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Technical Analysis

Price outlook for Gujarat-ICS-105, 29mm and ICE cotton futures for the period 12/07/16 to 26/07/16

(The author is Director of Commtrendz Research and the views expressed in this column are his own and the author is not liable for any loss or damage, including without limitations, any profit or loss which may arise directly or indirectly from the use of following information.)

We will look into the Gujarat-ICS-105, 29mm prices along with other benchmarks and try to forecast price moves going forward.

As mentioned in the previous update, fundamental analysis involves studying and analysing various reports, data and based on that arriving at some possible direction for prices in the coming months or quarters.

Some of the recent fundamental drivers for the domestic cotton prices are:

EXPERT's Column

Shri Gnanasekar Thiagarajan

• Cotton futures are sharply higher due to crop concerns due to whitefly pest. Data from Union Agriculture Ministry's Department of Economics and Statistics (DES) shows that the area under cotton crop this season has shrunk to the lowest since 1955-56.

• Cotton planting in India, the world's biggest producer, is likely to fall to the lowest in seven years in the 2016/2017 marketing season as farmers switch to other crops, potentially cutting production and exports of the fibre.

• According to the Indian agriculture department data, as on July 4, cotton sowing has been done on 3.05 million hectares this year, almost down by 50 per cent from the 6.01 million hectares in the same time in 2015. Gujarat, the highest cotton growing state, has registered a 66 per cent fall in kharif cotton sowing.

• According to the data from the Cotton Association of India (CAI), India's cotton production is expected to stand around 338.75 lakh bales for the 2015-16 season.

Some of the fundamental drivers for International cotton prices are:

• Cotton futures jumped nearly 3 percent on Monday, touching the highest level in more than a year on technical buying after prices of the fibre broke through the key technical levels, amidst concerns over hot and dry weather conditions across production regions.

• Projections for hotter than normal temperatures and below normal precipitation levels in the U.S. A for the next couple of weeks, were also supportive for prices. The cotton markets also awaited the release of the monthly World Agricultural Supply and Demand Estimates (WASDE) report from the U.S. Department of Agriculture (USDA) on Tuesday.

• Earlier, the U.S. Department of Agriculture (USDA) cut its outlook for global inventories, largely on a decrease in inventories in China, the world's largest consumer. The U.S. government raised its outlook for domestic inventories at the end of the 2016/17 crop year, but slashed its outlook for world stocks in part due to a reduction in global output.

• Speculators upped a bullish stance in cotton by 2,673 contracts to a six-month high of 47,871 contracts for the week ending July 5, the Commodity Futures Trading Commission data showed on Friday.

Let us now dwell on some technical factors that influence price movements.

As mentioned earlier, price charts are turning friendlier and a possible rally is in the offing. We expected the prices to test the important resistance around 10,250-300/qtl levels. The prices are moving perfectly in line with our expectations. As expected, we are seeing prices head towards 12,000/qtl. But, a potential correction lower is expected after this one way move upwards. We are wary of further upside movement till a correction to 11,000 /qtl or even lower to 10,500/qtl materialises.

As mentioned earlier, indicators are turning friendly now, which could see prices moving higher gradually. Indicators are displaying extremely overbought conditions, which could see a pullback or a downward correction in the coming sessions. A very high RSI reading of 97 signifies extreme overbought conditions which warn of an impending correction lower. We see support now in the 11,000/qtl range followed by more important support at 10,500/qtl zone now. Ideally, the upward trend should extend further to 13,000-13,500/qtl levels in the coming months after the expected downside correction.

We will also look at the ICE Cotton futures charts for a possible direction in international prices.

As mentioned in the previous update, a strong rally from lower levels accompanied by higher volumes and open interest has rekindled bullish hopes for 68-69c in the coming sessions. Supports around 63-65c held well. We continue to expect prices to edge higher towards 66.95-67.00c in the coming weeks followed by 69.25-50c being an extremely strong resistance in the coming weeks. Prices have closed at 66.95c, triggering the upside expectations for 69c as mentioned earlier. Corrective declines are expected to find support around 66c now. Only an unexpected fall below 63c could cause doubts on our bullish view now.

