

Upland **offering rates** have tended lower in sympathy with New York futures. The December contract has moved out of its long-standing trading range. Volume has been light... China's Zhengzhou cotton futures have declined on the return from holiday. Market conjecture centres on the possibility of a State Reserve sales programme... In India, MCX has lost ground in more active trading. In the physical market, ex-gin offering rates have also weakened... New crop asking prices for seed cotton and lint have been under pressure in Pakistan... Brazilian spot values have lost ground. ANEA's annual gathering takes place this week... Cotton Outlook's monthly review of world production and consumption appears on pages 7/9. Our Long Staple Update is on pages 11/12.

Ninety-five percent of the United States **crop** had been sown by last weekend. Hot weather has pushed plant development across the belt but development remains a little late. USDA's Planted Acreage report is due at the end of this week... The area sown in Egypt is significantly lower than last season as the planting period draws to a close... The Indian Monsoon has made rapid progress.

Sowing in Gujarat is already ahead of last season, while Maharashtra lags well behind.... Planting in Pakistan is complete on an extensive area. Plants appear healthy and there is considerable optimism with regard to the production outlook... In China, hot weather has allowed cotton in Xinjiang to make up some ground after a difficult start. High temperatures are forecast to persist in most areas next month... Good weather has prevailed across Brazil's major producing state. The crop looks in excellent shape as picking is poised to commence... Clear weather has facilitated the progress of Argentina's harvest.

Lower prices have facilitated some fresh **business** on various import markets but mill demand remains predominantly of a hand-to-mouth nature... China remains the most active buyer, with attention directed to US and Brazilian... During the week ended June 22, US export registrations for 2022/23 rose by 125,600 running bales (mainly for China) and for the next marketing year by 158,700 (the lion's share for Central American markets). Upland shipments slipped to 225,200 running bales... Vietnam's raw cotton imports in May were the heaviest for many months.

Demand for cotton **yarn** remains poor and prices unsatisfactory... Customary exporters of yarn to China complain of stiff competition from domestic spinners... China's textile industry profits were sharply lower than last year during the January/May period.



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**Cotlook Prices**

CFR Far Eastern Quotations	4
Currency Trends	6
The Cotlook Indices	5
World Price Trends	6
Yarn Index	5

**Country Reports and Other Features**

Argentina	25
Bangladesh	16
Brazil	25
China	12
Cotlook's Consumption Estimate	9
Cotlook's Production Estimate	7
Egypt	17
Far Eastern markets	17
India	15
Long staples in June	11
Pakistan	14
United States	18
US Export Sales	24
US Price Mechanism	24
Vietnam	18
World Stock	10

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Editor: Mike Edwards  
Deputy Editor: Antonia Prescott

Editorial Staff:  
Liverpool: Alison Buckley, Sandra Constantopoulos,  
Pamela Jones, Ruby McGrath, Alice Robinson.  
Memphis: Kelly Nelson, Susan Simpson.

Subscriptions : Mary Fay.  
Advertising/Marketing : Richard Butler.

Offices: United Kingdom Cotlook Limited,  
PO Box 111, Liverpool, L19 2WQ, United Kingdom  
Telephone: (0151) 644-6400. E-Mail : editor@cotlook.com  
United States PO Box 38866. Germantown, TN 38138  
Telephone: +1 901-406-8352 - +1 901-406-8353  
E-Mail : kelly@cotlook.com - susan@cotlook.com - memphis@cotlook.com

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**INTERNATIONAL COTTON PRICES**

**New York futures touch new lows**

Upland offering rates have weakened appreciably during the past week under the lead of New York. The December contract has closed lower in four out of the five sessions under review to record a net decline of 316 cent points. In so doing, the key contract in New York departed from its long-standing trading range and moved decisively below the threshold of 80.00 cents per lb.

**Hand-to-mouth mill buying**

The past week's price movements may thus be regarded as potentially significant. Both the Current and Forward Cotlook Indices are now in the high 80s cents per lb and landed prices are no doubt moving towards a level at which spinners might hope to break even. However, raw cotton replacement costs have not yet cheapened to the point at which the pattern of trading has changed significantly.

It is true that on certain markets mill buyers have been encouraged to cover their more pressing requirements a little more actively. Many had anticipated just such an opportunity once July's First Notice Day had passed. However, buying remains essentially of a hand-to-mouth nature. Lower prices have not of themselves proved the catalyst for more active forward purchasing. For such a shift to occur, a marked improvement in the outlook for yarn sales will doubtless be required. In the absence of any sea change in spinners' fortunes, the volume of raw cotton business stimulated has scarcely been transformative.

**Production outlook improves**

Supply side considerations meanwhile continue to loom large. Our monthly review of world production alludes to the volume of supply from the Southern Hemisphere available to the international market over the coming months. Moreover, the outlook for several of the Northern Hemisphere crops appears increasingly promising, although caution should as always be exercised at this early stage of the growing cycle. Our current forecasts suggest that global output will be closer to twenty-six million tonnes – a threshold surpassed only on a handful of occasions – than in any season since 2017/18.

**China in focus**

Against this rather bearish backdrop, the presence of China as a major buyer from the international market has provided the sole genuinely positive impetus from the demand side. That has remained the case since activity resumed following that market's long holiday weekend, as the price incentive to purchase imports has been accentuated. Private and state-owned trading entities have continued to test merchants' offers for US and Brazilian. The involvement of spinners, although not entirely absent, has by all accounts been limited, though mill demand for lots held on consignment is reported to have accelerated over the past two weeks.

In this week's US export report, China again featured as the single largest customer for this season's upland export sales but was less prominent amongst the destinations for



2023/24 (in the limelight for the next marketing year were 'captive' markets for US cotton in Central America).

The role of China's State Reserve is never far from the thoughts of those monitoring the country's supply and demand dynamics. This week, local rumours (and an international newswire report) have postulated that the Reserve may shortly emerge as a seller to the domestic market. Such a move at this stage of the season would not be unprecedented. In both 2020 and 2021, an auction series was commenced in the first week of July.

The release of stocks is frequently associated with a desire on the part of policymakers to calm an overheating domestic market. Local prices advanced sharply from early June: the September Zhengzhou cotton futures contract had gained 8.5 percent in value by the middle of the month. It remains to be seen whether the market's subsequent partial retreat, as speculation with regard to the local stock position and the outlook for the 2023/24 Xinjiang crop abated, might affect any decision.

**otto**  
**stadtlander**  
gmbh



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marcusallee 3 · p.o.box 10 13 07 · d - 28013 bremen  
telephone +49 421 2042-0 · telefax +49 421 2042-200  
www.osta.de · e-mail: info@osta.de



## CFR FAR EASTERN QUOTATIONS FOR PRINCIPAL GROWTHS

Quotations as at June 29, 2023

Description	Price	Change on week	Shipment	Forward		
				Price	Change on week	Shipment
<b>American-Type cottons:</b>						
<b>Higher grades</b>						
Australian SM 1-5/32"	91.00	-3.00	7/8	NQ		
Benin Kaba/s 1-1/8"	92.25	-3.25	7/8	92.25	-3.25	1/2
Burkina Faso BOLA/s 1-1/8"	91.75	-3.25	7/8	91.25	-3.25	1/2
Cameroon IRMA/s 1-1/8"	92.25	-3.25	7/8	91.75	-3.25	1/2
Cameroon PLEBE 1-5/32"	94.25	-3.25	7/8	93.75	-3.25	1/2
Chad Kero A51 1-5/32"	94.25	-3.25	7/8	93.75	-3.25	1/2
Indian Shankar-6, 1-1/8"	90.00	-3.50	7/8	NQ		
Ivory Coast MANBO/s 1-1/8"	91.75	-3.25	7/8	90.75	-3.25	1/2
Mali JULI/s 1-1/8"	92.75	-3.25	7/8	91.75	-3.25	1/2
Spanish SM 1-1/8"	NQ			NQ		
Tanzanian RG1 1-1/8"	NQ			NQ		
Texas SM 1-1/8"	90.25	-3.00	7/8	90.50	-3.00	11/12
Togo Alto/s 1-1/8"	91.75	-3.25	7/8	90.75	-3.25	1/2
Uzbekistan SM 1-1/8"	NQ			NQ		
Zambian SM 1-1/8"	NQ			NQ		
Zimbabwe SM 1-1/8"	NQ			NQ		
<b>Medium grades</b>						
<b>1-1/8" staple unless stated</b>						
Australian Midd	89.50	-3.00	7/8	NQ		
Benin BELA *	91.25	-3.25	7/8	91.25	-3.25	1/2
Brazilian Midd	87.00	-3.00	7/8	87.00	-3.00	10/11
Burkina Faso RUDY *	90.75	-3.25	7/8	90.25	-3.25	1/2
California/Arizona Midd	NQ			NQ		
Greek Midd	92.75	-3.25	7/8	89.25	-3.25	10/11
Indian medium grades **	89.00	-3.50	7/8	NQ		
Iv. Coast BEMA *	90.25	-3.25	7/8	89.75	-3.25	1/2
Mali ROKY/KATI *	91.75	-3.25	7/8	90.75	-3.25	1/2
Memphis/Eastern Midd	89.75	-3.00	7/8	90.00	-3.00	11/12
Memphis/Orleans/Texas Midd	89.25	-3.00	7/8	89.50	-3.00	11/12
Mexican Midd	NQ			NQ		
Tanzanian Type 1SG 1-3/32"	NQ			NQ		
Uzbekistan Midd	NQ			NQ		
<b>Lower grades</b>						
Argentine SLM, 1-1/16"	NQ			NQ		
Australian SLM 1-1/16"	NQ			NQ		
Brazilian SLM 1-3/32"	NQ			NQ		
Greek SLM 1-3/32"	90.75	-3.25	7/8	87.25	-3.25	10/11
Indian J-34 SG **	NQ			NQ		
Memphis/Eastern SLM 1-3/32"	87.25	-3.00	7/8	87.50	-3.00	11/12
Memphis/Orleans/Texas SLM 1-3/32"	86.75	-3.00	7/8	87.00	-3.00	11/12
Memphis/Orleans/Texas LM 1-1/8"	NQ			NQ		
Pakistan AFZAL 1-1/16"	NQ			NQ		
Pakistan Type 1467 1-3/32"	NQ			NQ		
<b>Long Staple cottons:</b>						
US Pima Grade 2 1-7/16" #	215.00	Unch	7/8	NQ		
Egyptian Giza 86 Good+3/8	NQ			NQ		
Egyptian Giza 94 Good+3/8	145.00	Unch	7/8	NQ		
Israeli Pima H1, 1-7/16" #	215.00	Unch	7/8	NQ		
Israeli Acalpi	NQ			NQ		

\* A maximum of two African Franc Zone growths are permitted in the Index calculation.

\*\* Applicable ICS standards, as adopted by the ICA are as follows: Higher grade - ICS 105 Superfine; Medium grade ICS 105 Fine

# Qualities used in US Pima competitiveness programme.



## THE COTLOOK INDICES

The Cotlook A Index was first calculated in 1966. The basis of the calculation has changed over the years with regard to quality and location. Since March, 2003 the Index has represented CFR Far East Eastern values. Between 1981/82 and 2014/15, the quality description of the Index was Middling 1-3/32". However, with effect from the 2015/16 Index, the staple length has been adjusted to Middling 1-1/8".

The quotations are compiled and published daily.

The Index is the average of the cheapest five of the eligible growths listed in the category 'medium grades' on page 4, taking the nearer shipment when prices are quoted on the same level. However, only two African Franc Zone quotations (\*) are permissible Index constituents on any day. Four growths are currently listed, namely Ivory Coast, Burkina Faso, Benin and Mali cottons, which together account for roughly 80 percent of production in the region. Southern Belt new crop (as identified in Cotlook's Production Estimate) in any season only becomes eligible for the Index from January 1 onwards.

The Cotlook Dual Index system is intended to suggest prevailing levels of offering prices for cotton to be shipped both nearby and forward, by provision of two sets of Indices at the appropriate times of year. The nearby or CURRENT season's Index is for shipment no later than August/September and the other or FORWARD season's Index is for cotton to be shipped no earlier than October/November. Each Index expires at the end of its respective season, the last business day of July. On the subsequent business day, the previous FORWARD Index assumes the CURRENT role; it alone is then quoted until early in the new calendar year, when it is joined by a new FORWARD Index as soon as October/November shipment offers of the various growths are available in sufficient number to permit the establishment of appropriate values.

The 2022/23 A Index is due to expire on July 31, 2023.

### Prices as at June 29, 2023

2022/2023 A Index			2023/2024 A Index		
Description	Price	Shpt	Description	Price	Shpt
Brazilian	87.00	7/8	Brazilian	87.00	10/11
Indian medium grade	89.00	7/8	Greek	89.25	10/11
Memphis/Orleans/Texas	89.25	7/8	Memphis/Orleans/Texas	89.50	11/12
Australian**	89.50	7/8	Ivory Coast BEMA	89.75	1/2
Memphis/Eastern	89.75	7/8	Memphis/Eastern	90.00	11/12

### The Cotlook A Index

#### Seasonal Averages

2013/14	90.57
2014/15	70.78
2015/16	70.39
2016/17	82.77
2017/18	87.99
2018/19	84.35
2019/20	71.33
2020/21	84.96
2021/22	131.73
2022/23 *	102.03

\* To date

#### Monthly Averages

December 2022	100.87
January 2023	100.29
February 2023	99.38
March 2023	95.39
April 2023	95.16
May 2023	94.05
June 2023	92.59

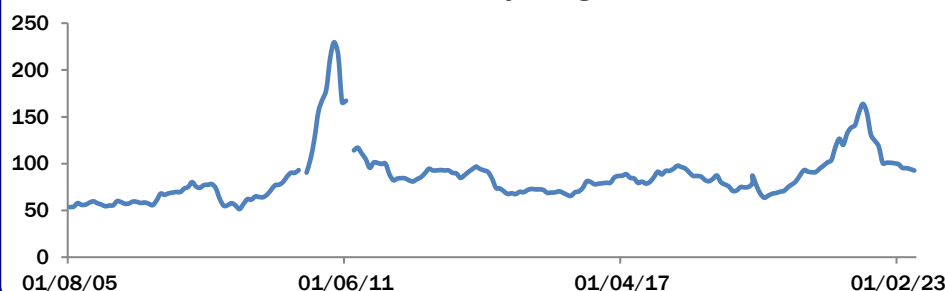
#### Daily Values

	2022/23	2023/24
June 23	91.70	91.85
June 26	90.10	90.35
June 27	89.30	89.60
June 28	88.70	88.85
June 29	88.90	89.10

#### Average for

<b>week to date</b>	89.74	89.95
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### The Cotlook A Index - monthly averages -



