

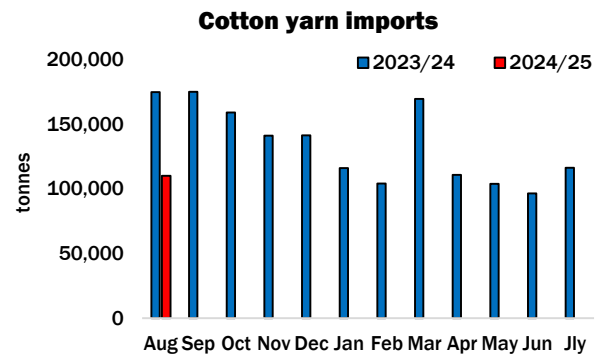
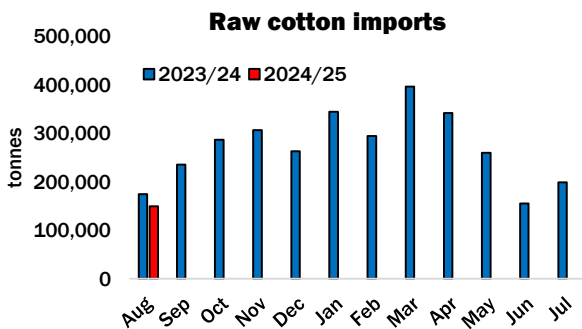


Raw cotton and yarn imports

Provisional customs data show that raw cotton imports in August amounted to around 150,000 tonnes, the lowest monthly volume since July 2023.

Yarn imports last month were roughly 110,000 tonnes, down from 116,000 in July, and the 175,000 recorded in August 2023.

18-Sep-24	yuan/tonne	change	cents/lb
CC Index	14,886	+17	94.69
ZCE January	13,705	+195	87.18
polyester	7,180	Unch	45.67
viscose	13,600	Unch	86.51
	yuan/tonne	change	USD/kilo
32s carded yarn	21,100	Unch	2.98
32s combed yarn	22,200	Unch	3.13
40s combed yarn	22,750	Unch	3.21
Shanghai Composite Index:		0.49%	2,717.28
Monthly yuan/dollar customs exchange rate			7.1307
Today's actual rate			7.087



ZCE higher

Zhengzhou cotton futures

returned from the holiday on a strong note. The lead January delivery stands at a discount of 35 yuan against the May contract. September has expired.

Turnover rose by 45,623, to 349,452 contracts. Open interest increased by 6,418, to 592,787 contracts.

At the close of business, the top 20 brokers were holding 382,426 long positions (+190) and 426,461 short positions (+3,717).

The certified stock was reduced by 111, to 7,286 lots (of 40 tonnes).

Prices for Xinjiang Type 3128 in the **physical market** outside the region have been raised by 100 yuan, to around 14,700/15,200 yuan per tonne.

The **China Cotton Index** (basis Type 3128B) rose by 12 yuan to 14,886 yuan per tonne, equivalent to 94.7 US cents per lb. Type 2227B was unchanged at 13,466 yuan per tonne (85.7 cents), and Type 2129B was also unaltered at 15,168 yuan per tonne (96.5 cents).

ZCE									
18 September 2024									
	Prev Settle	Open	High	Low	Close	Settle-ment	Net change	Volume	Open Interest
Nov	13,405	13,575	13,655	13,535	13,610	13,595	+190	36,017	18,169
Jan	13,510	13,650	13,770	13,635	13,720	13,705	+195	285,716	495,170
Mar	13,500	13,640	13,770	13,640	13,715	13,710	+210	555	6,349
May	13,550	13,660	13,800	13,660	13,765	13,740	+190	26,759	70,948
Jul	13,560	13,695	13,840	13,695	13,800	13,780	+220	243	2,026
Sep	13,560	15,455	15,455	13,870	13,985	14,030	+470	162	125
Certified Stocks: 7,286 lots (185 bales each, ±5)								349,452	592,787



