



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 29-FEB-2020

Market Movement from 24th Feb 2020 to 29th Feb 2020

The Week of Blood Bath

- News of spread of corona virus outside china to many other countries like Japan, South Korea, Italy and Iran created havoc in all markets including cotton market. NY May future lost 751 points during the week and Gujarat physical cotton market lost almost 850 Rs per candy in last 3 days of the week and Rs. 1,150 per candy during this week.
- U.S Export Sales was very strong showing better demand of U.S Cotton but the market ignored all positive news and continued bearish trend on corona virus news.
- With spread of corona virus in different parts of the world, there was a massive selloff in equity and commodity markets. All Equity and commodity markets declined sharply on fear of economic slowdown which may lead to recession. Cotton as an industrial commodity followed the trend. All Major cotton future markets like ICE, ZCE and MCX declined very sharply during the week.
- In India, CCI continued MSP procurement and supported the kapas prices. Falling Cotton seed prices and CCI Supported kapas prices put ginners out of competition with CCI.
- All India daily arrivals remained between 1,70,000 to 1,80,000 bales.
- Daily arrivals in Gujarat was between 35,000 to 40,000 bales.
- Gujcot Spot Rate remained between 38,350 to 39,350 Rs/Candy.
- Indian basis remained between 1.98 to 7.02
- Indian Rupee remained weaker between 71.55 to 72.18 during this week.



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Global

US Weekly Export Sales

- Net UPLAND sales of 2,14,600 RB for 2019-2020 were down 9 percent from the previous week and 32 percent from the prior 4-week average. Increases primarily for Vietnam (70,200 RB, including 1,100 RB switched from Bangladesh and decreases of 800 RB), China (39,600 RB, including decreases of 33,000 RB), Pakistan (35,800 RB, including decreases of 100 RB), Turkey (26,900 RB), and Indonesia (19,200 RB, including 700 RB switched from Japan and decreases of 1,400 RB), were offset by reductions primarily for Japan (4,600 RB) and Honduras (400 RB).
- For 2020-2021, net UPLAND sales of 1,98,900 RB were primarily for Vietnam (1,76,000 RB), Indonesia (9,700 RB), El Salvador (4,900 RB), Mexico (3,400 RB), and China (2,200 RB).
- UPLAND Exports of 3,24,100 RB were down 14 percent from the previous week 15 percent from the prior 4-week average. Exports were primarily to Vietnam (88,100 RB), Pakistan (83,800 RB), China (32,900 RB), Turkey (25,400 RB), and Indonesia (14,700 RB).
- Net sales of PIMA totaling 28,100 RB were up noticeably from the previous week and from the prior 4-week average. Increases primarily for China (12,100 RB), India (6,100 RB), Hong Kong (2,600 RB), Egypt (2,100 RB), and Pakistan (2,000 RB), were offset by reductions for Switzerland (400 RB) and Japan (100 RB).
- PIMA Exports of 18,200 RB were up 79 percent from the previous week and up noticeably from the prior 4-week average. The primary destinations were India (7,900 RB), Pakistan (2,900 RB), Bahrain (2,000 RB), Bangladesh (1,600 RB), and Vietnam (900 RB).

US Export Sales	20-Feb-2020
Marketing Year 2019-20	
Upland Gross Sales	2,57,100
Cancellation	42,400
Net Upland Sales	2,14,700
PIMA Gross Sales	28,100
Cancellation	0
Net PIMA Sales	28,100
Total Gross Sales	2,85,200
Total Cancellation	42,400
Total Net Sales	2,42,800
Shipments	
UPLAND	3,24,100
PIMA	18,200
Total Shipment	3,42,300
Marketing Year 2020-21	
Net Upland Sales	1,98,900
Net PIMA Sales	0
Total Net Sales	1,98,900
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	22-02-2020	29-02-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	39,500	38,350	-1,150	-3.00%
Shankar 6	28.5 mm	3.7	39,050	37,850	-1,200	-3.17%
V-797	13 % Trash		30,900	30,150	-750	-2.49%
MCX Spot Rate			18,960	18,550	-410	-2.21%
USD-INR Exchange			71.65	72.18	0.53	0.73%

Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	38,350	39,350	38,925
Shankar 6	28.5	3.7	37,850	38,800	38,425
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		30,150	30,750	30,467
MCX Spot Rate			18,550	18,900	18,730
USD Exchange Rate			71.55	72.18	71.91

