WTiN Textile Economics

Executive Market Report Summary 17 September 2018

Cost summary	14-Sep-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.65	-1.36%
China FDY 50 den/24f	2.06	-1.97%
China DTY 150den/48f	2.01	-1.30%
Viscose		
China VSF 1.5 den, 38mm	2.21	-0.10%
Polyamide		
China FDY 70 den/24f	3.56	0.18%
Cotton		
Cotlook A Index	2.01	0.11%
Wool		
AWEX EMI	15.06	0.20%
Yarn		
China Cotton combed 32s (weaving)	3.55	-0.23%
China Cotton combed 40s (weaving)	3.97	-0.23%
Indian cotton carded 30s (weaving)*	2.95	0.68%
Indian cotton combed 40s (weaving)*	3.20	0.63%
Taiwan p/c 45s*	4.65	0.00%
WTI Oil $ per Barrel		
WTI Crude Oil Price- 17-Aug	65.93	
WTI Crude Oil Price- 24-Aug	69.71	
WTI Crude Oil Price- 31-Aug	69.84	
WTI Crude Oil Price- 07-Sep	67.73	-3.02%

MMF market

- Polyester price retreats in China but hiked in Pakistan

Cotton market

- Cotton prices low as WASDE ups production estimates

Fibre raw material market

- Manmade fibre intermediate prices take a slower path

Filament market

- Nylon filament market continue to trend up, polyester and viscose stable

Wool & Speciality Fibres

- Market has steady week as AUD remains stable
- Market lifts again as NZD continues to weaken

WASDE report

- WASDE report raises global cotton consumption due to higher use in India

Weekly Market Review – from the analyst desk

Super Typhoon Mangkhut has wreaked havoc in the Philippines, and southern China over the weekend, affecting the movement of shipping vessels, and shutting down ports and other marine facilities. Contingency measures are under way to minimise the impact on energy infrastructure. No major damages are heard of so far. Operations at some ports are likely to remain suspended in parts of the Philippines, Hong Kong and Guangdong China.

Weather disturbances in the US have also affected ports, energy infrastructure and supplies in the region. The LNG market is monitoring terminal operations affected by Hurricane Florence in the US. Export activity was severely reduced at Dominion Energy's Cove Point terminal in Maryland last week.

US President Donald Trump signed a law bill that will reduce or suspend tariffs on approximately 1,660 products imported into the US, more than half of which are chemicals and plastics. However, the Miscellaneous Tariff Bill of 2018, which was signed on Thursday, does not apply to new Section 301 tariffs on Chinese products implemented in July and August and potentially another chemical-heavy round that could be implemented as soon as late September.

Nitin Madkaikar
Price Analyst

Analyst
Nitin Madkaikar - nmadkaikar@wtin.com
Production
Jessica Holgate - design@wtin.com
Sales Manager
Alex Norbury - sales@wtin.com
Managing Director
Mark Jarvis - mjarvis@wtin.com

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is published by
World Textile Information Network Ltd.
West One, 114 Wellington Street,
Leeds, West Yorkshire, LS1 1BA
Tel: +44 (0)113 819 8155
Fax: +44 (0)113 819 8156
Web: www.wtin.com

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		14-Sep		7-Sep		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.362		1.335		2.02
PTA	9,215	1.343	9,275	1.355	-0.65	-0.87
MEG	6,895	1.005	7,445	1.088	-7.39	-7.60
Caprolactam	18,000	2.624	17,750	2.594	1.41	1.18
Acrylonitrile	18,900	2.755	19,000	2.776	-0.53	-0.75
PET	13,655	1.991	13,720	2.005	-0.47	-0.70
Polyester filament						
FDY 50 den/24f	14,100	2.056	14,350	2.097	-1.74	-1.97
DTY 50 den/72f	19,000	2.770	19,150	2.798	-0.78	-1.01
DTY 150 den/48f	13,755	2.005	13,905	2.032	-1.08	-1.30
POY 150 den/48f	12,180	1.776	12,330	1.802	-1.22	-1.44
FDY 150 den/96f	12,060	1.758	12,360	1.806	-2.43	-2.65
Polyamide 6 filament						
FDY 70 den/24f	24,450	3.565	24,350	3.558	0.41	0.18
Staple fibre						
Polyester 1.4 denier 38 mm	11,290	1.646	11,420	1.669	-1.14	-1.36
Viscose 1.5 denier, 38mm	15,150	2.209	15,130	2.211	0.13	-0.10
Acrylic 1.5 denier, 38 mm	20,500	2.989	20,500	2.996	0.00	-0.23

