

Weekly Publication of



Cotton Association of India

# COTTON STATISTICS & NEWS

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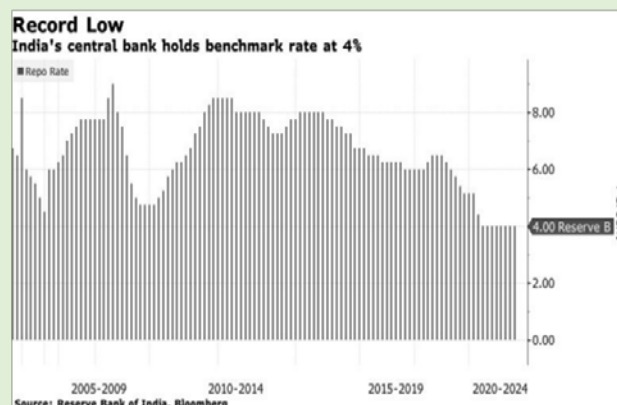
## The Month That Was - Snippets for August 2021

### China's Tech Trauma



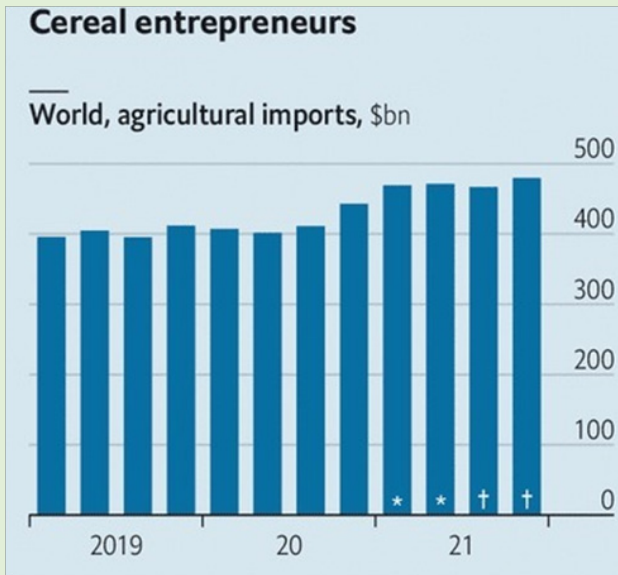
The regulatory pace intensified after December, when a top economic planning meeting chaired by Xi vowed to rein in the “disorderly expansion of capital,” signalling the move against Alibaba was part of a wider campaign backed by the apex of Chinese power. At first, investors thought the phrase referred to anti-monopoly efforts aimed at shrinking the power of tech giants, which had converted their vast profits into venture-capital investments spanning almost every sector. That narrative was bolstered by the 18.2 billion yuan fine slapped on Alibaba by anti-monopoly authorities in April. But developments in recent weeks suggest the slogan goes further. In some sectors, private capital, especially foreign capital, may not be wanted at all.

### Benchmark Rate at Record Low



India's central bank kept interest rates unchanged at a record low to support the economy, even as a split appeared among rate setters on continuing with the lower-for-longer stance. The Reserve Bank of India's six-member Monetary Policy Committee retained its main repurchase rate at 4%, as predicted by all 29 economists in a Bloomberg survey. Policy makers voted 5-1 in favour of keeping the stance accommodative, a departure from the past when they were unanimous on the need to support growth amid an impending third wave of the pandemic. That follows the pace of inflation breaching the RBI's upper tolerance limit of 6% in the past two months, a trend that was mainly attributed to supply side disruptions caused by the corona virus pandemic. However, recent high-frequency indicators from purchasing managers' surveys to jobless data showed the economy's recovery was muted, necessitating more support.

## Field Day for Food Agriculture



As food prices soar, big agriculture is having a field day. Transport logjams and paltry harvests in producing regions have conspired with surging demand to stoke food inflation across the smorgasbord. The U N Food and Agriculture Organisation (FAO) expects the value of global food imports to reach nearly \$1.9 trillion this year, up from \$1.6 trillion in 2019.

