



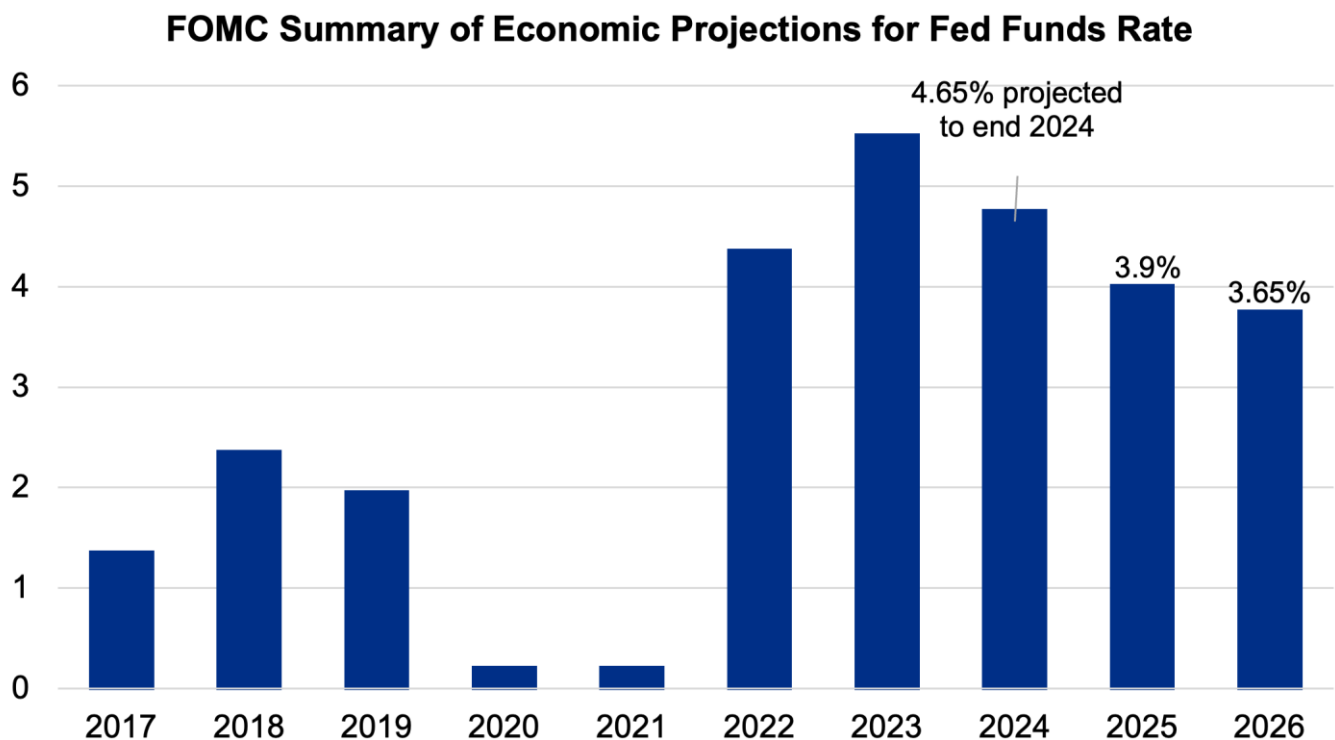
MARCH 22, 2024

Cotton futures traded on both sides of the market but eventually settled lower for the week.

- May futures continued last week's descent, closing at 92.21 cents per pound and finishing 127 points lower.
- In February, approximately 45% of China's cotton imports came from Brazil, and 35% came from the U.S.
- Since the market reached 90 cents per pound a few weeks ago, there has been a divergence between current crop futures and cash prices for most qualities.
- Daily volume traded was lower overall this week. Total open interest decreased by 4,069 contracts, falling to a balance of 274,254.
- Certificated stocks were last reported at 41,756 bales. The increase in certificated stocks could be a reason prices have backtracked.

At March's FOMC meeting, the Federal Reserve decided to hold interest rates steady and indicated that three cuts could be implemented this year.

- Interest rates remained steady between 5.25% and 5.5%. Inflation is anticipated not to reach the 2% target before cuts begin.
- The Bank of England also held interest rates steady this week, keeping them at a 16-year high of 5.25%.
- The three major U.S. indexes rallied to record highs to close the week, reacting positively to the Fed's interest rate outlook.
- The U.S. Dollar increased on reports of declining weekly jobless claims and higher-than-expected home sales.

