WTiN Textile Economics

Executive Market Report Summary 01 October 2018

Cost summary	28-Sep-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.53	-7.21%
China FDY 50 den/24f	1.97	-4.03%
China DTY 150den/48f	1.94	-3.40%
Viscose		
China VSF 1.5 den, 38mm	2.21	-0.07%
Polyamide		
China FDY 70 den/24f	3.60	0.89%
Cotton		
Cotlook A Index	1.92	-4.28%
Wool		
AWEX EMI	14.55	-3.38%
Yarn		
China Cotton combed 32s (weaving)	3.54	-0.34%
China Cotton combed 40s (weaving)	3.96	-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- 31-Aug	69.84	
WTI Crude Oil Price- 07-Sep	67.73	
WTI Crude Oil Price- 14-Sep	68.98	
WTI Crude Oil Price- 21-Sep	70.80	2.64%

MMF market

- Declining raw material eases polyester prices

Cotton market

- Cotton Futures moderate as demand for US cotton drops

Fibre raw material market

- MMF raw material prices ease but caprolactam still firm

Filament market

- Polyester filament prices declines in China, stable in India and Pakistan

Wool & Speciality Fibres

- Aussie market sees large decline for second week in a row
- Coarse Crossbred Indicator drops again as NZD strengthens further
- SA market falls on stronger rand and sluggish demand
- Average market indicator drops 5.6%

USDA report

- USDA's Weekly Export Sales Report of week ending 20 September

Weekly Market Review – from the analyst desk

Initial casualty of US-China trade war

As the US$250bn US trade tariffs implemented US$110bn from China, events have started showing up and some early casualties were noted in the trade war. In the US, chemical projects that are export-oriented and planned with the huge China market in mind, their owners are now reviewing these plans.

On 27 September, Austria's Lenzing announced that it has shelved plans for construction of a specialty (Lyocell) fibre plant at Mobile, in the US state of Alabama. It cited the rising likelihood of increasing trade tariffs, paired with the surge in construction costs due to the buoyant US labour market, as reasons for its decision. The 90,000 ton a year project, announced in 2016, entailed a US$293m investment with completion scheduled for the first quarter of 2019. Lenzing had claimed it would be the largest Tencel lyocell fibre plant in the world.

In early September, the American Chemistry Council observed that 333 US chemical projects worth US$202.4bn in total were announced since 2010. Of these, 53% were complete or underway, while 41% of projects are still in the planning phase. These projects rely increasingly on export markets apart from the availability of cheap and abundant ethane and other natural gas liquid feedstocks.

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		28-Sep		21-Sep		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.328		1.276		4.13
PTA	7,940	1.156	7,965	1.163	-0.31	-0.58
MEG	6,635	0.966	6,505	0.950	2.00	1.73
Caprolactam	18,100	2.635	18,300	2.672	-1.09	-1.35
Acrylonitrile	18,900	2.752	18,900	2.759	0.00	-0.26
PET	12,555	1.828	12,955	1.891	-3.09	-3.34
Polyester filament						
FDY 50 den/24f	13,550	1.973	13,850	2.022	-2.17	-2.42
DTY 50 den/72f	18,450	2.686	18,750	2.737	-1.60	-1.86
DTY 150 den/48f	13,305	1.937	13,505	1.972	-1.48	-1.74
POY 150 den/48f	11,530	1.679	11,830	1.727	-2.54	-2.79
FDY 150 den/96f	11,460	1.669	11,760	1.717	-2.55	-2.81
Polyamide 6 filament						
FDY 70 den/24f	24,700	3.596	24,700	3.606	0.00	-0.26
Staple fibre						
Polyester 1.4 denier 38 mm	10,490	1.527	10,765	1.572	-2.55	-2.81
Viscose 1.5 denier, 38mm	15,160	2.207	15,150	2.212	0.07	-0.20
Acrylic 1.5 denier, 38 mm	20,500	2.985	20,500	2.993	0.00	-0.26

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
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
3-Oct	1.30	1.65	1.80	1.90

