



Cotton Market Weekly

FEBRUARY 9, 2026

The Week Ahead

Markets are stepping into a high-impact week, with major macro releases sharing the spotlight with key commodity updates. Between CPI, the delayed jobs report, and fresh supply-and-demand estimates, there's no shortage of potential catalysts.

- Tuesday at 11 a.m. brings the latest supply and demand update. **February is typically a quieter report, but modest adjustments to exports and possibly small tweaks to the U.S. crop would not be surprising.** While the market hasn't been trading fundamentals aggressively of late, this report could still influence tone and near-term direction.
- Acreage chatter begins to build this week, with the National Cotton Council releasing one of the first of several 2026

planting projections on Thursday. It's an early read, but one that provides the market's first meaningful signal for what is on producers' minds and what lies ahead for next year's balance sheet.

- The delayed jobs report hits this week, alongside a fresh CPI reading that will help frame the inflation narrative. While the government is fully reopened, debate over DHS funding continues and could keep policy headlines in play. Together, these releases will likely influence broader risk sentiment and set the tone across asset classes.

Market Recap

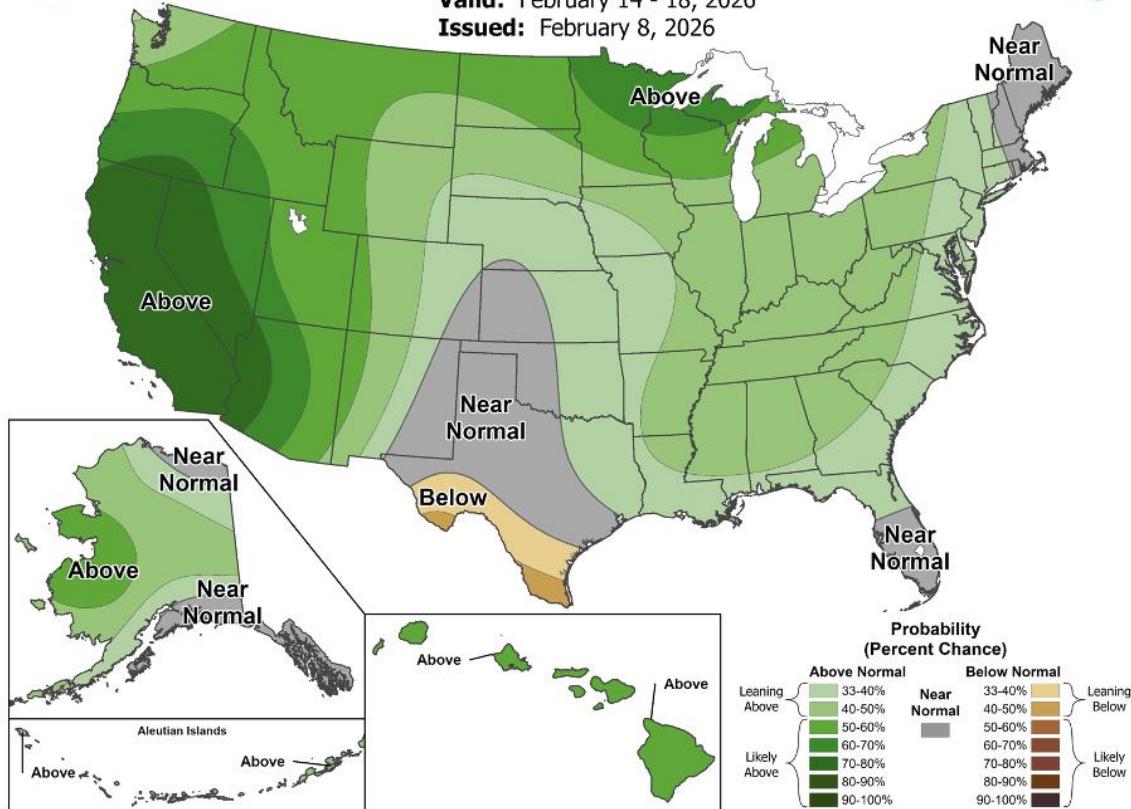
- **Cotton futures fell to fresh contract lows this past week, pressured by a technically driven selloff that accelerated the decline.** The March contract fell 211 points to settle at 61.06 cents per pound on Friday, while May declined 189 points on the week to close at 63.04 cents per pound.
- **The technical outlook for cotton remains firmly bearish.** Last week was difficult for prices, with the market closing lower every session and extending the streak to eight consecutive down days. March options expiration on Friday added to the pressure, alongside a sharp increase in certificated stocks throughout the week. The GSCI roll also began Friday, contributing to the heavy tone.
- **Even with some supportive flows in outside markets, cotton continues to struggle to find footing.** The On-Call report still reflects a notable imbalance, and the Commitments of Traders report showed specs as net sellers again. Despite oversold signals and record bearish sentiment, there has been no real bounce, and momentum remains to the downside.
- **Trading volumes were heavy throughout the week, with Friday marking the fourth-highest daily volume on record, while open interest continued to climb alongside the increased activity.** Total open interest reached record levels, increasing by 3,463 contracts to 376,259, while certificated stocks increased 67,895 bales to 93,561 bales.



