

# Executive Cotton Update

U.S. Macroeconomic Indicators &  
the Cotton Supply Chain



November 2024

[www.cottoninc.com](http://www.cottoninc.com)

**Macroeconomic Overview:** The International Monetary Fund (IMF) released updated economic forecasts in late October. Global GDP (inflation-adjusted) is predicted to expand 3.2% in 2025. This suggests a growth environment similar to what was experienced in 2023 and 2024 (3.3% in 2023 and a forecast of 3.2% for 2024).

U.S. economic growth continues to surprise to the upside, with forecasts rising for both 2024 and 2025 (+0.2 points to 2.8% in 2024 and +0.3 points to 2.2% in 2025). For context, U.S. real GDP grew 2.9% in 2023 and averaged 2.6% in the five years before COVID (2015-19).

Growth in the Euro Zone is expected to improve but remain sluggish. In the five years before COVID, Euro Zone GDP grew an average of 2.0% (2015-19). In 2023, growth was 0.4%. In 2024 and 2025, the IMF estimates growth to be 0.8% and 1.2%.

Despite anticipation around stimulus, Chinese growth is projected to slow. Between 2015 and 2019, Chinese GDP grew an average of 6.7%. In 2023, growth was 5.3%. In 2024 and 2025, the IMF estimates rates of 4.8% and 4.5%. In the more distant years forecast by the IMF (out to 2029), projections for China drop to 3.3%.

Global projections for 2024 and 2025 were unchanged, with IMF estimates for both years holding at 3.2%. Further into the future, growth is expected to hold near these values, with expansion in world GDP estimated to taper slightly to 3.1% by 2029.

While the overall outlook suggests stable but sluggish growth, the IMF highlighted structural challenges. These include aging populations and slower global productivity growth. The IMF suggests that risks to the outlook appear to be tilted towards the downside. Instability around the general trend of disinflation was identified as a source of uncertainty (disinflation is the process of year-over-year rates of price increases returning to normal; this is different than deflation, which is when prices decrease). Other risks the IMF highlighted included protectionist policies and geopolitical tensions.

**Employment:** After exceeding expectations in September, job growth fell below forecasts in October. The U.S. economy is estimated to have added only +12,000 new jobs in October. This was the smallest monthly increase since December 2020. Hurricane Helene and strike activity were identified as factors contributing to the small number of jobs added last month. Revisions to figures for previous months were negative (-81,000 jobs to +159,000 for August and -31,000 jobs to +223,000 for September). The current twelve-month average is +181,000.

The unemployment rate was unchanged at 4.1%, a low level by historical standards. In the first quarter of 2023, the unemployment rate was as low as 3.4%. Between early 2023 and July 2024, the rate climbed as high as 4.3%.

Wages increased 4.0% year-over-year in October. After declining from a post-stimulus high of 5.9% in March 2022, the rate of wage growth appears to have formed a bottom in July 2024 (3.6%). The rate of wage growth has outpaced the rate of inflation since the first quarter of 2023.

**Consumer Confidence & Spending:** The Conference Board's Index of Consumer Confidence increased 9.5 points to 108.7 in October. This is the highest value since January 2024. Levels remain range-bound, however. The current reading falls close to the middle of the values between 95 and 115 that have generally contained the index since the middle of 2021.

Overall consumer spending increased +0.4% month-over-month in September. Year-over-year, overall consumer spending was +3.1%. This was the strongest rate of annual growth since December 2023.

Consumer spending on apparel was +0.4% higher month-over-month. Year-over-year, apparel spending was 1.7% higher. The annual growth rate in apparel spending has slowed since July, when the rate was 4.2% year-over-year.

**Consumer Prices & Import Data:** The CPI for garments increased 1.1% month-over-month in October. After decreasing in the second half of 2023, average retail prices for clothing resumed the upward trend that has been in place since the collapse driven by the onset of COVID. Current price levels for clothing are higher than they were before the pandemic. The latest reading (October) is 7.6% higher than the average from 2019.

After setting records in 2022, average import prices for cotton-dominant apparel have stabilized. Recent costs per square meter equivalent (SME) have been near \$3.70/SME. These values are down relative to the peak of \$4.26/SME set in November 2022 but are higher than they were before the pandemic (averaged \$3.45/SME in 2019).

## U.S. Macroeconomic & Cotton Supply Chain Charts

Macroeconomic Indicators	Spending & Sourcing	Textiles	Currencies & Cotton
GDP Growth	Consumer Conf.	Apparel Imports	Weighted Index
Interest Rates	Housing	U.S. Textile Production	Europe
ISM Indices	Employment	U.S. Textile Exports	Asia
Leading Indicators	Income & Savings	Polyester PPI	The Americas
			Europe
			Fiber Prices

# Executive Cotton Update

U.S. Macroeconomic Indicators & Cotton Prices  
November 2024



## Macroeconomic Data

### Quarterly Data

	Recent Averages				Values in Recent Quarters			Unit	Source
	5-year	1-year	6-month	3-month	Q1 : 2024	Q2 : 2024	Q3 : 2024		
Growth in US Real GDP	3.0%	2.8%	2.3%	3.0%	1.6%	3.0%	2.8%	% Chg. Quarter/Quarter	Department of Commerce

### Macroeconomic Series with Latest Data for October

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	August	September	October		
ISM Index of Manufacturing Activity	52.4	47.9	47.5	47.0	47.2	47.2	46.5	Index, values over 50 indicate expansion	Institute for Supply Management
ISM Index of Non-Manufacturing Activity	55.6	51.8	52.0	52.6	51.5	51.5	54.9	Index, values over 50 indicate expansion	Institute for Supply Management
Consumer Confidence	106.2	103.3	102.4	104.5	105.6	99.2	108.7	Index, 1985=100	The Conference Board
Change in Non-Farm Payrolls	125.8	181.1	131.8	104.3	78	223	12	Thousands of jobs	Bureau of Labor Statistics
Unemployment Rate	4.9%	4.0%	4.1%	4.1%	4.2%	4.1%	4.1%	People looking for jobs/people wanting jobs	Bureau of Labor Statistics
US Interest Rates									
Federal Funds	2.4%	5.3%	5.2%	5.1%	5.3%	5.1%	4.8%	Interest rate	Federal Reserve
10-year Treasury Bill	2.6%	4.2%	4.1%	3.9%	3.9%	3.7%	4.1%	Interest rate	Federal Reserve

### Macroeconomic Series with Latest Data for September

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	July	August	September		
Index of Leading Economic Indicators	109.2	101.6	100.5	100.0	100.2	100.2	99.7	Index, 2016=100	The Conference Board
Housing Starts	1.5	1.4	1.3	1.3	1.3	1.4	1.4	Annual pace, millions of units	Department of Commerce
Existing Home Sales	5.1	4.0	4.0	3.9	4.0	3.9	3.8	Annual pace, millions of units	National Association of Realtors

## Industrial & Textile Data

### Industrial & Textile Series with Latest Data for September

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	July	August	September		
US Industrial Production	100.5	102.6	102.8	102.7	103.1	103.1	102.6	Index, 2002=100	Federal Reserve
Polyester Fiber PPI	134.7	152.2	154.5	156.0	155.8	156.5	155.7	Index, December 2003=100	Bureau of Labor Statistics

### Industrial & Textile Series with Latest Data for August

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	June	July	August		
Bale Equivalence of US Cotton Yarn & Fabric Exports	3.2	1.9	1.9	1.9	1.9	1.8	1.9	million 480lb bales	USDA ERS

### Industrial & Textile Series with Latest Data for September

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	July	August	September		
US Textile Mill Inventory/Shipments Ratio	1.57	1.70	1.68	1.71	1.71	1.70	1.72	Ratio	Department of Commerce

## Retail Data

### Retail Series with Latest Data for September

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	July	August	September		
US Real Consumer Spending									
All Goods and Services	3.0%	2.7%	2.8%	3.0%	2.8%	3.0%	3.1%	% Chg. Year/Year	Department of Commerce
Clothing	5.6%	2.3%	2.5%	2.2%	2.8%	1.9%	1.7%	% Chg. Year/Year	Department of Commerce
Consumer Price Indices									
Overall	4.2%	3.1%	2.9%	2.6%	2.9%	2.5%	2.4%	% Chg Year/Year	Bureau of Labor Statistics
Clothing	1.0%	1.0%	1.0%	1.0%	0.0%	0.6%	2.3%	% Chg. Year/Year	Bureau of Labor Statistics

### Retail Series with Latest Data for August

	Recent Averages				Values in Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	June	July	August		
Retail Inventory/Sales Ratio									
Clothing and Clothing Accessory Stores	2.6	2.3	2.3	2.3	2.3	2.3	2.3	Value of inventory over value of sales	Department of Commerce
Department Stores	2.0	2.0	1.9	2.0	1.9	2.0	2.0	Value of inventory over value of sales	Department of Commerce

