



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT      17-Aug-2024

## Market Movement from 12th Aug 2024 to 17th Aug 2024.

- A sharp cut in U.S. production in the WASDE report gave a boost to the bulls as prices briefly crossed the 70-cent mark on Monday. However, weaker fundamentals soon erased those gains, and by the end of the week, NY December futures hovered around 67 cents per pound. The contract eventually closed with a loss of 110 points.
- The August 2024 USDA-WASDE report on cotton shows a reduction in U.S. cotton production, exports, and ending stocks for the 2024-25 season, with harvested acreage down 11% from July's forecast. U.S. production is estimated at 15.1 million bales, a drop of 1.9 million bales from last month, and exports are reduced by 1 million bales due to lower global trade. Ending stocks are down by 8,00,000 bales to 4.5 million bales. Global cotton production and consumption are also revised downward, with world ending stocks reduced by 5 million bales to 77.6 million. The "A" Index, a proxy for world cotton prices, is reduced to 81.5 cents per pound.



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- In the latest U. S. Export Sales Report for the week ending 08-Aug-2024, U.S. export sales of cotton saw a strong performance for the 2024-2025 marketing year. Net upland sales reached 1,11,000 bales, while upland shipments totaled 1,31,300 bales. In the Pima category, net sales amounted to 22,400 bales, with shipments reaching 8,600 bales. Overall, total sales for both upland and Pima cotton combined amounted to 1,33,400 bales. Looking ahead to the 2025-2026 marketing year, net upland sales were minimal at 400 bales, with no Pima sales recorded for the week.
- This week, the Gujcot Spot Rate showed moderate fluctuations. On Monday, the rate was recorded at 56,800 Rs per candy, which saw a slight increase on Tuesday to 56,900. The upward trend continued on Wednesday, reaching 56,950. However, the rate dipped slightly on Thursday to 56,750, remaining stable at this value on Friday and 56,650 on Saturday.
- The Indian physical cotton market is not following the bearish trend seen in the New York futures and has remained steady. The



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Cotton Corporation of India (CCI) is once again seeing regular buyers.

- The Indian basis is currently very high, leading Indian mills to continue making import bookings. The Indian basis remains within the range of 17.23 to 19.48 during this week.
- The total area of cotton sowing across India is 1,10,49,000 hectares as per the latest report.
- The cotton sowing area in Gujarat is 23,47,300 hectares as per the latest report.
- The USD-INR exchange rate remained stable across all trading days, holding steady at 83.95 from Monday through Friday. The consistent exchange rate reflects minimal fluctuations in the currency markets over the course of the week, suggesting a period of relative calm in the exchange dynamics between the US Dollar and Indian Rupee.
- "Monsoon progress is favorable in the cotton-growing areas."
- "Hope for the best."



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## Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 12-August-2024			
<b>Kutch</b>	<b>726</b>	<b>Saurashtra</b>	<b>16,554</b>
Kutch	726	Surendranagar	3,959
		Rajkot	1,839
<b>North Gujarat</b>	<b>1,920</b>	Jamnagar	1,312
Banarsakantha	226	Porbandar	57
Patan	441	Junagadh	360
Mehsana	330	Amreli	2,983
Sabarkantha	513	Bhavnagar	2,274
Gandhinagar	192	Morbi	1,987
Aravali	219	Botad	1,629
		Gir Somnath	132
<b>Middle Gujarat</b>	<b>2,743</b>	Devbhumi Dwarka	22
Ahmedabad	540		
Anand	10	<b>South Gujarat</b>	<b>1,531</b>
Kheda	168	Surat	30
Panchmahal	113	Narmada	507
Dahod	9	Bharuch	881
Vadodara	830	Dang	0
Mahisagar	86	Navsari	0
Chota Udaipur	986	Valsad	0
		Tapi	113
<b>TOTAL</b>			<b>23,473</b>
<b>TOTAL (Last Year)</b>			<b>26,768</b>
SUMMARY			
Zone	2024-25	2023-24	Change
Kutch	726	715	11
North Gujarat	1,920	2,337	-417
Middle Gujarat	2,743	2,937	-194
Saurashtra	16,554	19,107	-2,553
South Gujarat	1,531	1,672	-141
<b>TOTAL</b>	<b>23,473</b>	<b>26,768</b>	<b>-3,295</b>
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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## USDA-WASDE

The U.S. cotton estimates for 2024/25 show lower acreage, production, exports, and ending stocks compared to last month. Estimated domestic use is unchanged and beginning stocks are raised slightly. NASS's first survey-based estimate of U.S. production is 15.1 million bales, down 1.9 million bales from last month's WASDE forecast. All-cotton planted area is lowered in the Crop Production report by about 500,000 acres based on the Farm Service Agency administrative data, while abandonment is estimated at 23 percent, up 6 percentage points from last month. As a result, estimated harvested area of 8.6 million acres is about 11 percent lower than the July WASDE forecast. The all-cotton yield estimate of 840 pounds per acre is minimally lower from last month. Exports are reduced 1 million bales due to lower world trade and the smaller crop. Ending stocks are reduced about 800,000 bales to 4.5 million, or 32 percent of use, primarily due to the smaller estimated crop. The 2024/25 season average upland farm price is reduced 2 cents from the July forecast to 66 cents per pound. Revisions to the 2023/24 U.S. cotton balance sheet include a 150,000-bale increase in exports based on late reported shipments, and a 100,000-bale increase in ending stocks.

