

Weekly Publication of



Cotton Association of India

# COTTON STATISTICS & NEWS

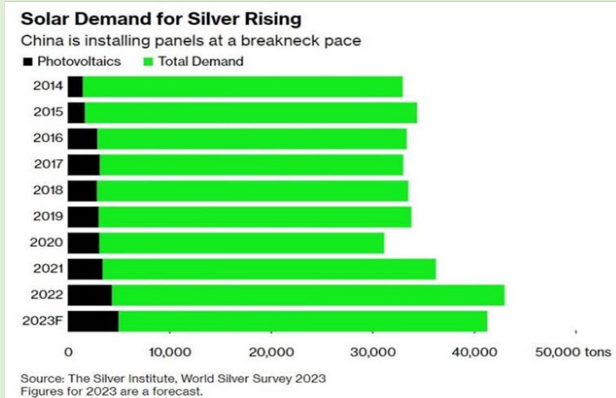
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## The Month That Was - Snippets for July 2023

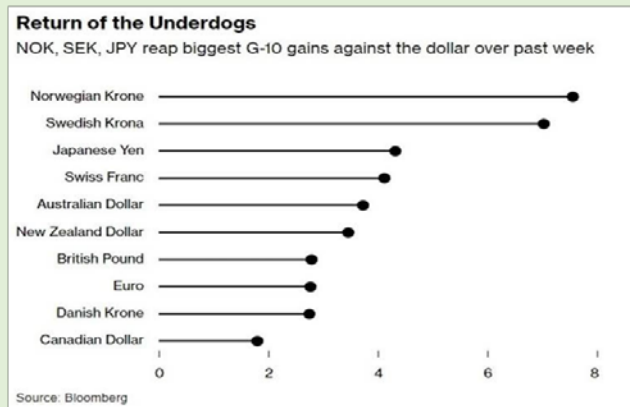
### The World's Appetite for Solar Panels Is Squeezing Silver Supply



More efficient cells require greater amounts of the metal. However, the solar industry is looking at cheaper substitutes. Changes to solar panel technology are accelerating demand for silver, a phenomenon that's widening a supply deficit for the metal with little additional mine production on the horizon. Silver, in paste form, provides a conductive layer on the front and the back of silicon solar cells. But the industry is now beginning to make more efficient versions of cells that use a lot more of the metal, which is set to boost already-increasing consumption. Solar is still a fairly small part of overall silver demand, but it's growing. It's forecast to make up 14% of consumption this year, up from around 5% in 2014, according to a report from The Silver Institute, an industry association.

### Underdogs of Currency World Stage Comeback

Krone, krona, rand and yen lead gain versus dollar on US CPI. Performance turnaround will ease intervention risk. After being beaten down by a dominant dollar this year, the weakest links in the currency world are making a comeback – much to the relief of central banks. The Japanese yen, Norwegian krone and South African rand have turned from the worst-performing major currencies this year to become the best along with Sweden's krona. The sharp turn of fortunes has come on the back of softer US inflation that is weakening the greenback. With traders now



confident that the Federal Reserve is close to the end of its interest-rate hiking cycle, a spike in risk appetite saw some of the biggest currency moves of recent times.

## China's Market Slump Heaps Pressure on Li to Deliver Support

### China's Stimulus Since 2020 Smaller Than Past Downturns

	2008-2009	2014-2016	2020-
<b>Monetary policy</b>	One-year benchmark lending rate lowered five times, or by 216 basis points in total	One-year benchmark lending rate lowered six times, or 165 bps in total	One-year policy rate lowered six times, or 65 bps in total
	Reserve requirement ratio for major banks cut three times, or by 200 bps in total	RRR for major banks cut five times, or by 300 bps in total	RRR for major banks cut six times, or by 225 bps
<b>Fiscal / industrial policy</b>	Rolled out 4 trillion yuan government spending package (equivalent to almost a fifth of GDP then) for housing, infrastructure, key industries	Fiscal deficit target expanded to 3% in 2016 from 2.1% in 2014; 2t yuan financing via policy banks for infrastructure investment, with interest subsidy by central government	Fiscal deficit target rose to 3.6% in 2020; 1t yuan of special sovereign bonds for local fiscal spending and investment
	Allowed local governments to sell bonds for first time and encouraged their debt raising via financing vehicles to fund the spending	Supply-side reform that reduced overcapacity in industrial sectors such as steel and inventories in property market	740 billion yuan policy bank financing for infrastructure projects; 500b yuan additional local government special bond quota
<b>Property policy</b>	Reduced transaction taxes and down payment ratio, mortgage rates cut to as low as 70% of original rates, lower capital requirements for new property projects	Central bank lent over 3t yuan to policy banks to compensate owners of old housing that got demolished, which drove property development and sales under the shantytown redevelopment project between 2014 and 2018	Lower mortgage rates for first-time buyers; policy bank financing for ensuring home delivery

