



MARCH 15, 2024

May futures finished higher in only one of the five trading days.

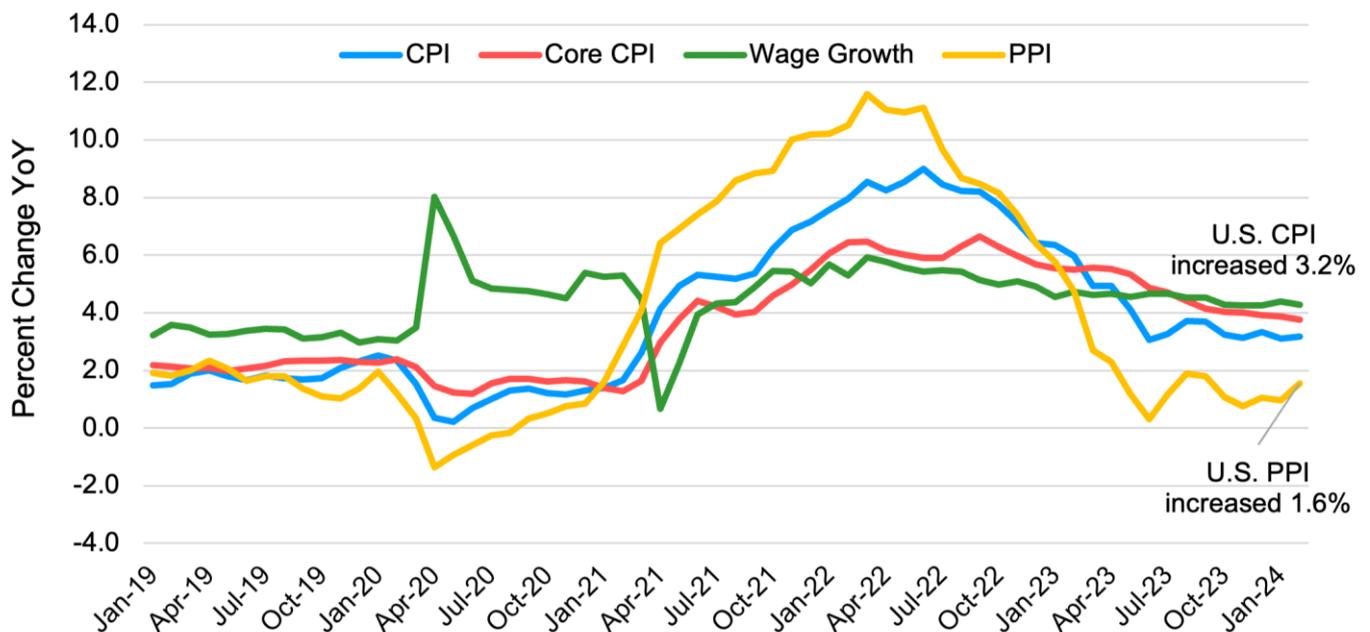
- Last Friday's bullish USDA report did little to help the market. **Fundamentals played almost no part in the sell-off.**
- **One exception is an estimated 16.4 million bale Brazilian crop**, which, if estimates prove true, would be a new record.
- May futures closed at their lowest level in over three weeks, **losing 580 points to settle at 93.48 cents per pound.**
- Total open interest added 5,581 contracts, increasing to 278,323, the highest level since November 2021.
- **Certificated stock continued to grow this week**, signaling that the futures market might be the best place to sell U.S. cotton right now.

- **Certificated stocks increased by 6,879 bales to 27,765 bales**, the highest level since early December.

U.S. inflation gauges were slightly above expectations for February, giving the market sufficient data to trade on for the week.