For the 2024/25 global cotton balance sheet, production, consumption, beginning and ending stocks, and world trade are reduced. World production is reduced about 2.6 million bales, mostly due to lower area and production in the United States and India. Global consumption is reduced almost 1 million bales, mainly due to reduced consumption in China with largely offsetting changes elsewhere. Beginning stocks are reduced 3.5 million bales, primarily driven by historical revisions to China's balance sheet. World ending stocks are reduced 5.0 million bales from July to 77.6 million. The estimate for the "A" Index, a proxy for world cotton prices, is reduced 2 cents per pound from the July forecast to 81.5 cents. Revisions to the 2023/24 world balance sheet include lower beginning and ending stocks, and lower production and consumption, resulting in a 3.5-million bale reduction in ending stocks.



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### Global

#### US Weekly Export Sales

- Net sales of UPLAND totaling 1,10,900 RB for 2024-2025 were primarily for Pakistan (47,200 RB, including decreases of 400 RB), India (13,000 RB), Vietnam (12,400 RB, including 200 RB switched from Japan), Indonesia (11,000 RB, including 500 RB switched from Vietnam and 300 RB switched from Japan), and China (7,200 RB).
- Total net UPLAND sales of 400 RB for 2025-2026 were for Mexico.
- UPLAND Exports of 1,31,300 RB were primarily to Vietnam (35,400 RB), China (27,400 RB), Pakistan (23,600 RB), Turkey (10,700 RB), and Mexico (7,600 RB).
- Net sales of PIMA totaling 22,400 RB for 2024-2025 primarily for India (10,100 RB), Vietnam (4,300 RB), China (3,600 RB), Peru (2,600 RB), and Thailand (700 RB), were offset by reductions for Italy (200 RB).
- PIMA Exports of 8,600 RB were primarily to India (7,000 RB), Pakistan (800 RB), Peru (300 RB), and Germany (300 RB).

US Export Sales		08-Aug-2024
<b>Marketing Year 2024-25</b>		
Upland Gross Sales		1,25,100
Cancellation		14,100
<b>Net Upland Sales</b>		<b>1,11,000</b>
PIMA Gross Sales		22,600
Cancellation		200
<b>Net PIMA Sales</b>		<b>22,400</b>
Total Gross Sales		1,47,700
Total Cancellation		14,300
<b>Total Net Sales</b>		<b>1,33,400</b>
<b>Shipments</b>		
UPLAND		1,31,300
PIMA		8,600
<b>Total Shipment</b>		<b>1,39,900</b>
<b>Marketing Year 2025-26</b>		
Net Upland Sales		400
Net PIMA Sales		0
<b>Total Net Sales</b>		<b>400</b>
All Figures in US Running Bale		



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	10-08-2024	17-08-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	56,600	56,650	50	0.09%
V-797	13% Trash		39,650	39,650	0	0.00%
MCX Spot Rate			56,560	56,680	120	0.21%
USD-INR Exchange			83.95	83.95	0.00	0.00%