Source: People's Bank of China, government releases, media reports, Bloomberg

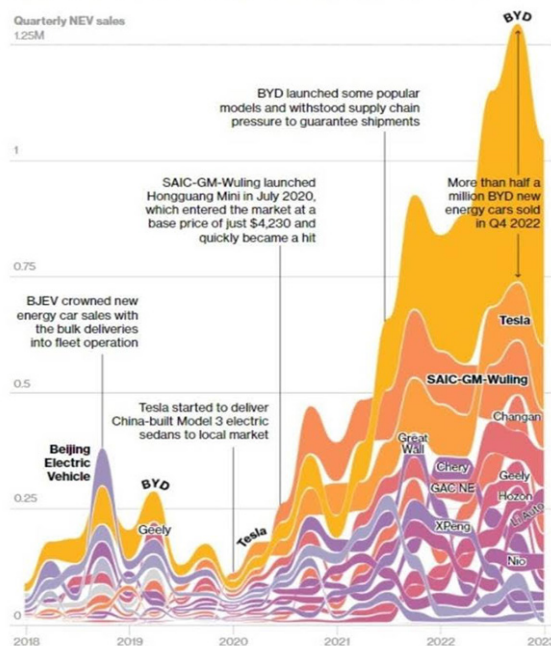
Premier Li vows to roll out targeted stimulus without any specifics. Key gauges of Chinese stocks have fallen as pessimism grows. Chinese authorities are facing pressure to back up their reassuring rhetoric on the economy with more substantive action. Shares in China are headed for their third straight week of losses, the yuan is trading near an eight-month low and angst in the nation's credit market is growing. While Premier Li Qiang has pledged to "spare no time" in implementing targeted stimulus, he offered none of the specifics that investors have been clamouring for. During a meeting with economists, Li said the government will introduce a package of "targeted, comprehensive and well-coordinated" measures to stabilise growth and employment and prevent risks "in a timely manner." A readout of the event was published by the official Xinhua News Agency.

## How China Beat Everyone to Be World Leader in Electric Vehicles

In the race to reduce carbon emissions, countries from the US to New Zealand are doling out incentives to spur electric-vehicle sales – tactics China used for years as it turned into the biggest EV market on Earth. Beijing's success is breathtaking. EVs accounted for a quarter of all passenger cars sold in China last year, far ahead of the roughly one in seven in the US and one in eight in Europe. And the pace is accelerating. HSBC expects the EV penetration rate in the world's second-largest economy to reach 90% by 2030. Including plug-in hybrids, China's clean-car sales hit 5.67 million in 2022, more than half of all global deliveries. The country will account for about 60% of the world's 14.1 million new passenger EV sales this year, BloombergNEF predicts.

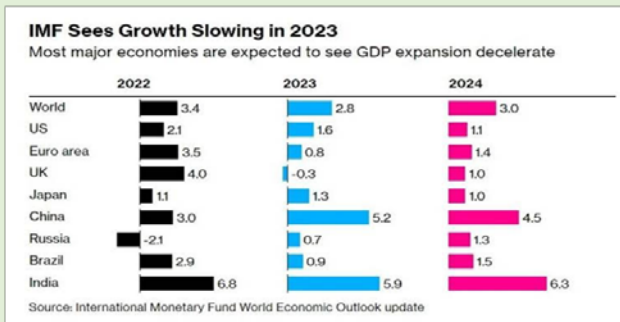
### China's New Energy Vehicle Market Is Consolidating

BYD, Tesla and SAIC-GM-Wuling gain a firm foothold post pandemic



Source: China Automotive Technology and Research Center (CATARC)  
Note: Data shows top eight best-selling carmakers in any given year between 2018 and 2023.

