



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 11-JUL-2020

Market Movement from 06th Jul 2020 to 11th Jul 2020

- NY December gained 136 points W/W. With reduction in US planted area by USDA bullish signal was in the market. NY future crossed 200 day moving average and technical buying started in the market. Market touched new high at slightly below 65 cents before correction and finally closed at 64.31 cents per pound on Friday.
- July WASDE lowered world production by 2.49 million bales mainly as expected in U.S. by 2 million bales. Subsequently world ending stock was reduced by 1.90 million bales.
- Export sales was not impressive but Shipments beat the pace needed to hit the 15.0 million bale target for the outgoing 2019/2020 year.
- Indian monsoon is well in time and satisfactory all over cotton growing states. CCI has slowed down MSP procurement in all major regions. Farmers busy in sowing. Indian cotton sowing is earlier than last year and completed 104.82 lakh hectares till date against 77.71 Lakh Hectares during the corresponding period of last year.
- CCI was also able to sell some cotton in North India.
- With higher stock, Indian market is not able to go up back to back with ICE. So Indian basis have broadened on negative side. Although being the cheapest cotton in the world, India will get better orders from abroad.
- Gujcot spot rate remained between 32,850 to 33,100.
- Gujarat Cotton sowing reached to 18,25,300 hectares.
- All India daily arrivals remained 50,000 to 55,000 bales.
- Daily arrivals in Gujarat was between 15,000 to 17,000 bales.
- Indian rupee remained stable between 74.67 to 75.20 against USD compared to last week.



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 06-July-2020			
Kutch	498	Saurashtra	13,522
Kutch	498	Surendranagar	2,240
		Rajkot	1,948
North Gujarat	1,522	Jamnagar	670
Banarsakantha	354	Porbandar	42
Patan	221	Junagadh	341
Mehsana	345	Amreli	3,300
Sabarkantha	336	Bhavnagar	2,228
Gandhinagar	176	Morbi	1,183
Aravali	91	Botad	1,397
		Gir Somnath	124
Middle Gujarat	1,895	Devbhumi Dwarka	48
Ahmedabad	430		
Anand	17	South Gujarat	816
Kheda	114	Surat	16
Panchmahal	78	Narmada	287
Dahod	1	Bharuch	479
Vadodara	483	Dang	0
Mahisagar	34	Navsari	0
Chota Udaipur	737	Valsad	0
		Tapi	34
TOTAL			18,253
TOTAL (Last Year)			18,760
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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Global

US Weekly Export Sales

- Net UPLAND sales of 43,800 RB for 2019-2020 were down 35 percent from the previous week and 74 percent from the prior 4-week average. Increases primarily for China (22,000 RB), Malaysia (8,800 RB, switched from China), Vietnam (8,700 RB, including 2,400 RB switched from Japan, 1,400 RB switched from South Korea, and decreases of 1,300 RB), Turkey (6,400 RB), and Indonesia (1,400 RB, including 100 RB switched from Japan), were offset by reductions primarily for Japan (2,200 RB), South Korea (1,400 RB), and Pakistan (1,400 RB).
- For 2020-2021, net UPLAND sales of 6,700 RB were reported for Turkey (5,400 RB) and Vietnam (1,300 RB). Exports of 3,29,300 RB were up 19 percent from the previous week and 7 percent from the prior 4-week average.
- UPLAND Exports were primarily to China (1,12,400 RB), Vietnam (61,100 RB), Turkey (47,600 RB), Pakistan (36,200 RB), and Bangladesh (20,200 RB).
- Net sales of PIMA totaling 2,800 RB were down 39 percent from the previous week and 34 percent from the prior 4-week average. Increases were for China (1,300 RB), Pakistan (1,000 RB), India (400 RB), and Turkey (100 RB). For 2020/2021, total net sales of 3,600 RB were for El Salvador.
- PIMA Exports of 7,300 RB were up 65 percent from the previous week, but down 16 percent from the prior 4-week average. The destinations were primarily to China (3,000 RB), Pakistan (3,000 RB), Vietnam (500 RB), India (300 RB), and Bangladesh (300 RB).

US Export Sales	02-Jul-2020
Marketing Year 2019-20	
Upland Gross Sales	49,500
Cancellation	5,700
Net Upland Sales	43,800
PIMA Gross Sales	2,800
Cancellation	0
Net PIMA Sales	2,800
Total Gross Sales	52,300
Total Cancellation	5,700
Total Net Sales	46,600
Shipments	
UPLAND	3,29,300
PIMA	7,300
Total Shipment	3,36,600
Marketing Year 2020-21	
Net Upland Sales	6,700
Net PIMA Sales	3,600
Total Net Sales	10,300
All Figures in US Running Bale	



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WASDE – Jul – 2020

The U.S. 2020/21 cotton projections show lower production, exports, and stocks compared with last month. Beginning stocks are 200,000 bales lower due to higher 2019/20 exports, but exports in 2020/21 are reduced 1 million bales as a 2-million-bale decline in projected output reduces exportable supplies. U.S. planted area is 1.5 million acres lower this month, as indicated in the June 30 Acreage report. Ending stocks are projected at 6.8 million bales, 1.2 million lower than in June, and equivalent to 38 percent of use. The projected price received by U.S. upland cotton producers is 59 cents this month, 2 cents higher than in June.

Global projected ending stocks in 2020/21 are lower this month as well, down 1.9 million bales, largely due to a 2.5-million-bale reduction in projected world production. While the United States accounted for most of the global decline in production, projections were also reduced for Turkey, Tanzania, and Mexico, more than offsetting a 200,000-bale increase for Pakistan. Consumption in 2020/21 is projected 115,000 bales lower this month. At 114.3 million bales, consumption is expected to rise 11.7 percent from the previous year's recession-reduced level.



