



**JUNE 29, 2026**

### **The Week Ahead**

**Cotton enters a holiday-shortened week with several major market-moving events on the calendar. Industry watchers are eager to get their hands on Tuesday's USDA Acreage Report, followed by Thursday's U.S. Nonfarm Payrolls report, which are expected to drive both fundamental and macro sentiment.**

- **Tuesday's USDA Acreage report will be the market's primary focus.** Expectations are generally centered around U.S. cotton planted acreage remaining near the March estimate of 9.6 million acres, though any meaningful deviation from that figure could trigger increased volatility and reshape expectations for the 2026/27 crop. It's also

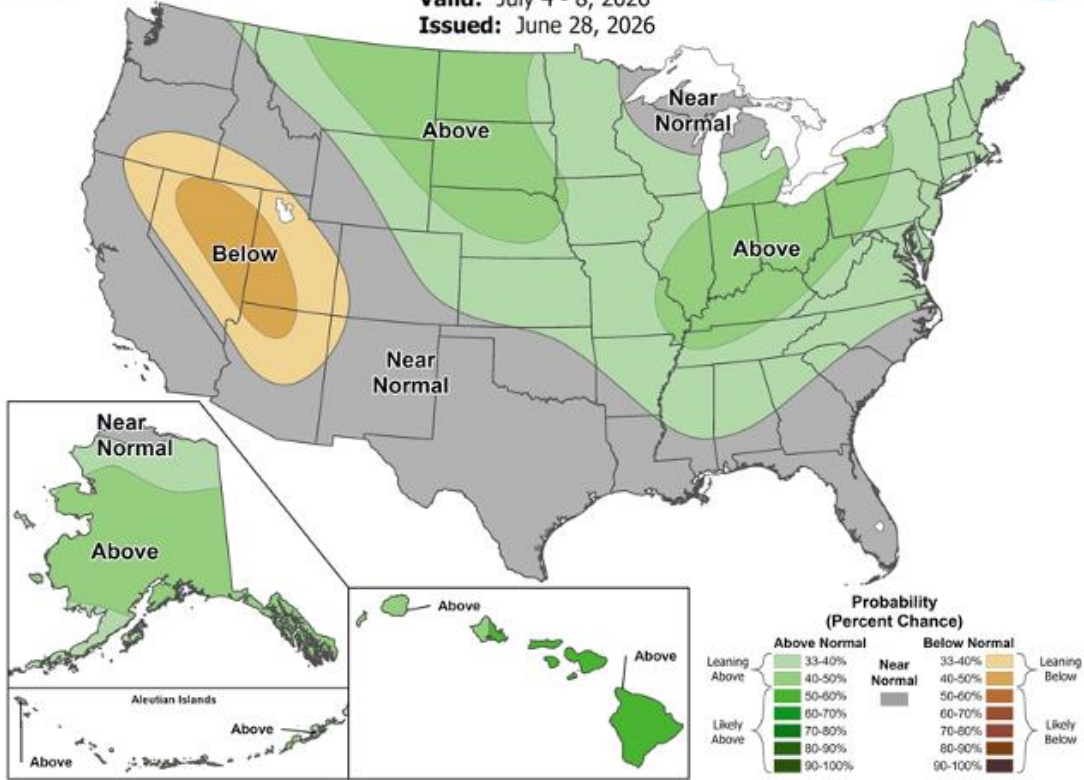
possible that competing crop dynamics may have pushed the total higher. If so, buckle up

- **Thursday's Non-farm Payrolls report will be closely watched, with stronger-than-expected employment likely to support the dollar and weigh on agricultural markets.**
- **The macroeconomic environment remains a headwind for commodities.** Crude oil moved sharply lower last week, though markets continue to monitor ever-changing developments between the U.S. and Iran. Meanwhile, the U.S. dollar is near 13-month highs as markets price in a more hawkish Federal Reserve.
- **Weather forecasts look favorable across much of the U.S., with rainfall expected in several growing regions.** The primary watchpoint is still above-normal temperatures across parts of the Southwest, especially given the crop's early stage of development and limited soil moisture at the start of the season.
- **U.S. markets will be closed on Friday in observance of Independence Day.** Following this week's reports, attention will quickly shift to the July 10 USDA WASDE report and any developments surrounding potential U.S.-China trade discussions.



