

Weekly Publication of



**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

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## Learn with CAI

### Three Day Training Course on “Cotton Quality Assessment & Its Implication on Marketing”

The Cotton Association of India (CAI) held a highly successful 3-day training course on “Cotton Quality Assessment & its implication on Marketing’ between 21 to 23 August 2024. The event was held at the CAI headquarters in Mumbai and attracted a diverse group of participants from across the country. The event was inaugurated by Shri. Atul Ganatra, President, Cotton Association of India.

The training session focused on various aspects of the cotton trade, including the

latest trends in the industry, cotton quality assessment and its impact on marketing, etc. The program was designed to provide participants with a comprehensive understanding of the cotton value chain, from procurement to trade.

The participants expressed their satisfaction with the quality of the training program. Many noted that the insights provided by the speakers were invaluable and would significantly benefit their professional practices.

#### DAY 1



*Welcome Address by Shri. Atul S. Ganatra, President, CAI & MD, Shree Radhalaxmi Group of Companies.*



*Presentation on Cotton Scenario in India by Shri. Pankaj Mepani, Director, CAI*



*Presentation on Procurement, Ginning practices & Storage of Cotton by Shri. Girish Nagsee, Proprietor, Hameer Cotton.*



*Presentation on Cotton Testing & Cotton Bales (Quality Control Order) (QCO) & Branding by Dr. Pradeep Mandhyan, CEO, Research & Cotton Testing, CAI*



## DAY 2



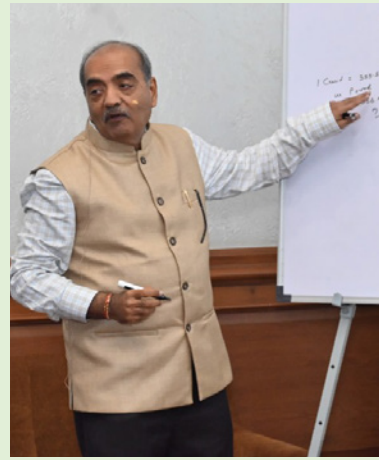
*Presentation on QCO - BIS Registration Process by Shri. Sanket Shingote, Technical Officer, CAI.*



*Demonstration on HVI & Trash machine by Shri. Rintu Pandya, Hon. Addl. Treasurer, CAI & MD, Siddhi Sales Corporation*



*Introduction & Practical in Cotton Grading by Shri. Rishit Dholakia, Director CAI & Director, Wakefield Inspection Services (India) Pvt. Ltd.*



*Presentation on Indian Cotton in Global Perspective by Shri. Vinay Kotak, Addl. Vice-President, CAI & Director, Kotak Ginning & Pressing Industries Pvt. Ltd.*

## DAY 3



*Presentation on Types of Contracts in Trading of Cotton Bales prevailing in India & Risk Management by Shri. Raajabhai Gokulgandhi, Director, CAI & Managing Partner, Pravinkumar Ramdas & Co.*



*Presentation on Purity of Cotton & its Impact on Marketing by Shri. Dharmendra Goyal, MD, Shreedhar Cotsyn Pvt.*



*Presentation on Methodology of Kasturi Cotton Branding by Shri. Uday Kharat, Joint Director, TEXPROCIL.*



*Shri. Amrendra Singh, Secretary, CAI sums up the proceedings*

### Presentation of certificates



# The Month That Was - Snippets for August 2024

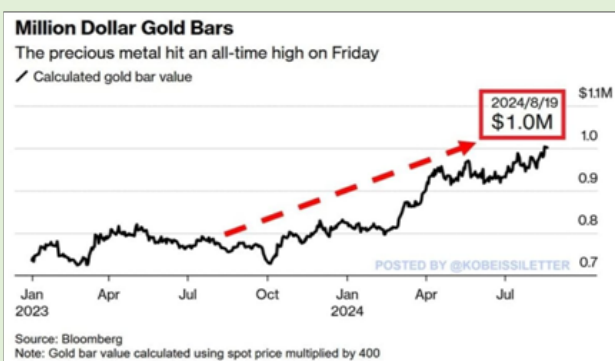
## Declining US Job Market



(The Kobeiss Letter)

Only 65% of US industries posted job gains in May on a year-over-year basis, the lowest level since 2021. This percentage has dropped from a record ~90% in just 2 years. Over the last 65 years, whenever this percentage declined below 62%, the US economy has entered a recession. Meanwhile, it is expected that the US labour market has added 175,000 new jobs in July. If the US adds jobs in July, it would mark the 43rd consecutive month of job additions. The disconnect between data and reality is concerning.

