

Trading activity remains low on cotton market

KARACHI: Business remained stable on local Cotton market on Friday. 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. Picking was also affected due to rains.

Sheikh Sultan Rehman, vice president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), in an interactive webinar on "Textile Industry of Pakistan: Challenges and Way Forward" said that government must formulate long-term, durable and consistent policies to combat the declining trend in the textile manufacturing and our exports around the world.

He said that since 1950s, the textile sector of Pakistan has been the main driving force of our economy, with more than 60% share in our total exports and offers employment to almost 40% of our work force.

However, there has been a decline in our manufacturing as well as exports of textile products in recent years.

Meanwhile, ICE cotton futures fell on Wednesday, as investors booked profits following gains in the previous session, while a stronger dollar further weighed on the natural fibre. Cotton contracts for December settled down 0.44 cent, or 0.7%, at 64.96 cents per lb.

On Tuesday, prices rose to 66.44 cents per lb, their highest since August 25, when cotton had scaled a near six-month peak. "The funds have gone long and when that happens, you are going to see profits taken as the market goes up," Sid Love, commodity trading adviser at Kansas-based Sid Love Consulting, said, adding that a stronger dollar was also weighing on prices.

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 200 bales of Layyah, 200 bales of Bahawalpur were sold at Rs 9000 and 400 bales of Vehari were sold at Rs 9075 to Rs 9200.

He also told that rate of cotton in Sindh was in between Rs 8500 to Rs 8700. The rate of cotton in Punjab is in between Rs 9200 to Rs 9300. 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 Spot Rate remained unchanged at Rs 8900 per maund. The polyester fiber was available at Rs 153 per kg.