

WEEKLY MARKET REPORT

May 27th, 2024

NEW YORK COTTON FUTURES

The New York Cotton Stock Exchange finally rallied after weeks of selling and closed higher for four consecutive trading sessions.

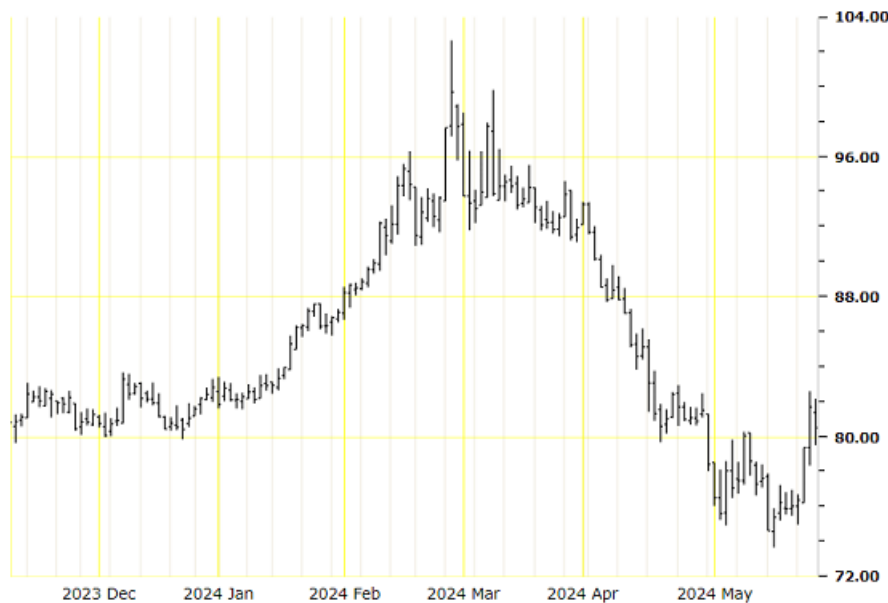
The market appears to have corrected its oversold state and the July position broke out above the 10-day and 20-day highs, which helped trigger some buying to close at the limit on Wednesday and saw another sharp rise on Thursday, before closing with a settlement last Friday at 80.52 cents/lb.

Export data recorded an improvement of 29.71% on the week of 5/16 to 202,935 bales for old crop sales. China was the largest buyer of 104,400 bales, with Pakistan accounting for 42,000 bales. This was the second largest total of the 23/24 crop over the last 15 weeks.

New crop planting progress data indicates that 44% of the U.S. cotton crop has been planted, an 11% increase from the previous week. This is now in line with the average pace of the last 5 years and an increase of 2% compared to last year.

Due to today's Memorial Day holiday, this will be a shorter trading week. This will delay the export sales report and the US harvest progress report.

NEW YORK COTTON EXCHANGE - May 24th, 2024 settlement - JULY 2024 position



ECONOMICS AND FINANCE

In the **US**, with inflation remaining high, financial markets are only expecting an interest rate cut this year in November as there has been a lack of progress towards the 2% target in recent months.

In **EUROPE**, however, beyond the obvious quarter-point cut in interest rates for June, by the end of the year expectations are slightly unbalanced towards two successive moves for a total of half a point.

EURO/US DOLLAR EXCHANGE RATE

During the past week, the value of the EURO against the US DOLLAR has fluctuated between 1.08174 and a maximum of 1.08602. It is currently stable around this last value.

SEA FREIGHT

According to the latest update, on the route from Shanghai to Genoa, there is an increase of 15%, to 5,494 dollars (+718 dollars) for the sea transport of a 40' container, compared to 7 days ago.

ENERGY

NATURAL GAS on the Amsterdam market the TTF is currently at 34,750 euros per MWh. (strongly up compared to last week)

BRENT in London closed last week at USD 82.03 per barrel (down from last week)

WTI in New York closed last week at USD 77.88 per barrel (down from last week)

FIBER AND YARN PRICES

In **PAKISTAN**, despite stable local cotton prices amid declining commercial activity, spinners are facing limited inventory availability due to high energy costs. Global cotton prices have seen declines influenced by increased production estimates in India and Australia, while varying production forecasts in the United States contribute to supply uncertainties in cotton markets; therefore, yarn prices are stable.

In **CHINA**, cotton fiber and yarn prices stabilized over the past week.

In **INDIA**, cotton fiber and yarn prices remained weak last week. According to the latest available data, cotton yarn exports continued to increase in May too.

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>