



# Gujcot Trade Association

## WEEKLY REPORT

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### Market Movement from 11<sup>th</sup> Mar 2019 to 16<sup>th</sup> Mar 2019

- This week was dominated by bulls. During this week NY future gained 201 points W/W. The week also ended with positive comments about “concrete progress” from high-level officials, which helped the market rally as we headed into the weekend. Market also has taken remark of CAI conference that India has not much surplus to export. Full week was volatile with short covering and new long entering.
- US export sales were beyond requires pace but shipment was disappointing. There was at least one very positive piece of information on the report. China was the week’s largest buyer with 49,300 bales of net new orders. China’s reappearance bodes well for sales and certainly caught traders’ attention.
- Indian physical market remains firm with lower arrivals. Farmers got double support of firm prices of cotton as well as firm prices of cotton seed. Remaining kapas is in the strong hands, so Indian physical price will not follow back to back with other origin and day by day will get consolidated. Stronger rupee is hurdle for Indian yarns and cotton export. If Indian Rupee appreciation continues Cotton Import will become viable and will resist Indian physical Cotton market to go far away.
- Gujarat 29 mm Cotton sold between 43,200 to 43,900Rs./Candy.
- All India Daily Arrivals remained between 1,00,000 to 1,20,000 bales.
- Gujarat Daily Pressing was approximately 38,000 to 42,000 bales.
- NY May futures w/w gained 2.01 cents.
- Indian Rupee remained strong between 69.88 to 69.09 during this week.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 1,66,200 RB for 2018-2019 were reported for China (49,300 RB, including decreases of 11,000 RB), Turkey (35,400 RB), Indonesia (20,800 RB), Vietnam (14,000 RB, including 2,600 RB switched from South Korea and decreases of 8,800 RB), and Bangladesh (11,000 RB).
- For 2019-2020, net UPLAND sales of 23,100 RB were primarily for China (19,000 RB) and Thailand (2,600 RB).
- UPLAND Exports of 2,87,000 RB were primarily to Vietnam (78,700 RB), Pakistan (52,700 RB), China (23,900 RB), Turkey (22,800 RB), and Mexico (21,100 RB).
- Net sales of PIMA totaling 29,300 RB for 2018-2019 were primarily for China (13,400 RB), Turkey (5,000 RB), Vietnam (4,400 RB), Peru (2,600 RB), and India (2,100 RB). For 2019-2020, total net sales of 1,600 RB were reported for India.
- PIMA Exports of 13,000 RB were primarily to India (5,700 RB), Vietnam (3,600 RB), Peru (1,700 RB), and Pakistan (1,400 RB).

US Export Sales	07-Mar-2019
<b>Marketing Year 2018-19</b>	
Upland Gross Sales	1,93,300
Cancellation	27,100
<b>Net Upland Sales</b>	<b>1,66,200</b>
PIMA Gross Sales	29,300
Cancellation	0
<b>Net PIMA Sales</b>	<b>29,300</b>
Total Gross Sales	2,22,600
Total Cancellation	27,100
<b>Total Net Sales</b>	<b>1,95,500</b>
<b>Shipments</b>	
UPLAND	2,87,000
PIMA	13,000
<b>Total Shipment</b>	<b>3,00,000</b>
<b>Marketing Year 2019-20</b>	
Net Upland Sales	23,100
Net PIMA Sales	1,600
<b>Total Net Sales</b>	<b>24,700</b>
All Figures in US Running Bale	

#### China report from Reinhart weekly report

More of the same, a sideways consolidation at the ZCE cotton futures market is ongoing. Prices have been confined within a 300pts range this week. The short-term technical outlook remains neutral. Based on the May19 contract, support is at 15'000, then at 14'650 and 14'300. Resistance is at 15'500, then 16'000, 16'520.

Despite some recent optimism about a resolution of the trade issues, physical market in China didn't follow ICE on the way up. There are still huge stocks of unsold current crop Xinjiang cotton around; the latest survey by the China Cotton Association shows commercial stocks of over 4.5 million tons by end February. Adding 798'000 tons certified stocks for ZCE, plus stock at mills and various unreported stock, total free stock available to the market (not in the Reserve) may well amount to 6 million tons or more. Surprisingly though, offering levels of Xinjiang cotton remain at rather high level reflecting a steep premium over imported cotton at 1% TRQ quota.

So, in theory, imported cotton is attractive; but in practice, business has been mostly confined to nearby lots. The main reason is the lack of quota, which forces mills to pay overly high prices for domestic cotton. Although reportedly the whole quantity of 894'000 tons TRQ quota has been issued, most mills have received only a fraction of what they got last year; apparently a large part of the quota has been given to state trading companies. There have been rumors about additional quota being issued, but no confirmation so far. More rumors have also been circulating about the Reserve resuming sales in May, but also there hasn't been any official announcement yet.



