

Weekly Publication of



Cotton Association of India

COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

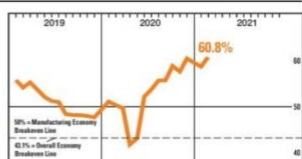
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The Month That Was - Snippets for March 2021

MANUFACTURING PMI® at 60.8%

Manufacturing grew in February, as the Manufacturing PMI® registered 60.8 percent, 2.1 percentage points higher than the January reading of 58.7 percent. This equals the highest reading since February 2018 (60.8 percent); prior to that, the PMI® registered 61.4 percent in May 2004. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

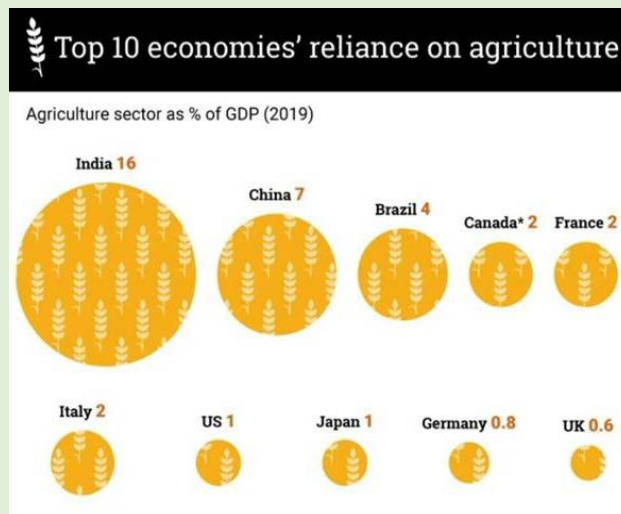


Manufacturing at a Glance

INDEX	Feb Index	Jan Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	60.8	58.7	+2.1	Growing	Faster	9
New Orders	64.8	61.1	+3.7	Growing	Faster	9
Production	63.2	60.7	+2.5	Growing	Faster	9
Employment	54.4	52.6	+1.8	Growing	Faster	3
Supplier Deliveries	72.0	68.2	+3.8	Stowing	Faster	60
Inventories	49.7	50.8	-1.1	Contracting	From Growing	1
Customers' Inventories	32.5	33.1	-0.6	Too Low	Faster	55
Prices	86.0	82.1	+3.9	Increasing	Faster	9
Backlog of Orders	64.0	59.7	+4.3	Growing	Faster	8
New Export Orders	57.2	54.9	+2.3	Growing	Faster	8
Imports	56.1	56.8	-0.7	Growing	Slower	8
Overall Economy				Growing	Faster	9
Manufacturing Sector				Growing	Faster	9

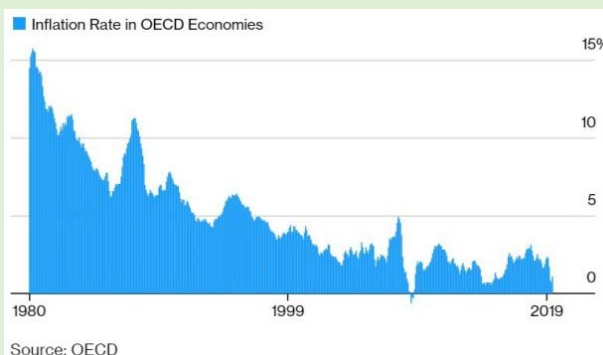
*Number of months moving in current direction. Manufacturing ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.

A snapshot of agriculture's share of some of the world's largest economies

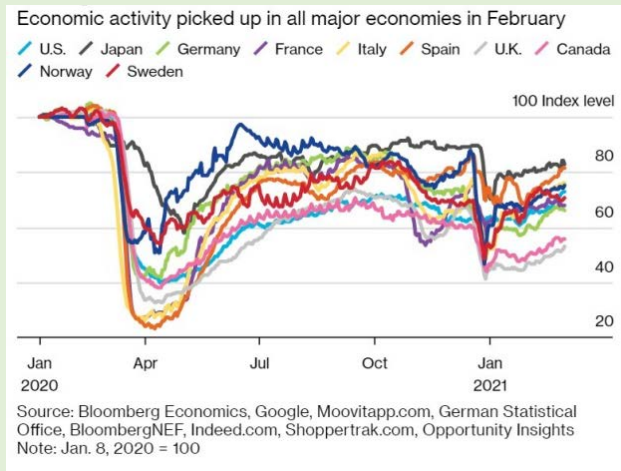


Yesterday's Problem -- Or Tomorrow's?

