



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 27-May-2023

Market Movement from 22nd May 2023 to 27th May 2023.

- NY Jul Future Contracts Experience a 3.37 Cent weekly Loss, Settling at 83.35 Cents on May 26 from 86.72 Cents on May 19.
- The expiration date for July options is June 8th, and as a result, all new hedging activities are now focused on the December options. The December options for the New York market are currently experiencing an inversion of 232 points when compared to the July options.
- The cotton market experienced significant losses throughout the week due to concerns over U.S. debt ceiling talks and the G-7's stance on China. The market was unable to recover despite a strong U.S. dollar and the possibility of interest rate hikes. Planting progress varied across states, with Texas slightly behind its average. Weather conditions in Texas indicated lighter rainfall and the potential for above-average precipitation in the coming weeks. The market closed lower on Monday to Thursday but on Friday managed to recover 323 points on anticipation of positive outcome of US debt talk. Overall, market participants will continue to monitor U.S. debt talks, the G-7's stance on China, and weather conditions as they impact planting progress.



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- The U.S. cotton export sales report for the week showed mixed results. In the 2022-2023 season, there were moderate net upland sales of 131,300 bales and significant upland shipments of 268,700 bales. Pima sales were minimal at 3,200 bales, but shipments reached 13,500 bales. The total sales for the week stood at 134,500 bales. In contrast, the 2023-2024 season saw lower net upland sales at 84,300 bales, and no net pima sales were reported. The total sales for the 2023-2024 season amounted to 84,300 bales.
- The Indian physical market has experienced a significant loss and is currently attempting to stabilize within the range of 56,000 to 56,500. Farmers are continuing to sell their produce; however, the sell flow facing interruptions due to much lower prices of kapas than expected.
- Due to Mills' extensive yarn inventory, the quantity of cotton purchases is restricted despite the appealing pricing.
- The Indian basis with NY December remains approximately 700 points. Additionally, the forward basis for cotton from other origins has also declined. Consequently, foreign buyers are currently hesitant to purchase Indian cotton, opting to wait for more favorable conditions.



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- Considering the current basis, mills should actively seek yarn buyers. If yarn stocks are offloaded, it is likely that the market will find support and stabilize.
- The USD-INR exchange rate exhibited slight variations throughout the week, with some fluctuations observed on different days from Monday to Friday. The USD-INR exchange rate was 82.57 on Friday.



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Global

US Weekly Export Sales

- Net UPLAND sales of 1,31,200 RB for 2022-2023 were down 1 percent from the previous week and 35 percent from the prior 4-week average. Increases primarily for China (64,800 RB, including decreases of 1,900 RB), Vietnam (30,400 RB, including 2,700 RB switched from China, 400 RB switched from Japan, and 200 RB switched from South Korea), Turkey (11,700 RB, including decreases of 4,700 RB), Bangladesh (9,000 RB, including decreases of 200 RB), and Pakistan (3,800 RB, including decreases of 400 RB), were offset by reductions for South Korea (200 RB), Mexico (200 RB), Guatemala (100 RB), and Nicaragua (100 RB).

US Export Sales	18-May-2023
Marketing Year 2022-23	
Upland Gross Sales	1,39,000
Cancellation	7,700
Net Upland Sales	1,31,300
PIMA Gross Sales	3,400
Cancellation	200
Net PIMA Sales	3,200
Total Gross Sales	1,42,400
Total Cancellation	7,900
Total Net Sales	1,34,500
Shipments	
UPLAND	2,68,700
PIMA	13,500
Total Shipment	2,82,200
Marketing Year 2023-24	
Net Upland Sales	84,300
Net PIMA Sales	0
Total Net Sales	84,300
All Figures in US Running Bale	

- Net UPLAND sales of 84,300 RB for 2023-2024 were reported for Turkey (54,600 RB), Mexico (24,000 RB), China (4,400 RB), Indonesia (900 RB), and Thailand (400 RB).
- UPLAND Exports of 2,68,700 RB were down 19 percent from the previous week and 27 percent from the prior 4-week average. The destinations were primarily to Vietnam (68,100 RB), Turkey (67,300 RB), Pakistan (38,500 RB), China (22,400 RB), and Bangladesh (16,900 RB).
- Net sales of PIMA totaling 3,300 RB for 2022-2023 were down 65 percent from the previous week and 80 percent from the prior 4-week average. Increases reported for Vietnam (1,800 RB, including 100 RB switched from Japan), India (800 RB), Turkey (500 RB), Pakistan (200 RB), and Thailand (100 RB switched from Japan), were offset by reductions for Japan (200 RB) and Guatemala (100 RB).
- PIMA Exports of 13,500 RB were down 7 percent from the previous week and 33 percent from the prior 4-week average. The destinations were primarily to India (5,200 RB), China (3,300 RB), Vietnam (2,300 RB), Egypt (900 RB), and Djibouti (900 RB).



