



JANUARY 24, 2025

A week of following headlines sparked brief reactions in the cotton market, but it remained relatively flat. With President Trump back in office and stock markets hitting new highs, all eyes are now on the upcoming reports and meetings. Will these events finally provide the direction the market has been waiting for, or will uncertainty continue to dominate? Get QuickTake's read on the week's events in five minutes.

The cotton market chased headlines this week but remained rangebound during the shortened trade week.

- The March contract closed at 67.47 cents per pound, up 47 points for the week.
- President Trump did not sign new executive orders regarding tariffs to begin his new term, which provided some support to

cotton prices. Aside from Inauguration Day and the shortened trading week, it was a relatively quiet period for news and data. The cotton market largely followed outside market trends, contributing to an overall lackluster week for cotton prices.

- Open interest increased by 11,385 contracts, bringing total open interest to 271,631. Certificated stocks were unchanged at 218 bales.

Stock markets were higher upon President Trump's return to the White House, with the S&P 500 reaching a 52-week high and its first record in 2025.

- President Trump's return to the White House was highly anticipated as people awaited his policy actions. Markets are adjusting to his new agenda, which includes signing dozens of executive orders and directives. Taxes, tariffs, energy, artificial intelligence, and immigration have dominated the news this week. Trade tariff discussions initially caused market confusion, but Trump announced he would briefly hold off on enacting new measures and expressed a preference for avoiding steep tariffs on China, which has helped boost markets.
- The U.S. dollar reacted negatively to the news about tariffs, pulling back from last week's highs. However, it remains at historically high levels. The Brazilian real has reached an 8-week high, which benefits U.S. commodities, as Brazil is one of our largest competitors. The Chinese yuan and Australian dollar have also strengthened against the U.S. dollar. The strong U.S. dollar has made it harder for the U.S. to export goods, as it increases the cost for other countries to import U.S. goods.
- With Inauguration Day now behind us, attention will turn to the upcoming Federal Open Market Committee (FOMC) meeting on January 28 and 29. Given the recent mixed

economic data, markets expect the Fed to hold off on cutting interest rates at this meeting.

