WTiN Textile Economics

# Executive Market Report Summary 24 September 2018

| Cost summary | 21-Sep-18 | |
|---|---|---|
| | US$/kg | Change on Week |
| **Polyester** | | |
| China PSF 1.4 den | 1.57 | -4.52% |
| China FDY 50 den/24f | 2.02 | -1.64% |
| China DTY 150den/48f | 1.97 | -1.69% |
| **Viscose** | | |
| China VSF 1.5 den, 38mm | 2.21 | 0.13% |
| **Polyamide** | | |
| China FDY 70 den/24f | 3.61 | 1.16% |
| **Cotton** | | |
| Cotlook A Index | 1.94 | -3.29% |
| **Wool** | | |
| AWEX EMI | 15.05 | -0.08% |
| **Yarn** | | |
| China Cotton combed 32s (weaving) | 3.55 | 0.13% |
| China Cotton combed 40s (weaving) | 3.97 | 0.13% |
| Indian cotton carded 30s (weaving)* | 2.93 | -0.68% |
| Indian cotton combed 40s (weaving)* | 3.18 | -0.62% |
| Taiwan p/c 45s* | 4.65 | 0.00% |
| **WTI Oil $ per Barrel** | | |
| WTI Crude Oil Price- 17-Aug | 69.71 | |
| WTI Crude Oil Price- 24-Aug | 69.84 | |
| WTI Crude Oil Price- 31-Aug | 67.73 | |
| WTI Crude Oil Price- 07-Sep | 68.98 | 1.85% |

## Weekly Market Review – from the analyst desk

With the third round of US tariffs on US$200bn of Chinese imports, which the US is launching in phases, it is mitigating some of the impact by excluding a number of chemicals in the final list and setting a lower initial tariff rate. The revised final list will initially have a tariff rate of 10% versus the 25% previously announced. In a change, 142 chemicals and finished plastics were removed compared with the preliminary list, according to the American Chemistry Council. The two finished plastics categories that were removed are plastic gloves – seamless and otherwise. This third round will come into effect from 24 September, and the duties are set to rise to 25% by 1 January 2019 if there is no agreement on trade with China.

The final US round-three list includes a total of 1,363 chemicals and plastics products, of which the US imported US$12.9bn worth from China in 2017, noted ACC. As the original list included 1,505 chemicals and plastics products were valued at US$16.4bn, the value of the imports from China of the removed products in 2017 was US$3.5bn.

In retaliation, China announced imposing tariffs on US$60bn worth of US imports, including a 10% tariff on US-origin paraxylene, a polyester feedstock. Initial feedback suggested that the impact on the polyester industry will be limited. The US accounted for around 8% of the world's total paraxylene production in 2017, and is not a major exporter to China. It had earlier proposed a 25% tariff on US-origin paraxylene on 3 August as part of a package targeting around US$60bn worth of US products.

**Nitin Madkaikar**
Price Analyst

## MMF market

- Polyester fibre price declines as cost eases

## Cotton market

- Cotton prices down as crop damage post storm was minimal

## Fibre raw material market

- MMF intermediate prices decline across chain, except nylon

## Filament market

- Polyester prices down as raw material retreats from high levels

## Wool & Speciality Fibres

- EMI falls on stronger Aussie dollar
- Coarse Crossbred Indicator drops as NZD strengthens
- Stronger rand sees market decline by 4.3%
- British Wool index holds firm

## USDA report

- USDA's Weekly Export Sales Report of week ending 13 September

**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

Executive Market Report 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

Copyright © 2018 World Textile Information Network Ltd. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the written permission of the publisher. Disclaimer: Information contained in this report is obtained from sources believed to be reliable, however no responsibility nor liability will be accepted by WTiN for commercial decisions claimed to have been based on the content of the report.