## Fuel Will Be Sweeter



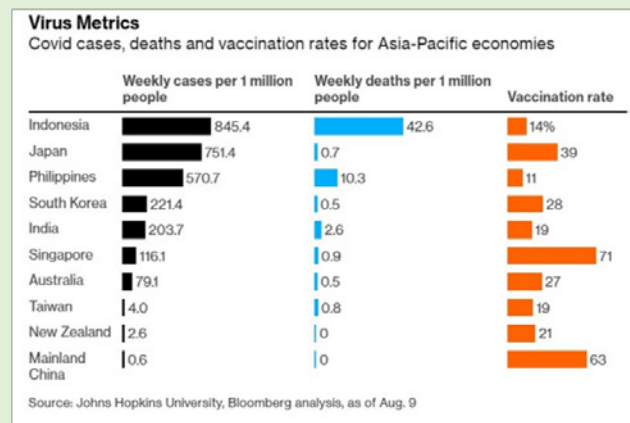
India is pushing for more cars to run on ethanol made from sugar, a move that risks raising the cost of the sweetener globally. The government will fast-track an ethanol program that will divert as much as 6 million tons of sugar toward fuel production annually by 2025, according to the food ministry. That's almost the entire amount that India, the world's second-biggest producer after Brazil, currently exports to the global market. Prime Minister Modi advanced a target for blending 20% ethanol in gasoline to 2025, five years earlier than planned.

## Virus Impact on ASEAN Currencies



The Malaysia's ringgit and the Philippine peso have slumped nearly 2% and 3% respectively against the greenback this quarter, while the Thai baht is among the worst-performing currencies in the world after weakening almost 4%. Given the large output gaps that are expected to persist in ASEAN economies, "We now expect further depreciation for these currencies in the coming months," HSBC Holdings Plc analysts including Paul Mackel wrote in a recent note.

## Virus Metrics for Asia-Pacific Economies



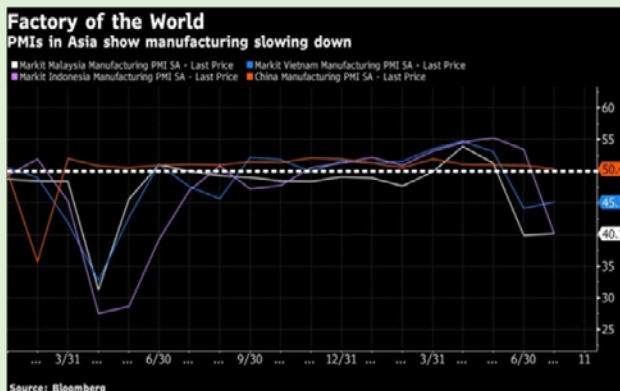
Large divergences in the region's vaccination rates have left some populations vulnerable. Southeast Asia this month surpassed Latin America for the world's worst death rate from Covid-19, according to Bloomberg calculations based on data compiled by Johns Hopkins University. The region also has one of the world's slowest vaccine rollouts -- covering 14% of the population, only ahead of North Africa and Sub-Saharan Africa. Singapore and China lead in vaccination rates, administering enough doses for more than 60% of their populations.

## Hot Metal



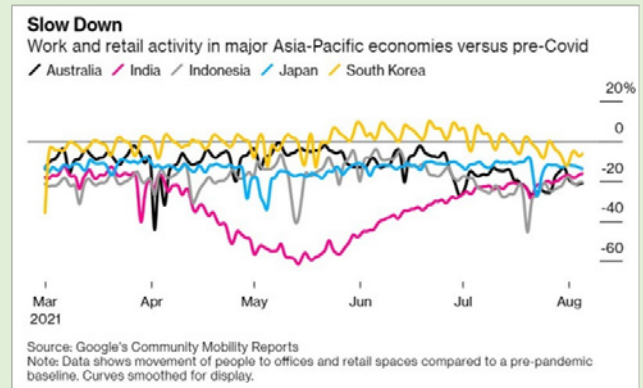
Aluminium prices approach a 10-year high as recovery gathers pace. Aluminium prices are closing in on their highest levels in 10 years, as global demand for everything from beer cans to packaging rebounds from the pandemic. Prices for the metal have risen 31 per cent in 2021, reaching a closing high of \$2,615 a tonne last week.

