivals, concerns about the quality of the cotton, and worries about crop size. The quality concerns are exacerbated by the impact of pink bollworm infestation and untimely rain, which have affected the overall cotton quality.

2. Maharashtra/MP: In these regions, cotton market conditions have also been influenced by quality issues. Some areas have been affected by rain, which has had an adverse impact on the ready crop. Consequently, in certain parts of Maharashtra and Madhya Pradesh, cotton is being sold at discounted rates, particularly for lower-grade quality cotton.

3. South India: In contrast, the cotton market in South India has remained relatively steady to slightly upward. This region has



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not been as severely impacted by quality issues or adverse weather conditions as the other regions, contributing to a more stable or even slightly improved cotton market outlook.

These regional variations reflect the diverse challenges and conditions that influence the Indian cotton market, with each region responding differently to factors such as weather, crop quality, and supply and demand dynamics.

- The weather in Gujarat is predominantly sunny, with occasional rain occurring in certain parts of the region.
- The crop condition in North India is a cause for concern as it is experiencing a smaller crop size compared to previous years. In Central India, while there has been some damage, the overall condition is relatively good and satisfactory. However, in South India, there has been a reduction in sowing compared to the previous year.
- Starting from October 1st, which is tomorrow, we will officially embark on a new cotton crop season. This season begins with an



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ample supply of good old stock of Kapas held by farmers, carrying with it a unique set of experiences and memories. It's a time when the power of farmers takes center stage as they have the freedom to sell their cotton at their discretion. Additionally, this season is marked by optimism regarding both the quality and quantity of cotton in India.

- Throughout the week, the USD-INR exchange rate showed slight fluctuations, starting at 83.14 on Monday and ending at 83.04 on Friday. Despite minor variations, the rate ended the week lower than its initial value, reflecting evolving dynamics in the currency market.



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 25-September-2023			
Kutch	719	Saurashtra	19,143
Kutch	719	Surendranagar	3,973
		Rajkot	2,448
North Gujarat	2,344	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
Middle Gujarat	2,939	Devbhumi Dwarka	93
Ahmedabad	514		
Anand	15	South Gujarat	1,678
Kheda	178	Surat	49
Panchmahal	123	Narmada	546
Dahod	10	Bharuch	964
Vadodara	886	Dang	0
Mahisagar	95	Navsari	0
Chota Udaipur	1,118	Valsad	0
		Tapi	119
TOTAL			26,824
TOTAL (Last Year)			25,489
SUMMARY			
Zone	2023-24	2022-23	Change
Kutch	719	675	44
North Gujarat	2,344	2,172	172
Middle Gujarat	2,939	2,788	151
Saurashtra	19,143	18,254	889
South Gujarat	1,678	1,601	77
TOTAL	26,824	25,489	1,335
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 55,300 RB for 2023-2024 were down 48 percent from the previous week and 31 percent from the prior 4-week average. Increases primarily for Vietnam (15,700 RB, including 400 RB switched from South Korea and 300 RB switched from Japan), China (13,100 RB, including decreases of 100 RB), Indonesia (5,400 RB, including 400 RB switched from Japan), El Salvador (4,000 RB), and Macau (3,500 RB), were offset by reductions for Pakistan (3,500 RB).
- Net UPLAND sales of 11,000 RB for 2024-2025 were reported for Malaysia (8,800 RB) and Thailand (2,200 RB).
- UPLAND Exports of 1,59,400 RB were up 6 percent from the previous week, but down 3 percent from the prior 4-week average. The destinations were primarily to China (73,300 RB), Bangladesh (18,300 RB), Pakistan (15,000 RB), Mexico (14,000 RB), and Vietnam (9,100 RB).
- Net sales of PIMA totaling 15,600 RB for 2023-2024--a marketing-year high--were up noticeably from the previous week and from the prior 4-week average. Increases primarily for Vietnam (4,000 RB), China (3,700 RB), India (3,500 RB), Egypt (2,700 RB), and Pakistan (900 RB), were offset by reductions for the United Arab Emirates (400 RB).
- PIMA Exports of 2,100 RB were up 5 percent from the previous week, but down 51 percent from the prior 4-week average. The destinations were to China (600 RB), Honduras (400 RB), India (300 RB), Indonesia (300 RB), and Thailand (100 RB).

