



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 06-Apr-2024

Market Movement from 01st Apr 2024 to 06th Apr 2024.

- There was a bloodbath in the NY future, with increasing certified stocks experiencing a speculators liquidation. This long liquidation of spec positions converted continuing downward sentiment.
- NY May cotton futures experienced a notable decline, dropping from 91.38 cents on March 28 to 86.25 cents on April 5, marking a week-on-week loss of 5.13 cents.
- In the latest U. S. Export Sales Report for the week ending 28-March-2024, U.S. cotton export sales for the 2023-2024 season showed net upland sales of 84,900 bales and upland shipments of 3,67,600 bales, along with net Pima sales of 1,400 bales and Pima shipments of 5,200 bales, totaling 86,300 bales. Looking ahead to the 2024-2025 season, there were net upland sales of 22,900 bales and no net Pima sales reported, resulting in a total of 22,900 bales for the week. The export rate is surpassing the weekly required average in order to meet the target set by the USDA.
- In the Indian physical market, rates are not aligning consecutively with the NY futures, yet sentiment is turning bearish.



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- This week, the Gujcot Spot Rate for cotton exhibited a fluctuating trend with minor fluctuations observed throughout the weekdays. Starting at 60,750 on Monday, it rose slightly to 61,000 on Tuesday before experiencing a slight decline to 60,800 on Wednesday. However, the rate dipped further to 60,500 on Thursday and 60,350 on Friday, marking a downward trend. The slight decrease continued as the rate settled at 60,250 on Saturday, reflecting a relatively stable but marginally declining market sentiment over the course of the week.
- With a free fall in NY futures and steady Indian rates, it provides an opportunity for basis players to offload their long positions with a higher basis. Significant trading for forward delivery occurred during this week.
- Indian arrivals are currently limited, and the available cotton quality is also not suitable, resulting in a slowdown in ginning activities. The nationwide arrival was approximately between 50,000 to 60,000 bales, with Gujarat contributing nearly 22,000 bales per day.



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- The Indian basis is currently too high, posing a challenge for Indian mills to compete with their rivals. The basis has consistently remained positive between 0.15 to 6.17.
- In the upcoming week, NY futures could potentially be a game changer, especially with limited sessions remaining before May settlement. Despite high open interest, Indian arrivals are expected to slow down, resulting in Indian rates being less affected by bearish sentiment.
- This week witnessed a subtle fluctuation in the USD-INR Exchange Rate, with marginal changes observed on a daily basis. Beginning at 83.40 on Monday, the rate remained relatively stable, with a minor decrease to 83.38 on Tuesday. However, Wednesday saw a slight increase to 83.43, maintaining this rate through Thursday. Towards the end of the week, the exchange rate experienced a minor drop, settling at 83.29 on Friday. Overall, the week reflected a modest variation in the exchange rate, suggesting a balanced market sentiment amidst prevailing economic conditions.
- Hoping for a better week ahead.



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Global

US Weekly Export Sales

- Net sales of UPLAND totaling 84,900 RB for 2023-2024 were down 14 percent from the previous week, but up 4 percent from the prior 4-week average. Increases primarily for China (35,300 RB, including decreases of 1,500 RB), Turkey (19,400 RB, including decreases of 100 RB), Honduras (11,100 RB, including decreases of 200 RB), Vietnam (7,600 RB, including decreases of 300 RB), and Mexico (5,700 RB, including decreases of 300 RB), were offset by reductions for Bangladesh (4,100 RB), El Salvador (200 RB), Guatemala (100 RB), and Ecuador (100 RB).
- Net UPLAND sales of 22,900 RB for 2024-2025 were reported for Honduras (16,900 RB), Bangladesh (5,800 RB), and Peru (200 RB).
- UPLAND Exports of 3,67,600 RB were up 2 percent from the previous week and 7 percent from the prior 4-week average. The destinations were primarily to China (1,64,600 RB), Pakistan (51,700 RB), Vietnam (44,300 RB), Turkey (41,700 RB), and Bangladesh (12,200 RB).
- Net sales of PIMA totaling 1,400 RB for 2023-2024 were down 89 percent from the previous week and 83 percent from the prior 4-week average. Increases were primarily for India (700 RB), Thailand (300 RB), and Turkey (300 RB).
- PIMA Exports of 5,200 RB were up 14 percent from the previous week and 11 percent from the prior 4-week average. The destinations were to China (3,000 RB), India (1,400 RB), Turkey (600 RB), Portugal (100 RB), and Thailand (100 RB).

US Export Sales	28-Mar-2024
Marketing Year 2023-24	
Upland Gross Sales	99,200
Cancellation	14,300
Net Upland Sales	84,900
PIMA Gross Sales	1,400
Cancellation	0
Net PIMA Sales	1,400
Total Gross Sales	1,00,600
Total Cancellation	14,300
Total Net Sales	86,300
Shipments	
UPLAND	3,67,600
PIMA	5,200
Total Shipment	3,72,800
Marketing Year 2024-25	
Net Upland Sales	22,900
Net PIMA Sales	0
Total Net Sales	22,900
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	30-03-2024	06-04-2024	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	60,550	60,250	-300	-0.50%
V-797	13% Trash		40,600	39,500	-1,100	-2.78%
MCX Spot Rate			60,420	60,580	160	0.26%
USD-INR Exchange			83.40	83.29	-0.11	-0.13%

Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	60,250	61,000	60,608
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		39,500	41,400	40,425
MCX Spot Rate			60,580	60,980	60,767
USD Exchange Rate			83.29	83.43	83.37

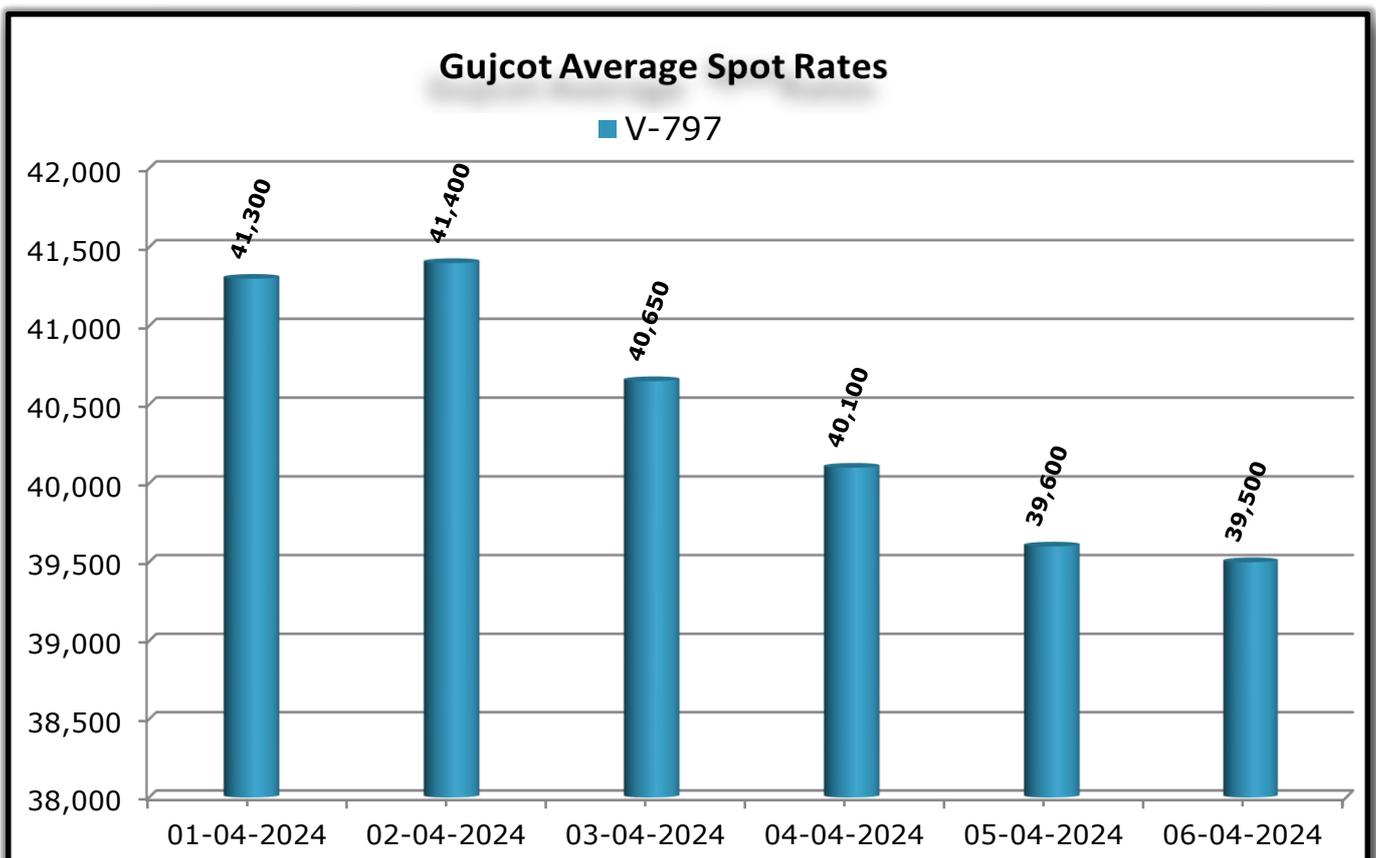
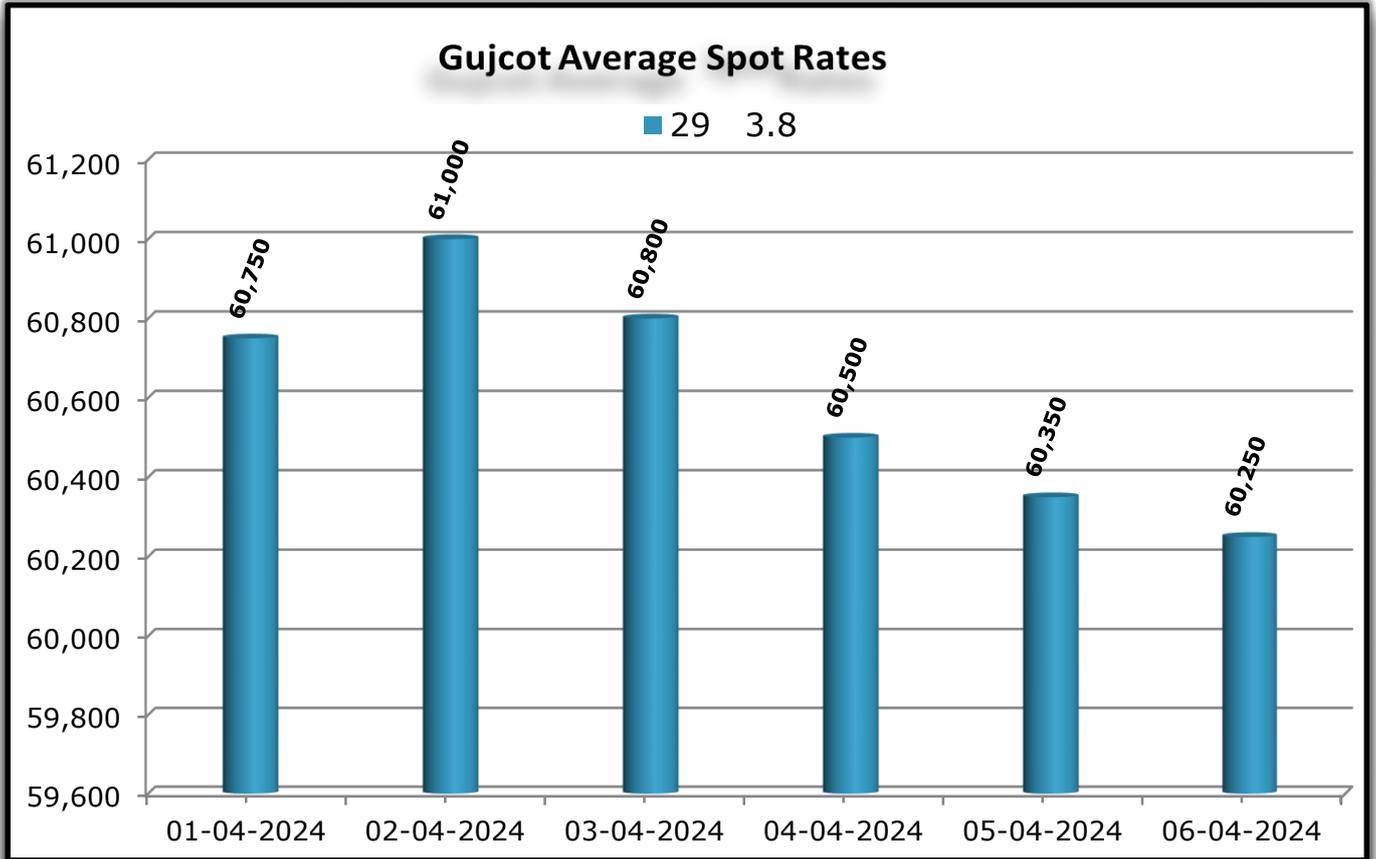
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
01-04-2024	60,750	41,300	60,840	83.40
02-04-2024	61,000	41,400	60,980	83.38
03-04-2024	60,800	40,650	60,960	83.43
04-04-2024	60,500	40,100	60,660	83.43
05-04-2024	60,350	39,600	60,580	83.29
06-04-2024	60,250	39,500	60,580	83.29



