



Gujcot Trade Association

Weekly Report

Market Movement from 06TH July 2018 to 11TH Aug 2018

- Gujarat Cotton prices of 29 mm remained between 48,650 to 48,850 Rs./Candy.
- Out state arrival was negligible.
- All India Daily Arrivals remained 4,000 to 5,000 bales. With limited arrivals, most of the ginning factories are closed.
- Gujarat Daily Pressing was approximately 1,000 to 1,500 bales.
- NY December futures w/w Lost 2.89 cents.
- Indian Basis are positive so international merchants are squaring off their positions.
- As merchants are selling in physical market, supply side got enough liquidity into market.
- During this week export sales was lower than the expectation and WASDE was bearish so on Friday after release of WASDE market react panic selling.

ALL INDIA COTTON SOWING As On 10-08-2018

All Cotton Sowing Report				
Date:- 10-08-2018				
STATE	(Area in Lakh Hectare)			
	2018-2019	2017-2018	Change	
Punjab	2.840	3.850	-1.010	-26.23%
Haryana	6.650	6.560	0.090	1.37%
Rajasthan	4.961	5.031	-0.070	-1.39%
North India	14.451	15.441	-0.990	-6.41%
Gujarat	26.587	26.490	0.097	0.37%
Maharashtra	39.699	41.130	-1.431	-3.48%
Madhya Pradesh	5.240	5.760	-0.520	-9.03%
Central India	71.526	73.380	-1.854	-2.53%
Telangana	17.065	17.770	-0.705	-3.97%
Andra Pradesh	4.020	4.430	-0.410	-9.26%
Karnataka	3.760	4.300	-0.540	-12.56%
Tamil Nadu	0.050	0.059	-0.009	-15.25%
South Zone	24.895	26.559	-1.664	-6.27%
Orissa	1.560	1.444	0.116	8.03%
Others	0.172	0.286	-0.114	-39.86%
All India	112.604	117.110	-4.506	-3.85%

Source: Department of Agriculture Cooperation And Farmers Welfare

GUJARAT COTTON SOWING As On 06-08-2018

Gujarat Districtwise Cotton Sowing			
Till 06-August-2018			
Kutch	502	Saurashtra	19,086
Kutch	502	Surendranagar	3,309
		Rajkot	2,597
North Gujarat	2,725	Jamnagar	1,836
Banarsakantha	460	Porbandar	107
Patan	448	Junagadh	761
Mehsana	345	Amreli	4,022
Sabarkantha	787	Bhavnagar	2,253
Gandhinagar	240	Morbi	2,157
Aravali	445	Botad	1,661
		GirSomnath	179
Middle Gujarat	2,892	DevbhumiDwarka	204
Ahmedabad	863		
Anand	20	South Gujarat	1,382
Kheda	186	Surat	54
Panchmahal	132	Narmada	417
Dahod	4	Bharuch	783
Vadodara	802	Dang	
Mahisagar	75	Navsari	
Chota Udaipur	810	Valsad	
		Tapi	128
TOTAL			26,587
All Figures in '00 Hectares			

Global

US Weekly Export Sales

- A total of 15,27,700 RB in sales were carried over from the 2017/2018 marketing year, which ended July 31.
- Exports for the period ending July 31 of 2,72,800 RB brought accumulated exports to 1,48,30,600 RB, up 7 percent from the prior years' total of 1,38,23,100 RB. The primary destinations were Vietnam (78,100 RB), China (50,200 RB), Turkey (36,200 RB), Indonesia (28,100 RB), and Bangladesh (15,500 RB).
- Exports for August 1-2 totaled 43,100 RB, with Vietnam (12,000 RB), Mexico (6,900 RB), Indonesia (4,800 RB), Turkey (4,700 RB), and South Korea (4,700 RB) being the primary destinations.
- Net sales of Pima for 2018/2019 totaled 17,700 RB. Increases were reported for India (17,600 RB) and Japan (100 RB).
- A total of 37,000 RB in sales were carried over from the 2017/2018 marketing year, which ended July 31.
- Exports for the period ending July 31 of 3,300 RB brought accumulated exports to 6,11,400 RB, up 4 percent from the prior years' total of 5,90,500 RB. The destinations were India (1,900 RB), China (800 RB), and Indonesia (300 RB).
- Exports for August 1-2 totaled 5,700 RB, with Turkey (2,500 RB) and India (1,700 RB) being the primary destinations.

US Export Sales 02-Aug-2018	
Marketing Year 2018-2019	
Upland Gross sales	15,27,700
Cancellation	29,000
Net Upland Sales	14,98,700
PIMA Gross Sales	37,000
Cancellation	0
Net PIMA Sales	37,000
Total Gross Sales	15,64,700
Total Cancellation	29,000
Total Net Sales	15,35,700
Shipments	
Upland	43,100
PIMA	5,700
Total Shipments	48,800
Marketing Year 2019-2020	
Net Upland Sales	2,05,600
Net PIMA Sales	17,700
Total Net Sales	2,23,300
All Figures in Running Bale	

US Export Sales 02-Aug-2018	
Marketing Year 2017-2018	
Upland Gross sales	23,800
Cancellation	6,300
Net Upland Sales	17,500
PIMA Gross Sales	0
Cancellation	0
Net PIMA Sales	0
Total Gross Sales	23,800
Total Cancellation	6,300
Total Net Sales	17,500
Shipments	
Upland	2,72,800
PIMA	3,300
Total Shipments	2,76,100
All Figures in Running Bale	

USDA WASDE Report

This month's 2018/19 U.S. cotton forecast includes higher beginning stocks, production, exports, and ending stocks relative to last month. Production for the 2018 crop is raised 4 percent to 19.2 million bales, on this season's first survey-based production forecast.

