

Weekly Publication of



Cotton
Association
of India

COTTON STATISTICS & NEWS

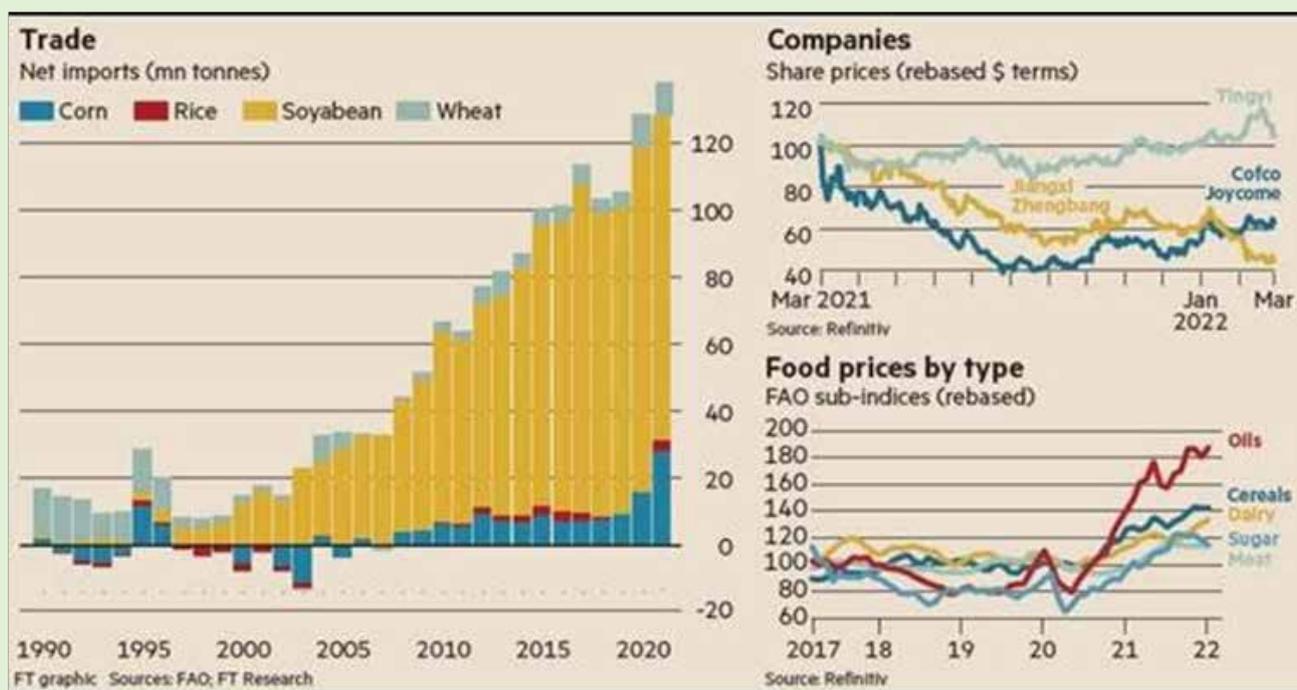
Edited & Published by Amar Singh

2021-22 • No. 52 • 29th March, 2022 Published every Tuesday

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The Month That Was - Snippets for March 2022

China Affected by Soaring Prices of Agri Commodities Due to Russian Invasion of Ukraine



Soaring prices for agricultural commodities because of the Russian invasion of Ukraine will directly affect China. In particular, its corn imports from Ukraine have risen significantly in recent years. Higher food input costs, sometimes indirectly via animal feed, could hurt the profitability of China's leading food manufacturers. With so many mouths to feed, China eyes self-sufficiency of food supply as key. It has stepped up domestic grain output in recent years. But it has some way to go. Russia's invasion

of Ukraine must worry Beijing given the primacy of Ukrainian exports to Chinese food security. China is the largest agricultural importer. Local output falls short of its needs and Ukraine's crops help fill the gap. Last year China imported a record 28 million metric tonnes of Ukrainian corn, more than double the previous year's 11 million. Ukraine has more than a quarter of the world's highly fertile black soil, enabling it to produce more than 80% of China corn imports. China has little leeway!

