WTiN Textile Economics

Executive Market Report Summary 03 September 2018

Cost summary	31-Aug-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.66	2.49%
China FDY 50 den/24f	2.10	1.19%
China DTY 150den/48f	2.04	1.23%
Viscose		
China VSF 1.5 den, 38mm	2.17	2.99%
Polyamide		
China FDY 70 den/24f	3.54	1.03%
Cotton		
Cotlook A Index	2.03	0.82%
Wool		
AWEX EMI	15.24	1.19%
Yarn		
China Cotton combed 32s (weaving)	3.56	0.60%
China Cotton combed 40s (weaving)	3.98	0.51%
Indian cotton carded 30s (weaving)*	2.93	0.00%
Indian cotton combed 40s (weaving)*	3.18	0.00%
Taiwan p/c 45s*	4.65	0.00%
WTI Oil $ per Barrel		
WTI Crude Oil Price- 03-Aug	68.49	
WTI Crude Oil Price- 10-Aug	67.61	
WTI Crude Oil Price- 17-Aug	65.93	
WTI Crude Oil Price- 24-Aug	69.71	5.73%

Manmade

- Polyester pricing continues to trend up on cost support
- Viscose fibre price rise accelerates as producers step up offers

Cotton

- Cotton future crawls but posts steep loss in August

Wool & Speciality Fibres

- EMI recovers some of previous week's losses
- NZ market lifts for third week in a row
- Rare and speciality fibres prices monthly round-up – July/ August 2018

Yarns

- Momentum of benzene prices loses steam, but downstream uptrend continues

Trade

- USDA's Weekly Export Sales Report of week ending 23 August

Weekly Market Review

China's ban on imported plastic waste has not only boosted demand for virgin material significantly, but also the feedstock paraxylene, purified terephthalate acid and mono ethylene glycol. The imports of scrap plastic peaked in 2016, at around 8 million tons, accounting for almost half of global plastic waste trade.

Polyethylene and polyethylene terephthalate accounted for more than half of the total volume, at around 2.5 million tons, said CITI in its report "Rethinking single-use plastics: Responding to a sea change in consumer behavior".

Imports started to fall rapidly in H2 2017 and were negligible in 2018 after China announced that it will no longer accept low-grade plastic waste for recycling. This had a positive impact on the primary resins market for both PET and PE due to substitution effects, according to the CITI report. In PET, recycled materials were previously processed into polyester staple fibres – which implied that the plastic waste ban could lead to a rise in demand for virgin polyester.

Import replacements also boosted domestic virgin resins demand significantly, as recycling PE was roughly 8% of the total size in 2016. In 2017, China PE imports dropped 23% year-on-year, but virgin PE imports rose 18%. The substitution trend continued into 2018, with another 1 million tons of additional virgin PE demand expected in 2018. This accounts for 1% of global PE demand, or 4% of China's demand.

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Price movement key: Increase Unchanged Decrease

Manmade Fibres

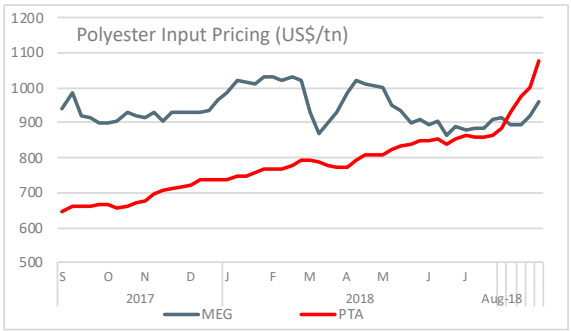
Man-Made Fibre Prices (ex-works) in Eastern China						
Date		31-Aug		24-Aug		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.371		1.246		10.04
PTA	9,275	1.358	8,900	1.306	4.21	3.98
MEG	7,145	1.046	7,095	1.041	0.70	0.48
Caprolactam	17,450	2.554	17,050	2.501	2.35	2.12
Acrylonitrile	19,050	2.789	18,500	2.714	2.97	2.74
PET	13,220	1.935	12,920	1.895	2.32	2.09
Polyester filament						
FDY 50 den/24f	14,350	2.101	14,150	2.076	1.41	1.19
DTY 50 den/72f	19,150	2.803	18,950	2.780	1.06	0.83
DTY 150 den/48f	13,905	2.035	13,705	2.011	1.46	1.23
POY 150 den/48f	12,330	1.805	12,130	1.780	1.65	1.42
FDY 150 den/96f	12,360	1.809	12,160	1.784	1.64	1.42
Polyamide 6 filament						
FDY 70 den/24f	24,150	3.535	23,850	3.499	1.26	1.03
Staple fibre						
Polyester 1.4 denier 38 mm	11,345	1.661	11,045	1.620	2.72	2.49
Viscose 1.5 denier, 38mm	14,850	2.174	14,386	2.111	3.23	2.99
Acrylic 1.5 denier, 38 mm	20,500	3.001	20,500	3.008	0.00	-0.22

