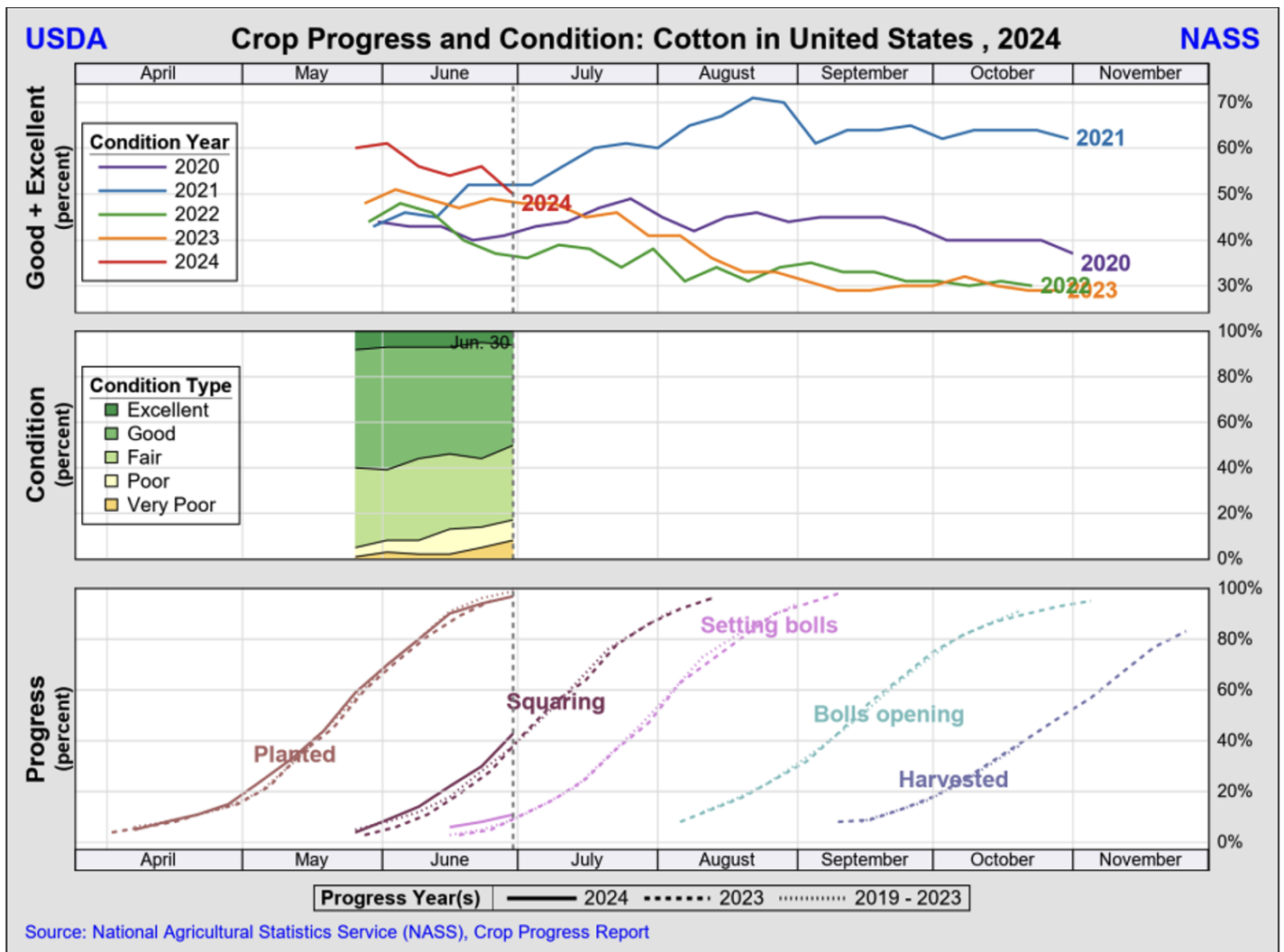




JULY 5, 2024

The cotton market consolidated lower in the holiday-shortened trade week.

- Last week's unexpectedly bearish Acreage Report continued to weigh on the market. The December contract settled 222 points lower at 72.36 cents per pound.
- Daily volume traded was the lowest recorded in recent months. Total open interest decreased by 2,390 contracts to 210,048.
- Bales eligible for delivery against futures continued to decrease. This week, 5,244 bales were decertified, bringing the total certificated stock to 53,791 bales.
- In the U.S., 43% of the crop is squaring, and 11% is setting bolls. The good to excellent condition rating decreased from 56% from the previous week to 50%. Texas has a 44% good to excellent rating, Oklahoma has 69%, and Kansas has 56%.



Major indexes continued to reach record highs after being closed in observance of Independence Day.

