



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 03-Jun-2023

Market Movement from 29th May 2023 to 03rd Jun 2023.

- NY July cotton prices showed a significant increase from 83.35 cents on May 26 to 86.05 cents on June 2, resulting in a week-over-week gain of 2.70 cents.
- The cotton market had a volatile week as spot July experienced short covering and December saw producer hedging. Managed-money funds shifted from a net short to slightly long position. New crop prices weakened due to improving Texas weather forecasts. Traders anxiously awaited the outcome of the debt ceiling vote in the U.S. Congress, which could have significant implications for financial and commodities markets. USDA's export sales report showed increased sales to China, Turkey, and Vietnam. The monthly jobs report exceeded expectations, potentially influencing the Federal Reserve's decision on interest rates. The market remained sensitive to various factors, including weather forecasts, OPEC's meeting, and the passage of debt ceiling legislation.
- U.S. cotton export sales for the 2022-2023 season showed net upland sales of 267,800 bales and upland shipments of 283,000 bales. Net Pima sales were 3,700 bales, and Pima shipments reached 26,700 bales, resulting in a total of 271,500 bales sold. For



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the 2023-2024 season, net upland sales were 76,600 bales, while there were no net Pima sales, leading to a total of 76,600 bales sold.

- Indian cotton prices are experiencing a consecutive increase, driven by a bullish sentiment in the market. This surge is further amplified by the limit up in China's Zhengzhou Commodity Exchange (ZCE), and the continuous upward trend in New York (NY) futures. The Gujcot spot rate for cotton exhibited varying prices throughout the week. Starting the week at 57,650 on Monday, the spot rate increased to 57,800 on Tuesday. However, it slightly decreased to 57,700 on Wednesday before rebounding to 57,900 on Thursday. The week concluded with a higher spot rate of 58,200 on Friday. These fluctuations in the Gujcot spot rate reflect the dynamic nature of the cotton market during the week.
- The daily arrival of cotton in India has declined to approximately 75,000 to 85,000 bales. In light of the prevailing bullish sentiment, farmers might opt to retain their kapas (seed cotton) instead of immediately selling it. This could potentially result in a decrease in arrival numbers during the upcoming week.



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- The Indian basis remains relatively high, leading to a lack of export orders for Indian raw cotton and limited orders for Indian cotton yarn.
- The Committee on Cotton Production and Consumption (COCP) has conducted a review and released a new estimate.
- There has been a significant increase in pre-monsoon activity in cotton-growing areas, leading to the commencement of sowing in several regions.
- The USD-INR exchange rate experienced fluctuations throughout the week. Starting at 82.62 on Monday, the exchange rate increased slightly to 82.71 on Tuesday and remained relatively stable at 82.72 on Wednesday. However, it declined to 82.40 on Thursday and further decreased to 82.30 on Friday. These fluctuations in the USD-INR exchange rate reflect the changing dynamics in the foreign exchange market during the week.
- There is hope for a favorable onset of the South West monsoon, expected to commence in the coming week.



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COCCPC Cotton Balance Sheet for 2022-23

Particulars	2022-23 (P)*	
	(In lakh bales of 170 kg. Each)	(in Thousand Tons)
SUPPLY		
Opening Stock	39.48	671.16
Crop	343.47	5838.99
Import	10.00	170.00
TOTAL SUPPLY	392.95	6680.15
DEMAND		
Non-MSME Consumption	194.70	3309.90
MSME Consumption	100.30	1705.10
Non Textile Consumption	16.00	272.00
Export	30.00	510.00
TOTAL DEMAND	341.00	5797.00
Closing Stock.	51.95	883.15

- As estimated by Committee on Cotton Production and Consumption (COCCPC) in its meeting held on **01.06.2023**



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Global

US Weekly Export Sales

- Net UPLAND sales of 2,67,800 RB for 2022-2023 were up noticeably from the previous week and up 44 percent from the prior 4-week average. Increases primarily for China (2,21,700 RB, including decreases of 2,400 RB), Turkey (20,800 RB), Vietnam (13,700 RB, including 2,100 RB switched from South Korea and 700 RB switched from Japan), Bangladesh (5,300 RB), and Indonesia (3,800 RB, including 900 RB switched from Japan), were offset by reductions primarily for South Korea (2,100 RB), El Salvador (1,200 RB), and Ecuador (700 RB).
- Net UPLAND sales of 76,600 RB for 2023-2024 were primarily for Turkey (43,500 RB), El Salvador (20,900 RB), and China (8,800 RB).
- UPLAND Exports of 2,83,000 RB were up 5 percent from the previous week, but down 16 percent from the prior 4-week average. The destinations were primarily to Turkey (56,200 RB), Pakistan (52,300 RB), Vietnam (48,700 RB), China (40,000 RB), and Bangladesh (23,300 RB).
- Net sales of PIMA totaling 3,700 RB for 2022-2023 were up 12 percent from the previous week, but down 70 percent from the prior 4-week average. Increases primarily for Egypt (1,500 RB), Vietnam (1,500 RB, including 1,000 RB switched from Hong Kong), and India (1,300 RB), were offset by reductions for Hong Kong (1,000 RB).
- PIMA Exports of 26,700 RB--a marketing-year high--were up 98 percent from the previous week and 52 percent from the prior 4-week average. The destinations were primarily to India (13,100 RB), China (7,400 RB), Vietnam (4,100 RB), Pakistan (900 RB), and Peru (400 RB).

