WTiN Textile Economics

# Executive Market Report Summary 15 October 2018

| Cost summary | 12-Oct-18 | |
|---|---|---|
| | US$/kg | Change on Week |
| **Polyester** | | |
| China PSF 1.4 den | 1.52 | -0.71% |
| China FDY 50 den/24f | 1.98 | 0.39% |
| China DTY 150den/48f | 1.94 | 0.04% |
| **Viscose** | | |
| China VSF 1.5 den, 38mm | 2.20 | -0.31% |
| **Polyamide** | | |
| China FDY 70 den/24f | 3.57 | -0.71% |
| **Cotton** | | |
| Cotlook A Index | 1.90 | 0.94% |
| **Wool** | | |
| AWEX EMI | 14.10 | 0.00% |
| **Yarn** | | |
| China Cotton combed 32s (weaving) | 3.00 | 0.00% |
| China Cotton combed 40s (weaving) | 3.92 | -1.07% |
| Indian cotton carded 30s (weaving)* | 3.25 | 0.00% |
| Indian cotton combed 40s (weaving)* | 3.40 | 0.00% |
| Taiwan p/c 45s* | 4.65 | 0.00% |
| **WTI Oil $ per Barrel** | | |
| WTI Crude Oil Price- 14-Sep | 68.98 | |
| WTI Crude Oil Price- 21-Sep | 70.80 | |
| WTI Crude Oil Price- 28-Sep | 76.16 | |
| WTI Crude Oil Price- 05-Oct | 74.26 | -2.49% |

# Weekly Market Review – from the analyst desk

**IMF downs global economic outlook**

The US-China trade war has taken a toll on global economic growth if one goes by the IMF report. This week, the IMF's World Economic Outlook report lowered its global annual GDP growth forecast to 3.7% for 2018-19 versus its previous 3.9% target from April. Global growth, despite holding solid compared to earlier in the decade, has apparently plateaued out.

"There are clouds on the horizon," says the economic counsellor and director of research at the IMF. "Growth has proven to be less balanced than hoped. Not only have some downside risks that the last WEO identified been realised, the likelihood of further negative shocks to our growth forecast has risen."

The IMF took down its GDP forecasts for the US and China, in particular, for 2019 because of negative impacts from the trade war.

It expects US GDP growth to fall from 2.9% in 2018, to 2.5% in 2019. For China, GDP will decline from 6.6% in 2018, to 6.2% in 2019. Eurozone, after growing 2.4% in 2017, the GDP is estimated to slow to 2.0% in 2018 and 1.9% in 2019.

In another pessimistic event, both OPEC and International Energy have trimmed their respective oil demand outlook for 2018 and 2019, citing poor growth and US-China trade war in particular.

**Nitin Madkaikar**
Price Analyst

## MMF market

- Acrylic prices down in Pakistan, polyester prices hiked

## Cotton market

- Weather conditions rule cotton markets

## Fibre raw material market

- PTA and MEG prices retreat, downward pressure increases

## Filament market

- Polyester filament prices up in China on active downstream buying

## Wool & Speciality Fibres

- EMI lifts for first time in a month as market bounces back
- Market sees small increase on weaker NZ dollar
- Good demand and weaker rand push market up 3.7%
- US wool sales at standstill

## Trade

- USDA's Weekly Export Sales Report of Week ending 4 October
- WASDE October report trims global cotton inventories and output

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Price movement key: Increase Unchanged Decrease

# MMF market

| Man-Made Fibre Prices (ex-works) in Eastern China | | | | | | |
|---|---|---|---|---|---|---|
| Date | 12-Oct | | 5-Oct | | | |
| Intermediates | yuan/tonne | US$/Kilogram | yuan/tonne | US$/Kilogram | Yuan Price change (%) | US Dollar Price Change (%) |
| PX (FOB South Korea) | | 1.315 | | 1.322 | | -0.55 |
| PTA | 8,040 | 1.162 | 7,940 | 1.156 | 1.26 | 0.54 |
| MEG | 6,575 | 0.950 | 6,745 | 0.982 | -2.52 | -3.21 |
| Caprolactam | 18,000 | 2.602 | 18,100 | 2.635 | -0.55 | -1.26 |
| Acrylonitrile | 18,500 | 2.674 | 18,900 | 2.751 | -2.12 | -2.81 |
| PET | 12,630 | 1.826 | 12,555 | 1.828 | 0.60 | -0.11 |
| Polyester filament | | | | | | |
| FDY 50 den/24f | 13,700 | 1.980 | 13,550 | 1.973 | 1.11 | 0.39 |
| DTY 50 den/72f | 18,550 | 2.681 | 18,450 | 2.686 | 0.54 | -0.17 |
| DTY 150 den/48f | 13,405 | 1.938 | 13,305 | 1.937 | 0.75 | 0.04 |
| POY 150 den/48f | 11,630 | 1.681 | 11,530 | 1.679 | 0.87 | 0.15 |
| FDY 150 den/96f | 11,560 | 1.671 | 11,460 | 1.668 | 0.87 | 0.16 |
| Polyamide 6 filament | | | | | | |
| FDY 70 den/24f | 24,700 | 3.570 | 24,700 | 3.596 | 0.00 | -0.71 |
| Staple fibre | | | | | | |
| Polyester 1.4 denier 38 mm | 10,490 | 1.516 | 10,490 | 1.527 | 0.00 | -0.71 |
| Viscose 1.5 denier, 38mm | 15,220 | 2.200 | 15,160 | 2.207 | 0.40 | -0.31 |
| Acrylic 1.5 denier, 38 mm | 20,500 | 2.963 | 20,500 | 2.984 | 0.00 | -0.71 |