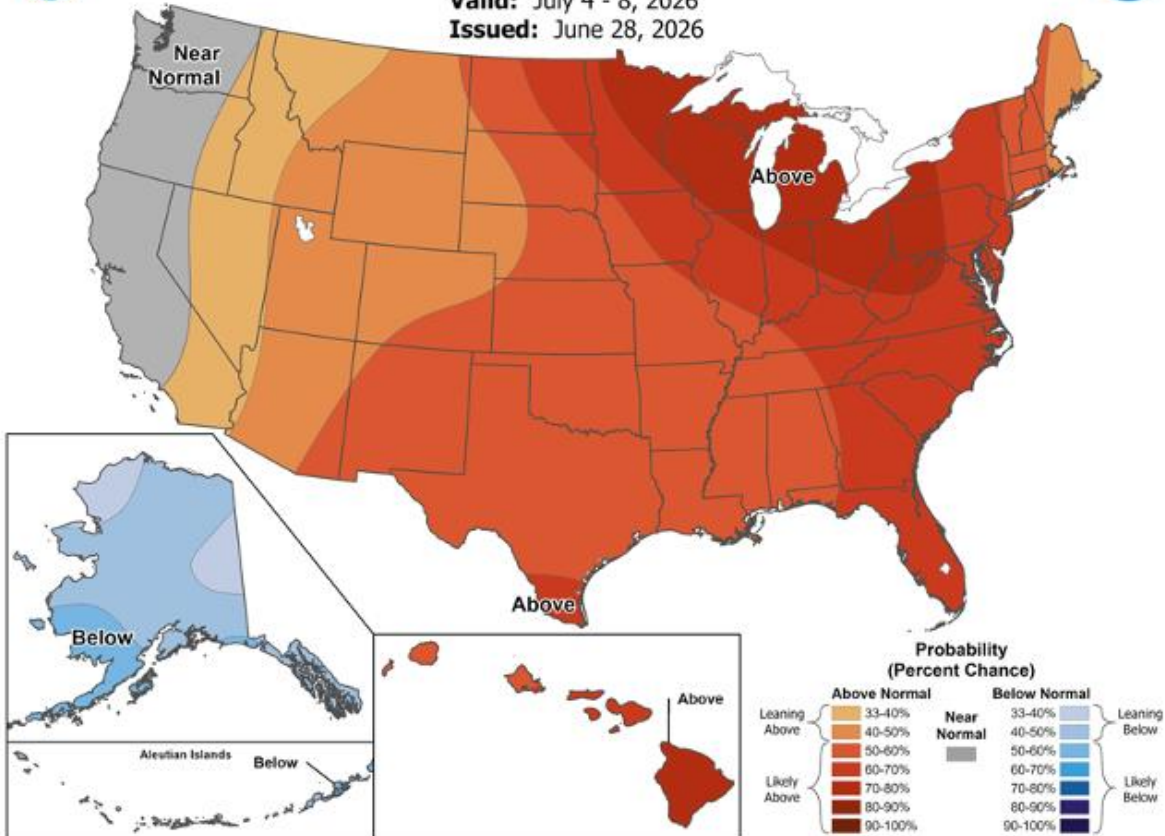
# 6-10 Day Precipitation Outlook

Valid: July 4 - 8, 2026  
Issued: June 28, 2026



