



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT      11-May-2024

## Market Movement from 06th Apr 2024 to 11th May 2024.

- On Wednesday, the New York futures market saw a temporary surge, reaching a high of 80 cents. However, this upward momentum couldn't hold steady amidst prevailing bearish sentiments. Decent export sales, the release of bearish WASDE (World Agricultural Supply and Demand Estimates) reports only intensified the downward pressure on the market. As a result, the New York July futures ultimately closed with a weekly loss of 75 points, while the December future weekly loss was 84 points.
- The May 2024 USDA-WASDE report indicates a larger U.S. cotton crop for 2024-25, with higher planted area and reduced abandonment rates contributing to a forecasted production of 16.00 million bales. Despite lower national yields, production is expected to increase significantly. Global supplies for 2024-25 are projected to rise, driven by increased production in key countries like Brazil, the United States, and Turkey, outweighing smaller crops in China and India. Higher supplies are anticipated to boost exports and world trade to a 4-year high, resulting in a rise in global ending stocks to 83.00 million bales.



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- In the latest U. S. Export Sales Report for the week ending 02-May-2024, the figures for 2023-2024 showcased robust activity with net upland sales reaching 253,600 bales and upland shipments totaling 249,600 bales. Net Pima sales were reported at 5,700 bales, while Pima shipments amounted to 8,200 bales, culminating in a total of 259,300 bales sold. However, in the 2024-2025 period, there was a noticeable decline in net upland sales, dropping to 158,900 bales, with no recorded Pima sales, resulting in a total of 158,900 bales sold for the week.
- This week in the cotton market saw consistent pricing with Gujcot Spot Rate opening at 57,250 on Monday and maintaining stability through Tuesday at the same rate, before experiencing a slight uptick to 57,450 by Wednesday. The momentum continued as Thursday witnessed a further increase to 57,500, though the market experienced a minor dip to 57,400 by Friday. Closing the week, Saturday's rate 57,250, reflecting a balanced market sentiment overall.



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- Currently, the daily arrivals of cotton in India are hovering around 40,000 bales. However, merchants to engage in full-scale selling is preventing rates from experiencing an upward trend.
- As the Indian basis remains favorable for basis players, they continue to offload their stock into the market.
- Due to the higher Indian basis, Indian mills are finding it difficult to attract buyers. Consequently, there is sluggish demand for yarn, leading Indian mills to make slower purchases only as needed.
- The Indian basis remains within the range of 7.69 to 10.41.
- In the current month, arrivals are expected to slow down, and ginning operations may close in most of the areas.
- This week, the USD-INR exchange rate remained relatively stable, opening at 83.48 on Monday and seeing marginal fluctuations throughout the week. Tuesday saw a slight increase to 83.50, followed by a minor rise to 83.51 by Wednesday. However, the exchange rate reverted to 83.50 on Thursday and remained unchanged through Friday, indicating a consistent trend with limited volatility in the currency pair.
- Let's hope for the best.



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## USDA-WASDE

The U.S. cotton projections for 2024/25 include a larger crop as planted area is slightly higher and abandonment is projected at less than half the rate realized in 2023/24. Production is forecast at 16.0 million bales, based on 10.67 million planted acres as indicated in the March Prospective Plantings report, with harvested area expected to rise 2.7 million acres year over year to 9.1 million. U.S. abandonment is projected below the 10-year average reflecting moisture conditions to date in the Southwest. Despite a lower national yield, production is forecast nearly 4 million bales larger. Although beginning stocks are lower, 2024/25 total supplies are projected 12 percent higher. Exports are expected to rise 700,000 bales due to increased supplies and higher world trade, while U.S. mill use is expected to rise 100,000 bales. At 3.7 million bales, 2024/25 U.S. ending stocks are projected 1.3 million bales above the relatively low 2023/24 level. The marketing year average upland farm price is projected at 74 cents per pound, 2 cents below the previous year.

For 2023/24, final U.S. cotton production is estimated at 12.1 million bales. Exports are unchanged, with mill use increased slightly due to activity to date. Ending stocks are estimated lower at 2.4 million bales, while the projected season-average price is unchanged.



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Global supplies in 2024/25 are projected above a year earlier, as beginning stocks are unchanged and combine with a 5.4-million-bale increase in production. Consumption is projected up 3 percent year to year, and ending stocks are expected to rise as well. Production is expected to rise nearly 5 percent in 2024/25 as both global area and yield are expected to rise. Larger crops in Brazil, the United States, and Turkey more than offset smaller crops in China and India. Greater global supplies are expected to increase use and world trade to a 4-year high. As production outpaces consumption growth, global ending stocks are projected up 2.5 million bales to 83.0 million.

The global 2023/24 estimates show higher production and consumption compared with the previous month. Australia's crop is increased by 200,000 bales and India's by 500,000. Increased use in China and India more than offsets lower use in Bangladesh, Brazil, Pakistan, Turkey, and Uzbekistan. Global ending stocks are lowered 2.6 million bales to 80.5 million, mostly due to historical revisions to Brazil and India consumption.



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### Global

#### US Weekly Export Sales

- Net sales of UPLAND totaling 2,53,700 RB for 2023-2024 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for China (1,19,000 RB, including decreases of 2,000 RB), Pakistan (36,300 RB), Vietnam (27,500 RB, including 1,800 RB switched from South Korea), Turkey (21,500 RB, including decreases of 400 RB), and Indonesia (19,600 RB, including 100 RB switched from Japan and decreases of 2,100 RB), were offset by reductions for South Korea (500 RB).
- Net UPLAND sales of 1,58,900 RB for 2024-2025 were primarily for Honduras (44,600 RB), South Korea (31,700 RB), Mexico (28,500 RB), Pakistan (22,000 RB), and Bangladesh (9,900 RB).

