

Weekly Publication of



**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

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## Speech by Shri. Atul S. Ganatra, President, CAI at the 102<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> December 2024 in Mumbai

Dear Members,

I am delighted to welcome you all to this 102<sup>nd</sup> Annual General Meeting of the Association. The Directors' Report and Audited Accounts along with the Auditors' Report, which are already in your hands, cover the working and activities of the Association and financial statements for the year ended 31st March 2024. With your permission, I take the same as read.

Before we proceed further with the agenda of this AGM, I would like to express my gratitude to each and every one of you. The unwavering and unstinted support from all of you to various activities of the Association has always motivated me and my team to put in our best efforts and go an extra mile in serving the trade and the Association in particular.

### **COTTON AN IMPORTANT CASH CROP IN INDIA**

Friends, as you all know, cotton is one of the most important commercial cash crops cultivated in India and it plays a dominant role in our industrial and agricultural economy. Our country has about 38% of total cotton acreage of the world and its share in total cotton production of the world is about 25%. Our textile industry is predominantly cotton based and cotton accounts for around 60% of total raw material consumption of our textile industry. However, in rest of the world, share of cotton in textile manufacturing is merely 30%.



Cotton provides livelihood to about 6 million farmers, with another 40-50 million people engaged in related activities in India. It is one of the largest contributors to India's net foreign exchange earnings by way of export of raw cotton, yarn, fabrics, garments, made-ups and knitwear.

### **INDIAN COTTON SCENARIO**

As per the latest estimates, total cotton acreage during 2024-25 is projected to be lower by over 10% to 113.60 lakh hectare from 126.80 lakh hectare during last year. This reduction in sowing area coupled with excessive rainfall damage reported in major cotton growing regions of the country is likely to result in lower cotton production during the ongoing crop year. The CAI Crop Committee has, in its last meeting held on 17th December 2024, projected Indian cotton

production to be lower by about 7.70% to 302.25 lakh bales of 170 kgs. each from 327.45 lakh bales a year ago. The Committee on Cotton Production & Consumption, which met on 28th November 2024, has also estimated Indian cotton production to be lower by 7.98% to 299.26 lakh bales of 170 kgs. each from 325.22 estimated by it for last year. India is likely to import about 25 lakh bales during the 2024-25 season as against 15.20 lakh bales in 2023-24 while exports are estimated to be lower at about 18 lakh bales compared to 28.36 lakh bales in 2023-24.

## GLOBAL COTTON SCENARIO

As per the latest ICAC report, the world cotton production is estimated about 4.89% higher to 25.30 million metric tonnes during 2024-25 from 24.12 million metric tonnes a year ago. The consumption is also projected to be about 1.70% higher to 25.40 million metric tonnes in 2024-25 from 24.98 million metric tonnes a year ago and the consumption is likely to outpace production. The world ending stock this year is estimated to be slightly lower at 18.54 million metric tonnes compared to 18.56 million metric tonnes during last year.

## COTTON PRICE TREND

The Indian cotton prices have witnessed a depressing trend during the ongoing season thus far and are ruling 2.54-3.50% below the average prices that prevailed during the same period last year except in the case of P/H/R ICS 202, 27 mm in which case the prices are higher by about 2.54% and M/M(P) ICS 107, 34 mm in which case the prices are higher by about 18.16%.

The ICE futures & COTLOOK A Index, which are considered to be the true barometers of the trend of cotton prices globally, are currently ruling lower by about 15% and 13% respectively compared to those prevailed at the same time last year. ICE futures are currently traded at 68.06 cents per pound on 20th December 2024 compared to 80.06 cents per pound a year ago while the COTLOOK A Index is 78.15 cents per pound on 20th December 2024 as against 89.75 cents per pound a year ago.

## FOCUS AREAS

**Introduce new seed technology:** Despite stupendous growth in the Indian cotton and textile sector, per hectare cotton yield in our country is among the lowest in the world and far below the world average cotton yield of over

800 kgs. per hectare. One of the main reasons for our low cotton productivity is the use of obsolete GM cotton technology by about 95% of our cotton farmers. Over the years and in the absence of any advancement in GM technology in India, Pink Bollworms have developed resistance to GM cotton seeds.

According to Indian researchers, the long duration crop cycle with long flowering and fruiting window of Indian cotton is unsuitable to the most of our rain-fed areas and is susceptible to Pink Bollworm infestation. Introduction of new seeds of high yielding varieties with good fibre quality which are best suited to local conditions and are tolerant to locally prevalent biotic (insects and pathogens) and abiotic (specific window of temperature, drought, etc.) factors is the need of hour for increasing our productivity atleast to the world average productivity mark.

I am happy to report that our Government fully recognises this and is providing necessary policy support to meet this requirement in a time bound manner.

**Encourage Drip irrigation in rain-fed areas:** Approximately 67% of India's cotton is produced in rain-fed areas. Since in rain-fed areas, cotton is totally dependent on rains, it does not get adequate water during critical flowering and fruiting stages, when the requirement of water is more than 80% of the total water requirement of cotton crop. Due to this, cotton yield in rain-fed areas is substantially lower compared to irrigated belts, especially in Maharashtra where about 95% area is rain-fed and in scanty-water availability areas of states like Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Karnataka and Gujarat.

