WTiN Textile Economics

Executive Market Report Summary 28 August 2018

Cost summary	24-Aug-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.54	5.14%
China FDY 50 den/24f	2.00	3.79%
China DTY 150den/48f	1.94	3.89%
Viscose		
China VSF 1.5 den, 38mm	2.07	2.00%
Polyamide		
China FDY 70 den/24f	3.47	0.86%
Cotton		
Cotlook A Index	2.02	-0.38%
Wool		
AWEX EMI	15.38	-2.08%
Yarn		
China Cotton combed 32s (weaving)	3.51	0.86%
China Cotton combed 40s (weaving)	3.93	0.86%
Indian cotton carded 30s (weaving)*	3.15	-6.98%
Indian cotton combed 40s (weaving)*	3.61	-11.91%
Taiwan p/c 45s*	4.65	0.00%
WTI Oil $ per Barrel		
WTI Crude Oil Price- 20-Jul	70.31	
WTI Crude Oil Price- 27-Jul	68.66	
WTI Crude Oil Price- 03-Aug	68.49	
WTI Crude Oil Price- 10-Aug	67.61	-2.48%

Manmade

- Polyester prices pushed by rising costs, demand still moderate
- Viscose fibre market steps into upward mode

Cotton

- Cotton slightly weak on long-term trend, but India remains a concern

Wool & Speciality Fibres

- EMI sees correction but currency a key factor again
- Coarse Crossbred Indicator up despite stronger NZD
- SA market stays near highs reached at opening sale

Yarns

- Nylon filament yarn prices steady as benzene fluctuates slightly

Trade

- USDA's Weekly Export Sales Report of week ending 16 August

Weekly Market Review

The second round of US and China tariffs, comprising 25% on US$16 billion of imports on each side and going into effect on 23 August, is likely to hit US commodity chemical exports to China far harder, as the impact on comparable China exports to the US would be negligible. However, the overall impact on high volume commodity chemical markets may be less than anticipated, at least from this latest round. The first round of 25% on US$34 billion in had excluded chemicals.

US commodity chemical products that will be most impacted based on exports to China as a percentage of total production in 2017 are MEG, styrene, EVA copolymers, LLDPE, HDPE, and ethylene dichloride.

Meanwhile, Eurozone businesses optimism hit a two-year low as demand was cooling down, prices were increasing and worries about geopolitical tensions mounted, said IHS Markit. The flash composite purchasing managers index (PMI) increased slightly in August, month on month, to 54.4 points, but growth in private output was the weakest since January 2017. The PMI, incorporating manufacturing and service sectors, was slightly up from 54.3 points in July but still below 54.9 points posted in June.

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Price movement key: Increase Unchanged Decrease

Manmade Fibres

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		24-Aug		17-Aug		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.246		1.199	-	3.88
PTA	8,900	1.306	8,325	1.211	6.91	7.82
MEG	7,095	1.041	6,895	1.003	2.90	3.78
Caprolactam	17,050	2.501	16,950	2.466	0.59	1.45
Acrylonitrile	18,500	2.714	18,200	2.647	1.65	2.52
PET	12,920	1.895	12,470	1.814	3.61	4.49
Polyester filament						
FDY 50 den/24f	14,150	2.076	13,750	2.000	2.91	3.79
DTY 50 den/72f	18,950	2.780	18,550	2.698	2.16	3.03
DTY 150 den/48f	13,705	2.011	13,305	1.935	3.01	3.89
POY 150 den/48f	12,130	1.780	11,730	1.706	3.41	4.29
FDY 150 den/96f	12,160	1.784	11,760	1.711	3.40	4.29
Polyamide 6 filament						
FDY 70 den/24f	23,850	3.499	23,850	3.469	0.00	0.86
Staple fibre						
Polyester 1.4 denier 38 mm	11,045	1.620	10,595	1.541	4.25	5.14
Viscose 1.5 denier, 38mm	14,386	2.111	14,224	2.069	1.14	2.00
Acrylic 1.5 denier, 38 mm	20,500	3.008	20,500	2.982	0.00	0.86