NASS's survey indicates higher abandonment, but a higher average yield compared to last month's expectations. Beginning stocks are raised 4,00,000 bales due to lower-than-expected 2017/18 exports and domestic consumption, and 2018/19 exports are 5,00,000 bales higher, at 15.5 million bales. Ending stocks are 6,00,000 bales higher this month. The midpoint of the marketing-year-average price is unchanged from last month, at 75 cents per pound.

Projected world 2018/19 ending stocks are down 1 percent this month, due to a combination of lower beginning stocks and higher consumption offsetting higher production. Beginning stocks are reduced 4,50,000 bales, reflecting both lower production and higher consumption estimates for 2017/18. Production in 2018/19 is increased 4,00,000 bales, with higher expected crops in the United States, Argentina, and Turkey offsetting reduced crops in Uzbekistan, Australia, and Turkmenistan. Consumption is raised 6,60,000 bales, led by a 3,00,000-bale increase for Pakistan, with smaller increases in Indonesia, Turkey, and other countries.

Comments on WASDE

Louis Rose

They are also very wary of the USDA's Indian production projection of 28.7M bales, which is higher than both public and private estimates currently emanating from the country. A Bloomberg article, published this morning, further highlighted the nation's production challenges this season.

While searching for explanations behind trading action for the week ending Aug 3, an explanation for this week was evident – the USDA released unexpectedly bearish projections of domestic production and ending stocks.

Dr. O. A. Cleveland

The big news, just like last year, was that the seed companies have truly provided growers with seed characteristics never seen before.

The new genetics provide growers with the potential for record yields. The new varieties, used across the Belt, have brought increased yields, gin turnout and color/grade characteristics. USDA estimated Texas abandonment at 3 million acres and the Oklahoma and Kansas were drought stricken as well. Yet, U.S. production was estimated at 19.25 million bales, some 7,50,000 bales greater than the July estimate. The August report, the first objective yield survey of the year, provides the market with only a peep into the future of crops size. Remember it simply measures potential crop size, not expected crop size. Based on the field survey, the Midsouth was projected to have record yields as was the case for the Pima and Upland grown in the West. Despite problems in Southwest, the U.S. could still enjoy record yields. Thus, seed technology appears as a bright light for all growers.

CALCOT

August WASDE Report

Market weighted USA Cotton crop Not Global crop

The world numbers might turn out to be an offsetting market factor to the US crop increase, but not today. For 2018/19 world consumption was increased by 6,70,000 bales and ending stocks were decreased by 7,40,000 bales. Consumption was raised in several countries which is always encouraging.

P.C.C.A Weekly Report

For US crop

The WASDE report, which does incorporate the higher U.S. crop, had few surprises. Notable revisions included an additional 4,00,000 bales for U.S. 2018-19 beginning stocks at 4.4 million bales. Lower exports for 2017-18 were expected because of slower than expected shipments in July, but U.S. domestic consumption fell 1,00,000 bales to 3.25 million in 2017-18, too. U.S. 2018- 19 exports were revised higher to 15.5 million, up 5,00,000 bales. With higher beginning stocks and production outpacing the increase in exports, ending stocks were forecast at 4.6 million, up 6,00,000 bales from last month.

Looking at the Rest of the World

Although the U.S. balance sheet was looser, USDA forecast foreign ending stocks at 72.5 million bales, 1.34 million bales lower than last month. Beginning stocks and production estimates decreased, especially among major exporters such as Australia and India. World cotton consumption moved higher again, especially among major importers such as Pakistan, Indonesia, and Thailand. At 127.6 million bales, 2018-19 consumption is set to be a record.

Record Export Commitments for 2018-19

Higher world consumption and lower world production has focus on the United States' unique ability to meet global demand, which is still strong. This week's export sales report showed the first week of sales for the 2018-19 marketing year, August 1 to July 31. The 2018-19 season is coming out of the gate with 8.42 million bales committed to the export market, the highest level ever at the start of a marketing year. In the week ended August 2, shippers added 1,93,900 bales of Upland sales for delivery in 2018-19. Vietnam was the largest buyer. .

Cumulative Update of reserve auction of china

From March 12 to August 10, the accumulated turnover of reserve cotton was 18,75,300 tons, and the turnover rate was 58.40%.

China report from Reinhart weekly report

ZCE continued in its moderate uptrend from the lows reached in early July. As long as the leading January month remains comfortably above 17'000 RMB/ton, the technical outlook continues rather positive.