Inflation is already creeping into some corners of the world. The big question in financial markets is whether the post-pandemic recovery will bring a burst of inflation. In commodities like soybeans or copper, industries like shipping and countries like Brazil, prices have been climbing rapidly -- for reasons directly tied to the disruptions of Covid-19, the policy response, or the surge in demand that comes with hopes of recovery. None of this is enough to settle the great inflation debate one way or the other.

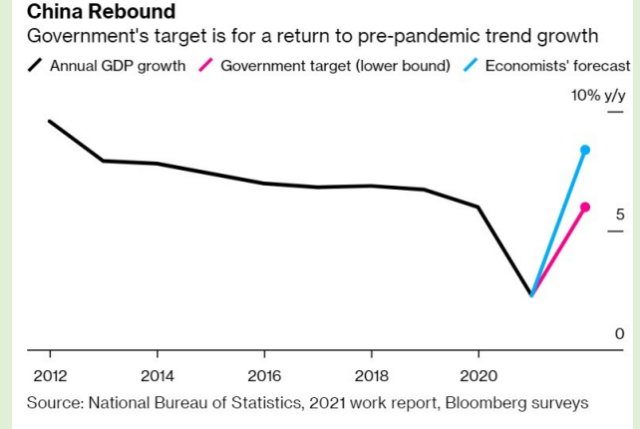


Gaining Momentum



Central banks face jumpy bond market with 10 days of decisions. Central banks helped save the world economy from depression as the pandemic struck. Now they are dealing with the hard part: managing the recovery amid a difference of opinion with investors. Optimism that Covid-19 vaccines and continued government stimulus offer an escape from the worst health crisis in a century has sent bond yields soaring and pushed bets on rising inflation in the U.S. to the highest in a decade. That's shifting the ground underneath monetary policy makers who promise to maintain rock bottom borrowing costs and cheap money well into the expansion.

China Rebound



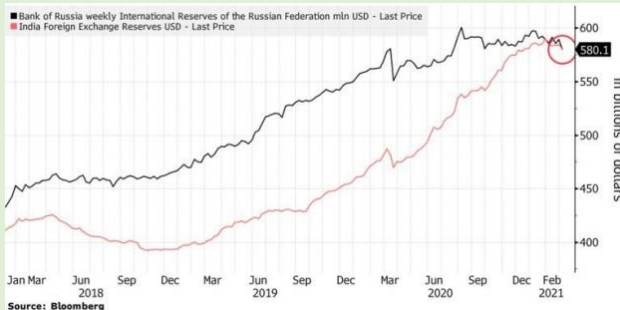
In a battle between those who love or hate China's economic growth target, a compromise appears to have emerged: a goal low enough to be more easily ignored.

China's leaders have an ambivalent relationship with the gross domestic product target they have set almost every year since the 1990s. It's celebrated as the key to mobilizing millions of bureaucrats who compete for promotions by increasing growth rates in their provinces, and blamed for social evils from pollution to excessive investment and fake statistics. Uncertainties caused by the coronavirus pandemic led Beijing to drop the numerical goal last year, and there were expectations party leaders would do the same for 2021.