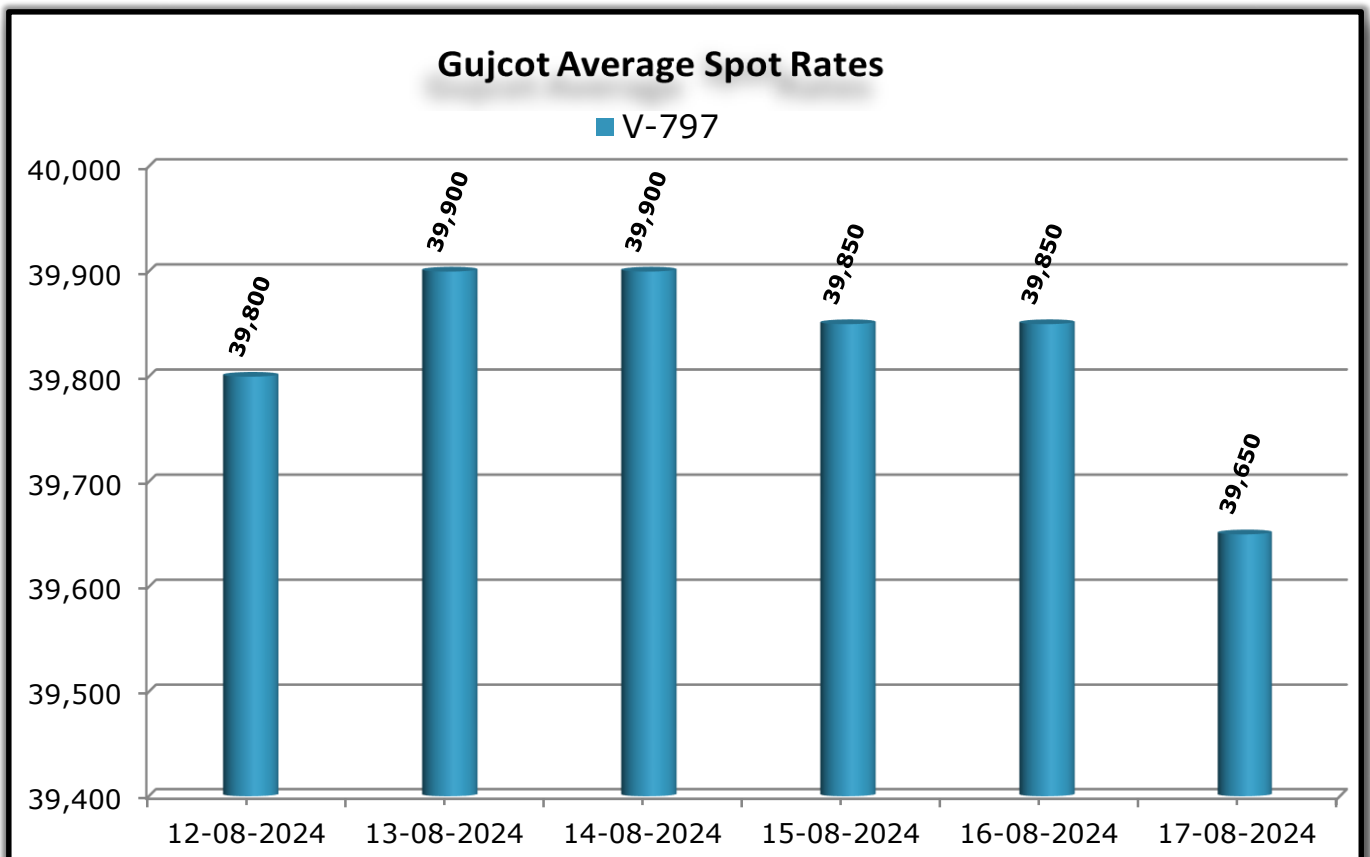
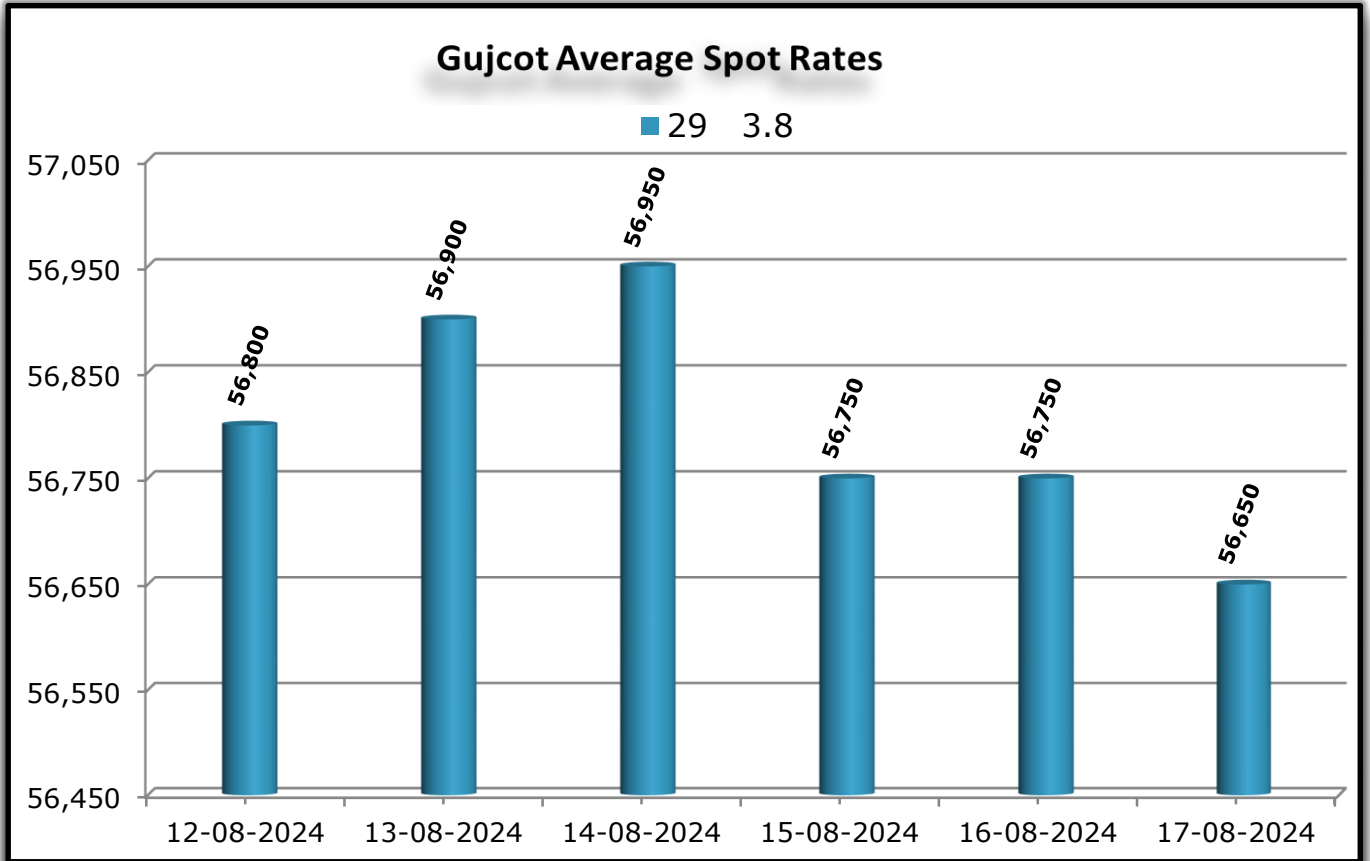
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	56,650	56,950	56,800
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		39,650	39,900	39,825
MCX Spot Rate			56,680	56,880	56,767
USD Exchange Rate			83.95	83.95	83.95

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
12-08-2024	56,800	39,800	56,720	83.95
13-08-2024	56,900	39,900	56,760	83.95
14-08-2024	56,950	39,900	56,880	83.95
15-08-2024	56,750	39,850	56,880	83.95
16-08-2024	56,750	39,850	56,680	83.95
17-08-2024	56,650	39,650	56,680	83.95