## Manufacturing PMIs Dipping for Malaysia, Vietnam and Indonesia



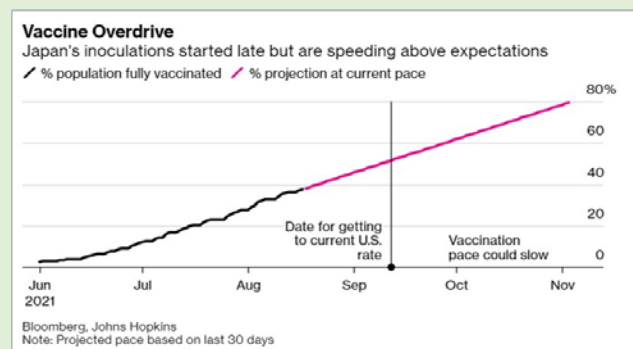
Companies have spent years diversifying their supply chains to places like Vietnam and Malaysia, and at the start of the global pandemic that seemed like a smart idea that was paying off. China was basically closed and Southeast Asia appeared to be handling the virus better than much of the world. Not so much anymore as the region now finds itself at the centre of an intense wave of the delta variant, while even China is grappling with rising cases. Manufacturing PMIs for have already dipped below the 50 level that signifies contraction and China is getting perilously close to doing the same. The question now is whether outbreaks in the heart of the world’s manufacturing region will end up exacerbating supply-chain issues and crimping growth in other economies. Normalisation will require a truly global vaccination effort and keeping variances at bay.

## Asia’s Economy Already Feeling Delta Hit



Real-time data suggest Asia’s economy already feeling Delta hit. Early warning signs are showing up in Google mobility data capturing the impact of government restrictions on movement. Flight capacity in China is pointing to a slump in travel, manufacturing in Southeast Asia is hurting and Australian business sentiment has tumbled. That’s why Goldman Sachs Group Inc. economists are warning of a “negative delta in Asia” and have lowered their growth forecasts for China, along with JPMorgan Chase & Co and others. HSBC Holdings Plc warn that the electronics cycle has already peaked in Asia, meaning bumper technology exports may be cooling.

## Japan Boosts Vaccine Drive

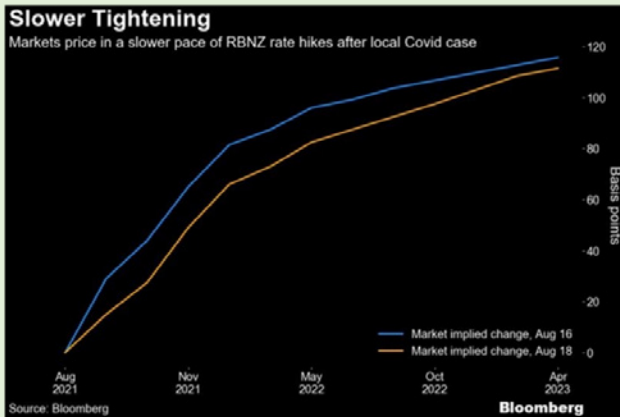


Japan’s vaccine drive was slow to get going, but it’s on track now to beat the current U.S. inoculation rate within weeks -- good news for an economy that’s endured one virus emergency after another.

If the current pace is sustained, Japan will have 51% of its people fully vaccinated by Sept. 12. As soon as Sunday, the country should hit the 40% target that Prime Minister Yoshihide Suga set for month’s end, meeting a key milestone ahead of schedule amid widespread criticism Japan hasn’t done enough to rein in Covid-19 cases.



