WTiN Textile Economics

Executive Market Report Summary 22 October 2018

Cost summary	19-Oct-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.51	-0.21%
China FDY 50 den/24f	1.93	-2.40%
China DTY 150den/48f	1.93	-0.21%
Viscose		
China VSF 1.5 den, 38mm	2.20	-0.21%
Polyamide		
China FDY 70 den/24f	3.50	-1.83%
Cotton		
Cotlook A Index	1.92	1.28%
Wool		
AWEX EMI	14.05	-0.31%
Yarn		
China Cotton combed 32s (weaving)	2.90	-3.33%
China Cotton combed 40s (weaving)	3.89	-0.58%
Indian cotton carded 30s (weaving)*	3.15	-3.08%
Indian cotton combed 40s (weaving)*	3.25	-4.41%
Taiwan p/c 45s*	4.65	0.00%
WTI Oil $ per Barrel		
WTI Crude Oil Price- 21-Sep	70.80	
WTI Crude Oil Price- 28-Sep	76.16	
WTI Crude Oil Price- 05-Oct	74.26	
WTI Crude Oil Price- 12-Oct	71.41	-3.84%

Weekly Market Review – from the analyst desk

Prospects for European petrochemicals appear to be weakening

After a stellar run in sales growth and profitability, the European petrochemical industry is set to enter a new phase, where multiple challenges are weakening the prospects of another bullish year. Margins are falling for naphtha-based chemical and polymers producers, as higher oil-related feedstock prices have failed to translate into an increase in downstream sales prices. Thus, the ability to pass on cost hikes will depend on whether the market favours buyers or sellers.

Key indicators point out that buyers may have the upper hand as 2018 moves to a close. The European purchasing managers' indices are heading downwards for many months, such as those for China, leaving only the US in a bullish zone. Stock markets across economies are jittery as fears grow regarding the ability of emerging markets to repay US$-denominated debt. As interest rates rise and the US$ strengthens, debt is poised to become a lot more expensive to service.

Europe set target to recycle waste plastic

By 2025, the EU has set a target of 50% recycling for plastic waste, with producers being given mandatory responsibility for management of the waste a year earlier. By 2030, all EU plastic packaging must be recyclable. Although a long way off, these targets will almost certainly impact demand for virgin polymers. Producers need to act now to develop packaging that is truly recyclable or invest in chemical and mechanical recycling.

Nitin Madkaikar
Price Analyst

MMF market

- PSF prices stable in China and India, hiked again 1in Pakistan

Cotton market

- China actively buying Indian cotton to avoid US cotton

Fibre raw material market

- MEG November Asian contracts nominated lower on slowing polyester

Filament market

- Polyester filament price-moves imply tapering peak season

Wool & Speciality Fibres

- Market suffers corrections as EMI sees sharp drop
- Coarse Crossbred Indicator falls on stronger USD
- Lower demand drives SA market down by 3.8%
- UK prices ease with clearance of just 56%
- Stronger rand puts pressure on market

USDA report

- USDA's Weekly Export Sales Report of week ending 11 October

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Executive Market Report
is published by
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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		19-Oct		12-Oct		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.258		1.315		-4.34
PTA	7,365	1.062	8,040	1.162	-8.40	-8.59
MEG	6,585	0.950	6,575	0.950	0.15	-0.06
Caprolactam	16,900	2.438	18,000	2.602	-6.11	-6.31
Acrylonitrile	18,050	2.603	18,500	2.674	-2.43	-2.64
PET	12,455	1.796	12,630	1.826	-1.39	-1.60
Polyester filament						
FDY 50 den/24f	13,400	1.933	13,700	1.980	-2.19	-2.40
DTY 50 den/72f	18,550	2.676	18,550	2.681	0.00	-0.21
DTY 150 den/48f	13,405	1.934	13,405	1.938	0.00	-0.21
POY 150 den/48f	11,630	1.677	11,630	1.681	0.00	-0.21
FDY 150 den/96f	11,560	1.667	11,560	1.671	0.00	-0.21
Polyamide 6 filament						
FDY 70 den/24f	24,300	3.505	24,700	3.570	-1.62	-1.83
Staple fibre						
Polyester 1.4 denier 38 mm	10,490	1.513	10,490	1.516	0.00	-0.21
Viscose 1.5 denier, 38mm	15,220	2.195	15,220	2.200	0.00	-0.21
Acrylic 1.5 denier, 38 mm	20,500	2.957	20,500	2.963	0.00	-0.21