Declining raw material eases polyester prices

Polyester

Polyester staple fibre prices edged down this week in China while they rolled over in India and Pakistan. In China, with the National Day holidays starting next week, downstream mills had limited order intakes amid notional market. Buyers adopted cautious attitude and made small volume procurements with bearish outlook. Thus, polyester fibre suppliers cut operation to reduce production. As a result, feedstock succumbed to bearish pressure. Offers for 1.4D direct-melt PSF were cut to 10.55-10.80 yuan a kg (US$1.53-1.57 a kg, down US cents 5) in Jiangsu and Zhejiang while the same in Fujian and Shandong were down US cents 5-7 at US$1.54-1.57 a kg. Export offers, were also reduced to US$1.30-1.35 a kg FOB China.

In Pakistan, transactions moved down after offers were raised early to mid-September and no firm deals were heard. 1.4D PSF producers' offers were stable at PakRs.198-200 a kg (US$1.61-1.62 a kg).

In India, producers' offers remained unchanged and no revision were heard for October values. 1.5D PSF offers rolled over both in INR terms with 1.2D at INR95 a kg (US$1.30 a kg) and 1.4-2D at INR93.75 a kg or US$1.29 a kg.

Nylon

In China, nylon staple fibre 1.5D prices fell at the lower end to 21-21.50 yuan a kg (US$3.05-3.13 a kg, down US cents 5).

Acrylic

Acrylic staple fibre prices rolled over in Asian markets of China, India and Pakistan this week. In China, inventory continued to shrink due to low operating rates. The overall average run rate dropped to 36-38% this week from 55% in early September, and the number is expected to stay low in October given the eroded margins. High acrylonitrile cost, which is unlikely to ease in near future, continued

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

Price movement key: Increase Unchanged Decrease

to assert pressure on acrylic fibre producers. Meanwhile, demand showed no sign of improvement, as downstream yarn mills were still consuming previous inventory, with no appetite for fresh raw material.

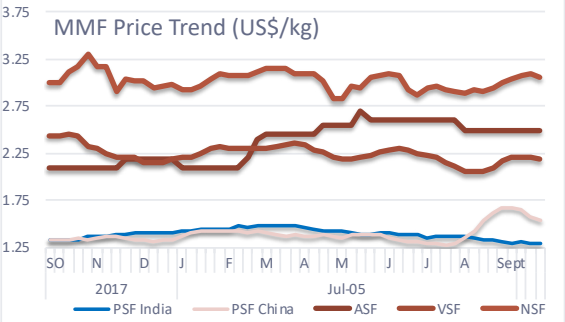
Taiwan origin 3D bright ASF tow offers were stable at US$2.50-2.60 a kg while offers in China for medium-length and cotton-type acrylic fibre were stable at 20.50-21.90 yuan a kg (US$2.98-3.05 a kg, down US cents 2 due to weak yuan).

In India, prices rolled over and no revision was announced for October pricing as yet. While cost fluctuated at high levels, acrylic fibre industry is likely to maintain the status quo, and will mainly monitor the changes in downstream demand in coming weeks.

In Pakistan, 1.2D ASF prices remained unchanged in Karachi market at PakRs.360 a kg (US$2.92 a kg). In India, producers' offers rolled over at INR194-205.50 a kg (US$2.67-2.83 a kg, down US cents 3 due to weak INR) for September.

Viscose

The viscose staple fibre market sentiment improved somewhat in China after major producers met during the week to agree on maintaining prices in the short run, with plans to raise them after the National Day holidays. Market confidence was restored after the news, and downstream mills started replenishing, although in small volumes. Thus, the sale–production ratio improved by weekend. Given the current weak order intakes and



tight liquidity, downstream mills remained cautious on stoking up. Thus, inventory may pile up at viscose producers during the National Day holiday period. Offers for medium-end viscose goods were down at the upper end at 15-15.10 yuan a kg (US$2.18-2.20 a kg, down US cents 5) and those for high-end goods were stable at 15.30-15.40 yuan a kg (2.22-2.24 a kg). In spot, 1.5D VSF offers were at 15.11 yuan a kg (US$2.20 a kg) and 1.2D at 15.30 yuan a kg (US$2.22 a kg).