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
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
29-Aug	1.30	1.65	1.80	1.90

Polyester pricing continues to trend up on cost support

Crude oil prices rose more than 1% this week, with Brent at its highest in seven weeks and US crude touching a three-week peak, supported by a drawdown in crude and gasoline stocks in the US and reduced Iranian crude shipments as US sanctions deter buyers. Oil prices were buoyed by indications that Iranian crude exports were falling faster than previously anticipated.

PTA prices hit a four-year high, opening the week in Asia on the back of tight supply in key China market. Current prices levels were last seen in August 2014. In China, purified terephthalic acid plants posted an average run rate of 84% last week. Jialong Petrochemicals PTA plant was still down. In China, as paraxylene values surged on the week, offers for PTA bonded goods also surged but there was a large spread on the ideas for nearby-month cargoes between buyers and sellers. Spot markers gained US$70 on the week with CFR China at US$1,065-1,067 a ton and offer from Taiwan/Korea rose to US$1,075-1,772 a ton. In India, prices were at US$1,000 a ton CIF.



In Europe, purified terephthalic acid supplies were still limited and feedstock prices elevated. The August PTA contract price was stable at Euro 763-797 a ton FD NWE.

In the US, PTA markets were quiet as demand remained subdued. Overall, it is apparent that PTA prices are

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unlikely to decline significantly in the short-term. However, the upward momentum may drop in coming weeks. June contracts rolled over at US cents 50.21 per pound (US$1,107 a ton).

Paraxylene prices in Asia continued to surge for the fourth week in a row, gaining almost more than 21% during the period as downstream purified terephthalic acid and polyester markets have all risen of late amid supply tightness and healthy margins. Meanwhile, isomer-xylene prices softened due to an influx of US cargoes, which may ease the cost for paraxylene producers. The September paraxylene contract price was settled up from the previous month; between SKGC and Yisheng Petro and S-Oil and Shenghong Petro. Spot prices soared US$125 on the week, with CFR Taiwan/China at US$1,370.50-1,371.50 a ton and FOB Korea to US$1,351.17-1,352.17 a ton. The September contract price was settled at US$1,340 a ton CFR Asia, up US$280 from the previous month.

In Europe paraxylene, supply was tight, with limited spot activity seen this week. With supply not expected to re-balance in near future, spot prices jumped also taking cue from Asia. Prices jumped US$103 to US$1,272 a ton FOB Rotterdam. In the US, spot export prices of paraxylene increased US$100 to US$1,180-1,220 a ton FOB USG.

In the US, spot export prices continued to increase on rallying Asian values, while domestic demand was muted amid ongoing production disruptions in the North American PTA market, which also supported US-to-Asia arbitrage. Multiple shipments heard during the week. Spot US Gulf Coast prices also jumped significantly. Spot US Gulf Coast prices were assessed at US$1,304 a ton, the highest since August 2014. Since July this year, spot price has risen 38%, tracking Asian markets higher.

MEG prices fluctuated in a narrow range earlier in the week in Asian markets, and picked up rapidly on the weekend as futures market saw an up-limit, pulling up prices. Meanwhile, Sinopec hiked its list prices as spot discussions jumped and inventories fell 4% to 469 kilo ton. The drop was due to decrease in import cargo arrivals. Spot prices gained US$38 with US$25 jump on weekend to US$972-977 a ton CFR China and to US$960-962 a ton CFR South East Asia.