## YARN INDEX

2005 = 100

This week	139.44	Last month	140.65
Last week	139.44	Last year	189.90

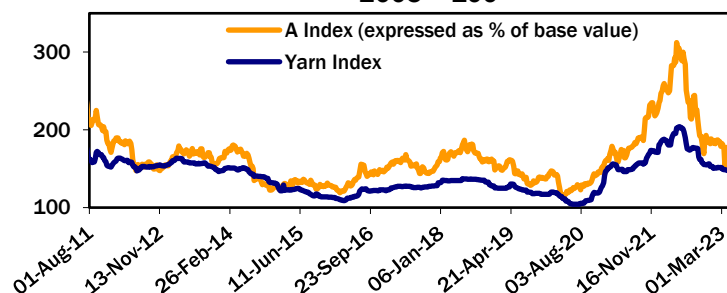
#### Export prices (in US dollars per kilo FOB)

	This week	Change on week	Change on year
<b>Pakistan 20s</b>	2.67	Unch	-0.50
<b>India 20s</b>	2.75	Unch	-1.45
<b>Turkey 20s</b>	3.05	Unch	-1.10
<b>Indonesia 20s</b>	3.25	Unch	-0.45
<b>China 21s</b>	3.18	Unch	-0.77
<b>Pakistan 30s</b>	3.06	Unch	-0.50
<b>India 30s</b>	3.00	Unch	-1.55
<b>Turkey 30s</b>	3.35	Unch	-1.15
<b>Indonesia 30s</b>	4.00	Unch	-0.50
<b>China 32s</b>	3.34	Unch	-0.70

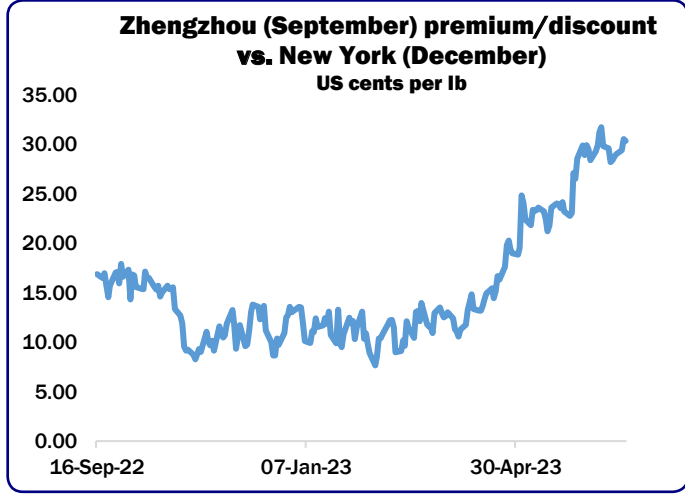
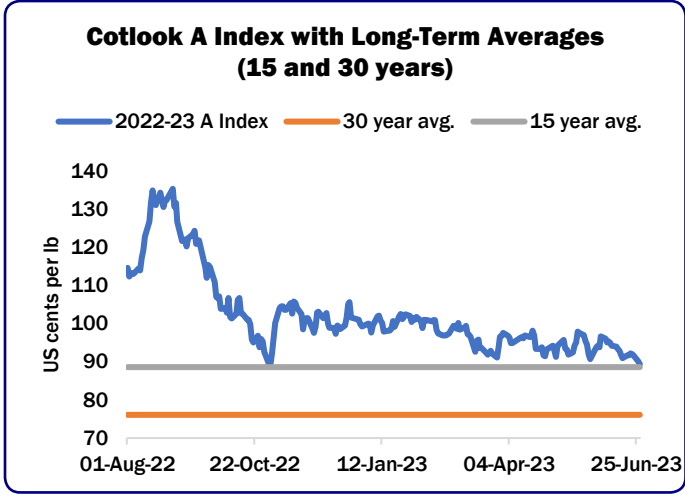
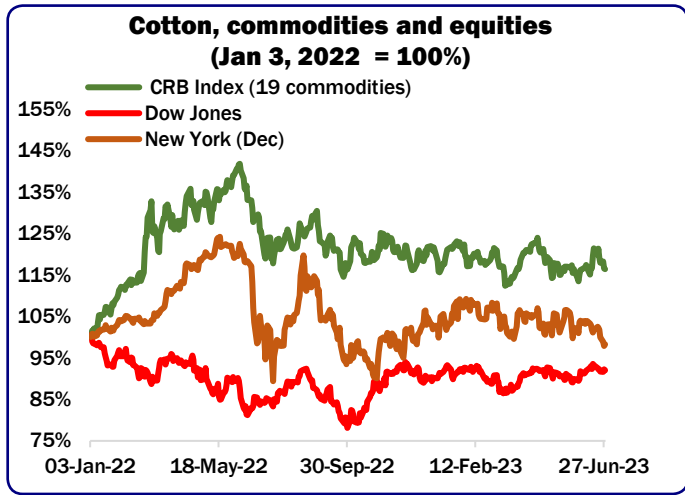
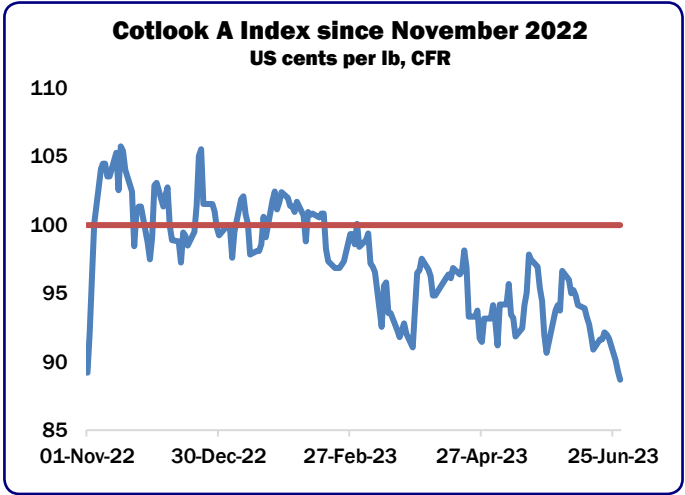
The Yarn Index is derived from our published FOB prices for 20s and 30s counts from India, Pakistan, Indonesia, China and Turkey, each weighted to reflect exports of cotton yarn from the individual country concerned, and expressing that as a percentage of the comparable average values for 2005. In determining the weightings, we have used an average of the exports in the two most recent calendar years for which complete data are available.

The current quotations are shown in the accompanying table, in US cents per kilo. They are for 'average quality' ring spin carded weaving single yarn.

### Cotlook Yarn Index v A Index 2005 = 100

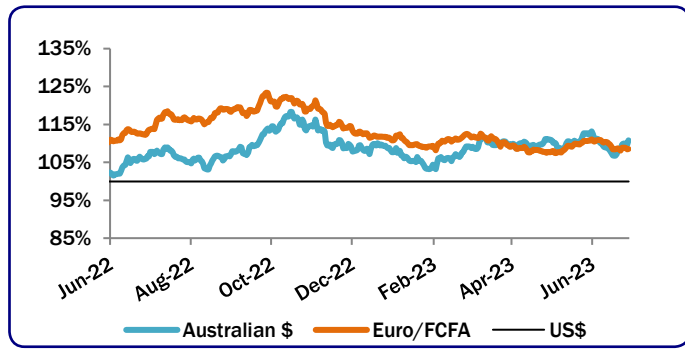
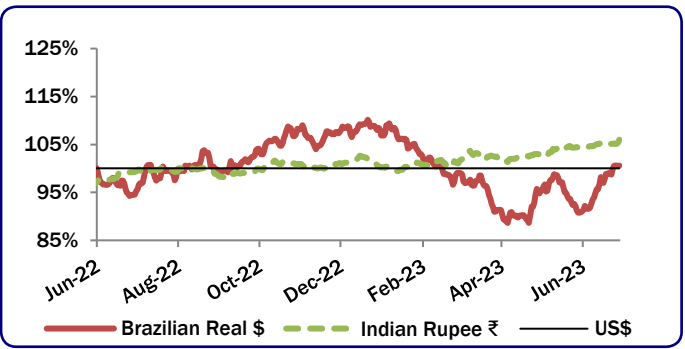


## WORLD PRICE TRENDS

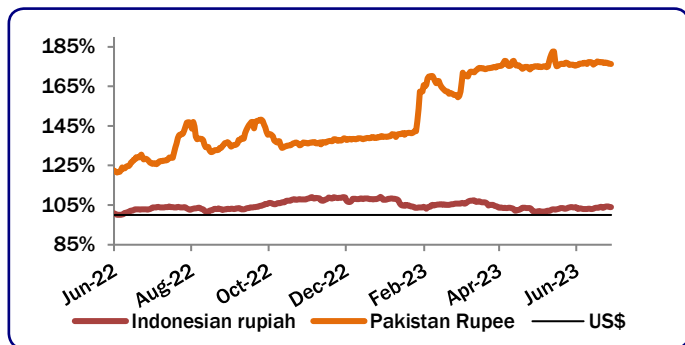
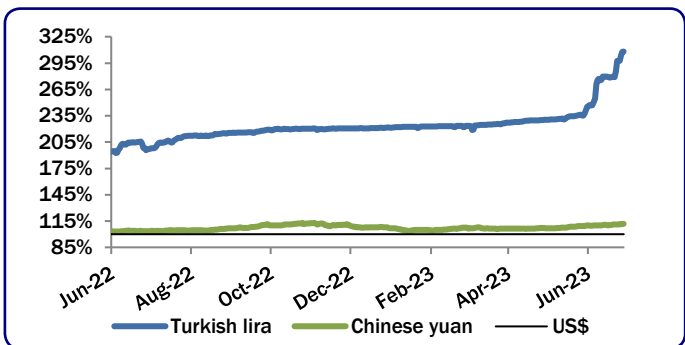


## CURRENCY TRENDS

### EXPORTERS' CURRENCIES VS. US\$ (AUG 1, 2021 = 100%)

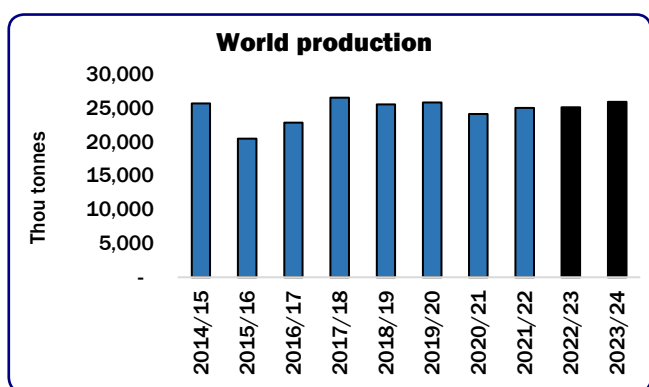


### IMPORTERS' CURRENCIES VS. US\$ (AUG 1, 2021 = 100%)

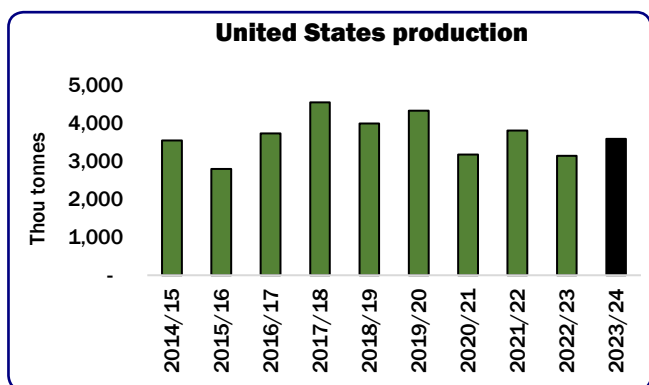


## COTLOOK'S PRODUCTION ESTIMATE - IN THOUSANDS OF TONNES -

The past month has seen planting of the 2023/24 crops advance in the Northern Hemisphere, in parts of which operations are already at or near a conclusion. Progress has generally been favourable, and in a number of producing countries (notably in the United States and on the subcontinent) the outlook is viewed with greater confidence than a month ago. Our forecast of world production has been increased by 690,000 tonnes since the end of May. At over 25.9 million tonnes, this would represent an increase of more than three percent from the 2022/23 season and would be the largest crop since 2017/18.

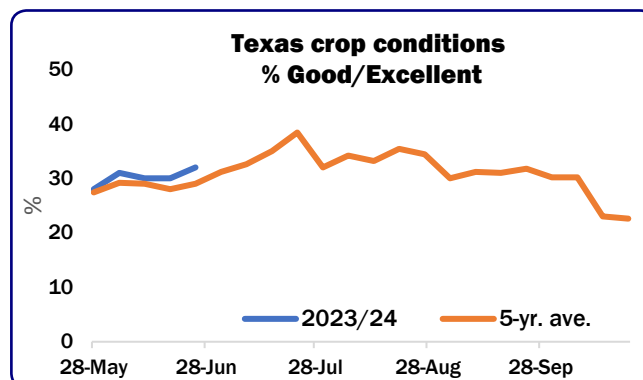


In the **United States**, all but five percent of planting intentions had been realised by last weekend. Influenced by expectations of lower abandonment, the Department of Agriculture this month raised its forecast to 16.5 million bales of 480 lbs, a figure we have adopted for the time being.



West Texas has lived up to its reputation for extremes of weather over the past few months: severe drought has been followed by rains that were excessive in parts of the region. The latest concern is unusually high temperatures. The condition of the state's crop nonetheless remains encouraging at this early stage. The proportion rated Good to Excellent as of June 25 was 32 percent, well above the corresponding figure last year and slightly better than the five-year average.

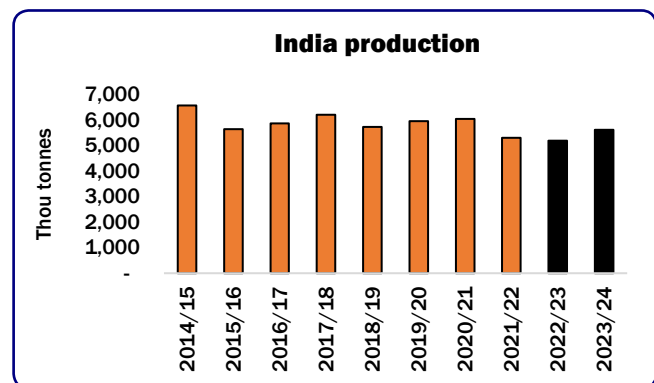
	22/23	23/24	Change on Month	
			22/23	23/24
Afghanistan	150	200	+140	+190
Argentina	250	300		
Australia	1,250	1,300	+50	
Azerbaijan	100	100		
Benin	270	310		
Brazil	3,000	2,800	+100	
Burkina Faso	170	200		
Cameroon	135	160		
Chad	55	60		
China	6,786	6,050		-26
Colombia	10	10		
Côte d'Ivoire	100	165		
Egypt	110	95		
Greece	300	240		
India	5,185	5,610		
Iran	72	65		
Israel	16	16		
Kazakhstan	60	60		
Kyrgyzstan	20	20		
Malawi	8	8		
Mali	180	275		
Mexico	290	270		
Mozambique	25	25		
Nigeria	50	50		
Pakistan	775	1,500		+250
Paraguay	30	35		
Peru	16	16		
Spain	40	30		
Sudan	140	140		
Syria	35	35		
Tajikistan	110	110		
Tanzania	70	90		+20
Togo	22	25		
Turkey	1,000	850		
Turkmenistan	200	200		
Uganda	28	28		
USA	3,144	3,592		+256
Uzbekistan	650	600		
Zambia	15	15		
Zimbabwe	40	40		
World Total	25,142	25,930	+290	+690
World excl China	18,356	19,880	+290	+716
N Hemisphere	20,387	21,249	+140	+670
S Hemisphere	4,755	4,681	+150	+20
African Fr. Zne	940	1,212		
Central Asia	1,040	990		
EU	340	270		



Most observers thus believe the national crop has the potential to surpass USDA's June forecast. Before any further adjustments are made, however, we await the Department's Planted Acreage numbers, due for release at the end of this week. The March Prospective Plantings survey, it will be recalled, indicated a figure of 11.3 million acres, marking a decline of 18 percent in relation to the previous season.