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Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	04-07-2020	11-07-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	33,000	33,100	100	0.30%
Shankar 6	28.5 mm	3.7	32,300	32,400	100	0.31%
V-797	13 % Trash		20,600	20,700	100	0.48%
MCX Spot Rate			15,760	15,910	150	0.94%
USD-INR Exchange			74.63	75.20	0.57	0.76%

Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	32,850	33,100	33,000
Shankar 6	28.5	3.7	32,200	32,400	32,300
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		20,400	20,700	20,592
MCX Spot Rate			15,790	15,910	15,857
USD Exchange Rate			74.67	75.20	75.00

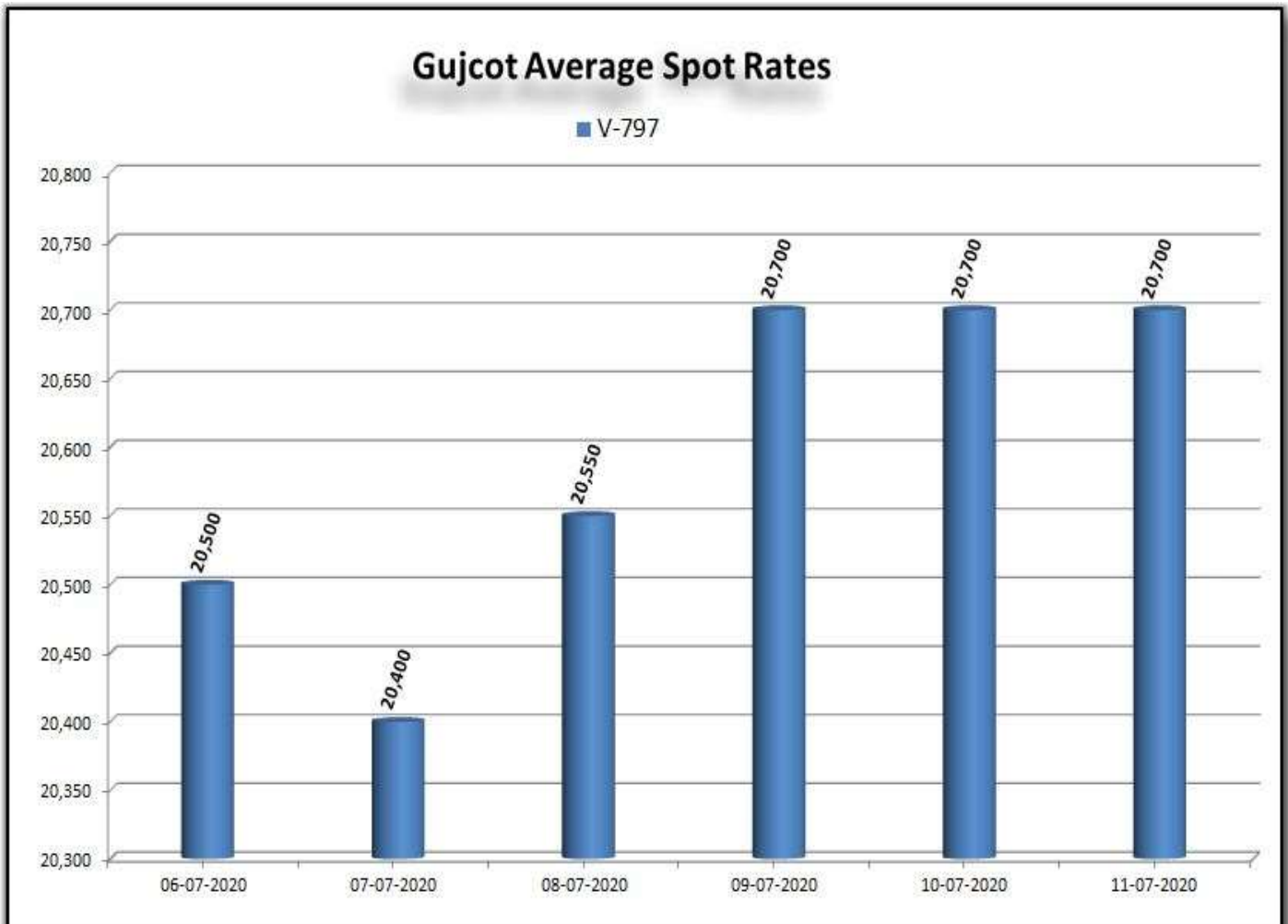
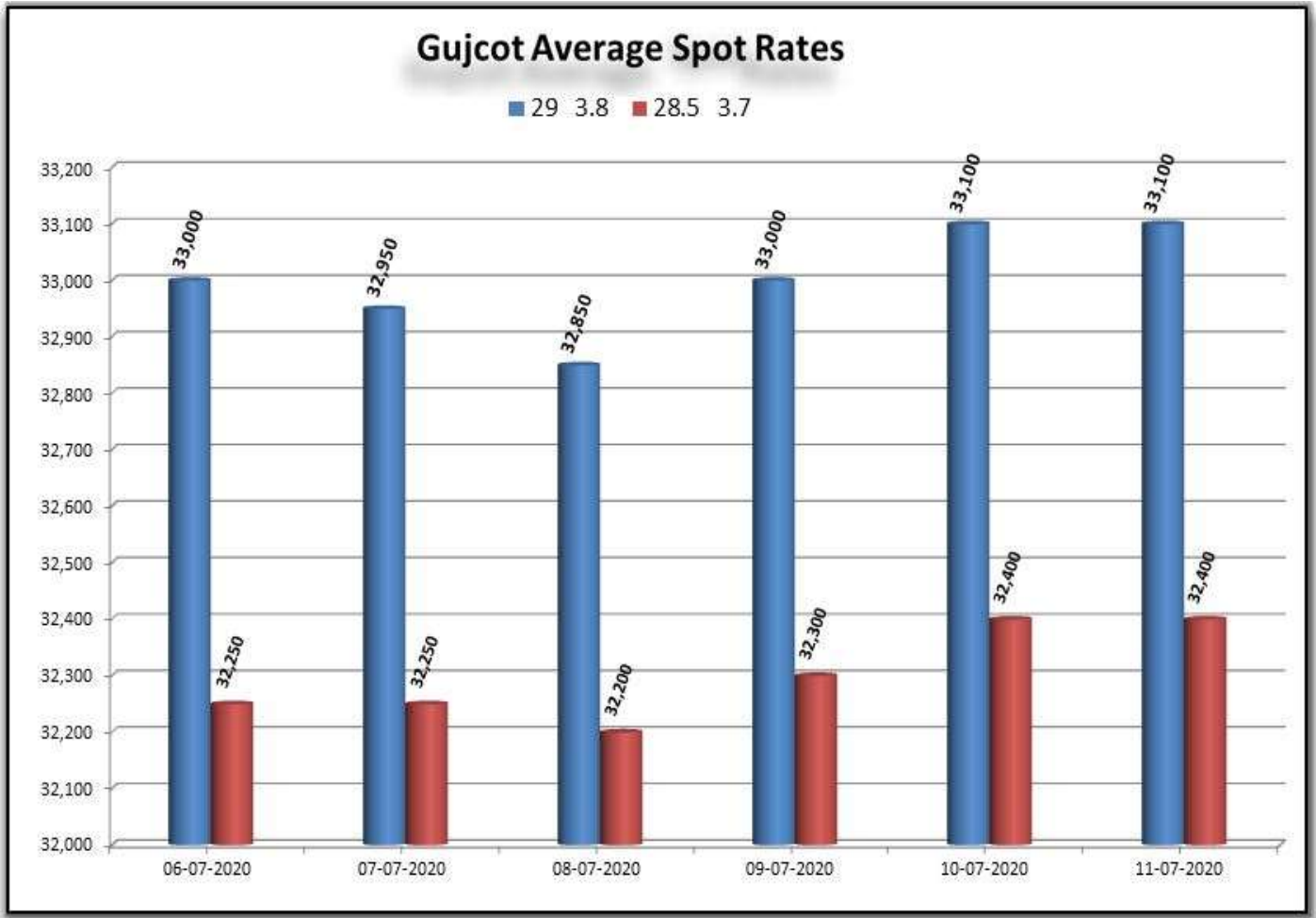
Rate of Last Week

Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
06-07-2020	33,000	32,250	20,500	15,790	74.67
07-07-2020	32,950	32,250	20,400	15,810	74.93
08-07-2020	32,850	32,200	20,550	15,870	75.01
09-07-2020	33,000	32,300	20,700	15,850	74.99
10-07-2020	33,100	32,400	20,700	15,910	75.20
11-07-2020	33,100	32,400	20,700	15,910	75.20



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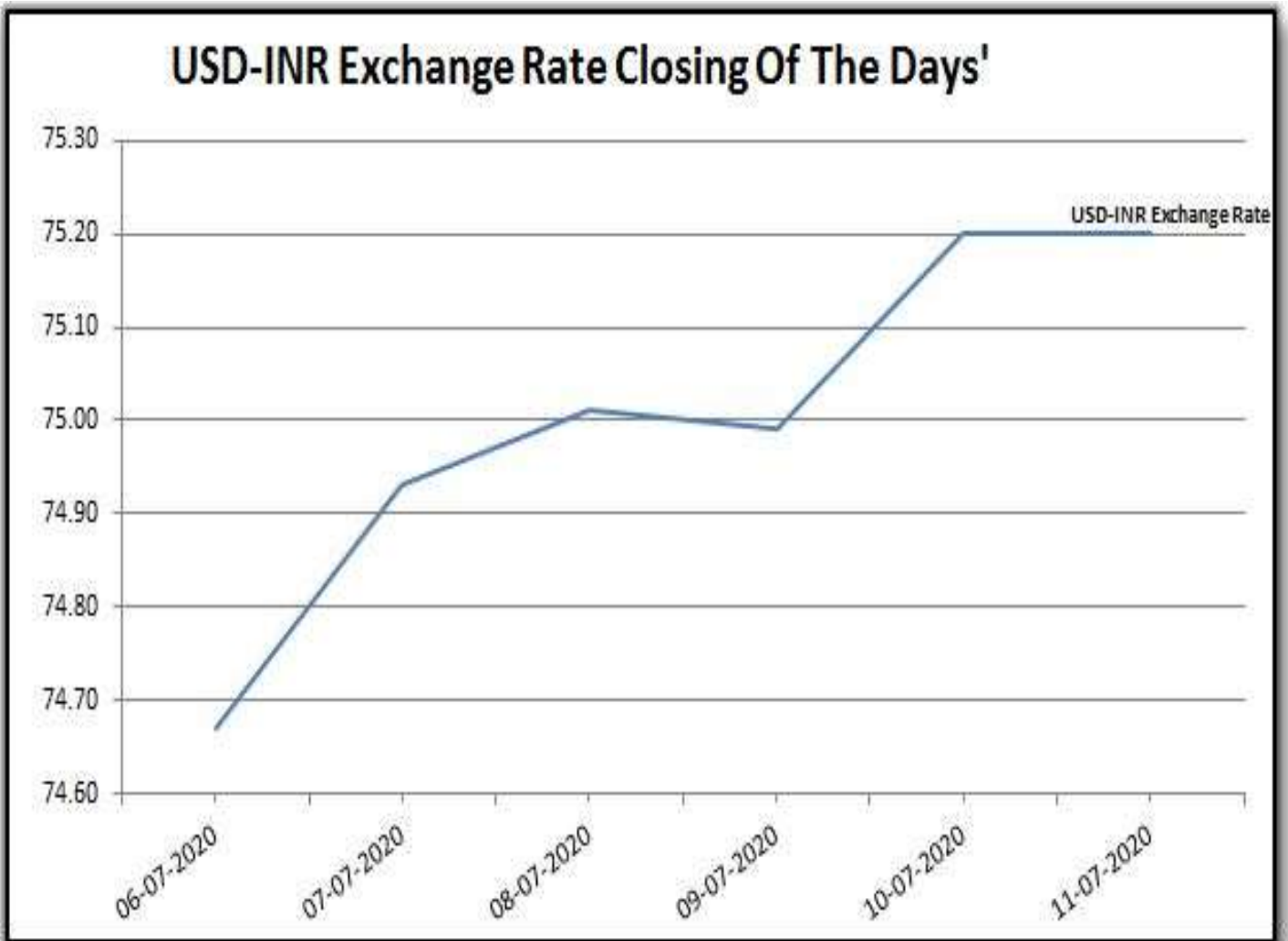