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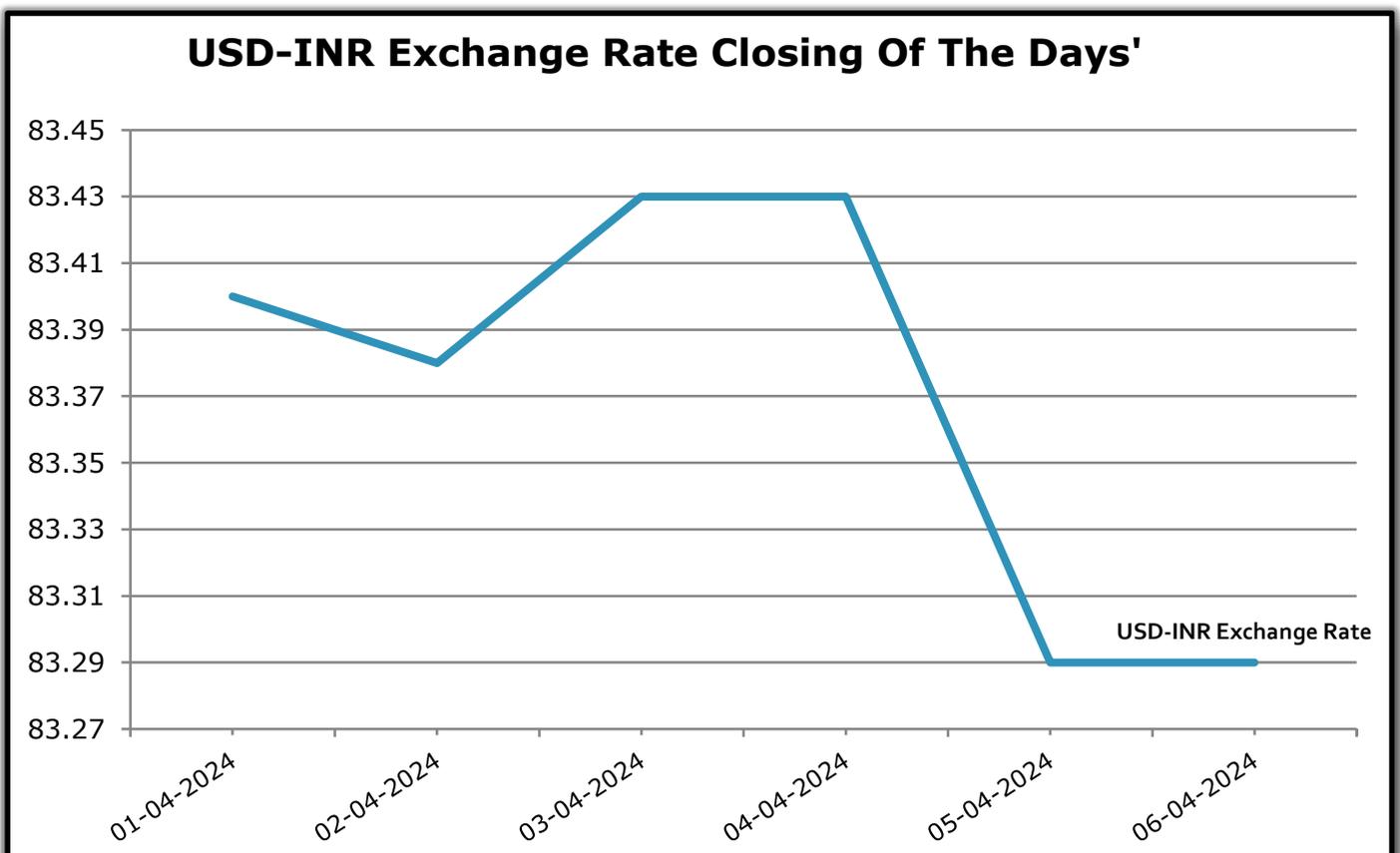
