

Weekly Publication of



Cotton  
Association  
of India

# COTTON STATISTICS & NEWS

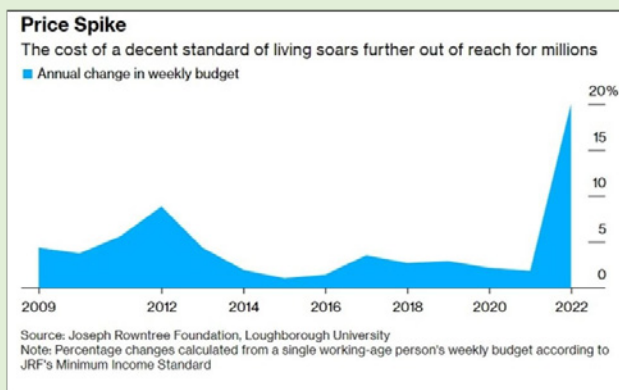
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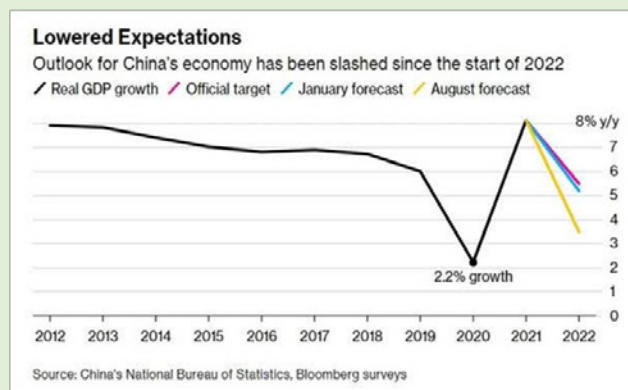
## The Month That Was - Snippets for September 2022

### UK Faces Biggest Squeeze on Household Budgets In A Generation



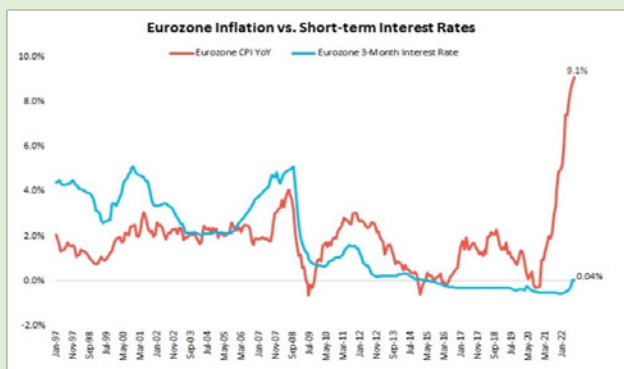
The cost of the most basic standard of living has jumped by 20% in Britain as the country faces the biggest squeeze on household budgets in a generation. That's about six times the pace of the average annual increase each previous year since 2009, according to a report published by researchers at Loughborough University and funded by the Joseph Rowntree Foundation. The situation is only set to worsen in the near future, with Goldman Sachs estimating that inflation could soar past 20% next year if natural gas prices don't ease. As price increases outpace income growth, more families will fall behind on what they need to get by without a fundamental reform of the social security system, according to the report. The gap between people's incomes and what they need is setting up problems for the future, from worsening health outcomes to educational outcomes.

### China Braces for a Slowdown That Could be Even Worse Than 2020



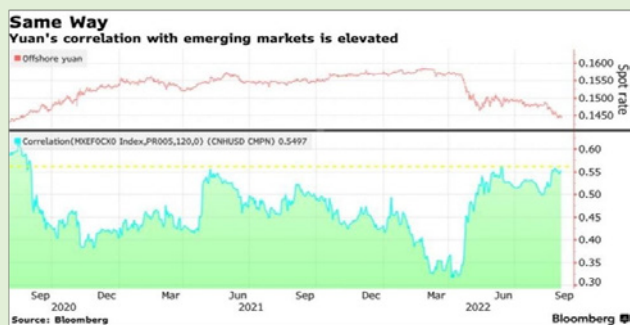
Six months after China's government set ambitious economic targets for the year, growth has slowed so sharply that several major banks don't even think 3% is achievable anymore. Growth projections have come down steadily since March, when the official target of around 5.5% was first disclosed. The consensus in a Bloomberg survey is for the economy to expand 3.5% this year, which would be the second-weakest annual reading in more than four decades. Forecasters at Morgan Stanley and Barclays Plc are among predicting even slower growth as risks mount into year-end. Jian Chang, Barclays's chief China economist, last week cut her full-year growth forecast to 2.6% from 3.1%, citing the "deeper and longer property contraction, intensified Covid lockdowns, and slowing external demand."