# 6-10 Day Temperature Outlook

Valid: July 4 - 8, 2026  
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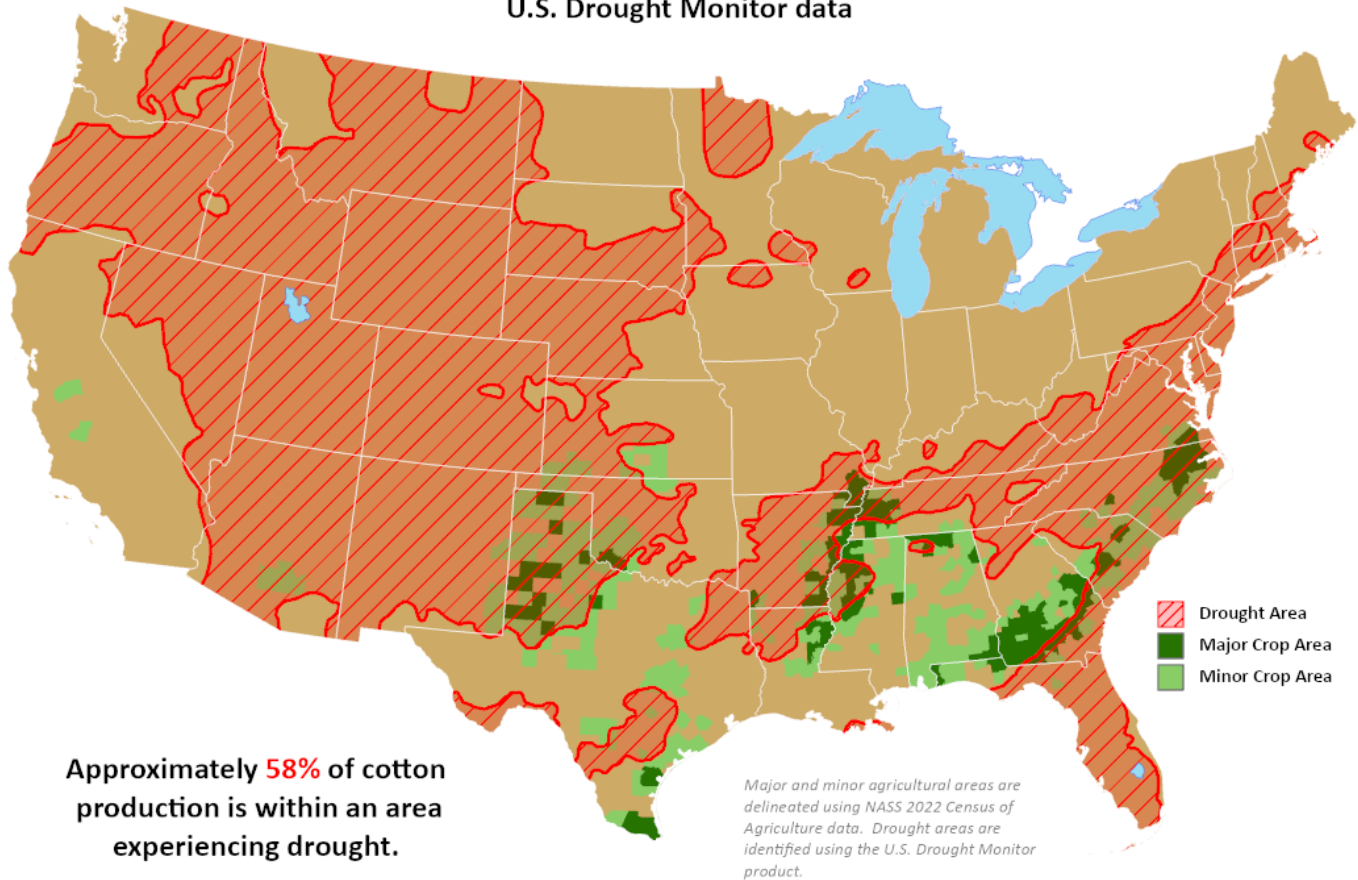