# China's Economy Is Slowing. Here's Why that Matters

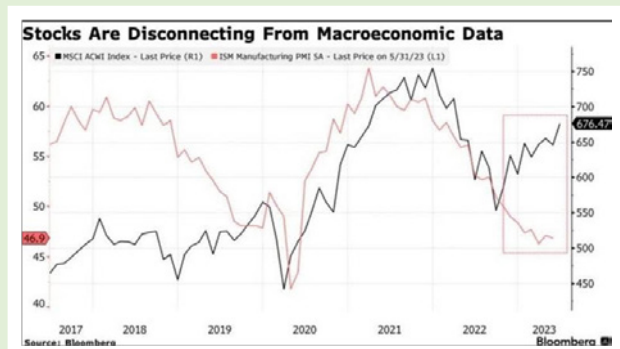


This was meant to be the year China's economy, unshackled from the world's strictest Covid-19 controls, roared back to help power global growth. Instead, it's facing a confluence of problems: Sluggish consumer spending, a shaky property market, flagging exports amid a US drive for "de-risking," record youth unemployment and

towering local government debt. The impact of these strains is starting to be felt around the globe on everything from commodity prices to equity markets. A lot of the world's jobs and production depend on China, with its vast market and factory floors. China's expansion has an impact on businesses across the world through trade, and mineral-exporting countries such as Brazil and Australia are particularly susceptible to China's infrastructure and property cycles.

What's worse, President Xi Jinping's government doesn't have great options to fix things. That's sparked a discussion about whether the Chinese economy is headed for a Japan-style malaise after 30 years of unprecedented growth. China's official target is for growth of around 5% this year.

## It's Getting a Lot Harder to Chase the Stock Rally



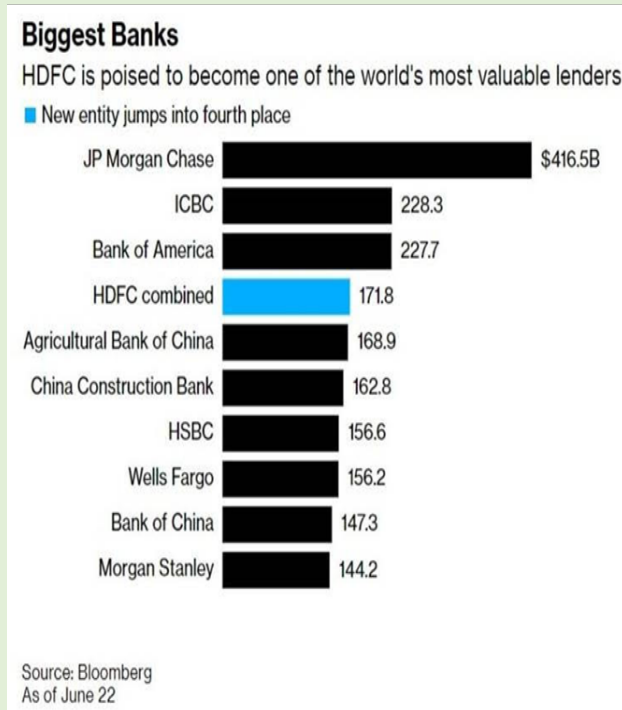
Equities are disconnecting from worsening economic backdrop. Profit warnings, rising rates deal a blow to soft-landing bets. Don't get too greedy. That's the chorus from many investors who are entering the second half of the year with double-digit stock gains already under their belts. Global equities have decoupled from a worsening economic backdrop after rising about 13% in 2023, prompting warnings from some of the world's top money managers that chasing the rally from here on is a risky move. Growing corporate profit warnings are also driving home the message. "Resilience now is sowing the seeds for fragility down the line," said Andrew McCaffery, global chief investment officer at Fidelity International. "The 'best-flagged recession in history' still isn't upon us. But that recession will come when the lagged effects of policies eventually take hold."

## Share of Raw Materials Used By Major Fast Fashion Brands



Consumers' drive for quantity over quality is transforming the world's textile industry, sparking an almost doubling in global fibre production over the past two decades. Underpinning the explosive growth is synthetics – in particular polyester. Its cheapness, allowing dresses and t-shirts to be sold for as little as a few dollars, has helped make it the most widely used fabric in the world. But while polyester is durable, resistant to stains and wrinkles and lightweight, it's also a kind of plastic (derived from a chemical reaction involving petroleum, air and water) and can take upwards of 200 years to decompose. That's made it a lightning rod for criticism of the excesses of the fashion industry, which produces up to 10% of the world's carbon emissions and is the second-largest consumer of water.

