

Weekly Publication of



**Cotton
Association
of India**

COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2022-23 • No. 48 • 28th February, 2023 Published every Tuesday

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Mb.P.A. Chairman Visits Historic Precinct of CAI

February 23, 2023, was a memorable day for Cotton Association of India when Shri. Rajiv Jalota (IAS) Chairman, Mumbai Port Authority and his team comprising Shri. U. R. Mohan Raju, Secretary; Shri. M.R.S. Qureshi, Chief Public Relations Officer; Shri R.K. Ramgude, Dy Manager Welfare; Shri. Vilas Kolhe, Executive Engineer RR, visited CAI's Cotton Green building. Shri. Jalota and his team were welcomed by CAI President Shri. Atul S. Ganatra, Addl Vice President Shri. Vinay Kotak, Treasurer Shri. Shyam Makharia, and members of CAI's Events Committee.

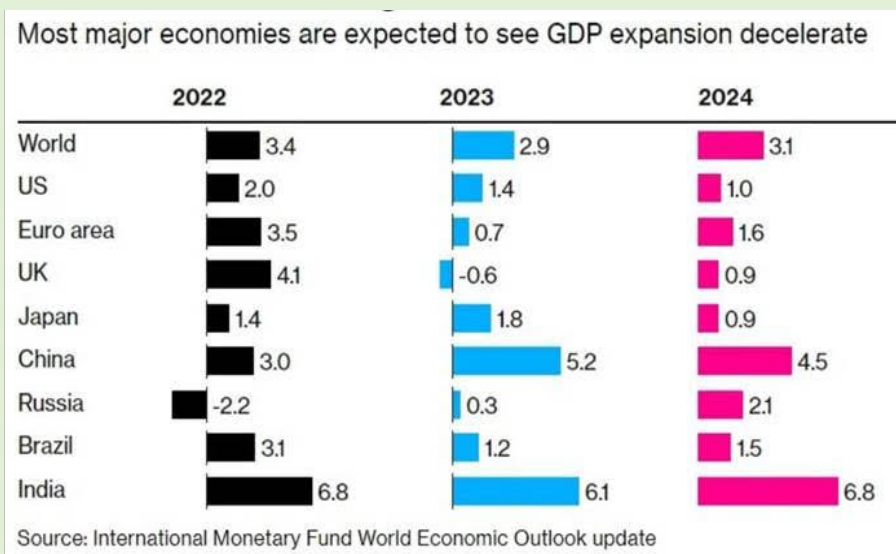




Shri. Jalota and his team had positive and proactive discussions with Shri. Atul Ganatra and CAI team, regarding an exhibition proposed to be organised jointly by Mumbai Port Authority and CAI to showcase the rich and varied history and capability of our country in the fields of maritime trade and cotton and textile sector. Shri. Jalota also visited CAI's iconic Trading Ring, Survey Room, Grading Room, the Free Dispensary and Shri Ram Mandir.

The Month That Was - Snippets for February 2023

IMF – Growth Will Slow Down in 2023

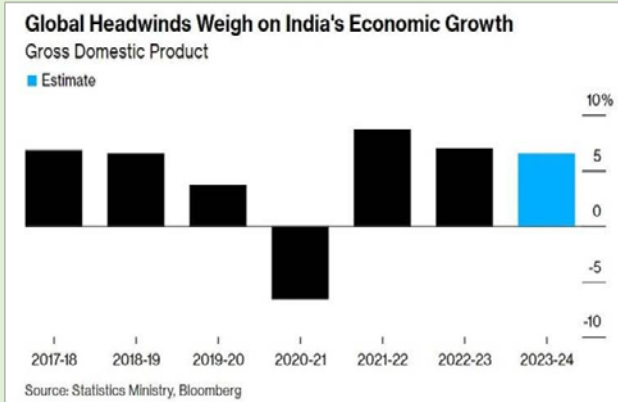


0.8 percentage point to 5.2%. China and India will account for about half of world growth in 2023. The IMF's slightly more upbeat tone contrasts with a more dire view from its sister Bretton Woods institution, the World Bank. The development lender on Jan. 10 slashed its growth forecasts for most countries and regions, and warned that new adverse shocks could tip the global economy into a recession. They as said that part of the difference is explained by the IMF's use of

