

Trade activity improves on cotton market

KARACHI: Strong mills' demand and expectations for positive outcome of trade related issues pushed the rate higher on the cotton market on Wednesday in the process of trading activity, dealers said.

The official spot rate maintained overnight level at Rs9000, they added. In ready session, about 4200 bales of cotton changed hands between Rs8650-9350, they said.

Rate of seed cotton per 40kg in Sindh low quality was at Rs2800, while the best quality was at Rs4200, and in the Punjab price of low quality was at Rs3000 while the fine type was at Rs4600, they said.

In Sindh, Binola prices per maund were at Rs1400-1800, in Punjab rates were at Rs1650-1800, they said and rate of polyester fibre was at Rs181 per kg, they said.

Market sources said that the mills and spinners took interest in buying of fine quality to meet their urgent needs. In the meantime, if negative developments appear, this would affect business activity in the coming days. Most of the leading ginneries were least interested in fresh deals ahead of the Pakistan Cotton Ginners Association (PCGA) fortnightly report.

Cotton analyst, Naseem Usman said that discouraging news by the government may hurt business sentiments on economic front and cotton business, as well.

According to reports, investors awaited the signing of an initial US-China trade deal, with sentiment somewhat dented by comments from the US Treasury Secretary that tariffs would remain in place for now.

The news came hours before the signing of a preliminary trade agreement to ease an 18-month-old trade war between the world's two largest economies.

Adds Reuters: ICE cotton futures extended gains for the fifth straight session on Tuesday as investors remained bullish ahead of the much-awaited signing of an interim US-China trade deal.

Cotton contracts for March rose 0.16 cent, or 0.22%, to 71.69 cents per lb by 1:08 p.m. EST (1808 GMT).

Total futures market volume fell by 10,772 to 23,397 lots. Data showed total open interest gained 2,693 to 247,730 contracts in the previous session.

The following deals reported: 200 bales of cotton from Pano Aqil at Rs9300, 400 bales from Fort Abbas at Rs8650, 600 bales from Sadiqabad at Rs8925-9100, 600 bales from Rahim Yar Khan at Rs9100, 400 bales from Chichawatni at Rs9350 and 2000 bales from Khanpur at Rs9100, they said.