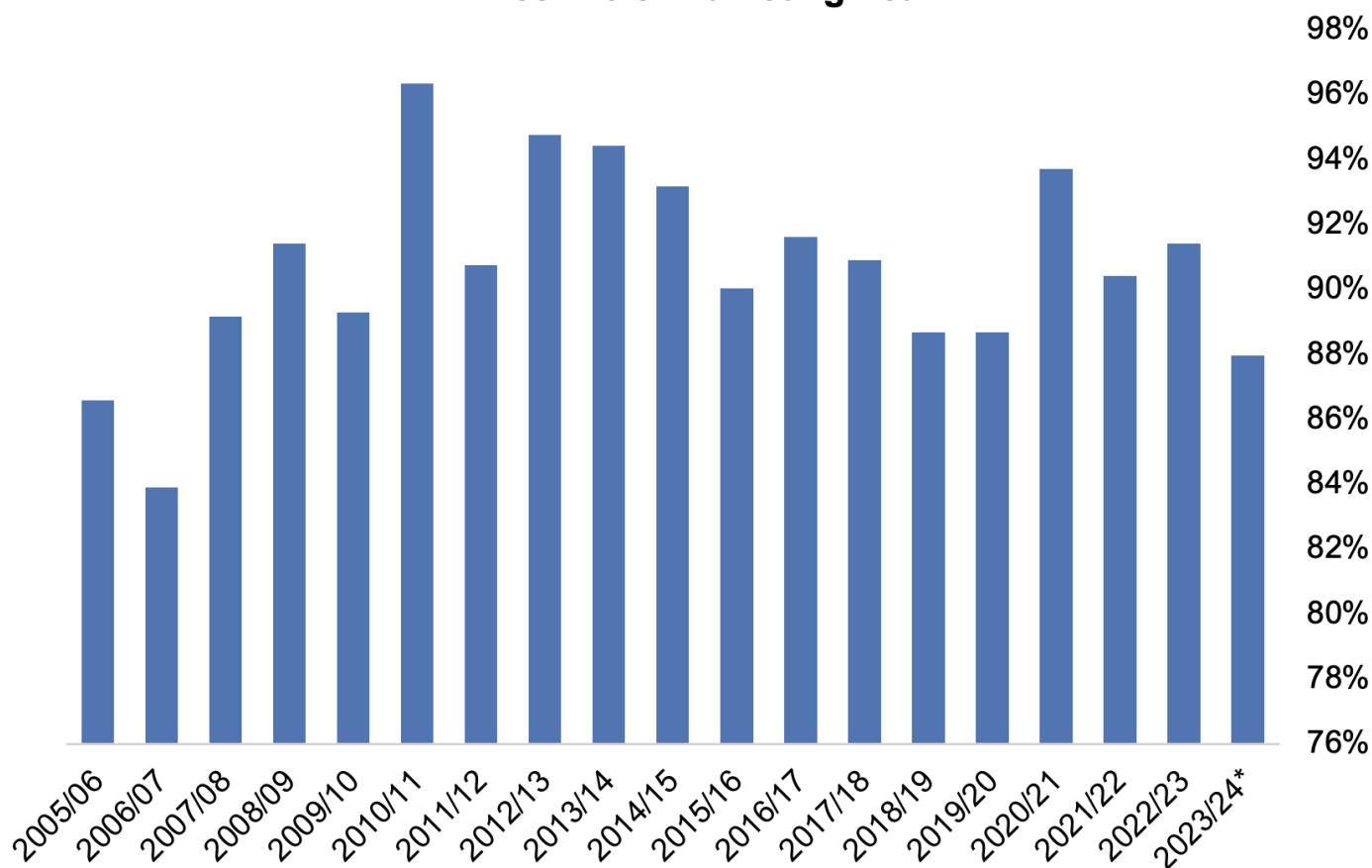
- The U.S. added 206,000 jobs in June, slightly above market expectations. However, the unemployment rate unexpectedly rose to 4.1%. Additionally, the April and May jobs count was revised to a lower level. This, combined with the higher unemployment rate, has given investors confidence that the Fed will cut interest rates by its September meeting.

The U.S. Export Sales Report showed another week of disappointing shipments.

- For the current crop year, U.S. exporters sold a net total of 115,400 Upland bales and 56,900 bales for the new crop year. The current crop sales were above average for this time of the year, but new crop sales were below average.

- Shipments of 175,800 bales were higher than reported recently but still below what is needed to reach the 11.8 million bale export estimate. The slow pace of shipments has dropped the portion of bales exported of the final crop number to the lowest levels in over 15 years.
- A net total of 2,300 Pima bales were sold, and 7,800 bales were shipped.

