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**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

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## The Month That Was - Snippets for September 2020

### Global Growth Rates

Country	Quarter	Q2 Real GDP YoY Actual
India	Q2 2020	-23.9%
Spain	Q2 2020	-22.1%
Uk	Q2 2020	-21.7%
France	Q2 2020	-18.9%
Mexico	Q2 2020	-18.7%
Italy	Q2 2020	-17.7%
Philippines	Q2 2020	-16.5%
Portogal	Q2 2020	-16.3%
Singapore	Q2 2020	-13.2%
Canada	Q2 2020	-13.0%
Germany	Q2 2020	-11.3%
Japan	Q2 2020	-9.9%
Turkey	Q2 2020	-9.9%
Switzerland	Q2 2020	-9.3%
Us	Q2 2020	9.1%
Hong Kong	Q2 2020	-9.0%
Russia	Q2 2020	-8.5%
Poland	Q2 2020	-8.2%
Sweden	Q2 2020	-7.7%
Finland	Q2 2020	-6.4%
Indonesia	Q2 2020	-5.3%
South Korea	Q2 2020	-2.9%
China *	Q2 2020	3.2%

Source : Bloomberg

### Global Growth Rates

Once the world's fastest-growing major economy, India is now on track for its first full-year contraction in more than four decades. While there are early signs that activity began picking up this quarter as lockdown restrictions were eased, the recovery is uncertain as India is quickly becoming the global epicentre for virus infections.

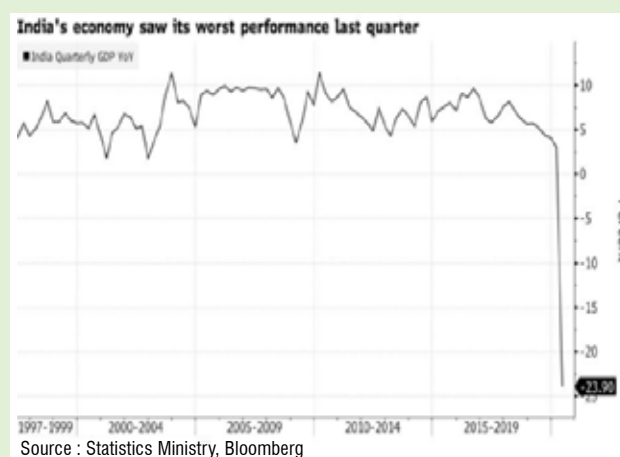
Financial services -- the biggest component of India's dominant services sector -- shrank 5.3% last quarter from a year ago.

Trade, hotels, transport and communication declined 47%

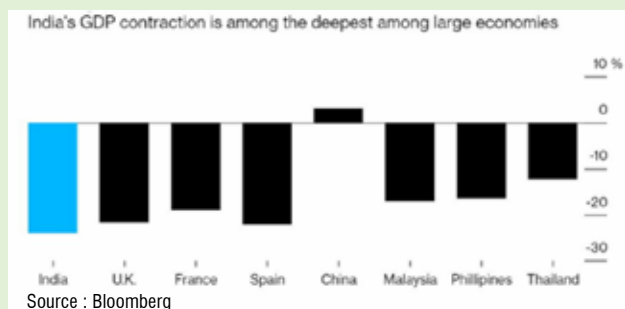
Manufacturing shrank 39.3%, while construction contracted 50.3%

Mining output fell 23.3%, and electricity and gas dropped 7%

Agriculture was the lone bright spot, growing at 3.4%

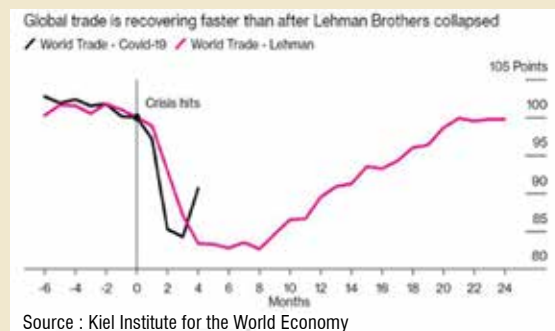


## Looking Down



India's economy heads for double-digit decline as virus spikes. India's economic recovery prospects have gone from bad to worse after the nation emerged as a new global hotspot for the coronavirus pandemic with more than 5 million infections. Economists and global institutions like the Asian Development Bank have recently cut India's growth projections from already historic lows as the virus continues to spread. The gloomy outlook puts pressure on authorities to deliver more stimulus, but there's limited room to act. The government is facing a budget deficit of more than 7% of GDP this fiscal year, more than double its original target, while inflation is above the central bank's 2%-6% goal, reducing the chances of more rate cuts

