

Weekly Publication of



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COTTON STATISTICS & NEWS

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CAI Signs MOU with ICA

A delegation from the International Cotton Association Ltd. (ICA), Liverpool including President, Ms. Kimberlie Hanna, ICA Managing Director, Mr. Bill Kingdon and Director, Mr. Jagan Gopinath visited the Cotton Association of India (CAI) on 16th September 2024. The delegation met the CAI team led by President, Mr. Atul S.

Ganatra and interacted on various cotton related matters of interest to both the CAI and ICA including the proposal to organise ICA training programmes in India, ICA Bremen certification of a few CAI laboratories and their recognition by ICA, proposal to organise ICA event in India, increasing member base of ICA in India, etc.





The ICA delegation accompanied by the CAI President Mr. Atul S. Ganatra and Additional Vice President Mr. Vinay N. Kotak also met the Cotton Corporation of India CMD, Mr. Lalit Kumar Gupta and other members of the CCI team.

On the evening of 16th September 2024, the CAI President hosted a Welcome Cocktails and Dinner at Cricket Club of India, Mumbai in honour of the ICA President and visiting delegates where the delegation met Government officials, prominent members of the cotton value chain in India, the Board of Directors and the members of various Committees of the CAI.



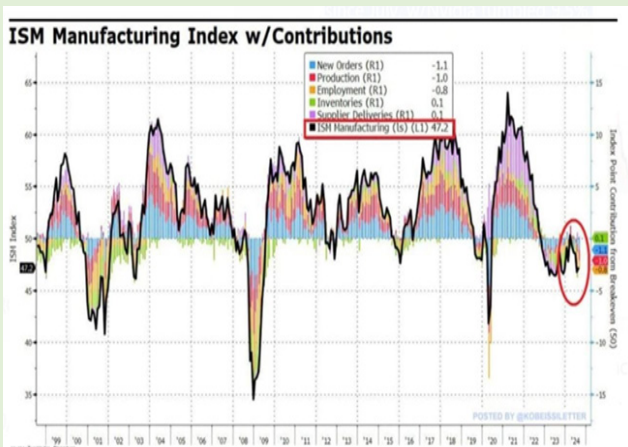


An MOU was signed between the ICA, which is the world’s leading arbitral body on cotton and world-over, and the CAI, a 103-year-old apex cotton body in India, covering areas of mutual cooperation between the two leading cotton bodies and to combine their efforts for promoting fair business practices and contract sanctity in cotton.

The ICA delegation also met a few prominent textile mills in Coimbatore and Chandigarh before concluding its India visit.

The Month That Was - Snippets for September 2024

US Manufacturing Index Contracts Again



(The Kobeissi Letter)

US manufacturing has officially contracted for the 5th consecutive month, to 47.2 points. The ISM manufacturing PMI index missed expectations of 47.5 points for last month. New orders fell to 44.6 points from 47.4 in July, experiencing contraction for the 3rd straight month.

Manufacturing activity has now shrunk in 21 of the last 22 months, extending the second-longest downturn in history.

The worst part? The prices paid index jumped to 54.0 points from 52.9 in July, expanding for the 8th month in a row.

September Is Historically the Worst Month of The Year for Stocks

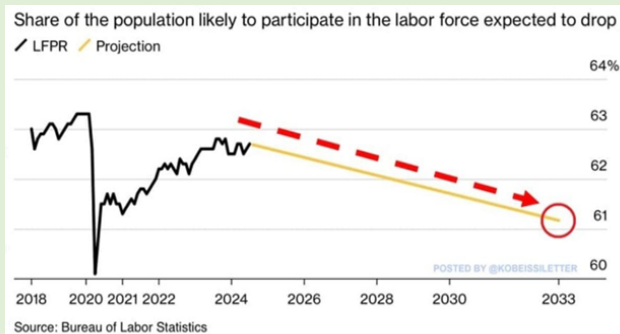


(The Kobeissi Letter)

The S&P 500 has fallen -2.3% on average in September over the last 10 years, marking the only month with negative returns. Since World War II, the average September return has been negative, at -0.8%. Moreover, the Volatility Index, \$VIX, has seen an average spike of ~10% in September over the last 33 years.