US Export Sales	21-Sep-2023
Marketing Year 2023-24	
Upland Gross Sales	63,400
Cancellation	8,100
Net Upland Sales	55,300
PIMA Gross Sales	15,600
Cancellation	0
Net PIMA Sales	15,600
Total Gross Sales	79,000
Total Cancellation	8,100
Total Net Sales	70,900
Shipments	
UPLAND	1,59,400
PIMA	2,100
Total Shipment	1,61,500
Marketing Year 2024-25	
Net Upland Sales	11,000
Net PIMA Sales	0
Total Net Sales	11,000
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	23-09-2023	30-09-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	60,700	60,650	-50	-0.08%
V-797	13% Trash		48,250	48,600	350	0.72%
MCX Spot Rate			60,980	61,000	20	0.03%
USD-INR Exchange			82.93	83.04	0.11	0.13%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	60,550	60,900	60,750
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		48,250	48,700	48,517
MCX Spot Rate			60,660	61,000	60,847
USD Exchange Rate			83.04	83.23	83.14

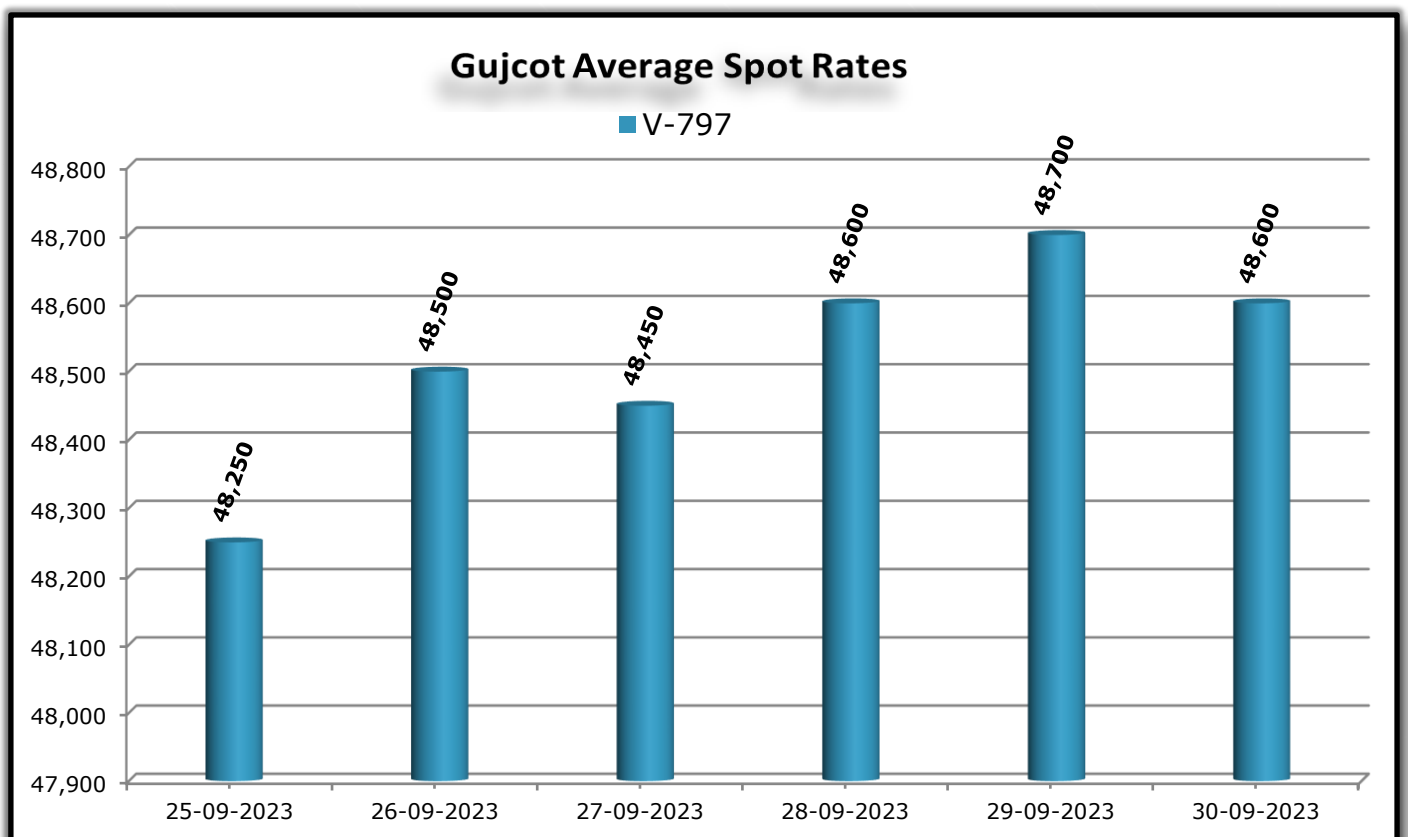
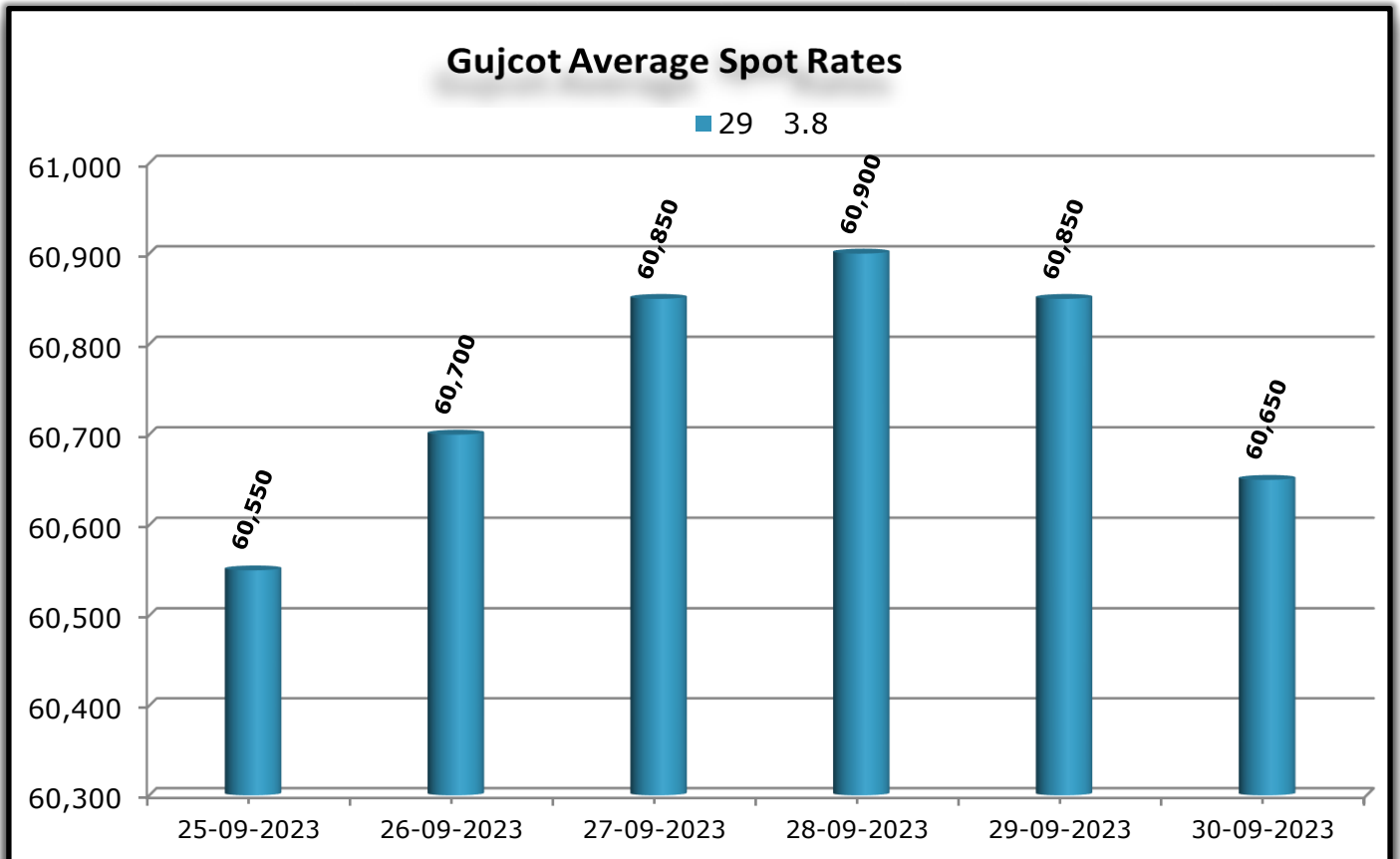
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
25-09-2023	60,550	48,250	60,760	83.14
26-09-2023	60,700	48,500	60,660	83.23
27-09-2023	60,850	48,450	60,740	83.22
28-09-2023	60,900	48,600	60,920	83.18
29-09-2023	60,850	48,700	61,000	83.04
30-09-2023	60,650	48,600	61,000	83.04