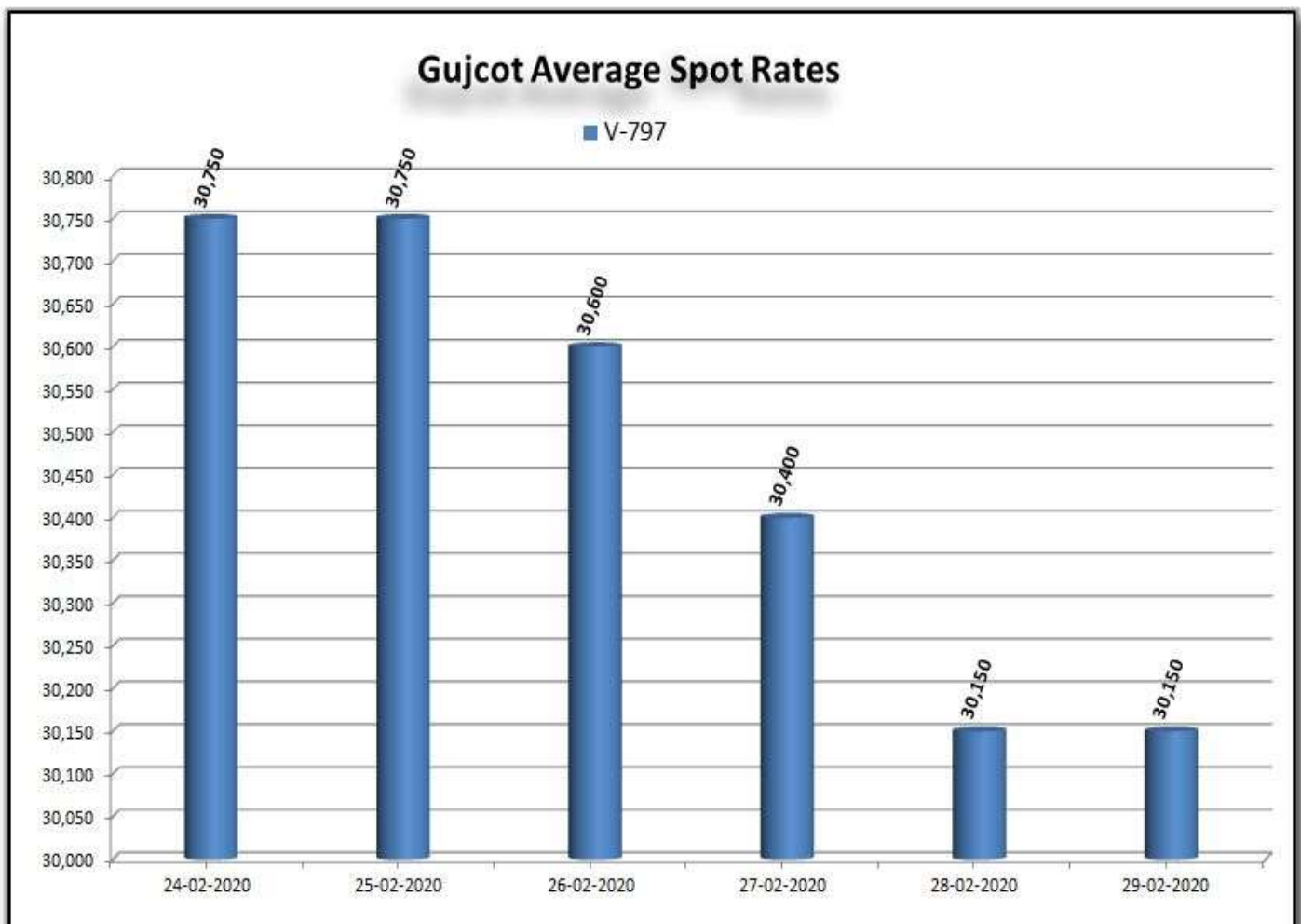
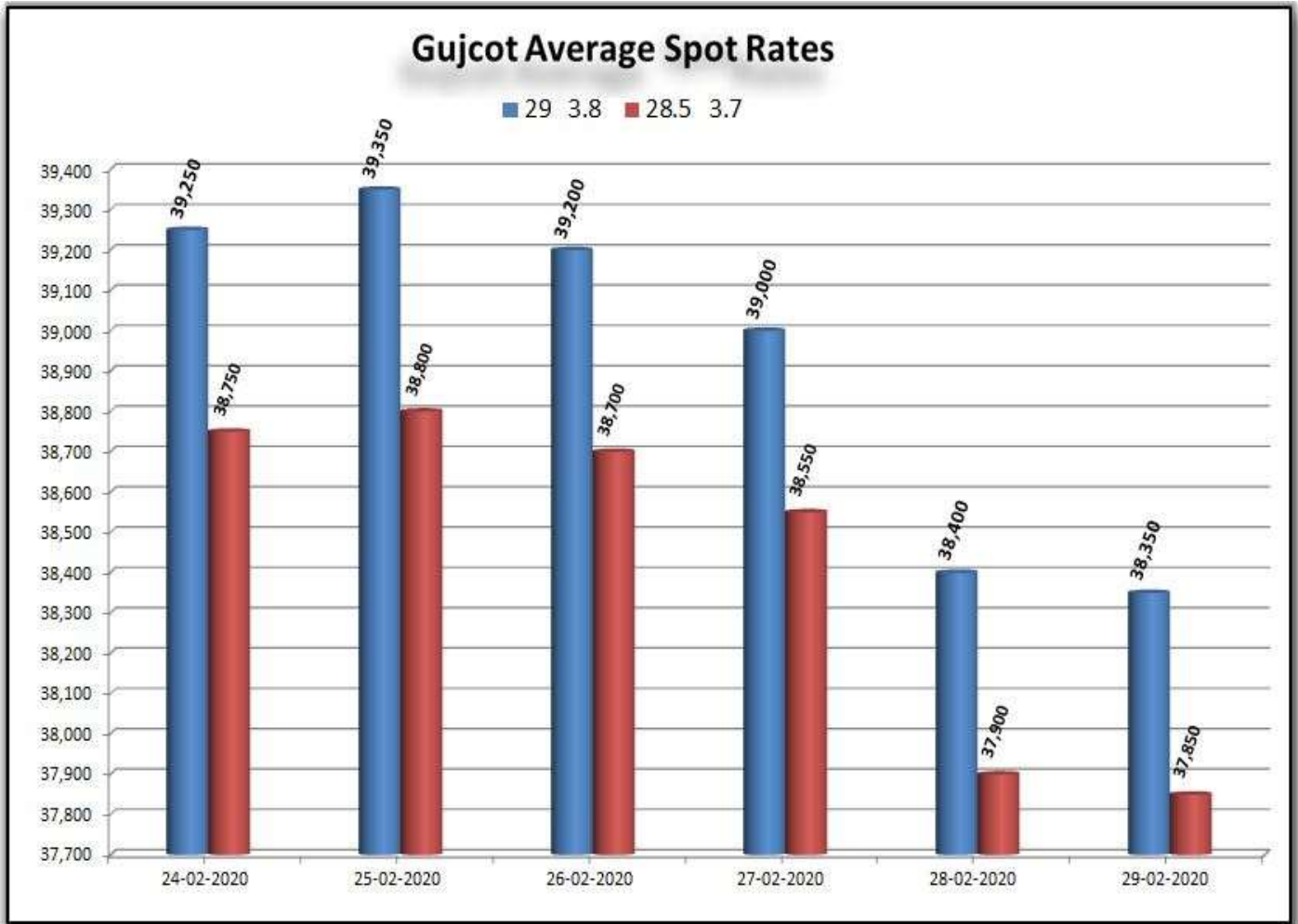
Rate of Last Week

Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
24-02-2020	39,250	38,750	30,750	18,870	71.99
25-02-2020	39,350	38,800	30,750	18,900	71.88
26-02-2020	39,200	38,700	30,600	18,810	71.66
27-02-2020	39,000	38,550	30,400	18,700	71.55
28-02-2020	38,400	37,900	30,150	18,550	72.18
29-02-2020	38,350	37,850	30,150	18,550	72.18



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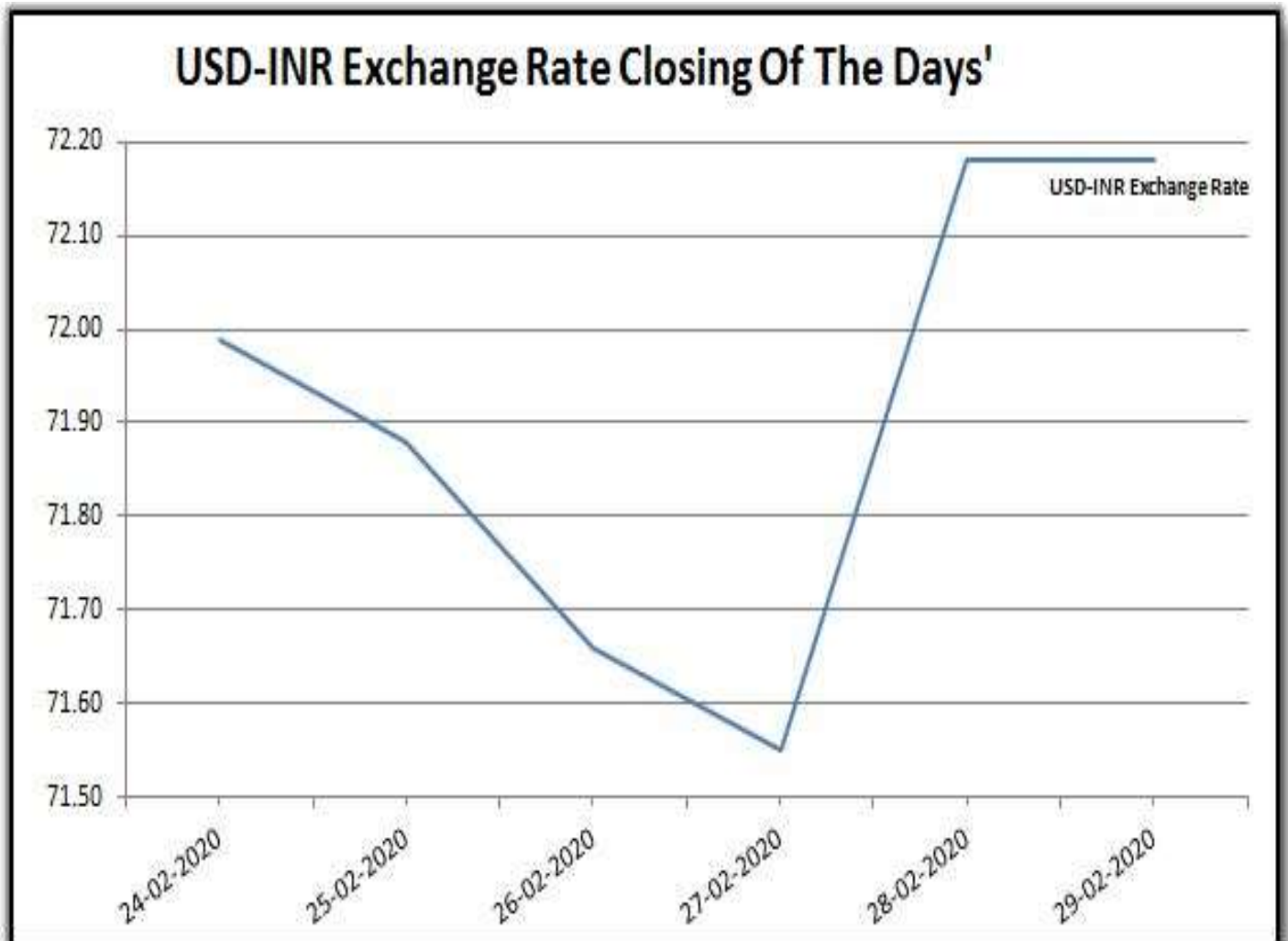
