



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 10-Oct-2020

## Market Movement from 05th Oct 2020 to 10th Oct 2020

- This week was Bull dominated week. NY December gained 182 points during this week. Fear of damage due to Hurricane Delta and Weaker dollar were main reasons for the Bull run. Before WASDE NY December climbed to new high 68.68. Trade anticipated USDA to reduce U.S. crop to below 17 million bales but USDA almost maintained same crop as previous month which disappointed speculator. NY December closed at 67.64 after reaching new high.
- WASDE reported increase in world consumption and lower slightly lower production and lowered 2.71 Million bales ending stock on world cotton balance sheet but still annual production is higher than annual consumption, which led to higher closing stock than previous year. As world's stock to use ratio is very high so fundamentals are bearish but due to some recovery in economy and rates are at lower levels so players are optimistic.
- US Export Sales was slightly lower and China did not buy in big numbers because of holidays. But overall, it is beyond required pace to meet the USDA target.
- In India CCI started procurement in some North centers and will starts buying in other parts in November. CCI has put target to buy 1.25 crore bales for current year. In old crop CCI gradually increased rates and now it is higher than current market rate so they are not able to sales big quantity.
- Indian new crop rate was higher this week. MNCs and Exporters were active buyers backed by higher NY Futures.
- Indian arrivals now crossed 60,000 bales as North and Gujarat are main centers.
- Gujarat arrivals are nearly 12,000 to 15,000 bales a day. Next week it will increase.
- Higher NY has improved Indian basis.
- Gujcot spot rate remained between 36,750 to 37,200 during this week.
- Indian rupee remained stable between 73.13 to 73.45 against USD compared to last week.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 1,78,400 RB for 2020-2021 were down 24 percent from the previous week and 27 percent from the prior 4-week average. Increases primarily for Vietnam (1,25,500 RB, including 1,300 RB switched from Hong Kong and decreases of 9,200 RB), China (26,700 RB, including decreases of 700 RB), Pakistan (21,500 RB, including decreases of 1,600 RB), Costa Rica (6,200 RB), and Mexico (5,200 RB, including decreases of 200 RB), were offset by reductions primarily for Bangladesh (14,000 RB), Japan (3,900 RB), and Hong Kong (1,300 RB).
- For 2021-2022, net UPLAND sales of 15,000 RB were for Bangladesh (13,200 RB) and Costa Rica (1,800 RB).
- UPLAND Exports of 1,42,300 RB were down 35 percent from the previous week and 38 percent from the prior 4-week average. Exports were primarily to China (53,500 RB), Vietnam (16,900 RB), Mexico (16,800 RB), Turkey (11,200 RB), and Bangladesh (9,200 RB).
- Net sales of PIMA totaling 21,700 RB were up 11 percent from the previous week and 4 percent from the prior 4-week average. Increases primarily for India (11,300 RB), Pakistan (3,800 RB), Bangladesh (3,000 RB, including 300 RB switched from Switzerland), and Vietnam (2,200 RB), were offset by reductions for Turkey (400 RB) and Switzerland (300 RB).
- PIMA Exports of 15,800 RB were up 46 percent from the previous week and 24 percent from the prior 4-week average. The primary destinations were India (5,100 RB), Vietnam (3,100 RB), Pakistan (1,800 RB), Turkey (1,600 RB), and Peru (1,500 RB).

US Export Sales	01-Oct-2020
<b>Marketing Year 2020-21</b>	
Upland Gross Sales	2,06,300
Cancellation	27,900
<b>Net Upland Sales</b>	<b>1,78,400</b>
PIMA Gross Sales	22,200
Cancellation	500
<b>Net PIMA Sales</b>	<b>21,700</b>
Total Gross Sales	2,28,500
Total Cancellation	28,400
<b>Total Net Sales</b>	<b>2,00,100</b>
<b>Shipments</b>	
UPLAND	1,42,300
PIMA	15,800
<b>Total Shipment</b>	<b>1,58,100</b>
<b>Marketing Year 2021-22</b>	
Net Upland Sales	15,000
Net PIMA Sales	0
<b>Total Net Sales</b>	<b>15,000</b>
All Figures in US Running Bale	



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## WASDE – Oct – 2020

The 2020/21 U.S. cotton supply and demand estimates show marginally lower production compared with last month. Production is lowered less than 1 percent, to 17.0 million bales. Domestic mill use, exports, and ending stocks are unchanged. At 7.2 million bales, U.S. ending stocks in 2020/21 are projected at 42 percent of use, compared with 41 percent in 2019/20. The 2020/21 season-average price for upland cotton is forecast at 61.0 cents per pound, 2 cents higher than last month and slightly above the final 2019/20 price of 59.6 cents.

The 2020/21 world cotton supply and demand forecasts feature lower production, higher consumption and trade, and lower ending stocks compared with last month. Production is lowered more than 900,000 bales with declines in Mali, Pakistan, and Greece offsetting a larger expected crop in Nigeria. Consumption is 1.5 million bales higher, largely reflecting revisions for China and India. World trade is projected about 500,000 bales higher this month, reflecting a 500,000-bale increase in China's projected imports, and on the export side, higher exports by Brazil and Uzbekistan offsetting a decline for Mali. World ending stocks in 2020/21 are now projected 2.7 million bales lower than in September, at 101.1 million bales, equivalent to 89 percent of consumption.