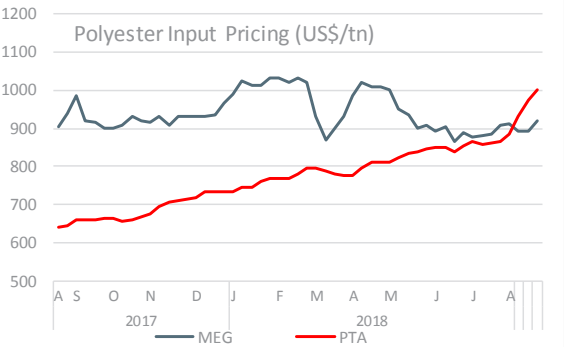
Man-Made Fibre Prices (ex-works) in Taiwan				
US$/kg, FOB. L/C sight	Polyester			Viscose
	Staple	Filament		Staple
	1.4D x 38 mm semi-dull for spinning	150D/48F FDY	150D/48F DTY	1.5 denier x 38 mm bright for spinning
1-Aug	1.30	1.65	1.80	1.90
8-Aug	1.30	1.65	1.80	1.90
15-Aug	1.30	1.65	1.80	1.90
22-Aug	1.30	1.65	1.80	1.90

Polyester prices pushed by rising costs, demand still moderate

Crude oil prices jumped midweek and weekend to reverse the consecutive weeks of fall in both international benchmarks. Prices settled sharply higher midweek as traders hailed report showing US crude supplies fell by more-than-expected last week. A large draw in crude supplies emerged as imports fell exports fell faster than import. By weekend, both benchmarks were up for the week as China decided to resume purchases of US crude while US$ fell after Federal chair signaled further rate hikes.

Although this week saw the disconnect between oil markets and polyester continue as prices were driven again by ongoing maintenance period. Regular or seasonal demand is expected to begin from September through the Christmas and New Year season.

PTA prices continued to march up in Asian markets on rebounding downstream polyester market. However, there was little momentum for spot PTA prices to rise further



after reaching a peak. PTA market is ready to brace any adjustment in the coming week but in medium to long-term, PTA market will continue to go up unless there are some changes in market fundamentals. PTA futures market had retreated significantly on the weekend and the spot PTA

Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

market inched up, with most gains seen on Thursday. Markers gained US$30 on the week with CFR China at US$990-992 a ton and offer from Taiwan/Korea rose to US$1,000-1,002 a ton. In India, prices were at US$935 a ton CIF. In China, surged to US$1,050-1,055 a ton, and offers for nearby-month cargoes to US$1,000 a ton, with discussions in the range of US$990-1,000 a ton.

In Europe, purified terephthalic acid supplies remained short with feedstock prices elevated. Inventories were yet to recover from earlier production problems. Spot spread over paraxylene widened, following spikes in Asia. August PTA contract price were at Euro 763-797 a ton FD NWE.

In US, markets were quiet as demand remained subdued. June contracts rolled over at US cents 50.21 per pound (US$1,107 a ton).

Asian paraxylene prices continued to increase sharply but at slower pace as strong demand growth in polyester sectors remained supportive. According to sources, polyester demand in China was grew double digit in H1 of 2018 and this was boosting demand for paraxylene, via healthy purified terephthalic acid margins. Supplies are expected to begin lengthening in late September early October as cargoes arrive and turnarounds are completed. Spot prices soared US$48 on the week with CFR Taiwan/China at US$1,245.50-1,246.50 a ton and FOB Korea to US$1,226.17-1,227.17 a ton.

In Europe, spot paraxylene prices jumped sharply by US$63 to US$1,169 a ton FOB Rotterdam. as participants were closely watching developments in Asia for export opportunities to the region. Players expect prices for September will still go up if Asia is anything to go by.

In US, paraxylene prices rolled over this week at US$1,060-1,070 a ton FOB, based on bids and offers, as producers looked to hold a margin of at least US$125 a ton to mixed xylene to breakeven on paraxylene production. Margins are expected to remain strong until Asia demand softens toward the end of the September.