## Eurozone Inflation vs. Short-Term Interest Rates

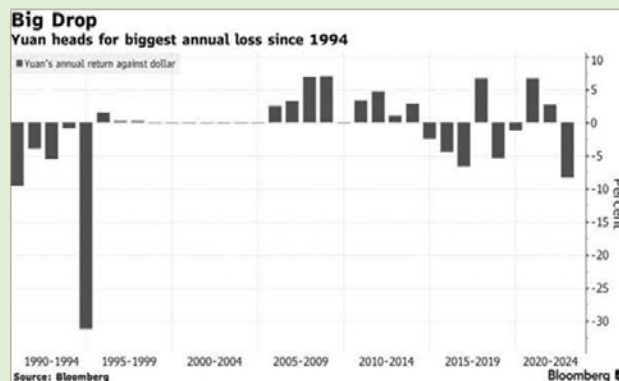


Eurozone inflation has moved up to 9.1%, its highest level ever. Meanwhile, the ECB only recently abandoned their negative rate policy by moving back to 0%. This is the greatest disconnect between easy monetary policy and unabating rising prices that the world has ever seen.

## China's Currency Struggle Spells Trouble Across Emerging Markets

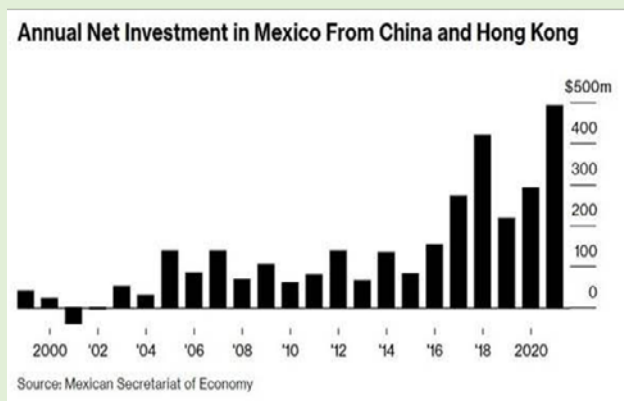


## Hedge Fund's Decade-Long Wait for China Yuan Crash Nears Payday



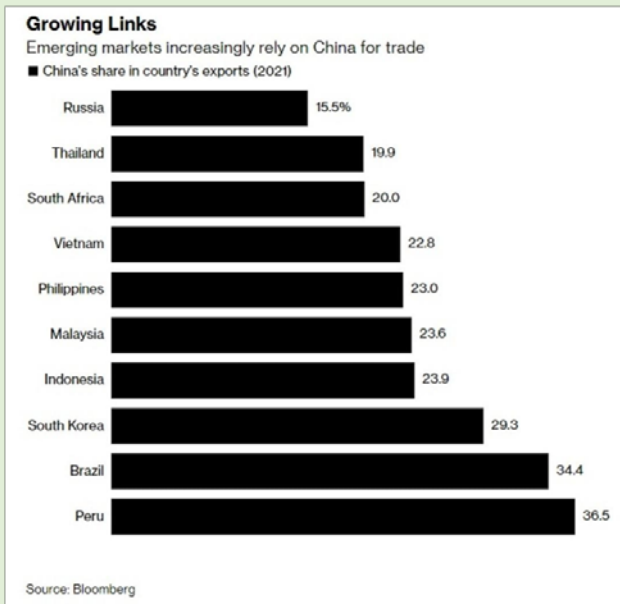
Crescat's Smith has been wagering on devaluation since 2014. For the better part of a decade, a US hedge-fund manager who has never even set foot in China has been patiently betting that the yuan will stage a massive collapse, one so deep that its value could be cut in half. Since 2014, Crescat Capital's Kevin Smith has been ploughing as much as 10% of his \$136 million macro fund into options betting against the currency. Sometimes it lost money. Sometimes it paid off, even though the major devaluation he was looking for never happened. But Smith says now may be his moment. China's once-booming housing market is cracking. The economy is sputtering under Covid lockdowns. And the People's Bank of China has cut interest rates just as central banks worldwide increase them, giving investors even more incentive to shift money abroad. Those forces made Yuan down by >8%.