In Pakistan, viscose fibre prices were stable after they were rolled back last week. Offers for 1.5D VSF rolled over at PakRs270-273 a kg (US$2.19-2.22 a kg) in Karachi.

In India, prices generally rolled over with no factors moving the markets. 1.2-2.0D VSF prices remained unchanged at INR144-151 kg (US$1.98-2.08 a kg, down US cents 2 due to weak INR).

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)			
	28-Sep	21-Sep	Change		28-Sep	21-Sep	Change
Oct	76.76	79.28	(2.52)	Nov	15,225	15,705	-480
Dec	76.37	79.13	(2.76)	Jan	15,645	16,110	-465
Mar	77.29	79.51	(2.22)	Mar	15,960	16,355	-395
May	78.14	80.13	(1.99)	May	16,210	16,765	-555
Jul	78.94	80.72	(1.78)	Jul	16,435	16,935	-500
Dec	75.77	76.60	(0.83)	Sep	16,620	17,155	-535

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)		
28-Sep	21-Sep	Change	28-Sep	21-Sep	Change
87.20	88.10	(0.90)	8,000	8,200	(200)

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)		
28-Sep	21-Sep	Change	28-Sep	21-Sep	Change
16,243	16,337	-94	46,500	46,800	(300)

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)		
28-Sep	21-Sep	Change
78.44	78.40	0.04

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

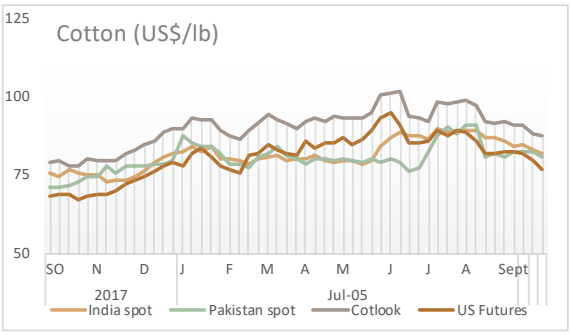
Cotton Yarn export quotations (week ended 28 September)								% change on Week					
		India		Bangladesh		Pakistan		India		Bangladesh		Pakistan	
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting
Open-end	10s			1.80		1.76				-13.9		-12.9	
	12s			1.85		1.82				-14.4		-13.3	
	16s	2.12		2.05		1.98		0.0		-10.9		-12.0	
	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		2.84	2.82		0.0	0.0		-9.0	-7.5	
	40s	3.13			3.40	3.35		0.0			0.0	0.0	
Combed	20s		2.98		2.88				0.0		-8.6		
	26s		3.10		3.00				0.0		-9.1		
	30s		3.20		3.04				0.0		-9.5		
	34s		3.33		3.17				0.0		-9.7		
	40s		3.45		3.40				0.0		-8.1		
Compact combed	30s	3.28		3.12	3.07			0.0		-10.3	-9.4		
	40s	3.55		3.48	3.42	3.43		0.0		-8.4	-8.6	-7.3	
	60s	4.10		4.54		4.50		0.0		-5.4		-4.7	
	80s			5.25		5.55				-2.2		-5.1	

Source: Textilebeacon.com

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

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Cotton Futures moderate as demand for US cotton drops



Cotton Futures weakened in response to another bad week for the US export sales report. Export demand dropped in the last few weeks as the world is focused on the US cotton crop and await prices to drop further due to lost Chinese demand for US Cotton. Waters have started receding in the Carolinas, although some major flooding was reported near the rivers and coastal areas in South Carolina.

The extent of potential damage to crops is reported to be significant. It will take a little more time before the full extent of the damage in known as most producers are cleaning up after the storms. The USDA report showed slight improvement in national rankings for cotton this week, which is in contrast to the weather conditions last week. The market lost some price targets of many traders were at US cent 75 for December last week before some new buying interest was found. Futures could hit make new lows as trade war with China see no end in sight and neither side willing to give up much to make a deal happen.