In Europe, mono ethylene glycol bulk spot prices rolled over on stability at low supply. Bulk offers were in the range of Euro 880-890 a ton CIF NWE.

In the US, August mono ethylene glycol contract prices were assessed at a rollover from July amid balanced supply and demand. Domestic supply improved overall from the previous month after the conclusion of turnarounds. Exports to Asia were soft as US prices were higher than Asia's, but some material was heard to have shipped to Europe due to firmer offers in the region. August contract prices were assessed at a rollover from July at US cents 41.5-47.5 per pound FOB USG.

Polyester staple fibre prices continued to climb following hikes in feedstock purified terephthalic acid and mono ethylene glycol prices. However, trade discussions were curtailed as buyers continued to resist increases without an uptick in downstream demand. In China, PSF offers and discussions for 1.4D direct-melt-spun PSF in Jiangsu and Zhejiang were raised early in the week in Shandong and Hebei. In Fujian, PSF market sentiment stabilised after the hike but downstream buyers adopted cautious attitude. In Jiangsu and Zhejiang, offers for 1.4D direct-melt PSF were hiked to US$1.67-1.70 a kg while the same in Fujian and Shandong were at US$1.68-1.71 a kg, up US cents 5-6 on the week. Export offers also climbed to US$1.40-1.45 a kg FOB China, against US$140-1.42 a kg a week ago.

In Pakistan, producers raised offers citing significant jumps in raw material prices while downstream followed up. The All Pakistan Textile Mills Association has urged the government to bring down import duty on polyester staple fibres to 0% to revive the local industry. 1.4D PSF producers' offers were raised PakRs7 to PakRs.192-194 a kg (US$1.56-1.58 a kg, up US cents 5).

In India, PSF offers rolled over in INR and down US cent 1 in US$ terms with 1.2D at INR95 a kg (US$1.33 a kg) and 1.4-2D at INR93.75 a kg or US$1.32 a kg.

Polyester yarn prices moved up in line with the rise in polyester fibre prices in China, while they were stable in India and Pakistan. In China, polyester yarn markets were driven by rising cost of PTA and MEG, while the same has affected polyester fibre market in Pakistan and producers lifted their offers. The rise is yet to reflect in polyester yarn market, but may be sooner in next week. Weak demand in India was hurting polyester yarn markets, although export were charged up in July.

32s polyester yarn offers in China were raised to 16.45 yuan a kg (US$2.41 a kg) and 45s to 17.60 a kg (US$2.58 a kg), both up US cents 4-5. 60s offers jumped to 16.70 Yuan a kg (US$2.45 a kg, up US cents 6). Offers for yarn made of recycled PSF were also hiked with 21s to 14.20 Yuan a kg (US$2.08 a kg, up US cents 4) while 32/2 were steady at 16 yuan a kg (US$2.34 a kg).

In Pakistan, polyester yarns prices were steady in Karachi with 30s at PakRs150 per pound (US$2.69 a kg) and 60s to PakRs170 per pound (US$3.05 a kg). In India, 30s polyester knit yarn prices remained unchanged at INR132 a kg (US$$1.86 a kg) in Ludhiana.

For more Manmade Fibres stories click below...

Viscose fibre price rise accelerates as producers step up offers

By **Nitin Madkaikar**

Viscose staple fibre markets continued to move up significantly in China, seeing producers raise offers in succession. Some traders also started to clear stocks, which mostly attracted some buying interest. More

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Cotton

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	31-Aug	24-Aug	Change		31-Aug	24-Aug	Change
Oct	82.31	81.81	0.50	Sept	15,760	15,905	-145
Dec	82.22	81.63	0.59	Nov	16,260	16,375	-115
Mar	82.58	81.79	0.79	Jan	16,660	16,820	-160
May	82.97	82.18	0.79	Mar	16,990	17,115	-125
Jul	83.36	82.55	0.81	May	17,460	17,605	-145
Dec	78.26	76.78	1.48	Jul	17,665	17,740	-75

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)		
31-Aug	24-Aug	Change	31-Aug	24-Aug	Change
92.15	91.40	0.75	8,000	8,100	(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)		
31-Aug	24-Aug	Change	31-Aug	24-Aug	Change
16,316	16,300	16	47,700	47,800	(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)		
31-Aug	24-Aug	Change
77.80	77.56	0.24

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 future crawls but posts steep loss in August

US cotton futures crawled in the week ended 31 August, though closing was the lowest third of the entire week's trading range and paced to the end of August with a steep loss of 3-4%. The US cotton December contract gained US cents 0.59 week-on-week to close at US cents 82.22 per pound. March settled at US cents 82.58 per pound up from US cents 81.79 last week. The nearby October contract settled at US cents 82.31 per pound, up US cents 0.50 on the week.

