WTiN Textile Economics

Executive Market Report Summary 5 November 2018

Cost summary	02-Nov-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.40	-2.45%
China FDY 50 den/24f	1.77	-2.21%
China DTY 150den/48f	1.81	-0.22%
Viscose		
China VSF 1.5 den, 38mm	2.16	-0.93%
Polyamide		
China FDY 70 den/24f	3.47	-0.46%
Cotton		
Cotlook A Index	1.95	2.07%
Wool		
AWEX EMI	13.28	0.00%
Yarn		
China Cotton combed 32s (weaving)	2.90	0.00%
China Cotton combed 40s (weaving)	3.89	0.21%
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- 05-Oct	74.26	
WTI Crude Oil Price- 12-Oct	71.41	
WTI Crude Oil Price- 19-Oct	69.16	
WTI Crude Oil Price- 26-Oct	67.58	-2.28%

MMF market

- PSF cheaper in China and India as cost recedes

Cotton market

- Cotton Futures rise on hopes of resolution to trade war

Fibre raw material market

- PTA, MEG, ACN prices plunge further

Filament market

- Polyester filament price nosedives on easing cost

Wool & Speciality Fibres

- EMI declines again but market has more settled week
- Market lifts by 2.7% on weaker rand and better demand

USDA report

- USDA's Weekly Export Sales Report of week ending 25 October

Weekly Market Review – from the analyst desk

US sanctions on Iran come into effect, but grants exemption to eight

The US sanctions on Iran came into effect from midnight of 4 November, stopping nations from buying or selling to Iran. Iran is an oil-rich economy and many economies depend on Iran for its quality oil. India in particular has built refineries that can process on Iranian oil.

Considering the fact, the US has granted waivers on Iranian oil imports to key buyers in Asia, including South Korea, the region's largest buyer of Iranian condensate. However, in a message, the US Secretary of State Mike Pompeo did not identify the recipients of the waivers, but they are expected to include China and India.

The Trump administration's hard-line sanctions enforcement was a main driver of higher crude prices in late August and September. While prices have since eased, the sanctions are expected to remain a key factor affecting oil markets.

Meanwhile, shipping freight markets are bullish due to weather-related long port delays and the beginning of loading for the third decade of November.

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		2-Nov		26-Oct		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.187		1.234	-	-3.78
PTA	7,120	1.031	7,145	1.028	-0.35	0.23
MEG	5,950	0.861	6,155	0.886	-3.33	-2.77
Caprolactam	16,500	2.389	16,300	2.346	1.23	1.82
Acrylonitrile	14,600	2.114	17,300	2.490	-15.61	-15.12
PET	11,705	1.695	12,005	1.728	-2.50	-1.93
Polyester filament						
FDY 50 den/24f	12,250	1.774	12,600	1.814	-2.78	-2.21
DTY 50 den/72f	17,250	2.498	17,650	2.541	-2.27	-1.70
DTY 150 den/48f	12,505	1.811	12,605	1.814	-0.79	-0.22
POY 150 den/48f	10,430	1.510	10,930	1.573	-4.57	-4.02
FDY 150 den/96f	10,060	1.457	10,760	1.549	-6.51	-5.96
Polyamide 6 filament						
FDY 70 den/24f	23,950	3.468	24,200	3.483	-1.03	-0.46
Staple fibre						
Polyester 1.4 denier 38 mm	9,640	1.396	9,940	1.431	-3.02	-2.45
Viscose 1.5 denier, 38mm	14,950	2.165	15,178	2.185	-1.50	-0.93
Acrylic 1.5 denier, 38 mm	20,500	2.968	20,500	2.951	0.00	0.58

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
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
31-Oct	1.30	1.65	1.80	1.90

PSF cheaper in China and India as cost recedes

Polyester staple fibre prices declined to a 13-week low in China, following quick losses in feedstock prices and tepid demand. Domestic markets saw small parcels changing hands on rigid demand, while export offers also declined as discussions were at slightly lower levels. Further depreciation of Yuan allowed exporters to lower offers as they sought to increase market share to manage inventory levels. Production rates were ramped up entering peak season, amid lukewarm demand, which led to inventory piling up. Offers declined further with 1.4D direct-melt PSF at 9.75-9.90 Yuan a kg (US$1.41-1.43 a kg, down US cents 4) in Jiangsu and Zhejiang while the same in Fujian and Shandong at US$1.41-1.43 a kg, down US cents 4-5. Export offers also declined by US cents 5 to around US$1.30 a kg FOB China.