| 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 prices down in Pakistan, polyester prices hiked

Polyester staple fibre markets in China moved sideways and downstream converters started stocking up after the week-long national holiday. Mainstream discussions for 1.4D direct-melt-spun PSF in Jiangsu and Zhejiang were held stable while markets in Shandong and Hebei were also stable. Liquidity was moderate, with each deal discussed separately. In Fujian, PSF offers kept stable as downstream buyers adopted cautious attitude. Offers rolled over with 1.4D direct-melt PSF at 10.55-10.80 Yuan a kg (US$1.53-1.56 a kg) in Jiangsu and Zhejiang while the same in Fujian and Shandong at US$1.53-1.56 a kg. Export offers were at US$1.30-1.35 a kg FOB China.

In Pakistan, producers' offers were raised, citing the high cost of raw materials, but a sharp fall in the currency pegged offers down in US$ terms. 1.4D PSF producers' offers were hiked PakRs5 to PakRs.203-205 a kg (US$1.55-1.56 a kg, down US cents 6 due to sharper fall in the currency).

In India, with weak PTA and MEG values, PSF suppliers held stable offers but trading sentiment failed to pick up. 1.2D at INR103.25 a kg (US$1.40 a kg) and 1.4-2D at INR102.50 a kg or US$1.39 a kg.

### Nylon

In China, nylon staple fibre 1.5D prices were down at 20.50-21.50 Yuan a kg (US$2.97-3.11 a kg).

### Acrylic

Acrylic staple fibre prices rolled over in China and India, while they were reduced in Pakistan this week. In China, prices were supported by lower supply as acrylic fibre plants average run rate fell to 34%, due to turnarounds at some facilities. In the previous week, domestic the run rate had averaged 41%. In September, the average run rate was around 53%. Shanghai Petrochemical brought forward its maintenance plans due to sluggish downstream demand. The 150 kilo ton a year plant was shut on 10 October

Summary
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Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
Trade



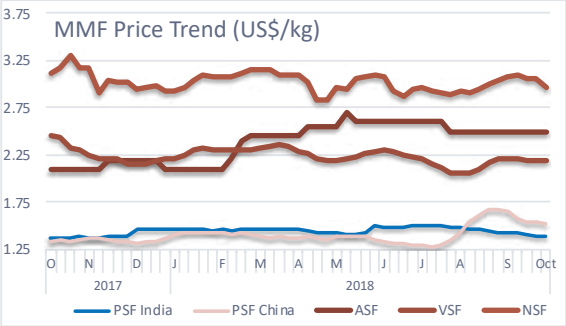
Price movement key: Increase Unchanged Decrease

instead of 18 October, and is expected to restart around 18 November. In India, prices remained unchanged after they were raised for October last week. In Pakistan, offers were cut by over 4% as demand remained muted. Overall, Asian market fundamentals were weak, and prices are expected to march south in coming weeks.

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 remained unchanged at 20.50-21.90 Yuan a kg (US$2.97-3.02 a kg). In Pakistan, 1.2D ASF prices were cut PakRs15 in Karachi market to PakRs.345 a kg (US$2.632 a kg, down US cents 28, also due to weak currency). In India, producers' offers were stable for October at INR197-208.50 a kg (US$2.67-2.83 a kg), after they were raised last week.

**Viscose**

Viscose staple fibre markets remained firm after the week-long national holidays in China and prices were seen climbing slightly. Mainstream high-end producers raised prices slightly on brisk sales and rejected deals at below their lower end level. Deals remained hard to conclude at high levels and met with some resistance. On the other hand, next week will welcome the Yarn Expo in Shanghai, so some negotiations may gradually begin. It is reported that some major producers still tend to raise the prices, and thus attention was paid to downstream follow-ups. In




Pakistan, viscose fibre prices were cut on spur the waning demand. Demand has shifted to cotton for a while when cotton prices were falling. In India, viscose prices remained unchanged on the week implying steady demand.

