



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

Market Movement from 11th May 2020 to 16th May 2020

- NY July future gained 198 points W/W with help of better export sales to China. Despite some adverse statements by President Trump, China started to fulfill phase one of Trade deal commitments. May WASDE report was bearish for both years. But current demand by China and current lower rate attract the buyers.
- May WASDE again reduce consumption and increase ending stock for the current season and upcoming season both, World scenario is extremely bearish when current consumption is reduced to just 105 million bales. Next marketing year also production will be higher than consumption. Which indicate some bearish picture.
- Seeing long term bearish picture, spread between old crop and new crop turn from full carry to inverse. It will be interesting to watch this spread in next week.
- Indian arrivals resumed mainly in Maharashtra and Gujarat. Spinning mills also started running with half capacity. Indian cotton is now cheaper at basis so merchants are daily in the market. Export demand also slowly resumed in cotton as well as in yarn. With limited operation in private ginings, trade is slow and CCI get more arrivals due to higher MSP rate.
- Daily arrivals now reach 40,000 to 50,000 bales in India.
- Gujarat daily arrival reaches nearly 15,000 bales.
- Indian basis remained between -2.15 to -3.86.
- Indian Rupee remained stable between 75.47 to 75.74 during this week.



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT

16-MAY-2020

Global

US Weekly Export Sales

- Net UPLAND sales of 2,38,100 RB for 2019-2020 were down 36 percent from the previous week, but up 50 percent from the prior 4-week average. Increases primarily for China (1,98,000 RB), Vietnam (19,200 RB), Pakistan (6,200 RB, including decreases of 2,500 RB), Taiwan (5,500 RB, including 1,800 RB switched from Vietnam), and Turkey (5,400 RB, including decreases of 4,400 RB), were offset by reductions for Malaysia (4,400 RB) and Japan (600 RB).
- For 2020-2021, net UPLAND sales of 93,300 RB were for China (68,200 RB), Vietnam (23,800 RB), and Thailand (1,300 RB).
- UPLAND Exports of 2,41,700 RB were down 35 percent from the previous week and 20 percent from the prior 4-week average. Exports were primarily to Vietnam (76,800 RB), China (39,200 RB), Turkey (38,400 RB), Pakistan (25,400 RB), and Bangladesh (18,800 RB).
- For 2019-2020, net sales reductions of PIMA totaling 400 RB were for Bahrain. For 2020-2021, net sales reductions of 1,400 RB resulting in increases for Japan (100 RB), were more than offset by reductions for Bahrain (1,500 RB).
- PIMA Exports of 7,900 RB were up noticeably from the previous week, but down 12 percent from the prior 4-week average. The destinations were primarily to Italy (2,200 RB), Turkey (1,700 RB), Indonesia (1,300 RB), Pakistan (1,100 RB), and Bangladesh (1,100 RB).

US Export Sales	07-May-2020
Marketing Year 2019-20	
Upland Gross Sales	2,50,300
Cancellation	12,200
Net Upland Sales	2,38,100
PIMA Gross Sales	1,300
Cancellation	1,800
Net PIMA Sales	-500
Total Gross Sales	2,51,600
Total Cancellation	14,000
Total Net Sales	2,37,600
Shipments	
UPLAND	2,41,700
PIMA	7,900
Total Shipment	2,49,600
Marketing Year 2020-21	
Net Upland Sales	93,300
Net PIMA Sales	-1,400
Total Net Sales	91,900
All Figures in US Running Bale	



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

WASDE – MAY – 2020

The U.S. cotton forecasts for 2020/21 include larger beginning stocks, consumption, exports, and ending stocks compared with the year before. Production is forecast at 19.5 million bales—400,000 bales less than the year before, based on 13.7 million planted acres as indicated in the NASS March Prospective Plantings report. Planted area is expected to be virtually unchanged from 2019/20, but harvested area is projected 2 percent lower, as abandonment rises from 2019/20. The yield is projected only slightly higher, using 10-year regional averages. Domestic mill use and exports are expected to rebound as the world economy begins to recover. Mill use is expected to rise 200,000 bales, and exports by 1 million; but ending stocks are expected to rise 600,000 bales to 7.7 million, equivalent to 41 percent of use. This would be marginally higher than in 2019/20 and the highest since 2007/08's 55 percent. The price received by upland producers is forecast at 57 cents per pound, slightly below 2019/20.

For 2019/20, U.S. cotton production is raised slightly from last month. The export forecast is unchanged, but expected consumption is 200,000 bales lower, and ending stocks 400,000 bales higher.

World ending stocks in 2020/21 are projected to rise for a second consecutive year, but at a much slower pace. With harvested area down globally, production is expected to decline 3.7 million bales, while consumption is expected to rise 11.5 million bales as the global economy begins recovering. Global ending stocks are expected to rise 2.3 million bales, but fall as a share of consumption, from 93 percent in 2019/20 to 85 percent.

For 2019/20, the world consumption forecast is reduced to 105.0 million bales, down 5.6 million from the previous forecast and 12.7 percent below the previous year. This would be the largest annual decline in world consumption since the 19th century. World production is raised 1 million bales from the previous month, and 2019/20 ending stocks are 5.9 million higher. The revised year-to-year increase in global ending stocks is 16.9 million bales.



