

A photograph of a cotton field with green leaves and a dirt path, serving as the background for the title text.

Cotton Market Weekly

JUNE 22, 2026

The Week Ahead

Cotton futures traded with a steadier tone last week as traders continued to balance supportive export demand against generally favorable weather and a mixed economic backdrop.

- **The Federal Reserve remains a key market focus after Chair Kevin Warsh struck a notably hawkish tone at last week's meeting.** Expectations for higher interest rates have pushed the U.S. dollar to 13-month highs, creating a headwind for commodities, including cotton. Traders will also be watching Thursday's PCE inflation report, the Fed's preferred inflation gauge, for additional clues on the path of monetary policy.

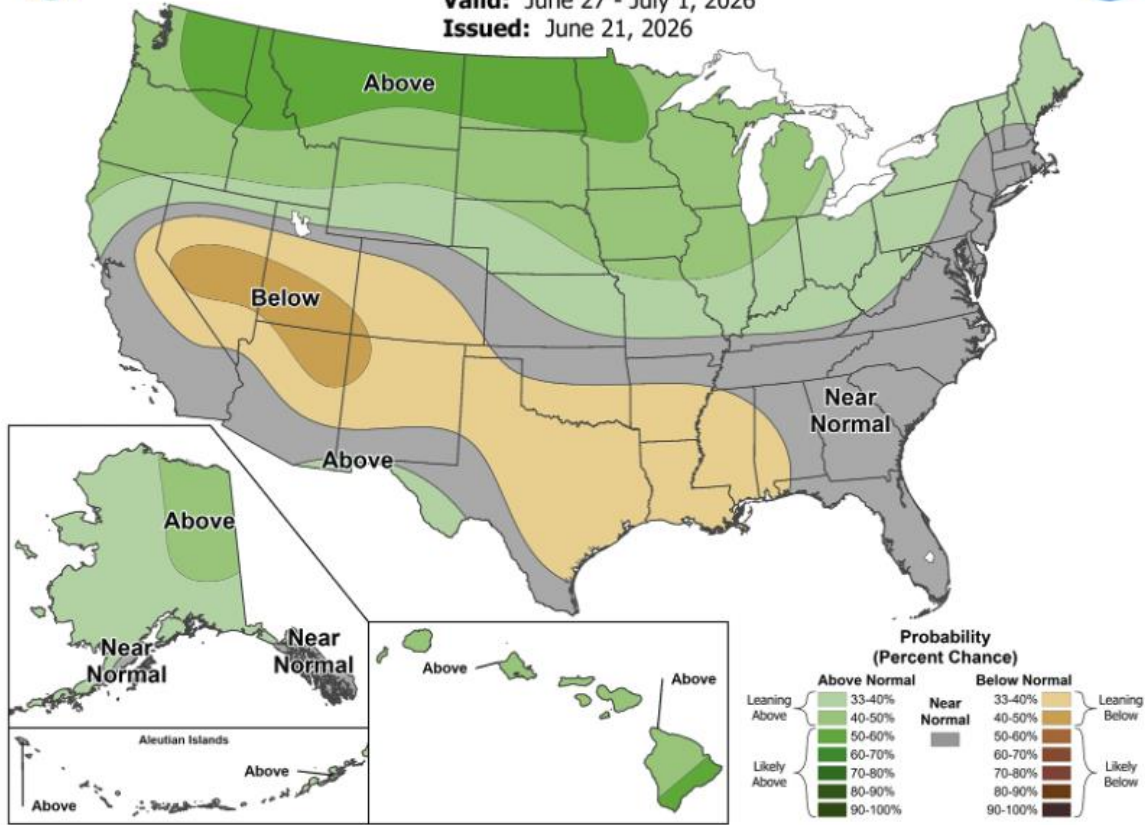
- **Markets will continue to monitor developments in the Middle East.** Constructive U.S.-Iran discussions over the weekend helped ease concerns about disruptions through the Strait of Hormuz, reducing some of the geopolitical risk premium that had recently supported commodity markets.
- **Friday's CFTC Commitments of Traders report was delayed due to the Juneteenth holiday and will be released Monday afternoon.** Positioning appears considerably cleaner following heavy fund liquidation earlier this month, reducing some of the downside risk associated with overcrowded long positions.
- **Export demand continues to provide support, with recent sales remaining solid despite broader macroeconomic uncertainty.** However, weather and crop conditions are likely to remain the market's primary focus in the near term.
- Weather forecasts remain generally favorable across much of the U.S., though above-average temperatures are expected across parts of the Southwest this week. The heat will be worth monitoring as much of the cotton crop is still in the early stages of development and began the season with limited soil moisture.
- **The June 30 USDA Acreage report is quickly becoming the market's next major focal point.** This report often generates significant volatility and could reshape expectations for the 2026/27 supply outlook.