## Chinese Manufacturers Get Around US Tariffs with Some Help From Mexico.



Plants and warehouses are sprouting up south of the border as companies try to avoid US duties. Proximity to the world's biggest consumer market isn't Mexico's only selling point. Thanks to the country's free trade pact with the US and Canada, a chair made at Kuka's factory in Hofusan can travel across the border duty-free, whereas one shipped to the US from China would be hit with a 25% tariff, according to Huang. Chinese investment in Mexico jumped from \$154 million in 2016 to \$271 million the following year, when Donald Trump took office threatening a trade war.

## Emerging Markets Rely on China For Trade



Cheaper yuan could undermine export appeal of other nations. South Korean won, South African rand among those vulnerable. Just months ago, the Chinese yuan was reigning supreme as emerging markets' own haven asset, shielding investors from the turbulence of war and runaway inflation. Today, it's turning into a threat. As growth

sputters in the world's second-biggest economy, its currency has tumbled to a two-year low and looks set for further losses. That's pushing Goldman Sachs Group Inc. to SEB AB to predict shock waves not just in China's neighbourhood but as far away as Africa and Latin America - with a cheaper yuan hitting other nations' export appeal and sparking competitive devaluations.

A weaker yuan has wider repercussions for emerging markets, which have endured two years of elevated inflation, jitters over the Federal Reserve's monetary tightening and the prospect of recession in key western markets. The Chinese currency, with its 30% weight in the MSCI Emerging Markets Currency Index, is pushing the gauge to the worst year since 2015. In fact, the offshore yuan's 120-day rolling correlation with the emerging world hovers near the highest level in two years, underscoring its impact. Goldman and Societe Generale say the weaker yuan could pull the South Korean won, Taiwanese dollar, Thai baht, Malaysian ringgit and South African rand down with it. SEB sees the Mexican peso, Hungarian forint, Romanian leu and Turkish lira as the most vulnerable.

## Shipping Prepares for Squall Despite Once-In-A-Lifetime Boom Conditions



Profits have been 'intoxicating' but the cycle appears to have peaked with freight rates down a third. In three years, the container shipping industry will have made as much money as the previous six decades. Propelled by soaring demand after the pandemic, operators have enjoyed a level of profitability that few in the volatile sector could have dreamt of. "Earning the money they have done in the past two years is intoxicating," said Simon Heaney, a senior manager at Drewry, the

shipping research group. Drewry forecasts that the industry's profits for 2021-23 will equal the amount it made between the 1950s, when container ships were first built, and 2020. "It's something you see once in a lifetime, maybe not even that," said Rolf Habben Jansen, chief executive of Hapag-Lloyd, the German carrier that is the industry's fifth largest by capacity. But the container shipping cycle appears to have peaked.

## Gasping At the Pump



**Gas prices in G20 countries, January 2022 vs June 2022 (USD/gallon)**

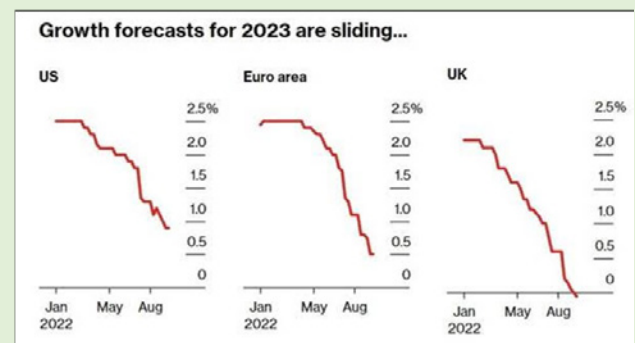
	Jan 2022	June 2022	Change	Subsidies
Argentina	\$3.909	\$3.944	\$0.035	✓
Australia	\$5.343	\$5.409	\$0.066	✓
Brazil	\$5.098	\$5.273	\$0.175	✓
Canada	\$6.666	\$7.901	\$1.235	✓
China*	\$4.273	\$5.655	\$1.382	✗
France	\$7.794	\$8.301	\$0.507	✓
Germany	\$8.220	\$9.602	\$1.382	✓
India	\$5.007	\$5.057	\$0.050	✓
Indonesia	\$2.409	\$4.572	\$2.163	✓
Italy	\$8.229	\$9.637	\$1.408	✓
Japan	\$4.520	\$4.739	\$0.219	✓
Mexico	\$4.122	\$4.399	\$0.277	✓
Russia	\$3.182	\$3.524	\$0.342	✓
Saudi Arabia	\$2.273	\$2.351	\$0.078	✓
South Africa	\$4.688	\$5.625	\$0.937	✓
South Korea	\$5.733	\$6.223	\$0.490	✓
Turkey	\$4.569	\$7.691	\$3.122	✓
UK	\$8.204	\$8.661	\$0.457	✓
US	\$3.630	\$5.020	\$1.390	✓
EU	\$7.718	\$9.796	\$2.078	✓