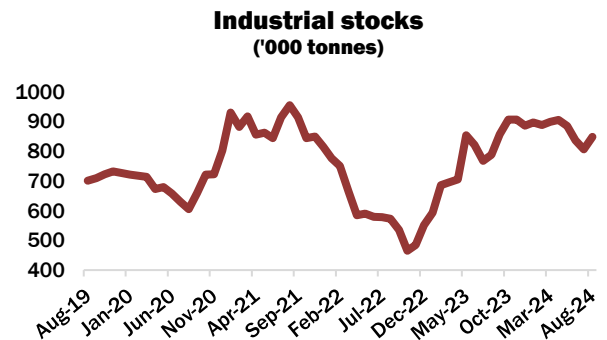
Port updates

The volume of cotton held on consignment has risen further over the past week. Basis levels for most origins are still unchanged: Australian SM 1-5/32" is quoted at 1,400/1,500 'on' December ICE futures, and Brazilian Middling 1-1/8" at 800/900 'on' the same cover month. The prices quoted for US Eastern/MOT 31-3-37 have declined by 100, to 1,000/1,100 'on' December.

Industrial stocks

Beijing Cotton Outlook's survey of mills' raw cotton inventories (industrial stocks) at the end of August indicates an increase of 42,200 tonnes from July, to 849,200 tonnes. Most spinners' operating rates rose in the month. Yarn stocks declined further and new orders continued to improve, while profits from yarn sales showed positive signals.

Around 45 percent of respondents to a recent BCO survey indicated lower raw cotton consumption during August, down from 70 percent in the previous month. Twenty-one percent expressed optimistic views regarding the outlook for the downstream market, while 18 percent were pessimistic (both down three percentage points).



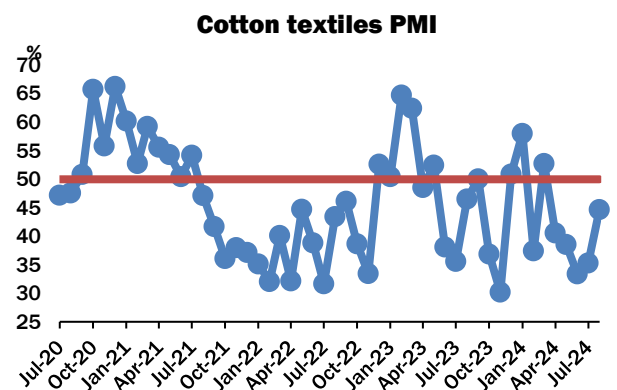
Road transportation

Last week, a total of 25,300 tonnes of Xinjiang lint were transported by road to eastern provinces, up 19 percent from the previous week, and up 52 percent from the same period last year. The main destinations of Shandong, Henan and Sichuan accounted for 54 percent of the total. Road freight costs have been increased by 50 yuan, to around 500/550 yuan per tonne.

PMI

According to BCO, the Purchasing Managers' Index for the cotton textiles sector rose further in August, to 44.66, but marked the fifth consecutive month of contraction. (Any value below 50 demonstrates contraction in the sector.) All indicators except cotton yarn inventories increased during the period, implying the situation in the downstream market improved last month.

Six percent of the respondents to a BCO survey noted an increase of raw cotton prices in August, mainly for imported cotton (up six percentage points from July), while 59 percent reported decreases (unchanged).





Prices

The daily fluctuations on the ICE cotton futures platform are not particularly supportive to mill buyers' confidence. Market observers attribute the downward movement of prices in part to improving weather conditions across the United States Delta, as well as adjustments to speculators' short positions.

Despite yesterday's additional fall in offering rates, mill demand is quiet so far today, somewhat subdued by firmer overall prices. Nevertheless, prompt shipment enquiry continues as spinners seek to meet immediate requirements. Activity is greater in India and Pakistan, where local supplies are limited and expensive in comparison to imported lots. Industry participants report that origin tenders have been held this week in Mali and Togo for old and current crop cotton, while producers in the Côte d'Ivoire have also tendered bids for 2024/25 availabilities. However, reconciling buyer's and seller's price expectations remains challenging.

