



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 15-Jul-2023

Market Movement from 10th Jul 2023 to 15th Jul 2023.

- The market experienced significant volatility leading up to the release of the World Agricultural Supply and Demand Estimates (WASDE) report. However, despite the tumultuous conditions, the market eventually settled with week-on-week prices remaining relatively unchanged.
- NY Dec showed a slight increase, starting at 81.17 cents on 07-Jul, rising to 81.22 cents on 14-Jul, resulting in a week-over-week gain of 0.05 cents.
- World Agricultural Supply and Demand Estimates (WASDE) report had a neutral to bearish impact on the market. This was primarily due to the projected slowdown in world trade, which influenced market sentiment and contributed to a cautious outlook.
- The U.S. Export Sales report for the 2022-2023 cotton season revealed encouraging figures, as net Upland sales amounted to 23,100 bales and Upland shipments reached 208,300 bales. Net Pima sales also contributed positively, totaling 6,900 bales, with Pima shipments amounting to 1,400 bales. Overall, the total sales for this period amounted to 30,000 bales. Looking ahead to the 2023-2024 season, net Upland sales reaching 51,000 bales. Net



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Pima sales, however, showed a comparatively lower figure of 300 bales.

- The Gujcot Spot Rate for the week remained stable. Starting the week at 55,800, the rate dropped slightly to 55,550 on Tuesday before rebounding to 55,700 on Wednesday and maintaining the same level on Thursday. Finally, on Friday, the spot rate rose back to 55,800. This week's rates indicate a relatively stable market with minor variations in the Gujcot Spot Rate throughout the week.
- The arrival of cotton in India during this period continued to remain slow, with an average of around 35,000 bales per day. Specifically, in Gujarat, one of the major cotton-producing states in India, the arrival was approximately 12,000 bales per day.
- Limited ginning operation yet in progress in all India despite monsoon. But ginneries are facing disparity.
- Due to the slow off-take of yarn, textile mills have resorted to purchasing raw materials on a hand-to-mouth basis and are operating at a reduced pace. This cautious approach by mills is a response to the sluggish demand for yarn and textile products in the market. With reduced orders from downstream customers, mills are adopting a conservative approach to avoid accumulating excess inventory. As a result, they are purchasing raw materials as



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per immediate production requirements, leading to slower operations and production rates. The overall slowdown in the industry is likely impacting the financial performance and capacity utilization of textile mills.

- The current Indian basis, which refers to the price difference between a local market and an international market, is not attractive for raw cotton exports. As a result, the volume of raw cotton exports from India remains negligible. Additionally, the export of yarn is also experiencing a slowdown. This could be attributed to several factors such as lower global demand, competitive pricing from other countries, or trade restrictions. The unfavorable basis and sluggish export market conditions are impacting the export performance of both raw cotton and yarn from India.
- The All India Cotton Sowing report for the week ending July 14, 2023, showed mixed results across different states. Punjab experienced a significant decrease of 31.73% in cotton cultivation, while Haryana saw a marginal increase of 0.66%. Rajasthan witnessed substantial growth of 25.86%, contributing to the overall expansion of cotton sowing in North India by 5.55%. Gujarat showed a notable rise of 15.73%, whereas Maharashtra



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experienced an 11.21% decline. Telangana and Andhra Pradesh faced significant decreases of 12.92% and 52.94%, respectively, while Karnataka and Tamil Nadu also witnessed substantial drops in cotton sowing. Overall, the All India cotton sowing area decreased by 5.05% compared to the previous year.

- The USD-INR Exchange Rate for the week exhibited a downward trend with minor fluctuations. Starting the week at 82.56, the exchange rate decreased to 82.36 on Tuesday, followed by a further decline to 82.24 on Wednesday. On Thursday, the rate experienced a slight drop, reaching 82.07 before recovering slightly to 82.16 on Friday. Overall, the USD-INR exchange rate showed a downward movement, indicating a relative strengthening of the Indian rupee against the U.S. dollar throughout the week.
- Hope for good monsoon



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 10-July-2023			
Kutch	659	Saurashtra	17,853
Kutch	659	Surendranagar	3,048
		Rajkot	2,439
North Gujarat	2,041	Jamnagar	1,764
Banarsakantha	317	Porbandar	114
Patan	247	Junagadh	542
Mehsana	365	Amreli	3,547
Sabarkantha	574	Bhavnagar	2,487
Gandhinagar	211	Morbi	2,164
Aravali	328	Botad	1,490
		Gir Somnath	169
Middle Gujarat	2,112	Devbhumi Dwarka	89
Ahmedabad	320		
Anand	10	South Gujarat	1,090
Kheda	106	Surat	28
Panchmahal	64	Narmada	233
Dahod	6	Bharuch	726
Vadodara	628	Dang	0
Mahisagar	67	Navsari	0
Chota Udaipur	911	Valsad	0
		Tapi	103
TOTAL			23,757
TOTAL (Last Year)			20,528
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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All India Cotton Sowing

All India Cotton Sowing				
As on 14-07-2023				
STATE	(Area in Lakh Hectare)			
	2023-24	2022-23	Change	
Punjab	1.700	2.490	-0.790	-31.73%
Haryana	6.548	6.505	0.043	0.66%
Rajasthan	7.723	6.136	1.587	25.86%
North India	15.971	15.131	0.840	5.55%
Gujarat	23.757	20.528	3.229	15.73%
Maharashtra	32.743	36.878	-4.135	-11.21%
Madhya Pradesh	5.390	4.760	0.630	13.24%
Central India	61.890	62.166	-0.276	-0.44%
Telangana	12.902	14.817	-1.915	-12.92%
Andra Pradesh	0.960	2.040	-1.080	-52.94%
Karnataka	2.447	4.599	-2.152	-46.79%
Tamil Nadu	0.077	0.086	-0.009	-10.47%
South Zone	16.386	21.542	-5.156	-23.93%
Orissa	0.878	1.265	-0.387	-30.59%
Others	0.173	0.260	-0.087	-33.46%
All India	95.298	100.364	-5.066	-5.05%