In **Pakistan**, the prevailing mood of optimism has been consolidated by reports that the season's ambitious planting objectives have largely been met. The area sown is placed at close to 2.7 million hectares, the largest cotton plantings achieved for several years. Although last season's disastrous flooding and the disappointing yields recorded in earlier seasons justify a note of caution, at this stage prospects are viewed with some confidence. Insect infestations have thus far been minimal and the crop by all accounts presents a very healthy appearance. Our forecast has been raised by 250,000 tonnes to 1,500,000, about double last season's flood-affected total.

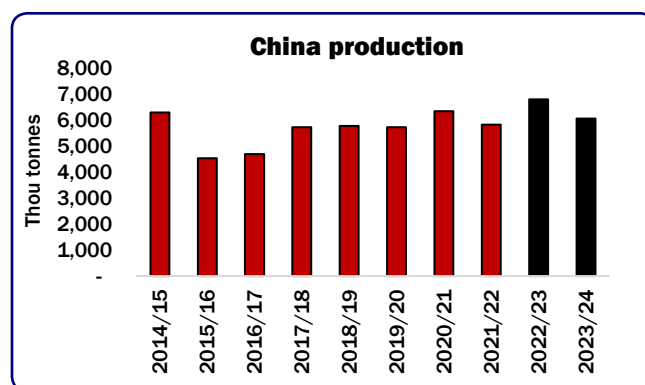
Sowing operations in **India**, previously delayed by a late Monsoon, may be expected to gain momentum during the next week or two as progress of the Monsoon itself has accelerated. Gujarat is already ahead of last season, according to the latest planting data, while Maharashtra remains well behind. As anticipated, the government has announced Minimum Support Prices for the new season that show substantial increases: about 10 percent for the popular Shankar-6 variety.



Meanwhile, the unusual pattern of seed cotton arrivals from the 2022/23 crop – reflecting unprecedented farmer retention – has broadly been maintained over the past month. However, it seems that declining prices and the arrival of the Monsoon will encourage most growers to dispose of their holdings before long. If that proves to be the case, a more confident assessment of the size of the crop may at last be feasible.

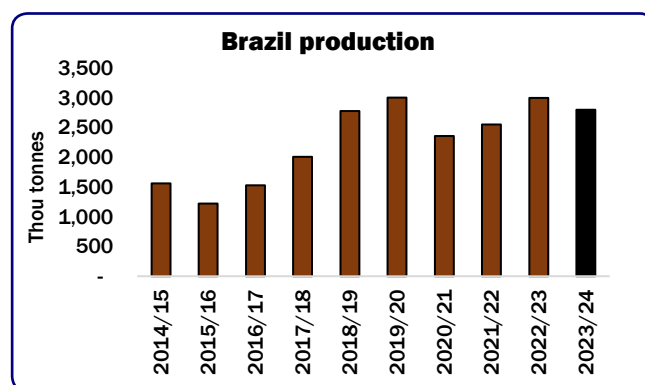
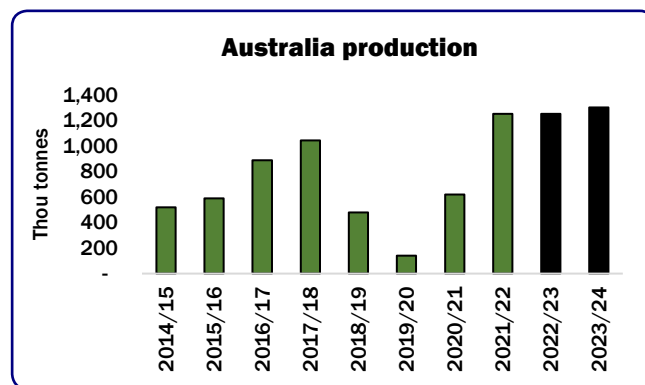
The principal source of uncertainty amongst the major producers remains **China**. Planted area has been reduced in accordance with the expectations of local forecasting agencies (and perhaps the government's own wishes). In addition, cool conditions and unhelpful precipitation during the sowing period in Xinjiang prompted some replanting. The difficult start has resulted in delays to the crop's development, estimated in some areas at as much as two weeks. Temperatures have

since risen to more seasonable levels and the tone of recent field reports seems more sanguine.



A substantial increase of production in **Afghanistan** has only recently come to our attention and has prompted the country's incorporation in the accompanying table. Cotton and wheat are amongst the beneficiaries of a shift away from opium poppy cultivation both in 2022/23 and 2023/24. It seems that ginning capacity has rapidly been installed in various parts of the country.

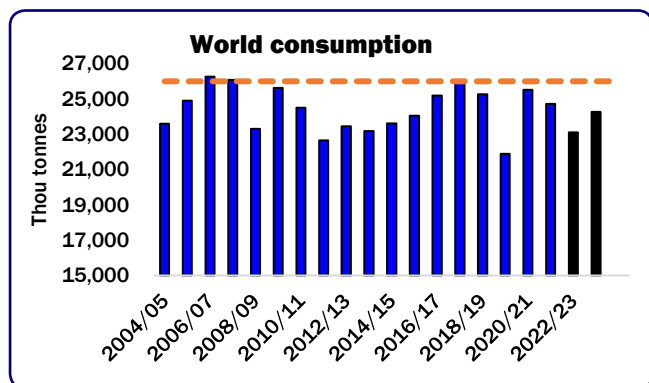
Forecasts of output from the two main Southern Hemisphere 2022/23 crops have been increased during the past month. The harvest is well advanced in **Australia** where both yield and quality have surpassed early-season expectations. Picking is just beginning in **Brazil**, where optimism with regard to the outlook for yields is likewise high, as reflected in this month's official forecast from CONAB. On current indications, this season's lint outturn will match the record of three million tonnes produced in 2019/20.





## COTLOOK'S CONSUMPTION ESTIMATE - IN THOUSANDS OF TONNES -

Our estimate of world cotton consumption during the 2022/23 marketing year is this month increased by 228,000 tonnes to 23,103,000. That would nonetheless still be the third lowest figure of the past twenty years and is well below the threshold of 26 million that has been surpassed on only three occasions, most recently in 2017/18.



The forecast for the season ahead implies a partial recovery of just under five percent. In the absence of any tangible improvement in the profitability of cotton spinners – or signs of recovery in the textile supply chain overall – the growth projection seems increasingly open to challenge as the start of the new marketing year approaches.

China accounts for the only significant adjustments made during June. That market is unburdened either by inflation or by the rising interest rates that have taken a toll on business confidence elsewhere in the world. Yet even spinners in China are not wholly insulated from the strong economic headwinds that continue to affect textile demand in the global economy.

	Change on Month			
	22/23	23/24	22/23	23/24
Argentina	150	<b>155</b>		
Bangladesh	1,500	<b>1,575</b>		
Brazil	675	<b>700</b>		
Burma	64	<b>64</b>		
China	7,900	<b>7,940</b>	+250	<b>+140</b>
Colombia	55	<b>55</b>		
Egypt	150	<b>160</b>		
Germany	23	<b>23</b>		
India	5,100	<b>5,300</b>		
Indonesia	375	<b>475</b>		
Iran	120	<b>120</b>		
Italy	25	<b>25</b>		
Japan	25	<b>25</b>		
Malaysia	35	<b>35</b>		
Mexico	390	<b>400</b>		
Morocco	20	<b>20</b>		
Nigeria	25	<b>25</b>		
Pakistan	1,750	<b>2,000</b>		
Peru	65	<b>65</b>		
Portugal	32	<b>32</b>		
Russia	35	<b>35</b>		
South Africa	25	<b>25</b>		
South Korea	70	<b>65</b>		
Taiwan	50	<b>50</b>		
Thailand	120	<b>120</b>		
Turkey	1,350	<b>1,650</b>		
Turkmenistan	175	<b>175</b>		
USA	435	<b>480</b>	-22	
Uzbekistan	600	<b>620</b>		
Vietnam	1,250	<b>1,325</b>		
Others	514	<b>514</b>		
<b>World Total</b>	<b>23,103</b>	<b>24,253</b>	<b>+228</b>	<b>+140</b>
Asia	19,647	<b>20,682</b>	<b>+250</b>	<b>+140</b>
Indian Sub Cont	8,426	<b>8,951</b>		
ASEAN	1,860	<b>2,035</b>		
Americas	1,849	<b>1,934</b>	-22	
NAFTA	825	<b>880</b>	-22	
Africa	359	<b>369</b>		
EU27 (now 28, no entry for Croatia)	145	<b>145</b>		



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## WORLD STOCK

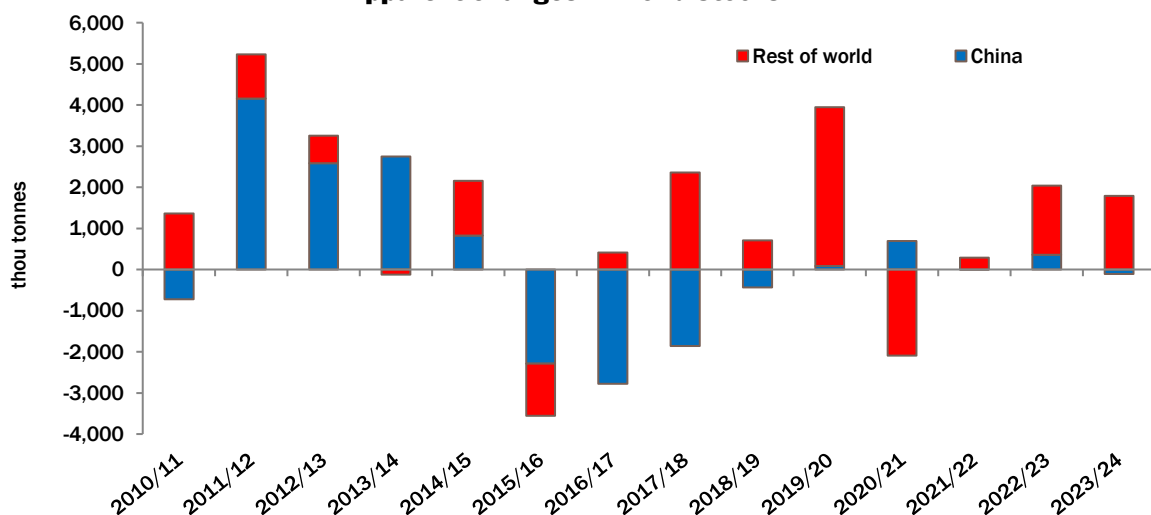
The accompanying table shows our production and consumption estimates and the resultant adjustments in world stock levels during 2021/22 and 2022/23, together with our predictions for 2023/24. Comparable data produced by the United States Department of Agriculture and by the International Cotton Advisory Committee are also shown.

### World Cotton Balance Sheet

Unit = 1,000 tonnes

COTLOOK	World (excl. China)			China			World		
	21/22	22/23	23/24	21/22	22/23	23/24	21/22	22/23	23/24
Production	19,191	18,356	19,880	5,825	6,786	6,050	25,016	25,142	25,930
China net trade	-1,681	-1,475	-1,780	+1,681	+1,475	+1,780			
New Supply	17,510	16,881	18,100	7,506	8,261	7,830	25,016	25,142	25,930
Consumption	17,223	15,203	16,313	7,500	7,900	7,940	24,723	23,103	24,253
<b>Net change in stock</b>	<b>+288</b>	<b>+1,679</b>	<b>+1,788</b>	<b>+6</b>	<b>+361</b>	<b>-110</b>	<b>+294</b>	<b>+2,040</b>	<b>+1,678</b>
<b>USDA</b>									
Opening stock	10,543	10,349	11,797	8,229	8,396	8,522	18,772	18,759	20,224
Production	19,373	18,641	19,534	5,835	6,684	5,879	25,208	25,325	25,413
China net trade	-1,681	-1,388	-2,046	+1,681	+1,388	+2,046			
New Supply	17,692	17,253	17,488	7,516	8,072	7,925	25,208	25,325	25,413
Consumption	17,886	15,805	17,309	7,348	7,947	8,165	25,234	23,752	25,474
Other adjustments	+0	+0	+0	-1	+1	+0	+13	-108	+41
Ending Stock	10,349	11,797	11,976	8,396	8,522	8,282	18,759	20,224	20,204
<b>Net change in stock</b>	<b>-194</b>	<b>+1,448</b>	<b>+179</b>	<b>+167</b>	<b>+126</b>	<b>-240</b>	<b>-13</b>	<b>+1,465</b>	<b>-20</b>
<b>ICAC</b>									
Opening stock	10,823	10,822	11,332	9,367	8,602	8,855	20,190	19,425	20,188
Production	19,447	18,573		5,730	5,980		25,177	24,553	
China net trade	-1,820	-1,773		+1,820	+1,773				
New Supply	17,626	16,800		7,550	7,753		25,177	24,553	
Consumption	+17,498	+16,289		8,315	7,500		25,813	23,789	
Other adjustments	-129	-0		+0	+0		-129	-0	
Ending Stock	10,822	11,332		8,602	8,855		19,425	20,188	
<b>Net change in stock</b>	<b>-1</b>	<b>+510</b>		<b>-765</b>	<b>+253</b>		<b>-766</b>	<b>+763</b>	

### Apparent Changes in World Stocks

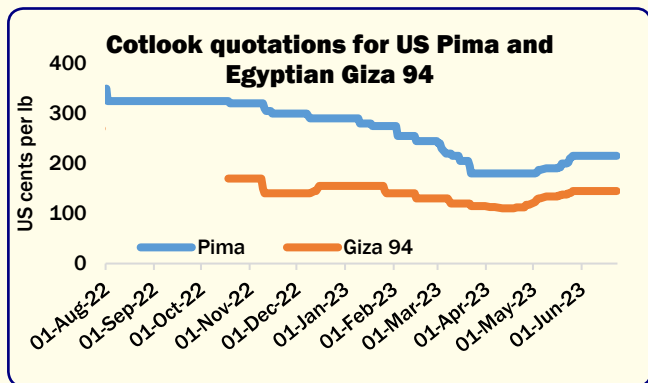


## LONG STAPLES IN JUNE

### Prices

In the four weeks since we last reported, there has been a modest further increase in prices for US Pima and Egyptian Giza cotton, although most recently the market appears to have stabilised. By June 27, Cotlook's Pima and Giza 94 quotations had risen by five cents per lb each, to 215 cents and 145 cents per lb respectively. Thus, the differential between the two origins is unchanged at 70 cents per lb.

