

09 May, 2024

**Monthly Report On**

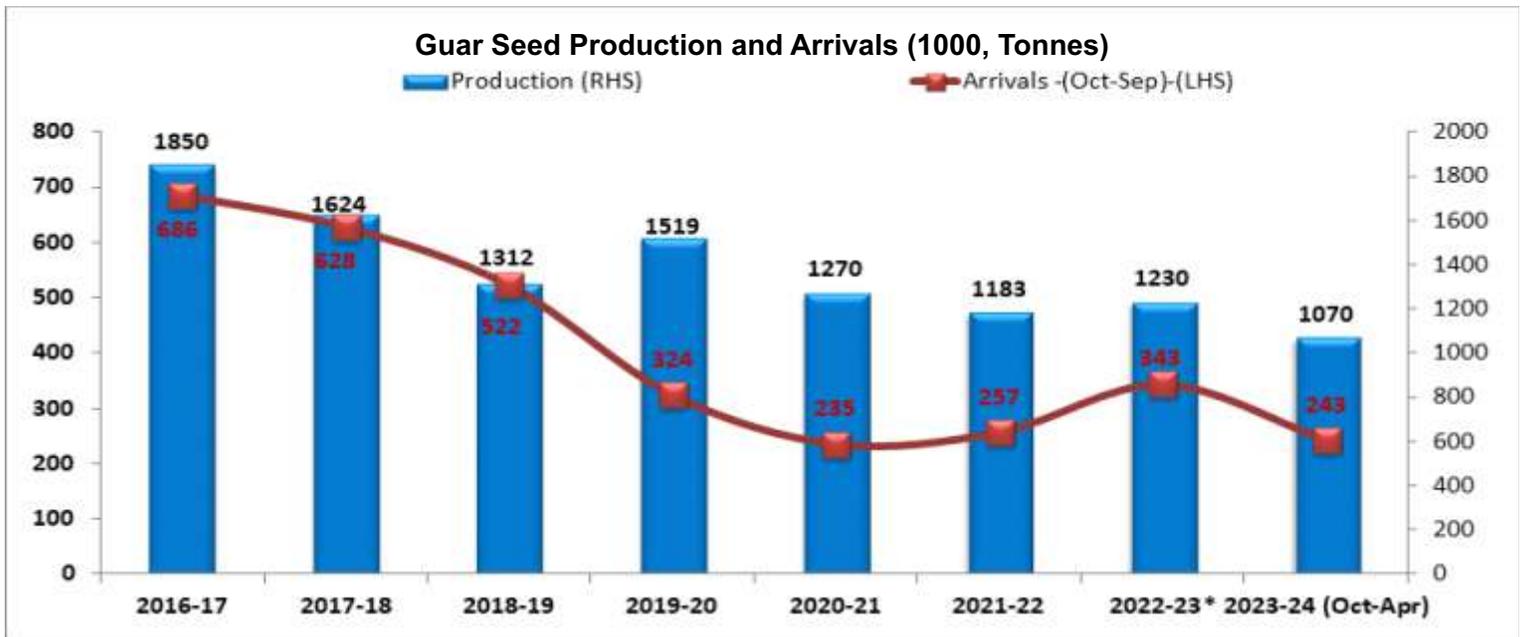
# **Monthly Report on Others Guar Complex and Cotton**

**MAY 2024**



# GUAR SEED

- Guar seed traded higher for most part of the month in Apr'24 tracking supply tightness in the market. Arrivals dropped due as farmers avoided heavy selling in anticipation of further rise in prices. Guar seed prices rose 7.6% M-o-M to 5512 on account of improved demand prospects.
- Domestic demand of guar seed is estimated to increase by 2% Y-o-Y to 330 thousand tonnes wherein export is likely to surge by 4% Y-o-Y in year 2023-24. Export enquires of gum has improved that will lead to rise in guar seed prices as well. Export of guar derivative products rose 46% Y-o-y to 37.3 thousand tonnes in Feb'24.
- Guar gum export during Apr'23-Feb'24 reported at 186.31 thousand tonnes against the 224.38 thousand tonnes of prior year, down by 17% Y-o-Y. Exports to USA, Germany, China, Australia and Brazil jumped sharply in Feb'24.
- Guar meal Export during Feb'24 reported at 14143 tonnes as compared to 6152 tonnes of Feb'23, up by 130% Y-o-Y. Guar meal Export (Total) during Apr'23- Feb'24 reported at 190.62 thousand tonnes against Apr'22- Feb'23- 151.71 K tonnes up by 25 % Y-o-Y Norway, Netherland and Germany emerged as top buyer. Guar meal export Jumped sharply during year 2023-24. However, overall export of guar derivative products in Feb'24 reported at 37.2 thousand tonnes higher by 46%.
- Overall arrivals of guar seed reported during Oct'23-Apr'24 reported at 242 thousand tonnes higher by 10% Y-o-Y during same time period of prior year.