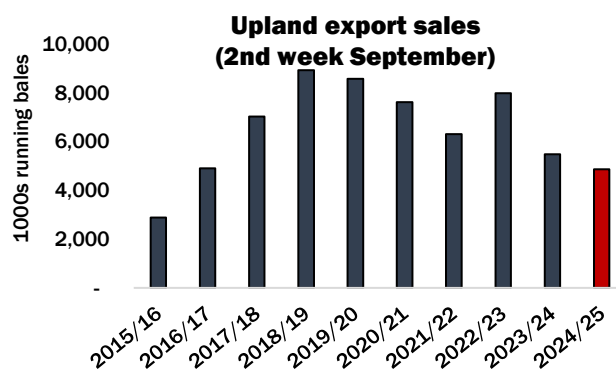
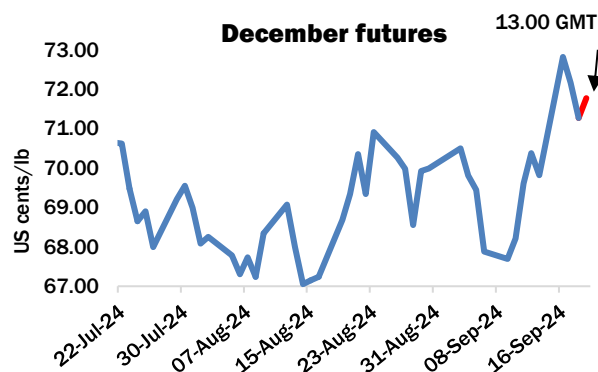
As the market declined, some fixations of existing 'on call' contracts have been reported.

In early trading in New York, the nearby contracts moved higher. By 13.00 GMT, December had last changed hands at 71.77 cents per lb, 50 cent points above yesterday's close, while March had risen by 49 points.

US export sales and shipments

In the week ended September 12, the net upland sales commitment rose by 106,800 running bales. Sales to the main destinations of Vietnam (51,600), Pakistan (24,500), India (13,400), Turkey (4,300), and Malaysia (4,100), were partially offset by reductions for El Salvador (900) and Bangladesh (300).

COTLOOK INDICES		19-Sep
US cents per lb CFR main Far Eastern ports		
Cotlook 2024/2025 A Index:	82.80	-0.95
Brazilian	79.50	
Greek	83.25	
Memphis/Orleans/Texas	83.50	
Ivory Coast BEMA	83.75	
Memphis/Eastern	84.00	



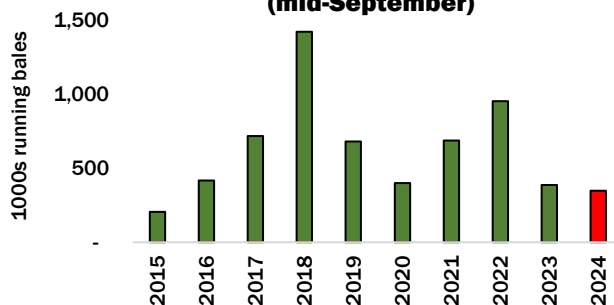


Upland shipments were higher than the previous week at 130,000 running bales, destined to Pakistan (40,200), Vietnam (17,600), China (14,700), Mexico (12,200), and India (10,400).

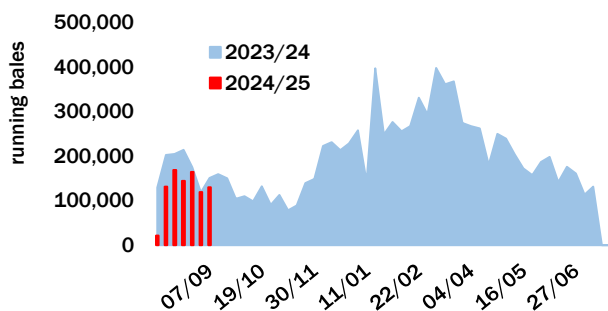
The net Pima commitment increased by 14,000 bales, while shipments were 4,500 running bales. Sales were attributed mainly to India (12,300), Vietnam (900), South Korea (300), Bangladesh (300), and Guatemala (200).

