



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 12-Dec-2020

Market Movement from 07th Dec 2020 to 12th Dec 2020

- This week was Bull dominated week. Market crossed 72 cents level at the start of the week and on Thursday there was double bonanza for bulls. Fantastic export sales and Bullish WASDE attracted new spec buying. Market has opened new range by crossing 74 cents mark for NY March future. NY March future closed with 251 points weekly gain. Technically it has crossed all resistance levels and set for higher range.
- U.S. Export Sales was above 4,00,000 bales a week. Till 3rd Dec, US has committed 1,07,69,107 bales for exports and out of that 47,00,000 bales have already been shipped. USDA raised its US export target to 15 million bales.
- WASDE was also bullish with reduction in production of US by 1.14 M bales and overall world's production by 2.2 M bales. Increased consumption by 1.58 M bales. Finally, US ending stock decreased from 7.2 M Bales to 5.7 M bales and world ending stock declined from 101 .44 M bales to 97.52 M bales, reduction of just below 4 M bales.
- Chinese futures did not give bullish response.
- Indian physical cotton market moved upwards following uptrend on NY futures. Gujcot spot rate advanced to 41,400 Rs per candy. All India huge arrivals absorbed by CCI and till date CCI has procured 45 lakh bales. Indian mills are well covered. Yarn market also supported for domestic buying. So, market stayed well supported in raw material by CCI and finished material by domestic buyers.
- Declining cottonseed rate also the reason of disparity to ginners.
- All India daily arrivals remained nearly 2,50,000 to 2,70,000 bales a day.
- Daily arrival in Gujarat was nearly 50,000 bales a day.
- Gujcot spot rate remained between 40,750 to 41,350 during this week.
- Indian rupee remained stable between 73.52 to 73.89 against USD.



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Global

US Weekly Export Sales

- Net UPLAND sales of 4,03,100 RB for 2020-2021 were up 45 percent from the previous week and 61 percent from the prior 4-week average. Increases primarily for China (1,59,100 RB, including 3,000 RB switched from Hong Kong), Pakistan (75,900 RB), Vietnam (35,800 RB, including 2,000 RB switched from China), Indonesia (26,800 RB), and Thailand (21,600 RB, including 3,000 RB switched from Vietnam, 1,900 RB switched from Indonesia, 700 RB switched from Japan, and decreases of 600 RB), were offset by reductions for Hong Kong (2,000 RB).
- For 2021-2022, net UPLAND sales of 48,000 RB reported for Pakistan (44,000 RB), Vietnam (6,600 RB), Mexico (6,500 RB), Costa Rica (2,400 RB), and Turkey (1,800 RB), were offset by reductions for China (13,200 RB).
- UPLAND Exports of 3,23,200 RB were up 79 percent from the previous week and 38 percent from the prior 4-week average. Exports were primarily to China (167,100 RB), Pakistan (52,300 RB), Vietnam (36,800 RB), Mexico (17,000 RB), and Bangladesh (9,600 RB).
- Net sales of PIMA totaling 13,000 RB were up 66 percent from the previous week, but down 13 percent from the prior 4-week average. Increases primarily for Vietnam (6,800 RB), India (2,300 RB), Egypt (2,000 RB), Thailand (900 RB, including 400 RB switched from Malaysia), and Austria (900 RB, switched from Switzerland), were offset by reductions for Switzerland (900 RB).
- PIMA Exports of 26,400 RB were down 5 percent from the previous week, but up 17 percent from the prior 4-week average. The destinations were primarily to India (7,900 RB), China (6,000 RB), Pakistan (2,800 RB), Italy (1,900 RB), and Bangladesh (1,500 RB).

US Export Sales	03-Dec-2020
Marketing Year 2020-21	
Upland Gross Sales	4,07,100
Cancellation	4,000
Net Upland Sales	4,03,100
PIMA Gross Sales	13,000
Cancellation	0
Net PIMA Sales	13,000
Total Gross Sales	4,20,100
Total Cancellation	4,000
Total Net Sales	4,16,100
Shipments	
UPLAND	3,23,200
PIMA	26,400
Total Shipment	3,49,600
Marketing Year 2021-22	
Net Upland Sales	48,000
Net PIMA Sales	0
Total Net Sales	48,000
All Figures in US Running Bale	



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WASDE – Dec – 2020

This month's outlook for U.S. cotton includes lower production, higher exports, and lower ending stocks. Production is lowered 1.1 million bales, mainly due to a 900,000-bale reduction in Texas. Domestic mill use is unchanged, but exports are raised 400,000 bales to 15.0 million as world consumption and U.S. export sales rise. Ending stocks are 1.5 million bales lower, at 5.7 million or 33 percent of use. This stocks-to-use ratio would be 8 percentage points lower than in 2019/20, and the second highest since 2007/08. Upland cotton's projected 2020/21 season-average price is 65.0 cents per pound, 1 cent higher than last month and 5.4 cents above 2019/20.

Projected world 2020/21 ending stocks are 3.9 million bales lower this month, reflecting lower production and higher consumption. A 2.2-million-bale decline in global production is led by lower U.S. output and includes 500,000-bale reductions in both India and Pakistan, in addition to other smaller adjustments. Consumption is projected 1.6 million bales higher, and at 115.6 million bales, is expected 13 percent above 2019/20's depressed level. Compared to last month, 2020/21 consumption forecasts are 1.0 million bales higher for India and 500,000 bales higher for China, with smaller changes for Pakistan and Thailand. World trade in 2020/21 is projected more than 300,000 bales higher this month, with increased imports for China and Pakistan more than offsetting lower forecasts for Bangladesh, Thailand, and Indonesia. World ending stocks are now forecast at 97.5 million bales, 1.9 million lower than in 2019/20.