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
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
17-Oct	1.30	1.65	1.80	1.90

PSF prices stable in China and India, hiked again in Pakistan

Polyester staple fibre prices rolled over in China and India while they were raised in Pakistan this week. In China, 1.4D offers were largely kept unchanged from last week, supported by higher feedstock prices and despite an increase in inventory levels. Export offers also remained stable, though trade activity was harder due to volatility in energy and raw material prices. Price indications were also maintained after recent productions cuts at polyester plants. Offers rolled over with 1.4D direct-melt PSF at 10.55-10.80 Yuan a kg (US$1.52-1.56 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$1.40 a kg FOB China.

In India, operating rates of polyester plants have gradually reduced due to weak demand and amid a credit crunch. The average run rate was brought down to around 50-55% from 60-65% earlier in the month. Demand for textile was weak despite the typical peak demand season before the Diwali Festival in November. End-users were also not willing to build inventories in order to mitigate losses and manage liquidity. PSF offers rolled over both in INR terms and US$ terms with 1.2D at INR103.25 a kg (US$1.41 a kg) and 1.4-2D at INR102.50 a kg or US$1.40 a kg.

In Pakistan, polyester fibre prices were raised again this week to counter sharp fall in PakRe which has raised largely imported raw material cost. 1.4D PSF producers' offers were hiked PakRs2 to PakRs.205-207 a kg (US$1.55-1.56 a kg, neutralised by fall in the currency).

Nylon

In China, Nylon staple fibre 1.5D prices were also down at 19.50-20.60 Yuan a kg (US$2.81-2.97 a kg, down US cents 14).

Acrylic

Acrylic staple fibre markets in Asia were stable as raw material cost eased, relieving some margin pressure.

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USDA report

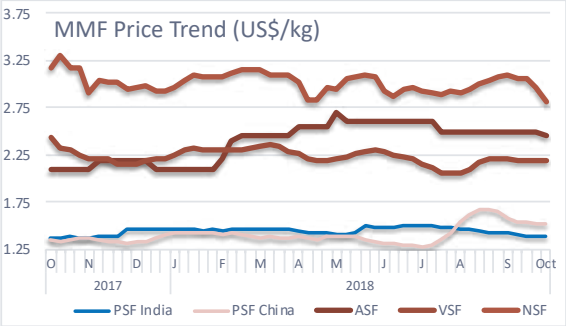
Price movement key: Increase Unchanged Decrease

However, demand was still poor as downstream mills placed fewer fresh orders. Offers from Taiwan were heard rolling back to mid-April levels. In China, acrylic fibre makers operated at less than 40% run rate, implying shrinking supply, as many units were idled, while some others reduced production amid poor downstream appetite for the fibre. Downstream yarn mills were stuck in poor sales, and were less interested in made procurement. In Pakistan, acrylic fibre prices remained unchanged after they were cut in the previous week. In India, producers' offers rolled over after they were fixed for October. Overall, with acrylonitrile market on a downward trajectory, plus poor demand from downstream sector, acrylic fibre prices are expected to head downward in coming weeks.

Taiwan origin 3D bright ASF tow offers rolled back US cents 5-10 to US$2.45-2.50 a kg while offers in China for medium-length and cotton-type acrylic fibre rolled over at 20.50-21.90 Yuan a kg (US$2.95-3.01 a kg). In Pakistan, 1.2D ASF prices were unchanged in Karachi market at PakRs.345 a kg (US$2.60 a kg, down US cents 3, also due to weak currency). In India, producers' offers were stable for October at INR197-208.50 a kg (US$2.68-2.84 a kg).

Viscose

Viscose stable fibre prices remained stable to low in China, as mainstream producers generally held their indications. Selling prices for medium-end and high-end goods slightly eased as the market sentiment was slightly stalemated. Overall, trading atmosphere stagnated, although sellers negotiated their indications. However, downstream buying



interest remained low, so some VSF producers liquidated volumes at slightly lower prices after completing their previous orders. In Pakistan, viscose prices remained unchanged after they were rolled back last week. However, weak currency pegged values down in US$ term. In India, viscose makers did not change their offers as the cost was still firmly high, but downstream buying was rigid.

