

WEEKLY MARKET REPORT

May 20th, 2024

NEW YORK COTTON FUTURES

The New York cotton market's July position hit a new low of 74.69 cents/lb last Wednesday but recovered slightly over the weekend to settle at 76.06 cents/lb.

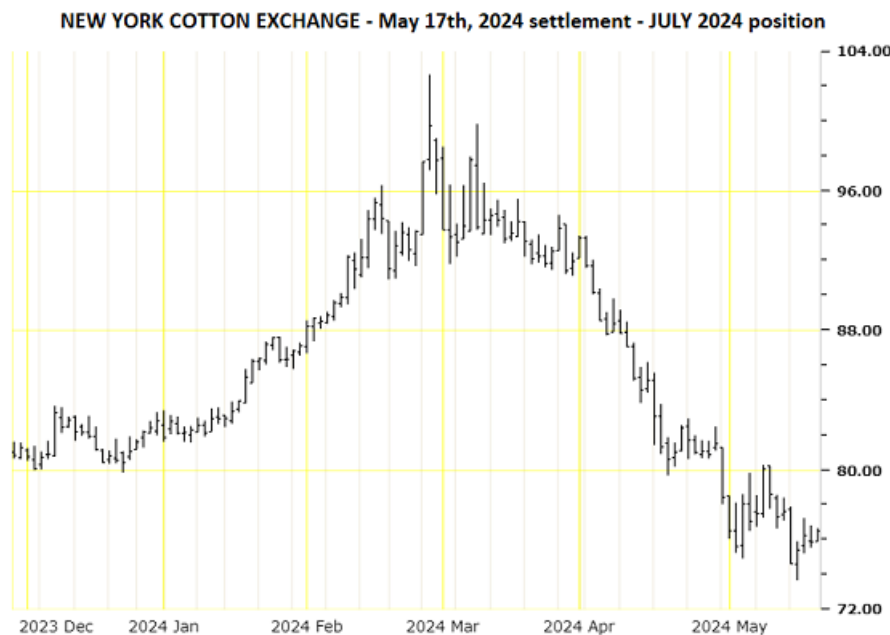
Last week's bearish technical outlook gave speculators room to add to their short positions, pushing the market lower in two of five trading sessions. Encouraging economic data released throughout the week allowed the market to recover some early losses.

The USDA's export sales report for the week ending May 9 showed a 38.32% decline of 156,450 bales in sales of old crops. However, this is an increase of 18.13% compared to the same week last year, with the Chinese leading the way with 63,600 bales.

Sales of new crops, however, were 140,603 bales, a slight decrease compared to last week. El Salvador was the buyer of 90,800 bales.

Export shipments were also 4.36% less than the previous week, at 238,755 bales. The main destination was China, with 85,000 bales, while 39,900 bales were shipped to Türkiye.

According to last week's Crop Progress report, 33% of the planned acreage has been planted across the country but new data on crop progress will be released today.



ECONOMICS AND FINANCE

In the **USA**, the April data on inflation was released on the afternoon of Wednesday 15 May.

The annual figure stood at 3.4%, in line with investor expectations and slightly decreasing compared to the 3.5% recorded the previous month.

This data was highly awaited by investors to try to predict in more detail when future rate cuts by the FED will take place.

In **EUROPE**, however, inflation stabilized at 2.4% for the Eurozone, now very close to the ECB target and decreasing compared to the peaks reached previously. It should also be noted that employment in the Eurozone grew by 0.3% in the first quarter. All positive data that gives rise to hope for an interest cut next June.

EURO/US DOLLAR EXCHANGE RATE

Following the publication of the above data, the US dollar has weakened and therefore the EURO is worth 1.088 to the dollar today.

SEA FREIGHT

The global index, which includes all routes, has increased further and going into the detail of the single route, from Shanghai to Genoa the cost of transport has grown in one week by 11%, reaching just over 4,770 dollars for the sending a 40-foot box.

ENERGY

NATURAL GAS on the Amsterdam market the TTF is currently at 31,025 euros per MWh. (up from last week)

BRENT in London closed last week at USD 84.33 per barrel (slightly higher than last week)

WTI in New York closed last week at USD 79.84 per barrel (up slightly from last week)

FIBER AND YARN PRICES

In **CHINA**, cotton fiber and yarn prices are currently declining and the polyester and viscose markets are expected to follow a similar trend.

In **PAKISTAN**, cotton yarn prices continued to fall in response to falling cotton fiber prices. The weaves continue to use imported yarns and the most requested ones are Open End and fine counts, while awaiting the arrival of the new domestic cotton harvest, expected for June.

In **INDIA**, cotton yarn prices have started to fall again after a period of stability.

INDICATIONS

This is a service that I give to my Italian clients to serve and inform them in the best possible way.

The text was translated with GOOGLE TRANSLATE, therefore the translation may not give a perfect meaning.

This newsletter and all previous ones can be found in PDF format on my website in the section <https://www.tessilfibre.eu/newsletter.html>