



# Gujcot Trade Association

## WEEKLY REPORT

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### Market Movement from 18<sup>th</sup> Feb 2019 to 23<sup>rd</sup> Feb 2019

- This week was a volatile week and giving some breathing space to bulls. On 21<sup>st</sup> Feb anticipating good US Export Sales numbers and some positive news from trade negotiation between US and China NY future rose to recent high.
- On 22<sup>nd</sup> USDA cleared backlog of past 6 weeks Export Sales data. Sales were enough but cancellation of 3,32,000 bales gave some negative sentiment and NY Futures ended on Friday with 100 points loss. Overall NY May future gained 115 Points during this week.
- Indian Physical market was up after positive momentum on NY future on Friday and further gained on Thursday morning but after export sales report market meltdown.
- Indian arrivals are slow. CCI was procuring big quantities from Telangana and Maharashtra at MSP. Total CCI procurement crossed 8.5 lakh bales, overall supply is limited so there is no big pressure. Yarn movement is better but payment situation is tight. During this week market got some positive symptoms.
- Despite selling pressure in Maharashtra MCX future has gained. At end of February there can be delivery pressure on MCX.
- Indian physical market remained steady. Gujarat Shankar 6 Price remained in small range but Maharashtra is facing more selling pressure.
- Gujarat 29 mm Cotton sold between 42,150 to 42,450 Rs./Candy.
- All India Daily Arrivals remained between 1,30,000 to 1,50,000 bales.
- Gujarat Daily Pressing was approximately 45,000 bales.
- Indian Rupee remained stable between 71.11 to 71.34 during this week.

# Global

## US Weekly Export Sales

- Net UPLAND sales of 9,77,100 RB for 2018-2019 were reported for Turkey (3,52,800 RB, including decreases of 1,800 RB), Pakistan (2,19,100 RB, including decreases of 21,100 RB), Vietnam (2,14,700 RB, including 20,600 RB switched from China, 4,500 RB switched from South Korea, 1,400 RB switched from Hong Kong, 700 RB switched from Japan, and decreases of 7,100 RB), Indonesia (1,13,900 RB, including 3,500 RB switched from Sri Lanka, 3,300 RB switched from Japan, 1,400 RB switched from Vietnam, 1,300 RB switched from China, and decreases of 11,300 RB), and India (73,400 RB, including decreases of 100 RB). Reductions were reported for Bangladesh (57,100 RB) and China (28,100 RB).
- For 2019-2020, net UPLAND sales of 1,61,400 RB were primarily for China (85,600 RB), Thailand (18,900 RB), and Malaysia (15,100 RB).
- UPLAND Exports of 14,31,500 RB were primarily to Vietnam (4,19,500 RB), Pakistan (1,81,600 RB), China (1,30,000 RB), Mexico (1,13,800 RB), and Indonesia (1,09,700 RB).
- Net sales of PIMA totaling 42,200 RB for 2018-2019 were reported for India (15,100 RB), Peru (6,000 RB), Pakistan (5,800 RB), Turkey (5,100 RB), and Vietnam (2,800 RB, including 2,200 RB switched from China).
- PIMA Exports of 1,10,500 RB were primarily to China (51,500 RB), India (20,100 RB), Pakistan (11,000 RB), Vietnam (9,300 RB), and Peru (4,400 RB).

| <b>US Export Sales</b>         |  | <b>14-Feb-2019</b> |
|--------------------------------|--|--------------------|
| <b>Marketing Year 2018-19</b>  |  |                    |
| Upland Gross Sales             |  | 13,15,800          |
| Cancellation                   |  | 3,38,700           |
| <b>Net Upland Sales</b>        |  | <b>9,77,100</b>    |
| PIMA Gross Sales               |  | 43,000             |
| Cancellation                   |  | 800                |
| <b>Net PIMA Sales</b>          |  | <b>42,200</b>      |
| Total Gross Sales              |  | 13,58,800          |
| Total Cancellation             |  | 3,39,500           |
| <b>Total Net Sales</b>         |  | <b>10,19,300</b>   |
| <b>Shipments</b>               |  |                    |
| UPLAND                         |  | 14,31,500          |
| PIMA                           |  | 1,10,500           |
| <b>Total Shipment</b>          |  | <b>15,42,000</b>   |
| <b>Marketing Year 2019-20</b>  |  |                    |
| Net Upland Sales               |  | 1,61,400           |
| Net PIMA Sales                 |  | 0                  |
| <b>Total Net Sales</b>         |  | <b>1,61,400</b>    |
| All Figures in US Running Bale |  |                    |

## China report from Reinhart weekly report

The ZCE cotton futures market has bounced off the 15'000 nearby support to test the 1st key resistance at 15'500 (basis May19). Breaking and building value above 15'500 would void the short-term neutral outlook and set the next minimum upside target at around 16'000.

The physical business continues rather slow under continued subdued downstream demand, tight finance and general lack of confidence. Availability of free domestic cotton (outside the government Reserve) is still ample and probably close to about 6 million tons, so the industry is under no pressure to buy volume beyond short-term needs. Hence, despite nominally wide discounts of imported versus domestic cotton, import business remains sporadic and mainly concentrated in nearby positions.

