



# Cotton Statistics And News

2010 \* No. 28 \* 12/10/2010

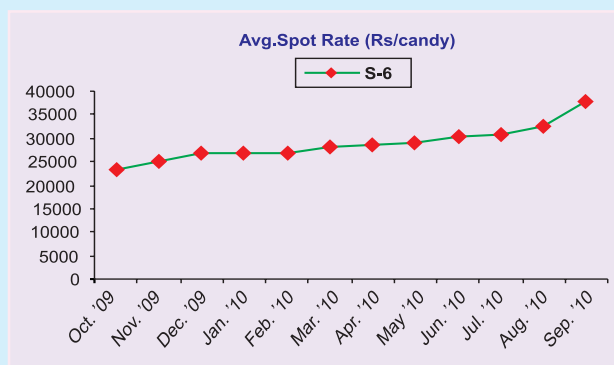
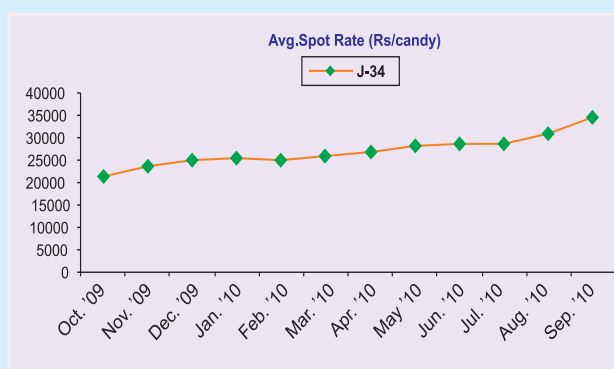
Edited & Published by : Amar Singh

## Surge in Cotton Prices During September

September, the last month of the season, witnessed a strident rise in prices of all cotton varieties. After generally ruling steady till June, prices had been moving both ways in July. The sentiment turned definitely firm in August, and the prices escalated further in September. The movement of monthly average prices of some popular varieties is depicted in the accompanying table.

Month	Avg. Spot Rate (Rs/Candy)				
	J-34	H-4	S-6	Bunny	DCH-32
Oct. '09	21,500 (22,500)	- (23,100)	23,300 (23,300)	23,200 (24,500)	- (31,900)
Nov. '09	23,500 (20,400)	23,800 (21,900)	25,000 (22,200)	24,500 (23,000)	41,000 (30,600)
Dec. '09	24,900 (20,400)	25,700 (21,600)	26,800 (21,800)	26,800 (22,300)	42,000 (29,000)
Jan. '10	25,600 (21,000)	25,600 (21,000)	26,700 (21,500)	26,800 (21,600)	40,300 (28,200)
Feb. '10	24,900 (20,100)	25,400 (20,100)	26,500 (20,600)	26,600 (20,900)	39,700 (26,800)
Mar. '10	26,100 (20,600)	26,700 (20,100)	27,900 (20,700)	28,000 (21,100)	41,900 (26,500)
Apr. '10	27,000 (22,400)	27,600 (21,100)	28,300 (22,400)	28,600 (22,700)	42,100 (32,100)
May '10	28,100 (23,100)	27,700 (21,800)	28,800 (23,600)	29,100 (23,100)	42,700 (32,200)
June '10	28,700 (22,900)	28,400 (21,800)	29,400 (23,200)	30,300 (23,000)	41,800 (32,000)
July '10	28,800 (23,100)	28,200 (22,500)	29,400 (23,800)	30,600 (23,500)	41,100 (33,000)
Aug. '10	30,700 (23,000)	30,300 (22,400)	31,800 (23,400)	32,400 (23,500)	42,200 (33,100)
Sept.'10	34,500 (21,800)	36,000 (21,800)	37,100 (22,500)	38,000 (23,000)	44,500 (32,900)

Note : Figures in brackets indicate last year's prices



As may be seen, the price increase per candy in September has been quite substantial, especially in the case of medium and long staple cottons- Rs. 3800 in the case of J-34, Rs. 5700 in the case of H-4, Rs. 5300 in the case of S-6, Rs. 5600 in the case of Bunny and Rs. 2300 in the case of DCH-32. One of the major reasons for the escalation in prices is said to be the delay in the market arrivals of the new crop. The late rains in some tracts delayed the boll maturity and boll bursting. This has led to a temporary supply constraint of ready cotton. On the other hand, demand continued to be good and sustained. Apprehending further rise in prices, mills had been gradually adding to the raw material stock to meet the immediate short term requirement. The prices have thus reacted.

Another reason has been the steady uptrend in world cotton prices. With the world textile industry coming out of the negative impact of the global economic crisis, its cotton requirement had been on the rise whereas there is a shortage in the availability of world cotton. The Cotlook A Index has thus been moving up steadily and it crossed 115 US Cents per pound during the third week of September compared to 80 Cents per pound in February 2010. This has obviously exerted upward pressure on domestic cotton prices. It is expected that the prices will remain high until the market arrivals of the new crop gain momentum and ready stocks of cotton go up.

