

NEW YORK COTTON STOCK EXCHANGE

The cotton stock market was weak as rumors circulated that the USDA would increase the yield of the current crop, in fact last Thursday, according to the latest published estimates, the USDA increased the national average cotton yield by 16 pounds/acre, bringing it to 783 This increased production by 270,000 bales to 13.09 million.

Domestic use was also reduced by 100,000 bales, increasing stocks by 400,000 bales compared to October to 3.2 million.

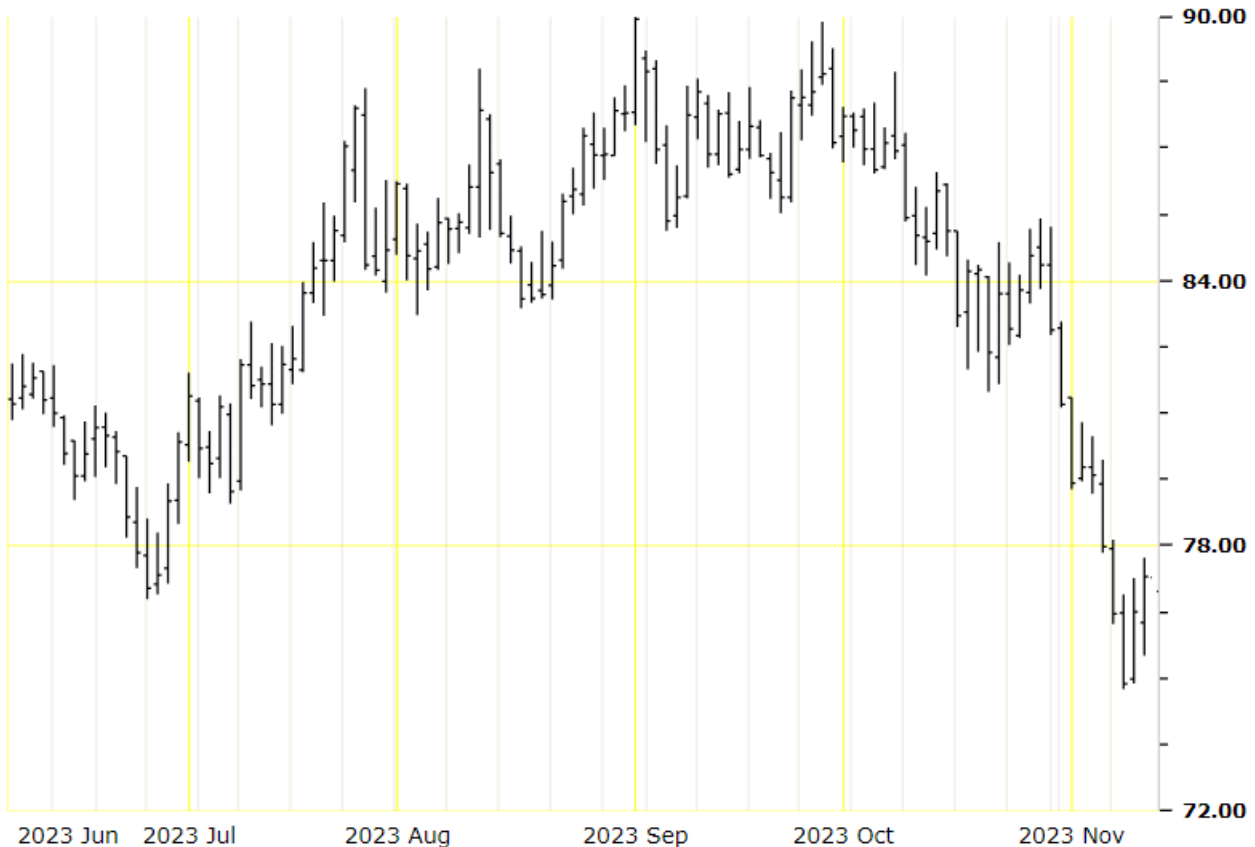
Global numbers saw an increase of 860,000 bales to 113.5 million. Global inventories fell by 1.58 million bales to 81.5 million.

Additionally, the USDA monthly report notes that as of November 1, 3.656 million bales were ginned. This is a 14% decline from last year's pace.

The USDA's FAS (Foreign Agricultural Service) reported that RB395,170 of cotton was sold for export during the week ending 11/2. That's down from last week's high, but up from 146,000 bales in the same week last year.

The stock market's December position closed higher at 77.31 cents/lb last Friday, compared to the week's low of 74.92 cents/lb, hit last Wednesday.

NEW YORK COTTON STOCK EXCHANGE – Close November 10, 2023 – Position December 2023



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ECONOMY/FINANCE

In **EUROPE**, the sharp slowdown in inflation and the ECB's decision to put an end, at least for the moment, to the tightening maneuver on the cost of money, give new life to the stock market indices, despite the weak German data.

In the **United States**, the number of workers filing for first-time unemployment benefits fell by 3,000 to 217,000 in the week ending Nov. 4, the Labor Department reported. Expectations were for a figure of 220,000.

