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Cotton Association of India

# COTTON STATISTICS & NEWS

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## The Month That Was - Snippets for October 2020

### 2021 to Set off Avalanche of Business Insolvencies



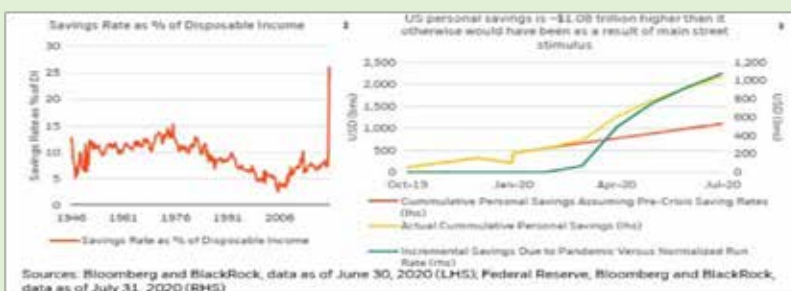
According to a report, the effects of the Covid19 pandemic will be felt most severely in 2021 in terms of business insolvencies. The number of insolvencies will rise sharpest in USA (+57% compared with 2019); Brazil, UK and China also expected to be hit hard.

### Emerging Economies Face Rising Interest Rates as Stimulus Flows Ebb



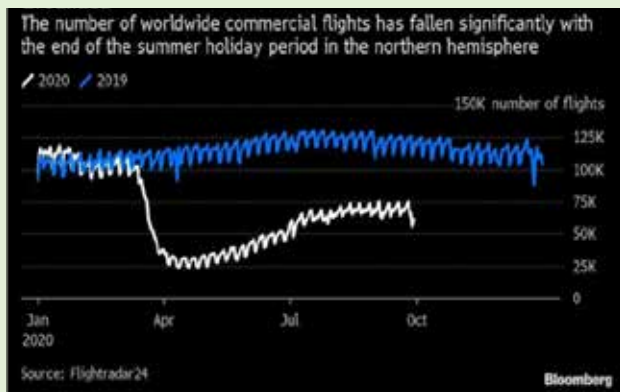
Tally of banks cutting borrowing costs falls to a trickle in September after second-quarter loosening. The vast wave of monetary stimulus that has kept emerging economies afloat since the coronavirus pandemic hit this year, has begun to ebb, just as pressure mounts on these countries to finance their recovery and their huge build-up of debt. Economists have warned that the combination risks are creating a damaging spiral of falling currencies and rising borrowing costs, triggering debt crisis and defaults.

### U.S. Personal Savings Rate is High



The U.S. personal savings is more than \$1 trillion higher than it otherwise would have been as a result of Main Street stimulus programs, and the savings rate as a percentage of disposable income has vaulted higher. Loads of cash > political uncertainty + pandemic + deepest recession in modern history.

## Grounded



A fresh slump in commercial flights will alarm the world's oil refineries, already struggling with a glut of jet fuel.

## From Peak City to Ghost Town



The urban centres have been hit hardest by Covid-19. Footfall in most cities and countries have been recovering since lockdown lows, but latest data show the trend reversing in some countries as restrictions have been tightened.

