

Weekly Publication of



Cotton  
Association  
of India

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

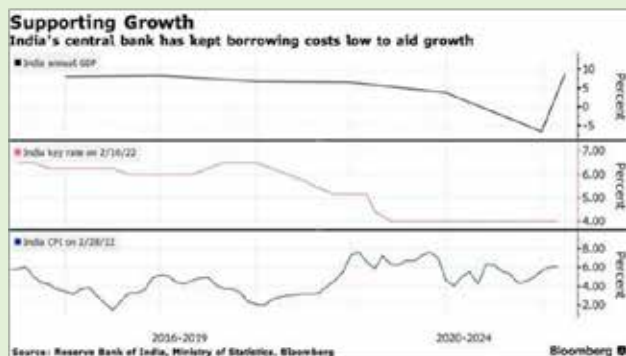
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## The Month That Was - Snippets for April 2022

### Indian Manufacturers Unable to Absorb Rising Input Costs



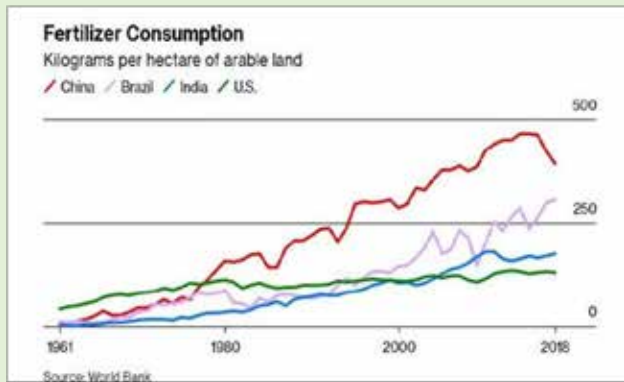
Indian manufacturers are running out of capacity to absorb rising input costs, with an increasing number passing it along to consumers in an economy already grappling with Asia's third-fastest inflation and an uneven recovery. Companies from the Indian units of Unilever Plc and Suzuki Motor Corp. to homegrown JSW Steel Ltd. are raising prices in response to the global supply squeeze made worse by the surge in energy costs following Russia's invasion of Ukraine. Higher retail fuel prices are also threatening to hurt demand just as the economy returned to its first full-year of growth after the pandemic-induced 6.6% contraction in the fiscal year ended March 2021. "Inflation remains unabated and is a cause of concern for the second year in a row," Companies passing on costs will add to inflationary pressures, but the consumer price-targeting RBI has maintained that the current spike is supply driven and best dealt with by the government.

### World Bank Cuts East Asia GDP Growth Forecasts, Warns of Risks



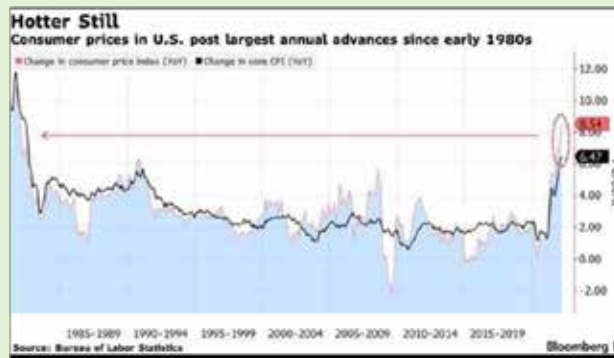
The World Bank has lowered its growth forecasts for East Asia and the Pacific to 5% from 5.4% forecast in October, and warned growth could slow to 4% if conditions weaken further. The latest outlook reflects a hit to the region from Russia's invasion of Ukraine, rising interest rates in the U.S. and slowing growth in China. Ongoing supply chain shocks are continuing to hamper manufacturers and push up prices, the World Bank said in its Spring 2022 East Asia and Pacific Economic Update. China, which accounts for 86% of regional output according to the World Bank, is tipped to expand by 5% in its baseline scenario and 4% in the downside scenario. For the rest of the region, output is tipped to expand 4.8% in the base case and 4.2% in the downside scenario. The latter outcome would trigger 6 million more people remaining trapped in poverty at the \$5.50 per day threshold.