In China, offers for medium-end viscose goods climbed to 15.30-15.50 Yuan a kg (US$2.21-2.24 a kg) and those for high-end goods at 15.50-15.60 Yuan a kg (2.24-2.26 a kg), both up US cents 2-4 from previous trading week. In spot, 1.5D VSF offers inched up to 15.17 Yuan a kg (US$2.19 a kg) and 1.2D at 15.35 Yuan a kg (US$2.22 a kg). In India, 1.2-2.0D VSF prices were stable at INR150-200 a kg (US$2.03-2.71 a kg). In Pakistan, offers for 1.5D VSF fell PakRs5 to PakRs265-268 a kg (US$2.02-2.05 a kg, down US cents 17, also due to weak currency) in Karachi.

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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) | | | |
| | 12-Oct | 5-Oct | Change | | 12-Oct | 5-Oct | Change |
| Dec | 78.37 | 76.10 | 2.27 | Nov | 15,010 | 15,225 | -215 |
| Mar | 79.55 | 77.14 | 2.41 | Jan | 15,435 | 15,645 | -210 |
| May | 80.41 | 77.95 | 2.46 | Mar | 15,720 | 15,960 | -240 |
| Jul | 80.99 | 78.71 | 2.28 | May | 16,185 | 16,210 | -25 |
| Oct | 78.58 | 76.14 | 2.44 | Jul | 16,365 | 16,435 | -70 |
| Dec | 76.99 | 75.75 | 1.24 | Sep | 16,635 | 16,620 | 15 |

| 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) | | |
| 12-Oct | 5-Oct | Change | 12-Oct | 5-Oct | Change |
| 86.15 | 85.35 | 0.80 | 8,500 | 7,800 | 700 |

| 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) | | |
| 12-Oct | 5-Oct | Change | 12-Oct | 5-Oct | Change |
| 15,985 | 16,086 | -101 | 46,400 | 44,800 | 1,600 |

| 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) | | |
| 12-Oct | 5-Oct | Change |
| 81.52 | 81.68 | -0.16 |

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 12 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 | | 1.72 | | | | 0.0 | | -0.6 | | |
| | 12s | | | 1.84 | | 1.78 | | | | 0.5 | | -0.6 | | |
| | 16s | 2.00 | | 2.00 | | 1.93 | | 0.0 | | 0.0 | | -0.5 | | |
| | 21s | 2.10 | | | | | | 0.0 | | | | | | |
| Carded | 20s | 2.55 | 2.60 | | | | | 0.0 | 0.0 | | | | | |
| | 30s | 2.85 | 2.80 | | 2.80 | 2.78 | | 0.0 | 0.0 | | 1.1 | 0.0 | | |
| | 40s | 3.03 | | | | | | 0.0 | | | | | | |
| Combed | 20s | | 2.88 | | 2.82 | | | | 0.0 | | 0.7 | | | |
| | 26s | | 3.00 | | 2.95 | | | | 0.0 | | 1.0 | | | |
| | 30s | | 3.00 | | 2.98 | | | | 0.0 | | 0.7 | | | |
| | 34s | | 3.23 | | 3.13 | | | | 0.0 | | 0.3 | | | |
| | 40s | | 3.35 | | 3.34 | | | | 0.0 | | 0.3 | | | |
| Compact combed | 30s | 3.18 | | 3.09 | 3.00 | | | 0.0 | | 1.0 | 0.0 | | | |
| | 40s | 3.40 | | 3.38 | 3.35 | 3.29 | | 0.0 | | 0.9 | 0.0 | 0.0 | | |
| | 60s | 4.00 | | 4.50 | 4.50 | 4.39 | | 0.0 | | 0.7 | | -0.2 | | |
| | 80s | | | 5.50 | 5.50 | 5.40 | | | | 0.9 | | 0.0 | | |

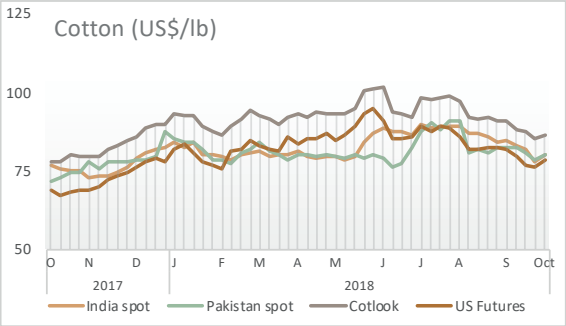
Source: Textilebeacon.com

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Price movement key: Increase Unchanged Decrease

# Weather conditions rule cotton markets




Cotton Futures were higher as traders consumed the USDA reports and Hurricane Michael moved into the Gulf of Mexico and production areas in Georgia and much of the rest of the Southeast. Some significant damage to crops is possible as bolls are open, but the system is moving fast and might not spend enough time in cotton areas to cause extensive damage. The harvest will be a bit slower in affected areas. Demand for US cotton has been poor for the last few weeks, and the lack of demand was hurting prices. China has been active in buying from India and will buy as much as possible to make up for production losses in China. Conditions have also improved in Pakistan as rains have been reported.