Futures as well as physical markets were supported from rapidly increasing polyester prices and good local demand. At actual exchange rates, imported yarn is more expensive than local production; obviously that helps the Chinese spinning industry. Yet, in spite of healthy demand and rising prices, import demand has

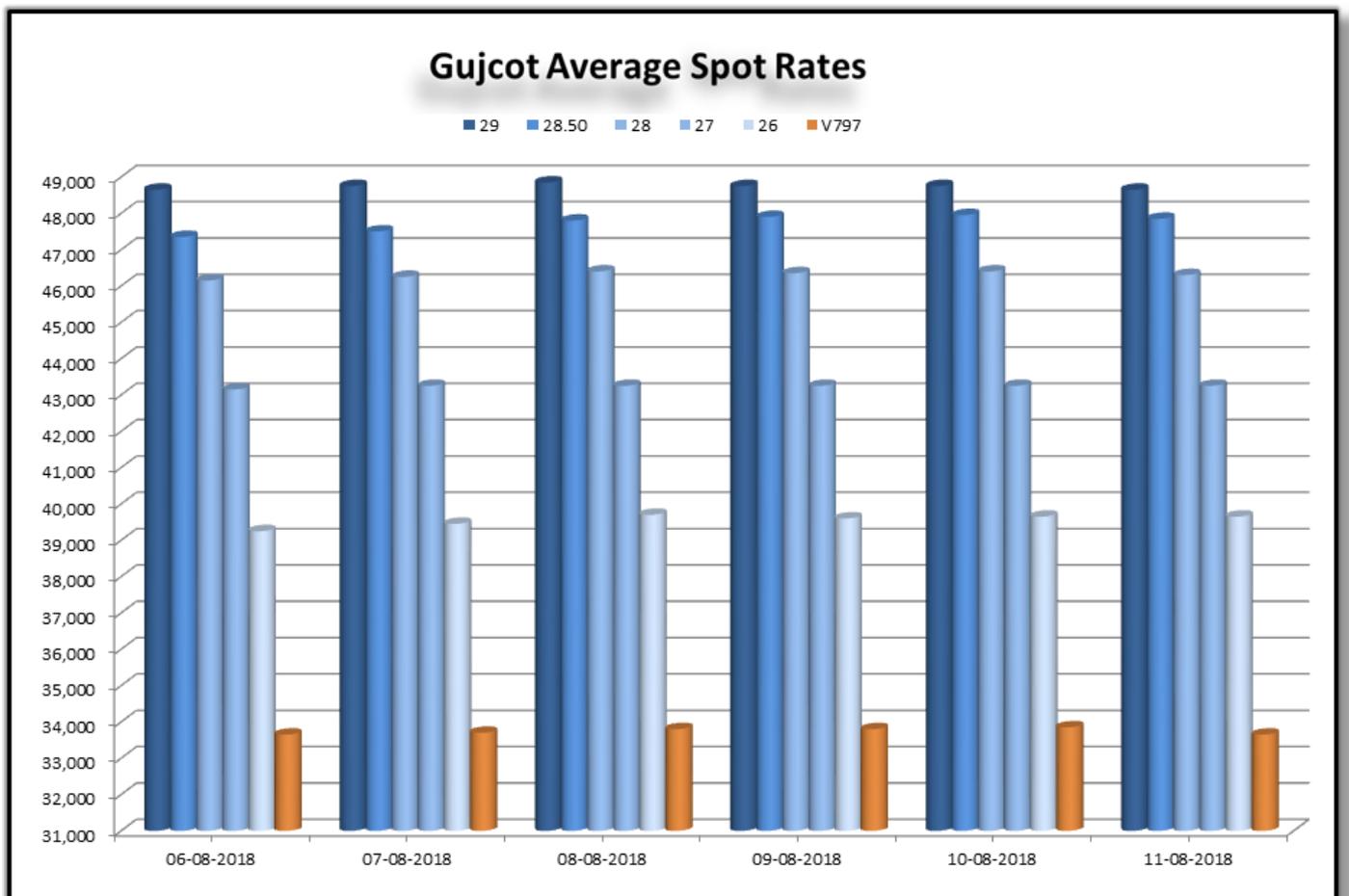
remained very slow. The price offered at the Reserve auctions is more attractive to mills than import cotton, even if quota was available for free; the spread between domestic and international prices has fallen to historically low levels.

This situation of low import demand could well continue for some more time, since Reserve auctions will continue until end September, stocks of current crop are still plentiful, and new crop will start to arrive in October. On the other hand, as imports are being substituted by domestic cotton, stocks are being drawn down even faster; so import demand is merely deferred to later in the season.

