



Cotton Market Weekly

OCTOBER 25, 2024

Cotton futures were up for the week, but a lack of news left the marketplace relatively quiet. U.S. export sales saw a slight uptick as a result of the recent decline in prices. With geopolitical tensions and the upcoming presidential election on the horizon, what impact might these factors have on markets? Get QuickTake's read on the week's events in five minutes.

Cotton futures rose early in the week but frequently fluctuated within a narrow range.

- December futures increased by 77 points, settling at 71.53 cents per pound.
- The marketplace was relatively quiet this week. Cotton futures experienced triple-digit gains on Monday after

Friday's November options expiry led to some unexpected exercised calls, resulting in a price increase. Aside from monitoring the ongoing harvest and mixed technical signals, there was little news to push the market in one direction or another.

- Daily volume traded was modest. Contracts were steadily added to open interest, increasing the total number of open contracts by 7,929 to 258,906.

Stock markets were mixed this week as third-quarter earnings were reported.

- Outside of earnings reports, it was a somewhat light week for data. Traders are closely monitoring political and global developments, as any changes could significantly impact market dynamics.
- Apprehension surrounding the upcoming U.S. presidential election, combined with geopolitical tensions, has resulted in crude oil prices remaining next to unchanged from the week prior.
- The cautious market sentiment has contributed to a firm U.S. dollar, which reached its highest level in almost three months.

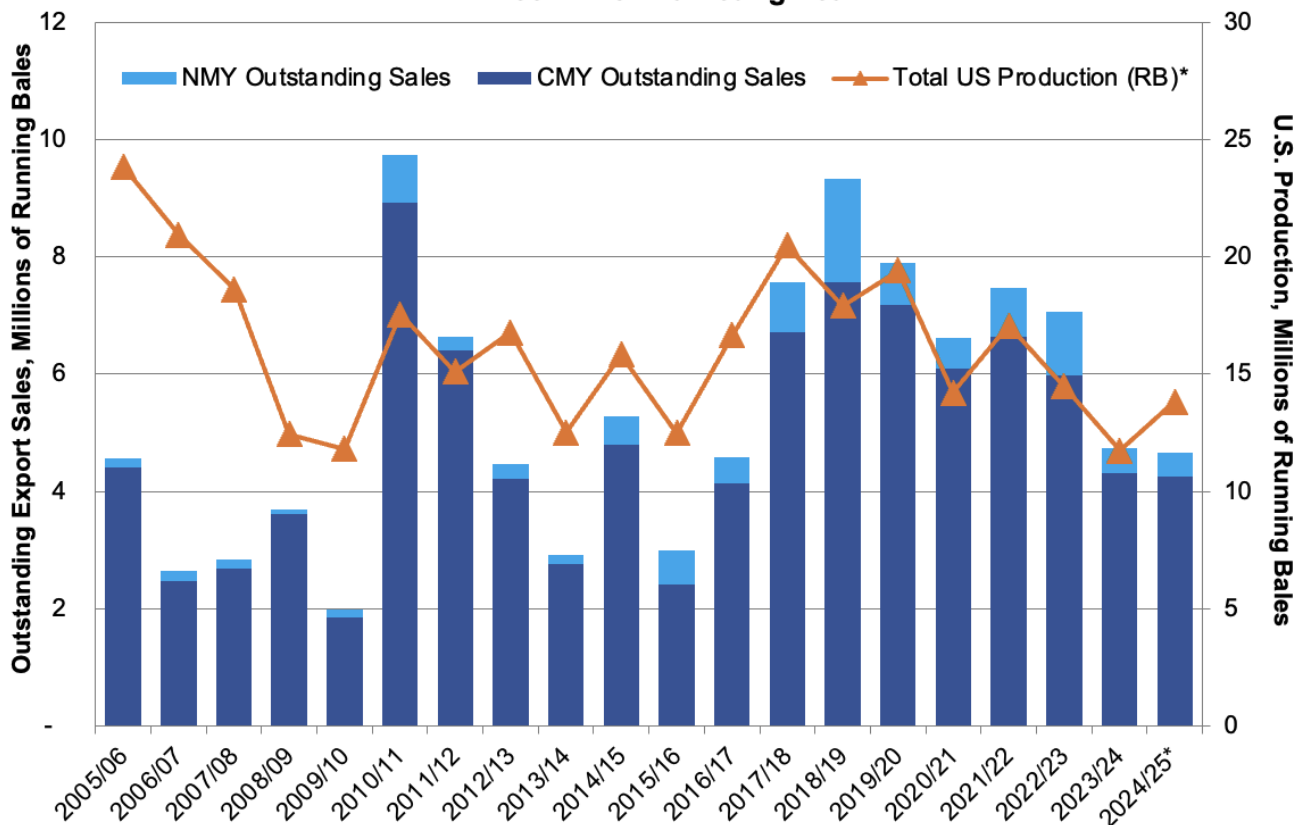
U.S. export sales increased slightly for the week ending October 17 due to lower prices but remained below average for this time of year.