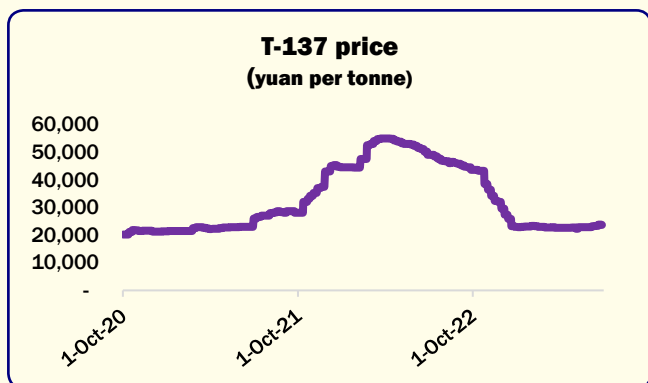
The strong demand noted a couple of months ago has waned (as discussed below), although with smaller crops in view for both the US and Egypt this year, merchants are unwilling to reduce prices, which accounts for steady appearance of Cotlook's quotations in the past three weeks.



However, while long staple prices have been flat, upland offering rates have undergone a significant reduction during June. In consequence, the Cotlook Long Staple Premium has moved further above its ten-year average of 86.25 percent to over 140 percent.



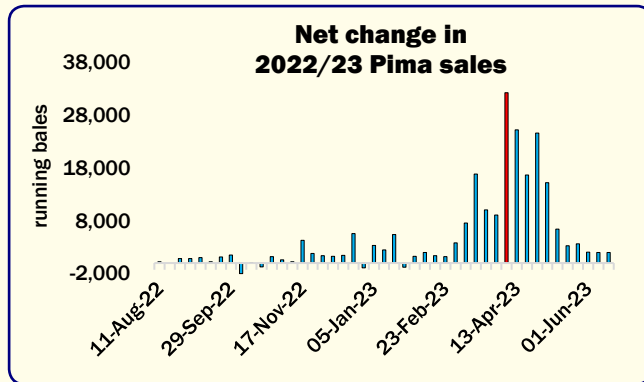
In China, the benchmark value for Xinjiang Type 137 has also risen moderately. On June 27, it was quoted



at 23,700 yuan per tonne, equivalent to approximately 154 US cents per lb (up from 151 cents a month ago).

### Trade

As noted above, export sales for Pima have been much lower during the period in view. Between May 12 and June 15, just 13,100 running bales were registered for export markets, compared to 63,032 in the previous review month. The most important markets were Vietnam, Egypt and India in that order, while a reduction of around 3,000 was recorded for China. Shipments amounted to 56,333 running bales, meaning that just 13 percent of commitments were outstanding by the middle of June.



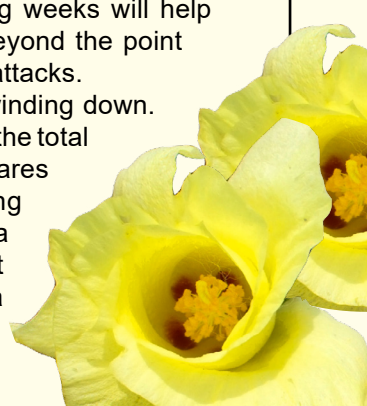
The total commitment on June 15 (317,300 running bales) represents over 96 percent of USDA's projection for exports in the current season, which was raised to 340,000 statistical bales in the latest WASDE figures.

International sales of cotton from Egypt amounted to just half of those recorded in the previous period. In total, 4,375 tonnes were recorded with *Alcotexa*, half of them for India and around 25 percent each for Pakistan and China. Over 12,330 tonnes were shipped to various destinations.

### Production

USDA made no adjustments to its forecast of production in the June WASDE report, so output is still projected by Washington at 400,000 bales. However, the attention of industry observers is now trained on the Planted Acreage report, which will be released on June 30 and may show a smaller area planted to Pima than the 154,000 acres indicated so far. In the meantime, the Department's crop progress updates show that by June 25, 30 percent of plants in California were squaring, compared to a 38-percent average (reflecting the delayed start to the planting season). Ninety-five percent of the crop was classed as in good to excellent condition. Some increased pressure from insects is reported, but it is hoped that high temperatures in the coming weeks will help plants to develop rapidly and beyond the point of greatest vulnerability to pest attacks.

In Egypt, cotton planting is winding down. Figures from Catgo suggest that the total area has reached 104,000 hectares (247,622 feddan), representing 77 percent of intentions and a 27-percent reduction from last year. Fields dedicated to Extra

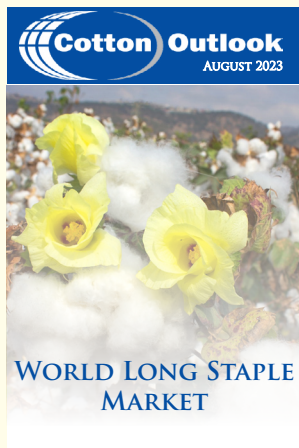


Giza varieties (Giza 96 and Giza 92) measure 7,880 ha (almost 30 percent more than was envisaged). Super Giza 94, 86 and 97 varieties have been planted on 84,950 ha (24 percent lower than intentions).

In Aksu Prefecture, Xinjiang, where the majority of Chinese long staple cultivation is located, plants have

been developing well under predominantly good weather. However, it is understood that the total area dedicated to LS cotton has declined sharply this year, as farmers respond to lower demand for premium varieties, some of them choosing to plant upland strains that produce longer staples instead.

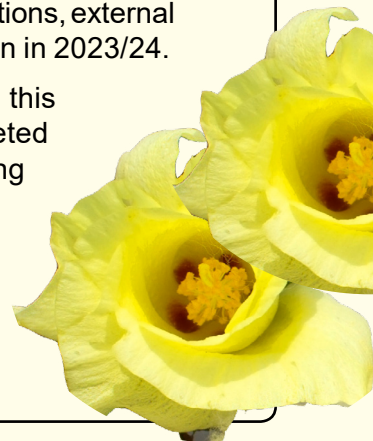
## COTLOOK'S ANNUAL LONG STAPLE REVIEW



As a complement to our regular monthly updates, Cotlook's 2023 World Long Staple Review is as usual scheduled for publication in July/August. With contributions from leading industry figures, the annual publication will assess the production and consumption position for this specialised market as stakeholders respond to extraordinary price fluctuations, external economic shocks, and the prospect of a tight supply position in 2023/24.

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## CHINA

### State Reserve rumours

Market conjecture has this week centred on the possibility that the State Reserve will shortly begin a sales auction. An international newswire report has asserted that the authorities are planning such a move, citing the prospect of a smaller crop in Xinjiang.

In 2020 and 2021, State Reserve auctions commenced during the first week of July. In 2020, the series closed on September 30 with aggregate sales of just over half a million tonnes and in 2021 it ran until the end of November, having disposed of nearly 1.2 million tonnes. Last year, the Reserve was instead a purchaser of domestic cotton between July 13 and November 11; however, the volume acquired failed to reach 90,000 tonnes.

### Local market

Some commentators feel that the recent softening of the local market might render a State Reserve initiative less likely. **Zhengzhou cotton futures** moved lower

prior to the Dragon Boat holiday and lost more ground following the extended holiday weekend. In recent days, the market has stabilised but still shows a net loss during the period.

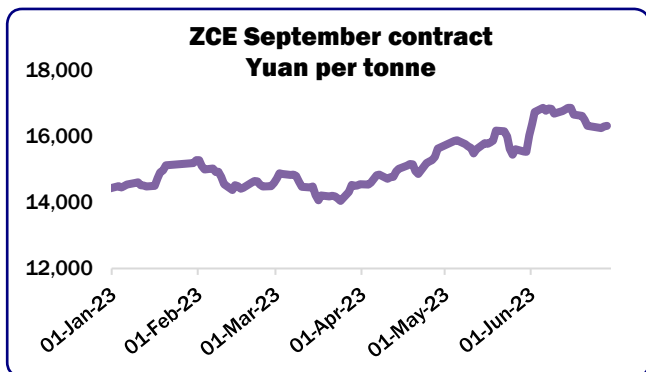
### Zhengzhou Cotton Futures

	Settlement			Volume number of contracts	Open Interest
	21-Jun	29-Jun	Chng		
	yuan per tonne			Past week	29-Jun
Jul	16,315	16,080	-235	10,672	13,569
Sep	16,495	16,310	-185	1,178,408	492,572
Nov	16,545	16,390	-155	256,612	229,002
Jan	16,460	16,355	-105	602,923	279,069
Mar	16,335	16,230	-105	38,962	54,939
May	16,220	16,105	-115	7,996	8,746
				2,095,573	1,077,897

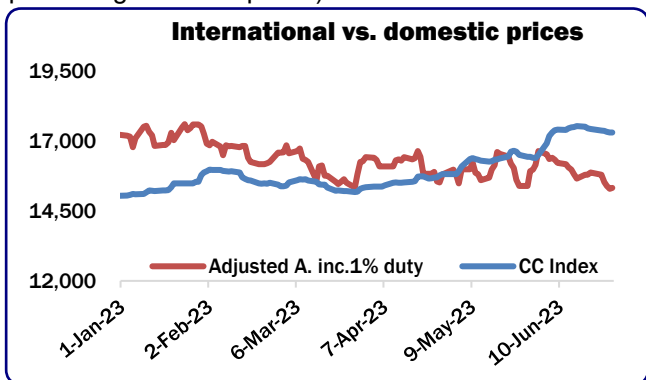
### International Prices

Data as at 29 June, 2023	Approximate delivered mill value		
	Yuan per tonne equiv. + insurance	Inc. one percent tariff + VAT	Including sliding scale duty + VAT
Cotlook A Index	13,938	15,325	15,849
Texas SM	14,147	15,554	16,010
Burkina Faso BOLA/s	14,379	15,809	16,196
India Shankar-6	14,108	15,512	15,982
Benin KABA/s	14,456	15,894	16,267
Cameroon IRMA/s	14,379	15,809	16,196
Cameroon	14,456	15,894	16,267
PLEBE 1-5/32"	14,379	15,809	16,196
Ivory Coast MANBO/s	14,379	15,809	16,196
Mali JULI/s	14,533	15,980	16,323
US Pima Grade 2			
China domestic prices	yuan/tonne	chg on week	cents/lb
CC Index	17,312	-115	112.59
ZCE July	16,080	-235	104.57
Xinjiang Type 137	23,700	-100	154.13
Xinjiang Type 237	23,100	-100	150.23
	yuan/tonne		cents/kilo
polyester (June 21)	7,120	-50	102.08
viscose (June 21)	12,900	-100	184.95
	Yuan/kilo		cents/lb
32s carded yarn	23,425	-50	324.41
40s combed yarn	25,930	Unch	359.10
Monthly yuan/dollar customs exchange rate			6.9748
Actual Rate (Jun 29)			7.2208

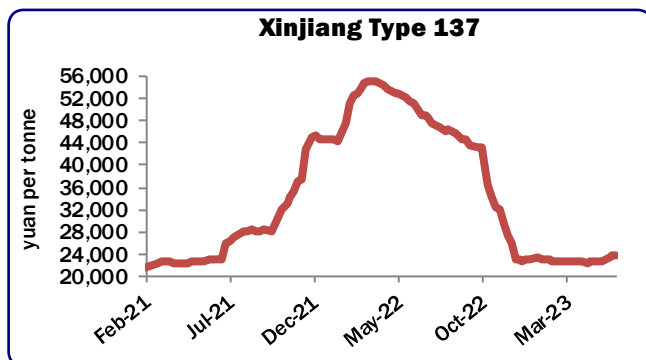




The **China Cotton Index** stood on June 29 at 17,312 yuan per tonne, a decline of 115 yuan since before the holiday. International values have fallen more sharply during the period and the gap between the CC Index and the Cotlook A Index (adjusted to the same terms) has widened to just below 2,000 yuan per tonne (approaching 13 cents per lb).



Prices for Xinjiang **long staple** cotton have declined by 50/100 yuan per tonne since last week. The benchmark value for Type 137 lint is now quoted at 23,700 yuan per tonne, equivalent to around 154 US cents per lb.



### Import business

In view of the enhanced price incentive to import cotton, state and private trading enterprises have continued to consider international shippers' offers, with a dual focus on US and Brazilian. Import demand from the mill side has been less prominent. Offers circulating for US new crop 31-3-36 "green cards" are around 1,300/1,400 'on' December, CIF Chinese ports.

Consignment stocks held in Qingdao have attracted more demand from spinners. Over 30,000 tonnes of lint (mainly US and some Brazilian) are reported to have found buyers in the past two weeks: EMOT 31-3-37 has been sold at around 1,700/1,750 yuan 'on' ICE December 23, ex-warehouse, while the level for Brazilian Middling 1-1/8" is around 1,300/1,400 yuan 'on' the same cover month.

### Weather and crop developments

The development of the Xinjiang crop has been accelerating during June but the current pace is estimated on average still to be lagging about one week behind last year. The local weather station foresees the persistence of relatively high temperatures across most of the region during July, with the possible exceptions of Aksu, Kizilsu and Kashgar Prefectures. Precipitation in most regions is expected to be lower than normal. Despite a difficult start to the season, some observers suggest that, following the recent improvement in conditions, yields in the region may after all prove to be close to average (although a repeat of last year's record results is not likely).

Some adverse weather, however, is in the forecast: heavy rain and hailstorms are expected in western parts of Xinjiang ahead of the weekend.

Crops in Shaya County, Aksu are at the full squaring stage and sporadic flowering is noted. Plants are showing up to five branches and topping could begin in early July.

In Wujiaqu City (the area controlled by the Sixth Division of the PCC), plants are now at the squaring stage and are around 75 cm tall. The total area planted to cotton this year is around 1.75 million mu and the pace of development is up to ten days slower than a year ago.

In Turpan City, Awati and Bachu Counties, the recent hot weather has helped plants to reach the flowering stage. In Hutubi County, Changji Prefecture, plants are 50cm tall on average with up to five branches.

There are reports that some cotton fields were badly affected by hailstorms last week. However, the area in question (managed by the Eighth Division of the PCC) was fairly modest at 4,000 mu.

Outside Xinjiang, extremely high temperatures have prevailed recently in northern China and will return over the next few days. Plants in Hebei are currently growing well and showing up to eight branches. However, the sustained high temperatures could have a negative impact and timely irrigation is recommended.

Helpful rains have been received recently in Dongzhi County, Anhui, where plants are currently 70/80 cm in height with up to six branches. Sporadic flowering is reported.

