

AGW DTN Closing Cotton
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Cotton Closes Sharply Higher, Perhaps Due to Weather

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The cotton market was sharply higher Monday as traders fear additional Texas yield losses will come from forecast heavy rains. In addition, an El Nino declaration was made for Australia a few days ago. Such a climate pattern typically results in hot-and-dry conditions for the Downunder Continent.

Today's updated 6- to 10- and 8- to 14-day outlooks show above-normal chances of rain for Texas. The Southeast may see some rain, as well as the U.S. Delta. Yet, traders fear copious amounts of heavy rains in Texas, at this time of year, may do more harm than good. Last week's Crop Progress Report indicated 55% of the crop had open bolls versus a 10-year average of 52%.

Monday afternoon at 4 p.m. EDT, USDA will issue its weekly crop condition and harvest data. Last week, the nation's crop was rated 29% good to excellent.

The CFTC issued its weekly Commitments of Traders Report on Friday. Its data revealed the managed money traders were net sellers of 245 contracts for the week ended Sept. 19. That bit of selling reduced their net long to 46,709 and underscores the funds' tenacity to be long.

Crude oil essentially held steady Monday after Russia relaxed its fuel ban. Apparently, Russia approved some changes to its fuel export ban, lifting the restrictions for fuel used as bunkering for some vessels and diesel with high sulphur content, a government document showed Monday. Russia's action somewhat took the edge off earlier gains, reflecting tighter supplies. However, the ban on all types of gasoline and high-quality diesel, announced last Thursday, remains in place.

Monday, December cotton closed at 88.17 cents, up 2.26 cents; March was at 88.76 cents, plus 2.01 cents; December 2024 finished at 81.46, 41 points higher. Monday's estimated volume was 36,773 contracts.

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