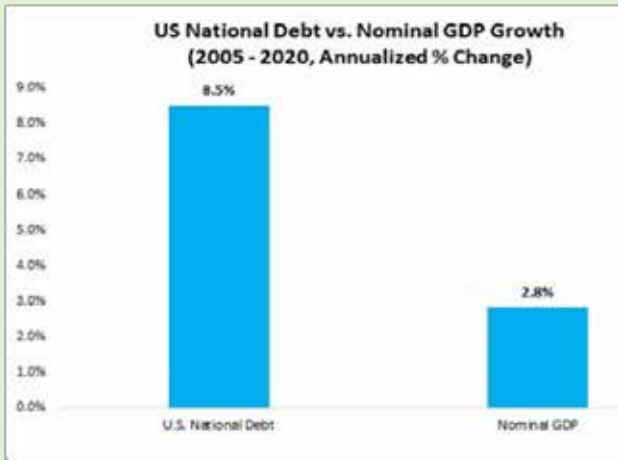


National Debt (Trillions \$)	% Change Between Milestone	# Days Between Milestone	Date
27	3.8%	114	10/1/2020
26	4.0%	35	6/9/2020
25	4.2%	28	5/5/2020
24	4.3%	159	4/7/2020
23	4.5%	262	10/31/2019
22	4.8%	333	2/11/2019
21	5.0%	188	3/15/2018
20	5.3%	588	9/8/2017
19	5.6%	427	1/29/2016
18	5.9%	407	11/28/2014
17	6.3%	412	10/17/2013
16	6.7%	290	8/31/2012
15	7.1%	319	11/15/2011
14	7.7%	213	12/31/2010
13	8.3%	197	6/1/2010
12	9.1%	245	11/16/2009
11	10.0%	167	3/16/2009
10	11.1%	396	9/30/2008
9	12.5%	682	8/31/2007
8	14.3%	642	10/18/2005
7	16.7%	688	1/15/2004
6	20.0%	2,195	2/26/2002
5	25.0%	1,241	2/23/1996
4	33.3%	914	9/30/1992
3	50.0%	1,370	3/31/1990
2	100.0%	1,642	6/30/1986
1			12/31/1981



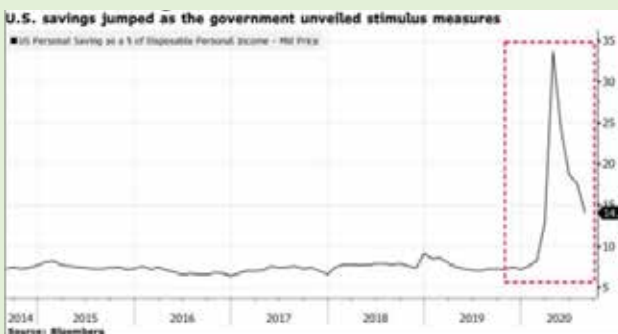
Many countries in western Europe have seen a big fall in the number of ultra-wealthy people this year as a knock-out effect of the pandemic. In the UK, the number of people with net wealth greater than \$30m has fallen 17 per cent.

## U.S. National Debt Increases



Over the last 15 years, the U.S. National Debt has increased at a rate of 8.5% per year vs. an increase in U.S. economic growth (nominal GDP) of 2.8% per year.

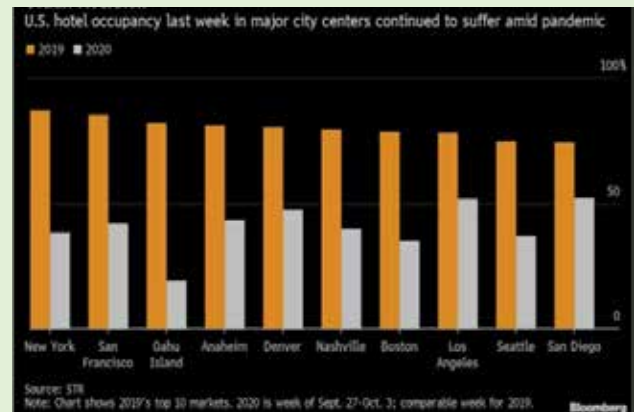
## Pandemic Savings



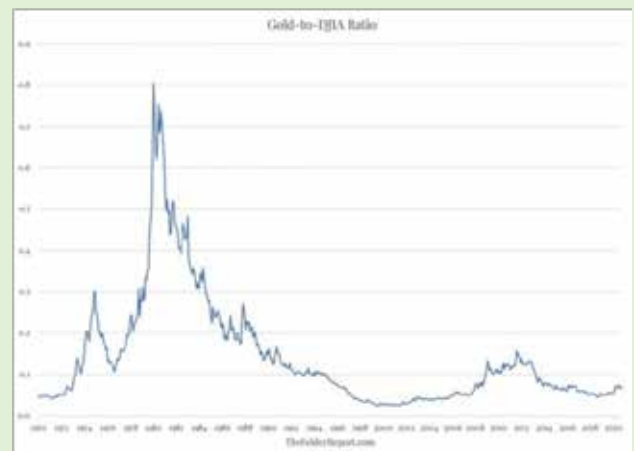
Last year, American consumers were seen propping up the economy in the face of global trade tensions and a slowdown in manufacturing. Now, as the U.S. grapples with the coronavirus, the consumers have proven their resilience once again even as their collective burden seems to grow ever heavier. Bank of America has revealed that its customers spent more money in September 2020 than they did in the same month of 2019. The fact that retail sales beat expectations yet again, is probably a reflection of consumers dipping into their savings. The first question is just how big that tailwind of spending actually might be. The second question is how long the tailwind will actually last. A big part of increased savings comes courtesy of the \$600 weekly payments for jobless Americans that expired in July, replaced by a \$300 per week program that has also since been dwindling.

