



**JUNE 15, 2026**

## **The Week Ahead**

**Cotton futures found some support late last week, though traders will continue to navigate a holiday-shortened week and a busy economic calendar.**

- **Wednesday's Federal Reserve meeting and Kevin Warsh's first press conference will be the primary macro focus this week.** A more hawkish tone could support the U.S. dollar and pressure commodity markets, like cotton.
- **Over the weekend, the U.S. and Iran announced a peace agreement aimed at reopening the Strait of Hormuz by Friday.** The news pushed crude oil lower and eased some of the geopolitical risk premium that has supported commodities in recent months.
- **Weather forecasts remain generally favorable across much of the U.S., helping reduce weather-related risk**

**premiums in agricultural markets.** However, portions of the Southwest continue to warrant close attention as the crop develops following a season that began with limited moisture.

- **The June 30 Acreage report is quickly becoming the market's next major focal point.** Traders will be looking for confirmation of planted acreage expectations and any surprises that could alter the supply outlook for the upcoming marketing year.
- **U.S. markets will be closed Friday, June 19, in observance of Juneteenth.** As a result, the weekly CFTC Commitments of Traders report will be delayed until Monday, June 22.

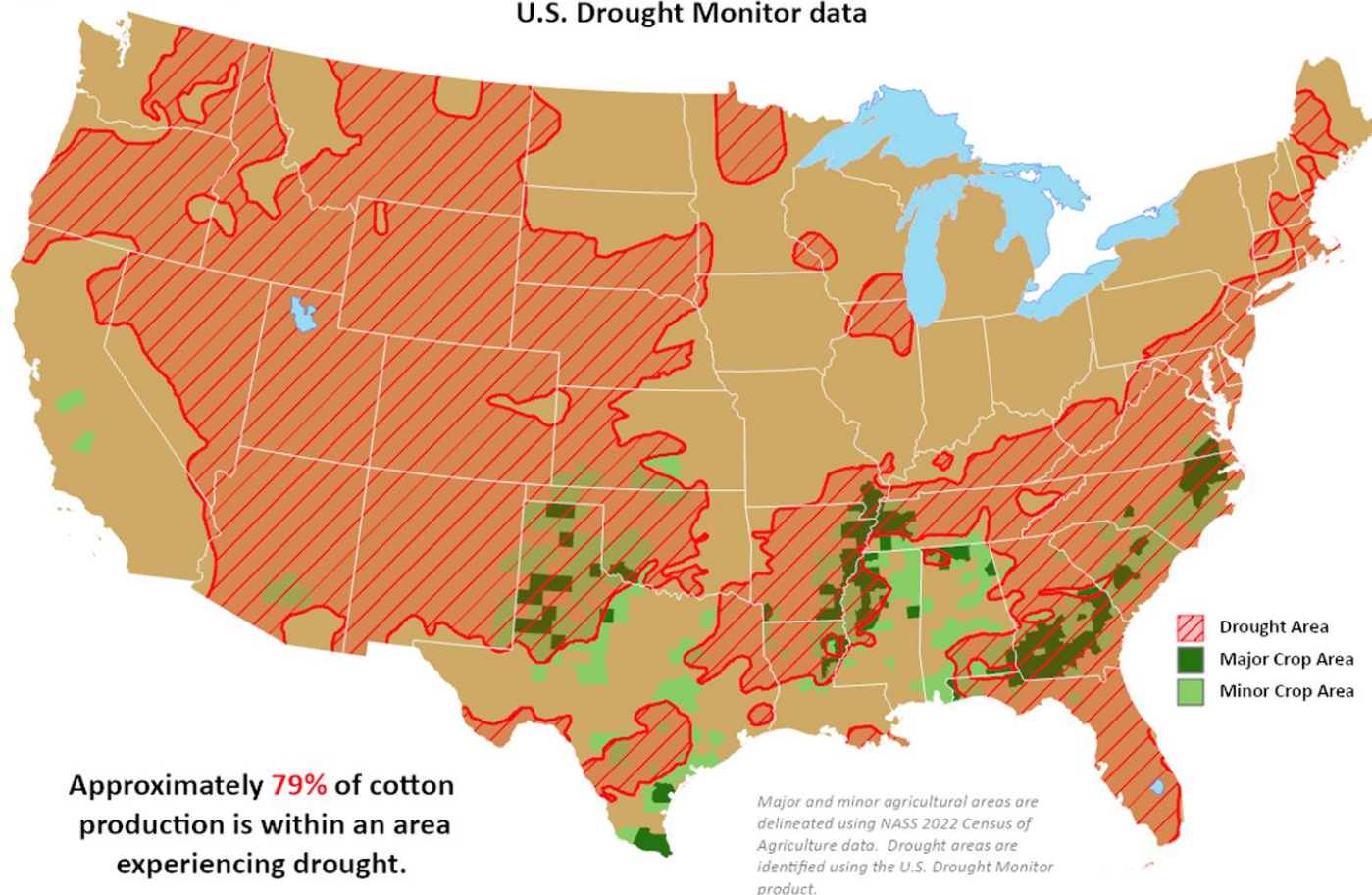


This product was prepared by the  
USDA Office of the Chief Economist (OCE)  
World Agricultural Outlook Board (WAOB)

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

Reflects **June 9, 2026**

U.S. Drought Monitor data



## **Market Recap**

- **Cotton futures remained under pressure last week as fund selling, index roll activity, and generally favorable**