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Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	43,200	43,900	43,583
Shankar 6	28.5	3.7	42,650	43,300	42,958
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	No Quote	No Quote	No Quote
V-797	13% Trash		32,850	34,100	33,658
MCX Spot Rate			20,610	20,910	20,822
USD Exchange Rate			69.09	69.88	69.44

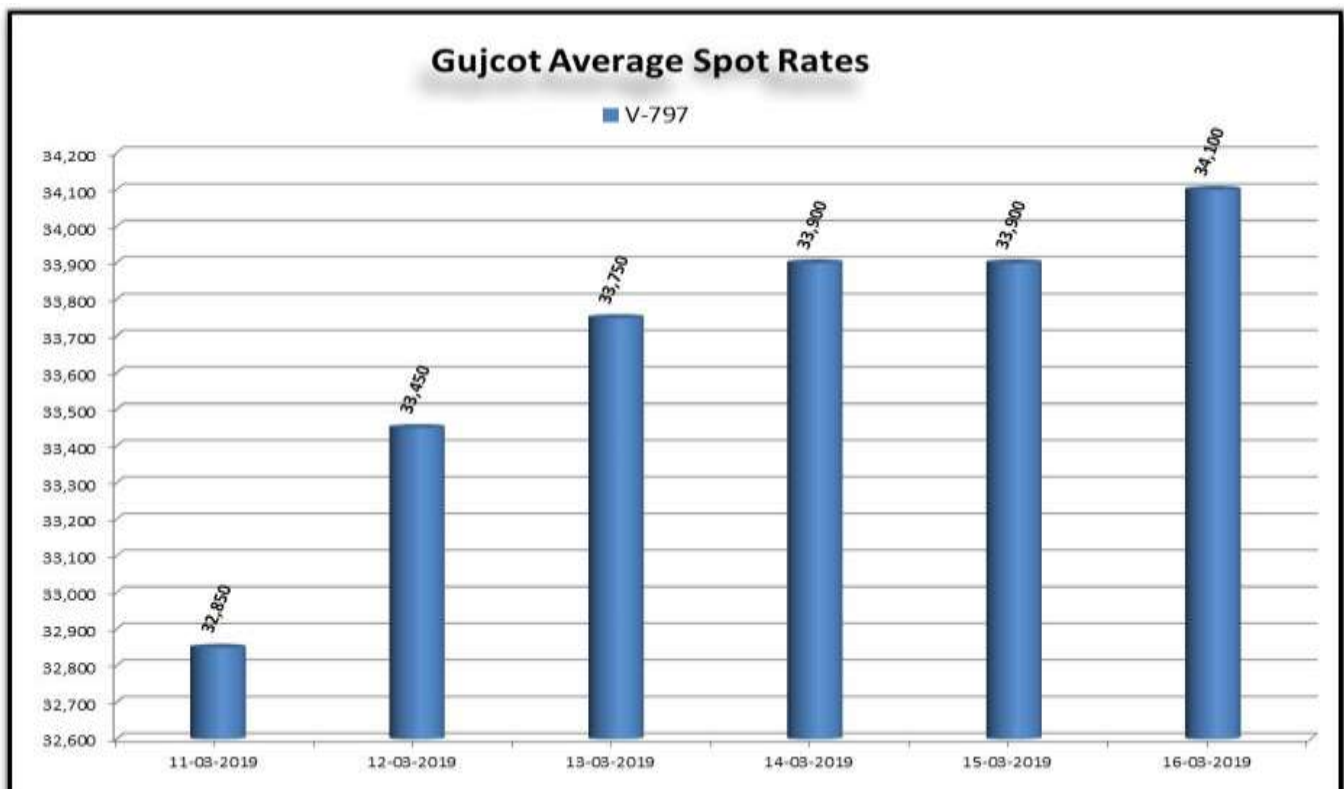