## The Fertilizer Shock Might Change Agriculture—For the Better



Can record prices of fertilizer spur efficiencies that would benefit the environment, as happened with the oil shock of the 1970s? Commercial farmers the world over, are asking the same question. Costs for the chemical fertilizers that power modern agriculture – nitrogen, phosphorus, and potassium – were already soaring in 2021 for a variety of reasons: a runup in natural gas, the primary feedstock for much of the nitrogen fertilizer produced globally; late summer storms on the U.S. Gulf Coast that temporarily closed plants in the region; government sanctions on a major Belarusian potash producer in response to a journalist’s arrest; and growing resource nationalism on the part of countries such as China, the largest phosphate producer, which began restricting exports last year. All this before the Russia - Ukraine War which has given fresh jolt to prices.

## U.S. Consumer Prices Rise in March By the Most Since Late 1981



U.S. consumer prices rose in March by the most since late 1981, underscoring the painfully high cost of living and reinforcing pressure on the Federal Reserve to raise interest rates even more aggressively. The consumer price index increased 8.5% from a year earlier following a 7.9% annual gain in February, Labor Department data showed Tuesday. The widely followed inflation gauge rose 1.2% from a month earlier, the biggest gain since 2005. Gasoline costs drove half of the monthly increase, while food was also a sizable contributor, as Americans paid more for vegetables, meats and dairy products. Excluding volatile food and energy components, so-called core prices increased 0.3% from a month earlier and 6.5% from a year ago, due in large part to the biggest drop in used vehicle prices since 1969 and a deceleration in price growth in other merchandise categories.

## China’s \$2.3 Trillion Infrastructure Plan Puts America’s to Shame



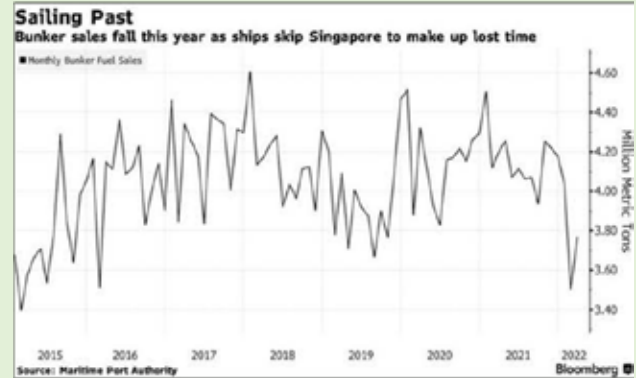
With corona virus lock-downs, a real estate downturn and surging oil prices stemming from Russia’s invasion of Ukraine, Chinese President Xi Jinping is turning to reliable allies to keep his ambitious economic growth target in reach: the country’s more than 50 million construction workers. At Beijing’s behest, local governments have drawn up lists of thousands of “major projects,” which they’re being put under intense pressure to see through. Planned investment this year amounts to at least 14.8 trillion yuan (\$2.3 trillion), according to a Bloomberg analysis. That’s more than double the new spending in the infrastructure package the U.S. Congress approved last year, which totals \$1.1 trillion spread over five years.