### Cncotton: area down 10.3 percent year-on-year

According to the latest survey conducted by *Cncotton*, the area planted to cotton nationwide is estimated at 41,402,000 mu (2,760,133 ha), down 4,768,000 mu (10.3 percent) from last year. The total includes 36,163,000

Ministry of Agriculture June Balance Sheet (ten thousand tonnes)		
Type	2022/23	2023/24
<b>Beg. Stocks</b>	713	743
<b>Area (has)</b>	300	287
<b>Yield (kgs/ha)</b>	1,992	2,012
<b>Production</b>	598	578
<b>Imports</b>	185	185
<b>Consumption</b>	750	772
<b>Exports</b>	3	1
<b>Ending stocks</b>	743	733



mu in Xinjiang (down eight percent); 2,901,000 in the Yellow River Valley (24.5 percent lower); and 1,964,000 in the Yangtze River Valley regions (minus 21.7 percent). The size of area reductions in eastern provinces reflects a decline of profitability and an absence of support on the level enjoyed by producers in Xinjiang.

In comparison, *Beijing Cotton Outlook* places area at 2,824,667 hectares (down 7.3 percent from 2022/23), while the Ministry of Agriculture's latest figure is 2,870,000 (minus 4.3 percent).

*Cncotton* has maintained all figures for the 2023/24 season in its June supply and demand report, including 6.17 million tonnes for national production, 1.7 million for imports, 7.8 million for consumption, and 20,000 tonnes for exports. Thus, ending stocks by the end of the next season remained at 6.23 million tonnes.

### Road transportation

From June 19 through 25, 50,300 tonnes of Xinjiang cotton were moved by road to warehouses outside of the region, down 28 percent from the previous week, but slightly more than in the corresponding period a year earlier. Of the total, nearly 56 percent was destined for Henan, Shandong and Jiangsu. Freight costs were stable at around 400/450 yuan per tonne.

### Weekly export container shipping index down

In the week ended June 21, the China Containerised Freight Index (CCFI) fell by 0.8 percent from the previous week to 919.63, according to the Shanghai Shipping Exchange. The CCFI tracks spot and contractual freight rates from domestic container ports for 12 shipping routes across the world, based on data from 22 international carriers. The index was set at 1,000 on January 1, 1998.

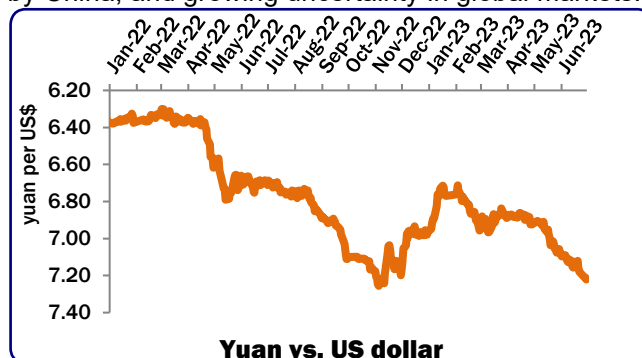
### Industrial profits

The profits of industrial enterprises (those above a designated scale, with annual main business revenue of at least 20 million yuan) hit 2.67 trillion yuan (US \$369.37 billion) from January to May in 2023. That marked a decline of 18.8 percent year-on-year, but a narrowing of 1.8 percentage points from the January-April reading the domestic economy continued to recover, according to the National Bureau of Statistics (NBS). Fourteen of the 41 industrial sectors have reported increases in profits in the first five months of the year, while 24 suffered decreases (minus 27.8 percent for textiles).

In May, the profits of the designated industrial enterprises dropped by 12.6 percent year-on-year, which narrowed by 5.6 percentage points from April, maintaining the improving trend for three consecutive months.

### Yuan depreciates against US dollar

The yuan has maintained a declining trend since May, when its value vs the US dollar passed the 7-yuan mark for the first time in nearly five months. Commentators have attributed the weakness of the currency to the interest rate hikes implemented by the US Federal Reserve, weaker-than-expected economic data recently unveiled by China, and growing uncertainty in global markets.



## PAKISTAN

### Crop development

After a spell of very hot conditions last week, temperatures have eased slightly with the approach of the Monsoon. However, daytime highs in most cotton-growing districts are still in the high 30s to low 40s Celsius. Hot and dry conditions along with some further isolated rains are forecast over the next few days.

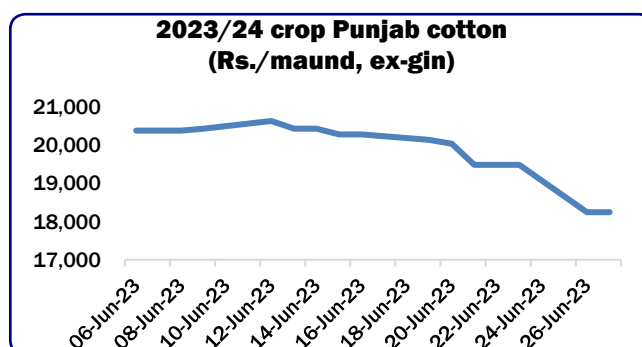
Planting is now complete across the cotton belt, and attention has lately focused on the health of the crop and its yield potential. It is not just the scale of plantings (well over 2.5 million hectares) but also the favourable appearance of plants that have contributed to optimism that production can surpass the disappointing levels recorded in recent seasons. No major pest infestations have so far been observed. However, while Monsoon rains are just beginning, the crucial stages of the growing cycle remain ahead. Most private crop estimates have lately projected a crop of 8.5/9.5 million bales of local size, with some forecasts pitched even higher.

Arrivals of new crop seed cotton have continued to reach cotton stations in nominal volumes over the last few days. Recent rain in early planting areas of lower Sindh has had an impact on quality. Deliveries were slow ahead of this week's Eid holiday but are expected

to increase strongly from next week. Seed cotton prices have come under sharp pressure and recent business has been witnessed at Rs. 7,000/8,500 per 40 kilos, depending on quality.

### Local market subject to holiday influences

Prices in the local cotton market fell further during the early part of the period in view before stabilising ahead of Eid al-Adha. On June 27, retail business for new crop Sindh cotton was reported at Rs. 17,500/18,000 per maund (approximately 75.50 cents per lb), ex gin, while similarly small quantities of Punjab cotton were sold for prompt delivery at around Rs. 18,000/18,500 per maund (77.50 cents per lb). Trading is expected to resume on an active note after the break.



## INDIA

### Monsoon makes up previous delay

The Monsoon weather system has made rapid progress in the past seven days, covering almost the whole of India a few days earlier than usual. The countrywide rainfall deficit has fallen to 16 percent from 33 percent last week. In a press release, the Indian Meteorological Department has said that active conditions are likely to continue in the northwest, central and western regions of the country for the next three days. The Monsoon is expected to advance across the remainder of Rajasthan, Punjab and Haryana in the next day or so.

Monsoon rainfall from June 1 to 28 2023			
Region	Actual (mm)	Normal (mm)	% Departure
Northwest	96.3	67.7	42
Central	127.3	153	-17
South peninsula	82.1	149	-45
East & Northeast	238.4	302.7	-21
Country-wide	126.6	149.8	-16

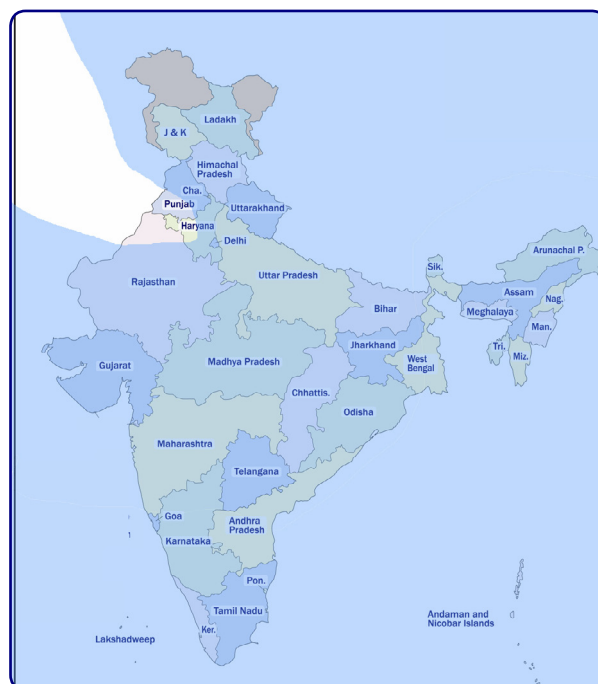
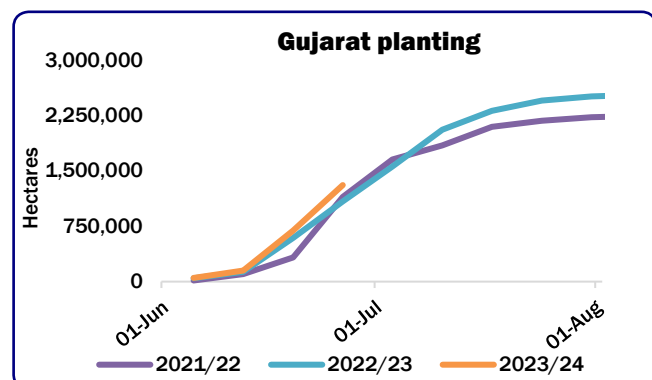
Source: Indian Meteorological Department

### Planting campaign falls behind last year

Figures released on June 23 by the Department of Agriculture show that almost 800,000 hectares were added to the area planted to cotton across the country

India: planted area (hectares)					
	23-Jun-23	Last year	Past week	Y-O-Y diff	Y-O-Y % diff
Haryana	640,000	650,500	-	-10,500	-2
Punjab	170,000	249,000	-5,000	-79,000	-32
Rajasthan	682,000	538,000	103,000	144,000	27
Gujarat	689,600	589,000	515,800	100,600	17
Maharashtra	131,700	453,000	23,000	-321,300	-71
Madhya Pradesh	306,000	165,000	66,000	141,000	85
Andhra Pradesh	31,000	33,000	18,000	-2,000	-6
Telangana	-	357,200	-	-357,200	-100
Karnataka	127,700	199,100	72,900	-71,400	-36
Tamil Nadu	6,700	6,500	200	200	3
Odisha	-	800	-	-800	-100
Others	17,300	26,000	-	-8,700	-33
<b>TOTAL</b>	<b>2,802,000</b>	<b>3,267,100</b>	<b>793,900</b>	<b>-465,100</b>	<b>-14</b>

Source: Department of Agriculture



in the previous seven days. The total on that date was 2.8 million ha, compared to 3.26 million last year. In Maharashtra, usually the state with the greatest cotton area, planting was lagging behind last year by about 70 percent, whereas Gujarat – the second most important state in terms of planting – remained ahead of the pace. In Telangana, cotton sowing had yet to commence as growers awaited the arrival of Monsoon rainfall.

More recent data released by the Gujarat Directorate of Agriculture show that cotton planting in the week to June 26 amounted to around 618,000 hectares. The total area now measures over 1.3 million ha, 20 percent more than by the same date a year ago and represents over 55 percent of the average final area for the past three years.

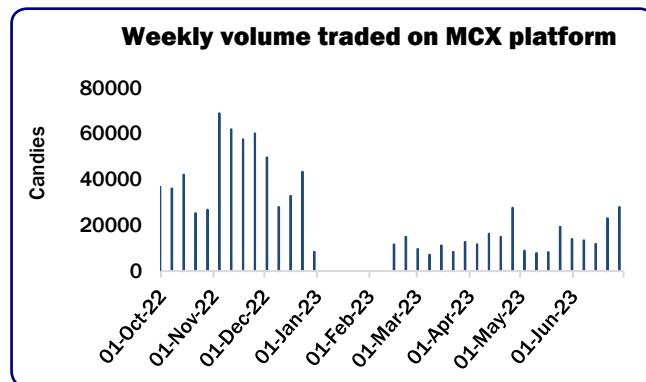
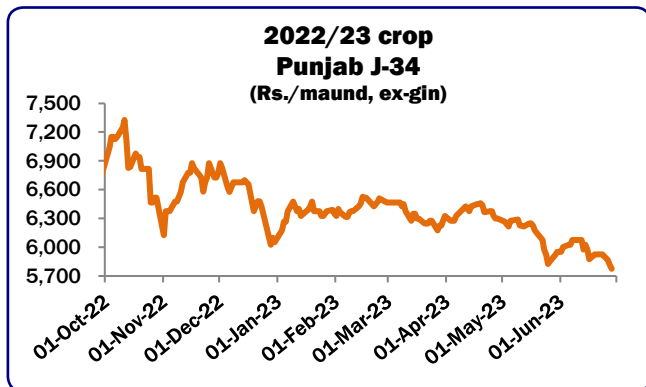
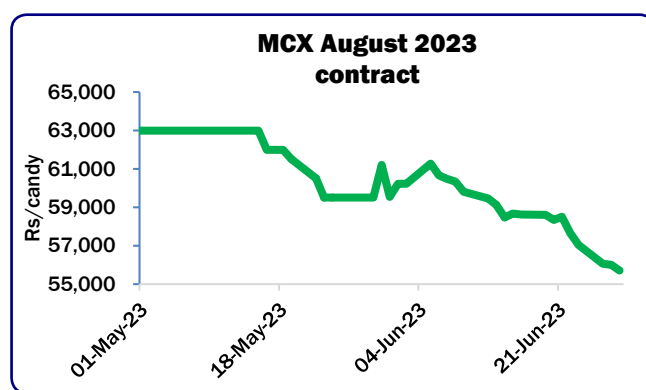
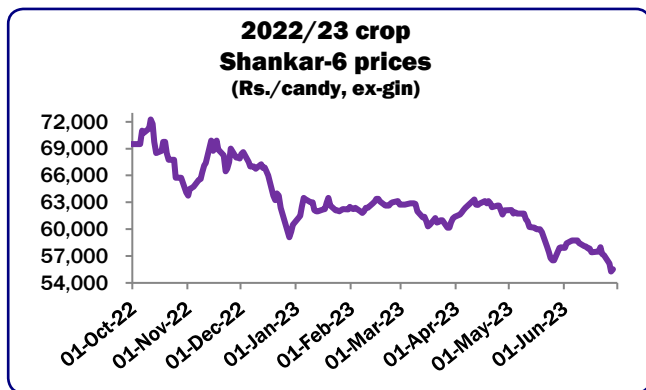
### 2022/23 arrivals steady

According to the Cotton Corporation of India, total seed cotton arrivals by June 26 were equivalent to 30,200,000 bales of lint – up 578,000 in the past seven days, which is a greater increase than the week before. Local observers comment that producers are now of the view that holding on to stocks is no longer likely to prove advantageous from a price point of view, and with the advent of the Monsoon, they are keen to bring the seed cotton to market. Private estimates of arrivals over the past week suggest a daily total of around 45,000 bales.

### Lint prices fall sharply

In view of the regular flow of supplies to gins (much higher than is typical at this time of year) and a reduced demand for yarn, domestic lint prices have fallen rapidly to their lowest levels of the season. On June 28, Shankar-6 was offered at around ₹55,500 (approximately 86.35 US cents per lb, lower by 375 cent points on the week). Punjab J-34 was quoted at around ₹5,775 per maund (85.60 cents per lb).

Local news outlets continue to report lacklustre demand for textiles products, both in the domestic and



export sectors. Yarn prices have fallen marginally further in the past week, in markets from the Northern Zone to Tamil Nadu.