**growing conditions continued to weigh on the market.** While supportive export demand and a friendly June supply-and-demand (WASDE) report provided some relief late in the week, it wasn't enough to fully offset the losses seen earlier in the week.

- **By Friday's close, July futures settled at 72.94 cents per pound, down 81 points on the week, while December futures lost 106 points to finish at 76.42 cents.** Most of the weakness came during Tuesday's sharp sell-off as commodities and equities moved lower amid a broader risk-off tone.
- **Fund activity remained a major influence.** July open interest continued to decline ahead of this past Friday's option expiration and the approaching First Notice Day as traders rolled positions into later contracts, while Managed Money posted its largest net selling week since January. The combination of liquidation, index rolling, and option-related positioning kept pressure on nearby futures and spreads throughout much of the week.
- **Certificated stocks were another closely watched feature.** After building substantially in recent weeks, stocks fell sharply during the second half of the week as decertifications accelerated.
- **Meanwhile, recent rainfall and improving crop conditions across much of the Cotton Belt continued to limit weather concerns and keep additional weather premiums out of the market.** It is important to monitor the above-average temperatures predicted for certain areas of the Southwest, especially since much of the crop is still in the early development stage. The crops entered the season with limited soil moisture reserves, and the forecasted high temperatures could significantly affect root development and growth.

