



OCTOBER 18, 2024

Cotton futures declined this week, trading at the lower end of the recent range due to weak demand and the pressures of a stronger U.S. dollar. U.S. export sales increased for the week, but shipments remained below average, continuing concerns about the current market environment. With the cotton harvest underway, what does the future hold for demand? Get QuickTake's read on the week's events in five minutes.

Nearby futures fell this week, staying near the lower end of the recent range between 70.00 cents and 74.00 cents per pound.

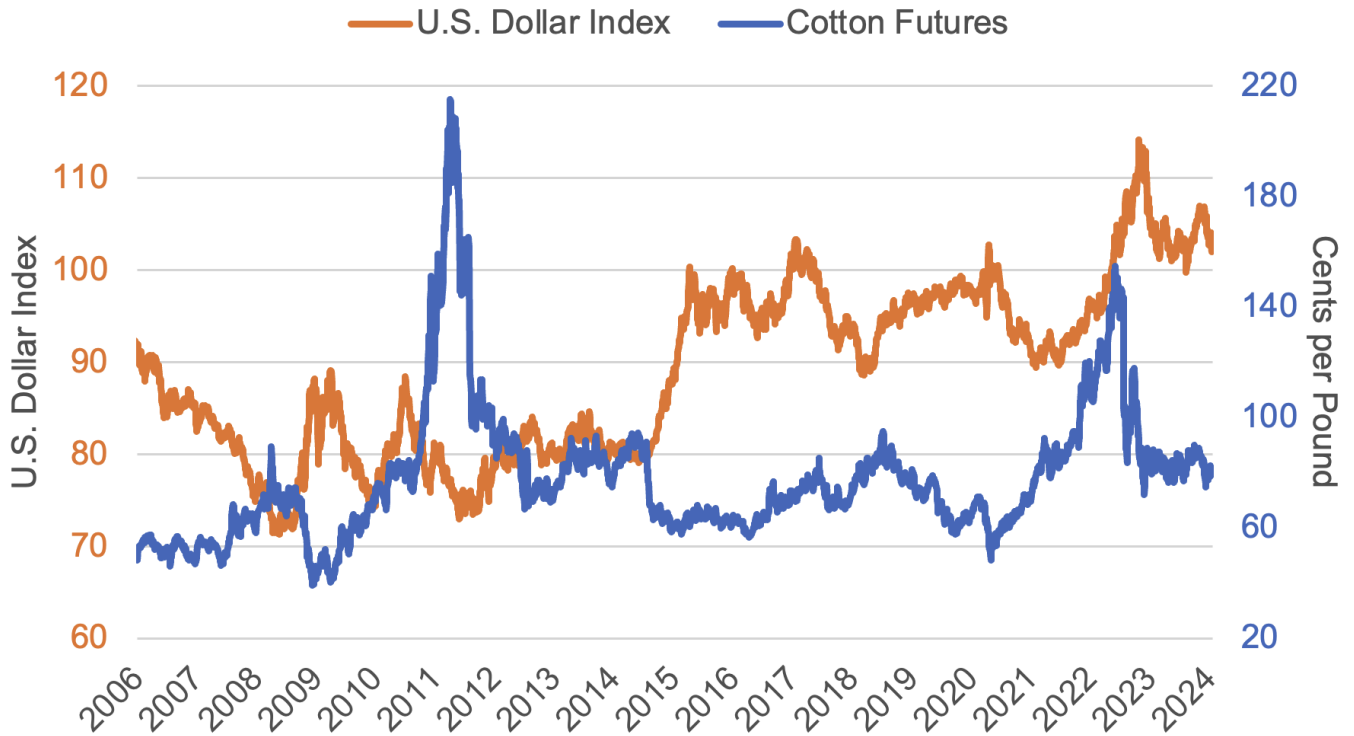
- **December futures decreased by 190 points, settling at 70.76 cents per pound.**

- Following last week's WASDE report, which loosened the U.S. balance sheet and caused futures to drop, the marketplace has been relatively quiet this week. Cotton futures consolidated at the lower end of the trading range. On Tuesday, December futures closed at the lowest level in five weeks. Strength in outside markets provided some support, but an overall lack of demand and a stronger U.S. dollar pushed prices lower for the week.
- Daily volume traded this week was light compared to recent weeks. Contracts were steadily added to open interest each day, increasing the total number of open contracts by 9,359 to 250,977.

The S&P 500 and Dow Jones Industrial Average made new highs, driven by strong earnings reports and positive economic news.

