WTiN Textile Economics

Executive Market Report Summary 08 October 2018

Cost summary	05-Oct-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.53	-0.02%
China FDY 50 den/24f	1.97	-0.02%
China DTY 150den/48f	1.94	-0.02%
Viscose		
China VSF 1.5 den, 38mm	2.21	-0.02%
Polyamide		
China FDY 70 den/24f	3.60	-0.02%
Cotton		
Cotlook A Index	1.88	-2.12%
Wool		
AWEX EMI	14.10	-3.10%
Yarn		
China Cotton combed 32s (weaving)	3.00	-6.25%
China Cotton combed 40s (weaving)	3.96	-0.02%
Indian cotton carded 30s (weaving)*	2.79	-4.78%
Indian cotton combed 40s (weaving)*	3.10	-2.52%
Taiwan p/c 45s*	4.65	0.00%
WTI Oil $ per Barrel		
WTI Crude Oil Price- 07-Sep	67.73	
WTI Crude Oil Price- 14-Sep	68.98	
WTI Crude Oil Price- 21-Sep	70.80	
WTI Crude Oil Price- 28-Sep	73.16	3.33%

Weekly Market Review – from the analyst desk

Trade war bites China's anti-pollution rules
China has relaxed its winter anti-pollution measures in the midst of a damaging trade war as it prioritises economic growth over the environment. With the new US tariffs on US$200bn worth of Chinese imports now in place at 10% and likely to rise to 25% on 1 January, China's economy is starting to feel the pinch. Manufacturing momentum is apparently lost in China as companies prepare for the impacts of the US tariffs.

The latest official manufacturing purchasing managers' index (PMI) slipped to an eight-month low of 50.8 in September from 51.3 in the previous month. Chinese finished goods for exports to the US were hit particularly hard and have cut their purchases of raw materials.

MMF market

- Acrylic fibre prices rise in India, others roll over in holiday packed week

Cotton market

- Poor export sales report continues to influence cotton futures

Fibre raw material market

- PTA contracts hiked in Europe and US

Filament market

- Polyester filament prices reduced in India but flat in China and Pakistan

Wool & Speciality Fibres

- Market sees further decline despite weaker AUD
- Coarse Crossbred Indicator drops for third week in a row
- Mediocre demand and stronger rand pushes market down by 2.3%
- Mixed market sees British Wool index drop 1.3%

USDA report

- USDA's Weekly Export Sales Report for week ending 27 September

As the economy slows, leaders are relaxing environmental rules with hope of stimulating growth. According to reports, a target of a 3% year-on-year reduction in average intensity and number of days with high levels of the particulate PM2.5 would be implemented in Beijing, Tianjin, Hebei and surrounding areas. The target applies from October 2018 to March 2019 and affects producers of thermal power, steel, petrochemicals and cement. That is less than the 5% cut proposed in an initial plan seen by the South China Morning Post in August and are well below the cuts of 'at least 15%' set out in last year's plan, the paper says.

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		5-Oct		28-Sep		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.353		1.328		1.88
PTA	7,940	1.156	7,940	1.156	0.00	-0.02
MEG	6,745	0.982	6,635	0.966	1.66	1.64
Caprolactam	18,100	2.635	18,100	2.635	0.00	-0.02
Acrylonitrile	18,900	2.751	18,900	2.752	0.00	-0.02
PET	12,555	1.828	12,555	1.828	0.00	-0.02
Polyester filament						
FDY 50 den/24f	13,550	1.973	13,550	1.973	0.00	-0.02
DTY 50 den/72f	18,450	2.686	18,450	2.686	0.00	-0.02
DTY 150 den/48f	13,305	1.937	13,305	1.937	0.00	-0.02
POY 150 den/48f	11,530	1.679	11,530	1.679	0.00	-0.02
FDY 150 den/96f	11,460	1.668	11,460	1.669	0.00	-0.02
Polyamide 6 filament						
FDY 70 den/24f	24,700	3.596	24,700	3.596	0.00	-0.02
Staple fibre						
Polyester 1.4 denier 38 mm	10,490	1.527	10,490	1.527	0.00	-0.02
Viscose 1.5 denier, 38mm	15,160	2.207	15,160	2.207	0.00	-0.02
Acrylic 1.5 denier, 38 mm	20,500	2.984	20,500	2.985	0.00	-0.02

