



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 12-Aug-2023

Market Movement from 07th Aug 2023 to 12th Aug 2023.

- On the last day of the week, a bullish WASDE report propelled the NY December to soar, concluding the week with a substantial gain of 360 points week over the week. The U.S. Department of Agriculture (USDA) notably scaled down the U.S. crop by a significant 2.5 million bales, revising it down to a mere 14 million bales from the previous estimate of 16.5 million bales. Furthermore, global consumption witnessed an uptick of 5 lakh bales. These developments collectively fostered a highly positive sentiment, setting the stage for an upward trajectory in the market.
- In the highlighted period, the cotton market observed significant activity. Net sales for the 2023/2024 marketing year amounted to 277,700 RB, with notable increases in China, Pakistan, and Vietnam, while Bangladesh and El Salvador saw reductions. The upcoming 2024/2025 year saw El Salvador's net sales of 3,000 RB. Meanwhile, 21,83,919 RB of sales carried over from the previous year. Cumulative exports up to July 31 reached 1,20,82,526 RB, with key destinations including China, Bangladesh, and Pakistan. Pima cotton also experienced sales growth, primarily from India



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and China, while exports reached 2,100 RB, contributing to a cumulative total of 305,000 RB. These trends underscore the market's dynamic nature and global trade patterns.

- The Gujcot Spot Rate remained between 59,850 to 59,950 Rs per candy during first three days of the week. The market regained its momentum on Thursday, as the Gujcot Spot Rate rebounded to 60,000, indicating a renewed demand for cotton. The positive trend continued into Friday, with the rate climbing even higher to reach 60,400. These fluctuations throughout the week highlight the intricacies and responsiveness of the cotton market, influenced by a range of factors that shape the pricing dynamics.
- With a gradual influx of supply and robust demand from mills, the daily gains in Gujarat Shankar-6 price have been notable. The price of Shankar-6 surpassed the Rs. 61,000 per candy mark on the final day of the week.
- The current nationwide cotton arrival stands within the range of 30,000 to 35,000 bales, while the state of Gujarat contributes a significant portion with an arrival of approximately 10,000 to 12,000 bales.



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- Farmers are experiencing a dual benefit as both cotton prices and cottonseed rates have seen a significant increase, providing them with a double bonanza.
- The total cotton cultivation area in India has expanded to nearly 121 lakh hectares, while the state of Gujarat is poised to approach an impressive 27 lakh hectares of cotton cultivation.
- While the demand for yarn remains strong, the prevailing rates are lower than the anticipated parity.
- Throughout the week, the USD-INR Exchange Rate exhibited modest fluctuations. It began at 82.74 on Monday and ended the week with a slight uptick at 82.84 on Friday.
- The Indian basis has fluctuated within the range of 5.11 to 7.13 cents.
- The monsoon has temporarily receded in all cotton-growing states, but there is still optimism for a second productive phase of rainfall.



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 07-August-2023			
Kutch	713	Saurashtra	19,107
Kutch	713	Surendranagar	3,925
		Rajkot	2,448
North Gujarat	2,336	Jamnagar	1,781
Banarsakantha	337	Porbandar	114
Patan	469	Junagadh	542
Mehsana	373	Amreli	3,647
Sabarkantha	590	Bhavnagar	2,598
Gandhinagar	222	Morbi	2,193
Aravali	345	Botad	1,596
		Gir Somnath	169
Middle Gujarat	2,935	Devbhumi Dwarka	93
Ahmedabad	513		
Anand	15	South Gujarat	1,670
Kheda	178	Surat	43
Panchmahal	123	Narmada	546
Dahod	10	Bharuch	964
Vadodara	886	Dang	0
Mahisagar	95	Navsari	0
Chota Udaipur	1,116	Valsad	0
		Tapi	118
TOTAL			26,761
TOTAL (Last Year)			25,284
SUMMARY			
Zone	2023-24	2022-23	Change
Kutch	713	661	52
North Gujarat	2,336	2,136	200
Middle Gujarat	2,935	2,759	176
Saurashtra	19,107	18,130	977
South Gujarat	1,670	1,597	73
TOTAL	26,761	25,284	1,477
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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USDA-WASDE

Aug-2023

In this month's 2023/24 U.S. cotton projections, beginning stocks are larger, and a 2.5- million-bale decrease in production results in lower exports, domestic use, and ending stocks. Beginning stocks are larger as this month's 2022/23 ending stocks are increased 450,000 bales reflecting slightly lower exports and July 29 warehouse inventory levels in the AMS Bales Made Available for Shipment report. NASS's first survey-based estimate of production for 2023/24 is 14.0 million bales, down 2.5 million, with the crop reduced by higher projected abandonment and reduced yield in the Southwest. Exports are projected 1.3-million bales lower than in July due to reduced U.S. supply and increased competition from Brazil and Australia. Ending stocks are 700,000 bales lower, at 3.1 million bales. The U.S. season-average price for upland cotton is forecast 3 cents higher this month at 79 cents per pound.

Global 2023/24 production is forecast 2.7 million bales lower this month, and consumption is 500,000 bales higher, resulting in a decrease in projected ending stocks of 2.9 million bales. In addition to the U.S. crop change, world production is reduced an additional 200,000 bales as extreme heat in Uzbekistan reduced yield prospects. World trade is 400,000 bales higher this month, with increases in imports by China and Turkey. Projected exports are also higher this month as increases for Brazil and Australia offset declines for the United States and Benin. Consumption in 2023/24 is projected higher than a month ago in China and Turkey, and lower in Indonesia.



