



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 10-Jun-2023

Market Movement from 05th Jun 2023 to 10th Jun 2023.

- With a decline of nearly 200 points in July Future week-on-week and no change observed in NY December future, the inverse relationship between the two has narrowed. As the July option is set to expire and delivery notices begin on June 23rd, the open interest for July contracts has started to roll over to subsequent months.
- During this week the cotton market showed cautious gains on Monday due to a weaker U.S. dollar and positive crude oil prices. However, the market remained uncertain as traders awaited important reports, including planting progress, export sales, and the supply-demand report. Tuesday's trading session was characterized by wobbly trading, influenced by weather conditions and the strength of the U.S. dollar. Wednesday saw a decline in prices, and traders prepared for the upcoming reports on Thursday and Friday. Thursday's export sales report showed strong sales, particularly from China. The market traded somewhat positive to negative on Thursday, with traders focused on the export sales report and making adjustments for the upcoming reports. Overall, the cotton market experienced fluctuations throughout the week,



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influenced by various factors such as weather, export sales, supply-demand updates, and the performance of the U.S. dollar.

- U.S. cotton export sales for the 2022-2023 marketing year reported net Upland sales reached 480,400 bales, while Upland shipments amounted to 317,000 bales. Net Pima sales totaled 2,100 bales, with Pima shipments amounting to 11,700 bales. The total sales for the week were 482,500 bales. Looking ahead to the 2023-2024 marketing year, there were 30,800 bales of net Upland sales reported. However, there were no net Pima sales during this period. The total sales for the week were 30,800 bales.
- China has once again emerged as a significant player in reserve purchases, displaying a renewed interest. In the recent export sales of the United States, China made robust purchases (3,84,700 RB), indicating a strong demand. Additionally, the Zhengzhou Commodity Exchange (ZCE) has achieved a new milestone by reaching a high level exceeding 16,500 Chinese yuan.
- The Indian physical market is currently experiencing a dull buying trend by mills due to sluggish demand in yarn. As a result, the Gujcot spot rate has decreased to around 1,000 rupees per candy week on week. Gujcot Spot Rate for the week showed a decline from 59,050 on Monday to 58,100 on Friday. The rates on Tuesday,



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Wednesday, and Thursday stood at 58,800, 58,400, and 58,150 respectively.

- All India arrival now near 70,000 bales a day while in Gujarat daily arrival in range of 25,000-30,000.
- The USD-INR exchange rate for the week displayed a slight downward trend, at 82.67 on Monday and reaching 82.46 on Friday. The rates on Tuesday, Wednesday, and Thursday stood at 82.60, 82.54, and 82.56 respectively.
- The Indian basis for NY December remains high, ranging from 800 to 960. Demand for Indian raw cotton and cotton yarn is sluggish due to the higher basis.
- On the weather front, there is a cyclone named Biparajoy that appears to be approaching Maharashtra and Gujarat. This cyclone has the potential to bring much-needed rain to Gujarat, which is greatly required for the region. Additionally, after a delay of about eight days, the southwest monsoon is already arrived in Kerala on June 8th. Pre-monsoon sowing has already begun in Gujarat.
- We are hopeful for a better start to the monsoon from next week, as it plays a crucial role in agriculture and water supply in these regions.



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USDA-WASDE

The 2023/24 U.S. cotton projections compared to last month show lower beginning stocks, but higher production, exports, and ending stocks. Projected abandonment in the Southwest has been reduced due to recent favorable rainfall, resulting in a production increase of 1.0 million bales to 16.5 million. Overall U.S. abandonment is now projected at 16 percent, which would be less than half its 2022/23 level, and close to the long run average. Exports are 500,000 bales higher, at 14.0 million, as both projected U.S. supplies and world trade are higher this month. The 2023/24 season average upland farm price is down 1 cent from the May forecast, at 77 cents per pound, and ending stocks are 200,000 bales higher, at 3.5 million. Revisions to the 2022/23 U.S. cotton balance sheet include a 100,000-bale reduction in domestic mill use based on lagging spinning activity to date, and a 400,000-bale increase in exports based on strong sales and shipment activity to date. Ending stocks for 2022/23 are now projected 300,000 bales lower than in May.

In the global 2023/24 cotton balance sheet, higher beginning stocks and production more than offset an increase in consumption, and ending stocks are projected 515,000 bales higher than in May, at 92.8 million. The forecast for world cotton production is 1.0 million bales higher this month as larger crops in the United States and Pakistan offset a 500,000-bale reduction for China. Consumption is 765,000 bales higher with increases in Vietnam, Pakistan, Bangladesh, Indonesia, and Turkey. World trade is also projected higher, up 900,000 bales, led by increased U.S. exports and China imports. Beginning stocks are 254,000 bales higher as the consumption prospects for 2022/23 continue to decline, down 538,000 bales from the May forecast. The 2022/23 forecast for world production is virtually unchanged as a 740,000-bale decline for West Africa's Franc Zone is largely offset by increases for the crops in India and Brazil.



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Global

US Weekly Export Sales

- Net UPLAND sales of 4,80,400 RB for 2022-2023--a marketing-year high--were up 79 percent from the previous week and up noticeably from the prior 4-week average. Increases primarily for China (3,84,700 RB), Pakistan (51,600 RB, including 900 RB switched from China and decreases of 100 RB), Turkey (18,800 RB, including 900 RB switched from South Korea and decreases of 100 RB), Bangladesh (13,300 RB), and Vietnam (6,500 RB, including 2,400 RB switched from China, 1,500 RB switched from South Korea, and decreases of 100 RB), were offset by reductions for South Korea (2,400 RB) and Guatemala (2,000 RB).
- Net UPLAND sales of 30,800 RB for 2023-2024 were primarily for Turkey (20,700 RB), Peru (4,000 RB), Guatemala (2,700 RB), China (2,200 RB), and Indonesia (900 RB).
- UPLAND Exports of 3,17,000 RB were up 12 percent from the previous week and 4 percent from the prior 4-week average. The destinations were primarily to Turkey (89,500 RB), Vietnam (75,800 RB), Pakistan (33,700 RB), China (32,700 RB), and Mexico (16,100 RB).
- Net sales of PIMA totaling 2,100 RB for 2022-2023 were down 43 percent from the previous week and 71 percent from the prior 4-week average. Increases were primarily for Vietnam (900 RB) and India (900 RB).
- PIMA Exports of 11,700 RB were down 56 percent from the previous week and 35 percent from the prior 4-week average. The destinations were to India (8,200 RB), Vietnam (1,300 RB), Bangladesh (900 RB), Pakistan (900 RB), and Turkey (400 RB).