### MCX cotton futures

Prices resumed a downward trajectory this week: June and August traded substantially lower, while the forward contracts were adjusted downward. Weekly volume of 584 lots (28,032 candies) was the highest since the exchange resumed cotton trading in February. Open interest declined further as positions moved forward from June.

MCX cotton futures						
	Closing price on June 21	Closing price on June 28	Price changes on period	OI at close on June 28	OI changes on period	Volume June 22-28
	Rupees per candy			Lots of 48 candies		
30-Jun-23	56,680	54,320	-2,360	35	-228	280
31-Aug-23	58,500	55,700	-2,800	331	137	304
30-Nov-23	57,000	56,700	-300	-	-	-
31-Jan-24	57,200	56,900	-300	-	-	-
				<b>366</b>	<b>-91</b>	<b>584</b>

## BANGLADESH

Prior to the Eid al-Adha holiday, which will curtail commercial activity until next week, trading in raw cotton continued according to much the same pattern observed over recent weeks. Most mills remain focused on the most competitively priced cottons available for prompt shipment.

The progressive decline of New York futures during the reporting period has assisted the conclusion of business in the customary African Franc Zone styles. Cameroon Type PLEBE 1-5/32" has for instance been booked at around 95.00 cents per lb, for shipment in July. Mention has also been made of business in Burkina Faso Bola 's' 1-1/8" and Mali Juli 's' at similar price levels. Tanzanian organic (GOTS certified) 1-1/8" has found buyers for August shipment, also in the mid-90s cents per lb.

Indian traders have been actively pressing cotton for

sale of late as prices in the neighbouring country have weakened. Some business in MCU-5 has been mentioned this week. The land border at Benapole offers mills the possibility of short transit times.

Brazilian 2023 crop has also attracted some attention from those relatively few spinners prepared to extend their coverage further forward: SM 1-1/8" has been booked at 1,100 'on' December futures for October/November shipment.

It is reported that certain spinners have been more active of late in testing merchants' offering prices for the first quarter of 2024, perhaps reflecting the perception that the recent erosion of shippers' basis levels may have run its course. According to some accounts, the enquiries are also associated with the receipt of more forward garment export orders from retailers.

## EGYPT

### Planting slows

According to Catgo, cotton planting was slower but still steady in the week to June 25. In all, 14,090 feddan were added to the total area, which now measures 247,622 feddan or 104,000 hectares. The total is 26 percent less than at the same stage last year, by which time operations were almost complete. The area dedicated to Extra Giza varieties (Giza 96 and Giza 92) is 18,765 feddan (representing 126 percent of intentions) and to Super Giza 202,248 (76 percent).

However, market observers express some scepticism about the announced figure. Many are of the view that the actual area could be substantially lower – perhaps around 200,000 feddan in total. Activity this week is expected to have been minimal as the market wound down for Eid al-Adha.

The organisation's latest assessment of the balance sheet for the 2022/23 season indicates an available supply of ELS and LS cotton of around 10,500 tonnes.

### Export registrations

In the week to June 24, net export sales as registered by *Alcotexa* amounted to 444 tonnes, while 1,856 tonnes were shipped. Total commitments have reached almost 92,000 tonnes, of which 84 percent has been dispatched. The average prices reported for Giza 94 and Giza 86 during the week were, respectively, 128 and 125 cents per lb, FOB.

**Statistical position of Egyptian cotton by 18/6/23 (figures in tonnes)**

	Extra Giza (45/87/93/ 96/92)	Super Giza (97/94/86)	Giza (95)	Others
<b>Beginning stocks</b>	1,727	8,781	83	39
<b>Estimated crop</b>	6,629	90,785	10,537	1,020
<b>Total supply</b>	8,356	99,566	10,620	1,059
<b>Distribution to local mills</b>	1,169	10,410	4,429	-
<b>Export commitments</b>	5,683	80,088	5,707	83
<b>Actual export shipments</b>	4,816	65,896	4,944	83
<b>Total uncommitted</b>	<b>1,504</b>	<b>9,069</b>	<b>485</b>	<b>976</b>

Source: Catgo

**Egyptian export data 2022/23 season (tonnes)**

Reported by Alcotexa up to June 24

	New registrations	Total registered	Shipped	% shipped
India	-194	40,796	35,982	88%
Pakistan	70	16,019	12,308	77%
China	201	15,124	13,965	92%
Vietnam	Unch	4,567	4,586	100%
Free Zone Egypt	68	4,388	4,191	96%
Bangladesh	442	4,087	2,688	66%
Turkey	Unch	1,010	803	79%
Greece	Unch	700	600	86%
Others	-143	5,232	2,390	46%
<b>Total</b>	<b>444</b>	<b>91,921</b>	<b>77,512</b>	<b>84%</b>

## FAR EASTERN MARKETS

The past week's progressive lowering of upland offering rates has failed materially to alter the behaviour of mill buyers.

**Indonesia** reports little or no improvement in the textile market. Export orders for textiles and garments remain lacking. Discussions of business with Chinese customers for yarn have largely proved fruitless owing to divergent price ideas. Recently some Brazilian 2022 Crop Middling 1-1/8" found buyers for July shipment at around 85.00 cents per lb, CFR.

In **Thailand**, there have been some nearby purchases of Australian low Micronaire lots. The volumes involved, although larger than of late, are considered modest. The trigger for more active mill buying will be an eventual improvement in sales of yarn and fabric.

Mills in **Taiwan** have booked several hundred tonnes of US Eastern/MOT lower grades for July shipment at 78.00/80.00 cents per lb, CFR Taiwan. In addition, retail-volume US and Mexican recaps have found buyers, also for July at 82.00 cents per lb. For the same shipment, 200 tonnes of Brazilian SLM 1-1/16" have fetched 82.75 cents per lb, CFR.

A Taiwanese-owned mill in Lesotho has purchased 300 tonnes of Zambian Middling Lt. Spot 1-3/32" to 1-1/8" at 84.00 cents per lb, July shipment.

**Japanese** mills were cautious buyers during the week ended June 23. Less than a thousand bales were traded.





## VIETNAM

### Poor demand for yarn

Certain mills have been enquiring for raw cotton required to fill short-term gaps in their inventories. However, the slow pace of downstream textile business continues to act as a brake on buying interest. Local observers again express the view that some retrenchment of yarn production may prove inevitable if market conditions do not soon improve.

As things stand, demand for medium count yarns can only be stimulated at prices below the US\$3.00 per kilo mark, a level that represents a loss-making proposition at today's raw cotton replacement costs.

The tepid nature of yarn import demand from China, spinners' major export market, is an additional difficulty. Locally spun yarn by all accounts presents a more competitive appearance than imported supplies, a problem exacerbated by the recent depreciation of the yuan versus the US dollar.

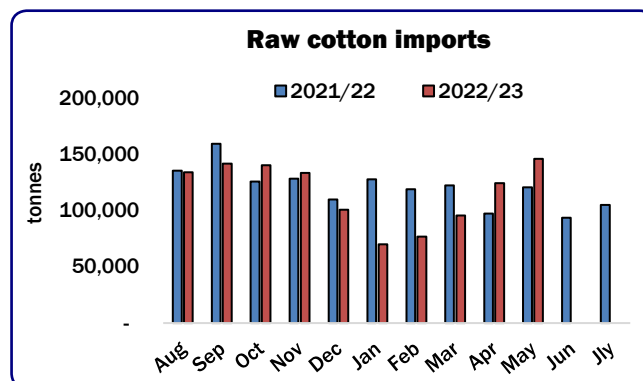
### Raw cotton business

In the circumstances, business reported during the week ended June 23 consisted mainly of lots of African Franc Zone offered 'afloat' or Australian for July shipment. Late last week, Mali Juli Type Kati 1-1/8" was purchased at 194.00 cents per kilo 'afloat' and Burkina Faso Bola 's' 1-5/32" at 202.00 cents per kilo, shipment June/first half July. Australian 2023 crop SM 1-5/32" found buyers at 206.00 cents per kilo, July shipment, payment by Letter of Credit at 90 days. As New York futures continued their decline early this week, sporadic import buying continued, but the lots booked for prompt shipment have typically been small in volume. Despite the flurry of activity, overall turnover has remained modest.

Spinners have been receiving reports with regard to the favourable quality composition of the Australian 2023 crop. Some buying interest is thus in evidence but spinners' price targets remain difficult to reconcile with the ideas of suppliers.

## May imports

Raw cotton imports in May exceeded 145,000 tonnes – the highest monthly total recorded since September 2021. This was the fourth consecutive monthly increase since arrivals hit a low point in January of this year. The major supplier in May was the United States (92,377 tonnes), followed by Brazil (12,321), Australia (12,247) and India (5,088).



**Raw cotton imports**

	2021/22	2022/23
	<b>Aug/May (tonnes)</b>	
USA	346,317	362,515
Australia	272,376	473,690
Brazil	273,336	177,145
India	138,866	38,688
Argentina	56,393	16,274
Cote d'Ivoire	27,758	6,006
Indonesia	8,349	5,198
Pakistan	1,476	1,648
Korea	2,367	1,799
China	265	256
Taiwan	80	42
Others	116,369	77,983
<b>Total</b>	<b>1,243,952</b>	<b>1,161,244</b>

## UNITED STATES

Cotton news seemed to be lacking this week as traders awaited USDA's Planted Acreage report, due to be released on June 30. Cotton futures prices moved to a seven-month low, as December cotton lost value in four out of the five sessions under review; it has also settled lower in nine out of the last 12 sessions.

Although ICE cotton futures have declined, cash sales for US cotton remain slow since demand is lacking.

Triple-digit heat continues across West Texas and no rain appears in the near-term forecast. Rainfall last month helped increase soil moisture across the largest growing region in the US, but the recent hot weather is quickly drying them out. Showers and thunderstorms were reported in the Delta and Southeast. There, growers need an extended period of dry weather to tend to fields.

Based on the latest crop progress report, 95 percent of cotton has been planted, 28 percent is squaring, and five percent of the crop is setting bolls. The latest crop condition report showed six percent of the crop in a very poor condition, 12 percent in poor condition, 33 percent in fair condition, 43 percent in good condition and six percent in excellent condition.

US Federal Reserve Chairman Jerome Powell spoke to the Senate Banking Committee this week and indicated that more interest rate hikes will be needed this year.

The ICE cotton futures platform will be closed Tuesday, July 4 owing to a national holiday.

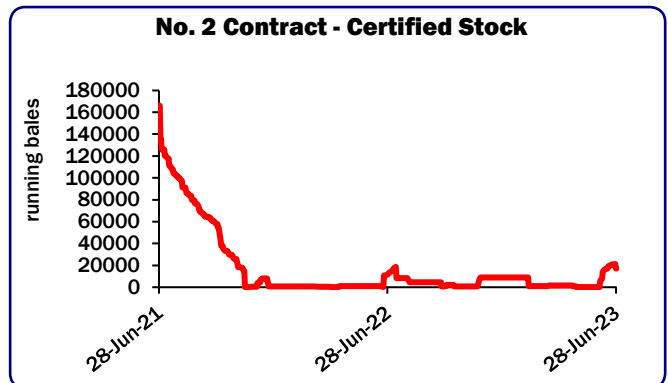
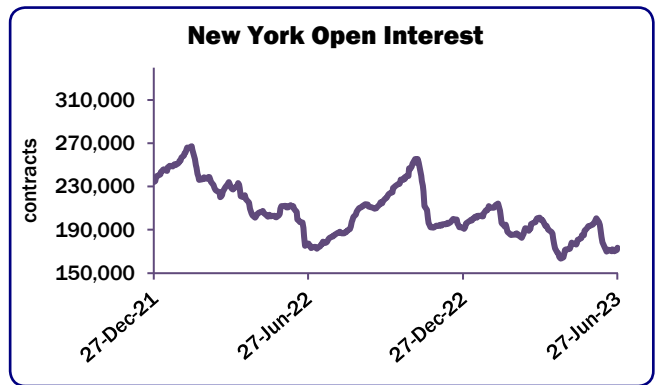
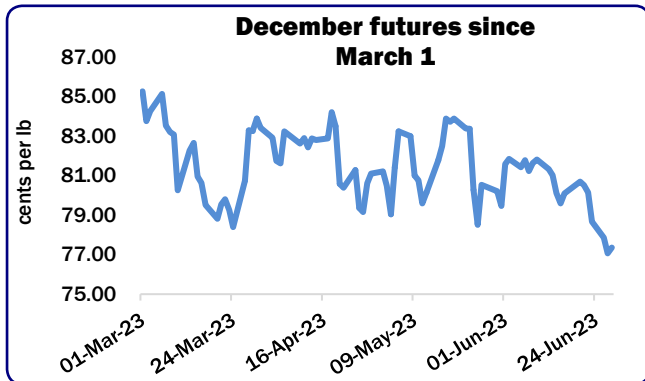
### ICE cotton comes under pressure

The December '23 contract was under sustained pressure during the first four sessions in view, settling at 77.06 cents/lb on June 27, its lowest level since late



November of last year and marking an aggregate loss of 346 points. On June 28, the new crop contract had a mostly higher tone, ending the reporting period with a moderate gain of 30 points (77.36 cents/lb).

During the five days ended June 28, nearby December futures traded between 76.81 and 80.62 cents/lb and lost a total of 316 points.



**ICE No. 2 Cotton Futures**  
(in cents per lb)  
No. 2:

	28-Jun	21-Jun	Change
Jly-23	80.12	79.31	0.81
Oct-23	78.08	82.11	-4.03
Dec-23	77.36	80.52	-3.16
Mar-24	77.55	80.70	-3.15
May-24	77.82	80.87	-3.05
Jly-24	78.05	80.96	-2.91
Oct-24	77.15	79.34	-2.19
Dec-24	76.41	78.15	-1.74
Mar-25	76.80	78.53	-1.73
May-25	76.90	78.63	-1.73

Certificated stock as of June 27 totaled 17,051 bales.

**Chicago Futures**  
(in cents per bushel)

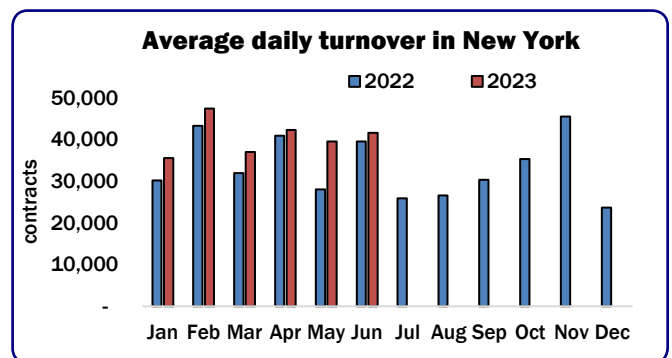
	28-Jun	21-Jun	Change
<b>Soybeans</b>			
Jly-23	1451.00	1514.75	-63.75
Sep-23	1278.25	1388.00	-109.75
Nov-23	1265.00	1377.00	-112.00
<b>Wheat</b>			
Jly-23	655.75	734.50	-78.75
Sep-23	669.75	748.25	-78.50
Dec-23	686.75	764.00	-77.25
<b>Corn</b>			
Jly-23	590.00	671.00	-81.00
Sep-23	531.25	623.50	-92.25
Dec-23	536.75	628.75	-92.00

Total open interest was last reported at 173,343 contracts, up 3,116 contracts from last week. Interest in the expiring July '23 contract was 62 contracts. A total of 171 notices had been issued through June 28.

