

Weekly Publication of



Cotton Association of India

# COTTON STATISTICS & NEWS

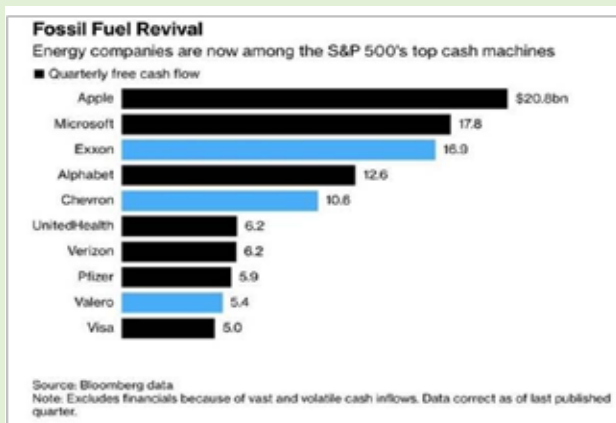
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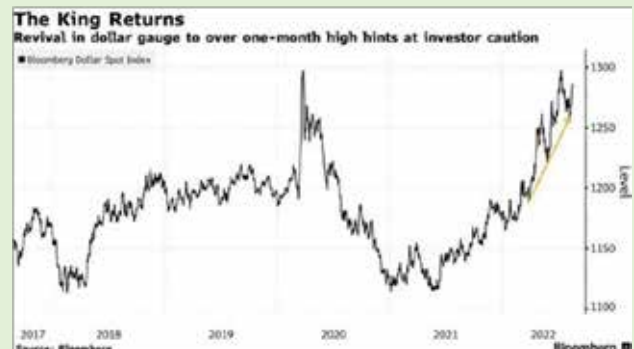
## The Month That Was - Snippets for August 2022

### Revenge of "Old World Economy"



Revenge of "old world economy", as Exxon generated more free cash than Alphabet for the first time since 2018. Exxon is #3 in the S&P 500 behind Apple & Microsoft. Chevron jumped up in the ranks to #5 w/cash inflow.

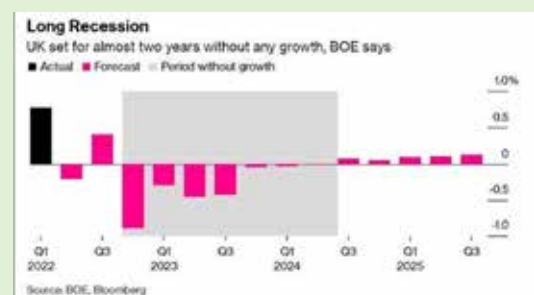
### The US Dollar King Returns



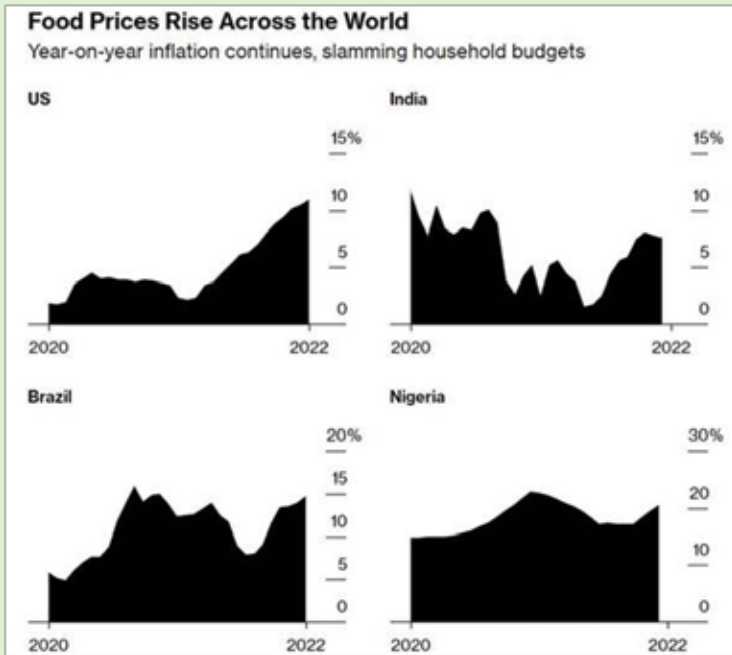
A jump in global shares from June's bear-market lows has begun to cool, weighed down by repeated Fed warnings that interest rates are going higher. Troubling global economic developments, lately including power shortages in a Chinese industrial heartland, are also hanging over investors.

