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Cotton Association of India

COTTON STATISTICS & NEWS

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Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033
Phone: 23704401/02/03 Email: cai@caionline.in

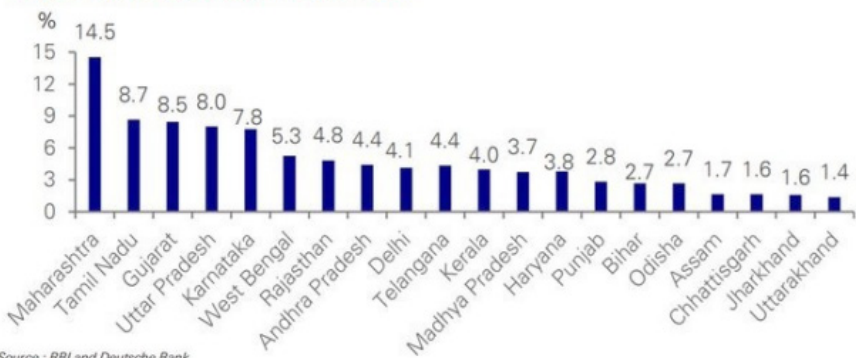
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The Month That Was - Snippets for June 2021

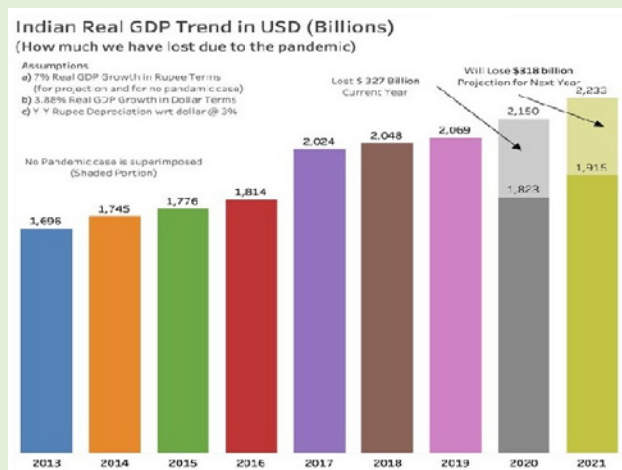
The Top Three States of India Account for 1/3rd of its GDP

These three states also account for 1/5th of India's population.

Percent share of States in India's GDP



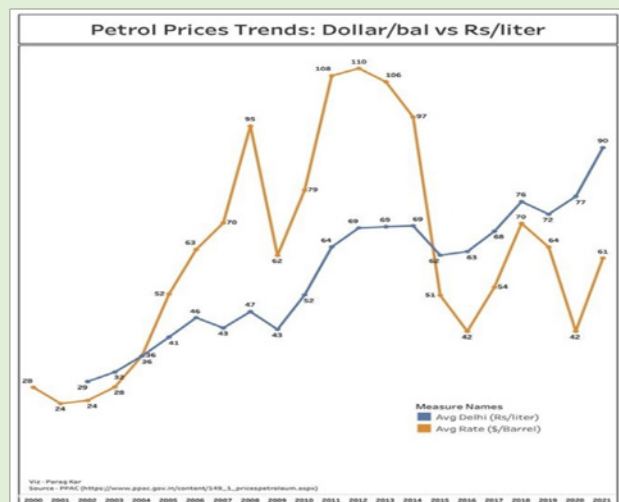
Indian Real GDP in \$Billion - Pandemic vs No Pandemic



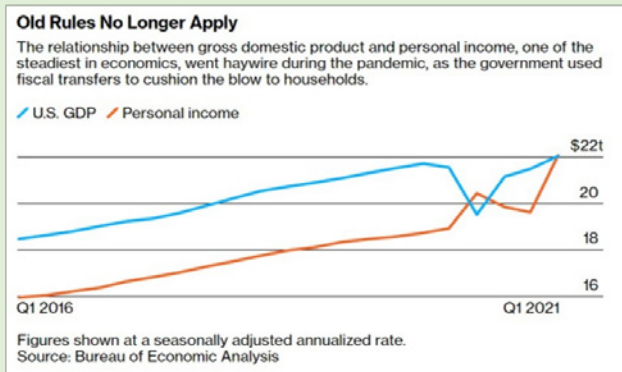
How much we have lost? Nothing short of \$327 billion (current year) and will lose \$ 318 billion next year.