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## WEEKLY REPORT 10-Oct-2020

### Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	03-10-2020	10-10-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	36,800	37,200	400	1.08%
V-797	13 % Trash		23,400	23,800	400	1.68%
MCX Spot Rate			17,540	17,820	280	1.57%
USD-INR Exchange			73.14	73.13	-0.01	-0.01%

### Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	36,750	37,200	36,925
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		23,300	23,800	23,517
MCX Spot Rate			17,560	17,820	17,690
USD Exchange Rate			73.13	73.45	73.26

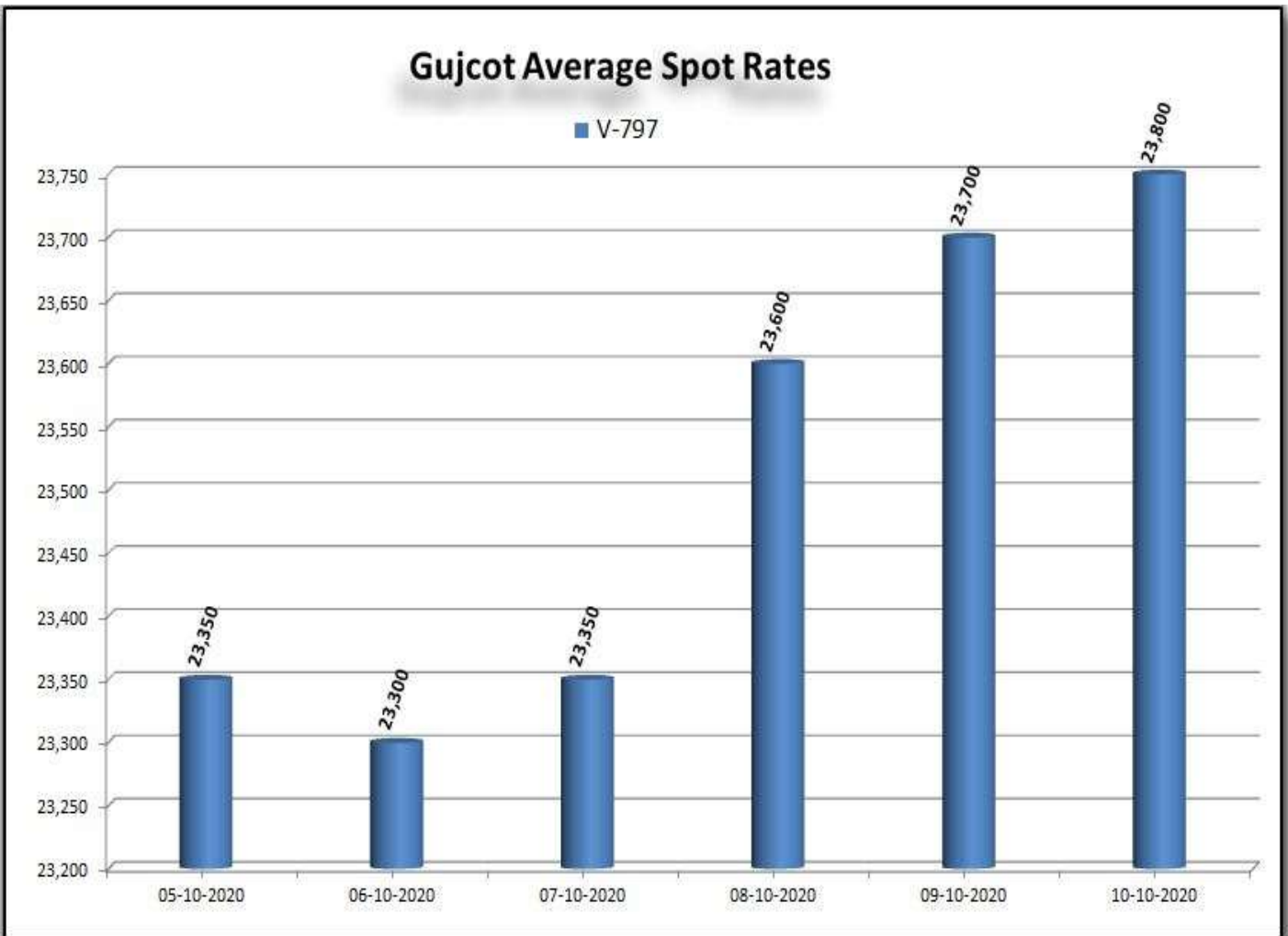
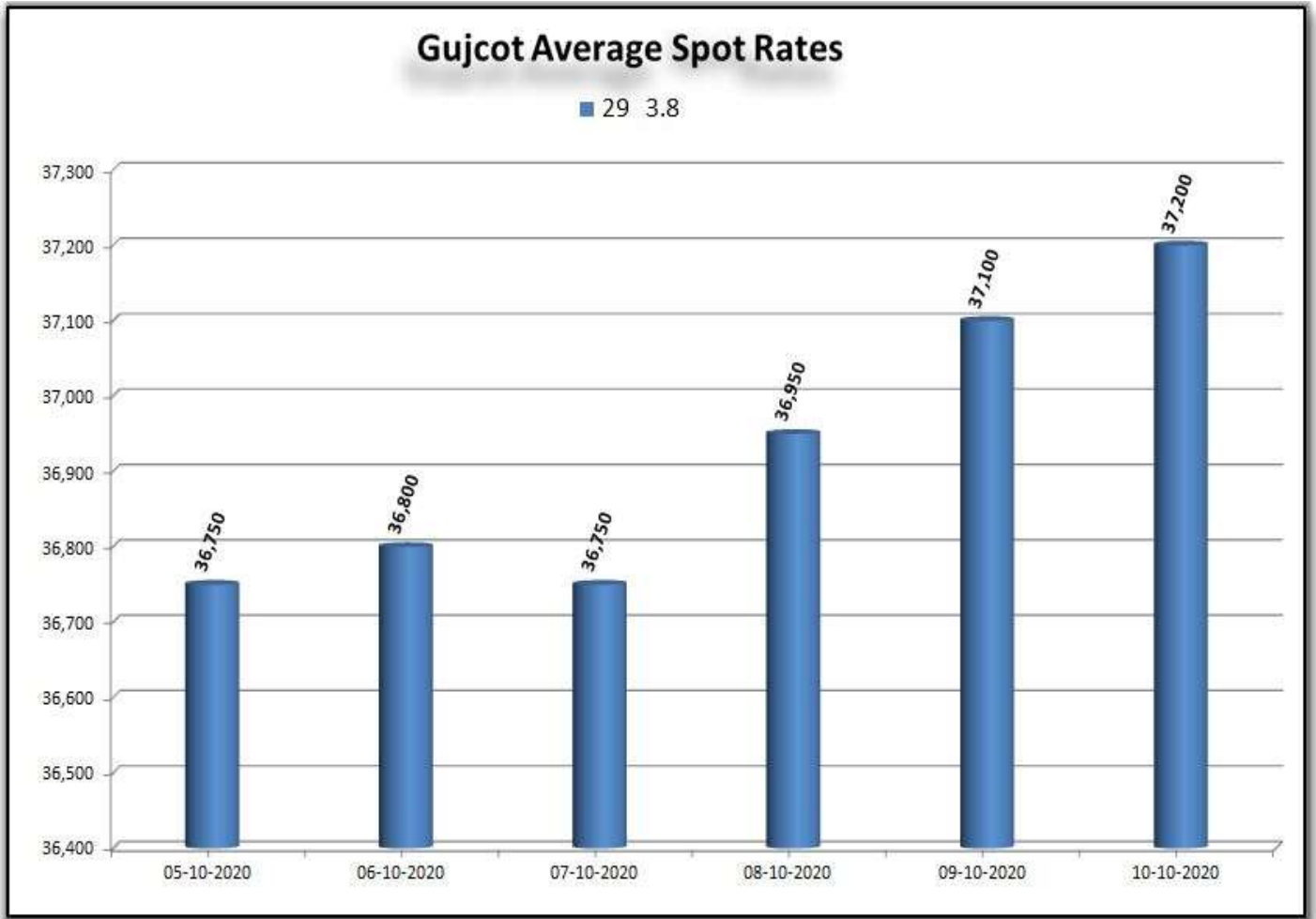
### Rate of Last Week

Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
05-10-2020	36,750	23,350	17,560	73.29
06-10-2020	36,800	23,300	17,560	73.45
07-10-2020	36,750	23,350	17,610	73.33
08-10-2020	36,950	23,600	17,770	73.23
09-10-2020	37,100	23,700	17,820	73.13
10-10-2020	37,200	23,800	17,820	73.13



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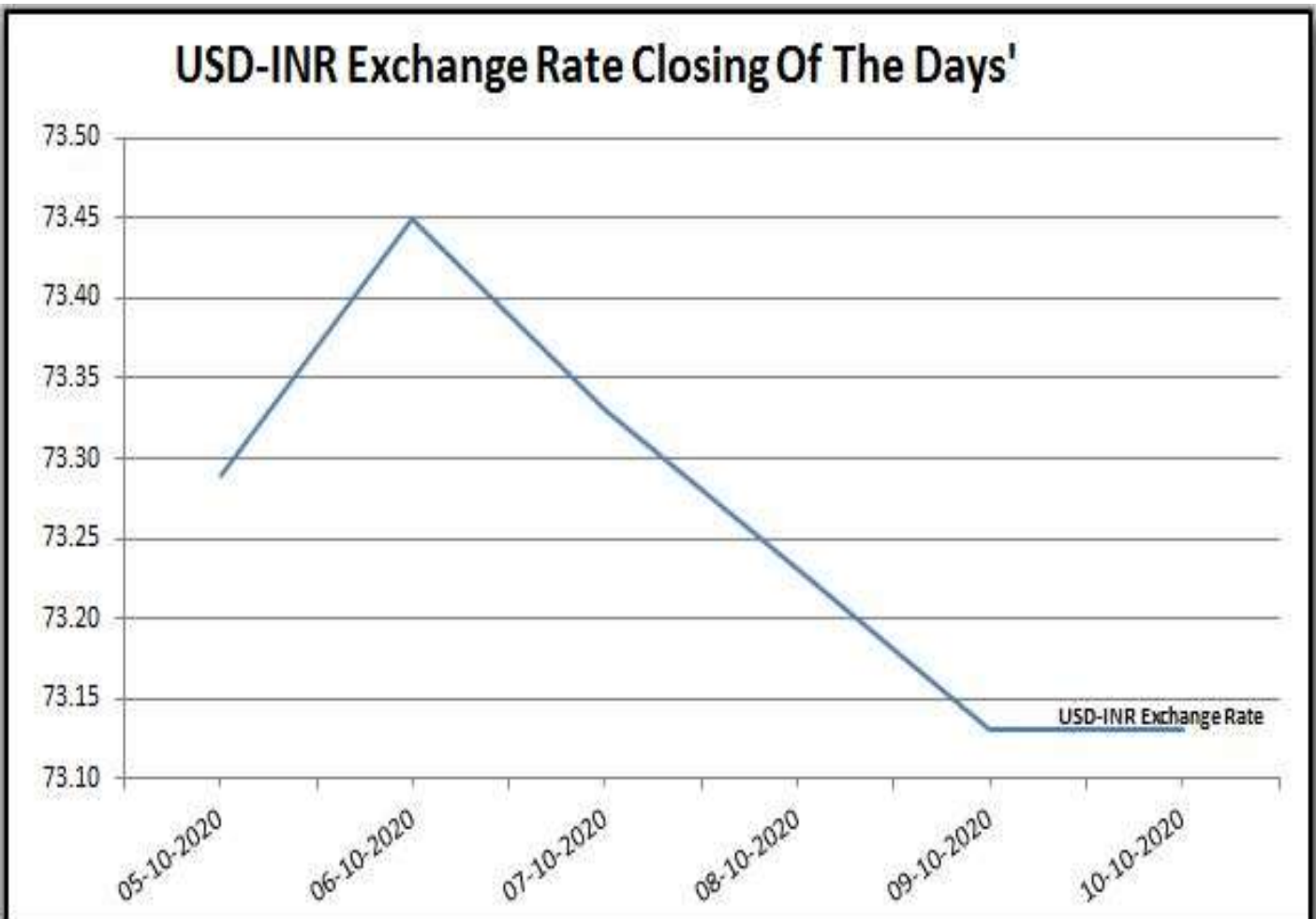