Price movement key: Increase Unchanged Decrease

# MMF market

| Man-Made Fibre Prices (ex-works) in Eastern China | | | | | | |
|---|---|---|---|---|---|---|
| Date | | 21-Sep | | 14-Sep | | |
| Intermediates | yuan/tonne | US$/Kilogram | yuan/tonne | US$/Kilogram | Yuan Price change (%) | US Dollar Price Change (%) |
| PX (FOB South Korea) | | 1.276 | | 1.362 | - | -6.32 |
| PTA | 7,965 | 1.163 | 9,215 | 1.343 | -13.56 | -13.45 |
| MEG | 6,505 | 0.950 | 6,895 | 1.005 | -5.66 | -5.53 |
| Caprolactam | 18,300 | 2.672 | 18,000 | 2.624 | 1.67 | 1.80 |
| Acrylonitrile | 18,900 | 2.759 | 18,900 | 2.755 | 0.00 | 0.13 |
| PET | 12,955 | 1.891 | 13,655 | 1.991 | -5.13 | -5.00 |
| Polyester filament | | | | | | |
| FDY 50 den/24f | 13,850 | 2.022 | 14,100 | 2.056 | -1.77 | -1.64 |
| DTY 50 den/72f | 18,750 | 2.737 | 19,000 | 2.770 | -1.32 | -1.19 |
| DTY 150 den/48f | 13,505 | 1.972 | 13,755 | 2.005 | -1.82 | -1.69 |
| POY 150 den/48f | 11,830 | 1.727 | 12,180 | 1.776 | -2.87 | -2.75 |
| FDY 150 den/96f | 11,760 | 1.717 | 12,060 | 1.758 | -2.49 | -2.36 |
| Polyamide 6 filament | | | | | | |
| FDY 70 den/24f | 24,700 | 3.606 | 24,450 | 3.565 | 1.02 | 1.16 |
| Staple fibre | | | | | | |
| Polyester 1.4 denier 38 mm | 10,765 | 1.572 | 11,290 | 1.646 | -4.65 | -4.52 |
| Viscose 1.5 denier, 38mm | 15,150 | 2.212 | 15,150 | 2.209 | 0.00 | 0.13 |
| Acrylic 1.5 denier, 38 mm | 20,500 | 2.993 | 20,500 | 2.996 | 0.00 | 0.13 |

| 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 |
| 5-Sep | 1.30 | 1.65 | 1.80 | 1.90 |
| 12-Sep | 1.30 | 1.65 | 1.80 | 1.90 |
| 19-Sep | 1.30 | 1.65 | 1.80 | 1.90 |
| 26-Sep | 1.30 | 1.65 | 1.80 | 1.90 |

## Polyester fibre price declines as cost eases

**Polyester**

Polyester staple fibre producers in China cut down offers on bearish sentiment, leading to tepid trading sentiment. Mainstream discussions for 1.4D direct-melt-spun PSF in Jiangsu and Zhejiang fell during the week seeing upstream PTA and MEG prices retreating sharply. In Shandong and Hebei, polyester fibre markets turned weak lacking bullish factors while offers softened further in Fujian. In Jiangsu and Zhejiang, offers for 1.4D direct-melt PSF were cut to 10.80-11.10 yuan a kg (US$1.58-1.62 a kg, down US cents 8) while the same in Fujian and Shandong were down US cents 6-9 at US$1.59-1.64 a kg. Export offers, were also reduced to US$1.35-1.40 a kg FOB China.

In Pakistan, producers' offers remained unchanged after three straight weeks of hikes as the cost of raw material in international were falling rapidly. 1.4D PSF offers were at PakRs.198-200 a kg (US$1.61-1.62 a kg).

In India, offers remained unchanged for the month both in INR and US$ terms with 1.2D at INR95 a kg (US$1.31 a kg) and 1.4-2D at INR93.75 a kg or US$1.30 a kg.

**Nylon**

Nylon staple fibre 1.5D prices were raised at the lower end to 21.20-21.50 yuan a kg (US$3.10-3.15 a kg, up US cents 3).

**Acrylic**

Acrylic staple fibre prices remained unchanged this week as producers struggled with high input cost seeing no end. In China, though fibre producers shut down units to resist high feedstock cost, acrylonitrile producers in upstream persisted holding offers firm, while downstream yarn mills were watching for any huge risk coming down from ACN sector, despite suffering losses when goods piled up as inventory. As the

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



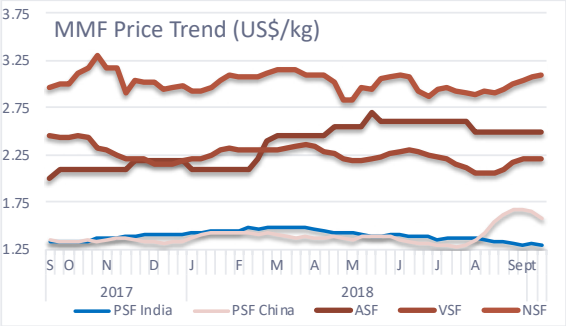
Price movement key: Increase Unchanged Decrease

situation stands, the entire industry chain is conflicted, as producers find themselves trapped at both ends, and losing confidence in the interim. The run rate has fallen to 38% during the week, as most units were idled, and some operating at reduced rate. But overall demand was weak, with some improvement seen in core-spun yarn markets but could hardly boost buying interest. Taiwan origin 3D bright ASF tow offers rolled over at US$2.50-2.60 a kg while offers in China for medium-length and cotton-type acrylic fibre were stable at 20.50-21.90 yuan a kg (US$3.00-3.07 a kg).