- For the 2024/25 marketing year, 169,700 Upland bales were booked.
- Increased inquiries for U.S. cotton have been more prevalent as prices recently traded on the lower end of the range. The number of bales sold this week is slightly above the pace needed to meet the USDA's current export estimate of 11.5 million bales.
- Shipments of 98,400 Upland bales were up 70% from the week prior but are still slow compared to usual.

- The percentage of the U.S. crop committed and outstanding sales continue to trail behind last year's low level and represents the lowest amount committed since 2016/17.
- Sales for U.S. Pima cotton were higher this week. Pima merchandisers sold 4,400 bales and exported 4,200 bales.

U.S. Outstanding Export Sales

Week 12 of Marketing Year

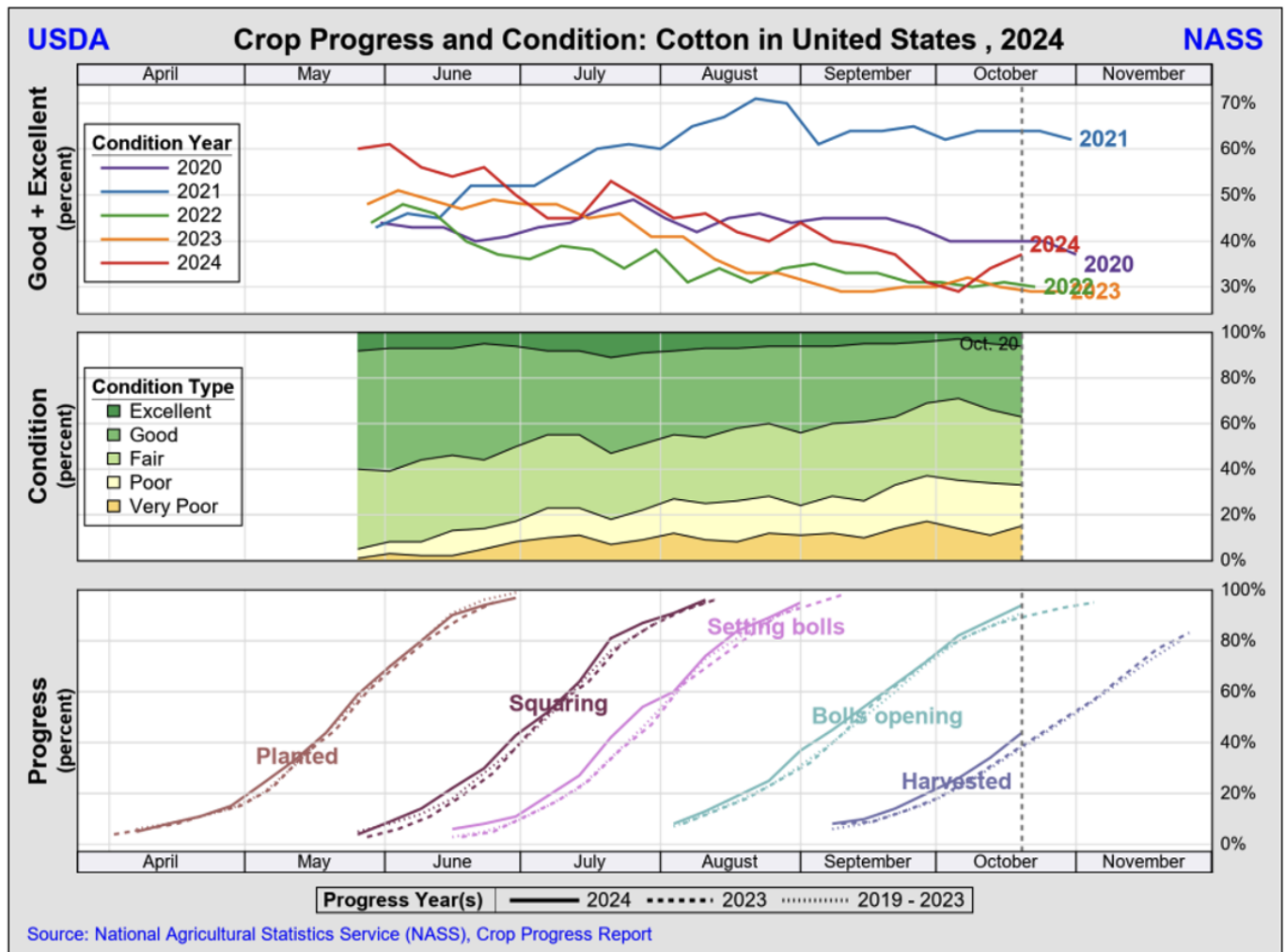


Source: USDA, *Current Year USDA Production

The overall percentage of the U.S. crop rated good to excellent rose to 37%, with 44% of the crop harvested.