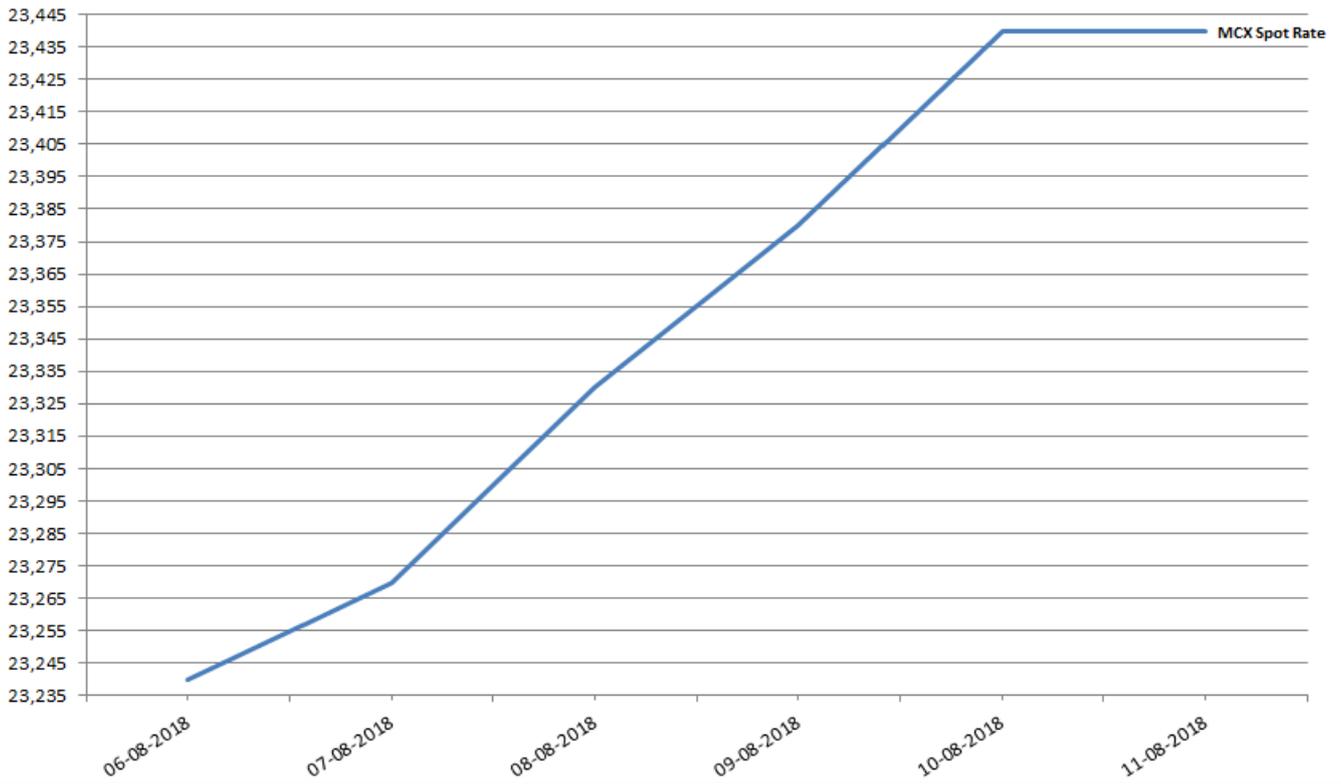
Average Rate Of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	48,650	48,850	48,733
Shankar 6	28.5	3.7	47,350	47,950	47,725
Shankar 6	28	3.6	46,150	46,400	46,308
Shankar 6	27	3.2	43,150	43,250	43,233
Shankar 6	26	3	39,250	39,700	39,550
V-797	13% Trash		33,650	33,850	33,742
MCX Spot Rate			23,240	23,440	23,350
USD Exchange Rate			68.62	68.88	68.75

Rate Of Last Week								
Date	29 3.8	28.5 3.7	28 3.6	27 3.2	26 3.0	V-797	MCX Spot Rate	USD-INR Exchange
06-08-2018	48,650	47,350	46,150	43,150	39,250	33,650	23,240	68.88
07-08-2018	48,750	47,500	46,250	43,250	39,450	33,700	23,270	68.68
08-08-2018	48,850	47,800	46,400	43,250	39,700	33,800	23,330	68.62
09-08-2018	48,750	47,900	46,350	43,250	39,600	33,800	23,380	68.68
10-08-2018	48,750	47,950	46,400	43,250	39,650	33,850	23,440	68.83
11-08-2018	48,650	47,850	46,300	43,250	39,650	33,650	23,440	68.83

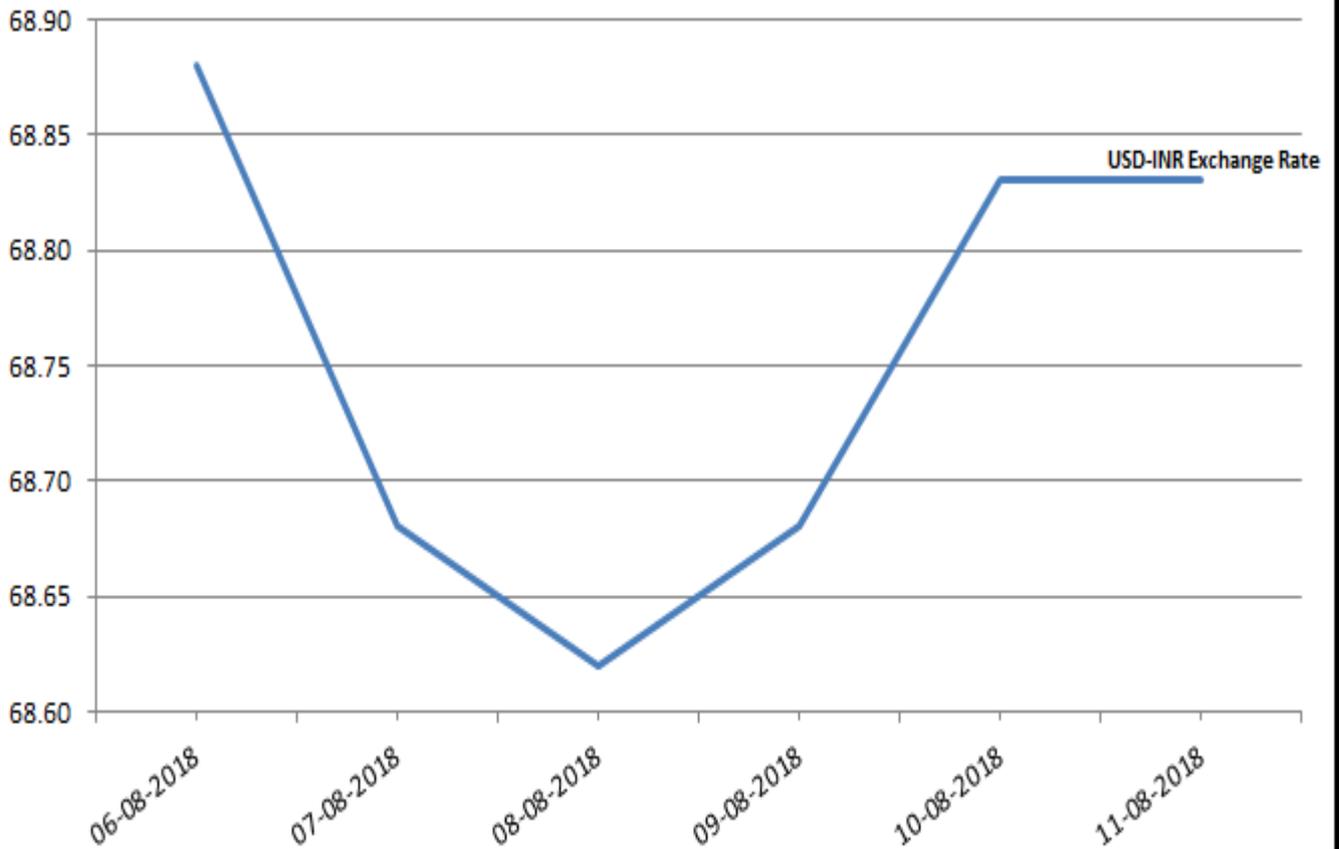
Cotton Price Movement during the Last Week