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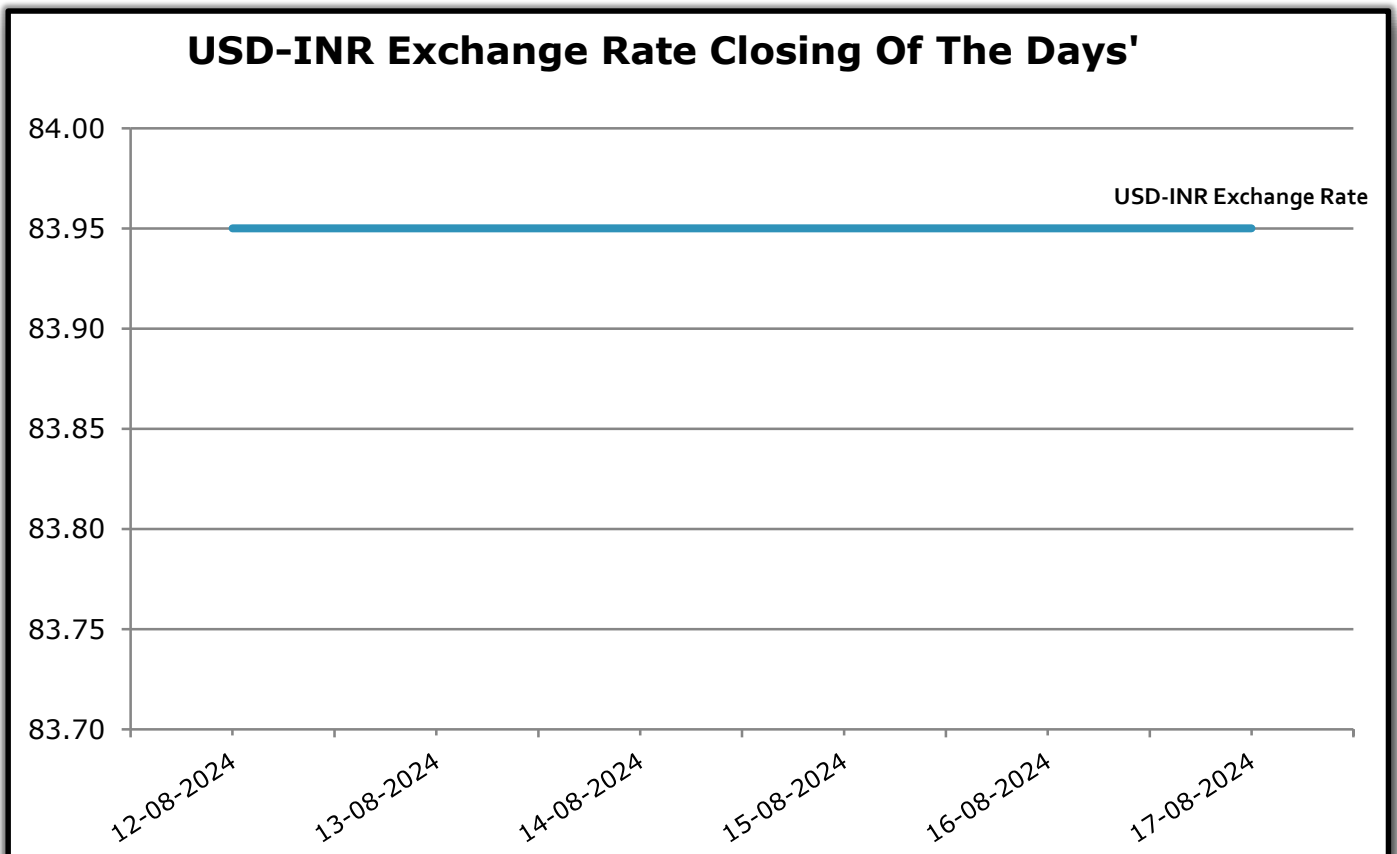
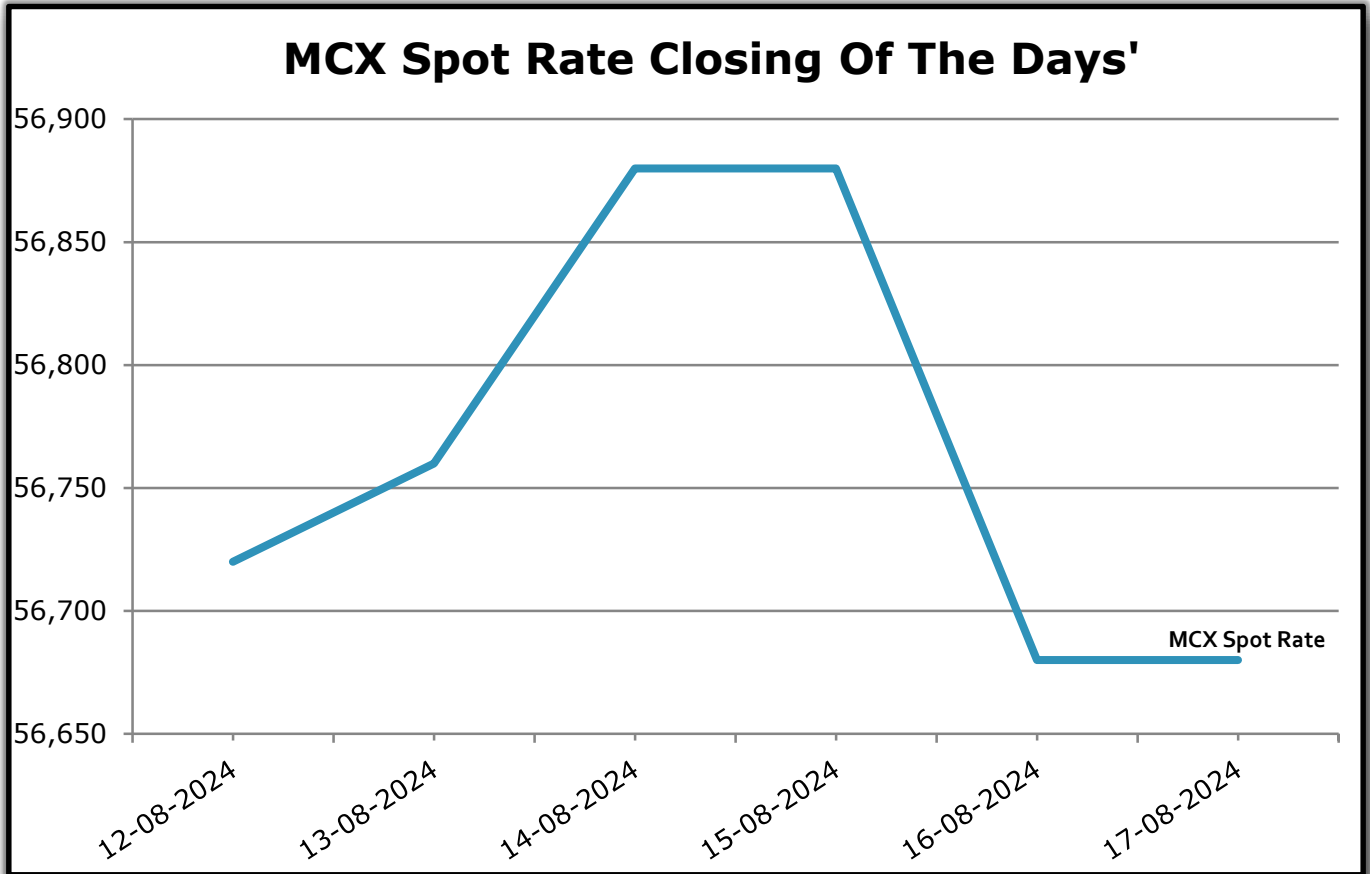