The Wall Street stock market closes the week substantially positive after the S&P 500 and the Nasdaq achieved their longest positive streak in two years on Wednesday. However, markets remain awaiting indications from Federal Reserve bankers on the next interest rate moves.

Sessions in the red for **Asian stock** markets. Leading the declines is above all the Korean Kospi dragged by energy and manufacturing stocks, while investors analyze trade data from China which sees a drop of 6.4% in October but the IMF raises growth prospects for China to 5, 4%

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EURO/US DOLLAR EXCHANGE

The US dollar strengthens, with last week's sharp decline seen as excessive in the short term, while the euro is penalized by weak German data.

Last week it fluctuated around the 1.07 area and is currently just below this value.

EURO/US DOLLAR EXCHANGE – Trend on Monday 13 November 2023



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TREND OF CRUDE OIL

Crude oil prices hit fresh two-and-a-half-month lows as mixed economic data from China offset the impact of extended production cuts by Saudi Arabia and Russia.

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TEXTILE SITUATION IN TURKEY

Textiles are one of the sectors most affected by the contraction in global demand, rising costs and inflation and are experiencing a difficult time. One after another, important companies in the field in Turkey announce settlement and bankruptcy.

Let's examine the period January-September 2023 and as we will see, the underexposed Turkish textile industry continues to lose ground in exports.

Turkey's exports of textiles and raw materials in general fell by 11.7% compared to the same period last year. Most were made to EU countries and exports to these 27 countries decreased by 19.7% compared to the same period in 2022 amounting to \$3.6 billion.

Also in the same period, Italy maintained first place among the leading countries in Turkish exports of textiles and raw materials. In this period, exports to Italy decreased by 26.9% to around 670 million dollars. Exports to second-ranked Germany fell 18.3% to about \$617 million.

The most important product group is exports of fabrics from artificial synthetic yarns with a share of 40.3% and an export value of \$732 million.

The second most exported product group is technical textiles which decreased by 6.4% and exports amounted to approximately 1.7 billion dollars. Non-woven textile products which accounted for 30.1% of total technical textile exports are also represented in this group.

Yarn exports, which is the third most important product group in Turkish exports, decreased by 20.6% in the period examined, amounting to 1.6 billion dollars. While the most important by-product group was synthetic fiber and artificial filament yarns with an export value of 632 million dollars and a 40.1% share of total yarn exports.

Knitted fabric exports fell 3.9% to \$1.5 billion.

Home textiles fell 14.6% to about \$1.4 billion and fiber exports fell 2.4% to \$828 million.

The only product group that showed an increase in exports was clothing, exports increased by 4.9% to 454 million dollars and specifically, exports of denim fabric instead decreased by 21.1% at 185 million dollars.

Chairman of the Board of Directors of the Association of Mediterranean Raw Materials and Textile Exporters (ATHİB), Fatih Doğan, said that rising costs, decreasing purchasing power, decreasing demand and high inflation have deeply affected the sector and that an urgent support package is expected from the government, underlining that the Turkish textile industry has largely lost the successes achieved in international markets to Indonesia, Turkmenistan, Uzbekistan, Bangladesh and China.

Doğan noted that most factories producing yarn in Turkey have closed their doors, while businesses struggle to survive by only operating at 30% capacity.

Fatih Doğan also commented on the effect of this situation on cotton prices. In the current situation, the crisis emerged because spinning mills had difficulty surviving and maintaining their production and this also affected the cotton market. Since the factories do not consume, the producers try to export their cotton abroad at the price they can find, which naturally leads to a decrease in prices. Now Turkish cotton has become the cheapest cotton in the world.

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TEXTILE SITUATION IN BANGLADESH

The textile sector in Bangladesh is at a standstill as garment workers have been agitating for fifteen days and are demanding that the minimum monthly wage, which is currently 8,300 taka (around 70 euros), be tripled to 23,000 taka (190 euros).

On October 31, violent protests broke out in Gazipur, north of Dhaka. According to the police, around six thousand workers participated in a demonstration.

According to police, around six hundred factories remained closed last week and dozens were looted.

Four factories were set on fire and some roads were blocked by protesters. At least two workers died in the violence.

The textile industry is very important for Bangladesh, which is the world's second largest exporter of clothing after China.

Its approximately 3,500 textile factories, which employ four million workers, mostly women, produce 85 percent of the country's \$55 billion in annual exports.

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TREND OF FIBER AND YARN PRICES IN THE MAIN EXPORTING COUNTRIES

PAKISTAN suffers from lack of orders, however, prices are stable and forecast better days and textile inventories are accumulating.

In **INDIA**, fiber and yarn prices are experiencing a widespread decline.

In **CHINA**, cotton fiber and yarn prices have continued to decline and prices of other types of yarn may soon follow suit.

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The text was translated with GOOGLE TRANSLATE, therefore the translation may not give a perfect meaning

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November 13th, 2023