US Export Sales 02-May-2024	
<b>Marketing Year 2023-24</b>	
Upland Gross Sales	2,61,700
Cancellation	8,100
<b>Net Upland Sales</b>	<b>2,53,600</b>
PIMA Gross Sales	5,800
Cancellation	100
<b>Net PIMA Sales</b>	<b>5,700</b>
Total Gross Sales	2,67,500
Total Cancellation	8,200
<b>Total Net Sales</b>	<b>2,59,300</b>
<b>Shipments</b>	
UPLAND	2,49,600
PIMA	8,200
<b>Total Shipment</b>	<b>2,57,800</b>
<b>Marketing Year 2024-25</b>	
Net Upland Sales	1,58,900
Net PIMA Sales	0
<b>Total Net Sales</b>	<b>1,58,900</b>
All Figures in US Running Bale	

- UPLAND Exports of 2,49,600 RB were up 39 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to China (1,02,300 RB), Turkey (50,900 RB), Pakistan (20,400 RB), Bangladesh (18,100 RB), and Vietnam (13,300 RB).
- Net sales of PIMA totaling 5,600 RB for 2023-2024 were up 22 percent from the previous week, but down 19 percent from the prior 4-week average. Increases primarily for India (2,100 RB), Peru (1,700 RB), China (900 RB), Thailand (400 RB), and Vietnam (400 RB), were offset by reductions for Guatemala (100 RB).
- PIMA Exports of 8,200 RB were up 80 percent from the previous week, but down 10 percent from the prior 4-week average. The destinations were primarily to China (4,000 RB), India (1,800 RB), Vietnam (1,300 RB), Turkey (500 RB), and Pakistan (300 RB).



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	04-05-2024	11-05-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	56,900	57,250	350	0.61%
V-797	13% Trash		36,750	37,350	600	1.61%
MCX Spot Rate			57,300	57,420	120	0.21%
USD-INR Exchange			83.42	83.50	0.08	0.10%