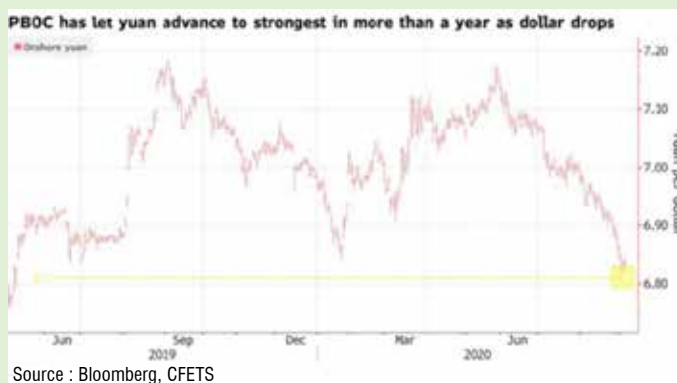
## Faster Pickup



Global trade is on course to recover more quickly from the coronavirus pandemic than after the 2008 financial crisis, according to Germany's Kiel Institute for the World Economy. Shipping volumes are already back at levels that took more than a year to reach following the collapse of Lehman Brothers, hinting at a V-shaped recovery, the institution's President Gabriel Felbermayr said. Trade has seen a "deep slump and a quick rebound," he said. "The current situation is significantly better" than a decade ago.

## Unleashed

China allows stronger yuan as President Xi turns focus to home. Beijing is allowing faster gains in the yuan as it seeks to cheapen imports and bolster weak consumer spending. A stronger yuan is ideal for Beijing at a time when Chinese President Xi Jinping is pushing for a more self-reliant economy. But for now, the yuan has room to advance further said Ong, who sees demand for the greenback being reduced after the U.S. presidential election in November.



## How emerging economies have fared during pandemic



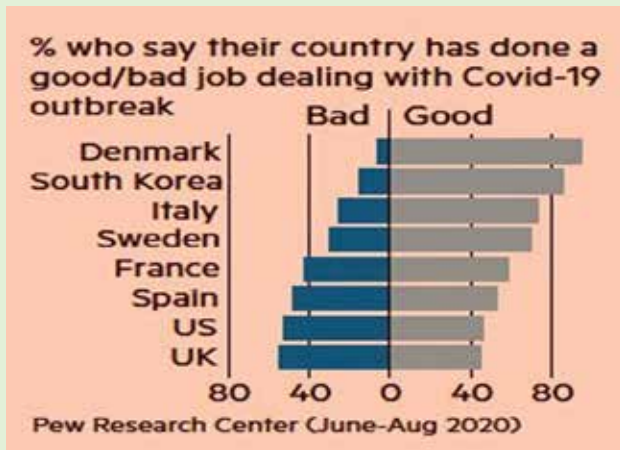
\* Change from previous quarter except India, which is change from same quarter in 2019

Source : Capital Economics; central banks

Covid-19 curbs 'not worth pain' for low-income countries. Economic contractions in India and Mexico show damage caused by severe lockdowns. Some of the largest emerging economies have suffered the most from Covid-19-related lockdowns, curtailing their ability to reimpose restrictions in the face of a second surge in infections, in contrast to wealthier countries.

India's economy, the world's fifth-largest, shrank by about a quarter in the three months to June, when prime minister Narendra Modi imposed severe curbs on business activity and movement to contain the disease. In the same period, Mexico lost 17 per cent of its output from the first quarter. Peru, whose output contracted by 27 per cent, was hardest hit.