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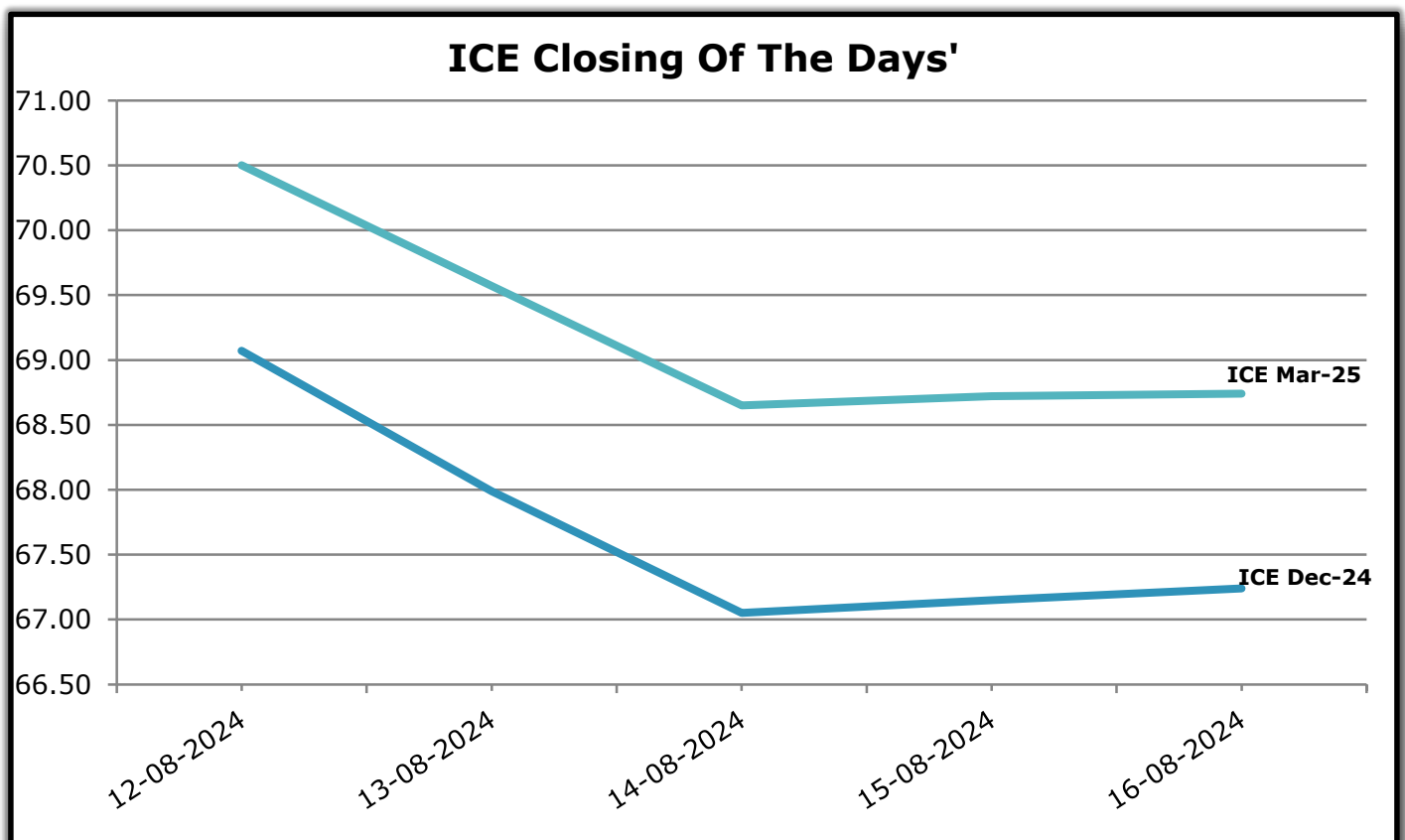
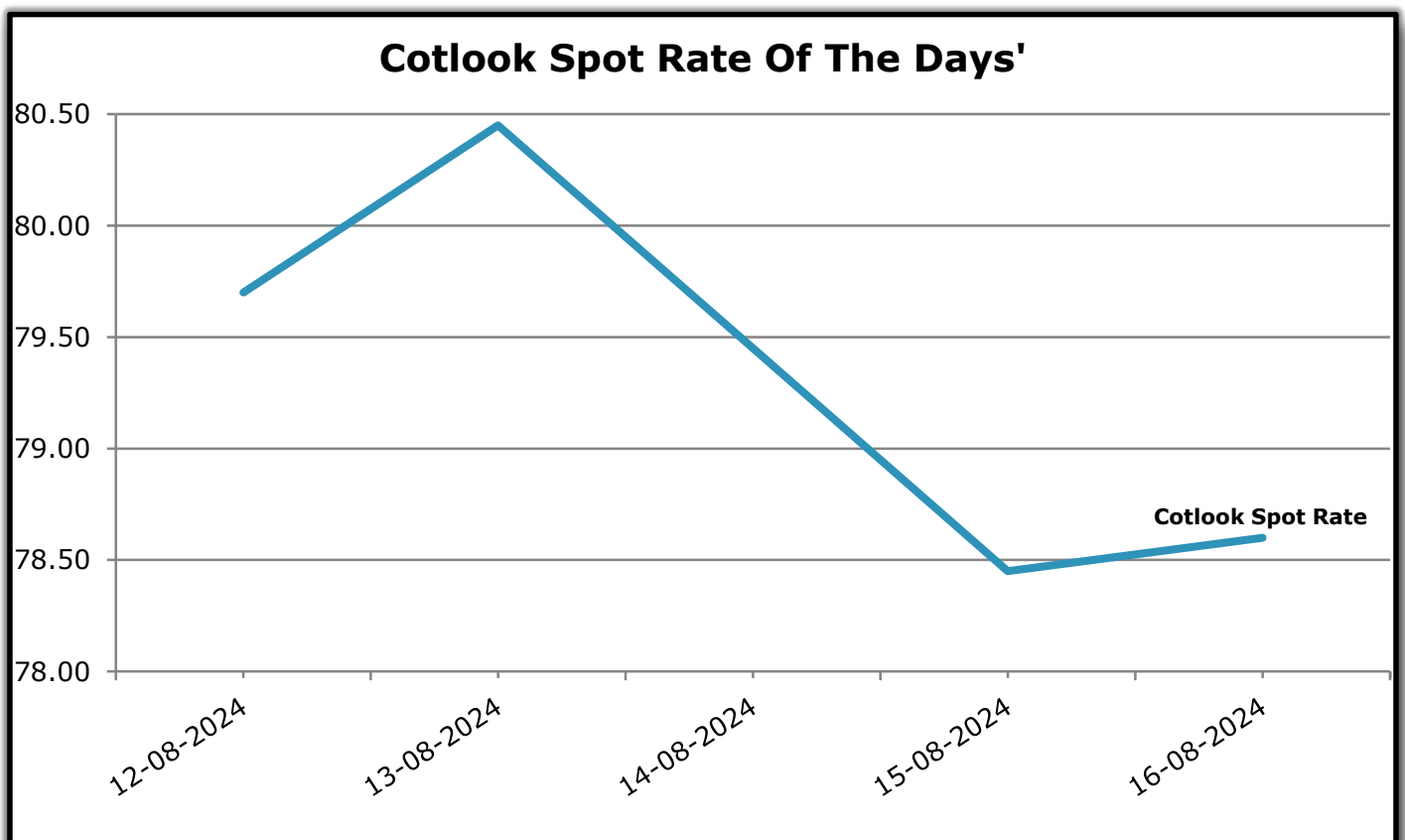