Indian Petrol Price Trends - In Past 10 Years

See how the prices of petrol in Delhi have changed compared to the crude price rate in \$/Bal.

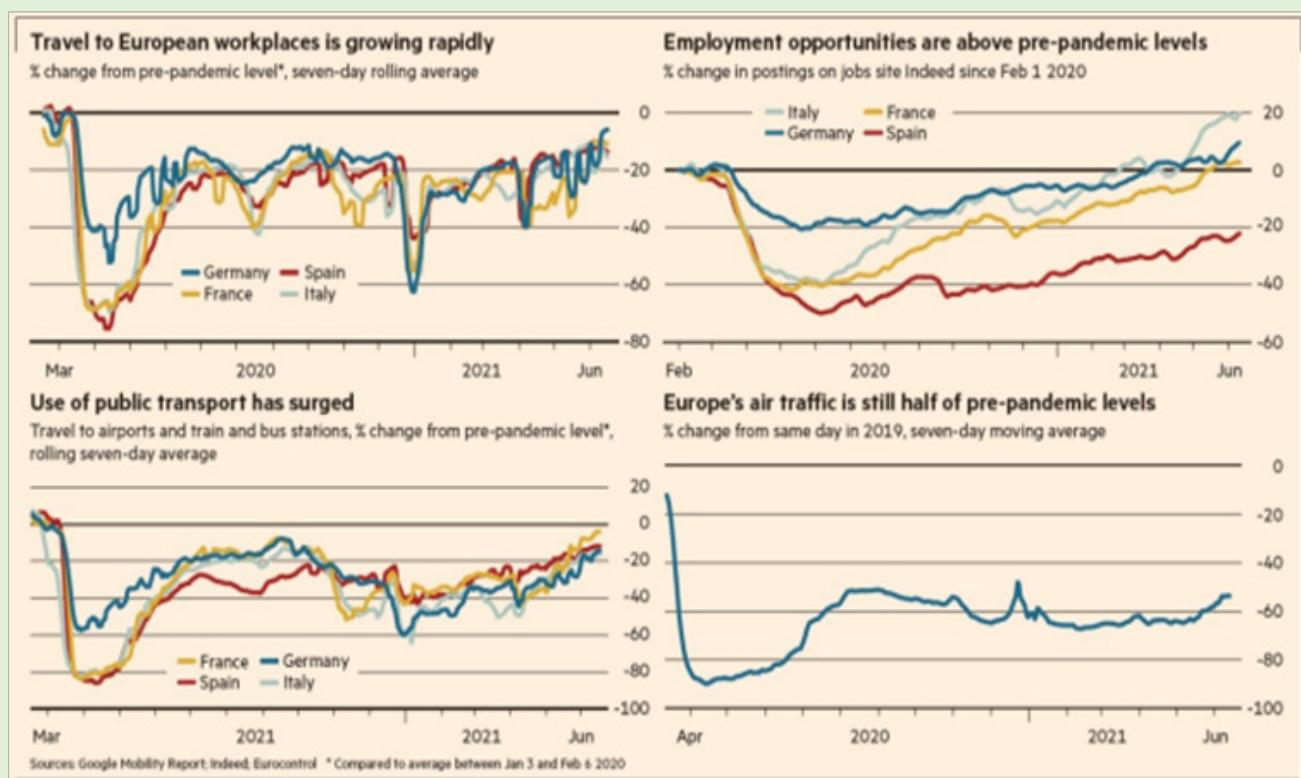


The Covid Trauma Has Changed Economics May be Forever



Policymakers learned the lessons of 2008 and deployed a wider set of tools to help repair the damage from Covid. They know how to create a recovery, but can they manage the boom? Once ideas about how to manage the economy become entrenched, it can take generations to dislodge them. Something big usually has to happen to jolt policy onto a different track. Something like Covid-19. In 2020, when the pandemic hit and economies around the world went into lockdown, policymakers effectively short-circuited the business cycle without thinking twice. In the U.S. in particular, a blitz of public spending pulled the economy out of the deepest slump on record - faster than almost anyone expected - and put it on the verge of a boom. The result could be a tectonic transformation of economic theory and practice.