Prices in India and Pakistan rolled over again after recent price hikes. In India, producers' offers were steady at INR194-205.50 a kg (US$2.70-2.86 a kg) for September. In Pakistan, 1.2D ASF prices remained unchanged in Karachi market at PakRs.360 a kg (US$2.92 a kg).

**Viscose**

Viscose staple fibre market remained stalemated, seeing offers stable to weak in Asian markets. Buying interest weakened as some producers had mostly fulfilled previous orders, and in turn liquidated volumes with discounts. Downstream yarn markets were generally stable and prices mostly rolled over. Offers for medium-end viscose goods were stable at 15-15.40




yuan a kg (US$2.19-2.25 a kg), with trading price at 15.00-15.30 yuan a kg (US$2.19-2.24 a kg). Offers for high-end goods were at 15.30-15.40 yuan a kg (2.24-2.25 a kg). In spot, 1.5D VSF offers were at 15.10 yuan a kg (US$2.21 a kg) and 1.2D inched up to 15.30 yuan a kg (US$2.24 a kg).

In Pakistan, offers rolled back after they were hiked in early August. Downstream demand was apparently weak and the hike had only increased the cost since spinners were unable to pass on cost. Offers for 1.5D VSF rolled back PakRs5 to PakRs270-273 a kg (US$2.19-2.22 a kg, down US cents 4) in Karachi. In India, 1.2-2.0D VSF prices rolled over at INR144-151 kg (US$2.00-2.10 a kg).

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

# Cotton market

| ICE futures (New York) | | | | ZCE futures | | | |
|---|---|---|---|---|---|---|---|
| No.2 contract (US cents/lb) | | | | No. 1 contract (RMB/tonne) | | | |
| | 21-Sep | 14-Sep | Change | | 21-Sep | 14-Sep | Change |
| Oct | 79.28 | 81.90 | (2.62) | Nov | 15,705 | 16,090 | -385 |
| Dec | 79.13 | 81.83 | (2.70) | Jan | 16,110 | 16,560 | -450 |
| Mar | 79.51 | 82.14 | (2.63) | Mar | 16,355 | 16,905 | -550 |
| May | 80.13 | 82.64 | (2.51) | May | 16,765 | 17,275 | -510 |
| Jul | 80.72 | 83.05 | (2.33) | Jul | 16,935 | 17,470 | -535 |
| Dec | 76.60 | 77.61 | (1.01) | Sep | 17,155 | | 17,155 |

| 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) | | |
| 21-Sep | 14-Sep | Change | 21-Sep | 14-Sep | Change |
| 88.10 | 91.10 | (3.00) | 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) | | |
| 21-Sep | 14-Sep | Change | 21-Sep | 14-Sep | Change |
| 16,337 | 16,343 | -6 | 46,800 | 47,500 | (700) |

| 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) | | |
| 21-Sep | 14-Sep | Change |
| 78.40 | 75.81 | 2.59 |

