

ICE Futures

Nearby months finished the day on modest changes, between 33 points lower to 2 points higher. December '21 futures gained modest ground early in the session (+7) before meeting resistance. The new crop contract slowly started its descent and by 1335 GMT, had fallen to a low of 84.10 cents/lb (-108). Over the next hour, the most active contract reversed course and moved to higher ground. The new crop contract had a mixed tone over the next few hours and even reached a high of 85.37 cents/lb (+19) late

	ICE No. 2 Cotton				
	Open	High	Low	Settle	Change
July '21	84.35	84.50	83.60	84.09	-33
Oct '21	85.92	86.10	85.44	85.96	-15
Dec '21	85.15	85.37	84.10	85.19	+1
Mar '22	85.06	85.25	84.00	85.08	+2
May '22	84.64	85.04	83.95	84.94	+7
July '22	83.43	84.39	83.34	84.27	+15
Oct '22	-	80.40	80.40	80.40	-50
Dec '22	77.96	78.45	77.63	78.40	+1
Mar '23	-	78.50	78.50	78.50	+1
May '23	-	78.55	78.55	78.55	+1
ICE estimated futures volume: 19,800					
*Data includes implied trades which are not posted on ICE end of day report					

in the day but traded mostly on modest changes. Some light selling dropped December '21 futures off their high to settle the day at 85.19 cents/lb (+1).

ICE estimated volume at 19,800 contracts, lower than Friday's 22,972. At the time cotton settled, the US dollar was trading lower, as well as corn while soybeans and wheat were trending higher.

Total open interest decreased by 886 contracts to 208,624, remaining at its lowest level since August 31, 2020 (208,103). July '21 interest decreased by 2,583 contracts to 6,984 while December '21 and March '22 interest increased by 261 and 1,233 contracts, respectively, to 139,802 and 33,671.

Certificated stocks were last reported at 166,187 bales (remaining at its highest level since July 5, 2017), unchanged from Friday. There were no bales awaiting review and 66,183 bales reported in both cert stocks and CCC loan as of June 18.

Crop Developments

Tropical storm Claudette made landfall on June 19 in southeastern Louisiana with sustained winds of around 40mph. Heavy rainfall accompanied the storm with some areas along the Gulf Coast reporting between 5.00 to 15.00" of rain. Flash flooding occurred and some fields will remain under water until an extended period of dry weather returns. Damage assessments will be underway as soon as possible which could include some fields needing to be replanted. The weather system moved into areas of Georgia and the Carolina's by June 20, bringing heavy downpours with precipitation totals ranging between 1.00 up to 3.50".

Clear, seasonable weather over the weekend across the North Delta will turn to increased rain chances as the day progresses. Some storms could be strong, producing between 1.00 to 3.00" of precipitation. Rain will come to an end by Tuesday and mostly clear skies are forecast to return for the foreseeable future. Field work will be on hold but should pick up as fields dry by mid to end of



Cotlook Daily

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Memphis Report June 21, 2021

the week. The Mississippi Delta and Louisiana will see much of the same weather pattern in the coming days.

A wet weather pattern will set into the Southeast in the coming days and flash flooding could occur. After heavy rains were reported late in the weekend from Tropical Storm Claudette, any additional precipitation will cause standing water on fields. Most fields have been planted across the Southeast and growers will assess fields to see if any replanting needs to occur after fields dry.

Triple digit temperatures were reported in West Texas over the weekend before a cold front moved through the region overnight. Daytime highs are forecast in the mid-80°s (F) today but will rise back over 100° by mid-week. With no rain in the near-term forecast, drought is likely to worsen across the largest growing region of the US. Between a 20 to 60 percent chance of rain is forecast in areas of the Coastal Bend and South Texas over the next couple of days.

An excessive heat warning has been in effect for the California's San Joaquin Valley as temperatures rose between 107° to 112°. The extreme heat will only intensify drought, which is already rated between extreme to exceptional. The latest forecast is showing no rain across the Valley and daytime temperatures are forecast in the upper 90°s in the coming days.