



# GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 04-Nov-2023

## Market Movement from 30th Oct 2023 to 04th Nov 2023.

- On October 27, New York December cotton futures were valued at 84.38, but by November 3, their price had dropped to 79.62, marking a weekly decrease of 4.76 cents. NY December has dropped below 80 cent technical level so it open door of new bottom. This decline can be attributed to several key factors, with the primary culprits being the impact of ongoing conflicts and reduced demand, both of which have contributed to a prevailing bearish sentiment in the cotton market.
- Looking back, NY Dec cotton reached 87.15 on 29-Sep, but by the end of October, it stood at 81.22, marking a monthly loss of 5.93 cents.
- U.S. export sales for the 2023-2024 period showed net upland sales of 4,57,200 bales, with 1,32,200 bales shipped, and net Pima sales of 25,800 bales, accompanied by 2,600 bales in Pima shipments, resulting in a total of 4,83,000 bales sold. Looking ahead to the 2024-2025 period, there were 87,800 bales of net upland sales, while Pima sales were reported as zero, summing up to a total of 87,800 bales sold, indicating a noticeable decrease in Pima cotton sales for the given timeframe.
- After long time we see robust sales suggest
  - 1. Positive for U.S. Cotton Producers:** High export numbers indicate increased demand for U.S. cotton, which can be positive for American cotton producers. It can potentially lead to increased revenue and profitability for cotton farmers.



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- 2. Impact on Global Cotton Market:** Large exports can also impact the global cotton market by influencing cotton prices. Increased demand and sales could put upward pressure on cotton prices, benefiting cotton-producing regions.
  - 3. China's Reserve Buying:** China's decision to buy a significant amount of cotton for its reserves may be a strategic move to secure its domestic supply and manage market volatility. This action can help stabilize prices and reduce the risk of supply shortages.
  - 4. Support for Bulls:** These strong export numbers are providing support to bulls, which typically refer to traders who are bullish or expect prices to rise. In a sluggish demand environment, the influx of cotton into the market from increased exports can potentially lead to reduce downward pressure on prices.
- The Gujcot Spot Rate displayed a notable decline in cotton prices over the course of the week. It started on Monday at 58,050, followed by a decrease to 57,550 on Tuesday, and a further drop to 56,950 on Wednesday, reflecting ongoing market fluctuations. The downward trend continued as the rate dipped to 56,900 on Thursday. However, some stabilization was observed by the end of the week, as the rate rebounded to 57,100 on Friday and remain stable on Saturday. Thus this week was bear week for Indian physical cotton market.



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- Currently, the daily cotton arrival across All India has reached the significant milestone of 1,00,000 bales. Of this total, Gujarat is making a substantial contribution of 35,000 bales per day.
- The Cotton Corporation of India (CCI) has initiated procurement activities in certain regions. However, these efforts are insufficient to provide substantial price support.
- The Indian basis remains elevated amidst the decline in New York futures and the stability of Indian prices. This is largely due to the support provided by the Minimum Support Price (MSP) in India. If New York futures continue to decrease, it is anticipated that the basis will further widen to higher levels. Throughout the week, the basis has fluctuated within the range of 6.03-7.99.
- In October, the unseasonably hot weather led to a rapid opening of cotton bolls, causing the arrival of cotton to occur at a faster pace than originally anticipated.
- The USD-INR exchange rate remained relatively stable with minor fluctuations. The exchange rate opened the week at 83.25 on Monday and held steady at the same rate on Tuesday. A slight uptick was observed on Wednesday, reaching 83.28, followed by a dip to 83.24 on Thursday. The week closed at 83.28 on Friday, reflecting a balanced trading week for the USD-INR currency pair.
- There is hope for an increase in cotton arrivals following the festival.



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### Global

#### US Weekly Export Sales

- Net UPLAND sales of 4,57,100 RB for 2023-2024--a marketing-year high--were up noticeably from the previous week and from the prior 4-week average. Increases primarily for China (3,24,000 RB, including decreases of 100 RB), Mexico (1,08,200 RB), Peru (11,200 RB), South Korea (8,400 RB), and Vietnam (7,000 RB), were offset by reductions for Pakistan (8,400 RB), Honduras (3,100 RB), and Turkey (400 RB). Net sales of 87,800 RB were reported for Mexico (75,200 RB), Pakistan (11,000 RB), and Japan (1,600 RB).

US Export Sales	26-Oct-2023
<b>Marketing Year 2023-24</b>	
Upland Gross Sales	4,67,900
Cancellation	10,700
<b>Net Upland Sales</b>	<b>4,57,200</b>
PIMA Gross Sales	30,800
Cancellation	5,000
<b>Net PIMA Sales</b>	<b>25,800</b>
Total Gross Sales	4,98,700
Total Cancellation	15,700
<b>Total Net Sales</b>	<b>4,83,000</b>
<b>Shipments</b>	
UPLAND	1,32,200
PIMA	2,600
<b>Total Shipment</b>	<b>1,34,800</b>
<b>Marketing Year 2024-25</b>	
Net Upland Sales	87,800
Net PIMA Sales	0
<b>Total Net Sales</b>	<b>87,800</b>
All Figures in US Running Bale	

- UPLAND Exports of 1,32,200 RB were up 35 percent from the previous week and 15 percent from the prior 4-week average. The destinations were primarily to China (59,900 RB), Pakistan (17,900 RB), Mexico (16,500 RB), Bangladesh (12,100 RB), and Vietnam (5,000 RB).
- Net sales of PIMA totaling 25,800 RB for 2023-2024--a marketing-year high--were up 83 percent from the previous week and up noticeably from the prior 4-week average. Increases primarily for China (14,500 RB), India (4,900 RB), Pakistan (3,100 RB), Vietnam (2,700 RB), and Thailand (2,200 RB), were offset by reductions for Mexico (5,000 MT).
- PIMA Exports of 2,600 RB were down 41 percent from the previous week and 25 percent from the prior 4-week average. The destinations were to India (1,700 RB), China (500 RB), and South Korea (400 RB).