US Export Sales 01-Jun-2023	
Marketing Year 2022-23	
Upland Gross Sales	4,83,100
Cancellation	2,700
Net Upland Sales	4,80,400
PIMA Gross Sales	2,100
Cancellation	0
Net PIMA Sales	2,100
Total Gross Sales	4,85,200
Total Cancellation	2,700
Total Net Sales	4,82,500
Shipments	
UPLAND	3,17,000
PIMA	11,700
Total Shipment	3,28,700
Marketing Year 2023-24	
Net Upland Sales	30,800
Net PIMA Sales	0
Total Net Sales	30,800
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	03-06-2023	10-06-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	58,750	58,000	-750	-1.29%
V-797	13% Trash		47,950	47,700	-250	-0.52%
MCX Spot Rate			58,340	58,180	-160	-0.28%
USD-INR Exchange			82.30	82.46	0.16	0.19%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	58,000	59,050	58,417
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		47,700	47,950	47,808
MCX Spot Rate			58,180	59,080	58,513
USD Exchange Rate			82.46	82.67	82.55

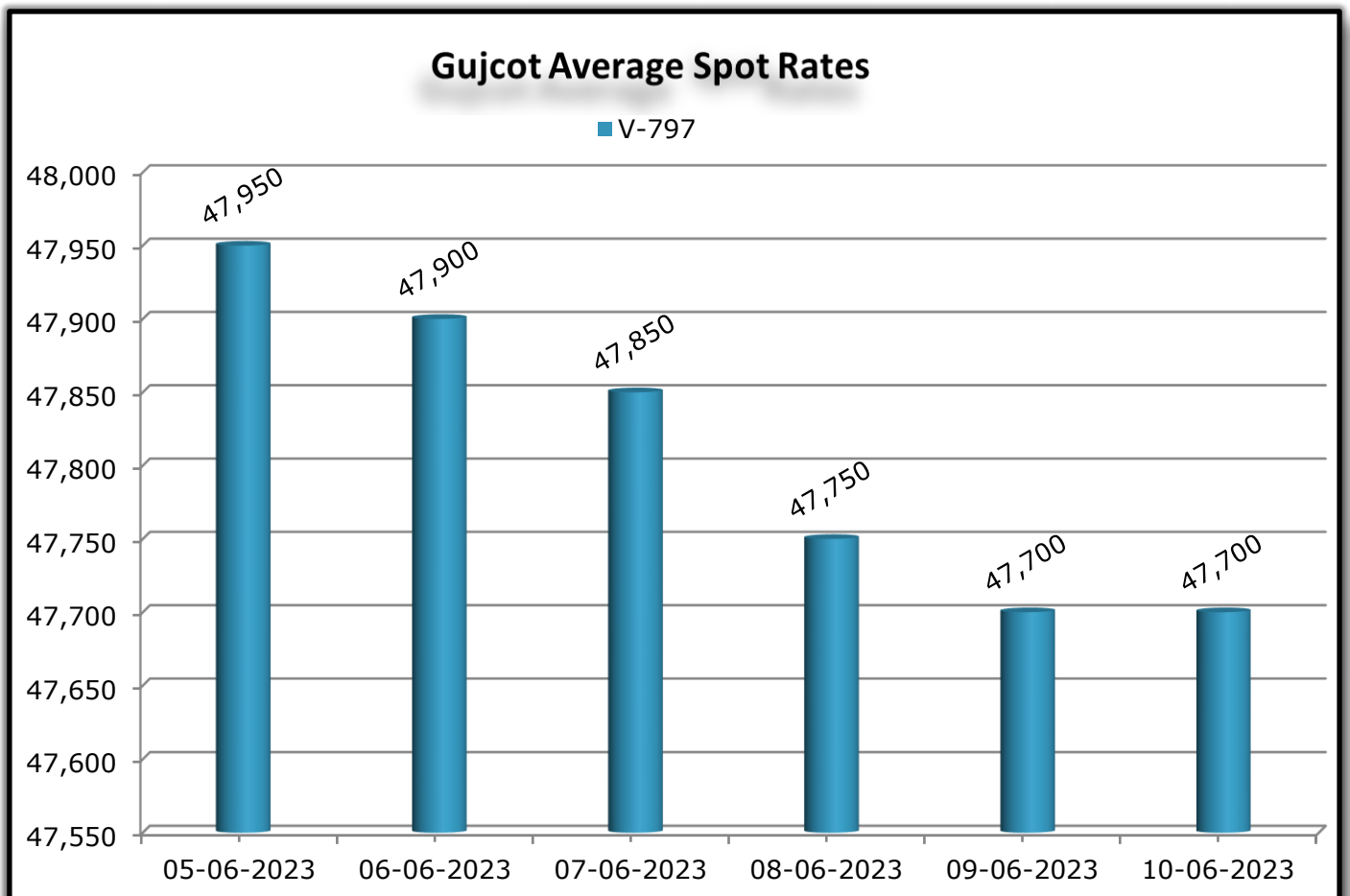
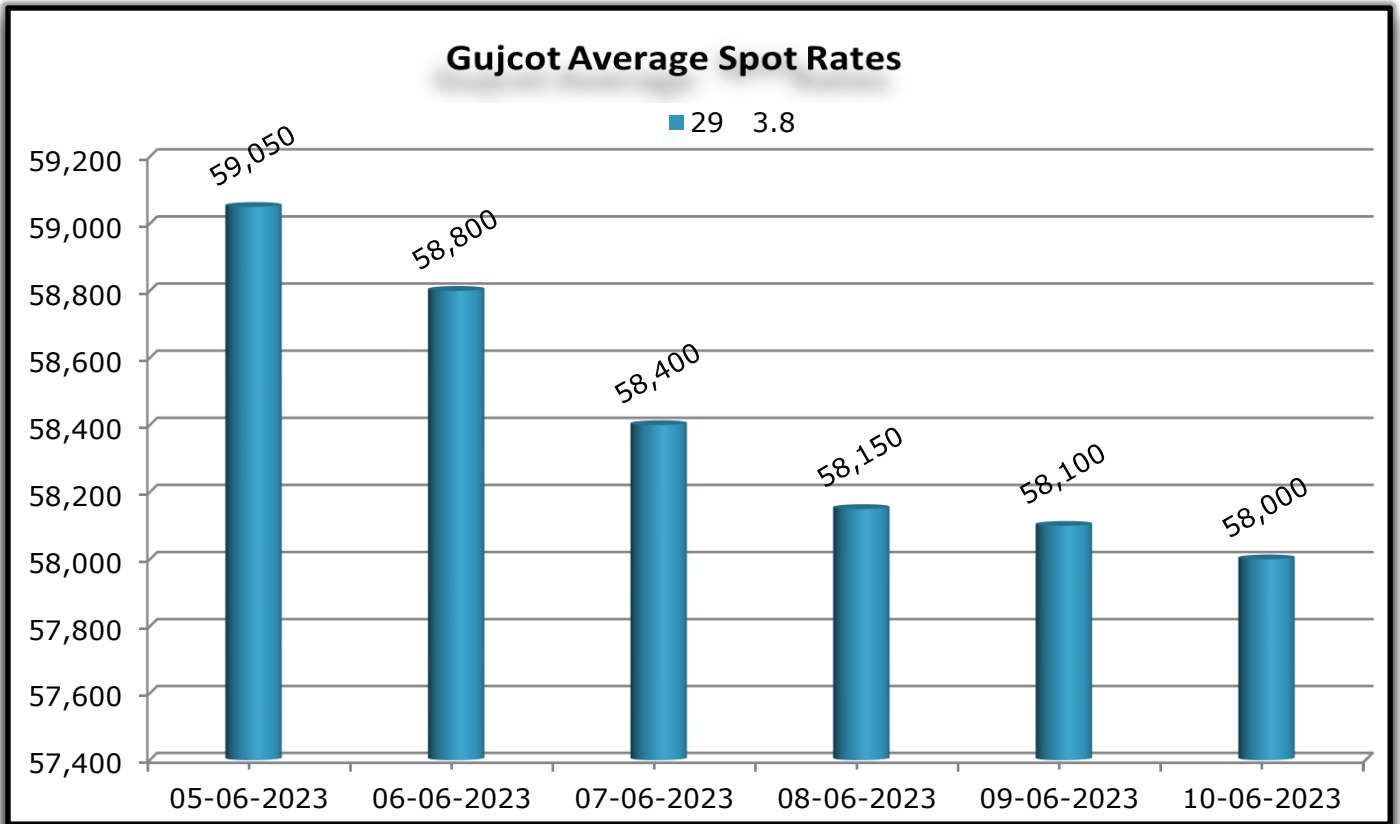
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
05-06-2023	59,050	47,950	59,080	82.67
06-06-2023	58,800	47,900	58,980	82.60
07-06-2023	58,400	47,850	58,460	82.54
08-06-2023	58,150	47,750	58,200	82.56
09-06-2023	58,100	47,700	58,180	82.46
10-06-2023	58,000	47,700	58,180	82.46



