

Weekly Publication of



Cotton Association of India

COTTON STATISTICS & NEWS

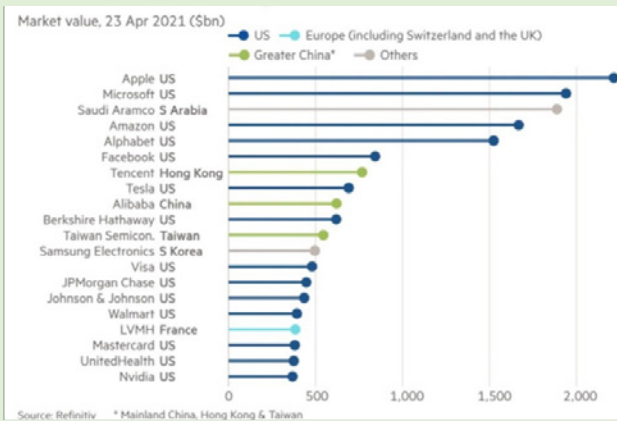
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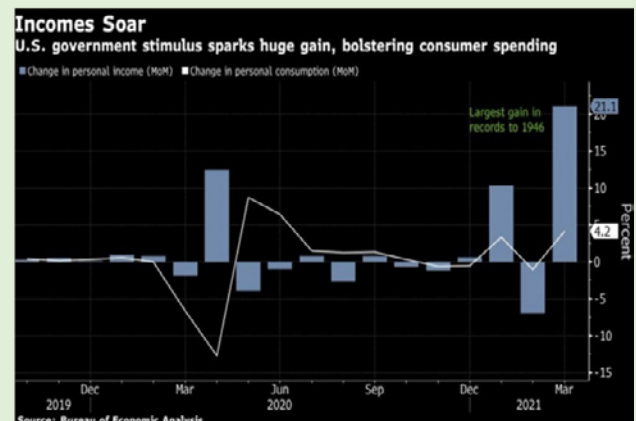
Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033
Phone: 23704401/02/03 Email: cai@caionline.in
www.caionline.in

The Month That Was - Snippets for May 2021

World's 20 Most Valuable Companies



Consumers in U.S. on Spending Spree



Largest U.S. Companies by Market Cap



At \$7.5 trillion, the combined market cap of Apple, Microsoft, Amazon, and Google is higher than the GDP of every country in the world with the exception of the U.S. and China.

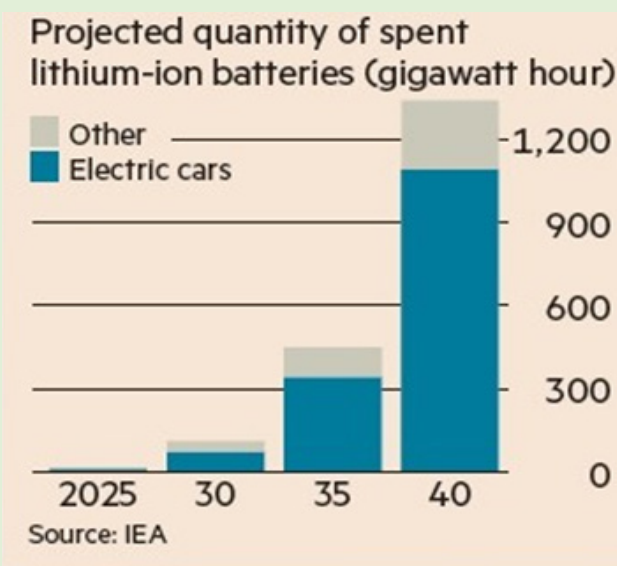
Early last year we were debating whether the Covid-19 crisis would permanently change consumer behaviour. On the other hand, not being able to go out or travel for months could lead to the opposite behaviour, with people ready to make up for all that lost time by spending big once things started improving. In the U.S., where a successful vaccine drive is allowing reopening, there are signs that we're getting both a boost in savings plus a spending surge. Inflation data has showed personal incomes jumping 21.1% in March, the biggest monthly increase on record. The decisive factor here is the government's stimulus program, which has managed to bridge the gap between a Great Depression-style hangover in consumer behaviour with a Roaring Twenties-type scenario. Put simply, people have more money right now, and so saving more and spending more are no longer mutually exclusive scenarios.

