



**MAY 17, 2024**

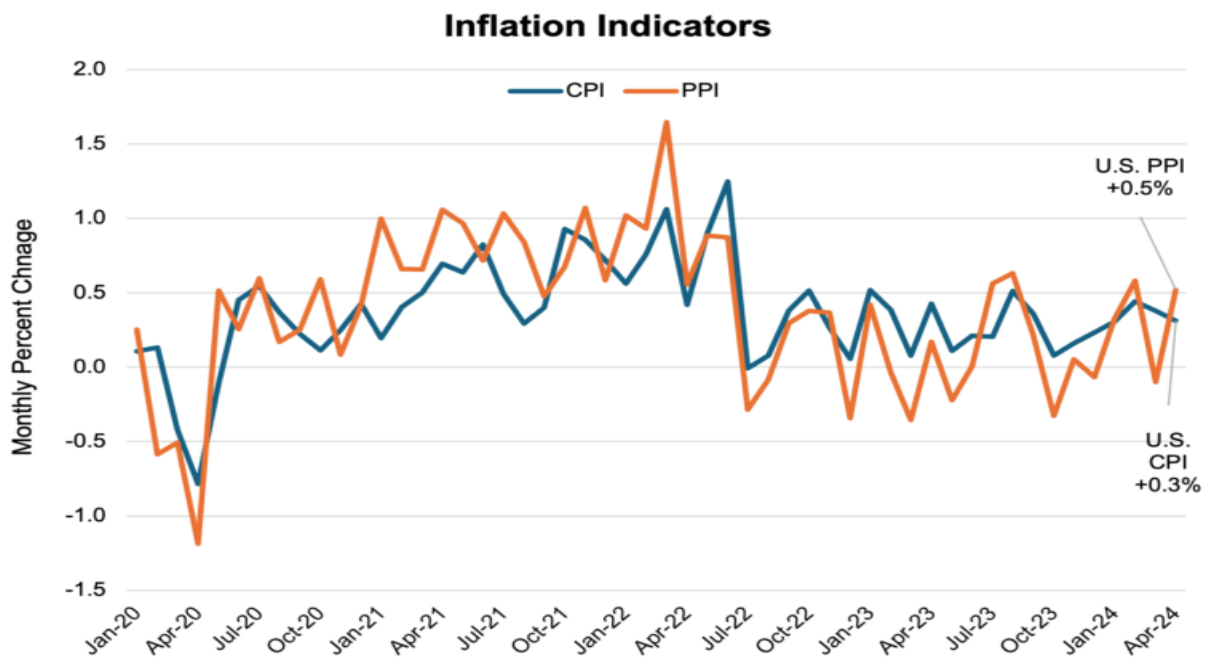
**Cotton futures traded on both sides of the market but gave back the previous week's gains.**

- **July futures fell 236 points from last week's close**, settling at 76.24 cents per pound. The July contract closed limit down on Tuesday.
- This week's bearish technical outlook gave speculators room to increase their short positions, pushing the market down two of the five trading sessions. Encouraging economic data released throughout the week allowed the market to recoup some early losses.
- **The daily volume traded was light at the start of the week but became more active after technical signals were hit and economic data was released.** Total open interest added 8,942 contracts to reach a balance of 223,068.

- **New additions were reported to certificated stock.** An increase of 14,891 bales brings the total certificated stock to 182,870 bales.

