



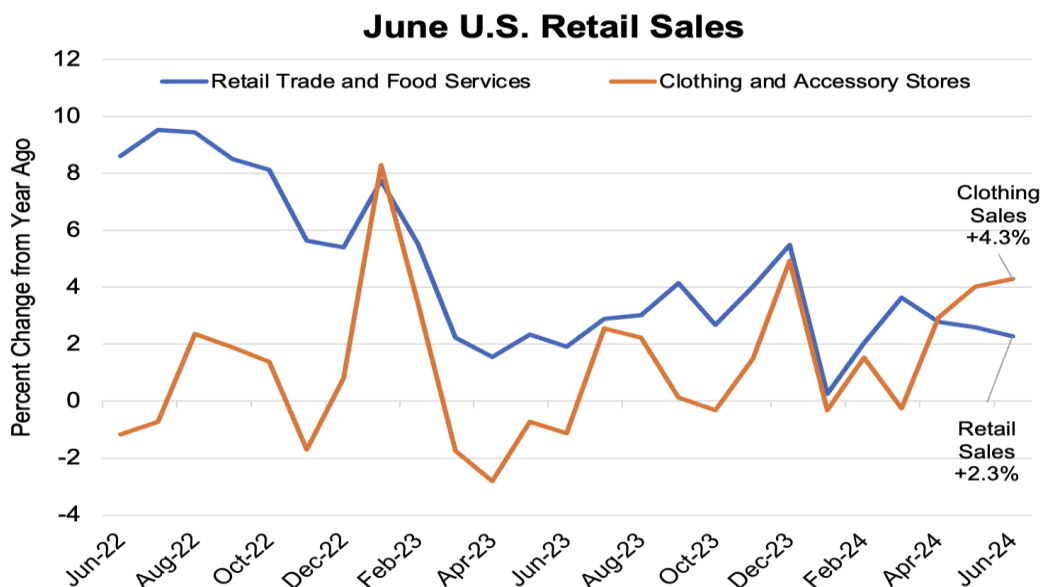
**JULY 19, 2024**

**After trading back and forth throughout the week, cotton futures found support and made marginal gains.**

- Last Friday's WASDE put pressure on prices, but Monday saw a triple-digit rally in futures prices. Prices fluctuated throughout the week due to speculators continuing to cover short positions and potentially favorable rainfall in Texas.
- The December contract rose 106 points, settling at 71.93 cents per pound.
- The imbalance of on-call cotton remains wide. As of July 12, there were 55,379 on-call sales and 80,938 on-call purchase contracts.
- Trading volumes were light but on par with this time of the year. The total number of open contracts increased by 3,422 to 218,622.
- Bales eligible for delivery against futures continued to decrease. This week, 736 bales were decertified for delivery, reducing the total certificated stock to 41,122.

## The U.S. stock market had a choppy week of trading.

- The Dow Jones Industrial Average reached a record high at one point before erasing the gains. Unlike the Dow, the NASDAQ recorded its worst session in two years during the week.
- China's economy grew 4.2%, far less than the anticipated 5.1%. Although China's exports are strong, its real estate-based recession has significantly curtailed domestic spending.
- After last month's cut, the European Central Bank held interest rates steady at its July meeting, but there appears to be room for cuts later in the year. Investors in the U.S. are awaiting the Federal Open Markets Committee (FOMC) meeting at the end of the month to see what direction the Fed takes.
- June U.S. Retail Sales indicated U.S. consumers are still shopping. The flat month-over-month reading was better than expected and helped push stocks up. Since June 2023, retail sales have increased 2.3%. Clothing and clothing accessories store sales increased 0.6% month-over-month and 4.3% year-over-year.



Source: U.S. Bureau of Economic Analysis

Retrieved: Federal Reserve Economic Data (FRED)

**U.S. export sales were minimal for the current marketing year, but with only three weeks left in the year, no large bookings were expected. Sales for the next crop year showed an uptick in demand compared to recent weeks.**

