WTiN Textile Economics

Executive Market Report Summary 29 October 2018

Cost summary	26-Oct-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.43	-5.44%
China FDY 50 den/24f	1.81	-6.16%
China DTY 150den/48f	1.81	-6.16%
Viscose		
China VSF 1.5 den, 38mm	2.18	-0.48%
Polyamide		
China FDY 70 den/24f	3.48	-0.61%
Cotton		
Cotlook A Index	1.91	-0.52%
Wool		
AWEX EMI	13.28	-5.54%
Yarn		
China Cotton combed 32s (weaving)	2.90	0.00%
China Cotton combed 40s (weaving)	3.89	-0.20%
Indian cotton carded 30s (weaving)*	3.15	0.00%
Indian cotton combed 40s (weaving)*	3.25	0.00%
Taiwan p/c 45s*	4.65	0.00%
WTI Oil $ per Barrel		
WTI Crude Oil Price- 28-Sep	76.16	
WTI Crude Oil Price- 05-Oct	74.26	
WTI Crude Oil Price- 12-Oct	71.41	
WTI Crude Oil Price- 19-Oct	69.16	-3.15%

MMF market

- PSF cheaper in China while VSF market stalemated

Cotton market

- Cotton prices down in Pakistan, up in India on short arrivals

Fibre raw material market

- PTA and MEG prices decline on poor polyester show

Filament market

- Polyester prices decline signing off the peak season?

Wool & Speciality Fibres

- EMI suffers biggest weekly drop since 2003
- Market dips despite weaker NZ dollar
- Reduced demand pushes SA market down by 5%

USDA report

- USDA's Weekly Export Sales Report of week ending 18 October

Weekly Market Review – from the analyst desk

Low water levels on River Rhine impacts European petrochems

Logistics are adversely impacted by Rhine levels, and are seeing a week-long record low. However, more rainfall from the previous weekend was a silver lining, bringing slow recovery to water levels on Tuesday, said WSV and The German Federal Institute of Hydrology (BfG) on Friday.

Currently pegged at 30 cm at the Kaub chokepoint, the Rhine is set to reach 41 cm, according to the latest forecast. With premium payments applying from 140 to 150 cm at Kaub, a quick elimination of transport issues is not in sight though.

Meanwhile, operations at a number of petrochemical plants within Europe remain curtailed as they struggle to source raw materials and push out their products to buyers. In addition to the force majeures on a number of products out of BASF's Ludwigshafen site, companies such as Covestro, OXEA and Shell are also monitoring production levels at the German plants on a daily basis.

European steam crackers were also mulling a possibility of trimming run rates amid inability to source sufficient naphtha and LPG.

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		26-Oct		19-Oct		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.234		1.258		-1.93
PTA	7,145	1.028	7,365	1.062	-2.99	-3.18
MEG	6,155	0.886	6,585	0.950	-6.53	-6.72
Caprolactam	16,300	2.346	16,900	2.438	-3.55	-3.75
Acrylonitrile	17,300	2.490	18,050	2.603	-4.16	-4.35
PET	12,005	1.728	12,455	1.796	-3.61	-3.81
Polyester filament						
FDY 50 den/24f	12,600	1.814	13,400	1.933	-5.97	-6.16
DTY 50 den/72f	17,650	2.541	18,550	2.676	-4.85	-5.05
DTY 150 den/48f	12,605	1.814	13,405	1.934	-5.97	-6.16
POY 150 den/48f	10,930	1.573	11,630	1.677	-6.02	-6.21
FDY 150 den/96f	10,760	1.549	11,560	1.667	-6.92	-7.11
Polyamide 6 filament						
FDY 70 den/24f	24,200	3.483	24,300	3.505	-0.41	-0.61
Staple fibre						
Polyester 1.4 denier 38 mm	9,940	1.431	10,490	1.513	-5.24	-5.44
Viscose 1.5 denier, 38mm	15,178	2.185	15,220	2.195	-0.28	-0.48
Acrylic 1.5 denier, 38 mm	20,500	2.951	20,500	2.957	0.00	-0.20