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
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
10-Oct	1.30	1.65	1.80	1.90

Acrylic fibre prices rise in India, others roll over in holiday packed week

Polyester

Polyester staple fibre markets in China were dominated by sidelined stance as the markets were on a week-long national holiday. Prices are notionally rolled over, after they edged down before the holidays a week ago. Offers are notionally rolled over with 1.4D direct-melt PSF at 10.55-10.80 yuan a kg (US$1.53-1.57 a kg) in Jiangsu and Zhejiang while the same in Fujian and Shandong at US$1.54-1.57 a kg. Export offers were at US$1.30-1.35 a kg FOB China.

In Pakistan, PSF prices did not move this week after rising in early September and stayed at a relatively high level, with import offers from China slightly receding at the same time. 1.4D PSF producers' offers were stable at PakRs.198-200 a kg (US$1.60-1.62 a kg).

In India, polyester fibre producers have reportedly cut production under pressure from higher purified terephthalic acid prices. Offers rolled over both in INR terms and down US cents 2 in US$ terms with 1.2D at INR95 a kg (US$1.28 a kg) and 1.4-2D at INR93.75 a kg or US$1.27 a kg. No revision is proposed for October prices as upside potentials appear limited.

Nylon

In China, nylon staple fibre 1.5D prices were flat at 21-21.50 yuan a kg (US$3.05-3.13 a kg, down US cents 5).

Acrylic

Acrylic staple fibre markets were quiet this week amid week-long holidays in China for its National Day and mid-autumn festival. Thus, prices notionally rolled over for the week in China. Despite further uptrend in feedstock cost, industry look weak after bouts of hikes, despite replenishing interest from downstream mills was lifted recently, considering moderate performance in end use market.

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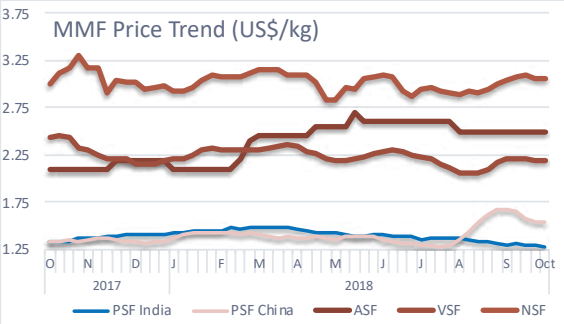
Price movement key: Increase Unchanged Decrease

Given the surge in ACN cost, Indian ASF makers hiked offers for October, for the second straight month, implying they could now pass on the cost. Demand is expected to improve as the country embraces winter in the next couple of months. In Pakistan, ASF prices rolled over after they were lifted in early August.

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). 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 were raised INR3 for October to INR197-208.50 a kg (US$2.68-2.83 a kg, rise negated by weak INR).

Viscose

Viscose staple fibre market sentiments in Asia were generally stable and the price rolled over as major markets were closed for a week-long National Day holidays in China. Inevitable inventory may have piled up during the National Day holidays, and some producers may raise offers after resuming operation next week. Thus, attention will be on downstream follow-ups after the holidays. Offers for medium-end viscose goods are notionally rolled over



at 15-15.10 yuan a kg (US$2.18-2.20 a kg) and those for high-end goods at 15.30-15.40 yuan a kg (2.22-2.24 a kg). In spot, 1.5D VSF offers are 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, VSF prices rolled over after they retreated in late September, while import offers for VSF was already falling from the Far East. In India, VSF prices generally rolled, after they were raised for September.

In Pakistan, offers for 1.5D VSF rolled over at PakRs270-273 a kg (US$2.19-2.22 a kg) in Karachi. In India, 1.2-2.0D VSF prices were stable at INR148.50-155.50 kg (US$2.02-2.11 a kg, down US cents 3 due to weak INR).