US cotton December contract lost US cents 2.76 week-on-week to close at US cents 76.37 per pound. March settled at US cents 77.29 per pound down from US cents 79.51 last week. Nearby October contract settled at US cents 76.76 per pound, down US cents 2.52 on the week.

Global spot benchmark, the Cotlook A Index moderated US cent 0.90 on the week to close at US cents 87.20 per pound, having lost US cent 0.75 on the weekend.

In China, buying prices for raw or seed cotton (with lint percentage at 40%) were stable in Xinjiang province while in Kuitun, prices for hand-picked goods were at 7.0-7.2 yuan a kg (US$1.02-1.05 a kg) and prices for mechanically-harvested goods were at 6.0-6.2 yuan a kg (US$.87-0.90 a kg). The China Cotton Index fell 94 yuan on the week, to close at 16,243 a ton (US cents 107 a pound).

In Pakistan, cotton prices moved lower, opening the week in line with the falling trend on the global markets. The escalting trade war between US and China over tariffs was a major factor dampening sentiments in world commodity markets. Furthermore, sluggish performance in the yarn market also kept buyers away from the market. Barring a few needy spinners and some exporters, the market remained devoid of much activity. As the week came to a close, spot rate declined further. During the week, the Karachi Cotton Association reduced its official spot rate by almost PakRs200 to PakRs8,160 per maund ex-Karachi. Market players also pointed to the increase in arrivals as a factor for prices to decline.

In India, cotton price movements were sluggish this week with some varieties moderate and few gains. Spot prices for coarser varieties declined INR300-400 per candy week-on-week, while a finer variety of DCH-32 were up INR500 a candy. Benchmark Gujarat Shankar-6 was traded at INR46,500 per candy, down INR300 from last week. Prices also exhibited a mixed trend in central and south India due to scattered buying and selling activity.

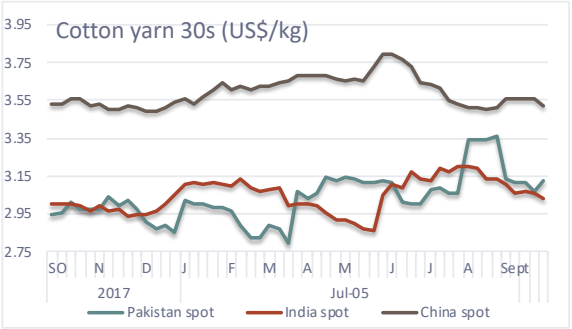
Harvesting of new crops has begun in Punjab and Haryana and arrivals will gather pace and possibly bring down prices soon. But chances of any sharp downside is limited due to dryness concerns in Gujarat. Further, if global prices remain at their current levels, a correction in domestic prices may result in achieving export competitiveness.

Cotton yarn

Cotton yarn markets in China saw limited changes in sales volume, and downstream demand for 32s cotton and cotton spandex blend wrapped yarn increased somewhat. Offers for 32s moderated as producers intended to balance better sales of low-count yarns amid limited orders for finer-count yarns. Offers for 21s cotton yarn were flat. As cotton yarn markets were under correction, producers did not have enough confidence on the situation in a busy season. 32s was traded at 24.25 yuan a kg (US$3.53 a kg, down US cents 3) and 40s were stable at 25.40 yuan a kg (US$3.69 a kg). Coarser yarn prices of 16s declined to 15.30 yuan a kg (US$2.22 a kg, down US cents 6) while 21s were flat at 19.60 yuan a kg (US$2.85 a kg).

In Pakistan, cotton yarn prices were stable in the Karachi market, while they fluctuated both ways in the Faisalabad market. Overall, the performance remained sluggish given the moderation in cotton prices. 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 up PakRs 3 at PakRs174.50-187 per pound (US$3.12-3.35 a kg, up US cents 5).