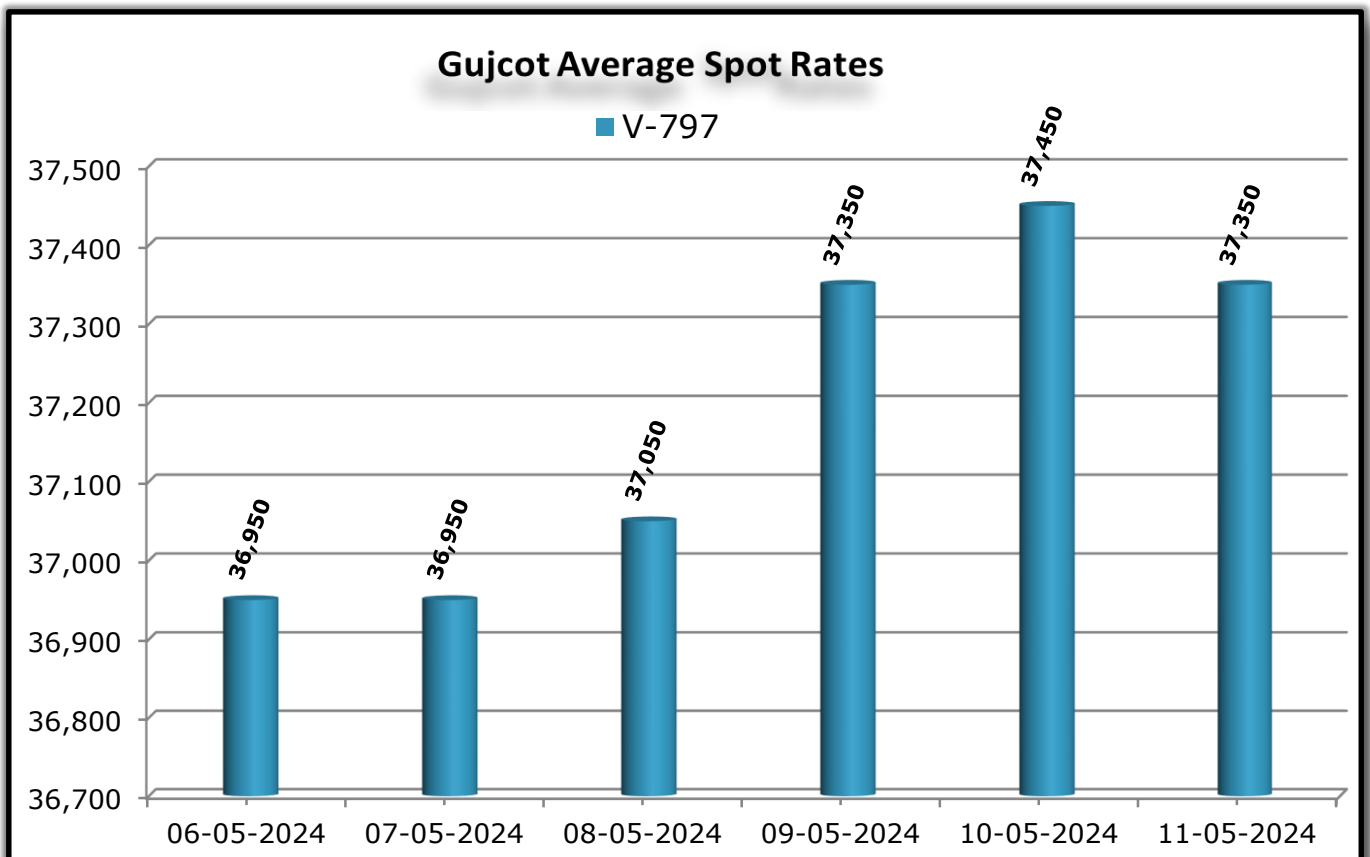
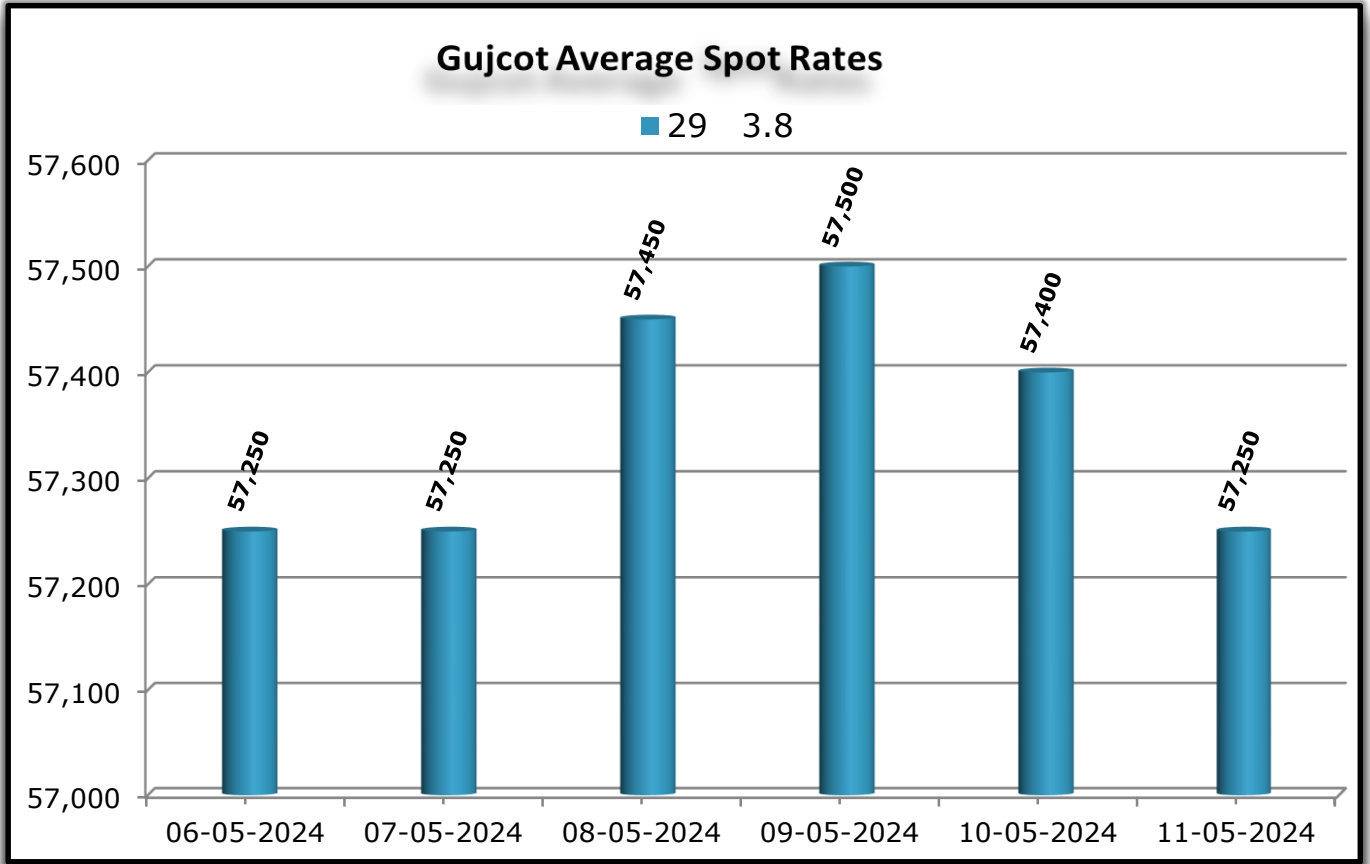
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	57,250	57,500	57,350
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		36,950	37,450	37,183
MCX Spot Rate			57,420	57,660	57,470
USD Exchange Rate			83.48	83.51	83.50

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
06-05-2024	57,250	36,950	57,420	83.48
07-05-2024	57,250	36,950	57,420	83.50
08-05-2024	57,450	37,050	57,480	83.51
09-05-2024	57,500	37,350	57,660	83.50
10-05-2024	57,400	37,450	57,420	83.50
11-05-2024	57,250	37,350	57,420	83.50