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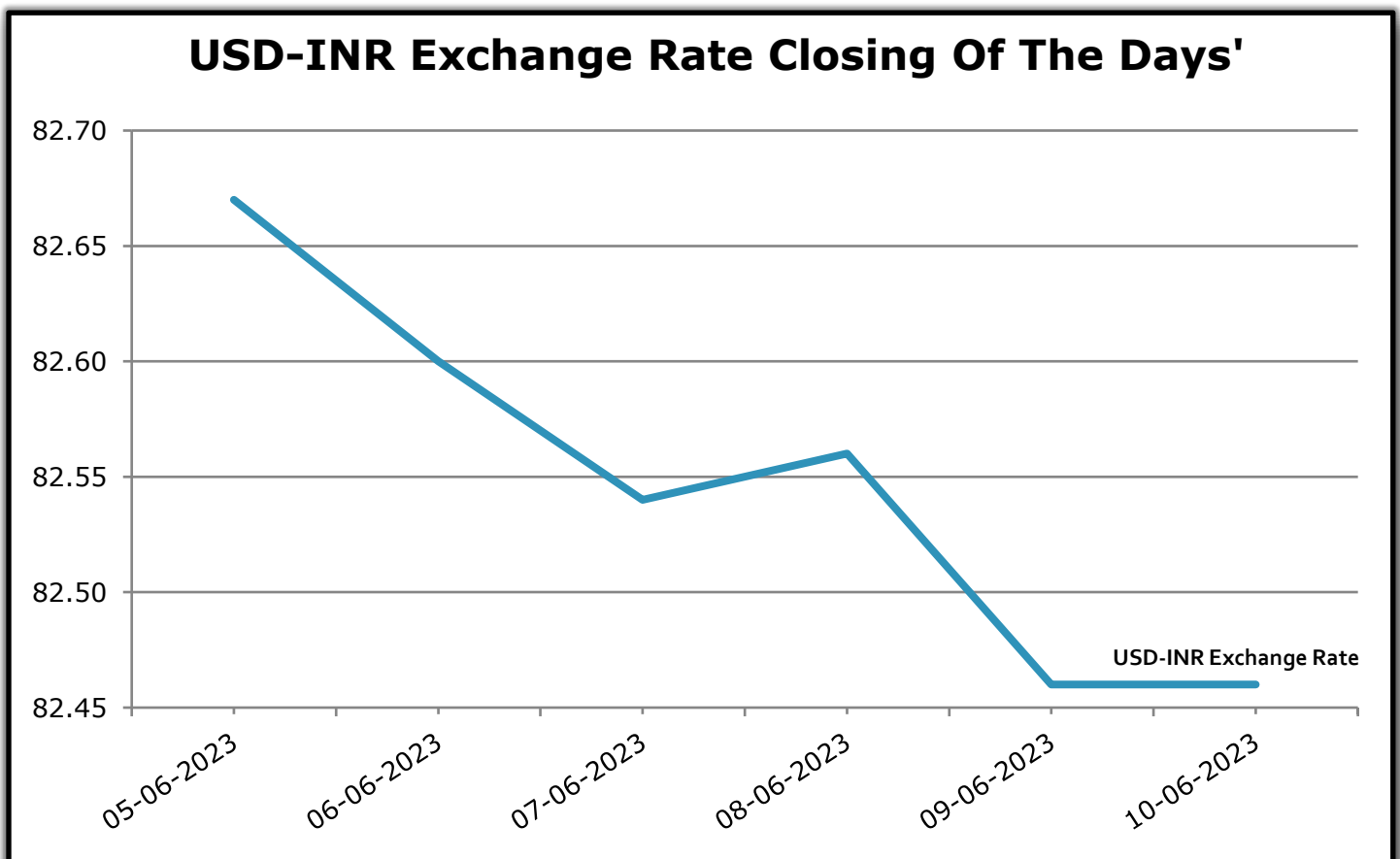
