



**MAY 3, 2024**

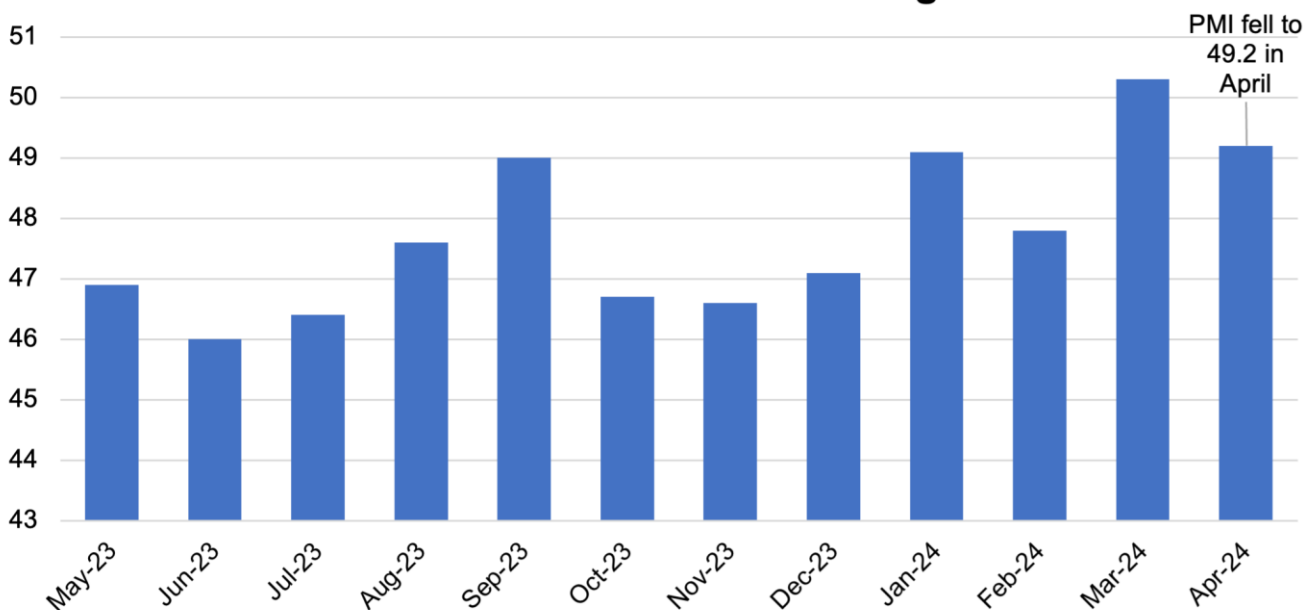
**After gaining a little ground last week, July futures spent the week on a downward descent.**

- July futures settled at 75.62 cents per pound, finishing 546 points lower for the week.
- Volume increased toward the end of the week, as total open interest increased by 3,255 contracts to reach a balance of 205,869.
- Bales that are eligible to deliver against futures (certificated stocks) continue to increase. They were last reported at 186,121, an increase of 7,974 from last week.

**Volatility surrounded major indexes due to the fears of an interest rate increase, but it managed to finish the week slightly higher than last week.**

- As expected, the Federal Open Market Committee (FOMC) announced that interest rates will remain unchanged until inflation shows signs of progress.
- U.S. inflation remains stubborn and above the Fed's 2% target, as evidenced by the comments made by Chairman Jerome Powell following the FOMC meeting.
- U.S. private employers added 192,000 jobs in April, although pay growth continues to slow.
- Employers reported 8.5 million U.S. job openings in March – a decrease from the 8.8 million reported in February and the lowest level reported since February 2021.
- After the record 50.3% Manufacturing Purchasing Managers' Index (PMI) reported in March, the rate decreased 1.1% to 49.2% for April.