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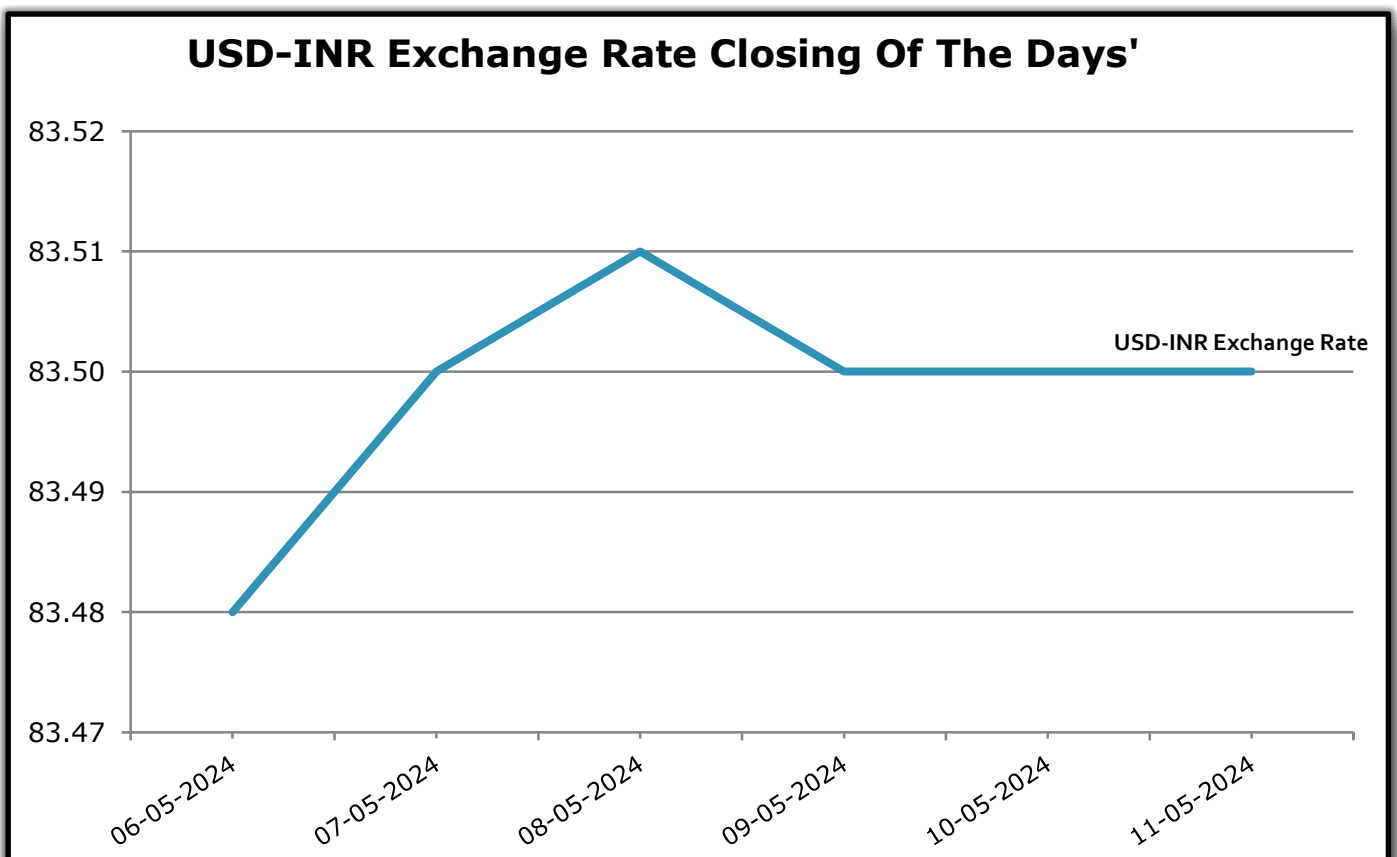
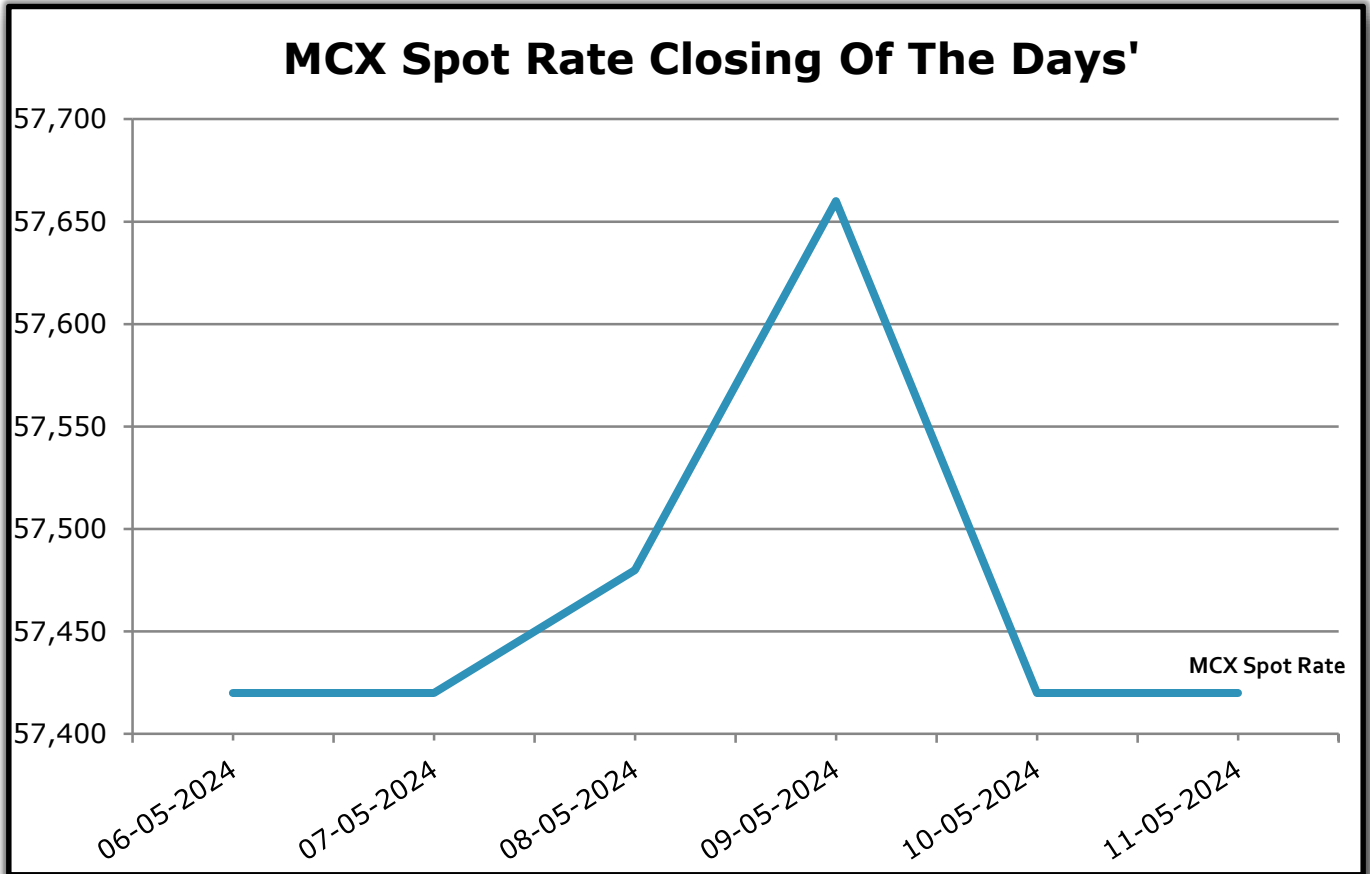






