



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 14-DEC-2019

## Market Movement from 09th Dec 2019 to 14th Dec 2019

- This Week had some better events for the bulls in NY Future. Neutral to bullish WASDE, better U.S. Export Sales and as expected agreement on phase-1 of trade deal between U.S. and China.
- U.S. Export Sales was decent to 2,82,900 bales a week cumulative commitment reached 1,11,43,416 bales which is well ahead of USDA target. Shipments needs to get more pace to meet the target.
- Tweet from Trump that we are close to a very good phase-1 deal and positive confirmation from china convinced trade to play bullish.
- Market remained in small range till bullish WASDE on Tuesday and good U.S. Export Sales on Thursday but reacted more after positive news regarding trade deal and was able to cross 67-mark first time and close above it on Thursday and week Ended with 80-points w/w gain.
- Indian physical market remained firm in upper side of the weekly range of 38,650 to 38,900. C.C.I. purchased very good quantity during the week. Rally in NY future supported on later part of the week and demand of M.N.C. was there during last days of the week.
- After strong NY Futures, Indian basis are attractive and Indian offers are 2 cent off to Cotlook Index.
- Indian daily arrivals crossed 2 lakh bales mark and remained almost around 2,25,000 bales during the week.
- Daily arrivals in Gujarat were nearly between 50,000 to 55,000 bales.
- Gujcot Spot Rate was remained between 38,650 to 38,900 Rs/Candy.
- Indian basis remained between 2.43 to 4.46.
- Indian Rupee remained strong between 70.81 to 71.04 during this week.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 2,77,100 RB for 2019-2020 were up 69 percent from the previous week and 9 percent from the prior 4-week average. Increases primarily for Turkey (80,100 RB), Pakistan (61,300 RB), Vietnam (52,300 RB, including 300 RB switched from South Korea and decreases of 1,900 RB), Bangladesh (19,200 RB), and Malaysia (17,600 RB), were offset by reductions for Thailand (1,500 RB).
- For 2020-2021, net UPLAND sales of 6,600 RB were for Vietnam (2,600 RB), Mexico (2,200 RB), and Indonesia (1,800 RB).
- UPLAND Exports of 1,86,300 RB were up 12 percent from the previous week and 21 percent from the prior 4-week average. Exports were primarily to Vietnam (37,300 RB), China (28,500 RB), Pakistan (28,000 RB), Mexico (20,900 RB), and Bangladesh (15,100 RB).
- Net sales of PIMA totaling 5,800 RB were up 30 percent from the previous week, but down 29 percent from the prior 4-week average. Increases were primarily for India (4,400 RB), South Korea (600 RB), Japan (300 RB), Bangladesh (200 RB), and Guatemala (200 RB). For 2020-2021, total net sales of 1,300 RB were for China.
- PIMA Exports of 8,000 RB were up 12 percent from the previous week and 17 percent from the prior 4-week average. The primary destinations were India (2,600 RB), El Salvador (1,200 RB), Pakistan (1,200 RB), Bangladesh (1,000 RB), and Vietnam (900 RB).

US Export Sales	05-Dec-2019
<b>Marketing Year 2019-20</b>	
Upland Gross Sales	2,85,000
Cancellation	7,900
<b>Net Upland Sales</b>	<b>2,77,100</b>
PIMA Gross Sales	5,800
Cancellation	0
<b>Net PIMA Sales</b>	<b>5,800</b>
Total Gross Sales	2,90,800
Total Cancellation	7,900
<b>Total Net Sales</b>	<b>2,82,900</b>
<b>Shipments</b>	
UPLAND	1,86,300
PIMA	8,000
<b>Total Shipment</b>	<b>1,94,300</b>
<b>Marketing Year 2020-21</b>	
Net Upland Sales	6,600
Net PIMA Sales	1,300
<b>Total Net Sales</b>	<b>7,900</b>
All Figures in US Running Bale	



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## WASDE – Dec – 2019

This month's outlook for U.S. cotton in 2019/20 includes lower production and ending stocks compared with last month. Production is lowered 611,000 bales mainly due to a 500,000-bale decline in Texas. Domestic mill use and exports are unchanged. Ending stocks are 600,000 bales lower this month, at 5.5 million. Upland cotton's season-average farm price is also unchanged at 61 cents per pound.

The global 2019/20 cotton forecasts include lower beginning stocks and production, largely offset by lower consumption. A nearly 900,000-bale decline this month in beginning stocks is led by a 700,000-bale reduction in India, following a report by India's Cotton Advisory Board that lowered India's 2018/19 cotton crop by a similar amount. World cotton production in 2019/20 is projected at 121.1 million bales, down 830,000 from November, and 3.0 million higher than in 2018/19. Production changes for 2019/20 this month other than the United States include decreases of 800,000 bales for Pakistan, 500,000 for India, and smaller declines for Australia, Turkey, and Chad. Partly offsetting are a 900,000-bale increase in Brazil's projected crop, a 500,000-bale increase for Uzbekistan, and several smaller gains. A 1.2-million-bale decline this month in projected world consumption is led by a 1.0-million-bale reduction for China, due in part to lower textile exports. The consumption forecasts for Vietnam and Pakistan were also reduced, offsetting a small increase for Uzbekistan.

Global 2019/20 ending stocks are nearly 500,000 bales lower this month. At 80.3 million bales, total ending stocks are only projected about 600,000 bales higher than in 2018/19, but stocks outside of China are expected to rise 3.1 million bales from the year before.