## Pandemic response



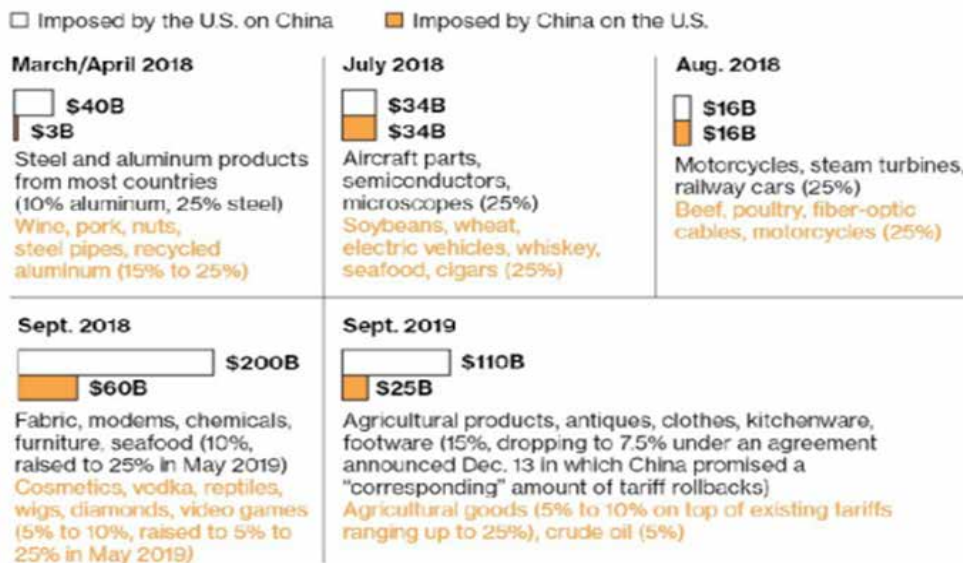
The UK, the US and Spain have highly polarised views of how their states handled the coronavirus crisis, while in 11 other countries, surveyed by Pew, most people think that their government has done well in responding

## China's Currency climbs to 16-month high



China's currency at strongest level in more than a year after upbeat retail data. The mainland version of China's renminbi rose as much as 0.6 per cent to Rmb6.7697 a dollar after Beijing reported that China's retail sales had returned to growth for the first time since the corona virus outbreak.

### Tariffs, by percentage rate, imposed by the U.S. and China on each other since March 2018



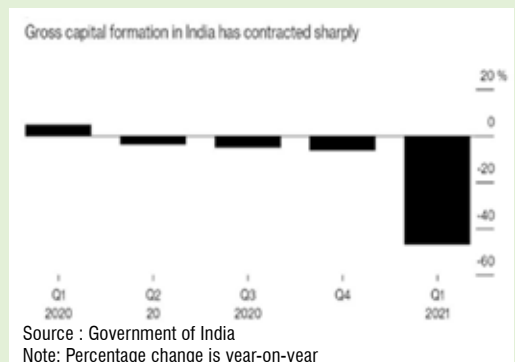
Source : Office of the U.S. Trade Representative, Bloomberg

US-China Tariffs: China's paper win at WTO doesn't dissuade Trump from Trade War. The World Trade Organization's ruling that the U.S. violated international regulations by imposing tariffs on more than \$234 billion of Chinese exports failed to dissuade Washington of its 'America First' trade policy and will do little to alter the current trade environment.

## Falling Investments

India is "likely to see a shallow and delayed recovery in corporate sector profitability over the next several quarters," said Kaushik Das, chief economist at Deutsche Bank AG in Mumbai, who has downgraded his fiscal year growth forecast to -8% from -6.2%. That will "reduce the incentive and ability for fresh investments, which in turn will be a drag on credit growth and overall real GDP growth," he said.

Gross fixed capital formation (GFCF), also called "investment", is defined as the acquisition of produced assets (including purchases of second-hand assets), including the production of such assets by producers for their own use, minus disposals.



## Apparel group says broad ban on China's Xinjiang cotton impossible to enforce

WASHINGTON (Reuters) - The head of a major apparel industry group told lawmakers on Thursday that blanket U.S. import bans on cotton or other products from China's Xinjiang region over forced labor concerns would "wreak havoc" on legitimate supply chains.