Source :- Department of Agriculture Cooperation & Farmer Welfare - Government of India



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USDA-WASDE

The U.S. 2023/24 cotton projections show lower exports and higher beginning and ending stocks. Beginning stocks are 50,000 bales higher due to lower 2022/23 disappearance, and 2023/24 exports are reduced 250,000 bales due to reductions in projected world trade and U.S. market share. U.S. planted area is 169,000 acres lower this month, as indicated in the June 30 Acreage report. Harvested area is up 117,000 acres however as rainfall in West Texas remains above median levels, and projected U.S. output remains at 16.5 million bales. Ending stocks are forecast at 3.8 million bales, 300,000 bales higher than in June. The projected price received by U.S. upland cotton producers is 76 cents per pound this month, 1 cent lower than in June.

For the global 2023/24 cotton balance sheet, higher beginning stocks account for much of the 1.7- million-bale increase in ending stocks. Beginning stocks are 1.1 million bales higher as a 1.8-millionbale increase in estimated 2022/23 production spread over India, Brazil, and Australia more than offsets a 675,000-bale increase in global consumption, and a 350,000-bale decrease in Argentina's ending stocks. The Argentina change follows 10 years of historical balance sheet revisions. Projected world 2023/24 production is 120,000 bales higher this month as expected larger crops in Pakistan and Afghanistan offset a reduced outlook for Australia and Argentina. Consumption is projected 550,000 bales lower as reductions for China, Bangladesh, Turkey, and Vietnam more than offset improved prospects for Pakistan.



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Global

US Weekly Export Sales

- Net UPLAND sales of 23,100 RB for 2022-2023 were down 79 percent from the previous week and 76 percent from the prior 4-week average. Increases primarily for Bangladesh (18,200 RB), Vietnam (5,600 RB, including 2,000 RB switched from South Korea and 900 RB switched from Japan), Honduras (3,200 RB), Taiwan (2,000 RB), and Turkey (1,900 RB), were offset by reductions for Pakistan (6,600 RB), South Korea (2,000 RB), China (1,800 RB), and El Salvador (700 RB).
- Net UPLAND sales of 51,000 RB for 2023-2024 primarily for China (36,000 RB), Honduras (9,800 RB), Pakistan (2,500 RB), Bangladesh (2,200 RB), and Vietnam (1,300 RB), were offset by reductions for South Korea (1,300 RB).
- UPLAND Exports of 2,08,300 RB were down 20 percent from the previous week and 14 percent from the prior 4-week average. The destinations were primarily to China (76,800 RB), Turkey (34,600 RB), Pakistan (27,300 RB), Bangladesh (18,800 RB), and Vietnam (15,000 RB).
- Net sales of PIMA totaling 6,800 RB for 2022-2023 were up 87 percent from the previous week and up noticeably from the prior 4-week average. Increases reported for India (5,100 RB), Vietnam (3,500 RB), and Thailand (100 RB switched from Japan), were offset by reductions for Italy (1,800 RB) and Japan (100 RB). Net sales of 300 RB for 2023-2024 resulting in increases for India (2,500 RB), were offset by reductions for Italy (2,200 RB).
- PIMA Exports of 1,400 RB were down 67 percent from the previous week and 76 percent from the prior 4-week average. The destinations were primarily to Honduras (500 RB), Guatemala (300 RB), Bangladesh (300 RB), and Japan (200 RB).

US Export Sales	06-Jul-2023
Marketing Year 2022-23	
Upland Gross Sales	38,900
Cancellation	15,800
Net Upland Sales	23,100
PIMA Gross Sales	8,700
Cancellation	1,800
Net PIMA Sales	6,900
Total Gross Sales	47,600
Total Cancellation	17,600
Total Net Sales	30,000
Shipments	
UPLAND	2,08,300
PIMA	1,400
Total Shipment	2,09,700
Marketing Year 2023-24	
Net Upland Sales	51,000
Net PIMA Sales	300
Total Net Sales	51,300
All Figures in US Running Bale	



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	08-07-2023	15-07-2023	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29mm	3.8	55,650	55,900	250	0.45%
V-797	13% Trash		45,950	45,400	-550	-1.21%
MCX Spot Rate			55,960	55,800	-160	-0.29%
USD-INR Exchange			82.74	82.16	-0.58	-0.71%

