



NOVEMBER 15, 2024

Cotton futures declined this week due to weak demand and a stronger U.S. dollar. With December Futures First Notice Day approaching and harvest nearly complete, we are deep into the season. Sales and shipments have fallen short of expectations, although there is potential for improvement next week. Will the market show any signs of recovery? Get QuickTake's read on the week's events in five minutes.

Cotton futures declined as demand remained sluggish and the U.S. dollar strengthened.

- December Futures First Notice Day is approaching next Friday, November 22, and traders' focus has shifted to the March contract.
- The March contract closed at 70.56 cents per pound, down 287 points for the week.

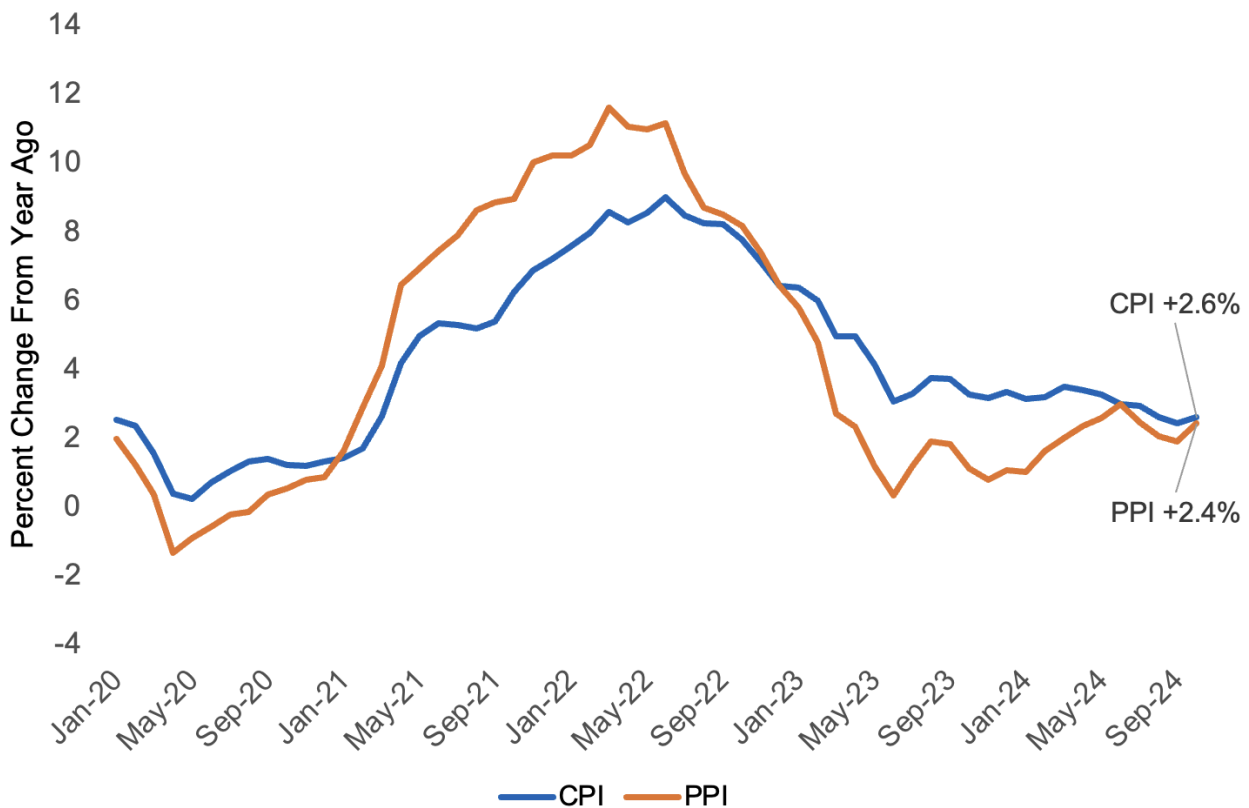
- Harvest is approaching completion across the United States, with the USDA's Crop Progress report indicating that 71% of U.S. cotton has been harvested. The market was pressured by Index rolls, on-call fixations, and the approaching December First Notice Day. Weak demand for cotton, especially in the U.S., combined with an almost 2% increase in the dollar index, dominated prices. A weaker U.S. supply and demand balance sheet did not help prices.
- Additionally, continued cautious buying of U.S. cotton, a stronger U.S. Dollar, and a loosening U.S. supply-and-demand balance sheet all contributed to the downward pressure on prices.
- Daily trading volume was heavy as traders exited December positions and shifted to March. Total open interest dropped significantly by 20,860 contracts, most of which were from December, bringing the overall open interest to 248,492 contracts.
- Certificated stock jumped from 174 bales to 11,224 bales.