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	20-05-2023	27-05-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	58,750	56,800	-1,950	-3.43%
V-797	13% Trash		47,800	46,650	-1,150	-2.47%
MCX Spot Rate			59,660	56,260	-3,400	-6.04%
USD-INR Exchange			82.66	82.57	-0.09	-0.11%

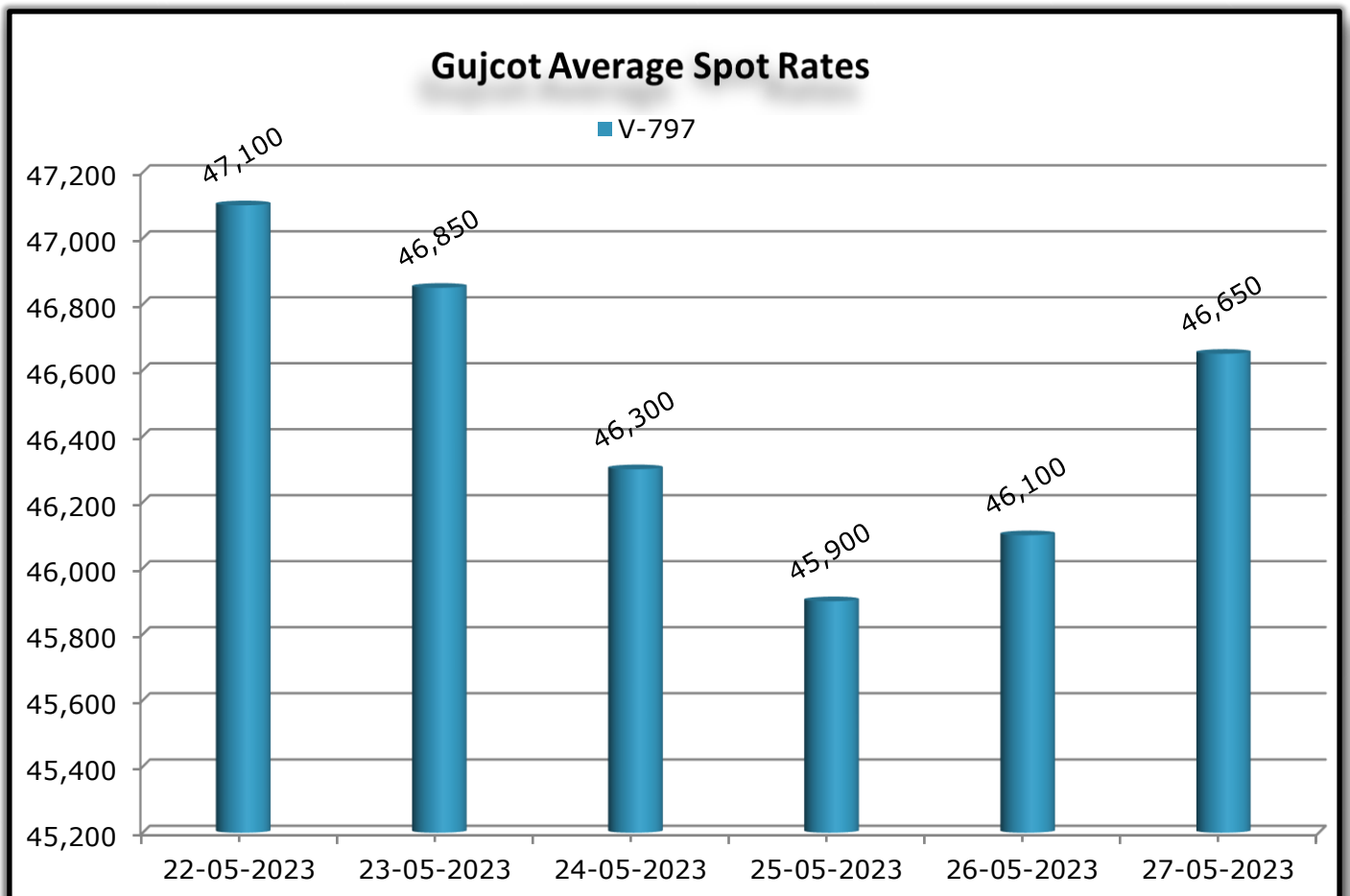
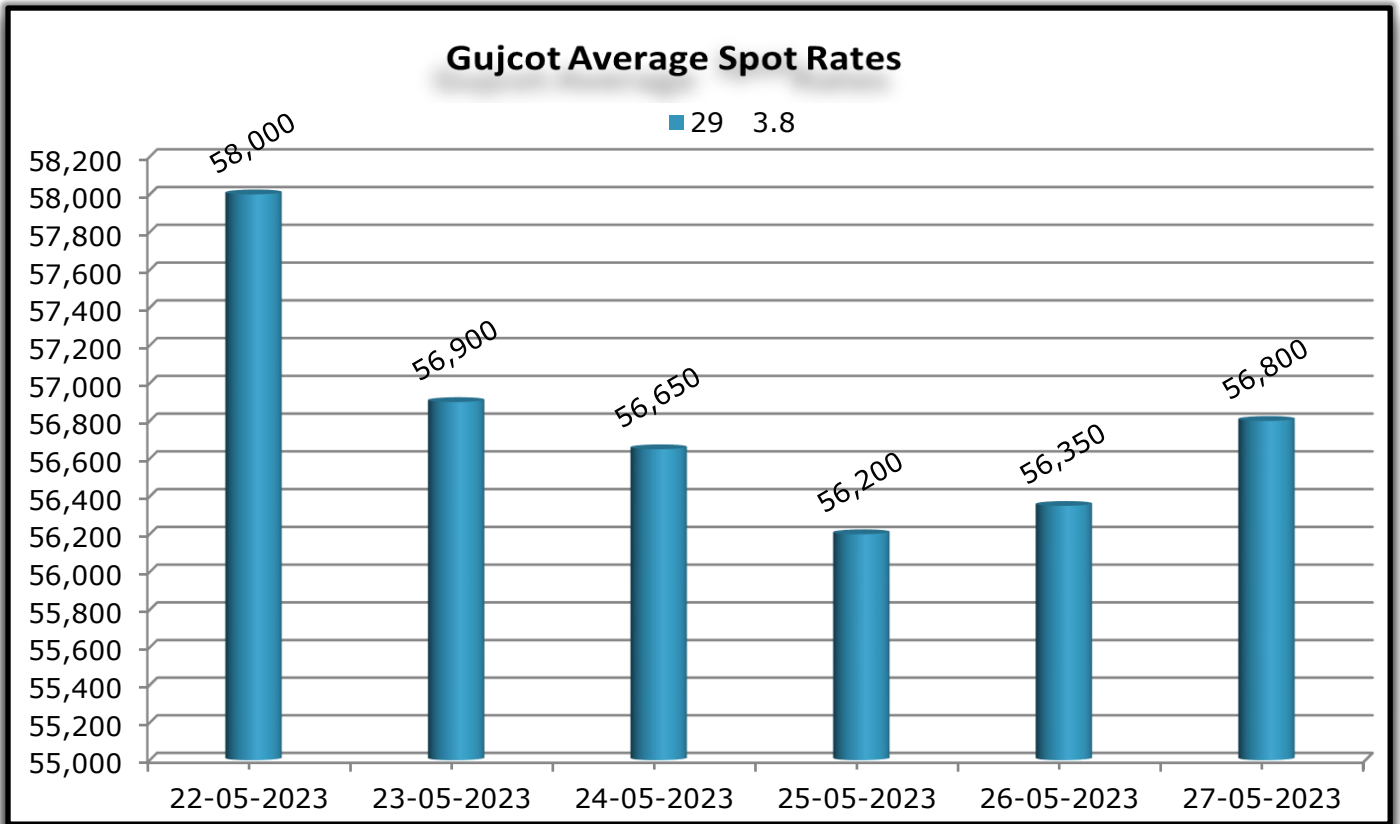
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	56,200	58,000	56,817
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		45,900	47,100	46,483
MCX Spot Rate			56,260	58,060	56,790
USD Exchange Rate			82.57	82.82	82.69