## UK Economy Probably Entered Its Worst Slump Since Lockdown

Boris Johnson's replacement faces inflation and stagnation. Gordon Brown and BOE's ex-chief economist call for action. Gross domestic product for the second quarter probably shrank 0.2%, according to a survey of economists by Bloomberg News ahead of the official figures due to be published this week. The drop would mark a pause in the recovery from the pandemic and the start of a more protracted downturn, which the Bank of England expects to last into early 2024.



## Food Inflation Gets Worse



If families thought food inflation was bad in 2021, it only got worse. A year ago, Bloomberg chronicled the lives of four households around the world who were struggling to put meals on the table. Here’s how they’re doing now. In the year since, Nigeria’s currency has continued to depreciate while food prices are up another 21%, forcing households like hers to make a new round of dietary sacrifices even sharper than the first. In Nigeria, India, Brazil and the US – that Bloomberg interviewed several times between June and August last year about the swaps and sacrifices they were making in order to keep food on the table as prices rose. Although a United Nations index of world food costs fell almost 9% between June and July, largely read as an encouraging sign, the measure is still 13% above where it sat a year ago.

## Fed Leaders See Rate Hikes Into 2023

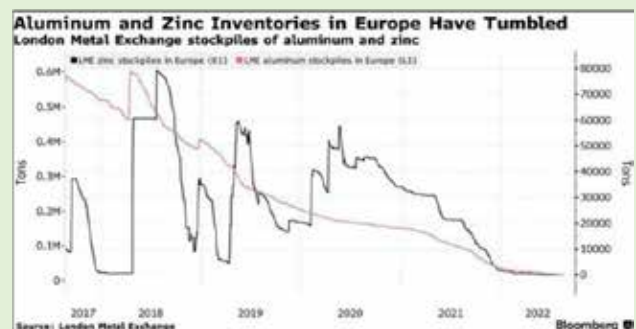


Minneapolis Fed President Neel Kashkari says softer inflation data don’t change Fed’s path. Inflation has eased but it’s ‘unacceptably high. Two Federal Reserve officials responded

to softening inflation data by saying it doesn’t change the US central bank’s path toward even higher interest rates this year and next. Neel Kashkari, who prior to the pandemic was the central bank’s most dovish policy maker, said that he wants the Fed’s benchmark interest rate at 3.9% by the end of this year and at 4.4% by the end of 2023. “I haven’t seen anything that changes that,” Kashkari said, responding to a question about a Labour Department report published earlier that showed consumer prices rose 8.5% from a year earlier in July. The print was slightly less than the 9.1% increase in the prior month that marked the highest inflation rate in four decades.

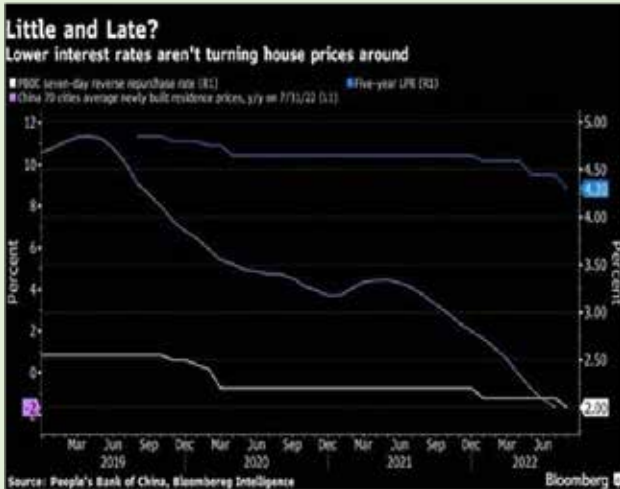
## Five Vital Commodity Industries Are Buckling Under Energy Crisis

Metals, fertilizer sectors are struggling as energy costs soar. Factory halts and higher goods costs further threatens economy. The energy crisis is getting worse, piling pressure on commodities industries that provide the building blocks of the global economy. Materials crucial for electric-car batteries and generating solar power are feeling the pinch, too. The tumult risks further squeezing households struggling with the worst cost-of-living crisis in decades and pushing economies into recession. If things aren’t bad enough now, they could get



much worse this winter, when gas supplies are set to become even tighter.