Stephen Lamar, president of the American Apparel and Footwear Association, said his industry is working hard to root out products made with forced labor from its supply chains, but Xinjiang, where China has detained over 1 million Muslim Uighurs, represents a unique

A blanket import ban on all cotton from Xinjiang such as that proposed earlier this month would be impossible to enforce, as would bipartisan legislation banning imports of all products from Xinjiang unless proven free of forced labor, Lamar told a House of Representatives Ways and Means trade subcommittee hearing. U.S. Customs and Border Protection on Monday announced five Withhold Release Orders (WROs) banning imports from specific producers of cotton, textiles, apparel, hair products and computer parts in Xinjiang but refrained from proposed broad bans on all cotton and tomatoes from the region.

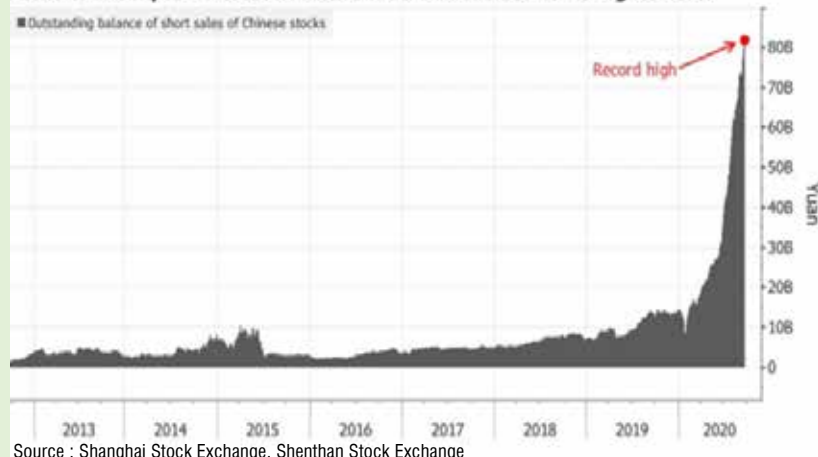
## China's Threats of War Push Taiwan to Boost U.S. Economic Links



It's hard to find a world leader who's had a better 2020 than Taiwan President Tsai Ing-wen. She won re-election in January in a landslide, oversaw one of the world's best responses to the Covid-19 pandemic and helped an economic recovery that has boosted Taiwan's stock exchange to record heights. The central bank last week revised up its 2020 growth target to 1.6%, making it an outlier among global peers as most major economies shrink. But Tsai does have one major problem: The Communist Party is threatening her life, with its Global Times newspaper saying over the weekend she would be "wiped out" in a war if she violated China's anti-secession law.

## Skyrocketing Shorts

Value of short positions for Chinese stocks has climbed to its highest ever



Source : Shanghai Stock Exchange, Shenthan Stock Exchange

Investors around the world are getting to grips with testing valuations in many pockets of the global equities market. With central banks pulling down interest rates in the wake of the pandemic, money flowing into stocks is increasingly looking for a way to hedge against future falls. With yields so low in government bond markets across much of the developed world, there is a need to put extra hedges on the equity component of your portfolio. In China, as this chart shows, the value of short positions (those that profit when stocks prices go down) has climbed to its highest level on record.

Compiled by Shri Kunal Thakkar

## Minimum Support Prices for Kapas of Fair Average Quality for the Cotton Season 2020-21 (October-September)

( In Rs. per quintal )

Sr. No.	Classes of Cotton	Fibre Quality Parameters		Minimum Support Prices (MSP) for 2020-21	Names of the Indicative Varieties used by the Trade
		Basic Staple Length (2.5% Span Length) in MM	Micronaire Value		
(i)	(ii)	(iii)	(iv)	(v)	(vi)
Short Staple (20 mm & below)					
1		-	7.0-8.0	5015	Assam Comilla
2		-	6.8-7.2	5015	Bengal Deshi
Medium Staple (20.5 mm - 24.5 mm)					
3		21.5 - 22.5	4.8 - 5.8	5265	Jayadhar
4		21.5 - 23.5	4.2 - 6.0	5315	V-797 / G.Cot.13 / G. Cot.21
5		23.5 - 24.5	3.4 - 5.5	5365	AK/Y-1 (Mah & M.P.) / MCU-7 (TN)/SVPR-2 (TN)/PCO-2 (AP & Kar) / K-11 (TN)
Medium Long Staple (25.0 mm - 27.0 mm)					
6		24.5 - 25.5	4.3 - 5.1	5515	J-34 (Raj.)
7		26.0 - 26.5	3.4 - 4.9	5615	LRA-5166/KC-2 (TN)
8		26.5 - 27.0	3.8 - 4.8	5665	F-414/H-777/J-34 Hybrid
Long Staple (27.5 mm - 32.0 mm)					
9		27.5 - 28.5	4.0 - 4.8	5725	F-414/H-777/J-34 Hybrid
10		27.5 - 28.5	3.5 - 4.7	5725	H-4/H-6/MECH/RCH-2
11		27.5 - 29.0	3.6 - 4.8	5775	Shankar-6/10
12		29.5 - 30.5	3.5 - 4.3	5825	Bunny/Brahma
Extra Long Staple (32.5 mm & above)					
13		32.5 - 33.5	3.2 - 4.3	6025	MCU-5/Surabhi
14		34.0 - 36.0	3.0 - 3.5	6225	DCH-32
15		37.0 - 39.0	3.2 - 3.6	7025	Suvin