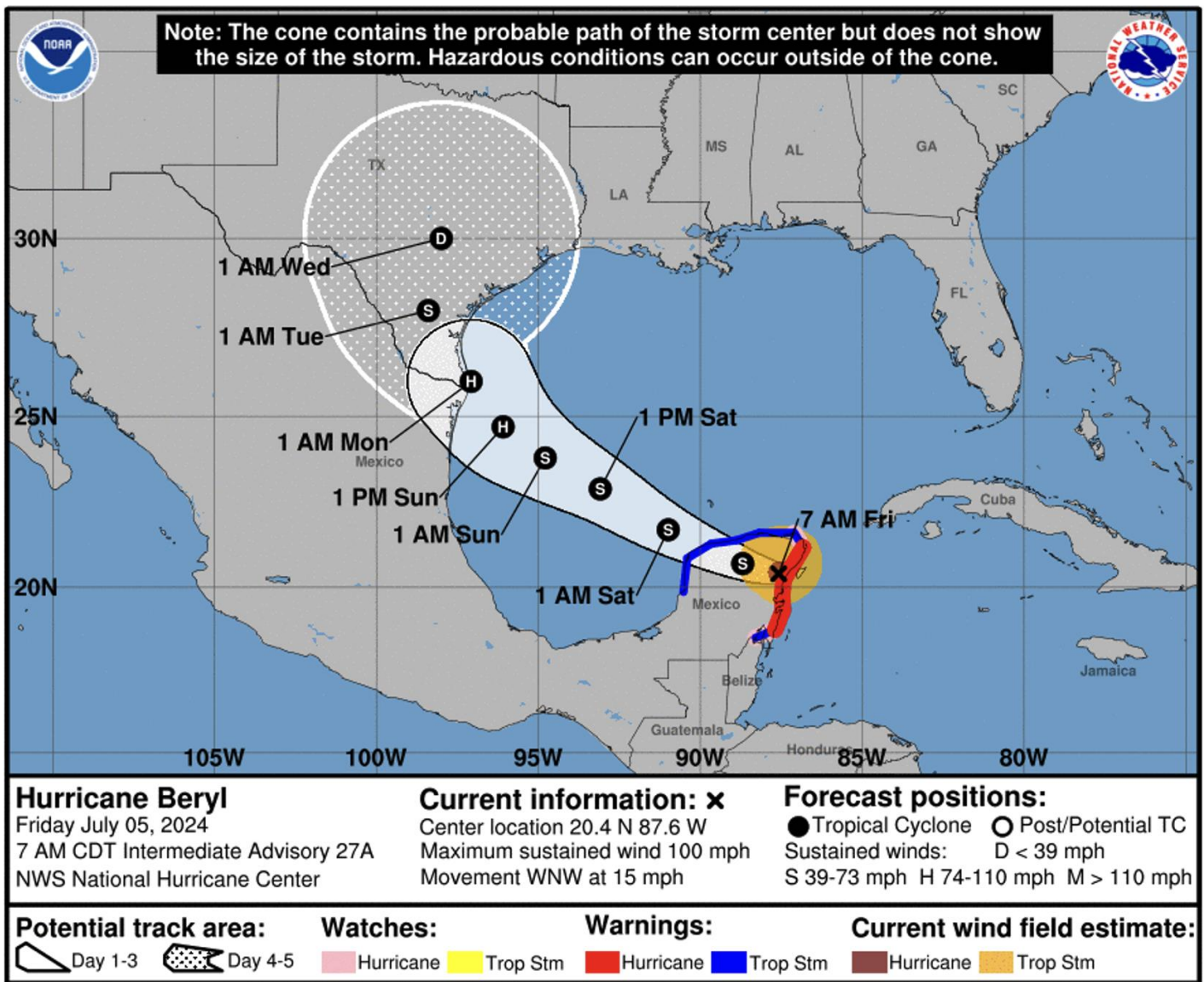
Accumulated Exports as % of Final Week 48 of Marketing Year



Source: USDA, *relative to WASDE

The Week Ahead

- The World Agricultural Supply and Demand Estimates (WASDE) Report will be released on Friday, July 12. The higher-than-expected planted acreage data indicates that the U.S. crop size will exceed 17 million bales.
- We are monitoring Hurricane Beryl and its potential impacts on the crop in South Texas, which has started to open in parts of the area. Although rainfall could be beneficial to some of the crop, there is potential that severe storms could bring damaging hail, flooding, and severe winds.



The Seam

As of Thursday afternoon, grower offers totaled 18,536 bales. There was no trading activity on G2B platform in the past week.

Ice Futures Ending 7/03/2024

	Settlement	Daily Change	Weekly Change
Dec '24	72.36	-0.34	-2.22
Mar '25	74.05	-0.34	-1.94
May '25	75.40	-0.35	-1.88
July '25	76.42	-0.28	-1.57

Adjusted World Price (AWP)

	Official 7/5 thru 7/11
AWP	57.80
LDP/MLG	0.00
2023 FCA	0.00
Coarse Count	0.00