



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 08-FEB-2020

Market Movement from 03th Feb 2020 to 08th Feb 2020

- NY future march closed with minor gain W/W. while other May and July suffered minor loss W/W.
- Despite welcome news for the market as U.S. senate throw impeachment against president Trump, market was more focused on corona virus reports.
- Third consecutive week US export sales were excellent even in absence of much awaited Chinese buying support. Despite excellent export sales and shipments as the market keeps an eye focused on coronavirus' impact on global economy and its impact on global demand of cotton, NY March futures fell to a low of 66.75 cents per pound on Monday before finding the support.
- Trading volumes were very high as index funds rolled their passive long positions forward and option traders attempted to square up their positions ahead of expiration on February 7. In comparison, open interest has fallen dramatically for the first time in eight weeks, losing 20,067 contracts to finish the week at 247,438.
- All traders will be watching the release of the February WASDE report on Tuesday, 11th February. This is the first report after the signing of the Phase 1 deal. Since it is now official policy, the deal could have some impact on USDA predictions.
- On Monday due to huge decline in NY future followed by MCX cotton futures, Indian physical market started the week in red but consolidated full week due to less supply from farmers and slowdown of ginneries due huge disparity. Ultimately Gujcot Spot Rate remained unchanged during the week.
- Next week trade is waiting for WASDE report and trade activity to resume in china after long holidays.
- Indian basis is now on higher side above 300 on to nearby NY. So merchants are offering to sale for forward month.
- Indian cotton is now costly for abroad markets but India has multiple quality so exporters get some orders of lower quality and export are in required pace.
- All India daily arrivals remained between 2,00,000 to 2,20,000 bales.
- Daily arrivals in Gujarat were nearly between 40,000 to 45,000 bales.
- Gujcot Spot Rate remained between 39,200 to 39,600 Rs/Candy.
- Indian basis remained between 2.90 to 3.26.
- Indian Rupee remained stable between 71.19 to 71.40 during this week.



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Global

US Weekly Export Sales

- Net UPLAND sales of 3,32,300 RB for 2019-2020 were down 4 percent from the previous week, but up 28 percent from the prior 4-week average. Increases primarily for Turkey (1,56,300 RB), Vietnam (57,400 RB, including 2,000 RB switched from South Korea and decreases of 3,300 RB), Pakistan (41,000 RB), Indonesia (29,900 RB, including decreases of 4,300 RB), and Bangladesh (23,700 RB, including decreases of 800 RB), were offset by reductions primarily for South Korea (4,100 RB) and China (2,800 RB).
- For 2020-2021, net UPLAND sales of 4,800 RB were for Pakistan (4,400 RB) and Mexico (400 RB).
- UPLAND Exports of 4,18,800 RB--a marketing-year high--were up 28 percent from the previous week and 49 percent from the prior 4-week average. Exports were primarily to Vietnam (1,13,200 RB), Pakistan (94,900 RB), China (48,200 RB), Turkey (44,500 RB), and Bangladesh (32,100 RB).
- Net sales of PIMA totaling 5,500 RB were down 65 percent from the previous week and 71 percent from the prior 4-week average. Increases were primarily for Pakistan (2,700 RB), Vietnam (900 RB), El Salvador (500 RB), Bangladesh (500 RB), and India (300 RB, including decreases of 100 RB).
- PIMA Exports of 5,700 RB were down 56 percent from the previous week and 30 percent from the prior 4-week average. The primary destinations were India (2,600 RB), Vietnam (900 RB), China (900 RB), Egypt (700 RB), and Turkey (300 RB).

US Export Sales	30-Jan-2020
Marketing Year 2019-20	
Upland Gross Sales	3,60,200
Cancellation	28,000
Net Upland Sales	3,32,200
PIMA Gross Sales	5,700
Cancellation	200
Net PIMA Sales	5,500
Total Gross Sales	3,65,900
Total Cancellation	28,200
Total Net Sales	3,37,700
Shipments	
UPLAND	4,18,800
PIMA	5,700
Total Shipment	4,24,500
Marketing Year 2020-21	
Net Upland Sales	4,800
Net PIMA Sales	0
Total Net Sales	4,800
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	01-02-2020	08-02-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	39,400	39,400	0	0.00%
V-797	13 % Trash		32,300	31,550	-750	-2.38%
MCX Spot Rate			19,090	19,030	-60	-0.32%
USD-INR Exchange			71.34	71.40	0.06	0.08%