## Million Dollar Gold Bars!



(The Kobeiss Letter)

A typical bar of gold now costs a record \$1 million to buy. Over the past year, the value of a gold bar weighing ~400 ounces has surged by 32%. At the same time, spot gold prices closed yesterday above \$2,500 per ounce and posted a new all-time high. In the first half of this year, world central banks bought a net of 483 tons of gold, an equivalent of nearly 40,000 bars. Gold markets continue to trade like we are in a crisis.

## US Govt Bond 10-year Yield Drops



(The Kobeiss Letter)

The 10-Year Note Yield has dropped below 4.00% for the first time since February 2024. This comes after the July Fed meeting and ISM manufacturing data came in weaker than expected. Markets expect the first Fed rate cut since March 2020 to come at their next meeting, in September 2024. Over the last week, the 10-Year Note Yield is now down over 30 basis points. Bond markets are all in on rate cuts.

## S&P 500 to Gold

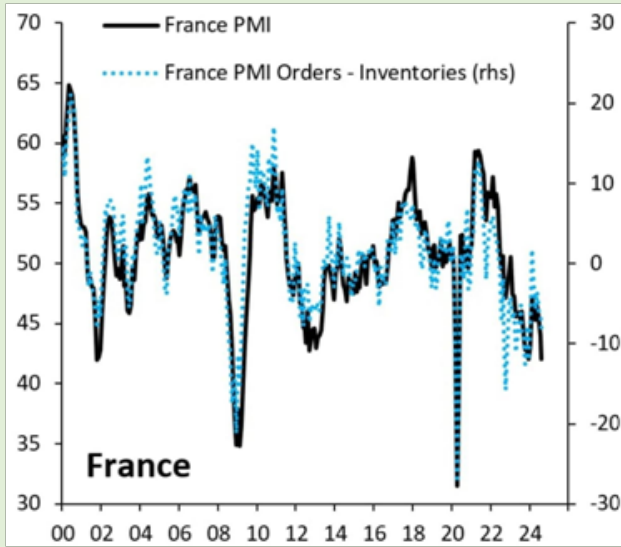


(Bloomberg)

The last few times this ratio was this high was in 1929, before the Great Depression, the late 1960s, before the chaos of the 1970s crash, and then even higher just before the dot-com crash.



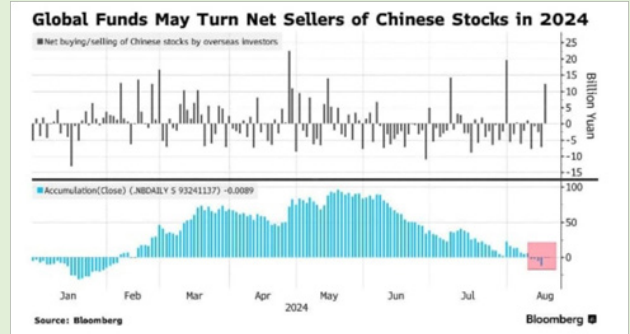
## Euro Zone Economy in Trouble



(Robin Brooks)

The Euro zone economy is in trouble. Here's the French manufacturing PMI (black), which has fallen back to its low in 2023. What Europe desperately needs is a weaker Euro, but that's not happening while the ECB hesitates to cut rates. Strong Euro + weak economy => deflation.

## Global Funds May Turn Sellers of Chinese Stock in 2024



China on track for its first EVER annual outflow from equities by foreign investors. And China has decided they don't want us to know about it so they will stop publishing this data beginning 19th August.