Just short of a 100-day streak, US gasoline prices stopped falling. Since Russia’s invasion of Ukraine, much of the world has been affected by the economic impact of sanctions, higher inflation,

constrained supply, and overall uncertainty. In the G20 economies, consumers tend to complain most about the price of unleaded gas, which is affecting their ability to get around town and go on holiday.

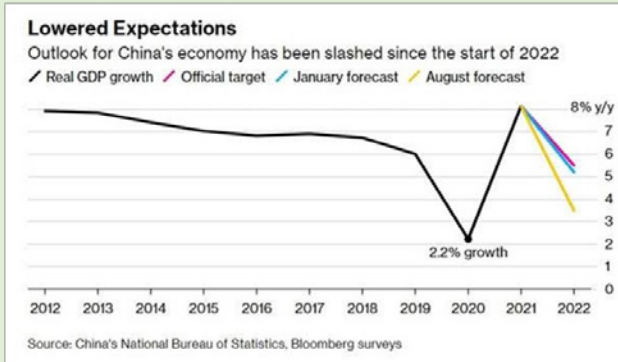
## The Global Race to Hike Rates Tilts Economies Toward Recession

The Fed looks willing to tip the US into a slump if that’s what’s needed to beat inflation. Other central banks are ready to make the same gamble. Late to see the worst inflation in four decades coming, and then slow to crack down on it, the Federal Reserve and its peers around the globe now make no secret about their determination to win the fight against soaring prices – even at the cost of seeing their economies expand more slowly or even shrink. About 90 central banks have raised interest rates this year, and half of them have hiked by at least 75 basis points in one shot. Many



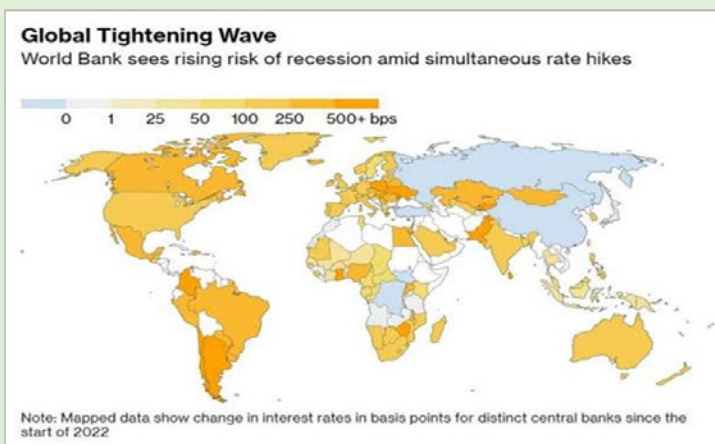
did so more than once, in what Bank of America Corp. chief economist Ethan Harris labels “a competition to see who can hike faster.” The result is the broadest tightening of monetary policy for 15 years – a decisive departure from the cheap-money era ushered in by the 2008 financial crisis, which many economists and investors had come to view as the new normal.