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
22-Aug	1.30	1.65	1.80	1.90
29-Aug	1.30	1.65	1.80	1.90
5-Sep	1.30	1.65	1.80	1.90
12-Sep	1.30	1.65	1.80	1.90

Polyester price retreats in China but hiked in Pakistan

Polyester

Polyester staple fibre prices moved down in China this week as upstream costs retreated from a multi-year high. Nevertheless, polyester margins have narrowed, while sales have slowed, resulting in reduction in operating rates of polyester facilities in key China markets. The average sales-to-output ratio in the polyester sectors in China stood at 40-50% during the week. A ratio below 100% indicates inventory building, as sales were lesser than production. In Jiangsu and Zhejiang, offers for 1.4D direct-melt PSF fell to 11.32-11.57 a kg (US$1.66-1.69 a kg), while the same in Fujian and Shandong were at US$1.66-1.70 a kg, all down US cents 2-3 on the week. Export offers, however, remained stable at US$1.40-1.45 a kg FOB China.

In Pakistan, polyester fibre prices were boosted by higher PTA and MEG prices on the international market. The margin of domestic producers has again increased, implying limited room for prices to rise further. 1.4D PSF producers' offers were raised further by PakRs3 to PakRs.198-200 a kg (US$1.61-1.62 a kg, up US cents 3).

Nylon

Nylon staple fibre 1.5D prices in China were raised to 20.90-21.60 yuan a kg (US$3.06-3.16 a kg, up US cent 1).

Acrylic

Acrylic staple fibre prices remained unchanged this week in Asian markets. In China, production is likely to remain capped in September as margins are eroded by high cost of feedstock acrylonitrile. Last week, ASF plants were operating at an average rate of 50%, which may continue for the rest of the month. Taiwan origin 3D bright ASF tow offers remained unchanged at US$2.50-2.60 a kg, while offers in China for medium-

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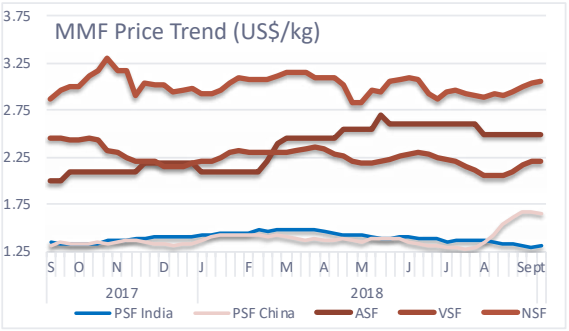
length and cotton-type acrylic fibre rolled over at 20.50-21.90 yuan a kg (US$3.00-3.07 a kg)

ASF prices in India were steady after they were hiked beginning of the month. Producers' offers were steady at INR194-205.50 a kg (US$2.70-2.86 a kg) for September.

In Pakistan, too, prices remained flat in Karachi market after they were lifted in early August. 1.2D ASF prices rolled over in Karachi market at PakRs.360 a kg (US$2.92 a kg).