## The World Faces a Synchronized Inflation Outbreak

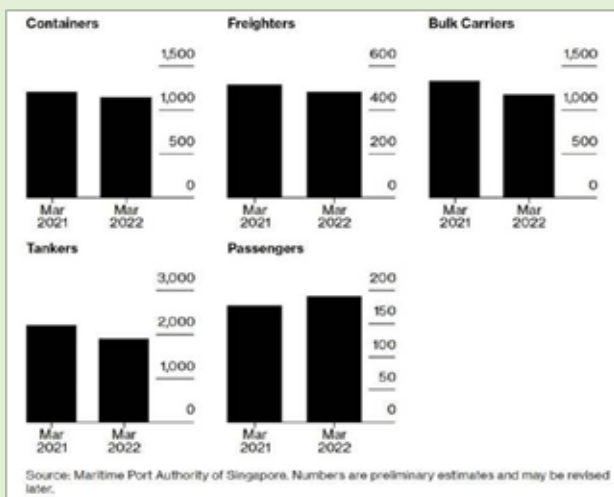


The world is now facing a synchronized inflation outbreak as food and energy prices surge in Asia, a shift from just a few months ago when the region appeared to avoid the price fever gripping the U.S. and parts of Europe. Inflation readings across the region -- China, India, Indonesia, Philippines, Thailand and South Korea -- recently rose more than forecast, while New Zealand on Wednesday hiked rates by the most in 22 years over price worries. And accelerating manufacturing costs suggest the worst is yet to come. Markets are starting to price in rising inflation expectations and more aggressive central bank action across much of Asia. That's beginning to mirror trends seen in the U.S., where data Tuesday showed consumer prices last month rose by the most since late 1981, piling fresh pressure on the Federal Reserve to respond. Regional government bond yields have risen through this year, led by South Korea, with the emerging Asia total return index down 2.6%, its worst performance since 2013.

## China Port Delays Spur Ships to Bypass Singapore for Fuel Stop

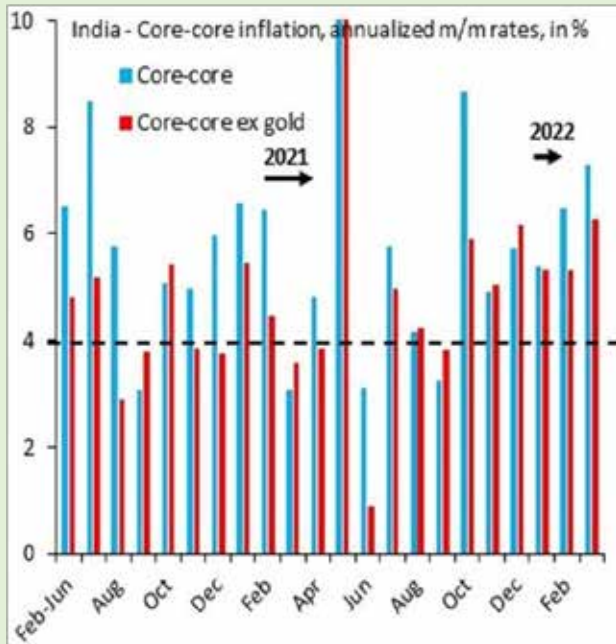


Singapore's bunker fuel sales fall to six-year seasonal low. Ships skip Singapore refueling hub to bunker in China: traders. A total of 3,020 ships called at the city state to refuel last month, 441 fewer than a year earlier, according to preliminary data released by the Maritime Port Authority. That's led to bunker fuel sales falling to 3.77 million tons in March, the lowest seasonally since 2016. Bunkering is the supplying of fuel for use by ships. Fewer ships are stopping at Singapore as congestion at ports globally prompts companies to skip the transit hub between East and West. Shanghai's lockdown to contain China's worst Covid outbreak since 2020 has created gridlock at the world's largest container port, with queues of vessels building there and at other stops handling diverted shipments. The situation has put more pressure on already strained global supply chains.



Hundreds of bulk ships are waiting off East China to unload raw commodities and are likely to refuel in Guangzhou or Zhoushan instead of Singapore to save on time, traders said. Ships are "locked up waiting in congested areas" and are burning lots of fuel, Jeremy Nixon, chief executive officer of Ocean Network Express, said on April 5. Singapore is typically a refuelling stop for container ships passing through the Strait of Malacca as they take goods from Northeast Asia to Europe. Bulk carriers transporting iron ore from South America to China and tankers carrying crude oil from the Middle East to Asia also pass the port.

## India's Core Inflation Momentum Is High



India's core inflation momentum was as high as 7.3% in March; 6.3% excluding gold. More to come when the impact of Ukraine is felt in full. These high figures will make the RBI move from tinkering with the policy rate corridor to straight hikes. Analysts' pencil in 25 bps for June.