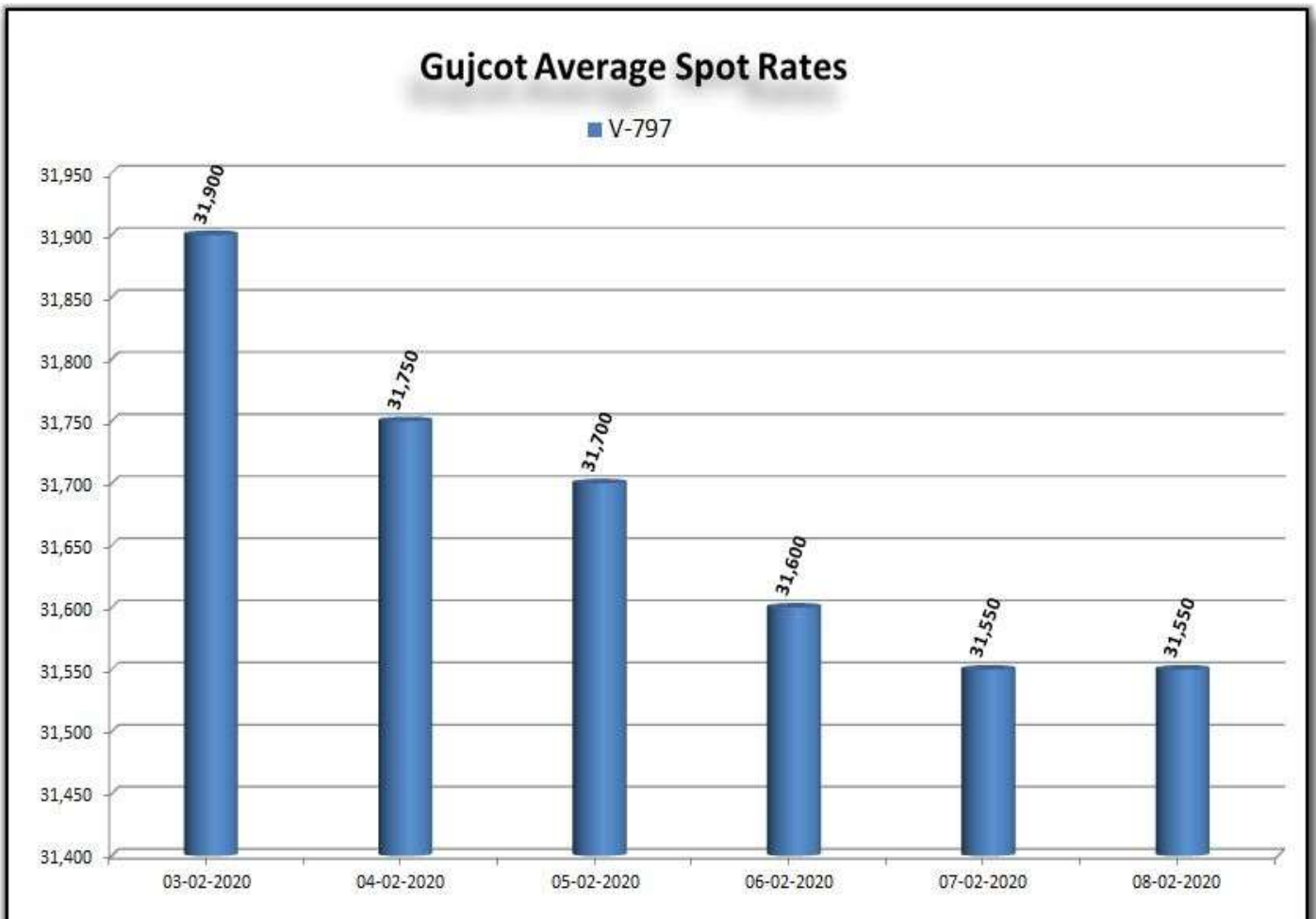
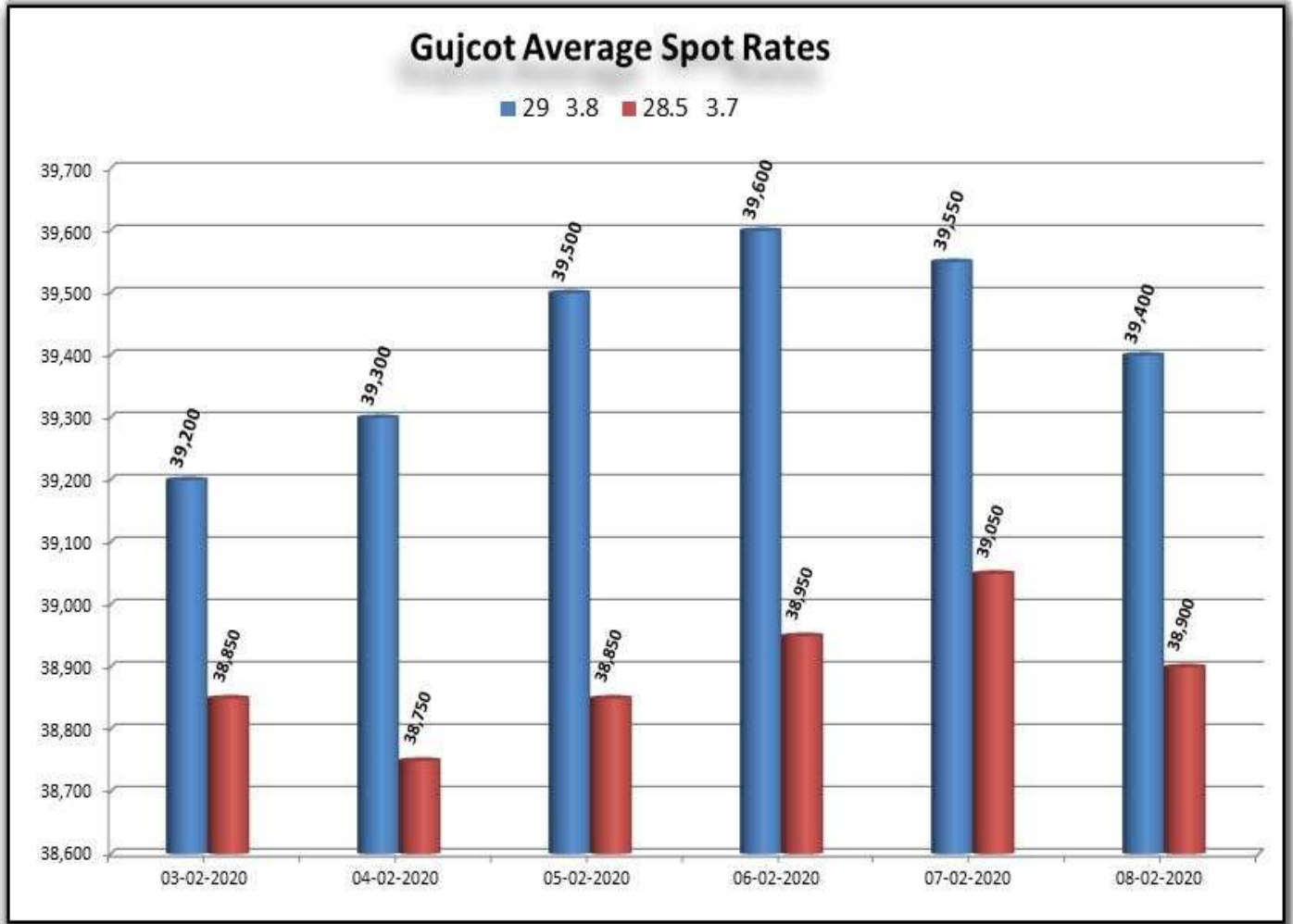
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	39,200	39,600	39,425
Shankar 6	28.5	3.7	38,750	39,050	38,892
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		31,550	31,900	31,675
MCX Spot Rate			18,910	19,030	18,985
USD Exchange Rate			71.19	71.40	71.30