Sales of 10,600 bales were registered for the 2025/26 marketing year, all for Mexico.

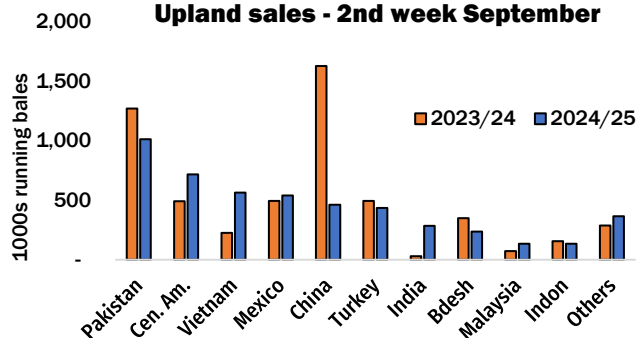
Upland sales for next season (mid-September)



US upland export shipments



Upland sales - 2nd week September



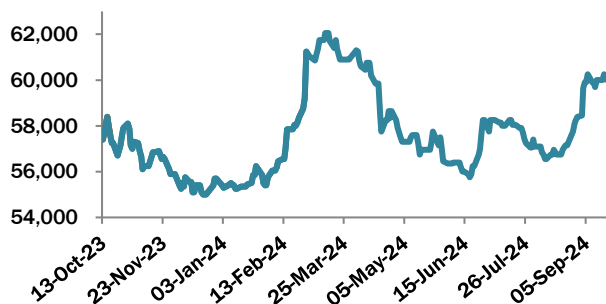
India

S-6 prices weaken

Asking prices for Shankar-6 have declined to around ₹60,000 per candy, ex gin (roughly 91.40 cents per lb), while Punjab J-34 is steady at approximately ₹5,875 per maund (85.30 cents per lb). The Cotton Corporation of India has again put up 205,000 bales for sale today, including 5,000 from 2022/23. Floor prices are unchanged at ₹59,100 per candy for 2023/24 crop S-6 and ₹100 more for stocks from 2022/23.

The active MCX cotton futures contracts weakened yesterday, on a volume of 23 lots. In today's session, November has fallen further while September has recovered some ground.

2023/24 crop - Shankar-6 prices (Rs./candy, ex-gin)



MCX September 18 2024									
	Previous close	Open	High	Low	Close	Change	Volume	Open Interest	
	rupees per candy (355.56 kilos)							(lots of 48 candies)	
30-Sep-24	58,670	58,400	58,700	58,200	58,280	-390	16	108	
29-Nov-24	59,360	59,890	59,890	58,870	59,260	-100	7	66	
31-Jan-25	58,000	-	-	-	58,000	Unch	-	-	
31-Mar-25	59,000	-	-	-	59,000	Unch	-	-	



Today's estimate of seed cotton arrivals is 9,600 lint equivalent bales, mostly from Gujarat, Maharashtra and Madhya Pradesh.

Pakistan

Local prices

Mill demand continues to outstrip local supply, pushing prices higher. Ginners, though, have been tight sellers in view of firm seed cotton prices.

Asking prices for Sindh lint are quoted at around Rs. 18,200/18,700 per maund, ex gin (approximately 80.70 US cents per lb), while those for Punjab lots are placed at Rs. 18,900/19,500 per maund, ex gin (84.00 cents per lb).

The Karachi Cotton Association Spot Rate is unchanged today at Rs. 18,700 per maund, ex gin.