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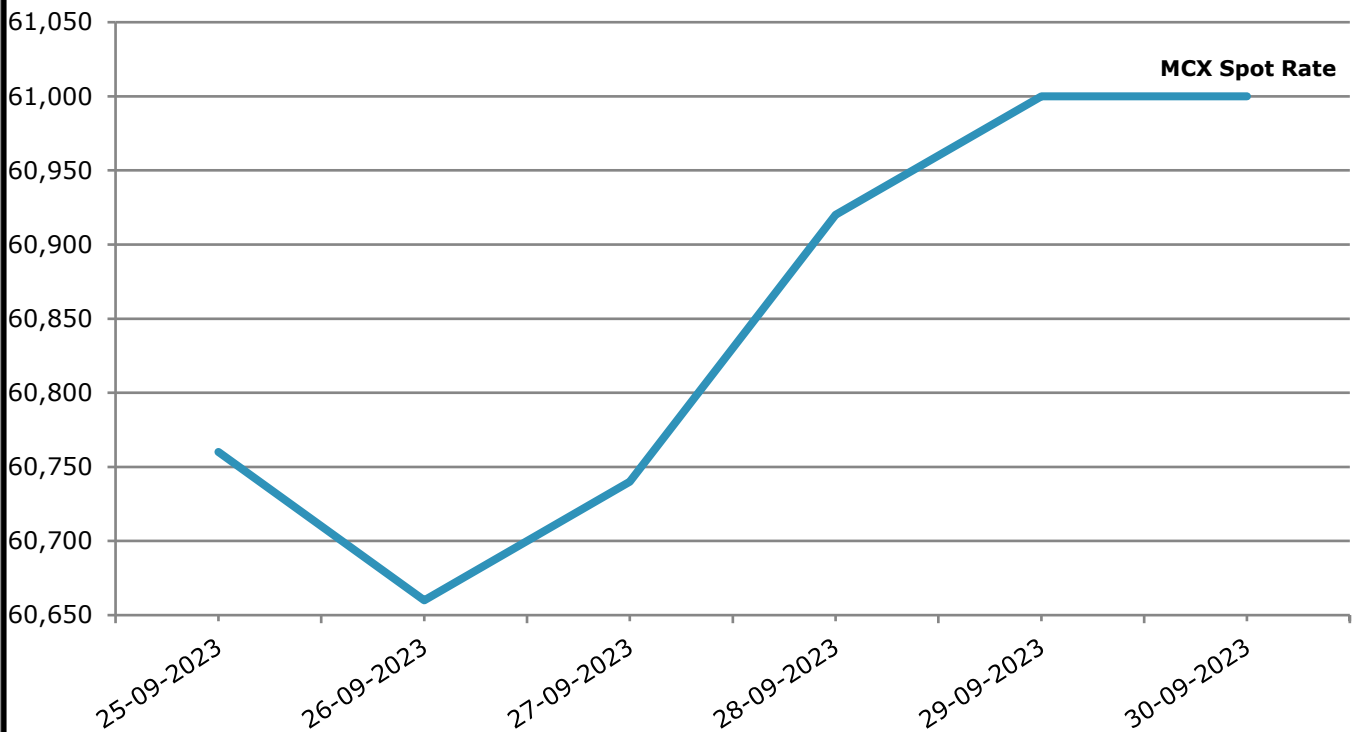