MCX Spot Rate Closing Of The Days'

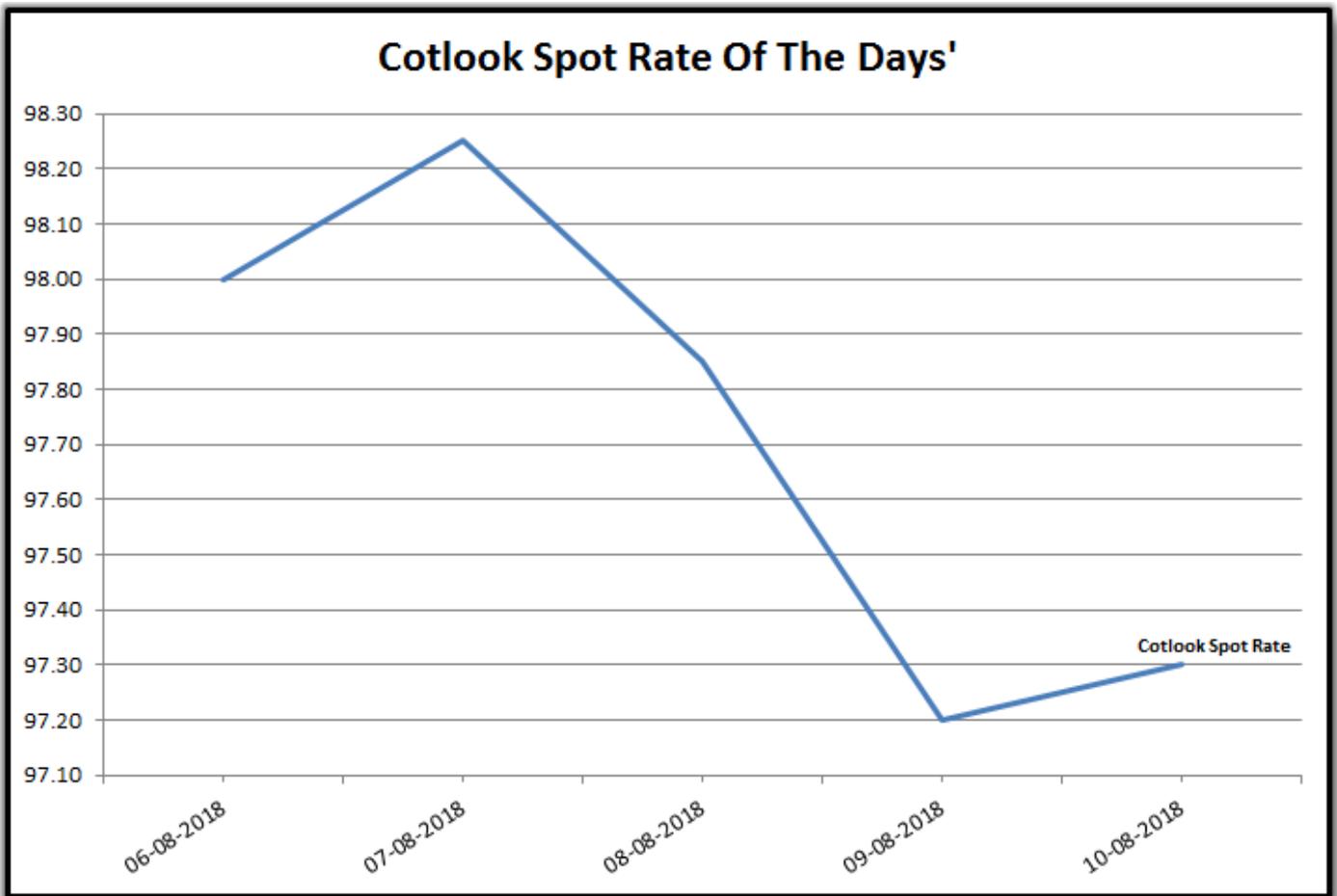


USD-INR Exchange Rate Closing Of The Days'