In China, offers for medium-end viscose goods eased a bit to 15.20-15.30 Yuan a kg (US$2.19-2.21 a kg, down US cents 3) and those for high-end goods were slightly lower at 15.30-15.50 Yuan a kg (2.21-2.23 a kg, down US cents 3) from previous trading week. In spot, 1.5D VSF offers were flat at 15.15 Yuan a kg (US$2.18 a kg) and 1.2D up at 15.40 Yuan a kg (US$2.22 a kg). In Pakistan, offers for 1.5D VSF remained unchanged at PakRs265-268 a kg (US$2.00-2.02 a kg, down US cents 2, due to weak currency) in Karachi. In India, 1.2-2.0D VSF prices rolled over at INR150-200 a kg (US$2.04-2.72 a kg).

Summary
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Cotton market

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	19-Oct	12-Oct	Change		19-Oct	12-Oct	Change
Dec	77.92	78.37	(0.45)	Nov	14,870	15,010	-140
Mar	79.36	79.55	(0.19)	Jan	15,275	15,435	-160
May	80.45	80.41	0.04	Mar	15,655	15,720	-65
Jul	81.23	80.99	0.24	May	16,020	16,185	-165
Oct	78.17	78.58	(0.41)	Jul	16,245	16,365	-120
Dec	76.68	76.99	(0.31)	Sep	16,515	16,635	-120

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)		
19-Oct	12-Oct	Change	19-Oct	12-Oct	Change
87.25	86.15	1.10	8,900	8,500	400

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)		
19-Oct	12-Oct	Change	19-Oct	12-Oct	Change
15,898	15,985	-87	46,600	46,400	200

CEPEA/ESALQ Cotton Price Index (Brazil US Cents per lb)		
Type 6 Fiber 30/32mm (trades in Brazilian Markets, Prompt delivery prices paid to producer)		
19-Oct	12-Oct	Change
81.03	81.52	-0.49

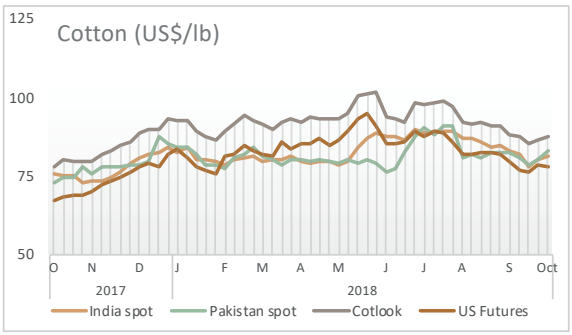
NQ = not quoted N = nominal Sources: InterContinental Exchange (ICE), Zhengzhou Commodity Exchange (ZCE), Cotlook Ltd, WTiN, Karachi Cotton Association, Beijing Cotton Outlook,CEPEA/ESALQ

Cotton Yarn export quotations (week ended 19 October)								% change on Week						
		India		Bangladesh		Pakistan		India		Bangladesh		Pakistan		
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	
Open-end	10s			1.82		1.72				2.2		0.0		
	12s			1.88		1.78				2.2		0.0		
	16s	1.85		2.04		1.93		-7.5		2.0		0.0		
	21s	1.98						-5.7						
Carded	20s	2.53	2.57					-0.8	-1.2					
	30s	2.80	2.70		2.85	2.78		-1.8	-3.6		1.8	0.0		
	40s	2.95						-2.6						
Combed	20s		2.77		2.86				-3.8		1.4			
	26s		2.85		2.98				-5.0		1.0			
	30s		2.90		3.02				-3.3		1.3			
	34s		3.03		3.15				-6.2		0.6			
	40s		3.25		3.37				-3.0		0.9			
Compact combed	30s	3.08		3.10	3.04			-3.1		0.3	1.3			
	40s	3.30		3.42	3.30	3.29		-2.9		1.2	-1.5	0.0		
	60s	3.90		4.52	4.52	4.39		-2.5		0.4		0.0		
	80s			5.58	5.58	5.40				1.5		0.0		

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

Price movement key: Increase Unchanged Decrease

China actively buying Indian cotton to avoid US cotton



Cotton futures were mixed again and held well considering the dismal US export sales report as traders tried to decide on the direction of the market for the short-term. The USD reported exports dropping 67% over the last week. The recent hurricane in the Southeast brought ideas of big losses, and the USDA did show significant quality losses in its weekly updates, and further damage might be seen in the reports that will follow next week.