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## WEEKLY REPORT 14-DEC-2019

Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	07-12-2019	14-12-2019	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	38,800	38,800	0	0.00%
V-797	13 % Trash		31,850	32,000	150	0.47%
MCX Spot Rate			18,600	18,720	120	0.64%
USD-INR Exchange			71.19	70.81	-0.38	-0.54%

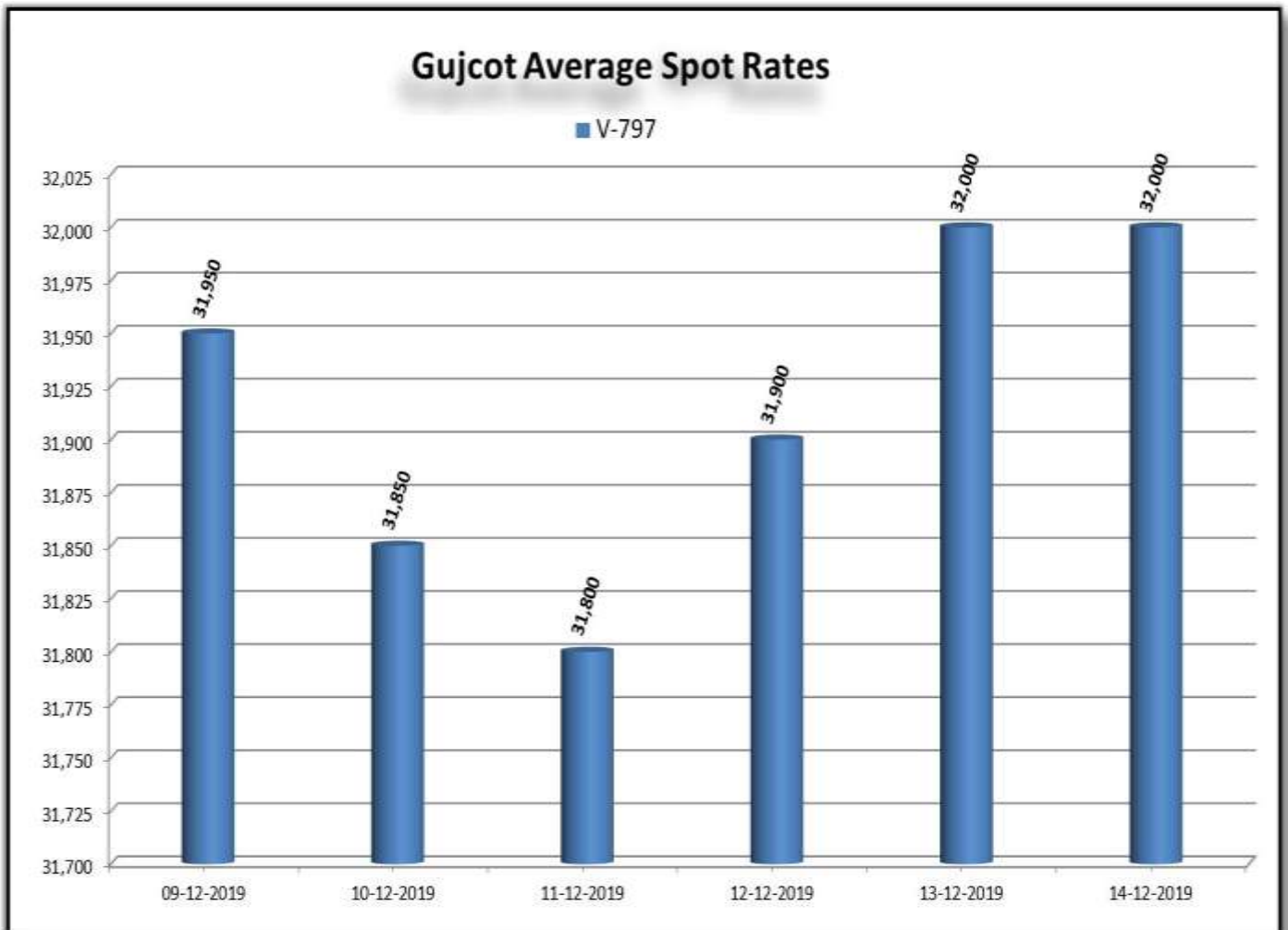
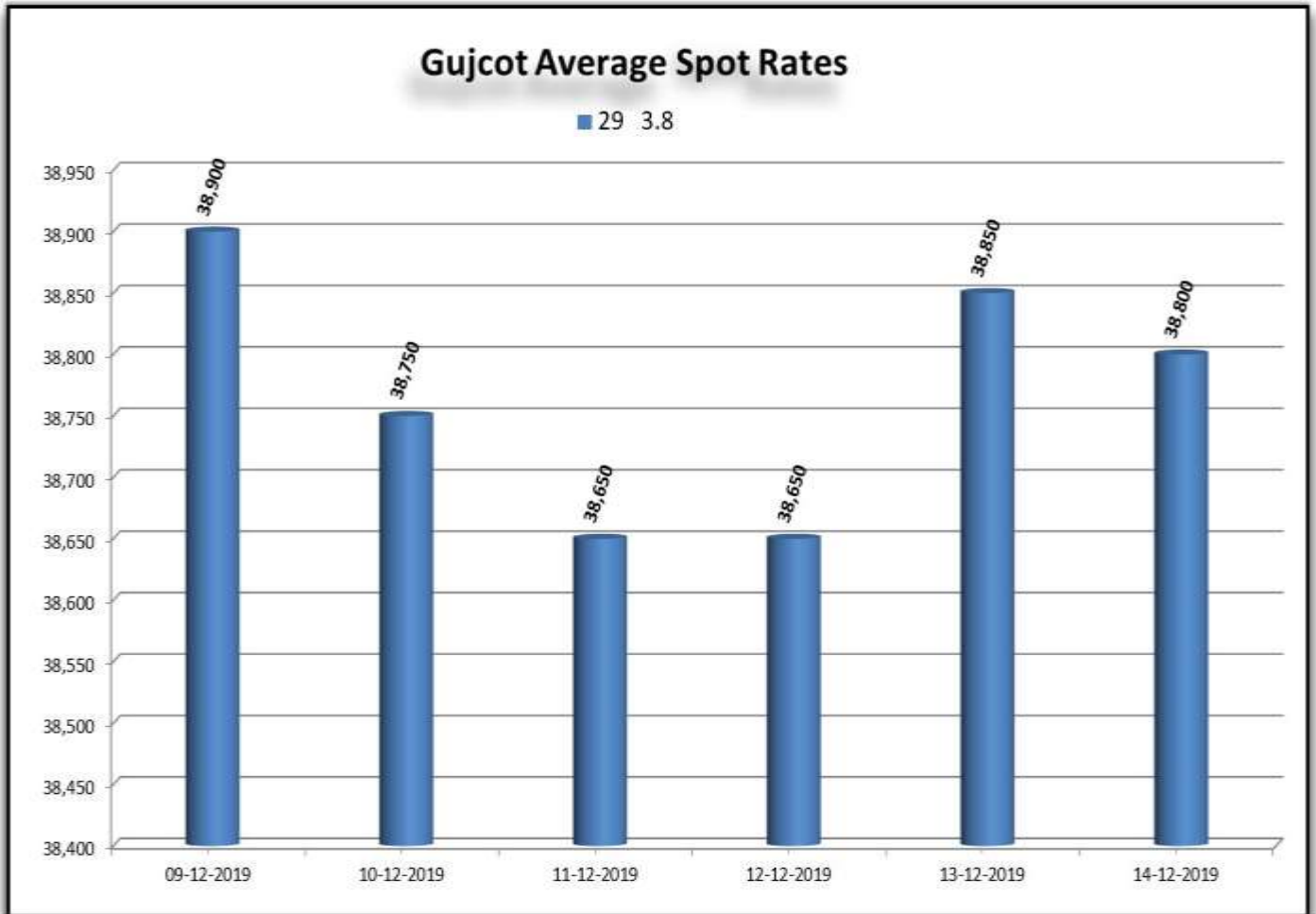
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	38,650	38,900	38,767
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		31,800	32,000	31,917
MCX Spot Rate			18,660	18,810	18,728
USD Exchange Rate			70.81	71.04	70.87