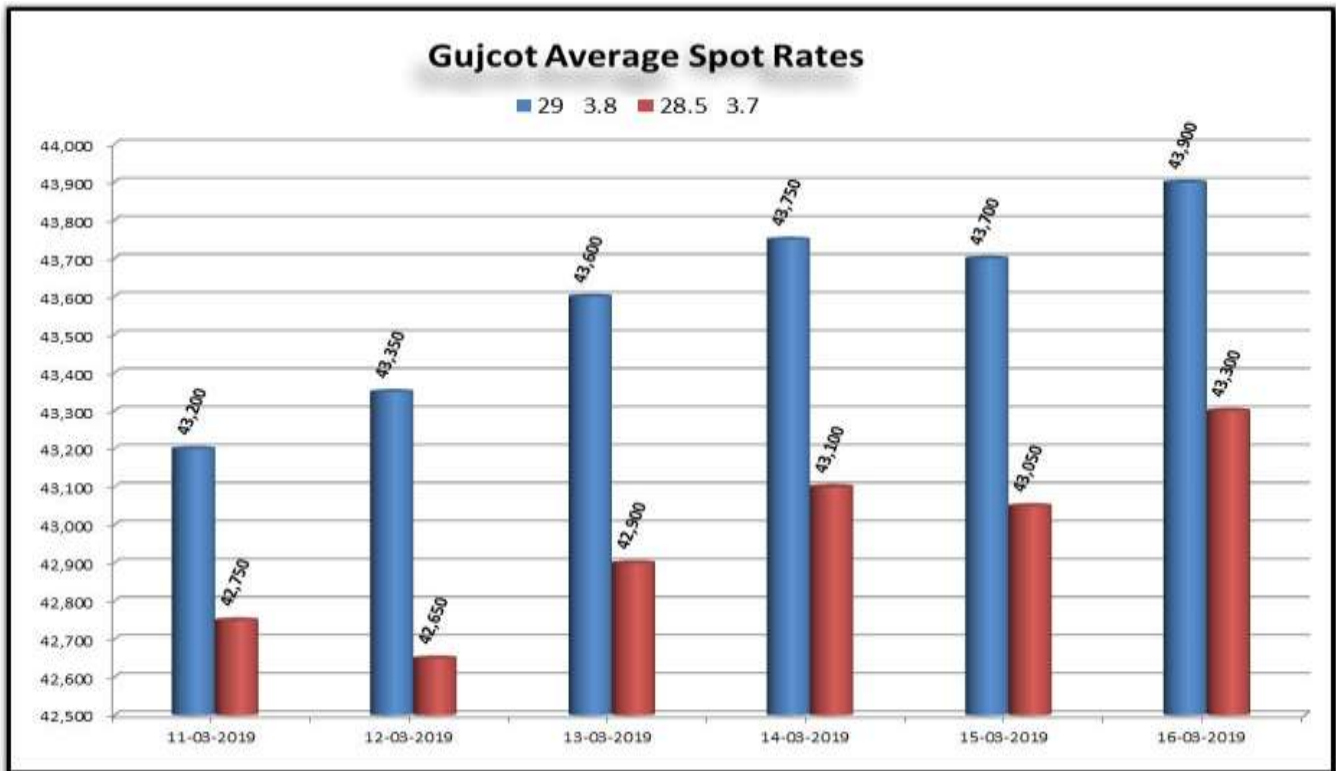
Rate of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
11-03-2019	43,200	42,750	32,850	20,610	69.88
12-03-2019	43,350	42,650	33,450	20,760	69.70
13-03-2019	43,600	42,900	33,750	20,870	69.53
14-03-2019	43,750	43,100	33,900	20,910	69.35
15-03-2019	43,700	43,050	33,900	20,890	69.09
16-03-2019	43,900	43,300	34,100	20,890	69.09



