



**SEPTEMBER 27, 2024**

The cotton market faced new production concerns as Hurricane Helene approached Georgia. Disappointing export sales highlight ongoing demand weakness while the threat of supply chain disruptions looms. How will these developments shape the market in the weeks ahead? Get QuickTake's read on the week's events in five minutes.

The cotton market was mostly quiet for the week after last week's rally.

- December futures decreased by one point, settling at 73.02 cents per pound.
- Production has become a concern once again. Hurricane Helene made landfall in Georgia, which is currently estimated to account for 14% of U.S. crop production this

year. Prices fluctuated due to fundamental factors, speculators buying the market, and increased grower pricing.

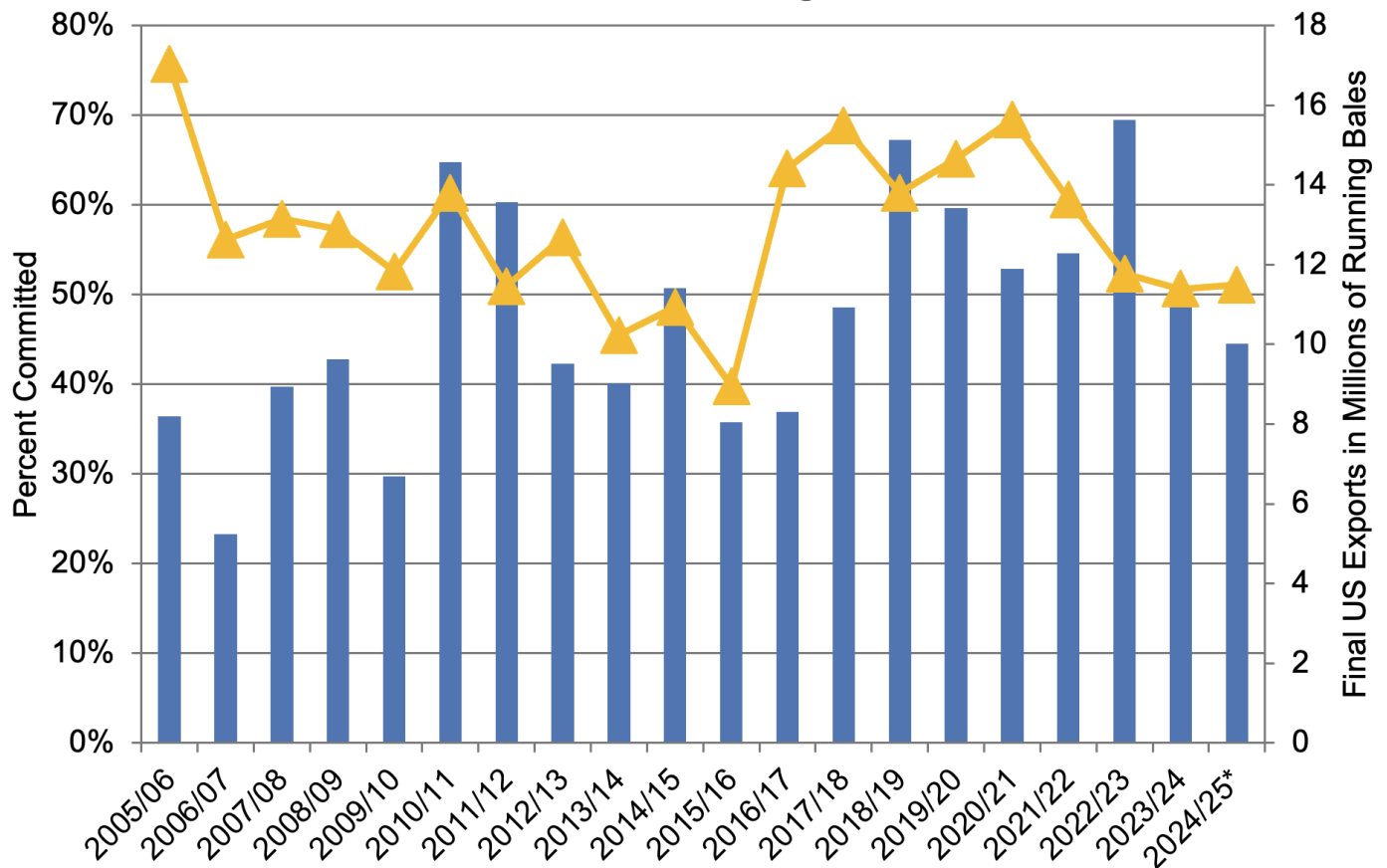
- The Cotton On-Call report continues to show an imbalance between on-call sales and purchases. There was a change of 5,349 contracts in the on-call purchases category, most of which were from the December 2024 contract, which was likely growers' pricing cotton. This activity is suspected to be largely from the Southern Hemisphere.
- This week, the daily volume traded was moderate. The total number of open contracts decreased by 2,645 to 230,848.