In order to overcome this, we have suggested to the Government to provide budgetary support to our farmers in rain-fed and scanty-water availability areas and encourage them to introduce drip irrigation technology. Carrying out demonstrations through Private Public Partnership is another step that can help in creating awareness among our farmers about the benefits of using drip irrigation technology. This will not only ensure efficient water resource management but also boost our cotton yields manifold. Apart from substantially increasing our cotton yield, drip irrigation will also prove to be an effective tool to save 40-60% of total water required for irrigation through flood.



Since the cost of installing drip irrigation in India is very high, we have requested our Government to provide for the farmers' benefit a budgetary support of atleast 500 crores for setting up drip irrigation system in farmers' fields.

Remove import duty on cotton: In the Union budget 2021-22, 5% Basic Customs Duty, 5% Agriculture Infrastructure Development Cess and 1% Social Welfare Charge have been levied on the import of cotton into India.

The entire cotton and textile industry including our Association has made several representations to the Government seeking withdrawal of import duty on cotton; emphasising that in India, cotton has always been under Open General License (OGL) without any quantitative and qualitative restrictions for several decades. We also sensitised the authorities that India requires imported cotton for value addition to cater to international demand and imposition of import duty would reduce the competitiveness of our textile industry. Consequent to our various representations, the Government has removed import duty on extra-long staple cotton of above 32 millimeters staple length from February 2024. However, on the remaining cotton parameters, import duty continues to be levied.

In order to facilitate our industry to compete internationally, it is necessary that import duty levied on cotton is removed without any further delay and I urge the Government to make necessary provisions for removal of import duty on cotton in our next Union Budget.

### **RE-STRENGTHENING OF COTTON GREEN BUILDING & IMPROVING INFRASTRUCTURAL FACILITIES**

We have continued our drive to renovate and re-strengthen our Cotton Green building. After re-strengthening of footpath areas adjoining our building, we have also got the compound area

renovated. We also inspected the rooms allotted to our members and made contributions for necessary structural repairs in rooms.

I have plans to undertake landscaping of the areas in and around our building as permitted by Mumbai Port Authority and also explore the feasibility of setting up of a solar power plant for improving the electricity supply in the building.

### **MODERNISATION OF OUR COTTON TESTING LABORATORIES & OTHER TRADE RELATED SERVICES**

In order to provide state-of-art testing facilities in various cotton growing regions locally in a cost-effective manner, we have so far set up 12 cotton testing laboratories. All our laboratories are ISO-certified and are also empanelled with the Bureau of Indian Standards (BIS) to meet the requirement of Quality Control Order. Our Mumbai and Jalgaon laboratories are NABL accredited. The process of NABL accreditation of our Warangal and Adoni laboratories is in advance stage and for the remaining laboratories also, we have a target of achieving NABL accreditation during the next one year.

We have replaced our old High Volume Instruments in Rajkot, Ahmedabad, Aurangabad, Mumbai and Warangal laboratories with latest premier ART-2 machines. We have also installed trash analysers & hot air oven in all our laboratories for proper testing of trash and moisture contents. We are also in the process of upgrading the system of maintaining the atmospheric condition of our Mumbai laboratory for achieving the ICA-Bremen certification.

We have increased our manpower and have well-qualified and trained staff to provide accurate and reliable test results consistently. We carry out periodical inter-laboratory tests and also participate in CSITC round trials to check the accuracy of our test results. I profusely thank you all for trusting the CAI laboratories to cater to your testing needs. I am confident that you will continue to do so in future as well. I also implore you all to give your feedback and suggestions for improvement as I sincerely believe that there is always a room for improvement.

Providing crop data to the stakeholders, fixation of spot rates and grade standards are very unique and important facilities that epitomise the CAI as a central body. We have provided focused attention to streamlining the processes, ensuring

larger participation in arriving at regular crop reports, collecting daily arrivals and fixation of daily spot rates, value differences and issuing Certificates of Origin digitally. We also have plans to upgrade our standard boxes.

During the year, we have amended our domestic By-laws to make the same in sync with prevailing trading practices and for deleting the futures trading, exchange and clearing house related By-laws which became redundant in view of the exit order dated 29th December 2016 of the Securities and Exchange Board of India (SEBI).

### ACKNOWLEDGEMENT

Before I conclude, I would like to take this opportunity to place on record my sincere thanks on behalf of the Association and on my personal behalf to the Ministries of Textiles, Agriculture & Farmers' Welfare, Commerce & Industry, Finance, Office of the Textile Commissioner, Textiles Committee, Ministry of Corporate Affairs, Cotton Corporation of India, Directorate of Cotton Development, Central Institute for Research on Cotton Technology, Central Institute for Cotton Research, Mumbai Port Authority, Maharashtra State Co-operative Cotton Growers Marketing Federation Ltd. and the Bombay Textile Research Association.

I also sincerely thank all our members, my colleagues on the CAI Board, members of the statutory and non-statutory committees of the Association, upcountry cotton trade associations and co-operative cotton marketing societies for their active participation in the decision-making process at the CAI.

I was fortunate to have received invaluable support and guidance from elders like Shri Sureshbhai Kotak and Shri P.D. Patodia and all my predecessors, who have always blessed us with their wise counsel from time to time for which I sincerely thank them.