US weekly export sales slowed to 161,200 running bales for this season from the prior week and were below expectations. China was the leading buyer for both crop years, booking 44,500 RB for 2018-19 and 48,400 for 2019-20. The USDA anxiously awaited details of an emergency aid package pledged last month in response to 'unjustified retaliation' to US trade policies. The US$4.7bn in payments to US agricultural producers included a cotton rate of US cents 6 per pound. The tariff mitigation program is expected to address the losses cotton producers were facing in the marketplace.

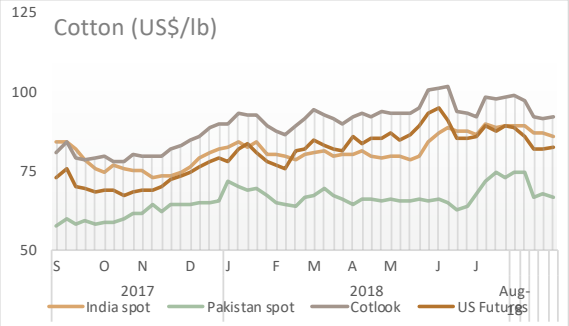
US weather remains good in the Delta and Southeast, and has improved slightly in West Texas into Kansas with some precipitation. The harvest has been active in far southern parts of Texas, but no yield reports were released yet. Crop scout reports indicated that the yield potential would be generally poor. The world was also watching the progress of the Indian monsoon, which was below normal, but generally good enough to support crops.

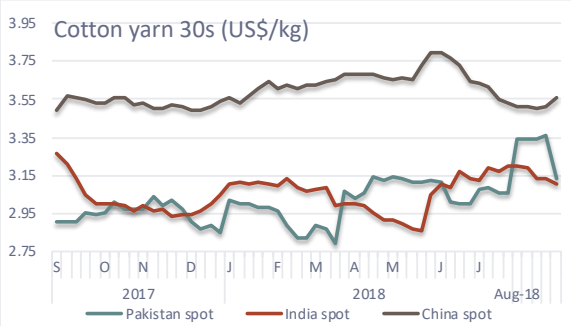
Global spot benchmark, the Cotlook A Index regained some of the past week's losses, despite falling on the weekend. The index was up US cent 0.75 week-on-week to close at US cents 92.15 per pound, having lost US cent 0.50 on the weekend.

In China, spot cotton markets continued to remain in correction, with fresh cotton purchasing season to begin. Procurement prices for seed cotton in Hebei were pegged at 7-7.20 yuan a kg (US cents 47-48 per pound). Meanwhile, spot offers for lint cotton were at 16 yuan a kg (US cents 106 per pound). China Cotton Index inched up 16 yuan on the week, to close at 16,316 a ton (US cents

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108 a pound).

In Pakistan, cotton trading was focused on better grade with flexible prices and buyers concluded month forward deals for better grades on slightly higher price during the week. The activities at ginneries as well as major stations remained firm on back of growing demand of all grades of lint. The Karachi Cotton Association (KCA) spot rate gave back PakRs100 on the week to PakRs 8,160 per maund ex-Karachi. Overall trading activity remained moderate in term of volumes as availability of better grades was depleting.

In India, cotton prices moved down across varieties by INR100-400 per candy coarser cotton cheaper by INR200-400 and finer cotton by INR100-200 a candy. Benchmark Gujarat Shankar-6 was traded at INR47,700 a candy, down INR100 from last week. Market players were optimistic on crop prospect expecting good crop this season and there will be no need to import much cotton this year.

