

Cotton market: steady trend on active buying by mills

RECORDER REPORT

KARACHI (January 06, 2013) : Firmness prevailed on the cotton market on Saturday as came back to cover forward buying, dealers said. Official spot rate was unchanged at Rs 6000, they said. Prices of cottonseed (phutti) in Sindh little changed at Rs 2300-2750 and in Punjab rates of low type was unchanged at Rs 2400 while the best type was up by Rs 100 to Rs 2900, they said. In ready business, over 9000 bales of cotton changed hands between Rs 5400 and Rs 6100, they said. Commenting on the revival of activity, cotton analyst, Naseem Usman said that the cautious buying was seen as mills showed interest in fresh purchasing of cotton. But it was very much clear that prices were steady on the back of ginner's strategy, who did not lower asking prices due to quality factor, he said. He said that gas supply in Sindh was interrupted twice a week, which will keep mills closed and that is not an encouraging factor under the circumstances. According to the Reuters, the US cotton fell on technical selling as the market broke below a short-term trendline after US data showed a 36 percent drop in exports and Beijing confirmed the world's largest textile market will sell some of its massive reserves of fibers. The most-active March cotton contract on ICE Futures US settled down 0.34 cent, or 0.45 percent, at 75.05 cents per lb. Prices had been close to one-month lows at 73.72 cents and on track for their biggest daily drop in six weeks until a late flurry of buying helped prices recover some lost ground shortly before settlement. The following deals were reported: 400 bales of cotton from Tando Adam at Rs 5400, 1000 bales from Upper Sindh (BCI) at Rs 6100, 400 bales from Yazman Mandi at Rs 5850, 400 bales from Faqir Wali at Rs 5900, 400 bales from Bahawal Nagar at Rs 5900, 400 bales from Vehari at Rs 5900, 800 bales from Hasilpur at Rs 5900-5950, 400 bales from Burewala at Rs 5915, 200 bales from Dera Ghazi Khan at Rs 5950, 400 bales from Madrasa at Rs 5950, 200 bales from Fazilpur at Rs 6050, 1000 bales from Rahimyar Khan at Rs 6050-6100, 200 bales from Shadan Lund at Rs 6100 and 1200 bales from Khanpur at Rs 6100, they said.

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=== The KCA Official Spot Rate for Local Dealings in Pak Rupees
----- FOR BASE GRADE 3 STAPLE
LENGTH 1-1/32" -----
MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL
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=== Rate          Ex-Gin Upcountry Spot Rate  Spot Rate  Difference          For
Price   Ex-Karachi Ex. KHI. As  Ex-Karachi                                     on 04.01.2013
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=== 37.324 Kgs    6,000    155    6,155    6,155    NIL
----- Equivalent
----- 40 Kgs    6,430    155
6,585    6,585    NIL
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