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Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	05-12-2020	12-12-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	40,750	41,300	550	1.33%
V-797	13 % Trash		26,550	26,250	-300	-1.14%
MCX Spot Rate			19,570	19,850	280	1.41%
USD-INR Exchange			73.79	73.65	-0.14	-0.19%

Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	40,750	41,350	41,025
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		26,250	26,500	26,367
MCX Spot Rate			19,610	19,850	19,730
USD Exchange Rate			73.52	73.89	73.65

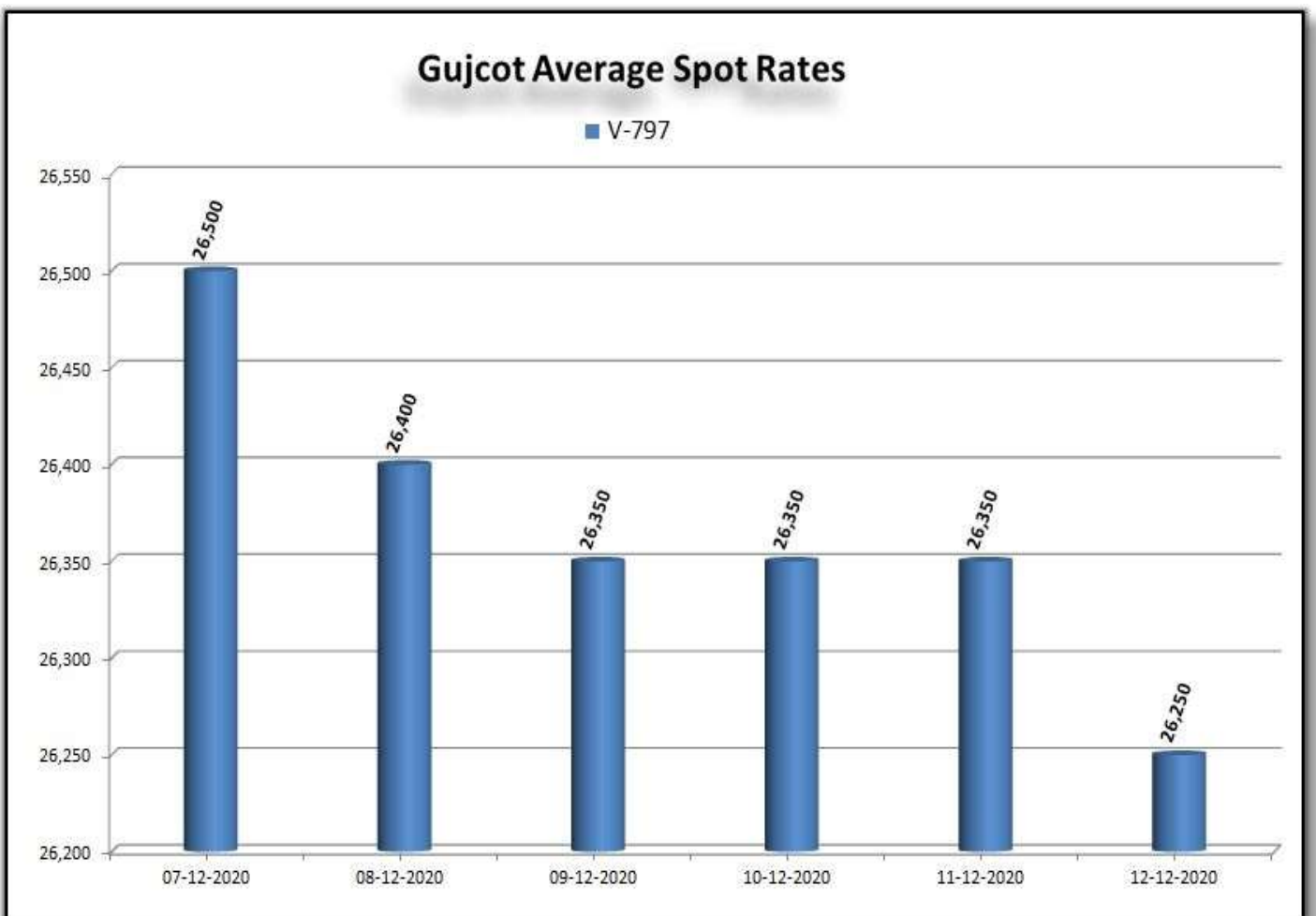
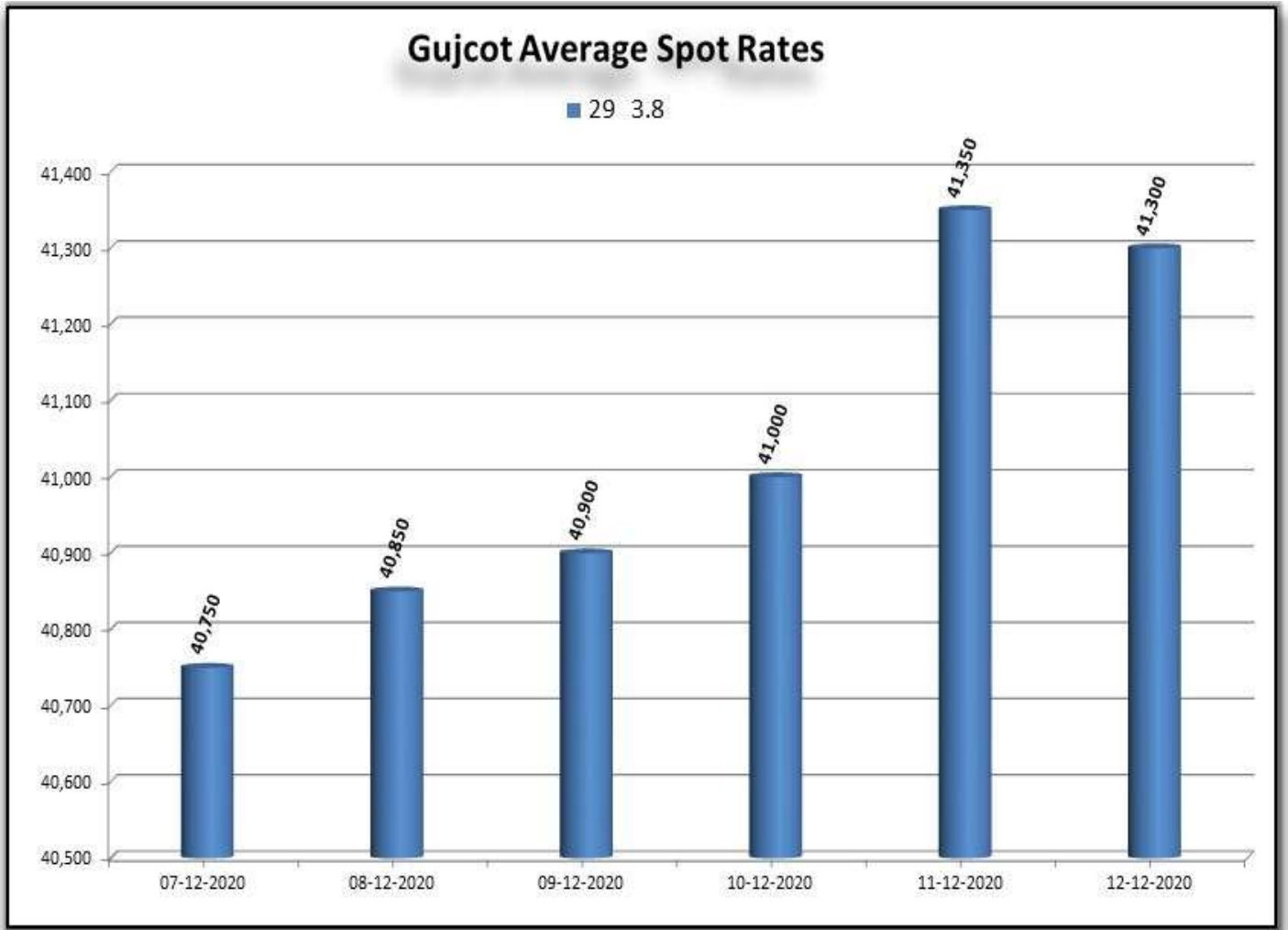
Rate of Last Week

Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
07-12-2020	40,750	26,500	19,610	73.89
08-12-2020	40,850	26,400	19,630	73.52
09-12-2020	40,900	26,350	19,680	73.56
10-12-2020	41,000	26,350	19,760	73.65
11-12-2020	41,350	26,350	19,850	73.65
12-12-2020	41,300	26,250	19,850	73.65



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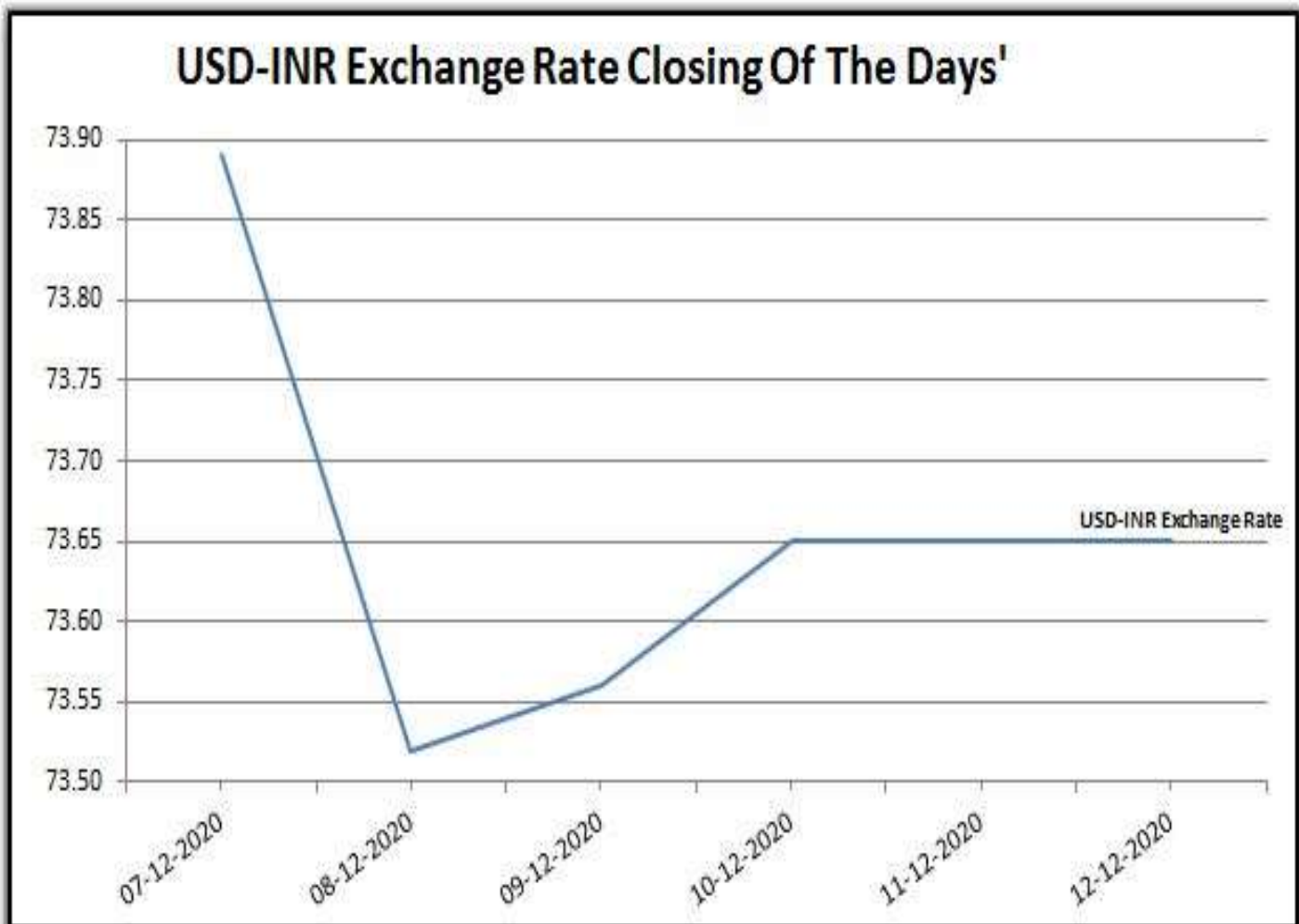