Viscose

Viscose staple fibre prices were largely stable in Asian markets during the week, with mild upticks seen in China driven by firmer dissolving pulp sentiment. Following brisk sales last week, some offers were raised early in the week, which was followed by some other producers. Enquiring atmosphere warmed up somewhat, as downstream mills began to cover shorts on limited raw material stocks. Offers for medium-end viscose goods were at 15-15.50 yuan a kg (US$2.19-2.27 a kg), with



trading price at 15.00-15.30 yuan a kg (US$2.20-2.24 a kg). Offers for high-end goods were at 15.50 yuan a kg (2.27 a kg). In spot, 1.5D VSF offers inched up to 15.10 yuan a kg (US$2.21 a kg) and 1.2D to 15.27 yuan a kg (US$2.23 a kg).

In Pakistan, VSF prices remained stable in the week. Offers for 1.5D VSF rolled over at PakRs275-278 a kg (US$2.23-2.26 a kg) in Karachi.

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Cotton market

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	14-Sep	7-Sep	Change		14-Sep	7-Sep	Change
Oct	81.90	82.31	(0.41)	Sept	15,700	15,760	-60
Dec	81.83	82.22	(0.39)	Nov	16,090	16,260	-170
Mar	82.14	82.58	(0.44)	Jan	16,560	16,660	-100
May	82.64	82.97	(0.33)	Mar	16,905	16,990	-85
Jul	83.05	83.36	(0.31)	May	17,275	17,460	-185
Dec	77.61	78.26	(0.65)	Jul	17,470	17,665	-195

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)		
14-Sep	7-Sep	Change	14-Sep	7-Sep	Change
91.10	91.00	0.10	8,200	8,200	0

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)		
14-Sep	7-Sep	Change	14-Sep	7-Sep	Change
16,343	16,330	13	47,500	47,300	200

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)		
14-Sep	7-Sep	Change
75.81	76.76	-0.95

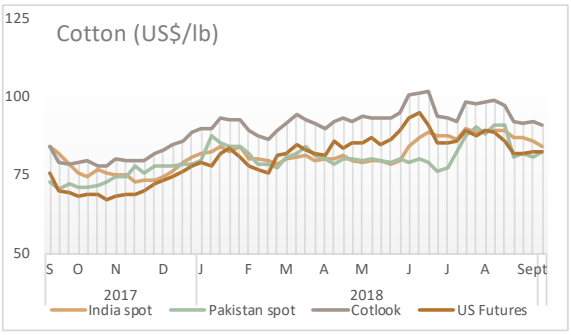
NQ = not quoted N = nominal Sources: InterContinental Exchange (ICE), Zhengzhou Commodity Exchange (ZCE), Cotlook Ltd, WTiN, Karachi Cotton Association, Beijing Cotton Outlook,CEPEA/ESALQ

Cotton Yarn export quotations (week ended 14 September)								% 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		0.0		0.0		0.0	
	21s	2.20						0.0					
Carded	20s	2.65	2.68		2.85	2.78		0.0	0.0		0.0	0.0	
	30s	2.95	2.90		3.12	3.05		0.0	0.0		0.0	0.0	
	40s	3.13			3.40	3.35		0.0			0.0	0.0	
Combed	20s		2.98		3.15				0.0		0.0		
	26s		3.10		3.30				0.0		0.0		
	30s		3.20		3.36				0.0		0.0		
	34s		3.33		3.51				0.0		0.0		
	40s		3.45		3.70				0.0		0.0		
Compact combed	30s	3.28		3.48	3.39			0.0		0.0	0.0		
	40s	3.55		3.80	3.74	3.70		0.0		0.0	0.0	0.0	
	60s	4.10		4.80		4.72		0.0		0.0		0.0	
	80s			5.37		5.85				0.0		0.0	

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Cotton prices low as WASDE ups production estimates



Cotton US futures were lower as Hurricane Florence targeted Carolina's coast. It lost force and was named a Category 2 storm as it approached land. The wind and precipitation were still big enough to significantly damage affected states, mostly from Southeast Virginia to South Carolina. Cotton speculators sold due to the weaker winds seen in the storm. The USDA's WASDE report increased production estimates on an increased area as yields were lower contrary to cotton players' expectation of a slight decrease in production. It also increased exports and forecast only a slight increase in ending stocks despite the increased production.