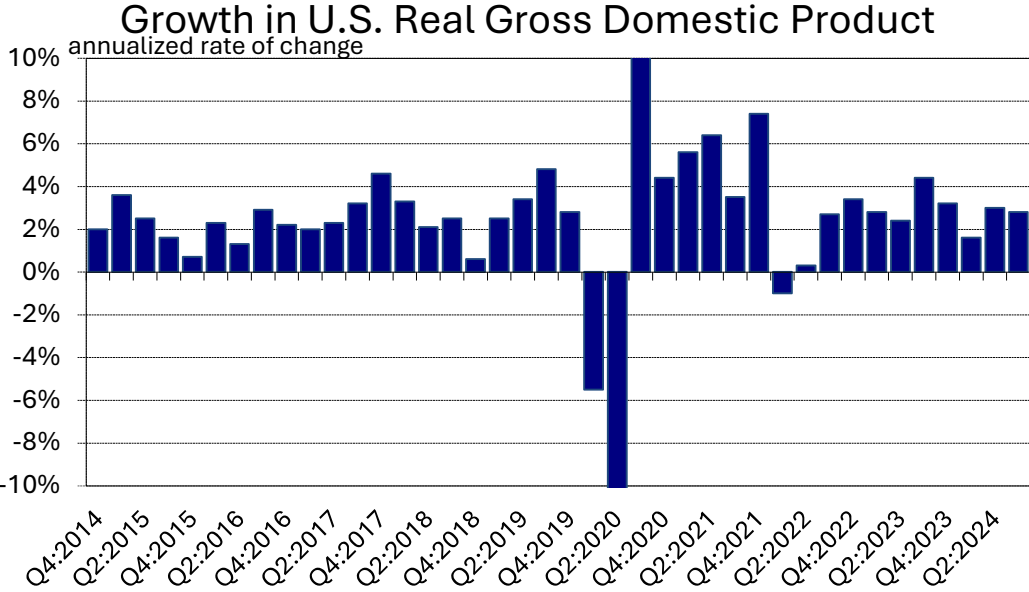
# Executive Cotton Update

Daily Cotton Price and Currency Data  
November 2024

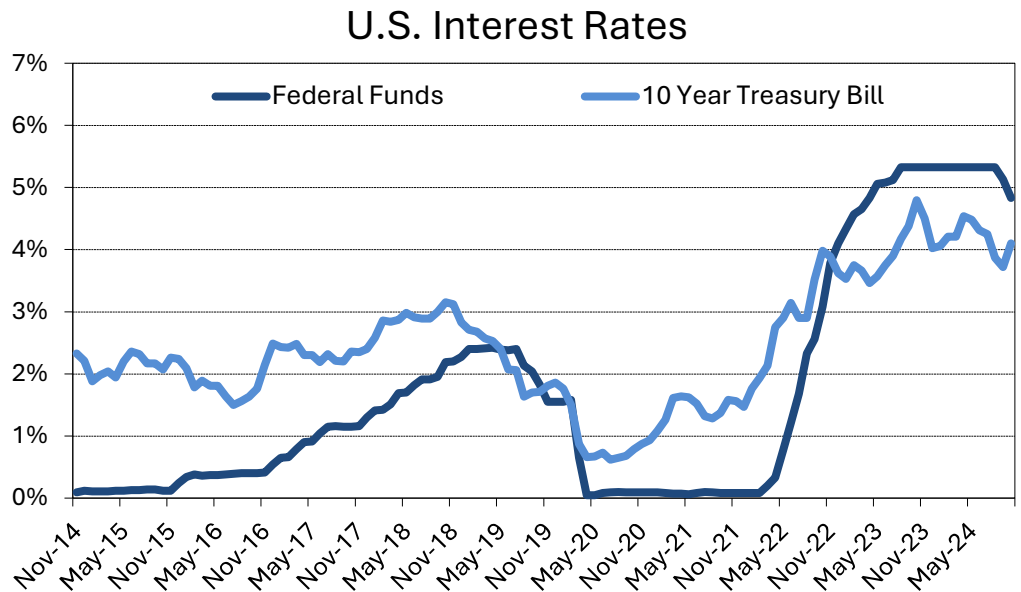


Daily Cotton Price Data	Recent Averages				Averages over Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	August	September	October		
NY Nearby	85.8	78.2	71.7	70.2	68.1	70.8	71.7	cents/pound	ICE
A Index	96.3	88.2	82.8	82.1	79.9	82.6	83.6	cents/pound	Cotlook

Daily Currency Data	Recent Averages				Averages over Recent Months			Unit	Source
	5-year	1-year	6-month	3-month	August	September	October		
Dollar Trade Weighted Exchange Index	118.8	120.8	123.2	122.9	124.2	122.6	121.9	Index, January 1997=100	Federal Reserve
Asian Currencies									
Chinese Renminbi	6.87	6.95	7.19	7.12	7.24	7.11	7.02	Chinese Renminbi/US dollar	Reuters
Indian Rupee	77.94	80.88	83.58	83.82	83.73	83.93	83.82	Indian Rupee/US dollar	Reuters
Japanese Yen	126.14	138.44	152.69	146.88	150.07	146.97	143.60	Japanese Yen/US dollar	Reuters
Pakistani Rupee	212.65	247.56	278.35	278.32	278.63	278.63	277.70	Pakistani Rupee/US dollar	Reuters
North & South American Currencies									
Brazilian Real	5.14	5.16	5.46	5.59	5.66	5.64	5.46	Brazilian Real/US dollar	Reuters
Canadian Dollar	1.32	1.33	1.37	1.36	1.38	1.35	1.35	Canadian dollar/US dollar	Reuters
Mexican Peso	19.59	18.78	18.52	19.37	18.59	19.79	19.73	Mexican Peso/US dollar	Reuters
European Currencies									
British Pound	0.78	0.80	0.78	0.76	0.78	0.76	0.75	British Pound/US dollar	Reuters
Euro	0.90	0.93	0.92	0.91	0.93	0.90	0.90	Euro/US dollar	Reuters
Swiss Franc	0.92	0.91	0.88	0.86	0.87	0.85	0.85	Swiss Franc/US dollar	Reuters
Turkish Lira	16.60	22.77	33.10	33.73	33.06	33.92	34.21	Turkish Lira/US dollar	Reuters



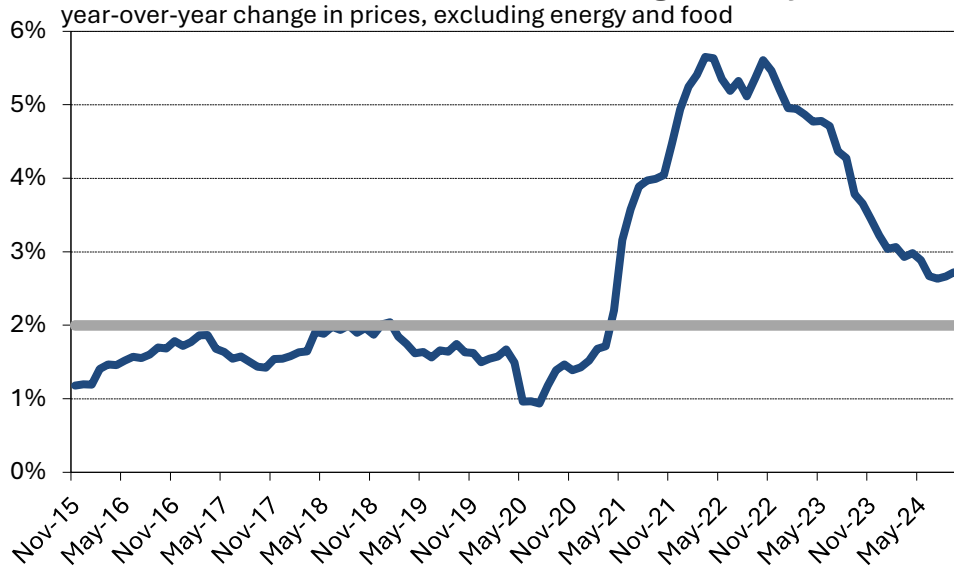
Source: Department of Commerce  
 Note: Chart truncated around COVID shutdowns to highlight normal change.



Source: Department of Commerce

[return to text](#)

## U.S. Inflation - Core Measure Targeted by the Fed



Source: Federal Reserve

Note: The Federal Reserve's official inflation target is two percent.