## Year to Date Emerging Markets Equity Returns



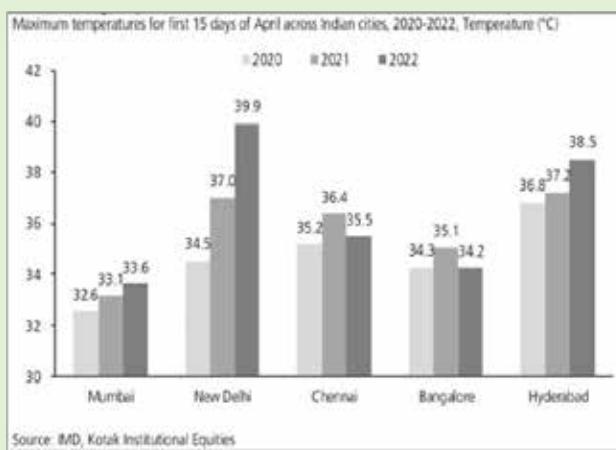
EM index down 11% this year, led by the heavyweights China, Taiwan and Korea. India, the third largest weight in the EM index, also down 4%. LATAM and the Gulf countries have been the best performing markets.

## Hotspots for Digital Nomads



If you're interested in working remotely, have you considered doing so from Portugal or Spain? The pandemic has enabled some professionals to work remotely from home – or anywhere. Digital nomads wander the world in search of the perfect place to hunker down with their laptops, prompting some countries to offer them special visas. Where should you go if you can work from anywhere? Take your pick from the Top 10 above.

## Rising Temperatures Means Rising Power Demand



Rising temperature across Indian cities has been a critical factor for increase in power demand.

# Major Emerging Markets Vulnerable to Fallout from Russia – Ukraine War

## Who's At Risk?

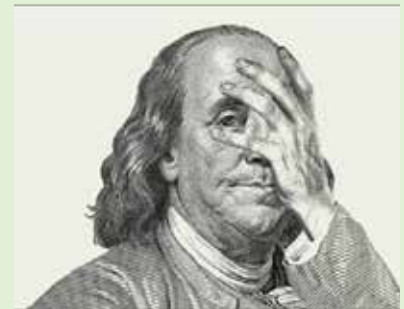
Turkey and Egypt head the Bloomberg Economics list of major emerging markets vulnerable to fallout from the war in Ukraine

	Overall exposure	Capital flight risk exposure	Net energy exports	Net grain exports	Trade and investment exposure to Russia
	Rank	Rank	% of GDP	% of GDP	% of GDP
Turkey	1	2	-0.9	-0.4	2.68
Egypt	2	4	-0.9	-1.6	1.12
Vietnam	3	15	-3.6	-0.9	1.33
Philippines	4	10	-3.5	-0.5	0.44
Poland	5	7	-2.3	0.1	3.45
South Korea	6	17	-5.2	-0.2	1.11
Thailand	7	16	-4.6	-0.1	0.51
Chile	8	8	-3.8	-0.2	0.04
China	9	11	-2.1	0.0	0.56
Peru	10	13	-1.2	-0.6	0.20
Malaysia	11	9	1.2	-0.3	0.27
India	12	14	-3.8	0.0	0.28
South Africa	13	5	-1.7	-0.1	0.15
Mexico	14	11	-1.2	-0.3	0.15
Colombia	15	5	5.3	-0.5	0.11
Brazil	16	3	0.3	0.3	0.20
Argentina	17	1	-0.3	1.8	0.11
Indonesia	18	18	1.0	-0.3	0.20
Saudi Arabia	19	19	24.8	-0.1	0.23

Sources: OECD, IMF, UN, World Bank, Bloomberg Economics

A perfect storm of surging fuel and food prices, Fed rate hikes and mounting debt is pushing emerging markets to the brink. Turkey, Egypt and Vietnam head the Bloomberg list of major emerging markets vulnerable to fallout from the war in Ukraine.

# Why The Federal Reserve Has Made a Historic Mistake on Inflation?



What comes next will set the path for the world economy. Central banks are supposed to inspire confidence in the economy by keeping inflation low and stable. America's Federal Reserve has suffered a hair-raising loss of control. In March consumer prices were 8.5% higher than a year earlier, the fastest annual rise since 1981. In Washington, inflation-watching is usually the preserve of wonks in shabby offices. Now nearly a fifth of Americans say inflation is the country's most important problem; and Democrats are searching for villains to blame, from greedy bosses to Vladimir Putin. It is the Fed, however, that had the tools to stop inflation and failed to use them in time. The result is the worst overheating in a big and rich economy in the 30-year era of inflation-targeting central banks. The good news is that inflation may have peaked at last. But the Fed's 2% target will remain a long way off -forcing agonising choices on the central bank.

