



APRIL 11, 2025

Market volatility persisted after the Trump Administration's announcement and subsequent pause of tariffs on key U.S. trading partners. Despite facing challenges from outside markets, the cotton market managed to close higher for the week. What's in store for cotton as we head into another week of uncertainty? Get QuickTake's read on the week's events in five minutes.

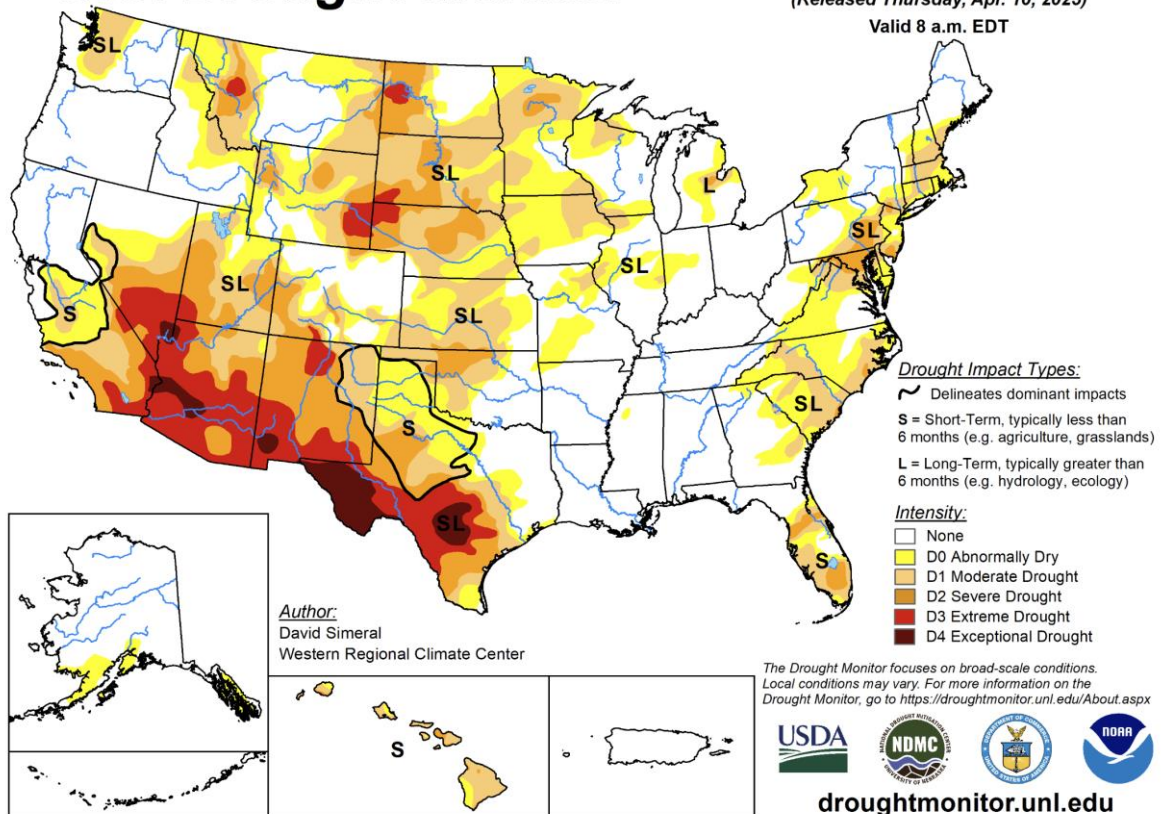
Despite challenges from outside markets and a weaker balance sheet, the cotton market managed to hold on to its gains this week.

- The May contract settled at 66.47 cents per pound, up 167 points for the week.
- July open interest has now surpassed May, making July the lead month. With two weeks until First Notice Day for the May contract, attention will shift to the July contract.

