

# THE KARACHI COTTON ASSOCIATION

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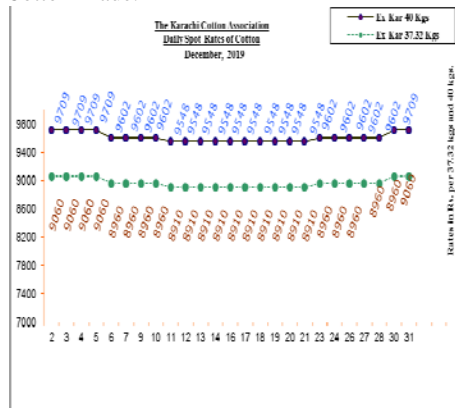
January, 2020

## MONTHLY REVIEW

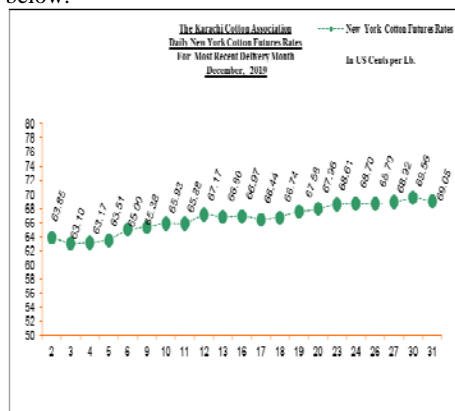
### HIGHLIGHTS OF DELIBERATIONS HELD AT THE MEETING OF THE CROP COMMITTEE OF COTTON ASSOCIATION OF INDIA ON 3<sup>RD</sup> JANUARY 2020: (Source: CAI)

- The cotton crop estimate for the season 2019-20 is retained by the CAI at 354.50 lakh bales i.e. at the same level as estimated by it in the previous month although there are changes in the state-wise crop figures estimated now compared to the previous month.
- There is a reduction of 2 lakh bales in the cotton crop estimate of the Northern Zone from its previous month's estimate i.e. 61 lakh bales as compared to 63 lakh bales estimated earlier as there is a reduction of 2 lakh bales in the cotton crop estimate of Lower Rajasthan compared to that estimated previously. However, there is an increase of 2 lakh bales in the cotton crop estimate of Maharashtra State as migration of cotton crop from Maharashtra to other neighbouring states is not likely to happen this year due to the participation of CCI in the market.
- There is no change in the projection of cotton export for the season and the same is retained at 42 lakh bales as estimated by the CAI previously.
- There is no change in the projection of import of cotton and the same is retained at 25 lakh bales as estimated by the CAI previously. The import figure is lower by 7.00 lakh bales compared to that estimated for the last year.
- The yearly consumption is estimated by the CAI at 331 lakh bales i.e. same as estimated by the Cotton Advisory Board at its meeting held on 28<sup>th</sup> November 2019.
- Indian cotton arrivals during the months of October 2019 to December 2019 are estimated at 125.89 lakh bales.
- Shipment of imports from 1<sup>st</sup> October 2019 to 31<sup>st</sup> December 2019 which have reached Indian Ports are estimated at 6.50 lakh bales while balance 18.50 lakh bales are estimated to arrive Indian Ports during the period from 1<sup>st</sup> January 2020 to 30<sup>th</sup> September 2020 (total imports estimated during the entire season are 25 lakh bales).
- Cotton export shipments from 1<sup>st</sup> October 2019 to 31<sup>st</sup> December 2019 which have already been shipped are estimated at 10 lakh bales while balance 32 lakh bales are expected to be shipped during the period from 1<sup>st</sup> January 2020 to 30<sup>th</sup> September 2020 (total exports estimated during the entire season are 42 lakh bales).
- Consumption by Indian spinning mills for 3 months i.e. from 1<sup>st</sup> October 2019 to 31<sup>st</sup> December 2019 is estimated at 78 lakh bales.
- Cotton stock held by mills in their godowns on 31<sup>st</sup> December 2019 is estimated at 30.89 lakh bales.
- CCI, MNCs, Ginners and MCX are estimated to have stock of about 37 lakh bales as on 31<sup>st</sup> December 2019 which is equal to about 39 lakh running bales.
- Thus, total stock held by spinning mills and stockists on 31<sup>st</sup> December 2019 is estimated at 67.89 lakh bales of 170 kgs. each which is equal to about 72 lakh bales.
- Closing stock as on 30<sup>th</sup> September 2020 is estimated by the Committee at 30 lakh bales of 170 kgs. each.

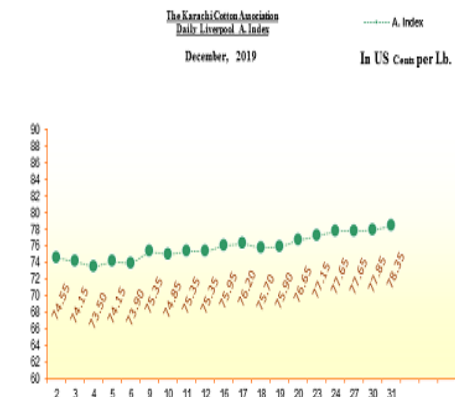
Graphical presentation of the KCA Official Spot Rate for the month of December 2019 is shown below for information of the Cotton Trade.



Graphical presentation of New York Cotton Futures rates for the most recent delivery month during October 2019 is shown below.



Graphical presentation of Cotlook A Index during the month of December 2019 is shown as under.



- **Important News of December, 2019.**
- PRGMEA demands soft loans for upgrading units.
- July-October 2019: Import of textile machinery nosedives to \$153.028 million.
- APTMA criticises raise in power tariff through quarterly adjustments.
- Razak assures APTMA of resolving power tariff issue.
- PHMA lauds government for releasing ST refunds.
- Readymade textiles garments: export increases by 12 percent in July-October 2019.
- Duty-free import of cotton: MoC to send summary to ECC.
- APTMA seeks 5-year policy for textiles, clothing.
- Purchase of cotton from black-market: APTMA accuses commissioner of misleading minister.
- Proposed exemption of cotton seedcake: Finance Division will submit comments to ECC.
- Pakistani companies to participate in Paris textile fair in February.
- Ginners receive 7.86 million bales across country.
- The Cotton Crop Assessment Committee (CCAC) has estimated the local crop output at 9.451 million bales as against the set production targets of 12 million bales during the season.

Dr Abdullah presenting the overview of cotton production scenario in the country informed the meeting that cotton output in Punjab province was expected to reach 6.671 million bales and in Sindh it was assessed at 2.68 million bales.

The crop output of Balochistan was estimated at 0.098 million bales.

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