## Market Recap

- **Cotton futures were pressured last week as a stronger U.S. dollar, weaker crude oil prices, and friendly weather continued to weigh on commodity markets.** While futures recovered modestly late in the week, the broader macro environment remained the dominant influence.
- **By Friday's close, December futures settled at 76.38 cents per pound, down 329 points on the week.** Most of the weakness occurred early as a firmer U.S. dollar, declining energy prices, and improving weather forecasts pressured the commodity sector before prices stabilized ahead of this week's key USDA reports.
- **Fund positioning continued to improve. After several weeks of aggressive liquidation, speculative positioning has become more balanced, reducing the risk of another wave of fund selling.** Friday's CFTC Commitments of Traders report showed that managed money returned to modest net buying during the latest reporting week, suggesting selling pressure eased over the past week.
- **Beneficial rainfall continued across portions of the Mid-South and Southeast, while scattered showers reached parts of West Texas.** However, forecasts call for the triple-digit heat dome across portions of the Southwest, keeping attention on crop development in areas that entered the season with limited soil moisture.
- **Meanwhile, the share of the U.S. cotton growing areas in drought fell to 58%, down from nearly 98% just over a month ago.** The significant improvement in overall moisture conditions has reduced much of the broad weather premium that had supported the market, though the Southwest remains an area to watch as the crop develops.

## ***Cotton Areas in Drought***

Reflects **June 23, 2026**  
U.S. Drought Monitor data



### **Economic and Policy Outlook**

- **Last week, macroeconomic developments pressured commodity markets.** May's PCE inflation report came in hotter than expected, reinforcing the view that interest rates are likely to remain higher for longer and helping keep the U.S. dollar near 13-month highs.
- **At the same time, a sharp selloff in technology stocks weighed on overall market sentiment as investors reduced exposure to some of the year's biggest winners.** Consumer spending was resilient despite higher prices, though sentiment stayed near historic lows and the U.S. trade deficit widened as exports pulled back.
- **Crude oil prices fell sharply last week as vessel traffic through the Strait of Hormuz improved, and Middle**