Rate of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
03-02-2020	39,200	38,850	31,900	18,910	71.33
04-02-2020	39,300	38,750	31,750	18,940	71.27
05-02-2020	39,500	38,850	31,700	18,980	71.20
06-02-2020	39,600	38,950	31,600	19,020	71.19
07-02-2020	39,550	39,050	31,550	19,030	71.40
08-02-2020	39,400	38,900	31,550	19,030	71.40



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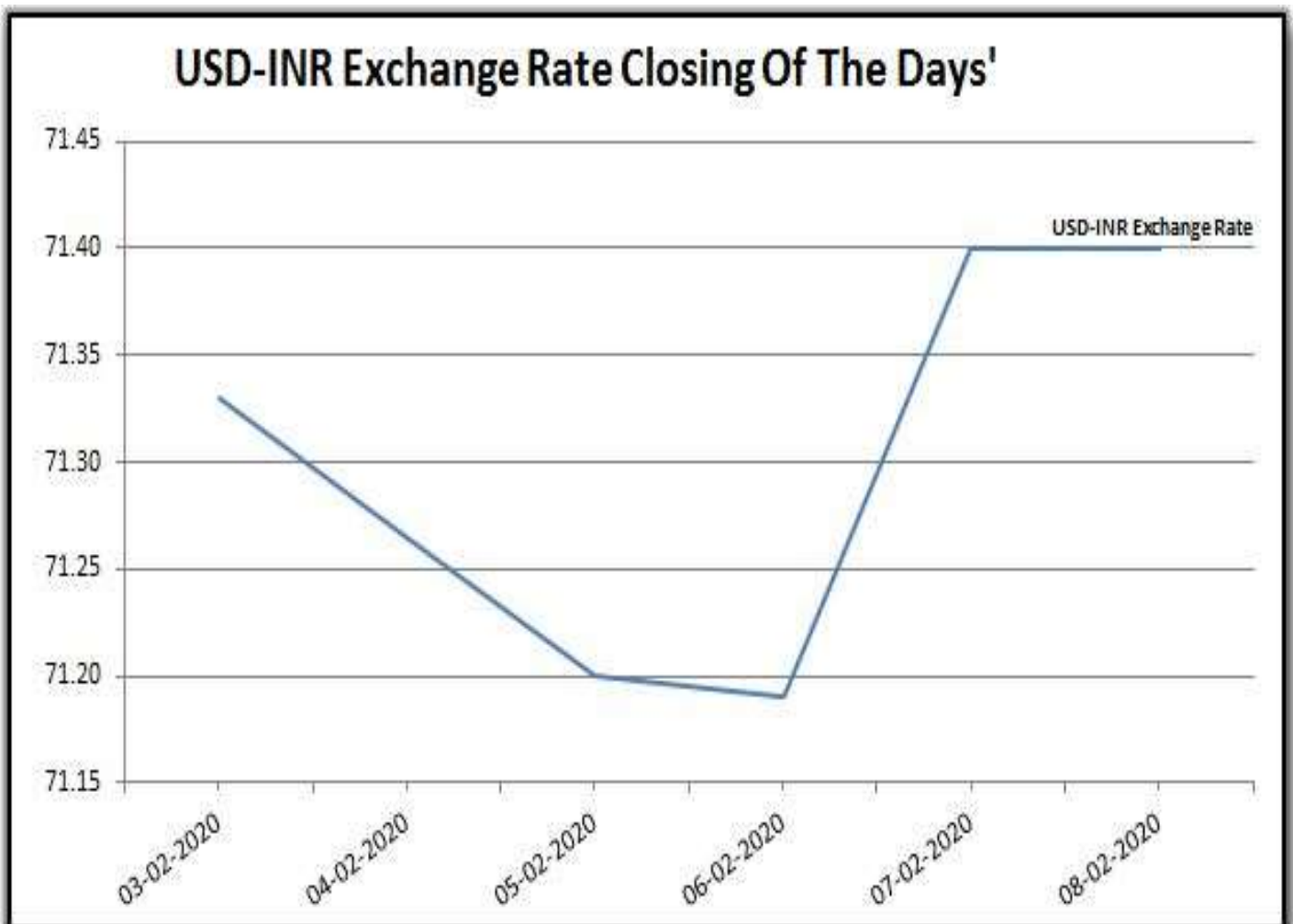
