



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 15-FEB-2020

Market Movement from 10th Feb 2020 to 15th Feb 2020

- Despite the fear of spread of coronavirus epidemic, this week started with strong sentiment in cotton market but news of death of 242 people in Central China's Hubei province turned the sentiment to negative side and market gave up all the gain of first three days and finally NY Future closed on Friday with 34 points weekly loss.
- In February WASDE Report USDA has increased the world production by 8 lakh bales and has reduced world consumption by 12 lakh bales which resulted in increasing of ending stock by 25 lakh bales.
- Chinese consumption is reduced significantly by 10 lakh Bales and ending stock of world less China is increased by 40 lakh bales. So, WASDE Report looks somewhat bearish.
- U.S. Export Cumulative Sales reached 1,36,37,880 bales till 06th February.
- Indian physical cotton market was stable to weak. CCI buying supported the market. But demand side is weak due to coronavirus effect.
- Exporters and Merchants are very slow in buying. declining cotton seed prices due to sluggish demand is the main reason for ginners disparity. Ginners are running very slow due to current market situation.
- As Indian arrivals now reduced to less than 2 lakh bales a day. Out of that 40% kapas is procured by CCI. All India daily arrivals remained between 1,70,000 to 1,80,000 bales.
- Daily arrivals in Gujarat was between 40,000 to 45,000 bales.
- Gujcot Spot Rate remained between 39,150 to 39,350 Rs/Candy.
- Indian basis remained between 1.61 to 2.66.
- Indian Rupee remained stable between 71.28 to 71.36 during this week.



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Global

US Weekly Export Sales

- Net UPLAND sales of 3,50,900 RB for 2019-2020--a marketing-year high--were up 6 percent from the previous week and 15 percent from the prior 4-week average. Increases primarily for Vietnam (1,52,000 MT, including 2,600 RB switched from South Korea), Turkey (74,000 RB), Pakistan (49,300 RB), Bangladesh (44,200 RB), and Indonesia (20,500 RB, including 1,200 RB switched from Japan), were offset by reductions primarily for China (48,400 RB).
- For 2020-2021, net UPLAND sales of 57,300 RB were for Bangladesh (26,200 RB), Pakistan (18,500 RB), Malaysia (6,600 RB), Indonesia (5,300 RB), and Ecuador (700 RB).
- UPLAND Exports of 4,00,500 RB were down 4 percent from the previous week, but up 20 percent from the prior 4-week average. Exports were primarily to Pakistan (93,400 RB), Vietnam (81,500 RB), Turkey (63,100 RB), China (52,200 RB), and Bangladesh (36,200 RB).
- Net sales of PIMA totaling 10,900 RB were up 98 percent from the previous week, but down 42 percent from the prior 4-week average. Increases primarily for India (5,200 RB), Egypt (2,200 RB), Turkey (1,200 RB), Thailand (1,000 RB), and Italy (800 RB, including 300 RB switched from China), were offset by reductions for China (500 RB).
- PIMA Exports of 7,400 RB were up 28 percent from the previous week, but down 10 percent from the prior 4-week average. The primary destinations were India (2,100 RB), Pakistan (1,500 RB), El Salvador (900 RB), Peru (900 RB), and Bangladesh (800 RB).

US Export Sales	06-Feb-2020
Marketing Year 2019-20	
Upland Gross Sales	5,02,900
Cancellation	1,52,000
Net Upland Sales	3,50,900
PIMA Gross Sales	11,100
Cancellation	200
Net PIMA Sales	10,900
Total Gross Sales	5,14,000
Total Cancellation	1,52,200
Total Net Sales	3,61,800
Shipments	
UPLAND	4,00,500
PIMA	7,400
Total Shipment	4,07,900
Marketing Year 2020-21	
Net Upland Sales	57,300
Net PIMA Sales	0
Total Net Sales	57,300
All Figures in US Running Bale	

WASDE – FEB – 2020

The U.S. cotton estimates for 2019/20 are unchanged, except for a 1 cent-perpound reduction in the season-average upland farm price, to 62 cents, 8.3 cents lower than in 2018/19.

The 2019/20 world cotton forecasts include a 2.5-million-bale increase in ending stocks, driven by both larger production and lower consumption. A 1-million-bale decline in China's expected consumption is the largest single change this month: consumption is lower despite the positive impact of the U.S.-China trade agreement, due in part to the negative economic effects of the novel coronavirus outbreak. Consumption is also projected lower in Vietnam but higher in Pakistan and Turkey. Production in Brazil in 2018/19 is revised upward by 480,000 bales reflecting higher production in Mato Grosso. Pakistan, Brazil, and Tanzania production in 2019/20 is revised upward. Total production changes this month come to a 1.3- million-bale global increase, while total consumption changes net to a 1.2-million-bale reduction.



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Planting Intention 2020 of U.S Farmers

Prospective 2020 U.S. Cotton Area

	2019 Actual (Thou.) 1/	2020 Intended (Thou.) 2/	Percent Change
SOUTHEAST	2,965	2,690	-9.3%
Alabama	540	513	-4.9%
Florida	112	110	-2.2%
Georgia	1,400	1,233	-11.9%
North Carolina	510	467	-8.4%
South Carolina	300	268	-10.7%
Virginia	103	99	-3.6%
MID-SOUTH	2,400	2,244	-6.5%
Arkansas	620	601	-3.0%
Louisiana	280	262	-6.4%
Mississippi	710	647	-8.9%
Missouri	380	372	-2.1%
Tennessee	410	362	-11.8%
SOUTHWEST	7,865	7,598	-3.4%
Kansas	175	184	5.1%
Oklahoma	640	661	3.3%
Texas	7,050	6,753	-4.2%
WEST	278	221	-20.5%
Arizona	160	119	-25.7%
California	55	38	-30.9%
New Mexico	63	64	1.7%
TOTAL UPLAND	13,508	12,753	-5.6%
TOTAL ELS	230	224	-2.7%
Arizona	8	7	-1.8%
California	205	197	-3.9%
New Mexico	5	5	0.0%
Texas	12	14	15.5%
ALL COTTON	13,738	12,977	-5.5%