## Urban Aversion

Hotels continue to struggle with occupancy. Some of most popular destinations like Oahu Island and New York aren't seeing nearly as many visitors for obvious reasons and because of that, the average daily room rates have dropped from \$336 in 2019 to \$285.



## Has Gold Become Too Expensive?



With the gold price up about 100% since it bottomed five years ago, some investors seem to believe that it has gotten overpriced. In addition to watching important drivers of the gold price, one way to look at its valuation is to simply compare it to popular alternatives. The gold price relative to the Dow Jones Industrial Average would seem to suggest it is not expensive at all. In fact, to match the valuation peak it reached about a decade ago, gold would need to double again from its current price. Of course, that would still leave it far below the peak seen four decades ago. In fact, gold's upside potential over the long run looks far from exhausted even after its terrific run over the past few years.

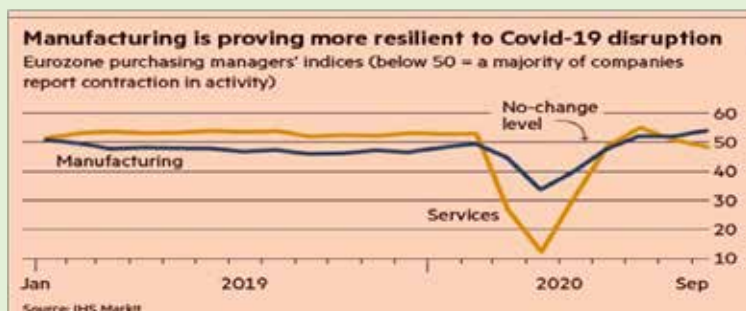


Post-GFC, China vacated about \$140 billion in exports in unskilled-labour intensive sectors, including apparel, clothing, leather and footwear. Few countries like Vietnam benefited more than others. Any guesses on post Covid 19 scenario?

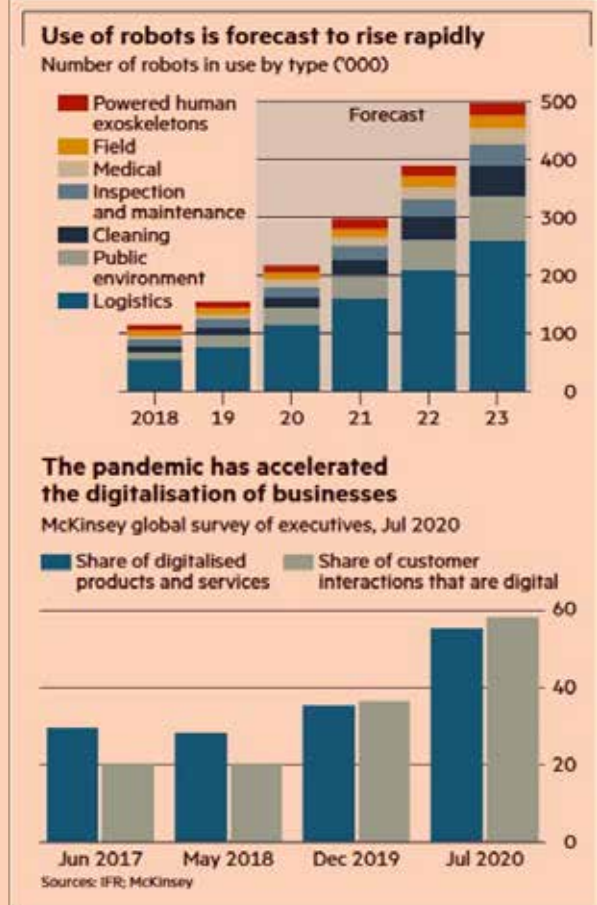


The Chinese economy surged 4.9 percent in the third quarter of 2020. China's economy had already grown tremendously over the last 30 years.