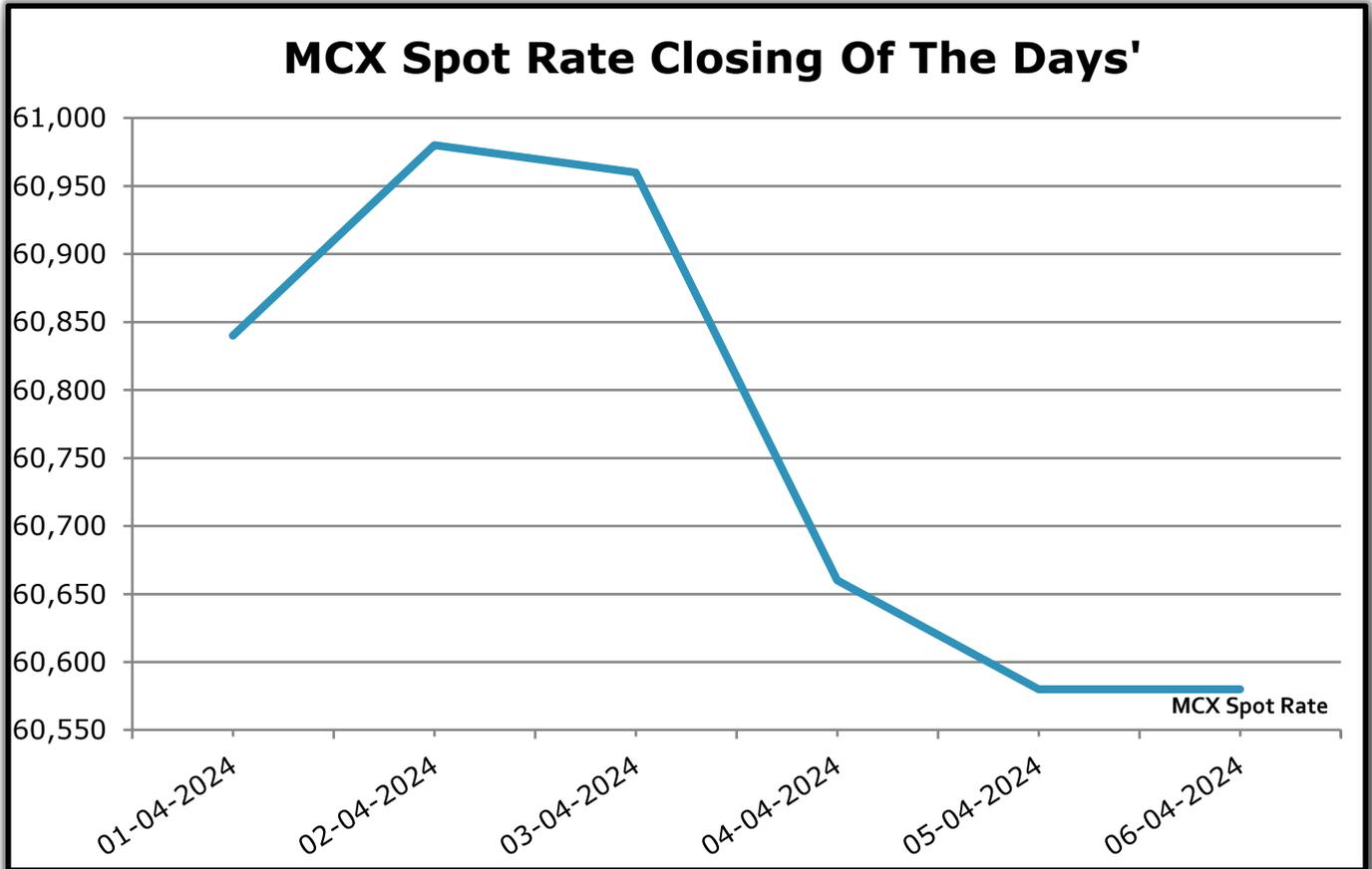
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