CONCLUSION:

Both the domestic and international prices have risen sharply higher and show promise to move higher. But, a correction looks likely before the uptrend resumes. Without a correction, this uptrend will fizzle out soon. That is why price corrections within a trend is very healthy.

For Guj ICS supports are seen at 11,500/qtl followed by 10,500/qtl, and for ICE March cotton futures at 66c followed by 63c. The rise above 9,700/qtl has confirmed that the picture has changed to bullish in the domestic markets. In the international markets, prices are indicating a possible bullish trend now, and the indicators have turned friendly. It is now headed towards key resistance levels around 69c on the upside.

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12th Meeting of the Interregional Cooperative Cotton Research Network for the Mediterranean and Middle East Regions

Sharm el Sheikh, Egypt, October 7-9, 2015
Ludhiana, Punjab, India

This article is based on highlights of the research work presented at the 12th Meeting of the Interregional Cooperative Cotton Research Network for the Mediterranean and Middle East Regions. For details on these results/summaries, readers are referred to full presentations available at https://www.icac.org/tech/ Regional-Networks/Inter-Regional-Cooperative-Research-Network-on-Cot/Twelfth-Regional-Meeting-Documents>.

Interspecific Hybridization and Their Testing

In Turkey, six G. hirsutum varieties were used as female parents and Giza 45 and Avesto (Gossypium barbadense L.) as male parents to assess the effects of interspecific hybridization in cotton. The selected cotton genotypes were crossed by line tester method. An experiment was carried out in randomized complete block design with four replications to assess hereditary and heterotic effects on yield components and fiber quality traits. The research was carried out at the Cotton Research Institute, Nazilli, during the 2011-12 season. Positive heterosis was obtained from all hybrids for fiber length and fiber strength. Standard heterosis values were positive and significant for fiber length, strength and micronaire. The performance of all combinations for yield and fiber quality traits in F1 generations showed that Claudia x Giza 45, Candia x Giza 45, Şahin 2000 x Giza 45, BA 308 x Avesto, Naz 07 x Giza 45 and Fantom x Avesto hybrid populations could be used for improving fiber length with higher yields.

In Egypt the four official planting seed categories are Breeder seed, Foundation seed, Registered seed and Certified seeds. It is the responsibility of the Cotton Research Institute to maintain the genetic purity of the planting seed produced and the Institute does it by producing and renewing cotton seed stocks on a regular basis. The Institute is mandated to produce planting seeds under a decree from the Government of Egypt. From the four categories above, Breeder seeds are not offered for sale. Foundation, the highest quality seed that is only available in limited quantities, is marked with a white label. Registered seed is marked with blue label and Certified seed is marked with red label.

Plant Management

Extra-long staple Egyptian varieties tested in Spain under LEPA (low energy precision application) in drip and pivot irrigation showed that pivot irrigation performed better in terms of yield than drip irrigation. Fiber length data was also slightly in favor of the pivot system. Spain planted about 4,000 hectares of Egyptian cotton in 2014/15.

Bangladesh ranks second in the world in terms of apparel production, fiber consumption and raw cotton imports. Bangladesh has 407 textile mills, 1,700 knitwear industries, 1,343 weaving mills and over 300,000 handlooms. However, production is very low and cotton is planted on about 40,000 hectares only. Domestic supply to the textile industry is around 25,000 tons of lint per year. Bangladesh already released a Bt brinjal (eggplant) variety at the farmer level for cultivation. Based on biosafety rules, the Government has approved contained trials on insect resistant biotech cotton. Biotech seed is imported from the Hubei Seed Company, China. Communications with Mahyco Seed Company of India are also going on to import biotech genes of Indian origin. Competition from other high value crops, high input costs and erratic rainfall behavior are some of the main limitations to the expansion of cotton production.

Greece is experimenting intercropping of cotton with lentil and chickpeas. The agronomic trials have shown that cotton and lentil yields were satisfactory in the absence of application of fertilizers. In the case of growing chickpeas with cotton, the yield for chickpea was good but not that of cotton. Problems were faced in cultivation practices because the maturation time of chickpeas is longer than that of lentils. Researchers tested alternate means of water

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to irrigate cotton. They compared wastewater treated by stabilization ponds and sand filtration (non-chlorinated) and wastewater treated by activated sludge with fresh water from a well as control. The results showed that:

- The two effluents resulted, in all cases, in higher yields and lint outturn compared to the control.
- Fiber quality and other physiological parameters were not affected by water qualities.
- No soil deterioration relevant to trace elements concentration was detected, while salinity and alkalinity should be checked regularly.
- Municipal wastewater can be efficiently used for cotton irrigation provided that monitoring of the effluent and the soil as well as control of pathogens is undertaken.