The IMF boosted its forecast for emerging-market and developing economies, saying they will grow 4%, a 0.3 percentage-point upgrade from October and compared with 3.9% for 2022. It raised the estimate for China's expansion by

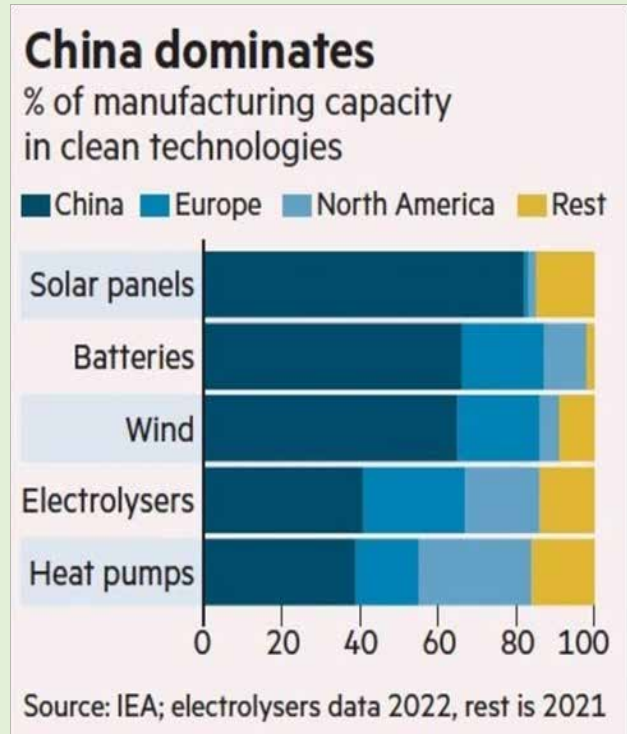
purchasing-power-parity weights, which give a greater emphasis to emerging-market economies, differing from the World Bank's use of market-based exchange rates.

India Peg's Growth Next Year at 6.5% Amid Global Risks



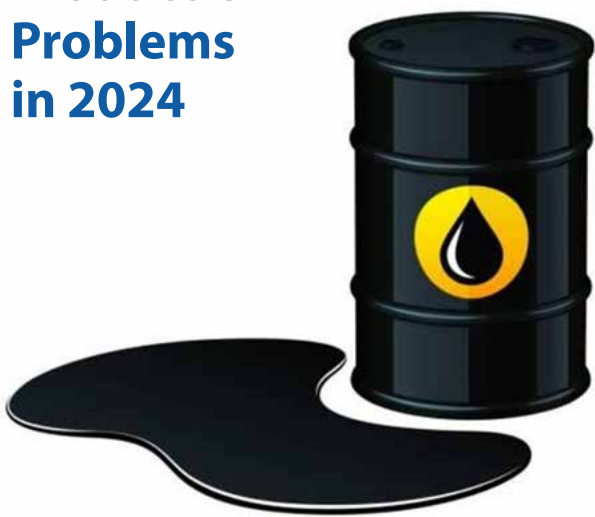
Finance Ministry view is more optimistic than IMF's 6.1% estimate. Officials say India on track to meet its fiscal deficit target. India's economy will likely slow for a second straight year due to tightening financial conditions and supply chains disruptions from a prolonged war in Europe, according to officials familiar with the matter. Gross domestic product is expected to grow 6.5% in the fiscal year starting April, compared with the 7% expansion estimated for the current year, the officials said, asking not to be identified before a formal announcement. That reading is higher than the International Monetary Fund's projection for 6.1% growth – which will still make it the quickest pace among major economies.

China Dominates Production Capacity of Clean Energy



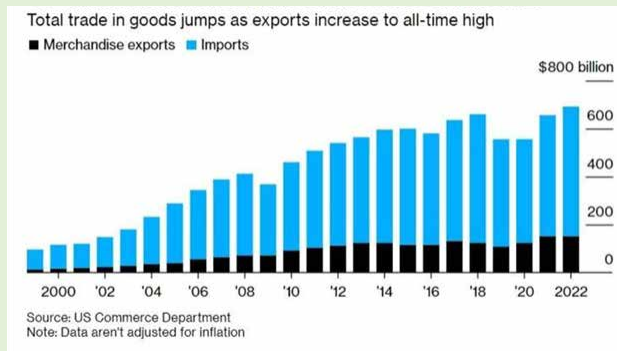
China dominates the worldwide production capacity in technologies related to clean energy, a concentration that increases the risk of supply chain disruptions that might jeopardise global net-zero targets.

