



NOVEMBER 22, 2024

Cotton futures experienced a mixed week, starting with a sharp decline but recovering some losses by the end. Geopolitical tensions and a stronger dollar influenced market fluctuations. Attention has shifted to ginning and quality from the classing office as harvest nears completion. With the market facing ongoing uncertainty, will it stabilize in the coming weeks? Get QuickTake's read on the week's events in five minutes.

Cotton futures started the week with a sharp decline before recovering some losses.

- The March contract closed at 70.43 cents per pound, down just 13 points for the week.
- The liquidation of the December contract, coupled with heightened geopolitical tensions, caused prices to fluctuate on both sides of the market. Prices surged towards the end

of the week, with many attributing the movement to an oversold market. Despite more robust export sales, the early-week losses could not be fully recovered, leaving the March contract slightly lower by the week's end.

- Harvest is wrapping up in the Southwest after being delayed by rain. The focus will shift to ginning, and the quality will return from the classing office.
- Daily volume traded was heavy this week. Total open interest dropped by 14,377 contracts, bringing the overall open interest to 234,115.
- Certificated stock increased 2,050 bales to 13,274.

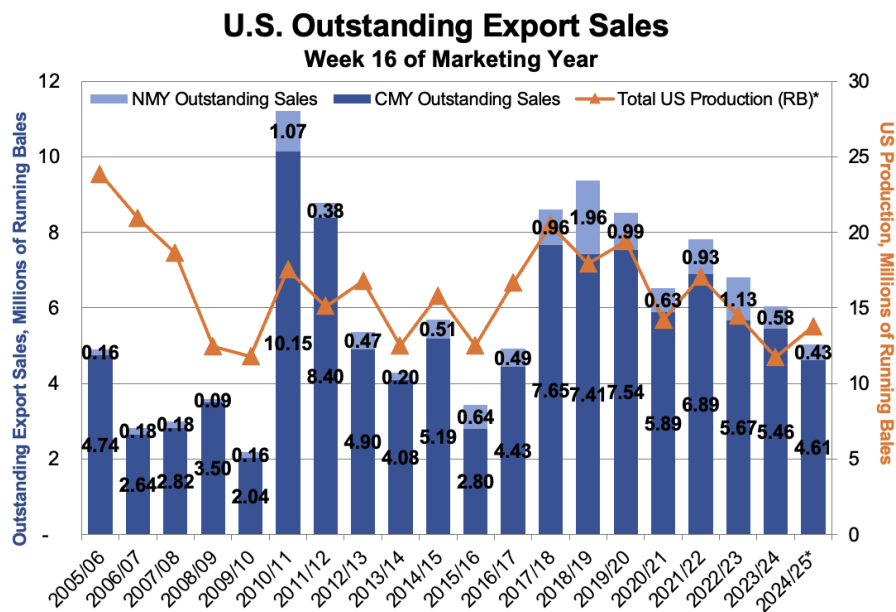
The stock market had a shaky week but managed to recoup some of the week's losses.

- Aside from earnings reports, it was a relatively quiet week regarding data. Target reported weaker-than-expected results, and shares plunged due to flat sales and an inventory buildup. Leading AI chipmaker Nvidia's shares fell despite nearly doubling last years' numbers.
- The U.S. dollar remained strong, contributing to the decline in commodity prices this week.
- Tensions between Ukraine and Russia escalated when Ukraine used American missiles to strike Russian territory. In response, Russia updated its nuclear doctrine. The market initially reacted nervously, and while not in the clear, it did stabilize after reported talks of a potential ceasefire arrangement.
- President-elect Trump has quickly begun nominating cabinet members and appointing staff to serve in his upcoming administration. One area of focus for the commodity sector is the potential impact of these nominations on trade. Trump has indicated that he will impose hefty tariffs, which could affect U.S. exporters.
- Senator Stabenow released bill text for the Farm Bill this week. Although the passage of a Farm Bill is necessary for producers, it appears to have come too late. The focus

appears to be shifting to disaster assistance and passing another extension of the current bill.

U.S. export sales recorded a marketing-year high, while shipments were subpar for the week ending November 14.

- For the 2024/25 marketing year, U.S. merchants sold 318,500 Upland bales.
- The larger shipments were anticipated due to business done at the Cotton USA Sourcing Summit last week.
- A total of 148,200 Upland bales were exported during the week. Despite the lower export estimate of 11.3 million bales, weekly shipments still fall short by nearly 100,000 bales to reach that target.
- Pima merchandisers sold 8,900 bales and exported 2,700 bales.

