PLAINS COTTON COOPERATIVE ASSOCIATION



NOVEMBER 9, 2026

The Week Ahead

Cotton recovered last week after a difficult start to November, but the market still faces several challenges. Between the upcoming USDA supply and demand report, economic data, and the approaching December contract expiration, there is plenty to watch in the week ahead.

- **December futures finished Friday at 79.11 cents per pound, recovering from early-week losses.** The approaching contract expiration and ongoing roll into March could influence trading activity, particularly with the December/March spread still wide.
- **Tuesday's USDA supply and demand report will be a major focus.** USDA unexpectedly raised its U.S. production estimate in October, and questions remain about the size and

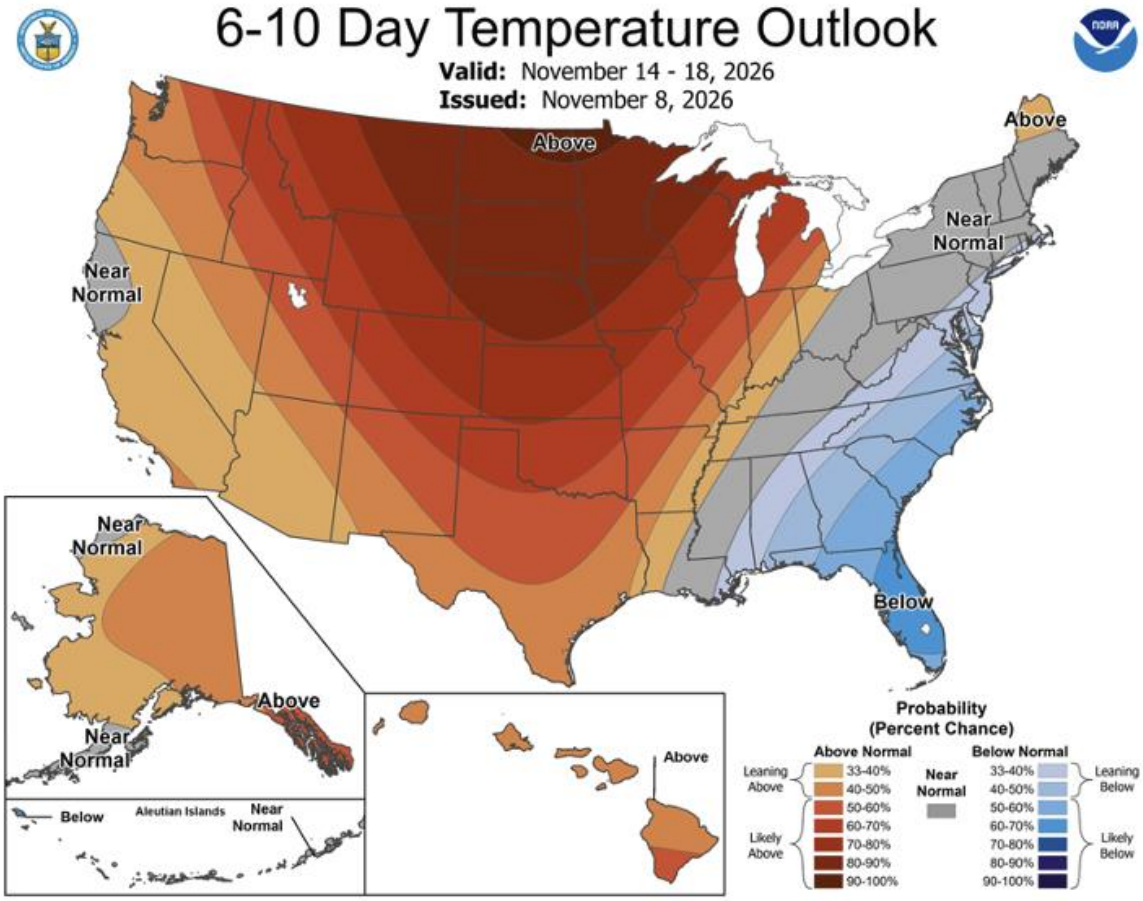
quality of this year's crop. Markets will closely watch any changes in production, consumption, or ending stocks.