Eurozone Bounces Back as Covid Retreats



Travel to work and use of public transport grow, but leisure industry lags behind. The alternative indicators have become widely watched since the start of the pandemic because they offer a more timely gauge of activity, although they are less comprehensive and reliable than official data.

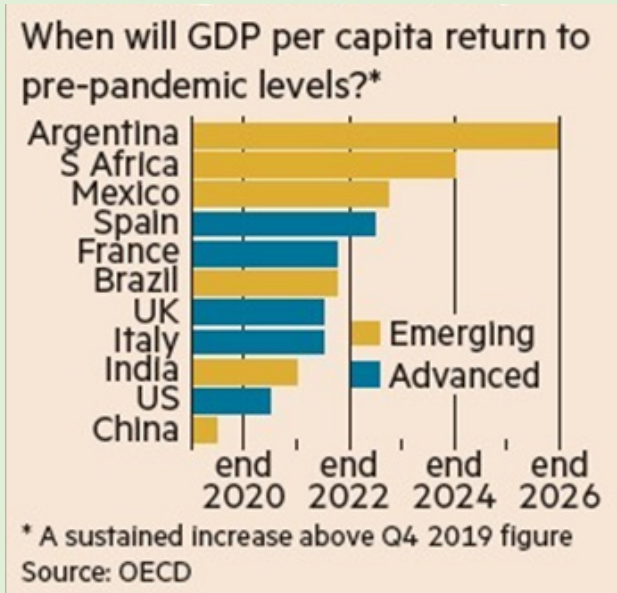
“We’re going back to a form of normality very quickly now,” said Bert Colijn, economist at ING. Several measures of activity were already outperforming their levels last summer.” He

added, “This fuels expectations of a quickeconomic rebound.”

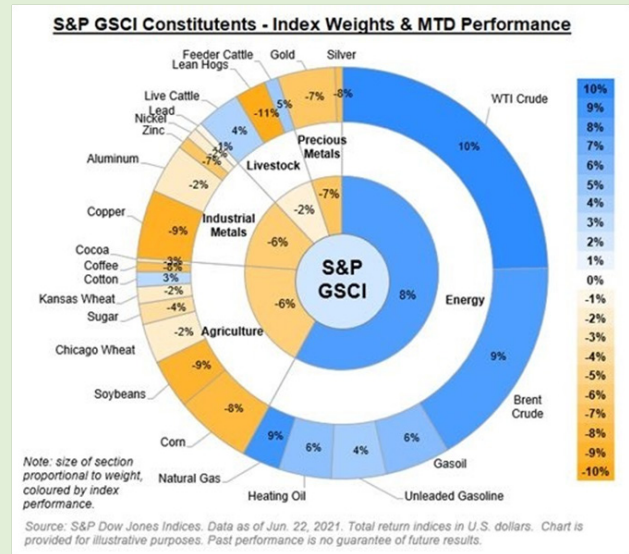
Most EU member states are reopening their economies as the virus retreats, boosting households’ confidence. Coronavirus infections have fallen rapidly since May and about half of the EU population have received at least one dose of a Covid-19 vaccine, although concerns are growing about the spread of the more contagious Delta variant.

Uneven Global Recovery

Prospects for the world economy are likely to remain uneven. The U.S. will reach pre-pandemic per capita income levels in about 18 months. Much of Europe is expected to take nearly three years and Argentina six years to do the same.