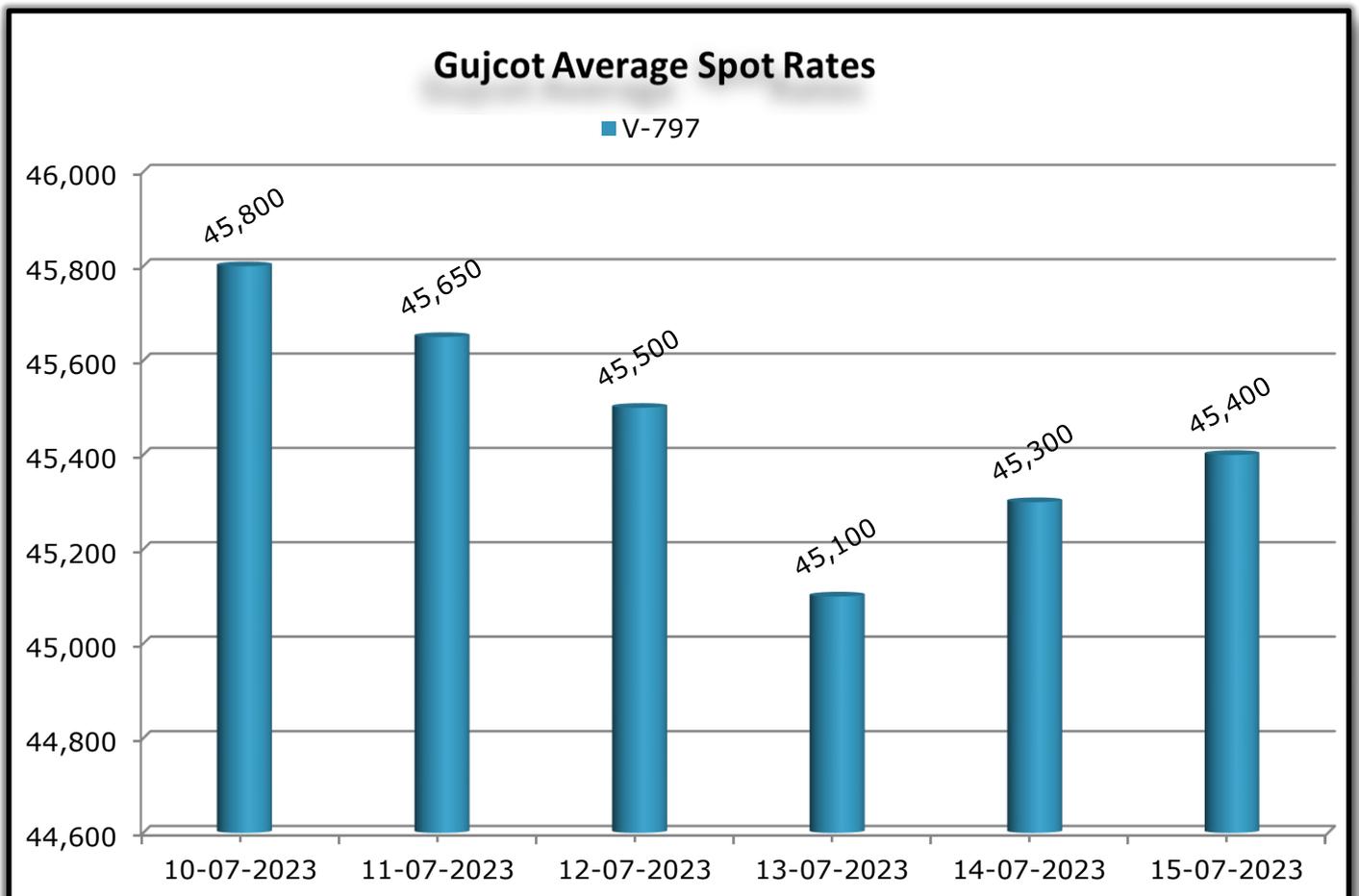
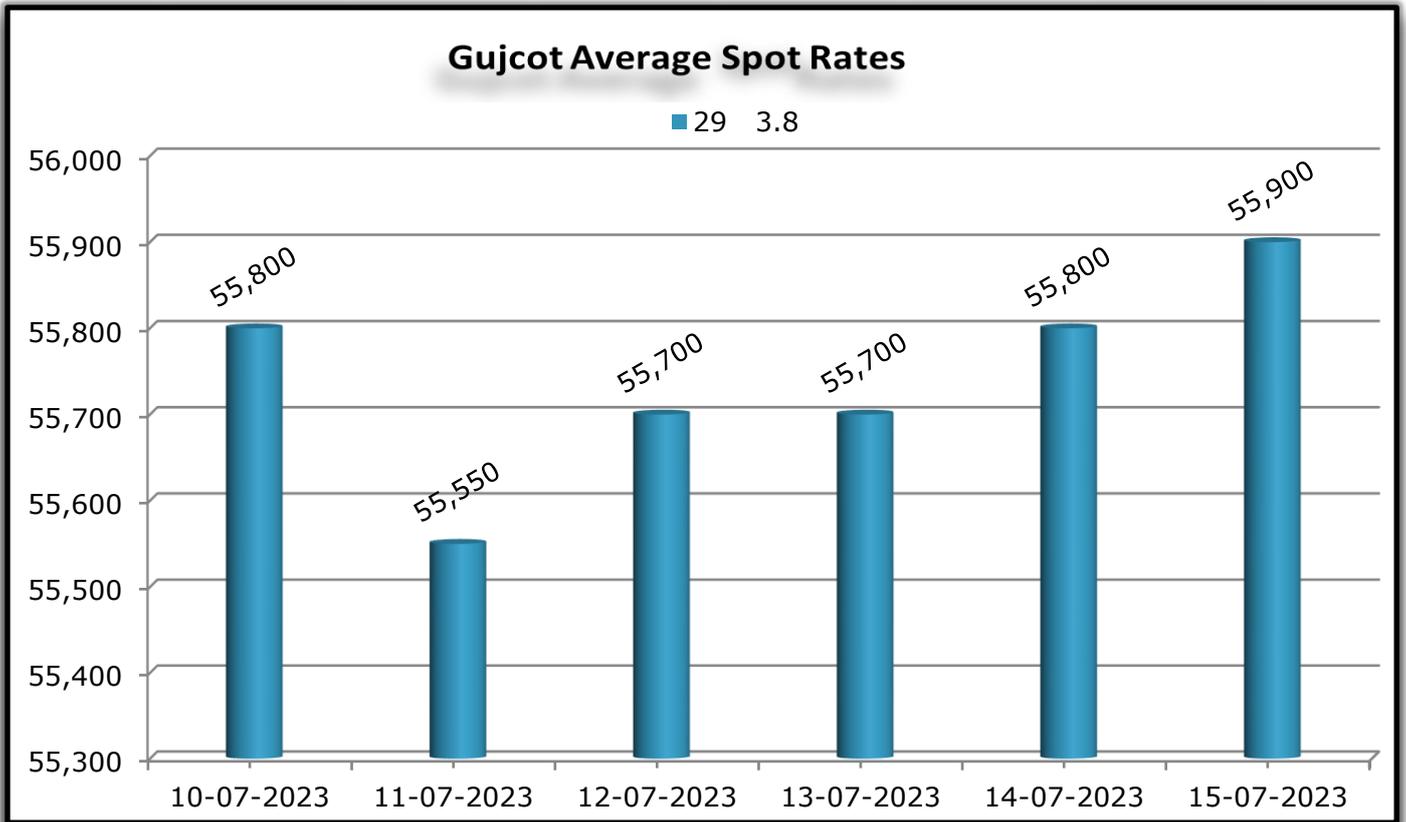
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	55,550	55,900	55,742
Shankar 6	28.5	3.7	No Quote	No Quote	No Quote
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		45,100	45,800	45,458
MCX Spot Rate			55,660	55,820	55,773
USD Exchange Rate			82.07	82.56	82.26