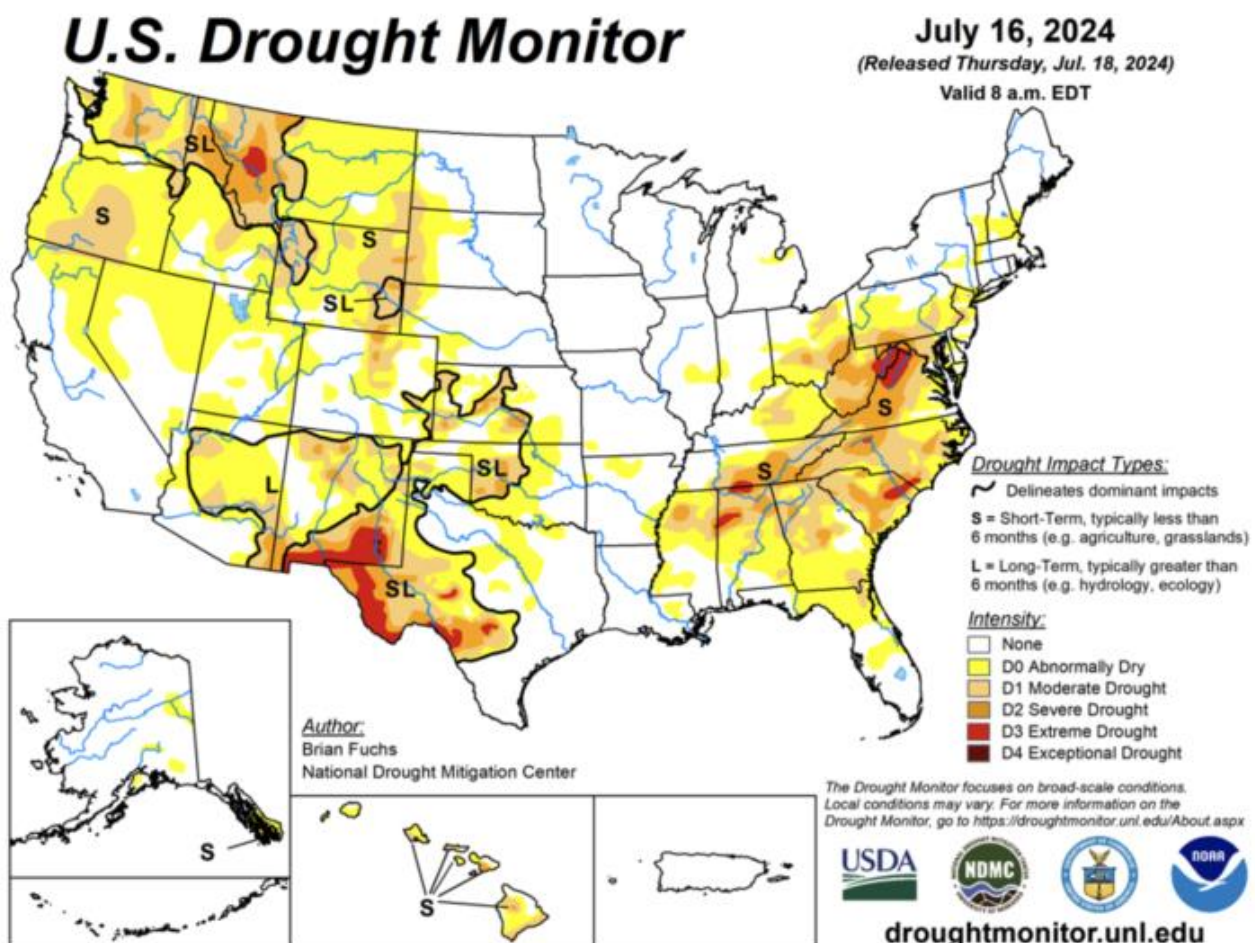
- U.S. exporters sold a marketing year low of 27,200 Upland bales for the current crop year.
- The current number of bales committed for new crop is still low for this time of the year, but this week’s healthy sales push outstanding sales above what they were at this time last year.
- For the 2024/25 crop year, exporters sold 165,600 bales.
- Only three more Export Sales Reports will be released for the 2023/24 crop year. The 113,100 bales shipped are not at the level needed to reach the 11.6 million bale estimate.
- Pima merchandisers sold 3,800 current crop bales and exported 4,300 bales. A net of 2,100 bales were committed for the 2024/25 crop year.



Source: USDA, \*relative to WASDE

## The good to excellent condition rating for the U.S. remained at 45%.

- The quality of the crop in Texas decreased this week, dropping 1% to 34% of the crop rated good to excellent. Oklahoma showed a 2% increase, rising to 76%, and Kansas increased 7% to 64%.
- In the U.S., 64% of cotton is now squaring, and 27% is setting.
- Overall, the crop is progressing well. Rain is forecast over the weekend, which would benefit West Texas, Oklahoma, and Kansas crops. This weekend, the lows are predicted to reach the 70s and even the 60s, allowing the crop to get a break from this dry heat. In South Texas, sunshine and open skies would be welcome to help the crop in the final stages of maturation.



## The Week Ahead

- Next week will be relatively slow for cotton news. However, outside markets should be active due to the release of the U.S. second-quarter GDP and the Personal Consumption Expenditure (PCE).

## The Seam

As of Thursday afternoon, grower offers totaled 16,796 bales. There was no trading activity on the G2B platform in the past week.

### Ice Futures Ending 7/18/2024

	Settlement	Daily Change	Weekly Change
<b>Dec '24</b>	71.93	-0.14	+1.06
<b>Mar '25</b>	73.76	-0.16	+1.02
<b>May '25</b>	75.07	-0.20	+0.90
<b>July '25</b>	75.92	-0.23	+0.63

### Adjusted World Price (AWP)

	Official 7/19 thru 7/25
<b>AWP</b>	56.42
<b>LDP/MLG</b>	0.00
<b>2023 FCA</b>	0.00
<b>Coarse Count</b>	0.00