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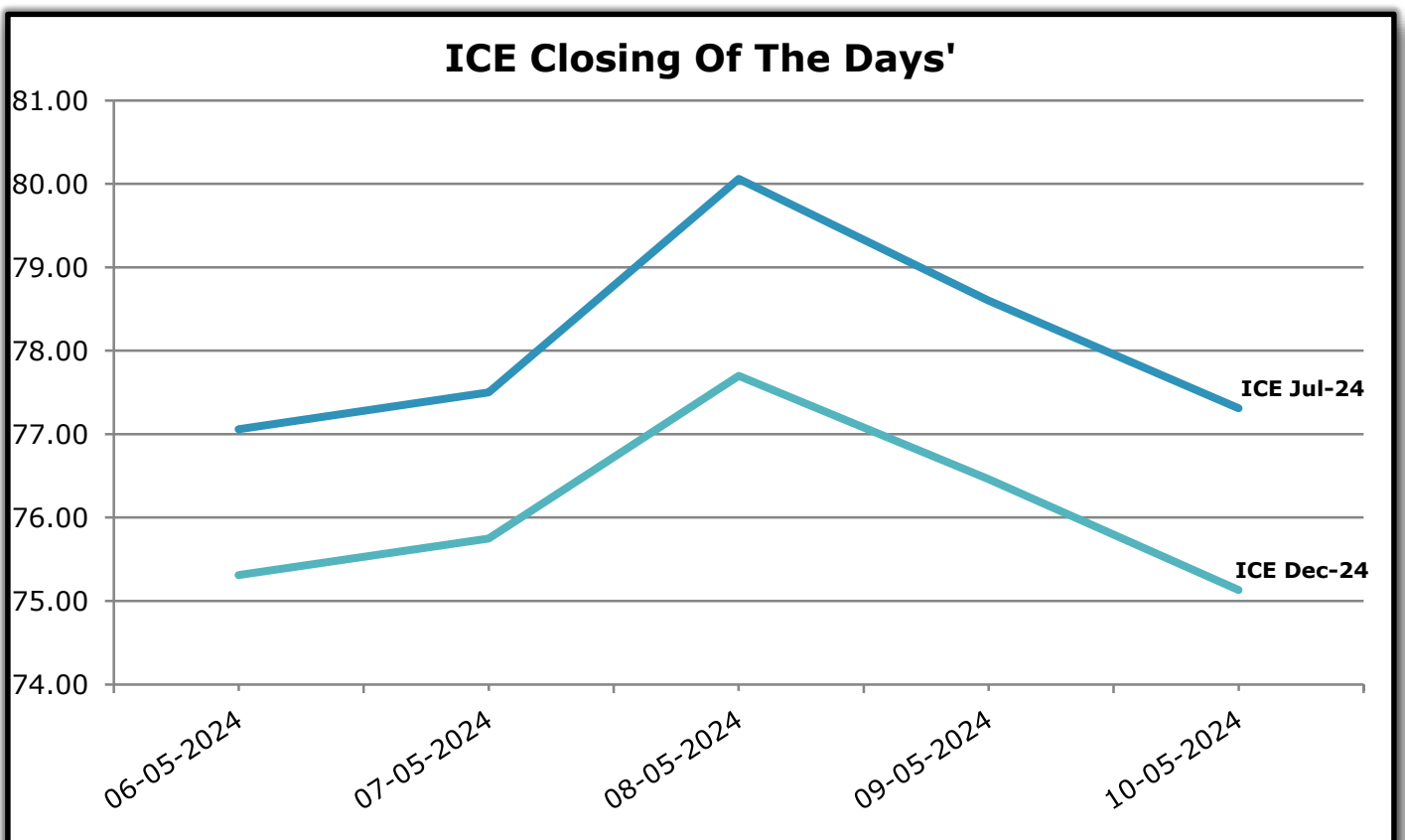
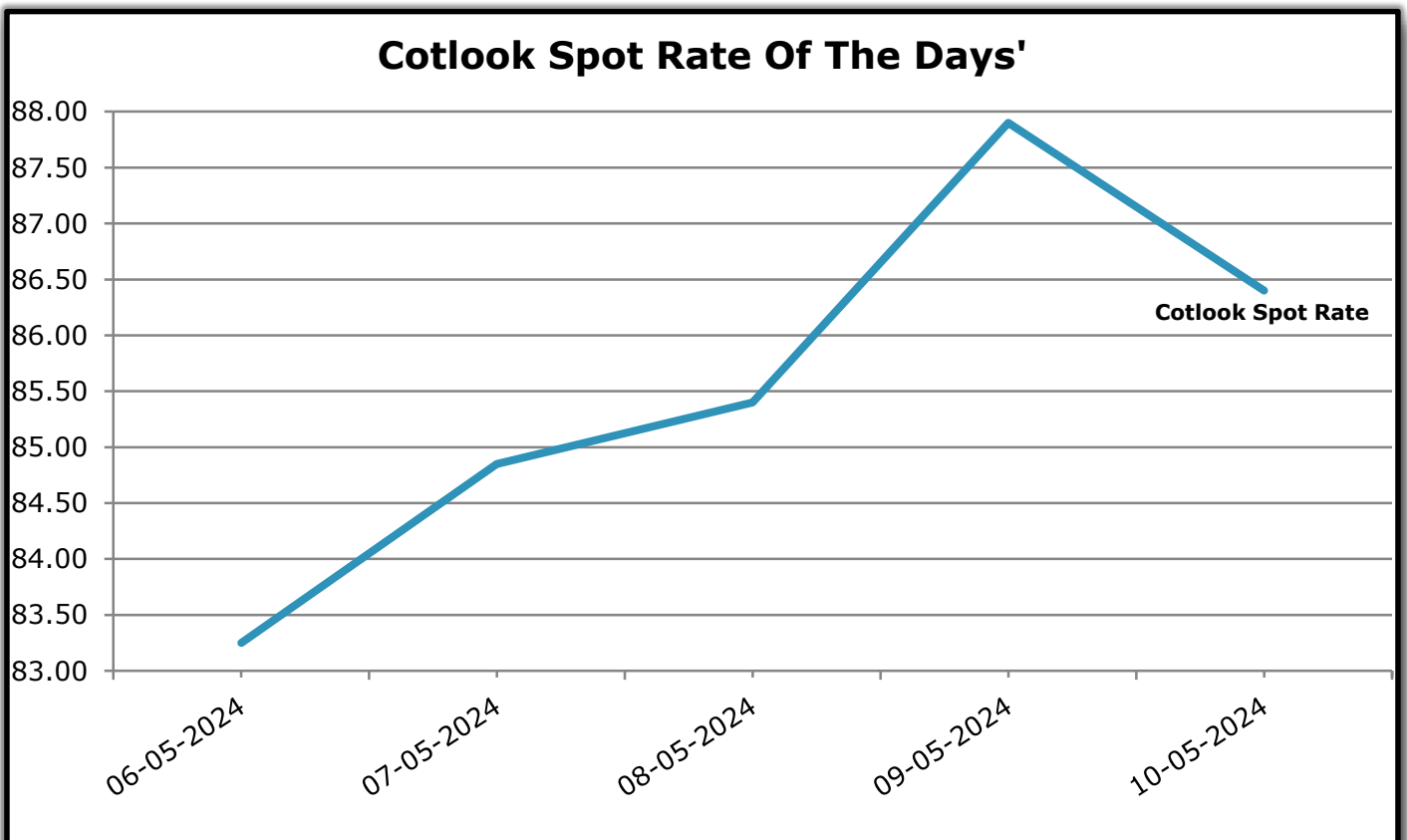