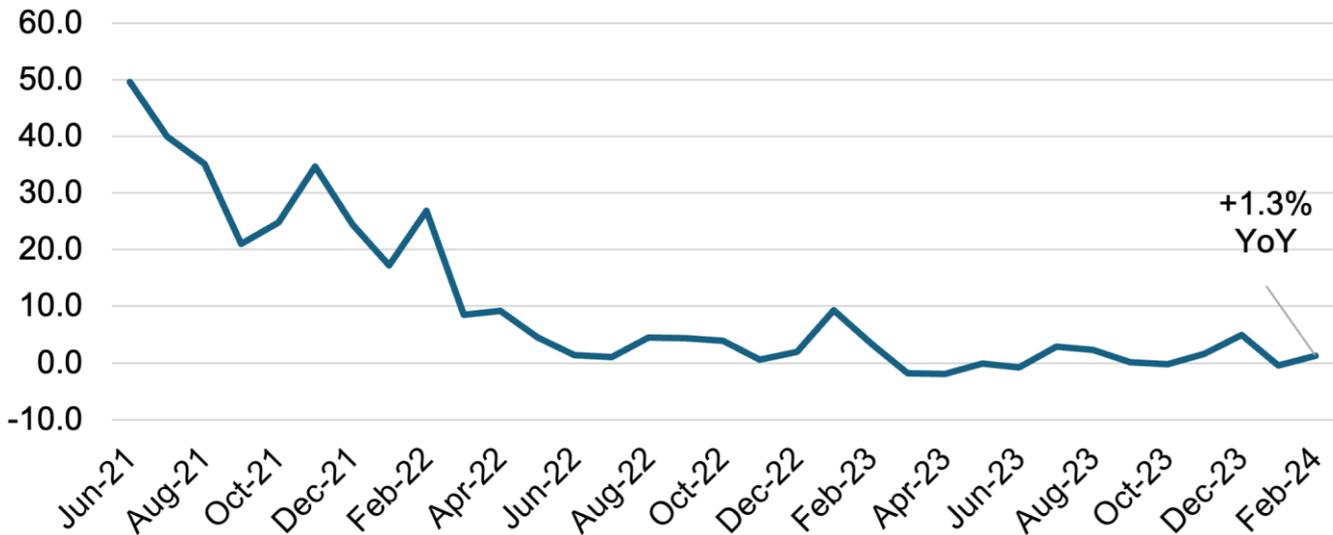
- **The U.S. consumer price index increased 0.4% in February to 3.2%**, remaining above the Fed's 2% goal.
- **U.S. producer prices rose 0.6% in February to 1.6%**, higher than analysts expected.
- **Retail sales were higher in February**, rising 0.6% compared to a month earlier, but were still below expectations. The clothing and accessories portion of retail sales were down 0.5% from January, but up 1.3% since last year.
- Crude oil prices rose for the week on reports of drone strikes on refineries in Russia, and lower inventories.