Meanwhile, more storms were forming in the Atlantic that could bear down on other cotton growing areas. Rains from the Indian monsoon have been below normal, but generally good to support crops. China has been active in India buying and will buy as much as possible there to make up for production losses inside of China.

The US cotton December contract lost US cents 0.16 week on week to close at US cents 81.83 per pound. March settled at US cents 82.14 per pound down from US cents 82.58 last week. Nearby October contract settled at US cents 81.90 per pound, down US cents 0.23 on the week.

Global spot benchmark, the Cotlook A index, inched up US cent 0.10 week-on-week to close at US cents 91.10 per pound, despite declining US cent 1.05 on the weekend.

In China, trading values of better-quality cotton were between 15.25 and 16.35 yuan a kg (US cents 101-109 per pound) up from last week. The China Cotton Index gained 13 yuan on the week, to close at 16,343 a ton (US cents 108 a pound).

In Pakistan, the cotton market was dismal, where prices tended to move lower and trading volume declined owing to slow demand from textile industry and exporters. The week ended contrary to last three days' brisk activity, as trading volume suddenly slowed considerably, and prices also moved further down. The under tone was easy amid uncertain outlook. The downward trend pressure began in line with cotton futures dropping which was influenced by USDA's report of bigger crop and falling export orders for US cotton. The Karachi Cotton Association gained early in the week but fell later and official spot rates was pegged at a roll over on the week.

Meanwhile, cotton production is estimated to be lower according to the Cotton Crop Assessment Committee. According to initial estimates, crop output was estimated at 10.84 million bales as against the targets of 14.37 million bales. However, initial estimates and figures of output may improve in second and third estimation as the weather was dry and pest attack was not yet reported.

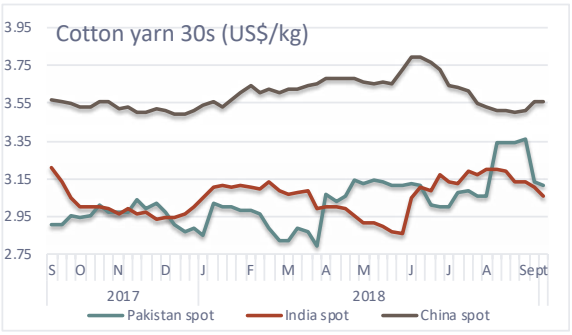
In India, spot cotton prices ruled in a narrow range as the INR was reversing from all-time lows and the arrival of new crop was around the corner. As a result, spot prices came under pressure, but the downside was limited by high support price and ongoing trade war between the US and China.

Cotton yarn

The cotton yarn market moved to stable in China and prices rolled over on the week. Demand for 32s and 21s improved slightly, while other specs saw lackluster demand. Markets saw moderate transactions although the number of orders grew slightly, while participants held weak confidence on the future. 32s cotton yarn prices were almost steady at 24.30 yuan a kg (US$3.55 a kg), while 40s were at 25.30 yuan a kg (US$3.70 a kg). Coarser yarn prices of 16s were stable at 15.60 yuan a kg (US$2.28 a kg) and 21s at 19.60 yuan a kg (US$2.87 a kg). All quotes were down US cent 1 due to the weak yuan.

In Pakistan, cotton yarn prices were stable after a drop last week, both in domestic and export markets, despite sluggish cotton fibre market in recent weeks. In India, cotton yarn prices remained unchanged as cotton prices moved in different directions. In also reflects weak demand both in domestic and export market amid upheavals in currency rates. 30s carded prices in Karachi remained unchanged at PakRs168-170 per pound (US$3.01-3.04 a kg), while 32s combed in Faisalabad were stable at PakRs174-184 per pound (US$3.1-3.29 a kg).

In India, 30s combed cotton yarn for knitting rolled over at INR220 a kg (US$3.06 a kg) in Ludhiana.