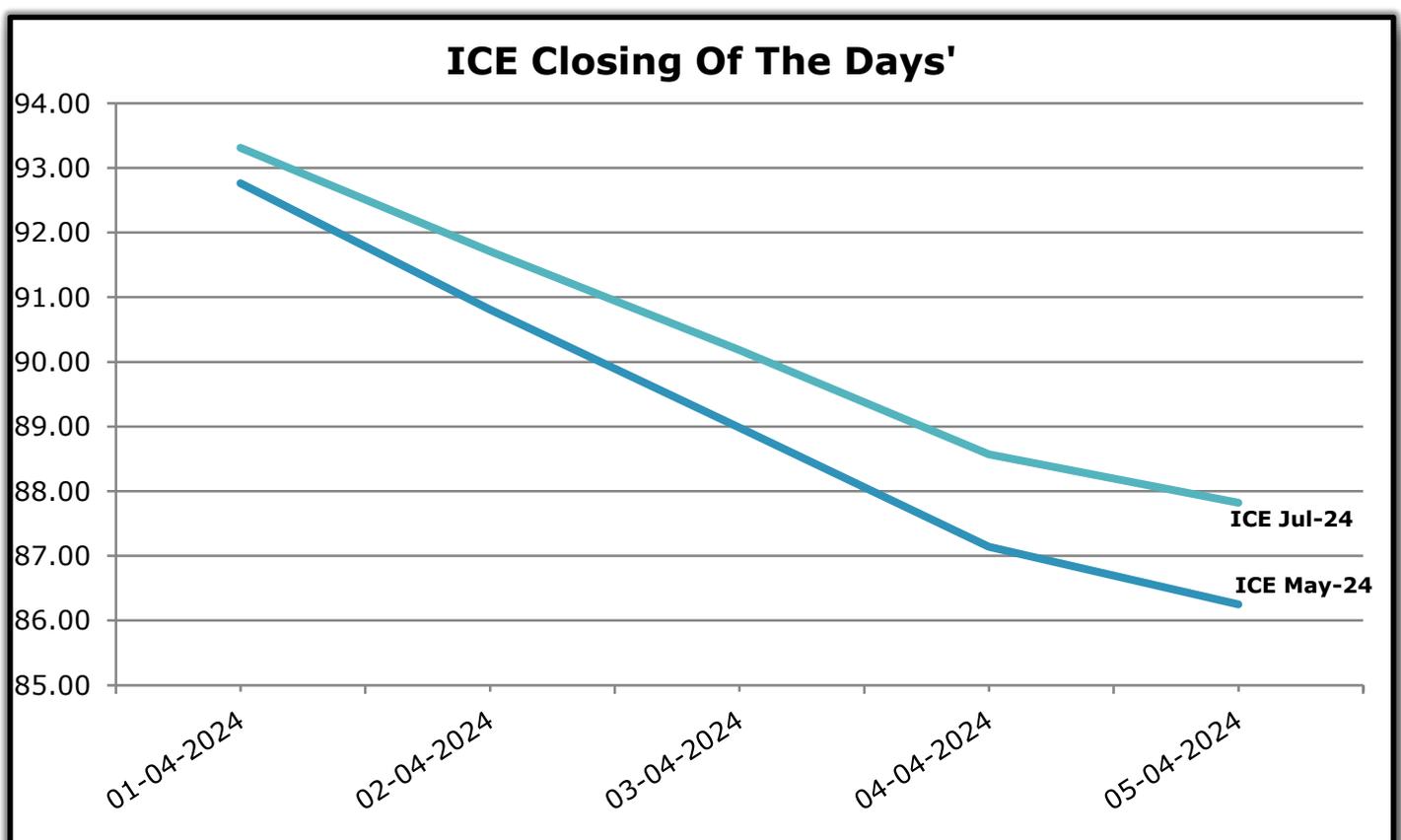
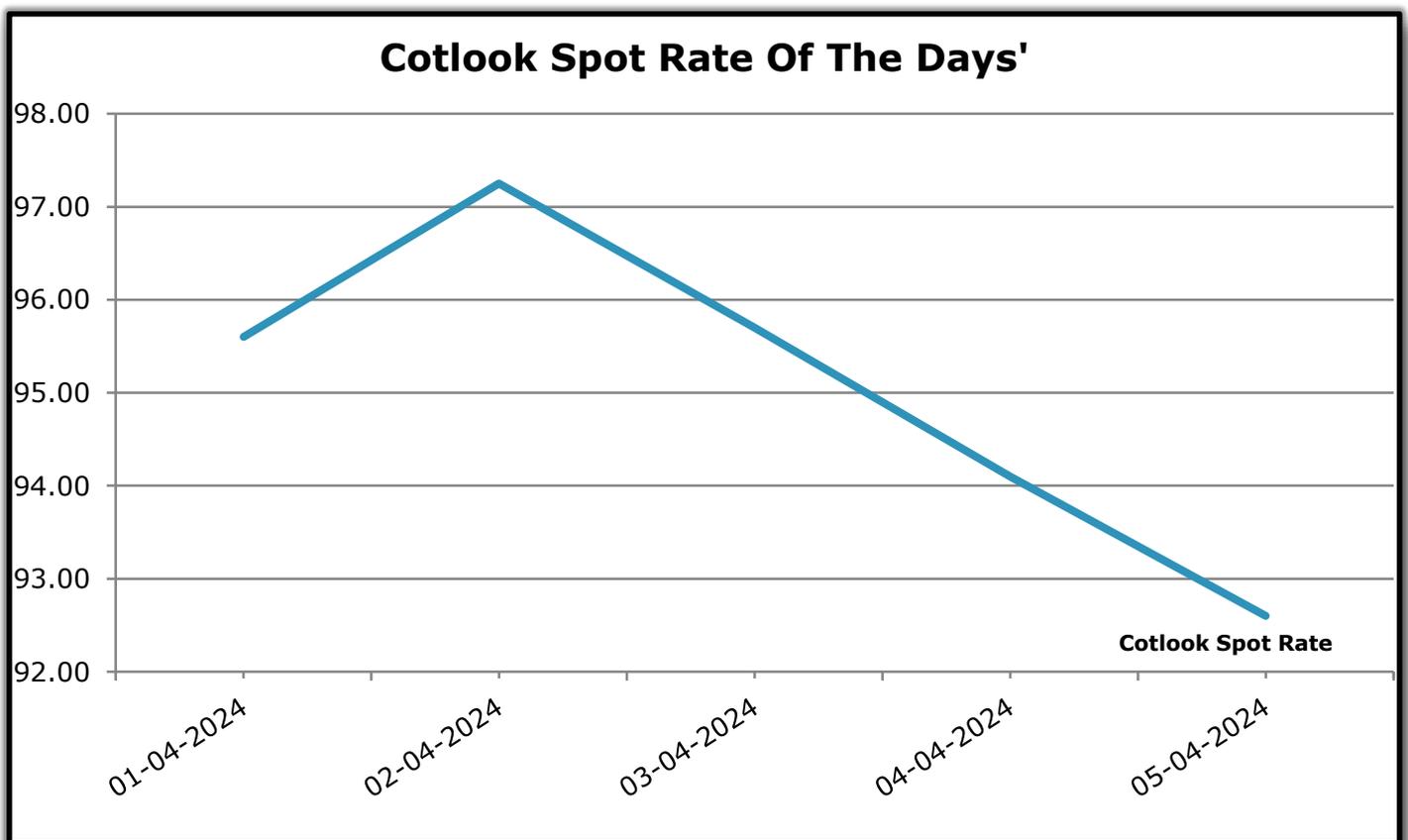