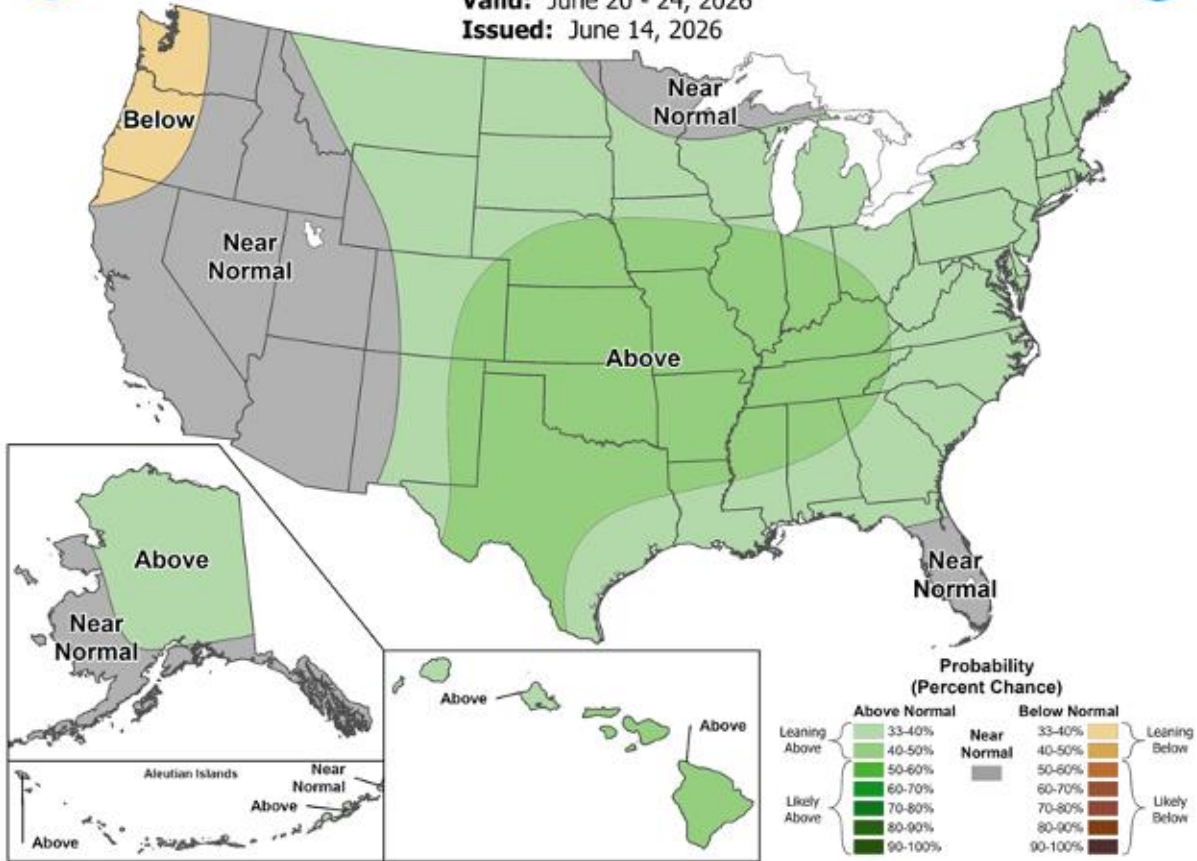


# 6-10 Day Precipitation Outlook



Valid: June 20 - 24, 2026

Issued: June 14, 2026

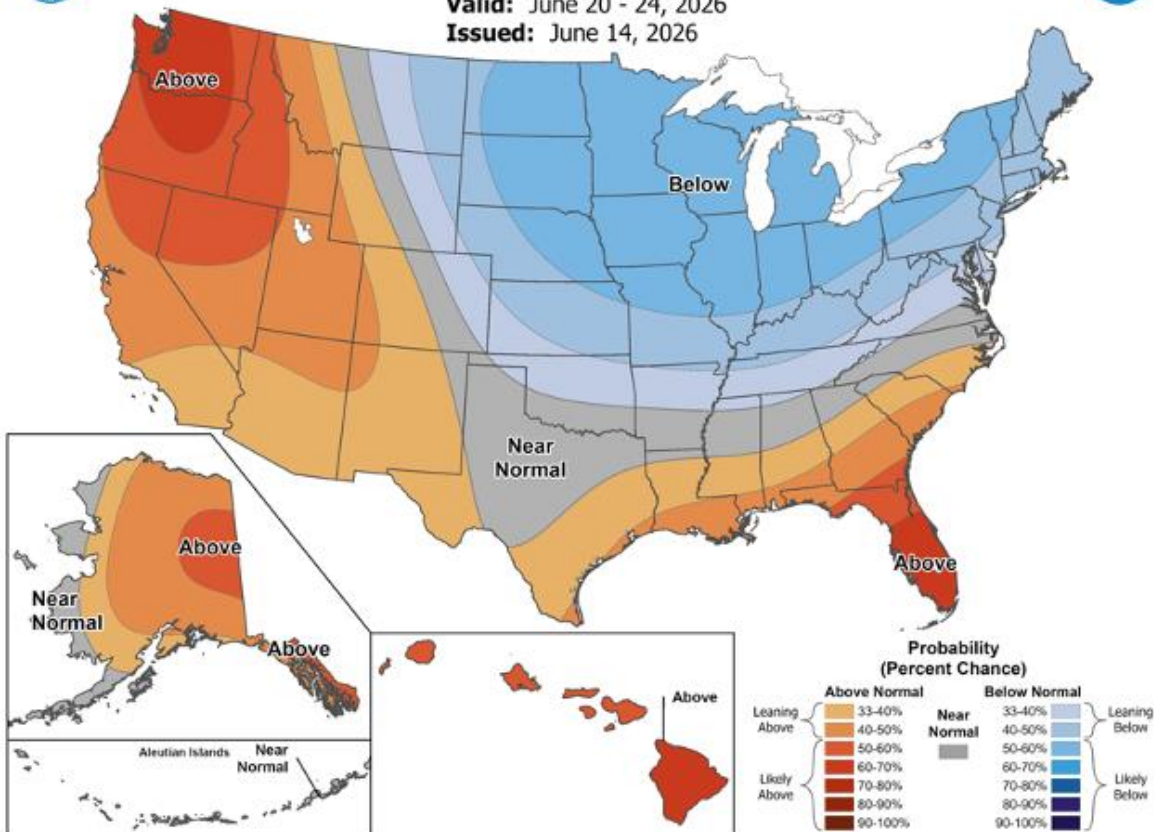


# 6-10 Day Temperature Outlook



Valid: June 20 - 24, 2026

Issued: June 14, 2026



## Economic and Policy Outlook

- **After months of conflict, military escalation, and seemingly endless headlines surrounding the Strait of Hormuz, the U.S. and Iran announced a peace agreement over the weekend that would reopen the key shipping route.** The Strait is expected to reopen Friday, with a formal signing ceremony reportedly planned for June 19 in Switzerland. Crude oil prices moved lower on the news as concerns over global energy supplies eased. While questions remain about the long-term durability of the agreement, the announcement marks the most significant step toward normalizing trade flows through the region since fighting first broke out.
- **While the agreement does not materially alter cotton's fundamental outlook, it minimizes a major macroeconomic headline that has influenced market sentiment for much of the year.** With the Strait of Hormuz expected to reopen, traders may place greater emphasis on weather, acreage, and demand developments heading into the second half of June.
- **Last week's inflation data painted a somewhat mixed picture for markets.** Consumer prices rose 4.2% from a year ago, the fastest pace in roughly three years, though core CPI came in slightly below expectations, suggesting broader inflation pressures have not fully spread beyond energy-related costs. Producer prices told a firmer story, with PPI rising 6.5% year-over-year and posting its largest annual increase since late 2022 as higher energy and transportation costs continued to work their way through the supply chain.
