



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 15-May-2021

Market Movement from 10th May 2021 to 15th May 2021

- This week was roller-coaster ride ending at a very low end. ICE future trend remained down, major damage was in last two days due to escalation in Israel – Palestine conflict, better rain forecast in Texas, disappointing US export sales and liquidation due to chart damage. NY July lost 723 points while December lost 567 points during the week. It narrowed inverse between July and December contract to just 121 points now.
- Following NY Chinese future also reacted down side.
- US export sales was very low and shipment numbers also below require pace of new target of 16.2 million bales. Now in remaining 12 weeks shipments required pace is near 3.25 lakh bales a week to meet the new target. At present commitment is beyond 16 million bales out of that 12.1 M bales already shipped.
- Opposite to NY futures Indian market remained strong this week. CCI and Maharashtra federation were able to offload handsome quantities. There was good buying in government auctions. Mills wants to buy A grade quality and rate of A Grade quality has advance to 47,000 Rs per Candy for Gujarat Shankar-6.
- Indian futures gained nearly 1% during the week despite huge down fall in NY.
- Domestic off take is low due to labor shortage and lockdown at some places, but mills witnessed good demand in yarn from abroad. Very good demand for super quality of hosiery yarns from abroad. So, mills buying for extra super quality continued despite pandemic.
- Gujcot spot rate remained in small range of 46,400 to 46,800.
- Indian cotton still in demand but now after huge decline in NY, Indian basis are not very attractive.
- Basis players are now offering their stock at reasonable rate. They will provide enough liquidity to the market.
- Ginners now return to work in Gujarat with reduction in corona cases. Also, with spike in cottonseed prices they got some parity.
- Indian basis improved due to rise of Indian cotton rate and speedy collapse on NY future market. Indian basis is now near to at par with NY December future.
- Indian rupee remains stronger near between 73.28 to 73.41 per USD.
- Cottonseed rate jumped to 750 to 780 Rs per 20 kg.



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Global

US Weekly Export Sales

- Net UPLAND sales of 54,400 RB for 2020-2021 were down 15 percent from the previous week and 41 percent from the prior 4-week average. Increases primarily for Vietnam (26,200 RB, including 5,800 RB switched from Indonesia and 1,800 RB switched from Hong Kong), China (14,500 RB, including 2,600 RB switched from Vietnam and 200 RB switched from Hong Kong), Bangladesh (7,800 RB), Pakistan (6,200 RB, including 900 RB switched from Vietnam and decreases of 4,300 RB), and Thailand (5,600 RB, including 2,700 RB switched from Indonesia, 2,600 RB switched from Taiwan and decreases of 400 RB), were offset by reductions primarily for Indonesia (4,800 RB), Taiwan (2,400 RB), and Hong Kong (2,000 RB).
- For 2021-2022, net UPLAND sales of 72,100 RB were for Pakistan (39,600 RB), Mexico (23,800 RB), Honduras (4,000 RB), Nicaragua (2,500 RB), and Thailand (2,200 RB).
- UPLAND Exports of 2,77,200 RB were down 39 percent from the previous week and 23 percent from the prior 4-week average. Exports were primarily to Vietnam (73,700 RB), China (47,500 RB), Pakistan (41,900 RB), Turkey (25,900 RB), and Bangladesh (15,900 RB).
- Net sales of PIMA totaling 3,800 RB were down 66 percent from the previous week and 41 percent from the prior 4-week average. Increases were primarily for Honduras (2,300 RB) and India (1,300 RB). Total net sales for 2021-2022 of 200 RB were for Japan.
- PIMA Exports of 19,300 RB were down 22 percent from the previous week, but up 3 percent from the prior 4-week average. The destinations were primarily to China (5,000 RB), India (4,700 RB), Pakistan (4,500 RB), Vietnam (1,700 RB), and South Korea (1,200 RB).

US Export Sales	06-May-2021
Marketing Year 2020-21	
Upland Gross Sales	66,000
Cancellation	11,600
Net Upland Sales	54,400
PIMA Gross Sales	3,800
Cancellation	0
Net PIMA Sales	3,800
Total Gross Sales	69,800
Total Cancellation	11,600
Total Net Sales	58,200
Shipments	
UPLAND	2,77,200
PIMA	19,300
Total Shipment	2,96,500
Marketing Year 2021-22	
Net Upland Sales	72,100
Net PIMA Sales	200
Total Net Sales	72,300
All Figures in US Running Bale	



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WASDE – May – 2021

U.S. cotton production in 2021/22 is projected to rise 2.4 million bales, but total supply is projected at its lowest in 5 years, and both exports and ending stocks are forecast lower than in 2020/21. Production is anticipated at 17.0 million bales, with 12.0 million planted acres as indicated in Prospective Plantings, abandonment projected above the average of the past 5 years, and average yields. Exports are expected to fall 1.6 million bales, to 14.7 million. Domestic mill use is projected to rise 200,000 bales, to 2.5 million, and ending stocks are 200,000 bales lower to 3.1 million. The upland cotton farm price is 75 cents per pound, 10 percent higher than in 2020/21.

For 2020/21, U.S. cotton production is reduced slightly from last month. The export forecast is increased 500,000 bales to 16.25 million as the expected U.S. share of world trade rises, and ending stocks are estimated 600,000 bales lower than in April, at 3.3 million.