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Global

US Export Sales MY 2022-23 Final

US EXPORT SALES SUMMARY			
01-Aug-2022 To 31-Jul-2023			
2022-2023	PIMA	UPLAND	TOTAL
COMMITMENTS	3,36,437	1,39,30,008	1,42,66,445
SHIPMENTS	3,05,041	1,17,77,485	1,20,82,526
C/F SALES	31,396	21,52,523	21,83,919
All Fugures In Running Bales			

Carried Forward US Export Sales As on 01-Aug-2023 in RB			
Country	Pima	Upland	Total
CHINA, PEOPLES REPUBLIC OF	1,390	7,67,149	7,68,539
PAKISTAN	176	4,23,835	4,24,011
BANGLADESH		2,97,345	2,97,345
MEXICO		2,48,646	2,48,646
VIETNAM	6,600	87,430	94,030
TURKEY	980	87,163	88,143
GUATEMALA	264	36,636	36,900
EL SALVADOR		32,348	32,348
INDIA	17,386	10,155	27,541
INDONESIA		26,681	26,681
JAPAN	348	18,349	18,697
HONDURAS		18,354	18,354
THAILAND	435	17,457	17,892
PHILIPPINES		13,715	13,715
TAIWAN		9,194	9,194
PERU	174	8,874	9,048
KOREA, REPUBLIC OF		8,132	8,132
ECUADOR		7,851	7,851
COLOMBIA	87	5,866	5,953
COSTA RICA		5,567	5,567
EGYPT	2,024	3,401	5,425
NICARAGUA		5,280	5,280
PORTUGAL		4,325	4,325
MALAYSIA	87	3,749	3,836
SWITZERLAND		3,314	3,314
ITALY	1,357	497	1,854
MACAU		1,210	1,210
BRAZIL	88		88
GRAND TOTAL	31,396	21,52,523	21,83,919



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US Weekly Export Sales for MY 2023-24

- Net sales for 2023/2024, which began August 1, totaled 277,700 RB. Increases primarily for China (154,100 RB, including decreases of 1,200 RB), Pakistan (132,800 RB, including decreases of 300 RB), Vietnam (13,900 RB, including 1,300 RB switched from South Korea and decreases of 100 RB), Honduras (11,900 RB, including decreases of 100 RB), and Turkey (5,200 RB, including decreases of 8,800 RB), were offset by reductions primarily for Bangladesh (50,200 RB) and El Salvador (3,100 RB). For 2024/2025, total net sales of 3,000 RB were for El Salvador. A total of 2,152,500 RB in sales were carried over from the 2023/2024 marketing year, which ended July 31. Exports for the period ending July 31 of 195,800 RB brought accumulated exports to 11,777,500 RB, down 11 percent from the prior years' total of 13,179,100 RB. The destinations were primarily to China (136,900 RB), Bangladesh (21,300 RB), Pakistan (10,000 RB), Turkey (9,700 RB), and Vietnam (7,400 RB). Exports for August 1-3 totaled 129,000 RB, with China (67,800 RB), Bangladesh (14,700 RB), Pakistan (6,300 RB), Turkey (6,100 RB), and El Salvador (5,200 RB) being the primary destinations. Net sales of Pima for 2023/2024 totaled 900 RB. Increases were primarily for India (300 RB) and China (300 RB). A total of 31,400 RB in sales were carried over from the 2022/2023 marketing year, which ended July 31. Exports for the period ending July 31 of 2,100 RB brought accumulated exports to 305,000 RB, down 32 percent from the prior years' total of 448,300 RB. The destinations were India (1,700 RB) and Pakistan (140 RB). Exports for August 1-3 totaled 1,000 RB, with India (900 RB) and Japan (100 RB) being the primary destinations.



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	05-08-2023	12-08-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	59,300	60,850	1,550	2.55%
V-797	13% Trash		46,750	47,650	900	1.89%
MCX Spot Rate			58,980	60,420	1,440	2.38%
USD-INR Exchange			82.84	82.84	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	59,850	60,850	60,158
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		47,000	47,650	47,250
MCX Spot Rate			59,940	60,420	60,140
USD Exchange Rate			82.71	82.84	82.79