In Pakistan, polyester fibre producers held stable offers and were active to offload goods. 1.4D PSF producers' offers were unchanged at PakRs.205-207 a kg (US$1.53-1.55 a kg).

In India, producers cut down offers for November by INR5, after three months of stable run, amid weak sentiment. 1.2D is pegged at INR98.25 a kg (US$1.35 a kg) and 1.4-2D at INR97.50 a kg or US$1.34 a kg, both down US cents 6.

Nylon

In China, nylon staple fibre 1.5D prices were unchanged at 19-20.50 Yuan a kg (US$2.74-2.96 a kg).

Acrylic

Acrylic staple fibre markets in Asia were silent or reacted to the upheavals of upstream raw material prices plummeting across regions. Acrylonitrile prices have declined sharply over the past two weeks on dropping operating rate in acrylic fibre sector. In China, the industry run rate clocked 39% during the week, indicating a shrinking supply, and many units were idled, while some reduced production. Downstream demand was weak, as mills were covered enough so buying interest waned. In India, acrylic fibre

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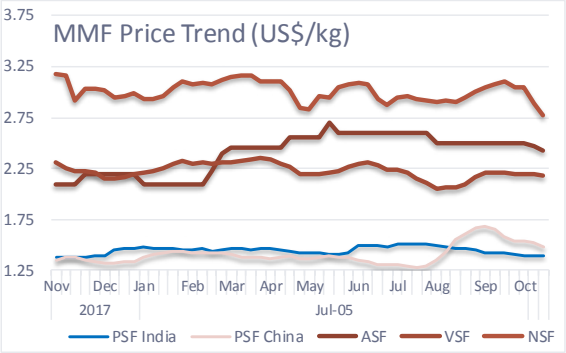
producers reduced their offers for November seeing acrylonitrile prices drop more than 6% in the past three weeks. In Pakistan, offers remained unchanged after they were cut in the second week of October. With a successive fall in acrylonitrile cost, a markdown in acrylic fibre prices is inevitable. However, the extent of any reduction and the timing will be decided by producers. In Europe, acrylic fibre producers have reduced the operating rate to an average of 70-80%. The drop was more pronounced in Turkey where AKSA cut its production by 40% through October due to a season lull.

Taiwan origin 3D bright ASF tow offers remained unchanged at US$2.40-2.45 a kg, while offers in China for medium-length and cotton-type acrylic fibre were stable at 20.50-21.90 Yuan a kg (US$2.96-3.01 a kg). In India, producers' offers were reduced for November by INR9.50 to INR187.50-199.00 a kg (US$2.57-2.73 a kg, down US cents 11). In Pakistan, 1.2D ASF prices rolled over in Karachi market at PakRs.345 a kg (US$2.58 a kg).

Viscose

Viscose staple fibre market extended the weakness in China, amid thick pessimistic prospects. Although producers intended to maintain price levels, low prices still emerged frequently, while actual transaction volumes were limited. Downstream mills generally talked down the prices, or waited for release of monthly settlement prices. In India, prices remained unchanged while they rolled over in Pakistan after a hike last week. Overall, a weakness in the viscose market was obvious during the week, as supply was ample despite lower industrial run rate, while demand was soft in the current environment. It is expected that some yarn makers may replenish volumes next week.

In China, offers for medium-end viscose goods moderated to 15-15.30 Yuan a kg (US$2.16-2.21 a kg) and those for high-end goods were at 14.80-14.90 Yuan a kg (2.13-2.15 a kg, down US cents 4) from previous week. In spot, 1.5D VSF offers were down at 14.93 Yuan a kg (US$2.15 a kg) and 1.2D at 15.10 Yuan a kg (US$2.18 a kg), both down US cents 3 from last week. In Pakistan, offers for 1.5D VSF were steady at PakRs270-273 a kg (US$2.02-2.04 a kg) in Karachi. In India, 1.2-2.0D VSF prices remained unchanged at INR150-200 a kg (US$2.06-2.74 a kg).