Cotton yarn prices surge in China, down in Pakistan

Cotton yarn prices moved in opposite directions in Asian markets, with China witnessing increases and falling in Pakistan this week. The move was in line with the change in cotton fibre prices. In China, prices carded and regular count yarn moved up faster than combed yarns of all counts. This also implies improved market condition and warming up demand. 32s cotton yarn prices were up at 24.30 yuan a kg (US$3.56 a kg), while 40s were at 25.30 yuan a kg (US$3.71 a kg), both up US cents 5 also due to weak US$. The coarser yarn price of 10s was flat at 14.60 yuan a kg (US$2.14 a kg) and 21s up at 19.60 yuan a kg (US$2.87 a kg, up US cents 5).

In Pakistan, both the Karachi and Faisalabad yarn markets witnessed a sharp decline in cotton yarn prices with high end prices receding faster than lower end. The fall largely reflected the 4.5% drop in cotton spot rates at KCA. 30s carded prices in Karachi fell PakRs10 to PakRs170-180 per pound (US$3.05-3.22 a kg), while 32s combed in Faisalabad declined PakRs11-15 to PakRs175-180 per pound (US$3.13-3.22 a kg), both down US cents 20-30 on the week.

In India, 30s combed cotton yarn for knitting were flat at INR220 a kg (US$3.10 a kg) in Ludhiana. The export price for 30s combed was unchanged at US$2.93 per kg.

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Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	31-Aug	22-Aug	change		21-Aug	15-Aug	change
A$	2,090	2,068	1.06%	Rand	23,809	23,829	-0.08%
US$	1,516	1,519	-0.20%	US$	1,678	1,639	2.38%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	30-Aug	23-Aug	change		14-Aug	24-Jul	change
NZ$	329	321	2.49%	pence/kg	171	170	0.59%
US$	219	215	1.86%	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		
	30-Jul	31-Aug
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	140.00	140.00
Weaving 32mm	136.00	136.00
Brown		
Hosiery 38mm	131.00	131.00
Weaving 32mm	125.00	125.00
Mongolian Cashmere (dehaired)		
Brown	114.00	115.00
Light Grey	114.00	115.00
Afghan/Iranian Cashmere (dehaired)		
White	103.00	104.00
Fawn	101.00	102.00
Dark Brown	100.00	102.00
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	47.50	47.00
Mulberry Noil	24.50	24.00
Tussah Sliver	33.50	33.00
Tussah Noil	24.00	23.00
Source: The Schneider Group		

EMI recovers some of previous week's losses

By Jonathan Dyson

This week the Australian wool market recovered some of the previous week's losses and was assisted by a further weakening in local currency. More

NZ market lifts for third week in a row

By Jonathan Dyson

The New Zealand wool market rose for a third consecutive week and was boosted by a slightly weaker local currency. More

Rare and speciality fibres prices monthly round-up – July/ August 2018

By Jonathan Dyson

Monthly review of the latest global rare and speciality fibre prices from The Schneider Group. More

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Yarns

Cotton Yarn export quotations (week ended 31 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	2.12		2.30		2.25		-1.9		0.0		0.0	
	21s	2.20						-2.2					
Carded	20s	2.65	2.68		2.85	2.78		-1.9	-0.7		0.0	0.0	
	30s	2.95	2.90		3.12	3.05		-1.0	-1.0		0.0	0.0	
	40s	3.13			3.40	3.35		-1.6			0.0	0.0	
Combed	20s		2.98		3.15				-1.7		0.0		
	26s		3.10		3.30				-2.5		0.0		
	30s		3.20		3.36				-1.8		0.0		
	34s		3.33		3.51				-1.5		0.0		
	40s		3.45		3.70				-1.7		0.0		
Compact combed	30s	3.28		3.48	3.39			-1.5		0.0	0.0		
	40s	3.55		3.80	3.74	3.70		-1.4		0.0	0.0	0.0	
	60s	4.10		4.80		4.72		-1.2		0.0		0.0	
	80s			5.37		5.85				0.0		0.0	

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market	31-Aug		24-Aug		% Change in Yuan	% Change in US Dollar
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	16,600	2.430	16,450	2.413	0.91	0.68
Viscose 30s	20,130	2.947	19,530	2.865	3.07	2.84
Poly/cotton 32s	19,100	2.796	19,000	2.787	0.53	0.30
Poly/viscose 40s	19,500	2.854	19,400	2.846	0.52	0.29
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	31-Aug		24-Aug			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,350	3.564	24,150	3.543	0.83	0.60
Cotton combed 32s	24,400	3.572	24,200	3.550	0.83	0.60
Cotton carded 40s	25,800	3.777	25,600	3.756	0.78	0.55
Cotton combed 40s	27,200	3.982	27,000	3.961	0.74	0.51