### **Stock markets finished near highs, bolstered by strength in chip stocks and economic measures announced in China.**

- China's central bank cut short-term interest rates and announced economic stimulus measures that should help boost the lagging economy. As China is the world's second-largest economy, markets reacted favorably to this news.
- Crude oil prices neared three-year lows after Saudi Arabia announced it would ramp up production in December. Prices had found support earlier in the month after OPEC+ agreed to pause production in response to weak prices.
- On Tuesday, the stock market experienced a slight pullback when the Conference Board announced that consumer confidence in September dropped to 98.7, marking a three-month low and the most significant one-month decline in over three years.
- A looming strike threatens U.S. ports, potentially shutting down all major ports on the Atlantic and Gulf Coasts. A deal must be reached by October 1 to avoid a major supply chain disruption.
- The Personal Consumption Expenditure (PCE), which is the Fed's preferred measure of inflation, indicated that prices moderated in August, increasing by 2.2% year-on-year, marking the lowest annual rise since February 2021.

# U.S. Export Commitments as % of Final Exports

Week 8 of Marketing Year



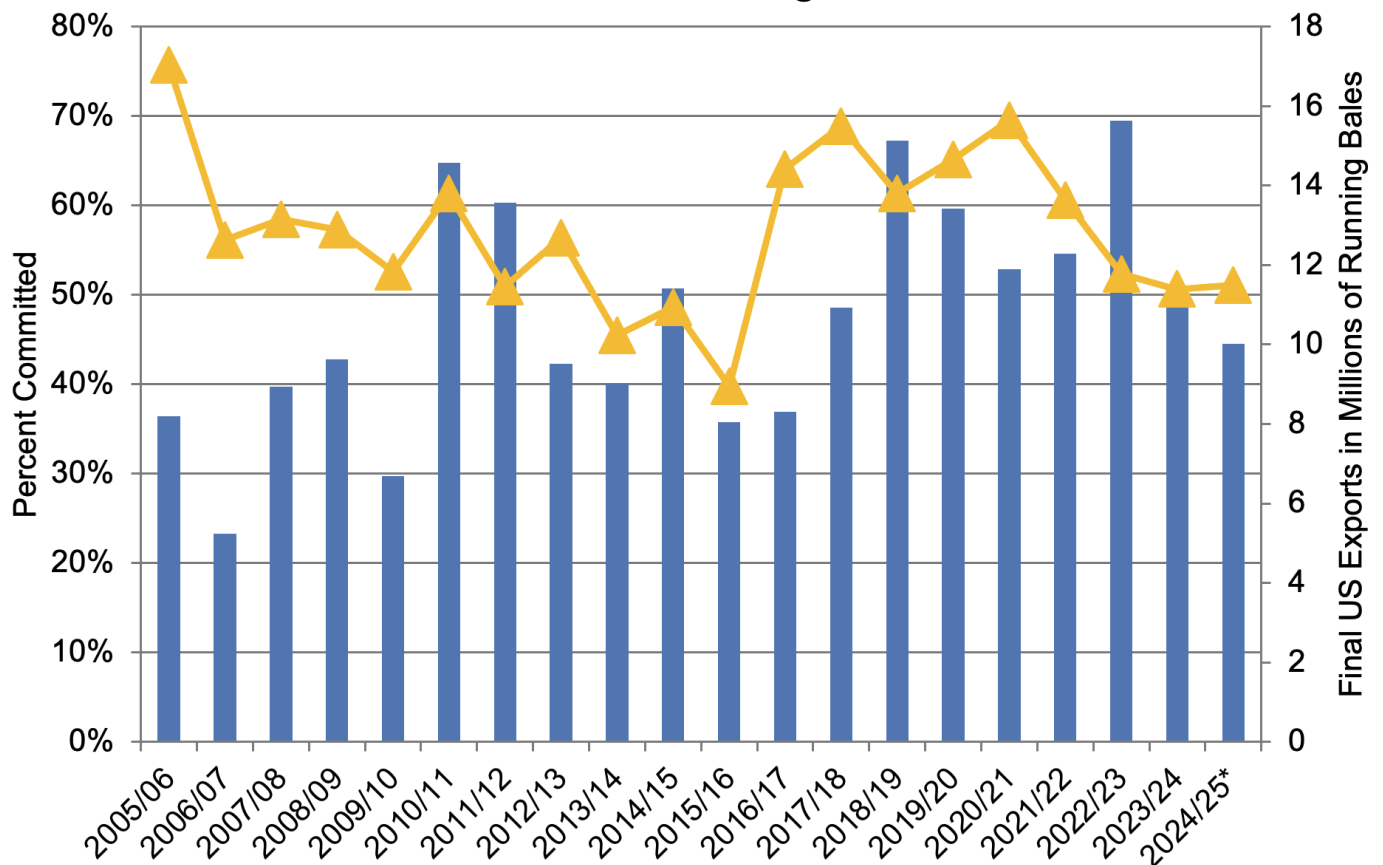
Source: USDA, \*WASDE forecasted exports

**U.S. export sales and shipments were disappointing for the week, highlighting the ongoing weakness in demand.**

- For the 2024/25 marketing year, 87,800 Upland bales were booked for the week.
- Shipments of 79,500 bales were far below average for this time of the year.
- The percent of the U.S. crop committed for the year continues to trail behind last year's low level and is the lowest amount committed since 2016/17.
- Pima sales remain solid for this time of the year. Pima merchandisers sold 10,800 bales for the week and exported 7,100 bales.