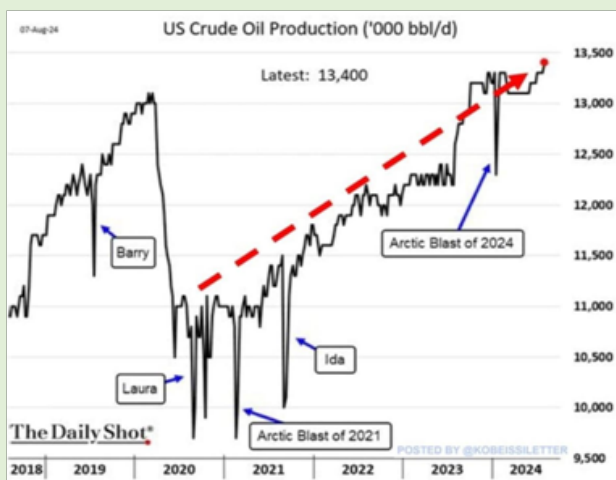
## Big Tech is still Betting on AI



(Financial Times)

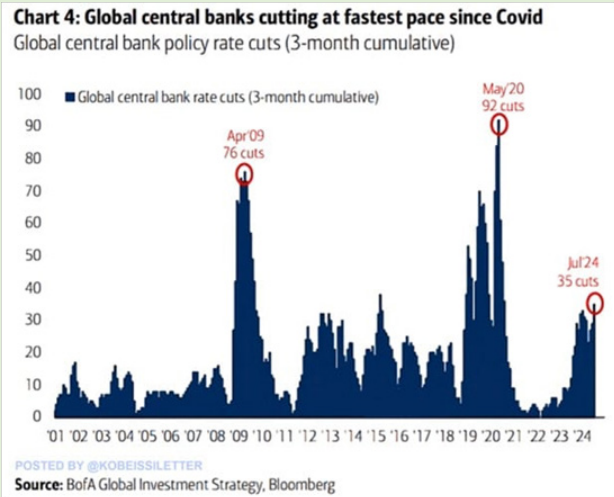
The number of mentions of "AI" during Q2 2024 earnings calls of the Magnificent 7 companies excluding Nvidia, \$NVDA, reached 271, the third highest on record. The largest number was recorded in Q1 2024, when "AI" was referenced 292 times, according to AlphaSense analysis. It's likely that this record will be broken after Nvidia reports Q2 2024 earnings. Since the beginning of 2023, mentions of "AI" during earnings calls have more than DOUBLED. AI hype is still rising even as tech stocks retreat.

## US Crude Oil Production Hits Record High



US crude oil production has officially hit a record 13.4 million barrels per day. Daily oil production has increased by 22% over the last 4 years. Since 2008, production has skyrocketed 350% from ~3.8 million barrels per day. The US is now the world's largest oil producer exceeding Russia's output by ~35% and Saudi Arabia by ~38%.

## Global Central Banks Cutting Rates Anticipating Global Recession



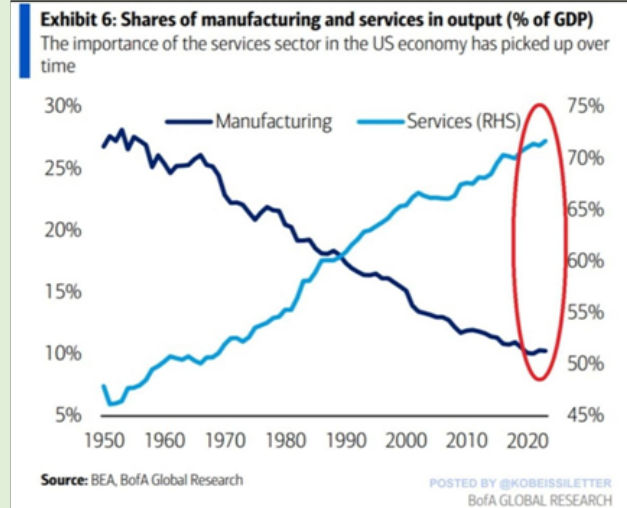
(The Kobeiss Letter)

Central banks have conducted 35 rate cuts over the last 3 months, exceeding Q1 2024 levels.

Global central banks have been cutting interest rates at their fastest pace since the 2020 Pandemic. Over the last 25 years, the most cuts were seen in May 2020 when global rates were reduced 92 times.