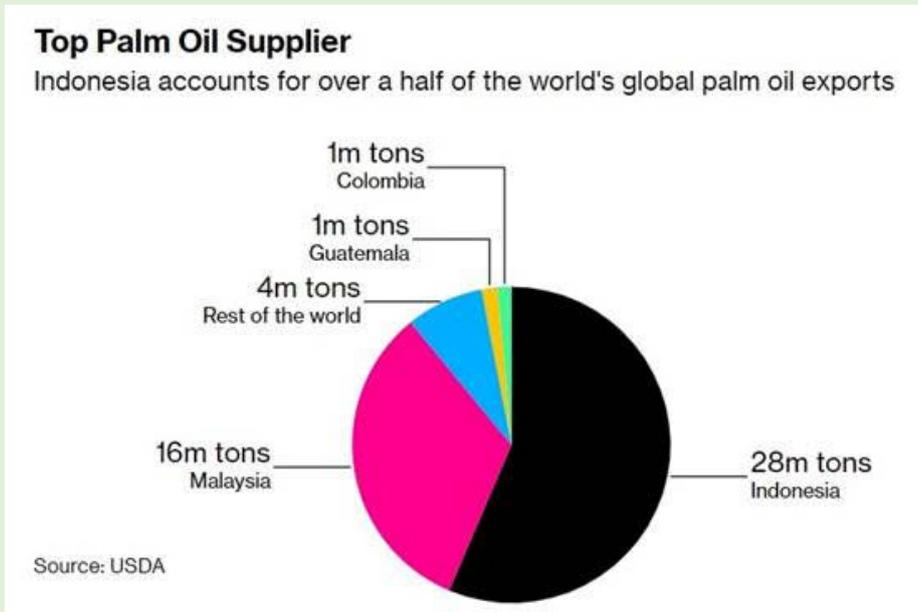
Dependency on Ukraine Wheat



Farmers warn of looming food crisis as invasion curbs wheat shipments. Analysts fear conflict in one of the biggest exporters threatens harvest and will fuel inflation. Russia and Ukraine supply almost a third of the world’s wheat exports and since the Russian assault on its neighbour, ports on the Black Sea have come to a virtual standstill. As a result, wheat prices have risen to records, overtaking levels seen during the food crisis of 2007-08. “If farmers in Ukraine don’t start planting anytime soon, there will be a huge crisis to food security. If Ukraine’s food production falls in the coming season, the wheat price could double or triple,” While well-stored wheat, such as that on Huizinga’s farm, can last several months, agricultural experts and policymakers have warned of the impact of delayed shipments on countries reliant on the region for wheat, grain, sunflower oil and barley.

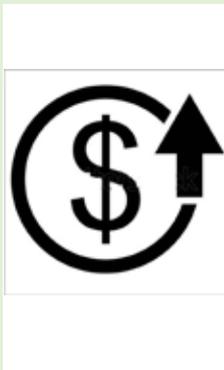
Indonesia is Top Palm Oil Supplier

Nations around the world are waking up to the threat of a global food crisis and taking steps to secure their own supplies. War between Russia and Ukraine, two of the grain powerhouses, has sparked panic about shortages, soaring prices and a potential squeeze on Russian fertilizer. That’s triggered export restrictions from Asia to the Americas, while the European Union signalled that it will pivot its “whole approach” to agriculture policy to ensure food security. The invasion of Ukraine, known as Europe’s breadbasket, jolted commodities markets and countries responded by hoarding grains and cooking oil, or encouraging bigger harvests. The Group of Seven nations and the United Nations’ Food and Agriculture Organization are urging leaders to keep trade flows