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-24	Mar-25
12-08-2024	79.70	69.07	70.50
13-08-2024	80.45	67.99	69.57
14-08-2024	79.45	67.05	68.65
15-08-2024	78.45	67.15	68.72
16-08-2024	78.60	67.24	68.74

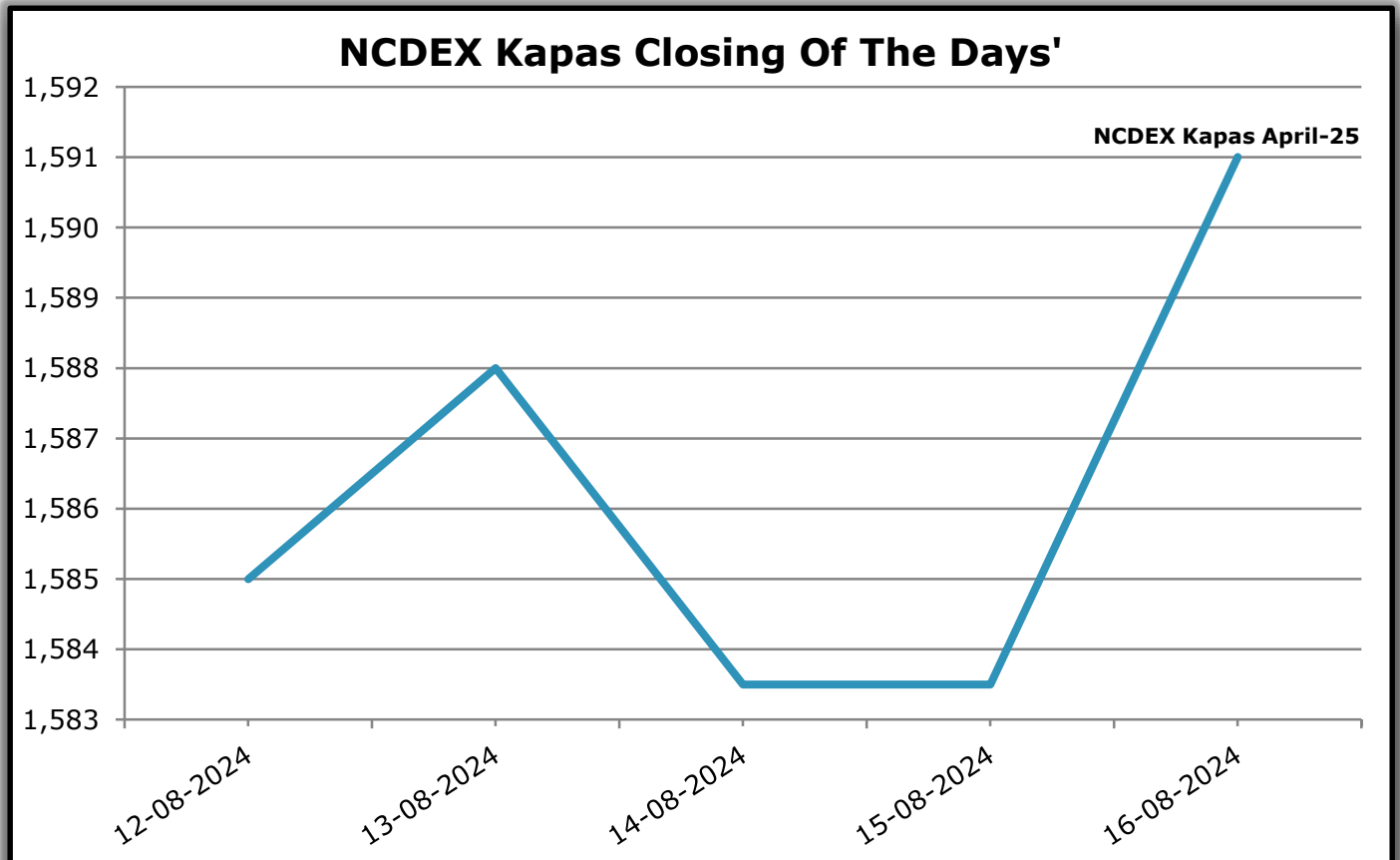




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Indian Indices	
Date	NCDEX Kapas
	April-25
12-08-2024	1,585.00
13-08-2024	1,588.00
14-08-2024	1,583.50
15-08-2024	1,583.50
16-08-2024	1,591.00



