USDA’s Agricultural Outlook Forum 2009
Volatility and Change in the Cotton Futures Market:
Lessons From the Past Year

Mike Stevens
SFS Futures/Swiss Financial Services
Mandeville, LA
cotton@charter.net
Price/Volatility Chart
Open Interest and Volume

[Graph showing the relationship between total and open interest over a period of time, with peaks and valleys indicating volatility.]
Bullish Consensus
Cotton: Net Positions of Index Funds, Hedge Funds, vs. Nearby Futures Prices
Total Net Long Percent vs. Total Net Short Percent of Commitments of Speculative Traders in Cotton Futures
World Cotton Prices: “A” Index, Nearby Futures, AWP, and U.S. Loan Rate
West Texas Basis

Marketing Year (Daily)
September 4, 2007 - December 8, 2008

Cents/Lb.
What a Difference a Year Makes

- Just more than 1 year ago Royal Bank of Scotland (RBS) paid $100bn for ABN Amro (80% cash).

- For this amount, RBS could today buy:
  - Citibank $22.5bn,
  - Morgan Stanley $10.5bn,
  - Goldman Sachs $21.0bn,
  - Merrill Lynch $12.3bn,
  - Deutsche Bank $13.0bn and
  - Barclays $12.7bn,
- And still have $8bn change
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