## Europe's Manufacturers Bounce Back

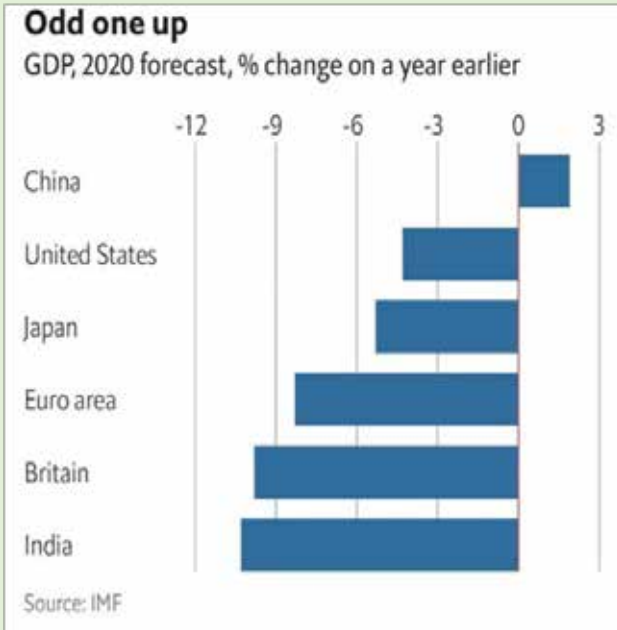


## Pandemic Boosts Automation and Robotics

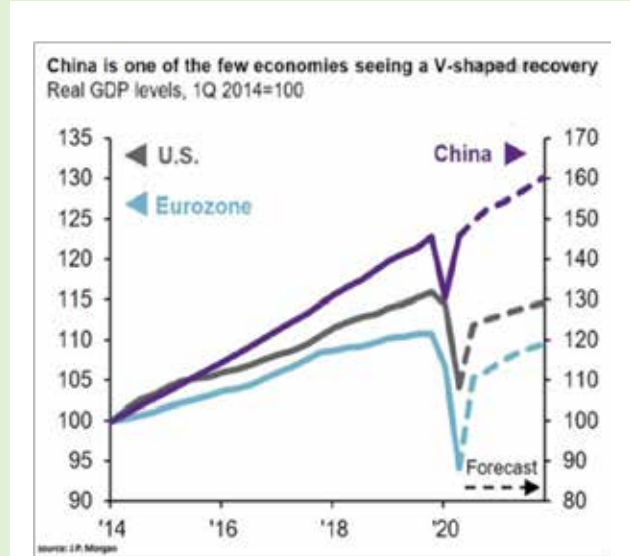


Groups turning to technology give thrust to global trade, but labour market will feel the effects. The coronavirus pandemic has devastated many businesses but Claus Risager has never been busier – demand at his Denmark-based company Blue Ocean Robotics has “skyrocketed”. The pandemic is driving a shift in companies’ use of technology, both official statistics and business surveys suggest; making the automation and digitalisation industry one of the few winners from this year’s economic turbulence.

Rising demand from China helps production processes drive the continent’s recovery. Factories across Europe are buzzing with activity again, encouraging some bosses to invest in extra production as they shrug off the rise in coronavirus infections that is casting a shadow over the continent’s economic recovery.



China's solid economic rebound is, analytically, easy to explain. It got one key thing right: it controlled Covid, allowing most activity to resume. And it's also lucky in one key way: a continent-sized economy, more insulated from global weakness than most.