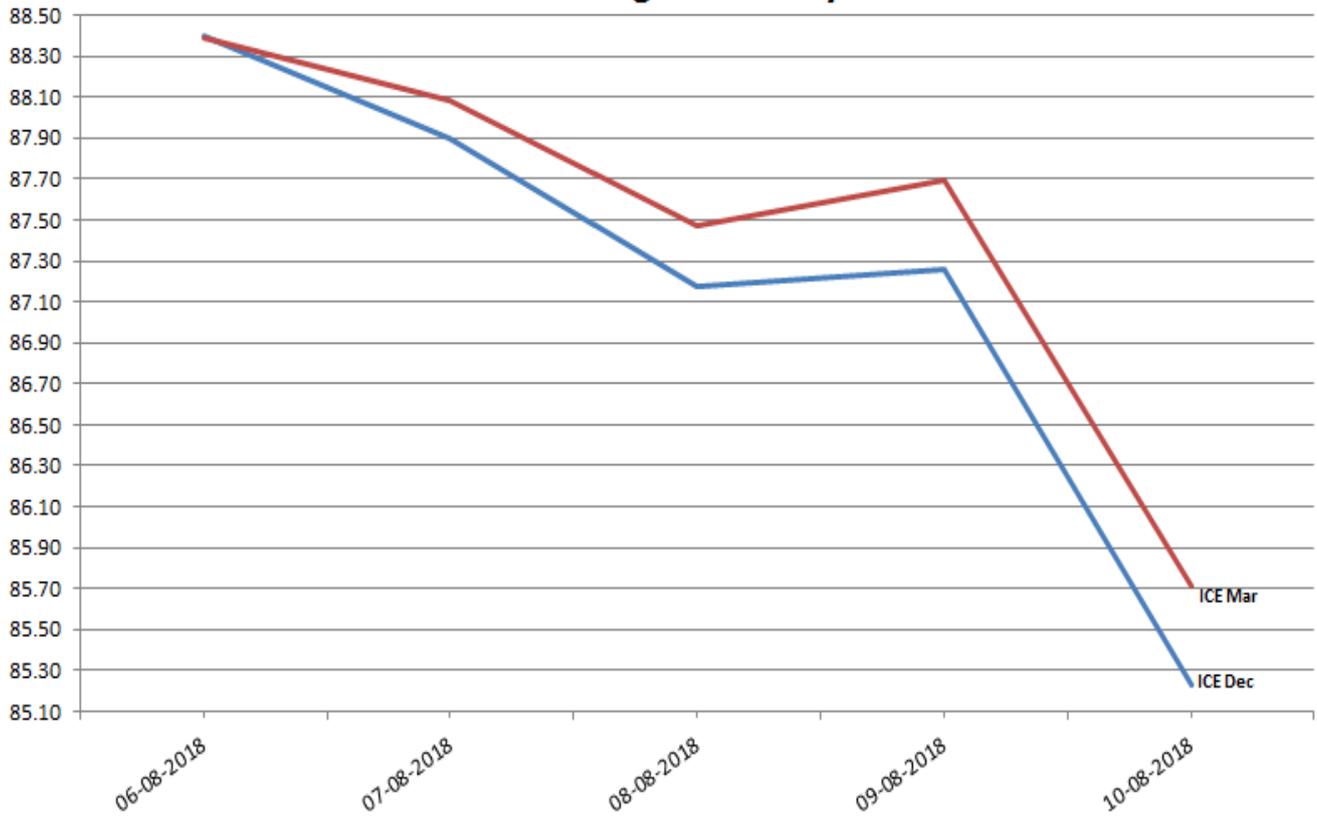


Foreign Indices

Date	Cotlook	ICE	
	Spot Rate	Dec-18	Mar-19
06-08-2018	98.00	88.40	88.39
07-08-2018	98.25	87.90	88.08
08-08-2018	97.85	87.18	87.47
09-08-2018	97.20	87.26	87.69
10-08-2018	97.30	85.23	85.71



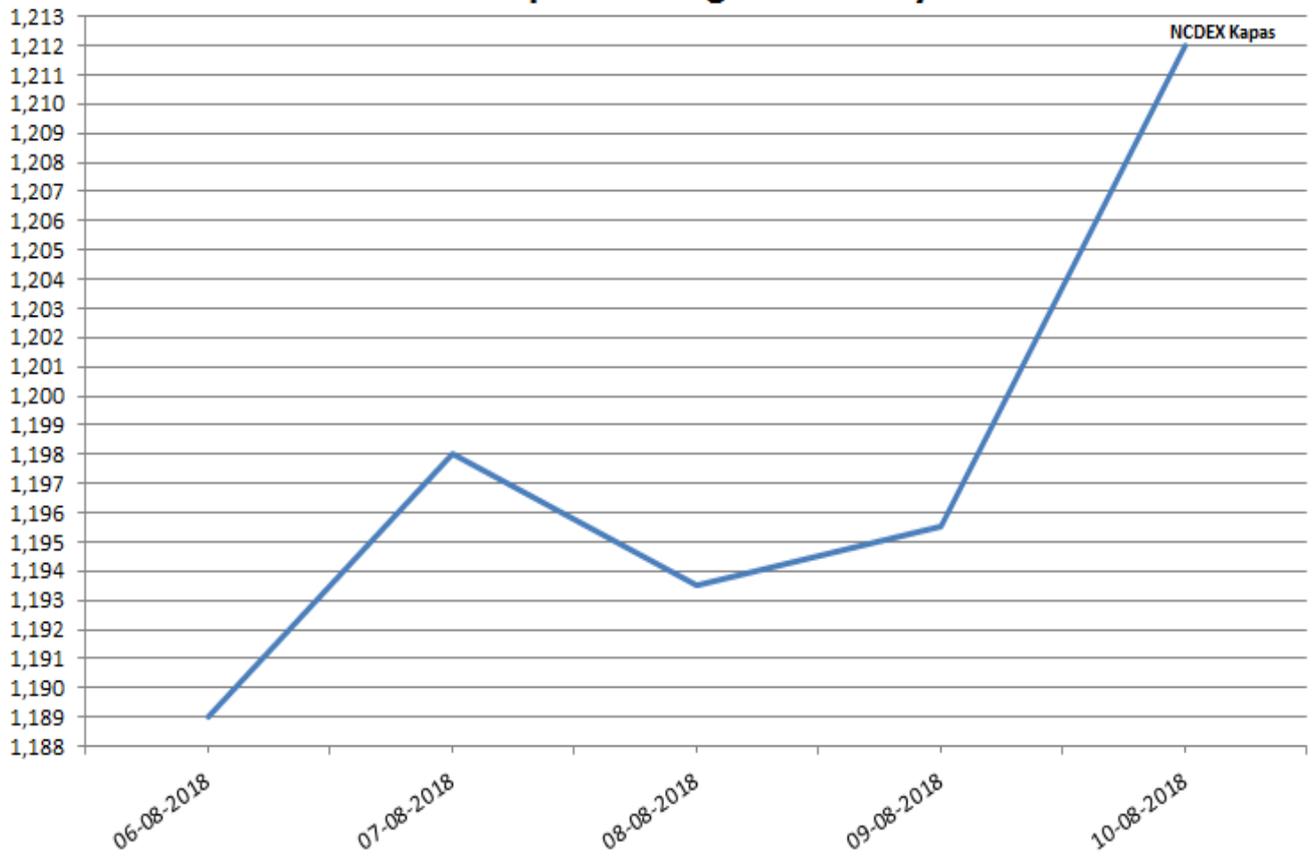
ICE Closing Of The Days'