- U.S. retail sales supported stocks, with September showing a month-over-month increase of 0.4%, surpassing the expected 0.3%. Year-over-year, retail sales rose by 1.7%.
- The European Central Bank lowered interest rates for the third time this year, and for the second consecutive meeting, bringing them to 3.25%. This has further widened the gap with the Federal Reserve's borrowing costs.
- Crude oil prices faced headwinds this week after geopolitical concerns somewhat eased.
- Since hitting a 52-week low in late September, the U.S. dollar has risen in 13 of 14 trading sessions, with this week's strength driven by robust economic news and Euro weakness. A stronger dollar makes U.S. commodities more expensive for importing countries, likely contributing to recent price pressure on these commodities.

U.S. Dollar Index and Cotton Futures



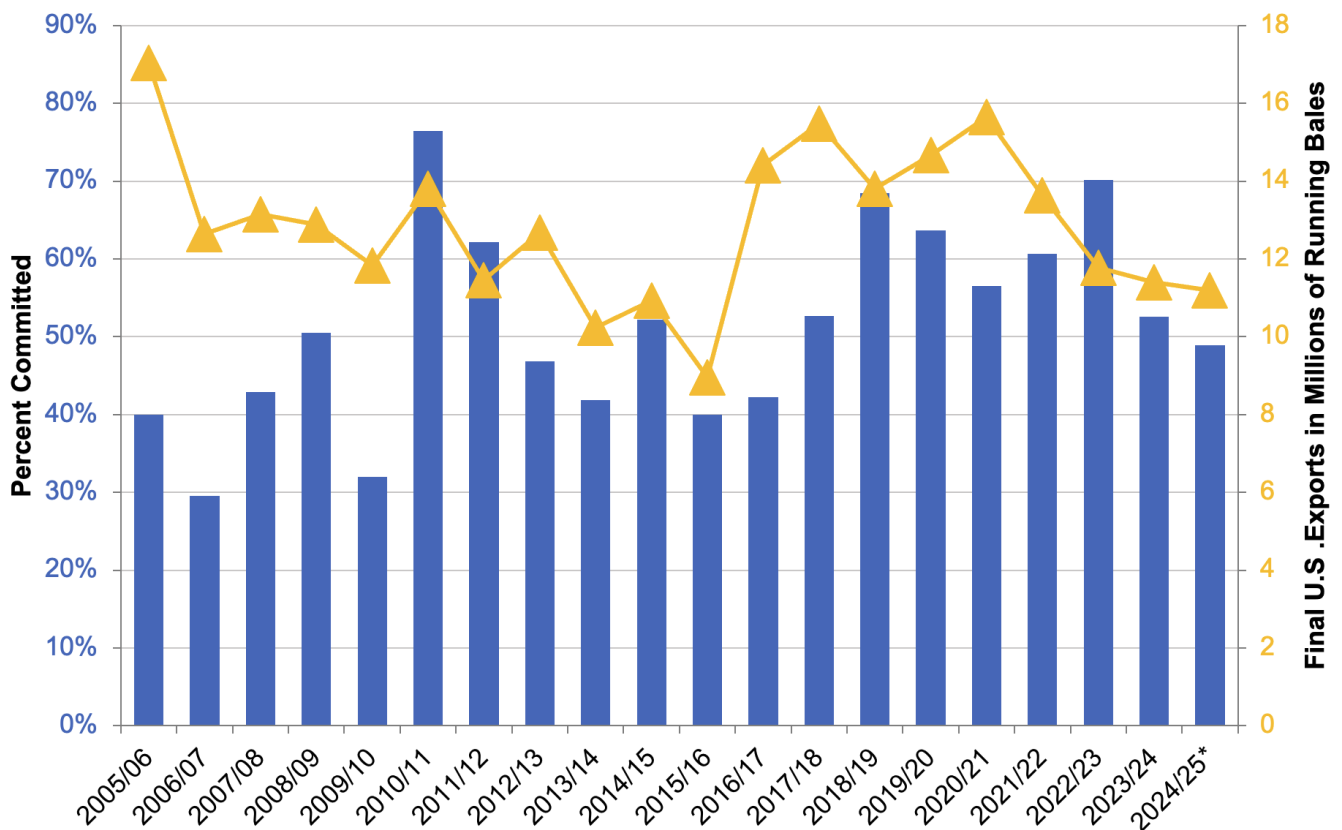
Source: Intercontinental Exchange (ICE)

U.S. export sales increased compared to the 4-week average, but shipments were poor for the week ending October 10.