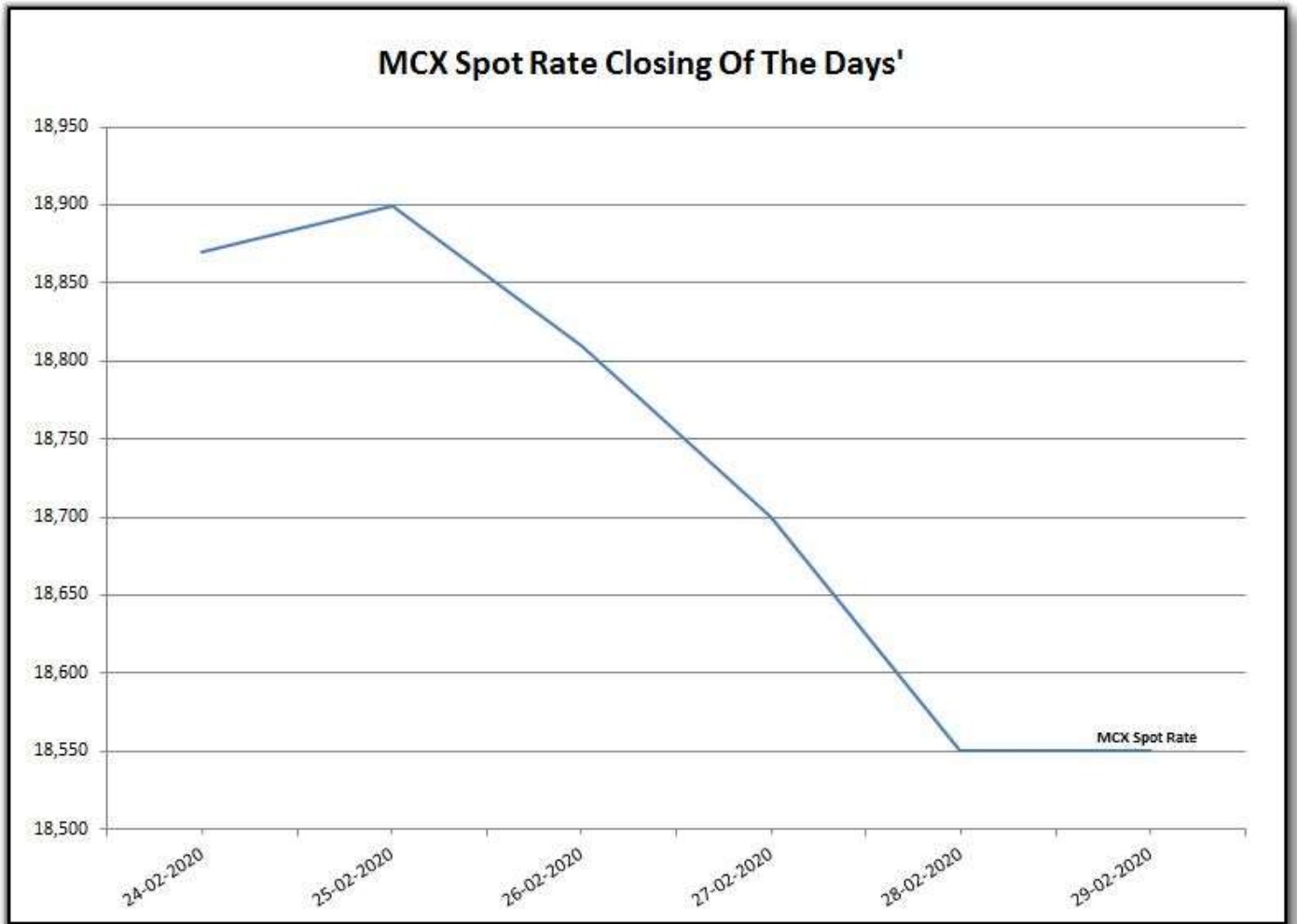
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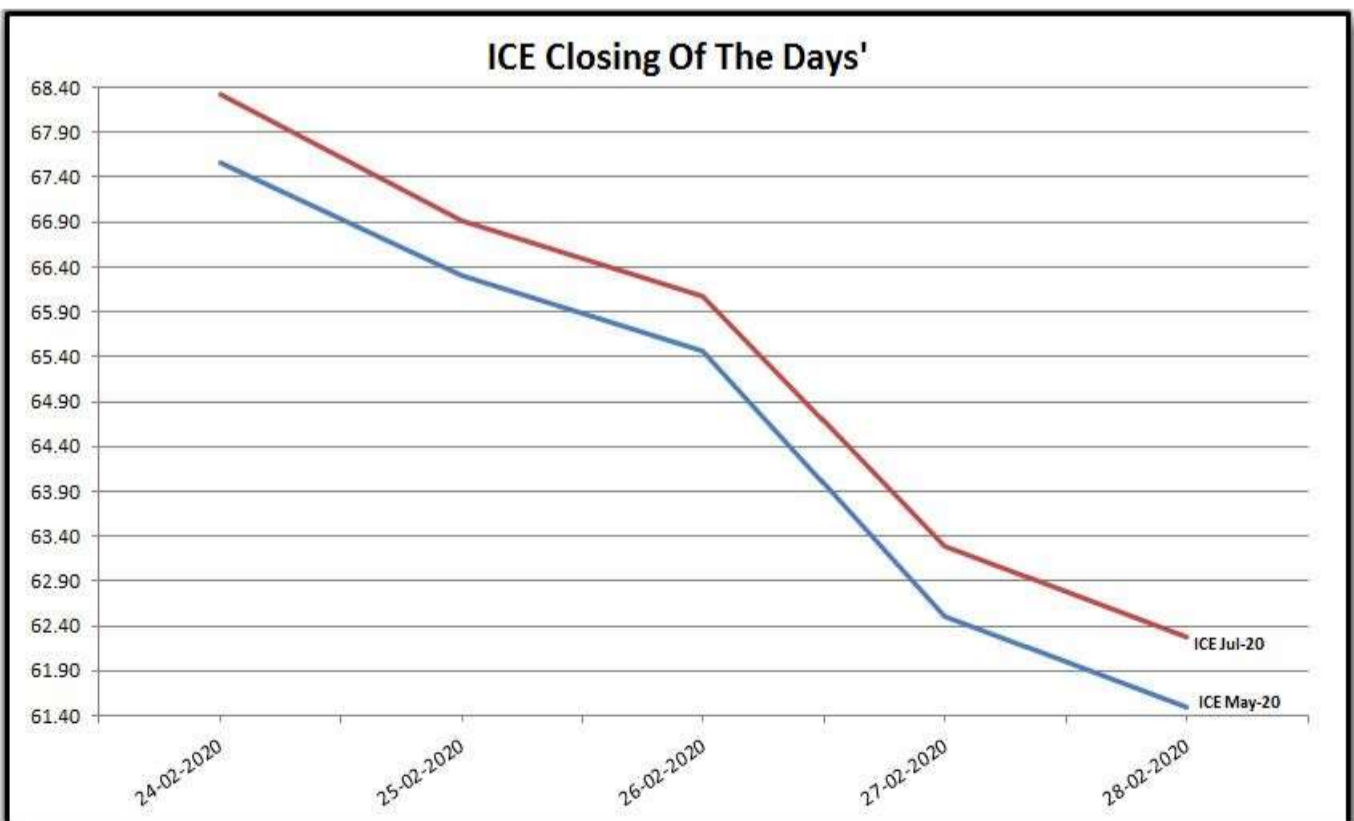
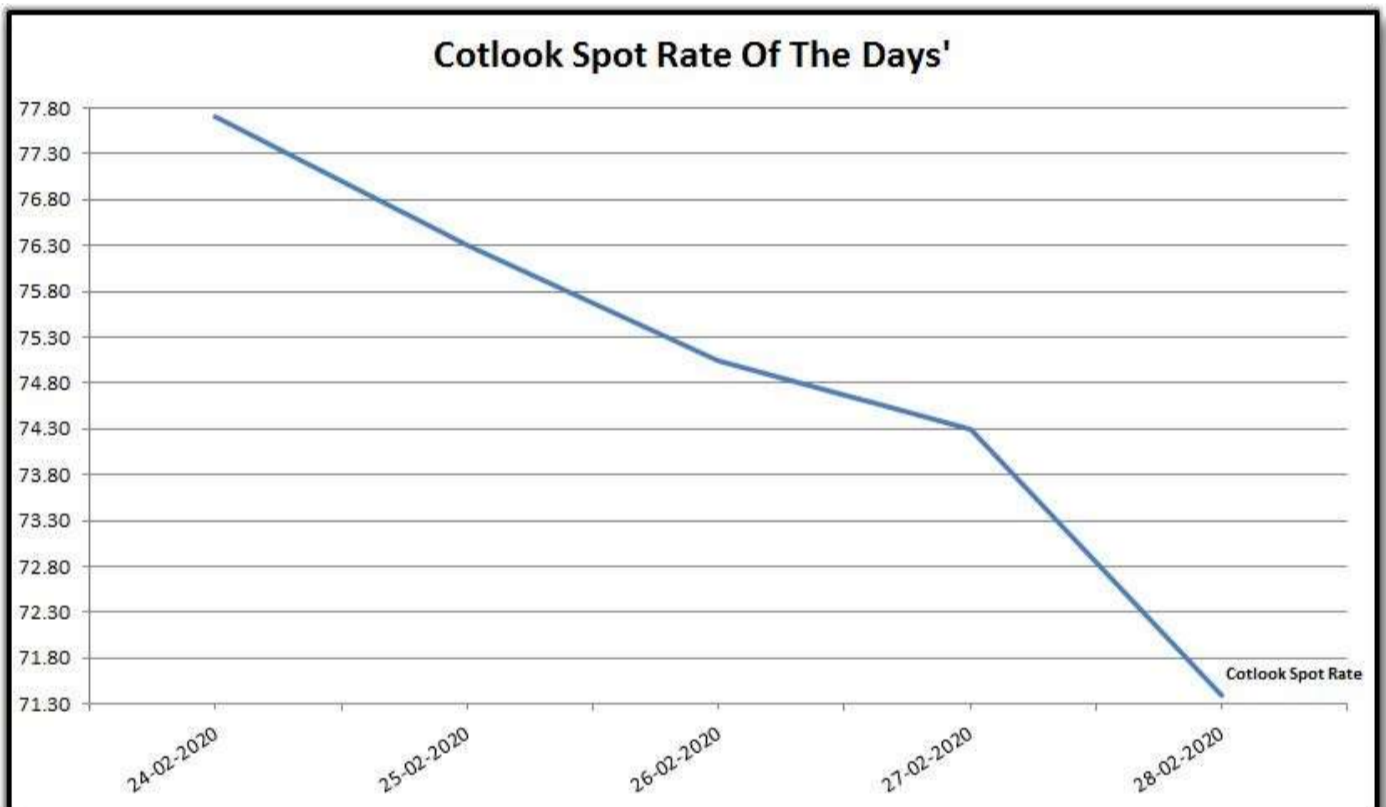