I also wish to convey my sincere thanks to my fellow office bearers, Shri Bhupendra Singh Rajpal, Shri Vinay N. Kotak, Shri Arun Sekhsaria, Shri Shyam Makharia & Shri Rintu Pandya for their invaluable support and co-operation.

I also thank the Secretary and other staff of the Association for discharging their duties diligently and with a sense of responsibility.

Last but not the least, I sincerely thank the press and media for excellent coverage of the activities of the Association throughout the year.

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## Appointment of New Office Bearers for the Year 2024-25

At the meeting of the Cotton Association of India's Board of Directors held on 24th December 2024, the following office bearers have been appointed for the year 2024-25



*Shri Atul S. Ganatra,  
President*



*Shri Bhupendrasingh Rajpal,  
Vice-President*



*Shri Vinay N. Kotak,  
Addl. Vice-President*



*Shri Shyamsunder M. Makharia,  
Executive Addl. Vice-President*



*Shri Rintu K. Pandya,  
Hon. Treasurer*



*Shri Sudhirkumar Mantri,  
Hon. Addl. Treasurer*

# CAI Maintains its Cotton Pressing Estimate for 2024-25 Cotton Season at 302.25 Lakh Bales

Cotton Association of India (CAI) has released its November estimate of the cotton pressing numbers for 2024-25 season beginning from 1st October 2024. Based on input received from the members of 11 cotton growing state associations and other trade sources, the Committee has maintained its cotton pressing estimate for 2024-25 season at 302.25 lakh bales of 170 kgs. each (equivalent to 317.18 lakh running bales of 162 kgs. each). The State-wise break-up of the Cotton pressing numbers as well as Balance Sheet for the season with the corresponding data for the previous crop year are given below.

The total cotton supply till end of November 2024 is estimated at 108.41 lakh bales of 170 kgs. each (equivalent to 113.76 lakh running bales of 162 kgs. each) which consists of the pressing figures of 69.22 lakh bales of 170 kgs. each (equivalent to 72.64 lakh running bales of 162 kgs. each), imports of 9.00 lakh bales of 170 kgs. each (equivalent to 9.44 lakh running bales of 162 kgs. each) and the opening stock estimated by the CAI at 30.19 lakh bales of 170 kgs. each (equivalent to 31.68 lakh running bales of 162 kgs. each) at the beginning of the season.

Further, the CAI has estimated cotton consumption upto the end of November 2024 at 54.00 lakh bales of 170 kgs. each (equivalent to 56.67 lakh running bales of 162 kgs. each) while the export shipments upto 30th November 2024 are estimated at 4.00 lakh bales of 170 kgs. each (equivalent to 4.20 lakh running bales of 162 kgs. each). Stock at the end of November 2024 is estimated at 50.41 lakh bales of 170 kgs. each (equivalent to 52.90 lakh running bales of 162 kgs. each) including 28.41 lakh bales of 170 kgs. each (equivalent to 29.81 lakh running bales of 162 kgs. each) with textile mills and the remaining 22.00 lakh bales of 170 kgs. each (equivalent to 23.09 lakh running bales of 162 kgs. each) with CCI, Maharashtra Federation and others (MNCs, traders, ginners, etc.) including cotton sold but not delivered.

The CAI has retained its total cotton supply till end of the cotton season 2024-25 (i.e. upto 30th September 2025) at the same level as

estimated earlier i.e. 357.44 lakh bales of 170 kgs. each (equivalent to 375.09 lakh running bales of 162 kgs. each). The total cotton supply consists of the opening stock of 30.19 lakh bales (equivalent to 31.68 lakh running bales of 162 kgs. each) at the beginning of 2024-25 season on 1st October 2024, cotton pressing numbers estimated for the season at 302.25 lakh bales of 170 kgs. each (equivalent to 317.18 lakh running bales of 162 kgs. each) and imports for the season estimated at 25 lakh bales of 170 kgs. each (equivalent to 26.23 lakh running bales of 162 kgs. each). The cotton imports estimated by the CAI for the season are higher by 9.80 lakh bales of 170 kgs. each compared to last year.

The domestic consumption estimated by the CAI at 313.00 lakh bales of 170 kgs. each (equivalent to 328.45 lakh running bales of 162 kgs. each) i.e. at the same level estimated previously. The exports for the season 2024-25 estimated by the CAI are the same as estimated previously i.e. 18 lakh bales of 170 kgs. each (equivalent to 18.88 lakh running bales of 162 kgs. each). The cotton exports estimated by the CAI for the 2024-25 season are lower by 10.36 lakh bales of 170 kgs. each compared to last year. The CAI has reduced its cotton export figures for 2023-24 season from 28.50 lakh bales to 28.36 lakh bales of 170 kgs. each (equivalent to 29.76 lakh running bales of 162 kgs. each).

Based on the final cotton export and import data for 2023-24 season released by the Directorate General of Commercial Intelligence, the CAI has also made necessary changes in the Cotton Balance Sheet for 2023-24 season.

## SALIENT FEATURES OF THE CAI CROP COMMITTEE MEETING HELD ON 17TH DECEMBER 2024

The CAI Crop Committee, which met on 17th December 2024, was attended by 22 members across all cotton growing states. Based on the input given by the representatives of each state association, the CAI Crop Committee has estimated total cotton pressing numbers for 2024-25 season and has also drawn cotton balance sheet for 2024-25 season.

