PLAINS COTTON COOPERATIVE ASSOCIATION



NOVEMBER 2, 2026

The Week Ahead

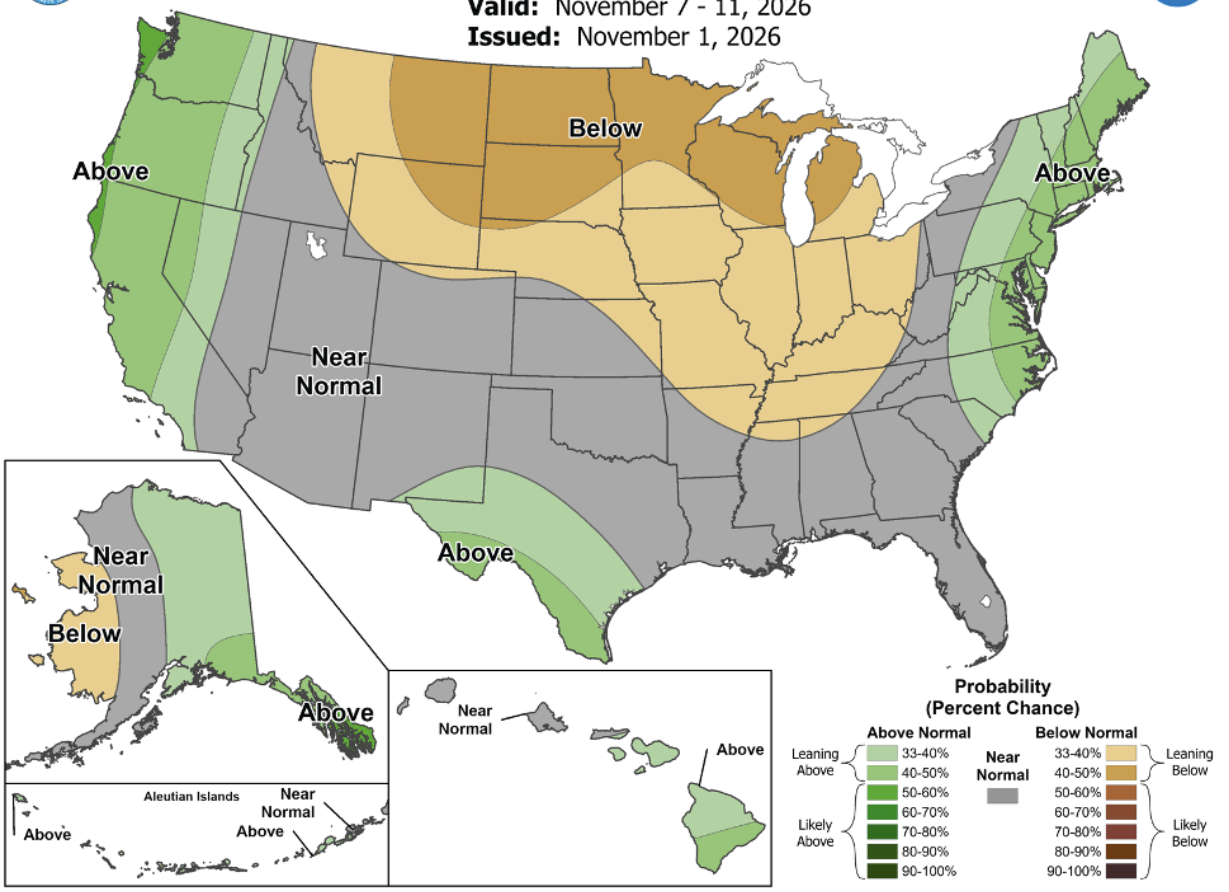
Cotton heads into November under pressure, with several economic and market developments that could influence prices in the coming weeks. Between upcoming reports, trade policy uncertainty, and harvest concerns, there is plenty for the market to work through.

- **December futures are struggling to find support after a difficult week, with prices trading below their major moving averages.** The upcoming contract roll could add to market activity as traders shift into March. While there have been some encouraging signs of buying interest at lower prices, cotton has struggled to find much upward momentum.