MEG prices reversed the two-week falling trend in Asia amid an increasingly bullish market sentiment as producers benefited from a rebound in prices on short-covering by traders. Buyers have started restocking ahead of the peak demand season in September for polyester sector. Meanwhile, inventories in east China fell 10% week-on-week to 490 kilo ton due to fewer import arrivals and steady off take rate. From late July levels, the inventories have fallen 20%. Taking cue from spot Sinopec raised its August settlement prices, in line with the strong spot market. Spot prices gained US$30-31 on the week with CFR China at US$934-939 a ton and CFR South East Asia to US$922-924 a ton.

In Europe, mono ethylene glycol bulk spot prices rose after some sustained stability on lower supply. Bulk spot levels rose on supply snug and bullish outlook for September amid limited supply expected. An initial contract settlement for July was agreed but lacked support for rollover. Bulk offers were in the range of Euro 880-890 a ton CIF NWE this week, reflecting increase of Euro 10 on either side of the range. A dual agreement is expected for July and August contracts. Meanwhile, the July contract was fully settled at Euro 1,010 a ton FD NWE, unchanged from June.

In the US, mono ethylene glycol prices were steady in August on balanced supply and demand conditions, as China began imposing 25% tariffs on US goods this week, including MEG. July contract prices were stable at US cents 41.5-47.5 per pound FOB USG.

Polyester staple fibre prices continued to surge on the back of rising purified terephthalic acid and mono ethylene glycol costs this week. However, trade activity was dampened as buyers hesitated to accept such a drastic hike in offers. The persistent strengthening of the US$ against most currencies also curtailed buying appetite. In China, prices moved up sharply on the week, but the weekend saw range-bound purified terephthalic acid futures and polyester fibre market covered by wait-and-see sentiment. PSF suppliers were actively offloading goods. PSF market in Shandong and Hebei also remained stable.

In Jiangsu and Zhejiang, offers for 1.4D direct-melt PSF were raised to 11.10-11.30 a kg (US$1.62-1.64 a kg) while the same in Fujian and Shandong were up at US$1.62-1.66 a kg, up US cents 7-9 on the week. Export offers were also raised to US$1.40-1.42 a kg FOB China, as against US$1.32 a kg a week ago.

Polyester spun yarn markets were supported by rising polyester fibre prices in China, while other Asian markets were taking cue. In China, 32s polyester yarn offers were hiked further to 16.30 yuan a kg (US$2.37 a kg) and 45s to 17.40 a kg (US$2.53 a kg), both up US cents 9. 60s were slightly up at 16.30 yuan a kg (US$2.37 a kg, up US cents 2).

In Pakistan, spinners raised concerns over rising costs, and a meeting was held to consider the market situation. Deep dismay was shown over the unsustainable hike in prices of polyester fibre. The basic fact is that basic raw materials cotton and polyester fibre were both short of industry demand because of protection and incidentals on imports of PSF (20%) and cotton (11%). Exporters were forced to cross subsidise on PTA and PSF plants, whereas exporters are given rebates and drawbacks in other countries. It was stated that the main causes of the non-viability of domestic polyester fiber was the protection extended to obsolete PTA plants over the last 25 years. Thus, yarn makers were urging for reduced import duties on imported polyester fibre from 7% to 2% as local prices have almost doubled in the last year. This week, polyester yarn prices were flat in Karachi with 30s at PakRs145 per pound (US$2.61 a kg) and 60s to PakRs165 per pound (US$2.97 a kg), both up US cents 1.2 due to strong currency.

For more Manmade Fibres stories click below...

Viscose fibre market steps into upward mode

By Nitin Madkaikar

VSF markets stepped into an upward mode this week in China, with producers hiking prices early in the week. More

Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

Cotton

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	24-Aug	17-Aug	Change		24-Aug	17-Aug	Change
Oct	81.81	81.75	0.06	Sept	15,905	15,705	200
Dec	81.63	81.39	0.24	Nov	16,375	16,195	180
Mar	81.79	81.71	0.08	Jan	16,820	16,610	210
May	82.18	82.10	0.08	Mar	17,115	16,935	180
Jul	82.55	82.48	0.07	May	17,605	17,390	215
Dec	76.78	77.38	(0.60)	Jul	17,740	17,595	145