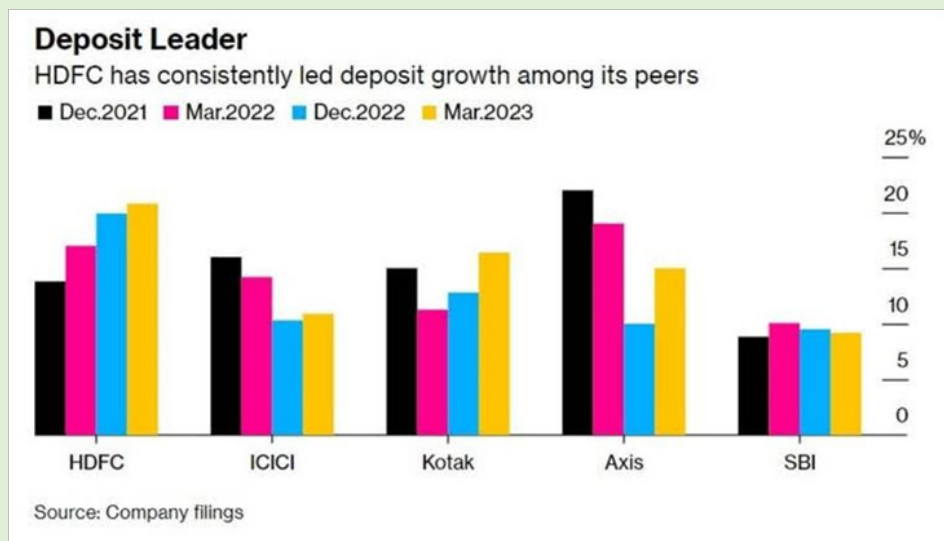
## Bank Giant Bigger Than Morgan Stanley After India Merger



HDFC Bank on completing merger with HDFC mortgage lender has become the fourth largest global lender by market cap. A homegrown Indian company will for the first time, rank among the world's most valuable banks after completing a merger, marking a new challenger to the largest American and Chinese lenders occupying the coveted top spots. The tie up of HDFC Bank Ltd. and Housing Development Finance Corp. creates a lender that ranks fourth in equity market capitalisation, behind JPMorgan Chase & Co., Industrial and Commercial Bank of China Ltd. and Bank of America Corp., according to data compiled by Bloomberg. It's valued at about \$172 billion. With the merger, the new HDFC Bank entity will have around 120 million customers – that's greater than the population of Germany. It'll also increase its branch network to over 8,300 and boast of total headcount of more than 177,000 employees.

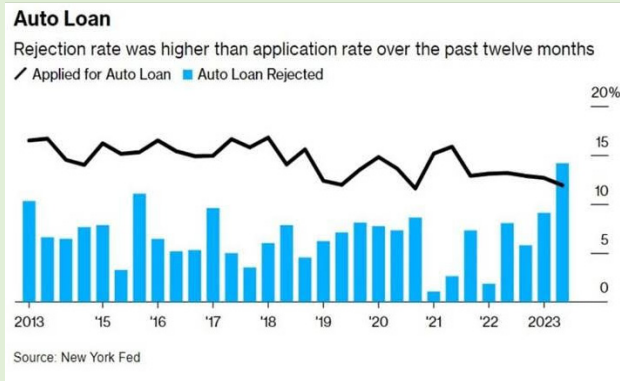
## HDFC Bank Has Consistently Outperformed Its Peers

HDFC Bank has consistently outperformed its peers in garnering deposits and the merger offers another chance to grow its deposit base by tapping the existing customers of the mortgage lender. Some 70% of those customers do not have accounts with the bank. Arvind Kapil, retail head at the bank, has said that he plans to get them to open a savings account. The lender will be able to offer inhouse home loan products to its clients as only 2% of them had a mortgage product from HDFC Ltd., according to a presentation when the merger was announced. "The lifetime value of a customer's relationship with that bank just enhances when you start to