Import demand

Import demand has remained active over the past few days. Despite the recent strong rise in ICE futures, mills continue to cover requirements with imported lots, especially since local cotton prices have firmed further. Buyers have enquired for lots available for both nearby and first quarter shipments.

Regular business for US mixed grade recaps has been reported at 700/900 'on' December, depending on specifications, while new crop 41-4-36 has moved at 1,150/1,200 'on' the same cover month. Brazilian 2024 crop SLM 1-1/8" has changed hands at 825/850 'on' December and Middling 1-1/8" lots at 900/925 also 'on' December. Turkish new crop SLM has found buyers at 200/300 'on' December for October/November shipment, while some Argentine mixed lots have moved around the mid-70s cents per lb. Business for Tanzanian Middling has been concluded at 850/875 'on' December for nearby shipment, and for Australian mixed grade recaps at 800/900 'on' the same cover month also for nearby shipment. Limited business for Afghan cotton has taken place at 76/78 cents per lb, delivered mill.

Yarn and textiles

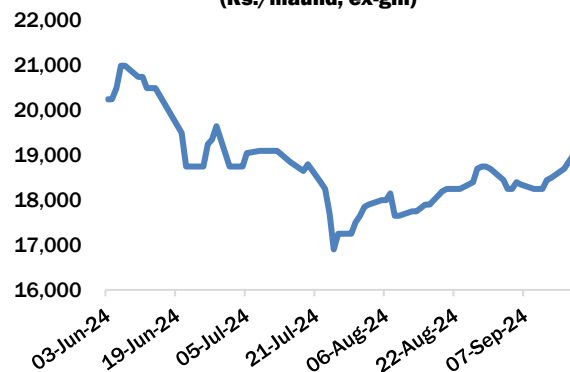
Yarn demand has remained slow over the past few days. Local weavers and knitters have maintained their price ideas in view of the availability of cheaper imported yarn, but mills have been reluctant to accept lower levels due to firm raw cotton replacement costs.

Downstream exporters continue to adhere to a hand to mouth buying strategy.

Asking prices for 20/21s carded yarn are unchanged at around US\$430/460 per 400-lb bale, FOB, while those for 30/32s carded yarn are also steady at US\$500/530 per bale.

Polyester staple fibre prices have been maintained at around Rs. 357/359 per kilo.

2024/25 crop Punjab cotton
(Rs./maund, ex-gin)





ICE Futures

After two consecutive lower settlements, nearby months gained ground today, settling between 131 and 190 points higher. December '24 futures opened at 71.27 cents/lb (unch) and immediately lost ground, dropping to a low of 70.63 cents/lb (-64) by 0125 GMT. Over the next several hours, the most active contract slowly gained ground, eventually moving 65 points higher after the release of USDA's weekly export report. The spot month fell back to unchanged around

1350 GMT before gaining strong ground and peaking at a high of 73.55 cents/lb (+228) by 1630 GMT. December cotton moved off its high, trading on triple-point gains over the rest of the session to settle at 73.03 cents/lb (+176), its highest level since July 1 (73.10 cents/lb).

For the week ended September 12, US export sales of upland cotton for the 2024/25 crop year amounted to 106,800 running bales, which included new sales for 109,300 bales and cancellations for 2,500 bales. For the 2025/2026 marketing year, new sales of 10,600 bales were reported. Upland export shipments during the week for the current season were reported at 130,000 running bales.

ICE estimated volume at 52,900 contracts, higher than yesterday's 45,755. At the time cotton settled, the US dollar was trading higher, while corn, soybeans and wheat were trending lower.