6-10 Day Precipitation Outlook

Valid: June 27 - July 1, 2026

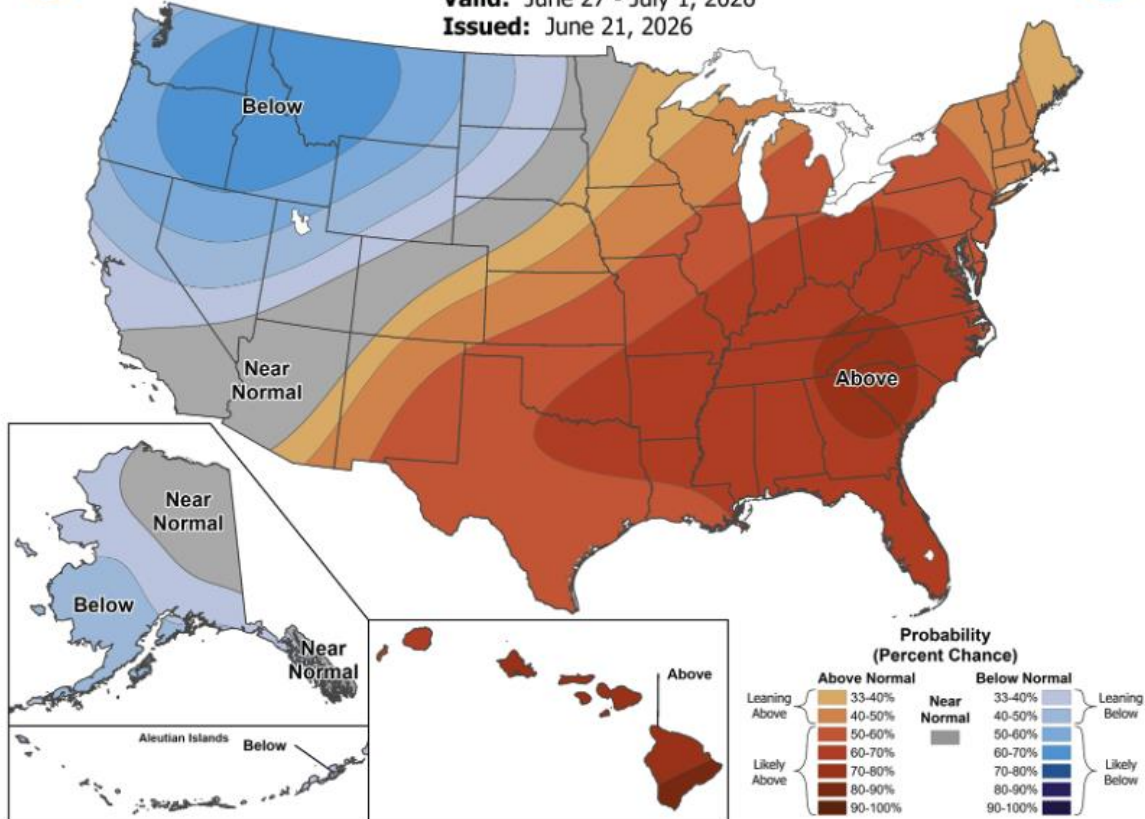
Issued: June 21, 2026



6-10 Day Temperature Outlook

Valid: June 27 - July 1, 2026

Issued: June 21, 2026



Market Recap

- **Cotton futures recovered a large portion of the previous week's losses before running into resistance late in the week following the Federal Reserve meeting.** Supportive export demand, continued July liquidation, and easing geopolitical concerns helped fuel a rally before a stronger U.S. dollar and broader commodity weakness slowed the advance.
- **By Thursday's close, July futures settled at 76.05 cents per pound, up 311 points from the previous Thursday's close, while December futures gained 325 points to finish at 79.67 cents.** Much of the strength occurred early in the week as traders responded to USDA's tighter supply and demand estimates from the prior week and improving sentiment surrounding negotiations in the Middle East.
- **Fund activity remained an important driver.** July open interest continued to decline ahead of First Notice Day on June 24 as traders rolled positions into later contracts, while December open interest climbed above 200,000 contracts. Following the heavy liquidation seen earlier this month, market positioning appears considerably cleaner and less vulnerable to additional long liquidation pressure.
- **Weather remained generally favorable across much of the Cotton Belt.** Recent rainfall improved drought conditions in several producing regions and helped maintain favorable crop prospects, though portions of West Texas and Oklahoma continue to require additional moisture. While Tropical Storm Arthur brought rainfall to parts of the Gulf Coast and Southeast, traders appeared largely unconcerned given that much of the crop remains in the early stages of development.

Economic and Policy Outlook

- **U.S.-Iran negotiations in Switzerland continued to make progress over the weekend, helping ease concerns about potential disruptions through the Strait of Hormuz.** While shipping traffic has increased since the waterway reopened, volumes remain below pre-conflict levels, and markets continue to monitor developments closely. The constructive tone of the talks helped pressure crude oil prices lower and reduce some of the geopolitical risk premium that has recently influenced commodity markets, including cotton.
