



Commodities: Short supply mars trading on cotton market

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MULTAN: The prices of new season's phutti (seed cotton) on Wednesday increased up to Rs100, however activity remained restricted due to short supply of lint stocks.

The Karachi Cotton Association kept its spot rates unchanged.

Talking to Dawn, experts said cotton exporters were contacted by the Chinese who are interested in buying a sizeable quantity of Pakistani lint.

The Chinese are demanding lint with four per cent trash and 7pc moisture besides low contamination, the experts added.

If the farmers and ginners succeed in picking clean phutti and generating lint with low moisture, Chinese will import a huge quantity from Pakistan where chances to meet the estimated production are already limited, they added.

The ratio of trash and moisture is about 9pc in Pakistani lint.

Sources said that in case farmers and ginners fail to meet the Chinese demand for clean cotton, other countries including Indonesia, Bangladesh and Vietnam are also interested in importing Pakistani cotton.

Dealers who export low quality cotton to Indonesia, Bangladesh and Vietnam are also active on the market.

There are chances that a competition will start between exporters of low quality lint and local spinner who reluctant to purchase old stock on high rates which will result in further.

Prices at future cotton market of New York have been reached at 54 cents. If prices increase up to 100 cent, there are chances that Indian exporters will cancel deals.

Market sources said Indians will take no time to cancel the deals of about 0.5 million cotton bales in case there is a sizeable increase in prices.

The price of 40 kilogram phutti in Thatta was at Rs3,875; Gharo at Rs3,825; Badin at Rs3,800 and Chohar Jamali at Rs3,850.

The following deals were reported to have changed hands on ready counter: 2,575 bales, Bahawalpur, at Rs6,700; 400 bales, Liaquatpur, at Rs7,175; 200 bales, Khanpur at Rs7,150; 200 bales, Fort Abbas, at Rs6,450; and 400 bales, Layyah, at Rs6,300.

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