The stock market reached record highs after the election but stalled due to persistent inflation concerns and comments from Fed Chairman Powell.

- The U.S. dollar surged to a one-year high, driven by post-election tariff policies that could negatively impact other countries' economies and speculation about potential tax cuts and deficit spending in the U.S.
- The U.S. Consumer Price Index (CPI) rose 0.2% month-over-month and 2.6% year-over-year, in line with economists' expectations. This figure remains above the Fed's 2% target, and comments from Fed Chairman Powell indicated that officials may not cut rates in December, as many had expected.
- The Producer Price Index (PPI) rose 0.2% month-over-month and 2.4% year-over-year, with the annual increase slightly surpassing analysts' expectations.

- Benchmark U.S. crude oil prices fell early in the week on expectations that supply would outpace demand under President-elect Trump's administration.

U.S. Inflation Indicators for October



Source: U.S. Bureau of Labor Statistics

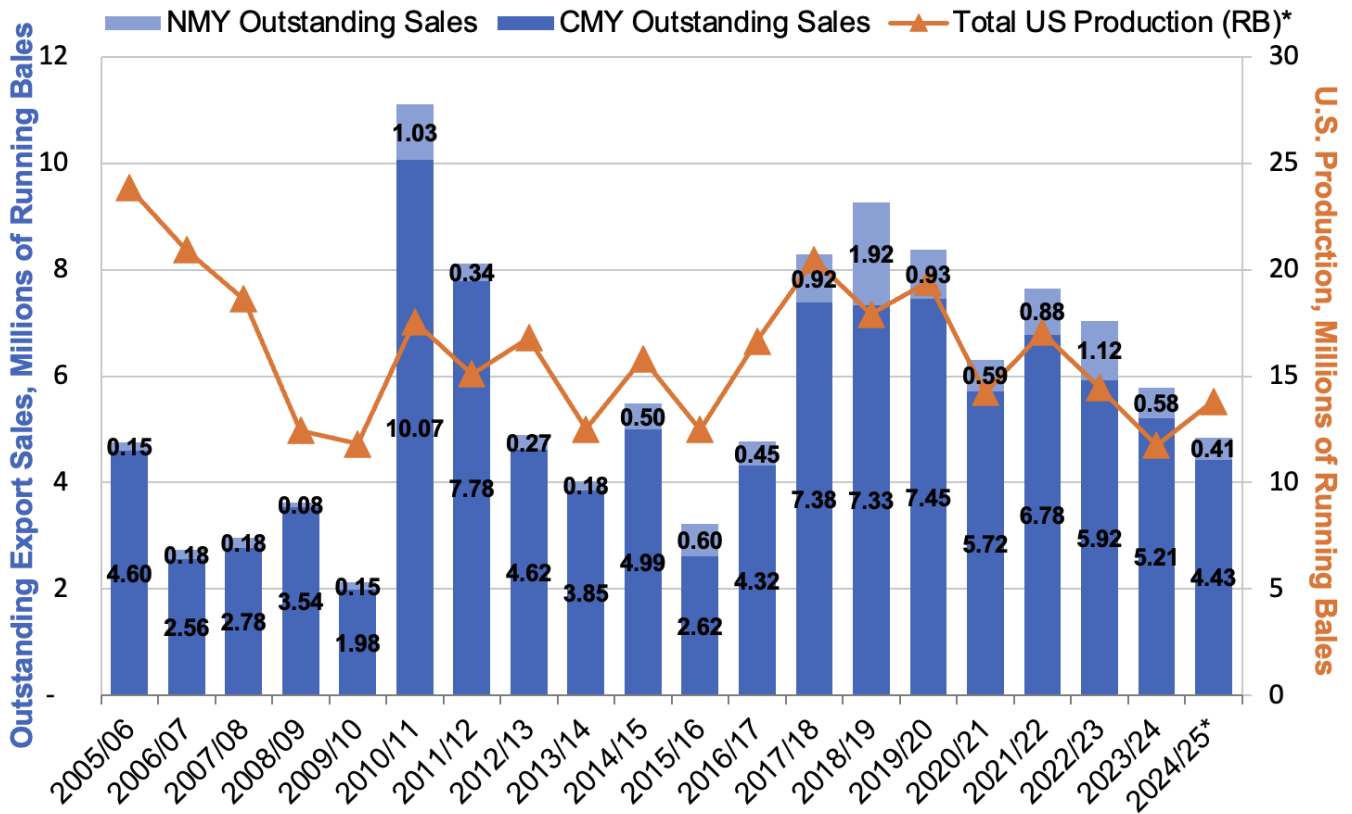
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Sales and shipments for the week ending November 7 were significantly below expectations.

