

COTATION À NEW-YORK (US CENTS)

ÉCHEANCE	28-Aug	04- Sept	Variation
DEC 20	65,08	64,99	-0,14%
MARS 21	65,93	65,97	0,06%
MAY 21	66,56	66,77	0,32%

INDICES	28-Aug	04- Sept	Variation
EUR/USD	1,1906	1,1838	-0,57%
COTLOOK	69,45	69,85	0,58%

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ACTUALITES

Pour paraphraser William Faulkner, je pense que nous rédigeons des revues de marché pour « nous permettre de mesurer l'ombre qui nous entoure ». L'année 2020 nous a permis de mesurer ce qu'était « une purée de pois ».

Après quelques semaines d'arrêt nous espérons reprendre notre rendez-vous hebdomadaire sur de nouvelles bases malheureusement les choses ont peu évolué :

- Les Etats Unis ont commencé à moissonner une récolte importante.
- La surproduction mondiale ne semble pas affecter les prix qui caracolent à des niveaux sans rapport avec les excédents actuels. Cependant les « bases » ne cessent de se détériorer laissant planer un doute sur la capacité du marché à se maintenir à moyen terme.
- Les fonds d'investissement sont très majoritairement « haussiers » et ne cessent d'alimenter la spéculation quand traders et producteurs continuent de vendre pour tenter de diminuer leur risque de prix.
- L'Inde de son côté gère, de mains de maître, les stocks pléthoriques encore en sa possession.
- Contre toute attente, la Chine a augmenté ses quota d'importation de 400'000 Tonnes, essayant de faire oublier que son industrie textile ne fonctionne toujours pas au plein de ses capacités. Cette attitude conforte tous ceux qui pensent que la Chine veut peser de tout son poids sur les élections américaines de novembre prochain.
- La reprise dans le secteur textile tarde et hypothèque la saison de tous les intervenants de la filière du producteur au revendeur.

Dans un tel contexte que peut-on espérer ?

Le marché va vraisemblablement rester ferme dans les semaines à venir surtout si les conditions météorologiques américaines ne s'améliorent pas. Cependant l'impact réel sur la récolte actuelle dans l'hémisphère Nord sera limité car les intempéries affecteront principalement la qualité et non la quantité produite.

La vraie incertitude se verra au lendemain de l'élection du nouveau Président des Etats Unis, avec une chute des cours qui pourraient être sévère. Mais 2020 nous a déjà surpris plus d'une fois ...

ECHANCE Dec 20 66.00 USC/LB
EUR /USD 1.17

FUTURES	28 - Aug	04 - Sept	Variation		28- Aug	4 -Sept	Variation
DEC 20	65,08	64,99	-0.14%	INDEX			
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NEWS

Since our last report NYF has seen good strength on the December contract, with values trending into the mid 60's and remaining there for the last couple of weeks.

This rise in NYF has **not** been due to improving fundamentals in the cotton market. Government support schemes pumping trillions of dollars into markets globally have been propping up values in stock markets as well as commodity markets. As long as there is an endless stream of cash being pumped into markets, investors will be hesitant to be on the short side.

A rising NYF goes against the grain of what is happening globally with the fallout from the virus. Unemployment has dropped below 10% in the US, for the first time since the virus hit. Despite this, unemployment and recessions remain prevalent across the world and with a second wave of the virus taking hold across much of Europe this will not improve the economic situation quickly.

Prices have also been well supported by the continued sales of US cotton to China. We know that China does not need this cotton but over the month of August they bought close to 1.5 million bales of US cotton, admittedly some of these will have been rolled from the previous campaign. China has been buying not only cotton but other US ag goods in order to comply with the terms of the phase one trade deal and as long as this continues it will add support to the market.

Over the last two months the CCI in India has been actively selling, mostly to merchants. They have now sold around 6 million bales of both their old and new crop, leaving them with a total stock of around 5 million bales. They have increased their prices and slowed down their marketing over the last couple of weeks. In terms of new crop in India, the monsoon has so far been beneficial with most local estimates putting the new crop there at around 35 million local bales.

On the demand side we would say it is slow but improving. Garment orders are starting to be placed in most markets as retailers begin to plan for their end of year sales. The basis for Brazil cotton has been cut drastically and has been selling well in most markets, particularly China and Bangladesh. West African has similarly seen a cut in basis offering and has been finding a few homes but not to the extent of the Brazil. If the market continues to rise then we can perhaps expect to see the basis for these origins reduce further.

There have been some production issues reported over the last couple of weeks. In West Africa it appears that farmers in Mali have shunned cotton growing for new season with estimates there for the new crop reported below 100K mt of lint, down from the nearly 300k mt of lint produced this season. Pakistan is also reporting a cut in production for their current crop as the rains continue to hammer cotton and local estimates are now putting the crop size there at 6.5 million bales, down from the 7.5 million predicted just a few months back.

There are some potential hurdles out there which could bring an end to the ever increasing prices on NYF.

- The US elections taking place in November
- A breakdown in Brexit negotiations that already appear to be souring.
- A worsening of relations between the Chinese and the US.
- A second and stronger wave of the virus globally.

However and as mentioned earlier, governments seem willing to prop up markets and workers in order to avoid recessions. As long as this continues markets will not want to get in the way of such large Quantitative Easing driven money streams.

ICE Dec 20

66.00 USC/LB

EUR /USD

1.17