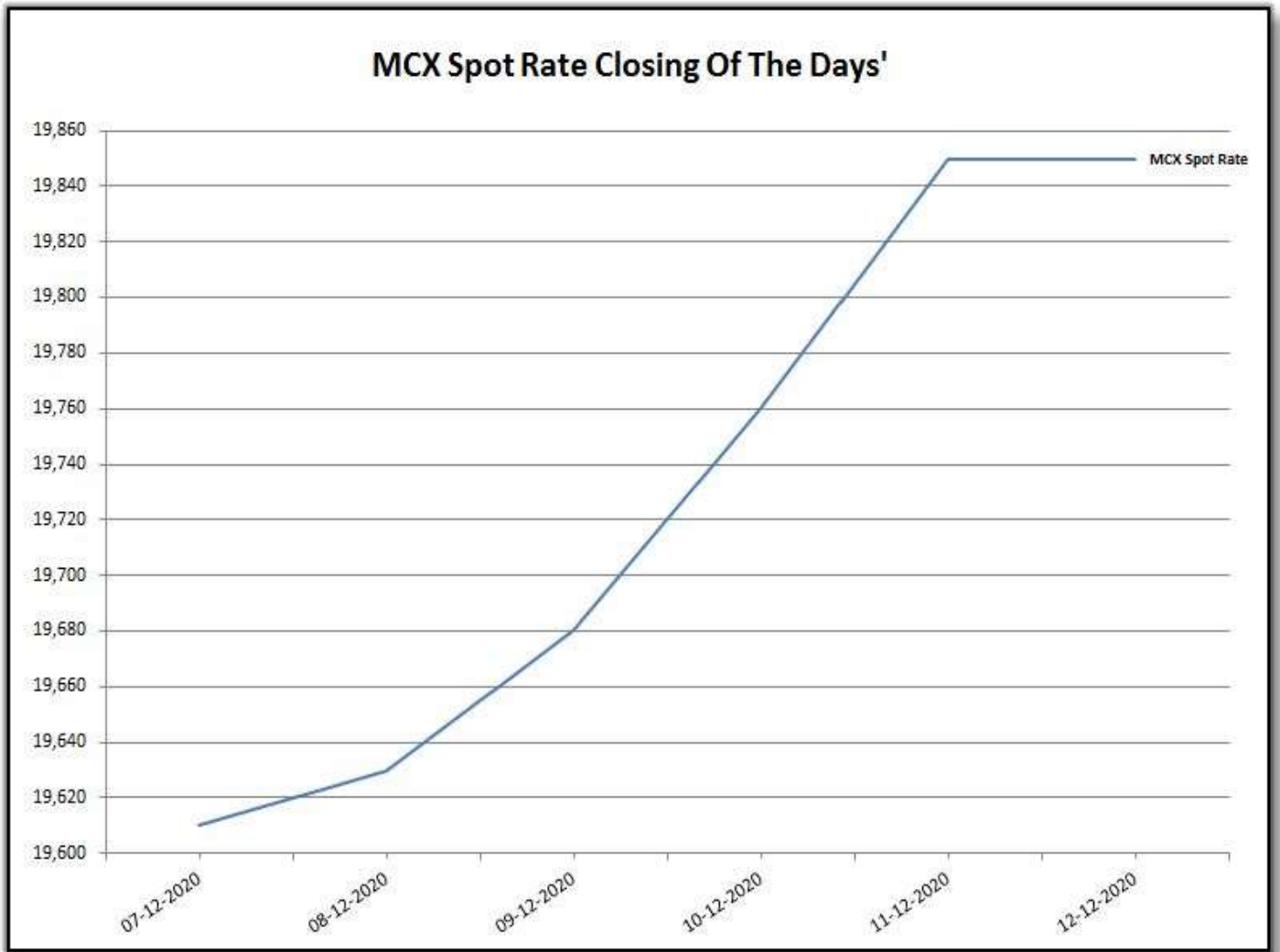
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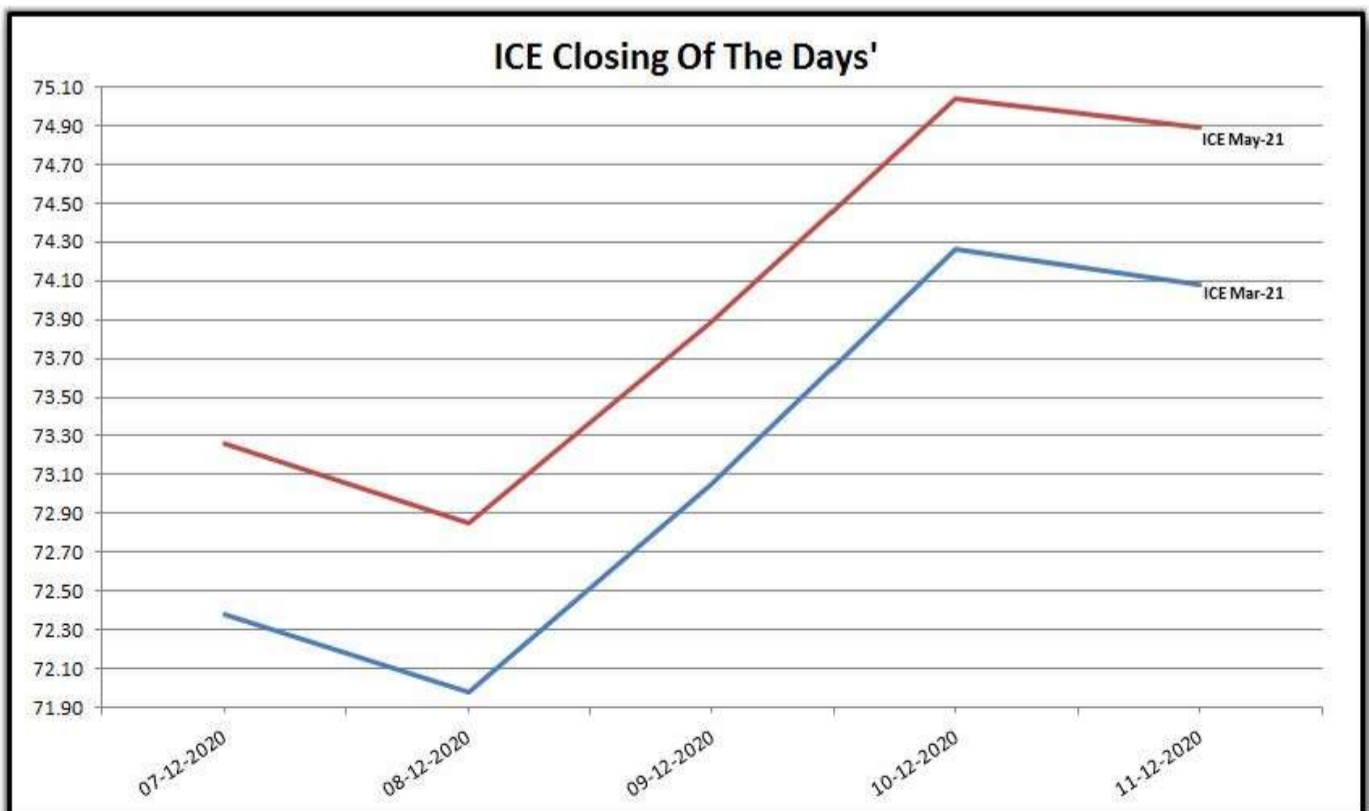
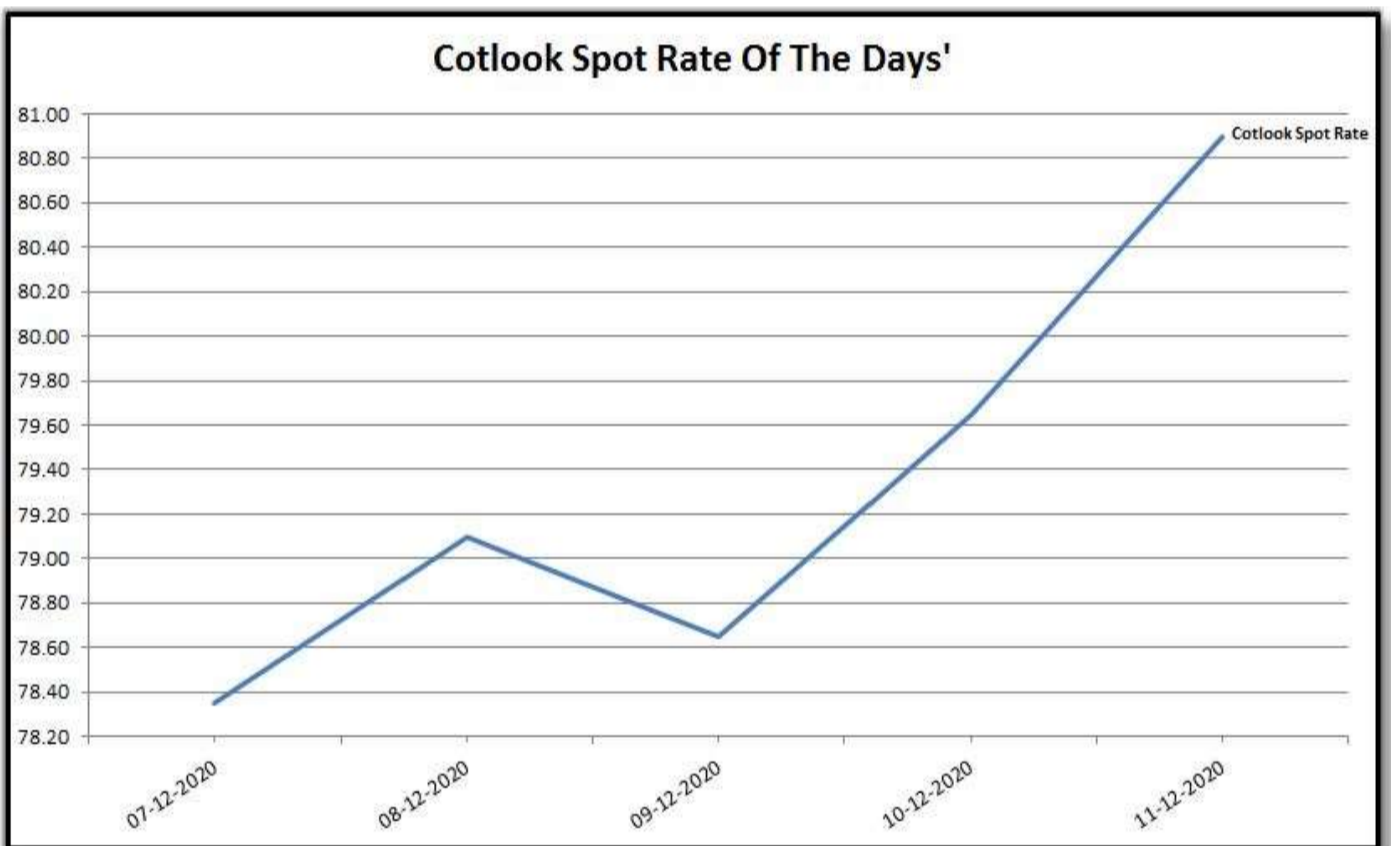