Oil Market Faces Production Problems in 2024



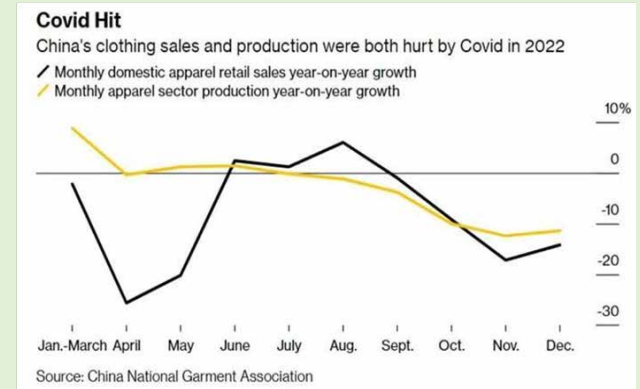
Goldman's Currie sees oil rising above \$100 a barrel this year. Says erosion of production capacity is a "serious problem". Oil will rise back above \$100 a barrel this year and may face a serious supply problem in 2024 as spare production capacity runs out, according to Goldman Sachs Group Inc. With sanctions likely to cause Russian oil exports to drop and Chinese demand expected to recover as the country ends its Covid Zero policy, prices will rise above \$100 from their current level of around \$80, according to Goldman. A lack of spending in the industry on production needed to meet demand will also be a driver of higher prices, and this lack of capacity may become a big issue by 2024, analyst Jeff Currie said on the sidelines of a conference in Riyadh, Saudi Arabia, on Sunday. "The commodity super cycle is a sequence of price spikes with each high higher and each low higher," said Currie.

US–China Trade Climbs to Record High in 2022



Hopes for a reset in troubled US-China relations will have to wait after an alleged Chinese surveillance balloon was shot down for crossing into American airspace. Washington justified the “Top Gun”-like shutdown as an appropriate response to an infringement of its sovereignty by Beijing after the high altitude balloon flew over nuclear sites in Montana and drifted across the coast of South Carolina. The more lasting impact on US-China ties has yet to be seen. History shows that geopolitical spats don't always derail close relationships, especially economic ones. Trade in goods between the US and China climbed to a record in 2022, even with lingering effects and sanctions in place from the Trump-era trade war. Xi, meanwhile, may not be able to afford too much of a frayed relationship. China's economy last year grew at the second slowest pace since the 1970s.

Covid Zero Broke the System That Keeps China's Factories Running



Some manufacturers are struggling to hire migrant workers, who say they're scarred by the uncertainty that came with lockdowns and other controls. The higher salaries needed to entice workers into some labour-intensive industries are likely to hurt the country's long-standing advantage as a low-cost labour supplier, according to Joerg Wuttke, president of the European Union Chamber of Commerce in China.

“China definitely, over a very short period of time, will lose every opportunity it had on labour-intensive things,” he said, pointing to countries like Bangladesh, Vietnam and Indonesia as beneficiaries. “If China wants to be competitive, they have to look after the migrant workers. And it's a very simple proposition.”

Maersk Sees Profit Fall



The second-largest container group has forecast a fall in profit this year and probable shrinkage in global trade as the pandemic boom comes to an end. AP Møller-Maersk has forecast a profit plunge this year and a probable contraction in global trade as the pandemic-driven boom in container shipping comes to an abrupt end. The world's second-largest container shipping group said yesterday that underlying operating profits this year would be \$2bn-\$5bn, down from the record \$31bn it made last year. It made \$5.1bn in the fourth quarter of last year alone, even as freight rates, which surged as the pandemic disrupted supply chains, normalised. “We are seeing this correction happen. It creates a few new challenges. First and foremost though, it's a return to normal . . . What we see more than [a change in] GDP is an inventory correction,” Vincent Clerc, Maersk's new chief executive, said.