**Promising inflation data helped push major indexes to record highs on Wednesday.**

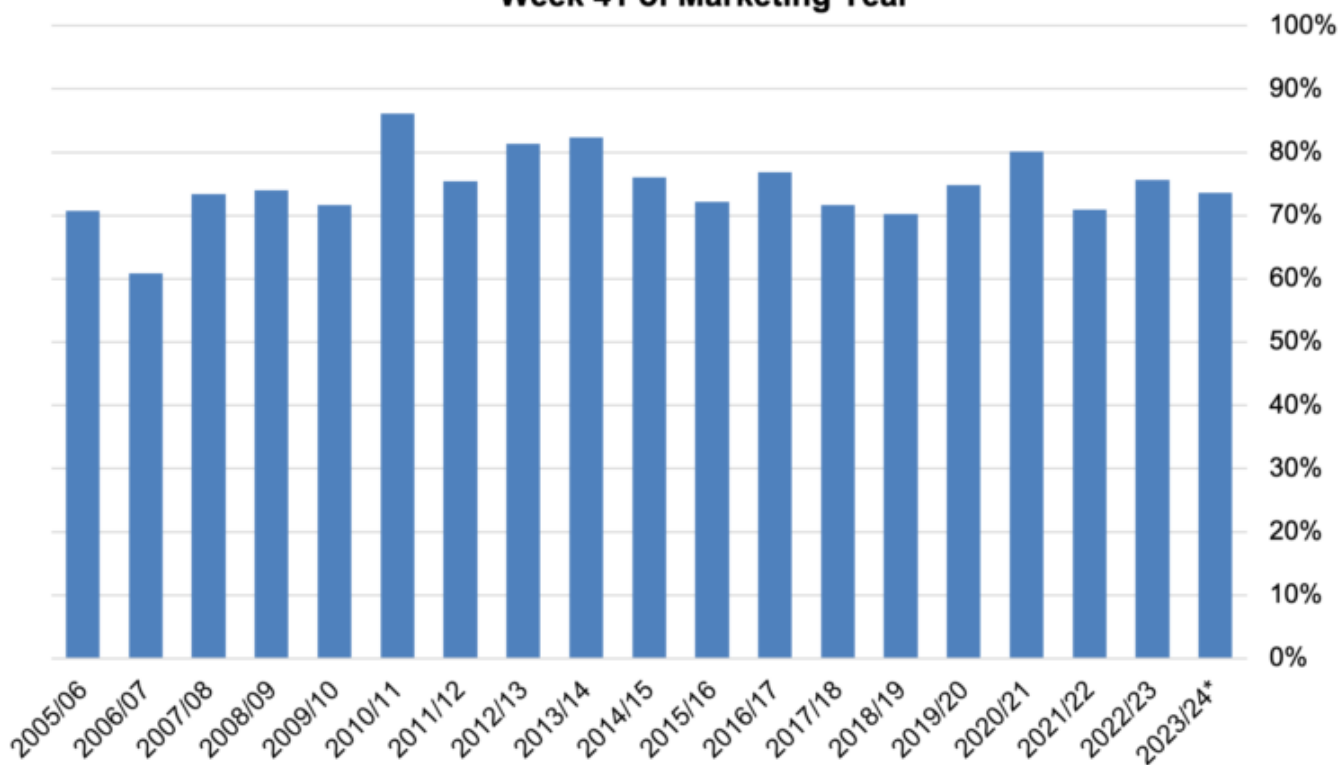
- **The April U.S. Consumer Price Index (CPI) was better than expected, increasing 0.3% month over month and 3.4% year over year.** So far, this has been the slowest rise in inflation for 2024.
- **U.S. Retail Sales were also encouraging, rising 1.6% month-over-month and 2.7% on the year.**
- **The April U.S. Producer Price Index (PPI) was hotter than expected, rising 0.5% month over month and 2.2% year over year.** Despite the mixed economic data this week, the market expects an interest rate cut before 2024 ends.
- **The Dow Jones Industrial Average surpassed 40,000 for the first time.**
- Relations between the U.S. and China hit a new snag when President Biden issued tariffs on EV import products.
- Although still high, **the U.S. Dollar suffered a sharp decline on the CPI news.**



Despite reporting fewer sales than last week, the U.S. managed to book a respectable 156,500 bales of Upland cotton for the week ending May 9.

- Upland shipments totaled 238,800 bales for the week. Exports are behind the pace needed to reach the 12.3 million bale estimate.
- China was the biggest buyer of Upland cotton, with 63,600 bales, followed by Vietnam with 27,600 bales, Pakistan with 22,600 bales, Turkey with 17,100 bales, and Indonesia with 9,400 bales.
- New crop sales remain healthy for this time of the year, with 140,600 bales sold.
- A net total of 3,600 Pima bales were sold, and 5,200 bales were shipped for the week.