Subsequently, in October and November, the S&P 500 has seen a +1.6% and +3.8% rally on average. Markets are entering their most volatile period of the year.

Labour Force Participation Rate

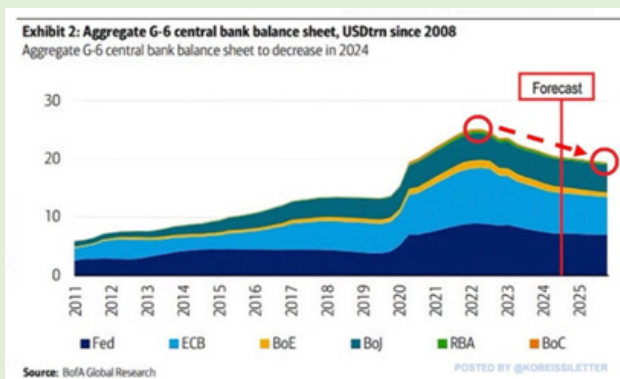


(The Kobeissi Letter)

The US labour force participation rate is set to decline to 61.2% over the next decade, according to the BLS. This would mark the lowest percentage since the 2020 pandemic and the second lowest in ~50 years. These expectations are driven by the aging population and lower population growth projections. The BLS anticipates the population excluding prisoners and people in military service will rise by 16.4 million through 2033, 5 million fewer people than over the past decade.

This puts us on track for the slowest population growth rate since the BLS began publishing the data in 1948.

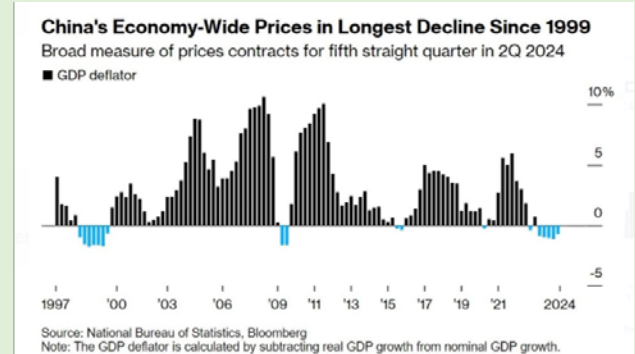
How Much Liquidity Has Been Withdrawn from The Global Financial System?



In 2022, the major central banks' balance sheets hit a record of ~\$25 trillion, or ~25% of global GDP, in response to the pandemic. Since then, the aggregate central bank balance sheet has shrunk to ~\$20 trillion, the lowest since 2020.

In other words, global financial liquidity has been falling at the largest scale on record.

China's Deflationary Spiral Is Now Entering Dangerous New Stage



The biggest story in the world right now is China. Everything else is secondary. The last time China was deflating this hard, it was 3% of global GDP. Now it is 20% of global GDP. Deflation stalking China since last year is now showing signs of spiralling, threatening to worsen the outlook for the world's second-largest economy and raising calls for immediate policy action.

Data released recently confirmed that apart from food costs, consumer price growth barely registered in large swathes of the economy at a time when incomes are sagging.

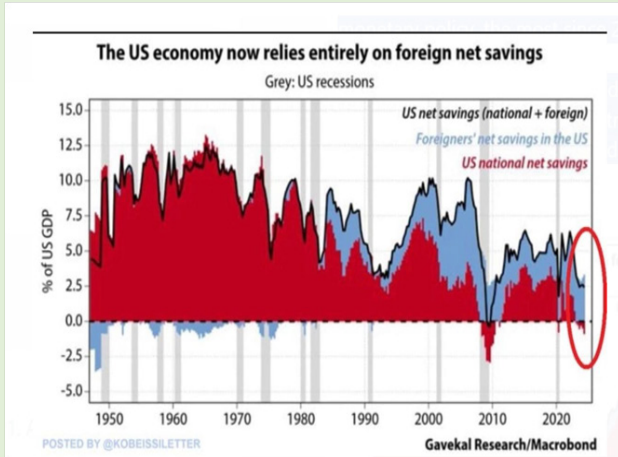
Money Managers Turn Bearish on Brent



Asset managers have never been so bearish of oil prices: Short positions in Brent oil held by money managers now exceed longs by a record 12,680 contracts. Positioning has fallen sharply from a net long of over 300,000 contracts in just 2 months. Furthermore, money managers are now the most bearish of diesel prices in 8.5 years.