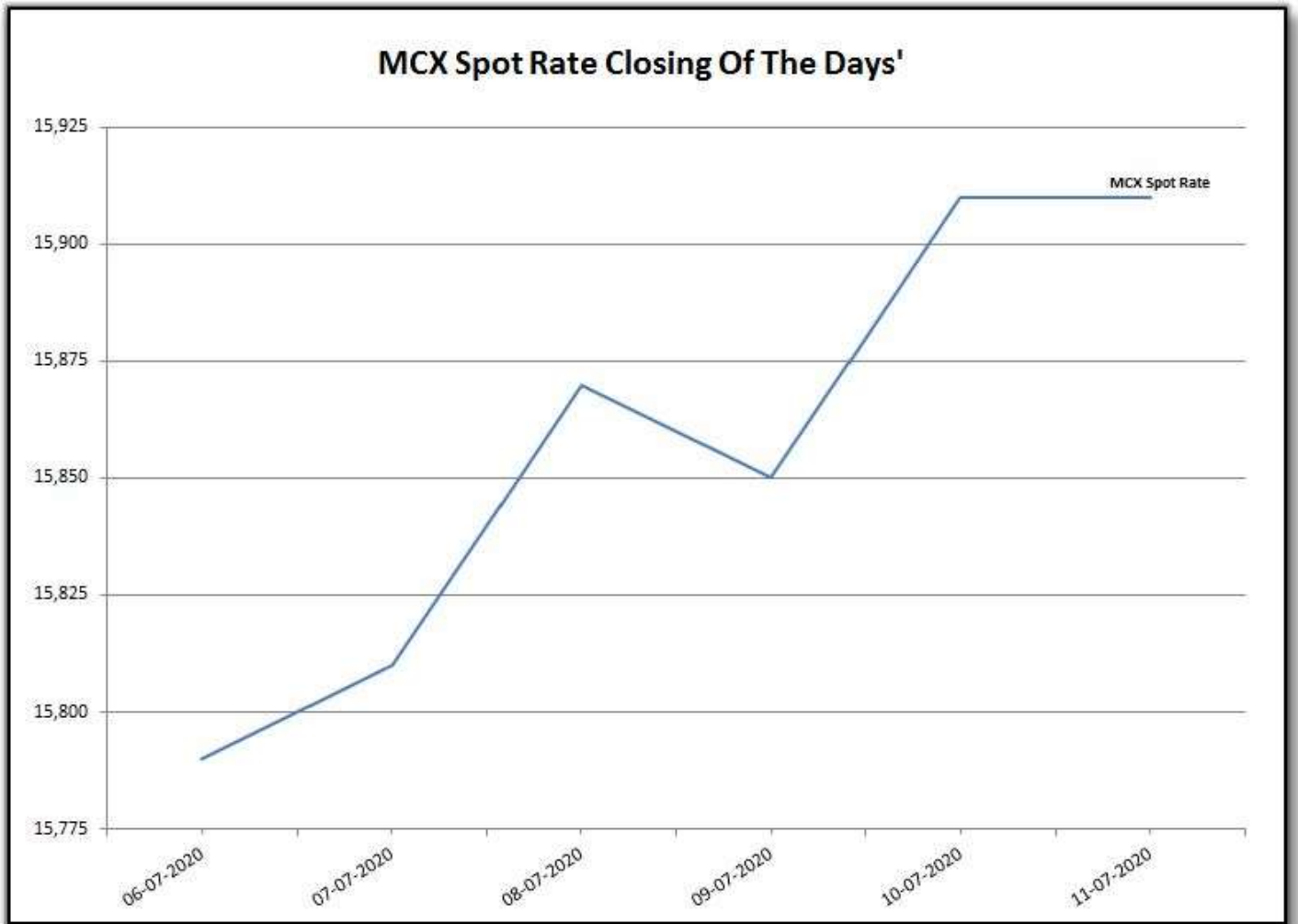
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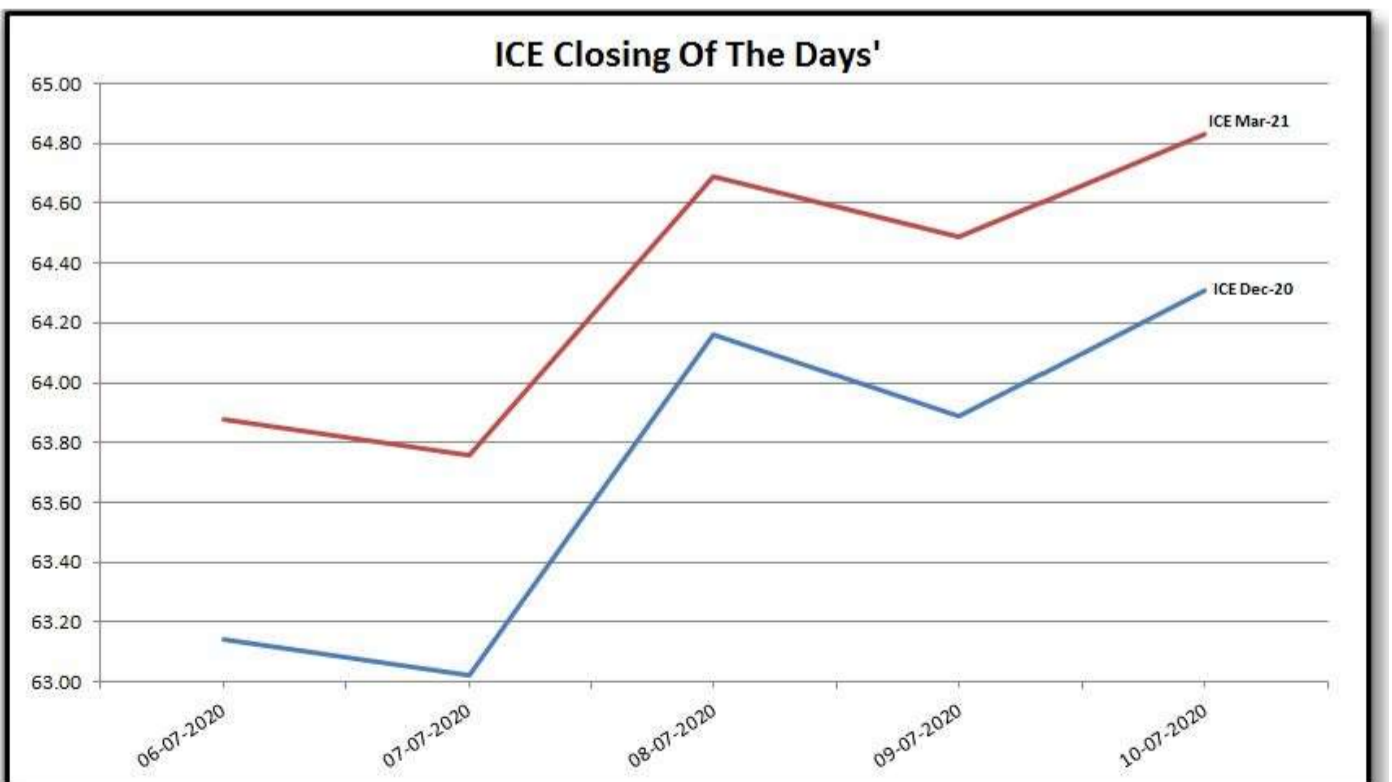
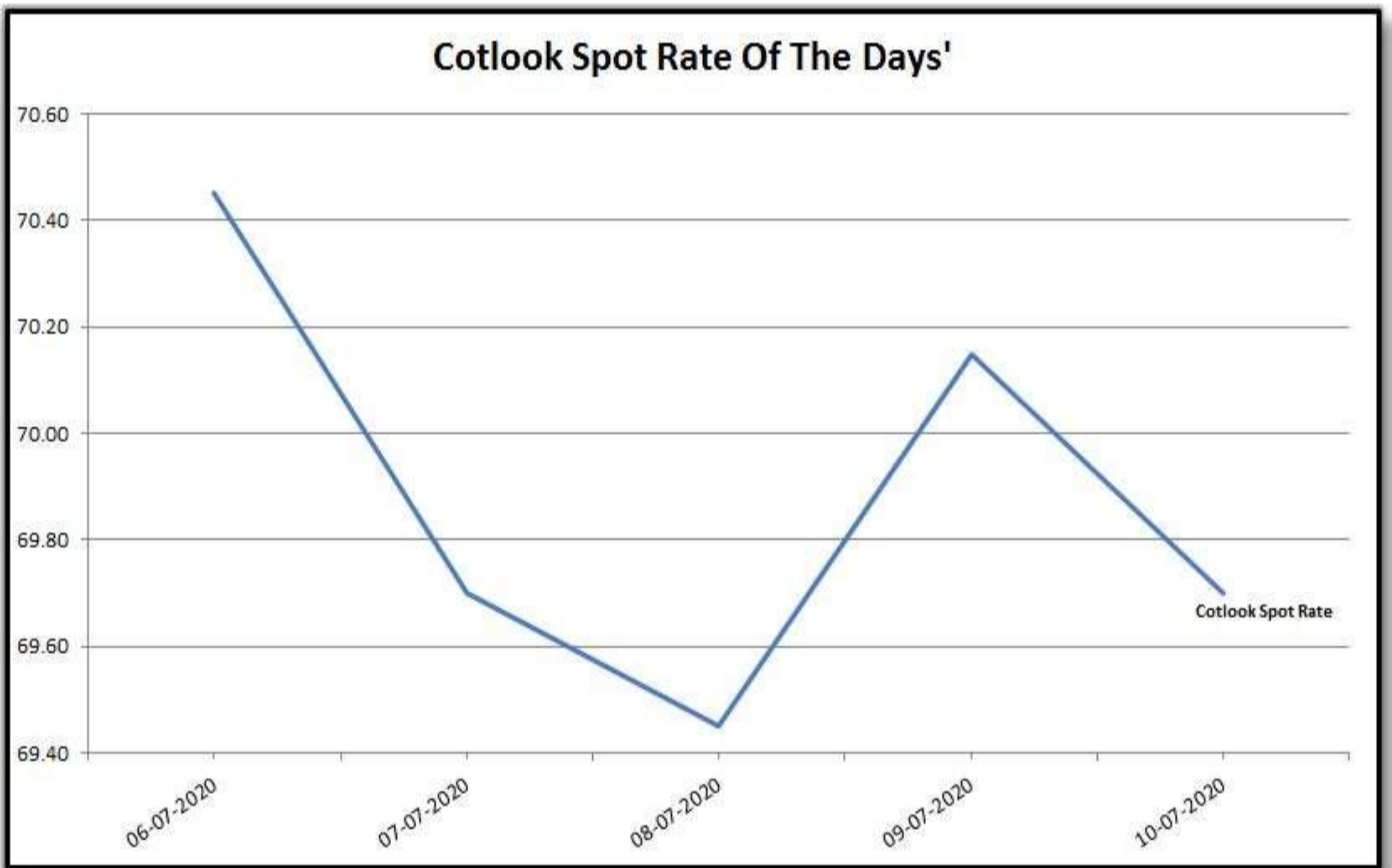