The media continued to show images of widespread devastation in cotton fields, with many plants blown over and destroyed and cotton on the ground. To support prices now, export demand needs to improve soon and significantly this year, but any increase in demand needs to come with no purchases from China for a while. Players in India remained optimistic of a good crop and will not need to import very much this year. December contracts lost US cent 0.45 week-on-week to close at US cents 77.92 per pound, while March was down US cent 0.19 to finish at US cents 79.36, widening the premium over December to US cents 1.44. December 2019 also edged down US cent 0.31 to close at US cents 76.68 per pound.

China has been actively buying Indian cotton and will buy as much as possible to avoid buying much from the US. At an International Cotton Conference held in Hong Kong, China placed huge orders for import of cotton from India. In China, cotton spot prices were corrected slightly down. Grade-3128 fresh cotton in the domestic market was quoted at 15.50 Yuan a kg (US cents 101 per pound), leading to increased enquiries from textile producers, but trading was slower. The China Cotton Index continued to decline this week by 87 yuan, to close at 15,898 a ton (US cents 104 a pound, down US cent 1 from last week).

Global spot benchmark, the Cotlook A Index, however, rose US cents 1.10 on the week to close at US cents 87.25 per pound, having remained flat on the weekend.

In Pakistan, cotton buyers were actively buying big lot in fear of further increase in the US$ value against the PakRe, while millers were building stocks from local source. Resultant, cotton prices moved higher and touched peak level at PakRs9,000 per maund on the ready counter. In line, the Karachi Cotton Association official spot rates were also raised. During the week, KCA spot rate recorded increase of PakRs400 per maund which in addition to the PakRs700 raise registered last week, pushed the spot rate to PakRs9,060 per maund ex-Karachi by end of this week. Seeing prices rising, growers and ginners started holding on raw cotton in expectation of getting better rates later.

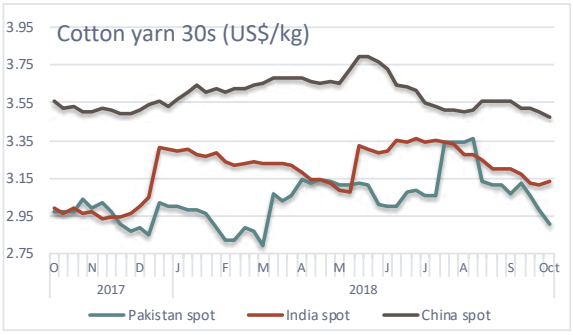
In India, prices of coarser cotton were seen this week, while average to finer varieties were cheaper as spot prices moved above the MSP. Reports pointed out that traders were buying cotton at INR50-100 more than MSP and once arrivals peak. Meanwhile, the Cotton Corporation of India, which was gearing up for procurement operations at MSP from farmers will have to wait for a while as prices are above the MSP. Spot prices were ruling at INR5,800 per quintal after jumping nearly INR800 per quintal over the last 10-12 days.

Cotton yarn

The cotton yarn market was under correction in China this week as producers did not hold enough confidence on the situation in a busy season. Prices suffered setbacks for various reasons, while deals were mainly concluded for 32s and 40s yarn. Producers in Shandong reported moderate sales of carded cotton yarn and OE yarn, with offers for compact spun flat to down. 32s cotton yarn prices fell to 24.10 Yuan a kg (US$3.47 a kg, down US cents 3) while 40s fell to 25.20 Yuan a kg (US$3.63 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$2.81 a kg).

In Pakistan, cotton yarn prices were seen adjusted slightly down in Faisalabad market in order to negate the impact of falling PakRe on export. At the Shanghai Yarn Expo held during the week, Indian exporters could manage to bag large orders from Chinese importers since Pakistan yarn was costlier. 30s carded prices in Karachi were flat at PakRs168-170 per pound (US$2.79-2.83 a kg, down US cents 3 due to weak currency), while 32s cone in Faisalabad were down PakRs2.50 at PakRs175-189 per pound (US$2.91-3.14, down US cents 8).