# IMF Growth Projections - April 2022



Compiled by Shri. Kunal Thakkar

## Glimpses of Ram Navami

Celebrations held at the Shree Ram Temple, Cotton Green from 2nd to 11th April 2022.



## Supply and Distribution of Cotton

01 April 2022

Seasons begin on August 1

Million Metric Tons

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>BEGINNING STOCKS</b>						
<b>WORLD TOTAL</b>	<b>20.53</b>	<b>18.88</b>	<b>19.43</b>	<b>19.34</b>	<b>22.12</b>	<b>20.63</b>
China	12.65	10.35	9.03	8.88	9.02	9.30
USA	0.83	0.60	0.82	0.83	1.23	0.26
<b>PRODUCTION</b>						
<b>WORLD TOTAL</b>	<b>23.38</b>	<b>27.00</b>	<b>25.98</b>	<b>26.27</b>	<b>24.39</b>	<b>26.43</b>
India	5.86	6.35	5.66	6.20	6.02	5.79
China	4.90	5.89	6.04	5.80	5.91	5.73
USA	3.74	4.56	4.00	4.34	3.18	3.84
Brazil	1.53	2.01	2.78	3.00	2.36	2.82
Pakistan	1.66	1.80	1.67	1.46	0.96	1.27
Uzbekistan	0.96	0.96	0.64	0.53	1.03	0.94
Others	4.72	5.44	5.20	4.94	4.93	6.04
<b>CONSUMPTION</b>						
<b>WORLD TOTAL</b>	<b>24.90</b>	<b>26.35</b>	<b>26.01</b>	<b>23.05</b>	<b>25.66</b>	<b>26.16</b>
China	8.28	8.50	8.25	7.23	8.40	8.31
India	5.15	5.42	5.40	4.45	5.70	5.60
Pakistan	2.22	2.35	2.36	2.34	2.15	2.45
Europe & Turkey	1.66	1.73	1.82	1.60	1.70	1.74
Bangladesh	1.41	1.66	1.58	1.50	1.64	1.73
Vietnam	1.17	1.51	1.51	1.45	1.52	1.68
Brazil	0.69	0.68	0.73	0.57	0.69	0.70
USA	0.71	0.70	0.63	0.47	0.52	0.56
Others	3.62	3.80	3.73	3.44	3.35	3.40
<b>EXPORTS</b>						
<b>WORLD TOTAL</b>	<b>8.29</b>	<b>9.14</b>	<b>9.28</b>	<b>9.21</b>	<b>10.60</b>	<b>10.07</b>
USA	3.33	3.64	3.37	3.47	3.63	2.96
Brazil	0.61	0.91	1.31	1.95	2.40	2.21
CFA Zone	1.00	1.06	1.16	1.07	1.18	1.20
India	0.99	1.13	0.76	0.70	1.33	1.10
Australia	0.81	0.85	0.79	0.30	0.34	0.81
Uzbekistan	0.38	0.22	0.16	0.10	0.01	0.01
<b>IMPORTS</b>						
<b>WORLD TOTAL</b>	<b>8.09</b>	<b>9.04</b>	<b>9.22</b>	<b>8.77</b>	<b>10.39</b>	<b>10.07</b>
China	1.10	1.32	2.10	1.60	2.80	2.31
Vietnam	1.20	1.52	1.51	1.41	1.55	1.70
Bangladesh	1.41	1.67	1.54	1.50	1.69	1.69
Turkey	0.84	0.96	0.79	1.02	1.16	1.17
Indonesia	0.74	0.77	0.66	0.55	0.50	0.54
TRADE IMBALANCE †	-0.20	-0.10	-0.06	-0.44	-0.21	0.00
STOCKS ADJUSTMENT ‡	0.07	0.00	0.00	-0.01	0.00	0.00
<b>ENDING STOCKS</b>						
<b>WORLD TOTAL</b>	<b>18.88</b>	<b>19.43</b>	<b>19.34</b>	<b>22.12</b>	<b>20.63</b>	<b>20.90</b>
China	10.35	9.03	8.88	9.02	9.30	9.00
USA	0.60	0.82	0.83	1.23	0.26	0.59
<b>ENDING STOCKS/MILL USE (%)</b>						
<b>WORLD-LESS-CHINA *</b>	<b>51.31</b>	<b>58.29</b>	<b>58.86</b>	<b>82.72</b>	<b>65.59</b>	<b>66.68</b>
<b>CHINA **</b>	<b>125.03</b>	<b>106.27</b>	<b>107.69</b>	<b>124.82</b>	<b>110.77</b>	<b>108.29</b>
<b>COTLOOK A INDEX***</b>	<b>82.77</b>	<b>87.98</b>	<b>84.35</b>	<b>71.33</b>	<b>84.96</b>	

† The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

‡ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.

