

COTATION À NEW-YORK (US CENTS)

ÉCHEANCE	07-Mai	14-Mai	Variation	INDICES	07 -Mai	14-Mai	Variation
JUILLET 20	55,39	57,85	4,44%	EUR/USD	1,0796	1,0805	0,08%
DEC 20	56,95	57,76	1,42%	COTLOOK	62,90	66,65	5,96%
MARS 21	57,87	58,62	1,30%				

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ACTUALITES

Il est difficile d'avoir un avis tranché sur les conséquences du COVID 19 au niveau économique entre les vitupérations des populistes et le mutisme des cyniques.

Une chose est, pour le moment, sûre : la consommation ne repart pas pour les produits textiles, rendant les projections mensuelles du WASDE américain pour le moins iconoclastes.

Ces « rapports lénifiant » couplés à un niveau de vente record de cotons US, ont non seulement dopé le ICE mais également incité nombre de producteurs à planter au moins autant que l'année précédente sans se poser la question de savoir « pour quoi faire ? ».

Trois acteurs concentrent sur eux tous les espoirs mais également toutes les craintes du monde cotonnier :

- L'INDE, qui avec 2 millions de Tonnes en stock détenues par l'état, s'apprête à organiser des ventes aux enchères internationales.
Les idées de prix qui circulent font frémir tous les autres pays producteurs.
Considérant la fragilité actuelle de la filature qui peut croire qu'elle honorera toutes ses obligations dans les temps ?
- Les USA qui continuent à encourager la production de coton, sans envisager de rotation de cultures voire de jachères au détriment de toute la filière.
- La CHINE qui reconstitue son stock stratégique et se conforme à la phase 1 de la trêve commerciale signée le 15 janvier dernier.
Cependant une telle action est forcément limitée, surtout si la consommation de produits manufacturés ne redémarre pas.

Au travers du coton on peut voir en filigrane les limites du « monde d'après » dont les experts cherchent à déterminer les contours. Mais en appliquant des recettes, à l'efficacité quasi immédiate pour des crises financières, ne nous sommes-nous pas autolimités face à une crise de société qui nécessiterait des solutions adaptées à un temps long ?

L'apport illimité d'argent frais pour une réponse quasi instantanée ne limite-t-elle pas notre capacité de réflexion et de projection ?

ECHANCE Juillet 20 **56.00**
USC/LB

EUR /USD **1.09**

FUTURES	07 - Mai	14-May	Variation					
MAY 20	55,39	57,85	4,44%	INDEX	07-Apr	14-May	Variation	
JULY 20	56,95	57,76	1,42%	EUR/USD	1,0796	1,0805	0,08%	
DEC 20	57,87	58,62	1,30%	COTLOOK	62,90	66,65	5,96%	

NEWS

The market continued a small recovery over the week to settle at 57.85 c/lb, up 246 points.

The virus spread in Bangladesh, India and Pakistan has caught our eye this week, while Europe continues to report falling cases and deaths these three countries report exponential growth in numbers. Governments have been easing lockdowns but in such dense populations and with EID Festival around the corner the situation could potentially escalate. Retailers should soon be in a position to fulfill some of their garment orders and if safe, the factories in Asia can start to run normally, though we do not expect this to happen until at least the end of the year and comes with the caveat that the virus has been contained globally.

The WASDE report was released on Tuesday and was mostly in line with expectations. World ending stocks are estimated to keep growing significantly while consumption is falling fast. India for example is forecast now to consume 20 million bales this year, down from 25 million forecast before the virus hit. It is a similar story across much of Asia in terms of consumption as retailers cancel orders and factories run at reduced capacities. The WASDE of January had world consumption for the current year at 120.22 million bales, in just the space of 4 months this has been reduced to 105 million bales, and we still consider this to be an overestimation.

The CCI in India has started offering cotton from both old and new crop to international merchants and mills, although the cotton is of good quality it is currently priced way above the market. Time will tell as to whether the pressure increases and they are forced to reduce prices to attract buyers. Local ginners in India are selling their lower grades at very cheap prices as they look to turn their stock into cash, which will have a detrimental effect on basis for other origin cottons.

US cotton sales to China continue to be reported and this is no doubt what has been supporting the market. However, President Trump along with other nations, continues to accuse China of not doing enough to stem the virus and the relationship seems to be souring. Other than US business and the Indian lower grades it has been very hard to find willing buyers as factory stocks are already at astronomical levels.

The prices seen on NYF simply do not tally with the supply and demand numbers that continue to worsen. Supply chains continue to fill up with cotton and pressure will come for this to be sold which will affect the basis of cottons globally. As the stocks continue to build we foresee a move down into the low 50's on NYF.

ICE July 20

56.00 USC/LB

EUR /USD

1.09