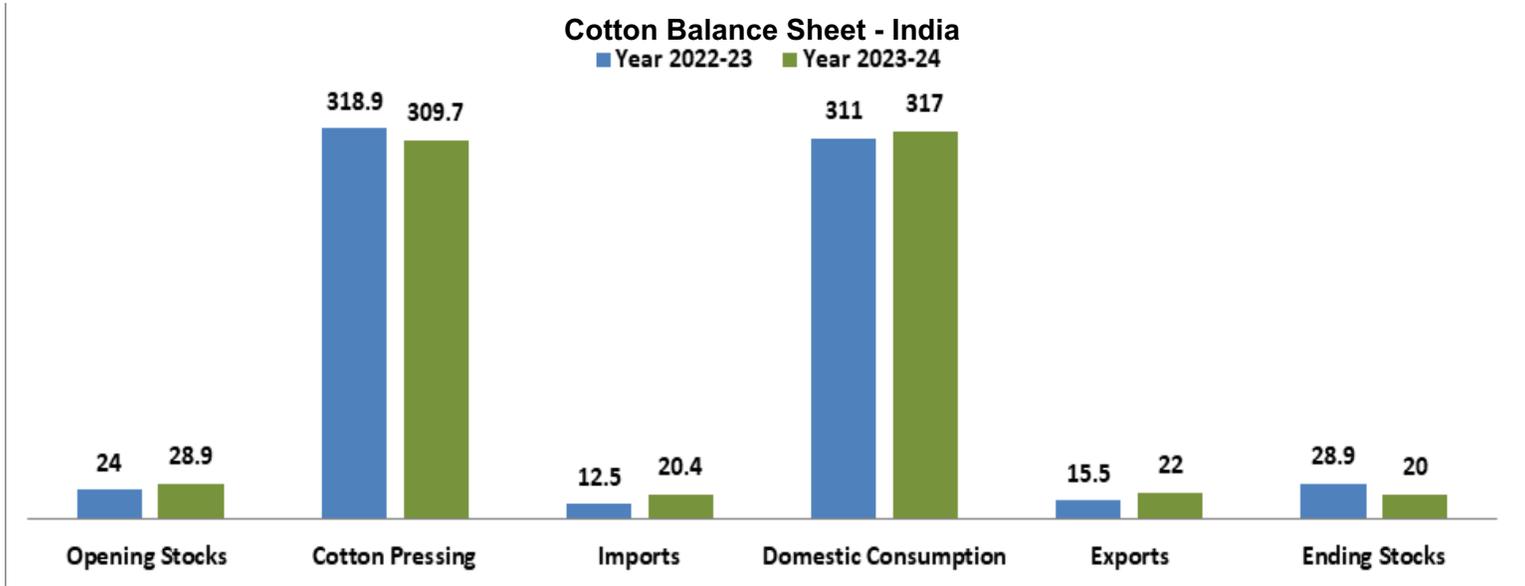
- Guar seed prices are expected to trade higher in coming weeks due to increased export demand. Arrivals are expected to be down in coming weeks as farmers are reluctant to release their stocks in anticipation of rise in prices. However, major focus will be on upcoming sowing activities as sowing area is likely to be increased in wake of IMD forecast of above normal rainfall in India in year 2024.



Guar Seed Prices are expected to trade in range of 5200-6000 wherein guar gum prices are likely to trade in range of 9800-12000

Cotton prices traded down for most part of Apr'24 on lingering concerns slowdown in economic activities with escalation of geopolitical tension in Middle East. Fall in crude oil prices and improved sowing prospects in US weighed on global cotton prices and impact of the same was seen on domestic prices as well. MCX cotton prices slipped to 57560 down by 7% M-o-M tracking weakness in global cotton prices. Improved crop condition and planting activities weighed on the ICE cotton prices. The US cotton crop is now 24% planted as of 5th May according to the NASS Crop Progress report that is 4% higher as compared to last year and five year average number.

Upward recovery in domestic cotton prices is likely to be seen due to increased export demand and shrinking arrivals. Exports during October-March were up 137 per cent at 18 lakh bales compared to the 7.59 lakh bales logged in the same period last year, per the latest estimates released by the Cotton Association of India (CAI), the apex trade body. India had exported 15.59 lakh bales during the 2022-23 season. India is likely to export Arrivals are likely to remain down as about 280.6 lakh bales has arrived out of 323.1 lakh bales of production in year 2023-24.



Cotton Association of India (CAI) has estimated cotton consumption up to the end of March 2024 at 165.00 lakh bales of 170 kgs. Stock at the end of March 2024 is estimated at 114.03 lakh bales of 170 kgs each including 47.00 lakh bales with textile mills which is about 51 days consumption and the remaining 67.03 lakh bales of 170 kgs with CCI, Maharashtra Federation and others (MNCs, traders, ginners, etc.) including cotton sold but not delivered. The CAI has retained its total cotton supply till end of the cotton season 2023-24 (i.e. upto 30th September 2024) at 359.00 lakh bales of 170 kgs. The total cotton supply consists of the opening stock of 28.90 lakh bales at the beginning of 2023-24 season on 1st October 2023, cotton pressing numbers estimated for the season at 309.70 lakh bales of 170 kgs and imports for the season estimated at 20.40 lakh bales of 170 kgs each). The cotton imports estimated by the CAI for the season are higher by 7.90 lakh bales of 170 kgs.



**Cotton MCX prices are likely to trade in range of 55800- 60500 Similarly, Kapas Apr'25 futures are likely to trade in range of 1510-1640 level**

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