## U.S. Unemployment Rate



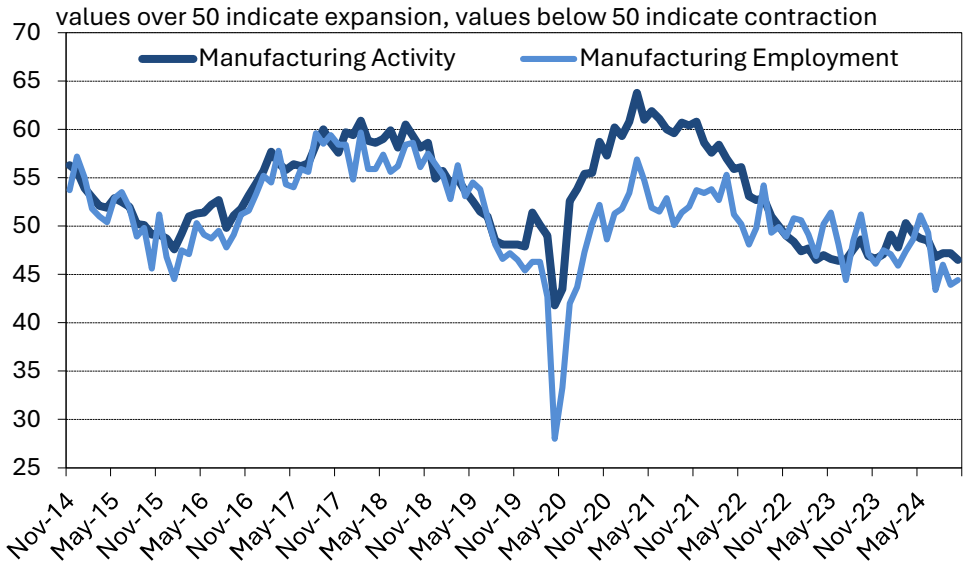
Source: Bureau of Labor Statistics

Note: In addition to price control, the Federal Reserve's mandate requires pursuit of the maximum sustainable level of employment.

Note: Chart truncated around COVID shutdowns to highlight normal change.

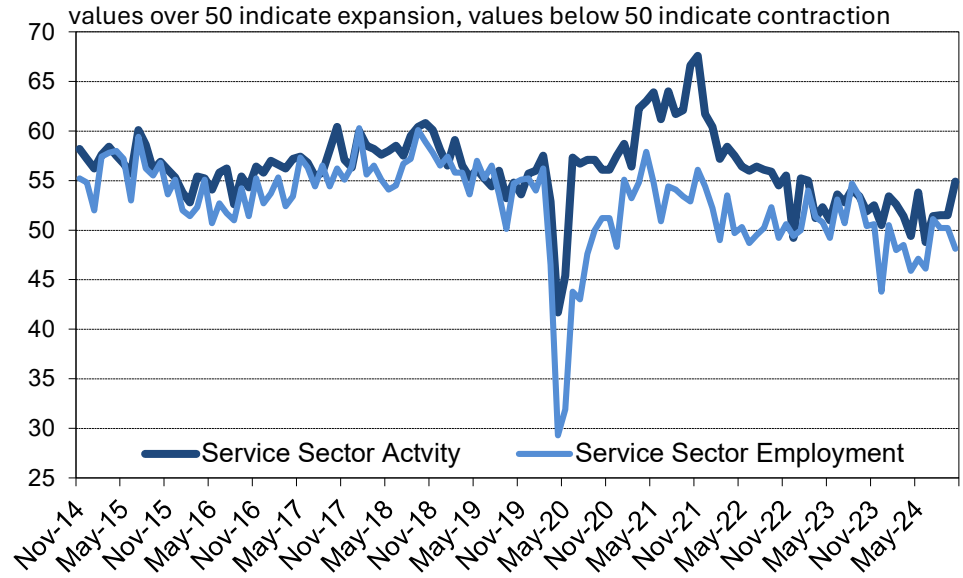
[return to text](#)

## ISM Index of Manufacturing Activity



Source: Institute for Supply Chain Management

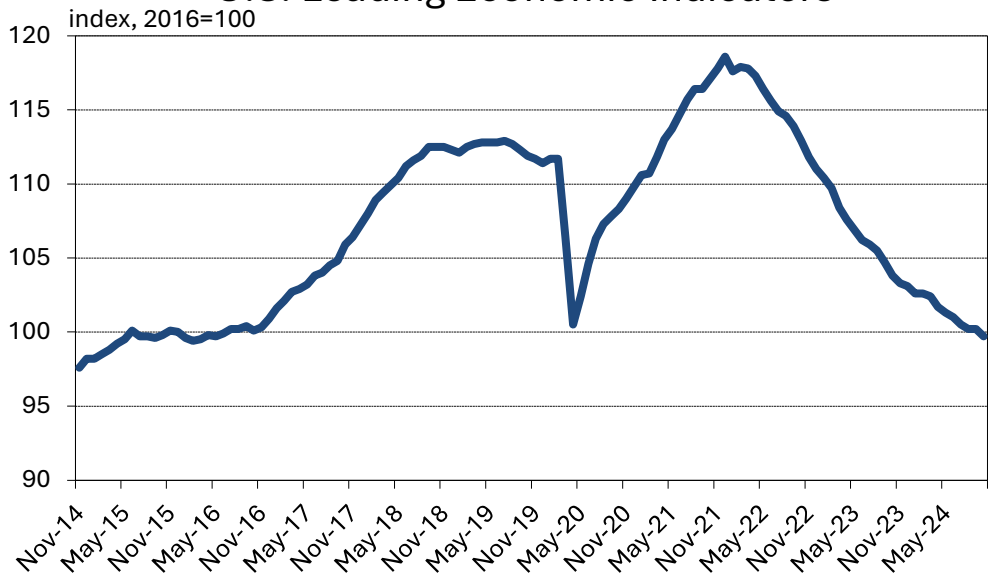
## ISM Index of Non-Manufacturing Activity



Source: Institute for Supply Chain Management

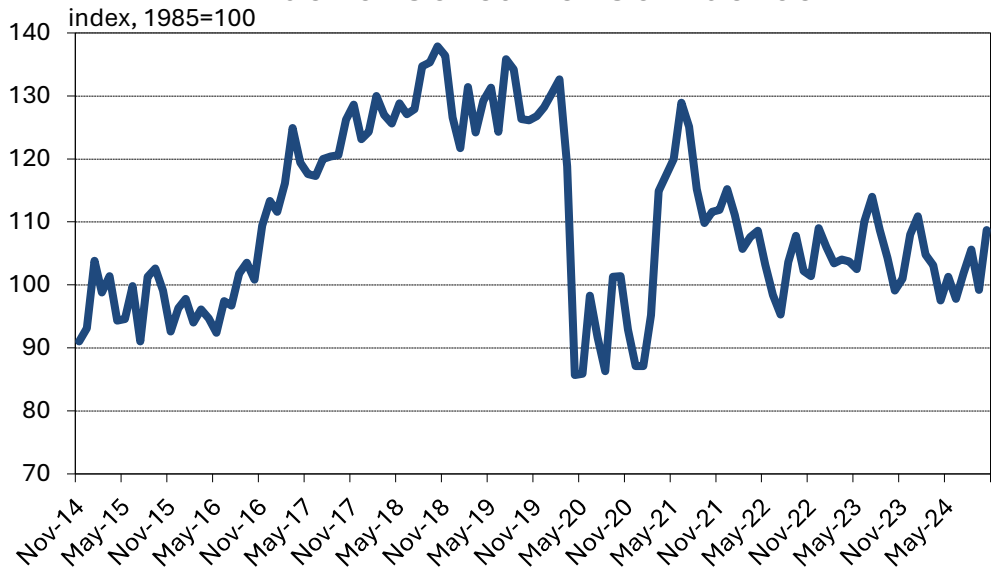
[return to text](#)

## U.S. Leading Economic Indicators



Source: The Conference Board

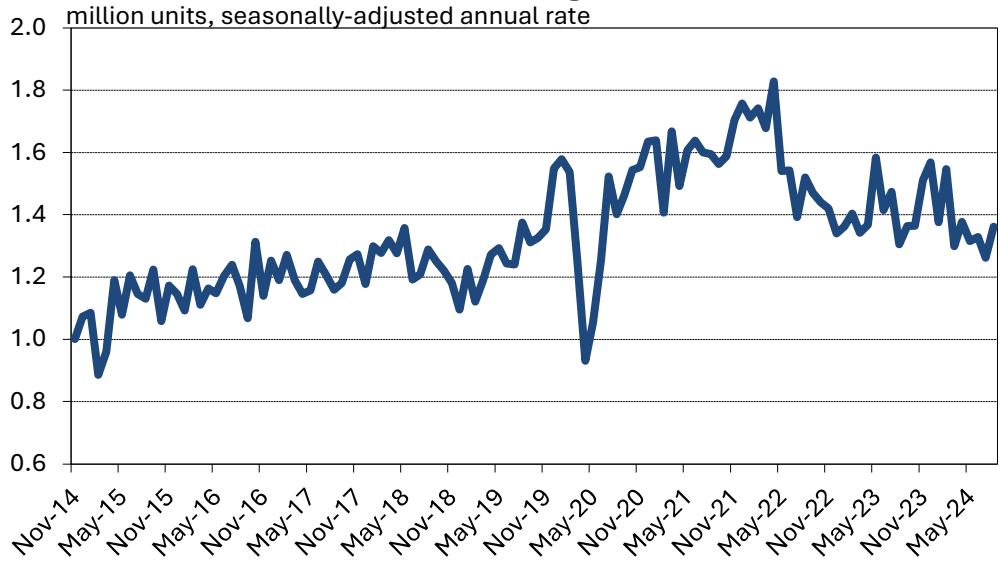
## Index of Consumer Confidence



Source: The Conference Board

[return to text](#)

