

AGW DTN Closing Cotton

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Cotton Ends Sharply Lower Tuesday

Cotton finished materially lower Tuesday.

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Cotton finished materially lower Tuesday. The market came "under fire" as the energy complex took a steep nosedive, while the U.S. dollar was higher. Traders are awaiting this week's export sales and fourth quarter GDP data on Thursday. Then into next week, traders will monitor the action of the Federal Reserve regarding interest rates. As of Tuesday, there is a 98% chance the central bank will pop rates only 25 basis points higher.

China is celebrating its Lunar New Year for the next two weeks. Much of the country will shut down as millions travel to their ancestral homes for visits with family and friends. Of course, the government expects a spike in COVID infections in the aftermath of the holiday.

Crude oil prices were lower Tuesday as concerns about a global economic slowdown heightened. A report out Tuesday, showed that U.S. business activity contracted in January for the seventh straight month. In addition, there are expectations that tomorrow's domestic oil inventory data will reveal a huge build.

Tuesday, March 2023 finished at 86.24 cents, down 1.15 cents, July settled at 87.23 cents, down 0.83 cent and December 2023 ended at 85.13 cents, 0.39 cent lower; estimated volume was 31,819 contracts.

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