Rate Of Last Week				
Date	29 3.8	V-797	MCX Spot Rate	USD-INR Exchange
10-07-2023	55,800	45,800	55,800	82.56
11-07-2023	55,550	45,650	55,660	82.36
12-07-2023	55,700	45,500	55,820	82.24
13-07-2023	55,700	45,100	55,760	82.07
14-07-2023	55,800	45,300	55,800	82.16
15-07-2023	55,900	45,400	55,800	82.16



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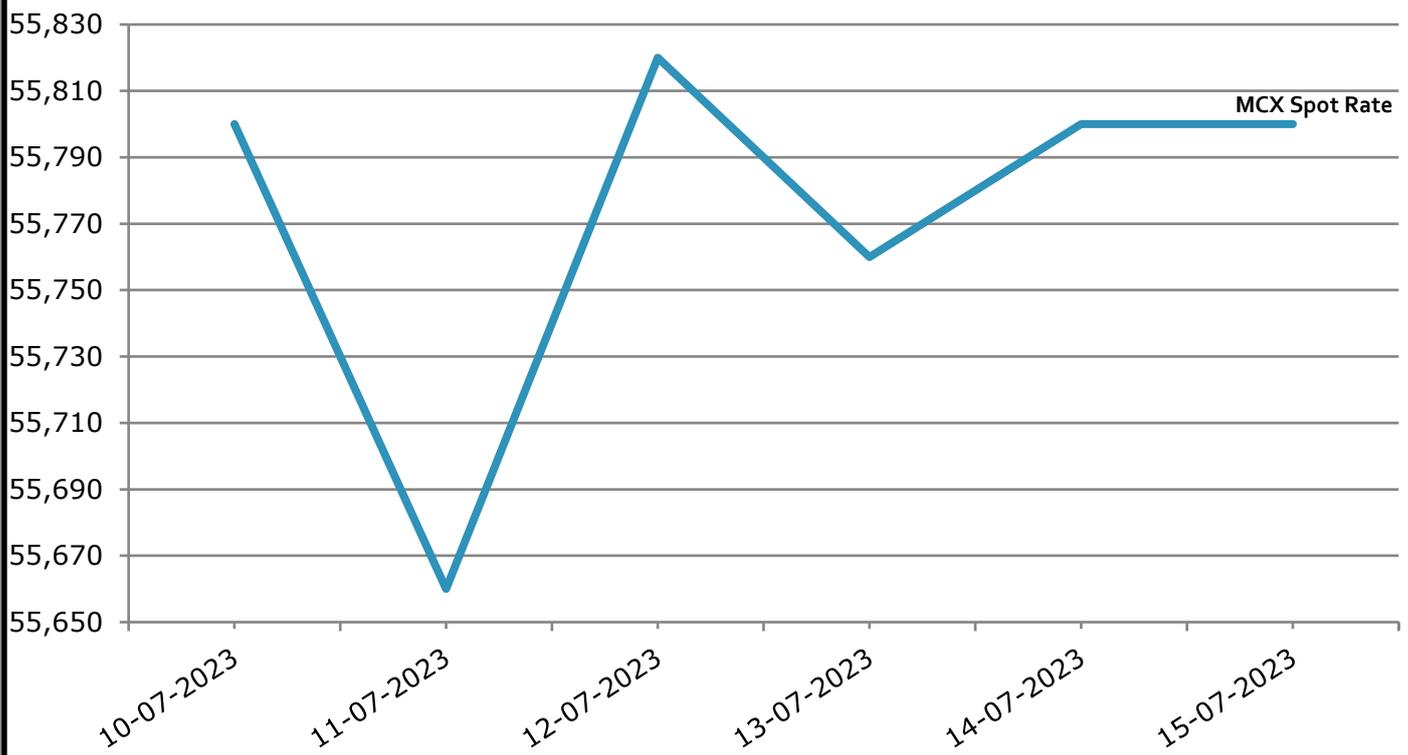