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

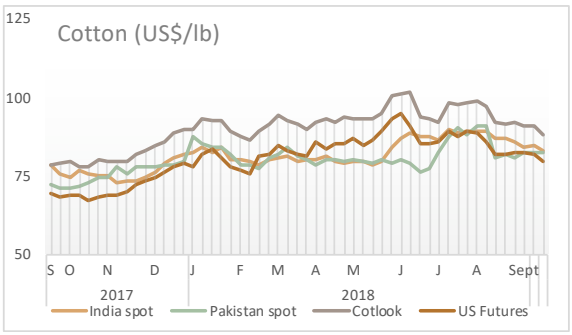
| Cotton Yarn export quotations (week ended 14 September) | | | | | | | | % change on Week | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | India | | Bangladesh | | Pakistan | | India | | Bangladesh | | Pakistan | |
| | | Weaving | Knitting | Weaving | Knitting | Weaving | Knitting | Weaving | Knitting | Weaving | Knitting | Weaving | Knitting |
| Open-end | 10s | | | 1.83 | | 2.02 | | | | -12.4 | | 0.0 | |
| | 12s | | | 1.89 | | 2.10 | | | | -12.5 | | 0.0 | |
| | 16s | 2.12 | | 2.08 | | 2.25 | | 0.0 | | -9.6 | | 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 | | 2.94 | | | | 0.0 | | -6.7 | | |
| | 26s | | 3.10 | | 3.05 | | | | 0.0 | | -7.6 | | |
| | 30s | | 3.20 | | 3.10 | | | | 0.0 | | -7.7 | | |
| | 34s | | 3.33 | | 3.24 | | | | 0.0 | | -7.7 | | |
| | 40s | | 3.45 | | 3.48 | | | | 0.0 | | -5.9 | | |
| Compact combed | 30s | 3.28 | | 3.20 | 3.14 | | | 0.0 | | -8.0 | -7.4 | | |
| | 40s | 3.55 | | 3.57 | 3.50 | 3.70 | | 0.0 | | -6.1 | -6.4 | 0.0 | |
| | 60s | 4.10 | | 4.56 | | 4.72 | | 0.0 | | -5.0 | | 0.0 | |
| | 80s | | | 5.30 | | 5.85 | | | | -1.3 | | 0.0 | |

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

# Cotton prices down as crop damage post storm was minimal




Cotton futures retreated despite a small improvement in the weekly export sales and a weaker US$. The extent of the potential damage to crops in the Carolinas was better understood and was significant. The market succumbed to some price targets of many traders for December midweek before some new buying interest emerged. Reports indicate that much of the production in North Carolina may be lost, mostly because of the extreme rains and flooding. However, it will be quite some time before the full extent of the damage is known as waters in the Eastern part of the state are still very high. Meanwhile, the trade war with China escalated with no end in sight with neither side to give much to make a deal happen.

US cotton December contract lost US cents 2.70 on the week to close at US cents 79.13 per pound. March settled at US cents 79.51 per pound down from US cents 82.14 last week. Nearby October contract settled at US cents 79.28 per pound, down US cents 2.62 on the week.

Global spot benchmark, the Cotlook A Index declined US cent 3 week on week to close at US cents 88.10 per pound, having lost US cent 0.20 on the weekend.

The China Cotton Index inched up 6 yuan on the week, to close at 16,337 a ton (US cents 108 a pound).

In Pakistan, cotton trade remained firm and buyers concluded deals for better grade lint at slightly higher price. The KCA spot rates remained unchanged at pakRs8,360 per maund ex-Karachi. Leading buyers reportedly consolidated their long positions for better grade lint. The sellers holding better grades were on front and brought fine stocks at higher price. Price fixation of cottonseed would also determine the overall lint prices.

Meanwhile, irrigation water scarcity and severe hot weather was affecting standing crop quality besides volumes. Sellers were looking at cottonseed price and shrinking stocks coupled with growing demand for better grades giving them opportunity to ask higher price.

In India, cotton exports to China may see a fivefold jump to 4 million bales in the marketing year starting 1 October, as it slaps 25% additional duty on imports of fibre from the US on July 6, amid the trade war between the world's two economies. Indian traders have already entered into a forward contract with Chinese buyers to deliver about 1.2 million bales between November and January, reports said. Though some quantities are contracted for exports to Bangladesh and Cambodia as well, maximum contracts were with China.

China is set to return as a major cotton importer, taking 10-15 million bales each year by 2019-20, Reuters had reported recently. However, a likely decline in India's cotton production in the next season, low closing stocks and higher minimum support prices may dent export prospects, experts opined.

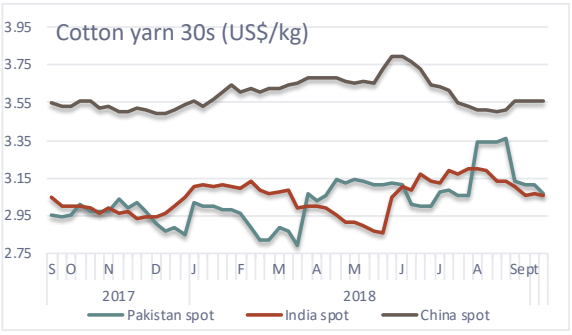
Meanwhile, spot cotton prices ruled lower this week. Prices were down INR100-300 per candy for coarser varieties and INR600-1,100 per candy for medium to finer varieties. Benchmark, Gujarat Shankar-6 was traded at INR46,800 per candy, down INR700 from week ago.