1/ USDA-NASS February Estimate

2/ National Cotton Council



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Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	08-02-2020	15-02-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	39,400	39,200	-200	-0.51%
Shankar 6	28.5 mm	3.7	38,900	38,750	-150	-0.39%
V-797	13 % Trash		31,550	30,950	-600	-1.94%
MCX Spot Rate			19,030	18,850	-180	-0.95%
USD-INR Exchange			71.40	71.36	-0.04	-0.06%

Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	39,150	39,350	39,225
Shankar 6	28.5	3.7	38,700	38,950	38,783
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		30,900	31,250	31,033
MCX Spot Rate			18,850	18,920	18,877
USD Exchange Rate			71.28	71.36	71.32

Rate of Last Week

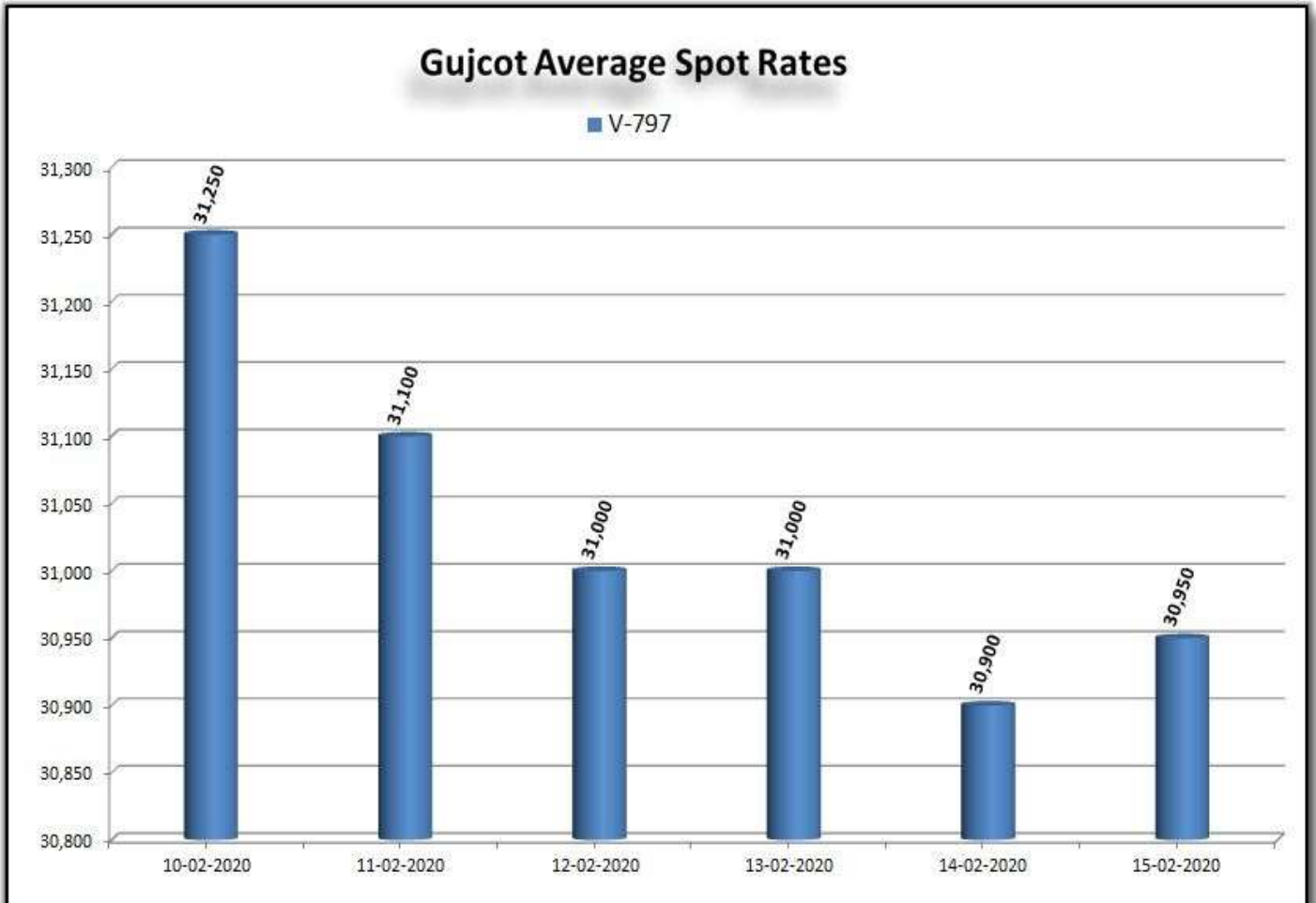
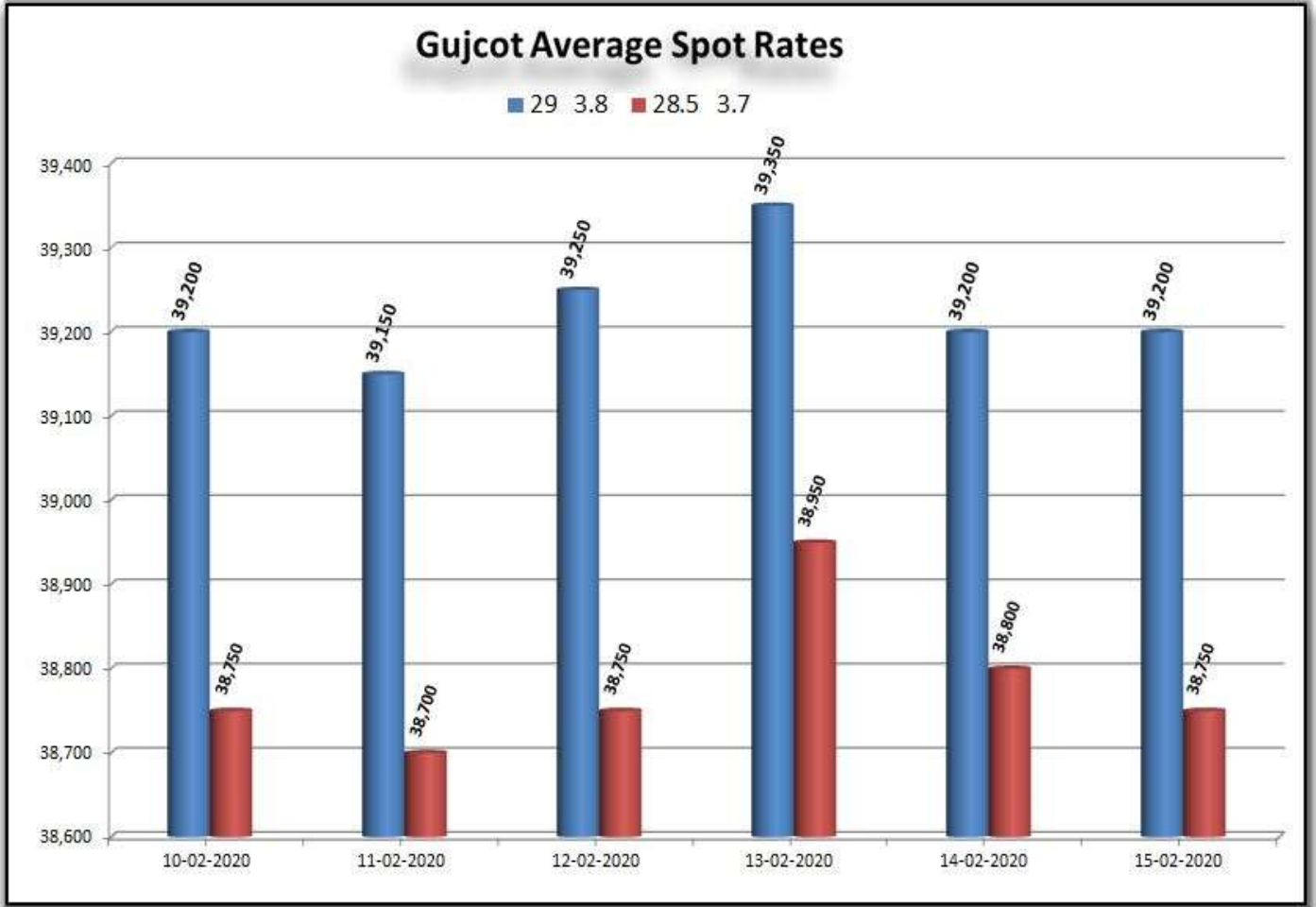
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
10-02-2020	39,200	38,750	31,250	18,920	71.28
11-02-2020	39,150	38,700	31,100	18,880	71.28
12-02-2020	39,250	38,750	31,000	18,860	71.33
13-02-2020	39,350	38,950	31,000	18,900	71.32
14-02-2020	39,200	38,800	30,900	18,850	71.36
15-02-2020	39,200	38,750	30,950	18,850	71.36