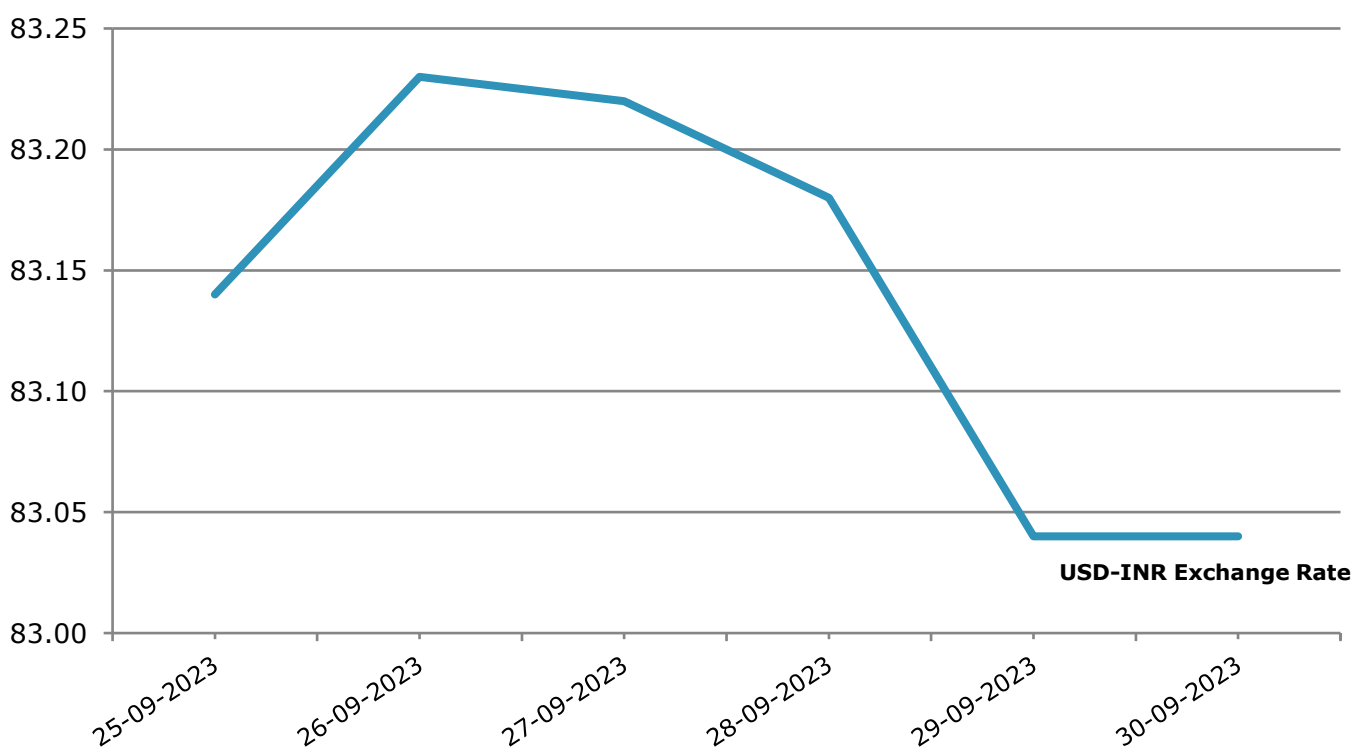
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'



