



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT      11-APR-2020

## Market Movement from 06th Apr 2020 to 11th Apr 2020

- NY May future gained 339 points w/w. Below 50 cents level there was very slow selling and good buying for profit booking so, market recovered from that area. Now traders and funds are rolling over to July future so volume is good.
- US Export sales was negative with huge cancellation but shipment was excellent at 5.20 lakh bales.
- April WASDE was very bearish with 7.58 million bales cut in world consumption and 91 million bales in ending stock (increase of 7.86 million bales compare to March Report).
- Both US Export Sales and WASDE was bearish but market ignored the data and stayed in green zone for all four days trading during this week. Cotton market is now following equity market which remained green after announcement of stimulus packages from many countries.
- Indian equity and commodity markets also followed the same and stayed upward. MCX cotton futures gained nearly 1000 Rs per bale.
- So, its clear indication that market players also felt that market was bottomed out last week and at that levels selling was restricted.
- In Gujarat government has allowed ginning and spinning industry to start working. so possibly work will resume slowly from next week.
- Indian Rupee traded in narrow range between 75.63 to 76.29 against USD during this week.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales reductions of 5,200 RB for 2019-2020--a marketing-year low--were down noticeably from the previous week and from the prior 4-week average. Increases for Bangladesh (90,800 RB, including decreases of 11,700 RB), Vietnam (38,100 RB, including 4,500 RB switched from Indonesia, 3,800 RB switched from South Korea, 400 RB switched from Taiwan, and decreases of 7,200 RB), Turkey (7,700 RB, including decreases of 100 RB), Taiwan (3,500 RB, including 900 RB switched from Vietnam), and Ethiopia (800 RB), were more than offset by reductions primarily for China (1,01,000 RB), Indonesia (19,400 RB), Pakistan (11,300 RB), South Korea (7,400 RB), and Thailand (3,800 RB).
- For 2020-2021, net UPLAND sales of 1,07,400 RB were primarily for Indonesia (23,100 RB), China (21,100 RB), Turkey (17,200 RB), El Salvador (14,900 RB), and Bangladesh (11,600 RB).
- UPLAND Exports of 4,86,600 RB--a marketing-year high--were up 21 percent from the previous week and 23 percent from the prior 4-week average. Exports were primarily to Vietnam (1,16,000 RB), Turkey (88,400 RB), Pakistan (72,700 RB), China (64,600 RB), and Indonesia (52,400 RB).
- Net sales of PIMA totaling 1,800 RB were up noticeably from the previous week, but down 87 percent from the prior 4-week average. Increases for China (2,800 RB, including 2,600 RB switched from Hong Kong) and Turkey (1,700 RB), were offset by reductions primarily for Hong Kong (2,600 RB).

| US Export Sales                | 02-Apr-2020     |
|--------------------------------|-----------------|
| <b>Marketing Year 2019-20</b>  |                 |
| Upland Gross Sales             | 1,81,200        |
| Cancellation                   | 1,86,400        |
| <b>Net Upland Sales</b>        | <b>-5,200</b>   |
| PIMA Gross Sales               | 2,000           |
| Cancellation                   | 200             |
| <b>Net PIMA Sales</b>          | <b>1,800</b>    |
| Total Gross Sales              | 1,83,200        |
| Total Cancellation             | 1,86,600        |
| <b>Total Net Sales</b>         | <b>-3,400</b>   |
| <b>Shipments</b>               |                 |
| UPLAND                         | 4,86,600        |
| PIMA                           | 33,400          |
| <b>Total Shipment</b>          | <b>5,20,000</b> |
| <b>Marketing Year 2020-21</b>  |                 |
| Net Upland Sales               | 1,07,400        |
| Net PIMA Sales                 | 0               |
| <b>Total Net Sales</b>         | <b>1,07,400</b> |
| All Figures in US Running Bale |                 |



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- PIMA Exports of 33,400 RB--a marketing-year high--were up 40 percent from the previous week and 86 percent from the prior 4-week average. The primary destinations were primarily to China (13,900 RB), India (7,300 RB), Vietnam (3,000 RB), Pakistan (2,900 RB), and Bangladesh (2,000 RB).