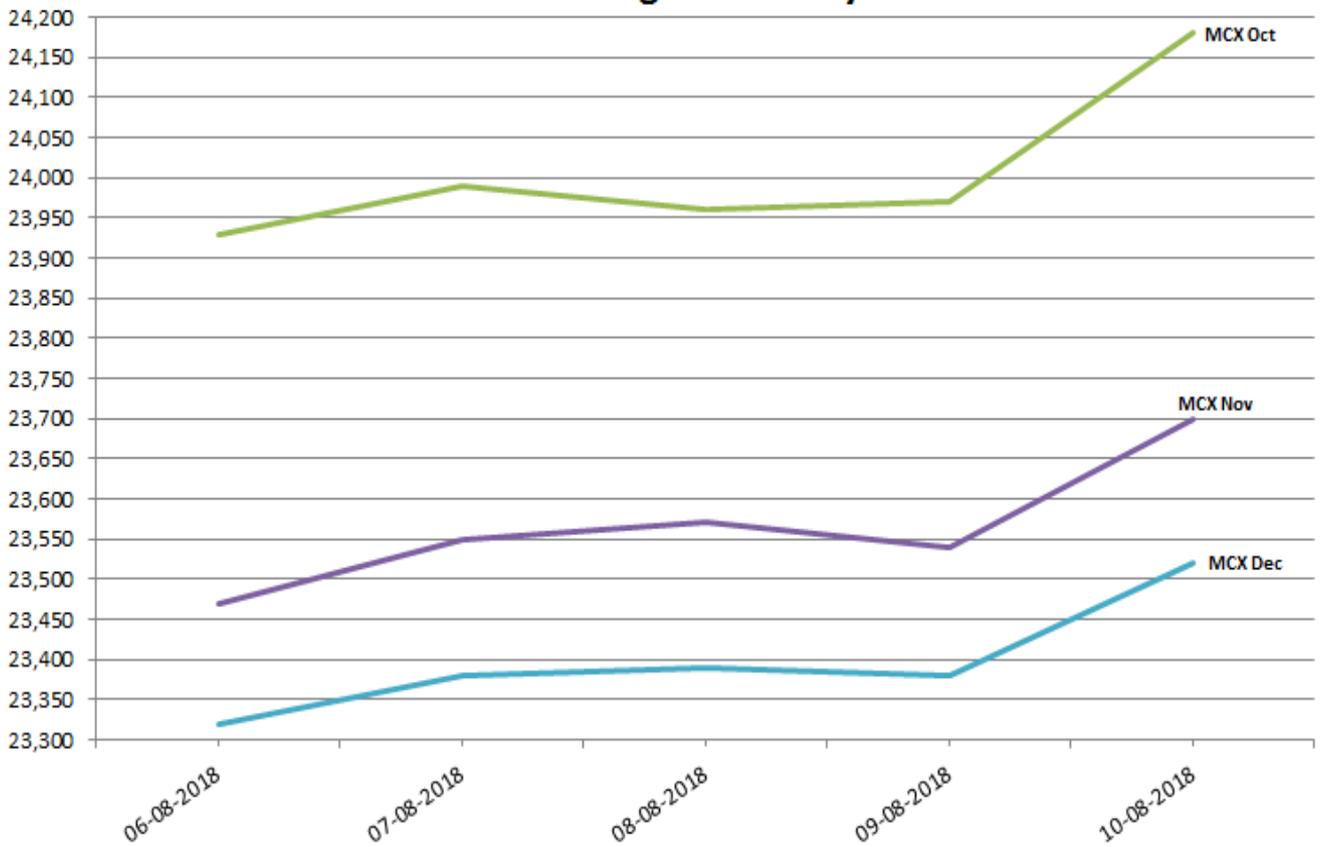
Indian Indices

Date	NCDEX Kapas	MCX		
	30-Apr-19	Oct-18	Nov-18	Dec-18
06-08-2018	1189	23,930	23,470	23,320
07-08-2018	1198	23,990	23,550	23,380
08-08-2018	1193.5	23,960	23,570	23,390
09-08-2018	1195.5	23,970	23,540	23,380
10-08-2018	1212	24,180	23,700	23,520