## U.S. Housing Starts



Source: Department of Commerce

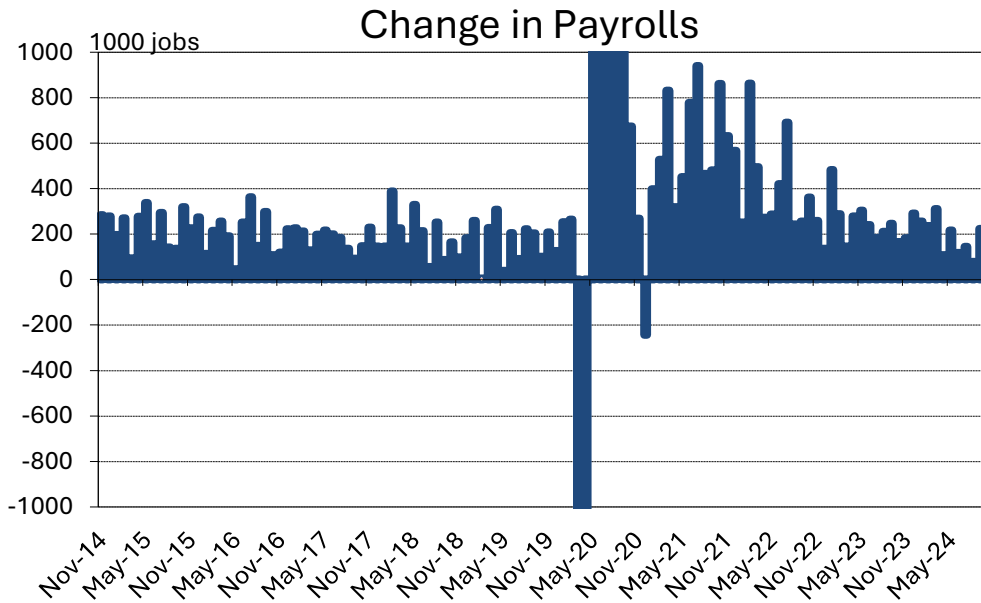
## U.S. Existing Home Sales



Source: Department of Commerce

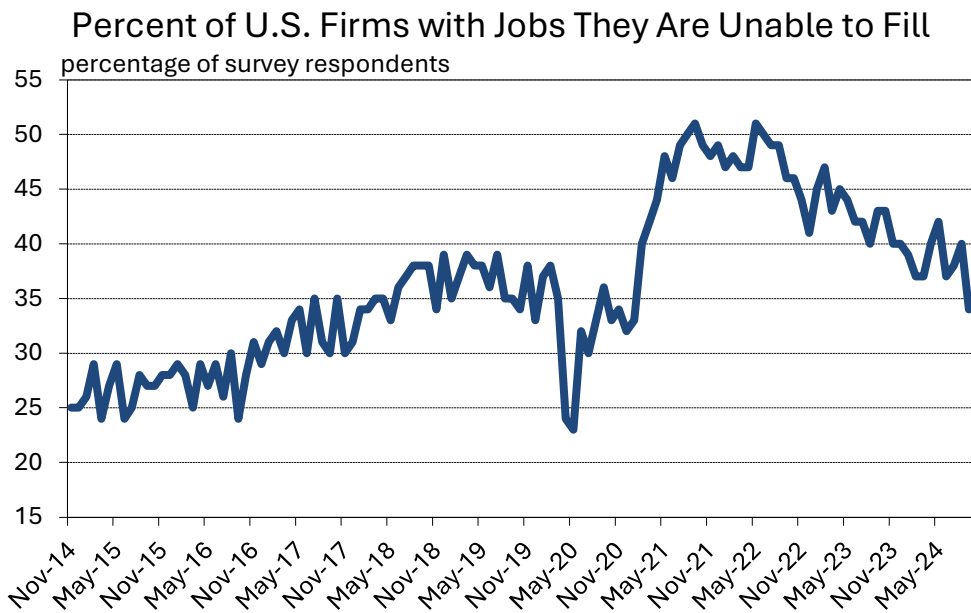
[return to text](#)





Source: Bureau of Labor Statistics

Note: Chart truncated around COVID shutdowns to highlight normal change.

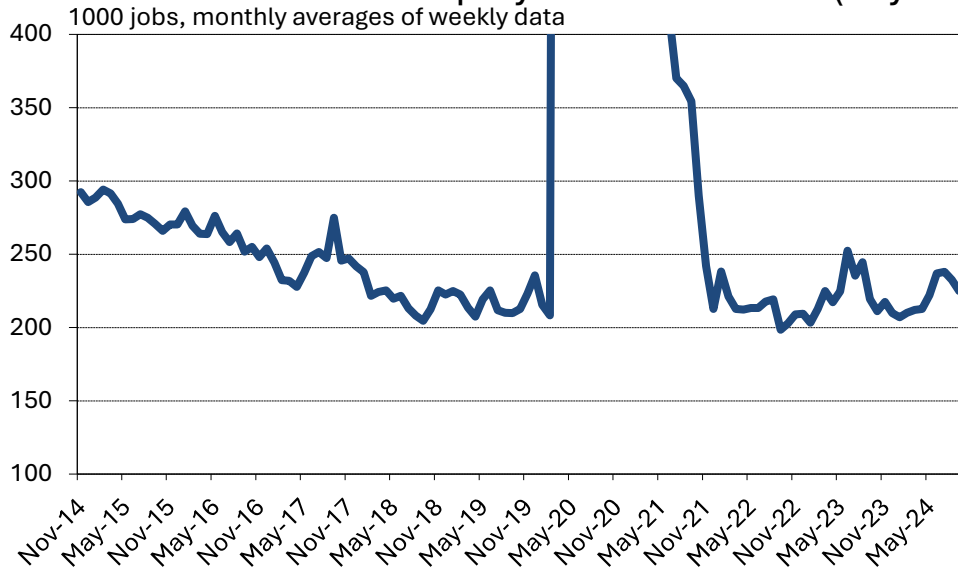


Source: National Federation of Independent Business

Note: Chart truncated around COVID shutdowns to highlight normal change.

[return to text](#)

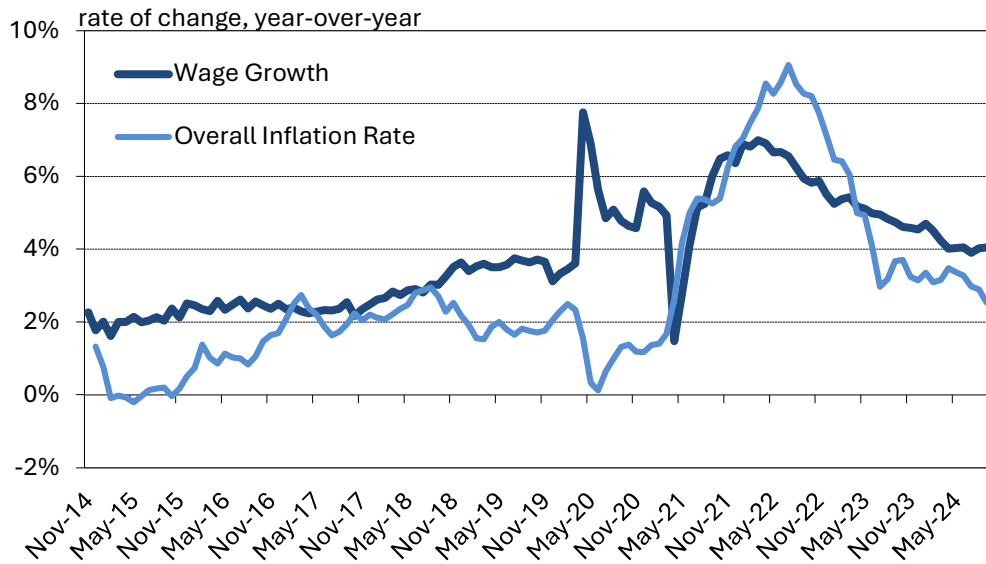
## Initial Claims for Unemployment Insurance (Layoffs)



Source: Department of Labor

Note: Chart truncated around COVID shutdowns to highlight normal change.