Raw Materials Supercycle in the Offing?



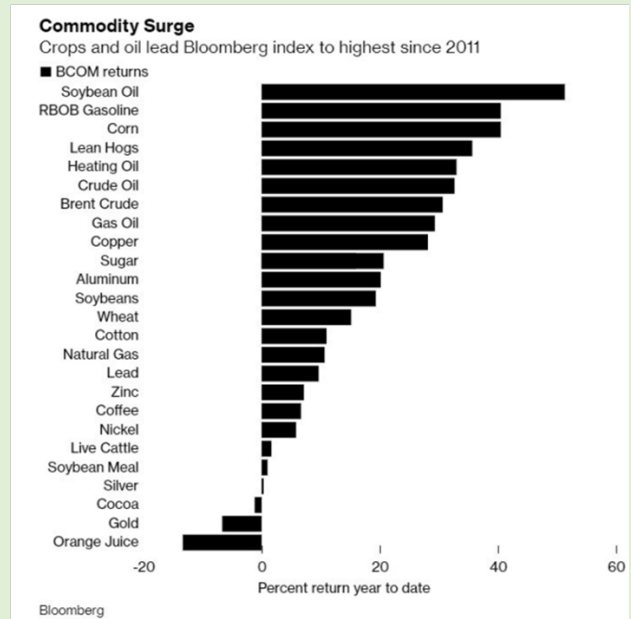
Basics ranging from iron ore to grain, rally together as global economy picks up. A broad and powerful rally in commodities markets has gathered steam in recent weeks, fuelling expectations among some traders and analysts that a 'supercycle' has kicked off as big global economies rev up together. Strong demand from China, a boom in government spending on post-pandemic recovery programmes and bets on the 'greening' of the world economy have lifted the price of many important raw materials. Iron ore, the key ingredient needed to make steel; palladium, used by carmakers to limit harmful emissions, and timber have all hit record highs in the recent past

Need to Recycle



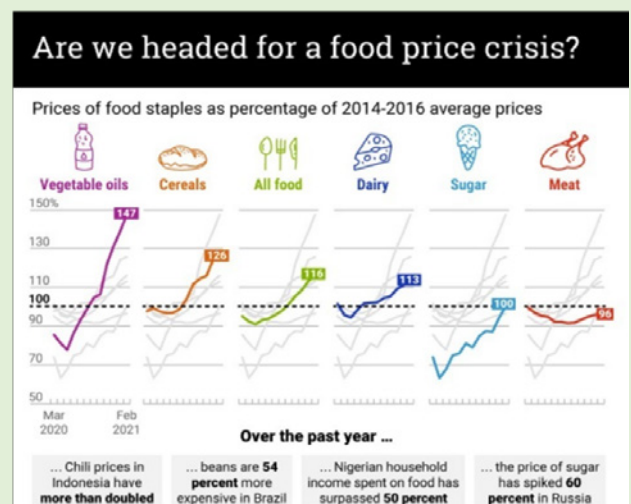
The soaring number of used batteries due to a projected surge in demand for electric vehicles and energy storage will present a massive need for recycling as lithium and mineral supply chains become strained.