U.S. Dollar vs Brazilian Real

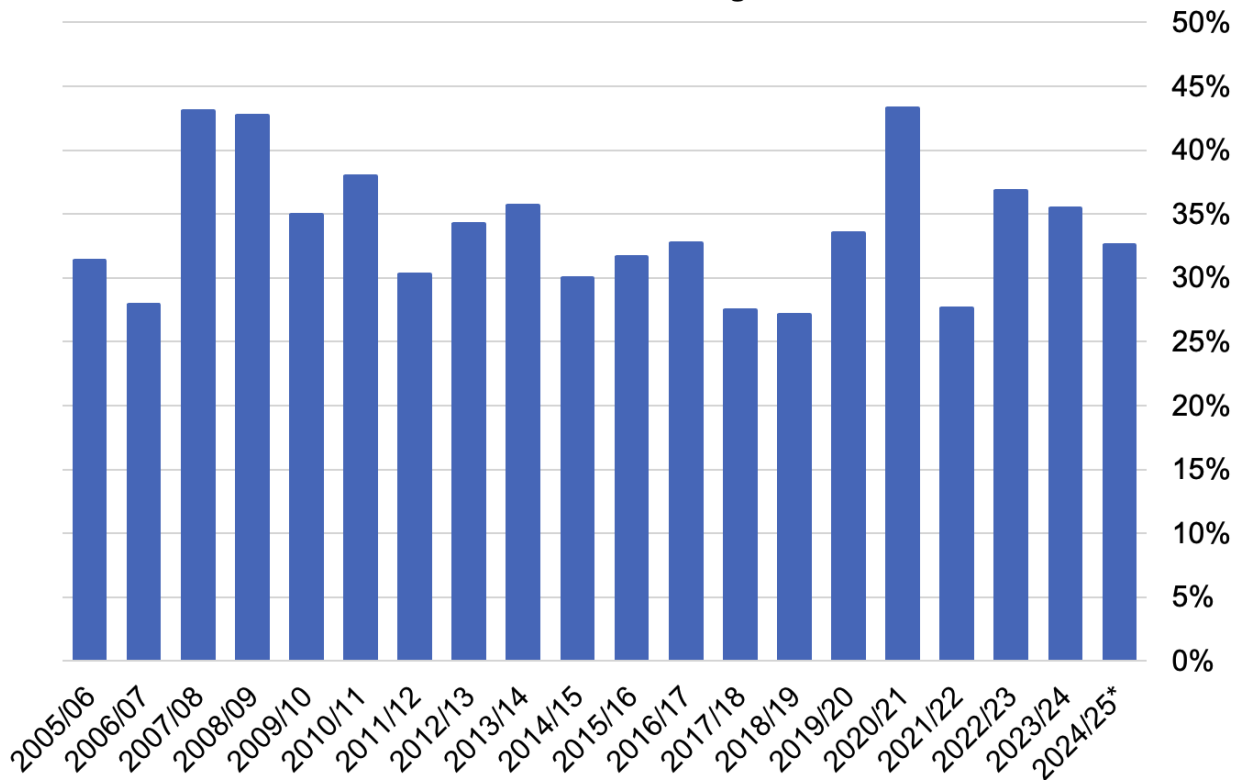


Source: ICE

The U.S. Export Sales Report was strong, with merchants reporting a marketing year high of sales and solid shipments.

- For the 2024/25 marketing year, U.S. merchants sold 348,900 Upland bales and shipped 222,500 bales. More business was done at the lower price levels, which helped improve the demand outlook for U.S. cotton. However, based on the current shipment pace, the U.S. is still not on track to meet the 11 million bale export estimate.
- Pima merchandisers sold 6,100 bales and exported 3,300 bales.