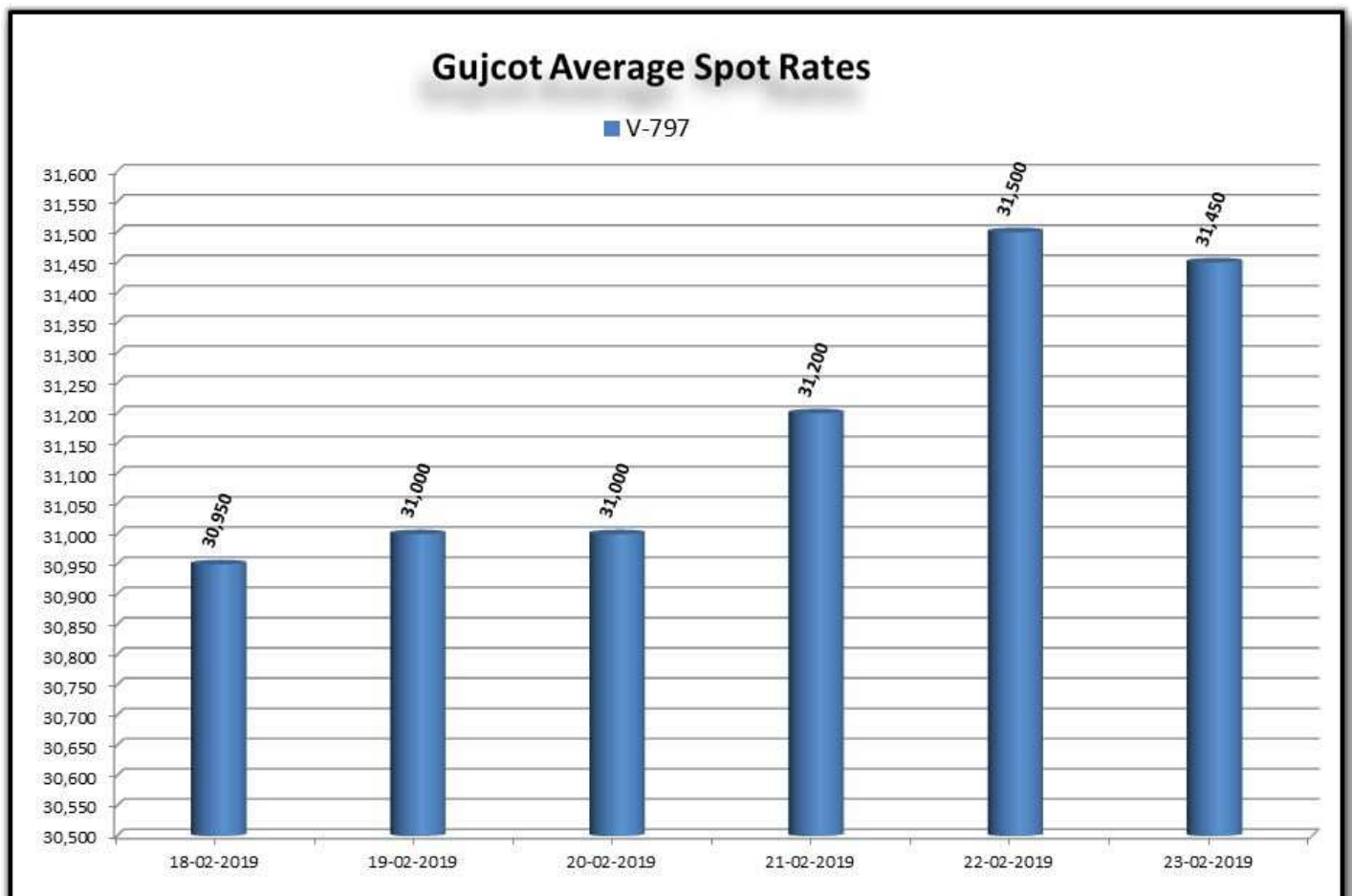
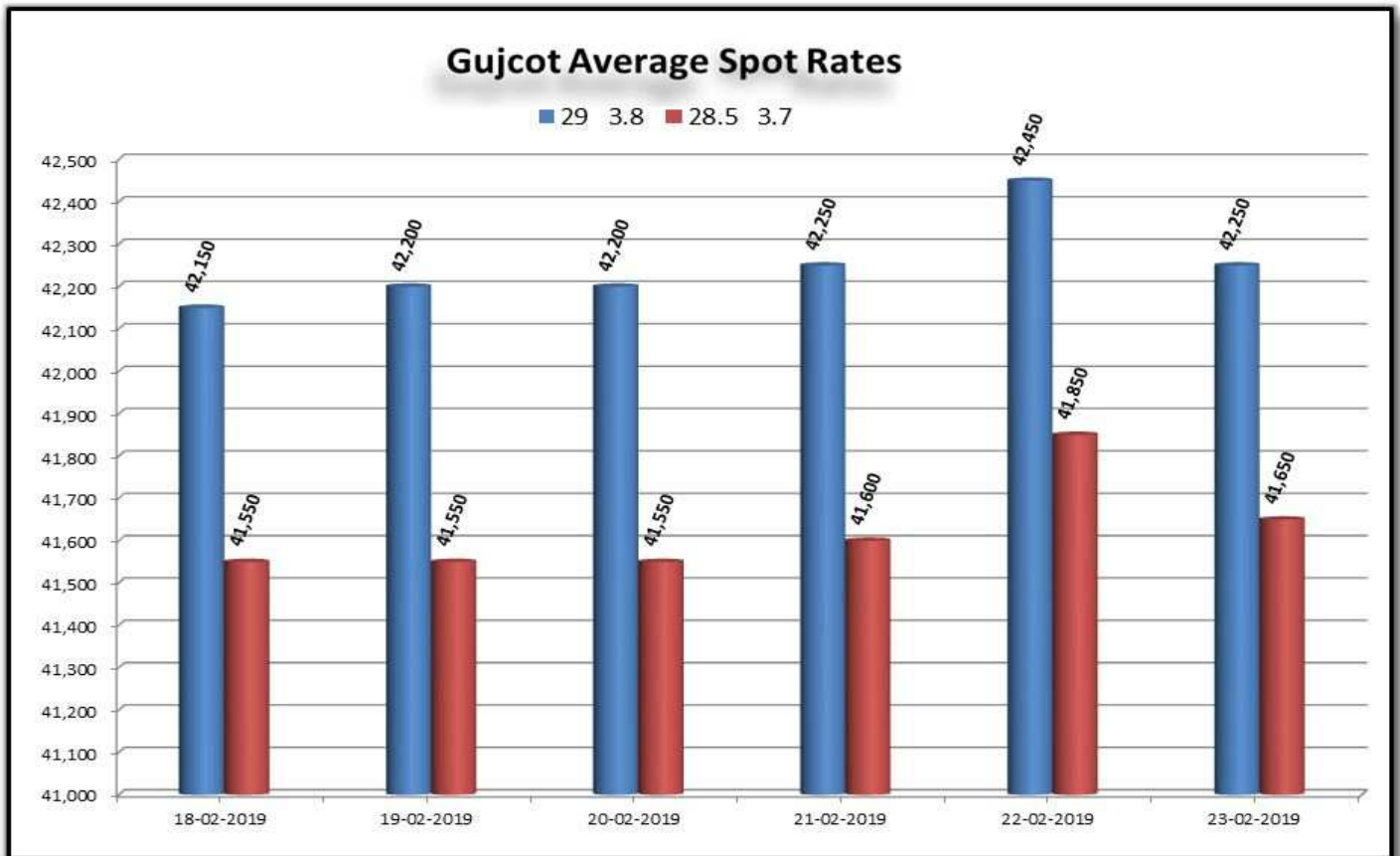
There has been no announcement yet regarding further sales from the Reserve. Estimates of the remaining Reserve stocks are around 3 million tons – which is not excessive