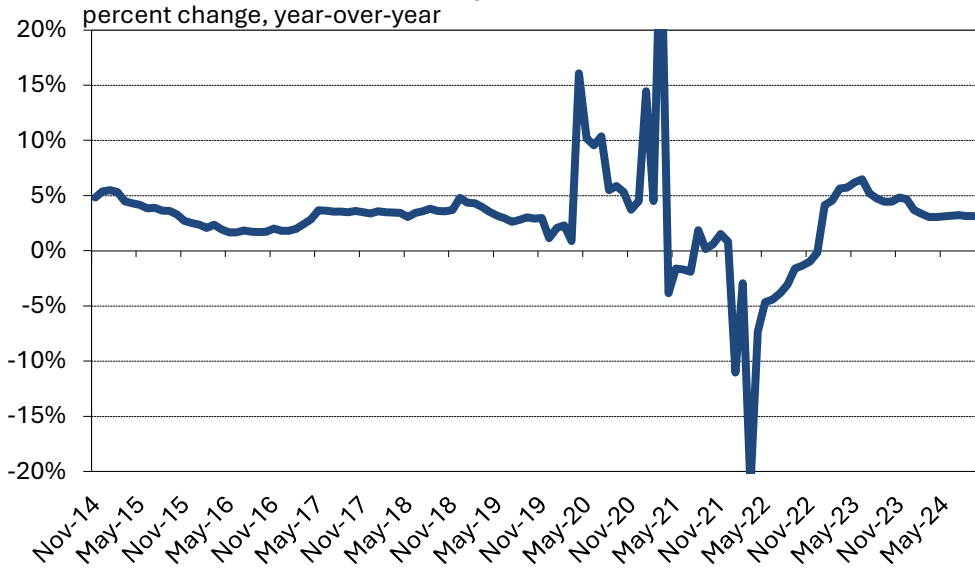
## U.S. Wage Growth and Inflation (CPI for All Items)



Source: Bureau of Labor Statistics

[return to text](#)

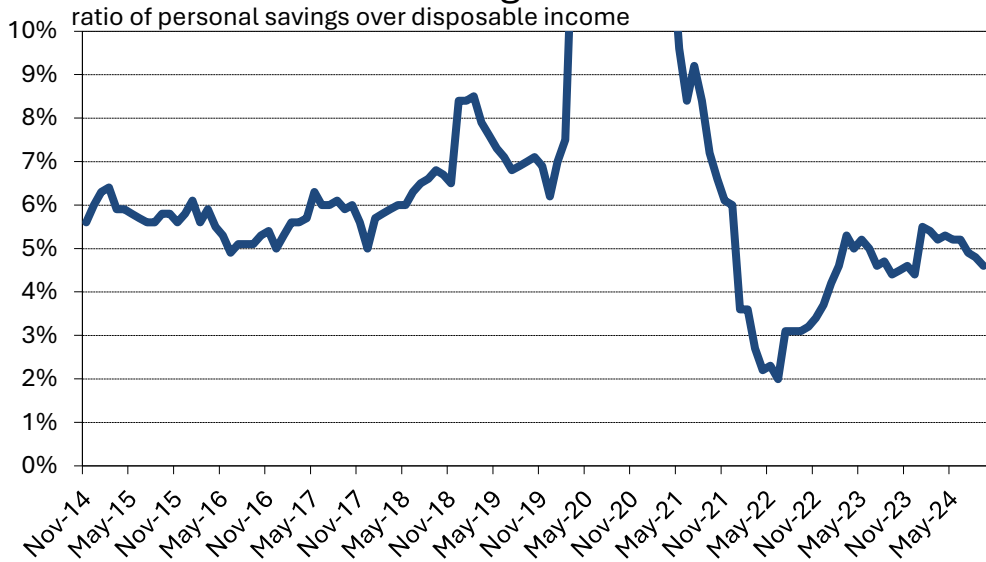
## Growth in Real Disposable Personal Income



Source: Bureau of Economic Analysis

Note: Chart truncated around COVID shutdowns to highlight normal change.

## Savings Rate

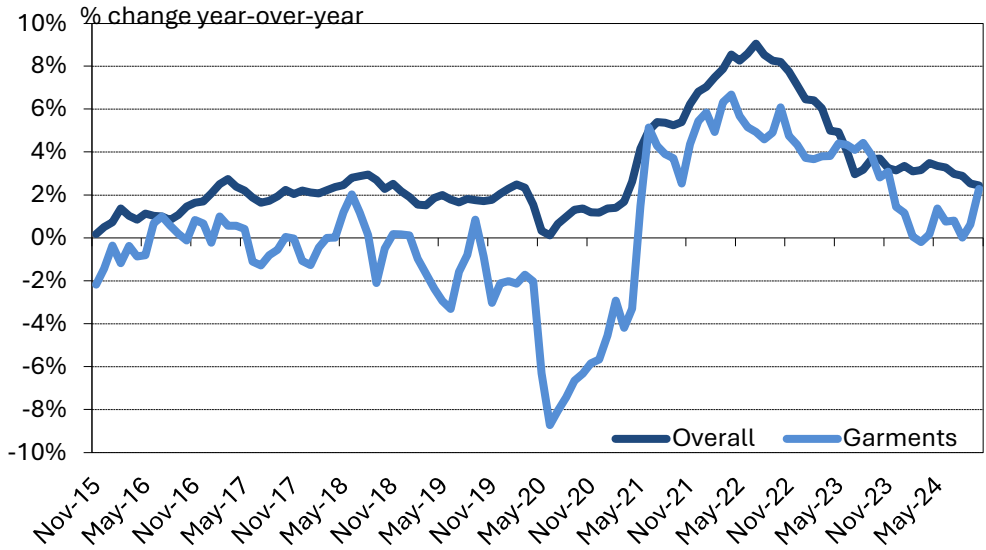


Source: Bureau of Labor Statistics

Note: Chart truncated around COVID shutdowns to highlight normal change.

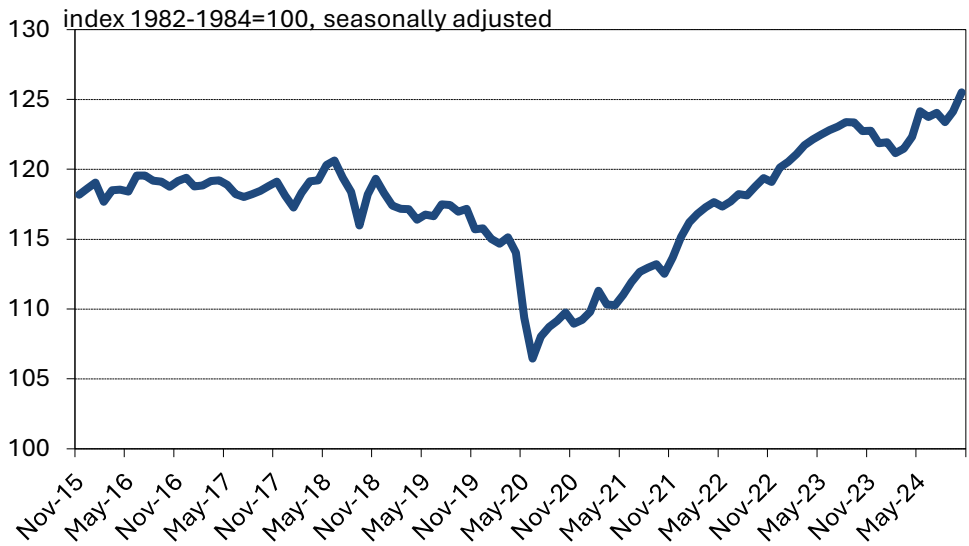
[return to text](#)

## Change in Consumer Prices - Overall & Garments



Source: Bureau of Labor Statistics

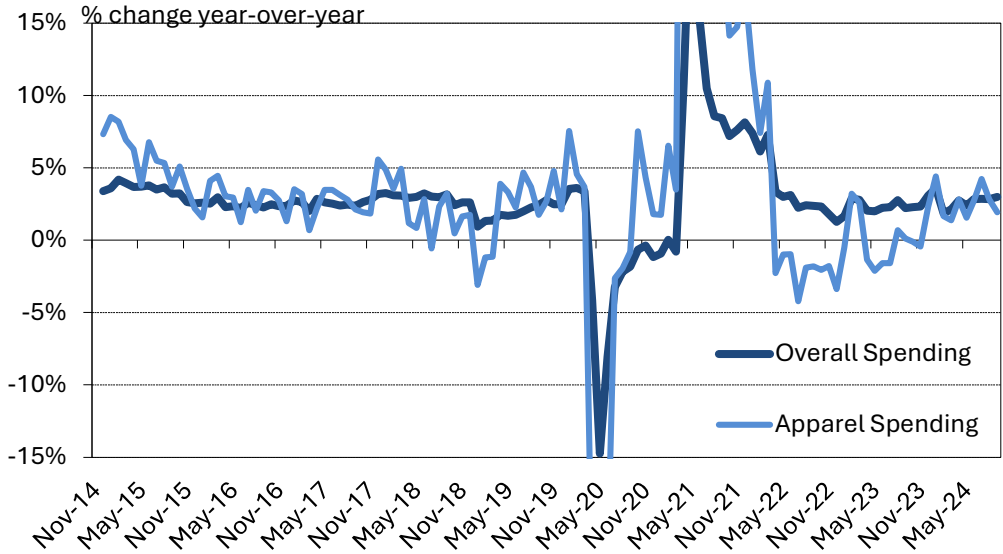
## U.S. Consumer Price Index for Garments