### Cotton yarn

The cotton yarn market had a stable performance in China, with deals mainly concluded for 32s and 40s yarn due to good demand from air-jet-woven nylon/cotton fabric makers. Although the markets were a correction on the weekend, producers did not have enough confidence on the outlook given a busy season. Cotton yarn 32s were at 24.30 yuan a kg (US$3.55 a kg) and 40s at 25.40 yuan a kg (US$3.72 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).

In Pakistan, cotton yarn prices were stable to down in Karachi market while they moved in either directions in Faisalabad market. Cotton prices after staging a volatility were almost stable in recent weeks. The prices also reflected the expected demand to emerge after the Eid holidays last week. 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 down PakRs 2.50 at PakRs171.50-184 per pound (US$3.07-3.29 a kg, US cents 5).

In India, cotton yarn prices were almost stable, although cotton prices were down this week. 30s combed cotton yarn for knitting rolled were steady at INR220 a kg (US$3.06 a kg) in Ludhiana.




Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

# 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 |

## MMF intermediate prices decline across chain, except nylon

**Polyester input: MEG**

Mono ethylene glycol prices faced further downward pressure amid expectations of output cuts by downstream polyester makers in China. Spot prices lost around 3% this week and more than 11% since the end of August. Cutbacks in polyester production may be due to upcoming week-long National Day in early October and producers facing mounting cost pressure following spikes in raw material prices in recent weeks. PFY accounts for more than 50% of PTA-MEG usage in China. Rising inventories also weighed on prices as they rose 1% on the week to 483 kilo ton due to weak offtake rate.

Spot prices declined US$25 on the week to US$860-865 a ton CFR China and to US$848-850 a ton CFR South East Asia. In China, counter offers for nearby-month cargoes were at US$850-855 a ton, and discussions at US$855-860 a ton. Sinopec cut its settlement prices to 7,880 yuan a ton (US$1,150 a ton, down US$30) from August.

In Europe, mono ethylene glycol import supply improved for October deliveries, which asserted downward pressure on bulk spot prices. Demand from the antifreeze sector was good and better than fibre grade in some cases. Bulk spot prices were assessed Euro 25 down at both ends, bringing them in the range of Euro 860-870 a ton CIF NWE. Truck spot prices also declined Euro 10 at the low end and stable at high, with prices ranging Euro 900-915 a ton FCA NWE. In US, MEG contracts were unchanged at US cents 41.5-47.5 per pound FOB.

**Polyester input: PTA**

Purified terephthalic acid prices were under pressure due to weak downstream markets, despite tight supply. Squeezed margins and slower sales in the downstream polyester markets weighed on PTA prices as average sales-to-output ratio in the polyester sectors stood at 40%, compared with 40-50% in the previous week. Several polyester makers were mulling further cuts in operating rates to avoid inventory build-up as sales remain slow. PTA markers declined US$50 week on week with CFR China at US$1,025-1,027 a ton and offer from Taiwan/Korea falling to US$1,035-1,037 a ton. In China, offers for bonded goods were maintained at US$1,160-1,180 a ton while offers for November deliveries were heard at US$1,290 a ton.

In Europe, PTA spot supply remained constrained and prices were high, despite the market moving into a typically low season for downstream PET. The region has two PTA maintenance shutdowns slated for September/October. Notwithstanding the drop in prices in Asia, the European market was counting on a significant hike in paraxylene and PTA September contract prices. August PTA contract price were stable at Euro 763-797 a ton FD NWE.

In the US, Alpek's PTA plant in Mexico remained shut following fire in July while Indorama will bring down its PTA plant in Montreal, Canada, for maintenance between 12-28 October. With paraxylene prices posting increases prompted talk of increases in September PTA contract of as much as US cents 6.50-7 per pound.

**Nylon input: Caprolactam**

Caprolactam prices firmed up early in the week in Asia and went stable later amid thin demand. In China, offers for liquid and flake materials gained sharply as demand continued to support the prices, as the market headed towards its peak season. Japan's Sumitomo Chemical settled its September contract price higher than in August in expectation that demand will support the price. Asian markers surged US$30-40 this week with SE and FE Asia at US$2,150-2,200 a ton. In China, spot prices for liquid goods were jumped to 18,000-18,300 yuan a ton (US$2,630-2,670 a ton, up US$40). Japan's Sumitomo Chemical settled its September caprolactam contract price at US$2,180 a ton CFR NE Asia, up US$15 from August.