Accumulated Exports as % of Final Week 25 of Marketing Year



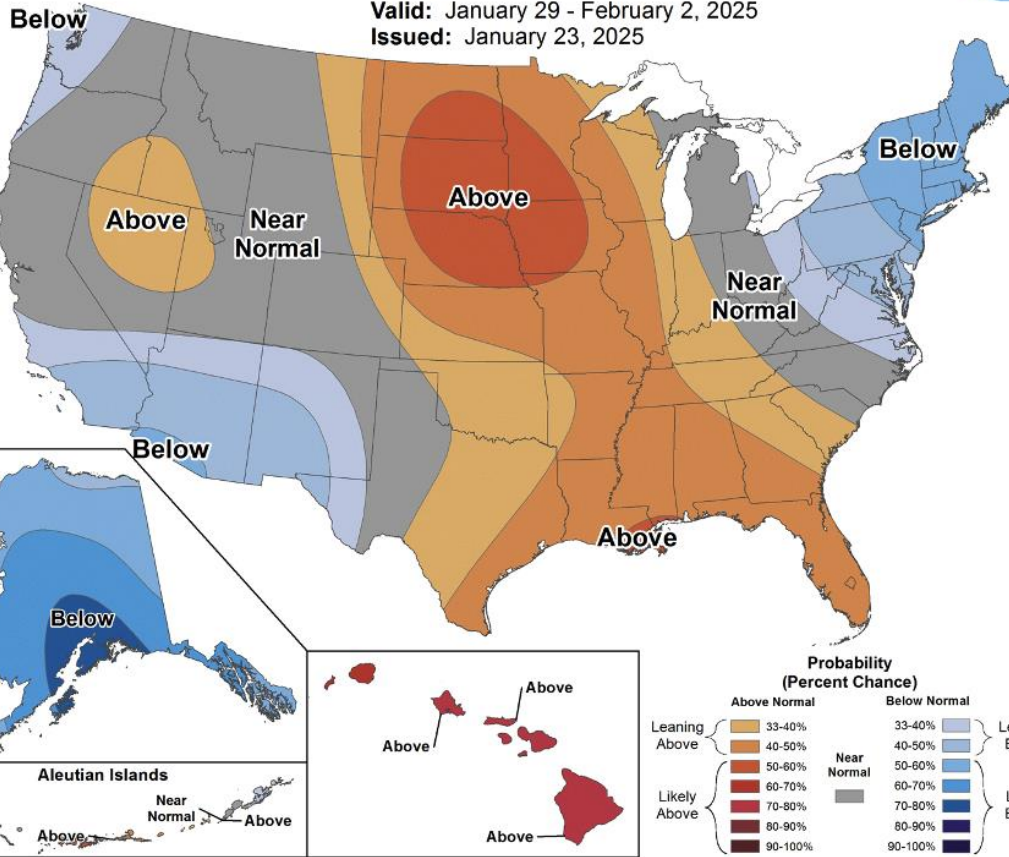
Source: USDA FAS, *relative to WASDE

The Week Ahead

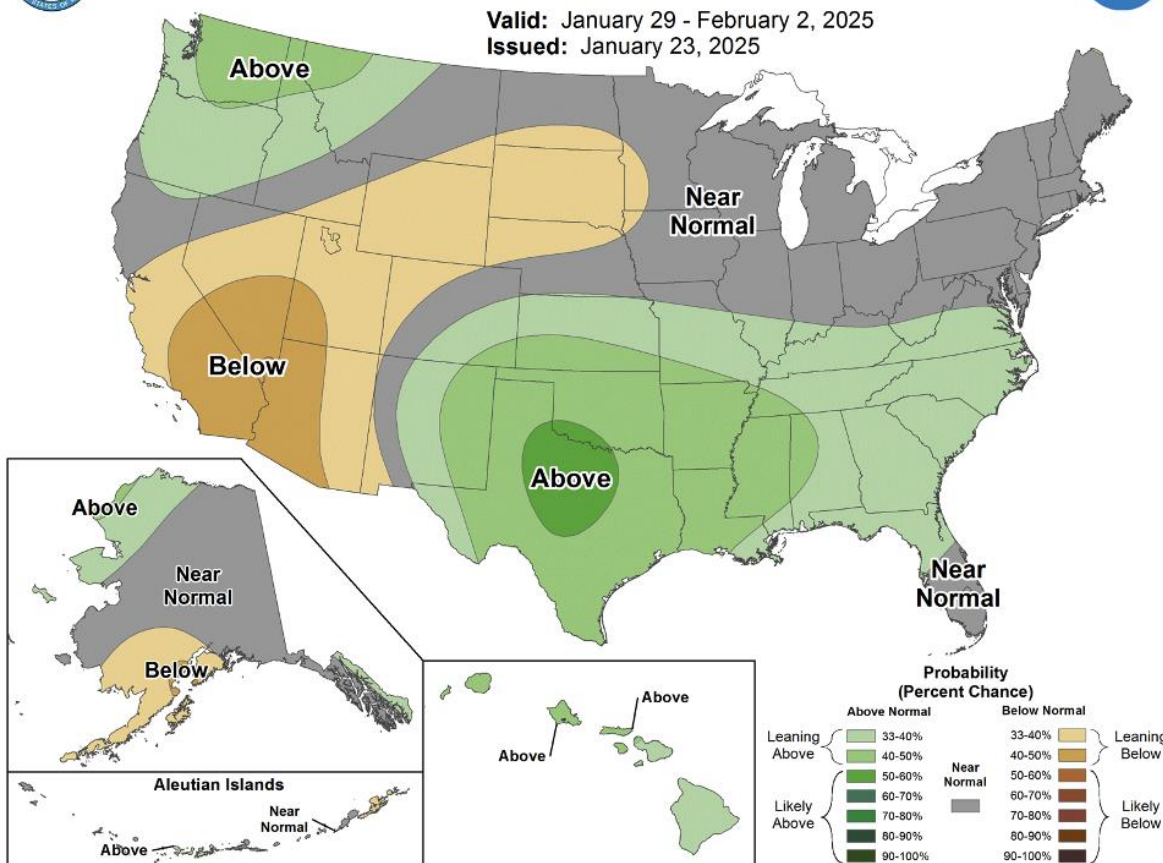
- Next week will be busier on the economic front. The FOMC meets on January 28 and 29, but interest rates are expected to remain at current levels. Additionally, updated readings on Gross Domestic Product (GDP) and Personal Consumption Expenditures (PCE) will be released on Thursday and Friday.
- China's Lunar New Year begins next week, so news and business from the country will be light. For cotton, the Export Sales Report will return to its usual Thursday morning release, and March options will expire in two weeks.



6-10 Day Temperature Outlook



6-10 Day Precipitation Outlook



Announcements

Enrollment for the U.S. Cotton Trust Protocol will be open January 6th- April 30th, 2025. Growers who are currently enrolled will need to renew their membership to continue their involvement in the program.

New Grower Enrollment for Better Cotton will be open March 3rd-May 30th.

For assistance or questions about enrolling in these programs, contact PCCA at 806-763-8011.

The Seam

As of Thursday afternoon, grower offers totaled 260,715 bales. There were 36,532 bales that traded on the G2B platform with an average price of 59.47 cents per lb. The average loan was 49.28, resulting in a premium of 10.19 cents per lb. over the loan.

Ice Futures Ending 1/23/2025

	Settlement	Daily Change	Weekly Change
Mar. '25	97.47	+0.33	+0.74
May '25	68.54	+0.26	+0.69
July '25	69.64	+0.27	+0.76
Dec. '25	69.46	+0.32	+0.93

Adjusted World Price (AWP)

	Official 1/24 thru 1/30
AWP	53.71
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00