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	28-10-2023	04-11-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	58,350	57,200	-1,150	-2.01%
V-797	13% Trash		47,350	47,100	-250	-0.53%
MCX Spot Rate			58,440	57,240	-1,200	-2.10%
USD-INR Exchange			83.24	83.28	0.04	0.05%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	56,900	58,050	57,292
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		47,100	47,350	47,192
MCX Spot Rate			57,120	58,460	57,587
USD Exchange Rate			83.24	83.28	83.26

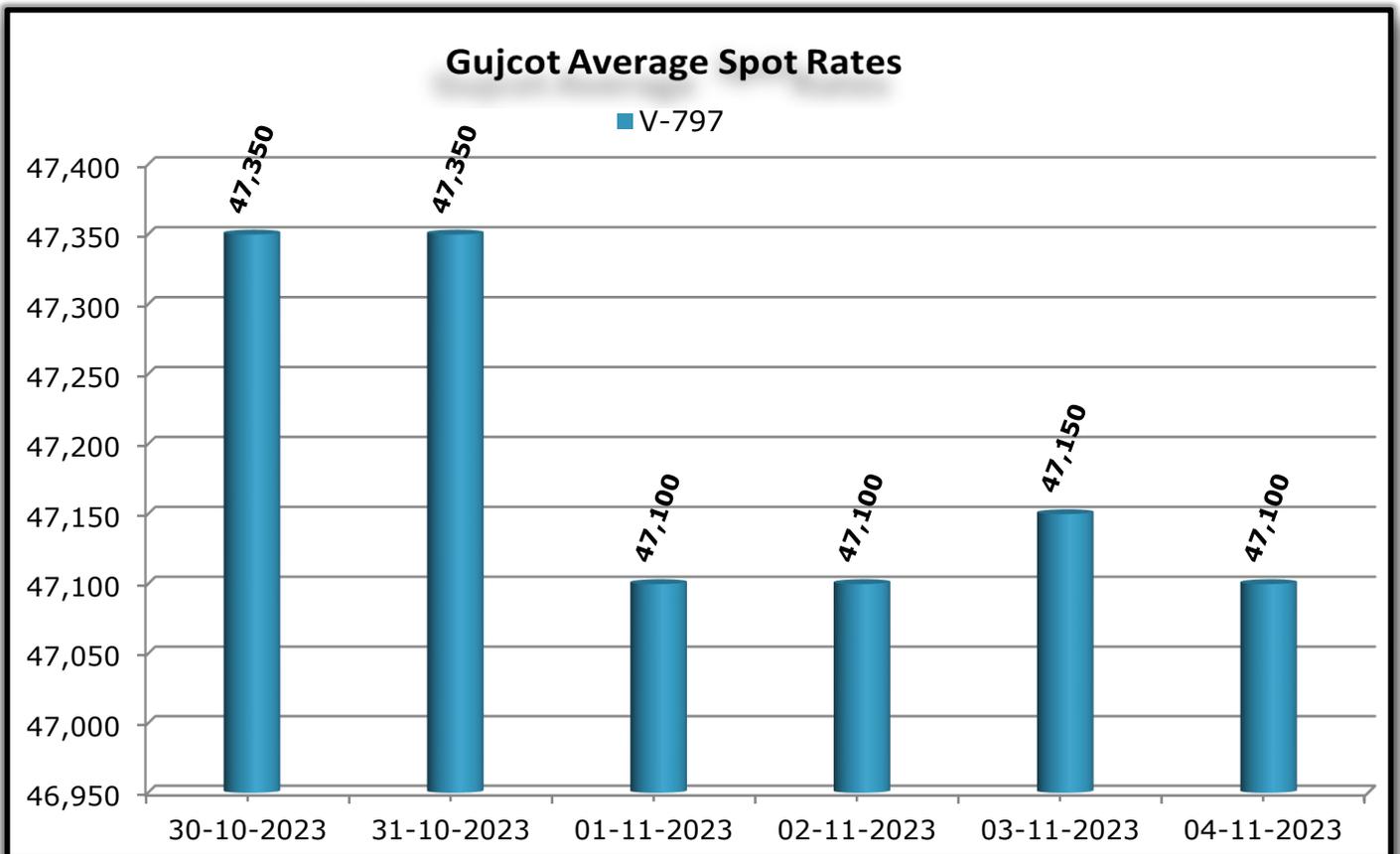
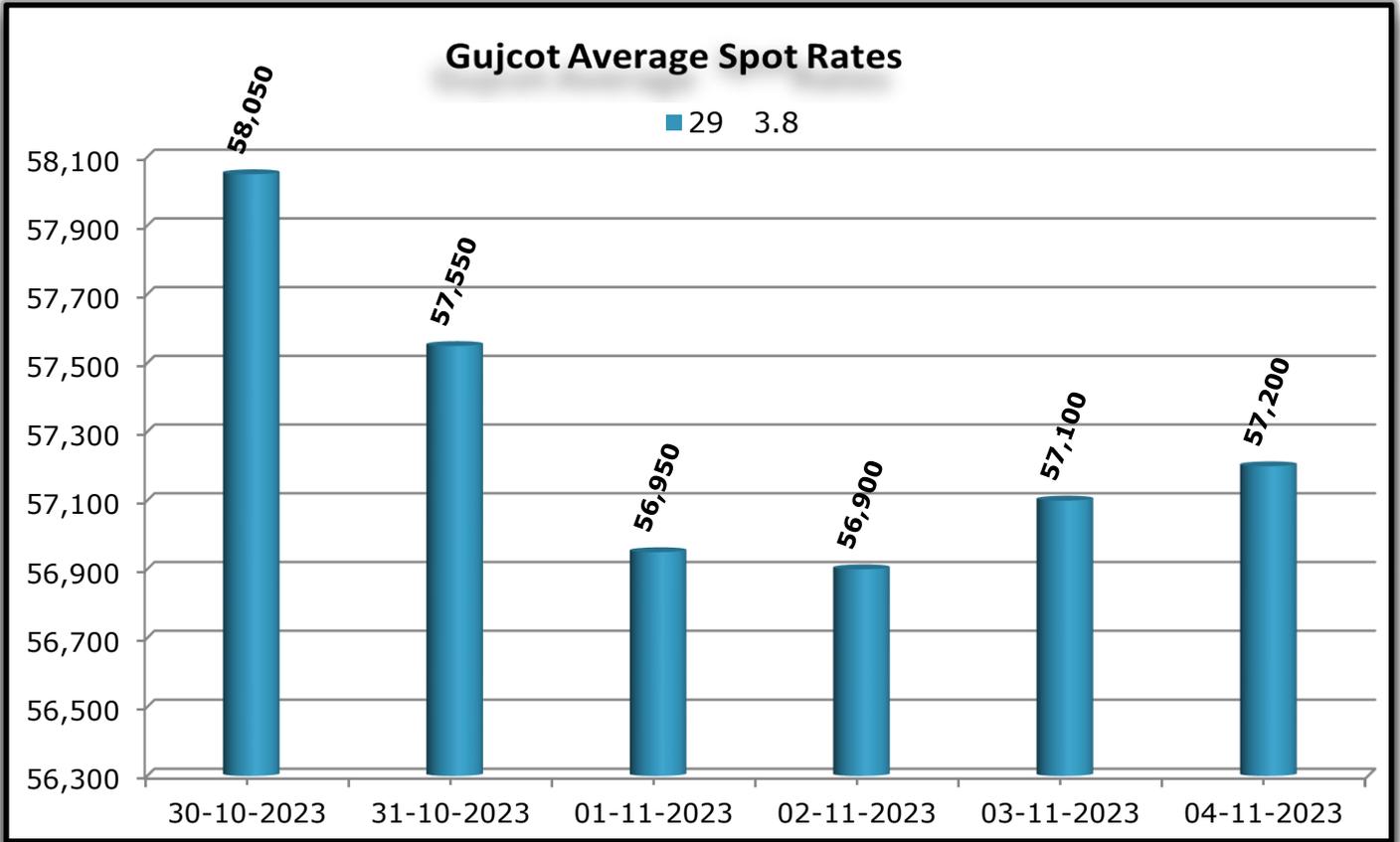
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
30-10-2023	58,050	47,350	58,460	83.25
31-10-2023	57,550	47,350	58,080	83.25
01-11-2023	56,950	47,100	57,380	83.28
02-11-2023	56,900	47,100	57,120	83.24
03-11-2023	57,100	47,150	57,240	83.28
04-11-2023	57,200	47,100	57,240	83.28