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
22-05-2023	58,000	47,100	58,060	82.82
23-05-2023	56,900	46,850	57,080	82.80
24-05-2023	56,650	46,300	56,800	82.66
25-05-2023	56,200	45,900	56,280	82.74
26-05-2023	56,350	46,100	56,260	82.57
27-05-2023	56,800	46,650	56,260	82.57



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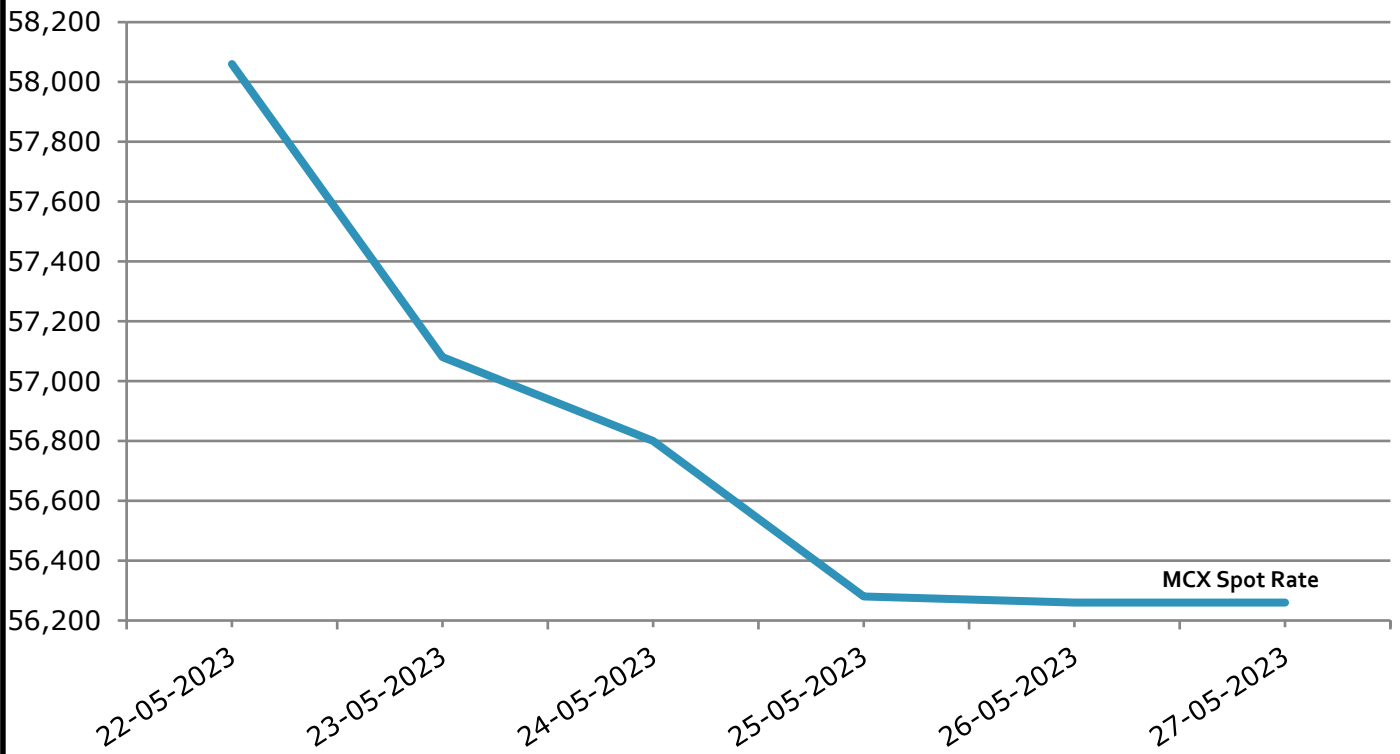




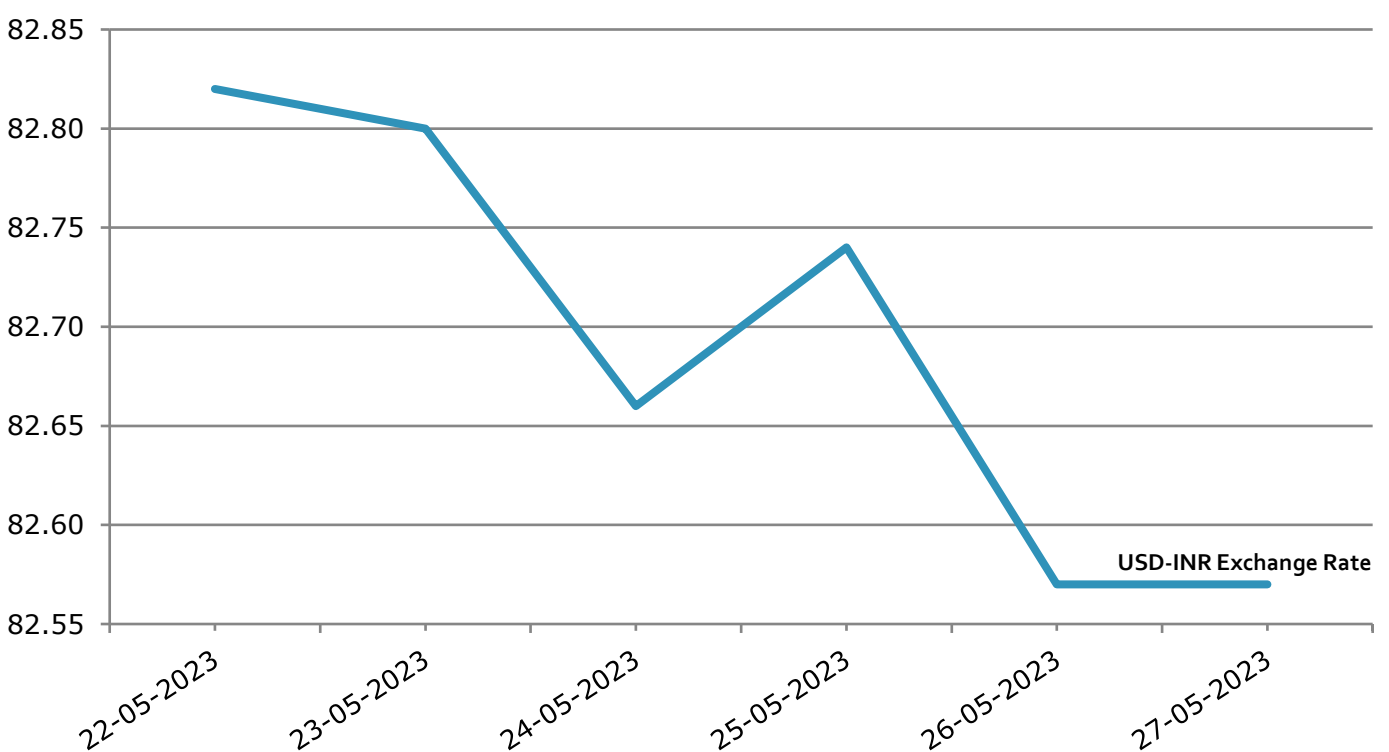
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'