- For the 2024/25 marketing year, 159,800 Upland bales were booked.
- Shipments of 57,800 bales were significantly below the average for this time of year, further indicating stagnant conditions.
- The percent of the U.S. crop committed for the year continues to trail behind last year's low level and represents the lowest amount committed since 2016/17.
- Sales for U.S. Pima cotton were down this week. Pima merchandisers sold 2,600 bales, but exports reached a marketing-year high of 12,300 bales.

U.S. Export Commitments as % of Final Exports

Week 11 of Marketing Year



Source: USDA, *WASDE forecasted exports

The overall percentage of the U.S. crop rated good to excellent rose to 34%, with 34% of the crop harvested.

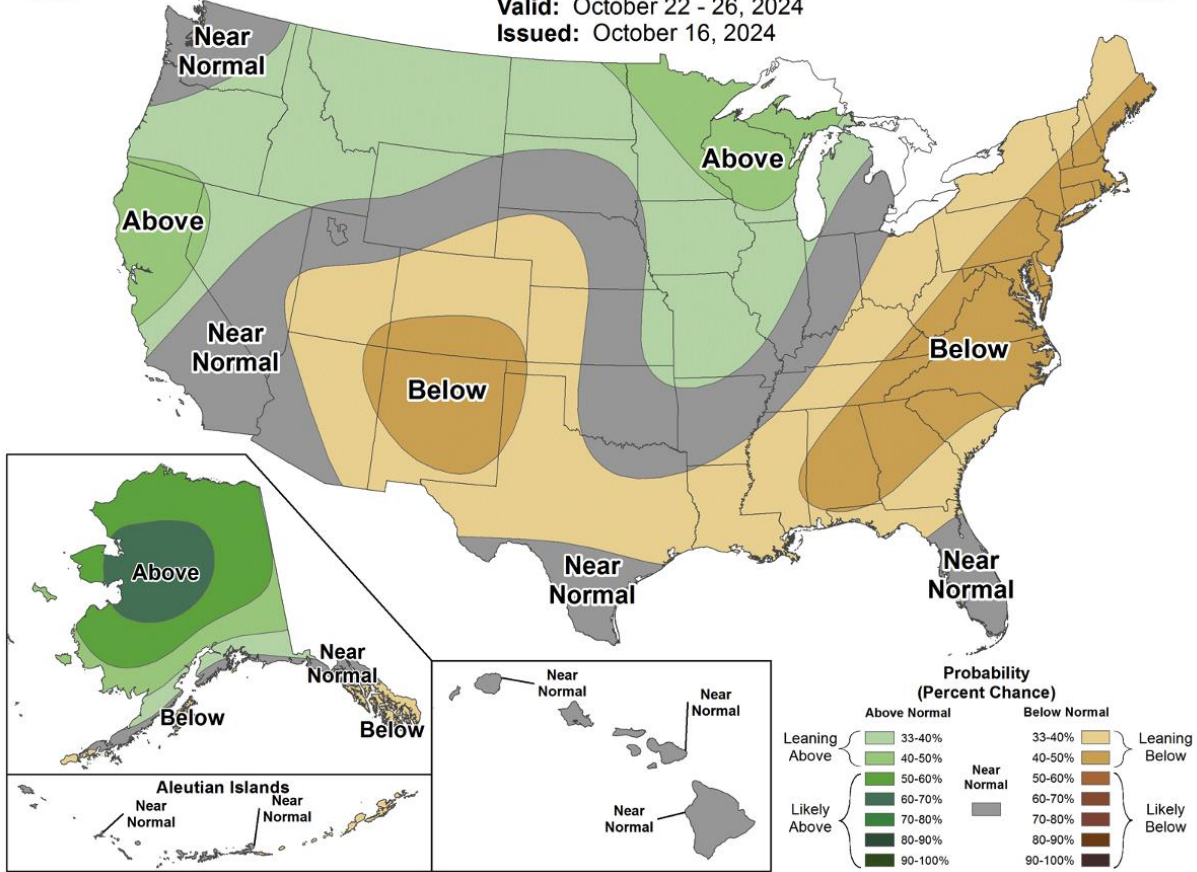
- The percentage of crops rated good to excellent in Texas increased by 6% to 23%. Oklahoma's rating held steady at 17%, while Kansas saw a 4% rise to 46%.
- As of October 13, 38% of the Texas crop has been harvested, along with 15% in Oklahoma and 23% in Kansas.
- Harvest is gaining momentum in the Southwest, with defoliant applied and stripping expanding quickly. However, storms are forecast for the weekend in parts of the Panhandle and West Texas, which could briefly hinder harvest activities.