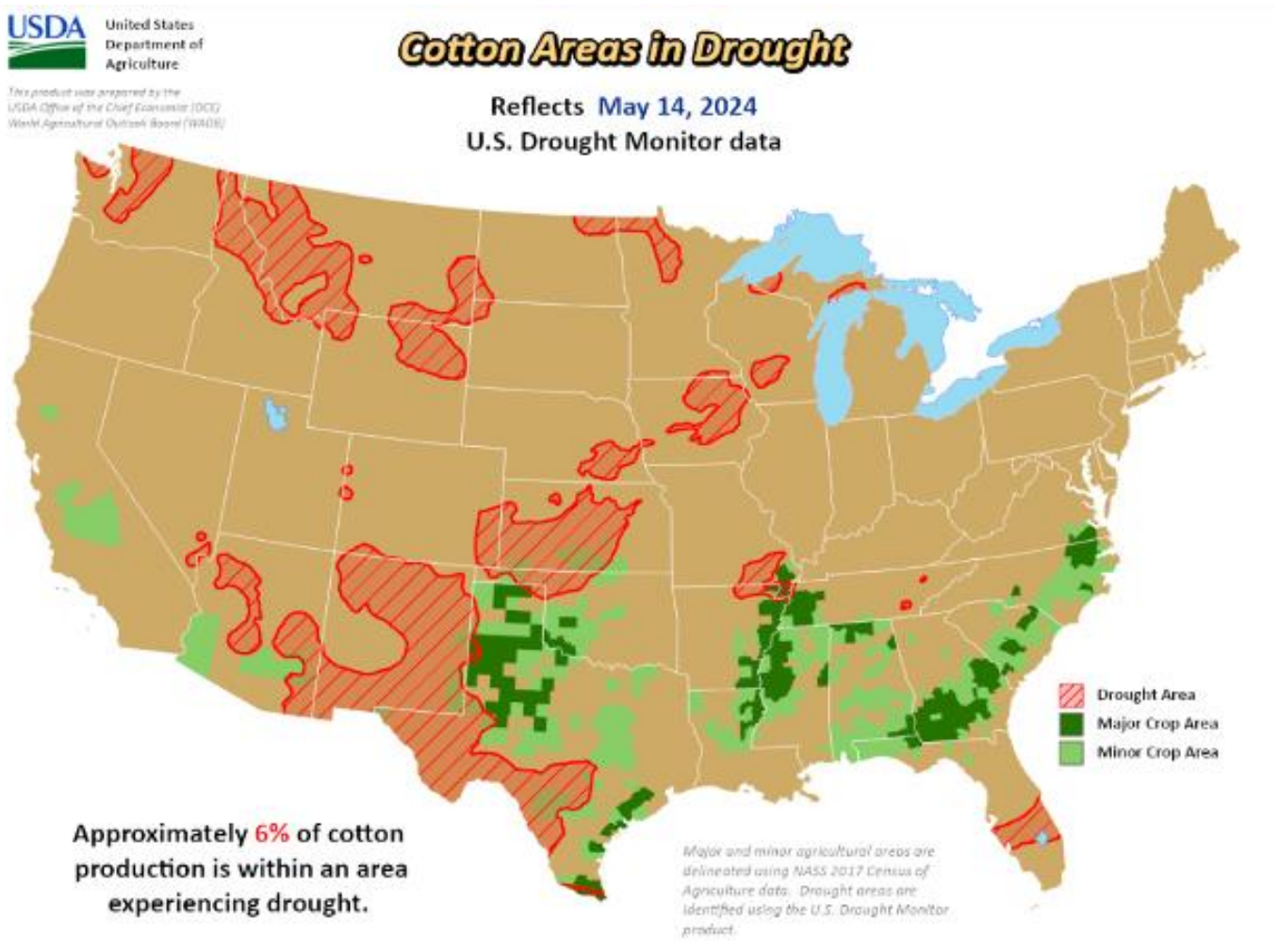
**Accumulated Exports as % of Final**  
**Week 41 of Marketing Year**



Source: USDA, \*relative to WASDE

## The Week Ahead

- Next week should be a quieter week for data releases. The coming week's central focus will be the Export Sales Report and Monday's Crop Progress Report. Any excess attention will fall on weather forecasts and broader markets.
- **According to this week's Crop Progress report, 33% of the expected cotton acreage has been planted throughout the country.** Planting in the Southwest is right at the average pace. There have been spotty storms throughout West Texas, Kansas, and Oklahoma this week, but next week is expected to bring drier weather and above-average temperatures. South Texas has also received rain, but dry conditions are forecast in the coming week.



## The Seam

As of Thursday afternoon, grower offers totaled 30,232 bales. On the G2B platform, 701 bales traded during the week with an

average price of 67.66 cents/lb. The average loan was 51.43 cents/lb bringing the average premium received over the loan to 16.23 cents/lb.

### Ice Futures Ending 5/16/2024

	Settlement	Daily Change	Weekly Change
July '24	76.24	+0.83	-2.36
Dec '24	75.19	+0.90	-1.27
Mar '25	76.80	+0.95	-1.21
May '25	78.12	+1.04	-1.08

### Adjusted World Price (AWP)

	Official 5/17 thru 5/23
AWP	59.46
LDP/MLG	0.00
2023 FCA	0.36
Coarse Count	0.00