In India, cotton yarn prices did not move given the past hikes in cotton prices, although the market may trend lower as arrivals pick up. 30s combed cotton yarn for knitting rolled were steady at INR220 a kg (US$3.03 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"
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
14/09/2018	9.322	5.715	7.984	4.450	4.720
21/09/2018	9.322	5.715	7.984	4.450	4.720
28/09/2018	9.322	5.715	7.984	4.450	4.720

MMF raw material prices ease but caprolactam still firm

Polyester input: MEG

Mono ethylene glycol prices firmed up in Asian markets on the buoyant buying sentiment as downstream producers rushed to stock up ahead of the Golden Week holiday. In China, the wait-and-watch stance weakened gradually as there were lesser polyester producers amid maintenance this week. Meanwhile, the busy season will begin after the National Day holiday and large orders are expected to emerge. Meanwhile, inventories in east China increased to 568 kilo ton, up 18% from last week. Spot prices gained US$25 on the week to US$885-890 a ton CFR China and by US$40 to US$885-890 a ton CFR South East Asia. Sinopec cut its October list prices to 7,500 yuan a ton (US$1,090 a ton), down US$60 from the September settlement.

In Europe, mono ethylene glycol spot prices were stable-to-soft as supply was comfortable ending September and entering October. Sentiment was on a downslide due to increased imports in October of larger parcels, and prices were assessed lower in line with market feedback. Bulk spot prices were Euro 5 down at the lower end and stable at the upper, bringing prices to Euro 855-870 a ton CIF NWE. Truck prices were down Euro 5 at both ends, ranging Euro 895-910 a ton FCA NWE.

In the US, mono ethylene glycol prices were steady, but peak demand will soon begin to slow down on seasonality. Supply was snug as all plants were in operation while demand into PET was good. MEG contracts for September rolled over at US cents 41.5-47.5 per pound FOB.

Polyester input: PTA

Purified terepthalic acid prices in Asia moved down slightly this week as supply started to increase with the restart of large plants this week in China. The average operating rate rose to 82% in the week as Yisheng Petro, BP Zhuhai Petro and Jialong Petro restarted during the week. The surge in upstream paraxylene prices, however, limited the fall in PTA price.

Asian PTA markers edged down US$5 week-on-week with CFR China at US$1,020-1,022 a ton and offers from Taiwan/Korea falling to US$1,030-1,032 a ton. In China, prices for bonded goods were adjusted to US$1,050-1,100 a ton. Buyers bid for nearby-month cargoes at below US$1,000 a ton early in the week, while midweek saw sellers holding offers at US$1,040-1,050 a ton. Yisheng Petrochemical lowered its daily prices to US$1,050 a ton and Hengli Petrochemical's self-lifting offer fell to US$1,100 a ton.

In Europe, PTA supply remained constrained and prices were stable, as paraxylene prices were up on Asian cues. Meanwhile, Indorama Portugal has planned a 10-day maintenance shutdown beginning October. This may constrain supply further, but wakening demand may neutralise the supply snug. The PTA contract price was stable at Euro 763-797 a ton FD NWE.

Nylon input: Caprolactam

Caprolactam spot prices rolled over in Asian markets while contracts were seen settling higher as feedstock benzene market was range bound and static demand. Run rates of polymerization units and yarn makers were running at 80%. Taiwan's China Petrochemical Development Corporation settled its October contract price as firm upstream phenol values are expected to support the price. China's Sinopec settled its September contract price higher from August as domestic demand is expected to peak after its week-long National Day celebration in first week of October.

Asian markers rolled over this week with SE and FE Asia at US$2,150-2,200 a ton. In China, spot prices for liquid goods softened to 17,800-18,500 yuan a ton (US$2,590-2,690 a ton) while flake goods were at 18,100 yuan a ton (US$2,630 a ton). Taiwan's China Petrochemical Development Corporation settled its October contract price at US$2,240 a ton CFR NE Asia, up US$70 from September.

In Europe, September contract price rolled over amid balanced supply and demand conditions and stable downstream nylon 6 contract pricing month on month. Negotiations for cyclohexane Q4 contract price has started and supply and demand dynamics will tend to drive delta price negotiations. September contracts had settled at Euro2,272-2,433 a ton FD NWE rolling over from August.

