

## WEEKLY MARKET REPORT

March 18th, 2024

### NEW YORK COTTON FUTURES

Throughout last week, the cotton price in New York was neutral around the 95.00 cents/lb area without significant fluctuations.

However, when the weekly USDA export sales data was released indicating that for the week ending 3/7, 85,845 bales of cotton were booked, the quotation fell slightly, trading and closing last Friday at 93.94 cents/lb.

NEW YORK COTTON EXCHANGE - March 15th settlement - MAY 2024 position



The above figure is still up 65% for the week but marked the third consecutive week with bales under 100,000. Shipments instead amounted to 292,282 bales.

While these numbers are historically low, the United States is on track to meet the sales pace needed to reach the USDA estimate of 12.3 million bales.

Exceptional news is the Brazilian crop, estimated at 16.4 million bales and if the estimates prove true, it will represent a new record.

From a fundamental point of view, this week should still be calm. The weekly export sales report and certified stocks will continue to be monitored and the release of the data will certainly impact the weekend close.

The next USDA report on the official new crop planting estimate will be released on March 28, 2024.

### ECONOMICS AND FINANCE

In the USA, the consumer price index rose 0.4% in February to 3.2%, remaining above the FED's 2% target.

Producer prices, however, increased by 0.6% in February, reaching 1.6%, more than analysts had expected.

In February, retail sales were also higher and increased by 0.6% compared to the previous month but were still below expectations. The share of apparel and accessories fell 0.5% from January but increased 1.3% from last year.

This week, the focus will be the release of inflation measures and interest rates are expected to remain at their current level.

## EURO/US DOLLAR EXCHANGE RATE

During the beginning of last week, the **EURO** remained stable above the 1.09 area against the **US DOLLAR** but at the weekend traded at 1.088 due to the dollar's decline following disappointment over US inflation.

## ENERGY

The price of **NATURAL GAS** rises and in Amsterdam the **TTF** closes the week at 27.30 euros per MWh.

**CRUDE OIL** prices also rose during the week following reports of drone attacks on refineries in Russia and dwindling inventories.

**BRENT** in London closed at USD 85.35 per barrel

**WTI** in New York closed at USD 81.00 per barrel

## FIBER AND YARN PRICES

In **INDIA**, cotton fiber prices have continued to rise in the last week, causing a decline in margins in spinning mills.

In **CHINA** cotton yarn prices have fallen in the past week, due to a disappointing "peak season". Export demand for cotton yarn has also collapsed.

In **PAKISTAN** fiber and yarn prices remained stagnant last week as Ramadan approached.

## INDICATIONS

This is a service that I give to my Italian clients to serve and inform them in the best possible way.

*The text was translated with GOOGLE TRANSLATE, therefore the translation may not give a perfect meaning.*

This newsletter and all previous ones can be found in PDF format on my website in the section <https://www.tessilfibre.eu/newsletter.html>

March 18<sup>th</sup>, 2024