



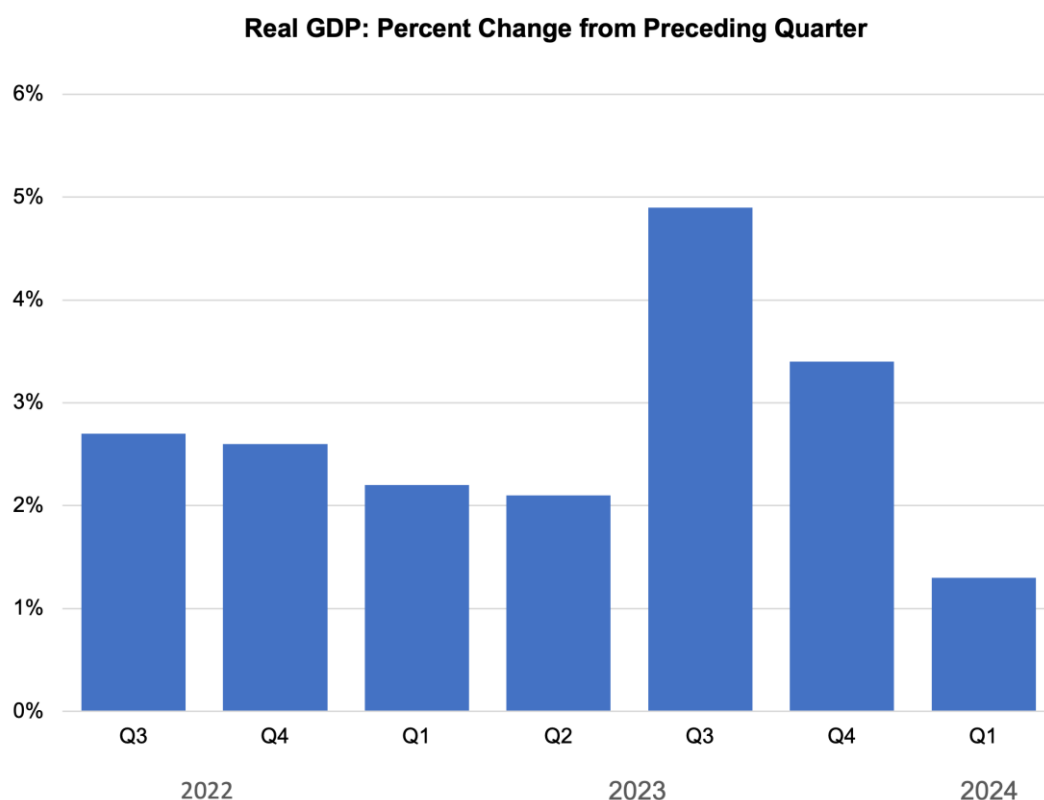
**MAY 31, 2024**

Last week's gains were short-lived as the cotton market faced headwinds from weather and macroeconomic pressure.

- **Since last week's close, July futures relinquished 396 points**, settling at 77.76 cents per pound.
- The cotton market returned from the holiday and made solid gains, but the advances were short-lived. While the rains in the Southwest were needed, they weighed on the market.
- **Despite being a shorter trade week, the daily volume traded was heavier than last week.** Total open interest was basically unchanged, decreasing 514 contracts to 229,291.
- **Certificated stock reached its lowest level since April.** A decrease of 58,074 bales was reported, bringing the total certificated stock to 133,448 bales.

The stock market slid lower due to continued concerns that interest rates would be held higher for longer.

- **Despite overall encouraging reports this week**, worries about interest rates kept major indexes down. A surge in Treasury yields also put pressure on the stock market.
- **U.S. Gross Domestic Product for the first quarter was revised down to 1.3%**, showing the economy grew slower than the expected 1.6%.
- **Consumer confidence was unexpectedly good**, jumping to 102 in May from 97.5 in April.
- As expected, the Personal Consumption Expenditure price index, or PCE, rose 2.7% year-over-year and 0.3% month-over-month in April. This is the Fed's preferred inflation gauge.