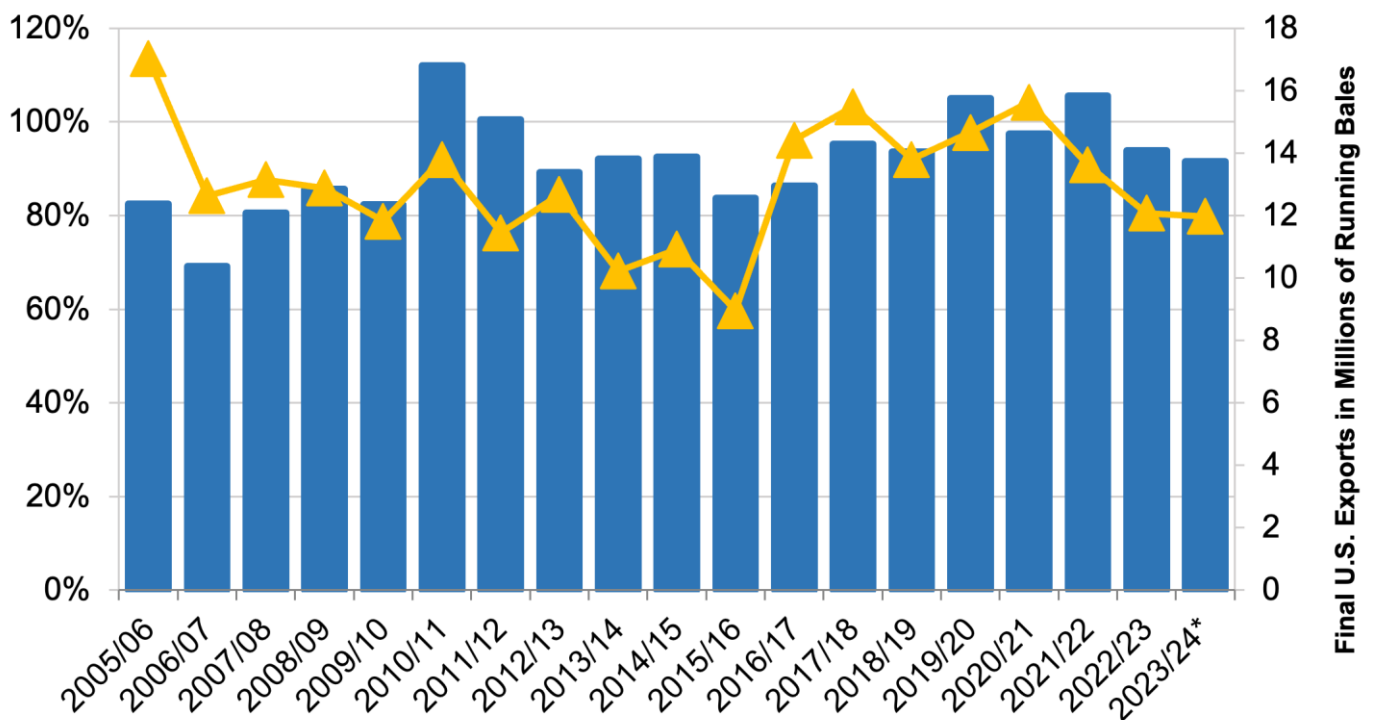


Source: Federal Reserve of St. Louis

A marketing-year high in shipments was reached when the U.S. exported 397,300 Upland bales of cotton for the week ending March 14.

- A net total of 92,600 Upland bales were booked during the reporting period.
- Sales, while still more than needed for this marketing year, are slow historically. At this point of the marketing year, U.S. export commitments as a percentage of the final export estimate are below average.
- The amount of cotton exported this week surpassed the average pace needed to reach the 12.3 million bale estimate by over 100,000 bales.
- New crop sales of 40,500 bales were below average for this point of the year and down compared to last week.
- A net total of 2,100 Pima bales were sold, and 1,200 bales were shipped for the week.