- (i) If the micronaire value is in the range of 3.8 to 4.2 for Staple Length of 24.5 - 25.5 mm mentioned at Sr. No.6 of above table, a premium of Rs. 30/- per quintal will be given over and above the MSP. If the micronaire happens to be less than 3.8 or more than 5.1, the MSP will be lower by Rs. 15/- per quintal for every 0.2 micronaire.
- (ii) If the micronaire values are outside the range in the column (iv) for staple lengths at Sr. No.9 to 15 of above table, a lower MSP of Rs. 25/- per quintal will be given for every 0.2 micronaire value.
- (iii) The Minimum acceptable micronaire value shall be 2.8 for Extra Long Staple Cotton mentioned at Sr. No. 13 to 15 of above table. Minimum acceptable micronaire value shall be 3.0 for other varieties of cotton at Sr. No.1 to 12 of the above table.
- (iv) The names of varieties mentioned in column No. (vi) of the aforesaid table are only indicative related to the respective length group.
- (v) The base line moisture content of kapas shall be 8%. The farmer selling cotton having moisture above 8% but upto 12% will get lesser price proportionately, while it will be a proportionate incentive, if the moisture content of the produce is less than 8%. For the purpose of undertaking price support operation by the designated Procurement Agencies, moisture content of more than 12% is not permitted. The incentive / disincentive will be made on the basis of rate per quintal of kapas on pro-rata basis.
- (vi) The procurement agencies should ensure that micronaire and other fibre quality parameters are scientifically assessed by providing the required infrastructure / facilities at the purchase centres.

The Cotton Corporation of India Ltd. (CCI) will be the central nodal agency for undertaking price support operations for cotton. National Agricultural Co-operative Marketing Federation of India Ltd. (NAFED) would supplement efforts of CCI for cotton procurement.

The Minimum Support Price will be effective from 01.10.2020.

Source : Office of the Textile Commissioner

# All India Weather Summary and Forecast

## Significant Weather Features

◆ Conditions are becoming favourable for further withdrawal of Southwest-Monsoon from most parts of Rajasthan, Punjab, Haryana, Chandigarh & Delhi & Western Himalayan region and some parts of Uttar Pradesh and Madhya Pradesh during next 2 days.

◆ A cyclonic circulation lies over west central Bay of Bengal of Andhra Pradesh coast in lower to upper tropospheric levels. Under its influence, scattered rainfall with moderate thunderstorm & lightning very likely over south peninsular India during next 2 days. Isolated heavy to very heavy falls are very likely over Tamil Nadu, Puducherry & Karaikal; Isolated heavy falls over Andhra