In Europe, caprolactam contract discussions for September were mostly concluded at rollovers but a few final talks continued. Some slight reductions in prices were heard due to moves in benzene market for September. Supply was said to be ample and buyers had already factored in the planned turnarounds. August contracts were settled at varying decreases, with most falls not in proportion with benzene drop which was originally discussed earlier in the month. September contracts settled at Euro2,272-2,433 a ton FD NWE rolling over from August.

**Acrylic input: Acrylonitrile**

Acrylonitrile prices in Asian markets fell this week snapping

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report

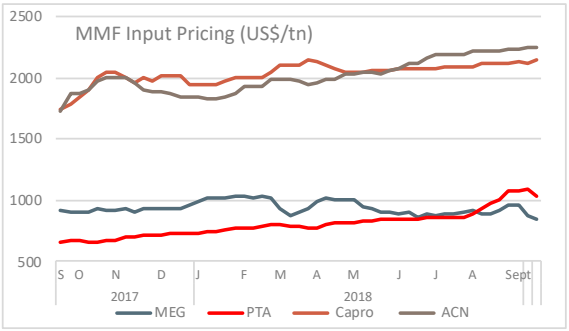


Price movement key: Increase Unchanged Decrease

the six-month gains, but further falls will be limited by upcoming plant turnarounds which will tighten supply again. Some Asian suppliers had to reduce offers to attract buying interest amid slowing demand from downstream acrylonitrile-butadiene-styrene and acrylic fibre sectors. In China, factories producing products such as home appliances and apparel which use ABS and ASF feedstock were struggling to bag overseas orders amid escalating trade war with the US. Markers fell US$20-50 this week with Far East CFR back to US$2,229-2,231 a ton while CFR China fell to US$2,150-2,180 a ton. In China, self-lifting values at Lianyungang port remained flat at US$2,750-2,780 a ton.

In Europe, September contract prices settled at a double digit increase on the back of higher feedstock costs and limited availability. Meanwhile, spot prices remained unchanged. Spot prices rolled over at US$2,048-2,052 a ton CIF Mediterranean. September contract prices settled at Euro34 hike at Euro 2,133-2,201 a ton FD NWE. Deals confirmed by producers and buyers stood at a Euro 33-35 a ton month-on-month increase.

In the US, acrylonitrile spot 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. Market gauged ongoing and upcoming turnarounds in global market.




Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

# Filament market

| Chinese Spun Yarn Prices (ex-warehouse terms) | | | | | | |
|---|---|---|---|---|---|---|
| Qianqing Raw Materials Market | | | | | % Change in Yuan | % Change in US Dollar |
| | 21-Sep | | 14-Sep | | | |
| | yuan/tonne | US$/kg | yuan/tonne | US$/kg | | |
| Polyester 32s | 16,000 | 2.3357 | 16,500 | 2.406 | -3.03 | -2.90 |
| Viscose 30s | 20,280 | 2.9606 | 20,480 | 2.986 | -0.98 | -0.85 |
| Poly/cotton 32s | 19,000 | 2.7737 | 19,100 | 2.785 | -0.52 | -0.39 |
| Poly/viscose 40s | 20,000 | 2.9197 | 20,000 | 2.916 | 0.00 | 0.13 |
| **Prices from Anhui** | | | | | % Change in Yuan | % Change in US Dollar |
| | 21-Sep | | 14-Sep | | | |
| | yuan/tonne | US$/kg | yuan/tonne | US$/kg | | |
| Cotton carded 32s | 24,350 | 3.5547 | 24,350 | 3.550 | 0.00 | 0.13 |
| Cotton combed 32s | 24,400 | 3.5620 | 24,400 | 3.557 | 0.00 | 0.13 |
| Cotton carded 40s | 25,800 | 3.7664 | 25,800 | 3.761 | 0.00 | 0.13 |
| Cotton combed 40s | 27,200 | 3.9708 | 27,200 | 3.966 | 0.00 | 0.13 |

| Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price) | | | | | | |
|---|---|---|---|---|---|---|
| Cone | Friday, 21 September 2018 | | Friday, September 14, 2018 | | PKR % change | USD % change |
| | Mean PKR per 10lb | US$ per kg | Mean PKR per 10lb | US$/kg | | |
| Carded 10/1 | 1,250 | 2.2344 | 1,315 | 2.355 | -14.38 | -13.91 |
| Carded 40/1 | 2,100 | 3.7538 | 2,100 | 3.761 | -8.70 | -8.19 |
| Carded 22/1 | 1,520 | 2.7170 | 1,520 | 2.722 | -11.63 | -11.13 |
| Carded 30/1 | 1,693 | 3.0268 | 1,693 | 3.033 | -8.47 | -7.96 |
| Combed 20/1 | 1,600 | 2.8600 | 1,600 | 2.866 | -10.24 | -9.74 |
| Combed 40/1 | 2,175 | 3.8878 | 2,175 | 3.896 | -7.45 | -6.93 |
| Source: Brecorder , X-Rates | | | | | | |