\* World-less-China's ending stocks divided by World-less-China's mill use, multiplied by 100.

\*\* China's ending stocks divided by China's mill use, multiplied by 100.

\*\*\* U.S. Cents per pound. Average price for a given season, August 1 to July 31 or average-to-date.

Source : ICAC Cotton This Month, April 01, 2022

UPCOUNTRY SPOT RATES													
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [ By law 66 (A) (a) (4) ]								Spot Rate (Upcountry) 2021-22 Crop April 2022					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	18th	19th	20th	21th	22th	23th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	16872 (60000)	16872 (60000)	16703 (59400)	16703 (59400)	16703 (59400)	16591 (59000)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	17069 (60700)	17069 (60700)	16900 (60100)	16900 (60100)	16900 (60100)	16788 (59700)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	13638 (48500)	13976 (49700)	14060 (50000)	14060 (50000)	13919 (49500)	13779 (49000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15044 (53500)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	21090 (75000)	21090 (75000)	21090 (75000)	21090 (75000)	21090 (75000)	20949 (74500)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	25477 (90600)	25477 (90600)	25308 (90000)	25392 (90300)	25308 (90000)	25167 (89500)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	22018 (78300)	22018 (78300)	21849 (77700)	21849 (77700)	21793 (77500)	21652 (77000)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	25758 (91600)	25758 (91600)	25533 (90800)	25645 (91200)	25561 (90900)	25449 (90500)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	22496 (80000)	22496 (80000)	22355 (79500)	22355 (79500)	22355 (79500)	22215 (79000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	23311 (82900)	23311 (82900)	23115 (82200)	23199 (82500)	23199 (82500)	23058 (82000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	26292 (93500)	26292 (93500)	26067 (92700)	26152 (93000)	26039 (92600)	25870 (92000)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	26123 (92900)	26123 (92900)	26011 (92500)	26152 (93000)	26011 (92500)	25870 (92000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	26180 (93100)	26180 (93100)	26067 (92700)	26208 (93200)	26067 (92700)	25927 (92200)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	26152 (93000)	26152 (93000)	26039 (92600)	26152 (93000)	26067 (92700)	26011 (92500)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	25870 (92000)	25870 (92000)	25589 (91000)	25673 (91300)	25589 (91000)	25505 (90700)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	26995 (96000)	26995 (96000)	26855 (95500)	26967 (95900)	26855 (95500)	26714 (95000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	27051 (96200)	27051 (96200)	26911 (95700)	27023 (96100)	26911 (95700)	26770 (95200)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	26433 (94000)	26433 (94000)	26348 (93700)	26489 (94200)	26433 (94000)	26433 (94000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	27811 (98900)	27811 (98900)	27558 (98000)	27642 (98300)	27558 (98000)	27473 (97700)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	27951 (99400)	27951 (99400)	27698 (98500)	27782 (98800)	27698 (98500)	27614 (98200)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	28401 (101000)	28401 (101000)	28120 (100000)	28120 (100000)	28120 (100000)	27839 (99000)
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	28485 (101300)	28485 (101300)	28204 (100300)	28204 (100300)	28204 (100300)	27923 (99300)
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	31072 (110500)	31072 (110500)	30932 (110000)	30932 (110000)	30932 (110000)	30791 (109500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	32197 (114500)	32197 (114500)	32057 (114000)	32057 (114000)	32057 (114000)	31916 (113500)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	32478 (115500)	32478 (115500)	32338 (115000)	32338 (115000)	32338 (115000)	32197 (114500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	33463 (119000)	33463 (119000)	33322 (118500)	33322 (118500)	33322 (118500)	33181 (118000)

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