NCDEX Kapas Closing Of The Days'



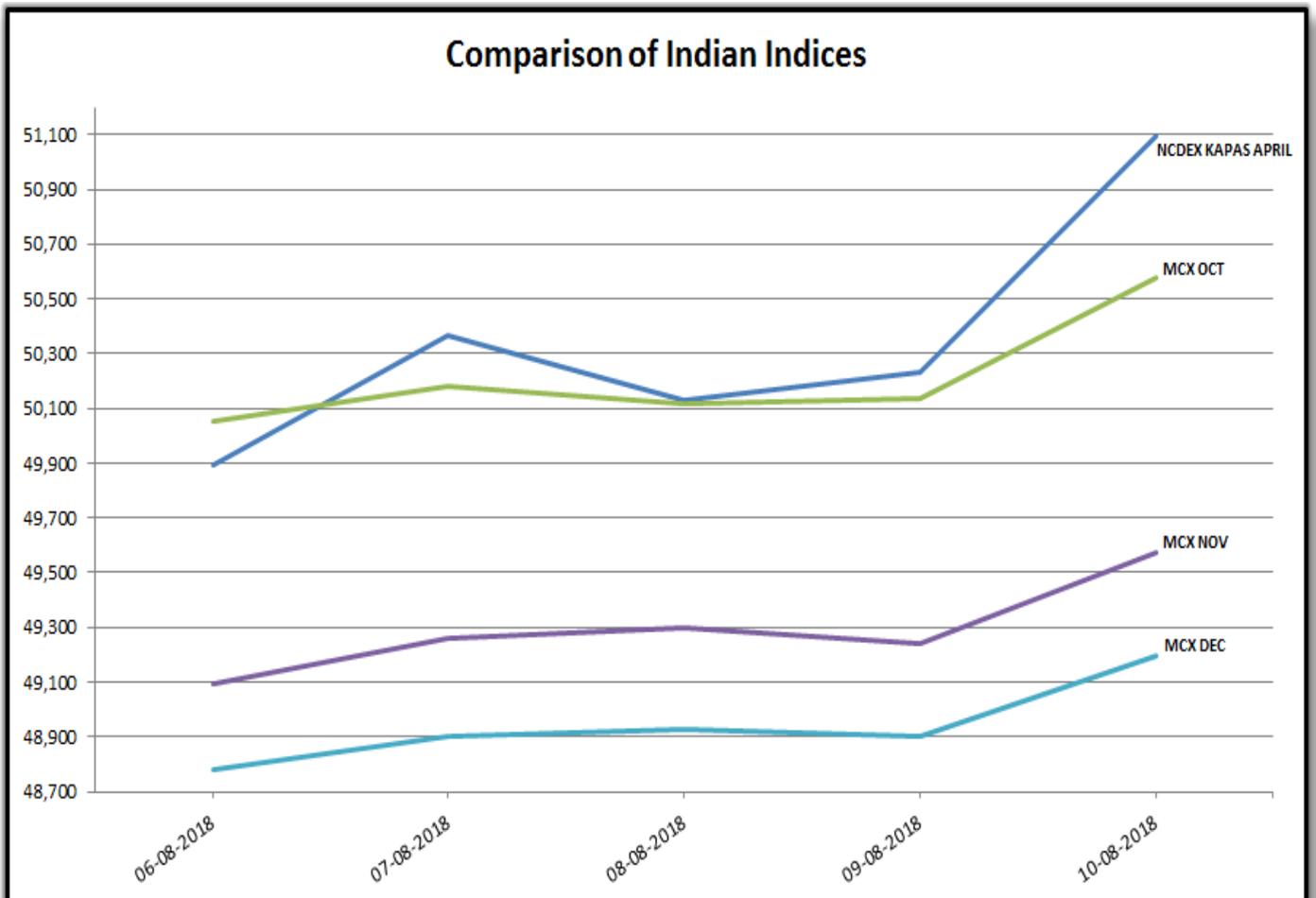
MCX Closing Of The Days'



Indian Indices in Candy Rate

Date	NCDEX Kapas	MCX		
	April	Oct	Nov	Dec
06-08-2018	49,895	50,054	49,092	48,778
07-08-2018	50,366	50,180	49,260	48,904
08-08-2018	50,130	50,117	49,301	48,925
09-08-2018	50,235	50,138	49,239	48,904
10-08-2018	51,098	50,577	49,573	49,197

Remark :- For NCDEX Kapas we have taken seed rate 425/20 Kg to convert in Candy.



IN THE WEEK AHEAD:

- Crop Progress will be released Monday at 3:00 p.m. Central Time
- The Export Sales report will be released Thursday at 7:30 a.m. Central Time.
- The CFTC Cotton On-Call report will be released Thursday at 2:30 p.m. Central Time.
- The CFTC's Commitments-of-Traders report will be released Friday at 2:30 p.m. Central Time.

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- Gujarat Cotton Sowing District wise Report
- US Export Sales Report
- US Crop Progress Report
- China Cotton Auction Daily Update
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