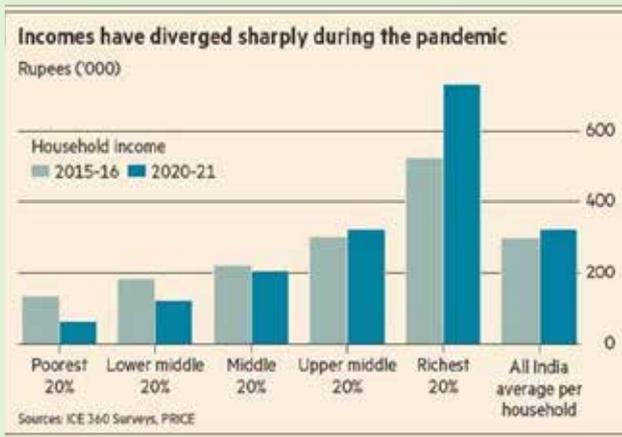
open, warning that protectionism can push prices higher and lead to empty shelves in countries dependent on imports. Indonesia, the biggest producer of crude palm oil, is raising export duties to \$675 a ton, based on current prices, from \$375.

Returns vs U.S. Dollar Over the Last 10 Years



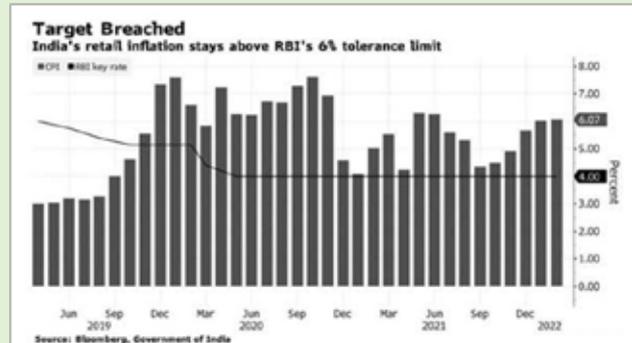
Bitcoin:	+920,000%
Indian Rupee:	-35%
Mexican Peso:	-38%
South African Rand:	-51%
Brazilian Real:	-66%
Russian Ruble:	-72%
Iranian Real:	-72%
Turkish Lira:	-88%
Argentine Peso:	-96%
Syrian Pound:	-98%
Venezuelan Boliver:	-99.999%

India's Uneven Economic Rebound



The world's fastest-growing large economy has bounced back from Covid-19 but many people are not seeing the rewards, especially in the informal sector. Two years after the coronavirus pandemic plunged the country of 1.4bn into a devastating recession, India is now the fastest-growing large economy in the world. The IMF expects India to grow by 9 per cent this year, with economic activity rebounding after a mild Omicron infection wave. Corporate profits have surged, as has tax revenue. At the same time, Prime Minister Narendra Modi led BJP championed direct benefit transfers and provision of utilities such as cooking gas and electricity to the poor, helping improve living standards. Schemes to create bank accounts, coupled with the spread of cheap mobile phones, have led to rapid uptake of financial and digital services. India's corporate sector has thrived as a result of the BJP's supply-side approach.

India Rate-Setters Say Inflation Outlook Overtaken by War



According to Indian rate-settlers, supply disruptions will add to inflation already above target. RBI's rate panel is due to review policy early next month. Shashanka Bhide, an external member in the six-member Monetary Policy Committee, is the latest rate-setter to say that the Reserve Bank of India's February predictions would need to be revised given the war-induced surge in energy and food prices and the threat to global economic growth. "The conditions what we see now are quite different from what we saw at the beginning of February," Bhide said in an interview. "The projections will have to take into account the changed scenario." Bhide's comments follow similar statements from his MPC colleagues Jayanth Rama Varma, Ashima Goyal and Michael Patra, who have said the projections would require a "thorough re-assessment" at their meeting early next month.

Which Currencies Are Most Used in Global Transactions?

CURRENT RANK	CURRENCY	DEC. 2021	NOV.	OCT.
1	USD	40.51%	39.16%	39.16%
2	EUR	36.65%	37.66%	38.07%
3	GBP	5.89%	6.72%	6.41%
4	CNY	2.70%	2.14%	1.85%
5	JPY	2.58%	2.58%	2.90%