Cotlook A Index (US cents per lb)			Pakistan Spot Rate (Rs/maund)		
Midd., 1-3/32" (CFR Far Eastern Ports)			Grade 3, 1-1/16" (ex-gin)		
24-Aug	17-Aug	Change	24-Aug	17-Aug	Change
91.40	91.75	(0.35)	8,100	8,000	100

China Cotton Index			Cotton Association of India (Rs/Candy)		
Type 3128B (delivered mill, China)			Delivery at upcountry Spot markets ex-gin, 29mm Gujurat (Rs/Candy)		
24-Aug	17-Aug	Change	24-Aug	17-Aug	Change
16,300	16,291	9	47,800	47,700	100

CEPEA/ESALQ Cotton Price Index (Brazil US Cents per lb)		
Type 6 Fiber 30/32mm (trades in Brazilian Markets, Prompt delivery prices paid to producer)		
24-Aug	17-Aug	Change
77.56	81.80	-4.24

NQ = not quoted N = nominal Sources: InterContinental Exchange (ICE), Zhengzhou Commodity Exchange (ZCE), Cotlook Ltd, WTiN, Karachi Cotton Association, Beijing Cotton Outlook,CEPEA/ESALQ

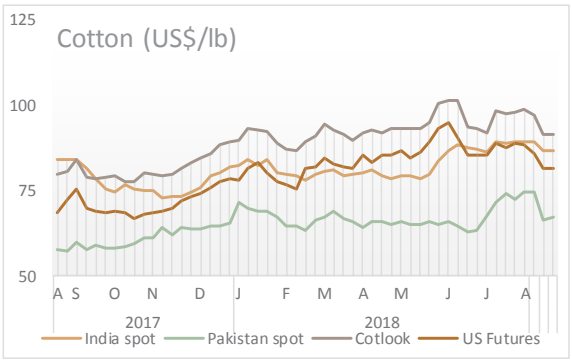
Cotton slightly weak on long-term trend, but India remains a concern

Cotton US futures were down to slightly up this week and trends could continue to turn down again in this market. Short-term trends were sideways, but long-term trends were down and could remain down as growing conditions and yield projections become more stable and rains enter parts of the western Great Plains.

The improved condition in the USDA reports showing some areas were abandoned, but rains were now being seen in the western and southern Great Plains. US weather remains good in the Delta and Southeast. Players watching the Indian monsoon said the rains are below normal, but generally good enough to support crops. The USDA average price was US cents 77.94 per pound, while certified stocks on the ICE were at 20,154 bales.

US cotton December contract gained US cents 0.24 week-on-week to close at US cents 81.63 per pound. March settled at US cents 81.79 per pound up from US cents 81.71 last week. Nearby October contract settled at US cents 81.81 per pound, up US cents 0.06 on the week.

Global spot benchmark, the Cotlook A Index continued to retreat for the fourth consecutive week. The Index was down US cent 0.35 week-on-week, closing at US cents 91.40 per pound, having lost US cent 0.75 on weekend itself.



In China, the spot cotton market was under correction and prices remained stable, but trading was thin. Mechanically-picked cotton in Xinjiang-based warehouses were quoted at 15.80-16 yuan a kg (US cents 104-106 per

Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

pound). Meanwhile, the China Cotton Index inched up 9 yuan, week-on-week, to close at 16,300 a ton (US cents 108 a pound).

In Pakistan, the cotton market was lackluster, as ginning and physical trading activities remained dull during the week-long Eid holidays week. However, leading buyers made fewer deals for a better and second grade of lint on slightly higher prices on shrinking better grades that put price in comfort zone during last two days of the week. The Karachi Cotton Association (KCA) spot rate rose PakRs100 on the week at PakRs8,260 per maund ex-Karachi amid thin volumes, while spinners made some deals with ginners of Sindh and Punjab on competitive prices. Market sentiments are expected to be positive during the coming week, while ginners withholding fine lint were confident that the price would go up further in the coming days.

In India, cotton prices moved up for coarser varieties by INR200-400 per candy and finer cotton was further cheaper by INR100-500 a candy. Benchmark Gujarat Shankar-6 was traded at INR47,800 a candy, up INR100 from last week.

