

## WEEKLY MARKET REPORT

March 25th, 2024

### NEW YORK COTTON FUTURES

The New York cotton exchange was on a downward trend throughout last week, closing at 91.53 cents per pound.

The downward trend was caused by sales which, although still more than necessary for this marketing year, are historically slow.

About the 2023/24 harvest, we are reaching the end of the marketing season, and the amount of cotton sold this week is only 41,756 bales, however, the peak shipments of the year have been reached, in which the United States exported 397,300 bales during the week ending March 14<sup>th</sup>. This figure exceeds by more than 100,000 bales the average rate needed to reach the USDA estimate of 12.3 million bales.

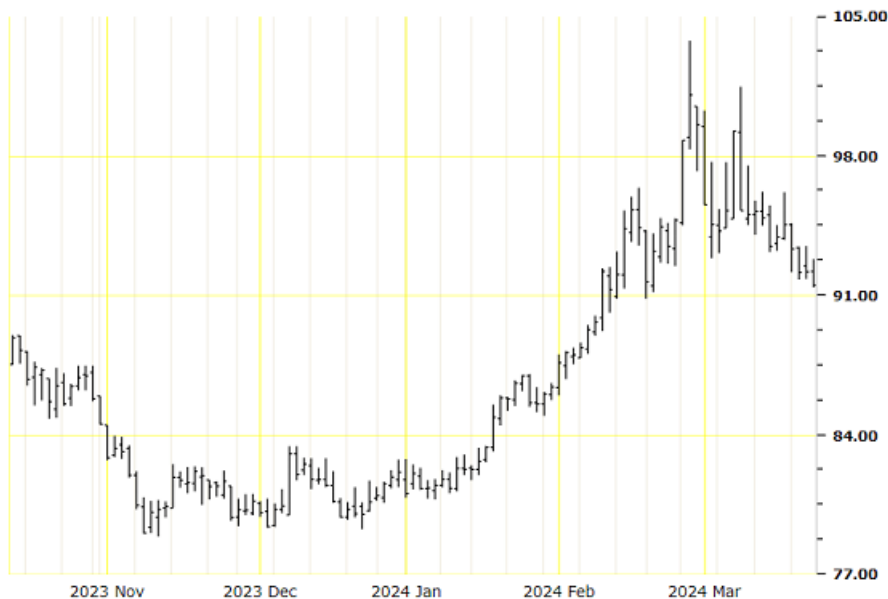
Next Thursday, March 28<sup>th</sup>, the USDA will release its new crop planting estimates report. Acres planted with cotton are expected to increase from the 10.23 million acres planted last year.

This ratio is fundamental because this estimate will be used to predict 2024/25 production and will certainly impact the trend of New York futures prices.

It is also recorded that in February, around 45% of China's cotton imports came from Brazil and 35% from the United States.

Next week will be a shortened trading week due to Good Friday.

NEW YORK COTTON EXCHANGE - March 22nd, 2024 settlement - MAY 2024 position



### ECONOMICS AND FINANCE

In **EUROPE**, in February 2024, the annual inflation rate stood at 2.6%, down from 2.8% in January. A year earlier the rate was 8.5%. This was revealed by Eurostat, the statistical office of the European Union, which thus confirms the preliminary estimate. The ECB expects interest rate cuts to begin in June.

In the **USA**, the FED leaves interest rates unchanged. The cost of money remains stuck in a range between 5.25% and 5.50%, at a 23-year high. The Fed expects three cuts in the cost of money in 2024, for a total of 75 basis points.

## EURO/US DOLLAR EXCHANGE RATE

The **US DOLLAR** had its second week of gains and the **EURO** hit a weekly low, trading last Friday at 1.0817.

## ENERGY

Following Ukrainian attacks on Russian refineries may have resulted in an estimated 7% reduction in the country's crude oil production; therefore, on March 18, crude oil reached its highest level in four months.

**NATURAL GAS** on the Amsterdam market, the **TTF** closes the week at 27.36 euros per MWh.

**BRENT** in London closed at USD 85.56 per barrel

**WTI** in New York closed at USD 80.82 per barrel

## SEA FREIGHT

Another week of decline for spot freight rates for maritime container transport.

The findings released on March 21, 2024, by Drewry in its weekly Container Index show a downward arrow on almost all routes.

Between China and Europe, the freight rate fell by 8%, reaching the value of 3,882 dollars.

## FIBER AND YARN PRICES

In **INDIA**, the prices of fibers and yarns have remained unchanged in the last week.

In **CHINA**, the yarn market is increasingly depressed due to growing uncertainties.

In **PAKISTAN**, export prices of cotton yarn increased last week, while prices of domestic yarn decreased.

## 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>