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	May-20	Jul-20
24-02-2020	77.70	67.56	68.32
25-02-2020	76.30	66.30	66.92
26-02-2020	75.05	65.47	66.08
27-02-2020	74.30	62.50	63.28
28-02-2020	71.40	61.49	62.27



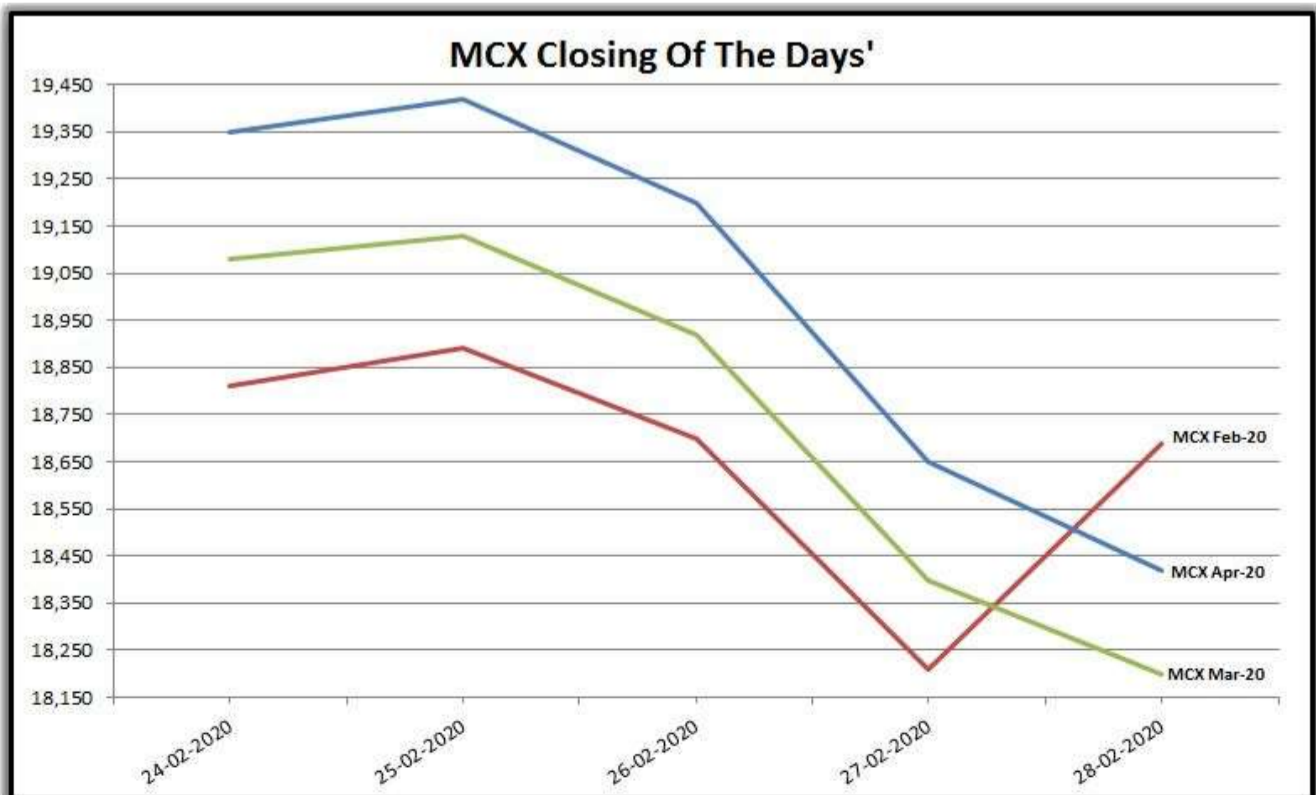
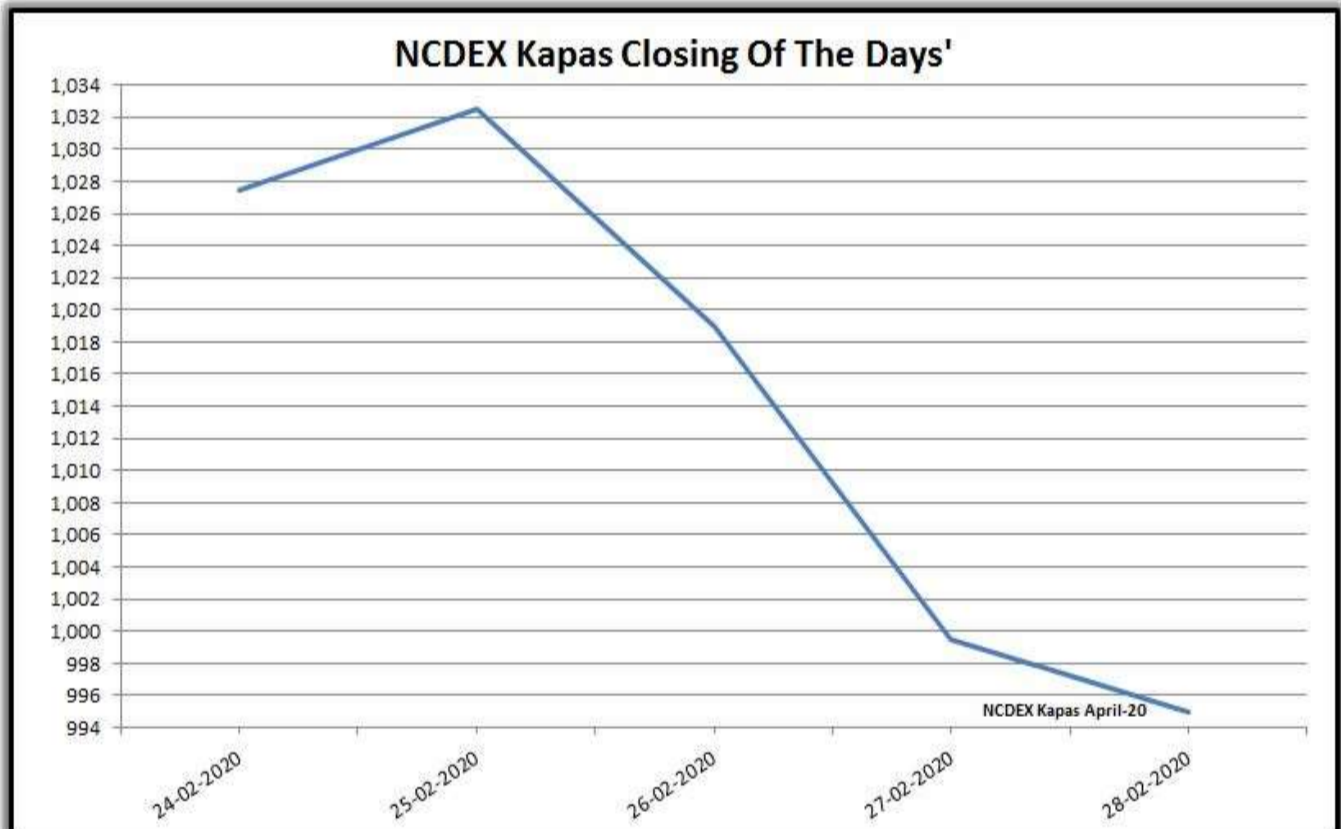


