

**Bullish trend witnessed on cotton market**

KARACHI: Local cotton market remained bullish on Saturday. Market sources said that increasing trend was witnessed in the market because of the decrease in supply of Phutti due to rains in the cotton producing area of Sindh.

Cotton analyst Naseem Usman told that monsoon season is going to start from July 6.

He also said that rains are good for cotton crop. According to the metrological department it is expected that there will be heavy rainfall in the areas of Sindh including Karachi, Badin, Thahtha, Hyderabad and Mirpurkhas. He also said buyers were taking interest in the buying of both old and new cotton.

It is expected that market will remain bullish on Monday as ginnerers of Sindh had already sold their stock.

Naseem said that while addressing a meeting in Multan agriculture minister Punjab Malik Noman Ahmad Langrial said that government is trying its best to achieve the target of production of 75 lac bales of cotton.

As per the media reports textile exporters are fearing that government in FY 2020-21 would not be in a position to refund of 17 percent tax to exporters as well as custom rebate, duty draw back as a huge amount of worth billions of rupees of exporters is still stuck up with the government which has not been released.

Hence, the textile exporters are deliberating whether to operate industries or close down.

Naseem Usman told that chairman Pakistan Cotton Ginnerers Association Mian Muhammad Javed Sohail Rehmani during a press conference in Multan termed the abolishing of 5 percent sales tax on Banola Khal as victory of cotton and defeat of mafia. Rehmani thanked parliamentarians of all the political parties for playing their role in abolishing the sales tax on Banola Khal. He also said government should play its role for recovering Rs 20 billion from the textile sector.

He said government should also play its role for providing quality seeds of high germination quality to the farmers.

Naseem told that as per media reports government has failed to achieve export target of 25 billion dollars as export stood at 21 billion dollars during July-June 2019-20. Commerce ministry was expecting a four billion dollars loss due to COVID 19 as the country's export hit massively.

Meanwhile Advisor to Prime Minister on Commerce Abdul Razak Dawood in its tweet said that Chief Secretary Punjab informed him that export industries are allowed to work six days a week from 7.00 am to 7.00 pm. This decision will further facilitate exporters.

He told that 800 bales of Tando Adam were sold in between Rs8550 to Rs8500, 200 bales of Sanghar were sold at Rs8475, 200 bales of Tando Muhammad Khan were sold at Rs8475 and 200 bales Hyderabad were sold at Rs8450 per maund.

Naseem said according to the officers of Ministry of National Food Security and Research and Planning Commission the agriculture sector growth target of 3.5 percent for 2019-20 was missed by around one percent and the prospects for achieving 2.8 percent target set for the current financial year are not bright, as the menace of Locust infestation may compromise performance of the sector.

As per details cotton ginning declined by 4.61 percent due to decrease in the production of cotton. Locust attack had damaged cotton crop in some parts of Sindh and Punjab.

Naseem told that every year the cultivated area and production of cotton was announced by Federal Committee of Agriculture but this year nothing was announced from them may be they announced the estimates after thorough review.

Usman told that minister for National Food Security and Research Syed Fakhir Imam in a press conference showed his apprehension that Locusts may attack Pakistan in July.

They can come from Afghanistan, Iran, Africa, Uman and from India. The government of Pakistan is taking steps to save the crop from the attack of Locusts. In this regard National Disaster Management Authority has ordered 11 aero planes for spraying in the fields. He also said that China is also helping us in controlling the Locust attack.

Naseem Usman also said that rate of new cotton of Sindh is Rs8450 to Rs8500 per maund while in Punjab the rate of new cotton is in between Rs8800 to Rs8900.

He told that Phutti of Sindh was sold in between Rs4200 to Rs4300 per 40 kg. The rate of Phutti in Punjab is in between Rs4200 to Rs4600 per 40 kg.

The rate of Banola in Sindh was in between Rs1925 to Rs2000 while the price of Banola in Punjab was in between Rs2000 to Rs2100.

The Spot Rate remained unchanged at Rs8400 per maund. The polyester fiber was available at Rs157 per kg.