In Turkey, a study was carried out to determine the agricultural and fiber technological properties of early maturing varieties of cotton grown as a second crop growing on the stubble of ridge-planted wheat. Wheat was harvested approximately 10 cm above the soil surface, straw was removed and cotton was planted on the same day. Results showed that early maturing cotton varieties have better results in terms of yield and technological properties. In general, planting cotton just after harvesting ridge-planted wheat seems to be a viable option under the conditions prevailing in the Southeastern Anatolia region.

Biotechnology and Pest Control

Fiber development consists of four overlapping stages i.e. initiation, elongation, secondary cell wall biosynthesis, and maturation. Fiber initiation is characterized by trichome protrusion and enlargement on the epidermal surface, which occurs from three days before anthesis to three days past anthesis. Only 25–30% of epidermal cells differentiate into the mature long-fiber cells, whereas others may develop into short fibers called fuzz. During the most active elongation period from 5-25 days past anthesis, vigorous cell expansion with peak growth rates of about 2 mm/day is observed in upland cotton, coupled with cell expansion and a specific set of metabolite syntheses. Based on this information, efforts are being made to characterize major genes that are responsible for high strength, taking advantage of already known information and then building the standard strategy for their functional analysis (q PCR).

Cotton is one of twelve genetically engineered crops and the biotech planting seed business in the world is estimated to be worth US$2 billion every year. Biotechnology has the capacity to contribute in many spheres including: insect and disease resistance; improved fiber quality; climate resilience and control of weeds; production of special cotton, such as minimum gossypol cotton; enhancement of the value of cotton oil; and induction of special features, such as male sterility, for promoting commercial cotton hybrids. The power of biotechnology lies in diagnostics, genetic modifications and genomics assisted breeding. India has 1,128 commercially approved hybrids and almost 95% of the planted area is under biotech cotton. Adoption of biotech cotton in India undoubtedly increased yields but fertilizer use also increased, cost of planting seed/ha increased, some minor pests became major pests, insecticide use decreased in the beginning but is now on the rise again. So, there are consequences of increases in yields, which were already rising prior to 2002/03 (the year when biotech cotton was first commercially marketed in India). While the World Health Organization (WHO) declared glyphosate (Roundup) as a probable carcinogen, resistance to biotech cry proteins is also becoming prominent in India. Research has to find solutions to existing problems and at the same time continue exploring new avenues like using silk genes from the silkworm Bombyx mori and the spider Araneus spp. Biotechnology should be used to its best potential, but at the same time proper attention must be paid to conservation agriculture, biological control and benefits from suitable cropping systems.

In the recent past, leaf reddening has become a major problem in Bt-cotton in India. The abnormality results in hindrances in assimilates' production, translocation and optimum distribution of assimilates. In general, inter- and intra-specific tetraploid Bt hybrids are more sensitive and vulnerable and this malady may be due to Bt gene interaction. Leaf reddening may occur at any growth stage of the crop, including flowering and boll development, and yield reduction could be as high as 20 to 50%. Research has shown that the leaf reddening index could be significantly reduced in biotech cotton by applying 125% of the regular dose of fertilizer with soil application of MgSO4 at the rate of 25 kg/ha along with foliar application of MgSO4 at the rate of 1%.

In Sudan, the present commercial long staple cotton variety Barakat-90 is susceptible to the new race of bacterial blight disease. Attempts were made to incorporate resistance to the three main cotton diseases: leaf cruel, fusarium wilt and bacterial blight. Unfortunately, yields have been stagnant in Sudan because no other new genes influencing yield components have been brought into the germplasm from outside. Breeders have developed a number of superior genotypes that are at final stages of testing.

Sudan commercialized biotech cotton via varieties imported from China. The adoption of Chinese biotech varieties has a negative effect on fiber quality and also raises some concerns regarding yield. Biotech genes have to be transferred into local germplasm.