Acrylic input: Acrylonitrile

Acrylonitrile markets in Asia witnessed dull trading and prices fell ahead of a week-long holiday. The China market will remain closed on 1-7 October for the National Day Golden Week holiday. The large downstream consumers,

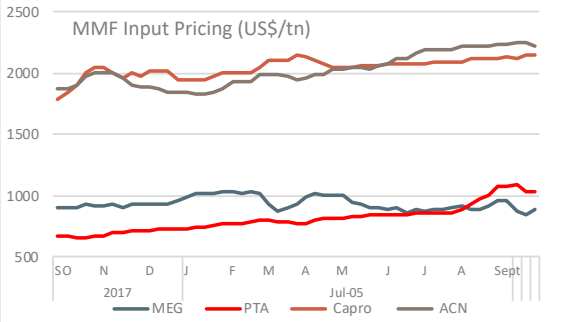
Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report

Price movement key: Increase Unchanged Decrease

acrylic fibre and acrylonitrile-butadiene-styrene sectors were well-covered by contract volumes, while most other small downstream buyers had finished stocking activities. As a result, transactions during the week were limited, and some traders were already away on holiday. Asian acrylonitrile markers fell US$30 on the week with Far East CFR back to US$2,219-2,221 a ton while CFR China was flat at US$2,200-2,230 a ton. In China, self-lifting values at Lianyungang port rolled over at US$2,760-2,775 a ton.

In Europe, acrylonitrile spot activity also remained limited and prices generally rolled over after the hike in September contracts last week and weak propylene this week. Spot prices remained unchanged at US$2,048-2,052 a ton CIF Mediterranean after September contract prices were settled Euro34 up at Euro 2,133-2,201 a ton FD NWE.

In the US, acrylonitrile spot export prices were flat at US$2,110-2,130 a ton FOB USG as global supply remained tight. Two large units will go on turnaround each with capacities over 200,000 ton a year. This supply disruptions Q4 may assert upward pressure on US prices in the coming month. However, seasonal downturn in acrylic fibre and ABS is likely to offset supply tightness anticipated from October through Q4.



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
	28-Sep		21-Sep			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	15,400	2.242	16,000	2.336	-3.75	-4.00
Viscose 30s	20,280	2.953	20,280	2.961	0.00	-0.26
Poly/cotton 32s	19,000	2.766	19,000	2.774	0.00	-0.26
Poly/viscose 40s	20,000	2.912	20,000	2.920	0.00	-0.26
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	28-Sep		21-Sep			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,300	3.538	24,350	3.555	-0.21	-0.47
Cotton combed 32s	24,350	3.545	24,400	3.562	-0.20	-0.47
Cotton carded 40s	25,800	3.757	25,800	3.766	0.00	-0.26
Cotton combed 40s	27,200	3.960	27,200	3.971	0.00	-0.26

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, September 28, 2018		Friday, September 21, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,250	2.212	1,250	2.234	0.00	-0.99
Carded 40/1	2,100	3.717	2,100	3.754	0.00	-0.99
Carded 22/1	1,520	2.690	1,520	2.717	0.00	-0.99
Carded 30/1	1,693	2.997	1,693	3.027	0.00	-0.99
Combed 20/1	1,600	2.832	1,600	2.860	0.00	-0.99
Combed 40/1	2,175	3.849	2,175	3.888	0.00	-0.99
Source: Brecorder , X-Rates						

Polyester filament prices declines in China, stable in India and Pakistan

Polyester

Polyester filament yarn prices declined in China this week while they rolled over in India and Pakistan.

In China, given the softness in upstream purified terephthalic acid prices, local PFY prices were generally down while trading activities were mixed between producers and sellers. Downstream replenishment was not active overall. In Zhejiang, PFY offers were partly corrected downwards under inventory pressure, with discounts still available. Trading atmosphere improved but appeared mixed ahead of the week-long national holidays. In Pakistan, DTY selling indications rolled over amid range bound sentiment and thin trading atmosphere. In India, producers' offers for POYs rolled over as downstream mills purchased need-based volumes. Offers for October were cut amid declining raw material cost.