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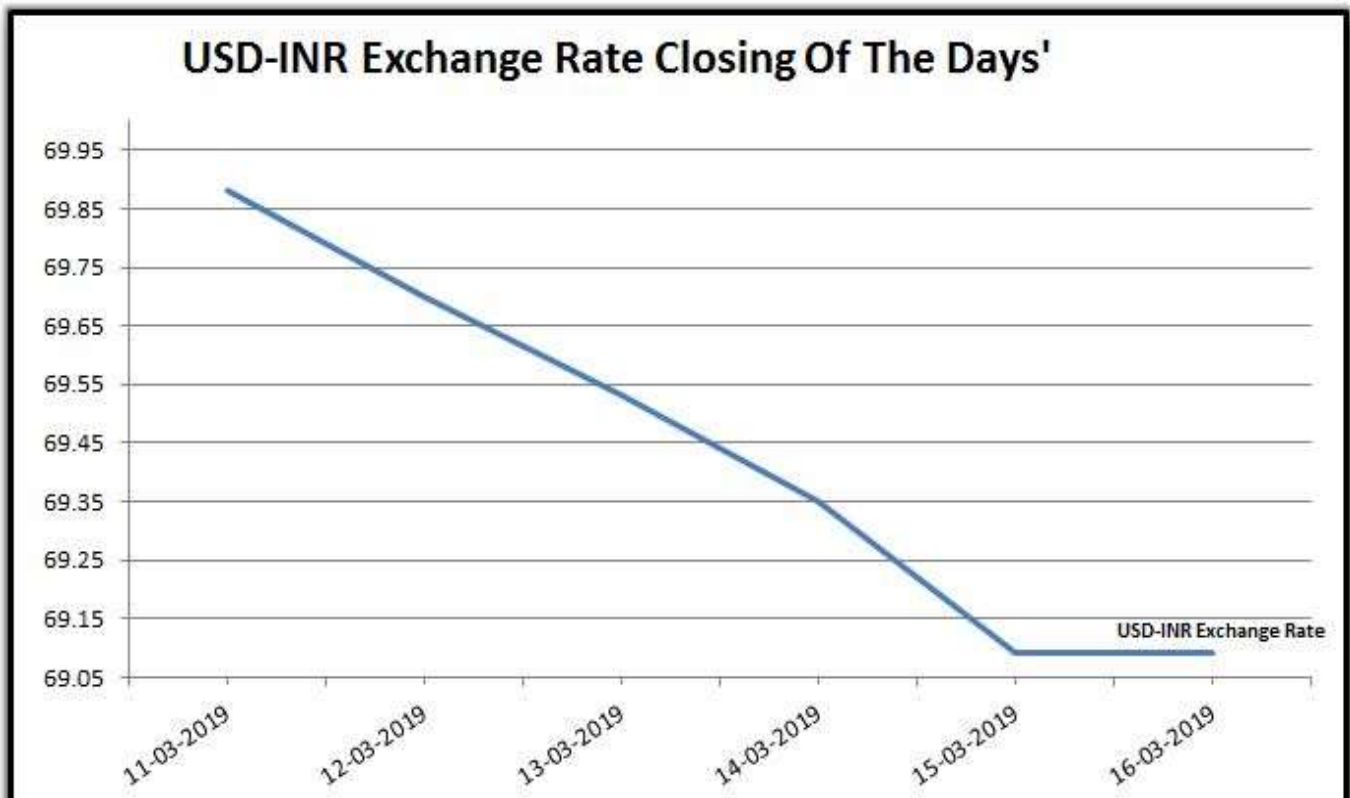
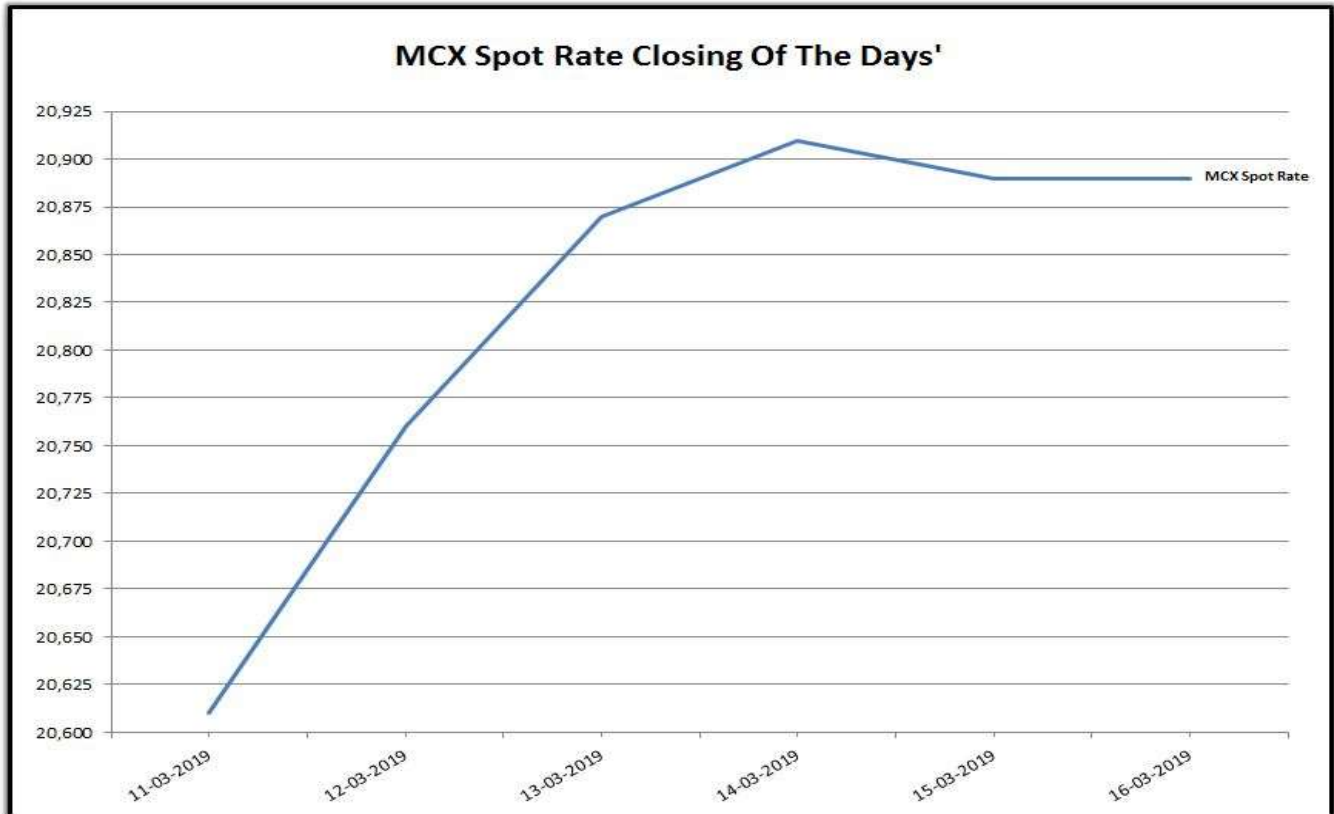
### Cotton Price Movement during the Last Week