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WEEKLY REPORT

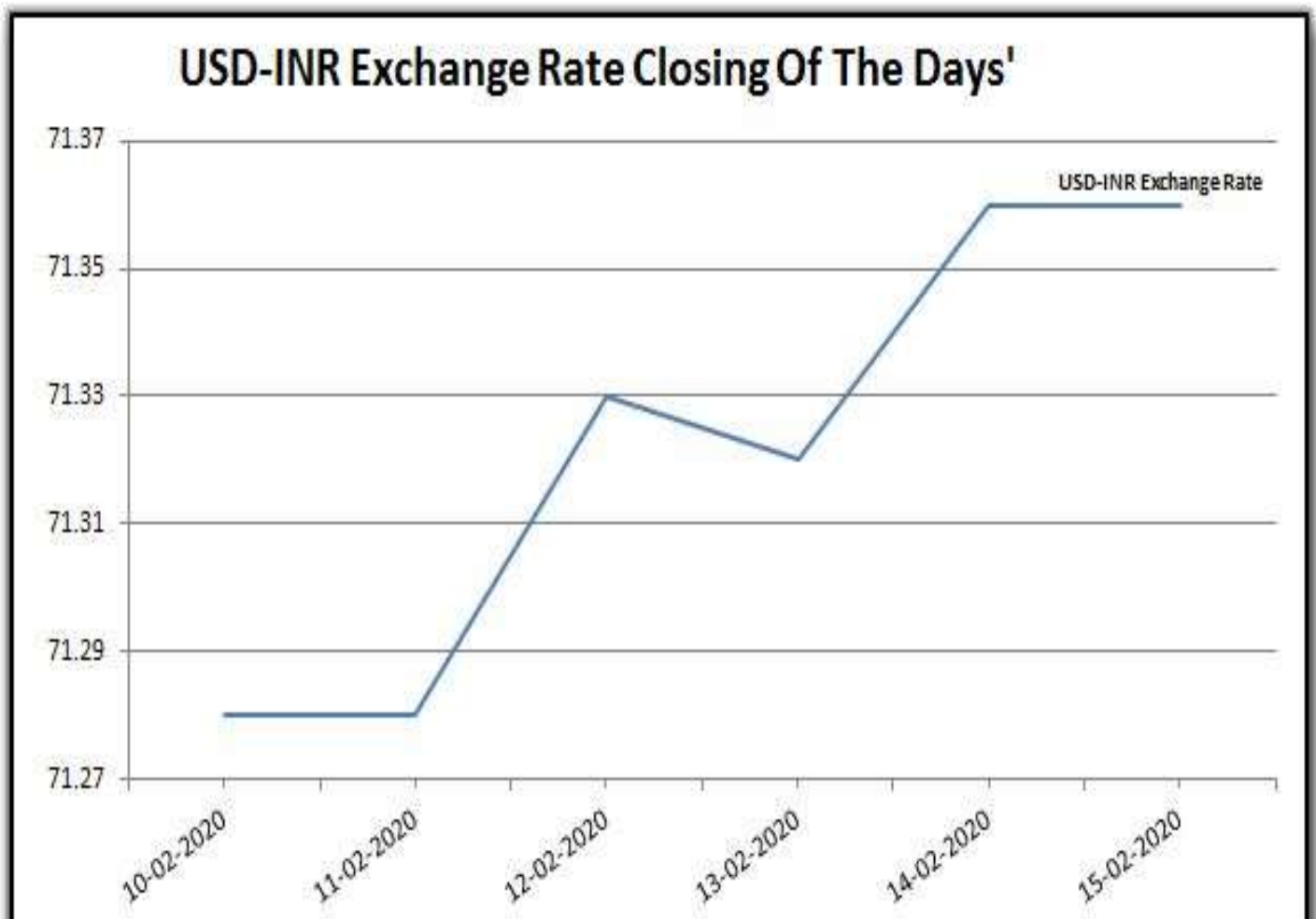