In China, POY offers were cut US cents 5-6 with 75/72 to US$1.77-1.79 a kg in Shengze and 75/36 to US$1.74-1.76 a kg. In India, POY offers rolled over in INR and down US cent 1 in US terms, with 115/108 at INR110 a kg or US$1.52 a kg and 130/34 POY at INR102 a kg or US$1.41 a kg. In China, 75/72 intermingled DTY prices were at US$2.18-2.20 a kg and 75/36 at US$2.14-2.15 a kg, down US cent 6. In Pakistan, selling indications were stable for 300/96 DTY intermingled local goods at PakRs80 a kg (US$1.43 a kg) and imported at PakRs111 (US$1.99 a kg). FDY offers in China declined US cents 5-6 with 50/24 at US$1.86-1.88 a kg and 150/96 FDY at US$1.61-1.63 a kg.

Nylon

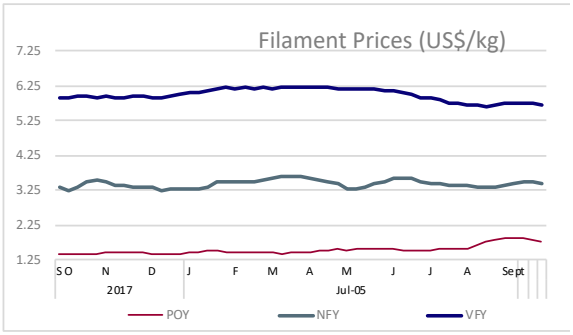
Nylon filament yarn price movements were inconsistent this week as upstream caprolactam spot markets were insipid, but contract prices increased and chip prices fluctuated amid thin demand. Demand was flat as textile producers operated at stable run rates. Purchasing volume of FDY, DTY and POY was limited because of tight liquidity. Warp knitting and covering mills were running at 65% rate and circular knitting and lacing mills at 45%. Nylon-6 FDY prices inched up on back of higher chip cost and nylon-6 DTY prices were firm on high feedstock cost. Downstream demand was although tepid. Prices of cord fabric 1,260D were at up at the upper end amid limited margin. Monofilament prices were almost flat while nylon staple fibre was cheaper at

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

Price movement key: Increase Unchanged Decrease

the lower end. In India, nylon filament prices rolled over this week after they were raised mid-September.

In China, offers for nylon FDY70D/24F SD were flat at 23.80-24.50 yuan a kg (US$3.46-3.56 a kg, down US cents 2 due to weak yuan), while DTY70D offers were hiked at the upper end to 24.50-26 yuan a kg (US$3.56-3.78 a kg, up US cents 2). Cord fabric 1,260D prices offers at 27.50-28.50 yuan a kg (US$4-4.14 a kg, up US cents 4 at the upper end) while mono filament 30D prices rolled over at 25-25.50 yuan a kg (US$3.63-3.71 a kg, down US cents 1). Nylon staple fibre 1.5D prices fell at the lower end to 21-21.50 yuan a kg (US$3.05-3.13 a kg, down US cents 5). In India, 20 SD filament prices remained unchanged at INR300 a kg (US$4.14 a kg) in Surat market.



Viscose

Viscose filament yarn prices were largely stable this week in India and China, with steady sale – production ratio. In China, as the National Day holidays approached, downstream replenishment mostly came to an end, and converters generally left for vacation in advance. Reportedly that some lining fabrics were favoured in Shengze market. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over on the week. In India, prices were generally stable, and may retain the levels going ahead.

In China, VFY offers were unchanged with 120D bright at 39.30 yuan a kg (US$5.71 a kg), and dull at 38.95 yuan a kg (US$5.66 a kg). 300D bright were flat at 29.75 yuan a kg (US$4.32 a kg) and dull at 26.25 yuan a kg (US$3.82 a kg). All quotes were down US cents 2-4 due to weak yuan. In India, VFY prices were stable in INR terms and down US cents 3-5 in US$ terms, with 100D bright VFY at INR388 a kg (US$5.35 a kg) and 450D at INR 225 a kg (US$3.10 a kg).