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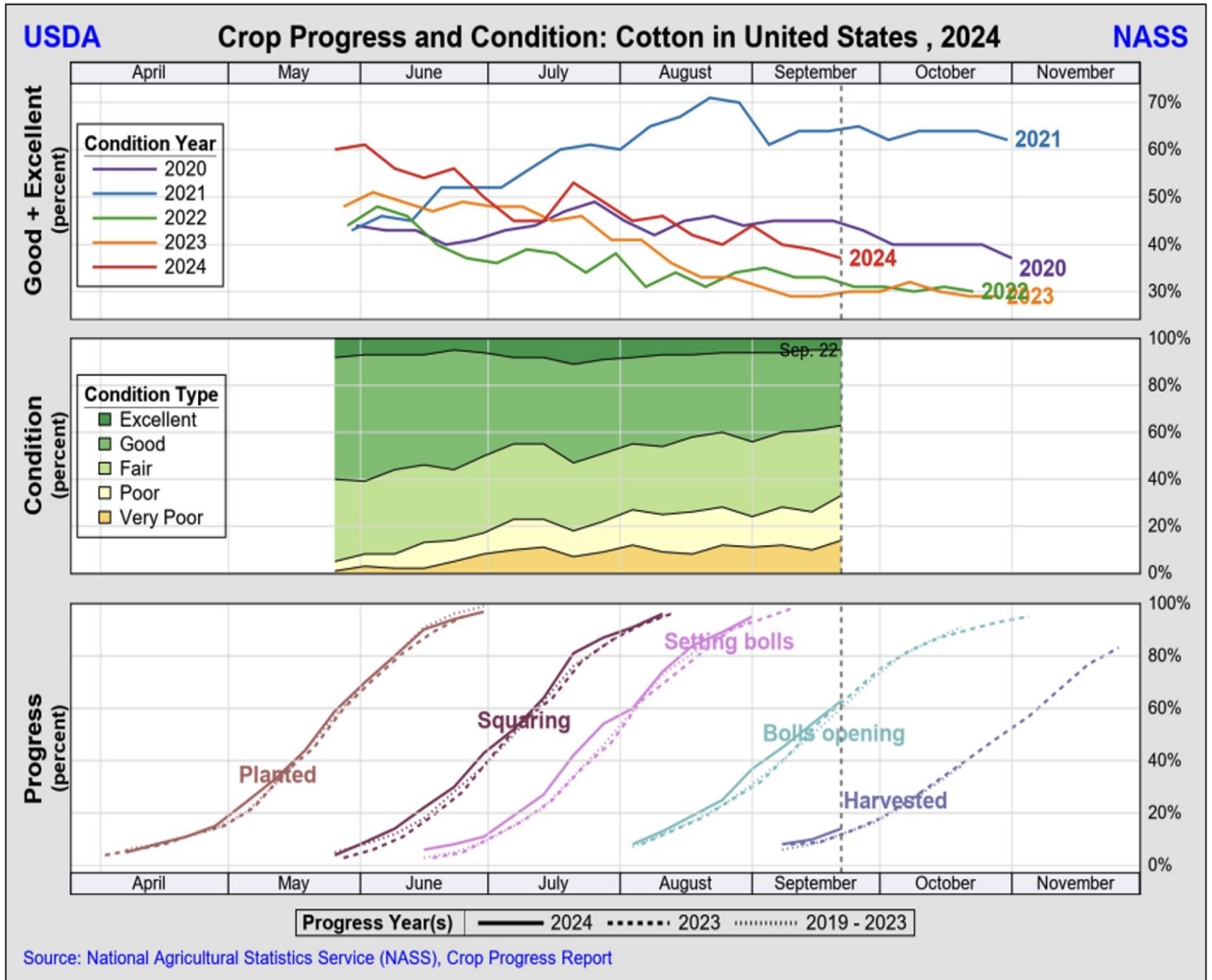
Week 8 of Marketing Year



Source: USDA, \*WASDE forecasted exports

**The overall percentage of the crop rated good to excellent in the U.S. decreased to 37%.**

- The decline in the U.S. crop can be attributed to the decline in the Southwest crop. The percentage of crops rated good to excellent in Texas decreased 6% to 22%. Oklahoma's good to excellent rating decreased 8% to 28%, and Kansas's stayed at 40%.
- In the U.S., 63% of bolls are open, and 14% of the crop has been harvested.
- The significant weather event this week was Hurricane Helene's landfall on Thursday. The hurricane was initially expected to cause damage to a large portion of the Georgia crop but turned east before making landfall, pushing away from the majority of cotton acres. However, with 68% of the crop open, high winds and heavy rainfall remain a concern for the state.



## The Week Ahead

- Next week will be a slower week data-wise. In addition to the usual cotton-specific reports, August unemployment data will be released on Friday, October 4.