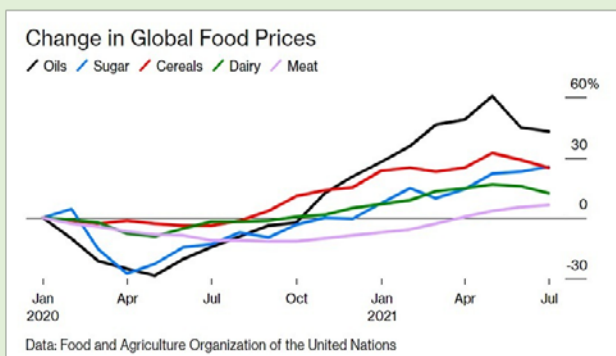
## New Zealand Shows How Quickly Delta Can Upend Rate-Hike Bets



It took just one case of Covid-19 for the New Zealand government to impose a nationwide lockdown -- and for traders to suddenly question a rate hike that was previously seen as a done deal.

Investors now see a 60% chance that the Reserve Bank of New Zealand will raise rates later, compared with more than 100% in mid-August, swaps data show. The shift followed the country reporting its first community case of Covid since February, prompting Prime Minister Jacinda Ardern to announce a three-day lock-down. A further four cases were also confirmed, all believed to be the highly infectious delta strain.

## Food Gets Pricier



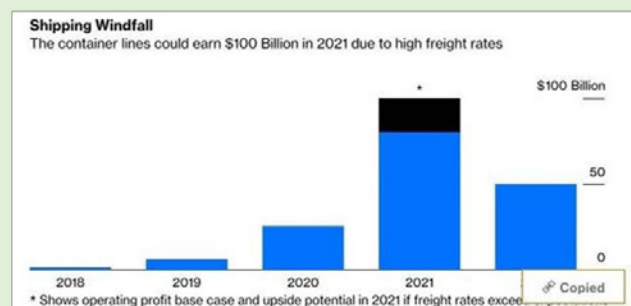
Whether at supermarkets, corner stores, or open-air markets, prices for food have been surging in much of the world, forcing families to make tough decisions about their diets. Meat is often the first to go, ceding space to less expensive proteins such as dairy, eggs, or beans. In some households, a glass of milk has become a luxury reserved only for children; fresh fruit, once deemed a necessity, is now a treat.

## India Is the New Hope for Tech Investors with Fund-Raising Blitz



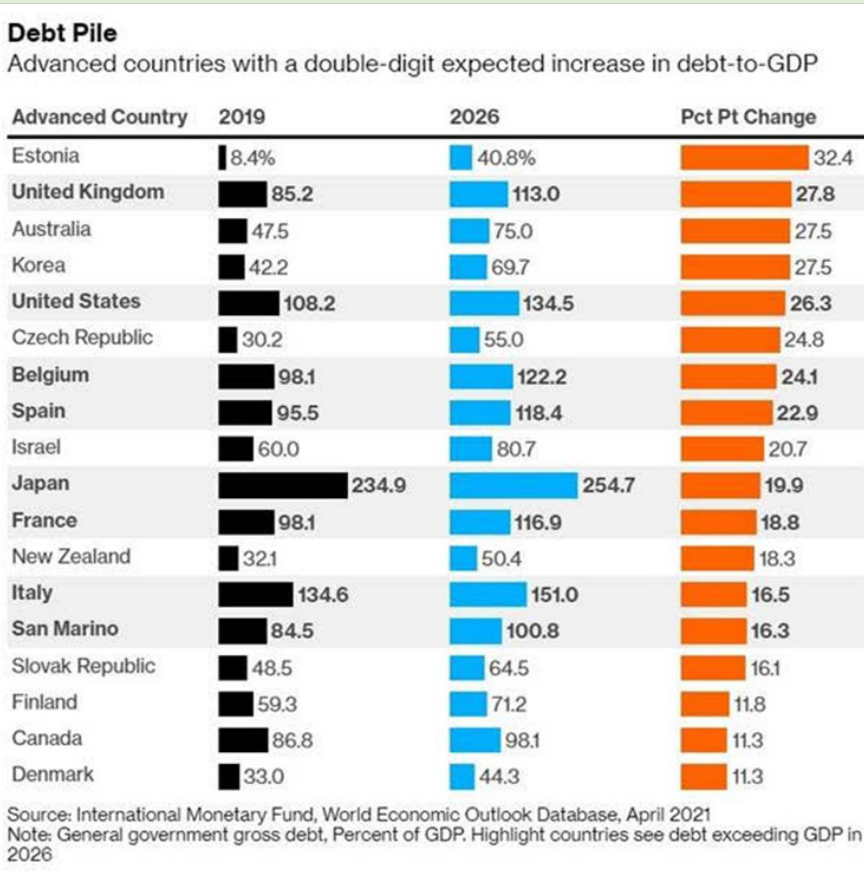
Newly listed Indian stocks are beating the benchmark by the most in seven years, helped by a record pace of initial public offerings that some see as the start of a multiyear expansion for the country's \$3.2 trillion stock market. A gauge of firms that listed in the past two years has outperformed the Nifty 50 Index by more than 40 percentage points this year, the biggest gap since 2014. Most notable has been food-delivery app Zomato Ltd., the nation's first "unicorn," which has climbed 77% since its debut last month. The number of unlisted firms valued at over \$1 billion will more than double over the next three-to-five years.