Reuters data

Latest Data on Indian Cotton Yarn Market

Shares in Indian cotton yarn export market in Jan 2022					
Country	exports (Dec 2021) ton	proportion	exports (Jan 2022) ton	proportion	Change
Bangladesh	48,519.95	40%	49,563.20	45%	↗
China	11,995.54	10%	6,944.23	6.2%	↘
Egypt	6,116.60	5%	5,415.67	5%	→
Turkey	10,899.08	9%	6,990.01	6.3%	↘
Peru	4,718.81	4%	4,894.15	4%	→
Portugal	8,274.35	7%	5,598.13	5%	↘
South Korea	3,883.14	3%	3,097.96	3%	→
Vietnam	4,349.50	4%	5,144.27	5%	↗
Columbia	2,240.86	2%	2,407.94	2%	→
Guatemala	1,907.11	1%	2,004.12	2%	↗

Judging from the proportion of Indian main cotton yarn export market in Jan 2022, China lost the second largest market for Indian cotton yarn and was overtaken by Turkey, accounting for about 6.2% of Indian cotton yarn export market in Jan 2022, down 4% from Dec 2021. Bangladesh, with a share of about 45%, remained the largest market for Indian cotton yarn, up 5% from Dec

2021. Turkey, now the second largest export market for Indian cotton yarn, accounted for 6.3%, down 3% from Dec 2021. Portugal, Egypt and Vietnam ranked fourth, fifth and sixth, accounting for about 5%, Peru accounted for 4%, South Korea accounted for 3%, and other countries accounted for less than 3%.

Shares in Indian cotton yarn export market in Jan 2022				
Country	Jan-21 ton	Jan-22 ton	year-on-year %	month-on-month %
Total exports	82,239.74	110,835.33	34.77	-9.72
Bangladesh	15,730.82	49,563.20	215.07	2.15
Turkey	463.38	6,990.01	1408.48	-35.87
China	21,799.34	6,944.23	-68.14	-42.11
Portugal	1,993.45	5,598.13	180.83	-32.34
Egypt	4,021.16	5,415.67	34.68	-11.46
Vietnam	6,664.97	5,144.27	-22.82	18.27
Peru	4,756.69	4,894.15	2.89	3.72
South Korea	4,244.24	3,097.96	-27.01	-20.22
Columbia	3,919.88	2,407.94	-38.57	7.46
Guatemala	872.45	2,004.12	129.71	5.09

In Jan 2022, Indian cotton yarn exports to China were significantly lower than the same period last year. From the year-on-year changes, Turkey saw the largest year-on-year increase, up 1408.48%. From the month-on-month changes, with the exception of Bangladesh, Vietnam, Peru,

Colombia and Guatemala, other markets declined by varying degrees. As the largest export market for Indian cotton yarn, the exports to Bangladesh rose slightly month-on-month and continued to take the first place in Jan 2022.

Indian cotton yarn exports to China in Jan 2022					
Description	Jan-21	Jan-22	year-on-year	month-on-month	Proportion
	ton	ton	%	%	%
Carded C8-25S/1	9,725.95	3,876.71	-60.14	-37.89	55.83
Combed C8-25S/1	3,701.05	262.52	-92.91	-19.08	3.78
Combed C25-30S/1	3,643.78	1,192.07	-67.28	61.67	17.17
Combed C30-47S/1	2,615.49	552.61	-78.87	-72.08	7.96
Total	19686.3	5883.9	-70.1	-36.61	8.47

Exports of four mainstream Indian cotton yarns to China all decreased year-on-year and month-on-month in Jan 2022. The exports to China all reduced. In Jan 2022, the main varieties of Indian cotton yarns exported to China were carded C8-25S/1, accounting for 55.83%, and the export volume was 3,876.71 tons, down 60.14% from the same period last year. The proportion of combed C8-25S/1 and C25-30S/1 dropped by 3.78% and 17.17% respectively, down 92.91% and 67.28% respectively compared with the same period last year; while the export of combed C30-47S/1 decreased by 78.87% compared with the same