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	May-24	Jul-24
01-04-2024	95.60	92.76	93.31
02-04-2024	97.25	90.81	91.71
03-04-2024	95.70	88.98	90.18
04-04-2024	94.10	87.14	88.57
05-04-2024	92.60	86.25	87.82



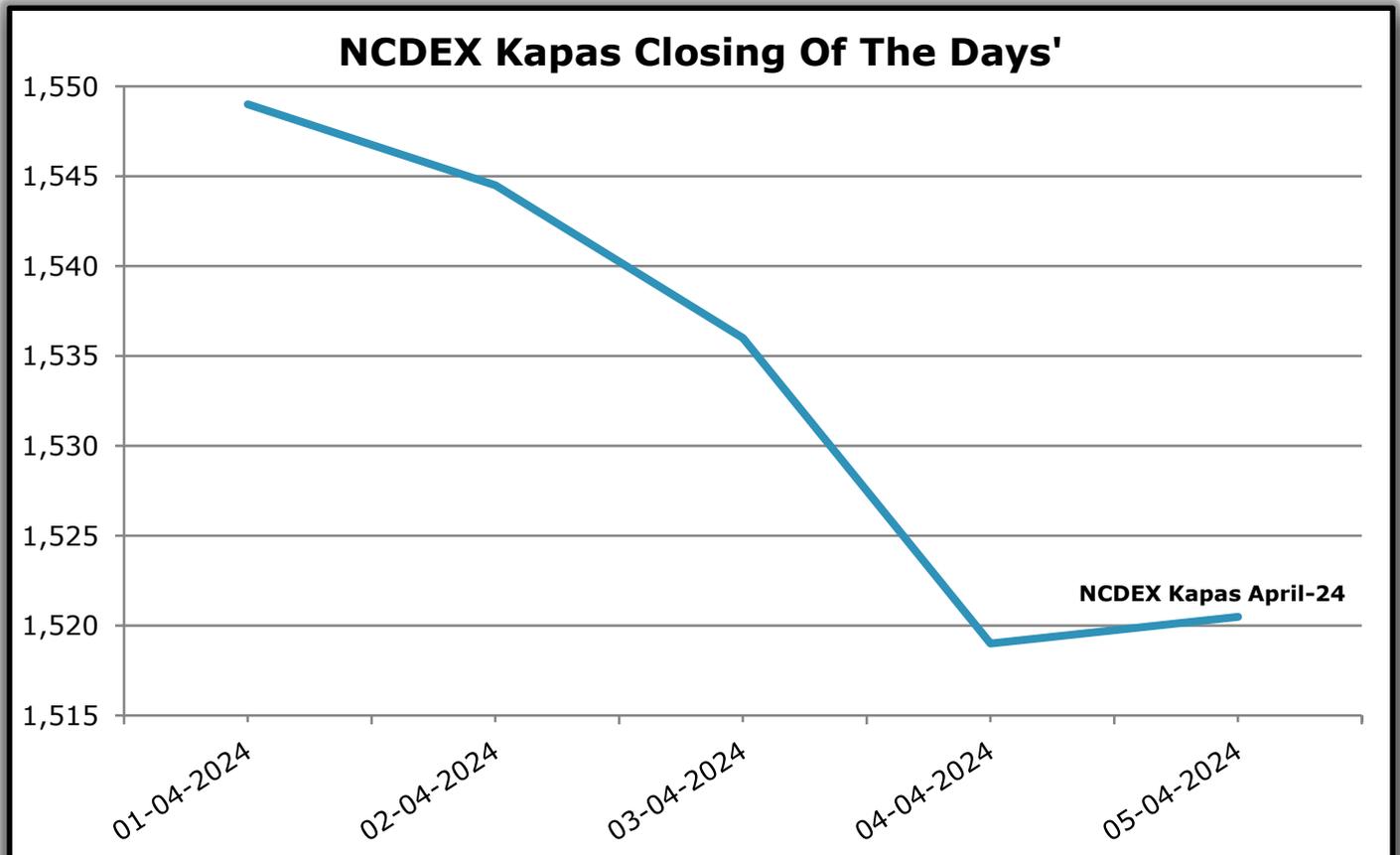


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Indian Indices	
Date	NCDEX Kapas
	April-24