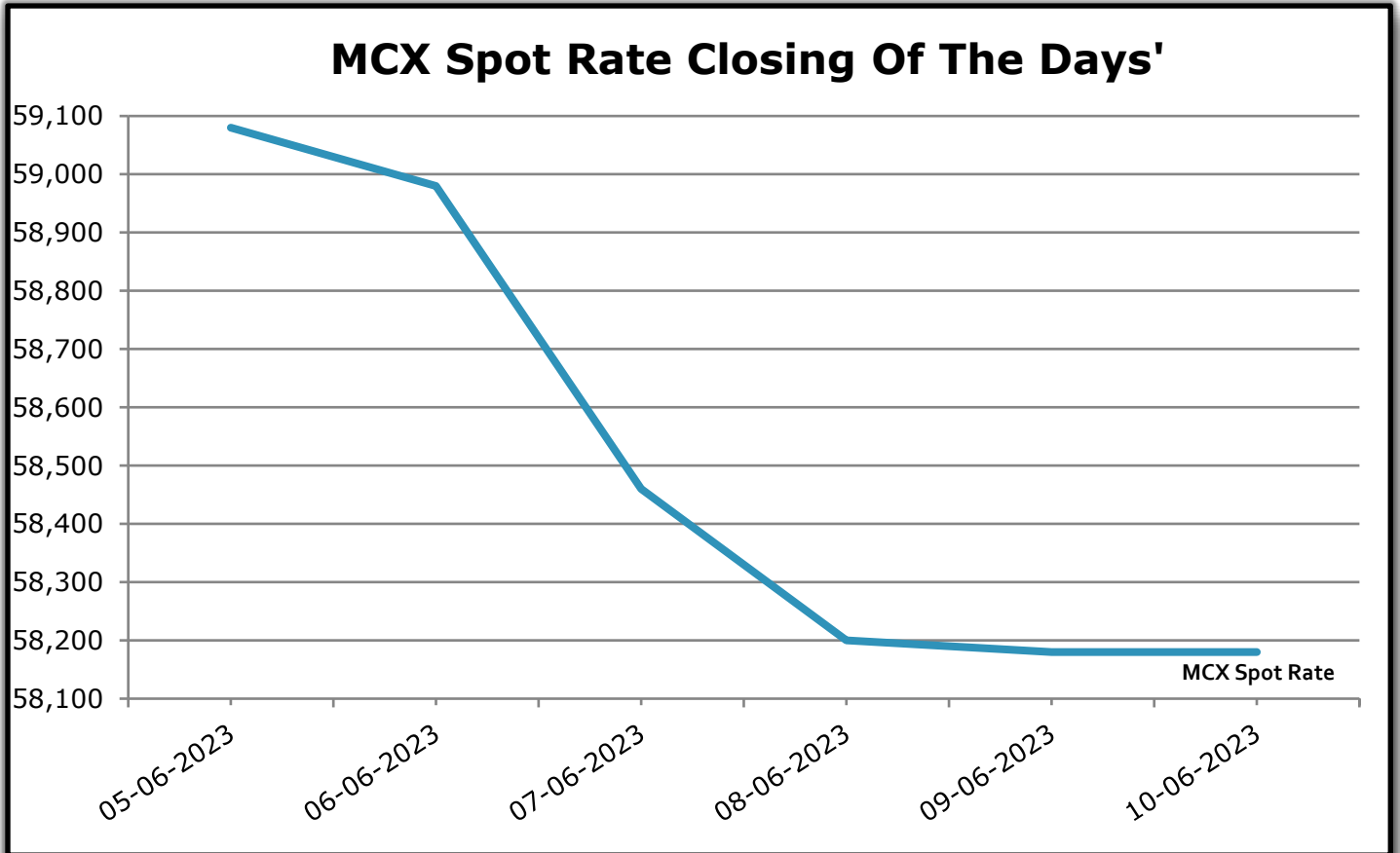
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