- July futures settled at 67.00 cents per pound, up 129 points for the week.
- The cotton market faced intense pressure last week following tariff announcements on nearly all U.S. trading partners. **May futures hit a contract low on Friday but rebounded by Monday as the largest index funds began to roll their positions and speculators covered or liquidated their record net short positions. Volatility persisted after a 90-day pause in tariffs was implemented, yet a looser balance sheet drove prices down on Thursday. The U.S. dollar has gotten absolutely crushed this week, which has helped support commodity prices. Although the technical outlook has improved slightly, technical and fundamental outlooks remain weak.**
- The rain and snow received across the Southwest last weekend was much needed. **However, it wasn't nearly enough for some areas. While some regions saw relief and improved soil moisture, much more rain is needed before planting begins in West Texas, Oklahoma, and Kansas.**
- Trading volumes were significant, and open interest dropped considerably by 29,202 contracts to 253,589. **Certificated stocks remained unchanged at 14,488 bales.**

U.S. Drought Monitor

April 8, 2025
(Released Thursday, Apr. 10, 2025)
Valid 8 a.m. EDT



The April WASDE report typically doesn't bring much excitement, and this time was no different. It was generally bearish to neutral as stocks loosened both domestically and globally.

- The only change for the U.S. was a slight downward adjustment to exports, reduced by 100,000 bales to 10.9 million bales. This led to a 100,000-bale increase in ending stocks, bringing them to 5 million bales. As a result, the stocks-to-use ratio rose to 39.7% from 38.6%.
- On the global side, there were a few notable changes. World use dropped by 520,000 bales to 116.02 million bales, while ending stocks increased by 530,000 bales to 78.86 million bales. These changes were mainly driven by China, which reduced consumption by 500,000 bales to 37 million bales and lowered imports by 300,000 bales to 6.5 million bales.

2024/25 World Cotton Supply and Use								
(Million 480-Pound Bales)								
United States								
	Beginning Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
March Report	3.15	14.41	0.01	17.57	1.70	11.00	4.90	38.6%
April Report	3.15	14.41	0.01	17.57	1.70	10.90	5.00	39.7%
Change	0.00	0.00	0.00	0.00	0.00	-0.10	0.10	1.1%
World								
March Report	73.71	120.96	42.69	194.67	116.54	42.71	78.33	67.2%
April Report	73.74	120.89	42.36	194.63	116.02	42.33	78.86	68.0%
Change	0.03	-0.07	-0.33	-0.04	-0.52	-0.38	0.53	0.8%

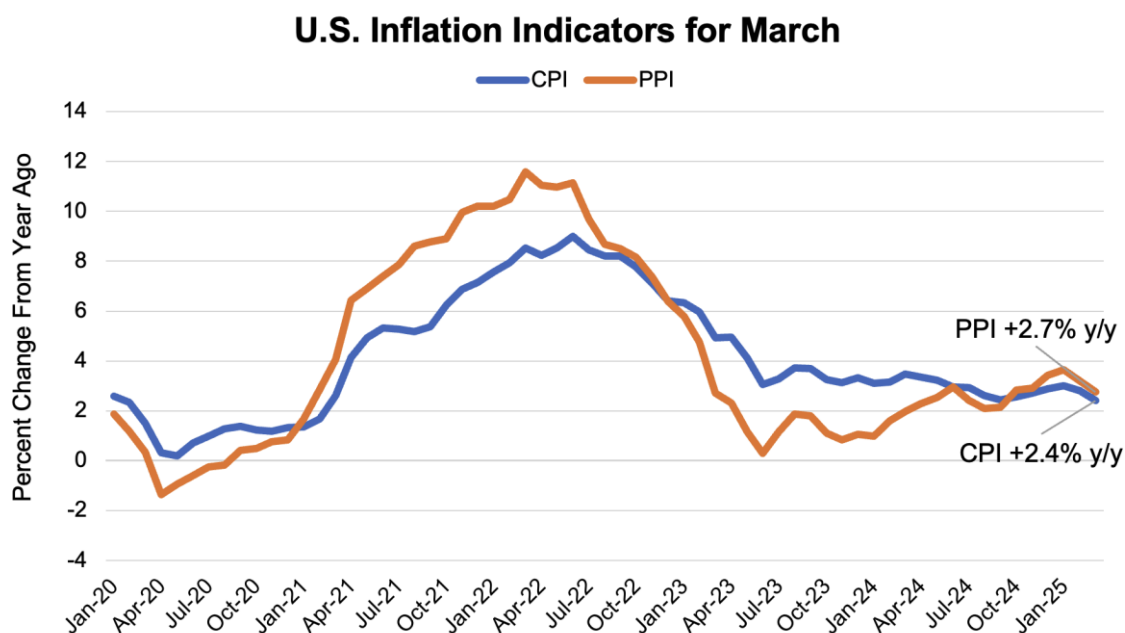
Source: USDA WAOB

Stock markets were highly volatile this week, starting with bearish pressure from tariff impositions. The turmoil then gave way to a rally, marking the most significant daily gains since 2008, before dropping again amid ongoing uncertainty over the future of the trade war.