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-20	Mar-21
06-07-2020	70.45	63.14	63.88
07-07-2020	69.70	63.02	63.76
08-07-2020	69.45	64.16	64.69
09-07-2020	70.15	63.89	64.49
10-07-2020	69.70	64.31	64.83



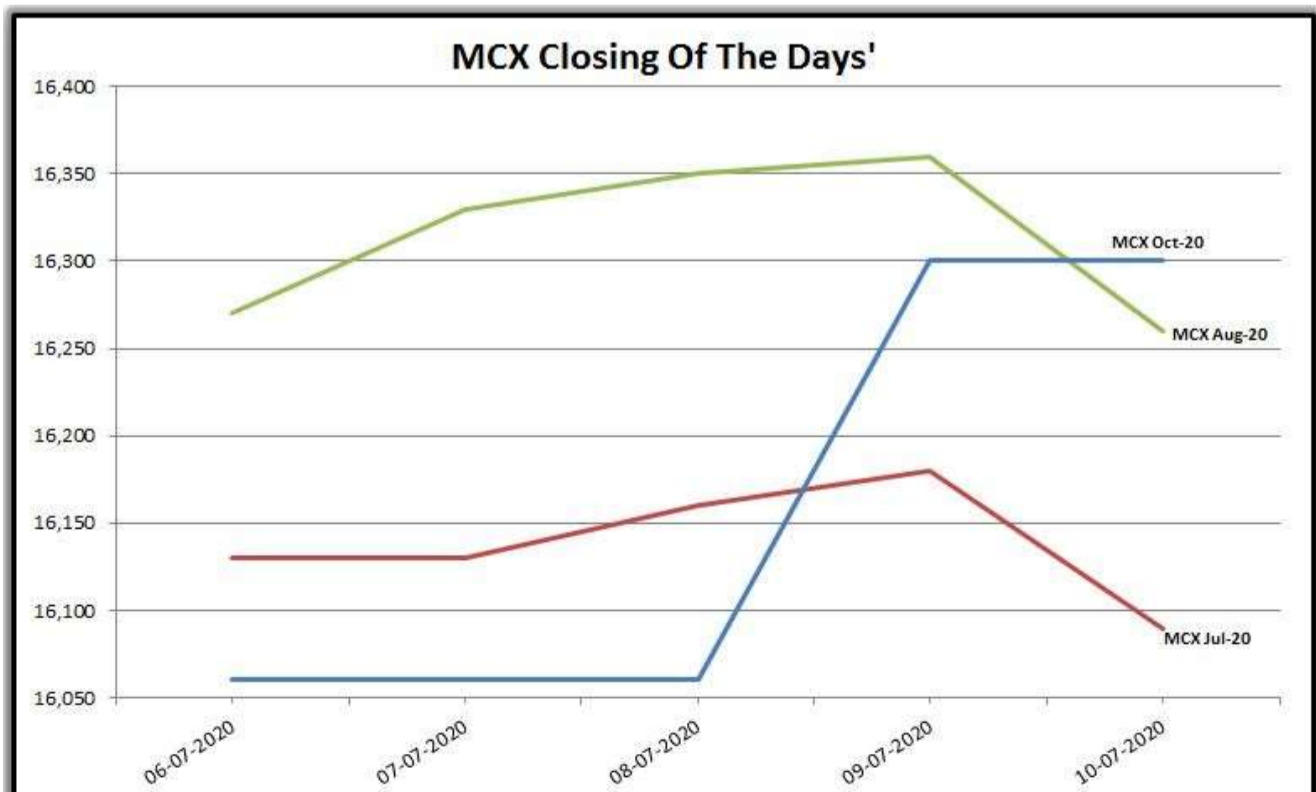
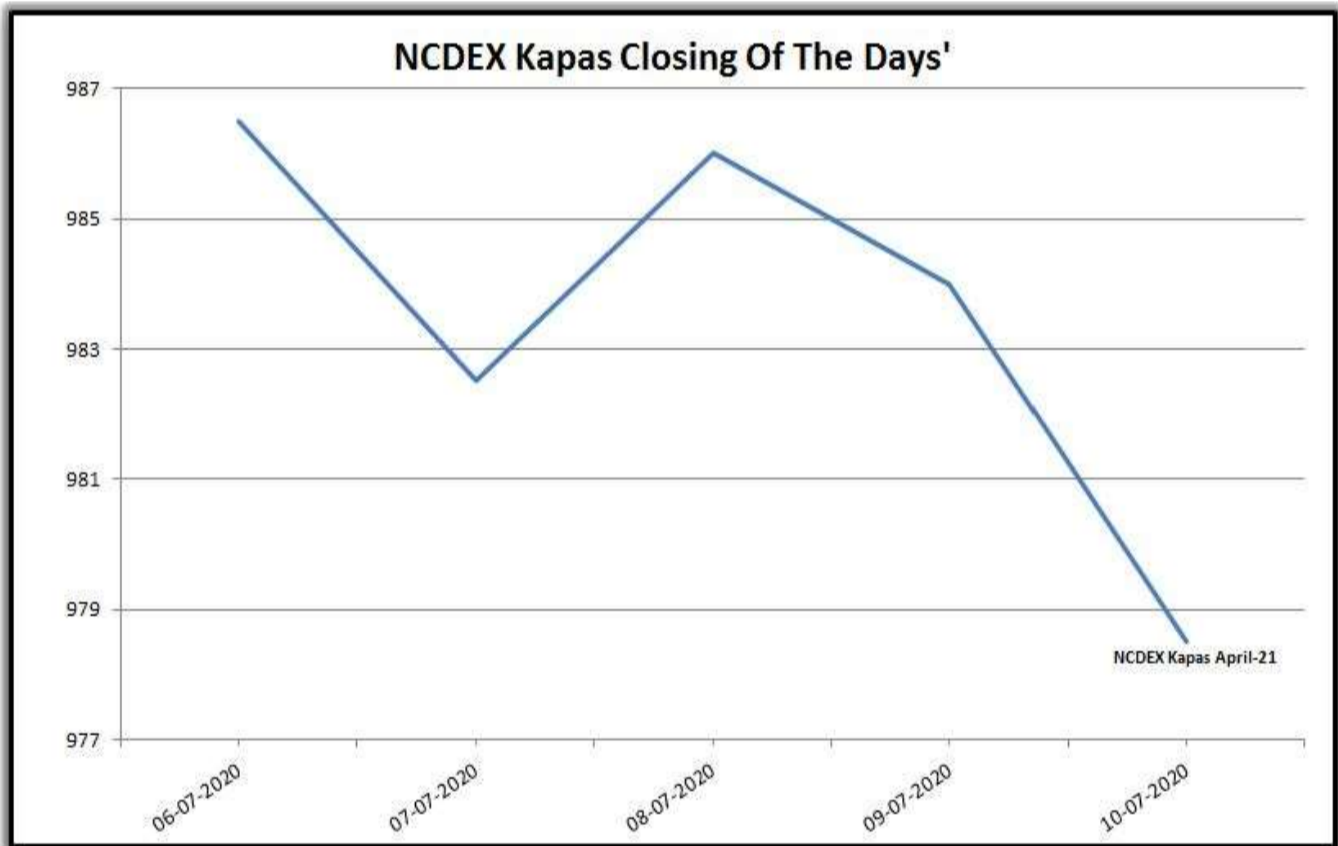