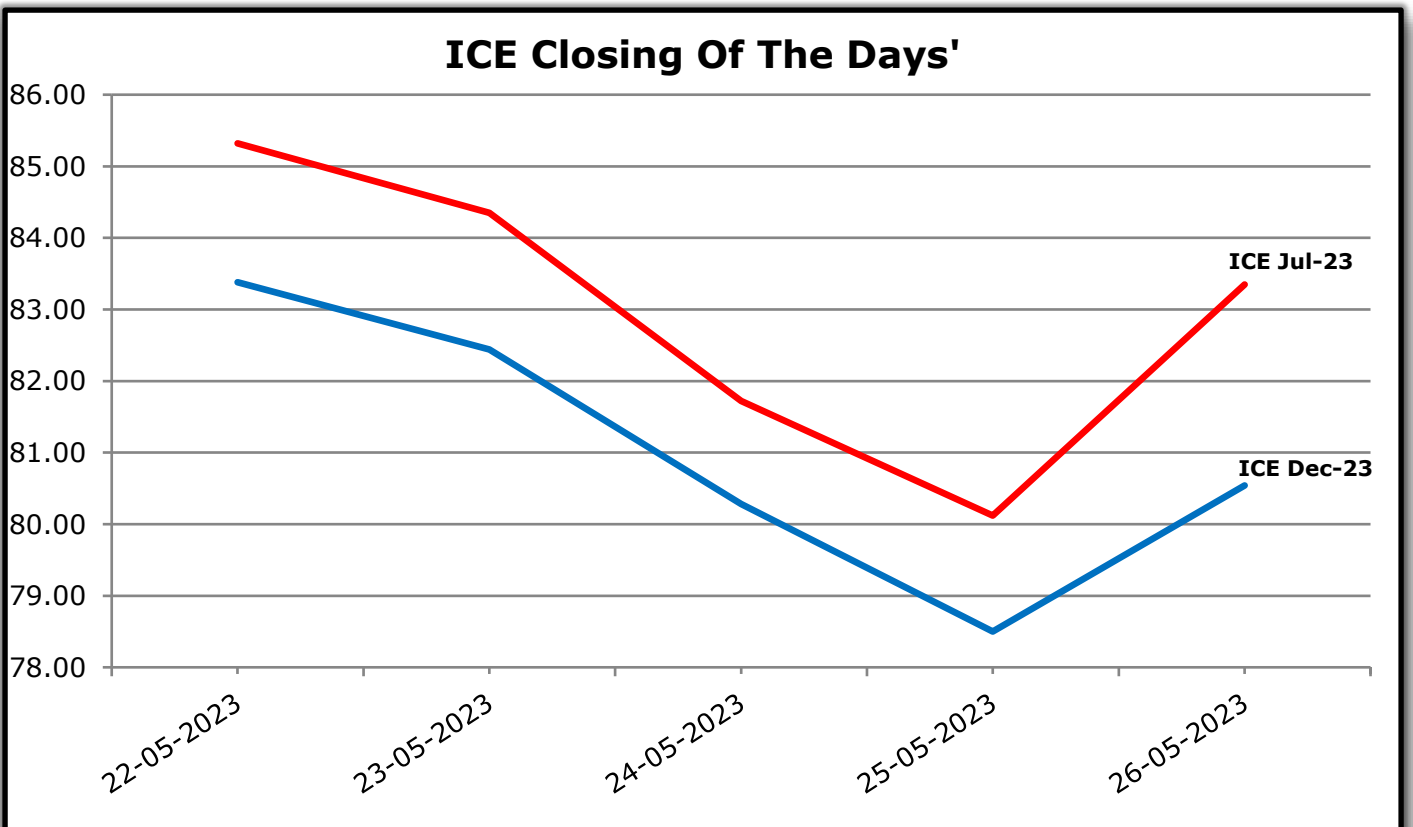
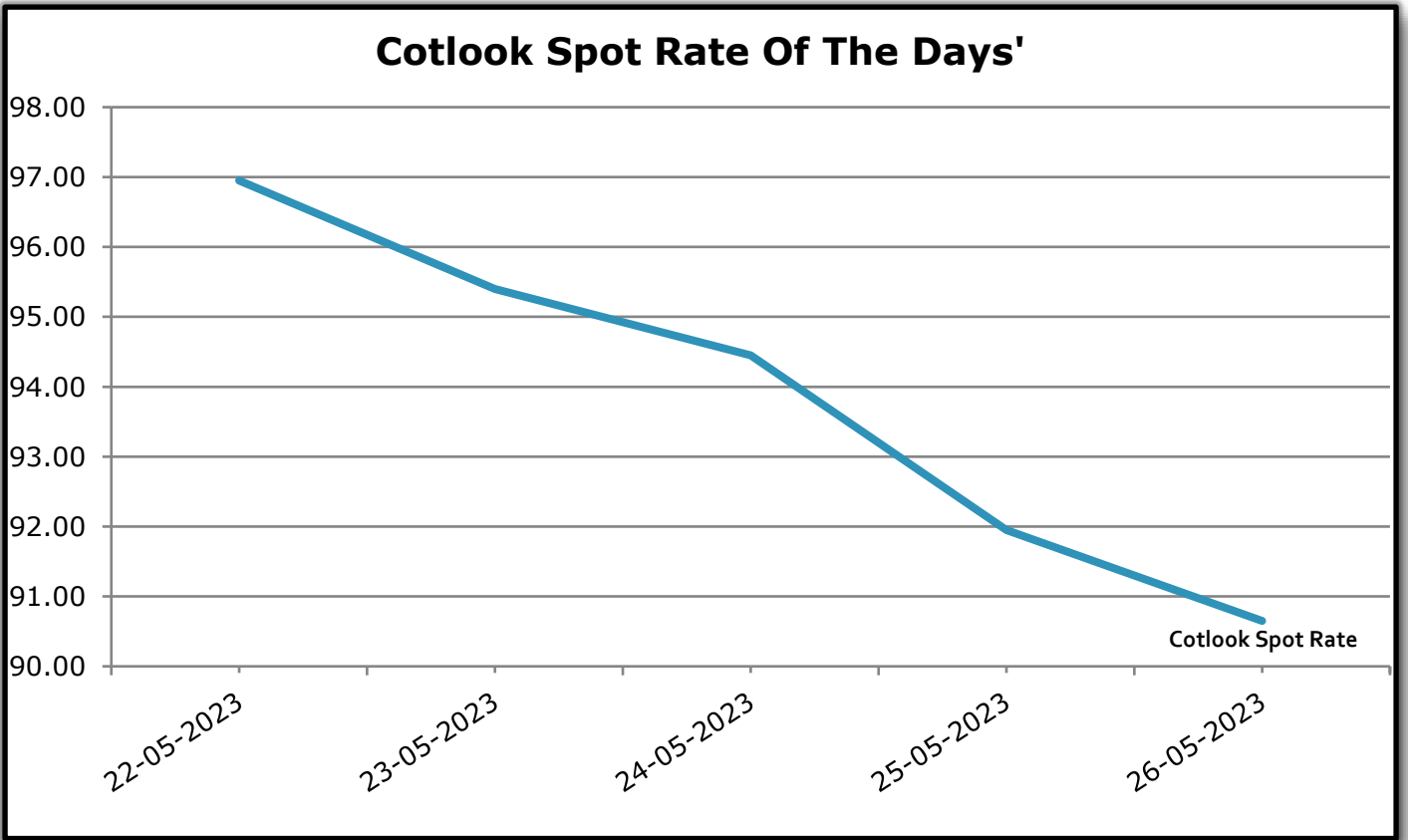