## WASDE – APR – 2020

The 2019/20 U.S. cotton supply and demand forecasts show sharply lower exports, lower consumption, and higher ending stocks compared with last month. A developing global economic slowdown with little precedent is expected to significantly reduce global cotton demand and trade, resulting in one of the largest one-month reductions in projected U.S. cotton exports ever: down 1.5 million bales to 15.0 million. Consumption is 100,000 bales lower, and ending stocks are 1.6 million bales higher. Ending stocks are now expected to reach 6.7 million bales, equivalent to 37 percent of total disappearance, compared with March's expected 26 percent. The projected marketing year average price received by upland producers of 59.0 cents per pound is down 1 cent from last month.

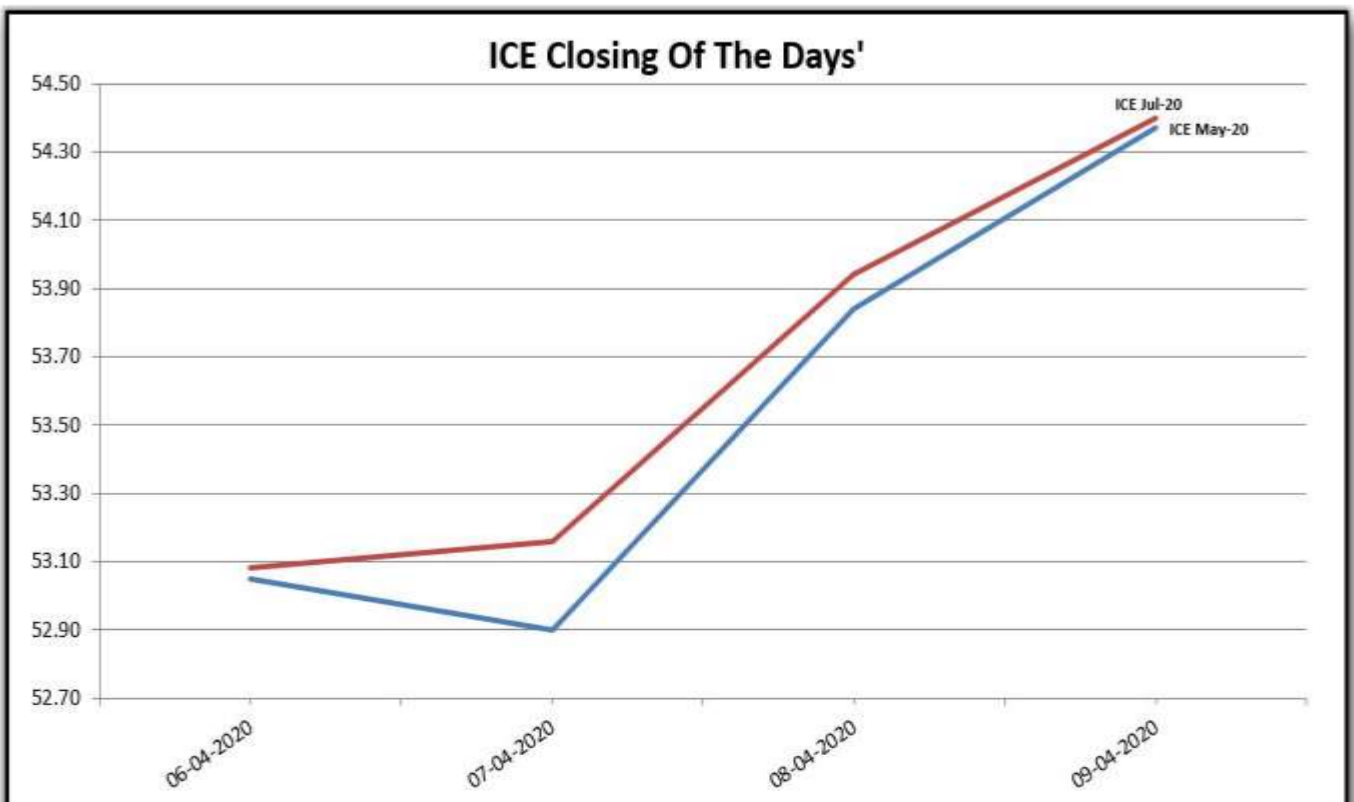
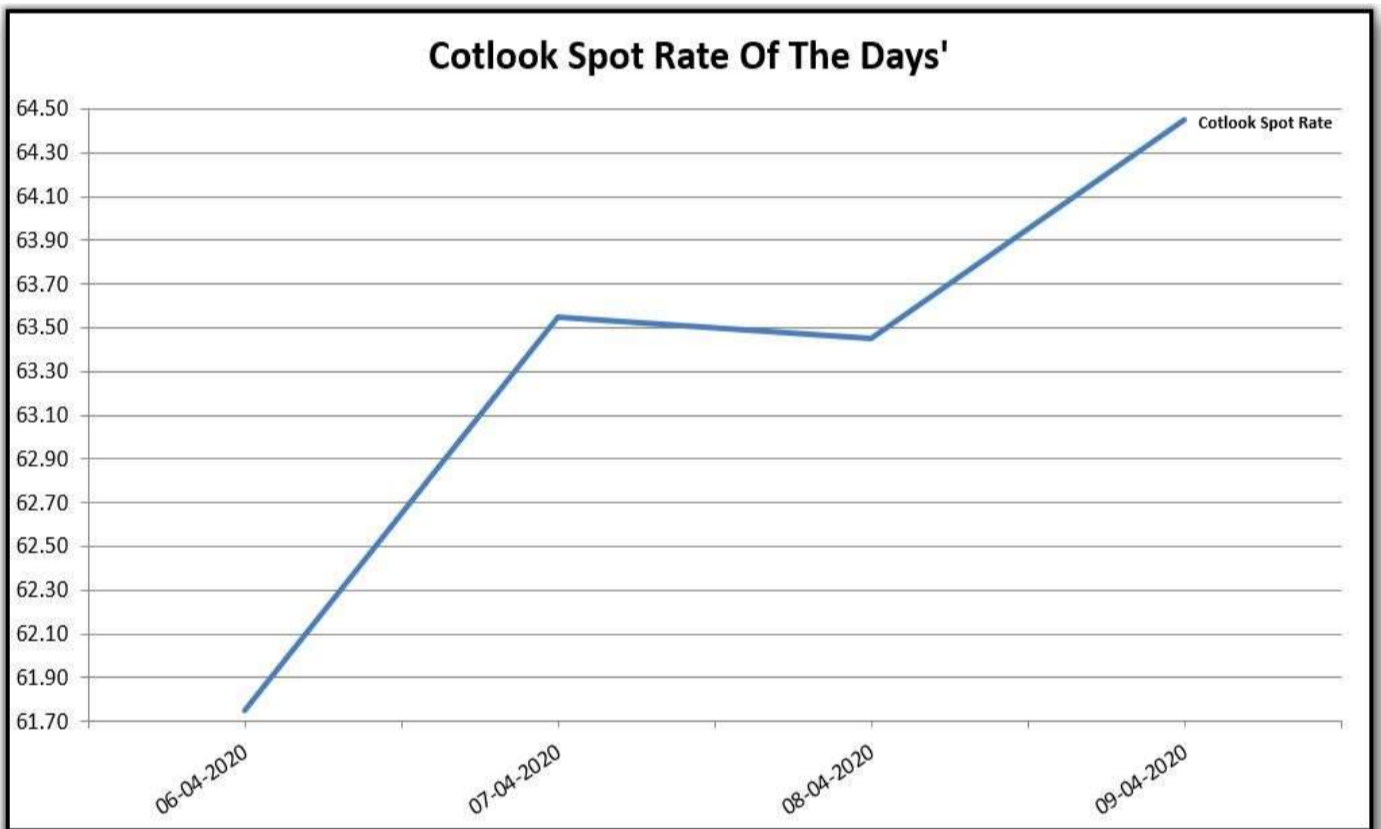
Lower world consumption this month results in lower projected trade and higher projected 2019/20 ending stocks. Consumption is lower for every major country, with total world consumption down 7.6 million bales or 6.4 percent from March. At 110.6 million bales, world consumption in 2019/20 is now projected to be 8.1 percent lower than in 2018/19. This would be one of the largest annual declines on record. World trade in 2019/20 is down 3.0 million bales from the March estimate. With relatively small increases in beginning stocks and production this month, 2019/20 expected ending stocks are 7.9 million bales higher than estimated in March, and 11.0 million bales higher than the year before.