- The tariff plan unveiled last week by the Trump administration kept markets on edge. **By Wednesday, the day the tariffs were set to take effect, country-specific tariffs were paused for 90 days for countries that refrained from retaliating. However, all products from countries other than China that are not covered by an existing exclusion are still subject to a 10% tariff. China had already responded with its own tariffs, prompting the U.S. to raise tariffs on Chinese goods again, bringing the total to 145%. The path forward remains uncertain, as this week's rapid shifts in policy have shown.**
- Markets shrugged off better-than-expected inflation data and traded lower after March's Consumer Price Index (CPI) came in below expectations. **CPI rose 2.4% year-over-year, compared to the 2.5% forecast, while core CPI was 2.8% versus the expected 3.0%. The Producer Price Index (PPI) also came in lower than expected. PPI rose 2.7% versus the expected 3.3%. This could be perceived as good news for interest rates, as it signals the Fed's**

efforts to curb inflation are working. It also benefits commodities markets by softening the dollar.

- Congress has approved a budget resolution after House Republicans narrowly approved President Trump’s budget blueprint, advancing a bill to extend tax cuts, reduce taxes, and boost border security and defense funding. The Senate approved the resolution on April 5. **However, the House and Senate remain divided on spending cuts, with the House calling for \$1.5 trillion and the Senate only committing \$4 billion, posing challenges for final legislation. Now that the budget resolution has been finalized, the deficit discrepancy will need to be resolved, and the reconciliation process can begin.**



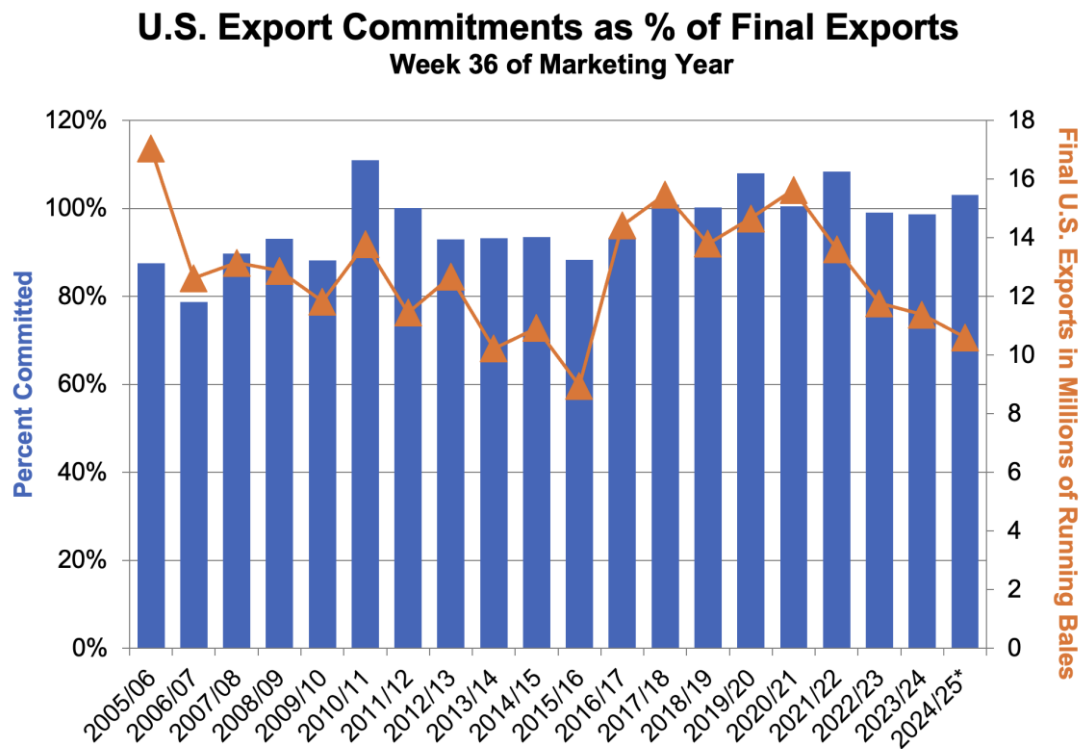
Source: U.S. Bureau of Labor Statistics via FRED

U.S. export sales remain stagnant amidst tariff turmoil, while cotton exports stay above average.