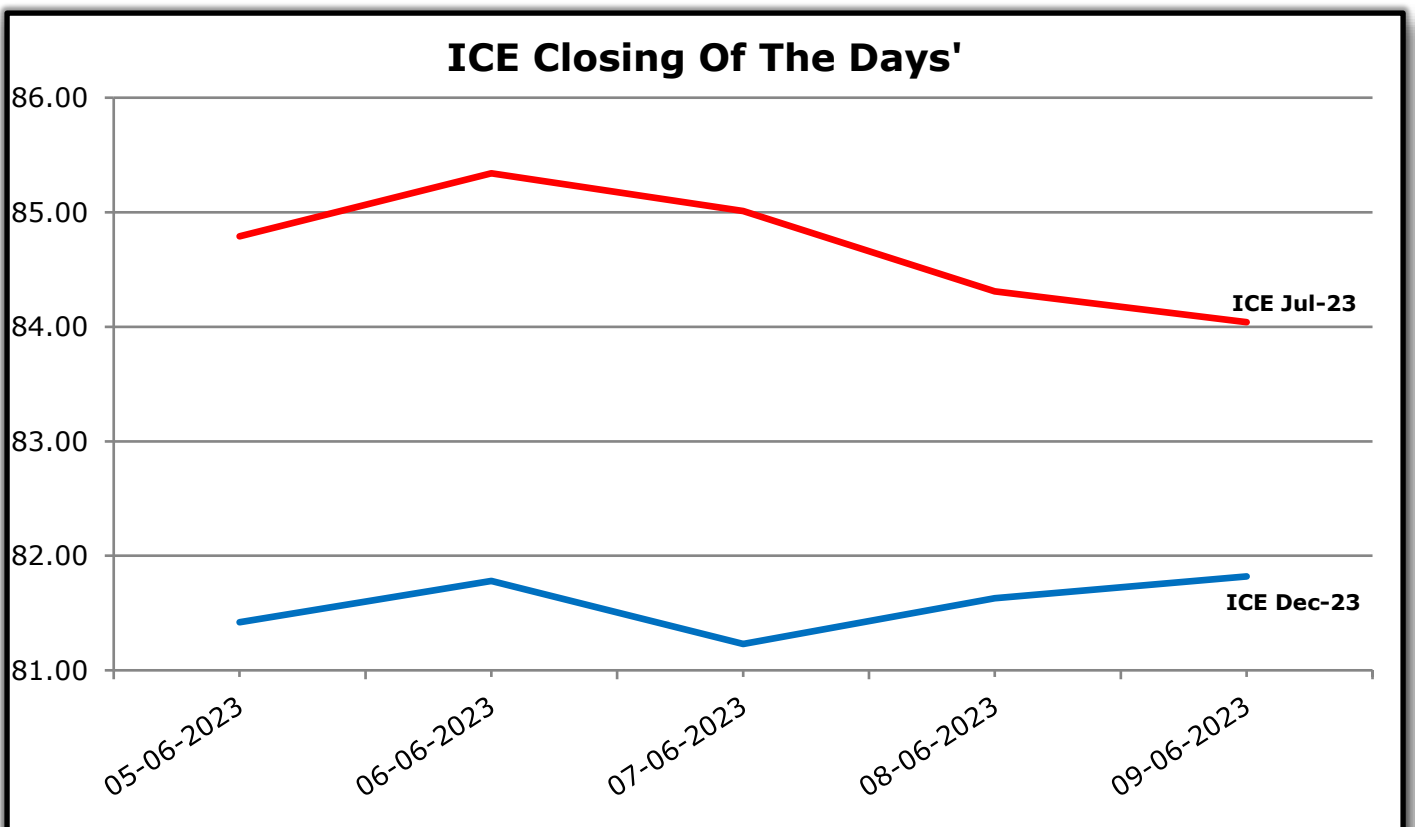
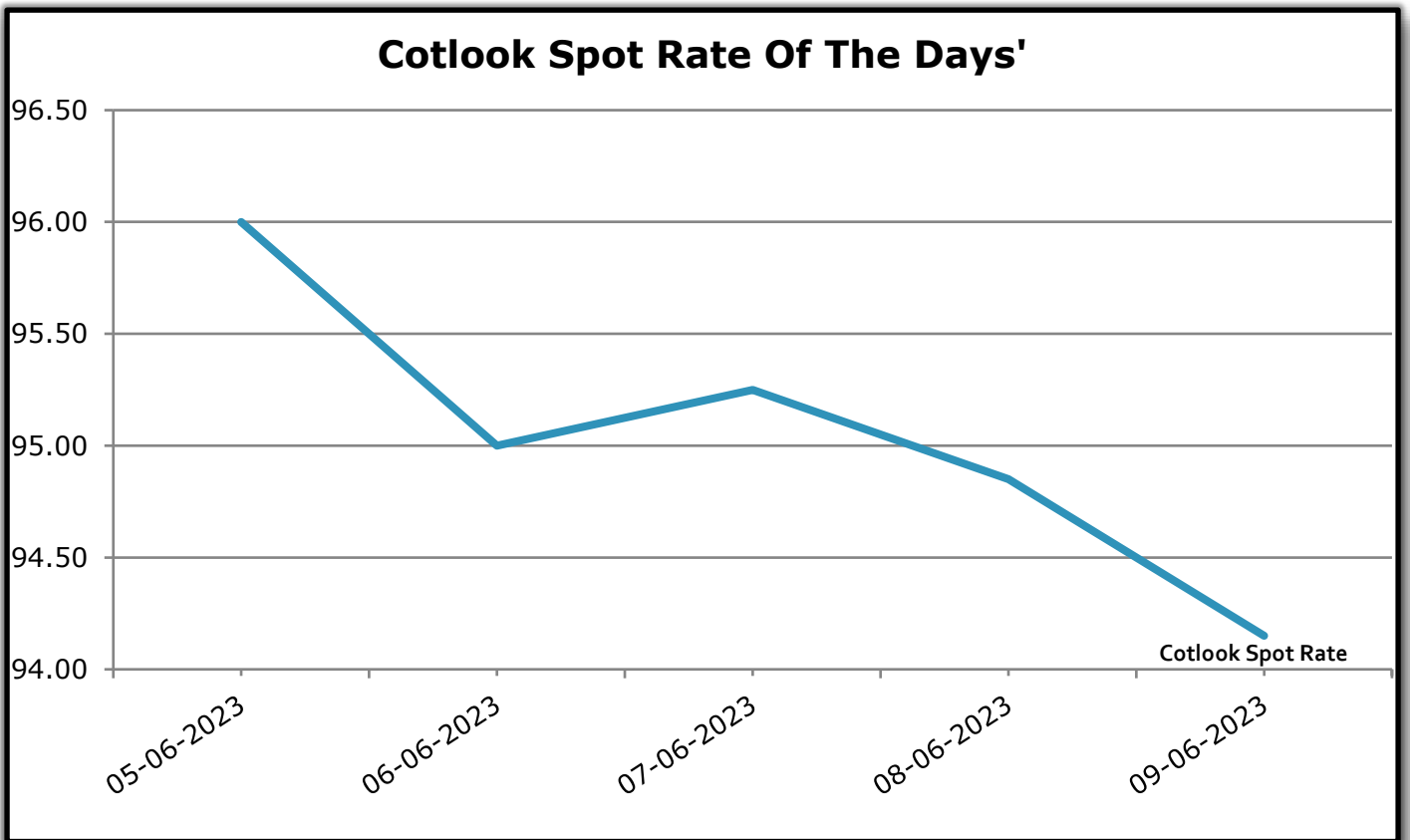