India is known to benefit from commercial cotton hybrids. Hybrids were considered to be superior in yield and enabled blending of traits (interspecific hybrids-yield, fiber quality, pest tolerance, abiotic stress tolerance). The hybrid seed production industry employed unskilled labor, hybrids allowed 100% seed replacement every year and hybrids also helped to spread biotech cotton in India. The 'Doak' method of emasculation and hand pollination is used to produce hybrid seed, which is becoming expensive due to high wages. The Cytoplasmic Male Sterility and Genetic Male Sterility systems have their own consequences, such as the availability of suitable restorer lines and elimination of half of the population, respectively. Research has shown that it is possible to develop good restorers through use of molecular marker technology. Markers' tight association with traits of interest, the possibility to convert diverse lines into restorer lines and maintenance of fertility restorer trait has shown good promise.

Verticillium wilt is prevalent in all cotton growing areas of Turkey, especially in the Aegean and Mediterranean regions where the disease causes serious crop loses. The fungus can survive in the soil for more than ten years due to microsclerots that are tiny (10-120 µm length) and immune to negative conditions. Under suitable host plant conditions, the microsclerotia germinate due to root secretion, penetrate in the root and move on to xylem. Researchers have used solubilizing bacteria as a bio-control agent against plant diseases in addition to promotion of plant growth. Rhizobacteria promoting plant growth have been shown to play a vital role in disease control. In Turkey, a study was conducted to determine the effect of plant growth promoting rhizobacteria on verticillium wilt of cotton. Phosphorus-dissolving properties of 650 bacteria isolated from the soil were investigated. It was determined that 238 bacteria isolates had a phosphorus-dissolving ability. At the same time, antagonistic properties of 30 isolates were determined. In the next part of the study these isolates will be characterized and they will be

inoculated in cotton seeds and then used in pot trials. The possibility of using of these isolates as biological control agents in order to suppress the disease agent Verticillium dahliae and effects of morphological traits related to growth and development of the cotton plant (plant height, node number, sympodial branches), seedcotton yield, yield components, fiber characters will be investigated by pot trials. Details on the isolation of bacteria are available in the paper.

Fiber Quality

Improvements in fiber quality have long been a primary objective of cotton breeders. One major obstacle for early breeders was the lack of reliable methods to measure fiber characteristics. Those methods became avaiable with the advent of High Volume Instrument (HVI) testing in the late 1960s and Advanced Fiber Information System (AFIS) in the 1980s. Previous research recognized the need for additional information about AFIS properties and the potential role of AFIS in breeding programs. One of the primary objectives in the early design of this instrument was the ability to measure trash and neps. This was followed by efforts to measure fiber dimension, number of short fibers, and eventually a complete fiber length distribution. HVI was developed primarily for cotton classing purposes but is now extensively used in the screening of breeding materials. The Textechno Cotton Classifying System (CCS) approaches cotton testing from a different point of view, taking the spinning method into account in order to assess the spinability of fibers within the spinning process. The CCS - a new generation of cotton testing instruments - is designed as a so-called MVI (Medium Volume Instrument), with a capacity to conduct 20 tests per hour. A paper at the meeting compared HVI, AFIS and CCS-Textechno with emphasis on the measurement of fiber length and fiber strength in six Giza types and two upland varieties. The results indicated a strong correlation among the three fiber length testing methods. The correlation among the three cotton-testing methods showed that HVI measurements were comparable to the CCS, with the exception of the fiber elongation property. The values of the cotton fiber length derived from the CCS testing method are strongly correlated with those derived from both HVI and AFIS measurements, with correlation coefficients of 0.99 and 0.98 respectively.

A popular Egyptian cotton variety Giza 90 was compared with a promising long staple hybrid for yarn properties. Research was conducted at the Alexandria University, Egypt. Two twist multipliers, i.e. 3.6 and 4 T.M., and four yarn counts (24, 30, 36 and 40 Ne) were used on the same spinning system (ring spinning). The results indicated that the long staple cotton hybrid (Giza 83 x Giza 80) recorded the highest mean values of the most important yarn properties. The strongest, longest and finest cottons produced the best yarn quality and were capable of acceptable spinning performance. It could be concluded that the yarn quality of the four yarn counts under study, i.e. 24'S, 30'S, 36'S and 40'S, was found to be more affected by the twist multiplier as well as the cotton variety. Fiber strength, length, fineness (micronaire value) and uniformity index were the most important contributors to yarn strength. Micronaire value, length, uniformity index were the most important contributors to yarn evenness. However, the relative importance and contribution of fiber properties to yarn quality differed due to cotton categories, yarn counts and twist multiplier.