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Cotton market

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	2-Nov	26-Oct	Change		2-Nov	26-Oct	Change
Dec	78.79	78.53	0.26	Nov	14,675	14,670	5
Mar	80.31	79.83	0.48	Jan	15,070	15,100	-30
May	81.56	80.81	0.75	Mar	15,455	15,515	-60
Jul	82.51	81.48	1.03	May	15,810	15,875	-65
Oct	79.43	78.90	0.53	Jul	16,045	16,070	-25
Dec	78.31	77.33	0.98	Sep	16,320	16,380	-60

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)		
2-Nov	26-Oct		2-Nov	26-Oct	Change
88.60	86.80	1.80	8,650	8,650	0

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)		
2-Nov	26-Oct	Change	2-Nov	26-Oct	Change
15,671	15,831	-160	46,700	46,800	100

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)		
2-Nov	26-Oct	Change
79.01	81.24	-2.23

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

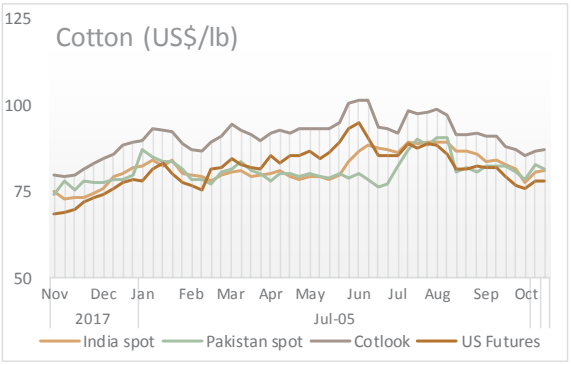
Cotton Yarn export quotations (week ended 2 November)								% change on Week						
		India		Bangladesh		Pakistan		India		Bangladesh		Pakistan		
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	
Open-end	10s			1.77		1.72				0.0		0.0		
	12s			1.84		1.78				0.0		0.0		
	16s	1.85		2.00		1.91		0.0		0.0		0.0		
	21s	1.98						0.0						
Carded	20s	2.53	2.57					0.0	0.0					
	30s	2.80	2.70		2.84	2.81		0.0	0.0		-0.4	0.0		
	40s	2.95						0.0						
Combed	20s		2.77		2.87				0.0		0.0			
	26s		2.85		2.99				0.0		0.3			
	30s		2.90		3.03				0.0		0.3			
	34s		3.03		3.16				0.0		0.3			
	40s		3.25		3.36				0.0		0.3			
Compact combed	30s	3.08		3.14	3.04			0.0		0.6	0.3			
	40s	3.30		3.44	3.39	3.36		0.0		0.3	0.0	0.3		
	60s	3.90		4.50	4.50	4.40		0.0		0.0		0.5		
	80s			5.40	5.40	5.30				-3.2		-3.1		

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Cotton Futures rise on hopes of resolution to trade war

US Cotton Futures were lifted as the market ignored a dismal weekly export sales report, and instead reacted to a message by President Trump about a conversation he had with President Xi about trade and North Korea. The market hopes for a resolution to the trade war, or at least the easing of any additional threats of more tariffs. However, trends are still mixed. The weekly crop data showed slow progress with the harvest and still poor crop conditions. Export sales for the last few weeks have been poor, showing no real signs of improvement at the moment. Export demand should improve soon for prices to rally significantly this year, but any increase in demand has to emerge without purchases by China for a while.



December contracts gained US cent 0.26 week-on-week to close at US cents 78.79 per pound while March was up US cent 0.48 to finish at US cents 80.31, widening the premium over front month to US cents 1.52. December 2019 also rose US cent 0.98 to close at US cents 78.31 per pound. Global spot benchmark, the Cotlook A Index, however, gained sharply by US cents 1.80 on the week to close at US cents 88.60 per pound, having jumped US cents 2.20 on the weekend alone.

In China, with the rise in cotton futures on the Zhengzhou Commodity Exchange, cotton spot market trading improved, with prices stable. Raw cotton buying in Northern Xinjiang gradually came to the end, with prices at 5.60-5.80 Yuan a kg (US cents 37-38 per pound). Selling prices for spot ginned cotton were slightly above 15.50 Yuan a ton (US cents 101 per pound) but sellers were reluctant to conclude deals at lower prices. The China Cotton Index continued to slide rapidly this week by 160 Yuan, to close at 15,671 a ton (US cents 102 a pound, down US cent 1 from last week).

In Pakistan, cotton prices' partially-regained losses suffered last week opening this week amid renewed buying interest. However, activity remained brisk to moderate and outlook was still uncertain later in the week. There was no new factor which could be attributed to recovery except that a mild correction was warranted as many spinners tried to replenish their stocks at lower prices. The KCA spot rate rolled over at PakRs8,810 per maund ex-Karachi at the close of this week.