any more; in essence the surplus stock has been transferred to the free market where it is now keeping pressure on prices and spreads. That also means that one shouldn't become too bearish despite the currently negative market outlook, since the free stocks are bound to be progressively reduced as the season goes on.

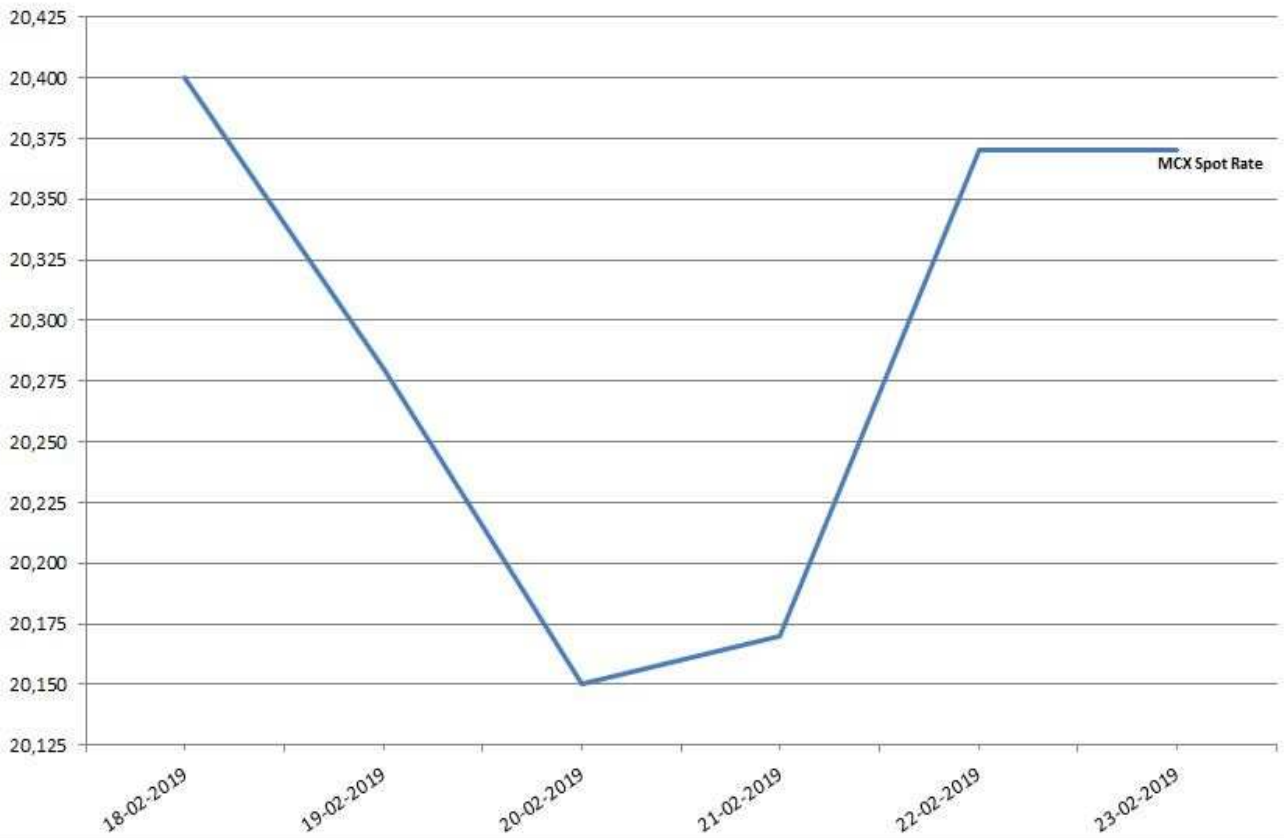
| <b>Average Rate Of Last week</b> |               |      |             |          |                   |
|----------------------------------|---------------|------|-------------|----------|-------------------|
| Variety                          | Staple Length | Mic. | Price Range |          | Average Of 6 Days |
|                                  |               |      | Low         | High     |                   |
| Shankar 6                        | 29            | 3.8  | 42,150      | 42,450   | 42,250            |
| Shankar 6                        | 28.5          | 3.7  | 41,550      | 41,850   | 41,625            |
| 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     |      | 30,950      | 31,500   | 31,183            |
| <b>MCX Spot Rate</b>             |               |      | 20,150      | 20,400   | 20,290            |
| <b>USD Exchange Rate</b>         |               |      | 71.11       | 71.34    | 71.22             |

