

CONTINUOUS RISE TREND OF THE NEW YORK COTTON STOCK EXCHANGE

Cotton prices continued to rise for the fifth consecutive week, and the March position, with a close at 91.78 cents/lb, consolidated at the highest level compared to the close on September 1st, 2023 (89.79 cents/lb).

I am expecting a slight adjustment due to the absence of Chinese in the market due to the closure of the New Year Holidays from 12th to 15th February.

Last week May's open interest exceeded that of March, becoming the main contract and closed the week at 92.22 cents/lb.

According to the USDA report on global agricultural supply and demand estimates, it provided overall bullish data for the market to operate on.

The U.S. export estimate was raised to 12.3 million bales.

A decline in U.S. ending inventories reduced the inventory-to-use ratio to 19.93%, making it below 20%.

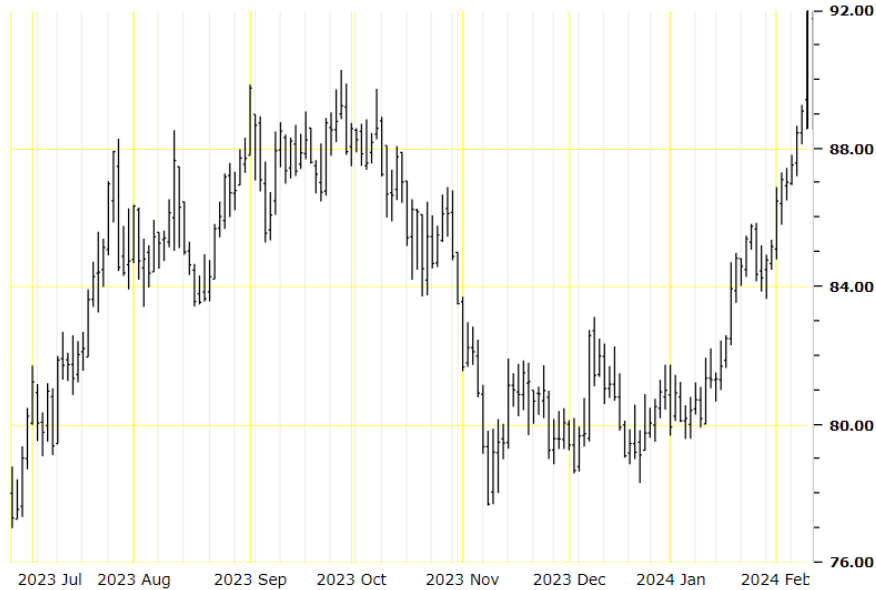
The U.S. crop was unchanged at 12.43 million bales.

Global consumption increased to 112.46 million bales, a marginal increase of 30,000 bales.

Global ending inventories decreased by 680,000 bales to 83.70 million bales.

A net total of 284,100 bales of Upland varieties were sold during the week, keeping sales above average for this time of year while a total of 248,500 bales of Upland were exported, lower than average when compared normally observes this time of year and a net total of 9,500 bales of Pima were sold and 11,900 bales shipped. The inferiority of these numbers is due to ginning data indicating a season total of 11.75 million bales in motion through February 1. This is 15% less than last year's pace and the slowest since October 2009.

NEW YORK COTTON STOCK EXCHANGE – Close February 9, 2024 – Position MARCH 2024



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ECONOMY/FINANCE and EURO/DOLLAR EXCHANGE

Claims for unemployment benefits are falling in the **UNITED STATES** and last week fell by 9,000 to 218,000. The figure is below the expectations of analysts, who were betting on 220,000.

The **DOLLAR** rose to a nearly three-month high against other major currencies as traders resigned themselves to the FED aggressively cutting interest rates this year after new economic data, cited above, further reduced this probability.

Following this, the **EURO/DOLLAR EXCHANGE** remained well below the value of 1.08 throughout the last week with a minimum peak reached last Tuesday at 1.0732 but with a very slight recovery closing last Friday at 1, 0785. The EU stock markets did not give any specific inspiration.

In **CHINA** the market and the cotton market at the Zhengzhou commodity exchange will be closed from 12 to 15 February for the Lunar New Year.

On the eve of the New Year holidays, the economy is still giving negative signals, grappling with the fear of prolonged deflation.

Consumer prices in January recorded the strongest decline in the last 15 years and the index fell by 0.8% on an annual basis compared to the same month of the previous year, a result that had not been recorded since September 2009 but on a monthly, however, it grew by 0.3%, still below expectations.

However, the Central Bank of China is injecting liquidity and has carried out 90 billion yuan (about 12.66 billion dollars) of seven-day repurchase at an interest rate of 1.8% and 255 billion yuan of repurchase 14 days forward at an interest rate of 1.95%. The People's Bank of China said in a statement that the operation is aimed at keeping liquidity stable ahead of the Chinese New Year. Repurchase is a process in which the Central Bank buys securities from commercial banks through an auction, with the agreement to resell them in the future.

Of note, the **TURKISH LIRA** hit new record lows of US\$ 30.6 in February as traders continue to evaluate the country's economic and monetary policy outlook.

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ENERGY

Natural **GAS** is confirmed to be declining on the TFT market in Amsterdam. Last Friday trading closed at 26,800 euros per MWh, almost reaching the minimum of June/July last year.

BRENT Oil in London recovered slightly, closing on Friday at USD 81.86 per barrel.

WTI Oil in New York also recovered slightly, closing last Friday at USD 76.60 per barrel

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TREND OF FIBER AND YARN PRICES IN THE MAJOR PRODUCING COUNTRIES

Cotton yarn prices continued to rise in **PAKISTAN** last week, reflecting lower operating rates in spinning mills due to increasingly higher cotton prices.

In **INDIA** the production of cotton yarn continues to increase due to export requests.

In **CHINA**, fiber and yarn prices rose last week on expectations of higher prices after the Chinese New Year holidays.

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February 12th, 2024