Meanwhile, global oil demand rose by 800,000 a day in the first half of 2024, only a third of the growth seen last year, and demand in China is struggling.

US Economy Now Relies entirely on Foreign Net Savings

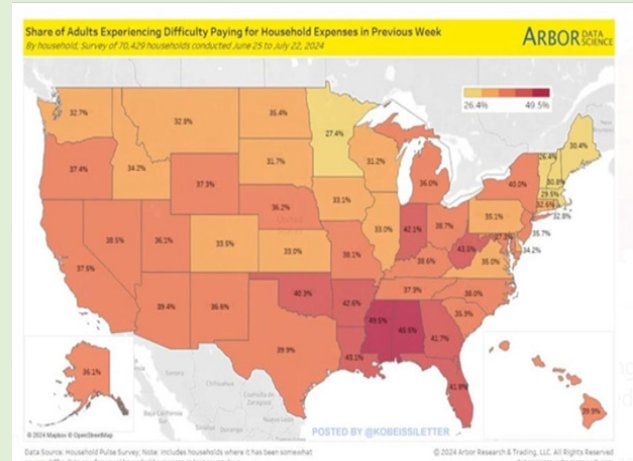


US net savings as a % of GDP by households, businesses, and the government have been negative for 6 consecutive quarters. In other words, Americans are producing much less than they consume. Since 1947, there were only two other times when savings were negative, in 2008 and 2020. This comes after the US government's deficit hit \$2.1 trillion over the last 12 months with spending reaching \$6.9 trillion.

At the same time, the personal savings rate fell to 2.9%, the second lowest since 2008. National savings are at crisis levels.

(The Kobeissi Letter)

US Adults Facing Difficulties in Meeting Household Expenses

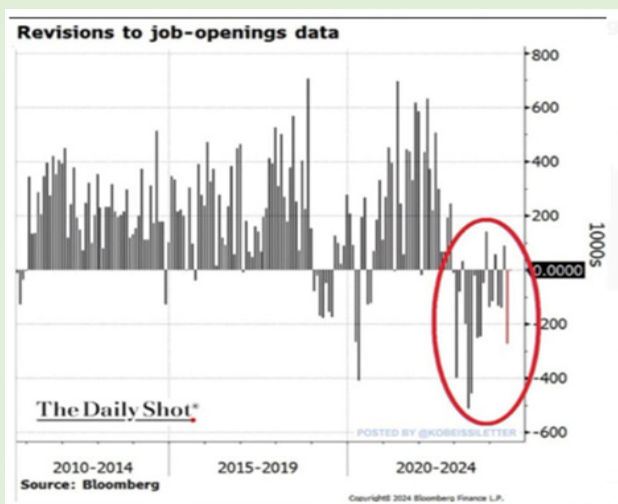


The share of adults experiencing difficulty paying for household expenses jumped to 37.4% in July.

Among all states, Mississippi residents have had the most trouble affording basic needs with their share reaching 49.5%. This is followed by 45.5% in Alabama, 43.5% in West Virginia, and 43.1% in Louisiana. In total, the share of adults struggling to pay for typical expenses exceeds 40.0% in 10 states. Americans are still feeling the pain

(The Kobeissi Letter)

Revision in Job - Opening Data



US job openings data has been revised downward in 15 of the last 19 months, the longest streak since 2008. The number of job vacancies has been regularly revised down over the last 18 months, with the largest adjustments reaching over 500,000.

The most recent release for June was lowered by a massive 274,000 openings from the initially reported 8.18 million, the fourth largest revision since 2020.

Meanwhile, job openings for July came at 7.67 million, the lowest since January 2021. If this number is revised down again, job vacancies would likely be below pre-pandemic levels.