6-10 Day Precipitation Outlook



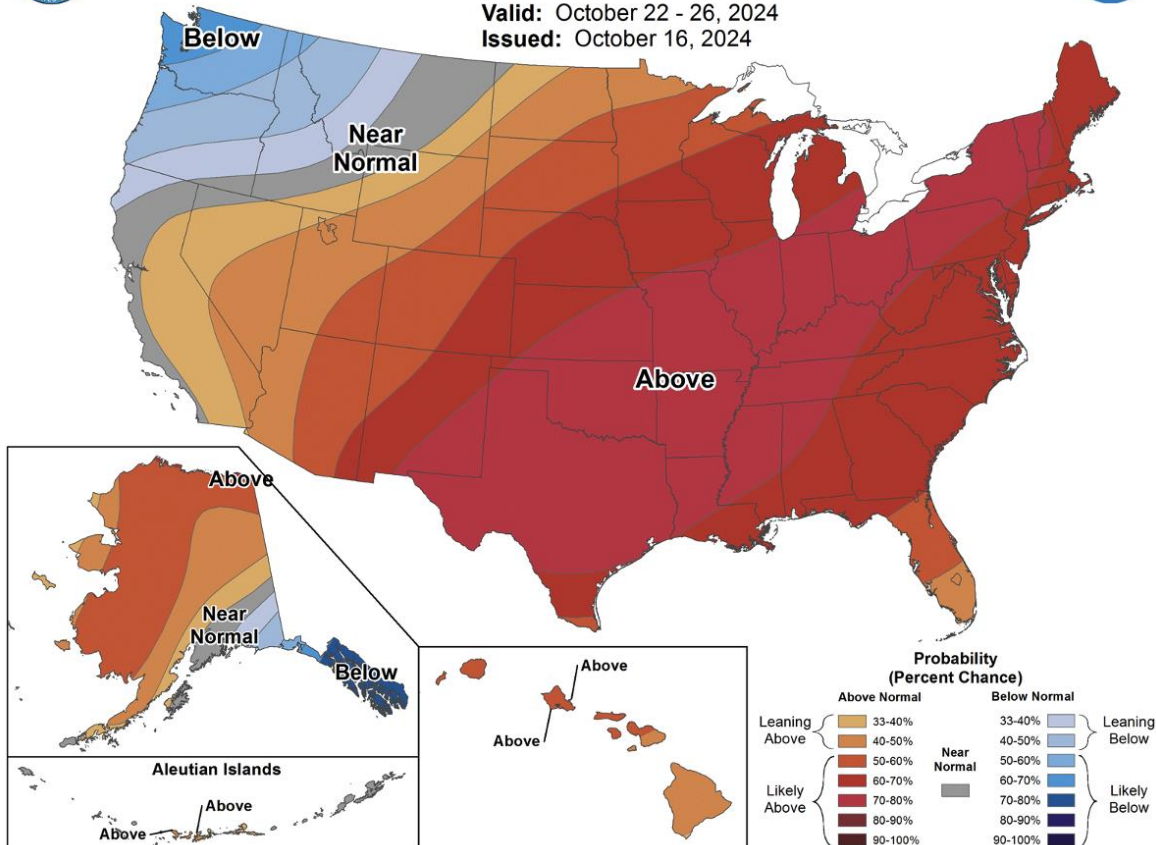
Valid: October 22 - 26, 2024
Issued: October 16, 2024



6-10 Day Temperature Outlook



Valid: October 22 - 26, 2024
Issued: October 16, 2024



The Week Ahead

- Next week will be quieter when it comes to data releases. Aside from the usual Crop Progress and Condition and U.S. Export Sales Report, no noteworthy reports are set to be released.

The Seam

As of Thursday afternoon, grower offers totaled 26,830 bales. There were 3,603 bales that traded on G2B platform with an average price of 68.59 cents per lb. The average loan was 54.01 which resulted in a premium 14.58 cents per lb. over the loan.

Ice Futures Ending 10/17/2024

	Settlement	Daily Change	Weekly Change
Dec '24	70.76	-0.50	-1.90
Mar '25	72.85	-0.49	-1.90
May '25	74.31	-0.48	-1.80
July '25	75.26	-0.44	-1.68

Adjusted World Price (AWP)

	Official 10/18 thru 10/24
AWP	59.24
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00