December contracts gained US cents 2.27 week-on-week to close at US cents 78.37 per pound, while March gained US cents 2.41 to finish at US cents 79.55, widening the premium over December by US cents 1.18. December 2019 also rose US cent 1.24 to close at US cents 76.99 per pound.

Global spot benchmark, the Cotlook A index rose US cent 0.80 on the week to close at US cents 86.15 per pound, having remained flat on the weekend.

In China, spot cotton markets extended weakness, seeing some on-call trades of old cotton. Prices for north-Xinjiang fresh cotton were heard at 15.40-15.60 Yuan a kg (US cents 101-102 per pound). The China Cotton Index continued to moderate this week by 101 Yuan, to close at 15,985 a ton (US cents 105 a pound, down US cent 1 from last week).

In Pakistan, cotton prices surged in the local market by around PakRs600-800 per maund due to depreciation in Pakistani currency. During the week, the Karachi Cotton Association increased the spot rate by PakRs700 to PakRs8,660 per maund ex-Karachi. Trading was mainly done for selective grades while buyers made deals for better grades on sellers' asking price amid firm spot rate. Mills and spinners consolidated their long positions by concluding deals for second grade at a premium. Meanwhile, cotton harvest is expected around 11.5 million bales, implying a supply gap of about four million bales to meet consumption demand.

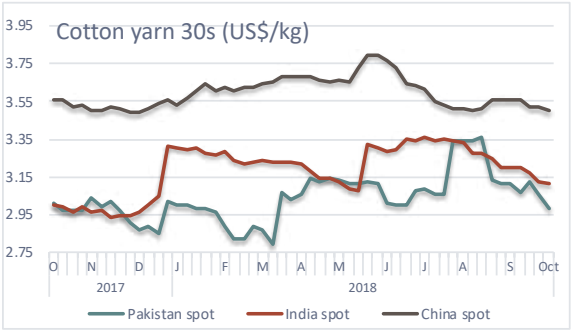
In India, spot prices were ruling higher than the previous week by about INR1,100-2,000 per candy. Benchmark Gujarat Shankar-6 was traded at INR46,400 per candy, up INR1,600 from previous week. Cotton started arriving in markets of Gujarat this week, although delayed by a week. This with good demand from mills and higher minimum support price ensured that the new cotton season in opens at higher prices this year. Cotton prices are about 20% higher as compared to 2017-18 opening. Prices were at INR46,200-46,500 per candy this year, compared to INR38,500-39,000 per candy in the same period last year. Reports said that experts believe that prices may not fall in the near future, but instead, could rise. This trend is attributed negligible cotton stock at mills. Moreover, INR depreciation has made Indian cotton cheaper, which will encourage exports in coming days, and government's hike for cotton MSP. All these factors have changed the sentiments in new season and as result, cotton prices have opened higher. Daily arrival has reached to around 55,000 bales for country as a whole, and around 10,000 bales in Gujarat.

### Cotton yarn

Cotton yarn markets in China saw thin liquidity this week, with prices going range-bound. Cotton yarn 21s and 32s continued to enjoy decent sales compared with other specs. In Shandong, it was reported that carded yarn sold relatively better than others. Imported yarn prices of Indian origin, however, inched down. 32s cotton yarn prices fell to 24.20 Yuan a kg (US$3.50 a kg, down US cents 2) while 40s felt to 25.30 Yuan a kg (US$3.66 a kg, down US cents 3). Coarser yarn prices of 16s were flat at 15.30 Yuan a kg (US$2.21 a kg) and 21s at 19.50 Yuan a kg (US$2.82 a kg, down US cents 3). Imported 32s yarn of India origin were offered at USS2.8 a kg (23.70 Yuan a kg).

In Pakistan, coarser count yarn in Karachi markets were dearer while others rolled over. In Faisalabad, cotton yarn prices were seen rising across counts reflecting the recent surge in cotton prices. However, sharply weakening currency pegged values down in US$ terms. 30s carded prices in Karachi were flat at PakRs168-170 per pound (US$2.83-2.86 a kg, down US cents 17 due to weak currency), while 32s combed in Faisalabad were up PakRs 6 at PakRs177.50-187.50 per pound (US$2.99-3.15, still down US cents 8 on weak PakRe).