Compiled by Shri. Kunal Thakkar

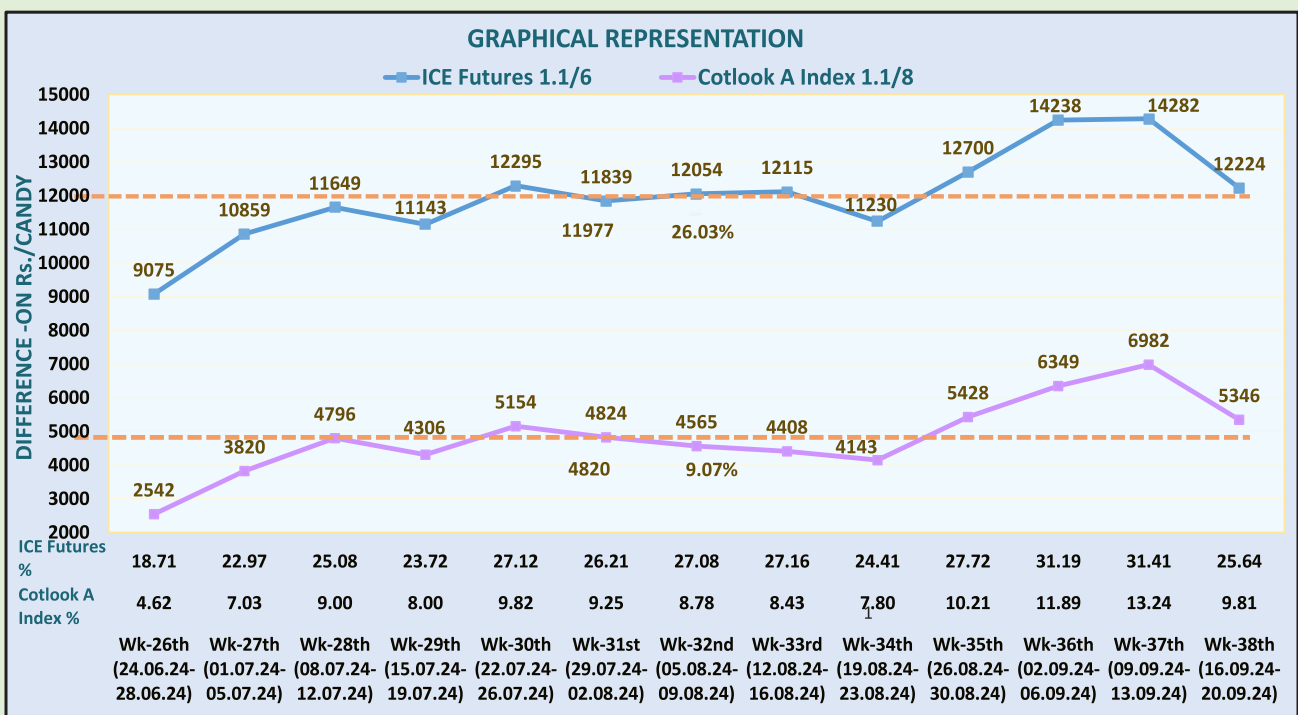
Glimpses of Cottoncha Raja

From 7th September to 17th September 2024



Basis Comparison of ICS 105 with ICE Futures and Cotlook A Index -21st September 2024