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Mar-21	May-21
07-12-2020	78.35	72.38	73.26
08-12-2020	79.10	71.98	72.85
09-12-2020	78.65	73.05	73.89
10-12-2020	79.65	74.26	75.04
11-12-2020	80.90	74.08	74.89

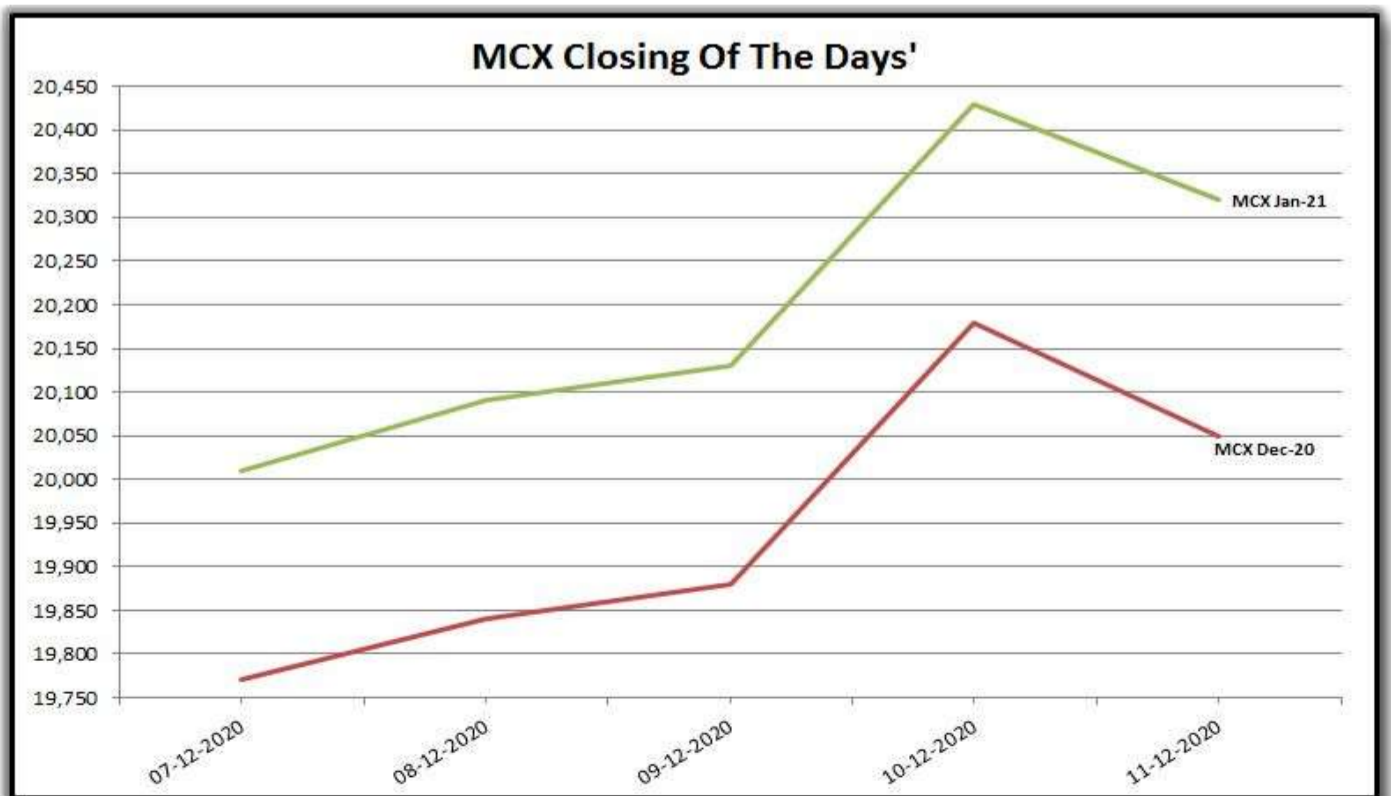
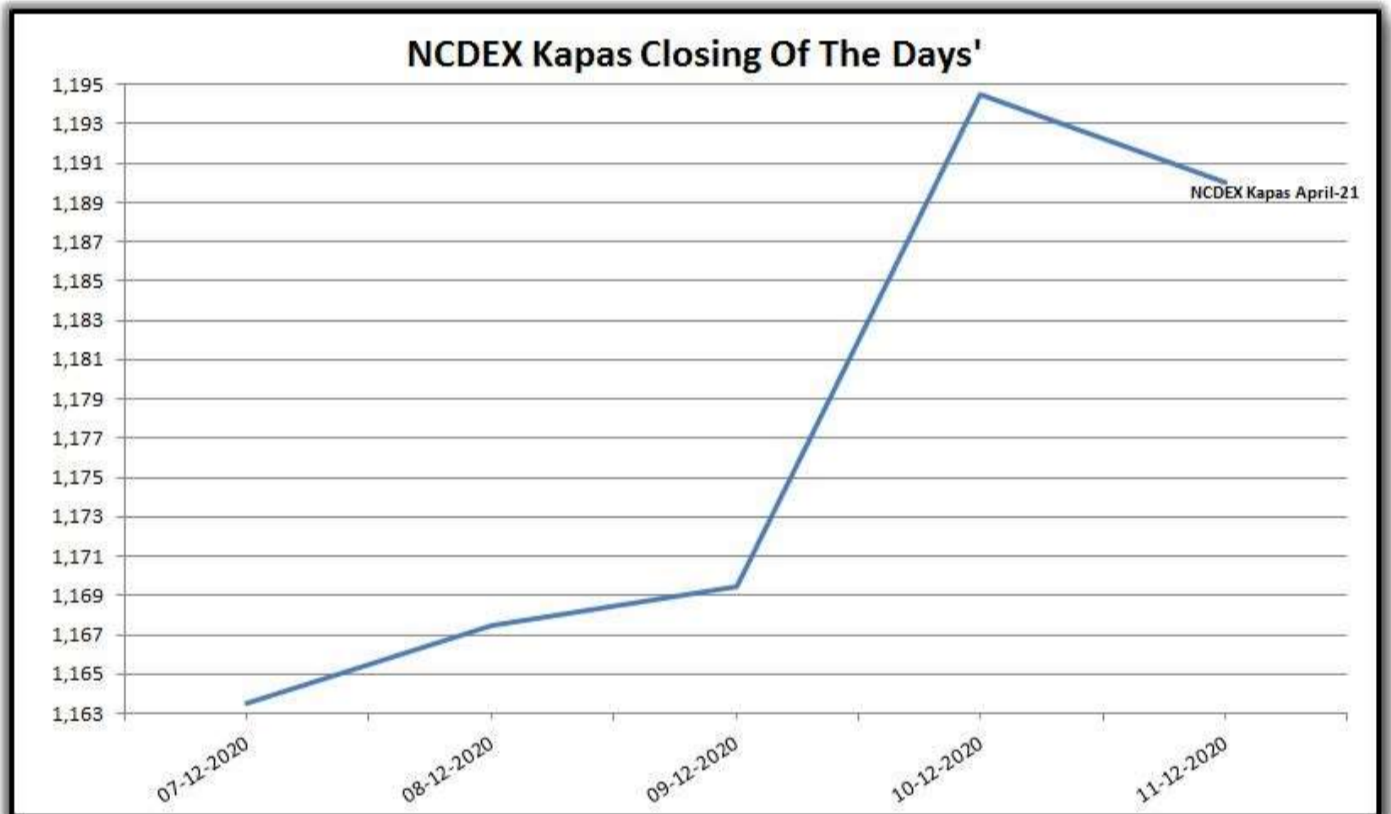




