

## WEEKLY MARKET REPORT

June 3<sup>rd</sup>, 2024

### NEW YORK COTTON FUTURES

Since the close of the previous week, last week, July futures closed last Friday with a decline and the July position settled at 76.15 cents/lb, while the December 2024 position which determines the new crop, settled at 75.11 cents/lb.

Beneficial rain across the country has put pressure on the cotton market, as crop conditions, so far, are considered very satisfactory.

In fact, according to the USDA's Crop Progress report, 59% of cotton acreage has been completed across the country and every state is ahead of the usual pace seen at this point in the year.

A net total of 222,600 bales were sold and 172,200 bales shipped during the week. The number of bales shipped this week is much lower than the number needed to reach the USDA's estimate of 12.3 million bales.

China was the largest buyer with 191,900 bales, followed by Vietnam with 8,500 bales, Bangladesh with 5,900 bales, Turkey with 5,100 bales and South Korea with 4,400 bales.

NEW YORK COTTON EXCHANGE - May 31st, 2024 settlement - JULY 2024 position



### ECONOMICS AND FINANCE

In the **USA**, according to the Fed's preferred inflation indicator, defined as PCE, as expected, it stood at 2.7% on an annual basis, while the gross domestic product for the first quarter was revised downwards to 1.3 %, showing that the economy grew more slowly than the expected 1.6%. Despite last week's overall encouraging reports, interest rate concerns kept major indexes low. A surge in Treasury yields has also put pressure on the stock market.

In **EUROPE**, however, Eurostat data published on May 31st certify a slight increase in prices after the two consecutives 2.4% in March and April, in May inflation rose to 2.6%. However, an interest rate cut for June 6th is taken for granted.

In **CHINA**, the economy shows a worsening in May 2024, according to the published manufacturing PMI data, the index has returned below the prosperity line and a contraction is indicated in May.

## EURO/US DOLLAR EXCHANGE RATE

Last week the Euro / US Dollar exchange rate showed an unchanged trend compared to the previous week and stood at 1.0850 Euro / US Dollar. The technical implications assumed support the hypothesis of an erratic continuation with resistance seen at 1.0884 and first support estimated at 1.0811.

## SEA FREIGHT

Last week also, shipping rates increased by 4% compared to the previous week. Transportation from Shanghai to Genoa costs US\$ 5,693.00 for a 40' container. A 162% increase year over year.

## ENERGY

**NATURAL GAS** on the Amsterdam market the TTF is currently at 34.69 euros per MWh. (stable compared to last week)

**BRENT** in London closed last week at USD 81.37 per barrel (stable compared to last week)

**WTI** in New York closed last week at USD 77.18 per barrel (stable compared to last week)

## FIBER AND YARN PRICES

In **PAKISTAN**, cotton yarns are stable in a context of resumption of the commercial activity of weavers, particularly for household linen. Demand for clothing fabrics is still weak. Spinners are facing limited inventory availability due to high energy costs.

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

In **INDIA**, cotton fiber and yarn prices showed divergent trends last week.

## 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>