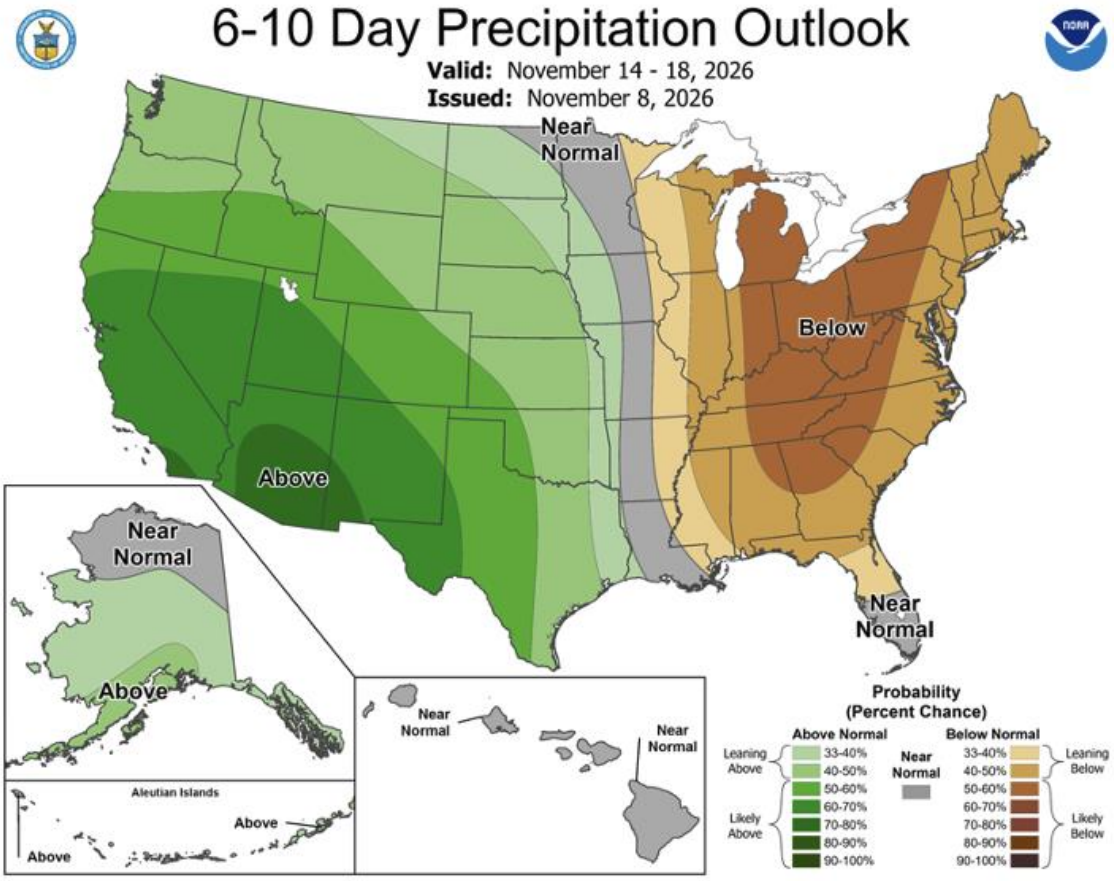
- **Inflation data scheduled for Tuesday and Friday could influence expectations for the Federal Reserve's December interest rate decision.** Last week's stronger-than-expected employment report helped strengthen the dollar, adding another potential challenge for U.S. cotton exports.
- **Last week's midterm elections brought changes to Washington that could influence agricultural legislation and trade policy.** China's potential purchases of U.S. agricultural products will also be worth watching.
- **Harvest and classing activity across West Texas will provide more insight into this year's crop.** Weather has raised questions about quality, making classing results increasingly important. Friday's export sales report will provide another look at demand, while the CFTC report is delayed until November 16.