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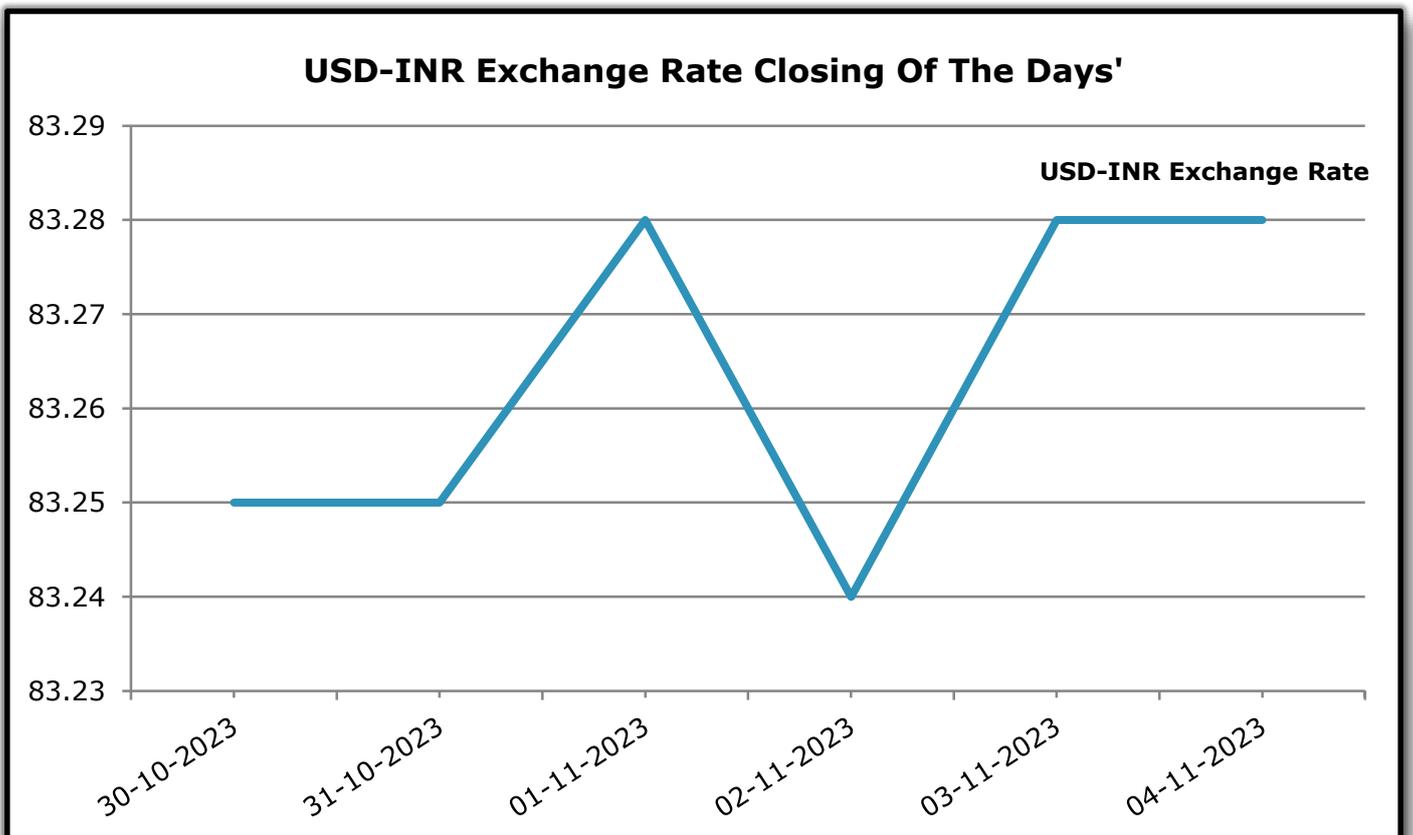