With the cotton marketing season progressing in India, yarn makers were not in a hurry to stock the fibre and kept cotton yarn prices stable this week. 30s carded cotton yarn for knitting rolled over at INR230 a kg (US$3.13 a kg) in Coimbatore.



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

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Fibre raw material market

Yuan/mt	China Grey Fabric				
	CGOE10 Denim 10*10 72*40 59"/60" Indigo	CG C32 Cotton Twill 32*32 130*70 47"	CG JC40 Combed Cotton 40*40 133*72 67"	CG R30 Rayon 30*30 68*68 63"	CG T/C45 Polyester/Cotton (65:35) 45*45 110*76 63"
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
19/10/2018	9.322	5.715	7.984	4.450	4.720

MEG November Asian contracts nominated lower on slowing polyester

Polyester input: MEG

MEG markets in Asia continued to remain under correction this week, and prices fluctuated, down from the previous week. In China, prices declined initially under the influence from poor sales in downstream but later recovered gradually due to rigid demand and restocking activities by players in short position. Meanwhile, inventories in east China increased 8% on the week to 619 kilo ton, due to arrival of more import cargoes. Spot prices were down US$15-20 on the week with CFR China at US$853-858 a ton and CFR South East Asia at US$860-870 a ton. In contract markets, both SABIC and MEGlobal nominated November down from the prior month, citing a slowdown in polyester sales. SABIC nominated the November contract price at US$1,080 a ton CFR Asia, US$40 lower than October, while MEGlobal announced its November contract price at US$1,100 a ton CFR Asia, down US$20 from its October nomination.

In Europe, mono ethylene glycol spot prices continued to slip on plentiful supply, along with weak sentiment from the lower prices in Asia. There was a flurry of lower offers floating around the market this week. Spot bulk prices were assessed Euro 15 down at both ends of the range, with prices at Euro835-850 a ton CIF NWE while truck spot prices were down Euro 10 at Euro 880-995 a ton FCA NWE.

In US, MEG prices remained unchanged as demand from PET resin sector generally fades in Q4, but is rebalanced by pick-up in demand from anti-freeze sector. However, with winter to set in mildly initially, demand from anti-freeze is likely to be delayed going into Q4. Contracts prices remained unchanged over at US cents 41.5-47.5 per pound FOB.

Polyester input: PTA

Purified terephthalic acid prices declined in Asian markets amid seasonal downturn in downstream polyester sector. The price drop also eroded production margins as demand declined in the polyester chain in the region. The transition of production costs in the entire polyester chain is unsmooth currently since polyester run rates is yet to recover in a large. Thus, PTA market may hardly move up, and is expected to remain under fluctuation in the short-term. PTA markers edged down US$28-30 week-on-week, with CFR China at US$992-994 a ton and offer from Taiwan/Korea at US$1,000-1,020 a ton. In China, offers for bonded goods were maintained at US$1,020-1,080 a ton, and discussions for nearby-month cargoes were below US$980 a ton amid muted transaction.

In Europe, Indorama recently restarted Artlant PTA plant in Portugal and a shipment was transported to Egypt's EIPET, a JV of Indorama and India's Dhunseri. Meanwhile, PTA contract were stable at Euro 904-938 a ton FD NWE.

In the US, the restart of Alpek's two downstream PTA lines last month rebalanced supply in the region. Indorama is on planned maintenance at its 600,000 ton a year PTA plant in Montreal, Canada, until 28 October. However, upcoming turnarounds in the PTA market are expected to balance the global supply/demand outlook in Q4. During the week, PTA prices were assessed at US cents 60.10 per pound DEL.

Nylon input: Caprolactam

Caprolactam offers in Asian markets fell this week after downstream conventional grade nylon chips took a hit due to poor downstream demand. Producers had no choice but to reduce their offers since downstream demand was so poor that goods were practically not moving along at all. In China, buyers were reluctant to bid for imported caprolactam amid uncertainty in domestic prices and opted for wait and see for a while before deciding. Asian caprolactam markers moderated US$20 week-on-week with SE and FE Asia at US$2,180-2,220 a ton. In China, spot prices for liquid goods declined to 16,600-16,900 Yuan a ton (US$2,390-2,435 a ton, down US$170) while flake goods fell to 17,000 Yuan a ton (US$2,450 a ton, down US$150). Major producer, Sinopec adjusted its list price down to 17,800 a ton (US$2,565 a ton, down US$80 from last week). In contrast, Japan's Sumitomo Chemical announced its October contract price for caprolactam at US$2,250 a ton CFR NE Asia, up US$70 from its September contract price.