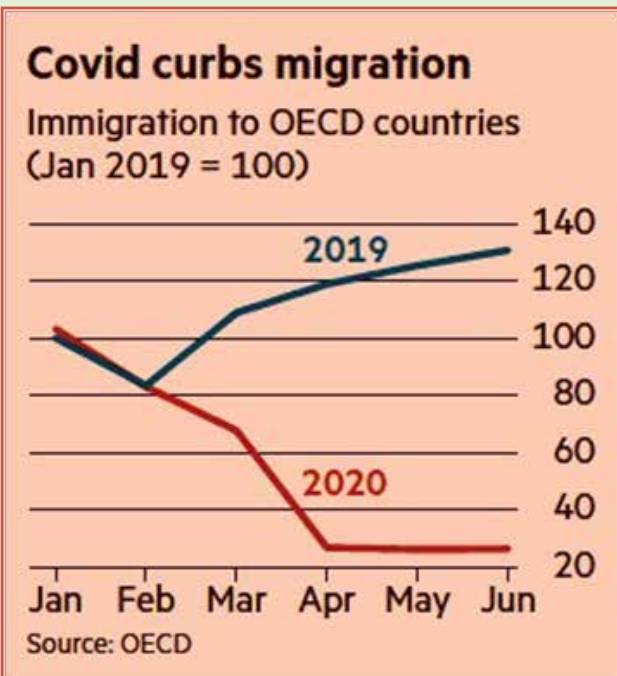


China is benefiting from something close to a V-shaped recovery. U.S./EU are looking at a swoosh scenario: recovery incomplete and trend broken to downside.

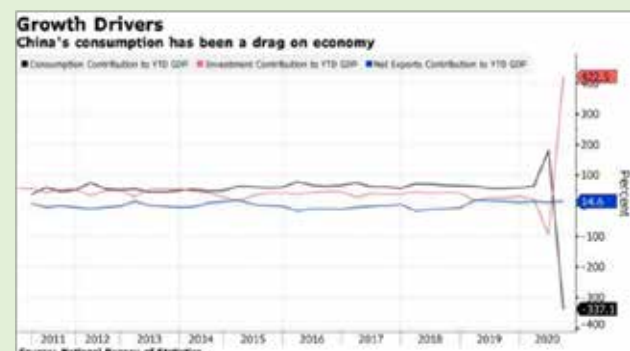
## Yuan is Asia's Strongest Currency

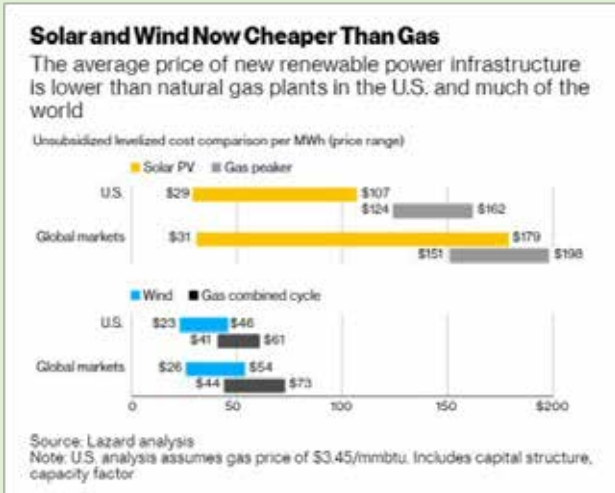


The Chinese currency is now Asia's strongest currency this year. The popular notion that the yuan is up purely on dollar weakness needs to be put to rest.



The pandemic has led almost all developed nations to restrict their admission of foreigners. Issuances of visas and permits fell 46 per cent in the first half of 2020 compared with the same period in 2019, the largest dip ever recorded.