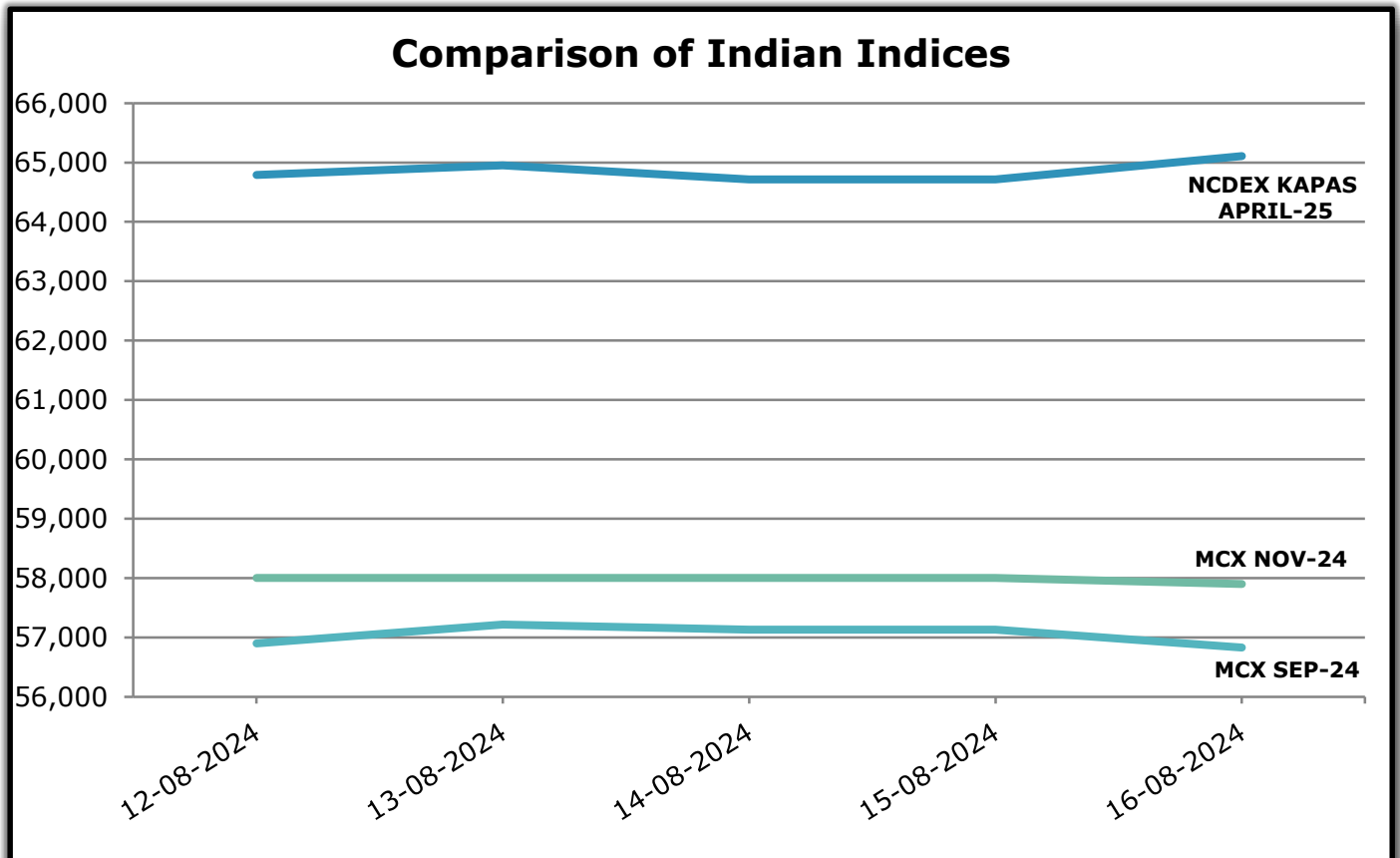


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-25	Sep-24	Nov-24
12-08-2024	64,792	56,900	58,000
13-08-2024	64,949	57,220	58,000
14-08-2024	64,714	57,130	58,000
15-08-2024	64,714	57,130	58,000
16-08-2024	65,106	56,830	57,900

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

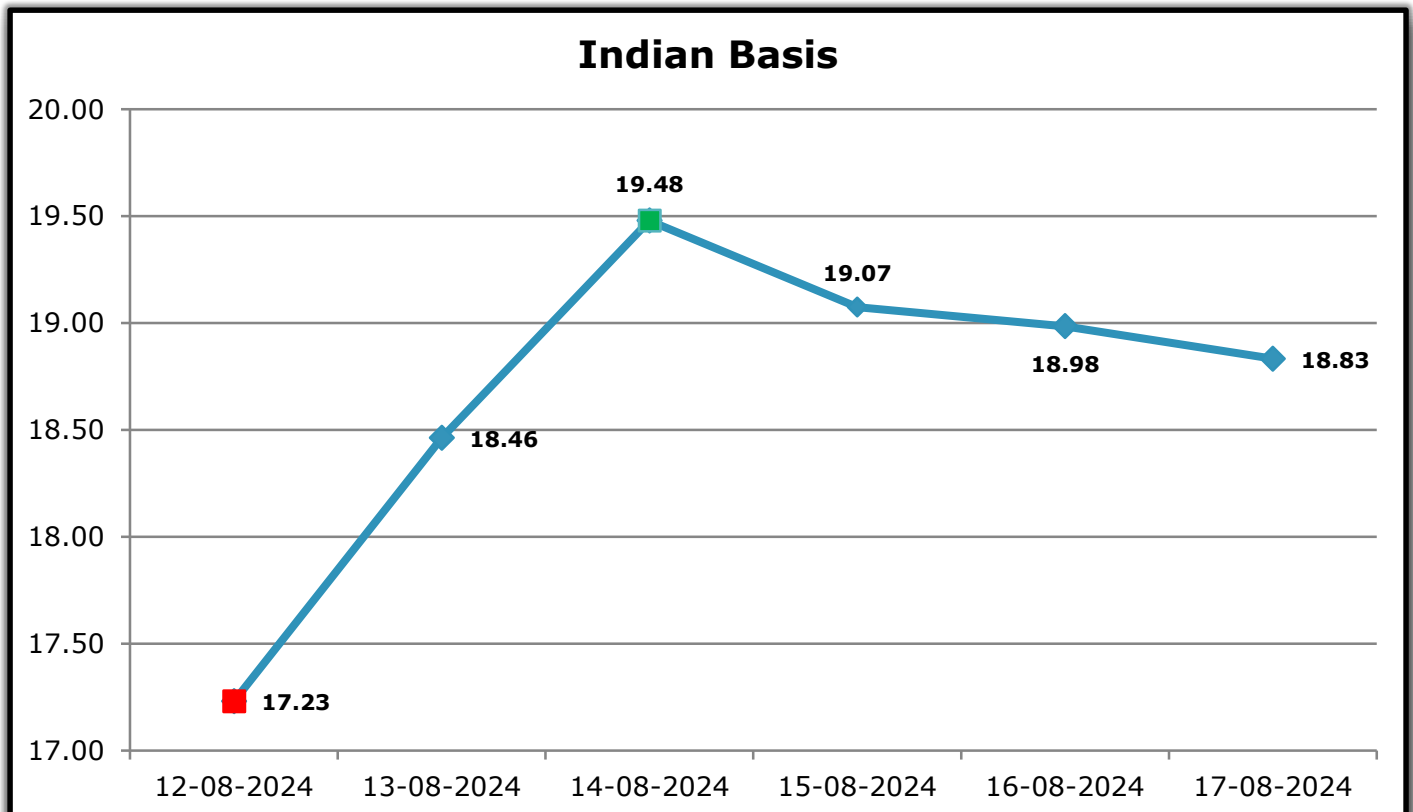




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
12-08-2024	56,800	83.95	86.30	69.07	17.23
13-08-2024	56,900	83.95	86.45	67.99	18.46
14-08-2024	56,950	83.95	86.53	67.05	19.48
15-08-2024	56,750	83.95	86.22	67.15	19.07
16-08-2024	56,750	83.95	86.22	67.24	18.98
17-08-2024	56,650	83.95	86.07	67.24	18.83





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### IN THE WEEK AHEAD

- Next week will be a slower week for data releases. We will continue monitoring the usual report releases pertaining to the cotton market. We will also monitor the forecast closely, as the crop is struggling under the heat.

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