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Indian Indices

Date	NCDEX Kapas	MCX		
	30-Apr-2020	Feb-20	Mar-20	Apr-20
24-02-2020	1,027.50	18,810	19,080	19,350
25-02-2020	1,032.50	18,890	19,130	19,420
26-02-2020	1,019.00	18,700	18,920	19,200
27-02-2020	999.50	18,210	18,400	18,650
28-02-2020	995.00	18,690	18,200	18,420



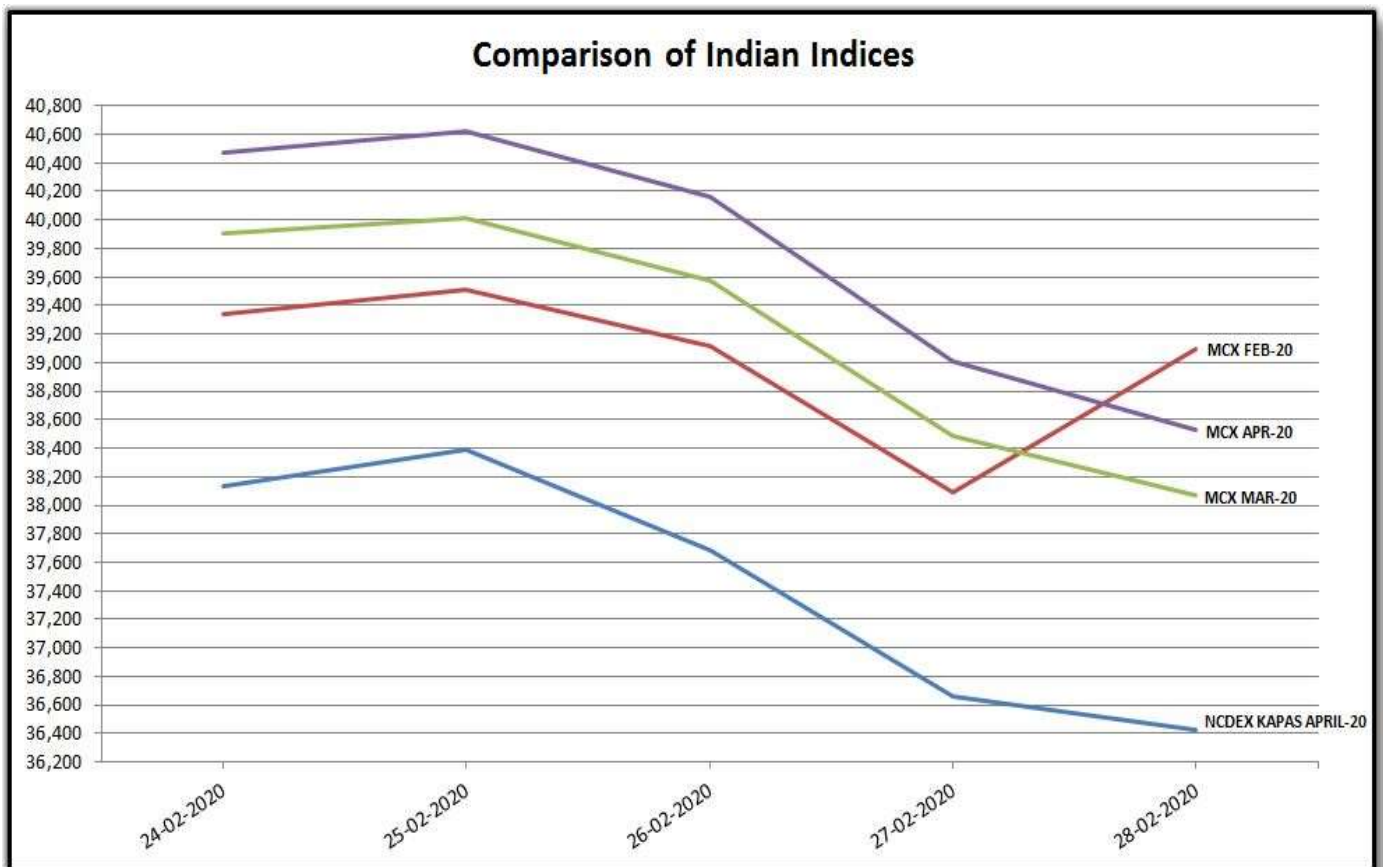


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Feb-20	Mar-20	Apr-20
24-02-2020	38,129	39,345	39,910	40,474
25-02-2020	38,390	39,512	40,014	40,621
26-02-2020	37,684	39,115	39,575	40,161
27-02-2020	36,665	38,090	38,487	39,010
28-02-2020	36,429	39,094	38,069	38,529