Trash is a measure of the amount of non-lint materials in cotton, such as leaf and bark from the cotton plant. The trash measuring instruments work on two principles, either gravimetric-based, i.e., Advanced Fiber Information System "AFIS", or geometric or surface scanner, i.e., HVI. The percentage of the surface area occupied by trash particles (percent area) and the amount of trash visible (particle count) are calculated from the data. A paper on prospective for a new leaf grade measured by HVI was presented at the meeting. The USDA Leaf Grade depends on % trash area and ignores the size of trash particles and trash count, which means the smaller the trash area percentage, the higher the grade and the lower the trash area percentage, the lower the grade. However, this is not the best classification for the spinner since large trash particles are easier to remove than smaller ones and the extra small ones (peppery) are hard to remove and can cause neps and unevenness in the yarn. Trash area by itself is not enough to determine leaf grade, while a ratio between percent area of trash and trash particle count is a good indicator of the average particle size in a cotton sample. A low percent area combined with a high particle count indicates a smaller average particle size than does a high percent area with a low particle count. Cotton Trash Samples were created using a number of cotton trash particles removed from cotton and added to zero trash cotton samples. These trash particles were divided into three categories: big particles (B), medium particles (M) and small particles (S). The cotton trash samples that contained specific number and size of trash particles were examined using a HVI 1000 machine. By applying the new Leaf Grade to HVI readings for pre-classed cotton samples, researchers from the Cotton and Testing General Organization (CATGO) of Egypt found that the new Leaf Grade was in line with the classer's grade and meets spinners' preferences concerning trash size and count. For the data recoded refer to the tables in the paper.

Source : The ICAC Recorder, VOL. XXXIII No. 4, DECEMBER 2015

(To be continued)

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Better Yields to Boost Cotton Production in 2016/17

By Lorena Ruíz, ICAC

In 2015/16, world cotton production fell by 17% to 21.7 million tons, the lowest volume since 2003/04. Low international cotton prices at planting time led to a 9% contraction in area to 31.1 million hectares and the world average yield decreased by 9% to 699 kg/ha. However, while area is expected to contract by 1% to 31 million hectares in 2016/17, the average yield is projected to improve by 5% to 735 kg/ha, which would cause production to increase by 5% to 23 million tons. In 2015/16, the cotton area in India reached 11.9 million hectares, the lowest since 2010/11, but is expected to expand by 1% to 12 million hectares in 2016/17. Better monsoon weather may boost yield by 6% to 521 kg/ha, though pest pressure remains a concern. Production in 2016/17 is forecast to increase by 8% to 6.3 million tons, making India the world's largest producer. The cotton area in China is projected to decline by 10% to 3.1 million hectares, which would be the fifth consecutive season in which area has declined. High production costs and reduced government support have made cotton increasingly unattractive to plant relative to other crops. Production is forecast to decrease by 10% to 4.7 million tons, which would be the lowest volume since 2000/01. After contracting by 14% to 3.3 million hectares in 2015/16 due to less attractive cotton prices relative to competing crops and overly wet soil conditions preventing planting in some areas, the cotton area in the United States is expected to expand by 5% to 3.4 million hectares. Assuming yield is similar to the 4-year average of 929 kg/ha, production could increase by 14% to 3.2 million tons. In 2015/16, Pakistan's average yield declined by 32% to 528 kg/ha while production fell to 1.5 million tons as pink bollworm, which is hard to spot in the field, re-emerged as a significant pest. However, measures, such as removing stalks at the end of the harvest and switching to more effective insecticides, are being taken to help combat the pest. As a result, yield is expected to partially recover by 25% to 662 kg/ha in 2016/17. Nevertheless, cotton area is likely to contract by 5% to 2.7 million hectares as farmers switch to competing crops with better returns, and production is projected to increase by 19% to 1.8 million tons.