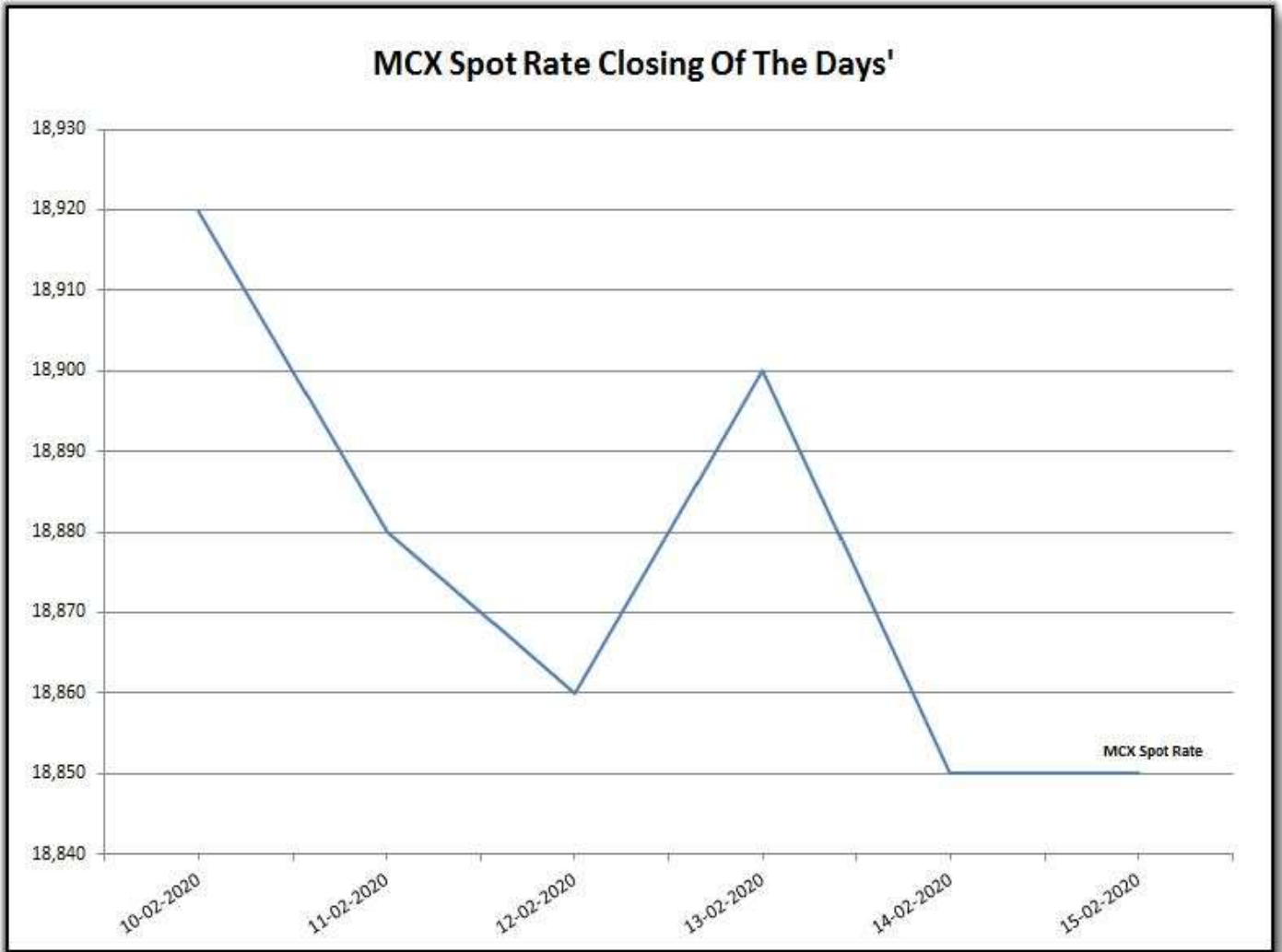
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