## China Braces for a Slowdown That Could be Even Worse Than 2020

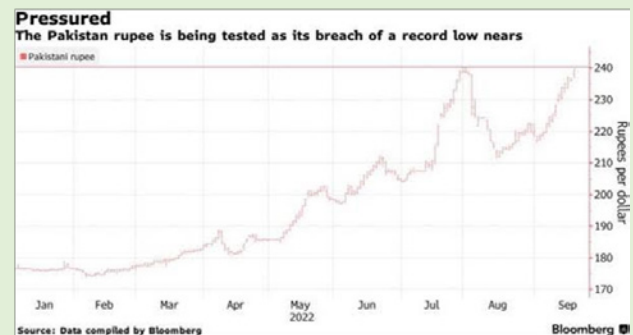


Six months after China's government set ambitious economic targets for the year, growth has slowed so sharply that several major banks don't even think 3% is achievable anymore. Growth projections have come down steadily since March, when the official target of around 5.5% was first disclosed. The consensus in a Bloomberg survey is for the economy to expand 3.5% this year, which would be the second-weakest annual reading in more than four decades. Forecasters at Morgan Stanley and Barclays Plc are among those predicting even slower growth as risks mount into year-end. Jian Chang, Barclays's chief China economist, last week cut her full-year growth forecast to 2.6% from 3.1%, citing the "deeper and longer property contraction, intensified Covid lockdowns, and slowing external demand."

## Global Recession Looms Amid Broadest Rate Hikes in Five Decades



## Pakistan Rupee Under Pressure



Pakistan's currency is on the cusp of a record low, as billions of dollars of promised aid from the Middle East to bolster the hard-hit South Asian nation's finances have yet to arrive. The rupee is about 0.4% away from 240.375 per dollar, the all-time low it reached earlier this year. The currency is among the worst performers globally in September, having fallen more than 8%.

A weakening currency may worsen Pakistan's price pressures after inflation surged to the highest in almost five decades. The nation is also grappling with the aftermath of a series of deadly floods and needs additional funds beyond the International Monetary Fund's \$1.1 billion loan to avert a default. "The IMF loan was more to do with sentiment and was expected to be followed by inflows from other friendly countries," said Sana Tawfik, economist at Arif Habib Ltd. in Karachi. "These things were to materialize, but we don't see any inflows yet."

Global policy rates seen to climb to almost 4% through 2023. Policy makers told to battle inflation by boosting production. Investors expect central banks to raise global monetary policy rates to almost 4% next year, double the average in 2021, just to keep core inflation at the 5% level. Rates could go as high as 6% if central banks look to wrangle inflation within their target bands, according to the report's model. The World Bank study estimates 2023 global gross domestic product growth to slow to 0.5%, and contract 0.4% in per capita terms that would meet the technical definition of a global recession. After record expansion in 2021, this would cut short recovery well before economic activity has returned to its pre-pandemic trend, it said.

# All India Weather Summary and Forecast

## Meteorological Analysis

- The withdrawal line of Southwest Monsoon continues to pass through Khajuwala, Bikaner, Jodhpur and Naliya. Conditions are becoming favourable for further withdrawal of Southwest Monsoon from some more parts of northwest India and some parts of adjoining central India during next 2-3 days.

- The cyclonic circulation over central Pakistan & neighbourhood extending upto 1.5 km above mean sea level persists.

- The cyclonic circulation over Westcentral Bay of Bengal & neighbourhood extending upto 4.5 km above mean sea level persists.

- The Western Disturbance as a trough in mid-tropospheric westerlies with its axis at 5.8 km above mean sea level now runs roughly along Long. 74°E to the north of Lat. 30°N.

## Weather Warning during next 5 days

**27 Sept (Day 1):** ♦ Heavy rainfall at isolated places very likely over Sub-Himalayan West Bengal & Sikkim, Coastal Andhra Pradesh & Yanam and Tamilnadu, Puducherry & Karaikal.

♦ Thunderstorm accompanied with lightning at isolated places very likely over Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema and Tamilnadu, Puducherry & Karaikal.

**28 Sept (Day 2):** ♦ Heavy rainfall at isolated places very likely over Odisha, Assam, Coastal Andhra Pradesh & Yanam and Tamilnadu, Puducherry & Karaikal.

♦ Thunderstorm accompanied with lightning at isolated places very likely over Gangetic West Bengal, Odisha, Gujarat State, Madhya Maharashtra, Marathwada, Coastal Andhra

Pradesh & Yanam, Telangana, Rayalaseema and Tamilnadu, Puducherry & Karaikal.

**29 Sept (Day 3):** ♦ Heavy rainfall at isolated places likely over Odisha, Andaman & Nicobar Islands and Coastal Andhra Pradesh & Yanam.