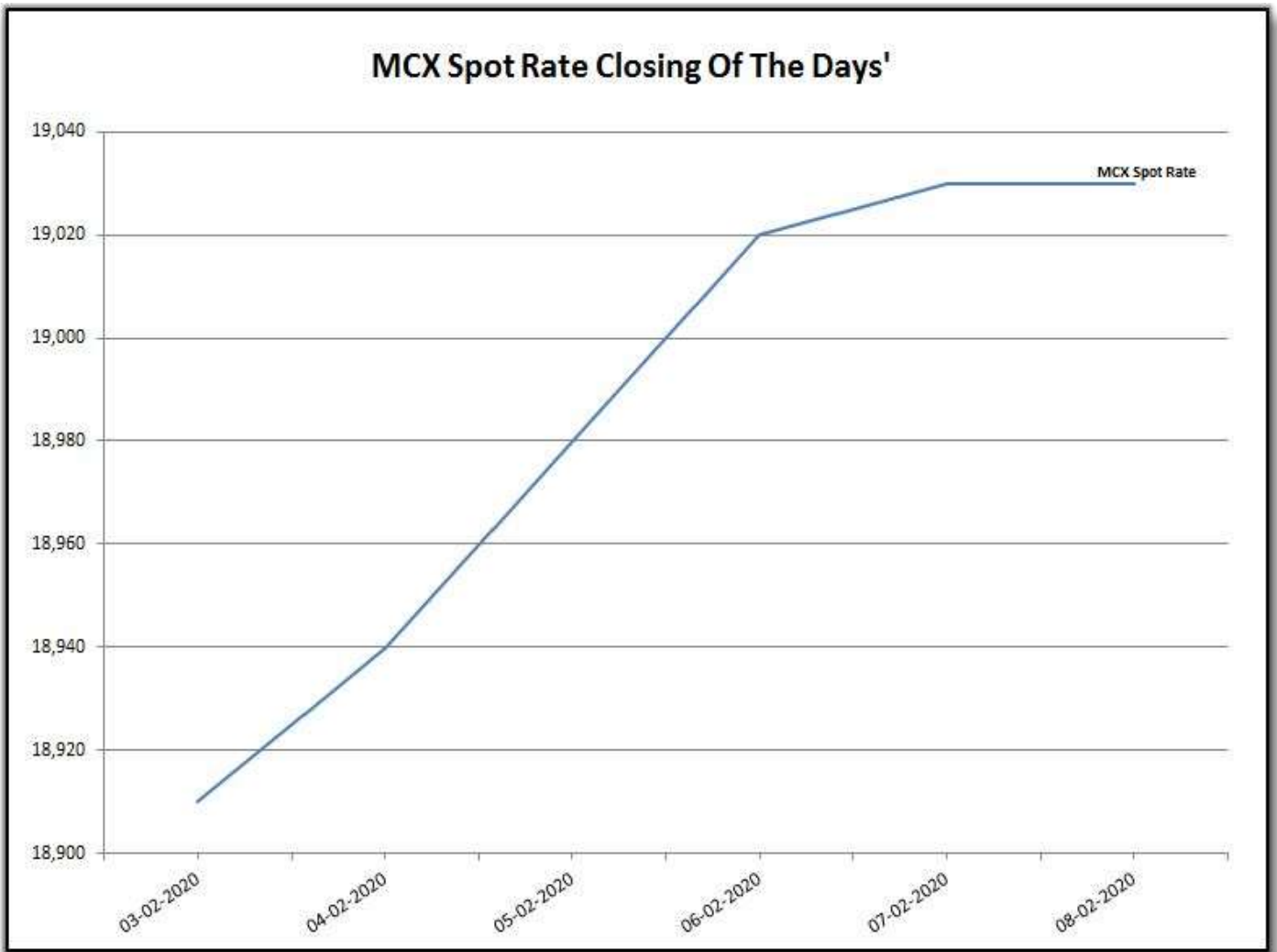
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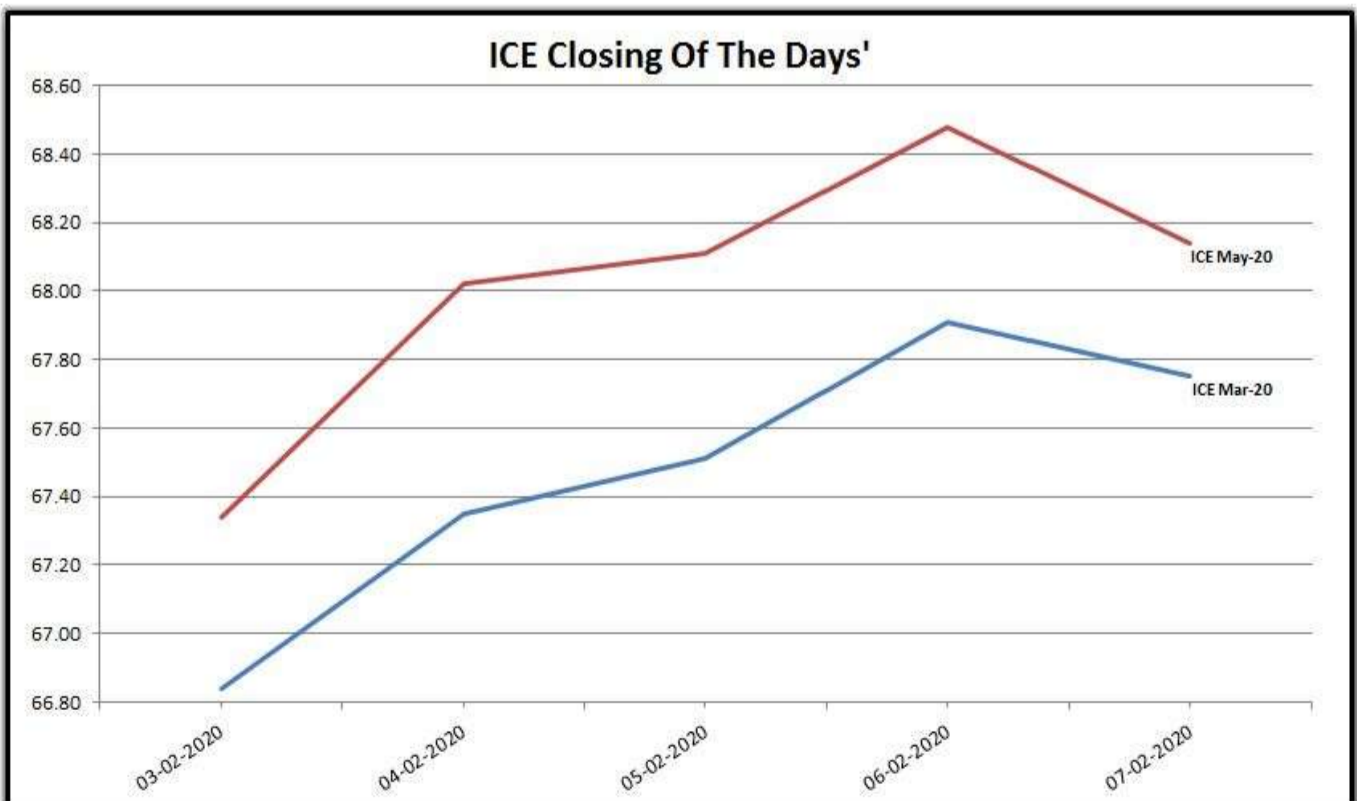
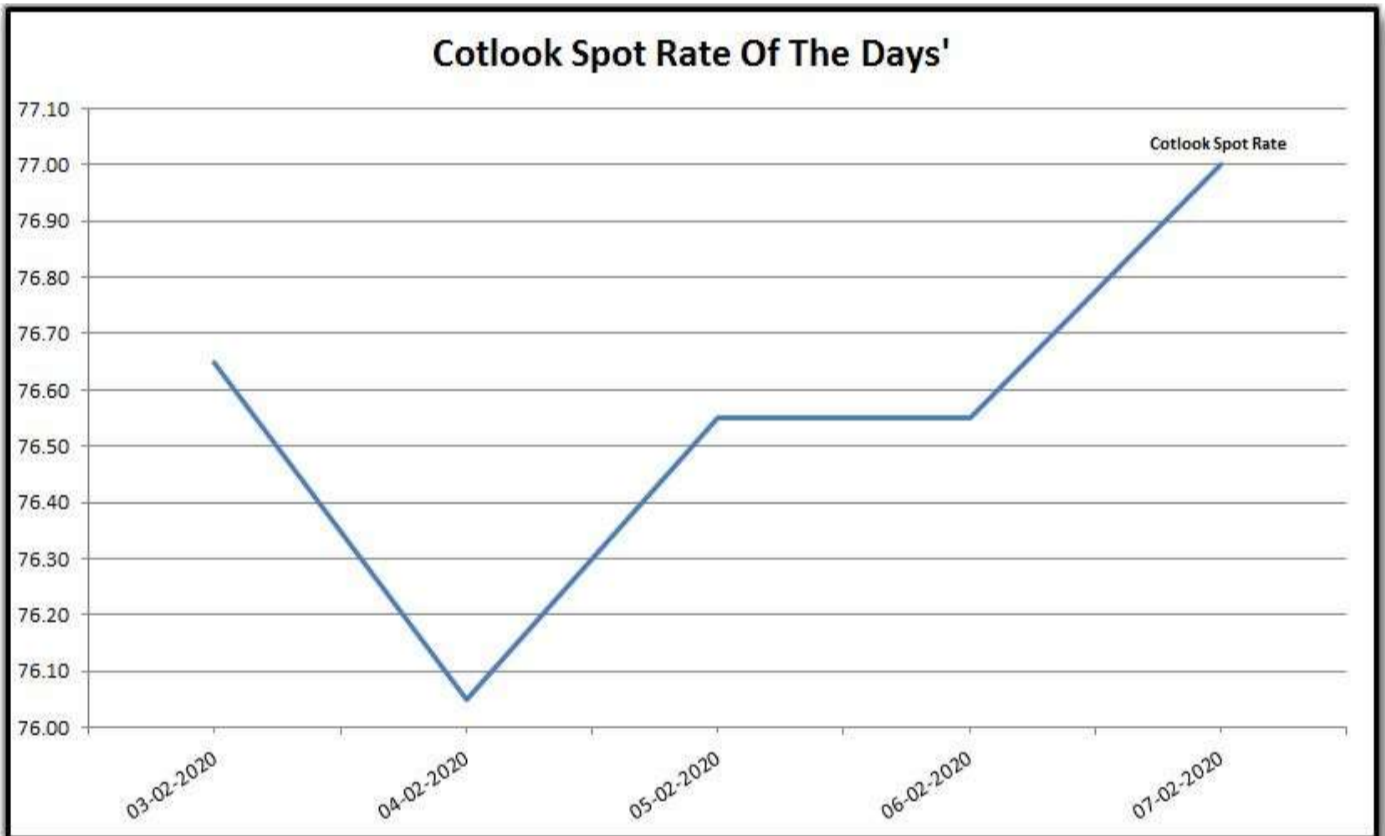