6-10 Day Precipitation Outlook

Valid: February 14 - 18, 2026

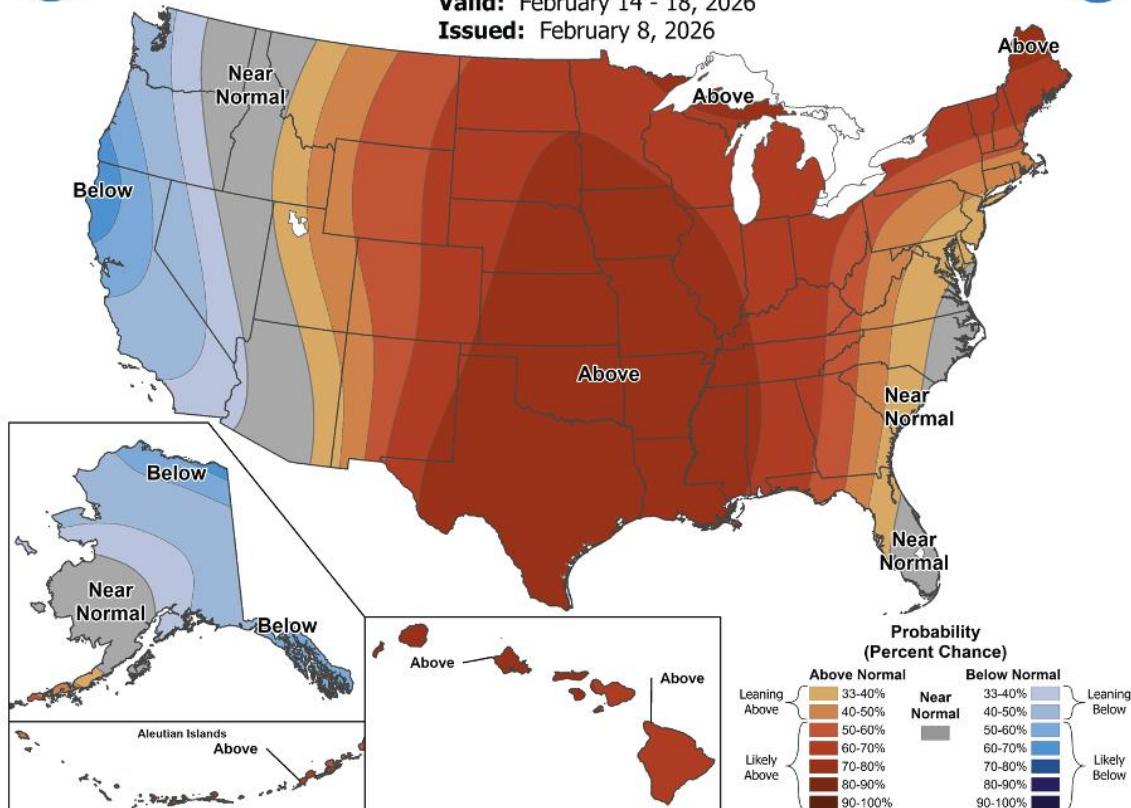
Issued: February 8, 2026



6-10 Day Temperature Outlook

Valid: February 14 - 18, 2026

Issued: February 8, 2026

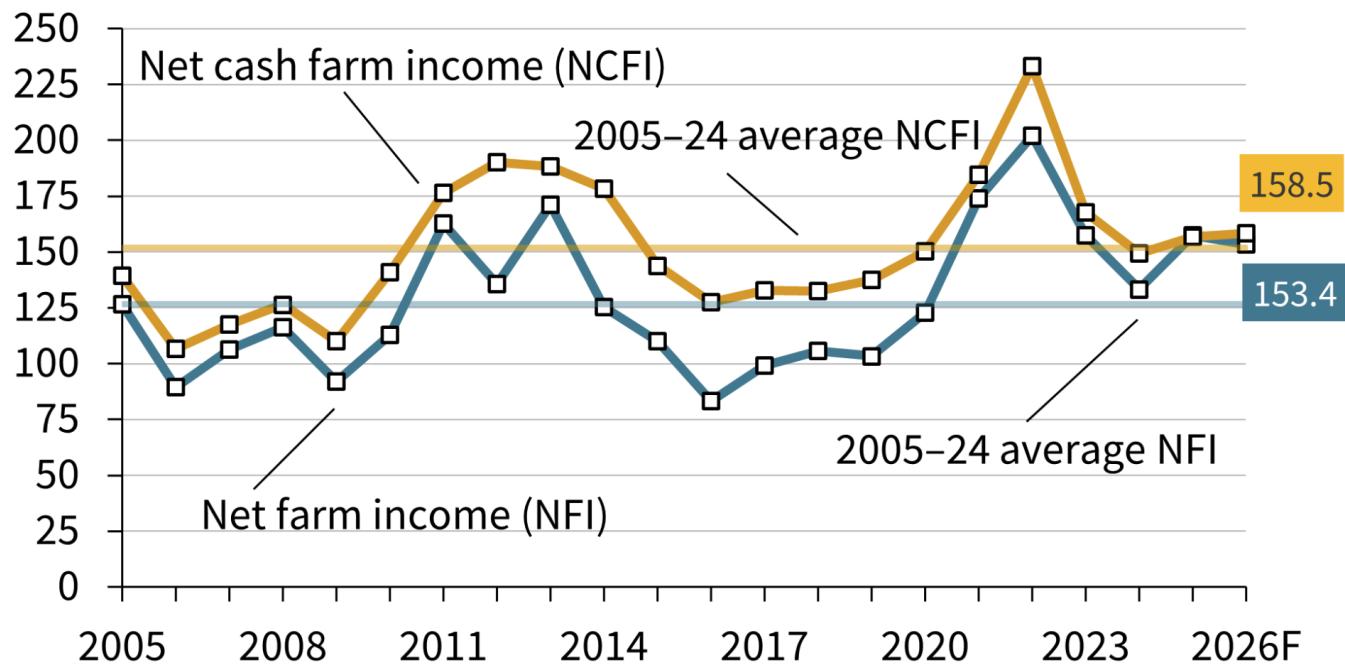


Economic and Policy Outlook

- USDA's latest update reinforces that the farm economy remains under pressure, with 2025 income revised lower and 2026 projected to soften again. **After adjusting for inflation, net farm income is forecast to decline \$4.1 billion, or 2.6 percent, in 2026, while net cash farm income is expected to rise \$1.7 billion, or 1.1%.** Cotton receipts in 2026 are projected to remain near 2025 levels at roughly \$5.4 billion. While 2026 income would still sit above the 20-year average in real terms, the broader picture reflects continued strain across most sectors, with stability still heavily reliant on government support rather than stronger commodity prices.
- Markets had plenty to sort through this past week, with sharp swings throughout, and early weakness led by commodities and technology stocks. **Gold and silver experienced wide moves, crude eased on softer geopolitical tensions and a firmer dollar, and broader risk sentiment softened as investors reassessed central bank expectations.** Concerns around AI investment and stretched tech valuations weighed on the Nasdaq, while the Dow held up better as rotation out of large-cap growth continued. Consumer sentiment improved modestly, though it remains below year-ago levels. A brief government shutdown delayed the jobs report and CPI, setting up a data-heavy week ahead.

U.S. net farm income and net cash farm income, inflation adjusted, 2005–26F

2026 dollars (billions)



Note: F = forecast; data for 2025 and 2026 are forecasts. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2026 by USDA, Economic Research Service.