- For the 2024/25 marketing year, U.S. merchants sold 115,100 Upland bales and shipped 377,200. New crop sales of 18,900 bales were made. Mills were more active

when prices were lower, but tariff concerns have kept overall demand subdued.

- **Pima merchants booked 2,700 bales and shipped 8,000, keeping Pima sales and shipments above the pace needed to reach USDA’s estimates.**



Source: USDA FAS, *relative to WASDE forecasted exports

The Week Ahead

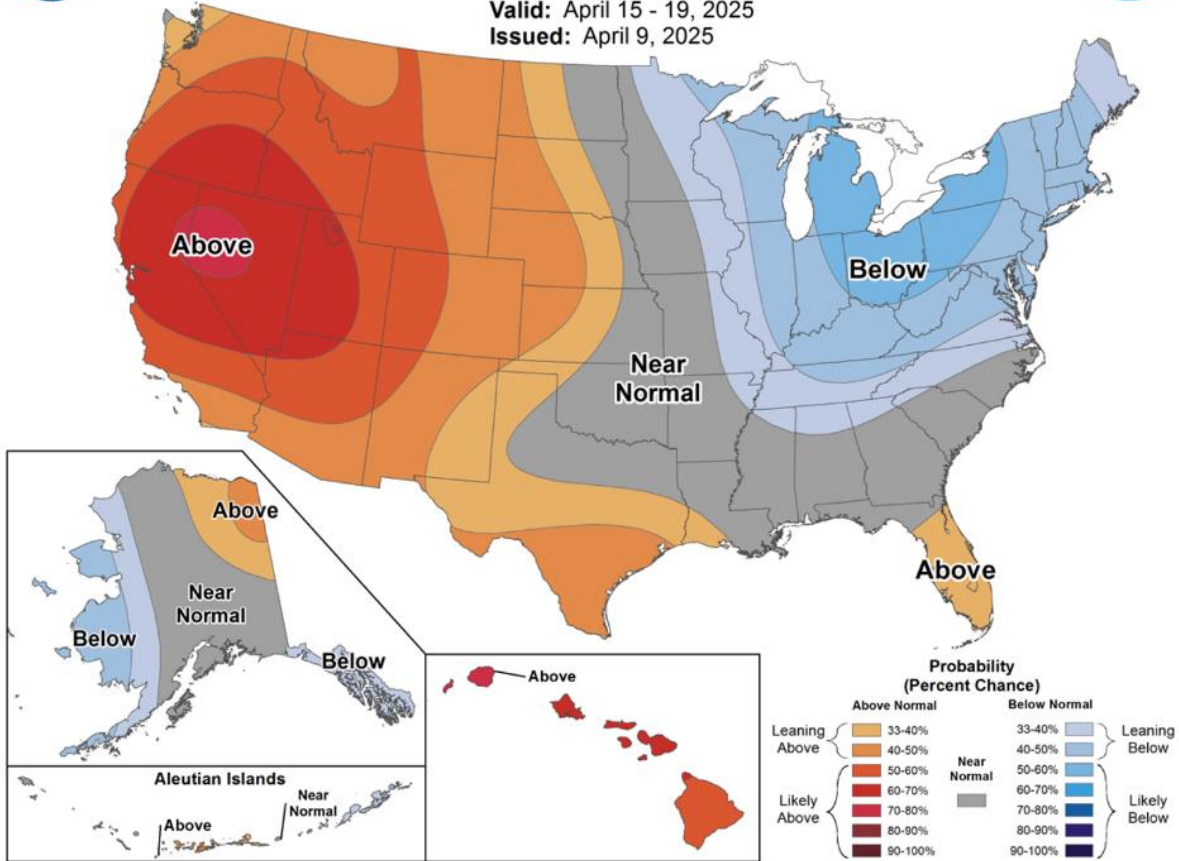
- Uncertainty in the markets will persist in the coming days, and next week will be quieter regarding data. Aside from the Export Sales Report, no cotton-specific reports are scheduled. However, we will get an updated look at March Retail Sales on Wednesday, April 16.
- Markets will be closed on Friday, April 18, in observance of Good Friday.