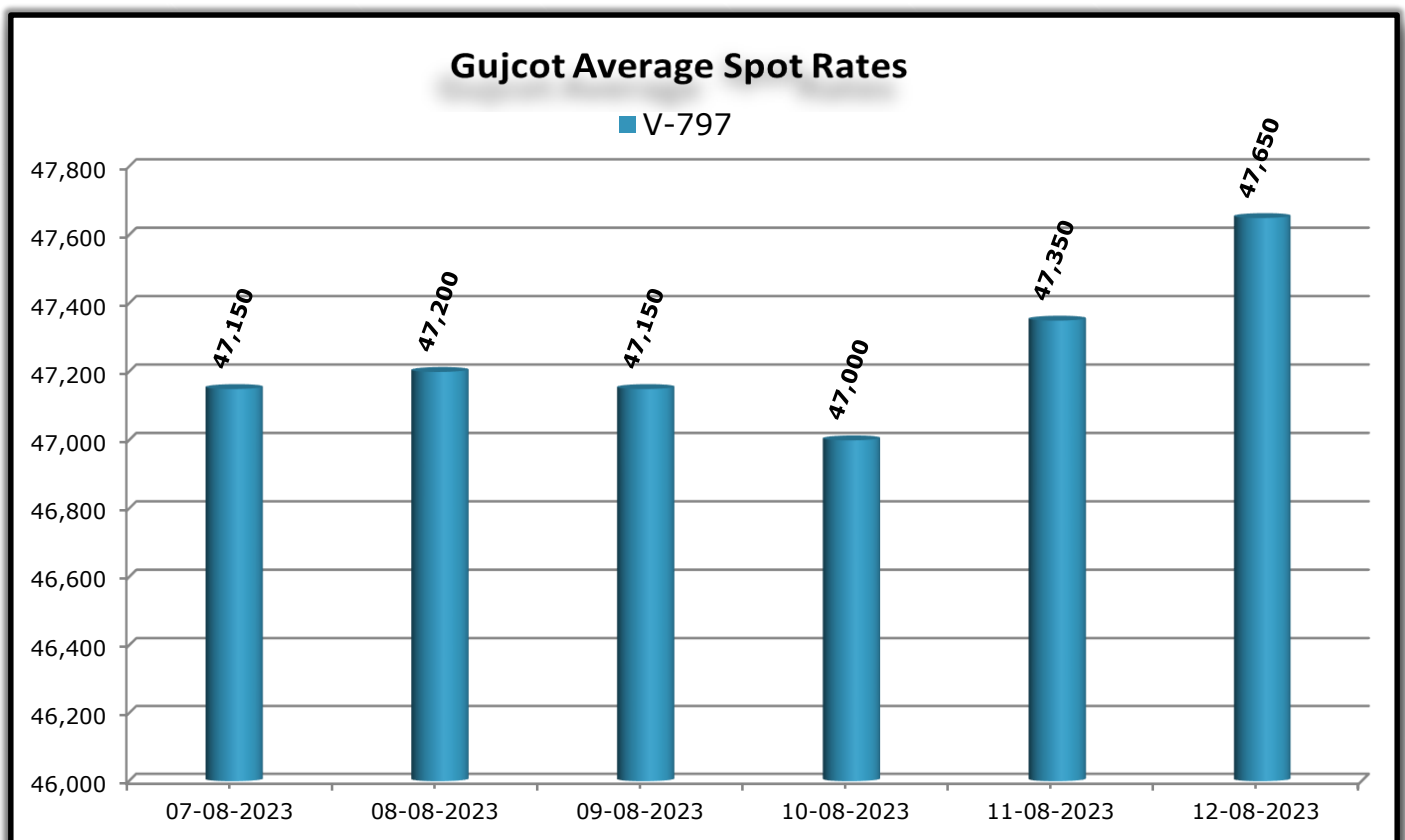
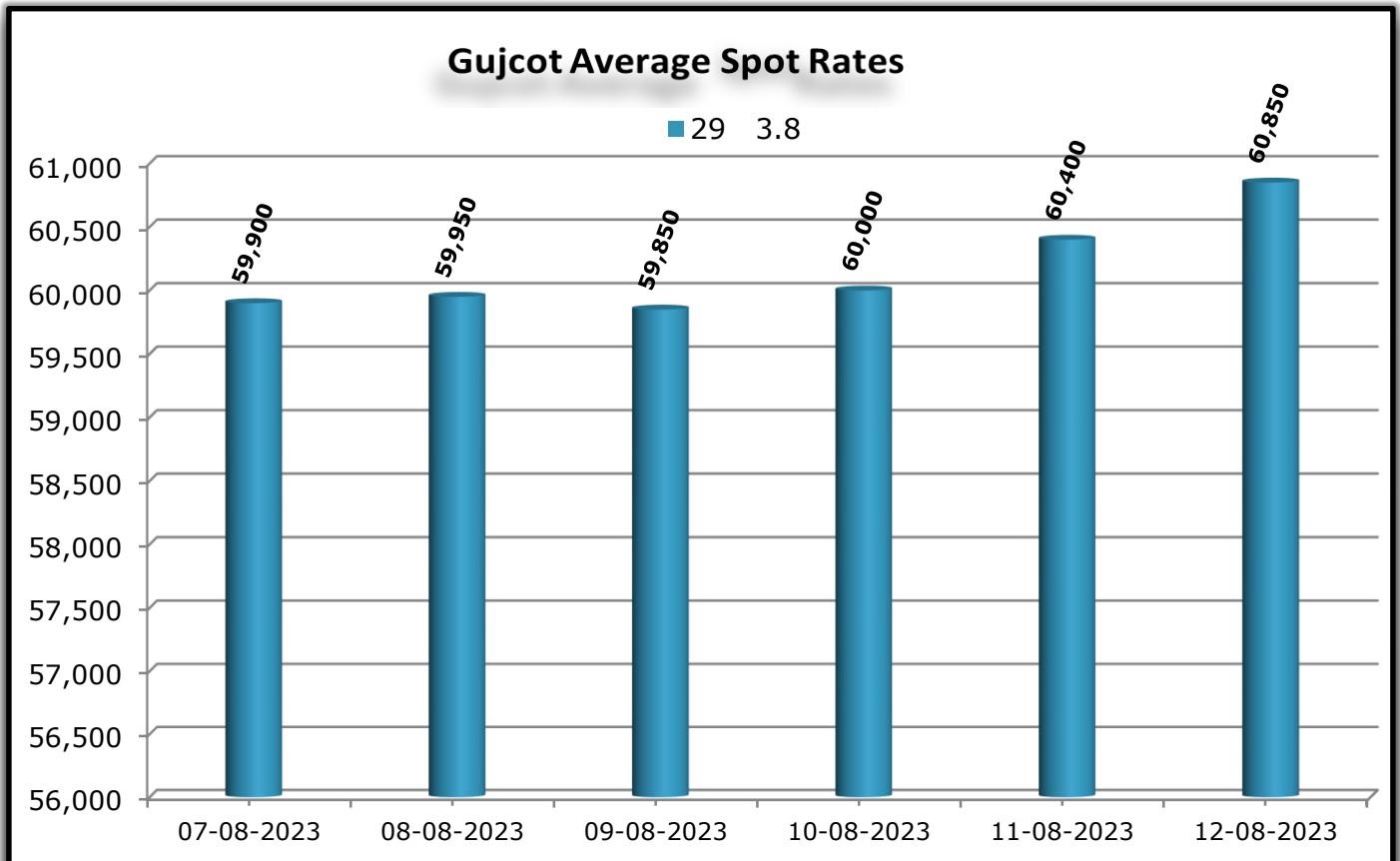
Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
07-08-2023	59,900	47,150	59,940	82.74
08-08-2023	59,950	47,200	60,040	82.82
09-08-2023	59,850	47,150	59,980	82.81
10-08-2023	60,000	47,000	60,040	82.71
11-08-2023	60,400	47,350	60,420	82.84
12-08-2023	60,850	47,650	60,420	82.84