IMF Says Asia Central Banks Need to Keep Hiking If Core Inflation Stays High

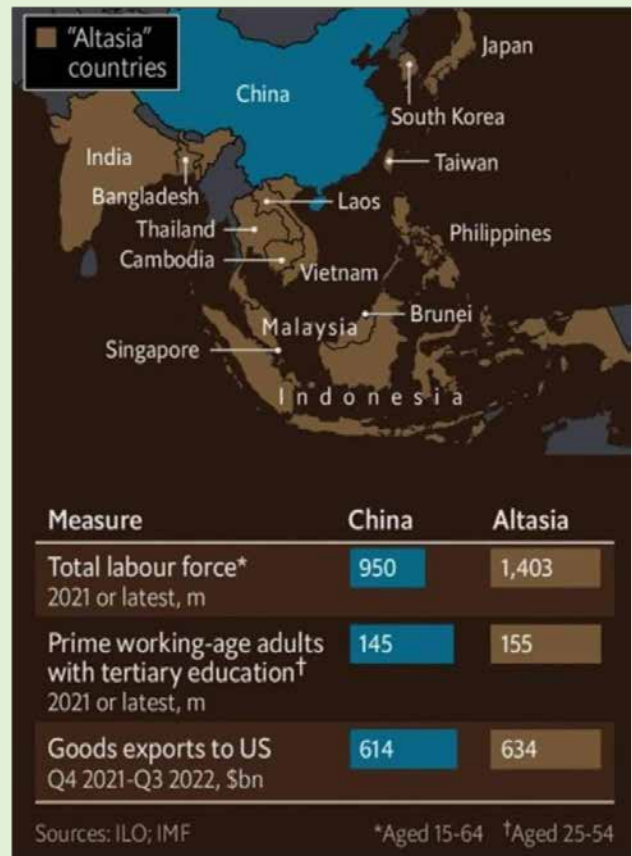


Asia’s central banks may need to raise interest rates further if core inflation does not show clear signs of returning to target, according to the International Monetary Fund (IMF).

Policy makers must “stay alert” despite a slowdown

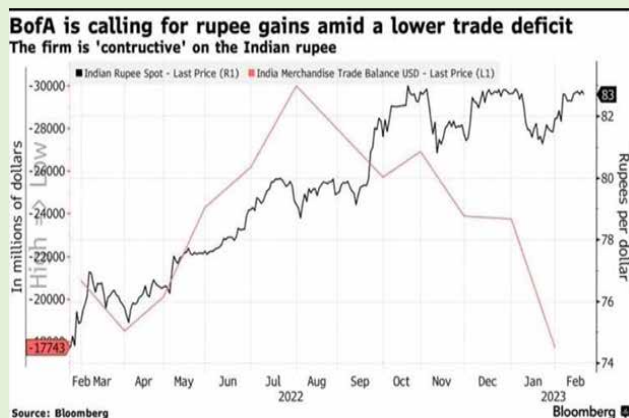
in headline inflation, as the core gauge – which strips out transitory and volatile items – still runs above target, IMF’s Krishna Srinivasan, Thomas Helbling and Shanaka J. Peiris wrote in a blog post published recently. Asia has benefited from a rebound in local currencies and the easing of global commodity and shipping costs but data on second-round effects remain mixed, they said in the post, adding that China’s reopening may also stoke price gains. “This means that central banks should tread carefully by reaffirming their commitment to price stability. Indeed, they may need to hike rates further if core inflation does not show clear signs of returning to target,” the IMF said.

Is Altasia Viable Alternative to China?



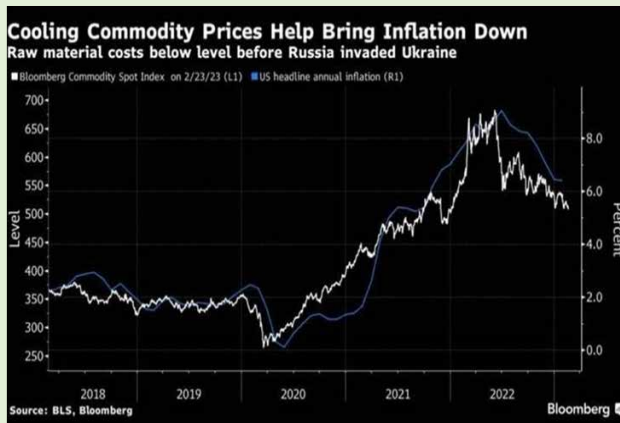
Global firms are eyeing Asian alternatives to Chinese manufacturing. Can Altasia countries ‘steal’ work from China?