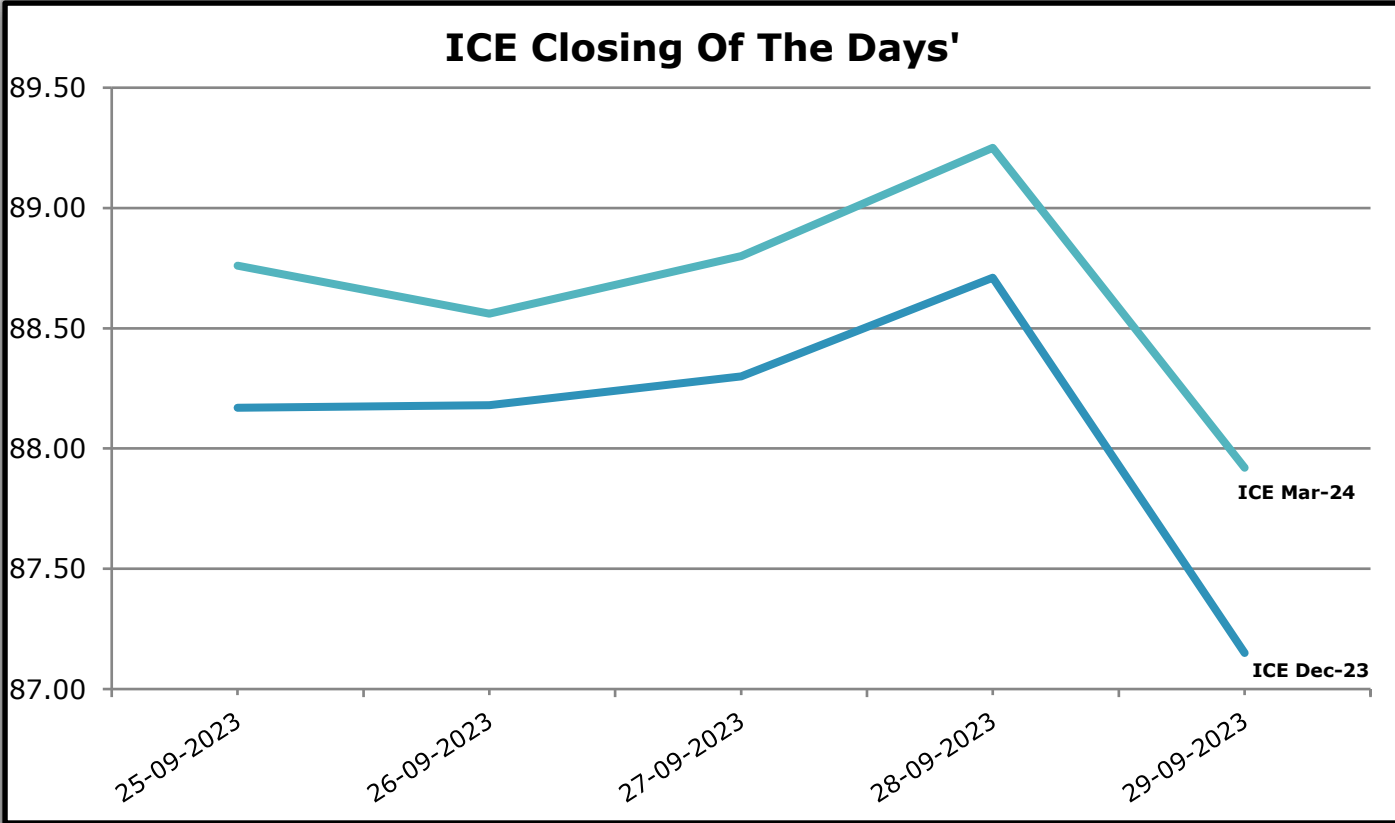
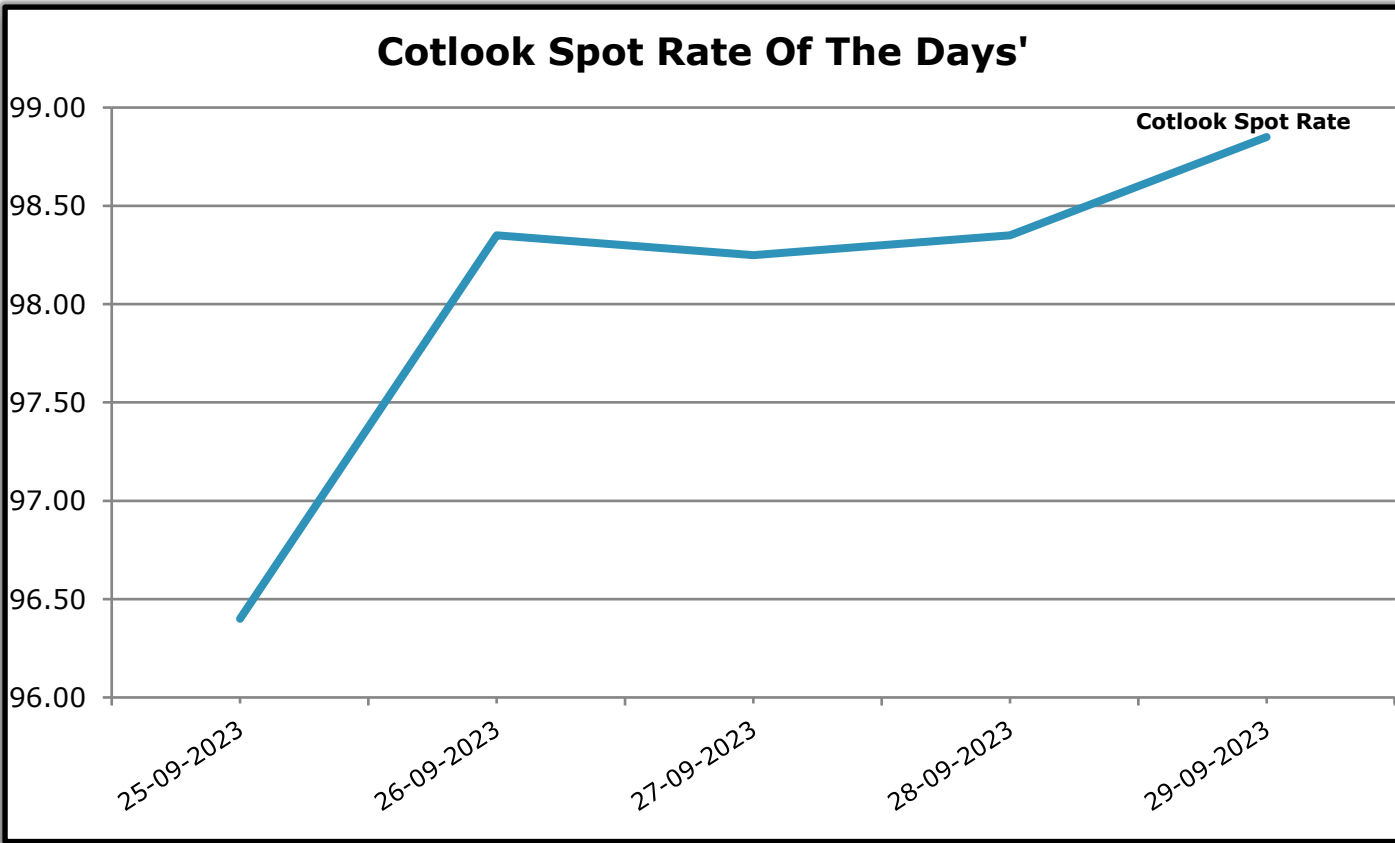