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Fibre raw material market

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"
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
07/09/2018	9.322	5.715	7.984	4.450	4.720

Manmade fibre intermediate prices take a slower path

Polyester input: MEG

Mono ethylene glycol prices slumped by nearly 7% this week in Asian markets after three consecutive weeks of gains, as downstream polyester sales slowed down, amid the US-China trade spat. Buying appetite was tapered as H1 September obligations were largely completed. Inventories in east China decreased 13% to 480 kilo ton from the previous week due to fewer import cargo arrivals. MEG spot prices declined US$6 on the week to US$911-916 a ton CFR China and to US$900-902 a ton CFR South East Asia. MEGlobal announced its October Asian contract at US$1,120 a ton CFR Asia, up US$10 from September, while SABIC raised its October nomination similarly to US$1,120 a ton CFR.

In Europe, the September MEG contract was yet to be fully confirmed, while spot truck prices narrowed slightly this week amid slightly muted activity. Demand from the antifreeze sector was healthy ahead of the peak winter season. Spot bulk activity was thin on the ground but deemed fairly quiet among players. Truck prices were between Euro 885 and 910 a ton FCA NEW, while those for fibre grade were in the range of Euro 910-915 a ton FCA NWE. Spot bulk offers were heard at Euro 880-890 a ton CIF NWE.

In the US, MEG supply and demand fundamentals were balanced and spot prices were holding steady from August in the low-to-mid US cents 40 per pound. Meanwhile, Shell sought a price increase effective from 1 October. In the US, Shell was seeking a price increase of US cent 1 per pound from October, while August contracts were at US cents 41.5-47.5 per pound FOB.

Polyester input: PTA

Purified terephthalic acid spot moderated in Asian market, while Futures saw a steep decline amid bearish sentiment. PTA futures for November 2018 contract and January 2019 contract was down as market sentiment turned bearish following recent slowdown in polyester markets. Asian PTA markers moderated US$12 on the week with CFR China at US$1,053-1,055 a ton and offer from Taiwan/Korea at US$1,063-1,065 a ton. In India, prices were at US$990 a ton CIF. In China, the offer for bonded goods fell to US$1,148-1,168 a ton.

In Europe, the PTA market was bullish amid tight supply and spike in paraxylene prices has led to talk of significant price jumps in conversion fee, which is based on cost plus the fee. The August PTA contract price was stable at Euro 763-797 a ton FD NWE.

In the US, PTA makers were preparing for Hurricane Florence as operation were likely to be affected. PTA supply in North America was extremely tight due to the BP allocation as well as an unplanned outage at Alpek's PTA facility in Altamira due to a fire and is expected to be back up by end of September. The paraxylene price increases prompted talk of increases in the September PTA contract of as much as US cents 6.50-7 per pound.

Nylon input: Caprolactam

Caprolactam markets were stable to up in Asian although feedstock prices were on a weak note and downstream demand passable. Sustained tight supply has been supporting caprolactam prices in the region. In China, mainstream prices for liquid goods were hiked on the week, with high-end values for small parcels and low-end ones for large parcels. Prices for solid goods were also higher. Asian markers remained flat, with SE and FE Asia at US$2,130-2,160 a ton. In China, spot prices for liquid goods were jumped to 17,850-18,050 Yuan a ton (US$2,610-2,640 a ton, up US$30). Japan's Ube Industries settled its September contract price at US$2,170 a ton CFR NE Asia, US$15 higher than August.

In Europe, negotiations for September contracts were yet to begin with mixed expectations for the month as feedstock benzene contract fell for September. Sellers, however, opined combination of strong demand and increasing tightness would be the point but also under consideration was the decline in upstream cyclohexane contract for the month. August contracts settled at Euro2,272-2,433 a ton FD NWE down Euro10. In the US, September cyclohexane contract settled at US cents 306 per gallon FOB US Gulf.