US Export Sales	25-May-2023
Marketing Year 2022-23	
Upland Gross Sales	2,73,700
Cancellation	5,900
Net Upland Sales	2,67,800
PIMA Gross Sales	3,700
Cancellation	0
Net PIMA Sales	3,700
Total Gross Sales	2,77,400
Total Cancellation	5,900
Total Net Sales	2,71,500
Shipments	
UPLAND	2,83,000
PIMA	26,700
Total Shipment	3,09,700
Marketing Year 2023-24	
Net Upland Sales	76,600
Net PIMA Sales	0
Total Net Sales	76,600
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	27-05-2023	03-06-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	56,800	58,750	1,950	3.32%
V-797	13% Trash		46,650	47,950	1,300	2.71%
MCX Spot Rate			56,260	58,340	2,080	3.57%
USD-INR Exchange			82.57	82.30	-0.27	-0.33%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	57,650	58,750	58,000
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		47,800	48,100	47,925
MCX Spot Rate			57,560	58,340	57,937
USD Exchange Rate			82.30	82.72	82.51

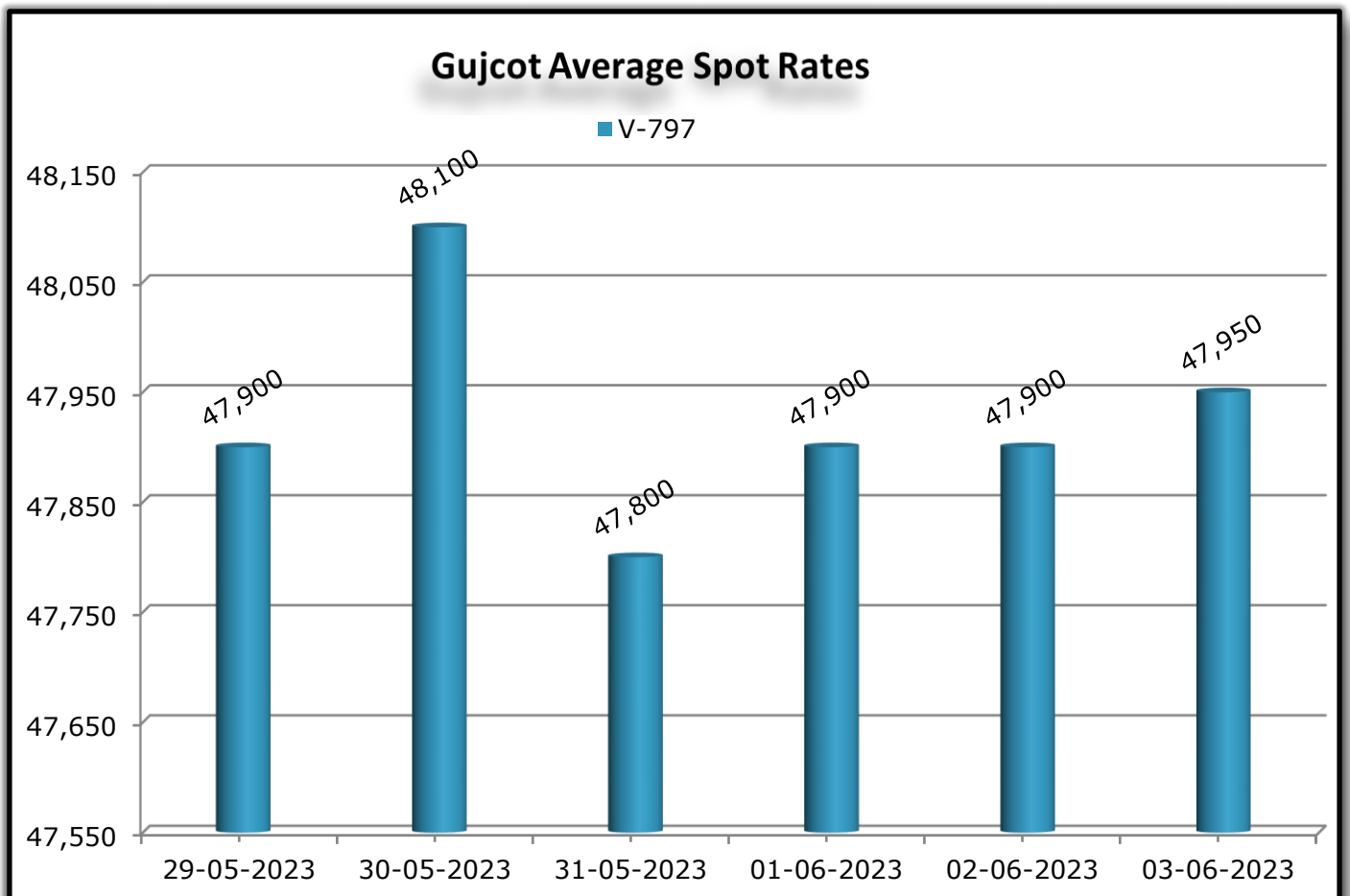
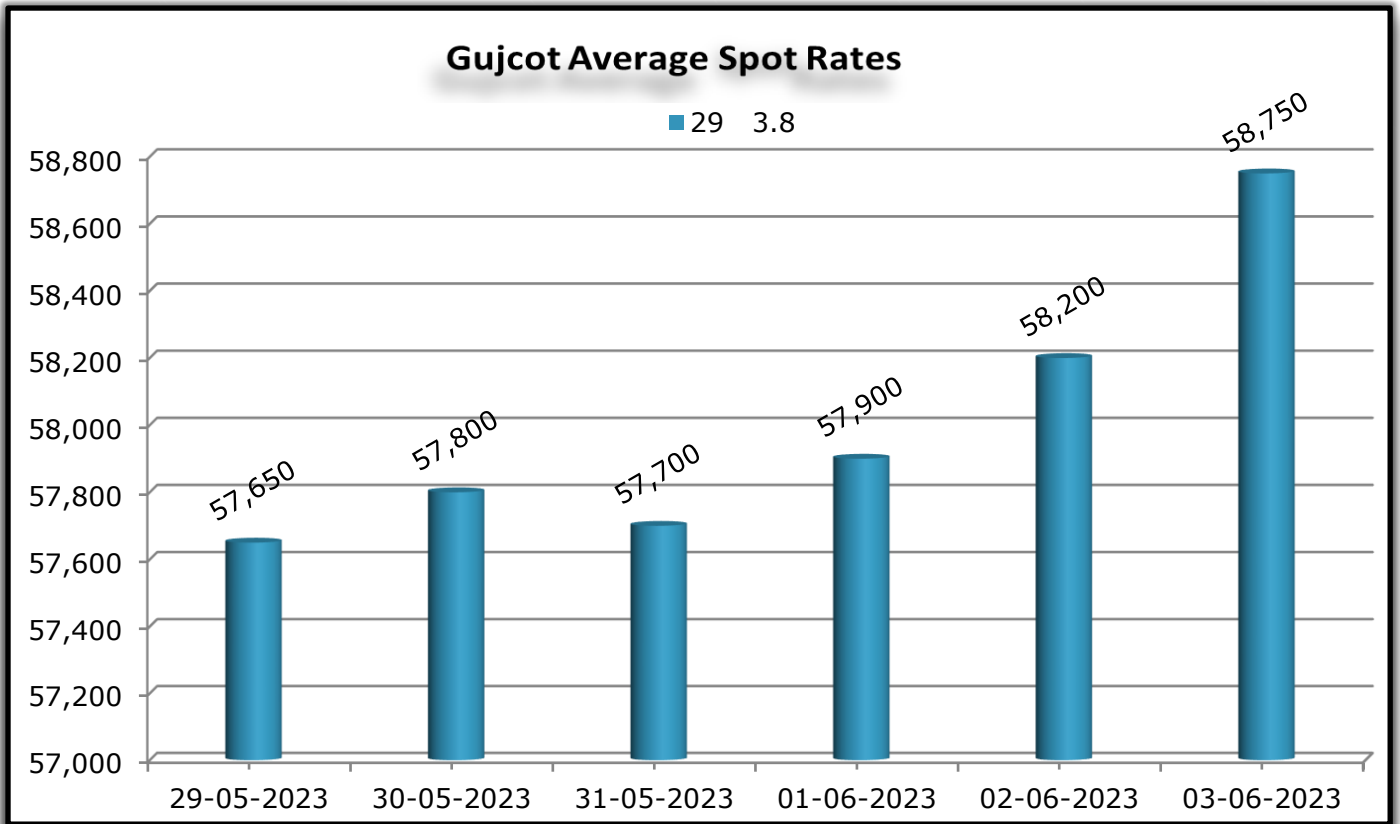
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
29-05-2023	57,650	47,900	57,560	82.62
30-05-2023	57,800	48,100	57,800	82.71
31-05-2023	57,700	47,800	57,720	82.72
01-06-2023	57,900	47,900	57,860	82.40
02-06-2023	58,200	47,900	58,340	82.30
03-06-2023	58,750	47,950	58,340	82.30