Reportedly, the crop shortage was a major factor for small-and-medium sized spinners who largely depend on local cotton. In order to meet the shortfall, around four million bales are estimated to be imported to meet domestic demand of around 14.50-15 million bales. Sources stated that around 2 million bales are already booked by spinners largely coming from India.

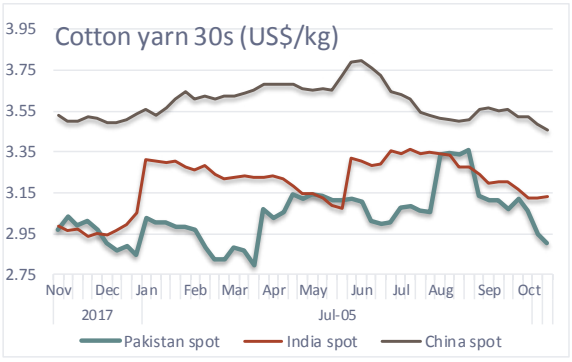
In India, cotton prices were stable to soft as arrivals picked up during this week. Benchmark, Gujarat Shankar-6 was traded at INR46,700 per candy, down INR100 from last week. Prices of other varieties were down INR100-300 a candy, with some rising INR100 a candy.

Cotton yarn

Cotton yarn sales were steady in China, and prices retreated slightly from stable. Cotton yarn 32s and 21s saw smooth sales. Producers kept offers stable, but discounts were available for actual discussions. The cotton yarn market will remain under correction given the fall in domestic cotton prices but may go down further in coming weeks. 32s cotton yarn prices fell to 23.80 Yuan a kg (US$3.43 a kg), while 40s fell to 24.90 Yuan a kg (US$3.59 a kg) both down US cent 1. Coarser yarn prices of 16s also fell to 15.20 Yuan a kg (US$2.19 a kg) while 21s moderated to 19.30 Yuan a kg (US$2.78 a kg), both down US cent 1.

In India, cotton yarn prices rolled over given the either-way movement in cotton prices. With cotton arrivals picking up, this may prompt yarn makers to maintain stable yarn prices. 30s carded cotton yarn for knitting rolled over at INR230 a kg (US$3.16 a kg, up US cents 2 due to strong INR) in Coimbatore while export offers rolled over at US$2.90 a kg.

In Pakistan, cotton yarn prices were under correction both in Karachi and Faisalabad yarn markets. 30s carded prices in Karachi were stable at PakRs175-180 per pound (US$2.89-2.97 a kg), while 32s cone in Faisalabad edged down up at lower end and rose at the upper end to PakRs175-188 per pound (US$2.89-3.10).



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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"
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
02/11/2018	9.322	5.715	7.984	4.450	4.720

PTA, MEG, ACN prices plunge further

Polyester input: MEG

Mono ethylene glycol prices in Asia weakened amid a bearish market sentiment after recent losses in crude oil values and lackluster sales in downstream polyester industry. Downstream polyester prices also declined as production was ramped up amid lukewarm demand. Losses in crude oil prices further exerted downward pressure on polyester and MEG prices. Meanwhile, inventories along east China increased 4% week-on-week to 604 kilo ton on increased arrival of imported cargoes. Spot 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, players in MEG market were awaiting October contract settlement, as talks continued. A dual agreement alongside November discussions is expected. Bulk spot prices slipped further this week on good import supply while truck prices were stable to soft. Bulk range was assessed at a Euro 30 decrease on the lower end and 34 at the high, bringing prices to Euro 800-806 a ton CIF NWE. Truck spot prices softened Euro 5 a ton to Euro 850-870 a ton FCA NWE.

In the US, MEG October contracts were settled down last week at US cents 40.5-46.5 per pound FOB, while ethylene oxide contract prices for October fell 3.3% this week on the back of a decrease in contract settlement for ethylene.

Polyester input: PTA

Purified terephthalic acid prices dropped in Asian markets, while the futures market in China retreated significantly once again. Support from the upstream paraxylene market turned weaker while processing margin stayed stable with a likelihood to recover further. The average plant run rate in China dropped to 73% last week due to the plant turnarounds at Yisheng Petrochemical and BP Zhuhai Petrochemical. Asian PTA markers CFR China fell US$40 on the week at US$920-922 a ton, while offers from Taiwan/Korea were stable at US$970-990 a ton. In China, offers for bonded goods edged down US$30 to US$970-1,000 a ton, and discussions for nearby-month cargoes were around US$900 a ton.