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-23	Dec-23
05-06-2023	96.00	84.79	81.42
06-06-2023	95.00	85.34	81.78
07-06-2023	95.25	85.01	81.23
08-06-2023	94.85	84.31	81.63
09-06-2023	94.15	84.04	81.82



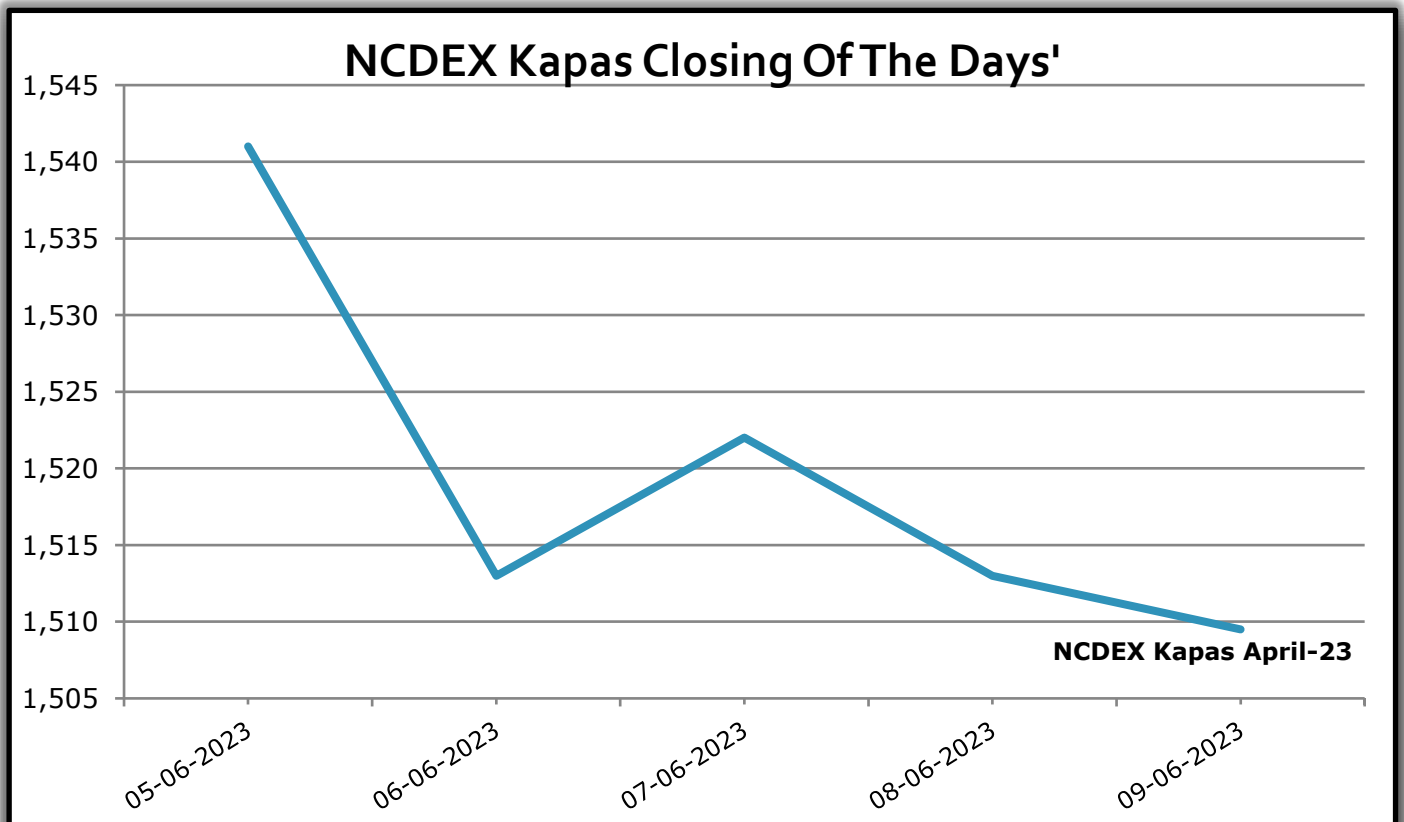


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Indian Indices	
Date	NCDEX Kapas
	April-24
05-06-2023	1,541.00
06-06-2023	1,513.00
07-06-2023	1,522.00
08-06-2023	1,513.00
09-06-2023	1,509.50