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-23	Dec-23
22-05-2023	96.95	85.32	83.38
23-05-2023	95.40	84.35	82.44
24-05-2023	94.45	81.72	80.28
25-05-2023	91.95	80.12	78.50
26-05-2023	90.65	83.35	80.54

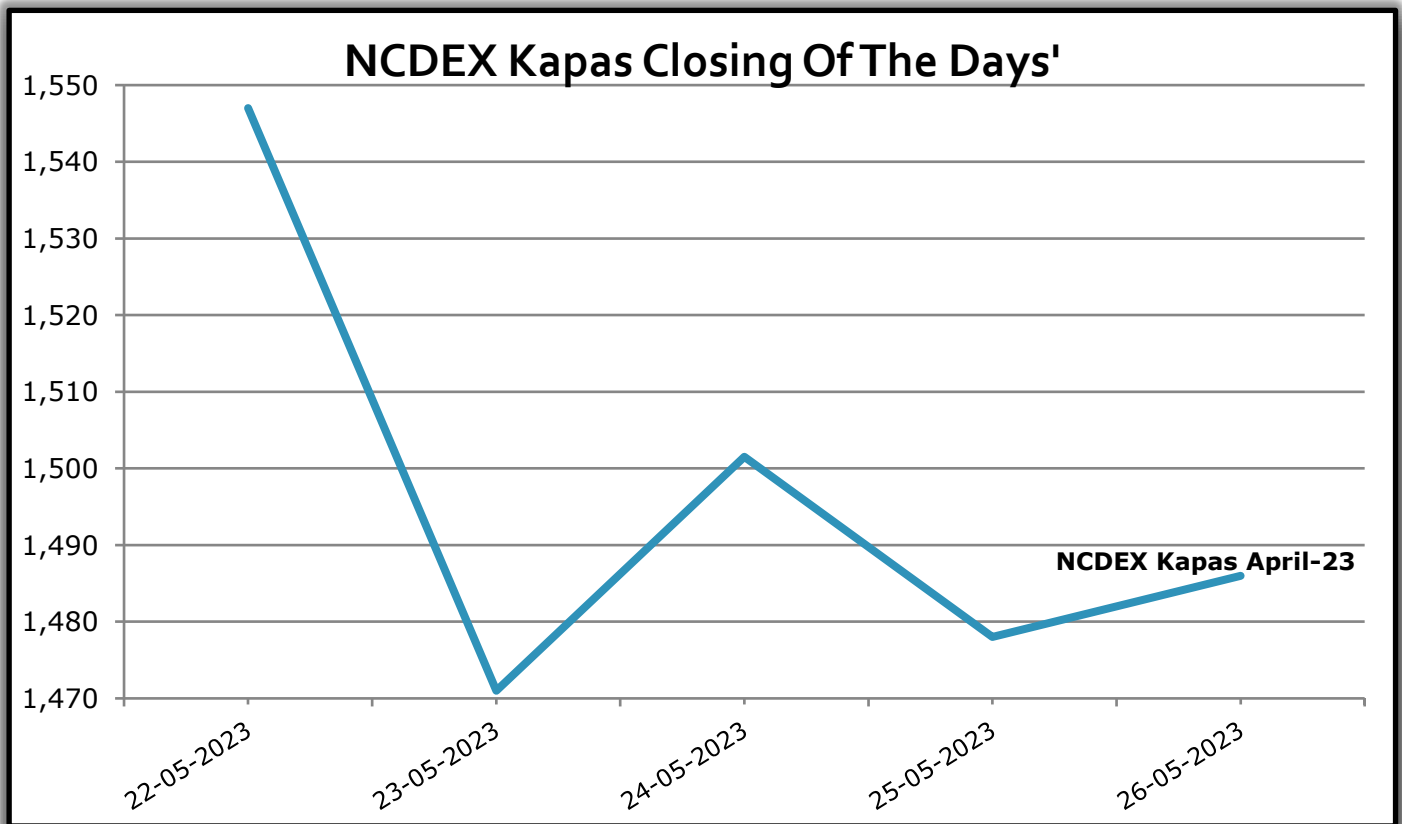




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Indian Indices	
Date	NCDEX Kapas
	April-24
22-05-2023	1,547.00
23-05-2023	1,471.00
24-05-2023	1,501.50
25-05-2023	1,478.00
26-05-2023	1,486.00