## Container Lines Making Oodles of Money



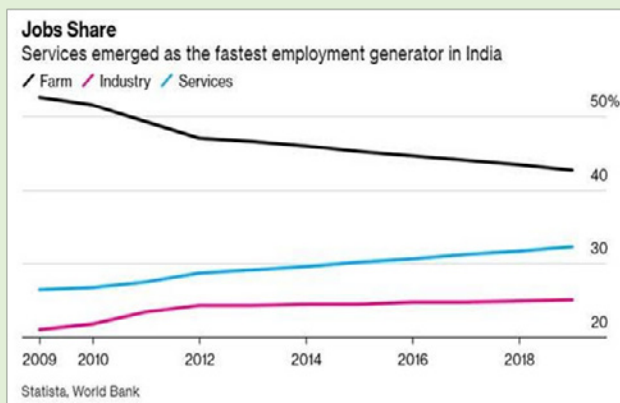
Shipping delays and exorbitant freight rates are of course still a major concern to the industry and with a recent earnings report from global shipping giant, Maersk, indicating that profits will be a whopping \$14.5 billion this year, compared with the expected \$4.5 billion. Similarly, Hapag-Lloyd reportedly earned more in the last six months than in the previous ten years combined. With ports still closed in some places, the logjam of the global shipping situation is one which does not look to be easily or quickly resolved.

## Pandemic's \$16 Trillion Bill Will Come Due as Debt Surges



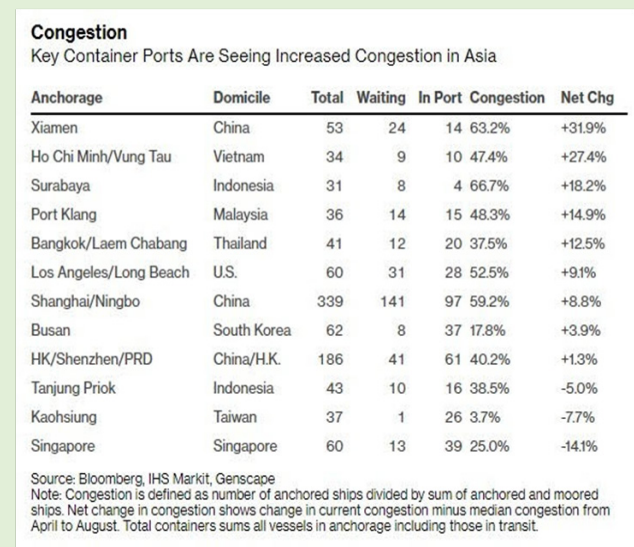
A blowout in government borrowing since the pandemic began will ultimately require spending cuts and higher taxes to get public finances back on track. That's a lesson from economic history highlighted by James McCormack, Fitch's global head of sovereign ratings, who said that even if austerity is not on the agenda right now, the bill to pay for the pandemic will come due. Governments around the world have rolled out about \$16 trillion worth of fiscal measures to prevent economic collapse during the pandemic, according to the International Monetary Fund, helping to drive the recovery but also leaving war-time era levels of debt.