By comparison, during the peak of the Financial Crisis in 2009, global central banks implemented 76 cuts. World central banks are cutting as if a global recession is starting.

## US Economy Almost Entirely Driven by Services Sector



(The Kobeiss Letter)

The services industry now accounts for ~72% of US GDP, up from ~60% in 1990. By comparison, in the 1950s, services reflected just 47% of the US economy.

On the other hand, the manufacturing sector's share in US GDP has declined from ~27% in the 1950s to ~10% currently. Meanwhile, the ISM Manufacturing PMI index has shrunk in 20 of the last 21 months, marking 22 months without two consecutive readings of an expansion, the longest streak since the 1990s.

## Quantitative Tightening in World's Top Central Banks



(The Kobeiss Letter)

For the first time in history, the world's top central banks are shrinking their balance sheets (QT) at the same time. Last month, the Bank of Japan announced that it would reduce its bond holdings worth ~\$5 trillion. Now, the BoJ joined the Fed, the European Central Bank, the Bank of Canada, and the Bank of England in joint liquidity withdrawal from the financial system.

In the past, whenever a material amount of liquidity has been withdrawn, markets experienced significant volatility.

Since 2022, the Fed has shrunk its balance sheet by \$1.8 trillion, to \$7.2 trillion, and the ECB by ~\$2.7 trillion to ~\$7.1 trillion. History says volatility is not going away.



## Celebrating Nariyali Poornima

Members of the Cotton Association of India performed the annual ritual of Dariya Poojan at Girgaum Chowpatty on Monday, 19th August 2024.

Shri. Shyamsunder M. Makharia, Hon. Treasurer, CAI, accompanied by other CAI members performed the pooja and prayed for all-year-long prosperity of the cotton trade.