US cotton export sales for the week ended September 12, 2024				
(in running bales)	Upland		Pima	
	2024/25	2025/26	2024/25	2025/26
New Sales	109,300	10,600	14,000	0
Cancelations	2,500	0	0	0
Net Change in Sales	106,800	10,600	14,000	0
Exports for week	130,000	0	4,500	0
Total Exports to Sep 12	879,300	0	44,400	0
Outstanding Commitments	3,991,900	358,500	95,800	0

Total open interest declined by 1,508 contracts to 233,493. December '24, May '25 and July '25 interest decreased by 1,990,

	ICE No. 2 Cotton				
	Open	High	Low	Settle	Change
Oct '24	69.61	71.58	69.61	71.58	+190
Dec '24	71.27	73.55	70.63	73.03	+176
Mar '25	72.98	75.00	72.42	74.60	+161
May '25	73.73	75.95	73.63	75.61	+147
July '25	74.36	76.39	74.28	76.07	+131
Oct '25	-	-	-	74.17	+100
Dec '25	71.55	72.80	71.51	72.62	+77
Mar '26	73.60	73.60	73.35	73.49	+62
May '26	74.23	74.23	73.89	73.89	+49
July '26	74.87	74.87	74.37	74.37	+51
ICE estimated futures volume: 52,900					
*Data includes implied trades which are not posted on ICE end of day report					

	(effective September 20)	Last week	Change
Adjusted World Price	58.83	56.00	2.83
Fine Count Adjustment	0.00	0.00	0.00
Marketing Loan Gain	0.00	0.00	0.00
Pima Payment	0.00	0.00	0.00



167 and 47 contracts, respectively, to 136,780, 18,534 and 12,997, while March '25 interest increased by 631 contracts to 45,964.

Certificated stock was last reported at 265 bales, unchanged and remaining at its lowest level since June 1, 2023 (63 bales). There were no bales awaiting review and no bales reported in both cert stock and CCC loan as of September 18.

Crop Developments

Sunny, warm weather rules across the Memphis Territory today, and daytime highs are projected from the 80°s to 90°s (F) through the weekend. Soft soils are firming, and picking is expected to resume soon. Mostly open skies are forecast through the weekend, which will allow harvest activities to advance with little interruption. Although a slight improvement in soil moisture levels was reported in the Delta during the week ended September 17, most cotton growing areas of Arkansas, Mississippi, and Tennessee remained under drought, ranging from 'abnormally dry' to 'severe drought' as shown in the latest US Drought Monitor map. Much of Louisiana and parts of northern Arkansas, though, were considered drought free. Nonetheless, several rounds of slow-soaking rain will be needed this winter before groundwater table supplies are fully replenished.

Mostly fair skies are forecast for the Southeast today, and although a popup shower is possible, no significant rain accumulation is projected. Daytime highs in the 80°s (F) are forecast through early next week, which will allow soft soils to firm and outside activities to proceed. The crop is in the final stages of maturation, and sunny, warm weather is needed to ensure fibers in bolls fully develop. Many of the more mature fields have been defoliated, and growers are anxious to get as much cotton as possible harvested before forecasted rain arrives late next week. Thus, picking is expected to resume as soon as fields are able to support heavy machinery. Despite tropical rains from remnants of Hurricane Francine and Potential Tropical Cyclone Eight during the week ended September 17, droughty conditions persist in many cotton growing areas of Alabama, Georgia, South Carolina, and Virginia, ranging from 'abnormally dry' to 'severe drought'. Meanwhile, soil moisture levels were considered at or near normal in southern Georgia and North Carolina.

Elsewhere in the cotton belt, hot, dry weather prevails, and harvest activities are expanding across Texas under summer-like temperatures. Isolated storms developed in West Texas over the past 24 hours, but precipitation amounts were spotty and nearly immeasurable. Droughty soils persist, with conditions in most cotton growing areas categorized from 'abnormally dry' to 'severe drought' as of September 17. The ongoing hot, dry weather is taking a toll on the crop, and as a result, reduced output is projected. However, chances of rain are expected to increase late this weekend, and light to moderate precipitation is