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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)			
	5-Oct	28-Sep	Change		5-Oct	28-Sep	Change
Oct	76.49	76.76	(0.27)	Nov	15,225	15,225	0
Dec	76.10	76.37	(0.27)	Jan	15,645	15,645	0
Mar	77.14	77.29	(0.15)	Mar	15,960	15,960	0
May	77.95	78.14	(0.19)	May	16,210	16,210	0
Jul	78.71	78.94	(0.23)	Jul	16,435	16,435	0
Dec	75.75	75.77	(0.02)	Sep	16,620	16,620	0

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)		
5-Oct	28-Sep	Change	5-Oct	28-Sep	Change
85.35	87.20	(1.85)	7,800	8,000	(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)		
5-Oct	28-Sep	Change	5-Oct	28-Sep	Change
16,086	16,243	-157	46,500	46,500	0

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)		
5-Oct	28-Sep	Change
81.68	78.44	3.24

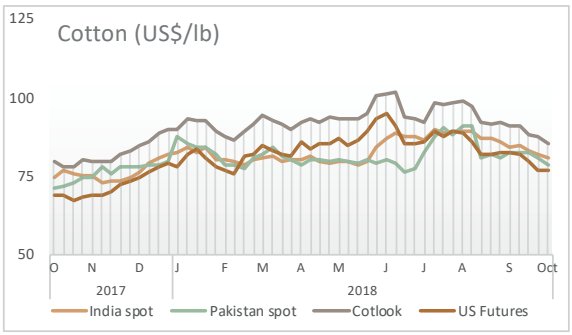
NQ = not quoted N = nominal Sources: InterContinental Exchange (ICE), Zhengzhou Commodity Exchange (ZCE), Cotlook Ltd, WTiN, Karachi Cotton Association, Beijing Cotton Outlook,CEPEA/ESALQ

Cotton Yarn export quotations (week ended 5 Ocotber)								% change on Week					
		India		Bangladesh		Pakistan		India		Bangladesh		Pakistan	
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting
Open-end	10s			1.78		1.73				-13.9		-12.9	
	12s			1.83		1.79				-14.4		-13.3	
	16s	2.00		2.00		1.94		0.0		-10.9		-12.0	
	21s	2.10						0.0					
Carded	20s	2.55	2.60		0.00	0.00		0.0	0.0		0.0	0.0	
	30s	2.85	2.80		2.77	2.78		0.0	0.0		-9.0	-7.5	
	40s	3.03			0.00	0.00		0.0			0.0	0.0	
Combed	20s		2.88		2.80				0.0		-8.6		
	26s		3.00		2.92				0.0		-9.1		
	30s		3.00		2.96				0.0		-9.5		
	34s		3.23		3.12				0.0		-9.7		
	40s		3.35		3.33				0.0		-8.1		
Compact combed	30s	3.18		3.06	3.00			0.0		-10.3	-9.4		
	40s	3.40		3.35	3.35	3.29		0.0		-8.4	-8.6	-7.3	
	60s	4.00		4.47		4.40		0.0		-5.4		-4.7	
	80s			5.10		5.40				-2.2		-5.1	

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Price movement key: Increase Unchanged Decrease

Poor export sales report continues to influence cotton futures



Cotton futures continued to lose ground, although marginally this week, supported by a new North America trade agreement which saw futures bounce off an eight-month low. However, the market remained under pressure after another round of weak US export sales. The US and Canada reached a last-minute trade deal that includes Mexico to revise the NAFTA into a new pact dubbed as the United States-Mexico-Canada Agreement or USMCA. Under USMCA, continued duty-free access for US cotton to Mexico and Canada will be assured. Mexico is among the top five raw cotton export markets for the US, and both Canada and Mexico are top five export customers for cotton textile and apparel exports.

December lost US cents 0.27 week on week to close at US cents 76.10 per pound, the lowest close since 20 February. March shed US cent 0.15 to finish at US cents 77.14, widening its closing premium over December by US cents 1.04, still well shy of full carrying charges. December 2019 slipped US cent 0.02 to close at US cents 75.75 per pound.

Global spot benchmark, the Cotlook A Index moderated by a sharp US cent 1.85 on the week to close at US cents 85.35 per pound, having lost US cent 0.60 on the weekend.

In China, raw or seed cotton buying activity was negligible this week as the country celebrated its week-long national holiday. In the previous week, prices for hand-picked goods were at 7.0-7.2 yuan a kg (US$1.02-1.05 a kg) and for mechanically-harvested goods at 6.0-6.2 yuan a kg (US$.87-0.90 a kg). This week saw the China Cotton Index fall by 157 yuan, to close at 16,086 a ton (US cents 106 a pound).