01-04-2024	1,549.00
02-04-2024	1,544.50
03-04-2024	1,536.00
04-04-2024	1,519.00
05-04-2024	1,520.50



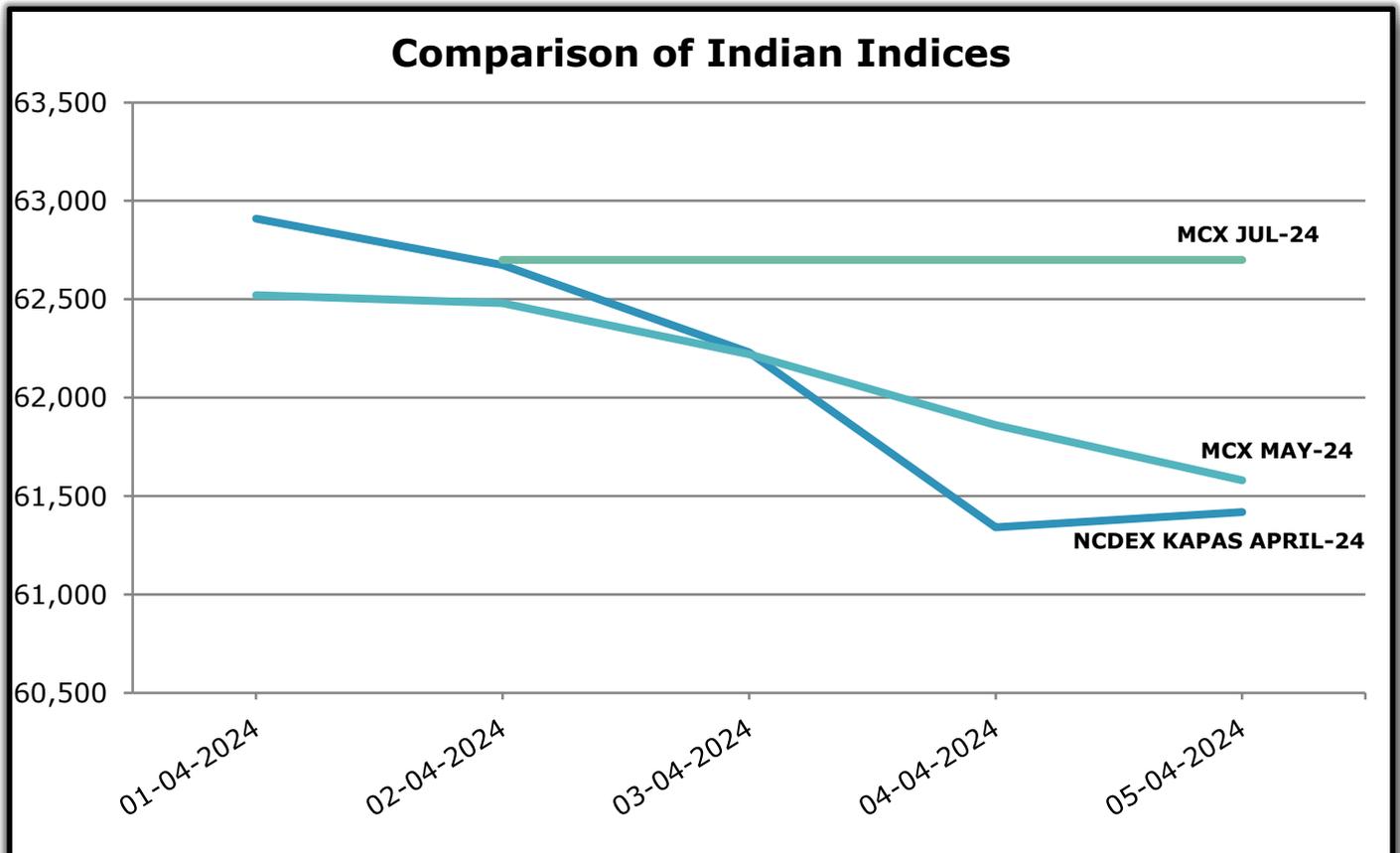


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	May-24	Jul-24
01-04-2024	62,910	62,520	
02-04-2024	62,675	62,480	62,700
03-04-2024	62,230	62,220	62,700
04-04-2024	61,341	61,860	62,700
05-04-2024	61,419	61,580	62,700