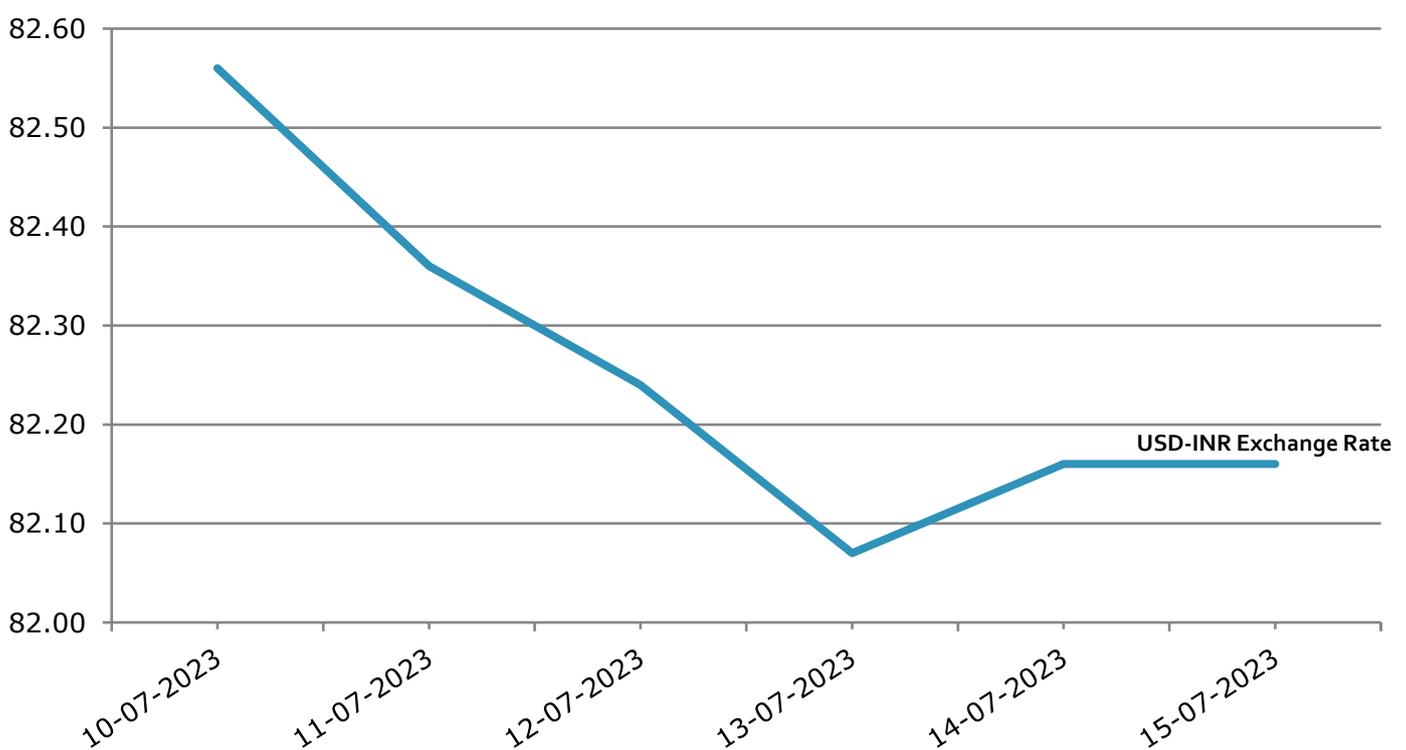
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MCX Spot Rate Closing Of The Days'



USD-INR Exchange Rate Closing Of The Days'

