

# Cleveland on Cotton: Cotton's Bulls Pause for a Rest

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Cotton's three-week rally gave us the 68 cents suggested last week, and then some. Yet, the market has now posted three consecutive down days. That should not be viewed as evidence that the rally is over. To the contrary, the same factors that sent prices higher are still in the market.

Prices remain above all moving averages except the 200-day, which fell slightly below on today's close. The rally is pausing, and longtime readers know that the return of any positive demand news was most welcomed. Yet improvement in demand will likely be limited, as the pause in increasing prices suggests. Thus, the nearby contract sees 69.20 cents as a major barrier. The May contract stalled above 68 cents, but then, very few ever thought prices could get above 67 cents.

Friday's closing activity was busy, rallying to a high of 68.21 cents, slipping to a low of 67.10, and ending the week at 67.31 cents. The new crop December contract rose to almost 74 cents on the demand news, the first positive demand news in over a year.

However, it slipped back into the 71's by week's end, settling at 71.96. The week was characterized by near record trading volume, posting the second highest ever daily trading volume on Tuesday. Thus, cotton has regained the favor of speculators and funds.

The combination of improved export sales/shipments, the near-term equilibrium between old crop on call sales and purchases, short covering by the weaker shorts, an assortment of very early season planting weather challenges in Texas, and the expected opening of a Chinese quota purchase, all worked to lead prices to higher territory. Recall, last week, we indicated that the market typically kills the crop at least twice during the planting season.

Likely, this rally was the first time, but it could kill the crop several times, as in reality, it is too early to classify any current production problem as real. The market, as is typical, is simply unsure of moisture and input prices. There is a "large group" of unknowns presently, and since the market has been extremely bearish for so long, bullish news took prices higher than possibly justified. Thus, the market simply paused and is now resting as it waits for additional supply or demand news to give it price direction.

Weekly net export sales of Upland for the week ending March 12, 2026, were 196,700 bales. Primary buyers were Vietnam, Turkey, Pakistan, and India. Sales were made to 17 countries. Weekly sales were down 22% from the prior week and off 30% from the monthly average, an indication that rising prices are beginning to limit export demand for U.S. cotton. The sale to Pakistan of 22,200 bales was offset by a cancellation of a prior sale of 22,000 by that same country.

On the heels of the prior week's marketing year high of export shipments of 370,100 bales, this week's export shipments totaled 273,900 bales, down 26% from last week but down only 8% from the prior 4-week average. Primary destinations were Vietnam, Pakistan, Turkey, China, and Mexico.

The weekly On Call Report continues to favor current to higher prices for old crop. The ratio of On Call sales versus On Call purchases was virtually unchanged, as both sales and purchases were slightly higher. However, mills are betting that the May and July contract prices will fall slightly.

The bull is only resting, but we should not expect too much more out of him now. Let's rest and just see if he can get hungry again.

May has price resistance at the 69-cent area and support just below 64 cents. December's outcome rests in the hands of Mother Nature.

Give a gift of cotton today!