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-23	Mar-24
25-09-2023	96.40	88.17	88.76
26-09-2023	98.35	88.18	88.56
27-09-2023	98.25	88.30	88.80
28-09-2023	98.35	88.71	89.25
29-09-2023	98.85	87.15	87.92



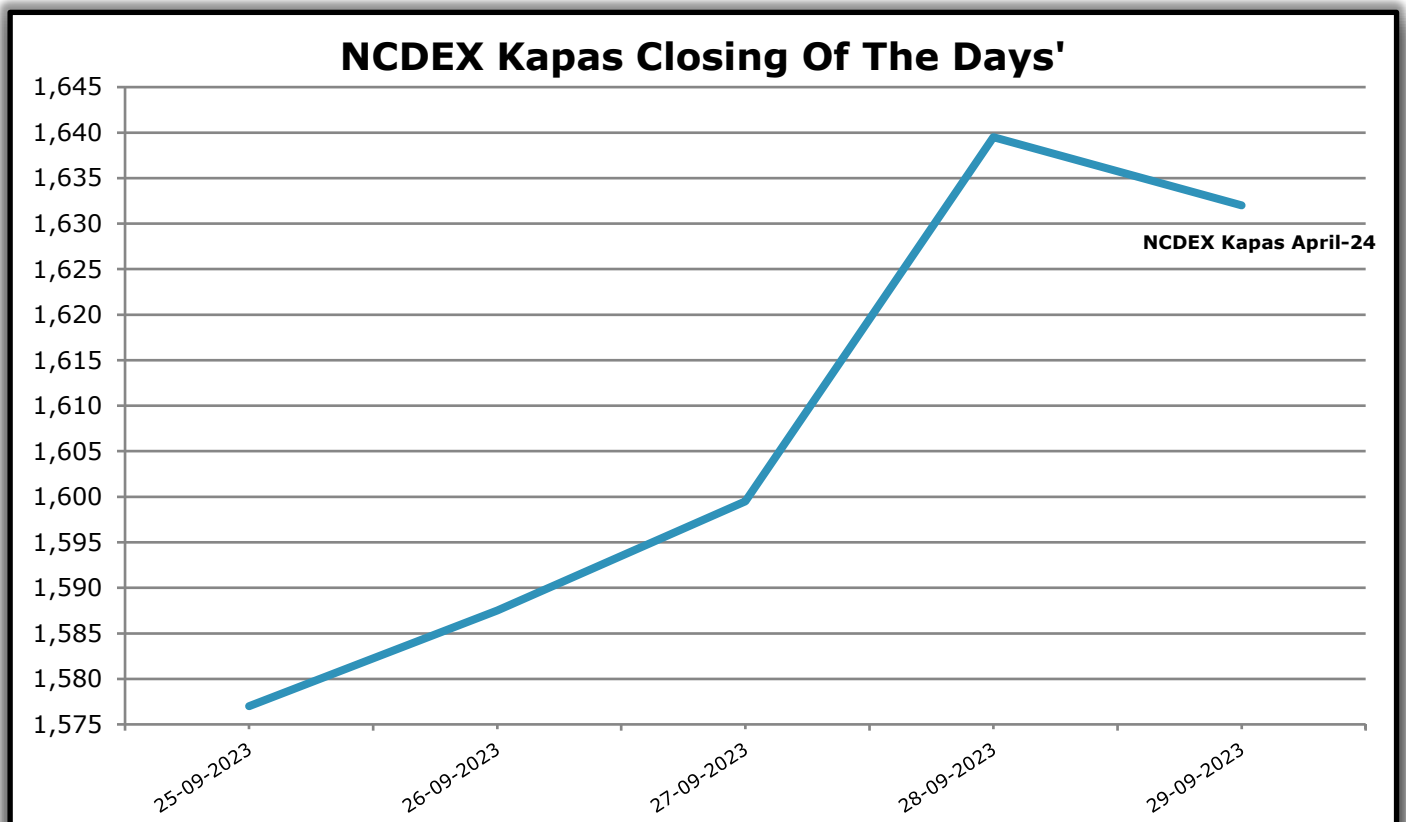


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Indian Indices	
Date	NCDEX Kapas
	April-24
25-09-2023	1,577.00
26-09-2023	1,587.50
27-09-2023	1,599.50
28-09-2023	1,639.50
29-09-2023	1,632.00