- The percentage of crops rated good to excellent in Texas increased by 5% to 28%. Oklahoma's rating rose 3% to 20%, while Kansas decreased by 3% to 43%.
- As of October 20, 43% of the Texas crop had been harvested, 20% in Oklahoma, and 40% in Kansas.
- Harvest has progressed at an above-average pace over the past week, with ideal weather allowing farmers to work in

the fields. The forecast indicates favorable conditions in the coming weeks, which should help maintain harvest momentum. However, the cotton harvested so far has raised quality concerns due to the toll taken by the August heat. It remains to be seen how the rest of the crop will perform.



The Week Ahead

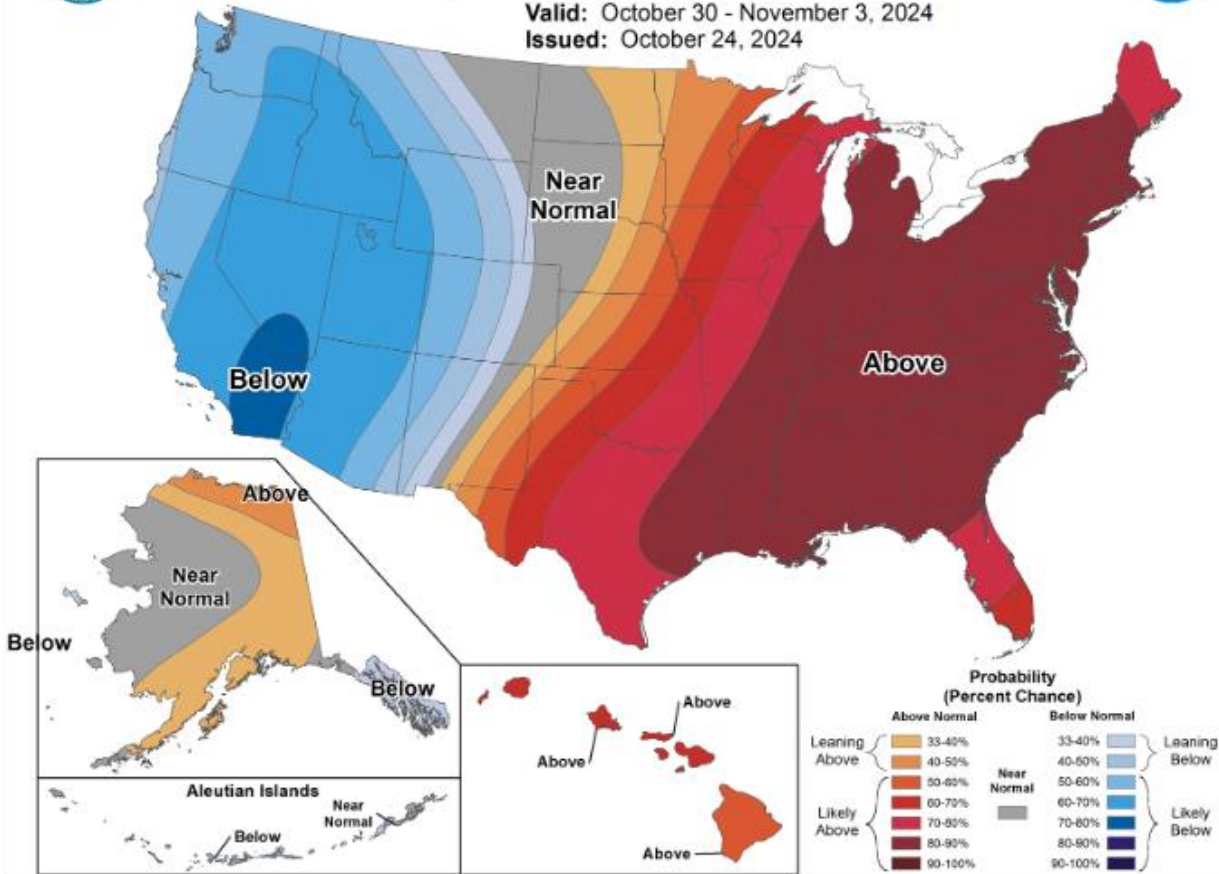
- There will be an uptick in data releases next week. Key economic indicators will include consumer confidence, Gross Domestic Product (GDP), and Personal Consumption Expenditure (PCE), the Fed's preferred measure of inflation. Cotton news will be light aside from the usual Crop Progress and Condition Report and Export Sales Report.