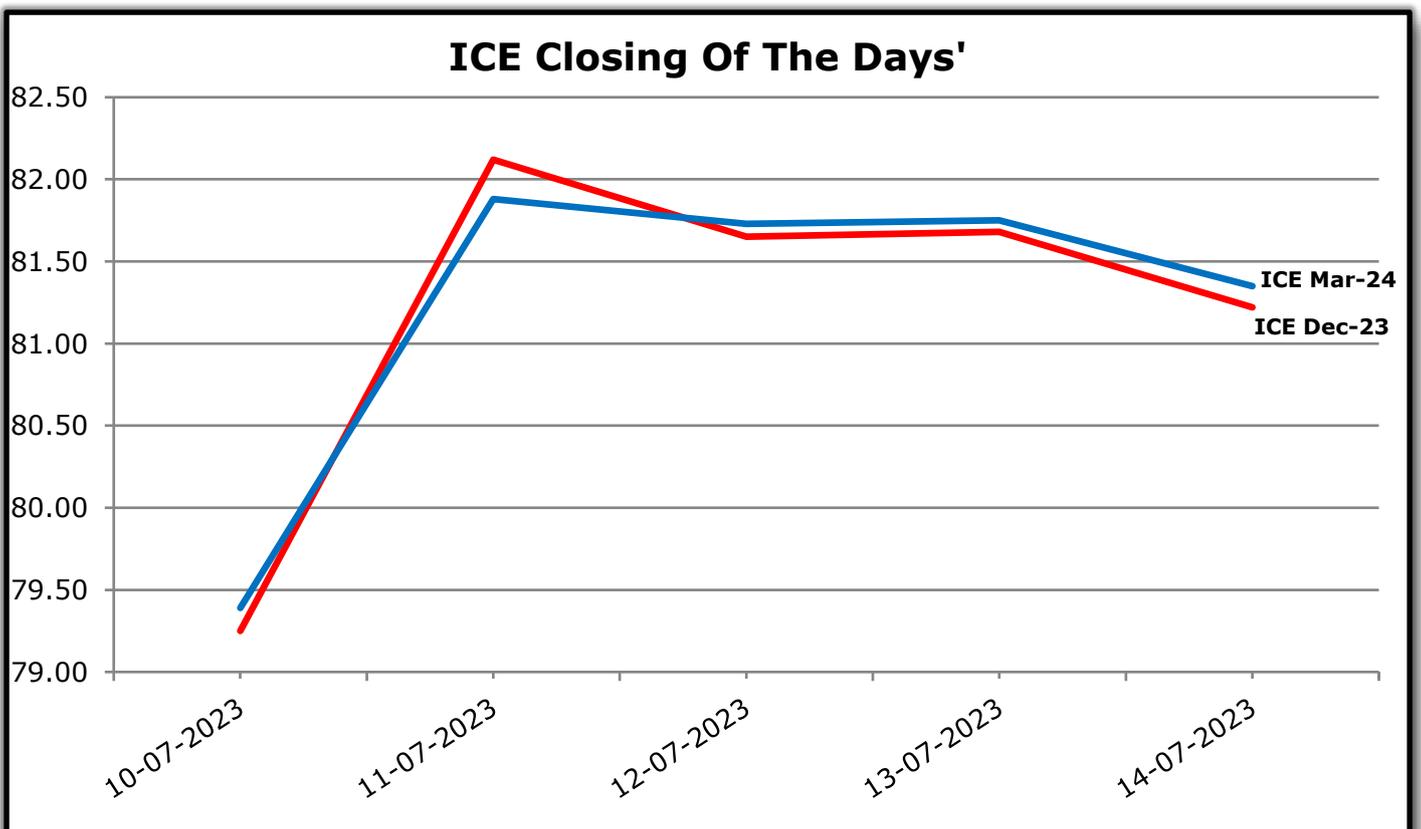
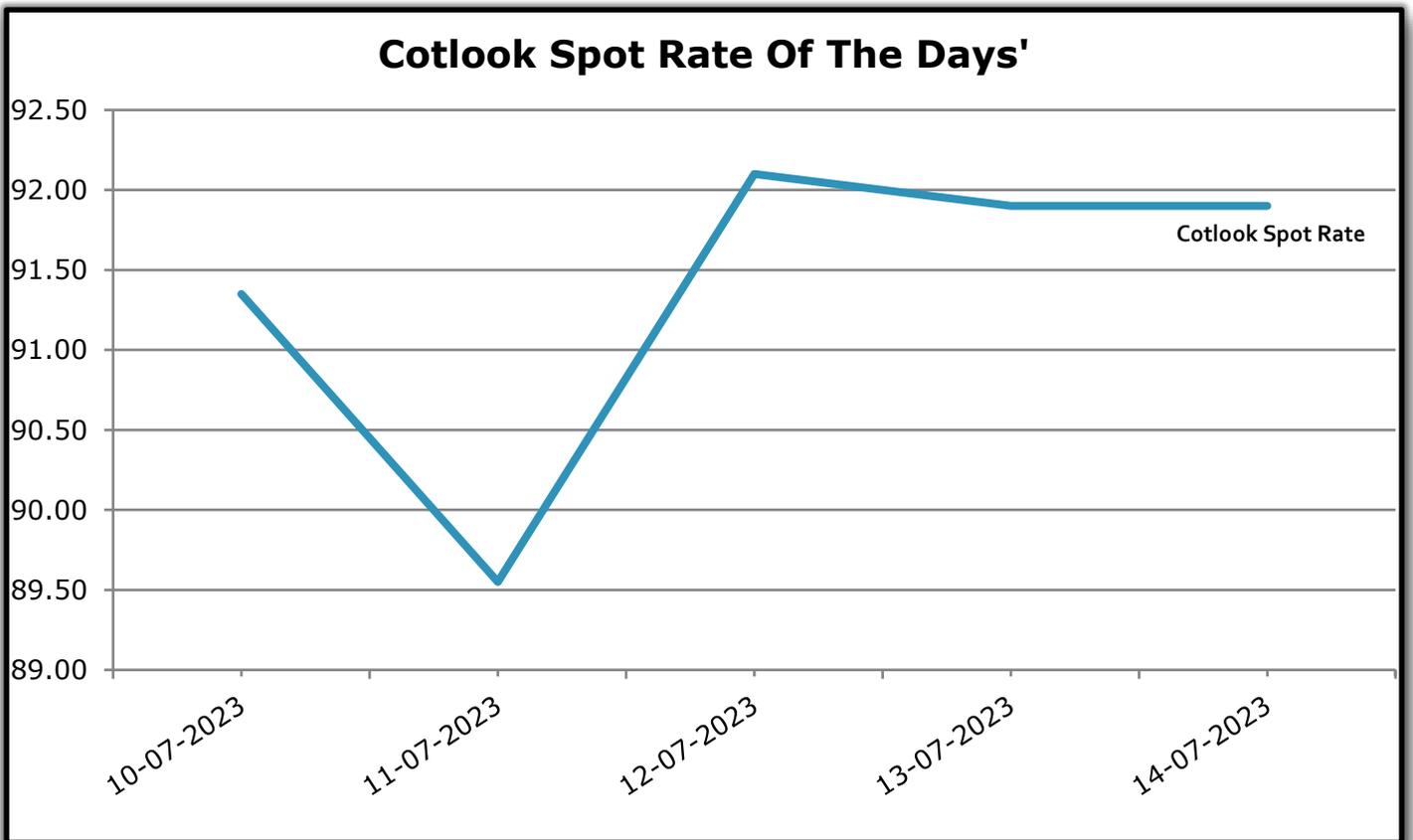




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-23	Mar-24
10-07-2023	91.35	79.25	79.39
11-07-2023	89.55	82.12	81.88
12-07-2023	92.10	81.65	81.73
13-07-2023	91.90	81.68	81.75
14-07-2023	91.90	81.22	81.35