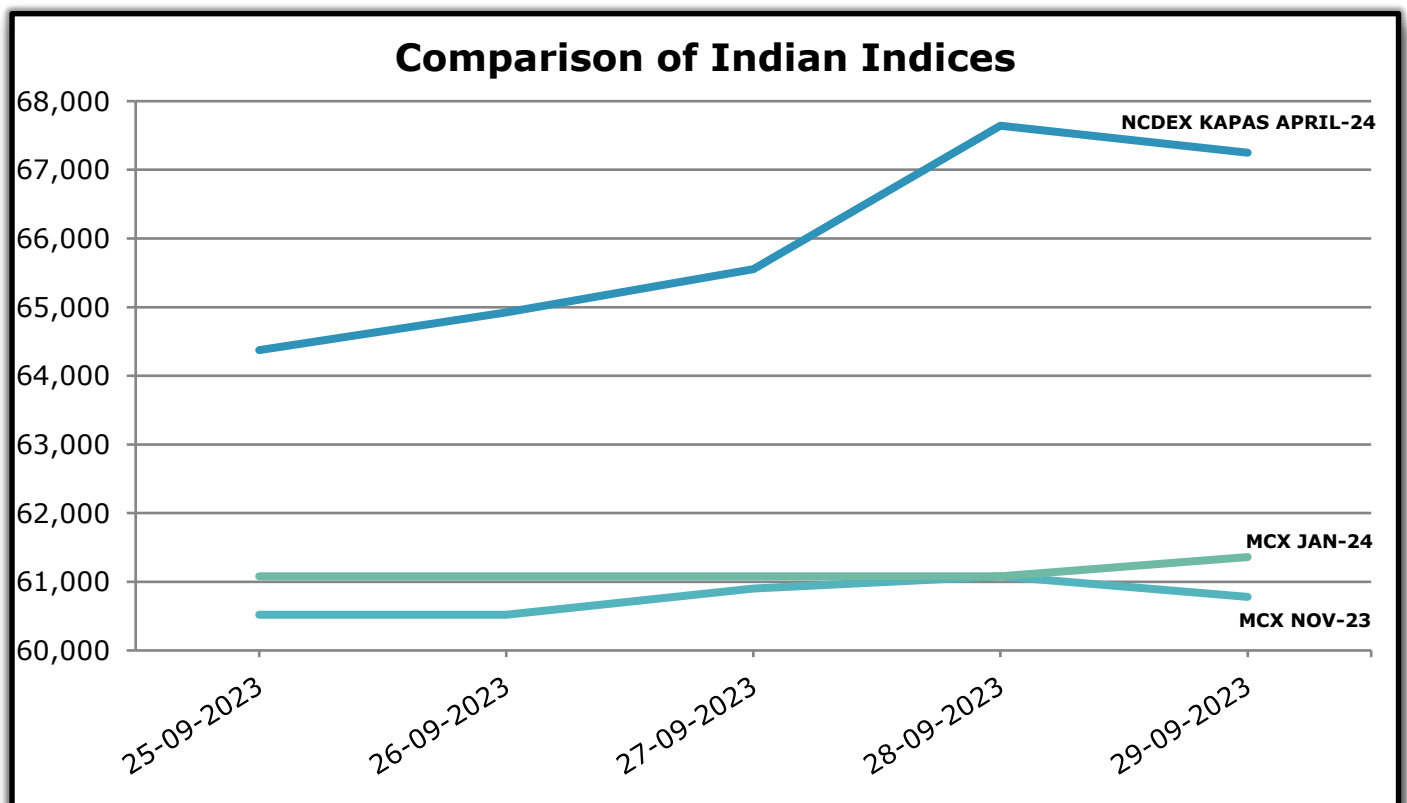




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Nov-23	Jan-24
25-09-2023	64,374	60,520	61,080
26-09-2023	64,923	60,520	61,080
27-09-2023	65,551	60,900	61,080
28-09-2023	67,642	61,080	61,080
29-09-2023	67,250	60,780	61,360
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

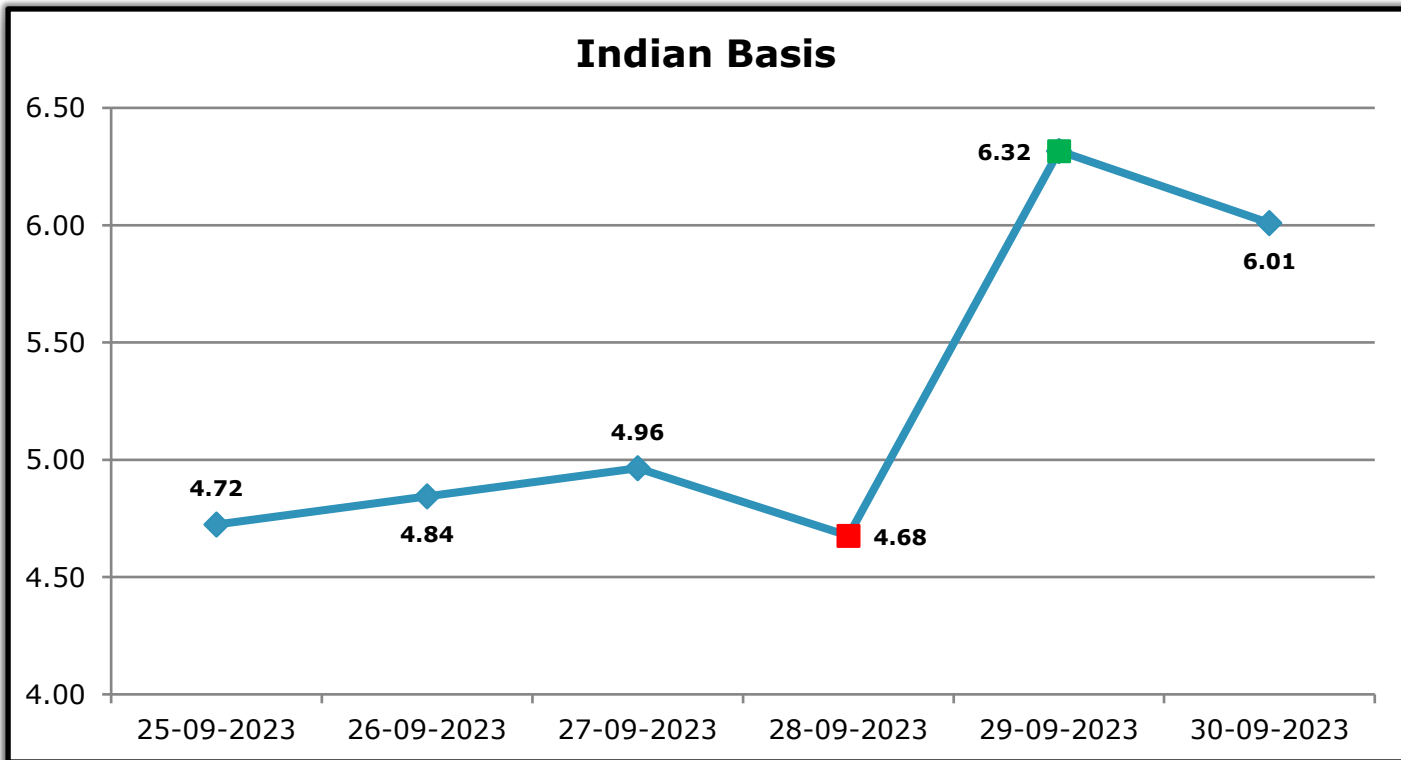




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
25-09-2023	60,550	83.14	92.89	88.17	4.72
26-09-2023	60,700	83.23	93.02	88.18	4.84
27-09-2023	60,850	83.22	93.26	88.30	4.96
28-09-2023	60,900	83.18	93.39	88.71	4.68
29-09-2023	60,850	83.04	93.47	87.15	6.32
30-09-2023	60,650	83.04	93.16	87.15	6.01





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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

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