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
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
24-Oct	1.30	1.65	1.80	1.90

PSF cheaper in China while VSF market stalemated

Polyester staple fibre prices in China declined sharply, tracking softer feedstock PTA and MEG prices and slower demand. Sellers were looking to maintain sales volumes while market sentiment was dampened by recent losses in raw material costs. Export sales, meanwhile, were weighed down by the uncertainty arising from the US-China trade spat and a persistently strengthening of the US$. Steeper declines in feedstock prices have resulted in improved margins and operating rates for polyester fibre makers. However, bearish sentiment is expected to extend the downslide in prices as players will focus on macroeconomics and the feedstock market. Offers declined sharply with 1.4D direct-melt PSF at 10.05-10.20 Yuan a kg (US$1.45-1.47 a kg, down US cents 7) in Jiangsu and Zhejiang while the same in Fujian and Shandong at US$1.45-1.48 a kg, down US cents 7. Export offers also moderated by US cents 5 to around US$1.35 a kg FOB China.

In Pakistan, polyester fibre prices remained unchanged after they were raised in the past two weeks, while falling cotton prices also dampened the yarn market. 1.4D PSF producers' offers remained flat at PakRs.205-207 a kg (US$1.54-1.55 a kg).

In India, producers' offers rolled over as buyers were still managing liquidity. Offers remained unchanged 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.

Nylon

In China, staple fibre 1.5D prices were also down at 19.00-20.50 Yuan a kg (US$2.73-2.95 a kg, down US cents 8).

Acrylic

Acrylic staple fibre prices remained unchanged in China while offers for Taiwan origin fibre were down again this week. In China, acrylic fibre prices came closer to

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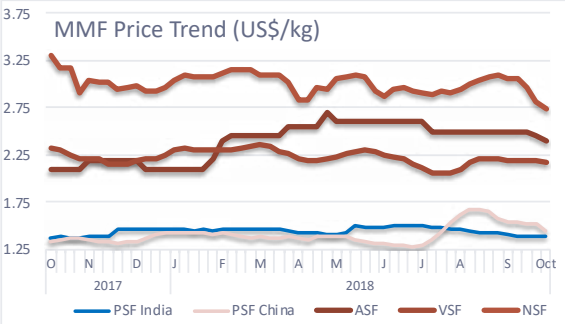
Price movement key: Increase Unchanged Decrease

breakeven point, with the constant decline in feedstock acrylonitrile prices leading to an expansion in margins for acrylic fibre producers. This makes room for lowering offers later. Meanwhile, the average run rate was at 43% during the week, indicating a reduction in supply, as many units were idled, and some reduced production. Demand was weak, as downstream mills mostly purchased need-based volumes, with some already stocking up to cover the production in November. Prices in India and Pakistan remained unchanged on cost support, although feedstock prices declined in India. Overall, the continuous decline of feedstock prices will improve margins of acrylic fibre producers, which can help improve the operating rate and lower offers to push volumes.

Offers of Taiwan origin 3D bright ASF tow once again rolled back US cents 5 to US$2.40-2.45 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$2.95-3.01 a kg). In India, producers' offers were stable for October at INR197-208.50 a kg (US$2.68-2.84 a kg). In Pakistan, 1.2D ASF prices rolled over in Karachi market at PakRs.345 a kg (US$2.58 a kg, down US cents 2 due to weak currency).

Viscose

Viscose staple fibre markets were in stalemate this week in China, while mainstream producers held on to their offers, firm deals were hard to conclude. Reportedly low-end trading prices for medium-end and high-end viscose fibre fell during the week as export markets were



dismal and domestic buying was thin. This resulted in poor transactions overall. Sentiment apparently cooled down during the week, with prices showing signs of weakness – albeit support came from plant maintenance shutdown. In Pakistan, offers were raised back to early October levels as production was limited and import offers jumped on weak currency. In India, prices mostly rolled over, lacking any bullish factor. Overall, viscose fibre markets are expected to remain range bound on a weak note in coming weeks.