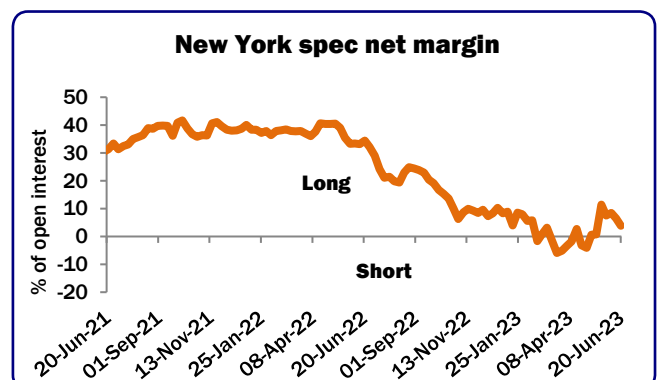
On June 26, certificated stocks increased to 21,271 bales, their highest level since October 29, 2021, although by June 28, they had fallen back to 15,423 bales. The majority of cotton was being held in Memphis

area warehouses, followed by Greenville, SC (1,627) and Galveston, TX (1). There were no bales awaiting review and no bales reported in both cert stocks and the CCC loan.

Volume increased modestly to 142,840 contracts, compared to 136,591 in the previous four-session week. On June 26, turnover was reported at 25,523 contracts, the lightest daily volume since May 2.



During the week ended June 20, speculators trimmed their net long margin to 3.9 percent (6.5 percent the



## US UPLAND AND PIMA STATISTICS

### LOAN STATISTICS

CCC Data as of June 26, 2023 (running bales):

Crop	Total Entries	Repossessions	Forfeitures	Outstanding Stock
22/23	6,527,467	5,141,069	0	1,244,737
21/22	7,637,566	7,637,494	72	0
Totals	14,165,033	12,778,563	72	1,244,737
Last period's total (June 19)				1,386,398

\*Including 122,871 bales held by individuals and 1,121,866 by cooperatives

Details by state for 2021/22 crop and 2022/23 upland cotton remaining under loan are as follows (the figures include cotton from both individual growers and the cooperatives):

- OUTSTANDING -

	2022/23	2021/22
N. Carolina	104,737	-
S. Carolina	59,814	-
Georgia	245,279	-
Alabama	59,017	-
Florida	20,037	-
Virginia	10,107	-
Southeast	498,991	0
Tennessee	128,313	-
Illinois	1,201	-
Missouri	135,751	-
Mississippi	169,034	-
Arkansas	168,544	-
Louisiana	26,342	-
Memphis Ter	629,185	0
Texas	66,512	-
Oklahoma	1,594	-
Kansas	2,494	-
South West	70,600	0
New Mexico	7,993	-
Arizona	19,506	-
California	18,462	-
Far West	45,961	0
Upland Total	1,244,737	0

### Pima CCC Loan Activity

\*running bales to June 26, 2023\*

	Total Entries	Repayments	Forfeitures	Outstanding Stock
2022/23	288,175	195,428	-	92,747
2021/22	206,767	206,767	-	0
	494,942	402,195	0	92,747
Previous Total Outstanding (June 19)				94,566
			2022/23	2021/22
		Arizona	9,414	-
		California	54,230	-
		Kansas	-	-
		New Mexico	13,301	-
		Texas	15,802	-
		Pima Total	92,747	0

previous week) of the total open interest (170,227 contracts), as they reduced longs by 1,742 and added 2,810 shorts. Commercial traders' net short position moved to 5.2 percent of the total open interest versus 8.6 percent the week before after the trade increased longs by 2,019 and reduced shorts by 3,919.

The volume of unfixed on-call sales fell by 4,208 contracts during the week ended June 16, to stand at 57,114 – the lowest recorded since May 2016. The corresponding figure a year earlier was 107,442 contracts.

### SPOT MARKETS

OFFICIAL QUOTATIONS FOR SLM 1-1/16" (41/4/34):

	Prices (cents per lb)		Turnover
	28-Jun	21-Jun	
Southeast	76.08	(80.11)	0
N. Delta	75.08	(79.11)	0
S. Delta	75.08	(79.11)	0
E. Tx/Okla	70.33	(74.36)	2,087
West Texas	70.83	(74.86)	726
Desert Southwest	70.33	(74.36)	11
San Joaquin Valley	70.58	(74.61)	0
7 MARKET AVERAGE	72.62	(76.65)	

Turnover for the period ending June 28

2,824

Total turnover for season to June 28

734,172

Selected markets to June 28 (June 21 in parenthesis)

#### NORTH DELTA

	Middling (31)	SLM (41)	
1-1/16" (34)	76.33 (80.36)	75.08	(79.11)
1-3/32" (35)	77.33 (81.36)	75.08	(79.11)

Basis for SLM 1-1/16" (41/34):

NY No.2 Oct '23 -300

#### SAN JOAQUIN VALLEY

1-3/32" (35)	79.48 (83.51)	72.58	(76.61)
1-1/8" (36)	82.98 (87.01)	73.38	(77.41)

Basis for Midd.1-3/32" (31/35):

NY No.2 Oct '23 +140

#### WEST TEXAS

15/16" (32)	67.08 (71.11)	65.83	(69.86)
1" (33)	69.08 (73.11)	66.58	(70.61)
1-1/32" (34)	71.33 (75.36)	70.83	(74.86)

W. Texas Micronaire (cent points per lb):

	28-Jun	21-Jun
24 & Below	-1925	-1925
25-26	-1925	-1925
27-29	-1400	-1400
30-32	-1000	-1000
33-34	-750	-750
35-36	0	0
37-42	0	0
43-49	0	0
50-52	-450	-450
53 & Above	-525	-525

Strength grams/tex (cent points per lb):

	Mfs Terr	W Texas	SJV
	*	-400	*
20.0-20.9	*	-400	*
21.0-21.9	-850	-375	*
22.0-22.9	-800	-375	*
23.0-23.9	-750	-350	*
24.0-24.9	-700	-350	-500
2.50-25.9	-650	-275	-400
26.0-26.9	-300	-250	-300
27.0-28.9	0	0	0
29.0-29.9	0	0	0
30.0-30.9	25	5	75
31.0-32.9	50	15	125
33.0 & Above	50	25	250

\* Strengths have no history of being produced.

Note: Official quotations for cotton of 3.5-3.6 & 4.3-4.9

Micronaire, strengths 23.5-25.4 g/tex, compressed in

Mixed lots, FOB car/truck.

### PIMA SPOT QUOTATIONS

Selected markets to June 28, with June 21 in parenthesis, were as follows

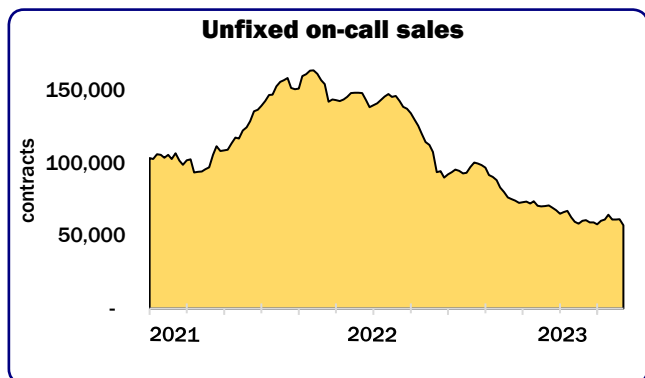
#### AMERICAN PIMA

GRADE 1-3/8" (44)	1-7/16" (46)
2	161.25 (161.25) 167.00 (167.00)
3	148.50 (148.50) 156.25 (156.25)
4	128.00 (128.00) 135.75 (135.75)

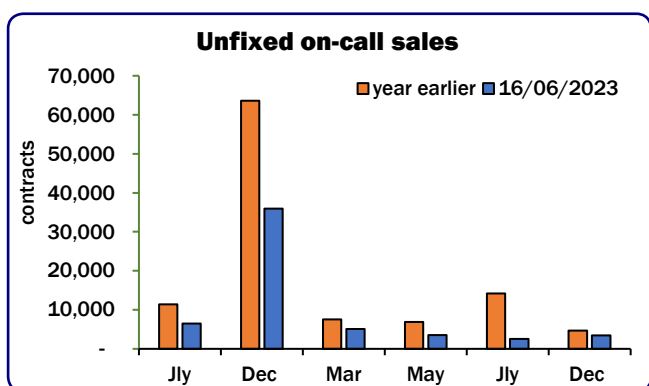
MICRONAIRE DISCOUNTS (cent points per lb):

2.6 and below	-2000
2.7 to 2.9	-1500
3.0 to 3.2	-1000
3.3 to 3.4	-500
3.5 and above	Base

Note: Official quotations reflect cotton equal to the Official Standards, net weight, in mixed lots, uncompressed, FOB Warehouse.



A fall of 7,727 contracts in the maturing July delivery to 6,460 was only partially offset by a rise of 2,818 in December to 35,915 contracts and more modest adjustments to positions further forward.



A total of 141,661 bales of 2022/23-crop upland were redeemed from the Commodity Credit Corporation's government loan program during the week ended June 26, raising the marketing year's repayments to 5,282,730 bales. No bales were entered into the program, leaving total placements at 6,527,467. The unpaid loan balance, therefore, dropped to 1,244,737 bales, of which independent farmers controlled 122,871 and cooperatives and loan servicing agents held 1,121,866 bales.

Sales on the spot market this week amounted to 2,824 bales, raising the season's total to 734,172. The majority of sales were from East Texas/Oklahoma (2,087 bales), followed by West Texas (726 bales) and the Desert Southwest (11 bales). Basis levels were unchanged on the week.

Basis Levels		
2022/23		
cents per lb		
Southeast	SLM 1- 3/32"	50 to 200 "off"
Memphis Territory	SLM 1-3/32"	150 to 300 "off"
Texas/Oklahoma	SLM 1-3/32"	625 to 775 "off"
Far West - SJV	Midd 1-3/32"	150 to 250 "on"
DSW - Arizona	Midd 1-3/32"	375 to 525 "off"
Oct '23 New York Futures FOB railcar/truck - Southeast and Memphis Territory. FOB whse - Arizona uncompressed, California compressed.		
** Premium required by growers to enter commitment to sell cotton held in the CCC Loan		

The Seam's grower sales amounted to 2,448 bales at an average 64.52 cents per pound. Business sales totaled 1,422 bales with average price of 64.08 cents.

Grower To Business				
Region	Avg Price	Staple		Total
		34 or Less	35 or More	
Southwest	64.52	667	1,781	2,448
<b>Total</b>	<b>64.52</b>	<b>667</b>	<b>1,781</b>	<b>2,448</b>
Business To Business				
Region	Avg Price	Staple		Total
		34 or Less	35 or More	
Southwest	64.22	493	776	1,269
Far West	62.98	59	94	153
<b>Total</b>	<b>64.08</b>	<b>552</b>	<b>870</b>	<b>1,422</b>

### Crop progress

Hot, dry weather ruled across most of the cotton belt during the week ended June 25, with daytime highs ranging from the mid-80's to the low 100's (F). Sowing has virtually drawn to a close in all regions except the Southwest, where plantings by last weekend ranged from 91 percent in Oklahoma to 96 in Kansas, according to the latest crop progress report issued by the USDA. In Texas, seeding increased by nine percentage points to 93 percent, which was six points less than at this time last year and five points below the five-year average.

Although the heat has helped push crop development across the belt, squaring (at 28 percent) lags behind the normal pace of 31 percent. Five percent of stands were setting bolls, compared with eight percent reported this time last year and the seven-percent average.

Plantings			
6/25/2023			
-percentages-			
	June 25	Previous Year	5-Year Average
<b>Southeast</b>			
North Carolina	97	96	98
South Carolina	100	100	99
Georgia	98	99	99
Alabama	99	99	99
Virginia	99	100	99
<b>Memphis Territory</b>			
Tennessee	100	99	99
Missouri	100	100	97
Mississippi	99	100	99
Arkansas	100	100	100
Louisiana	100	100	100
<b>Southwest</b>			
Texas	93	99	98
Oklahoma	91	93	92
Kansas	96	98	99
<b>Far West</b>			
Arizona	100	100	100
California	100	100	100
<b>Summary</b>	95	99	98

\*These 15 states planted 99 percent of last year's cotton

<b>Squaring</b>			
<b>25/06/2023</b>			
<b>-percentages-</b>			
	<b>June</b>	<b>Previous</b>	<b>5-Year</b>
	<b>25</b>	<b>Year</b>	<b>Average</b>
<b>Southeast</b>			
North Carolina	25	24	32
South Carolina	18	27	31
Georgia	39	40	45
Alabama	45	44	38
Virginia	37	47	36
<b>Memphis Territory</b>			
Tennessee	33	32	36
Missouri	64	24	34
Mississippi	26	29	26
Arkansas	54	47	54
Louisiana	42	82	64
<b>Southwest</b>			
Texas	22	28	27
Oklahoma	5	9	12
Kansas	29	26	22
<b>Far West</b>			
Arizona	51	73	65
California	30	34	38
<b>Summary</b>	<b>28</b>	<b>31</b>	<b>31</b>

Beltwide, the health of the crop improved slightly on the week. Forty-nine percent of stands were categorized as 'good to excellent' (up two points), 33 percent were 'fair' (unchanged), and 18 percent were 'poor to very poor' (down two). Plant health was better in six out of the 15 main producing states during the week ended June 25, with the greatest improvement on the week reported in Tennessee.

<b>Boll Setting</b>			
<b>6/25/2023</b>			
<b>-percentages-</b>			
	<b>June</b>	<b>Previous</b>	<b>5-Year</b>
	<b>25</b>	<b>Year</b>	<b>Average</b>
<b>Southeast</b>			
North Carolina	0	0	0
South Carolina	0	2	1
Georgia	5	4	4
Alabama	1	2	2
Virginia	0	13	3
<b>Memphis Territory</b>			
Tennessee	6	3	1
Missouri	0	0	1
Mississippi	2	3	2
Arkansas	5	2	3
Louisiana	5	10	8
<b>Southwest</b>			
Texas	7	12	10
Oklahoma	0	0	0
Kansas	2	0	0
<b>Far West</b>			
Arizona	8	16	17
California	0	4	3
<b>Summary</b>	<b>5</b>	<b>8</b>	<b>7</b>

\*These 15 states planted 99 percent of last year's cotton

In Texas, 32 percent of stands were rated 'good to excellent' (up two percentage points on the week), 38 percent were 'fair' (unchanged), and 30 percent were 'poor to very poor' (down two points). Twenty-two percent of stands were at the squaring stage, compared to 28 percent last year and a 27-percent average. Seven percent of the crop was setting bolls, which was three points less than the average.

