



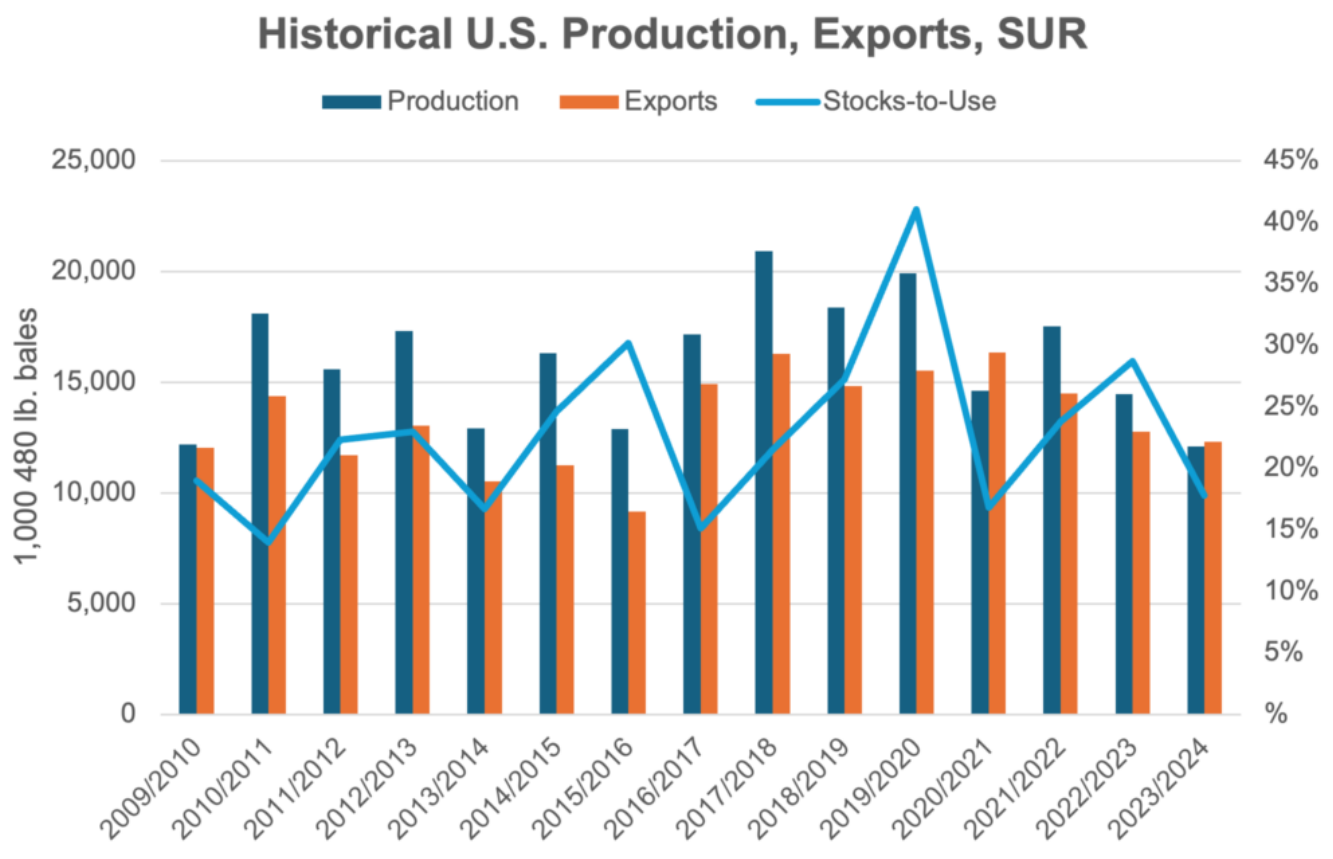
**MARCH 8, 2024**

**May futures finished the week ending March 7 limit-up after trading lower early in the week.**

- **Profit-taking and corrective action caused the early week decline**, sending the front months in cotton limit-down at one point.
- **Trading ranges were wide**, but cotton news was quiet overall in anticipation of the WASDE report.
- May futures had another week of volatile trading but eventually settled at 99.28 cents per pound, **down 29 points for the week.**
- Despite the losses early in the week, total open interest added 1,956 contracts, increasing to 272,742.
- **Certificated stocks were reported at 20,886 bales**, reaching the highest level since December.

The U.S. balance sheet tightened when production cut 330,000 bales to 12.1 million bales on Friday's estimates of supply and demand (WASDE report).

- U.S. exports were unchanged at 12.3 million bales, but the cut to production caused ending stocks to decrease by 300,000 bales to 2.5 million bales.
- World consumption increased 480,000 bales to 112.94 million bales.
- The global balance sheet tightened up as well. World-ending stocks decreased by 360,000 bales to 83.34 million bales.