- **The Federal Reserve left interest rates unchanged last week but struck a more hawkish tone, with policymakers raising their inflation outlook and signaling that further rate hikes remain possible.** The decision helped support the U.S. dollar, which can create headwinds for commodities and other risk assets.
- **Meanwhile, economic data continued to point to a resilient U.S. consumer.** May retail sales rose 0.9%, topping expectations of 0.5% and marking a fourth consecutive monthly increase despite higher gasoline prices. Spending remained relatively broad-based, with clothing and accessory sales up 0.3% from April and 5.7% from a year ago, while furniture and home furnishing sales increased 1.0% on the month. The combination of steady consumer spending and a still-cautious Federal Reserve suggests the economy remains on solid footing, even as markets continue to monitor inflation and interest rate expectations.

Supply and Demand Overview

- **Overall, this week's Export Sales Report was somewhat disappointing relative to trade expectations, though demand remains supportive.** Upland sales totaled 177,100 bales for the current marketing year, down 15% from the prior week but still 5% above the four-week average.

Pakistan, India, and Vietnam led buying activity, while new crop sales remained respectable at 188,400 bales, led by Vietnam, Pakistan, Indonesia, and Malaysia.

- **Exports reached 251,000 bales, down 16% from the previous week and slightly below the pace needed to meet USDA’s 12.2 million bale export forecast.** While the report fell short of the strong sales and shipment pace seen in recent weeks, cumulative exports remain solid and continue to provide underlying support to the market.
- **Pima activity also slowed, with sales totaling 5,500 bales and exports reaching 13,200 bales.**

The Seam

- As of Friday afternoon, grower offers totaled 968 bales. There was no trading activity on the G2B platform in the past week.

ICE Futures Ending 6/19/2026

	Settlement	Daily Change	Weekly Change
July '26	76.05	-0.85	+3.11
December '26	79.67	-0.12	+3.25
March '27	81.05	-0.04	+3.41
May '27	81.96	-0.07	+3.42

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	62.37	+1.11
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 6/19/26 - 6/25/26