

Cotton yarn prices drop in India as local & export demand remains weak

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Cotton yarn prices in India slipped further by up to ₹8 per kg as the market received sluggish demand. According to trade sources, domestic demand did not support market sentiment as production activities remained weak in garment units. Export demand is weak due to uncertainty of geo-political developments after Russia's attack on Ukraine.

Domestic demand for summer clothing is not yet visible. A broker from Mumbai told Fibre2Fashion that the market was expecting better demand in March. But current demand was not up to the expectations. Prices fell because market was neither supported by domestic nor export demand. Local demand is expected to pick up after mid-March, but it will be short lived because of financial year ending. He said that around 70-80 per cent power looms are closed temporarily as demand from garment industry was very poor.

Export demand was also low in the market as buyers were not ready to take any risk. Traders said that export demand was already weak, and current crisis added to the worries. Exporters were facing difficulty to get containers. Availability of containers reduced as global vessel

movement was disrupted after Russia-Ukraine conflict and restrictions imposed by the western powers.

In Mumbai market, yarn prices fell by ₹2-8 per kg as demand weakened further. 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,910-1,920 and 1,670-1,720 per 5 kg, respectively. Carded cotton yarn (44/46 count) of warp variety was traded at ₹1,700-1,740 per 5 kg. 80 count carded cotton yarn of weft variety was sold at ₹1,870-1,920 per 4.5 kg.

Tiruppur market also witnessed a downfall in cotton yarn prices. 30 count combed cotton yarn was traded at ₹355-365, 34 count combed at ₹365-375 and 40 count combed at ₹390-400 per kg. Cotton yarn of 30 count carded was sold at ₹315-320, 34 count carded at ₹325-330 and 40 count carded at ₹338-348 per kg, according to Fibre2Fashion's market analysis tool TexPro.

In global market, ZCE cotton yarn May 2022 futures traded lower at CNY 155 to CNY 27,640 per ton and September 2022 traded down CNY 225 at CNY 28,205 per MT today. ZCE cotton March declined CNY 65 to CNY 21,145 per MT and May contract traded down CNY 25 to CNY 20,205 per MT. ICE cotton futures surged on Thursday amid strong exports sales data, while a firmer dollar curbed gains. Cotton contract for May 22 closed at 119.8 cents, up 126 points, Jul 22 closed at 115.86 cents, up 78 points, and Dec 22 closed at 101.58 cents, up 77 points.

Cotton prices edged higher in Gujarat for the second consecutive session on Friday amid continued demand from mills, while daily arrivals registered an increase. 29 mm cotton was traded at ₹76,000 to ₹77,500 per candy. Cotton A grade was traded at ₹76,500 to ₹77,500, B grade at ₹75,000 to ₹75,500 and average grade cotton at ₹73,500 to ₹74,500 per candy. V797 variety was quoted at ₹40,000 to ₹42,000 per candy.