A Wide Range of Returns Within Commodity Sectors



U.S. Inflation Poses Threat to Developing Economies

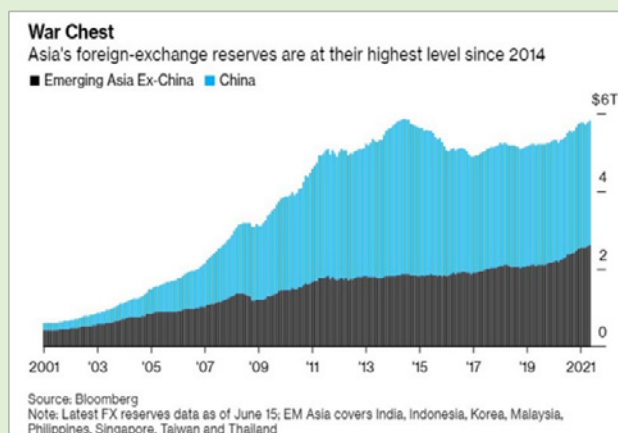


Indebted countries face sharp increases in the cost of borrowing. As policy makers across the developing world battle the persistent spread of coronavirus, they also face the economic threat of inflation, and not just at home. Escalating price growth in major economies, in particular the U.S., is fuelling investors' expectations of rate rises. That pushes up bond yields, making it more expensive for other countries to sell debt as buyers demand higher returns. What should be good news, the beginning of a global recovery, has instead become a threat: that the cost of borrowing will hit dangerously high levels in countries such as South Africa and Brazil, throwing their already precarious public finances into disarray. "Emerging economies should be worrying more about U.S. inflation than about their own," said Tatiana Lysenko, lead economist for emerging markets at S&P Global Ratings.

Global Inflation Rates

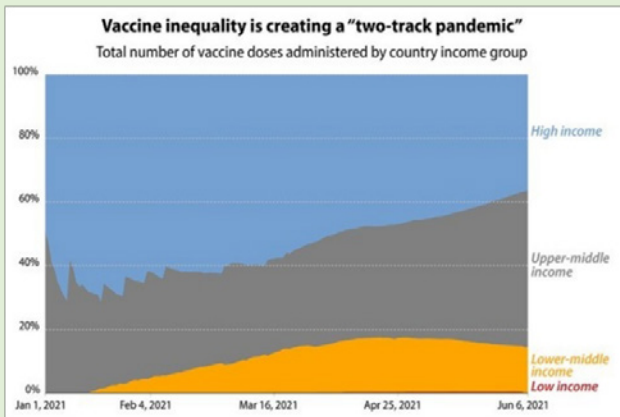
Country	CPI Inflation (YoY %)
JAPAN	-0.1%
SWITZERLAND	0.6%
HONG KONG	1.0%
AUSTRALIA	1.1%
PORTUGAL	1.2%
CHINA	1.3%
ITALY	1.3%
FRANCE	1.4%
NEW ZEALAND	1.5%
INDONESIA	1.7%
IRELAND	1.7%
SWEDEN	1.8%
UK	2.1%
FINLAND	2.2%
SINGAPORE	2.4%
GERMANY	2.5%
SOUTH KOREA	2.6%
SPAIN	2.7%
CANADA	3.6%
PHILIPPINES	4.5%
POLAND	4.8%
US	5.0%
SOUTH AFRICA	5.2%
SAUDI ARABIA	5.7%
MEXICO	5.9%
RUSSIA	6.0%
INDIA	6.3%
BRAZIL	8.1%
TURKEY	16.6%
ARGENTINA	48.8%
VENEZUELA	2720%