The world 2021/22 cotton projections show global supply about unchanged from a year earlier—as rising production offsets lower beginning stocks—and falling ending stocks, as consumption rises to its highest in 4 years. Production is projected at 119.4 million bales, 6.3 million higher than in 2020/21. Higher production is expected in Brazil, Australia, Mali, Pakistan, India, and Turkey; a 2.0- million-bale decline is projected for China's crop. Global consumption is forecast to rise 3.5 percent to 121.5 million bales as global income growth remains strong. Global ending stocks are expected to shrink by 2.2 million bales, to 91.0 million, equivalent to 75 percent of use.

For 2020/21, global production saw little net change from April, but beginning stocks and consumption are projected lower, and estimated global ending stocks are 300,000 bales lower. Indian 2019/20 and 2020/21 production is reduced by a total of 1.2 million bales. China's 2020/21 crop is raised 500,000 bales, reflecting ginning and inspection data from Xinjiang. Global consumption is forecast 439,000 bales lower this month, as India's recent textile exports and economic disruption from COVID-19 reduced expected mill use there by 800,000 bales.



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Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	08-05-2021	15-05-2021	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	46,250	46,700	450	0.96%
V-797	13 % Trash		29,400	29,900	500	1.67%
MCX Spot Rate			22,150	22,430	280	1.25%
USD-INR Exchange			73.51	73.28	-0.23	-0.31%

Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	46,350	46,700	46,533
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		29,500	30,050	29,767
MCX Spot Rate			22,200	22,430	22,353
USD Exchange Rate			73.28	73.41	73.35

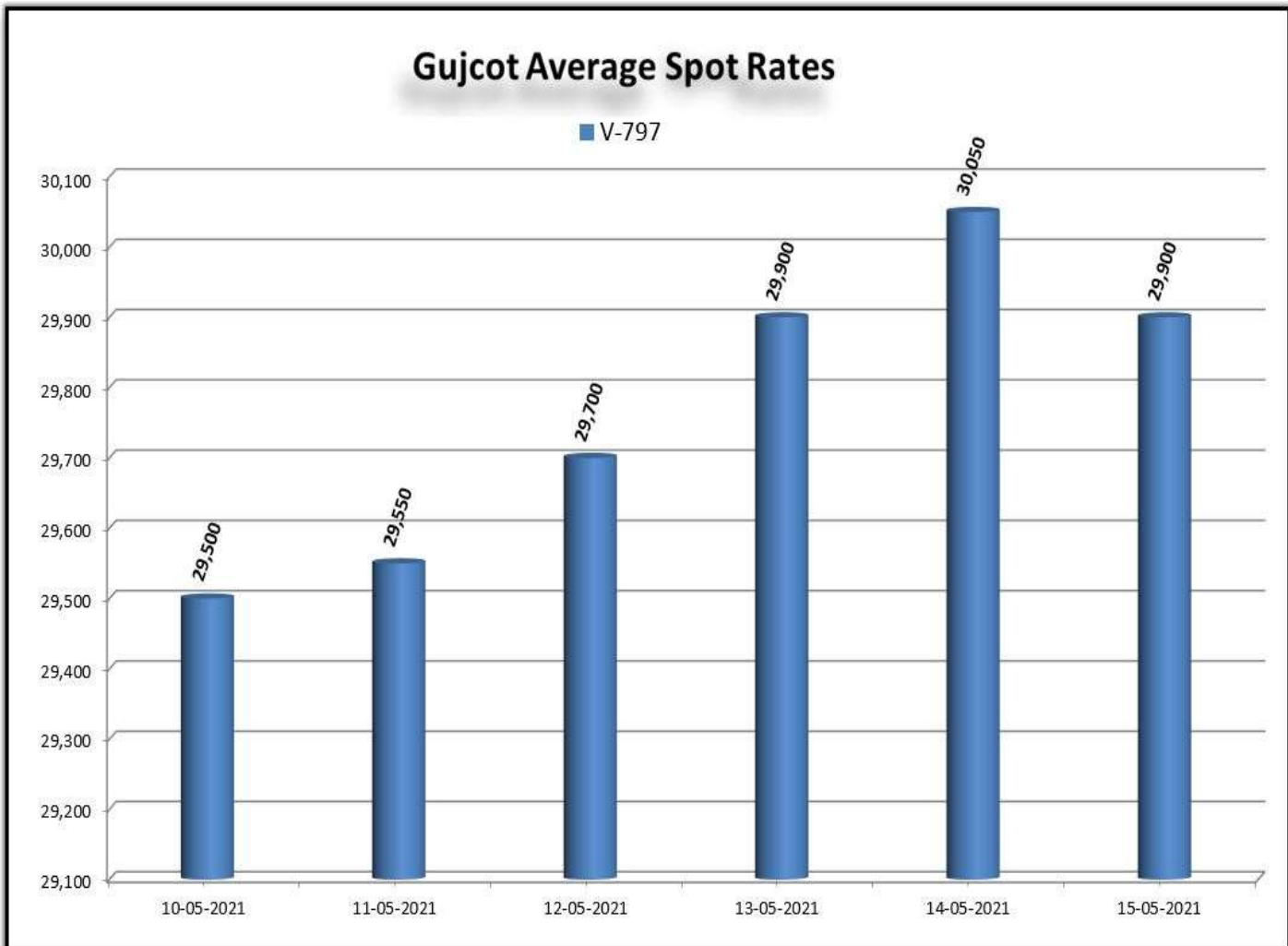
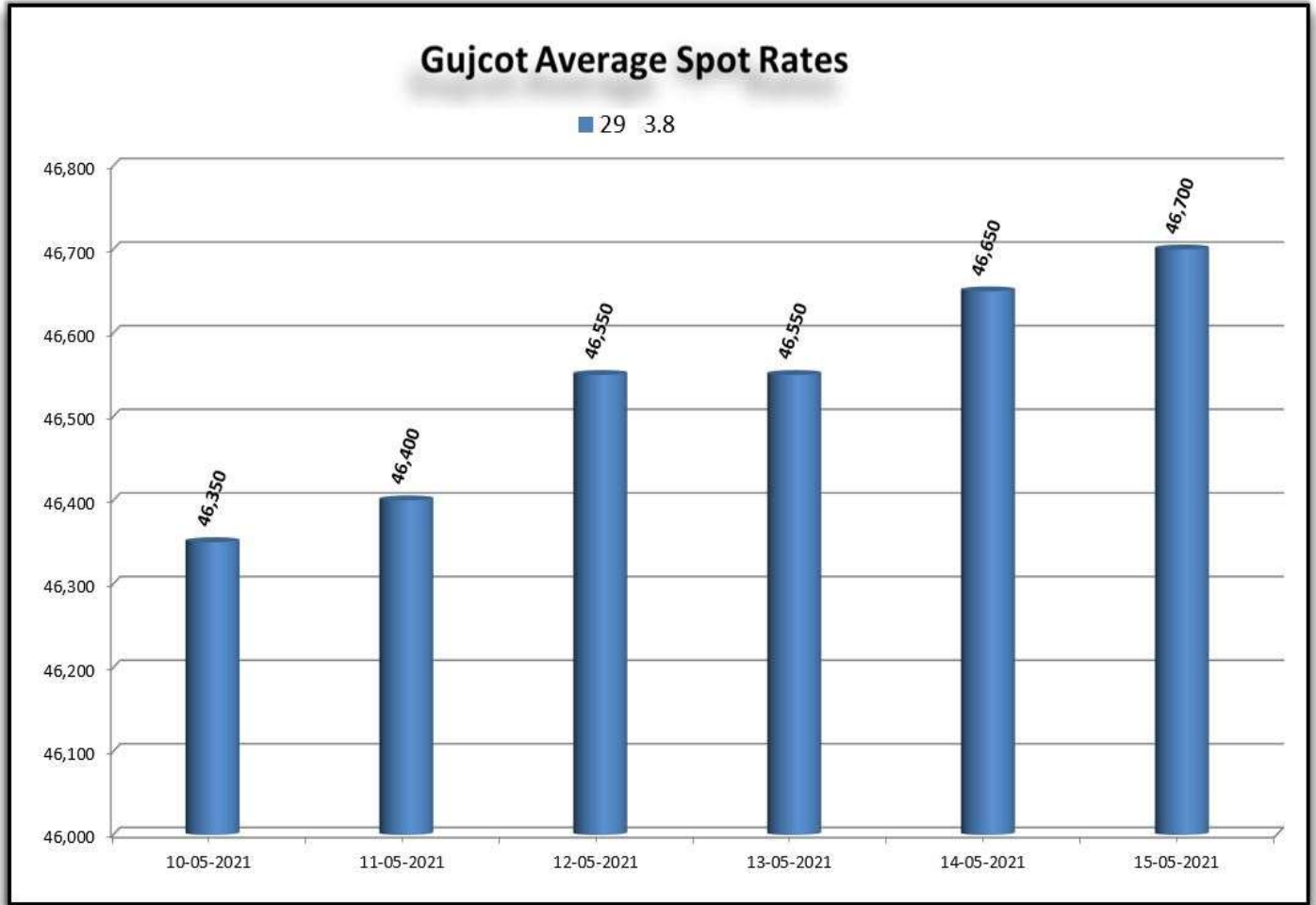
Rate of Last Week

Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
10-05-2021	46,350	29,500	22,200	73.35
11-05-2021	46,400	29,550	22,220	73.34
12-05-2021	46,550	29,700	22,420	73.41
13-05-2021	46,550	29,900	22,420	73.41
14-05-2021	46,650	30,050	22,430	73.28
15-05-2021	46,700	29,900	22,430	73.28



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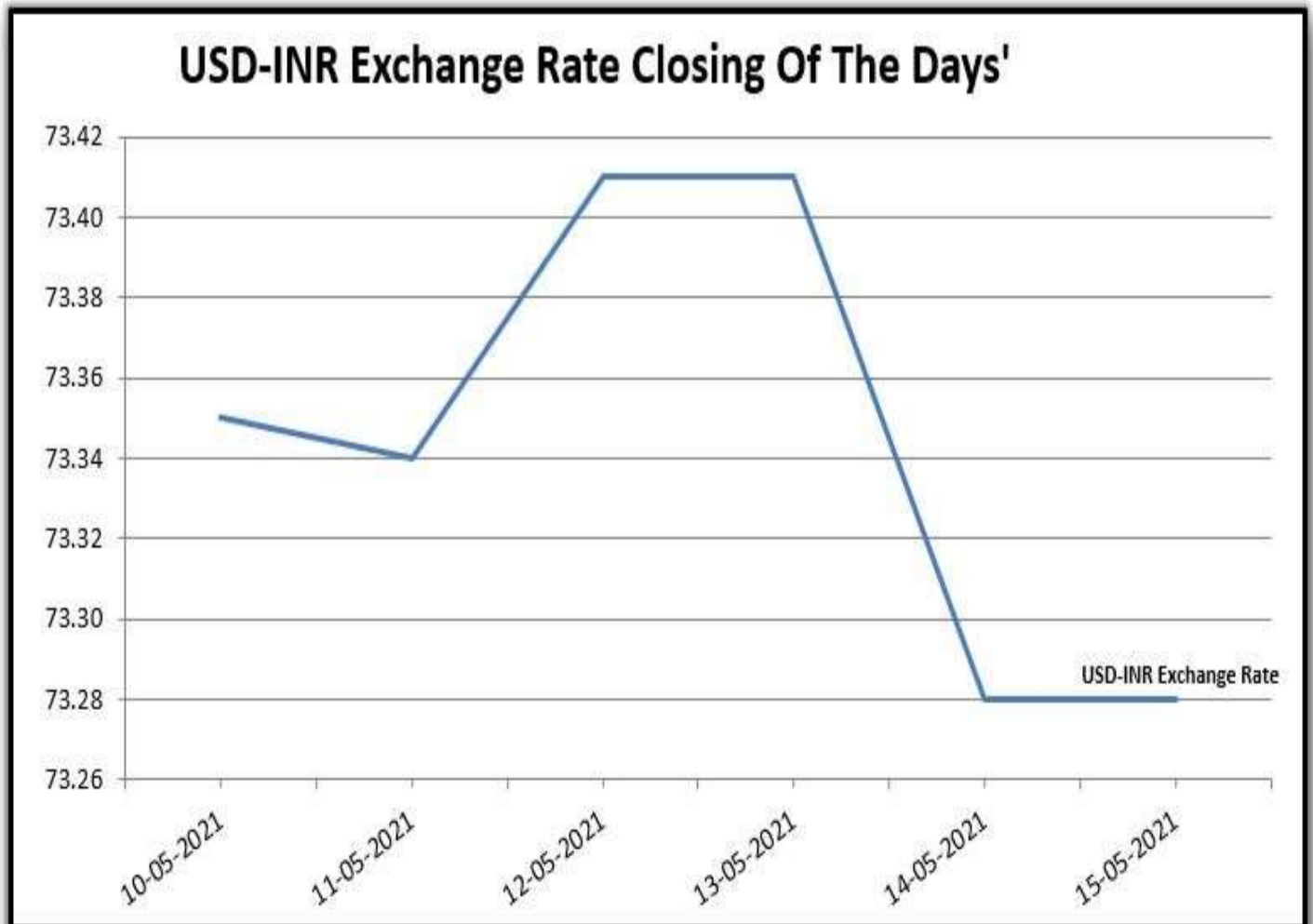