Rate of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
09-12-2019	38,900	31,950	18,780	71.04
10-12-2019	38,750	31,850	18,810	70.92
11-12-2019	38,650	31,800	18,660	70.83
12-12-2019	38,650	31,900	18,680	70.83
13-12-2019	38,850	32,000	18,720	70.81
14-12-2019	38,800	32,000	18,720	70.81



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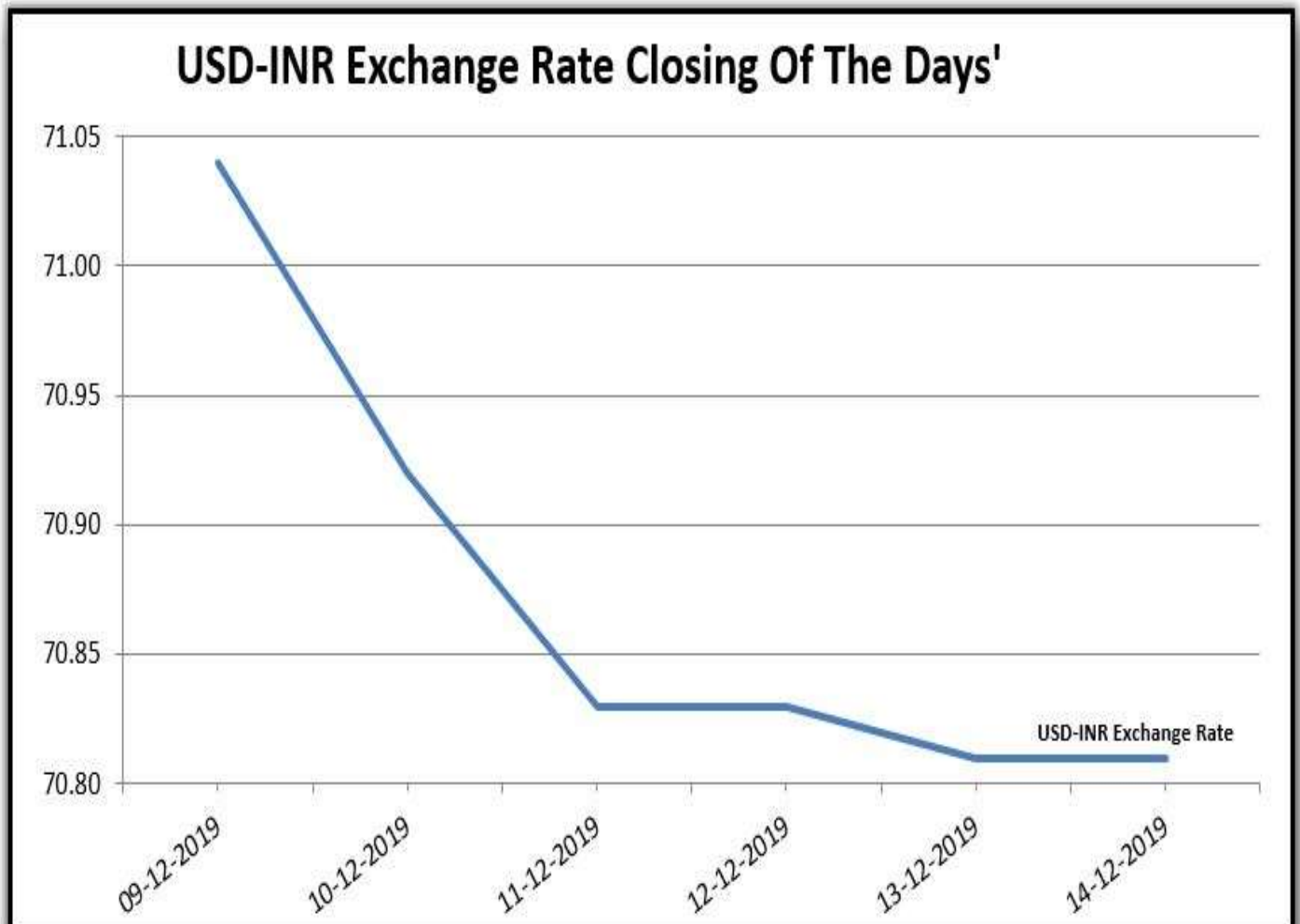