Excessively hot, dry conditions have ruled across most of **West Texas** during the period under review, with highs ranging from the upper 90's to around 110° (F). No relief is in sight as unseasonably high readings remain in the near-term forecast. Some locales received scattered, light to moderate rain (mainly on the northern

<b>Crop Condition</b>					
<b>6/25/2023</b>					
<b>-percentages-</b>					
	<b>VP</b>	<b>P</b>	<b>F</b>	<b>G</b>	<b>EX</b>
<b>Southeast</b>					
North Carolina	0	6	35	57	2
South Carolina	0	2	41	54	3
Georgia	1	5	34	52	8
Alabama	0	1	24	73	2
Virginia	0	0	1	98	1
<b>Memphis Terr.</b>					
Tennessee	0	3	22	60	15
Missouri	2	3	31	63	1
Mississippi	0	6	30	58	6
Arkansas	1	5	17	50	27
Louisiana	0	1	15	81	3
<b>Southwest</b>					
Texas	11	19	38	28	4
Oklahoma	0	3	21	75	1
Kansas	4	8	37	42	9
<b>Far West</b>					
Arizona	0	0	5	49	46
California	0	0	5	90	5
<b>Summary</b>	<b>6</b>	<b>12</b>	<b>33</b>	<b>43</b>	<b>6</b>

Panhandle), but most areas remained dry. Nighttime lows dropped into the 60's and 70's, which gave stands a brief respite from the oppressive daytime temperatures.

The federal insurance late planting deadline for sowing on the Rolling Plains was June 27, and since soil moisture levels were relatively good at June 20, the heat has helped spur germination and pushed crop development. Nonetheless, it has increased topsoil moisture evaporation rates, and when combined with gusting winds of between 20 and 30 mph, blowing dust occurred, sandblasting some young stands.

In fields where plants have begun to exhibit signs of heat stress, producers have been applying irrigation water to help ensure healthy stands. Isolated storms are expected to develop in the upcoming days ahead of a weak cool front, and although rain amounts are projected to be only around 0.25" or less, the moisture will help settle the dust. More seasonable temperatures are expected to follow, allowing plants time to fully recover from the excessive heat.

Insect counts remain low and mainly within threshold ranges, but weed pressure is increasing in some fields. Producers, therefore, are making plans to apply herbi-



cides. Growers continue to monitor and assess damage to plants from hail earlier this month, and a reduction in yield is likely in some fields.

Meanwhile, the growing season is drawing to a close in deep **South Texas**. Daytime highs were recorded from the upper 90°s to the low 100°s (F), and when combined with high dewpoints, heat indices were reported from 110° to 120°, pushing boll maturation. Many older bolls in the Rio Grande Valley are popping open, and final rounds of irrigation water are being applied.

Growers are preparing equipment for the upcoming harvest, and if hot, dry weather holds, defolianters are likely to be sprayed on the more mature dryland fields in the next week to 10 days. Elsewhere in the region, in the Coastal and Upper Coastal Bend districts, plants are rapidly approaching or have already reached cut-out (blooms at the top of stands). Bolls are developing satisfactorily, and many of the older ones at the bottom of plants have begun to crack open. Where possible, producers are applying irrigation water to help ease stressful growing conditions and to reduce fruit shed. Farmers continue to monitor pest pressure and apply insecticides as needed.

Typical summertime weather prevailed across the **Memphis Territory**, and hot, humid, hazy conditions remain in the near-term forecast, with extremely high temperatures from the upper 90°s to the low 100°s (F) persisting in the upcoming days. Thus, heat indices are projected from 110° to 115°, and heat warnings are in effect. Fruiting is increasing, and at June 25, squaring ranged from 33 percent in Tennessee to 64 percent in Missouri. Blooming was witnessed on many of the older stands, with boll-setting reportedly ahead of the normal pace in all states except Louisiana. Irrigation water, therefore, is flowing in fields where stands are exhibiting signs of heat stress.

As of the same date, the health of the Delta crop was predominantly 'good to excellent', ranging from 64 percent in Mississippi and Missouri to 84 percent in Louisiana. A weak cool front entered the region earlier in the period, and strong thunderstorms developed, producing gusting winds up to 90 mph, as well as hail, and brief, heavy downpours. Generally, light to moderate rain fell, and coverage was widespread.

Similar conditions were reported in the **Southeast** during the period under review. Fair weather ruled early on, allowing saturated fields to firm. However, scattered thunderstorms soon developed, and light to moderate rain was recorded, with heavy downpours and hail falling in some of the stronger storms. Partly cloudy to mostly sunny skies followed, and much warmer, more humid conditions returned. Heat indices from 100° to 110°s (F) were reported, and heat advisories were in place.

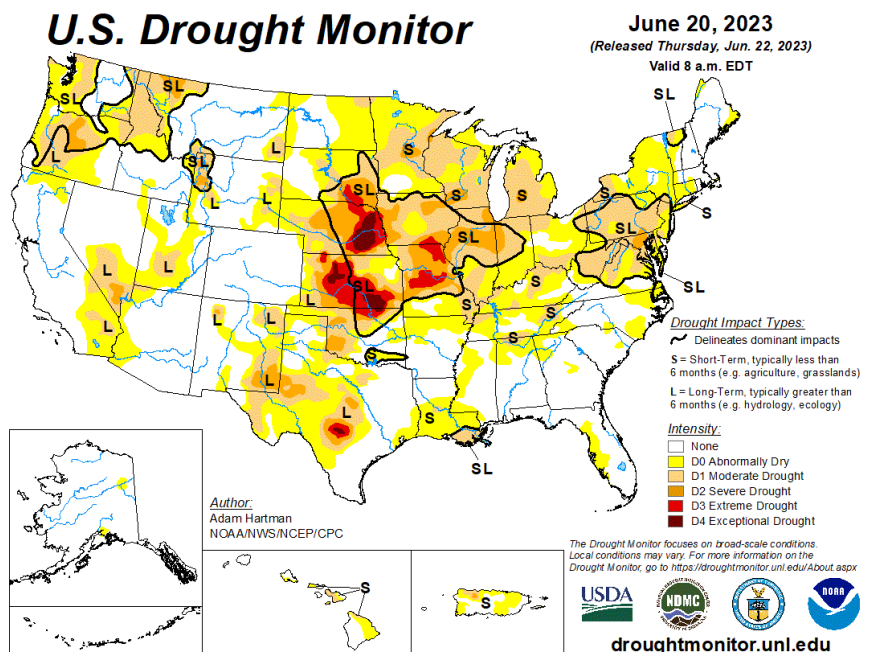
Since soil moisture levels were fairly good as of June 20, the heat has helped spur seed germination and plant growth. The crop is progressing satisfactorily, and

by June 25, squaring ranged from 18 percent in South Carolina to 45 percent in Alabama, with blooms reported on some of the older stands in Alabama and Georgia. Although a slight decline in the condition of the crop was witnessed during the week, plant health remains generally 'good to excellent', varying from 57 percent in South Carolina to 99 percent in Virginia.

Producers are scouting fields and monitoring pest counts. Several hotspots have been reported, and insecticides are being sprayed. Inclement weather, though, is in the near-term forecast, and as a result, growers are rushing to finish applications of herbicides and pesticides ahead of the storms.

In the **Far West**, clear skies have ruled. The spring was unusually cool and wet, but the below-average temperatures have come to an end in California's San Joaquin Valley and a warming trend is in the near-term forecast, with daytime highs projected from the upper 90°s to around 110° (F) through the weekend and into next week. Thus, daily heat units will increase, which will help push crop development. Around one third of the state's plants were squaring as of June 25, and growers are carefully monitoring pest counts and spraying insecticides where needed. The health of the crop remains predominantly 'good to excellent' (95 percent), with only 5 percent rated 'fair'.

During the week ended June 25, an improvement in plant health was reported in Arizona, where the proportion of stands categorized 'good to excellent' amounted to 95 percent (up three percentage points), and five percent 'fair' (down one point), while no plants were rated 'poor to very poor' (down two points from the previous week). Nevertheless, crop development lags behind the normal pace statewide. Squaring was at 51 percent, compared with the 65-percent average, and blooms were reported on eight percent of stands, well below the 17-percent average.



The U.S. Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC.



## US PRICE MECHANISM

### US Price Mechanism

- 2022/2023 season -

- value if applied today, June 29, 2023 -

Take 5-day average of:-

A) Five Far Eastern Midd.1-3/32" CFRs	88.49
B) Three Far Eastern 'fine count' CFRs	91.25
C) Three Far Eastern 'coarse count' CFRs	89.10
D) Cheapest US Midd. 1-3/32" CFR	88.60

#### ADJUSTED WORLD PRICE CALCULATION

Deduct from A

Average cost to market 22.72

Loan Quality Differential

(at average location) between:

Middling 1-3/32"	54.20	
SLM 1-1/16"	52.00	2.20

E) Total Adjustment Factor	24.92
F) Adjusted World Price (A - E)	63.57
G) Fine Count' Adjustment Factor	must be above zero
2022 Crop (current values 2.20-(B-A))	-0.56
H) Coarse Count' Adjustment Factor	must be above zero
(current values A-C-5.40)	-6.01
I) Loan Deficiency Payment, Basic Loan (52.00) - F	-11.57

### American Pima Competitiveness Payment

#### Basic Loan Trigger

P1) Cheapest competing foreign quote CFR Far East: (week to date average)	145.00
P2) P1 adjusted for quality and transportation (P1+10)(-23.23)	131.77
P3) Basic ELS Loan Rate (95.00) adjusted for quality 2-2-46	95.00
P4) Basic Loan Trigger = 113% of P3. P2 must be lower than P4 for four weeks for payments to be triggered <i>The Basic Loan Trigger criterion must be met for any payment to be calculated</i>	107.35

#### Payment Calculation

P5) Friday/Thursday US Pima CFR Far Eastern Average	215.00
P6) Weekly average cheapest competing foreign quote CFR Far East (adjusted for quality)	155.00
P7) Theoretical value (P5-P6)	N/A
P8) No. of completed wks. P5 must exceed P6 for four consecutive weeks.	0
P9) Official current rate payable through Thursday June 29	N/A

## US EXPORT SALES

During the week ended June 22, the upland sales commitment for 2022/23 rose by 125,600 running bales. China was the single largest destination with 77,400 bales, followed by Vietnam (37,500), Taiwan (4,400), Pakistan (4,400), and Bangladesh (4,400). For the 2023/24 marketing year, net sales of 158,700 running bales were mainly for El Salvador (72,200 bales), Honduras (30,800), Turkey (19,600), China (15,800) and Bangladesh (13,900).

Export shipments of 225,200 bales were bound for China (56,300), Turkey (46,600), Vietnam (44,700), Pakistan (28,300) and Indonesia (13,100).

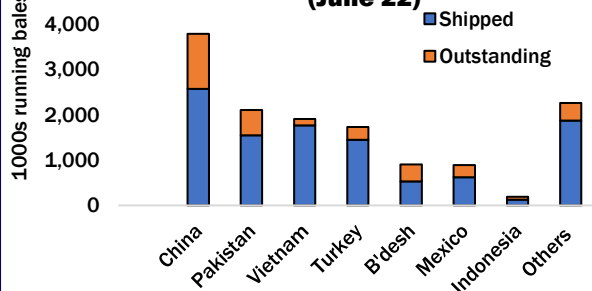
### US export sales

in thousand running bales

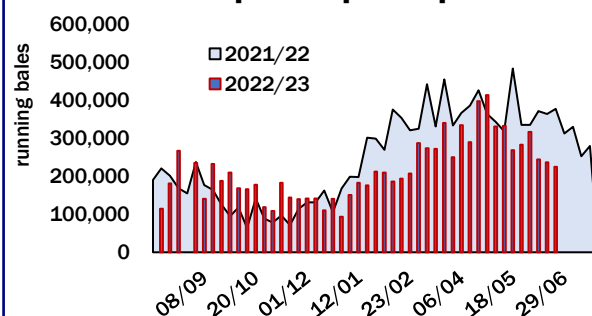
	2022/23			2023/24	
	Upland	Pima	All cotton	Upland	Pima
Week ended June 22					
Previous unshipped commitments	3,390.1	40.7	3,430.8	1,969.3	4.8
New sales	146.5	3.6	150.1	163.2	0.1
Cancellations	20.9	0.0	20.9	4.5	0.0
Net sales	125.6	3.6	129.2	158.7	0.1
New commitments total	3,515.7	44.3	3,560.0	2,128.0	4.9
Week's shipments	225.2	15.0	240.2	0.0	0.0
Cumulative shipments	10,487.7	291.6	10,779.3	0.0	0.0
Unshipped commitments	3,290.5	29.2	3,319.7	2,127.9	4.8

Net sales of Pima totaling 3,600 were primarily for India. Pima shipments totalled 15,000 running bales.

### US 2022/23 upland exports (June 22)



### Upland export shipments



## BRAZIL

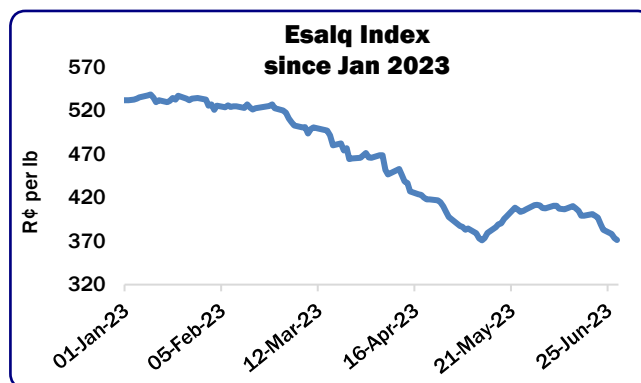
### Production outlook

Favourable weather has prevailed across the whole of Mato Grosso during the past week. The maturing crop appears in excellent condition and optimism is high regarding yields. Harvesting thus far is still minimal in the state.

### Local market

The local market has remained extremely quiet from a demand perspective. Spot values have moved lower: the *Esalq* Index on June 28 reached R¢371.57 (about 76.50 US cents) per lb. That value marks its lowest point since early May and a loss of more than six percent in just a week.

Export shipments during the first three weeks of June totalled some 34,200 tonnes (well above the same period last year).



### Cotton events

At the end of this week, the exporters' association, ANEA, will hold its annual gathering in Angra dos Reis, Rio de Janeiro.

ABRAPA has announced that the biennial Congresso do Algodão will be held next year in September in Fortaleza.

## ARGENTINA

### Dry weather assists harvest

No rain has fallen across the cotton belt during the most of the past week, allowing the harvest to progress without interruption. Most private estimates place the area picked to date at between 60 and 70 percent. Ginning is lagging some way behind as a backlog of modules and round bales has been observed in some fields.

Light, scattered showers were received in parts of

Chaco province on June 28 but these were not expected to last. Clear conditions are also predicted for Santa Fe and Santiago del Estero.

Forecasts of the lint outturn range above and below 250,000 tonnes.

Local prices have continued to tend lower. Demand from the domestic spinning industry has slackened somewhat but remains in evidence. The export sector is still very subdued with only occasional enquiries received and few transactions, if any, arranged.