Source: Bureau of Labor Statistics

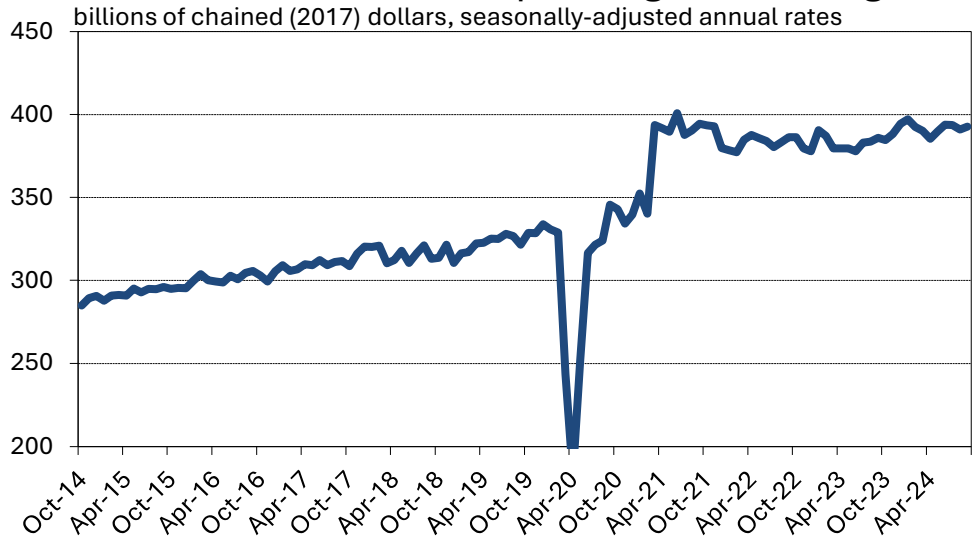
[return to text](#)

## Real Consumer Spending Growth - Overall & Apparel



Note: Chart truncated around COVID shutdowns to highlight normal change.

## U.S. Real Consumer Spending on Clothing

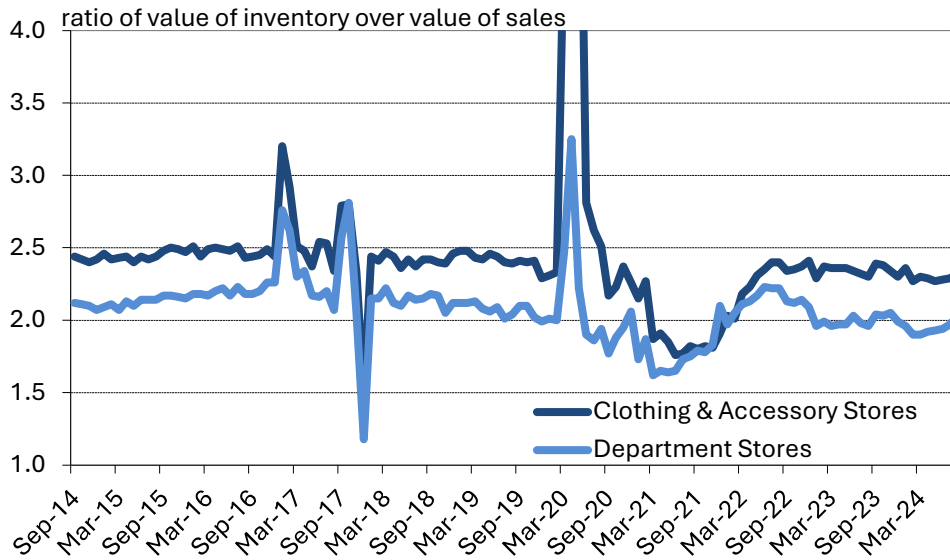


Source: Bureau of Economic Analysis

Note: Chart truncated around COVID shutdowns to highlight normal change.

[return to text](#)

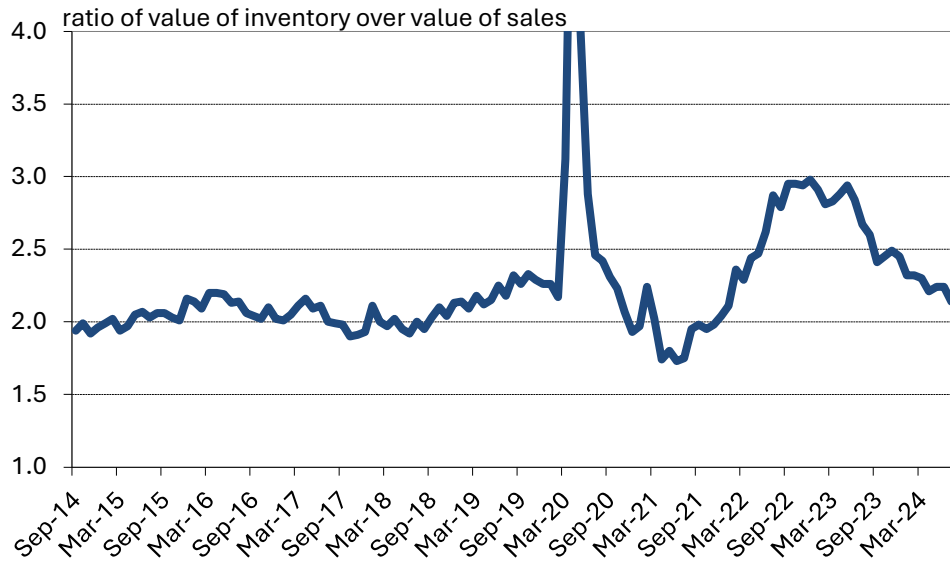
## U.S. Retail Inventory to Sales Ratios



Source: Department of Commerce

Note: Chart truncated around COVID shutdowns to highlight normal change.

## U.S. Clothing Wholesaler Inventory/Sales Ratio

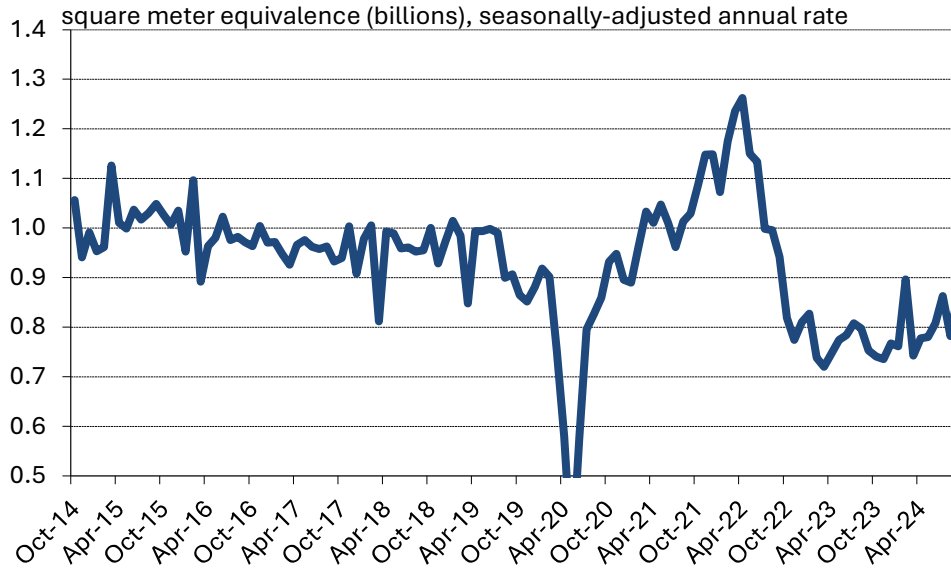


Source: Department of Commerce

Note: Chart truncated around COVID shutdowns to highlight normal change.