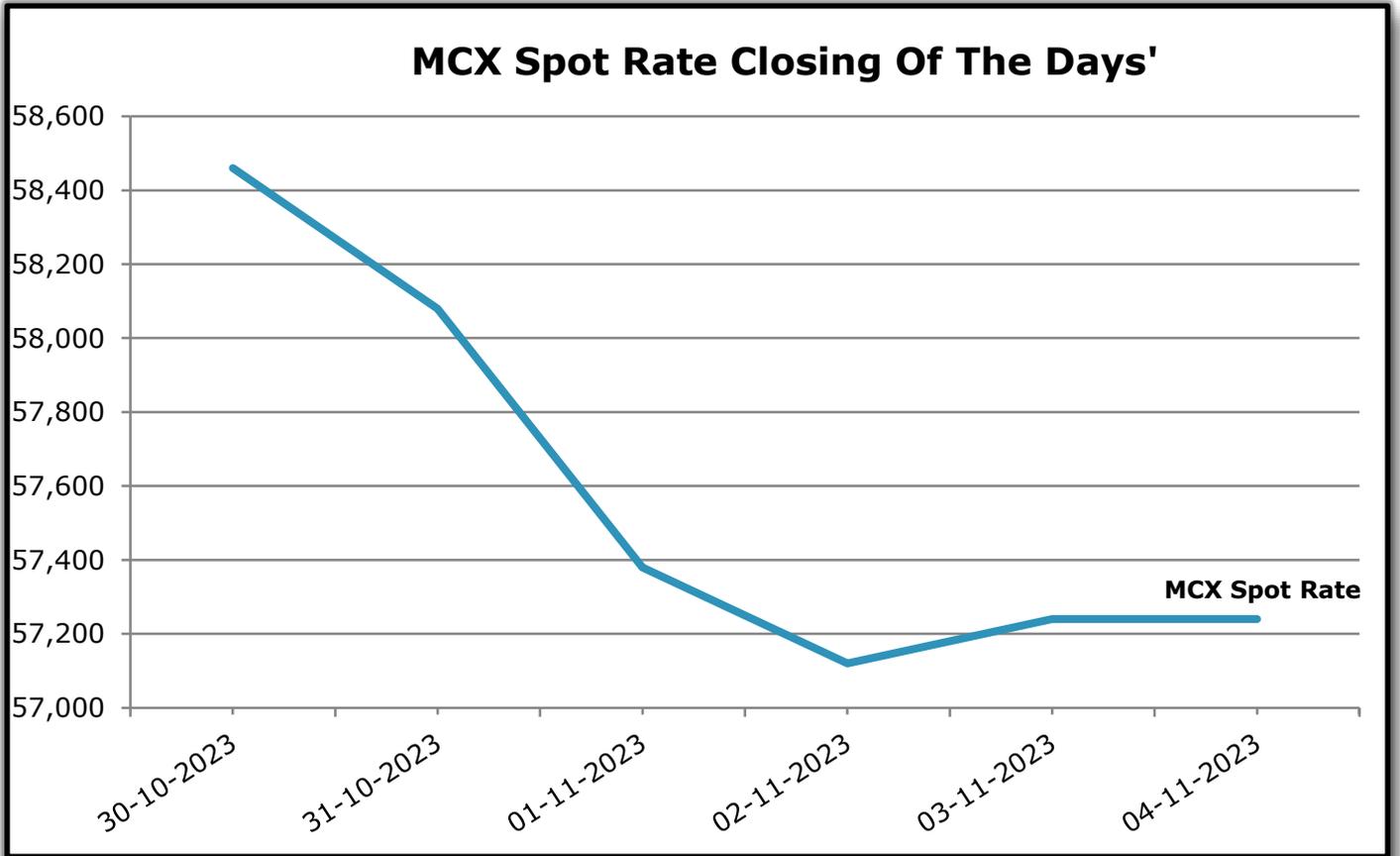
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