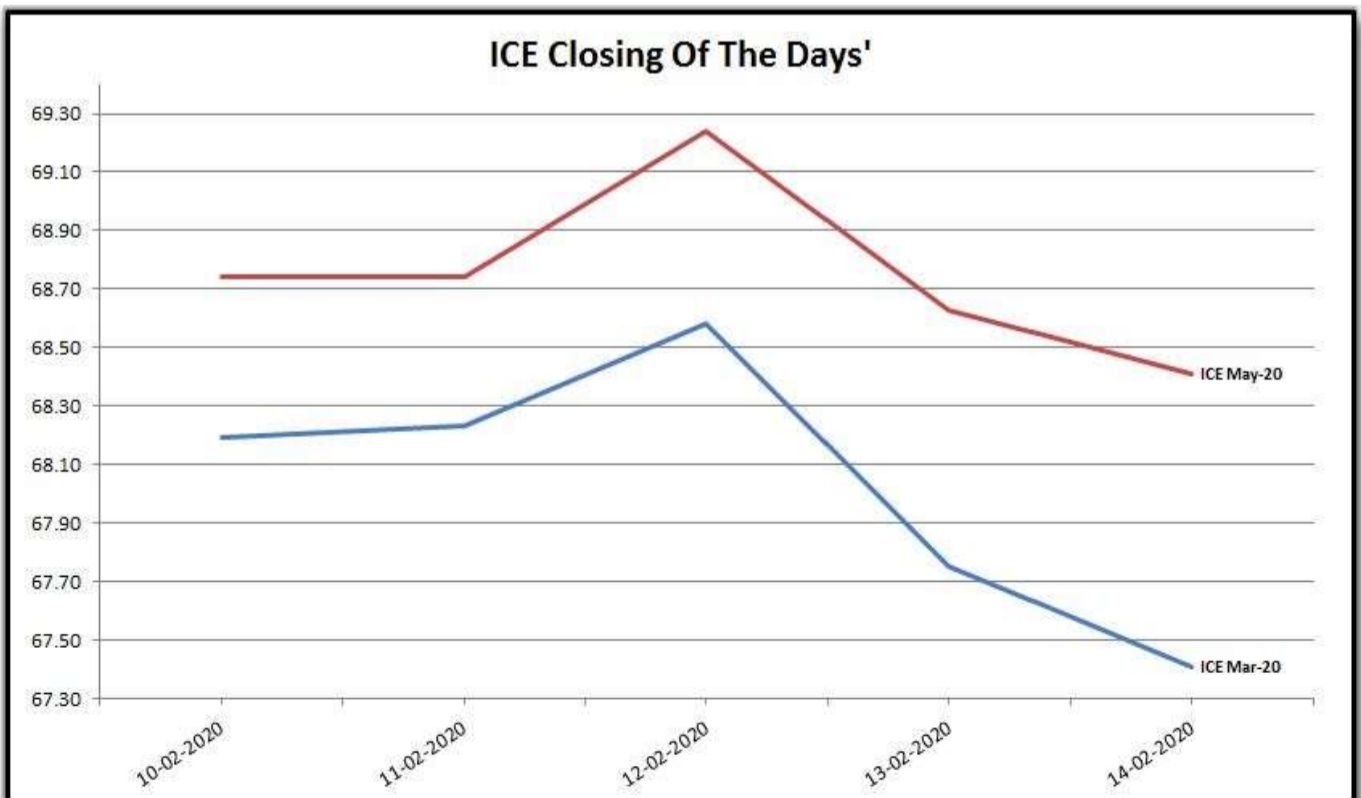
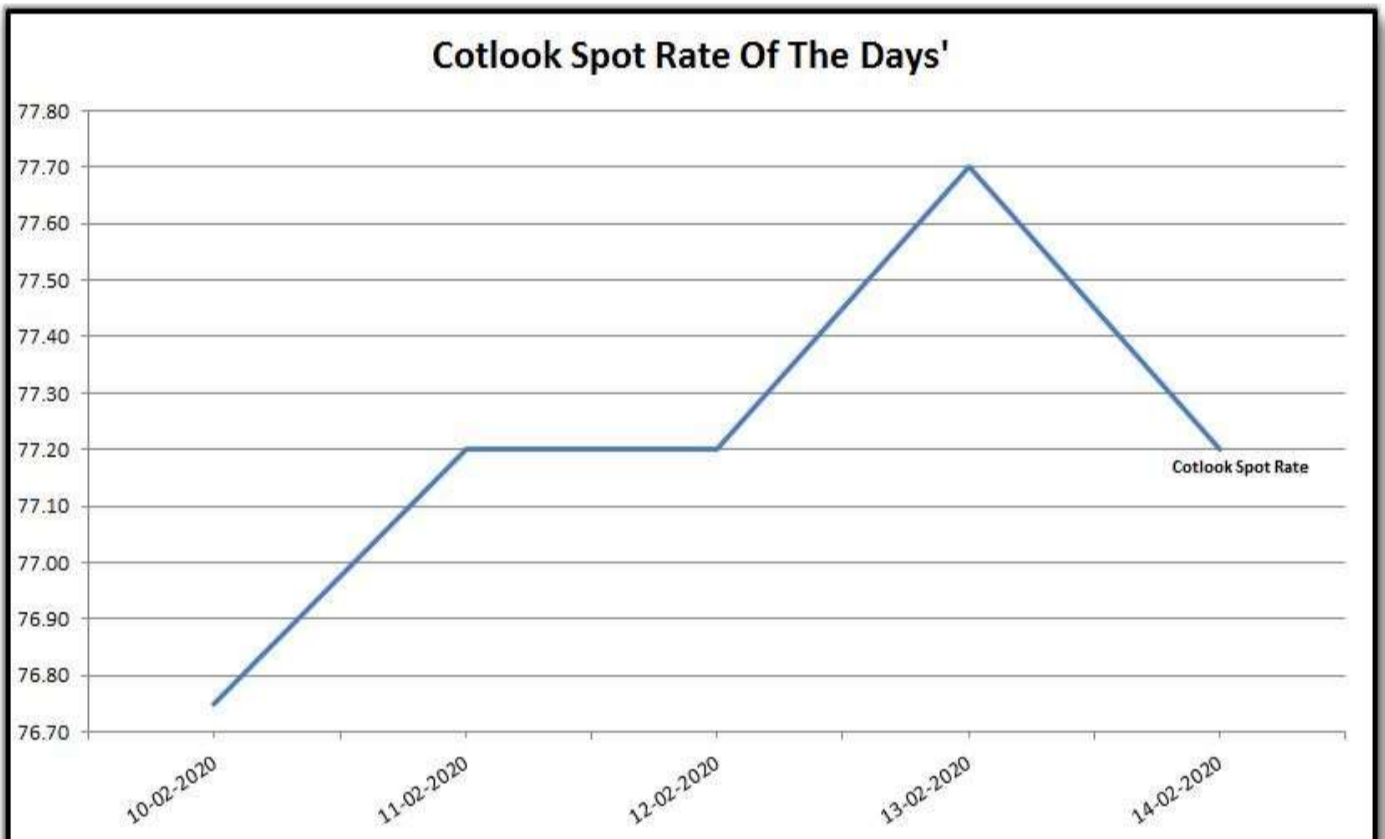