Global consumption is forecast to remain at 23.6 million tons in 2016/17 as low prices for competing fibers make cotton less attractive. Consumption in China is projected to decline by 5% decline to 6.8 million tons. However, mill use is likely to grow by 11% to 1.2 million tons in Vietnam and 10% to 1.2 million tons in Bangladesh, offsetting the decrease in China. Despite declining demand for imports of cotton yarn by China in 2015/16, mill use in India is expected to recover by 3% to 5.4 million tons and in Pakistan by 1% to 2.2 million tons.

While mill use remains stagnant in 2016/17, world cotton trade volume may increase by 1% to 7.4 million tons. China's imports are expected to decrease by 8% to 947,000 tons as the Chinese government continues to restrict imports in order to reduce its sizeable stocks of cotton. However, imports outside of China are forecast to increase by 3% to 6.5 million tons. Imports by Bangladesh and Vietnam are both projected to be around 1.2 million tons in 2016/17 in order to supply growing domestic demand. Given the larger exportable surplus available in the United States, exports are projected to increase by 18% to 2.3 million tons in 2016/17. Increased mill use in India is expected to decrease the availability of Indian cotton for sale abroad, and the export volume is forecast to decrease by 19% to 1 million tons.

World stocks at the end of 2016/17 are projected to decrease by 5% to 20.4 million tons as mill use exceeds production by 930,000 tons. Ending stocks in China are expected to decrease by 10% to 10.8 million tons, following a 7% decrease to 12 million tons in 2015/16. However, ending stocks in the rest of the world are forecast to rise by 3% to 8.7 million tons in 2016/17, though the stock-to-use ratio outside of China would be similar to the 36% registered last season.

Source: Cotton This Month, ICAC, July 1, 2016.

Supply and Distribution of Cotton

July 1, 2016

Seasons begin on August 1 — Million Metric Tons

	2011/12	2012/13	2013/14 Est.	2014/15 Est.	2015/16 Proj.	2016/17 Proj.
BEGINNING STOCKS						
WORLD TOTAL	**10.318**	**15.348**	**18.323**	**20.498**	**22.29**	**20.40**
CHINA	2.087	6.181	9.607	12.088	12.88	11.96
USA	0.566	0.729	0.903	0.651	0.98	1.05
PRODUCTION						
WORLD TOTAL	**27.839**	**26.797**	**26.179**	**26.117**	**21.74**	**22.73**
INDIA	6.239	6.290	6.766	6.460	5.81	6.25
CHINA	7.400	7.300	6.929	6.480	5.17	4.68
USA	3.391	3.770	2.811	3.553	2.81	3.19
PAKISTAN	2.311	2.002	2.076	2.305	1.51	1.82
BRAZIL	1.877	1.310	1.734	1.563	1.41	1.48
UZBEKISTAN	0.880	1.000	0.910	0.885	0.83	0.82
OTHERS	5.741	5.125	4.954	4.871	4.20	4.48
CONSUMPTION						
WORLD TOTAL	**22.785**	**23.530**	**23.745**	**24.280**	**23.63**	**23.66**
CHINA	8.635	8.290	7.517	7.479	7.08	6.76
INDIA	4.231	4.731	5.057	5.355	5.23	5.40
PAKISTAN	2.121	2.216	2.470	2.492	2.19	2.22
EUROPE & TURKEY	1.498	1.564	1.616	1.698	1.68	1.67
VIETNAM	0.410	0.492	0.673	0.875	1.07	1.18
BANGLADESH	0.700	0.765	0.880	0.937	1.08	1.19
USA	0.718	0.762	0.773	0.778	0.77	0.78
BRAZIL	0.897	0.910	0.862	0.797	0.76	0.71
OTHERS	3.575	3.800	3.899	3.867	3.78	3.75
EXPORTS						
WORLD TOTAL	**9.826**	**10.083**	**8.976**	**7.643**	**7.34**	**7.44**
USA	2.526	2.836	2.293	2.449	1.97	2.32
INDIA	2.159	1.685	2.014	0.914	1.19	0.96
CFA ZONE	0.597	0.828	0.973	0.894	0.98	1.06
BRAZIL	1.043	0.938	0.485	0.851	1.01	0.80
UZBEKISTAN	0.550	0.690	0.615	0.550	0.54	0.46
AUSTRALIA	1.010	1.343	1.057	0.520	0.53	0.64
IMPORTS						
WORLD TOTAL	**9.784**	**9.790**	**8.717**	**7.595**	**7.34**	**7.44**
CHINA	5.342	4.426	3.075	1.804	1.03	0.95
VIETNAM	0.379	0.517	0.687	0.934	1.07	1.23
BANGLADESH	0.680	0.631	0.967	0.964	1.10	1.16
INDONESIA	0.540	0.686	0.651	0.728	0.66	0.68
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ENDING STOCKS						
WORLD TOTAL	**15.348**	**18.323**	**20.498**	**22.287**	**20.40**	**19.46**
CHINA	6.181	9.607	12.088	12.876	11.96	10.79
USA	0.729	0.903	0.651	0.980	1.05	1.14
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	**65**	**57**	**52**	**56**	**51**	**51**
CHINA 4/	**72**	**116**	**161**	**172**	**169**	**159**
COTLOOK A INDEX 5/	**100**	**88**	**91**	**71**		