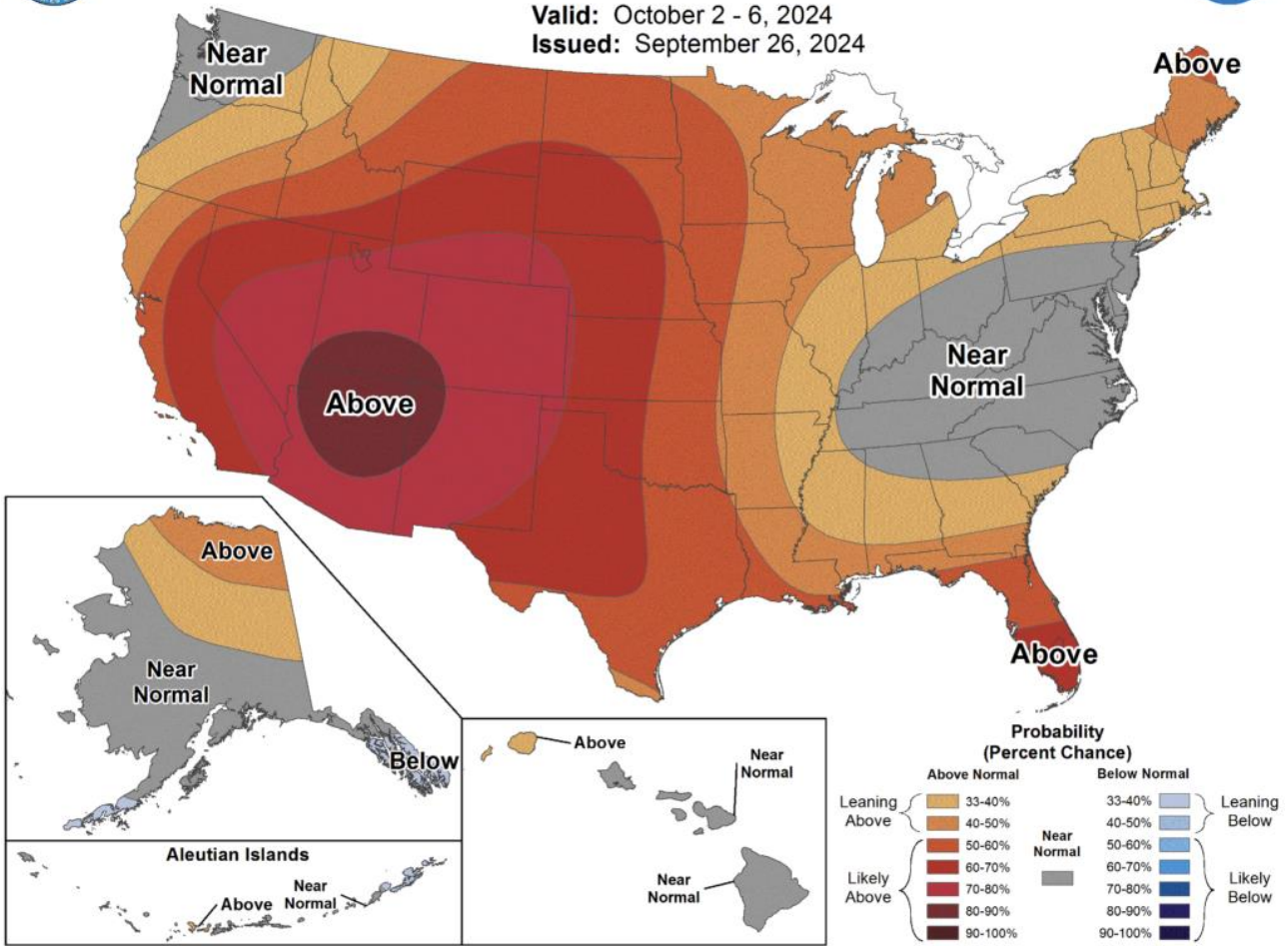




# 6-10 Day Temperature Outlook



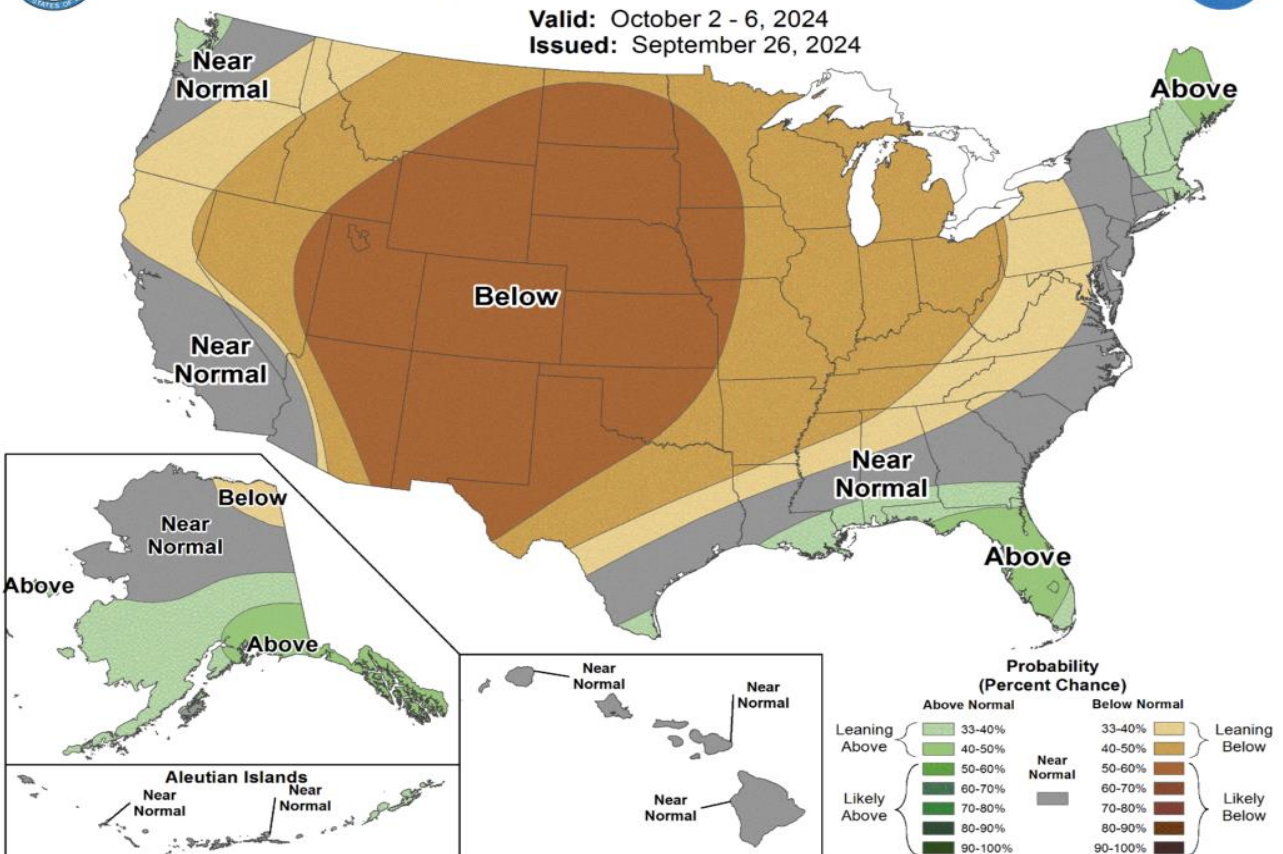
Valid: October 2 - 6, 2024  
Issued: September 26, 2024



# 6-10 Day Precipitation Outlook



Valid: October 2 - 6, 2024  
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## The Seam

As of Thursday afternoon, grower offers totaled 16,000 bales. There were 4,560 bales that traded on G2B platform with an average price of 68.73 cents per lb. The average loan was 53.82 which resulted in a premium 14.91 cents per lb. over the loan.

### Ice Futures Ending 9/26/2024

	Settlement	Daily Change	Weekly Change
<b>Dec '24</b>	73.02	-0.18	-0.01
<b>Mar '25</b>	74.77	-0.23	+0.17
<b>May '25</b>	75.87	-0.25	+0.26
<b>July '25</b>	76.34	-0.29	+0.27

### Adjusted World Price (AWP)

	Official 9/27 thru 10/03
<b>AWP</b>	61.06
<b>LDP/MLG</b>	0.00
<b>2024 FCA</b>	0.00
<b>Coarse Count</b>	0.00