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-20	May-20
03-02-2020	76.65	66.84	67.34
04-02-2020	76.05	67.35	68.02
05-02-2020	76.55	67.51	68.11
06-02-2020	76.55	67.91	68.48
07-02-2020	77.00	67.75	68.14





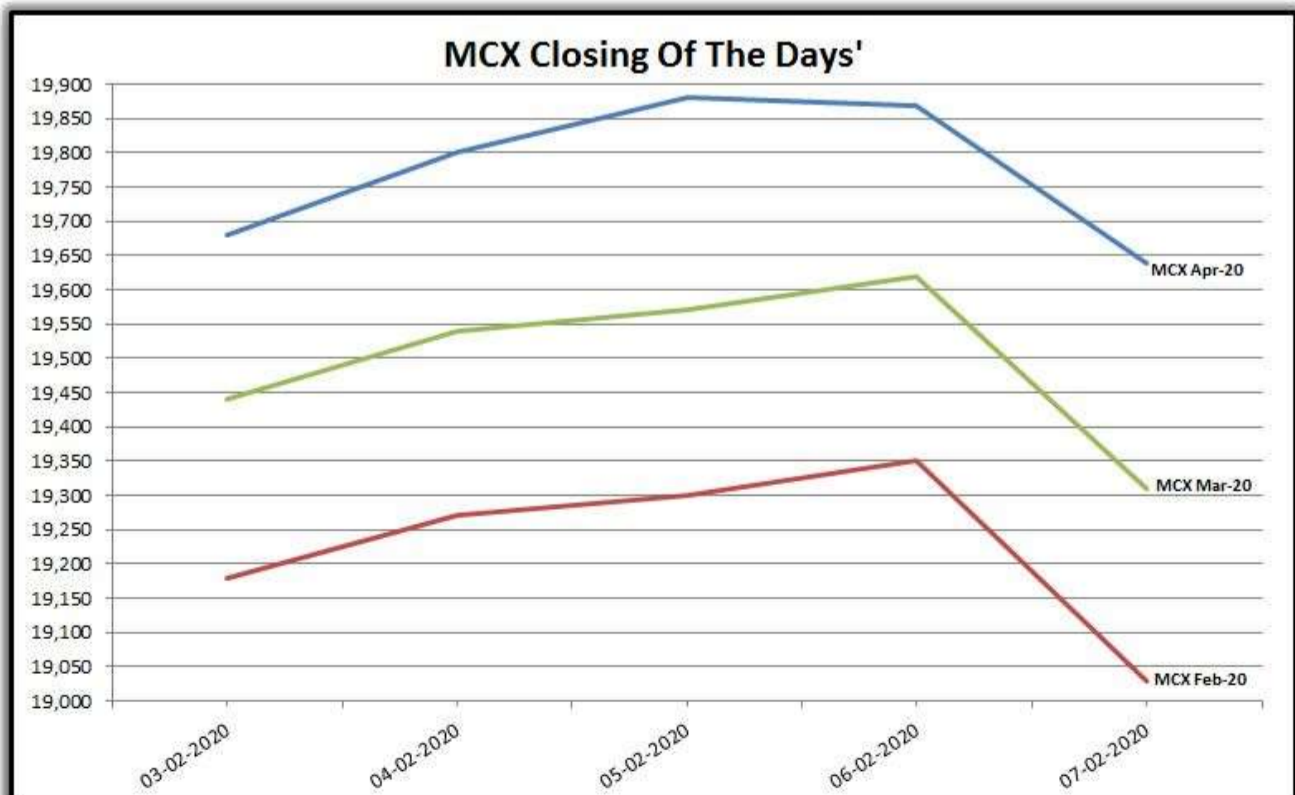
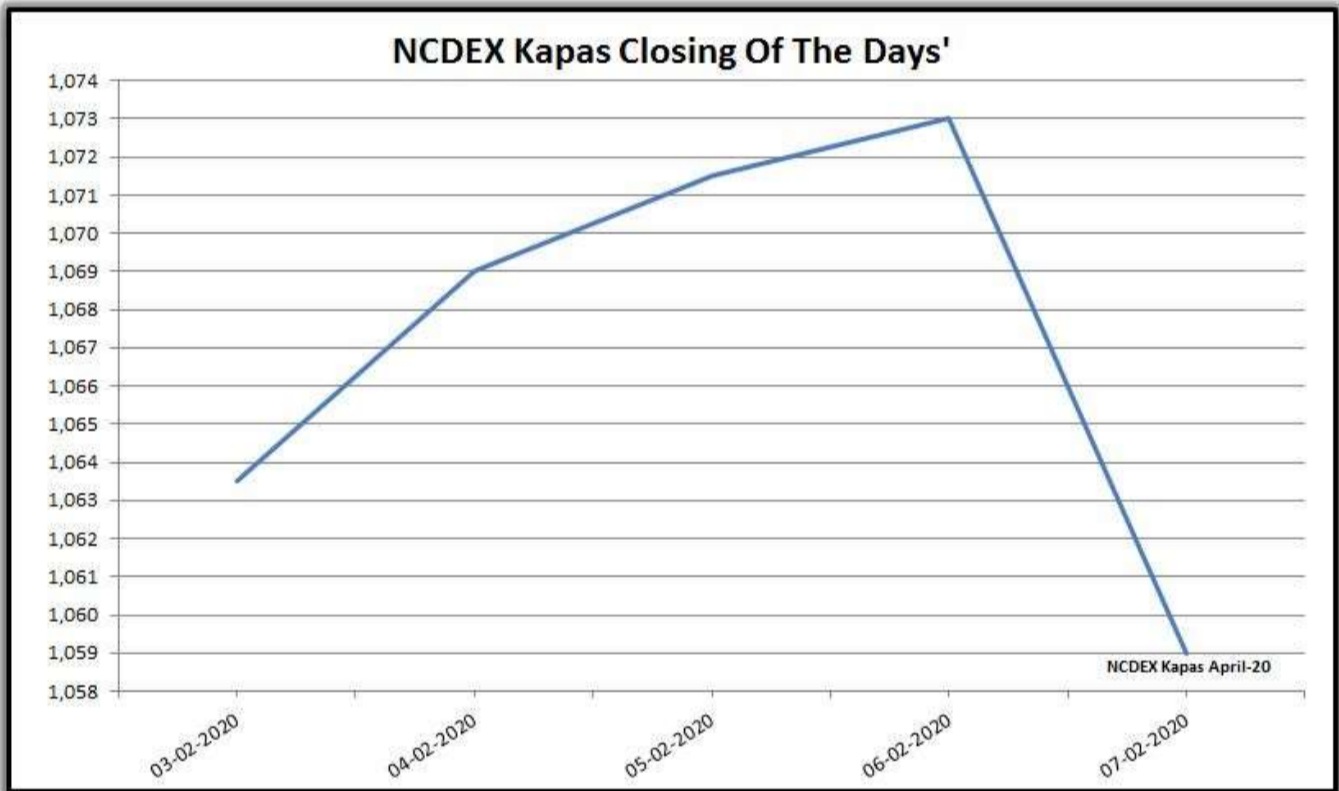
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Indian Indices