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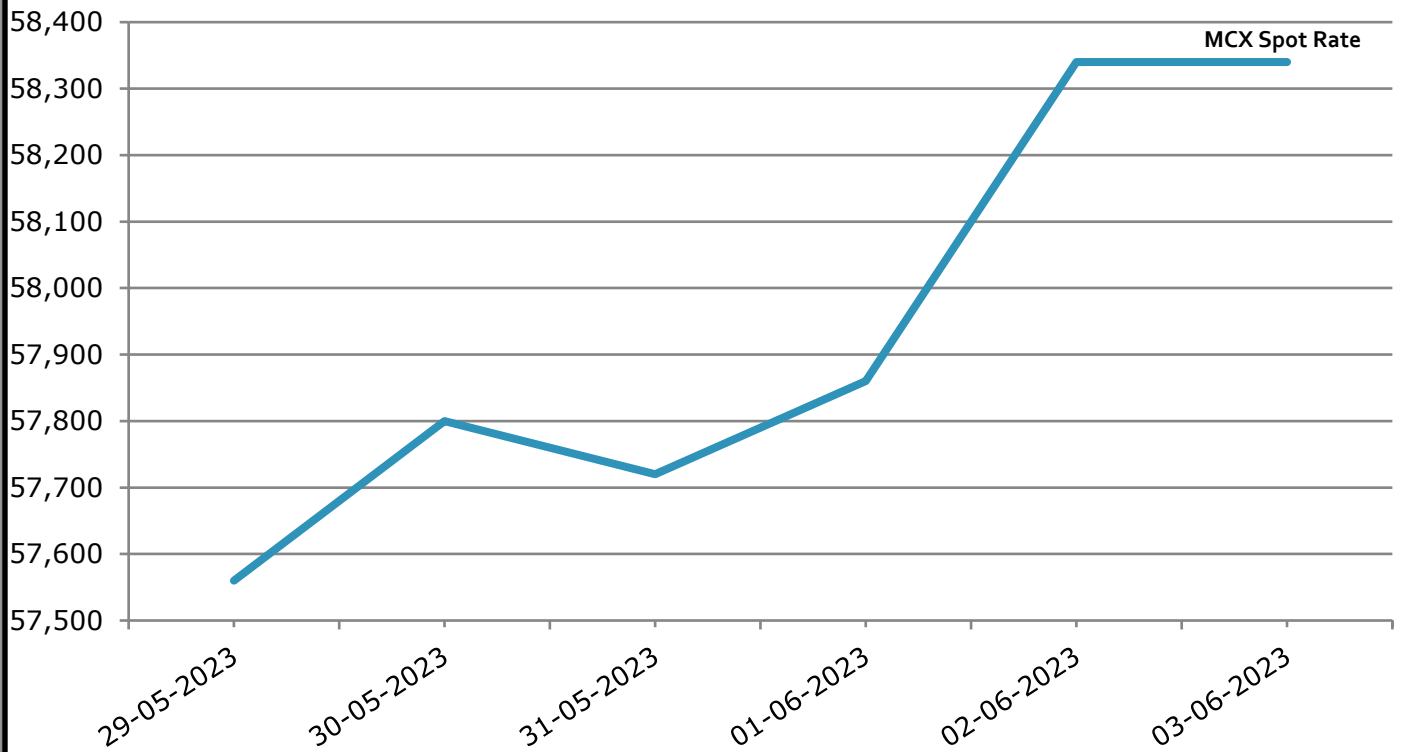




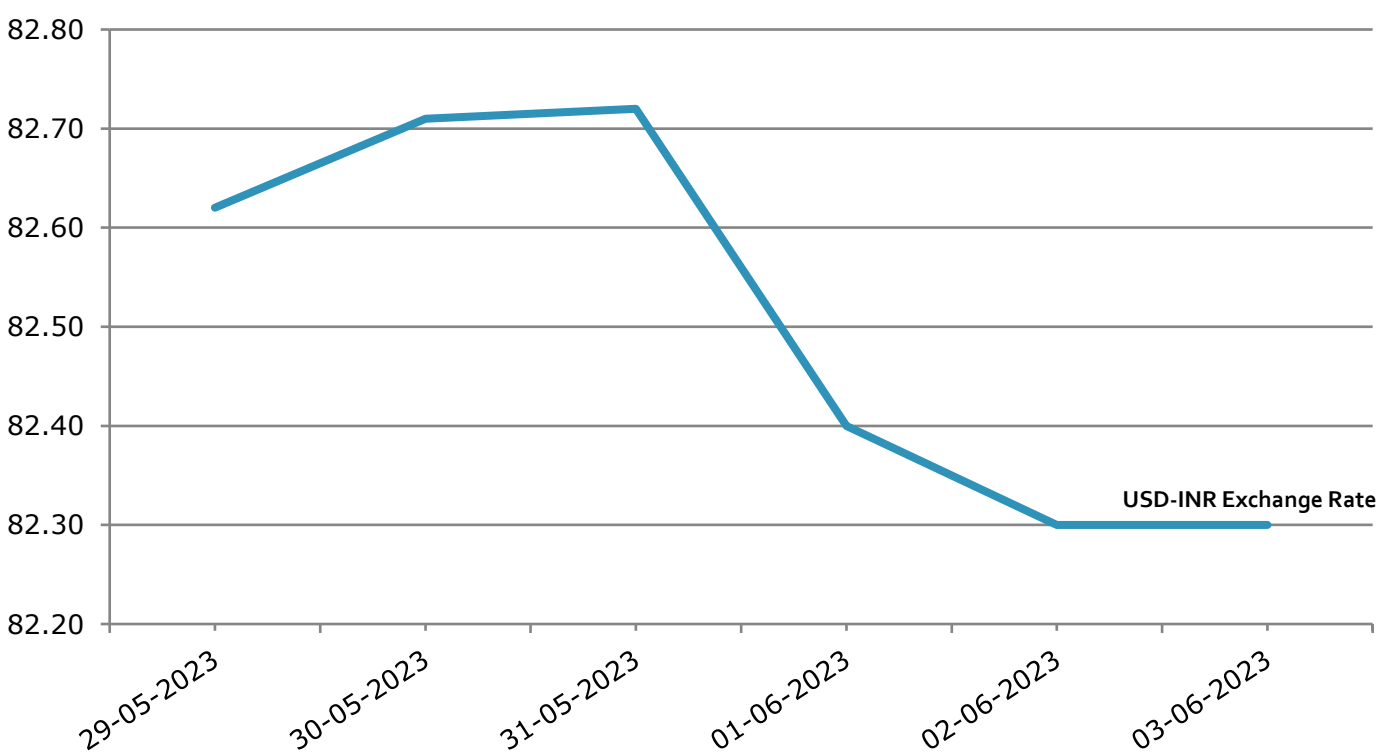
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'