Asia's War Chest



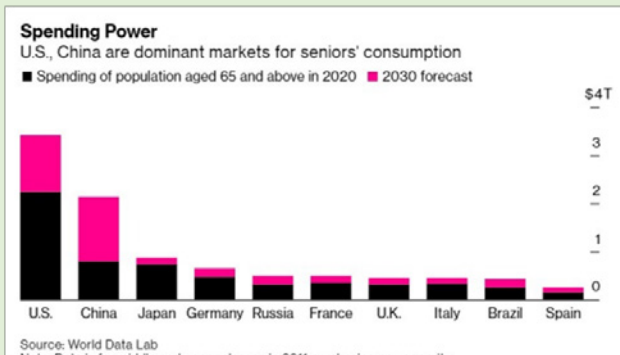
Asia's emerging economies have accumulated their highest level of foreign-exchange reserves since 2014, offering a powerful buffer against market volatility if the U.S. Federal Reserve changes course. Central bank holdings of foreign currencies in the region's fast-growing emerging economies hit \$5.82 trillion as of May, their highest since August 2014. When China's cash pile is stripped out, emerging Asian central banks' reserves stood at an all-time high of \$2.6 trillion. While some of the gains reflect dollar weakness and bumper exports, policy makers are deliberately preparing their defenses, said Nicholas Mapa, senior economist with ING Bank in Manila. "Emerging economies are definitely learning from the past by war-chesting," Mapa said. "They're all the more aware of the eventual reversal in monetary policy stance of developed market central banks and the potential repercussions that may arise from a Fed taper or eventual rate hike."

Vaccine Inequality



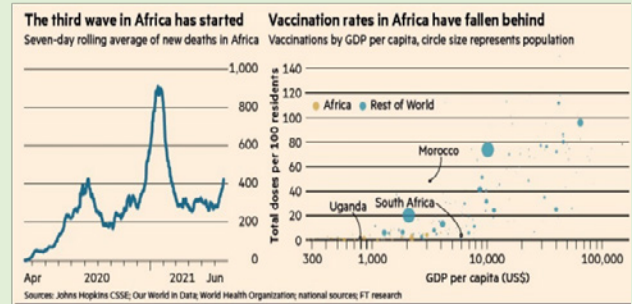
COVID is increasingly looking like a “two-track pandemic” as high-income countries administer vaccines at a faster clip, while lower-income countries struggle to get doses to their citizens.

After the Pandemic, a Wave of Spending by Older Consumers



The world’s emergence from the coronavirus pandemic is set to unleash a wave of spending by older consumers, with increasing opportunities for investors in aging-linked stocks. This is the view of money managers who see huge pent-up demand from wealthy seniors for medical services and luxury goods. They also expect that the forced adoption of the internet by older people during lockdown will open up this demographic permanently to e-commerce companies and social networks. The number of people aged 65 and over is projected to double to more 1.5 billion by 2050, greatly increasing their economic impact. The total spending power of the older population globally was about \$8.4 trillion in 2020, according to World Data Lab. That’s expected to grow to \$14 trillion over the next decade.

Africa Sinks Under Covid Third Wave as Inoculation Drive Stalls

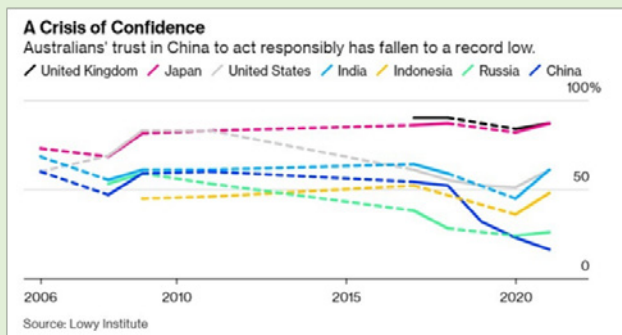


Poor nations struggle with testing as well as delivery and distribution of doses. The rolling seven-day average of new African cases rose to about 25,000 a day in June from 7,000 in the middle of May, according to data from Africa’s Centres for Disease Control and Prevention. Doctors have warned of dwindling hospital beds and oxygen supplies as more than a dozen nations are reporting their worst levels of infection since the pandemic began, just as they are struggling to launch mass rollouts of vaccines. “We are not winning for sure. Each time you get a wave, the peak is worse than the previous one,” said John Nkengasong, director of Africa’s CDC. “It’s a pretty gloomy picture. The combination of the third wave, and winter, at the same time as trying to drive an aggressive vaccination rollout is of concern,” said Martin Kingston, head of a South African business steering committee for the vaccine rollout.