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

Price movement key: Increase Unchanged Decrease

Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	27-Sep	20-Sep	change		26-Sep	18-Sep	change
A$	2,013	2,067	-2.61%	Rand	22,928	24,290	-5.61%
US$	1,461	1,500	-2.60%	US$	1,603	1,653	-3.02%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	27-Sep	20-Sep	change		18-Sep	4-Sep	change
NZ$	330	337	-2.08%	pence/kg	168	170	-1.18%
US$	220	223	-1.35%	US cents/kg	222	219	1.37%
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		
	17-Sep	1-Oct
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	140.00	140.00
Weaving 32mm	136.00	136.00
Brown		
Hosiery 38mm	132.00	132.00
Weaving 32mm	126.00	127.00
Mongolian Cashmere (dehaired)		
Brown	114.00	112.00
Light Grey	114.00	112.00
Afghan/Iranian Cashmere (dehaired)		
White	104.00	103.00
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	48.00	47.00
Medium baby	NQ	NQ
Adult	45.00	44.00
Silk		
Mulberry Sliver	47.00	47.00
Mulberry Noil	24.00	24.00
Tussah Sliver	33.00	32.50
Tussah Noil	23.00	22.50
Source: The Schneider Group		

Aussie market sees large decline for second week in a row
By Jonathan Dyson
The Australian wool market experienced significant losses for a second successive week despite a weaker local currency this week. More

Coarse Crossbred Indicator drops again as NZD strengthens further
By Jonathan Dyson
The New Zealand wool market declined for a second week in a row and was again affected by a stronger local currency. More

SA market falls on stronger rand and sluggish demand
By Jonathan Dyson
The South African wool market traded lower at this week's auction, held on 26 September. The Cape Wools Merino Indicator decreased by 1,362 points (5.6%) to close at a value of R229.28/kg (clean). The Cape Wools All Wool Indicator also declined by 5.6%. More

Average market indicator drops 5.6%
By Jonathan Dyson
The third sale of the 2018 winter mohair season took place in Port Elizabeth on 25 September, with an offering of 171,602.8 kg. 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 20 September

According to the latest USDA's Weekly Export Sales Report of week ending 20 September, net sales of 70,300 RB for 2018-19 – a marketing-year low – were down 28% from the previous week and 33% from the prior four-week average. Increases were reported for Vietnam (36,300 RB, including 3,800 RB switched from China), Japan (13,900 RB, including decreases of 1,800 RB), Pakistan (13,800 RB), Taiwan (11,900 RB, including 1,000 RB switched from Japan and 600 RB switched from China), and Guatemala (6,700 RB). Reductions were reported for China (46,800 RB).

For 2019-20, net sales of 58,200 RB were reported for China (56,400 RB) and Thailand (1,800 RB). Exports of 138,900 RB were down 7% from the previous week and 13% from the prior 4-week average. Exports were primarily to Vietnam (34,600 RB), Bangladesh (17,900 RB), Mexico (15,000 RB), Indonesia (14,900 RB) and China (12,900 RB).

Net sales of Pima totaling 7,300 RB for 2018-19 were up noticeably from the previous week, but down 4% from the prior 4-week average. Increases reported for China (2,200 RB), Peru (2,200 RB), India (1,100 RB) and Thailand (900 RB) were partially offset by reductions for Japan (100 RB).

Exports of 4,800 RB were down 45% from the previous week and 22% from the prior four-week average. The primary destinations were India (2,700 RB), Egypt (900 RB) and Peru (800 RB).

Optional origin sales:
For 2018-19, new optional origin sales of 600 RB were reported for Pakistan. Options were exercised to export 600 RB to Pakistan from the US. The current outstanding balance of 1,800 RB is for Vietnam.

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

U.S. Export sales week ending 20 September 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	7,789.2	5,960.5	1,479.1	725.4	227.6	260.5	25.3	19.7
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,789.2	5,960.5	1,479.1	725.4	227.6	260.5	25.3	19.7
Optional Origin	1.8	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	1,214.2	1,272.9			47.1	30.9		
Exports For Own Acct	7.4	74.0			0.0	0.0		
Net Change In Sales	70.3	194.2	58.2	8.5	7.3	15.6	0.0	0.0

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

Price movement key: Increase Unchanged Decrease