The Best and Worst Currencies in Emerging Markets Vs the US Dollar YTD

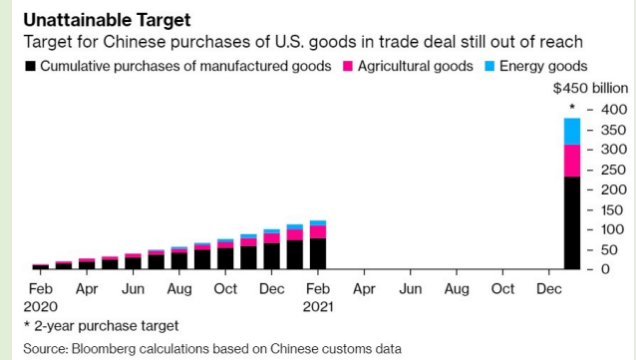


India FX Reserves Surpass Russia's to Become World's 4th Biggest



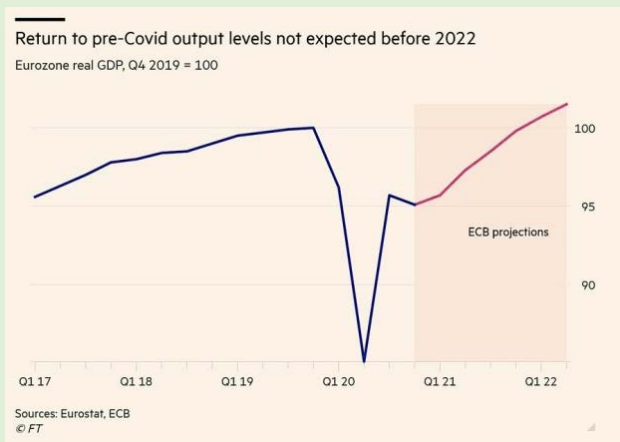
India's foreign-exchange reserves surpassed Russia's to become the world's fourth largest, as the South Asian nation's central bank continues to hoard dollars to cushion the economy against any sudden outflows. Reserves for both countries have mostly flattened out this year after months of rapid increase. India pulled ahead as Russian holdings declined at a faster rate in recent weeks. China has the largest reserves, followed by Japan and Switzerland on the International Monetary Fund table. India's reserves, enough to cover roughly 18 months of imports, have been bolstered by a rare current-account surplus, rising inflows into the local stock market and foreign direct investment.

China Has Bought Only a Third of U.S. Goods Required by Trade Deal



Total purchases of U.S. agricultural, manufactured, and energy goods were \$123 billion in the 14 months since the trade deal was signed in January 2020, according to Bloomberg analysis of official Chinese data. That was 32.6% of the target of \$378 billion for 2020-21. There was widespread scepticism that China would ever meet the promised targets, even before the pandemic broke out, damaging both demand and the U.S.'s ability to supply goods. However, it's unclear if China will face any repercussions from the U.S. for failing to meet its goals.

Outlook Darkens for Europe's Virus-Stricken Economy



Economists are cutting their growth forecasts for the Eurozone as rising Covid-19 infections and vaccination delays lead to tighter restrictions in several countries including France, Italy and Germany.

Oil Slump

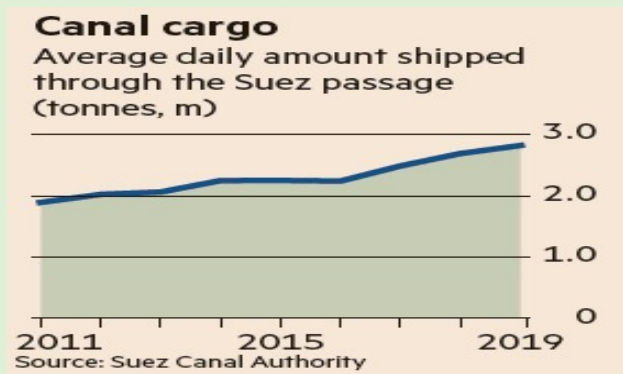


Oil slump shows more risk to demand growth estimates despite the aggressive supply management imposed by producers. Oil weakness reminds us the fragility in demand and the optimism in recovery estimates. Oil slipped in early Asian trading after an industry report pointed to another increase in U.S. crude stockpiles, deepening a sell-off that has dragged prices back below \$60 a barrel.

Repercussions of the Suez Canal Blockage

Although the giant container ship, Ever Given, blocking the Suez Canal has finally been moved, the weeklong stoppage will result in mammoth losses.