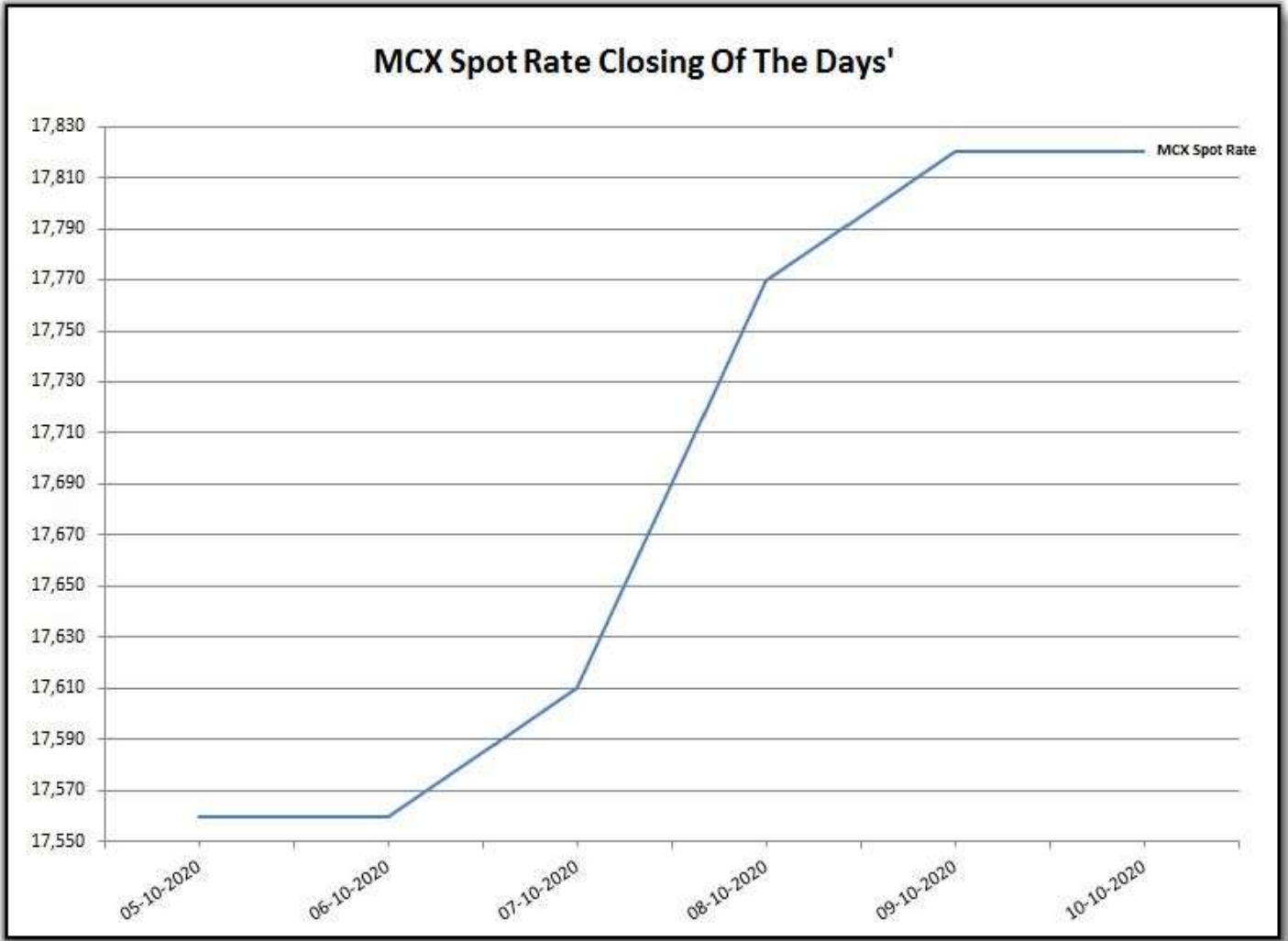
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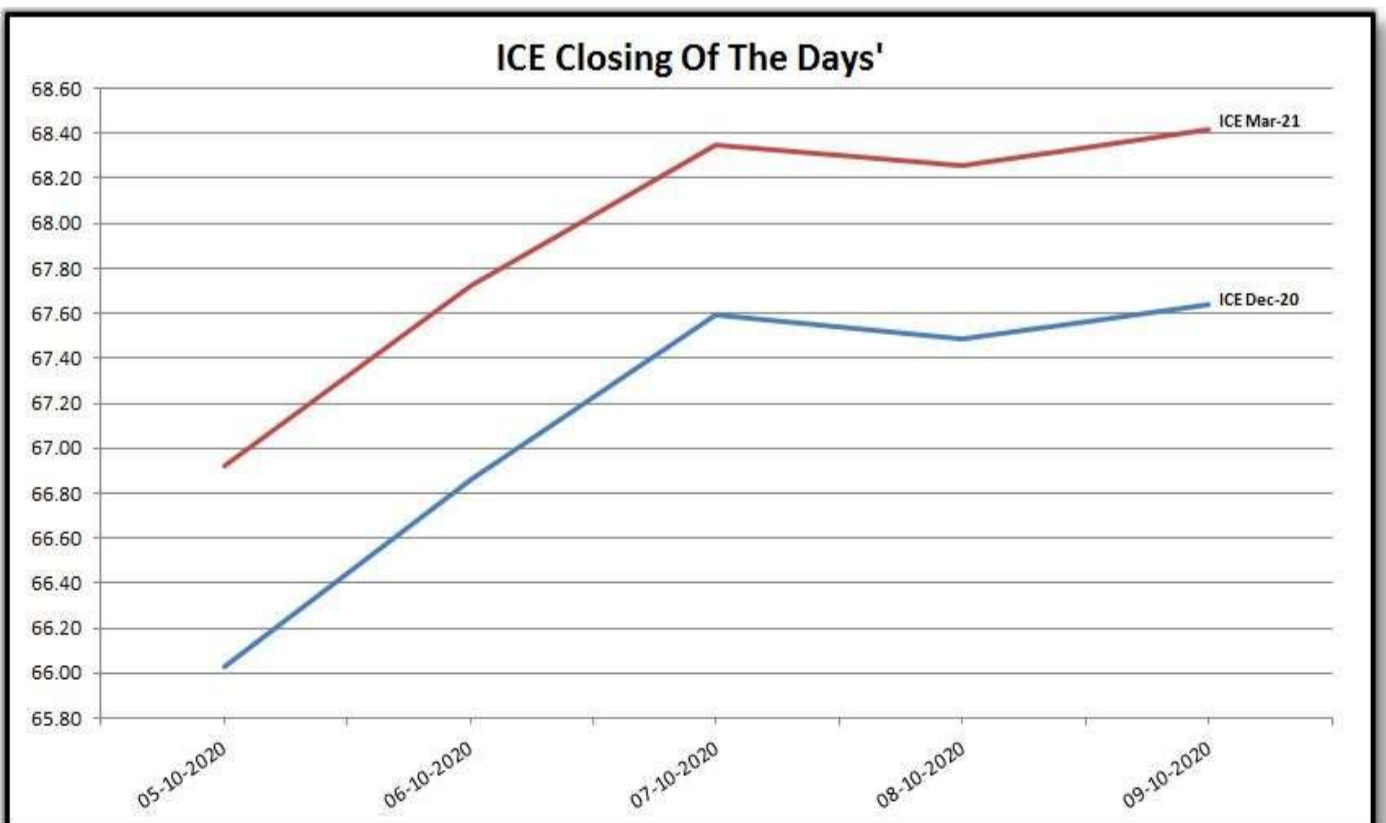
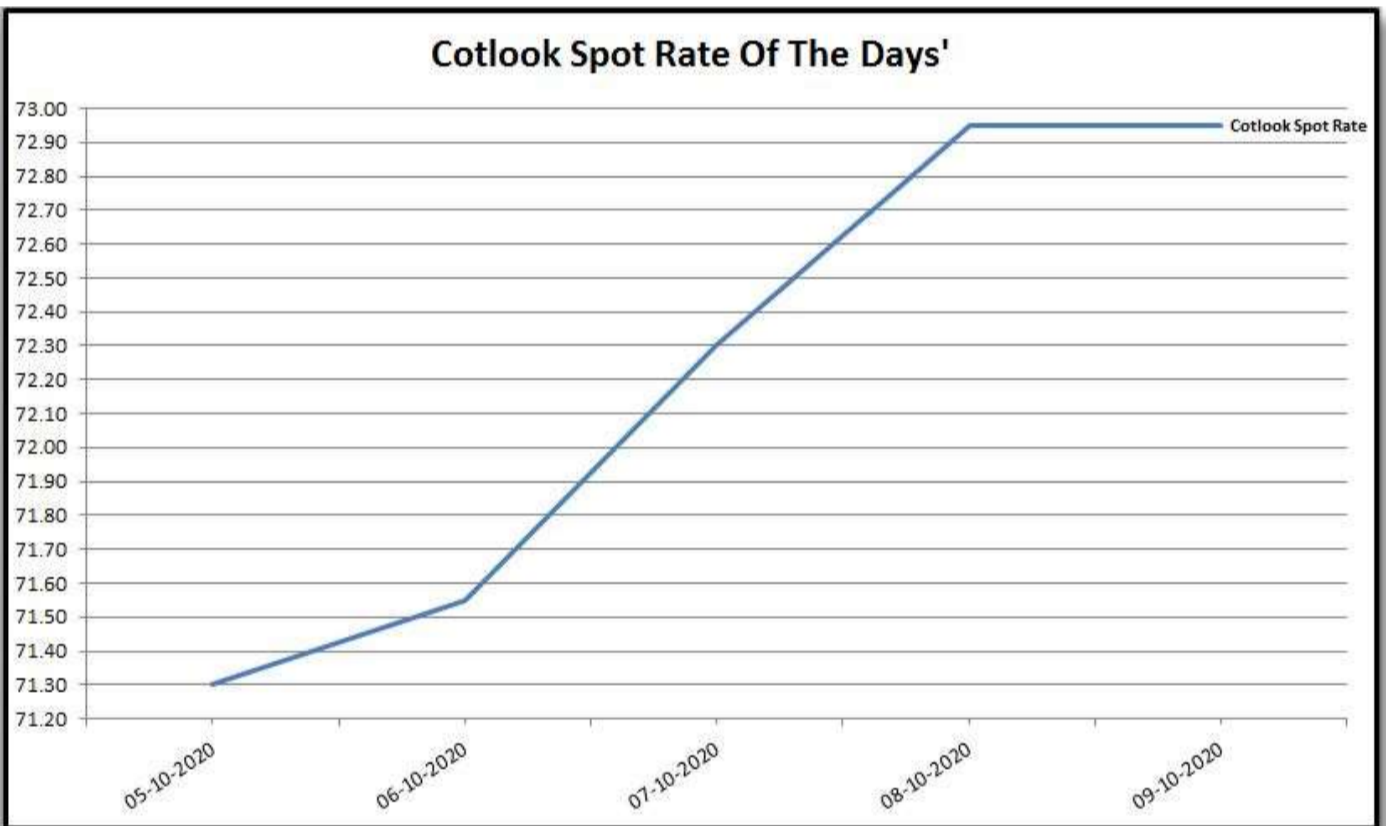