In Europe, October contract decreased moving alongside lower paraxylene October contract price. Meanwhile spot remained unchanged. October contract price was down Euro 15 at Euro889-923 a ton FD NWE.

In the US, October contracts were assessed at a rollover assessed at US cents 60.10 per pound DEL USG, tracking flat contract for paraxylene.

Nylon input: Caprolactam

Caprolactam markets in Asia were quiet this week amid uncertainty and volatile prices in domestic China. Downstream nylon chips prices also softened in the week as sellers were under pressure from falling feedstock prices the previous week, and the overall market sentiment was poor. Major caprolactam makers released their offers for November shipments slightly higher than October settlements. Asian markers were stable to moderate, with SE and FE Asia markers flat at US$2,180-2,220 a ton. In China, spot prices for liquid goods were at 16,200-16,500 Yuan a ton (US$2,335-2,380 a ton) while flake goods were at 16,500 Yuan a ton (US$2,380 a ton). Sinopec nominated November contract price at 17,500 a ton (US$2,520 a ton, up US$20 from October settlement).

In Europe, October caprolactam contract discussions were concluded with drops due to lower October benzene costs. Talks were extensive with suppliers originally aiming for pricing stability at the start of the month, despite lower feedstock costs. There were worries about weaker automotive demand including the nylon 6 market, along with a general concern for the future due to macroeconomic and political uncertainty. October contract prices fell Euro8-16, bringing prices in the range of Euro2,264-2,417 a ton FD NWE. The upstream Cyclohexane contract for November softened to Euro858 a ton ex-works.

Acrylic input: Acrylonitrile

Acrylonitrile markets in Asia continued their downtrend on falling feedstock prices and weak downstream demand. In China, domestic prices dropped by 17% on the week due to weak market sentiment. Buying appetites were largely dampened due to consecutive

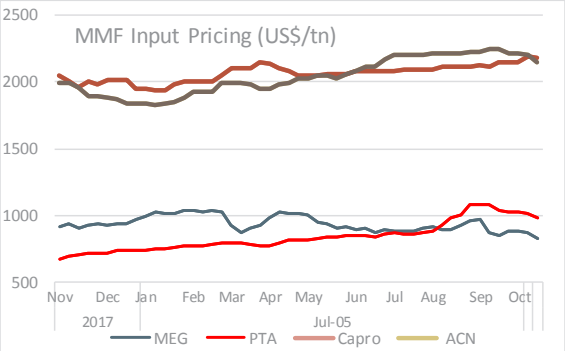
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drops in the spot market and sluggish demand from the acrylic fibre sector. Major producers also dropped their list and contract prices citing soft demand from acrylic fibre makers. The Far East CFR marker fell US$50 to US$2,129-2,131 a ton, while 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.

In Europe, acrylonitrile prices declined amid downstream production cuts in the region and economic slowdown in China. Acrylic fibre producers in the region have reduced production, thus reducing overall demand for acrylonirtrile by about 10-12 kilo ton. Spot prices dropped US$100 to US$1,898-1,902 a ton CIF Mediterranean.

In the US, export acrylonitrile prices fell in line with declining values in Asia and Europe. A lack of offers for spot was limited by severe drop in prices as producers in the region continued to focus on rebuilding inventories for 2019 buying year. Acrylonitrile-butadiene-styrene



and acrylic fibre demand continued to soften amid weak production margins. 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
	2-Nov		26-Oct			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	14,700	2.1283	15,000	2.1592	-2.00	-1.43
Viscose 30s	20,180	2.9217	20,180	2.9048	0.00	0.58
Poly/cotton 32s	18,900	2.7364	19,000	2.7350	-0.53	0.05
Poly/viscose 40s	20,000	2.8957	20,000	2.8789	0.00	0.58
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	2-Nov		26-Oct			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	23,850	3.4531	24,000	3.4547	-0.62	-0.05
Cotton combed 32s	23,750	3.4386	24,050	3.4619	-1.25	-0.67
Cotton carded 40s	25,300	3.6630	25,400	3.6562	-0.39	0.19
Cotton combed 40s	26,900	3.8947	27,000	3.8865	-0.37	0.21