The following are the salient features of the CAI crop report: -

### 1. Consumption

CAI has maintained cotton consumption for 2024-25 season at 313 lakh bales of 170 kgs. each (equivalent to 328.46 lakh running bales of 162 kgs. each).

### 2. Cotton Pressing

As per the crop report submitted by upcountry associations and trade sources at the meeting of the CAI Crop Committee, the Committee has maintained its cotton pressing estimate for 2024-25 season at 302.25 lakh bales of 170 kgs. each (equivalent to 317.18 lakh running bales of 162 kgs. each) i.e. at the same level as estimated previously, with minor changes in the pressing estimates of following states: -

State	Increase (+) / Decrease (-)
North Zone	34.00 (-2.00)
Telangana	36.00 (+2.00)
Andhra Pradesh	11.00 (-1.00)
Karnataka	23.00 (+1.00)

The Committee members will have a close watch on the pressing numbers of cotton in the subsequent months and if any addition or reduction is required to be made in the pressing numbers, the same will be made in the CAI report.

### 3. Imports

The cotton imports into India are estimated at 25 lakh bales of 170 kgs. each (equivalent to 26.23 lakh running bales of 162 kgs. each) during 2024-25 season as against 15.20 lakh bales of 170 kgs. each (equivalent to 15.95 lakh running bales of 162 kgs. each) estimated for last season. The cotton imports estimated for the ongoing crop year 2024-25 are higher by 9.80 lakh bales of 170 kgs. each compared to last year.

Upto 30th November 2024 about 9.00 lakh bales of 170 kgs. each (equivalent to 9.44 lakh running bales of 162 kgs. each) are estimated to have arrived the Indian Ports.

### 4. Exports

The Committee has retained its cotton exports estimate at 18 lakh bales of 170 kgs. each (equivalent to 18.89 lakh running bales

#### CAI's Cotton Pressing Estimate for the Seasons 2024-25 and 2023-24

(in lakh bales of 170 kg.)

State	Pressing Estimate*				Pressed Cotton Bales as on 30th November 2024	
	2024-25		2023-24		2024-25	
	In running b/s of 162 Kgs. each	In lakh b/s of 170 Kgs. each	In running b/s of 162 Kgs. each	In lakh b/s of 170 Kgs. each	In running b/s of 162 Kgs. each	In lakh b/s of 170 Kgs. each
Punjab	2.26	2.15	3.83	3.65	0.42	0.40
Haryana	11.39	10.85	13.96	13.30	2.73	2.60
Upper Rajasthan	11.86	11.30	16.23	15.47	2.52	2.40
Lower Rajasthan	10.18	9.70	13.85	13.20	3.78	3.60
<b>Total North Zone</b>	<b>35.68</b>	<b>34.00</b>	<b>47.87</b>	<b>45.62</b>	<b>9.44</b>	<b>9.00</b>
Gujarat	83.95	80.00	94.97	90.50	13.57	12.93
Maharashtra	94.44	90.00	97.29	92.71	10.00	9.53
Madhya Pradesh	19.94	19.00	19.94	19.00	5.40	5.15
<b>Total Central Zone</b>	<b>198.33</b>	<b>189.00</b>	<b>212.20</b>	<b>202.21</b>	<b>28.97</b>	<b>27.61</b>
Telangana	37.78	36.00	36.73	35.00	18.11	17.26
Andhra Pradesh	11.54	11.00	13.64	13.00	4.46	4.25
Karnataka	24.14	23.00	22.67	21.60	10.76	10.25
Tamil Nadu	4.20	4.00	4.46	4.25	0.42	0.40
<b>Total South Zone</b>	<b>77.65</b>	<b>74.00</b>	<b>77.50</b>	<b>73.85</b>	<b>33.75</b>	<b>32.16</b>
Orissa	3.41	3.25	3.96	3.77	0.16	0.15
Others	2.10	2.00	2.10	2.00	0.31	0.30
<b>Total</b>	<b>317.18</b>	<b>302.25</b>	<b>343.62</b>	<b>327.45</b>	<b>72.64</b>	<b>69.22</b>

\* Including loose

of 162 kgs. each) as against 28.36 lakh bales of 170 kgs. each (equivalent to 29.76 lakh running bales of 162 kgs. each) estimated for the last season. The cotton exports estimated for the ongoing crop year 2024-25 are lower by 10.36 lakh bales of 170 kgs. each compared to last year.

The Balance Sheet drawn by the Association for 2024-25 and 23-24 is reproduced below: -

(in lakh bales of 170 kg.)

Details	2024-25 (P)	2023-24 (P)
Opening Stock	30.19	28.90
Cotton Pressing	302.25	327.45
Imports	25.00	15.20
<b>Total Supply</b>	<b>357.44</b>	<b>371.55</b>
Non-MSME Consumption	201.00	201.00
MSME Consumption	96.00	96.00
Non-Textile Consumption	16.00	16.00
<b>Total Domestic Demand</b>	<b>313.00</b>	<b>313.00</b>
Available Surplus	44.44	58.55
Exports	18.00	28.36
<b>Closing Stock</b>	<b>26.44</b>	<b>30.19</b>

## 5. Closing Stock as at 30<sup>th</sup> September 2025

The closing stock as on 30th September 2025 is estimated at 26.44 lakh bales of 170 kgs. each (equivalent to 27.75 lakh running bales of 162 kgs. each) as against 30.19 lakh bales of 170 kgs. each (equivalent to 31.68 lakh running bales of 162 kgs. each) in last year.