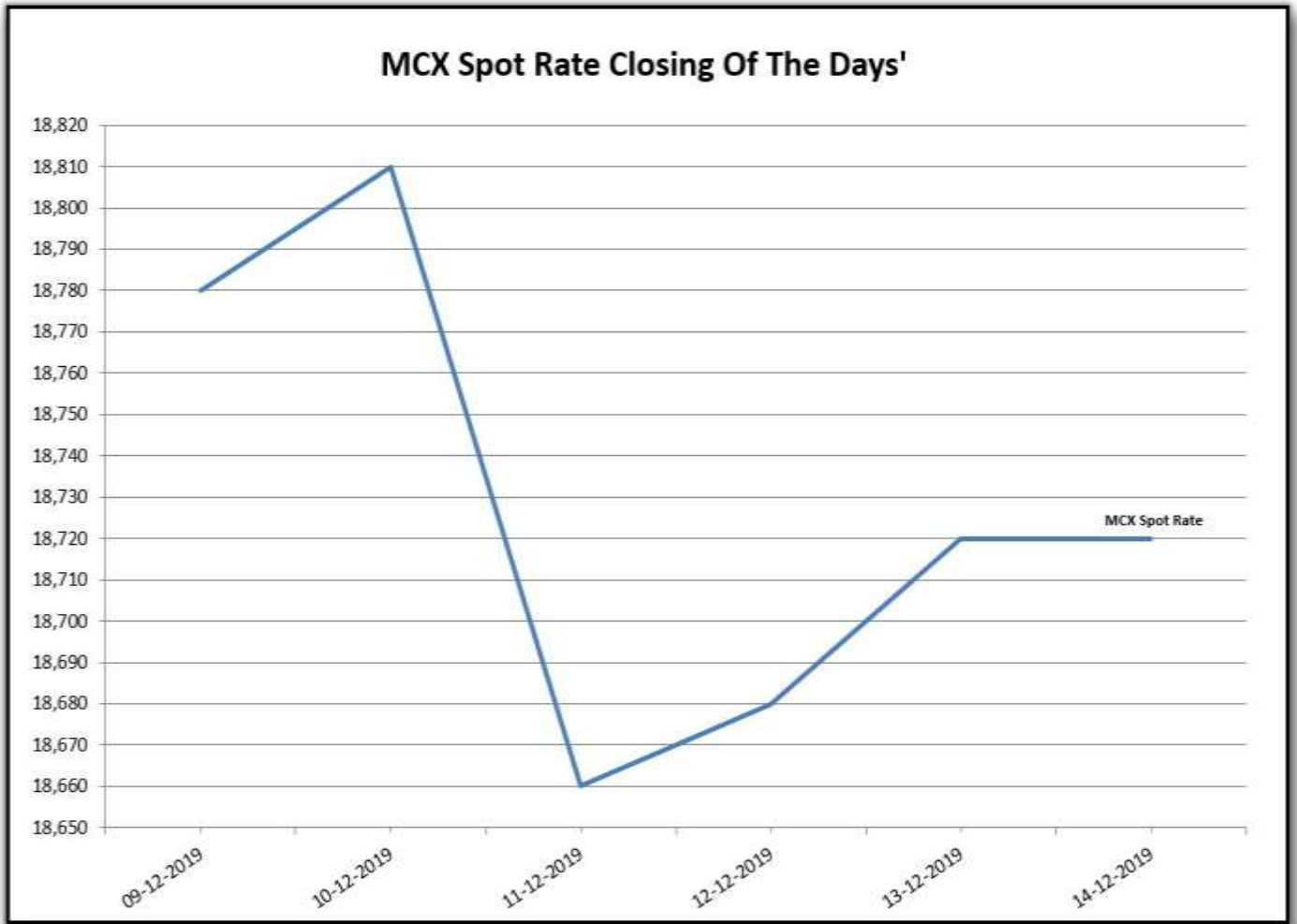
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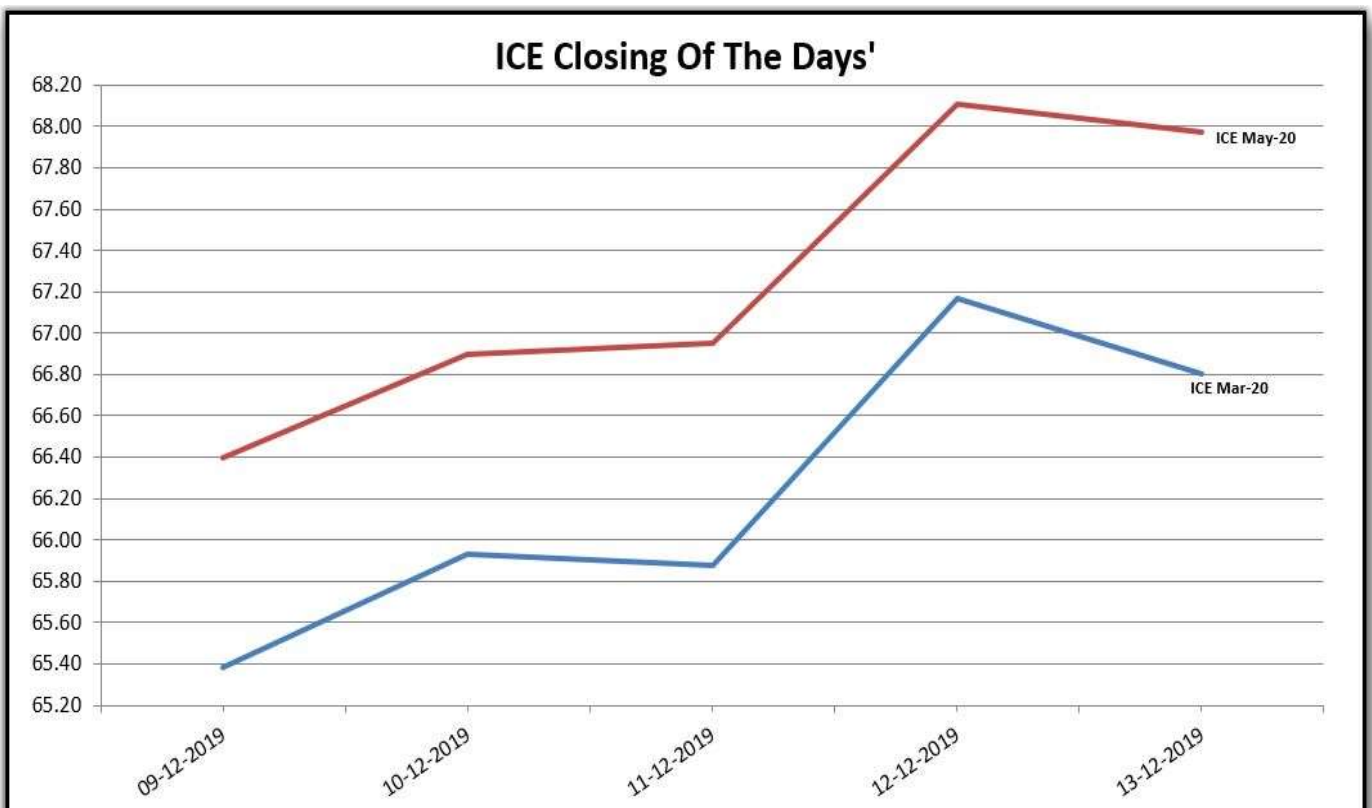
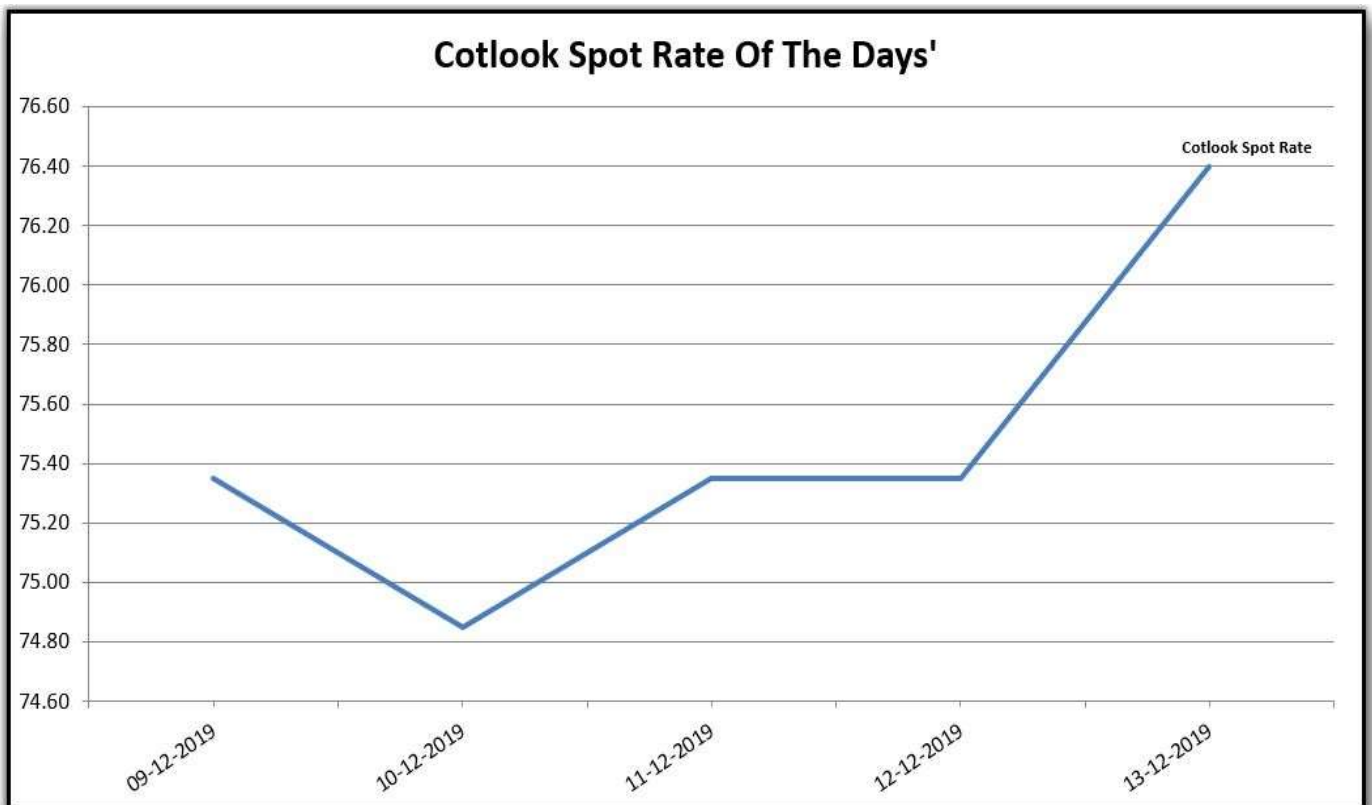