In Pakistan, the Karachi spot rate declined, opening the week and steadied later only to fall at the weekend. The rate ended at PakRs7,960 per maund ex-Karachi, down PakRs200 week-on-week. The leading buyers concluded deals for better and second grade lint on slightly higher prices, while shrinking better grades pushed price in green zone during trading session. Spinners in Sindh and Punjab were reportedly engaged in a price war with buyers on better grades of lint besides growing demand, which kept market sentiments positive despite shrinking domestic stocks. Expert opined that with looming higher inflation, cotton prices will continue to move up over the longer-term on a domestic and international front.

In India, the Cotton Association of India pegged the crop size for 2018-19 at 348 lakh bales (each of 170kg), in its first cotton crop estimate, from 365 lakh bales in 2017-18. The reduction is attributed to adverse impact of drought-like situation in key growing areas of Gujarat, Maharashtra and Karnataka. As per the estimates, cotton crop in Gujarat is set to decline by 15 lakh bales to 90 lakh bales for 2018-19. The state received deficit rainfall of about 23% until 5 October. Crops in Maharashtra, Andhra Pradesh and Karnataka are also projected to be lower. However, the crop in North India is estimated to increase by two lakh bales to 58 lakh bales with Punjab (10 lakh bales), Haryana (24 lakh bales) and Rajasthan (24 lakh bales) showing signs of better crop conditions.

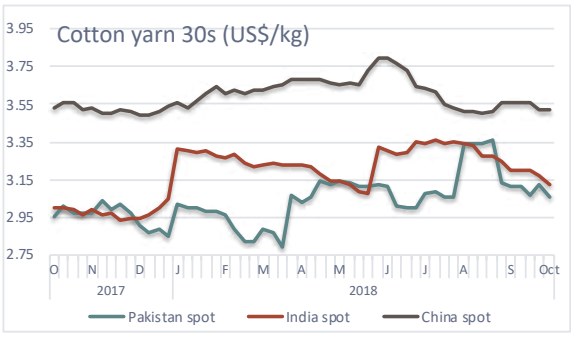
Reports from spot market indicated that cotton prices are ruling 8-13% below MSP. The Cotton Corporation of India (CCI) has set an initial target to purchase a record 10 million bales of cotton this season. Arrivals usually pick up from mid-October. CCI may start procurement anytime in various states, including Punjab. Often, that arrive before October is of high moisture content and CCI is allowed to buy cotton with a maximum of 12% moisture content.

Cotton yarn

Cotton yarn markets in China were steady during the week-long National Day holiday, and the transaction was muted. Prices are notionally rolled over. Conventional varieties like 21s, 32s and 40s saw limited demand during the week since players had restocked inventories before the holidays. 32s traded at 24.25 yuan a kg (US$3.53 a kg) and 40s at 25.40 yuan a kg (US$3.69 a kg). Coarser yarn prices of 16s were at 15.30 yuan a kg (US$2.22 a kg) and 21s at 19.60 yuan a kg (US$2.85 a kg).

In India, cotton yarn prices stayed stable, by contrast with the decline observed in cotton prices in recent weeks. Meanwhile, export prices declined for 30s knitting as INR weakened against the US$. 30s carded cotton yarn for knitting rolled were steady at INR230 a kg (US$3.13 a kg) in Coimbatore.

In Pakistan, cotton yarn prices were flat in Karachi but moved down in the Faisalabad market, in line with a fall in cotton fibre prices. The decline has still left high margins for spinners. Export offers also moved due to lower demand from Far East and China where customers were in holiday mood. 30s carded prices in Karachi remained unchanged at PakRs168-170 per pound (US$3.00-3.04 a kg), while 32s combed in Faisalabad were down PakRs 3 at PakRs171.50-184 per pound (US$3.06-3.29 a kg, down US cents 6).



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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"
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
05/10/2018	9.322	5.715	7.984	4.450	4.720

PTA contracts hiked in Europe and US

Polyester input: MEG

Mono ethylene glycol prices remained unchanged in Asian markets, although upstream ethylene cost fell on the week. This resulted in mono ethylene glycol margin hitting 1-month high on stable prices and lower ethylene costs. The market was characterised as balanced amid tight supply and bearish demand. Inventory along East China was estimated at around 600 kilo ton, well below the typical level of 900 kilo ton, while spot demand was limited by bearish downstream polyester demand. With the week-long National Day holiday in China this week, demand is expected to pick up after the holidays due to restocking. Spot prices were flat on the week at US$885-890 a ton CFR China and at US$885-890 a ton CFR South East Asia. Sinopec had cut its October list prices to 7,500 yuan a ton (US$1,090 a ton), down US$60 from the September settlement last week.