In India, the cotton yarn price generally rolled over despite rising cotton prices. This implies that cotton prices may come down soon as fresh cotton starts entering the markets. 30s carded cotton yarn for knitting rolled were steady at INR230 a kg (US$3.12 a kg) in Coimbatore.




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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" |
| 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 |
| 12/10/2018 | 9.322 | 5.715 | 7.984 | 4.450 | 4.720 |

## PTA and MEG prices retreat, downward pressure increases

**Polyester input: MEG**

Mono ethylene glycol markets in Asia opened the week with prices increasing on strong buying activities amid buoyant futures post-holiday. Improved margins for polyester and uptick in sales with production decline built expectations that these gains would improve demand for MEG post-holiday. Nonetheless, the increase in price was moderate as activity remained largely muted. Prices plunged on Thursday as overall market sentiment weakened, with most commodities Futures on Dalian and Zhengzhou exchanges declining. However, discussions picked up on the weekend amid stock building activities in China's domestic market. Meanwhile, inventories in east China increased 0.5% to 571 kilo ton. Spot prices were down US$10-12 on the week with CFR China at US$873-878 a ton and CFR South East Asia at US$75-880 a ton.

In Europe, the September contract was confirmed at increase from August, while an initial October contract was also agreed alongside, but was not followed. Spot bulk prices were flat at Euro 850-865 a ton CIF NWE while truck spot prices rolled over at Euro 890-905 a ton FCA NWE. September MEG contract was confirmed at Euro 1,012 a ton FD NWE, up Euro 13 from August levels.

In the US, MEG spot was steady as supply and demand remain in balance. But there was downward pressure as demand softened after the end of peak season. Contracts for September rolled over at US cents 41.5-47.5 per pound FOB. Domestic spot prices were quoted in the upper-US cents 30 per pound for barge material and lower-US cents 40 per pound for rail/truck material.

**Polyester input: PTA**

Purified terephthalic acid markets were under downward pressure due to availability of competitively-priced cargoes in the domestic market of China. The arbitrage economics for imports into China was closed due to relatively lower prices in local market. Market participants were optimistic about the outlook for domestic prices with the recent rebound in the PTA futures market. Further, supply was described as tight on the back of steady sales achieved in downstream polyester markets. A heavy maintenance season is expected to begin from third week of October, and the increase in run rates of polyester units is also expected to emerge in second or the third week. Thus, markets will not see any downward room. PTA markers 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 China, offers for bonded goods were maintained at US$1,050-1,100 a ton and discussions were at US$1,020-1,050 a ton.

In Europe, purified terephthalic acid market was waiting for the outcome of October paraxylene contracts before finalising 2019 contract negotiations. Production costs are up for PTA while downstream PET margins were good. September contract was at Euro 904-938 a ton FD NWE.

In the US, MEG spot was steady as supply and demand remain in balance. But there was downward pressure as demand softened after the end of peak season. Contracts for September rolled over at US cents 41.5-47.5 per pound FOB. Domestic spot prices were quoted in the upper-US cents 30 per pound for barge material and lower-US cents 40 per pound for rail/truck material.

Caprolactam spot trade in China was muted opening this week despite expectations that buying interest would pick up after the Golden Week National Day holidays. Trade was limited as market players were largely in wait-and-see mode due to market uncertainty in the downstream nylon market. Major producer Sinopec increased its list price from its settled price for September contracts. Prices picked up later to post weekly gains while domestic prices in China remained below previous week's level. Caprolactam markers gained this week with SE and FE Asia at US$2,200-2,220 a ton. In China, spot prices for liquid goods softened to 17,700-18,000 Yuan a ton (US$2,560-2,605 a ton) while flake goods were at 18,000 Yuan a ton (US$2,605 a ton). Sinopec nominated October contract at 18,300 Yuan a ton (US$2,650 a ton) for liquid goods while Fibrant settled its issued September contract at 18,050 Yuan a ton (US$2,610 a ton).

In Europe, negotiations for October caprolactam contract remained inconclusive, as upstream remained sluggish. Meanwhile cyclohexane contract were settles following Q4 delta contract price fully confirmed last week at a decrease from the previous quarter. Caprolactam producer, Domo Caproleuna carried out planned

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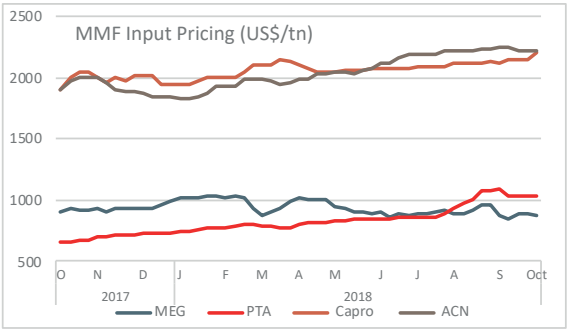
Price movement key: Increase Unchanged Decrease

maintenance at German facility in September. September contracts had settled at Euro2,272-2,433 a ton FD NWE rolling over from August.