6-10 Day Temperature Outlook



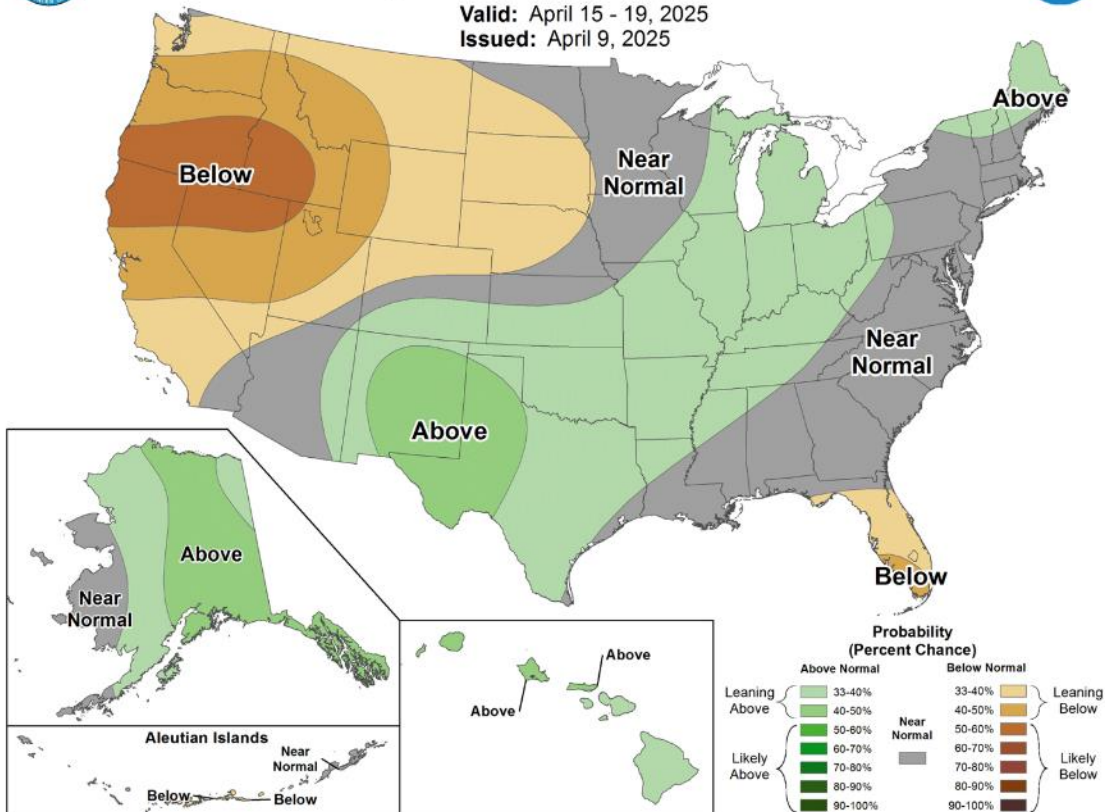
Valid: April 15 - 19, 2025
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6-10 Day Precipitation Outlook



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Announcements

- Enrollment for the **U.S. Cotton Trust Protocol** is now open through *April 30, 2025*. Currently enrolled growers will need to renew their membership to continue their involvement in the program. Click here to see a list of enrollment dates.
- New Grower Enrollment for **Better Cotton** will be open *March 3-May 30*.
- **For assistance or questions about enrolling in these programs, contact PCCA at 806-763-8011.**
- The Seam

As of Thursday afternoon, grower offers totaled 84,228 bales. 929 bales were traded on the G2B platform during the week, with an average price of 57.23 cents per lb. The average loan was 49.49, which resulted in a premium of 7.74 cents per lb. over the loan.

ICE Futures Ending 4/10/2025

	Settlement	Daily Change	Weekly Change
May '25	66.47	-0.16	+1.67
July '25	67.00	-0.31	+1.29
Dec. '25	68.28	-0.19	+0.73
Mar. '26	69.40	-0.17	+0.66

Adjusted World Price (AWP)

	Official 4/11/25 thru 4/17/25
AWP	53.10
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00