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| Foreign Indices |           |        |        |
|-----------------|-----------|--------|--------|
| Date            | Cotlook   | ICE    |        |
|                 | Spot Rate | May-20 | Jul-20 |
| 06-04-2020      | 61.75     | 53.05  | 53.08  |
| 07-04-2020      | 63.55     | 52.90  | 53.16  |
| 08-04-2020      | 63.45     | 53.84  | 53.94  |
| 09-04-2020      | 64.45     | 54.37  | 54.40  |

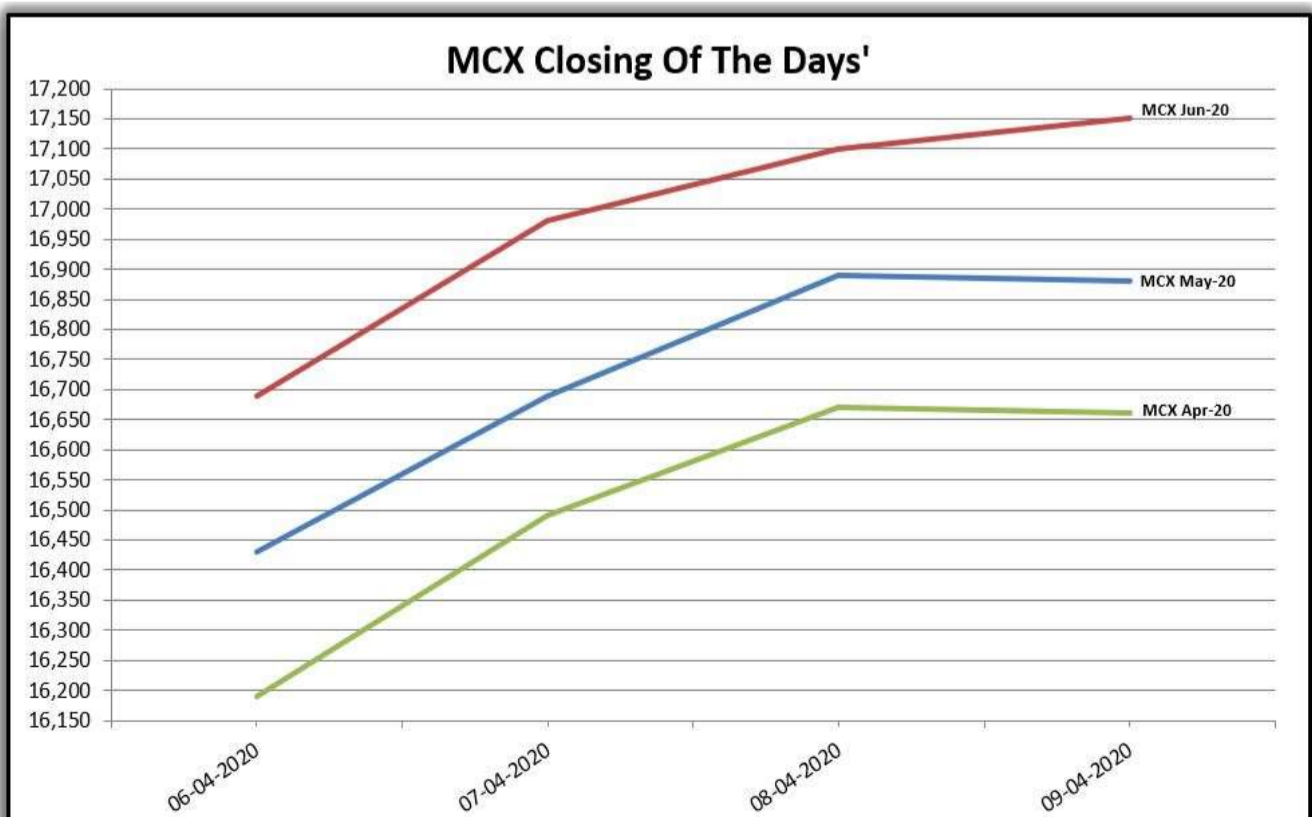
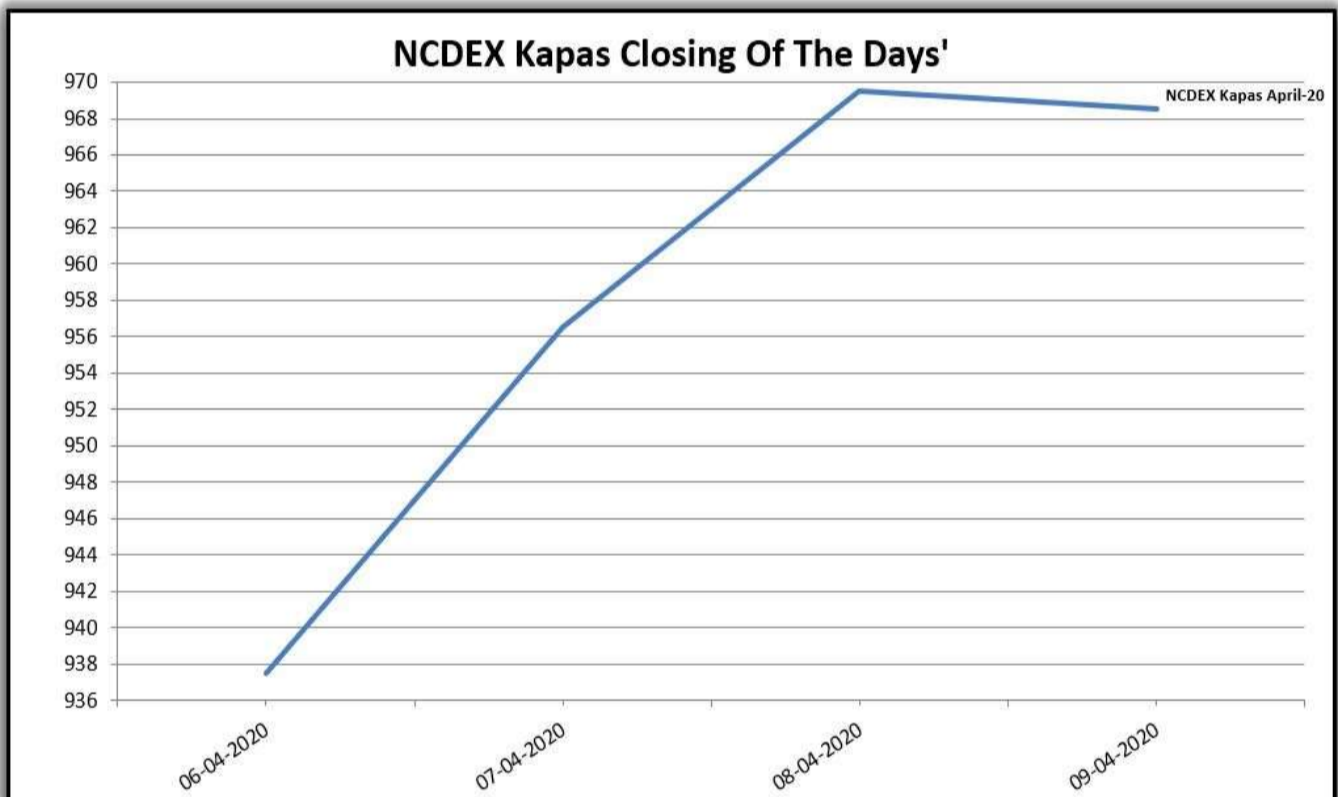