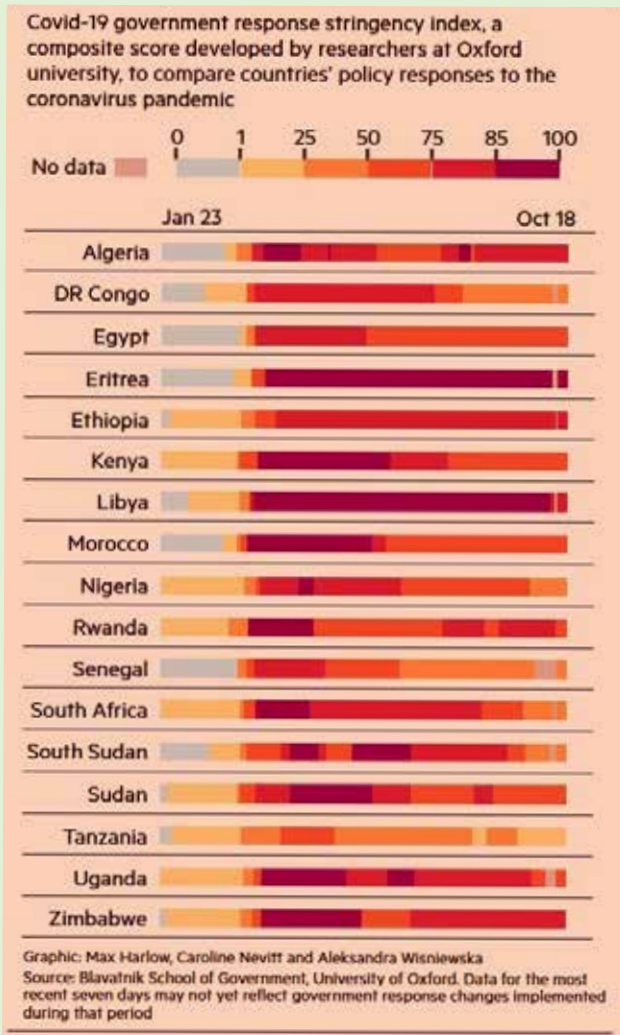




## China’s 5-Year Plan from 2021 through 2025

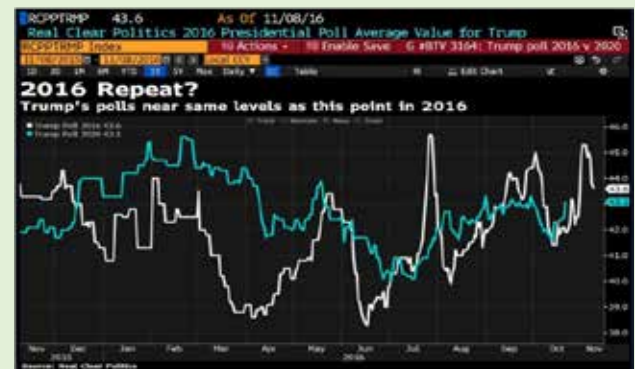
China’s top policy makers meet this week to hammer out the country’s future economic blueprint, offering clues on how the leadership plans to pivot the world’s second-largest economy to be more self-sufficient. The four-day meeting of the Communist Party’s Central Committee takes place behind closed doors from Monday, Oct 26, in Beijing. Known as the plenum, the discussion this year will focus on the framework for China’s 14th five-year plan that runs from 2021 through 2025, as well as the vision and targets for the next 15 years.

## How Africa Fought the Pandemic

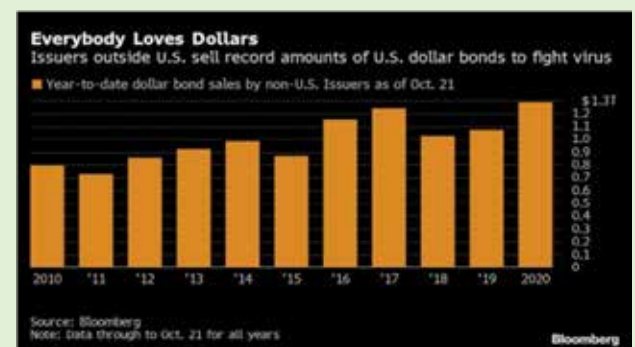


The continent’s experience of infectious disease outbreaks allowed many countries to mount a powerful and speedy response to the pandemic - providing lessons to wealthier nations on what step to take

## Trump’s Polls Near Same Levels as in 2016



Around this close to the 2016 elections Donald Trump was polling right about the same levels as right now!



The U.S. dollar is becoming more dominant in financial markets, despite predictions of its decline on the world stage. The narrative several months ago was that Europe was managing Covid much better than the U.S. and would see a stronger recovery as a result. That's shifting now, with October business activity accelerating more quickly in the U.S.