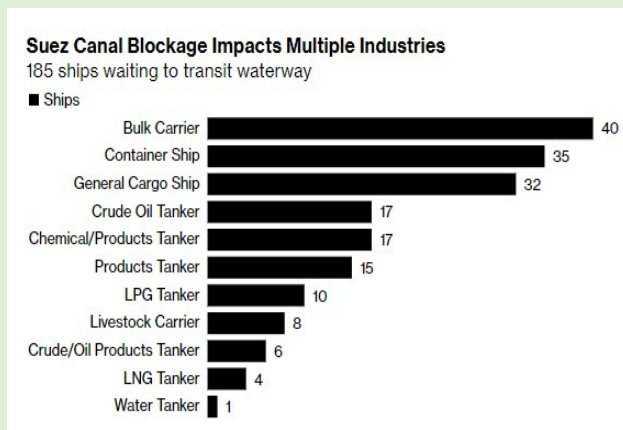
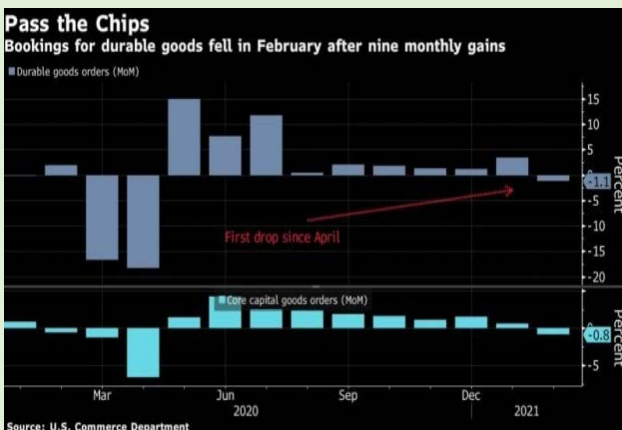
The grounding of the huge container ship in the Suez Canal is proving costly for vessel owners and their clients. A longer route around South Africa adds days of travel. Freight rates, both seaborne and by air, have already jumped in the past year. Shipping stocks have as a result benefited greatly. That will be a blow to just-in-time supply chains.



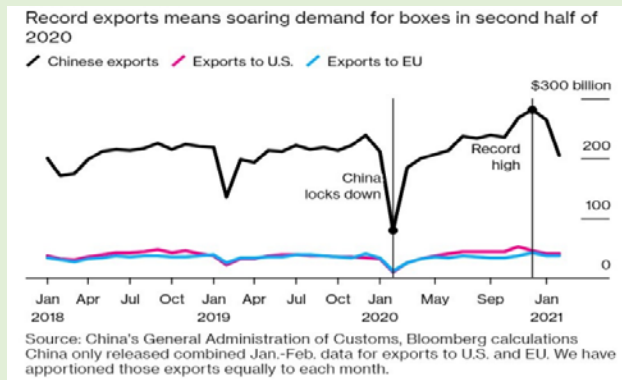
Falling Orders for Durable Goods

Supply chains really do make the world go round. Not only did a giant container ship get stuck in the Suez Canal, blocking thousands of tons worth of goods and sending oil prices as much as 6.2% higher, but we also had what might be the first signs of the semiconductor shortage showing up in U.S.

economic data. Orders for durable goods – think cars, washing machines and the like – fell for the first time in almost a year. Lots of companies won't take new orders if they know they can't fill them due to a parts shortage.



Record Demand for Shipping Containers



The world's biggest makers of shipping containers are scrambling to meet a surge in demand for the metal boxes that shuttle some 90% of the goods around the global economy. A trade boom in the second half of last year caught the container producers - mostly Chinese companies - by surprise as the pandemic threw the existing supply of about 25 million boxes off their normal routes. The manufacturers have been ramping up output ever since, but they're unable to alleviate shortages that have underpinned soaring freight rates for six months.

Huge Foreign Inflow in Indian Equities



Foreign inflows to Indian equities were huge last year despite a global crisis (\$23 billion) and continue this year (6.5 billion year to date). Foreigners now own 20% of the market. Higher than in recent years and close to the all-time highs of 2015.

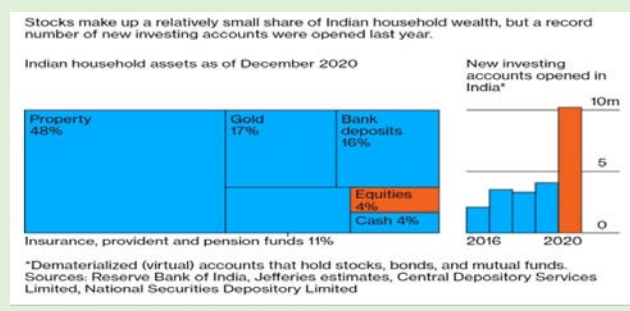
New Investors Welcome

Millions of millennials are taking a plunge into India's stock market. Active investor accounts rose by a record 10.4 million in 2020, according to data from the country's two main depositories. Retail ownership in more than 1,500 companies listed on the National Stock Exchange of India Ltd. jumped to 9% in the third quarter of 2020, the highest since March 2018.