Surging Commodity Rates

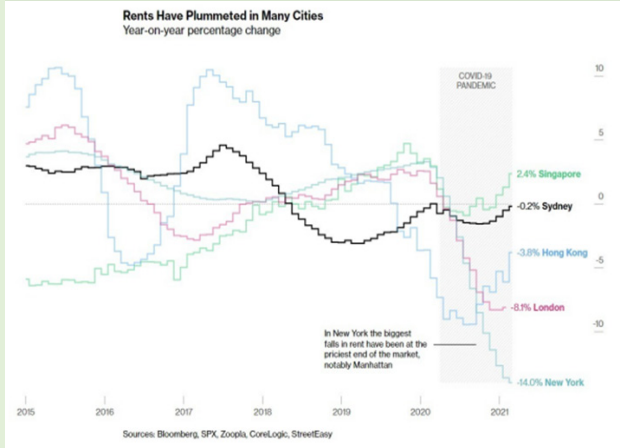


Commodities may jump another 13.5% in six months, with oil reaching \$80 a barrel and copper reaching \$11,000 a ton, Goldman Sachs Group Inc. said in an April 28 report. Crude is expected to see the biggest-ever increase in demand over the next six months as the vaccination rollout boosts mobility, according to Goldman. But while commodities are hot, it's not necessarily the start of another supercycle -- an extended period during which prices are well above their long-term trend. The magnitude of demand growth over the next years shouldn't be the same as when China's rapid industrialisation drove the last supercycle in the first decade of the century, and ample spare capacity should keep a lid on energy prices, Oxford Economic's Stephen Hare said in a report in April.

Food Crisis Ahead

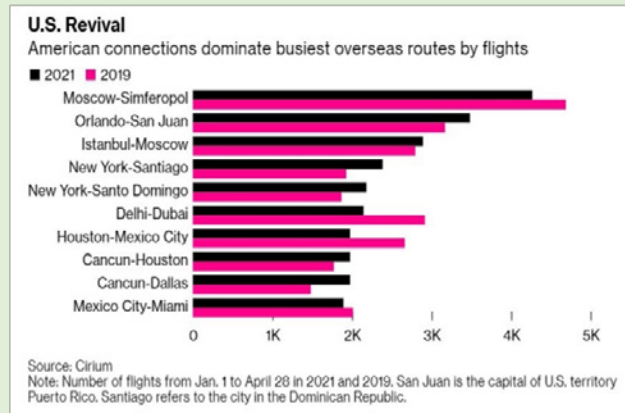


How Covid Has Reshaped Real Estate From New York to Singapore



The retreat from major cities has been the pandemic’s big real-estate story – but that doesn’t mean metropolitan house prices have suddenly become cheap. From New York to London to Sydney, ultra-low interest rates and vast government fiscal support have limited distress sales. Still, apartment rents have plummeted and suburban bidding wars have erupted as millions of workers have learned they can work from anywhere. “There’s been a spatial shock, whereby you don’t have to go to the city to earn money necessarily,” said Andrew Burrell, chief property economist at Capital Economics. “We think cities will change a lot.”

Where Can You Fly Right Now?



Americans jet south to Caribbean beaches. The U.S. is spearheading a nascent revival in overseas air travel as people jump at the chance to fly to destinations in Mexico and the Caribbean without quarantines or other Covid-related restrictions. New York to Santo Domingo and Santiago de los Caballeros, the two biggest cities in the Dominican Republic, are among the world’s busiest overseas routes this year, according to aviation analytics company Cirium. Neither made the top 10 before the pandemic. Seven of the 10 most-active international city pairs feature U.S. links, suggesting one of the world’s most-advanced inoculation programs is uncorking demand that’s been building for a year. The U.S. domestic market, unfettered by border restrictions, should return to almost normal levels by July, travel data provider OAG says.

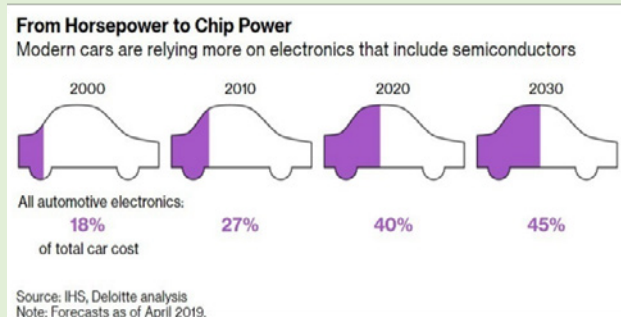
Australian Business Sentiment at Record High



Australia’s business sentiment broke new records in April in a result National Australia Bank Ltd.’s Alan Oster described as “simply