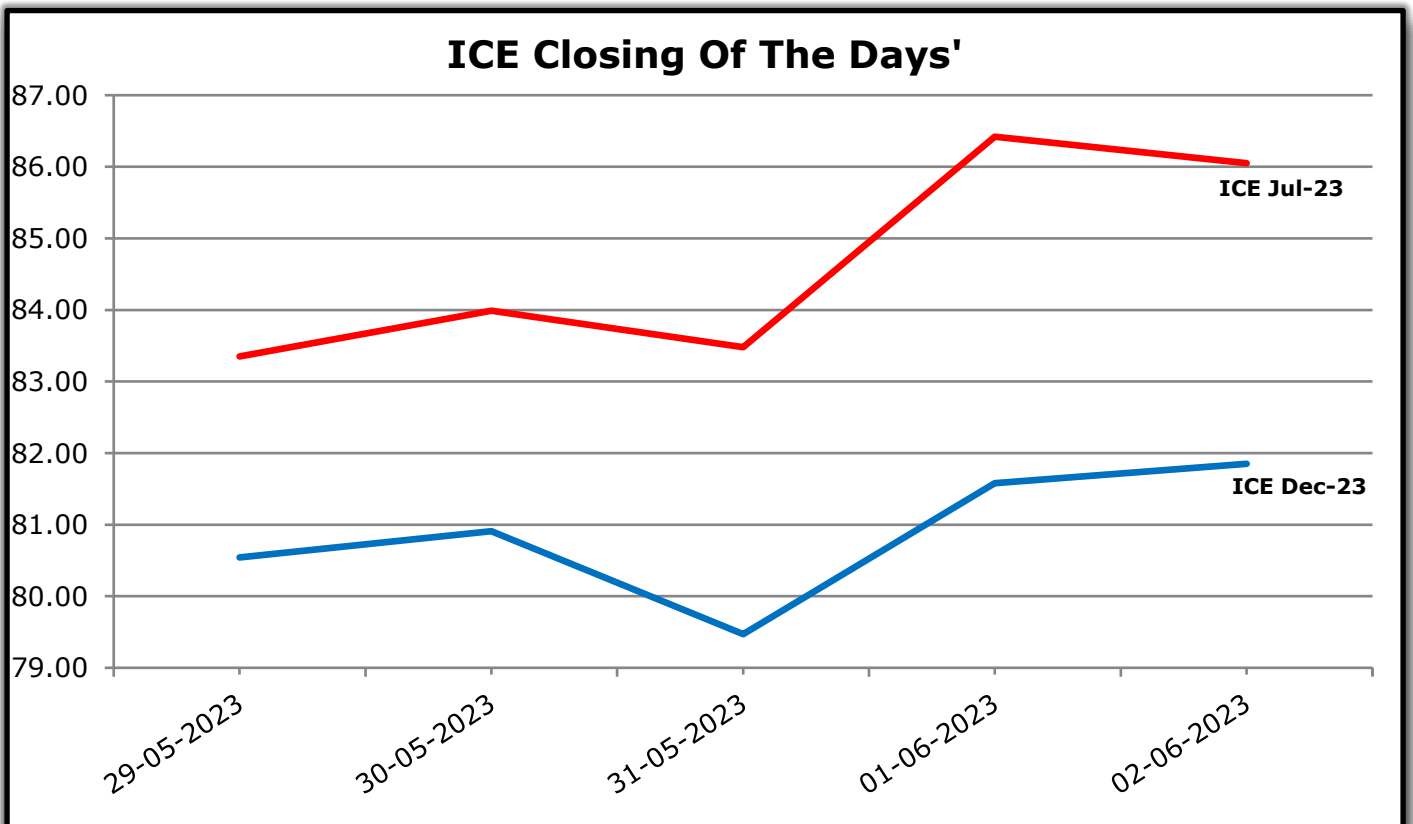
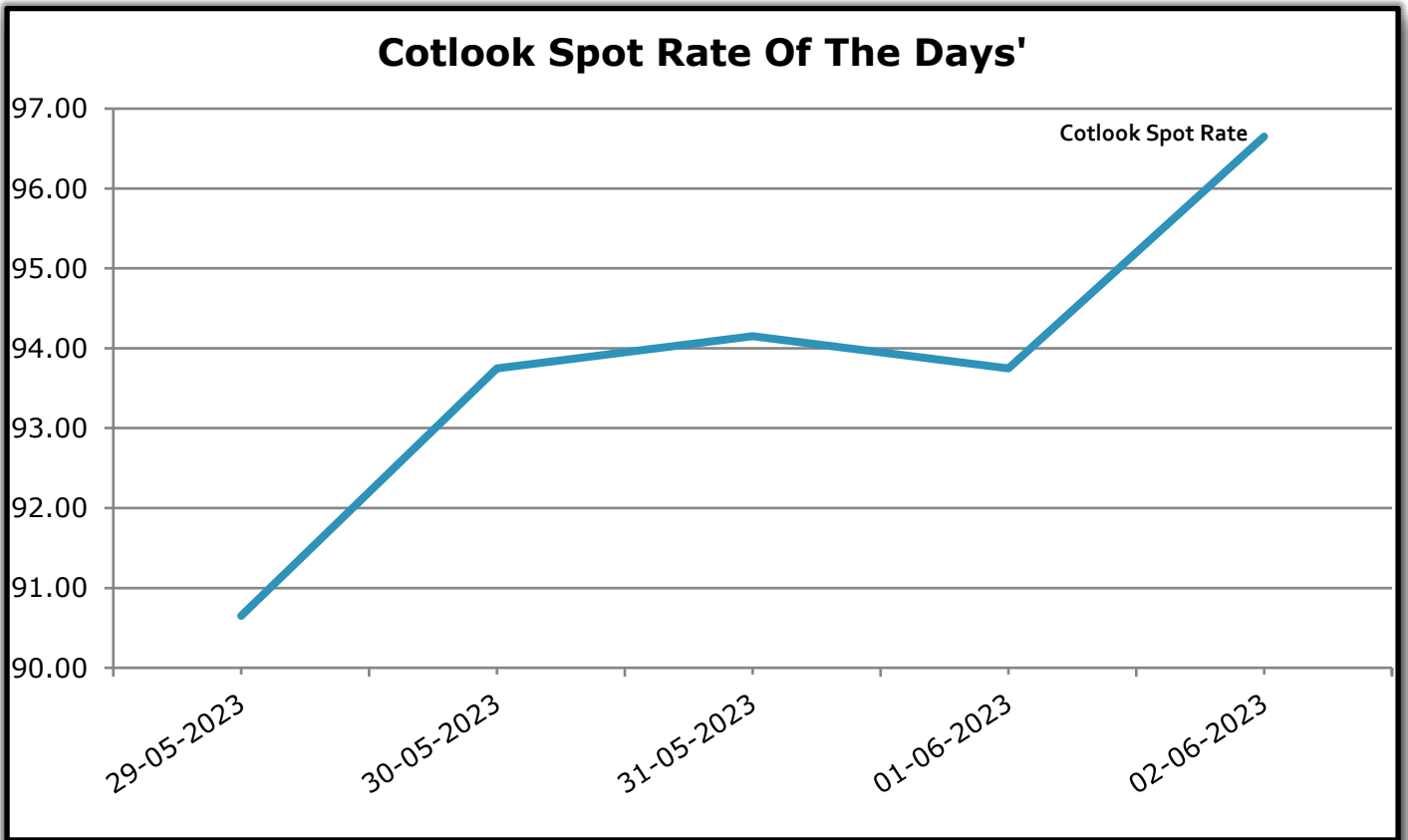