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Indian Indices			
Date	NCDEX Kapas	MCX	
	30-Apr-2021	Dec-20	Jan-21
07-12-2020	1,163.50	19,770	20,010
08-12-2020	1,167.50	19,840	20,090
09-12-2020	1,169.50	19,880	20,130
10-12-2020	1,194.50	20,180	20,430
11-12-2020	1,190.00	20,050	20,320



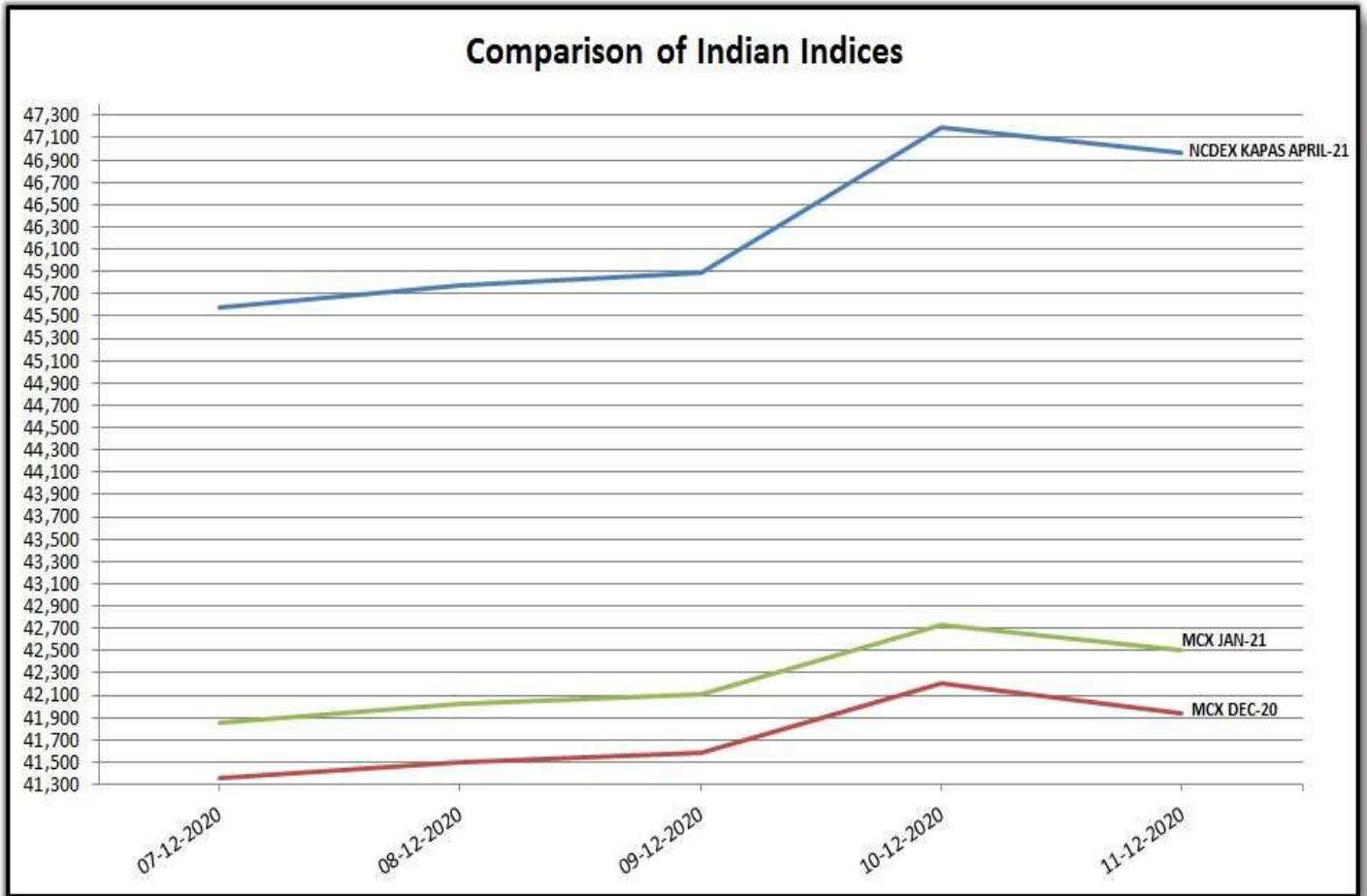


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April	Dec-20	Jan-21
07-12-2020	45,573	41,353	41,855
08-12-2020	45,782	41,499	42,022
09-12-2020	45,887	41,583	42,106
10-12-2020	47,194	42,211	42,733
11-12-2020	46,959	41,939	42,503