In China, offers for medium-end viscose goods moderated to 14.90-15.10 Yuan a kg (US$2.14-2.17 a kg, down US cents 4) and those for high-end goods were lower at 15.10-15.20 Yuan a kg (2.17-2.19 a kg, down US cents 3) from previous week. In spot, 1.5D VSF offers were down at 15.16 Yuan a kg (US$2.18 a kg) and 1.2D at 15.34 Yuan a kg (US$2.21 a kg). In India, 1.2-2.0D VSF prices rolled over at INR150-200 a kg (US$2.04-2.73 a kg). In Pakistan, offers for 1.5D VSF were raised Pakrs5 to PakRs270-273 a

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Cotton market

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	26-Oct	19-Oct	Change		26-Oct	19-Oct	Change
Dec	78.53	77.92	0.61	Nov	14,670	14,870	-200
Mar	79.83	79.36	0.47	Jan	15,100	15,275	-175
May	80.81	80.45	0.36	Mar	15,515	15,655	-140
Jul	81.48	81.23	0.25	May	15,875	16,020	-145
Oct	78.90	78.17	0.73	Jul	16,070	16,245	-175
Dec	77.33	76.68	0.65	Sep	16,380	16,515	-135

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)		
26-Oct	19-Oct		26-Oct	19-Oct	Change
86.80	87.25	-0.45	8,650	8,900	-250

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)		
26-Oct	19-Oct	Change	26-Oct	19-Oct	Change
15,831	15,898	-67	46,800	46,600	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)		
26-Oct	19-Oct	Change
81.24	81.03	0.21

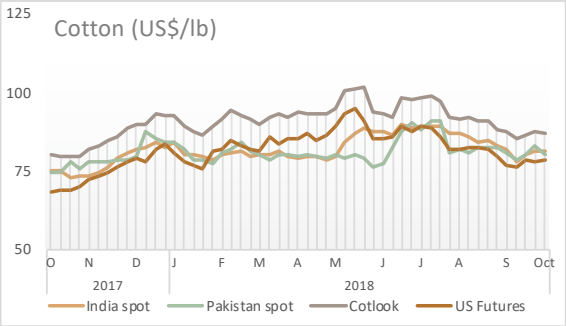
NQ = not quoted N = nominal
Sources: InterContinental Exchange (ICE), Zhengzhou Commodity Exchange (ZCE), Cotlook Ltd, WTiN, Karachi Cotton Association, Beijing Cotton Outlook,CEPEA/ESALQ

Cotton Yarn export quotations (week ended 26 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			1.77		1.72				-2.7		0.0			
	12s			1.84		1.78				-2.1		0.0			
	16s	1.85		2.00		1.91		0.0		-2.0		-1.0			
	21s	1.98						0.0							
Carded	20s	2.53	2.57					0.0	0.0						
	30s	2.80	2.70		2.85	2.81		0.0	0.0		0.0	1.1			
	40s	2.95						0.0							
Combed	20s		2.77		2.87				0.0		0.3				
	26s		2.85		2.98				0.0		0.0				
	30s		2.90		3.02				0.0		0.0				
	34s		3.03		3.15				0.0		0.0				
	40s		3.25		3.35				0.0		-0.6				
Compact combed	30s	3.08		3.12	3.03			0.0		0.6	-0.3				
	40s	3.30		3.43	3.39	3.35		0.0		0.3	2.7	1.8			
	60s	3.90		4.50	4.50	4.38		0.0		-0.4		-0.2			
	80s			5.58	5.58	5.47				0.0		1.3			

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Cotton prices down in Pakistan, up in India on short arrivals



Cotton US futures were higher, with December being the strongest month. Some on call pricing was reportedly done as demand for US cotton was hard to find. Funds were also buying as the stock market staged a recovery rally. The potential for crop losses in the US and India was more apparent over the last weekend and this also supported the market. Reports indicated that Indian output suffered from dry weather earlier in the season and that crop losses are expected major growing areas. As per USDA, the estimated production was down in India and Pakistan due to bad weather, which may impede India to meet all the demand from China.