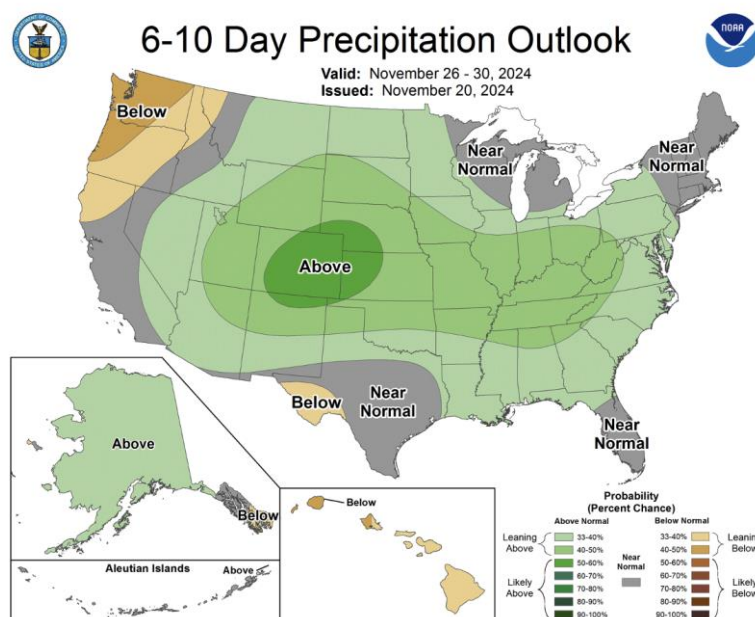
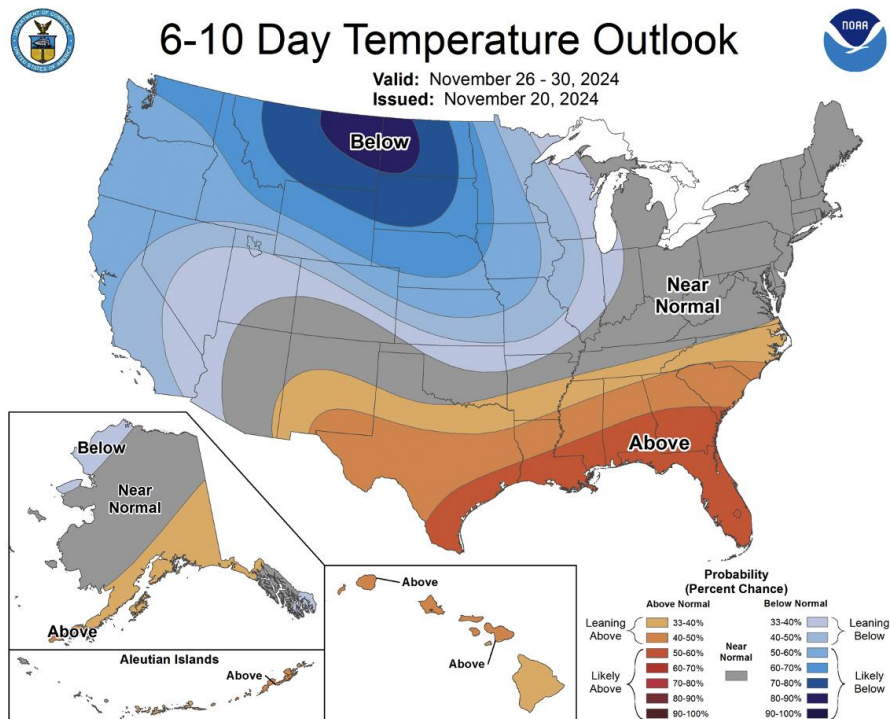


Source: USDA, *WASDE forecasted exports

The Week Ahead

- Due to the Thanksgiving holiday, next week will be a shortened trading week. Markets will be closed on Thursday, delaying the release of the Cotton On-Call Report, Export Sales Report, and Commitments of Traders Report.

- The release of the third-quarter Gross Domestic Product (GDP) and the Personal Consumption Expenditure (PCE) are key data points to monitor.



The Seam

As of Thursday afternoon, grower offers totaled 82,125 bales. There were 15,535 bales that traded on G2B platform with an average price of 66.55 cents per lb. The average loan was 52.79 which resulted in a premium of 13.76 cents per lb. over the loan.

Ice Futures Ending 11/21/2024

	Settlement	Daily Change	Weekly Change
Dec '24	69.19	+0.73	+0.87
Mar '25	70.43	+0.15	-0.13
May '25	71.65	+0.14	-0.21
July '25	72.80	+0.15	-0.26

Adjusted World Price (AWP)

	Official 11/21 thru 11/27
AWP	55.91
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00

The next Cotton QuickTake will be December 6. Happy Thanksgiving!