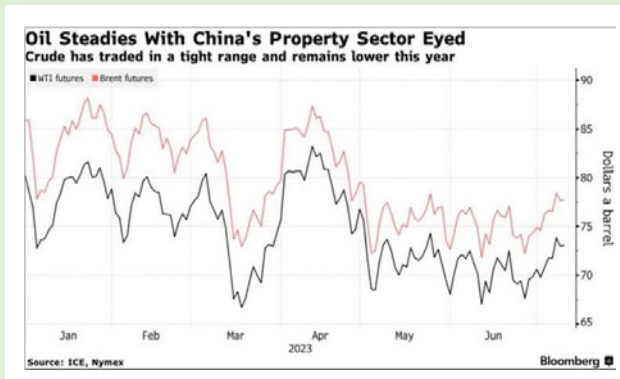
put a mortgage into his product offering," Sashi Jagdishan, the bank's chief executive, said at the time. HDFC Bank, which counts JPMorgan among its largest investors, enjoys high levels of investor confidence.

## More Americans Are Getting Turned Down for Loans, Fed Data Shows



Americans are increasingly likely to get turned down when they apply for credit, according to a new Federal Reserve survey that shows the combined impact of high interest rates and a cautious turn among the country's lenders. The rejection rate for loan applicants jumped to 21.8% in the 12 months through June, the highest level in five years, according to the latest edition of the Fed survey, which is published every four months. Overall credit applications declined to the lowest level since October 2020. In the previous survey, published in February before the collapse of Silicon Valley Bank and other US lenders, the rejection rate was 17.3%. The increase since then has been broad-based across age groups, and highest among those with credit scores below 680.

## Oil Steadies as China Takes Measures to Revive Ailing Economy



Beijing extends relief measures for property developers. WTI trades above \$73 a barrel after declining 1.2% on Monday. Oil steadied, as Chinese measures to aid its property market improved the demand outlook. West Texas Intermediate traded above \$73 a barrel after closing 1.2% lower in the previous session. Chinese regulators stepped up pressure on financial institutions to ease terms for property firms by encouraging negotiations to extend outstanding loans. The nation's ailing real-estate sector and sluggish economic recovery has weighed on commodities this year. Crude remains about 9% lower this year, with resilient supply from producers including Russia and Iran adding to the pressure on benchmark futures. The cost of Russian oil at one of its Western ports has crept higher recently and was closest to the price cap implemented after its invasion of Ukraine.

## More Manhattan Homebuyers Paying Cash in Sign of Luxury Strength

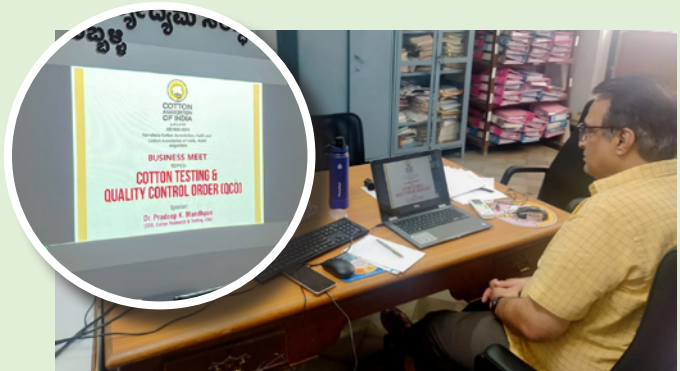


Share of purchases without financing jumps to almost two-thirds of all deals, a record high in nine years of data-keeping. More Manhattan homebuyers are paying cash than at any other time on record. About 65% of purchases in the three months through June were completed without financing, up from 57% in the first quarter and the largest share since appraiser Miller Samuel Inc. and brokerage Douglas Elliman Real Estate began tracking payment methods in 2014. Buyers are turning to cash as mortgage rates hover at almost double their early 2022 levels. In turn, sellers eager to close deals quickly in a market that has cooled from the pandemic boom may be more inclined to accept an offer from a bidder who doesn't need a loan.

## Cotton Association of India and Karnataka Cotton Association Hold Business Meet in Hubli

A business meet was held at Hubli under the aegis of Cotton Association of India (CAI) and Karnataka Cotton Association (KCA), Hubli, on 8th July, 2023 at 5 PM. While the CAI team joined the meet virtually from Mumbai, the meet was attended physically by the office bearers of KCA and approximately 70 to 80 members from the local cotton fraternity.