Balance Sheet of 2 months i.e. from 1.10.2024 to 30.11.2024 for the season 2024-25

Details	In lakh b/s of 170 kg.	In '000 Tons
Opening Stock as on 01.10.2024	30.19	513.23
Arrivals upto 30.11.2024	69.22	1176.74
Imports upto 30.11.2024	9.00	153.00
<b>Total available</b>	<b>108.41</b>	<b>1842.97</b>
Consumption	54.00	918.00
Export Shipments upto 30.11.2024	4.00	68.00
Stock with Mills	28.41	482.97
Stock with CCI, Maha Fedn., MNCs, Ginners, Traders & Exporters	22.00	374.00
<b>Total</b>	<b>108.41</b>	<b>1842.97</b>

## Glimpses of CAI Annual Dinner on 25<sup>th</sup> December 2024

CAI organised a Members Get-together and Annual Gala Dinner on Wednesday, the 25th December 2024 at Mini Club, Front Lawn, Royal Western India Turf Club Ltd. Mumbai. The event was attended by Shri. Atul S. Ganatra, President CAI, Shri. Bhupendra Singh Rajpal, Vice President CAI, Board Members and a large number of CAI members. Smt. Roop

Rashi (IA&AS) Textile Commissioner, India, was the Chief Guest while the other eminent personalities who graced the occasion with their presence also included Shri. Kartikeya Dhandha, Secretary, Textile Committee, Shri. J.D. Burman, Director (EPQA), Textile Committee and Shri. P. Kungumaraju, Officer-in-Charge, NTC - WRO.







# The Month That Was - Snippets for December 2024

## Rupee Volatility Surge Puts RBI's Currency Strategy in Focus

A gauge of the Indian rupee's volatility jumped to its highest level in over a year, as speculation grows that the nation's central bank may be easing its tight grip on the currency amid a strong dollar. The rupee's one-month implied volatility versus the greenback rose to as much as 4.09% this week, the highest since August 2023. This marks a shift from the currency's recent stability, which saw the volatility gauge hit a record low this August. Traders say the spike suggests a possible shift in the Reserve Bank of India's strategy.



To be sure, the rupee is still firmly placed in the list of low-volatility currencies, ranking below the Chinese yuan, the Malaysian ringgit, the Indonesian rupiah and the Philippine peso in a Bloomberg index. The rupee has weakened 2.8% versus the dollar so far in 2024, faring better than most Asian peers. Still, the pressure on the yuan, concerns over potential US tariffs and slowing local growth pose headwinds for the rupee. Additionally, India's 40-currency trade-weighted real effective exchange rate, a measure of competitiveness, hit an all-time high of 108.14 in November, indicating an overvaluation of more than 8%.

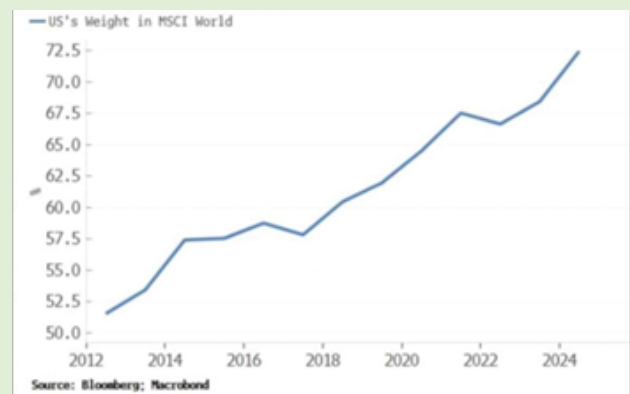
*(Bloomberg)*

## Steep Fall For US Consumer Confidence Index



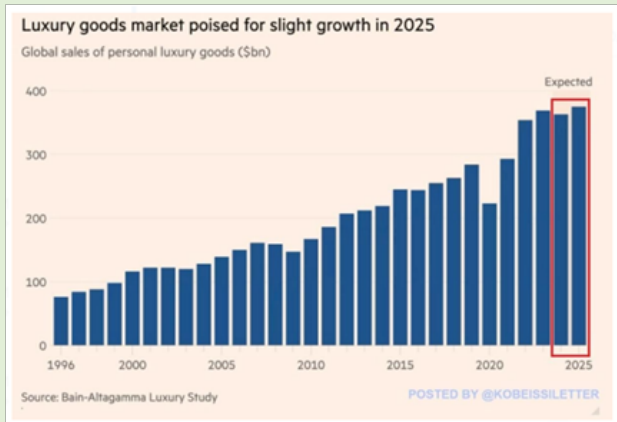
The US consumer confidence index fell to 104.7 points in December, marking one of its steepest declines in 3 years. The metric missed expectations of 113.2 points as consumers' economic outlook has deteriorated in 2025. Furthermore, the expectations index fell by 12.6 points to 81.1, the biggest drop since November 2020. This is slightly above the threshold of 80.0 that has historically signaled an upcoming recession. Outlook was the most pessimistic about business conditions and their future incomes. US consumers think the economy is going to slow down.