No activity was reported in European caprolactam markets, hence prices are notionally carried forward. September contracts settled at Euro 2,272-2,433 a ton FD NWE rolling over from August.

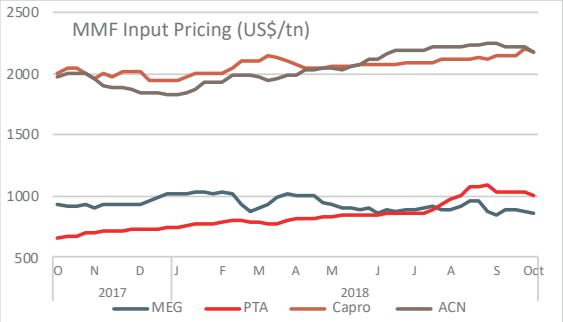
Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report

Price movement key: Increase Unchanged Decrease

Acrylic input: Acrylonitrile

Acrylonitrile prices fell sharply in Asian markets this week as sellers tended to liquidate cargoes at low prices, while buyers took non-committal position, waiting for majors to announce monthly settlement price. Upstream crude oil and propylene prices also slumped easing cost pressure. Demand was weakening as acrylamide suppliers ran at 60% capacity with prices at lower level while ABS market was range-bound. Acrylic yarn makers continued to operate at lower run rate, with poor appetite for acrylonitrile. Asian markers were down US$40-50 on the week with Far East CFR at US$2,179-2,181 a ton and CFR China at US$2,150-2,220 a ton. In China, self-lifting values at Lianyungang port fell US$80 to US$2,610-2,640 a ton. PetroChina Jilin Petrochemical cut its offers by US$58 to 17,700 Yuan a ton (US$2,550 a ton) with effect from 18 October.

In Europe, acrylonitrile October contract prices increased month on month, supported by higher raw material costs and was in line with the ratio formula that market follow when negotiating their monthly contracts. Spot prices dropped US$70 at US$1,998-2,002 a ton CIF Mediterranean despite October contract price settled at an



increase of Euro38 from September at Euro2,171-2,239 a ton FD NWE.

In the US, spot export acrylonitrile offers fell on declining values in Asia and Europe amid softening demand in the key downstream acrylic fibre and ABS sectors. Global supply remained tight but was offset by softening demand in the consuming sectors. Spot export prices were down US$20 at US$2,110-2,130 a ton FOB USG while domestic contracts were at US cents 81.07-85.07 per pound (US$1,787-1,875 a ton) DEL USG.

Summary
MMF market
Cotton market
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Filament market

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market					% Change in Yuan	% Change in US Dollar
	19-Oct		12-Oct			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	15,300	2.207	15,400	2.226	-0.65	-0.86
Viscose 30s	20,280	2.925	20,280	2.931	0.00	-0.21
Poly/cotton 32s	19,000	2.741	19,000	2.746	0.00	-0.21
Poly/viscose 40s	20,000	2.885	20,000	2.891	0.00	-0.21
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	19-Oct		12-Oct			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,150	3.483	24,250	3.505	-0.41	-0.63
Cotton combed 32s	24,250	3.498	24,250	3.505	0.00	-0.21
Cotton carded 40s	25,600	3.692	25,700	3.715	-0.39	-0.60
Cotton combed 40s	27,000	3.894	27,100	3.917	-0.37	-0.58

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, October 19, 2018		Friday, October 12, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,335	2.196	1,335	2.199	0.00	-0.16
Carded 40/1	2,100	3.454	2,100	3.460	0.00	-0.16
Carded 22/1	1,520	2.500	1,520	2.504	0.00	-0.16
Carded 30/1	1,693	2.785	1,693	2.790	0.00	-0.16
Combed 20/1	1,600	2.632	1,600	2.636	0.00	-0.16
Combed 40/1	2,175	3.578	2,175	3.583	0.00	-0.16
Source: Brecorder , X-Rates						