## The Fastest Employment Generator in India



Unlike China, which saw workers move en masse from farms to factories, India transitioned into a services economy - with the sector providing more than 32% of overall employment as of 2020, up from 17% in 1981. At the same time, the share of agriculture in jobs dropped to 42% from 72% and manufacturing has plateaued at 25%.

## Congested Ports in Asia Add to Shipping Woes



More bad news for global logistics - the partial closure of Ningbo port seems to be having a snowball effect across the Asia market.



## Tim Cook's Apple Orchard



## Quite the Orchard



## The CEO Who's Created Most Shareholder Value

Selected, August 24th 2021		Increase in market capitalisation, \$bn		
CEO/chairman	Company	Tenure, years*	During tenure	Per year
Tim Cook	Apple	10.0	2,125	212.4
Satya Nadella	Microsoft	7.6	1,973	261.2
Jeff Bezos†	Amazon	24.1	1,770	73.3
Sundar Pichai	Google/Alphabet	6.0	1,448	239.7
Mark Zuckerberg	Facebook	9.3	949.3	102.4
Elon Musk	Tesla	11.2	699.2	62.7
Warren Buffett	Berkshire Hathaway	44.9	647.5	14.4
Pony Ma	Tencent	17.2	580.9	33.8
Jack Ma†	Alibaba	5.0	224.2	45.1

Source: Refinitiv Datastream; company reports; press reports \*Since appointment, listing or first market data available †Stepped down

No chief executive in history has created as much overall shareholder value as Tim Cook. When he took over from Jobs the company had a market value of \$349 billion. Today it is worth \$2.5 trillion, more than any other listed firm ever. Under his aegis annual sales surged from \$108 billion in 2011 to \$274 billion last year. Net profit more than doubled, to \$57 billion, overtaking Saudi Aramco's oil-fuelled earnings and turning Apple into the world's most profitable company. Less widely noticed, during his tenure the "Apple economy"—its own annual revenue plus everything other companies make on one of its platforms—has grown sevenfold, to more than \$1 trillion.

Given such achievements, Mr Cook could have retired amid gushing tributes around now (and with a spot in the billionaire club). Instead, he is likely to stick around at least until 2025, when his current stock grant will fully vest. This in turn raises the question of how long he can keep Apple on its stratospheric trajectory. The short answer is that it will be much harder than in his first decade. Many of the global tailwinds that have lifted Apple to such dizzying heights are now reversing.