## TINA = There Is No Alternative



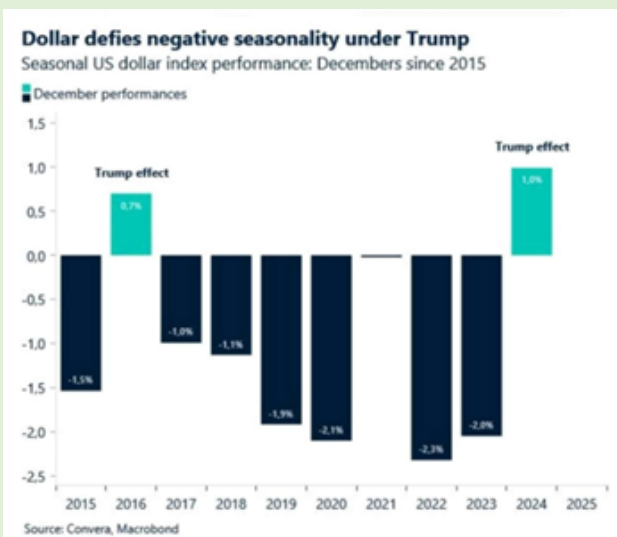
The zeal for US stocks has led to them becoming close to a three-quarters of developed-market equities from only just over half in 2012. They are also over-owned: as a percentage of financial assets, the aggregate position of households, financials, corporates and foreigners is near all-time highs. That's pushed valuations to record highs - never have we seen such over-ownership at such valuations that almost guarantees that stocks will underperform over the longer-term. US equities face being a victim of their own success - and today retrospectively end up being one of the worst times to invest.

## The Luxury Goods Market is set for a Tough Year



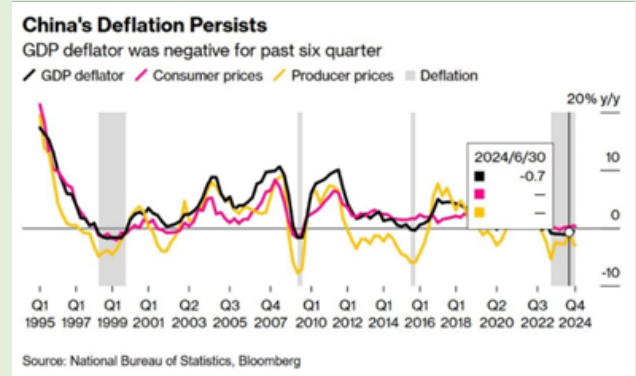
Global sales of personal luxury goods are estimated to decline by 2% to €363 billion in 2025, according to Bain & Company. That would mark the first drop since the 2008 Financial Crisis excluding the 2020 pandemic. Moreover, only 33% of luxury brands are expected to grow their revenues in 2024, down from 66% last year. This comes after consumers pulled back on spending globally, especially in China and Europe.

## Dollar Under Trump



The US dollar tends to fall in December by around 0.8% and the last month of the year has historically been by far the worst one for the Greenback. The only two times when this trend did not hold true since 2015 were when Donald Trump got elected into office. Dollar bears will sigh a breath of relief knowing that Trump cannot run for office a third time.

## What China's Persistent Deflation Means for the World



China's spiral into deflation is proving hard to fix. Prices in the world's second-biggest economy have fallen for six consecutive quarters, and if they fall for one more quarter, the run would equal a record deflationary streak set in the Asian Financial Crisis in the late 1990s.

Beijing is bracing for a trade war with Donald Trump's return to the White House. Trump has vowed to impose 60% tariffs on Chinese goods, and an additional 10% tariffs on all imports from China as soon as he takes office next month.

### What are the concerns from Trump's tariff plans?

Uncertainty around a potential second trade war has dimmed prospects for China's export growth next year. This could take the wind out of the sector that has contributed to almost a quarter of the country's economic expansion so far in 2024. Weakened overseas demand will make it even harder for manufacturers to raise prices at home, which could add to the deflationary pressure.