Compiled by Shri. Kunal Thakkar

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 October 2020					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	19th	20th	21st	22nd	23rd	24th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	10489 (37300)	10601 (37700)	-	-	-	-
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	10657 (37900)	10770 (38300)	-	-	-	-
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	7142 (25400)	7142 (25400)	7171 (25500)	7171 (25500)	7311 (26000)	7311 (26000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	7845 (27900)	7845 (27900)	-	-	-	-
5	M/M (P)	ICS-104	Fine	24mm	4.0 – 5.5	4%	23	9167 (32600)	9167 (32600)	-	-	-	-
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	10882 (38700)	10995 (39100)	-	-	-	-
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	8886 (31600)	8914 (31700)	-	-	-	-
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	11079 (39400)	11192 (39800)	-	-	-	-
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	9448 (33600)	9561 (34000)	-	-	-	-
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	10039 (35700)	10095 (35900)	-	-	-	-
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	11192 (39800)	11248 (40000)	-	-	-	-
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	10854 (38600)	10911 (38800)	-	-	-	-
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	10939 (38900)	10995 (39100)	-	-	-	-
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	10911 (38800)	10995 (39100)	-	-	-	-
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	11248 (40000)	11417 (40600)	-	-	-	-
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	11107 (39500)	11135 (39600)	-	-	-	-
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	11164 (39700)	11192 (39800)	-	-	-	-
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	11248 (40000)	11360 (40400)	-	-	-	-
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	11360 (40400)	11389 (40500)	-	-	-	-
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	11445 (40700)	11445 (40700)	-	-	-	-
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	11585 (41200)	11585 (41200)	-	-	-	-
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	11642 (41400)	11642 (41400)	-	-	-	-
23	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	11810 (42000)	11810 (42000)	-	-	-	-
24	M/M(P)	ICS-107	Fine	34mm	3.0 – 3.8	4%	33	15719 (55900)	15607 (55500)	-	-	-	-
25	K/TN	ICS-107	Fine	34mm	3.0 – 3.8	3.5%	34	16169 (57500)	16028 (57000)	-	-	-	-

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

UPCOUNTRY SPOT RATES								(Rs./Qtl)					
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2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	-	-	10770 (38300)	10770 (38300)	10770 (38300)	10770 (38300)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	-	-	-	-	-	-
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	-	-	7874 (28000)	7874 (28000)	7874 (28000)	7874 (28000)
5	M/M (P)	ICS-104	Fine	24mm	4.0 – 5.5	4%	23	-	-	9280 (33000)	9420 (33500)	9561 (34000)	9561 (34000)
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	-	-	10967 (39000)	10967 (39000)	10967 (39000)	10911 (38800)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	-	-	8914 (31700)	8942 (31800)	8942 (31800)	8914 (31700)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	-	-	11192 (39800)	11192 (39800)	11192 (39800)	11164 (39700)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	-	-	9561 (34000)	9561 (34000)	9561 (34000)	9561 (34000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	-	-	10095 (35900)	10095 (35900)	10095 (35900)	10067 (35800)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	-	-	11248 (40000)	11248 (40000)	11248 (40000)	11220 (39900)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	-	-	10911 (38800)	10911 (38800)	10939 (38900)	10911 (38800)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	-	-	10967 (39000)	10967 (39000)	10967 (39000)	10939 (38900)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	-	-	10995 (39100)	10995 (39100)	11023 (39200)	11023 (39200)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	-	-	11417 (40600)	11389 (40500)	11389 (40500)	11332 (40300)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	-	-	11135 (39600)	11135 (39600)	11164 (39700)	11135 (39600)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	-	-	11192 (39800)	11192 (39800)	11220 (39900)	11192 (39800)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	-	-	11360 (40400)	11332 (40300)	11445 (40700)	11417 (40600)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	-	-	11389 (40500)	11332 (40300)	11332 (40300)	11276 (40100)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	-	-	11445 (40700)	11389 (40500)	11389 (40500)	11332 (40300)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	-	-	11557 (41100)	11529 (41000)	11529 (41000)	11529 (41000)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	-	-	11614 (41300)	11585 (41200)	11585 (41200)	11585 (41200)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	-	-	11810 (42000)	11810 (42000)	11810 (42000)	11810 (42000)
24	M/M(P)	ICS-107	Fine	34mm	3.0 – 3.8	4%	33	-	-	15466 (55000)	15382 (54700)	15325 (54500)	15325 (54500)
25	K/TN	ICS-107	Fine	34mm	3.0 – 3.8	3.5%	34	-	-	15888 (56500)	15803 (56200)	15747 (56000)	15747 (56000)

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