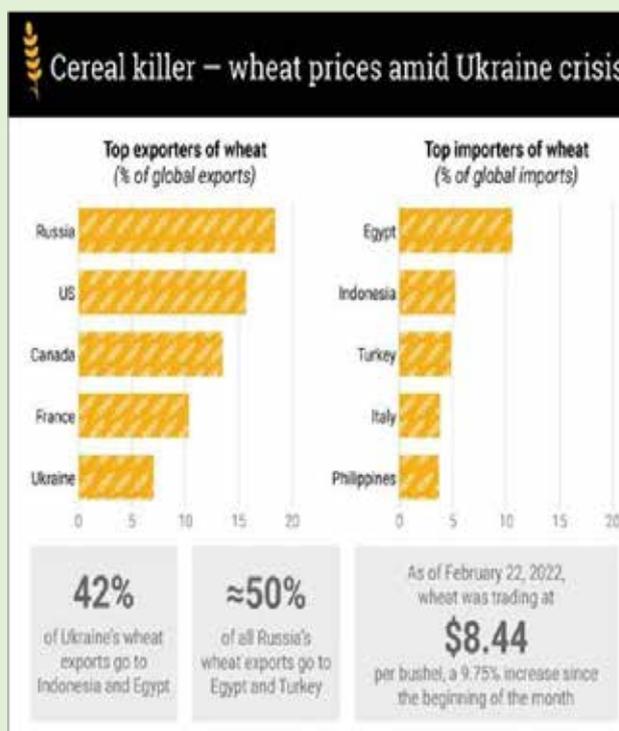
period last year, and the export volume reached 552.61tons.

In conclusion, Indian cotton yarn exports in Jan 2022 moved down year-on-year but down month-on-month. Major export markets were Bangladesh, Turkey and China. The exports to China fell sharply year-on-year and month-on-month. In Jan 2022, the export of the four main Indian yarns exported to China all decreased compared with the same period last year, and so did the month-on-month comparison. Indian carded C8-25S/1 saw the largest export among the four mainstream Indian cotton yarns.