### What does it all mean for foreign investors?

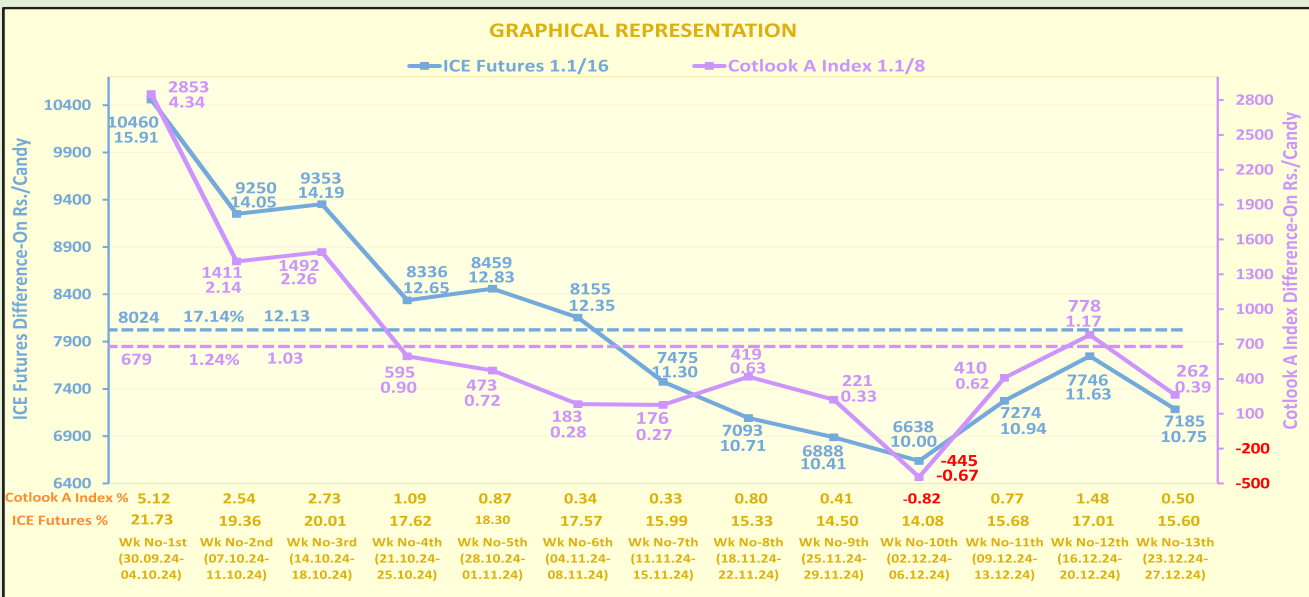
Investors in Chinese equities are exposed to deflation-related declines in the earnings of some Chinese companies. Overseas makers of premium cars and luxury brands have seen sales crater in China as consumers tightened purse strings. The bond market has been a big winner, as low-risk government notes became more attractive on expectations of aggressive interest rate cuts by the People's Bank of China. Deflation in China could also potentially reduce inflationary headwinds elsewhere in the global economy.

(Bloomberg)

Compiled by Shri. Kunal Thakkar

# Basis Comparison of ICS 105 with ICE Futures and Cotlook A Index -30th December 2024

SEASON 2024-2025												
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	1 US \$ = Rs.	CAI Rates Rs./c.	Indian Ctn in USc/lb.	ICE Settlement Futures 1.1/16 Mar.'24 USc/lb.	Difference-ON/OFF ICE Futures		%	Cotlook A Index M-1.1/8	Difference-ON/OFF Cotlook A Index		%	
					USc/lb.	Rs./c			USc/lb.	Rs./c		
A	B	C	D	E		F	G	H	I	J	K	L
Cotton Year Week No-13 <sup>th</sup>												
23 <sup>rd</sup> Dec	85.12	53200	79.72	69.42	10.30	6874	14.84	78.30	1.42	948	1.81	
24 <sup>th</sup> Dec	85.20	53200	79.64	68.78	10.86	7254	15.79	79.60	0.04	27	0.05	
25 <sup>th</sup> Dec	85.20	53200	79.64	68.78	10.86	7254	15.79	79.60	0.04	27	0.05	
26 <sup>th</sup> Dec	85.27	53300	79.73	68.75	10.98	7340	15.97	79.60	0.13	87	0.16	
27 <sup>th</sup> Dec	85.54	53400	79.63	68.89	10.74	7203	15.59	79.30	0.33	221	0.42	
Weekly Avg.	85.27	53260	79.67	68.92	10.75	7185	15.60	79.28	0.39	262	0.50	
Cotton Year Week No-12 <sup>th</sup>												
16 <sup>th</sup> Dec	84.87	53300	80.10	69.06	11.04	7346	15.99	79.50	0.60	399	0.75	
17 <sup>th</sup> Dec	84.90	53300	80.08	68.69	11.39	7581	16.58	79.25	0.83	552	1.05	
18 <sup>th</sup> Dec	84.95	53300	80.03	68.08	11.95	7959	17.55	78.85	1.18	786	1.50	
19 <sup>th</sup> Dec	85.07	53300	79.92	67.91	12.01	8010	17.69	78.35	1.57	1047	2.00	
20 <sup>th</sup> Dec	85.02	53200	79.81	68.06	11.75	7832	17.26	78.15	1.66	1106	2.12	
Weekly Avg.	84.96	53280	79.99	68.36	11.63	7746	17.01	78.82	1.17	778	1.48	
Cotton Year Week No-11 <sup>th</sup> (9 <sup>th</sup> Dec 2024-13 <sup>th</sup> Dec 2024)												
Weekly Avg.	84.82	53680	80.73	69.79	10.94	7274	15.68	80.11	0.62	410	0.77	
Cotton Year Week No-10 <sup>th</sup> (2 <sup>nd</sup> Dec 2024-6 <sup>th</sup> Dec 2024)												
Weekly Avg.	84.71	53820	81.04	71.04	10.00	6638	14.08	81.71	-0.67	-445	-0.82	
Cotton Year Week No-09 <sup>th</sup> (25 <sup>th</sup> Nov 2024-29 <sup>th</sup> Nov 2024)												
Weekly Avg.	84.41	54380	82.17	71.77	10.41	6888	14.50	81.84	0.33	221	0.41	
Cotton Year Week No-08 <sup>th</sup> (18 <sup>th</sup> Nov 2024-22 <sup>nd</sup> Nov 2024)												
Weekly Avg.	84.44	53400	80.66	69.95	10.71	7093	15.33	80.03	0.63	419	0.80	
Cotton Year Week No-07 <sup>th</sup> (11 <sup>th</sup> Nov 2024-15 <sup>th</sup> Nov 2024)												
Weekly Avg.	84.40	54300	82.07	70.77	11.30	7475	15.99	81.80	0.27	176	0.33	
Cotton Year Week No-06 <sup>th</sup> (04 <sup>th</sup> Nov 2024-08 <sup>th</sup> Nov 2024)												
Weekly Avg.	84.24	54600	82.67	70.32	12.35	8155	17.57	82.39	0.28	183	0.34	
Cotton Year Week No-05 <sup>th</sup> (28 <sup>th</sup> Oct 2024-01 <sup>st</sup> Nov 2024)												
Weekly Avg.	84.08	54680	82.95	70.12	12.83	8459	18.30	82.23	0.72	473	0.87	
Cotton Year Week No-04 <sup>th</sup> (21 <sup>st</sup> Oct 2024-25 <sup>th</sup> Oct 2024)												
Weekly Avg.	84.07	55660	84.44	71.80	12.65	8336	17.62	83.54	0.90	595	1.09	
Cotton Year Week No-03 <sup>rd</sup> (14 <sup>th</sup> Oct 2024-18 <sup>th</sup> Oct 2024)												
Weekly Avg.	84.06	56100	85.12	70.93	14.19	9353	20.01	82.86	2.26	1492	2.73	
Cotton Year Week No-02 <sup>nd</sup> (7 <sup>th</sup> Oct 2024-11 <sup>th</sup> Oct 2024)												
Weekly Avg.	83.98	57040	86.63	72.58	14.05	9250	19.36	84.49	2.14	1411	2.54	
Cotton Year Week No-01 <sup>st</sup> (30 <sup>th</sup> Sep 2024-04 <sup>th</sup> Oct 2024)												
Weekly Avg.	83.86	58600	89.13	73.22	15.91	10460	21.73	84.79	4.34	2853	5.12	
Total Avg.	84.41	54831	82.87	70.74	12.13	8024	17.14	81.84	1.03	679	1.24	