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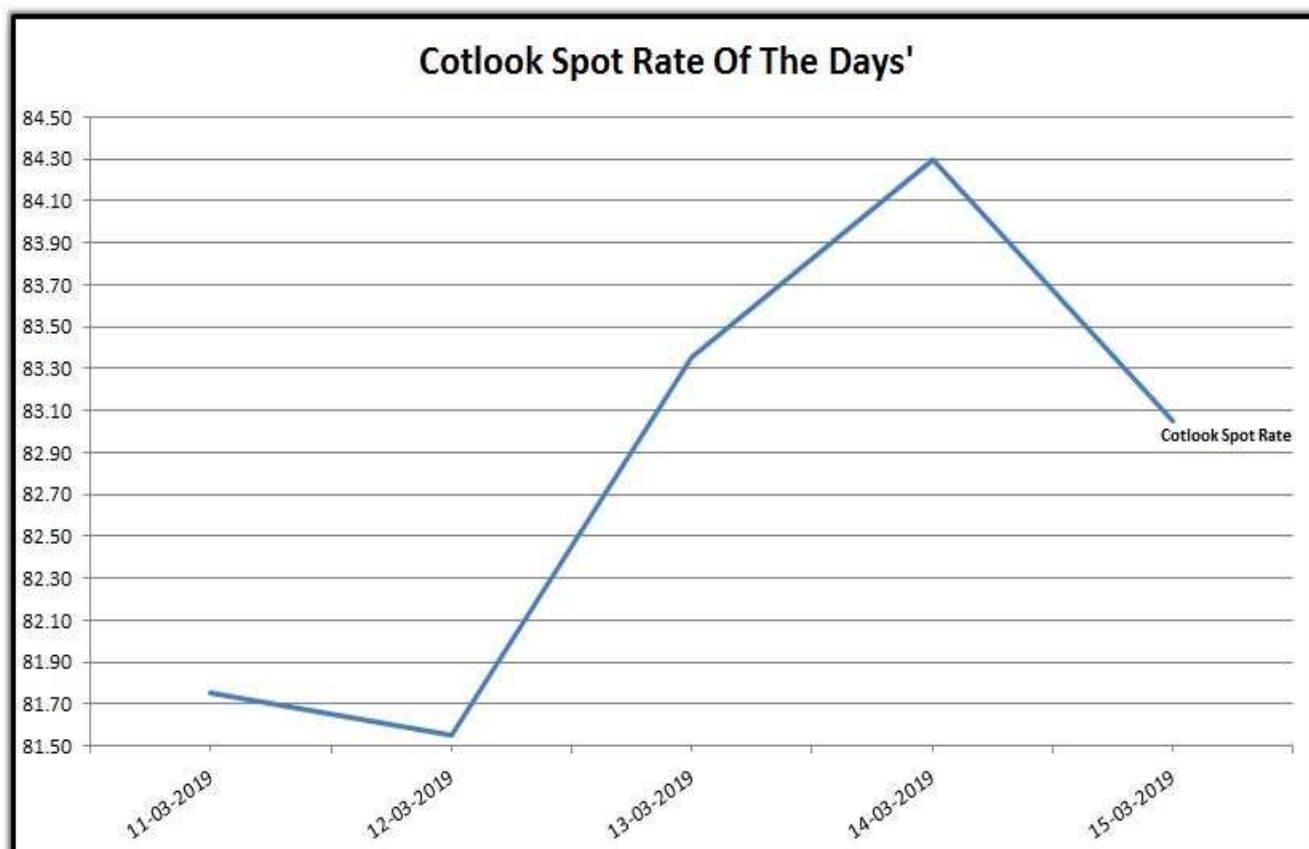