Polyester filament price-moves imply tapering peak season

Polyester

Polyester filament yarn prices moved in different directions this week in China. POY prices rolled over, while DTYs were dearer and FDYs cheaper. These conditions imply that the peak season is tapering, and most end-uses are close to meeting their order book. Poor performance of upstream purified terephthalic acid and PET markets, prompted PFY makers to adjust lower amid insipid trades. Downstream mills were mainly consuming their raw material inventories and purchased only to cover immediate use. POY offers were flat in Shengze with 75/72 at US$1.77-1.79 a kg and 75/36 at US$1.74-1.76 a kg. 75/72 intermingled DTY prices were up US cent 1 US$2.19-2.21 a kg and 75/36 up US cents 5 at US$2.19-2.21 a kg. FDY offers were down with 50/24 at US$1.79-1.80 a kg, down US cents 9, while 150/96 FDY were stable at US$1.61-1.63 a kg.

In Pakistan, the sharp depreciation in the currency forced local polyester filament suppliers to raise their offers closer to import parity, although prices of imported goods did go up further this week. However, the gap has narrowed down significantly. Selling indications were raised by PakRs36 300/96 DTY intermingled local goods to PakRs116 a kg (US$1.93 a kg, up US cents 58) and imported goods by PakRs7 to PakRs118 (US$1.96 a kg, up US cents 10).

In India, POYs offers rolled over this week after they were cut for October with 115/108 at INR104 a kg or US$1.42 a kg and 130/34 POY at INR96 a kg or US$1.31 a kg.

Nylon

Nylon filament yarn prices were corrected down in line with the dipping chip market, while operations in terminal markets were cautious. Warp-knitting, weaving and AJ covering sectors operated at 70% of rates while, circular-knitting and lacing mills ran at 45% capacities. Overall, nylon yarn market was weak. Feedstock market also dropped, easing cost pressure, while downstream buying demand was tepid amid fair margins. Nylon-6 FDY prices were down as demand from wool spinning sector was tepid and that from weaving sector passable. Nylon-6 DTY prices were flat at lower end amid modest demand, while production was slightly above break-even levels. Cord fabric and monofilament prices were down as margins were still good.

In China, offers for nylon FDY70D/24F SD dropped to 23.50-24 Yuan a kg (US$3.39-3.46 a kg, down US cents 6-9), while DTY70D offers fell at eh upper end to 24.50-25 Yuan a

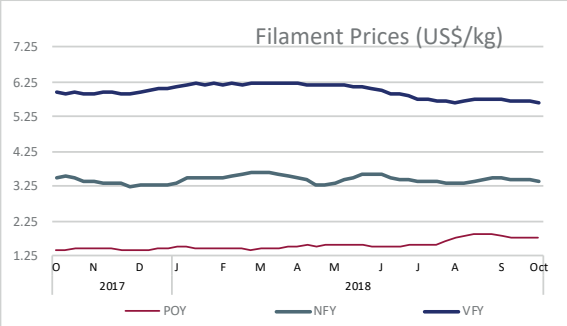
Summary
MMF market
Cotton market
Fibre raw material market
Filament market
Wool & Speciality Fibres
USDA report

Price movement key: Increase Unchanged Decrease

kg (US$3.53-3.68 a kg, down US cents 9). Cord fabric 1,260D offers declined to 27-28.00 Yuan a kg (US$3.89-4.04 a kg, down US cents 9) while mono filament 30D prices declined to 23.80-24.00 Yuan a kg (US$3.43-3.46 a kg, down US cents 11-16). Nylon staple fibre 1.5D prices were also down at 19.50-20.60 Yuan a kg (US$2.81-2.97 a kg, down US cents 14). In India, 20 SD filament prices remained unchanged this week at INR300 a kg (US$4.09 a kg) in Surat market.

Viscose

Viscose filament yarn prices were stable in China, while firm trading atmosphere improved somewhat, seeing good liquidity of high-end goods. During the week, offers for first-class, second-class and third-class goods were rolled over from the previous week. Producers retained their selling indications, seeing fresh offers for dissolving pulp firming up in domestic as well as for imported material which can translate into higher cost later. Thus, attention was paid to downstream follow-ups at the moment. In India, no changes were made in viscose filament yarn prices as demand was stagnant and cost high.