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, August 31, 2018		Friday, August 24, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,310	2.319	1,460	2.595	-10.27	-10.64
Carded 40/1	2,200	3.895	2,300	4.088	-4.35	-4.74
Carded 22/1	1,620	2.868	1,720	3.057	-5.81	-6.20
Carded 30/1	1,777	3.145	1,850	3.289	-3.96	-4.36
Combed 20/1	1,663	2.943	1,783	3.169	-6.73	-7.11
Combed 40/1	2,300	4.072	2,350	4.177	-2.13	-2.53
Source: Brecorder , X-Rates						

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Price movement key: Increase Unchanged Decrease

Momentum of benzene prices loses steam, but downstream uptrend continues

Nylon filament yarn markets continued to remain supported by hikes in caprolactam and nylon chip costs. Demand was stable as textile producers operated at stable run rates with good liquidity of FDY, DTY and POY. Nylon-6 FDY prices picked up on the back of higher chip prices and modest demand while nylon-6 DTY markets were firm on high feedstock cost although demand was tepid. Offers for nylon FDY70D/24F SD were raised on the week to 23.30-23.80 yuan a kg (US$3.41-3.49 a kg, up US cents 7), while DTY70D offers increased to 24.00-25.30 yuan a kg (US$3.52-3.71 a kg, up US cents 5-10).

Warp knitting and covering mills also ran at 70% run rates, while circular knitting and lacing mills were at 50% run rates. Cord fabric 1,260D prices offers were up at 27-27.50 yuan a kg (US$3.96-4.03 a kg, up US cents 10), while mono filament 30D prices were stable at 24-25 yuan a kg (US$3.52-3.66 a kg). Nylon staple fibre 1.5D prices were also raised to 20.50-21.30 yuan a kg (US$3.00-3.12 a kg, up US cents 6 on the week).

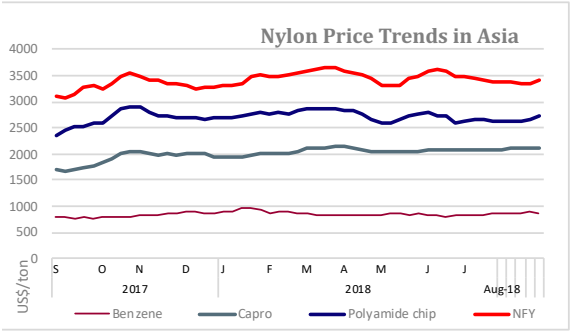
In India, the nylon filament market was slightly firm, pushing up nylon yarn prices in the second half of August. Firm raw material kept prices stable this week in the Surat market. 20 SD filament prices rolled over at INR280 a kg (US$3.95 a kg) in the Surat market.

Nylon chip producers in Asia hiked their offers amid favourable upstream caprolactam markets, while trading activities followed up. Demand was decent as nylon yarn makers operated at high rates given good margins, while buyers were more active on a buy-rise sentiment. Demand from the cord fabric market was also favorable with buyers willing to purchase amid modest profits. Engineering plastics and film units also showed some demand. Thus, chip market may head north to ease operating pressure.

Taiwan-origin SD high-speed nylon chip prices inched up US$10-30 at US$2,450-2,480 a ton. In China, offers for conventional nylon-6 chip were hiked US$60 to US$2,695-2,780 a ton, while SD high-speed chips offers up US$75 at US$2,740-2,810 a ton.

In Europe, nylon 6 monthly contracts rolled over in August on unchanged market conditions. There was a separate mention of a nominal decrease, but the majority of players witnessed stable pricing for the month. There was also mention of downstream shutdowns – which implies that contractual requirements were reduced. August contracts for nylon 6 virgin polymer rolled over at Euro 2.28-2.43 a kg FD NWE and nylon 6,6 virgin polymer were in the range of Euro 3.93-4.34 a kg FD NWE.