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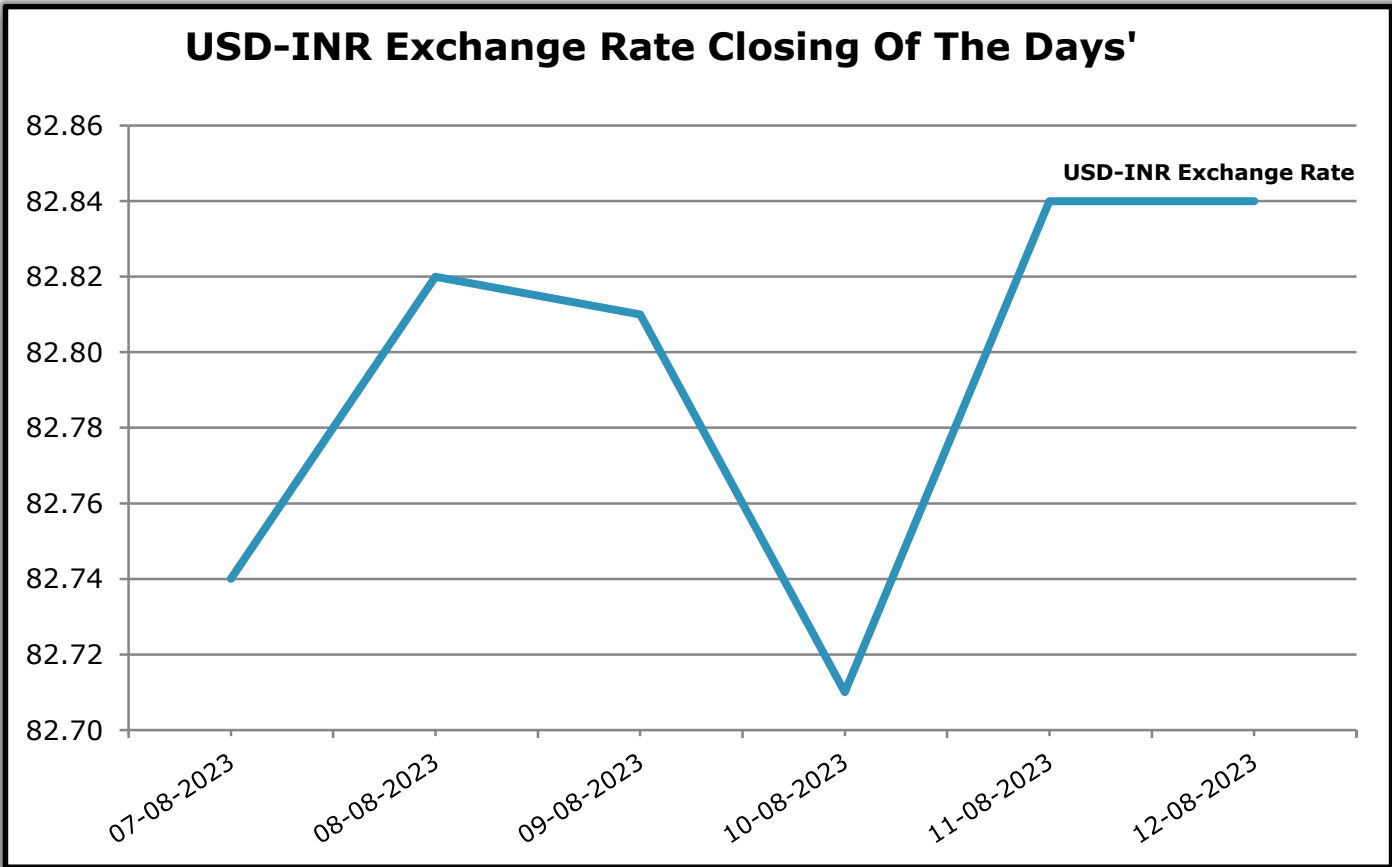