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

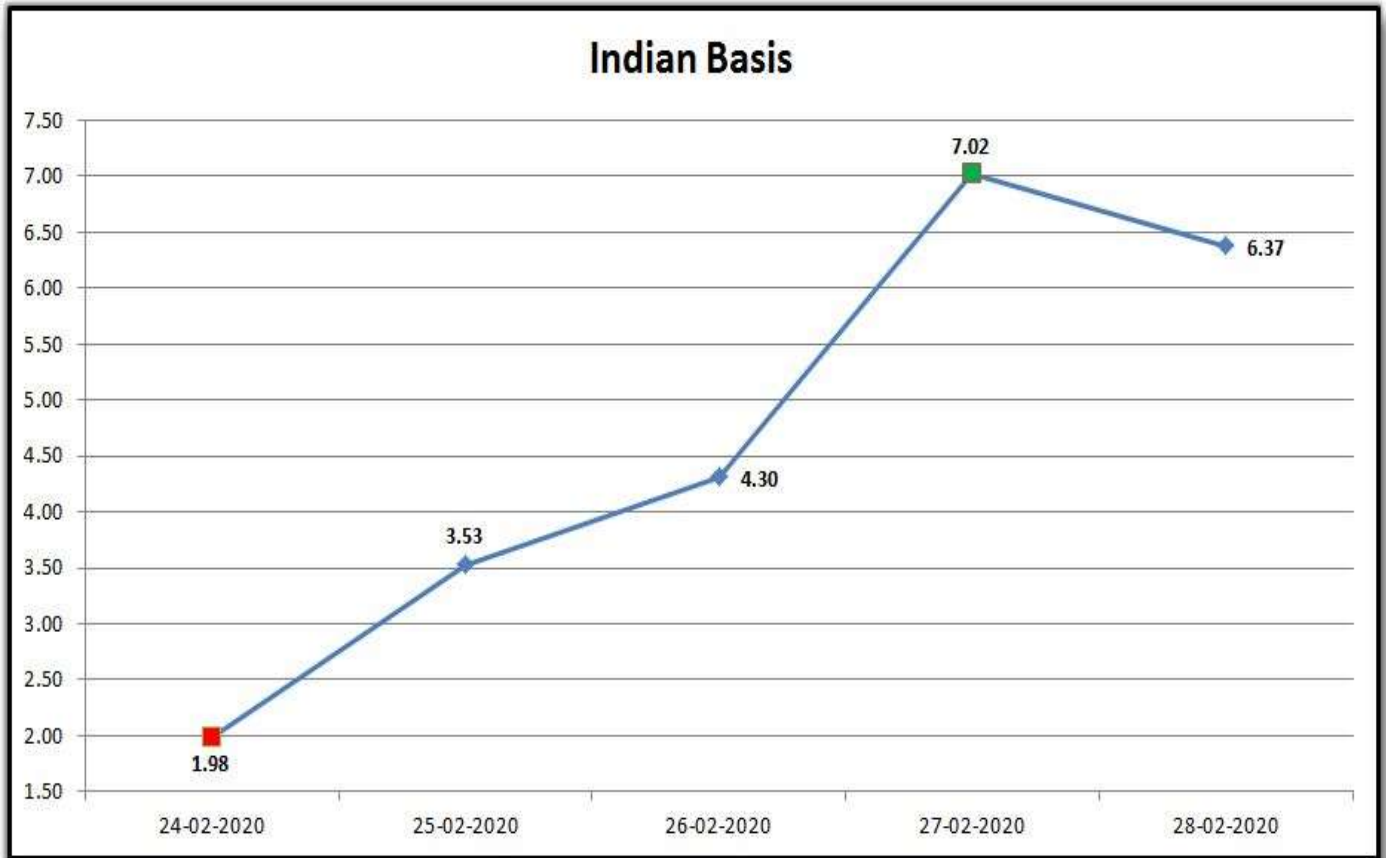




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAY	BASIS
24-02-2020	39,250	71.99	69.54	67.56	1.98
25-02-2020	39,350	71.88	69.83	66.30	3.53
26-02-2020	39,200	71.66	69.77	65.47	4.30
27-02-2020	39,000	71.55	69.52	62.50	7.02
28-02-2020	38,400	72.18	67.86	61.49	6.37





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IN THE WEEK AHEAD

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

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Report prepared by

Kalpesh Patel

Manager

Gujcot Trade Association