December contracts gained US cent 0.61 week-on-week to close at US cents 78.53 per pound, while March was up US cent 0.47 to finish at US cents 79.83, narrowing the premium over December to US cents 1.30. December 2019 also inched up US cent 0.65 to close at US cents 77.33 per pound.

Global spot benchmark, the Cotlook A index, however, edged down US cents 0.45 on the week to close at US cents 86.80 per pound, having remained flat on the weekend.

In China, spot cotton price fell somewhat in line with the tumble of cotton futures in Zhengzhou Commodity Exchange. Offers for mechanically-picked North Xinjiang-origin fibre were at 15.70 Yuan a kg (US cents 102 per pound, up US cent 1 from last week). The China Cotton Index continued to slide this week by 67 Yuan, to close at 15,831 a ton (US cents 103 a pound, down US cent 1 from last week).

In Pakistan, cotton markets were under pressure as buyers restricted their activity to meet near future demand. Trading was adversely impacted due to uncertainty on the currency market and falling cotton prices internationally. A cautious approach by spinners eventually forced ginners and growers to reduce prices. The market was caught by surprise when Saudi Arabia approved financial aid to Pakistan – which helped the PakRe to stabilise and pushed cotton prices lower. According to Brokers' Forum, the currency market was also consolidating on hope of Chinese financial assistance. This is likely to arrest any upward movement in cotton prices in the near future. Reports suggested that spinners have booked around 1.8 million bales of imported cotton. Around four million bales would be imported this season due to short crop. During the week, KCA spot rate declined PakRs250 to PakRs8,810 per maund ex-Karachi at close of this week.

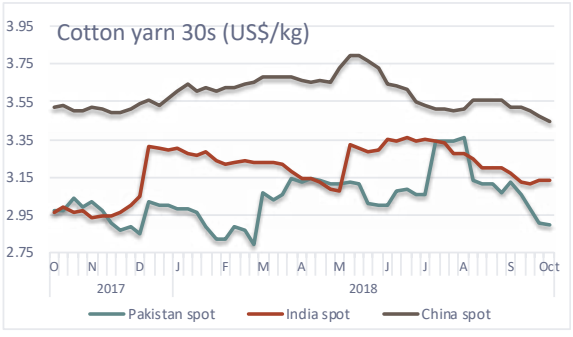
In India, cotton prices jumped this week as arrivals were still below the normal levels during this period. Prices also found support of a higher support price, announced by the government, and a lesser crop size this year. However, the Indian Cotton Federation believes that cotton availability will be adequate as production had increased due to a 13% rise in crop area although crop damages are reported due to pink boll worm in certain areas. But the impact on cotton production will be much lower than last year. Benchmark, Gujarat Shankar-6 was traded at INR46,800 per candy, up INR200 from last week. However, prices of finer variety cotton continued to fall.

Cotton yarn

The cotton yarn market in China saw limited transactions in spite of the price of some individual varieties declining further. Demand for cotton yarn 32s and 40s combed was relatively better, while the transaction of other specs was moderate. As the cotton yarn market was under correction, producers held poor confidence on the situation despite being a busy season. 32s cotton yarn prices fell to 23.95 Yuan a kg (US$3.45 a kg, down US cents 3), while 40s fell to 25 Yuan a kg (US$3.60 a kg, down US cents 4). Coarser yarn prices of 16s rolled over 15.30 Yuan a kg (US$2.21 a kg), while 21s moderated to 19.40 Yuan a kg (US$2.79 a kg, down US cents 2).

In Pakistan, cotton yarn prices were seen rising in Faisalabad and Karachi markets, reflecting the recent surge in cotton prices, which touched peak levels last week. However, with cotton prices falling this week, there will soon be a yarn price correction. 30s carded prices in Karachi were up at PakRs175-180 per pound (US$2.89-2.97 a kg, up US cents 10-14), while 32s cone in Faisalabad inched up at the lower end and declined at the upper end to PakRs175.50-187 per pound (US$2.90-3.09).