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Jul-23	Dec-23
29-05-2023	90.65	83.35	80.54
30-05-2023	93.75	83.99	80.91
31-05-2023	94.15	83.48	79.47
01-06-2023	93.75	86.42	81.58
02-06-2023	96.65	86.05	81.85



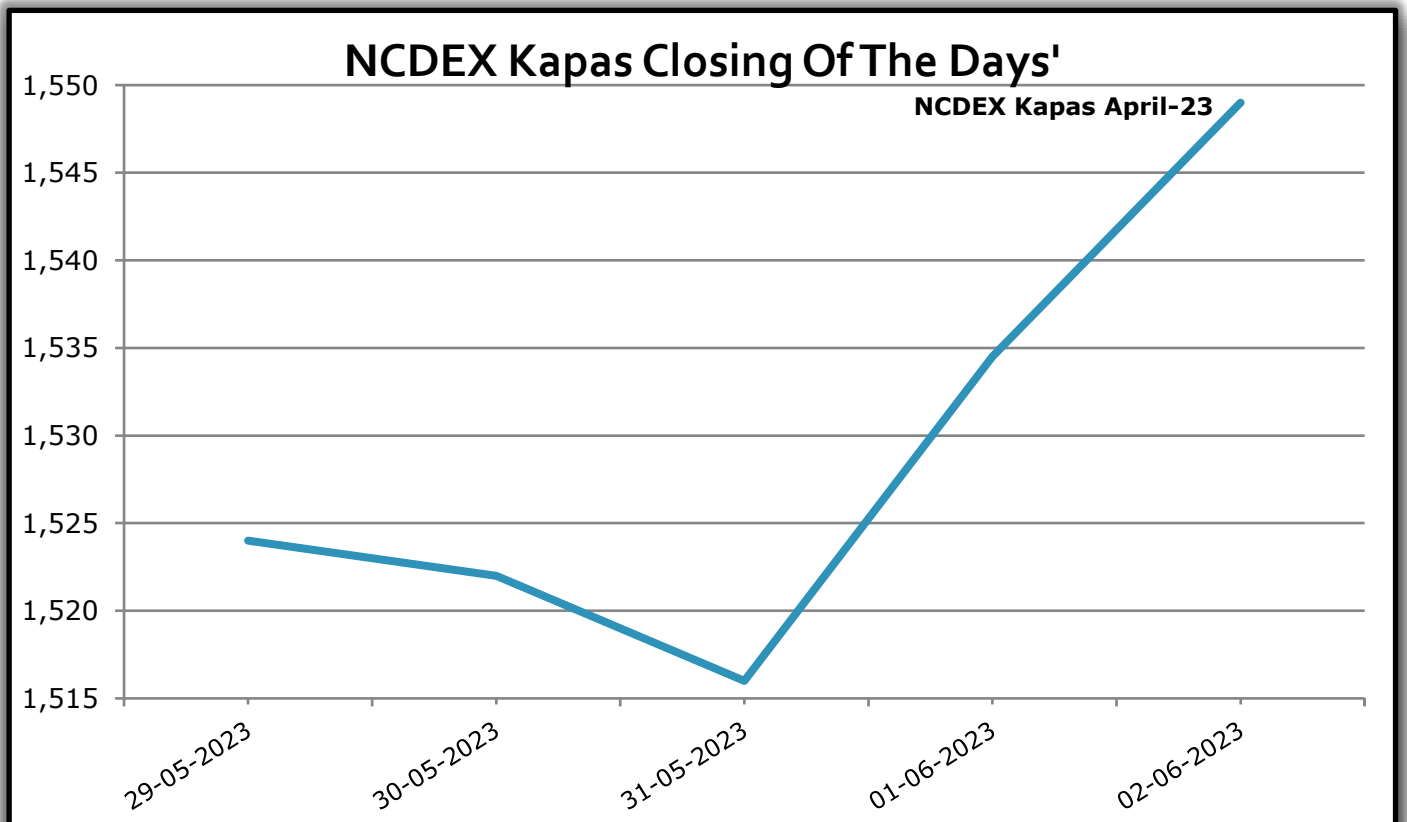


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Indian Indices	
Date	NCDEX Kapas
	April-24
29-05-2023	1,524.00
30-05-2023	1,522.00
31-05-2023	1,516.00
01-06-2023	1,534.50
02-06-2023	1,549.00