The World’s Largest Shipping Hubs

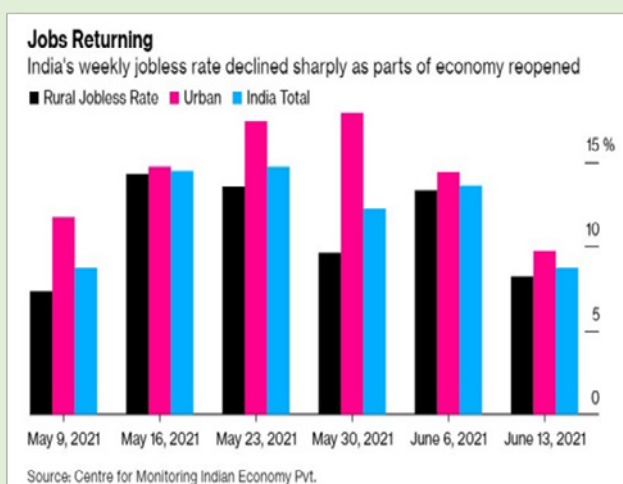


Australians' Trust in China Has Dropped to a Record Low



More Australians perceive the nation as a security threat than an economic partner, according to a survey released recently. Trust in the U.S., meanwhile, has risen amid higher levels of confidence in President Joe Biden than his predecessor. Only 16% of respondents said they trust China to act responsibly in the world, down from 52% in 2018, the annual Lowy Institute Poll showed. Just 10% said they have confidence in China's President Xi Jinping to "do the right thing regarding world affairs," from 22% last year. In contrast, 69% have confidence in Biden, 39 percentage points higher than the support given to then President Donald Trump last year. Some 61% said they trust the U.S., up 10 points from last year.

India's Jobless Rate Slides in Signs Economy Is Turning Around



India's unemployment rate dropped sharply for the week to June 13, in the first sign that Asia's third-largest economy may be turning a corner after the world's worst coronavirus outbreak. The jobless rate fell to 8.7% from 13.6% a week ago, data from private research firm Centre for Monitoring Indian Economy Pvt. showed. Urban unemployment fell to 9.7% from 14.4%, while the rural measure declined to 8.2% from 13.3%. That coincided with an improvement in mobility data as many Indian states lifted localized lockdowns imposed to curb the virus's spread. Google's Community Mobility Report data on public transport and workplaces show activity levels have started recovering in recent weeks while electricity consumption - a widely used proxy to gauge demand in India's industrial and manufacturing sectors - is making a comeback.

The IMD World Competitiveness Ranking

World competitiveness: Overall ranking 2021 and 2020		
	2021	2020
Switzerland	1	3
Sweden	2	6
Denmark	3	2
Netherlands	4	4
Singapore	5	1
Norway	6	7
Hong Kong	7	5
Taiwan	8	11
UAE	9	9
US	10	10
China	16	20
Australia	22	18
Korea	23	23
Malaysia	25	27
Thailand	28	29
Japan	31	34
Indonesia	37	40
India	43	43
Philippines	52	45

Note: Total of 64 countries with the rankings based on hard data and a survey of business executives. Source: IMD World Competitiveness Ranking, 2021

In the IMD World Competitiveness Ranking, Switzerland displaced Singapore for the top rank in 2021. China jumped four places to rank 16th. Taiwan entered the top-10. Australia, Japan and Indonesia saw a move up. The U.S. and India maintained their ranks at 10th and 43rd respectively.

Compiled by Shri. Kunal Thakkar



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The Cotton Association of India (CAI) is respected as the chief trade body in the hierarchy of the Indian cotton economy. Since its origin in 1921, CAI's contribution has been unparalleled in the development of cotton across India.

The CAI is setting benchmarks across a wide spectrum of services targeting the entire cotton value chain. These range from research and development at the grass root level to education, providing an arbitration mechanism, maintaining Indian cotton grade standards, issuing Certificates of Origin to collecting and disseminating statistics and information. Moreover, CAI is an autonomous organization portraying professionalism and reliability in cotton testing.