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

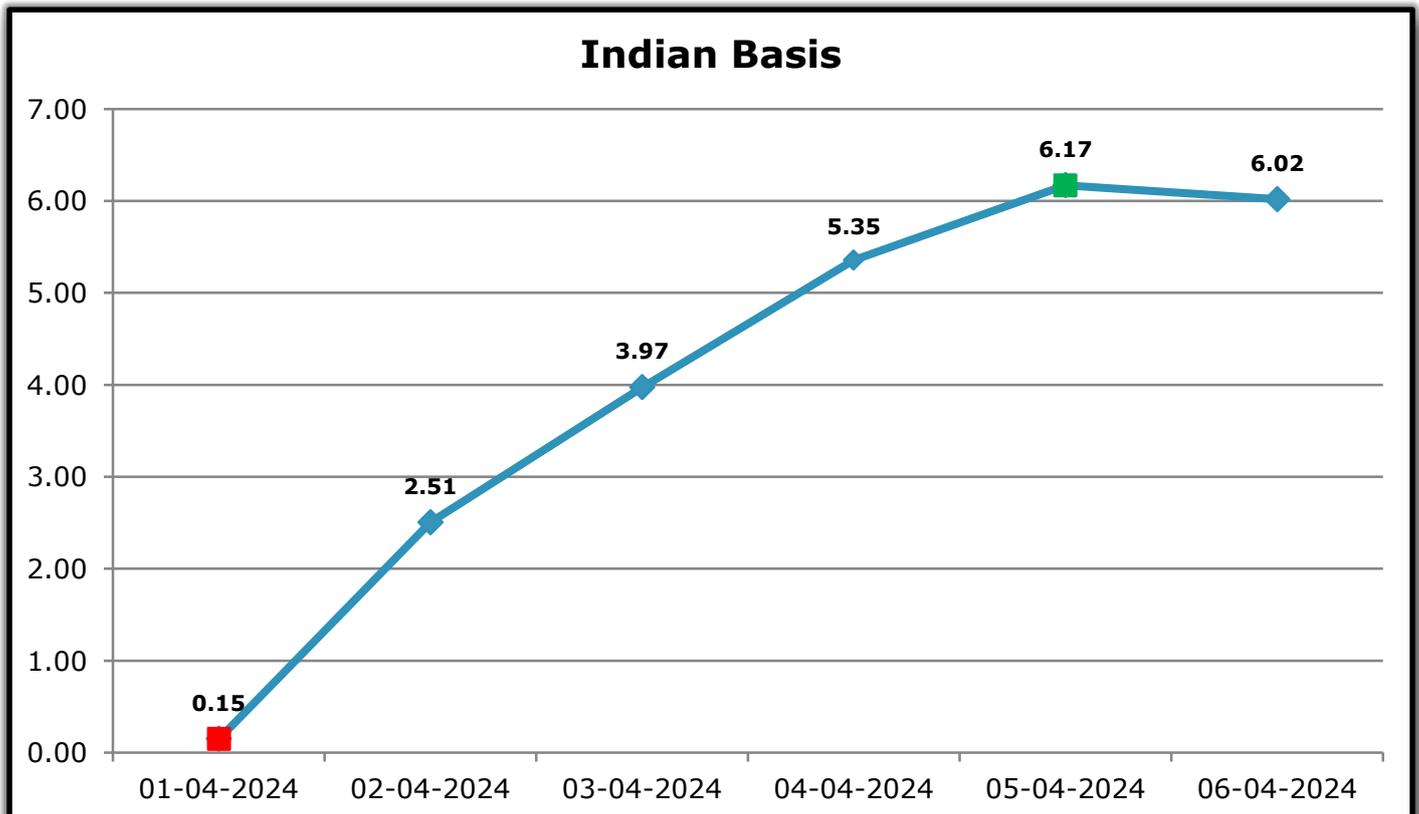




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE MAY	BASIS
01-04-2024	60,750	83.40	92.91	92.76	0.15
02-04-2024	61,000	83.38	93.32	90.81	2.51
03-04-2024	60,800	83.43	92.95	88.98	3.97
04-04-2024	60,500	83.43	92.49	87.14	5.35
05-04-2024	60,350	83.29	92.42	86.25	6.17
06-04-2024	60,250	83.29	92.27	86.25	6.02





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IN THE WEEK AHEAD

- First notice day for the May contract is April 24, less than two weeks away. Aside from potentially heavier flows, the U.S. Export Sales Report will continue to be the central focus.
- The Consumer Price Index (CPI) and Producer Price Index (PPI) will be released next week, giving the Fed insight into inflation before the FOMC meeting at the end of the month.
- Next week, the World Agricultural Supply and Demand Estimates (WASDE) will be released on May 11, and May cotton options expire on May 12.
- The seasonal drought outlook was released this week and showed that drought development is likely in parts of Texas.

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