- **Tuesday's midterm elections and a busy week of employment data, including Friday's jobs report, could influence the dollar and expectations for the Fed's December decision.** The election may also provide some direction on trade and farm policy, while potential discussions between the U.S. and China later this month could be worth watching for developments related to cotton.
- **Attention is also turning to the November WASDE report on November 10.** USDA surprised the market with an increase in U.S. production last month, and questions about the size of this year's crop have not gone away. Any adjustments to U.S. production and global supply estimates will be closely watched as more harvest information becomes available.
- **India also extended its cotton import duty exemption through December 31, a positive development for trade.** India has a growing need for imported cotton, although shipping times may limit how much additional business develops before the exemption expires. Even so, the extension provides another opportunity for exporters competing for Indian demand.
- **Recent rains have slowed harvest in parts of West Texas, adding another layer of uncertainty to the U.S. crop outlook.** As more cotton is picked and classed, we'll get a better idea of whether the weather has affected yields, quality, or both. Monday's crop progress update and Thursday's export sales report will provide another look at how supply and demand are shaping up.

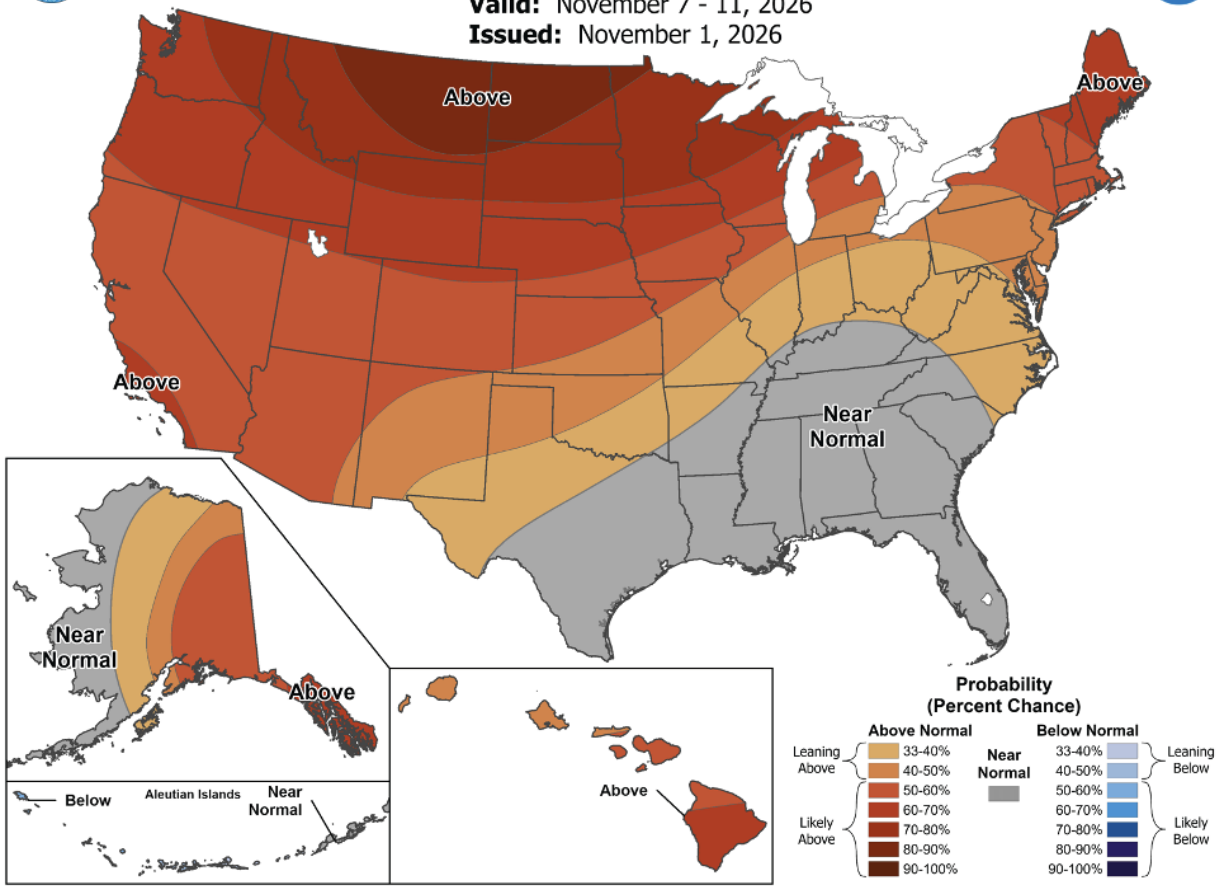
6-10 Day Precipitation Outlook

Valid: November 7 - 11, 2026
Issued: November 1, 2026



6-10 Day Temperature Outlook

Valid: November 7 - 11, 2026
Issued: November 1, 2026



Market Recap

- **Cotton prices struggled last week, with December futures losing 237 points to finish Friday at 77.83 cents per pound.** The week started with a sharp decline in the Brazilian real following President Lula's reelection, making Brazilian cotton more competitive and encouraging additional selling from Brazil.
- **With Brazilian exporters already actively competing for business, the currency movement added another layer of pressure to U.S. cotton.** December lost more than 200 points over Monday and Tuesday alone, setting the tone for the week.
- **Attempts to recover didn't hold, and December closed below its 200-day moving average near 78.43 cents per pound.** Friday's sharp sell-off in technology stocks, driven by concerns over AI spending and corporate earnings, also weighed on broader market sentiment and likely added to the pressure on cotton.
- **The technical picture has weakened, with prices now below the major moving averages.** The wide December/March spread and approaching contract roll could also influence trading activity as December approaches expiration.
- **Friday's CFTC report showed speculative and index traders selling, while commercial buyers stepped in at lower prices.** That contrast is worth watching, particularly since commercial buying has been fairly consistent even as futures have moved lower. While broader selling pressure has had the upper hand lately, the buying interest at these levels is encouraging and could help provide some support once the current pressure eases.