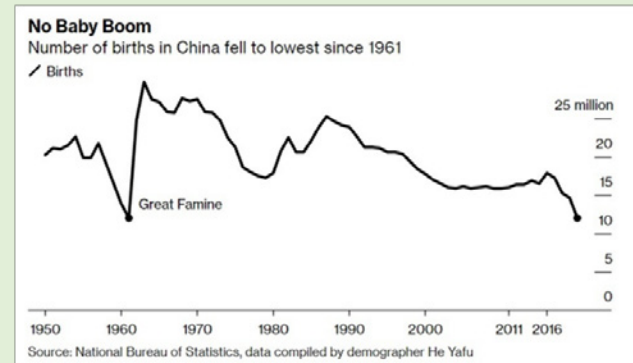
stunning,” with the employment, profitability and trading indicators all surging. Business confidence climbed to 26 points from an upwardly revised 17 in March, NAB said in a statement. The conditions index - measuring hiring, sales and profits - jumped to 32 points from a revised 24. The Reserve Bank of Australia closely monitors sentiment surveys and will likely be encouraged by the positive signal for higher investment and hiring. The RBA says it’s likely to keep interest rates near zero until at least 2024 as it tries to achieve those goals. The government meantime is expected to announce more infrastructure and employment-heavy aged care spending in the budget as it also maintains support for hiring.

Chip Shortage Forces Carmakers to Leave Out Some High-End Features



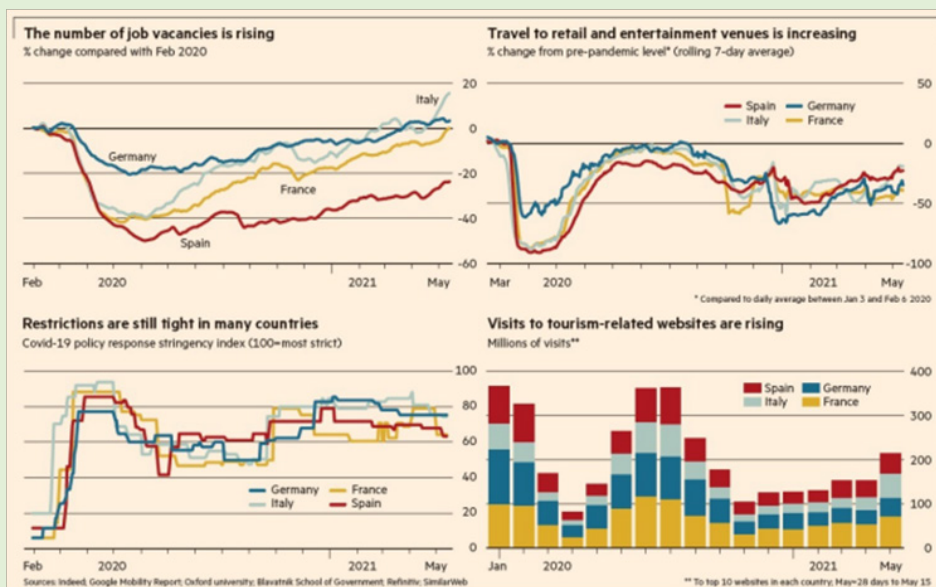
When automakers were first hit with chip shortages at the end of last year, they tried idling factories until the troubles blew over. But with the crisis stretching into its fifth month and getting worse, they're getting creative to keep at least some production moving forward. The crisis is an historic test for the century-old auto industry just as it is trying to accelerate a shift toward smarter, electric vehicles. For decades, carmakers moved steadily to include more and better advanced features; now, they're stripping some of them out - at least temporarily- to salvage their sales.

No Baby Boom in China



China bets on productivity over population to drive its economy. China's once-in-a-decade census released recently shows that amid the uncertainties of the coronavirus pandemic last year, the number of births nationwide fell to the lowest level since 1961, when the country was struggling following a nationwide famine that killed tens of millions of people. To ensure economic growth doesn't slow in line with the population drag, Beijing will need to undertake a challenging shift in its growth model, rapidly increasing spending on pensions and health care, while maintaining a high-level of corporate and state investment in order to upgrade its vast industrial sector.