In China, viscose filament offers were stable with 120D bright at 39.30 Yuan a kg (US$5.66 a kg), and dull at 38.95 Yuan a kg (US$5.61 a kg). 300D bright were flat at 29.75 Yuan a kg (US$4.29 a kg) and dull at 26.25 Yuan a kg (US$3.78 a kg). All quotes were down US cents 2 due to weak Yuan. In India, VFY prices were stable in INR terms and up US cents 1-3 in US$ terms, with 100D bright VFY at INR388 a kg (US$5.28 a kg) and 450D at INR 225 a kg (US$3.06 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)			
	18-Oct	11-Oct	change		17-Oct	11-Oct	change
A$	1,970	2,023	-2.62%	Rand	22,324	23,216	-3.84%
US$	1,405	1,430	-1.75%	US$	1,570	1,589	-1.20%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	18-Oct	11-Oct	change		18-Oct	2-Oct	change
NZ$	319	324	-1.54%	pence/kg	160	160	0.00%
US$	209	210	-0.48%	US cents/kg	210	208	0.96%
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		

Market suffers corrections as EMI sees sharp drop
By Jonathan Dyson
The Australian wool market experienced sharp corrections this week as last week's uplift proved to be short lived. More

Coarse Crossbred Indicator falls on stronger USD
By Jonathan Dyson
The New Zealand wool market returned to a downward trajectory this week following last week's small upturn. More

Lower demand drives SA market down by 3.8%
By Jonathan Dyson
The South African wool market traded lower at this week's auction, held on 17 October, with the Cape Wools Merino Indicator decreasing by 892 points (3.8%) to close at a value of R223.24/kg (clean). The Cape Wools All Wool Indicator declined by 3.9%. More

UK prices ease with clearance of just 56%
By Jonathan Dyson
The seventh sale of the season, held on 16 October, saw a much quieter tone with selective bidding particularly for the fine and medium types. This resulted in just over 56% of the offering being sold. As a consequence the majority of prices eased back from the levels of the previous sale. More

Stronger rand puts pressure on market
By Jonathan Dyson
The fourth sale of the 2018 winter mohair season took place on 16 October, with an offering of 161,151 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 11 October

According to the latest USDA's Weekly Export Sales Report of week ending 11 October, net sales of 32,700 RB for 2018-19 were down 67% from the previous week and 55% from the prior 4-week average. Increases were reported for Pakistan (13,400 RB), Vietnam (11,900 RB, including 300 RB switched from Japan), Mexico (10,600 RB), Thailand (7,200 RB, including 400 RB switched from Japan), and Ecuador (5,200 RB).

Reductions were reported for China (18,500 RB), Bangladesh (5,900 RB), and Japan (2,100 RB).

For 2019-20, net sales of 24,200 RB were reported for China (17,600 RB) and Thailand (6,600 RB). Exports of 135,300 RB were down 35% from the previous week and 20% from the prior 4-week average.

Exports were primarily to China (33,100 RB), Vietnam (25,800 RB), Mexico (17,400 RB), Indonesia (10,600 RB), and Pakistan (8,900 RB).

Net sales of Pima totaling 5,000 RB for 2018-19 were down 61% from the previous week and 26% from the prior 4-week average. Increases were reported for China (4,400 RB), Japan (300 RB), and India (200 RB).

Exports of 6,300 RB were up noticeably from the previous week and up 31% from the prior 4-week average. The primary destinations were India (4,500 RB), Turkey (1,100 RB), and Pakistan (500 RB).

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

Exports for own account:
New exports for own account totaling 2,300 RB were reported to Vietnam. The current exports for own account outstanding balance of 9,700 RB is for China (7,400 RB) and Vietnam (2,300 RB).

U.S. Export sales week ending 11 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	7,418.3	6,210.0	1,737.3	772.1	236.5	308.7	27.6	19.7
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,418.3	6,210.0	1,737.3	772.1	236.5	308.7	27.6	19.7
Optional Origin	1.8	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	1,737.7	1,592.0			59.2	45.8		
Exports For Own Acct	9.7	68.9			0.0	0.0		
Net Change In Sales	32.7	253.2	24.2	8.8	5.0	17.5	0.0	0.0

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