## Bloomberg's Latest Covid Resilience Rankings

Covid Resilience Ranking											
		BLOOMBERG RESILIENCE SCORE		PEOPLE COVERED BY VACCINES		LOCKDOWN SEVERITY		FLIGHT CAPACITY		VACCINATED TRAVEL ROUTES	
RANK	CHANGE	ECONOMY	SCORE	PERCENTAGE	PER 100K	PERCENTAGE	PERCENTAGE	PERCENTAGE	PERCENTAGE	PERCENTAGE	PERCENTAGE
1	-	Norway	80.1	59.9%	39	-40.1%	381				
2	+12	Netherlands	75.8	63.1%	36	-32.2%	353.5				
3	+4	Finland	75	59.3%	40	-69.2%	386.9				
4	+4	Ireland	74.6	67.1%	45	-55.7%	373				
5	+1	Austria	74.5	58.3%	56	-38%	379.5				
6	+4	Belgium	73.5	69.4%	47	-33.8%	303				
7	+5	Germany	73.4	60.1%	56	-48.4%	387.5				
8	+3	Singapore	73.3	76.7%	44	-81.8%	152				
9	+7	Switzerland	73.2	55.1%	44	-40%	387				
10	+10	Spain	73.2	68.8%	48	-25.4%	381				
11	+2	Denmark	72.8	72.7%	39	-48.1%	206.5				
12	+8	France	72.5	65.3%	67	-31.2%	388				
13	+3	Turkey	72.4	54.3%	50	-14.6%	376.5				
14	+15	Czech Republic	71.9	52.9%	37	-58.4%	371.5				
15	+3	U.A.E.	71.9	82.7%	55	-52.1%	375.5				
16	+11	Italy	71.7	62.8%	50	-25.2%	208.5				
17	+7	Romania	71.3	25%	38	-12.4%	390				
18	+12	Hong Kong	71	47.7%	63	-85.5%	253.5				
19	+3	Saudi Arabia	70.9	51.1%	50	-43%	370.5				
20	+5	Sweden	70.8	58.8%	37	-54%	206.5				
21	-	Greece	70.6	52.3%	54	-0.4%	215.5				
22	+3	U.K.	70.4	67.1%	44	-58.5%	318				
23	+4	Canada	70.3	70.1%	61	-53.5%	151				
24	+15	Mainland China	69.5	70.1%	79	-23.8%	140				
25	+20	U.S.	69.5	58.9%	56	-14.8%	354.5				
26	+3	South Korea	69.4	37.3%	47	-46.9%	151.5				
27	+12	Colombia	67.8	33.4%	51	-20.5%	368				
28	+3	Portugal	67.6	69.1%	58	-28%	204				
29	+26	New Zealand	67.1	28.9%	96	-38.3%	151.5				
30	+3	Chile	66.3	73.2%	79	-34.2%	131				
31	+3	Australia	64.9	34.2%	68	-72.4%	148				
32	-	Poland	63.9	47.2%	28	-33.7%	190				
33	+7	Japan	63.6	47.5%	52	-48.9%	149				
34	-	Russia	62.6	26.5%	43	0.6%	192				
35	-	Brazil	62.3	43.8%	51	-31.8%	342				
36	+19	Israel	61.1	71.9%	55	-57.3%	149				
37	+1	Nigeria	58.6	1%	44	5.5%	255				
38	+4	Peru	58.2	26.3%	68	-47.3%	384.5				
39	+2	Egypt	58	3.3%	44	-32.7%	378.5				
40	+4	Mexico	57.6	31.7%	64	-6.4%	376.5				
41	+1	Taiwan	57.2	21.7%	56	-87.2%	145				
42	+2	India	56.3	21.5%	71	-27.1%	105.5				
43	+2	Pakistan	54.7	12.3%	63	-61.3%	349				
44	+4	Bangladesh	54.5	7.1%	57	-37.2%	236.5				
45	+2	Iraq	54.1	3.2%	78	-28.1%	355.5				
46	+5	South Africa	53.8	11.2%	52	-57.3%	347.5				
47	+3	Argentina	52.6	44.1%	76	-68%	122.5				
48	+1	Iran	47.9	11.9%	75	-11.1%	269.5				
49	+8	Thailand	47.7	19.8%	72	-89%	205.5				
50	+4	Vietnam	45.9	9%	73	-82.5%	138				
51	+2	Indonesia	44.6	16.9%	69	-60.7%	129				
52	+3	Philippines	44.1	14.3%	73	-77.9%	132.5				
53	+1	Malaysia	42.7	49.4%	81	-90.9%	134.5				

Europe is top. Southeast Asia is bottom.  
**Top Five:** Norway, Netherlands (+12), Finland (+4), Ireland (+4) and Austria (+1).  
**Bottom Five:** Thailand (-8), Vietnam (-4), Indonesia (+2), Philippines (-3) and Malaysia (-1).