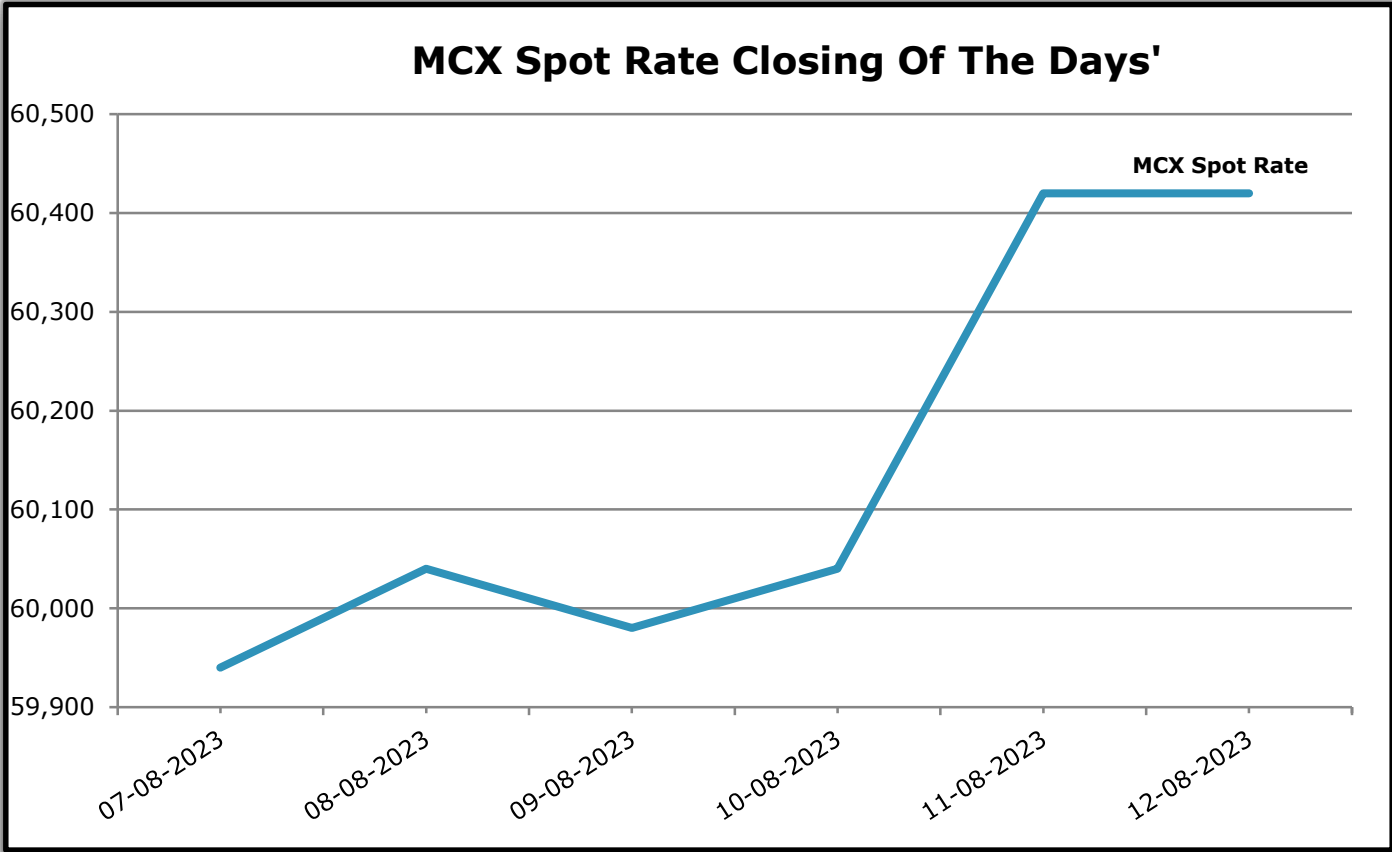
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