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Indian Indices

Date	NCDEX Kapas	MCX		
	30-Apr-2021	Jul-20	Aug-20	Oct-20
06-07-2020	986.50	16,130	16,270	16,060
07-07-2020	982.50	16,130	16,330	16,060
08-07-2020	986.00	16,160	16,350	16,060
09-07-2020	984.00	16,180	16,360	16,300
10-07-2020	978.50	16,090	16,260	16,300



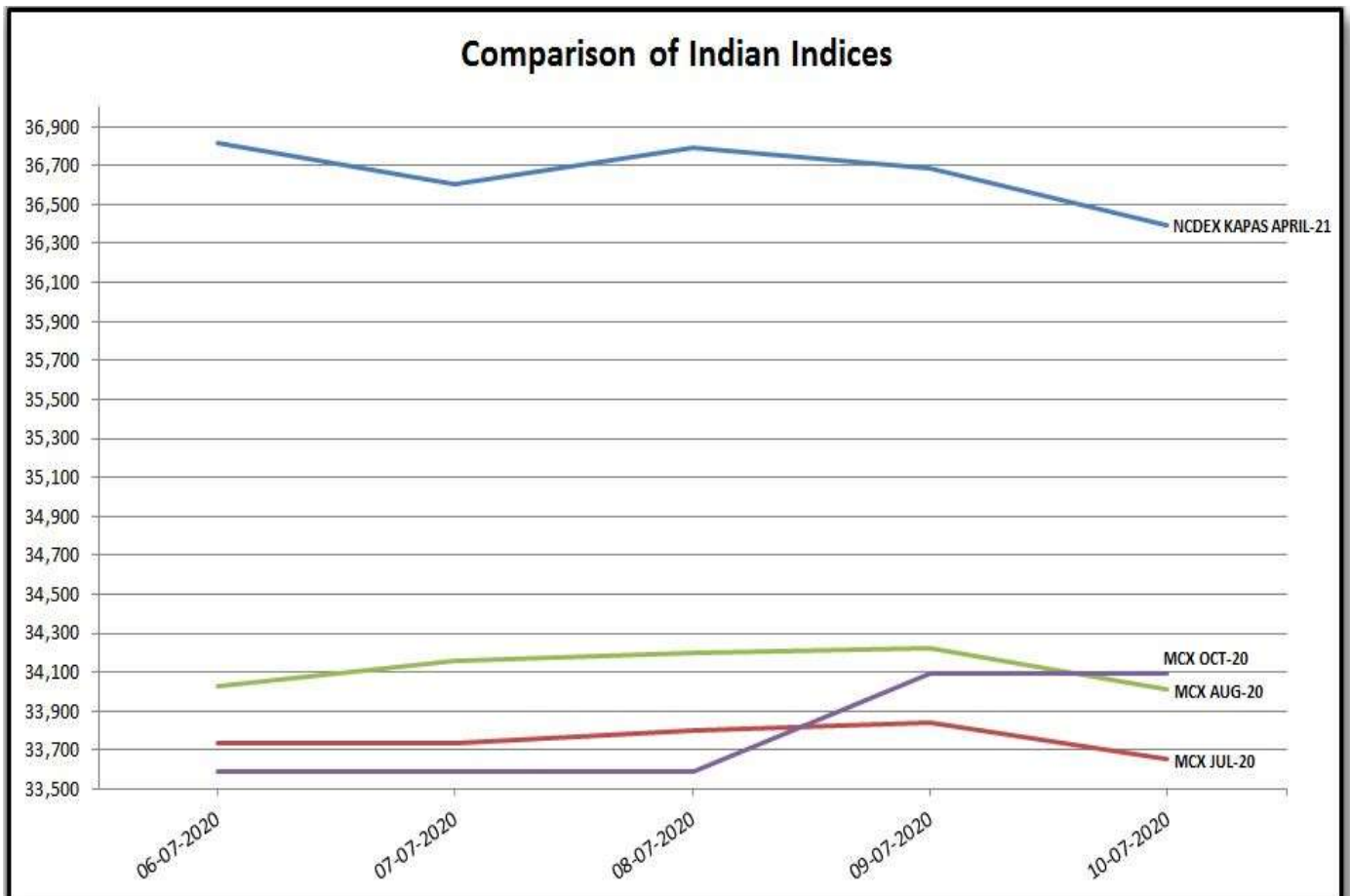


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Jul-20	Aug-20	Oct-20
06-07-2020	36,815	33,739	34,032	33,593
07-07-2020	36,606	33,739	34,157	33,593
08-07-2020	36,789	33,802	34,199	33,593
09-07-2020	36,684	33,844	34,220	34,095