Caprolactam spot prices continued to rally in China amid modest demand. Mainstream values for both liquid and flake goods jumped in East China, while producers in the north issued higher offers. Offers in other Asian markets were flat. Taiwan's China Petrochemical Development Corporation settled its September contract higher than August. Increased raw material costs and



tight supply in the region are expected to support the higher price. 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 up at 17,300-17,600 yuan a ton (US$2,535-2,580 a ton) while flake goods were at 17,600 yuan a ton (US$2,580 a ton), both up US$75. Taiwan's China Petrochemical Development Corporation settled its September contract price at US$2,170 a ton CFR Northeast Asia, up US$15 from August.

In Europe, caprolactam contract talks dragged on, with some discussions lasting until the end of the month. Following the fall in benzene August contract price, there was mention of small decreases and separate mention of stable pricing for monthly caprolactam contracts. Supply and demand conditions were largely unchanged. July contracts were at Euro 2,282-2,443 a ton FD NWE.

Benzene prices lost the upward momentum in Asian markets and fluctuated slightly in the week. Cargo-holders were unwilling to reduce prices, seeing a decline in inventories and fewer arrivals. Inventories at shore tanks along east China fell 1.43% on the week to 158.7 kilo ton. However, demand also remained bearish as operating rates in the phenol sector slipped to a yearly-low. Buyers were reluctant to purchase spots due to upcoming delivery period at month-end, thus hampering trading activity. Spot benzene prices edged down on the week with CFR China at US$894.50-895.50 a ton, down US$1 and FOB Korea at US$877.17-878.17 a ton, down US$9.33 on the week. Earlier, Japan's JXTG Nippon Oil nominated its September contract price at US$920 a ton CFR Asia, up US$60 from its August numbers.

In Europe, spot benzene inched up while September contract price settled at a decrease from August. Spot prices rose US$10 on the week, with both FOB Rotterdam and CIF values at US$867.50-868.50 a ton. September contract settled at Euro733 a ton, down Euro9 from August.

In US, benzene spot prices slipped and were assessed wider as trading activity was limited and no deals were heard. September prices were assessed at par with August as there was little activity for the current month. Prompt month spot prices were at US cents 290-296 a gallon DDP, compared to US cents 295 a gallon in the previous week.

Summary
Manmade Fibres
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Wool & Speciality Fibres
Yarns
Fabrics
Trade

Price movement key: Increase Unchanged Decrease

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"
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
31/08/2018	9.322	5.715	7.984	4.450	4.720

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U.S. Export sales week ending 23 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	8,048.1	5,945.5	1,370.3	610.2	227.6	198.4	24.9	0.0
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	8,048.1	5,945.5	1,370.3	610.2	227.6	198.4	24.9	0.0
Optional Origin	6.2	7.9	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	613.4	692.5			20.2	12.1		
Exports For Own Acct	7.4	86.1			0.0	0.0		
Net Change In Sales	150.6	230.7	49.6	26.4	10.6	8.9	0.0	0.0

USDA's Weekly Export Sales Report of week ending 23 August

According to the latest USDA's Weekly Export Sales Report of week ending 23 August, net sales of 150,600 RB for 2018-9 were reported for China (44,500 RB, including decreases of 500 RB), Vietnam (30,400 RB, including 4,400 RB switched from China, 1,700 RB switched from South Korea, and 300 RB switched from Thailand), Pakistan (20,400 RB), South Korea (16,400 RB), and Bangladesh (8,800 RB). Reductions were reported for Japan (2,300 RB) and El Salvador (1,600 RB).

For 2019-20, net sales of 49,600 RB were reported for China (48,400 RB) and India (1,200 RB). Exports of 172,600 RB were primarily to Vietnam (61,000 RB), Mexico (18,200 RB), Indonesia (17,900 RB), Turkey (11,000 RB), and South Korea (9,600 RB).

Net sales of Pima totaling 10,600 RB for 2018-19 were reported for India (6,100 RB), China (3,500 RB), and Peru (700 RB). Exports of 2,400 RB were primarily to India (1,200 RB), Turkey (500 RB), Peru (300 RB) and Bangladesh (300 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

The current exports for own account outstanding balance is 7,400 RB, all China.

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