

Spinners back on cotton market

KARACHI: Steady conditions were witnessed on the cotton market on Tuesday as needy spinners replenished their stocks actively.

Buyers remained focused on quality cotton which is currently in short supply.

Talking to Dawn, cotton analyst Naseem Usman said that with the passage of time demand for cotton would rise as lint stocks are fast depleting in the country. Cotton prices may increase after January 2020, he added.

Another positive development is related to removal of 5 per cent sales tax on cotton seed oil cake, brokers said. The issues of ginning units with huge cotton stocks would also be over in coming days, they added.

World leading cotton market gave mixed trend. New York cotton moved higher to touch US68-69 cents per lb. Chinese cotton closed steady while Indian cotton was mix.

The Karachi Cotton Association (KCA) spot rates were firm at Rs8,800 per maund.

The following deals were reported to have changed hands on ready counter: 1,400 bales, station Ghotki, at Rs8,950-9,100; 1,600 bales, Rohri, at Rs8,000-8,050; 1,000 bales, Saleh Pat, at Rs8,000-8,200; 1,000 bales, Sadigabad, at Rs8,200-8,900; 800 bales, Rahim Yar Khan, at Rs8,900; 400 bales, Faqirwali, at Rs8,250; and 400 bales, Fort Abbas, at Rs8,400.

The following are Tuesday's Karachi Cotton Association (KCA) official spot rates for the crop (2019-20) local dealings in Pak rupees for base grade 3 staple length 1-1/16` micronair value between 3.8 to 4.9 NCL.

Rate for Ex-Gin Upcountry	Spot rate	Price	Expenses	Ex-Karachi	37.324kg	8,800	160	8,960
Equivalent	40kg	9,431	171	9,602				