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	May-19	Jul-19
11-03-2019	81.75	73.20	74.44
12-03-2019	81.55	74.85	76.04
13-03-2019	83.35	75.72	76.81
14-03-2019	84.30	74.30	75.45
15-03-2019	83.05	75.50	76.60

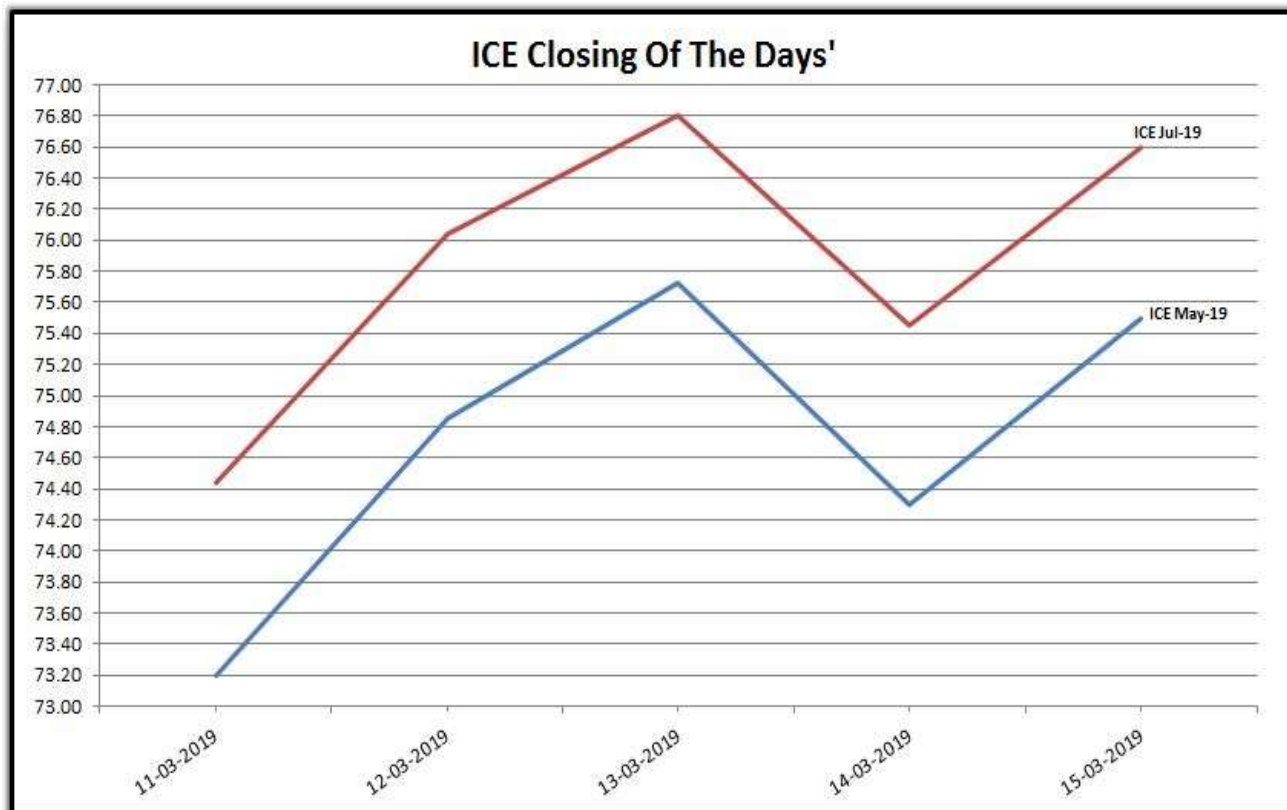






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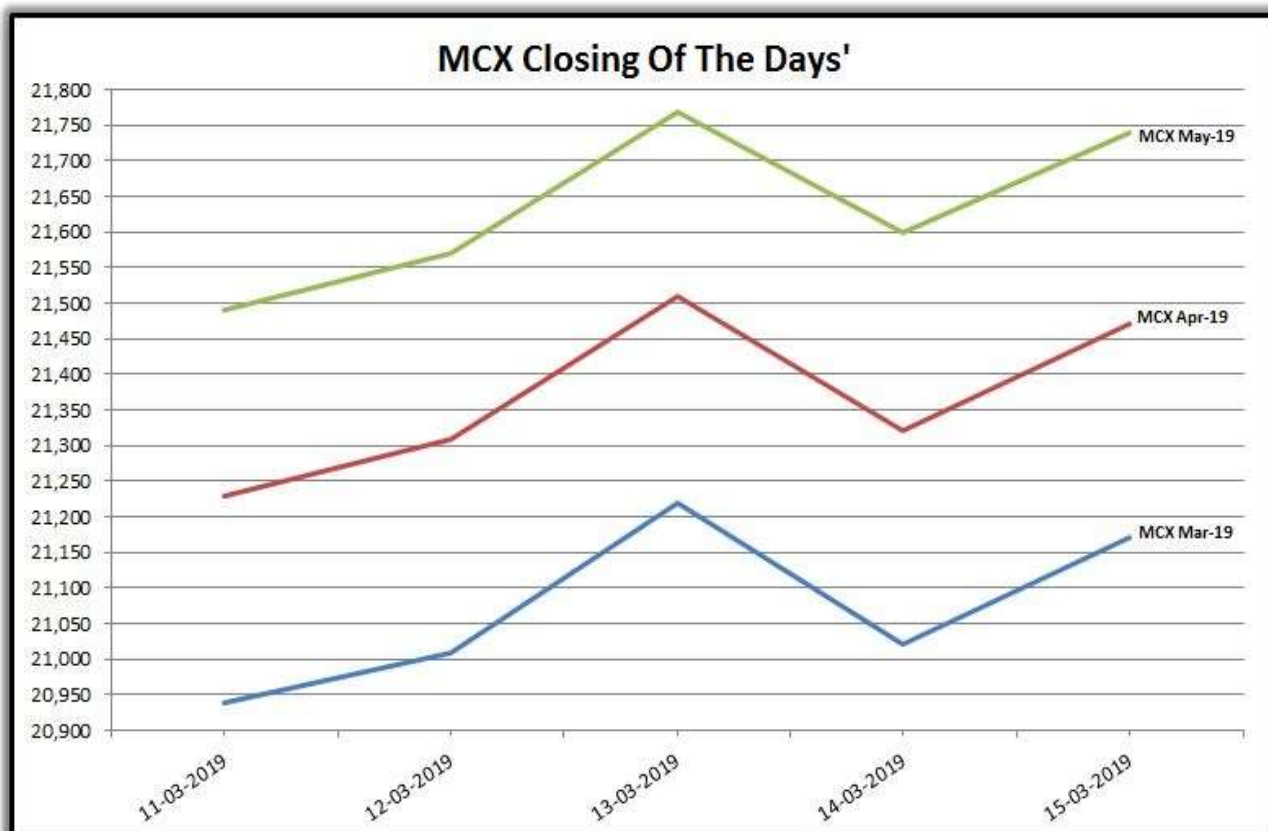
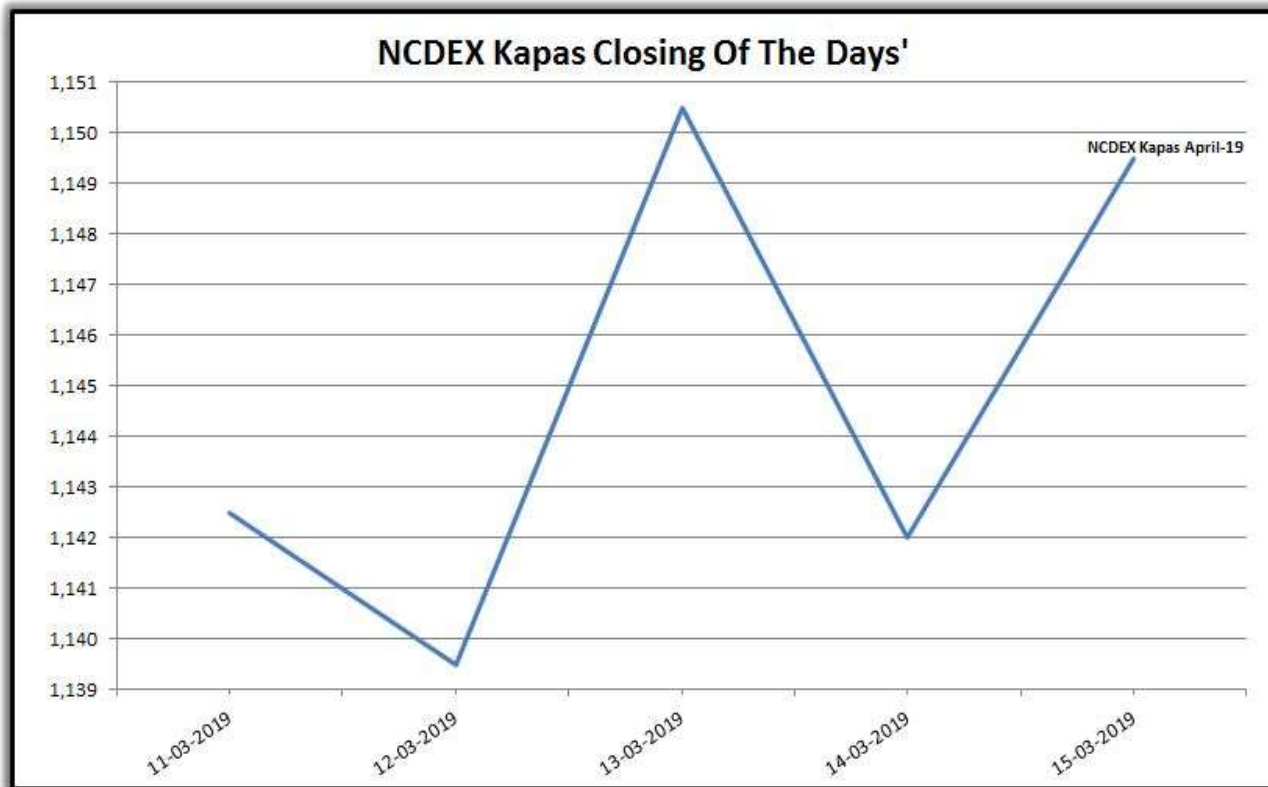