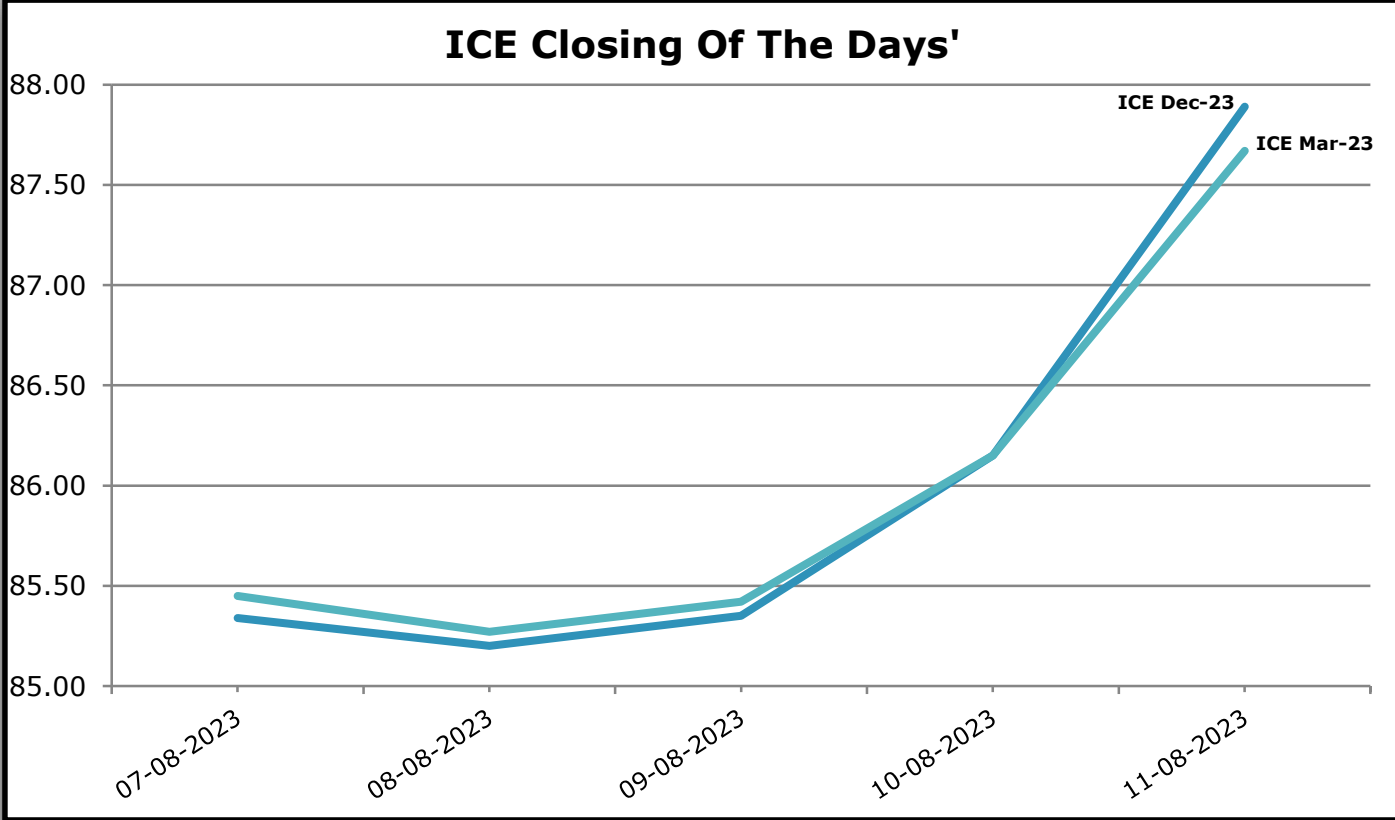
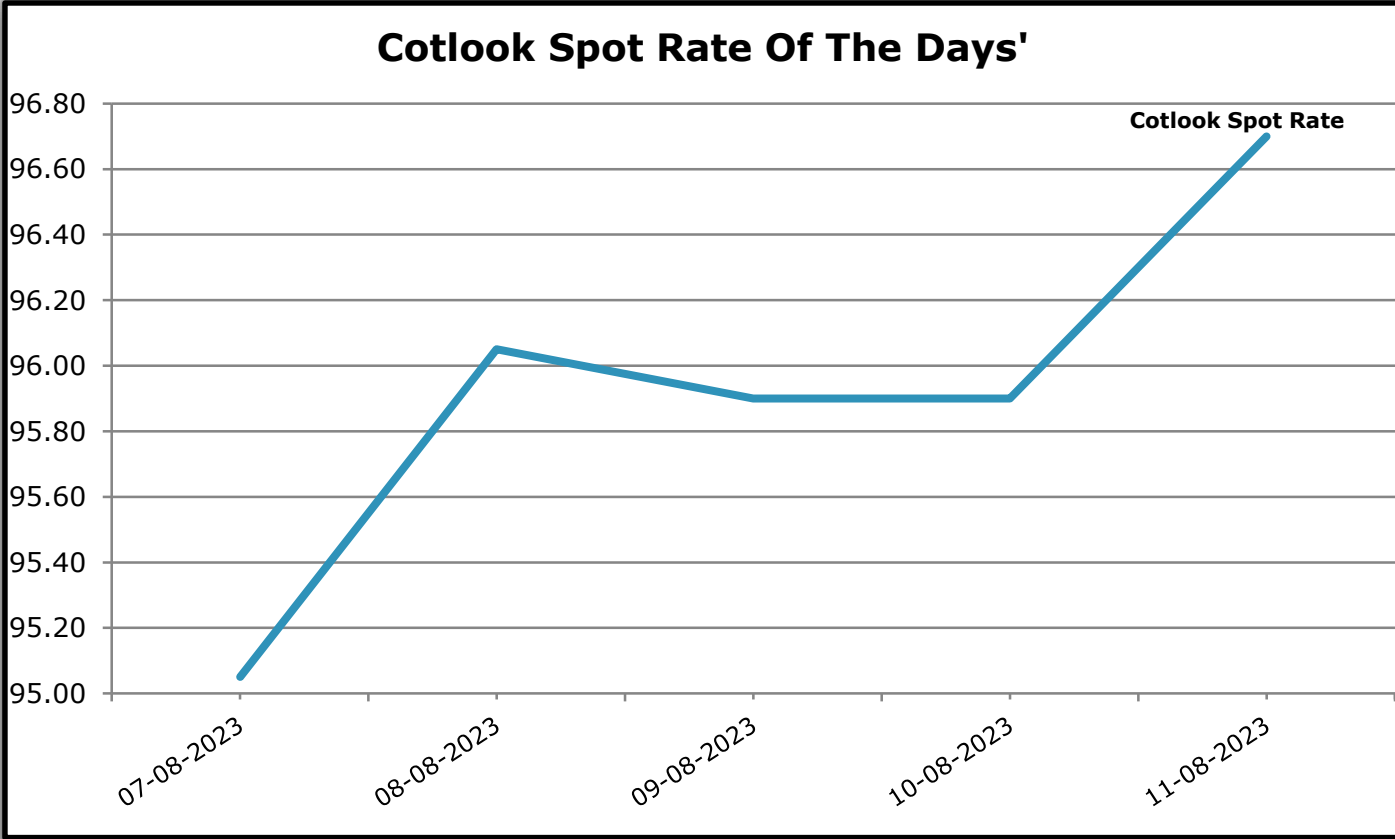