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-24	Dec-24
06-05-2024	83.25	77.06	75.31
07-05-2024	84.85	77.50	75.75
08-05-2024	85.40	80.06	77.70
09-05-2024	87.90	78.60	76.46
10-05-2024	86.40	77.31	75.13



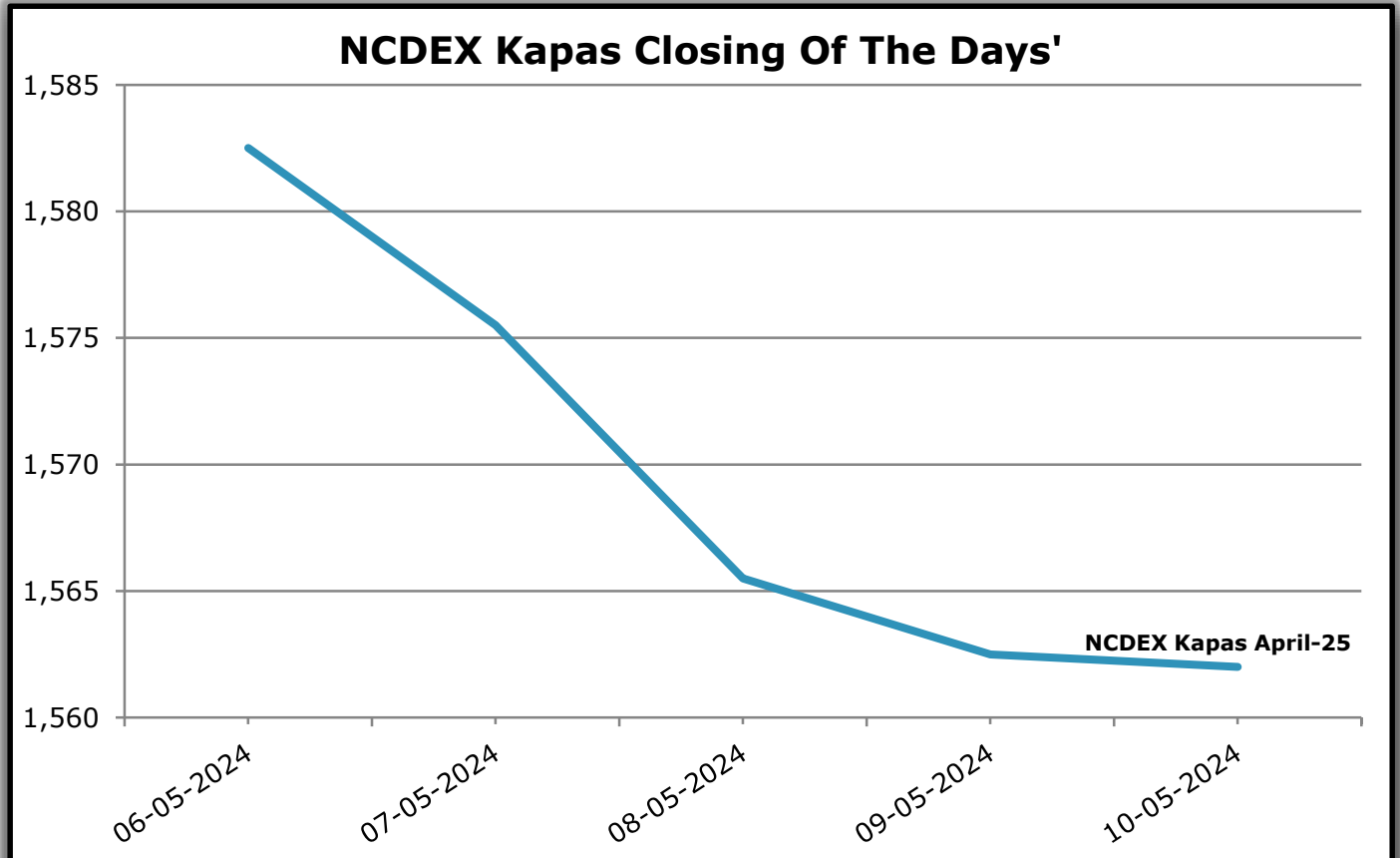


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Indian Indices	
Date	NCDEX Kapas
	April-25
06-05-2024	1,582.50
07-05-2024	1,575.50