10-07-2020	36,397	33,655	34,011	34,095

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

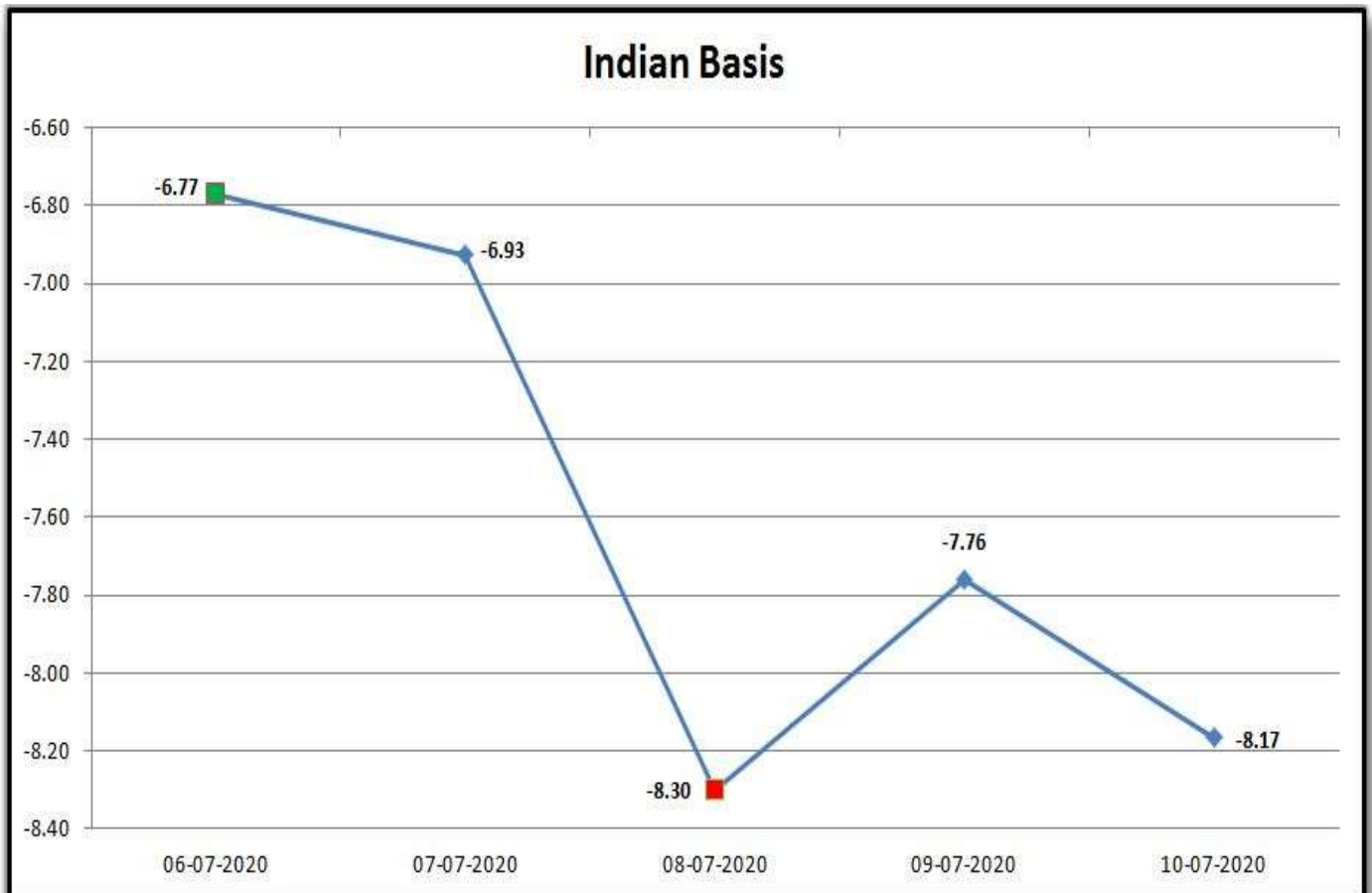




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
06-07-2020	33,000	74.67	56.37	63.14	-6.77
07-07-2020	32,950	74.93	56.09	63.02	-6.93
08-07-2020	32,850	75.01	55.86	64.16	-8.30
09-07-2020	33,000	74.99	56.13	63.89	-7.76
10-07-2020	33,100	75.20	56.14	64.31	-8.17





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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

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