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| Indian Indices |             |        |        |        |
|----------------|-------------|--------|--------|--------|
|                | NCDEX Kapas | MCX    |        |        |
| Date           | April       | APR    | MAY    | JUN    |
| 06-04-2020     | 937.50      | 16,190 | 16,430 | 16,690 |
| 07-04-2020     | 956.50      | 16,490 | 16,690 | 16,980 |
| 08-04-2020     | 969.50      | 16,670 | 16,890 | 17,100 |
| 09-04-2020     | 968.50      | 16,660 | 16,880 | 17,150 |



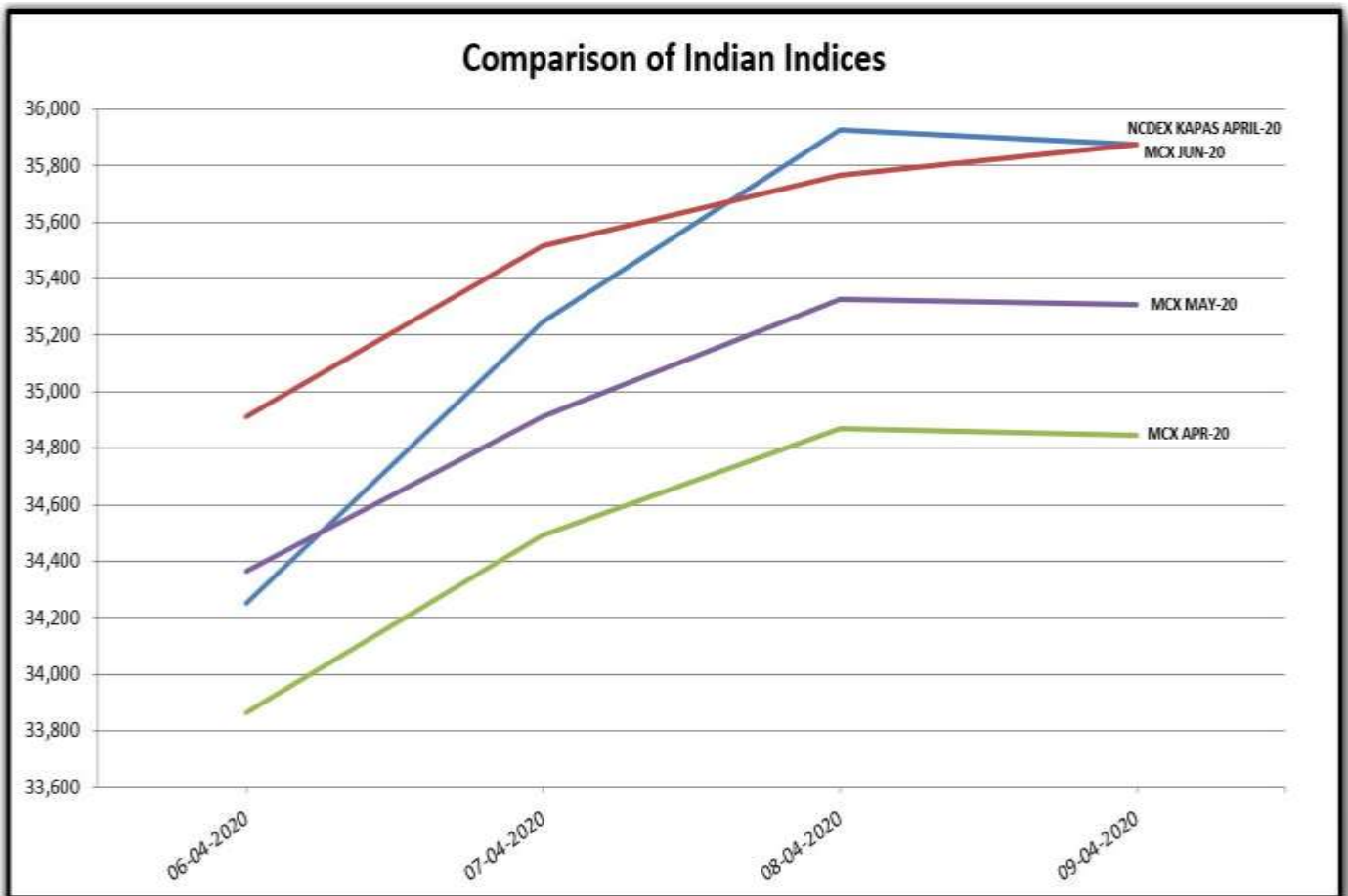


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| Indian Indices in Candy Rate |             |        |        |        |
|------------------------------|-------------|--------|--------|--------|
| Date                         | NCDEX Kapas | MCX    |        |        |
|                              | April       | Apr-20 | May-20 | Jun-20 |
| 06-04-2020                   | 34,253      | 33,865 | 34,367 | 34,910 |
| 07-04-2020                   | 35,246      | 34,492 | 34,910 | 35,517 |
| 08-04-2020                   | 35,926      | 34,869 | 35,329 | 35,768 |
| 09-04-2020                   | 35,874      | 34,848 | 35,308 | 35,873 |

**Remark :- For NCDEX Kapas we have taken seed rate 500/20 Kg to convert in Candy.**





# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT

11-APR-2020

## IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton-On-Call

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