



FEBRUARY 23, 2024

Cotton futures fell sharply during the holiday-shortened trade week but managed to recoup most of the losses.

- **The May contract reached a life-of-contract high on Friday after a busy week of trading.**
- **March futures were active as traders were clearing up or rolling positions forward leading up to the contract's First Notice Day on Friday.**
- **China returned to the marketplace this week, but the anticipated buying proved to be disappointing.**
- **May futures settled at 94.46 cents per pound, down 85 points for the week.**
- **Total open interest increased 3,833 contracts from the previous week, totaling 265,714 contracts.**

The National Cotton Council's Planting Intentions Survey estimated that the U.S. will plant 9.85 million acres.

- The NCC survey was taken from mid-December through mid-January, and cotton prices have recently moved in favor of cotton.
- As of right now, it appears that **more people agree with the 11 million acres that USDA set as the initial baseline**

NCC Planting Intentions

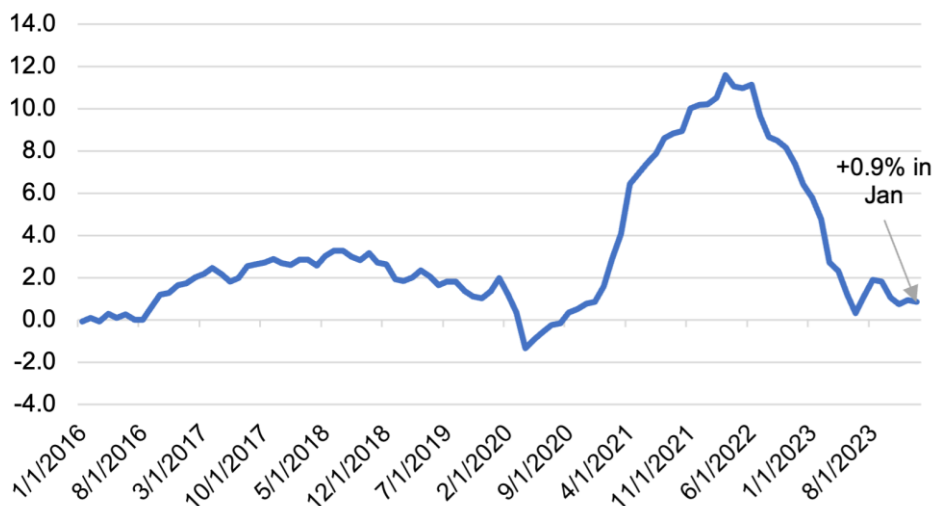
	2023 Actual <i>(Thou.) 1/</i>	2024 Intended <i>(Thou.) 2/</i>	Percent Change
Southwest	6,111	5,802	-5.2%
Kansas	112	111	-0.8%
Oklahoma	420	391	-6.9%
Texas	5,579	5,300	-4.5%
Total Acreage	10,230	9,849	-3.7%

**1/ USDA-NASS 2/ National Cotton Council*

The Dow Jones and S&P 500 posted new highs on the end-of-week rally in the stock market.

- Nvidia's sales in the fourth quarter tripled from last year, setting a record for the most significant one-day market capitalization gain and helped rally markets across the globe.
- The minutes from the January FOMC meeting indicated that **the Fed is in no rush to begin rate cuts.**
- U.S. weekly initial unemployment claims fell to a five-week low, showing a continually solid labor market.
- **U.S. Producer Price Index (PPI) increased more than anticipated in January**, rising 0.9% year-over-year and 0.3% month-over-month.