Remark :- For NCDEX Kapas we have taken seed rate 515/20 Kg to convert in Candy.

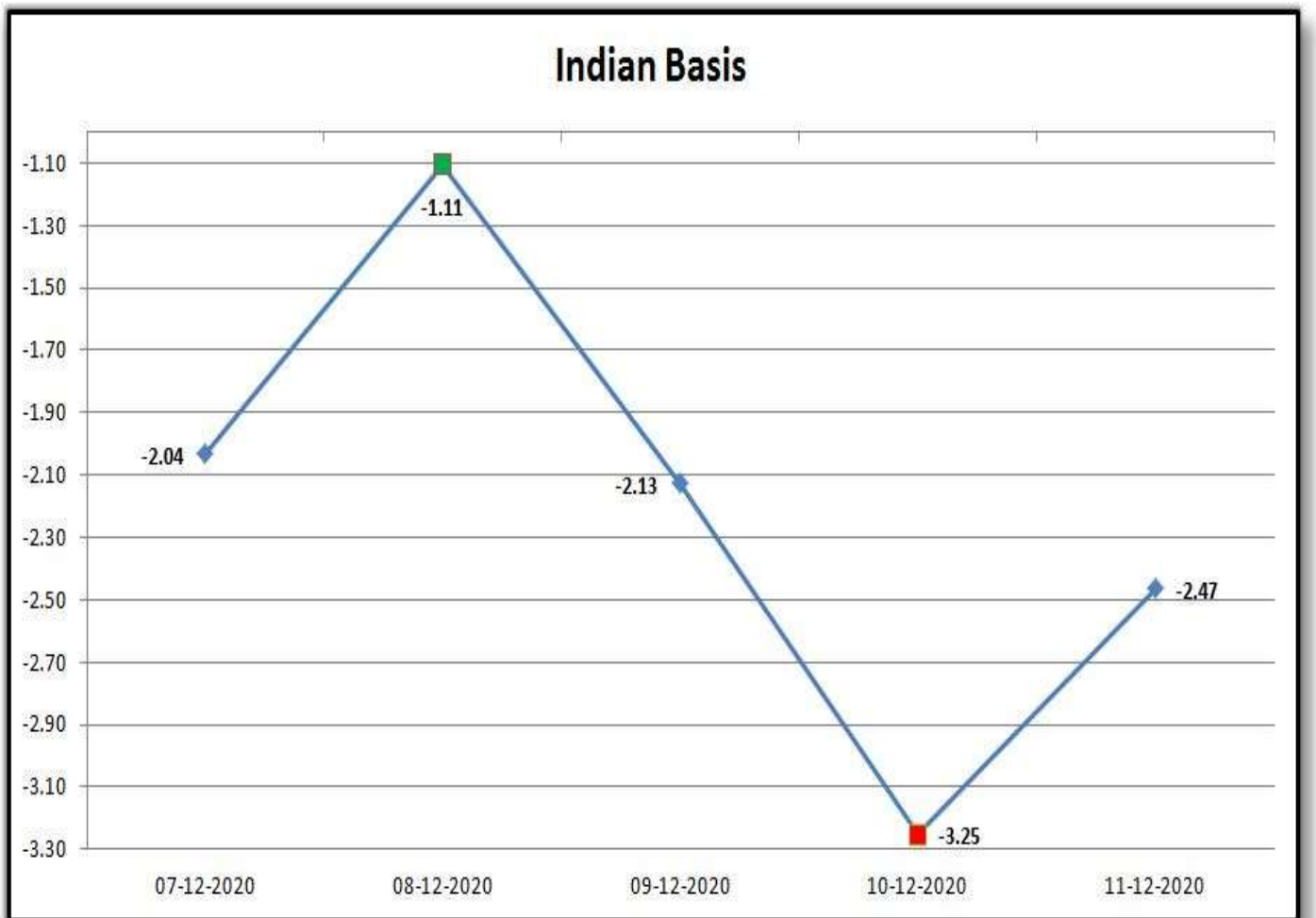




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAR	BASIS
07-12-2020	40,750	73.89	70.34	72.38	-2.04
08-12-2020	40,850	73.52	70.87	71.98	-1.11
09-12-2020	40,900	73.56	70.92	73.05	-2.13
10-12-2020	41,000	73.65	71.01	74.26	-3.25
11-12-2020	41,350	73.65	71.61	74.08	-2.47





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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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