Acrylic input: Acrylonitrile

Acrylonitrile prices in Asian markets remained unchanged across regions as supply tightness continued to support firmer pricing. For the same reason prices have been on

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an uptrend globally. Asian marker rolled over this week with Far East CFR at US$2,229-2,231 a ton, while CFR China at US$2,200-2,230 a ton. In China, self-lifting values at Lianyungang port eased US$20 to US$2,765-2,810 a ton. Sinopec Anqing hiked its spot and contract price by US$29 to 19,000 yuan a ton (US$2,780 a ton) ex-works, effective from 10 September.

In Europe, the contract price has steadily increased due to limited imports and planned turnaround at a plant in September. These also were the factors contributing to a tight market. Spot prices rolled over at US$2,048-2,052 a ton CIF Mediterranean.

In the US, spot acrylonitrile narrowed on the lower end. Reports indicated that there was absolutely no product available, with little to no material being traded in the spot export market as producers sought to cover contract customers first. Supply remained tight and inventories low, maintaining upward pressure on the market. Spot export prices were unchanged at US$2,110-2,130 a ton FOB USG, while domestic contracts were at US cents 81.07-85.07 per pound (US$1,787-1,875 a ton) DEL USG.

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Filament market

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market					% Change in Yuan	% Change in US Dollar
	14-Sep		7-Sep			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	16,500	2.406	16,600	2.426	-0.60	-0.83
Viscose 30s	20,480	2.986	20,430	2.985	0.24	0.02
Poly/cotton 32s	19,100	2.785	19,100	2.791	0.00	-0.23
Poly/viscose 40s	20,000	2.916	20,000	2.922	0.00	-0.23
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	14-Sep		7-Sep			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,350	3.550	24,350	3.558	0.00	-0.23
Cotton combed 32s	24,400	3.557	24,400	3.565	0.00	-0.23
Cotton carded 40s	25,800	3.761	25,800	3.770	0.00	-0.23
Cotton combed 40s	27,200	3.966	27,200	3.975	0.00	-0.23

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, September 14, 2018		Friday, September 07, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,315	2.355	1,460	2.595	-9.93	-9.25
Carded 40/1	2,100	3.761	2,300	4.088	-8.70	-8.00
Carded 22/1	1,520	2.722	1,720	3.057	-11.63	-10.96
Carded 30/1	1,693	3.033	1,850	3.289	-8.47	-7.78
Combed 20/1	1,600	2.866	1,783	3.169	-10.24	-9.56
Combed 40/1	2,175	3.896	2,350	4.177	-7.45	-6.75
Source: Brecorder , X-Rates						

Nylon filament market continue to trend up, polyester and viscose stable

Polyester

Polyester filament yarn prices declined sharply due to weak feedstock sentiments. This prompted downstream mills to stay on sideline or buy hand to mouth volume expecting prices to lower given the fall in PTA and MEG cost. In Zhejiang, PFY offers were fell despite low inventory and mainstream selling indications for POYs, FDYs and DTYs followed up. In Shandong, PFY prices were pinned amid mute demand while traders were reluctant to stock up given sluggish downward demand. POY offers were lowered US cents 3 with 75/72 at US$1.87-1.88 a kg in Shengze and 75/36 at US$1.85-1.87 a kg. 75/72 intermingled DTY prices were at US$2.26-2.27 a kg and 75/36 at US$2.25-2.26 a kg, down US cent 3

In Pakistan, selling indications for DTY were stable in the Karachi market, although the feedstock market went weak in the international market, while local filament market saw stable trading values and lukewarm transaction. Selling indications for 300/96 DTY intermingled local goods rolled over at PakRs80 a kg (US$1.43 a kg) while imported were at PakRs111 (US$1.99 a kg).

Nylon

Nylon filament yarn prices edged up on slightly higher nylon chip and caprolactam cost, but demand was on a need-to basis. Fundamentals were moderate on the back of normal production and passable demand. Nylon-6 POY market sentiment was good on rising cost and modest demand while nylon-6 DTY prices firmed due to higher cost. Demand for FDY and monofilament was decent. Downstream, warp-knitting, weaving and AJ covering sectors operated at 70% rate while, circular-knitting mills and lacing mills ran at 50% rate.