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, 2 November 2018		Friday, 26 October 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,400	2.3065	1,400	2.3010	0.00	0.24
Carded 40/1	2,200	3.6245	2,200	3.6158	0.00	0.24
Carded 22/1	1,555	2.5619	1,555	2.5557	0.00	0.24
Carded 30/1	1,785	2.9408	1,785	2.9337	0.00	0.24
Combed 20/1	1,620	2.6690	1,620	2.6625	0.00	0.24
Combed 40/1	2,400	3.9540	2,400	3.9445	0.00	0.24
Source: Brecorder , X-Rates						

Polyester filament prices nosedive on easing cost

Polyester

Polyester filament yarn prices nosedived in China as upstream feedstock cost eased dramatically. Local offers were generally cut in various proportion with POYs and FDYs falling rapidly than DTYs. Despite prices were cuts in many cases, discounts were also available in firm trades. Downstream mills still held wait-and-see stance mainly expecting further drop in offers. In Pakistan, local DTY prices were stable and were at par with offers for imported goods. In India, with PTA prices weakening, local PFY offers were generally stable, with mild corrections is expected in coming weeks. Discounts were widely available as downstream mills mainly covered short positions as downstream sales were insipid.

In China, POY offers dropped further by US cents 5-7 in Shengze with 75/72 at US$1.59-1.60 a kg and 75/36 to US$1.57-1.59 a kg. In India, POY offers were flat, with 115/108 at INR104 a kg or US$1.43 a kg and 130/34 POY at INR96 a kg or US$1.32 a kg. In China, 75/72 intermingled DTY prices edged down US cent 1 at US$2.09-2.10 a kg and 75/36 to US cents US$2.06-2.08 a kg. In Pakistan, selling indications for local goods were stable for 300/96 DTY intermingled at PakRs120 a kg (US$1.98 a kg) and imported goods at PakRs118 (US$1.95 a kg). In China, FDY offers fell US cents 4-5 for 50/24 at US$1.64-1.66 a kg and by US cents 10 for 150/96 FDY at US$1.40-1.41 a kg.

Nylon

Nylon filament yarn prices were mostly stable in China this week, with the exception of some lower end prices edging down for few specs. The support mainly came from a hike in domestic caprolactam spot and contact prices, while nylon chip market downtrend was slower. Overall demand was passable and production was at break-even levels. Downstream converters operated at low run rates and purchasing volume of FDY, DTY and POY were on rigid demand. Warp knitting mills and covering mills operated at 65% run rates, and circular knitting and lacing mills at 45% rates. Nylon FDY prices dipped on softening chip market and modest downstream demand while DTY market was weak on low feedstock cost amid tepid downstream demand. In India, nylon filament prices remained unchanged on the week as the cost was still firm at high level.

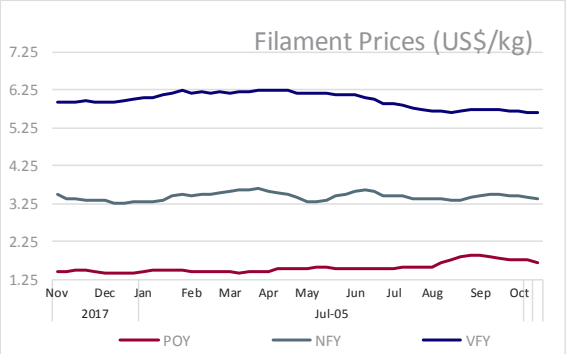
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Price movement key: Increase Unchanged Decrease

In China, offers for nylon FDY70D/24F SD dropped at the lower end to 23.00-23.60 Yuan a kg (US$3.32-3.40 a kg, down US cents 7), while DTY70D offers fell to 23.80-25.00 Yuan a kg (US$3.43-3.60 a kg, down US cents 2). Cord fabric 1,260D offers were flat at 27.00-28.00 Yuan a kg (US$3.89-4.04 a kg) while mono filament 30D prices were stable at 23.50-24.00 Yuan a kg (US$3.39-3.53 a kg). In India, 20 SD filament prices rolled over this week at INR310 a kg (US$4.25 a kg, up US cents 3 due to strong INR) in Surat market.

Viscose

Viscose filament yarn prices were stable to down in China as trading atmosphere weakened. Downstream mills reduced production partially seeing poor order intakes, so demand for viscose filament apparently thinned. In turn, inventory at producers piled up as the operating rate remained stable at a high level. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen softening week on week. In India, viscose filament prices were stable this week although cost rose further, but demand remained rigid. Going ahead, with higher pulp cost, viscose filament prices are expected to remain stable to soft, due to poor downstream fabric performance.



