



APRIL 5, 2024

May cotton futures finished below 90 cents per pound after falling under pressure for three consecutive sessions.

- May futures settled at 87.14 cents per pound, finishing 424 points lower for the week. This is the contract's lowest close since January 31.
- Fundamental news in the cotton market was relatively light this week. Higher prices in China and continued competition from Brazil provided the market with mixed signals.
- Most of the selling pressure was due to speculative liquidation and chart-based selling.
- Total open interest remains at a high level. A balance of 280,751 contracts was reported, increasing 2,174 contracts from the week prior.
- Certificated stocks have reached their highest level since August 2021. They were last reported at 92,654, an increase of 40,430 from the week prior.

Major indexes had a mixed week but finished lower on hawkish Fed comments.

- A slew of jobs data was released this week. ADP nonfarm employment increased more than expected, adding 184,000 jobs in the private sector in March.
- Weekly U.S. initial jobless claims were slightly above expectations but remain historically low.
- The Labor Department reported that 303,000 jobs were added in March, and the unemployment rate fell to 3.8%. This week's jobs data surpassed expectations and will likely be accounted for in the Fed's upcoming decision concerning interest rates.
- The U.S. trade deficit widened for the third consecutive month, reaching 68.9 billion dollars.
- Crude oil prices reached their highest level in 5 months on a lower U.S. Dollar and continued heightened geopolitical risks.

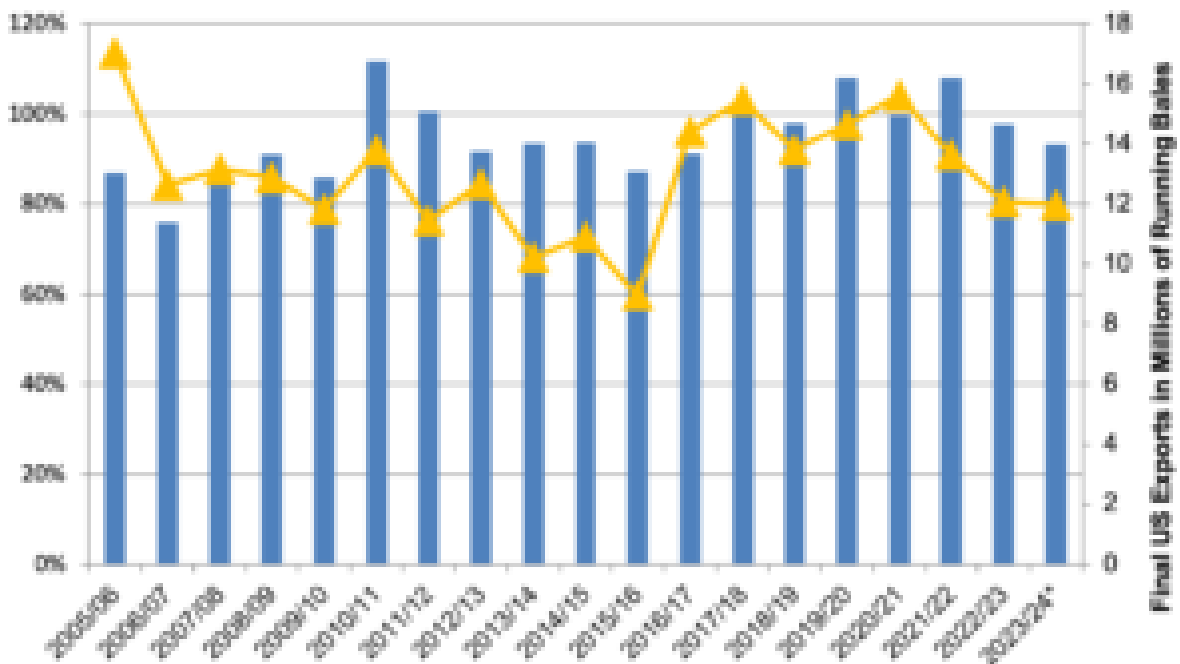


U.S. export sales were slightly below expectations, but shipments remained steady for the week ending March 28.

- A net total of 84,900 Upland bales were booked, and 367,600 bales were shipped during the reporting period.

- This week's sales are below the weekly pace needed to reach USDA's export estimate of 12.3 million bales, but shipments remain above pace.
- New crop sales of 22,900 bales were below average for this point of the year, decreasing from last week.
- A net total of 1,400 Pima bales were sold, and 5,200 bales were shipped for the week.