BofA Securities Joins Citi in Turning Bullish on Indian Rupee



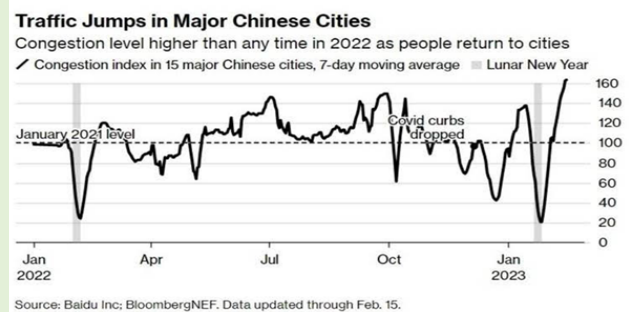
Improving current account, capital flows favour rupee: BofA. India’s trade gap narrowed to the lowest in a year in January. Bofa Securities Inc. is predicting more gains for the Indian rupee in the near term, joining Citigroup Inc., as the narrowest trade deficit in a year, augurs well for the nation’s external finances. “The recent correction in rupee valuation and near-term improvement in current-account and capital flows tilt the risk-reward in favour of rupee appreciation,” Abhay Gupta, a strategist at BofA Securities, wrote in a note. The firm has turned ‘constructive’ on the rupee. The currency was the worst performer among emerging Asian peers last year, weighed by concerns over a wider current-account deficit and a stronger dollar spurred by rate hikes by the Federal Reserve. The outlook is now changing after a surprise drop in India’s trade deficit prompted economists to cut their forecasts for the shortfall.

Inflation Haunts Global Markets



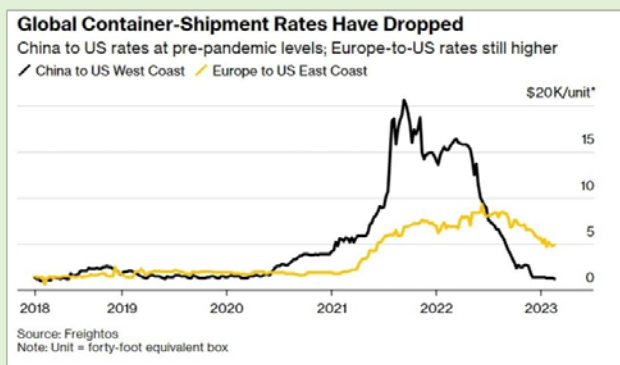
Inflation is still haunting markets as policymakers from Wellington to Seoul, Frankfurt and Washington reiterate their determination to slam the brakes on their economies to tame cost pressures. Friday's personal consumption expenditures index is expected to bring an acceleration in both headline and core inflation to keep the Federal Reserve tilting to the hawkish side. Meanwhile, one of the key initial drivers of the past year's extraordinary spike in consumer prices is fading away. Commodities have come tumbling down 25% since last June's record high. Now, it's still at a fairly elevated level relative to pre-pandemic history, but a continuation of the trend would argue for a further slowdown in inflation. After all, one of the drivers for the wage inflation that worries the Fed and other central banks is the surge in the cost of life's basics like fuel and food.

China's Clogged Roads Show Economic Recovery Gathering Pace



China's economic activity accelerated in February as many residents returned to work after an extended Lunar New Year break, clogging roads in major cities and spending more at restaurants and shops. Congestion in major cities last week was the worst since at least the start of 2022, according to data compiled by Bloomberg NEF and Baidu. The number of people riding the subway in Beijing, Shanghai, Chongqing and other major cities was back to or above pre-pandemic levels. UBS Group AG's latest China consumer survey, released Tuesday, showed an increase in dining out, shopping in stores and offline entertainment. Yet the rebound is proving to be lopsided. Sales of big-ticket items, like cars and homes continue to decline, reducing demand for commodities like steel, and exports are likely to slump further. That suggests China's post-Covid recovery is being led by industries like retail and services, and the industrial sector will remain subdued.