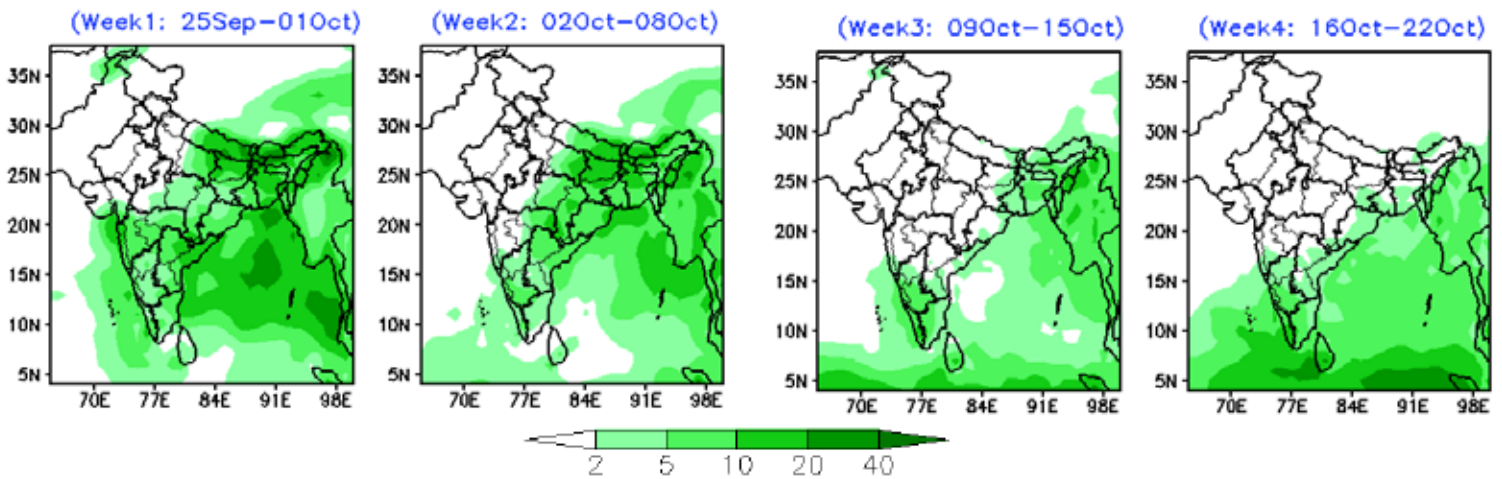
Pradesh, Telengana, Kerala & Mahe and South Interior Karnataka on today, the 29 September, 2020.

◆ Rainfall activity is very likely to increase over northeastern states from 1 October with fairly widespread and isolated heavy falls over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura during 1 to 3 October, 2020.

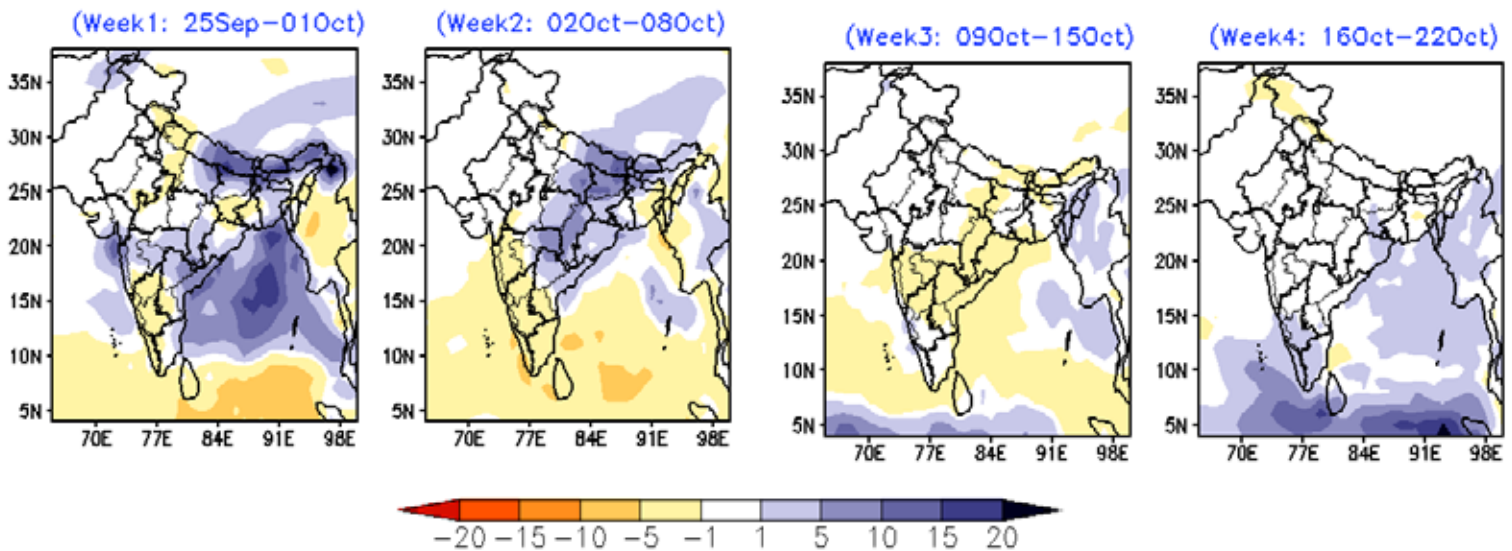
◆ Dry weather very likely over most parts of the northwest India during next 5 days.