**Acrylic input: Acrylonitrile**

Acrylonitrile discussions were weak in Asian markets this week due to amply supply in north China. There were no exact bids in both markets as buyers stayed on sidelines. Reportedly, a northeast producer dumped its cargo due to inventory pressure, which triggered a consecutive drop in prices this week. In the import market, dollar-dominated prices may drop as well due to some lower offers heard in the week. Asian markers were flat on the week with Far East CFR at US$2,219-2,221 a ton while CFR China was at US$2,200-2,230 a ton. In China, self-lifting values at Lianyungang port fell US$70 to US$2,690-2,705 a ton.

In Europe, spot prices dropped US$20 at US$2,068-2,072 a ton CIF Mediterranean, while negotiations for October contract price were ongoing on the sidelines of EPCA event. Two deals were closed at a double-digit hike corresponding to monthly increase of propylene and ammonia. Market remained tight, caused by two




production turnarounds taking place in October, as well as limited imports from Asia.

In US, spot export prices for acrylonitrile were steady as the market continued to gauge the global supply demand outlook for Q4. Supply was tight in US as producers focused on building inventories for 2019 by over selling material in the spot export market. Spot export prices were at US$2,130-2,150 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 US.

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



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 |
| | 12-Oct | | 5-Oct | | | |
| | yuan/tonne | US$/kg | yuan/tonne | US$/kg | | |
| Polyester 32s | 15,400 | 2.226 | 15,400 | 2.242 | 0.00 | -0.71 |
| Viscose 30s | 20,280 | 2.931 | 20,280 | 2.952 | 0.00 | -0.71 |
| Poly/cotton 32s | 19,000 | 2.746 | 19,000 | 2.766 | 0.00 | -0.71 |
| Poly/viscose 40s | 20,000 | 2.891 | 20,000 | 2.912 | 0.00 | -0.71 |
| Prices from Anhui | | | | | % Change in Yuan | % Change in US Dollar |
| | 12-Oct | | 5-Oct | | | |
| | yuan/tonne | US$/kg | yuan/tonne | US$/kg | | |
| Cotton carded 32s | 24,250 | 3.505 | 24,300 | 3.538 | -0.21 | -0.91 |
| Cotton combed 32s | 24,250 | 3.505 | 24,350 | 3.545 | -0.41 | -1.12 |
| Cotton carded 40s | 25,700 | 3.715 | 25,800 | 3.756 | -0.39 | -1.09 |
| Cotton combed 40s | 27,100 | 3.917 | 27,200 | 3.960 | -0.37 | -1.07 |

| Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price) | | | | | | |
|---|---|---|---|---|---|---|
| Cone | Friday, October 12, 2018 | | Friday, October 05, 2018 | | PKR % change | USD % change |
| | Mean PKR per 10lb | US$ per kg | Mean PKR per 10lb | US$/kg | | |
| Carded 10/1 | 1,335 | 2.199 | 1,250 | 2.234 | 6.80 | -1.56 |
| Carded 40/1 | 2,100 | 3.460 | 2,100 | 3.754 | 0.00 | -7.83 |
| Carded 22/1 | 1,520 | 2.504 | 1,520 | 2.717 | 0.00 | -7.83 |
| Carded 30/1 | 1,693 | 2.790 | 1,693 | 3.027 | 0.00 | -7.83 |
| Combed 20/1 | 1,600 | 2.636 | 1,600 | 2.860 | 0.00 | -7.83 |
| Combed 40/1 | 2,175 | 3.583 | 2,175 | 3.888 | 0.00 | -7.83 |
| Source: Brecorder , X-Rates | | | | | | |

## Polyester filament prices up in China on active downstream buying

**Polyester**

Polyester filament yarn prices were hiked in China across specs and luster as the market became more active with procurement in the domestic market. Inventory levels of certain filament yarn grades were low, and there were some expectations for operating rates to be raised in the H2 October to meet the traditional peak demand period. However, crude oil and raw materials, local trading atmosphere was thin, while offers stayed unchanged weekend. Participants generally held a bearish outlook, citing that downstream mills were consuming their stocks. POY offers were hiked in Shengze with 75/72 at US$1.78-1.79 a kg and 75/36 at US$1.75-1.77 a kg, up US cent 1. 75/72 intermingled DTY prices were at US$2.18-2.20 a kg and 75/36 at US$2.14-2.16 a kg. FDY offers were up over with 50/24 at US$1.88-1.90 a kg, up US cents 2 and 150/96 FDY at US$1.62-1.63 a kg, up US cent 1.