### United States ISM Manufacturing PMI



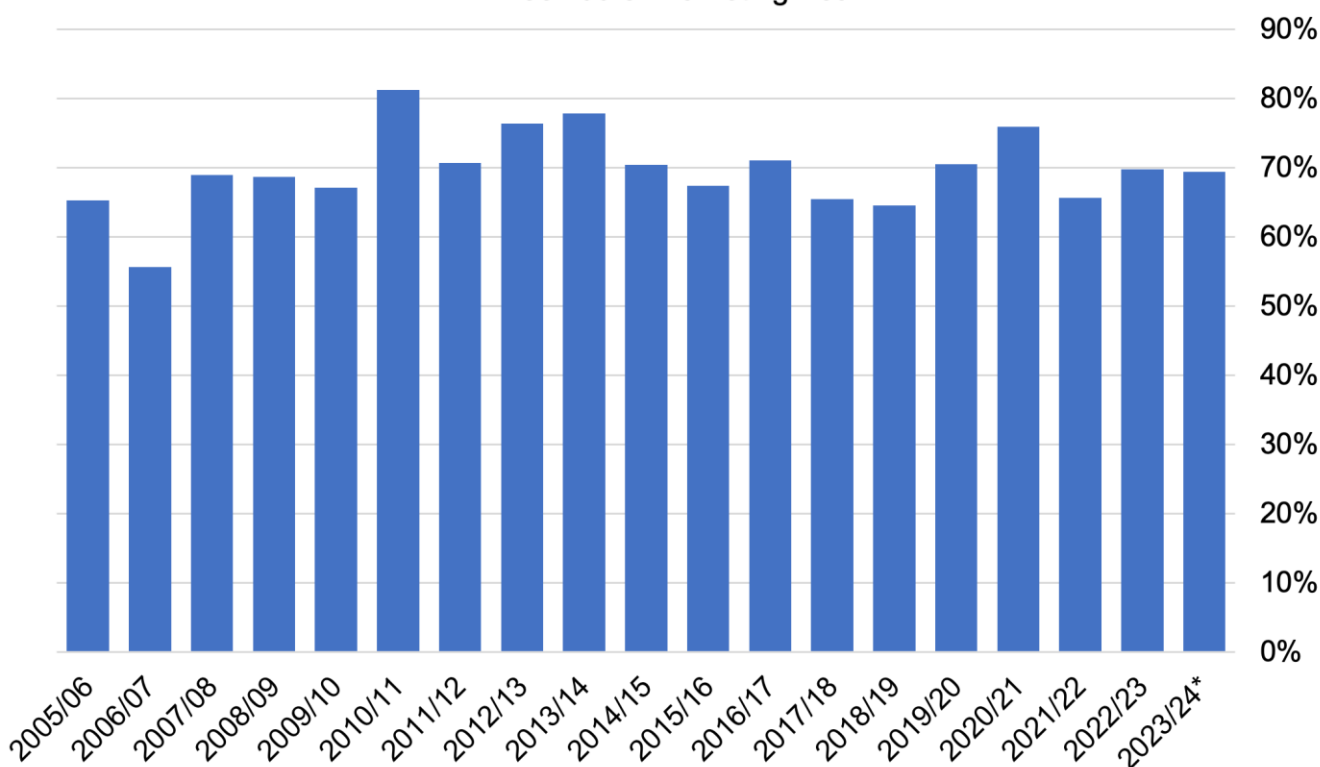
Source: Institute for Supply Management

**The U.S. Export Sales Report showed a net total of 97,400 Upland bales sold for the week ending April 25, a decrease of 45% from the previous week and 20% from the prior four-week average.**

- The biggest buyer of Upland cotton was Vietnam with 28,400 bales, followed by China with 18,500 bales, and Pakistan with 17,400 bales.
- Shipments totaled 180,000 bales for the week, below the pace of what is needed to reach expectations.
- New crop sales of 34,400 bales were reported, with 9,200 to Vietnam, 7,500 to Turkey, and 5,400 to Mexico.
- A net total of 5,400 Pima bales were sold, and 4,600 bales were shipped for the week.

## Accumulated Exports as % of Final

Week 39 of Marketing Year



Source: USDA, \*relative to WASDE

## The Week Ahead

- This week was primarily focused on the FOMC meeting; the next week will be data-filled. Traders will look to the U.S. Export Sales Report and Crop Progress Report.
- The World Agricultural Supply and Demand Estimates (WASDE) Report will be updated next Friday, May 10, which should be the final report release for the 2023 Crop.

- Throughout the country, cotton is now 15% planted and 18% planted in Texas. Weather continues to be favorable in South Texas as the crop progresses. Last week, scattered showers were welcomed throughout the Rolling Plains but tended to push east as they advanced along the caprock. Rain will be welcomed throughout the area as planting for the WTX/OK/KS crop is inching closer.

## The Seam

As of Thursday afternoon, grower offers totaled 31,545 bales. On the G2B platform 1,692 bales traded during the week with an average price of 68.40 cents/lb. The average loan was 53.80 bringing the average premium received over the loan to 14.60 cents/lb.

### Ice Futures Ending 5/2/2024

	Settlement	Daily Change	Weekly Change
<b>July '24</b>	75.62	-0.89	-5.46
<b>Dec '24</b>	74.18	-0.99	-3.46
<b>Mar '25</b>	75.62	-1.17	-3.69
<b>May '25</b>	76.97	-1.20	-3.59

### Adjusted World Price (AWP)

	Official 5/3 thru 5/9
<b>AWP</b>	60.55
<b>LDP/MLG</b>	0.00
<b>2023 FCA</b>	0.35
<b>Coarse Count</b>	0.00