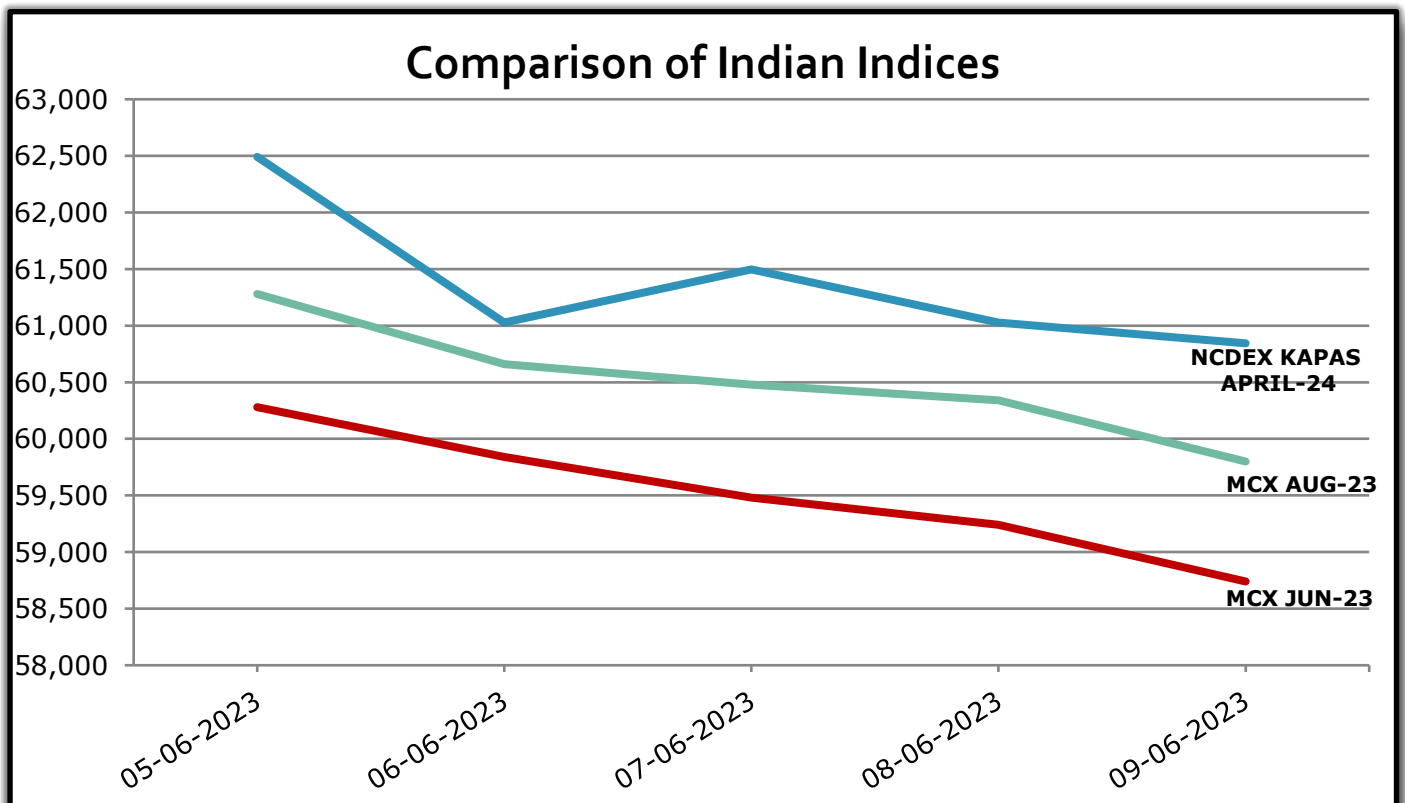


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April	Jun-23	Aug-23
05-06-2023	62,491	60,280	61,280
06-06-2023	61,027	59,840	60,660
07-06-2023	61,498	59,480	60,480
08-06-2023	61,027	59,240	60,340
09-06-2023	60,844	58,740	59,800

Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.