Market Recap

- **Cotton futures were volatile last week, with December falling to 77.04 cents per pound on Tuesday before recovering to finish Friday at 79.11 cents, a gain of 128 points for the week.**
- **March futures gained 120 points to settle at 82.79 cents per pound, with March open interest surpassing December for the first time as traders shifted into the new front-month contract.** Broader commodity weakness, lower energy prices, and a stronger dollar contributed to early selling pressure.
- **Wednesday brought a turnaround following the midterm elections, with December gaining 107 points as financial markets reacted positively to the results.** Cotton held those gains through the remainder of the week despite renewed weakness in stock markets, helped in part by encouraging export sales and buying interest at lower prices.

- **Brazil is still an important factor.** The weaker Brazilian real has made its cotton more competitive internationally, and Brazilian exporters are actively competing for business. With the U.S. harvest adding supplies to the market, that competition could limit how much upward momentum cotton can find in the near term.
- **The December/March spread also attracted significant attention, reaching a new contract low of 390 points on Thursday before narrowing to 368 points by Friday.** The Rogers Index completed its roll on Monday, while the Goldman Sachs Index began rolling on Friday, adding to trading activity as positions shifted from December into March ahead of contract expiration.
- **Although the recovery was a welcome change, cotton still faces resistance near its major moving averages.** There is plenty of supply to work through, but the buying interest at lower prices is a positive sign. We may need more time before the market finds sustained upward momentum, particularly as December comes off the board.