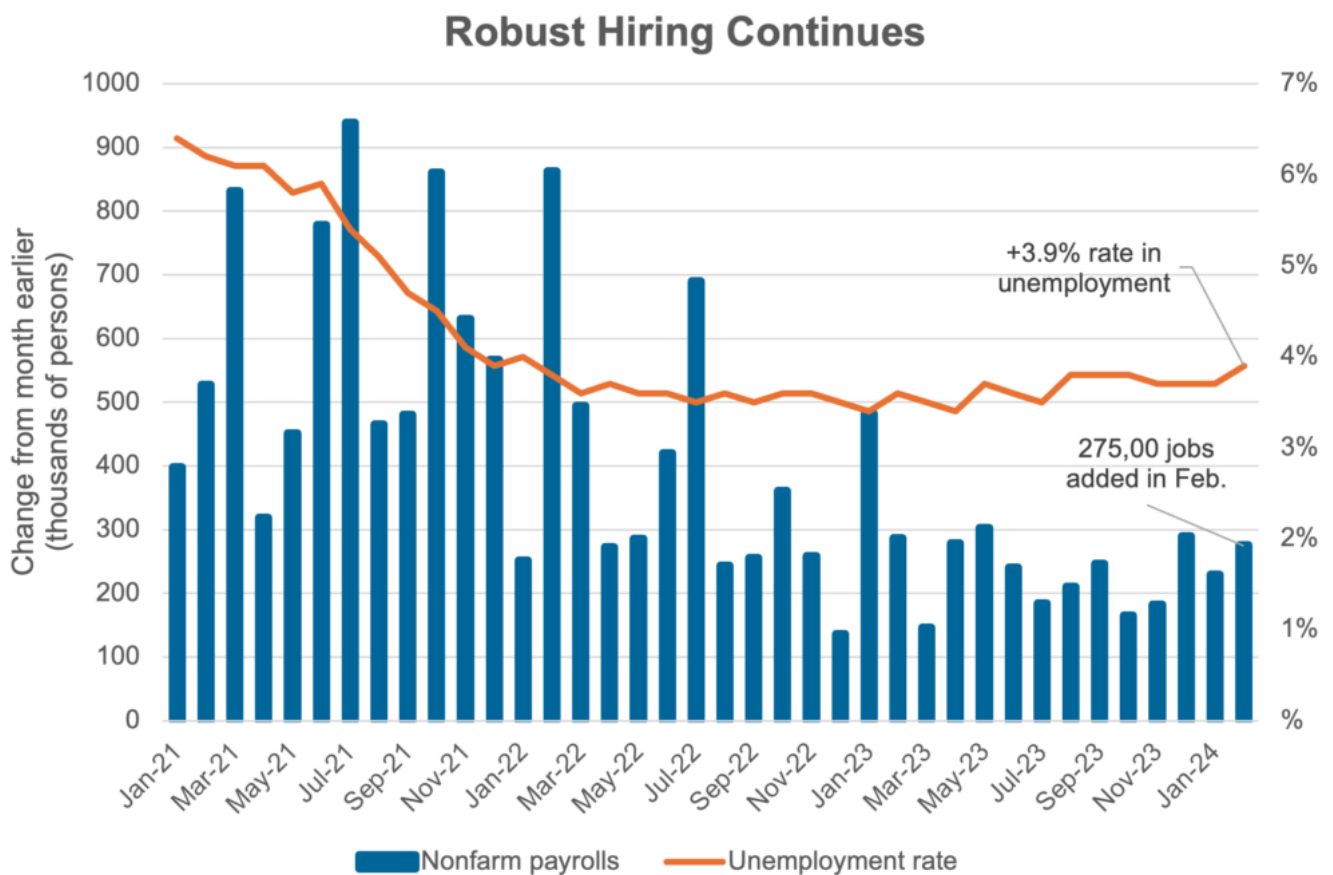


Source: USDA Production, Supply and Distribution

The stock market recorded another week of significant gains, building on recent rallies.

- Fed Chairman Jerome Powell testified before Congress this week, saying they have gained greater confidence that inflation is moving in a sustainable direction.

- The European Central Bank held interest rates steady, but it is speculated they could cut them this year.
- **The S&P 500 hit a new record**, fueled by interest rate expectations and a slew of jobs data.
- **Congress was poised to pass a funding package on Friday** that will provide funding to six departments, including agriculture.
- The Labor Department reported that **U.S. employers added 275,000 jobs in February**, a signal that the labor market remains robust.
- **The U.S. unemployment rate rose slightly by 0.2% to a rate of 3.9%** but remains low historically.