Offers for nylon FDY70D/24F SD were hiked to 23.60-24.10 yuan a kg (US$3.45-3.53 a kg, up US cent 1), while DTY70D offers increased to 24.20-25.60 Yuan a kg (US$3.54-3.74 a kg, up US cents 2). In India, 20 SD filament prices remained unchanged at INR280 a kg (US$3.90 a kg) in the Surat market.

Viscose

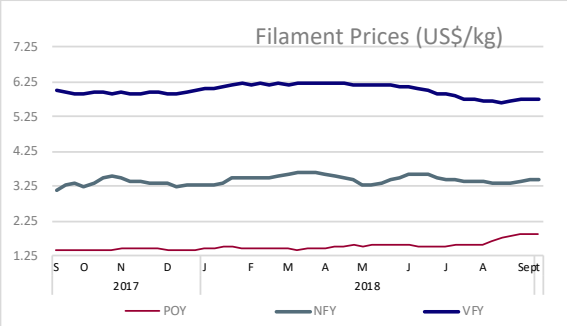
Viscose filament yarn prices were stable during the week, as producers in China mostly liquidated goods as usual, while downstream mills maintained hand-to-mouth volumes. Offers for first-class, second-class and

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third-class VFY 120D were seen rolling over. Offers for 120D bright VFY were stable at 39.20 yuan a kg (US$5.73 a kg), and dull at 39.85 yuan a kg (US$5.83 a kg). 300D bright were offered flat at 29.70 yuan a kg (US$4.34 a kg) and dull at 26.20 yuan a kg (US$3.83 a kg). All quotes were down US cent 1 due to weak yuan.

In India, too, VFY prices were largely stable while firm upward movement of pulp recently, producers will be keen to realize their offering prices in coming weeks. In India, VFY prices were stable in INR terms and up US cents 1 in US$ terms due to slight strength in the INR, with 100D bright VFY at INR388 a kg (US$5.40 a kg) and 450D at INR 225 a kg (US$3.13 a kg).



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Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	13-Sep	6-Sep	change		5-Sep	21-Aug	change
A$	2,094	2,088	0.29%	Rand	25,382	23,809	6.61%
US$	1,503	1,497	0.40%	US$	1,637	1,678	-2.44%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	13-Sep	6-Sep	change		4-Sep	14-Aug	change
NZ$	342	334	2.40%	pence/kg	170	171	-0.58%
US$	224	220	1.82%	US cents/kg	219	217	0.92%
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		
	31-Aug	17-Sep
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	140.00	140.00
Weaving 32mm	136.00	136.00
Brown		
Hosiery 38mm	131.00	132.00
Weaving 32mm	125.00	126.00
Mongolian Cashmere (dehaired)		
Brown	115.00	114.00
Light Grey	115.00	114.00
Afghan/Iranian Cashmere (dehaired)		
White	104.00	104.00
Fawn	102.00	102.00
Dark Brown	102.00	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	48.00
Medium baby	36.00	NQ
Adult	30.50	45.00
Silk		
Mulberry Sliver	47.00	47.00
Mulberry Noil	24.00	24.00
Tussah Sliver	33.00	33.00
Tussah Noil	23.00	23.00
Source: The Schneider Group		

Market has steady week as AUD remains stable

By Jonathan Dyson

The Australian wool market was largely unchanged this week with a steady performance as the local currency remained stable. More

Market lifts again as NZD continues to weaken

By Jonathan Dyson

The New Zealand wool market rose for a fifth consecutive week and was boosted by a further weakening in the local currency. More

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WASDE report raises global cotton consumption due to higher use in India

The World Agricultural Supply and Demand Estimates (WASDE) report of September 2018, has estimated US cotton production, exports and ending stocks will be larger in 2018-19 relative to its numbers in August.