Date	NCDEX Kapas	MCX		
	30-Apr-2020	Feb-20	Mar-20	Apr-20
03-02-2020	1,063.50	19,180	19,440	19,680
04-02-2020	1,069.00	19,270	19,540	19,800
05-02-2020	1,071.50	19,300	19,570	19,880
06-02-2020	1,073.00	19,350	19,620	19,870
07-02-2020	1,059.00	19,030	19,310	19,640



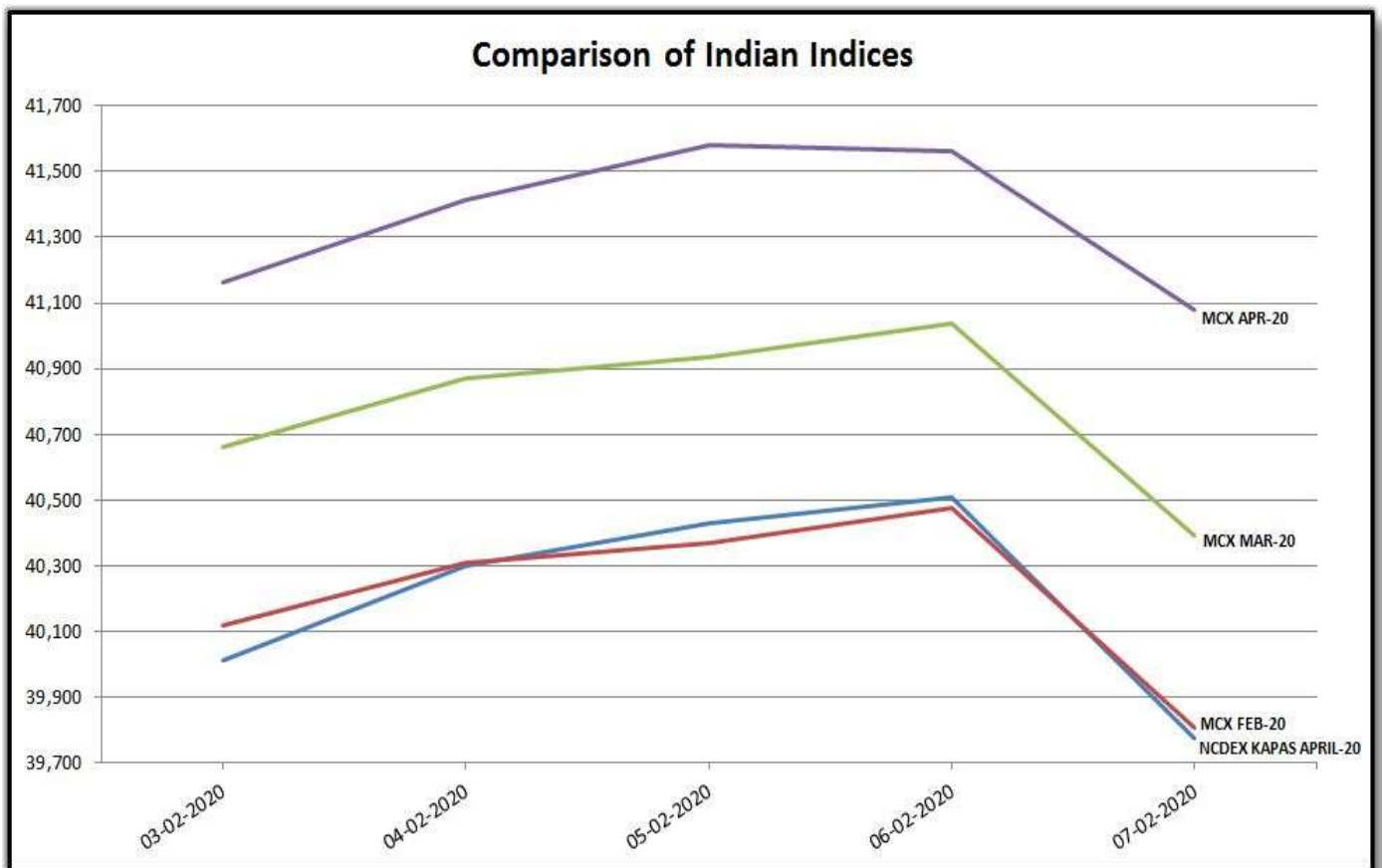


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Feb-20	Mar-20	Apr-20
03-02-2020	40,012	40,119	40,663	41,165
04-02-2020	40,299	40,307	40,872	41,416
05-02-2020	40,430	40,370	40,935	41,583
06-02-2020	40,508	40,474	41,039	41,562
07-02-2020	39,776	39,805	40,391	41,081