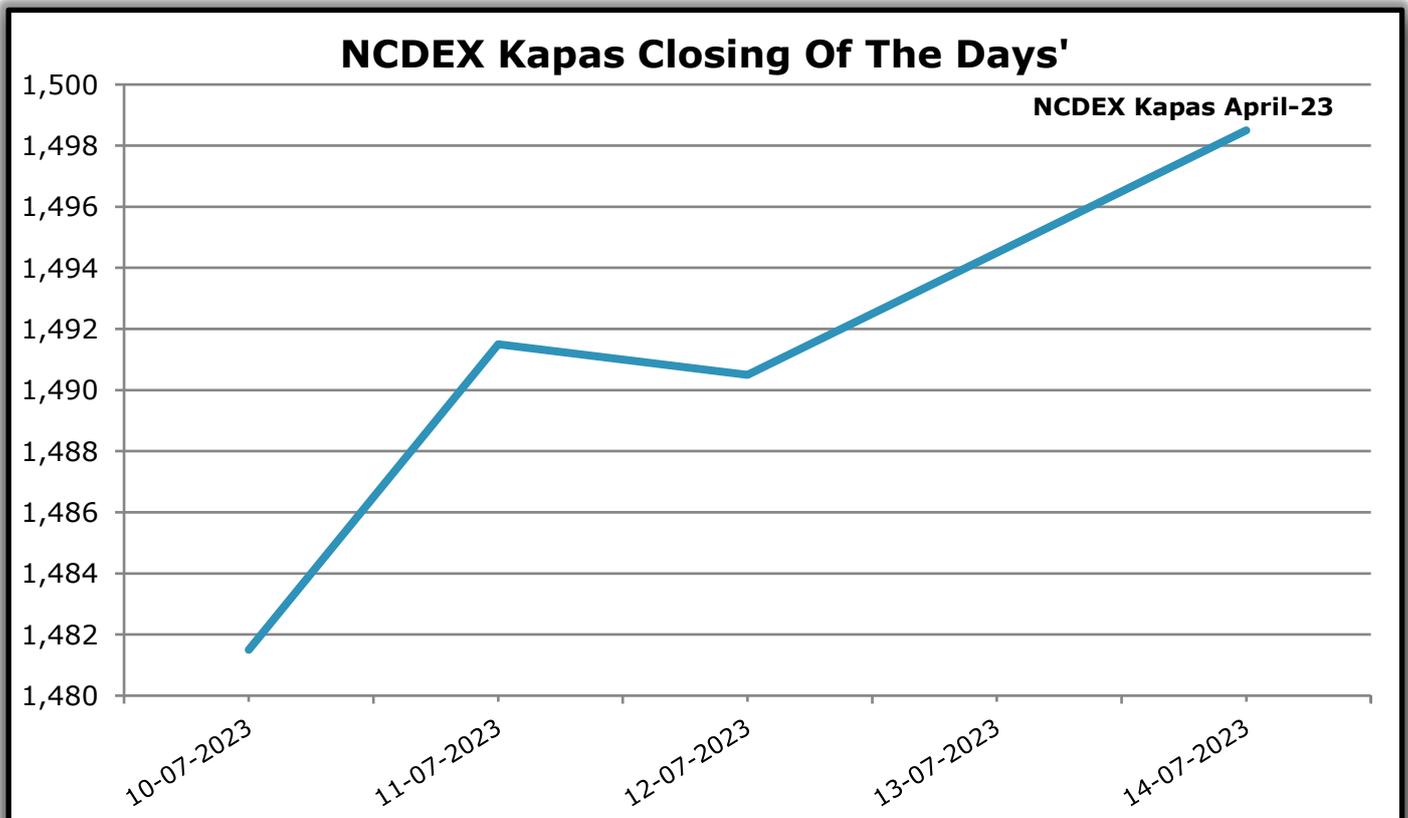


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Indian Indices	
Date	NCDEX Kapas
	April-24
10-07-2023	1,481.50
11-07-2023	1,491.50
12-07-2023	1,490.50
13-07-2023	1,494.50
14-07-2023	1,498.50