Global Central Bank Update

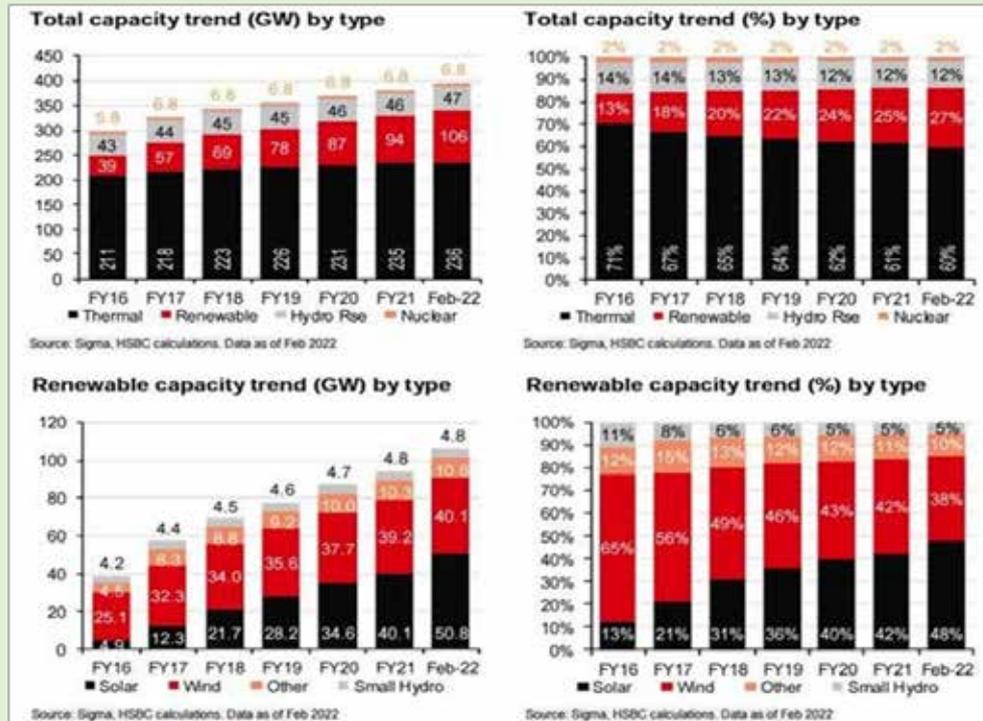
Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Switzerland	Target Rate	-0.75%	2.2%	-3.0%	Cut	Jan-15
Denmark	Deposit Rate	-0.60%	4.8%	-5.4%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	5.8%	-6.3%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	0.5%	-0.6%	Cut	Jan-16
Sweden	Repo Rate	0.00%	3.7%	-3.7%	Hike	Dec-19
Australia	Cash Rate	0.10%	3.5%	-3.4%	Cut	Nov-20
US	Fed Funds	0.13%	7.9%	-7.8%	Cut	Mar-20
UK	Bank Rate	0.50%	5.5%	-5.0%	Hike	Feb-22
Thailand	Policy Rate	0.50%	5.3%	-4.8%	Cut	May-20
Canada	Overnight	0.50%	5.1%	-4.6%	Hike	Mar-22
Norway	Deposit Rate	0.50%	3.7%	-3.2%	Hike	Dec-21
Hong Kong	Base Rate	0.86%	1.2%	-0.3%	Cut	Mar-20
New Zealand	Cash Rate	1.00%	5.9%	-4.9%	Hike	Feb-22
Taiwan	Discount Rate	1.13%	2.4%	-1.3%	Cut	Mar-20
Saudi Arabia	Reverse Repo	1.20%	1.2%	0.0%	Cut	Mar-20
South Korea	Repo Rate	1.25%	3.7%	-2.5%	Hike	Jan-22
Malaysia	Policy Rate	1.75%	2.3%	-0.6%	Cut	Jul-20
Philippines	Key Policy Rate	2.00%	3.0%	-1.0%	Cut	Nov-20
Poland	Repo Rate	3.50%	9.2%	-5.7%	Hike	Mar-22
Indonesia	Repo Rate	3.50%	2.1%	1.4%	Cut	Feb-21
China	Loan Prime Rate	3.70%	0.9%	2.8%	Cut	Jan-22
Peru	Policy Rate	4.00%	6.2%	-2.2%	Hike	Mar-22
Colombia	Repo Rate	4.00%	8.0%	-4.0%	Hike	Jan-22
India	Repo Rate	4.00%	6.0%	-2.0%	Cut	May-20
South Africa	Repo Rate	4.00%	5.7%	-1.7%	Hike	Jan-22
Czech Republic	Repo Rate	4.50%	9.9%	-5.4%	Hike	Feb-22
Chile	Base Rate	5.50%	7.8%	-2.3%	Hike	Jan-22
Mexico	Overnight Rate	6.00%	7.3%	-1.3%	Hike	Feb-22
Brazil	Target Rate	10.75%	10.4%	0.4%	Hike	Feb-22
Turkey	Repo Rate	14.00%	54.4%	-40.4%	Cut	Dec-21
Russia	Key Policy Rate	20.00%	9.2%	10.8%	Hike	Feb-22
Argentina	Benchmark Rate	42.50%	50.7%	-8.2%	Hike	Feb-22

Russia's Invasion of Ukraine Is Bad News For Food Prices Worldwide



Renewable Capacity in India

In India, with 11.9 GW of renewable capacity additions so far in FY 22, total renewable capacity in India reached 106 GW in Feb 2022, representing 27% of total installed capacity (vs 13% in FY16). Solar now has the largest share in installed renewable capacity at 48% (vs 13% in FY16).



Global Inflation Rates

Country	CPI Inflation (YoY %)
JAPAN	0.5%
CHINA	0.9%
HONG KONG	1.2%
SAUDI ARABIA	1.6%
INDONESIA	2.1%
SWITZERLAND	2.2%
TAIWAN	2.4%
PHILIPPINES	3.0%
AUSTRALIA	3.5%
FRANCE	3.6%
SOUTH KOREA	3.7%
SWEDEN	3.7%
SINGAPORE	4.0%
PORTUGAL	4.2%
FINLAND	4.5%
GERMANY	5.1%
CANADA	5.1%

Country	CPI Inflation (YoY %)
THAILAND	5.3%
UK	5.5%
IRELAND	5.6%
ITALY	5.7%
SOUTH AFRICA	5.7%
NEW ZEALAND	5.9%
INDIA	6.1%
MEXICO	7.3%
SPAIN	7.4%
US	7.9%
POLAND	8.5%
RUSSIA	9.2%
BRAZIL	10.5%
ARGENTINA	52.3%
TURKEY	54.4%
VENEZUELA	340%

CAI Welcomes ECOM AGRO and LDC on March 15th 2022

Mr. Mitesh Shah, Louis Dreyfus Co. (India) Pvt. Ltd. (LDC), Asia Head and Mr. Sumeet Mittal, LDC India Head, visited CAI on 15th March 2022.