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-20	May-20
10-02-2020	76.75	68.19	68.74
11-02-2020	77.20	68.23	68.74
12-02-2020	77.20	68.58	69.24
13-02-2020	77.70	67.75	68.63
14-02-2020	77.20	67.41	68.41



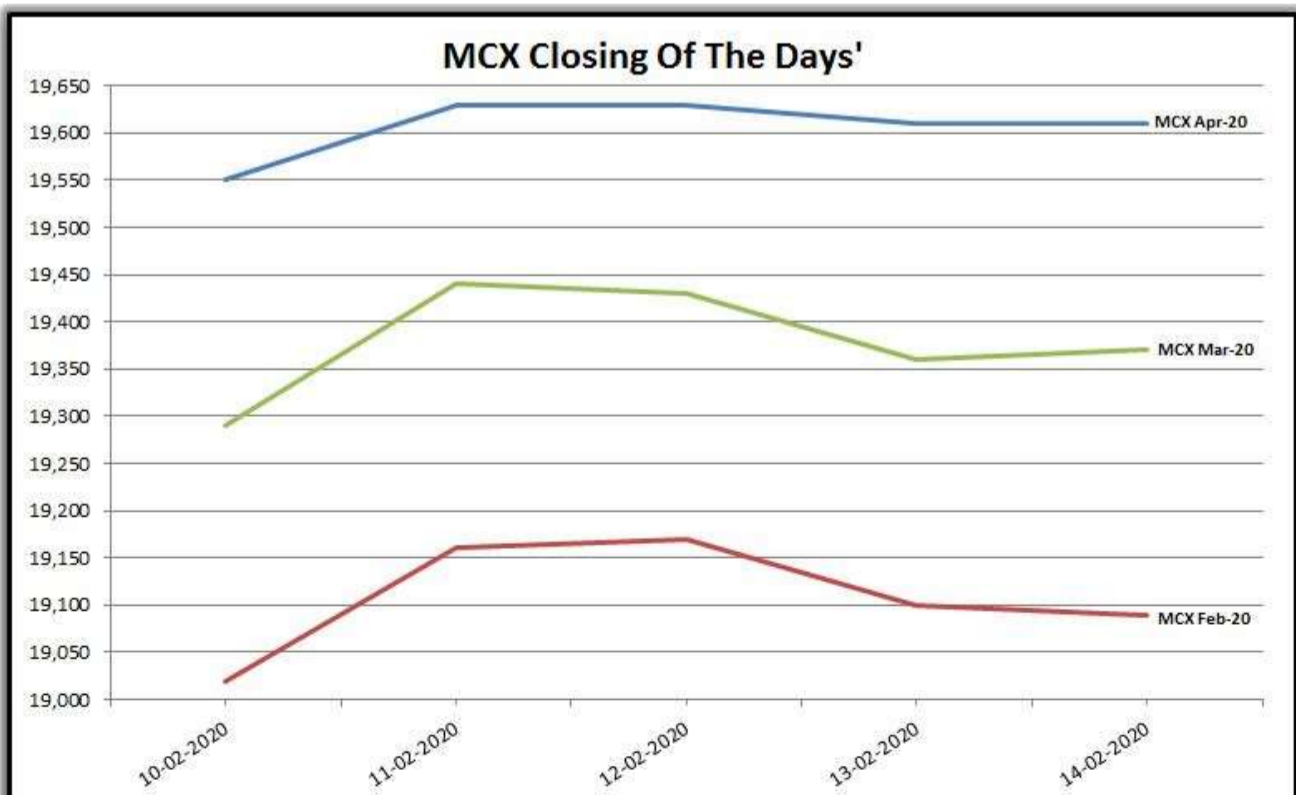
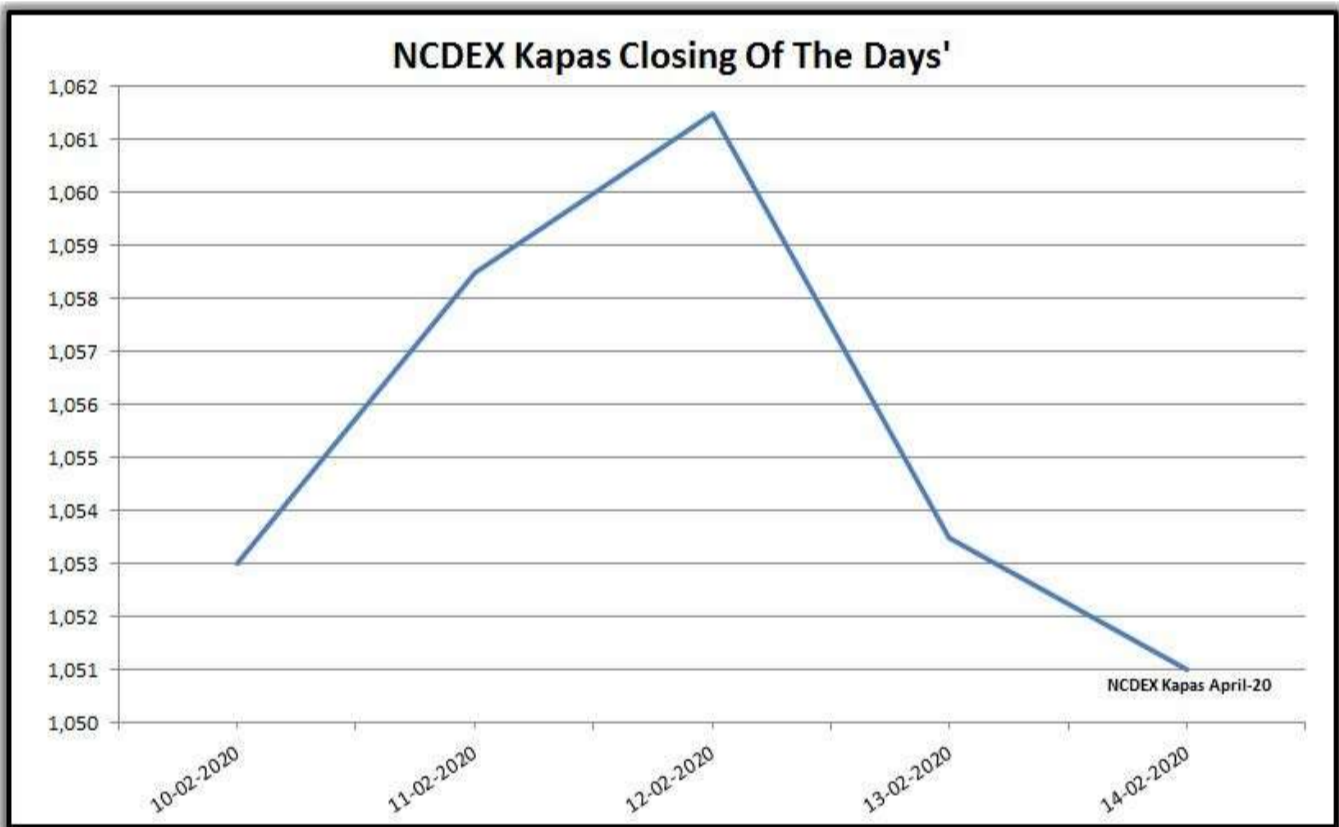