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-20	Mar-21
05-10-2020	71.30	66.03	66.92
06-10-2020	71.55	66.86	67.72
07-10-2020	72.30	67.59	68.35
08-10-2020	72.95	67.49	68.26
09-10-2020	72.95	67.64	68.42



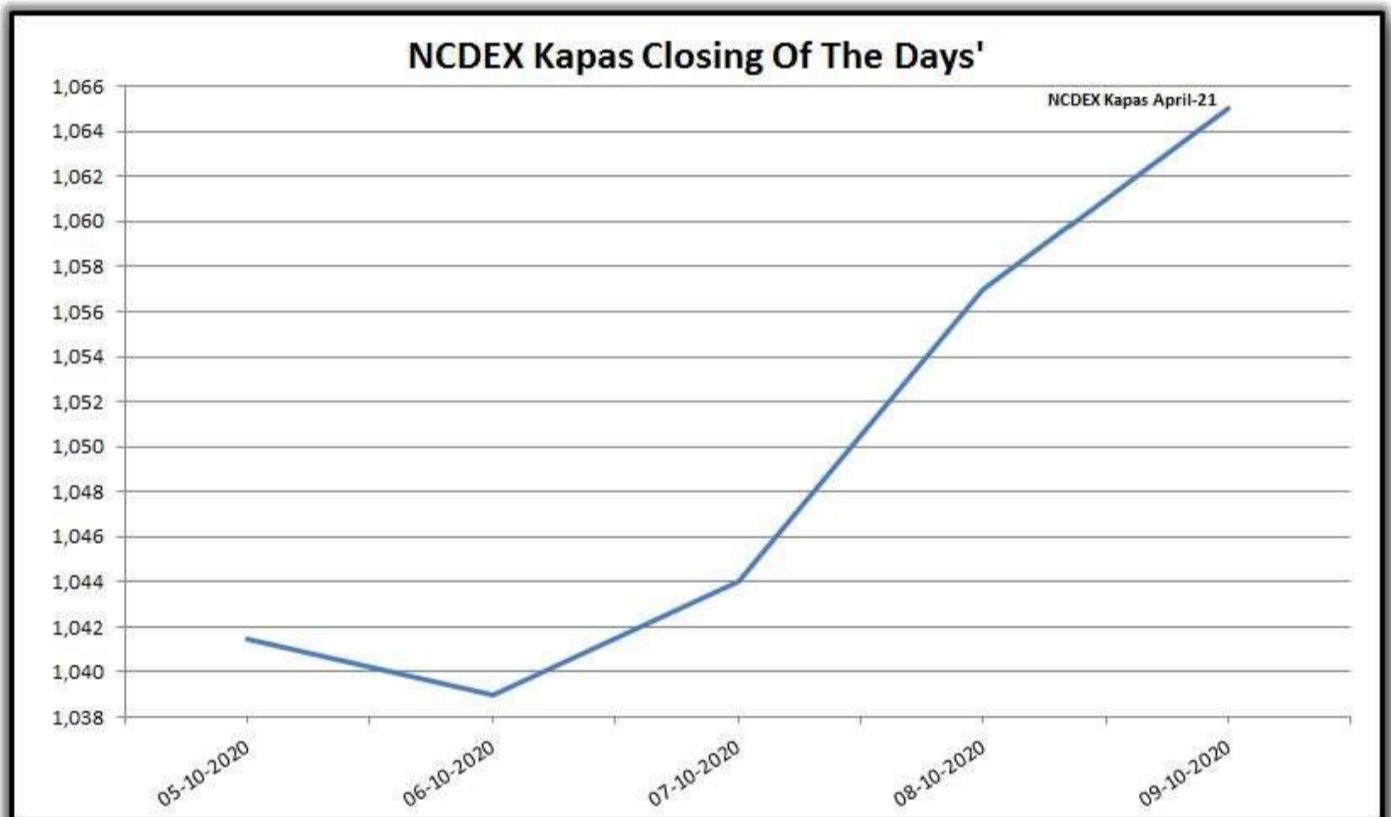


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## Indian Indices

Date	NCDEX Kapas	MCX	
	30-Apr-2021	OCT-20	NOV-20
05-10-2020	1041.50	18,350	18,390
06-10-2020	1039.00	18,290	18,310
07-10-2020	1044.00	18,350	18,500
08-10-2020	1057.00	18,480	18,650
09-10-2020	1065.00	18,610	18,760