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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-23	Mar-24
07-08-2023	95.05	85.34	85.45
08-08-2023	96.05	85.20	85.27
09-08-2023	95.90	85.35	85.42
10-08-2023	95.90	86.15	86.15
11-08-2023	96.70	87.89	87.67



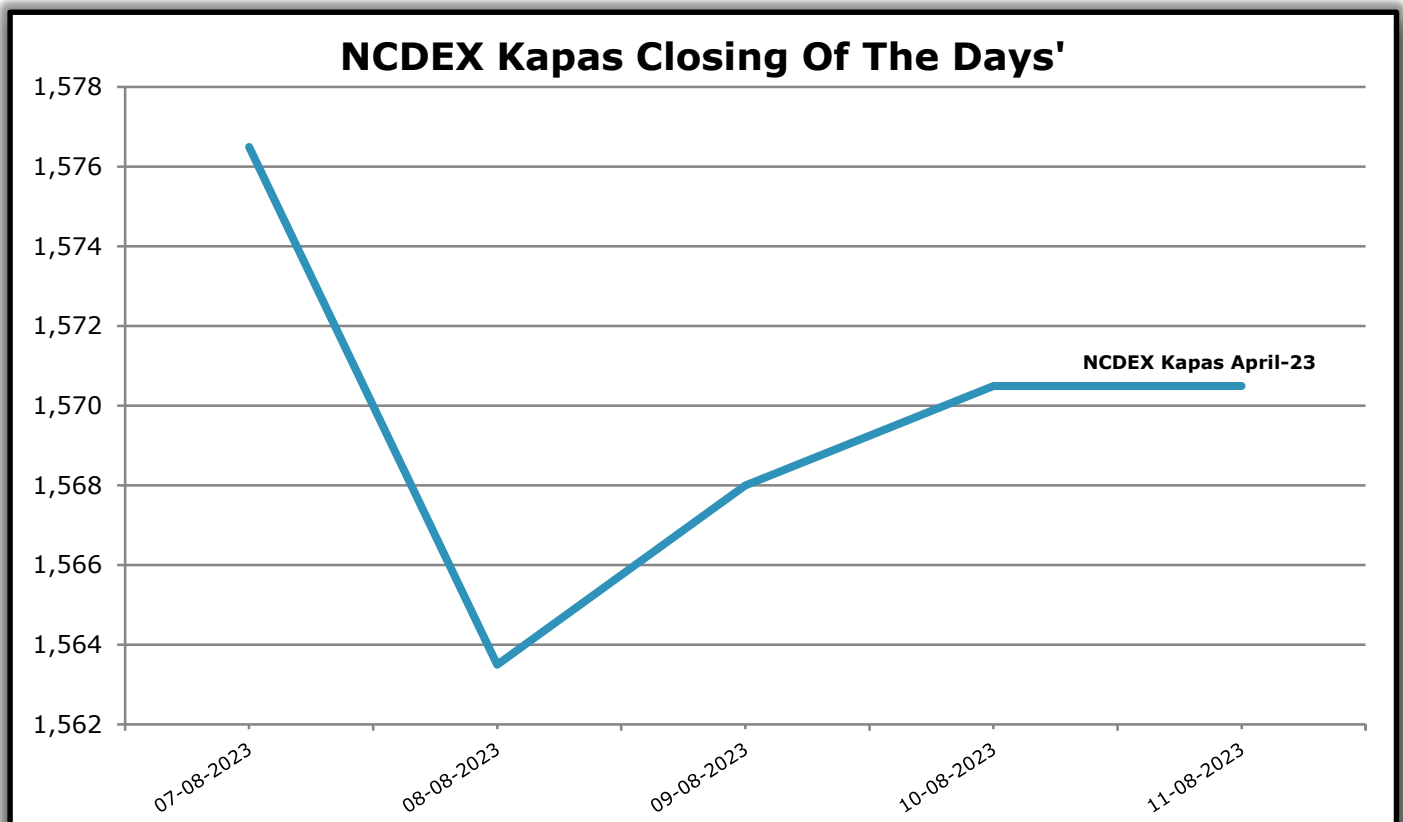


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Indian Indices	
Date	NCDEX Kapas
	April-24
07-08-2023	1,576.50
08-08-2023	1,563.50
09-08-2023	1,568.00
10-08-2023	1,570.50
11-08-2023	1,570.50