Eurozone Shows Signs of Bouncing Back



Consumers are driving a rebound from double-dip recession as restrictions start to ease. The eurozone economy has begun to recover from the coronavirus pandemic, according to high-frequency

data indicators which offer early evidence that it will log a strong second-quarter rebound from its double-dip recession. An increase in the number of job adverts, growth in travel to entertainment and leisure venues and rising holiday bookings all suggest that economic activity is bouncing back despite continuing restrictions to control the spread of the virus.

Angel Talavera, an economist at Oxford Economics, said: "The recovery has already

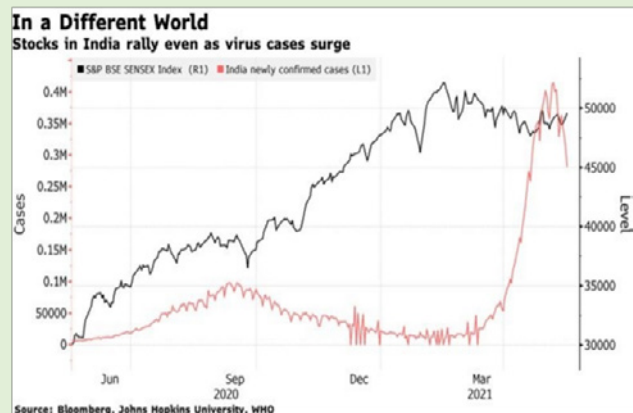
started in the eurozone, based on several high-frequency indicators." He expects eurozone gross domestic product to expand at 1.5 per cent quarter on quarter, in the three months to June.

When Will Pre-Covid Remittance Levels Return to India?



India is known as one of the biggest recipients for global remittances and the inflows are considered vital to the country’s macroeconomic outcomes. That is why any change in remittances – either up or down – can have a very significant impact on India and its people. Last year when the COVID-19 pandemic first hit, the World Bank forecast global remittances would plunge by 20%. In India, specifically, remittances were projected to fall by as much as 23%, while actual figures fell by 9%. That’s better than earlier forecasts, but it’s still a significant drop for a country where remittances make up around 3% of total GDP.

Investors like the Rupee



The rupee has rebounded to become Asia’s best performer in May from its worst in April, and BlackRock Inc. expects it to remain supported as slowing growth shrinks India’s imports and helps shore up the current-account balance. To be sure, a worsening in the outbreak could alter the picture. M&G Investments is adopting a cautious stance and has a short position on India’s currency. “A lot of the dollar-rupee correction from the April virus spike may be behind us and maybe the negative news has been priced in,” said Eva Sun-Wai, a fund manager at M&G. “Having said that, I’m not keen on adding exposure back to India yet. The odds of a Covid mutation are high and equity outflows may continue.”

London Tops Hong Kong For World’s Priciest Warehouse Space

Priciest Properties

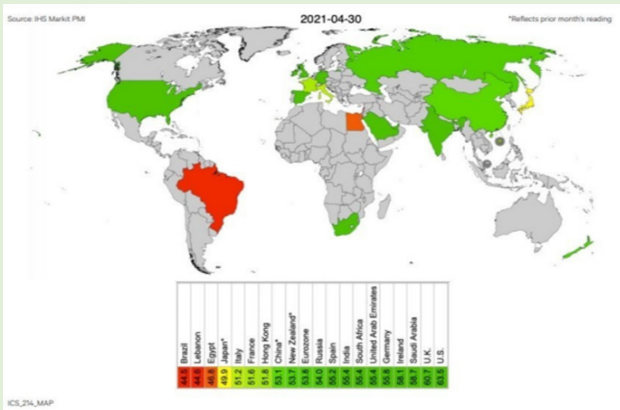
Markets with the highest warehouse rents

Market	Price
1 London	\$ 24.90
2 Hong Kong	\$ 19.93
3 San Francisco Peninsula, CA	\$ 18.25
4 Geneva	\$ 17.97
5 Singapore	\$ 16.68
6 Tokyo	\$ 14.71
7 Oslo	\$ 14.68