◆ Moderate thunderstorm with lightning very likely at isolated places over Andaman & Nicobar Islands, Tamil Nadu, Puducherry & Karaikal, Rayalaseema, Kerala & Mahe, Coastal

### Forecast Rainfall (mm/day)



### Forecast Rainfall Anomaly (mm/day)



Andhra Pradesh & Yanam, Telengana, coastal Odisha, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura during next 12 hours.

Weather Forecast for next 5 days \* upto 0830 hours IST of 04th October, 2020

♦ Meteorological sub-division wise detailed 5 days precipitation forecast is given in Table-1.

♦ No significant change in temperatures very

likely over most parts of the country during next 3-4 days.

Weather Outlook for subsequent 2 days from 04th October, 2020 to 06th October, 2020.

♦ Fairly widespread to widespread rainfall activity with isolated heavy falls likely over parts of northeast & adjoining East India and Andaman & Nicobar Islands. Isolated to scattered rainfall likely over parts of northwest peninsular India. Dry weather likely over rest parts of the country.

**Table-1**  
**5 Day Rainfall Forecast (MID-DAY)**  
**29-September-2020**

Met-Sub-Division	29-Sep Today	30Sep Wed	01Oct Thu	02Oct Fri	03Oct Sat
1. Andaman & Nicobar Islands	WS	WS	WS	WS	WS
2. Arunachal Pradesh	SCT	SCT	SCT	SCT	FWS
3. Assam & Meghalaya	SCT	SCT	SCT	FWS	FWS
4. N. M. M. & T.	SCT	SCT	FWS	FWS	WS
5. S.H. West Bengal & Sikkim	SCT	SCT	SCT	SCT	SCT
6. Gangetic West Bengal	SCT	SCT	SCT	SCT	SCT
7. Odisha	ISOL	SCT	SCT	SCT	SCT
8. Jharkhand	ISOL	ISOL	ISOL	ISOL	SCT
9. Bihar	ISOL	DRY	DRY	DRY	ISOL
10. East Uttar Pradesh	DRY	DRY	DRY	DRY	DRY
11. West Uttar Pradesh	DRY	DRY	DRY	DRY	DRY
12. Uttarakhand	DRY	DRY	DRY	DRY	DRY
13. Haryana, Chd & Delhi	DRY	DRY	DRY	DRY	DRY
14. Punjab	DRY	DRY	DRY	DRY	DRY
15. Himachal Pradesh	DRY	DRY	DRY	DRY	DRY
16. J & K and Ladakh	DRY	DRY	DRY	DRY	DRY
17. West Rajasthan	DRY	DRY	DRY	DRY	DRY
18. East Rajasthan	ISOL	ISOL	DRY	DRY	DRY
19. West Madhya Pradesh	ISOL	ISOL	ISOL	DRY	DRY
20. East Madhya Pradesh	ISOL	ISOL	DRY	DRY	DRY
21. Gujarat Region	ISOL	ISOL	ISOL	ISOL	ISOL
22. Saurashtra & Kutch	ISOL	ISOL	ISOL	DRY	DRY
23. Konkan & Goa	SCT	ISOL	SCT	SCT	ISOL
24. Madhya Maharashtra	SCT	SCT	ISOL	ISOL	ISOL
25. Marathawada	ISOL	ISOL	ISOL	ISOL	ISOL
26. Vidharbha	ISOL	ISOL	ISOL	ISOL	DRY
27. Chhattisgarh	ISOL	ISOL	ISOL	ISOL	ISOL
28. Coastal A. P. & Yanam	SCT	SCT	ISOL	ISOL	ISOL
29. Telangana	SCT	SCT	ISOL	ISOL	ISOL
30. Rayalaseema	SCT	SCT	ISOL	ISOL	ISOL
31. T.N.,Puducherry & Karaikal	SCT	ISOL	ISOL	ISOL	ISOL
32. Coastal Karnataka	SCT	SCT	ISOL	ISOL	ISOL
33. North Interior Karnataka	SCT	SCT	ISOL	ISOL	ISOL
34. South Interior Karnataka	FWS	SCT	ISOL	ISOL	ISOL
35. Kerala & Mahe	FWS	SCT	ISOL	ISOL	ISOL
36. Lakshadweep	SCT	SCT	DRY	DRY	DRY

