

Prices remain stable on cotton market

KARACHI: The rates of cotton remained stable on Wednesday. Market sources told that due to the monsoon rains the quality and supply of the Phutti was also affected. Ginners were buying Phutti according to their needs.

The recent rains in Sindh and other parts of the country are good for cotton crop. The picking of cotton was affected due to rains in the different parts of the country.

Cotton Analyst Naseem Usman told that sowing of cotton crop both in Punjab and Sindh is in final stages. Area cultivated in Punjab as reported by Crop Reporting Services Punjab as on 15th June 2020 was registered at 1.842 million hectares which comprises 91% of the tentative target and about 2.5% less than last year.

Whereas cultivated area in Sindh as on 19-6-2020 was recorder as 0.615 million hectares showing an increase of 2.7% against previous year. It becomes 96% achievement against the target of 0.640 million hectares. The situation of cotton crop in Lower Sindh is very satisfactory. Recent spell of rains is beneficial for cotton crop. There are reports of White Fly, Jassid, Thrips, Army worm and Pink Ball Worm in Punjab.

According to the report released by Directorate General of Pest Warning & Quality Control of Pesticides Punjab, Lahore the pest attack during fourth week of June, 2020 remained higher as compared to third week and corresponding week of the last year.

Meanwhile, the Auditor General of Pakistan (AGP) has started investigation in to the sales tax refunds, duty draw backs and customs rebate paid to exporters under the Prime Minister Relief Package for COVID 19.

Advisor to Prime Minister on Commerce and Investment Abdul Razak Dawood chaired a meeting on duty draw backs, and the minister at the Ministry of Commerce to discuss the progress on various initiatives by the ministry in this regard.

Naseem Usman told that Minister for National Food Security and Research Syed Fakhar Imam said that cotton hedging could be an alternative source of marketing for giving a level playing field and facilitating a smooth flow of national and international trading in cotton.

Moreover, press release issued by the Karachi Cotton Association says that KCA understands from the reports appeared in a section of press that while chairing a meeting on cotton by Federal Minister for National Food Security and Research, the official of Pakistan Mercantile Exchange Limited (PMEX) discussed with the Federal Minister in detail the proposal of Hedge Trading in cotton.

The KCA believes that in order to stabilise cotton prices in the country, Hedge Trading in cotton should be resumed for the benefit of the cotton trade under the aegis of the Karachi Cotton Association with the consultation of all stakeholders of cotton economy as cotton marketing involves a tremendous business risk, it was therefore, necessary that there should be some form of price insurance to reduce the risk of volatile fluctuation in prices.

Naseem told that 600 bales of Tando Adam were sold at Rs 8350 to Rs 8375, 2000 bales of Sanghar were sold at Rs 8325 to Rs 8375 , 1600 bales of Mirpurkhas were sold at Rs 8350, 600 bales of Shahdadpur were sold at Rs 8350 to Rs 8375, 200 bales of Gularrchi at Rs 8350, 600 bales of Kotri at Rs 8350, 600 bales of Shahpur Chakar were sold at Rs 8350 to Rs 8375, 400 bales of Khadro were sold at Rs 8350 to Rs 8375, 600 bales of Burewala were sold at Rs 8650 and 200 bales of Chichawatni were sold at Rs 8650.

Naseem Usman also said that rate of new cotton of Sindh is in between Rs 8350 to Rs 8400 per maund while in Punjab the rate of new cotton is in between Rs 8600 to Rs 8700 per maund.

He told that Phutti of Sindh was sold in between Rs 3500 to Rs 3800 per 40 kg. The rate of Phutti in Punjab is in between Rs 3700 to Rs 4200 per 40 kg.

The rate of Banola in Sindh was in between Rs 1600 to Rs 1650 while the price of Banola in Punjab was in between Rs 1700 to Rs 1750.

The Spot Rate remained unchanged at Rs 8350 per maund. The polyester fiber was available at Rs 157 per kg.