U.S. Producer Price Index

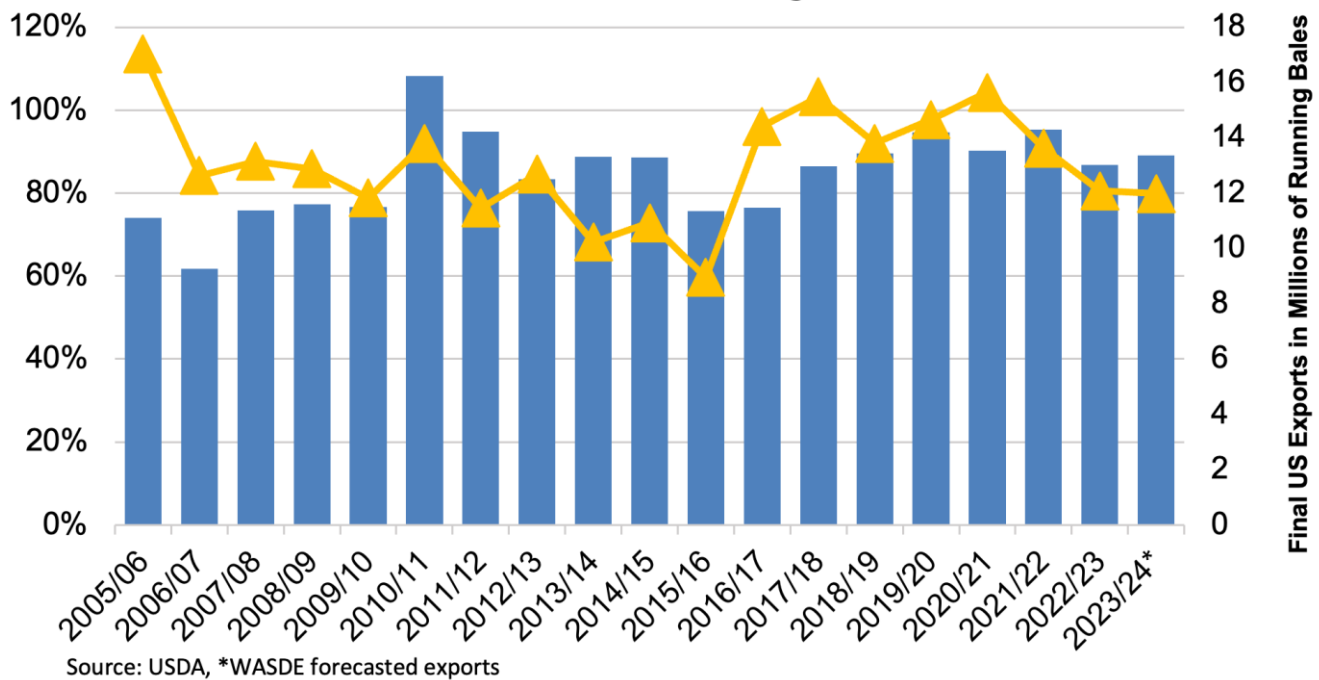


Source: U.S. Bureau of Labor Statistics

U.S. export sales slowed for the week ending February 23.

- Although the headline number is lower than usual this time of year, U.S. export sales are still above the pace needed to reach the current export estimate.
- **A net total of 130,500 Upland bales were booked** for the 2023/24 crop year.
- The biggest buyer of Upland cotton was Bangladesh, seeing as much of this reporting period was during China's holiday.
- **A total of 255,500 Upland bales were exported**, slightly below the pace needed to reach export expectations.
- A net total of 3,400 Pima bales were sold, and 3,100 bales were shipped for the week.
- New crop sales of 58,100 Upland bales are around average for this time of year.

U.S. Export Commitments as % of Final Exports Week 29 of Marketing Year



The Week Ahead

- Soil moisture maps, long-term weather reports, and planting estimates will garner more attention now that USDA and NCC have released their 2024/25 projections.
- The next official planting estimate will be USDA’s Prospective Plantings report, which will be released on March 28, 2024.
- As we advance, U.S. export sales and forward crop prices will be critical data points for fundamental traders.

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 25,121 bales. On the G2B platform, 3,220 bales traded during the week with an average price of 77.08 cents/lb. The average loan was 45.59, bringing the average premium received over the loan to 31.49 cents/lb.

Ice Futures Ending 2/22/2024

	Settlement	Daily Change	Weekly Change
Mar '24	94.20	+1.60	-0.43
May '24	94.46	+1.23	-0.85
July '24	93.62	+0.77	-1.71
Dec '24	83.49	+0.12	-1.35
Mar '25	83.54	+0.06	-1.25

Adjusted World Price (AWP)

	Official 2/23 thru 2/29
AWP	75.12
LDP/MLG	0.00
2023 FCA	1.61
Coarse Count	0.00