**% Station Reporting Rainfall**

% Stations	Category	% Stations	Category
76-100	Widespread (WS/ Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
No Rain	Dry		

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) 2019-20 Crop September 2020					
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	10011 (35600)	10011 (35600)	10011 (35600)	10011 (35600)	10011 (35600)	10011 (35600)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	10208 (36300)	10208 (36300)	10208 (36300)	10208 (36300)	10208 (36300)	10208 (36300)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	6327 (22500)	6327 (22500)	6411 (22800)	6468 (23000)	6468 (23000)	6468 (23000)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	6974 (24800)	6974 (24800)	7002 (24900)	7030 (25000)	7030 (25000)	7030 (25000)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	8605 (30600)	8605 (30600)	8605 (30600)	8661 (30800)	8661 (30800)	8661 (30800)
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	9983 (35500)	9983 (35500)	10067 (35800)	10095 (35900)	10123 (36000)	10123 (36000)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	7930 (28200)	7930 (28200)	8014 (28500)	8099 (28800)	8099 (28800)	8099 (28800)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	10208 (36300)	10208 (36300)	10264 (36500)	10292 (36600)	10320 (36700)	10320 (36700)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	8211 (29200)	8211 (29200)	8239 (29300)	8295 (29500)	8295 (29500)	8295 (29500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	9448 (33600)	9448 (33600)	9476 (33700)	9533 (33900)	9561 (34000)	9561 (34000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	10320 (36700)	10320 (36700)	10348 (36800)	10348 (36800)	10404 (37000)	10404 (37000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	10011 (35600)	10011 (35600)	10067 (35800)	10095 (35900)	10095 (35900)	10095 (35900)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	10095 (35900)	10095 (35900)	10151 (36100)	10179 (36200)	10179 (36200)	10179 (36200)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	10067 (35800)	10067 (35800)	10095 (35900)	10123 (36000)	10179 (36200)	10179 (36200)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	10376 (36900)	10376 (36900)	10376 (36900)	10376 (36900)	10461 (37200)	10461 (37200)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	10292 (36600)	10292 (36600)	10320 (36700)	10348 (36800)	10348 (36800)	10348 (36800)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	10348 36800	10348 36800	10376 36900	10404 37000	10404 37000	10404 37000
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	10348 (36800)	10348 (36800)	10376 (36900)	10404 (37000)	10461 (37200)	10461 (37200)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	10489 (37300)	10489 (37300)	10517 (37400)	10545 (37500)	10545 (37500)	10545 (37500)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	10573 (37600)	10573 (37600)	10601 (37700)	10629 (37800)	10629 (37800)	10629 (37800)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	10657 (37900)	10657 (37900)	10686 (38000)	10742 (38200)	10742 (38200)	10742 (38200)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	10742 (38200)	10742 (38200)	10770 (38300)	10826 (38500)	10826 (38500)	10826 (38500)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	10798 (38400)	10798 (38400)	10882 (38700)	10911 (38800)	10967 (39000)	10967 (39000)
24	M/M(P)	ICS-107	Fine	34mm	3.0 - 3.8	4%	33	14875 (52900)	14904 (53000)	14904 (53000)	14960 (53200)	15044 (53500)	15044 (53500)
25	K/TN	ICS-107	Fine	34mm	3.0 - 3.8	3.5%	34	15157 (53900)	15185 (54000)	15185 (54000)	15269 (54300)	15325 (54500)	15325 (54500)

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