In Europe, mono ethylene glycol spot prices continued to edge down this week while the market awaited September contract to be confirmed, and dual discussions alongside October are expected to take place on the sidelines of the European Petrochemical Association meeting next week. In the US, mono ethylene glycol prices were steady, but peak demand will soon begin to slow down on seasonality. Spot bulk prices were marginally down by Euro 5 on both ends, taking the range to Euro 850-865 a ton CIF NWE. Truck spot prices also edged down Euro 5 on both end, at Euro 890-905 a ton FCA NWE. Deals below Euro 880 a ton FCA were also in isolation.

In the US, MEG contracts for September rolled over at US cents 41.5-47.5 per pound FOB.

Polyester input: PTA

Purified terephthalic acid markets saw limited trading activity as China was on a week-long National Day holiday. Thus, prices generally remained unchanged on the week. However, on the first trading day after the holidays, domestic market was reported to rushing higher in morning trade, but values could not be confirmed. PTA markers are notionally rolled over with CFR China at US$1,020-1,022 a ton and offer from Taiwan/Korea at US$1,030-1,032 a ton.

In Europe, the September contract was settled much higher from August, and moved alongside paraxylene September contract. Supply was constrained in Europe, and there is a planned maintenance at Indorama's Portugese site in early October. However, shutdowns in downstream PET in September/October, and ending of high bottling season, market remained more balanced. In the US, September contracts were assessed higher, tracking spike in paraxylene contracts. Production remained limited as Indorama has planned maintenance on its 600 kilo ton PTA plant in Montreal, Canada from 12-28 October. Demand is likely to wane as peak bottling season has concluded and markets should be more balanced with supply levels going into winter months. September contract was raised by Euro 141 from August, to reach Euro 904-938 a ton FD NWE.

In the US, September PTA prices were assessed at US cents 60.10 per pound DEL, up by US cents 7.04 and following US cents 2.85 cents/lb increase in August.

Nylon input: Caprolactam

Caprolactam prices remained unchanged in Asian markets during the weeklong holiday while benzene prices surged on strong crude oil. During the week, market players mainly chose to wait and see, with a few sellers pushing prices higher. Prices are expected to rise after the holidays in China and Taiwan demand will firm up amid supply shortages due to maintenance in the region. In Europe, caprolactam October pricing expectations were lower due to benzene feedstock decreases, coupled with uncertainty surrounding automotive demand ahead of the upcoming European Petrochemical Association. Depending on how demand develops in nylon 6 market, negotiations for caprolactam could be tricky as non-integrated nylon players are looking for some pricing relief because of lower benzene costs. September contracts had settled at Euro2,272-2,433 a ton FD NWE rolling over from August.

Asian caprolactam 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 had settled its October contract price at US$2,240 a ton CFR NE Asia, up US$70 from September last week.

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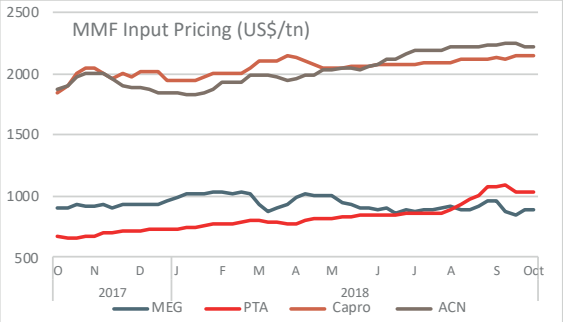
Price movement key: Increase Unchanged Decrease

In the US, cyclohexane contract, a precursor to caprolactam, for October softened on decreases in benzene market. Contract settled at US cents 297 a gallon FOB US Gulf, down US cents 9 compared to the previous month.

Acrylic input: Acrylonitrile

Asian acrylonitrile markers rolled over on the week with Far East CFR at 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 was limited, and prices rolled at US$2,048-2,052 a ton CIF Mediterranean after September contract prices were settled Euro 34 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.