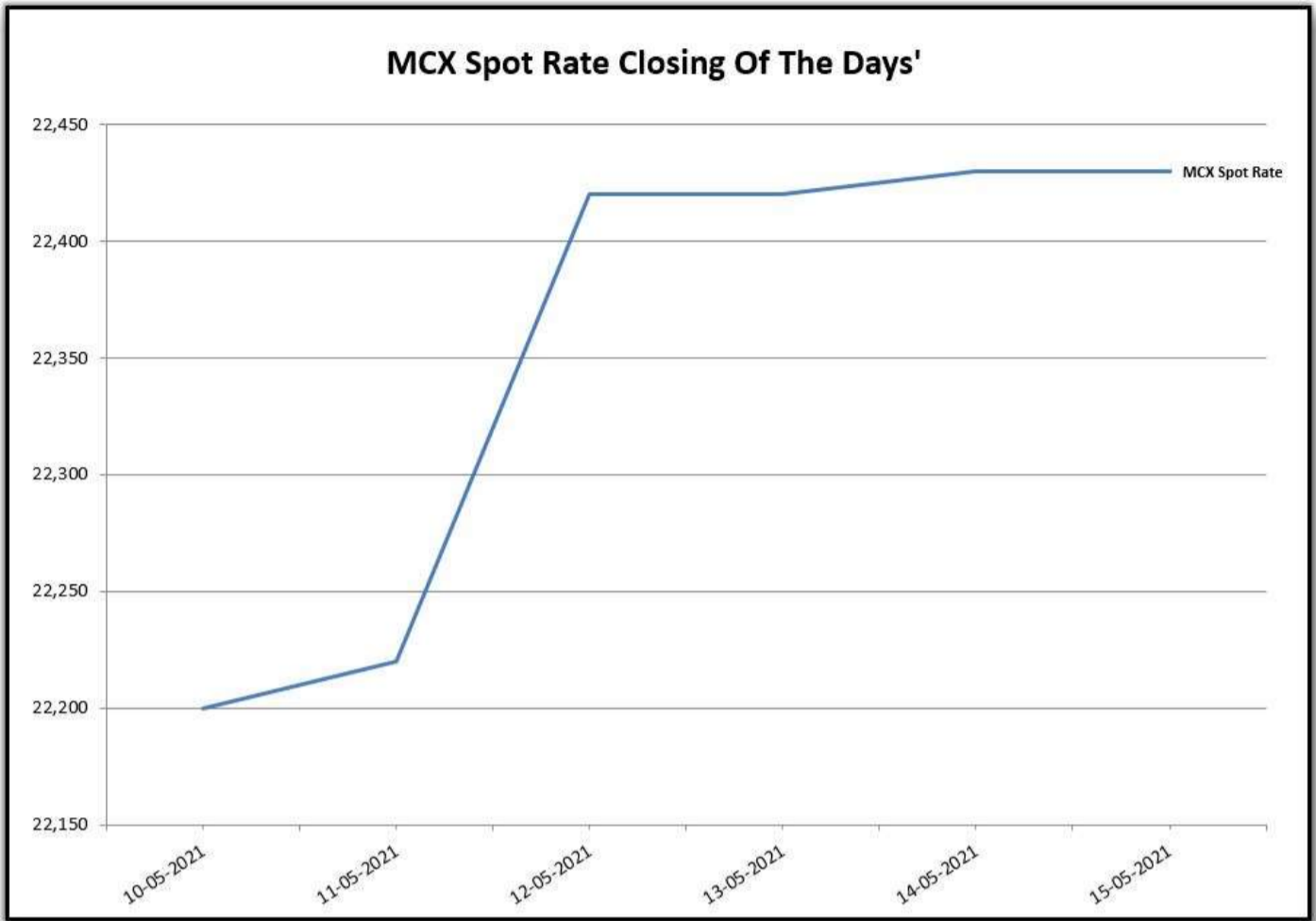
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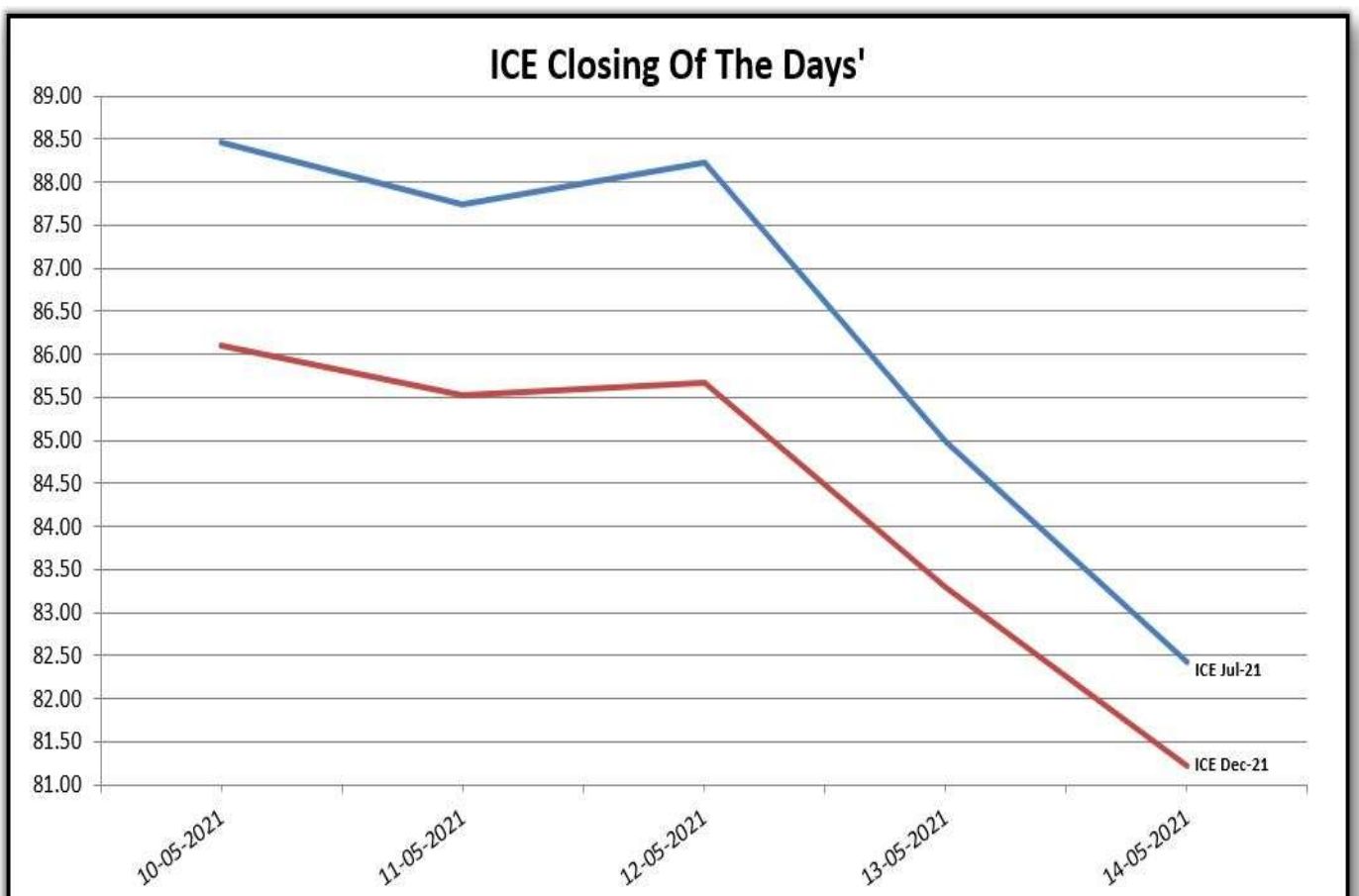
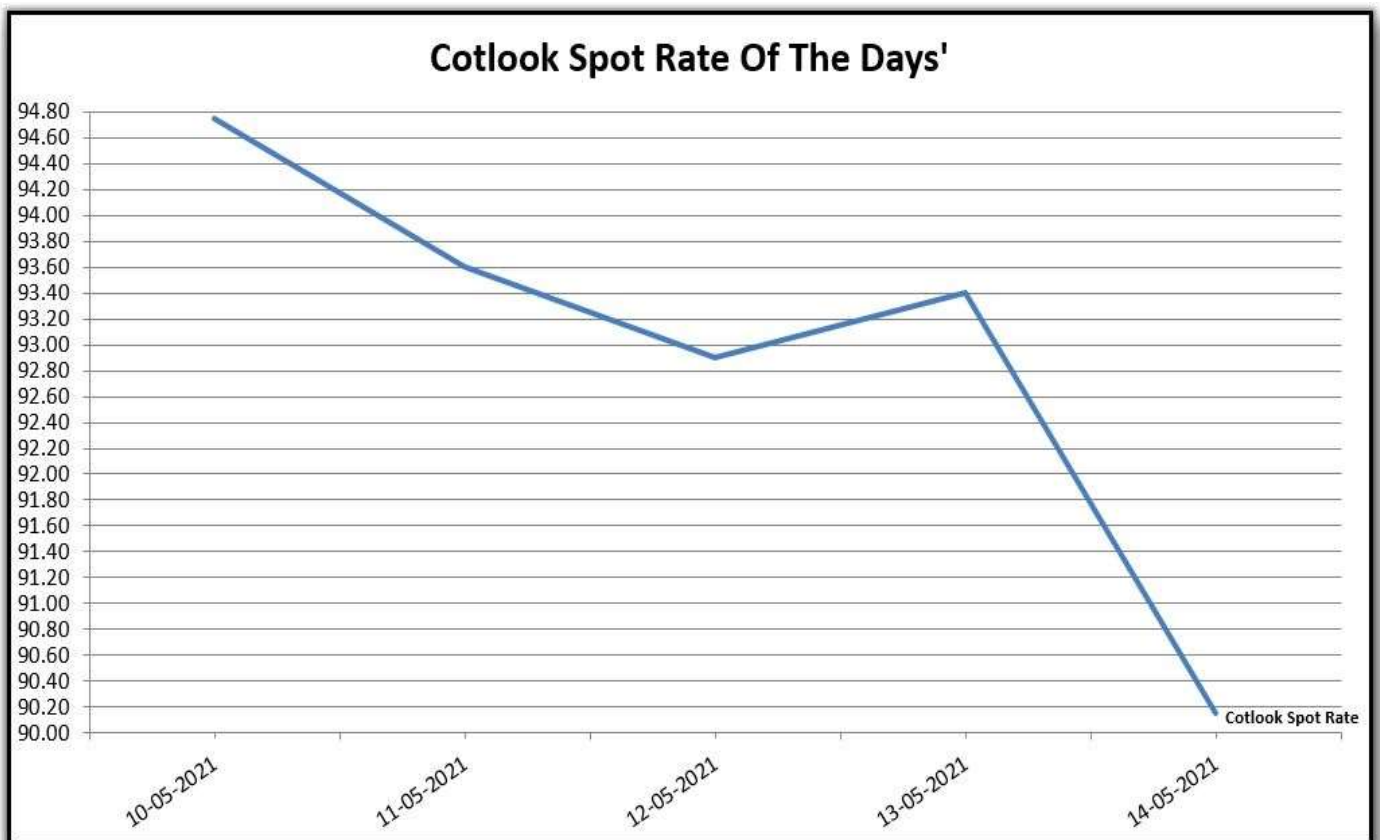