In India, cotton yarn prices were steady although cotton markets are yet to discover price level for this season. 30s carded cotton yarn for knitting remained unchanged at INR230 a kg (US$3.13 a kg) in Coimbatore while export offer rolled over at US$2.90 a kg.



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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"
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
26/10/2018	9.322	5.715	7.984	4.450	4.720

PTA and MEG prices decline on poor polyester show

Polyester input: MEG

Mono ethylene glycol markets in Asia were under downward pressure amid increasingly bearish sentiment resulting from the losses in oil prices, Asian equities and polyester prices. Uncertainty over market outlook strengthened despite increased production of downstream polyester. Thus, market players were not willing to hold cargoes even though fundamental demand was healthy, with downstream polyester operating rates being ramped up. Inventories in east China declined 6.5% to 579 kilo ton, due to fewer import cargo arrivals. Spot benchmark prices plunged US$60 week-on-week, with CFR China at US$793-798 a ton and CFR South East Asia at US$800-810 a ton.

In Europe, MEG spot prices continued to remain low on ample supply, amid weak sentiment from the lower prices in Asia. Larger buyers adopted a wait-and-see attitude, as sufficient supply pressured spot prices downwards last week. Spot bulk prices were assessed stable at Euro835-850 a ton CIF NEW, while truck spot prices were at Euro 880-995 a ton FCA NWE.

In the US, prices softened at the beginning of Q4, as supply lengthened with the end of peak demand season. Supply was excess due to slower demand, reduced exports and healthy production. October contracts prices were down US cent 1 at US cents 40.5-46.5 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 prices trended down further, facing weak demand from the downstream polyester sector. Polyester sales ratio remained below 100% level, indicating that demand was weak, with inventories building up. A weak global macroeconomic environment and falling crude prices further exacerbated downward pressure on PTA prices. In China, the PTA futures market was under weak fluctuation and offers for goods for October delivery were slightly higher than PTA futures. Weakening upstream paraxylene also eased cost support. PTA markers fell US$30-32 on the week, with CFR China at US$960-962 a ton and offers from Taiwan/Korea at US$970-990 a ton. In China, offers for bonded goods edged down to US$1,000-1,020 a ton, and discussions for nearby-month cargoes were around US$950 a ton.

In Europe, PTA markets were quiet, seeing the fluctuation in Asian markets. Contracts were stable at Euro 904-938 a ton FD NWE.

In the US, Indorama's PTA plant in Montreal was under planned maintenance, while supply improved with the restart of Alpek's two PTA lines last month. PTA prices were assessed at US cents 60.10 per pound DEL.

Nylon input: Caprolactam

Caprolactam spot prices continued to trend downwards, while import offers almost dried up in Asian markets. In China, offers for spot caprolactam imports dried up in the week as domestic prices weakened further. Lacklustre downstream demand waned buying appetite, and producers were under pressure to reduce offers as inventories started piling up. Sinopec settled its October contract price lower than its September price, while Japan's Ube Inds settled its October contract price higher from September, citing that tight supply in the region, as well as a turnaround, will support prices.

Asian markers moderated US$10 week-on-week with SE and FE Asia at US$2,170-2,220 a ton. In China, spot prices for liquid goods declined to 16,000-16,500 Yuan a ton (US$2,300-2,375 a ton, down US$90) while flake goods fell to 16,500 Yuan a ton (US$2,375 a ton, down US$75). Japan's Ube Industries settled its October contract price for caprolactam at US$2,240 a ton CFR NE Asia, up US$70 from its September contract price.

In Europe, October caprolactam discussions were mostly ongoing, but a stable-to-softer pricing tendency was discernable so far as early discussions were concluded at varying decreases. Some talks pushed for stability from sell-side being met with resistance from buyers. There was mention of sharing of benzene decrease this month and due to varying expectations, talks were not concluded across the board. September contracts settled at Euro2,272-2,433 a ton FD NWE rolling over from August.