| <b>Rate Of Last Week</b> |        |          |        |               |                  |
|--------------------------|--------|----------|--------|---------------|------------------|
| Date                     | 29 3.8 | 28.5 3.7 | V-797  | MCX Spot Rate | USD-INR Exchange |
| 18-02-2019               | 42,150 | 41,550   | 30,950 | 20,400        | 71.34            |
| 19-02-2019               | 42,200 | 41,550   | 31,000 | 20,280        | 71.34            |
| 20-02-2019               | 42,200 | 41,550   | 31,000 | 20,150        | 71.11            |
| 21-02-2019               | 42,250 | 41,600   | 31,200 | 20,170        | 71.25            |
| 22-02-2019               | 42,450 | 41,850   | 31,500 | 20,370        | 71.14            |
| 23-02-2019               | 42,250 | 41,650   | 31,450 | 20,370        | 71.14            |

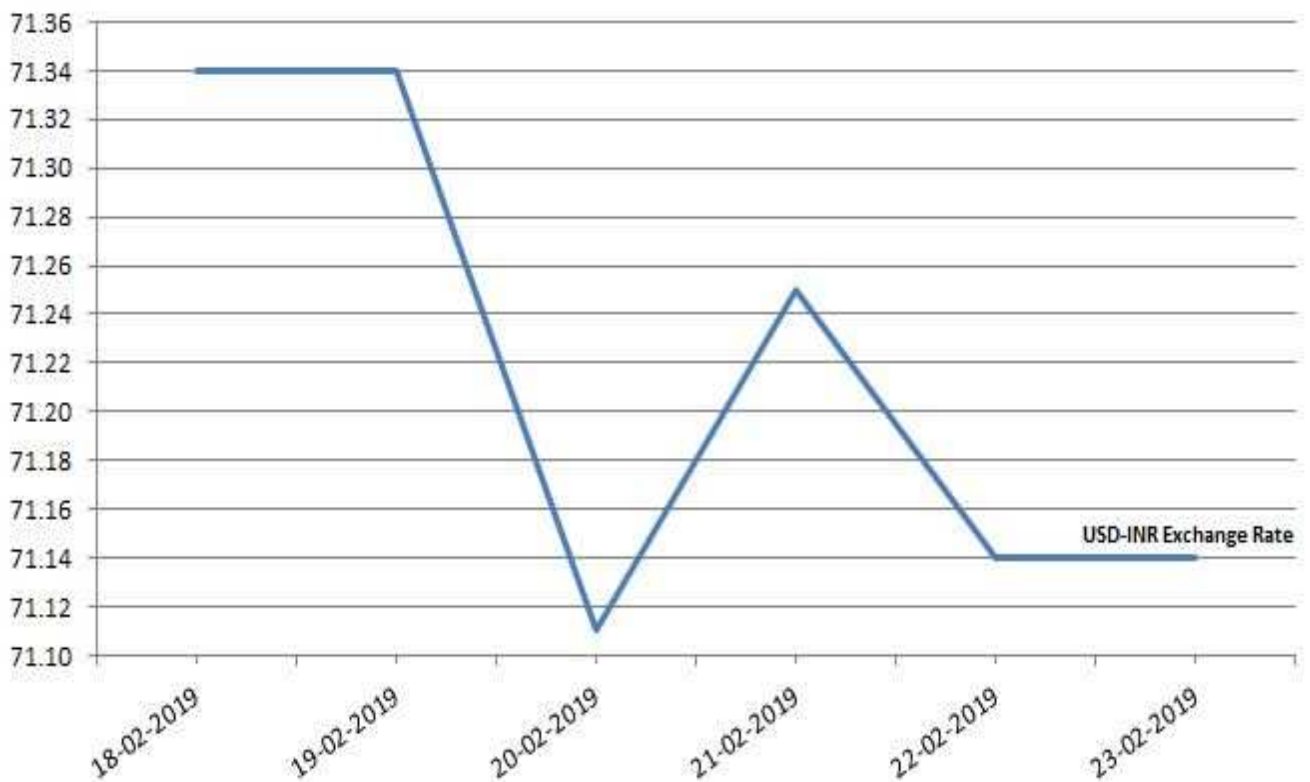
# Cotton Price Movement during the Last Week