## Lower Interest Rates Aren't Turning House Prices Around in China



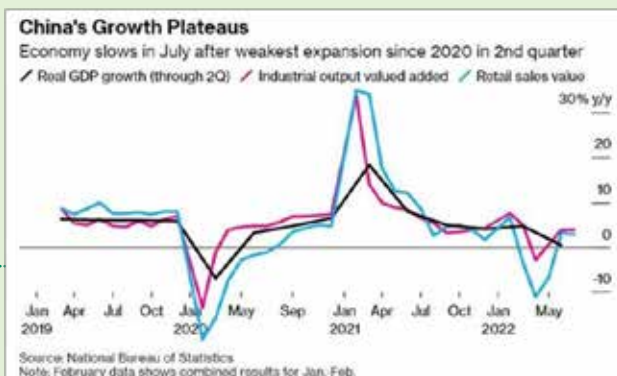
China's authorities intensified their monetary policy tinkering to try and turn around their faltering economy, especially the real-estate sector that accounts for 30% of GDP. The question is whether a modest cut in lending rates and a bit less than \$30 billion in loans to developers will do much to halt the first annual declines since 2015 in the prices of newly-built residences. The answer could well be no, given the way the People's Bank of China on Monday urged lenders to boost loans to the real economy. Long-held fears that China

was creating a dangerous property bubble – via serial stimulus packages and the population's bias to buy real estate as a savings tool – now look to have been right on the money. Add in geopolitical and de-globalization tensions, Covid-zero shutdowns and demographics that are turning sour as population growth evaporates and it becomes increasingly difficult to see how even much stronger easing measures could revive China's flagging economy.

## Will Oil Prices Remain High as Global Demand for Oil Continues to Rise?



## China's Growth Plateaus



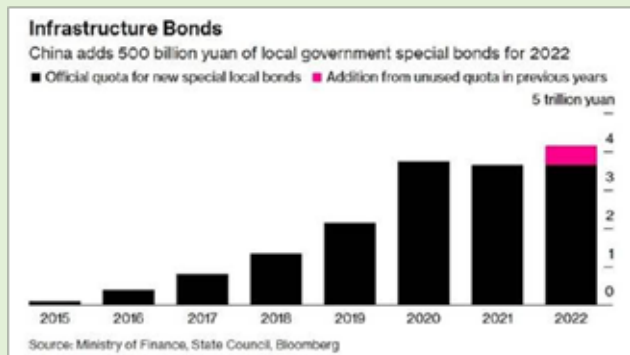
Li acknowledged the greater-than-expected downward pressure from Covid lockdowns in the second quarter and asked the local officials to strike a balance between Covid control measures and the need to lift the economy. "Only by development shall we solve all problems," Li said, according to the broadcaster.

## Cash Rules



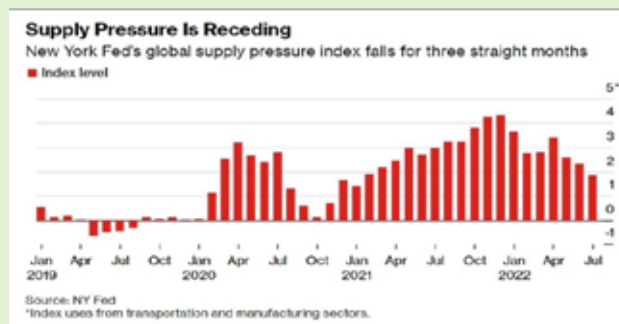
Morgan Stanley extols the appeal of cash: "Holding USD cash looks relatively attractive on a cross-asset basis. It offers a high current yield. It offers liquidity. It offers a better 12-month total return than our strategy forecasts imply for US equities, treasuries or credit."

## China Adds One Trillion Yuan More of Stimulus to Rescue Growth



State Council outlines 19 policies including policy bank funds. Growth likely to be sluggish barring major stimulus: Goldman. The State Council, China’s Cabinet, outlined a 19-point policy package, including another 300 billion yuan that state policy banks can invest in infrastructure projects, on top of 300 billion yuan already announced at the end of June. Local governments will be allocated 500 billion yuan of special bonds from previously unused quota. Economists were relatively downbeat on the measures, while financial markets were muted. Yield on 10-year government bonds rose 1 basis point to 2.64% in early Thursday trading. China’s CSI 300 Index rose as much as 0.6% in morning trading before paring gains to trade up 0.1%.

## Supply Pressure is Receding



One sure sign of slowing demand, according to economists at Morgan Stanley, is that growth in imports across major economies – after adjusting for inflation – is now subdued, while exports from Asia, the world’s factory floor, are starting to weaken. The easing of logistical logjams is also contributing to lower prices. The New York Fed’s index of global supply-chain pressure has dropped to the lowest level since early 2021. Short-term shipping rates are falling, transit times across oceans are shortening, and companies are even starting to moan about bloated inventories. If that’s the case, the Fed may not have to raise rates as much as feared to reduce demand and rein in inflation, according to Apollo Management chief economist Torsten Slok. Still, even if goods prices slow, there’s a risk that the post-lockdown spending shift will instead drive up the price of services such as going to the movies or staying in hotels. Those may prove stickier.