Source: Cushman & Wakefield

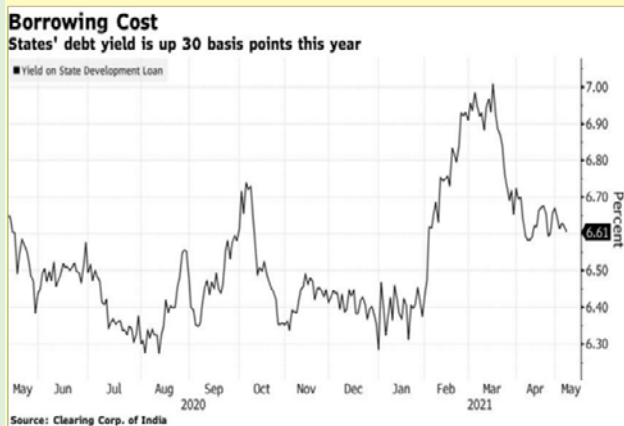
London is the most expensive city in the world to rent a warehouse, with price growth outstripping Hong Kong and San Francisco as the pandemic fuels a dash for space. Logistics properties cost \$24.90 a square foot in the U.K. capital in 2020, soaring 13% in a year, according to data from real estate firm Cushman & Wakefield Plc. Consumers responded to Covid-19 lock downs by shopping more online, pushing retailers to bolster their delivery services, particularly in Europe where suitable logistics sites were already scarce. “That is all about the demand from ecommerce and supply chain refinement.” Across Europe, companies rented a record 345 million square feet of warehouse space last year, 14% higher than 2019 despite strict lockdowns that partially closed the market in the first half of the year. In the U.K. the total space rented jumped 44%, the report said.

Global PMI Surges Ahead



The global composite PMI, which includes both the services and manufacturing sectors, rose for a third straight month in April, up 1.5 points to 56.3, its best level in 11 years.

Indian States in Dire Straits



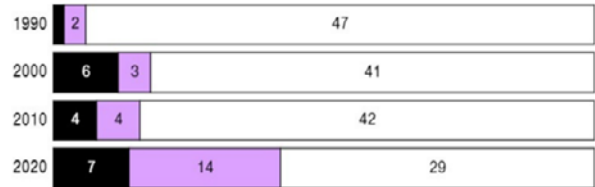
The world's worst coronavirus outbreak is set to stretch the already strained budgets of Indian states, making it more costly to borrow just when they need the money to cushion their economies. India's 28 states will have to foot about \$5 billion or more in vaccination costs after Prime Minister Narendra Modi's federal government suddenly made them responsible for inoculating most adults from May 1. Since they hadn't budgeted for the jabs or steps to tackle a second wave, their options to meet the additional expense are limited to cutting capital expenditures, selling public assets and boosting borrowing.

Tech on Top

Tech Titans

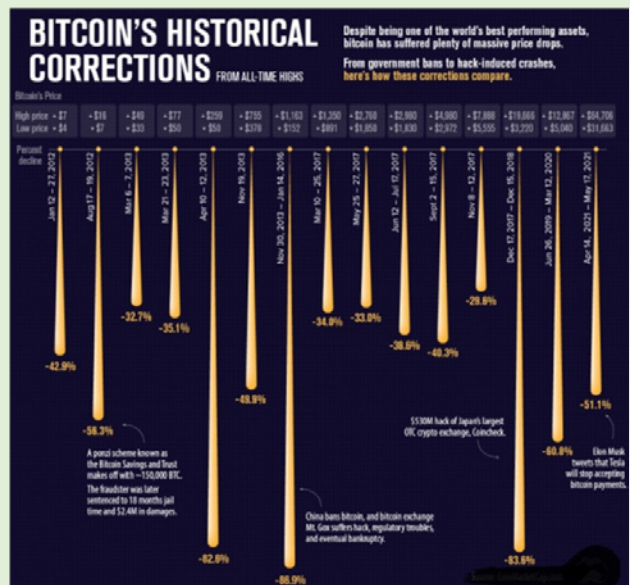
Technology firms account for 21 of the top 50 spots

■ Tech hardware ■ Tech software or services □ Not tech



The extraordinary growth of tech companies in particular is what's spurring government action. They're in the crosshairs of politicians and regulators almost everywhere. That includes China, where regulators blocked a proposed initial public offering by Jack Ma's Ant Group, slapped record fines on affiliates including Alibaba Group Holding, and have extended the crackdown to other tech giants like Tencent Holdings. Europe has been working on ways to tax companies such as Amazon and Alphabet based on where they operate, rather than where they're based. The idea led to tension with the U.S. under Trump, but with the Biden team in place, there's hope for a deal.

