



MAY 24, 2024

The market finally felt some relief after weeks of selling and finished higher in four consecutive trading sessions.

- **July futures gained 548 points from last week's close**, settling at 81.72 cents per pound. The July contract closed up the limit on Wednesday and had another strong rally on Thursday.
- The futures market appeared to be correcting its oversold status this week. The July contract passed its 10-day and 20-day highs, which helped trigger some buying.
- **The two days of significant gains caused daily volume traded to be heavy towards the end of the week.** Total open interest added 6,737 contracts to reach a balance of 229,805.
- **New additions were reported to certificated stock.** An increase of 8,652 bales brings the total certificated stock to 191,522 bales.

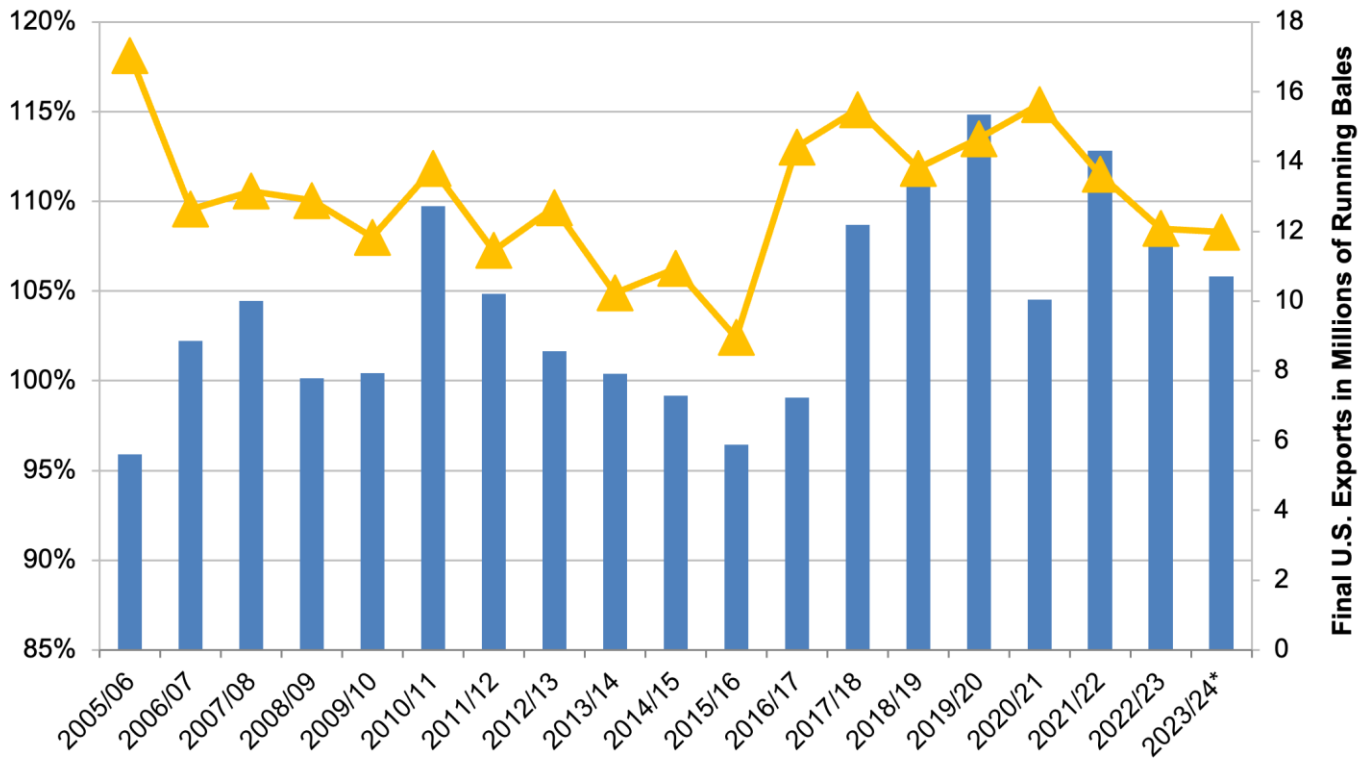
The stock market was shaky by the end of the week after inflation worries were renewed on stronger-than-expected economic data.

- **The minutes from the last Federal Open Markets Committee meeting were released this week.** The Fed continues to focus on inflation and is concerned about the slow progression towards their 2% goal.
- **U.S. existing home sales fell by 1.9% in April,** pushed lower by higher mortgage rates and higher housing prices.
- **Nvidia reported stronger-than-expected earnings,** which helped push the NASDAQ and S&P 500 to new highs.
- The House Ag Committee passed the Farm, Food, and National Security Act of 2024 within the committee after Thursday's markup.
- **The U.S. Dollar declined early in the week but recovered its losses** after U.S. weekly jobless claims fell more than expected.