How steep the rise in domestic cotton prices has been during the 2009-10 season can be had from a comparison of the average prices during October 2009 to September 2010. Such a comparison shows that the increase per candy has been Rs. 13,000 in the case of J-34, Rs. 12,200 in the case of H-4, Rs. 13,800 in the case of S-6, Rs. 14,800 in the case of Bunny and Rs. 3,500 in the case of DCH-32. Needless to say, the seasonal

average prices of all cotton varieties in 2009-10 have been substantially higher compared to those in the previous year. Illustrative data pertaining to some representative varieties are given in the accompanying table.

Seasonal (Oct-Sept) Avg. Prices (Rs/Candy)			
Variety	2008-09	2009-10	Difference
J-34	21,800	27,000	5,200
H-4	21,600	27,800	6,200
S-6	22,400	28,400	6,000
Bunny	22,700	28,700	6,000
DCH-32	30,700	41,800	11,100

The increase in average prices has ranged from Rs. 5,200 to Rs. 6,000 per candy in the case of medium and long staple cotton and it was as high as Rs. 11,100 per candy in the case of the extralong staple cotton, DCH-32.

## Government may Raise Cotton Export Cap if Output Exceeds Estimates

The textile ministry has said that it would be in favour of cotton exports beyond the present cap of 55 lakh bales this year if production exceed the estimate of 325 lakh bales. The textile ministry would be the first to support the movement of cotton out of the country in the form of exports, if production exceeds the estimates, Secretary of the textile ministry stated. When asked if the government would impose any curbs on exports beyond 55 lakh bales, the Secretary stated that the instruments that they will use will be considered by the government after a review meeting later this month.

Earlier, the government had announced that duty-free exports of 55 lakh bales would be allowed in the current cotton season. The Commerce Ministry had said that exports beyond this limit would attract duty. To curb exports in wake of rising domestic prices of cotton, a duty of Rs.2,500 per tonne was imposed.

To a question whether the cotton prices would crash in the coming days, the Secretary said that there will never be a situation where the cotton prices will crash, as there is enhanced capacity creation which is take taking in the industry.

*(Source: Business Standard- 7.10.2010)*

## Renewal of Subscription of Cotton Weekly for April 2010-March 2011

Your subscription for this publication expired in March 2010. To ensure uninterrupted and continuous supply of this publication to you during the current period from April 2010 to March 2011, we request you to please send your renewal subscription amount of Rs.1,500/- immediately.

Payment is to be made in the name of Cotton Association of India payable at par in Mumbai.

The members of the Association are not required to pay any subscription amount as they are entitled to a complimentary copy of this publication.

We solicit your co-operation.

**UPCOUNTRY SPOT RATES**

		2009-10 Crop										(Rs. \ Candy)		
SEPT. 2010	BD(RG) A. Commla	BD SG	V-797	Jayadhar	Y-1	J-34	NHH-44	LRA-5166	H-4/ MECH-1	Shankar-6	Bunny/ Brahma	MCU-5/ Surabhi	DCH-32	ICC
	ICS-101 22 mm 5.0-7.0	ICS-201 22 mm 5.0-7.0	ICS-102 22 mm 4.5-5.9	ICS-103 23 mm 4.0-5.5	ICS-104 24 mm 4.0-5.5	ICS-202 25 mm 3.5-4.9	ICS-105 25 mm 3.5-4.9	ICS-105 27 mm 3.5-4.9	ICS-105 28 mm 3.5-4.9	ICS-105 29 mm 3.5-4.9	ICS-105 31 mm 3.5-4.9	ICS-106 33 mm 3.3-4.5	ICS-107 35 mm 2.8-3.6	ICS-301 26 mm 3.7-4.3
1	26400	26700	24000	24200	27200	32700	N.A.	31500	33000	34200	35200	36500	43500	N.A.
2	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....
3	26400	26700	24000	24500	27200	32700	N.A.	32000	33500	34500	35200	36500	43500	N.A.
4	26400	26700	24300	24800	27500	33200	N.A.	32000	33800	34800	35500	36500	43800	N.A.
6	26600	26900	24300	25000	28000	33400	N.A.	32500	34100	35300	36000	37000	44000	N.A.
7	26800	27100	24500	25000	28000	33400	N.A.	33000	34800	36000	36500	37500	44000	N.A.
8	26800	27100	24500	25200	28000	33400	N.A.	N.A.	35000	36500	37500	38000	44000	N.A.
9	26900	27200	24500	25200	28000	33500	N.A.	N.A.	35500	37000	38000	38700	44000	N.A.
10	....	....	....	....	....	....	MAKETED CLOSED	....	....	....	....	....	....	....
11	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....
13	27400	27700	26000	26200	30000	35000	N.A.	N.A.	37000	38000	39000	42000	44000	N.A.
14	27400	27700	26000	26200	30000	35000	N.A.	N.A.	37000	38000	39000	42000	44000	N.A.
15	27400	27700	26000	26200	30000	35000	N.A.	N.A.	37000	38000	39000	42000	44000	N.A.
16	27400	27700	26000	26200	30000	34500	N.A.	N.A.	36800	38000	39000	42000	44000	N.A.
17	27400	27700	26000	26200	30000	34500	N.A.	N.A.	36800	38000	39000	42000	44000	N.A.
18	27400	27700	26000	26200	30000	34500	N.A.	N.A.	36800	38000	39000	42000	44000	N.A.
20	27600	28000	26300	26500	30300	35500	N.A.	N.A.	37500	38500	39500	43000	45000	N.A.
21	27600	28000	26500	27000	30500	35700	N.A.	N.A.	37500	38500	39500	43000	45500	N.A.
22	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....
23	27000	27500	26500	26800	30500	35500	N.A.	N.A.	37000	38200	39000	42000	45500	N.A.
24	27000	27500	26000	26500	31000	35500	N.A.	N.A.	36500	37700	38500	41500	45500	N.A.
25	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....
27	27000	27500	25700	26200	31000	35500	N.A.	N.A.	36500	37700	38500	41000	45500	N.A.
28	27000	27500	25700	26200	31000	35500	N.A.	N.A.	36500	37700	38500	41000	45500	N.A.
29	27000	27500	25200	26000	31000	35500	N.A.	N.A.	36500	37700	38500	41000	45500	N.A.
30	27000	27500	25200	26000	31000	35500	N.A.	N.A.	36500	37700	38500	41000	45500	N.A.
H	27600	28000	26500	27000	31000	35700	N.A.	33000	37500	38500	39500	43000	45500	N.A.
L	26400	26700	24000	24200	27200	32700	N.A.	31500	33000	34200	35200	36500	43500	N.A.
A	27000	27400	25400	25800	29500	34500	N.A.	32200	36000	37100	38000	40300	44500	N.A.