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Filament market

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market					% Change in Yuan	% Change in US Dollar
	5-Oct		28-Sep			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	15,400	2.242	15,400	2.242	0.00	-0.02
Viscose 30s	20,280	2.952	20,280	2.953	0.00	-0.02
Poly/cotton 32s	19,000	2.766	19,000	2.766	0.00	-0.02
Poly/viscose 40s	20,000	2.912	20,000	2.912	0.00	-0.02
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	5-Oct		28-Sep			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,300	3.538	24,300	3.538	0.00	-0.02
Cotton combed 32s	24,350	3.545	24,350	3.545	0.00	-0.02
Cotton carded 40s	25,800	3.756	25,800	3.757	0.00	-0.02
Cotton combed 40s	27,200	3.960	27,200	3.960	0.00	-0.02

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, October 05, 2018		Friday, September 28, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,250	2.218	1,250	2.234	0.00	-0.99
Carded 40/1	2,100	3.726	2,100	3.754	0.00	-0.99
Carded 22/1	1,520	2.697	1,520	2.717	0.00	-0.99
Carded 30/1	1,693	3.004	1,693	3.027	0.00	-0.99
Combed 20/1	1,600	2.839	1,600	2.860	0.00	-0.99
Combed 40/1	2,175	3.859	2,175	3.888	0.00	-0.99
Source: Brecorder , X-Rates						

Polyester filament prices reduced in India but flat in China and Pakistan

Polyester

Polyester filament yarn market sentiments were stable and quiet in China in the week-long holiday as downstream mills maintained short-covering activities. In Shengze, producers maintained stable offers for DTYs, FDYs and POYs at previous week's levels. POY offers are notionally rolled over with 75/72 at US$1.77-1.79 a kg in Shengze and 75/36 at US$1.74-1.76 a kg. 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.

In Pakistan, selling indications for DTYs were held stable by local producers as imported material offers did not move during the week. Trading atmosphere was passable, as downstream mills purchased from hand to mouth. 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).

In India, offers from major producers were cut and production was reduced amid high raw material cost and limited downstream demand. In Pakistan, selling indications for DTYs were stable both from local producers as well as imported goods. POY offers were cut INR6 and down US cents 10 in US terms, with 115/108 at INR104 a kg or US$1.41 a kg and 130/34 POY at INR96 a kg or US$1.30 a kg.

Nylon

Nylon filament yarn prices remained firm on higher nylon chip and caprolactam costs in the week-long national holiday in China. Demand for FDY was muted, however it was modest before the holidays. Warp-knitting, weaving and AJ covering sectors operated at 65% of capacity, while circular-knitting mills and lacing mills were running at 45% capacities. Overall, nylon yarn prices may firm up further after the holiday on rising chip prices this week. FDY market sentiment will firm up strong feedstock while demand from the weaving sector may pick up, leading to tight supply. Nylon DTY market will remain firm due to higher cost and improving demand although mills rate has weakened somewhat.

In China, offers are notional rolled over for nylon FDY70D/24F SD at 23.80-24.50 yuan a kg (US$3.46-3.56 a kg), while DTY70D offers were at 24.50-26 yuan a kg (US$3.56-3.78 a kg). Cord fabric 1,260D prices offers were at 27.50-28.50 yuan a kg (US$4-4.14 a kg) while mono filament 30D prices rolled over at 25-25.50 yuan a

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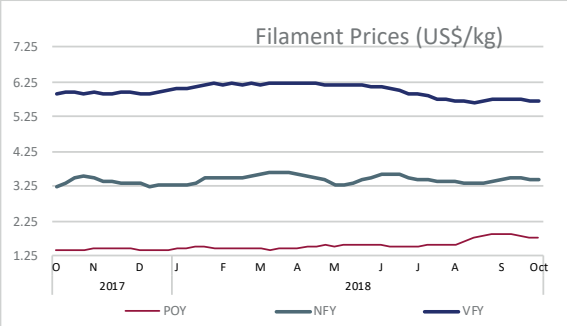
Price movement key: Increase Unchanged Decrease

kg (US$3.63-3.71 a kg). Nylon staple fibre 1.5D prices were stable at 21-21.50 yuan a kg (US$3.05-3.13 a kg). In India, 20 SD filament prices did not change this week and were at INR300 a kg (US$4.14 a kg, down US cents 6 due to weak INR) in the Surat market.