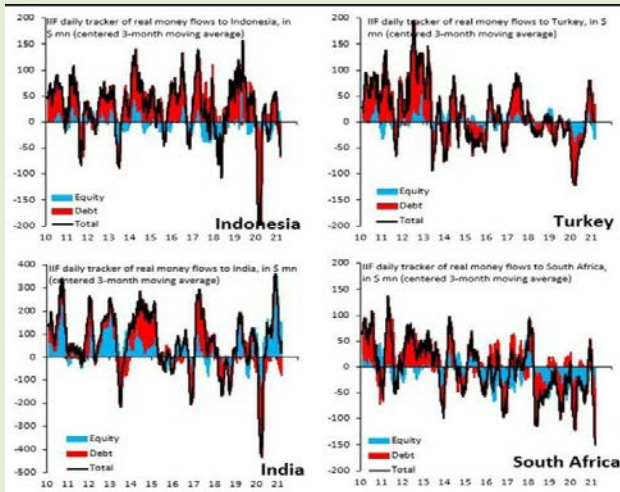
Biden's Stimulus will Boost U.S. Economy



U.S. stimulus promises to set global economy back on track. Package of \$1.9tn expected to boost China and have a trickle-down effect. The \$1.9tn Biden stimulus package, which will add 9 per cent of national income to U.S. spending power, is designed to boost the U.S. recovery. But it also promises to propel the global economy towards its pre-pandemic path, through increased U.S. demand for goods such as Chinese-made training shoes, French wine and car parts from Mexico. Erik Nielsen, chief economist of UniCredit, employed a Danish proverb to describe the effect of the stimulus on the rest of the world: "When it rains on the priest, it drips on the parish clerk."



Rising Long-Term U.S. Interest Rates are Big Threat to Emerging Markets



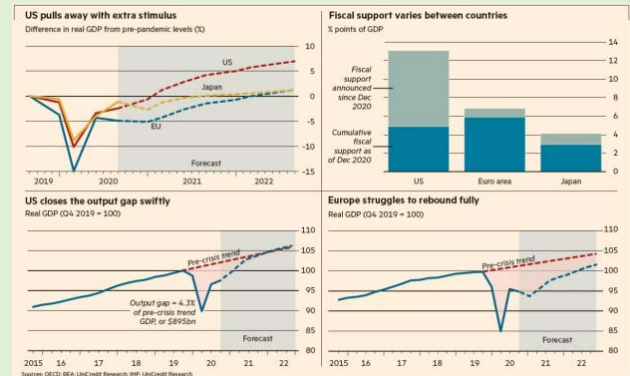
The rise in yields that's already happened killed off the rebound in capital flows that began in Nov 2020. The 2021 flows tantrum could get a lot worse & it all hangs on whether the Fed slows rising long-term U.S. yields.

Enemy of the States



China was named as the greatest enemy of the U.S. by almost half of responders to a poll last month, double the level from before Covid. Republicans overwhelmingly chose China, while Democrats were much more likely to opt for Russia.

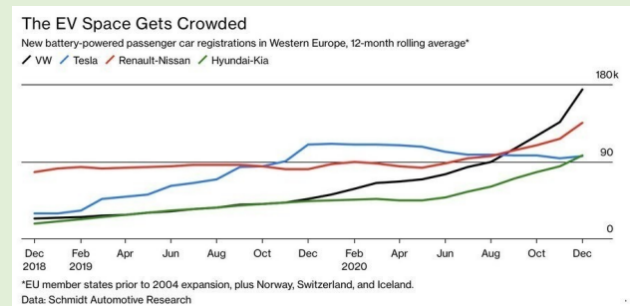
U.S. to Leave EU Trailing in Race for Recovery After Pandemic



Wide variations in rescue packages and speed of vaccinations have affected the bounce back. From the outset, the pandemic inflicted deeper economic scars on Europe than the U.S. Now, their responses to the crisis mean the economies are about to drift further apart. The EU's "output gap" – the shortfall in what the bloc was producing compared with its full potential at the start of this year – was double the equivalent in the U.S., meaning the EU was creating fewer jobs, yielding weaker demand and generating lower inflation.

The U.S. will pull further ahead this year, while Europe is held back by less ambitious public spending, tighter restrictions on businesses and a slower rate of vaccinations, economists say. "The U.S. is now likely to catch up with its pre-pandemic forecast path of growth next year, while if you look at Europe, there is no realistic chance of that happening for several years," said Erik Nielsen, chief economist at Italian bank UniCredit.