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-21	Dec-21
10-05-2021	94.75	88.47	86.10
11-05-2021	93.60	87.75	85.53
12-05-2021	92.90	88.23	85.67
13-05-2021	93.40	84.98	83.30
14-05-2021	90.15	82.43	81.22



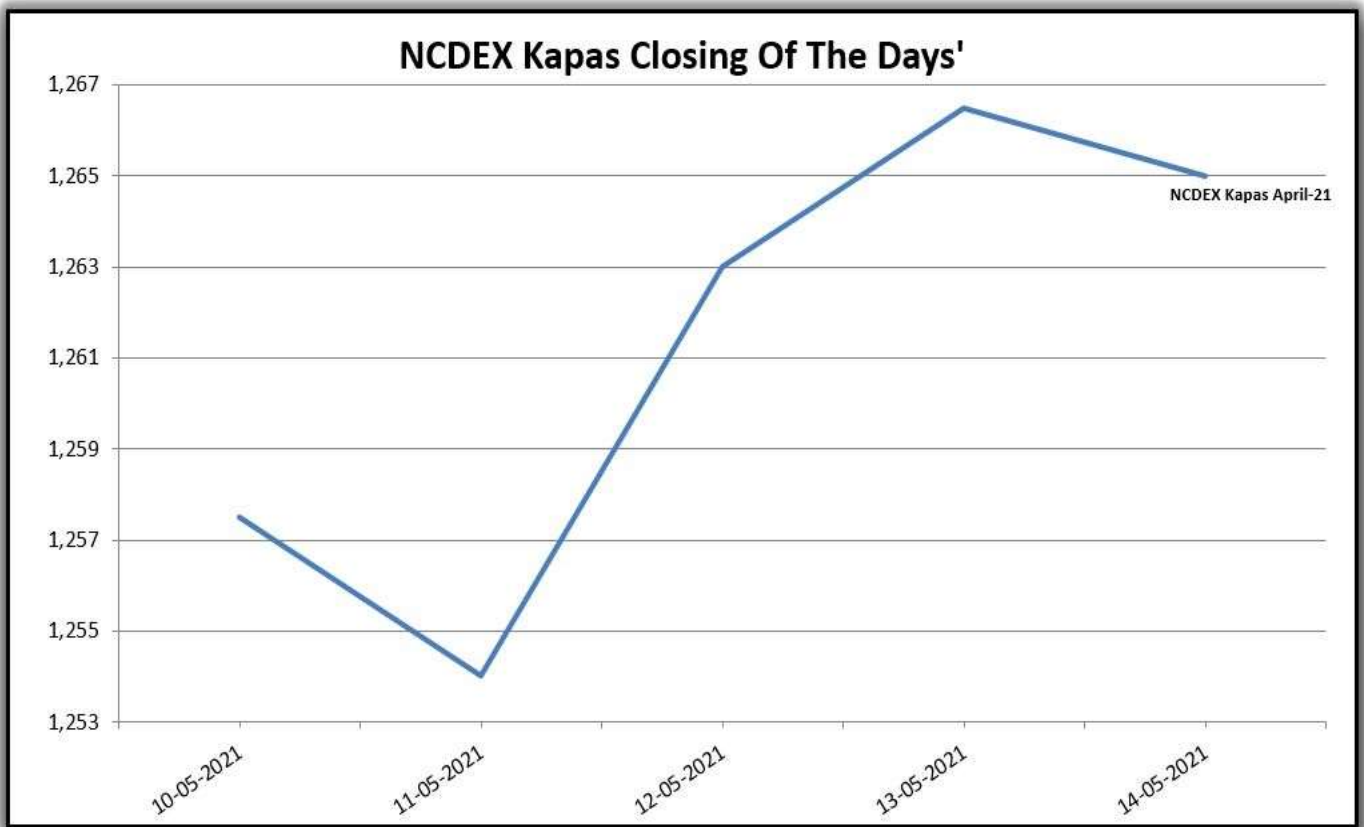


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Indian Indices

Date	NCDEX Kapas	MCX		
	April	May-21	Jun-21	Jul-21
10-05-2021	1257.50	21,870	22,180	22,100
11-05-2021	1254.00	22,010	22,320	22,100
12-05-2021	1263.00	22,190	22,500	22,700
13-05-2021	1266.50	22,260	22,540	22,700
14-05-2021	1265.00	22,050	22,360	22,590





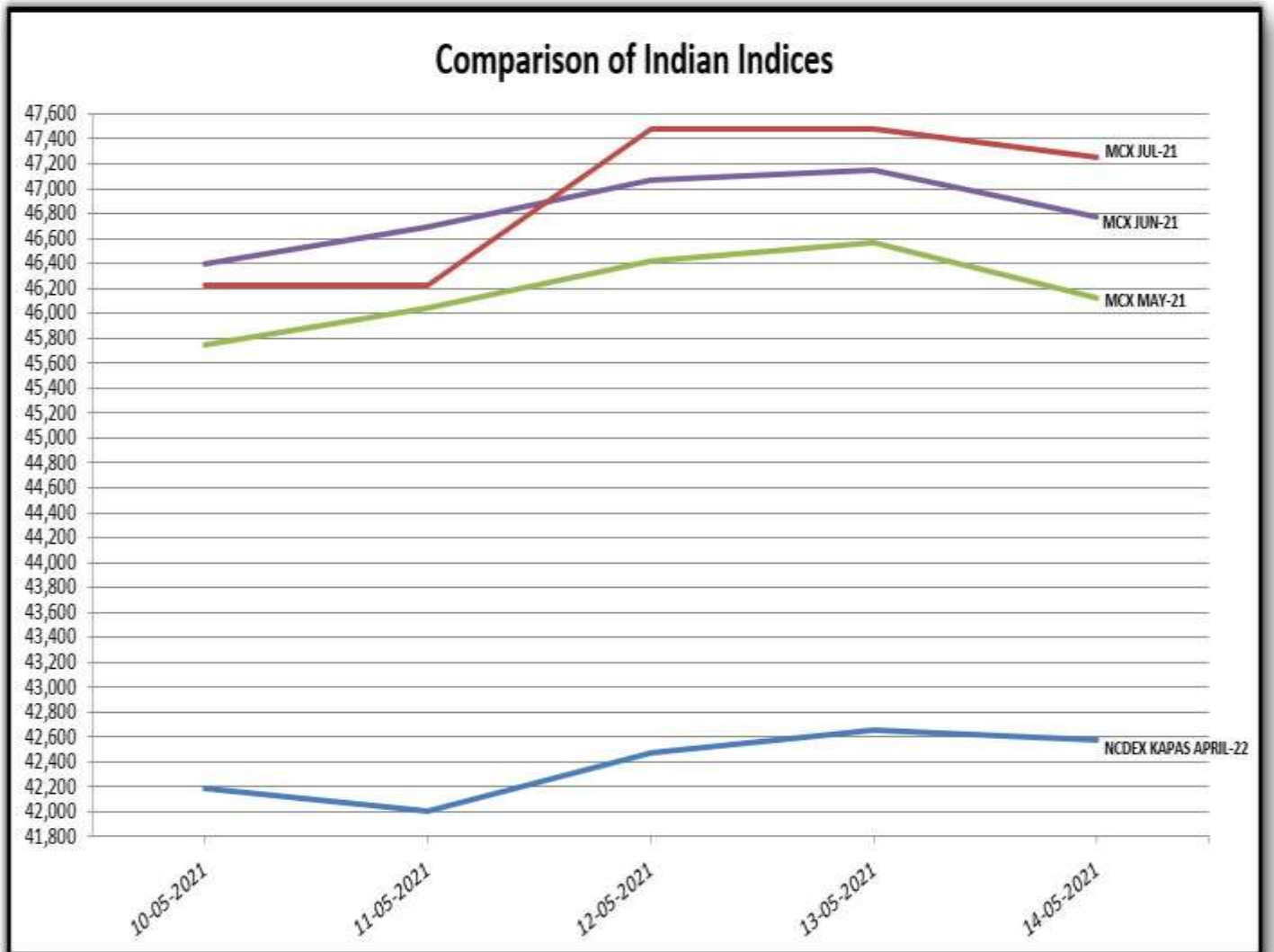
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Indian Indices in Candy Rate