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

Gujarat Spot Rate Weekly Changes

Variety	Staple Length	Mic.	09-05-2020	16-05-2020	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	32,350	32,550	200	0.61%
Shankar 6	28.5 mm	3.7	31,850	32,050	200	0.62%
V-797	13 % Trash		18,300	19,600	1,300	6.63%
MCX Spot Rate			15,550	15,520	-30	-0.19%
USD-INR Exchange			75.54	75.56	0.02	0.03%

Average Rate of Last week

Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	32,250	32,550	32,408
Shankar 6	28.5	3.7	31,800	32,050	31,925
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		18,650	19,800	19,325
MCX Spot Rate			15,410	15,540	15,488
USD Exchange Rate			75.47	75.74	75.56

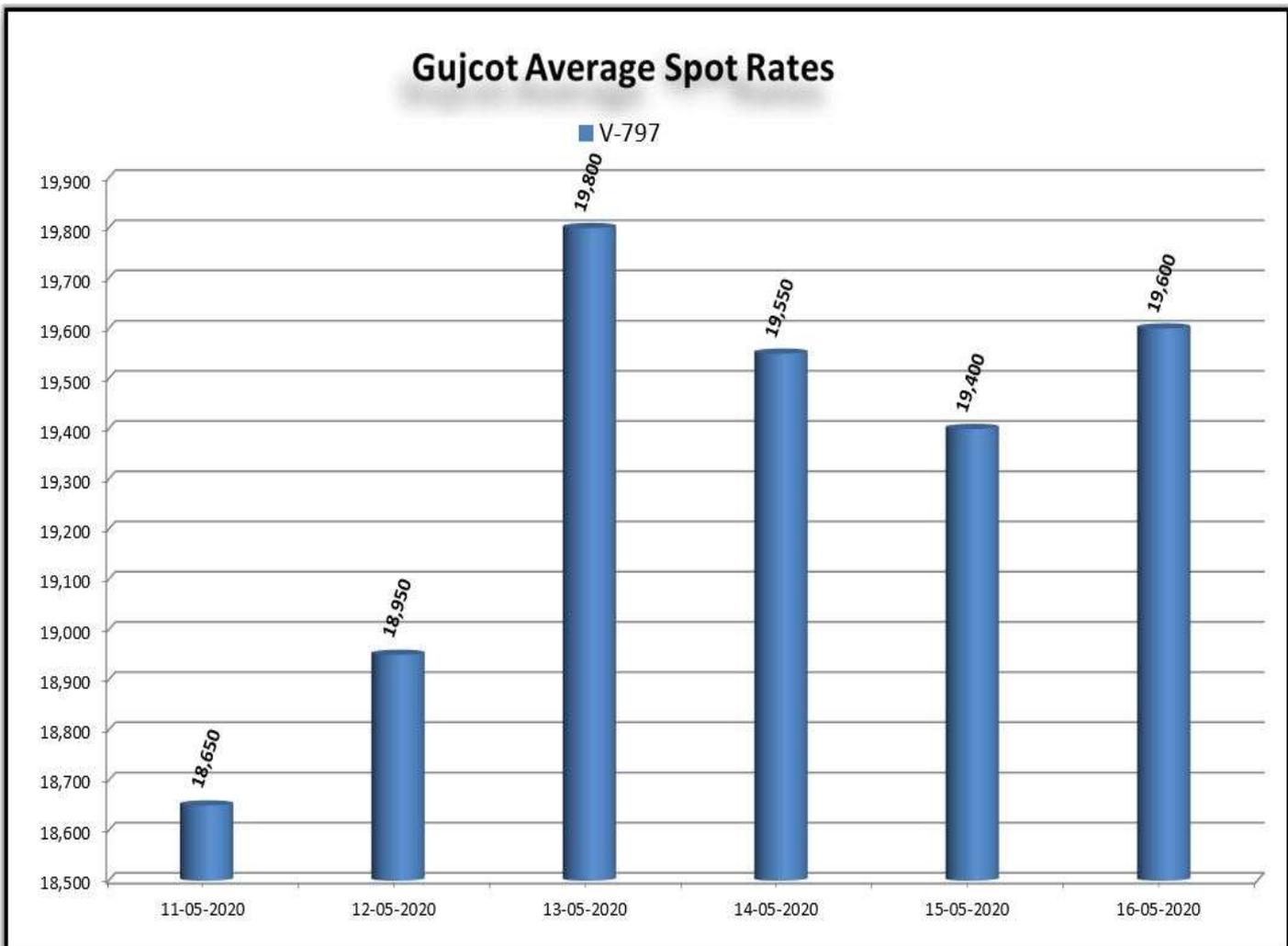
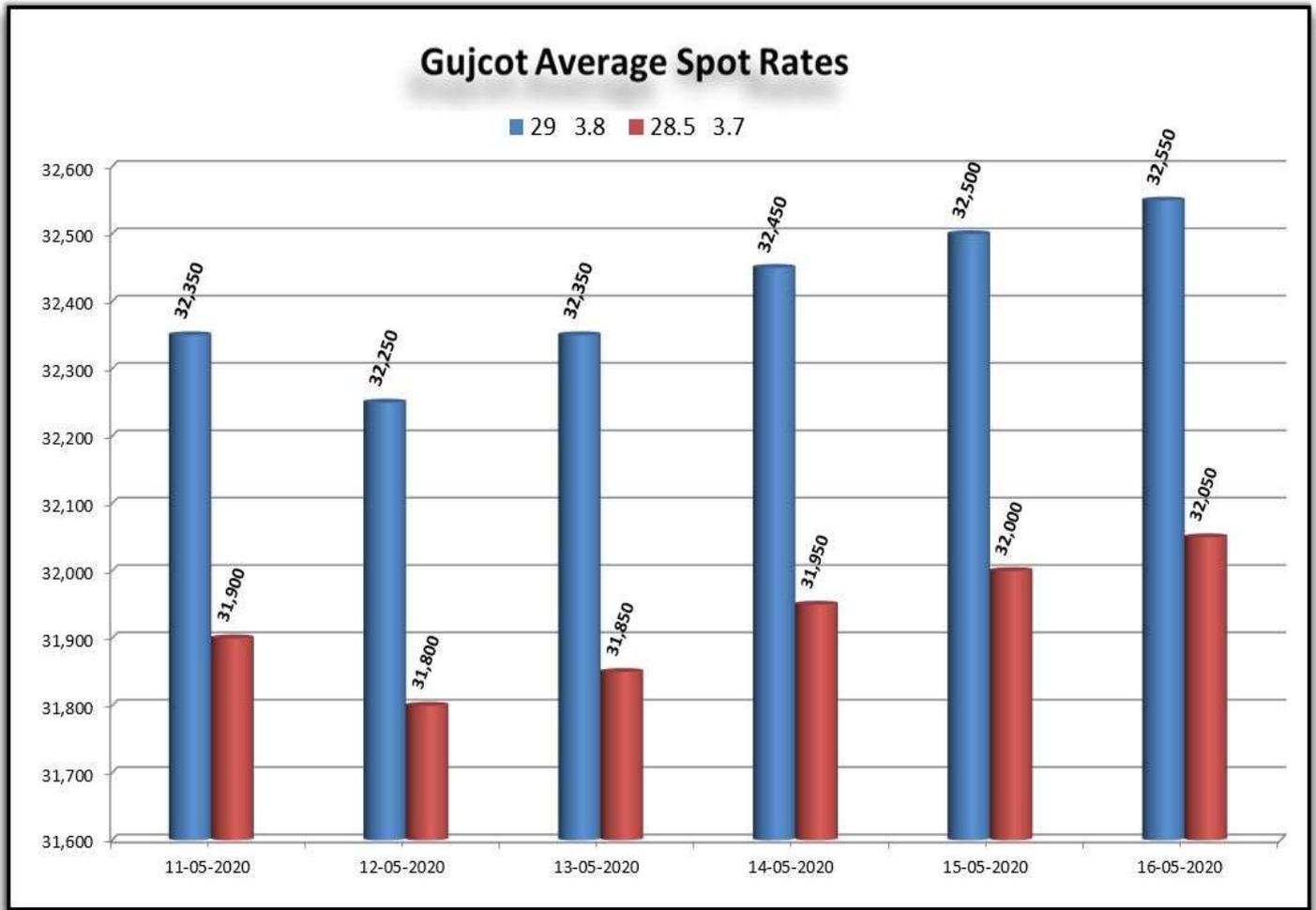
Rate of Last Week

Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
11-05-2020	32,350	31,900	18,650	15,540	75.74
12-05-2020	32,250	31,800	18,950	15,410	75.50
13-05-2020	32,350	31,850	19,800	15,440	75.47
14-05-2020	32,450	31,950	19,550	15,500	75.56
15-05-2020	32,500	32,000	19,400	15,520	75.56
16-05-2020	32,550	32,050	19,600	15,520	75.56



GUJCOT TRADE ASSOCIATION

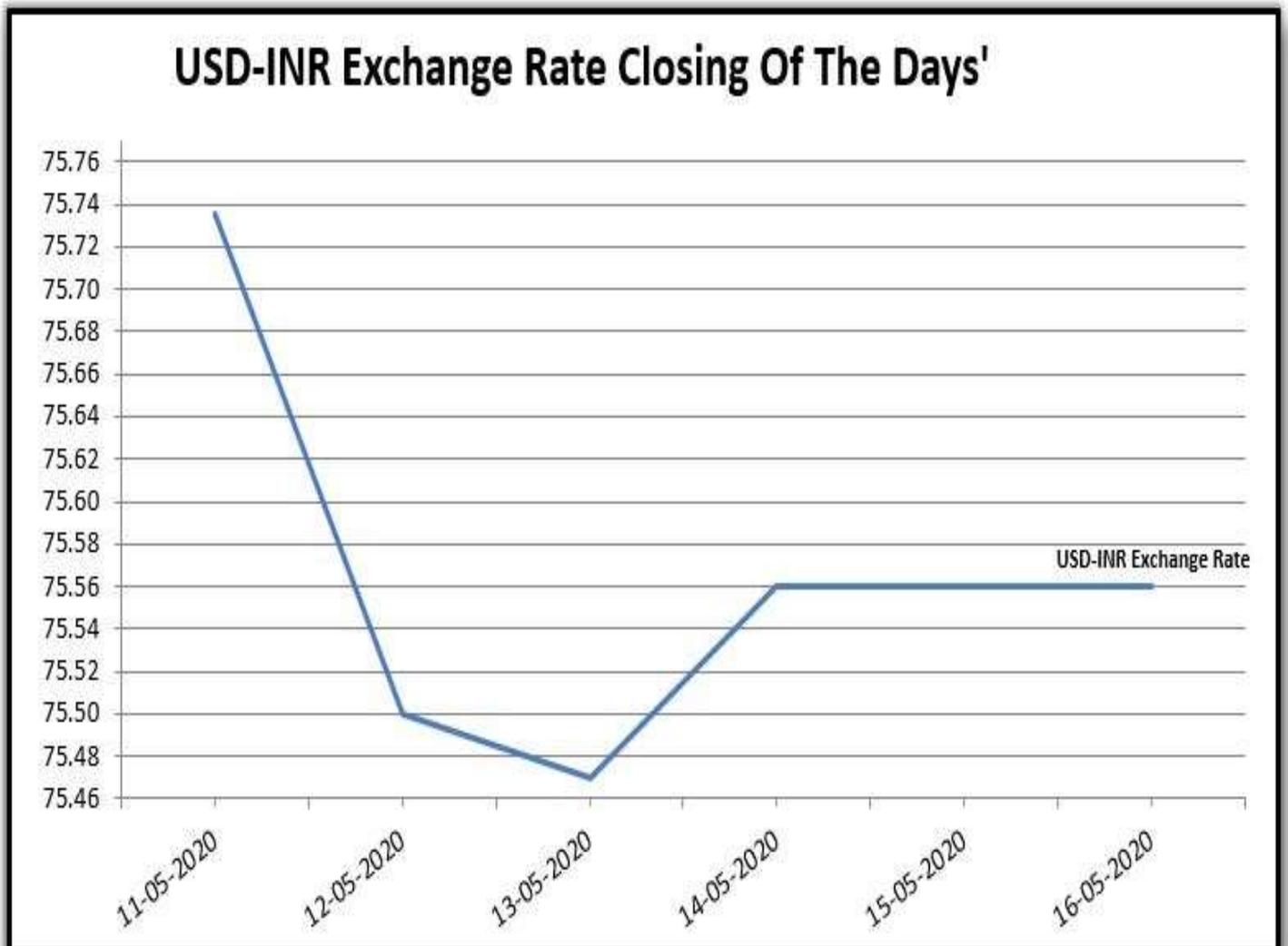
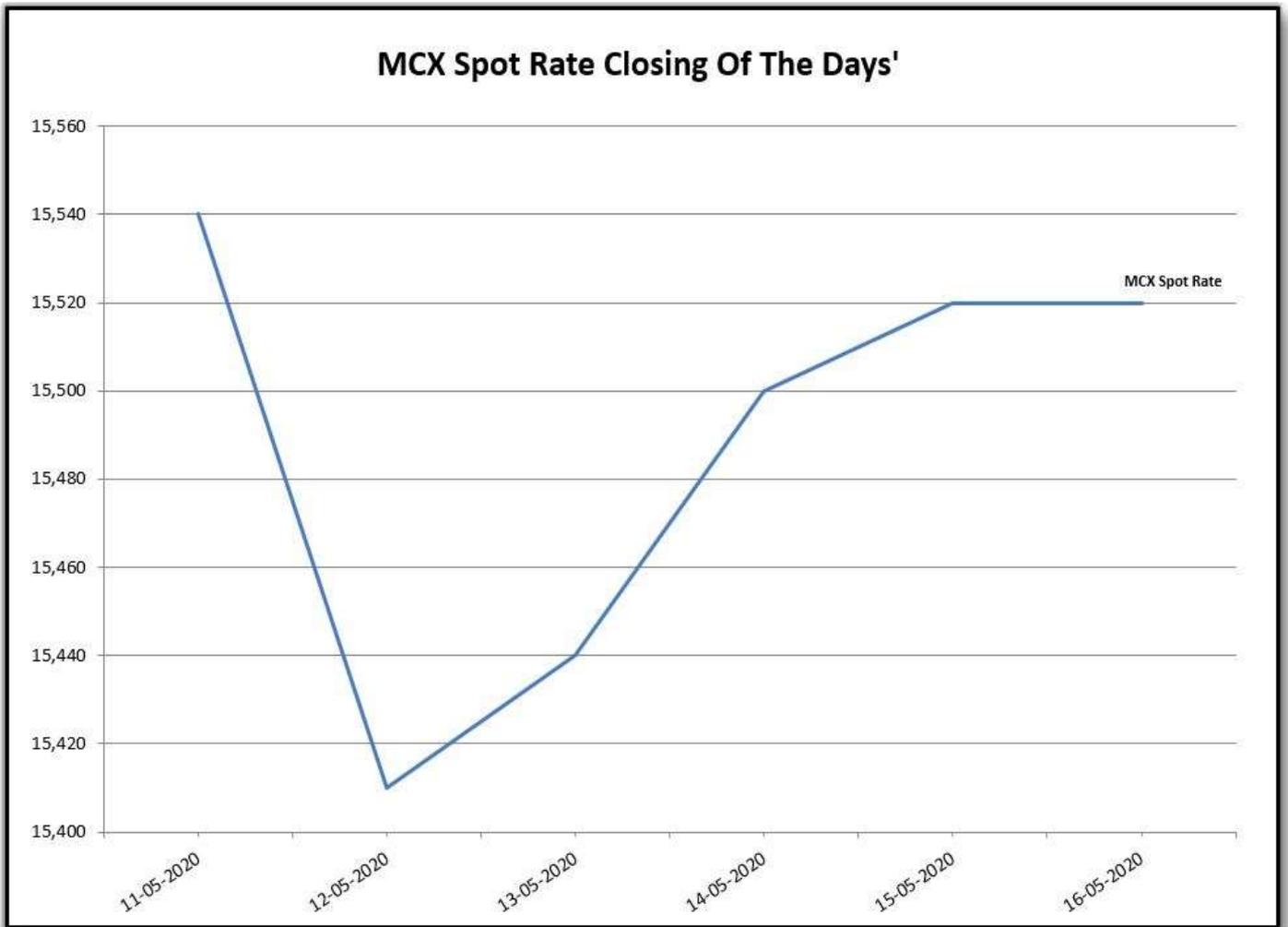
WEEKLY REPORT 16-MAY-2020





GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

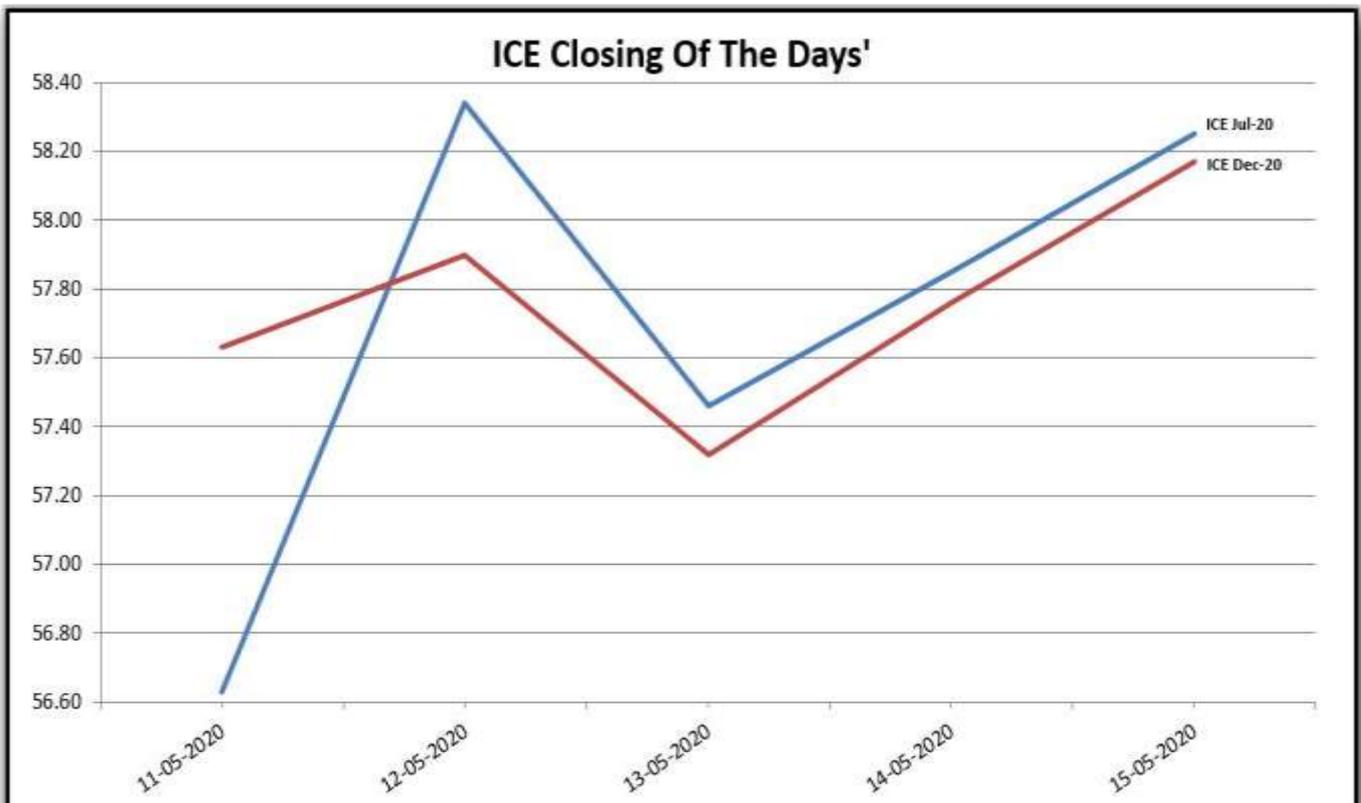
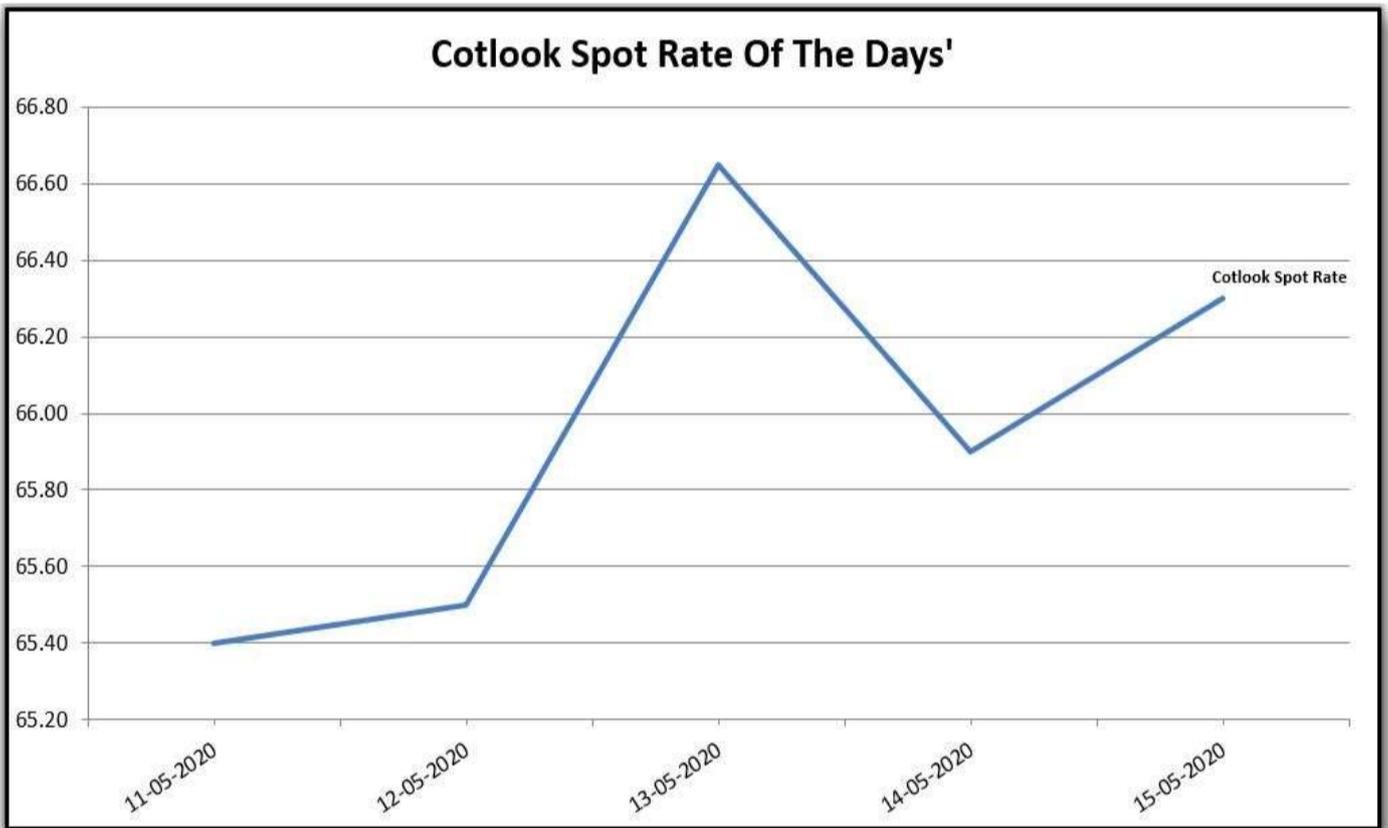




GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-20	Dec-20
11-05-2020	65.40	56.63	57.63
12-05-2020	65.50	58.34	57.90
13-05-2020	66.65	57.46	57.32
14-05-2020	65.90	57.85	57.76
15-05-2020	66.30	58.25	58.17



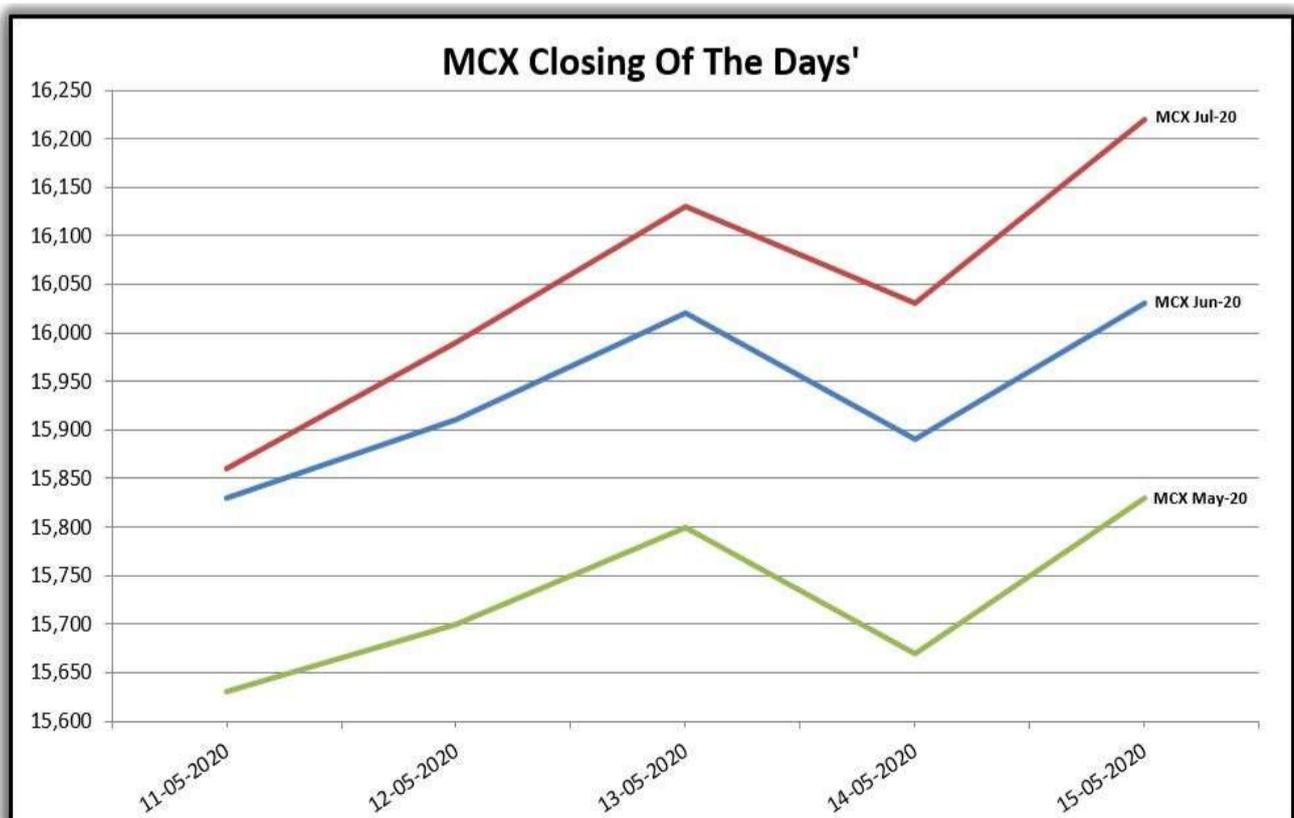
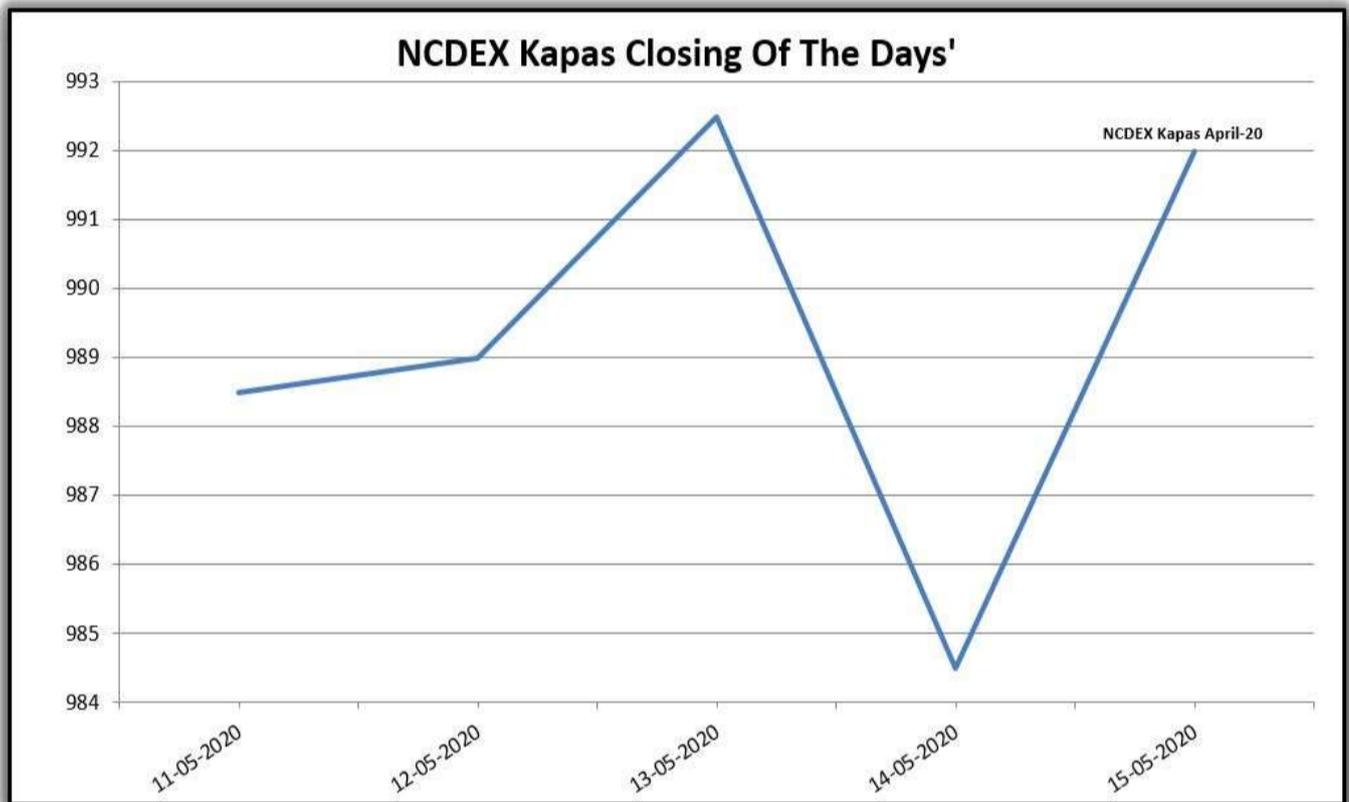


GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

Indian Indices

Date	NCDEX Kapas	MCX		
	30-Apr-2021	May-20	Jun-20	Jul-20
11-05-2020	988.50	15,630	15,830	15,860
12-05-2020	989.00	15,700	15,910	15,990
13-05-2020	992.50	15,800	16,020	16,130
14-05-2020	984.50	15,670	15,890	16,030
15-05-2020	992.00	15,830	16,030	16,220



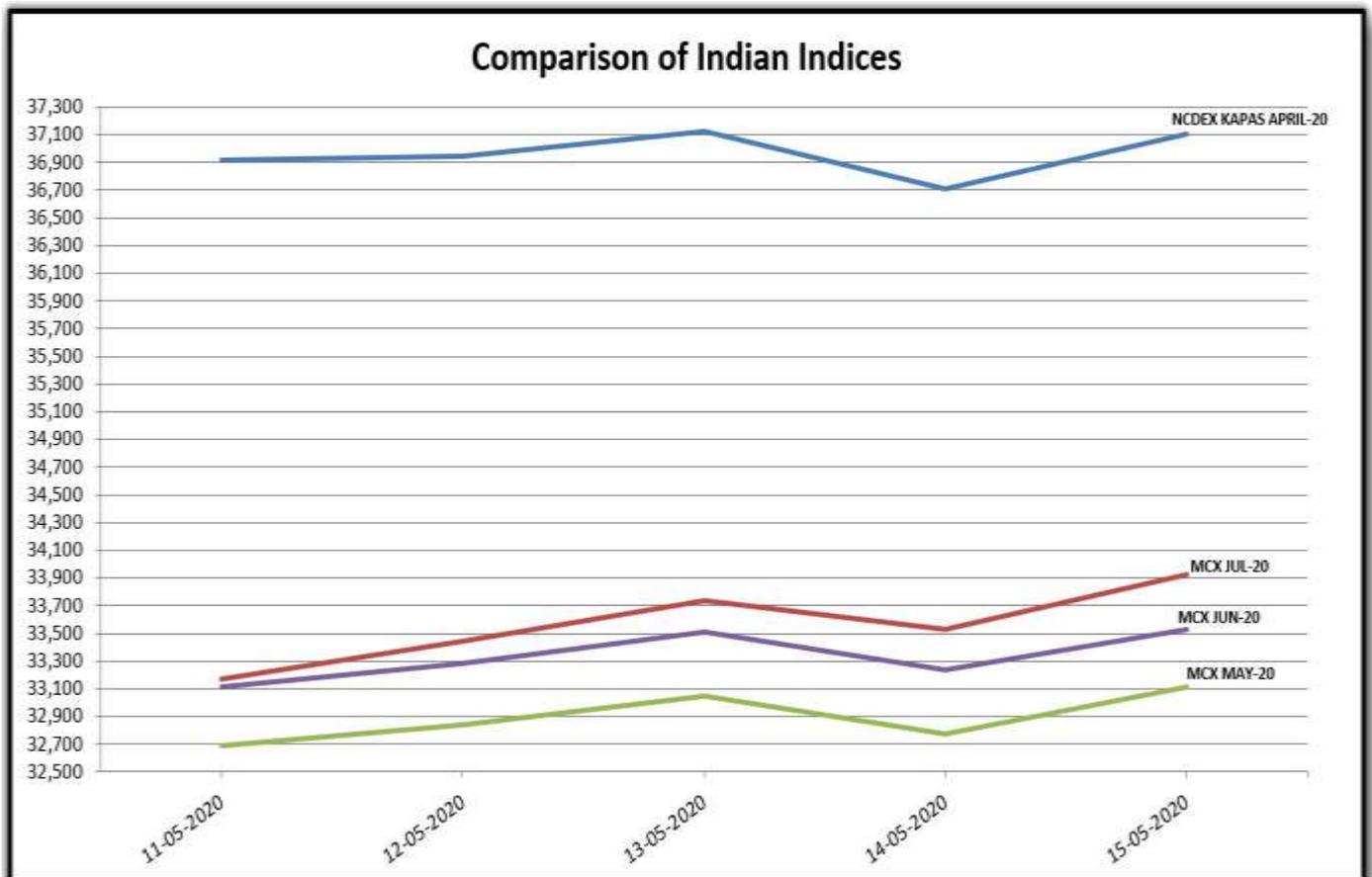


GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	May-20	Jun-20	Jul-20
11-05-2020	36,920	32,693	33,112	33,174
12-05-2020	36,946	32,840	33,279	33,446
13-05-2020	37,129	33,049	33,509	33,739
14-05-2020	36,710	32,777	33,237	33,530
15-05-2020	37,103	33,112	33,530	33,927