08-05-2024	1,565.50
09-05-2024	1,562.50
10-05-2024	1,562.00



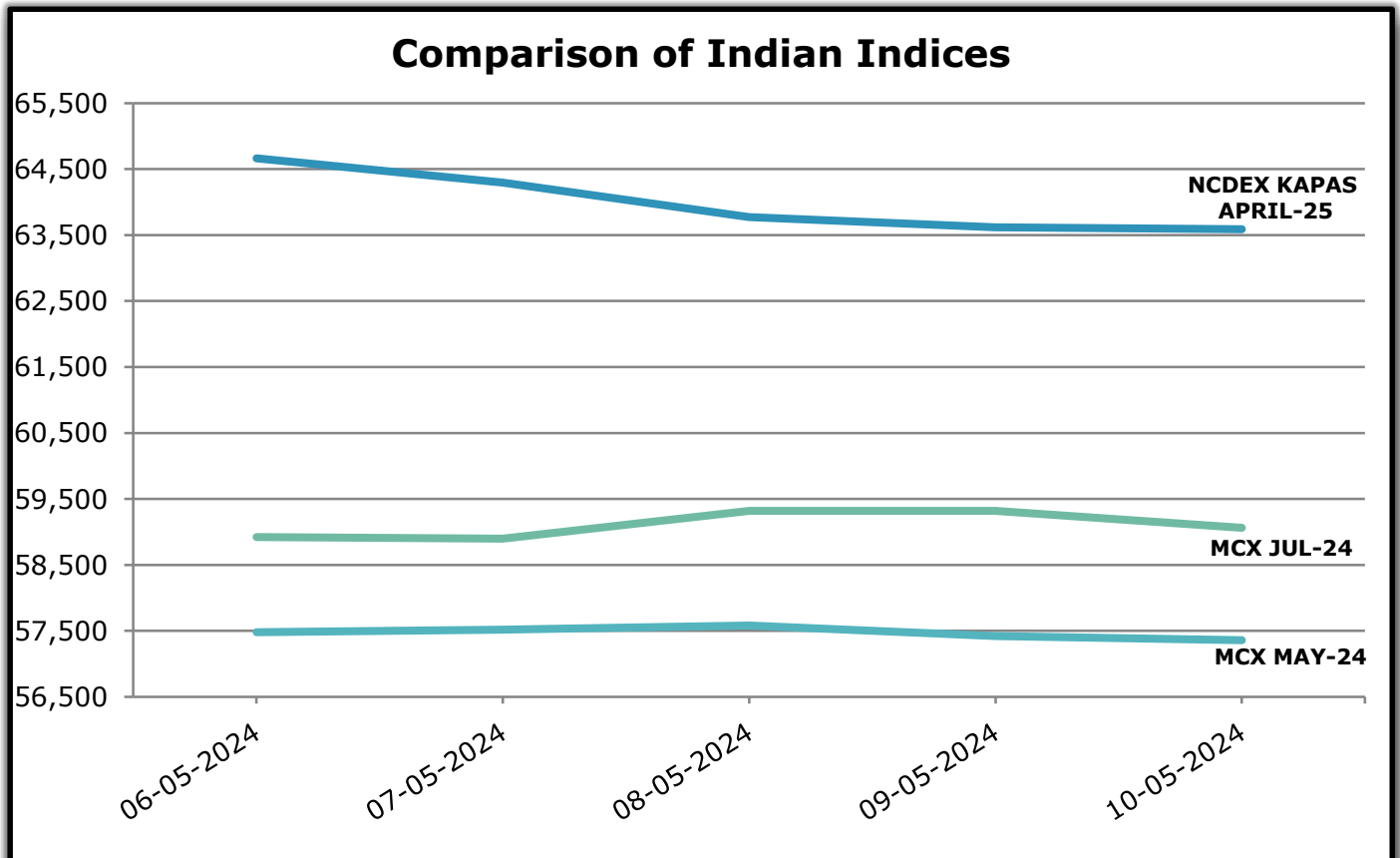


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-25	May-24	Jul-24
06-05-2024	64,662	57,480	58,920
07-05-2024	64,296	57,520	58,900
08-05-2024	63,773	57,580	59,320
09-05-2024	63,616	57,420	59,320
10-05-2024	63,590	57,360	59,060

Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.