### MCX Spot Rate Closing Of The Days'

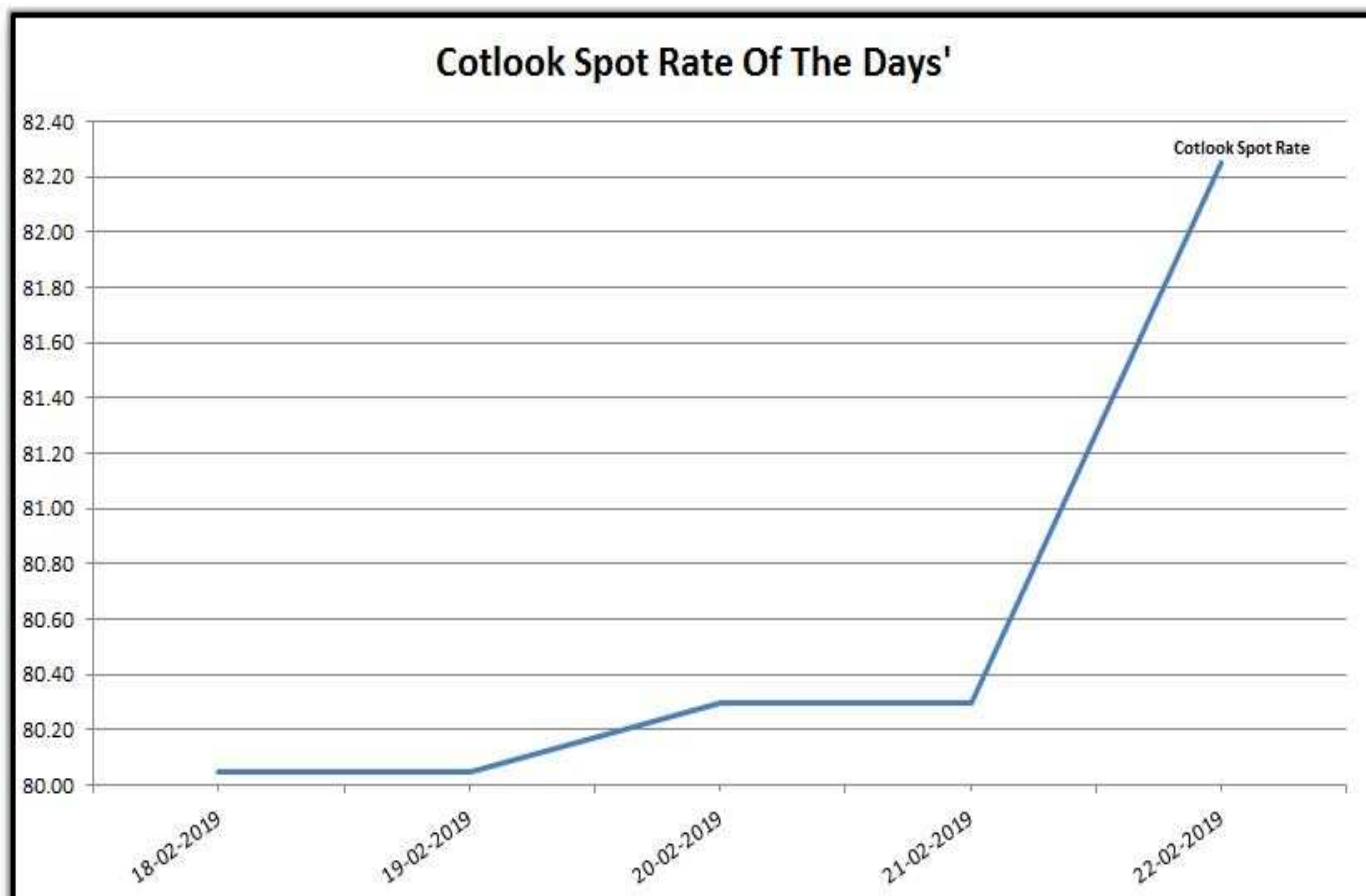


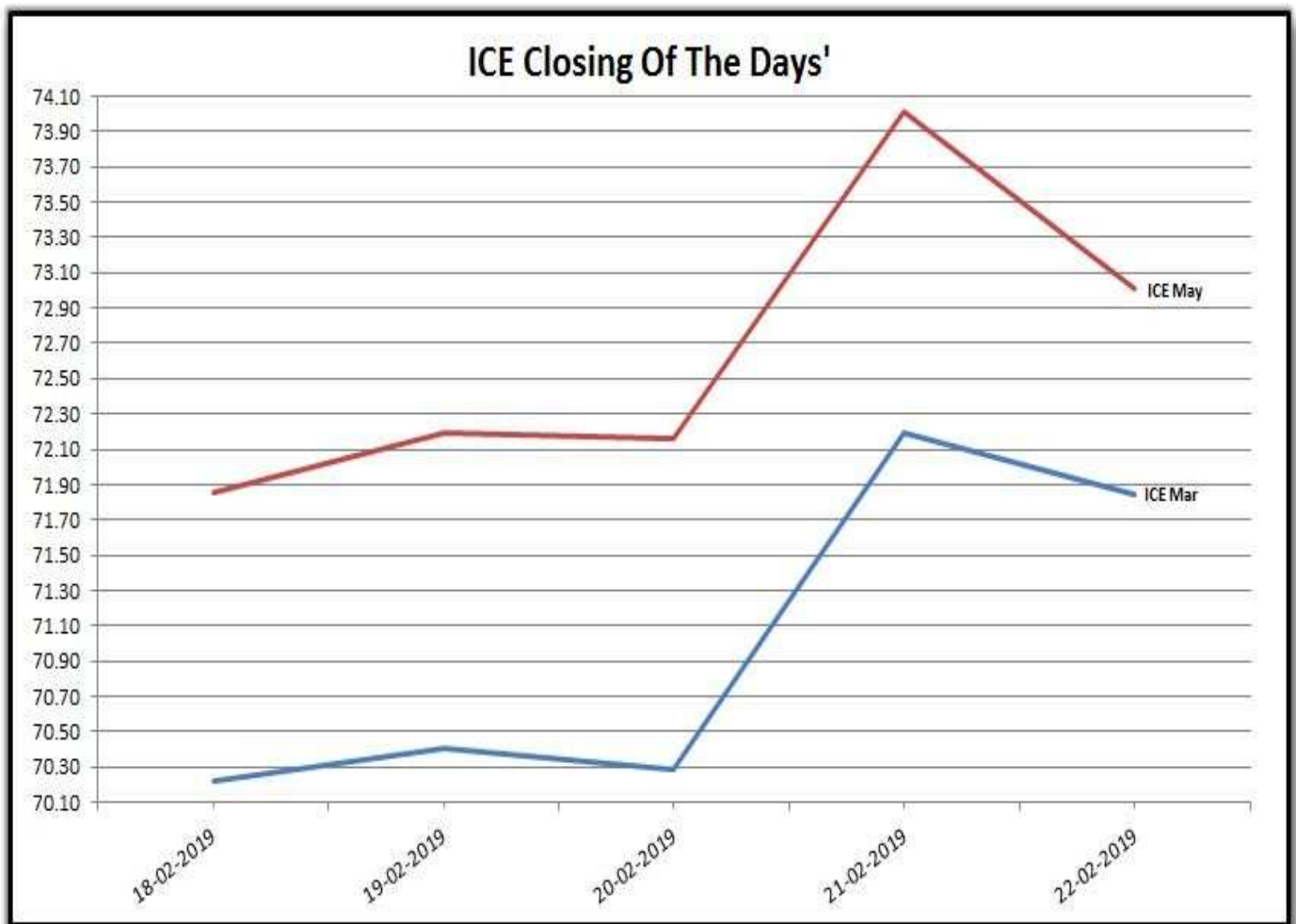
### USD-INR Exchange Rate Closing Of The Days'



## Foreign Indices

| Date       | Cotlook   | ICE    |        |
|------------|-----------|--------|--------|
|            | Spot Rate | Mar-19 | May-19 |
| 18-02-2019 | 80.05     | 70.22  | 71.86  |
| 19-02-2019 | 80.05     | 70.41  | 72.19  |
| 20-02-2019 | 80.30     | 70.28  | 72.16  |
| 21-02-2019 | 80.30     | 72.19  | 74.01  |
| 22-02-2019 | 82.25     | 71.84  | 73.01  |