The Bitcoin Crash of 2021





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 :** Khargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana:** Warangal, Adilabad



COTTON ASSOCIATION OF INDIA

Cotton Exchange Building, 2nd Floor, Opposite Cotton Green Railway Station, Cotton Green (East), Mumbai - 400 033, Maharashtra, INDIA
Tel.: +91 22-2370 4401/02/03/04 • E-mail: cai@caionline.in • www.caionline.in

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 May 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	17th	18th	19th	20th	21st	22nd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	10854 (38600)	10882 (38700)	10882 (38700)	10911 (38800)	10967 (39000)	10967 (39000)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	10995 (39100)	11023 (39200)	11023 (39200)	11051 (39300)	11107 (39500)	11107 (39500)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	8408 (29900)	8436 (30000)	8436 (30000)	8436 (30000)	8464 (30100)	8464 (30100)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	9448 (33600)	9448 (33600)	9448 (33600)	9448 (33600)	9476 (33700)	9476 (33700)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	10826 (38500)	10854 (38600)	10882 (38700)	10882 (38700)	10939 (38900)	10939 (38900)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	11895 (42300)	11923 (42400)	11923 (42400)	11923 (42400)	11979 (42600)	11979 (42600)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	10798 (38400)	10826 (38500)	10826 (38500)	10854 (38600)	10882 (38700)	10882 (38700)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	12035 (42800)	12092 (43000)	12120 (43100)	12120 (43100)	12176 (43300)	12176 (43300)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	11051 (39300)	11079 (39400)	11107 (39500)	11135 (39600)	11164 (39700)	11164 (39700)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	11782 (41900)	11810 (42000)	11838 (42100)	11867 (42200)	11923 (42400)	11923 (42400)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	12232 (43500)	12260 (43600)	12288 (43700)	12317 (43800)	12373 (44000)	12373 (44000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	12541 (44600)	12570 (44700)	12626 (44900)	12654 (45000)	12738 (45300)	12738 (45300)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	12570 (44700)	12598 (44800)	12654 (45000)	12682 (45100)	12766 (45400)	12766 (45400)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	12738 (45300)	12738 (45300)	12738 (45300)	12766 (45400)	12823 (45600)	12823 (45600)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12429 (44200)	12457 (44300)	12485 (44400)	12485 (44400)	12570 (44700)	12570 (44700)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12907 (45900)	12935 (46000)	12991 (46200)	13048 (46400)	13132 (46700)	13132 (46700)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12935 (46000)	12963 (46100)	13020 (46300)	13076 (46500)	13160 (46800)	13160 (46800)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	13048 (46400)	13104 (46600)	13132 (46700)	13160 (46800)	13244 (47100)	13244 (47100)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	13498 (48000)	13526 (48100)	13526 (48100)	13554 (48200)	13638 (48500)	13638 (48500)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	13526 (48100)	13554 (48200)	13554 (48200)	13582 (48300)	13666 (48600)	13666 (48600)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	13694 (48700)	13723 (48800)	13751 (48900)	13779 (49000)	13863 (49300)	13863 (49300)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	13723 (48800)	13751 (48900)	13779 (49000)	13807 (49100)	13891 (49400)	13891 (49400)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	13807 (49100)	13863 (49300)	13891 (49400)	13919 (49500)	14004 (49800)	14004 (49800)
24	M/M(P)	ICS-107	Fine	34mm	3.0 - 3.8	4%	33	21090 (75000)	21090 (75000)	21146 (75200)	21230 (75500)	21230 (75500)	21230 (75500)
25	K/TN	ICS-107	Fine	34mm	3.0 - 3.8	3.5%	34	21652 (77000)	21652 (77000)	21709 (77200)	21793 (77500)	21793 (77500)	21793 (77500)

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