SEASON 2023-2024													
Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.5, Trash 3.5%, Str./GPT 28 with ICE Futures & Cotlook A Index													
Date 2024	CAI Rates Rs./c.	ICE Settlement Futures 1.1/6 Dec.'24 USc/lb.	Cotlook A Index M-1.1/8	1 US \$ = Rs.	Conversion Factor	Indian Ctn in USc/lb.	Difference-ON ICE Futures		%	Difference-ON Cotlook A Index		%	
							USc/lb.	Rs./c		USc/lb.	Rs./c		
							A	B	C	D	E	F	G
Week No-38 th													
16 Sep	59900	72.82	81.45	83.88	657.62	91.09	18.27	12015	25.09	9.64	6339	11.84	
17 Sep	Holiday, CAI Cotton Market closed due to Ganapati Visarjan												
18 Sep	60000	71.27	83.75	83.77	656.76	91.36	20.09	13194	28.19	7.61	4998	9.09	
19 Sep	59800	73.03	82.80	83.68	656.05	91.15	18.12	11888	24.81	8.35	5478	10.08	
20 Sep	60000	73.52	84.55	83.62	655.58	91.52	18.00	11800	24.48	6.97	4569	8.24	
Avg. of 4 Days.							18.62	12224	25.64	8.14	5346	9.81	
Wk-26 th (24.06.24-28.06.24)							Weekly Avg.	13.87	9075	18.71	3.88	2542	4.62
Wk-27 th (01.07.24-05.07.24)							Avg. of 4 Days.	16.59	10859	22.97	5.84	3820	7.03
Wk-28 th (08.07.24-12.07.24)							Weekly Avg.	17.79	11649	25.08	7.32	4796	9.00
Wk-29 th (15.07.24-19.07.24)							Weekly Avg.	17.00	11143	23.72	6.57	4306	8.00
Wk-30 th (22.07.24-26.07.24)							Weekly Avg.	18.73	12295	27.12	7.85	5154	9.82
Wk-31 st (29.07.24-02.08.24)							Weekly Avg.	18.03	11839	26.21	7.35	4824	9.25
Wk-32 nd (05.08.24-09.08.24)							Weekly Avg.	18.32	12054	27.08	6.94	4565	8.78
Wk-33 rd (12.08.24-16.08.24)							Avg. of 4 Days.	18.41	12115	27.16	6.70	4408	8.43
Wk-34 th (19.08.24-23.08.24)							Avg. of 4 Days.	17.08	11230	24.41	6.30	4143	7.80
Wk-35 th (26.08.24-30.08.24)							Avg. of 4 Days.	19.31	12700	27.72	8.25	5428	10.21
Wk-36 th (02.09.24-06.09.24)							Weekly Avg.	21.63	14238	31.19	9.65	6349	11.89
Wk-37 th (09.09.24-13.09.24)							Weekly Avg.	21.69	14282	31.41	10.61	6982	13.24
Wk-38 th (16.09.24-20.09.24)							Avg. of 4 Days.	18.62	12224	25.64	8.14	5346	9.81
Total Avg.							18.24	11977	26.03	7.34	4820	9.07	



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 September 2024					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	16th	17th	18th	19th	20th	21st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	13610 (48400)		13666 (48600)	13666 (48600)	13666 (48600)	13666 (48600)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	13779 (49000)		13835 (49200)	13835 (49200)	13835 (49200)	13835 (49200)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	12176 (43300)		12232 (43500)	12176 (43300)	12204 (43400)	12204 (43400)
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	12485 (44400)	H	12513 (44500)	12485 (44400)	12513 (44500)	12513 (44500)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14735 (52400)		14763 (52500)	14735 (52400)	14763 (52500)	14763 (52500)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	15382 (54700)		15410 (54800)	15410 (54800)	15410 (54800)	15410 (54800)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	N.A. (N.A.)	O	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	15522 (55200)		15578 (55400)	15578 (55400)	15578 (55400)	15578 (55400)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	15044 (53500)		15100 (53700)	15044 (53500)	15044 (53500)	15044 (53500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	15803 (56200)		15860 (56400)	15832 (56300)	15860 (56400)	15860 (56400)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	15803 (56200)	L	15860 (56400)	15860 (56400)	15888 (56500)	15888 (56500)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	16478 (58600)		16506 (58700)	16450 (58500)	16506 (58700)	16506 (58700)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	16535 (58800)		16563 (58900)	16506 (58700)	16563 (58900)	16563 (58900)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	16591 (59000)	I	16619 (59100)	16563 (58900)	16591 (59000)	16591 (59000)
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.)	N.A. (N.A.)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	16844 (59900)		16872 (60000)	16816 (59800)	16872 (60000)	16872 (60000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	16928 (60200)		16956 (60300)	16900 (60100)	16956 (60300)	16956 (60300)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	16872 (60000)	D	16900 (60100)	16844 (59900)	16872 (60000)	16872 (60000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	17069 (60700)		17097 (60800)	17069 (60700)	17069 (60700)	17069 (60700)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	17125 (60900)		17153 (61000)	17125 (60900)	17125 (60900)	17125 (60900)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	N.A. (N.A.)	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.)
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.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	23761 (84500)		23818 (84700)	23818 (84700)	23818 (84700)	24661 (87700)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	24267 (86300)	Y	24324 (86500)	24324 (86500)	24324 (86500)	25167 (89500)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	24324 (86500)		24380 (86700)	24380 (86700)	24380 (86700)	25505 (90700)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	25111 (89300)		25167 (89500)	25167 (89500)	25167 (89500)	26292 (93500)

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