U.S. export sales were surprisingly high for the week ending May 16, but shipments are still behind the pace needed to reach USDA's 12.3 million bale estimate.

- **A net total of 202,900 Upland bales were sold,** and 204,100 bales were shipped for the week.
- **China was the biggest buyer of Upland cotton, with 104,400 bales,** followed by Pakistan with 42,000 bales, Vietnam with 21,200 bales, Turkey with 15,000 bales, and Bangladesh with 4,700 bales.
- **New crop sales were slower than usual for this point in the year.** A net total of 47,900 bales were sold for the 2024/25 crop year.
- **Pima sales and shipments were healthy this week.** A net total of 9,900 Pima bales were sold, and 13,300 bales were shipped.

U.S. Export Commitments as % of Final Exports Week 42 of Marketing Year



Source: USDA, *relative to WASDE

The Week Ahead

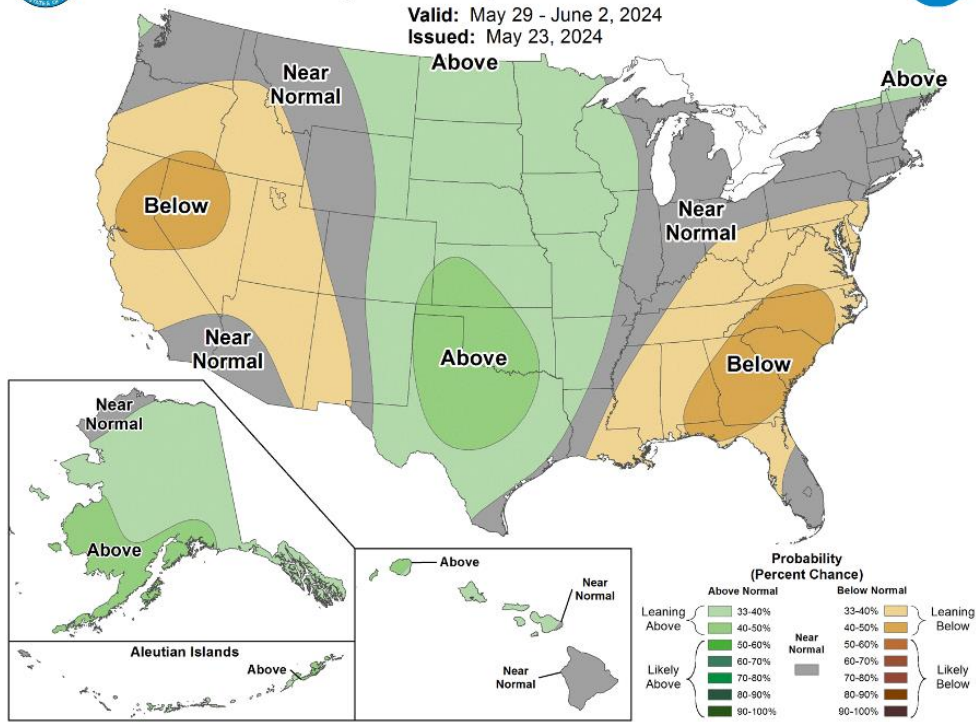
- Due to Monday's Memorial Day holiday, next week will be a shorter trade week. This will delay the U.S. Export Sales Report and the U.S. Crop Progress Report. The market should be more active next week with the release of the U.S. Gross Domestic Product (GDP) and Personal Consumption Expenditure (PCE) figures.
- **According to this week's Crop Progress report, 44% of the expected cotton acreage has been planted throughout the country.** Planting in the Southwest continues to stay on pace with the 5-year average. Planting has progressed rapidly over the past week in West Texas, Oklahoma, and Kansas. The crop is up in South Texas but could benefit from rain soon.



6-10 Day Precipitation Outlook



Valid: May 29 - June 2, 2024
Issued: May 23, 2024



The Seam

As of Thursday afternoon, grower offers totaled 18,083 bales. On the G2B platform 13,130 bales traded during the week with an average price of 79.77 cents/lb. The average loan was 55.07 cents/lb bringing the average premium received over the loan to 24.70 cents/lb.

Ice Futures Ending 5/23/2024

	Settlement	Daily Change	Weekly Change
July '24	81.72	+2.34	+5.48
Dec '24	78.62	+1.34	+3.43
Mar '25	80.03	+1.20	+3.23
May '25	81.24	+1.15	+3.12

Adjusted World Price (AWP)

	Official 5/24 thru 5/30
AWP	60.08
LDP/MLG	0.00
2023 FCA	0.48
Coarse Count	0.00