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Cotton Exchange Building, 2nd Floor,
Cotton Green, Mumbai - 400 033
Phone: 2370 4401/02/03
Fax: 2370 0337
Email: eica@eica.in
www.caionline.in

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Cotton Statistics And News

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CAI Organised its First Programme of the Year 2010 under "Learn with CAI" Series

The first programme of the year under 'Learn with CAI' series was organised by CAI on Saturday, the 27th February 2010 on "Technical Analysis - A Cotton Perspective" in the Conference Room of the Association.

Shri Dhiren N. Sheth, President, CAI welcomed the participants. He briefly introduced the course faculty Shri Gnanasekar Thiagarajan who heads Commtrendz Research which specialises in commodity research, to the participants.



CAI President, Shri Dhiren N. Sheth addressing the participants

The programme was divided into four Sessions comprising (i) Introduction to Technical Analysis on Commodities (Cotton) with classical charts and patterns; (ii) Moving Averages and Oscillators; (iii) Forecasting Techniques - Elliot Wave Analysis and Fibonacci Retracements; and



Shri Gnanasekar was welcomed with a Bouquet of Flowers by one of participant

(iv) Real-time Analysis of Cotton Charts and Exercises. Shri Gnanasekar highlighted the various aspects of technical analysis, tools and applications in commodity trading, trends and pattern identification across time zone and indicators and their usefulness in predicting reversals in the markets.



Ms. Anu Jain was welcomed with a Bouquet of Flowers

The Session on Moving averages and Oscillators was taken by Ms. Anu Jain, an eminent personality in technical analysis of the Indian Stock Markets. The presentation covered different aspects of technical analysis indicators such as moving averages, convergence/divergence and relative strength index, etc.



A cross section of participants

The programme concluded with an open session where the participants interacted with the faculty.

**Statement about Ownership and other particulars about
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I, O. P. Agarwal, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Signature of Publisher
sd/-
(O. P. Agarwal)
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Cotton Arrivals

According to the Cotton Corporation of India, cotton arrivals by the end of February stood at 221.7 lakh bales, about 8.3 lakh bales lower than the arrivals of 230.0 lakh bales by the same period last year. The maximum arrivals were in Gujarat at 73.5 lakh bales, about 13.5 lakh bales more than in the same period last year. As compared to last year, arrivals are said to have been lower in Central and Southern States.

Price Trend

| | ICS-202 (25 mm) (J-34) | ICS-105 (27 mm) (LRA) | ICS-105 (28 mm) (H-4) | ICS-105 (29 mm) (S-6) | ICS-107 (35 mm) (DCH-32) |
|-----------|------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|
| This week | 25300 | 26000 | 26500 | 27800 | 42000 |
| Last week | 25100 | 25500 | 26100 | 27100 | 39900 |
| MonthAgo | 24900 | 24700 | 25000 | 26000 | 39700 |
| Year Ago | 20000 | - | 19900 | 20400 | 26500 |

(Average spot price Rs/candy)

Growth in Global Yarn and Fabric Production Maintained in Q-3 – ITMF

There was a rebound in global textile production during the second quarter of 2009. According to the latest report of the International Textile Manufacturers Federation (ITMF), the data on global textile production in third quarter also has confirmed this growth. Both global yarn and fabrics production is said to have risen modestly during the third quarter in all regions, especially in South America.

World yarn production is reported to have gone up by 1.3 per cent during the third quarter compared to the previous quarter when there was already a remarkable rise of 22 per cent. With the exception of North America where there was a fall of 2.3 per cent, all regions are stated to have recorded increases, especially South America where production went up by 5 per cent. The increase was 4.5 per cent in Europe and 1.2 per cent in Asia. However, in comparison with last year's third quarter, only Asia is said to have experienced growth at 4.9 per cent while yarn production in North America, South America and Europe was still considerably below last year's levels by 24.6 per cent, 5.3 per cent and 4.5 per cent respectively.

As for global yarn inventories, they are stated to have remained almost unchanged with a marginal fall of only 0.6 per cent in the third quarter as compared to the previous quarter. Yarn stocks are said to have plummeted in South America by 15.3 per cent while there was a decrease of 3.2 per cent in Europe. They appear to have remained stable in North America with Asia showing a 1.3 per cent increase. On an annual basis, yarn stocks are reported to have been lower by 2.3 per cent globally with South America, Europe and Asia witnessing reductions of 10.3 per cent, 3.4 per cent and 2.0 per cent respectively.

In the case of yarn orders, they are stated to have posted a strong increase in the third quarter. The increase was 5.5 per cent in Europe and as much as 19.1 per cent in Brazil. On an annual basis, yarn orders were still down by 2.4 per cent in Europe but higher in Brazil by 6.6 per cent.

The trend in global fabric production also appears to have been more or less similar.

National Fibre Policy May be Expected by April

The Union Textile Minister is quoted to have stated that the much awaited national fibre policy (NEP) is expected to come into being early next financial year. The Government had announced in June 2009 that such a policy is being formulated with a view to restoring the competitiveness of the Indian textile industry with the world industry. According to the Minister, the policy formulation is in the final stages and will be ready by March end. Earlier, it was expected to come into existence by December 2009.

