

KCA raises spot rate by Rs100 to Rs 8900

KARACHI: The Spot Rate Committee of the Karachi Cotton Association on Thursday has increased the spot rate by Rs 100 per maund and closed it at Rs 8900 per maund.

Trading activity remained low in the local cotton market after the rains as millers are not taking interest in the buying because of the low quality of cotton due to rains in Sindh and Punjab. The millers started imported cotton from abroad because of the high prices of the local cotton.

Market sources told that market remained stable. Picking was also affected due to rains.

Cotton Analyst Naseem Usman told that Economic Coordination Committee (ECC) of the Cabinet on Wednesday decided to approve increase in KE tariff up to Rs 2.89 per units with implementation from September 1, 2020, and a subsidy of Rs 4.7 billion was also provided to the entity on account of tariff differential.

A meeting of the ECC presided over by the Adviser to Prime Minister, Dr Abdul Hafeez Sheikh, approved the summary moved by the Power Division for the rationalisation of 11 quarterly adjustments of K-Electric Limited from July 2016 to March 2019.

The quarterly adjustments of K-Electric for period from July 2016 to March 2019 will be notified with effect from 1st September 2020 to bring the tariff at par with what is currently in fiddle for consumers of (X-WAPDA) DISCOS.

An official said that the increase in KE tariff was also approved by the ECC meeting on July 3, 2020; however, the ECC's decision was not endorsed by the federal cabinet, thus, the implementation of tariff increase did not happen.

He said again the implementation of the ECC meeting with regards to tariff increase was contingent to the ratification of the decision by the federal cabinet. An average of Rs 2.39 per unit KE tariff would increase from July 1st, 2020; however, its impact on different slabs would be from Rs 1.09 per unit to Rs 2.89 per unit.

Naseem said that according to the sources the government has decided to reduce the rate of Return on Equity of government IPP'S by 41% from existing 17% in sharing details.

Naseem also told that as per media reports Sindh farmers have lost nearly half-a-million bales of cotton ever since the monsoon season began and pest attacks intensified following the humid weather.

"Growers in Mirpurkhas, Sanghar, Umerkot, Khipro etc have lost nearly 400,000-500,000 bales of cotton in the ongoing month, and whatever crop has survived the downpour is of low quality and will sell at below market rates," said Pakistan Cotton Ginners Association's former chairman Dr Jessu Mal Leemani.

"Rains have caused enormous losses to farmers in these districts as there is no concept of crop insurance and the government has yet not announced any financial help for them," he deplored.

Naseem Usman told that 600 bales of Shahdadpur were sold at Rs 8725, 400 bales of Hyderabad were sold at Rs 8750, 200 bales of Moro were sold at Rs 8875, 400 bales of Nawabshah were sold at Rs 8740, 400 bales of Khanewal were sold at Rs 9300, 600 bales of Chichawatni were sold at Rs 9300, 200 bales of Bahawal Nagar were sold at Rs 9150, 200 bales of Gojra were sold at Rs 9050 and 300 bales of Tunsia Shareef were sold at Rs 9000 per maund.

He also told that rate of cotton in Sindh was in between Rs 7600 to Rs 7700. The rate of cotton in Punjab is in between Rs 9100 to Rs 9200. He also told that Phutti of Sindh was sold in between Rs 3700 to Rs 4100 per 40 kg. The rate of Phutti in Punjab is in between Rs 3800 to Rs 4300 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 1800.

The rate of cotton in Balochistan is in between Rs 8700 to Rs 8800. The rate of Phutti in Balochistan is in between Rs 4000 to Rs 4600.

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