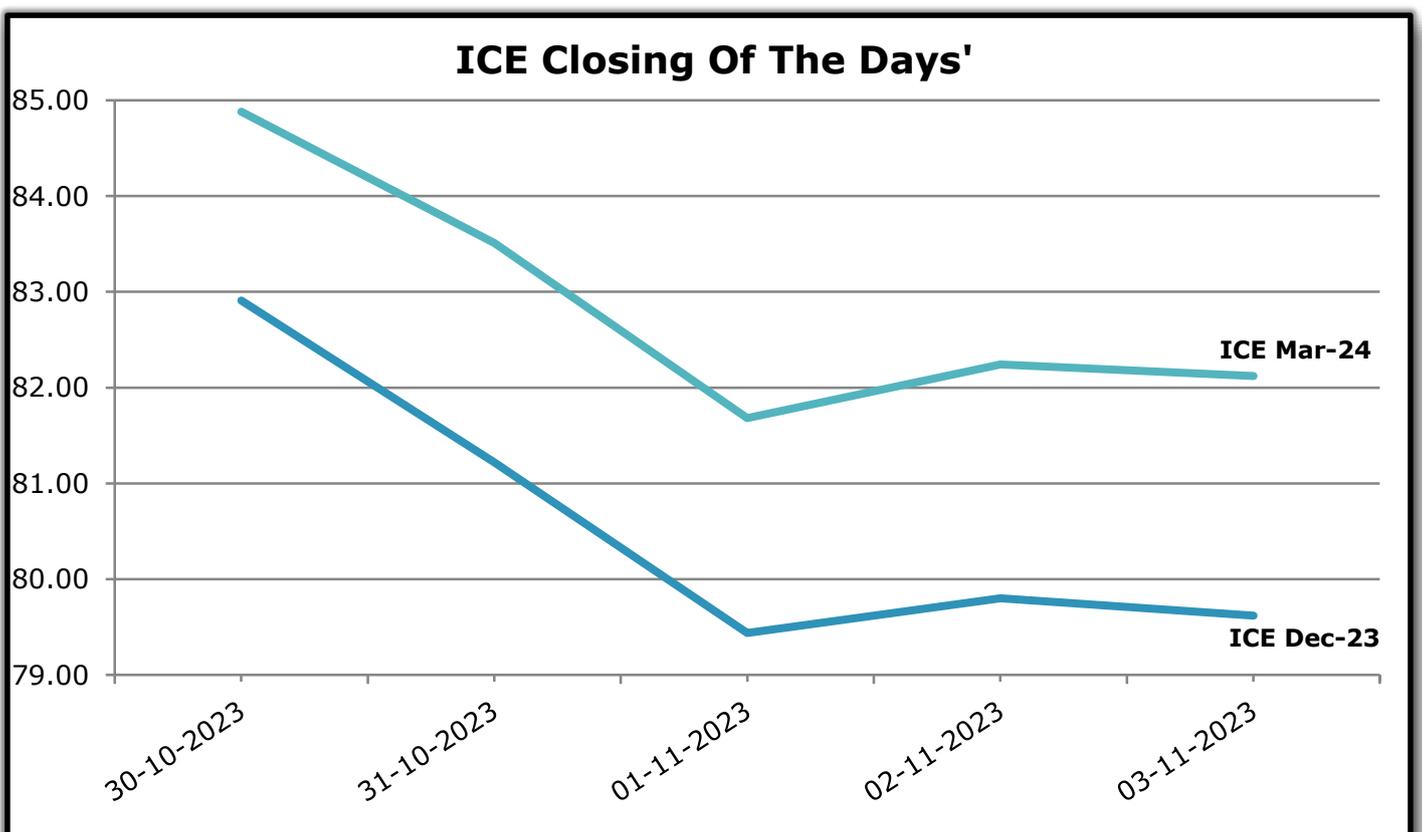
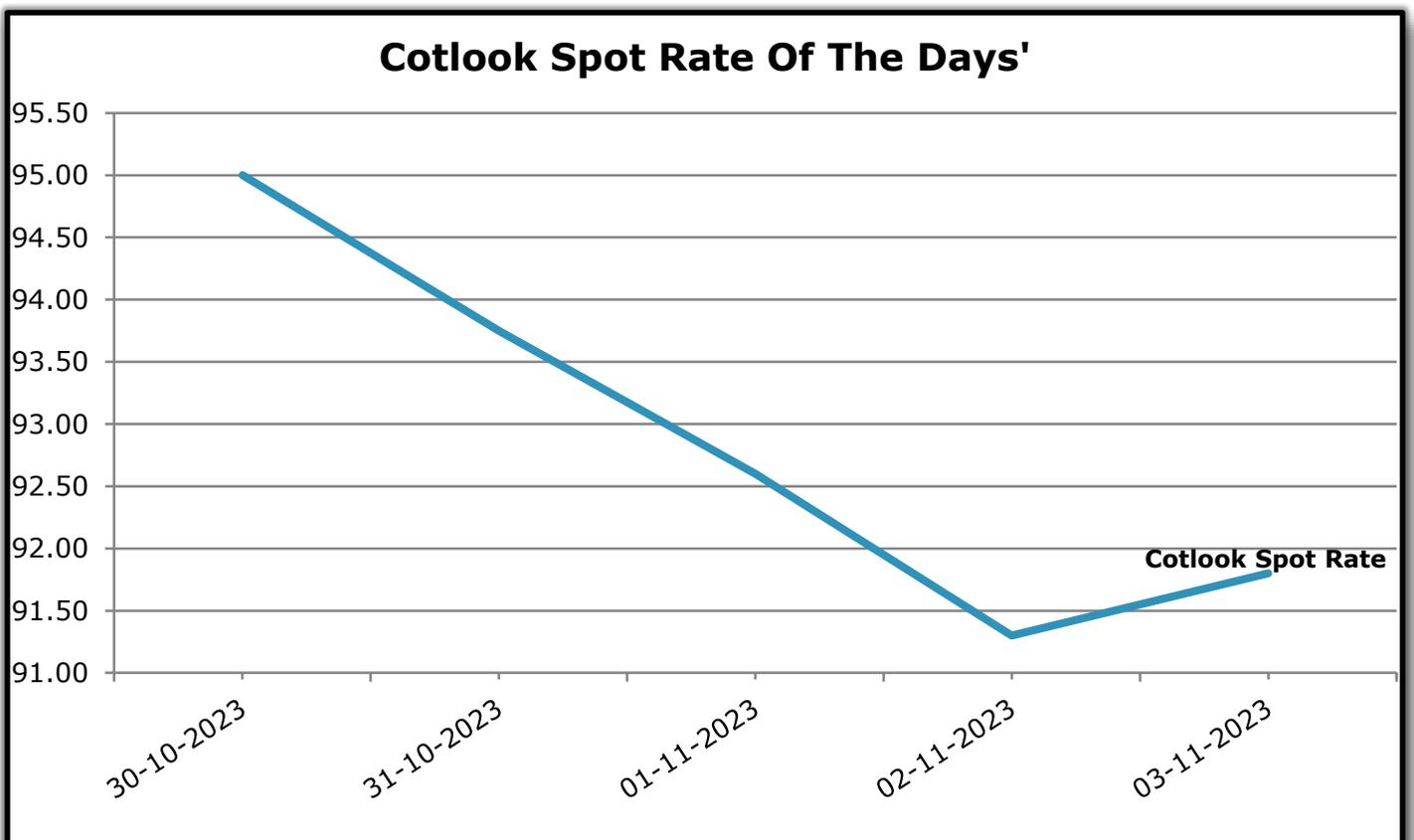