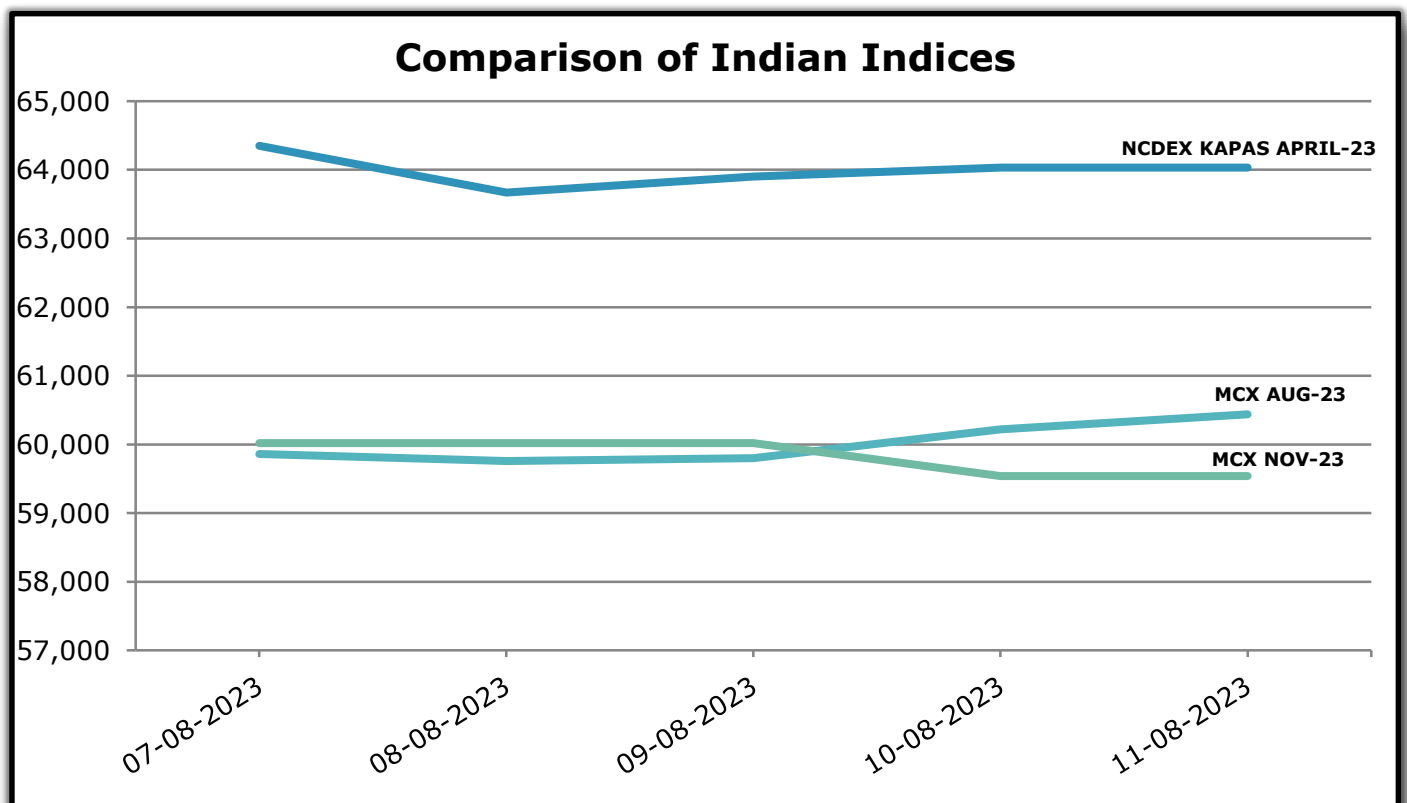




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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Aug-23	Nov-23
07-08-2023	64,348	59,860	60,020
08-08-2023	63,668	59,760	60,020
09-08-2023	63,903	59,800	60,020
10-08-2023	64,034	60,220	59,540
11-08-2023	64,034	60,440	59,540
Remark :- For NCDEX Kapas we have taken seed rate 600/20 Kg to convert in Candy.			

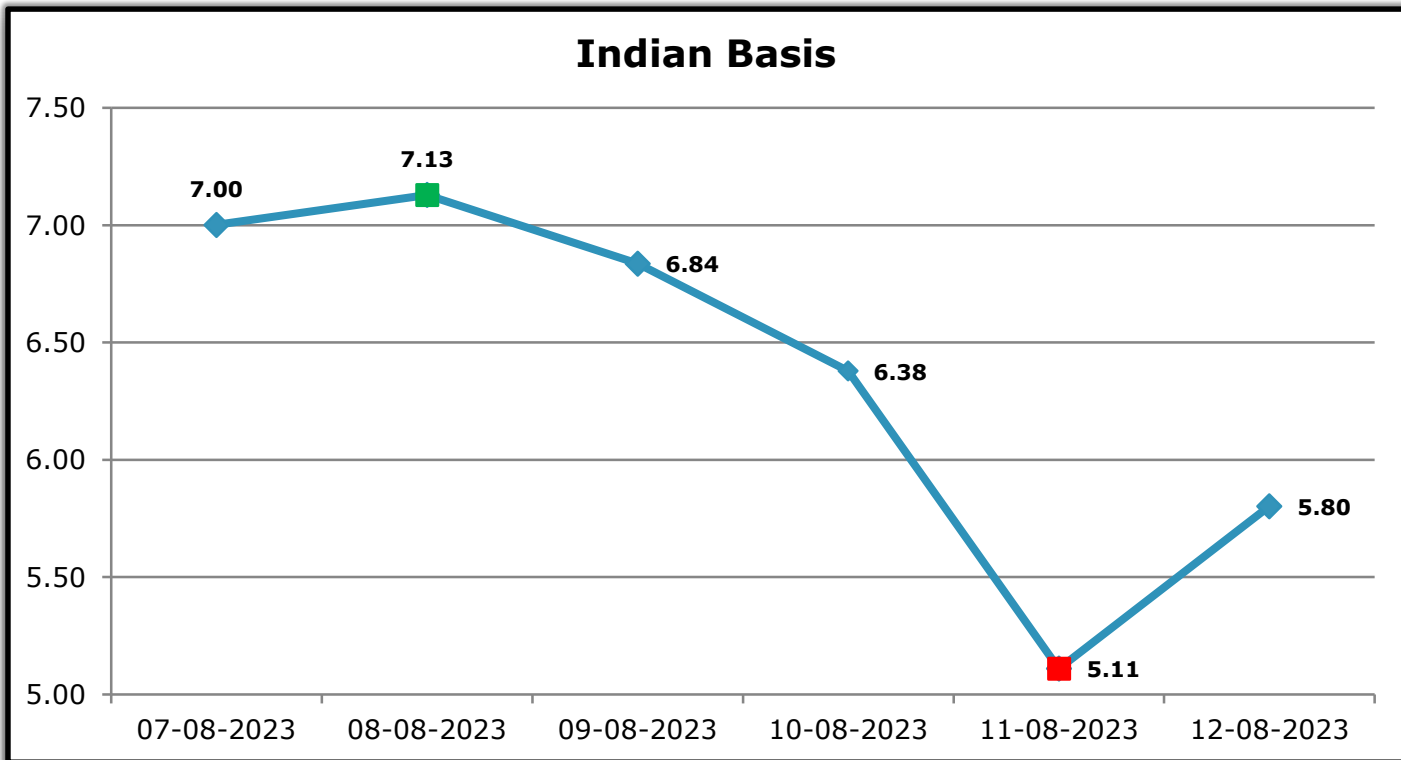




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
07-07-2023	59,900	82.74	92.34	85.34	7.00
08-07-2023	59,950	82.82	92.33	85.20	7.13
09-07-2023	59,850	82.81	92.19	85.35	6.84
10-07-2023	60,000	82.71	92.53	86.15	6.38
11-07-2023	60,400	82.84	93.00	87.89	5.11
12-07-2023	60,850	82.84	93.69	87.89	5.80





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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

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