## Polyester prices down as raw material retreats from high levels

**Polyester**

Polyester filament yarn prices declined rapidly this week in China increasingly squeezing margins while sales were losing traction. Makers were cutting production because of high costs and upcoming week-long National Day celebrations in early October. Producers were facing mounting cost pressure following spikes in MEG and PTA feedstock while buying appetite for polyester filament weakened ahead of the holidays as downstream sectors are expected to reduce production. Sales-to-output ratio fell to around 30-50% affected by consecutive sharp price increases, since July, prompting buyers to retreat to the sidelines. October is the usual peak sales season for PFY. In Pakistan, polyester DTY prices did not move this week while POY prices remained stable in India.

In China, POY offers fell US cents 4-5 with 75/72 at US$1.83-1.84 a kg in Shengze and 75/36 at US$1.80-1.81 a kg. In India, POY offers rolled over in INR and US terms, with 115/108 at INR110 a kg or US$1.53 a kg and 130/34 POY at INR102 a kg or US$1.42 a kg. In China, 75/72 intermingled DTY prices were at US$2.22-2.25 a kg and 75/36 at US$2.19-2.21 a kg, down US cent 2-5. In Pakistan, selling indications for 300/96 DTY intermingled local goods were stable over at PakRs80 a kg (US$1.43 a kg) while imported were at PakRs111 (US$1.99 a kg). FDY offers in China declined by US cents 4-5 with 50/24 at US$1.92-1.93 a kg and 150/96 FDY at US$1.67-1.68 a kg.

**Nylon**

Nylon filament yarn prices were pushed up by firming caprolactam and chip markets despite cautiousness in China. The rise was mild although as plant run rates of yarn makers was at 81%, implying ample supply. Downstream demand was thin but run rates were stable. Buying volume of FDY, DTY and POY was passable. Warp knitting mills and covering mills were operating at 70% rate, while circular knitting and lacing mills were stable at 50% run rates. Nylon-6 FDY prices inched up on the back of higher chip prices while DTY prices were firm on high feedstock cost. Downstream demand was tepid. In India, nylon filament prices generally rolled over this week as cost remained firmly stable.

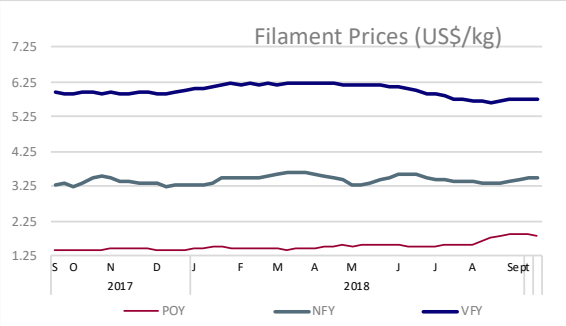
In China, offers for nylon FDY70D/24F SD were raised at the upper end to 23.80-24.50 yuan a kg

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

(US$3.48-3.58 a kg, up US cents 7), while DTY70D offers were hiked to 24.50-25.80 yuan a kg (US$3.58-3.77 a kg, up US cents 4). Cord fabric 1,260D prices offers were stable at 27.50-28 yuan a kg (US$4.02-4.10 a kg) while mono filament 30D prices rolled over at 25-25.50 yuan a kg (US$3.66-3.73 a kg). Nylon staple fibre 1.5D prices were raised at the lower end to 21.20-21.50 yuan a kg (US$3.10-3.15 a kg, up US cents 3). 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 largely stable in China and India this week. In China, reportedly the liquidity of some products in Shengze had improved compared with previous weeks. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over. Thus, prices were generally stable, and may remain firm in the coming weeks.

In China, VFY offers rolled over with 120D bright at 39.30 Yuan a kg (US$5.75 a kg), and dull at 38.95 yuan a kg (US$5.70 a kg). 300D bright were flat at 29.75 yuan a kg (US$4.35 a kg) and dull at 26.25 yuan a kg (US$3.84 a kg). In India, VFY prices were stable in INR terms and US$ terms, 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).