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-20	May-20
09-12-2019	75.35	65.38	66.40
10-12-2019	74.85	65.93	66.90
11-12-2019	75.35	65.88	66.95
12-12-2019	75.35	67.17	68.11
13-12-2019	76.40	66.80	67.97



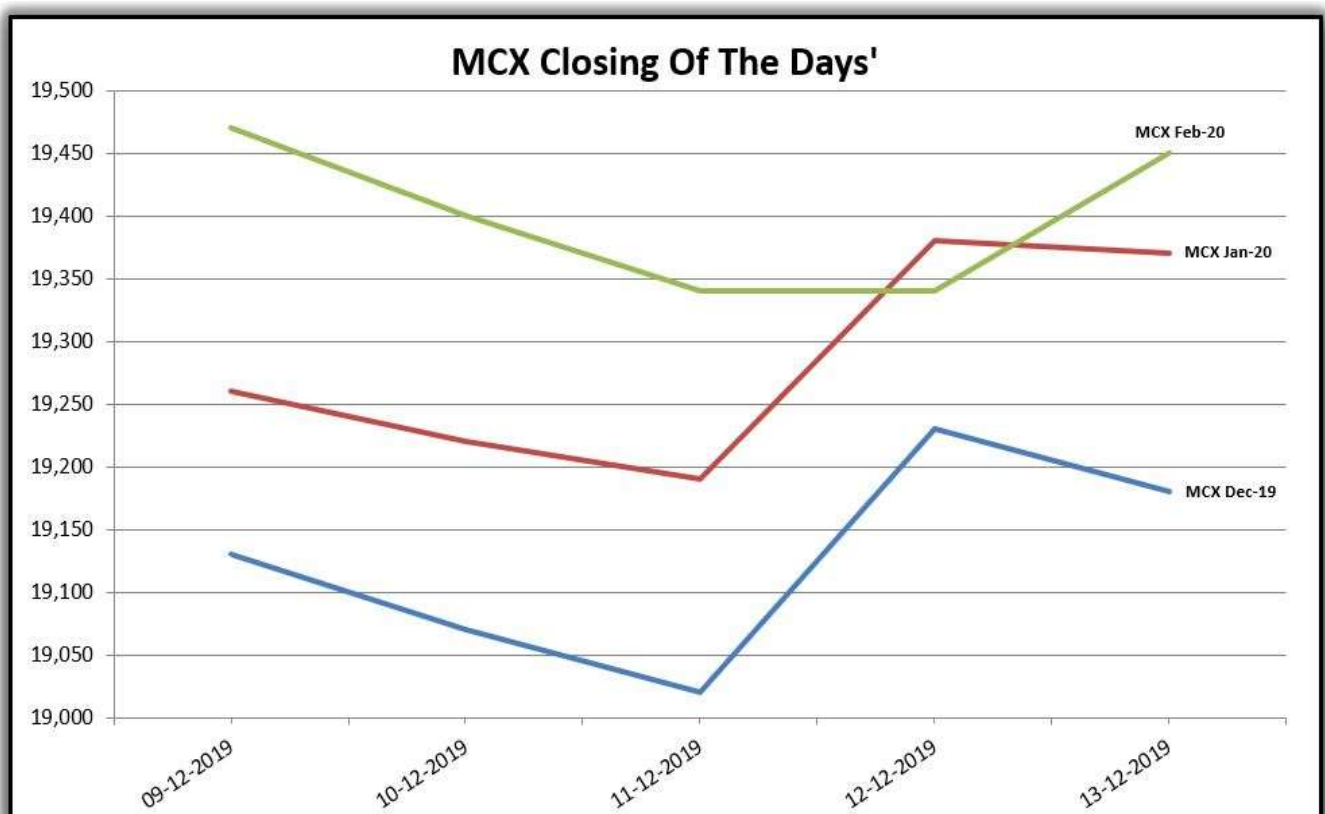
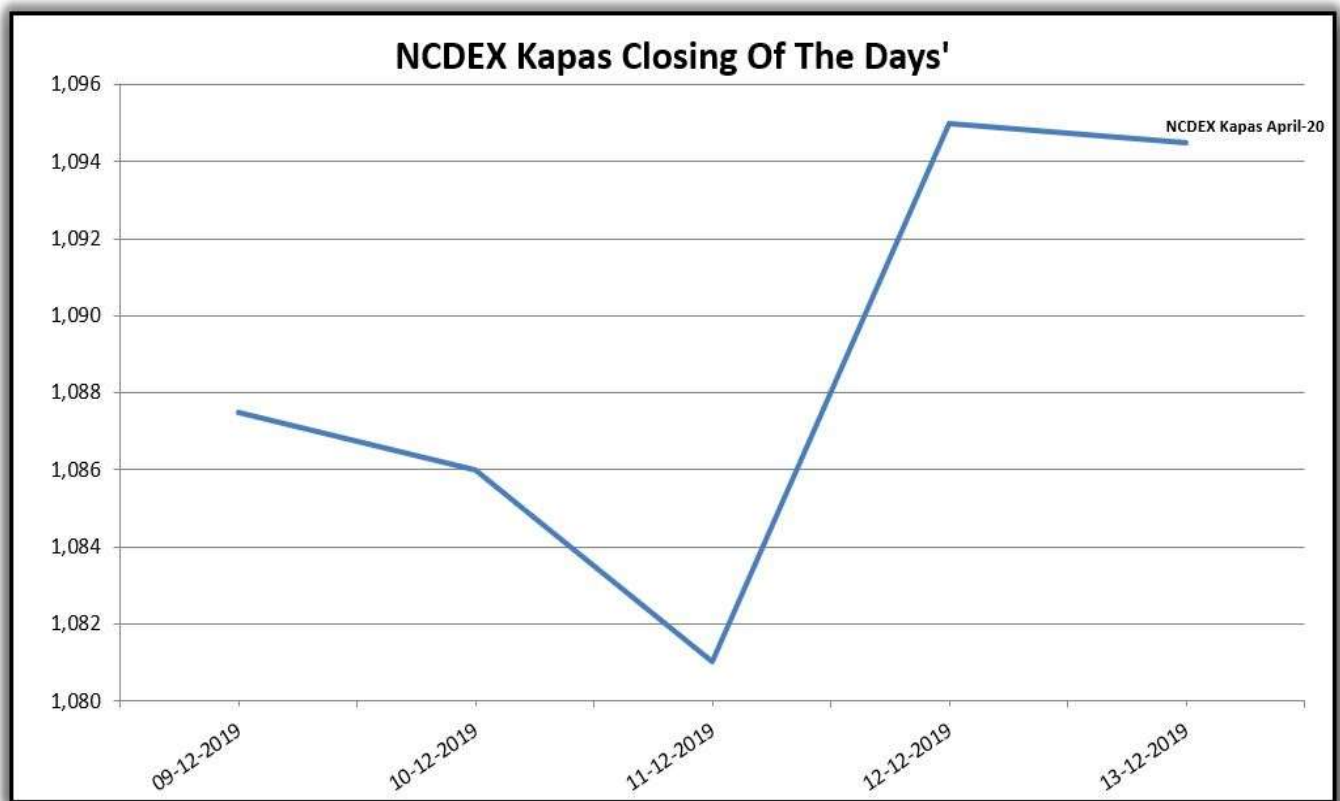