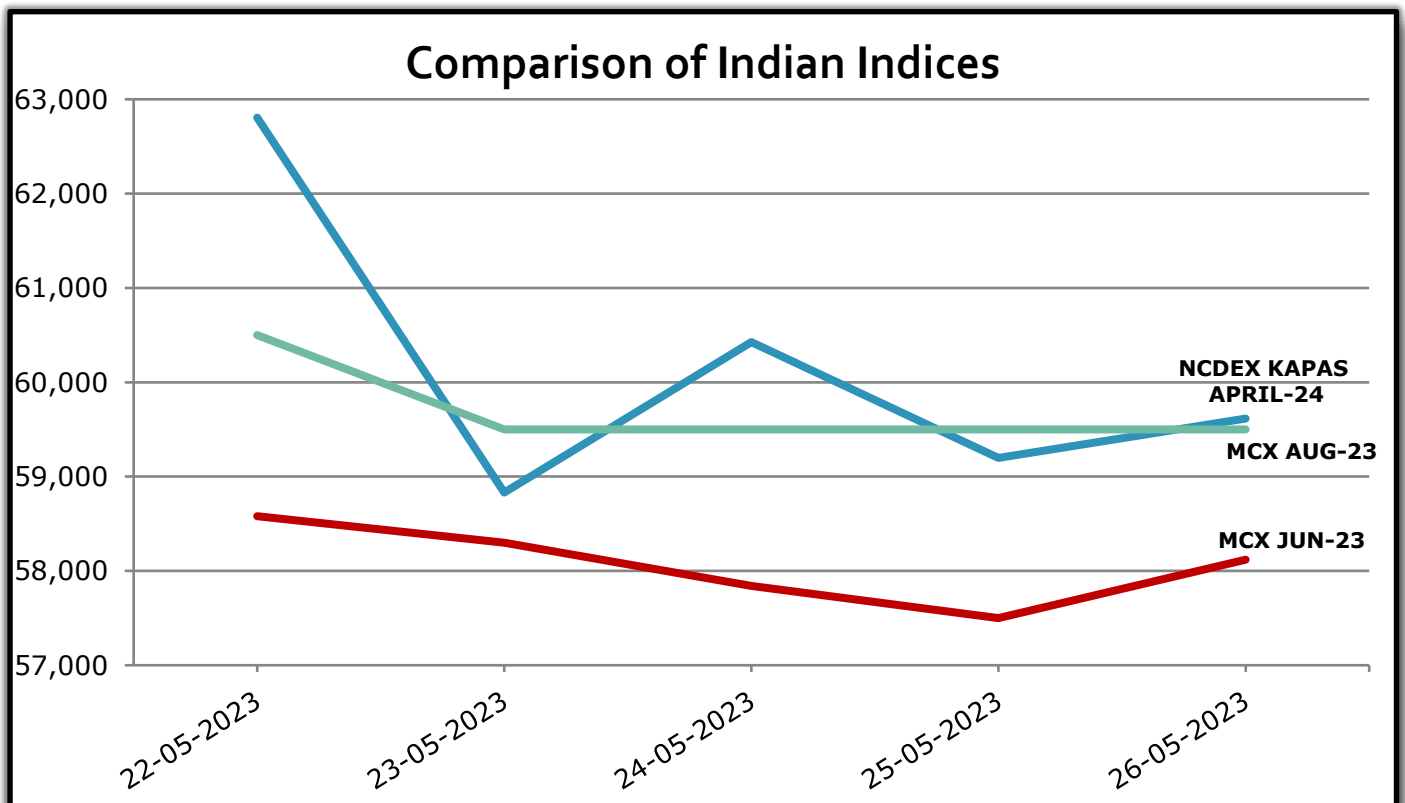


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April	Jun-23	Aug-23
22-05-2023	62,805	58,580	60,500
23-05-2023	58,831	58,300	59,500
24-05-2023	60,426	57,840	59,500
25-05-2023	59,197	57,500	59,500
26-05-2023	59,615	58,120	59,500

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

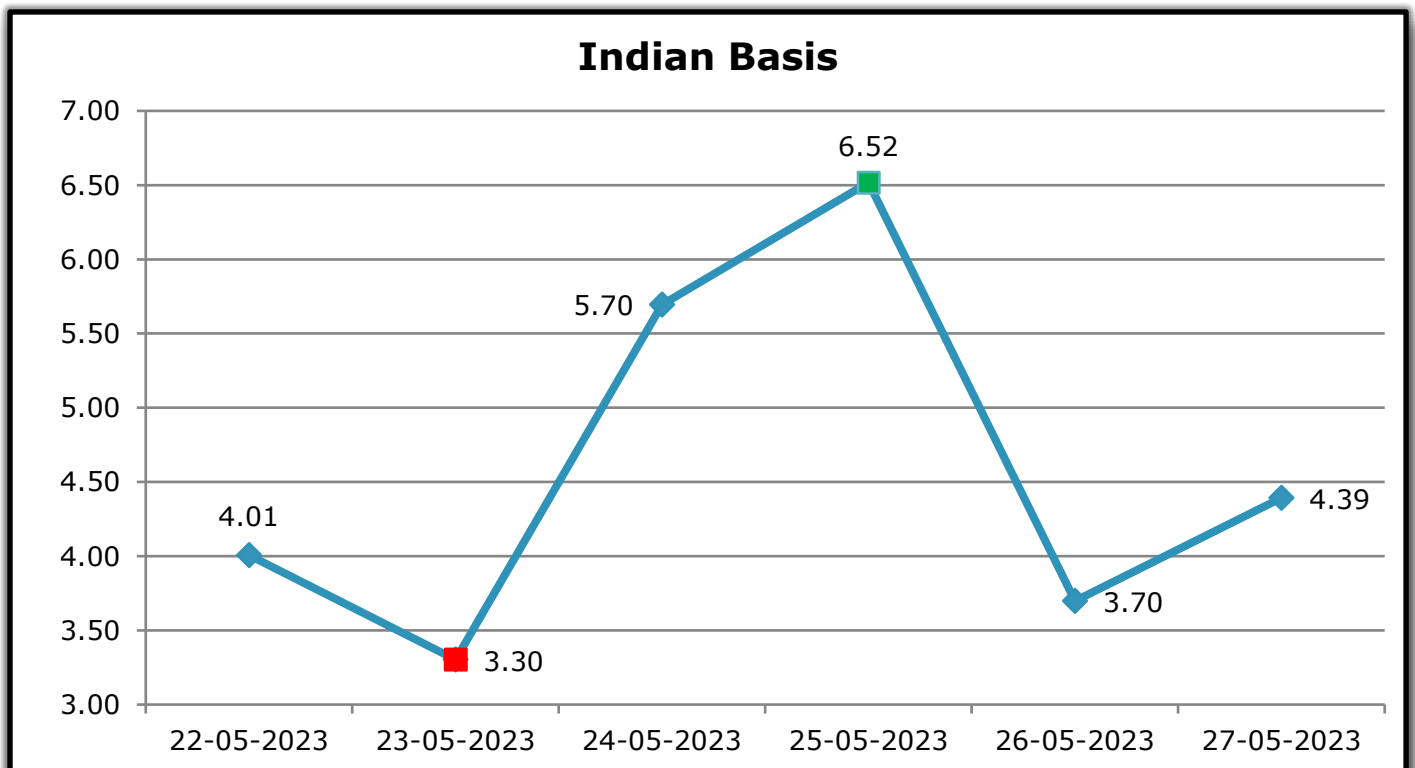




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
22-05-2023	58,000	82.82	89.33	85.32	4.01
23-05-2023	56,900	82.80	87.65	84.35	3.30
24-05-2023	56,650	82.66	87.42	81.72	5.70
25-05-2023	56,200	82.74	86.64	80.12	6.52
26-05-2023	56,350	82.57	87.05	83.35	3.70
27-05-2023	56,800	82.57	87.74	83.35	4.39





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IN THE WEEK AHEAD

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

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Gujcot Trade Association