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-23	Mar-24
30-10-2023	95.00	82.91	84.88
31-10-2023	93.75	81.22	83.51
01-11-2023	92.60	79.44	81.68
02-11-2023	91.30	79.80	82.24
03-11-2023	91.80	79.62	82.12



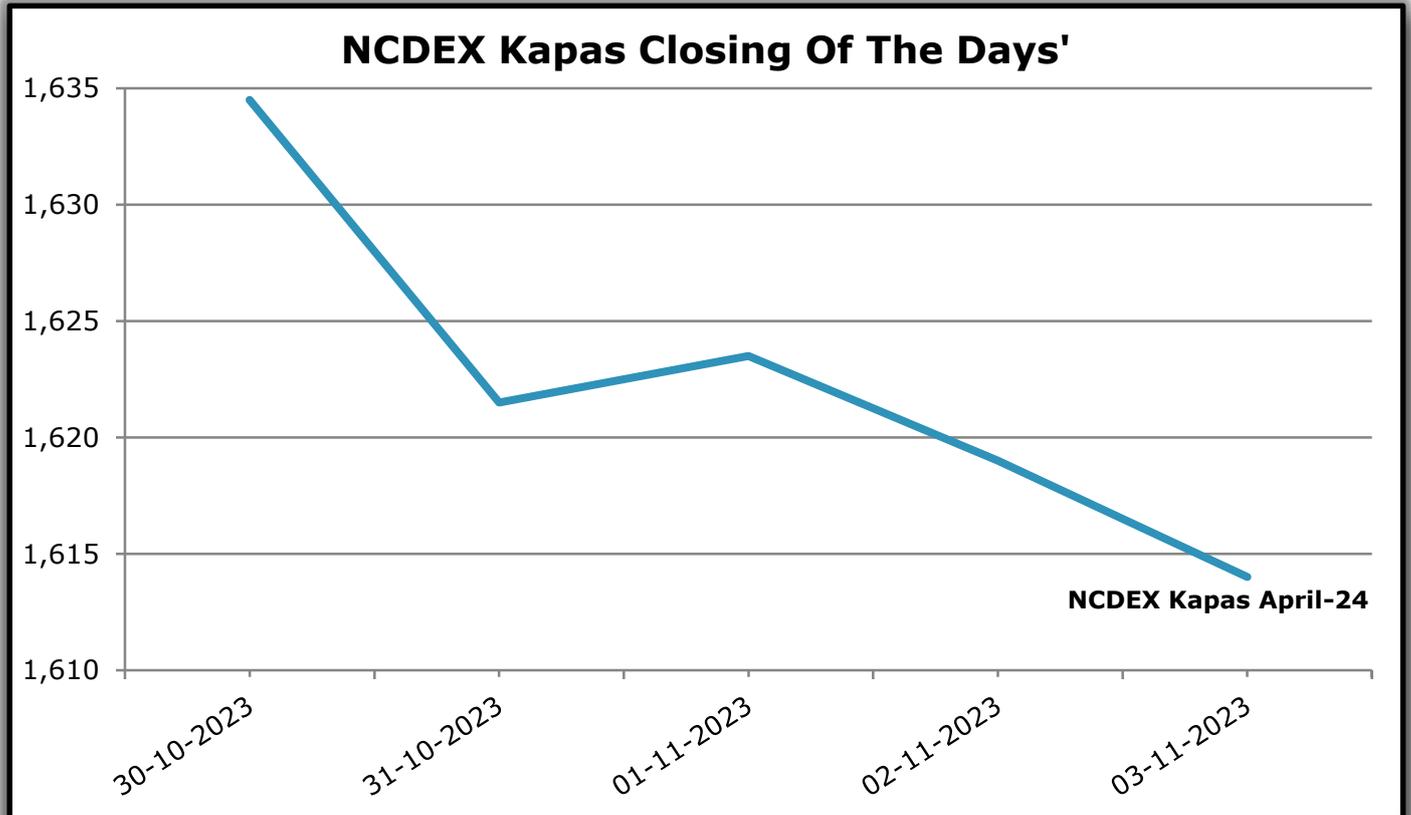


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Indian Indices	
Date	NCDEX Kapas
	April-24
30-10-2023	1,634.50
31-10-2023	1,621.50
01-11-2023	1,623.50
02-11-2023	1,619.00
03-11-2023	1,614.00