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

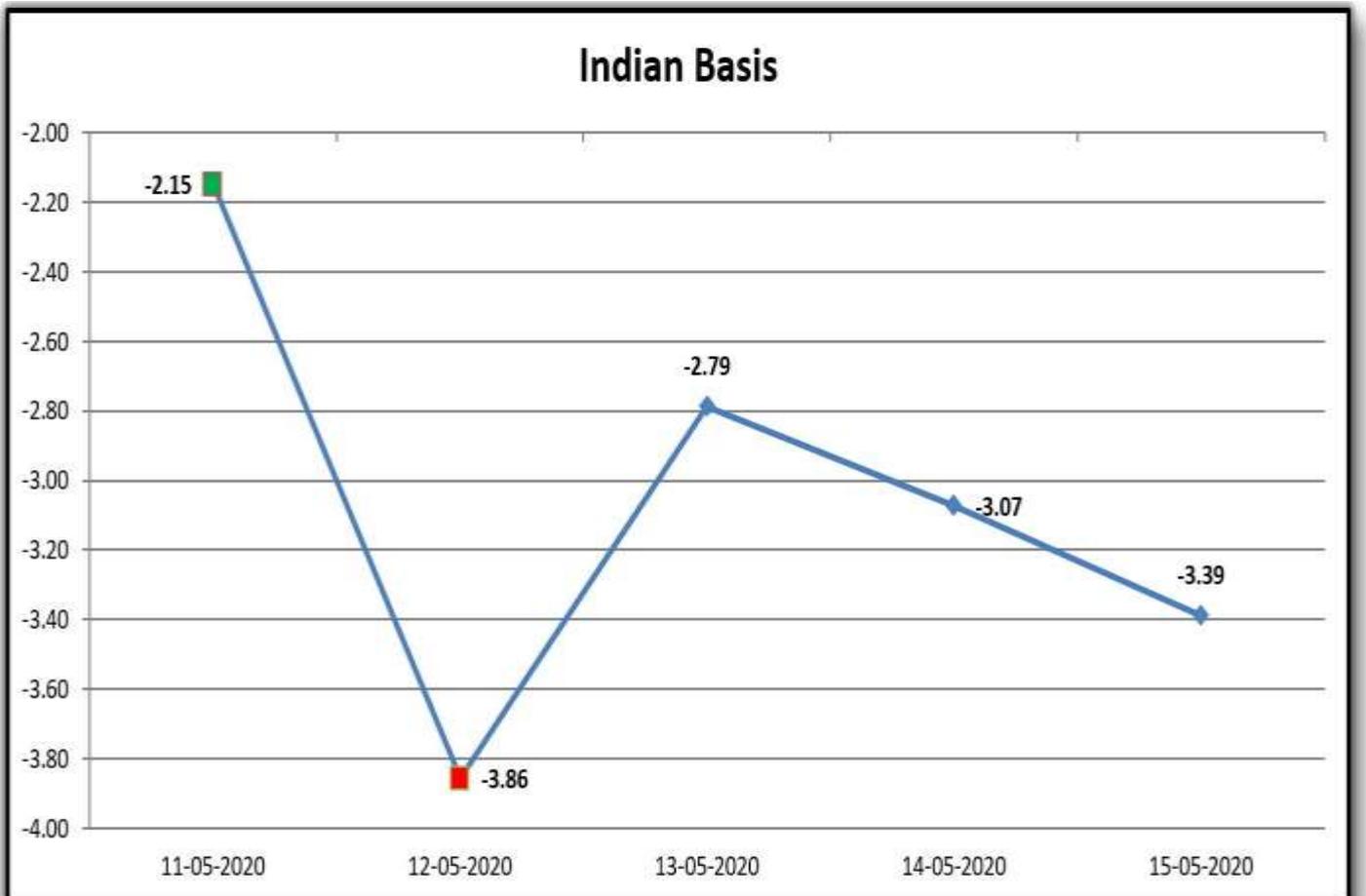




GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
11-05-2020	32,350	75.74	54.48	56.63	-2.15
12-05-2020	32,250	75.50	54.48	58.34	-3.86
13-05-2020	32,350	75.47	54.67	57.46	-2.79
14-05-2020	32,450	75.56	54.78	57.85	-3.07
15-05-2020	32,500	75.56	54.86	58.25	-3.39





GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 16-MAY-2020

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 Report

One stop solution for all cotton related reports and information.

Visit <https://www.gujcot.com>. It's updated every day in real time.

You can view

- Gujarat Daily Spot Rate at 5:30 pm and Historical Data
- Gujarat Latest Pressing Report and Historical Data
- Daily Weather Report
- Cotton Advisory Board Balance sheet and Area, Production, Yield reports from cotton season 1991-1992 to 2017-2018 estimate available from Menu->Reports
- All Historical Gujcot Weekly Reports Menu->Reports
- All India Cotton Sowing data
- Gujarat Cotton Sowing District wise Report
- US Export Sales Report
- US Crop Progress Report
- China Cotton Auction Update
- International Cotton Indices and Spot Rates.
- USDA WASDE Report
- ICE Cotton On Call Report
- And All other National & International reports and upcoming events

Report Sponsors:

Click on Sponsor's Logo to visit Sponsor's Website



Report prepared by

Kalpesh Patel

Manager

Gujcot Trade Association