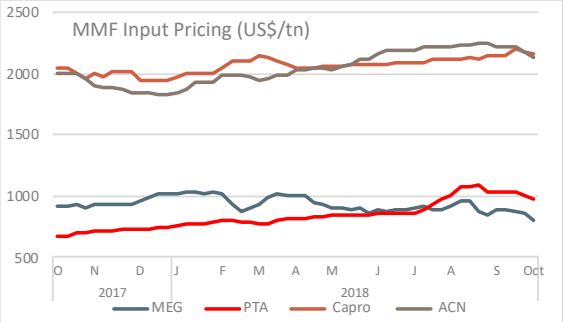
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Acrylic input: Acrylonitrile

Acrylonitrile prices extended losses across regions this week as sluggish demand continued to push down spot despite the limited spot supply. Supply in Asia remained balanced-to-short amid the ongoing plant turnarounds in China and South Korea, but could not prevent prices from falling as slower-than-expected economic growth in China coupled with escalating US-China trade war started taking toll on chemical industry. However, lacklustre demand was the major factor leading to price declines. Far East CFR marker fell US$50 to US$2,129-2,131 a ton while CFR China was steady at US$2,150-2,220 a ton. In China, self-lifting values at Lianyungang port fell US$105 to US$2,505-2,520 a ton. Sinopec Anqing settled its October price at 18,000 Yuan a ton (Us$2,590 a ton), down US$150 from September price while PetroChina Fushun reduced its October spot offers by US$129.50 a ton, to 17,400 a ton (US$2,505 a ton).

In Europe, spot prices fell sharply as downstream production cuts globally limited demand and pegged the market in balance. Prices also fell following Turkish acrylic fibre producer AKSA cutting production by 40% through October – which reduced demand for European acrylonitrile. In the US, formula-based



domestic contracts increased, based on a rollover in propylene contracts and higher spot ammonia prices. Supply improved but remained snug and downstream cut operating rates for acrylic fibres and acrylonitrile-butadiene-styrene amid weaker margins, causing caused spot export prices to decline. Spot prices dropped US$100 to US$1,898-1,902 a ton CIF Mediterranean. In the US, spot export prices were down US$25 at US$2,085-2,095 a ton FOB USG. October domestic contracts settled higher at US cents 80.90-84.90 per pound DEL from US cents 80.48-84.48 per pound DEL in the previous month.

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Filament market

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market					% Change in Yuan	% Change in US Dollar
	26-Oct		19-Oct			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	15,000	2.159	15,300	2.207	-1.96	-2.16
Viscose 30s	20,180	2.905	20,280	2.925	-0.49	-0.70
Poly/cotton 32s	19,000	2.735	19,000	2.741	0.00	-0.20
Poly/viscose 40s	20,000	2.879	20,000	2.885	0.00	-0.20
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	26-Oct		19-Oct			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	24,000	3.455	24,150	3.483	-0.62	-0.82
Cotton combed 32s	24,050	3.462	24,250	3.498	-0.82	-1.03
Cotton carded 40s	25,400	3.656	25,600	3.692	-0.78	-0.98
Cotton combed 40s	27,000	3.887	27,000	3.894	0.00	-0.20

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, October 26, 2018		Friday, October 19, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,400	2.301	1,335	2.196	0.00	-0.16
Carded 40/1	2,200	3.616	2,100	3.454	0.00	-0.16
Carded 22/1	1,555	2.556	1,520	2.500	0.00	-0.16
Carded 30/1	1,785	2.934	1,693	2.785	0.00	-0.16
Combed 20/1	1,620	2.663	1,600	2.632	0.00	-0.16
Combed 40/1	2,400	3.945	2,175	3.578	0.00	-0.16
Source: Brecorder , X-Rates						

Polyester prices decline signing off the peak season?