♦ Thunderstorm accompanied with lightning at isolated places likely over Gangetic West Bengal, Odisha, Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana, Rayalaseema and Tamilnadu, Puducherry & Karaikal

**30 Sept (Day 4):** ♦ Heavy rainfall at isolated places likely over Andaman & Nicobar Islands and Coastal Andhra Pradesh & Yanam.

♦ Thunderstorm accompanied with lightning at isolated places likely over Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana and Rayalaseema.

**01 Oct (Day 5):** ♦ Heavy rainfall at isolated places likely over Andaman & Nicobar Islands and Coastal Andhra Pradesh & Yanam.

♦ Thunderstorm accompanied with lightning at isolated places likely over Madhya Maharashtra, Marathwada, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana and Rayalaseema.

## Weather Outlook for subsequent 2 days - During 02nd October-04th October, 2022

Scattered to fairly widespread light/moderate rainfall activity likely over north Odisha, West Bengal & Sikkim and adjoining areas of Jharkhand and south Bihar, Nagaland, Manipur, Mizoram & Tripura, North Peninsular India, West Coast and Islands.

Isolated to scattered light rainfall activity likely over rest parts of the country except many parts of northwest & central India where dry weather is likely.

**5 Day Rainfall Forecast (MORNING)****27-September-2022**

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

**% 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) 2021-22 Crop September 2022					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	19th	20th	21th	22nd	23rd	24th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	15044 (53500)	15044 (53500)	14763 (52500)	14622 (52000)	14904 (53000)	14904 (53000)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	15241 (54200)	15241 (54200)	14960 (53200)	14819 (52700)	15100 (53700)	15100 (53700)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	15635 (55600)	15466 (55000)	15185 (54000)	15185 (54000)	15325 (54500)	15185 (54000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	17462 (62100)	16900 (60100)	16619 (59100)	16619 (59100)	16731 (59500)	16731 (59500)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	20865 (74200)	20865 (74200)	20865 (74200)	20865 (74200)	20865 (74200)	20865 (74200)
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	21006 (74700)	20021 (71200)	19740 (70200)	19740 (70200)	19825 (70500)	19684 (70000)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	19262 (68500)	18840 (67000)	18559 (66000)	18559 (66000)	18559 (66000)	18419 (65500)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	21174 (75300)	20190 (71800)	19909 (70800)	19825 (70500)	19965 (71000)	19965 (71000)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	19825 (70500)	19403 (69000)	19122 (68000)	19122 (68000)	19122 (68000)	18981 (67500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	21512 (76500)	20528 (73000)	20246 (72000)	20246 (72000)	20246 (72000)	19965 (71000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	21540 (76600)	20556 (73100)	20134 (71600)	20134 (71600)	20528 (73000)	20528 (73000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	22074 (78500)	21090 (75000)	20809 (74000)	20809 (74000)	20809 (74000)	20528 (73000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	22130 (78700)	21146 (75200)	20865 (74200)	20865 (74200)	20865 (74200)	20584 (73200)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	22074 (78500)	21090 (75000)	20668 (73500)	20668 (73500)	20668 (73500)	20528 (73000)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	21934 (78000)	20949 (74500)	20528 (73000)	20528 (73000)	20668 (73500)	20528 (73000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	22918 (81500)	22074 (78500)	21652 (77000)	21652 (77000)	21652 (77000)	21371 (76000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	22974 (81700)	22130 (78700)	21709 (77200)	21709 (77200)	21709 (77200)	21427 (76200)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	22777 (81000)	21652 (77000)	21371 (76000)	20949 (74500)	21146 (75200)	20809 (74000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	23283 (82800)	22496 (80000)	22215 (79000)	22215 (79000)	22215 (79000)	21934 (78000)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	23424 (83300)	22580 (80300)	22299 (79300)	22299 (79300)	22299 (79300)	22018 (78300)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
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	25449 (90500)	24043 (85500)	23621 (84000)	23480 (83500)	23340 (83000)	23199 (82500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	26292 (93500)	24886 (88500)	24464 (87000)	24183 (86000)	24043 (85500)	23902 (85000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	26573 (94500)	25167 (89500)	24605 (87500)	24464 (87000)	24324 (86500)	24183 (86000)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	27136 (96500)	25449 (90500)	25027 (89000)	24886 (88500)	24746 (88000)	24605 (87500)

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