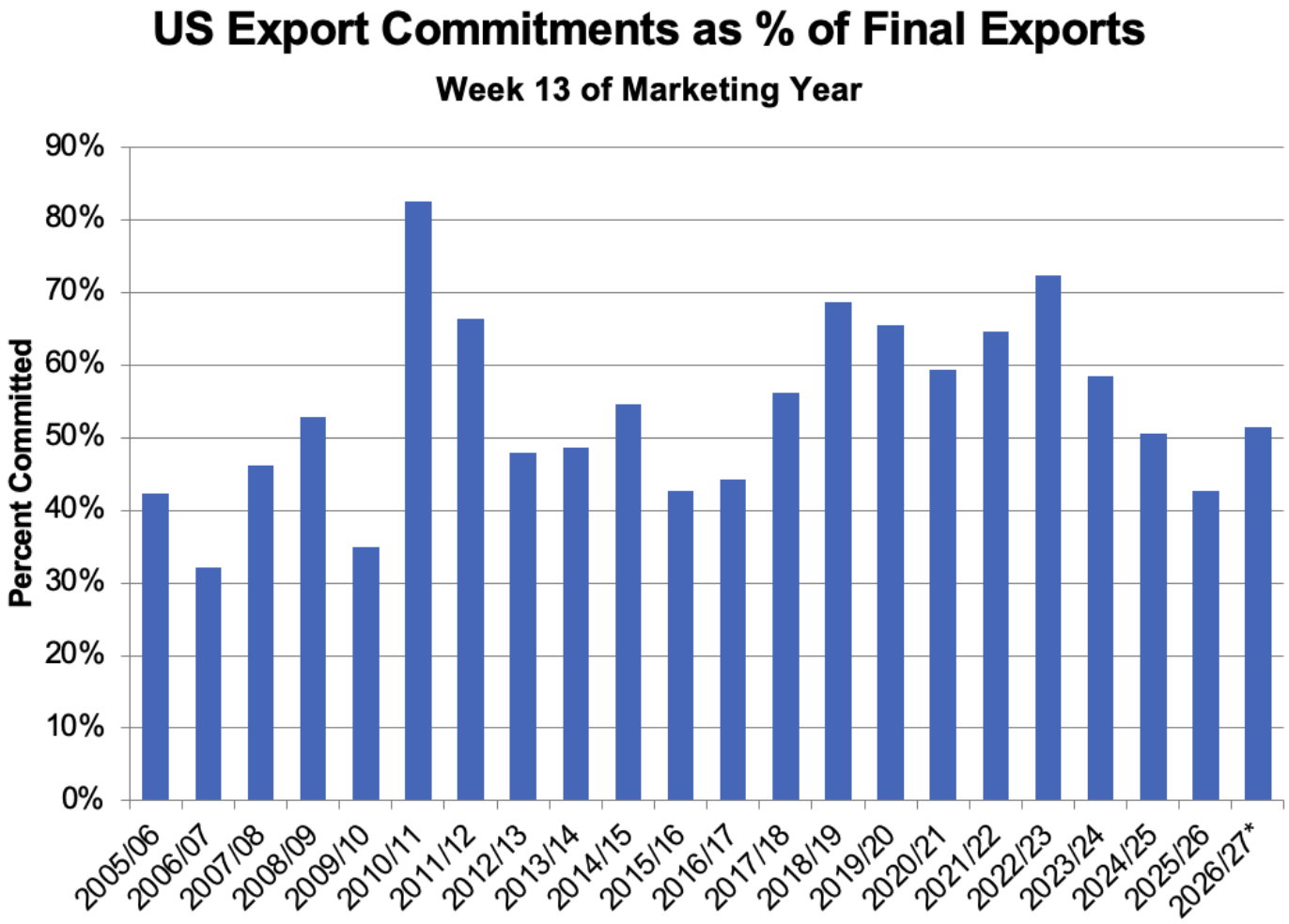
Economic and Policy Outlook

- **Last week's midterm elections brought a significant shift in Washington, with Democrats gaining control of Congress.** The results could reshape the legislative agenda heading into 2027, particularly for agriculture and trade policy. For cotton, the outlook for legislation such as the Buying American Cotton Act is less certain, particularly with several of its supporters losing their reelection bids. While the legislation has attracted bipartisan support, there is no clear path toward it becoming law.
- **China also extended its trade truce with the U.S. through January 10, suspending additional retaliatory tariffs and special port fees on U.S. vessels.** However, tensions have resurfaced over China's existing trade commitments, with U.S. officials pressing for concrete action on agricultural purchases. The two countries are expected to meet again later this month, but the cotton market will need to see actual purchases, not additional promises, before demand expectations improve.

- **On the economic front, the U.S. added 165,000 jobs in October, well above expectations of 70,000, while unemployment fell to 4.1%.** Average hourly earnings also increased 0.4% for the month. The stronger labor market could give the Federal Reserve more reason to hold interest rates higher for longer, particularly with inflation still above its target.
- **The dollar strengthened following Friday's employment report, making U.S. cotton less competitive overseas.** This week's inflation data will be another important factor in shaping expectations for the Fed's December meeting.

Supply and Demand Overview

- **For the week ending October 29, Upland net sales for 2026/27 totaled 277,500 bales, up 28% from the previous week and 53% above the prior four-week average. Vietnam led purchases with 200,500 bales, followed by Pakistan and Turkey.**
- **Weekly Upland shipments fell to a marketing-year low of 137,800 bales, down 14% from the previous week and 16% below the four-week average.** Vietnam, Mexico, and Pakistan were the leading destinations.
- **The increase in sales was encouraging, particularly as buyers showed greater interest at lower prices.** Shipments were lighter this week, but export commitments are running ahead of last year's pace. With Brazil actively competing for business, maintaining that buying interest will be important in the months ahead. We'll be watching to see if the recent improvement in sales translates into stronger shipments in the coming weeks.
- **Pima net sales totaled 6,400 bales, led by India and Bangladesh.** Weekly Pima shipments reached 7,100 bales, up noticeably from the previous week and 18% above the four-week average, with Bangladesh, India, and Vietnam receiving the largest volumes.



*Source: USDA, *relative to WASDE forecasted exports*

The Seam®

- **As of Friday afternoon, grower offers totaled 10,811 bales.** The past week, 3,172 bales traded on the G2B platform received an average price of 73.71 cents per pound. The average loan redemption rate (LRR) was 55.01, bringing the average premium over the LRR to 18.70 cents per pound.
- ***Note:*** *The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).*

ICE Futures Ending 11/06/2026

	Settlement	Daily Change	Weekly Change
December '26	79.11	+0.40	+1.28
March '27	82.79	+0.24	+1.20
May '27	84.35	+0.29	+1.12
July '27	84.75	+0.26	+1.02

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	63.57	-0.94
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 11/06/26 - 11/12/26