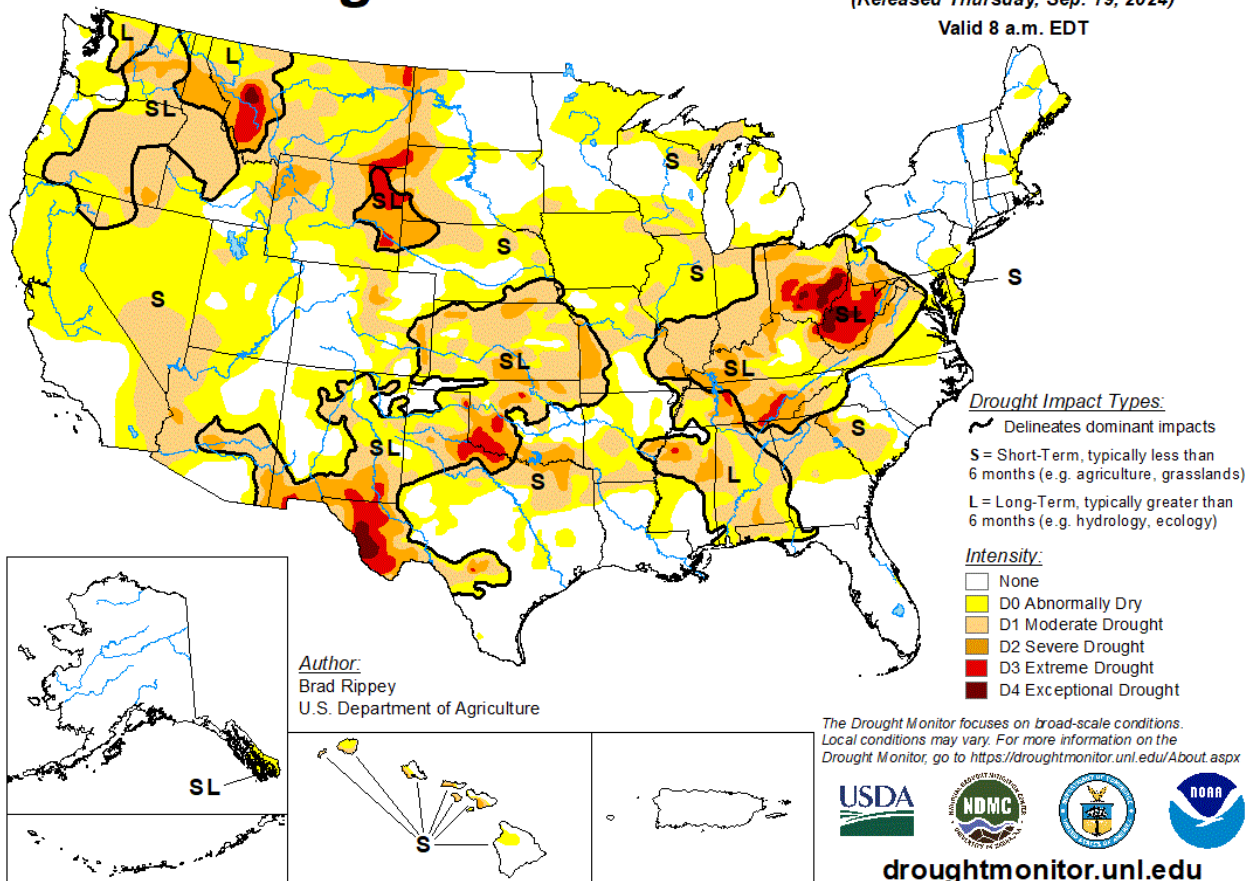


projected. Although the moisture will briefly ease dry soils, it will likely arrive too late to be of much benefit to the maturing crop.

In the Far West, clear, unseasonably cool conditions are being reported in California's San Joaquin Valley today, with daytime highs projected from the upper 70's to low 80's (F). A warming trend, though, is expected to begin tomorrow, and above-average readings for this time of year, from the mid-90's to low 100's, are projected into early next week. The high heat will push fruit development, and spur boll openings.

U.S. Drought Monitor

September 17, 2024
(Released Thursday, Sep. 19, 2024)
Valid 8 a.m. EDT



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.