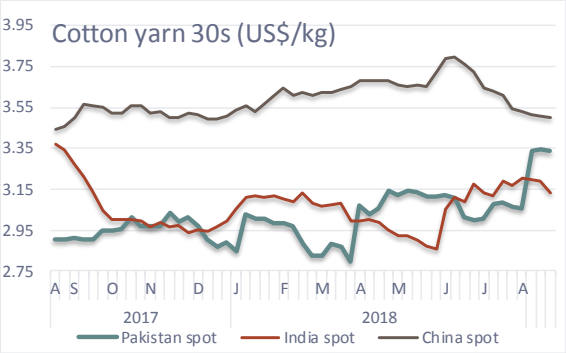
Reports emerged that India's cotton export is likely to fall in 2018-19 to 7 million bales, down 30% from an earlier estimate, as scanty rainfall and pink bollworms attack will squeeze crop yields, according to the Cotton Association of India. In Gujarat and Maharashtra, accounting for over half of country's cotton production, rainfall was lower than normal while some pockets reported pink bollworm attacks. The CAI had predicted exports of 10 million bales in June. Until July 8.3 million bales of cotton were exported during the 2017-18 season ('Fibre to Yarn Export Statistics' report). Of this, 70% was exported to Bangladesh, Pakistan and Vietnam. China was another 11% at 9.45 lakh bales.

Coarser cotton yarn improves on good demand

Cotton yarn prices were flat to up this week, reflecting past uptrends in cotton prices, while demand was still modest. In China, a coarser variety of cotton yarns were dearer, while finer counts remained unchanged. This implies that demand was emerging for coarser yarns as prices have moved up for the second consecutive week. In China, 32s cotton yarn prices were flat at 24.10 yuan a kg (US$3.51 a kg) while 40s were at 25.10 yuan a kg (US$3.65 a kg), both up US cent 1 due to weak US$. Coarser yarn price of 10s was at up 14.60 yuan a kg (US$2.12 a kg) and 21s at 19.40 yuan a kg (US$2.82 a kg), both up US cents 2 also due to weak US$.

In Pakistan, activities on the cotton yarn markets in Karachi and Faisalabad were dull due to the week-long Eid holiday. The last two trading days saw prices roll over in both the markets. 30s carded prices in Karachi rolled over at PakRs180-190 per pound (US$3.24-3.42 a kg), while 32s combed in Faisalabad were steady at PakRs186.50-195.50 per pound (US$3.36-3.52 a kg), both up US cents 2.

In India, cotton yarn prices rolled over since cotton prices were sluggish in the past two weeks. However, export prices were down due to the weakening of the INR. Meanwhile, cotton yarn exports surged in July, although from a low base, while realization picked up during the month. 30s combed cotton yarn for knitting was flat at INR220 a kg (US$3.14 a kg) in Ludhiana. Export price for 30s combed were down US cents 4 at US$2.93 per kg.



Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	22-Aug	16-Aug	change		21-Aug	15-Aug	change
A$	2,068	2,116	-2.27%	Rand	23,809	23,829	-0.08%
US$	1,519	1,537	-1.17%	US$	1,678	1,639	2.38%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	23-Aug	16-Aug	change		14-Aug	24-Jul	change
NZ$	321	319	0.63%	pence/kg	171	170	0.59%
US$	215	210	2.38%	US cents/kg	217	224	-3.13%
Dates shown represent the latest auction in each country versus week-earlier result. Sources: Australian Wool Exchange, Cape Wools SA, NZ Wool Services International, British Wool Marketing Board.							

Speciality Fibres		
Quotations for the following fibres and tops are average prices in US$/kg, FOB		
	6-Jul	30-Jul
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	140.00	140.00
Weaving 32mm	136.00	136.00
Brown		
Hosiery 38mm	132.00	131.00
Weaving 32mm	126.00	125.00
Mongolian Cashmere (dehaired)		
Brown	115.00	114.00
Light Grey	115.00	114.00
Afghan/Iranian Cashmere (dehaired)		
White	103.00	103.00
Fawn	101.00	101.00
Dark Brown	100.00	100.00
Alpaca Tops		
White		
Baby (BL)	NQ	NQ
Fine Spinning (FS)	NQ	NQ
Adult (AG)	NQ	NQ
Camel Hair (dehaired)		
Super-baby	43.00	43.00
Medium baby	36.00	36.00
Adult	30.50	30.50
Silk		
Mulberry Sliver	48.00	47.50
Mulberry Noil	25.00	24.50
Tussah Sliver	33.50	33.50
Tussah Noil	24.00	24.00
Source: The Schneider Group		