The CAI's network of independent cotton testing & research laboratories are strategically spread across major cotton centres in India and are equipped with:

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LABORATORY LOCATIONS

Current locations : • **Maharashtra :** Mumbai; Yavatmal; Aurangabad; Jalgaon • **Gujarat :** Rajkot; Ahmedabad • **Andhra Pradesh :** Adoni
• **Madhya Pradesh :** Kargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana:** Warangal, Adilabad



COTTON ASSOCIATION OF INDIA

Cotton Exchange Building, 2nd Floor, Opposite Cotton Green Railway Station, Cotton Green (East), Mumbai - 400 033, Maharashtra, INDIA
Tel.: +91 22-2370 4401/02/03/04 • E-mail: cai@caionline.in • www.caionline.in

UPCOUNTRY SPOT RATES								(Rs./Qtl)					
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]								Spot Rate (Upcountry) 2020-21 Crop June 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	21st	22nd	23rd	24th	25th	26th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	11473 (40800)	11501 (40900)	11529 (41000)	11614 (41300)	11642 (41400)	11642 (41400)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	11614 (41300)	11642 (41400)	11670 (41500)	11754 (41800)	11782 (41900)	11782 (41900)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	9505 (33800)	9561 (34000)	9561 (34000)	9617 (34200)	9645 (34300)	9645 (34300)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	9983 (35500)	10011 (35600)	10011 (35600)	10067 (35800)	10095 (35900)	10095 (35900)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	11529 (41000)	11557 (41100)	11585 (41200)	11670 (41500)	11698 (41600)	11698 (41600)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	13020 (46300)	13076 (46500)	13160 (46800)	13301 (47300)	13357 (47500)	13413 (47700)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	11670 (41500)	11698 (41600)	11698 (41600)	11782 (41900)	11810 (42000)	11810 (42000)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	13188 (46900)	13244 (47100)	13329 (47400)	13469 (47900)	13526 (48100)	13554 (48200)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	11923 (42400)	11951 (42500)	11979 (42600)	12092 (43000)	12120 (43100)	12120 (43100)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	12963 (46100)	13020 (46300)	13076 (46500)	13160 (46800)	13216 (47000)	13273 (47200)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	13329 (47400)	13413 (47700)	13498 (48000)	13666 (48600)	13779 (49000)	13779 (49000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	13610 (48400)	13638 (48500)	13694 (48700)	13779 (49000)	13779 (49000)	13835 (49200)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	13638 (48500)	13666 (48600)	13723 (48800)	13807 (49100)	13807 (49100)	13863 (49300)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	13807 (49100)	13891 (49400)	13919 (49500)	13976 (49700)	14032 (49900)	14060 (50000)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	13610 (48400)	13723 (48800)	13835 (49200)	14004 (49800)	14060 (50000)	14060 (50000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	13919 (49500)	13947 (49600)	14032 (49900)	14088 (50100)	14172 (50400)	14229 (50600)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	13947 (49600)	13976 (49700)	14060 (50000)	14116 (50200)	14201 (50500)	14257 (50700)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	14144 (50300)	14257 (50700)	14341 (51000)	14397 (51200)	14426 (51300)	14566 (51800)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	14594 (51900)	14622 (52000)	14679 (52200)	14763 (52500)	14819 (52700)	14847 (52800)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	14594 (51900)	14622 (52000)	14679 (52200)	14763 (52500)	14819 (52700)	14847 (52800)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	14735 (52400)	14791 (52600)	14875 (52900)	14988 (53300)	15044 (53500)	15072 (53600)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	14763 (52500)	14819 (52700)	14904 (53000)	15016 (53400)	15072 (53600)	15100 (53700)
23	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	14904 (53000)	14988 (53300)	15072 (53600)	15185 (54000)	15325 (54500)	15466 (55000)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	22215 (79000)	22412 (79700)	22608 (80400)	22777 (81000)	23058 (82000)	23199 (82500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	22777 (81000)	23030 (81900)	23283 (82800)	23508 (83600)	23761 (84500)	23902 (85000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	22777 (81000)	23199 (82500)	23621 (84000)	23902 (85000)	24324 (86500)	24464 (87000)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	23340 (83000)	23761 (84500)	24183 (86000)	24464 (87000)	24886 (88500)	24886 (88500)

(Note: Figures in bracket indicate prices in Rs./Candy)