The ECOM AGRO team including Mr. Felipe Esteve, CEO; Mr. Charles Jannet, Head of Central Desk, Mr. Marco Chapa, Global Director of Operations and Mr. R. Srikanta, ECOM India, also visited the CAI on 15th March 2022.

Both the teams separately had far-ranging discussions on the Indian and International cotton scenario with the CAI team headed by Mr. Atul Ganatra, President, CAI.



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 March 2022					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	21st	22nd	23rd	24th	25th	26th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	15129 (53800)	15129 (53800)	15269 (54300)	15325 (54500)	15325 (54500)	15466 (55000)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	15269 (54300)	15269 (54300)	15410 (54800)	15466 (55000)	15466 (55000)	15607 (55500)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	11810 (42000)	12373 (44000)	12935 (46000)	13216 (47000)	13301 (47300)	13385 (47600)
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	19543 (69500)	19543 (69500)	19965 (71000)	20106 (71500)	20106 (71500)	20303 (72200)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	22018 (78300)	22158 (78800)	22299 (79300)	22440 (79800)	22496 (80000)	22918 (81500)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	19403 (69000)	19543 (69500)	19740 (70200)	19825 (70500)	19825 (70500)	19965 (71000)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	22215 (79000)	22355 (79500)	22496 (80000)	22580 (80300)	22777 (81000)	23340 (83000)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	20049 (71300)	20106 (71500)	20246 (72000)	20246 (72000)	20246 (72000)	20528 (73000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	20893 (74300)	21006 (74700)	21146 (75200)	21146 (75200)	21146 (75200)	21512 (76500)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	22918 (81500)	23199 (82500)	23311 (82900)	23311 (82900)	23396 (83200)	23958 (85200)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	22833 (81200)	23058 (82000)	23340 (83000)	23424 (83300)	23508 (83600)	23902 (85000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	22890 (81400)	23115 (82200)	23396 (83200)	23480 (83500)	23564 (83800)	23958 (85200)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	22805 (81100)	22946 (81600)	23227 (82600)	23311 (82900)	23396 (83200)	23902 (85000)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	21680 (77100)	22102 (78600)	22496 (80000)	22496 (80000)	22637 (80500)	23058 (82000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	23452 (83400)	23677 (84200)	23958 (85200)	24183 (86000)	24267 (86300)	24914 (88600)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	23508 (83600)	23733 (84400)	24014 (85400)	24239 (86200)	24324 (86500)	24970 (88800)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	23115 (82200)	23340 (83000)	23621 (84000)	23818 (84700)	23902 (85000)	24464 (87000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	24071 (85600)	24183 (86000)	24464 (87000)	24661 (87700)	24942 (88700)	25645 (91200)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	24211 (86100)	24324 (86500)	24605 (87500)	24802 (88200)	25083 (89200)	25786 (91700)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	24324 (86500)	24464 (87000)	24746 (88000)	25167 (89500)	25449 (90500)	26152 (93000)
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	24408 (86800)	24549 (87300)	24830 (88300)	25252 (89800)	25533 (90800)	26236 (93300)
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.)	N.A. (N.A.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	27276 (97000)	27276 (97000)	27276 (97000)	27276 (97000)	27558 (98000)	28542 (101500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	28964 (103000)	28964 (103000)	28964 (103000)	28964 (103000)	29245 (104000)	30229 (107500)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	28682 (10200)	28682 (10200)	28682 (10200)	28682 (10200)	28964 (10300)	29948 (106500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	30088 (107000)	30088 (107000)	30088 (107000)	30088 (107000)	30369 (108000)	31354 (111500)

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