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

# Wool & Speciality Fibres

| Wool | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Australia** | | | | **South Africa** | | | |
| AWEX EMI (cents/kg) | | | | Cape Wools Merino Indicator (cents/kg) | | | |
| | 20-Sep | 13-Sep | change | | 18-Sep | 5-Sep | change |
| A$ | 2,067 | 2,094 | -1.29% | Rand | 24,290 | 25,382 | -4.30% |
| US$ | 1,500 | 1,503 | -0.20% | US$ | 1,653 | 1,637 | 0.98% |
| **New Zealand** | | | | **United Kingdom** | | | |
| NZ Wool Services Indicators | Coarse Crossbred (cents/kg) | | | British Wool Fleece Indicator (clean) | | | |
| | 20-Sep | 13-Sep | change | | 18-Sep | 4-Sep | change |
| NZ$ | 337 | 342 | -1.46% | pence/kg | 168 | 170 | -1.18% |
| US$ | 223 | 225 | -0.89% | US cents/kg | 222 | 219 | 1.37% |
| Dates shown represent the latest auction in each country versus week-earlier result.<br>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 | | |

EMI falls on stronger Aussie dollar

**By Jonathan Dyson**

The Australian wool market suffered corrections this week and was heavily influenced by a stronger local currency. More

Coarse Crossbred Indicator drops as NZD strengthens

**By Jonathan Dyson**

The New Zealand wool market declined for the first time in six weeks and was affected by a stronger local currency. More

Stronger rand sees market decline by 4.3%

**By Jonathan Dyson**

The South African wool market traded lower at this week's auction with the Cape Wools Merino Indicator decreasing by 1,092 points (4.3%) to close at a value of R242.90 (clean). More

British Wool index holds firm

**By Jonathan Dyson**

At the fifth sale of the 2018/19 season, held on 18 September, prices recovered after a hesitant start to remain generally firm on the back of a reasonable level of demand. More

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease

# USDA report

## USDA's Weekly Export Sales Report of week ending 13 September

According to the latest USDA's Weekly Export Sales Report of week ending 13 September, net sales of 97,800 RB for 2018-19 were up 20% from the previous week, but down 24% from the prior 4-week average. Increases were reported for Vietnam (25,500 RB, including 900 RB switched from Taiwan), Mexico (18,500 RB), Pakistan (15,300 RB), Bangladesh (13,100 RB, including decreases of 100 RB), and Thailand (8,700 RB).

Reductions were reported for Taiwan (900 RB). For 2019/2020, net sales of 32,900 RB were reported for Thailand (23,300 RB), Mexico (8,400 RB), Guatemala (800 RB), and China (400 RB). Exports of 148,900 RB were up 10% from the previous week, but down 7% from the prior 4-week average. Exports were reported primarily to Vietnam (43,700 RB), Indonesia (19,200 RB), China (16,200 RB), Mexico (16,100 RB), and Pakistan (8,800 RB).

Net sales of Pima totaling 3,300 RB for 2018/2019 were down 42% from the previous week and 61% from the prior 4-week average. Increases reported for Peru (1,800 RB), India (800 RB), China (600 RB), and Vietnam (300 RB, switched from Japan), were partially offset by reductions for Japan (300 RB).

For 2019-20, net sales of 400 RB were reported for Peru. Exports of 8,700 RB were up noticeably from the previous week and 50% from the prior 4-week average. The primary destinations were India (3,500 RB), Thailand (2,400 RB), and Pakistan (1,200 RB).

Optional origin sales:
For 2018-19, the current optional origin outstanding balance is for Vietnam (1,800 RB).

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

**U.S. Export sales week ending 30 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 | 7,857.8 | 5,898.2 | 1,420.9 | 716.8 | 225.1 | 250.9 | 25.3 | 19.7 |
| Unknown | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 7,857.8 | 5,898.2 | 1,420.9 | 716.8 | 225.1 | 250.9 | 25.3 | 19.7 |
| Optional Origin | 1.8 | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accumulated Exports | 1,075.3 | 1,141.0 | | | 42.3 | 24.9 | | |
| Exports For Own Acct | 7.4 | 72.2 | | | 0.0 | 0.0 | | |
| Net Change In Sales | 97.8 | 219.9 | 32.9 | 37.1 | | | 0.4 | 19.7 |

Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report



Price movement key: Increase Unchanged Decrease