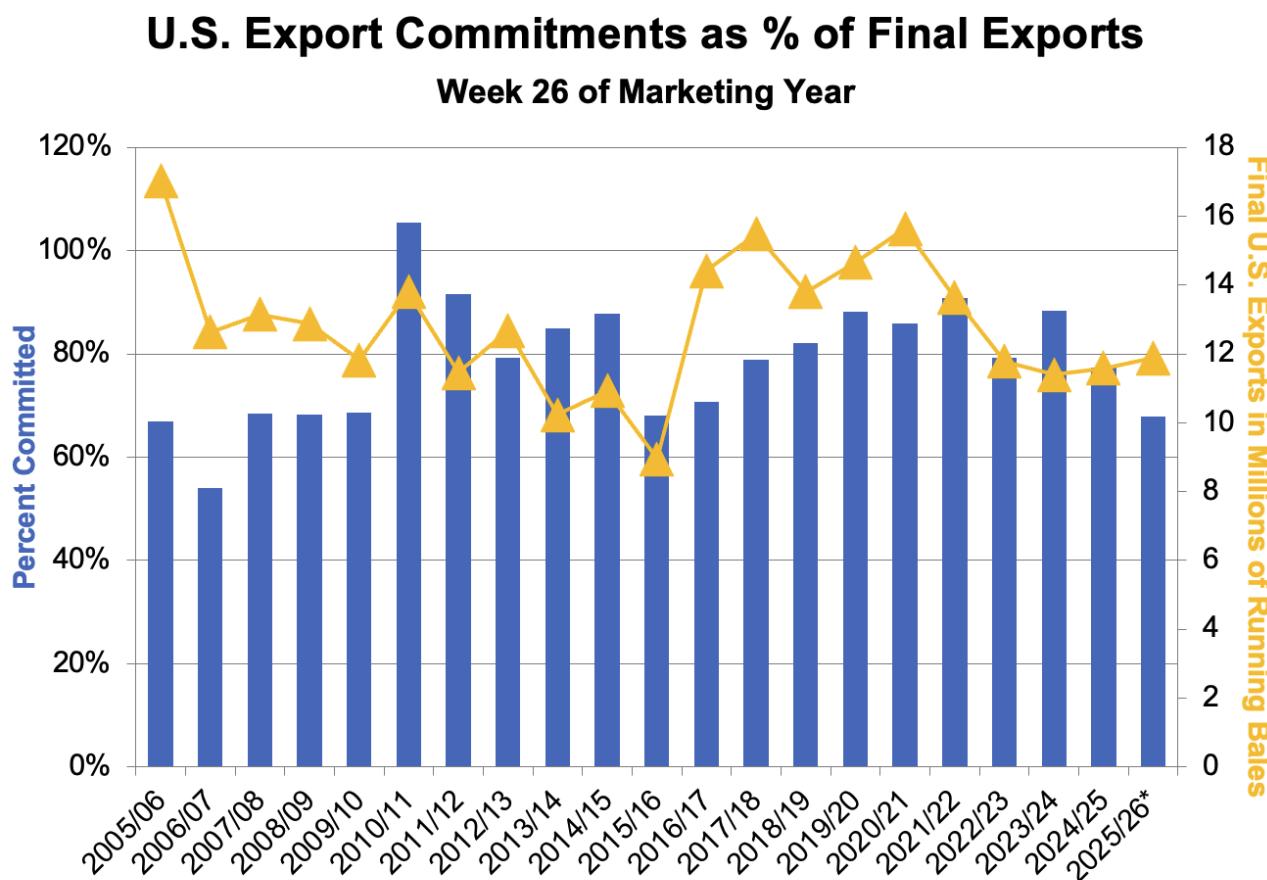
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 5, 2026.

Supply and Demand Overview

- Export sales slowed from the prior four-week average, but were still respectable for the week ending January 29. Commitments continue to remain behind the pace needed to hit USDA's current export projection. Shipments continue to trend better as well, but are still below the level needed to reach USDA's export estimate of 12.2 million bales.
- This past week, net Upland sales totaled 249,800 bales, led by purchases from Vietnam, Pakistan, and China. New crop sales were solid at 114,900 bales, while Pima net sales came in at 3,200 bales. Shipments remained active but still not quite at the pace needed, with 235,300

Upland bales exported, while Pima shipments totaled just 2,300 bales, marking a marketing-year low. Overall, it was a constructive report on paper, but the market largely brushed it aside.

- **India's textile sector received a meaningful boost this week as U.S. tariffs were reduced from 50% to 18%, improving trade flow visibility in one of the world's largest consuming markets.** A more stable and competitive Indian textile industry supports mill demand and global cotton consumption, which ultimately benefits U.S. export prospects. If broader trade agreements move forward, the improvement in demand could extend further, providing a constructive backdrop for U.S. cotton.



Source: USDA, *WASDE forecasted exports

The Seam®

- As of Friday afternoon, grower offers totaled 128,967 bales. The past week 22,423 bales traded on the G2B platform received an average price of 57.47 cents per pound. The

average loan redemption rate (LRR) was 50.49, bringing the average premium over the LRR to 6.98 cents per pound.

Note: The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).

ICE Futures Ending 2/6/2026			Adjusted World Price (AWP)		
Settlement	Daily Change	Weekly Change		Current Value	Weekly Change
Mar. '26	61.06	-0.70	-2.11		
May '26	63.04	-0.46	-1.89		
July '26	64.83	-0.43	-1.72		
Dec. '26	67.60	-0.40	-1.15		
			Adjusted World Price	49.78	-0.45
			Loan Deficiency Payment	2.22	+0.45
			Fine Count Adjustment 2025	0.00	0.00
			Fine Count Adjustment 2024	0.00	0.00
			Coarse Count Adjustment	0.00	0.00

Official 2/6/26 - 2/12/26

Sustainability Enrollment Windows

- **Enrollment for the U.S. Cotton Trust Protocol will be open from January 5 to April 30, 2026.** Growers who are currently enrolled will need to renew their membership to continue their involvement in the program. *If your gin would like to host an Enrollment Field Day during this time, please reach out to PCCA at (806)762-8011. Click here for a list of in-person sign up dates.*
- **New Grower Enrollment for the Better Cotton Initiative will be open from March 3 to May 30.** Growers interested in joining this global sustainability program should contact PCCA (806) 763-8011.