- For the 2024/25 marketing year, 153,300 Upland bales were sold.
- There is potential for a larger number of sales on the report next week because of the anticipated business done at the Cotton USA Sourcing Summit.
- A total of 112,000 Upland bales were exported during the week. Even with the lower export estimate of 11.3 million bales, the U.S. is still lagging the pace needed to reach that number.
- Pima merchandisers sold 4,900 bales and exported 9,500 bales.

U.S. Outstanding Export Sales

Week 15 of Marketing Year



Source: USDA, *WASDE forecasted exports

The Week Ahead

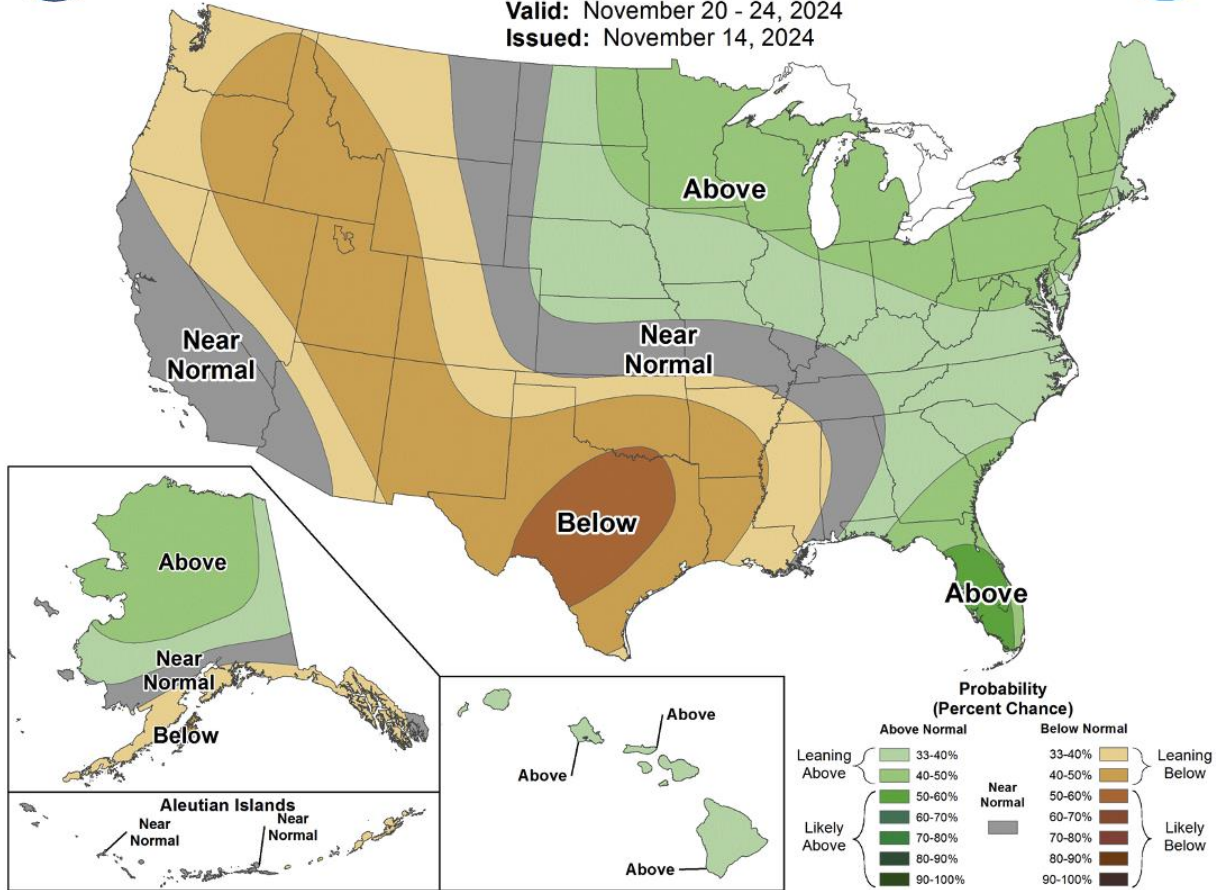
- Next week, the U.S. Export Sales report will be released on Thursday, and December Cotton First Notice Day will follow on Friday. Rain is expected in parts of the Southwest, which could delay harvest. Despite that, we anticipate it will still wrap up in the coming weeks.