## The Chinese Yuan Slumps to its Weakest Against the Dollar

The Chinese yuan’s slump to its weakest against the dollar in almost two years adds to what is already a precarious balancing act for Beijing, which is seeking ways to prop up its struggling economy without stoking financial instability. There’s opportunity in the falling exchange rate, which cushions exporters and provides an additional source of support as the People’s Bank of China lowers interest rates and as provincial governments borrow to fund infrastructure. “Yuan depreciation seems one last policy option left,” said Gene Ma, chief China economist at the Institute of International Finance in Washington. “Housing has failed to respond to policy easing and monetary policy has fallen into a ‘liquidity trap’ as loan demand is so weak.” A weaker currency, though, also accelerates capital



outflows and market volatility. The more the yuan is allowed to drop, the deeper the divergence will be between the financial markets in China and the US, where the dollar is approaching a record high.



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#### COTTON ASSOCIATION OF INDIA

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# Glimpses of Shraavan Mass Utsav



# COTTON ASSOCIATION OF INDIA



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

UPCOUNTRY SPOT RATES													
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [ By law 66 (A) (a) (4) ]								Spot Rate (Upcountry) 2021-22 Crop August 2022					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	22th	23rd	24th	25th	26th	27th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	18812 (66900)	18531 (65900)	18250 (64900)	17969 (63900)	17969 (63900)	18250 (64900)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	19009 (67600)	18728 (66600)	18447 (65600)	18165 (64600)	18165 (64600)	18447 (65600)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	17997 (64000)	17997 (64000)	17716 (63000)	17716 (63000)	17434 (62000)	17434 (62000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	19122 (68000)	19122 (68000)	18840 (67000)	18840 (67000)	18840 (67000)	18840 (67000)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	21652 (77000)	21652 (77000)	21652 (77000)	21652 (77000)	21652 (77000)	21652 (77000)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	26433 (94000)	26152 (93000)	25308 (90000)	25027 (89000)	24746 (88000)	25308 (90000)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	21934 (78000)	21934 (78000)	21934 (78000)	21652 (77000)	21652 (77000)	21652 (77000)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	26517 (94300)	26236 (93300)	25477 (90600)	25195 (89600)	24914 (88600)	25477 (90600)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	22496 (80000)	22496 (80000)	22496 (80000)	22215 (79000)	22215 (79000)	22215 (79000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	23902 (85000)	23902 (85000)	23902 (85000)	23621 (84000)	23621 (84000)	23621 (84000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	27698 (98500)	27698 (98500)	26714 (95000)	26433 (94000)	26152 (93000)	26714 (95000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	26995 (96000)	26995 (96000)	26714 (95000)	26433 (94000)	26433 (94000)	26433 (94000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	27051 (96200)	27051 (96200)	26770 (95200)	26489 (94200)	26489 (94200)	26489 (94200)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	26714 (95000)	26714 (95000)	26443 (94000)	26152 (93000)	26152 (93000)	26152 (93000)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	26995 (96000)	26995 (96000)	26152 (93000)	25870 (92000)	25589 (91000)	26152 (93000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	27839 (99000)	27839 (99000)	27558 (98000)	27276 (97000)	27276 (97000)	27276 (97000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	27895 (99200)	27895 (99200)	27614 (98200)	27333 (97200)	27333 (97200)	27333 (97200)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	27698 (98500)	27698 (98500)	27417 (97500)	27276 (97000)	27276 (97000)	27276 (97000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	28261 (100500)	28261 (100500)	28120 (100000)	28120 (100000)	28120 (100000)	28120 (100000)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	28401 (101000)	28401 (101000)	28261 (100500)	28261 (100500)	28261 (100500)	28261 (100500)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	28823 (102500)	28823 (102500)	28823 (102500)	28823 (102500)	28823 (102500)	28823 (102500)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	28964 (103000)	28964 (103000)	28964 (103000)	28964 (103000)	28964 (103000)	28964 (103000)
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	27417 (97500)	27417 (97500)	27417 (97500)	27417 (97500)	27417 (97500)	27417 (97500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	27839 (99000)	27839 (99000)	27839 (99000)	27839 (99000)	27839 (99000)	27839 (99000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	27979 (99500)	27979 (99500)	27979 (99500)	27979 (99500)	27979 (99500)	27979 (99500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	28261 (100500)	28261 (100500)	28261 (100500)	28261 (100500)	28261 (100500)	28261 (100500)

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