In Pakistan, DTY sales remained insipid while offers in US$ terms declined due to sharply fall in the PakRe. Selling indications were stable for 300/96 DTY intermingled local goods at PakRs80 a kg (US$1.35 a kg) and imported at PakRs111 (US$1.99 a kg), down US cents 8-12 due to sharp fall in the currency.

In India, POY offers were held stable after they were cut last week for the month. Sentiment was stable, with still some discounts, as downstream mills maintained hand-to-mouth procurement, holding wait-and-watch stance during the negotiations for fresh orders. Offers were stable, 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**

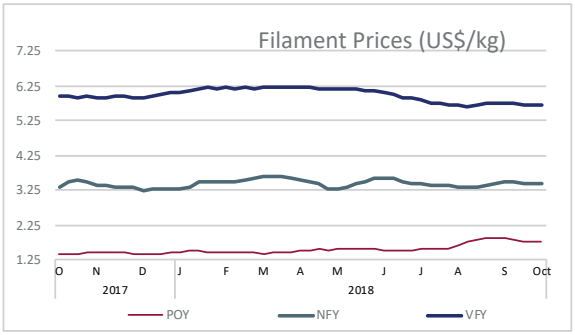
Nylon filament yarn prices were stable this week in Asia, while the insipid chip market led to decline in staple and monofilament prices. Filament market was supported by chip contract prices. Plant run rates of yarn makers was at 81%, keeping supply tight, with inventory at normal levels of 15 days' worth. Weak buying appetite was adding to inventory pressure. Downstream converters operated at flat run rates and buying interest for FDY, DTY and POY was limited. Warp knitting mills and covering mills operated at 60% run rates, while circular knitting mills and lacing mills at 45%. Nylon FDY prices were firm on the back of higher chip prices while DTY prices were stable on high feedstock cost. Downstream demand was still tepid.

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In China, offers rolled over for nylon FDY70D/24F SD at 23.80-24.50 Yuan a kg (US$3.44-3.54 a kg), while DTY70D offers were at 24.50-26.00 Yuan a kg (US$3.54-3.76 a kg), both down US cents 2 due to weak Yuan. Cord fabric 1,260D offers were at 27.50-28.50 Yuan a kg (US$3.98-4.12 a kg), while mono filament 30D prices declined to 24.50-25.00 Yuan a kg (US$3.54-3.62 a kg, down US cents 9). Nylon staple fibre 1.5D prices were down at 20.50-21.50 Yuan a kg (US$2.97-3.11 a kg). In India, 20 SD filament prices remained unchanged this week at INR300 a kg (US$4.07 a kg) in Surat market.




**Viscose**

Viscose filament prices were largely stable this week in China as downstream mills replenished some volumes to cover their basic needs after the week-long holidays. Thus, trading atmosphere improved somewhat. However, smooth sales was reported for first-class goods with steady sale/production ratio. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over from their firm level before the holidays. In India, viscose filament prices were generally stable, and may remain at the levels in the short-run.

In China, VFY offers rolled over with 120D bright at 39.30 Yuan a kg (US$5.69 a kg), and dull at 38.95 Yuan a kg (US$5.64 a kg). 300D bright were flat at 29.75 Yuan a kg (US$4.30 a kg) and dull at 26.25 Yuan a kg (US$3.80 a kg). All quotes were down US cents 2-3 due to weak Yuan. In India, VFY prices were stable in INR terms and down US cents 1-2 in US$ terms, with 100D bright VFY at INR388 a kg (US$5.26 a kg) and 450D at INR 225 a kg (US$3.05 a kg).