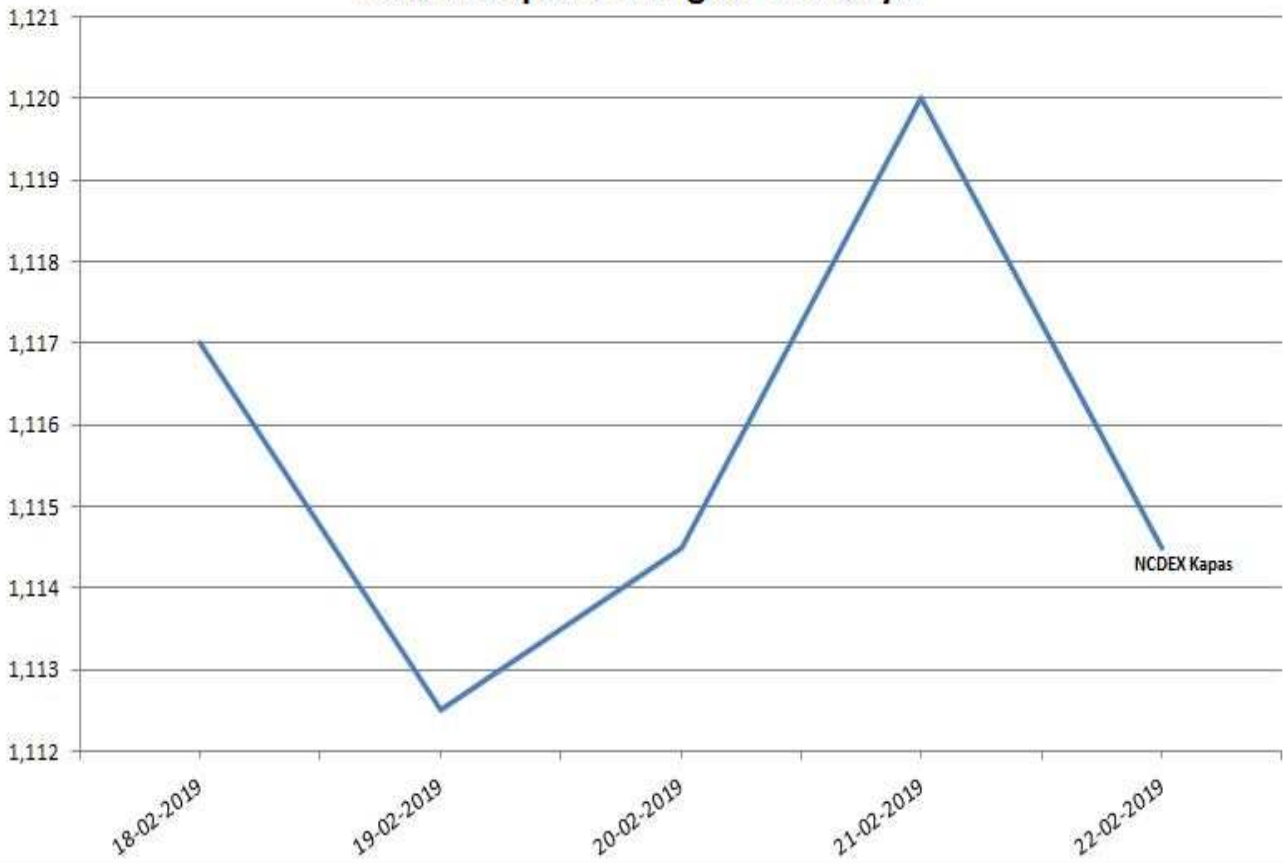




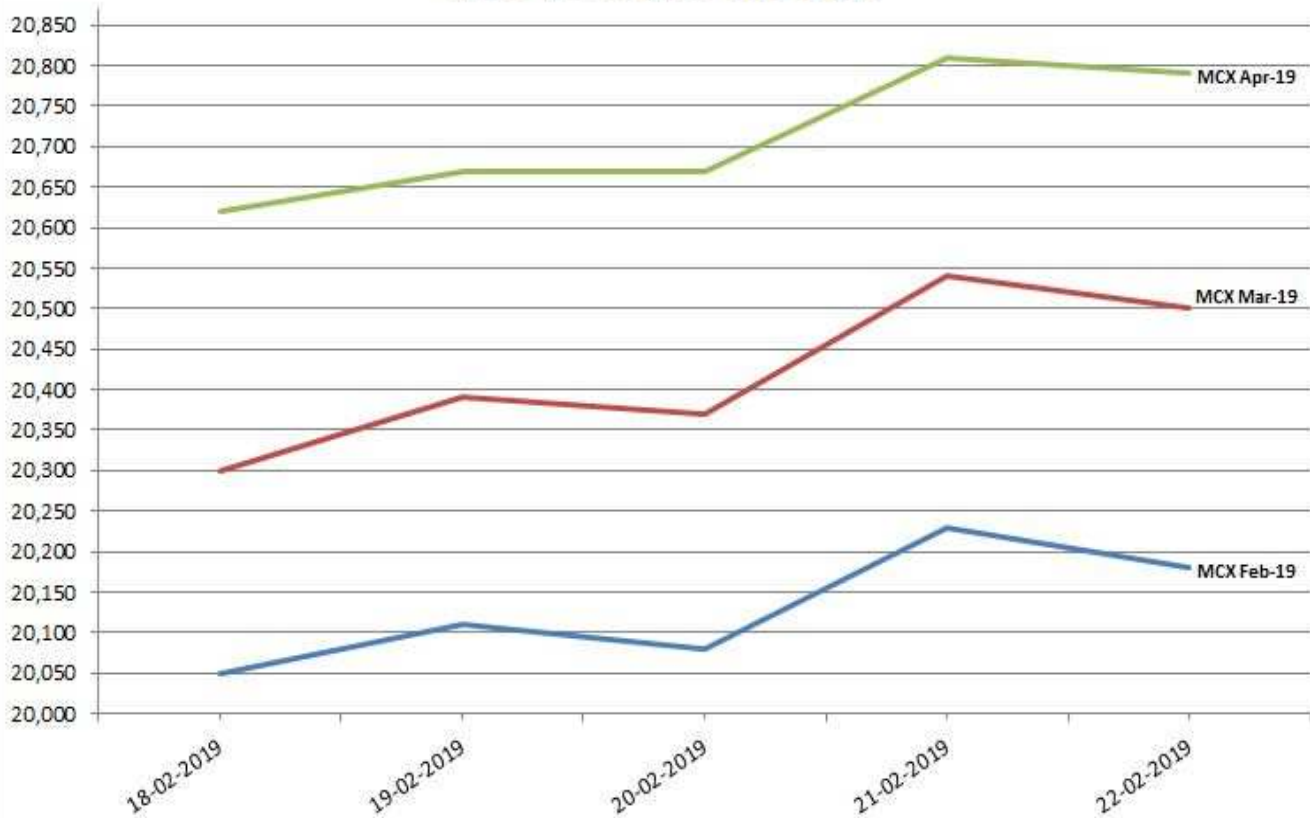
| <b>Indian Indices</b> |                    |               |               |               |
|-----------------------|--------------------|---------------|---------------|---------------|
| <b>Date</b>           | <b>NCDEX Kapas</b> | <b>MCX</b>    |               |               |
|                       | <b>30-Apr-19</b>   | <b>Feb-19</b> | <b>Mar-19</b> | <b>Apr-19</b> |
| 18-02-2019            | 1117               | 20,050        | 20,300        | 20,620        |
| 19-02-2019            | 1112.5             | 20,110        | 20,390        | 20,670        |
| 20-02-2019            | 1114.5             | 20,080        | 20,370        | 20,670        |
| 21-02-2019            | 1120               | 20,230        | 20,540        | 20,810        |
| 22-02-2019            | 1114.5             | 20,180        | 20,500        | 20,790        |