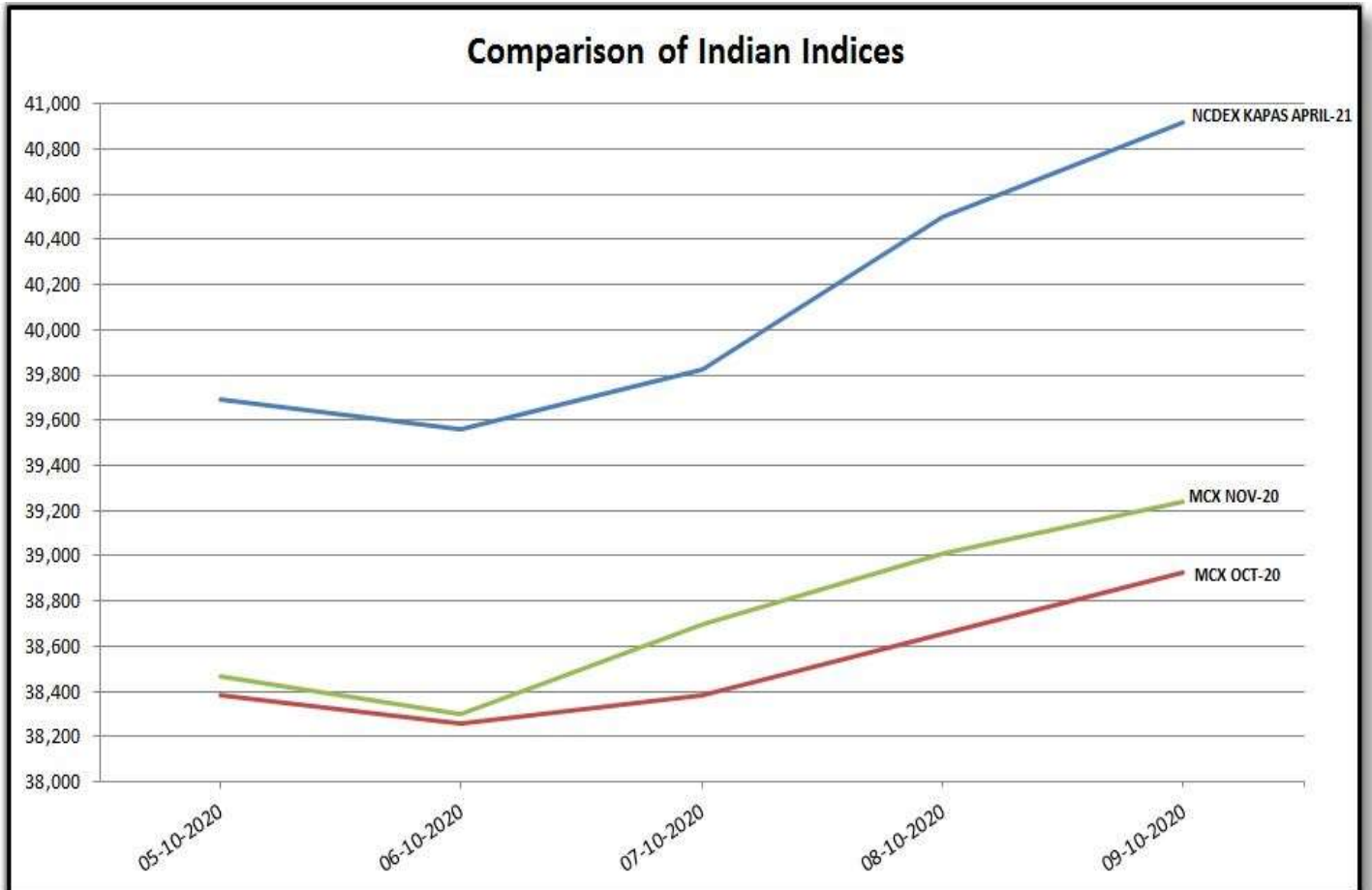


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April	Oct-20	Nov-20
05-10-2020	39,691	38,383	38,466
06-10-2020	39,561	38,257	38,299
07-10-2020	39,822	38,383	38,696
08-10-2020	40,502	38,655	39,010
09-10-2020	40,920	38,927	39,240

Remark :- For NCDEX Kapas we have taken seed rate 500/20 Kg to convert in Candy.

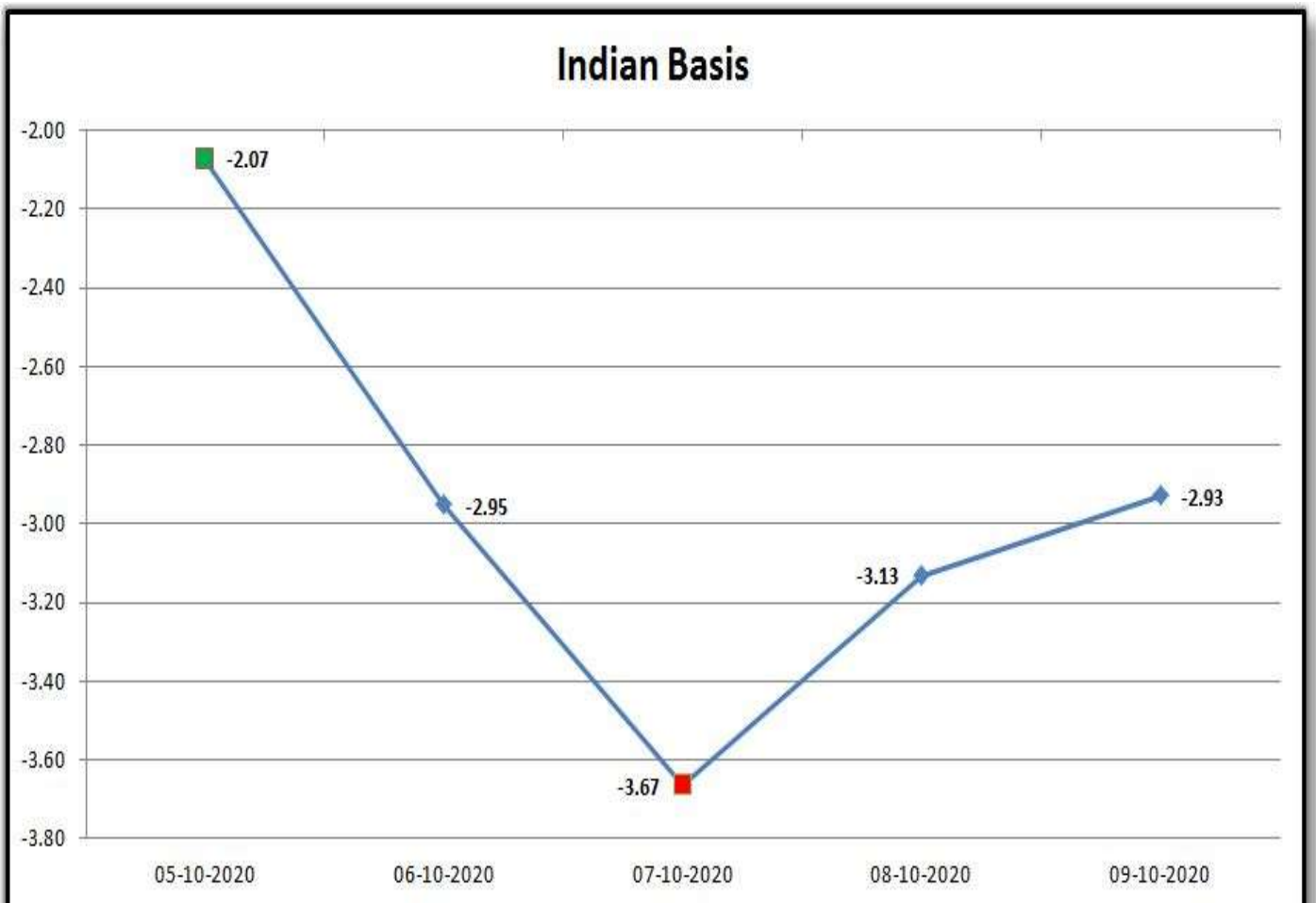




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
05-10-2020	36,750	73.29	63.96	66.03	-2.07
06-10-2020	36,800	73.45	63.91	66.86	-2.95
07-10-2020	36,750	73.33	63.92	67.59	-3.67
08-10-2020	36,950	73.23	64.36	67.49	-3.13
09-10-2020	37,100	73.13	64.71	67.64	-2.93





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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 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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Report prepared by

Kalpesh Patel

Manager

Gujcot Trade Association