- **There may still be some volatility to work through as December comes off the board, especially with Brazil actively selling and harvest adding more cotton to the market.** However, we're still encouraged about the outlook further out. As the market works through current supplies and

the size and quality of the U.S. crop become clearer, there is reason to believe the supply and demand picture could tighten in the months ahead.

Economic and Policy Outlook

- **The Federal Reserve held interest rates steady last week at 3.75% to 4.00%, signaling that upcoming economic data will help guide its next decision.** Inflation is still above the Fed's 2% target.
- **September's core PCE inflation rose 0.3% for the month, in line with expectations, while headline PCE increased 0.5% and was up 3.6% from a year earlier.** Personal spending rose 0.5%, but inflation-adjusted spending was flat, suggesting higher prices are limiting real spending growth.
- **The U.S. economy grew at a stronger-than-expected 3.4% annualized pace in the third quarter, supported by consumer spending.** Stronger growth alongside persistent inflation could give the Fed reason to be patient, keeping interest rates and the dollar important factors for U.S. cotton's competitiveness overseas. Oil prices have also eased from last week's highs as diplomatic efforts around Iran have eased some immediate supply concerns.

Supply and Demand Overview

- **For the week ending October 22, Upland net sales for 2026/27 totaled 216,500 bales, up 8% from the previous week and 21% above the four-week average.** China led purchases with 52,100 bales, followed by Turkey and Vietnam. Another 38,300 bales were booked for 2027/28, with Indonesia accounting for the largest share.
- **Weekly Upland shipments reached 160,800 bales, down 18% from the previous week and slightly below the four-week average.** Vietnam was the leading destination, followed by Pakistan and Turkey.
- **While export sales have shown some improvement recently, shipments have been less consistent.** There is still ground to make up to reach USDA's export projection,

and we'll need to see a stronger pace of shipments as the marketing year progresses.

- **Pima sales were especially quiet at just 100 bales, all for Pakistan, down 95% from the previous week.** Shipments totaled 3,300 bales, down 56%, with India accounting for the majority of exports, followed by Bangladesh.
- **Overall, the sales numbers were encouraging, especially with China showing greater interest, but the shipment pace is still something to watch.** With plenty of cotton available globally and Brazil actively competing for export business, stronger and more consistent demand will be important in the months ahead.



*Source: USDA, *Current Year USDA Production*

The Seam®

- **As of Friday afternoon, grower offers totaled 11,522 bales.** The past week, 730 bales traded on the G2B platform received an average price of 70.38 cents per pound. The

average loan redemption rate (LRR) was 53.95, bringing the average premium over the LRR to 16.43 cents per pound.

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

ICE Futures Ending 10/30/2026

	Settlement	Daily Change	Weekly Change
December '26	77.83	-0.67	-2.37
March '27	81.59	-0.66	-2.35
May '27	83.23	-0.63	-2.38
July '27	83.73	-0.60	-2.36

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	64.51	-0.50
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 10/30/26 - 11/05/26