Production is raised 447,000 bales, with increases in the Southwest, Delta, and Southeast. Beginning stocks are revised 100,000 bales lower based on indicated stocks as of 31 July 2018, while domestic mill use is reduced slightly in 2017-18 based on recent activity.

The 2018-19 export forecast is raised 200,000 bales. Ending stocks are now projected higher at 4.7 million bales, or 25% of total use. The forecast range for the marketing-year average farm price is unchanged at US cents 70-80 cents per pound.

For the world, larger 2018-19 cotton production mostly offsets lower beginning stocks, and world ending stocks are only slightly higher this month.

Beginning stocks are reduced for India and the US due to revisions in 2017-18 estimates.

Production is raised for China, Brazil, and the US but is lowered for Australia.

Global consumption is increased 300,000 bales due to higher expected use in India, and trade is unchanged.

World ending stocks are projected about 400,000 bales higher this month, at 77.5 million bales, equivalent to 61% of world consumption. If realized, this stocks/use ratio would be its lowest in eight years, but higher than in virtually every other year before 2010-11.

U.S. Cotton Supply and Use 1/

	2016-17	2017-18 Est.	2018-19 Proj.	2018-19 Proj.
			Aug	Sep
	Million Acres			
Planted	10.07	12.61	13.52	14.04
Harvested	9.51	11.10	10.14	10.55
	Pounds			
Yield per Harvested Acre	867.00	905.00	911.00	895.00
	Million 480 Pound Bales			
Beginning Stocks	3.80	2.75	4.40	4.30
Production	17.17	20.92	19.24	19.68
Imports	0.01	-	0.01	0.01
Supply, Total	20.98	23.68	23.64	23.99
Domestic Use	3.25	3.23	3.40	3.40
Exports, Total	14.92	15.85	15.50	15.70
Use, Total	18.17	19.07	18.90	19.10
Unaccounted 2/	0.06	0.30	0.14	0.19
Ending Stocks	2.75	4.30	4.60	4.70
Avg. Farm Price 3/	68.00	68.00	70.00 - 80.00	70.00 - 80.00

1/ Upland and extra-long staple; marketing year beginning August 1. Totals may not add due to rounding.
2/ Reflects the difference between the previous season's supply less total use and ending stocks.
3/ Cents per pound for upland cotton.

World and U.S. Supply and Use for Cotton 1

Million 480-lb Bales

			Opening stock	Output	Import	Domestic use	Export	Loss 2	Ending stock
World	2016-17		93.44	106.63	37.69	116.12	37.65	0.21	83.79
	2017-18 (Est.)		83.79	123.48	40.92	123.22	40.71	0.47	83.79
	2018-19 (Proj.)	Aug	84.51	120.53	41.80	127.62	41.82	0.30	77.10
		Sep	83.79	121.97	41.79	127.94	41.80	0.35	77.46
United States	2016-17		3.80	17.17	0.01	3.25	14.92	0.06	2.75
	2017-18 (Est.)		2.75	20.92	3/	3.23	15.85	0.30	4.30
	2018-19 (Proj.)	Aug	4.40	19.24	0.01	3.40	15.50	0.14	4.60
		Sep	4.30	19.68	0.01	3.40	15.70	0.19	4.70
Other than US	2016-17		89.64	89.46	37.69	112.87	22.73	0.15	81.04
	2017-18 (Est.)		81.04	102.56	40.91	120.00	24.86	0.17	79.49
	2018-19 (Proj.)	Aug	80.11	101.29	41.79	124.22	26.32	0.16	72.50
		Sep	79.49	102.29	41.79	124.54	26.10	0.16	72.76

1/ Marketing year beginning August 1. Totals may not add exactly and trade may not balance due to rounding and other factors.
2/ Generally reflects cotton lost or destroyed in the marketing channel; for Australia, Brazil, China, and the United States, reflects the difference between implicit stocks based on supply less total use and indicated ending stocks.

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