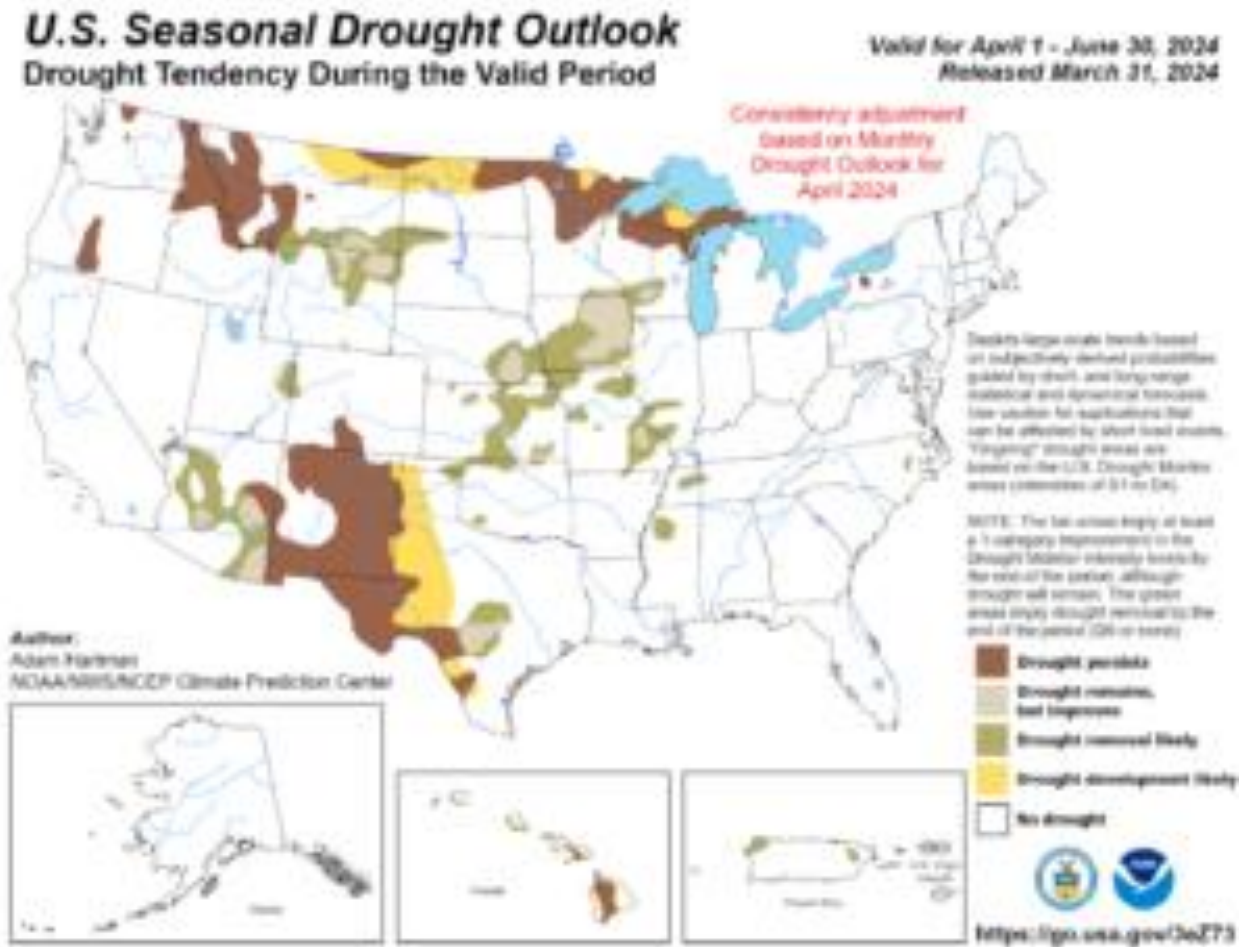
US Export Commitments as % of Final Exports
Week 35 of Marketing Year



The Week Ahead

- First notice day for the May contract is April 24, less than two weeks away. Aside from potentially heavier flows, the U.S. Export Sales Report will continue to be the central focus.
- The Consumer Price Index (CPI) and Producer Price Index (PPI) will be released next week, giving the Fed insight into inflation before the FOMC meeting at the end of the month.
- Next week, the World Agricultural Supply and Demand Estimates (WASDE) will be released on May 11, and May cotton options expire on May 12.

- The seasonal drought outlook was released this week and showed that drought development is likely in parts of Texas.



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 40,951 bales. On the G2B platform 419 bales traded during the week with an average price of 71.22 cents/lb. The average loan was 48.76 cents/lb, bringing the average premium received over the loan to 22.46.

Ice Futures Ending 4/04/2024

	Settlement	Daily Change	Weekly Change
May '24	67.14	-1.84	-4.24
July '24	68.57	-1.81	-3.40
Dec '24	63.52	-0.58	-0.47
Mar '25	64.51	-0.48	-0.25

Adjusted World Price (AWP)

	Official 4/5 thru 4/11
AWP	69.48
LDPIMLO	0.00
2023 FCA	0.28
Coarse Count	0.00