Viscose

Viscose filament yarn prices remained range bound in the holiday swathe week, with China on week-long Golden Week National holidays. Prior to the holidays, prices for 120D first-class, second-class and third-class goods were pegged at the previous week's levels in China. Prices may remain firm after the week-long holiday. In India, too, VFY prices generally rolled over amid weak demand. However, export markets saw some improvement. According to the latest Fibre to Yarn Export Statistics, viscose filament export had risen 18% by volume and 26% in value in August 2018, compared to their levels a year ago.

In China, VFY offers are notionally rolled over 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$3.82 a kg). In India, VFY prices were stable in INR terms and down US cents 4-8 in US$ terms, with 100D bright VFY at INR388 a kg (US$5.27 a kg) and 450D at INR 225 a kg (US$3.06 a kg).



WTiN

Executive Market Report

08 October 2018

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Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	4-Oct	27-Sep	change		3-Oct	26-Sep	change
A$	1,992	2,013	-1.04%	Rand	22,395	22,928	-2.32%
US$	1,410	1,461	-3.49%	US$	1,560	1,603	-2.68%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	4-Oct	27-Sep	change		2-Oct	18-Sep	change
NZ$	321	330	-2.73%	pence/kg	160	168	-4.76%
US$	209	220	-5.00%	US cents/kg	208	222	-6.31%
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		

Market sees further decline despite weaker AUD

By Jonathan Dyson

The Australian wool market declined for a third successive week despite a further weakening in the Aussie dollar. More

Coarse Crossbred Indicator drops for third week in a row

By Jonathan Dyson

The New Zealand wool market declined for a third week in a row despite a significantly weaker local currency. More

Mediocre demand and stronger rand pushes market down by 2.3%

By Jonathan Dyson

The South African wool market traded lower at this week's auction, with the Cape Wools Merino Indicator decreasing by 533 points (2.3) to close at a value of R223.95/kg (clean). The Cape Wools All Wool Indicator declined by 2.4%. More

Mixed market sees British Wool index drop 1.3%

By Jonathan Dyson

The sixth sale of the 2018/19 season, held on 2 October, saw prices for the fine, medium and mule types slightly easier, although with a still reasonable level of demand. The hill and mountain types saw keen competition, resulting in prices being generally firm to dearer. More

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USDA's Weekly Export Sales Report for week ending 27 September

According to the latest USDA's Weekly Export Sales Report of week ending 27 September, net sales of 21,800 RB for 2018-19 – a marketing-year low – were down 69% from the previous week and 74% from the prior four-week average.

Increases were reported for Bangladesh (26,400 RB), Vietnam (20,500 RB, including 8,800 RB switched from China and decreases of 200 RB), Pakistan (15,700 RB), Peru (12,000 RB), and Indonesia (8,800 RB, including decreases of 400 RB).

Reductions were reported for China (85,900 RB) and Brazil (200 RB).

For 2019-20, net sales of 91,100 RB reported for China (90,200 RB) and El Salvador (2,100 RB), were partially offset by reductions for India (1,200 RB).

Exports of 179,700 RB were up 29% from the previous week and 20% from the prior four-week average. Exports were primarily to Mexico (52,500 RB), Vietnam (35,100 RB), Pakistan (12,400 RB), China (12,400 RB) and Bangladesh (11,500 RB).

Net sales of Pima totaling 3,200 RB for 2018/2019 were down 56% from the previous week and 52% from the prior four-week average. Increases reported for China (4,400 RB), India (1,000 RB), and Turkey (100 RB), were partially offset by reductions for Vietnam (2,200 RB).

Exports of 4,700 RB were down 1% from the previous week and 30% from the prior 4-week average. The primary destinations were India (3,600 RB), China (500 RB), Japan (300 RB) and Peru (200 RB).

Optional origin sales:
For 2018-19, 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 27 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	7,631.3	6,006.6	1,570.2	754.0	226.1	279.2	25.3	19.7
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,631.3	6,006.6	1,570.2	754.0	226.1	279.2	25.3	19.7
Optional Origin	1.8	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	1,393.9	1,387.8			51.8	35.8		
Exports For Own Acct	7.4	80.9			0.0	0.0		
Net Change In Sales	21.8	161.0	91.1	28.6	3.2	23.6	0.0	0.0

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