6-10 Day Precipitation Outlook



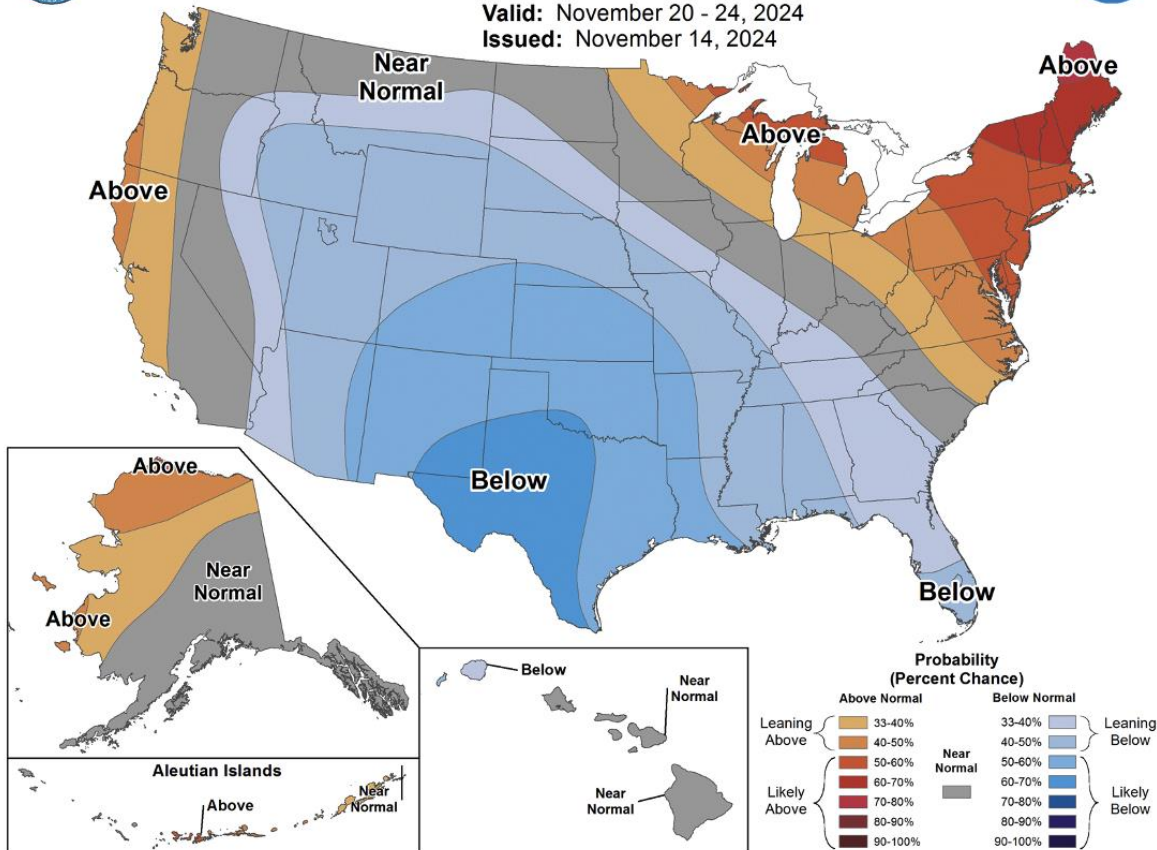
Valid: November 20 - 24, 2024
Issued: November 14, 2024



6-10 Day Temperature Outlook



Valid: November 20 - 24, 2024
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The Seam

As of Thursday afternoon, grower offers totaled 72,553 bales. There were 4,600 bales that traded on G2B platform with an average price of 66.24 cents per lb. The average loan was 53.41, which resulted in a premium of 12.83 cents per lb. over the loan.

Ice Futures Ending 11/14/2024

	Settlement	Daily Change	Weekly Change
Dec '24	68.32	-0.58	-2.73
Mar '25	70.56	-0.54	-2.87
May '25	71.86	-0.52	-2.92
July '25	73.06	-0.51	-2.84

Adjusted World Price (AWP)

	Official 11/15 thru 11/21
AWP	58.20
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00