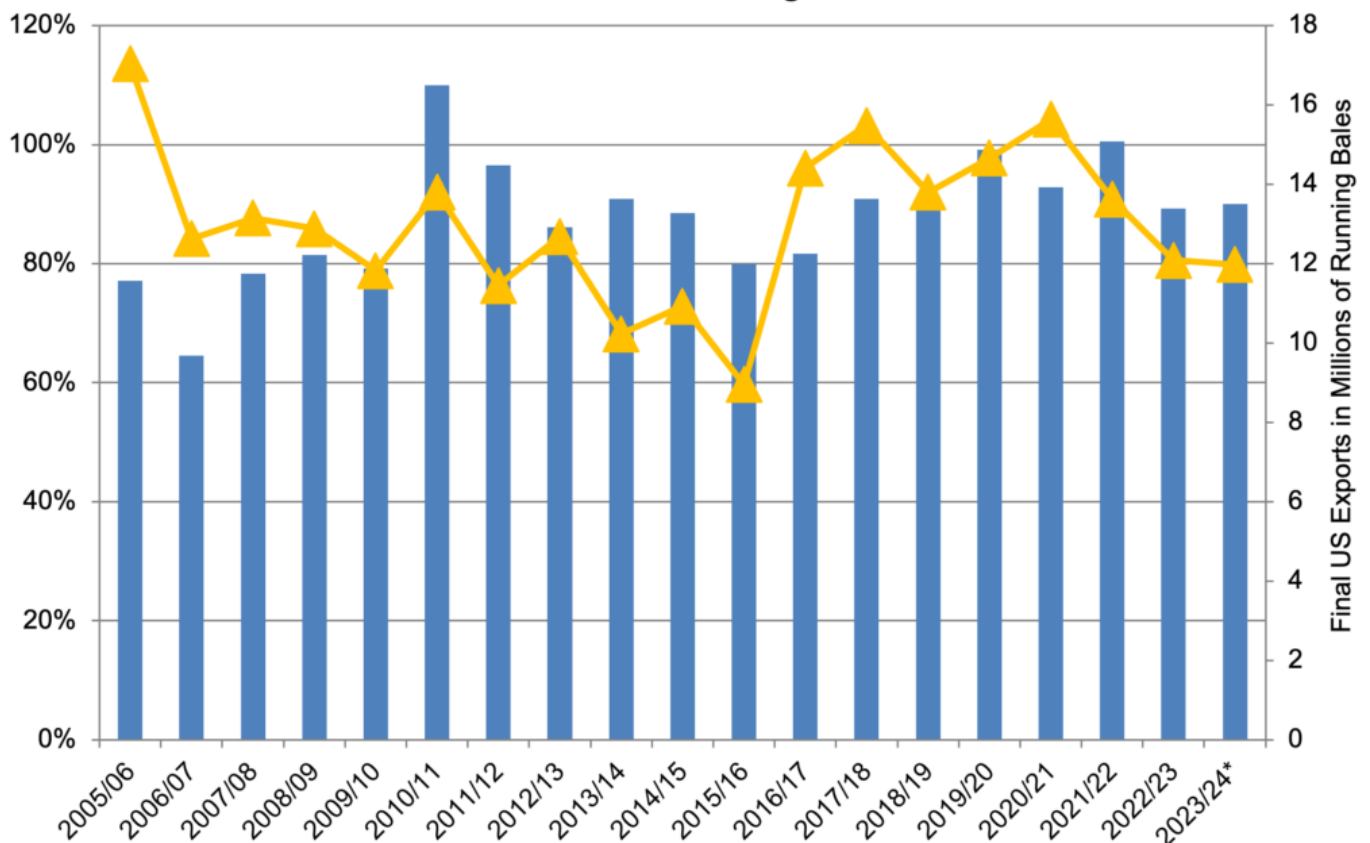
Source: U.S. Bureau of Labor Statistics

Demand for U.S. cotton is still weak, but the Export Sales Report for the week ending February 29 was relatively good overall.

- **A net total of 52,000 Upland bales were sold.** With the recently higher prices, many did not expect this week’s sales to be higher than the 40,000 reported last week.
- Bangladesh was the biggest buyer, booking a total of 34,300 bales.
- **Cancellations of 60,000 bales,** mainly from China and Pakistan, were a noticeable feature in the report.
- A total of 330,800 Upland bales were exported, surpassing the pace needed to reach USDA’s export estimate.
- **A net total of 11,100 Pima bales were sold,** and 6,400 bales were shipped for the week.
- New crop sales of 15,100 Upland bales increased from last week but are below average for this time of the year.