Container Shipment Rates Are Dropping



Supply chains across the world are healing up almost as fast as they broke down. That doesn't mean the pressure they're exerting on inflation will disappear as quickly. Take the cost of shipping containers. Spot rates from Asia to

the US West Coast increased more than 15-fold during the pandemic and have since returned to pre-Covid levels as trade between the world's two largest economies cools from a frenzied pace. But the relief is uneven. Short-term prices for containers from Europe to the US East Coast are still more than double what they were in late-2019, according to data from Freightos Ltd. What's more, an estimated 70% of goods transported in steel boxes on giant ships do so under long-term contracts — not the spot market — and those deals were renegotiated in 2021 and 2022 at much higher rates. Big retailers and manufacturers may not be seeing enough shipping-rate reductions yet to warrant slashing prices further.

Compiled by Shri. Kunal Thakkar

Glimpses of Mahashivratri

Mahashivratri was celebrated at the Bhid Bhanjan Mahadev Temple at Colaba, Mumbai, on February 18, 2023.



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) 2022-23 Crop February 2023					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	20th	21st	22nd	23rd	24th	25th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	17940 (63800)	17969 (63900)	17969 (63900)	17969 (63900)	17969 (63900)	17969 (63900)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	18081 (64300)	18109 (64400)	18109 (64400)	18109 (64400)	18109 (64400)	18109 (64400)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	12823 (45600)	12907 (45900)	13020 (46300)	13020 (46300)	13357 (47500)	13357 (47500)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	-	-	-	-	-	-
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	17013 (60500)	17069 (60700)	17069 (60700)	17069 (60700)	17153 (61000)	17153 (61000)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	16900 (60100)	16928 (60200)	16928 (60200)	16956 (60300)	17013 (60500)	17069 (60700)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	-	-	-	-	-	-
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	17069 (60700)	17125 (60900)	17125 (60900)	17153 (61000)	17209 (61200)	17266 (61400)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	16366 (58200)	16366 (58200)	16366 (58200)	16394 (58300)	16450 (58500)	16506 (58700)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	16647 (59200)	16647 (59200)	16647 (59200)	16675 (59300)	16731 (59500)	16816 (59800)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	17491 (62200)	17519 (62300)	17434 (62000)	17462 (62100)	17519 (62300)	17575 (62500)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	17069 (60700)	17097 (60800)	17097 (60800)	17125 (60900)	17181 (61100)	17238 (61300)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	17209 (61200)	17238 (61300)	17238 (61300)	17266 (61400)	17322 (61600)	17378 (61800)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	17097 (60800)	17153 (61000)	17153 (61000)	17181 (61100)	17238 (61300)	17322 (61600)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	17434 (62000)	17491 (62200)	17434 (62000)	17462 (62100)	17519 (62300)	17575 (62500)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	17322 (61600)	17350 (61700)	17350 (61700)	17378 (61800)	17434 (62000)	17491 (62200)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	17378 (61800)	17406 (61900)	17406 (61900)	17434 (62000)	17491 (62200)	17547 (62400)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	17491 (62200)	17519 (62300)	17547 (62400)	17575 (62500)	17631 (62700)	17687 (62900)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	17575 (62500)	17603 (62600)	17631 (62700)	17659 (62800)	17716 (63000)	17772 (63200)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	17631 (62700)	17659 (62800)	17687 (62900)	17716 (63000)	17772 (63200)	17828 (63400)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	17744 (63100)	17772 (63200)	17800 (63300)	17828 (63400)	17884 (63600)	17940 (63800)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	17800 (63300)	17828 (63400)	17856 (63500)	17884 (63600)	17940 (63800)	17997 (64000)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	17997 (64000)	18025 (64100)	18053 (64200)	18081 (64300)	18137 (64500)	18194 (64700)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	19965 (71000)	19965 (71000)	19965 (71000)	19965 (71000)	20049 (71300)	20106 (71500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	20246 (72000)	20246 (72000)	20246 (72000)	20246 (72000)	20331 (72300)	20387 (72500)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	20528 (73000)	20528 (73000)	20528 (73000)	20528 (73000)	20612 (73300)	20668 (73500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	20668 (73500)	20668 (73500)	20668 (73500)	20668 (73500)	20752 (73800)	20809 (74000)

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