The Minister is quoted to have claimed that the NEP would help both exporters and the domestic market players. It is expected to benefit various sectors such as cotton, cotton yarn and man-made fibres to garments, the spinning sector, exporters and the domestic market. The need for a new policy was felt due to several industry lobbies with conflicting interests.

Cotton Consumption Likely to Rise

On the back of sustained buying of cotton by domestic textile mills to top the rising demand in the export market, consumption by mills is likely to rise by 8.3%. Industry players estimate consumption of cotton by mills may increase to 260 lakh bales in the current cotton year from 240 lakh bales last year. This estimate includes consumption by mills as well as small scale units.

The demand for yarn and cloth as well as garments in the export market is good, which has prompted domestic mills to corner cotton stocks.

Through the domestic prices of the commodity are ruling higher, mills have continued to purchase cotton as yarn prices had surged 35% in first half of 2009. In additions to this, Indian cotton is still cheaper in the international market. Currently, the cotton produced in India is quoted at around 73 to 74 cents per pound, while cotton from other exportig countries is quoted at 76 cents per pound.

SNIPPETS

The six core sector industries, viz, crude, petroleum refinery products, coal, electricity, cement and steel, reportedly posted an impressive growth of 9.4 per cent in January this year. The growth was a meagre 2.2 per cent in January 2009. During April-January period of 2009-10, the growth has been higher at 5.4 per cent compared to 3 per cent in the corresponding period of 2008-09. This higher growth is evidently indicative of the economy being back on track.



The Country's manufacturing Purchasing Managers' Index (PMI), a key measure which indicates the mood in manufacturing, reportedly rose to a 20-month high of 58.5 in February, the strongest reading since June 2008. The Index was 57.7 in January 2009. A PMI of more than 50 is said to represent expansion of manufacturing sector. The PMI is based on five major indicators, viz, new orders inventory levels, production, supplier deliveries and the employment environment.



Issue of Certificates of Origin (Non-Preferential)

The CAI has been enlisted by the Director General of Foreign Trade, New Delhi and is authorized us to issue Certificates of Origin (Non-Preferential). This service has already been commenced by CAI from 20th November 2008.

The purpose of this is to serve all the stakeholders in cotton value chain better and more effectively. We invite all of you to avail of these services.

The interested parties may contact the CAI Secretariat or visit our [website: www.caionline.in](http://www.caionline.in) for more details.

UPCOUNTRY SPOT RATES

(Rs./Candy)

| Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4) | | | | | SPOT RATES (UPCOUNTRY) 2009-10 CROP February - March 2010 | | | | | |
|--|---------|------------|-------------------|------------|--|-----|-------|-------|-------|-------|
| | | | | | 27th | 1st | 2nd | 3rd | 4th | 5th |
| 01. | ICS-101 | Below 22mm | Bengal Deshi (RG) | 5.0-7.0 15 | H | H | 21200 | 21200 | 21200 | 21200 |
| 02. | ICS-201 | Below 22mm | Bengal Deshi (SG) | 5.0-7.0 15 | O | O | 22000 | 22000 | 22000 | 22000 |
| 03. | ICS-102 | 22mm | V-797 | 4.5-5.9 19 | | | 20200 | 20100 | 20000 | 19900 |
| 04. | ICS-103 | 23mm | Jayadhar | 4.0-5 19 | | | N.A. | N.A. | N.A. | N.A. |
| 05. | ICS-104 | 24mm | Y-1 | 4.0-5.5 20 | L | L | 25000 | 25000 | 24600 | 24500 |
| 06. | ICS-202 | 25mm | J-34 | 3.5-4.9 23 | | | 25300 | 25300 | 25300 | 25300 |
| 07. | ICS-105 | 25mm | NHH-44 | 3.5-4.9 22 | | | N.A. | N.A. | N.A. | N.A. |
| 08. | ICS-105 | 27mm | LRA-5166 | 3.5-4.9 24 | I | I | 26000 | 26000 | 26000 | 26000 |
| 09. | ICS-105 | 28mm | H-4/ MECH-1 | 3.5-4.9 25 | | | 26600 | 26600 | 26400 | 26400 |
| 10. | ICS-105 | 29mm | S-6 | 3.5-4.9 26 | D | D | 28000 | 27800 | 27800 | 27700 |
| 11. | ICS-105 | 31mm | Bunny/ Brahma | 3.5-4.9 27 | | | 28000 | 27800 | 27800 | 27700 |
| 12. | ICS-106 | 33mm | MCU-5/ Surabhi | 3.3-4.5 28 | A | A | N.A. | N.A. | N.A. | N.A. |
| 13. | ICS-107 | 35mm | DCH-32 | 2.8-3.6 31 | | | 42000 | 42000 | 42000 | 42000 |
| 14. | ICS-301 | 26mm | ICC | 3.7-4.3 25 | Y | Y | 25600 | 25600 | 26000 | 26000 |