### U.S. Export Commitments as % of Final Exports

Week 31 of Marketing Year



Source: USDA, \*WASDE forecasted exports

# The Week Ahead

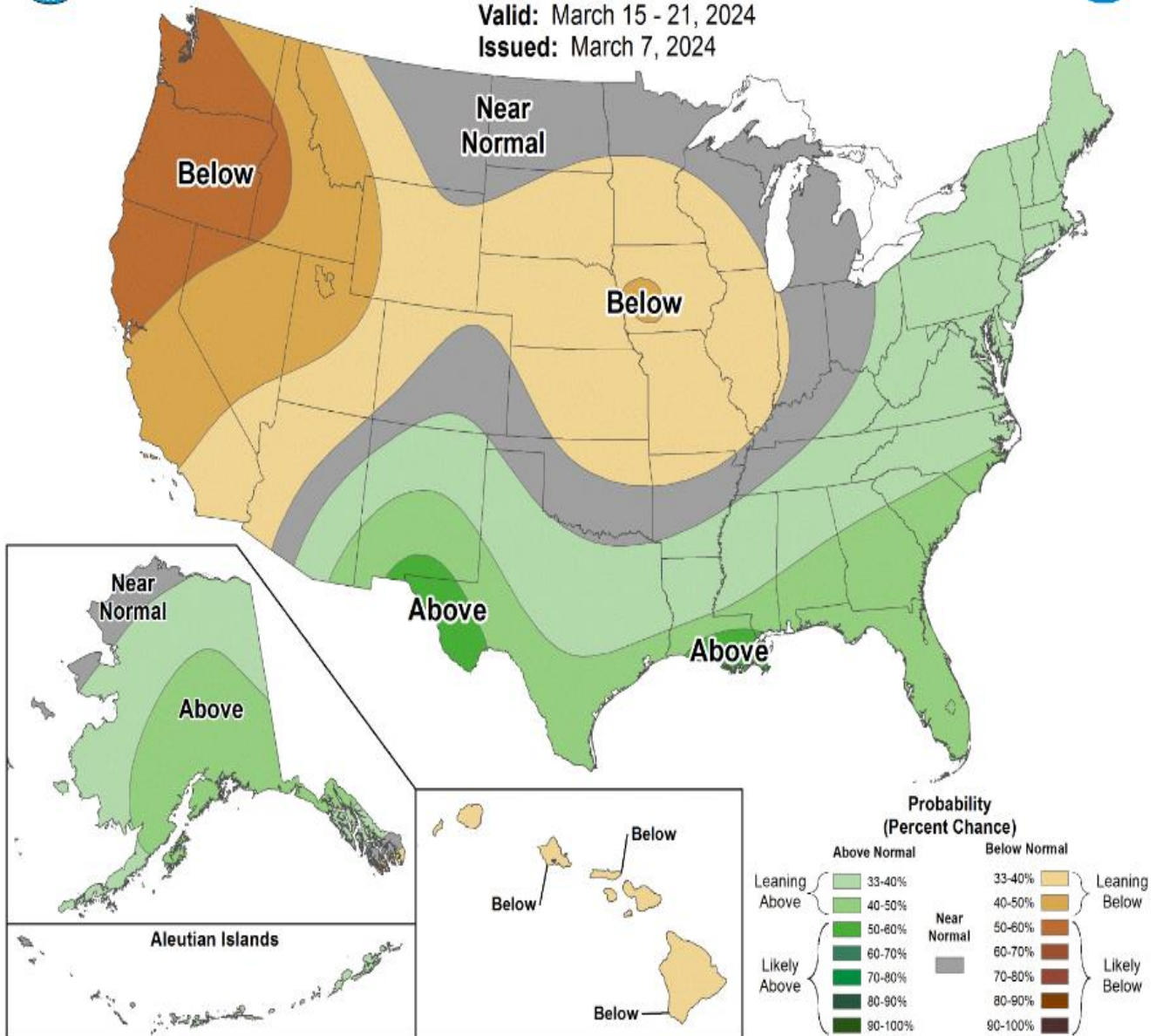
- Now that planting has started in South Texas, weather will become the central focus as many traders' attention has begun to pivot to next season's crop.
- From a fundamental standpoint, next week should be quiet in the cotton market. The weekly Export Sales Report and growing certificated stock will continue to be monitored.



## 8-14 Day Precipitation Outlook



Valid: March 15 - 21, 2024  
Issued: March 7, 2024



**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 29,425 bales. On the G2B platform, 31 bales were traded during the week, with an average price of 74.00 cents/lb. The average loan was 43.55 cents/lb, bringing the average premium received over the loan to 30.45.

### Ice Futures Ending 3/7/2024

	Settlement	Daily Change	Weekly Change
May '24	99.28	+4.00	-0.29
July '24	97.78	+3.79	+0.01
Dec '24	84.34	+1.04	+0.53
Mar '25	84.67	+1.03	+0.76

### Adjusted World Price (AWP)

	Official 3/8 thru 3/14
AWP	76.88
LDP/MLG	0.00
2023 FCA	1.22
Coarse Count	0.00