<b>Indian Indices</b>				
<b>Date</b>	<b>NCDEX Kapas</b>	<b>MCX</b>		
	<b>30-Apr-19</b>	<b>Mar-19</b>	<b>Apr-19</b>	<b>May-19</b>
11-03-2019	1142.5	20,940	21,230	21,490
12-03-2019	1139.5	21,010	21,310	21,570
13-03-2019	1150.5	21,220	21,510	21,770
14-03-2019	1142	21,020	21,320	21,600
15-03-2019	1149.5	21,170	21,470	21,740



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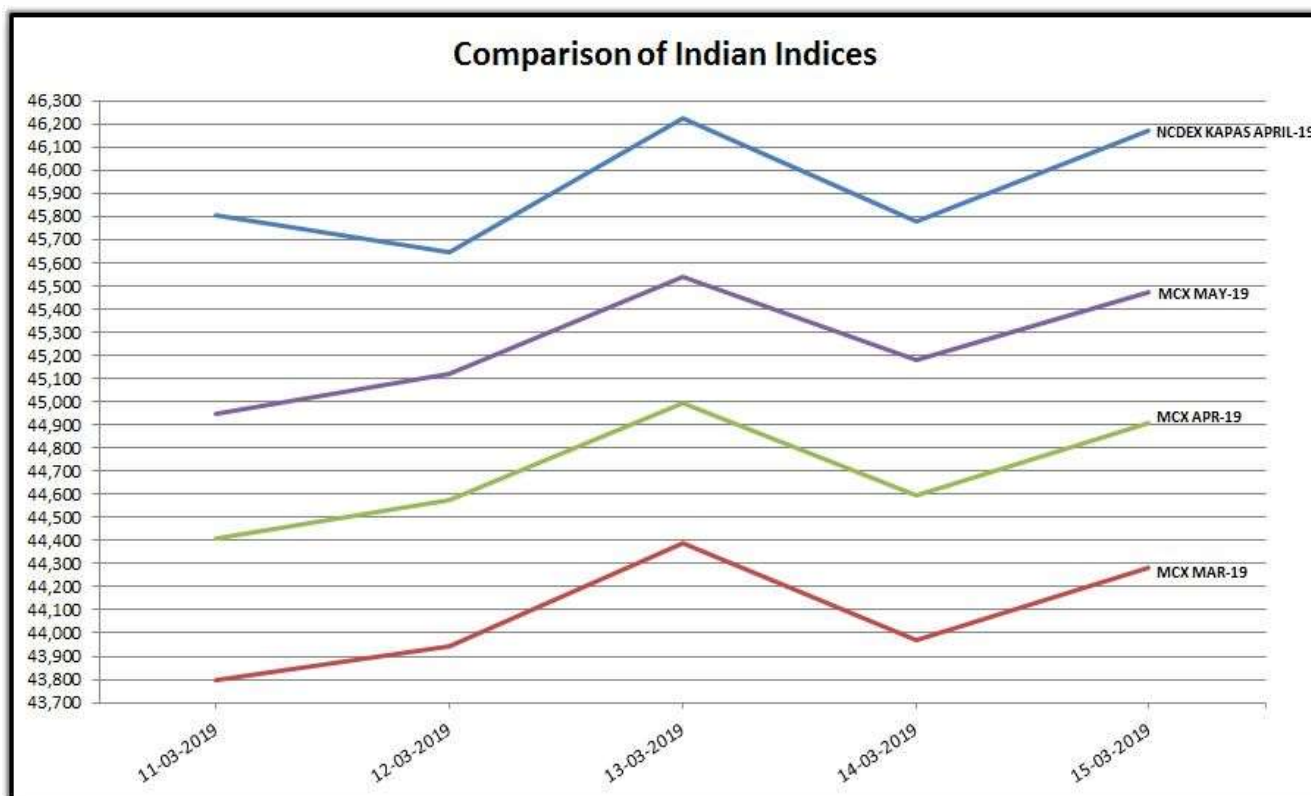


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Mar-19	Apr-19	May-19
11-03-2019	45,803	43,800	44,407	44,951
12-03-2019	45,646	43,947	44,574	45,118
13-03-2019	46,221	44,386	44,992	45,536
14-03-2019	45,777	43,968	44,595	45,181
15-03-2019	46,169	44,281	44,909	45,474

**Remark :- For NCDEX Kapas we have taken seed rate 475/20 Kg to convert in Candy.**





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