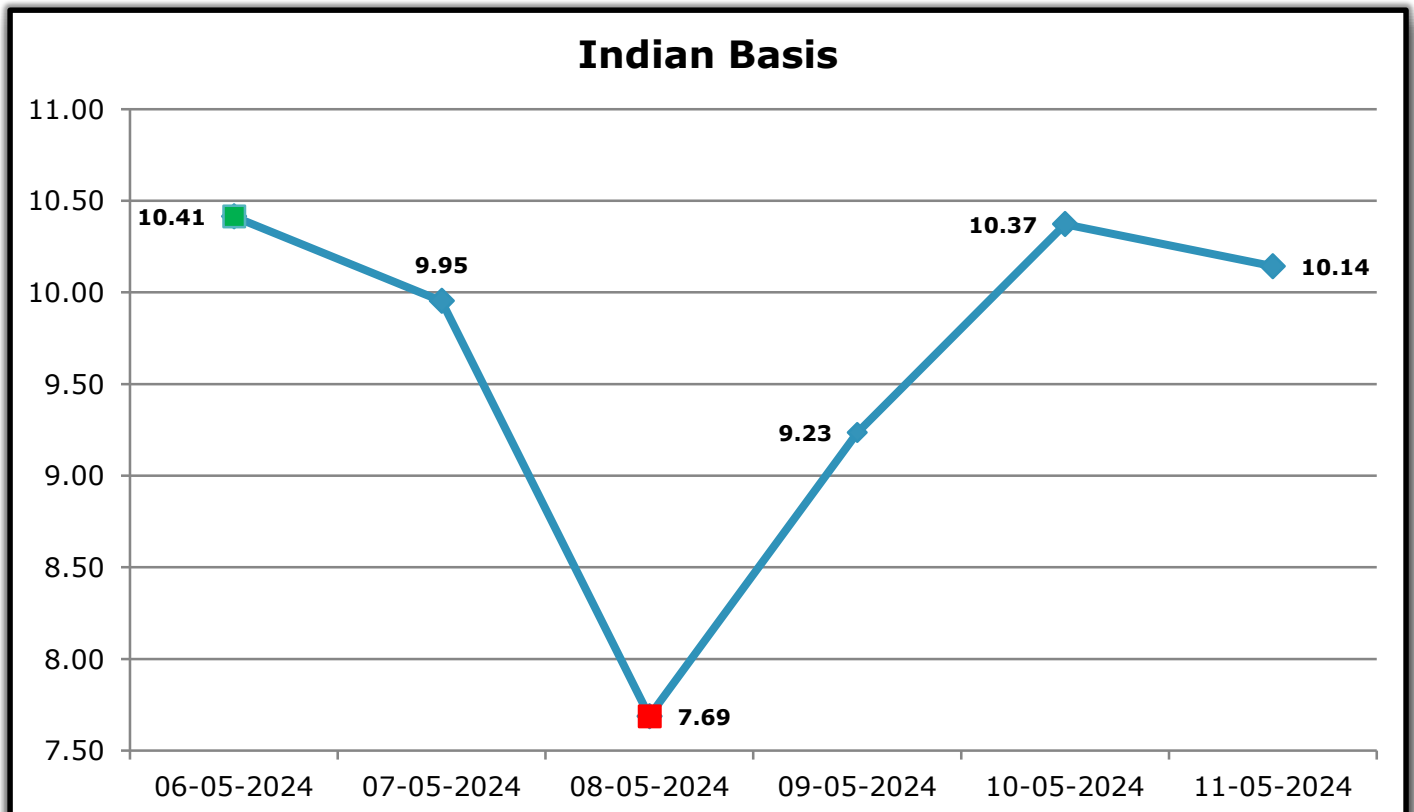




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
06-05-2024	57,250	83.48	87.47	77.06	10.41
07-05-2024	57,250	83.50	87.45	77.50	9.95
08-05-2024	57,450	83.51	87.75	80.06	7.69
09-05-2024	57,500	83.50	87.83	78.60	9.23
10-05-2024	57,400	83.50	87.68	77.31	10.37
11-05-2024	57,250	83.50	87.45	77.31	10.14





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### IN THE WEEK AHEAD

- Now that the cotton market has new data to trade on, the focus will shift back to the weekly Export Sales Report and the Crop Progress Report.
- Next week will be a little livelier in outside markets. The Consumer Price Index (CPI) and Producer Price Index (PPI) will be released, providing another look at inflation.
- Throughout the country, cotton is now 24% planted and 24% planted in Texas. South Texas received quite a bit of rainfall in the past week, so open skies will be welcome to dry out the fields with water standing. After abnormally hot temperatures in the region early in the week, rain is expected over the weekend in parts of WTX/OK/KS. Planting has started in the area, and rains will be welcomed where seed is in the ground.

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