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Indian Indices				
Date	NCDEX Kapas	MCX		
	April-20	DEC-19	JAN-20	FEB-20
09-12-2019	1087.50	19,130	19,260	19,470
10-12-2019	1086.00	19,070	19,220	19,400
11-12-2019	1081.00	19,020	19,190	19,340
12-12-2019	1095.00	19,230	19,380	19,340
13-12-2019	1094.50	19,180	19,370	19,450





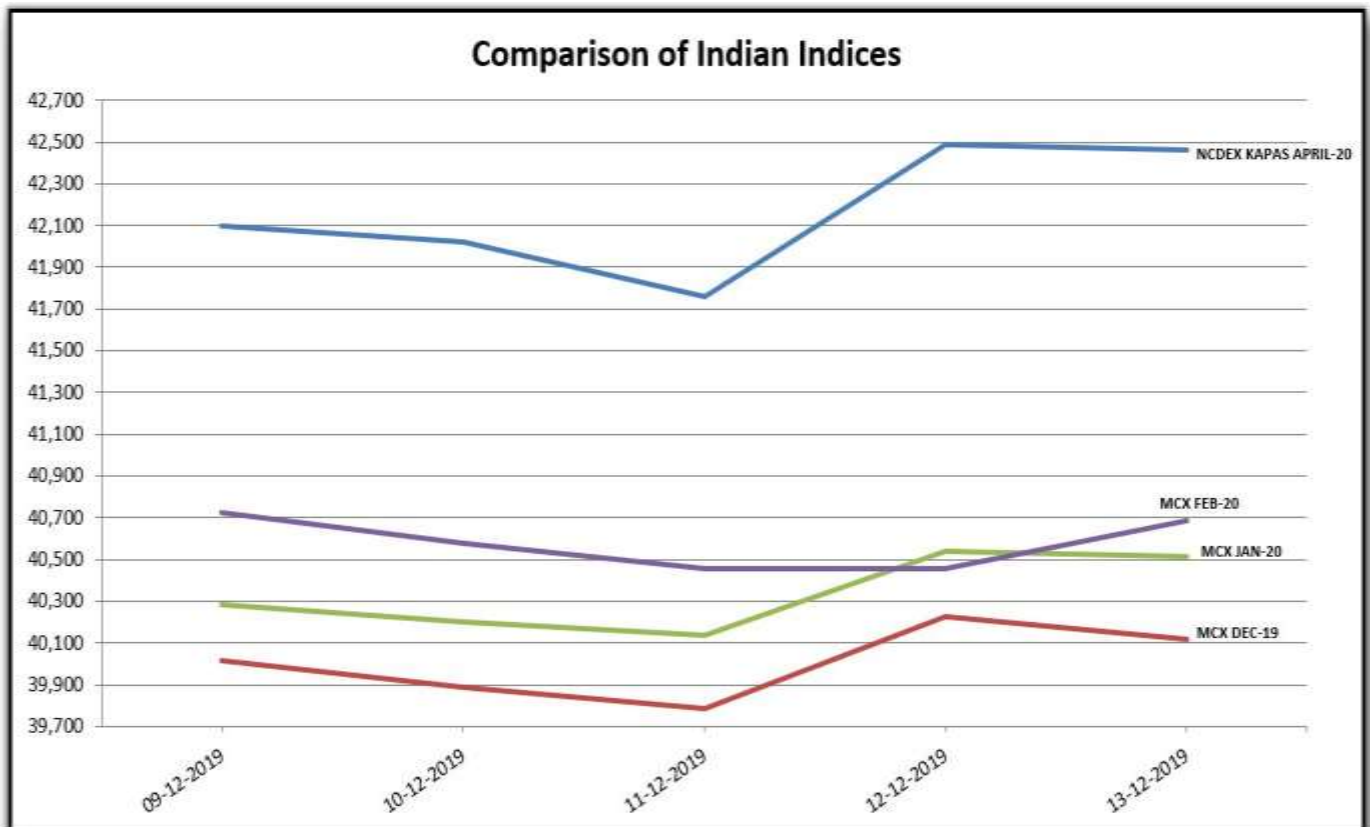


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Dec-19	Jan-20	Feb-20
09-12-2019	42,097	40,014	40,286	40,725
10-12-2019	42,018	39,889	40,202	40,579
11-12-2019	41,757	39,784	40,140	40,453
12-12-2019	42,489	40,223	40,537	40,453