- **Despite the softer core CPI reading, markets are now pricing in a Federal Reserve rate hike by year-end as inflation remains elevated, setting the stage for Kevin Warsh's first meeting as Fed Chair this week.**

## Supply and Demand Overview

**USDA's June WASDE made minor changes to the balance sheet, though the adjustments were supportive for both the current and upcoming marketing years. For 2025/26, U.S. exports increased by 200,000 bales to 12.2 million, reflecting the recent pace of export sales and shipments. As a result, ending stocks were lowered to 4.2 million bales. Globally, ending stocks were reduced by more than 600,000 bales as stronger exports more than offset only minor changes to production and consumption.**

**2025/26 (Est.) World and U.S. Cotton Supply and Use  
(Million 480-Pound Bales)**

<i>United States</i>							
	Beginning Stocks	Production	Imports	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
<b>May Report</b>	4.00	13.90	0.01	1.60	12.00	4.40	32.4%
<b>June Report</b>	4.00	13.90	0.01	1.55	12.20	4.20	30.5%
<b>Change</b>	0.00	0.00	0.00	-0.05	0.20	-0.20	-1.8%
<i>World</i>							
<b>May Report</b>	74.52	122.64	43.78	120.13	43.78	77.27	64.3%
<b>June Report</b>	74.52	122.66	43.76	120.11	44.38	76.63	63.8%
<b>Change</b>	0.00	0.02	-0.02	-0.02	0.60	-0.64	-0.5%

Source: WAOB

- **For the 2026/27 U.S. balance sheet, USDA lowered both beginning and ending stocks by 200,000 bales due to the tighter carryout from the current marketing year. Production, exports, and domestic use were left unchanged, with ending stocks now projected at 3.7 million bales. Globally, production held steady at 116.0 million bales while consumption increased slightly, driven primarily by stronger demand from China. As a result, world ending stocks were lowered to 71.1 million bales, continuing the trend of tightening global supplies.**