U.S. Inflation Gauges



Source: Federal Reserve Economic Data

U.S. Advanced Retail Sales: Clothing and Clothing Accessory Stores

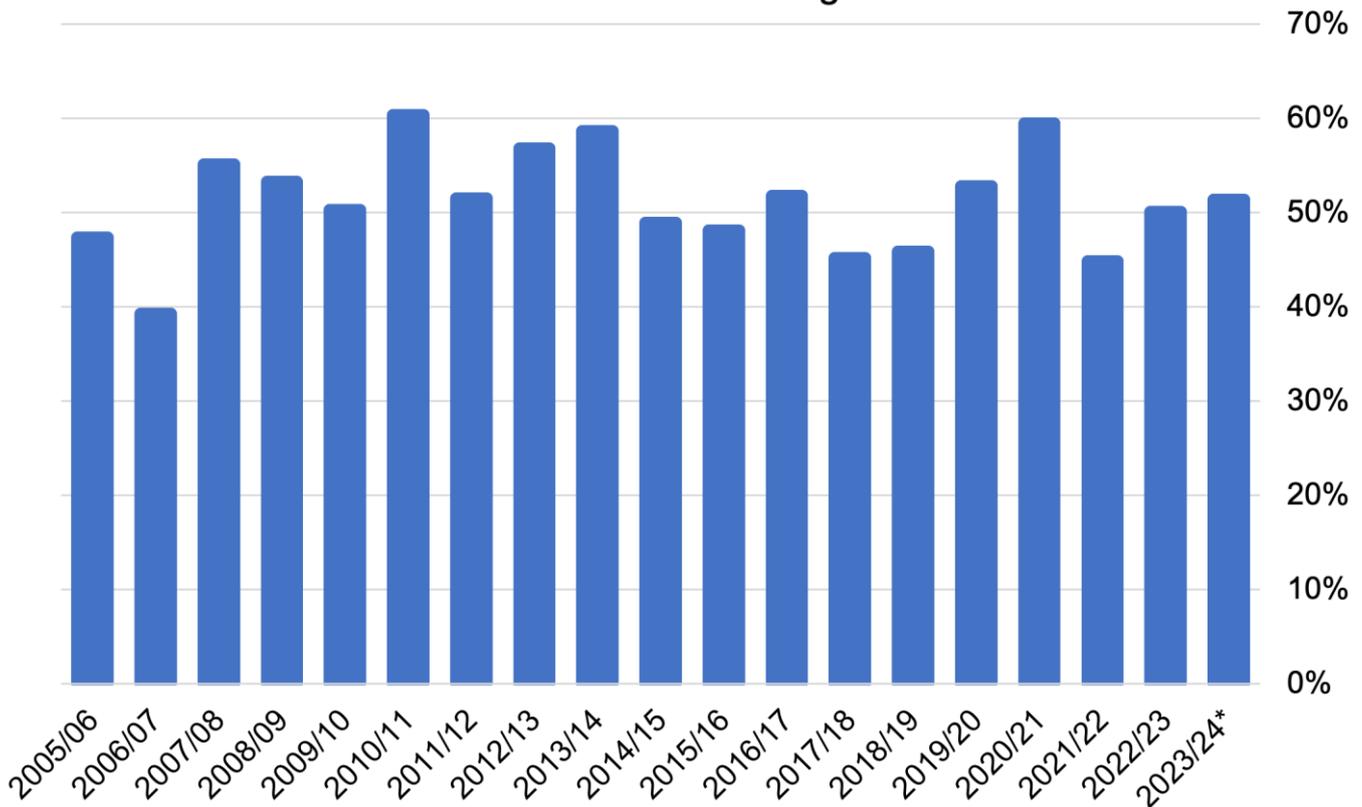


Source: Federal Reserve Economic Data

The U.S. Export Sales Report showed decent sales for the current crop and healthy new crop sales, which was a slight surprise considering the higher prices during the reporting period.

- A net total of 85,800 Upland bales were booked for the week ending March 7. Despite being low historically, the U.S. is ahead of the sales pace needed to reach USDA's 12.3 million bale estimate.
- Even at higher prices, mills still need cotton and appear to be buying it hand-to-mouth.
- A total of 293,300 Upland bales were exported, surpassing the pace needed to reach USDA's export estimate.
- A net total of 6,800 Pima bales were sold, and 6,500 bales were shipped for the week.
- New crop sales of 112,700 Upland bales were reported, a healthy and above-average amount for this time of the year.