13-12-2019	42,463	40,119	40,516	40,684

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

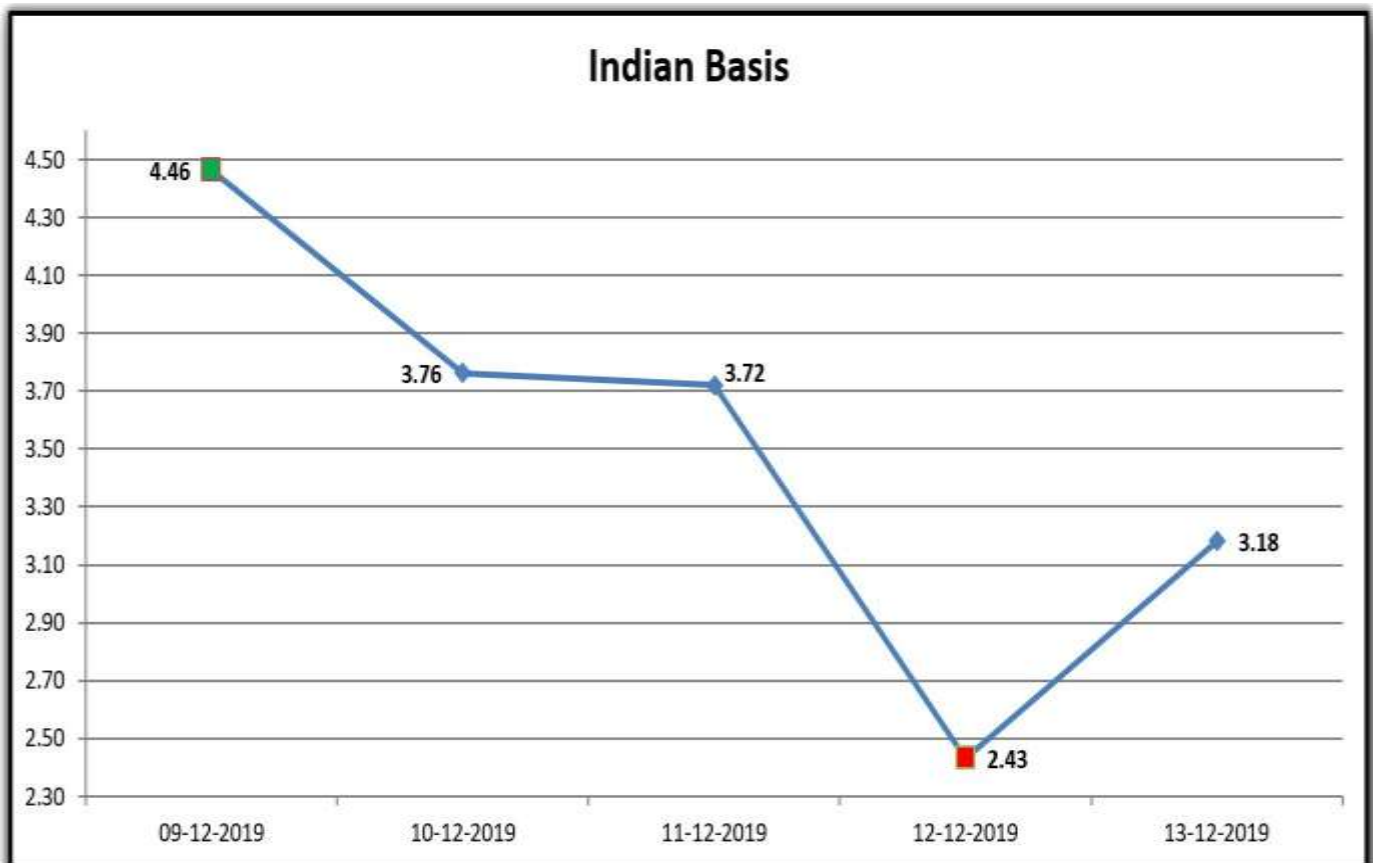




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
09-12-2019	38,900	71.04	69.84	65.38	4.46
10-12-2019	38,750	70.92	69.69	65.93	3.76
11-12-2019	38,650	70.83	69.60	65.88	3.72
12-12-2019	38,650	70.83	69.60	67.17	2.43
13-12-2019	38,850	70.81	69.98	66.80	3.18





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## IN THE WEEK AHEAD

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

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