

Source Nasdaq le 19 juillet 2022

Volatile cotton slides 4% tracking wider commodities retreat



Credit: REUTERS/Mohamed Abd El Ghany

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July 19 (Reuters) - ICE cotton futures continued their volatile run to shed as much as 4% on Tuesday after jumping over 5% in the previous session, tracking a decline in the wider commodity markets.

* The most-active third month December contract on ICE Futures CTZ2 was last down 0.62 cent, or 0.7%, at 92.38 cents per lb at 10:42 a.m. ET (1442 GMT). It traded within a range of 89.01 and 92.8 cents a lb.

* Keith Brown, principal at cotton broker Keith Brown and Co in Georgia, chalked up the fall to "wobbly" outside markets and said, "a lot of markets are down today. Corn and beans, crude oil and surrounding markets."

* Chicago grain futures lost ground on Tuesday on hopes that a deal will be found to export more grains out of Ukraine as Russian President Vladimir Putin is due to meet his Turkish counterpart in Iran to discuss the matter. GRA/

* Oil prices fell 2% on Tuesday, weighed by fears that an economic slowdown will hit oil demand, though tight supply and a weaker dollar curbed some losses. O/R

* Lower oil prices make polyester, a substitute for cotton, cheaper.

* Meanwhile, data from the USDA showed that as of July 17, 38% of the cotton acreage was rated in good-to-excellent condition, down from 60% at the same time last year.

* "I think cotton is fighting the two-edged sword of declining yields (and) declining demand and so on different days either one of those caveats takes precedence, so today the market's just struggling," Brown noted.

* Total futures market volume fell by 22,483 to 10,412 lots. Data showed total open interest gained 691 to 178,182 contracts in the previous session.