Remark :- For NCDEX Kapas we have taken seed rate 525/20 Kg to convert in Candy.

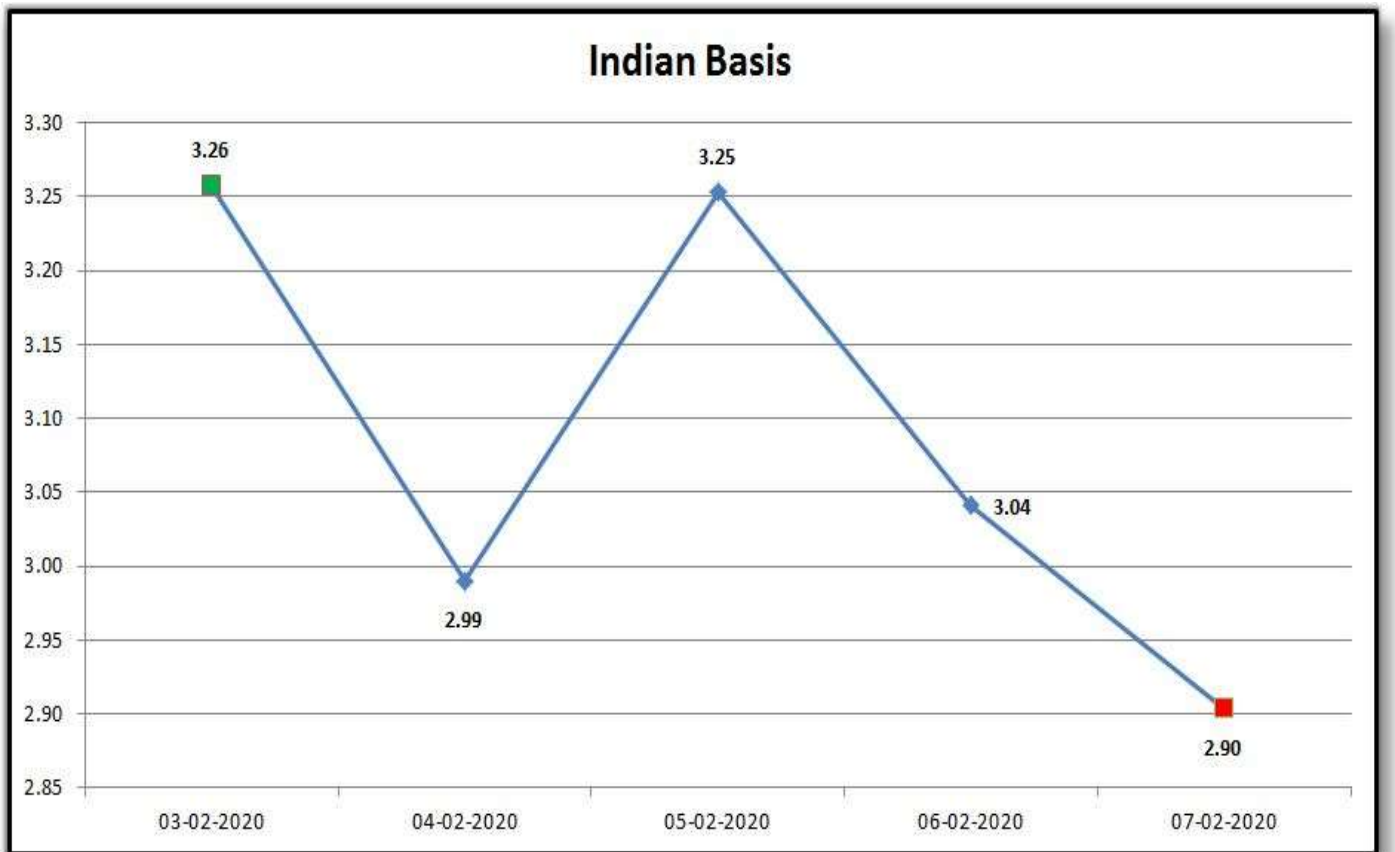




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
03-02-2020	39,200	71.33	70.10	66.84	3.26
04-02-2020	39,300	71.27	70.34	67.35	2.99
05-02-2020	39,500	71.20	70.76	67.51	3.25
06-02-2020	39,600	71.19	70.95	67.91	3.04
07-02-2020	39,550	71.40	70.65	67.75	2.90





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IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Tuesday at 11:00 a.m. Central – WASDE
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton-On-Call

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