Polyester

Polyester filament yarn prices dropped across all specs due to poor feedstock movement and muted the trading atmosphere in China amid pessimistic downstream mills. Markets also adversely impacted by unfavorable crude oil and PTA futures prompted local offers to drop, and firm deals negotiable. However, trading atmosphere remained thin, as downstream mills mainly adopted a wait-and-see stance. POY offers dropped sharply by US cents 10-13 in Shengze, with 75/72 at US$1.64-1.65 a kg and 75/36 also at US$1.64-1.65 a kg. 75/72 intermingled DTY prices were down US cents 9 at S$2.10-2.11 a kg and 75/36 down US cents 12 at US$2.09-2.09 a kg. FDY offers were down US cents 10-12 with 50/24 at US$1.68-1.70 a kg and 150/96 FDY at US$1.50-1.51 a kg.

In Pakistan, given the sharp weakening currency, local producers continued to adjust offers closer to imported goods prices although raw material was softening fast. Downstream buyers adopted a wait-and-see stance, causing mixed trading atmosphere. Selling indications for local goods were raised by PakRs4 for 300/96 DTY intermingled to PakRs120 a kg (US$1.98 a kg, up US cents 5) and imported goods were stable at PakRs118 (US$1.95 a kg, down US cent 1).

In India, mainstream producers retained their offers for polyester filament after they were cut for October. Overall, sales were lackluster this week. POY offers were stable, 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

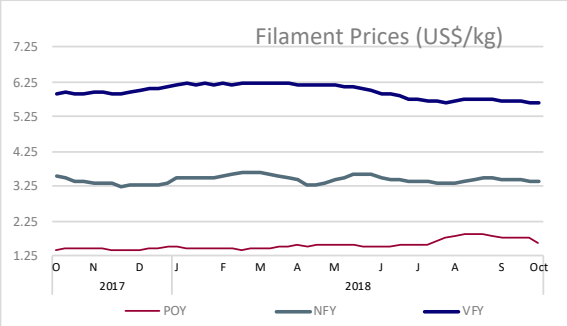
Nylon filament yarn markets were under downward correction this week, in line with flat chip market and moderating caprolactam prices. The operating rate averaged 81% in China, while production at terminal sector were cautious. Thin demand from semi-dull fabric weighed on offers, but demand from the full-dull fabric sector was passable. Thus, filament production was just above break-even levels. Nylon-6 FDY market was stable to weak given flat feedstock as demand from wool spinning sector was tepid and that from weaving sector was passable. Nylon-6 DTY market was weak amid modest demand. Cord fabric prices remained unchanged as demand from tire sector was stable. Monofilament 30D prices slipped but margins were

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good. Staple fibre prices were down amid tepid demand. Offers for nylon FDY70D/24F SD dropped at the upper end to 23.50-23.80 Yuan a kg (US$3.38-3.42 a kg, down US cents 3), while DTY70D offers fell to 24.00-25.00 Yuan a kg (US$3.45-3.60 a kg, down US cents 8).

In India, nylon filament prices were raised in line with a recent surge in offers from China, while domestic demand was slightly up. 20 SD filament prices were raised this week to INR310 a kg (US$4.22 a kg, up US cents 14) in the Surat market.



Viscose

Viscose filament yarn prices were largely stable in China and India, while liquidity was modest as downstream converters reported poor order intakes. In China, sales of full-dull 120D yarn were fair, but that of other specs was lackluster. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over from last week. As pulp prices have risen in recent weeks and despite this higher cost, viscose filament prices are expected to move sideways, due to poor downstream fabric markets.

Offers were stable with 120D bright at 39.30 Yuan a kg (US$5.65 a kg), and dull at 38.95 Yuan a kg (US$5.60 a kg). 300D bright was flat at 29.75 Yuan a kg (US$4.28 a kg) and dull at 26.25 Yuan a kg (US$3.78 a kg). All quotes were down US cent 1 due to weak Yuan. In India, VFY prices were stable both in INR and US$ terms, with 100D bright VFY at INR388 a kg (US$5.29 a kg) and 450D at INR 225 a kg (US$3.07 a kg).