Source: U.S. Bureau of Economic Analysis, retrieved from FRED

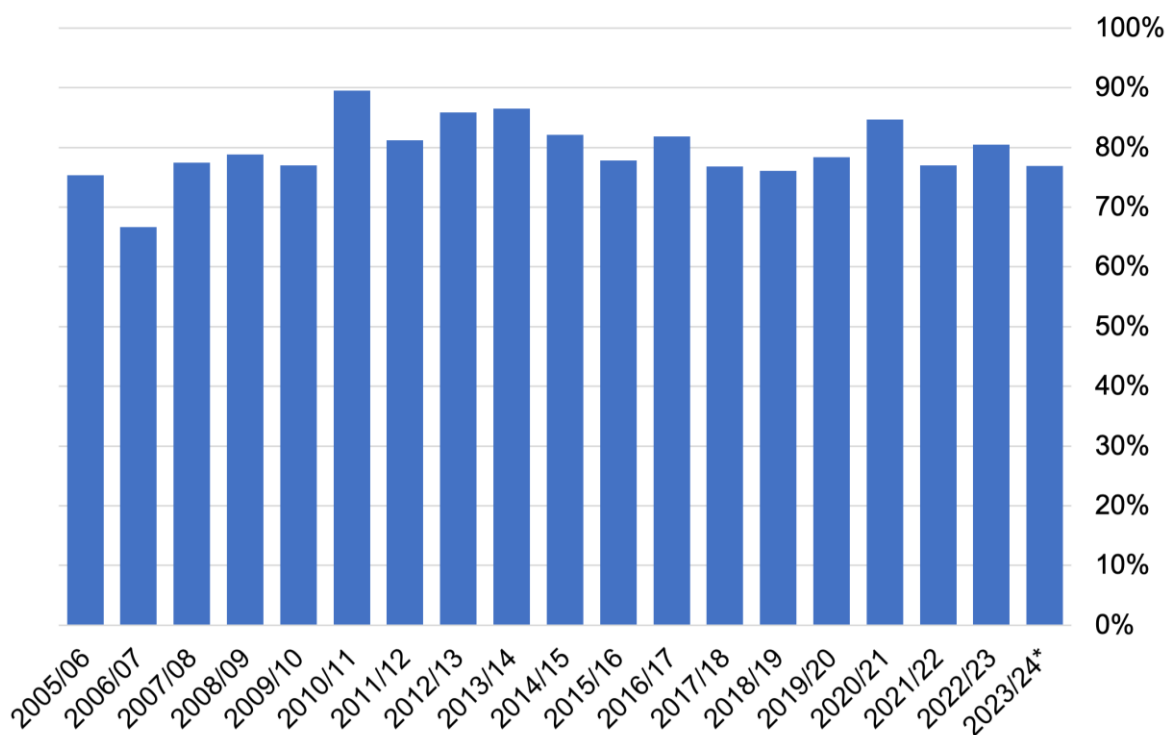
Net sales of U.S. cotton were good this week, but shipments were disappointing.

- **A net total of 222,600 Upland bales were sold, and 172,200 bales were shipped for the week.** The number of

bales shipped this week is far below the number needed to reach the 12.3 million bale estimate.

- **China was the biggest buyer of Upland cotton, with 191,900 bales**, followed by Vietnam with 8,500 bales, Bangladesh with 5,900 bales, Turkey with 5,100 bales, and South Korea with 4,400 bales.
- **New crop sales were average for this point in the year.** A net total of 78,100 bales were sold for the 2024/25 crop year.
- A net total of 5,400 Pima bales were sold, and 6,300 bales were shipped.

**Accumulated Exports as % of Final**  
**Week 43 of Marketing Year**



Source: USDA, \*relative to WASDE

## The Week Ahead

- The weather forecast across Texas, Oklahoma, and Kansas will continue to be monitored, seeing as final planting dates have passed or are quickly approaching. Outside of that, traders will keep an eye on the usual weekly U.S. Export Sales Report and Crop Progress and Condition Report.

- The Rogers Roll began on Thursday, which could generate more activity as positions are rolled forward. U.S. unemployment will be released next Friday, which will shed additional light on the current economic state.
- **According to this week's Crop Progress report, 59% of the expected cotton acreage has been planted throughout the country.** Planting has progressed rapidly over the past week in West Texas, Oklahoma, and Kansas, and each state is ahead of the usual pace observed at this point in the year.

### Ice Futures Ending 5/30/2024

	Settlement	Daily Change	Weekly Change
July '24	77.76	-3.34	-3.96
Dec '24	76.51	-1.59	-2.11
Mar '25	78.29	-1.34	-1.74
May '25	79.79	-1.19	-1.45

### Adjusted World Price (AWP)

	Official 5/31 thru 6/6
AWP	64.37
LDP/MLG	0.00
2023 FCA	0.48
Coarse Count	0.00

## The Seam

As of Thursday afternoon, grower offers totaled 17,531 bales. On the G2B platform 552 bales traded during the week with an average price of 65.00 cents/lb. The average loan was 46.18 cents/lb., bringing the average premium received over the loan to 18.82 cents/lb.