In China, viscose filament offers moderated this week with 120D bright at 39.00 Yuan a kg (US$5.62 a kg), and dull at 38.65 Yuan a kg (US$5.57 a kg), both down US cents 3. 300D bright were down at 29.60 Yuan a kg (US$4.27 a kg) and dull at 26.10 Yuan a kg (US$3.76 a kg), both down US cent 1. In India, VFY prices were stable in INR and up US cents 2-4 in US$ terms, with 100D bright VFY at INR388 a kg (US$5.32 a kg) and 450D at INR 225 a kg (US$3.09 a kg).

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Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	1-Nov	25-Oct	change		31-Oct	24-Oct	change
A$	1,854	1,874	-1.07%	Rand	21,780	21,214	2.67%
US$	1,322	1,327	-0.38%	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		
	25-Oct	1-Nov
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	141.00	141.00
Weaving 32mm	129.00	129.00
Brown		
Hosiery 38mm	135.00	135.00
Weaving 32mm	126.00	126.00
Mongolian Cashmere (dehaired)		
Brown	113.00	113.00
Light Grey	114.00	114.00
Afghan/Iranian Cashmere (dehaired)		
White	110.00	110.00
Fawn	109.00	109.00
Dark Brown	109.00	109.00
Alpaca Tops		
White		
Baby (BL)	36.00	36.00
Fine Spinning (FS)	32.00	32.00
Adult (AG)	19.00	19.00
Camel Hair (dehaired)		
Super-baby	54.00	54.00
Medium baby	50.00	50.00
Adult	40.00	40.00
Silk		
Mulberry Sliver	48.50	48.50
Mulberry Noil	19.50	19.50
Tussah Sliver	37.50	37.50
Tussah Noil	17.00	17.00
Source: The Schneider Group		

EMI declines again but market has more settled week

By Jonathan Dyson

The Australian wool market saw a further decline this week, though the downward slide was not as sharp as last week's dramatic falls, and overall the market had a more settled week. More

Market lifts by 2.7% on weaker rand and better demand

By Jonathan Dyson

The South African wool market traded higher at this week's auction, with the Cape Wools Merino Indicator increasing by 566 points (2.7%) to close at a value of R217.80/kg (clean). The Cape Wools All Wool Indicator increased by 2.8%.despite a weaker local currency. More

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USDA report

USDA's Weekly Export Sales Report of week ending 25 October

According to the latest USDA's Weekly Export Sales Report of week ending 25 October, net sales reductions of 49,000 RB for 2018/2019 – a marketing-year low – were down noticeably from the previous week and from the prior 4-week average.

Increases reported for Pakistan (11,700 RB), Turkey (10,500 RB), India (8,800 RB), Taiwan (5,500 RB) and Peru (3,000 RB), were more than offset by reductions for China (81,300 RB).

For 2019-20, net sales of 92,900 RB were reported for China (88,000 RB) and Turkey (4,400 RB). Exports of 109,800 RB were down 21% from the previous week and 34% from the prior 4-week average. Exports were primarily to Pakistan (19,400 RB), Vietnam (18,200 RB), Bangladesh (12,600 RB), Mexico (11,600 RB), and China (10,100 RB).

Net sales of Pima totaling 25,500 RB for 2018-19 – a marketing-year high – were up noticeably from the previous week and from the prior 4-week average.

Increases were reported for India (12,100 RB), China (8,300 RB), Vietnam (1,300 RB, switched from China), Thailand (1,200 RB), and Turkey (1,200 RB, including decreases of 100 RB).

Exports of 4,900 RB were down 4% from the previous week, but up 14% from the prior 4-week average. The primary destinations were India (2,700 RB) and Peru (1,800 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 1,800 RB were reported to Vietnam. Exports for own account to China totaling 200 RB were applied to new or outstanding sales. The current exports for own account outstanding balance is 7,200 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	7,160.9	6,527.1	1,834.8	866.0	263.5	335.6	27.6	19.7
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,160.9	6,527.1	1,834.8	866.0	263.5	335.6	27.6	19.7
Optional Origin	1.8	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	1,986.6	1,773.4			69.2	54.2		
Exports For Own Acct	7.2	62.4			0.0	0.0		
Net Change In Sales	-49.0	209.5	92.9	47.1	25.5	19.1	0.0	0.0

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