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Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	25-Oct	18-Oct	change		24-Oct	17-Oct	change
A$	1,874	1,970	-4.87%	Rand	21,214	22,324	-4.97%
US$	1,327	1,405	-5.55%	US$	1,486	1,570	-5.35%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	25-Oct	18-Oct	change		18-Oct	2-Oct	change
NZ$	316	319	-0.94%	pence/kg	160	160	0.00%
US$	206	209	-1.44%	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		
	12-Oct	26-Oct
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	142.00	140.00
Weaving 32mm	136.00	134.00
Brown		
Hosiery 38mm	132.00	130.00
Weaving 32mm	128.00	126.00
Mongolian Cashmere (dehaired)		
Brown	111.00	109.00
Light Grey	111.00	109.00
Afghan/Iranian Cashmere (dehaired)		
White	104.00	102.00
Fawn	102.00	101.00
Dark Brown	102.00	101.00
Alpaca Tops		
White		
Baby (BL)	NQ	NQ
Fine Spinning (FS)	NQ	NQ
Adult (AG)	NQ	NQ
Camel Hair (dehaired)		
Super-baby	49.00	49.00
Medium baby	NQ	NQ
Adult	47.00	47
Silk		
Mulberry Sliver	47.00	47
Mulberry Noil	24.00	24
Tussah Sliver	33.00	33.5
Tussah Noil	23.00	23
Source: The Schneider Group		

EMI suffers biggest weekly drop since 2003

By Jonathan Dyson

The Australian wool market took a severe hit this week as the downward slide continued following last week's sharp corrections. More

Market dips despite weaker NZ dollar

By Jonathan Dyson

The New Zealand wool market experienced a downturn this week despite a weaker local currency. More

Reduced demand pushes SA market down by 5%

By Jonathan Dyson

The South African wool market traded lower at this week's auction, with the Cape Wools Merino Indicator decreasing by 1,110 points (5%) to close at a value of R212.14/kg (clean). The Cape Wools All Wool Indicator fell by 5.2%. More

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USDA's Weekly Export Sales Report of week ending 18 October

According to the latest USDA's Weekly Export Sales Report of week ending 18 October, net sales of 40,600 RB for 2018-19 were up 24% from the previous week, but down 27% from the prior 4-week average. Increases were reported for Pakistan (22,900 RB), Turkey (11,600 RB), Mexico (9,900 RB), Costa Rica (9,400 RB), and Japan (8,000 RB, including decreases of 300 RB).

Reductions were reported for China (41,900 RB), South Korea (3,000 RB), and Vietnam (2,800 RB).

For 2019-20, net sales of 4,600 RB were reported for Costa Rica (3,200 RB) and Peru (1,400 RB).

Exports of 139,200 RB were up 3% from the previous week, but down 16% from the prior 4-week average. Exports were primarily to Vietnam (42,500 RB), Mexico (18,900 RB), China (10,700 RB), Pakistan (9,200 RB), and Indonesia (8,700 RB).

Net sales of Pima totaling 11,400 RB for 2018-19 were up noticeably from the previous week and up 62% from the prior 4-week average. Increases were reported for Vietnam (4,400 RB), China (4,000 RB, including decreases of 400 RB), Thailand (1,200 RB), and Pakistan (900 RB). Reductions were reported for Colombia (100 RB).

Exports of 5,100 RB were down 20% from the previous week, but up 20% from the prior 4-week average. The primary destinations were China (2,100 RB), India (1,400 RB), Thailand (600 RB), and Turkey (600 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 100 RB were reported to India. Exports totaling 2,300 RB were to Vietnam (2,200 RB) and India (100 RB) were applied to new or outstanding sales. Decreases totaling 100 RB were reported for Vietnam. The current exports for own account outstanding balance is 7,400 RB, all China.

U.S. Export sales week ending 18 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	7,319.7	6,404.5	1,741.9	818.9	242.8	319.9	27.6	19.7
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,319.7	6,404.5	1,741.9	818.9	242.8	319.9	27.6	19.7
Optional Origin	1.8	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	1,876.8	1,686.6			64.3	50.8		
Exports For Own Acct	7.4	65.8			0.0	0.0		
Net Change In Sales	40.6	289.1	4.6	46.8	11.4	16.2	0.0	0.0

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