Date	NCDEX Kapas	MCX		
	April	May-21	Jun-21	Jul-21
10-05-2021	42,187	45,745	46,394	46,227
11-05-2021	42,004	46,038	46,687	46,227
12-05-2021	42,475	46,415	47,063	47,482
13-05-2021	42,658	46,561	47,147	47,482
14-05-2021	42,579	46,122	46,770	47,252

Remark :- For NCDEX Kapas we have taken seed rate 765/20 Kg to convert in Candy.





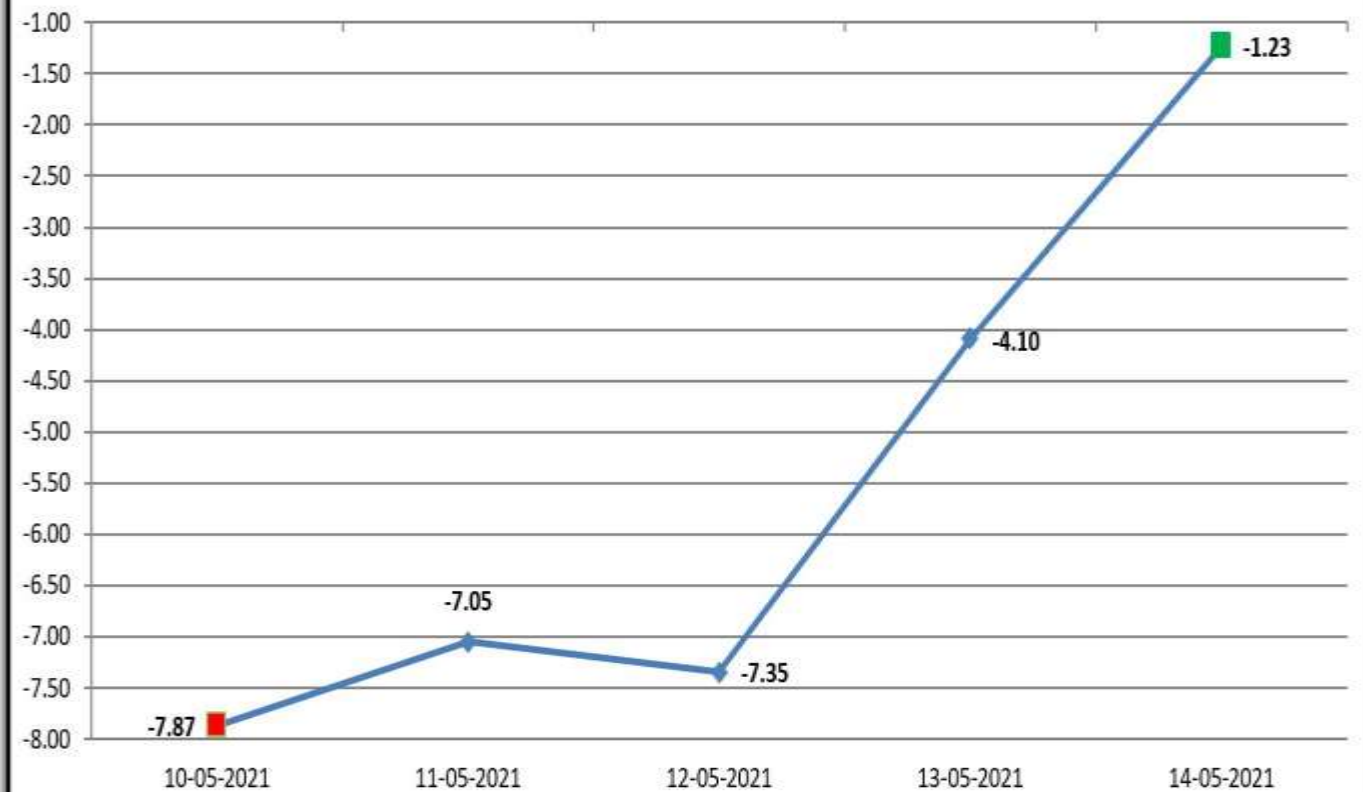
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Indian Basis

DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
10-05-2021	46,350	73.35	80.60	88.47	-7.87
11-05-2021	46,400	73.34	80.70	87.75	-7.05
12-05-2021	46,550	73.41	80.88	88.23	-7.35
13-05-2021	46,550	73.41	80.88	84.98	-4.10
14-05-2021	46,650	73.28	81.20	82.43	-1.23

Indian Basis





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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
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton-On-Call

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