



FEBRUARY 2, 2024

MARCH FUTURES CONTINUED THEIR ASCENT.

- After a slight dip to begin the week, **cotton prices finished at their highest level since early October.**
- **Cotton made marginal gains despite the mixed data/news** and general pressure on most of the commodity basket.
- **Robust export sales/shipments and strong technical signals** caused prices to spike on Thursday.
- March futures settled at 86.49 cents per pound, **up 73 points for the week.**
- Total open interest increased 16,790 contracts to 253,543.

Fed rate cuts will not happen until the target rate is attainable.

- **Major stock indexes seesawed this week.** Record highs were followed by a pullback after the FOMC decision, but they managed to recoup the losses by Thursday.
- **Short-term interest rates will stick between 5.25% and 5.5%** until the Fed has greater confidence that the target rate of 2% is attainable. The next Fed meeting is in May.
- **Data shows an increase in consumer confidence** and an increase in job openings.
- **Crude oil traded on both sides of the market** on heavy geopolitical tensions and mixed economic news.

Robust export sales and shipments for the week ending January 25.

- The U.S. Export Sales Report was arguably the strongest report **of the year thus far.**
- 349,400 Upland bales were sold for the week, **making it the fourth-highest week of sales.**
- Sales for the next marketing year were healthy, **with a net total of 25,200 bales reported.**
- **The most robust feature was** shipments of 396,700 Upland bales, **a high for the year.**
- **13,500 Pima bales were sold, and 11,200 bales were shipped for the week.**

The Week Ahead

- The World Agricultural Supply and Demand Estimates (WASDE) Report will be released next Thursday, February 8 at 11:00 a.m. CST.
- March options expire next Friday, February 9
- The largest of the Index funds will begin to roll their positions forward next week.

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.

The Seam

As of Thursday afternoon, grower offers totaled 31,088 bales. On the G2B platform 13,302 bales traded during the week with an average price of 81.34 cents/lb. The average loan was 51.92 bringing the average premium received over the loan to 29.42 cents/lb.

Ice Futures Ending 2/1/2024

	Settlement	Daily Change	Weekly Change
Mar '24	86.49	+1.32	+0.73
May '24	87.64	+1.23	+0.66
July '24	88.25	+1.12	+0.66
Dec '24	81.86	+0.36	+0.71

Adjusted World Price (AWP)

Official 2/2 thru 2/8

AWP	68.04
LDP/MLG	0.00
2023 FCA	0.86
Coarse Count	0.00