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Indian Indices

Date	NCDEX Kapas	MCX		
	30-Apr-2020	Feb-20	Mar-20	Apr-20
10-02-2020	1,053.00	19,020	19,290	19,550
11-02-2020	1,058.50	19,160	19,440	19,630
12-02-2020	1,061.50	19,170	19,430	19,630
13-02-2020	1,053.50	19,100	19,360	19,610
14-02-2020	1,051.00	19,090	19,370	19,610



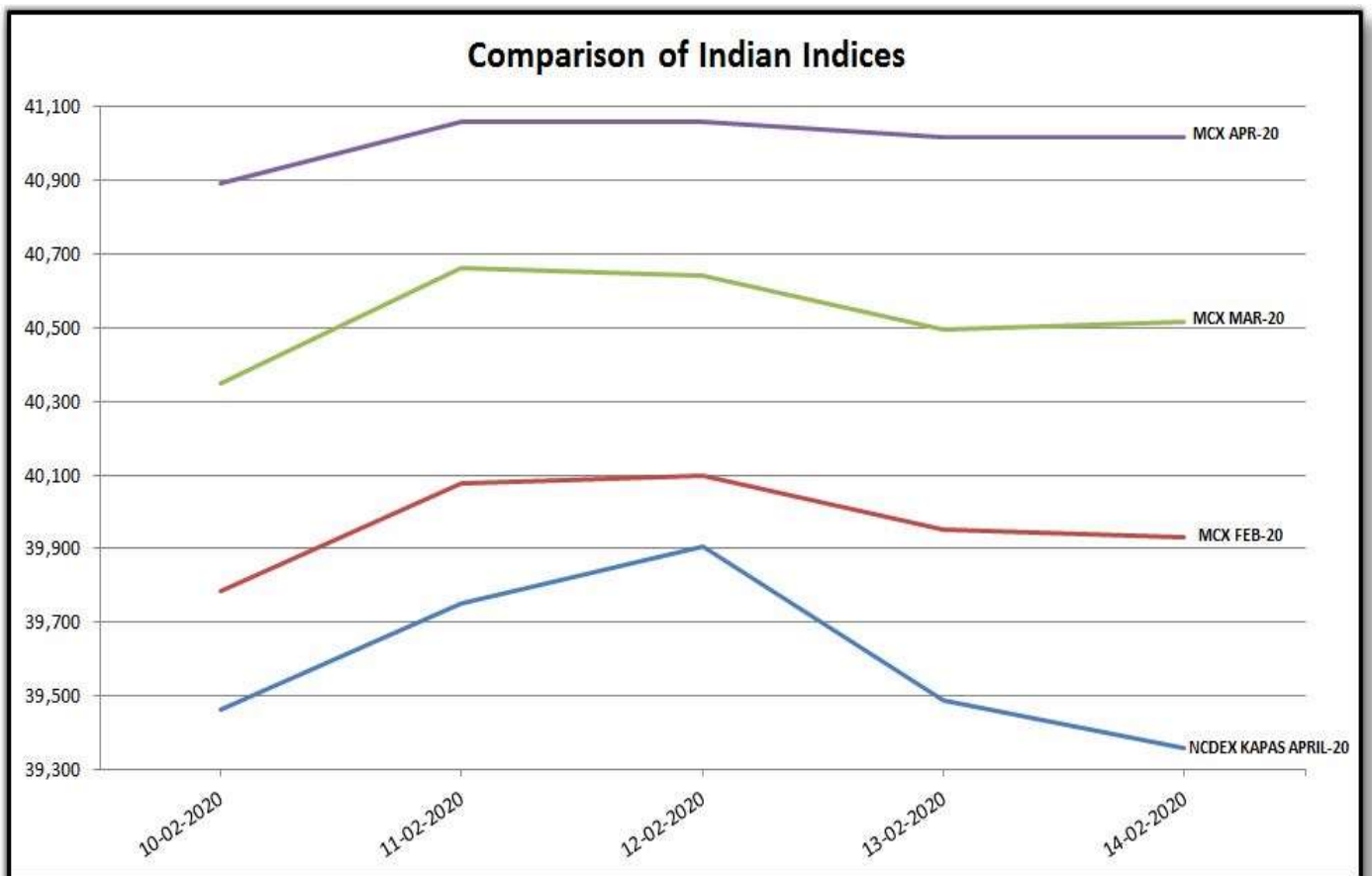


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Feb-20	Mar-20	Apr-20
10-02-2020	39,462	39,784	40,349	40,893
11-02-2020	39,750	40,077	40,663	41,060
12-02-2020	39,907	40,098	40,642	41,060
13-02-2020	39,489	39,951	40,495	41,018