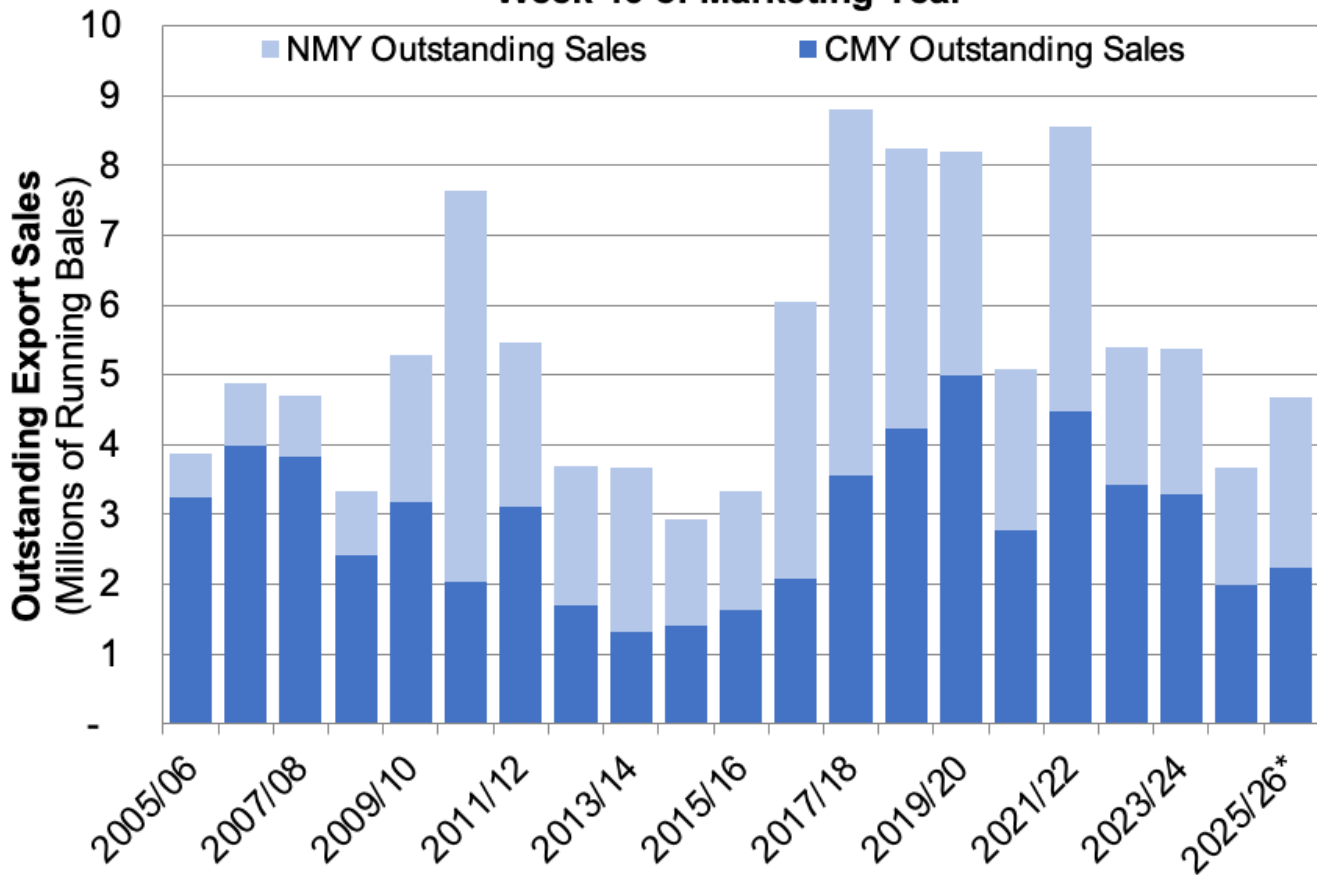
**Eastern producers restored exports, convincing traders that the conflict was unlikely to result in a prolonged supply disruption.** While renewed attacks briefly lifted prices late in the week, reports over the weekend that the U.S. and Iran agreed to halt retaliatory strikes and resume talks reinforced the market's view that disruptions to global oil flows will be limited. The constant shift in crude oil headlines spilled over into cotton prices, adding another layer of pressure to an already cautious market.

## **Supply and Demand Overview**

- **Overall, this week's Export Sales Report was mixed, with current crop sales falling short of recent levels while exports were strong.** Upland sales totaled just 83,900 bales for the current marketing year, down 53% from the previous week and 54% below the four-week average. Vietnam, India, and Bangladesh led buying activity. New crop sales totaled 67,100 bales, led by China, Guatemala, Vietnam, El Salvador, and Indonesia. While lower than recent weeks, forward commitments for the 2026/27 marketing year reflect healthy demand for U.S. cotton.
- **Exports reached 300,200 bales, up 20% from the previous week and 6% above the four-week average.** Shipments once again exceeded the pace needed to meet USDA's 12.2 million bale export forecast, providing encouragement despite the weaker sales performance. Cumulative export commitments are supportive as the market works through the final weeks of the marketing year.
- **Pima activity also softened, with sales totaling 4,300 bales and exports reaching 7,800 bales.**

# US Outstanding Export Sales

Week 46 of Marketing Year



Source: USDA, \*Current Year Production

## The Seam

- As of Friday afternoon, grower offers totaled 944 bales. The past week, 61 bales traded on the G2B platform received an average price of 61.40 cents per pound. The average loan redemption rate (LRR) was 49.40, bringing the average premium over the LRR to 12.00 cents per pound.

### ICE Futures Ending 6/26/2026

	Settlement	Daily Change	Weekly Change
July '26	76.38	-0.59	-3.29
December '26	77.74	-0.55	-3.31
March '27	78.70	-0.52	-3.26
May '27	78.64	-0.49	-3.13

### Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	63.88	+1.51
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 6/26/26 - 7/2/26