6-10 Day Temperature Outlook



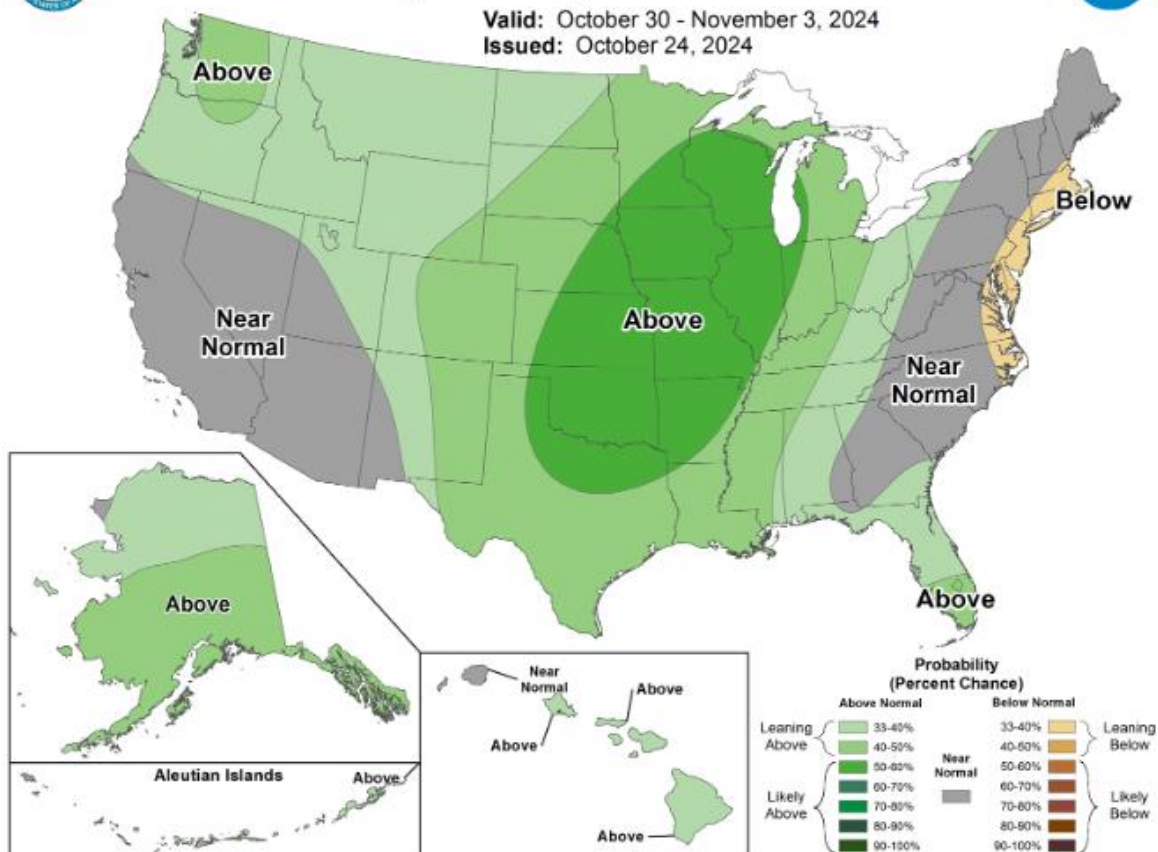
Valid: October 30 - November 3, 2024
Issued: October 24, 2024



6-10 Day Precipitation Outlook



Valid: October 30 - November 3, 2024
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The Seam

As of Thursday afternoon, grower offers totaled 26,174 bales. There were 10,722 bales that traded on G2B platform with an average price of 67.67 cents per lb. The average loan was 53.31 which resulted in a premium 14.36 cents per lb. over the loan.

Ice Futures Ending 10/24/2024

	Settlement	Daily Change	Weekly Change
Dec '24	71.53	-0.98	+0.77
Mar '25	73.68	-0.91	+0.83
May '25	75.03	-0.83	+0.72
July '25	75.98	-0.80	+0.72

Adjusted World Price (AWP)

	Official 10/25 thru 10/31
AWP	59.28
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00