After the introductory remarks by Shri. Sanket Shingote, Technical Officer, CAI, Dr. Pradeep Mandhyan, CEO, CAI, gave a talk on Cotton Testing and Quality Control Order (QCO) He also informed the gathering about the preparedness of CAI lab at Hubli regarding QCO compliant testing Dr. Mandhyan also assured



the gathering that after the implementation of QCO, the turnaround time of testing would see a definite improvement. The discussions were well appreciated by the attendees. The meet ended with vote of thanks by Secretary, KCA.



## CAI Donates Pheromone Traps to Cotton Farmers

On 22nd July 2023, Cotton Association of India donated 20,000 pheromone traps to cotton farmers in Dondaicha, taluka Shindkheda, district Dhule, Maharashtra. These free pheromone traps were distributed by CAI directors, Shri. Sudhir Kumar Mantri and Shri. Paresh Negandhi.

The event organised by the Kesharanand Group of Industries, was presided over by the Honourable Minister of State, Shri. Anil Bhaidas Patil. The event witnessed a large crowd and was attended by many political luminaries.



# COTTON ASSOCIATION OF INDIA



**COTTON ASSOCIATION OF INDIA**  
Registered  
ISO 9001:2015

**A CHILD'S CHILDHOOD IS FOR LEARNING  
DON'T USE THEIR CHILDHOOD FOR EARNING  
SAY NO TO CHILD LABOUR**

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) 2022-23 Crop July 2023					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	17th	18th	19th	20th	21st	22nd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	17716 (63000)	17716 (63000)	17716 (63000)	17716 (63000)	17716 (63000)	17716 (63000)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	17856 (63500)	17856 (63500)	17856 (63500)	17856 (63500)	17856 (63500)	17856 (63500)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	12795 (45500)	12795 (45500)	12823 (45600)	12851 (45700)	12991 (46200)	12991 (46200)
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	13751 (48900)	13779 (49000)	13835 (49200)	13891 (49400)	14060 (50000)	14060 (50000)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14819 (52700)	14904 (53000)	14904 (53000)	14960 (53200)	15044 (53500)	15044 (53500)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	15016 (53400)	15072 (53600)	15129 (53800)	15213 (54100)	15297 (54400)	15325 (54500)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	-	-	-	-	-	-
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	15185 (54000)	15241 (54200)	15297 (54400)	15382 (54700)	15466 (55000)	15466 (55000)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	14341 (51000)	14341 (51000)	14341 (51000)	14397 (51200)	14482 (51500)	14482 (51500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	14763 (52500)	14791 (52600)	14791 (52600)	14875 (52900)	14988 (53300)	15016 (53400)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	16028 (57000)	16028 (57000)	16028 (57000)	16113 (57300)	16169 (57500)	16169 (57500)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15072 (53600)	15129 (53800)	15157 (53900)	15241 (54200)	15382 (54700)	15466 (55000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15129 (53800)	15185 (54000)	15213 (54100)	15297 (54400)	15438 (54900)	15522 (55200)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	15438 (54900)	15494 (55100)	15522 (55200)	15607 (55500)	15747 (56000)	15803 (56200)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15747 (56000)	15803 (56200)	15860 (56400)	15944 (56700)	16028 (57000)	16028 (57000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15663 (55700)	15719 (55900)	15747 (56000)	15832 (56300)	15972 (56800)	16028 (57000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15691 (55800)	15747 (56000)	15775 (56100)	15860 (56400)	16000 (56900)	16056 (57100)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15719 (55900)	15803 (56200)	15803 (56200)	15888 (56500)	16028 (57000)	16085 (57200)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	15888 (56500)	15972 (56800)	16000 (56900)	16085 (57200)	16169 (57500)	16197 (57600)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	15916 (56600)	16000 (56900)	16028 (57000)	16113 (57300)	16197 (57600)	16225 (57700)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	16085 (57200)	16141 (57400)	16141 (57400)	16197 (57600)	16281 (57900)	16310 (58000)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	16141 (57400)	16197 (57600)	16197 (57600)	16253 (57800)	16338 (58100)	16366 (58200)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	20106 (71500)	20106 (71500)	20106 (71500)	20190 (71800)	20246 (72000)	20246 (72000)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	20246 (72000)	20246 (72000)	20246 (72000)	20331 (72300)	20387 (72500)	20387 (72500)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	20528 (73000)	20528 (73000)	20528 (73000)	20612 (73300)	20668 (73500)	20668 (73500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	20809 (74000)	20809 (74000)	20809 (74000)	20893 (74300)	20949 (74500)	20949 (74500)

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