



# COTTON USA

## ECONOMIC UPDATE

### *COTTON USA Global Economic Update - June 2016*

#### U.S. COTTON SUPPLY & OFFTAKE

(000) 480-Pound Bales

|                      | 2015-16e      | 2016-17p      |
|----------------------|---------------|---------------|
| Beginning Stocks     | 3,700         | 4,100         |
| Production           | 12,890        | 14,800        |
| Imports              | 40            | 10            |
| <b>Total Supply</b>  | <b>16,630</b> | <b>18,910</b> |
| Mill Use             | 3,550         | 3,600         |
| Exports              | 9,000         | 10,500        |
| <b>Total Offtake</b> | <b>12,550</b> | <b>14,100</b> |
| Ending Stocks        | 4,100         | 4,800         |
| Stocks-to-Use Ratio  | 32.7%         | 34.0%         |

Source: USDA-WAOB June WASDE Report.

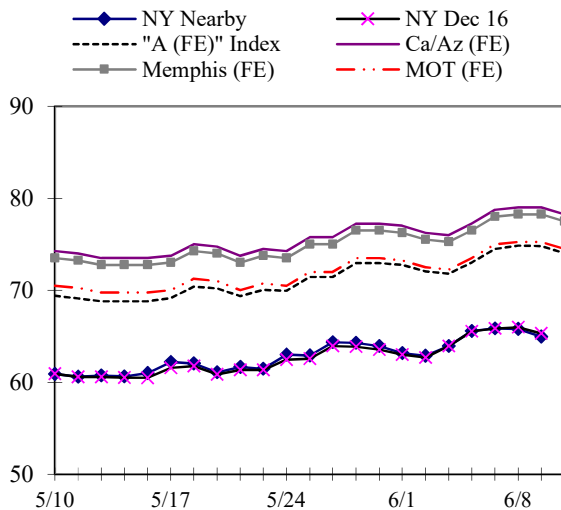
e=USDA estimate, p= USDA projection.

#### HIGHLIGHTS

- '16-17 World production estimated at 103.2 million bales, 1.2 million bales lower than the May estimate.
- '16-17 World ending stocks estimated at 94.7 million bales, 1.8 million bales lower than the May estimate.
- '16-17 U.S ending stocks estimated at 4.8 million bales, 100,000 bales higher than the May estimate.
- '16-17 China production estimated at 21.5 million bales, 1.0 million bales lower than the May estimate.
- '16-17 China ending stocks estimated at 54.7 million bales, 2.0 million bales lower than the May estimate.
- '16-17 India mill use estimated at 24.3 million bales, 250,000 bales lower than the May estimate.
- '16-17 India exports estimated at 4.0 million bales, 200,000 bales higher than the May estimate.

