

Cotton market steady

MULTAN: The cotton market was steady amid moderate trading on Thursday. However, the Karachi Cotton Association lowered its spot rate by Rs50 to Rs9,050.

Cotton analyst Naseem Usman said that ginnerers are not ready to sell the commodity on lower prices while the millers are using tactics to push down rates.

Meanwhile, the Chinese cotton market is expected to come into full form from March 2 after the new tariff policy on 700 items will be implemented by the US government and cotton is among these items, he added.

Cotton expert Syed Mudabbir Shah said the market is running smoothly since mills which need local cotton are active while big groups are more focused on import.

The following are Thursday'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" micronaire value between 3.8 to 4.9 NCL.

Rate for	Ex-Gin Price	Upcountry Expenses	Spot rate Ex-Karachi
37.324kg	9,050	160	9,210
Equivalent 40kg	9,699	171	9,870

"However, US cotton is a cause of concern for mills which make fine count yarn as they cannot use lint with small length," he explained.

Mills have no other option but to purchase local cotton which has naturally good colour and brightness as compared to imported cotton, he added.

The following deals were reported to have changed hands on ready counter: 1,800 bales, station Rahim Yar Khan, at Rs9,325 and Rs9,150 (respectively 600 bales and 1,200 bales); 600 bales, Haroonabad, at Rs8,800 and Rs8,550 (200 bales and 400 bales respectively); 1,135 bales, Faqirwali, at Rs8,800 and at Rs8,500 (200 bales and 935 bales respectively); 400 bales, Fort Abbas, at Rs8,800; 400 bales, Mianwali, at Rs8,500; 1,200 bales, Fazilpur, at Rs9,600 (credit); 400 bales, Rohri, at Rs8,750; and 200 bales, Ghotki, at Rs9,000.