U.S. Export Commitments as % of Final Exports
Week 33 of Marketing Year



Source: USDA, *WASDE forecasted exports

The Week Ahead

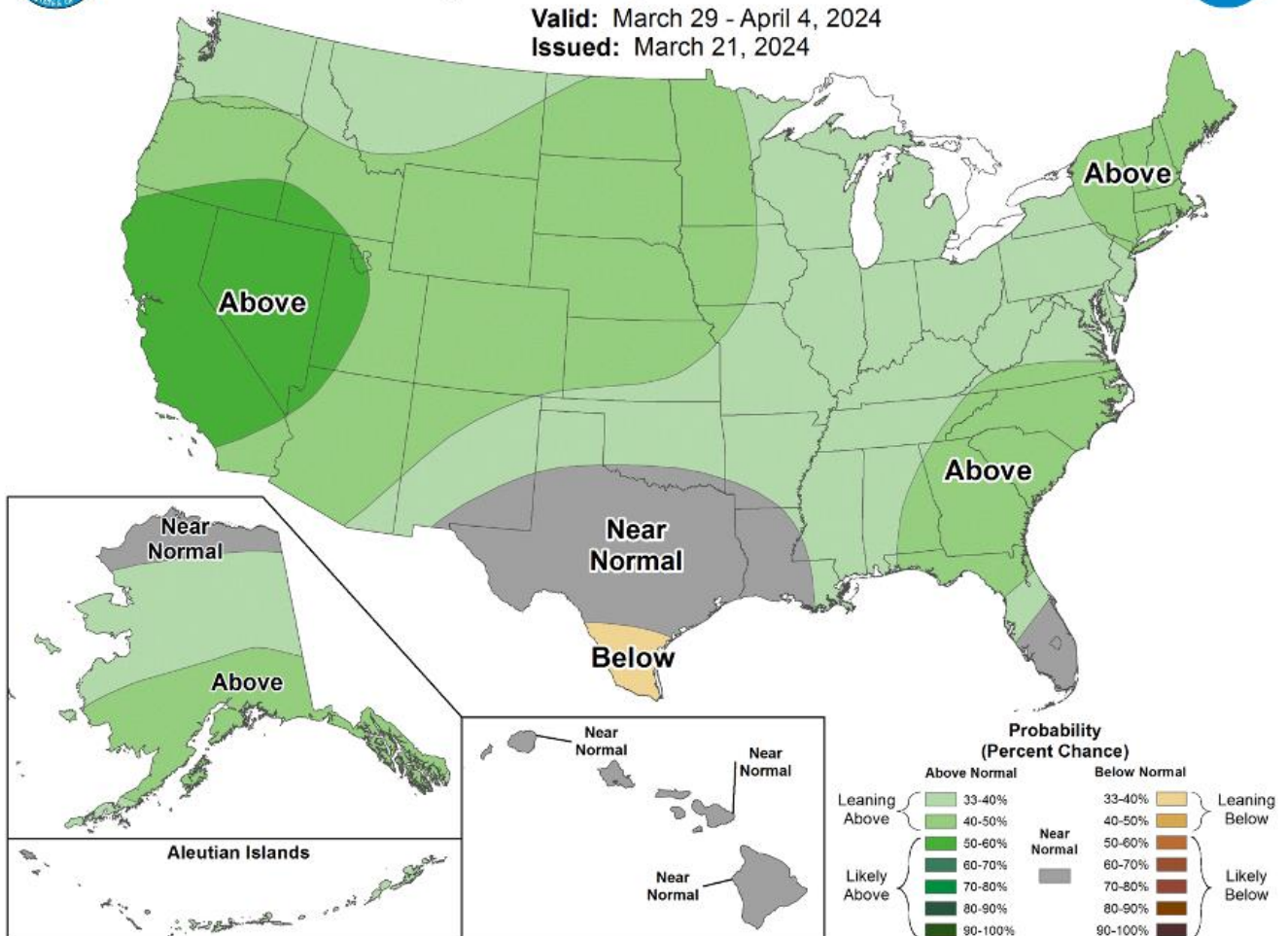
- Next week will be a shortened trade week due to Good Friday.
- The weekly Export Sales Report will be monitored as usual to see if the current pace of sales and shipments continues.
- Planting in South Texas continues in mostly favorable conditions, and cotton has started to come up in the southernmost areas. Parts of West Texas, Oklahoma, and Kansas received small amounts of welcomed precipitation, but overall, it is dry with above-average temperatures.
- Next week, USDA will release the Prospective Plantings report on Thursday, March 28. Cotton acres are expected to be up compared to last year's 10.23 million planted acres. This report is pivotal because its estimate will be used to forecast production for the May and June WASDE reports.



8-14 Day Precipitation Outlook



Valid: March 29 - April 4, 2024
Issued: March 21, 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 42,498 bales. On the G2B platform 109 bales traded during the week with an average price of 73.32 cents/lb. The average loan was 47.63 cents/lb bringing the average premium received over the loan to 25.69.

Ice Futures Ending 3/21/2024

	Settlement	Daily Change	Weekly Change
May '24	92.21	+0.03	-1.27
July '24	92.26	+0.14	-1.00
Dec '24	83.92	+0.12	+0.49
Mar '25	84.93	+0.35	+0.66

Adjusted World Price (AWP)

	Official 3/22 thru 3/28
AWP	72.50
LDP/MLG	0.00
2023 FCA	0.20
Coarse Count	0.00