Compiled by Shri. Kunal Thakkar



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The Cotton Association of India (CAI) is respected as the chief trade body in the hierarchy of the Indian cotton economy. Since its origin in 1921, CAI's contribution has been unparalleled in the development of cotton across India.

The CAI is setting benchmarks across a wide spectrum of services targeting the entire cotton value chain. These range from research and development at the grass root level to education, providing an arbitration mechanism, maintaining Indian cotton grade standards, issuing Certificates of Origin to collecting and disseminating statistics and information. Moreover, CAI is an autonomous organization portraying professionalism and reliability in cotton testing.

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#### COTTON ASSOCIATION OF INDIA

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Established 1921  
 ISO 9001:2015

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) 2020-21 Crop August 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	23rd	24th	25th	26th	27th	28th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	11923 (42400)	11979 (42600)	11979 (42600)	11979 (42600)	11979 (42600)	11979 (42600)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	12120 (43100)	12176 (43300)	12176 (43300)	12176 (43300)	12176 (43300)	12176 (43300)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	9898 (35200)	9842 (35000)	9842 (35000)	9842 (35000)	9842 (35000)	9842 (35000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	10432 (37100)	10432 (37100)	10432 (37100)	10432 (37100)	10432 (37100)	10432 (37100)
5	M/M (P)	ICS-104	Fine	24mm	4.0 – 5.5	4%	23	11754 (41800)	11754 (41800)	11754 (41800)	11754 (41800)	11754 (41800)	11754 (41800)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	13919 (49500)	13863 (49300)	13863 (49300)	13863 (49300)	13863 (49300)	13863 (49300)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	12373 (44000)	12373 (44000)	12373 (44000)	12373 (44000)	12373 (44000)	12373 (44000)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	14144 (50300)	14088 (50100)	14088 (50100)	14088 (50100)	14088 (50100)	14088 (50100)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	12935 (46000)	12935 (46000)	12935 (46000)	12935 (46000)	12935 (46000)	12935 (46000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	13976 (49700)	13919 (49500)	13919 (49500)	13919 (49500)	13919 (49500)	13919 (49500)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	14397 (51200)	14341 (51000)	14341 (51000)	14341 (51000)	14341 (51000)	14341 (51000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	14847 (52800)	14847 (52800)	14847 (52800)	14847 (52800)	14847 (52800)	14847 (52800)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	14875 (52900)	14875 (52900)	14875 (52900)	14875 (52900)	14875 (52900)	14875 (52900)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	14791 (52600)	14791 (52600)	14791 (52600)	14791 (52600)	14791 (52600)	14791 (52600)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15325 (54500)	15382 (54700)	15382 (54700)	15382 (54700)	15382 (54700)	15382 (54700)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15353 (54600)	15410 (54800)	15410 (54800)	15410 (54800)	15410 (54800)	15410 (54800)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15747 (56000)	15888 (56500)	15888 (56500)	15888 (56500)	15888 (56500)	15888 (56500)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	15747 (56000)	15747 (56000)	15747 (56000)	15747 (56000)	15747 (56000)	15747 (56000)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	15803 (56200)	15803 (56200)	15803 (56200)	15803 (56200)	15803 (56200)	15803 (56200)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	15972 (56800)	15972 (56800)	15972 (56800)	15972 (56800)	15972 (56800)	15972 (56800)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	16028 (57000)	16028 (57000)	16028 (57000)	16028 (57000)	16028 (57000)	16028 (57000)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	16281 (57900)	16281 (57900)	16281 (57900)	16281 (57900)	16281 (57900)	16281 (57900)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	25870 (92000)	25870 (92000)	25870 (92000)	26011 (92500)	26152 (93000)	26152 (93000)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	26995 (96000)	26995 (96000)	26995 (96000)	27136 (96500)	27276 (97000)	27276 (97000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	26995 (96000)	26995 (96000)	26995 (96000)	27136 (96500)	27276 (97000)	27276 (97000)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)

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