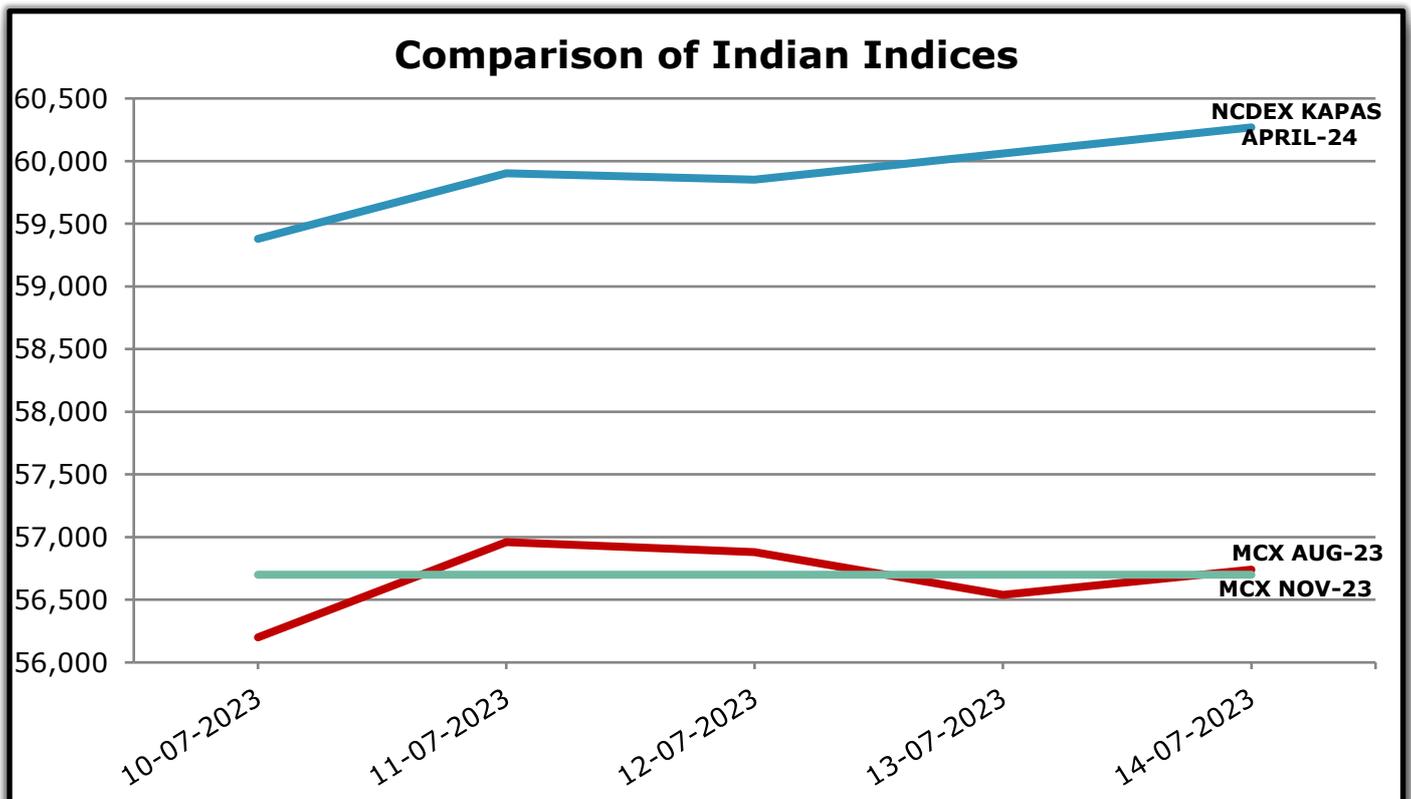


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Indian Indices in Candy Rate			
Date	NCDEX Kapas	MCX	
	April-24	Aug-23	Nov-23
10-07-2023	59,380	56,200	56,700
11-07-2023	59,903	56,960	56,700
12-07-2023	59,851	56,880	56,700
13-07-2023	60,060	56,540	56,700
14-07-2023	60,269	56,740	56,700

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

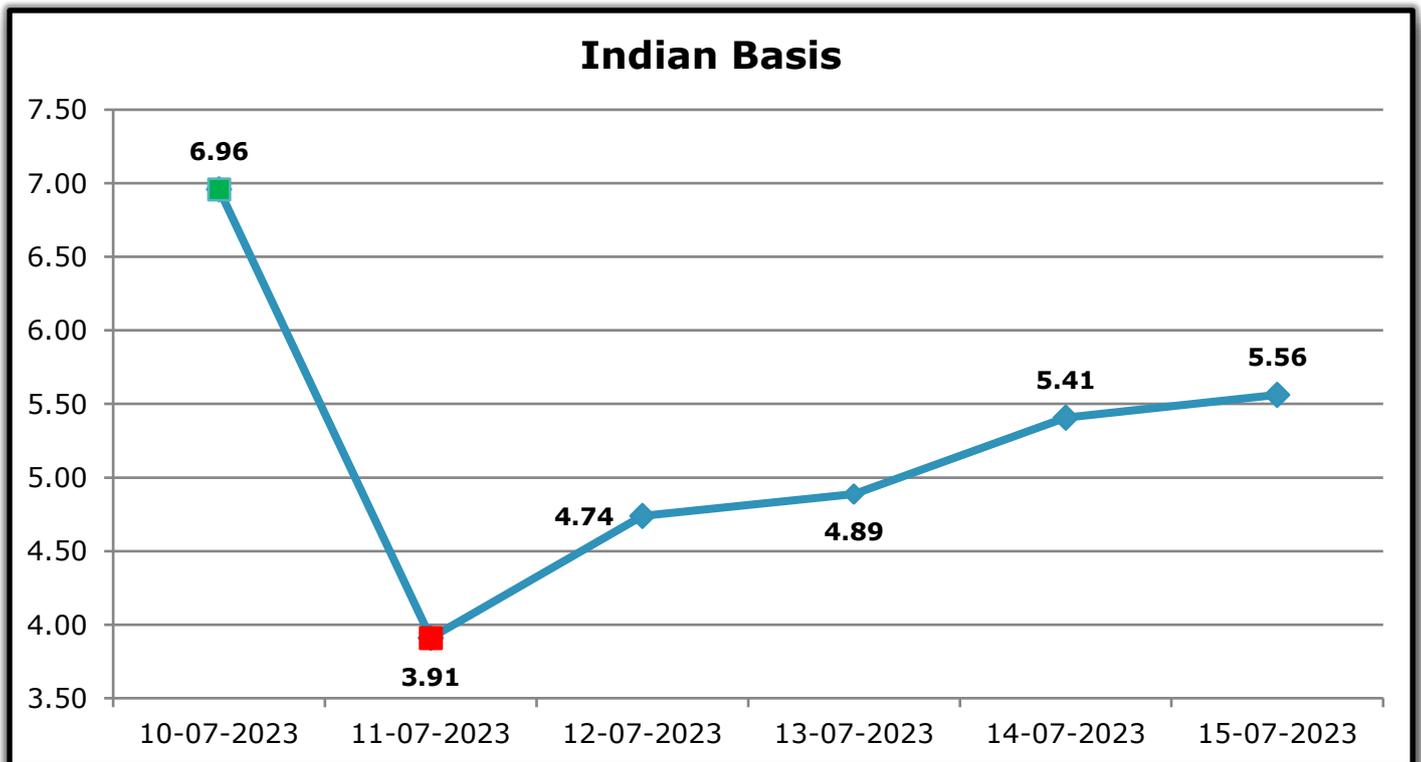




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
10-07-2023	55,800	82.56	86.21	79.25	6.96
11-07-2023	55,550	82.36	86.03	82.12	3.91
12-07-2023	55,700	82.24	86.39	81.65	4.74
13-07-2023	55,700	82.07	86.57	81.68	4.89
14-07-2023	55,800	82.16	86.63	81.22	5.41
15-07-2023	55,900	82.16	86.78	81.22	5.56





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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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- All Historical Gujcot Weekly Reports Menu->Reports
- All India Cotton Sowing data
- Gujarat Cotton Sowing District wise Report
- US Export Sales Report
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