EMI sees correction but currency a key factor again

By Jonathan Dyson

The Australian wool market suffered a correction this week as it lost some of last week's spectacular gains. More

Coarse Crossbred Indicator up despite stronger NZD

By Jonathan Dyson

The Coarse Crossbred Indicator rose by 2 cents (0.6%) to close on 321 cents, and in US dollar terms gained 5 cents (2.4%) to finish on 215 US cents. More

SA market stays near highs reached at opening sale

By Jonathan Dyson

The South African wool market maintained most of its impressive gains from the opening sale, with the Cape Wools Merino Indicator decreasing slightly by 20 points (0.1%) to close at a value of R238.09 (clean). More

Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

Yarns

Cotton Yarn export quotations (week ended 24 August)								% change on Week					
		India		Bangladesh		Pakistan		India		Bangladesh		Pakistan	
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting
Open-end	10s			2.09		2.02				0.0		0.0	
	12s			2.16		2.10				0.0		0.0	
	16s	2.16		2.30		2.25		-1.8		0.0		0.0	
	21s	2.25						-1.7					
Carded	20s	2.70	2.70		2.85	2.78		-1.5	-1.5		0.0	0.0	
	30s	2.98	2.93		3.12	3.05		-1.3	-1.3		0.0	0.0	
	40s	3.18			3.40	3.35		-1.2			0.0	0.0	
Combed	20s		3.03		3.15				-1.3		0.0		
	26s		3.18		3.30				-1.2		0.0		
	30s		3.26		3.36				-1.2		0.0		
	34s		3.38		3.51				-1.2		0.0		
	40s		3.51		3.70				-1.1		0.0		
Compact combed	30s	3.33		3.48	3.39			-1.2		0.0	0.0		
	40s	3.60		3.80	3.74	3.70		-1.1		0.0	0.0	0.0	
	60s	4.15		4.80		4.72		-1.0		0.0		0.0	
	80s			5.37		5.85				0.0		0.0	

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market					% Change in Yuan	% Change in US Dollar
	24-Aug		17-Aug			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	16,450	2.4134	15,850	2.3056	3.79	4.67
Viscose 30s	19,530	2.8652	19,430	2.8264	0.51	1.37
Poly/cotton 32s	19,000	2.7875	18,700	2.7202	1.60	2.47
Poly/viscose 40s	19,400	2.8462	19,200	2.7929	1.04	1.91
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	17-Aug		10-Aug			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,150	3.5430	24,150	3.5130	0.00	0.86
Cotton combed 32s	24,200	3.5504	24,200	3.5203	0.00	0.86
Cotton carded 40s	25,600	3.7558	25,600	3.7239	0.00	0.86
Cotton combed 40s	27,000	3.9612	27,000	3.9276	0.00	0.86

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, August 24, 2018		Friday, August 17, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,460	2.5946	1,460	2.5953	0.00	0.16
Carded 40/1	2,300	4.0874	2,300	4.0885	0.00	0.16
Carded 22/1	1,720	3.0567	1,720	3.0575	0.00	0.16
Carded 30/1	1,850	3.2877	1,850	3.2885	0.00	0.16
Combed 20/1	1,783	3.1678	1,783	3.1686	0.00	0.16
Combed 40/1	2,350	4.1763	2,350	4.1773	0.00	0.16
Source: Brecorder , X-Rates						

Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

Nylon filament yarn prices steady as benzene fluctuates slightly

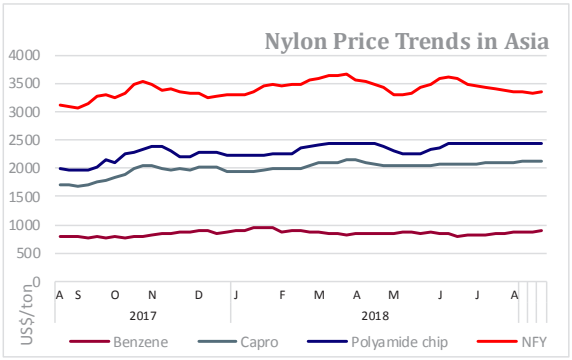
Nylon filament yarn markets were stable, given operating losses of some specs. Nylon FDY yarn prices held flat but were firm on the back of high chip prices but slightly thin demand, while nylon DTY prices rose on rising feedstock cost despite tepid demand. Demand was steady as textile producers operated at stable rates with thin liquidity of FDY, DTY and POY. Nylon FDY70D/24F SD prices rolled over on the week at 23.00-23.50 yuan a kg (US$3.35-3.42 a kg), while DTY70D prices increased to 23.80-24.80 yuan a kg (US$3.46-3.61 a kg, up US cents 5).

Warp knitting mills and covering mills were operating at 70% run rates, and circular knitting mills and lacing mills at 50%. Demand for cord fabric was ideal, while that for fishing net yarn and staple fibre was modest and fair for monofilament yarns. Cord fabric 1,260D prices offers were stable at 26.50-27.50 yuan a kg (US$3.86-4 a kg), while monofilament 30D prices rose to 24-25 yuan a kg (US$3.49-3.64 a kg), up US cents 8). Nylon staple fibre 1.5D prices were also raised to 20.20-20.60 yuan a kg (US$2.94-3.00 a kg, up US cents 2-4 on the week).

Nylon chip prices picked up in Asian markets this week on flat to higher caprolactam cost and operating margins remained positive. Demand for chip was steady, with nylon yarn marker operating at stable rates given positive profits. Buying appetite was modest, implying that demand was still rigid. Trading volume and prices of cord fabric were stable amid high profits, showing some demand for chip. Engineering plastics and film units also had stable demand for chip. Taiwan-origin SD high-speed nylon chip prices inched up US$10 at the lower end to at US$2,440-2,450 a ton. In China, offers for conventional nylon-6 chip were hiked US$50 to US$2,635-2,710 a ton, while SD high-speed chip offers were up US$35 at US$2,665-2,750 a ton.

In Europe, the nylon market was silent with no major business done as players were slowly resuming operation after summer holidays. Supply was reportedly ample and demand a bit lower. July contracts for nylon 6 virgin polymer were steady at Euro 2.28-2.43 a kg FD NWE and nylon 6,6 virgin polymer in the range of Euro 3.93-4.34 a kg FD NWE.

Caprolactam prices in Asian markets were stable to firm this week as tight supply in the region continued to lend support for the higher price. In China, prices for domestic liquid goods inched up, while flake material prices currently remain steady. Sinopec, however, settled its August contract lower than nomination while Japan's Sumitomo settled August contract slightly higher from July on CFR NE Asia basis. Demand was steady as run rates of polymerization units were at 80% and yarn



makers at 82%. Asian markers rolled over with SE and FE Asia at US$2,120-2,160 a ton. In China, spot prices for liquid goods were slightly up at 16,900-17,200 yuan a ton (US$2,460-2,500 a ton, up US$20). Japan's Sumitomo Chemical settled its August caprolactam contract price up US$5 from July at US$2,165 a ton CFR NE Asia.

In Europe, the caprolactam market was quiet as players were slowly returning back from holidays. Contract discussions for August will continue in view of ample supply and demand mostly down due to the summer slowdown. July contracts were at Euro 2,282-2,443 a ton FD NWE.

Benzene prices in Asia fluctuated slightly this week as demand softened from downstream styrene monomer, phenol and acetone markets. Lack of buying interest also prompted cargo-holders to cut offers, slightly dragging down discussion levels. Falling inventories at ports, however, supported the benzene market in China. Inventories at shore tanks along east China fell 1.8% to 161 kilo tons. Spot benzene prices inched up US$6 on the week with CFR China at US$895.50-896.50 a ton and FOB Korea at US$886.50-887.50 a ton.