### NCDEX Kapas Closing Of The Days'



### MCX Closing Of The Days'

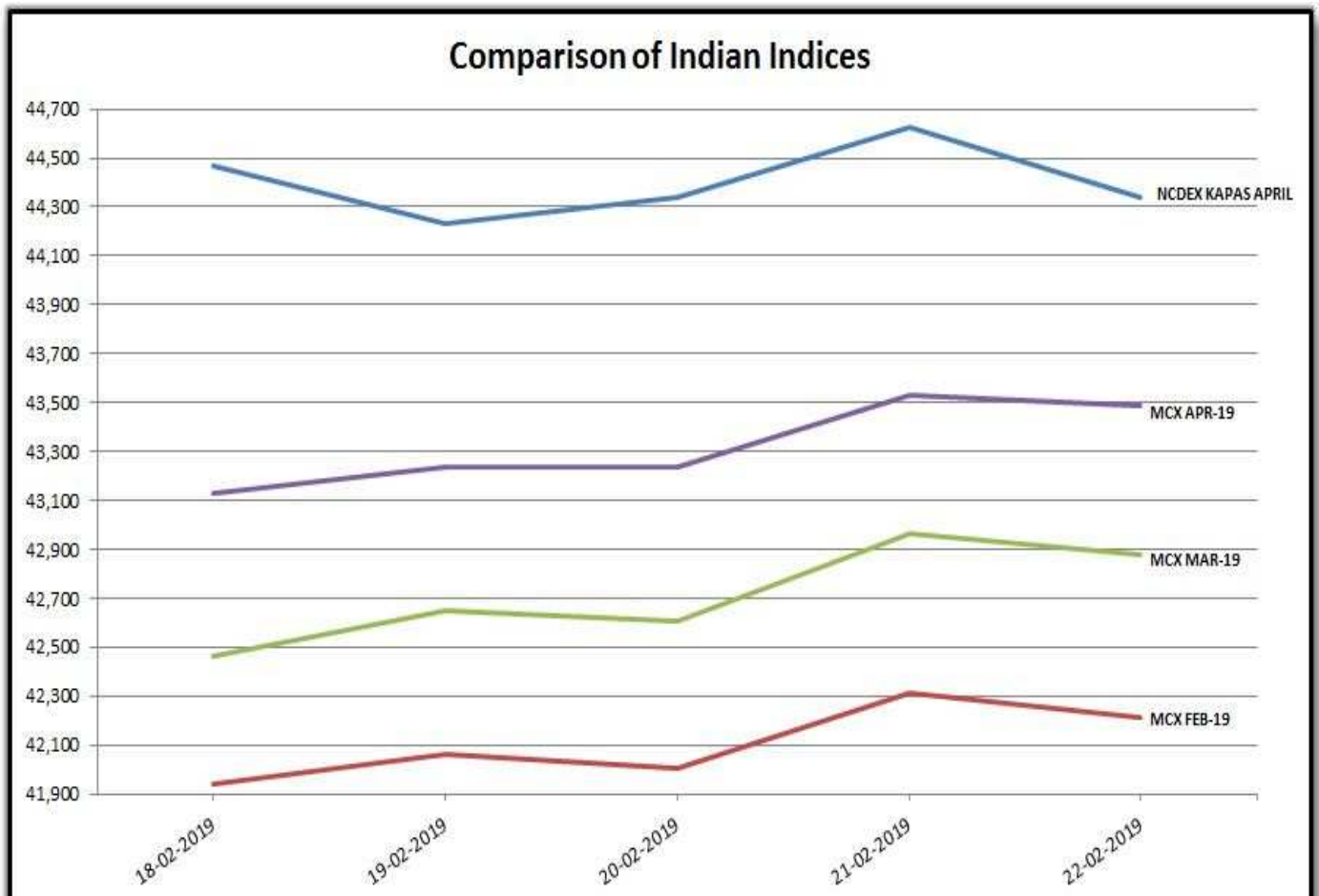




## Indian Indices in Candy Rate

| Date       | NCDEX Kapas | MCX    |        |        |
|------------|-------------|--------|--------|--------|
|            | April       | Feb-19 | Mar-19 | Apr-19 |
| 18-02-2019 | 44,470      | 41,939 | 42,462 | 43,131 |
| 19-02-2019 | 44,234      | 42,064 | 42,650 | 43,235 |
| 20-02-2019 | 44,339      | 42,001 | 42,608 | 43,235 |
| 21-02-2019 | 44,626      | 42,315 | 42,964 | 43,528 |
| 22-02-2019 | 44,339      | 42,211 | 42,880 | 43,486 |

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



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