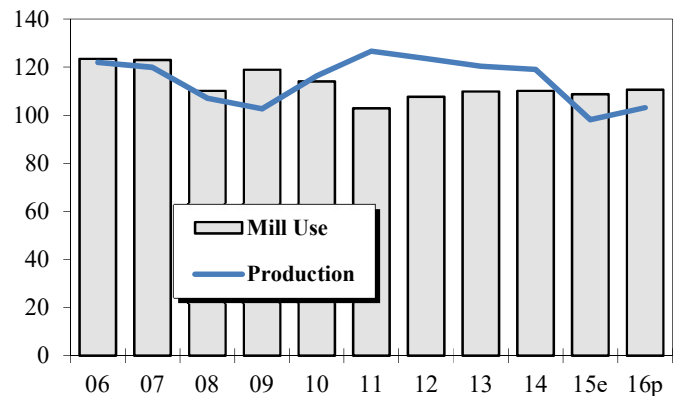
#### DAILY PRICES

Cents/Pound



#### WORLD COTTON PRODUCTION AND USE

Million Bales



## 2016-17 WORLD COTTON SUPPLY &amp; OFFTAKE

Million 480-Pound Bales

|              | Beginning<br>Stocks | Production | Imports | Supply | Mill Use | Exports | Ending<br>Stocks | Stocks-to-<br>Use Ratio |
|--------------|---------------------|------------|---------|--------|----------|---------|------------------|-------------------------|
| World        | 102.1               | 103.2      | 33.3    | 205.3  | 110.6    | 33.3    | 94.7             | 85.7%                   |
| U.S.         | 4.1                 | 14.8       | 0.0     | 18.9   | 3.6      | 10.5    | 4.8              | 34.0%                   |
| China        | 62.3                | 21.5       | 4.5     | 88.3   | 33.5     | 0.1     | 54.7             | 162.8%                  |
| Pakistan     | 2.5                 | 9.0        | 1.7     | 13.2   | 10.5     | 0.3     | 2.5              | 22.8%                   |
| India        | 11.0                | 28.0       | 0.7     | 39.7   | 24.3     | 4.0     | 11.5             | 40.7%                   |
| Central Asia | 2.1                 | 5.9        | 0.0     | 8.1    | 2.5      | 3.6     | 2.0              | 32.8%                   |
| Australia    | 1.7                 | 2.6        | 0.0     | 4.3    | 0.0      | 2.7     | 1.7              | 62.4%                   |
| Brazil       | 6.8                 | 6.4        | 0.1     | 13.2   | 3.1      | 4.0     | 6.3              | 88.5%                   |
| Indonesia    | 0.6                 | 0.0        | 2.8     | 3.3    | 2.8      | 0.0     | 0.6              | 20.7%                   |
| Mexico       | 0.5                 | 0.9        | 1.2     | 2.5    | 1.9      | 0.1     | 0.5              | 25.0%                   |
| Turkey       | 1.6                 | 3.0        | 3.7     | 8.3    | 6.5      | 0.3     | 1.5              | 22.1%                   |

Source: USDA-WAOB June WASDE Report.

## U.S. AND WORLD FIBER PRICES

Cents/Pound

| MONTH  | December Futures |       | US Spot<br>1-1/16 | Mill                 |                      | "A (FE)"<br>Index | AWP   | China<br>Polyester |
|--------|------------------|-------|-------------------|----------------------|----------------------|-------------------|-------|--------------------|
|        | Near             | Far   |                   | Delivered<br>Memphis | Far East<br>Low U.S. |                   |       |                    |
| Jan-16 | 62.74            | 63.54 | 60.69             | NA                   | 71.75                | 68.75             | 47.10 | 42.65              |
| Feb-16 | 59.66            | 62.38 | 58.06             | NA                   | 68.85                | 66.57             | 45.32 | 43.20              |
| Mar-16 | 57.12            | 60.31 | 55.96             | NA                   | 66.81                | 65.46             | 44.17 | 48.32              |
| Apr-16 | 60.61            | 62.05 | 59.57             | NA                   | 70.61                | 69.28             | 49.51 | 47.60              |
| May-16 | 61.78            | 63.01 | 60.36             | NA                   | 71.21                | 70.28             | 51.01 | 46.89              |

CF FAR EAST QUOTATIONS  
FOR AMERICAN GROWTHS

Weekly Average in Cents/Pound

Type A (FE)

|           | Cal/Az (FE) | Memphis<br>(FE) | MOT (FE) |
|-----------|-------------|-----------------|----------|
|           | 1 3/32"     | 1 3/32"         | 1 3/32"  |
| 05-May-16 | 76.38       | 75.63           | 72.63    |
| 12-May-16 | 74.25       | 73.50           | 70.50    |
| 19-May-16 | 74.10       | 73.35           | 70.35    |
| 26-May-16 | 74.80       | 74.05           | 71.05    |
| 02-Jun-16 | 76.94       | 76.19           | 73.19    |
| 09-Jun-16 | 78.00       | 77.25           | 74.25    |

Source: Cotlook, Ltd. NA = Not Available



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