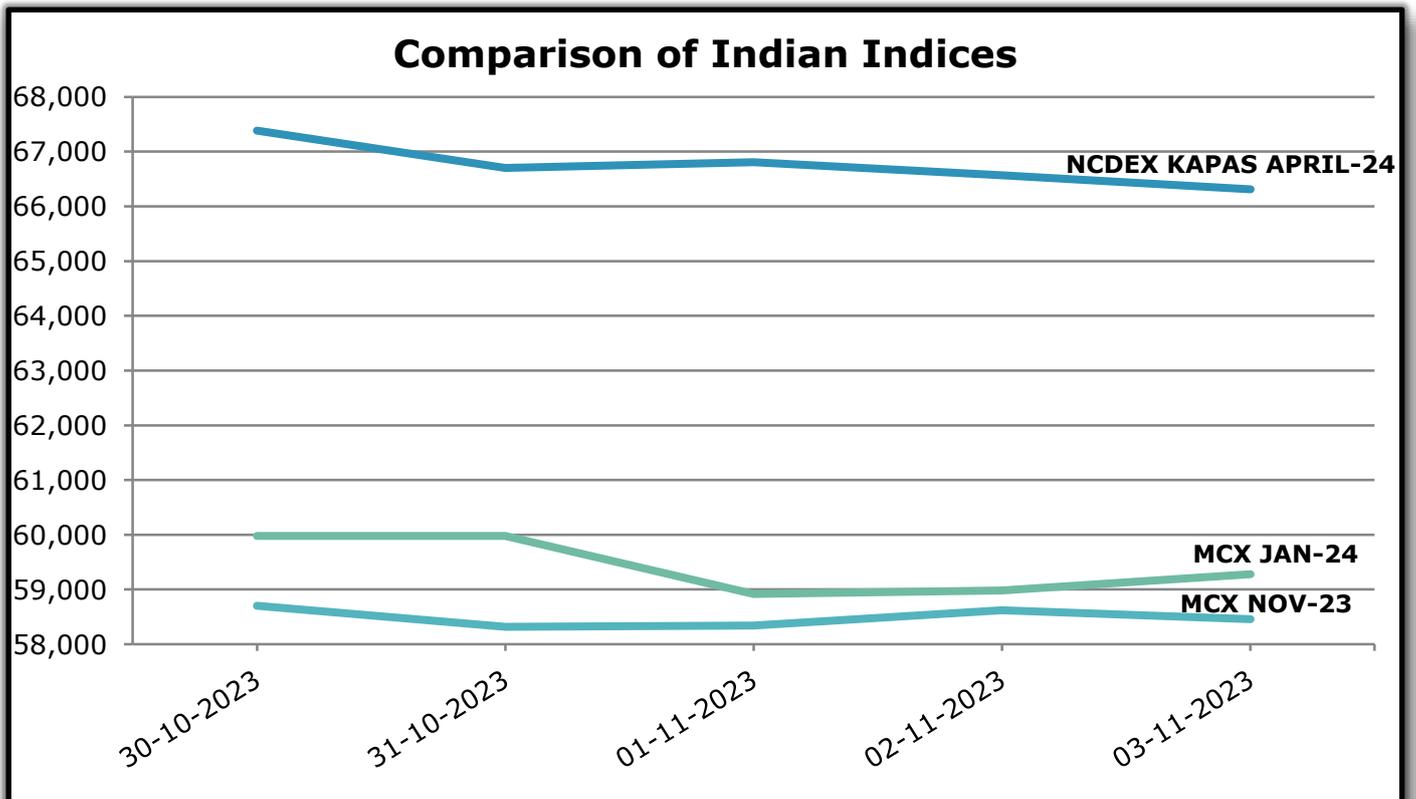


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Nov-23	Jan-24
30-10-2023	67,381	58,700	59,980
31-10-2023	66,701	58,320	59,980
01-11-2023	66,806	58,340	58,920
02-11-2023	66,570	58,620	58,980
03-11-2023	66,309	58,460	59,280

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



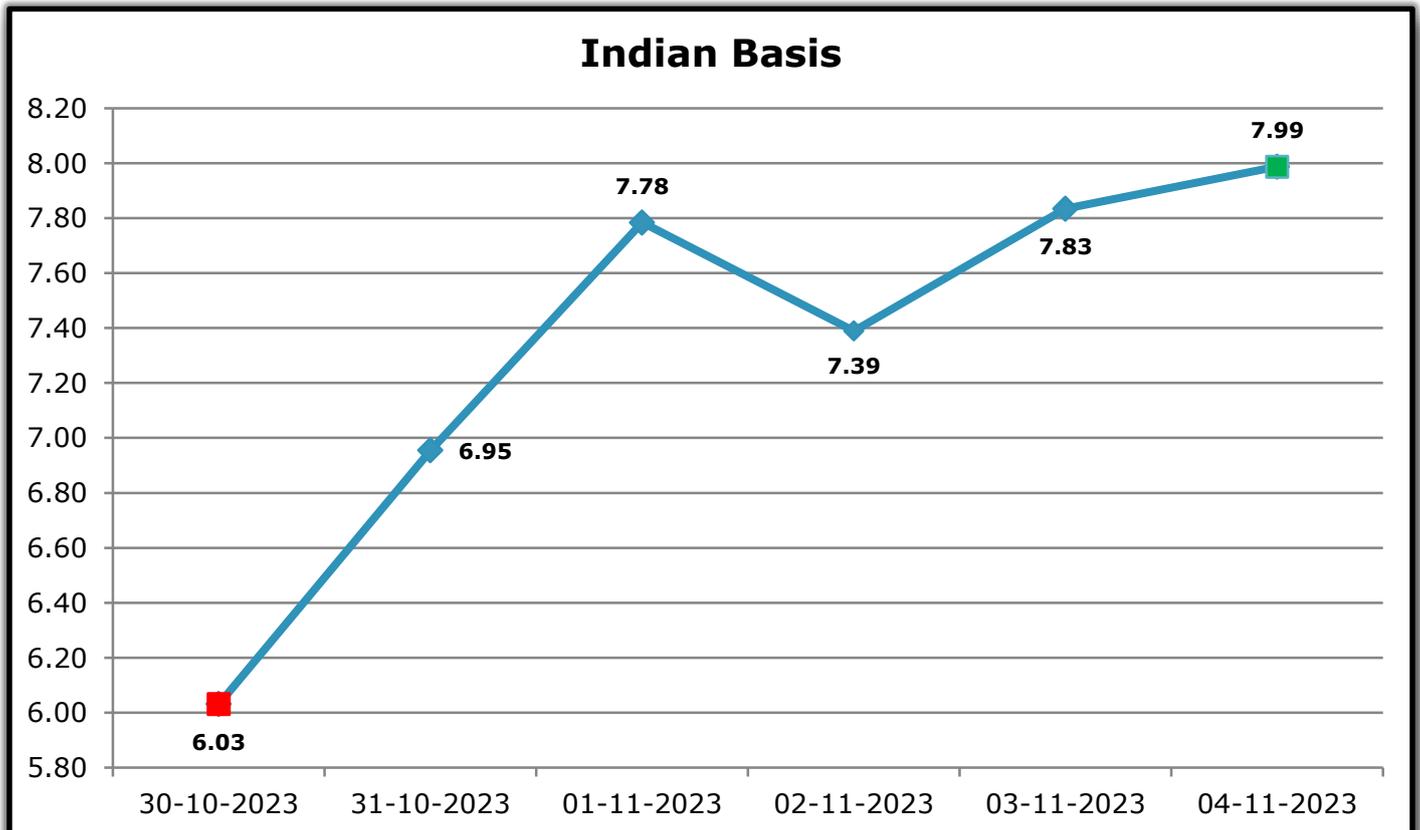


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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
30-10-2023	58,050	83.25	88.94	82.91	6.03
31-10-2023	57,550	83.25	88.17	81.22	6.95
01-11-2023	56,950	83.28	87.22	79.44	7.78
02-11-2023	56,900	83.24	87.19	79.80	7.39
03-11-2023	57,100	83.28	87.45	79.62	7.83
04-11-2023	57,200	83.28	87.61	79.62	7.99





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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 11:00 a.m. Central – Crop Production and WASDE Report
- Thursday at 2:30 p.m. Central – Cotton On-Call

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