The EV Space gets Crowded



EVs are shifting from what seemed like a one-man show to an extravaganza with an increasingly crowded stage



Since 1921, we are dedicated to the cause of Indian cotton.

Just one of the reasons, you should use our Laboratory Testing Services.

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.

The CAI's network of independent cotton testing & research laboratories are strategically spread across major cotton centres in India and are equipped with:

- 🔧 State-of-the-art technology & world-class Premier and MAG cotton testing machines
- 🔬 HVI test mode with trash% tested gravimetrically

LABORATORY LOCATIONS

Current locations : • **Maharashtra :** Mumbai; Yavatmal; Aurangabad; Jalgaon • **Gujarat :** Rajkot; Ahmedabad • **Andhra Pradesh :** Adoni
• **Madhya Pradesh :** Kargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana:** Warangal, Adilabad



COTTON ASSOCIATION OF INDIA

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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 March 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	22nd	23rd	24th	25th	26th	27th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	10517 (37400)	10517 (37400)	10517 (37400)	10601 (37700)	10657 (37900)	10742 (38200)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	10657 (37900)	10657 (37900)	10657 (37900)	10742 (38200)	10798 (38400)	10882 (38700)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	9195 (32700)	9055 (32200)	8914 (31700)	8436 (30000)	8295 (29500)	8295 (29500)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	9280 (33000)	9280 (33000)	9223 (32800)	9167 (32600)	9083 (32300)	8942 (31800)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	10967 (39000)	10967 (39000)	10911 (38800)	10854 (38600)	10770 (38300)	10686 (38000)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	12035 (42800)	11979 (42600)	11923 (42400)	11810 (42000)	11445 (40700)	11642 (41400)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	10854 (38600)	10854 (38600)	10798 (38400)	10742 (38200)	10657 (37900)	10742 (38200)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	12120 (43100)	12063 (42900)	12007 (42700)	11895 (42300)	11585 (41200)	11782 (41900)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	11220 (39900)	11220 (39900)	11164 (39700)	11107 (39500)	11023 (39200)	11107 (39500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	11389 (40500)	11389 (40500)	11332 (40300)	11276 (40100)	11192 (39800)	11276 (40100)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	12232 (43500)	12176 (43300)	12120 (43100)	12007 (42700)	11754 (41800)	11951 (42500)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	12260 (43600)	12260 (43600)	12204 (43400)	12148 (43200)	12063 (42900)	12148 (43200)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	12288 (43700)	12288 (43700)	12232 (43500)	12176 (43300)	12092 (43000)	12176 (43300)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	12401 (44100)	12401 (44100)	12345 (43900)	12288 (43700)	12204 (43400)	12288 (43700)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12288 (43700)	12232 (43500)	12176 (43300)	12063 (42900)	11923 (42400)	12063 (42900)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12654 (45000)	12654 (45000)	12598 (44800)	12541 (44600)	12457 (44300)	12541 (44600)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12682 (45100)	12682 (45100)	12626 (44900)	12570 (44700)	12485 (44400)	12570 (44700)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12710 (45200)	12710 (45200)	12654 (45000)	12598 (44800)	12513 (44500)	12598 (44800)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	13216 (47000)	13216 (47000)	13160 (46800)	13104 (46600)	13020 (46300)	13104 (46600)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	13244 (47100)	13244 (47100)	13188 (46900)	13132 (46700)	13048 (46400)	13132 (46700)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	13441 (47800)	13441 (47800)	13385 (47600)	13329 (47400)	13244 (47100)	13329 (47400)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	13469 (47900)	13469 (47900)	13413 (47700)	13357 (47500)	13273 (47200)	13357 (47500)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	13638 (48500)	13638 (48500)	13582 (48300)	13526 (48100)	13441 (47800)	13526 (48100)
24	M/M(P)	ICS-107	Fine	34mm	3.0 - 3.8	4%	33	19881 (70700)	19881 (70700)	19881 (70700)	19881 (70700)	19881 (70700)	19881 (70700)
25	K/TN	ICS-107	Fine	34mm	3.0 - 3.8	3.5%	34	20528 (73000)	20528 (73000)	20528 (73000)	20528 (73000)	20528 (73000)	20528 (73000)

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