Accumulated Exports as % of Final Week 32 of Marketing Year



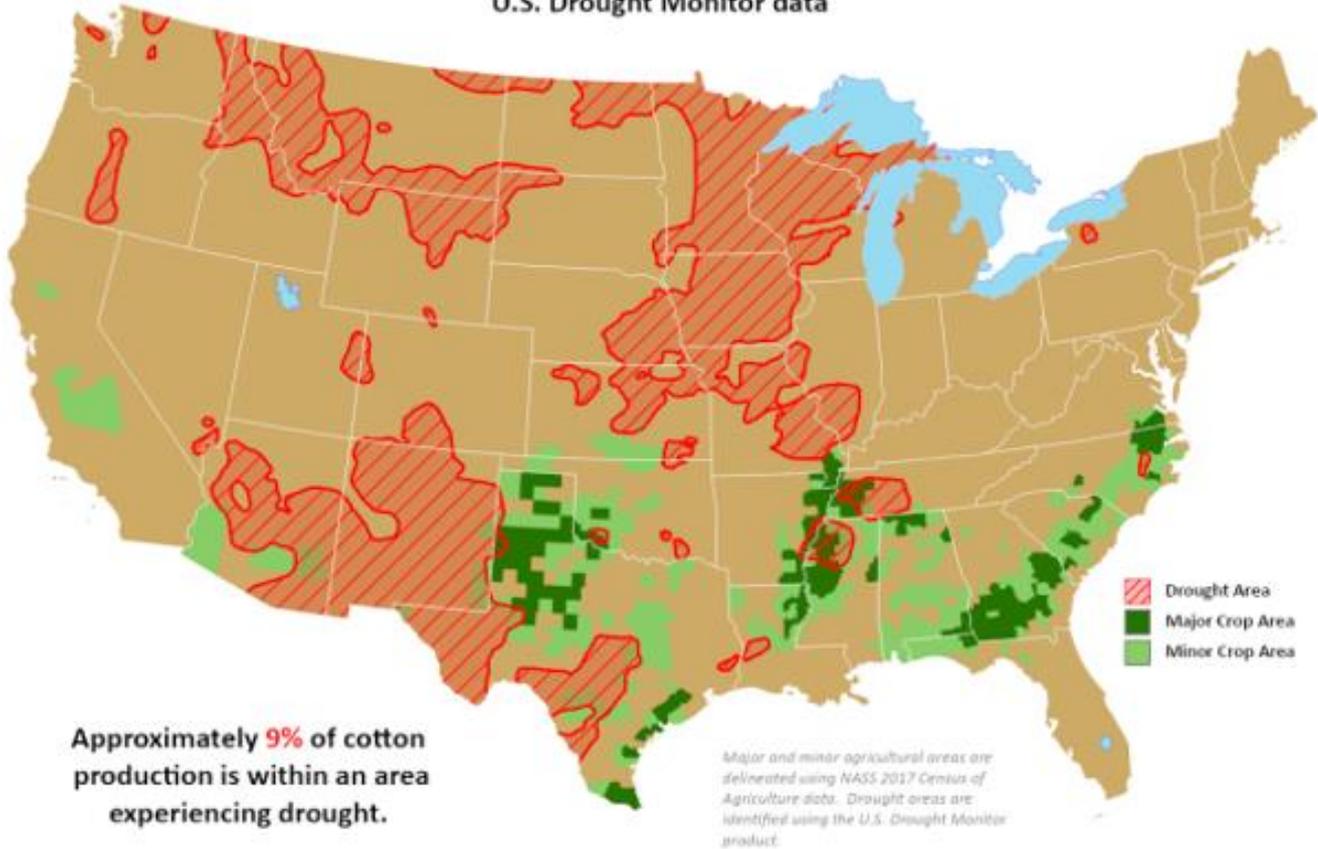
Source: USDA, WASDE* forecasted exports

The Week Ahead

- With no PCE reading before next week's FOMC meeting, this week's releases of inflation measures will be the primary focus. It is expected that interest rates will remain at the current level.
- From a fundamental standpoint, next week should be another quiet week in the cotton market. The weekly Export Sales Report and certificated stock will continue to be monitored.
- The next official planting estimate will be USDA's Prospective Plantings report, which will be released on March 28, 2024. Cotton prices have performed well, and while cotton acres are expected to be up, grain prices have started to gain ground.

Cotton Areas in Drought

Reflects March 12, 2024
U.S. Drought Monitor data



The 2024 U.S. Cotton Trust Protocol enrollment is now open! Please contact the PCCA office at 806-763-8011 for more information and assistance with the enrollment process. The application deadline for the 2024/25 crop is April 30, 2024.

For a list of in-person sign up dates, please click [here](#).

The Seam

As of Thursday afternoon, grower offers totaled 44,927 bales. On the G2B platform 596 bales traded during the week with an average price of 73.94 cents/lb. The average loan was 43.93 bringing the average premium received over the loan to 30.01 cents/lb.

Ice Futures Ending 3/14/2024

	Settlement	Daily Change	Weekly Change
May '24	93.48	-1.42	-5.80
July '24	93.26	-1.08	-4.52
Dec '24	83.43	-0.53	-0.91
Mar '25	84.27	-0.25	-0.40

Adjusted World Price (AWP)

	Official 3/15 thru 3/22
AWP	76.10
LDP/MLG	0.00
2023 FCA	0.64
Coarse Count	0.00