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.
2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.
3/ World-less-China's ending stocks divided by World-less-China's mill use, multiplied by 100.
4/ China's ending stocks divided by China's mill use, multiplied by 100.
5/ U.S. cents per pound.

Source: ICAC Monthly July 2016

UPCOUNTRY SPOT RATES

(Rs./Qtl)

Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	Spot Rate (Upcountry) 2015-16 Crop JULY 2016 4th	5th	6th	7th	8th	9th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	9617 (34200)	9617 (34200)	9561 (34000)	9645 (34300)	9645 (34300)	9617 (34200)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	9758 (34700)	9758 (34700)	9701 (34500)	9786 (34800)	9786 (34800)	9758 (34700)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	7171 (25500)	7171 (25500)	7171 (25500)	7396 (26300)	7396 (26300)	7508 (26700)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	8914 (31700)	8914 (31700)	8914 (31700)	9139 (32500)	9139 (32500)	9251 (32900)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	10095 (35900)	10095 (35900)	10095 (35900)	10320 (36700)	10320 (36700)	10432 (37100)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	11810 (42000)	11867 (42200)	11923 (42400)	12148 (43200)	12204 (43400)	12232 (43500)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	10461 (37200)	10461 (37200)	10517 (37400)	10770 (38300)	10770 (38300)	10882 (38700)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	10911 (38800)	10911 (38800)	10967 (39000)	11220 (39900)	11220 (39900)	11332 (40300)
9	P/H/R	ICS-105	Fine	27mm	3.5.4.9	26	12063 (42900)	12120 (43100)	12176 (43300)	12401 (44100)	12457 (44300)	12485 (44400)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	10770 (38300)	10770 (38300)	10826 (38500)	11079 (39400)	11079 (39400)	11192 (39800)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	11220 (39900)	11220 (39900)	11276 (40100)	11529 (41000)	11529 (41000)	11642 (41400)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	12176 (43300)	12232 (43500)	12288 (43700)	12513 (44500)	12570 (44700)	12598 (44800)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	12007 (42700)	12007 (42700)	12063 (42900)	12317 (43800)	12317 (43800)	12429 (44200)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	11923 (42400)	11923 (42400)	11979 (42600)	12232 (43500)	12232 (43500)	12373 (44000)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	12232 (43500)	12232 (43500)	12288 (43700)	12541 (44600)	12541 (44600)	12654 (45000)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	12063 (42900)	12063 (42900)	12120 (43100)	12373 (44000)	12373 (44000)	12513 (44500)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	12457 (44300)	12457 (44300)	12513 (44500)	12766 (45400)	12766 (45400)	12879 (45800)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	12738 (45300)	12738 (45300)	12795 (45500)	13048 (46400)	13048 (46400)	13160 (46800)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	12935 (46000)	12935 (46000)	12935 (46000)	13188 (46900)	13188 (46900)	13301 (47300)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	15353 (54600)	15353 (54600)	15494 (55100)	15635 (55600)	15635 (55600)	15747 (56000)

Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]

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