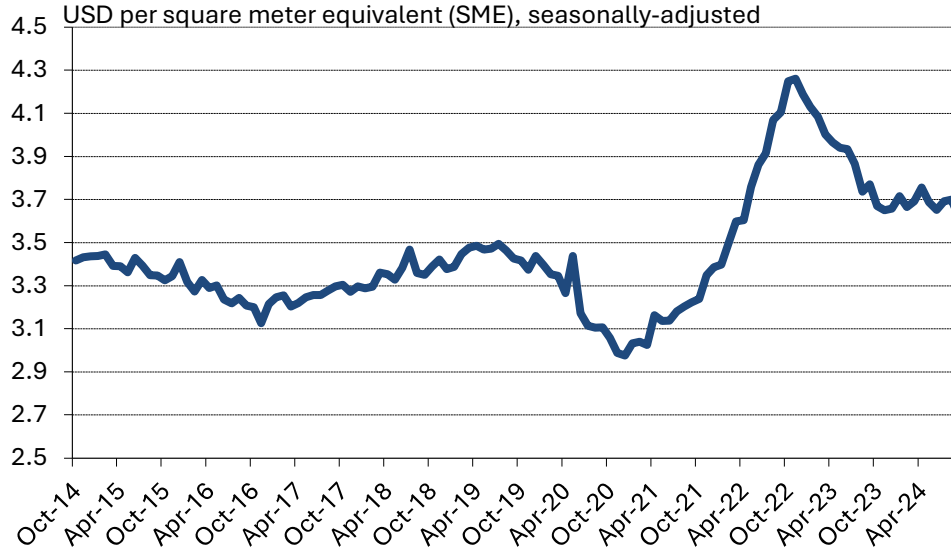
[return to text](#)

## U.S. Cotton-Dominant Apparel Import Volume



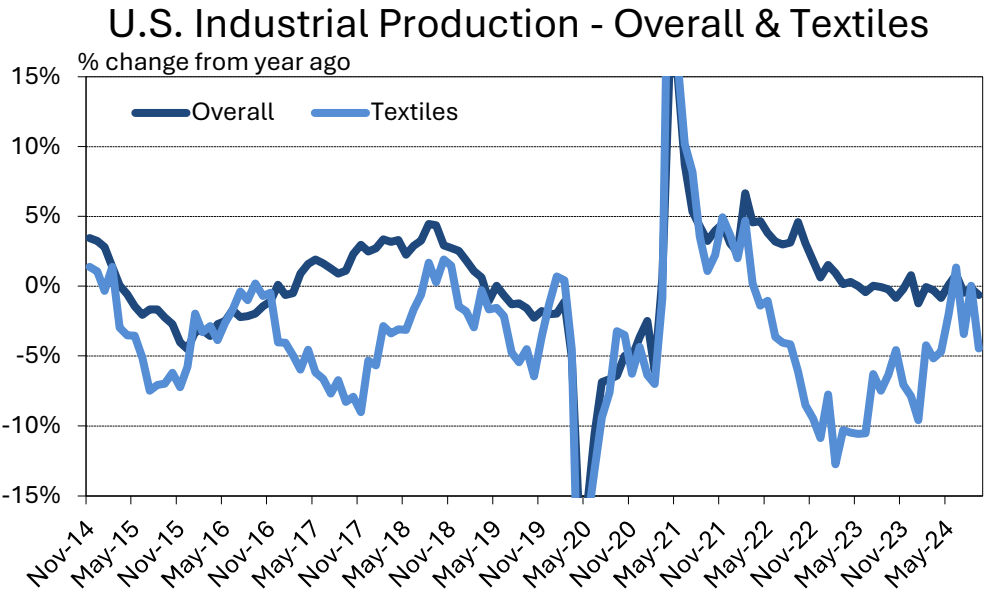
Source: OTEXA, seasonal-adjustment by Cotton Incorporated

## Average Cost of Cotton-Dominant Apparel Imports

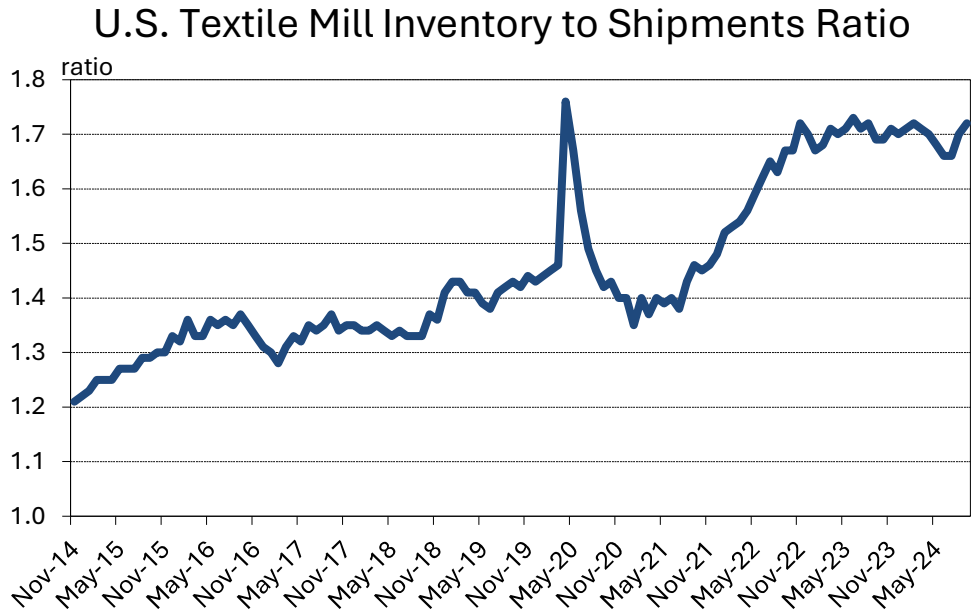


Source: OTEXA, seasonal-adjustment by Cotton Incorporated

[return to text](#)



Source: Department of Commerce  
 Note: Chart truncated around COVID shutdowns to highlight normal change.

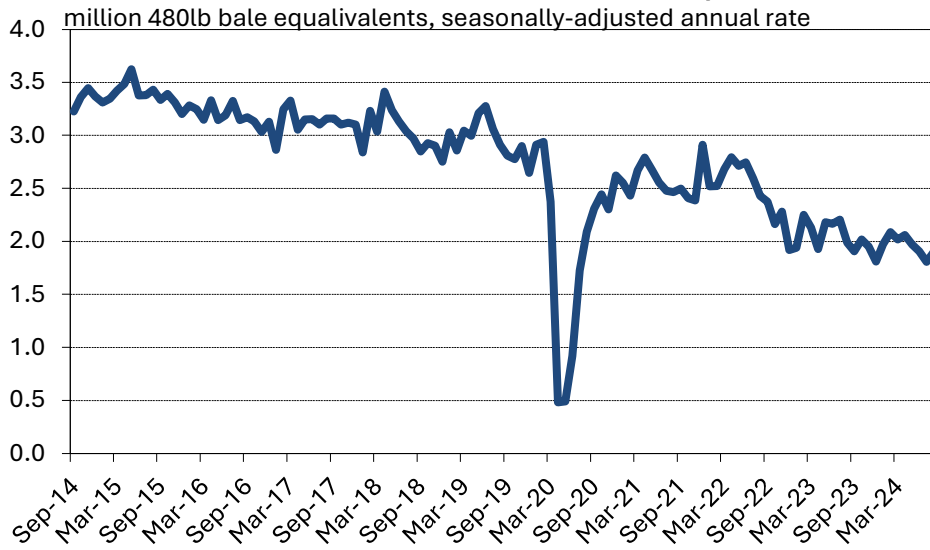


Source: Federal Reserve

[return to text](#)

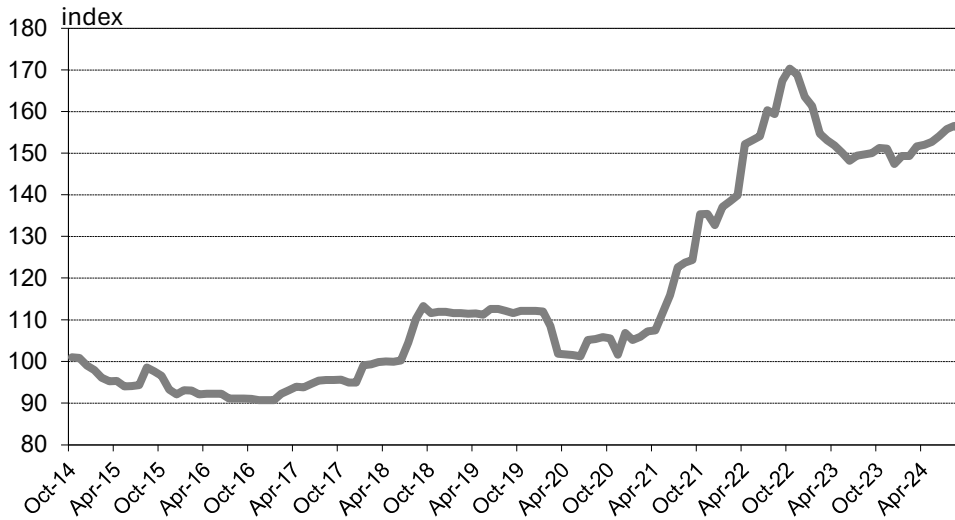


## US Cotton Yarn & Fabric Exports



Source: USDA

## Polyester Fiber Producer's Price Index



Source: Bureau of Labor Statistics

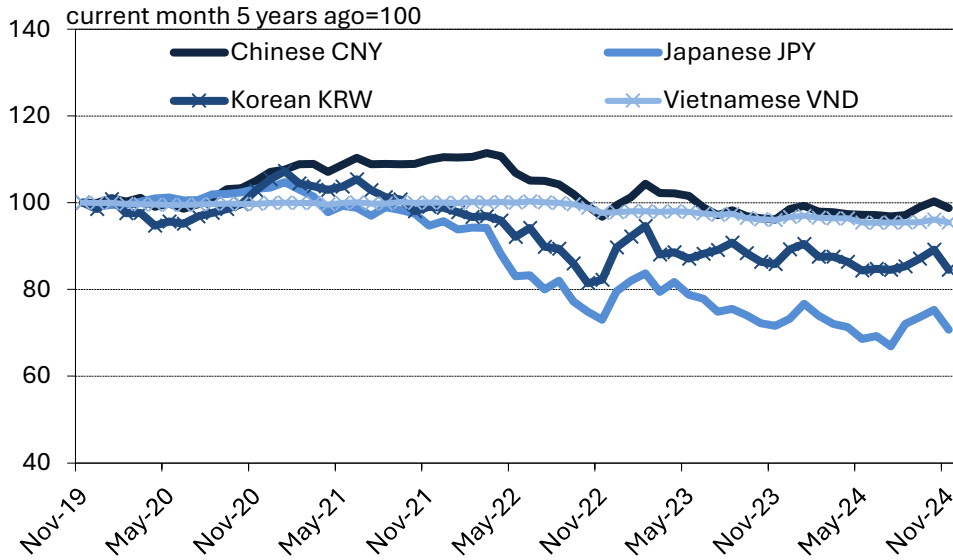
[return to text](#)