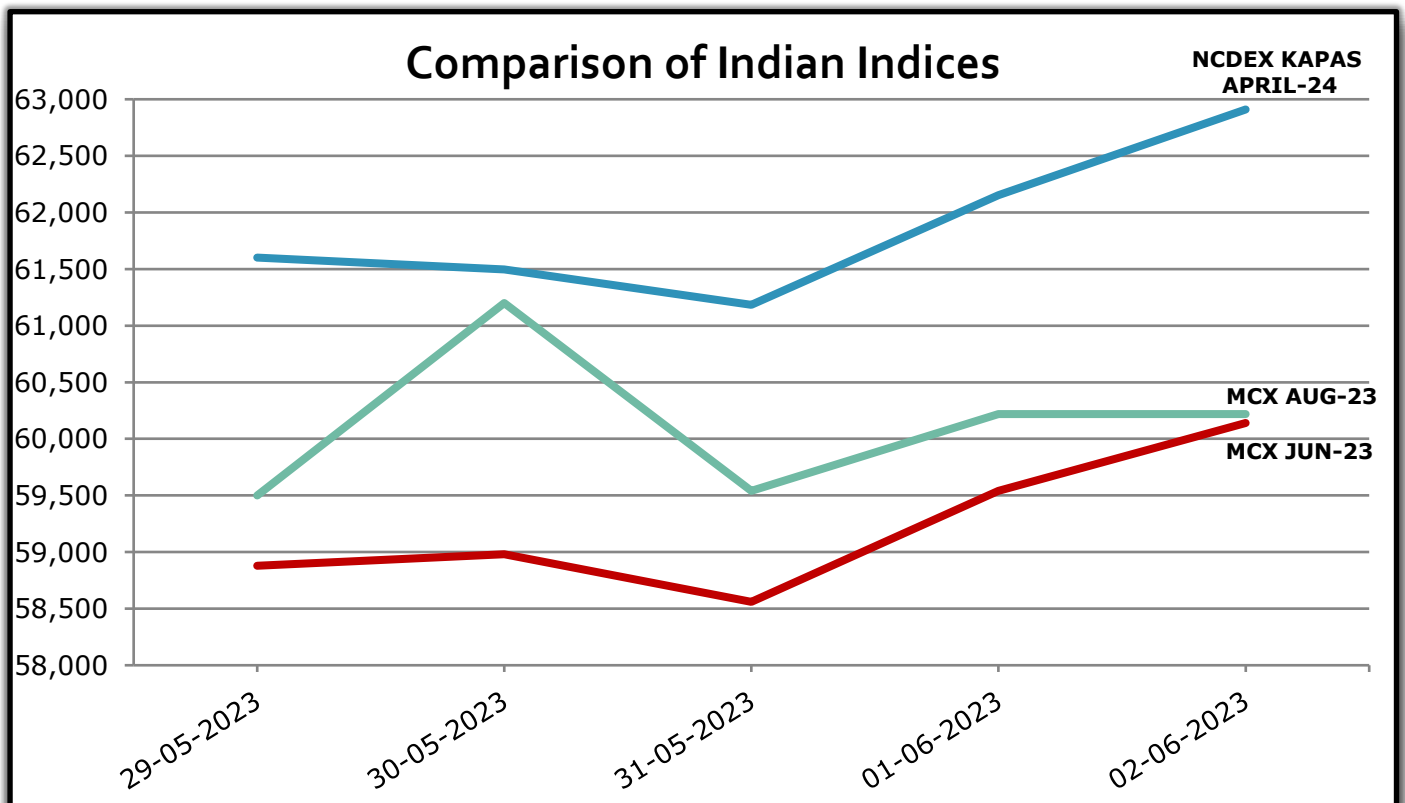


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April	Jun-23	Aug-23
29-05-2023	61,602	58,880	59,500
30-05-2023	61,498	58,980	61,200
31-05-2023	61,184	58,560	59,540
01-06-2023	62,152	59,540	60,220
02-06-2023	62,910	60,140	60,220

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

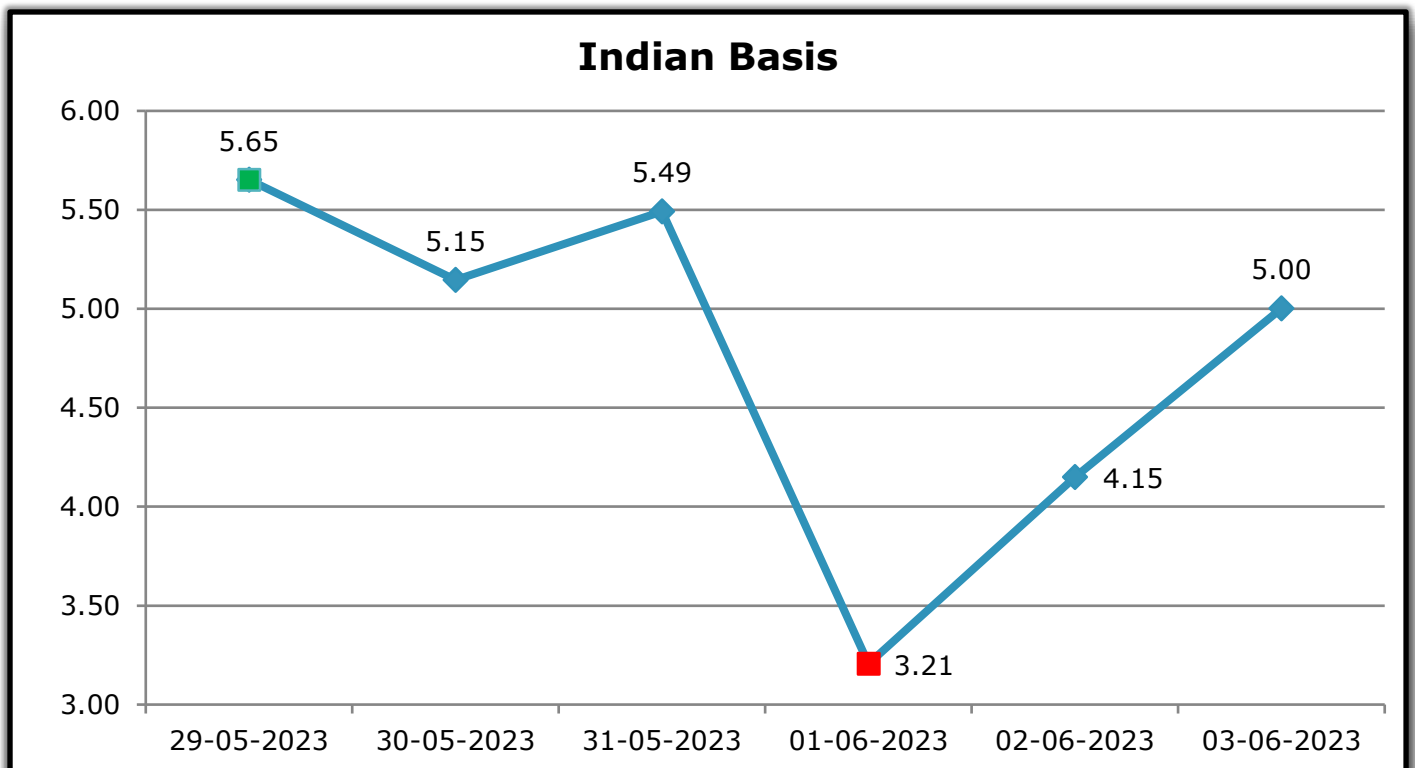




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE JUL	BASIS
29-05-2023	57,650	82.62	89.00	83.35	5.65
30-05-2023	57,800	82.71	89.14	83.99	5.15
31-05-2023	57,700	82.72	88.97	83.48	5.49
01-06-2023	57,900	82.40	89.63	86.42	3.21
02-06-2023	58,200	82.30	90.20	86.05	4.15
03-06-2023	58,750	82.30	91.05	86.05	5.00





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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 Report
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton On-Call
- Friday at 11:00 a.m. Central – WASDE Report

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Report prepared by

Kalpesh Patel

Manager

Gujcot Trade Association