



**MARCH 1, 2024**

**May futures reached a contract high on Wednesday, fueled largely by speculative buying.**

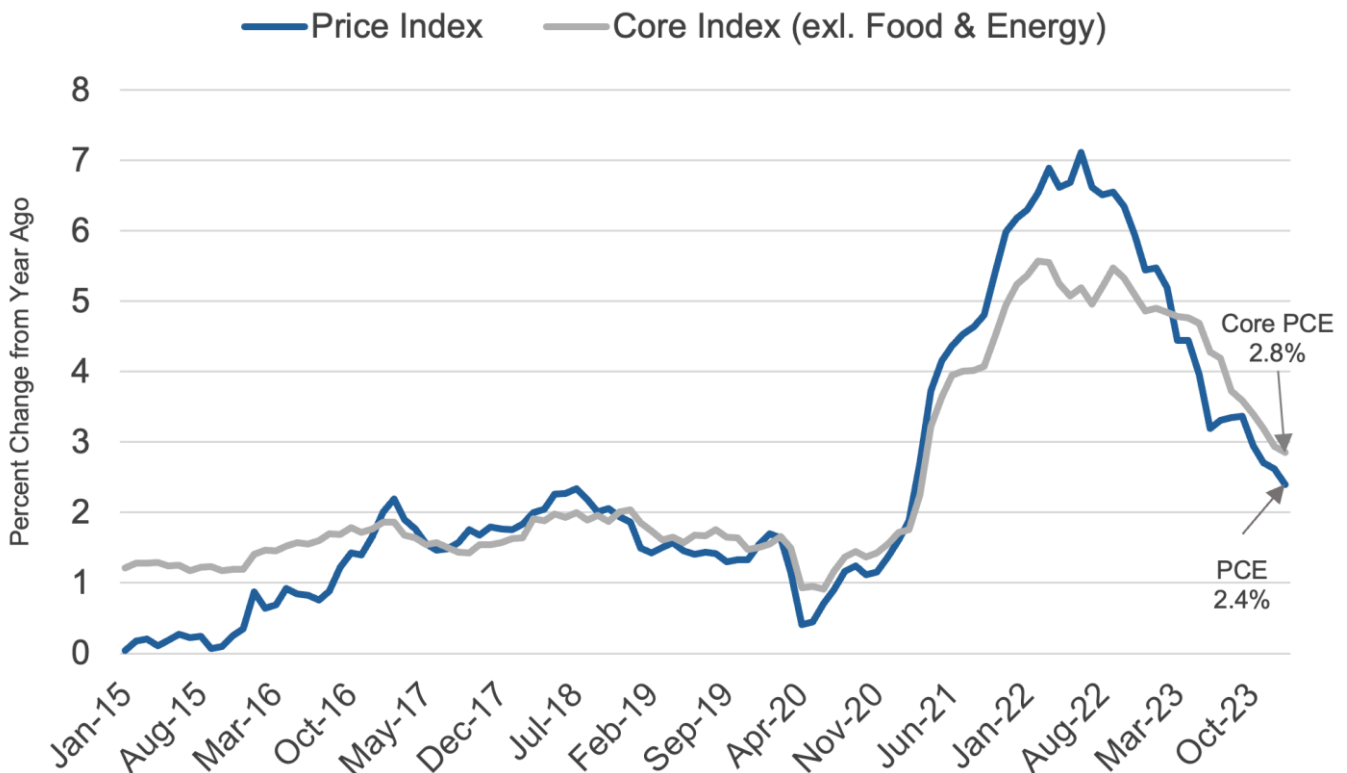
- **A tightening U.S. balance sheet and speculative buying pushed May cotton over the dollar mark for the first time in a year and a half.**
- **The May and June futures contracts finished up the limit on Tuesday.**
- **The disparity between the prices of the July and December contracts is cause for concern.**
- **Speculative trend following has been taking place in the current crop months, but the bullish technical outlook is currently not transferring to the new crop prices.**
- **A disappointing Export Sales Report caused some selling after the week's sharp rally.**
- **May futures had a volatile week but eventually settled at 99.57 cents per pound, up 511 points for the week.**

- Total open interest managed to add 5,072 contracts, increasing the total to 270,786 contracts.

After reaching new highs throughout the week, the stock market closed February with the most robust monthly gains since 2019.

- The Personal Consumption Expenditure (PCE) came in as analysts expected, rising 2.4% year-over-year, and the core deflator rising 2.8% year-over-year.
- Chances of an interest rate cut before June are limited despite recording the lowest rise of inflation in almost 3 years.
- U.S. weekly initial unemployment claims climbed slightly more than anticipated.
- Crude oil finished the week moderately higher, finding support from geopolitical tensions.
- Congress passed a short-term spending agreement to prevent a government shutdown this weekend.