14-02-2020	39,358	39,931	40,516	41,018

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

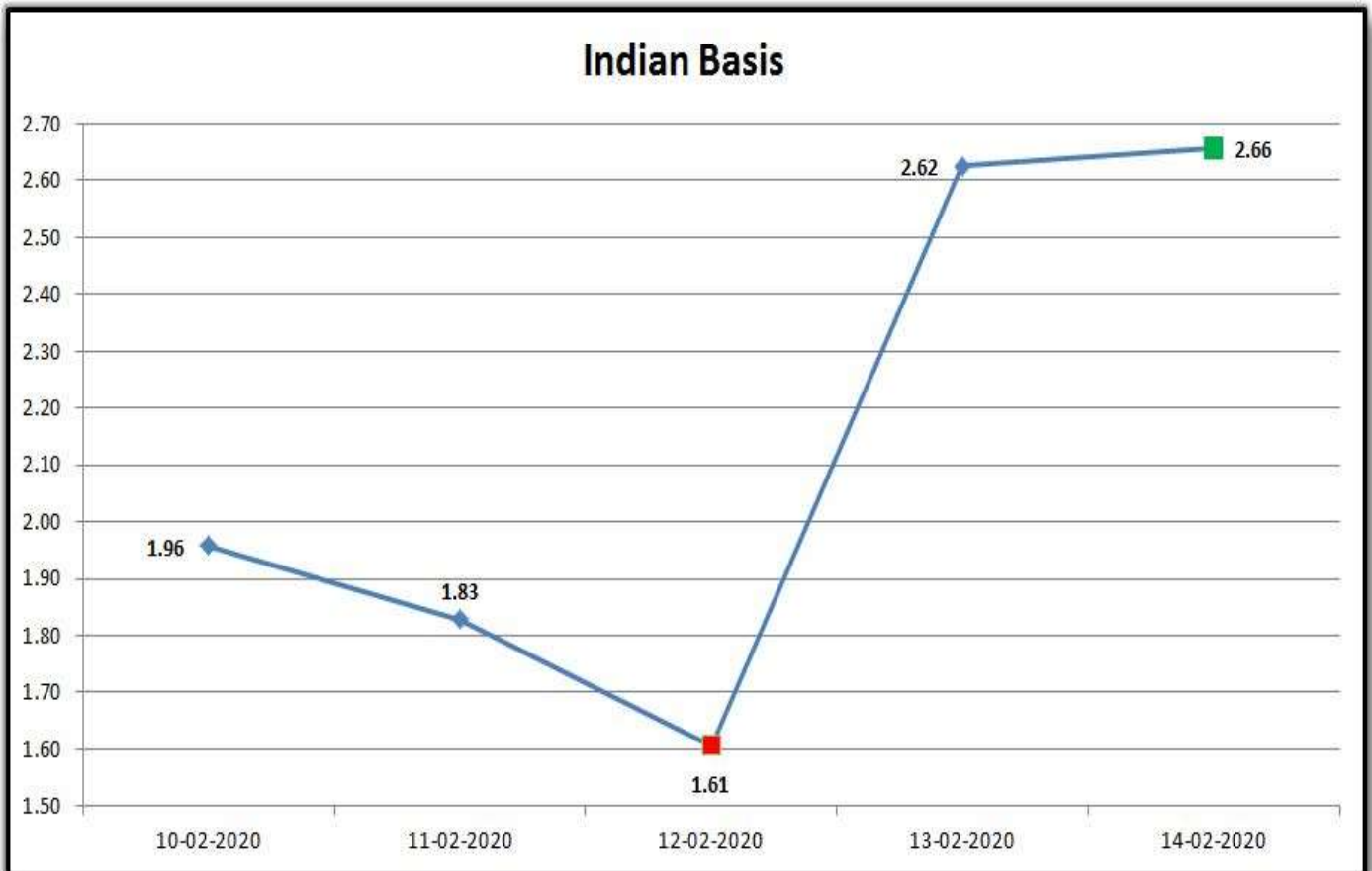




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
10-02-2020	39,200	71.28	70.15	68.19	1.96
11-02-2020	39,150	71.28	70.06	68.23	1.83
12-02-2020	39,250	71.33	70.19	68.58	1.61
13-02-2020	39,350	71.32	70.37	67.75	2.62
14-02-2020	39,200	71.36	70.07	67.41	2.66





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IN THE WEEK AHEAD

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

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