## Trade Weighted Exchange Index for U.S. Dollar



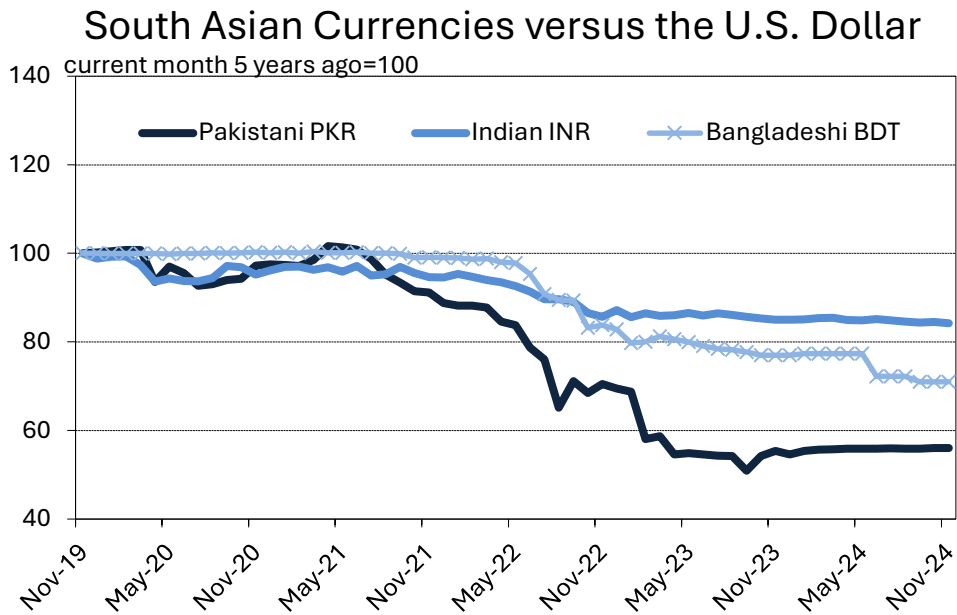
Source: Federal Reserve

## East Asian Currencies versus the U.S. Dollar

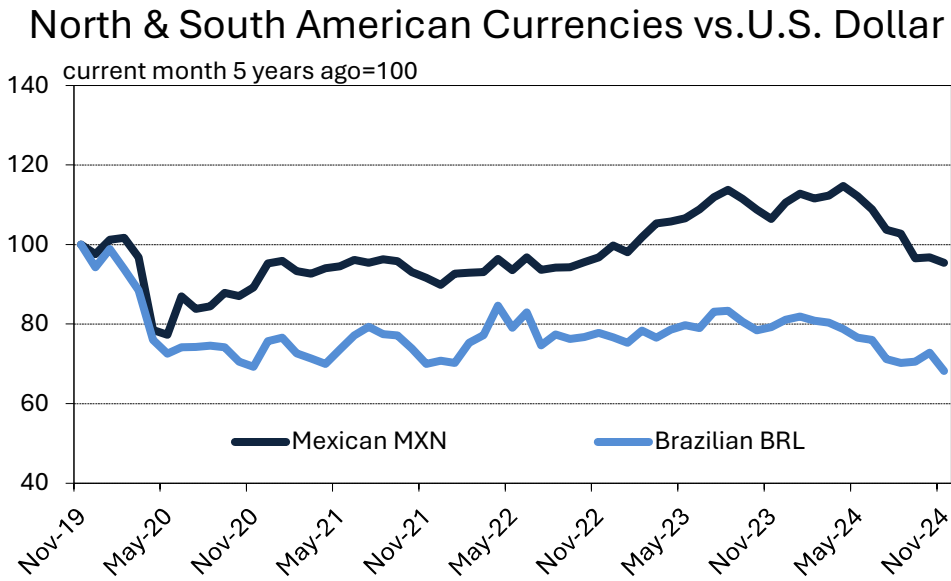


Source: Reuters

[return to text](#)



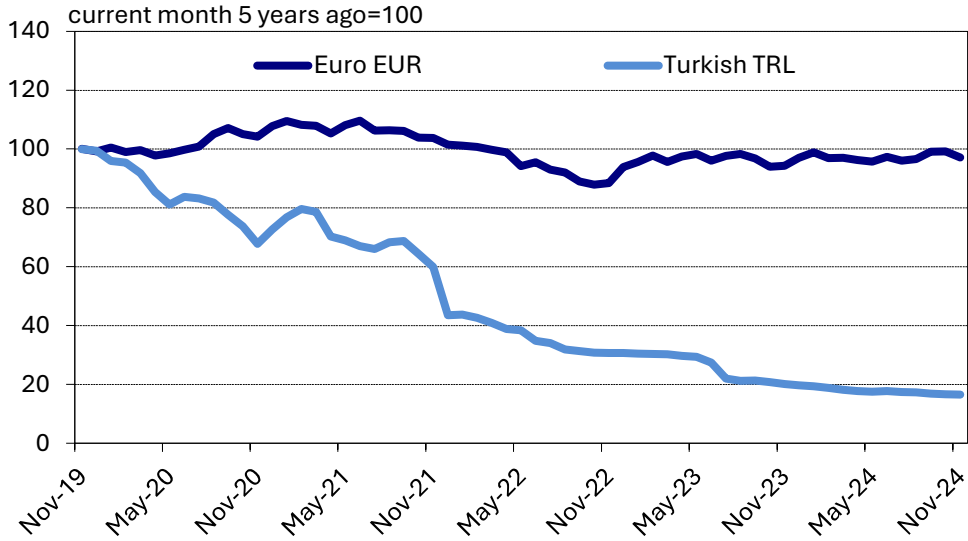
Source: Reuters



Source: Reuters

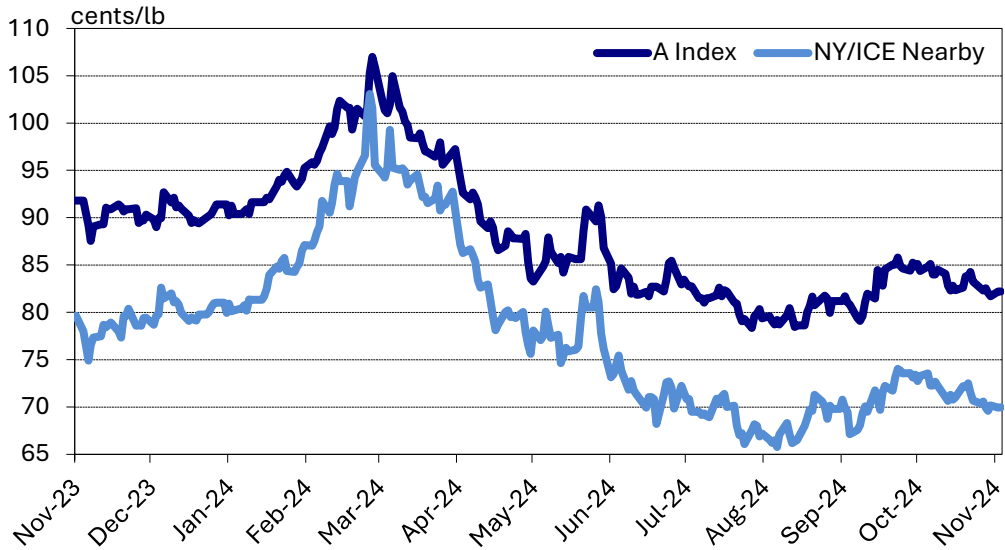
[return to text](#)

## European Currencies vs. U.S. Dollar



Source: Reuters

## Year of Daily Cotton Prices



Sources: Cotlook, Reuters

Note: For more information on cotton supply, demand, and prices, please refer to [the Monthly Economic Letter](#).

[return to text](#)