In Europe, the benzene market was well-supplied, and with a force majeure at Covestros Maasvlakte Netherlands, styrene unit, benzene consumption was reduced in the past few weeks. Around 30-40 kilo tons of benzene is expected to load in ARA region, headed for US Gulf before the end of August. Spot declined US$12.50 on the week, with both FOB Rotterdam and CIF values at US$857.50-858.50 a ton.

In the US, benzene spot prices were assessed narrower as deals for August and September shipment clustered around a single price point. Supply lengthened on high refinery operating rates and influx of fresh cargoes from Europe, while demand from most derivatives was strong. Prompt month spot prices were assessed US cents 2 down on the week at US cents 293.95-294.05 a gallon FOB USG.

Summary
Manmade Fibres
Cotton
Wool & Speciality Fibres
Yarns
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Trade

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Fabrics

Yuan/mt	China Grey Fabric				
	CGOE10 Denim 10*10 72*40 59"/60" Indigo	CG C32 Cotton Twill 32*32 130*70 47"	CG JC40 Combed Cotton 40*40 133*72 67"	CG R30 Rayon 30*30 68*68 63"	CG T/C45 Polyester/Cotton (65:35) 45*45 110*76 63"
29/06/2018	9.322	5.715	7.984	4.450	4.720
06/07/2018	9.322	5.715	7.984	4.450	4.720
13/07/2018	9.322	5.715	7.984	4.450	4.720
20/07/2018	9.322	5.715	7.984	4.450	4.720
27/07/2018	9.322	5.715	7.984	4.450	4.720
03/08/2018	9.322	5.715	7.984	4.450	4.720
10/08/2018	9.322	5.715	7.984	4.450	4.720
17/08/2018	9.322	5.715	7.984	4.450	4.720
24/08/2018	9.322	5.715	7.984	4.450	4.720

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U.S. Export sales week ending 16 August 2018								
	ALL UPLAND 1404				PIMA 1301			
	Current MY		Next MY		Current MY		Next MY	
	This week	Year ago	This week	Year ago	This week	Year ago	This week	Year ago
Outstanding Sales								
Known	8,070.1	5,871.1	1,320.7	583.8	219.3	191.2	24.9	0.0
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	8,070.1	5,871.1	1,320.7	583.8	219.3	191.2	24.9	0.0
Optional Origin	6.2	7.9	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	440.8	536.2			17.8	10.3		
Exports For Own Acct	7.4	72.9			0.0	0.0		
Net Change In Sales	188.0	277.6	4.4	51.9	7.5	6.9	0.0	-1.1

USDA's Weekly Export Sales Report of week ending 16 August

According to the latest USDA Weekly Export Sales Report of week ending 16 August, cotton net sales of 188,000 RB for 2018-19 were reported for Vietnam (73,000 RB, including 6,600 RB switched from Japan, 900 RB switched from Taiwan, 800 RB switched from South Korea, and 200 RB switched from Indonesia), Malaysia (43,400 RB, including 700 RB switched from Japan), Pakistan (27,500 RB, including decreases of 1,900 RB), Indonesia (22,100 RB, including 9,000 RB switched from Japan), and Peru (10,800 RB).

Reductions were reported for Japan (17,300 RB). For 2019/2020, net sales of 4,400 RB were reported for China. Exports of 157,400 RB were primarily to Vietnam (45,700 RB), Turkey (22,100 RB), China (18,600 RB), Mexico (14,300 RB), and Indonesia (13,200 RB).

Net sales of Pima totaling 7,500 RB for 2018-19 were reported for India (4,300 RB, including decreases of 100 RB), Thailand (1,000 RB), China (900 RB), and Turkey (900 RB). Reductions were reported for Switzerland (100 RB). Exports of 7,600 RB were primarily to India (3,800 RB), Vietnam (1,300 RB), Thailand (900 RB), and Egypt (700 RB).

Optional origin sales

For 2018-19, the current optional origin outstanding balance of 6,200 RB is for Indonesia (4,400 RB) and Vietnam (1,800 RB).

Exports for own account

New exports for own account totaling 100 RB were to Vietnam. Exports for own account totaling 5,600 RB were applied to new or outstanding sales to Japan (5,500 RB) and Vietnam (100 RB). Decreases totaling 100 RB were reported for China. The current outstanding balance is 5,100 RB, all China.

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