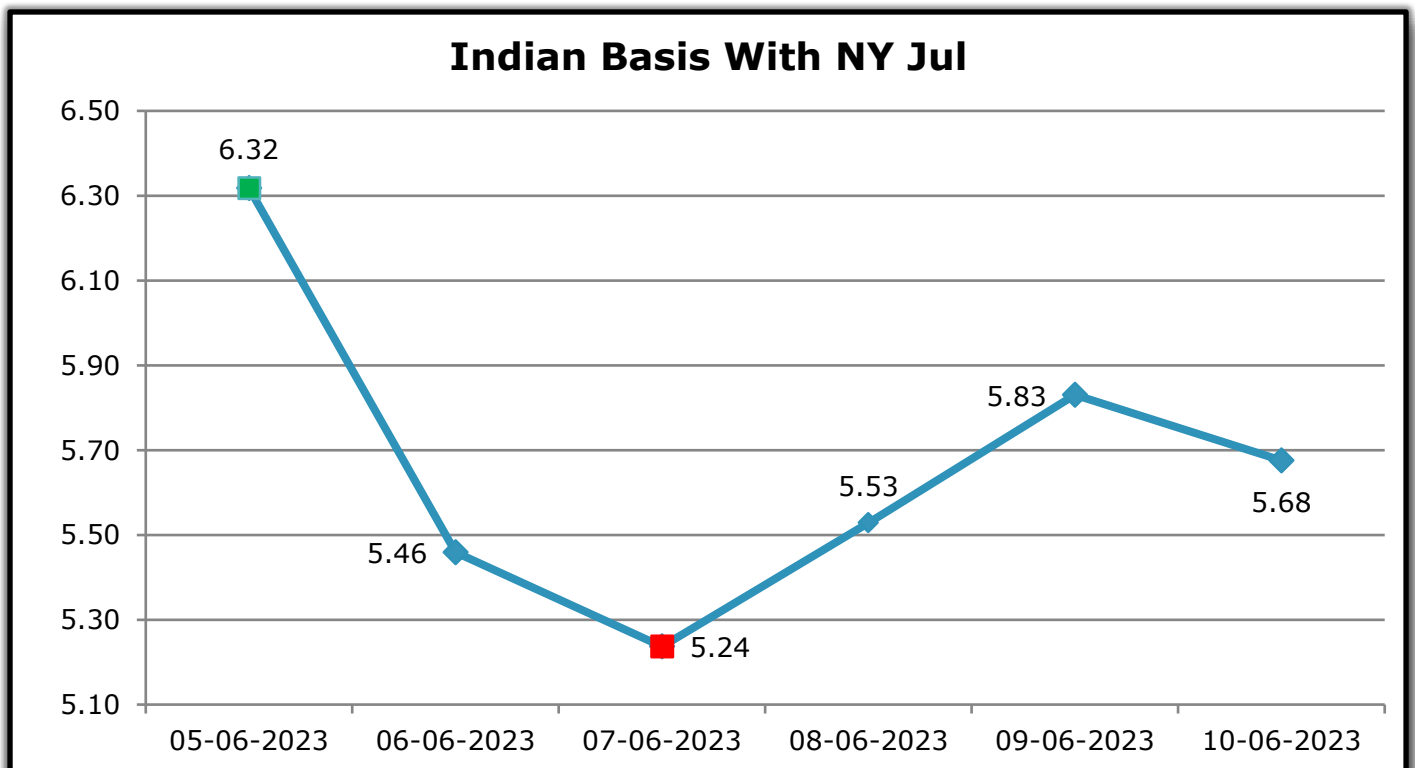




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Indian Basis With NY Jul					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
05-06-2023	59,050	82.67	91.11	84.79	6.32
06-06-2023	58,800	82.60	90.80	85.34	5.46
07-06-2023	58,400	82.54	90.25	85.01	5.24
08-06-2023	58,150	82.56	89.84	84.31	5.53
09-06-2023	58,100	82.46	89.87	84.04	5.83
10-06-2023	58,000	82.46	89.72	84.04	5.68

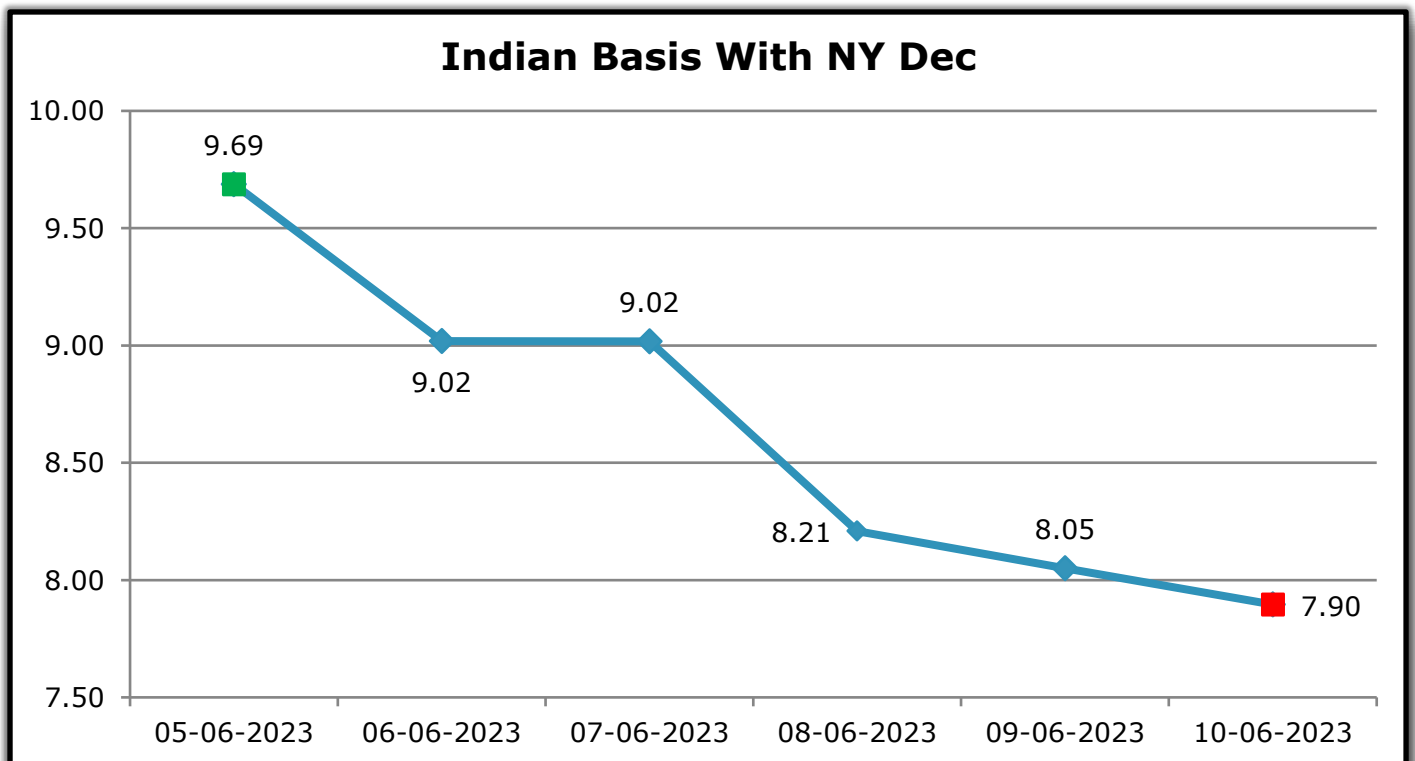




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Indian Basis With NY Dec					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
05-06-2023	59,050	82.67	91.11	81.42	9.69
06-06-2023	58,800	82.60	90.80	81.78	9.02
07-06-2023	58,400	82.54	90.25	81.23	9.02
08-06-2023	58,150	82.56	89.84	81.63	8.21
09-06-2023	58,100	82.46	89.87	81.82	8.05
10-06-2023	58,000	82.46	89.72	81.82	7.90





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IN THE WEEK AHEAD

- Friday at 2:30 p.m. Central – Commitments of Traders
- Monday at 3:00 p.m. Central – Crop Progress and Condition Report
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton On-Call

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- All Historical Gujcot Weekly Reports Menu->Reports
- All India Cotton Sowing data
- Gujarat Cotton Sowing District wise Report
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Gujcot Trade Association