Note:- Weeks taken as per Cotton Year (October To September).  
 Values in BLUE Indicates Previous Close Considered due to HOLIDAY's Resp.  
 25<sup>th</sup> Dec 2024 - Domestic & International Futures markets CLOSED due to Christmas Festival.

UPCOUNTRY SPOT RATES (Rs./Qtl)													
Standard Descriptions with Basic Grade & Staple in Millimeters based on Upper Half Mean Length As per CAI By-laws								Spot Rate (Upcountry) 2023-24 Crop December 2024					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	23rd	24th	25th	26th	27th	28th
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	11782 (41900)	11782 (41900)		11754 (41800)	11726 (41700)	
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	12148 (43200)	12148 (43200)		12092 (43000)	12092 (43000)	
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	- -	- -	H	- -	14088 (50100)	H
Spot Rate (Upcountry) 2024-25 Crop													
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	14229 (50600)	14285 (50800)		14369 (51100)	14397 (51200)	
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	14397 (51200)	14454 (51400)		14538 (51700)	14566 (51800)	
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14397 (51200)	14397 (51200)	O	14313 (50900)	14313 (50900)	O
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	14679 (52200)	14735 (52400)		14650 (52100)	14650 (52100)	
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	14819 (52700)	14875 (52900)		14791 (52600)	14791 (52600)	
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	- -	- -	L	- -	- -	L
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	14875 (52900)	14932 (53100)		14904 (53000)	14904 (53000)	
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	14707 (52300)	14707 (52300)		14735 (52400)	14763 (52500)	
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	14566 (51800)	14566 (51800)		14594 (51900)	14650 (52100)	
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	14735 (52400)	14735 (52400)	I	14763 (52500)	14791 (52600)	I
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	14988 (53300)	14988 (53300)		14988 (53300)	14988 (53300)	
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	14960 (53200)	14960 (53200)		14988 (53300)	15016 (53400)	
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	14875 (52900)	14875 (52900)		14904 (53000)	14960 (53200)	
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15044 (53500)	15044 (53500)	D	15072 (53600)	15100 (53700)	D
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	15185 (54000)	15185 (54000)		15241 (54200)	15241 (54200)	
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	15129 (53800)	15129 (53800)		15185 (54000)	15185 (54000)	
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	15410 (54800)	15410 (54800)		15466 (55000)	15466 (55000)	
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	15410 (54800)	15410 (54800)	A	15466 (55000)	15466 (55000)	A
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	- -	- -		- -	- -	
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	22918 (81500)	22918 (81500)		22918 (81500)	22355 (79500)	
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	23902 (85000)	23902 (85000)	Y	23761 (84500)	23621 (84000)	Y
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	23199 (82500)	23199 (82500)		22918 (81500)	22637 (80500)	
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	24464 (87000)	24464 (87000)		24324 (86500)	24183 (86000)	

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