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# Wool & Speciality Fibres

| Wool | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Australia** | | | | **South Africa** | | | |
| AWEX EMI (cents/kg) | | | | Cape Wools Merino Indicator (cents/kg) | | | |
| | 11-Oct | 4-Oct | change | | 11-Oct | 3-Oct | change |
| A$ | 2,023 | 1,992 | 1.56% | Rand | 23,216 | 22,395 | 3.67% |
| US$ | 1,430 | 1,410 | 1.42% | US$ | 1,589 | 1,560 | 1.86% |
| **New Zealand** | | | | **United Kingdom** | | | |
| NZ Wool Services Indicators Coarse Crossbred (cents/kg) | | | | British Wool Fleece Indicator (clean) | | | |
| | 11-Oct | 4-Oct | change | | 2-Oct | 18-Sep | change |
| NZ$ | 324 | 321 | 0.93% | pence/kg | 160 | 168 | -4.76% |
| US$ | 210 | 209 | 0.48% | 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 | | |
| | 1-Oct | 12-Oct |
| Chinese Cashmere (dehaired) | | |
| White | | |
| Hosiery 38mm | 140.00 | 142.00 |
| Weaving 32mm | 136.00 | 136.00 |
| Brown | | |
| Hosiery 38mm | 132.00 | 132.00 |
| Weaving 32mm | 127.00 | 128.00 |
| Mongolian Cashmere (dehaired) | | |
| Brown | 112.00 | 111.00 |
| Light Grey | 112.00 | 111.00 |
| Afghan/Iranian Cashmere (dehaired) | | |
| White | 103.00 | 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 | 47.00 | 49.00 |
| Medium baby | NQ | NQ |
| Adult | 44.00 | 47.00 |
| Silk | | |
| Mulberry Sliver | 47.00 | 47.00 |
| Mulberry Noil | 24.00 | 24.00 |
| Tussah Sliver | 32.50 | 33.00 |
| Tussah Noil | 22.50 | 23.00 |
| Source: The Schneider Group | | |

EMI lifts for first time in a month as market bounces back
**By Jonathan Dyson**
The Australian wool market bounced back this week after falling downwards during the previous three weeks. More

Market sees small increase on weaker NZ dollar
**By Jonathan Dyson**
The New Zealand wool market moved up this week following three successive weeks of losses. More

Good demand and weaker rand push market up 3.7%
**By Jonathan Dyson**
The South African wool market traded higher at this week's auction, with the Cape Wools Merino Indicator increasing by 821 points (3.7%) to close at a value of R232.16/kg (clean). The Cape Wools All Wool Indicator increased by 3.8%. More

US wool sales at standstill
**By Jonathan Dyson**
US wool trading on a clean basis was at a standstill with no confirmed sales this week. More

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WTiN
Executive Market Report
15 October 2018

## USDA's Weekly Export Sales Report of Week ending 4 October

According to the latest USDA's Weekly Export Sales Report of week ending 4 October, net sales of 98,000 RB for 2018-19 were up noticeably from the previous week and up 44% from the prior 4-week average. Increases were reported for Vietnam (70,000 RB, including 3,600 RB switched from South Korea and 1,300 RB switched from Bangladesh), Turkey (21,700 RB, including 21,300 RB late reporting), Japan (15,000 RB, including 12,200 RB late reporting and decreases of 600 RB), Pakistan (13,900 RB, including 13,500 RB late reporting and decreases of 900 RB), and South Korea (11,800 RB).

Reductions were reported for China (73,900 RB).

For 2019-20, net sales of 142,900 RB were reported for China (136,400 RB), India (4,400 RB), and El Salvador (2,100 RB).

Exports of 208,400 RB were up 16% from the previous week and 38% from the prior 4-week average. Exports were primarily to Vietnam (68,300 RB, including 8,100 late reporting), Turkey (38,000 RB, including 31,400 late reporting), Mexico (18,200 RB), Pakistan (17,200 RB) and Indonesia (14,900 RB, including 2,200 RB late reporting).

Net sales of Pima totaling 12,800 RB for 2018-19 were up noticeably from the previous week and from the prior 4-week average. Increases reported for China (6,600 RB), India (4,100 RB), Vietnam (400 RB), and Switzerland (400 RB). For 2019/2020, net sales of 2,300 RB were reported for India.

Exports of 1,000 RB – a marketing-year low – were down 78% from the previous week and 80% from the prior 4-week average. The primary destinations were India (600 RB) and Bangladesh (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 4 October 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 | 7,520.9 | 6,043.0 | 1,713.1 | 763.3 | 237.9 | 296.9 | 27.6 | 19.7 |
| Unknown | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 7,520.9 | 6,043.0 | 1,713.1 | 763.3 | 237.9 | 296.9 | 27.6 | 19.7 |
| Optional Origin | 1.8 | 16.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accumulated Exports | 1,602.4 | 1,505.8 | | | 52.9 | 40.1 | | |
| Exports For Own Acct | 7.4 | 71.0 | | | 0.0 | 0.0 | | |
| Net Change In Sales | 98.0 | 154.4 | 142.9 | 9.3 | 12.8 | 22.0 | 2.3 | 0.0 |

## For more Trade stories click below...

WASDE October report trims global cotton inventories and output

**By Nitin Madkaikar**

The WASDE report of October 2018 on US cotton supply and demand estimates show higher ending stocks, based on slightly larger output and lower exports compared to the estimates of last month. More

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