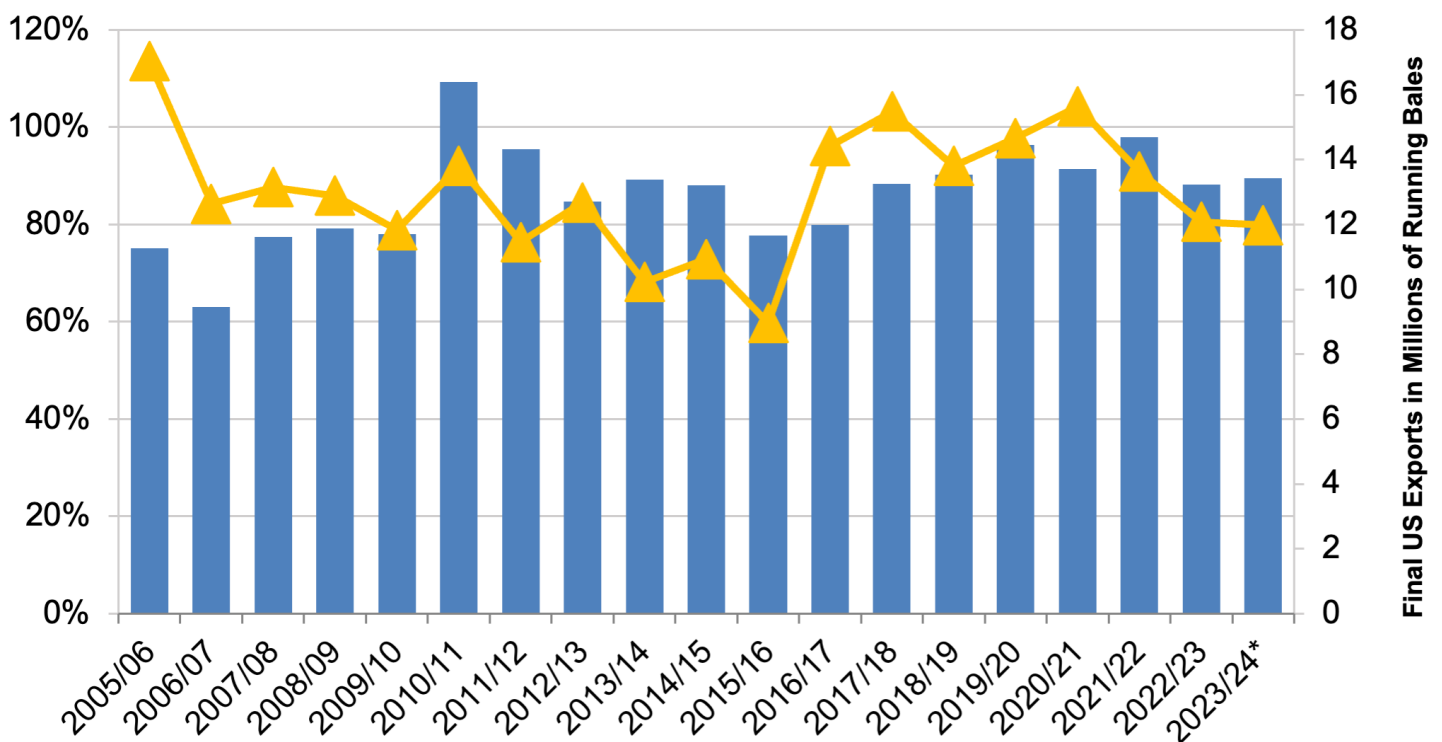
### Personal Consumption Expenditures



## Demand for U.S. cotton diminished with the recent rise in prices.

- A net total of 40,000 Upland bales were booked for the week, below what was expected.
- The U.S. does not need to sell a lot of cotton to reach the current export estimate, but this week's sales were below the required pace.
- China's return to the marketplace after the New Year holiday was disappointing. Turkey was the biggest buyer of U.S. cotton for the week ending February 22.
- A total of 267,100 Upland bales were exported, slightly below the pace needed to reach the USDA export estimate.
- A net total of 5,500 Pima bales were sold, and 4,400 bales were shipped for the week.
- New crop sales of 13,400 Upland bales were below average for this time of the year.

### U.S. Export Commitments as % of Final Exports Week 30 of Marketing Year



Source: USDA, \*WASDE forecasted exports

## The Week Ahead

- The World Agricultural Supply and Demand Estimates (WASDE) Report will be released on Friday, March 8 at 11:00 a.m. CST. The market is waiting to see if USDA will adjust the balance sheet.
- The average price of December cotton during February was 83.38, lower than last year but when compared to other commodities, could favor cotton as planting decisions are being made.

***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 22,440 bales. On the G2B platform 4,727 bales traded during the week with an average price of 84.50 cents/lb. The average loan was 48.30 cents/lb bringing the average premium received over the loan to 36.20.

### Ice Futures Ending 2/29/2024

	Settlement	Daily Change	Weekly Change
May '24	99.57	-1.51	+5.11
July '24	97.77	-1.95	+4.15
Dec '24	83.81	-0.47	+0.32
Mar '25	83.91	-0.38	+0.37

### Adjusted World Price (AWP)

	Official 3/1 thru 3/7
AWP	77.47
LDP/MLG	0.00
2023 FCA	1.51
Coarse Count	0.00