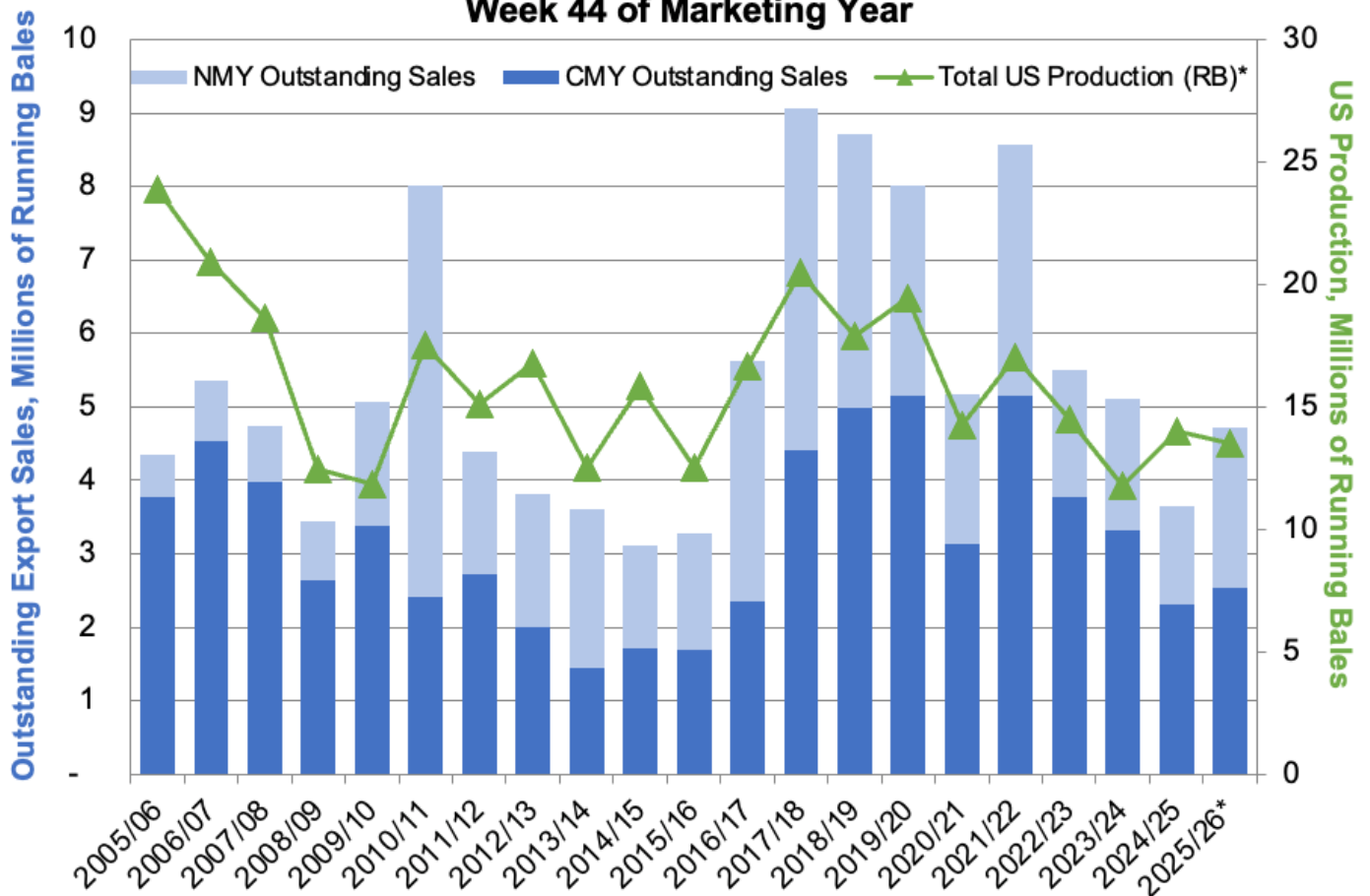
**2026/27 (Proj.) World and U.S. Cotton Supply and Use  
(Million 480-Pound Bales)**

<i>United States</i>							
	Beginning Stocks	Production	Imports	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
<b>May Report</b>	4.40	13.30	0.01	1.60	12.30	3.90	28.1%
<b>June Report</b>	4.20	13.30	0.01	1.60	12.30	3.70	26.6%
<b>Change</b>	-0.20	0.00	0.00	0.00	0.00	-0.20	-1.4%
<i>World</i>							
<b>May Report</b>	77.27	116.04	43.37	121.69	43.34	71.84	59.0%
<b>June Report</b>	76.63	116.04	43.34	121.76	43.32	71.13	58.4%
<b>Change</b>	-0.64	0.00	-0.03	0.07	-0.02	-0.71	-0.6%

Source: WAOB

- Overall, this week's Export Sales Report remained upbeat, with sales and shipments both improving from the previous week. Upland sales totaled 207,000 bales for the current marketing year, up 12% from the prior week and 60% above the four-week average. Vietnam and Pakistan led buying activity, while new crop sales were particularly strong at 298,700 bales, led by Vietnam, Nicaragua, Turkey, and Mexico.
- Exports reached 300,100 bales, up 12% from the previous week and continuing to run above the pace needed to meet USDA's recently increased 12.2 million bale export forecast.
- Pima activity also improved, with sales totaling 7,600 bales and shipments reaching a marketing-year high of 22,900 bales.

## US Outstanding Export Sales Week 44 of Marketing Year



Source: USDA, \*Current Year USDA Production

## The Seam®

- **As of Friday afternoon, grower offers totaled 993 bales.** The past week, 877 bales traded on the G2B platform received an average price of 63.30 cents per pound. The average loan redemption rate (LRR) was 51.13, bringing the average premium over the LRR to 12.17 cents per pound.
- **Note:** The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).

### ICE Futures Ending 6/12/2026

	Settlement	Daily Change	Weekly Change
July '26	72.94	+0.45	-0.81
December '26	76.42	+0.06	-1.06
March '27	77.64	+0.04	-1.16
May '27	78.54	+0.08	-1.21

### Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	61.26	-1.94
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 6/12/26 - 6/18/26