H = Highest L = Lowest A = Average

## SNIPPETS

Merchandise exports from the country grew by 22.5 per cent in August to touch \$ 16.6 billion (Rs. 77,500 crore) compared to last August, reflecting improved global demand for Indian goods. This has given hope that the target of \$ 200 billion set for the fiscal year will be easily achieved. Imports are stated to have outpaced the export growth, at 32.2 per cent to touch \$ 29.7 billion (Rs. 1,38,211 crore), resulting in a trade deficit of \$ 13.1 billion which obviously is a cause for concern.



The International Monetary Fund has projected the Indian economy will grow by 9.7 percent in 2010 and 8.4 percent in the next fiscal, driven by robust industrial production and macro-economic performance. Advanced economy, on the other hand, are projected to grow by just 2.7 percent in 2010 and 2.2 percent in 2011, the IMF report said, adding that global trade is forecast to expand by 4.8 percent in 2010 and 4.2 percent in 2011, with a temporary slowdown during the second half on 2010 and the first half of 2011.



## Advertisement in Weekly Bulletin

We accept advertisements for insertion in our publication "Cotton Statistics and News" to enable the advertisers to benefit from reaching the subscribers of the publication who represent all the segments of domestic and global cotton interests.

The Advertisement Tariff is as follows. The material for the advertisement such as the names of the company, telephone numbers, fax numbers and some important features of the company can be included in the advertisement.

**Full Page - Rs.7,500/- per insertion**  
**Half Page - Rs.4,500/- per insertion**  
**Quarter Page - Rs.2,500/- per insertion**

Kindly send your cheque drawn in favour of Cotton Association of India with the advertisement material of your company.

For further details, please contact on  
 Tel. No.2370 4401/2/3 or E-mail to [eica@eica.in](mailto:eica@eica.in)

## UPCOUNTRY SPOT RATES

(Rs./Candy)

Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4)					SPOT RATES ( UPCOUNTRY) 2009-10 CROP September - October 2010						
					2 <sup>nd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	
03.	ICS-102	22mm	V-797	4.5-5.9	19		25200	25200	25200	25400	25400
04.	ICS-103	23mm	Jayadhar	4.0-5	19	H	26000	26000	26000	26000	26000
05.	ICS-104	24mm	Y-1	4.0-5.5	20		31000	31000	31000	31000	31000
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	O	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24		N.A.	N.A.	N.A.	N.A.	N.A.
14.	ICS-301	26mm	ICC	3.7-4.3	25	L	N.A.	N.A.	N.A.	N.A.	N.A.
<b>2010-11 CROP</b>											
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	I	26700	26700	26700	26700	26700
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15		27200	27200	27200	27200	27200
06.	ICS-202	25mm	J-34	3.5-4.9	23	D	35200	35100	35000	35200	35800
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25		36500	36500	36700	37200	37500
10.	ICS-105	29mm	S-6	3.5-4.9	26	A	37700	37500	37500	38000	39000
11.	ICS-105	31mm	Bunny/ Brahma Y	3.5-4.9	27		38500	38500	38500	38700	39700
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	Y	40500	40500	40500	40500	41000
13.	ICS-107	35mm	DCH-32	2.8-3.6	31		45500	45500	45500	45500	46000