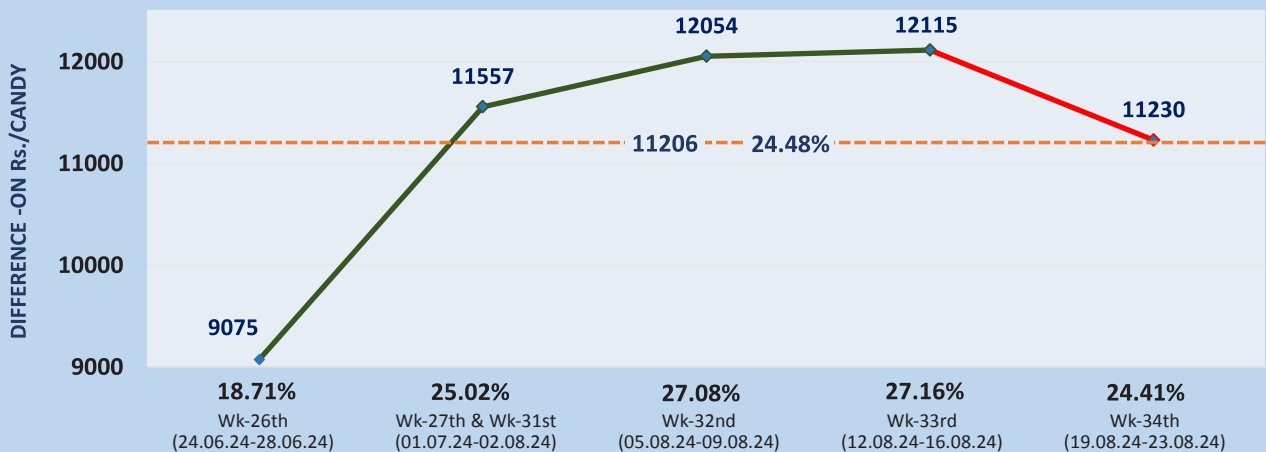


# Comparison of ICE-Futures and ICS-105 26<sup>th</sup> August 2024

**M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.5, Trash 3.5%, Str./GPT 28**

Date 2024	CAI Rates Rs./c.	ICE Settlement Futures		1 US \$ = Rs.	Conversion Factor	Indian Ctn in USc/lb.	Difference-ON		%	
		Cover Mth.	USc/lb.				USc/lb.	Rs./c		
A	B	C	D	E	F	G	H	I	J	
<b>Week No-34<sup>th</sup></b>										
19 Aug	Holiday, CAI Cotton Market closed due to Raksha Bandhan						-	-	-	
20 Aug	56900	Dec. '24	69.34	83.87	657.54	86.53	17.19	11303	24.79	
21 Aug	57100	Dec. '24	70.35	83.79	656.91	86.92	16.57	10885	23.55	
22 Aug	57400	Dec. '24	69.34	83.89	657.70	87.27	17.93	11793	25.86	
23 Aug	57600	Dec. '24	70.91	83.94	658.09	87.53	16.62	10937	23.44	
<b>Wk-34<sup>th</sup> (19.08.24-23.08.24)</b>						<b>Avg.of 4 Days.</b>	<b>17.08</b>	<b>11230</b>	<b>24.41</b>	
<b>Wk-33<sup>rd</sup> (12.08.24-16.08.24)</b>						<b>Avg.of 4 Days.</b>	<b>18.41</b>	<b>12115</b>	<b>27.16</b>	
<b>Wk-32<sup>nd</sup> (05.08.24-09.08.24)</b>						<b>Weekly Avg.</b>	<b>18.32</b>	<b>12054</b>	<b>27.08</b>	
<b>Wk-27<sup>th</sup> To Wk-31<sup>st</sup> (01.07.24-02.08.24)</b>						<b>5 Weeks Avg.</b>	<b>17.63</b>	<b>11557</b>	<b>25.02</b>	
<b>Wk-26<sup>th</sup> (24.06.24-28.06.24)</b>						<b>Weekly Avg.</b>	<b>13.87</b>	<b>9075</b>	<b>18.71</b>	
<b>Total Avg.</b>							<b>17.06</b>	<b>11206</b>	<b>24.48</b>	

**Comparison ICE Futures to M/M(P) ICS-105 29mm**



UPCOUNTRY SPOT RATES													(Rs./Qtl)
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length As per CAI By- laws								Spot Rate (Upcountry) 2023-24 Crop August 2024					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	19th	20th	21st	22nd	23rd	24th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15		13610 (48400)	13610 (48400)	13666 (48600)	13666 (48600)	
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15		13779 (49000)	13779 (49000)	13835 (49200)	13835 (49200)	
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	H	11220 (39900)	11248 (40000)	11304 (40200)	11304 (40200)	H
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21		12232 (43500)	12260 (43600)	12317 (43800)	12317 (43800)	
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22		14510 (51600)	14538 (51700)	14622 (52000)	14622 (52000)	
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	O	14847 (52800)	14847 (52800)	14847 (52800)	14847 (52800)	O
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25		N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26		14988 (53300)	14988 (53300)	14988 (53300)	14988 (53300)	
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25		13666 (48600)	13666 (48600)	13723 (48800)	13779 (49000)	
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	L	14988 (53300)	14988 (53300)	15044 (53500)	15100 (53700)	L
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27		15325 (54500)	15325 (54500)	15325 (54500)	15325 (54500)	
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27		15550 (55300)	15578 (55400)	15663 (55700)	15719 (55900)	
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	I	15607 (55500)	15635 (55600)	15719 (55900)	15775 (56100)	I
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27		15747 (56000)	15803 (56200)	15888 (56500)	15916 (56600)	
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28		N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28		16000 (56900)	16056 (57100)	16141 (57400)	16197 (57600)	
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	D	16113 (57300)	16169 (57500)	16253 (57800)	16310 (58000)	D
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28		16028 (57000)	16085 (57200)	16169 (57500)	16197 (57600)	
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3%	29		16281 (57900)	16338 (58100)	16422 (58400)	16478 (58600)	
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	A	16338 (58100)	16394 (58300)	16478 (58600)	16535 (58800)	A
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.)	
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.)	
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.)	
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	Y	23340 (83000)	23340 (83000)	23340 (83000)	23480 (83500)	Y
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34		23480 (83500)	23480 (83500)	23480 (83500)	23621 (84000)	
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35		23902 (85000)	23902 (85000)	23902 (85000)	24043 (85500)	
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35		24464 (87000)	24464 (87000)	24464 (87000)	24605 (87500)	

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